

INQUIRY INTO 2020 REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

Organisation: Suncorp Group Limited

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The Hon. Wes Fang MLC
Chair, Standing Committee on Law and Justice
Parliament of New South Wales
Macquarie Street
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By email: law@parliament.nsw.gov.au

Dear Mr Fang

2020 REVIEW OF THE COMPULSORY THIRD PARTY INSURANCE SCHEME

Suncorp Group Limited (Suncorp) welcomes the opportunity to respond to the Committee's Review of the operation of the state's Compulsory Third Party (CTP) Insurance Scheme ('the Scheme'). In this supplementary submission we focus specifically on the period injured motorists are entitled to claim statutory benefits irrespective of fault (the 'no-fault' period) under the *Motor Accident Injuries Act 2017* (NSW) (MAIA).

2017 Reforms to the Scheme

Reforms to the Scheme in 2017 introduced some positive changes for the NSW community and motorists. It is pleasing that since the commencement of the new Scheme all injured people, even those who are at fault¹, have been able to access statutory benefits for up to 26 weeks. The reforms were intended to focus on the rehabilitation of injured people and to ensure their return to work or other activities sooner. Suncorp shares this commitment. The reforms also aimed to improve the claims process through a shift away from an adversarial approach, which has led to expanded and more timely access to treatment and care, and weekly benefits.

Over the short period of three-years since the introduction of the new Scheme the expanded coverage and benefits delivered to injured people have improved the experience of the customers we assist. The full potential of the Scheme, and the overall benefits it can deliver, are still to be realised as the Scheme matures.

Expanding 'No-Fault' Benefits up to Two Years

The expansion of statutory benefits to all road users, regardless of fault, is positive. This benefit should be further expanded to provide treatment and care and weekly benefits to all injured road users up to 2 years.

Currently, motorists who are injured and unable to attribute fault to another driver have their benefits cease after 6 months. In some cases, the cessation of benefits delays recovery and creates additional hardship for people injured in a motor vehicle accident. An example demonstrating how this restriction can impact our customers is in **Appendix A**.

¹ Estimated to be more than 5000 injured people who have claimed benefits on a no fault basis (Source SIRA open data)

Suncorp has long advocated for the extension of benefits in personal injury schemes across Australia on a no-fault basis. In NSW, extending benefits beyond 6 months could help to address some of the negative impacts of ceasing benefits prematurely under the MAIA.

In the ACT, the Motor Accident Injuries Insurance Scheme (formerly the CTP Scheme) came into effect in February 2020. Statutory benefits have been extended on a no-fault basis for a full 5-years, whilst achieving a modest reduction in premiums for motorists in the ACT.

Extending Benefits for Non-Minor Injuries

The extension of benefits for up to two years should apply to injured people who do not have a minor injury according to the definition in the *Motor Accident Injuries Regulation 2017* (NSW). The proposed period of up to two years will provide injured people with non-minor injuries with the support necessary for their recovery and rehabilitation, in line with the Scheme's objectives.

Suncorp would welcome the opportunity to further discuss this proposal or to provide further information in relation to the operation of the Scheme to the Committee.

Regards

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Executive General Manager, Statutory Classes
Suncorp Group Limited

Appendix A

Example One - Extensive Injuries Requiring Treatment for an Extended Period Beyond 6 months

The example provided below is an actual claim which demonstrates the benefit of extending statutory benefits as proposed.

A claimant was injured in a high-speed motorcycle accident. He was ejected from the motorbike directly into the path of a second car where he suffered from multiple lower limb fractures and other injuries. He was found to be at fault in the accident. As part of his treatment, he required multiple surgeries across different stages including skin grafts, bone grafting, open debridement and removal of distal locking crew on his knee.

Following surgery the claimant also required intensive rehabilitation support which the insurer could only support until 26 weeks. After 26-weeks, the claimant required additional treatment due to infection as a result of the surgery and further skin grafts, but due to the 26-week limitation no additional benefits were available through the CTP Scheme. The claimant was required to self-fund his ongoing treatment.