

**LEGISLATIVE COUNCIL**  
**Question On Notice**

**Tuesday, 9 May 2023**

**1391. Hon Nick Goiran to the Minister for Emergency Services representing the Treasurer**

I refer to the issue of claims harvesting impacting the Insurance Commission of Western Australia (ICWA), and I ask:


- (a) did anyone from ICWA give a presentation on claims harvesting at the Australian Insurance Law Association (AILA) seminar held on 8 December 2021; and
- (b) if yes to (a), will the Minister please table the paper or presentation delivered at the AILA seminar?

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**Answer**

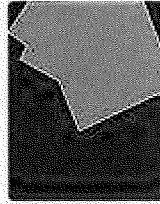
- (a) Yes.
- (b) The slides of the presentation delivered are tabled.

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# Insurance Commission of Western Australia



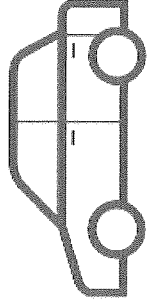
Insurance Commission  
of Western Australia

# About the Insurance Commission

**State Government insurer: two core business units**

## **1. Motor injury insurance**

- Most claims paid when someone else is at fault.



**3,022,345**

insured vehicles

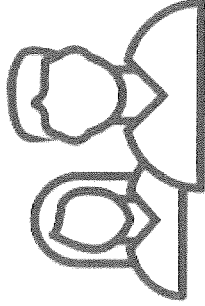


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insured drivers

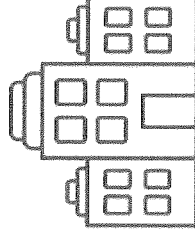
## **2. RiskCover**

- Workers' compensation, general liability and other insurance products for State Government.



**126,340**

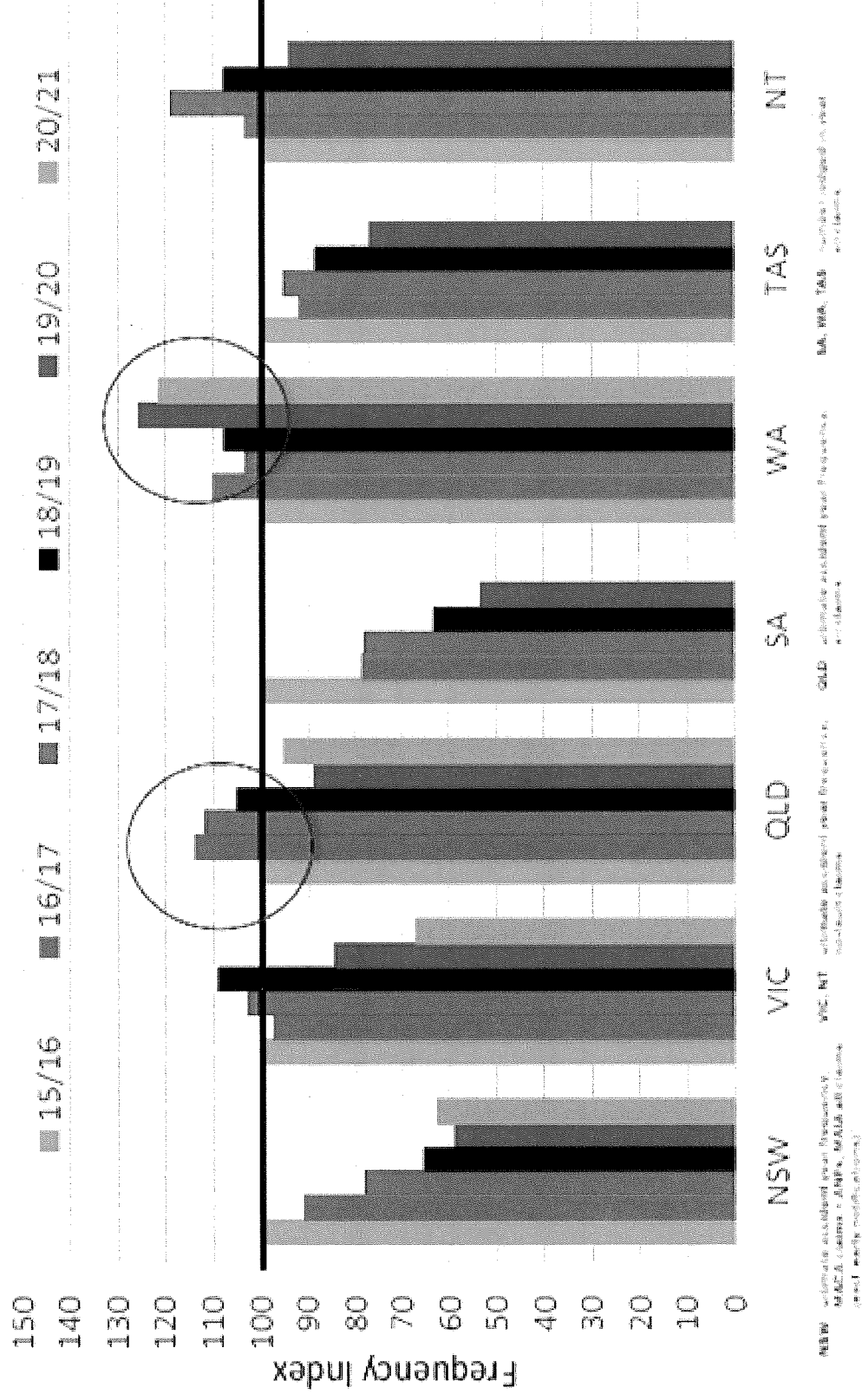
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**111**

insured government agencies

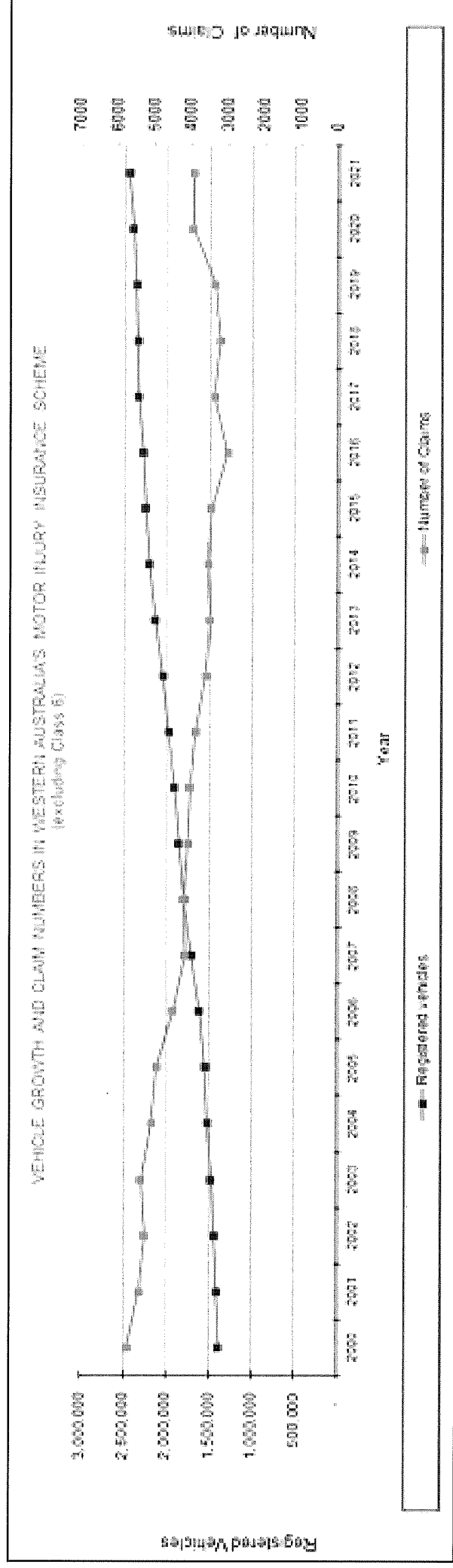
# Claims By State



Source: Finitia Optima 2021

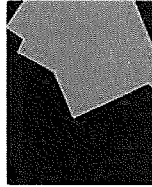
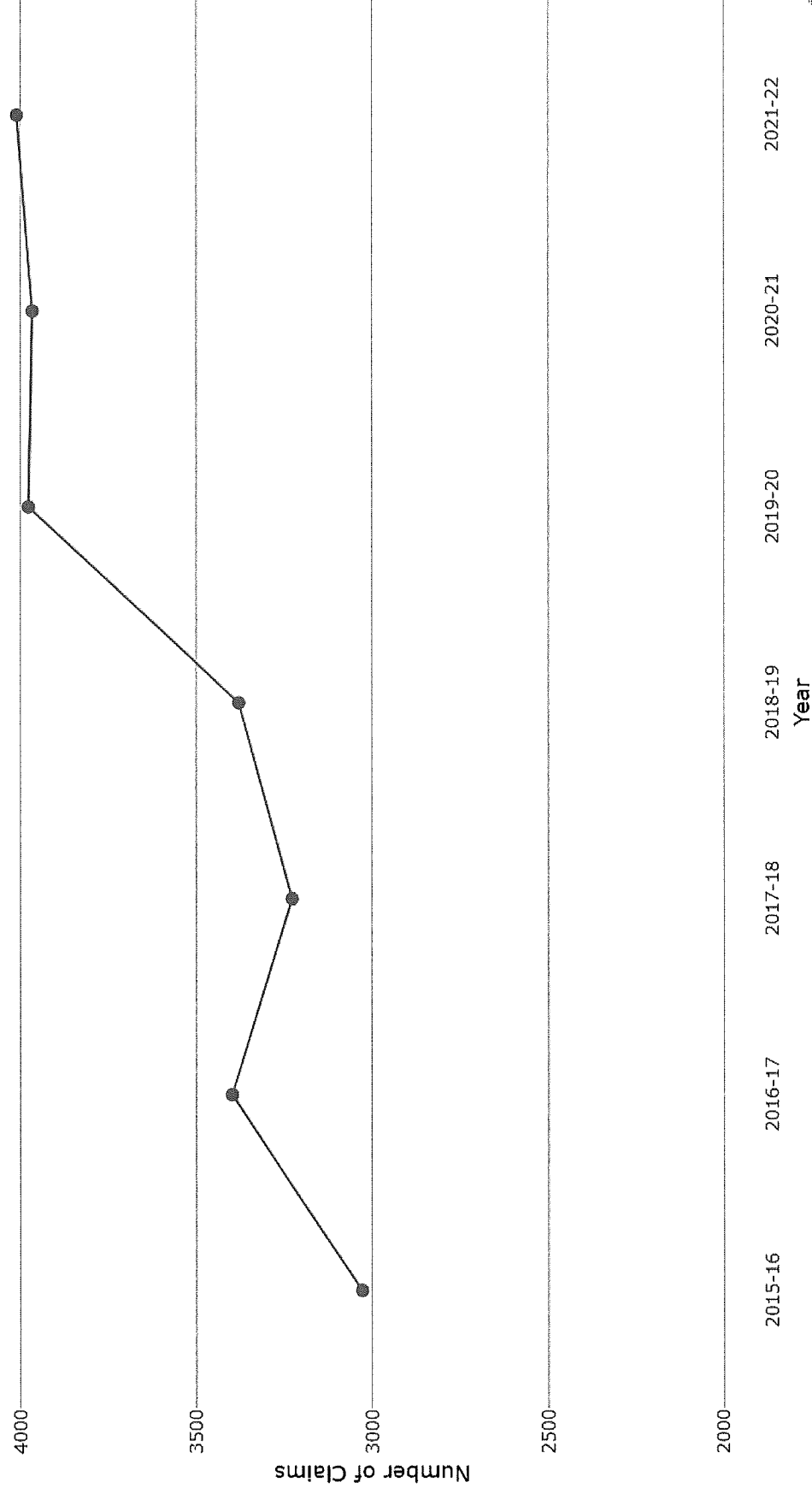
Insurance Commission  
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# Claim Trends Over 20 Years



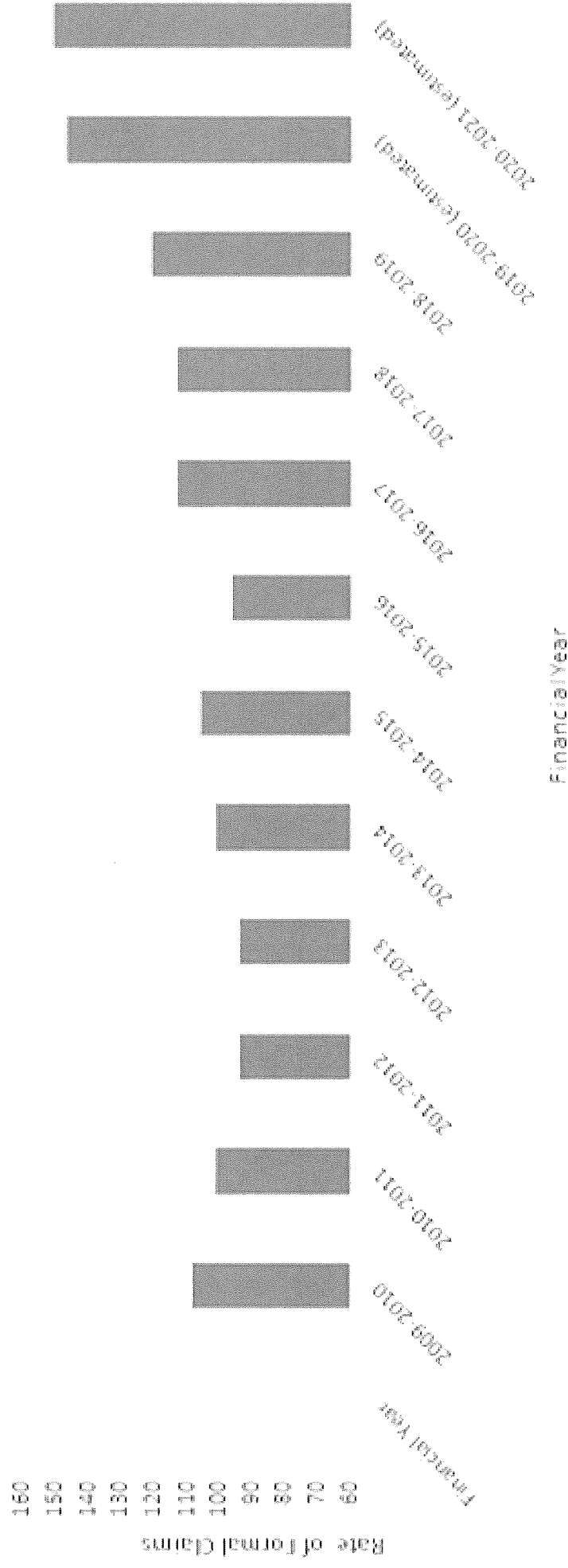
# Focus: Claims Growth Since 2015-16

Claim Trends Since 2015-16



# Claims Per 1,000 Crashes

Rate of Formal CTP claims per 1000 Reported Crashes





# Claims Harvesting

- Between December 2021 and June 2022, suspected harvested claims represented 31% of total claims lodged.
- For the 2022-23 financial year, suspected harvested claims are estimated to cost \$35 million or 6% of total scheme costs, compared to 2% five years ago.

# Claims Harvesting (cont.)

- Cost per policy – harvested claims are estimated to use \$15.52, or 7%, of each premium. An increase on the \$3 per policy estimated five years ago.
- These costs do not take into account:
  - the harm caused by entities trading in personal information;
  - the potentially misleading promises of large compensation payouts; and
  - what we understand to be large legal bills that can consume most or all of any compensation payment.

# QLD and NSW Legislation

- The Queensland State Government implemented reforms in December 2019 to combat prolific claims farming for motor vehicle compulsory third party claims.
- The NSW State Government set up a new approach to motor vehicle injury claims in 2018. Minor injuries are limited to six months of benefits and have no common law rights.



# Claims Harvesting Expansion

- QLD and NSW report new types of personal injury claims harvesting including child sexual abuse claims and workers' compensation claims.

# Claims Harvesting

## Expansion (*cont.*)

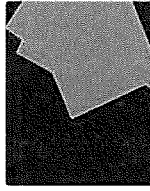
- Removal of statute of limitations has resulted in collapse of insurance market for sexual abuse claims.
- Currently insurance is under short term Government redress schemes.

# Introduction of Legislation

- Payment of referral fees to be banned.
- Law firm to certify no referral fees have been paid.
- Compulsory conferences.
- Cost transparency.
- Enforcement.
- Legislation changes expected 2023.
- Complementary consumer affairs protection campaign – to curtail trading in personal information.

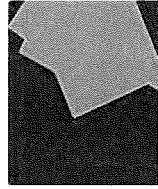
# Injury Profiles

- The Insurance Commission will be using data analytics to improve claim management and response times.
- Starts with more effective capture of a person's injuries
  - Injured people tell us about their injuries using simplified reporting arrangements.
  - Supported by clinical information where available and where there is greater injury complexity.
- A wealth of information is built around those injury profiles – based on Insurance Commission data – profiles to be further developed in consultation with clinicians and other health professionals.



# Injury Profiles (cont.)

- Injury profiles used to proactively support an injured person on their journey to recovery.
- Using injury profiles, appropriate treatments can be approved soon after we know a person has been injured.
- A digital claiming card is sent electronically to the injured person, so that service providers can focus on the injured person's needs, not on chasing payment for the services they provide.
- Most medical interventions can be approved without referral for assessment, removing unnecessary delays in getting injured people what they need.





# Injury Profiles (cont.)

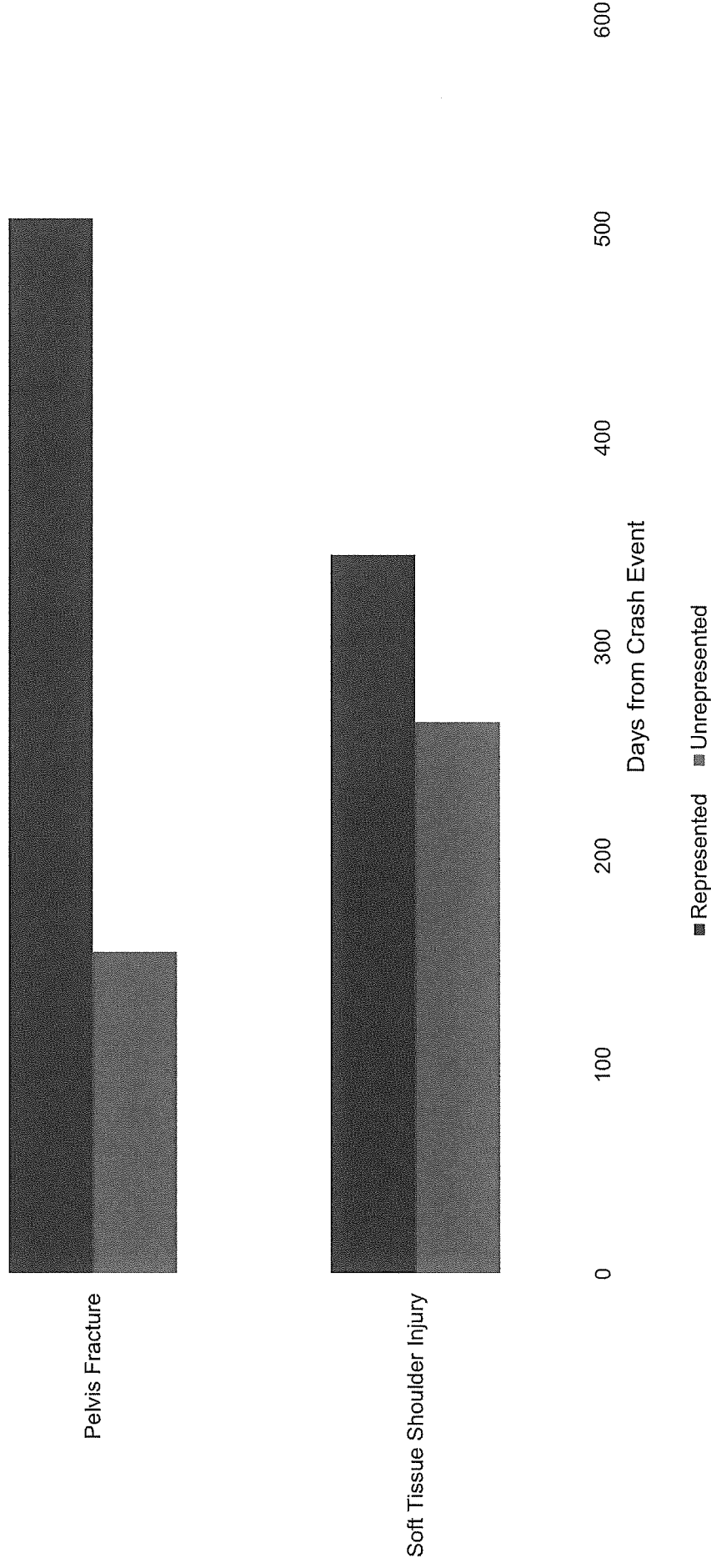
- Injury profiles used to determine typical claim outcomes, providing guidance to finalise claims:
  - Fairer outcomes, delivered sooner.
  - Approach remains common law.
  - Data can present a new picture of the relative ‘reasonableness’ of outcomes sought.

# Injury Profile Outcomes

- Injured people remain focused on recovery.
- Minimise time from crash event to recovery.
- A more positive, engaging experience.
- Less friction in reaching fair outcomes.
- Help injured people move on from their crash and injuries.

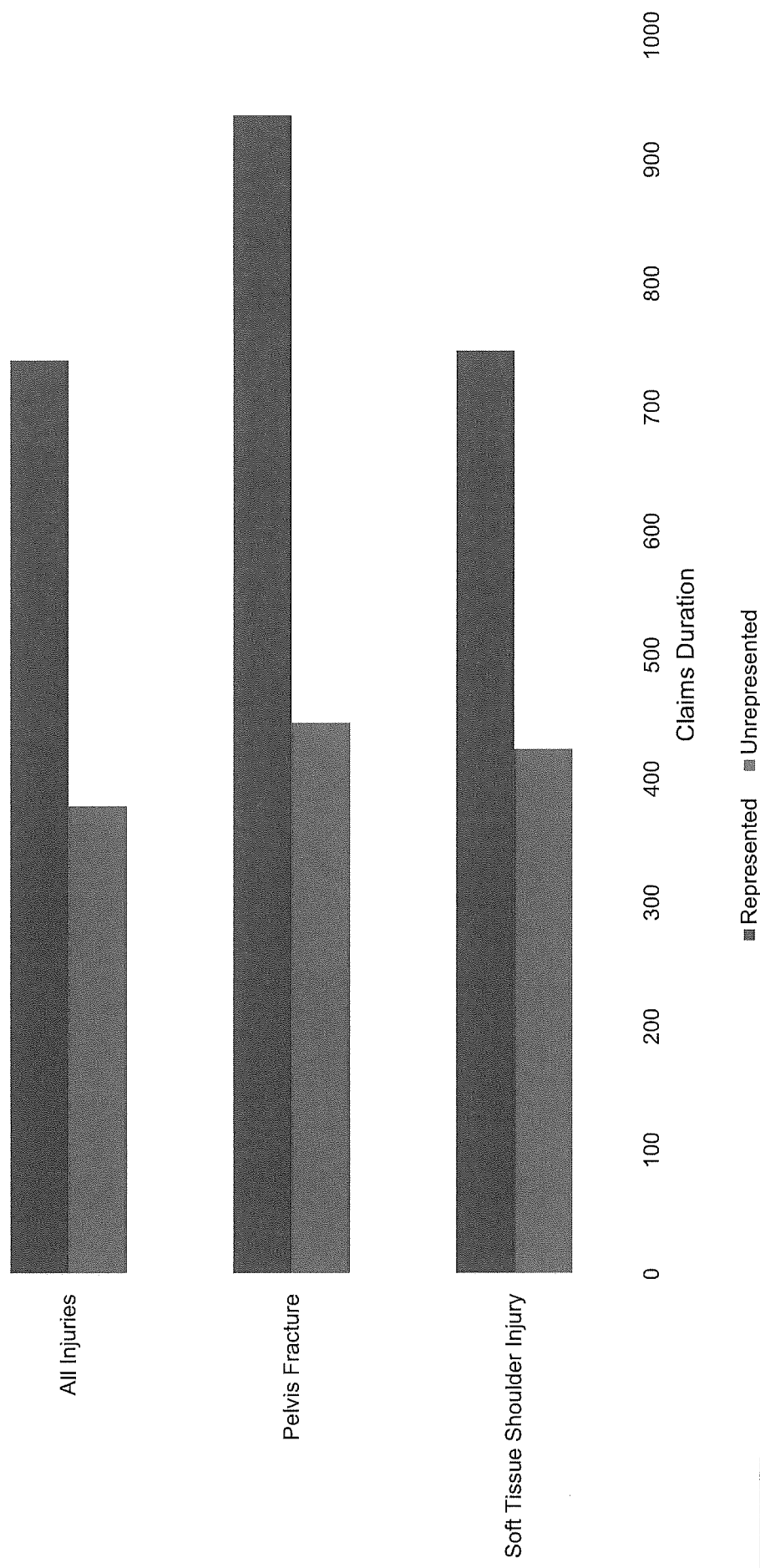
# Treatment Duration

Treatment Duration for Represented Claims



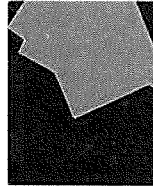
# Claim Duration

Claim Duration for Represented Claims

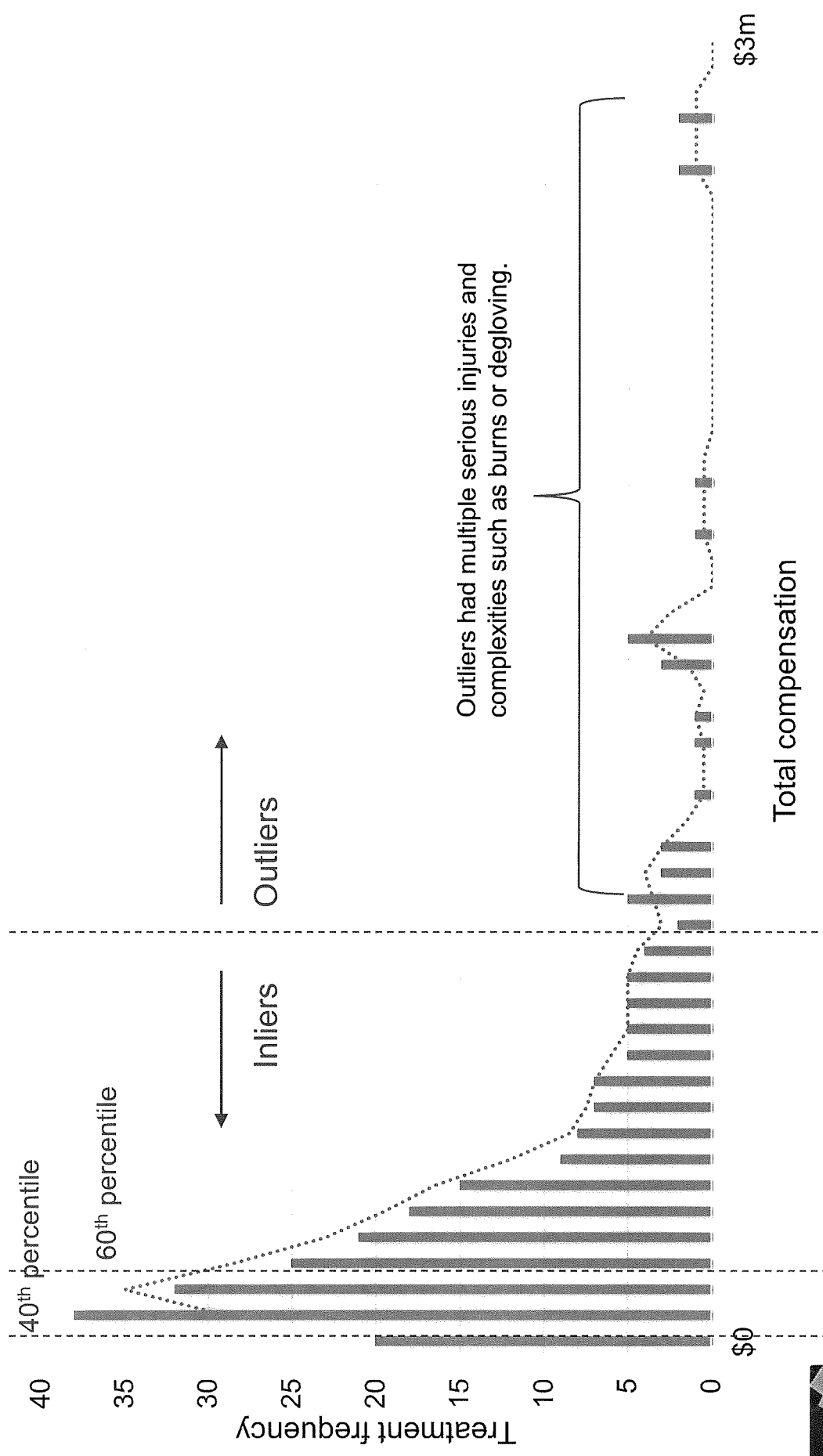


# Success in the Catastrophic Scheme

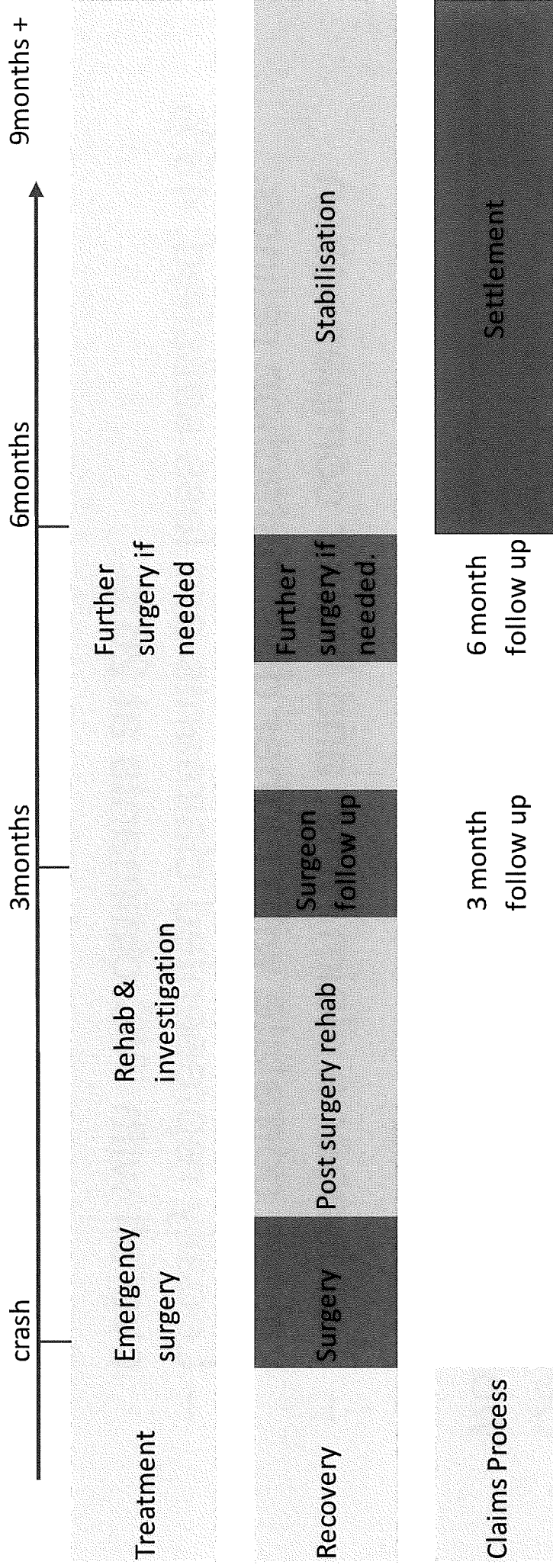
- We apply a treatment plan specific to the participant's injuries, using the right type and amount of treatment.
- By using this model of treatment planning for this cohort of clients;
  - Over 80% have returned home.
  - Over 70% have returned to work or study.
- This success motivates us to apply a treatment plan to all injuries.



# Injury Example: Broken Femur



# Broken Femur (cont.)



# Customer Satisfaction Survey

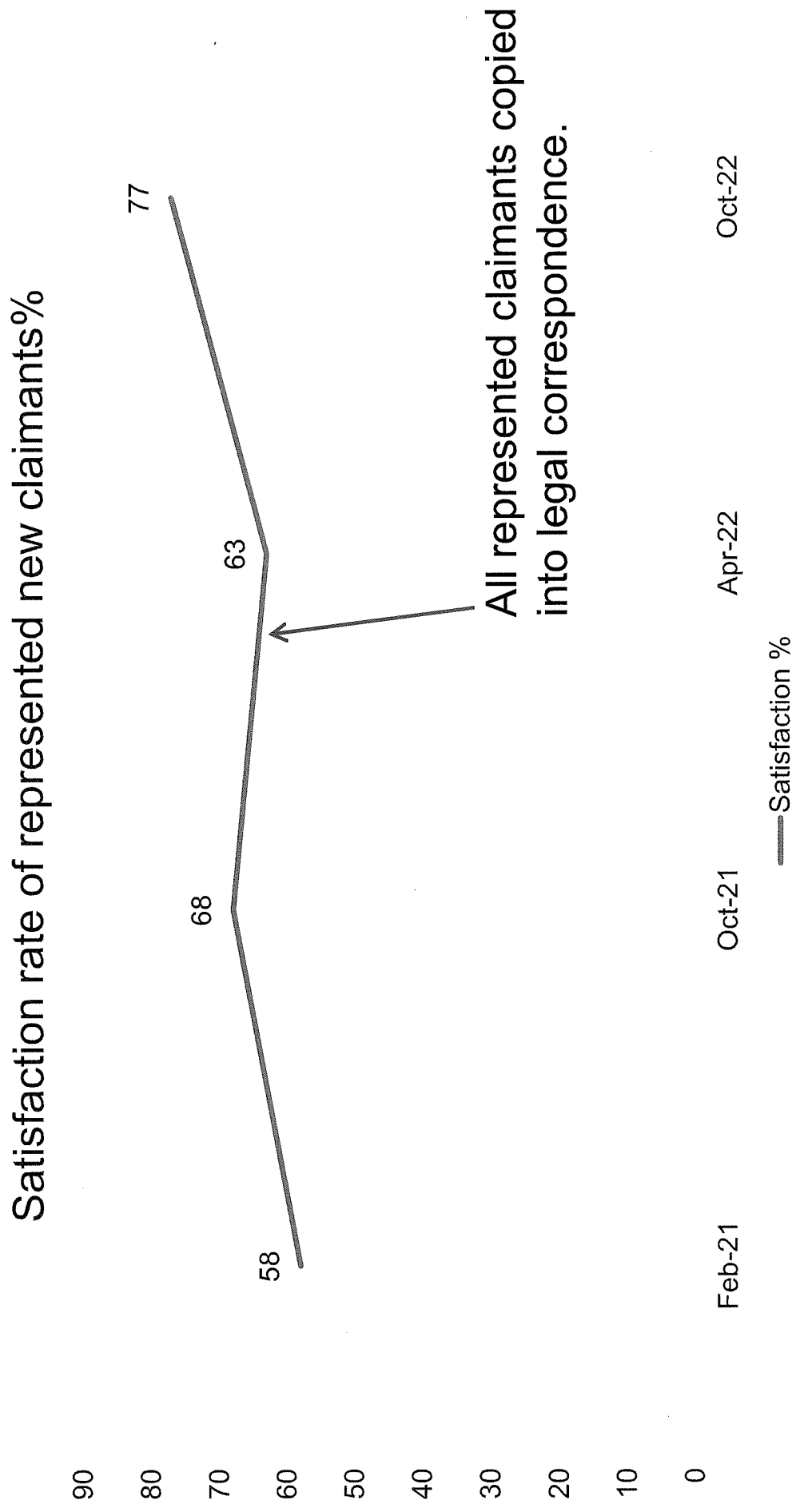
- Conduct bi-annual claimant surveys (motor injury and workers compensation).
- Key take outs:
  - The longer a claim runs, and higher compensation values correlate with higher dissatisfaction ratings.
  - Legally represented claimants are less satisfied: 49% overall with WC claimants at 26%.
  - Since making some internal changes to how we communicate with claimants, new claimants are more likely to say that they are being ‘treated with empathy and respect’. For example, using SMS, email and plain English.



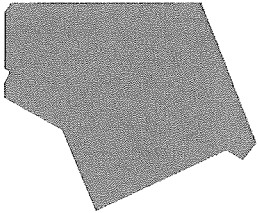
# Key Take-Outs (cont.)

- Access to medical treatment:
  - 7 out of 10 claimants are satisfied with the way we now facilitate access to medical treatment.
  - ‘New MII claimants are dissatisfied with access to treatment’ is at 1%, with satisfaction ratings now at 82%.
- Communication with claimants:
  - Lift in ratings in answer to the question about ‘information provided’ since copying claimants into correspondence sent to their representatives. Currently at 62% overall, up from 55% in 2020.
  - ‘Information provided’ ratings by New claimants is now at 75%, with established claimants rating us at 50%.
  - Dissatisfied claimants complaining about communication has dropped from 45% to 29%.

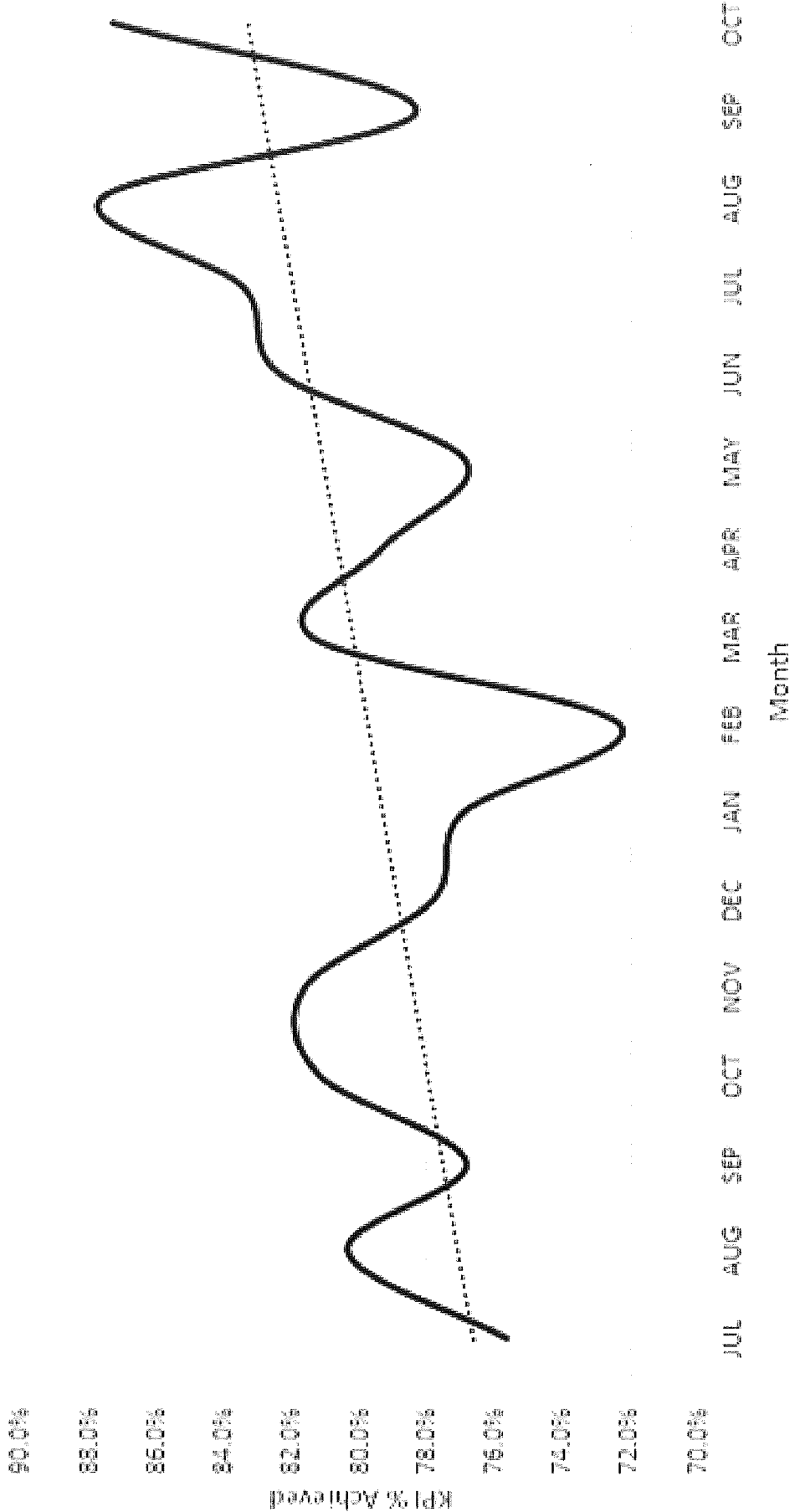
# Customer Satisfaction Survey



# Liability Decisions Made Within 25 Days



Days to Liability KPI Performance





# Insurance Commission of Western Australia



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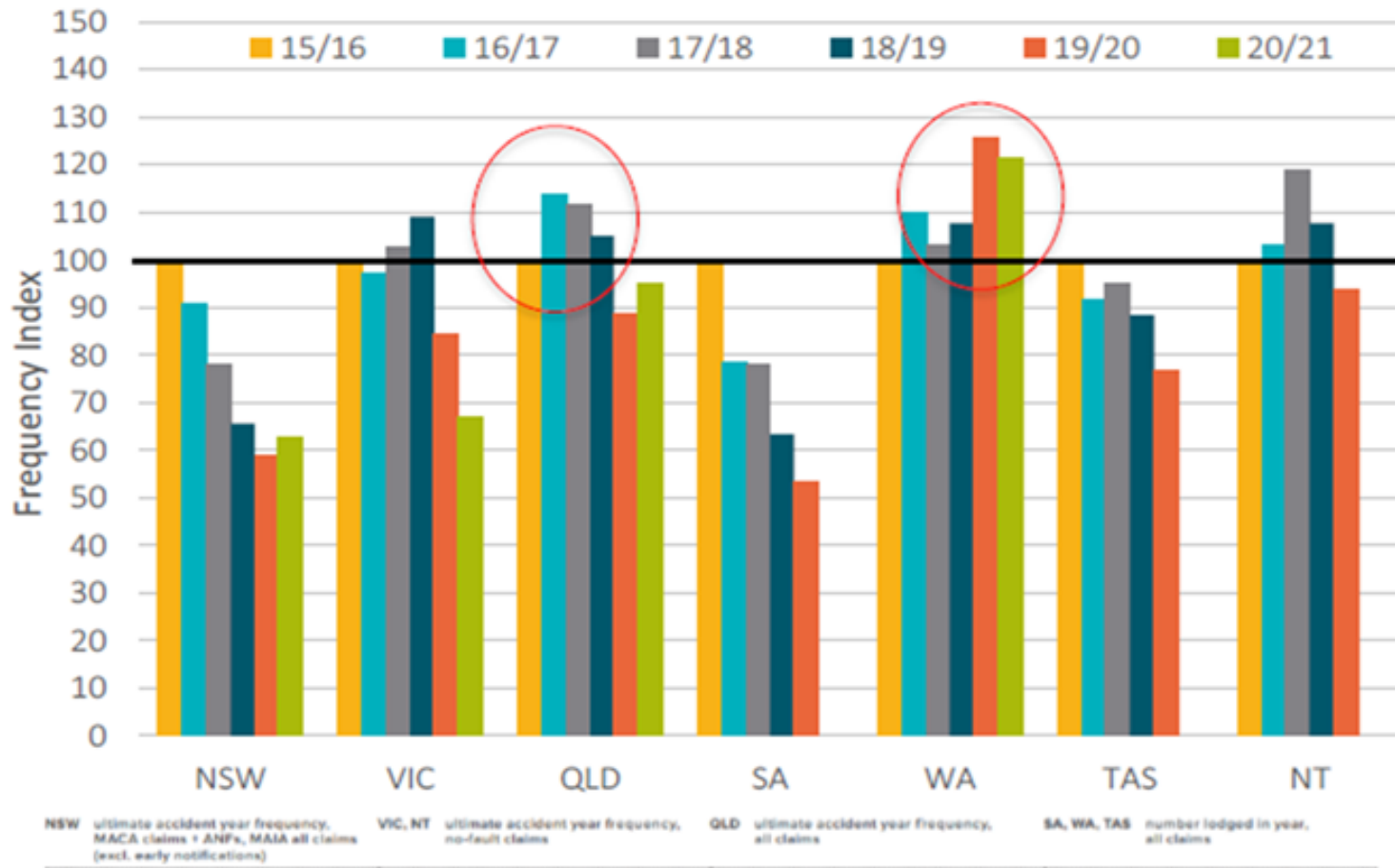
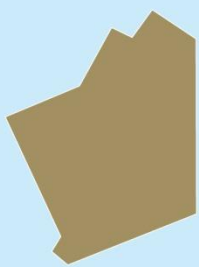
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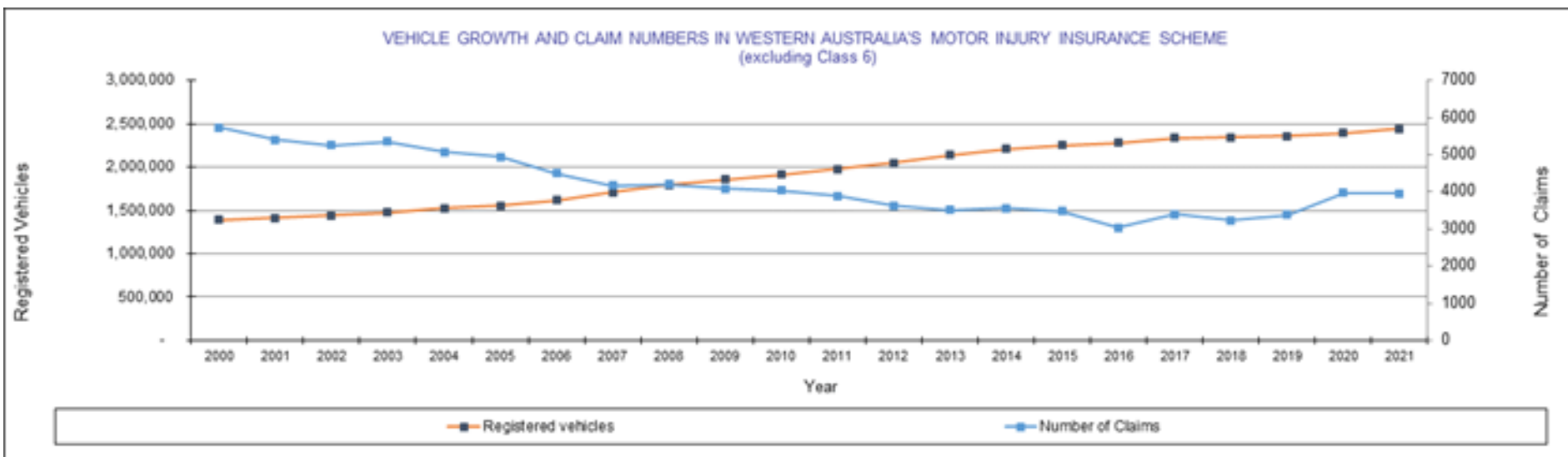


Source: Finity Optima 2021



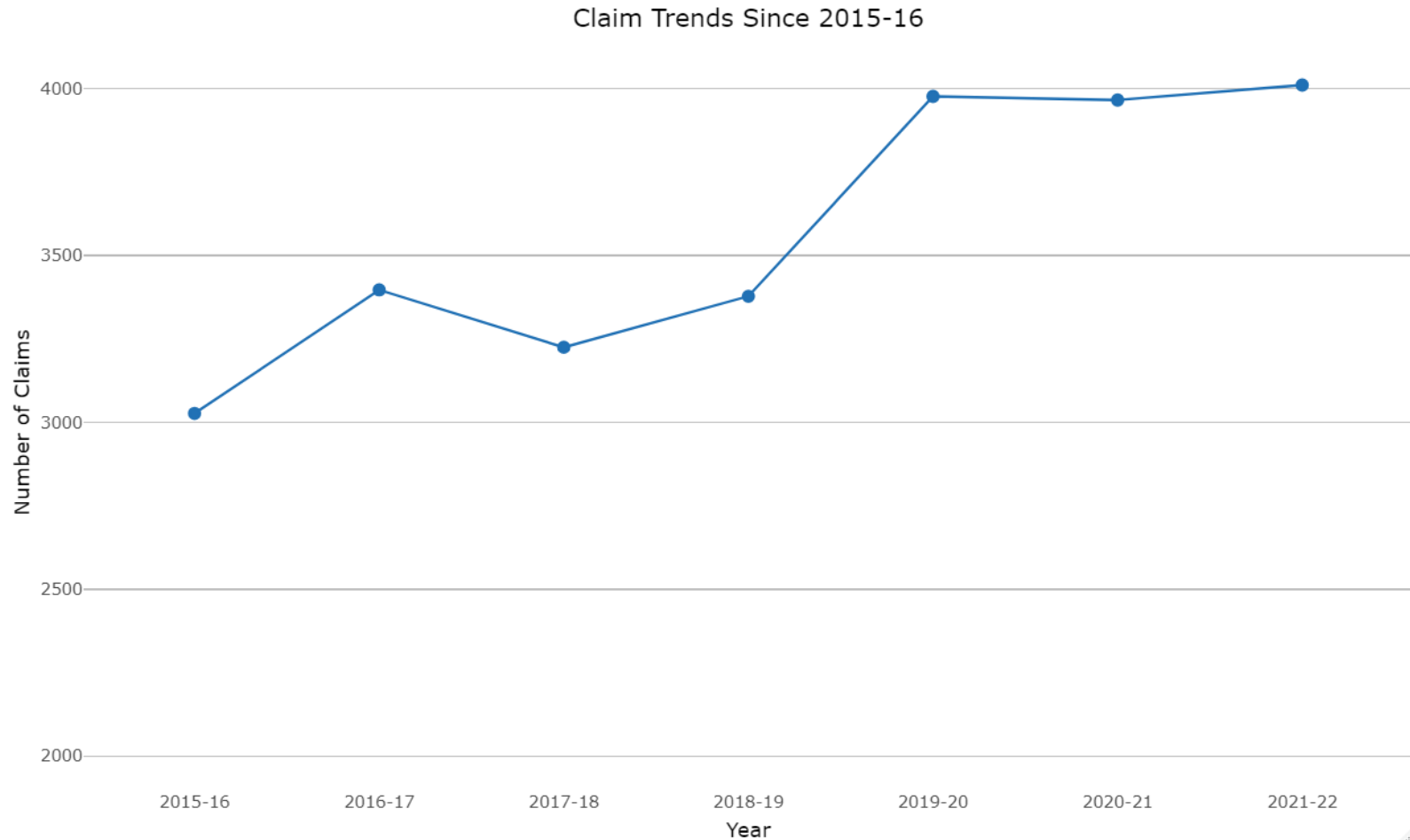
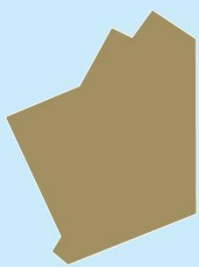
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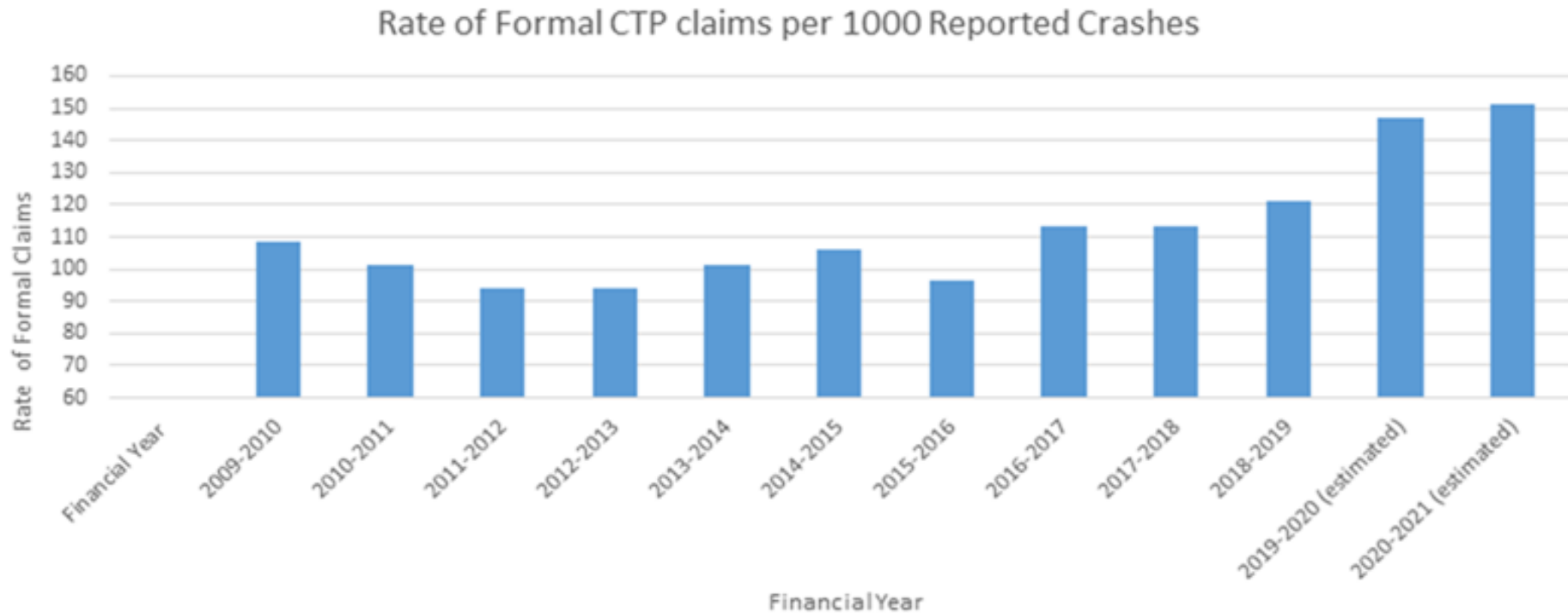
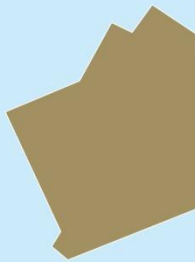


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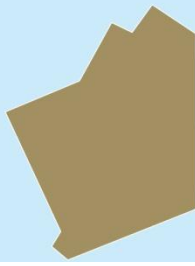


**Insurance Commission  
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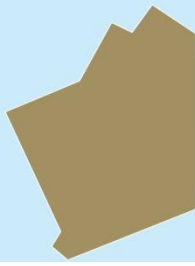
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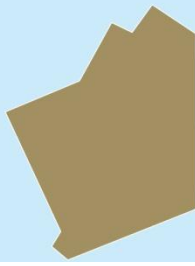
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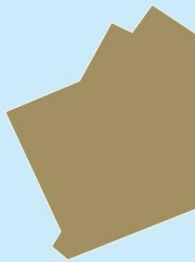
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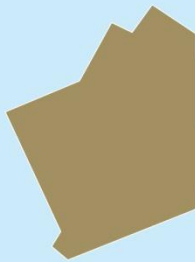
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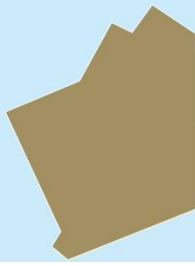


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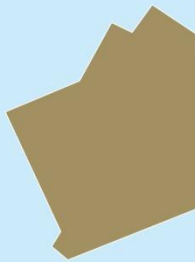
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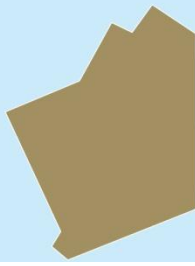
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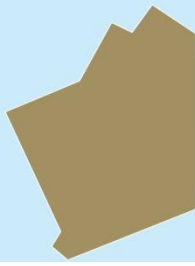
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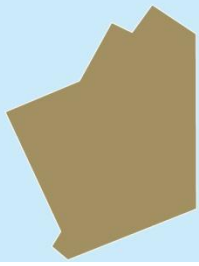
# Injury Profile Outcomes



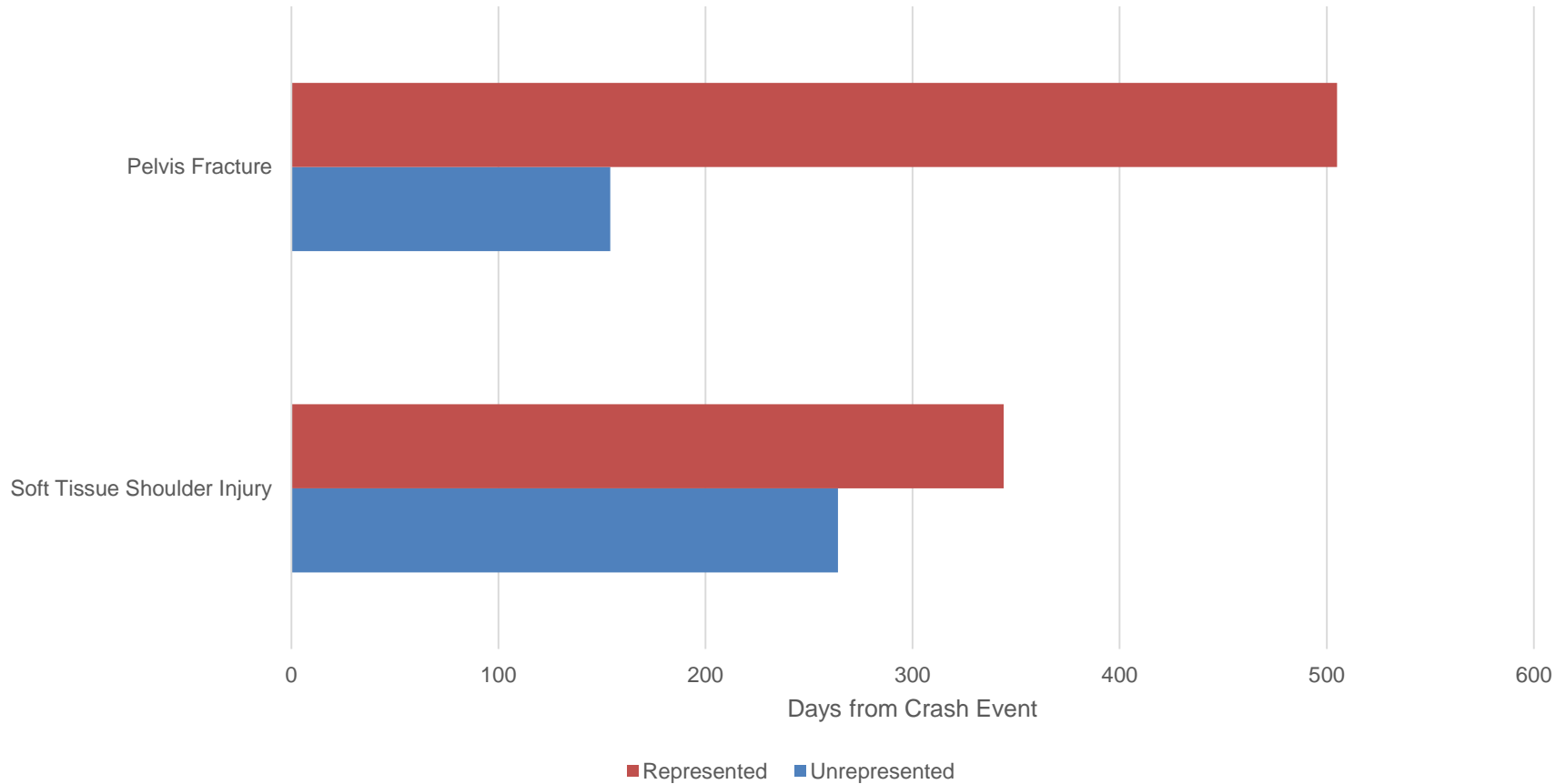
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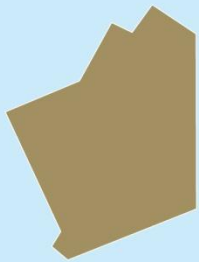
# Treatment Duration



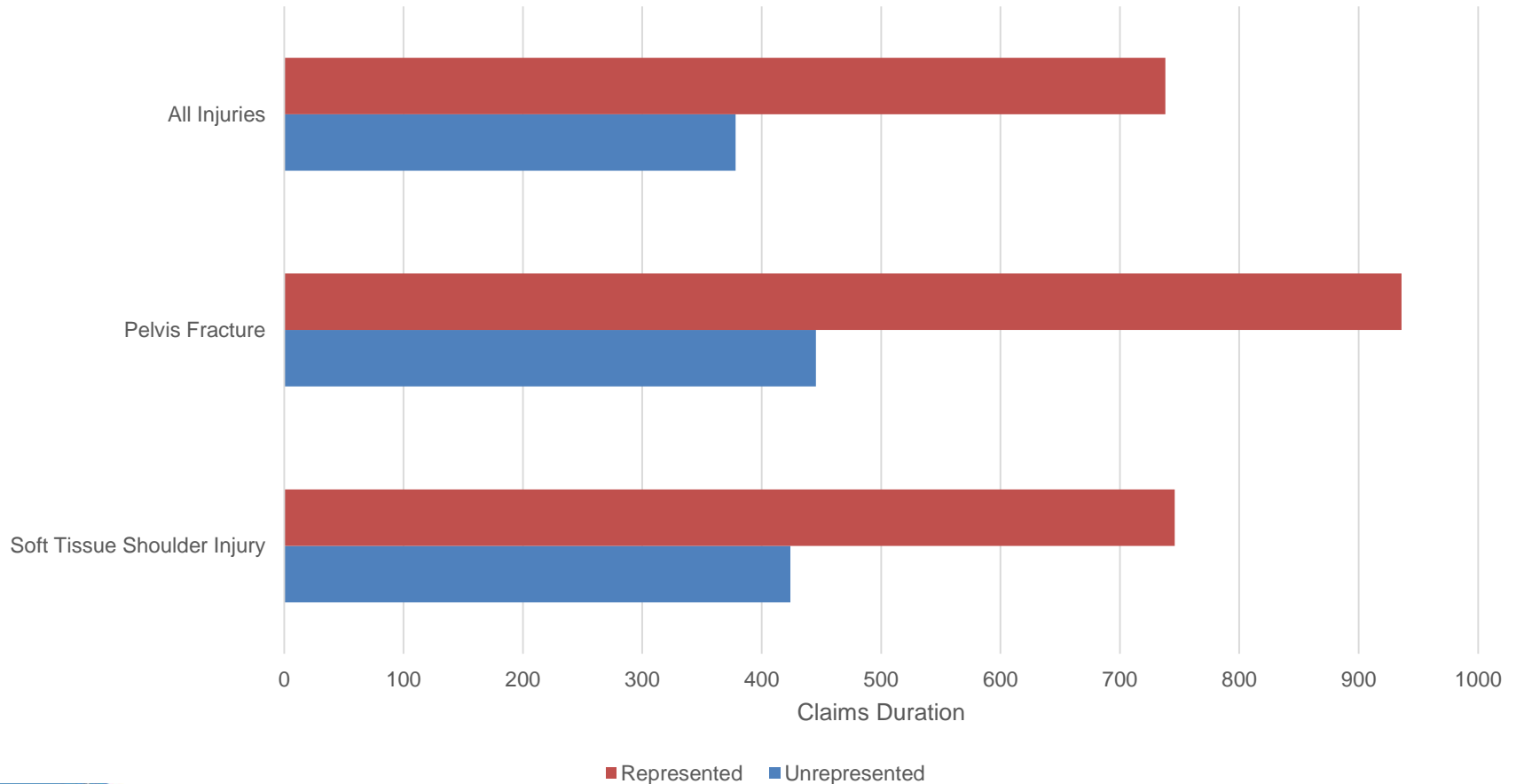
Treatment Duration for Represented Claims



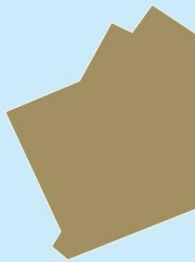
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Claim Duration for Represented Claims



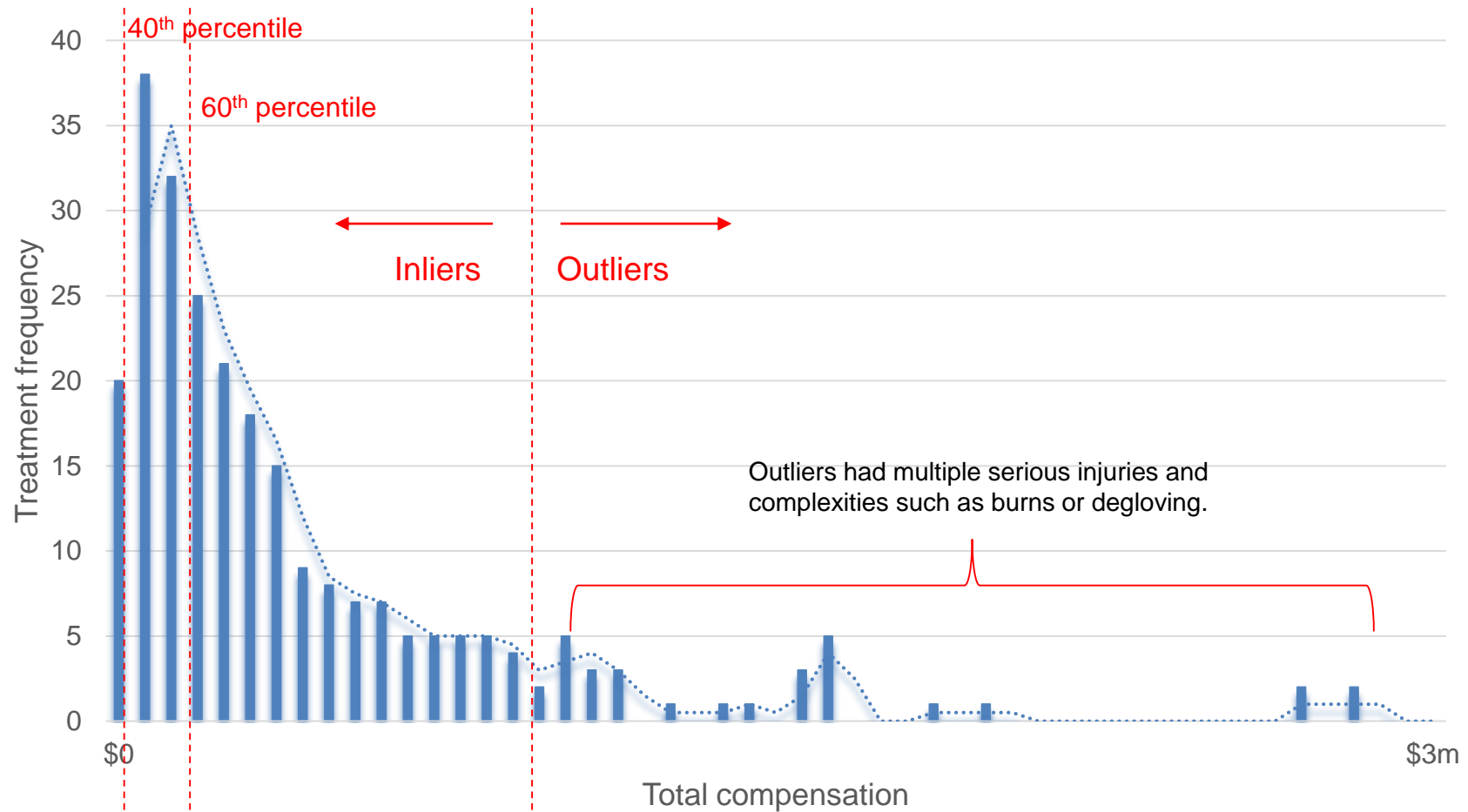
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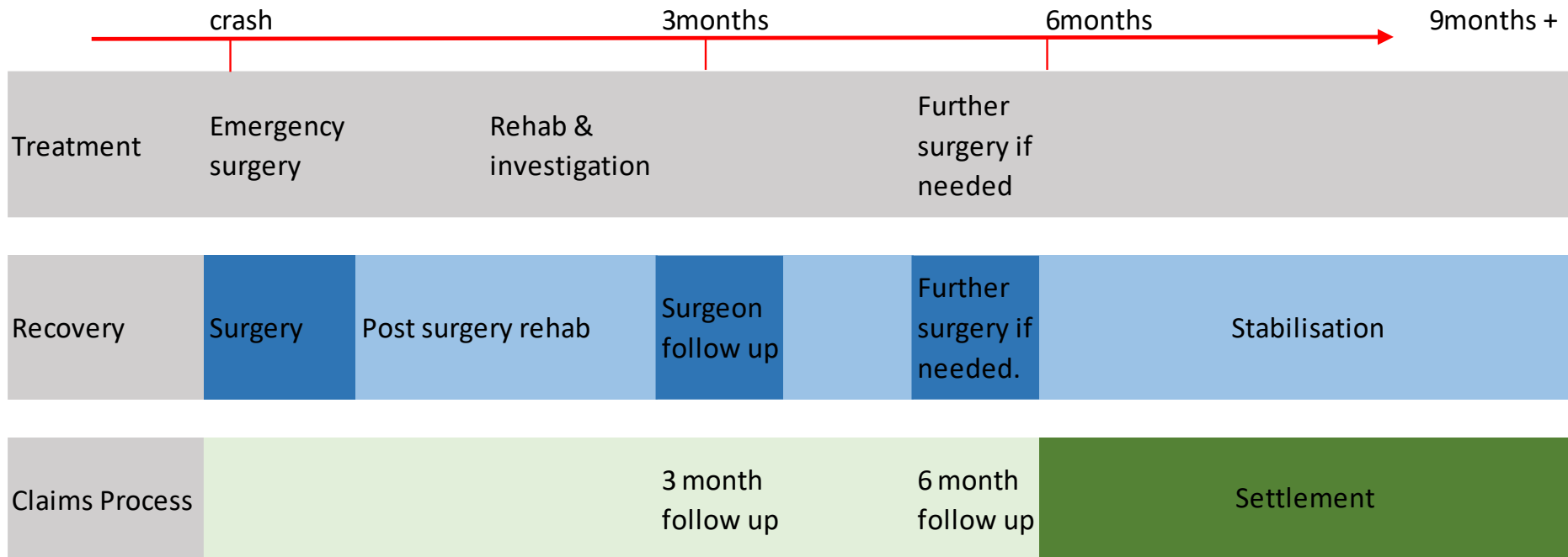
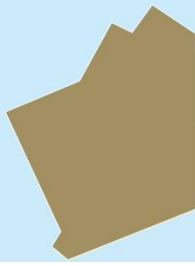


# Injury Example: Broken Femur





# Broken Femur (cont.)



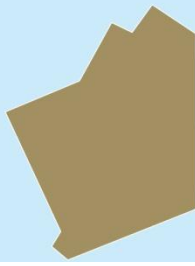
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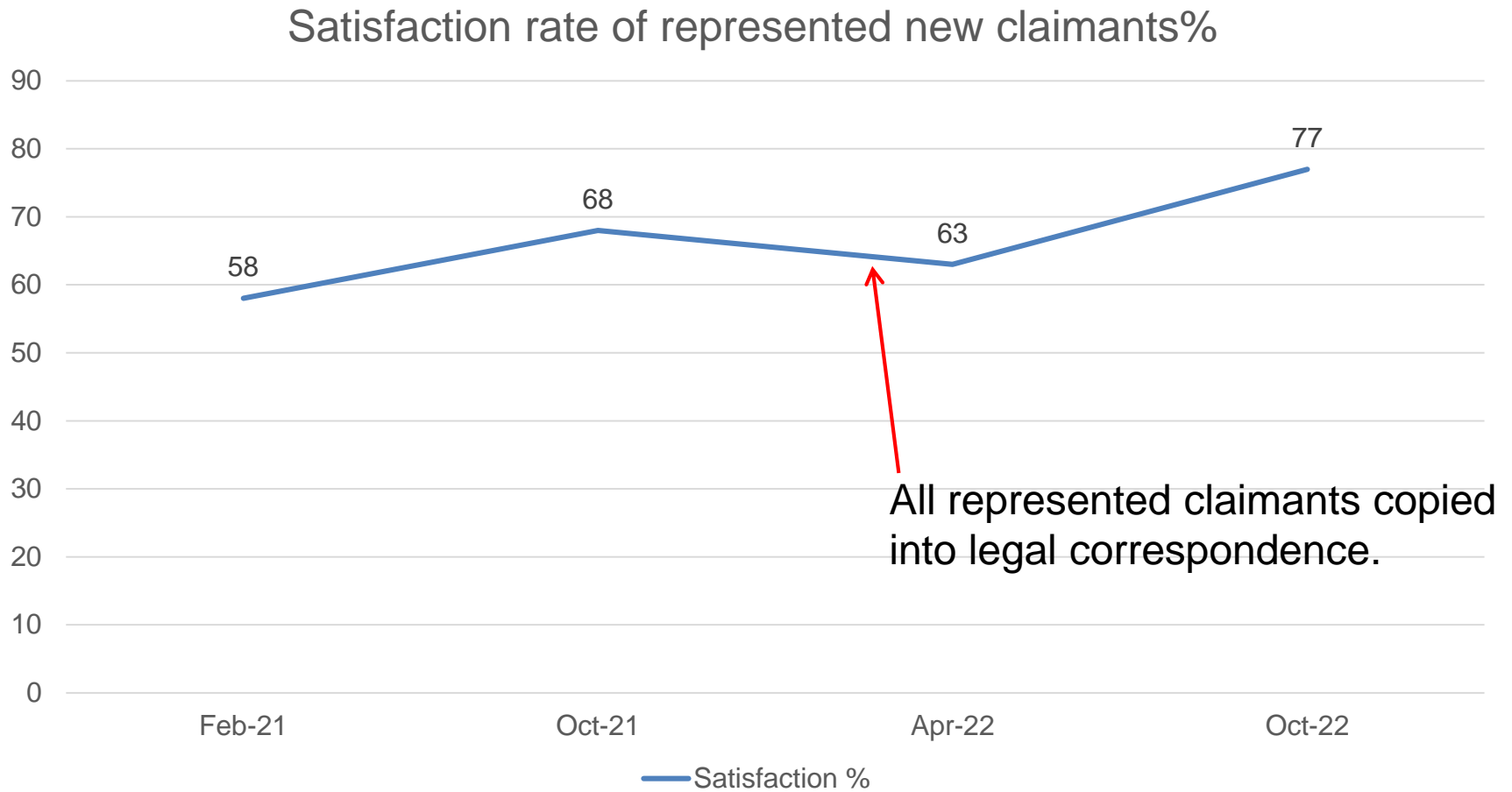
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# Customer Satisfaction Survey



# Liability Decisions Made Within 25 Days

