

Our reference: BN-06247-2023

Your reference: [REDACTED]

[REDACTED]  
Insurance Australia Group trading as NRMA Insurance

By email: [REDACTED]

Dear [REDACTED]

**Letter of Censure –failing to determine the claimant’s request for treatment within 10 days of receipt of the request.**

I refer to our correspondence to NRMAI on 19 May 2023 and 20 June 2023 relating to alleged delays in providing treatment and care request decisions for multiple claims on several occasions in breach of the Motor Accident Injuries Act 2017 (the Act), the Motor Accident Guidelines (the Guidelines) and with its licence conditions.

**Findings of Fact**

In summary, the State Insurance Regulatory Authority (the Authority) conducted investigations into NRMAI’s alleged delays in providing decisions to claimants for treatment and care requests confirmed the following:

1. [REDACTED]  
On 4 July 2022, a request for surgery was received by NRMAI. On 3 August 2022, the NRMAI provided a decision to the request, after a delay of 20 days.
2. [REDACTED]  
On 20 December 2022, the request for MRI was received by NRMAI. On 3 January 2023, the NRMAI provided a decision to the request, after a delay of four days.  
On 20 December 2022, the request for consultation with [REDACTED] was received by NRMAI. On 3 January 2023, the NRMAI responded to the request, after a delay of four days.
3. [REDACTED]  
On 30 November 2022, the request for a mattress and vacuum cleaner was received by NRMAI. On 13 December 2022, the NRMAI provided a decision to the request, after a delay of one day  
On 9 February 2023, the request for MRI was received by NRMAI. On 24 February 2023, the NRMAI provided a decision to the request, after a delay of four days.
4. [REDACTED]

On 27 October 2022, the request for consultation with orthopaedic surgeon was received by NRMAL. On 14 December 2022, the NRMAL provided a decision to the request, after a delay of 37 days.

On 17 November 2022, the request for facet joint injections was received by NRMAL. On 14 December 2022, the NRMAL provided a decision to the request, after a delay of 17 days.

5. [REDACTED]

On 30 November 2022, the request for physiotherapy was received by NRMAL. On 16 December 2022, the NRMAL provided a decision to the request, after a delay of four days.

6. [REDACTED]

On 28 October 2022, the request for MRI was received by NRMAL. On 31 March 2022, NRMAL provided a decision to the request, after a delay of 145 days.

7. [REDACTED]

On 15 February 2022, the request for Gastroscopy investigations was received by NRMAL. On 13 March 2022, the NRMAL provided a decision to the request, after a delay of 14 days.

In failing to determine and respond to the claimants' treatment request within 10 days of receipt, the Authority is satisfied that NRMAL's conduct is not consistent with the objects of the Act including the following:

1. Section 1.3 Objects of Act

(2) For that purpose, the objects of this Act

(a) to encourage early and appropriate treatment and care to achieve optimum recovery of persons from injuries sustained in motor accidents and to maximise their return to work or other activities,

(b) to provide early and ongoing financial support for persons injured in motor accidents.

(g) to encourage the early resolution of motor accident claims and the quick, cost effective and just resolution of disputes.

2. Section 10.7 of the Act:

It is a condition of an insurer's licence under this Act that the insurer comply with relevant provisions of Motor Accidents Guidelines.

3. Clause 4.5 of the Guidelines (version 8.2)

Insurers and those acting on their behalf are to deal with claims in a manner consistent with the objects of the Act, the below principles, and the general duties under Division 6.2 of the Act.

4. Clause 4.6 of the Guidelines (version 8.2):

These principles apply across all claims management aspects for the life of a claim:

(a) proactively support the claimant to optimise their recovery and return to work or other activities.

(b) make decisions justly and expeditiously.

5. Clause 4.98 of the Guidelines (version 8.2):

Where the insurer determines the claimant's request for treatment, rehabilitation, vocational support, and attendant care services, it must: advise the claimant and service provider in writing as soon as possible but within 10 days of receipt of a request.

6. Clause 10 of the standard license conditions provides:

(Compliance with laws) The Licensee must establish and maintain compliance measures to ensure that it complies at all times with its obligations under the Act and the regulations and guidelines made under it.

On 19 May 2023 and 20 June 2023, the Authority issued two Show Cause Notices to NRMAL setting out the results of the investigation and Authority's preliminary view. The Authority invited NRMAL to make submissions or provide any further relevant information in respect of the proposed findings of fact and the imposition of the appropriate enforcement action available to the Authority.

On 2 June 2023 and 3 July 2023, NRMAL responded to the Show Cause Notices issued and accepted the contraventions found by the Authority and acknowledged the seriousness of the breaches for each claim. NRMAL further advised that they have undertaken appropriate remediation and performance management actions to address the performance of specific individuals in relation to compliance performance (this includes the contraventions mentioned above). NRMAL also stated that in March 2023 they introduced a revised quality assurance framework.

### Regulatory action

The Authority recognises NRMAL's actions to meet its obligations under the Act in regard to treatment and care requests and therefore for this reason has issued a letter of censure instead of imposing a civil penalty.

This matter will form part of NRMAL's compliance history and will be considered when determining the appropriate regulatory or enforcement response of future matters of non-compliance indicating a pattern of behaviour are brought to the Authority's attention. Whilst in this instance a letter of censure has been considered appropriate, in the event that the Authority becomes aware of ongoing non-compliance of a similar nature, these may result in a more serious outcome, such as the imposition of a civil penalty.

In addition, and as specified under section 9.15(1)(a) of the Act, SIRA may choose to publish the outcome of this investigation focussing on the level of compliance by NRMAL.

I remind NRMAL that, as a licensed insurer, it must comply with all Compulsory Third Party (CTP) licence conditions and legislative obligations. I trust that the Authority's expectations of compliance with legislative obligations is clear.

Should you wish to discuss this matter, you may contact [REDACTED], Manager, Investigation and Enforcement, on 02 9219 3127 or [REDACTED].

Sincerely,



**Executive Director MAIR**  
State Insurance Regulatory Authority

Date: 14 November 2023