



# Quarterly CTP Scheme Insights

October – December 2020



# Overview

A positive quarter concluded the year of 2020, positioning Queensland's Compulsory Third Party (CTP) insurance scheme well for the year ahead.

From October to December 2020:

- CTP insurance premiums remained affordable to motorists and claims costs remained stable
- car crash scamming (or claim farming) reforms continued to deter scammers
- the first trial of 350 connected vehicles began in Ipswich to test potential road safety benefits of this new technology in a program delivered by the Department of Transport and Main Roads and sponsored by MAIC
- our [online claim form](#) became available to people who have been injured, and their legal representatives, to improve process of lodging a CTP insurance claim.



As we enter the first quarter of a new year, we will:

- progress our First Peoples initiative to ensure Queensland's CTP insurance scheme is respectful, safe and supportive for First Peoples injured in vehicle crashes through no fault of their own
- continue to leverage digitisation to enhance the experience of making a CTP insurance claim
- publish our first insurer claims management standard to promote fairness, transparency and consistency in claims management.

At the end of the 2020-2021 financial year, we look forward to sharing insights with you for the past year.

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

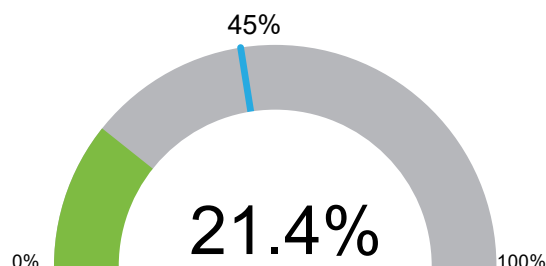
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# Affordability

## Affordability index

Queenslanders continue to enjoy the most affordable CTP premiums in mainland Australia. From 1 October to 31 December 2020, the Class 1 premium (\$351.60) was 21.4 per cent of Average Weekly Earnings.



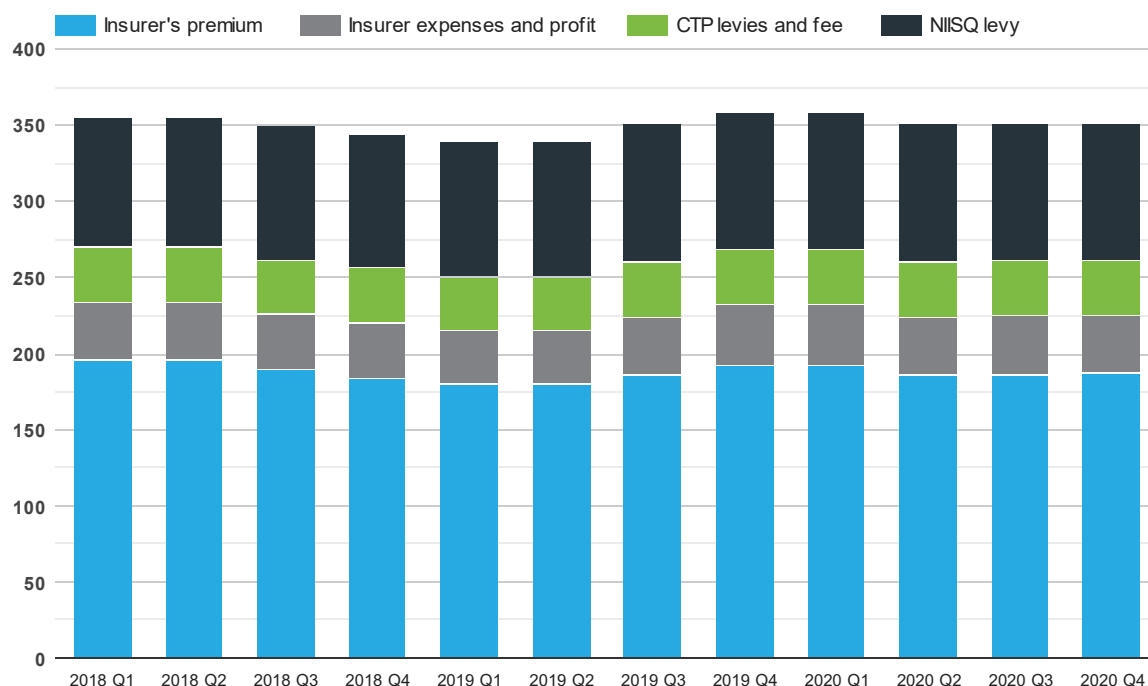
Notes:

Class 1 premium as at 31 December 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

Premiums remained steady despite the uncertainties presented by COVID-19. Stable claims costs and fewer claims improved the claim experience overall, which will likely be reflected in future quarters.



Notes:

Class 1 premium as at 31 December 2020.

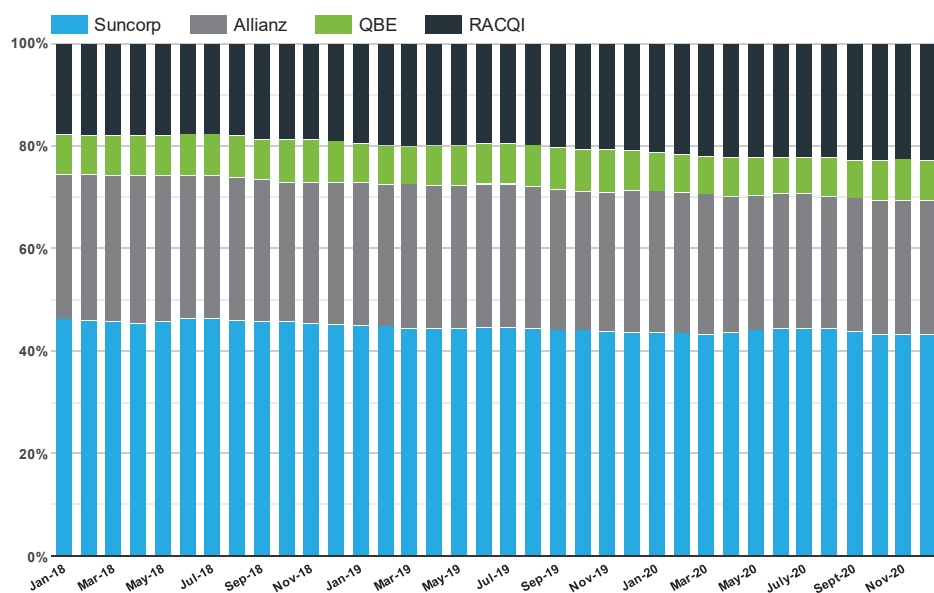
Insurer's premium is the amount the insurer will receive for taking on the risk and includes the risk premium and GST but excludes expenses.

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.

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

## Insurer market share

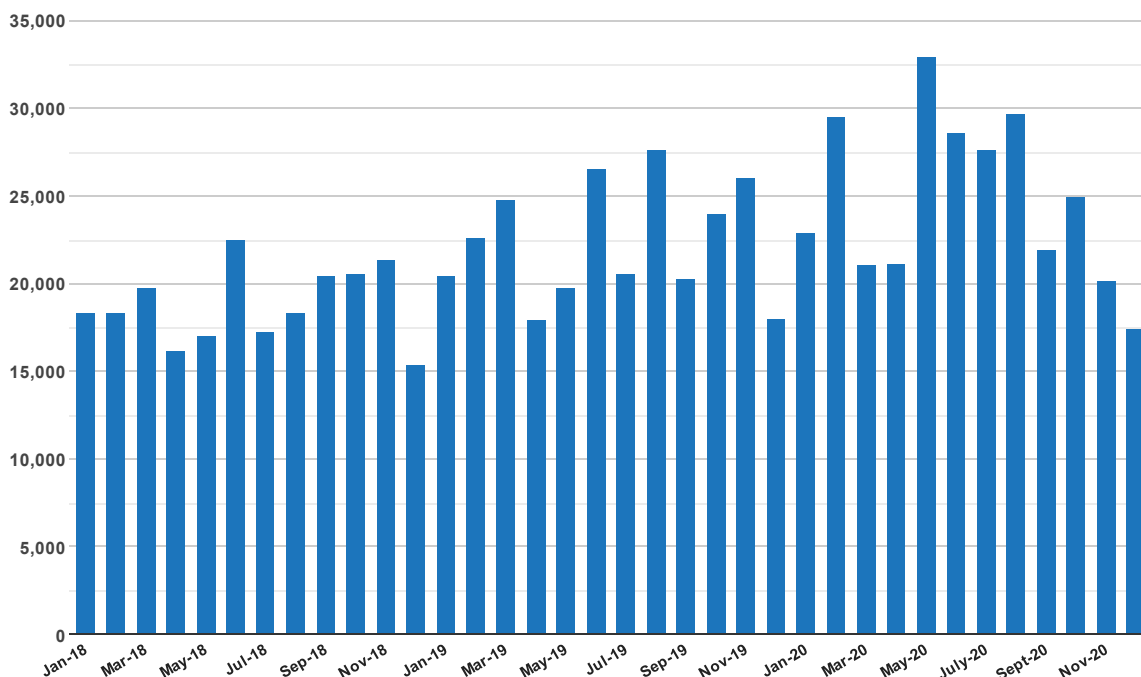
Four insurers offer CTP insurance in Queensland with market share fairly stable from month to month.



Note: data refers to three-month rolling averages as at 31 December 2020.

## Number of motorists switching insurers

Fewer motorists switched insurer in the December 2020 quarter compared to the prior quarter.

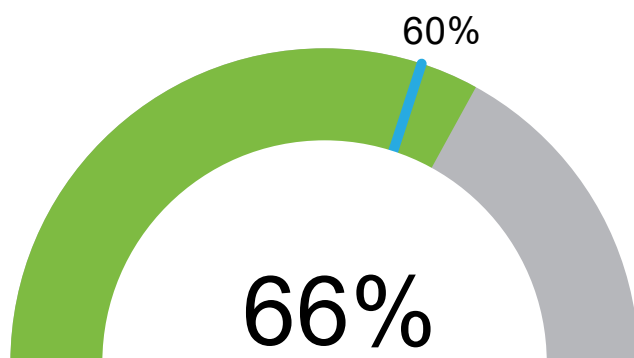


Note: as at 31 December 2020.

## Efficiency

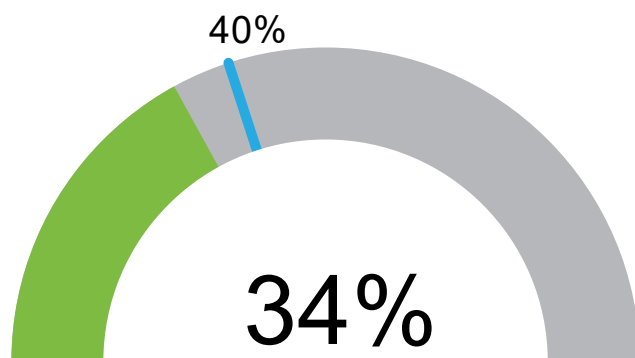
The efficiency of a CTP insurance scheme can be judged by how well insurer delivery costs are controlled while maximising the amount paid to the benefit of the injured person. A best-practice benchmark for a privately-underwritten scheme is for at least 60 per cent of CTP insurance premiums to be delivered 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 (6% higher than the past 5-year average)

## Current delivery costs



5-year average to December 2019 (6% lower than the past 5-year average)

Please note: the CTP scheme efficiency dials are updated in the second quarter each year.

## Ensuring timely resolution of claims

Our legislation requires insurers to deal with claims as quickly as possible, with insurers determining liability within six months of receiving a compliant claim. MAIC, insurers and lawyers continued to work together this quarter to resolve claims quickly.

More than **99%**

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

Note: claims added 1 January 2020 to 31 December 2020 with a liability decision.

The duration of legally-represented claims increased slightly across all insurers in the December quarter. The duration of a claim can be influenced by the severity of the injury and circumstances around liability, as well as other factors such as claims management approach and evidence gathering.

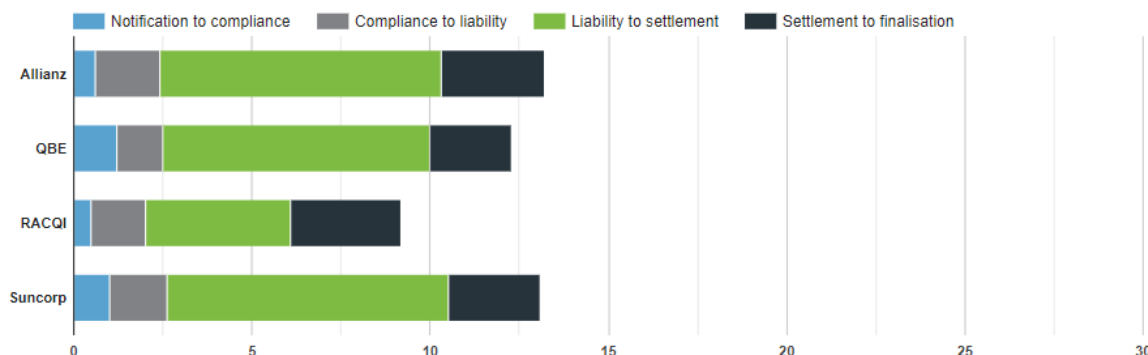
## Legally-represented claimants – Average claim duration (months)



Note: legally represented, finalised claims from 1 January 2020 to 31 December 2020.

## Direct claimants – Average claim duration (months)

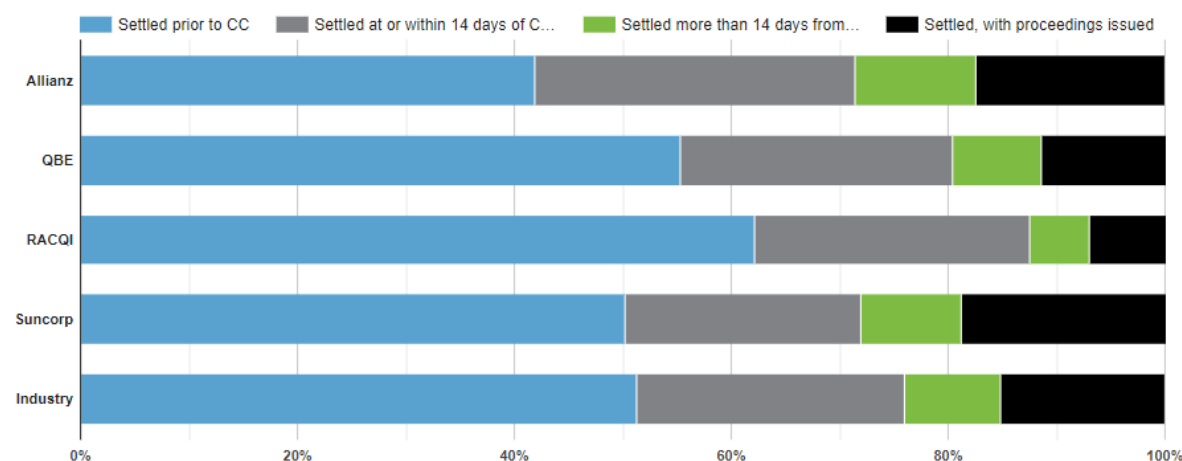
People who lodge claims directly with an insurer tend to experience shorter claim durations than people who lodge claims through legal representatives. This may be because people often seek legal assistance when their claim is more complex. This quarter, the average duration of claims for direct claimants shifted slightly for each insurer, although there was no overall trend of durations increasing or decreasing.



Note: direct claimants, finalised claims from 1 January 2020 to 31 December 2020.

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

Some claims involve a compulsory conference, or meeting, held between parties to resolve the claim. When negotiations at a compulsory conference are unsuccessful, claims may progress to court proceedings. Claims are most frequently settled without the need for parties to hold a compulsory conference or they are settled during or within 14 days of a compulsory conference. A small proportion of claims see negotiations continue after the compulsory conference or progress to court proceedings.

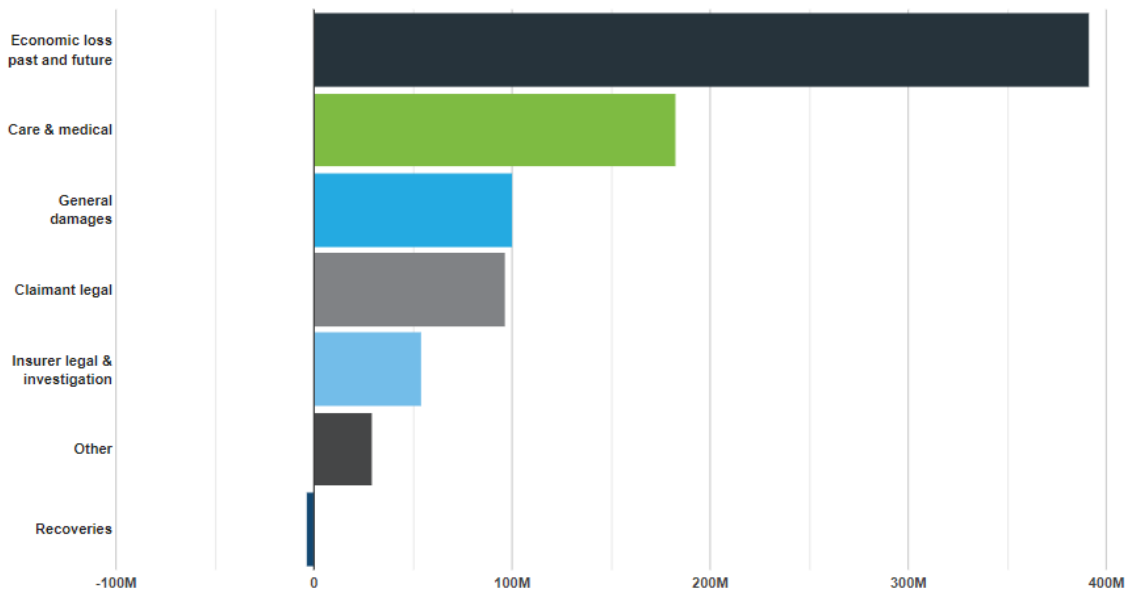


Note: claims finalised from 1 January 2020 to 31 December 2020.

## Fairness

### Total payments by heads of damage for finalised claims

In Queensland, CTP insurance enables people who are injured in vehicle crashes through no fault of their own to claim fair and timely compensation and access rehabilitation. The compensation paid to the person who was injured depends on the extent of their injuries resulting from the vehicle crash and how these injuries affect their work and social functioning. In the past year, the allocation of compensation remained consistent with past periods, with most compensation supporting loss of income, care, medical treatment and rehabilitation.



#### Notes:

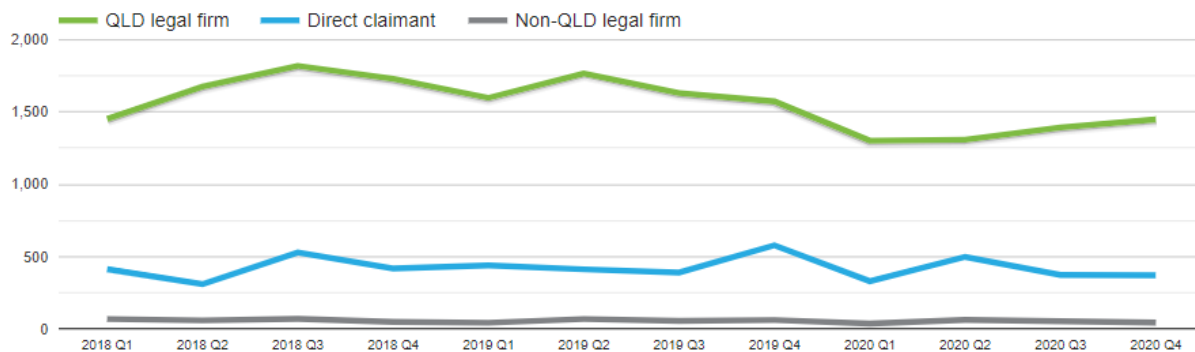
Claim finalised between 1 January 2020 to 31 December 2020.

Other includes home and vehicle modifications, aids and appliances.

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

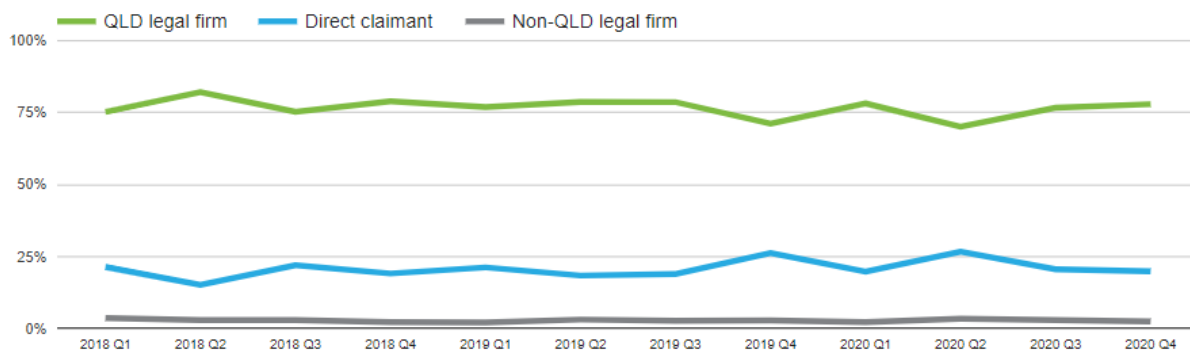
### Number of new claims per quarter

There were fewer new claims in the last four quarters due to claim farming reforms and less traffic on the roads. With COVID-19 restrictions easing, claim numbers are recovering slightly though they still remain lower than previous years. This suggests that our claim farming reforms are still having their intended effect.



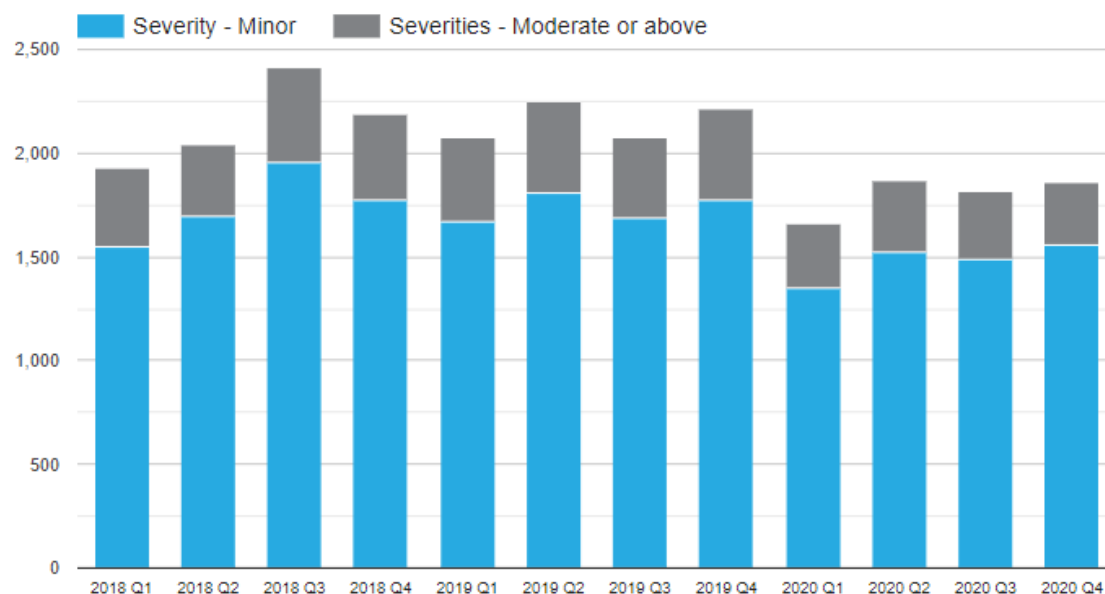
### Proportion of claims added per quarter

People who lodge claims continue to rely on Queensland law firms for assistance with their claims.



## Number of claims added per quarter by severity

The proportion of higher-severity claims remained fairly stable over time, including the COVID-19 period.



### 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.

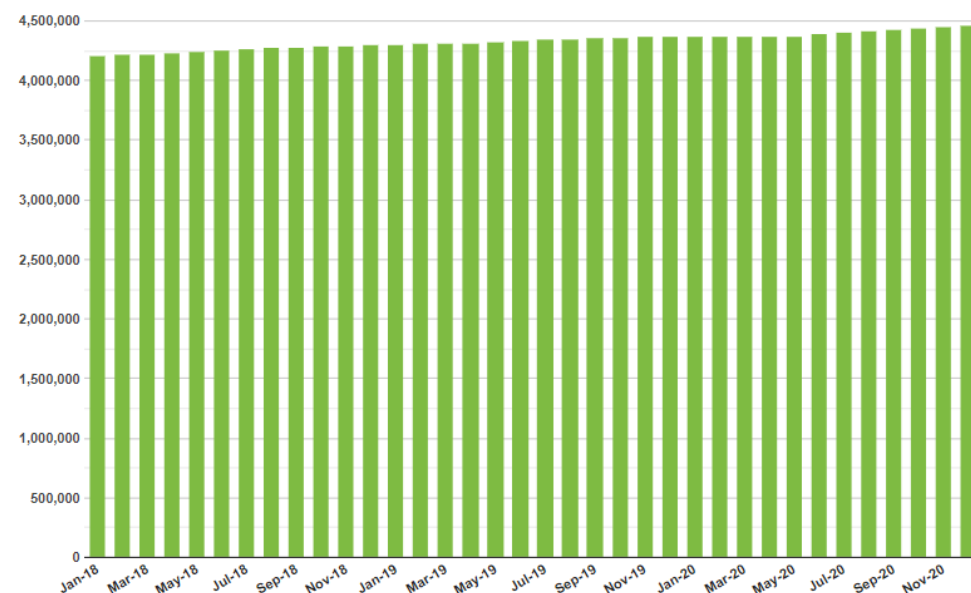
Where a claimant has sustained multiple injuries, we summarise their injuries based on the most severe injury they sustained. Recent data is subject to development. Claims being coded as AIS 9 are grouped into 'Severity – Minor' as a majority of these claims had been converted to AIS 1 (minor injury) after sufficient information was received.

## Responsiveness

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

The overall number of vehicles grew at a steady pace similar to before the COVID-19 pandemic. Class 3 (taxi), class 4 (hire vehicles) and class 26 (booked hire vehicles and limos) are still sitting below the pre-COVID level but are slowly recovering.

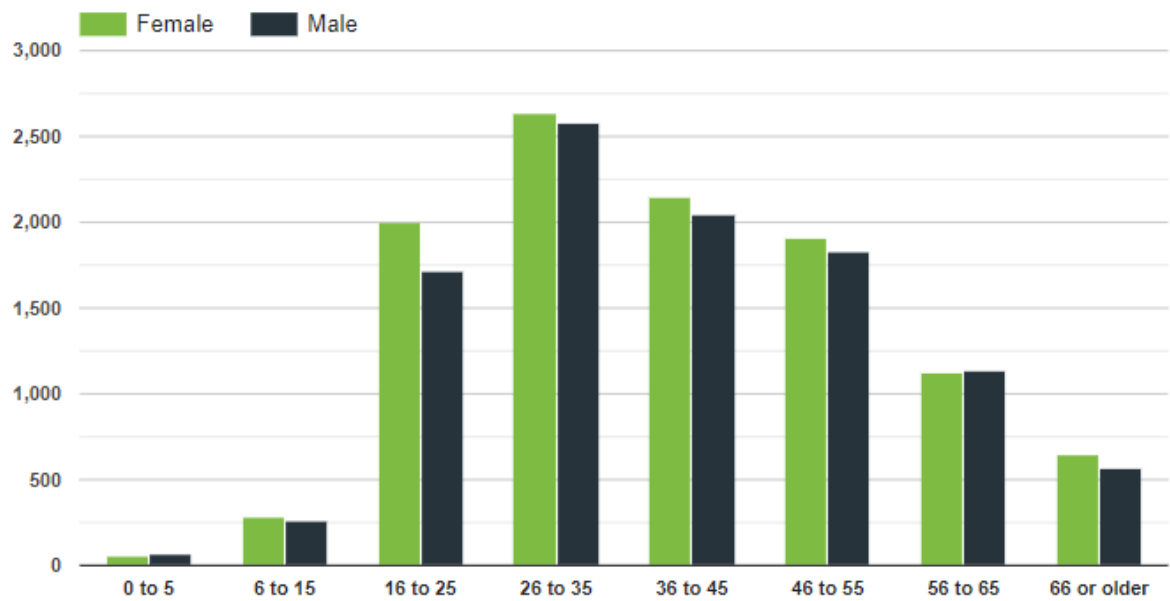
### All vehicle classes:





### Age groups of claimants by gender

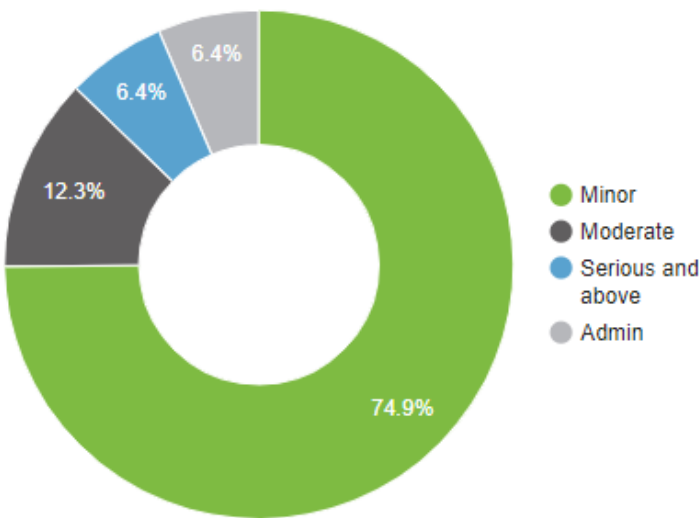
The most common cohort of people lodging claims are those aged 26 to 35 years of age, followed closely by people aged 36 to 45. We see slightly more claims being lodged by females than males.



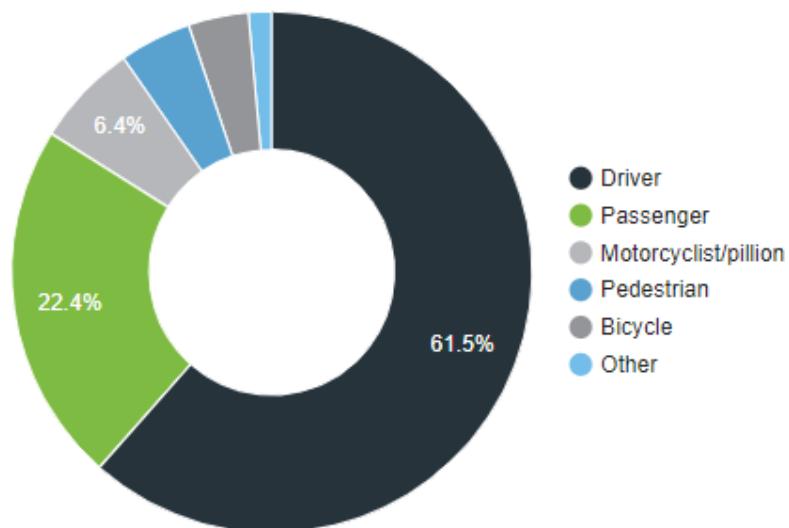
Note: all claims for crashes from 1 January 2018 to 31 December 2020, where relevant details are available.

Most claims involve injuries of minor severity where motorists were travelling in the same direction (for example, nose-to-tail crashes where ‘tailgating’ may be involved). We continue to support measures targeting driver distraction led by the Department of Transport and Main Roads with the aim of reducing the incidence of these crashes.

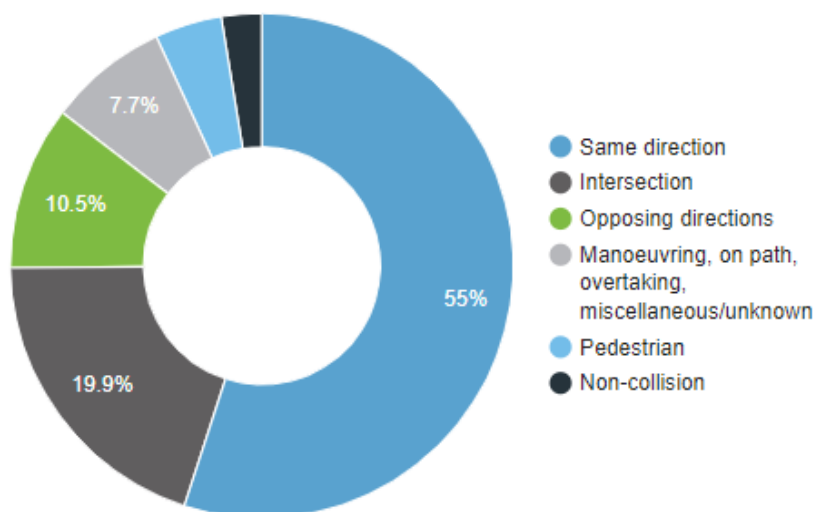
### Claim severity



## Claimant role



## Crash details



### Notes:

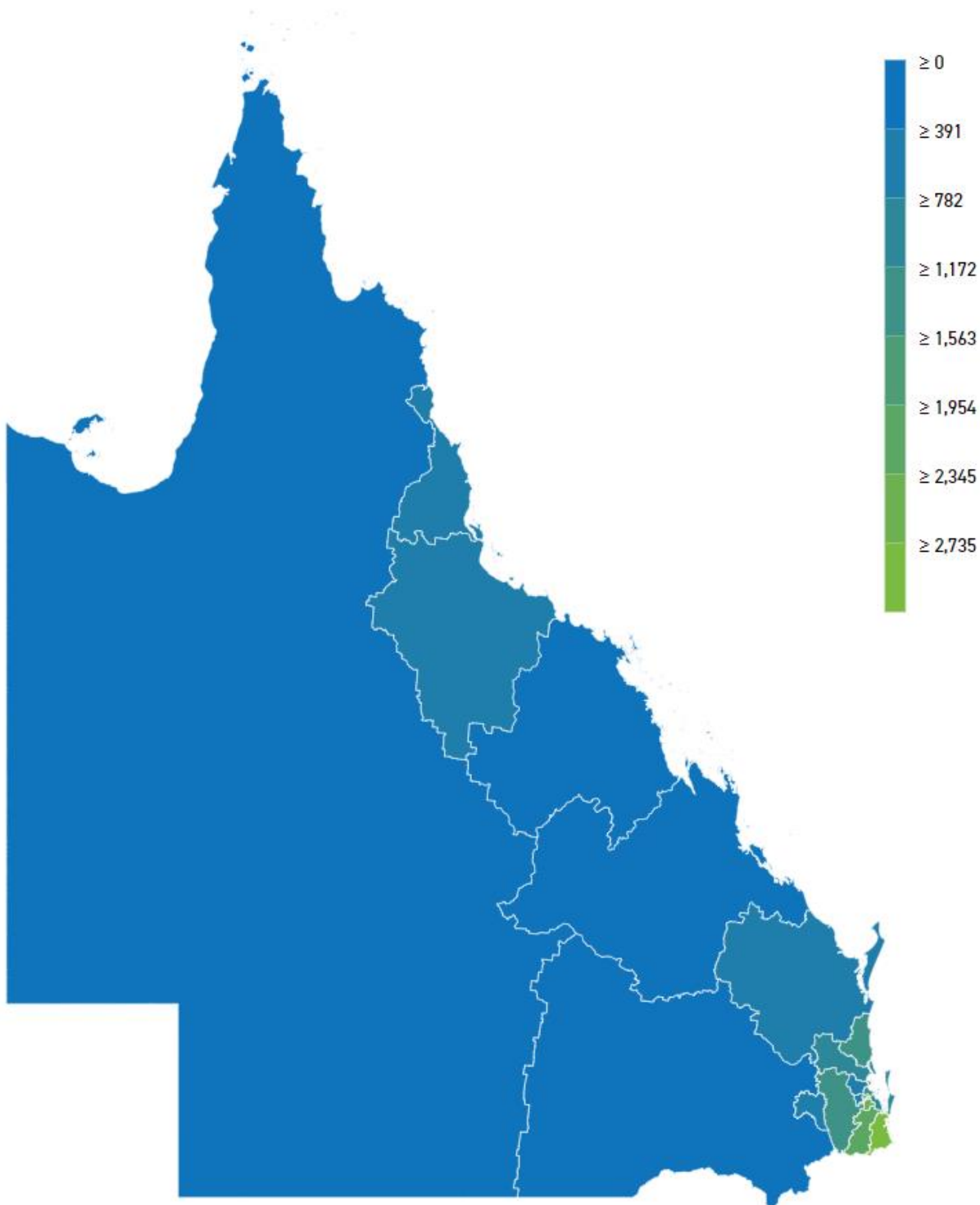
Crashes from 1 January 2018 to 31 December 2020.

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

We continue to see that residents in metropolitan areas are more likely to bring claims but for lower-severity injuries than their regional counterparts. This is likely due to higher traffic volumes within metropolitan areas which increases a person's exposure to potential crashes. Regional areas often have less traffic and higher travelling speeds which can lead to fewer claims but for crashes involving more severe injuries.



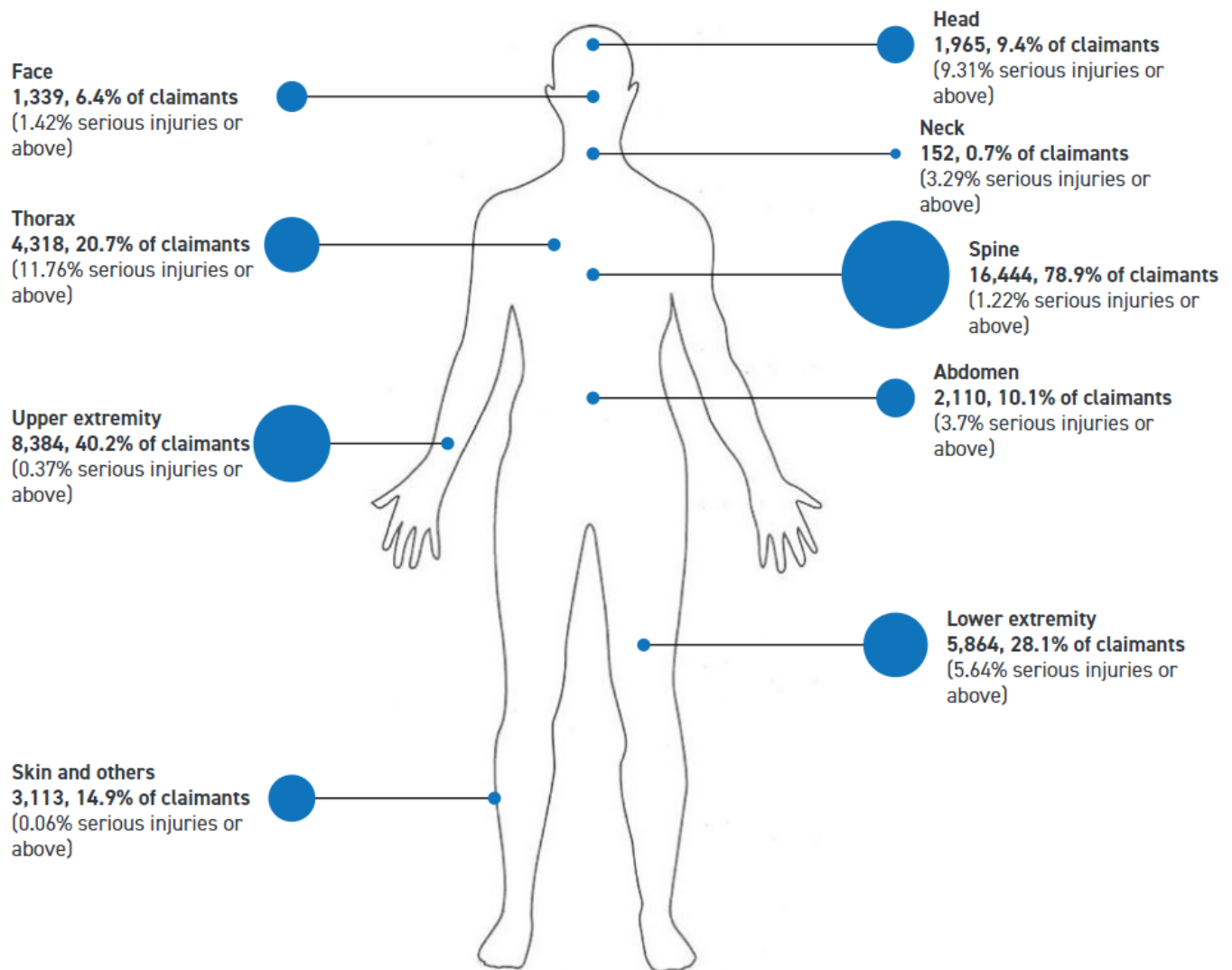
Notes:

Data refers to claims for crashes in Queensland from 1 January 2018 to 31 December 2020.

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

## Injuries by body regions

Spinal injury (78.9%) is still the most common injury that people lodge CTP insurance claims for, but injuries involving the thorax and head tend to be more serious.



### Notes:

All claims for crashes from 1 January 2018 to 31 December 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.

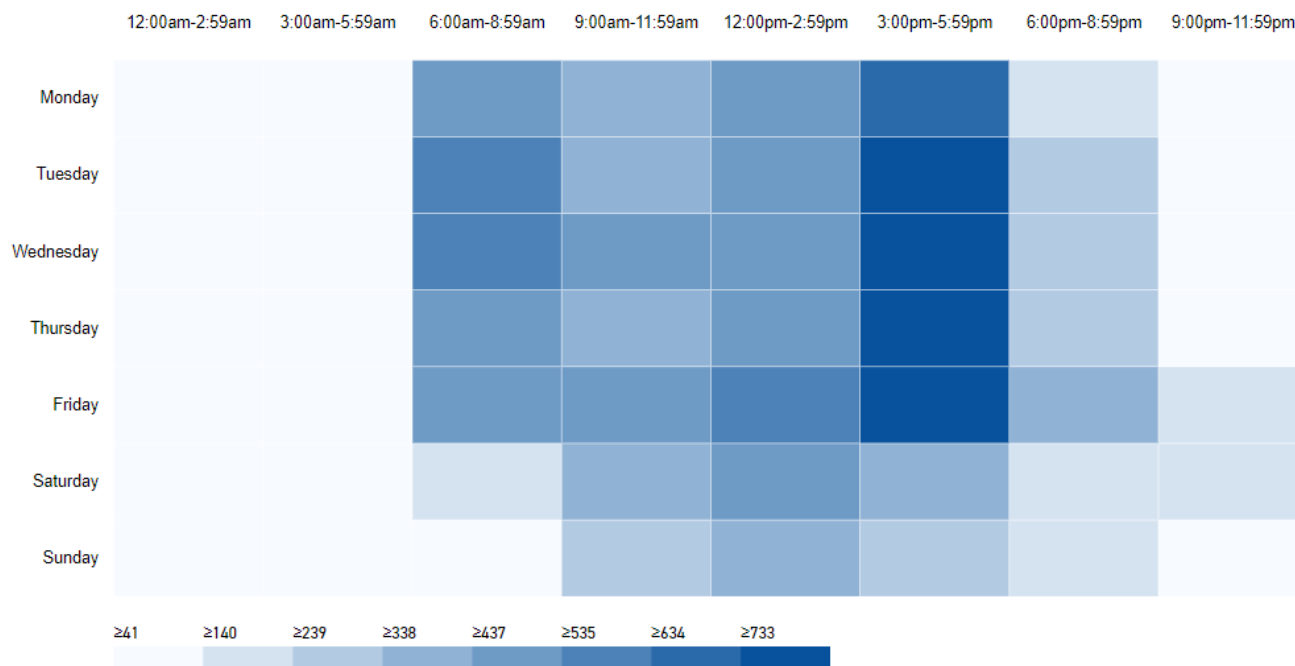
A 'serious injury' is classified as one with an AIS of 3.

Whiplash based on AIS2005 are reported under Spine.

Sadly, we have also received 165 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

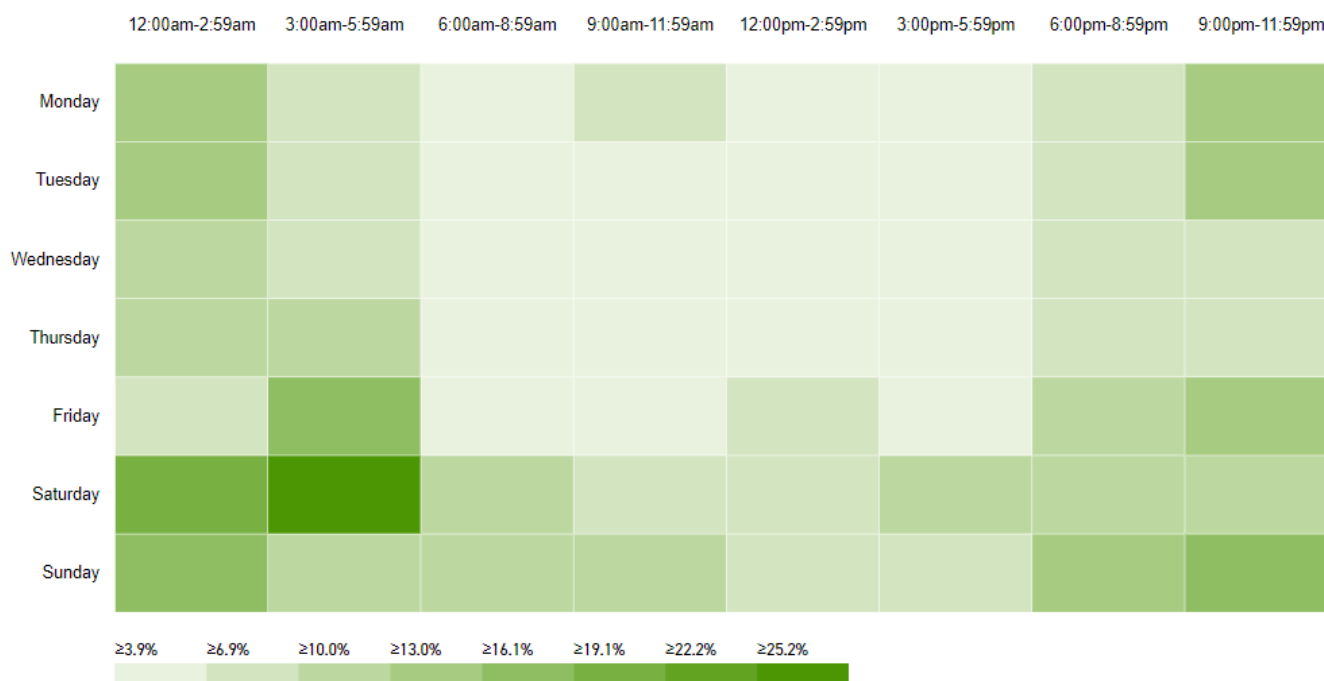
Crashes are most common during the afternoon peak time due to high traffic volumes.



Note: crashes that occurred between 1 January 2018 to 31 December 2020 and caused one or more CTP insurance claims.

## Percentage of serious crashes per time and day of week

The most serious (28.3%) injuries occur on Saturday nights between 3am and 6am. We use this information to work with other agencies to diagnose possible interventions which could be made to improve road safety and avoid serious collisions.



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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