



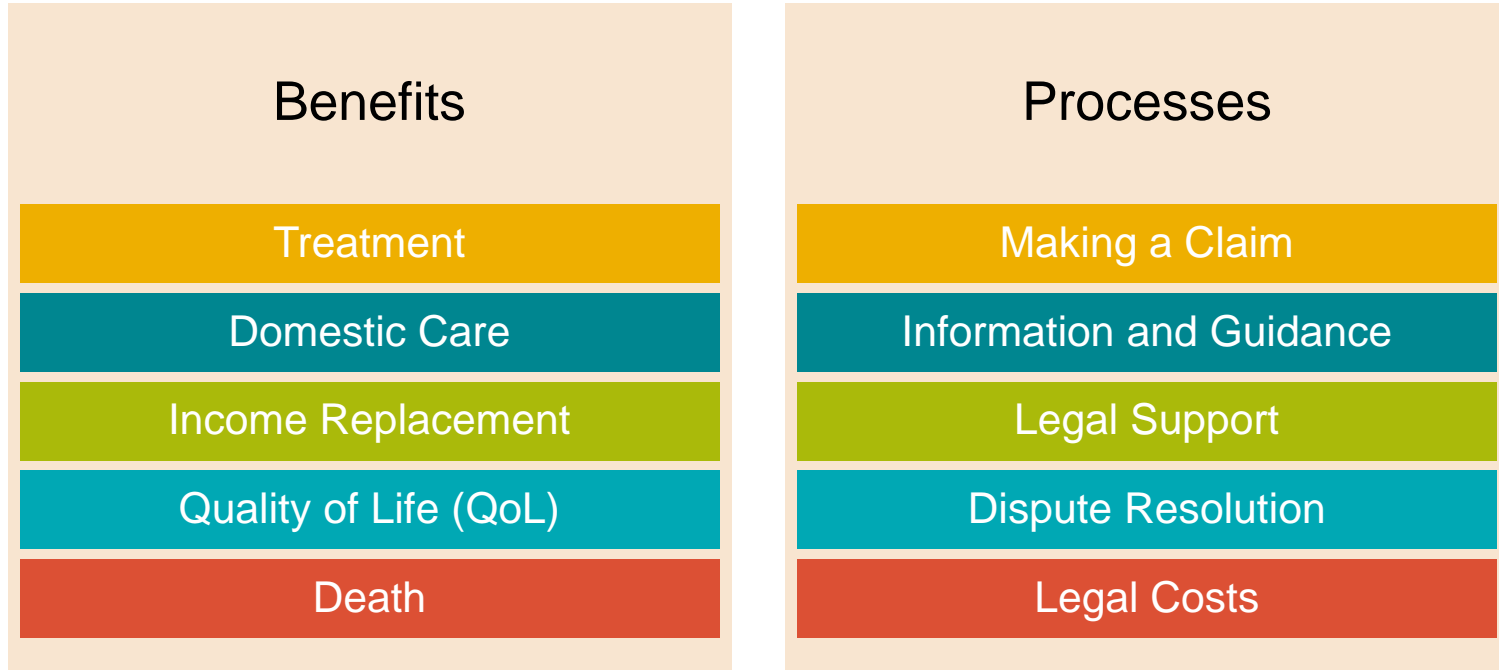
Model Designs

Citizens' Jury for ACT CTP Scheme

Day 2

25 March 2018

Understanding the Models



Model B

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	12 months	Unlimited
Domestic care	12 months Paid care only	Unlimited Includes gratuitous care on the 6/6 rule
Income replacement	12 months 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment	No time limit First 12 months: as per defined benefits After 12 months: 100% of loss of earning capacity (future earnings) + superannuation
Quality of life	Nil	Maximum \$500,000 Amount based on ISV and guidance scale
Death	Funeral cost + \$50,000 if dependants	Funeral cost + common law for dependants

Defined benefits up to 12 months. QoL based on ISV and a scale results in lower amounts than currently for less serious injuries, resulting in lower premiums

Model D

Benefit Type	For all: Defined benefits	Available to not-at-fault: (additional benefits via common law)
Treatment	5 years	Limited to 5 years if WPI below 10%
Domestic care	5 years Paid care only	Limited to 5 years if WPI below 10% Paid care only (no gratuitous care)
Income replacement	5 years 95% of pre-injury earnings for first 3 months 80% thereafter Low income adjustment	Limited to 5 years if WPI below 10% No time limit if WPI 10% or above First 12 months: as per defined benefits After 12 months: 100% of loss of earning capacity (future earnings) + superannuation
Quality of life	Maximum \$350,000 Benefit based on WPI Threshold: No benefit if WPI below 5%	Maximum \$500,000 Amount based on WPI scale Threshold: No benefit if WPI below 10%
Death	Funeral cost + up to \$350,000 if dependants ((\$190,000 for spouse, \$40,000 per child))	Funeral cost + common law for dependants

Defined benefits are up to 5 years. QoL payments are available to all subject to a 5%+ WPI threshold. Common law benefits extending past five years are subject to 10%+ WPI

Entitlements

Benefit Entitlements

Treatment (also known as “Medical”)

Care – domestic and personal services, whether paid or unpaid (“gratuitous”)

Income replacement

Quality of life (compensation not linked to financial loss)

Death

Treatment

		Model B		Model D
Available to all		1 year		5 years
Not-at-fault		Unlimited		Limited to 5 years if WPI below 10%

Reasonable and necessary treatment



Reasonable and necessary treatment

Applies Clinical Framework for the Delivery of Health Services (as modified for the ACT) based on five principles:

- 1 Measure and demonstrate the effectiveness of treatment
- 2 Adopt a biopsychosocial approach
- 3 Empower the injured person to manage their injury
- 4 Implement goals focused on optimising function, participation and return to work
- 5 Base treatment on the best available research

Domestic Care

		Model B		Model D
Available to all: paid care only		1 year		5 years
Not-at-fault		6/6 rule applies to gratuitous care		Paid care only Limited to 5 years if WPI <10%

Care can be

Commercial (paid)
Gratuitous (unpaid)

6/6 rule

Care needed for at least six hours per week and for at least six months

Pay rates

Commercial: \$40-50 /hr

Income Replacement

			Model B		Model D
Available to all: Lost earnings	Duration		12 months		5 years
	% of pre-injury earnings		95% first 3 months, then 80% Low income adjustment		95% first 3 months, then 80% Low income adjustment
	Max weekly income replaced		\$2,250		\$2,250
Not-at-fault: Includes loss of future earning capacity	Duration		No time limit		Defined benefits only if WPI below 10% No limit if WPI 10%+
	% of pre-injury earnings		Defined benefits first 12 months (no super), 100% + super thereafter		Defined benefits first 12 months (no super), 100% + super thereafter
	Max weekly income replaced		\$4,500		\$4,500

Income Replacement

Percentages &
Step-Downs

Time
Limits

Reimbursement
of Sick Leave

Common Law
'Top-Up' Payments

Defining
'Earnings'

Maximum
Weekly Amount

Partial Income
& Earnings

Capacity
to Work

Income Tax

Superannuation

Quality of Life Compensation

			Model B		Model D
Available to all	Threshold		n/a		WPI 5%
	Maximum		n/a		\$350,000
	Calculation of amount		n/a		WPI scale
Not-at-fault	Threshold		None		WPI 10%
	Maximum		\$500,000		\$500,000
	Calculation of amount		ISV + guidance		WPI scale

Instrument

Whole Person
Impairment
Injury Scale Value

Threshold

5% WPI
10% WPI

Scales

Points to dollars
Ranges

Death Benefits

Funeral – reasonable costs to a maximum of \$15,000

A lump sum payment if the deceased person has dependants:

- \$50,000 in Model B
- Up to \$350,000 in Model D
\$190,000 for spouse, \$40,000 per child up to 4 children

Any lump sum will be paid to the estate

Common law 'compensation to relatives' claims unchanged

A photograph of a white car with a wet windshield, parked on a road. The background features rugged, dark mountains under a cloudy sky. The car's side mirror and part of the roof are visible. The text "Support & Dispute Resolution" is overlaid in white on the left side of the image.

Support & Dispute Resolution

Support and Disputes

Information	Multiple channels
Notifying a Claim	Paper Online Telephone App
Support	Insurers Lawyers
Dispute Resolution	Defined benefits Common law Medical experts

Moving from Defined Benefits to Common Law

Model B

During the 12-month defined benefits period, the injured person can focus on recovery and determine whether someone else was at fault

If at 6-12 months the outcome in relation to determining fault is:

The injured person was at fault:
benefits cease at 12 months

The injured person was not at fault:
the person may make a common law claim

Disputed
benefits cease at 12 mths and the injured person will go to common law to prove fault

Moving from Defined Benefits to Common Law

Model D

During the first six months, no common law negotiations, clear air to focus on treatment and recovery

Two gateways for common law, both of which must be crossed:

The injured person was not at fault:
can be agreed at any time, or remains in dispute

The injured person has 10% WPI or more:
assessed at injury stability

If common law is available
the injured person can initiate the claim process at any time and negotiate/litigate while defined benefits continue

Other Coverage Issues

Blameless accidents: deemed at fault

Minors: no contributory negligence

Illegal activities: reductions and exclusions

Contributory negligence: applies only to excess of common law over defined benefits

Fraud minimisation: incentives and regulator obligation