

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



NT CTP Scheme Update

Lesley Anderson



MAC Division of TIO

- General Manager MAC – Andrew Fronsko
- Manager MAC Operations – vacant
- Manager MAC Portfolio – Lesley Anderson
- CEO of TIO – Richard Harding



Basic Information (1)

- Number of vehicles: 160,300 at 30.6.09
- Premium Class One: \$458.35 (up 5% on 1.7.09)
- Affordability Index: 41%



Basic Information (2)

- Claim frequency (no fault plus common law): 3.0 per 100,000 vehicles
- Average claim size: ???
- Propensity to claim: 45%
- Fatalities per 100,000 population: 16.2 (was 34 in 2008)



Why is premium so high (\$10 higher than ACT)

- NT Road Toll severity
- Road safety funding \$20 per vehicle
- Administration costs high due to small scheme
- Net cost of reinsurance



July 2007 Reforms (1)

- Substitution - NF for CL for non residents
- Expansion - previously at fault non residents (and not-at-fault non residents who did not bother to claim common law)
- Restriction – benefits not paid outside Australia



July 2007 Reforms (2)

- Restriction – 25% deductible for no seatbelt/helmet
- Expansion – attendant care benefits to max 32 hours per week; domestic services
- Expansion – unregistered or unregistrable vehicles on private property; Territory-located accidents with no Territory vehicle involved



July 2007 Reforms – Assumptions

- 54 p.a. extra non-resident no fault
- Previous common law claim reduces to no fault size
- Previously non-resident at-fault claims are more severe than average no fault; mitigated by recoveries



July 2007 Reforms – Early results

- 20 common law p.a. (down from 70)
- 450 no fault p.a. (up from 400)
- Frequent deductions for no seat belt/helmet
- One private property example
- Detailed analysis starts asap



Case Management Strategy

- LTC and Restorative Teams
- Focus on loss of earnings – tail claims
- Improved case estimates process
- Improved early systems for Restorative team
- Many other initiatives
- Actuarial releases targeted over 3 years



Indigenous Road Toll and Claims (approximate figures)

- Indigenous 30% of NT population
- 45% of fatalities
- 30% of serious injuries
- 20% of MAC claims
- Average MAC claim size 75% higher than non-indigenous claims



Forthcoming tasks

- Further workflow improvements to PEARL imaging system
- Data analysis
- Focus on recoveries
- Benefit review on 2010/11
- Dispute resolution processes
- Road safety partnerships and funding