

File Note

From Karen Cutter and Claire White
Date 1 April 2014
Subject NSW CTP Late Claims

We have been asked to compile some analysis for the ICA in respect of late reported claims. We understand that this may be submitted to the Law and Justice Committee's review of the MAA. This file note documents the analysis.

Notes on the data used

1. Late claims – claims which are reported more than six months after the accident. We have further subdivided these claims into those that are more or less than three years late (as those that are more than three years late are statute barred).
2. Referral to CARS – claims which are referred under to CARS under 5A s96(1)(a) Late Claim with the CARS decision resulting in the following possible outcomes:
 - Late claim may be made
 - Late claim may not be made.
3. We have excluded the following notifications from the analysis:
 - sZ151 claims – workers compensation recovery claims, as the first the insurer hears about the claim is when WorkCover makes the recovery action.
 - ANF matters – claimant has lodged an Accident Notification Form but not a Notice of Claim.



Analysis

Total Late Claims

The following graph and table shows the total number of claims reported in each financial year, split between those that are Late versus Not Late. We have also shown the proportion that are Late.

Figure 1 – Total CTP Claims

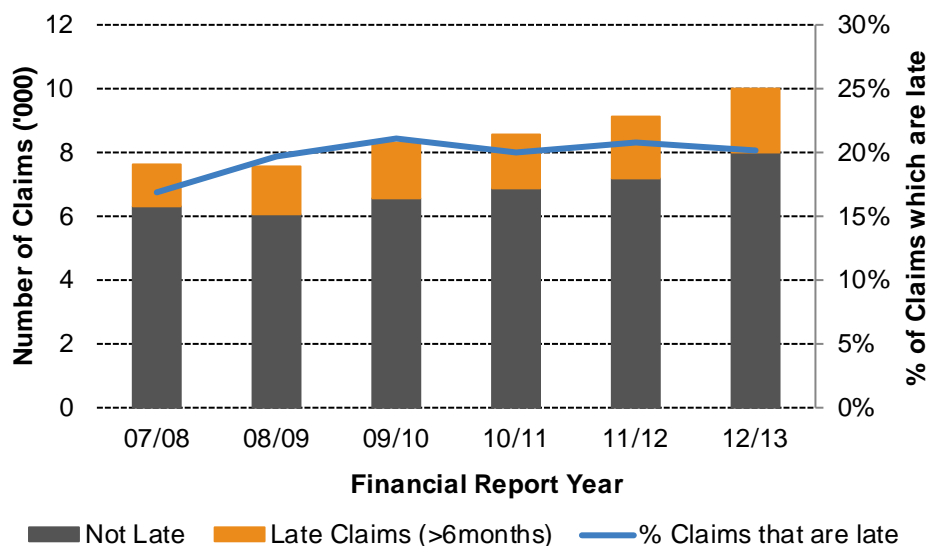


Table 1 – Total CTP Claims Split by Delay to Report

Financial Report Year	Late Claims (>6months)	Not Late	Total Reported Claims	% Late
07/08	1,285	6,317	7,602	17%
08/09	1,483	6,062	7,545	20%
09/10	1,758	6,583	8,341	21%
10/11	1,716	6,853	8,569	20%
11/12	1,890	7,219	9,109	21%
12/13	2,018	7,991	10,009	20%

The proportion of total claims (excluding ANF's and sZ151s) received per year which are Late has been stable since 2008/09 at around 20%. The number of Late claims has been increasing, in line with general increases in the number of claims reported. There were 2,000 Late claims reported in 2012/13.

The following graph shows the breakdown of the late reported claims into those that –

- (a) Were not referred to CARS
- (b) Were referred to CARS with outcome ‘Late claim may be made’
- (c) Were referred to CARS with outcome ‘Late claim may not be made’

Note that the number of claims accepted/rejected at CARS are taken from the publication “MAAS Performance Update 1 July 2013 to 21 February 2014, MAAS Reference Group” rather than directly from the PIR.

Figure 2 – Total Late Claims split by CARS referral and outcome

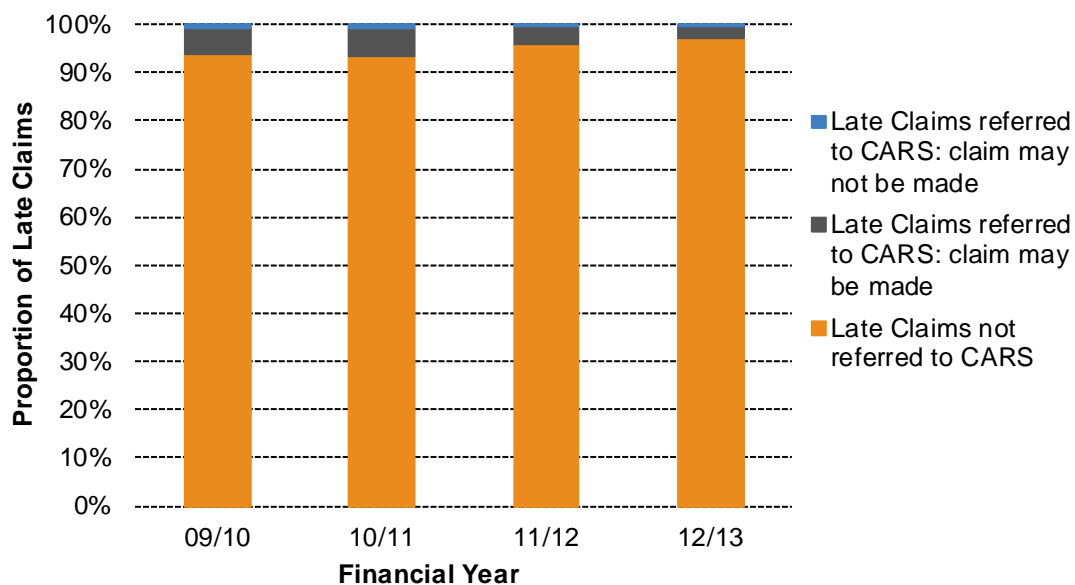


Table 2 – Total Late Claims split by CARS referral and outcome

Financial Year	Late Claims not referred to CARS	Late Claims referred to CARS: claim may be made	Late Claims referred to CARS: claim may not be made	Total Late Claims	% late Claims referred to CARS
09/10	1,652	90	16	1,758	6%
10/11	1,603	100	13	1,716	7%
11/12	1,815	66	9	1,890	4%
12/13	1,958	50	10	2,018	3%

The proportion of Late claims that are accepted without referral to CARS has increased over the period shown from 93% to 98% of Late reported claims. In the last two years only 3% to 4% of Late claims are subject to a dispute under 5A s96(1)(a) at CARS.

Late Claims by Duration

The following graph shows the breakdown of the late reported claims into those that –

- (a) Were reported >6 months but <3 years post accident
- (b) Were reported >3 years post accident

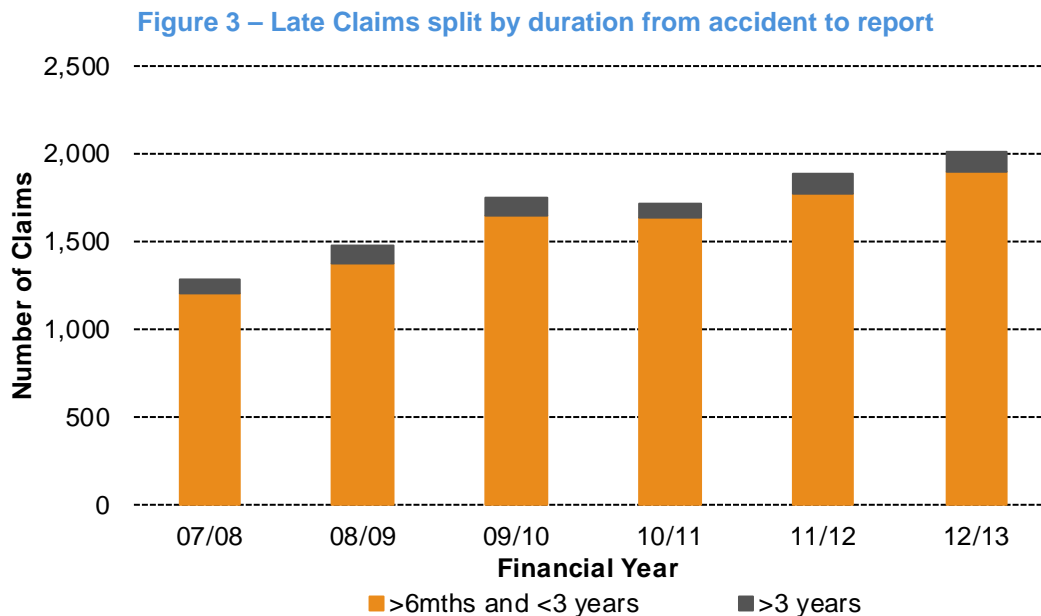


Table 3 – Late Claims split by duration from accident to report

Financial Year	>6mths and <3 years	>3 years	Total Late Claims	% Late Claims >3 years
07/08	1,206	79	1,285	6%
08/09	1,378	105	1,483	7%
09/10	1,648	110	1,758	6%
10/11	1,634	82	1,716	5%
11/12	1,780	110	1,890	6%
12/13	1,902	116	2,018	6%

The proportion of Late claims reported more than three years post accident has been stable at around 6% per year. We are unable to determine from the information available on CARS how many of the CARS referrals are due to claims that are statute barred (>3 years late). However we note that for the three oldest years shown the number of CARS referrals are very close to the number of reports that are more than 3 years late.