



12 April 2013

The Hon Greg Pearce MLC
Minister for Finance & Services
Minister for Illawarra

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Dear Minister

**NSW Compulsory Third Party Insurance Reform
Submission to "have your say" consultation on the proposed reforms**

QBE Insurance (Australia) Limited (QBE), welcomes the opportunity to provide a response to the consultation on the proposed reforms to the NSW Compulsory Third Party Green Slip Insurance Scheme, as set out in the MAA's consultation paper released in February 2013 (MAA Paper).

QBE, in principle, supports the proposed reforms of the NSW Compulsory Third Party Green Slip Insurance Scheme announced by the NSW Government in February 2013 and in particular supports:

- Ensuring that health outcomes are optimised for injured people by the provision of early assistance;
- A simpler and less adversarial claiming process encouraging early resolution of claims;
- The proposed introduction of a "no fault" scheme in NSW;
- Improving the predictability of benefits;
- Consistency of administration, benefits and dispute resolution mechanisms across the NSW compensation schemes;
- Improvements in scheme efficiency and reductions in the frictional costs of the scheme.

QBE has also worked closely with and supports the Insurance Council of Australia (ICA) response to the proposed reforms of 5 April 2013. The ICA's response sets out the general insurance industry's high level response to the objectives and principles outlined in the MAA paper and notes that the MAA will be consulting with stakeholders in relation to the detail of the reforms.

QBE believes close consultation will be essential to ensure that any unintended consequences are identified and addressed during the scheme design to avoid embedding incorrect incentives into the scheme or creating unforeseen anomalies.

Maintaining a sustainable and competitive insurance industry for personal injury insurance is an essential component of a successful scheme, and any changes that inadvertently may impact on competition need to be avoided.

QBE also believes the best way to ensure the "disputes process" operates well is to ensure that only a small percentage of claims give rise to disputes.

QBE suggests the claims process design needs to encourage fair and reasonable "first offers" to ensure that all injured road users are treated fairly and equitably (whether they are represented or not).

It is also important to ensure that any disputes system operates consistently and in a timely manner to enable the principles of the reforms to be effectively achieved.

QBE looks forward to working with the MAA, government and other stakeholders on the implementation of these important reforms.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tony MacRae', written in a cursive style.

Tony MacRae
Executive General Manager
Intermediary Distribution