

ACT GOVERNMENT

# CTP Regulator Presentation

Lisa Holmes representing the  
ACT CTP Regulator



**ACT**  
Government

# Objectives of the ACT CTP Legislation

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- Continue improving CTP insurance
- Encourage timely resolution of claims
- Promote the rehabilitation of injured motorists
- License and supervise insurers
- Promote competition in setting premiums
- Keep costs of insurance at affordable level
- Establish a register of claims
- Promote measures to reduce motor accidents

# Functions of the CTP Regulator

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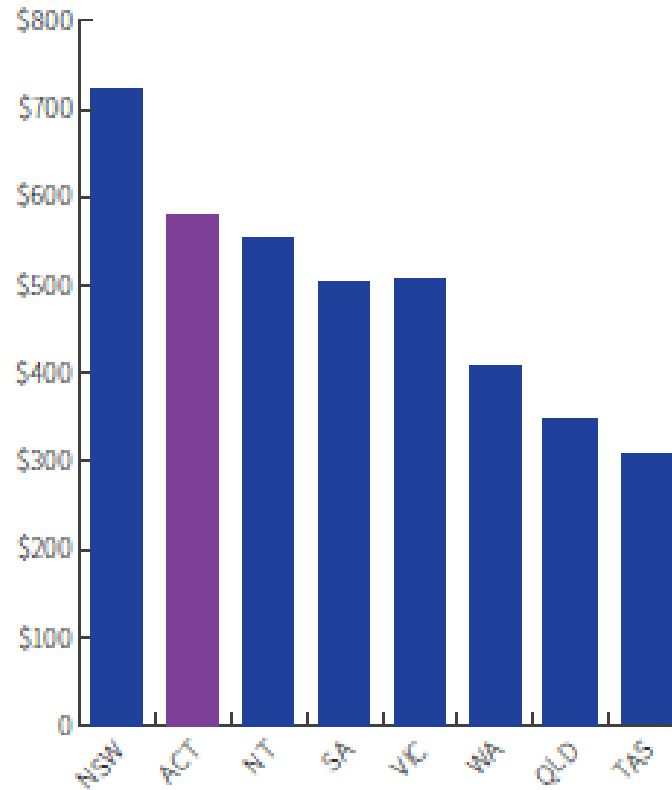
- Regulate the licensing of CTP insurers
- Monitor the behaviour of CTP insurers re the obligations under the Act
- Monitor the efficiency of the ACT scheme
- Identify areas for amendment
- Promote public awareness of causes of motor accidents

# CTP Premiums

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- Aim is to ensure that the benefits each injured person is entitled to claim are fully funded
- Insurers must seek approval of premiums
- Regulator approves or rejects CTP premiums
- Ensure premiums meet the fully funded test and are not excessive
- External actuary provides advice to the Regulator about the requested premium

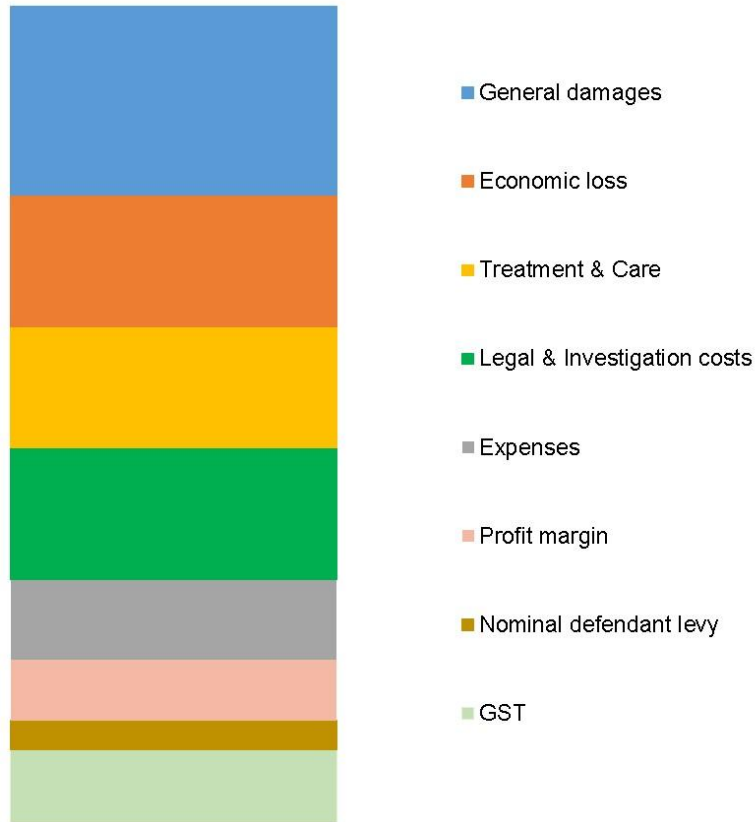
# CTP & Lifetime Care Premiums



**Comparison of CTP & Lifetime Care premiums  
across Australia (passenger vehicles) at 1 July 2017**

# Where Does Your CTP Premium Go?

Components of Average Passenger Vehicle Premium



- The top 4 components on the Bar are claims costs
- Nominal defendant costs are also largely claims costs

\* Does not include Government levies for the Lifetime Care and Support Scheme and the Regulator's Levy

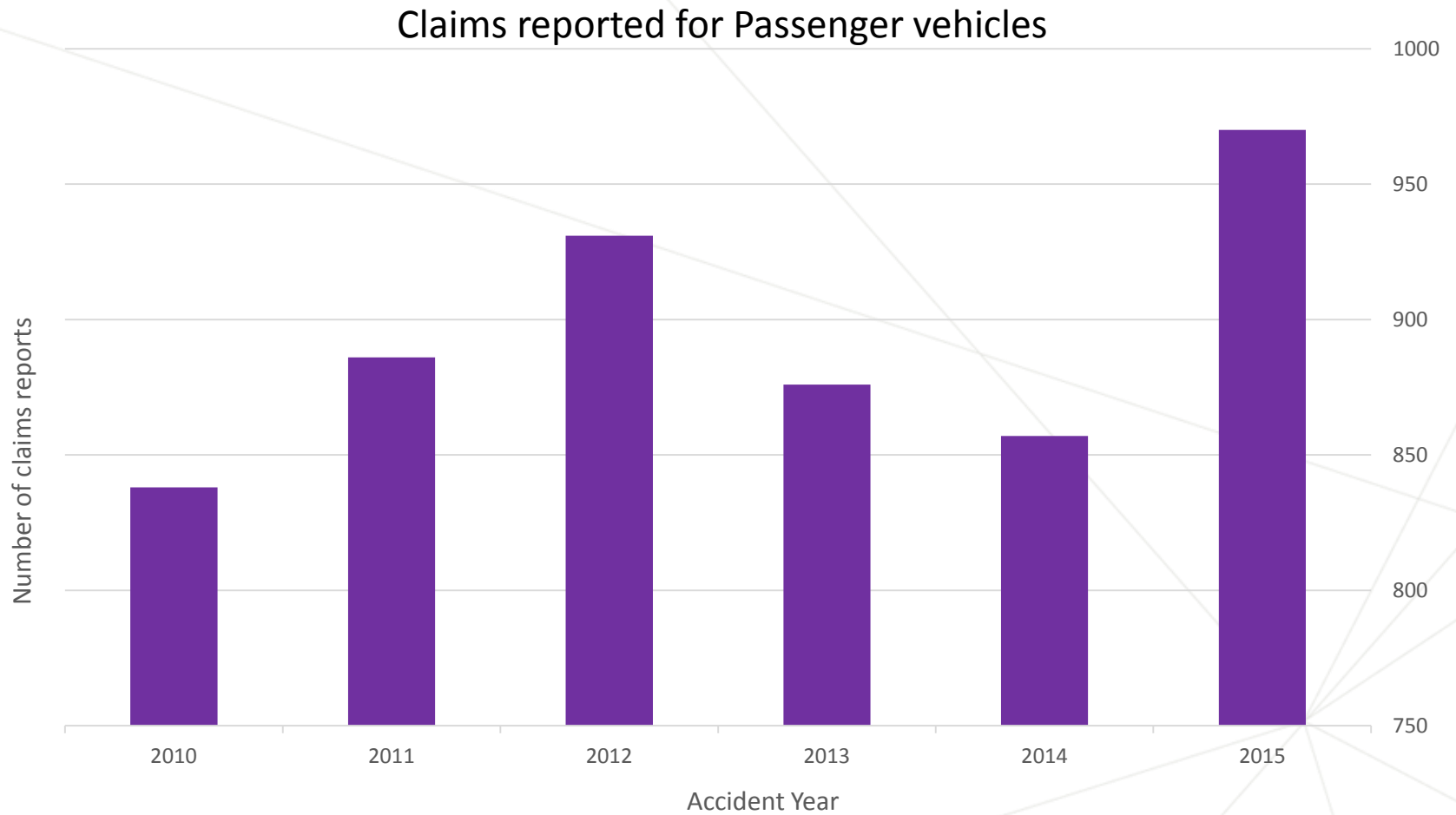
## 2016 Review of the CTP Act

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“Despite the recent decreases in premium rates, the affordability of ACT CTP policies compares unfavourably with other jurisdictions. A large part of the relatively high premium rates can be attributed to the scheme design of the ACT scheme. Unlike comparable schemes in other jurisdictions, the ACT has no threshold for eligibility for Non-Economic Loss, nor caps on benefits. This generous scheme design, relative to other Common Law schemes, limits the potential for further future premium reductions.”

Section 275 Review of the ACT CTP Act  
March 2016

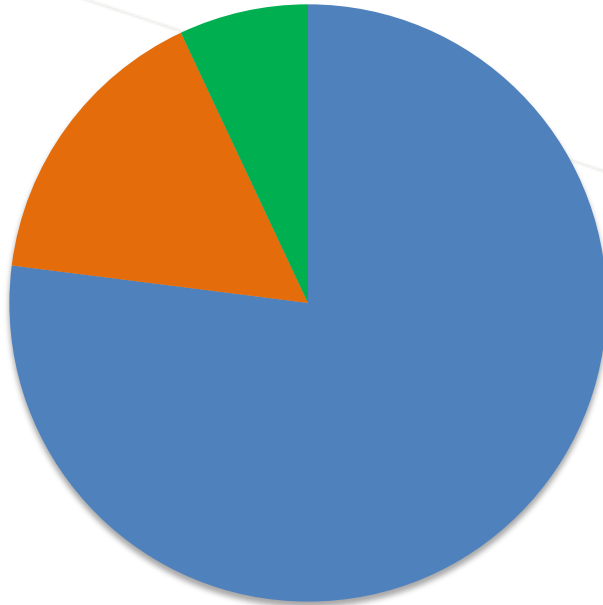
# Number of Claims Reported



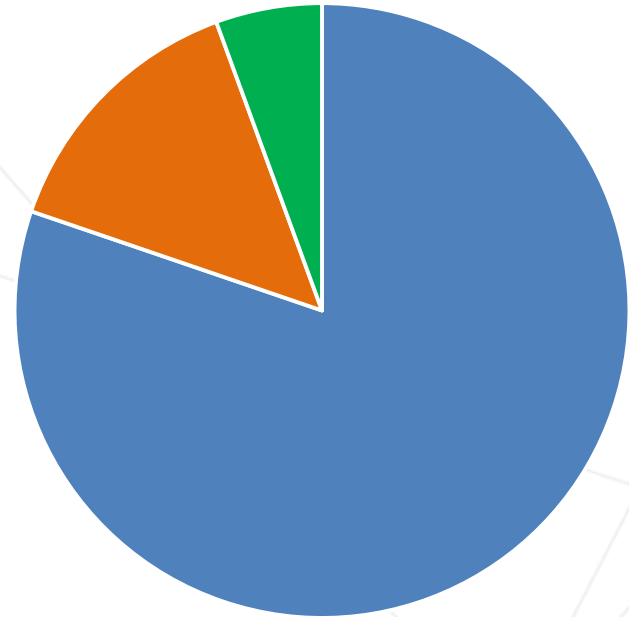


# Reported Claim Numbers by Injury Severity Profile

2016-17 Finalised Claims



Claims Reported 2010-2015



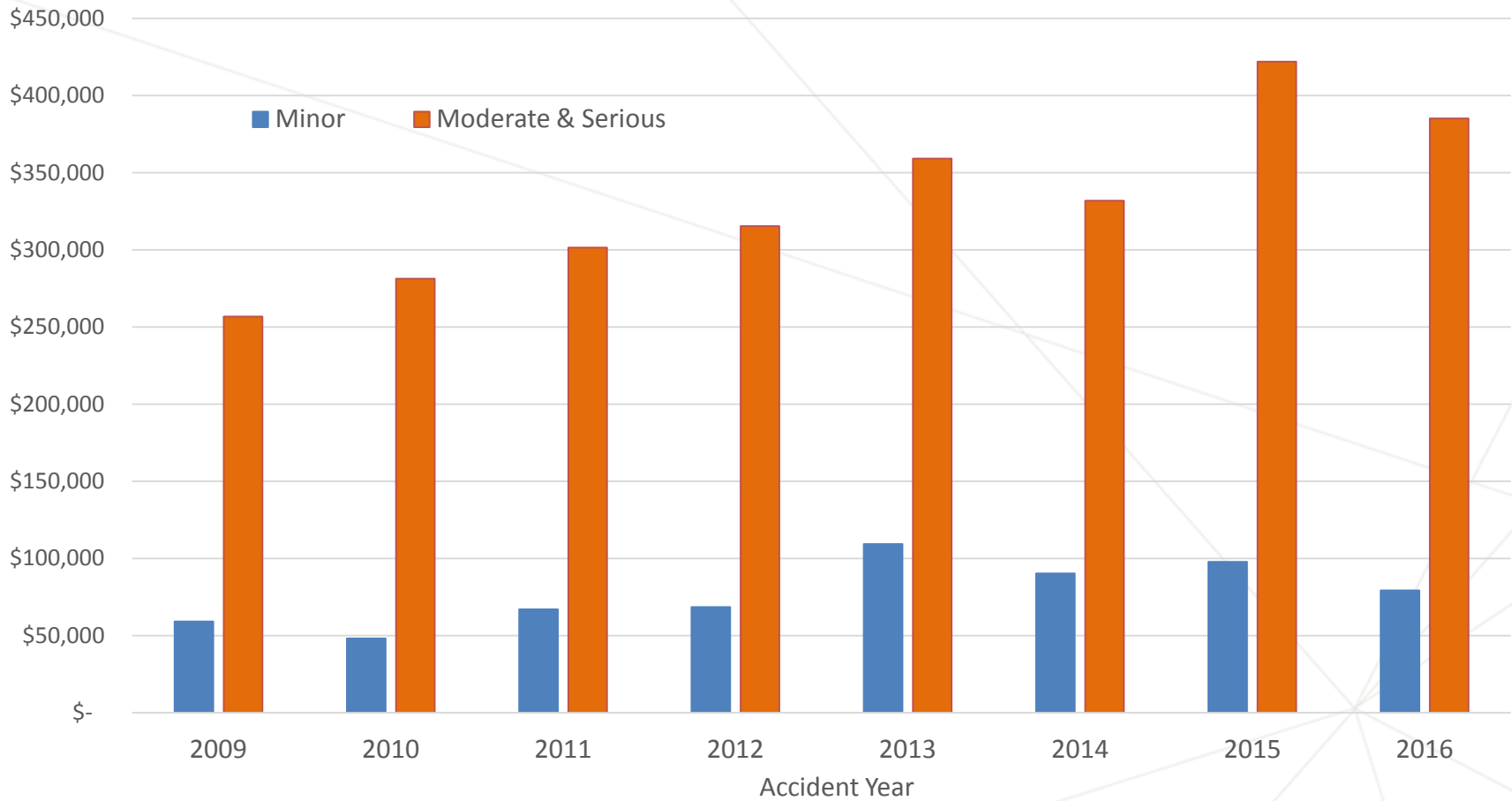
- Minor injuries
- Moderate injuries
- Serious, severe, critical or maximum

## How long is it taking to finalise claims

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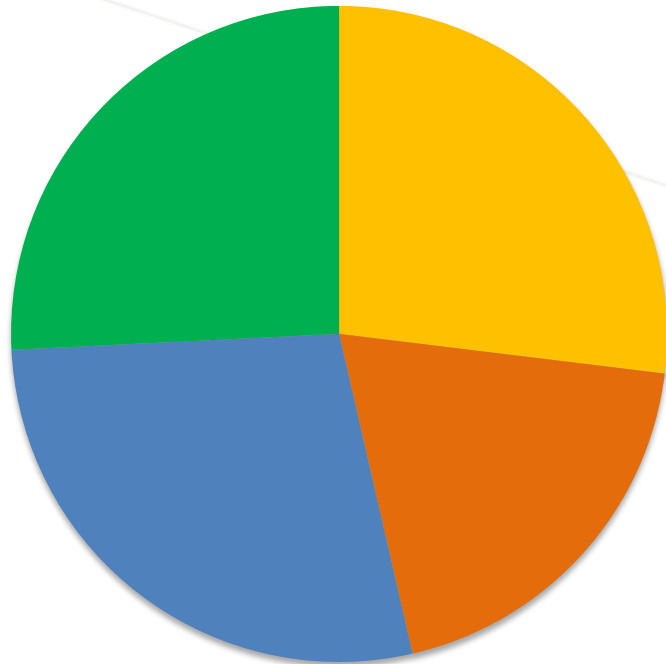
- Depends on the circumstances of the accident and the severity of the injuries
- smaller claims on average settle in around 1.5 years
- larger claims over \$500,000 on average settle in just over 4 year, (although some claims can take considerably longer).

# Average Claims Size by Injury Severity



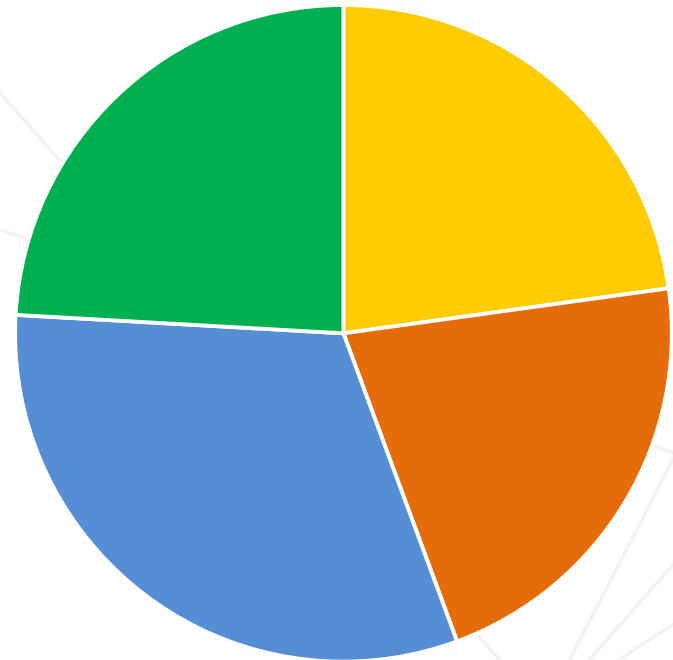
# Claim Amounts by Heads of Damage

## 2016-17 Finalised Payments

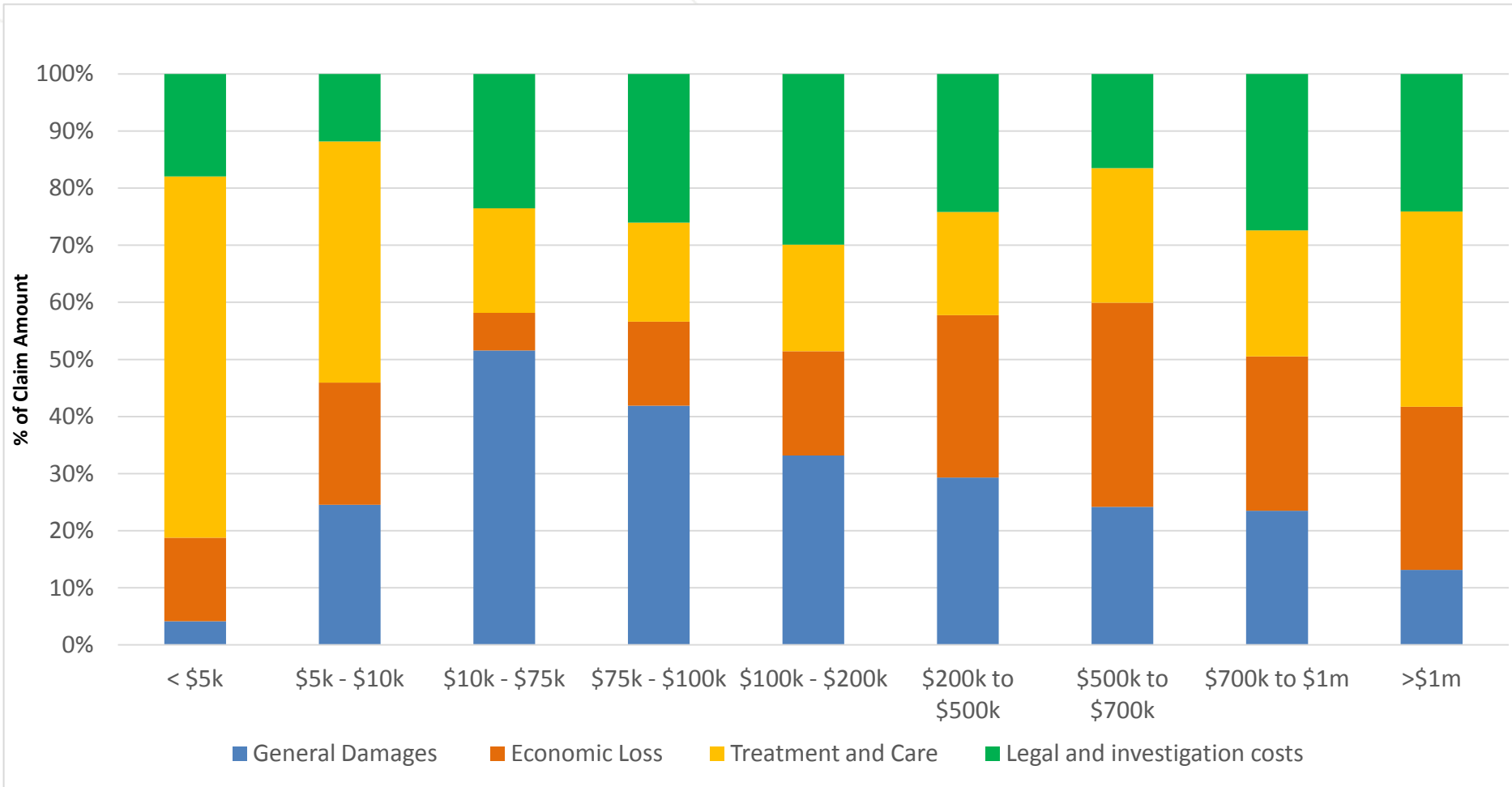


- Treatment & Care Costs
- Economic Loss
- General Damages
- Legal & Investigative Costs

## 2011 accident year



# Claim Amounts by Heads of Damage by Claim Size





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**QUESTIONS?**