

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 HCLA 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	Large Insurer	Distribution of Claims				Average Claims Size				
		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