



Claim farming reform 9 months on

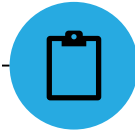
September 2020



Claim farming reform initiatives

Motorist survey results

- Reduction in reports of calls from car crash scammers



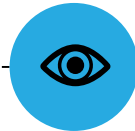
Car crash scammer reports

- Volume of car crash scammer reports from the public trending down



Claim farming investigations

- 35 investigations recorded since inception following legislative changes on 5 December 2019



Public awareness campaign

- Seen over 6 million times on social media and 1.5 million flyers delivered with motor vehicle registration renewals



Claims statistics

- Reduction in average new claims added and increase in discontinued/lapsed claims post legislative reform



Law practice certificate compliance

- Reduction in number of potential breaches reported by insurers



Motorist survey results

- Every year MAIC conducts a survey of motorists and new car buyers to track awareness, attitudes and behaviours in relation to CTP insurance.
- Since 2019 the survey included a question on whether the motorist had ever received a call from a car crash scammer.



Public awareness campaign

- Phase 2 of our public awareness campaign delivered February 2020
- Key message: Car crash scamming is now a crime. Hang up and report. Visit maic.qld.gov.au/hangup or call 1300 302 568.
- Channels:
 - newspaper ads
 - radio ads
 - radio coverage (ABC Radio, 4EB Community Radio)
 - social media
 - MAIC website
 - QLS update
 - Flyers in 1.5 million rego renewals (Feb-July)
- Campaign was seen **over 6 million times** on social media alone and our social media advertising was **2 to 6 times more cost-effective** than average.



Car crash scammer reports

Car crash scammer
reports received

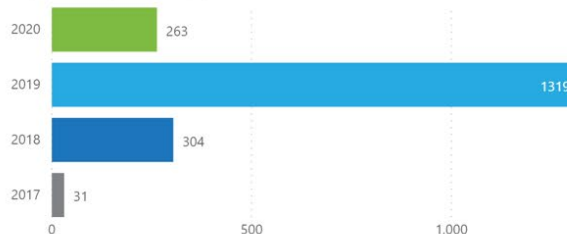
1917

Added recent month

18

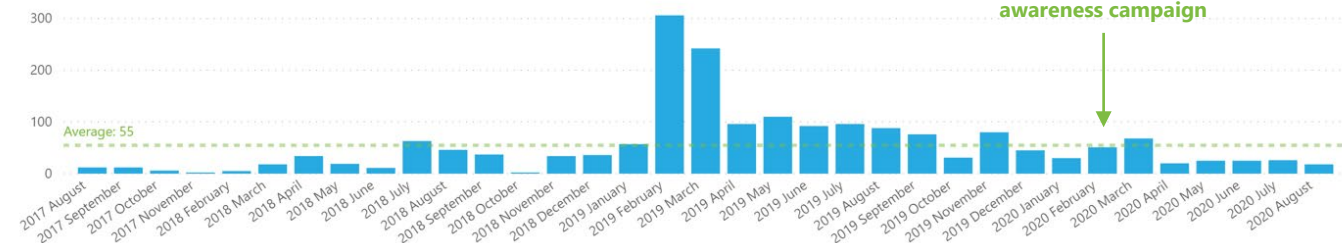
MAIC car crash scammer public information campaigns ran for 8 weeks from 4 February 2019 to 31 March 2019. This coincides with a rise in car crash scammer reports to the MAIC website during that period.

Report frequency by period



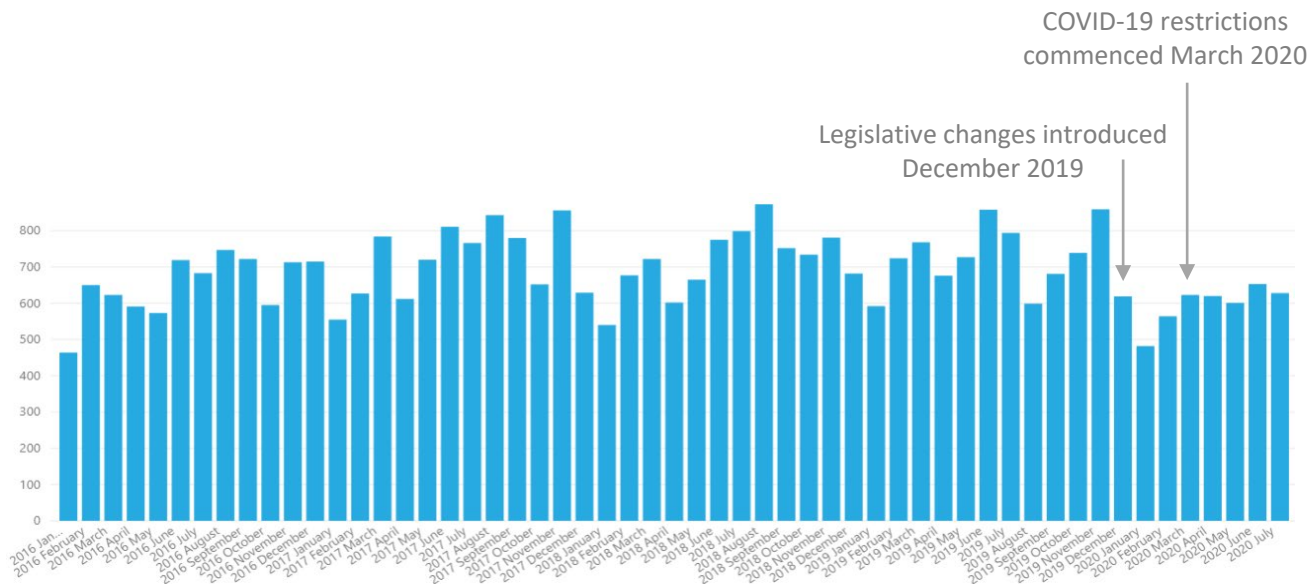
Reports on car crash scamming activities are voluntarily submitted by the public through the MAIC webform.

Report frequency



Reports received between 3 August 2017 and 31 August 2020

Claim statistics – claims added



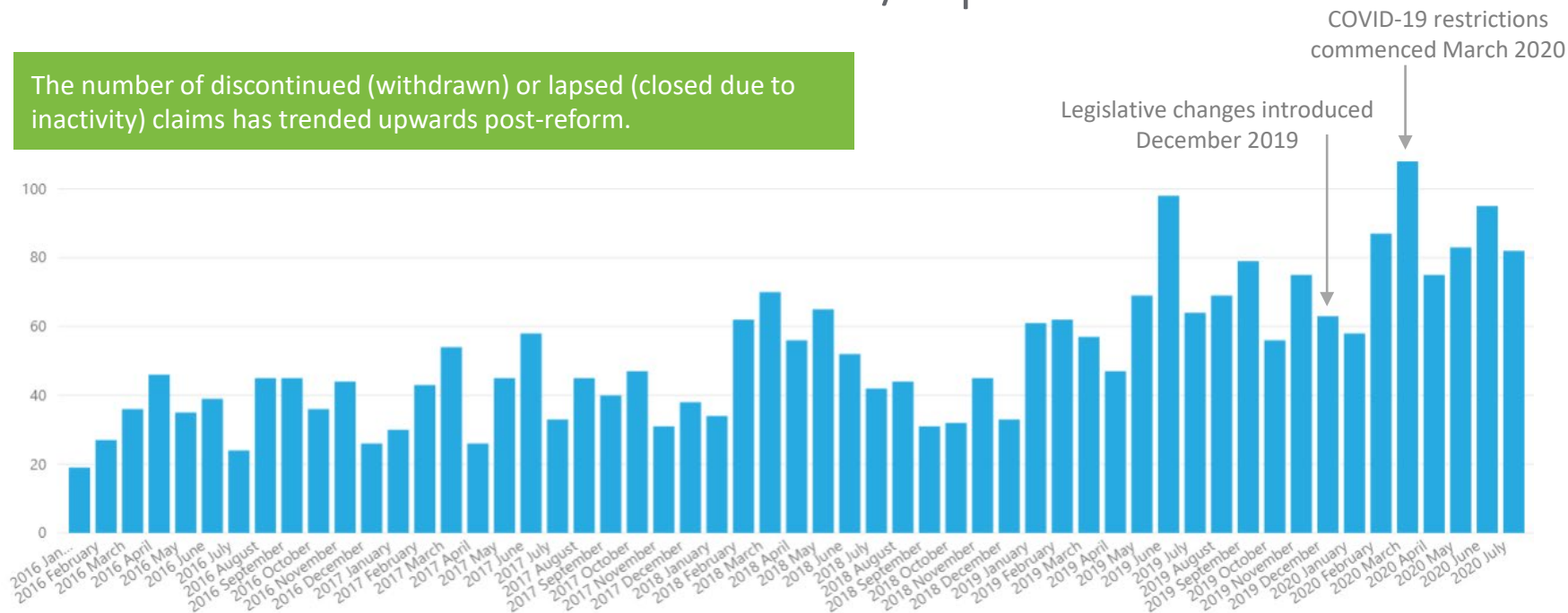
Claims added per month. Data to 31 July 2020

703 Pre-reform
Average new claims added to the scheme per month

599 Post-reform
Average new claims added to the scheme per month

Claim statistics – discontinued/lapsed

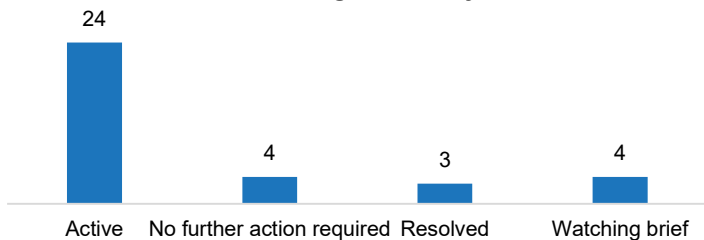
The number of discontinued (withdrawn) or lapsed (closed due to inactivity) claims has trended upwards post-reform.



Discontinued or lapsed claims finalised per month. Data to 31 July 2020

Claim farming investigations – status

Count of Investigation ID by Status



Data to 19 August 2020.

11

notifications last
quarter

14

notifications this
quarter to date

35

investigations
recorded since
inception

17

out of 24 active investigations have
been referred for statements

- **No further action required**
 - 2 x incorrect box ticked in claimant certificates
 - 1 x insufficient evidence to pursue
 - 1 x claim farming activity pre 5 December 2019
- **Resolved** – all 3 matters were “please explain” letters with satisfactory responses
- **Watching brief** – all 4 matters relate to suspicious activity but not enough to pursue active investigation

Claim farming investigations – please explain letters

- Each notified to MAIC by law firms
- Each related to lead generation type businesses contacting these law firms
- Operating in different jurisdictions and contacting QLD law firms:
 - 1 in WA
 - 1 in SA
 - 1 in UK
- Responses:
 - Misunderstanding as to interpretation of section 74 and confirmation that they will change their business model and will cease referring QLD CTP claims to panel firms
 - Will stop all exploration in this area and will focus on unrelated opportunities outside this sector
 - Does not refer personal injury CTP claims

3

please explain letters
sent and resolved

3

please explain letter
responses received

Data to 19 August 2020.

Claim farming investigations – channel and type

21

email notifications

9

webform notifications

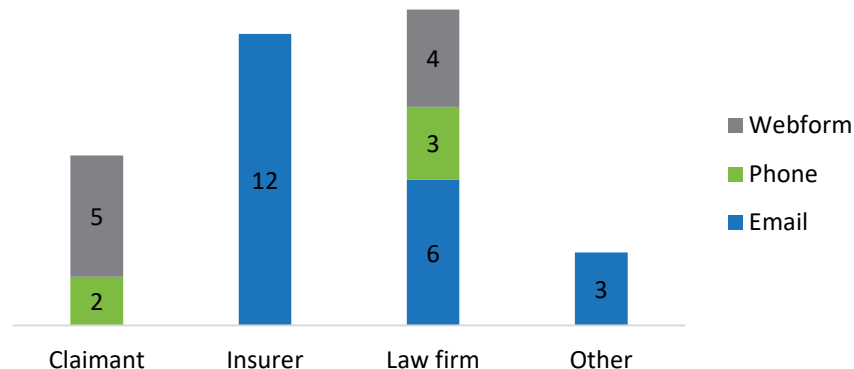
5

phone notifications

35

notifications in total

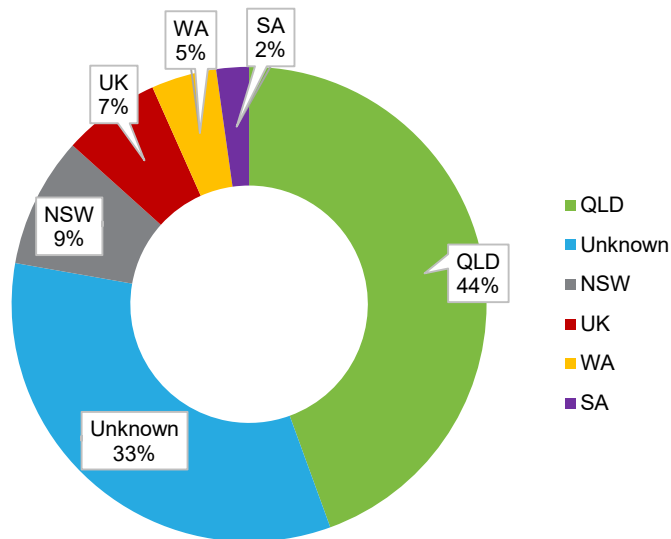
Count of Investigation ID by Notifier Type and Notification Channel



Data to 19 August 2020.

Claim farming investigations – entities of interest

Entities of interest by Jurisdiction



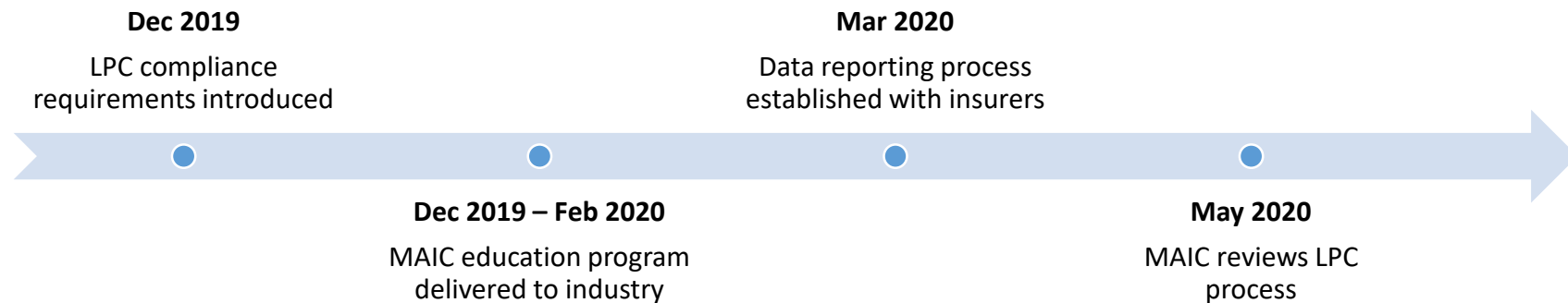
- **Unknown** – insufficient evidence to confirm jurisdiction.
- **QLD** – majority of active investigations involve 2 QLD law firms.
- **NSW** – 4 separate matters with 4 different entities of interest. 3 law firms and 1 claims management company.

5
jurisdictions

45
mentions of 21 entities of
interest across all investigations

Data to 19 August 2020.

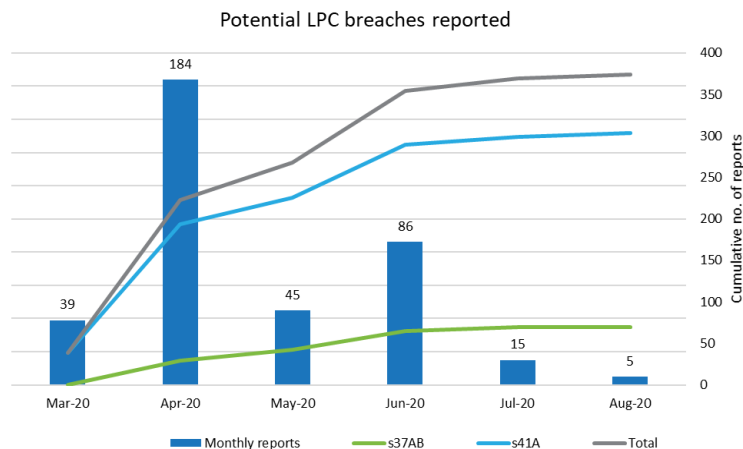
Law practice certificates – implementation



The changes to the legislation were designed to ensure that lawyers who represent injured people in Queensland's CTP scheme will be required to certify at various stages of the claim process that neither they, nor their associates, have paid a claim farmer for the injured person's claim.

Failure to provide the requisite certificate, or making a false statutory declaration, will attract significant penalties. In addition to the penalties, law practices may need to refund, or may not be entitled to recover, fees and disbursements paid in connection with a claim.

Law practice certificates – data reported



Data to 5 August 2020.

- Over a 5-month period from 3 March 2020 to 5 August 2020, 374 potential LPC breaches were reported by insurers to MAIC.
- Of these, 176 were reported as breaches in that the LPC had been provided outside of the required timeframe but the LPC had been received by the insurer at the time of reporting.
- The remaining 198 suspected breaches had standard letters sent to the law practices.
- 16 law practices (who have been reported for 5 or more suspected breaches) account for 178 (47.5%) of the 374 reported breaches and 4 law practices account for 92 (24.6%) of the 374 reported breaches.

Law practice certificates – learnings

Reduction in the number of potential breaches reported by insurers

Clarification with respect to timing of “acceptance” of offer and therefore timing of LPC provision and reduction in complaints that insurers hadn’t notified law practices of potential breach reports to MAIC

Reduced reporting error rate

Positive feedback from insurers with respect to the reduction in administrative burden

Contact us

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