

Injury Schemes Seminar

Balancing Outcomes

10-12 November 2013
Sheraton Mirage Gold Coast



Queensland CTP Scheme Update

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*This presentation has been prepared for the Actuaries Institute 2013 Injury Schemes Seminar.
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Scheme Overview

	2011/12	2012/13	Change
Premium Pool	\$1.28B	\$1.37B	+ 6.3%
Registered Vehicles	3.7M	3.8M	+ 3.1%
Claims Lodged	7,206	7,119	- 1.2%
Claim Payments	\$810M	\$832M	+ 2.7%



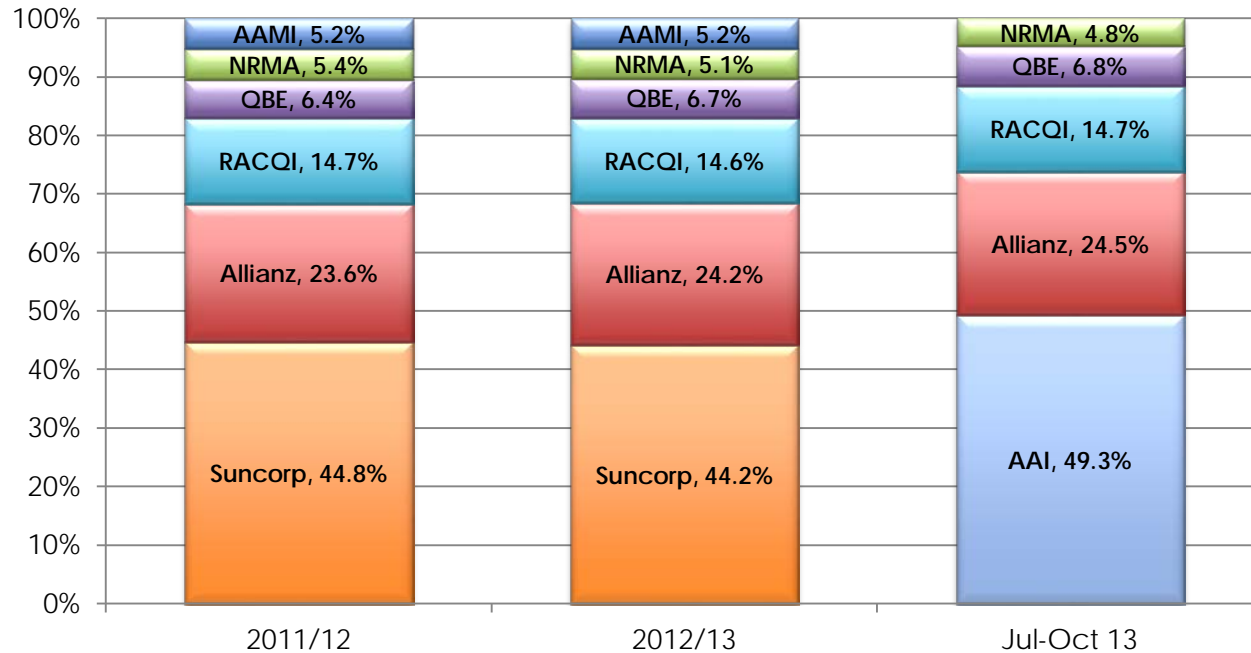
Key Themes

- Claim frequency flat - but goal is to reduce road crashes through road safety measures
- Claims cost stable – reducing in some severities - timing issue or sustainable?
- Zero SII for past five years, sub 2.0% over long-term
- Bond yields rising
- Four licensed insurers from 1 January 2014 – all filed at ceiling prices but actively competing for new business



Market Share

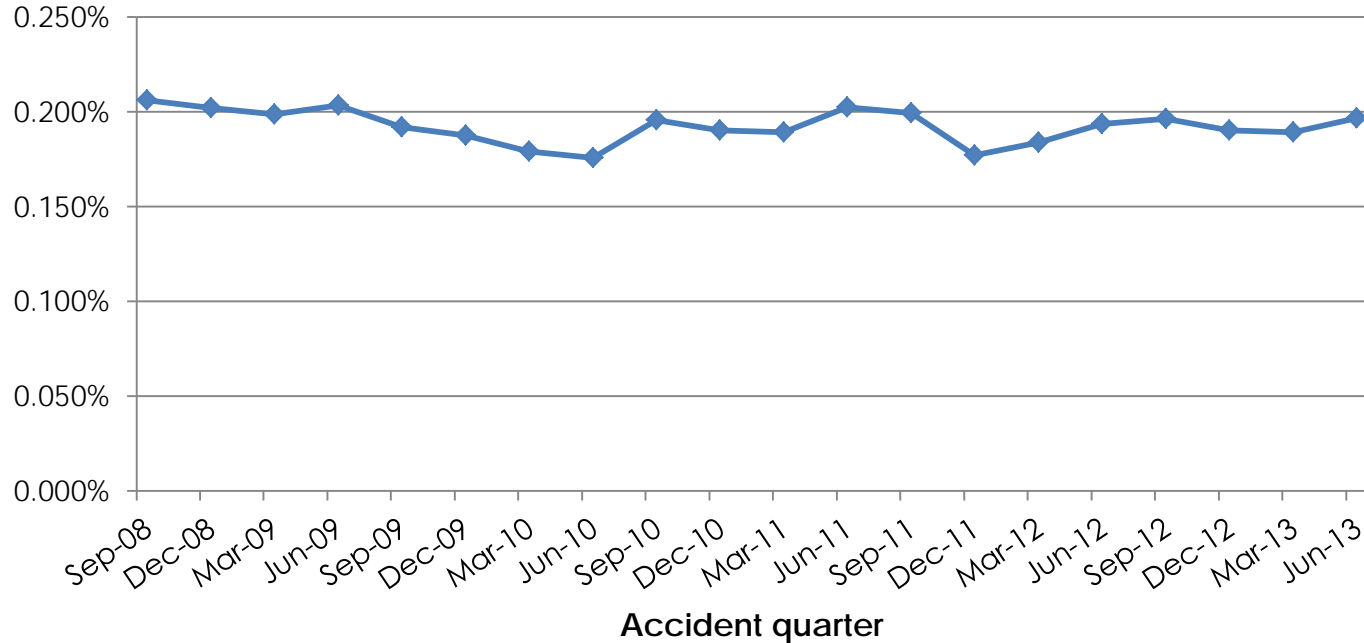
Market Share based on Premium





Claim Frequency

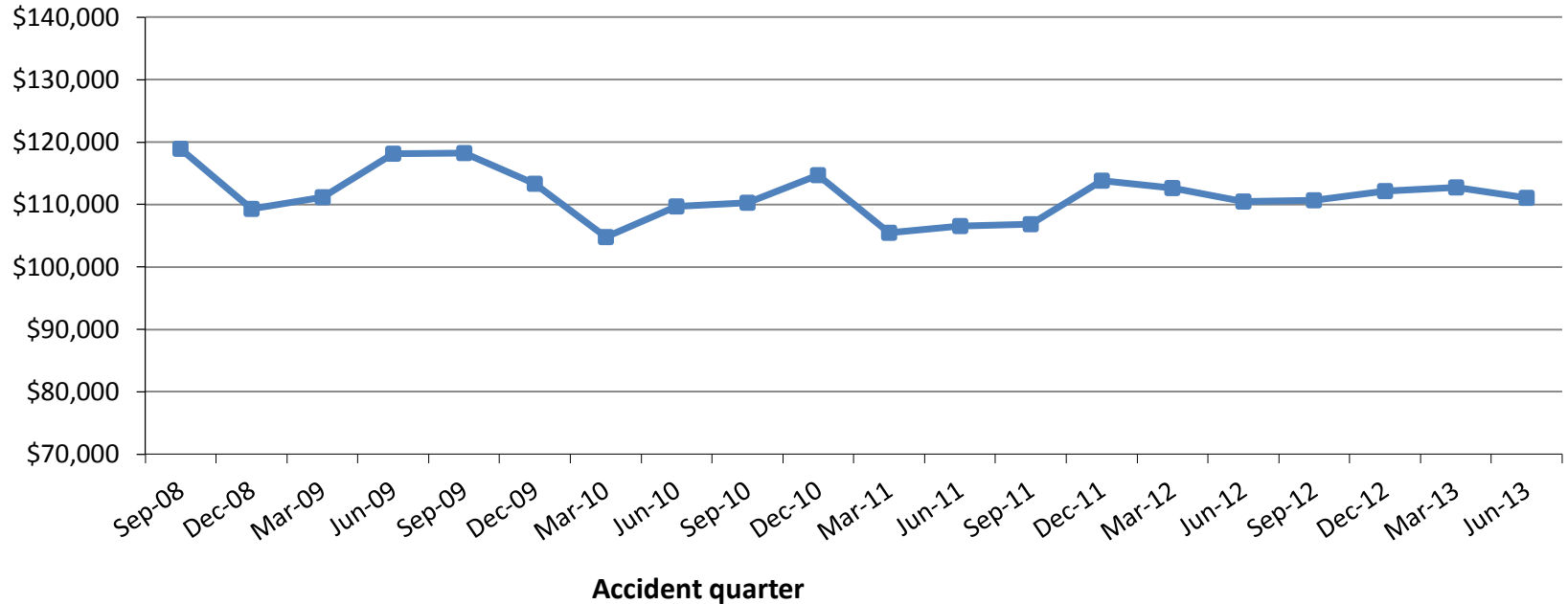
Projected Ultimate Claim Frequency





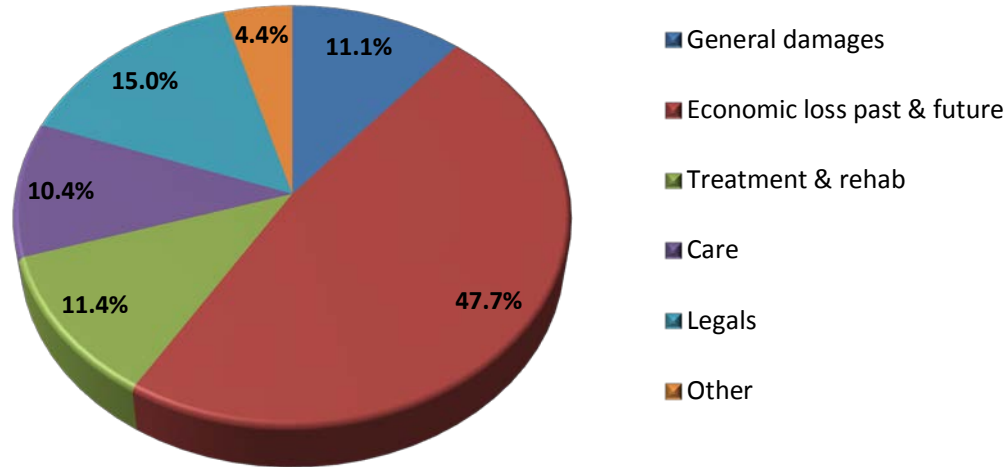
Average Claim Size

Projected Ultimate size in 30 June 2013 dollars





Claim Payments by Head of Damage



Payments made on claims finalised in 2012/13 for post CLA accidents



Qld CTP Scheme Performance Report

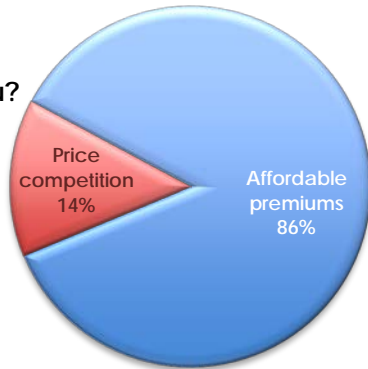
2.5% Super Imposed inflation scenario	Scheme delivery							
	Claim benefits			Delivery costs				
Period	Claim payments	Levies	Total	Claim payments	Levies	Other costs	Profit	Total
Most recent 2 years	66.6%	5.4%	72.0%	3.0%	3.2%	7.9%	13.8%	28.0%
Most recent 3 years	61.7%	5.1%	66.7%	3.1%	3.2%	9.4%	17.6%	33.3%
Most recent 5 years	59.0%	4.7%	63.8%	3.3%	3.2%	11.8%	17.9%	36.2%



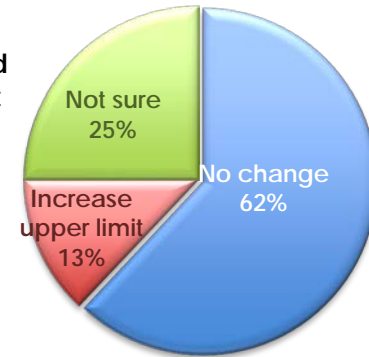
Motorist Research Report Findings (1)

Affordability versus Competition

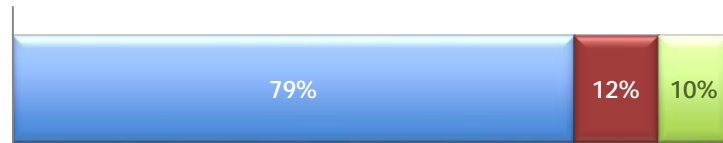
What's more important to you?



Would you like to see competition encouraged by increasing upper limit of premium?



How would you prefer to pay CTP?

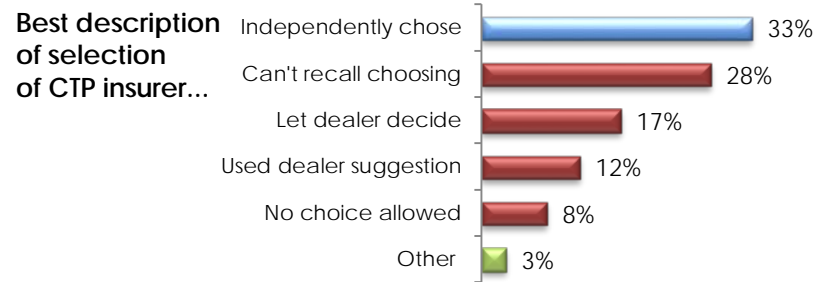


■ With vehicle registration ■ Separately to insurer ■ Not sure

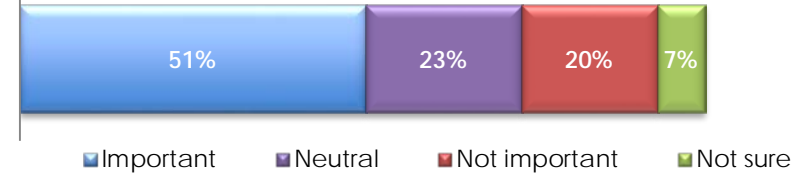


Motorist Research Report Findings (2)

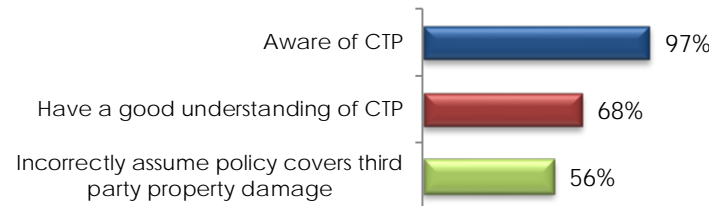
New car purchase



How important is being able to independently choose CTP insurer?



CTP knowledge and awareness – all motorists





Nominal Defendant

- 7% reduction in levy from 1 July 2013
- Strong performance - lower frequency and lower claim cost
- Ongoing performance improvement focus
- Replacing legacy IT system in 2014
- FAI run-off now down to 38 claims, \$17m o/s



What's Coming Up – 2014 and beyond

- National Heavy Vehicle Legislation
 - The big truck keeps coming on down the road
- National Injury Insurance Scheme
 - Policy work continues...
 - ...will now explore implementation options and costings
- Claimant Research
 - Understand claimant experience and 'follow the money'
- Continued focus on supporting road safety initiatives
 - Supporting DTMR and QPS – research related activity and programs
 - Preventing injury and mitigating the effects of injuries
- NRMA withdrawal from 1 January 2014
 - Managing a smooth transition of policyholders at next renewal date



Ongoing stable performance with continued focus on improvement