

Dear Sir/Madam,

I would like to make the the following comments and concerns about the rising cost of CTP insurance in NSW:-

- I believe 'aggressive' advertising by some litigation specialists indicating 'no win no fee' outcomes for prospective clients and other wording indicating a very limited time frame to make a claim for damages is one factor facilitating the increase in relatively minor claims. Put yourself in the shoes of a low or middle income earner who is injured in a no fault collision. They receive advice that they are likely to realise say \$50,000 if they mediate with the insurer. They have never been involved in similar circumstances and have no litigation/legal experience. However, if they engage an aggressive litigation specialist with a track record of successful claims and court outcomes they may realise \$150,000 and have nothing to lose because of the 'no win no fee' caveat. Is it not worth taking the chance with minimal risk for a significantly larger payout? I think perhaps some minimum caps could be considered say \$250,000. Any claim above that on a sliding scale undergoes ever increasing levels of scrutiny if the claim appears to be far in excess of what is considered reasonable for a similar claim. I understand no two claims are the same but if say a person was paid out \$50,000 for 3 broken fingers on the left hand and another claimant had the same but wanted \$150,000 then perhaps it would be prudent to examine the claim more closely for exaggerations, doctor shopping and possibly fraud. Time frames for claims sent for further scrutiny/investigation would also help to reduce extended waiting times for a claim decision. Court should be the exception and not the rule with the Courts free to examine the more complex 'bona fide' claims.
- My CTP insurance premium went from \$544.50 in 2015 to \$765.24 in 2016!!! Excellent driving record over 35 years, 54 year old driver, gold licence, no injury claims, same insurer, 1998 Toyota Vienta Grande, well serviced and maintained with no at fault damage claims. If I am at or near the top of drivers with excellent driving and claim records and I have to pay an almost 50% increase in premium in just one year then what are the high risk drivers paying? I present a very low risk to the insurer. I would expect high risk drivers to be paying thousands for their CTP premiums if we are talking about comparative risk. In the policy review documents I noted concern about pricing some high risk drivers such as young drivers out of the market. I have no problem with that. If a car full of young people, driving at excessive speed, in the wet and high on drugs or alcohol or both collide with me, a low risk driver and kills me or I become TPI then I am certainly 'priced out of the market'. Drivers convicted of high risk behaviour; drug, alcohol and excessive speed offences, should pay higher premiums, pay higher fines, attend rehab course at their expense, not the Public expense and must resit the driving test before they are allowed back on the roads. I drive every day both in the City and regional areas.. I see a lot more near misses, some really close near misses, at high speed, than actual accidents, so there is a lot more risky behaviour on our roads than is calculated by accident and offence stats for the purposes of calculating premiums. Further, whilst it may be a generalisation because there are no stats to back it up only actual accidents and offence data but it is reasonable assumption that undetected risky driver behaviour is invariably perpetrated by younger less experienced drivers that do not have the maturity of mind nor the driving skills of years of experience to safely get themselves out of many situations they create on our roads. I have been in court many times and heard the various excuses of why a driver needs a car especially when the evidence points to a lengthy suspension but surely a spell catching public transport is safer and CHEAPER option than letting some drivers back on our roads too soon. Further still, if their CTP premium also increased commensurate with their poor driving record they may think twice before engaging in risky behaviour on our roads. I often hear our leaders talk about a user pays system and I fully understand tomorrow someone may collide with my vehicle and I may need considerable medical treatment or life time cover. However, based on my driving record the chances of me engaging in risky driving behaviour is quite low. The granting of a drivers licence is a privilege and not a right. Driving a car that is potentially a one tonne missile is not a game and should come with an attitude of considerable responsibility and if high risk drivers have to pay \$2,000 or even \$5,000 for CTP then they can consider engaging in more responsible driving behaviour or pay the cost. In this regard, I think CTP premium calculations should lend more weight to the

actual driver history and not so much the vehicle and even less for the location. If their driving improves than their premiums can come down on a sliding scale. I hear much talk about bad roads but why is it that thousands of drivers might negotiate a 'bad road' but only a fraction have an accident on the 'bad road'. Who is driving to conditions? In addition, when I renewed my licence I received a discount for a good driving record but I feel I am being penalised by CTP insurance by an increase through no fault of my own. Punish drivers with poor driving records through higher premiums and reward those with good driving records who do the right thing by other road users. Whilst I cannot speak for the majority of drivers I would suggest many would agree whole heartedly with that sentiment. I often watch RBT on TV. It is with dismay I see habitual offenders fined and suspended and do the same thing again. They can use the suspension time to save up to pay for the higher CTP premium that will be a direct result of their poor driving record!!!!

- I favour the Victorian/Tasmanian reform options for CTP.
- Consider a CTP scheme for bicycle riders, especially bicycle couriers, motorised wheelchairs etc. As they are using our roads they should have to carry a Roads and Maritime identification card with CTP provider information in case of an accident. Rego plates for bicycle couriers would also help.
- Limit CTP cover for illegal acts as mentioned in point 2 above. I think there should be a base cover for illegal acts and no common rights to damages, just a set amount and thats it.
- The current penalties for insurance fraud are insufficient to be an effective deterrent. If we are in earnest about true reform then the penalties should be significantly higher i.e, Max \$250,000 or 24 months imprisonment or a combination to provide a greater scope of punishment. Insurance fraud impacts the whole community and I would suggest it is only those who 'sail close to the wind' who would object to any significant increase in penalties. Might reduce frivolous claims and leave more resources for bona fide claims.

Submitted for your information and consideration.

Regards

Mark Kunach