

Standing Committee on Law and Justice

2020 Review of The Compulsory Third Party Insurance and Lifetime Care and Support Schemes

ICA Responses to Questions on Notice (Tuesday 25 May 2021)

1. What is the overturn rate for minor injury review?

We refer to page 8 of the SIRA CTP Insurer Claims Experience and Customer Feedback Comparison Report of 31 March 2021 and note the minor injury overturn rate is 12%¹.

2. How often is new information received for internal reviews?

Based on information provided by insurers the Insurance Council understands that, on average, approximately 18% of internal review decisions were recorded with having new information.

3. What is the cost of a rehabilitation bed compared to the cost of a hospital bed?

Based on the SIRA regulated rates, the cost of a rehabilitation bed is \$832.50 per night which is marginally more expensive than a general surgical bed which is \$806.50 per night.

4. What are the number of damages claims?

We refer to page 21 of the EY 2017 CTP Scheme Quarterly Actuarial Monitoring 31 December 2020 data², which indicates that most of the expected claims for damages have not yet been lodged, due to the design of the scheme. Only claims arising from accidents which occurred prior to 30 April 2019 have now passed the 20 month key legislative milestone, in which non-minor claims with WPI less than or equal to 10 percent are eligible to lodge a claim for damages. EY reports:

1 st accident year	2 nd accident year	3 rd accident year
Reported to date 2,172	Reported to date 603	Reported to date 42
Expected ultimate 3,613	Expected ultimate 3,499	Expected ultimate 3,334

On average, approximately 800-900 claims are expected to be incurred per accident quarter.

¹ [CTP Insurer Claims Experience and Customer Feedback Comparison 31 March 2021 SIRA report](#), page 8.

² [EY 2017 CTP Scheme Quarterly Actuarial Monitoring 31 December 2020 data](#), page 21.