



21 April 2023

Motor Accident Insurance Commission
GPO Box 2203
BRISBANE QLD 4001

By email: Consultation@maic.qld.gov.au

To whom it may concern:

We are grateful for the opportunity to provide a response to the issues raised in the Discussion Paper for the 2023 Review of Queensland's Compulsory Third Party (CTP) insurance scheme.

1. About the Save Our CTP Campaign

1.1 Queensland's current CTP scheme is one of the most affordable in the country, delivers financial protection for motorists and enables speedy recovery for claimants.

1.2 The Save Our CTP campaign commenced because the Compulsory Third Party (CTP) scheme in Queensland was under threat due to moves by some major insurers who were aggressively pushing to have the Queensland scheme overhauled, including the removal of common law rights of those injured in motor vehicle accidents.

The Save Our CTP Coalition is a coalition of Queensland people and civil society organisations coming together to:

- *Protect common law rights for Queenslanders, including the right to seek compensation for injuries and damage;*
- *Ensure Queenslanders can access the courts to seek fair compensation;*
- *Keep insurance premiums affordable through simple claims schemes; and*
- *Preserve existing Commonwealth and State safety nets for seriously injured Queenslanders.*

1.3 We make this submission to ensure people in Queensland can continue to access a fair and affordable CTP Scheme which supports them to have access to fair and timely compensation and rehabilitation support to best aid their recovery and long-term wellbeing.

1.4 The Save Our CTP Coalition has also consulted with a number of community organisations and public entities in the preparation of this submission, including Spinal Life Australia and Queenslanders with Disability Network (QDN).

2. Preamble

2.1 Save Our CTP welcomes MAIC's review of the CTP Scheme in Queensland and the willingness to see continued improvement to the scheme.

2.2 We also welcome the statement in the Discussion Paper that says:

“The Queensland Government is committed to making sure premiums remain affordable for motor vehicle owners and access to common law damages is preserved for injured road users.” (page 4)

2.3 The previous push by two insurance companies to erode the CTP system by trying to cap claims and remove common law rights was of great concern. We have welcomed RACQ communication which confirms that they will no longer pursue the Re-Think CTP Campaign.

2.4 While we support regularly reviewing the CTP Scheme, we are concerned that the Discussion Paper has a strong focus on the experience of the current CTP insurers, focusing on issues such as the disparity of their abilities to manage their profitability, operations and the claims processes. We strongly oppose any change that may benefit one or more insurance companies over any Queensland motorist and/or their passengers. The consumer experience of the scheme must be paramount.

2.5 To provide comprehensive feedback about each of the three scenarios provided, we believe more information should be provided about those scenarios which advocate for systemic change, in order to understand the full implications and consequences. In the section below, we provide observations based on the materials provided.

3. The Proposed Scenarios

3.1 Save Our CTP supports the continuation of the current scheme (Scenario 1), but with additional, specific focus on the consumers' claims experience.

3.2 It is clear there are issues with the current claims process. This concern is supported by information on MAIC website where the experience of many claimants is not positive in a number of areas including¹:

Only 25% (approx) claim the process has been quick

Only 34% (approx) believe the claim process has been easy

Only 43% (approx) believe treatment and rehab has been easy to access

Only 50% (approx) believe they received high-quality service from the CTP insurer

3.3 It is important to note that claimants state the “Top comment/suggestions to Improve CTP claims process” is “Educate claimant and knowledge of process”. We strongly recommend that claimants and consumers be engaged in the early stages of any redesign of the claims process, or any redesign of the Scheme more broadly. This should include seeking consumer input into the information provided and the language used.

3.4 Many organisations engaged with Save Our CTP have experience and capability in the area of facilitating co-design processes and have expressed interest in supporting MAIC in this area.

3.5 We are aware that Claims Protocols are being developed in order to improve the experience and outcomes (including rehabilitation) for clients with law firms, lawyer associations and insurers. Client and consumer participation in co-designing appropriate protocols is critical and we would welcome an opportunity for wider stakeholder consultation in this process at the appropriate time.

3.6 Where the current scheme supports early access to treatment and rehabilitation to assist people in their recovery, access to appropriate rehabilitation has not been consistently available to claimants which then jeopardises a client’s experience and long-term wellbeing.

3.7 We support the continuation of Queensland’s ‘community rated’ philosophy for premium setting for each class of vehicle, as described in section 3.3 of the Discussion Paper. No person or community should be worse off due to their age, disability, place or region in which they live or cultural background.

3.8 It is important in this review that MAIC, as a public entity, consider Queensland’s Human Rights Act and ensure that the scheme is and remains compliant with the Act.

3.9 Above all, it is important any review must ensure that the scheme continues to be inclusive, accessible and affordable to all motorists in Queensland.

3.10 In relation to Scenarios 2 and 3, we provide the following observations:

¹ MAIC Claimant Pulse Survey Results Summary, 2022

- 3.11 We do not support a Premium Equalisation Mechanism, as discussed in section 7.1. We believe that increased competition among insurers will best benefit consumers. The proposal, as presented, has the capacity to promote poor performing insurers at the expense of those that offer consumer focused products and services.
- 3.12 We do not support Random Allocation, as described in section 7.2. We believe that motorists should have the right to nominate their preferred CTP insurer. On the other hand, the promotion of active decision making by consumers, as described in 7.4, may have merit.
- 3.13 In relation to Scenario 3, we support, in principle, the continuation of a privately underwritten CTP insurance scheme, while-ever it remains affordable and delivers fair and timely compensation and rehabilitation support to people injured in road crashes through no fault of their own.

We trust that this submission has been of assistance. Should you require any further information please do not hesitate to contact the Save Our CTP Coalition at info@saveourctp.org.au.

Kind regards,

Mark Henley

On behalf of the Save Our CTP Coalition