



Injury Schemes Seminar*

Balancing Outcomes

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Sheraton Mirage Gold Coast

* Formerly the Accident Compensation Seminar



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SYNOPSIS

CONSIDERATIONS IN MOVING FROM A THIRD PARTY FAULT BASED CTP SCHEME TO A FIRST PARTY NON-FAULT SCHEME

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Key words: First party, Third party, premium system, fault, no fault

Purpose of your paper: To assist CTP scheme regulators, managers and scheme stakeholders identify and address the issues that need to be considered in moving from a third party fault based CTP scheme to a first party no-fault CTP scheme.

Synopsis:

Moving from a largely third party fault based scheme to a first party no-fault based scheme in a privately underwritten environment will present a range of challenges that need to be dealt with in the design of the scheme.

This paper identifies the matters that need to be addressed and the options that can be considered. We consider:

- The impact on how claims are reported
- Which insurer bears the cost of claims
- Relationships between insurer and claimants
- Impact on claims management
- Premium rating issues
- Issues of premium affordability
- Transition of the scheme, and
- Other aspects.