



SYNOPSIS

TITLE OF PRESENTATION

Competition in Personal Injury Insurance – Past, Present & Future

Name of Presenter/s

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Key words: Accident Compensation, Personal Injury, Insurance, Competition, Privatisation.

Please write anywhere from a paragraph to a page regarding your presentation/paper and what it is about. This needs to give enough information to conference attendees about your presentation, so that they can decide whether to attend it or not.

Synopsis

The Accident Compensation Corporation (“ACC”) scheme was established in New Zealand in 1974 and run as a nationalised monopoly operating a Pay As You Go (“PAYG”) funding basis until 1999.

From July 1999 to July 2000 the workers compensation account was briefly opened up to competition (a National Party initiative) operating on a Fully Funded (“FF”) funding basis before returning to a nationalised monopoly (a Labour Party initiative) also operating on a FF funding basis, as it remains today.

This paper looks at some considerations associated with opening up personal injury insurance schemes to a competitive market. Specifically it considers the ACC scheme and some of the lessons learned from the previous competitive market while also looking at international experience.

The pros and cons of a competitive market are compared and contrasted with the current monopoly position.

The paper is presented from the point of view of people who have:

- worked within the ACC;
- performed independent quality assurances of the ACC’s annual pricing and valuation reviews;
- assisted the ACC’s external auditor;
- been involved in the previous competitive market in New Zealand;
- been involved in a number of proposed and actual market restructures in Australia.

The style of the paper is deliberately informal. We view it as more of a discussion catalyst rather than a definitive statement for or against a competitive market.