

QLD CTP Industry Stakeholders Submission

Submission to the Motor Accident Insurance
Commission re: current factors and trends influencing
the cost of Compulsory Third Party
("CTP") Insurance

3 March 2022

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Who we are

The Australian Lawyers Alliance (ALA) is a national association of lawyers, academics and other professionals dedicated to protecting and promoting justice, freedom and the rights of the individual.

We estimate that our 1,500 members represent up to 200,000 people each year in Australia. We promote access to justice and equality before the law for all individuals regardless of their wealth, position, gender, age, race or religious belief.

The ALA is represented in every state and territory in Australia. More information about us is available on our website.¹

The ALA office is located on the land of the Gadigal of the Eora Nation.

¹ www.lawyersalliance.com.au.

Introduction

The ALA welcomes the opportunity to provide this submission to the Queensland Motor Accident Insurance Commission's (MAIC) ongoing series of consultations with stakeholders on current factors and trends influencing the cost of Compulsory Third Party ("CTP") insurance.

Our submission

We lodged a submission in November 2021 and therefore we do not propose to make extensive further comments.

The release of claims data, in our view, confirms the submissions we have made about Queensland's CTP scheme, namely:

- a.** The scheme is stable, affordable, well-run and possesses a design which treats people with respect by maintaining good access to common law benefits.
- b.** The data demonstrates no significant negative trends emerging, particularly in circumstances where claims farming activity appears far less prevalent than prior to the claims farming amendments.
- c.** The ALA remains concerned about insurer profits and the lack of transparency in respect of individual insurer profit margins in the scheme. Overall reported aggregate profit margins remain far in excess of the 8% benchmark. However, to comment meaningfully would require transparency in individual insurer profit margins.
- d.** In other jurisdictions, policy-makers have capped profits, with insurer super profits applied to once or more of:
 - i. Premium reductions;
 - ii. Improved suite of benefits to claimants; and/or
 - iii. Road safety initiatives.
- e.** There continues to be a troubling trend to longer settlement timeframes for claims. This causes substantial disadvantage and financial hardship to claimants. The ALA would welcome participation in discussions in respect of this issue.
- f.** Linked to lengthy settlement timeframes is the concerning behaviour of some insurers in respect of the making of offers. It seems some insurer's business model involves making insufficient offers at a compulsory conference and only once proceedings are commenced and they have lawyers engaged, are more genuine offers made. Again, the ALA would welcome further discussion on this issue.

Conclusion

Should you have any questions about any of the comments above, please do not hesitate to make contact.

A handwritten signature in black ink, appearing to read 'Sarah Grace'.

Sarah Grace
Queensland President
Australian Lawyers Alliance