



20 October 2016

Dear All

### CTP reform update

I am writing on behalf of the Minister for Innovation and Better Regulation, the Hon Victor Dominello MP, to update you on the Government's Compulsory Third Party (CTP) reform process.

Despite media reports today to the contrary, the Government's reform process is continuing.

While I wrote earlier this week to the legal profession indicating that the Government intends to adopt a proposal to cap legal fees for low severity injuries as an interim measure, this is entirely separate to the proposal for broader, systemic reform of the scheme.

While this proposal is a step in the right direction, the CTP scheme actuaries estimate it will only result in minor premium savings - up to \$10 per annum. This proposal does nothing to address the need to reduce delays in providing benefits to injured people or ensuring a higher proportion of scheme funds go to the most seriously injured, which remains a priority for the Government.

As you would be aware, the expert CTP Reference Panel's report [CTP reform consultation observations](#) supports the Government's objectives for an improved scheme and the proposal for a hybrid no-fault, defined benefit scheme as the best way to improve benefits to injured people and reduce premiums.

The Panel also raised significant issues of detail which require further consideration and investigation by the Government. These include the best mechanisms to control insurer super profits and premiums, boost regulator powers over insurer claims management practices, and strengthen dispute resolution processes. Refinement is also required to the design of the proposed 'fairness test' for people with lower severity injuries who may require additional assistance.

The Minister for Innovation and Better Regulation, the Hon Victor Dominello MP, has asked the State Insurance Regulatory Authority (SIRA) to prepare additional modelling and advice on these issues, at which point the Government will consult further with stakeholders before finalising the reform model.

I appreciate the contribution your organisation has played in the reform process to date, and I look forward to continuing to work together in a constructive manner to improve the CTP scheme for the people of NSW.

If you have any questions please contact Christian Fanker by email at [christian.fanker@sira.nsw.gov.au](mailto:christian.fanker@sira.nsw.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Anthony Lean'.

**Anthony Lean**  
Chief Executive, State Insurance Regulatory Authority  
Deputy Secretary Better Regulation

