

The ACT has the best CTP insurance scheme in the country.

- It is fully funded. Unlike some jurisdictions, the ACT scheme is not under financial stress.
- It applies to all innocent road accident victims, including pedestrians, cyclists, motor bike riders, passengers, and other drivers.
- It offers fair compensation, specifically tailored to the particular harm caused to each road accident victim.
- It ensures injured people are eligible for compensation for their expenses and losses, including loss of income, medical expenses, domestic care and assistance, and damages for pain and suffering.
- It represents value for money by balancing affordable CTP premiums with effective support of innocent injured accident victims.

**Canberrans should be justly proud of our
CTP scheme.**

Understanding the impact of trade-offs

This is not the first time the ACT Government has tried to scale back the compensation benefits available to injured people. Previous attempts have been rejected.

In other jurisdictions, the promise of no-fault coverage has been used to justify imposing arbitrary thresholds and time limits on access to benefits.

It is vital that the citizens' jury understands the huge impact these trade-offs can have on the personal and financial circumstances of innocent accident victims.

The no-fault coverage trap

The purpose of CTP insurance is to make good an injury caused by the fault of another.

To extend the existing coverage to a no-fault scheme without increasing CTP premiums means that innocently injured victims will receive less compensation.

The key choice between an at-fault and a no-fault scheme is between looking after one group (innocent accident victims) properly, or, in trying to also look after the people who cause accidents (those at fault), **ending up looking after everybody badly.**

There are already some arrangements in place for at-fault drivers in the ACT.

- Three of the four CTP insurance companies in the ACT (who collectively hold over 90% of the market share) offer at-fault driver coverage at no additional cost.
- All injured people (even those at fault) can access the \$5,000 early treatment payment.
- People who suffer catastrophic injuries (even those at fault) are placed in the Lifetime Care and Support scheme (there is currently no ability to opt out of this scheme in the ACT).

Injury thresholds and arbitrary time limits

A key strength of the ACT CTP scheme is that compensation is based on the extent of harm caused to the individual.

Experience shows that the victims most significantly affected by car accidents are often those who work in physical occupations, such as carpenters, plumbers, chefs, nurses, childcare workers and teachers. These are people who spend most of their day on their feet. These are not jobs you can do sitting down. For someone in one of these occupations, a complex ankle or shoulder injury threatens their employment.

Injury thresholds

Injury thresholds are designed to exclude certain injured people from accessing compensation, particularly for pain and suffering.

In NSW, an injured person has to demonstrate over 10% 'whole person impairment' (WPI) to access payments for pain and suffering.

These injury thresholds are measured according to the *American Medical Association Guides to Evaluation of Permanent Impairment* (AMA Guides), despite the fact that the AMA Guides clearly state they should not be used for direct financial awards, or as the sole measure of disability.

The effect on innocent accident victims of imposing arbitrary injury thresholds can be seen from these examples:

- A victim who needed an ankle fusion, leaving them with a permanent limp, ongoing pain and major restrictions was assessed at 4% WPI.
- A victim with a complex shoulder injury that meant they could never again pick up their child or do their work as a chef was assessed at 8% WPI.
- A 16 year old girl who lost seven teeth in a motor accident was assessed at 0% WPI because the doctor said she could 'chew on the other side of her mouth'. This girl faces a lifetime of painful dental treatment because crowns have to be replaced every decade.

- A victim with disc protrusions affecting their ability to walk was assessed at less than 5% WPI. As the victim was a labourer, the impact of this injury meant they could no longer work.

Arbitrary time limits

Arbitrary time limits are often imposed on the provision of treatment and care, and on the availability of wage loss payments.

Imposing arbitrary time limits does not help injured people. Prematurely cutting access to payments for treatment and loss of wages simply means that injured people are forced to rely on savings, extended family, social security and the public health system for their ongoing care and support.

Premium levels

The ACT Government's assertion that CTP premiums are high compared to other jurisdictions is simplistic.

It's more useful to ask if the CTP premiums paid by ACT motorists represent good value for money. Overwhelmingly, the answer is yes, they do.

CTP premiums in the ACT have been steadily decreasing for a number of years, even taking into account the following:

- Unlike other States and Territories, our CTP premiums are not differentiated on the basis of risk factors (such as geographic location, age, driving record, or claims history). In the ACT, the premium for a class 1 passenger vehicle is the same, regardless of all of these factors.
- Injured people are entitled to compensation for loss of income. The 2016 census data showed that Canberrans earn approximately \$300 per week more than Australians nationally. The higher average weekly earnings in the ACT inevitably increases payments for loss of income.

Timeliness of settlements

There are many reasons why the finalisation of claims can take time.

It can take time for an injury to stabilise, or for the extent of the injury to become known — particularly if surgery is needed, or if the injured person is a child.

Involvement of the legal profession

Many injured people choose to use a lawyer to assist them in making their claim against their insurer. Those that do so generally achieve a better outcome. Is it really fair to force an injured person (or their family members), often vulnerable and traumatised following an accident, to pursue their compensation claim against a large corporate insurance company without legal assistance?

Over 95% of claims reach a negotiated settlement between the parties without the need to go to Court.

Involvement in a car accident can have a devastating impact on injured people and their families. It is important not to lose sight of the traumatic experience of injured people, and of their ongoing needs, when discussing changes to our best practice CTP scheme.