2026 Insurer Compliance and Assurance Program

Quality of Life Process Audit

The Motor Accident Injuries (MAI) Commission is responsible for the regulation of the Motor Accident Injuries Scheme. This scheme provides cover on a no-fault basis to people injured in a motor accident in the ACT. As part of the compliance activities of the MAI Commission, the Commission undertakes audits on a yearly basis to assess compliance with respect to the delivery of defined benefits by insurers.

Audits are just one of the compliance activities to be undertaken. Other activities include a self-assessment process undertaken by insurers using a questionnaire provided by the MAI Commission. The MAI Commission also follows up on enquiries and complaints as part of its daily activities.

The focus of this year's audit was on quality of life benefit applications. Quality of life benefit applications are received by insurers from applicants who wish to have their injuries resulting from a motor accident assessed for permanent impairment. Eligible applicants are referred for a whole person impairment (WPI) assessment by an independent medical examiner (IME). The IME provides the insurer and the applicant a report that outlines the applicant's WPI percentage. The insurer then offers the applicant a quality of life benefit payment (first offer), with the amount offered being based on the WPI percentage.

Where an applicant disagrees with the IME's WPI assessment and offered WPI percentage, the applicant can arrange a second WPI report with a private medical examiner (PME). After receiving the second PME WPI report, the insurer must then decide a WPI to determine their final offer WPI to the applicant.

This 2026 audit report provides a high-level overview and the key findings arising from this compliance activity.

Details of the audit

Insurers were notified of the annual audit topic in late 2025, with further details of the audit provided in January 2026.

The audit dates were from 2 March 2026 to 24 April 2026[1]. The audit was conducted at the business premises of the Nominal Defendant and Suncorp (trading as AAMI, APIA, and GIO) in Canberra, and IAG (trading as NRMA) in Sydney. The date range for sampled quality of life benefit applications was from 1 April 2024 and 31 December 2025.

The MAI Commission acknowledges the assistance of the insurers during the audit, ensuring the audit process was efficient and effective. All insurers provided the auditors open and transparent access to their internal documents, application files, record keeping systems, and personnel during the audit.

[1] Public and school holidays required a longer period be allowed for the audit activity.

Scope of the Audit

The audit assessed insurer compliance with the following divisions and part of the *Motor Accident Injuries Act 2019* (MAI Act) and the Motor Accident Injuries (Quality of Life Benefit) Guidelines 2023[2] (the Guidelines):

- Division 2.3.1 of the MAI Act (section 52)
- Division 2.6.2 of the MAI Act (sections 137 to 142)
- Division 2.6.3 of the MAI Act (sections 147 to 165)
- Part 5.3 of the MAI Act (sections 240 and 241)
- the Guidelines (sections 3 to 8).

This was done by reviewing and understanding insurer strategies, operations, and decision making in relation to MAI quality of life benefit applications. This was from initial application through to any first and/or final quality of life benefit offer made to the applicant. Compliance was assessed through three audit activities:

- Activity one - policies and procedures review
- Activity two - application files review
- Activity three - interviews with decision makers.

Sample

The insurers submitted to the auditors a list of MAI defined benefits applications that had a quality of life application submitted to the insurer between 1 April 2024 and 31 December 2025. The auditors selected applications (n=20) from each insurer list for auditing. Selection focused on a cross section of quality of life benefit applications that involved applications where:

- the applicant was not referred for an IME WPI assessment
- one IME WPI assessment was completed
- at least two IME WPI assessments were completed and combined by a lead assessor report (physical assessments and/or secondary psychological)
- at least two IME WPI assessments were completed (physical and primary psychological)
- applications where the second PME WPI process was used.

The quality of life benefit applications were selected to enable auditors to assess an insurer's capacity to:

- consider the individual circumstances of each applicant
- communicate with applicants throughout and following the decision-making process
- maintain the integrity of the quality of life benefits application process
- comply with the MAI Act and the Guidelines.

Scoring

MAI insurers[3] were scored on the question sets outlined in Attachment A. Each of the three audit activities were scored against the question set requirements. The Nominal Defendant had a low

[2] These guidelines were updated in January 2026.

[3] MAI Insurers is used where only the licensed insurers are being referred to. The Nominal Defendant is not a licensed insurer.

sample number (n=4) for the relevant period which affected scoring their results. Findings were therefore incorporated into their insurer report and discussion.

The policies and procedures review activity were scored on a HIGH-ADEQUATE-LOW scale. High indicated the policies and procedures met or exceeded the requirements, adequate meant they fell within the minimum satisfactory level, and low meant improvements to the policies and/or procedures were required to meet the requirements.

Due to the nature of each quality of life application potentially following a different path to process completion, the application file review activity was scored depending on the number of applications that were relevant to the question being answered (x out of n). The decision maker interviews activity were conducted as a small group interview with the auditors, and responses were scored on a REASONABLE or CONCERN scale, with the answers given either meeting the requirement (reasonable) or not meeting the requirement (concern) of the question.

Outcome

There was a satisfactory level of compliance with the Act and the Guidelines across the three audit activities. Compliance was stronger where an insurer had established policies, procedures, and guidance material for use by decision makers. Personnel that had prior experience with quality of life applications managed decision making, compliance and communication with applicants more effectively than newer personnel. Experienced leaders often captured compliance concerns before they caused possible harm.

The audit found that relevant information was communicated to *standard*[4] quality of life benefit applicants within the prescribed timeframes and in a manner that supported their participation in the process. Insurers had a satisfactory process for providing information and support to applicants for quality of life benefits and ensured the information was given at an appropriate time. Insurers also demonstrated an understanding of the legislative requirements relating to injury status determinations, thus enabling WPI assessments to be carried out in a timely and efficient manner.

The compliance issues that were identified included a lack of insurers' policies, procedures, and guidance material for managing the more complex types of quality of life applications.

Opportunities for improvement were identified in relation to information provision, communication with applicants, and processing applications involving children with injuries from a motor accident and applicants whose injuries were managed under a workers' compensation scheme. Compliance concerns were also noted about insurers' communication of quality of life benefit offers (both first and final) and their written reasons to the applicant outlining the insurer's decision making for WPI determination and final offer WPI to the applicant.

The insurers were given an insurer audit report with recommendations to uplift their policies and procedures for processing quality of life benefit applications.

Policies and procedures review

Each insurer was identified to have opportunities to strengthen some of their internal documents to support personnel to make compliant decisions throughout the processing of quality of life benefit applications. The focus of the recommendations made by the auditors is for insurers to assist

[4] While it is known each applicant has a unique set of circumstances surrounding their injuries and personal rehabilitation, here standard refers to quality of life benefit applications that do not intersect with other provisions of the Act, for example children and workers compensation claimants.

applicants to be well informed about their type of quality of life benefits application, for example applicants who were children at the time of the motor accident or applicants who decided to be managed under a workers compensation scheme and then seek to make a common law claim against an MAI insurer[5].

One insurer's documentation contained statements that had the auditors concerned that the insurer's approach had overlooked considering section 153 of the MAI Act in its decision making about WPI determination, that is considering and taking both physical and primary psychological WPI assessments into account. It appeared the approach was that only the higher of the physical or primary psychological WPI assessment percentage could be applied where both injury types reported a WPI percentage.

These statements appeared inconsistent with the provisions of section 153 of the Act that allows insurers to take into account both physical and primary psychological impairments when determining a quality of life benefit offer. The documented policy position did not engage with the relevant legislative provision, creating a risk that applicants may not be given appropriate consideration of the cumulative impact of their impairments. The insurer accepted the recommendation to address the issue.

Application files review

The application files review supported the findings from the policies and procedures review. It found that insurers demonstrated effective decision making in relation to accepting quality of life benefit applications, assessing injury stability, assessing likelihood of injury permanent impairment, and communicating with applicants about their referral for WPI assessment. Insurer personnel were proactive in progressing applications, using available medical evidence, and exercising discretion to support applicant access to entitlements. Both MAI insurers evidenced strength in the management of quality of life benefit applications by following structured workflows, using standardised templates for communication, and documenting key discussions and decisions. High levels of compliance with the processing of standard quality of life benefit applications were observed.

The application review supported the opportunities for insurers to strengthen guidance and decision making for complex applications as identified in activity one of the audit.

Recommendations were made to the insurers to prepare and provide bespoke and accurate information about eligibility and requirements to all kinds of quality of life benefit applicants so applicants can understand their eligibility and make decisions about their application.

Further opportunities for improvement for insurer practices were identified in the quality of written notices, compliance with WPI assessment referral requirements and prescribed timeframes, and the documentation of insurer decision making. This includes the provision of detailed written reasons to support an insurer's decision being communicated in final WPI offer letters to applicants. Recommendations focused on insurers strengthening quality, compliance and consistency in the management of quality of life benefits applications.

Interviews with decision makers

The small group interviews evidenced that the personnel, as a team, possess strong knowledge of the quality of life application process. The answers to the questions evidenced that personnel adopt

[5] Occurs only where there is a journey claim, eg. a motor accident while a person is travelling for work. Applies only for private sector workers compensation in the ACT.

a proactive applicant focused approach when managing quality of life applications, which is consistent with the objects of the MAI Act. Where concerns about any answers were noted by the auditors, the concerns matched the issues that were identified in the policies and procedures review. This demonstrated that personnel are informed by policies, procedures, and organisational understanding. Therefore, it is imperative that insurer policies and procedures are compliant with the legislative framework and the organisation maintain an applicant focused culture.

2026 Audit – Learnings

The audit has shown that MAI insurers have established policies and procedures for quality of life benefit applications that satisfy compliance requirements. It was evidenced that personnel are capable in their application if the insurer had policies and procedures that related to the process to be used or the decision to be made. Where concerns were identified in the policies and procedures review, the concerns were echoed in the application review and in the small group interview. The recommendations from the audit offer the insurers an opportunity to strength their policies and procedures which, in turn, should strengthen insurers' compliance.

The quality of life benefit application process affords eligible applicants a payment to recognise all permanent impairments they have as a result of the motor vehicle accident they were injured in. It is important that applicants are:

- given accurate information about their eligibility to make a quality of life benefit application
- are well informed with respect to their circumstances to be able to make a decision to apply for the benefit
- be included in the progression of their application
- given written reasons for any WPI percentage determination decision that the insurer makes and any first or final offer WPI resulting from that decision.

Attachment A

Audit Question Sets

Activity One	**Policies and Procedures Review**
1	Information pack
2	Application assessment
3	Injury stability assessment
4	Injury likelihood assessment
5	Stability - delay communication
6	Likelihood - excess communication
7	WPI assessment referral - routine
8	WPI assessment referral – mandatory at 4 years and 6 months
9	WPI assessment 4 years and 6 months – request WPI estimate
10	WPI report – quality assurance
11	First offer WPI – QoL benefit amount s153 and s154
12	First offer WPI – written notice s154 to s157
13	Second WPI report – validity
14	Second WPI report – affirmation or increase
15	Final offer WPI – written notice s161 to s164
16	Workers' compensation – WPI assessment referral
Activity Two	**Application Files Review**
1	Information pack
2	Application assessment
3	Injury stability assessment
4	Injury likelihood assessment
5	WPI assessment referral - routine
6	WPI assessment referral – mandatory at 4 years and 6 months
7	QoL benefits amount determination – physical & primary psychological - s153 and s154
8	First offer – QoL benefit amount – complying notice
9	First offer – all reasonable steps to remind to notify the insurer by last date (26 weeks or due date)
10	Second WPI report – Final offer WPI determination – s160
11	Final offer – QoL benefit amount – complying notice
12	Workers' compensation – WPI assessment referral
Activity Three	**Interviews with Decision Makers – Small group interview**
1	Information pack
2	Application assessment
3	Injury stability assessment
4	Injury likelihood assessment
5	WPI assessment referral - routine
6	WPI assessment referral – mandatory at 4 years and 6 months
7	QoL benefits amount determination – physical & primary psychological
8	First offer – QoL benefit amount s153 and s154
9	Second WPI report – Final offer WPI determination s160
10	Final offer – QoL benefits amount
11	Workers' compensation – WPI assessment referral