

ACT Government Compulsory Third Party Insurance Survey



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BACKGROUND AND METHODOLOGY

As part of the vehicle registration process, all motor vehicle owners are required by law to purchase compulsory third party (CTP) insurance. CTP insurance covers other people injured in motor vehicle accidents when found to be the fault of the insured driver. CTP schemes exist Australia-wide but they are different in design, offering different coverage and benefit levels.

The only CTP scheme to operate entirely under common law exists in the ACT. Under this system, courts have jurisdiction to determine claims and deliberate on cases of negligence suffered by the injured person (which can be a lengthy process). Compensation amounts are also awarded on a case-by-case basis. When an accident occurs where no party is at fault, the injured party cannot sue for negligence which is the main avenue for compensation.

The Chief Minister Treasury and Economic Development Directorate (CMTEDD) sought input from the broader community to better understand issues and consumer choice preferences regarding current CTP schemes. Piazza Research (an ISO 20252 Quality Certified market and social research firm) was engaged to collect data that could be used to assist deliberators in respect to the design for a potential new CTP scheme for the ACT. This report outlines the survey process and findings.

Survey design and data collection

The survey questions were developed by Piazza Research in consultation with the CMTEDD project team. The survey was designed to identify consumer preferences for various insurance options and also to measure the strength of those preferences.

Surveys were collected by telephone interview commencing the 10th of September and ceased on the 19th of September. A randomised sample of ACT residents was surveyed during the working week, and on Saturdays.

Sample Design

A total of 515 responses were achieved for this survey. For the 95% confidence interval, this sample size provides results accurate to within +/- 4.4% margin of error for overall results, which is considered highly reliable.

Data Processing and Analysis

Piazza Research used its own statistical software, 'Q', and Excel to analyse survey results. Software validation and post data-entry checks were conducted to ensure data integrity before analysis.

A descriptive analysis was performed producing graphs, tables and frequency counts.

Quality Assurance System – This project complies with the ISO 20252 Market, Opinion and Social Research Standard.

Rounding error – Percentage results have been rounded to the nearest whole per cent. Percentages in some graphs may total slightly more or less than 100%.

SUMMARY OF MAIN FINDINGS

Universal coverage - Seventy-two (72%) of respondents said that they would prefer a CTP insurance scheme where everyone injured was covered regardless of whose fault it was. This was considered important by this group rating this 3.1 out of 4 on an importance scale.

Set payment model for benefits – A majority 55% prefer a CTP process where compensation was paid by insurers based on a set model of benefits. This group rated this as 3 out of 4 for importance to them. A sizable proportion (45%) preferred a negotiated or court settlement process and this group also considered this as important (3.2 importance rating).

Compensation fixed for less serious injuries – A very high proportion (79%) believed that CTP compensation should be fixed with people who have less serious injuries. This had a relatively lower importance rating from the group at 2.8 out of 4.

Compensation for non-financial loss – Fifty-five per cent (55%) said a CTP scheme that compensates for non-financial loss should only be available for people with more serious injuries and 45% this should be available irrespective of injury severity. Both groups considered this important with ratings of 3.1 and 3.0 out of 4.

Coverage versus premiums – ACT Residents were fairly evenly split between those who wanted lower premiums but less generous coverage (51%) and those who wanted more generous coverage at a higher premium expense (49%). Both groups rated the importance of their choice as important (3.1 and 3.0 out of 4).

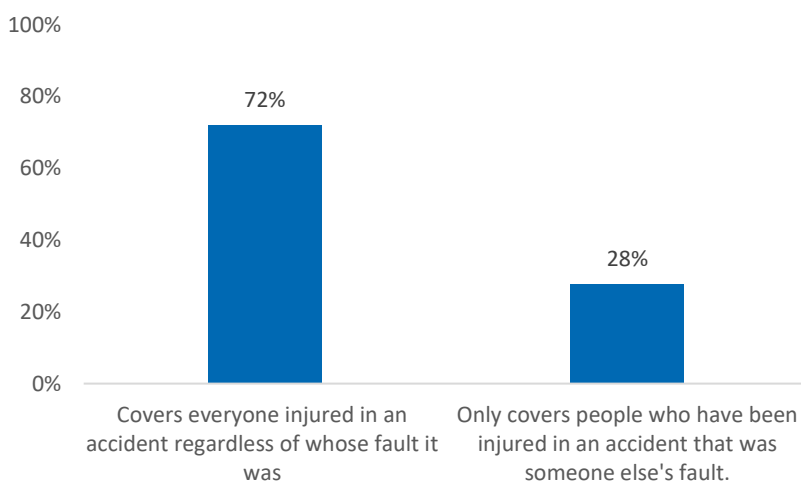
Measure of Relative Importance (MRI) – Participants were asked to rate CTP insurance scheme preferences, out of (1 being least important, to 5 being extremely important). The two-highest ranked CTP insurance features in terms of importance (combined 4 and 5 ratings) were; compensation being paid quickly to injured people (83%) and affordability of insurance premiums (77%). Being able to go to court had the lowest importance rating when compared against other aspects (57%) as did having individual circumstances taken into account (67%).

Correlation Analysis – A correlation analysis was conducted on demographic factors; age, education and gender against questions 1, 2, 3, 4 and 5 to determine whether demographics influenced responses. Demographic factors were found to be only weakly correlated to question responses. Overall results are likely the best representation of community preference.

DETAILED RESULTS

Q1. Would you prefer CTP that:

Covers everyone injured in an accident regardless of whose fault it was? **OR**
Like it is now in the ACT, only covering people who have been injured in an accident that was someone else's fault?



Nearly three-quarters of respondents preferred a CTP system which covers everyone injured in an accident regardless of whose fault it was (72%). The remaining 28% preferred a system which only covered people in an accident that was someone else's fault.

Base =515)

Q1a. How important is this to you?

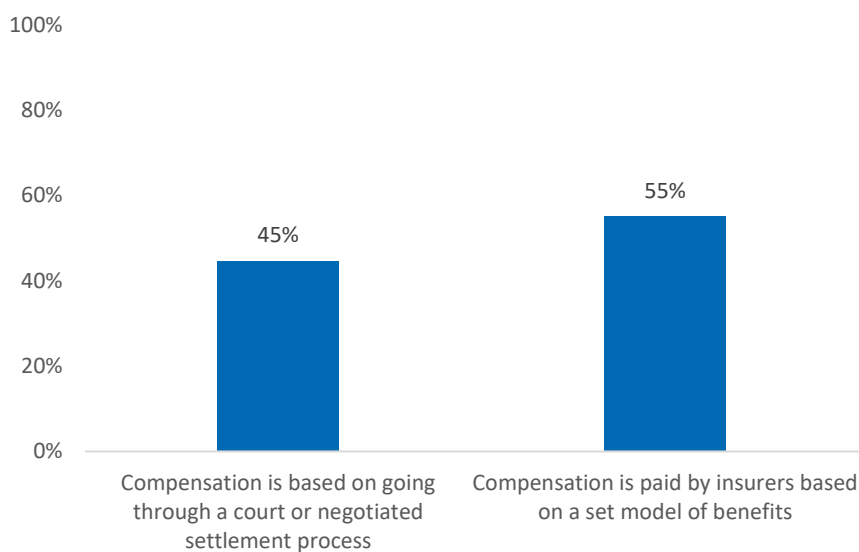
The majority (72%) who preferred universal coverage also rated this as slightly more important (3.1 out of 4) than those who did not prefer this option.

Option	Av. Score
Covers everyone injured in an accident regardless of whose fault it was	3.1
like it is now in the ACT, covers only people who have been injured in an accident that was someone else's fault	2.9

Q2. If you are injured through someone else's fault, would you prefer a CTP insurance process where:

Compensation is based on going through a court or negotiated settlement process where your individual circumstances are taken into account? **OR**

Compensation is paid by insurers based on a set model of benefits, allowing for faster payment, but not having all your individual circumstances taken into account?



The majority of respondents (55%) preferred a process that is faster and paid by insurers based on a set model of benefits.

The other 45% preferred a process of going through court or having a negotiated settlement.

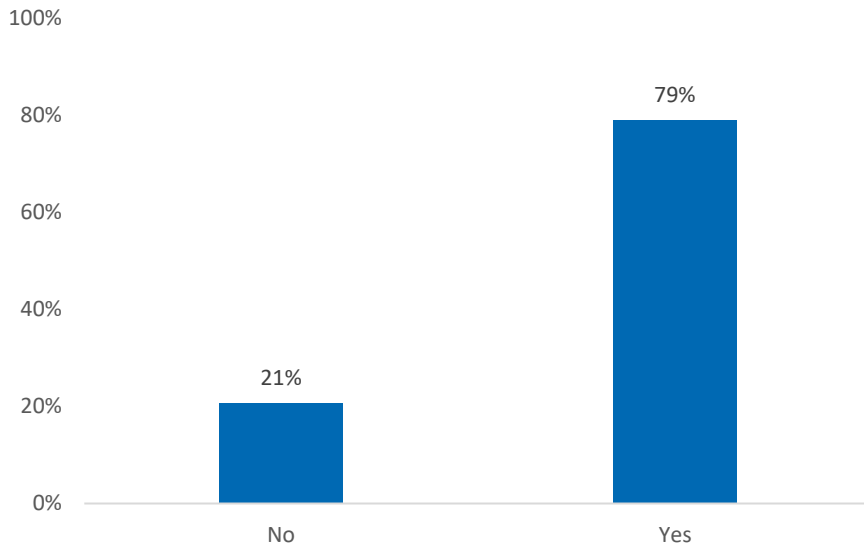
Base = 515

Q2a. How important is this to you?

The minority (45%) who preferred the option to go through a court or negotiated settlement process felt this was slightly more important than them with an average importance score of 3.2 out of 4.

Option	Av. Score
Compensation is based on going through a court or negotiated settlement process	3.2
Compensation is paid by insurers based on a set model of benefits	3.0

Q3. Do you think CTP compensation should be fixed in some way for people with less serious injuries?



A very high proportion of ACT residents (79%) believed compensation should be fixed for those with less serious injuries.

Base =515

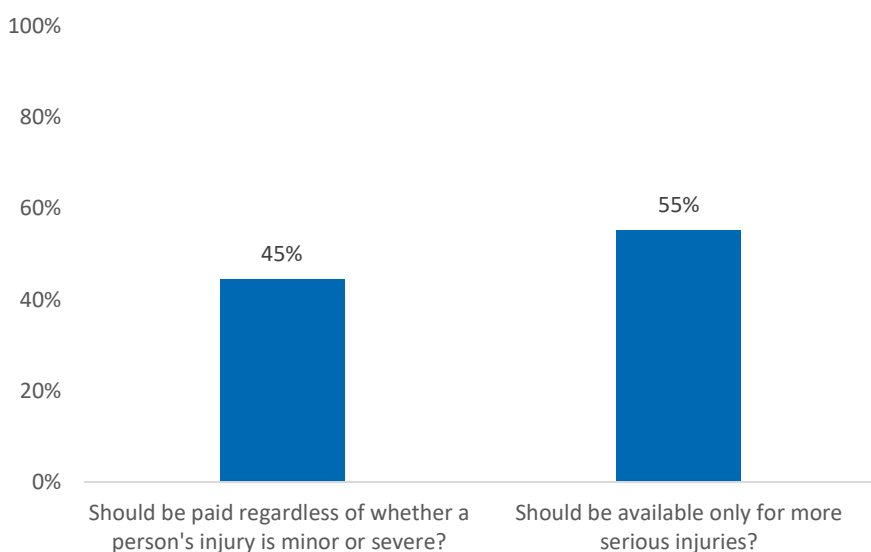
Q3a. How important is this to you?

While the majority by far preferred fixed compensation, this group rated this aspect as marginally less important (2.8) than those who preferred unlimited compensation who rated this at 3.

Option	Av. Score
YES --Do you think CTP compensation should be fixed in some way for people with less serious injuries	2.8
NO --Do you think CTP compensation should be fixed in some way for people with less serious injuries	3.0

Q4. CTP schemes can cover things like pain and suffering and loss of enjoyment of life – these are examples of non-financial loss. Do you think compensation for non-financial loss:

Should be paid regardless of whether a person’s injury is minor or severe? OR
Should be available only for more serious injuries?



While the majority (55%) believed compensation for non-financial loss should be restricted to more serious injuries, 45% believe compensation for non-financial loss should be paid regardless of injury severity.

Base = 515

Q4a. How important is this to you?

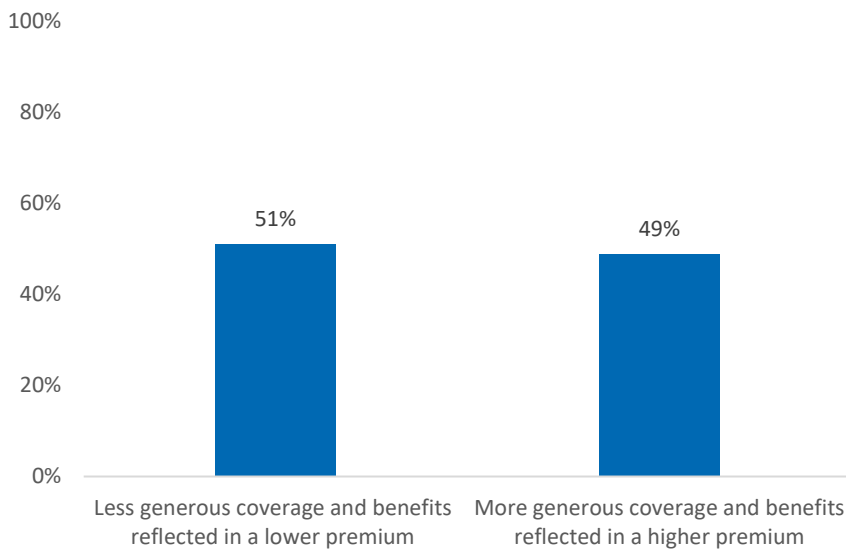
Again, the difference in relative importance for each group was negligible with those preferring pain and suffering be paid regardless of injury severity rating the aspect as 3.1 out of 4. Those preferring pain and suffering being available only for more serious injuries rates this aspect as 3 out of 4 in importance.

Option	Av. Score
should be paid regardless of whether a person’s injury is minor or severe?	3.1
should be available only for more serious injuries	3.0

Q5. One way to manage the cost of CTP premiums for everybody would be to make payouts less generous. We would like to understand how you feel about this trade-off. Which of these would you prefer?

Less generous coverage and benefits reflected in a lower premium (compared to other Australian states and territories) OR

More generous coverage and benefits reflected in a higher premium (compared to other Australian states and territories)



Results were evenly split here with 51% preferring a lower premium accepting less generous coverage and 49% would pay a higher premium to receive more generous coverage and benefits.

Base = 515

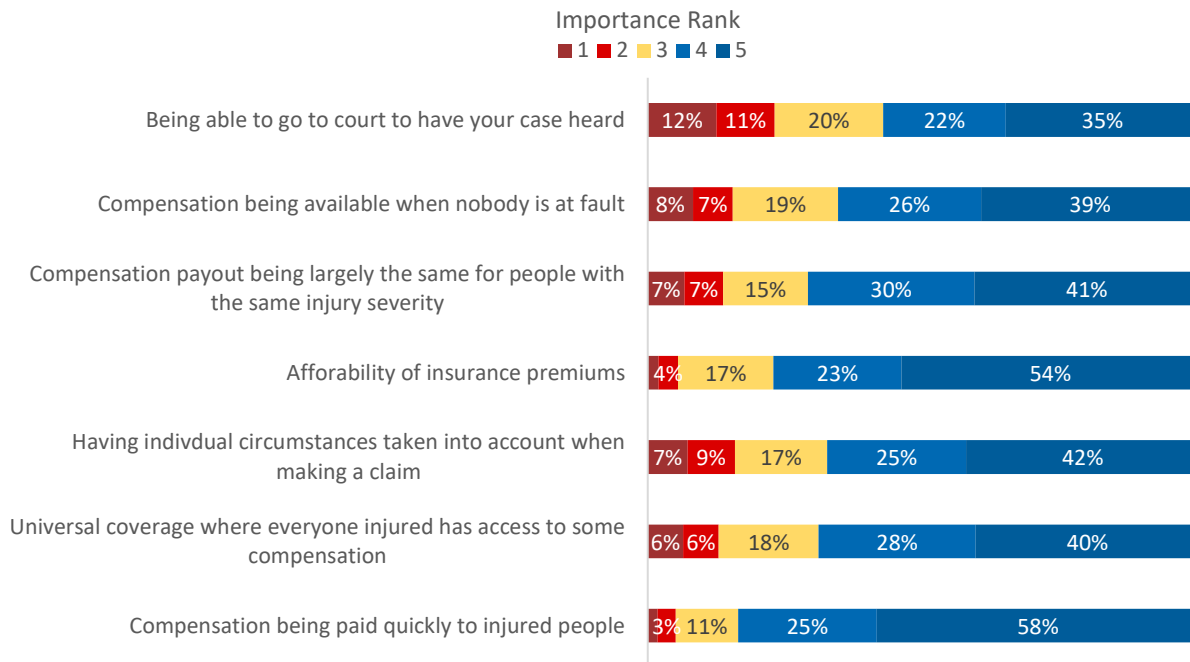
Q5a. How important is this to you?

Importance ratings for those preferring less generous coverage (3.1) was similar to those preferring more generous coverage (3).

Option	Av. Score
Less generous coverage and benefits reflected in a lower premium (compared to other Australian states and territories)	3.1
More generous coverage and benefits reflected in a higher premium (compared to other Australian states and territories)	3.0

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Q6. With 1 being not at all important and 5 Extremely important, how important are the following CTP Insurance features:

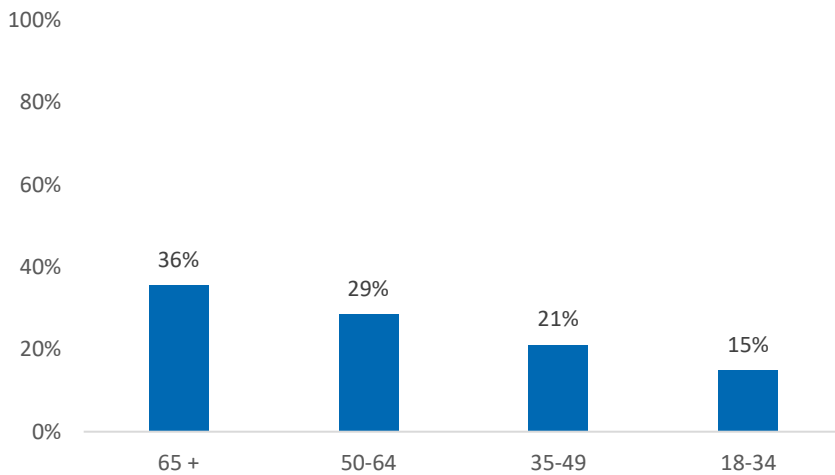


Base = 515

The two highest ranked CTP insurance features in terms of importance (combined 4 and 5 ratings) are; compensation being paid quickly to injured people (83%) and affordability of insurance premiums (77%). Being able to go to court to have your case heard was ranked the lowest at 57% and having individual circumstances taken into account when making a claim at 67%.

DEMOGRAPHICS

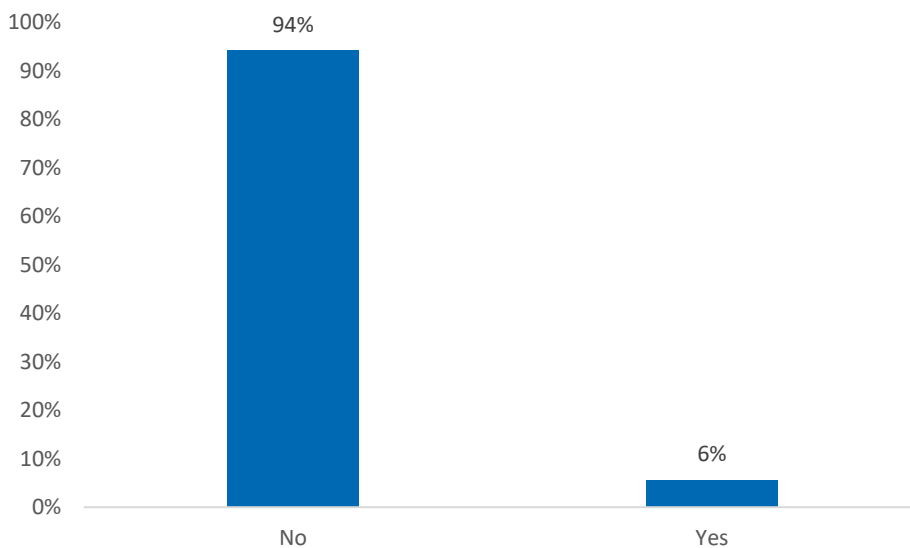
Q7. What year were your born?



The oldest age group (65 years and older) were the highest participants in this survey at 36%. 50-64 year olds were the second highest participants at 29%.

Base = 515

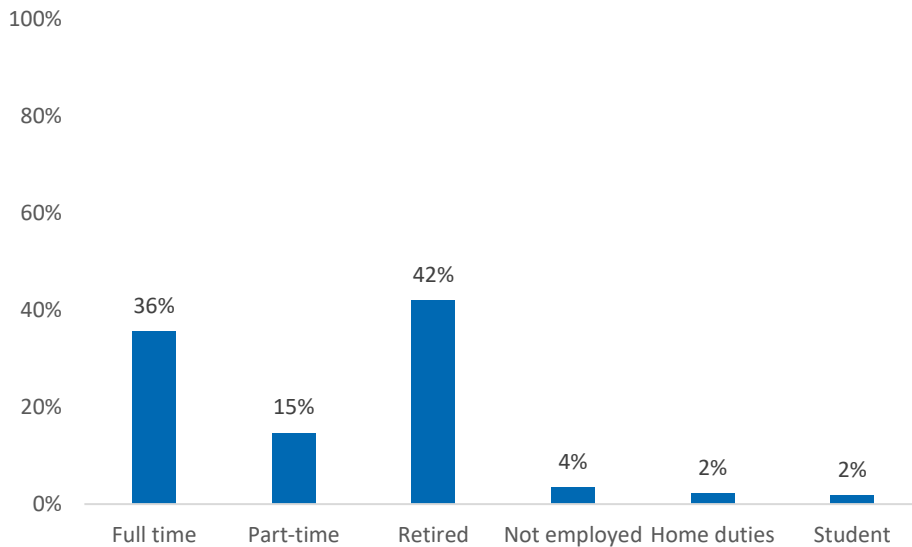
Q8. Have you been injured in a vehicle accident during the last 3 years?



Ninety-four per cent (94%) had not been injured in a vehicle accident during the last year.

Base = 515

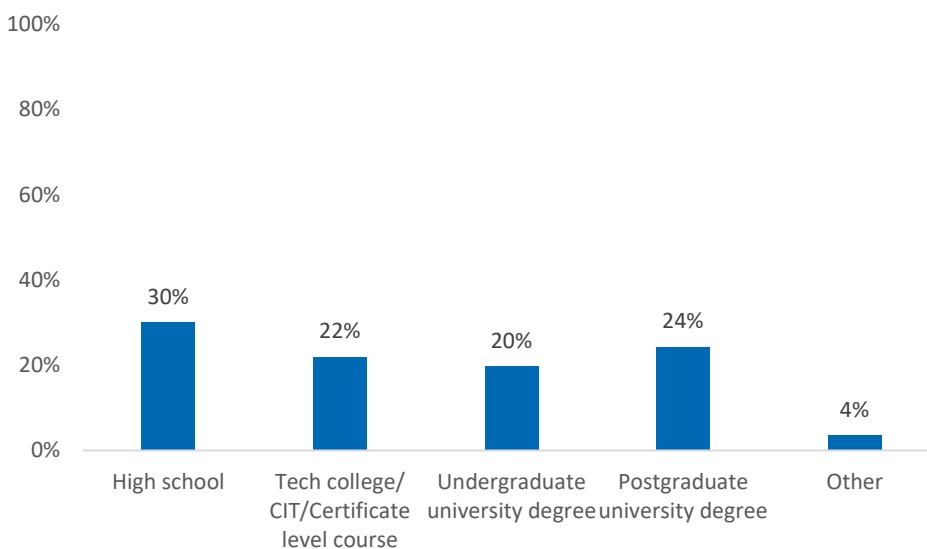
Q9. How would you describe your employment status?



Base = 515

The highest number of respondents (42%) described their employment status as retired. Individuals who worked full-time were the second-highest category.

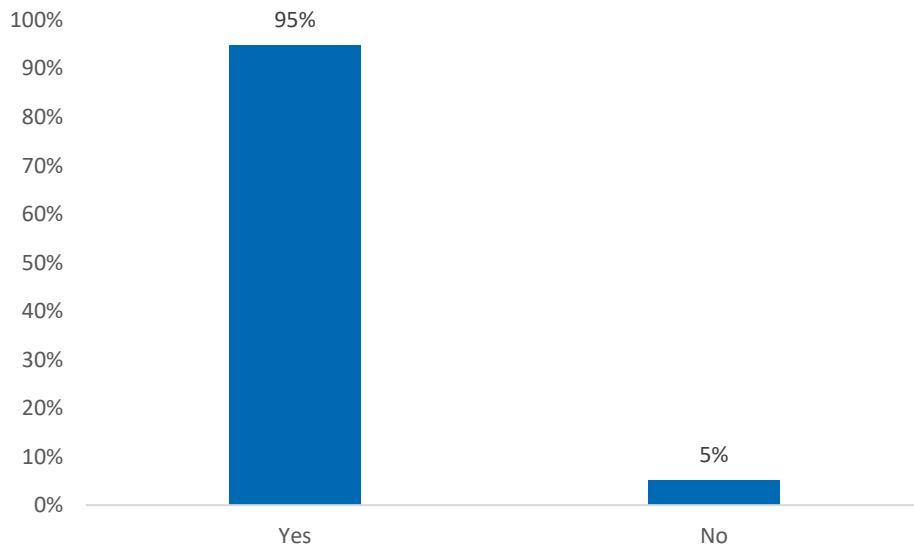
Q10. What is the highest level of education you've achieved so far?



Base = 515

The education levels of respondents were broadly balanced, with thirty per cent (30%) citing high school, 20% having undergraduate degrees, 24% with post graduate degrees and 22% with technical certificate level qualifications.

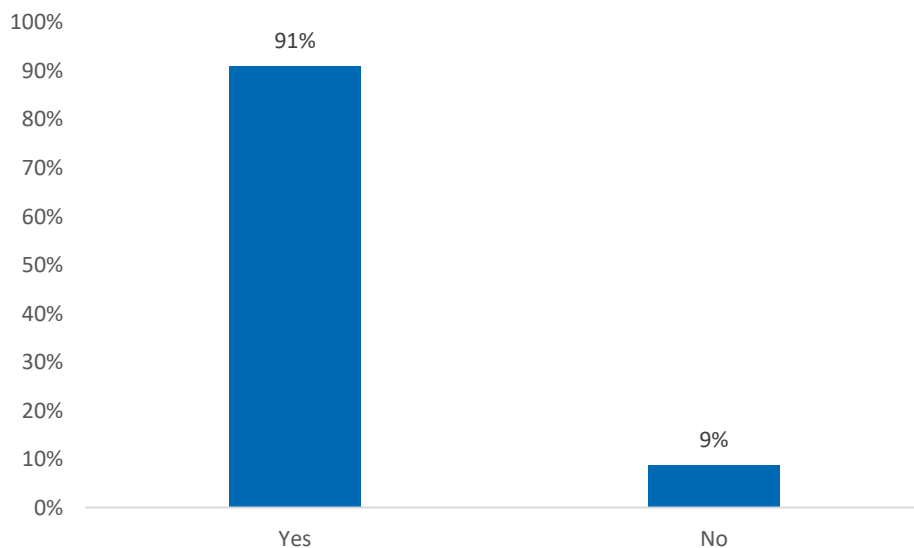
Q11. Do you have a current motor vehicle license?



Ninety-five per cent (95%) of respondents had a motor vehicle license.

Base = 515

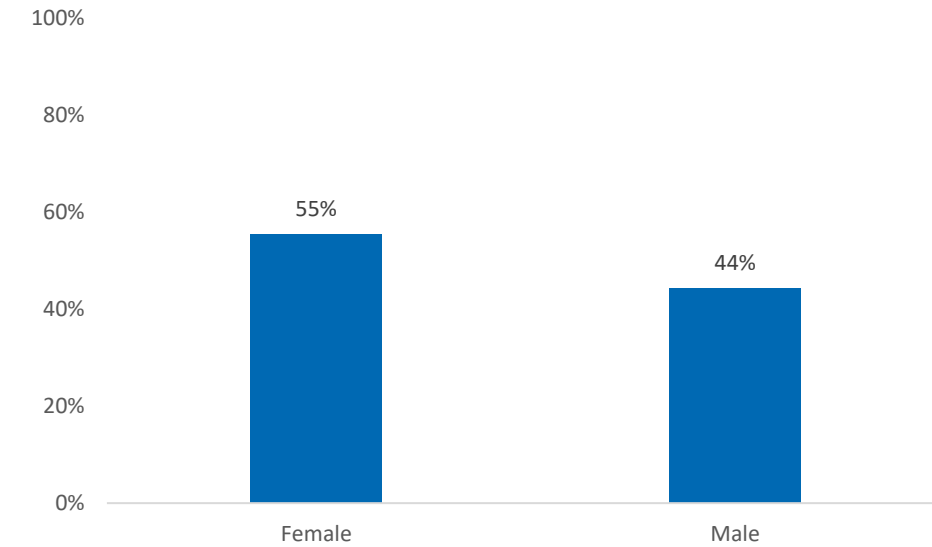
Q12. Do you own a car?



Ninety-one per cent (91%) of respondents owned a car.

Base = 515

Q13. What is your gender?



Fifty-five per cent (55%) of respondents were female, 45% were male.

Base = 515

SURVEY

INTRODUCTION

Good evening. I wonder if you can help me? My name's (FULL NAME) from Piazza Research calling on behalf of the ACT Government. The ACT Government is conducting a study to understand the community's views on compulsory third party insurance. Can you help me by answering some survey questions?

VALUES

Values intro

There are six survey questions and then some demographic questions but firstly I'm going to give you some information about Compulsory Third Party insurance.

Compulsory Third Party Insurance is insurance all motor vehicle owners are required by law to buy when they register their car. It's often called CTP Insurance. It covers other people injured in an accident that is found to be your fault.

The Government believes the ACT scheme could be improved to better protect Canberrans.

Right now, our CTP scheme does not cover everyone injured in a motor vehicle accident, it can take up to two years or longer to negotiate and receive a full payout after an accident, and the ACT has among the most expensive premiums in the country.

The government is consulting with the community to improve the scheme so it reflects the priorities of Canberrans.

Your answers will help us understand how the community feels about some of the possible trade-offs involved in improving the system.

I'm going to read out two options at a time and then ask how important that option is to you.

Q1 Would you prefer CTP insurance that *Select only one*

- a) covers everyone injured in an accident regardless of whose fault it was 1
- or
- b) like it is now in the ACT, only covers people who have been injured in an accident that was someone else's fault. 2

3 (Don't know)

Q1a How important is this to you?

Not Important	Somewhat Important	Neutral	Important	Very Important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

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Q2 If you are injured through someone else's fault, would you prefer a CTP insurance process where ... *Select only one)*

a) compensation is based on going through a court or negotiated settlement process where your individual circumstances are taken into account 1

or

b) compensation is paid by insurers based on a set model of benefits, allowing for faster payment, but not having all your individual circumstances taken into account 2

3 (Don't know)

Q2a How important is this to you?

Not Important	Somewhat Important	Neutral	Important	Very Important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Q3 In some states and territories, the amount of compensation for less-serious injuries is fixed at levels considered reasonable for the type of injury. Do you think CTP compensation should be fixed in some way for people with less serious injuries? *Select only one)*

a) Yes 1

or

b) No? 2

3 (Don't know)

Q3a How important is this to you?

Not Important	Somewhat Important	Unsure	Important	Very Important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

Q4 In addition to medical expenses and compensation for loss of income – CTP schemes can cover things like pain and suffering and loss of enjoyment of life – these are examples of non-financial loss. So with that in mind - Do you think compensation for non-financial loss: *Select only one)*

a) should be paid regardless of whether a person's injury is minor or severe? 1

or

b) should be available only for more serious injuries? 2

3 (Don't know)

Q4a How important is this to you?

Not Important	Somewhat Important	Neutral	Important	Very Important
<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5

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Q5 This question is about the cost of premiums. The ACT's average passenger class CTP premium is the second-highest in Australia. This is largely because of the benefits structure, and court-based model of resolving claims.

One way to manage the cost of CTP premiums for everybody would be to make payouts less generous. We would like to understand how you feel about this tradeoff. Which of these would you prefer?

Select only one)

Less generous coverage and benefits reflected in a lower premium (compared to other Australian states and territories) 1

or

More generous coverage and benefits reflected in a higher premium (compared to other Australian states and territories) 2

3 (Don't know)

Q5a

How important is this to you?

Not Important

Somewhat Important

Neutral

Important

Very Important

1

2

3

4

5

Q6

With 1 being not at all important and 5 Extremely important, how important are the following CTP Insurance features:

Rating (1 to 5)

- a) Compensation being paid quickly to injured people
- b) Universal coverage where everyone injured has access to some compensation
- c) Having individual circumstances taken into account when making a claim
- d) Affordability of premiums
- e) The compensation payout being largely the same for people with the same injury severity
- f) Compensation being available when nobody is at fault
- g) Being able to go to court to have your case heard

DEMOGRAPHICS

Q7

In which year were you born ? _____

Q8

Have you been injured in a vehicle accident during the last 3 years?

Yes

No

1

1

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Q9 How would you describe your employment status?

- | | | |
|--------------|--------------------------|---|
| Full time | <input type="checkbox"/> | 1 |
| Part-time | <input type="checkbox"/> | 2 |
| Retired | <input type="checkbox"/> | 3 |
| Not employed | <input type="checkbox"/> | 4 |
| Home duties | <input type="checkbox"/> | 5 |
| Student | <input type="checkbox"/> | 6 |

Q10 What is the highest level of education you've achieved so far?

- | | | |
|--|--------------------------|---|
| High school | <input type="checkbox"/> | 1 |
| Tech college/ CIT/Certificate level course | <input type="checkbox"/> | 2 |
| Undergraduate university degree | <input type="checkbox"/> | 3 |
| Postgraduate university degree | <input type="checkbox"/> | 4 |
| Other | <input type="checkbox"/> | 5 |

Q11 Do you have a current motor vehicle license?

- | | | | | | |
|-----|--------------------------|---|----|--------------------------|---|
| Yes | <input type="checkbox"/> | 1 | No | <input type="checkbox"/> | 1 |
|-----|--------------------------|---|----|--------------------------|---|

Q12 Do you own a car?

- | | | | | | |
|-----|--------------------------|---|----|--------------------------|---|
| Yes | <input type="checkbox"/> | 1 | No | <input type="checkbox"/> | 1 |
|-----|--------------------------|---|----|--------------------------|---|

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Q13 Record gender.

Male

1

Female

1

Thank you for taking the time to complete this survey. Your response will help us to inform future decisions about CTP insurance for the ACT. The results of this survey will be given to a citizens' jury considering improvements to the CTP scheme. If you'd like to know more go to the ACT Governments Your Say website.

If asked: (www.yoursay.act.gov.au/ctp)

END

This report was produced by Piazza Research Pty Ltd Ph (02)6282 4963, for the ACT Government.

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