

# What benefits should be payable?

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# First questions

- o Old system was intended to cover financial risks of insured drivers who were at fault;
- o This left these same drivers with no compensation when they were harmed;
- o Between one and two thirds of drivers will not be covered if they suffer harm;
- o New alternative is to focus on the needs of all people harmed in motor accidents without the need to prove fault.

# Overall Goal

- o To minimise the human and financial costs associated with traffic accidents by:
  - o Prevention of harm;
  - o Rehabilitation from harm
  - o Covering costs of harm

# Benefit design aims

- o To create the best circumstances to maximise the recovery of all people harmed in traffic accidents;
- o To meet the costs of harm incurred as they arise in a manner similar to the loss suffered;
- o To reduce stress and worry through timely payment and clarity of coverage

# Costs and Losses

- o Loss of income
- o Costs of ambulance, medical and hospital treatment;
- o Rehabilitation and recovery treatment costs;
- o Medication co-payments;
- o Aids, appliances, home and vehicle modifications;
- o Household services eg child care, house and garden services;
- o Accident-related travel and accommodation costs.

# When maximum recovery is achieved

- o If someone has a permanent disability from a traffic accident, should there be a payment for that impairment?
- o Periodic or lump sum?
- o Costs of reasonable adjustment eg for hobbies/leisure activities?
- o Resilience and alternatives where restoration is not possible, but all direct costs are being met?

# Last questions

- o Loss of income for non-earners
- o What, if any limits on loss of earnings?
- o % of earnings?
- o Waiting period?