



CTP – Fairness in Claims determination

Australian Capital Territory CTP

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Consider cover for at fault drivers

Better allocation of the claims spend could widen cover and free up public health system spend

- Every compensable claim has an at fault driver currently not covered. The cost of those claims currently falls on the public medical scheme.

No-Fault cover could cover all drivers within the current scheme size.

- Majority of at fault incidents are 'accidents' – resulting from errors in judgement, loss of concentration,

Scheme design can address access for illegal behaviour

- Investigation of the claims can be costly, drawn out and traumatic for the parties involved

Repoint spend from investigation into early intervention, injury management and rehabilitation.

What is stopping early intervention?

Overwhelming evidence that shows that early intervention is critical to optimum health outcomes

- Current delays in reporting
- No requirement to participate in rehabilitation
- >90% of claims come to insurers via Lawyers. This impacts our ability to properly manage the injury
- The scheme design does not encourage recovery from the injury
 - Fosters over-servicing
 - Higher charges due to lack of control (eg 150 physiotherapy sessions)
 - Higher rates charged due to lack of control of medical charges (prescribed rates)

Opportunity to leverage and deliver best practice injury treatments

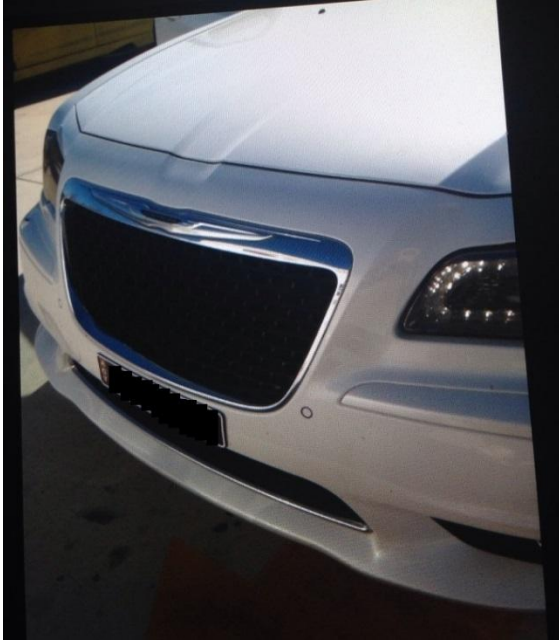
Why do 90% of our claims come from lawyers?

- The current environment advocates for litigation rather than injury management
- No limits on advertising, no control of the messages in the advertising
- 30% (?) of scheme payments are spent on legal costs despite low numbers of matters running to hearing.
- Legal fees. Lack of transparency

What are the characteristics of a healthy scheme?

- Early intervention
- Mediation v litigation
- Advocacy roles
- Coverage
- Investment in to risk improvement (ie safety, driver education)
- High customer satisfaction

Case study



- Car reversed into – no damage to either car.
- Driver at fault acknowledged that they did not look before reversing – therefore liability admitted
- All medical expenses paid
- Claimant has lodged legal proceedings for physical and psychological injuries for themselves and their infant child.

- >60% of scheme costs are minor injuries
- Average whiplash in ACT \$99k
- Legal costs estimated at 30%

Considerations for improvement

- No-fault
- Injury Management Framework
- Defined benefits scheme
- 1st party scheme
- Legal cost regulation
- Medical rates regulation
- Thresholds for lump sum access

Thank you

