

**Submission  
No 4**

# **FIRST REVIEW OF THE LIFETIME CARE AND SUPPORT SCHEME**

**Organisation:** Insurance Council of Australia

**Date received:** 21 April 2017

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The Director  
Standing Committee on Law and Justice  
Parliament House  
Macquarie Street  
Sydney NSW 2000

Email: [lawandjustice@parliament.nsw.gov.au](mailto:lawandjustice@parliament.nsw.gov.au)

Dear Sir/Madam

### **First review of the Lifetime Care and Support Scheme**

The Insurance Council of Australia (ICA) is pleased to contribute to the Standing Committee on Law and Justice's (Committee) First review of the Lifetime Care and Support Scheme (LTCS).

The ICA is the representative body of the general insurance industry in Australia. This includes the four licensed insurers who underwrite the NSW Compulsory Third Party (CTP) insurance scheme.

Our members interact with the LTCS when a claimant has been catastrophically injured in a motor vehicle accident. In such circumstances ongoing care and support is managed by the LTCS. The injured person retains the right to pursue other heads of damages under the CTP scheme such as income loss.

Our members have not advised us of any significant concern with the current operation of the LTCS. Some members have noted an improvement in the timeframes between an application being submitted to the LTCS and a decision being made on the applicant's acceptance into the scheme. On the whole, we have been advised that communication between insurer claims staff and LTCS coordinators is relatively effective and efficient.

One area of friction that we have been notified about involves some solicitors advising claimants to reject requests to submit applications to the LTCS. This is not serving the claimant's best interests. Increased awareness raising of the scheme and its benefits may help to counter this.

Following the passing in the NSW Parliament of the *Motor Accident Injuries Bill 2017*, a revised CTP scheme will come into effect on 1 December 2017. A feature of this new scheme is the provision of medical and treatment benefits and commercial attendant care on an ongoing basis and for life if required. For those eligible to receive lifetime benefits, the Act provides insurers with the ability to commute this liability to the LTCS who would manage the injured person's ongoing treatment and care needs.

Insurers will therefore be working with the LTCS in a new and expanded capacity. For the injured person, after an extended period of dealing with one insurer they will then be dealing with a new agency potentially several years after the accident.

Clear processes and guidelines will be imperative to make this transfer as simple as possible. Without these, there is a risk that the transfer of liability to the LTCS could become a point of friction in the scheme. This would be detrimental for all parties concerned but particularly for the injured claimant. The ICA and NSW CTP insurers will be seeking to work closely with the State Insurance Regulatory Authority (SIRA) and the LTCS to develop appropriate guidelines. To avoid protracted negotiation and disputes, we suggest that an independent body determines the price of the liability.

We look forward to working closely with the LTCS and SIRA to help create the best possible claims experience for injured road users. Please contact

if you wish to discuss the matters we have raised further.

Yours sincerely

Robert Whelan  
Executive Director and CEO