

GOVERNMENT RESPONSE

to

THE REPORT OF THE LEGISLATIVE COUNCIL STANDING COMMITTEE ON LAW AND JUSTICE

on

2022 REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

Recommendation	NSW Government Response
<p><u>Recommendation 1</u></p> <p>That the State Insurance Regulatory Authority ensures sufficient information is publicly available relating to profit assessments and utilisation of the transitional excess profit and loss mechanism, so as to allow stakeholders to understand the drivers of excess profit and whether profits are borne equitably by individual road user groups.</p>	<p>Supported in principle</p> <p>The State Insurance Regulatory Authority (SIRA) publishes decisions in relation to the transitional excess profit and loss (TEPL) mechanism in accordance with SIRA’s Regulatory Publishing Policy. SIRA will continue to publish data where possible, limited by commercial sensitivity, to provide more insights into profits recovered through the TEPL mechanism.</p>
<p><u>Recommendation 2</u></p> <p>That the State Insurance Regulatory Authority investigate, either through the Statutory Review of the <i>Personal Injury Commission Act 2020</i> or separately, whether any aspects of the Act or their operation:</p> <ul style="list-style-type: none">• may impede the timely resolution of disputes by the Commission• undermine an individual's medical privacy during the publication of Medical Review Panel certificates	<p>Supported</p> <p>SIRA are considering these issues as part of the Statutory Review of the <i>Personal Injury Commission Act 2020</i> (PIC Act) with a report on the outcome of the Review to be tabled in Parliament no later than 12 August 2023.</p> <p>Operational and scheme design aspects that are outside the terms of reference and scope of the Statutory Review of the PIC Act will be considered separately. This will include ongoing monitoring of the work being undertaken by the Commission to reduce the backlog of disputes, noting that as of March 2023 it was reported that the</p>

	Commission are on track to clear the backlog of delayed medical assessment disputes by quarter 3 of 2023.
<p><u>Recommendation 3</u></p> <p>That the State Insurance Regulatory Authority further investigate the following issues, in consultation with stakeholders, with a view to identifying or implementing potential solutions prior to the next review of this committee:</p> <ul style="list-style-type: none"> • the benefits of introducing additional 'Safe System' factors, such as ANCAP ratings, in the calculation of CTP premiums as a measure to support improved road safety • jurisdictional issues relating to interstate accidents and CTP claims 	<p>Supported in principle</p> <p><u>Road safety</u> CTP insurers have been applying the National Vehicle Identification Code (NVIC) which contains vehicle characteristic and safety features including ANCAP for several years. As such, these features are already included in the calculation of NSW CTP premiums.</p> <p>SIRA also has an ongoing commitment to fund road safety research and programs that prevent or reduce injuries from motor accidents and improve safety education.</p> <p><u>Jurisdictional Issues relating to interstate claims and accidents</u></p> <p>Each Australian State and Territory has its own compulsory third party scheme, with each scheme based on varying underlying principles and underwriting systems relevant to each state's circumstances and legislative frameworks. Entitlements are made in accordance with the law of the place of the accident.</p> <p>Any changes to the operation of the NSW motor accidents scheme would require legislative amendment and consideration by Government, including the analysis of the potential impact of additional costs to CTP premiums.</p>