

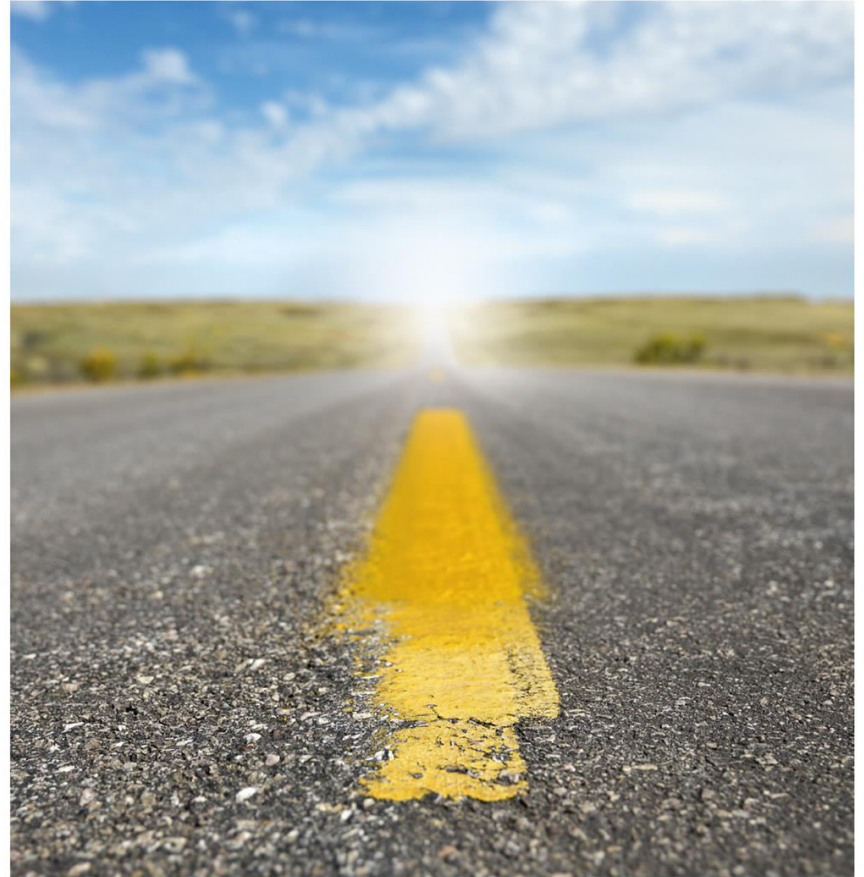
Injury Schemes Seminar

Road to Recovery



**Actuaries
Institute**

8-10 November 2015 • Hilton • Adelaide





WA CTP SCHEME UPDATE

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Insurance Commission of WA

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*This presentation has been prepared for the Actuaries Institute 2015
Injury Schemes Seminar.*

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Agenda

- Organisational Overview
- Key Financial Features
- Claims Experience
- Claim Frequency
- Scheme Solvency
- CTP Premiums
- Claims Payments
- Catastrophic Injury Support Scheme (CISS)
- Questions

Organisational Overview

- Government owned, self funded trading enterprise
- Motor Vehicle (Third Party Insurance) Act 1943 is the governing legislation
- Sole underwriter of the WA CTP scheme (Common Law)
- 2.7 million registered vehicles

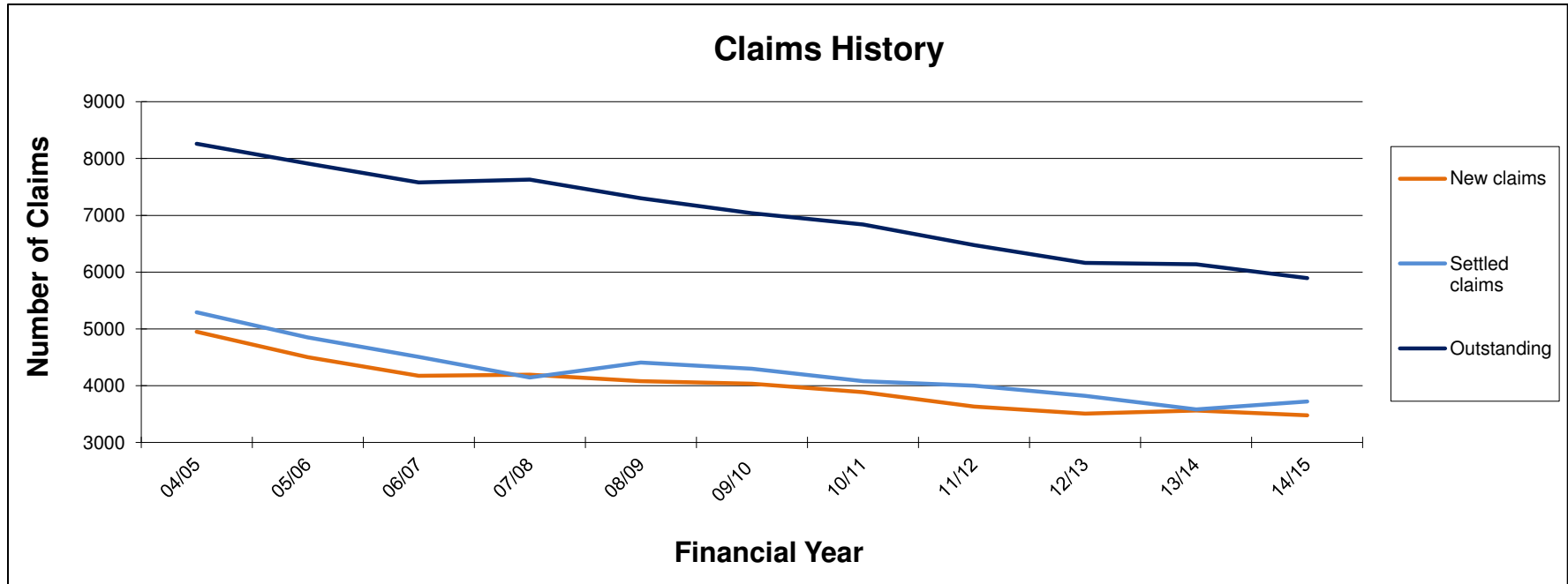
Key Financial Features

Year 30 June	Liabilities \$M	Assets \$M	Surplus/ Deficit \$M	Funding	Provisions for Outstanding Claims (Net) (\$M)
2007	1,677.5	2,365.4	687.9	141%	1,295.4
2008	1,652.8	2,320.1	667.3	140%	1,326.5
2009	1,584.3	2,103.1	518.8	133%	1,307.8
2010	1,649.3	2,288.3	639.1	139%	1,342.0
2011	1,811.3	2,484.1	672.7	137%	1,473.7
2012	2,018.5	2,566.8	548.4	127%	1,656.0
2013	2,083.5	2,954.9	871.4	142%	1,610.0
2014	2,292.3	3,154.1	861.8	138%	1,785.0
2015	2,419.0	3,433.0	1,014.0	142%	1,826.0

Claims Experience

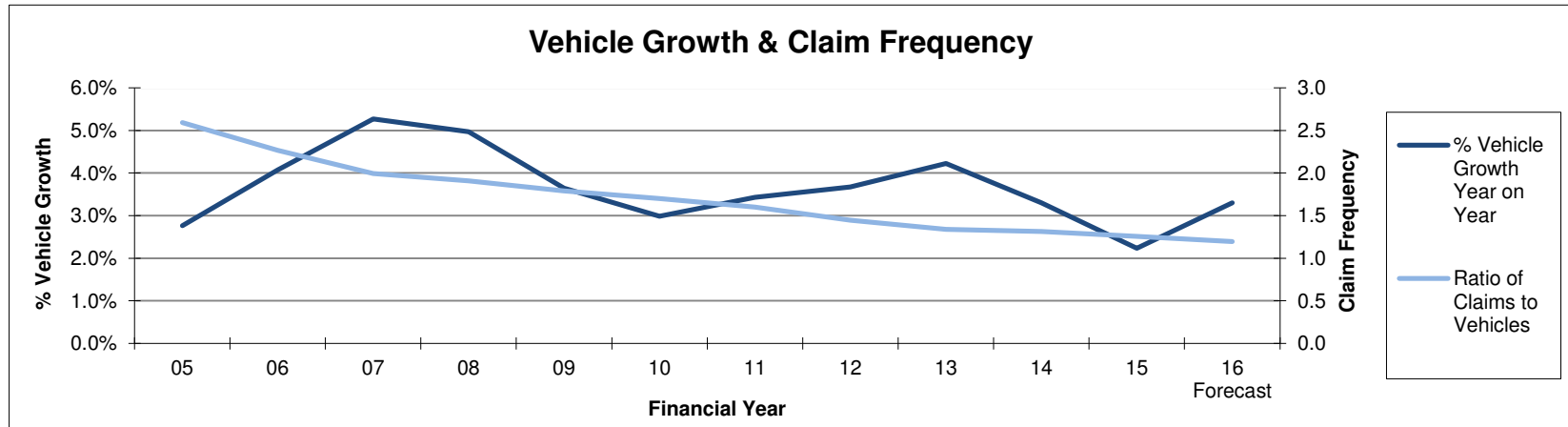
	2010/11	2011/12	2012/13	2013/14	2014/15
Gross Claims payments	\$381M	\$420M	\$373M	\$493M	\$453M
Claims Received	3,885	3,632	3,509	3,561	3,478
Claims Closures	4,081	3,999	3,822	3,583	3,721
Outstanding Claims	6,841	6,474	6,161	6,139	5,896

Claims Experience (cont'd)



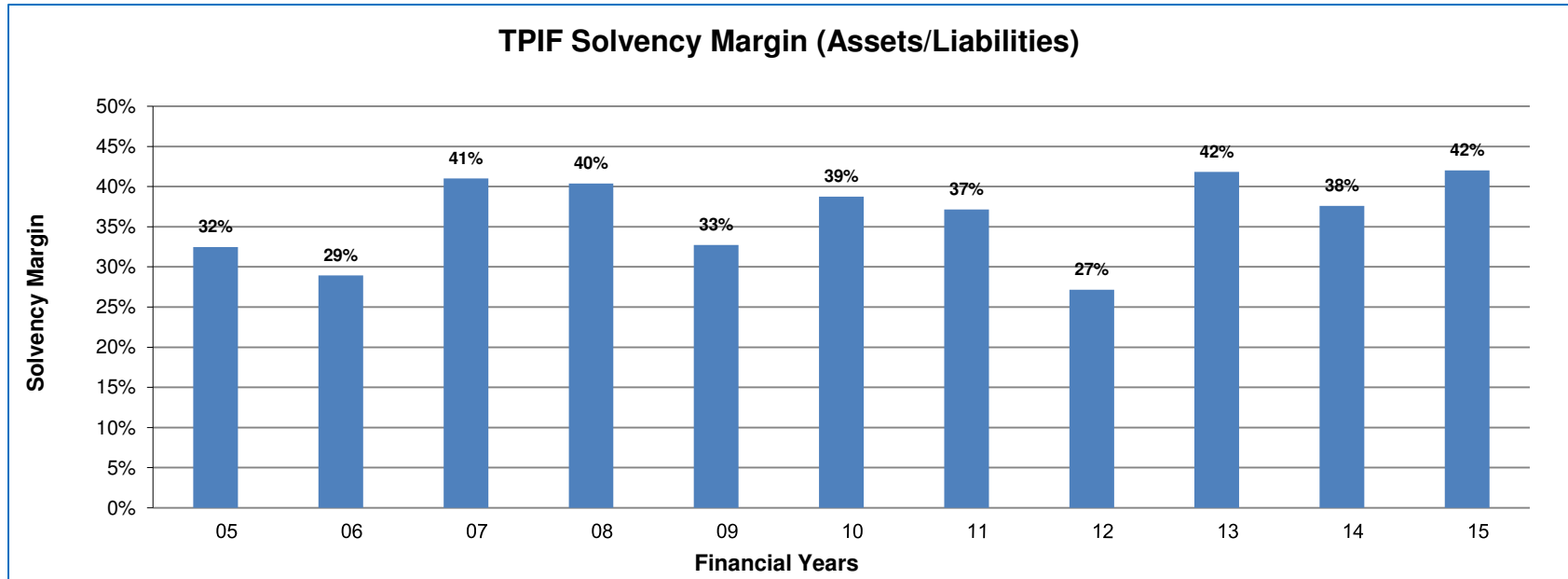
Claim Frequency

- Registered vehicles growth averaging approximately 2.8% pa over the past two years, compared to 3.4% over the last 5 years.
- Claims frequency continues to decline, albeit at a slightly reduced rate in more recent times



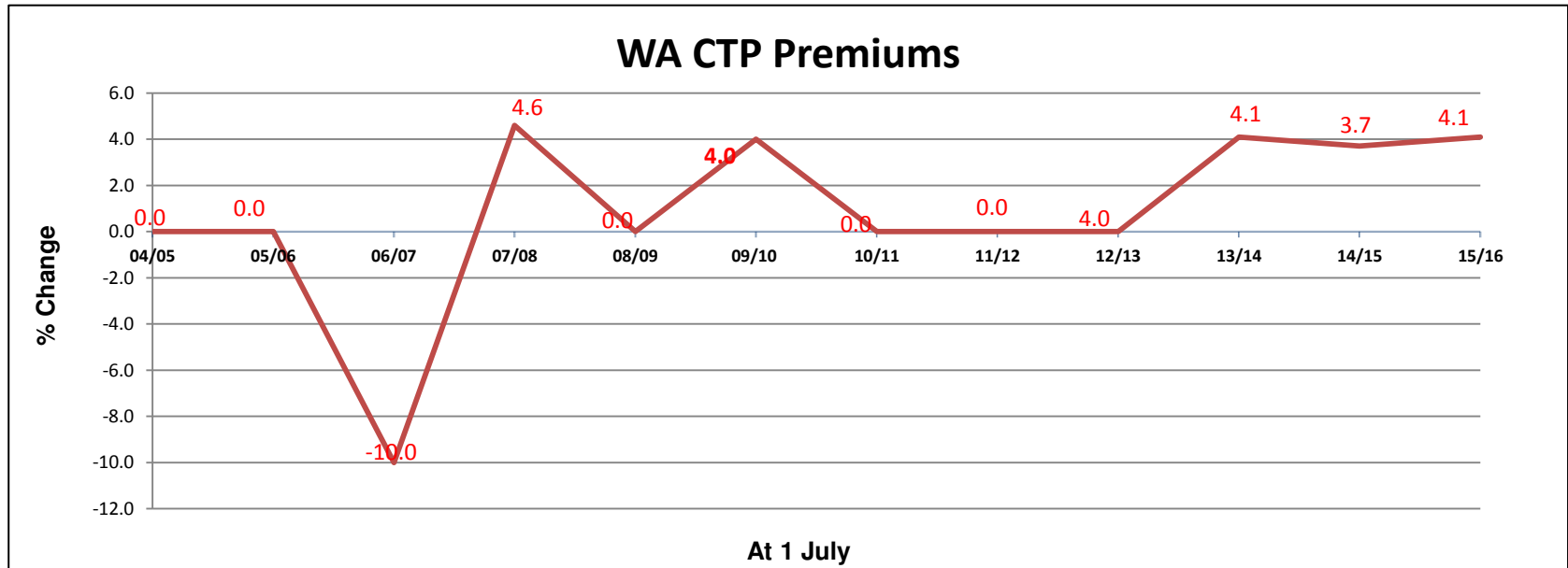
Scheme Solvency

- Scheme remains fully funded



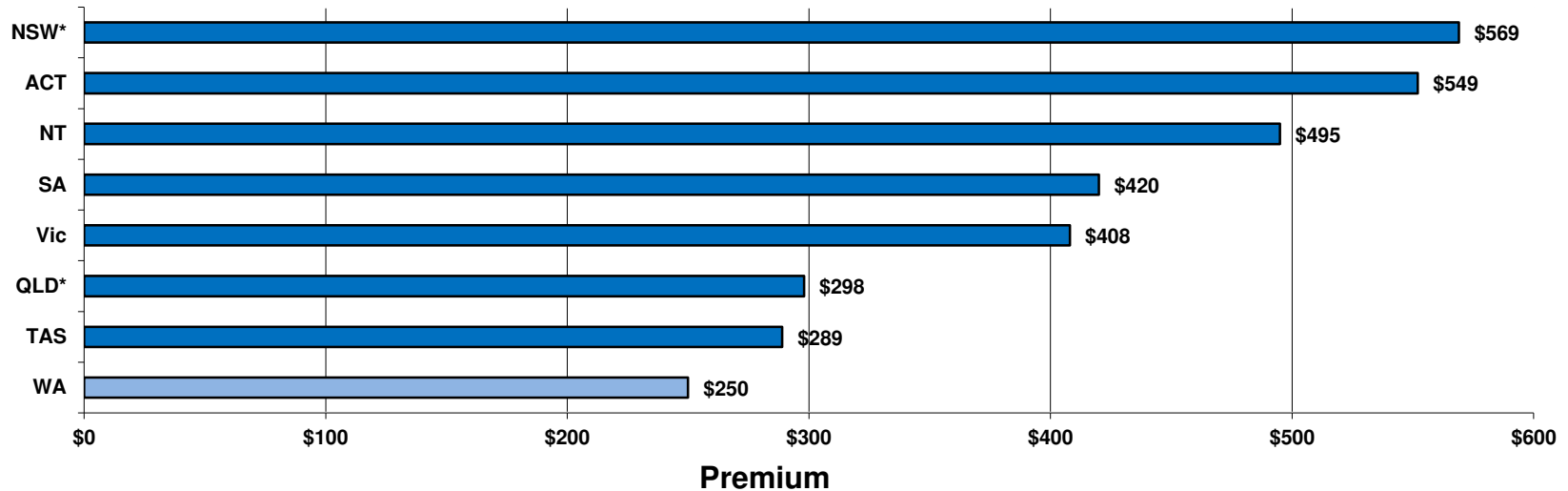
CTP Premiums

- CTP premiums rose 3.7% in 2014 and 4.1% in 2015.

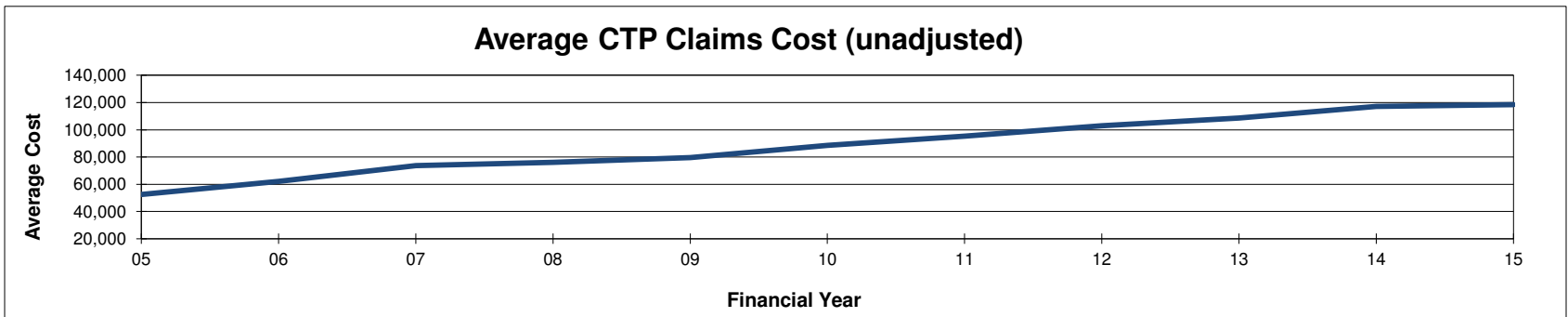
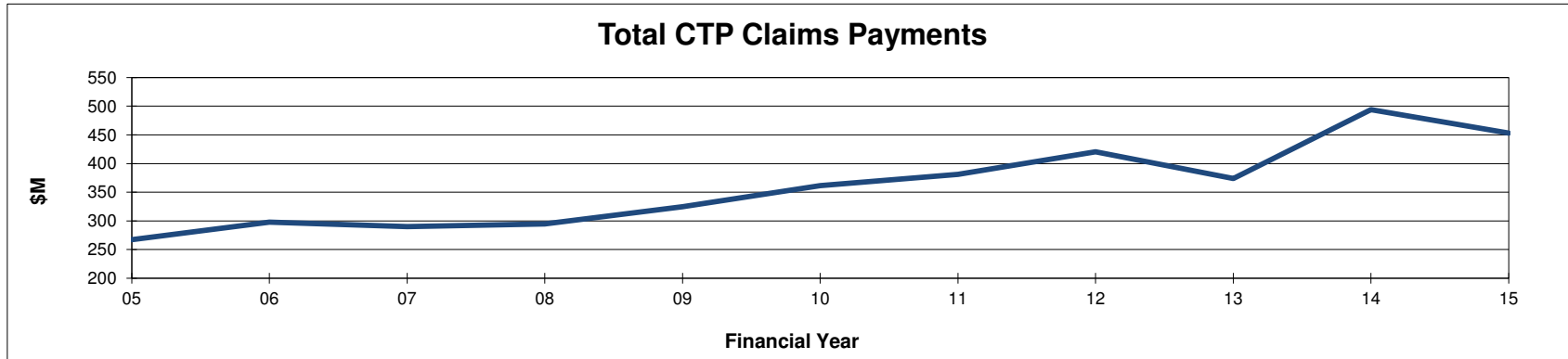


CTP Premiums (cont'd)

Compulsory Third Party Insurance Premiums Rates for a Private Motor Car, (exc GST & Stamp Duty) Australia Wide as at 1 July 2015



Claims Payments



Expanded Motor Injury Insurance

- Cabinet approved the implementation of expanded no-fault, motor vehicle Injury insurance from 1 July 2016.
- CTP premiums for the average family car will increase by \$99 to fund the additional costs of providing long term care and support to all people catastrophically injured in motor vehicle crashes in WA.
- The cost of care and support for people catastrophically injured is estimated at an average of around \$4m per person.

Expanded Motor Injury Insurance(cont'd)

- Estimated 92 people are catastrophically injured in motor vehicle accidents in WA each year.
- 48 of the 92 currently receive compensation in the existing CTP Scheme.
- The 48 'compensable' people retain the choice of 'commuting' their life time care and support costs to a lump sum.
- 44 people not able to prove fault will receive their care and support on an 'as you go basis'.

Expanded Motor Injury Insurance (cont'd)

The scheme will be based on nationally agreed benchmark definitions of catastrophic injuries:

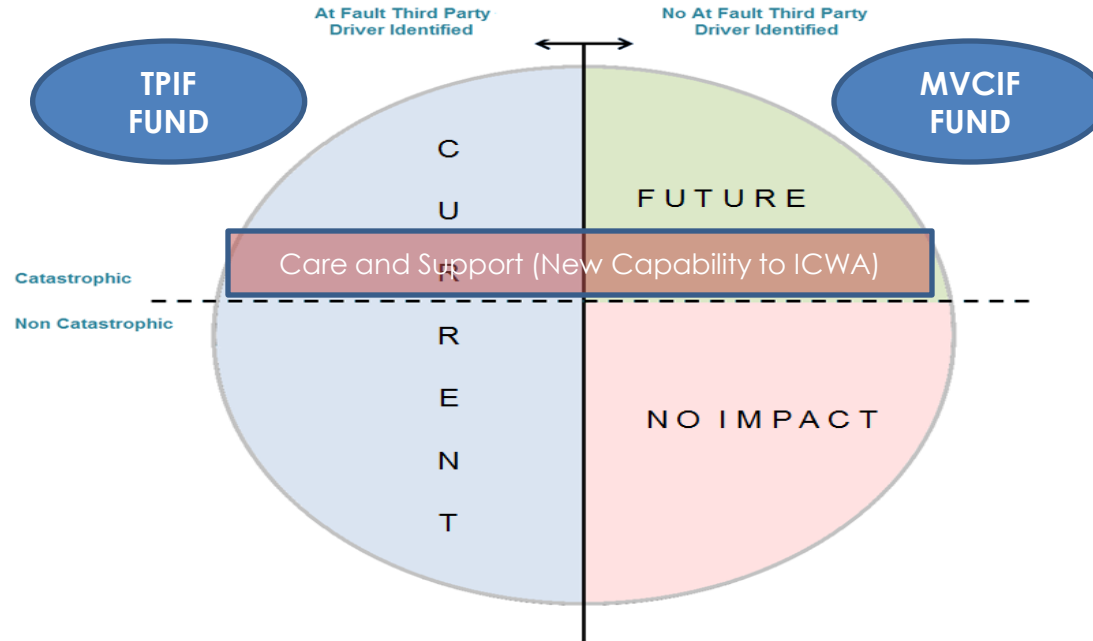
- spinal cord injuries;
- acquired brain injuries;
- multiple amputations;
- traumatic blindness; and
- severe burns.

Expanded Motor Injury Insurance (cont'd)

Benefits to be provided under the scheme are also based on nationally agreed minimum benchmarks:

- rehabilitation;
- attendant and nursing care services;
- domestic assistance;
- respite care;
- dental treatment;
- ambulance transportation;
- aids and appliances;
- home and transport modifications;
- prostheses;
- medical treatment; and
- educational and vocational training.

Expanded Motor Injury Insurance - Model



Expanded Motor Injury Insurance (cont'd)

Insurance Commission commenced scheme implementation tasks which include:

- Drafting of legislation with Parliamentary Counsel;
- Engagement with Department of Transport for premium collections;
- Creation of service delivery models/provider procurement;
- Enhancements to current IT systems
- Resource planning

