



Quarterly CTP Scheme Insights

July - September 2020



Overview

Queensland's CTP insurance scheme remains very healthy, preserving its core strengths of affordability, fairness, efficiency and responsiveness.

From July to September 2020:

- CTP insurance premiums remained stable and affordable when measured as a percentage of Queenslanders' Average Weekly Earnings
- new claims were below previous years' levels, potentially as a result of 2019 scheme reforms and recent changes in road usage
- overall, the number of registered vehicles restored to pre-COVID levels
- MAIC continued to monitor insurers' claims management practices including claims durations and stages of settlement to understand variations between insurers, where those exist
- our investigations into suspected car crash scamming continued with the aim to preserve scheme integrity and protect Queenslanders from harassing scam calls ([learn more](#))
- we enabled and supported collaboration across scheme stakeholders to ensure injured people were able to access treatment and to resolve their claims.



As we move into the last quarter of 2020, we will:

- explore how digitisation could improve the rehabilitation process for claimants and industry stakeholders
- commence publication of claims management standards for licensed insurers
- further develop our claim farming investigation and prosecution framework.
- promote measures to ensure the scheme is safe and respectful in supporting First Peoples injured in car crashes through no fault of their own.

Please explore our interactive graphs below to learn more about our scheme's performance.

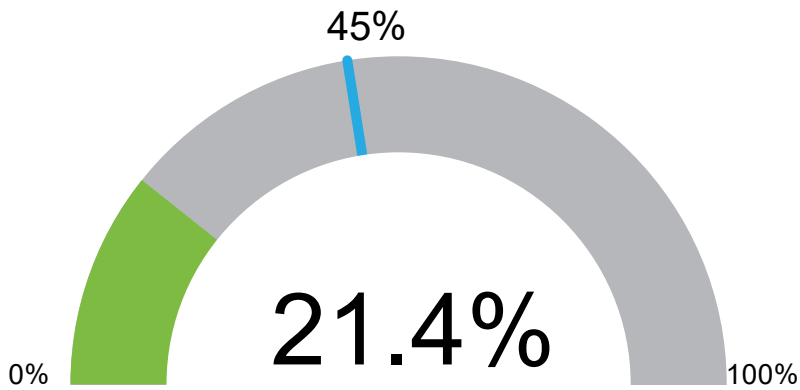
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Affordability

When measured as a percentage of Average Weekly Earnings, Queensland has the most affordable CTP insurance premiums in Australia. From 1 July to 30 September 2020, the Class 1 premium (\$351.60) was 21.4 per cent of Average Weekly Earnings.

Affordability index

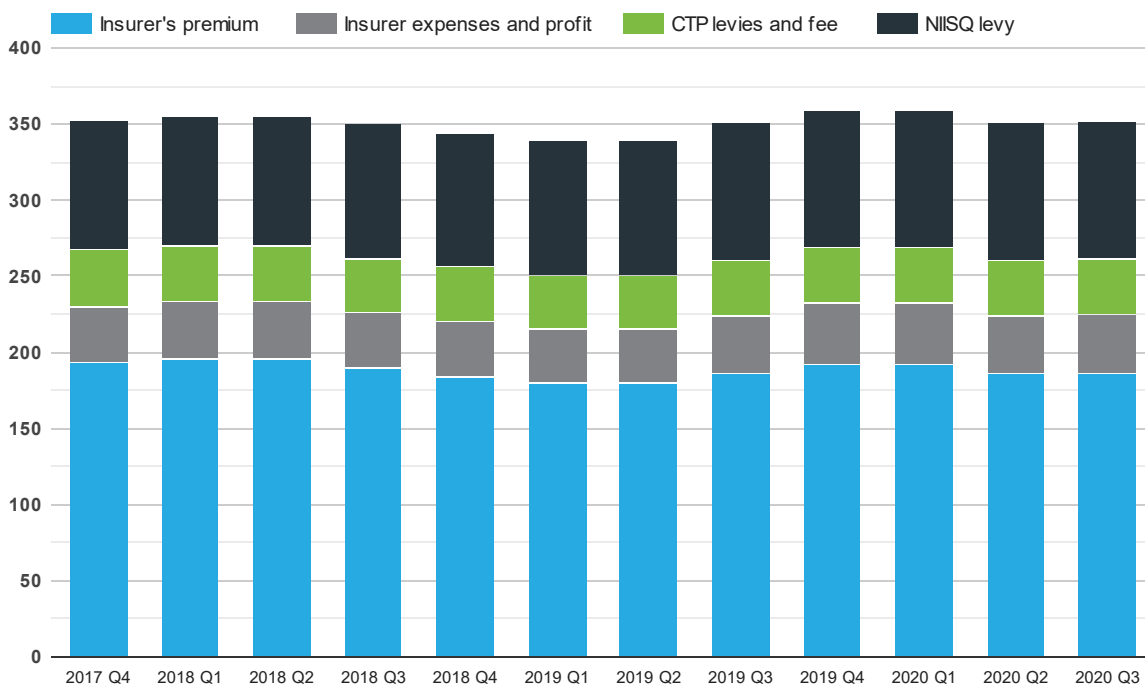


Notes:

Class 1 premium as at 30 September 2020 (\$351.60) is 21.4% of Average Weekly Earnings (\$1,645.40). The affordability index compares the Class 1 premium to the Queensland full-time adult persons ordinary time weekly earnings in the original series (produced by the Australian Bureau of Statistics), at the end of the underwriting period.

CTP premium breakdown

Despite the uncertainties presented by COVID-19, CTP insurance premiums remained affordable and steady over time, and close to the level in the same quarter last year.



Notes:

Class 1 premium as at 30 September 2020.

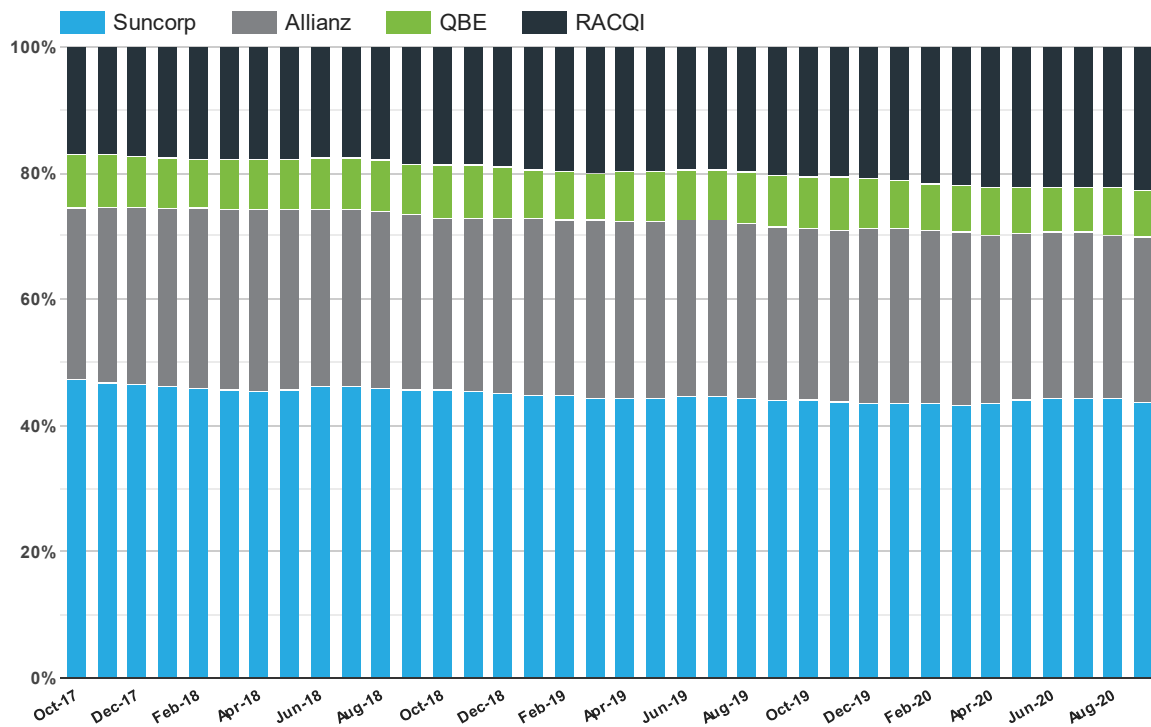
Insurer's premium is the amount the insurer will receive for taking on the risk and includes the risk premium and GST but excludes expenses.

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.

NISQ levy is for the National Injury Insurance Scheme, Queensland (NISQ). Learn more about the [NISQ levy](#).

Insurer market share

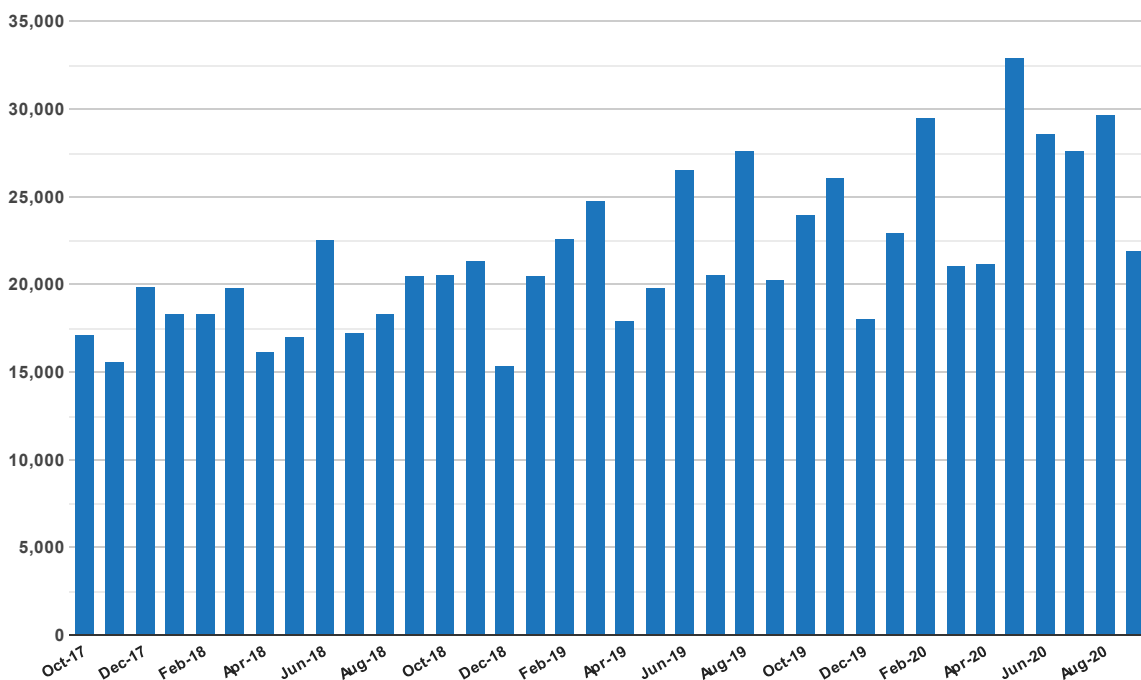
There was no material change in market share in the past quarter.



Note: data refers to three-month rolling averages as at 30 September 2020.

Number of motorists switching insurers

We continued to see modest but increasing signs of vehicle owners switching their CTP insurer. The top three reasons motorists reported for switching were: seeing a reminder in the CTP notice sent with their vehicle registration renewal, being prompted by an insurer when contacting them about their other insurance policies or receiving a letter from their insurer.

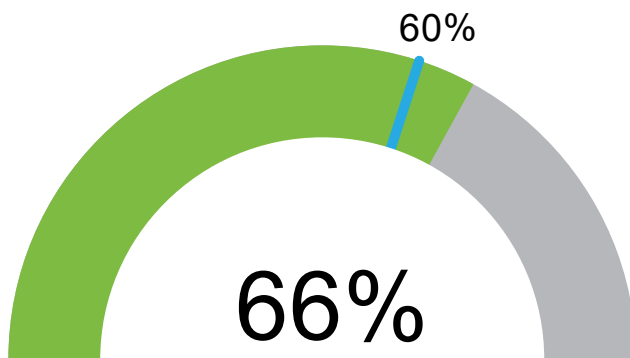


Note: as at 30 September 2020.

Efficiency

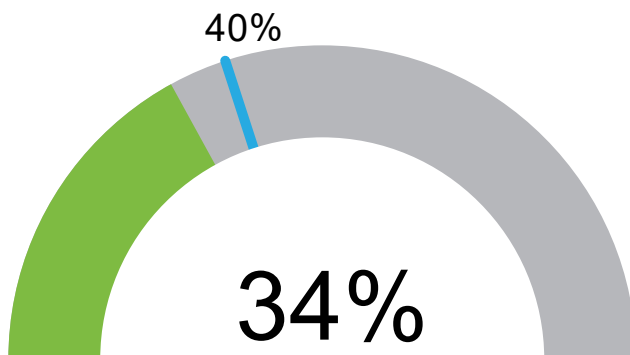
The efficiency of a CTP insurance scheme can be judged by how well insurer delivery costs are controlled while maximising the amount paid to the benefit of the injured person. A best-practice benchmark for a privately-underwritten scheme is for at least 60 per cent of CTP insurance premiums to be delivered as claimant benefits. Each year, we measure the prior five-year average of these figures, and our last measurement not only improved on the 2019 result but also exceeded the best-practice benchmark by six per cent.

Current claimant benefits



5-year average to December 2019 (5% higher than the past 5-year average)

Current delivery costs



5-year average to December 2019 (5% lower than the past 5-year average)

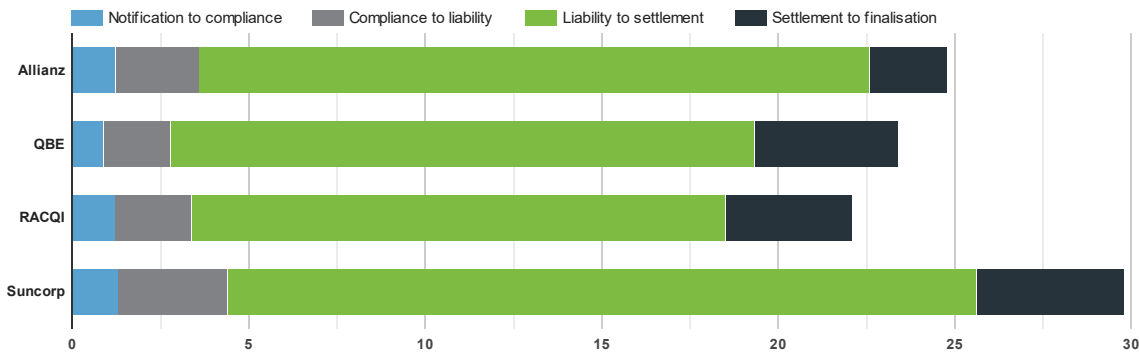
Ensuring timely resolution of claims

Our legislation requires insurers to deal with claims as quickly as possible. Insurers must decide liability within six months from receiving a compliant claim. Despite the challenges presented by COVID-19, MAIC, insurers and lawyers worked collaboratively to continue resolving claims quickly.

More than **99%**

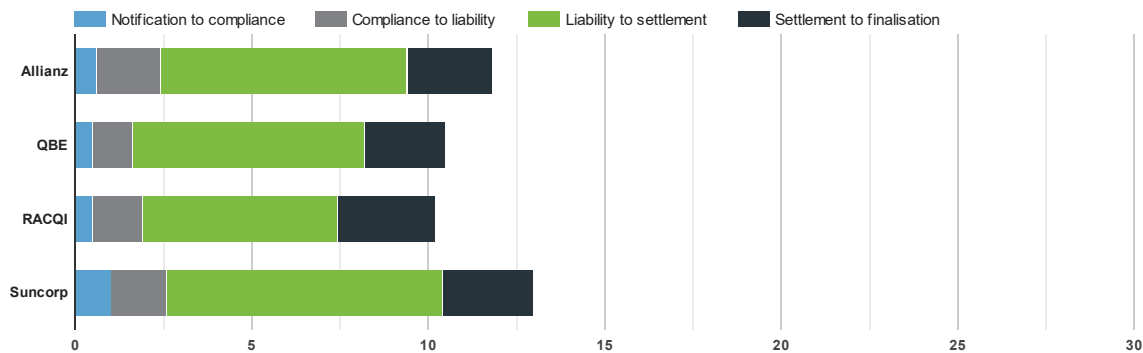
of claims met this requirement in the last 12 months.*

Legally-represented claimants – Average claim duration (months)



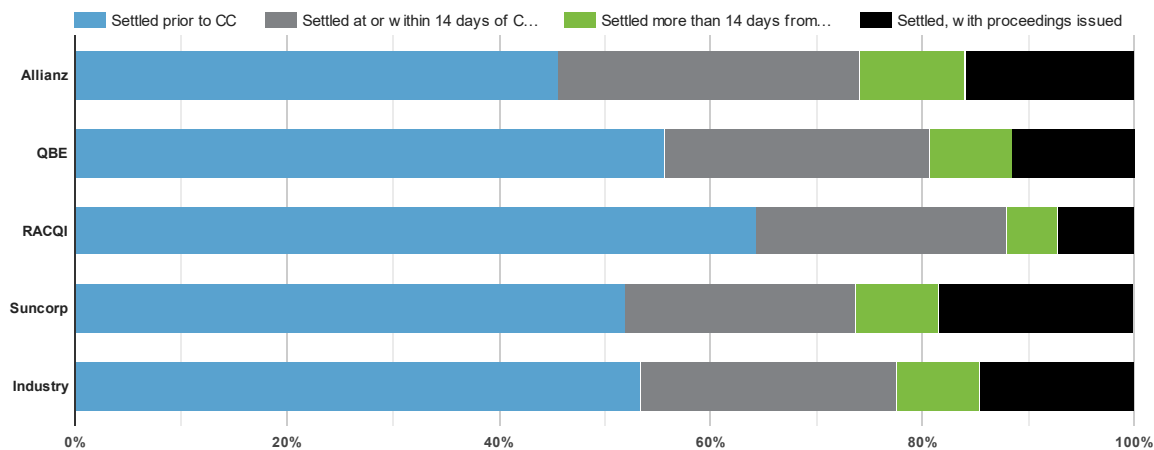
Note: legally represented, finalised claims from 1 October 2019 to 30 September 2020.

Direct claimants – Average claim duration (months)



Note: direct claimants, finalised claims from 1 October 2019 to 30 September 2020.

Claims settled before, during or after compulsory conference (CC) by insurer



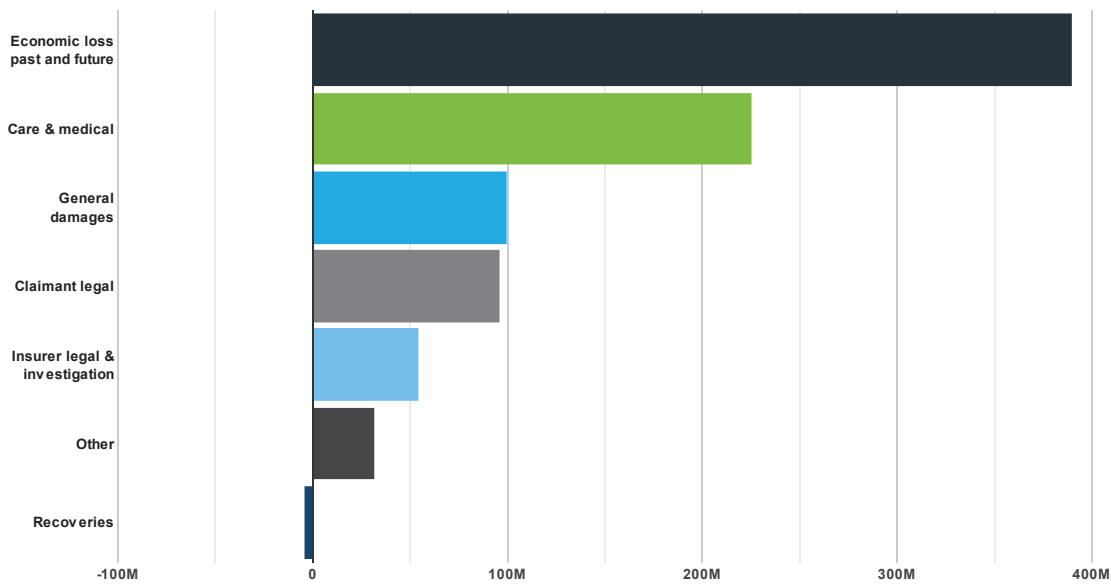
Note: claims finalised from 1 October 2019 to 30 September 2020.

MAIC is continuing to monitor insurers' claims management practices including claim durations and stages of settlement. Where variations exist between insurers, MAIC is analysing the data and consulting with insurers to understand the reasons behind it.

Fairness

Our scheme enables people who are injured wholly or partly due to the actions of another driver to claim fair and timely compensation and access rehabilitation. The compensation paid to the injured party depends on the extent of their injuries that result from the motor vehicle crash and how these injuries affect their work and social functioning. Compensation can include the cost of medical treatment, rehabilitation, loss of income and care services.

Total payments by heads of damage for finalised claims



Notes:

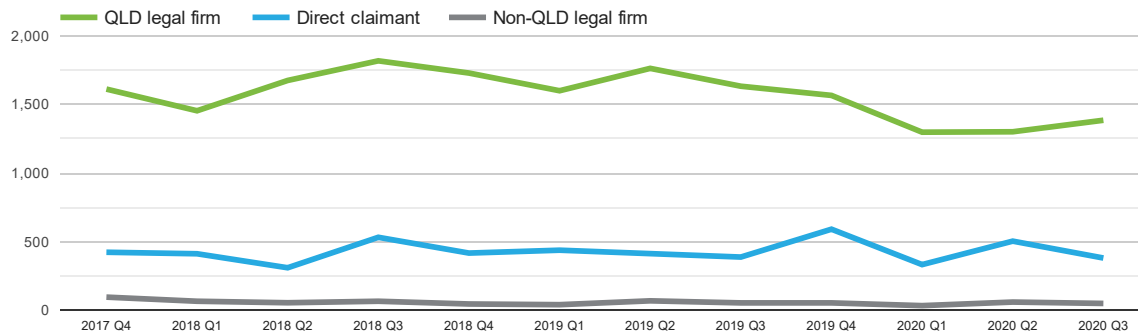
Claim finalised between 1 October 2019 to 30 September 2020.

Other includes home and vehicle modifications, aids and appliances.

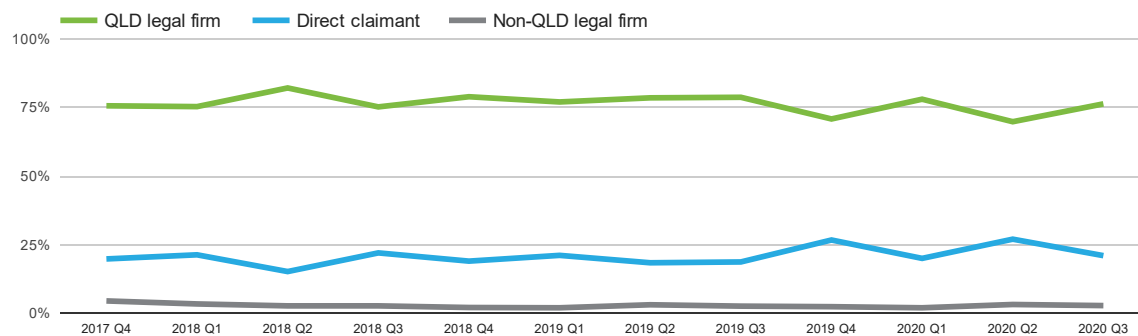
Recoveries include money recovered from insured, other parties, uninsured driver/owners or interstate insurers.

Number of new claims per quarter

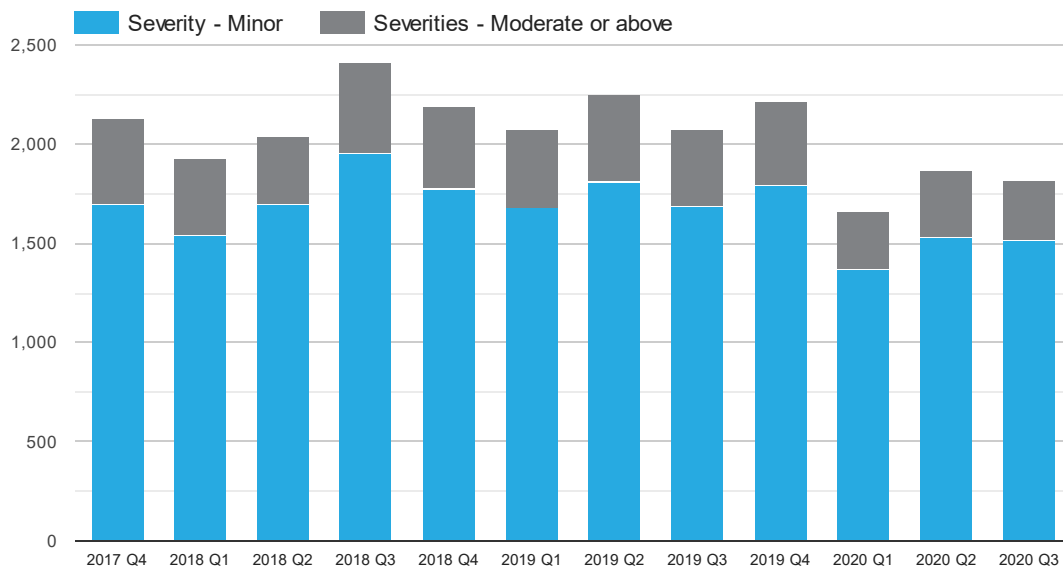
New claim numbers are trending down compared to previous years. For the same period in 2019, new claims per quarter were down by 17 per cent last quarter, and 12 per cent this quarter. Most claims involve Queensland residents seeking assistance from Queensland law firms.



Proportion of claims added per quarter



Number of claims added per quarter by severity



Notes:

The severity of claims is coded based on the Abbreviated Injury Score (AIS) which is a six-point scale where one represents a minor injury and six is maximal.

An AIS code of 9 is used to describe injuries for which not enough information is available for more detailed coding.

A 'moderate injury' is classified as one with an AIS of 2.

Where a claimant has sustained multiple injuries, we summarise their injuries based on the most severe injury they sustained.

Recent data is subject to development. Claims being coded as AIS 9 are grouped into 'Severity – Minor' as a majority of these claims had been converted to AIS 1 (minor injury) after sufficient information was received.

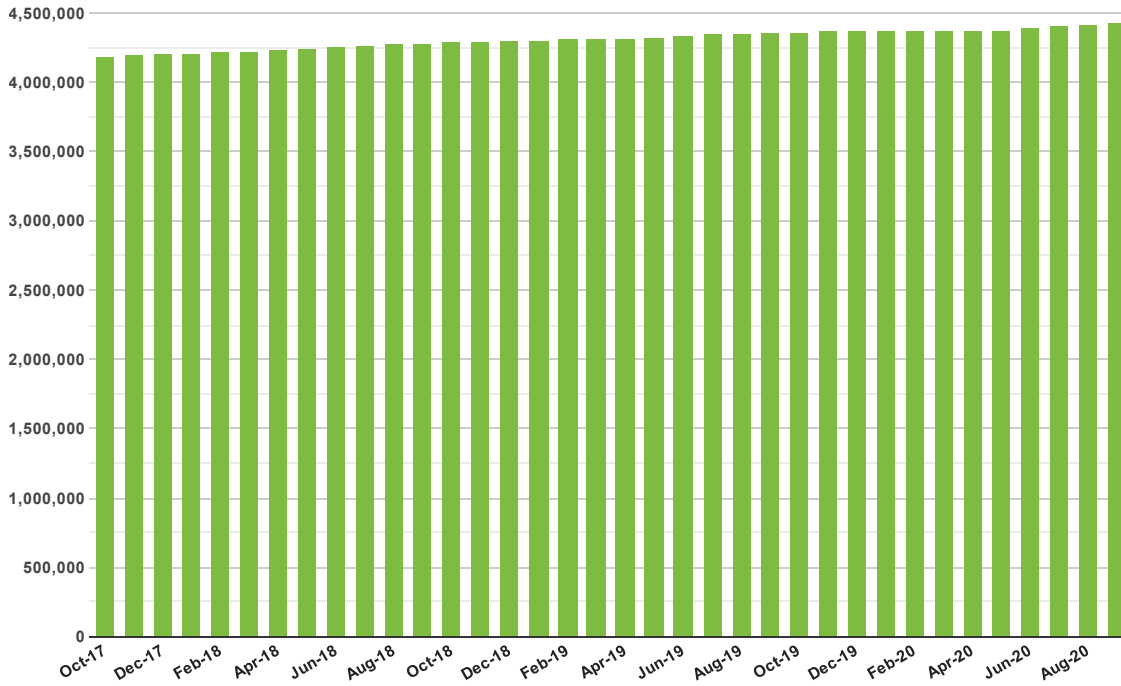
Responsiveness

Our scheme responds to meet the needs of a wide range of people of different ages, genders, types of crashes and roles in crashes. Our improved analytics capabilities also enable us to better understand and respond to changes in the scheme experience.

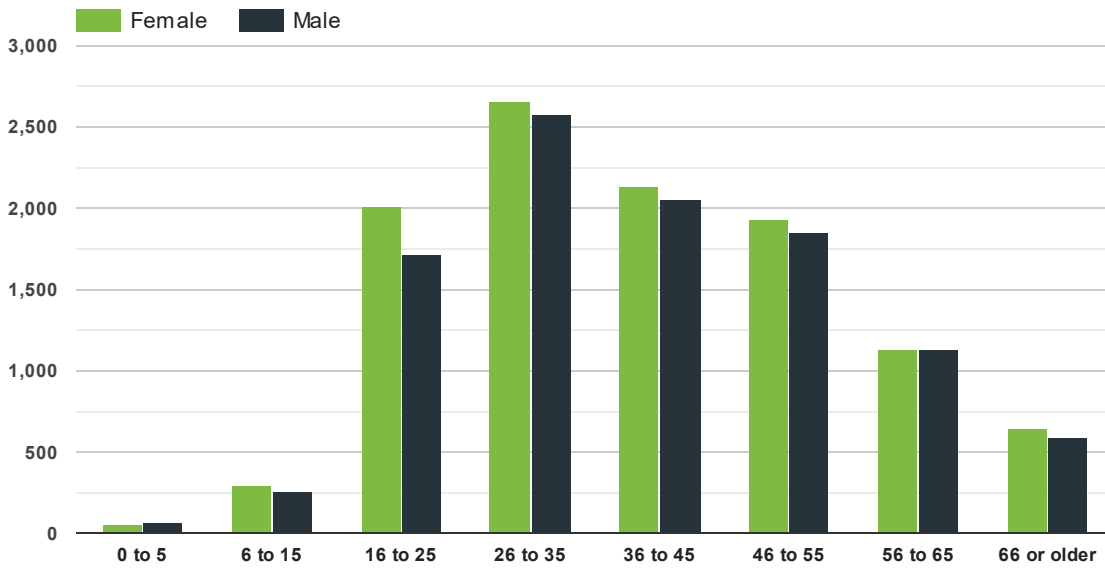
Over recent months, the scheme has responded quickly and effectively to changes arising from COVID-19. This enabled injured people to continue submitting new claims, to access treatment, and for claim settlements to occur. It also ensured that medical and allied health service providers were able to continue assisting injured people and to be paid in a timely manner for their services.

Number of registered vehicles by [vehicle class](#)

The number of vehicle registrations rebounded in quarter 3 2020 resulting in a steady increase in the size of the overall vehicle fleet in Queensland. However, vehicles registrations in class 3 (taxis), class 4 (hire vehicles) and class 26 (booked hire vehicles and limos) remain lower than the level they were at before COVID-19.

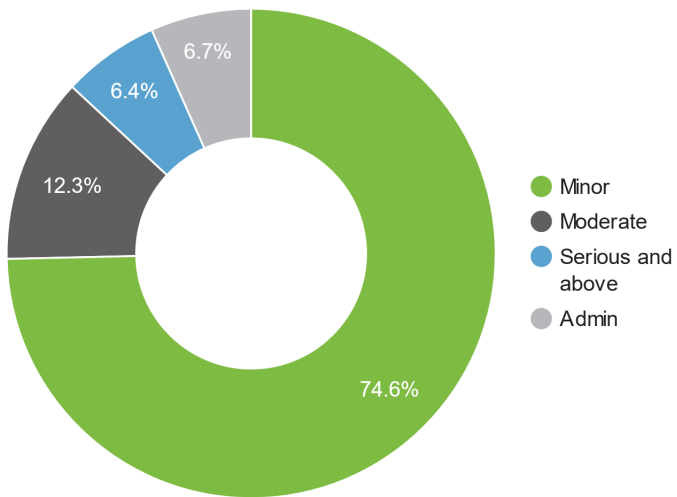


Age groups of claimants by gender

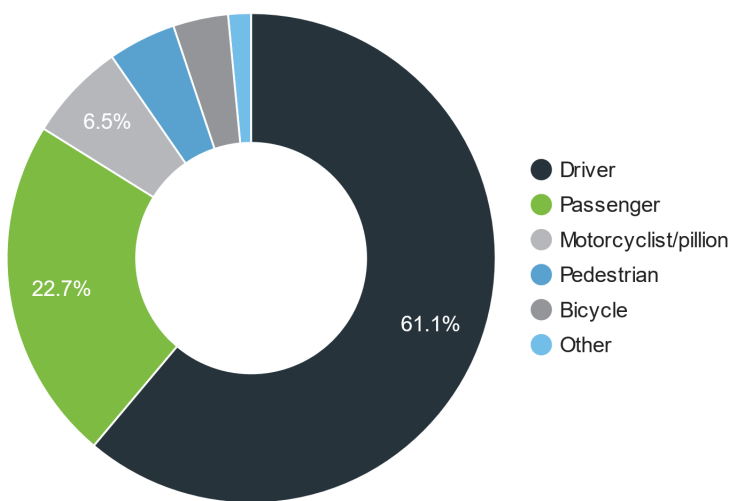


Note: all claims for crashes from 1 October 2017 to 30 September 2020, where relevant details are available.

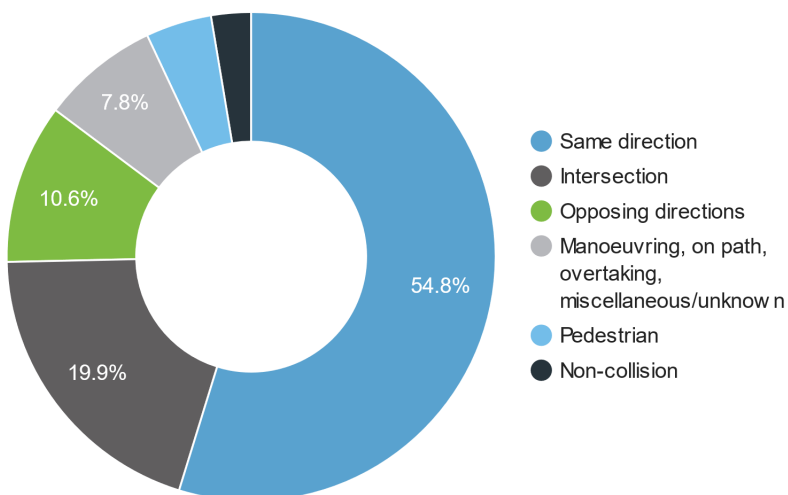
Claim severity



Claimant role



Crash details



Notes:

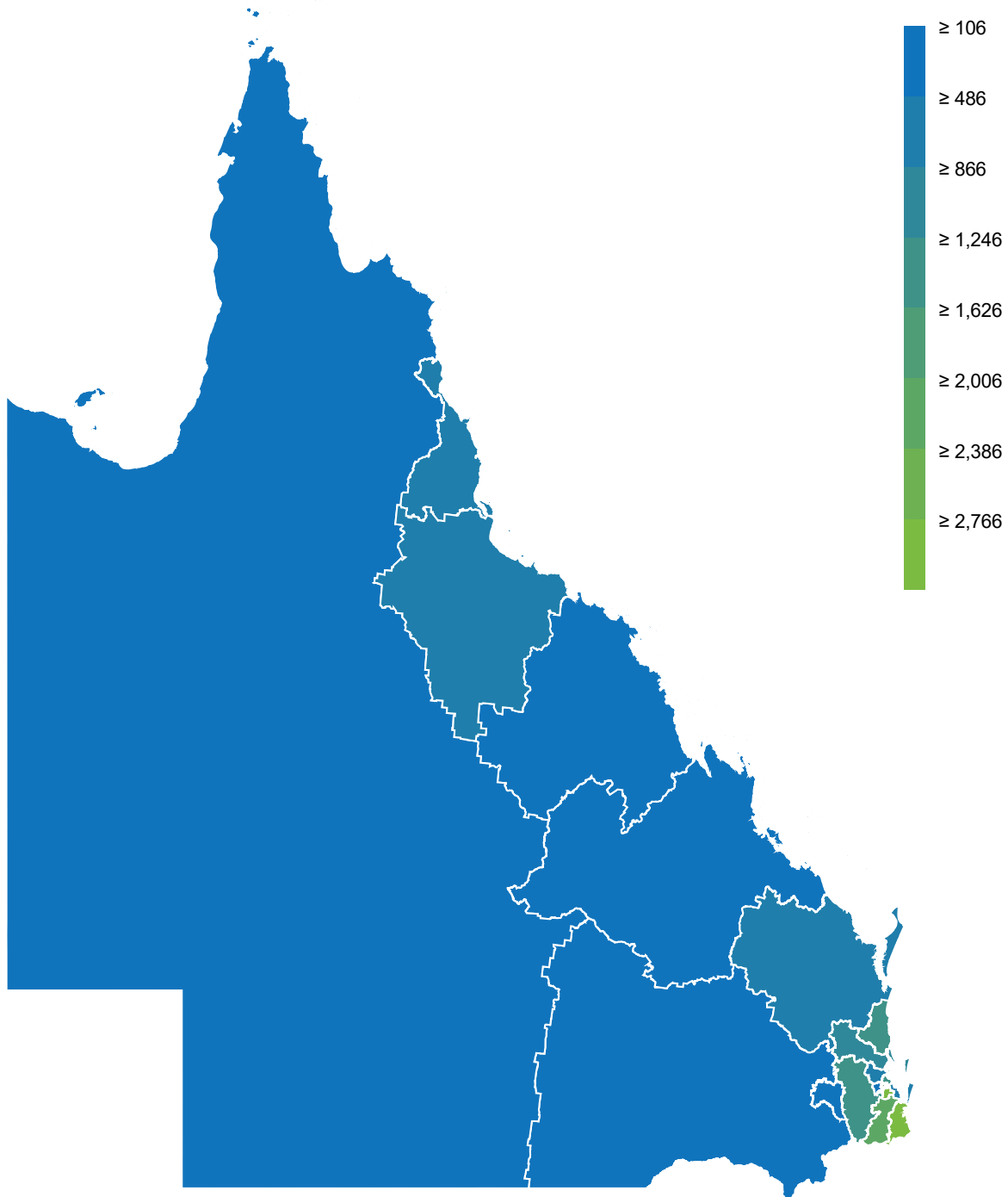
Crashes from 1 October 2017 to 30 September 2020.

The severity of claims is coded based on the Abbreviated Injury Score (AIS), which is a six-point scale where one represents a minor injury and six is maximal.

An AIS code of 9 (also labelled as 'admin') is used to describe injuries for which not enough information is available for more detailed coding.

Queensland crash claims by region

Metropolitan areas experience more crashes than regional areas and have a higher proportion of minor and moderate injuries compared to regional areas. Regional areas experience fewer crashes than metropolitan areas but have a higher proportion of severe injuries.



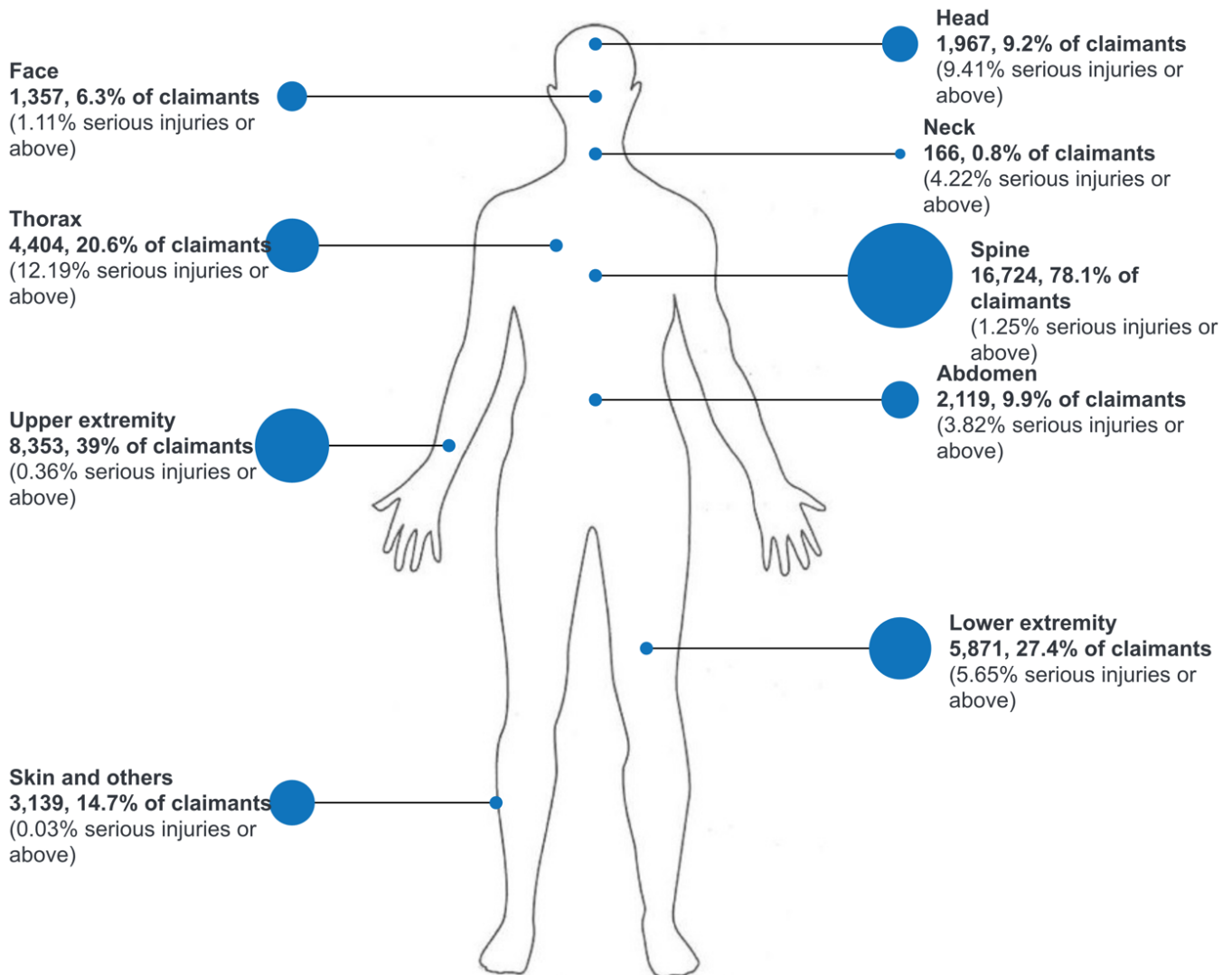
Notes:

Data refers to claims for crashes from 1 July 2017 to 30 June 2020.

A 'serious injury' is classified as one with an AIS of 3.

Injuries by body regions

Over the past three years, more than 78 per cent of claimants experienced spinal injuries (including whiplash). Out of these claimants, 1.3 per cent experienced severe spine injuries. Amongst the nine injured body regions, thorax is most likely to be seriously injured (12.2 per cent), followed by head (9.4 per cent). In addition to the trauma injuries illustrated in the following graph, more than 24 per cent of the claimants experienced psychological conditions.



Notes:

All claims for crashes from 1 July 2017 to 30 June 2020.

Trauma injuries only. Psychological condition and delayed consequence of crash are excluded.

Counts are number of claimants who have experienced injuries on the respective body region. A claimant may experience injuries on multiple body regions.

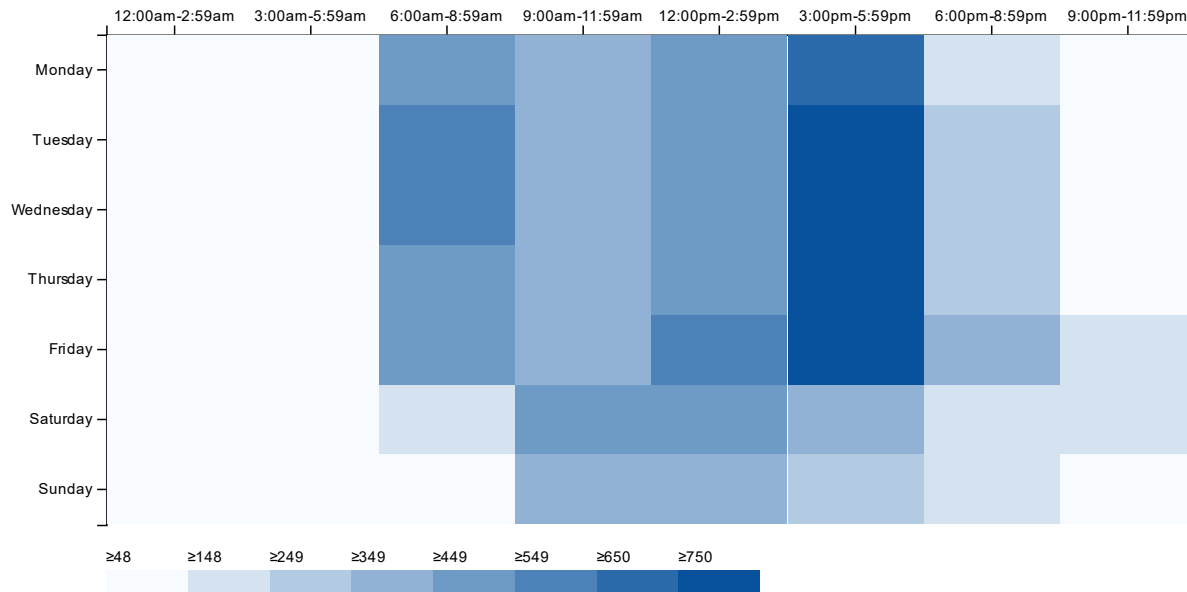
A 'serious injury' is classified as one with an AIS of 3.

Whiplash based on AIS2005 are reported under Spine.

Sadly, we have also received 184 claims for people who passed away. They are excluded from this diagram because injury coding was not required in their CTP insurance claim process.

Number of crashes per time and day of week

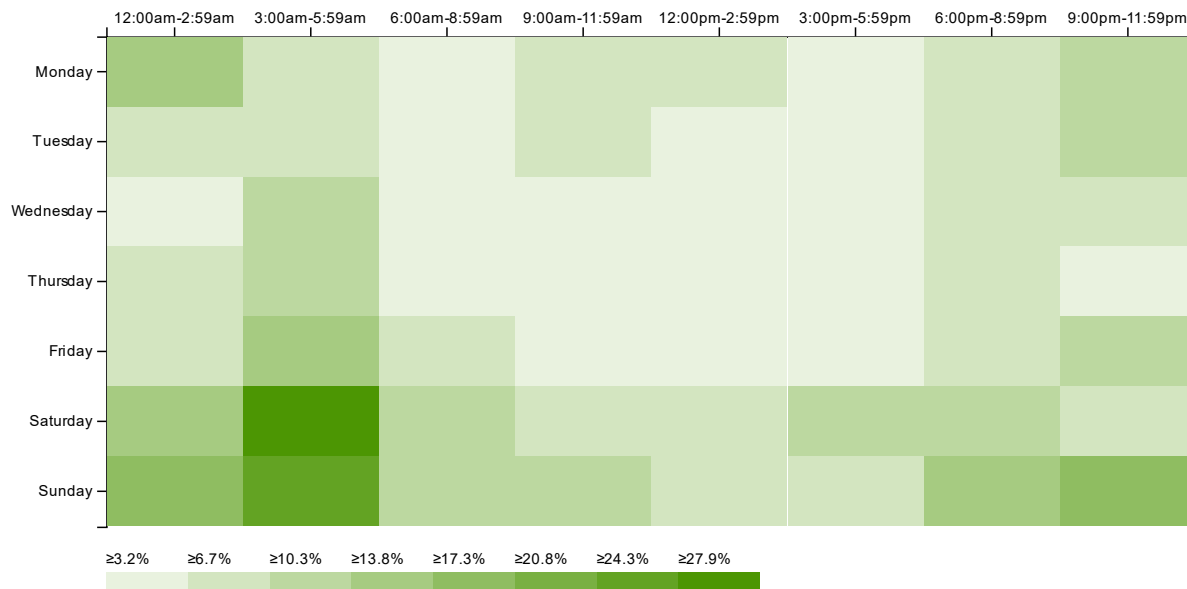
Crashes were most likely to occur between 3pm and 6pm on weekdays. There were significantly less crashes at night time than during the day.



Note: crashes that occurred between 1 July 2017 and 30 June 2020 and caused one or more CTP insurance claims.

Percentage of serious crashes per time and day of week

Although fewer accidents occurred at night time, the proportion of serious crashes is significantly higher, especially on weekends.



Notes:

Serious crash is a car crash that results in one or more seriously injured claimants.

Seriously injured claimant has an AIS of 3 or above.

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