Motor Accident Injuries Act 2019 – 2026 Review

Discussion Paper

July 2026

ACT Government

Acknowledgement of Country

The Chief Minister, Treasury and Economic Development Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

Produced by the Chief Minister, Treasury and Economic Development Directorate (CMTEDD).
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Introduction

The *Motor Accident Injuries Act 2019* (the Act) requires the Minister for Finance to undertake a review of the operation of the Motor Accident Injuries (MAI) Scheme every three years. This will be the second review into the operations of the MAI Scheme (the Scheme), with the first review undertaken in 2023-24 concluding that, overall, the Scheme was operating as intended – providing timely access and support to all people regardless of fault.

The first review identified 15 action items, most of which have since been implemented by the MAI Commission. One action remains in progress, relating to the determination of net profits for licensed insurers, in particular the development of a regulation under section 411 of the Act that will prescribe how a reasonable industry net profit is to be assessed. Work is underway to establish a mechanism for the MAI Commission to assess insurers' actual net profit against this benchmark and apply a regulatory response where there is a divergence. This issue is further discussed in the Financial Aspects section of the discussion paper.

The review provides the opportunity to assess whether the Scheme is meeting its policy objectives as it continues to mature. This includes assessments against improving outcomes for people injured in motor vehicle accidents, promoting early access to treatment and support, and maintaining affordability and a sustainable injury scheme for the ACT community.

This paper has been prepared to inform the consultation process in support of the statutory review. It seeks stakeholder views on the effectiveness of the Scheme since its commencement on 1 February 2020, including its features, operation, and broader impacts on injured people, insurers, service providers and the ACT community.

The review will consider the extent to which the Scheme:

- delivers timely, fair and appropriate benefits to injured people
- supports improved health and return-to-work outcomes through early intervention and treatment
- maintains a financially sustainable and actuarially sound insurance model
- balances the interests of motorists, injured people, insurers and service providers.

Stakeholder feedback will inform the ACT Government on whether legislative, regulatory or administrative changes are required to ensure the Scheme continues to operate effectively and in line with its policy intent.

Have your say

The ACT Government invites community feedback as part of the review. This will include a range of engagement opportunities, including a public forum. Information on consultation activities will be made available on the MAI Commission website (www.act.gov.au/maic).

The review process will involve:

- Release of the terms of reference and discussion paper, with submissions open for a minimum of eight weeks
- Targeted stakeholder engagement, including forums, supported by a consultant who will also prepare a report synthesising submissions and feedback

- Oversight by a Review Board led by the Under Treasurer and people with relevant expertise in insurance and advocacy. to guide finalisation of the review and report to the Minister for Finance ahead of tabling in the Legislative Assembly.

Further details on the forum arrangements will be placed on the MAI Commission's website. You will be able to complete a form to express your interest.

The closing date for submissions is **Friday 18 September 2026**. Your submission can be emailed to InsuranceBranch@act.gov.au .

Confidentiality statement

All information (including name and address details) contained in submissions will be made available to the public unless you clearly request confidentiality. Automatically generated confidentiality statements in emails do not suffice for this purpose.

If you would like to provide in-confidence information, please provide this in a separate attachment marked as confidential. Legal requirements, such as under the *Freedom of Information Act 2016*, may require access also being given to any confidential submission.

Terms of Reference

Requirements of a review

Under section 493 (2) of the Act the review must include the following matters:

(a) the percentage of MAI premiums used to pay defined benefits, including for treatment and care for people injured[#] in motor accidents during the review period,
(b) the number of applications under part 2.10 (Defined benefits—dispute resolution) for review of decisions by insurers relating to applications for defined benefits that have happened during the review period and the outcomes of those applications,
(c) the average time taken to resolve a motor accident claim during the review period,
(d) the average outcome for motor accident claims made during the review period.

[#] for the purposes of data reporting, people injured includes those affected by bereavement.

A report is to be provided to the Minister for Finance, and its release will be subject to government processes, including tabling in the ACT Legislative Assembly.

Terms of Reference

The review is to consider how the Scheme is meeting the objects of the Act covered by these terms of reference and the reviewers may make recommendations to Government on how to improve support and outcomes for injured persons, while ensuring the settings of the Scheme continue to keep insurance affordable.

The reviewers will also consider:

1. Efficiency of the current scope of scheme entitlements, including:
    a. opportunities to improve support for injured persons and the immediate families of persons who suffer injuries resulting in death, including consideration of early recognition payments,
    b. income replacement benefits, including:
        i. the sufficiency of income replacement benefits relative to higher pre-injury incomes,
        ii. recognition of other forms of income from work,
        iii. whether superannuation can be paid to a superannuation fund as part of the benefit and how this could be arranged,
        iv. recognising time lost from work because of medical appointments, including for IME assessments,
    c. opportunities to better support a return to activities of daily living, including accessing transport and the engagement of injured persons in rehabilitation and return to work through service providers and employers,
    d. the quality-of-life benefit, including any opportunities to streamline the legislative process.
2. Resolving disputes in the Scheme (excluding the establishment of a new or alternative dispute resolution process) including:
    a. how the arrangements for internal review and external review can ensure disputes are resolved as quickly, efficiently and fairly as possible, recognising the impact on applicants of unnecessary delays,
    b. whether to provide guidance in the Act for the ACT Civil and Administrative Tribunal on the decisions members may make to resolve a dispute,

    c. for motor accident claims, whether further clarification is required with the legislation, including a guideline-making power to address process issues.
3. Scheme administration, including:
    a. improving the experience for injured people in the application process to ensure the Scheme is achieving its objective of early support and appropriate intervention,
    b. administrative handling by insurers and how to ensure accurate and timely decision-making across the life of the application,
    c. statistical data (provided by the MAI Commission).
4. Information provision, including:
    a. ensuring all people involved in a motor accident are aware of the Scheme,
    b. identifying any barriers to people being aware of the Scheme, and options to raise awareness.

The relevant period is 1 February 2023 to 31 January 2026, with the review to consider information based on financial year to allow for comparison with the first three-year review.

Supporting documents

This discussion paper and a financial aspects report have been published to support submissions to the review.

The MAI Commission has provided general statistics as an Appendix to the paper, including:

1. number of defined benefit applications since the start of the scheme, and from 30 June 2023,
2. participant statistics such as role in accident, age ranges, types of injuries, injury severity, fault status,
3. benefits provided to MAI Scheme applicants, including income distribution,
4. the timeliness of defined benefit payments (for income replacement, funeral, dependant death benefits, and quality of life benefit entitlements),
5. numbers of internal and external reviews, and
6. analysis of whole person impairment assessments against the number of applicants to the scheme.

Out of Scope

Consideration of reform of the MAI Scheme in the following areas is out of scope for this review:

- changes in percentages specified in the Act (income replacement, whole permanent impairment assessment and thresholds),
- interaction with other schemes (e.g. workers compensation),
- removing ACAT as the external reviewer, and
- commutation of benefits.

Background and Context

The MAI Act replaced the former Compulsory Third-party Insurance (CTP) Scheme under the *Road Transport (Third-party Insurance) Act 2008*. The MAI Scheme provides defined benefits to anyone injured in a motor accident on a no-fault basis for up to five years, with access to common law compensation to people more seriously injured and whose injury was caused by someone else's fault.

Scheme overview

Defined benefit entitlements available under the MAI Scheme include:

- treatment and care to recover from injuries from the motor accident,
- income replacement to support time off work,
- quality of life payment for permanent impairment,
- funeral expenses, and
- payments to dependants related to a domestic partner/parent's death.

There are exclusions and limitations on access to defined benefits, including where an injured driver has been convicted of an offence arising from the motor accident. The removal or restriction of benefits in these circumstances reflects the principle that unlawful driving behaviour has consequences and is intended to reinforce personal accountability.

Earlier provision of treatment and care continues to be observed, with claims lodged with insurers shortly after an accident. Timeliness in insurer decision-making by insurers has improved, with the median time to first treatment and care payment decreasing from 12 to 10 days (Figure 1), and from 27 to 20 days for income replacement payments (Figure 2).[1] Payments made by insurers have increased significantly since the first review, reflecting both Scheme maturity and the emergence of common law claims. Some variability in common law activity has also been observed.

Access to common law damages generally requires an assessed whole person impairment of 10 per cent or greater. The process of assessment occurs through an application for the quality-of-life benefit, which provides a no-fault lump sum payment. Where the injured person is at fault only the statutory benefit is paid. Where the person is not at fault, and the 10 per cent WPI threshold is met, they may lodge a notice of claim with the insurer to seek additional compensation.

Figure 1: Median days to first payment by payment type

The timing of payments is affected by when an insurer receives a reimbursement request from an injured person or when an invoice is received directly from a provider.

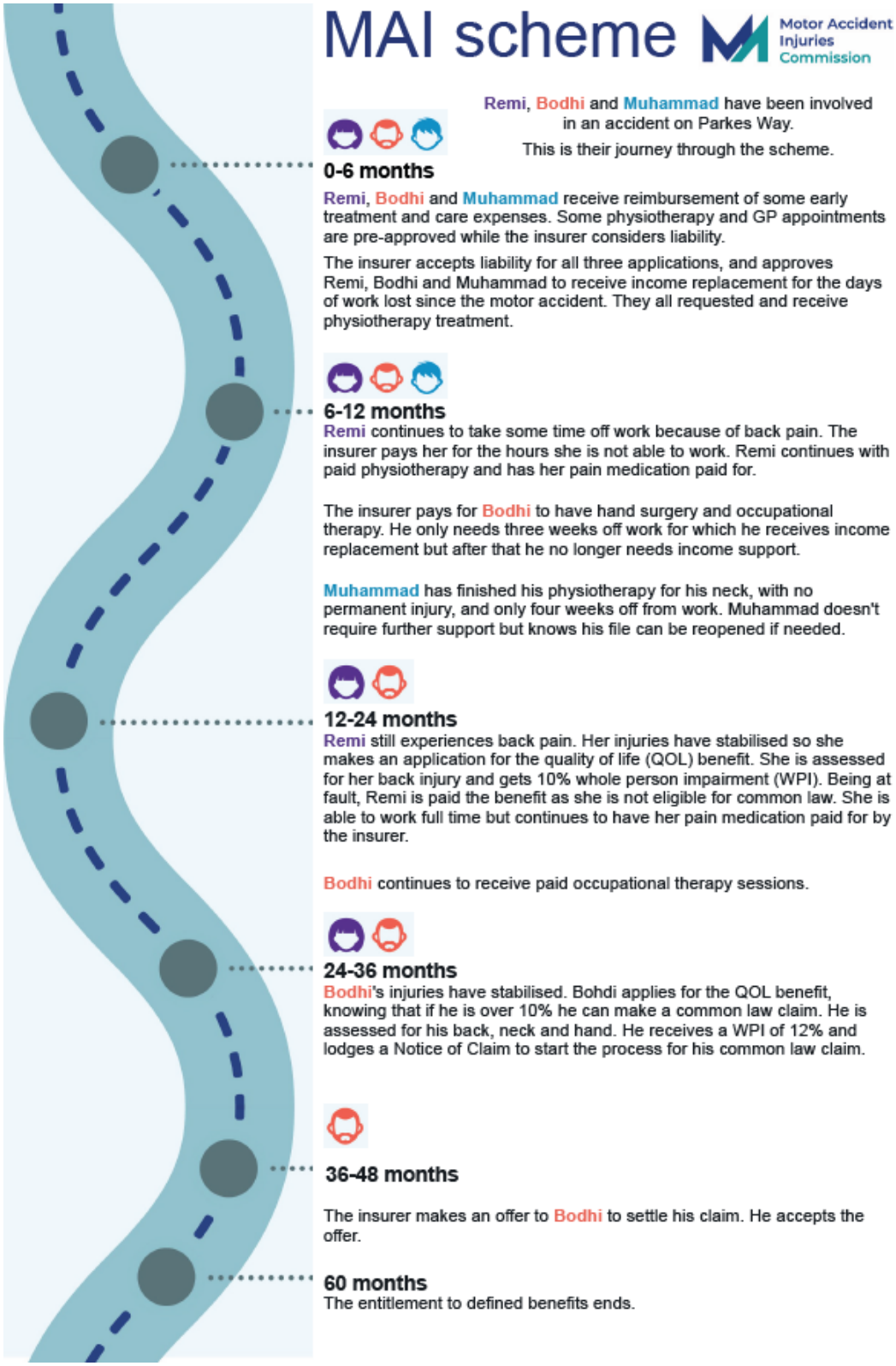
[1] Motor Accident Injuries Scheme – Quarterly Report 1 January to 31 March 2026, MAI Commission. Unless otherwise stated, graphics are from this report.

Figure 2: Median days to first income replacement payment

Requested payments can be made only after liability has been accepted by the insurer.

People who entered the scheme in 2020 have now completed defined benefits, received common law damages or are in the final stages of seeking common law damages. This review provides an opportunity to assess the complete cycle of defined benefits.

Figure 3: MAI Scheme roadmap



Scope of entitlements

This section outlines the scope of current Scheme entitlements and seeks stakeholder views on the adequacy and effectiveness of support provided. Entitlements include reasonable and necessary treatment and care for injuries sustained in a motor accident, as well as income replacement for time off work. The Scheme also provides benefits for dependants in the event of a domestic partner/parent's death and a funeral benefit.

(a) Supporting families following a death in a motor accident

The MAI Scheme provides funeral and lump sum death benefits to support the family of a person that dies because of a motor accident. Access to the funeral benefit is generally straightforward. However, payment of the lump sum death benefit can be subject to administrative delays, reflecting the need for insurers to complete necessary investigations and identify all eligible dependants. The Act requires the insurer to apply to the ACT Civil and Administrative Tribunal (ACAT) to decide on the distribution of the benefits.

To access additional support, individual family members are required to lodge a personal injuries application and demonstrate that they have sustained an injury arising from the motor accident. In many cases, these individuals were not directly involved in the accident and must establish a psychological injury to qualify for benefits.[2] Feedback indicates that the requirement to make a personal injuries application while grieving can present a significant administrative and emotional burden for affected family members.

An insurer must assess whether this person comes into the MAI Scheme without specific guidance being given by the MAI Act. In contrast, the *Civil Law (Wrongs) Act* 2002 (ACT) limits the claim for damages from mental harm to immediate family members that witness an incident or, in the case of a person who was not at the scene of an incident, to the spouse or a parent of the injured or deceased person.

Consultation Questions

1. Should more targeted trauma support benefits (such as mental health benefits and income support) be made available to family members in the early stages following a motor accident?
2. Should financial support be expanded and who should be eligible for these benefits? How should people access these supports and how long should they be available for? What benefits or risks might arise?
3. Should there be any limitations on the eligibility of people not at the scene of the accident to apply for existing defined benefit entitlements?

(b) Income Replacement Benefits

Income replacement benefits provide support for people unable to work due to their injury. These payments are designed to provide a reasonable level of income to support recovery rather than to fully compensate for all lost income.

[2] Psychological injury, known as 'nervous shock', arises from common law jurisprudence.

Benefit entitlements are calculated using formulas in the MAI Act that are subject to statutory caps and indexed twice yearly to average weekly earnings (AWE). The MAI Commission has received ongoing feedback that the upper cap may be inadequate for higher-income earners who may have higher existing liabilities or expenses, and that the prescribed formulas can produce variable outcomes. For example, a high-income applicant may receive no income replacement where part-week earnings meet or exceed the capped entitlement. The amounts paid can also vary depending on the timing of their missed work across more than one week.

Like many income protection policies, the Scheme does not make superannuation contributions. Concerns have been raised that periods away from work following a motor accident may adversely affect an individual's retirement savings. While the Scheme provides a superannuation allowance for lower-income earners (currently those with earnings below $800 per week, AWE indexed), this is delivered as an additional income replacement payment rather than a contribution to a superannuation fund. This reflects constraints under Commonwealth superannuation legislation, which restrict MAI insurers from making concessional superannuation contributions on behalf of applicants.[3] Further, any personal contributions made from after-tax monies would be subject to eligibility requirements and contribution caps, limiting the effectiveness of this mechanism in building retirement savings.

A further concern relates to the treatment of voluntary work in calculating income replacement benefits. Activities undertaken on a voluntary basis, including where individuals receive reimbursement of expenses or minor non-monetary benefits, are generally not recognised within current earning and income definitions. This may result in an incomplete reflection of a person's pre-injury economic participation and contribution.

To receive any income replacement a person needs to provide a fitness for work certificate from their own doctor. However, once a person has returned to work, they may still need to attend medical appointments or examinations. These can require time off work and for some people can mean a loss of income without a fitness for work certificate.

Consultation Questions

4. Are income replacement benefits adequate across different income levels, including for higher-income earners? If not, how could they be improved?

5. Does the MAI Act appropriately capture all forms of income when assessing pre-injury earnings, including non-traditional income (e.g. in-kind benefits or honorariums)? If not, should additional sources of income be recognised, and what level of activity and documentation should be required?

6. Should income replacement benefits recognise time lost from work due to medical or IME appointments? If so, would an hourly rate or a set payment that covers loss of income and travel costs be a better way to assist people, rather than working out payments based on pre-injury income?

[3] To contribute the insurer would need personal account details and an authority from the person. The authority would need to include an acknowledgment from the person of their eligibility for an after-tax contribution and the potential taxation impacts if this is exceeded. An insurer cannot make SG contributions as they are not an employer.

(c) Supporting a return to activities of daily living

A core objective of the MAI Scheme is to support early access to treatment and care. The previous review found that the scheme was meeting this objective. Subsequent feedback indicates that, while early access is generally being realised, insurers face challenges in supporting recovery beyond initial treatment, particularly in facilitating return to activities of daily living, participation in rehabilitation, and access to transport for some applicants.

Applicant experiences with external rehabilitation providers are mixed. Some applicants report dissatisfaction where they are required to attend appointments with nominated providers. In contrast, others report positive experiences, highlighting the value of coordinated rehabilitation support and the role these providers play in facilitating recovery.

Challenges have also been identified in supporting return to work outcomes. Unlike workers' compensation, employers are not required to participate in recovery planning or facilitate workplace adjustments. As a result, an injured person may have capacity to return to work but be unable to do so without an employer's agreement to modified duties, altered hours, or other reasonable accommodations.

Feedback also indicates a lack of clarity about rehabilitation expenses that can be covered by the Scheme. Two examples raised with the MAI Commission include:

- transport assistance to attend paid work or voluntary duties, and
- health and wellbeing activities, such as yoga classes or gym sessions.

These activities can fall within the broad definition of "rehabilitation" in the MAI Act and insurers have taken a case-by-case approach to requests for travel and wellbeing activity expenses. However, it may be unclear for participants in the first instance if the support will be available and the case-by-case approach means they may receive inconsistent advice.

Consultation Questions

7. What supports best enable injured people to return to everyday living activities?
8. How could insurers, employers, and service providers better support rehabilitation and return to work?
9. What are the barriers to accessing transport, health and wellbeing activities?

(d) The Quality-of-Life Benefit Offer Process

The quality of life (QOL) benefit is a recognition payment for a person's permanent injuries caused by the accident and is generally determined following a WPI assessment. Assessments are conducted in accordance with the *Motor Accident Injuries (WPI Assessment) Guidelines 2019* (WPI Assessment Guidelines) and the MAI Act. While this paper does not consider all aspects of the process,[4] stakeholder feedback has identified several concerns, including:

[4] The *Motor Accident Injuries (Quality of Life Benefits) Guidelines 2025* and the MAI Commission website have further details.

- the complexity of the WPI assessment process, including the need to make informed decisions within set timeframes
- the potential for inconsistency in the assessments that are undertaken
- difficulties injured people have stepping through the process
- unexpected assessment outcomes leading to disappointment with the MAI Scheme.

The MAI Act sets out specific requirements for the making of first and final WPI offers, which are determined by reference to WPI percentage bands for physical and/or psychological injuries and any eligibility to make a common law claim. Where an applicant has separate impairment assessments for physical and psychological injuries, an insurer may take both assessments into account when determining the initial QOL benefit offer. A valid motor accident claim (common law) can only be made based on the higher WPI in the two separate reports, consistent with Section 239(3) of the MAI Act.

Where an applicant disagrees with a first WPI report and any benefit offer, they can arrange for a second WPI report from a private medical examiner (PME) at their own expense. The Act requires that the insurer be informed[5] that a person is seeking a second WPI report. These reports can be expensive with the cost of a single WPI assessment arranged by an insurer being between $2,000 and $6,000. There is no certainty that any second report from a PME will result in a more favourable outcome. An insurer may, but is not required to, refer a second report to the first assessor to affirm or increase the original WPI assessment before making a final WPI offer. An insurer's decision on a final WPI offer is externally reviewable by the ACAT.

The Act restricts an applicant who receives a QOL benefit payment from claiming QOL damages in a common law claim if they meet the threshold requirements. There is no provision for a top-up amount to be paid in a common law award.

Consultation Questions

10. Is the current Quality Life Benefit process clear and accessible? What aspects, if any, of the assessment or the requirements could be streamlined to address potential barriers for applicants?

11. Could an insurer pay out a quality of life benefit based on the first WPI offer with a final offer WPI then only being for the purposes of pursuing a common law claim?

[5] The MAI Commission advises that ambiguity may be occurring with parties 'rejecting' a first offer. There is also anecdotal evidence that some applicants' unhappy with a QOL offer are not co-operating with insurers to facilitate receiving their benefit payment once it is deemed to be accepted.

Dispute Resolution in the MAI Scheme

Quick and efficient dispute resolution is a critical element of fairness in the MAI Scheme. The internal review process allows applicants to challenge insurer decisions in a cost-effective manner, while the ACAT serves as the external reviewer. Most disputes are addressed at the internal review stage. To March 2026 there had been 374 internal reviews conducted by the insurers (Figure 4), with 51 external reviews (Figure 5) and 8 ACAT decisions.[6]

The MAI Commission advises that a 2025 assurance audit found insurers had robust processes for notifying applicants of their rights to internal and external review and were meeting timeframes for internal reviews. Internal reviewers were suitable and independent, with insurer discretion also being utilised.

The ACAT publishes the number of lodgements and age of pending applications for the motor accident injuries jurisdiction.[7] From 2020-21 there were 15 lodgements and four finalisations. The most recent ACAT Annual Review 2023-24 noted for 2023-24 there were four lodgements with three pending for 6 to 9 months.

Figure 4: Internal Reviews by Category and Outcome

Category	In progress	Affirmed	Amended	Substituted	TOTAL
Treatment & Care	6	155	14	79	254
Income Replacement	0	49	20	24	93
Liability	0	21	0	2	23
Other Review Types	0	1	0	3	4
TOTAL	6	266	34	108	374

Affirmed means no change to the insurer's decision.
Amended means a change (i.e. a payment calculation).
Substituted means an insurer made a different decision.

Figure 5: External Reviews by Category and Outcome

Category	In progress	Decision affirmed	Decision set aside	Dismissed	TOTAL
Treatment & Care	1	5	9	5	20
Income Replacement	1	1	4	1	7
Liability	1	0	9	2	12
WPI Final Offer / S O I	4	1	2	4	11
Other Review Types	0	0	0	1	1
TOTAL	7	7	24	13	51

Figures above reflect most current data from ACAT and the insurers.

Dismissed may include matters where an applicant no longer pursues their applications for external review, either by request or by not undertaking further steps, in addition to being dismissed by the ACAT.

[6] An ACAT decision relates to payments for death benefits and future medical treatments.
[7] Annual review reports: https://www.acat.act.gov.au/about_acat/publication-and-policies/annual-reviews.

There continue to be concerns raised about external reviews including:

- accessibility of processes for unrepresented applicants,
- timeliness in resolving disputes by ACAT, and
- the need for clearer guidance on how ACAT should approach MAI Act matters.

Submissions to the previous review raised concerns regarding the effectiveness of the ACAT process, including its limited capacity for merits review and the complexity of the process for individual applicants to navigate. Stakeholders also identified uncertainty around the level of costs that may be awarded.

In response, the ACT Government amended the *Motor Accident Injuries (Premiums and Administration) Regulation 2020* in December 2025 to reset the maximum recoverable costs to $4,000 (indexed to AWE), plus the ACAT application fee (inclusive of GST).

Recent decisions made by the ACAT have had varied outcomes, with a significant proportion of decisions being remitted back to insurers. Remittance can add further delay if a matter has been pending with a member for more than a few months.

Consultation Questions

12. Would further legislative guidance support ACAT in achieving consistent and efficient dispute resolution outcomes?

13. Are there areas where clearer guideline-making powers would assist in resolving common procedural or interpretation issues?

Motor accident claims

Motor accident claim is the terminology used in the MAI Act, the Civil Law (Wrongs) Act and the *Limitation Act 1985* for a cause of action to seek common law damages by a person not at fault for a motor accident. The MAI Act includes extensive guideline making provisions for the handling of defined benefit applications. These provisions do not extend to the matters in Chapter 5 of the MAI Act relating to motor accident claims.

Figure 6: Common Law Claims lodged and finalised

Both insurers and injured persons have sought greater clarity on procedural aspects of claim management. The absence of detailed guidelines may contribute to delays in the progression of claims, including the emergence of common law claims. The Supreme Court recently noted

the intention of the MAI Act is "to regulate less serious claims outside the forum of adversarial litigation and so to reserve the resources of the Court for more serious claims".[8]

Consultation Question

14. Are there areas where guideline-making powers would assist in resolving common law procedural or interpretation issues?

[8] *Stewart v Kirk* [2026] ACTSC 33 at para 43.

Improving Scheme Administration

The application process continues to be identified as a concern by some members of the community, including individuals accessing services through the Defined Benefits Information Service (DBIS). Feedback indicates that additional support may be needed to assist applicants in understanding application requirements, including the information requested, supporting medical evidence, applicable timeframes, and the range and nature of available entitlements.

The MAI Commission has identified the provisions relating to 'allowable expenses' as a potential source of confusion for applicants. These provisions permit early treatment expenses to be incurred without prior insurer approval, with insurers required to provide written disclosure outlining the scope of allowable expenses. In practice, this may create uncertainty for injured persons about the treatment they can access while their claim is being assessed. To support greater clarity, the MAI Commission has recently published a plain English application guide on its website, which consolidates key information into a downloadable format, with additional guidance materials now available.

The MAI Act and Guidelines contain various timeframes that insurers must meet in the handling of an application. There are also licence conditions for MAI insurers that require the prompt management of applications for defined benefits, and the payment of reasonable and necessary treatment and care as soon as practicable.

Early handling of applications data shows licensed MAI insurers operate well within the legislated timeframes with only isolated instances of delays. However, as an application matures, delays are being observed between when the request was made, the approval of treatment and care benefits and associated payments being made. Some delays may be due to the complex or one-off nature of later treatment requests, and the need for an insurer to gather sufficient information to make an approval decision or to validate a payment request.

Insurers have identified to the MAI Commission, among other things, contacting general practitioners and specialists for further information can contribute to delays. In NSW, the State Insurance Regulatory Authority has approved a form known as the Allied Health Treatment Request (AHTR). The AHTR outlines required information that could inform an insurer, including the person's current clinical presentation, progress and barriers to recovery.

Consultation Questions

15. What changes could help assist applications to be made more easily?
16. Are there suggestions to streamline administrative processes, including communication or technology improvements?
17. Could a form like the Allied Health Treatment Request assist with treatment requests? Are there any relevant considerations, including its interaction with recovery plans.

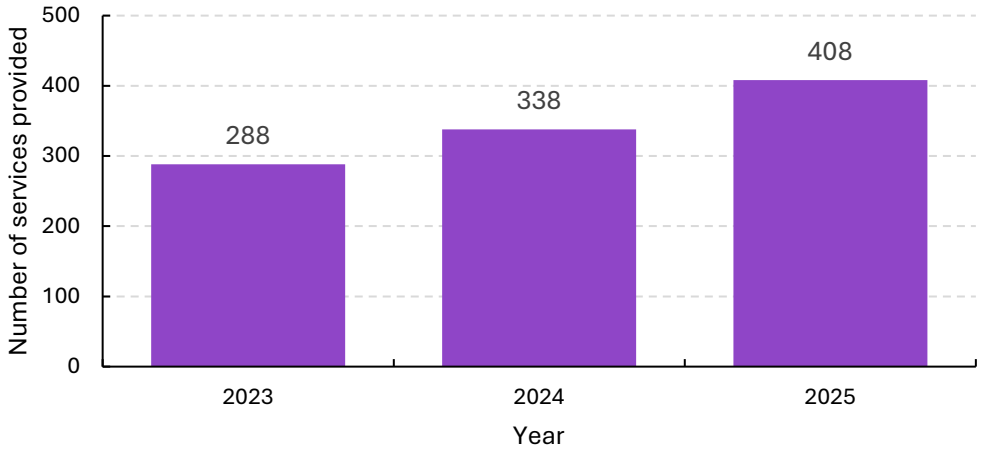
Information Provision

Supporting access to defined benefits is a central objective of the Act. Late applications – lodged 13 weeks or more after the date of the accident – continue to occur, with some injured persons indicating they were unaware of the Scheme. This limited awareness of the Scheme remains a concern, and the MAI Commission continues to explore measures to improve community understanding. Current initiatives include targeted marketing campaigns, outreach activities, and responding to direct public enquiries. Additional referral pathways include ACT hospitals, ACT Policing and the ACT Ambulance Service.

The MAI Commission's website has information about MAI insurance coverage including how to apply for defined benefits. The MAI Commission also provides information about the MAI Scheme through the free DBIS. The service is delivered by Care Inc through their accredited community law centre and is funded by the MAI Commission. Their services are available by phone, email, in person, and include translating and interpreting services.

The DBIS supports injured people and their families through a combination of information services and some limited legal services and tasks. The DBIS cannot provide legal representation. The services of the DBIS have expanded with the addition of a social worker and a call back service. These additions mean the DBIS can better identify people experiencing vulnerability and support those people in a trauma informed way, including through referrals to other relevant support networks.

Figure 7: DBIS Services provided by year



DBIS demand has continued to grow as the MAI Scheme matures. Since the last review period, the service has provided 1,034 services to individuals, with 408 services being provided in the 2025 calendar year (Figure 7).

Consultation Questions

18. What other communication channels or outreach methods would be best to raise awareness of the MAI Scheme?

19. What possible barriers or limitations that could be addressed to improve people learning about the Scheme?

Financial aspects of the MAI Scheme

Components of insurance pricing

Insurers are required to submit annual filings to the MAI Commission outlining proposed premium levels. These filings include the assumptions and supporting rationale underpinning the determination of premiums based on available data.

In setting premiums for the coming year, insurers estimate the total funding required by considering Scheme design, projected claim volumes, the severity of injuries, and associated claim costs, as well as operational expenses such as claims management and a commercial return. Consistent with the long-tail nature of motor accident injury insurance, insurers also incorporate expected investment income on collected premiums into their pricing assumptions.

Insurer premiums require approval by the MAI Commission. Comparisons with other jurisdictions are often made, however direct comparison is challenging due to differences in scheme design, including the use of single-insurer (government-run) models in some jurisdictions. While the ACT MAI Scheme shares features with other schemes, it is unique in its overall design. Premium information across all vehicle classes is published on the MAI Commission website under the "Your MAI Insurance" section.

There is a timing mismatch between when premiums are collected for an accident year and when benefits are paid. As such, premium and payment information should not be compared over the same period – for example, on a payment in / payment out basis. Premiums collected each year are required to cover both the current and future costs of personal injuries claims arising from motor accidents occurring in that year. Accordingly, premiums collected in any given year may be paid out over an extended period, reflecting the long-tail nature of the Scheme, until all associated claims are finalised.

The ACT Government is establishing an arrangement to assess insurers' actual profitability under the MAI Scheme, recognising that privately underwritten insurers bear risk and should earn a reasonable return. The MAI Act provides for a regulation to prescribe how insurer profitability is to be assessed and to ensure that insurers are not making and retaining excess profits. This work, referred to as the Profit Mechanism, was initiated following the previous review and has been developed into an initial proposal through engagement with the Scheme Actuary and MAI insurers. Ongoing work is focused on refining a mechanism suitable for a small jurisdiction.[9] It is anticipated that the regulation will be implemented in 2026-27.

Scheme Actuary report

As part of this review, the Scheme Actuary (Finity) has prepared a report on the financial performance of the MAI Scheme, addressing the requirements of section 493 of the Act. The Finity report provides an independent assessment of the financial performance of the MAI Scheme over its first six years of operation. It draws on data collected by the MAI Commission and supports the statutory review by examining premium affordability, market dynamics and emerging claims experience. The report is attached to this discussion paper, with a summary provided below.

[9] Only NSW, a large CTP/MAI jurisdiction in Australia, has a profit mechanism.

Affordability and competition

Premium outcomes have been stable and affordability has improved. The risk premium has consistently represented around 65 per cent of total premiums, with claims handling expenses, GST and margins comprising the balance. Finity advises that average annual premiums have declined from around 30 per cent of average weekly earnings at scheme inception to around 22 per cent in 2026, improving affordability. As of 30 June 2025, the average passenger vehicle MAI premium was $402.43, a reduction of nearly $56 or 12 per cent from the 1 February 2020 premium of $458.30 when the Scheme commenced. The shift in premiums has been driven in part by sustained price competition between insurers, with frequent repricing and interim reductions, although recent filings suggest emerging upward pressure from claims inflation.

Claims Experience

Claims experience to date reflects lower frequency, but higher severity of injuries than originally projected. Claim frequency is around 1.5 claims per 1,000 vehicles—approximately 70 per cent below initial assumptions—likely reflecting behavioural adjustment and honeymoon effects. In contrast, average claim sizes for more developed years are materially higher than expected.

Common law experience remains limited but is beginning to emerge, consistent with the expected lag in lodgements. The payment patterns broadly align with scheme design, with defined benefits paid earlier and common law costs developing over a longer horizon.

Premiums

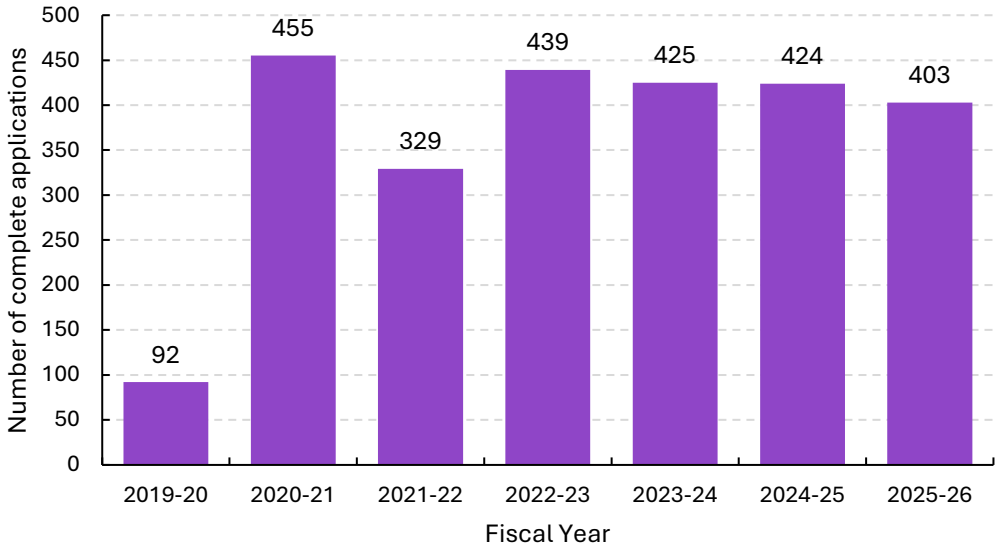
Annual premium collections have declined from $156 million in the first year to around $146 million in 2025. Payments to date are below ultimate cost estimates, reflecting the immaturity of claims. Overall, early indicators suggest the Scheme is delivering improved affordability with premiums and early access to benefits; however, significant uncertainty remains around long-term cost outcomes, particularly as common law experience matures and broader economic and behavioural factors evolve.

Appendix

General Statistics from the MAI Commission
(per the Terms of Reference)

1. Defined benefit application frequency

Figure 1: Number of complete (compliant) defined benefit applications by fiscal year



The MAI Scheme commenced on 1 February 2020 just prior to the pandemic, contributing to lower application numbers in the first year. Data is by application receipt date and the acceptance rate is around 97 per cent. It is expected that the 2025-26 applications number may increase slightly in the Commission's next report as they were received prior to 30 June 2026 but are not yet compliant applications.

2. Participant statistics

Figure 2: Applicant role in accident (ACT Accidents) for 2025-26

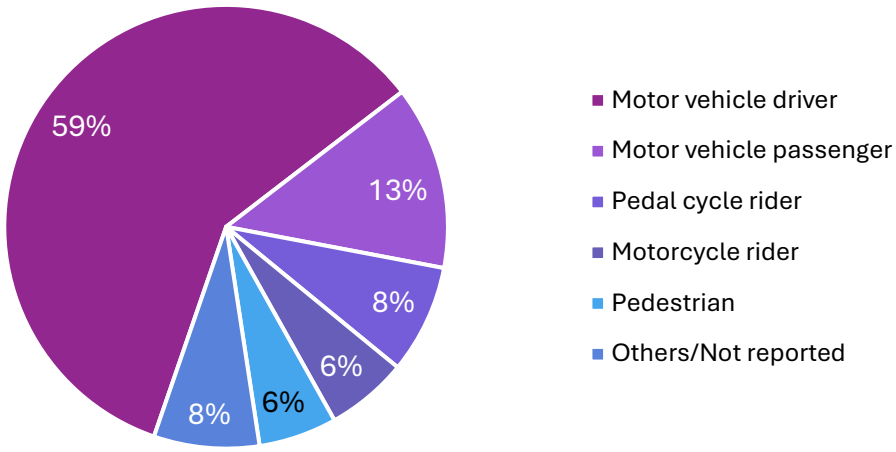


Figure 3: Applicant age groups for 2025-26

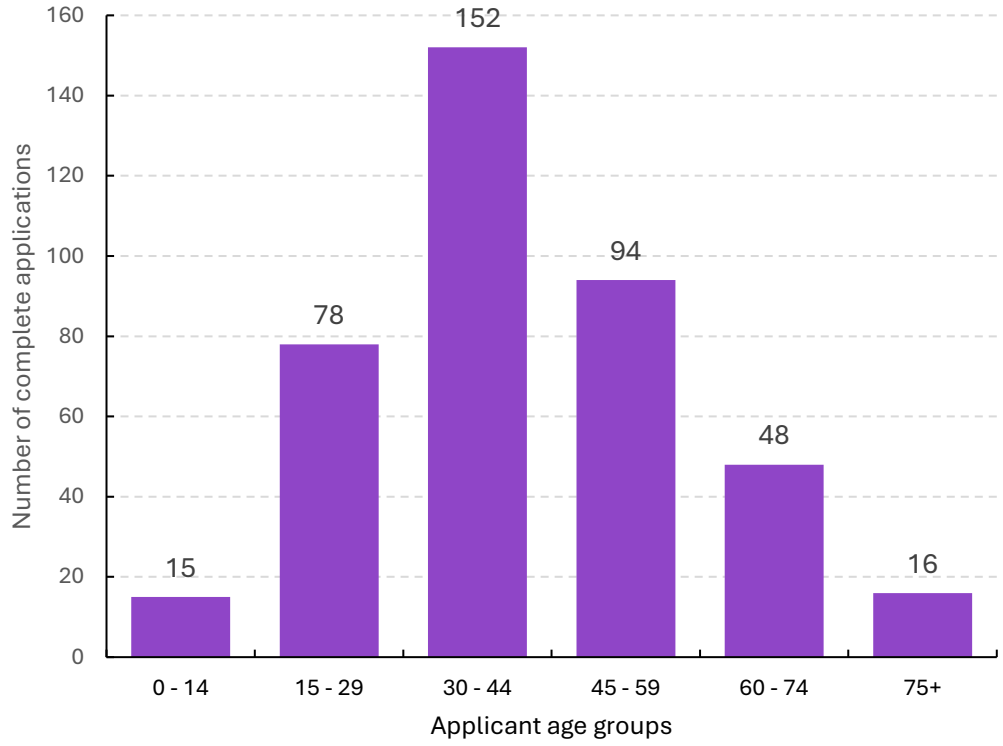
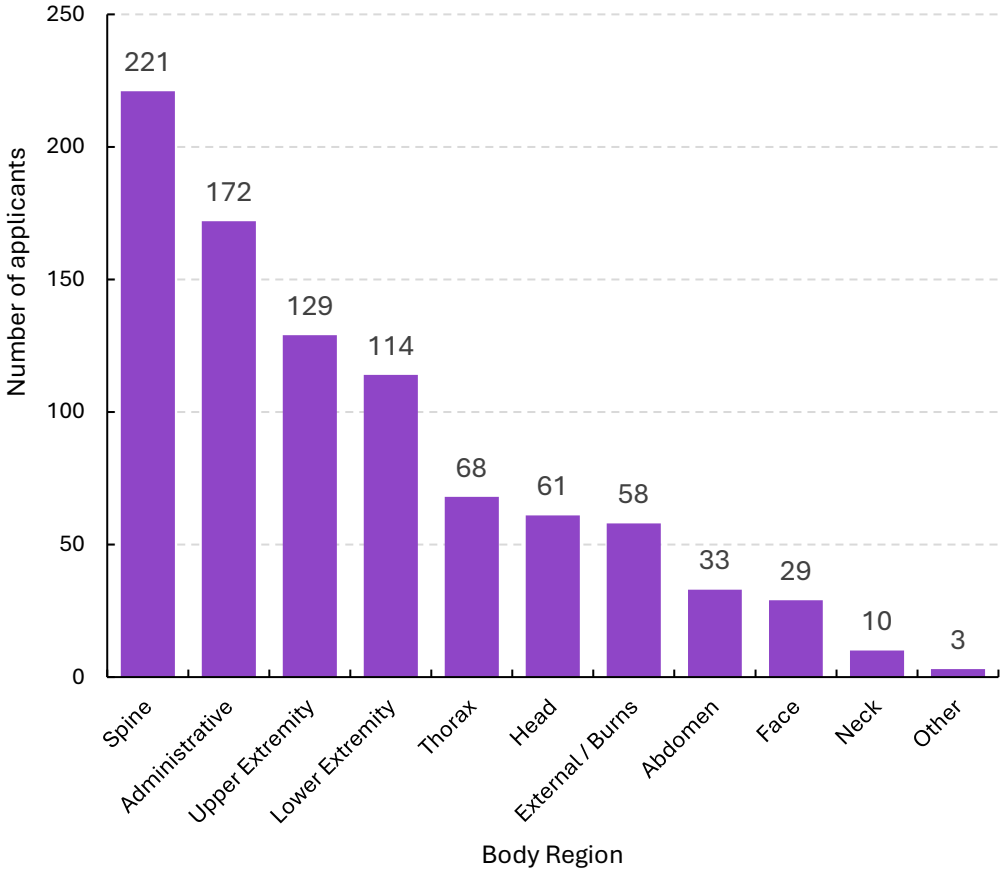
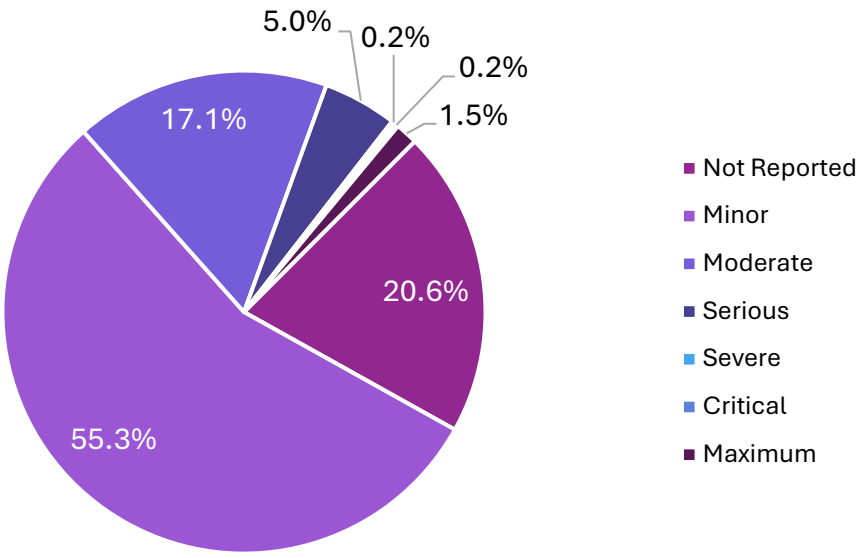


Figure 4: Type of injury (by body region) and injury severity in 2025-26



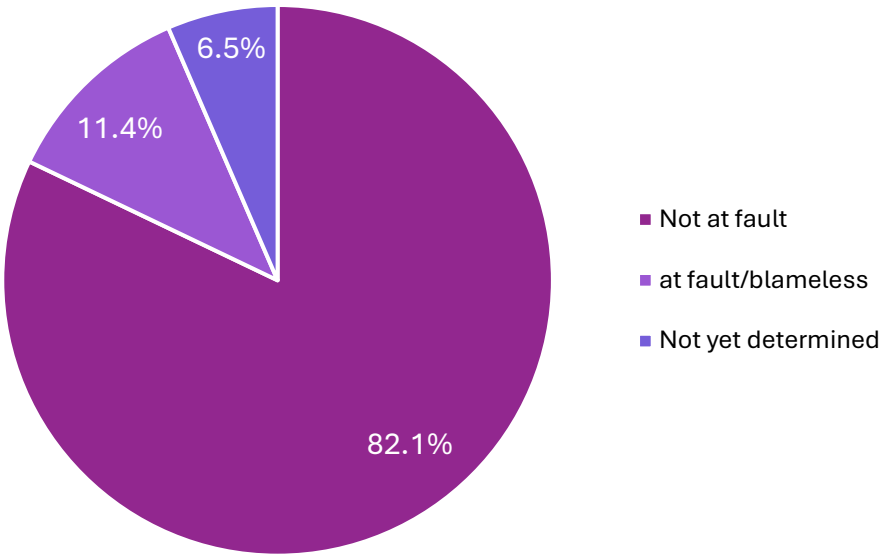
Note that spine includes whiplash injuries, of which 157 were recorded.

Figure 5: Applicant's highest injury severity in 2025-26



During 2025-26 over 50 per cent of injuries were rated as minor by the insurers while applicants may have injuries to multiple body systems.

Figure 6: Applicant fault status determined in 2025-26



While the MAI Scheme is a no-fault scheme, MAI insurers are required to identify who is the most at fault driver for a motor accident. This is so the insurer on risk as the third-party insurer (the relevant insurer) is paying the costs of the application. The number of at-fault drivers making applications has steadily increased since the commencement of the scheme. Not yet determined is selected where the insurer is still undertaking investigations.

3. Benefits provided to MAI Scheme applicants, including income distribution

Figure 7: Defined Benefit Payments made in 2025-26

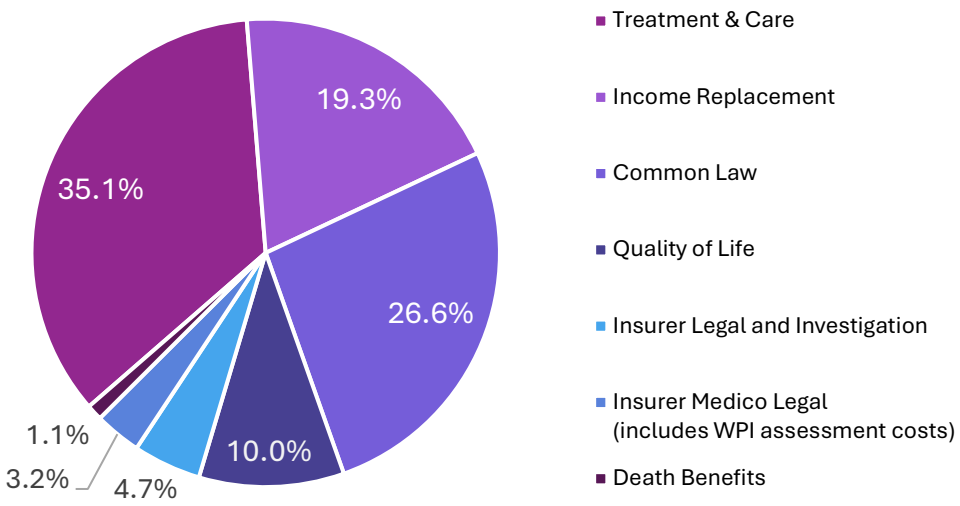


Figure 8: Work Status for 2025-26

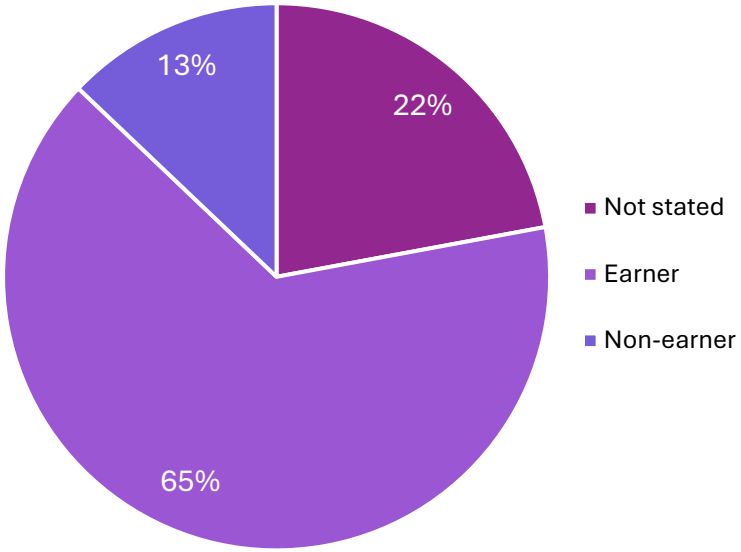
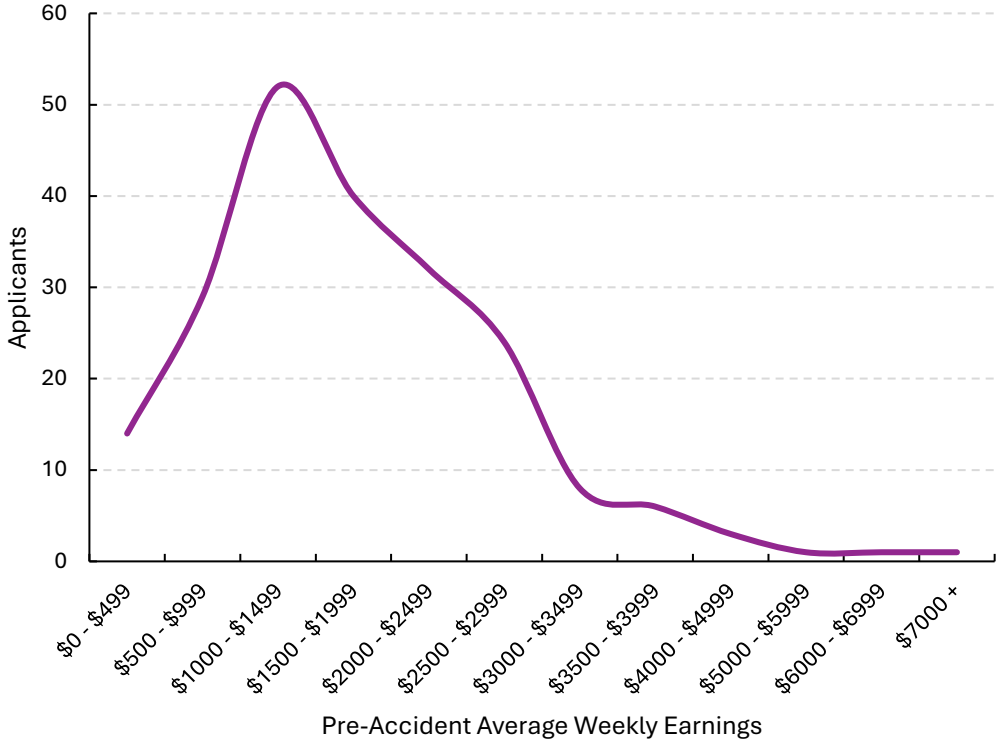


Figure 9: Pre-Accident Average Weekly Earnings for 2025-26 (ACT Accidents)

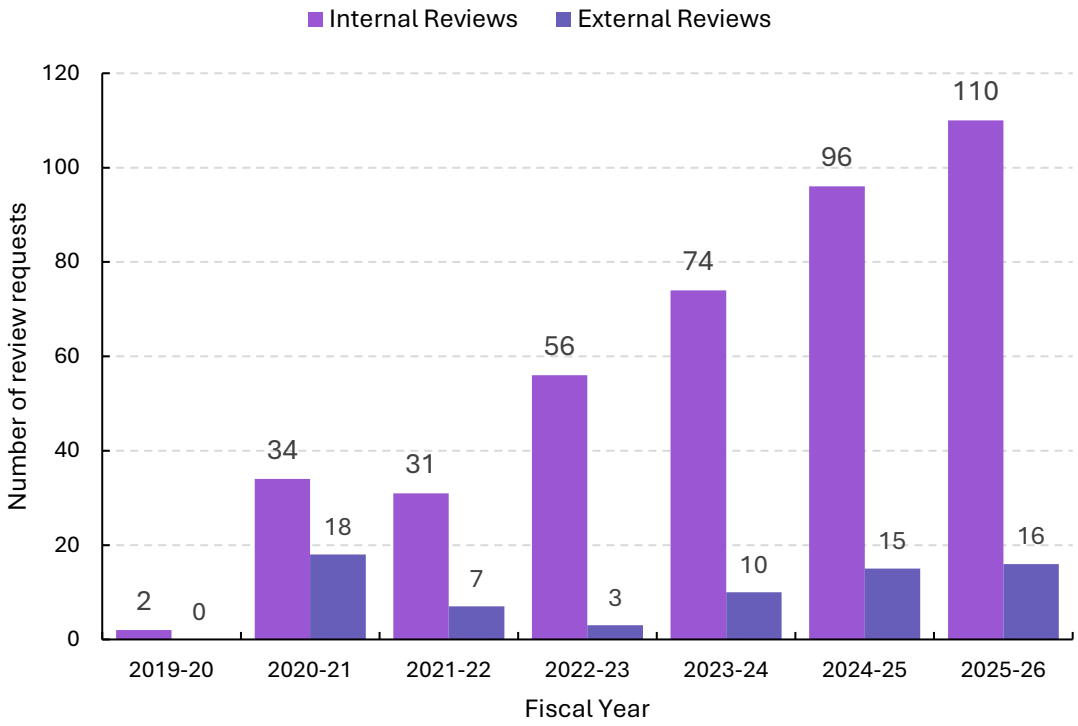


4. The timeliness of defined benefits payments (for income replacement, funeral, dependant death benefits, and quality of life benefit entitlements)

Information on the timeliness of income replacement payment is included on page 7. Funeral payments occur within a reasonable time from receipt of the application but is not shown due to the low number of applications received in 2025-26. The timeliness of dependant death benefits payments is subject to the time it takes to receive a death certificate and this metric is not collected. The timeliness of the quality of life benefit is also affected by a timing issue between when an application is received by an insurer and when the first offer can be made by an insurer, that may or may not be accepted by the injured person. The MAI Commission monitors for these issues but cannot reliably measure this to produce a timeliness chart.

5. Numbers of internal and external reviews

Figure 10: Internal and External Review requests by fiscal year



6. Analysis of whole person impairment assessments against the number of applicants to the scheme

Through to 30 June 2026 there have been 288 whole person impairment (WPI) determinations and 598 WPI assessments (a person can have more than one assessment for a body system). A determination is where an insurer has recorded a WPI outcome. Against 2546 compliant applications this represents 11.3 per cent of applicants with a WPI determination to 30 June 2026. 130 of the determinations were 5 per cent or greater.