

**FIFTH REVIEW OF THE EXERCISE OF THE FUNCTIONS
OF THE LIFETIME CARE AND SUPPORT AUTHORITY**

Organisation: Suncorp Group

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29 January 2014

The Hon David Clark MLC
Committee Chair
Standing Committee on Law and Justice
Parliament House
Macquarie Street
SYDNEY NSW 2000

By email: lawandjustice@parliament.nsw.gov.au

RE: THE EXERCISE OF THE FUNCTIONS OF THE MOTOR ACCIDENTS AUTHORITY - TWELFTH REVIEW AND THE EXERCISE OF THE FUNCTIONS OF THE LIFETIME CARE AND SUPPORT AUTHORITY - FIFTH REVIEW

Thank you for your invitation to provide a supplementary submission into this Inquiry addressing any issues arising from the 2012/13 Annual Reports that were tabled in the Legislative Council on 20 and 21 November 2013. Suncorp welcomes the opportunity to contribute to the Standing Committee on Law and Justice's (the Committee) review into the Motor Accidents Authority (MAA); the Lifetime Care and Support Authority (LTCSA) and their Advisory Committees.

Suncorp reiterates the comments made in its earlier submission of 29 October 2013, and provides the following additional comments below.

The NSW Lifetime Care and Support Scheme

There is nothing in the LTCS *Annual Report 2012–2013* that raises any concern. We repeat our previous comments that the LTCS is performing well, and note that the Lifetime Care and Support Authority (LTCSA) levy component of the medical care and injury services levy attached to Green Slip premiums was reduced from 1 July 2013 following re-evaluation of LTCSA liabilities.

The LTCS achieved sound financial results in the financial year ending 30 June 2013 with a reported profit of \$377 million (from \$33 million in the previous reporting period), increasing the scheme's overall surplus to \$600 million from \$145 million.

The NSW CTP Scheme

The MAA *Annual Report 2013–2013* notes increases in green slips and that a recent review of green slip prices reveals high scheme delivery costs with 50 cents in the dollar (collected by CTP insurers) paid to injured people in the decade from 2000 to 2010. This finding supports our initial submission that CTP reform is vital to ensure:

- optimal health outcomes for those who suffer injuries as a result of a motor vehicle accident;



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- improved scheme efficiency to deliver a greater proportion of collected premiums to those injured;
- improved affordability of green slips;
- scheme structure that supports premium stabilisation;
- universal cover; and
- consistency of administration, benefits and dispute resolution with the National Disability Insurance Scheme and the National Injury Insurance Scheme.

An important aim of CTP reform should be to emphasise the individual's health and social outcomes (well being), with a reduced focus on compensation payments. CTP reform should seek to support individuals in becoming self-sufficient both socially and economically in a timely fashion after a motor vehicle accident.

CTP reform should include, as stated in our initial submission:

- universal & first party cover;
- defined benefits;
- dispute resolution; and
- other issues as specified.

Conclusion

Suncorp maintains that the benefits of privatising motor accident compensation schemes would drive productivity improvements for long-term economic growth. This is particularly important in light of expected productivity challenges as a result of Australia's ageing population. In Suncorp's initial submission, a number of scheme design reforms were raised to enhance the efficiencies of the current scheme to achieve the stated outcomes identified. Economic modelling of the suggested reforms would be prudent and Suncorp suggests that as the Regulator, the MAA is best place to facilitate this.

Suncorp is happy to elaborate further on any aspect of the submissions and to work collaboratively with the Parliamentary Committee and relevant stakeholders upon request. If you wish to discuss this submission further please contact me on _____ or our Manager of Group Government and Stakeholder Relations,

Yours faithfully

—

Chris McHugh
Executive General Manager
Statutory Portfolio & Underwriting Management



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