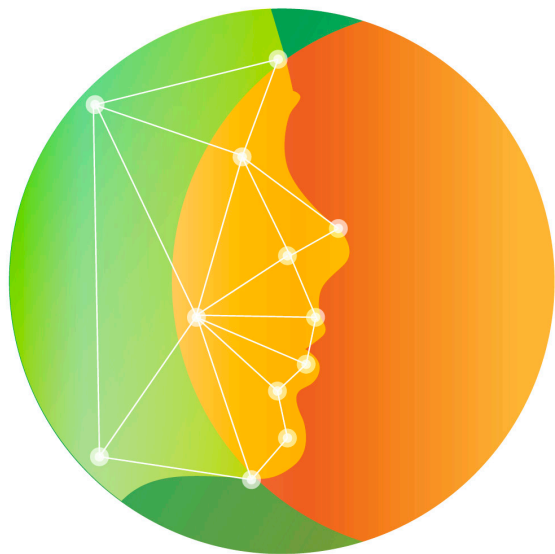


Injury & Disability Schemes Seminar



Insights and Outcomes

10-12 November 2019 • QT Canberra



**Actuaries
Institute**



QLD CTP Scheme Update

Neil Singleton,
Insurance Commissioner

© This presentation has been prepared for the Actuaries Institute 2019 Injury and Disability Schemes Seminar.

The Institute Council wishes it to be understood that opinions put forward herein are not necessarily those of the Institute and the Council is not responsible for those opinions.



Presentation Overview

- **Year in Review**
- **Measures of a healthy CTP scheme**
 - **Affordability**
 - **Efficiency**
 - **Fairness**
 - **Competition**
- **A few stats**
- **A few pictures**
- **Wrap up**

2018-19 Year in Review



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Total number of registered vehicles in Queensland as at 30 June 2019

4.34M



1.8%



New claims

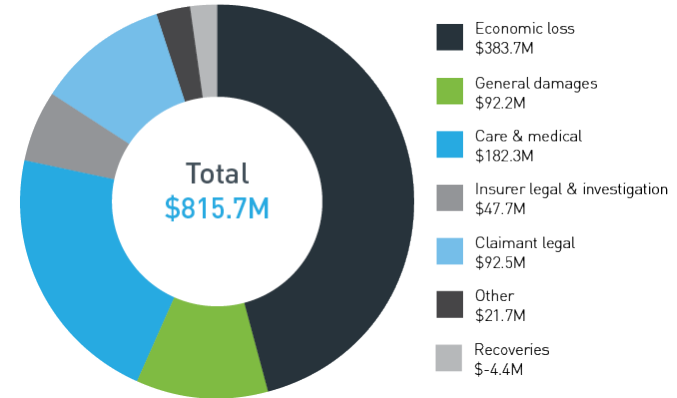


7,841



1.8%

Claim payments



Insurer market share as at 30 June 2019*

Suncorp	RACQI	QBE	Allianz
45.0%	19.3%	7.9%	27.9%

* Market share by premium collected for 12-month period 1 July 2018 to 30 June 2019.

Premiums

Q1	Q2	Q3	Q4
\$350	\$344	\$339	\$339

Total premiums collected*

\$1.59B



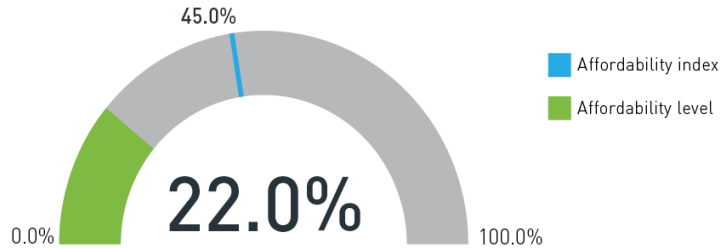
0.7%

Annual levies per vehicle (Class 1 vehicles) 2018-19

Statutory insurance scheme levy	Nominal Defendant levy	NIISQ levy	Administration fee	Hospital and emergency services levy
\$1.50	\$9.00	\$88.20	\$7.50	\$18.00

* Includes NIISQ levy which commenced 1 October 2016

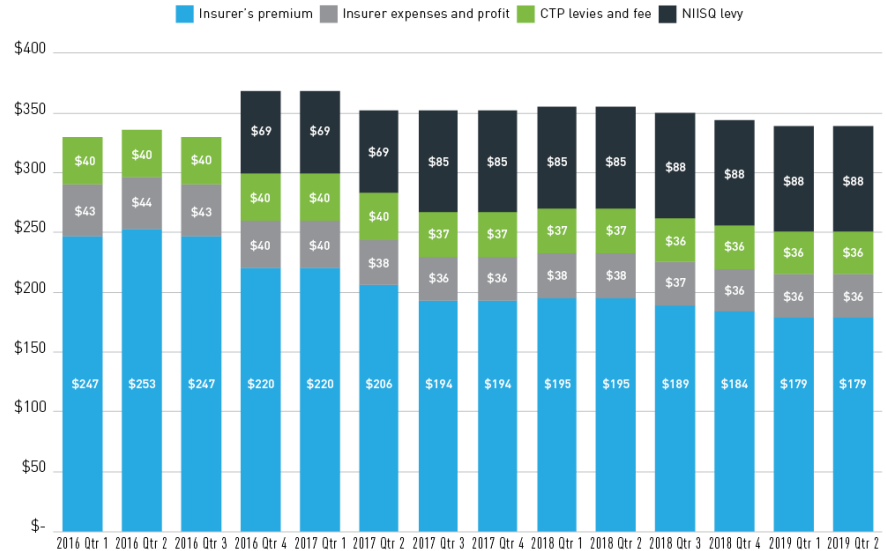
Premium Affordability



We monitor premium affordability using an affordability index. This index compares the Class 1 premium with the weekly earnings of a full-time adult Queenlander, as published by the Australian Bureau of Statistics. Our goal, which we have consistently achieved, is less than 45% of average weekly earnings.

- **Premium affordability continues to improve**
- **Consistently the most important factor for Queensland motorists**

Class 1 premium breakdown



Insurer's premium is the Class 1 premium (including GST).

Insurer expenses and profit includes claims handling expenses, policy expenses, reinsurance expenses, and insurer profits.

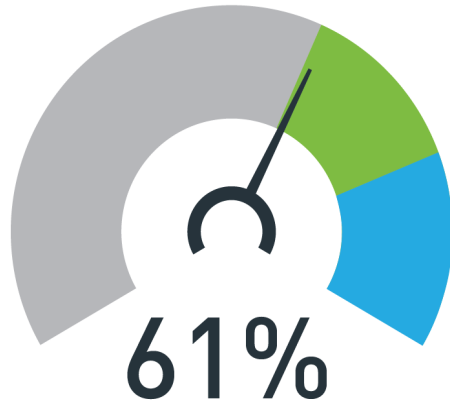
CTP levies and fee includes Hospital and Emergency Services levy, Nominal Defendant levy, Statutory Insurance Scheme levy, and Queensland Department of Transport and Main Roads administration fee.

NIISSQ Levy includes the National Injury Insurance Scheme, Queensland (NIISSQ) levy. NIISSQ is a no-fault scheme that provides necessary and reasonable lifetime treatment, care and support to those who sustain eligible serious personal injuries in a motor vehicle accident in Queensland, on or after 1 July 2016.

Scheme Efficiency

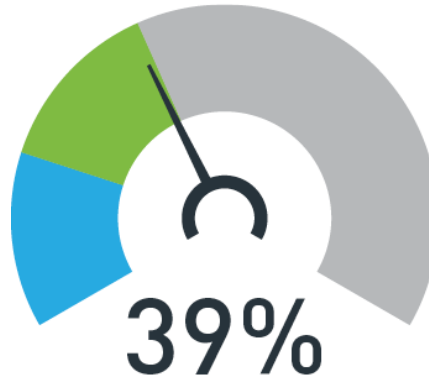


Current claimant benefits
(5-year average to Dec 2018)



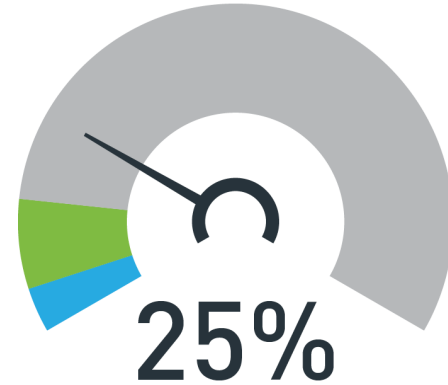
[5% higher than the past 5-year average]

Current delivery costs
(5-year average to Dec 2018)



[5% lower than the past 5-year average]

Total insurer profits out of total delivery costs
(5-year average to Dec 2018)



[6% lower than the past 5-year average]

- Proportion of premium dollar going to claimant benefit improving
- 'Persistent high insurer profits' being reined in (post-2016 scheme review)
- Current premium assumption = 8% profit margin

Scheme Fairness



- **Complaints about insurers – 10**
 - 8 resolved informally
 - 2 remain open (plus one still open from 2017/18)
- **Potential fraud referrals to MAIC by insurers - 11**
 - 2 proceeding
 - 6 pending
 - 3 not progressed
- **Aspects important to the injured person**
 - Easy access to treatment and rehabilitation
 - Quality of treatment and rehabilitation
 - Transparent process, faster process



Competition

- Premium competition by insurers has 'disappeared'
- 'Competition' occurring through other benefits
- Insurers all offer At Fault Driver Cover...for some motorists, for some injuries, in some crashes
- No requirement or restriction on the level of at-fault cover insurers can offer.

CTP Premium Calculator Results

MAIC - CTP Premium Calculator Results

The following CTP Premiums and comparative information is provided for Class 1 Cars and station wagons without Input Tax Credit Entitlement (ITCE) for 12 months cover with a registration due date falling within the period 1 October 2019 to 31 December 2019.

Please note: All CTP insurers provide unlimited liability cover for personal injury caused by your vehicle pursuant to the [Motor Accident Insurance Act 1994](#). Please review the premium rates and add on incentives provided by the CTP insurers and select the CTP insurer best for you.

			
\$ 359.20 ^	\$ 359.20 ^	\$ 359.20 ^	\$ 359.20 ^
Reasons to select RACQ <ul style="list-style-type: none">✓ Additional cover at no extra cost with At Fault Driver Injury Insurance, protects you even if you're the one that caused the accident✓ A \$10 discount off your annual RACQ Roadside Assistance✓ Proactive claims and rehabilitation management from a trusted brand✓ 24/7 customer service Click here for complete terms and conditions	Reasons to select Allianz <ul style="list-style-type: none">✓ QLD based dedicated CTP Claims Specialists✓ Large General Insurance Company of the Year 2018, General Insurance Company of the Year 2018, Employer of Choice for Gender Equality 2014-19✓ Up to \$1,000,000 At Fault Driver Protection cover✓ The confidence that comes with being insured by one of the world's leading insurers Click here for complete terms and conditions	Reasons to select Suncorp <ul style="list-style-type: none">✓ Up to \$2,000,000 Driver Protection cover for specified serious injuries to eligible at-fault drivers✓ A CTP insurance policy counts towards a multi-policy discount✓ 70 years' experience with over 1 million customers✓ Choose a giftcard or a donation to Youngcare for eligible new customers Click here for complete terms and conditions	Reasons to select QBE <ul style="list-style-type: none">✓ Up to \$1,000,000 worth of Driver Protect cover for at fault drivers for death or a range of permanent serious injuries✓ \$25 or \$50 EFTPOS Card for qualifying new customers (only available with 12 month policy periods and to drivers aged over 30)✓ A dedicated Queensland based claims team✓ Cover provided by one of Australia's largest insurers, proudly insuring Queenslanders since 1886 Click here for complete terms and conditions
Change to RACQ	Change to Allianz	Change to Suncorp	Change to QBE

^ Premium rates include CTP scheme levies and GST

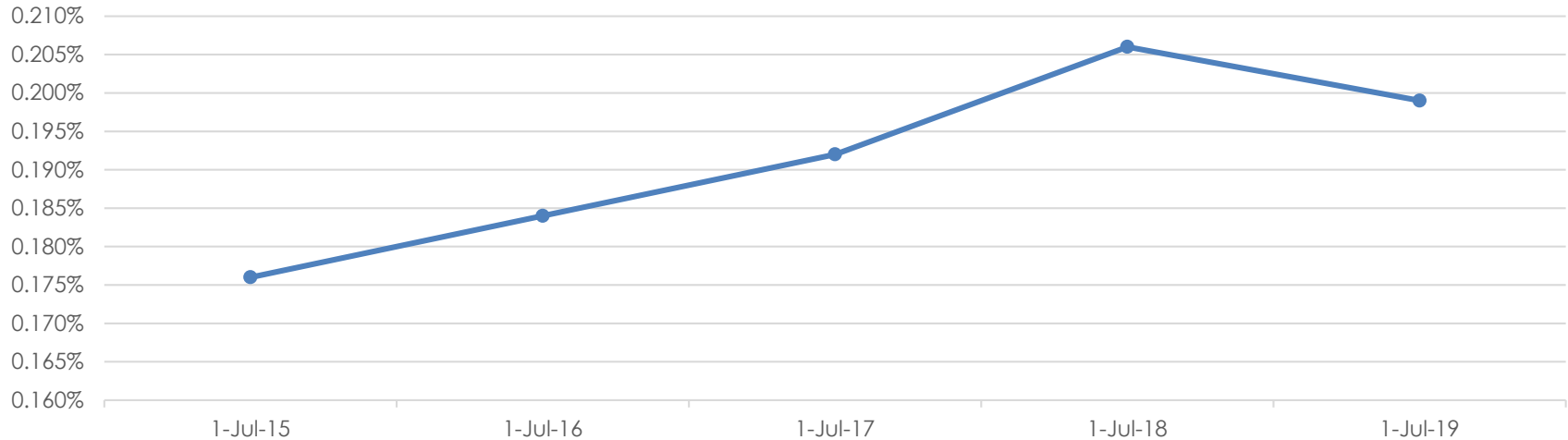
The Motor Accident Insurance Commission (MAIC) provides the information above as an information source only. MAIC makes no statements, representations, or warranties about the accuracy or completeness of, and you should not rely on, the reasons to select one of the above CTP insurers.

For full incentive details, and incentive terms and conditions, please visit the respective CTP insurer website.

Claim Frequency



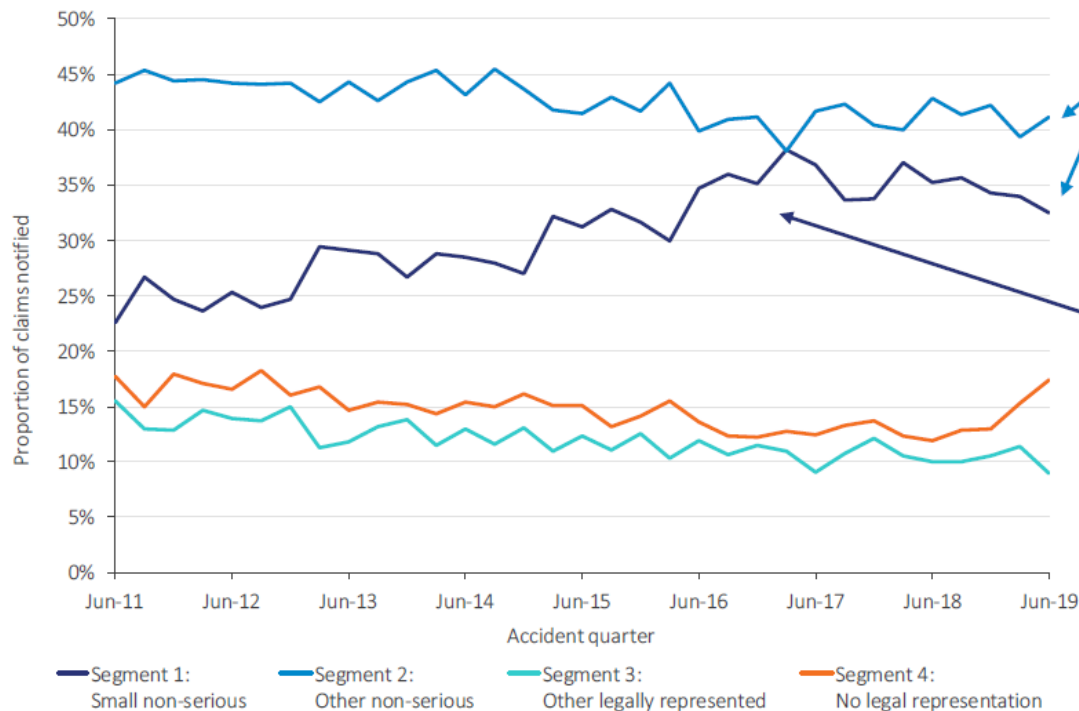
Frequency as at 1 July - 30 September Quarter*



*All classes

- Frequency rose nearly 20% through 2016 to 2018 then plateaued
- Claim farmers remain active

Claims Mix

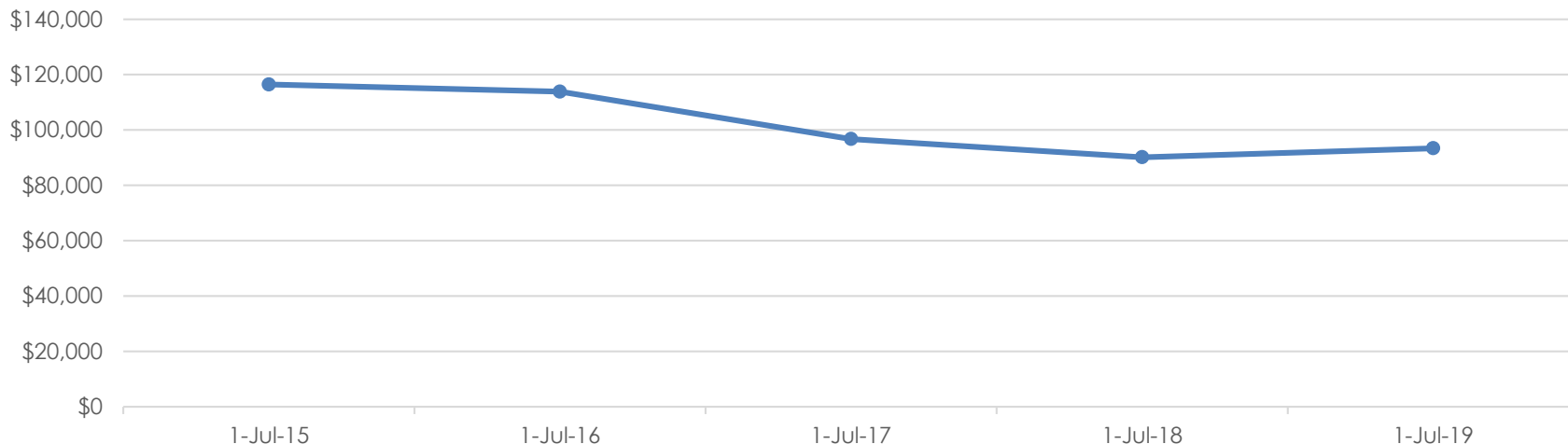


- Rise in legally represented, minor injury, mainly 'nose to tail' low speed collisions....(June 19 spike in direct claims likely to be a coding delay)

Average Claim Size



Size as at 1 July - 30 September Quarter*



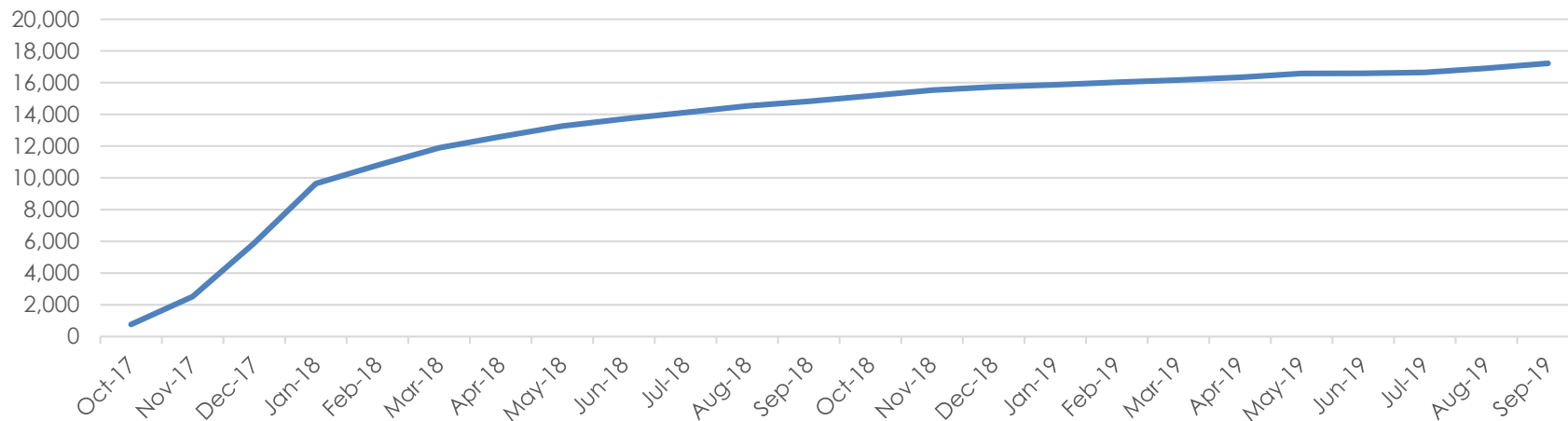
*All vehicle classes, net of NIIS offset

- Average claim size falling
- No new heads of damage
- No evidence of SII (negative over recent periods)
- No new precedents. Caffrey decision attracted some publicity

Rideshare Vehicles

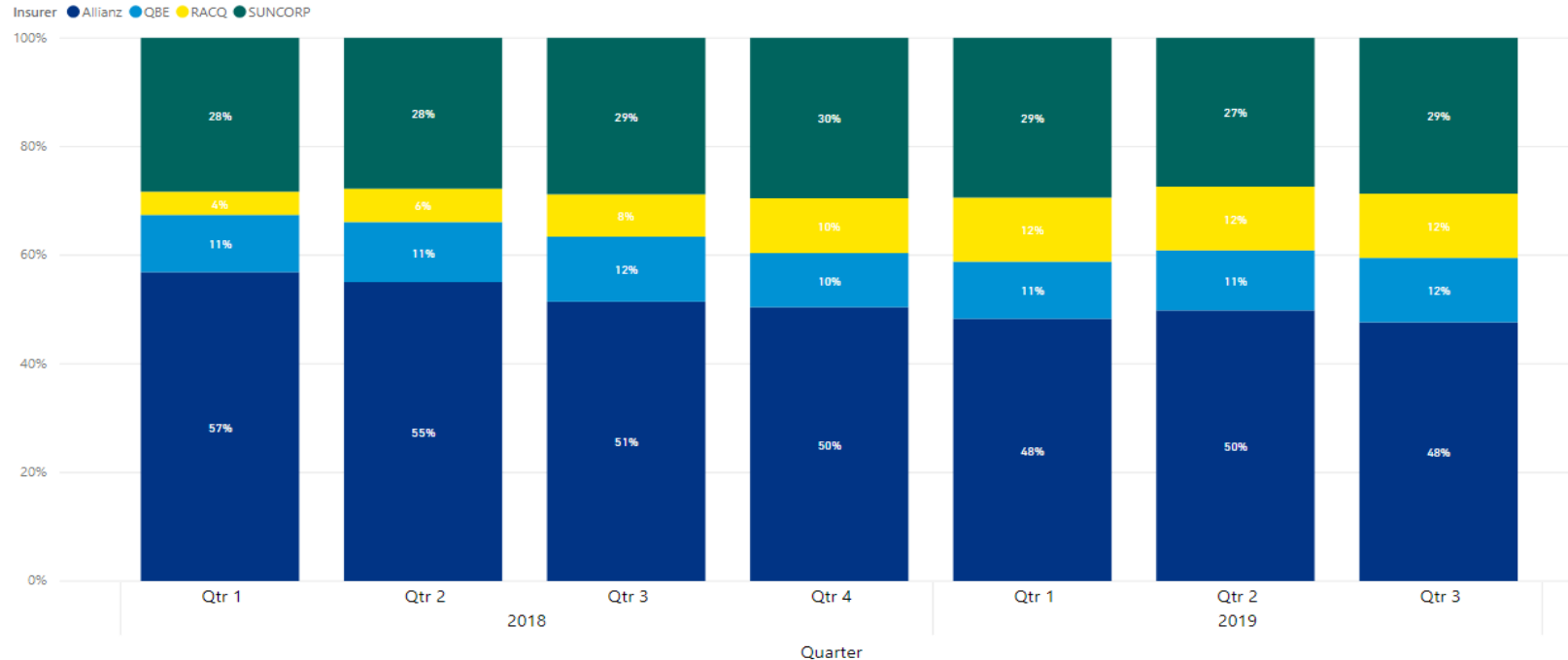


Growth in Class 26 Queensland Registered Vehicles



- Rideshare vehicles legalised Nov 17...17,222 vehicles as at Sept 19
- Premium relativity increased from 157% to 200% times Class 1 from July 19
- Mix of full-time vs part-time rideshare drivers not yet evident to MAIC

Motor Dealer Market Overview



Source: DTMR Jan18-Sep19 Dealer Agency Interface System (DAIS)

- MAIC continues to monitor choice of CTP insurer through the motor dealer channel

Examples of Road Safety Initiatives



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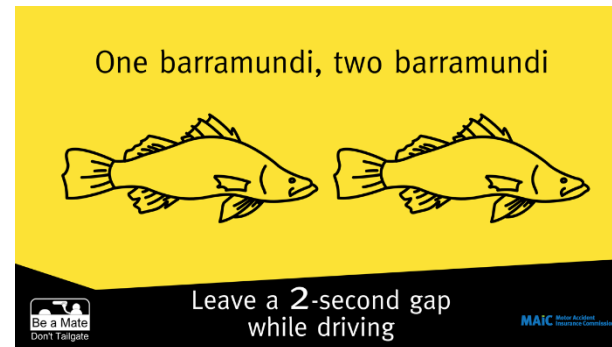
First People's Disability Network



'Set your phone, then leave it alone'



Cooperative and Automated Vehicle Initiative - Zoe2 Vehicle



Be a mate campaign

Examples of Rehabilitation Initiatives

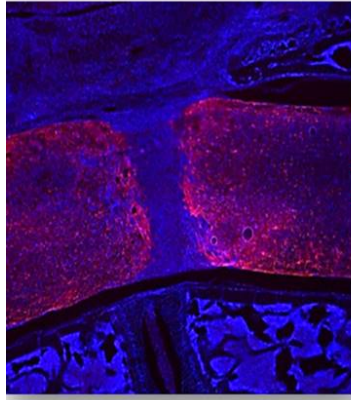


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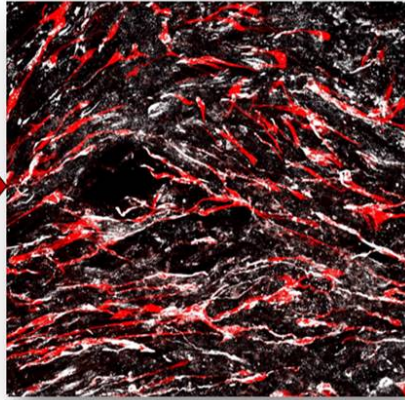


Spinal Cord Injury Project

Spinal cord injury site



Regenerating nerve cells



Biospine

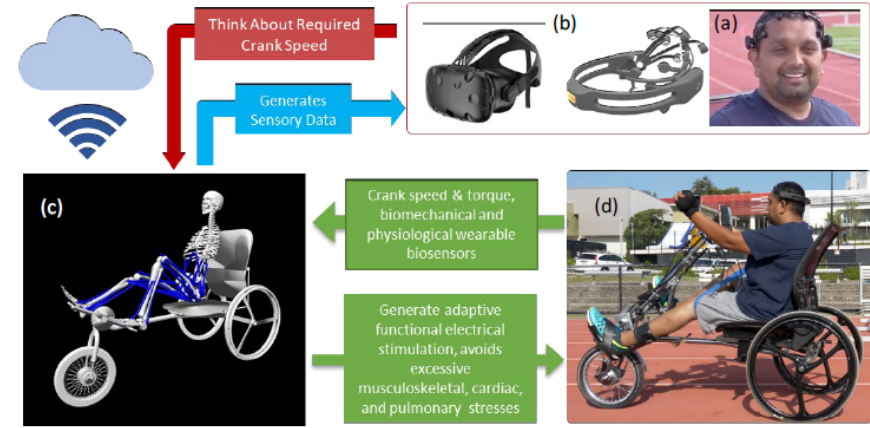


Figure 1 -Schematic representation of the BioSpine rehabilitation system. (a) Dr Dinesh Palipana OAM, who has a SCI, wearing an EEG headset; (b) virtual reality and EEG headsets for brain-computer interfaces; (c) Digital Twin connected to cloud database; (d) Dr Palipana on a recumbent ergometer, which will be substituted for stationary, clinic-friendly, equipment.

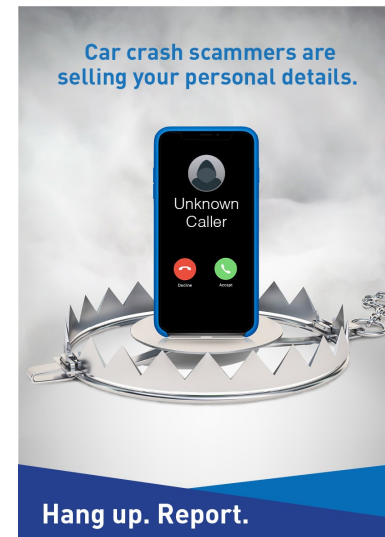
So what does the future hold...



- **Scheme Priority Focus – deliver claim farming reforms**

Ongoing focus -

- **Compliance, Culture and Conversations**
- **Premium Affordability**
- **Innovation**
- **Autonomous Vehicle reforms**





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