

Research Director  
Communities, Disability Services and Domestic and Family Violence Prevention Committee  
Parliament House  
George Street  
Brisbane QLD 4000

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8 February 2016

Dear Sir/Madam

## **Inquiry into a suitable model for the implementation of the National Injury Insurance Scheme**

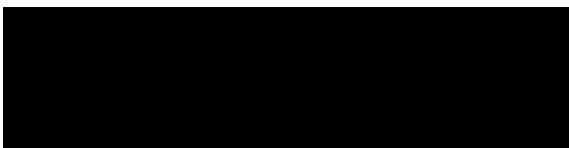
Thank you for your letter dated 25 January 2016 inviting comment on the Taylor Fry report costings of the two NIIS models identified in the Inquiry's terms of reference.

The Taylor Fry report provides actuarial support to our earlier submission that the Government adopt a Lifetime Care and Support Scheme (or Option A for brevity). Option A provides for a scheme that would meet the minimum benchmarks developed through the Council for Federal Financial Relations. It allows for two separate but complementary schemes that will not create unnecessary uncertainty for insurers regarding eligibility of benefits, or conflicts and disputes regarding liability that the modelled Option B hybrid scheme may produce, and the additional costs associated with resolving those disputes.

Option A allows the catastrophically injured to receive consistent levels of care and support funding regardless of fault and may allow for better allocation of resources of services. Option A also better enables Insurers to predict their future liabilities and to price on that basis. Based on the Taylor Fry modelling, Option A provides the most affordable implementation of the NIIS and greater certainty for recipients and insurers.

RACQ Insurance look forward to discussing the NIIS implementation directly with the Committee.

Yours sincerely



**Bradley Heath**  
**Chief Executive Officer**  
**RACQ Insurance Limited**