



CTP Scheme Insights

January - March 2021

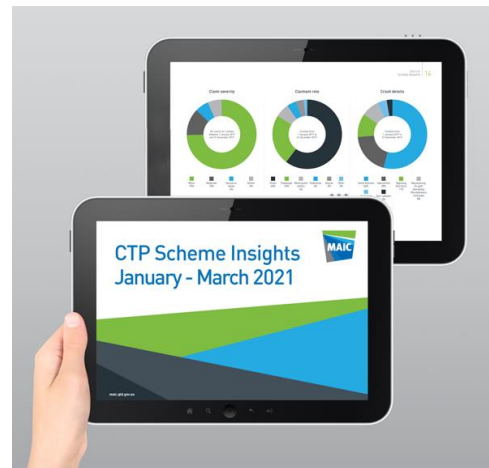


Overview

The first quarter of 2021 saw Queensland's CTP insurance scheme continue to perform well to meet the needs of motorists and people injured in motor vehicle crashes.

From January to March 2021:

- our CTP insurance scheme remained efficient and affordable
- the number of claims lodged each quarter remained lower than before we introduced car crash scammer ('claim farming') legislative reforms
- we enhanced our online form for CTP insurance claims following user feedback and saw increased adoption.



In the upcoming quarter, we will:

- retain our strong emphasis on deterring car crash scamming
- continue to examine how digital forms will improve the process of requesting or managing rehabilitation requests, reimbursement requests and treatment plans
- complete our audit of rehabilitation management by licensed CTP insurers.

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

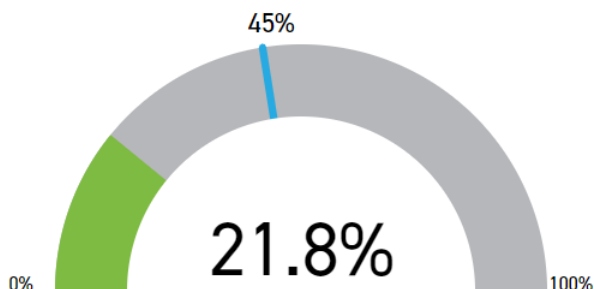
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Affordability

Affordability level

CTP insurance premiums remained consistently affordable to Queensland motorists despite minor changes in underlying economic factors. From 1 January to 31 March 2021, the Class 1 premium (\$351.60) was 21.8 per cent of Average Weekly Earnings.

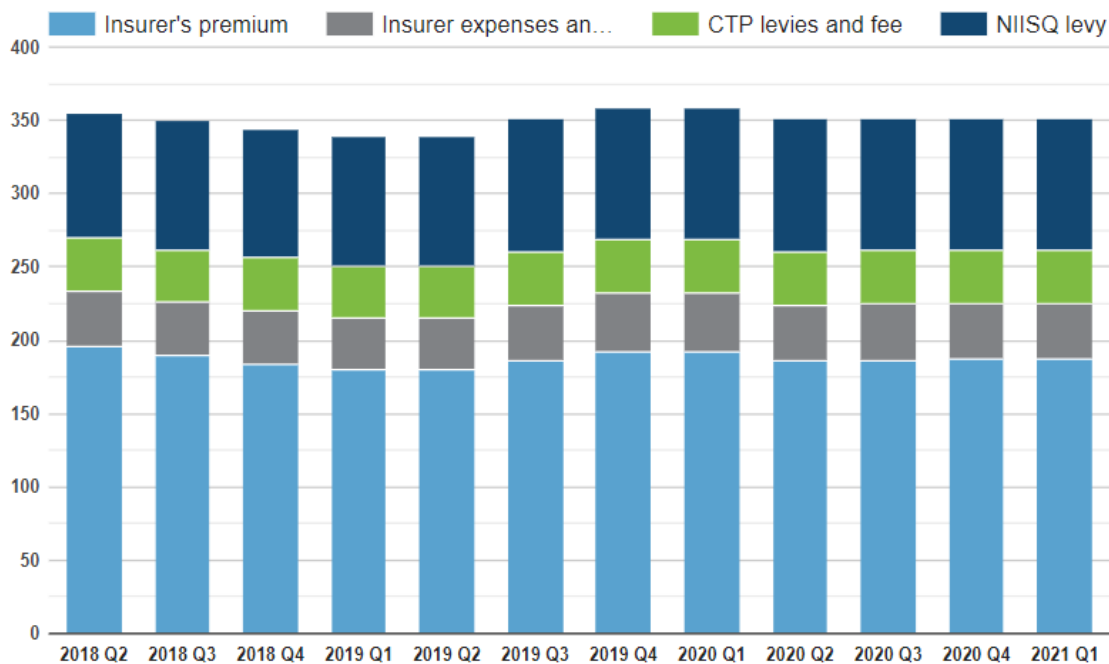


Notes:

Class 1 premium as at 31 March 2021 (\$351.60) is 21.8% of Average Weekly Earnings (\$1,615.40). The affordability level 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. The affordability index sets the benchmark for affordability level. If it exceeds the index (45%), MAIC is required to prepare a report to the Treasurer.

CTP premium breakdown

CTP insurance premiums remained stable against a backdrop of uncertainty surrounding COVID-19.



Notes:

Class 1 premium as at 31 March 2021.

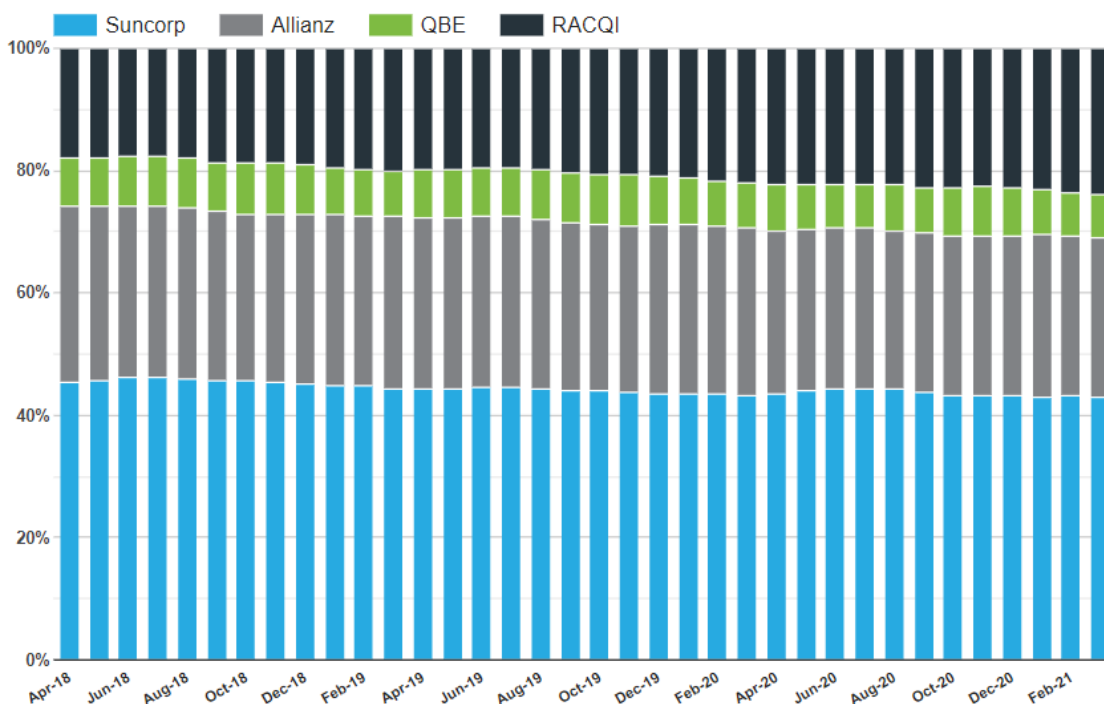
Insurer's premium is the amount the insurer will receive for taking on the risk and includes the risk premium and GST but excludes expenses.

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.

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

Insurer market share

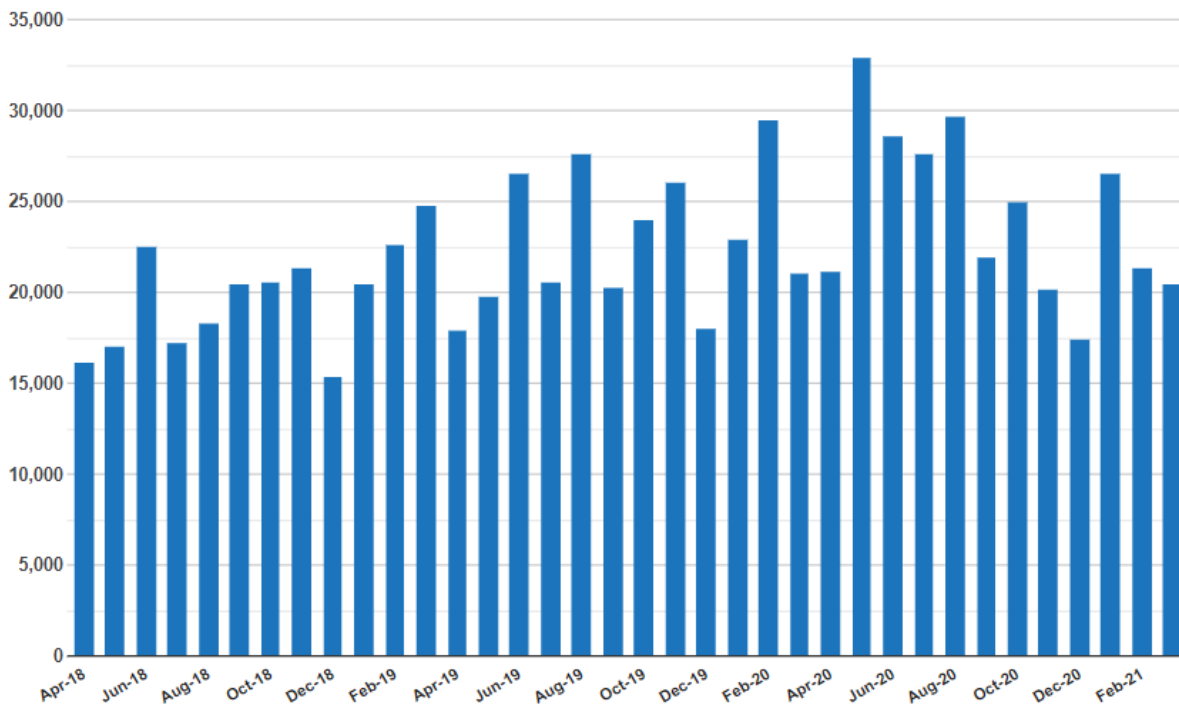
The market share of CTP insurers followed a similar trend to its past trajectory with marginal changes.



Note: data refers to three-month rolling averages as at 31 March 2021.

Number of motorists switching insurers

There has been a general upward trend in switching over the last few years.

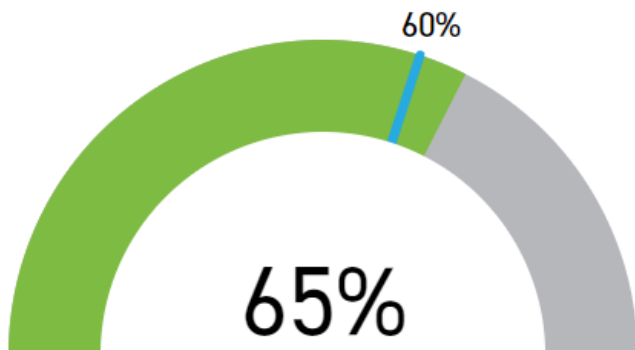


Note: as at 31 March 2021.

Efficiency

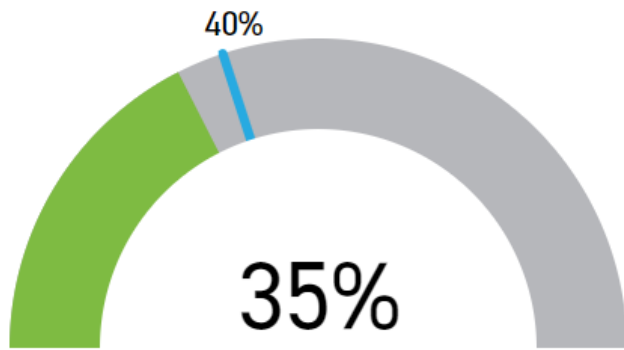
Current claimant benefits

The efficiency of a CTP insurance scheme can be judged by how well insurer delivery costs are controlled while maximising the amount paid to benefit of person who was injured. We consider a minimum benchmark for our privately-underwritten scheme is for 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 exceeded the minimum benchmark by five per cent. Delivery costs increased by one per cent due to the influence of COVID-19 lockdowns on estimated insurer profitability. For more information, view the [actuarial report on profitability](#) (PDF, 860KB) by Taylor Fry.



5-year average to December 2020 (1% lower than the past 5-year average)

Current delivery costs



5-year average to December 2020 (1% higher than the past 5-year average)

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.

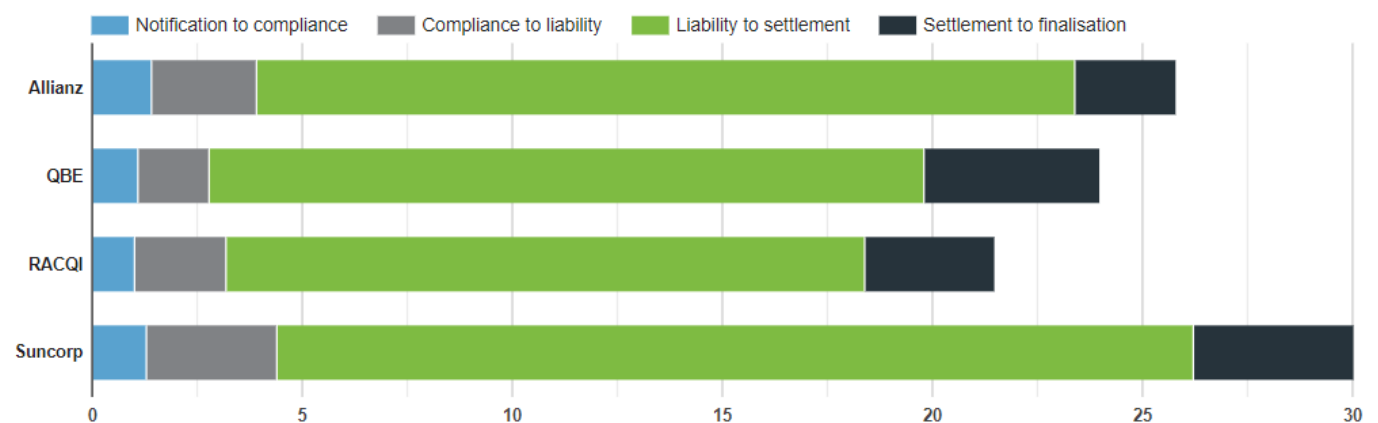
More than **99%**

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

Note: claims added 1 April 2020 to 31 March 2021 with a liability decision.

Legally-represented claimants – Average claim duration (months)

MAIC is continuing to monitor insurers' claims management practices including claim durations and stages of settlement. Where variations exist between insurers, we are analysing the data and consulting with insurers to understand the reasons behind it. The duration of a claim can be influenced by injury severity, circumstances around liability, evidence gathering, and claims management approach.



Note: legally represented, finalised claims from 1 April 2020 to 31 March 2021.

Direct claimants – Average claim duration (months)

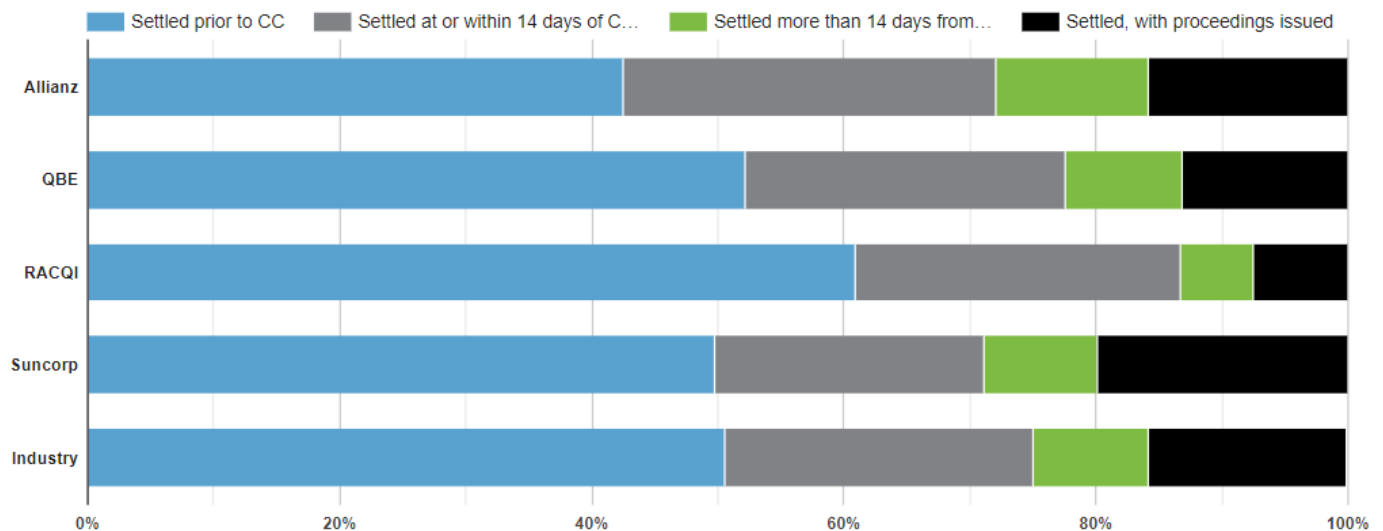
People who lodge claims directly with an insurer tend to experience shorter claim durations than people who lodge claims through legal representatives. This may be because people often seek legal assistance when their claim is more complex.



Note: direct claimants, finalised claims from 1 April 2020 to 31 March 2021.

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. Most claims are settled without the parties needing to hold a compulsory conference, some are settled at or within 14 days of compulsory conference and very few claims proceed to court.

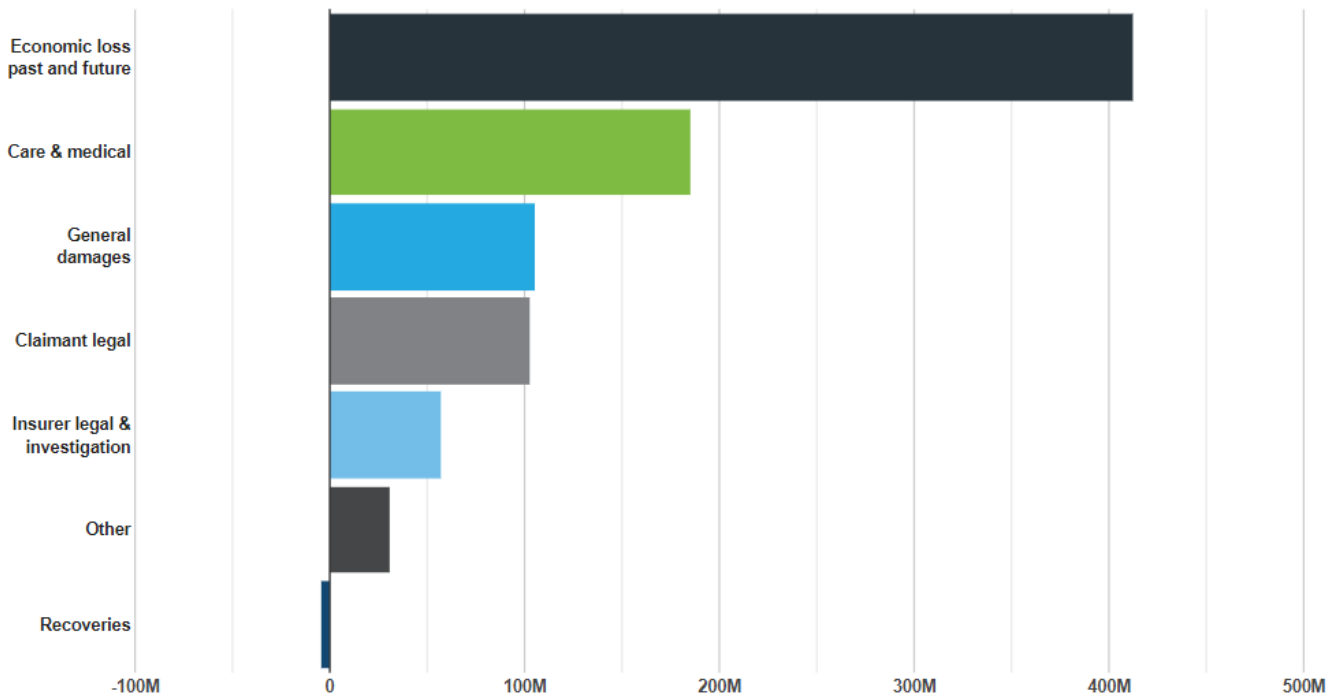


Note: claims finalised from 1 April 2020 to 31 March 2021.

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. The types of compensation remain consistent each quarter, with the majority of compensation being allocated to economic loss, care and medical, and general damages.



Notes:

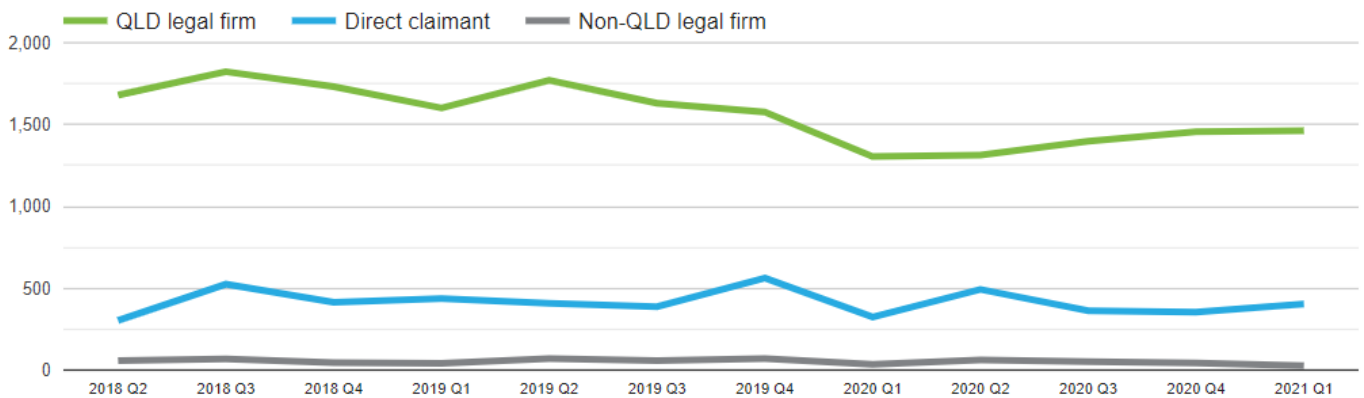
Claim finalised between 1 April 2020 to 31 March 2021.

Other includes home and vehicle modifications, aids and appliances.

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

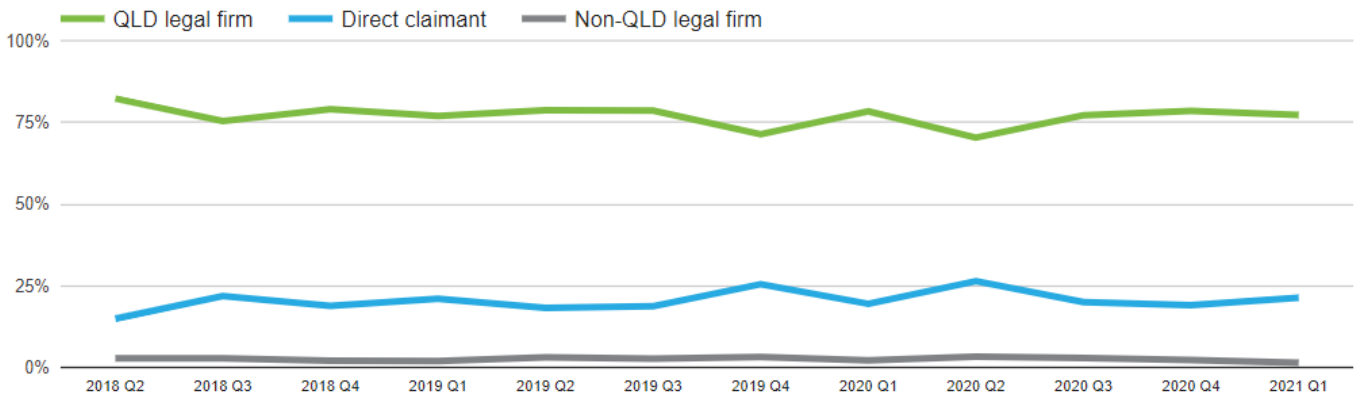
Number of new claims per quarter

The number of claims lodged each quarter has decreased since we introduced car crash scammer ('claim farming') legislative reforms in December 2019. COVID-related lockdowns also led to less traffic on the roads and therefore fewer CTP insurance claims.



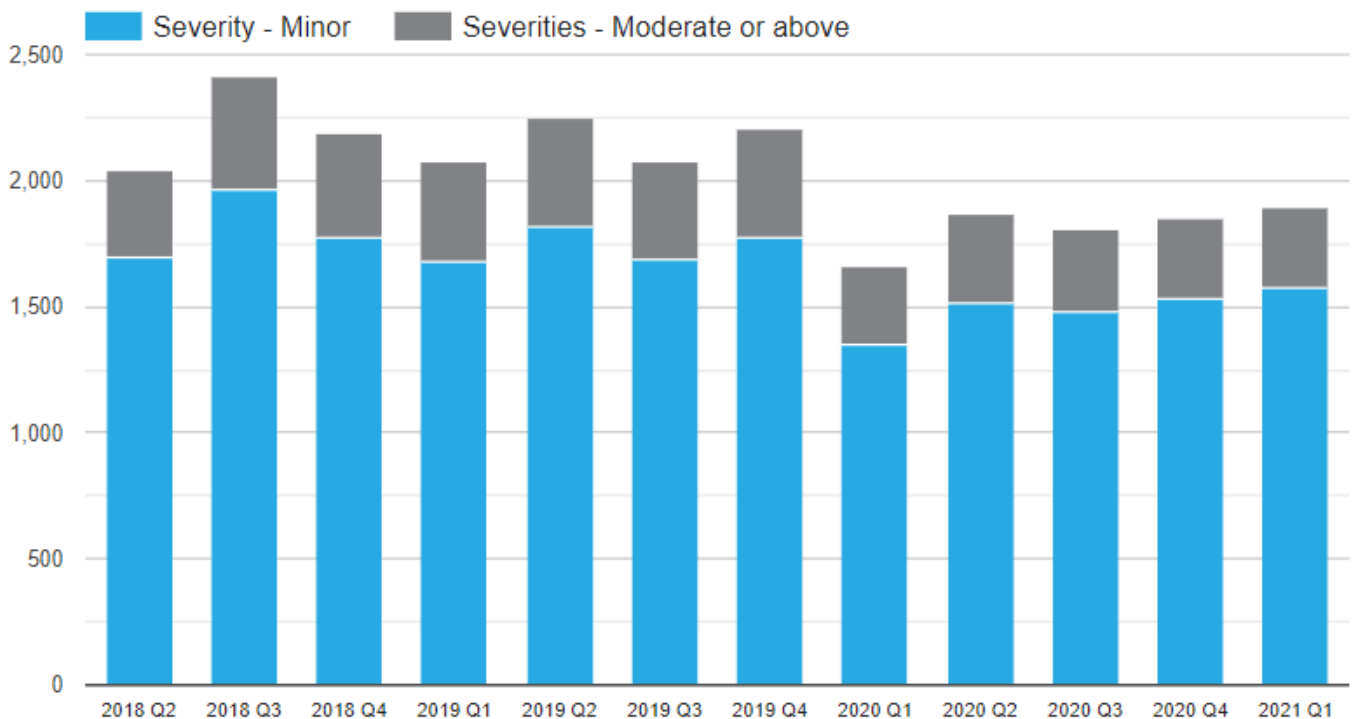
Proportion of claims added per quarter

When they lodged their claim, most people (77.3%) had engaged Queensland law firms to represent their claim. Some people (21.3%) lodged their claims directly to the CTP insurer, but some of those may later engage a solicitor during the course of their claim.



Number of claims added per quarter by severity

Less claims were added this quarter than the period before car crash scamming reforms were introduced.



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.

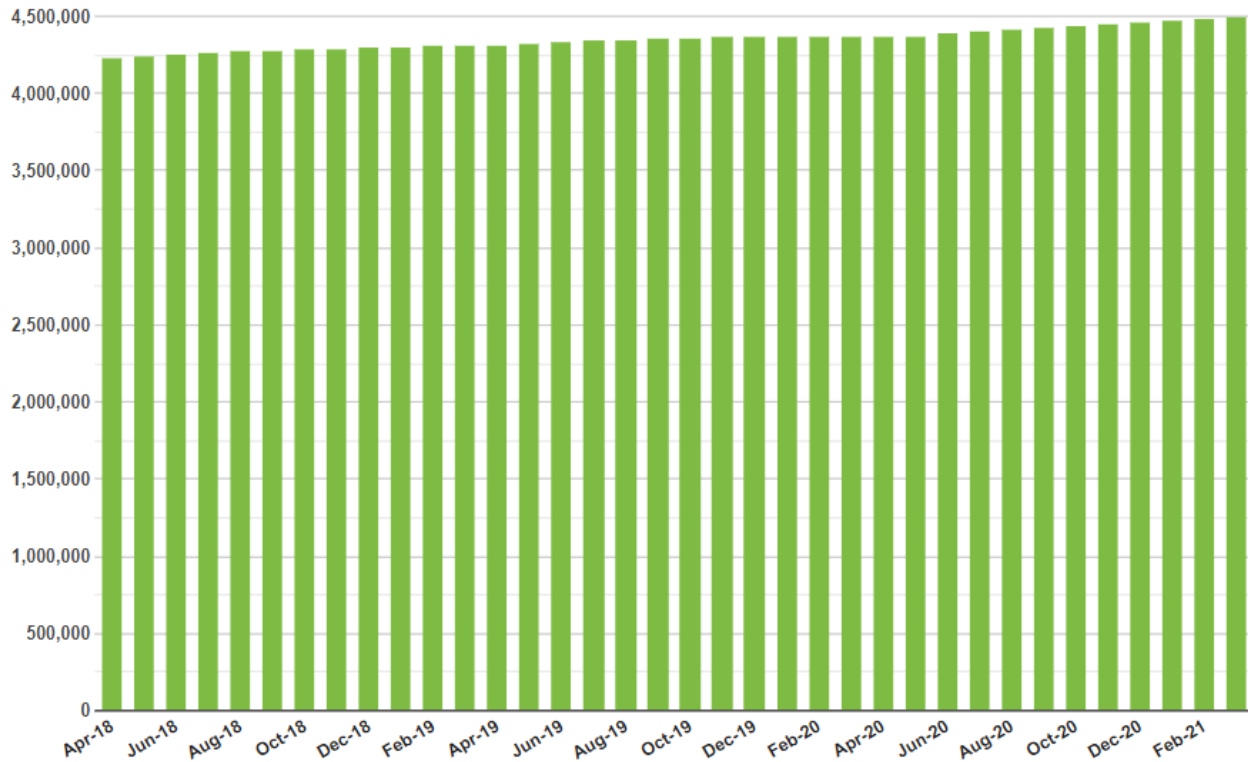
Responsiveness

Our scheme responds to meet the needs of a wide range of people of different ages, genders, types of crashes and roles in crashes.

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

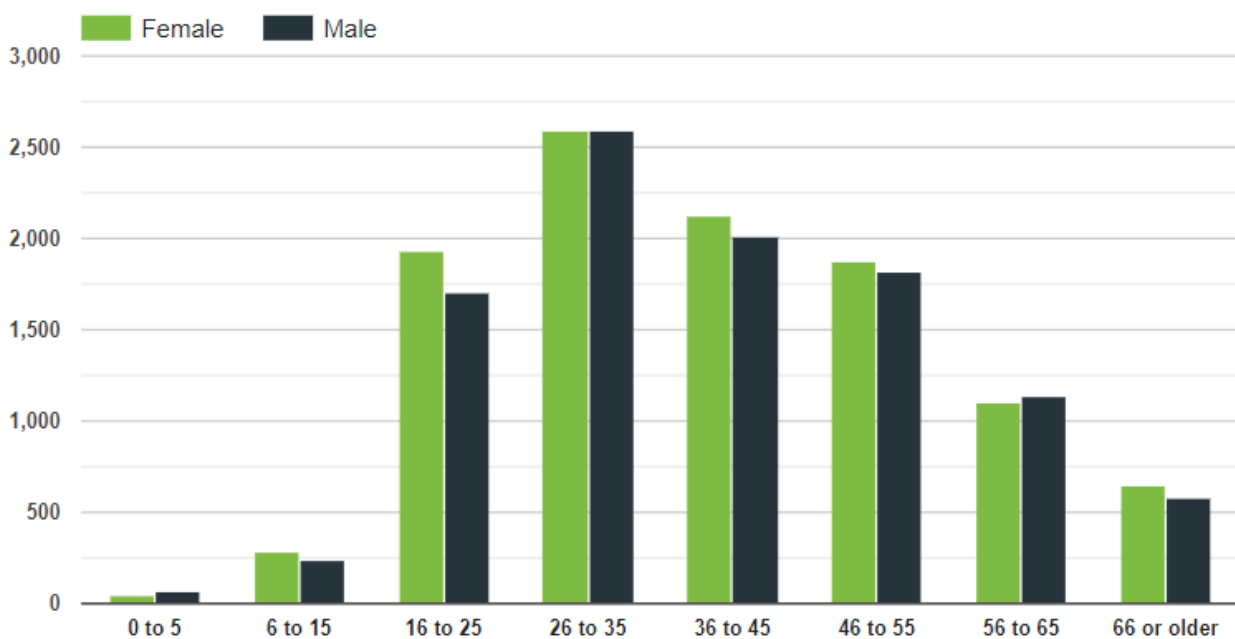
Overall, the number of vehicles registered in Queensland grew at a steady rate. The number of class 3 vehicles (taxis), class 4 (hire vehicles) and class 26 (booked hire vehicles and limos) is below pre-COVID levels, although vehicles registered as class 4 increased by five per cent between February and March 2021.

All vehicle classes:



Age groups of claimants by gender

Our claims data showed that most claims were lodged by people aged between 26 and 35. The second largest cohort was people aged 36 to 45. Slightly more claims were lodged by females than males.

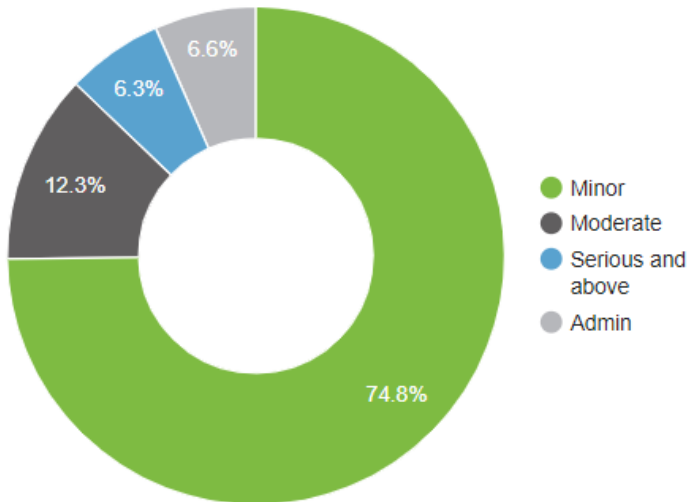


Note: all claims for crashes from 1 April 2018 to 31 March 2021, where relevant details are available.

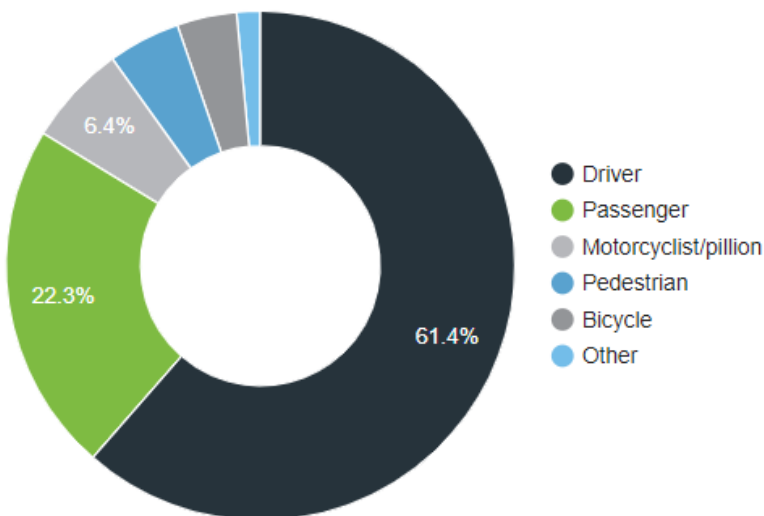
Claim severity, role and crash details

Most (74.8%) claims involved a minor injury where the person lodging a claim was the driver and they were travelling in the same direction as the other driver/s involved. We continue to support initiatives led by the Department of Transport and Main Roads to reduce distracted driving which can cause these types of collisions.

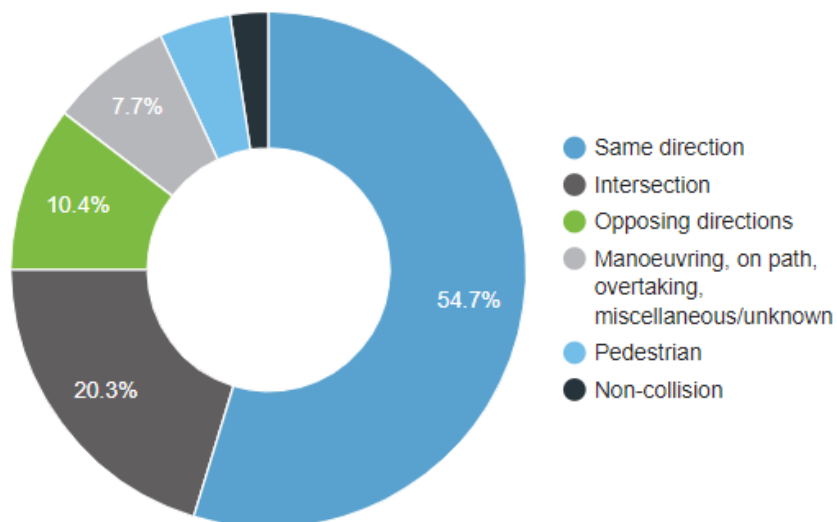
Claim severity



Claimant role



Crash details



Notes:

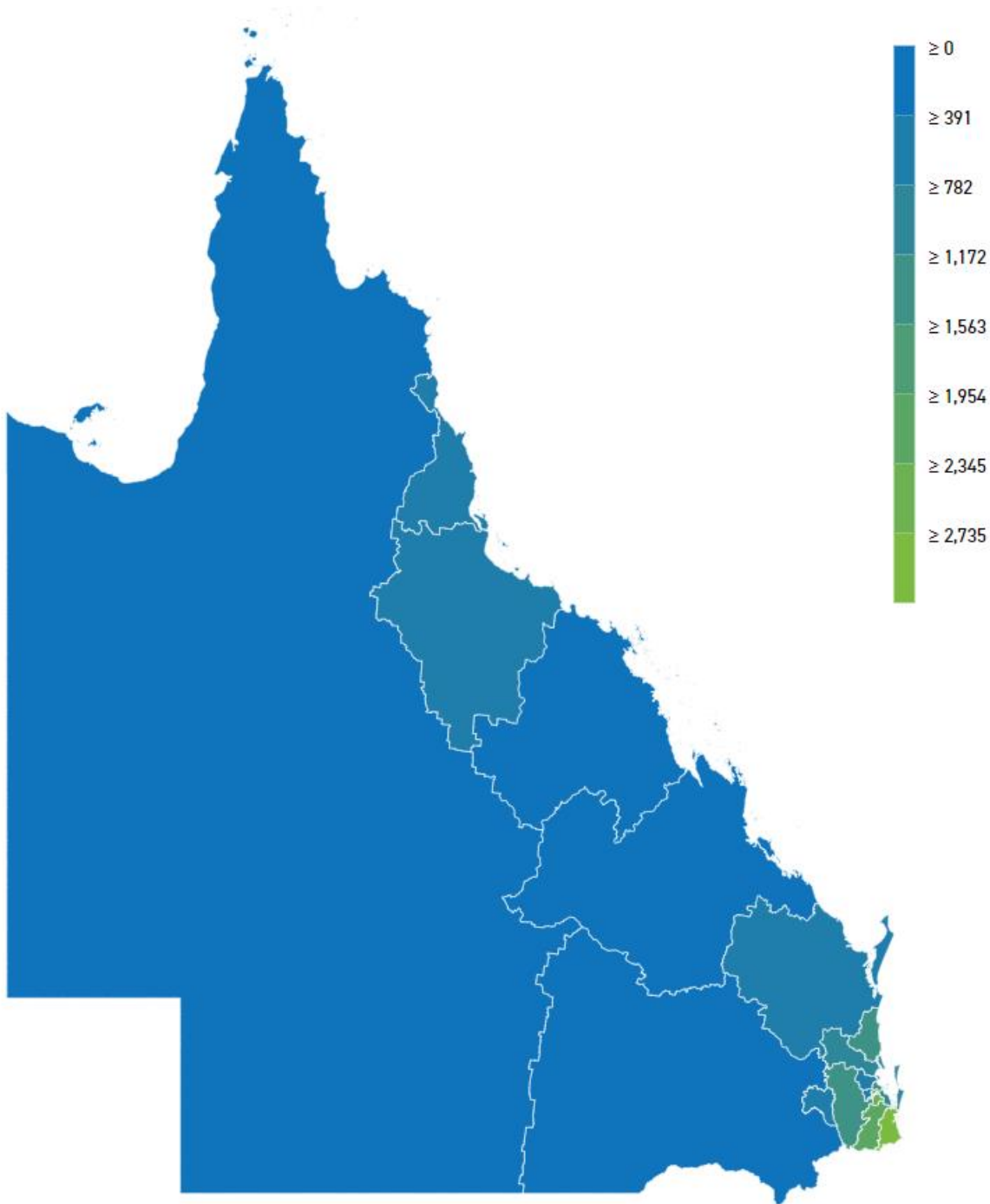
Crashes from 1 April 2018 to 31 March 2021.

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

People who experience a crash in metropolitan Queensland are more likely to claim for a lower-severity injury than people who experience in crash in regional Queensland. This may be due to more traffic in metropolitan areas increasing exposure to the risk of a potential crash. Less traffic and higher travelling speeds in regional areas may account for fewer claims but for crashes involving more severe injury.

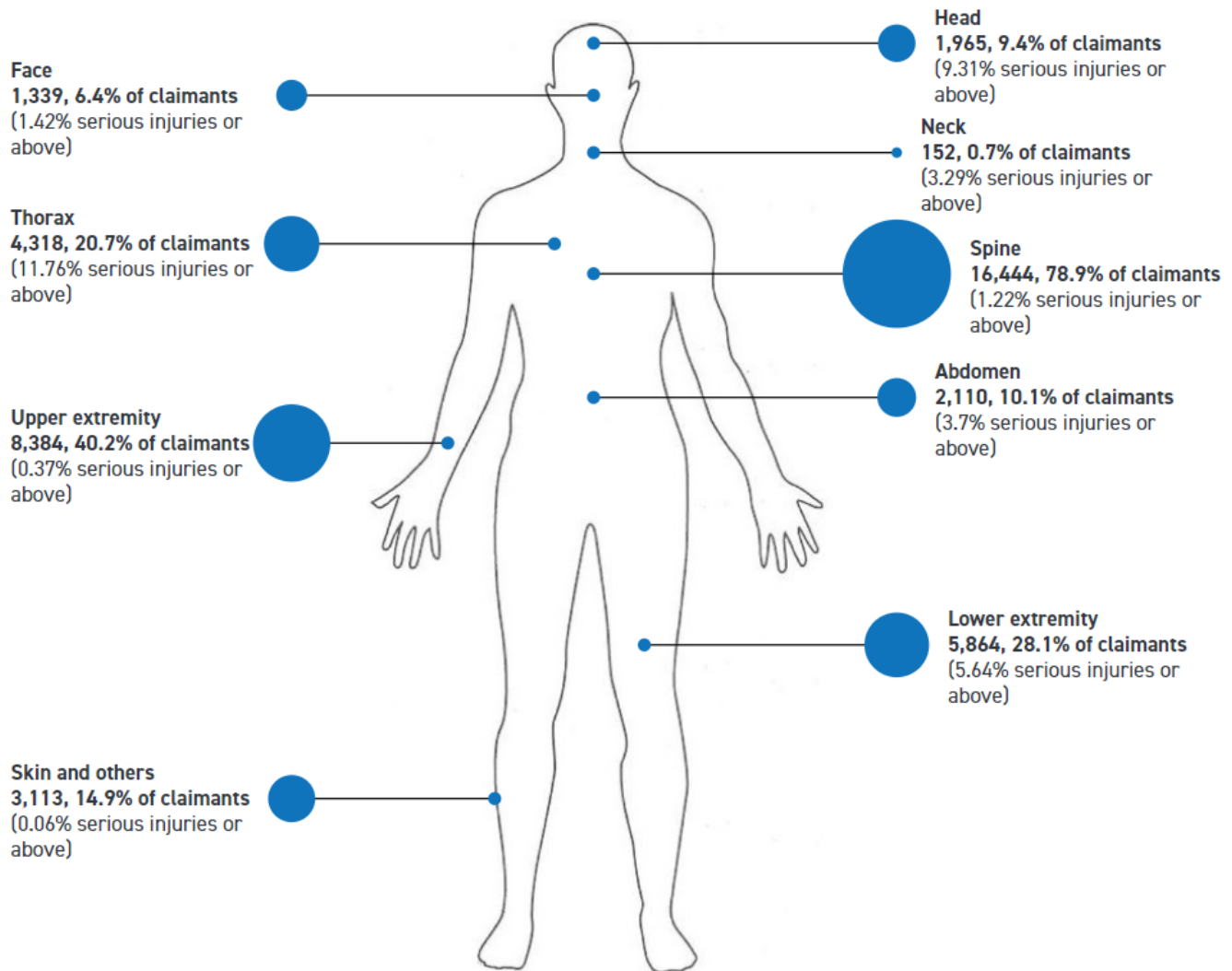


Notes:

Data refers to claims for crashes in Queensland from 1 April 2018 to 31 March 2021.
 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, 1.2 per cent experienced severe spine injuries. Amongst the nine injured body regions, thorax is most likely to be seriously injured (11.8 per cent), followed by head (9.3 per cent). In addition to the physical injuries shown below, more than 25 per cent of the claimants experienced psychological conditions.



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.

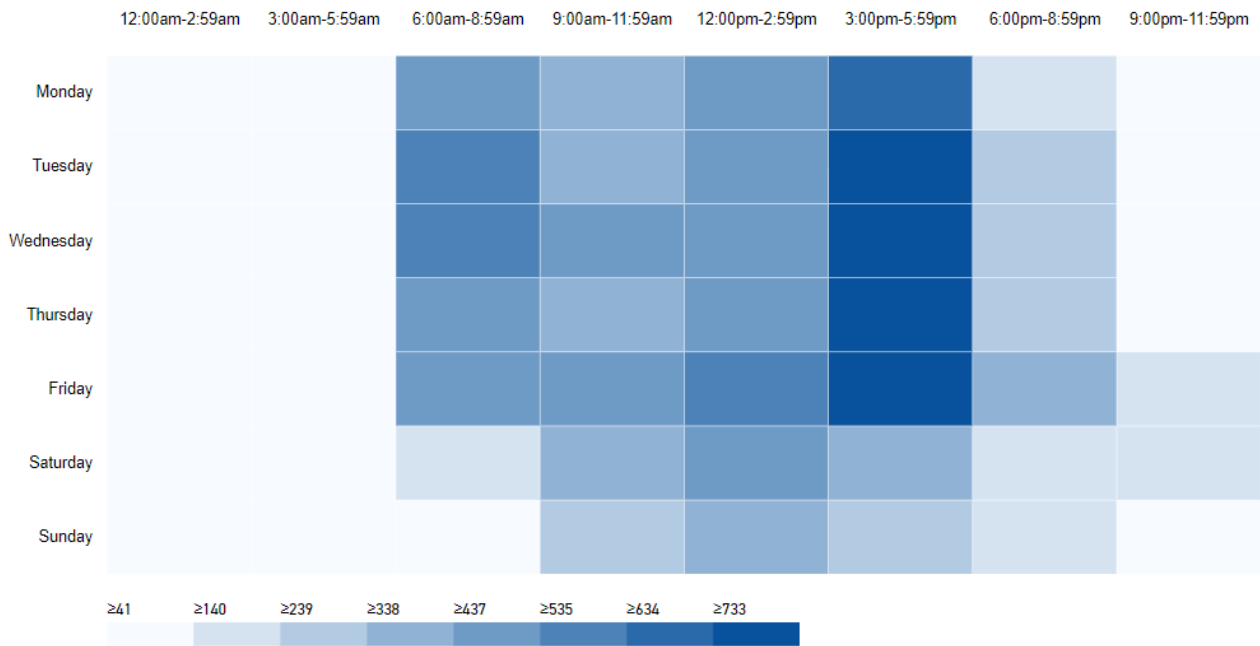
A 'serious injury' is classified as one with an AIS of 3.

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

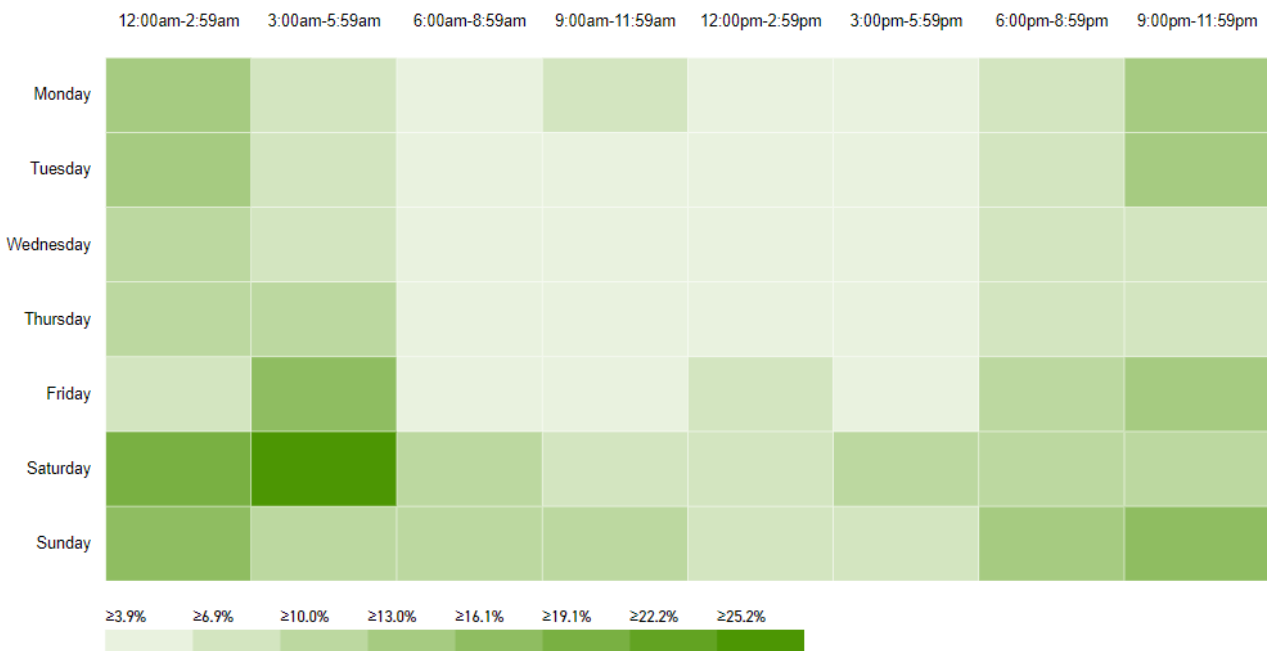
Our data revealed that crashes were mostly likely to occur during the day, particularly between 3pm and 6pm on weekdays.



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

Although fewer accidents occurred at night time, the crashes that did occur were more likely to be serious, particularly 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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