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MEDIA RELEASE

Insurance Commission pays out \$391 million to help those injured on WA roads

- **12,000 new motor injury insurance claims made in 2018**
- **WA drivers pay one the most affordable motor injury insurance and registration rates in Australia**

The Insurance Commission paid out around \$391 million in 2018 to help those injured on Western Australian roads.

In the 2017-18 financial year, the Insurance Commission received 11,818 new motor injury insurance claims, comprising of 3,191 Compulsory Third Party (CTP) compensation, 8,588 CTP minor injury and 39 Catastrophic Injuries Support scheme claims.

Overall, the Insurance Commission managed motor injury claims valued at nearly \$2.8 billion with anticipated future claims expenses of \$2.4 billion. It provides motor injury insurance to 1.8 million drivers and their 2.9 million registered vehicles in WA.

Rod Whithear, Insurance Commission Chief Executive, said: "I am pleased to report the total number of new Compulsory Third Party compensation claims received in 2018 was 179 fewer than the 3,370 claims received in 2017. Fewer claims received means fewer people have been injured on our roads, which is the best outcome for all parties. Fewer claims also means less pressure on insurance premium increases."

Claims payment amounts for large claims were lower than expected during the year, which contributed to a \$71 million reduction in claims payments from the \$462 million paid out in 2017.

Crash claims

The South West region of WA had the most new claims (1,118) outside of the metropolitan area, costing over \$30 million in payments to those injured in car crashes. Metropolitan WA had the most number of claims (9,337) with a cost totalling \$293.5 million.

The most common injury type for motor injury insurance claims was spine and neck injuries totalling \$111.5 million in payments followed by upper limbs (\$52.6 million) and lower limbs (\$66.8 million).

Rod Whithear comments: "Motor injury insurance claims involve a range of costs paid to help a person recover and return back to work following a car crash. It is therefore no surprise that the largest proportion of our costs is for health and disability services.

“During 2018, we paid for almost 100,000 physiotherapy and doctor visits for people injured in crashes.”

To improve customer service, the Insurance Commission established a long-duration claims settlement team during the year to reduce the average time for all claims to be finalised. At the start of 2018, there were almost 400 CTP compensation claims that remained open from 2014 or earlier and the new team finalised 40 of those within the first two months.

Motor insurance affordability

Despite the high costs paid for crash injuries in Western Australia, the motor injury insurance and vehicle registration costs for WA drivers (\$678 for a small family vehicle) remains the second lowest in Australia compared to Australian Capital Territory (\$931), New South Wales (\$851), Victoria (\$816), South Australia (\$747), Queensland (\$727) and Northern Territory (\$702).

The motor injury insurance premium in WA (\$431 for a family vehicle) includes no-fault lifetime care cover for catastrophic injuries from a crash after 1 July 2016.

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Claims data – 2018

Compulsory Third Party scheme (CTP)

A third party injured as a consequence of the negligent driving of a Western Australian registered motor vehicle anywhere in Australia is able to pursue a claim for personal injury compensation against the driver under the CTP scheme. The Insurance Commission pays for the cost of personal injuries where a negligent driver injures another person.

Catastrophic Injuries Support scheme (CIS)

From 1 July 2016, any person that is catastrophically injured in a crash involving a registered motor vehicle in WA and is either at fault in the crash or unable to find another person at fault, can access lifetime treatment, care and support through the CIS scheme. Catastrophic injuries are defined as spinal cord injuries, traumatic brain injuries, multiple amputations, severe burns and permanent traumatic blindness.

The combination of CTP and CIS insurance cover is known as motor injury insurance (MII).

The Motor Injury Insurance Division received 11,818 new MII claims in 2018:

- CTP compensation claims: 3,191
- CTP minor injury claims: 8,588
- CIS scheme claims: 39
- Total claims: 11,818

Table 1: Crash claims paid by the Insurance Commission (inc. minor injury claims)

WA region	New claims	Total payments
Goldfields-Esperance	168	\$6.5m
Great Southern	236	\$7.4m
Interstate	87	\$6.3m
Kimberley	93	\$13.4m
Metropolitan	9,337	\$293.5m
Mid West-Gascoyne	194	\$6.7m
Pilbara	124	\$9.7m
South West	1,118	\$30.4m
Wheatbelt	461	\$17.6m
TOTAL	11,818	\$391.5m

Table 2: Breakdown of current claims costs

Claims cost	Payments made	Outstanding estimates
Care	\$70.4m	\$1.1b
Economic loss	\$98.6m	\$388.7m
Pain and suffering	\$67.7m	\$266.6m
Hospital	\$40m	\$41.1m
Medical and equipment	\$40.3m	\$218.1m
Other	\$74.5m	\$435.7m
TOTAL	\$391.5m	\$2.4b

Table 3: Services provided to claimants and paid by Insurance Commission

Service type	Number
Physiotherapy sessions	61,452
Doctor appointments	36,774
Exercise programs	13,366
X-rays	10,480
Chiropractic appointments	8,113
Occupational therapy appointments	7,637
Ambulance trips	7,441
Psychologist appointments	6,085
Anaesthetics administered	2,190

Table 4: Number and cost of crash injuries by body part

	Number of injuries	Total payments
Spine and neck	4,121	\$111.5m
Upper limbs	1,397	\$52.6m
Lower limbs	1,314	\$66.8m
Burns and other	442	\$7.5m
Trunk	439	\$30.4m
Head	406	\$80.5m
Face	143	\$3.4m
Mental stress	129	\$2.6m
Abdomen/pelvis	128	\$6.6m

Motoring costs – 2018

The first table below presents the affordability of the motor injury insurance premium, expressed as a proportion of one week's average wage in each state and territory. The second table compares WA's 1 July 2018 motor injury insurance premium for a family car to the premium for equivalent insurance products in other states and territories.

Table 5: Motor injury insurance premium comparisons and affordability at 1 July 2018 (for a family car)

State	Motor injury insurance premium	Proportion of average weekly earnings
WA	\$431	24.7%
SA	\$522	36.1%
ACT	\$588	35.7%
VIC	\$521	33.7%
NT	\$552	33.1%
NSW	\$574	32.5%
TAS	\$314	22.8%
QLD	\$350	22.7%

Table 6: Motoring costs comparison at 1 July 2018 (for a small family vehicle)

State	Motor injury insurance premium	Vehicle registration fee	Total
WA	\$431	\$247	\$678
ACT	\$588	\$343	\$931
NSW	\$574	\$277	\$851
VIC	\$521	\$295	\$816
SA	\$522	\$225	\$747
QLD	\$350	\$377	\$727
NT	\$552	\$150	\$702
TAS	\$314	\$248	\$562

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