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IDSS 2023

12 – 14 November  
Hobart



# MAIB (TAS CTP) Scheme Update

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*This presentation has been prepared for the Actuaries Institute 2023 Injury and Disability Schemes Seminar.  
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# Scheme Features

## Background

- MAIB - Tasmanian Government owned business - monopoly provider of Tasmanian no fault personal injury motor accident insurance scheme (48 years).
- Compensation:
  - Personal injury benefits - no fault basis:
    - Scheduled benefits: Approximately 2,000 new claims every year;
    - Life-time Care: indefinite & unlimited access to benefits. 100 clients (operating for 32 years);
  - Common Law:
    - Available where personal injury is caused by negligence. MAIB indemnifies liable motorist.

## Coverage

- Anyone in a motor accident involving a Tasmanian registered vehicle - on and off road;
- Anyone catastrophically injured in a motor accident in Tasmania; and
- Minor exclusions - unregistered, uninsured, unlicensed & various serious driving offences.

# Scheme Features continued

## **Statutory Benefits**

- No-fault benefits are paid for all accepted claims covering:
  - medical and hospital costs;
  - rehabilitation expenses;
  - care and support (including equipment and housing/vehicle modifications);
  - disability allowance (wage replacement); and
  - funeral expenses and dependency benefits.
- Maximum Statutory limit of \$500,000 for non-lifetime clients.

## **Future Care**

- Unlimited coverage of care and medical costs; and
- Threshold based on needs: “2 hours or more care per day, indefinitely”.

# Premiums

## Regulated Pricing

- Premiums reviewed every 4 years by an independent regulator. Most recent review in 2021:
  - no general premium change for all vehicle classes;
  - minor relativity adjustments for a few classes; and
  - maximum annual general increases of AWOTE for the following three years.
- Premiums have reduced by 12.8% (nominal) over the past 18 years:
  - 3 significant decreases of 7.4% (2013) & 7.5% (2016) & 4.0% (2020); and
  - 2 minor increases of 3.6% (2009) & 2.5% (2023).
- Motor car (Class 1) premium as at 1 December 2023 - \$292 (inc GST/ex stamp duty):
  - MAIB premiums lowest in Australia and lower than the 2002 MAIB premium; and
  - premium covers all no-fault, common law and lifetime care claims.

# Claims Management

## Claims Management Outcomes

- Client satisfaction rating – all surveys over 20+ years 80-89% (84% in 2023).

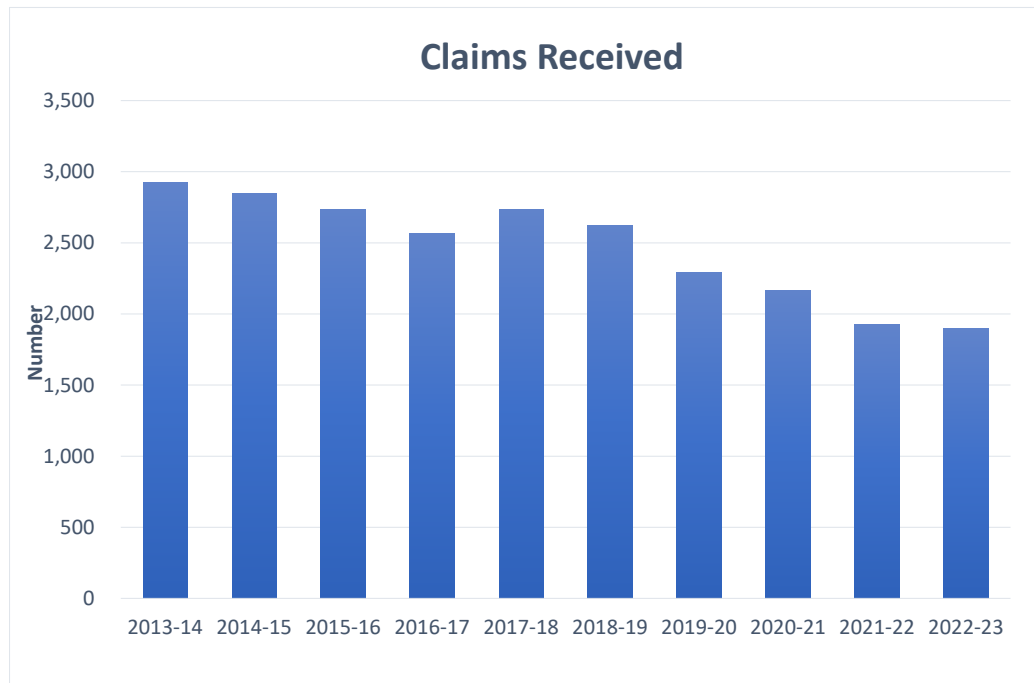
## Future Care (Life-Time Support)

- Specialist claims team.
- 3 Purpose built care facilities/housing solutions in Hobart, Launceston & Ulverstone.
- Support Needs Assessment - evidence based decisions on indiv. support needs.
- Claims numbers: 100 active claims, experiencing less than 5 new claims per year, with the total number stable (exits and entrants almost matched).

## Outsourced Care Services

- Specialist facilities manager for MAIB's three care facilities.
- Contracted specialist panel providers for:
  - attendant care, equipment, legal services, investigation and surveillance; and
  - rehabilitation (vocational, redeployment, OT, case mgmt and support needs assessment).

# Claim Frequency



- Long-term trend of decreasing claims numbers (absolute) and frequency:
  - 1,899 new claims in 2022-23, 1.2% decrease on 2021-22, despite 2.3% increase in vehicle numbers;
  - Total claims in 2013-14 were around 3,000; and
  - Claim frequency in 2022-23 was 3.19/1,000 vehicles (6.18 in 2013-14).

# Financial Position

- The two main business performance drivers for the MAIB:
  - investment income and long-term claims liability.
- Investment philosophy (65% growth, 35% defensive asset split):
  - Ensures long term returns, within acceptable risk, to maintain solvency level and sustainable dividends and premium affordability; and
  - Funding Ratio as at 30 June 2023: 133.2% (target 120% to 145%).
- Financial result for 2022-23:

net profit - \$146.7 million (before tax)	net investment revenue - \$145 million (7.8% annual return)
net claims expense - \$117.4 million	net premium income - \$145.7 million
investment portfolio - \$2.0 billion	outstanding claims liability - \$1.34 billion



# Road Safety & Community

## Background

- MAIB funds the primary road safety body in Tasmania (Road Safety Advisory Council):
  - MAIB funding – \$4.2m per annum;
  - education (campaigns, marketing & research); and
  - enforcement - Tasmania Police road safety division (personnel and equipment).
- MAIB also funds a number of targeted road safety initiatives.
- Injury Prevention and Management Foundation – research, new programs and other community projects to reduce road casualty and/or improve treatments.
  - funded by up to 1% of premiums each year.
- MAIB provides road rescue funding to Tas. Fire Service and State Emergency Service.
- The MAIB is proud to be a social insurer and continues to engage with our community:
  - MAIB's annual sponsorship, Foundation and road safety funding is \$5.4 million.

# Current Issues

- Facilitating sustainable attendant care, allied health (& other care services) across Tasmania, to facilitate choice and availability to all MAIB clients to quality, safeguarded and optimal personal injury services.
  - Availability of care workers and ongoing inflationary pressures.
- Continued focus on building a safe, supported, motivated and enabled workforce, particularly during a difficult labour market.
  - Recruitment and retention a key challenge.
- In planning stages for a complete renewal of MAIB-owned care facilities, to provide contemporary designed, future proofed and flexible facilities that provide client choice, independence, privacy and safe, quality services.
- Commencing scoping for replacement of MAIB's claim management system.
- Continued focus on influencing safer roads, vehicles and drivers as we push towards our ambition of zero road casualty in Tasmania.



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Thank you

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## South Australia's CTP Scheme

David Price, Director, Strategy and Governance | Ivan Lebedev, Director, Analytics and Performance

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## Statement of Acknowledgement

We acknowledge this land that we meet on today is the traditional lands for Muwinina people and that we respect their spiritual relationship with their country.

We also acknowledge the Muwinina people as the custodians of the Hobart region and that their cultural and heritage beliefs are still as important to the living Muwinina people today.

We also pay respects to the cultural authority of Aboriginal and Torres Strait Islander people attending from other areas of Australia present here.

## South Australia's CTP Scheme & Regulator

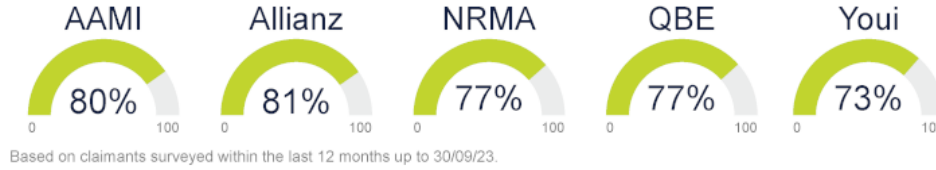
- Fault-based scheme with no-fault treatment, care and support cover for children under 16.
- Privately underwritten by five insurers: AAMI, Allianz, NRMA, QBE and Youi.
- The CTP Regulator oversees and monitors the scheme.
- Our vision is to deliver a fair and competitive CTP Scheme with choice, ease and confidence for the South Australian community.

# Main features

- The Scheme covers approximately 1.5m registered vehicles, excluding trailers.
- Premiums are rated by vehicle type (27 types) and garaging district (metro or country).
- Premiums can be paid annually, quarterly or monthly at the time of the registration of the vehicle. There is no discount for annual premium vs shorter term. Monthly premiums are offered via direct debit.



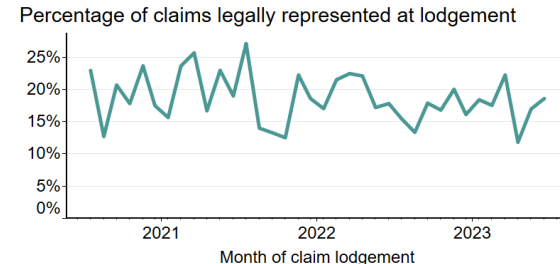
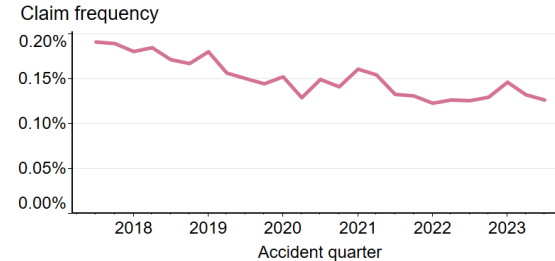
## Customer (claimant) service rating



- Injured persons with CTP claims are surveyed about the service provided by the Insurer managing their claim
- Survey results are used to calculate a rating from 0 to 100 for each insurer
- Results are published on the registration renewal notice and the Regulator's website
- In a 2022 survey of motorists:
  - 69% of respondents said the claimant service rating was useful
  - 16% said it was the most important factor in which insurer they chose

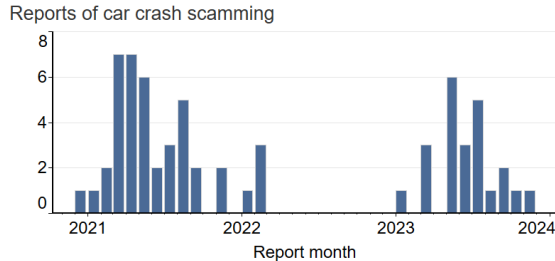
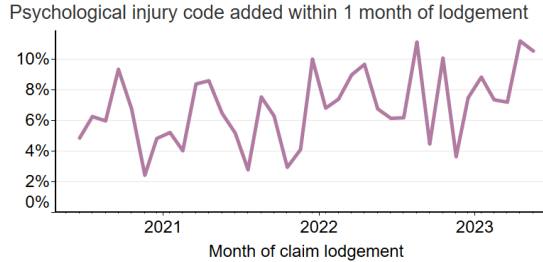
# Key statistics

- Approximately 2,000 claims are incurred per year.
- Claim frequency has been decreasing but may have plateaued now at around 0.13%
- Legal representation at lodgement is below 20%.
- Average legal representation rate is around 30%.
- Average claim size is approximately \$95K.




# Key statistics

- Proportion of claims with psychological injuries at lodgement has been steady at around 10%.
- Reports of car crash scamming recently appeared after a dry year. The number is still less than 10 per month.



# Insurer competition

Choose your CTP Insurer 

[Insurer Claimant Service Ratings](#)

<b>NRMA</b> \$175.65 Claimant Service Rating 77% <a href="#">view website</a>	<b>ALLIANZ</b> \$175.65 Claimant Service Rating 81% <a href="#">view website</a>	<b>QBE</b> \$180.00 Claimant Service Rating 77% <a href="#">view website</a>	<b>YOU1</b> \$175.65 Claimant Service Rating 73% <a href="#">view website</a>	<b>AAMI</b> \$179.65 Claimant Service Rating 80% <a href="#">view website</a>
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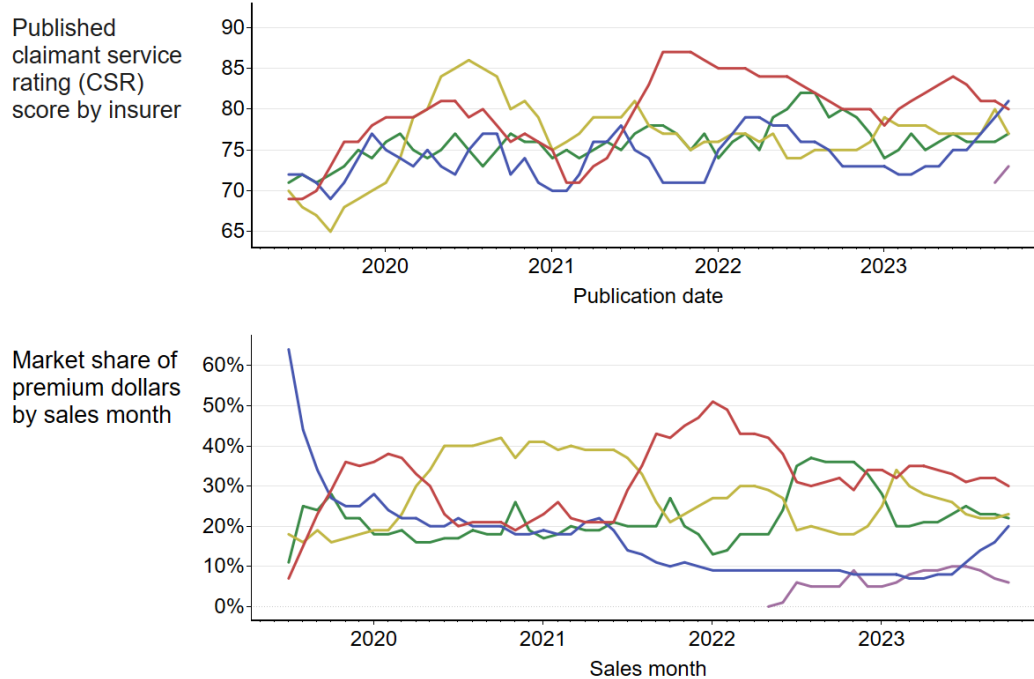
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- Price competition started on 1 July 2019.
- Insurers compete on price and claimant service rating.
- Insurer may offer off-the-price incentives.
- One **must** choose an insurer at each renewal.
- Brand new vehicles are auto-allocated to the insurers in proportion to their market share at the lowest offered premium.

# Premium filing

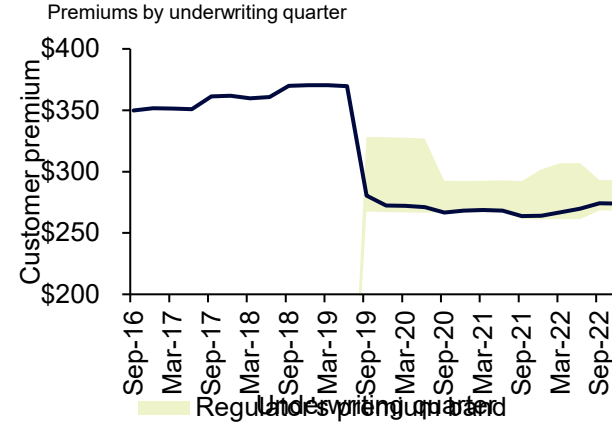
- Insurers can re-file premiums as often as they want.
- Filed premiums are valid if they fall within the Regulator-approved premium bands.
- There are multiple re-filings over the year as insurers respond to changes in claimant service rating or implement their pricing strategy.
- In 2022-23
  - all insurers filed new premiums at year start
  - four insurers re-filed once during the year
  - one insurer re-filed twice
  - in total, there were more than 200 premium changes across all premium classes

## Claimant service rating and market share



## Premiums

- Insurers generally price near the floor for private passenger cars and light trucks.
- Insurer pricing for other classes is variable and reflects their portfolio strategy.
- As of 2022-23, premiums are 18% of South Australian Average Weekly Earnings (compared to 28% in 2018-19).



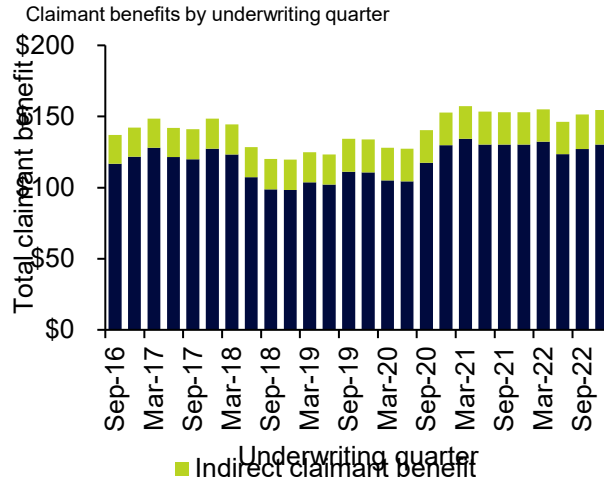
Premiums compared to South Australia's Average Weekly Earnings (AWE)

	Annual premium	State AWE	Ratio
2018-19	\$411.25	\$1462	28%
2019-20	\$296.77	\$1,504	20%
2020-21	\$295.40	\$1,543	19%
2021-22	\$290.33	\$1,591	18%
2022-23	\$294.99	\$1,658	18%

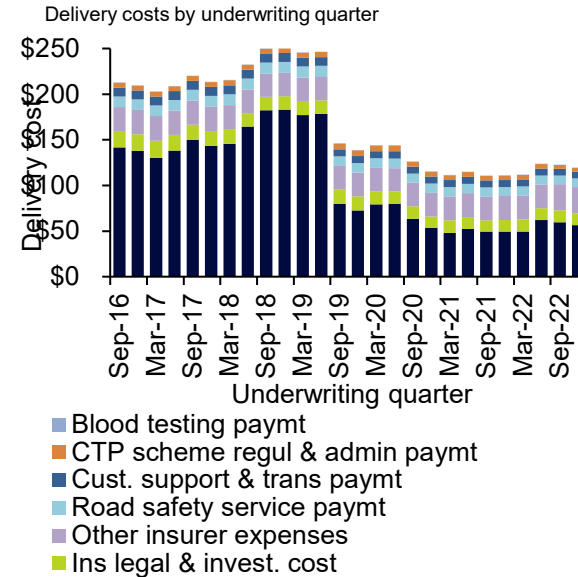
**Note:** Premium is the weighted average lowest priced Class 1 District 1 public passenger vehicle on offer over the financial year.

## Scheme efficiency

Since competition was introduced on 1 July 2019, claimant benefits are roughly the same...



...but delivery costs are lower.





## Our innovations

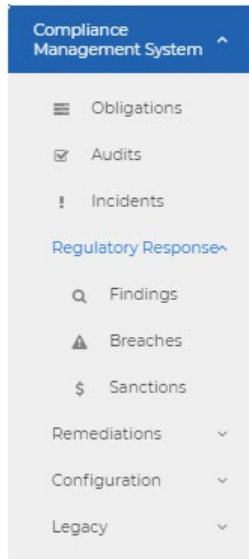
### Online claim forms

- The Regulator introduced digital Injury Claim Forms and Fatality Claim Forms in November 2021
- 47% of claims were lodged online in 2022-23
- The proportion of injured people who find the form easy to complete increased from 59% in 2021, to 71% in 2023
- New version of the form will automatically populate the Insurer name using link to SA registrations data

### “Am I covered by the CTP Scheme?”

- The Regulator developed an online questionnaire to help injured people determine whether they may be covered by the CTP Scheme

## Our innovations



### Compliance Management System (CMS)

- Prioritise obligations for auditing purposes
- Prepare audit test templates
- Conduct audits
- Seek and receive insurer feedback on audit results
- Record incidents and regulatory response
- Request and approve remediation plans
- Receive insurer reports against the approved plans