CTP Citizens’ Jury Witness Workshop

Theme 1 – What are the key trade-offs?

28 October 2017
My Background

- Consulting Actuary in general insurance for the last 30 years with Finity Consulting
- Worked with insurers and regulators extensively in the NSW and Queensland CTP schemes and more recently in the ACT and South Australia
- In the ACT currently provide premium filing advice to Suncorp
- On the board of the National Disability Insurance Agency since January 2017 and was Actuary to the Royal Commission into Institutional Responses to Child Sexual Abuse
- Views expressed are personal ones not those of Finity or Suncorp
Premium vs Coverage and Benefits

- Benefits Available
- Cost of Resolution
- People Covered
- Environment

Claims Cost

- Claims Cost
- Policy Expenses
- Profit

Premium
Claim Cost Trade-offs

Type of Payment
- Treatment
- Total Claims Cost
- Lost Earnings
- Legal Costs
- Pain & Suffering

Type of Claimant
- Minor Injury
  - NAF
- Serious Injury
  - AF
  - Total Claims Cost
  - Minor Injury
  - AF
  - Serious Injury
  - NAF
Objectives of a CTP scheme

• Fairness
  – Vehicle owners versus injured people
  – Between injured people
• Efficiency
  – Timeliness of claim payments and resolution
  – Frictional costs of disputes and resolution
• Outcomes for injured people
  – Wellness versus compensation
• Sustainability
  – Number of claims
  – Amount of payments