CTP Insurer Claims Experience and Customer Feedback Comparison

31 Dec 2021

NSW GOVERNMENT

State Insurance Regulatory Authority

Why does SIRA publish insurer data?

As part of its regulatory oversight, SIRA closely monitors insurers' performance through data-gathering and analysis. SIRA helps to hold insurers accountable by being transparent with this data, enabling scheme stakeholders and the wider public to have informed discussions about the performance of the industry.

Additionally, access to insurers' data will help customers make meaningful comparisons between insurers when purchasing CTP insurance. People injured in motor accidents may also benefit from knowing what to expect from the insurer managing their claim.

In this report, SIRA compares five key indicators of customer experience across the six CTP insurers in NSW: AAMI, Allianz, GIO, NRMA, QBE and Youi. Youi joined the scheme from 1 December 2020 and will now be included in this report. As this report includes data from 1st Jan 2020-31 Dec 2020, Youi will not be included in this time frame as they had not yet joined the scheme.

The following indicators measure insurer performance over the course of a claim journey:

- the number of statutory benefits claims accepted by insurers
- how quickly insurers pay statutory benefits
- the outcome and time taken to review claim decisions by insurers through the insurers internal review unit
- the number of compliments and complaints received about insurers
- the number and type of issues considered for enforcement and prosecution action

Disputes raised within the scheme are handled by the Personal Injury Commission (PIC).

This issue of the report presents data for the first three measures above, over two time periods: 1st Jan 2020-31 Dec 2020 and 1st Jan 2021-31 Dec 2021.

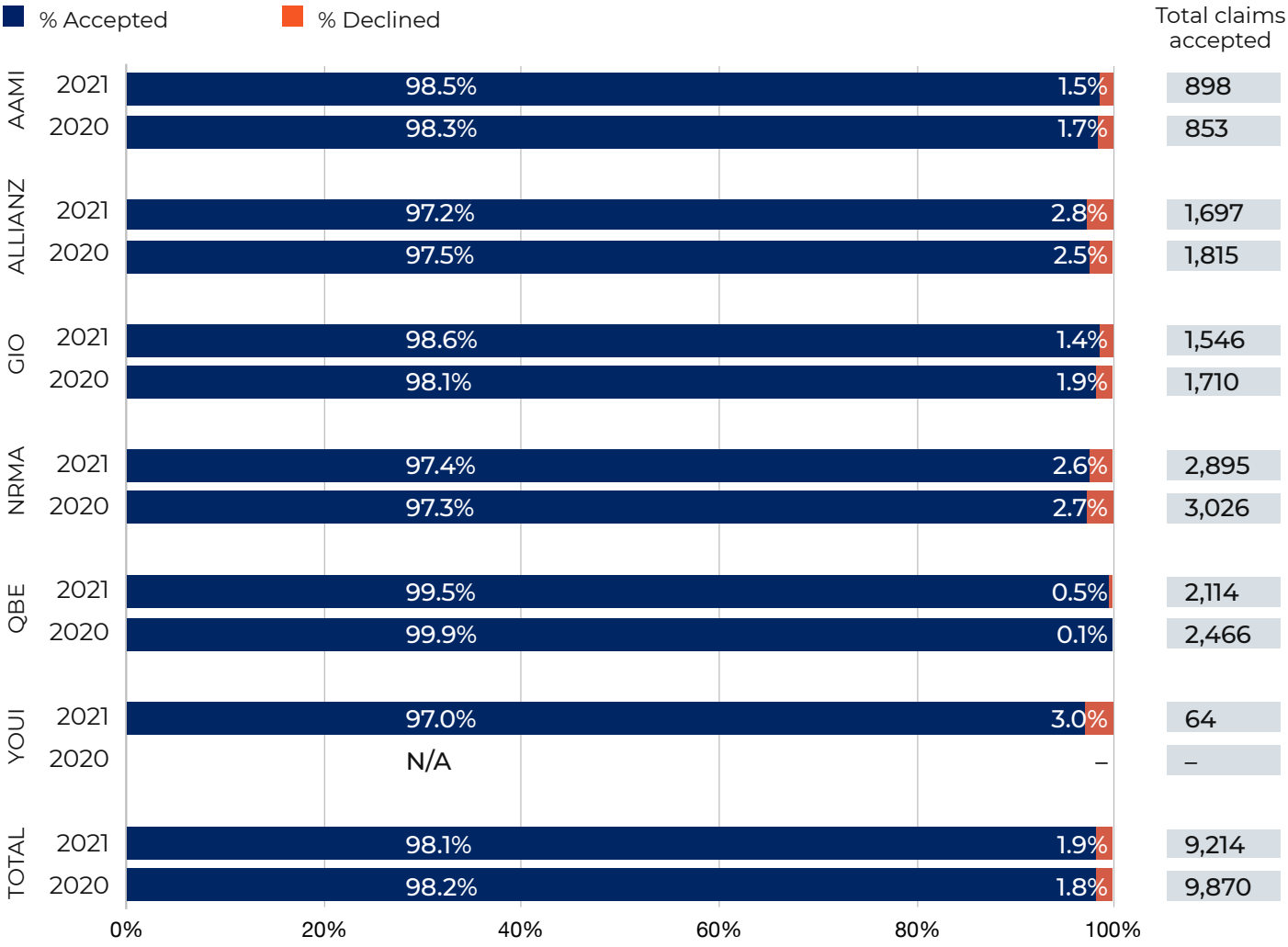
The other measures are presented as per the periods described in the respective sections of the report.

The CTP Insurer Claims Experience and Customer Feedback Comparison results are published each quarter. Generally, these results and the indicators measuring insurer performance remain relatively stable quarter to quarter.

How many claims* did insurers accept?

Insurers accepted most claims from injured people and their families. During the 2021 year, 98.1% of claims were accepted compared to 98.2% in the year 2020. More detail on the declined claims is provided on the following page.

CHART 1: Claims* acceptance rates (%)



* Statutory benefits claims.

Why were claims declined?

Insurers decline claims in certain circumstances under NSW legislation.

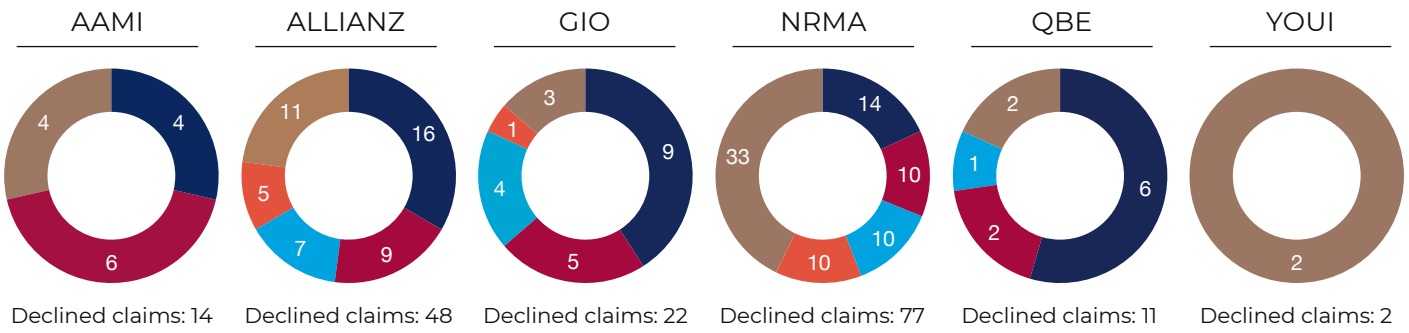
The most common reasons for claim denial included:

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

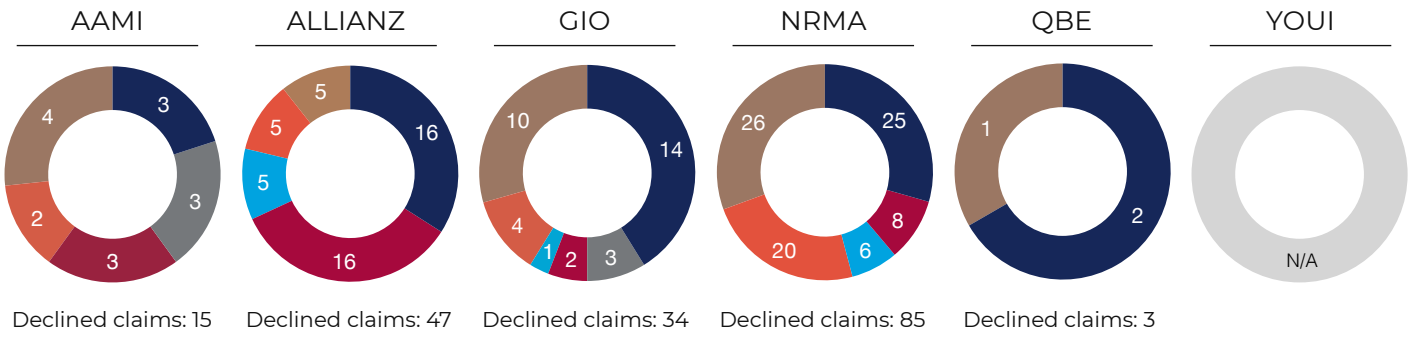
1.9% of claims were declined by insurers in the 2021 year, compared with 1.8% in the 2020 year. There were 9,214 total claims accepted in the 2021 year, down from 9,870 in the 2020 year.

CHART 2: Reasons why claims* were declined

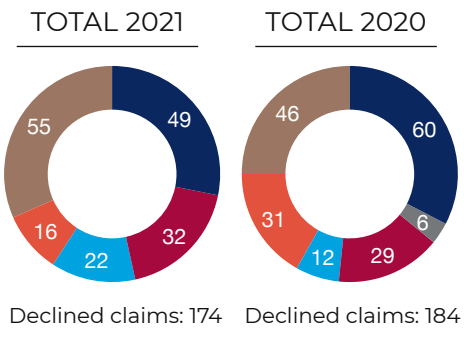
Year ending 31 December 2021



Year ending 31 December 2020



Totals 2021 vs 2020



- Late claim (lodged >90 days after accident)
- Insufficient information provided to insurer
- Claim did not involve a motor vehicle accident
- Claim involved an uninsured, unregistered or unidentified vehicle
- Claim related to a serious driving offence
- Other**

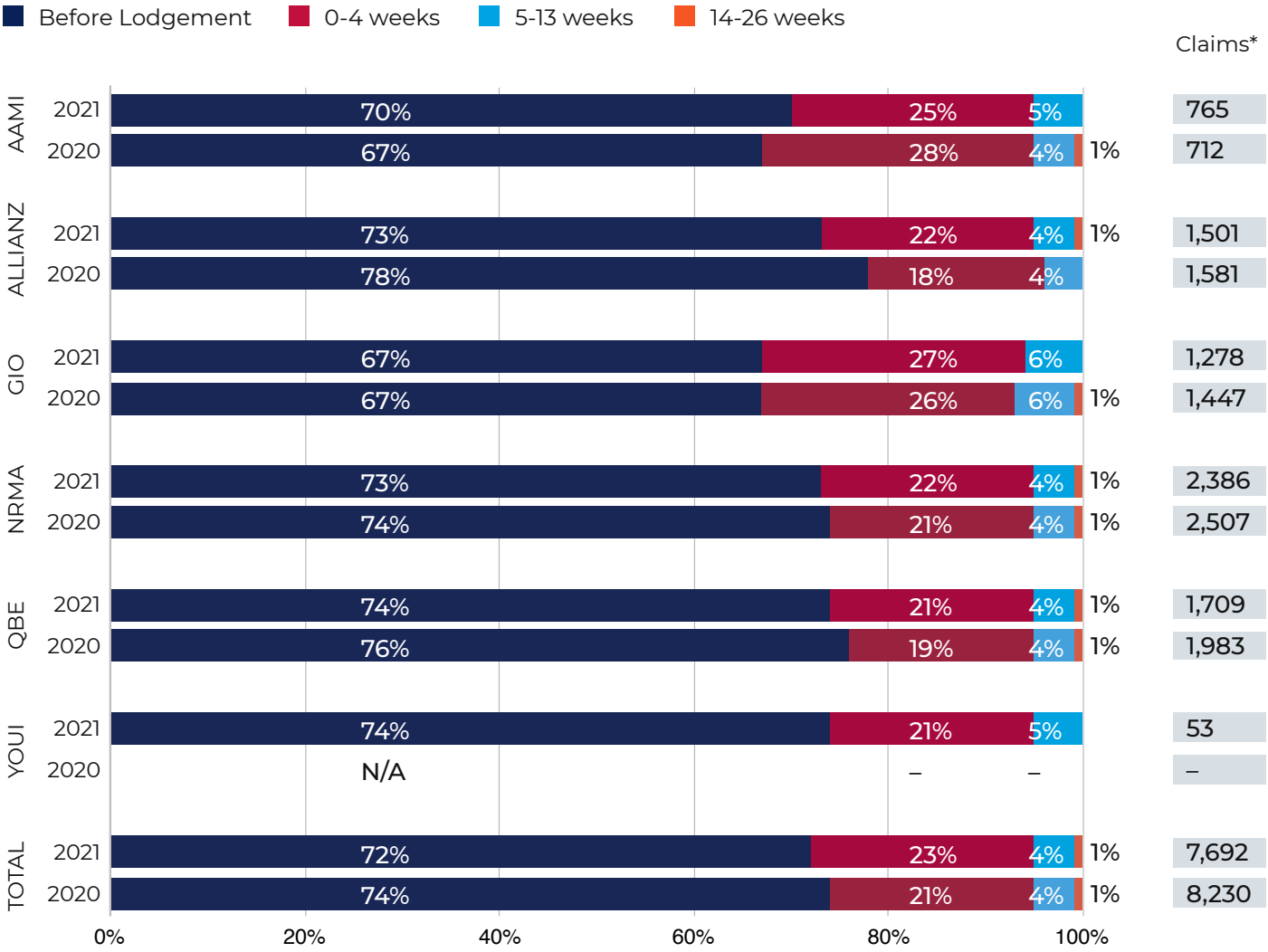
* Excludes claims which were declined because customers were covered by other scheme/insurer.
** Includes: injury non-existent, or not covered under the legislation.

How long did it take to receive treatment and care benefits?

Receiving treatment immediately after an accident is critical for making a full recovery. That is why insurers cover initial medical expenses for most people before they lodge a formal claim. This is when customers access treatment and care services after notifying the insurer, but before lodging a formal claim.

72% of injured people received 'pre-claim support' in the 2021 year, with a further 23% accessing treatment and care services within the first month after lodging a claim. During the 2020 year, 74% of injured people received 'pre-claim support' with a further 21% accessing treatment and care within the first month of lodging a claim.

CHART 3: Time it takes to receive treatment and care benefits (in weeks)



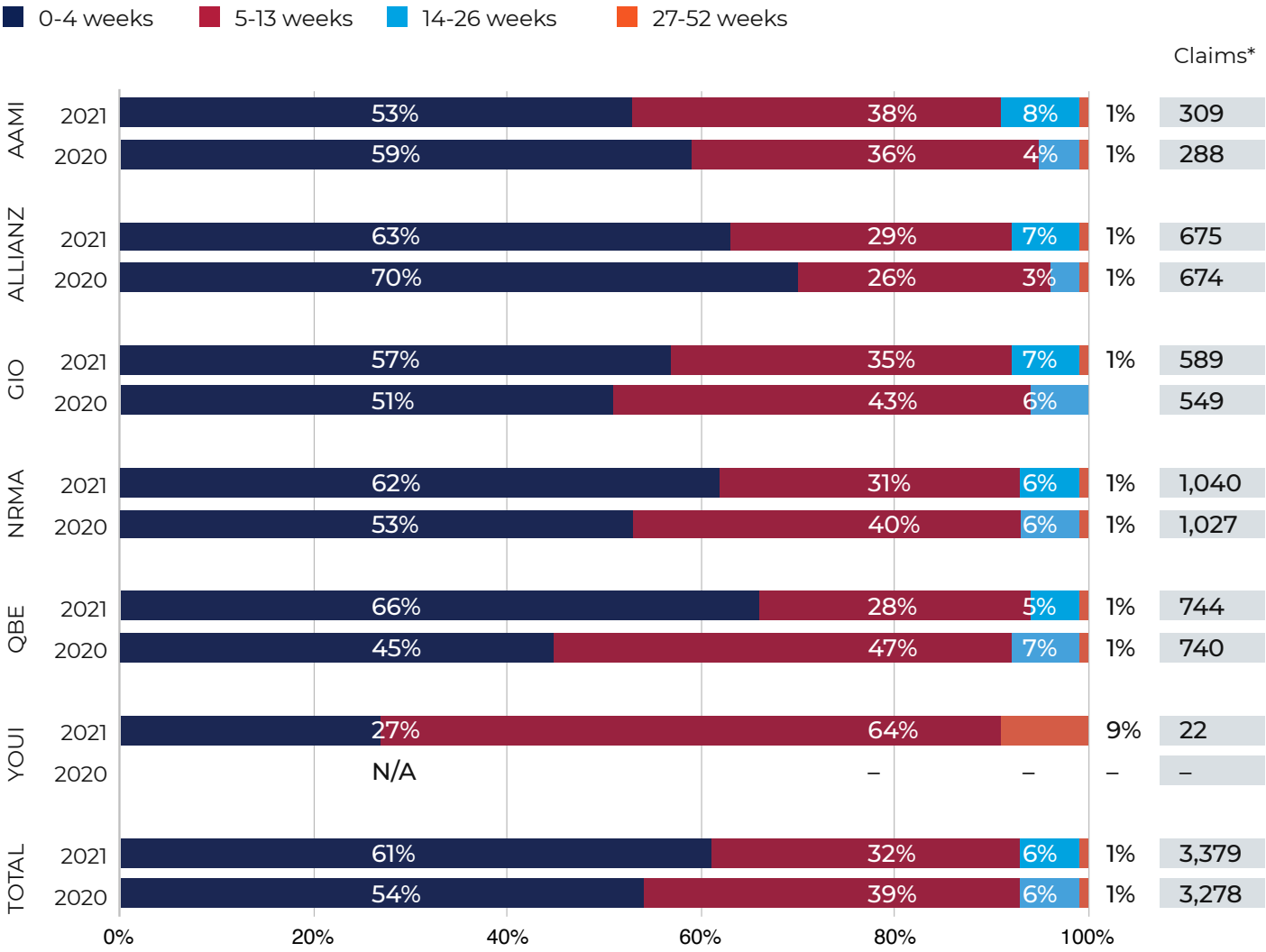
*Of the total 9,214 accepted statutory benefits claims in the 2021 year, 7,692 had treatment and care services. For the 2020 year, of the total 9,870 accepted statutory benefits claims, 8,230 had treatment and care services.

How quickly did insurers pay income support to customers after motor accidents?

Some people need to take time off work after an accident. That is why it's important for insurers to provide income support in the form of weekly payments to people while they are away from work. Over half of customers entitled to income support payments received it within the first month of lodging a claim, with the vast majority receiving the income support payments within 13 weeks.

The sooner the insurer receives the relevant information from the customer, the sooner the insurer can begin to pay income support payments.

CHART 4: Time it takes to receive income support (in weeks)



Some insurers begin paying income support faster than others. Among the six insurers, in 2021 QBE had the the highest proportion of customers who received income support within the first month of lodging a claim.

*Of the total 9,214 accepted statutory benefits claims in the 2021 year 3,379 had payments for loss of income. For the 2020 year, of the total 9,870 accepted statutory benefits claims, 3,278 had payments for loss of income.

What happened when customers disagreed with the insurer's decision?

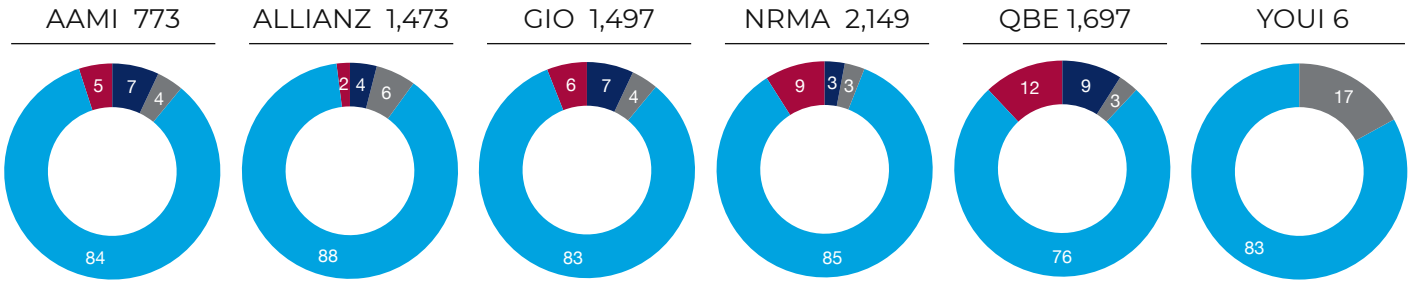
Customers who disagree with the insurer's decision can ask for a review. The decision will be reconsidered by the insurer's internal review team, who did not take part in making the original decision. Insurers accepted most applications for internal reviews. However, some applications were declined because:

- the request was submitted late and the customer did not respond to requests for reasons why it was submitted late, or
- the insurer determined it did not have the jurisdiction to conduct an internal review of that decision.

Customers sometimes also withdraw their application for an internal review.

CHART 5: Internal reviews by insurers and status (%)

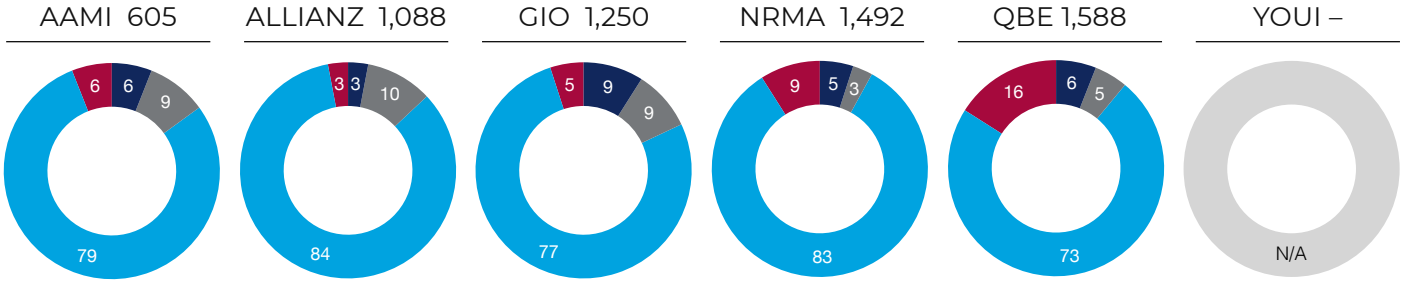
Year ending 31 December 2021



*Internal reviews per 100 claims**

AAMI 45.2 | Allianz 40.6 | GIO 47.1 | NRMA 34.7 | QBE 40.4 | YOUI 8.5

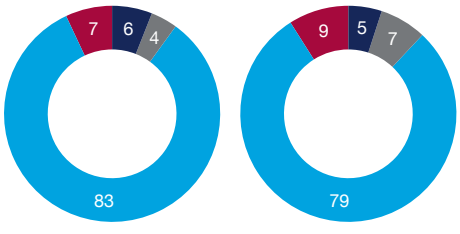
Year ending 31 December 2020



*Internal reviews per 100 claims**

AAMI 41.4 | Allianz 31.5 | GIO 40.4 | NRMA 27.5 | QBE 39.2 | YOUI –

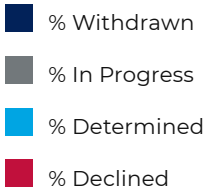
Totals 2021 vs 2020



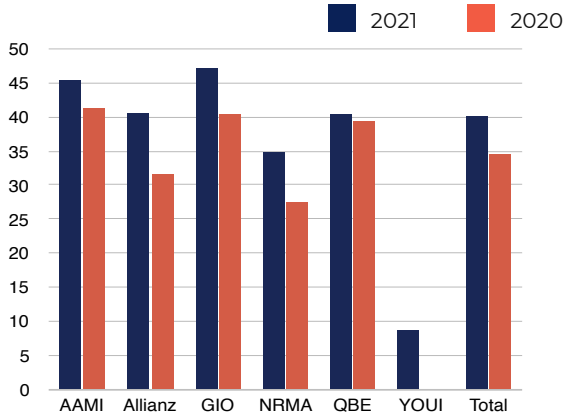
Total 7,595 | Total 6,023

*Internal reviews per 100 claims**

2021: 40 | 2020: 34.4



Internal reviews to accepted claims ratio

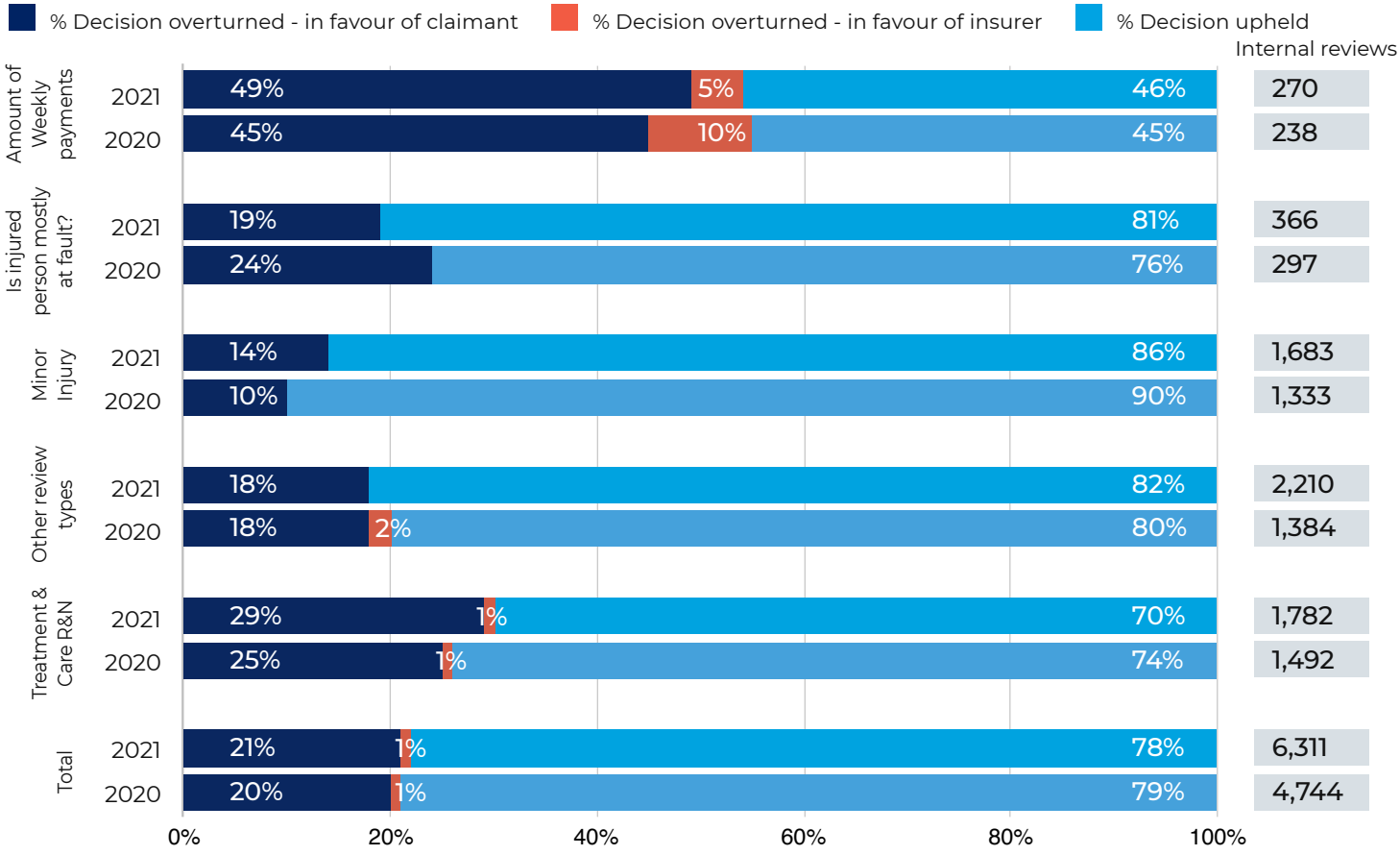


*The number of internal review requests received by insurers depends on how many claims they are managing. Insurers with more claims are more likely to receive a greater number of internal reviews. By measuring internal reviews per 100 claims, SIRA can compare insurers' performance regardless of their market share. The base for calculating this ratio is the number of open claims at the start of the reporting period plus all claims lodged during the reporting period.

Outcomes of determined internal reviews

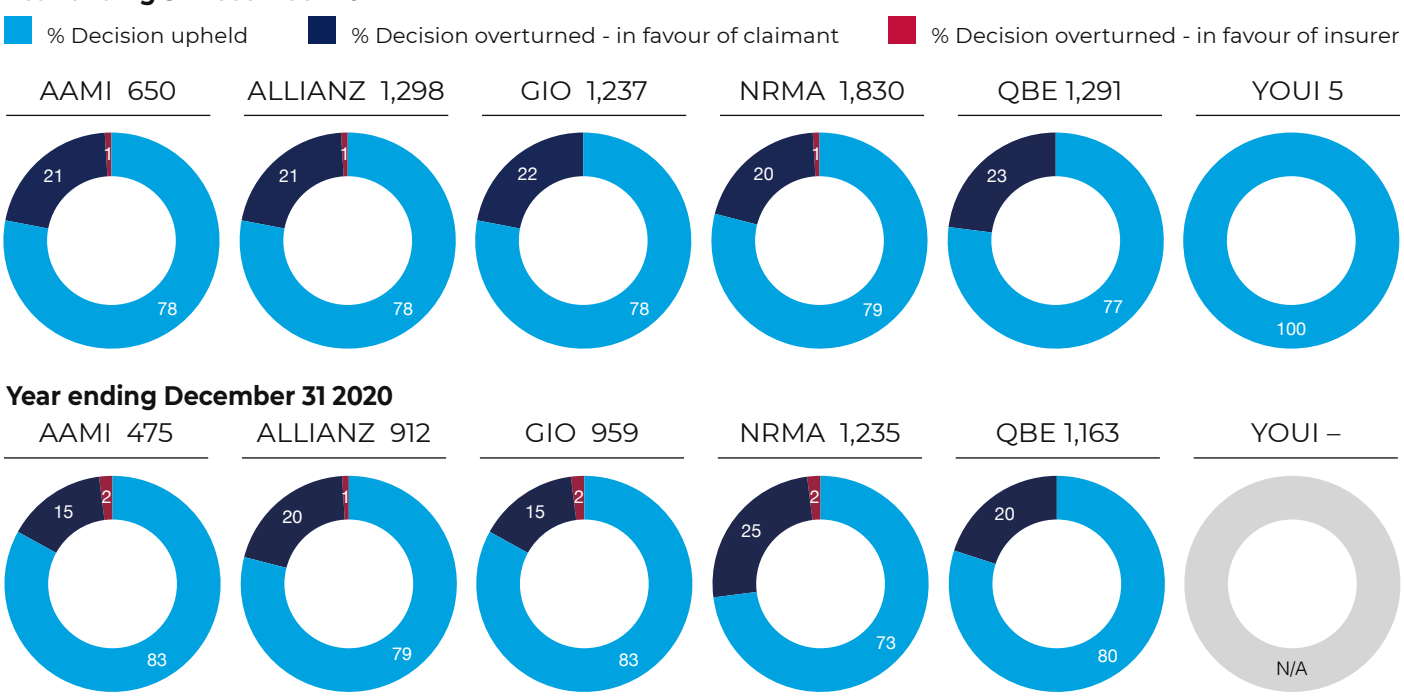
Of the total 6,311 determined internal reviews in the 2021 year, 78% had the initial claim decision upheld. In the 2020 year, 79% determined internal reviews had the decision upheld.

CHART 6A: Outcomes of determined internal review by review type (%)



Note: Figures are rounded to the nearest whole percentage

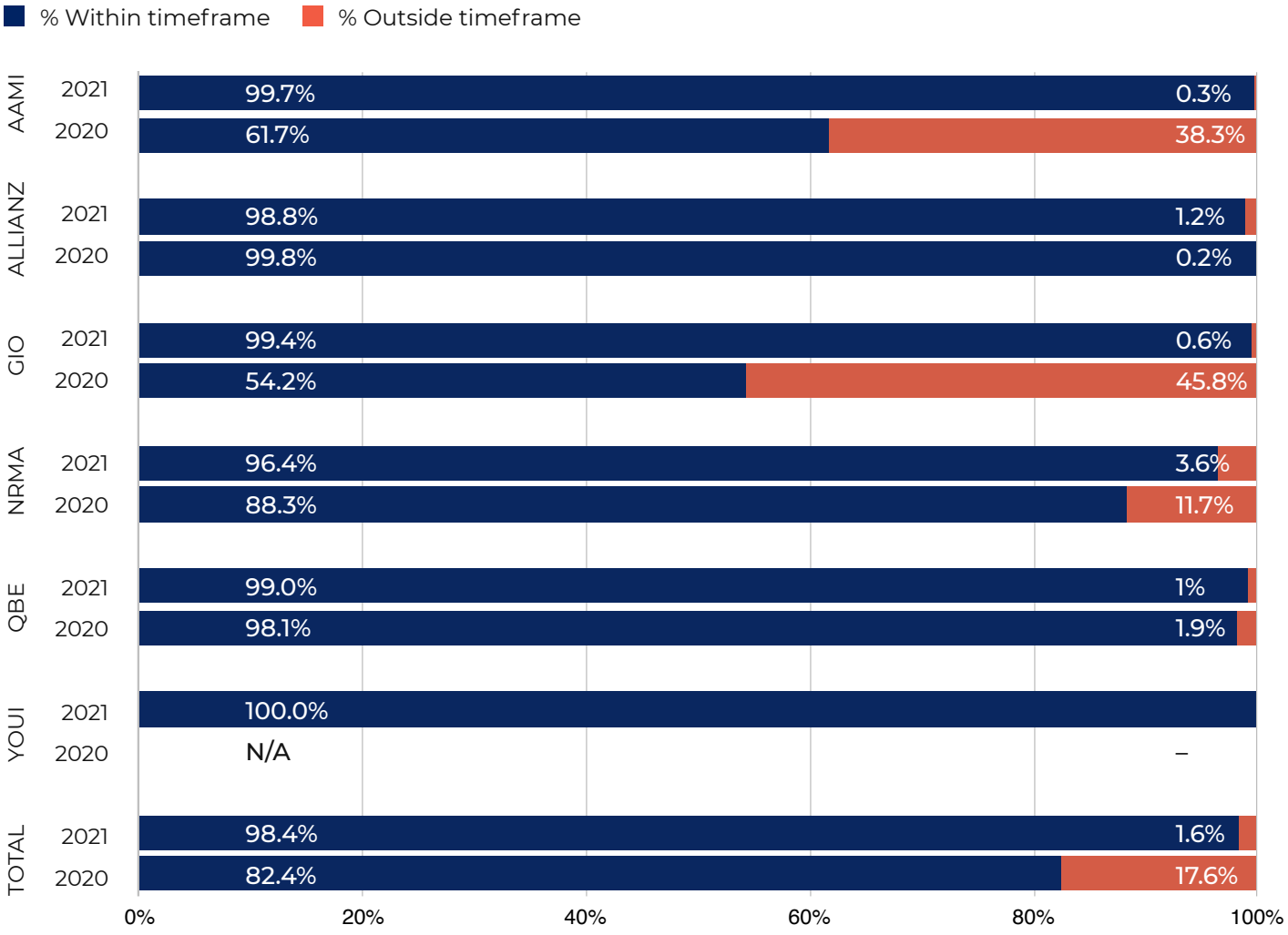
CHART 6B: Outcomes of determined internal reviews by insurer (%)



Internal review timeframes

The insurers internal review team must assess the claim within legislated timeframes.
The data shows the performance of each insurer in meeting those timeframes in the 2021 and 2020 year, excluding Youi in 2020 as they were not included in the scheme at that time.

CHART 7A: Internal reviews completed by timeframe (%)



In response to SIRA's regulatory action, AAMI, GIO and NRMA have significantly improved their compliance with internal review decision timeframes, particularly in the second half of 2020.

Note: The time taken to review an internal review is sourced from data provided by each insurer

Internal review timeframes by dispute type

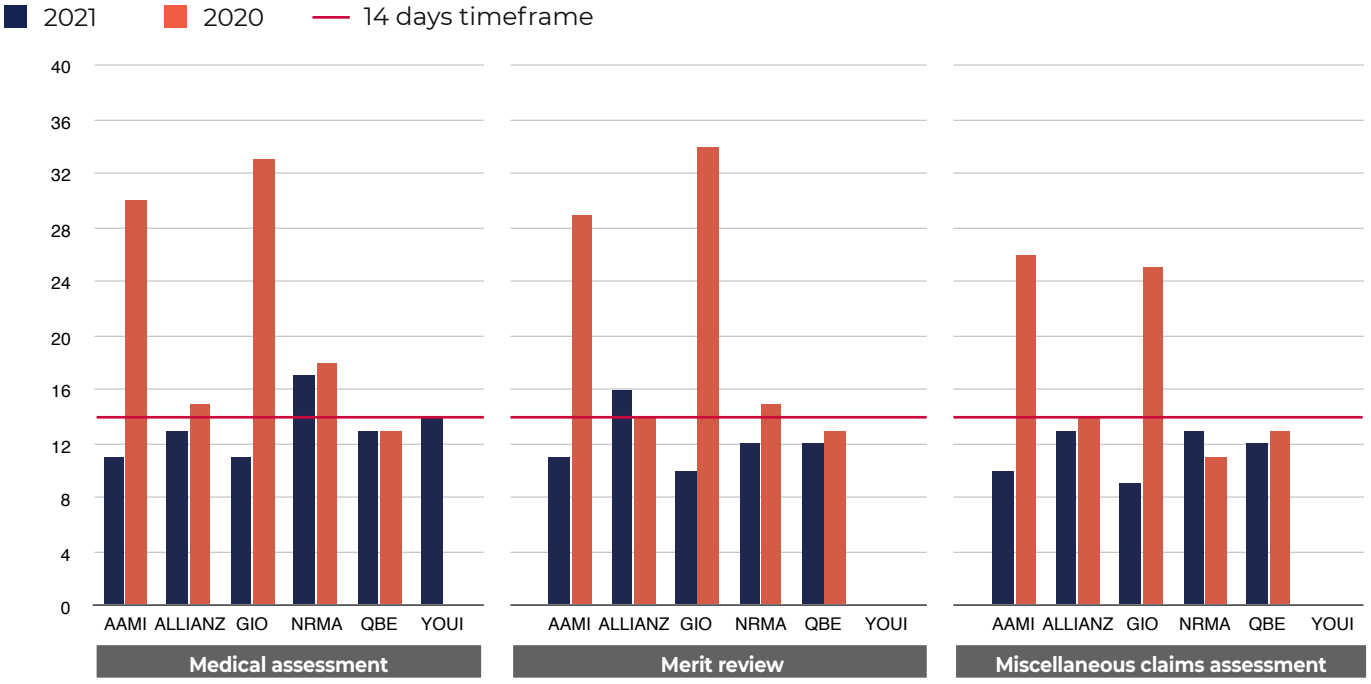
There are three types of internal reviews:

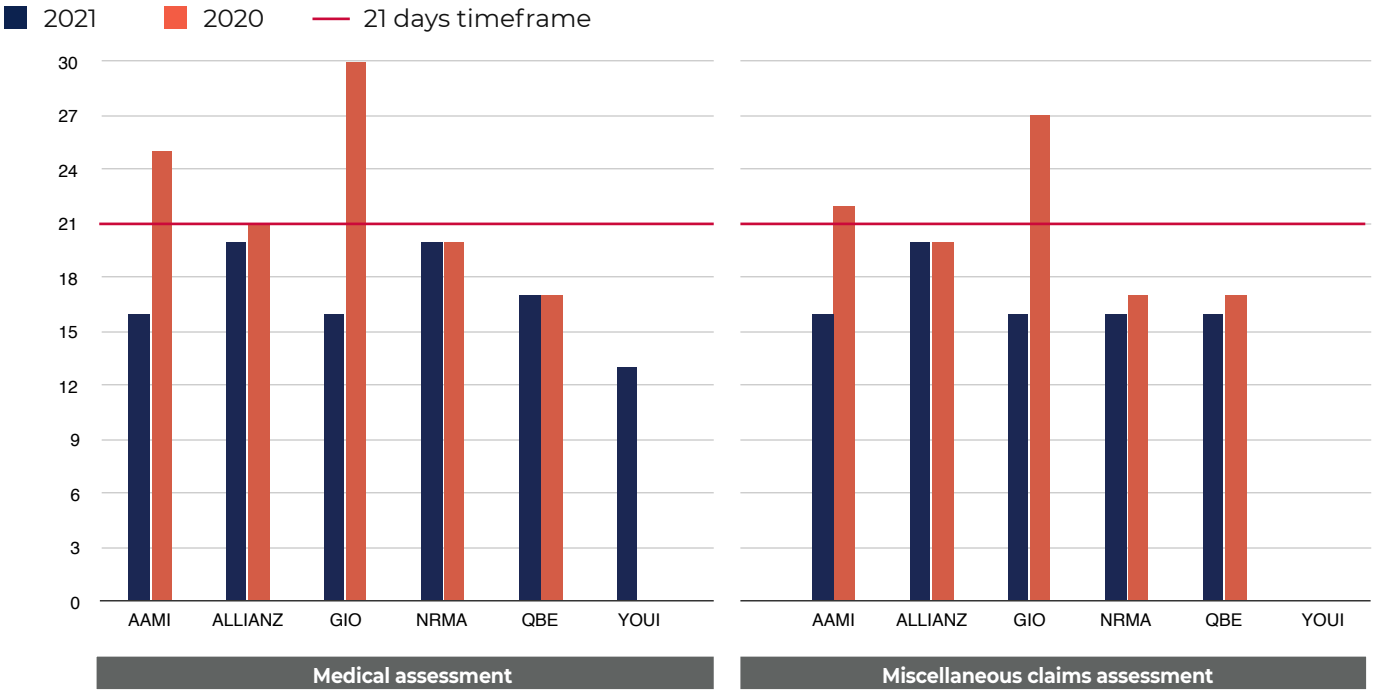
1. Merit review (e.g. the amount of weekly benefits)
2. Medical assessment (e.g. permanent impairment, minor injury or treatment and care)
3. Miscellaneous claims assessment (e.g. whether the claimant was mostly at fault).

For most internal reviews, the insurer must provide their internal review decision within 14 days of receiving the request for internal review. However, there are some medical assessment and miscellaneous claims assessment matters where this timeframe is extended to 21 days.

The maximum timeframe for all internal reviews is 28 days if further information is required.

CHART 7B: Internal review duration shown by dispute type and timeframe (days)





Compliments and complaints

From 1 March 2021, the Independent Review Office (IRO) was established. One of the key roles of the IRO is to find solutions for people injured in a motor vehicle accident with complaints about management of their claim.

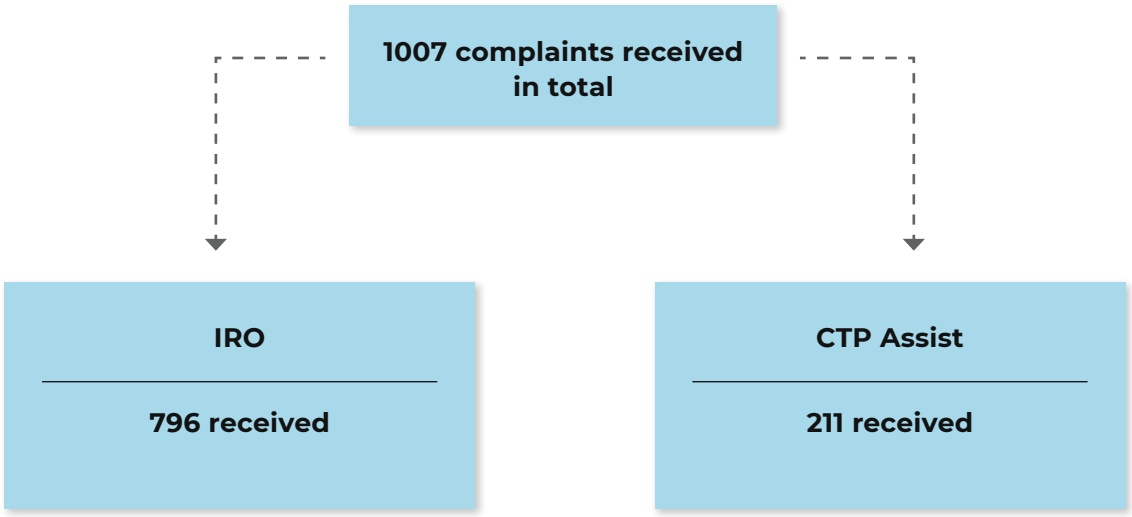
Prior to the IRO being established, SIRA undertook this function for injured people with a claim for a motor vehicle accident. SIRA continues to manage complaints relating to all other aspects of the scheme, including complaints from customers in relation to their CTP Greenslip.

SIRA closely monitors the compliments and complaints it receives about insurers, working closely with the IRO through a Memorandum of Understanding to ensure customers issues and complaints are addressed.

SIRA also collects compliments to help identify best practice by insurers, whilst customer issues and complaints are used to address individual issues and can highlight wider problems with insurer conduct that requires investigation.

The data shown reflects the period of 1st January 2021 to 31 December 2021.

Compliments and complaints received directly by the insurers are not included in the data below.

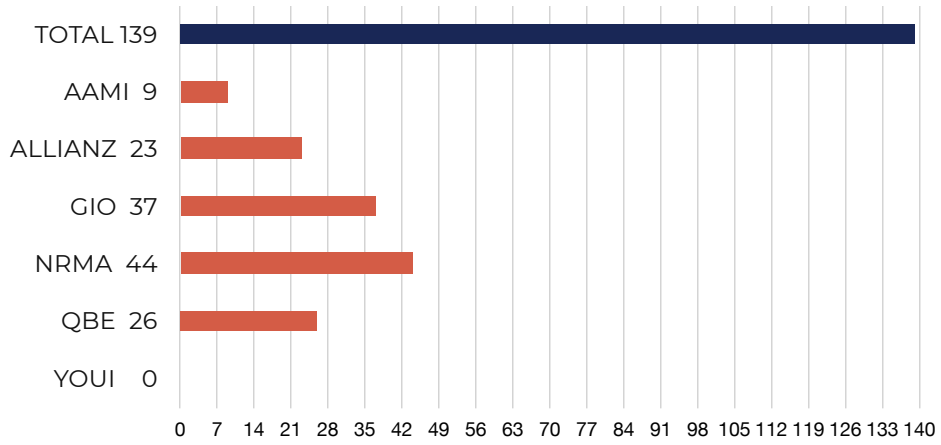


This information was collected from 1st January 2021 to 31 December 2021.

How many compliments and complaints about insurers were received?

CHART 8: Compliments & Complaints (1st January 2021 - 31 December 2021)

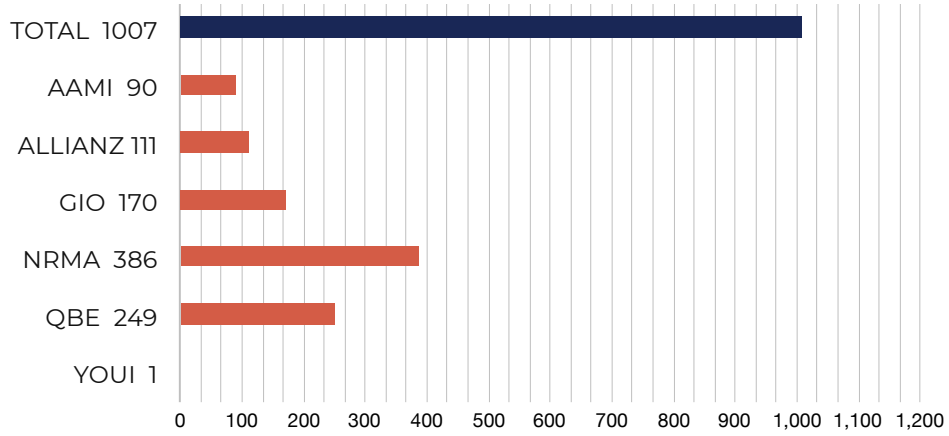
Compliments



Compliments
per 100,000 Green Slips*

TOTAL	2
AAMI	2
ALLIANZ	2
GIO	4
NRMA	2
QBE	2
YOUI	0

Complaints**



Complaints
per 100,000 Green Slips*

TOTAL	17
AAMI	16
ALLIANZ	11
GIO	18
NRMA	21
QBE	17
YOUI	1

* The number of compliments and complaints insurers receive depends on how many customers they have. Insurers with more customers will receive more compliments and complaints, and vice versa. Therefore, by measuring compliments and complaints per 100,000 Green Slips sold, SIRA can compare insurers' performance regardless of how many customers they have.
** The number of complaints include those received via CTP Assist and the IRO.

Enforcement and Prosecutions (E&P)

SIRA is committed to making strong, consistent and evidence-based decisions on enforcement action. SIRA engages with law enforcement agencies, particularly the NSW Police Force, to deter and investigate fraudulent activity in the CTP scheme.

SIRA's regulatory activities are focused on areas of highest risk. Firm and fair enforcement action is taken as needed, based on the severity of harm or potential harm, the degree of negligence, and/or the need for deterrence.

The regulatory activities outlined below are supported by SIRA's education and support initiatives. Together, these ensure that the motor accidents scheme is fair, affordable, and effective, and achieves public outcomes.

SIRA receives information on matters for potential enforcement and prosecution action through a range of regulatory monitoring activities. The following enforcement and prosecution options are available to SIRA:

Education	Notification of breach	Letter of censure	Penalty provisions	Criminal prosecution & licensing withdrawal	Publication of information on breaches or poor performance

For more information about how SIRA approaches its compliance and enforcement activities, please refer to SIRA's Compliance and Enforcement Policy.

From 1 January 2021 to 31 December 2021, SIRA had 59 active matters under investigation relating to alleged insurer breaches of their obligations under the Motor Accidents Compensation Act 1999 (1999 Scheme) and the Motor Accident Injuries Act 2017 (2017 Scheme) and guidelines. A total of 7 matters were finalised during this period, which includes matters received prior to January 2021. The remaining are under investigation. Please note that investigations may involve complex systemic issues affecting multiple claims and/or customers, and may result in more than one enforcement action.

	Completed Investigations	1999 Scheme	2017 Scheme
ALLIANZ	1	—	1
AAMI	2	1	1
GIO	2	1	1
NRMA	1	—	1
QBE	1	—	1
YOUI	—	—	—
TOTAL	7	2	5

	Regulatory Action	Total	1999 Scheme	2017 Scheme
ALLIANZ	Regulatory notice	4	—	4
	Letter Of Censure	—	—	—
	Civil Penalty	—	—	—
AAMI	Regulatory notice	6	-	6
	Letter Of Censure	9	9	—
	Civil Penalty	—	—	—
GIO	Regulatory notice	6	—	6
	Letter Of Censure	12	12	—
	Civil Penalty	—		—
NRMA	Regulatory notice	11	—	11
	Letter Of Censure	—	—	—
	Civil Penalty	—	—	—
QBE	Regulatory notice	11	-	11
	Letter Of Censure	—	—	—
	Civil Penalty	—	—	—
YOUI	Regulatory notice	—	—	—
	Letter Of Censure	—	—	—
	Civil Penalty	—	—	—
TOTAL		59	21	38

Of those matters where an insurer breach was substantiated, the following issues were identified, and insurers subsequently notified:

- Failure to endeavour to resolve claims in a just and expeditious manner in line with their obligations and licence conditions under the Act and Guidelines.
- Failure to complete and notify the results of their internal reviews within timeframes stipulated under the Act and Guidelines.
- Failure to provide data to SIRA in accordance with their obligations under the Act and Guidelines.

The other matters finalised during this period were determined to be insurer practice issues of a minor nature. For these matters, SIRA has undertaken education initiatives to improve compliance and has continued to closely supervise the insurer.

Glossary

Accepted claims - The total number of statutory benefit claims where liability was not declined during the first 26 weeks of the benefit entitlement period.

Claims acceptance rate - The percentage of statutory benefit claims where liability was not declined during the first 26 weeks of the benefit entitlement period. It is the total count of statutory benefit claims lodged, less declined claims, divided by total statutory benefit claims.

Claim - A claim for treatment and care or loss of income regardless of fault under the Act. It excludes early notifications (before a full claim is lodged), as well as interstate, workers compensation and compensation to relatives claims.

Complaint – An expression of dissatisfaction made to or about an organisation and related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required.

Complaints received - The number of complaints that have been received in the time period.

Compliment - An expression of praise.

Declined claims - The total number of statutory benefit claims where the liability is rejected during the first 26 weeks of the benefit entitlement period.

Income support payments - Weekly payments to an earner who is injured as a result of a motor accident, and sustains a total or partial loss of earnings as a result of the injury.

Insurer - An insurer holding an in-force licence granted under Division 9.1 of the Act.

Internal review - When requested by a person, the insurer conducts an internal review of decisions made and notifies the person of the result of the review, usually within 14 days of the request.

Internal review types:

- Minor injury - Whether the injury caused by the motor accident is a minor injury for the purposes of the Act.
- Amount of weekly payments - Whether the amount of statutory benefits payable under section 3.4 (Statutory benefits for funeral expenses) or under Division 3.3 (Weekly payments of statutory benefits) is reasonable.
- Reasonable and necessary treatment and care - Whether any treatment and care provided to the person is reasonable and necessary in the given circumstances or whether it relates to the injury caused by the motor accident for the purposes of section 3.24 of the Act (Entitlement to statutory benefits for treatment and care).
- Was the accident the fault of another - Whether the motor accident was caused mostly by the injured person. This influences a person's entitlement to statutory benefits (sections 3.28 and 3.36 of the Act).
- Other insurer internal review types:
  - accident verification
  - earning capacity impairment
  - whether death or injury from a NSW accident
  - variation of weekly payments
  - weekly benefits outside Australia
  - recoverable statutory benefits
  - reduction for contribution negligence
  - serious driving offence exclusion
  - permanent impairment

Internal reviews to accepted claims ratio - the proportion of internal reviews to accepted statutory benefit claims. This will remove the influence of the insurer market share and give a comparable view across insurers.

Payments - Payment types may include income support payments, treatment, care, home/vehicle modifications or rehabilitation.

Referrals to Enforcement and Prosecutions (E&P) - Where a breach of guidelines or legislation is detected through the management of a complaint or other regulatory activity undertaken by SIRA in accordance with the SIRA compliance and enforcement policy.

Service start date - The date when treatment or care services are accessed for the first time.

Total number of policies - This figure represents the total (annual) number of policies written under the new CTP scheme with a commencement date during the reporting period. The measure represents the count of all policies, across all regions in NSW.

About the data in this publication:

Claims data is primarily sourced from the Universal Claims Database (UCD) which contains information on all claims received under the NSW Motor Accidents CTP scheme, which commenced on 1 December 2017, as provided by individual licensed insurers.

SIRA uses validated data for reporting purposes. Differences to insurers' own systems can be caused by:

- a delay between claim records being captured in insurer system and data being submitted and processed in the UCD
- claim records submitted by the insurer being blocked by data validation rules in the UCD because of data quality issues.

For more information about the statistics in this publication, contact MAIRstakeholder@sira.nsw.gov.au

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