

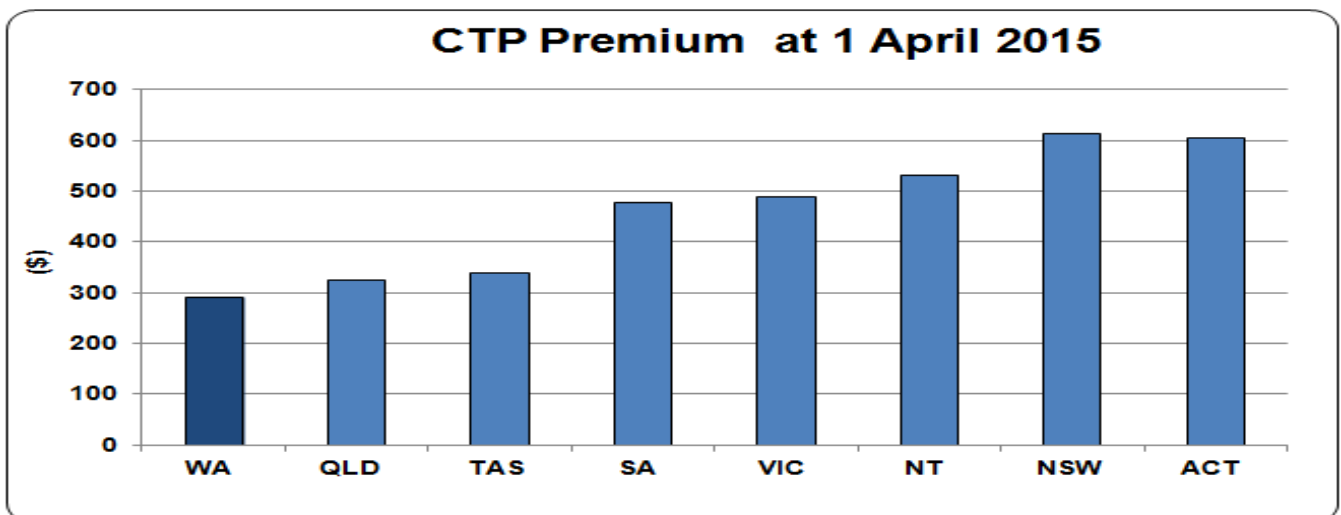


What are the Insurance Changes for Motor Vehicle Owners and Drivers?

- The State Government of Western Australia has announced the introduction of no-fault motor vehicle catastrophic injury cover to expand WA's existing Compulsory Third Party (CTP) insurance scheme. The new scheme will commence on 1 July 2016.
- This Fact Sheet explains the changes for vehicle owners and drivers to introduce the no-fault motor vehicle catastrophic injury insurance scheme.
- Catastrophic injuries are defined under nationally consistent benchmarks as spinal cord injuries, traumatic brain injuries, multiple amputations, severe burns and permanent traumatic blindness.

Background

- Western Australian motorists are fortunate to have the lowest cost CTP insurance in Australia for the last 19 years and it is currently less than half the cost of some other Australian States and Territories. As at 1 April 2015 the owner of a family car pays an annual premium of \$291.



- CTP premiums are paid by motor vehicle owners and drivers to cover the cost of claims for personal injuries they may cause to another person as a result of motor vehicle accidents. The existing CTP scheme is fault based, where for a claim to succeed, the injured person must prove fault against a driver of a WA registered vehicle.
- It is estimated that in WA, 92 people annually suffer a catastrophic injury in a motor vehicle accident, 48 of whom are able to claim compensation under the existing CTP scheme. The remaining 44 people (who were either at fault or unable to assert fault in the accident) rely on support available through Government funded services, personal accident, superannuation or income protection insurance and/or families and friends.

- Under the no-fault CTP catastrophic injury insurance scheme, all people catastrophically injured in motor vehicle accidents from 1 July 2016 will have access to care and support.

What Am I Currently Covered For?

- Under the existing CTP scheme, motor vehicle personal injury compensation is available for people that can establish a driver of a WA registered motor vehicle was at fault in the accident.
- Compensation is generally paid as a lump sum. Receiving a lump sum payment provides you with the flexibility to self-direct those funds to the care and support you, your family, or a trustee determines is right for you.
- Lump sum compensation payments will generally include sums for past out of pocket expenses, future medical expenses, economic loss and future care costs, as well as compensation for pain and suffering.
- The Insurance Commission covers the costs of medical and allied health services on an 'as you go' basis until the claim is settled to ensure injured claimants are properly cared for.

What will be covered by the new scheme?

- All people catastrophically injured in motor vehicle accidents from 1 July 2016 in WA will be entitled to claim long term care and support on a no-fault basis. It will no longer be necessary for people catastrophically injured in a motor vehicle accident, to establish fault of another driver in order to receive care and support benefits.
- The new no-fault CTP catastrophic injury insurance scheme will provide cover for people catastrophically injured that cannot claim compensation under the existing CTP scheme.
- The new scheme will provide care and support benefits. Claims for economic loss or damages for pain and suffering will remain claimable from the existing CTP scheme, subject to fault being established.
- All people catastrophically injured in motor vehicle accidents will have the same entitlements to treatment, early intervention with a focus on rehabilitation, equipment, and care and support services following discharge from hospital.
- The new scheme will not take away people's common law right to a lump-sum compensation payment if their injuries were caused by another person.
- Following injury stabilisation and confirmation as a 'lifetime participant' for care and support entitlements, people that can prove fault under the existing CTP scheme will be able to choose to continue to receive their long-term care on a 'pay as you go' basis, or settle their long-term care and support entitlements by lump sum.
- Those people that cannot establish fault will have their long term care and support paid on an 'as you go' basis.

The care and support available under the no-fault CTP catastrophic injury insurance scheme will include:

- medical treatment (including pharmaceutical);
- dental treatment;
- rehabilitation;
- ambulance transportation;
- respite care;
- attendant care services;
- domestic assistance;
- aids and appliances;
- prostheses;
- education and vocational training; and
- home and transport modifications.

The level of care provided will be determined based on what is reasonable and necessary for each individual catastrophically injured person.

The premium to fund the no-fault CTP catastrophic injury insurance scheme will be payable on new vehicle registrations issued from 1 July 2016 or for existing registrations, at the next renewal after 1 July 2016.