

SIRA

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# 2017 CTP Scheme Performance Report to 30 June 2024

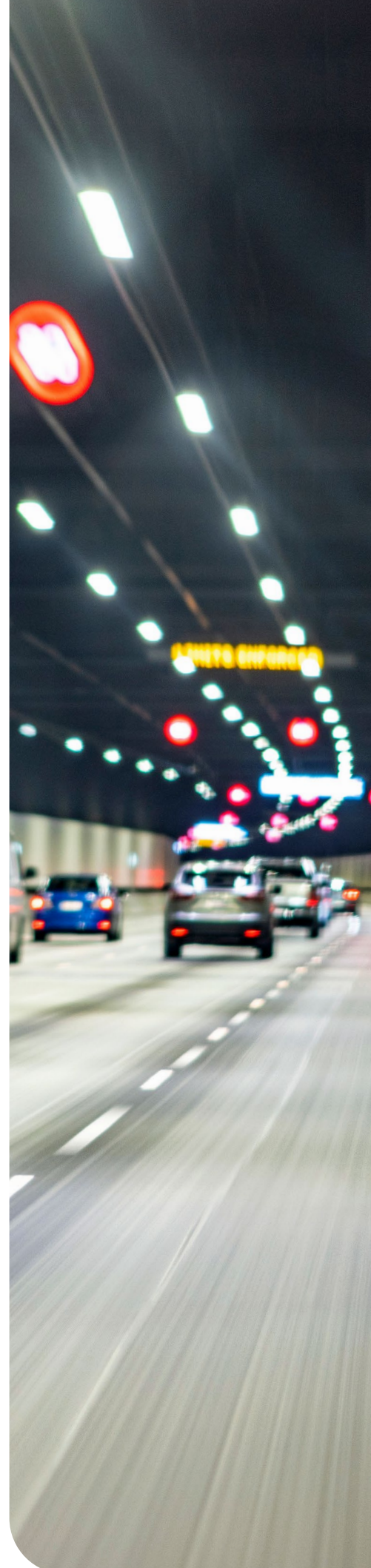
*Motor Accident Injuries Act 2017*

# Contents

<b>1. Executive Summary</b>	<b>1</b>
1.1. Key findings	1
<b>2. About SIRA</b>	<b>2</b>
<b>3. The 2017 NSW CTP Scheme</b>	<b>3</b>
3.1. Personal Injury Commission	5
3.2. The Independent Review Office	5
3.3. 2021 Statutory Review of MAI Act	5
3.4. Statutory Review of the PIC Act	6
3.5. Innovation	6
<b>4. Effectiveness</b>	<b>7</b>
4.1. Time to access treatment and care benefits	7
4.2. Time to access weekly benefits for income support	8
4.3. Return to work, stay at work and working rates	8
4.4. Claim acceptance rates	9
<b>5. Efficiency</b>	<b>10</b>
5.1. Premium returned as claim benefit	10
5.2. Duration	10
5.3. Internal Review	11
5.4. Disputes	13



<b>6. Viability</b>	<b>14</b>
6.1. Claims experience	14
6.2. Claim numbers and type	16
6.3. Threshold injury claims	18
6.4. Insurer performance	18
6.5. SIRA's Regulatory Actions	19
6.6. Fraud	20
<b>7. Affordability</b>	<b>21</b>
7.1. Premiums	22
7.2. Market trends	23
7.3. Profit normalisation	23
7.4. Nominal Defendant experience	24
7.5. Registration offences	24
<b>8. Customer experience</b>	<b>25</b>
8.1. Customer Experience Surveys	25
8.2. CTP Assist Milestone Calls and Customer Feedback	26
8.3. Customer complaints	27
<b>9. Equity</b>	<b>28</b>
9.1. Claim payments	29
<b>10 Glossary</b>	<b>30</b>



# 1. Executive Summary

This report provides insights into how the 2017 NSW Compulsory Third Party (CTP) scheme is performing against the objectives outlined in the Motor Accident Injuries Act 2017 (MAI Act) from 1 July 2023 to 30 June 2024. The performance of the scheme has been considered against six key focus areas.

Table 1: Scheme Performance Focus Areas

Focus area	Definition
Effectiveness	The scheme supports people with a claim to attain best outcomes.
Efficiency	The scheme is efficiently delivered in terms of cost and timeliness.
Viability	The scheme is sustainable for future generations.
Affordability	Premiums are affordable, relative to the benefits provided..
Customer Experience	Whether purchasing a policy or claiming benefits, customers receive a positive experience.
Equity	The scheme is fair and equitable in providing benefits.

## 1.1. Key findings

Since the commencement of the 2017 Scheme on 1 December 2017, premiums in the market (including levies and GST) have reduced from an average of \$915<sup>1</sup> to \$501. Affordability of CTP insurance has improved, with CTP premiums falling from 37 per cent of average weekly earnings in 2017 to 21.9 per cent as of 30 June 2024.

From July 2023 to June 2024, approximately 71 per cent of people claiming treatment benefits accessed pre-claim treatment. A further 20 per cent were first paid treatment benefits within two weeks of lodging their claim. This means that 91 per cent of people were able to access treatment benefits within two weeks of lodging their claim.

The percentage of claims where the first weekly benefit payment was made within 2 weeks of claim lodgement decreased from 33 per cent from 2022-2023 to 30 per cent in 2023-2024. The median time for weekly benefits to commence was 3 weeks from claim lodgement.

The cost of damages claims continues to remain highly uncertain as many of these claims have yet to be settled even for the first accident year (AY) of the 2017 Scheme. As of 30 June 2024, it is estimated that 72 per cent of total expected award of damages payments were made for injuries that occurred in the first AY (2018), and 66 per cent for the second AY.

In 2023, following a further assessment for the first two years (AY 2018 and 2019) SIRA activated the Transitional Excess Profit and Loss (TEPL) mechanism for the third time to recover an additional \$183 million in insurer profits. Combined with prior years, a total of \$452 million in insurer profit has now been recovered and redistributed to NSW motorists through savings on CTP policies.

Despite this, the average premium has increased from June 2023 to June 2024 by \$20 or 4.2 per cent, driven by a combination of factors including legislative amendments in 2023 which increased benefits payable to a person with an injury, an increase in levies and inflation.

<sup>1</sup> Adjusted to 30 June 2024 for average weekly earnings with an allowance of 2% for super imposed inflation.

## 2. About SIRA

The State Insurance Regulatory Authority (SIRA) was established in 2015 to steward and regulate NSW's statutory insurance and care schemes — Compulsory Third Party (CTP) insurance, workers compensation insurance and the home building compensation scheme. SIRA is a customer-centric, intelligence-led, risk-based regulator whose core purpose is to ensure that NSW insurance schemes protect and support the people who need them, now and in the future.

SIRA's principal objectives and regulatory role are set out in section 23 of the *State Insurance and Care Governance Act 2015* (SICG Act) and include:

- to promote the efficiency and viability of the insurance and compensation schemes
- to minimise the cost to the community of workplace injuries and injuries arising from motor crashes and to minimise the risk associated with such injuries
- to promote workplace injury prevention, effective injury management and return to work measures and programs
- to ensure that persons injured in the workplace or in motor crashes have access to treatment that will assist their recovery
- to provide for the effective supervision of claims handling and disputes under the workers compensation and motor accident legislation
- to promote compliance with workers compensation and motor accident legislation
- to collect and analyse information on prudential matters in relation to insurers
- to encourage and promote the carrying out of sound prudential practices by insurers
- to evaluate the effectiveness and carry out of those practices.

SIRA's strategy, [SIRA2025](#), outlines SIRA's goals and strategic priorities until 2025. Holding regulated entities to account for outcomes, putting the customer at the centre, and data and digital, are important elements of the strategy. Through this strategy SIRA uses the full range of scheme stewardship, design, and regulatory functions to deliver better outcomes for customers.

SIRA continues to make detailed scheme performance data available via an interactive Open Data Portal on its website. SIRA also publishes quarterly CTP scheme actuarial reports, regulatory activity updates and measures of insurer performance.

# 3. The 2017 NSW CTP Scheme

Compulsory Third Party (CTP) insurance protects motor vehicle owners and drivers from liability if they were to injure or cause the death of a person or people in a motor vehicle crashes in NSW. A CTP insurance policy (also known as a Green Slip) is required to register most vehicles in NSW.

CTP is a type of statutory insurance. This means eligibility to claim benefits and/or damages is determined by the legislation in effect.

The 2017 CTP scheme was established in NSW under the *Motor Accident Injuries Act 2017* (MAI Act) and applies to injuries resulting from a motor vehicle crash occurring on or after 1 December 2017.

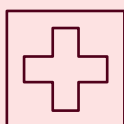
The scheme provides benefits for pedestrians, passengers, cyclists, motorcyclists and drivers of vehicles. People injured on NSW roads by an uninsured or unidentified vehicle can also claim scheme benefits through the Nominal Defendant Fund, which SIRA manages.

Premiums paid by motorists cover the cost of claims, insurer administration and claims management costs, insurers' profit, GST and a fund levy. SIRA administers the fund levy which includes:



## Motor Accidents Operational Fund (MAOF)

This fund pays for initial public hospital and ambulance services for anyone injured on NSW roads; the costs of running the CTP insurance scheme including support services such as CTP Assist, the Personal Injury Commission (the Commission), Independent Review Office (IRO) and vocational and return to work support; and fees to Transport for NSW to administer the registration process.



## Lifetime Care and Support Scheme (LTCS) Fund

This fund covers the lifetime treatment, rehabilitation and care of people who have been severely injured on NSW roads regardless of who was at fault. To be eligible for the LTCS Scheme, severe injury criteria must be met.



## Motor Accident Injuries Treatment and Care Benefits Fund (MAITCB)

This fund is vested in the Lifetime Care and Support Authority (LCSA) to cover payments and costs of the CTP Care program which provides treatment and care for people with needs five years after the motor crash, or earlier by agreement.

The 2017 Scheme is designed to support injury recovery by providing fast access to payments for treatment, care, and loss of income to assist people to return to work or their other pre-injury activities.

The scheme has several key characteristics:

- no fault access to statutory benefits which allow for motor crash related loss of earnings, treatment costs and commercial attendant care.
- people with ‘threshold injuries’ as defined in the MAI Act (that is, soft tissue and/or minor psychological or psychiatric injuries) or those who were wholly or mostly at-fault can access up to 52 weeks of statutory benefits.
- access to damages for economic and/or non-economic loss for those with non-threshold injuries. Permanent impairment thresholds must be met to be eligible for non-economic loss.

- after five years from the date of the crash (or earlier by agreement), CTP Care become responsible for paying for reasonable and necessary treatment and care instead of the licenced CTP insurer.
- providing reasonable funeral expenses, regardless of fault.
- compensation to close relatives who were dependent on a person who died because of a motor crash in NSW and was not at-fault.
- eligible family members can access SIRAs trauma support service, which provides access to grief and trauma support counselling in the event of serious injury or a death on the road.

The tables below provide an overview of scheme benefits and damages for people who are injured based on whether they were at fault or not at fault in causing the motor vehicle crash.

**Table 2a: 2017 scheme benefits and damages entitlements at a glance – At fault claims.**

Benefits and Damages type	Eligibility
Ambulance and hospital emergency treatment	Yes
Treatment and care benefits	Up to 52 weeks
Weekly benefits payments for loss of earnings	Up to 52 weeks
Funeral expenses	Yes
Damages for future economic loss	No
Damages for non-economic loss (e.g. pain and suffering)	No
Damages for dependants in compensation to relatives claims	No
Legal and other expenses	Available as prescribed under the MAI Act and Regulations

**Table 2b: 2017 scheme benefits and damages entitlements at a glance – Not at fault claims**

Statutory Benefits & Damages claims	Threshold injuries	Non-threshold PI <sup>2</sup> ≤ 10%	Non-threshold PI > 10%
Ambulance and hospital emergency treatment	Yes	Yes	Yes
Weekly benefits payments for loss of earnings	Up to 52 weeks	Up to 156 weeks	Up to 260 weeks
Damages for future economic loss	No	Yes	Yes
Damages for non-economic loss (e.g. pain and suffering)	No	No	Yes
Treatment and care benefits	Up to 52 weeks	CTP Care after 5 years	CTP Care after 5 years
Funeral expenses	Yes	Yes	Yes
Damages for dependants in compensation to relatives claims	No	Yes	Yes
Legal and other expenses	Available as prescribed under the MAI Act and Regulations	Available as prescribed under the MAI Act and Regulations	Available as prescribed under the MAI Act and Regulations

### 3.1. Personal Injury Commission

The Personal Injury Commission (Commission) was established from March 2021 as an independent statutory tribunal responsible for resolving disputes between people injured in motor vehicle crashes and workplaces in NSW, and insurers and employers.

A key feature of the 2017 Scheme is to encourage early resolution of claims, and quick, cost effective and just resolution of disputes. A person with an injury can request an internal review of specified insurer decisions as a first step in resolving disputes. The internal review must be conducted independently of the original decision maker and provides an opportunity to resolve disputes early, without progressing to the Commission.

The Commission's [key performance indicators](#) (KPIs) became effective from 1 July 2022. The indicators include a range of measures to quantify their performance and track how they are meeting the statutory objectives of the *Personal Injury Commission Act 2020*. These KPIs will be reported in their next Annual review.

### 3.2. The Independent Review Office

The Independent Review Office (IRO) was established in March 2001 and has oversight of CTP complaints raised by people with a claim about their insurer.

The IRO publish [Statistics and Performance reports](#) on a bi-annual basis. The reports include statistics around matters received by source and insurer and includes a measure on resolution timeframes.

SIRA continues to manage complaints relating to all other aspects of the 2017 Scheme, including complaints from customers in relation to their CTP policy.

### 3.3. 2021 Statutory Review of MAI Act

In November 2021, the final report of the three-year [Statutory Review of the MAI Act](#) was tabled in the NSW Parliament. The independent reviewers (Clayton Utz and Deloitte) made 73 recommendations and 20 suggestions relating to scheme design, scheme implementation and KPIs.

Clayton Utz focused on whether the design and terms of the MAI Act, Regulations and Guidelines continued to meet the policy objectives of the 2017 Scheme, making 49 recommendations.

<sup>2</sup> PI refers to permanent impairment.

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Deloitte focused on the implementation of the MAI Act with reference to specific key performance indicators and made 24 recommendations and 20 suggestions which relate to SIRA's supervision and oversight of insurers as well as monitoring and data collection.

In October 2023, SIRA published a [progress update](#) on the implementation of the recommendations. SIRA is continuing to monitor the impact of legislative changes progressed in response to the Statutory Review.

### 3.4. Statutory Review of the PIC Act

The Report on the outcome of the two-year [Statutory Review of the Personal Injury Commission Act 2020](#) (the Report) was tabled in Parliament in August 2023. The Review found that the policy objectives and terms of the *Personal Injury Commission Act 2020* (PIC Act) remain valid. The Report made two recommendations and three targeted suggestions for consideration by the Personal Injury Commission (Commission).

A key issue canvassed by stakeholders during the Review was delays in medical assessment matters in the Motor Accidents Division of the Commission. SIRA has continued to monitor issues of delay, with most backlog matters resolved as of 30 June 2024.

SIRA is continuing to progress a review of dispute resolution within the CTP scheme in response to recommendation two of the Report.

### 3.5. Innovation

Schedule 4, Part 2(2) (4A) of the Motor Accident Injuries Act 2017 (MAI Act) includes provision for the adjustment of Authority Fund levies or premiums to take into account innovations implemented by insurers to promote the objects of the Act. Innovations progressed by the Authority that promote the objects of the Motor Accident Injuries Act 2017 are designed to deliver value across key areas that align with the Act's provisions.

As at end of June 2024 nine innovation applications have received preliminary approval. No applications have received final approval under the Guidelines. Of all innovations proposed 14% relate to injury prevention, 42% respond to access to support and 44% consider access to benefits. These initiatives also aim to promote fair market practices, deter fraud, support competition in premium setting, encourage the early resolution of claims, and ensure the sustainability and affordability of the scheme.

# 4. Effectiveness

## 4.1. Time to access treatment and care benefits

A key objective of the MAI Act is to encourage early and appropriate treatment and care to achieve optimum recovery of people with injuries sustained in a motor vehicle crash and to maximise their return to work or other activities.

From July 2023 to June 2024, approximately 71 per cent of people claiming treatment benefits accessed pre-claim treatment.

A further 20 per cent were first paid treatment benefits within two weeks of lodging their claim. This means that 91 per cent of people were able to access treatment benefits within two weeks of lodging their claim.

As shown in Table 3 below, these trends have been stable since 1 December 2019.

**Table 3: Weeks to first payment of treatment and/or care benefits**

Weeks from Lodgement to first payment	1 December 2017 to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021	1 July 2021 to 30 June 2022	1 July 2022 to 30 June 2023	1 July 2023 to 30 June 2024
Pre-claim treatment benefits paid	69%	74%	76%	73%	70%	68%	71%
2 weeks	15%	14%	14%	16%	19%	22%	20%
2-4 weeks	6%	5%	4%	4%	5%	5%	4%
4-6 weeks	3%	2%	2%	2%	2%	2%	2%
>6 weeks	7%	5%	4%	4%	3%	3%	3%
Median weeks	-1.1	-1.3	-1.1	-1.0	-0.9	-1.0	-0.9



## 4.2. Time to access weekly benefits for income support

The percentage of claims where the first weekly benefit payment was made within two weeks of claim lodgement decreased from 33 per cent in June 2023 to 30 per cent in June 2024.

The median time for weekly benefits to commence has also reduced by almost three weeks since scheme inception, with people with a claim now receiving their first weekly benefit payments on average within three weeks.

**Table 4: Median weeks to first weekly benefit payment by financial year**

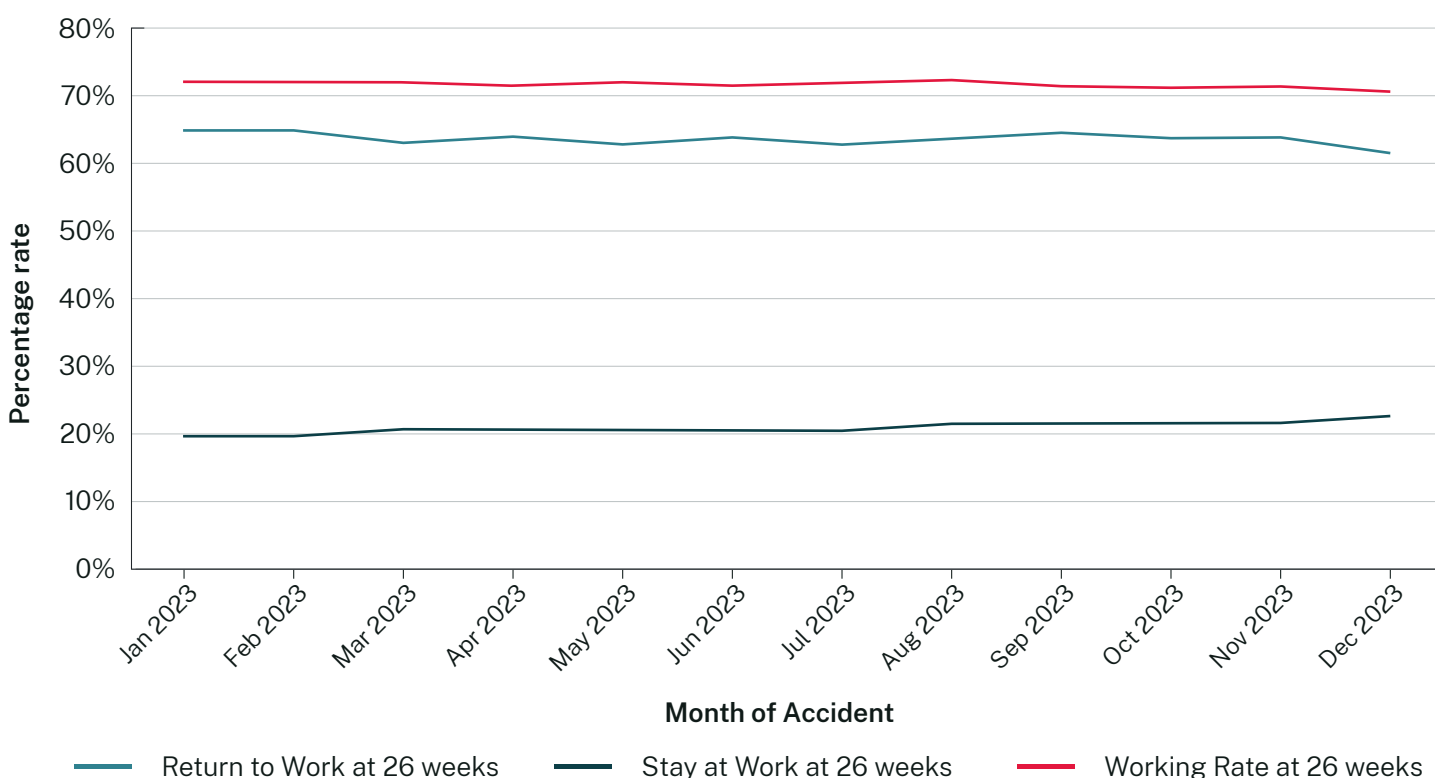
Weeks from lodgment to first payment	1 December 2017 to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020	1 July 2020 to 30 June 2021	1 July 2021 to 30 June 2022	1 July 2022 to 30 June 2023	1 July 2023 to 30 June 2024
2 weeks	5%	10%	12%	12%	30%	33%	30%
2-4 weeks	24%	31%	35%	39%	38%	36%	36%
4-6 weeks	23%	20%	18%	18%	15%	15%	18%
> 6 weeks	48%	40%	35%	31%	17%	16%	16%
Median weeks	5.9	4.9	4.3	4.0	3.0	4.0	3.0

## 4.3. Return to work, stay at work and working rates

Figure 1 below demonstrates the six-month rolling averages for the scheme return to work rates, stay at work rates and working rates at 26-weeks after the date of the crash, based on data as of 30 June 2024. It is noted that the 26-week measure requires six months of development for comparison, so no rates can be presented from January 2024 to June 2024.

The rolling average for return to work, stay at work and working rate, over the last 12 months, were quite steady at around 64 per cent, 21 per cent and 72 per cent respectively<sup>3</sup>.

**Figure 1: Return to work, stay at work and working rate (6 months rolling average)<sup>3</sup>**



<sup>3</sup> Insurance Australia Limited (trading as NRMA Insurance), has reported data quality issues relevant to the accuracy and completeness of return-to-work data provided to SIRA, which may affect overall results.

## 4.4 Claim acceptance rates

From July 2023 to June 2024, insurers accepted 97 per cent of statutory benefits claims. This has been stable year on year, with 97 per cent accepted during July 2022 to June 2023.

The most common reasons for claim denial in accordance with the MAI Act included:

- late claim lodgement (more than 90 days after the crash)
- the claim did not involve a motor vehicle crash
- the claim involved an uninsured, unregistered, or unidentified vehicle.



# 5. Efficiency

## 5.1. Premium returned as claim benefit

Scheme efficiency refers to the proportion of premium dollars going to people with an injury (GST and levies are excluded as these are not managed by the insurer).

As of January 2024, scheme efficiency for the 2017 scheme is projected at 61 per cent compared with 44 per cent under the 1999 scheme. This means more premium dollars are going to people with an injury.

For the first accident year (2018), 80 per cent of expected claim payments have been made and 77 per cent for the second year (2019). It is too early for scheme efficiency to be assessed with a high degree of certainty as payments for complex and severe injuries can take 10 or more years to finalise.

## 5.2. Duration

As of 1 July 2024, a total of 6,030 award of damages claims have settled. Trends in time to settlement are still developing. In this regard:

- the median time to lodge award of damages claims from crash date was 21 months, and time to settlement from the crash date was 38 months.
- only 74 per cent of payments for damages claims for the first accident year have been made, 69 per cent for the second year, 52 per cent for the third and 30 per cent for the fourth accident year.
- common law durations continue to develop given the long tail nature of the scheme. The legislative amendments in November 2022 removed the 20-month damages lodgement waiting period. It is likely that the scheme should experience a reduction in durations over time.



### 5.3. Internal Review

Internal reviews are a feature of the 2017 Scheme designed to help resolve disputes about insurer decisions.

Internal reviews are conducted by insurers independently of the original decision maker, allowing the person with an injury and insurer to resolve the issue before bringing a dispute before the Commission.

For most internal reviews, the insurer must provide their internal review decision within 14 days of receiving the request. However, there are some medical assessment and miscellaneous claims assessment matters where this period is extended to 21 days. The maximum period for all internal reviews is 28 days if further information is required.

From last financial year a total of 6,604 internal reviews were lodged with insurers. Of the 30,151 internal reviews determined since 1 December 2017, 78 per cent of

original decisions have been upheld, with 21 per cent overturned in favour of the injured person and one per cent had a new decision not in favour of the injured.

The proportion of internal review decisions being upheld has seen minor changes over time with 75 per cent upheld in 2019 and as of June 2024, 76 per cent of reviews are being upheld. Of the 24 per cent overturned in 2024, 23 per cent were overturned in favour of the person with an injury.

This means that the internal review process resolves nearly one quarter of disagreements between insurers and persons with an injury, subsequently removing the need for the person to lodge a dispute with the Commission in these matters.

Table 5: Internal review determinations per year

Financial Year ending June	Number of Applications	Number of Determinations	Percentage Upheld
2018	335	289	76%
2019	2885	2368	75%
2020	5004	4213	77%
2021	6985	5837	79%
2022	7472	6350	80%
2023	7024	5606	76%
2024	6604	5214	76%

Figures are rounded to the nearest whole percentage.

From 1 July 2023 to 30 June 2024, 97 per cent of internal reviews were within compliance timeframes. Supervision and regulatory actions have seen this significantly improve from a low of 65.6 per cent in 2020.

The most common type of decisions reviewed relate to reasonable and necessary treatment and care. The majority (73 per cent) of these have the insurer’s original decision upheld (same outcome for people with a claim).

**Table 6: Determined internal reviews from scheme commencement to June 2024**

Internal review type	Internal review sub-type	Decision upheld	Decision overturned in favour of customer	New decision	Total
Medical assessment	Threshold injury	7,078 (73%)	2,569 (26%)	112 (1%)	9,759
	Treatment/care reasonable and necessary	7,323 (86%)	1,157 (14%)	0 (0%)	8,480
	Permanent Impairment	3,353 (94%)	230 (6%)	0 (0%)	3,583
	Treatment improving recovery	1,482 (74%)	493 (24%)	32 (2%)	2,007
Merit review	Amount of weekly payments	753 (46%)	751 (46%)	129 (8%)	1,633
	Treatment/care related to injury from crash	536 (78%)	148 (22%)	2 (0%)	686
	Statutory benefits claim time limits	264 (68%)	123 (32%)	0 (0%)	387
Miscellaneous claims assessment	Injured person mostly at-fault	1,307 (77%)	384 (23%)	0 (0%)	1,691
Other	N/A	1,285 (67%)	608 (31%)	32 (2%)	1,925
Total		23,381 (78%)	6,463 (21%)	307 (1%)	30,151

## 5.4. Disputes

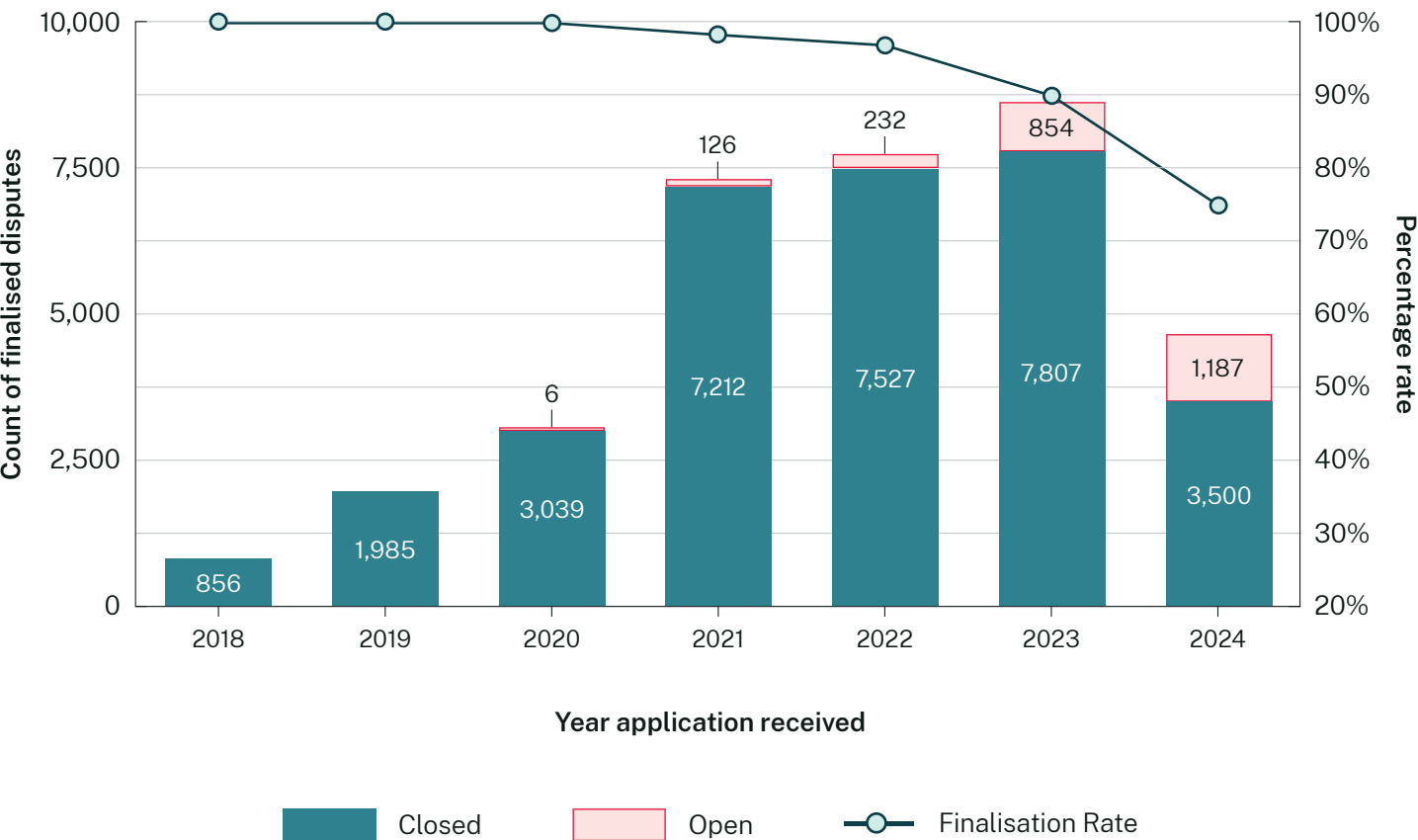
As of 30 June 2024, 34,060 disputes have been lodged. This includes 8,520 disputes for the 2018 AY, 8,418 disputes for the 2019 AY, 7,545 disputes for the 2020 AY, 5,313 disputes for the 2021 AY, 2,805 disputes for the 2022 AY, 856 disputes for the 2023 AY, and 20 disputes for the 2024 AY.

It is also noted that people may raise multiple disputes for one claim. A total of 36 per cent of people with claims who have disputes have raised just one, and 64 per cent have raised more than one.

SIRA continues to monitor disputes finalisation rates. The below graph highlights the count and rate of finalised disputes by the year in which they were lodged. For the 2018 and 2019 dispute lodgement years (DLY) all disputes have been finalised. For the 2020 DLY 0.2% or 6 disputes are yet to be finalised, for the 2021 DLY it is 1.7% or 126 disputes and for the 2022 AY it is 3.1% or 232 disputes. The small number of remaining matters for those years relate predominantly to damage claims with a small percentage of medical assessments.

The more recent 2023 and 2024 DLYs are currently sitting at a finalised rate of 90.2% and 74.8% respectively.

Figure 2: Count and rate of finalised disputes by application received date



# 6. Viability

## 6.1. Claims experience

From 1 December 2017 to 30 June 2024, a total of 76,492 claims have been reported. A further 2,553 claims are expected<sup>4</sup> to have been incurred but not yet reported for crash periods up to 30 June 2024.

Ninety-eight per cent of expected claims for damages have been lodged for the first accident year (2018), 97 per cent for 2019, 96 per cent for 2020 and 85 per cent for 2021.

Due to the COVID-19 lockdown, reported claims over specific periods in March to June 2020 and July to September 2021 were lower, driven by lower traffic volumes. This impacted the claims reported in the third and fourth 2020 and 2021 accident years. Reported claim numbers have since increased to 3,500 per quarter suggesting a return towards pre-Covid lockdown levels.

Further information is available in the [2017 CTP Scheme Quarterly Actuarial Monitoring 30 June 2024](#).

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<sup>4</sup> Expected ultimate claims is an actuarial assumption based on the 30 December 2023 valuation.

**Table 7: Actual number of claims versus expected ultimate claims<sup>5</sup> per AY**

AY	Claim Type	Not at-fault threshold claims	Not at-fault non-threshold claims	At fault claims	All statutory benefit claims	Non statutory benefit claims	All claims	Claims for damages
2018	Reported to date	6,151	3,994	2,146	12,311	1,005	13,851	2,964
	Expected ultimate	6,169	3,997	2,146	12,312	1,005	13,852	3,014
2019	Reported to date	5,493	3,860	2,132	11,514	942	12,936	2,985
	Expected ultimate	5,509	3,883	2,132	11,524	944	12,948	3,065
2020	Reported to date	4,694	3,407	1,879	10,031	719	10,960	2,759
	Expected ultimate	4,699	3,471	1,881	10,052	732	10,993	2,868
2021	Reported to date	4,225	2,983	1,664	8,916	660	9,834	2,275
	Expected ultimate	4,187	3,105	1,678	8,970	708	9,934	2,674
2022	Reported to date	4,871	3,439	1,797	10,200	654	11,138	2,206
	Expected ultimate	4,780	3,751	1,838	10,369	768	11,418	3,279
2023	Reported to date	5,273	3,094	1,817	11,258	682	12,347	1,221
	Expected ultimate	5,535	3,974	2,186	11,695	932	13,029	3,815
2024	Reported to date	1,274	759	227	4,953	237	5,426	107
	Expected ultimate	5,834	3,930	2,235	11,998	981	13,386	3,915

<sup>5</sup> Expected ultimate claims is an actuarial assumption based on the 30 December 2023 valuation.

## 6.2. Claim numbers and type

Table 8 below shows the number of claims as of 30 June 2024 by claim type. Of all claims lodged, 90 per cent have a statutory benefit component. Over 16 per cent of claims have lodged a claim for damages, in addition to statutory benefits.

Early notification claims are matters where the person with an injury accesses pre-claim support without making a formal claim. These make up three per cent of claims. Compensation to relatives and funeral benefits represent almost two per cent of claims reported and less than two per cent of payments.

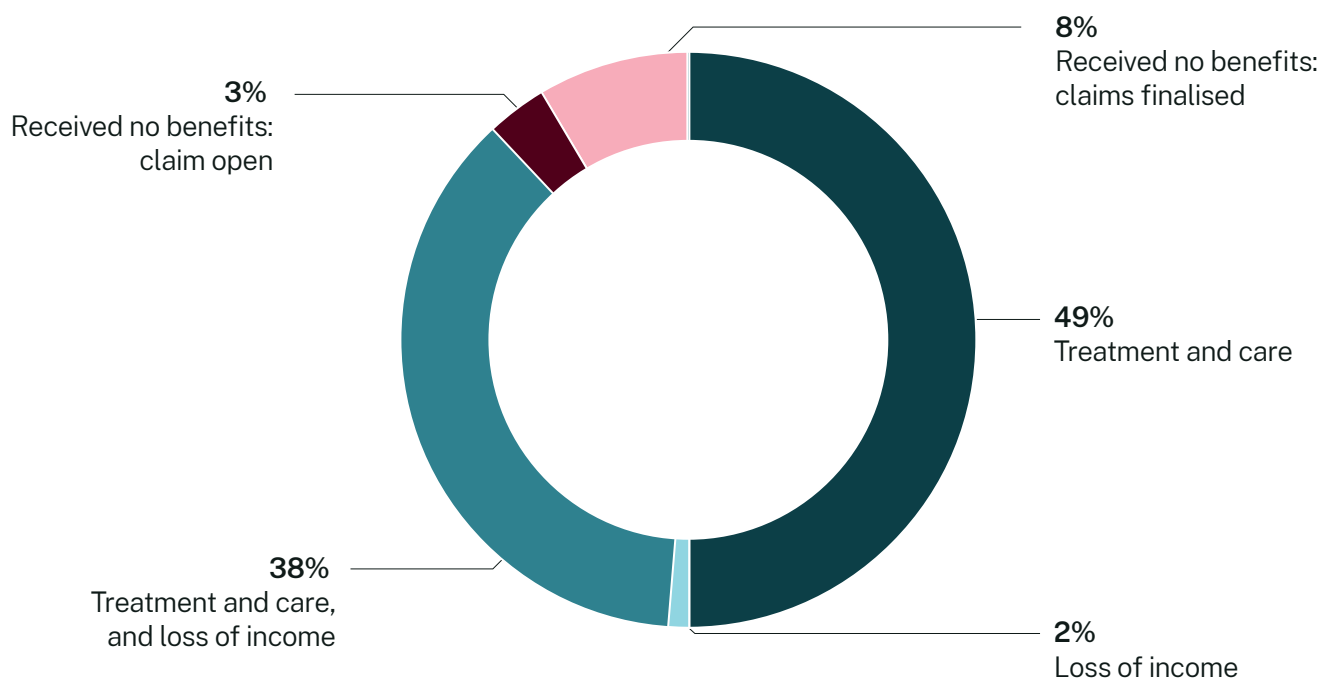
**Table 8: Number of claims reported by claim type from scheme commencement to 30 June 2024**

Claim type	Number of claims	% of total claim type
Statutory benefits	55,608	72.6%
Statutory benefits with claim for damages	13,503	17.6%
Award of damages	103	0.1%
Early notifications	2,409	3.1%
Interstate	2,078	2.7%
Compensation to relatives and funeral	1,418	1.9%
Workers' compensation	800	1.0%
Combination claims	631	0.8%
Overall	76,550	100.0%



There have been 69,111 claims lodged for statutory benefits. A total of 49 per cent received treatment and care benefits only and a further 38 per cent received both weekly benefits and treatment and care benefits.

**Figure 3: Statutory benefit claim types to June 2024**



There have been 13,606 damages claims lodged to 30 June 2024. The expected\* average payment for a claim for damages when the person with an injury has a permanent impairment of ten per cent or less is \$175,000. This compares with \$560,000 for those with a permanent impairment of greater than 10 per cent.

As of 30 June 2024, 74 per cent (\$699.7 million) of expected\* payments for damages claims for the first accident year have been paid. Damages claim payments are material component of claims cost and are anticipated to account for 70 per cent of total claims costs for this year. A total of 69 per cent (\$668.7 million) of expected\* payments for damages claims for the second year have been paid, 52 per cent of expected\* payments for damages claims for the third year and only 30 per cent for the fourth year.

## 6.3. Threshold injury claims

As of 30 June 2024, there were 28,093 not-at-fault threshold statutory benefit claims, which includes 3,542 of claims not yet finalised. For recent years, some current not at-fault threshold claims are expected to transition to not-at-fault non-threshold following completion of dispute processes.

Average threshold injury claim payments have increased from \$5,500 (1 December 2017) to \$9,047 (30 June 2024). At-fault claim payments have increased from \$16,600 (1 December 2017) to \$22,682 (30 June 2024).

Before the legislative amendments in November 2022, treatment and care benefits could continue beyond 26 weeks for at-fault and not-at-fault threshold injury claims if the insurer accepts that treatment will improve the

person's recovery or their return to work or usual activities.

Since the amendments which took effect in April 2023, treatment and care statutory entitlements for at-fault and not-at-fault threshold claims has increased to 52 weeks.

Of the total threshold injury claims which have received treatment and care benefits, 53 per cent were not-at-fault claims with continued benefits more than 26 weeks after the crash. Of the threshold injury claims, with treatment and care benefits, around 7 per cent were at-fault or mostly at-fault claims which have continued to receive these benefits more than 26 weeks after the crash.

**Table 9: CTP claims type per AY.**

Actual CTP claims lodged	2018	2019	2020	2021	2022	2023	2024	Total
Early notification only	535	480	210	258	283	407	236	2,409
At-fault or mostly at-fault	2,146	2,132	1,881	1,665	1,798	1,822	228	11,672
Not at-fault threshold	89	277	3,761	3,837	4,431	4,437	487	17,319
Not at-fault non-threshold	3,960	3,792	3,345	2,916	3,329	2,712	188	20,242
Not at-fault injury unassessed	5,776	4,882	616	149	117	406	404	12,350
Not yet determined (open)	17	27	42	68	158	1,568	3,585	5,465
Not yet determined (finalised)	324	405	390	283	371	327	66	2,166
Other <sup>6</sup>	1,008	954	725	671	658	679	232	4,927
<b>Total</b>	<b>13,855</b>	<b>12,949</b>	<b>10,970</b>	<b>9,847</b>	<b>11,145</b>	<b>12,358</b>	<b>5,426</b>	<b>76,550</b>

<sup>6</sup> Other includes interstate, compensation to relatives, funeral expenses, and workers compensation recovery claims

## 6.4. Insurer performance

Insurer compliance with legislative and regulatory obligations is a key factor in the ability of the scheme to deliver on its objectives. SIRA undertakes the Insurer Conduct and Claims Assurance Program (ICCAP) to assess the performance of an insurer's operations and conduct in accordance with statutory requirements. ICCAP activities target existing or emerging risks and issues, with the forward plan responding to themes identified through data analysis, stakeholder engagements, and the 2021 Statutory Review.

In financial year 2023/2024, ICCAP activities included:

- weekly payments
- communication of entitlements
- claims involving a death
- recovery planning (re-audit)

The results of all ICCAP reports are published on SIRA's website.

## 6.5. SIRA's Regulatory Actions

Tables 10 and 11 below summarises the regulatory actions SIRA has taken in relation to insurer compliance and performance issue.

**Table 10: Regulatory activities from 1 July 2023 to 30 June 2024**

Insurer	Regulatory Action	2017 Scheme
AAMI & GIO	Letter of compliance	0
	Letter of Censure	0
	Civil Penalty	0
	Remediation Plan	4
Allianz	Letter of compliance	1
	Letter of Censure	0
	Civil Penalty	0
	Remediation Plan	1
NRMA	Letter of compliance	1
	Letter of Censure	2
	Civil Penalty	0
	Remediation Plan	4
QBE	Letter of compliance	1
	Letter of Censure	0
	Civil Penalty	0
	Remediation Plan	2
Youi	Letter of compliance	0
	Letter of Censure	0
	Civil Penalty	0
	Remediation Plan	2
<b>Total</b>	-	18

**Table 11: CTP Insurer claims experience comparison 1 July 2023- 30 June 2024**

		AAMI	Allianz	GIO	NRMA	QBE	Youi
Income support	Percentage of claims accepted for statutory benefits	98%	95%	99%	97%	97%	99%
	Average time (weeks) for injured people to receive their first income support payments from date of claim lodgement	4.5	3.5	4.6	4.1	4.8	4.8
Treatment and care	Percentage of injured people to receive treatment and care within four weeks of claim (Includes % of people injured receiving treatment and care prior to lodgement)	94%	96%	94%	96%	95%	94%
Internal reviews	Percentage of internal reviews determined within 28 days	100%	100%	100%	99%	99%	100%
Work participation	Percentage of people who are working at 26 weeks after the date of crash (People who are entitled to weekly benefits)	68%	78%	66%	Not reported <sup>7</sup>	68%	76%

## 6.6. Fraud

SIRA has continued to strengthen and mature its approach to fraud in 2023/24. SIRA is committed to utilising and coordinating available resources and key stakeholders to deter, detect and investigate fraud within the scheme.

SIRA has continued to coordinate regular insurer fraud forums to assist in the exchange of information and to review fraud deterrence, prevention and response opportunities as an industry.

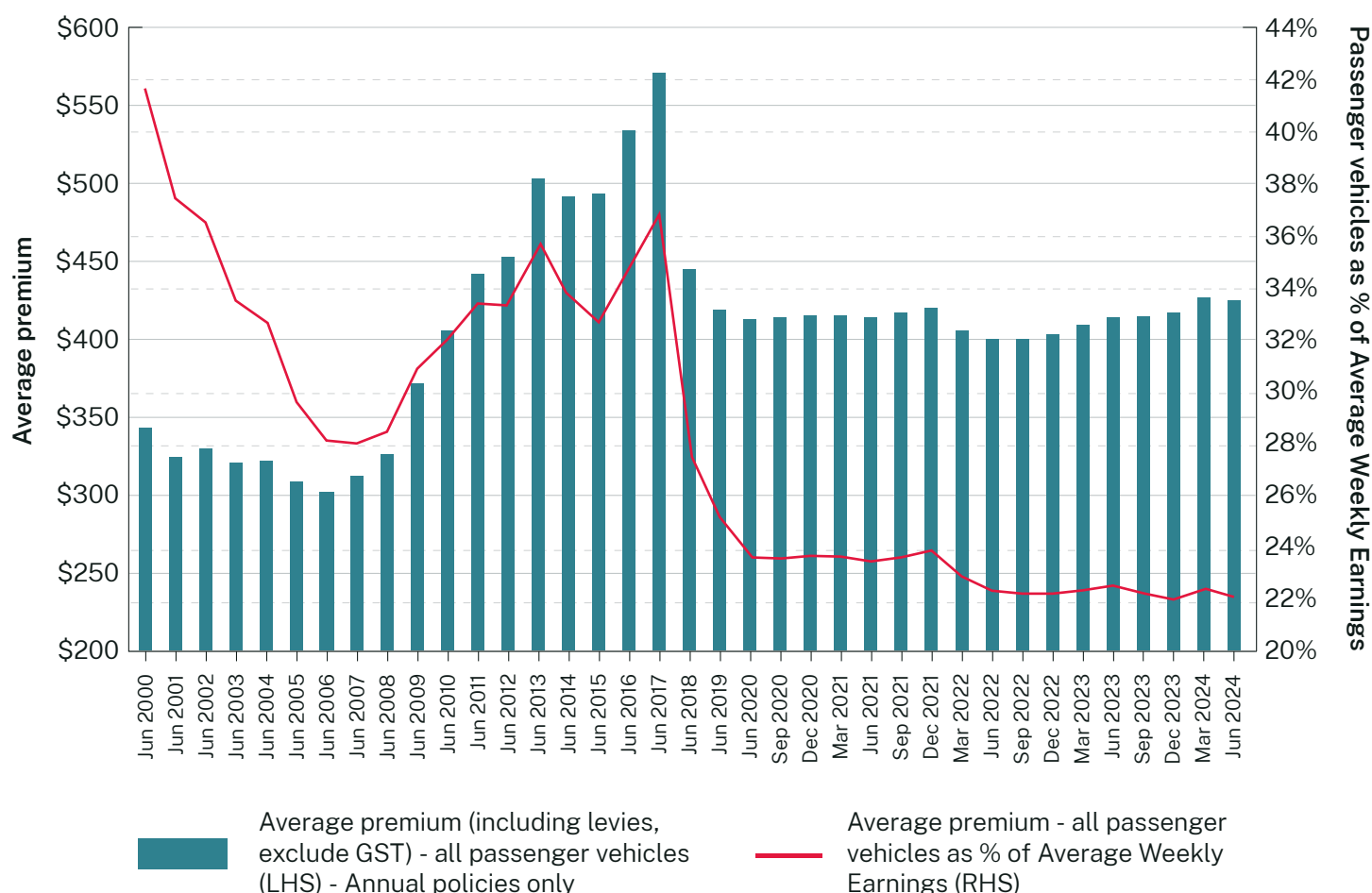
These regular forums commenced in September 2022 and have resulted in an increase in fraud referrals to SIRA. SIRA has increased internal capability with regards to the investigation and prosecution of fraud committed upon the CTP scheme. A total of 45 fraud referrals were received in the financial year, with 26 allegations of fraud being investigated by SIRA Investigators. Six matters were referred for prosecution and 3 matters are currently before the court<sup>7</sup>.

<sup>7</sup> Insurance Australia Limited (trading as NRMA Insurance), reported data quality issues relevant to the accuracy and completeness of return to work data provided to SIRA for this period and therefore cannot be relied on for public reporting purposes.

# 7. Affordability

SIRA measures affordability based on the average premium for all annual policies of passenger vehicles (Class 1), excluding GST and including levies, as a ratio of average weekly earnings. Affordability for the 2017 Scheme continues to remain strong: around 22 per cent as of 30 June 2024, compared to 37 per cent under the 1999 Scheme.

Figure 4: Premium affordability as a percentage of Average Weekly Earnings



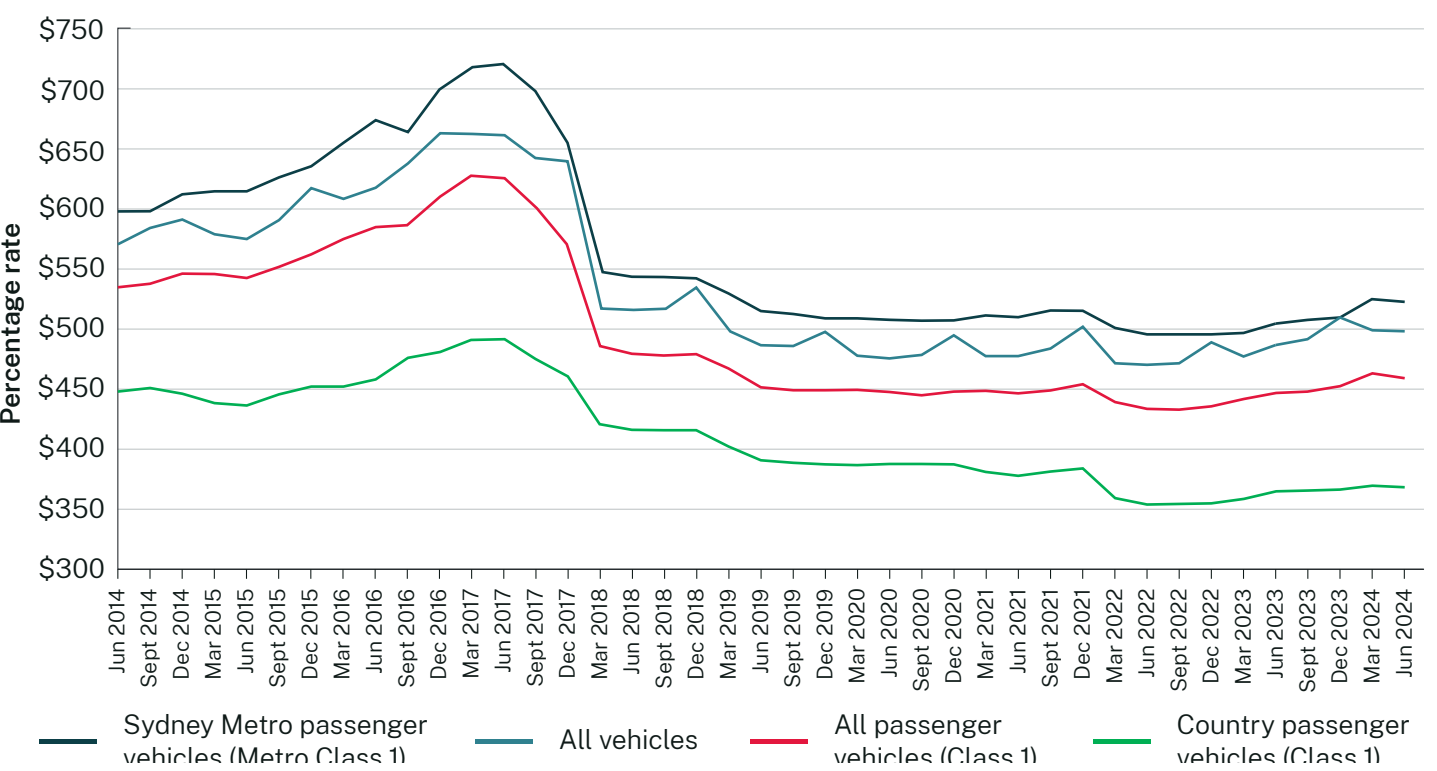
# 7.1. Premiums

Since the commencement of the 2017 Scheme, premiums reduced across all vehicles until the end of 2022. Since 2023, premiums have started to increase predominantly driven by the increase in benefits payable following legislative amendments in November 2022, an increase in levies, and inflation. The upwards pressures on premiums have been partially offset by the excess insurer profits being returned to customers via reduced fund levies.

Table 12: Average premium comparisons pre and post 2017 scheme reform

Average CTP (incl. of levies and GST)	Average premium pre-2017 reforms <sup>8</sup>	Average premium 2017 Scheme (FY 2023/2024)	Savings
All NSW vehicles	\$915	\$500	-\$415
Metropolitan taxi	\$11,357	\$3,939	-\$7,412
All NSW motorcycles	\$509	\$372	-\$137

Figure 5: CTP premiums over time 2014-2024



Note: Due to an upgrade to SIRA data system during the year, there is a minor change in the numbers from our previous reports.

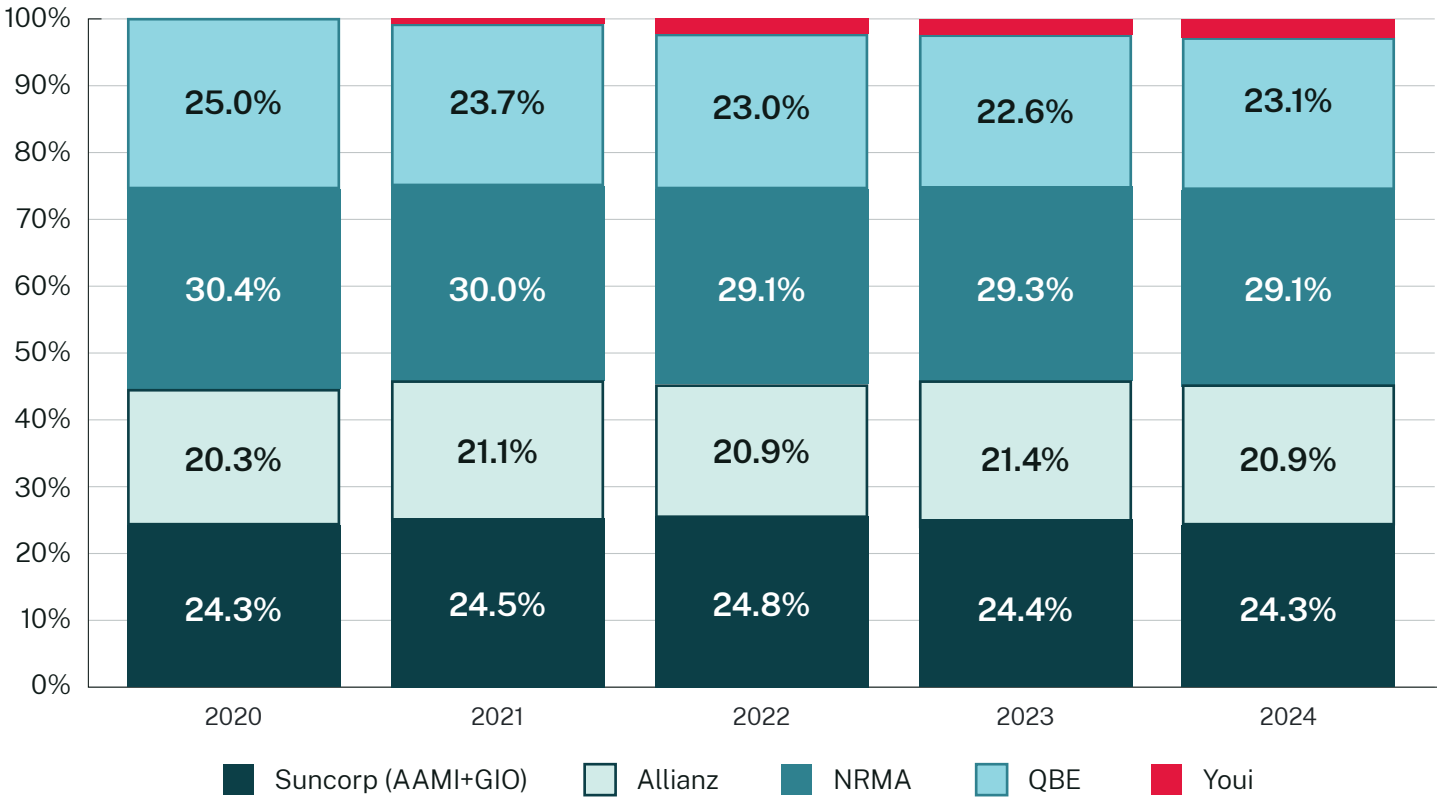
8 Adjusted to 30 June 2024 for average weekly earnings with an allowance of 2% for super imposed inflation.

## 7.2. Market trends

To promote competition and innovation by insurers, SIRA allows risk-based pricing within limits to keep premiums affordable. The premium framework blends risk-based and community-based approaches to ensure social equity in a compulsory insurance system.

Insurer market share remains fluid indicating increased competitiveness post the 2017 reform and since the entry of a new insurer, Youi, in the NSW CTP market.

Figure 6: Market share (premium) by insurer as of June 2024



Note: Due to an upgrade to SIRA data system during the year, there is a minor change in the numbers from our previous reports.

Insurers are also changing their pricing in market more frequently in the new scheme. SIRA has reviewed over 94 insurer premium filings (excluding levy changes) since 1 December 2017, which provides another indication of insurer price competition occurring in the market.

SIRA provides the [Green Slip Price Check](#) website with the most up-to-date prices, which allows customers to find the option for their own circumstances and make informed purchasing decisions. An average of around 222,047 customers use the Green Slip Price Check for quotes monthly.

## 7.3. Profit normalisation

In 2023, following the annual assessment for the Transitional Excess Profit and Loss (TEPL), SIRA again activated the TEPL mechanism for the third time to claw back an additional \$183.1 million in insurer profits, generated in the first two years (2018 & 2019) of the new scheme. Combined with the clawback of \$90.6 million in 2021 and \$178.7 million in 2022, a total of \$452.4 million in insurer profit has now been recovered. This profit is redistributed to NSW motorists through savings on CTP policies.

The savings are applied as a reduction in the levy so that the savings can be shared fairly among motorists for a period of 12 months from 15 January 2024. The fifth TEPL assessment cycle is currently underway. This will examine the years from 2018 to 2022. The outcome of this assessment will be available by the end of 2024.

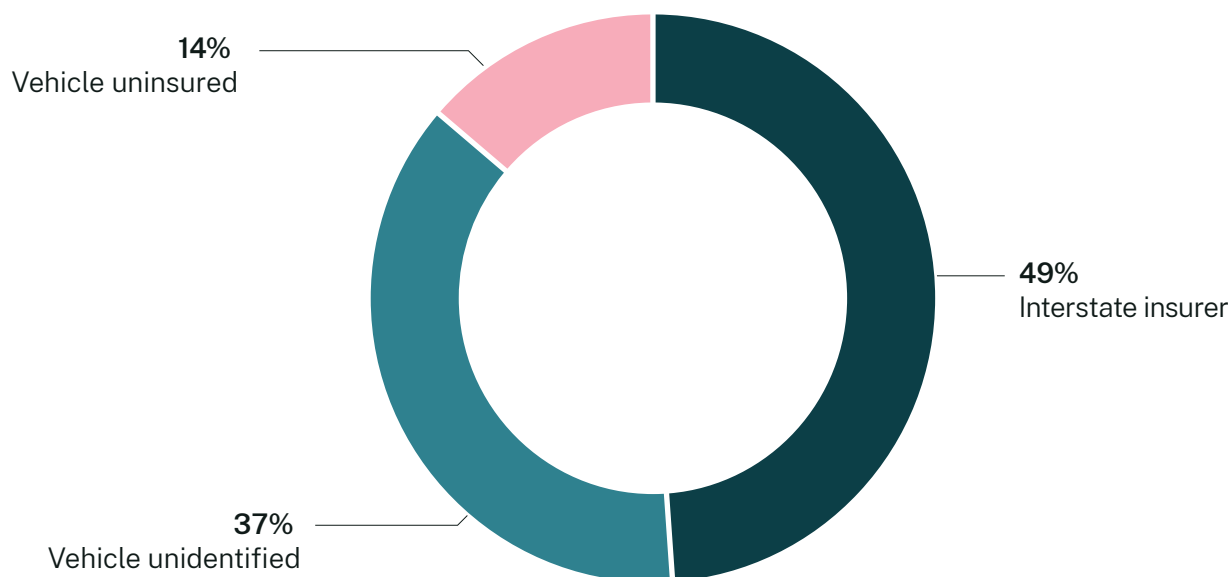


## 7.4. Nominal Defendant experience

Nominal Defendant claims often do not involve an insured vehicle, meaning these claims are funded by NSW CTP policyholders collectively. Significant increases in Nominal Defendant claims could have an adverse impact on scheme affordability.

As expected, Nominal Defendant claims make up a small proportion of total claims being 7.5 per cent in financial year 023/2024. Most Nominal Defendant claims arose due to the involvement of an interstate insurer or the vehicle being unidentified, with a minority arising due to the vehicle being uninsured as indicated in Figure 5.

**Figure 7: Split of Nominal Defendant claims as at June 2024**



## 7.5. Registration offences

Police action taken about registration offences can be found on the NSW Bureau of Crime Statistics and Research website.

Registration offences have declined in the most recent period, with 74,627 offences between July 2023 and June 2024 opposed to 81,584 offences being recorded for the prior year.

# 8. Customer experience

## 8.1. Customer Experience Surveys

SIRA measures the experience of people who have a CTP claim via monthly online surveys. These surveys are issued, firstly after three months of scheme participation to understand the individual’s experience to date, and finally after claim closure to better understand end to end experience and outcomes.

The surveys provide insights into the overall experience of the claim process and encompass areas including:

- insurer performance, and their adherence to SIRA's Customer Service Conduct Principles
- health and social outcomes
- trust in scheme.

The current survey approach has been in place since 2023 and provides valuable insights into opportunities existing to make improvements in the experience of people with a claim.

The snapshot below presents findings of SIRA Conduct principles from the monthly CTP open claim surveys conducted up to 30 June 2024.

Table 13: CTP Open claim survey

Metric	Average score
<b>SIRA Conduct Principles – Thinking about the service you received from your insurer to date, to what extent do you agree or agree strongly:</b>	
Easy to interact with	67%
Information was clear & understandable	69%
Easy access to information	65%
Treated you with respect	79%
Understood your needs	68%
Treated you fairly	71%
Resolved concerns quickly	60%
Respects your time	73%
Addressed your concerns	68%
Advised you of your entitlements	71%
Open about your claim	71%

The snapshot below presents findings from CTP closed claim surveys conducted between September 2023 and February 2024.

Table 14: CTP Closed claim survey

Metric	Average score
Overall, how was your experience with the claims process –positive or extremely positive	57%
Overall, how was your experience with your insurer –positive or extremely positive	53%
Overall, how was your experience with main treating healthcare professional –positive or extremely positive	92%
Overall experience with end-to-end process <sup>9</sup> – agree or strongly agree	51%
How would you rate the extent to which you have been able to get your life completely back on track	39%

## 8.2. CTP Assist Milestone Calls and Customer Feedback

From 1 December 2017, CTP Assist has helped people with an injury navigate the CTP claims process and understand their entitlements.

The CTP Assist Milestone program is a structured outbound call program which aims to connect with people with an injury at key points of their claim. This service provides people with support in navigating the scheme and understanding the entitlements available to be claimed.

Customer satisfaction with the service is measured using the Net Promoter Score. During financial year 2023/2024 CTP Assist achieved a result of 53 per cent. This indicates CTP Assist has 53 per cent more customer promoters than detractors of the service it provides and a Customer Effort Score of three out of four, indicating customers found it easy to get the help they need.

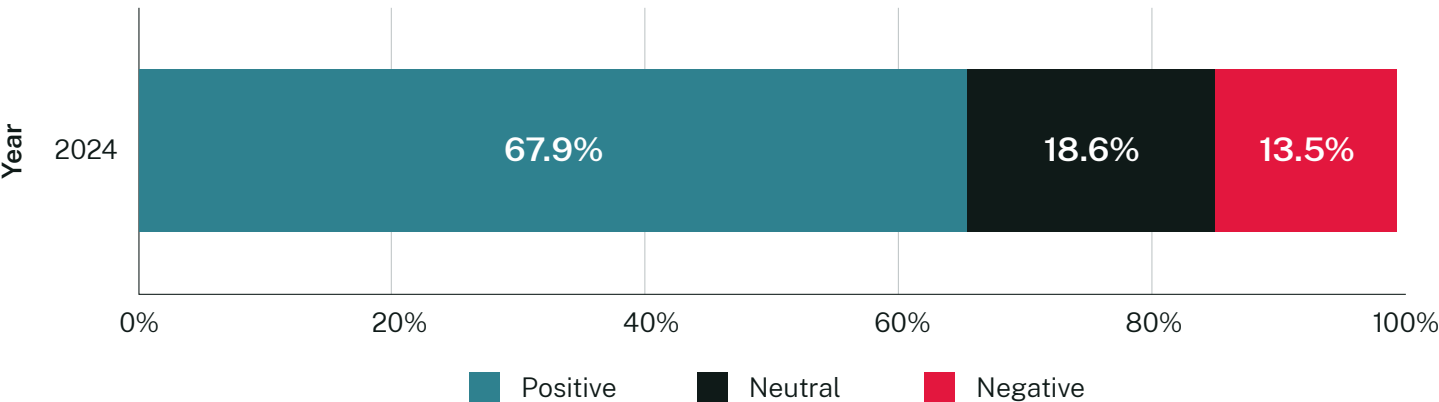
CTP Assist actively attempt to contact 100 per cent of people with an injury at key points during their claim. During the support calls, insights are gathered about

health, return to work or usual activities and experience with their insurer.

In the financial year 2023/2024, CTP Assist made over 44,553 milestone call attempts with a customer participation rate of 31.3 per cent. This is a significant increase from the previous year, which may be explained by the fact that CTP Assist now sends out follow-up SMS messages when unable to establish contact and introductory email messages to people with a claim, so that they know they can expect a call.

At every milestone call made by the CTP Assist team, SIRA asks the person with an injury about their experience with the CTP insurer. During the financial year 2023/2024 at the 23-week and 48-week milestone, 2,321 calls were attempted and 67.9 per cent reported a positive experience with the insurer (updated to 48-week milestone call as per legislation amendments from 1 April 2023).

Figure 8: How would you describe your experience with the insurer so far? (23-week milestone call)

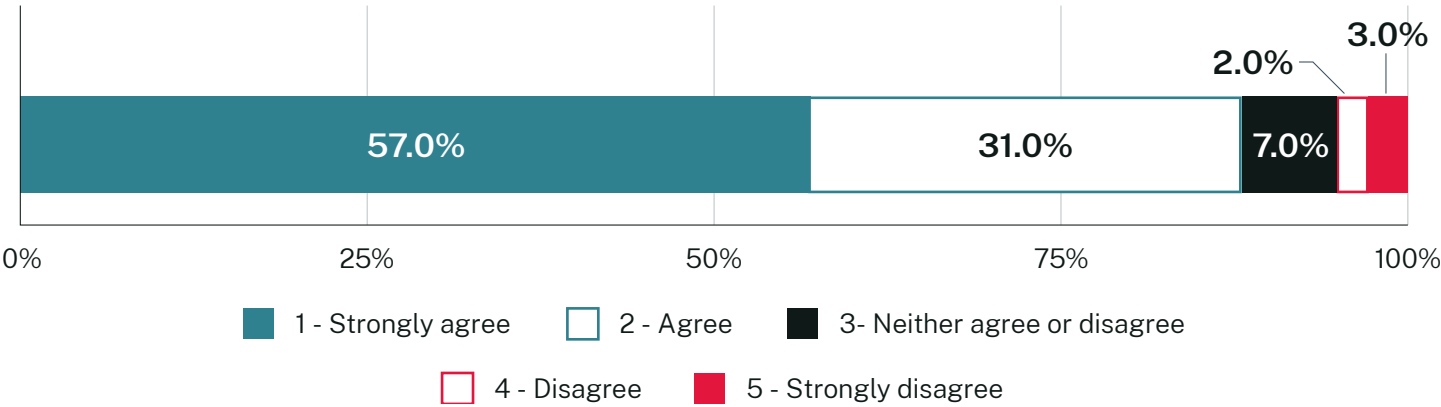


9 End-to-end process result is based by multiple survey questions

To continue to monitor customer outcomes and ensure CTP Assist continues to meet the needs of people with an injury, SIRA has implemented a customer touchpoint survey program. Between 1 July 2023 to 30 June 2024

SIRA received 1,432 survey responses. In the financial year 2023/2024, 869 responses and 686 comments were received specifically on CTP, with an overall positive trust score of 87 per cent.

**Figure 9: To what extent do you agree or agree that you trust the CTP scheme to help those injured get back to work or usual activities?**



Within CTP Assist, at the start of financial year 2023/2024, SIRA established a specialist service to support people impacted by a fatality as a result of a road crash. The function was set up in response to feedback from stakeholders with lived experience. The service provides tailored support to assist impacted families to submit claims and serves as referral point to SIRA’s Trauma Support Service.

In financial year 2023/2024, 358 lives were lost on NSW’s roads<sup>10</sup> with some the families receiving support under the new specialist service.

### 8.3. Customer complaints

In March 2021, the IRO was established and took over handling complaints. A person with a claim may make a complaint to the IRO about any act or omission (including any decision or failure to decide) of an insurer that affects their entitlements, rights, or obligations under the legislation. SIRA handles complaints that that are made by parties, other than the claimant, like service providers and employers.

In financial year 2023/2024, 1,178 complaints were received for the CTP scheme, of which 1,085 complaints were handled by IRO and 93 were handled by SIRA.

The top three reasons for IRO complaints about insurers relate to the:

- treatment and care
- income support/weekly payments
- case manager.

<sup>10</sup> [NSW Centre for Road Safety](#)

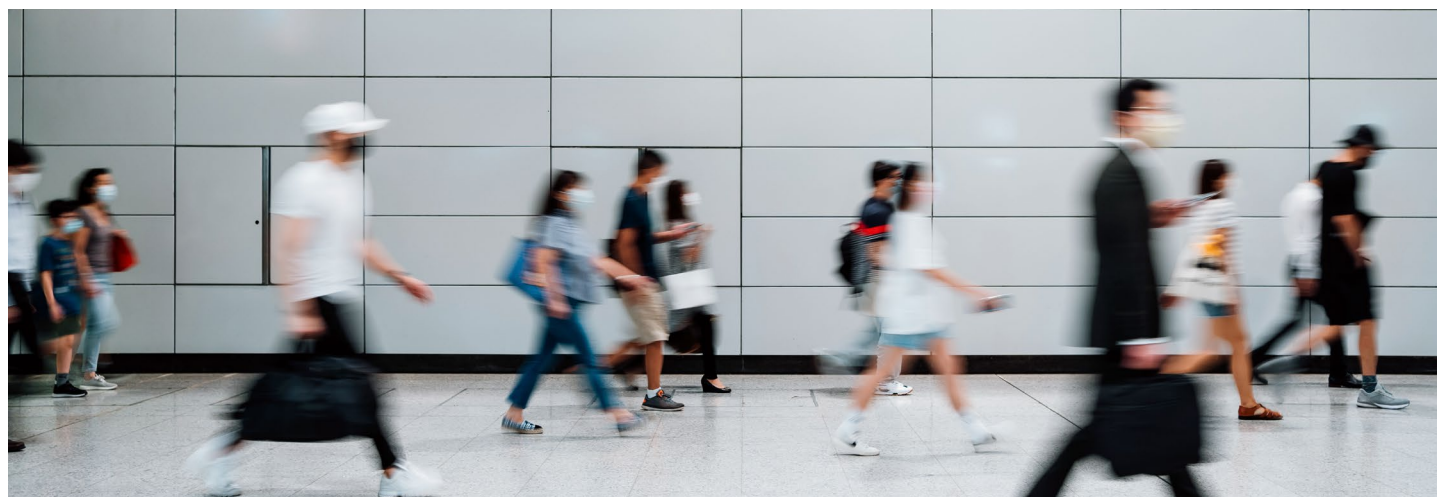
# 9. Equity

SIRA monitors claims payments to ensure that premiums collected are prioritised to those people with the most severe injuries, whilst still ensuring the recovery of all people with an injury.

As documented in Table 14, the data up until June 2024 confirms that most payments are directed to not at fault non-threshold statutory benefit claimants and those claimants who lodge damages claims and have been assessed as having injuries greater than 10 per cent.

**Table 15: Ultimate claims costs for claims segments per AY**

Claim segment		2018	2019	2020	2021	2022	2023	All years
Statutory benefit claims	At-fault	3%	3%	3%	3%	3%	4%	3%
	Not at-fault threshold	2%	2%	3%	3%	3%	4%	3%
	Not at-fault non-threshold	17%	19%	18%	18%	20%	19%	19%
Claim for damages	Other damages & Unknown WPI	4%	3%	4%	3%	3%	3%	4%
	WPI ≤10%	13%	15%	14%	14%	16%	17%	15%
	WPI >10%	52%	50%	51%	52%	49%	45%	50%
Non-statutory benefit claims	-	9%	8%	7%	6%	6%	7%	7%
Total	-	100%	100%	100%	100%	100%	100%	100%

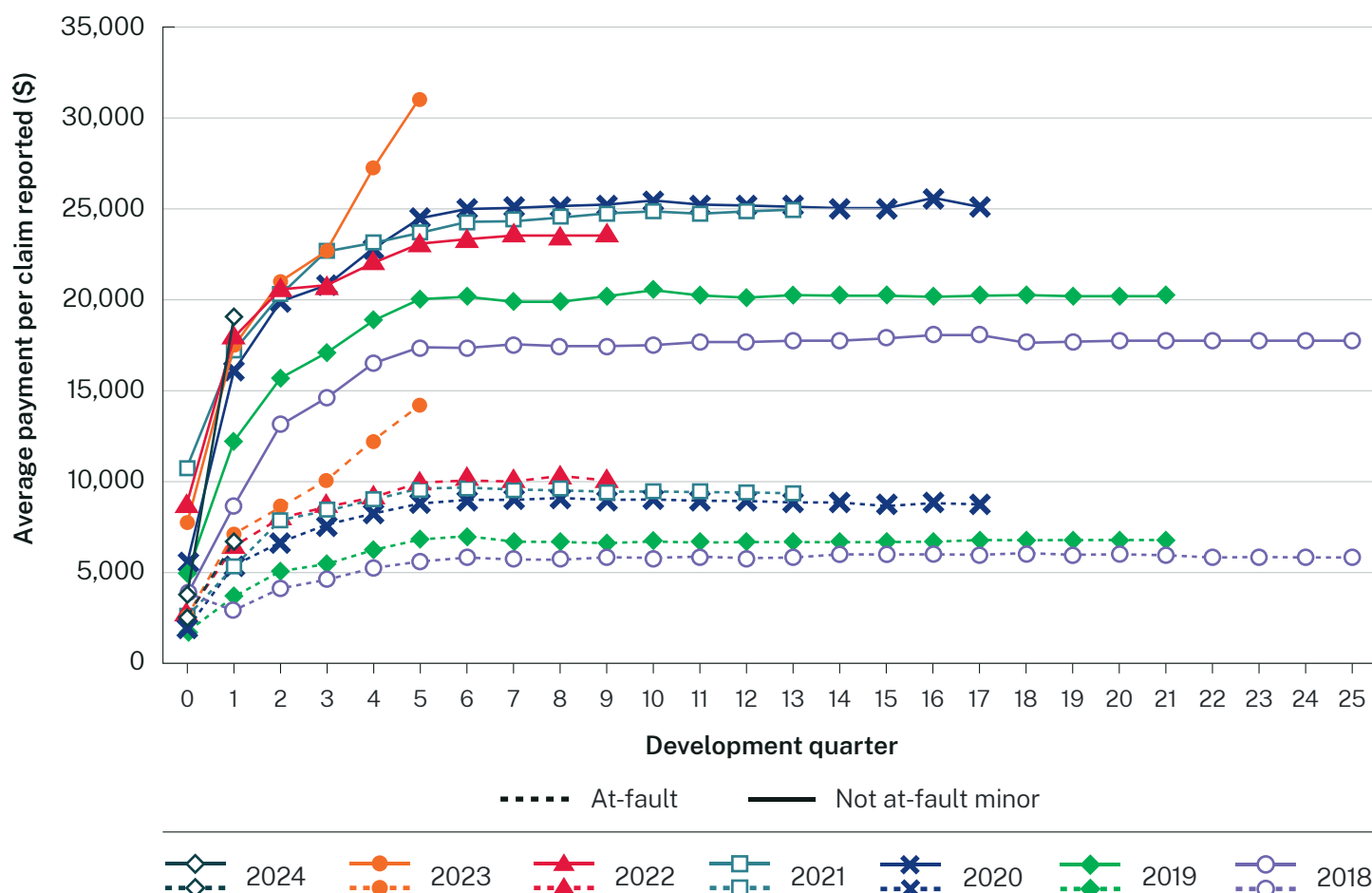


## 9.1. Claim payments

Payments continue to progress as expected, with 80 per cent of the expected\* payments for the first accident year, 77 per cent for the second year, 63 per cent of the third year and 43 per cent of ultimate expected payment for the fourth year already paid.

However, there is still some uncertainty surrounding ultimate payments because not at-fault non-threshold claims are eligible for statutory benefits for up to five years after the date of the crash. For damages claims, although a number have now been lodged, the settlement experience is still emerging.

**Figure 10: Statutory Benefits: average payment per reported claim for at fault & not at-fault threshold claims**



**Table 16: Actual versus expected<sup>11</sup> payment patterns per AY**

AY Year	Award of damages		Statutory benefit		Non-statutory benefit		% of expected total payments paid
	Actual payments to date	Forecast of future payments	Actual payments to date	Forecast of future payments	Actual payments to date	Forecast of future payments	
2018	\$699.7m	\$246.5m	\$280.2m	\$2.0m	\$109.0m	\$16.1m	80%
2019	\$668.7m	\$300.4m	\$314.0m	\$7.8m	\$93.4m	\$19.8m	77%
2020	\$519.4m	\$486.3m	\$293.9m	\$16.5m	\$73.1m	\$27.1m	63%
2021	\$285.8m	\$674.2m	\$264.0m	\$38.8m	\$34.0m	\$51.8m	43%
2022	\$111.2m	\$1,117.1m	\$290.6m	\$111.4m	\$25.7m	\$74.3m	25%
2023	\$19.9m	\$1,397.4m	\$287.6m	\$178.5m	\$9.8m	\$124.6m	16%

<sup>11</sup> Expected refers to actuarial assumptions based on the 30 December 2023 valuation.

# 10. Glossary

Item	Description
<b>Accident year (AY)</b>	The year in which the motor vehicle crash giving rise to the claim occurred. AY run from 1 January to 31 December.
<b>Active claims</b>	Claims where payments have been made in the past 3 months.
<b>Affordability</b>	Green Slip affordability is measured by comparing the average Green Slip price for all passenger vehicles (including the Fund levy but excluding GST) with the NSW average weekly earnings. The lower the ratio, the more affordable the premium.
<b>Best price</b>	The best price is the lowest CTP premium price (including levies and GST) offered by each insurer to a new customer, aged 30 to 54, for a private use passenger vehicle garaged in Sydney.
<b>Bulk Billing Agreement</b>	Under the Bulk Billing Agreement, an amount is collected as part of the Fund Levy and paid to the Ministry of Health and the Ambulance Service of NSW for public hospital and public road ambulance services.
<b>Class 1 vehicle</b>	Motor car, station wagon and 4WD used for movement of passengers, with 9 or less seats (including the driver). Excludes 4WD vehicles designed for the movement of goods.
<b>Compulsory third party (CTP) insurance</b>	CTP insurance protects a person (the first party) who buys the policy from an insurer (the second party) against claims made by someone they injure (the third party).
<b>Fund levy</b>	A levy that forms part of CTP insurance premiums which funds the Lifetime Care and Support Scheme. Part of the Fund Levy is also used to fund SIRA and Bulk Billing arrangements for ambulance and hospital services.
<b>Green Slip</b>	Another name for a CTP policy that dates to the start of the NSW CTP scheme in 1989 when the CTP insurance invoice was a green piece of paper.
<b>Non-economic loss</b>	Non-economic loss is defined in the 2017 Act to include pain and suffering, loss of amenities of life, loss of expectation of life, and disfigurement.
<b>Pre-claim support</b>	The provision of access to treatment before a claim is made but after notification of injury has been given. This is at the insurer's discretion. Any such treatment will only be approved within the first 28 days from the date of the motor crash. However, if further treatment is required after 28 days, a claim for statutory benefits must be made by the injured person.
<b>Return to work rate (RTW)</b>	The RTW rate measures the percentage of pre-accident earners, at a set point in time, who have been off work for at least one day due to the crash and then returned to some form of work i.e. with the same or different employer, performing full or partial work capacity (reduced hours or modified duties).
<b>Scheme Actuary</b>	Actuarial analysis for the NSW 2017 scheme is provided by Ernst & Young Australia.
<b>Scheme efficiency</b>	Measures how much of the premium dollar goes to claimants as benefits. The higher the proportion, the greater the efficiency of the scheme.

Item	Description
<b>Stay at work rate (SAW)</b>	The SAW rate measures the percentage of pre-accident earners who have not taken time off work or have had less than one day absence from work after the crash. This may include those performing reduced hours or modified duties.
<b>Threshold Injury</b>	Threshold injury is one or more of the following, a soft tissue injury or a psychological or psychiatric injury that is not a recognised psychiatric illness.
<b>Transitional Excess Profit and Loss (TEPL)</b>	A SIRA mechanism to assess insurers' profit on an aggregate industry basis against SIRA's determined reasonable profit range in the early years of the scheme. The TEPL mechanism is outlined in the 'Motor Accident Guidelines – Transitional excess profits and transitional excess losses.
<b>Underwrite</b>	The process of assessing risk and ensuring the cost and conditions of the cover are proportionate to the risk faced by the individual concerned.
<b>Permanent impairment (PI)</b>	This is an assessment of the degree of permanent impairment arising from an injury or injuries caused by a motor crash. It is based on standard guidelines that assign values to the permanent impairment of one or more body parts, systems or functions, expressed as a percentage.
<b>Working rate</b>	The working rate is the percentage of earners who are at work at 4, 13, 26, 52 and 104 weeks. It draws on data from two measures: the RTW rate and the SAW rate, so includes earners who have had at least one day off work and have subsequently returned to work as well as workers who stayed at work.

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#### Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident compulsory third party (CTP) insurance and home building compensation in NSW. This publication does not represent a comprehensive statement of the law as it applies to particular problems or to individuals, or as a substitute for legal advice.

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