

Appendix D: Summary of Data

General comments

The adopted heads of damage proportions were selected in general considering

- 1) the need for the proportions to add up to 100% across all heads of damage
- 2) a variety of data sources (as summarised in the tables below), and the reliability of the data
- 3) The composition of recent large awards
- 4) Typical profile of public liability personal injury claims, such as delay to settlement and age at settlement

The data below has been supplemented with data included in the Trowbridge reports to the Insurance Issues Working Group of Heads of Treasuries:

- "Analysis for meeting of Ministers 27 March 2002" dated 26 March 2002, and
- "Practical proposals for reform" dated 30 May 2002

D1: General Damages Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | HCLA | Adopted |
|--------------|------------|------------|------------|------------|------------|------------|
| 50,000 | 39% | 53% | 37% | 61% | 70% | 39% |
| 100,000 | 37% | 47% | 36% | 43% | 60% | 37% |
| 200,000 | 34% | 26% | 35% | 31% | 50% | 32% |
| 500,000 | 11% | 17% | 29% | 25% | 30% | 25% |
| 750,000 | 43% | | 22% | 13% | 20% | 22% |
| 1,000,000 | 28% | | 19% | 13% | 16% | 18% |
| 1,500,000 | 5% | | 17% | 11% | 12% | 12% |
| 2,000,000 | | | 16% | 11% | 10% | 10% |
| 3,000,000 | | | 15% | | 9% | 9% |
| 4,000,000 | | | 7% | | 8% | 8% |
| 5,000,000 | | | 5% | | 7% | 7% |
| 7,000,000 | | | 13% | | 5% | 6% |
| Total | 26% | 29% | 37% | 56% | 66% | 38% |

Comments: The adopted distribution reflects a view that a greater proportion of claims cost in the smaller size bands is consumed in defendant legal and investigation compared to HCLA and QLD CTP claims.

D2: Past Economic Loss Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | HCLA | Adopted |
|--------------|-----------|------------|-----------|-----------|-----------|-----------|
| 50,000 | 2% | 0% | 6% | 6% | 3% | 3% |
| 100,000 | 8% | 5% | 9% | 12% | 5% | 8% |
| 200,000 | 13% | 4% | 11% | 15% | 10% | 12% |
| 500,000 | 5% | 18% | 13% | 11% | 25% | 10% |
| 750,000 | 16% | | 11% | 3% | 30% | 10% |
| 1,000,000 | 0% | | 9% | 3% | 25% | 9% |
| 1,500,000 | 0% | | 7% | 3% | 18% | 8% |
| 2,000,000 | | | 7% | 3% | 16% | 7% |
| 3,000,000 | | | 4% | | 14% | 6% |
| 4,000,000 | | | 4% | | 12% | 6% |
| 5,000,000 | | | 2% | | 10% | 6% |
| 7,000,000 | | | 1% | | 10% | 6% |
| Total | 6% | 11% | 7% | 7% | 4% | 4% |

Comments: Past economic reduced in significance above a certain size reflecting the increased importance of other heads of damage, notably future cost of care. The duration to settlement for the more severely injured is also likely to be shorter than for HLCA claims (fewer baby claims), reducing the importance of past loss.

D3: Future Economic Loss Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | HCLA | Adopted |
|--------------|------------|------------|-----------|-----------|-----------|-----------|
| 50,000 | 0% | 0% | 5% | 5% | 3% | 2% |
| 100,000 | 7% | 2% | 12% | 20% | 5% | 5% |
| 200,000 | 16% | 11% | 17% | 30% | 10% | 10% |
| 500,000 | 7% | 34% | 26% | 40% | 25% | 24% |
| 750,000 | 25% | | 28% | 24% | 30% | 27% |
| 1,000,000 | 34% | | 27% | 24% | 25% | 26% |
| 1,500,000 | 6% | | 25% | 14% | 18% | 24% |
| 2,000,000 | | | 19% | 14% | 16% | 22% |
| 3,000,000 | | | 16% | | 14% | 18% |
| 4,000,000 | | | 12% | | 12% | 14% |
| 5,000,000 | | | 8% | | 10% | 10% |
| 7,000,000 | | | 7% | | 10% | 10% |
| Total | 17% | 19% | 7% | 9% | 4% | 3% |

Comments: was selected to be broadly consistent with the various data sources considered.

D4: Plaintiff Legal Cost Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | HCLA | Large Insurer | Adopted |
|--------------|-----------|------------|------------|------------|------------|---------------|------------|
| 50,000 | 8% | 12% | 14% | 15% | 30% | 14% | 10% |
| 100,000 | 19% | 10% | 12% | 9% | 25% | 12% | 13% |
| 200,000 | 12% | 25% | 9% | 7% | 20% | 11% | 15% |
| 500,000 | 19% | 8% | 7% | 4% | 15% | 7% | 10% |
| 750,000 | 6% | | 7% | 5% | 10% | 5% | 8% |
| 1,000,000 | 5% | | 6% | 5% | 7% | 10% | 7% |
| 1,500,000 | 3% | | 6% | 3% | 5% | 2% | 6% |
| 2,000,000 | | | 4% | 3% | 4% | 0% | 5% |
| 3,000,000 | | | 4% | | 3% | 3% | 5% |
| 4,000,000 | | | 4% | | 2% | | 5% |
| 5,000,000 | | | 2% | | 2% | | 4% |
| 7,000,000 | | | 2% | | 1% | 12% | 4% |
| Total | 7% | 12% | 14% | 13% | 28% | 13% | 11% |

Comments: was selected to be broadly consistent with the various data sources considered. HCLA is sum of plaintiff and defendant legal and investigation.

D5: Defendant Legal & Investigation Cost Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | HCLA | Large Insurer | Adopted |
|--------------|------------|------------|------------|-----------|-----------|---------------|------------|
| 50,000 | 40% | 33% | 14% | 4% | | 15% | 38% |
| 100,000 | 24% | 18% | 13% | 4% | | 14% | 25% |
| 200,000 | 16% | 29% | 10% | 4% | | 12% | 18% |
| 500,000 | 55% | 8% | 7% | 3% | | 8% | 15% |
| 750,000 | 4% | | 6% | 4% | | 8% | 12% |
| 1,000,000 | 5% | | 7% | 4% | | 5% | 10% |
| 1,500,000 | 8% | | 5% | 2% | | 9% | 9% |
| 2,000,000 | | | 4% | 2% | | 2% | 8% |
| 3,000,000 | | | 4% | | | 7% | 8% |
| 4,000,000 | | | 3% | | | | 8% |
| 5,000,000 | | | 3% | | | | 8% |
| 7,000,000 | | | 3% | | | 0% | 8% |
| Total | 12% | 16% | 13% | 4% | 0% | 14% | 35% |

Comments: Selected proportion is higher for general Public Liability compared to CTP of HCLA claims reflecting increased investigation costs required.

D6: Long Term Care Cost Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | Adopted |
|--------------|------------|-----------|-----------|-----------|-----------|
| 50,000 | 4% | 0% | 1% | 3% | 2% |
| 100,000 | 1% | 6% | 1% | 6% | 5% |
| 200,000 | 6% | 1% | 1% | 6% | 7% |
| 500,000 | 0% | 3% | 2% | 4% | 10% |
| 750,000 | 4% | | 4% | 44% | 15% |
| 1,000,000 | 14% | | 7% | 44% | 24% |
| 1,500,000 | 26% | | 9% | 59% | 35% |
| 2,000,000 | | | 7% | 59% | 42% |
| 3,000,000 | | | 11% | | 48% |
| 4,000,000 | | | 9% | | 52% |
| 5,000,000 | | | 18% | | 60% |
| 7,000,000 | | | 21% | | 60% |
| Total | 13% | 3% | 3% | 3% | 3% |

Comments: Includes future medical costs. Increases in importance as claim size increases. Proportions for largest claim size bands reflective recent large awards.

D7:Medical Care Cost Proportions

| Upper band | Sample 1 | Sample 2 | MAA | Qld CTP | Adopted |
|------------|----------|----------|-----|---------|---------|
| 50,000 | 3% | 2% | 16% | 7% | 3% |
| 100,000 | 4% | 8% | 12% | 8% | 6% |
| 200,000 | 2% | 2% | 11% | 7% | 5% |
| 500,000 | 2% | 11% | 11% | 4% | 5% |
| 750,000 | 2% | | 11% | 25% | 5% |
| 1,000,000 | 8% | | 13% | 25% | 5% |
| 1,500,000 | 50% | | 12% | 27% | 5% |
| 2,000,000 | | | 11% | 27% | 5% |
| 3,000,000 | | | 13% | | 5% |
| 4,000,000 | | | 15% | | 5% |
| 5,000,000 | | | 8% | | 5% |
| 7,000,000 | | | 9% | | 5% |
| Total | 18% | 8% | 15% | 7% | 4% |

Comments: The adopted proportion of medical costs is in relation to past medical. Future medical costs are assumed to be included in long term care. Past medical is considered to be lower for General Public Liability compared to CTP schemes.

D8:Other Cost Proportions

| Upper band | Sample 1 | Sample 2 | Adopted |
|------------|----------|----------|---------|
| 50,000 | 5% | 0% | 3% |
| 100,000 | 0% | 4% | 1% |
| 200,000 | 1% | 2% | 1% |
| 500,000 | 0% | 0% | 1% |
| 750,000 | 0% | | 1% |
| 1,000,000 | 5% | | 1% |
| 1,500,000 | 1% | | 1% |
| 2,000,000 | | | 1% |
| 3,000,000 | | | 1% |
| 4,000,000 | | | 2% |
| 5,000,000 | | | 0% |
| 7,000,000 | | | 1% |
| Total | 2% | 1% | 3% |

Appendix D9: Distribution of Claims Cost

| Upper band | Distribution of Claims | | | | | Average Claims Size | | | | |
|--------------|------------------------|-------------|-------------|-------------|-------------|---------------------|---------------|---------------|---------------|---------------|
| | Large Insurer | MAA | HCLA | TMF | Adopted | Large Insurer | MAA | HCLA | TMF | Adopted |
| 50,000 | 78.91% | 71.85% | 75.00% | 74.98% | 79.47% | 15,276 | 14,126 | 15,000 | 13,888 | 15,000 |
| 100,000 | 12.61% | 14.05% | 10.00% | 13.64% | 12.50% | 69,017 | 69,920 | 75,000 | 69,184 | 70,000 |
| 200,000 | 5.34% | 8.01% | 8.00% | 7.20% | 5.00% | 138,624 | 139,104 | 150,000 | 138,533 | 135,000 |
| 500,000 | 2.17% | 4.79% | 3.00% | 2.89% | 2.00% | 299,692 | 300,981 | 350,000 | 290,199 | 330,000 |
| 750,000 | 0.52% | 0.66% | 2.00% | 0.58% | 0.50% | 598,260 | 599,673 | 600,000 | 598,876 | 600,000 |
| 1,000,000 | 0.23% | 0.29% | 1.00% | 0.27% | 0.25% | 846,183 | 868,311 | 800,000 | 884,818 | 850,000 |
| 1,500,000 | 0.10% | 0.16% | 0.30% | 0.31% | 0.10% | 1,266,459 | 1,216,369 | 1,250,000 | 1,162,901 | 1,250,000 |
| 2,000,000 | 0.06% | 0.07% | 0.30% | 0.04% | 0.06% | 1,714,467 | 1,720,004 | 1,750,000 | 1,841,307 | 1,750,000 |
| 3,000,000 | 0.03% | 0.06% | 0.10% | 0.04% | 0.03% | 2,187,666 | 2,365,550 | 2,500,000 | 2,029,697 | 2,500,000 |
| 4,000,000 | 0.00% | 0.04% | 0.10% | 0.04% | 0.03% | | 3,380,484 | 3,500,000 | 3,224,488 | 3,500,000 |
| 5,000,000 | 0.00% | 0.01% | 0.10% | 0.00% | 0.03% | | 4,493,606 | 4,500,000 | | 4,500,000 |
| 7,000,000 | 0.03% | 0.01% | 0.10% | 0.00% | 0.03% | 5,004,963 | 5,772,769 | 7,000,000 | | 6,000,000 |
| Total | 100% | 100% | 100% | 100% | 100% | 44,327 | 59,290 | 87,735 | 50,801 | 46,396 |

Comments: The adopted claim size distribution is reflective of the reasonable consistency in claim size distributions across a variety of personal injury data sources. The major difference is that the HCLA has a greater proportion of large claims.

Appendix D10: Average Term to Settlement

| Upper band | Sample 1 | Sample 2 | TMF | Adopted |
|-----------------------|---------------------|---------------------|------------|----------------|
| 50,000 | 2.7 | 2.6 | 4.7 | 3.0 |
| 100,000 | 4.9 | 3.1 | 5.2 | 4.0 |
| 200,000 | 4.9 | 4.6 | 5.7 | 5.0 |
| 500,000 | 8.7 | 4.5 | 6.7 | 6.0 |
| 750,000 | 6.3 | | 8.8 | 7.0 |
| 1,000,000 | 5.8 | | 7.0 | 8.0 |
| 1,500,000 | 3.7 | | 7.9 | 8.0 |
| 2,000,000 | | | 9.1 | 8.0 |
| 3,000,000 | | | 4.0 | 8.0 |
| 4,000,000 | | | 4.1 | 8.0 |
| 5,000,000 | | | | 8.0 |
| 7,000,000 | | | | 8.0 |
| Total | 3.9 | 3.0 | 5.2 | 3.3 |

Appendix D11: Average Age of Claimant

| Upper band | Sample 1 | Sample 2 | Adopted |
|------------|----------|----------|---------|
| 50,000 | 53.9 | 57.4 | 50.0 |
| 100,000 | 49.4 | 50.9 | 50.0 |
| 200,000 | 44.0 | 47.3 | 50.0 |
| 500,000 | 66.0 | 41.4 | 50.0 |
| 750,000 | 43.0 | | 50.0 |
| 1,000,000 | 14.0 | 47.0 | 50.0 |
| 1,500,000 | 15.0 | | 50.0 |
| 2,000,000 | | | 50.0 |
| 3,000,000 | | | 50.0 |
| 4,000,000 | | | 50.0 |
| 5,000,000 | | | 50.0 |
| 7,000,000 | | 54.0 | 50.0 |
| Total | 49.8 | 52.9 | 50.0 |

Comment: general public liability claimants are typically much older than either CTP or HCLA claimants