3. Compulsory Third Party Insurance scheme claims and costs

Readers should be aware of two factors likely to influence the data for the latest two years in Table 3.1 and Figure 3.1. They are:

1) the introduction of a number of significant legislative and regulatory road safety measures, including (but not limited to) the 50 km/h speed limit in many urban locations from March 2003 (which is believed to have impacted on the number of road crashes being reported by the South Australian Police and on subsequent claims in 2003/04 and later years (MAC Annual Report 2003/04)), speed camera demerit points and speed detection on red lights; and

2) changes in the insuring agent from 1 July 2003, and subsequent changes in some administrative practices (from 1 July 2004, claims were opened only after a direct approach from an injured party, rather than as previously on advice of a vehicle owner or driver that there may have been an injury), resulted in a reduction in the number of claims in 2004/05 and later years.

Further, on advice from the Motor Accident Commission, the major analysis in this chapter is restricted to the 2002/03 financial year, as details of claims opened and finalised are believed to be most consistent in that year. However, the number of claims in the latest years for which complete data of lodgements are available, 2003/04 and 2004/05, have been shown in the following section, to indicate the substantial reduction in claim lodgements.

Claims by year and sex

The number and rate of claims increased by 11.8% and 10.2% respectively, from 1997/98 to 2000/01, before declining slightly in 2001/02 and 2002/03 (Table 3.1 and Figure 3.1). This was followed by more substantial declines in the two subsequent years, with the number of claims in 2004/05 down by 38.0% on the level in 2002/03 and the rate down by 37.1%. These trends were also evident for males and females, with the decline for males in the latest years somewhat larger than for females: for males, the decline between 2002/03 and 2003/04 was 17.5% (13.3% for females), and from 2003/04 to 2004/05, it was 28.7% (23.4% for females). These declines reflect the changes described in the box above.

More claims were made in each year by females, with markedly higher rates per 100,000 female population compared to claims made by males. The differential in rates had decreased, from 27% more claims by females in 1997/98 to 18% more in 2002/03; however, the female rate has since risen to be 33% higher in 2004/05.

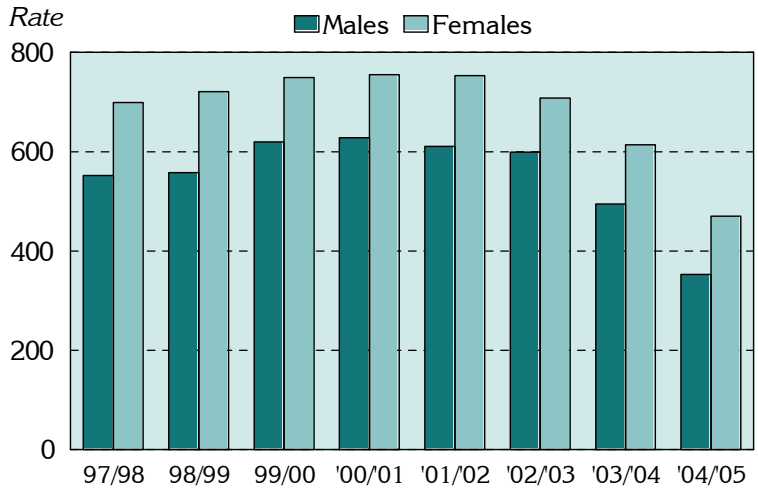
Table 3.1: Compulsory Third Party Insurance scheme – number and rate[1] of claims by sex and year, South Australia, claims opened between 1997/98 and 2004/05

Year	Males		Females		Persons		Female/male claims ratio[2]
	Number	Rate	Number	Rate	Number	Rate	
1997/98	4,065	552.1	5,267	699.3	9,372	629.2	1.27
1998/99	4,116	557.5	5,440	720.8	9,570	641.0	1.29
1999/00	4,591	619.9	5,672	749.2	10,281	686.5	1.21
2000/01	4,694	628.2	5,773	755.2	10,479	693.2	1.20
2001/02	4,592	610.8	5,787	753.0	10,389	683.4	1.23
2002/03	4,530	599.4	5,459	707.7	10,003	655.0	1.18
2003/04	3,727	494.7	4,582	613.9	8,369	556.5	1.24
2004/05	2,662	352.6	3,513	470.3	6,204	412.1	1.33
% change 1997/98 to 2004/05	-34.5	-36.1	-33.3	-32.7	-33.8	-34.5	..

[1]Age standardised rate per 100,000 population
[2]Ratio of female to male claims rates

The increase in rate of claims for males and females from 1997/98 to 2000/01, and the subsequent declines, are highlighted in Figure 3.1.

Figure 3.1: Compulsory Third Party Insurance scheme – rate[1] of claims by sex and year, South Australia, 1997/98 to 2004/05



[1]Age standardised rate per 100,000 population

The average cost per claim increased by 8.8% from 1999/00 to 2002/03. However, this masks a decrease in cost in the two middle years, with the average cost in 2001/02 being 10.6% lower than in 1999/2000, followed by a marked increase between 2001/02 and 2002/03, of 21.7%. It also masks differential movements for males and females over these years (described below).

Despite the lower rate of claims opened for males, the average cost per claim was much higher than for females. For example, in 1999/00, the average cost of claims by females was 75% of male claims: in 2000/01 it was lower, at 63%, before returning to 75% in 2002/03. However, average costs have moved differentially for males and females over the years shown. For males, the average cost per claim increased from 1999/00 to 2000/01, then decreased (by 15.8%) in 2001/02, before increasing markedly (by 31.9%) between 2001/02 and 2002/03. For females, the average cost decreased (by 10.3%) between 1999/00 and 2000/01, increased marginally (3.9%) to 2001/02, and then increased markedly (by 26.4%) in 2002/03. Again, changes in claims administration practices may have influenced these movements.

Table 3.2: Compulsory Third Party Insurance scheme – cost of claims by sex and year, South Australia, claims finalised between 1999/00 and 2002/03

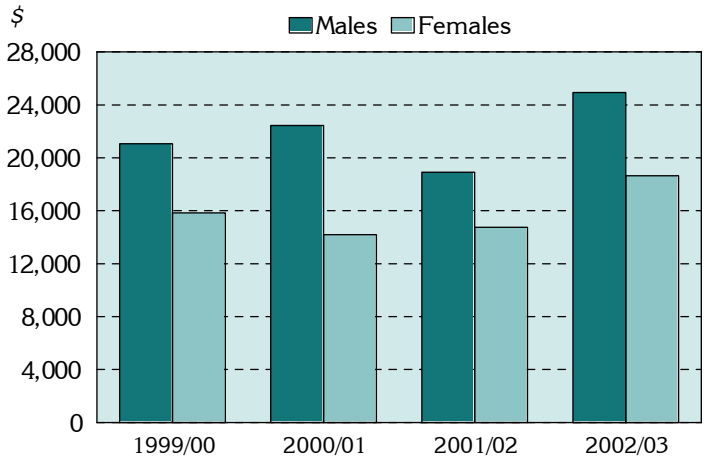
Year	Males		Females		Persons		Female/ male cost ratio[1]
	cost ($m)	average cost per claim ($)	cost ($m)	average cost per claim ($)	cost ($m)	average cost per claim ($)	
	Current prices						
1999/00	92.1	21,055	88.1	15,834	198.1	19,716	0.75
2000/01	107.4	22,450	84.4	14,199	196.1	18,210	0.63
2001/02	93.6	18,909	89.9	14,747	196.8	17,628	0.78
2002/03	113.7	24,937	105.5	18,637	219.7	21,459	0.75
	Constant prices[2]						
1999/00	107.6	24,609	102.8	18,506	231.4	23,044	0.75
2000/01	116.6	24,379	91.7	15,419	212.9	19,775	0.63
2001/02	97.2	19,644	93.4	15,320	204.6	18,313	0.78
2002/03	113.7	24,937	105.5	18,637	219.7	21,459	0.75

[1] Ratio of female to male average cost per claim
[2] Using the implicit price deflator for health (reference year 2002/03)

Note: Some 278 claims could not be allocated by sex

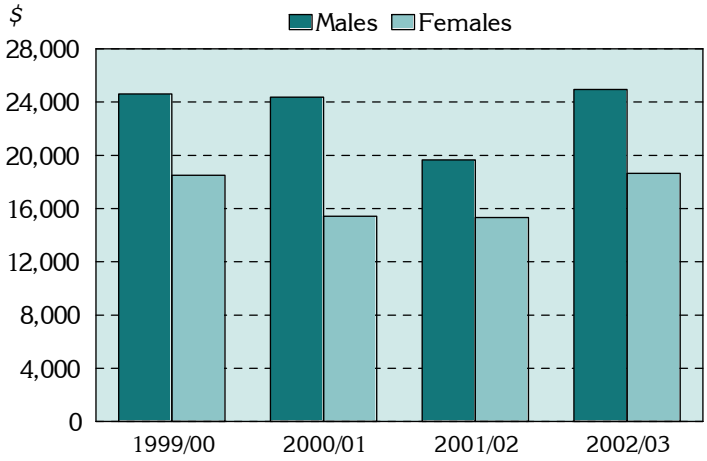
The data in Table 3.2, at current prices, are represented graphically in Figure 3.2.

Figure 3.2: Compulsory Third Party Insurance scheme – average cost per claim finalised by sex and year, current prices, South Australia, 1999/00 to 2002/03



The constant price estimates in Table 3.2 (above), graphed in Figure 3.3, indicate what expenditure would have been if 2002/03 prices had applied in all years. For both males and females, costs in the first and last periods are similar, with a lower average cost for males only in 2001/02, and for females in both intervening years.

Figure 3.3: Compulsory Third Party Insurance scheme – average cost per claim finalised by sex and year, constant prices, South Australia, 1999/00 to 2002/03



Claims by period from date of crash to claim lodgement and finalisation

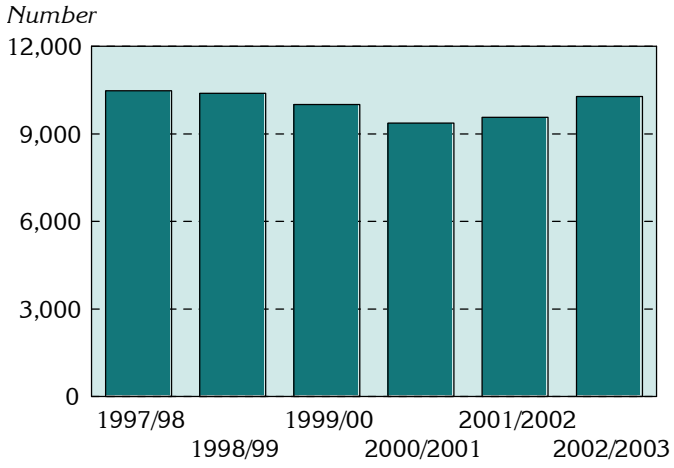
Table 3.3 shows the time taken from the date of the crash for a claim to be opened in South Australia. The majority of claims, around 85% for each year from 1997/98 to 2002/03, were opened within three months of the date of the accident (the average elapsed time between the crash event and claim lodgement is around 60 days). A further 10.0% of claims were opened in a three to six month period following the accident, with an average of 2.4% being opened between seven and twelve months after the accident.

Table 3.3: Compulsory Third Party Insurance scheme – time from crash date to date claim opened, South Australia, 1997/98 to 2002/03

Time from crash date	Year claim opened						
(months)	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	Total
	Number						
Less than 3	8,870	8,809	8,499	8,039	8,199	8,716	51,132
3-6	1,121	1,053	1,015	902	942	1,121	6,154
7-12	243	259	249	220	230	218	1,419
13-24	137	157	136	116	108	118	772
25-36	73	77	63	52	52	62	379
37-48	19	20	27	23	22	29	140
48+	16	14	14	20	17	17	98
Total	**10,479**	**10,389**	**10,003**	**9,372**	**9,570**	**10,281**	**60,094**
	Per cent						
Less than 3	84.6	84.8	85.0	85.8	85.7	84.8	85.1
3-6	10.7	10.1	10.1	9.6	9.8	10.9	10.2
7-12	2.3	2.5	2.5	2.3	2.4	2.1	2.4
13-24	1.3	1.5	1.4	1.2	1.1	1.1	1.3
25-36	0.7	0.7	0.6	0.6	0.5	0.6	0.6
37-48	0.2	0.2	0.3	0.2	0.2	0.3	0.2
48+	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Total	**100**	**99.9**	**100**	**99.9**	**99.9**	**110**	**100**

The number of claims finalised each year from 1997/98 to 2002/03 are shown in Figure 3.4, and are discussed above.

Figure 3.4: Year CTP claim finalised, South Australia, 1997/98 to 2002/03



Fewer than half (43.6%) of all claims made in 2002/03 were finalised within six months of the claim being lodged, with 26.2% finalised in less than three months and 17.4% within three to six months (Table 3.4). A further 19.2% were finalised 13 to 24 months after the claim was opened, with 15.4% within seven to twelve months. The remaining claims were finalised from 25 to 48 months and beyond, with 6.5% not being finalised until more than four years after the initial claim was lodged.

Table 3.4: Compulsory Third Party Insurance scheme – time from date claim lodged to date claim finalised, South Australia, 1999/00 to 2002/03

Time from lodgement (months)	Year claim finalised					
	1999/00	2000/01	2001/02	2002/03		Total
	Number				Per cent	Number
Less than 3	1,471	2,018	3,032	2,684	26.2	9,205
3-6	2,496	2,388	2,081	1,783	17.4	8,748
7-12	1,627	1,830	1,631	1,408	13.8	6,496
13-24	1,922	2,055	2,146	1,970	19.2	8,093
25-36	1,152	1,148	1,119	1,108	10.8	4,527
37-48	656	601	534	618	6.0	2,409
48+	721	728	620	666	6.5	2,735
Total	10,045	**10,768**	**11,163**	**10,237**	**100.0**	**42,213**
	Per cent					
Less than 3	14.6	18.7	27.2	26.2	..	21.8
3-6	24.8	22.2	18.6	17.4	..	20.7
7-12	16.2	17.0	14.6	13.8	..	15.4
13-24	19.1	19.1	19.2	19.2	..	19.2
25-36	11.5	10.7	10.0	10.8	..	10.7
37-48	6.5	5.6	4.8	6.0	..	5.7
48+	7.2	6.8	5.6	6.5	..	6.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**..**	**100.0**

Distribution of CTP claims across the State

In this and the following chapters, the location described and mapped or graphed relates to the address of usual residence of the claimant.

The rate of claims opened in Adelaide in 2002/03 was considerably (73%) higher than in country South Australia, with a rate of 757.6 claims per 100,000 for residents of Adelaide compared to 437.5 per 100,000 for people in country South Australia. The rate of claims in Adelaide was higher for both Other injuries (37% higher) and, more particularly, WAD injuries (2.43 times higher) claims (Table 3.5).

In the 2002/03 period, the total cost of finalised claims in Adelaide was more than five (5.19) times the cost of claims by country residents; however, the average cost per claim was the same for both areas. Again, the metropolitan/ country differential (for average incurred costs) was greater for WAD injury claims.

Claims rates for both WAD injuries and Other injury claims per head of population were higher in Adelaide than in country areas, although the rate of WAD injury claims (458.0 per 100,000 population) was by far the higher (2.43 times the country rate), and over three times the rate of Other injury claims (149.5 per 100,000 population). The differentials for total costs were even greater, with costs for WAD injuries in Adelaide over ten times (10.16) those in country South Australia; and over three times (3.07) for Other injuries).

Table 3.5: Compulsory Third Party Insurance scheme data by Adelaide and country South Australia, 2002/03[1]

Variable	Adelaide		Country South Australia		Metro/ country ratio[3]
	Number	Rate[2]	Number	Rate[2]	
Claims	**8,328**	**757.6**	**1,665**	**437.5**	1.73
WAD injuries	5,101	458.0	727	188.7	2.43
Other injuries	1,658	149.5	421	109.0	1.37
Total cost ($m)	**183.6**	**-**	**35.4**	**-**	5.19
WAD injuries	106.7	-	10.5	-	10.16
Other injuries	76.1	-	24.8	-	3.07
Average incurred cost/claim finalised ($)	**21,404**	**-**	**21,454**	**-**	1.00
WAD injuries	19,223	-	13,619	-	1.41
Other injuries	41,966	-	53,855	-	0.78

[1] Details are of the number of claims opened in 2002/03 and the cost of claims finalised in 2002/03
[2] Age standardised rate per 100,000 population
[3] Ratio of number of claims, total costs and average incurred cost per claim of residents of Adelaide to those in country South Australia

Note: Some 2,087 claims opened and 1,632 claims finalised could not be allocated to an injury category (WAD injury, Other injury)

Distribution of CTP claims and costs by SLA

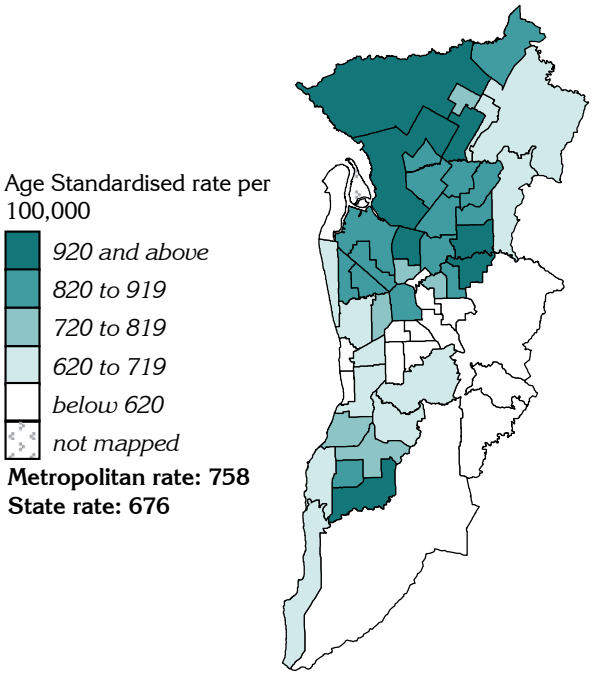
The pattern of distribution of CTP claims opened per 100,000 population across Adelaide in 2002/03 (Map 3.1) has a number of similarities with the geographic distribution of the socioeconomically disadvantaged population, as shown by the IRSD (Map 2.1): the strong inverse correlation (a correlation coefficient of -0.60) with the IRSD also supports the existence of this relationship.

Note: A positive association with socioeconomic disadvantage is indicated by an inverse (negative) correlation coefficient because of the way the ABS have constructed the index, to give relatively disadvantaged areas low(er) scores.

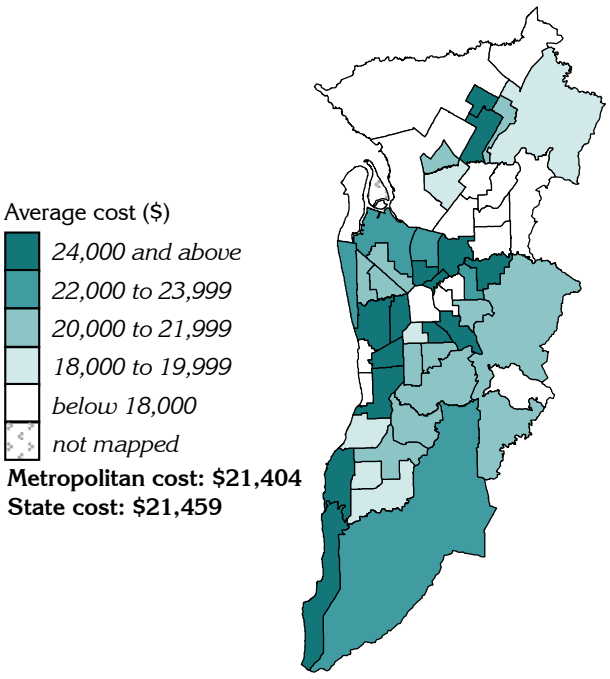
However, there were some differences, most notably:

- the high claims rate in an area to the north-east of the city, including the south-western portion of Tea Tree Gully local government area (LGA) and the eastern section of Campbelltown LGA; and
- the lower rates in some SLAs in the north-west.

Map 3.1: Compulsory Third Party Insurance scheme – claims opened, Adelaide, 2002/03
Claims per 100,000 population



Map 3.2: Compulsory Third Party Insurance scheme – average incurred cost per finalised claim, Adelaide, 2002/03



The map of average incurred cost per finalised claim in 2002/03 (Map 3.2), however, shows a more diverse pattern, bearing little relationship to the pattern of disadvantage. The SLAs with the highest rates for incurred cost per claim were clustered around the central city in the LGAs of West Torrens and Marion (North and Central SLAs), Prospect and Walkerville, and the SLAs of Port Adelaide Enfield - East, Campbelltown - East, Burnside - South-West and Unley - East. There were also high rates to the north in the SLAs of Playford - Elizabeth and - West Central, and in the south in the Onkaparinga SLAs of North Coast and South Coast.

Thus, areas with high average incurred cost per finalised claim included a mix of those with high IRSD scores (least disadvantage, such as Burnside - South-West) and low IRSD scores (greatest disadvantage, such as Playford - Elizabeth). The same is true for areas with low costs. Clearly, given the larger numbers of claims from the most disadvantaged areas, the total cost of claims and claims per head of population in these areas were higher (again supported by the correlation analysis, a correlation coefficient of -0.41 between the IRSD and average cost of claims per head of population).

This point is discussed further on page 40, *Distribution by socioeconomic status of area*.

Correlation ***is the degree to which one variable is statistically associated with another. The correlation coefficient is a measure of the strength of this association. When high values for one variable are matched by high values for the other (or when low values are matched by low values), then they are positively correlated. Where the interdependence is inverse (i.e. high values for one variable are matched by low values for the other), the two variables are negatively correlated. The correlation coefficients are not shown in the text, but are shown in the Appendix in Tables A1 (Adelaide) and A2 (country South Australia).***

The correlation coefficients at the SLA level in Adelaide between the claims' data and a number of the indicators of greatest socioeconomic disadvantage (including unskilled and semi-skilled workers and jobless families) were generally strong (0.50 or higher), and supported the findings described in the maps; the inverse correlations, with indicators of least socioeconomic disadvantage (managers and administrators, and professionals; high income families and Internet use at home) were slightly stronger (Table 3.6).

The correlations between average incurred costs per finalised claim and socioeconomic status at the SLA level in Adelaide were very weak, and there was no discernible pattern.

Table 3.6: Correlation summary – Compulsory Third Party Insurance scheme data and indicators of socioeconomic status

Indicator *(see Appendix for full descriptions)*	Adelaide			Country South Australia		
	Claims opened	Average incurred cost per		Claims opened	Average incurred cost per	
		claim	head		claim	head
Low income families	0.51	0.12	0.49	-0.20	-0.14	-0.19
High income families	-0.57	-0.03	-0.45	0.11	0.13	0.16
Unskilled and semi-skilled workers	0.59	-0.10	0.30	0.02	0.25	0.35
Managers & administrators, & professionals	-0.60	0.16	-0.31	-0.29	-0.14	-0.32
Unemployment rate	0.41	0.10	0.37	-0.12	0.16	0.14
Jobless families	0.54	0.06	0.42	0.02	-0.08	-0.01
Female labour force participation	-0.59	0.02	-0.34	-0.13	0.07	0.00
Full-time education participation at age 16	-0.59	0.16	-0.21	-0.21	-0.03	-0.12
Average subject scores[1]						
- PES scores	-0.52	0.15	-0.21	0.19	0.00	-0.04
- PAS scores	-0.52	-0.01	-0.40	-0.24	-0.08	-0.24
- SAS scores	-0.56	0.10	-0.32	-0.19	-0.09	-0.28
Aboriginal and Torres Strait Islander peoples	0.43	0.05	0.39	-0.05	0.33	0.35
People born overseas in predominantly non-English speaking countries						
- resident for 5 years or more	0.46	0.04	0.33	0.23	0.00	0.22
- resident for less than 5 years	0.09	0.09	0.19	-0.08	0.15	0.24
- poor proficiency in English	0.49	0.00	0.31	0.07	0.08	0.25
Dwellings rented from the SA Housing Trust	0.38	0.19	0.46	-0.01	-0.01	0.00
Households receiving rent assistance from Centrelink	0.22	0.06	0.28	0.25	-0.13	0.15
Internet used at home	-0.59	-0.02	-0.44	0.29	-0.03	0.05
IRSD	-0.60	0.00	-0.41	0.03	-0.10	-0.16

[1]Students (less than 19 years) sitting for Year 12 examinations

Note: Correlations between 0.3 and 0.49 are referred to as being 'weak'; between 0.50 and 0.70 as being 'strong', and shaded in light green; and those 0.71 and above as being 'very strong', and shaded in dark green. There is a more complete table in Appendix A1.

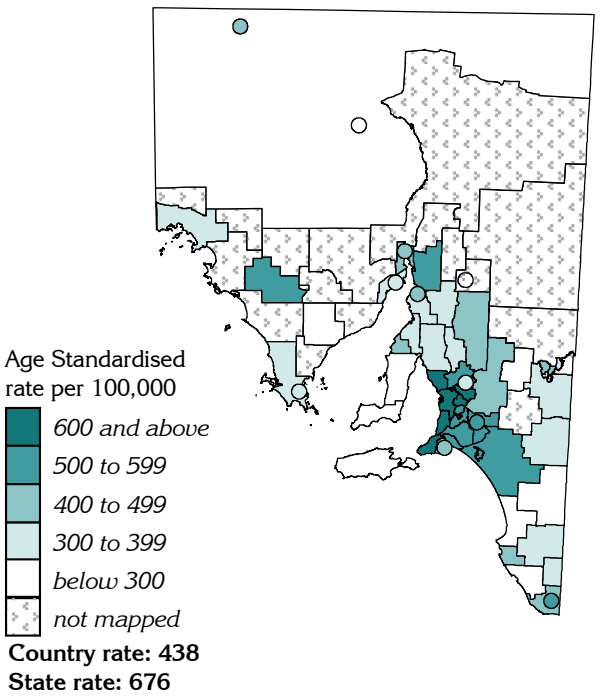
More complete details of the correlation coefficients are in the Appendix (Tables A1 and A2).

The geographic distribution of claims opened in country South Australia (Map 3.3) clearly shows the concentration of high rates of claims in SLAs nearer to Adelaide, with lesser concentrations around Mount Gambier, Cooper Pedy, The Coorong and the northern District Councils of Mount Remarkable and Le Hunte.

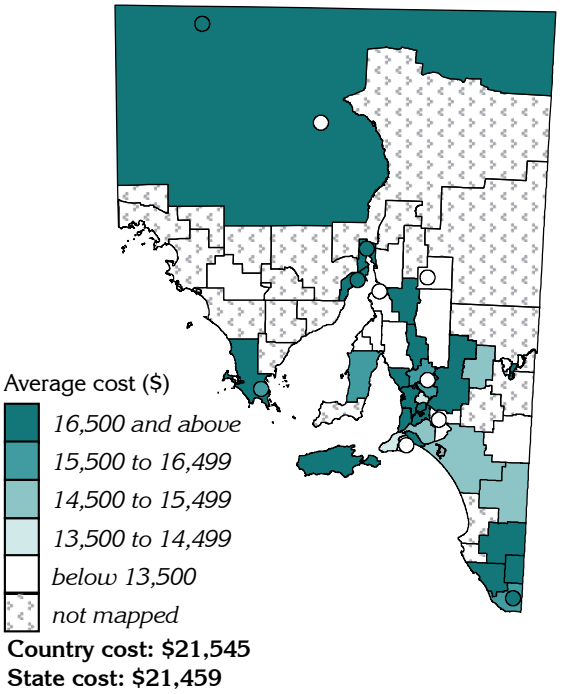
For average incurred costs per finalised claim (Map 3.4), the pattern shifts notably, generally outward and away from Adelaide, with the highest rates occurring in some of the most remote areas of the State. It is also evident that the rates in a number of the towns and other SLAs swap, from higher to lower, and vice versa, between the maps of claims and of average incurred costs.

Map 3.3: Compulsory Third Party Insurance scheme – claims opened, South Australia, 2002/03

Claims per 100,000 population



Map 3.4: Compulsory Third Party Insurance scheme – average incurred cost per finalised claim, South Australia, 2002/03



The results of the correlation analysis (Table 3.6, above) at the SLA level in country South Australia between the claims' data and the indicators of socioeconomic status are weak and inconsistent. This inconsistency is not unusual, given the relatively small population of the area overall and in many of the SLAs. The correlations for average incurred costs per claim are weaker again.

Change in geographic distribution of CTP claims

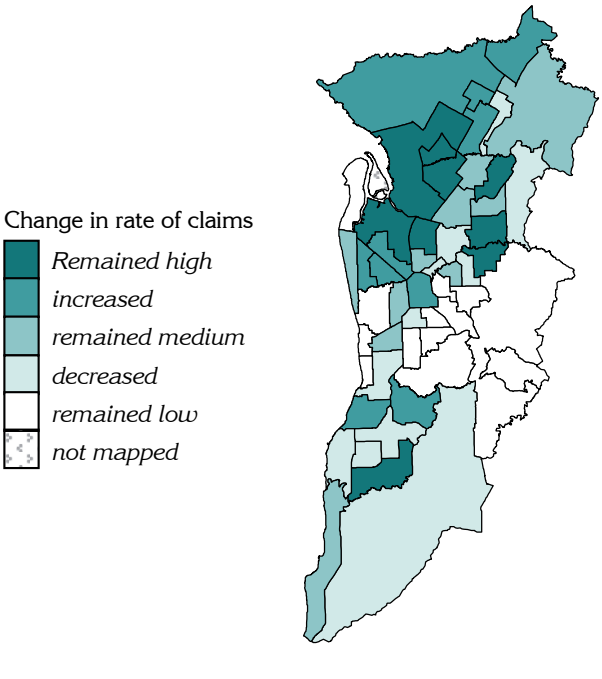
The following maps show the way in which the geographic distribution of claims and average costs have changed over the period 1997/98 to 2002/03. SLAs are allocated to five categories – where rates or average costs have remained in the middle range; where rates were high (or low) and have remained in those intervals; where rates or average costs have increased; and where rates or average costs have decreased.

Claims opened: 1997/98 to 2002/03

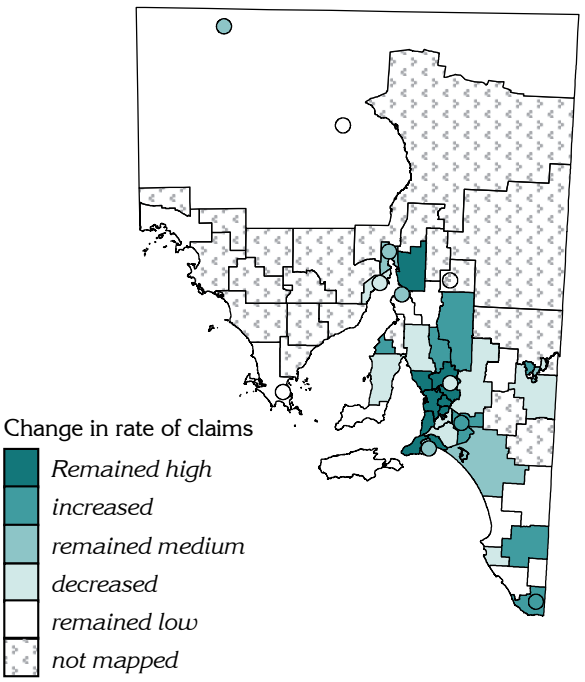
The map of change in rate of claims opened between 1997/98 and 2002/03 shows that the rate of claims in a number of areas remained high over the period: these were Salisbury - Central, - Inner North and - Balance; Tea Tree Gully - North and - South; Campbelltown - East; Port Adelaide Enfield - Port and - Inner; and Onkaparinga - Hackham (Map 3.5). There were reductions in the rate of claims in a number of SLA in of Marion and Onkaparinga, as well as in other SLAs throughout Adelaide. Claim rates remained low in the inner east, south and south-east, as well as along parts of the coast.

The change in rate of claims across South Australia (Map 3.6) indicates that claim rates remained high throughout Adelaide and in a number of adjacent SLAs, as well as to the north, in Mount Remarkable. Rates increased in Goyder, Clare and Gilbert Valleys, Copper Coast, and the southern SLAs of Naracoorte and Lucindale, and Grant. In Wattle Ranges, Tatiara and Le Hunte, in the south of the State; Loxton Waikerie – West in the east; and, in the north, Northern Areas, Port Pirie Districts Balance and Unincorporated Far North, rates remained low.

Map 3.5: Compulsory Third Party Insurance scheme – change in rate of claims opened, Adelaide, 1997/98 to 2002/03



Map 3.6: Compulsory Third Party Insurance scheme – change in rate of claims opened, South Australia, 1997/98 to 2002/03

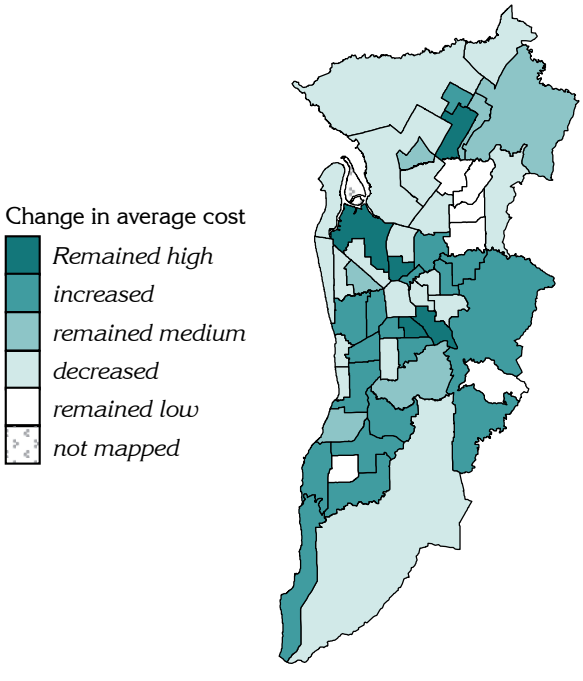


CTP Claims finalised: 1999/00 to 2002/03

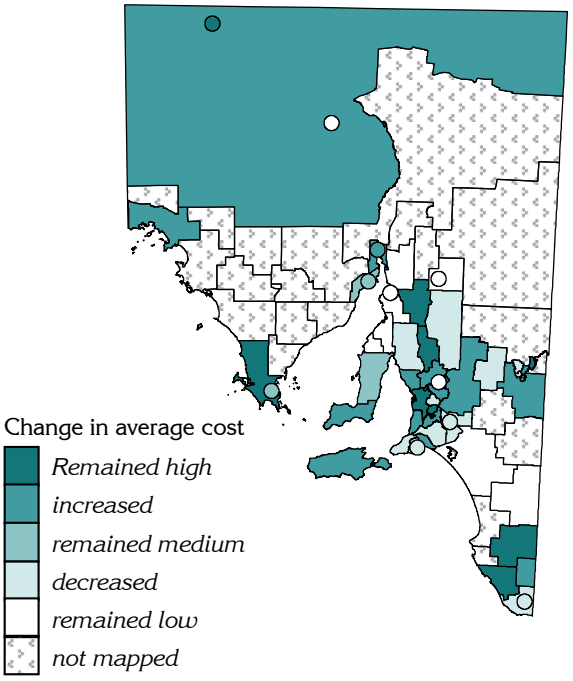
The map of change in average cost incurred for finalised claims shows that there were reductions in the northern SLAs of Salisbury and Playford, in Onkaparinga - Hills in the south, and a number of coastal and inner metropolitan SLAs (Map 3.7). High average costs remained in Playford - Elizabeth, Port Adelaide Enfield - Port, Unley - East and Burnside - South-West, while rates remained low in much of Tea Tree Gully, in Salisbury - North-East, Adelaide Hills - Central and Onkaparinga - Morphett.

Changes in average cost per finalised claim across South Australia were diverse (Map 3.8), with increased costs across much of the north of the State, including the SLAs of Unincorporated Far North, Ceduna and Port Augusta, as well as throughout the Riverland, Kangaroo Island, Yorke Peninsula - South and a number of SLAs near Adelaide. Costs remained high in Cooper Pedy and the District Councils of Lower Eyre Peninsula, Northern Areas, Clare and Gilbert Valleys, Wattle Range – West and Naracoorte and Lucindale. Reductions in average cost were evident in Mount Gambier, Victor Harbor and Murray Bridge; and costs remained low in Barossa Tanunda, Port Pirie City and Districts - City, Peterborough and Roxby Downs.

Map 3.7: Compulsory Third Party Insurance scheme – change in average incurred cost per finalised claim, Adelaide, 1999/00 to 2002/03



Map 3.8: Compulsory Third Party Insurance scheme – change in average incurred cost per finalised claim, South Australia, 1999/00 to 2002/03

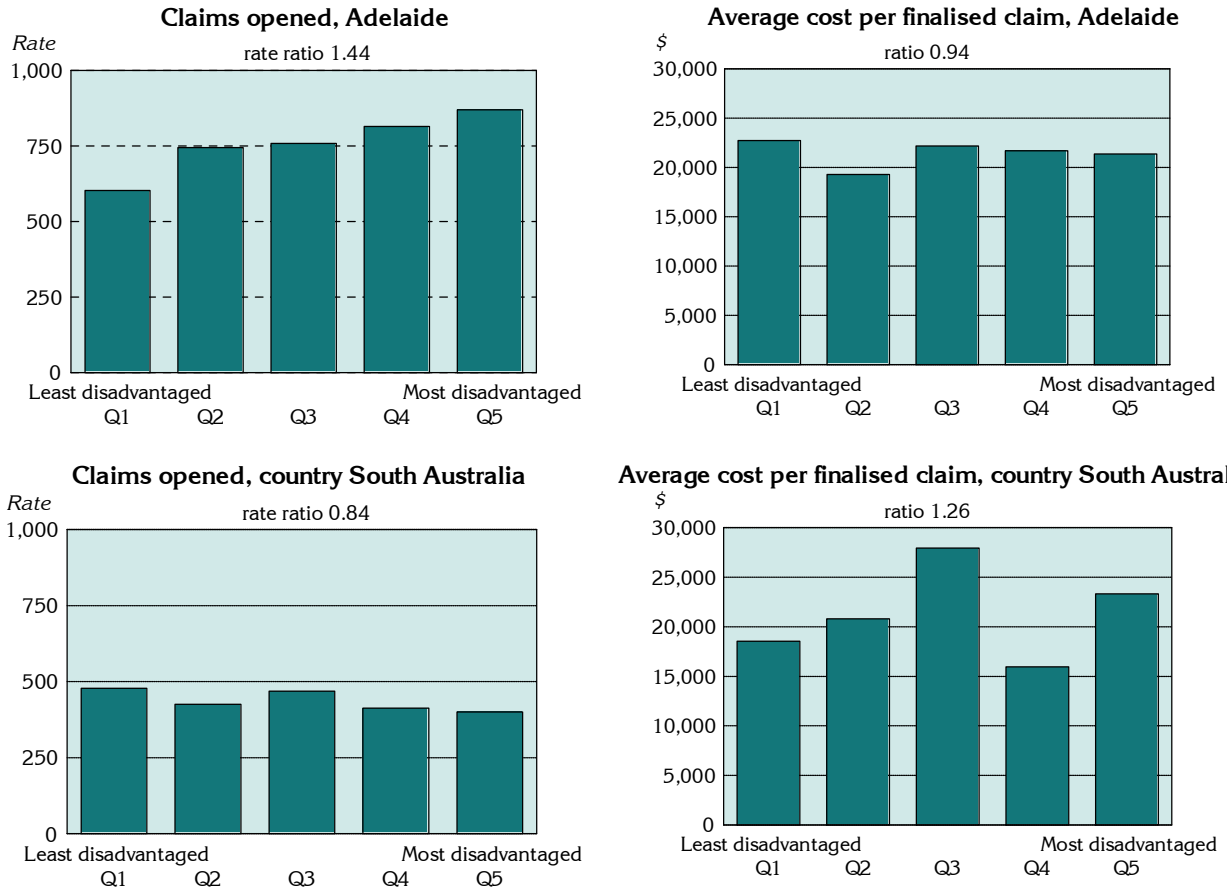


Distribution of CTP claims and costs by socioeconomic status of area

Each grouping (quintile) in the chart comprises SLAs with approximately 20% of Adelaide's population: they include populations of similar socioeconomic status, as measured by the Index of Relative Socio-Economic Disadvantage: see Glossary for additional details.

The geographic distribution of claims in Adelaide by quintile of socioeconomic status of area shows a gradient in claim rates, with rates in the most disadvantaged areas 44% higher than those in the least disadvantaged areas (Figure 3.5). For average incurred costs per finalised claim, the pattern is quite different, with similar costs at each end of the socioeconomic spectrum and marginally lower rates in intervening quintiles. In country South Australia, there is a reverse gradient for claims, with 16% fewer claims in the most disadvantaged areas but variation in average incurred costs, with costs in the most disadvantaged areas 26% higher than those in the least disadvantaged areas.

Figure 3.5: Compulsory Third Party Insurance scheme – claims opened and average cost of claims finalised by socioeconomic status, 2002/03



Rate ratio is the ratio of the rate in Quintile 5 to the rate in Quintile 1

As discussed on page 35, and shown above in Figure 3.5, there are different patterns evident in the distribution of claims and average incurred costs per claim; however, the pattern for the average cost of claims per head of population is more like that of claims, although not as strong. This can be seen from a comparison of these three measures in Table 3.7: both the correlation coefficients and the rate ratios support this contention.

Table 3.7: Relationship between CTP claims opened, average incurred costs and socioeconomic status, 2002/03

Variable	Population group	Ratio of rates: Q5 to Q1	Correlation coefficient
Adelaide			
Claims per head	Claims higher for disadvantaged	1.39	-0.60
Costs per head	Costs higher for disadvantaged	1.31	-0.41
Costs per claim	No consistent pattern	0.94	0.00
Country SA			
Claims per head	Claims higher for advantaged	0.83	0.03
Costs per head	Costs (slightly) higher for disadvantaged	1.04	-0.16
Costs per claim	Costs higher for disadvantaged	1.26	-0.10

Note: Correlations between 0.3 and 0.49 are referred to as being 'weak'; between 0.50 and 0.70 as being 'strong'; and those 0.71 and above as being 'very strong'. There is a more complete table in Appendix A1

A preliminary analysis of data by 'Heads of damage' (i.e. categories of payments) showed that the higher payments per head of population to people in the most disadvantaged areas are consistent for all of these categories, Economic loss, Pain and suffering (including Non-economic loss), Future care and treatment, Cost of services, and Claim management (including other costs). The data examined in this preliminary analysis excluded some $56 million in claims made before 1997 and not finalised in 2002/03. It appears that payments under these late-finalised claims are more heavily oriented to claims from people in the least disadvantaged areas: the result is likely to be a weakening of the pattern of higher payments per head of population to people in the most disadvantaged areas (lower rate ratios than shown above, with Future care and treatment costs likely to be weighted in favour of claims from the least disadvantaged areas. Data were not available to examine payments per claim.

Distribution of CTP claims and costs by remoteness

Each SLA can be allocated (either in whole or part) to a level of remoteness under the ASGC remoteness classification. In this analysis, data have been allocated to five levels of remoteness: Major Cities, Inner Regional, Outer Regional, Remote and Very Remote.

The rate of claims opened in 2002/03 declines steeply with increasing remoteness, being 61% lower (a rate ratio of 0.39) in the most remote areas than in the Major Cities areas; however, the reverse is true for average incurred cost per finalised claim, with the cost per claim in the most remote areas over twice (2.29 times) that for the Major Cities areas. Readers should note that, because of the small numbers of claims by people in these remote areas, the total cost may be less important, but the average cost may have other implications, for example, as to the nature of injury and possibilities for a positive health and wellbeing outcome. The total cost of claims finalised in 2002/03 decreased from more than $180 million in the Major Cities to $1.9 million in the Very Remote areas (Table 3.7).

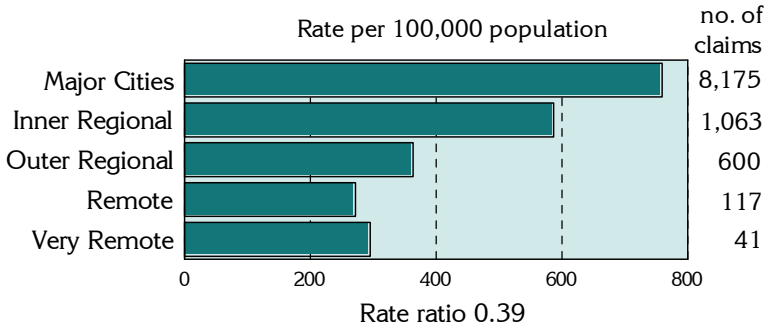
Table 3.7: Distribution, by remoteness, of CTP claims opened and incurred costs of finalised claims, South Australia, 2002/03

Remoteness category	Claims		Incurred cost ($)	
	Number	Rate[1]	Total cost	Cost per claim
Major Cities	8,175	759.3	180,120,842	21,401
Inner Regional	1,063	586.9	20,592,078	19,118
Outer Regional	600	363.5	13,578,332	22,954
Remote	117	271.7	2,737,781	27,529
Very Remote	41	295.1	1,930,578	49,087
Rate ratio	-	0.39	-	2.29

[1] **Age standardised rate per 100,000 population**

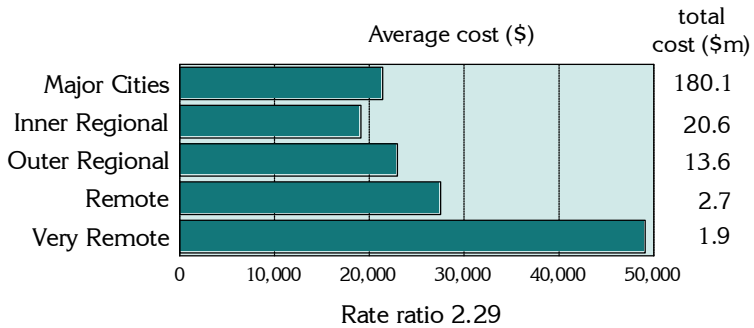
Figure 3.6 shows claims opened in South Australia in 2002/03 by area of remoteness. As discussed above, the majority of claims opened are in Major Cities, followed by lower rates in Inner Regional areas, Outer Regional areas, Remote and Very Remote areas.

Figure 3.6: Compulsory Third Party Insurance scheme - claims opened by area of remoteness, South Australia, 2002/03



The average cost per claim in by area of remoteness is shown in Figure 3.7. Very Remote areas, despite having the lowest rate of claims, had the highest costs per claim, followed by Remote, Outer Regional, Major Cities and Inner Regional areas.

Figure 3.7: Compulsory Third Party Insurance scheme – average cost per finalised claim by area of remoteness, South Australia, 2002/03



Distribution of CTP claims and costs by age

Over half of claims (53.1%) and incurred costs (59.1%) were paid out to people aged from 15 to 39 years, with 85 % of average incurred costs at ages 15 to 54 years (Table 3.8). The average incurred cost is highest at ages from 15 to 54 years.

Table 3.8: Compulsory Third Party Insurance scheme – age distribution of claims opened and incurred costs of claims finalised, South Australia, 2002/03

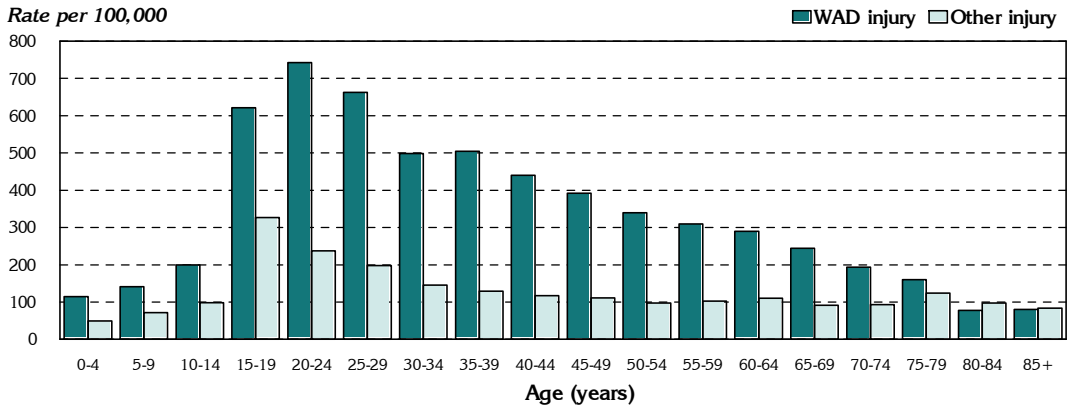
Age (years)	Claims		Average incurred costs		Cumulative %: by age			Average cost per claim ($)
	No.	Per cent	$m	Per cent	Age (years)	Claims	Incurred costs ($)	
0-4	235	2.3	2.1	1.0				9,052
5-9	280	2.8	3.9	1.8				13,973
10-14	390	3.9	4.3	2.0				11,819
15-19	1,367	13.7	22.1	10.1	15-19	13.7	10.1	15,674
20-24	1,267	12.7	29.7	13.5	15-24	26.4	23.6	22,283
25-29	1,007	10.1	22.9	10.4	15-29	36.5	34.0	21,925
30-34	833	8.3	27.0	12.3	15-34	44.8	46.3	28,567
35-39	828	8.3	28.1	12.8	15-39	53.1	59.1	31,971
40-44	773	7.7	27.1	12.3	15-44	60.8	71.4	33,076
45-49	657	6.6	16.8	7.6	15-49	67.4	79.0	24,445
50-54	539	5.4	13.1	6.0	15-54	72.8	85.0	24,650
55-59	455	4.5	7.1	3.3	15-59	77.3	88.3	17,341
60-64	313	3.1	5.8	2.6	15-64	80.4	90.9	17,978
65-69	243	2.4	3.4	1.5				15,197
70-74	190	1.9	2.4	1.1				12,371
75-79	175	1.7	1.8	0.8				10,521
80-84	85	0.8	0.9	0.4				9,956
85+	56	0.6	0.5	0.2				9,047
Unknown	310	3.1	0.7	0.3				2,937
Total	**10,003**	**100.0**	**219.7**	**100.0**				**21,459**

Injury category by age

Injuries are classified at the broadest level as either 'WAD injury' or 'Other injury'. These closely approximate the administrative or operational injury categorisations 'demonstrable' or 'non-demonstrable' injury respectively in the source CTP claims data. As described in the Glossary, WAD Injuries are those injuries best described as 'Whiplash Associated Disorders and non-specific painful conditions of the neck, shoulder and back'. Other injuries refer to all other injury types including head injury, fractures, lacerations, internal organ injuries, spinal injuries, and so on.

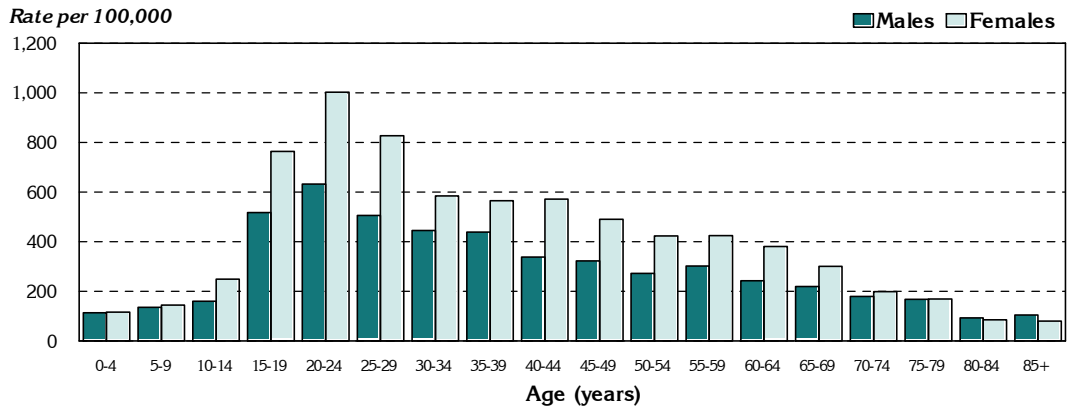
As noted previously, the rate of WAD injury claims is higher than the rate for Other injury claims (Figure 3.8). This is evident in all but the oldest age groups, and is most evident across the 20 to 59 year age groups.

Figure 3.8: Compulsory Third Party Insurance scheme – WAD injury and Other injury CTP claims opened by age, South Australia, 2002/03



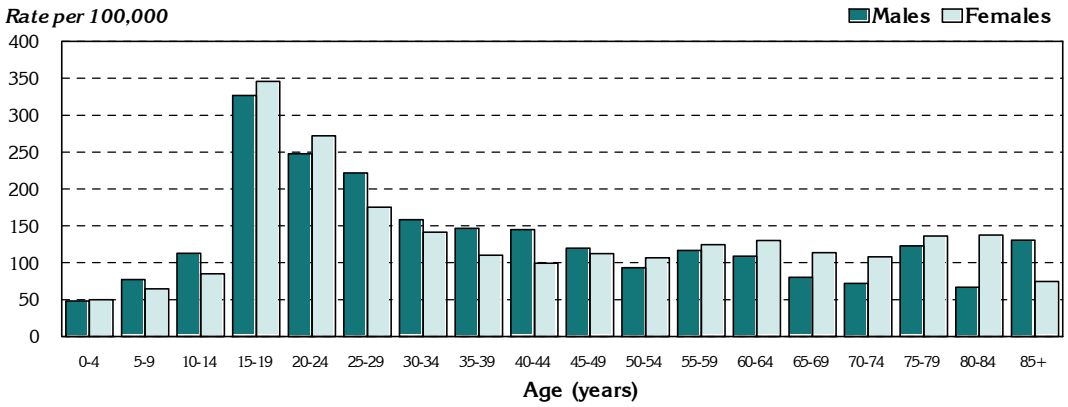
Claims rates for WAD injuries are higher for females than for males at almost all ages (Figure 3.9), showing a pattern that has clearly influenced the shape of the graph in Figure 3.9.

Figure 3.9: Compulsory Third Party Insurance scheme – WAD injury CTP claims opened by age and sex, South Australia, 2002/03



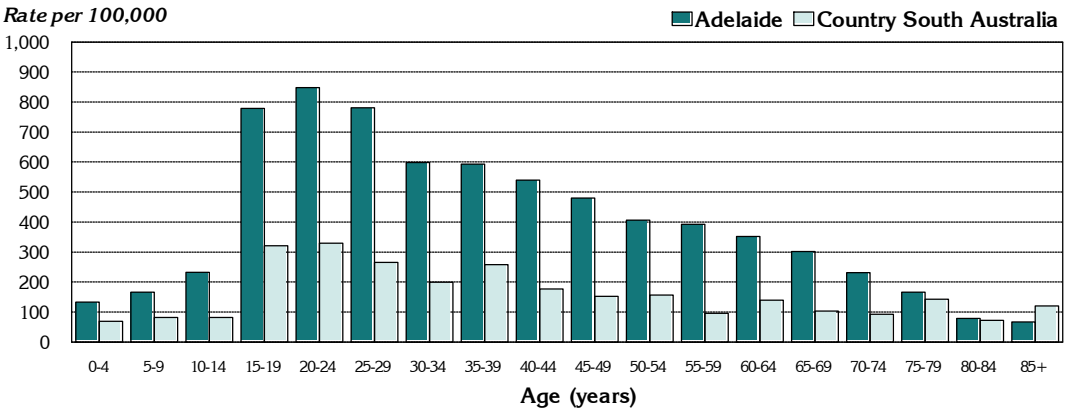
However, for Other injuries, claims rates show little variation for males and females in most age categories (Figure 3.10).

Figure 3.10: Compulsory Third Party Insurance scheme – Other injury CTP claims opened by age and sex, South Australia, 2002/03



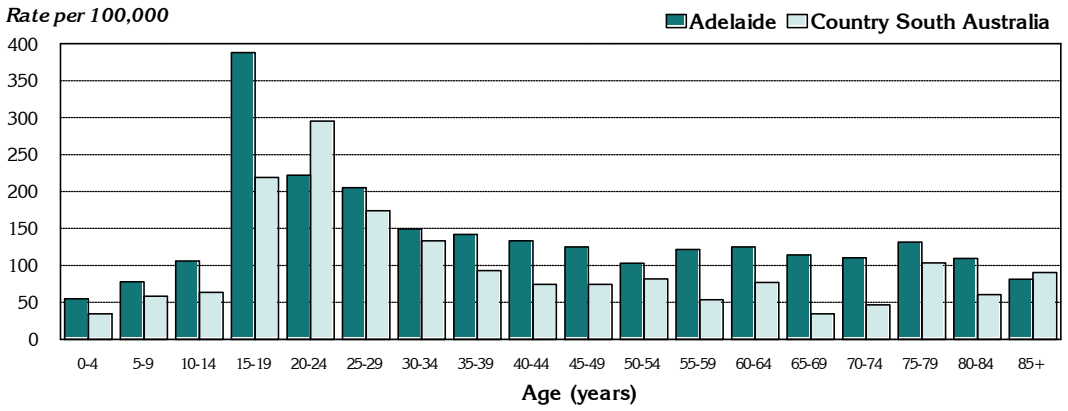
The rates of WAD injury claims opened across the State (Figure 3.11) were much higher for Adelaide than for country South Australia in all age groups except for the 85 years and over age group.

Figure 3.11: Compulsory Third Party Insurance scheme – WAD injury CTP claims opened by area of State and age, South Australia, 2002/03



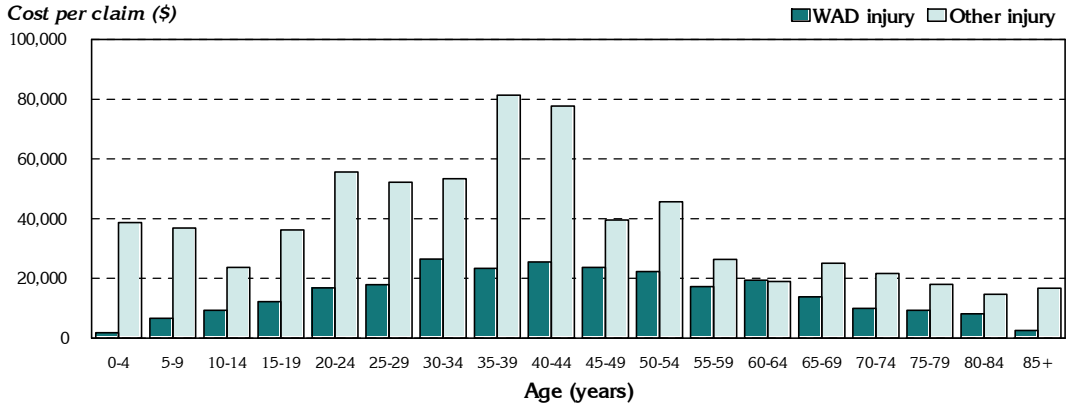
The rates of Other injury claims opened across the State (Figure 3.12) were generally higher in Adelaide than in country South Australia; however, in the 20 to 24 and 85 years plus age groups the reverse occurred, with more claims opened in country South Australia than in Adelaide.

Figure 3.12: Compulsory Third Party Insurance scheme – Other injury CTP claims opened by area of State and age, South Australia, 2002/03



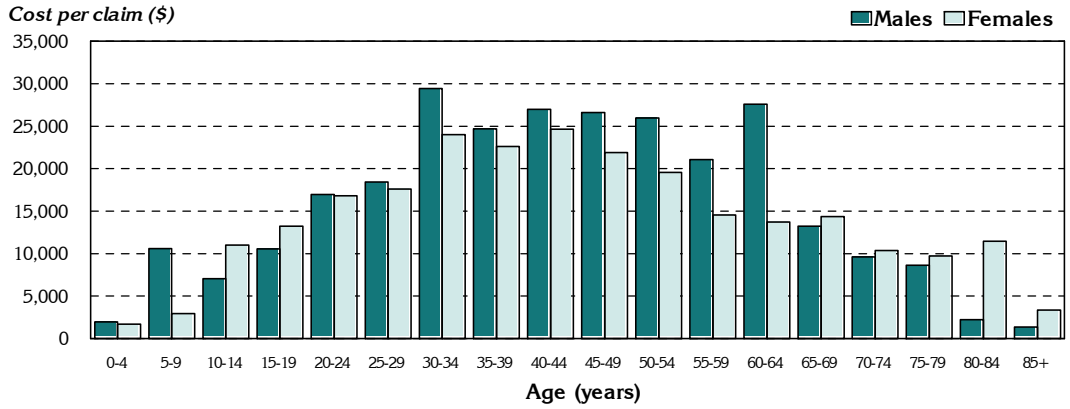
The cost of finalised Other injury claims was higher than for WAD injury claims across all ages, except for the 60 to 64 year age group, where they were the same (Figure 3.13).

Figure 3.13: Compulsory Third Party Insurance scheme – WAD injury and Other injury cost per finalised claim by age, South Australia, 2002/03



The pattern of costs for WAD injury claims by age and sex varied, with the highest cost of claims for both males and females occurring mainly in the 30 to 54 year age groups (Figure 3.14). The differences between the cost for males and females were generally not great, other than at age 5 to 9 and 55 to 64 years (higher for males) and 80 to 85 years (higher for females). From the age of 65 years onwards, the cost of claims for WAD injuries was higher for females.

Figure 3.14: Compulsory Third Party Insurance scheme – WAD injury cost per finalised claim by age and sex, South Australia, 2002/03



Costs for finalised Other injury claims (Figure 3.15) were generally higher for males than females, with the greatest differences in the 35 to 39 and 40 to 44 year age groups, where costs were almost two and a half times greater for males than females. In the 5 to 9 and 65 to 69 and 75 to 79 year age groups, costs were higher for females than for males.

Figure 3.15: Compulsory Third Party Insurance scheme – Other injury cost per finalised claim by age and sex, South Australia, 2002/03

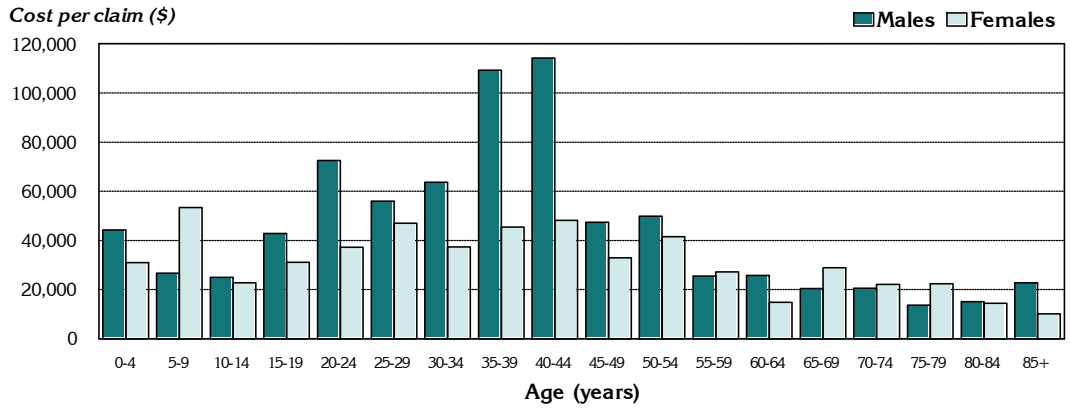
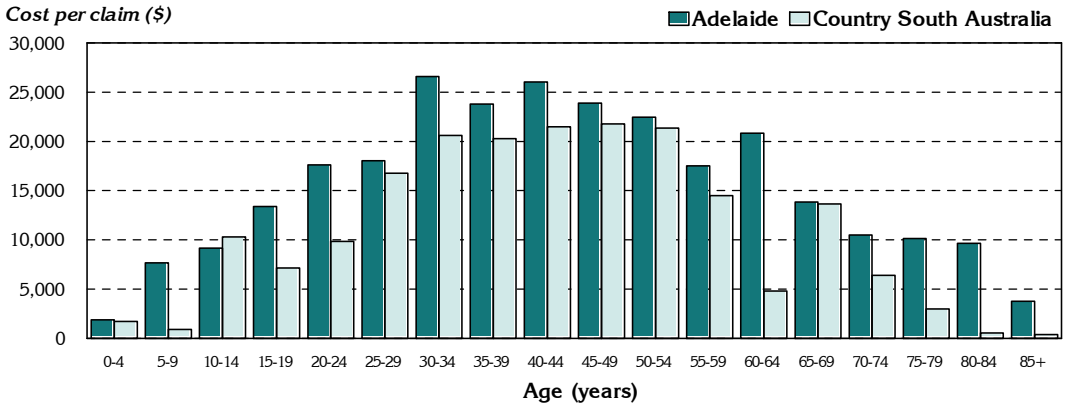


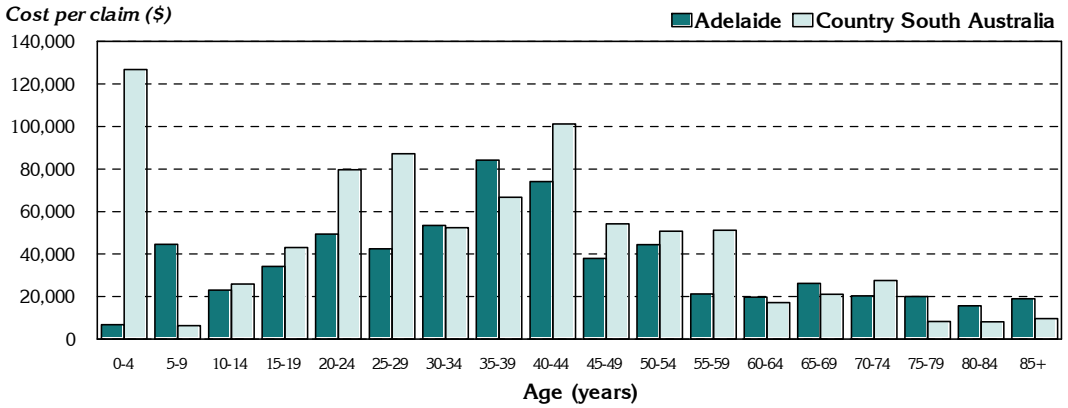
Figure 3.16 shows costs of finalised claims for WAD injuries across the State, with costs in Adelaide higher across all age groups, with the exception of the 10 to 14 year age group, where costs were slightly higher in country South Australia. Costs per claim increased with age to the 30 to 34 age group in Adelaide, and to the 45 to 49 year age group in country South Australia, before gradually decreasing in both areas into the older age groups. The largest differences in costs between Adelaide and country South Australia were in the 5 to 9, 60 to 64 and 80 to 84 year age groups.

Figure 3.16: Compulsory Third Party Insurance scheme – WAD injury cost per finalised claim by area of State and age, South Australia, 2002/03



Costs per finalised claim for Other injuries also varied across the State (Figure 3.17), with higher costs in country South Australia for most age groups, in particular the 0 to 4 year age group where costs were almost twenty times higher in country areas than in Adelaide (the reverse applied in the 5 to 9 year age group, where the cost was much lower in country South Australia). Notably higher costs also occurred in country South Australia for the 20 to 24, 25 to 29 and 55 to 59 year age groups; however, the 75 years and over age groups showed higher costs for metropolitan areas than for the country.

Figure 3.17: Compulsory Third Party Insurance scheme – Other injury cost per finalised claim by area of State and age, South Australia, 2002/03

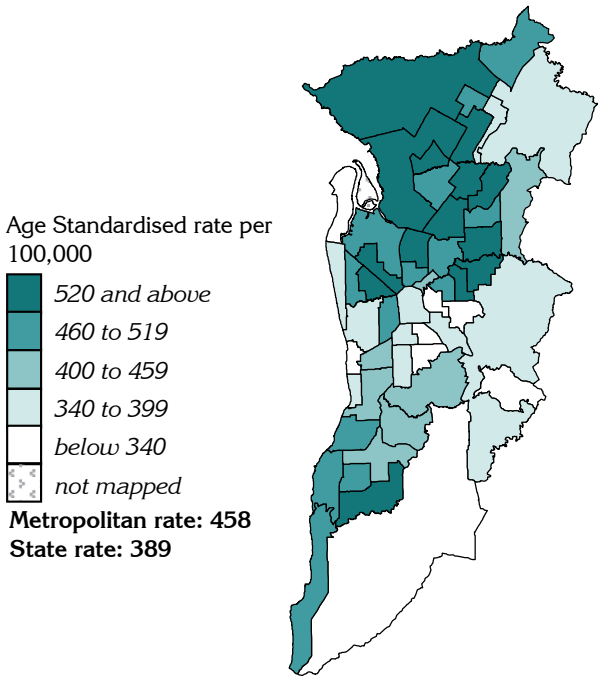


Distribution of CTP claims and costs by injury category

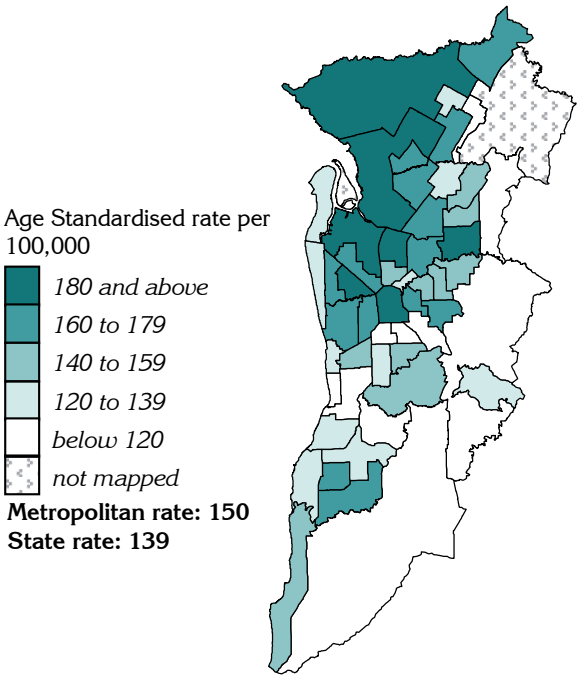
The overall rate of claims opened in 2002/03 in Adelaide for WAD injuries (458 per 100,000 population) was one fifth higher than the rate for South Australia (389). Areas with high rates are generally found in the northern and western areas of Adelaide (Map 3.9), including parts of Salisbury, Playford, Tea Tree Gully and Charles Sturt SLAs. Campbelltown, Onkaparinga - Hackham and Port Adelaide Enfield - Inner SLAs also had high rates. Lowest rates of WAD injury claims were in Onkaparinga - Hills, Adelaide Hills - Central, Unley - East, Mitcham - North East, Norwood Payneham St Peters - West, Burnside - North-East, Port Adelaide Enfield – Coast, and Holdfast Bay - North SLAs.

The overall rate of claims for Other injuries in Adelaide (150 per 100,000 population) was higher than the total State rate (139) with the highest rates concentrated in the northern and western SLAs of Playford - West, Salisbury Balance, Tea Tree Gully - South, Port Adelaide Enfield - Port and -Inner, Chares Sturt - Inner West and Adelaide (Map 3.10). The lowest rates were spread throughout the metropolitan area, particularly in the eastern and southern SLAs of Unley, Adelaide Hills - Ranges, and parts of Marion, Holdfast Bay and Onkaparinga. Low rates also occurred in Tea Tree Gully - Hills and Playford - West Central.

Map 3.9: Compulsory Third Party Insurance scheme – WAD injury claims opened, Adelaide, 2002/03



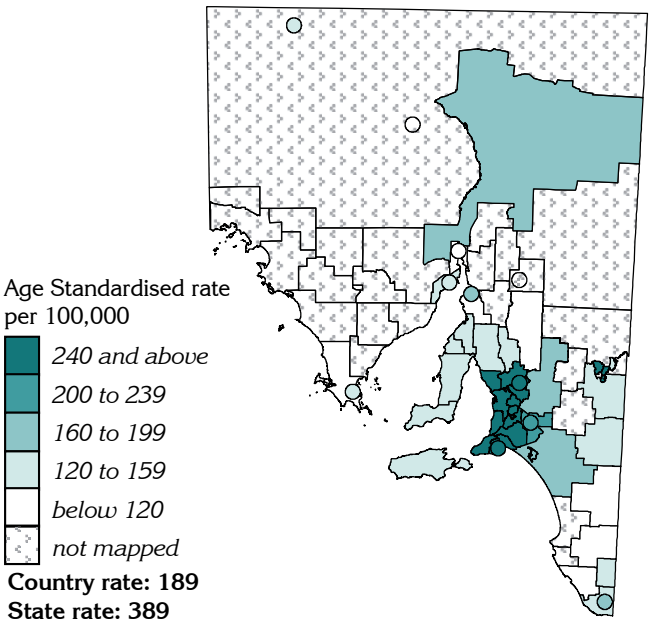
Map 3.10: Compulsory Third Party Insurance scheme – Other injury claims opened, Adelaide, 2002/03



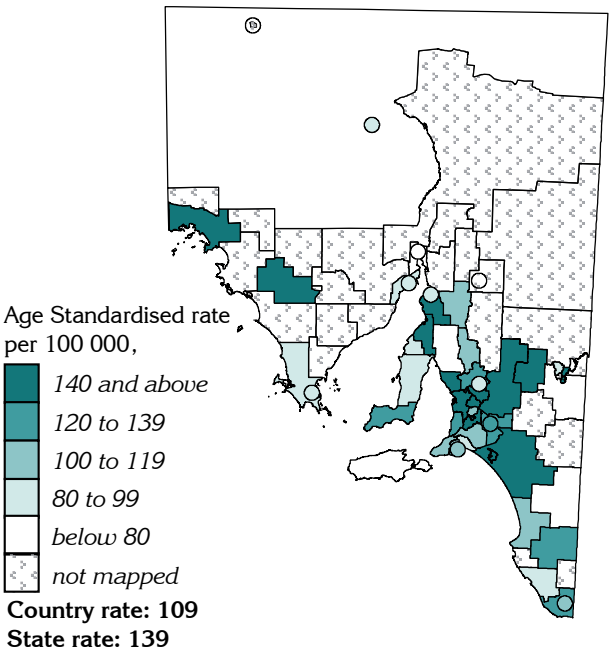
Map 3.11 shows the rate of claims opened in South Australia in 2001/02 to 2002/03 for WAD injuries, with high rates in a cluster of SLAs surrounding Adelaide. There were also high rates in the SLAs of Berri - Barmera and Renmark Paringa - Paringa. The lowest rates of claims for WAD injuries were concentrated in the lower south east of the State: some northern and mid north areas also had lower rates.

The map of claims opened in 2001/02 to 2002/03 across South Australia for Other injuries (Map 3.12) shows that the highest rates of claims were made in the western country areas, namely Ceduna and Le Hunte, and areas in the Riverland including the SLAs of Mid Murray and Loxton Waikerie - West. Other country areas which had high rates were Barossa - Barossa, Mallala, Barunga West, Port Pirie Districts and The Coorong. Country areas with the lowest rates of claims for Other injuries were Unincorporated Far North, Port Augusta, Wakefield, Loxton Waikerie - East, Tatiara, and Kangaroo Island.

Map 3.11: Compulsory Third Party Insurance scheme – WAD injury claims opened, South Australia, 2001/02 to 2002/03



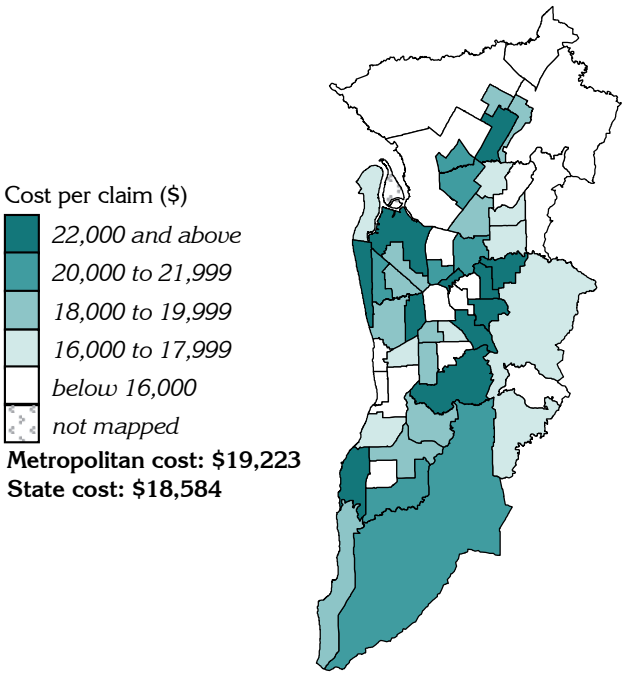
Map 3.12: Compulsory Third Party Insurance scheme – Other injury claims opened, South Australia, 2001/02 to 2002/03



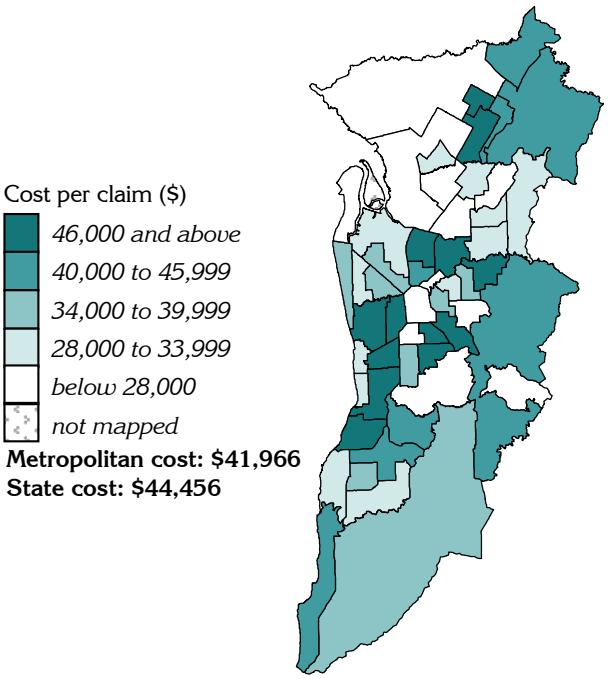
The cost of finalised claims for WAD injuries across Adelaide in 2002/03 (Map 3.13), shows high cost claims to be scattered throughout the north, south, east and west of the metropolitan area, including both areas of high and of low socioeconomic status. The lowest costs per claim were similarly found in both areas of high and of low socioeconomic status.

Costs per claim for Other injuries across Adelaide in 2002/03 (Map 3.14) showed no definite pattern. Lower costs per claim were spread across most of the Salisbury SLA and the northern SLAs of Playford - West and Tea Tree Gully - North. Other SLAs with low claim costs were Adelaide, Burnside - North-East, Adelaide Hills - Central, Mitcham - Hills, Unley - West, Walkerville and Port Adelaide Enfield - Coast.

Map 3.13: Compulsory Third Party Insurance scheme – WAD injury cost per finalised claim, Adelaide, 2002/03



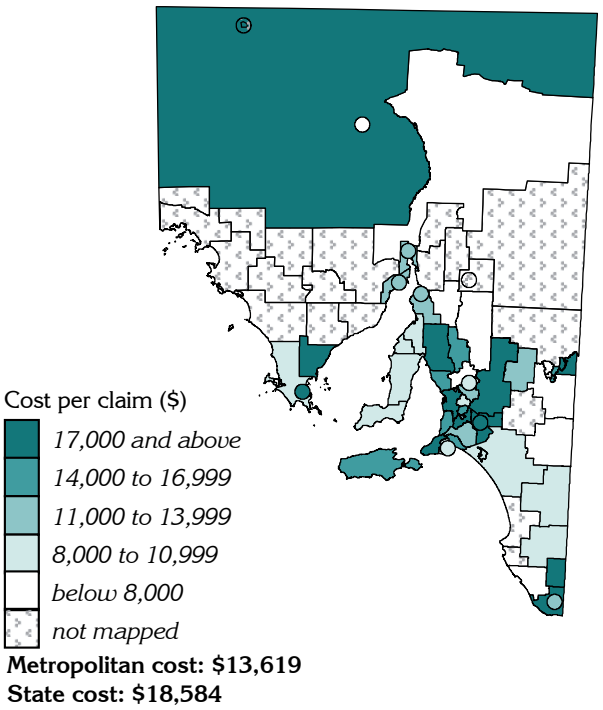
Map 3.14: Compulsory Third Party Insurance scheme – Other injury cost per finalised claim, Adelaide, 2002/03



Costs per claim for WAD injuries across South Australia (Map 3.15) revealed no distinct geographic pattern, with high costs per claim concentrated in SLAs closer to Adelaide, and in isolated SLAs in more remote parts of the State. The distribution of low cost claims also showed no particular geographic pattern, with Roxby Downs, Unincorporated Flinders Ranges, Northern Areas, Goyder, Loxton Waikerie - East, Southern Mallee and Wattle Range - West all with the lowest costs per claim in country South Australia.

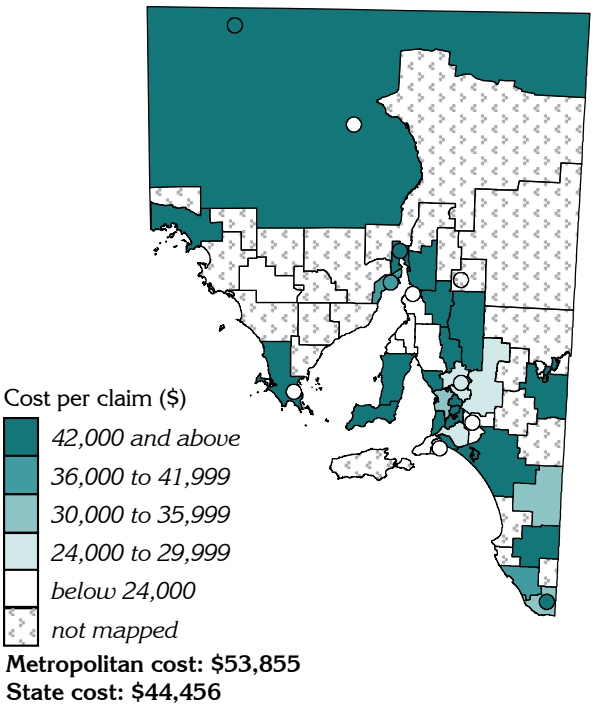
The distribution of cost per finalised claim for Other injuries in South Australia in 2001/02 to 2002/03 is shown in Map 3.16, with a large proportion of the mapped areas in the State showing high costs per claim, particularly to the north of Adelaide. Low costs per claim were recorded in a number of SLAs in the Mid North and the Riverland, in Le Hunte and in Roxby Downs.

Map 3.15: Compulsory Third Party Insurance scheme – WAD injury cost per finalised claim, South Australia, 2001/02 to 2002/03



Metropolitan cost: $13,619
State cost: $18,584

Map 3.16: Compulsory Third Party Insurance scheme – Other injury cost per finalised claim, South Australia, 2001/02 to 2002/03



Metropolitan cost: $53,855
State cost: $44,456

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