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# Determination of insurance premiums for third party policies

## Introduction

- 1.1 These Guidelines provide mechanisms for the regulation of insurance premiums matters under Part 2, Division 2.3 and clause 2 of Schedule 4 of the *Motor Accident Injuries Act 2017* (NSW) (the Act). They are issued by the State Insurance Regulatory Authority (the Authority).

## Commencement and revocation of previous Guidelines

- 1.2 These Guidelines are effective for premium rate filings submitted for all third party policies that the filing insurer proposes to issue with a commencement date on or after 1 December 2017. These Guidelines replace those published on 22 November 2017. The provisions relating to insurance premium matters are unchanged and remain in force until amended or replaced.

## Definitions

- 1.3 The definitions in the Act apply to these Guidelines.

## Guiding principles

- 1.4 The primary objects (Section 1.3) of the Act relating to a premium framework are to:
- 1.4.1 promote competition and innovation in the setting of premiums
  - 1.4.2 ensure the sustainability and affordability of the scheme and fair market practices
  - 1.4.3 keep premiums affordable by ensuring that the profits realised by insurers do not exceed the amount that is sufficient to underwrite the relevant risk.
- 1.5 The Authority seeks to achieve these objects in managing third party insurance premiums.
- 1.6 To promote competition and innovation by insurers, the Authority allows risk-based pricing, but this must be done within limits in order to keep premiums affordable. The premium framework recognises that this liability scheme, which is compulsory and privately underwritten, blends risk-based and community-rated approaches to assist with the object of affordability.
- 1.7 Filed premiums must be adequate and not excessive (under Section 2.22(1)(a) of the Act). The Authority will closely scrutinise filed premiums against the objects of the Act and against any range of premiums for transitional policies it has determined under clause 2(3)(c) of Schedule 4 of the Act, 'Savings, transitional and other provisions'.

- 1.8 In aligning with the competition and innovation objects, the Authority recognises that insurers will pursue their own particular business objectives that will be reflected as an integral part of each insurer's pricing strategy. On this basis, technical (actuarial) pricing will not be considered in isolation and an explanation by insurers is encouraged for non-technical pricing considerations, including:
- 1.8.1 business plans and short, medium and long-term growth strategies
  - 1.8.2 response to pricing by competitors
  - 1.8.3 market segmentation and distribution strategies
  - 1.8.4 innovation and efficiencies in their business model.
- 1.9 The Authority will take into account the objects of the Act by considering, in aggregate, both qualitative and quantitative explanations when reviewing insurer filings. The Authority recognises that in the early stages of the Act, relevant data will be limited and more weight on qualitative considerations may be appropriate.

## Filing under Division 2.3 of the Act

- 1.10 In submitting a full or partial rate filing a licensed insurer must provide a soft copy of the filing, including a covering letter, the filing report, appendices and any associated spreadsheets. The covering letter is to be signed by the NSW CTP product executive or equivalent office holder and must include:
- 1.10.1 a description of the type of filing (partial filing under Section 2.20(2) of the Act or full filing under Section 2.21), the proposed effective date and, if applicable, any period nominated by the insurer for rejecting the filing that exceeds six weeks
  - 1.10.2 an executive summary of the filing
  - 1.10.3 the overall average premium
  - 1.10.4 any significant changes to the most recent business plan delivered to the Authority impacting competitive strategies or market positioning
  - 1.10.5 significant rating factor changes
  - 1.10.6 changes in bonus malus levels, and
  - 1.10.7 an outline of the policyholder impact analysis.

## Rejection of premiums by the Authority

- 1.11 The Authority may reject a premium filed under Division 2.3, Section 2.22 of the Act if it is of the opinion that the premium:
- 1.11.1 is excessive or inadequate in relation to actuarial advice and to other relevant financial information available to the Authority
  - 1.11.2 does not conform to the relevant provisions of these Guidelines, or
  - 1.11.3 will not fall within the range of premiums determined by the Authority under clause 2(3)(c) of Schedule 4 of the Act, 'Savings, transitional and other provisions'.

- 1.12 The Authority will conduct a review of all filings lodged in accordance with Division 2.3 of the Act and these Guidelines. The Authority may also obtain actuarial advice or other relevant financial advice.
- 1.13 The Authority's review will consider:
- 1.13.1 whether a filing is considered incomplete. The Authority will determine completeness by reviewing the documentation and schedules required by these Guidelines. The Authority must be satisfied that there is materially sufficient explanation of the assumptions and filed premiums to enable a review of the quantitative and qualitative elements of the filing. If classified as incomplete, the Authority may request further information from the insurer in accordance with Section 2.20(7) of the Act, which will mean that time does not run in relation to the period allowed for rejecting the premium until the insurer complies with the Authority's request. Alternatively, the Authority may request its withdrawal and, if not withdrawn, will exercise its discretion to reject the filing
  - 1.13.2 whether the premium has been determined in accordance with the process set out in these Guidelines. This will include the requirement to provide additional information regarding the premiums filed and to justify premiums that have been filed.

## Special provisions for premiums during the transitional period

- 1.14 The Authority has determined the likely cost of claims arising after the start of the transition period to be consistent with the initial costing by the Authority's independent actuary, subject to any subsequent costing variations.
- 1.15 In determining the Authority's opinion on whether the premium is adequate and not excessive under Section 2.22(1)(a) of the Act, the Authority will consider the comparison between the assumptions in the insurer's filing and those in the independent actuary's costing published by the Authority.

## Comparison with industry

- 1.16 During the transition period (as defined in clause 2(1), Schedule 4 of the Act), each insurer must provide a comparison of the assumptions made to allow for scheme benefit changes with the Authority's independent actuary's costing assumptions (Schedule 1E, provided by insurers in the form specified in Table 1.3), taking into account the insurer's business mix by class and region and other (claims experience related) factors against those of the industry.

## Taxi and motorcycle average premium changes

- 1.17 Insurers must provide a summary of changes in average premium for vehicle classes 7 and 10 for any filing for premiums to be charged on or after 1 December 2017.

# Premium components and factors to be calculated

## Motor accident schedule of premium relativities

- 1.18 Insurers must classify vehicles based on the motor accident schedule of premium relativities. The Authority will publish two sets of premium relativities:
- 1.18.1 customer premium relativities, which are to be used to calculate customer premiums
  - 1.18.2 insurer premium relativities, which are used in Table 1.2, Schedule 1C to arrive at insurers' base premium.
- 1.19 These schedules will be published to licensed insurers each year or other period as determined by the Authority. Insurers must apply the relevant premium relativities that are applicable to the vehicle class and region.

## Base premium

- 1.20 The base premium for each vehicle classification and region must be:
- 1.20.1 calculated as the class 1 metro vehicle base premium for which the policyholder is not entitled to any input tax credit (ITC)
  - 1.20.2 multiplied by the relativity for the particular vehicle class and region published in the motor accident schedule of insurer premium relativities current at the date the third party policy begins
  - 1.20.3 divided by 100.
- 1.21 The nominated base premium is used to define the allowable range of premiums in terms of the limits for bonus malus, the relative premiums for vehicle classifications and regions, and the loading that allows for policyholder entitlement to an ITC. It is equal to:

$$IB_{\text{class 1 metro}} = \frac{AP \times n \times 100}{\sum_i \text{insurer premium relativity}_i \times (1 + bm_i)}$$

Where:

- $IB_{\text{class 1 metro}}$  = The insurer's base premium for class 1 metro including GST but excluding the Fund levy, calculated as if no policyholders are entitled to any ITC. The Fund levy is the combined total of the Motor Accidents Operational (MAF) Fund levy, Lifetime Care & Support (LTCS) Fund levy and Motor Accident Injuries Treatment & Care (MAITC) Fund levy
- $AP$  = The insurer's average premium including GST but excluding the Fund levy, calculated as if no policyholders are entitled to any ITC, as shown in the premium filing summary sheet (Table 1.2, Schedule 1C)
- $\text{insurer premium relativity}_i$  = The premium relativity applicable to the  $i$ -th policy, as anticipated to be underwritten over the period of the premium filing based on the motor accident schedule of insurer premium relativities
- $bm_i$  = The bonus malus rate (%) applicable to the  $i$ -th policy, as anticipated to be underwritten over the period of the premium filing
- $n$  = The number of policies anticipated to be underwritten over the period of the premium filing.

1.22 Insurers must provide the filed base premium for each vehicle class and rating region in accordance with this clause in an electronic spreadsheet designated *Schedule 1A*.

## Ratio of insurer's average premium to class 1 metro (item 13 in Table 1.2)

1.23 This factor expresses the ratio of the insurer's average premium based on the insurer's projected portfolio mix (annual policy equivalent, taking into account the insurer's vehicle class and region mix of business), relative to the base premium of a class 1 metro vehicle. This is calculated by:

1. determining the percentage of the insurer's projected portfolio (based on the number of vehicles) that will be written in each vehicle class and region
2. multiplying each of the above proportions by the motor accident schedule of premium relativities published by the Authority for the corresponding vehicle class and region
3. adding up all of the values calculated in 2. above
4. dividing 3. above by 100.

1.24 The formula for the calculation is:

$$\text{Ratio} = \frac{\sum_k a_k \times \text{true premium relativity}_k}{100}$$

Where:  $\alpha_k$  = The proportion (as a %) of the insurer's projected portfolio (based on vehicle count) for the k-th vehicle class and region

- *true premium relativity<sub>k</sub>* = The premium relativity for the k-th vehicle class and region in the motor accident schedule of insurer premium relativities published by the Authority.

## Bonus malus factor (item 14 in Table 1.2)

1.25 This factor expresses the average bonus malus applied by an insurer to its projected annual policy equivalent portfolio (after taking into account the insurer's vehicle class and region mix of business). This is calculated by:

1. determining the total portfolio premium (before GST and levies) to be collected, inclusive of the bonus malus rates to be applied, for the portfolio of risks projected to be written by the insurer. This portfolio of risks should take into account the insurer's mix of business by vehicle class, region and rating factors
2. determining the total portfolio premium (before GST and levies) to be collected, before the application of any bonus malus rates, for the portfolio of risks projected to be written by the insurer
3. dividing 1. by 2.

1.26 The formula for the calculation is:

$$\text{bonus malus factor} = \frac{\sum_i \text{base premium}_i \times (1 + \text{bm}_i)}{\sum_i \text{base premium}_i}$$

Where:

- *base premium<sub>i</sub>* = The applicable base premium (\$) for the i-th policy based on its vehicle class and rating region
- *bm<sub>i</sub>* = The bonus malus rate (%) applicable to the i-th policy given the rating factors and bonus malus structure adopted by the insurer.

## Bonus malus limits, rating structure and risk rating factors

1.27 Each risk rating factor proposed by an insurer must be objective and evidence-based. A risk rating factor must not be used unless approved by the Authority. Insurers can apply to use objective risk rating factors except race, policy duration, ITC entitlement and postcode.

1.28 The authority encourages insurers to apply to use innovative rating factors that differentiate risk with quantifiable data, including telematics. Alternative pricing mechanisms, including initial premium payments combined with premium refund or extra premium options, are possible for all vehicle classes. Insurers may refund part of the premium paid for a third party policy during or after the period for which the policy is issued by reference to digital information recorded about the safe driving of the insured vehicle during that period or other factors, including the distance travelled. If insurers wish to apply these refund provisions to any vehicle class, the basis and methodology must be approved by the Authority.

- 1.29 Except for the 1 December 2017 filing, where there is a significant change to an insurer's bonus malus structure or change in the bonus malus applied to a group of policyholders (more than 10% change in the bonus malus percentage applied compared to the current rating structure in force, in absolute terms), an insurer must include in their filing:
- 1.29.1 analysis showing the technical relativity (or cost) for each group of policyholders within the rating factor for which bonus malus changes are proposed
- 1.29.2 a comparison of the technical relativity (or cost) against the actual premium relativity or bonus malus percentage (or cost) proposed.
- 1.30 Except for the 1 December 2017 filing, where an insurer proposes a rating structure that is significantly different from the technical basis, reasons for the difference must be discussed in the filing report.
- 1.31 The various levels of the bonus malus filed by a licensed insurer for each vehicle class and rating region must be supported by experience-based evidence or a reasoned assessment of risk and/or strategic commercial reasons except where an absolute bonus malus has been mandated by the Authority. An insurer must not charge the maximum malus for all vehicles in a particular vehicle classification unless this is supported by such evidence or assessment.

## Malus limits

- 1.32 The maximum malus percentage may be calculated exactly or rounded to the nearest one-tenth of 1%. For example, a multiple calculated as 51.2657% may be applied without rounding or rounded to 51.3.
- 1.33 Premiums charged by an insurer must be no greater than the multiple shown in Table 1.1 of the insurer's base premium, excluding GST, for the vehicle classification and each region.

**Table 1.1: Multiple of the insurer's base premium, excluding GST**

Vehicle classes	Maximum malus
1 (excluding new <sup>†</sup> non-fleet class 1 vehicles), 3c, 3d, 3e, 5, 6a, 6b, 6c, 8, 9a, 9d, 9e, 9f, 11, 12a, 13 and 18a	$(145\% \times RB + (IB - RB) \times 30\%) / IB$
7	Not more than 125% of the insurer's base premium excluding GST
10d, 10e, 10f, 10g and 10h	$(130\% \times RB + (IB - RB) \times 30\%) / IB$
6d, 6e, 12b, 14, 15a, 15c, 17, 18b, 18c and 21	Not more than 110% of the insurer's base premium excluding GST

<sup>†</sup> Original (establish) registration for current year and including plus or minus one year



Where:

IB = The insurer's filed base premium for a class 1 metro vehicle for which the policyholder is not entitled to any ITC

RB = The reference base rate at the time of filing.

## Bonus limits

- 1.34 Premiums charged by an insurer for specific vehicle classifications by region must accord with the following:
- 1.34.1 If the vehicle is a new<sup>a</sup> (non-fleet<sup>b</sup>) class 1 vehicle, premiums must be 80% of the base premium, excluding GST, for each region. No other bonus malus may be charged.
- a. Original (establish) registration for current year and including plus or minus one year.
- b. A fleet of fewer than 5,000 class 1 and/or class 3c vehicles.
- 1.35 Otherwise for non-new class 1 vehicles and any class 3c vehicles that are not part of a fleet, if the:
- 1.35.1 vehicle is class 1 or 3c and the youngest driver is aged under 55, the minimum premium is no less than 80% of the insurer's base premium, excluding GST, for these vehicle classes by region, or
- 1.35.2 vehicle is class 1 or 3c and the youngest driver is aged 55 or over, the minimum premium is no less than 75% of the insurer's base premium, excluding GST, for these vehicle classes by region.
- 1.36 Otherwise for fleet vehicles, will if the:
- 1.36.1 fleet comprises 5,000 or more class 1 and/or class 3c vehicles owned by a single entity/operator, or a group of related entities/operators, that proposes to insure third party policies with one licensed insurer, the minimum premium is no less than 60% of the insurer's base premium, excluding GST, for these vehicle classes by region.
- 1.37 Premiums charged by an insurer for vehicle classes 10d, 10e, 10f, 10g and 10h must be no less than 80% of the insurer's base premium, excluding GST, for the vehicle classes by region.
- 1.38 Premiums charged by an insurer for vehicle classes 3d, 3e, 5, 6a, 6b, 6c, 8, 9a, 9d, 9e, 9f, 11, 12a, 13 and 18a must be no less than 70% of the insurer's base premium, excluding GST, for the vehicle classes by region.
- 1.39 Premiums charged by an insurer for vehicle classes 6d, 6e, 12b, 14, 15a, 15c, 17, 18b, 18c and 21 must be no less than 90% of the insurer's base premium, excluding GST, for each of these vehicle classes by region.
- 1.40 Premiums charged by an insurer for vehicle class 7 must be no less than 80% of the insurer's base premium, excluding GST.

## Premiums where entitlement to an ITC is applicable

- 1.41 Specific premiums apply when the vehicle owner is entitled to an input tax credit (ITC) for GST purposes to allow for the tax treatment. The insurer will determine two sets of premium rates:

- 1.41.1 *nil ITC premium rates*, which apply to policyholders with no entitlement to any ITC for GST included in the premium, and
- 1.41.2 *some ITC premium rates*, which apply to policyholders entitled to claim an ITC for at least some of the GST included in the premium. Some ITC premium rates will be the insurer's corresponding nil ITC premium rates increased by a loading.
- 1.42 Each insurer will determine the percentage loading it considers appropriate. However, the loading, expressed as a percentage of the corresponding nil ITC premium rates, must be within the range of 6.5% to 7.5%.
- 1.43 The loading will be determined in relation to the effect of policyholders' entitlement to claim an ITC on the insurer's entitlement to claim decreasing adjustments for claims costs attributable to those policyholders.
- 1.44 The ITC loading must be the same percentage for each vehicle classification and region. However, minor variations in the percentage loading attributable only to the calculation of premiums for non-annual policies or to rounding, are acceptable.

## Loading of premiums for short-term policies

- 1.45 For quarterly or six-month policies, short-term insurer premiums may include a surcharge (the short-term policy surcharge), excluding GST, LTCS levy and MAF levy, which is calculated as follows:
- Quarterly premium = (annual premium + X) x (100% + Y%) / 4
  - Half-yearly premium = (annual premium + A) x (100% + B%) / 2
- Where:
- Annual premium excludes GST, LTCS levy and MAF levy
- X, Y, A and B are amounts that each insurer will determine, subject to:
- X (administrative costs loading for quarterly policies) being no more than \$15
  - Y (a forgone investment income loading for quarterly policies) being no more than 2.2%
  - A (administrative costs loading for half-yearly policies) being no more than \$5
  - B (forgone investment income loading for half-yearly policies) being no more than 1.5%.
- 1.46 Each licensed insurer must set one proposed rate for each of the factors X, Y, A and B that will be applied consistently across all short-term CTP policies offered by that insurer. The proposed loadings will be included in all filings and must be approved by the Authority. The surcharge does not apply to short-term periods for common due date policies. GST and the pro rata Fund levy for the relevant policy term are then added to calculate the total amount payable by the policyholder for a short-term policy, initially to the nearest one cent.

## Schedule 1B

- 1.47 A licensed insurer must provide its complete rating structure, risk rating factors and filed premium (annual, half-yearly and quarterly premiums split by insurance premium, Fund levy and GST) at each bonus malus level for each vehicle class, rating region and input tax entitlement level, in an electronic spreadsheet designated *Schedule 1B*.

## Justifying third party premium assumptions

- 1.48 Insurers must specify how they have determined proposed premiums and explain the proposed premiums to the satisfaction of the Authority. Insurers are required to complete the Authority's motor accident filing template and appendices.
- 1.49 The total estimated claims cost (risk premium) adopted in the filing must:
- 1.49.1 reflect the expected outcomes of the Act
  - 1.49.2 be on a central estimate basis; that is, an estimate of the mean, which must not be intentionally or knowingly conservative or optimistic.

### Basis of estimate

- 1.50 Expense assumptions adopted in the filing must be set with reference to:
- 1.50.1 maximum rates of expense assumptions specified by the Authority
  - 1.50.2 excluding expenses not directly relevant to the acquisition, policy administration or claims management of the insurer's third party insurance business
  - 1.50.3 the suitability of the expense type for inclusion in a compulsory insurance product and the efficiency of the insurer's own administration and claims processes
  - 1.50.4 the insurer's best estimate of expenses, taking into account current internal management budgets and internal strategies to control costs.

### Level of explanation

- 1.51 Filed assumptions for full and partial filings must be explained with sufficient information that an analysis of the filing can lead to a conclusion that the results stated in the filing:
- 1.51.1 have been determined on a central or best estimate basis where required
  - 1.51.2 meet the adequate test under Section 2.22(1)(a) of the Act, and

1.51.3 represent a genuine effort on the part of the insurer to offer competitive premiums and thereby allow the Authority to form an opinion under Section 2.22(1)(a) of the Act that the filed premium is adequate and not excessive.

1.52 The level of detail to be provided will depend on the price impact of the assumptions, the extent of the uncertainty surrounding the assumptions, the nature of the analysis and considerations of materiality as viewed by the Authority.

## Insurance liability valuation report

1.53 Each licensed insurer must provide the Authority with a copy of its latest full valuation report (when it is completed, and including all appendices) relating to its NSW CTP business. If a full valuation of the NSW CTP portfolio is conducted by more frequently than annually, the insurer must provide the most recent full valuation report available. A comparison and explanation of any differences between the filed assumptions and the following assumptions from an insurer's NSW CTP portfolio insurance liability valuation report assumptions must be provided in filings:

1.53.1 claim frequency assumed for premium liabilities<sup>†</sup>

1.53.2 average claim size assumed for premium liabilities<sup>†</sup>

1.53.3 superimposed inflation

1.53.4 economic assumptions

1.53.5 claim handling expense assumed for premium liabilities<sup>†</sup>

1.53.6 policy and administration expense assumed for premium liabilities<sup>†</sup>.

<sup>†</sup> If premium liabilities are not estimated at a given balance date, then the insurer should use the latest accident year/underwriting year. Claim frequency and average claim size may be considered in aggregate (for example, as a risk premium) if an insurer's adopted methodology for the full valuation does not enable such a breakdown.

1.54 Insurers must explain any developments in experience since the most recent full valuation as part of this comparison.

## CTP business plan and management accounts

1.55 Each licensed insurer must provide the Authority annually with a copy of its current NSW CTP business plan and disclose all relevant business and distribution strategies when significant changes are made. Each licensed insurer must provide the Authority with a copy of its NSW CTP management accounts annually. In addition, the insurer must provide a:

1.55.1 comparison of budgeted expenses and actual expenses for the previous filing period

1.55.2 detailed budget of expenses covering the proposed filing period.

1.56 For the 1 December 2017 rate filing, insurers must provide a detailed expense budget for the policy year 1 December 2017 to 30 November 2018.

- 1.57 The above expense analysis should show the following expenses separately (to the extent they have been broken down as such in the management accounts):
- 1.57.1 commission
  - 1.57.2 acquisition and policy administration expenses
  - 1.57.3 claims handling expenses
  - 1.57.4 any other expense components itemised in the insurer's own management accounts.

## Discount rate assumptions

- 1.58 Insurers must use rates of discount that are no less than the risk-free rates based on the forward rates implied from market information available at the time of preparing the filing, being applied to the average underwriting date of the period filed.
- 1.59 Insurers must disclose the single weighted average discount rate calculated by applying the payment pattern or expected weighted mean term for the claim liabilities underlying the policies to be underwritten to the insurer's adopted rates of discount.

## Maximum rates of assumptions used in the determination of premiums

- 1.60 The Authority is not bound by any of the maximum rates of assumptions if it considers that it would be unreasonable to apply them in the particular circumstances of the case. The Authority's intention in setting maximum rates of assumptions is to reflect current market conditions. Alignment to changing market conditions will be considered through periodical reviews. The following assumptions are subject to a maximum rate used in the determination of premiums:
- 1.60.1 claims handling expense assumptions must not exceed a rate of 7.5% of risk premium
  - 1.60.2 acquisition and policy handling expenses, including commission and other remuneration, are subject to a maximum rate of \$43.60 per policy (on average across the policies underwritten by an insurer), indexed with movement in CPI
  - 1.60.3 the superimposed inflation assumption must not exceed a rate of 2.5%
  - 1.60.4 the maximum profit margin for determining premiums is 8% of the proposed average gross premium (excluding levies and GST).
- 1.61 The Authority will review these maximum rates periodically
- 1.62 Insurers may take into account allowances for innovation and efficiency that are forecast to improve scheme and policyholder outcomes to justify any assumption exceeding the maximum rates of assumptions currently prescribed by the Authority. To avoid doubt, the Authority may still reject the insurer's premium, notwithstanding compliance with this clause.

## Risk equalisation mechanism (REM)

- 1.63 In determining proposed premiums, the insurer must consider any risk equalisation arrangements that the Regulation may impose under Section 2.24(2) of the Act or in accordance with Section 2.24(7) of the Act.

## Calculating net REM amount

- 1.64 Insurers must calculate the net REM amount consistently with the Authority's motor accident filing template and Schedule 1D related to the filing period by:
- 1.64.1 projecting the number of annualised policies to be issued for the filing period by each REM pool and for the total of other classes and regions that are not part of the REM pools
  - 1.64.2 multiplying the projected number of annualised policies for the filing period in 1.64.1 above by the REM \$ amount for each REM pool prescribed by the Risk Equalisation Mechanism Deed
  - 1.64.3 the sum of all the REM amounts for all REM pools from 1.64.2 above divided by the projected number of annualised policies for all classes and regions (including those not in REM pool) for the filing period
- This result is the net REM amount per policy that is included in item 12(a) of Schedule 1C under the Regulation.

## Portfolio analysis

- 1.65 Insurers must provide a portfolio analysis consistent with the format detailed in the Authority's motor accident filing template and appendices. The following information and analysis relating to portfolio mix must be provided:
- 1.65.1 the expected future number and mix of insured vehicles by vehicle class and rating region at each bonus malus level, including commentary on strategies that are expected to result in any changed mix of business
  - 1.65.2 actual past number and mix of insured vehicles for the previous 12 months (for a period ending no earlier than two months before the rate filing is submitted) by vehicle class and rating region at each bonus malus level that applied for each policy written within that 12-month period
  - 1.65.3 for each REM pool, compare the projected mix of business from the last filing against actual mix including a detailed explanation of any variation of projected mix from recent experience
  - 1.65.4 the net impact of the REM based on the projected mix

- 1.65.5 the proposed use of bonus malus, and the basis on which they will be offered to all vehicle owners, including a complete description of the rating structure, each rating factor with relevant qualifying time periods, where applicable, definitions of generic terminology, a summary of the explicit changes in bonus malus since the previous filing and the impact on the insurer's required and expected average premium
- 1.65.6 for all policyholders to be issued a renewal notice during the proposed filing period (assuming 100% retention), the distribution by numbers of policies experiencing a price increase/decrease (including Fund levy and GST) using incremental bands designated in the Authority's motor accident filing template compared to the actual premium paid for in force policies for each of the following vehicle classes (in Excel format):
- class 1 by rating region
  - class 3c by rating region
  - class 3d
  - class 3e
  - class 6a
  - class 7 by plate type
  - classes 10d, 10e, 10f, 10g and 10h combined
  - classes 6d, 6e, 12b, 14, 15a, 15c, 17, 18b, 18c and 21 combined
  - all remaining classes combined
  - all classes combined in aggregate.
- 1.65.7 the expected number of policies by underwriting quarter split by vehicle class, region, ITC entitlement, policy duration and at each bonus malus level, with premium income split by insurer premium, MAF levy, LTCS levy, MAITC levy, GST and total payable (in Excel format), and
- 1.65.8 the resulting average bonus malus factor for each vehicle class and rating region (in Excel format).

## Sensitivity analysis

- 1.66 Except for the 1 December 2017 filing, insurers must undertake sensitivity analysis on key assumptions that are subject to significant uncertainty to quantitatively illustrate the impact of uncertainty on proposed premiums. Such sensitivity analysis includes the use of scenarios to test the impact of multiple assumptions simultaneously.
- 1.67 The extent of the variation assumed on key assumptions for sensitivity testing should reflect an alternate reasonable and plausible situation. Insurers must document the results of the sensitivity analysis in the filing report.
- 1.68 The Authority may provide guidance on the specific assumptions or scenarios to be tested and included in a filing before its submission.

# Full filing report

- 1.69 A full filing report must include the manner in which proposed insurance premiums (excluding the Fund levy and GST, and assuming no policyholders are entitled to any ITC) were determined by the insurer and the factors and assumptions taken into account in determining the premiums. This should include discussion and explanation of how the insurer's assumptions as set out in Schedule 1E of the Authority's motor accident filing template and appendices were derived, and any variation relative to the Authority's independent actuary.
- 1.70 An explanation of the non-technical pricing factors must also be included where applicable.
- 1.71 The filing report must include a covering letter and commentary on the techniques used in assessing the following items:
- 1.71.1 Claim frequency – projected future frequency of:
- a. claims for the industry (inclusive of nominal defendant claims, and by subdivision as set out in Schedule 1E)
  - b. claims for the insurer (by subdivision as set out in Schedule 1E and disclosing the treatment of shared claims and nominal defendant claims).
- 1.71.2 Average claim size – projected future average claim size of:
- a. claims for the industry (inclusive of nominal defendant claims, and by subdivision as set out in Schedule 1E)
  - b. claims for the insurer (by subdivision as set out in Schedule 1E, and including the estimated net effects of shared and nominal defendant claims).
- 1.72 A summary of claim frequency and average claim size (in current values), and resulting cost per policy, by claim component (including nominal defendant), allowing for sharing and net of ITCs, should be included in the full filing report. This should reconcile to item 1c in Schedule 1C for claim frequency, and indicate the adjustment to claim sizes required to reconcile to item 2b in Schedule 1C.
- 1.73 Economic and investment assumptions:
- 1.73.1 assumed future rates of wage and price inflation
- 1.73.2 full yield curve adopted and the single equivalent rate of discount
- 1.73.3 assumed future claim payment pattern for the underwriting period covered by the filing specifying whether the basis is current values, inflated or discounted.
- 1.74 Superimposed inflation (SI) assumption:
- 1.74.1 assumed future rates of SI
- 1.74.2 disclosure of the single equivalent rate of SI where different rates have been used for different claim segments and/or different rates of SI have been adopted in future years
- 1.74.3 an explanation of the approach taken in setting the SI assumptions.



## Estimated average risk premium

- 1.75 Insurer expenses:
- 1.75.1 average past actual and expected future rates and amounts of:
- a. acquisition and policy handling expenses (excluding commission or other remuneration) associated with third party policies with appropriate explanation provided and a description of the methodology used to allocate overhead expenses
  - b. commission or other remuneration payments (the percentage paid per policy cannot exceed 5% of the insurance premium)
  - c. claims handling expenses, including an explanation of what is included in this item, and a description of the methodology used to allocate overhead expenses
  - d. net cost of reinsurance
- 1.76 disclosure of the above past and expected future expenses on a total pool basis as well as on a cost per policy basis for acquisition and policy expenses, and on a per claim basis for claims handling expenses (for clarity, claims handling cost per claim expected to arise during the period covered by the filing)
- 1.77 the expense assumptions used and an explanation of how they relate to the above information.
- 1.78 Proposed profit margin: The percentage of gross insurance premiums intended to be retained as profit, before tax.
- 1.79 Adjustments to insurer premium to obtain the class 1 metro base premium by disclosing a full explanation of the calculation of the:
- 1.79.1 ratio of the class 1 metro premium to the average premium
- 1.79.2 average bonus malus factor: commentary should be included where the filed average bonus malus factor varies from the average implied by the expected future number and mix of insured vehicles by vehicle class and rating region at each bonus malus level (as provided in the portfolio analysis).
- 1.80 Other:
- 1.80.1 any other matter the insurer should reasonably take into account in determining premiums
- 1.80.2 details of how the percentage loading applied to the nil ITC premium rates to obtain the ITC premium rates was determined, and
- 1.80.3 details of how the short-term loading parameters A, B, X and Y were determined.

## Comparison with previous full filing

- 1.81 Except for the filing effective 1 December 2017, insurers must provide a comparison with the previous full filing of the filed average premium and the actual average premium received by the insurer, together with an explanation of the allowance made for non-annual policies in calculating these average amounts, including:
- 1.81.1 how the assumptions regarding future experience in the current premium filing differ from the corresponding assumptions in the previous full filing by the insurer, and
  - 1.81.2 the changes in assumptions and the effect of those changes on the proposed premiums, including reconciliation between the previous and proposed new base premium for a Sydney passenger vehicle for which the policyholder is not entitled to any ITC.

## Schedules to the filing

- 1.82 The following documents and the Authority's motor accident filing template are to be attached to every filing report.

### Schedule 1A

- 1.83 Insurers must provide the base premium, including GST but excluding Fund levy, for each vehicle classification and region for policyholders who are not entitled to any ITC (PDF version in filing report and Excel version using the Authority's motor accident filing template and appendices).

### Schedule 1B

- 1.84 Insurers must provide a full description of the proposed bonus and malus structure and the actual amounts (after applying any rounding) proposed to be charged for each vehicle classification, region and bonus malus rate, subdivided into separate amounts of:
- 1.84.1 GST
  - 1.84.2 insurance premium excluding GST
  - 1.84.3 Fund levy, and
  - 1.84.4 total payable by the policyholder.
- 1.85 Separate schedules are required for nil ITC premium rates and some ITC premium rates respectively, for both annual and short-term policies.

### Schedule 1C

- 1.86 Insurers must provide a summary of the assumptions adopted and base premium filed (PDF version in filing report in the form specified in Table 1.2 and an Excel version using the Authority's motor accident filing template and appendices).

Table 1.2: Premium filing summary sheet

Item	Premium factors	Assumption
1a. Assumed frequency	Claims for an industry mix of vehicles (net of sharing and nominal defendant)	%
1b.	Relativity of the claims frequency for the insurer's mix of vehicles to the claims frequency for an industry mix of vehicles	
1c.	Claims for insurer (net of sharing and nominal defendant)	%
2a. Average claims size, start of underwriting period	Claims in current dollar values for an industry mix of vehicles (gross of reinsurance, net of sharing and nominal defendant) <sup>1</sup>	\$
2b. Average claims size, start of underwriting period	Claims in current dollar values for insurer (gross of reinsurance, net of sharing and nominal defendant) <sup>1</sup>	\$
3a. Average claims size for filing period	Claims for an industry mix of vehicles for filing period (from item 2), fully inflated and discounted to the middle of the period filed <sup>1</sup>	\$
3b.	Relativity of the claims average claim size in current dollar values for the insurer's mix of vehicles to the claims average claim size in current dollar values for an industry mix of vehicles	
3c. Average claims size for filing period	Claims for insurer for filing period (from item 2c) fully inflated and discounted to the middle of the period filed <sup>1</sup>	\$
4.	Insurer average risk premium (formula used to combine above assumptions to arrive at average risk premium) $(1c \times 3c)^{1,2}$	
5. Average risk premium	Excluding GST calculation (substitute values in formula) <sup>1</sup>	\$
6. Acquisition and policy handling expenses, including commission	Per cent gross premium excluding GST and Fund levy	\$
7. Claims handling expenses	Per cent gross premium excluding GST and Fund levy	%
8. Net cost of reinsurance loading	Per cent gross premium excluding GST and Fund levy	%
9. Other assumptions	Specify nature and value of assumption	%
10. Profit margin	Per cent gross premium excluding GST and Fund levy	%
11. Average premium	Formula used to arrive at average premium excluding GST and Fund levy) $((5 + 9)/(1 - (6 + 7 + 8 + 9 + 10)))^2$	

Item	Premium factors	Assumption
12.	Excluding GST and Fund levy (substitute values in formula) <sup>1</sup>	\$
12a.	Net overall impact of the REM (net REM \$ per policy) (refer to the Authority motor accident filing template D3)	\$
12b.	Required average premium (item 12 less item 12a)	\$
13.	Ratio class 1 metro to average premium calculated in accordance with clause <u>1.24</u>	
14. Bonus malus	Bonus malus factor calculated in accordance with clause <u>1.26</u>	
15. Class 1 metro premium	Nil ITC class 1 metro base premium excluding GST and Fund levy (12b ÷ 13 ÷ 14)	
16.	Nil ITC class 1 metro base premium including GST but excluding Fund levy	\$
17.	Minimum nil ITC class 1 metro premium including GST but excluding Fund levy (ignoring premiums calculated using a bonus factor of less than 80%)	\$
18.	Minimum nil ITC class 1 metro amount payable by policyholder including GST and Fund levy (ignoring amounts calculated using a bonus factor of less than 80%)	\$
19.	Maximum nil ITC class 1 metro amount payable by policyholder including GST and Fund levy	\$
20.	Loading applied to nil ITC premium rates to calculate some ITC premium rates (0% ITC premium rates)	%
21	MAF levy (class 1 metro)	\$
22.	Administrative costs loading for quarterly policies (X)	\$
23.	Forgone investment income loading for quarterly policies (Y)	%
24.	Administrative costs loading for half-yearly policies (A)	\$
25.	Forgone investment income loading for half-yearly policies (B)	%
26.	Period premiums are proposed to apply	

**Notes:**

1. Estimates of average claim sizes and average premiums must be those applicable to the nil ITC premium rates; that is, calculated as if no policyholders have any entitlement to an ITC, and as if the insurer has an entitlement to decreasing adjustments or ITC for all claims costs directly attributable to specific policies. The loading applied to nil ITC premium rates to calculate the insurer's some ITC premium rates is then shown as item 20.
2. Use item number for formula description.

## Schedule 1D

1.87 Insurers must provide details of the calculation of the net REM amounts in the form specified in the Authority's motor accident filing template.

## Schedule 1E (transition period only)

1.88 Insurers must provide a summary of assumptions as per Schedule 1E, in the form specified in Table 1.3.

**Table 1.3: Summary of claim assumptions**

Assumption description (column A)	Scheme actuary costing assumption (column B)	Insurer's adjusted assumption for the industry (column C)	Relativity of insurer assumption to industry assumption (column D)	Insurer assumption (column E)
Claims frequency: at-fault (AF) minor injury claims	0.063%			
Claims frequency: not at-fault (NAF) minor injury claims	0.040%			
Claims frequency: NAF claims WPI >10%	0.027%			
Claims frequency: NAF claims WPI ≤10%	0.108%			
Total claims frequency	0.238%			
Average claims size (ACS): AF claims (1/12/17 dollars)	\$16,900			
ACS - NAF minor injury claims (1/12/17 dollars)	\$12,700			
ACS: NAF claims WPI >10%	494,000			
ACS: NAF claims WPI ≤10%	80,000			
Total ACS all claims (1/12/17 dollars)	99,000			
Total ACS (inflated/discounted) <sup>†</sup>	110,000			

Assumption description (column A)	Scheme actuary costing assumption (column B)	Insurer's adjusted assumption for the industry (column C)	Relativity of insurer assumption to industry assumption (column D)	Insurer assumption (column E)
Weighted average duration of payments (1/12/17 dollars)		2.97		
Claims inflation: wage inflation (overall weighted average)		3.0%		
Claims inflation: superimposed inflation (overall weighted average)		2.5%		
Discount rate (overall weighed average)		1.9%		
Risk premium: inflated and discounted risk premium for underwriting year beginning 1 December 2017 <sup>†</sup>		\$262		
Claims handling expense (% of risk premium)	7.5% (\$19.6)			
Net reinsurance expense		\$1.2		
Policy and acquisition expense		\$43.6		
Profit margin (% of premium excl. GST and levies)	8.0% (\$28.4)			
GST (10%)		\$35.4		
Insurer premium (incl. GST)		\$390		
MAF levy		\$46.5		
LTCS levy		\$80.6		
MAITC levy		\$10.5		
Total premium payable (incl. GST and levies)		\$528		

<sup>†</sup> Discounted to the middle of the underwriting year beginning 1 December 2017 (i.e. 1 June 2018)

### **Description of each column**

Column A: describes the type of assumption.

Column B: sets out the Authority's independent actuary's new scheme-wide assumptions for the industry to achieve the overall \$528 target average premium.

Column C: insurer industry assumption for an industry mix of business – allows for comparison against the Authority's independent actuary assumptions in column B.

Column D: relativity of insurer assumption to industry assumption to allow for differences in the insurer's portfolio of risks to be better or worse experience than the industry before business mix adjustment (which is based on the mix by class/region from relativities) and any other claims-related differences.

Column E: insurer assumption.

### **Other notes**

Total claims frequency for column C should be the same figure as in item 1a in Schedule 1C.

Total claims frequency for column E times the relatively for the insurer's mix of vehicles should be the same figure as in item 1c in Schedule 1C.

Average claims size (1/12/17 dollars) for column C should be the same figure as in item 2a in Schedule 1C.

Average claims size (1/12/17 dollars) for column E times the relatively for the insurer's mix of vehicles should be the same figure as in item 2b in Schedule 1C.

Average claims size (inflated/discounted dollars) for column E times the relatively for the insurer's mix of vehicles should be the same figure as in item 3c in Schedule 1C.

Column E for risk premium (fully inflated and discounted to the middle of the period filed) should be the same figure as in item 5 in Schedule 1C.

# Part 2 of the Motor Accident Guidelines: Market practice



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# Market practice

## Definitions

- 2.1 Table 2.1 shows the meanings of terms used in this part of the Motor Accident Guidelines.

**Table 2.1: Terms used in this part of the Motor Accident Guidelines**

Term	Definition
Distribution channel	A mechanism or method through which licensed insurers issue and administer third party policies. This can include but is not limited to agents, telephone call centres, the internet and over-the-counter operations.
eGreenSlip	The electronic notification of a third party policy by an insurer to Roads & Maritime Services.
Input Tax Credits (ITC)	That is, the credit an entity registered for GST can claim for any GST included in the third party premium paid.
Roads & Maritime Services (RMS)	A NSW statutory authority constituted by the <i>Transport Administration Act 1988 (NSW)</i> .

## Introduction

- 2.2 The Guidelines are issued under Part 9, Division 9.2, Section 9.16 of the Act, to provide the regulatory framework for issuing of third party policies by licensed insurers.
- 2.3 These Guidelines are principles-based. They articulate a set of objectives for issuing of third party policies and expectations for standards of market practice for insurers. The Authority's adoption of principles-based regulation of market practice is intended to:
- 2.3.1 encourage flexibility and innovation in the delivery of services to third party insurance customers
  - 2.3.2 promote a competitive market for all insurers and encourage insurers to act in good faith when interacting with customers.
- 2.4 Insurers' market practice, including distribution arrangements, must align with these Guidelines and not contravene these Guidelines.
- 2.5 To further assist compliance with these Guidelines, the Authority may publish practice notes.

## Commencement and revocation of previous Guidelines

- 2.6 These Guidelines are effective for market practice from 30 April 2018 and will remain in force until they are amended, revoked or replaced in whole or in part. The provisions relating to insurance premium matters are unchanged and remain in force until amended or replaced.

## Application of these Guidelines

- 2.7 The Authority will monitor and review compliance with these Guidelines, which may include audits of insurers from time to time.
- 2.8 Internal auditing of compliance with these Guidelines must form part of each insurer's own risk management and compliance program. Insurers have a responsibility to report to the Authority any results of audit programs conducted on issuing third party business.
- 2.9 If the Authority regards an insurer or any intermediary acting on behalf of the insurer as having breached the Guidelines, the Authority may take regulatory and enforcement action, in accordance with our regulatory and enforcement policy.
- 2.10 All contracts or arrangements entered into by the insurer in relation to a quote and sales services for third party policies must comply with these Guidelines.

## Guiding principles

- 2.11 When issuing, administering or renewing third party policies, the insurer and their agents must:
- 2.11.1 act in good faith with all customers
  - 2.11.2 use processes and business practices that do not unfairly discriminate against individual customers or groups of customers
  - 2.11.3 engage in processes and business practices that are transparent and practical for the purpose of issuing policies to customers
  - 2.11.4 make third party policies readily accessible and available to all customers.

## Acting in good faith

- 2.12 The Authority's regulation of premiums includes an element of community rating, as some policies are underpriced and others overpriced relative to insurance risk. Accordingly, it may be in the insurers' financial interests to build portfolios that are overweight in low risk (overpriced) policies. Notwithstanding such financial interests and the REM, under [Division 2.3, Section 2.24](#) of the Act, insurers must make third party policies available to all customers in a manner that complies with all of the guiding principles. In particular:
- 2.12.1 Insurers and their agents are required to issue policies to all properly identified vehicles.

- 2.12.2 Insurers must avoid distribution methods and sales techniques that prejudice this obligation in any way.

## Processes and business practices that do not unfairly discriminate

- 2.13 Insurers and their agents must use processes and business practices that do not unfairly discriminate against individual customers or groups of customers. This applies to each distribution channel. In particular:
- 2.13.1 Each insurer and its agents must apply reasonable service standards to their processes and business practices. The Authority may impose standards or restrictions on any or all insurers and their agents for specific or general circumstances where it is considered to be in the public interest.
- 2.13.2 With the exception of pricing differentiation permitted under Part 1 of the Motor Accident Guidelines: Premium determination, the insurer and their agents must treat customers in the same manner, irrespective of the risk profile of the vehicle or its owner, or the terms of the policy.
- 2.13.3 All existing customers who are due to receive a renewal notice must be provided with a renewal notice/offer within the prescribed timeframes as specified in clause [2.16.2](#) below. A delay in sending renewal notices may only occur with prior approval from the Authority.
- 2.13.4 Insurers must not refer customers to other insurers or encourage customers to take their business elsewhere. Agents must not refer customers to insurers unless they have an agency arrangement with them.
- 2.13.5 Insurers must not advise customers of the prices offered by other insurers. Agents must not advise customers of prices offered by insurers unless they have an agency arrangement with them.

## Transparent and practical processes and business practices

- 2.14 All information provided to customers must be clear and accurate, expressed in plain language and not in any way misleading.
- 2.15 Insurers and their agents must only charge premiums as filed and approved by the Authority. Insurers are to categorise vehicles correctly and charge the correct filed premium for that category. In order to charge the correct premium, insurers and their agents must take into account all risk factors approved by the Authority and the ITC status used to determine the customer's premium.
- 2.16 All agents contracted by an insurer to provide quotes and sales must ensure they disclose to customers the identity of all insurers they have a commercial arrangement with before they proceed with quotes or sales. Neither the insurer nor their agent may enter into a commercial arrangement with another agent or third party that accesses data from the Authority's Green Slip Price Check without the relevant insurer first obtaining the Authority's permission. The Authority will not unreasonably withhold such permission.
- 2.16.1 Where requested by a customer, insurers must act promptly and expeditiously when sending documents by mail or electronically:

- a. All documents agreed to be sent by mail must be lodged with Australia Post within three working days of agreeing to do so.
  - b. All documents agreed to be sent electronically must be sent within 24 hours of agreeing to do so. Should technology outages occur, the documents must be sent within 24 hours of the insurer's systems being repaired.
- 2.16.2 Offers of renewal, including eRenewals, must be sent at least four weeks and no more than six weeks in advance of the expiry date.
- 2.16.3 All information regarding third party policies is to be sent to each customer by post unless they have consented to receiving policy information electronically.
- 2.16.4 Where an incorrect address has been used, including returned letters and failed emails, insurers must take reasonable steps to correctly issue the policy information.
- 2.16.5 When a customer purchases a third party policy or renewal or new registration, the insurer must electronically transmit an eGreenSlip to RMS within the timeframes shown in Table 2.2.

**Table 2.2: Timeframes for insurers electronically transmitting an eGreenSlip**

Method of payment	Requirement
Directly to the insurer via a branch, telephone or electronic means	Within 1 hour of payment
To the insurer's agent, including Australia Post	Within 5 working days of payment
By BPAY	Within 3 working days of payment
By mail to the insurer	Within 5 working days of the date of postage

- 2.16.6 A written quote or a renewal notice/offer for a third party policy must:
- a. clearly communicate all relevant pricing factors applied to the third party policy or quotation
  - b. provide information about how to raise any incorrect pricing factors with the insurer or its agent, before the purchase
  - c. disclose the name of the licensed insurer and if they operate under a trading name that is different from the licensed insurer name, the quote or offer must disclose both the trading name and the insurer name
  - d. provide contact details for third party policy queries
  - e. detail the timeframe for eGreenSlips to be sent to RMS, including the timeframe associated with purchasing through different channels.

- 2.16.7 Common Expiry Date Fleets and Multiple Expiry Date Fleets are exempt from the transparency requirements of pricing factors. Private use vehicle classes 1, 10 and 3c are not exempt and must show the pricing factors used on Green Slips. For example, age of youngest driver, age of vehicle etc.
- 2.16.8 All customer communication must include any information required by the Authority. Insurers must ensure they and their agents use specific scripts when required by the Authority.

## Readily accessible and available

- 2.17 Third party policies (both quotes and sales) must be readily accessible and available to all customers. Insurers are required to give prompt, uniform access and availability to all customers who approach them, irrespective of the risk characteristics of the vehicle and its owner. Insurers may use a range of distribution channels provided that every customer has ready access to their third party policy through at least one of those channels. Insurers must not use distribution channels to avoid sales. In particular:
  - 2.17.1 Insurers and their agents must not refuse to provide a third party quote for any motor vehicle required to be insured under the Act.
  - 2.17.2 Insurers and their agents must provide customers with the ability to obtain a quote for any vehicle or vehicle class without the need to identify themselves or their vehicle's registration number.
  - 2.17.3 Insurers and their agents must make reasonable efforts to help customers provide accurate information to determine the correct premium.
  - 2.17.4 Insurers must provide customers with at least one payment option for a quote or renewal offer that is available 24 hours a day, seven days a week.
  - 2.17.5 See Schedule 2A below for the circumstances in which insurers may refuse to provide a third party policy.

## Schedule 2A: Circumstances for refusal to provide a third party policy

- 2.18 This schedule relates to clause 2.17 above.
- 2.19 Insurers and their agents may refuse to issue a third party policy in the following circumstances:
  - 2.19.1 where the customer does not pay the required premium, the Fund levy and GST, for the third party policy within the timeframe as agreed between the customer and the insurer or agent
  - 2.19.2 where the vehicle is recorded as a statutory written-off vehicle on the NSW written-off vehicles register (WOVR)
  - 2.19.3 where the customer is seeking to purchase a new third party policy from an insurer and the customer does not provide the correct key identifiers used to locate and retrieve information held by RMS.
- 2.20 Key identifiers are:

- 2.20.1 registration ID (also known as billing number) and plate number, or
- 2.20.2 a combination of:
  - a. a customer identifier, one of:
    - i. NSW driver or rider licence number of the vehicle owner
    - ii. NSW photo card number
    - iii. RMS customer number
  - and
  - b. a vehicle identifier, one or a combination of:
    - i. vehicle identification number (VIN)
    - ii. chassis number
    - iii. engine number
    - iv. plate number.

## Breaches and temporary regulatory relief arrangements

- 2.21 Insurers must notify the Authority of any breach of these Guidelines.
- 2.22 The Authority may consider a temporary relief from an enforcement response if an insurer is unable to issue timely third party policy renewals due to unforeseen system issues.
- 2.23 An application for temporary regulatory relief can be made in writing to the Authority at any time. The Authority will take into account:
  - 2.23.1 the reasonableness of the request
  - 2.23.2 the length of time the relief is requested
  - 2.23.3 community requirements and priorities, and/or
  - 2.23.4 other relevant factors.
- 2.24 The Authority will respond to requests in a timely manner and, where appropriate, work with the insurer to help it comply with the Guidelines as soon as possible.

# Part 3 of the Motor Accident Guidelines: Business plans



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# Business plans

## Requirements of the business plan

- 3.1 Under Division 9.2, Section 9.18 of the Act, each insurer must prepare and deliver to the Authority a Motor Accident Business Plan (business plan) as soon as practicable after it is requested to do so by the Authority.
- 3.2 Insurers are to prepare and deliver to the Authority a business plan on, or not more than 30 days after, each anniversary of the grant of their licence. Insurers are also to prepare and deliver a revised business plan before implementing any significant change to the conduct of their third party insurance business (including but not limited to strategy in respect of claims handling, pricing or product distribution).
- 3.3 If the insurer operates more than one third party insurance business (for example, the insurer issues third party policies under multiple brands), then the insurer must prepare and deliver a business plan covering all of the third party insurance businesses and any business associated with third party policies of the insurer either in a single business plan (highlighting where the practices of the businesses/brands differ from one another) or separate business plans for each third party insurance business and any business associated with third party policies of the insurer.
- 3.4 For the purposes of Division 9.2, Section 9.18 of the Act, the Authority requires each insurer's business plan to include:
- 3.4.1 a complete description of how its third party business for the issue of third party policies is to be conducted (including but not limited to claims handling, management, expenses and systems). The description must include the structure and operating methods for each distribution channel and any plans for change within the next 12 months. The description will need to demonstrate how the conduct, culture and appetite for risk in the business satisfies the principles and objectives of insurance, benefits and support under the Act and in these Guidelines. Culture and appetite for risk may be interpreted to include some or all but not limited to Schedule 3A
- 3.4.2 a letter from the board of directors of the insurer to the Authority (whether signed by the directors, or on behalf of the directors by an officer authorised to sign on their behalf) confirming present and continuing compliance with Australian Prudential Regulation Authority's (APRA) Prudential Standard CPS 232 or, if replaced, with the APRA prudential standard addressing business continuity management by authorised general insurers, including the development and maintenance of a business continuity plan.
- 3.5 The Authority may require further details by notice in writing in order to clarify the business plan. Insurers may be required by notice in writing to provide the Authority with reports on any aspect of their market practice and their compliance with these Guidelines, in a format and timeframe determined by the Authority.

- 3.6 Insurers must notify the Authority of any breach of these Guidelines.
- 3.7 Insurers must, on request from the Authority, submit copies of their customer communication templates, including third party certificates and customer information packs.
- 3.8 When requested by the Authority, insurers must submit scripts, training manuals and other supporting tools used by sales staff for review and approval. Each insurer must, on request from the Authority, provide other documents related to third party policies.
- 3.9 Insurers must amend any document submitted to the Authority if required to do so by the Authority.

### Schedule 3A: Culture requirements for insurers

- 3.10 Insurer's institutional culture must align with the objects of the scheme of insurance, benefits and support under the Act:
- 3.10.1 A definition of the insurer's target institutional culture.
- 3.10.2 A detailed plan of the steps to be taken:
- a. to maintain or, if necessary, create an institutional culture directed to:
    - i. openness and transparency in dealings with the Authority
    - ii. openness in the exchange of views, challenge and debate internally in relation to matters of management, regulatory compliance, claims handling and customer service
    - iii. adaptability to changing regulatory, commercial and policyholder demands
    - iv. prioritisation of customer service and outcomes, including the early resolution of motor accident claims and the quick, cost-effective and just resolution of disputes
    - v. appropriate and balanced incentive structures, remuneration and performance metrics
    - vi. the understanding by the insurer's senior managers, and the insurer's employees generally, of the insurer's values and how they are applied in practice
  - b. to embed, monitor and (where appropriate) effect changes to the insurer's institutional culture as it relates to each of the matters outlined in 3.10.2(a) above.
- 3.10.3 Details of:
- a. arrangements for conducting an annual employee engagement surveys
  - b. processes for assessing the results of employee engagement surveys.

- 3.10.4 Details of the:
- a. mechanisms established for personnel to elevate and report concerns about practices within the insurer, even when not making any specific allegation of wrongdoing
  - b. processes for assessing such reports, and identifying and addressing any unsatisfactory practices.
- 3.10.5 Details of:
- a. key performance indicators that apply to personnel engaged in the insurer's third party insurance business (including claims handling, management, expenses and systems)
  - b. the processes for assessment of personnel against those key performance indicators and the effectiveness of those key performance indicators to influence desired behaviours.
- 3.10.6 Details of the processes for:
- a. annual independent assessment of the insurer's institutional culture as it relates to the matters enumerated in clause 3.10.2 above
  - b. development of action items arising out of the assessment in 3.10.6(a) above
  - c. implementation of action items.
- 3.10.7 An explanation of the organisational structures to monitor the effectiveness of, and ensure accountability for, the arrangements, mechanisms, processes and performance metrics enumerated in clauses 3.10.3 to 3.10.6 above.
- 3.10.8 An explanation of the governance structures by which the board of directors of the insurer will form a view of the risk culture in the institution and the extent to which that culture supports the ability of the institution to operate consistently within its risk appetite, identifies any desirable changes to the risk culture and ensures the institution takes steps to address those changes.

## Complaints

- 3.11 A complaint is an expression of dissatisfaction made to the insurer or its agent related to its products or services, or the complaints handling process itself, where a formal response or resolution is explicitly or implicitly requested.
- 3.12 All complaints made to the insurer or its agents in relation to a third party policy or claim must be handled in a fair, transparent and timely manner.
- 3.13 A robust complaints handling process provides the complainant with confidence that they are heard, their feedback is taken seriously and insurers are accountable for their actions. The insurer must have a documented internal complaint and review procedure, the terms of which must be set out in the insurer's business plan.

- 3.14 Information about how to make a complaint and the complaints handling procedures must be readily available and accessible to all stakeholders.
- 3.15 Complaints handling procedures must refer to the rights of the customer to escalate a complaint to the Authority if they're dissatisfied with the insurer's response to their complaint.
- 3.16 At a minimum, an insurer is required to:
- 3.16.1 acknowledge a complaint, request for review or dispute in writing and provide the complainant with a copy of the insurer's procedures and the details of the representative of the insurer handling the complaint, review or dispute as soon as possible but within five calendar days from the receipt of the complaint or dispute
  - 3.16.2 provide the complainant with the opportunity to have the complaint considered by a more senior representative of the insurer who is independent of the original decision maker
  - 3.16.3 provide written reasons for a decision in relation to the complaint and information on the availability of external complaint or dispute resolution handling bodies (including the Authority) in the event that the complainant is dissatisfied with the insurer's decision or procedures.
- 3.17 Insurers must keep a record of all complaints they or any of their agents receive in a complaints register, and provide a summary report to the Authority every six months. This report is due within 30 working days of the end of the 30 June and 31 December reporting periods. It should be formatted as set out by the Authority and include a complaints trend analysis of the risks and potential issues.

## Information and data integrity

- 3.18 Information and data integrity is critical to the scheme and to demonstrating insurer performance. Accurate and complete information promotes the credibility and accountability of the scheme and those operating within it.
- 3.19 At the direction of the Authority, an insurer will provide timely, accurate and complete information, including but not limited to:
- 3.19.1 insurer claims manuals, policies and procedure documents, including updates as they occur
  - 3.19.2 policyholder and claimant information packs
  - 3.19.3 standard letter templates
  - 3.19.4 self-audit results, including quality assurance reporting
  - 3.19.5 complaints received by the insurer about its handling of matters
  - 3.19.6 policyholder and claimant survey results
  - 3.19.7 training plans and logs, and/or data breaches that affect the privacy of a policyholder, claimant or their family.

- 3.20 An insurer will:
- 3.20.1 code the claimant's injuries by using appropriately trained coders applying the Abbreviated Injury Scale (AIS) 2005 Revision (or as otherwise prescribed by the Authority) and claims in accordance with the Authority's Motor Accident Insurance Regulation Injury Coding Guidelines and agreed timeframes
  - 3.20.2 provide up-to-date and accurate claims data to the Motor Accidents Claims Register, in accordance with the Act and the claims register coding manual, as amended, or as otherwise required by the Authority, and
  - 3.20.3 maintain consistency between information on the claim file and data submitted to the claims register, and record any changes in accordance with the claims register coding manual, as amended.
- 3.21 Insurers must comply with any Authority requirements for data exchange and centralised claim notification. Insurers must participate in online claims submission as determined by the Authority.

# Part 4 of the Motor Accident Guidelines: Claims

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# Claims

## Application of the Guidelines

- 4.1 These Guidelines commence on 30 April 2018 and apply to all claims made on insurers before or after the commencement of these Guidelines in respect of motor accidents that occurred on or after 1 December 2017. They apply until they are amended or replaced. These Guidelines replace Part 4 of the Guidelines published on 22 November 2018.
- 4.2 The Motor Accident Guidelines: Claims handling & medical (treatment, rehabilitation & care), which were issued by the State Insurance Regulatory Authority (the Authority) on 1 January 2017, continue to apply to claims in respect of motor accidents occurring on and from 5 October 1999 to 30 November 2017.

## Introduction and purpose

- 4.3 These Guidelines are made under the *Motor Accident Injuries Act 2017* (NSW) (the Act), including Division 6.1 of the Act. They make provision with respect to the manner in which insurers and those acting on their behalf are to deal with claims.
- 4.4 These Guidelines are to be read together with relevant provisions of the Act and Regulation. They are ordered in accordance with the claimant journey to help insurers read them in conjunction with the Act and Regulation, and to progress claims promptly.

## Principles

- 4.5 Insurers and those acting on their behalf are to deal with claims in a manner consistent with the objects of the Act, the below principles and the general duties under Division 6.2 of the Act.
- 4.6 These principles apply across all claims management aspects for the life of a claim:
  - 4.6.1 Proactively support the claimant to optimise their recovery and return to work or other activities.
  - 4.6.2 Make decisions justly and expeditiously.
  - 4.6.3 Act objectively with honesty and professionalism at all times.
  - 4.6.4 Detect and deter fraud.
  - 4.6.5 Communicate with the claimant and keep them informed.
- 4.7 If an insurer does not deal with claims in a manner consistent with these principles, the Authority will take appropriate action as per the Authority's compliance and enforcement strategy.

## Making a statutory benefits claim

### Time for making a claim

- 4.8 As per Division 6.3, Section 6.13 of the Act, a claim for statutory benefits must be made on the relevant insurer within three months after the date of the motor accident to which the claim relates.
- 4.9 To be entitled to receive weekly payments of statutory benefits from the day after the date of the motor accident, a claim for statutory benefits must be made within 28 days after the date of accident.
- 4.10 Where the at-fault vehicle is unidentified or uninsured a statutory benefits claim must be made on the Authority within 28 days after the date of accident to be entitled to receive weekly payments of statutory benefits from the day after the date of the motor accident.
- 4.11 Where an insurer directly receives a claim where the insurer of the at-fault vehicle is not a licensed CTP insurer in NSW, the insurer must notify the Authority of the claim as soon as possible.

### Verifying motor accident

- 4.12 To make a claim for statutory benefits, a claimant must verify the motor accident as per Division 6.3, Section 6.8 of the Act.
- 4.13 To verify the motor accident:
- 4.13.1 the accident must be reported to the NSW Police Force within 28 calendar days after the accident, unless a police officer attended the motor accident, and
  - 4.13.2 the accident event number from the NSW Police Force must be provided to the insurer if available.
- 4.14 If a claimant cannot provide the accident event number, the insurer must request other information to verify the motor accident. Information requested may include:
- 4.14.1 photographs taken at the scene of the accident
  - 4.14.2 witness statements
  - 4.14.3 a hospital discharge summary
  - 4.14.4 media reports
  - 4.14.5 property damage insurance claim information.
- 4.15 If the claimant cannot provide the information requested by the insurers they must provide a statutory declaration explaining why. It should include whether or not the NSW Police Force provided an accident event number.
- 4.16 A claim for statutory benefits need not be dealt with by the insurer until the:
- 4.16.1 motor accident verification requirements are complied with, or
  - 4.16.2 claimant provides the insurer with a full and satisfactory explanation for any non-compliance, or
  - 4.16.3 Dispute Resolution Service (DRS) determines that sufficient cause existed to justify non-compliance.

## Notice of a claim

- 4.17 In addition to verifying the motor accident, a claimant must also give notice of a claim for statutory benefits to the insurer. Division 6.3, Section 6.15(1)-(3) of the Act details how notice of a claim is given.
- 4.18 There are two formats in which to give notice of a claim. The notice of claim may be given online using the online claims submission system operated by the NSW government. Alternatively, notice of claim can be given in writing on the claim form available for download on the Authority's website and sent to the insurer by email, personal delivery, facsimile or post.
- 4.19 A notice of claim under Division 6.3 of the Act is to be given in accordance with clauses 4.17 – 4.24 of these Guidelines and in the following manner and containing the following information:
- 4.19.1 The manner of giving notice of a claim for statutory benefits for a personal injury claim is by completing and submitting to the insurer, with the required information:
- a. the *CTP Green Slip claim form – Application for personal injury benefits* containing the information relevant to the claim as set out in Table 4.1 of Schedule 4.1, or
  - a. the *CTP Green Slip claim form – Online Application for Personal Injury Benefits* containing the information relevant to the claim as set out in Table 4.2 of Schedule 4.1.
- 4.19.2 The manner of giving notice for a claim for statutory benefits for funeral expenses is by completing and submitting to the insurer, with the required information:
- a. the *CTP Green Slip claim form – Application for funeral expenses* containing the information relevant to the claim as set out in Table 4.3 of Schedule 4.1.
- 4.19.3 The manner of giving notice for a claim for damages is by completing and submitting to the insurer, with the required information:
- a. the *CTP Green Slip claim form – Application for damages under common law*, containing the information relevant to the claim as set out in Table 4.4 of Schedule 4.1.
- 4.19.4 The manner of giving notice for a compensation to relatives claim is by completing and submitting to the insurer, with the required information:
- a. the *CTP Green Slip claim form – Application to compensate relatives* containing the information relevant to the claim as set out in Table 4.5 of Schedule 4.1.
- 4.20 A claimant must provide a signed authority within the claim form authorising the insurer to release information and documents to relevant parties, and obtain information and documents relevant to the claim.
- 4.21 In claims for personal injury, a claimant must also provide a certificate from a treating medical practitioner such as a certificate of fitness (available on the Authority's website).

- 4.22 A licensed insurer must have in use a computer system that provides for a notice of claim for statutory benefits for personal injury to be delivered electronically in the following manner:
- 4.22.1 as a single transfer of data from the NSW government's online claims submission system directly to the insurer's electronic claims-handling system, or
  - 4.22.2 as a transfer of data to the insurer portal, but only if the Authority grants permission to the insurer for a specified period of time.

For the purposes of this clause:

*Electronic claims-handling system* means an electronic system designed to enable an insurer to hold information about CTP claims made on it.

*Insurer portal* means the system maintained by the NSW Government which insurers can use to download attachments submitted by claimants (including the claim summary PDF form) and to enable the making of a claim in the circumstances set out in clause 4.22.2.

- 4.23 A notice of claim given via the online claims submission portal will be made available electronically to the insurers when the claimant (or their representative) receives an email notification and reference number confirming a successful transmission.
- 4.24 If a claimant contacts the insurer by phone and provides the required details, the insurer must send a pre-filled claim form to the claimant for their review and declaration that the information is correct. Notice of the claim is not given until the completed form is returned to the insurer.
- 4.25 The insurer must acknowledge the date of receipt of the claimant's claim form, the assigned claim number and the dedicated insurer contact assigned to manage the claim, in the communication method preferred by the claimant.
- 4.26 In accordance with Division 6.3, Section 6.15(4) of the Act, if notice of a claim has been given to an incorrect insurer and the claim must be transferred to the relevant insurer, the claimant is excused from giving notice of a claim to the relevant insurer. The insurers must cooperate so that the necessary information is exchanged and the claimant's recovery and benefits are not adversely affected.
- 4.27 If more than one vehicle is involved in the accident and the insurers agree to share the claims between or among the insurers, a managing insurer will be nominated by the insurers.
- 4.28 Until the managing insurer has been nominated the insurers on whom the claims are made are to continue to manage the claims.
- 4.29 When the managing insurer has been agreed and appointed the insurers on whom the claimant has made a claim must each immediately write to the claimant and inform the claimant:
- 4.29.1 that the sharing agreement has been applied
  - 4.29.2 of the name, contact details and reference number of the managing insurer and
  - 4.29.3 of the role of the managing insurer in managing all the claims.
- And provide a copy of this notice to the managing insurer.

- 4.30 Insurers must communicate in a clear and timely manner and give sufficient information to enable the claimant to progress the claim, including where the sharing agreement is relevant. Where the sharing agreement is relevant such communication also must not require the claimant to gather evidence as to fault or as to other matters that are not needed in the circumstances. The claimant's experience must not be negatively affected by a sharing dispute between insurers.
- 4.31 If the claim is transferred after resolution of the dispute, the claimant must be contacted and advised the reasons for the transfer of the claim and the date of the official transfer. Notice of the transfer must be given to the claimant by both insurers within two days of the transfer.

## Liability decisions

- 4.32 After a claimant has given notice of a claim, the insurer must determine liability. An insurer's liability decision is very important because it impacts the claimant's entitlements.
- 4.33 Acceptance of liability for a claim for statutory benefits is detailed in Division 6.4, Section 6.19(1)-(8) of the Act.
- 4.34 The insurer must give written notice to the claimant to confirm if the insurer accepts or denies liability for statutory benefits, including when the decision will take effect and how it will take effect (for example, weekly payments will be paid fortnightly for a specific amount each week).
- 4.35 This notice must be given within the following timeframes:
- 4.35.1 For statutory benefits during the first 26 weeks after the accident, within four weeks of the date the claim is made on the insurer. The insurer's decision notice must be clearly identified as *Liability Notice - benefits up to 26 weeks*.
- 4.35.2 For statutory benefits after the first 26 weeks after the accident, within three months of the date the claim is made on the insurer. The insurers' decision notice must be clearly identified as *Liability Notice - benefits after 26 weeks*. This includes the insurer's minor injury assessment for claimant's who are not the person wholly or mostly at fault for an accident (in accordance with the Act, the Regulation and Guidelines) and contributory negligence assessment (including documented consideration of whether the injury arose from a blameless accident). Where a claimant is considered to be the person wholly or mostly at fault for an accident the insurer should include a minor injury assessment. Where a claimant is legally represented a copy of the *Liability notice - benefits up to 26 weeks*, and *Liability notice - benefits after 26 weeks* must be provided to the legal representative.
- 4.36 Where the vehicle considered at fault was registered under the law of a place other than NSW, the NSW insurer managing the nominal defendant claim must notify the insurer of the vehicle considered at fault when the initial liability decision is made.

- 4.37 If the claimant is a participant in the Lifetime Care & Support Scheme then the insurer must provide icare with a copy of the *Liability Notice – benefits after 26 weeks*.
- 4.38 If the insurer is considering ceasing, reducing or suspending payments of statutory benefits to a claimant who is a participant in the Lifetime Care & Support Scheme the insurer must notify the Lifetime Care and Support Authority of NSW before the decision is made and briefly explain the basis of the decision.

### Information within liability notices for declined or partially declined statutory benefits

- 4.39 Where the insurer’s notice is for partial acceptance of the claim (or ongoing claim) for statutory benefits, the notice must include:
- 4.39.1 the consequences of the decision, including any effects on the claimant’s entitlement to damages
  - 4.39.2 the reasons for the decision
  - 4.39.3 copies of the information relevant to the decision, regardless of whether the information supports the decision
  - 4.39.4 how the decision can be reviewed
  - 4.39.5 that the claimant can seek help from the insurer or the Authority to understand the decision and rights of review and provide their contact details.

### Not wholly admitting liability for the claim

- 4.40 If the notice states that causation of injury is a reason for not wholly admitting liability, the insurer must inform the claimant in writing of the injury or injuries the insurer determines were not caused by the motor accident. The notice must include the reasons for the determination, the nature and source of evidence, and copies of all relevant documents and information considered in the making of the determination, regardless of whether the information or documents supports the reasons for the determination.
- 4.41 Where the insurer accepts liability for only part of the claim or fully denies liability, but subsequently receives information that warrants an admission of liability, the insurer must inform the claimant of the change in its liability decision in writing as soon as possible but no later than 14 calendar days of receipt of the additional information.

### Weekly payments decisions

- 4.42 After an insurer accepts liability for statutory benefits, weekly payments may be payable to a claimant. [Division 3.3](#) and [Schedule 1](#) of the Act provide for Guidelines to be made in relation to:
- 4.42.1 the first 13 weeks – interim payment
  - 4.42.2 earning capacity decisions
  - 4.42.3 student pre-accident weekly earnings.

## First 13 weeks – interim payment

- 4.43 Division 3.3, Section 3.6(5) of the Act refers to interim payments. The interim payment amount is 12.5% of the maximum weekly statutory benefits amount under the Act. The claimant can nominate a lower amount.

## Earning capacity decisions

- 4.44 Division 3.3, Section 3.16(1)-(2) of the Act refers to decisions about earning capacity.

## Decision making principles

- 4.45 An insurer may follow its own procedures in connection with an earning capacity decision but the procedures must align with the following principles:
- 4.45.1 Insurers comply with statutory duties
  - 4.45.2 Claimants are given procedural fairness
  - 4.45.3 Communication is in plain language
  - 4.45.4 Insurers fix errors promptly

## Statutory duties

- 4.46 The procedures to be followed in connection with a decision about a claimant's earning capacity must comply with the insurer's statutory duty to act with good faith under Division 6.2 of the Act.

## Procedural fairness

- 4.47 An insurer must give a claimant procedural fairness when it makes a decision about that person's pre-accident earning capacity or post-accident earning capacity. In addition to the statutory duties, this includes:
- 4.47.1 giving the person a fair opportunity to give information to the insurer to consider for the decision
  - 4.47.2 ensuring the decision maker is not, or is not reasonably perceived to be, biased toward a particular outcome or party
  - 4.47.3 providing the person with all the information the insurer is considering in making its decision, regardless of whether that information supports the decision. This includes joint medical assessments
  - 4.47.4 giving the claimant a right of response, including the right to provide new relevant information held by the claimant within a reasonable time in respect of an earning capacity decision that may adversely affect them.
- 4.48 If the claimant is a participant in the Lifetime Care & Support Scheme, the insurer must consult icare before any potential adverse decision.

## Plain language

- 4.49 An insurer must give information about an earning capacity decision to a claimant in plain language. This means a claimant must be able to easily find, understand and use the information they need.



## Fixing errors

- 4.50 An insurer must fix errors in its decisions about a claimant's pre-accident earning capacity or post-accident earning capacity promptly, even after the decision has been made. An insurer is responsible for having procedures in place to fix an error of fact or law. A claimant should not be required to follow the statutory dispute resolution process to fix such an error.

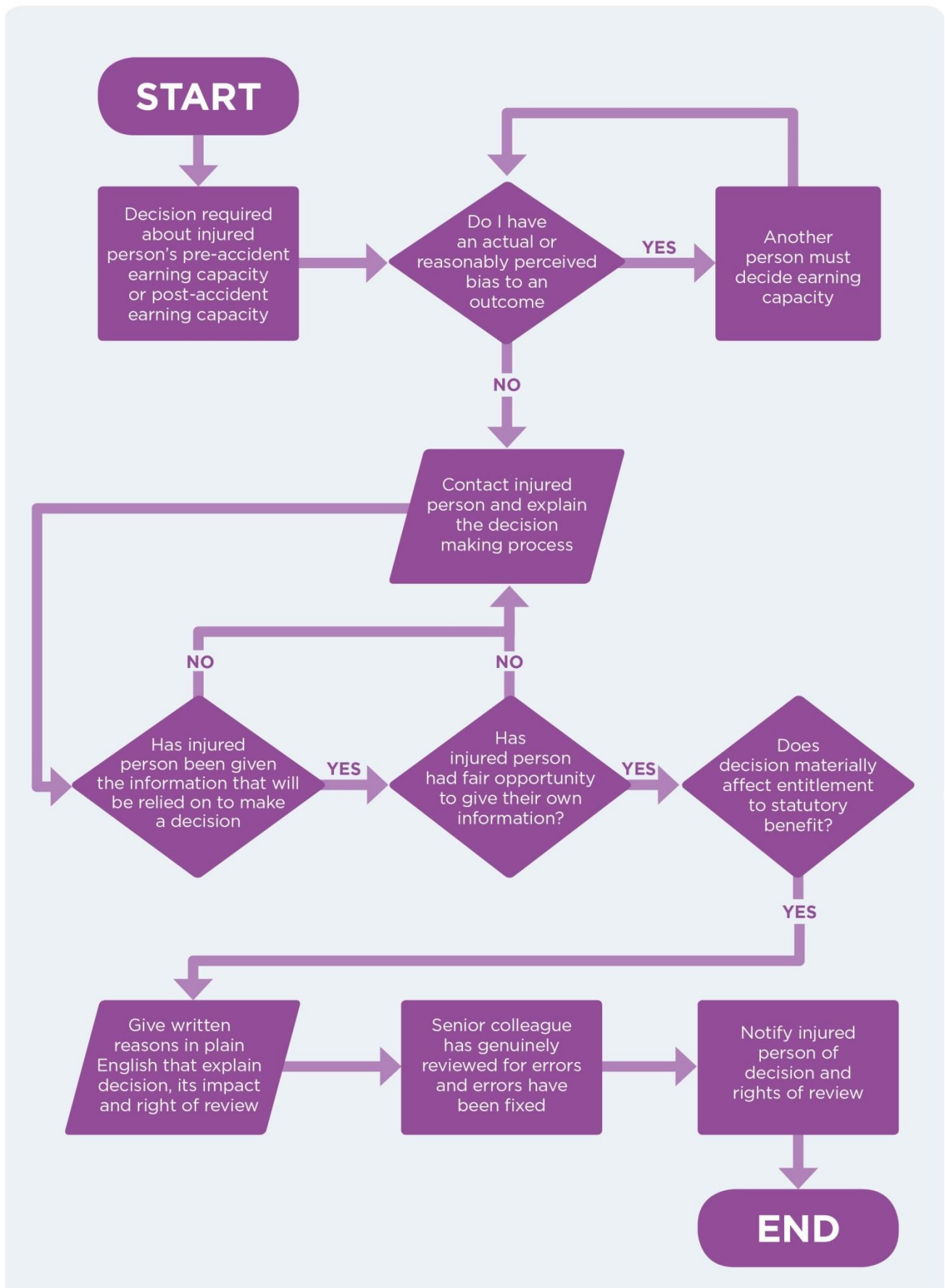
## Model procedures

- 4.51 Alternatively, an insurer may follow the model procedures in [Figure 4.1](#) (below).

## Student pre-accident weekly earnings

- 4.52 In making a decision regarding a student's pre-accident weekly earnings, the insurer is to have regard to:
- 4.52.1 the course of study being undertaken
  - 4.52.2 pre-accident academic results
  - 4.52.3 published wage data for new graduates relevant to the course undertaken
  - 4.52.4 previous work experience
  - 4.52.5 Australian Bureau of Statistics (ABS) data for age and industry
  - 4.52.6 the individual circumstances of the claimant
  - 4.52.7 any other relevant circumstances.

Figure 4.1: Model procedures for earning capacity decisions



## Post-accident earning capacity (after 78 weeks)

- 4.53 When determining employment reasonably available to a claimant at any time after the second entitlement period (from week 79 after the motor accident), the insurer is to have regard to:
- 4.53.1 the nature of the claimant's injuries
  - 4.53.2 the claimant's age, education, skills and work experience
  - 4.53.3 rehabilitation services that are being or have been provided
  - 4.53.4 the nature of the claimant's pre-injury employment
  - 4.53.5 the claimant's place of residence at the time of the motor accident
  - 4.53.6 the details given in the certificate of fitness supplied by the claimant
  - 4.53.7 the length of time the claimant has been seeking employment
  - 4.53.8 any other relevant circumstances.

## Non-compliance with providing evidence of fitness for work

- 4.54 Before an insurer can suspend weekly payments for failure of the claimant to comply with requirements for evidence as to fitness for work, the insurer must:
- 4.54.1 contact the claimant (via the claimant's preferred method of communication) to ensure that the claimant is aware of their duty to provide this evidence
  - 4.54.2 clearly state to the claimant the consequences of not providing the evidence
  - 4.54.3 provide the claimant with a reasonable time within which to comply
  - 4.54.4 if the claimant is a participant in the Lifetime Care & Support Scheme, the insurer must contact the Lifetime Care & Support Authority of NSW before any potential adverse decision
  - 4.54.5 provide the claimant with contact details of the Authority.
- 4.55 If the claimant continues to fail to comply without a reasonable excuse, a suspension notice giving the claimant seven calendar days to comply must be sent in writing.
- 4.56 The suspension notice must clearly state the insurer's reasons for suspending weekly payments, actions the claimant must take to avoid suspension of their weekly payments and the claimant's rights of review. A copy of this notice must be provided to the claimant's legal representative where the claimant is legally represented.

## Notice before benefits discontinued or reduced

- 4.57 If a decision is made to discontinue or reduce weekly payments, the insurer must give the required period of notice before that decision takes effect, in accordance with [Division 3.3, Section 3.19](#) of the Act.
- 4.58 Notice may be given verbally, but must also be given in writing and delivered by electronic or postal means, using the claimant's preferred method of delivery. The notice must include:
- 4.58.1 information about the claimant's rights of review of the insurer's decision, and
  - 4.58.2 contact details of the Authority.
- 4.59 A copy of this notice must be provided to the claimant's legal representative where the claimant is legally represented.

## Claimant's responsibilities for ongoing weekly payments

- 4.60 If an insurer accepts liability for statutory benefits, weekly payments may be payable to a claimant.
- 4.61 If weekly payments are payable, the claimant must ensure that they comply with the following requirements.

## Evidence of fitness for work

- 4.62 A claimant is required to provide evidence of fitness for work, as stipulated in [Division 3.3, Section 3.15](#) of the Act.
- 4.63 The required forms to use are the [certificate of fitness](#) form (available on the [Authority's website](#)) and declaration of employment form (available on the [Authority's website](#)).

## Change in circumstances

- 4.64 A claimant must notify an insurer of a change in circumstances, in accordance with [Division 3.3, Section 3.18\(1\)–\(2\)](#) of the Act. Initial notice may be given verbally; however, notice must also be given in writing, which may include documentary evidence, such as payslips or certificates of fitness for work depending on the change notified. If requested, other documentary evidence or written notice must be provided to the insurer as soon as possible by the claimant.

## Residing outside of Australia

- 4.65 [Division 3.3, Section 3.21\(1\)–\(2\)](#) of the Act outlines details for weekly statutory benefits to claimants residing outside Australia. The claimant must submit a [certificate of fitness](#) (available on the [Authority's website](#)) from a treating medical practitioner every three months to establish their identity and continued loss of earnings. Additionally, the claimant must provide a completed declaration of employment form (available on the [Authority's website](#)).

## Minimising loss

- 4.66 The claimant must do all such things as may be reasonable and necessary for their rehabilitation. The claimant must take all reasonable steps to minimise loss caused by the injury resulting from the motor accident as per Division 6.2, Section 6.5(1)–(3) of the Act.
- 4.67 If the claimant fails to comply with their duty to minimise loss, the insurer is authorised to suspend weekly payments in writing, but only if the insurer contacts the claimant to ensure that the claimant:
- 4.67.1 is aware of their duty to minimise loss
  - 4.67.2 understands what is expected of them to comply with the duty
  - 4.67.3 understands the consequences of failing to comply
  - 4.67.4 has had a reasonable opportunity to comply
  - 4.67.5 has the Authority’s contact details.
- 4.68 If the insurer considers that the claimant has had a reasonable opportunity to comply with the duty but has failed to do so, a suspension notice giving the claimant 14 days to comply must be given.
- 4.69 The duties of the claimant must be defined in the notice. The insurer may provide notice by phone or in person; however, the notice must be confirmed in writing to the claimant.
- 4.70 Insurers must contact icare before making adverse decisions regarding compliance for those claimants engaged in the Lifetime Care & Support Scheme or with severe injuries.

# Treatment, rehabilitation, care and vocational support

## Treatment before a claim is made

- 4.71 The insurer may approve access to treatment, such as one general practitioner consultation and two treatment consultations (for example, physiotherapy), before a claim is made but after notification of injury has been given. This may also apply where a notice of claim has not included all required information and documents and the insurer is waiting for further information from the claimant.
- 4.72 Any treatment approved before a claim is made is approved at the insurer’s discretion and will only be approved within the first 28 calendar days from the date of the motor accident. The insurer has the discretion to approve additional consultations and treatments within 28 days of the accident without a claim being lodged, having considered the injured person’s circumstances. However, if further treatment is required after 28 days, a claim for statutory benefits must be made by the injured person.

- 4.73 The insurers' and claimants' obligations about treatment, rehabilitation and vocational training are detailed in [Division 3.3, Section 3.17](#) and [Division 6.2, Section 6.5\(1-3\)](#) of the Act.

## Recovery approach

- 4.74 People respond differently after a motor accident injury. The insurer is to manage claims in a manner that is tailored to the claimant, providing support based on best practice and tailored to their individual circumstances and needs. The insurer should apply the principles of the nationally endorsed *Clinical Framework for the Delivery of Health Services*, which sets out five guiding principles for consideration by health professionals and insurers when reviewing treatment plans and requests for services:
- 4.74.1 Measure and demonstrate the effectiveness of the treatment.
  - 4.74.2 Adopt a biopsychosocial approach – consider the whole person and their individual circumstances.
  - 4.74.3 Empower the injured person to manage their recovery.
  - 4.74.4 Implement goals focused on optimising function, participation and where applicable, return to work.
  - 4.74.5 Base treatment on the best available research evidence.
- 4.75 Consideration for service requests should also include Guidelines developed by the Authority; for example:
- 4.75.1 the Whiplash Guidelines for the management of acute whiplash-associated disorders for health professionals
  - 4.75.2 the Neuropsychological Assessment of Children & Adults with Traumatic Brain Injury Guidelines.

## Screen and assess risk of poor recovery

- 4.76 A claimant must be screened initially for risk of poor recovery within three business days of lodgement of their claim. This must include direct contact with the claimant where available and consideration of recent information by the treating doctor. The outcome of this screening must be recorded on the claimant's file.
- 4.77 Where a claimant is identified to be at or above a medium risk of poor recovery, the insurer must take action to support the claimant through to the appropriate internal claims management stream. The insurer should follow their internal processes and procedures for a comprehensive assessment to determine the relevant course of treatment. The outcome of this assessment must be integrated into the claimant's recovery plan.
- 4.78 The insurer should regularly engage with the claimant and stakeholders involved to review progress and continue to assess risk of poor recovery. The outcome must be recorded on the claimants file and integrated into the recovery plan.
- 4.79 Insurers must contact a claimant directly to deal with the claimant's claim, regardless of whether the claimant is legally represented. However, an insurer is not to contact a legally represented claimant in regards to a dispute unless the Act or Guidelines authorises that contact.

## Recovery plan

- 4.80 All claimants must have a tailored recovery plan with the following exceptions:
- 4.80.1 where the claimant is performing their pre-injury duties
  - 4.80.2 where the claimant is performing their usual activities
  - 4.80.3 where the claimant is part of the Lifetime Care & Support Scheme
  - 4.80.4 where the claim is denied, or
  - 4.80.5 where a claimant has returned to their pre-injury duties and activities within 28 calendar days of the claim being made.
- 4.81 The recovery plan may simply monitor treatment progress. It does not necessarily incorporate return to work support or vocational retraining where full return to work has been achieved. The recovery plan must be established, in consultation with the:
- 4.81.1 claimant who has an obligation under the Act to minimise loss and participate in reasonable and necessary treatment and care and rehabilitation
  - 4.81.2 recent status of the claimant from the claimant's treating doctor
  - 4.81.3 claimant's employer, where the claimant has authorised contact with the employer and the employer elects to be part of recovery, and to the maximum extent that their cooperation and participation allows
  - 4.81.4 any treating clinicians or therapists as appropriate.
- 4.82 An insurer must, as far as possible, ensure that any vocational support provided or arranged under an individual's recovery plan is reasonable and necessary to support the claimant's return to work.
- 4.83 An insurer must fulfil their obligations under any recovery plan they have established for a claimant.
- 4.84 The recovery plan must be:
- 4.84.1 completed within 28 days of the claim being made or within 28 days of the claimant's initial discharge from hospital in circumstances where the claimant has been admitted to hospital within two days of the date of the motor accident and remained in hospital for a period of not less than three continuous weeks, whichever is the later
  - 4.84.2 reviewed no less than at 12 weekly intervals or as pertinent changes occur.
- 4.85 Where a claimant fails to comply with a recovery plan that has been developed and provided to them, the insurer must provide notice to the claimant that weekly payments may be suspended during the period of non-compliance in terms of [Division 3.3, Section 3.17\(2\)](#) of the Act. See [Division 3.3, Section 3.19](#) of the Act for required notice periods when discontinuing weekly payments.



## Development of a recovery plan

- 4.86 When developing a personalised recovery plan for a claimant, an insurer is to consider:
- 4.86.1 the nature of the injury and the likely process of recovery
  - 4.86.2 treatment and rehabilitation needs, including the likelihood that treatment or rehabilitation will enhance earning capacity and any temporary incapacity that may result from treatment
  - 4.86.3 any employment engaged in by the claimant after the accident
  - 4.86.4 any certificate of fitness provided by the claimant
  - 4.86.5 the claimant's training, skills and experience
  - 4.86.6 the age of the claimant
  - 4.86.7 accessibility of services within the claimant's residential area.

## Minimum requirements in recovery plans

- 4.87 Within the recovery plan that is sent to both the claimant and their nominated treating doctor, the following details must be included at a minimum:
- 4.87.1 name of claimant
  - 4.87.2 claim number
  - 4.87.3 date of injury
  - 4.87.4 current treatment being undertaken
  - 4.87.5 future treatment expected to be undertaken
  - 4.87.6 current fitness for work and/or usual activities
  - 4.87.7 expected fitness for work and/or usual activities with milestones
  - 4.87.8 obligations of the claimant
  - 4.87.9 consequences for the claimant if they do not adhere to the recovery plan
  - 4.87.10 contact details of the insurer representative
  - 4.87.11 what action the claimant can take if they disagree with the recovery plan.
- 4.88 The recovery plan may be provided to all stakeholders including treating practitioners as deemed appropriate.

## Obligations of the claimant

- 4.89 The claimant must agree to participate in the recovery plan and must, when requested to do so by the insurer, nominate a treating medical practitioner who is prepared to participate in the development of and in the arrangements under, the recovery plan.
- 4.90 The insurer is to advise the claimant that they may change their nominated treating practitioner if required due to, for example, the claimant moving house or their doctor leaving the area. The claimant needs to advise the insurer of any change and the reasons for the change.



- 4.91 A medical practice may be nominated as a treating medical practitioner for the purposes of a recovery plan. Such a nomination operates as a nomination of the medical practitioners of the practice who may treat the claimant from time to time. A reference in this section to the nominated treating doctor is a reference to the medical practitioners of the practice.
- 4.92 The claimant must authorise their nominated treating medical practitioners to provide relevant information to the insurer for the purposes of a recovery plan.

## Limits on treatment and care expenses

- 4.93 In terms of Section 3.31(4) of the Act, the limit is the applicable Australian Medical Association (AMA) rates at the time the treatment/service is provided.

## Facilitating referrals

- 4.94 An insurer who has identified a claimant requiring treatment, rehabilitation and attendant care services must facilitate referral to an appropriate treatment provider (including vocational provider, if appropriate) as soon as possible (within 10 calendar days of the identification) with the claimant's agreement.
- 4.95 When the insurer approves vocational rehabilitation, a referral is made to the rehabilitation provider:
- 4.95.1 The insurer is to refer the claimant to an appropriate vocational rehabilitation service provider reasonably accessible to the claimant.
- 4.95.2 If the claimant expresses a preference for a particular provider, then the insurer is to refer the claimant to that provider subject to the insurer being satisfied as to the suitability of that provider. If the claimant's preferred service provider is not suitable the insurer is to refer the claimant to an appropriate vocational rehabilitation service provider reasonably accessible to the claimant.

## Approving requests

- 4.96 Where the insurer approves the claimant's treatment, rehabilitation, vocational support and attendant care requests, it will:
- 4.96.1 advise the claimant and service provider in writing as soon as possible but within 10 calendar days of receipt of a request
- 4.96.2 state the costs the insurer has agreed to meet
- 4.96.3 pay the account as soon as possible but within 20 calendar days of receipt of an invoice or expense.
- 4.97 The insurer will advise the claimant of the insurer's obligation to pay all reasonable and necessary costs and expenses – including travel expenses to attend treatment, rehabilitation services or assessments, including those conducted by DRS' medical assessors – as soon as possible (no later than 20 calendar days after receiving the account or request for reimbursement).

## Treatment and care beyond 26 weeks for those with minor injuries

- 4.98 Specific treatment and care that will improve recovery from a minor injury after 26 weeks may be authorised as outlined in 'Part 5 of the Motor Accident Guidelines: Soft tissue & minor psychological and psychiatric injuries', ('Treatment and care incurred more than 26 weeks after the motor accident').

### Verify expenses

- 4.99 Verification of expenses is detailed in Division 3.4, Section 3.27 of the Act. Expenses are to be verified through invoices for treatment and care. The invoice should include:
- 4.99.1 the claimant's first and last name
  - 4.99.2 the claim number allocated by the insurer
  - 4.99.3 payee details
  - 4.99.4 the Medicare provider number, if relevant
  - 4.99.5 the Australian Business Number (ABN) of the provider
  - 4.99.6 the name of the medical practitioner or service provider
  - 4.99.7 the date of the service (the date of invoice must be on the day of or after last date of service listed on the invoice)
  - 4.99.8 the payment classification code from the Authority or AMA item number, where applicable
  - 4.99.9 the service cost for each payment classification code from the Authority or AMA item number, where applicable, and
  - 4.99.10 the service duration, where applicable.
- 4.100 These provisions do not apply to reimbursement for treatment and/or expenses to the claimant. These expenses should be reimbursed to the claimant by the insurer on provision of a receipt confirming the expenses incurred, where the insurer has provided pre-approval and/or the expenses are reasonable and necessary. Insurers should request details of regular service providers to establish direct billing and reimbursement between the insurer and provider to reduce the financial burden on the claimant.

# Assessment of degree of permanent impairment

4.101 This section refers to 'Part 6 of the Motor Accident Guidelines: Permanent impairment'.

## Damages

### Making a claim for damage

4.102 A notice of a claim for damages is made once an insurer receives a signed application for damages under common law form (available on the [Authority's website](#)) and all information required within the application for personal injury benefits form (available on the [Authority's website](#)).

### Liability decisions in a claim for damages

4.103 After a claim for damages is made, an insurer must determine liability as expeditiously as possible, but within three months of the date of the claim being made, as per [Division 6.4, Section 6.20](#) of the Act. The notice must be clearly identified as a *Liability Notice - Claim for damages* and must include:

- 4.103.1 the decision
- 4.103.2 the consequences of the decision, including any effects on the claimant's entitlements and when it will take effect
- 4.103.3 the reasons for the decision
- 4.103.4 a list and copies (where not previously provided) of the information and documents considered in the making of the decision whether or not the information or document supports the reasons for the decision
- 4.103.5 how the decision can be reviewed
- 4.103.6 that the claimant can seek help from the insurer or the Authority to understand the decision and rights of review, and provide their contact details.

### Where liability is not wholly admitted for damages

4.104 Where liability is not wholly admitted, the notice must give sufficient detail to the claimant to enable them to understand the extent to which liability is accepted and/or the elements of liability that are admitted. The notice must also refer to the reasons for that decision and the nature and source of the evidence that supports those reasons.

## Claimant failure to provide relevant particulars – damages claim

- 4.105 Under Division 6.4, Section 6.26 of the Act, when claimants have not provided particulars of their claim within two years and six months, insurers may send a direction to produce particulars form for the claimant to complete (available on the Authority’s website, [www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)).

## Late claims for damages – specific requirements

- 4.106 On receipt of the claimant’s explanation for lodging a late claim, the insurer will write to the claimant as soon as possible if it does not accept that the explanation is full and satisfactory for the delay. The insurer must detail the reasons for its decision, including advising the claimant of the grounds upon which it does not consider the explanation to be full or satisfactory or both.
- 4.107 If the insurer takes action on the late lodgement, it will request a full and satisfactory explanation as soon as possible after receiving the claim.
- 4.108 The insurer will not delay its investigation of each of the elements of liability on the basis that the claim is lodged late.
- 4.109 When exercising discretion in relation to late claims (received by the insurer more than three years from the date of the accident or nominal defendant claims received by the Authority more than three years from the date of the accident), insurers should act reasonably and where liable, pay claims without relying on technical defences or minor procedural defects or irregularities.

## Non-economic loss – specific requirements

- 4.110 The insurer is to make decisions relating to non-economic loss based on all the available documents, consistent with the facts and in accordance with the law. For example, the insurer should concede an entitlement to non-economic loss when it is in possession of health service provider examination reports that indicate that a claimant’s whole person impairment (WPI) is greater than 10%. The insurer should, regardless of whether or not the claimant claims to be entitled to non-economic loss:
- 4.110.1 clearly indicate that it has determined whether or not the claimant is entitled to non-economic loss, or
  - 4.110.2 when a claimant claims to be entitled to non-economic loss but the insurer disagrees, clearly explain the reasons and detail any medical information considered in the course of making its decision that the injured person’s degree of permanent impairment is not greater than 10%, and
  - 4.110.3 ensure that the explanation is sufficient to enable the claimant to make an informed decision about whether to accept the insurer’s decision, and
  - 4.110.4 where a claimant has sufficiently recovered to enable the claim to be quantified, and the insurer is unable to determine whether the claimant’s degree of permanent impairment is greater than 10%, refer the matter to the Authority’s Dispute Resolution Service (DRS) for assessment.

## Reasonable offers of settlement and finalising claims

- 4.111 In acting to resolve a claim justly and expeditiously, insurers should continually review and identify whether a claimant who is eligible for economic loss and/or non-economic loss has sufficiently recovered to enable quantification of the claim, and if so, make a reasonable offer of settlement. A reasonable offer is one that is based on the facts and evidence, and is reflective of the injuries and losses the injured person has suffered as a consequence of the motor vehicle accident.
- 4.112 The insurer will make a reasonable offer of settlement to the claimant, as required by Division 6.4, Section 6.22 of the Act, unless the insurer wholly denies liability for the claim. The offer of settlement must be recorded on the claim file.
- 4.113 The insurer's initial and final offer of settlement will:
- 4.113.1 be set out in writing to the claimant (and copied to their legal representative where the claimant is represented)
  - 4.113.2 list amounts (including zero) offered for economic loss and non-economic loss separately or include a method for determining an amount of damages
  - 4.113.3 include details necessary to determine the extent to which liability is admitted where the insurer admits liability for only part of the claim
  - 4.113.4 where applicable, identify as a separate amount any allowance for the claimant's legal costs and disbursements
  - 4.113.5 where applicable, identify any deductions that have been made or are likely to be made, and how they have been determined or calculated
  - 4.113.6 include a reference to the insurer's duty under the Act to make an offer of settlement on a claim for damages.
- 4.114 A claim for damages cannot be settled until DRS has approved it, unless the claimant is legally represented. Where the claimant is not legally represented, the insurer must proactively approach the DRS to have the settlement approved.

## Confirming payment of a settlement amount

- 4.115 When a claim for damages settles, the insurer must notify the claimant confirming the total settlement amount, who the payment has been made to, the method of payment (for example, cheque or EFT) and the date the payment was made. If the claimant has engaged legal representation, then the correspondence must also be sent to them.

# Nominal defendant – due inquiry and search

- 4.116 Claims against the nominal defendant cannot be made unless due inquiry and search has been made to establish the identity of the motor vehicle. The insurer managing a nominal defendant claim will, regarding a motor vehicle that is unidentified, explain to the claimant in writing of the requirement for the claimant to make due inquiry and search to ascertain the identity of the vehicle alleged to have been at fault in the accident. The insurer must perform as a model litigant in nominal defendant claims.
- 4.117 In statutory benefits claims made on the nominal defendant, if the insurer's decision in respect of due inquiry and search is not made at the time the insurer is required to make the liability decision under Section [6.19\(1\)](#) and [6.19\(2\)](#) of the Act the insurer must inform the claimant in the notices of liability that it will also be making a decision on whether due inquiry and search has been established and that it will make a further liability decision when it determines whether it is satisfied due inquiry and search has been established.
- 4.118 Claims for damages against the nominal defendant cannot be made unless due inquiry and search has been made to establish the identity of the motor vehicle. The insurer managing a nominal defendant claim will, regarding a motor vehicle that is unidentified, explain to the claimant in writing of the requirement for the claimant to make due inquiry and search to ascertain the identity of the vehicle alleged to have been at fault in the accident. The insurer must perform as a model litigant in nominal defendant claims.
- 4.119 The insurer will promptly advise the claimant in writing whether the claimant has, in the insurer's view, satisfied the requirement for due inquiry and search.
- 4.120 An insurer's decision is to be based on all available information and documentation, and should be consistent with the facts. Where the insurer alleges that the requirement has not been met, the insurer must include sufficiently detailed written reasons for its decision and details of the deficiency and manner by which the requirement could be satisfied by the claimant.

## Investigations

- 4.121 The insurer should always consider whether investigations are required in the first instance, and if so, ensure that such investigations are appropriate with respect to the issues arising in the claim.
- 4.122 The insurer will promptly investigate liability for a claim by requesting information and documents about the claim in a timely manner, and regularly following up any requests.

## Medical investigations

- 4.123 Insurers should not arrange frequent examinations. The request to arrange a medical examination should be reasonable in the circumstances and where applicable, the medical examination should be conducted by the same examiner who previously examined the claimant if they are available.
- 4.124 Before organising a medical examination for investigation purposes, an insurer must demonstrate that:
- 4.124.1 the treating practitioner has not responded to a request for information, or
  - 4.124.2 information from the treating practitioner is inadequate, or
  - 4.124.3 communication with the treating medical practitioner cannot resolve a dispute.
- 4.125 The insurer or claimant must provide documented evidence of attempts to engage the treating practitioner to resolve any concerns or issues before proceeding to a medical investigation/assessment.
- 4.126 For the purpose of medical investigations, an insurer may use the allied health practitioner search tool on the Authority's website to search for health practitioners who are *authorised* under Division 7.7, Section 7.52(1)(b) of the Act to give evidence when required during the management of a claim.
- 4.127 If practitioners on the list are unavailable for an appointment within the required timeframes for the issues to be assessed, an independent medical examiner with availability chosen by the insurer or claimant may be proposed to the Authority for authorisation, following the guidelines prescribed in 'Part 7 of the Motor Accident Guidelines: Dispute resolution', clause 7.149.
- 4.128 The Authority will authorise or assign a health practitioner with the required availability as soon as practical to minimise the impact on the management of the claim and statutory benefits timeframes.
- 4.129 A rehabilitation provider service cannot be deemed as a health practitioner with regard to Division 7.7, Section 7.52 of the Act.

## Joint medical assessment

- 4.130 A medical examination can be a stressful experience for a claimant; a joint assessment may help in minimising disputes and expediting a claim towards finalisation.
- 4.131 A joint medical assessment is when a legally represented claimant (or their legal representative) and an insurer agree on a relevant and appropriately qualified medical practitioner to assess the claimant's injury or a specific issue that requires a specialist opinion and both parties understand the reason why the medical assessment is being arranged. The agreement and understanding between the parties will constitute authorisation of the practitioner under Division 7.7, Section 7.52(1)(b) of the Act.



- 4.132 The instruction letter to the joint medical assessor must clearly state that:
- 4.132.1 it is a joint assessment
  - 4.132.2 the report must be sent to both parties on completion
  - 4.132.3 no supplementary reports can be requested unless agreed by both parties and must be provided to both parties by the specialist on completion.
- 4.133 The insurer will meet the cost of these assessments.
- 4.134 In circumstances where a joint medical assessment report is obtained, the insurer must still give the treating medical practitioner's opinion appropriate weight. The insurer must always consider all medical information available during the decision making process.
- 4.135 Insurers and their agents should also note that their appointed investigators and medical assessors are expected to abide by these Guidelines.

## Surveillance investigations

- 4.136 The insurer will conduct surveillance of the claimant only when there is evidence to indicate that the claimant is exaggerating an aspect of the claim or providing misleading information or documents in relation to a claim, or where the insurer reasonably believes that the claim is inconsistent with information or documents in the insurer's possession regarding the circumstances of the accident or medical evidence.
- 4.137 The insurer will only conduct surveillance in places regarded as public or where the claimant, while on private property, is observable by members of the public going about their ordinary daily activities.
- 4.138 The investigator acting on behalf of the insurer must not actively interfere with the claimant's activities while under observation or interact with the claimant so as to have an impact on their activities.
- 4.139 The insurer or investigator acting on behalf of the insurer will not engage in any acts of inducement, entrapment or trespass when carrying out factual investigations and/or surveillance activities. Inducement or entrapment can include social media activities such as sending friend requests with the intention to induce, entrap or deceive.
- 4.140 The insurer will be sensitive to the privacy rights of children, take reasonable action to avoid unnecessary video surveillance of children and where possible, hide images of children in reports that contain still photographs of children.
- 4.141 The insurer will take reasonable action to avoid unnecessary video surveillance of children when undertaking surveillance of a claimant. Persons who are under the age of 18 years are regarded as children.
- 4.142 Where the insurer sends surveillance material to a third party, it will inform that party about confidentiality and relevant privacy obligations.



# Schedule 4.1 CTP Green Slip Claim Forms

Table 4.1: Application for personal injury benefits

Form field	Form field	Form field
Full name	Date of birth	Gender
Interpreter language	Medicare number and reference number	Driver licence number
Mobile phone number	Home phone number	Work phone number
Email address	Home address	Contact preference
Preferred contact time	Payment preference and details	Account name
BSB	Account number	Have you ever made a CTP claim for injury
Date of injury	Claim number	CTP insurer at time of injury
Please provide your police event number	Date of the accident	Approximate time of accident
Where did the accident occur	In the accident, were you the	In your own words, please describe (or draw) the motor vehicle accident you were involved in
In your own words, please outline all injuries you received as a result of the accident you have described above	Details of all vehicles involved in the accident	What is the registration number of the car you believe to be most at fault
Did you receive treatment at hospital after the accident	Name of the hospital where you were treated	Were you taken to hospital in an ambulance
Have you been discharged from hospital	Date of discharge	Were you suffering an illness or injury affecting the same or similar parts of your body at the time of the accident

Form field	Form field	Form field
Have you been away from work as a result of the accident	Length of time off work due to the accident	What was your employment status at the time of the accident
What is your usual occupation	Please outline your earnings at the time of the accident (Please circle whichever time frame applies)	Please provide your/your employer's company name
Were you receiving Centrelink benefits at the time of the accident	Would you like us to obtain your wages information directly from your employer	Employer contact name
Email address	Mobile phone number	Contact address (unit, street number, street name, suburb, state, postcode)
I, (print name)	Claimant's declaration, authorisation and signature	Date

Table 4.2 Online application for personal injury benefits

Form field	Form field	Form field
Accident description	Accident location	Accident location description
Accident postcode	Accident role	Accident role other
Accident state	Accident street	Accident street number
Accident suburb	Date of accident	Did the accident take place in NSW
Police event number	Time of accident	At fault vehicle known
Claimant agrees to continue (late claims)	Confirm most at fault vehicle details	Correct registration entered
Description - most at fault vehicle information does not match	Enter name - final declaration	Enter name - initial declaration
Existing claim number	Final declaration	Has claim number been provided

Form field	Form field	Form field
Initial declaration	Registration of vehicle most at fault	State of registration known
Submitter is claimant	Vehicles involved are known	Date of birth
First name	Gender	Home address
Home street address	Home suburb	Home state
Home postcode	Home country	Employer phone number
Home phone	Interpreter language	Last name
Mobile phone	Preferred contact method	Preferred contact time
Preferred email address (injured person)	Work phone	Away from
Away from work due to accident	Away until	Previous illness or injury description
Currently away from work	Earning period	Employee or self-employed
Employer company name	Employer contact address	Employer contact first name
Employer Street address	Employer suburb	Employer State
Employer postcode	Employer country	Were you in this vehicle
Employer contact last name	Employer contact email	Employment status at the time of accident
Length of time off work	Occupation description	Permission to obtain wages directly from employer
Receiving Centrelink benefits	Total earnings	Type of benefits received
Injury description	Account name	Account number
BSB	Driver license number	Medicare number
Medicare reference number	Payment method	State of driver license
Month of previous CTP claim	Year of previous CTP claim	Previous claim number

Form field	Form field	Form field
Previous CTP claim	Previous CTP insurer	Previous CTP insurer - other
Injury description	Previous illness or injury	Send correspondence to
Nominated representative required	Representative email	Representative first name
Representative language required	Representative last name	Representative phone
Representative preferred contact time	Representative role	Representative role other
Preferred submitter email address	Reason submitting	Submitter NSW email address
Submitter first name	Submitter is a nominated representative	Submitter last name
Submitter phone	Submitter type	Submitter type other
Ambulance service received	Ambulance used	Date of discharge
Discharged from hospital	Hospital name	Treatment description
Treatment received at hospital post accident	Approximate date of previous injury	Driver's email
Driver's first name	Driver's last name	Driver's phone number
Number of passengers	Number of passengers known	Registration number
Vehicle make	Vehicle model	Vehicle state
Vehicle year		

Table 4.3 Application for funeral expenses

Form field	Form field	Form field
Full name	Date of birth	Gender
Home address (unit, street number, street name, suburb, state, postcode)	Email address	Mobile phone number
Home phone number (if applicable)	Work phone number (if applicable)	Contact preference
Preferred contact time	If you need an interpreter, please tell us your preferred language	Full name of the deceased
Date of birth	Date of death	Address of the deceased (unit, street number, street name, suburb, state, postcode)
What is your relationship to the deceased	Please provide the police event number (e.g. E12345678)	Date of the accident
Approximate time of accident	Where did the accident occur (e.g. corner, intersection, street, number/name, suburb, state)	In the accident, the deceased was the: driver/passenger/cyclist/pedestrian/other
Please provide a brief description of the accident.	Details of all vehicles involved in the accident	Registration
Driver's name and contact (e.g. phone, email)	Number of passengers	What is the registration number of the car you believe to be most at fault (if known)
At-fault: Still being determined/I'm unsure	Funeral director name	Funeral director contact number
How would you like to be reimbursed	Account name	BSB
Account number	I, [Name]	Signature

Table 4.4 Application to compensate relatives

Form field	Form field	Form field
If you need an interpreter, please tell us your preferred language	Are you the executor/administrator of the person deceased Yes / No	If no, what is your relationship to the deceased
Full name	Date of birth	Gender
Mobile phone number	Home phone number (if applicable)	Work phone number (if applicable)
Email address	Home address (unit, street number, street name, suburb, state, postcode)	Contact preference - mobile, email, home phone, work phone
Preferred contact time	Are you representing or acting on behalf of the claimant identified above Yes / No	Full name
Relationship to the claimant	Mobile phone number	Home phone number (if applicable)
Work phone number (if applicable)	Contact address (unit, street number, street name, suburb, state, postcode)	Full name
Date of birth	Gender	Medicare number and reference number (if known)
Driver's licence number (if known)	What is your relationship to the deceased	Date of the accident
Please provide the police event number (e.g. E12345678)	Who was involved in the accident (Provide as much information as you can)	Were there any expenses or financial losses suffered by the deceased resulting from the accident in the time between the accident and the date of death (e.g. intensive care fees, lost wages)
If yes, please outline these expenses or financial losses	If no, skip to next page	Registration number
Driver's name	Driver's contact (e.g. phone, email)	Number of passengers

Form field	Form field	Form field
Funeral director name	Funeral director contact number	If the claimant hasn't been reimbursed for the cost of funeral expenses, please provide payment details.
Direct deposit	Cheque	Account name
BSB	Account number	Was the deceased employed at the time of the accident No / Yes
What was the deceased's employment status at the time of the accident	Company name	Employer's phone number
Standard weekly earnings of the deceased (include overtime, regular bonuses and commission)	Name of business	Type of business (e.g. building, accounting, optometry, childcare)
Accountant's name	Estimated earnings lost (weekly)	Accountant's phone number
Employer's name	Employer's address (unit, number, street, suburb, state, postcode)	Self-employed (go to next section)
Retired/student	Was the deceased receiving any other form of income at the time of the accident	(e.g. investments, workers' compensation, social security benefits or income protection payments)
Prior to the accident, had the deceased person made any firm arrangements to stop work, start a new job, change duties, change working hours or earnings	If yes, please provide workers compensation insurer and claim number; Centrelink benefit number; disability or income protection policy insurer and policy number; details of investment bonds, stocks, property etc.	New job. If yes, please provide details of when the new arrangements were expected to start and the name of the proposed employer (if applicable).
Dependant number	Full name	Relationship to the deceased
Date of birth	Gender	Relationship to the deceased

Form field	Form field	Form field
Describe how much financial support the deceased person provided the dependant each week. For example, consider money for board and allowances, food, clothing, housing services (housekeeping and childcare) rent, mortgage payments, car payments, car expenses, education expenses, health and medication expenses, utilities and entertainment.	Type of support. \$ per week; how it was provided	Is the dependant employed
Does the dependant have any other employment	Does the dependant have any other income (e.g. investments, pension, Centrelink, workers compensation, disability or income protection policy)	If yes, please provide employment details below
If yes, please attach details of all other employers to this form	If yes, please describe what other kinds of income the dependant receives, including a weekly sum	Employer's phone number
Dependant's weekly earnings at time of deceased's death	Dependant's weekly earnings at present	Employer's name
Employer's address (unit, number, street, suburb, state, postcode)	Interpreter language	I, [name]
Signature	Date	



Table 4.5 Application for damages under common law

Form field	Form field	Form field
Full name	Date of birth	Gender
Mobile	Email	Home phone
Work phone	Email address	Home address (unit, street number, street name, suburb, state, postcode)
Mobile phone number	Home phone number (if applicable)	Work phone number (if applicable)
Contact preference	Preferred contact time	Medicare number and reference number
Driver licence number (if applicable)	Direct deposit	Cheque
Please provide your CTP claim number (if known)	Payment preference and details	Account name
BSB	Account number	Claimant's signature
Interpreter language	I, (print name)	Signature
Date		

# Part 5 of the Motor Accident Guidelines: Soft tissue & minor psychological or psychiatric injuries

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# Soft tissue & minor psychological or psychiatric injuries

## Introduction

- 5.1 This Part of these Guidelines is made under the *Motor Accident Injuries Act 2017 (NSW)* (the Act), including Sections 1.6(5), 3.28(3) and 3.31 of the Act with respect to:
- 5.1.1 assessing whether an injury is a soft tissue or minor psychological or psychiatric injury
  - 5.1.2 the approval of domestic services and home maintenance as appropriate treatment and care for soft tissue or minor psychological or psychiatric injury or injuries, and
  - 5.1.3 the authorisation of payment of statutory benefits for treatment and care expenses incurred more than 26 weeks after the motor accident for soft tissue or minor psychological or psychiatric injury or injuries.
- 5.2 According to the Act (Division 1.2, Section 1.6) and clause 4 of the Regulation, a minor injury is any one or more of the following:
- 5.2.1 A soft tissue injury – an injury to tissue that connects, supports or surrounds other structures or organs of the body (such as muscles, tendons, ligaments, menisci, cartilage, fascia, fibrous tissues, fat, blood vessels and synovial membranes), but not an injury to nerves or a complete or partial rupture of tendons, ligaments, menisci or cartilage.
    - Included as a soft tissue injury under the Regulation is an injury to a spinal nerve root that manifests in neurological signs (other than radiculopathy).
  - 5.2.2 A minor psychological or psychiatric injury – a psychological or psychiatric injury that is not a recognised psychiatric illness.
    - Included as a minor psychological or psychiatric injury under the Regulation is acute stress disorder and adjustment disorder.

# Assessment for soft tissue & minor psychological or psychiatric injuries

## Assessment

### General provisions for assessment

- 5.3 The assessment will determine whether the injury caused by the motor accident to which the claim relates is a soft tissue injury or a minor psychological or psychiatric injury.
- 5.4 This Part of the Motor Accident Guidelines does not apply when any injury, caused by the motor accident to which the claim relates, is not a soft tissue injury or minor psychological or psychiatric injury.
- 5.5 Diagnostic imaging is not considered necessary to assess minor injury.
- 5.6 The diagnosis of a minor injury should be performed based on clinical assessment.
- 5.7 The assessment should be based on the evidence available and include all relevant findings derived from:
- 5.7.1 a comprehensive accurate history, including pre-accident history and pre-existing conditions
  - 5.7.2 a review of all relevant records available at the assessment
  - 5.7.3 a comprehensive description of the injured person's current symptoms
  - 5.7.4 a careful and thorough physical and/or psychological examination, and
  - 5.7.5 diagnostic tests available at the assessment. Imaging findings that are used to support the assessment should correspond with symptoms and findings on examination.

### Soft tissue assessment – injury to a spinal nerve root

- 5.8 In assessing whether an injury to the neck or spine is a soft tissue injury, an assessment of whether or not radiculopathy is present is essential.
- 5.9 *Radiculopathy* means the impairment caused by dysfunction of a spinal nerve root or nerve roots when two or more of the following clinical signs are found on examination when they are assessed in accordance with 'Part 6 of the Motor Accident Guidelines: Permanent impairment', clause [6.138](#).
- 5.9.1 loss or asymmetry of reflexes (see the definitions of clinical findings in Table 6.8 in these Guidelines)
  - 5.9.2 positive sciatic nerve root tension signs (see the definitions of clinical findings in Table 6.8)
  - 5.9.3 muscle atrophy and/or decreased limb circumference (see the definitions of clinical findings in Table 6.8)

- 5.9.4 muscle weakness that is anatomically localised to an appropriate spinal nerve root distribution
- 5.9.5 reproducible sensory loss that is anatomically localised to an appropriate spinal nerve root distribution.
- 5.10 Where the neurological symptoms associated with the injured person's injury of the neck or spine do not meet the assessment criteria for radiculopathy, the injury will be assessed as a minor injury.

### Minor psychological or psychiatric injury assessment

- 5.11 In assessing whether an injury is a minor psychological or psychiatric injury, an assessment of whether a psychiatric illness is present is essential.
- 5.12 The assessment of whether a psychiatric illness is present must be made using the *Diagnostic & Statistical Manual of Mental Disorders* (DSM-5), Fifth Edition, 2013, published by the American Psychiatric Association.
- 5.13 Where the symptoms associated with the injured person's psychological or psychiatric injury do not meet the assessment criteria for a recognised psychiatric illness, with the exception of acute stress disorder and adjustment disorder, the injury will be considered a minor injury.

## Limits to domestic services and home maintenance

### Domestic services and home maintenance

- 5.14 Domestic services and home maintenance may be approved as appropriate treatment and care for a person whose only injuries are minor injuries if domestic services and/or home maintenance is:
  - 5.14.1 required as a result of injuries caused by the accident, and
  - 5.14.2 required because the person has reduced fitness for domestic tasks, and
  - 5.14.3 reasonable and necessary in the circumstances, and
  - 5.14.4 required for tasks the person used to do before the accident, and
  - 5.14.5 safe and effective, and
  - 5.14.6 a properly verified expense as set out in Part 4, clause 4.99 of these Guidelines.

Table 5.1: Domestic services and home maintenance availability

Weeks post the accident	Available hours
1-4	Up to 12 hours in total over the 4 weeks
5-8	Up to 8 hours in total over the 4 weeks
9-26	Up to 6 hours in total over the 18 weeks

- 5.15 The domestic services and home maintenance limit of hours may be exceeded in agreement with the insurer where the injured person's medical restrictions described in the certificate of fitness place a limit on the completion of pre-injury domestic tasks and responsibilities.

## Treatment and care incurred more than 26 weeks after the motor accident

- 5.16 For a person whose only injuries are minor injuries, the payment of treatment and care expenses incurred more than 26 weeks after the motor accident will be authorised if the treatment and care is:

- 5.16.1 medical treatment, including pharmaceuticals
- 5.16.2 dental treatment
- 5.16.3 rehabilitation
- 5.16.4 aids and appliances
- 5.16.5 education and vocational training
- 5.16.6 home and transport modifications
- 5.16.7 workplace and educational facility modifications
- 5.16.8 vocational and return to work support

and:

- 5.16.9 the treatment and care will improve the recovery of the injured person, or
- 5.16.10 the insurer delayed approval for the treatment and care expenses, or
- 5.16.11 the treatment and care will improve the injured person returning to work and/or usual activities.

# Part 6 of the Motor Accident Guidelines: Permanent impairment



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# Permanent impairment

## Introduction

- 6.1 'Part 6 of the Motor Accident Guidelines: Permanent impairment' has been developed for the purpose of assessing the degree of permanent impairment arising from the injury caused by a motor accident, in accordance with Division 7.5, Section 7.21, and clause 2 of Schedule 2 of the *Motor Accident Injuries Act 2017* (NSW) (the Act).
- 6.2 This Part of the Motor Accident Guidelines is based on the American Medical Association's *Guides to the Evaluation of Permanent Impairment, Fourth Edition* (third printing, 1995) (AMA4 Guides). However, in this Part of the Motor Accident Guidelines, there are some very significant departures from that document. A medical assessor undertaking impairment assessments for the purposes of the Act must read 'Part 6 of the Motor Accident Guidelines: Permanent impairment' in conjunction with the AMA4 Guides. 'Part 6 of the Motor Accident Guidelines: Permanent impairment' is definitive with regard to the matters it addresses. Where it is silent on an issue, the AMA4 Guides should be followed. In particular, chapters 1 and 2 of the AMA4 Guides should be read carefully in conjunction with clauses 6.1 to 6.46 of 'Part 6 of the Motor Accident Guidelines: Permanent impairment'. Some of the examples in the AMA4 Guides are not valid for the assessment of impairment under the Act. It may be helpful for medical assessors to mark their working copy of the AMA4 Guides with the changes required by 'Part 6 of the Motor Accident Guidelines: Permanent impairment'.

## Application of these Guidelines

- 6.3 This Part of the Motor Accident Guidelines applies under the Act to the assessment of the degree of permanent impairment that has resulted from an injury caused by a motor accident on or after 1 December 2017.
- 6.4 For accidents that occurred between 1 October 2007 and 30 November 2017, the Permanent Impairment Guidelines 2017 apply, as published by the State Insurance Regulatory Authority (the Authority).

## Causation of injury

- 6.5 An assessment of the degree of permanent impairment is a medical assessment matter under clause 2(a) of Schedule 2 of the Act. The assessment must determine the degree of permanent impairment of the injured person as a result of the injury caused by the motor accident. A determination as to whether the injured person's impairment is related to the accident in question is therefore implied in all such assessments. Medical assessors must be aware of the relevant provisions of the AMA4 Guides, as well as the common law principles that would be applied by a court (or claims assessor) in considering such issues.

- 6.6 Causation is defined in the Glossary at page 316 of the AMA4 Guides as follows:
- ‘Causation means that a physical, chemical or biologic factor contributed to the occurrence of a medical condition. To decide that a factor alleged to have caused or contributed to the occurrence or worsening of a medical condition has, in fact, done so, it is necessary to verify both of the following:
1. The alleged factor *could have caused* or contributed to worsening of the impairment, which is a medical determination.
  2. The alleged factor *did cause* or contribute to worsening of the impairment, which is a non-medical determination.’

This, therefore, involves a medical decision and a non-medical informed judgement.

- 6.7 There is no simple common test of causation that is applicable to all cases, but the accepted approach involves determining whether the injury (and the associated impairment) was caused or materially contributed to by the motor accident. The motor accident does not have to be a sole cause as long as it is a contributing cause, which is more than negligible. Considering the question ‘Would this injury (or impairment) have occurred if not for the accident?’ may be useful in some cases, although this is not a definitive test and may be inapplicable in circumstances where there are multiple contributing causes.

## Impairment and disability

- 6.8 It is critically important to clearly define the term *impairment* and distinguish it from the disability that may result.
- 6.9 Impairment is defined as an alteration to a person’s health status. It is a deviation from normality in a body part or organ system and its functioning. Hence, impairment is a medical issue and is assessed by medical means.
- 6.10 This definition is consistent with that of the World Health Organisation’s (WHO) *International Classification of Impairments, Disabilities & Handicaps*, Geneva 1980, which has defined impairment as ‘any loss or abnormality of psychological, physiological or anatomical structure or function’.
- 6.11 Disability, on the other hand, is a consequence of an impairment. The WHO definition is ‘any restriction or lack of ability to perform an activity in the manner or within the range considered normal for a human being’.
- 6.12 Confusion between the two terms can arise because in some instances the clearest way to measure an impairment is by considering the effect on a person’s activities of daily living (that is, on the consequent disability). The AMA4 Guides, in several places, refer to restrictions in the activities of daily living of a person. Hence the disability is being used as an indicator of severity of impairment.
- 6.13 Where alteration in activities of daily living forms part of the impairment evaluation, for example when assessing brain injury or scarring, refer to the ‘Table of activities of daily living’ on page 317 of the AMA4 Guides. The medical assessor should explain how the injury impacts on activities of daily living in the impairment evaluation report.

- 6.14 Two examples may help emphasise the distinction between impairment and disability:
- 6.14.1 The loss of the little finger of the right hand would be an equal impairment for both a bank manager and a concert pianist and so, for these Guidelines, the impairment is identical. But the concert pianist has sustained a greater disability.
- 6.14.2 An upper arm injury might make it impossible for an injured person to contract the fingers of the right hand. That loss of function is an impairment. However, the consequences of that impairment, such as an inability to hold a cup of coffee or button up clothes, constitute a disability.
- 6.15 A handicap is a further possible consequence of an impairment or disability, being a disadvantage that limits or prevents fulfilment of a role that is/was normal for that individual. The concert pianist in the example above is likely to be handicapped by their impairment.
- 6.16 It must be emphasised, in the context of these Guidelines, that it is not the role of the medical assessor to determine disability, other than as described in clause [6.12](#) above.

## Evaluation of impairment

- 6.17 The medical assessor must evaluate the available evidence and be satisfied that any impairment:
- 6.17.1 is an impairment arising from an injury caused by the accident, and
- 6.17.2 is an impairment as defined in clause [6.9](#) above.
- 6.18 An assessment of the degree of permanent impairment involves three stages:
- 6.18.1 a review and evaluation of all the available evidence including:
- medical evidence (doctors', hospitals' and other health practitioners' notes, records and reports)
  - medico-legal reports
  - diagnostic findings
  - other relevant evidence
- 6.18.2 an interview and a clinical examination, wherever possible, to obtain the information specified in these Guidelines and the AMA4 Guides necessary to determine the percentage impairment, and
- 6.18.3 the preparation of a certificate using the methods specified in these Guidelines that determines the percentage of permanent impairment, including the calculations and reasoning on which the determination is based. The applicable parts of these Guidelines and the AMA4 Guides should be referenced.

## Permanent impairment

- 6.19 Before an evaluation of permanent impairment is undertaken, it must be shown that the impairment has been present for a period of time, and is static, well stabilised and unlikely to change substantially regardless of treatment. The AMA4 Guides (page 315) state that permanent impairment is impairment that has become static or well stabilised with or without medical treatment and is not likely to remit despite medical treatment. A permanent impairment is considered to be unlikely to change substantially (i.e. by more than 3% whole person impairment (WPI) in the next year with or without medical treatment. If an impairment is not permanent, it is inappropriate to characterise it as such and evaluate it according to these Guidelines.
- 6.20 Generally, when an impairment is considered permanent, the injuries will also be stabilised. However, there could be cases where an impairment is considered permanent because it is unlikely to change in future months regardless of treatment, but the injuries are not stabilised because future treatment is intended and the extent of this is not predictable. For example, for an injured person who suffers an amputation or spinal injury, the impairment is permanent and may be able to be assessed soon after the injury as it is not expected to change regardless of treatment. However, the injuries may not be stabilised for some time as the extent of future treatment and rehabilitation is not known.
- 6.21 The evaluation should only consider the impairment as it is at the time of the assessment.
- 6.22 The evaluation must not include any allowance for a predicted deterioration, such as osteoarthritis in a joint many years after an intra-articular fracture, as it is impossible to be precise about any such later alteration. However, it may be appropriate to comment on this possibility in the impairment evaluation report.

## Non-assessable injuries

- 6.23 Certain injuries may not result in an assessable impairment covered by these Guidelines and the AMA4 Guides. For example, uncomplicated healed sternal and rib fractures do not result in any assessable impairment.

## Impairments not covered by these Guidelines and the AMA4 Guides

- 6.24 A condition may present that is not covered in these Guidelines or the AMA4 Guides. If objective clinical findings of such a condition are present, indicating the presence of an impairment, then assessment by analogy to a similar condition is appropriate. The medical assessor must include the rationale for the methodology chosen in the impairment evaluation report.

## Adjustment for the effects of treatment or lack of treatment

- 6.25 The results of past treatment (for example, operations) must be considered since the injured person is being evaluated as they present at the time of assessment.
- 6.26 Where the effective long-term treatment of an injury results in apparent, substantial or total elimination of a physical permanent impairment, but the injured person is likely to revert to the fully impaired state if treatment is withdrawn, the medical assessor may increase the percentage of WPI by 1%, 2% or 3% WPI. This percentage must be combined with any other impairment percentage using the 'Combined values' chart (pages 322–324, AMA4 Guides). An example might be long-term drug treatment for epilepsy. This clause does not apply to the use of analgesics or anti-inflammatory drugs for pain relief.
- 6.27 For adjustment for the effects of treatment on a permanent psychiatric impairment, refer to clauses [6.222](#) to [6.224](#) under 'Mental and behavioural disorders' within this part of the Motor Accident Guidelines.
- 6.28 If an injured person has declined a particular treatment or therapy that the medical assessor believes would be beneficial, this should not change the impairment estimate. However, a comment on the matter should be included in the impairment evaluation report.
- 6.29 Equally, if the medical assessor believes substance abuse is a factor influencing the clinical state of the injured person, a comment on the matter should be included in the impairment evaluation report.

## Adjustment for the effects of prostheses or assistive devices

- 6.30 Whenever possible, the impairment assessment should be conducted without assistive devices, except where these cannot be removed. The visual system must be assessed in accordance with clauses [6.242](#) to [6.243](#) in this Part of the Motor Accident Guidelines.

## Pre-existing impairment

- 6.31 The evaluation of the permanent impairment may be complicated by the presence of an impairment in the same region that existed before the relevant motor accident. If there is objective evidence of a pre-existing symptomatic permanent impairment in the same region at the time of the accident, then its value must be calculated and subtracted from the current WPI value. If there is no objective evidence of the pre-existing symptomatic permanent impairment, then its possible presence should be ignored.



- 6.32 The capacity of a medical assessor to determine a change in physical impairment will depend upon the reliability of clinical information on the pre-existing condition. To quote the AMA4 Guides (page 10): 'For example, in apportioning a spine impairment, first the current spine impairment would be estimated, and then impairment from any pre-existing spine problem would be estimated. The estimate for the pre-existing impairment would be subtracted from that for the present impairment to account for the effects of the former. Using this approach to apportionment would require accurate information and data on both impairments.' Refer to clause [6.218](#) for the approach to a pre-existing psychiatric impairment.
- 6.33 Pre-existing impairments should not be assessed if they are unrelated or not relevant to the impairment arising from the motor accident.

## Subsequent injuries

- 6.34 The evaluation of permanent impairment may be complicated by the presence of an impairment in the same region that has occurred subsequent to the relevant motor accident. If there is objective evidence of a subsequent and unrelated injury or condition resulting in permanent impairment in the same region, its value should be calculated. The permanent impairment resulting from the relevant motor accident must be calculated. If there is no objective evidence of the subsequent impairment, its possible presence should be ignored.

## Psychiatric impairment

- 6.35 Psychiatric impairment is assessed in accordance with 'Mental and behavioural disorders' within this part of the Motor Accident Guidelines.

## Psychiatric and physical impairments

- 6.36 Impairment resulting from a physical injury must be assessed separately from the impairment resulting from a psychiatric or psychological injury (see [Section 1.7\(2\)](#) of the Act).
- 6.37 When determining whether the degree of permanent impairment of the injured person resulting from the motor accident is greater than 10%, the impairment rating for a physical injury cannot be combined with the impairment rating for a psychiatric or psychological injury.

## Pain

- 6.38 Some tables require the pain associated with a particular neurological impairment to be assessed. Because of the difficulties of objective measurement, medical assessors must not make separate allowance for permanent impairment due to pain, and Chapter 15 of the AMA4 Guides must not be used. However, each chapter of the AMA4 Guides includes an allowance for associated pain in the impairment percentages.

## Rounding up or down

- 6.39 The AMA4 Guides (page 9) permit (but do not require) that a final WPI may be rounded to the nearest percentage ending in 0 or 5. This could cause inconsistency between two otherwise identical assessments. For this reason, medical assessors must not round WPI values at any point of the assessment process. During the impairment calculation process, however, fractional values might occur when evaluating the regional impairment (for example, an upper extremity impairment value of 13.25%) and this should be rounded (in this case to 13%). WPI values can only be integers (not fractions).

## Consistency

- 6.40 Tests of consistency, such as using a goniometer to measure range of motion, are good but imperfect indicators of the injured person's efforts. The medical assessor must use the entire gamut of clinical skill and judgement in assessing whether or not the results of measurements or tests are plausible and relate to the impairment being evaluated. If, in spite of an observation or test result, the medical evidence appears not to verify that an impairment of a certain magnitude exists, the medical assessor should modify the impairment estimate accordingly, describe the modification and outline the reasons in the impairment evaluation report.
- 6.41 Where there are inconsistencies between the medical assessor's clinical findings and information obtained through medical records and/or observations of non-clinical activities, the inconsistencies must be brought to the injured person's attention; for example, inconsistency demonstrated between range of shoulder motion when undressing and range of active shoulder movement during the physical examination. The injured person must have an opportunity to confirm the history and/or respond to the inconsistent observations to ensure accuracy and procedural fairness.

## Assessment of children

- 6.42 The determination of the degree of permanent impairment in children may be impossible in some instances due to the natural growth and development of the child (examples are injuries to growth plates of bones or brain damage). In some cases, the effects of the injury may not be considered permanent and the assessment of permanent impairment may be delayed until growth and development is complete.

## Additional investigations

- 6.43 The injured person who is being assessed should attend with radiological and medical imaging. It is not appropriate for a medical assessor to order additional investigations such as further spinal imaging.
- 6.44 There are some circumstances where testing is required as part of the impairment assessment; for example, respiratory; cardiovascular; ophthalmology; and ear, nose and throat (ENT). In these cases, it is appropriate to conduct the prescribed tests as part of the assessment.

## Combining values

- 6.45 In general, when separate impairment percentages are obtained for various impairments being assessed, these are not simply added together, but must be combined using the 'Combined values' chart (pages 322–324, AMA4 Guides). This process is necessary to ensure the total whole person or regional impairment does not exceed 100% of the person or region. The calculation becomes straightforward after working through a few examples (for instance, page 53 of the AMA4 Guides). Note however, that in a few specific instances, for example for ranges of motion of the thumb joints (AMA4 Guides, page 16), the impairment values are directly added. Multiple impairment scores should be treated precisely as the AMA4 Guides or these Guidelines instruct.

## Lifetime Care & Support Scheme

- 6.46 An injured person who has been accepted as a lifetime participant of the Lifetime Care & Support Scheme under Section 9 of the *Motor Accidents (Lifetime Care and Support) Act 2006* (NSW) has a degree of permanent impairment greater than 10%.

# Upper extremity

## Introduction

- 6.47 The hand and upper extremity are discussed in Section 3.1 of Chapter 3 of the AMA4 Guides (pages 15–74). This section provides guidance on methods of assessing permanent impairment involving the upper extremity. It is a complex section that requires an organised approach with careful documentation of findings.

## Assessment of the upper extremity

- 6.48 Assessment of the upper extremity involves a physical evaluation that can use a variety of methods. The assessment, in this Part of the Motor Accident Guidelines, does not include a cosmetic evaluation, which should be done with reference to 'Other body systems' within this part of the Motor Accident Guidelines and Chapter 13 of the AMA4 Guides.
- 6.49 The assessed impairment of a part or region can never exceed the impairment due to amputation of that part or region. For an upper limb, therefore, the maximum evaluation is 60% WPI.
- 6.50 Although range of motion appears to be a suitable method for evaluating impairment, it can be subject to variation because of pain during motion at different times of examination and/or a possible lack of cooperation by the person being assessed. Range of motion is assessed as follows:
- 6.50.1 A goniometer should be used where clinically indicated.

- 6.50.2 Passive range of motion may form part of the clinical examination to ascertain clinical status of the joint, but impairment should only be calculated using active range of motion measurements.
- 6.50.3 If the medical assessor is not satisfied that the results of a measurement are reliable, active range of motion should be measured with at least three consistent repetitions.
- 6.50.4 If there is inconsistency in range of motion, then it should not be used as a valid parameter of impairment evaluation. Refer to clause [6.40](#) of these Guidelines.
- 6.50.5 If range of motion measurements at examination cannot be used as a valid parameter of impairment evaluation, the medical assessor should then use discretion in considering what weight to give other available evidence to determine if an impairment is present.
- 6.51 If the contralateral uninjured joint has a less than average mobility, the impairment value(s) corresponding with the uninjured joint can serve as a baseline and are subtracted from the calculated impairment for the injured joint only if there is a reasonable expectation that the injured joint would have had similar findings to the uninjured joint before injury. The rationale for this decision must be explained in the impairment evaluation report.
- 6.52 When using clause [6.51](#) above, the medical assessor must subtract the total upper extremity impairment (UEI) for the uninjured joint from the total UEI for the injured joint. The resulting percentage UEI is then converted to WPI. Where more than one joint in the upper limb is injured and clause [6.51](#) is used, clause [6.51](#) must be applied to each joint.
- 6.53 Figure 1 of the AMA4 Guides (pages 16–17) is extremely useful to document findings and guide assessment of the upper extremity. Note, however, that the final summary part of Figure 1 (pages 16–17, AMA4 Guides) does not make it clear that impairments due to peripheral nerve injuries cannot be combined with other impairments in the upper extremities unless they are separate injuries.
- 6.54 The hand and upper extremity are divided into the regions of the thumb, fingers, wrist, elbow and shoulder. The medical assessor must follow the instructions in Figure 1 (pages 16–17, AMA4 Guides) regarding adding or combining impairments.
- 6.55 Measurements of radial and ulnar deviation must not be rounded to the nearest 10°. The measurement of radial and ulnar deviation must be rounded to the nearest 5° and the appropriate impairment rating read from Figure 29 (page 38, AMA4 Guides).
- 6.56 Table 3 (page 20, AMA4 Guides) is used to convert UEI to WPI. Note that 100% UEI is equivalent to 60% WPI.
- 6.57 If the condition is not in the AMA4 Guides it may be assessed using another like condition. For example, a rotator cuff injury may be assessed by impairment of shoulder range of movement or other disorders of the upper extremity (pages 58–64, AMA4 Guides).

## Specific interpretation of the AMA4 Guides

### Impairment of the upper extremity due to peripheral nerve disorders

- 6.58 If an impairment results solely from a peripheral nerve injury, the medical assessor must not evaluate impairment from Sections 3.1f to 3.1j (pages 24–45, AMA4 Guides). Section 3.1k and subsequent sections must be used for evaluation of such impairment. For peripheral nerve lesions, use Table 15 (page 54, AMA4 Guides) together with Tables 11a and 12a (pages 48–49, AMA4 Guides) for evaluation. Table 16 (page 57, AMA4 Guides) must not be used.
- 6.59 When applying Tables 11a and 12a (pages 48–49, AMA4 Guides), the maximum value for each grade must be used unless assessing complex regional pain syndrome (CRPS).
- 6.60 For the purposes of interpreting Table 11 (page 48, AMA4 Guides), *abnormal sensation* includes disturbances in sensation such as dysaesthesia, paraesthesia and cold intolerance. *Decreased sensibility* includes anaesthesia and hypoaesthesia.

### Impairment of the upper extremity due to CRPS

- 6.61 The section, ‘Causalgia and reflex sympathetic dystrophy’ (page 56, AMA4 Guides) must not be used. These conditions have been better defined since the AMA4 Guides were published. The current terminology is CRPS type I (referring to what was termed *reflex sympathetic dystrophy*) and CRPS type II (referring to what was termed *causalgia*).
- 6.62 For a diagnosis of CRPS at least eight of the following 11 criteria must be present: skin colour is mottled or cyanotic; cool skin temperature; oedema; skin is dry or overly moist; skin texture is smooth and non-elastic; soft tissue atrophy (especially fingertips); joint stiffness and decreased passive motion; nail changes with blemished, curved or talon-like nails; hair growth changes with hair falling out, longer or finer; X-rays showing trophic bone changes or osteoporosis; and bone scan showing findings consistent with CRPS.
- 6.63 When the diagnosis of CRPS has been established, impairment due to CRPS type I is evaluated as follows:
- 6.63.1 Rate the UEI resulting from the loss of motion of each individual joint affected by CRPS.
- 6.63.2 Rate the UEI resulting from sensory deficits and pain according to the grade that best describes the severity of interference with activities of daily living as described in Table 11a (page 48, AMA4 Guides). The maximum value is not applied in this case (clause 6.59 above). The value selected represents the UEI. A nerve multiplier is not used.
- 6.63.3 Combine the upper extremity value for loss of joint motion (clause 6.63.1) with the value for pain and sensory deficits (clause 6.63.2) using the ‘Combined values’ chart (pages 322–324, AMA4 Guides).
- 6.63.4 Convert the UEI to WPI by using Table 3 (page 20, AMA4 Guides).

- 6.64 When the diagnosis of CRPS has been established, impairment due to CRPS type II is evaluated as follows:
- 6.64.1 Rate the UEI resulting from the loss of motion of each individual joint affected by CRPS.
  - 6.64.2 Rate the UEI resulting from sensory deficits and pain according to the methods described in Section 3.1k (pages 46–56, AMA4 Guides) and Table 11a (page 48, AMA4 Guides).
  - 6.64.3 Rate the UEI upper extremity impairment resulting from motor deficits and loss of power of the injured nerve according to the determination method described in Section 3.1k (pages 46–56, AMA4 Guides) and Table 12a (page 49, AMA4 Guides).
  - 6.64.4 Combine the UEI percentages for loss of joint motion (clause [6.64.1](#)), pain and sensory deficits (clause [6.64.2](#)) and motor deficits (clause [6.64.3](#)) using the ‘Combined values’ chart (pages 322–324, AMA4 Guides).
  - 6.64.5 Convert the UEI to WPI by using Table 3 (page 20, AMA4 Guides).

## Impairment due to other disorders of the upper extremity

- 6.65 Section 3.1m ‘Impairment due to other disorders of the upper extremity, (pages 58–64, AMA4 Guides) should be rarely used in the context of motor accident injuries. The medical assessor must take care to avoid duplication of impairments.
- 6.66 Radiographs for carpal instability (page 61, AMA4 Guides) should only be considered if available, along with the clinical signs.
- 6.67 Strength evaluations and Table 34 (pages 64–65, AMA4 Guides) must not be used as they are unreliable indicators of impairment. Where actual loss of muscle bulk has occurred, the assessment can be completed by analogy, for example with a relevant peripheral nerve injury. Similar principles can be applied where tendon transfers have been performed or after amputation reattachment if no other suitable methods of impairment evaluation are available.

# Lower extremity

## Introduction

- 6.68 The lower extremity is discussed in Section 3.2 of Chapter 3 in the AMA4 Guides (pages 75–93). This section provides a number of alternative methods of assessing permanent impairment involving the lower extremity. It is a complex section that requires an organised approach. A lower extremity worksheet may be included as provided in these Guidelines at Table 6.6. Each method should be calculated in lower extremity impairment percentages and then converted to WPI using Table 6.4 in these Guidelines.

## Assessment of the lower extremity

- 6.69 Assessment of the lower extremity involves a physical evaluation that can use a variety of methods. In general, the method that most specifically addresses the impairment should be used. For example, impairment due to a peripheral nerve injury in the lower extremity should be assessed with reference to that nerve rather than by its effect on gait.
- 6.70 There are several different forms of evaluation that can be used as indicated in Sections 3.2a to 3.2m (pages 75–89, AMA4 Guides). Table 6.5 in these Guidelines indicates which evaluation methods can and cannot be combined for the assessment of each injury. This table can only be used to assess one combination at a time. It may be possible to perform several different evaluations as long as they are reproducible and meet the conditions specified below and in the AMA4 Guides. The most specific method, or combination of methods, of impairment assessment should be used. However, when more than one equally specific method or combination of methods of rating the same impairment is available, the method providing the highest rating should be chosen. Table 6.6 can be used to assist the process of selecting the most appropriate method(s) of rating lower extremity impairment.
- 6.71 If there is more than one injury in the limb, each injury is to be assessed separately and then the WPIs combined. For example, a fractured tibial plateau and laxity of the medial collateral ligament are separately assessed and their WPI combined.
- 6.72 If the contralateral uninjured joint has a less than average mobility, the impairment value(s) corresponding with the uninjured joint can serve as a baseline and are subtracted from the calculated impairment for the injured joint, only if there is a reasonable expectation that the injured joint would have had similar findings to the uninjured joint before injury. The rationale for this decision must be explained in the impairment evaluation report.
- 6.73 The assessed impairment of a part or region can never exceed the impairment due to amputation of that part or region. For a lower limb, therefore, the maximum evaluation is 40% WPI.
- 6.74 When the ‘Combined values’ chart is used, the medical assessor must ensure that the values all relate to the same system (i.e. WPI or lower extremity impairment or foot impairment). Lower extremity impairment can then be combined with impairments in other parts of the body using the same table and ensuring only WPIs are combined.
- 6.75 Refer to Table 6.5 to determine which impairments can and cannot be combined.

## Specific interpretation of the AMA4 Guides

### Leg length discrepancy

- 6.76 When true leg length discrepancy is determined clinically (page 75, AMA4 Guides), the method used must be indicated (for example, tape measure from anterior superior iliac spine to medial malleolus). Clinical assessment of leg length discrepancy is an acceptable method, but if computerised tomography films are available they should be used in preference, but only when there are no fixed deformities that would make them clinically inaccurate.
- 6.77 Table 35 (page 75, AMA4 Guides) must have the element of choice removed such that impairments for leg length should be read as the higher figure of the range quoted, being 0, 3, 5, 7 or 8 for WPI, or 0, 9, 14, 19 or 20 for lower limb impairment.

### Gait derangement

- 6.78 Assessment of impairment based on gait derangement should be used as the method of last resort (pages 75–76, AMA4 Guides). Methods most specific to the nature of the disorder must always be used in preference. If gait derangement is used, it cannot be combined with any other impairment evaluation in the lower extremity. It can only be used if no other valid method is applicable, and reasons why it was chosen must be provided in the impairment evaluation report.
- 6.79 The use of any walking aid must be necessary and permanent.
- 6.80 Item b of Table 36 (page 76, AMA4 Guides) is deleted as the Trendelenburg sign is not sufficiently reliable.

### Muscle atrophy (unilateral)

- 6.81 This Section (page 76, AMA4 Guides) is not applicable if the limb other than that being assessed is abnormal (for example, if varicose veins cause swelling, or if there are other injuries).
- 6.82 Table 37 ‘Impairments from leg muscle atrophy’ (page 77, AMA4 Guides) must not be used. Unilateral leg muscle atrophy must be assessed using Table 6.1(a) and (b) below.

**Table 6.1(a): Impairment due to unilateral leg muscle atrophy**

**Thigh:** The circumference is measured 10 cm above the patella with the knee fully extended and the muscles relaxed.

Difference in circumference (cm)	Impairment degree	Whole person impairment (%)	Lower extremity impairment (%)
0–0.9	None	0	0
1–1.9	Mild	2	6
2–2.9	Moderate	4	11
3+	Severe	5	12



Table 6.1(b): Impairment due to unilateral leg muscle atrophy

Calf: The maximum circumference on the normal side is compared with the circumference at the same level on the affected side.

Difference in circumference (cm)	Impairment degree	Whole person impairment (%)	Lower extremity impairment (%)
0-0.9	None	0	0
1-1.9	Mild	2	6
2-2.9	Moderate	4	11
3+	Severe	5	12

## Manual muscle strength testing

6.83 The Medical Research Council (MRC) grades for muscle strength are universally accepted. They are not linear in their application, but ordinal. The descriptions in Table 38 (page 77, AMA4 Guides) are to be used. The results of electrodiagnostic methods and tests are not to be considered in the evaluation of muscle testing, which is performed manually. Table 39 (page 77, AMA4 Guides) is to be used for this method of evaluation.

## Range of motion

6.84 Although range of motion (pages 77–78, AMA4 Guides) appears to be a suitable method for evaluating impairment, it can be subject to variation because of pain during motion at different times of examination and/or a possible lack of cooperation by the injured person being assessed. Range of motion is assessed as follows:

6.84.1 A goniometer should be used where clinically indicated.

6.84.2 Passive range of motion may form part of the clinical examination to ascertain clinical status of the joint, but impairment should only be calculated using active range of motion measurements.

6.84.3 If the medical assessor is not satisfied that the results of a measurement are reliable, active range of motion should be measured with at least three consistent repetitions.

6.84.4 If there is inconsistency in range of motion, then it should not be used as a valid parameter of impairment evaluation. Refer to clause [6.40](#) of these Guidelines.

6.84.5 If range of motion measurements at examination cannot be used as a valid parameter of impairment evaluation, the medical assessor should then use discretion in considering what weight to give other evidence available to determine if an impairment is present.

6.85 Tables 40 to 45 (page 78, AMA4 Guides) are used to assess range of motion in the lower extremities. Where there is loss of motion in more than one direction/axis of the same joint, only the most severe deficit is rated – the ratings for each motion deficit are not added or combined. However, motion deficits arising from separate tables can be combined.

## Ankylosis

- 6.86 For the assessment of impairment when a joint is ankylosed (pages 79–82, AMA4 Guides), the calculation to be applied is to select the impairment if the joint is ankylosed in optimum position and then, if not ankylosed in the optimum position (Table 6.2), by adding (not combining) the values of WPI using Tables 46–61 (pages 79–82, AMA4 Guides). Note: The example listed under the heading ‘Hip’ on page 79 of the AMA4 Guides is incorrect.

**Table 6.2: Impairment for ankylosis in the optimum position**

Joint	Whole person (%)	Lower extremity (%)	Ankle or foot (%)
Hip	20	50	–
Knee	27	67	–
Ankle	4	10	14
Foot	4	10	14

- 6.87 Note that the WPI from ankylosis of a joint, or joints, in the lower limb cannot exceed 40% WPI or 100% lower limb impairment. If this figure is exceeded when lower limb impairments are combined, then only 40% can be accepted as the maximum WPI.

## Arthritis

- 6.88 Impairment due to arthritis (pages 82–83, AMA4 Guides) can be assessed by measuring the distance between the subchondral bone ends (joint space) if radiography is performed in defined positions. It indicates the thickness of articular cartilage. No notice is to be taken of other diagnostic features of arthritis such as osteophytes or cystic changes in the bone.
- 6.89 Hip radiography can be done in any position of the hip, but specified positions for the knee and ankle (page 82, AMA4 Guides) must be achieved by the radiographer.
- 6.90 Table 62 (page 83, AMA4 Guides) indicates the impairment assessment for arthritis based on articular cartilage thickness.
- 6.91 If arthritis is used as the basis for impairment assessment in this way, then the rating cannot be combined with gait derangement, muscle atrophy, muscle strength or range of movement assessments. It can be combined with a diagnosis-based estimate (Table 6.5).
- 6.92 When interpreting Table 62 (page 83, AMA4 Guides), if the articular cartilage interval is not a whole number, round to the higher impairment figure.

## Amputation

- 6.93 Where there has been amputation of part of a lower extremity Table 63 applies (page 83, AMA4 Guides). The references to *3 inches below knee amputation* should be converted to 7.5 centimetres.

## Diagnosis-based estimates (lower extremity)

- 6.94 Section 3.2i (pages 84–88, AMA4 Guides) lists a number of conditions that fit a category of diagnosis-based estimates. They are listed in Table 64 (pages 85–86, AMA4 Guides). It is essential to read the footnotes.
- 6.95 It is possible to combine impairments from Table 64 for diagnosis-based estimates with other injuries (for example, nerve injury) using the ‘Combined values’ chart (pages 322–324, AMA4 Guides).
- 6.96 Pelvic fractures must be assessed using Section 3.4 (page 131, AMA4 Guides). Fractures of the acetabulum should be assessed using Table 64 (pages 85–86, AMA4 Guides).
- 6.97 Residual signs must be present at examination and may include anatomically plausible tenderness, clinically obvious asymmetry, unilateral limitation of hip joint range of motion not associated with fractured acetabulum and/or clear evidence of malalignment.
- 6.98 Where both collateral and cruciate ligament laxity of mild severity is present, these must be assessed separately as 3% WPI for each ligament and then combined, resulting in a total of 6% WPI.
- 6.99 Rotational deformity following tibial shaft fracture must be assessed analogously to Table 64 ‘Tibial shaft fracture, malalignment of’ (page 85, AMA4 Guides).
- 6.100 To avoid the risk of double assessment, if avascular necrosis of the talus is used as the basis for assessment, it cannot be combined with intra-articular fracture of the ankle with displacement or intra-articular fracture of the hind foot with displacement in Table 64, column 1 (page 86, AMA4 Guides).
- 6.101 Tables 65 and 66 (pages 87–88, AMA4 Guides) use a different method of assessment. A point score system is applied, and then the total of points calculated for the hip or knee joint respectively is converted to an impairment rating from Table 64. Tables 65 and 66 refer to the hip and knee joint replacement respectively. Note that while all the points are added in Table 65, some points are deducted when Table 66 is used.
- 6.102 In Table 65 references to *distance walked* under ‘b. Function’, *six blocks* should be construed as being *600 metres*, and *three blocks* being *300 metres*.

## Skin loss (lower extremity)

- 6.103 Skin loss can only be included in the calculation of impairment if it is in certain sites and meets the criteria listed in Table 67 (page 88, AMA4 Guides). Scarring otherwise in the lower extremity must be assessed with reference to ‘Other body systems’ within this part of the Motor Accident Guidelines.

## Impairment of the lower extremity due to peripheral nerve injury

- 6.104 Peripheral nerve injury should be assessed by reference to Section 3.2k (pages 88–89, AMA4 Guides). Separate impairments for the motor, sensory and dysaesthetic components of nerve dysfunction in Table 68 (page 89, AMA4 Guides) are combined.
- 6.105 The posterior tibial nerve is not included in Table 68, but its contribution can be calculated by subtracting common peroneal nerves rating from sciatic nerve rating as shown in Table 6.3 below. The values in brackets are lower extremity impairment values.

**Table 6.3: Impairment for selected lower extremity peripheral nerves**

Nerve	Motor %	Sensory %	Dysaesthesia %
Sciatic nerve	30 (75)	7 (17)	5 (12)
Common peroneal nerve	15 (42)	2 (5)	2 (5)
Tibial nerve	15 (33)	5 (12)	3 (7)

- 6.106 Peripheral nerve injury impairments can be combined with other impairments, but not those for muscle strength, gait derangement, muscle atrophy and CRPS, as shown in Table 6.5. When using Table 68, refer to Tables 11a and 12a (pages 48–49, AMA4 Guides) and clauses [6.58](#), [6.59](#) and [6.60](#) of these Guidelines.

## Impairment of the lower extremity due to CRPS

- 6.107 The Section ‘Causalgia and reflex sympathetic dystrophy’ (page 89, AMA4 Guides) must not be used. These conditions have been better defined since the AMA4 Guides were published. The current terminology is CRPS type I (referring to what was termed *reflex sympathetic dystrophy*) and CRPS type II (referring to what was termed *causalgia*).
- 6.108 When complex CRPS occurs in the lower extremity it must be evaluated as for the upper extremity using clauses [6.61–6.64](#) within this part of the Motor Accident Guidelines.

## Impairment of the lower extremity due to peripheral vascular disease

- 6.109 Lower extremity impairment due to peripheral vascular disease is evaluated using Table 69 (page 89, AMA4 Guides). Table 14 (page 198, AMA4 Guides) must not be used. In Table 69, there is a range of lower extremity impairments, not WPI, within each of the classes 1 to 5. Where there is a range of impairment percentages listed, the medical assessor must nominate an impairment percentage based on the complete clinical circumstances revealed during the examination and provide reasons.
- 6.110 Lower extremity impairment values must be converted to WPI using Table 6.4.

Table 6.4: WPI values calculated from lower extremity impairment - % of impairment

Lower extremity	Whole person	Lower extremity	Whole person	Lower extremity	Whole person	Lower extremity	Whole person
1 =	0	26 =	10	51 =	20	76 =	30
2 =	1	27 =	11	52 =	21	77 =	31
3 =	1	28 =	11	53 =	21	78 =	31
4 =	2	29 =	12	54 =	22	79 =	32
5 =	2	30 =	12	55 =	22	80 =	32
6 =	2	31 =	12	56 =	22	81 =	32
7 =	3	32 =	13	57 =	23	82 =	33
8 =	3	33 =	13	58 =	23	83 =	33
9 =	4	34 =	14	59 =	24	84 =	34
10 =	4	35 =	14	60 =	24	85 =	34
11 =	4	36 =	14	61 =	24	86 =	34
12 =	5	37 =	15	62 =	25	87 =	35
13 =	5	38 =	15	63 =	25	88 =	35
14 =	6	39 =	16	64 =	26	89 =	36
15 =	6	40 =	16	65 =	26	90 =	36
16 =	6	41 =	16	66 =	26	91 =	36
17 =	7	42 =	17	67 =	27	92 =	37
18 =	7	43 =	17	68 =	27	93 =	37
19 =	8	44 =	18	69 =	28	94 =	38
20 =	8	45 =	18	70 =	28	95 =	38
21 =	8	46 =	18	71 =	28	96 =	38
22 =	9	47 =	19	72 =	29	97 =	39
23 =	9	48 =	19	73 =	29	98 =	39
24 =	10	49 =	20	74 =	30	99 =	40
25 =	10	50 =	20	75 =	30	100 =	40

Table 6.5: Permissible combinations of lower extremity assessment methods

	Limb length discrepancy	Gait derangement	Muscle atrophy	Muscle strength	Range of motion or ankylosis	Arthritis	Amputations	Diagnosis-based estimates	Skin loss	Peripheral nerve injuries	CRPS	Vascular disorders
Limb length discrepancy	–		✓	✓	✓	✓		✓	✓	✓	✓	✓
Gait derangement		–										
Muscle atrophy	✓		–						✓			✓
Muscle strength	✓			–			✓		✓		●	✓
Range of motion or ankylosis	✓				–		✓		✓	✓	●	✓
Arthritis	✓					–	✓	✓	✓	✓	✓	✓
Amputations				✓	✓	✓	–	✓	✓	✓	✓	✓
Diagnosis-based estimates	✓					✓	✓	–	✓	✓	✓	✓
Skin loss	✓		✓	✓	✓	✓	✓	✓	–	✓	✓	✓
Peripheral nerve injuries	✓				✓	✓	✓	✓	✓	–		✓
Complex regional pain syndrome	✓			●	●	✓	✓	✓	✓		–	
Vascular disorders	✓		✓	✓	✓	✓	✓	✓	✓	✓		–

**Key:** ✓ You may combine these methods of assessment  
 ● See specific instructions for CRPS in lower extremity

Source: American Medical Association, *The Guides Newsletter*, January/February, 1998, Lower Extremity Section, pages 3/75–3/93, American Medical Association's *Guides to the Evaluation of Permanent Impairment, Fourth Edition*. Organisation – Format © 1992, Randall D. Lea MD, FAADEP. Second Revision Feb 1998, Third Revision March 1999. Anthony J. Dorto, MD, FAADEP. Reprinted with permission of American Academy of Disability Evaluating Physicians, *DISABILITY*, May 1999, Vol. 8, No. 2

Table 6.6: Lower extremity worksheet

Line	Impairment	Table	AMA4 page no	Potential impairment	Selected impairment
1	Gait derangement	36	76		
2	Unilateral muscle atrophy	37	77		
3	True muscle weakness	39	77		
4	Range of motion	40-45	78		
5	Joint ankylosis	46-61	79-82		
6	Arthritis	62	83		
7	Amputation	63	83		
8	Diagnosis-based estimates	64	85-86		
9	Limb length discrepancy	35	75		
10	Skin loss	67	88		
11	Peripheral nerve deficit	68	89		
12	Peripheral vascular disease	69	89		
13	Complex regional pain syndrome	See clauses <u>6.107-6.108</u>	AMA4 not used		

Note: For a combined impairment rating, refer to Table 6.5 for permissible combinations.

# Spine

## Introduction

- 6.111 The spine is discussed in Section 3.3 of Chapter 3 in the AMA4 Guides (pages 94–138). That chapter presents several methods of assessing impairments of the spine. Only the diagnosis-related estimate (DRE) method is to be used for evaluating impairment of the spine, as modified by this Part of the Motor Accident Guidelines. The AMA4 Guides use the term *injury model* for this method.
- 6.112 The injury model relies especially on evidence of neurological deficits and uncommon, adverse structural changes, such as fractures and dislocations. Under this model, DREs are differentiated according to clinical findings that are verifiable using standard medical procedures.
- 6.113 The assessment of spinal impairment is made at the time the injured person is examined. If surgery has been performed, then the effect of the surgery, as well as the structural inclusions, must be taken into consideration when assessing impairment. Refer also to clause [6.20](#) in these Guidelines.
- 6.114 Medical assessors must consider whether any pre-existing spinal condition or surgery is related to the motor accident, is symptomatic and whether this would result in any or total apportionment. Where a pre-existing spinal condition, or spinal surgery, is unrelated to the injury from the relevant motor accident, the medical assessor should rely on clause [6.33](#).
- 6.115 The AMA4 Guides use the terms *cervicothoracic*, *thoracolumbar* and *lumbosacral* for the three spine regions. These terms relate to the cervical, thoracic and lumbar regions respectively.

## Assessment of the spine

- 6.116 The range of motion (ROM) model and Table 75 are not to be used for spinal impairment evaluation (pages 112–130, AMA4 Guides).
- 6.117 The medical assessor may consider Table 6.7 (below) to establish the appropriate category for the spine impairment. Its principal difference from Table 70 (page 108, AMA4 Guides) is the removal of the term *motion segment integrity* wherever it appears (see clause [6.123](#)).



Table 6.7: Assessing spinal impairment – DRE category

Injured person's condition	I	II	III	IV	V
Low back pain, neck pain, back pain or symptoms	I				
Vertebral body compression < 25%		II			
Low back pain or neck pain with guarding or non-verifiable radicular complaints or non-uniform range of motion (dysmetria)		II			
Posterior element fracture, healed, stable, no dislocation or radiculopathy		II			
Transverse or spinous process fracture with displacement of fragment, healed, stable		II			
Low back or neck pain with radiculopathy			III		
Vertebral body compression fracture 25–50%			III		
Posterior element fracture with spinal canal deformity or radiculopathy, stable, healed			III		
Radiculopathy			III		
Vertebral body compression > 50%				IV	V
Multilevel structural compromise				IV	V
Spondylolysis with radiculopathy			III	IV	V
Spondylolisthesis without radiculopathy	I	II			
Spondylolisthesis with radiculopathy			III	IV	V
Vertebral body fracture without radiculopathy		II	III	IV	
Vertebral body fracture with radiculopathy			III	IV	V
Vertebral body dislocation without radiculopathy		II	III	IV	
Vertebral body dislocation with radiculopathy			III	IV	V
Previous spine operation without radiculopathy		II	III	IV	
Previous spine operation with radiculopathy			III	IV	V
Stenosis, facet arthrosis or disease	I	II			
Stenosis, facet arthrosis or disease with radiculopathy			III		

- 6.118 The evaluation must not include any allowance for predicted long-term change. For example, a spinal stenosis syndrome after vertebral fracture or increased back pain due to osteoarthritis of synovial joints after intervertebral disc injury must not be factored in to the impairment evaluation.
- 6.119 All impairments in relation to the spine should be calculated in terms of WPI and assessed in accordance with clauses [6.1](#) to [6.46](#) within these Motor Accident Guidelines and Chapter 3.3 of AMA4 Guides.
- 6.120 The assessment should include a comprehensive accurate history, a review of all relevant records available at the assessment, a comprehensive description of the individual's current symptoms, a careful and thorough physical examination and all findings of relevant diagnostic tests available at the assessment. Imaging findings that are used to support the impairment rating should be concordant with symptoms and findings on examination. The medical assessor should record whether diagnostic tests and radiographs were seen or whether they relied on reports.
- 6.121 While imaging and other studies may assist medical assessors in making a diagnosis, it is important to note that the presence of a morphological variation from what is called normal in an imaging study does not make the diagnosis. Several reports indicate that approximately 30% of people who have never had back pain will have an imaging study that can be interpreted as positive for a herniated disc, and 50% or more will have bulging discs. Further, the prevalence of degenerative changes, bulges and herniations increases with advancing age. To be of diagnostic value, imaging findings must be concordant with clinical symptoms and signs, and the history of injury. In other words, an imaging test is useful to confirm a diagnosis, but an imaging result alone is insufficient to qualify for a DRE category.
- 6.122 The medical assessor must include in the report a description of how the impairment rating was calculated, with reference to the relevant tables and/or figures used.

## Specific interpretation of the AMA4 Guides

### Loss of motion segment integrity

- 6.123 The Section 'Loss of motion segment integrity' (pages 98–99, AMA4 Guides) and all subsequent references to it must not be applied, as the injury model (DRE method) covers all relevant conditions.

### Definitions of clinical findings used to place an individual in a DRE category

- 6.124 Definitions of clinical findings, which are used to place an individual in a DRE category are provided in Table 6.8. A definition of a muscle spasm has been included; however, it is not a clinical finding used to place an individual in a DRE category.

Table 6.8: Definitions of clinical findings

Term	Definition
Atrophy	Atrophy is measured with a tape measure at identical levels on both limbs. For reasons of reproducibility, the difference in circumference should be 2 cm or greater in the thigh and 1 cm or greater in the arm, forearm or calf. The medical assessor can address asymmetry due to extremity dominance in the report. Measurements should be recorded to the nearest 0.5 cm. The atrophy should be clinically explicable in terms of the relevant nerve root affected.
Muscle guarding	Guarding is a contraction of muscle to minimise motion or agitation of the injured or diseased tissue. It is not a true muscle spasm because the contraction can be relaxed. In the lumbar spine, the contraction frequently results in loss of the normal lumbar lordosis, and it may be associated with reproducible loss of spinal motion.
Muscle spasm	Muscle spasm is a sudden, involuntary contraction of a muscle or a group of muscles. Paravertebral muscle spasm is common after acute spinal injury but is rare in chronic back pain. It is occasionally visible as a contracted paraspinal muscle but is more often diagnosed by palpation (a hard muscle). To differentiate true muscle spasm from voluntary muscle contraction, the individual should not be able to relax the contractions. The spasm should be present standing as well as in the supine position and frequently causes scoliosis. The medical assessor can sometimes differentiate spasm from voluntary contraction by asking the individual to place all their weight first on one foot and then the other while the medical assessor gently palpates the paraspinal muscles. With this manoeuvre, the individual normally relaxes the paraspinal muscles on the weight-bearing side. If the medical assessor witnesses this relaxation, it usually means that true muscle spasm is not present.
Non-uniform loss of spinal motion (dysmetria)	<p>Non-uniform loss of motion of the spine in one of the three principle planes is sometimes caused by muscle spasm or guarding. To qualify as true non-uniform loss of motion, the finding must be reproducible and consistent, and the medical assessor must be convinced that the individual is cooperative and giving full effort.</p> <p>When assessing non-uniform loss of range of motion (dysmetria), medical assessors must include all three planes of motion for the cervicothoracic spine (flexion/extension, lateral flexion and rotation), two planes of motion for the thoracolumbar spine (flexion/extension and rotation) and two planes of motion for the lumbosacral spine (flexion/ extension and lateral flexion).</p> <p>Medical assessors must record the range of spinal motion as a fraction or percentage of the normal range such as cervical flexion is 3/4 or 75% of the normal range.</p> <p>Medical assessors must not refer to body landmarks (such as able to touch toes) to describe the available (or observed) motion.</p>

Term	Definition
Non-verifiable radicular complaints	Non-verifiable radicular complaints are symptoms (for example, shooting pain, burning sensation, tingling) that follow the distribution of a specific nerve root, but there are no objective clinical findings (signs) of dysfunction of the nerve root (for example, loss or diminished sensation, loss or diminished power, loss or diminished reflexes).
Reflexes	Reflexes may be normal, increased, reduced or absent. For reflex abnormalities to be considered valid, the involved and normal limbs should show marked asymmetry on repeated testing. Abnormal reflexes such as Babinski signs or clonus may be signs of corticospinal tract involvement.
Sciatic nerve root tension signs	<p>Sciatic nerve tension signs are important indicators of irritation of the lumbosacral nerve roots. While most commonly seen in individuals with a herniated lumbar disc, this is not always the case. In chronic nerve root compression due to spinal stenosis, tension signs are often absent. A variety of nerve tension signs have been described. The most commonly used is the straight leg raising (SLR) test. When performed in the supine position, the hip is flexed with the knee extended. In the sitting position, with the hip flexed 90 degrees, the knee is extended. The test is positive when thigh and/or leg pain along the appropriate dermatomal distribution is reproduced. The degree of elevation at which pain occurs is recorded.</p> <p>Research indicates that the maximum movement of nerve roots occurs when the leg is at an angle of 20 degrees to 70 degrees relative to the trunk. However, this may vary depending on the individual's anatomy. Further, the L4, L5 and S1 nerve roots are those that primarily change their length when straight leg raising is performed.</p> <p>Thus, pathology at higher levels of the lumbar spine is often associated with a negative SLR test. Root tension signs are most reliable when the pain is elicited in a dermatomal distribution. Back pain on SLR is not a positive test. Hamstring tightness must also be differentiated from posterior thigh pain due to root tension.</p>
Weakness and loss of sensation	To be valid, the sensory findings must be in a strict anatomic distribution, i.e. follow dermatomal patterns. Motor findings should also be consistent with the affected nerve structure(s). Significant longstanding weakness is usually accompanied by atrophy.

## Diagnosis-related estimates model

- 6.125 To determine the correct diagnosis-related estimates (DRE) category, the medical assessor may start with Table 6.7 in these Guidelines, and use this table in conjunction with the DRE descriptors (pages 102–107, AMA4 Guides), as clarified by the definitions in Table 6.8 above, with the following amendments to pages 102–107 of the AMA4 Guides:
- 6.125.1 *or history of guarding* is deleted from DRE category I for the lumbosacral spine (page 102) and DRE category I for the cervicothoracic spine (page 103)
  - 6.125.2 *no significant...roentgenograms* is deleted from DRE category I for the lumbosacral spine (page 102) and DRE category I for the cervicothoracic spine (page 103) and DRE category I for the thoracolumbar (p106)
  - 6.125.3 *documented or* as it relates to muscle guarding is deleted from DRE category I for the thoracolumbar spine (page 106)
  - 6.125.4 replace that has been observed and documented by a physician with that has been observed and documented by the medical assessor in DRE category II for the lumbosacral spine (page 102)
  - 6.125.5 replace *observed by a physician* with *observed by the medical assessor* in the descriptors for DRE category II for the cervicothoracic spine (page 104) and thoracolumbar spine (page 106)
  - 6.125.6 replace *or displacement* with *with displacement* in the descriptors for DRE category II for the thoracolumbar spine (page 106).
- 6.126 Where two DRE categories apply, then the higher of those two categories must apply. The inability to differentiate should be noted in the medical assessor's report and explained.
- 6.127 Table 71 (page 109, AMA4 Guides) is not to be used. The definitions of clinical findings in Table 6.8 should be the criteria by which a diagnosis and allocation of a DRE category are made.

## Applying the DRE method

- 6.128 Section 3.3f 'Specific procedures and directions' (page 101, AMA4 Guides) indicates the steps that should be followed. Table 6.7 in these Guidelines is a simplified version of that section, and must be interpreted in conjunction with the amendments listed in clause 6.125 above.
- 6.129 DRE I applies when the injured person has symptoms but there are no objective clinical findings by the medical assessor. DRE II applies when there are clinical findings made by the medical assessor, as described in the Sections 'Description and Verification' (pages 102–107, AMA4 Guides) with the amendments in clause 6.125, for each of the three regions of the spine. Note that symmetric loss of movement is not dysmetria and does not constitute an objective clinical finding.
- 6.130 When allocating the injured person to a DRE category, the medical assessor must reference the relevant differentiators and/or structural inclusions.
- 6.131 Separate injuries to different regions of the spine must be combined.

- 6.132 Multiple impairments within one spinal region must not be combined. The highest DRE category within each region must be chosen.

## Loss of structural integrity

- 6.133 The AMA4 Guides (page 99) use the term *structural inclusions* to define certain spine fracture patterns that may lead to significant impairment and yet not demonstrate any of the findings involving differentiators. Some fracture patterns are clearly described in the examples of DRE categories in Sections 3.3g, 3.3h and 3.3i. They are not the only types of injury in which there is a loss of structural integrity of the spine. In addition to potentially unstable vertebral body fractures, loss of structural integrity can occur by purely soft tissue flexion-distraction injuries.

## Spondylolysis and spondylolisthesis

- 6.134 Spondylolysis and spondylolisthesis are conditions that are often asymptomatic and are present in 5–6% of the population. In assessing their relevance the degree of slip (anteroposterior translation) is a measure of the grade of spondylolisthesis and not in itself evidence of loss of structural integrity. To assess an injured person as having symptomatic spondylolysis or spondylolisthesis requires a clinical assessment as to the nature and pattern of the injury, the injured person's symptoms and the medical assessor's findings on clinical examination. Table 6.8 can be used to allocate spondylolysis or spondylolisthesis to categories I–V depending on the descriptor's clinical findings in the appropriate DRE. The injured person's DRE must fit the description of clinical findings described in Table 6.8.
- 6.135 Medical assessors should be aware that acute traumatic spondylolisthesis is a rare event.

## Sexual functioning

- 6.136 Sexual dysfunction should only be assessed as an impairment related to spinal injury where there is other objective evidence of spinal cord, cauda equina or bilateral nerve root dysfunction (Table 19, page 149, AMA4 Guides). There is no additional impairment rating for sexual dysfunction in the absence of objective neurological impairment.
- 6.137 Chapter 11 'The urinary and reproductive systems' of the AMA4 Guides should only be used to assess impairment for impotence where there has been a direct injury to the urinary tract. If this occurs the impairment for impotence must be combined with any spine-related WPI. An example is provided in the AMA4 Guides (page 257) where there is a fracture and dissociation of the symphysis pubis and a traumatic disruption of the urethra.

## Radiculopathy

- 6.138 Radiculopathy is the impairment caused by dysfunction of a spinal nerve root or nerve roots. To conclude that a radiculopathy is present two or more of the following signs should be found:
- 6.138.1 loss or asymmetry of reflexes (see the definitions of clinical findings in Table 6.8 in these Guidelines)
  - 6.138.2 positive sciatic nerve root tension signs (see the definitions of clinical findings in Table 6.8 in these Guidelines)

- 6.138.3 muscle atrophy and/or decreased limb circumference (see the definitions of clinical findings in Table 6.8 in these Guidelines)
- 6.138.4 muscle weakness that is anatomically localised to an appropriate spinal nerve root distribution
- 6.138.5 reproducible sensory loss that is anatomically localised to an appropriate spinal nerve root distribution.
- 6.139 Where there is objective evidence of sensory loss following trauma to C2 or C3, Table 23 of the AMA4 Guides (Chapter 4, page 152) must be used. An injury to C2 or C3 must not be classified as DRE cervicothoracic category III (radiculopathy). The assessed degree of impairment calculated from Table 23 must be combined with the DRE rating for injury to the cervical spine.
- 6.140 Note that complaints of pain or sensory features that follow anatomical pathways but cannot be verified by neurological findings do not by themselves constitute radiculopathy. They are described as non-verifiable radicular complaints in the definitions of clinical findings (Table 6.8 in these Guidelines).
- 6.141 Global weakness of a limb related to pain or inhibition or other factors does not constitute weakness due to spinal nerve malfunction.
- 6.142 Electrodiagnostic tests are rarely necessary investigations and a decision about the presence of radiculopathy can generally be made on clinical grounds. The diagnosis of radiculopathy should not be made solely from electrodiagnostic tests.

### Multilevel structural compromise

- 6.143 Multilevel structural compromise (Table 70, page 108, AMA4 Guides) refers to those DREs that are in categories IV and V. It is constituted by *structural inclusion*, which by definition (page 99, AMA4 Guides) is related to *spine fracture patterns* and is different from the differentiators and clinical findings in Table 6.8.
- 6.144 Multilevel structural compromise is to be interpreted as fractures of more than one vertebra. To provide consistency of interpretation of the meaning of multiple vertebral fractures, the definition of a vertebral fracture includes any fracture of the vertebral body or of the posterior elements forming the ring of the spinal canal (the pedicle or lamina). It does not include fractures of transverse processes or spinous processes, even at multiple levels (see also clause [6.149](#) in these Guidelines).
- 6.145 Multilevel structural compromise also includes spinal fusion and intervertebral disc replacement.
- 6.146 Multilevel structural compromise or spinal fusion across regions is assessed as if it is in one region. The region giving the highest impairment value must be chosen. A fusion of L5 and S1 is considered to be an intervertebral fusion.
- 6.147 A vertebroplasty should be assessed on the basis of the fracture for which it was performed.



- 6.148 Compression fracture: The preferred method of assessing the amount of compression is to use a lateral X-ray of the spinal region with the beam parallel to the disc spaces. If this is not available, a CT scan can be used. Caution should be used in measuring small images as the error rate will be significant unless the medical assessor has the ability to magnify the images electronically. Medical assessors should not rely on the estimated percentage compression reported on the radiology report, but undertake their own measurements to establish an accurate percentage using the following method:
- 6.148.1 The area of maximum compression is measured in the vertebra with the compression fracture.
  - 6.148.2 The same area of the vertebrae directly above and below the affected vertebra is measured and an average obtained. The measurement from the compressed vertebra is then subtracted from the average of the two adjacent vertebrae. The resulting figure is divided by the average of the two unaffected vertebrae and turned into a percentage.
  - 6.148.3 If there are not two adjacent normal vertebrae, then the next vertebra that is normal and adjacent (above or below the affected vertebra) is used.
- The calculations must be documented in the impairment evaluation report.
- 6.149 Fractures of transverse or spinous processes (one or more) with displacement within a spinal region are assessed as DRE category II because they do not disrupt the spinal canal (pages 102, 104, 106, AMA4 Guides) and they do not cause multilevel structural compromise.
- 6.150 One or more end-plate fractures in a single spinal region without measurable compression of the vertebral body are assessed as DRE category II.
- 6.151 In the application of Table 6.7 regarding multilevel structural compromise:
- 6.151.1 multiple vertebral fractures without radiculopathy are classed as category IV
  - 6.151.2 multiple vertebral fractures with radiculopathy are classed as category V.

## Spinal cord injury

- 6.152 The assessment of spinal cord injury is covered in clause [6.161](#) in these Guidelines.
- 6.153 Cauda equina syndrome: In the AMA4 Guides this term does not have its usual medical meaning. For the purposes of the AMA4 Guides an injured person with cauda equina syndrome has objectively demonstrated permanent partial loss of lower extremity function bilaterally. This syndrome may have associated objectively demonstrated bowel or bladder impairment.

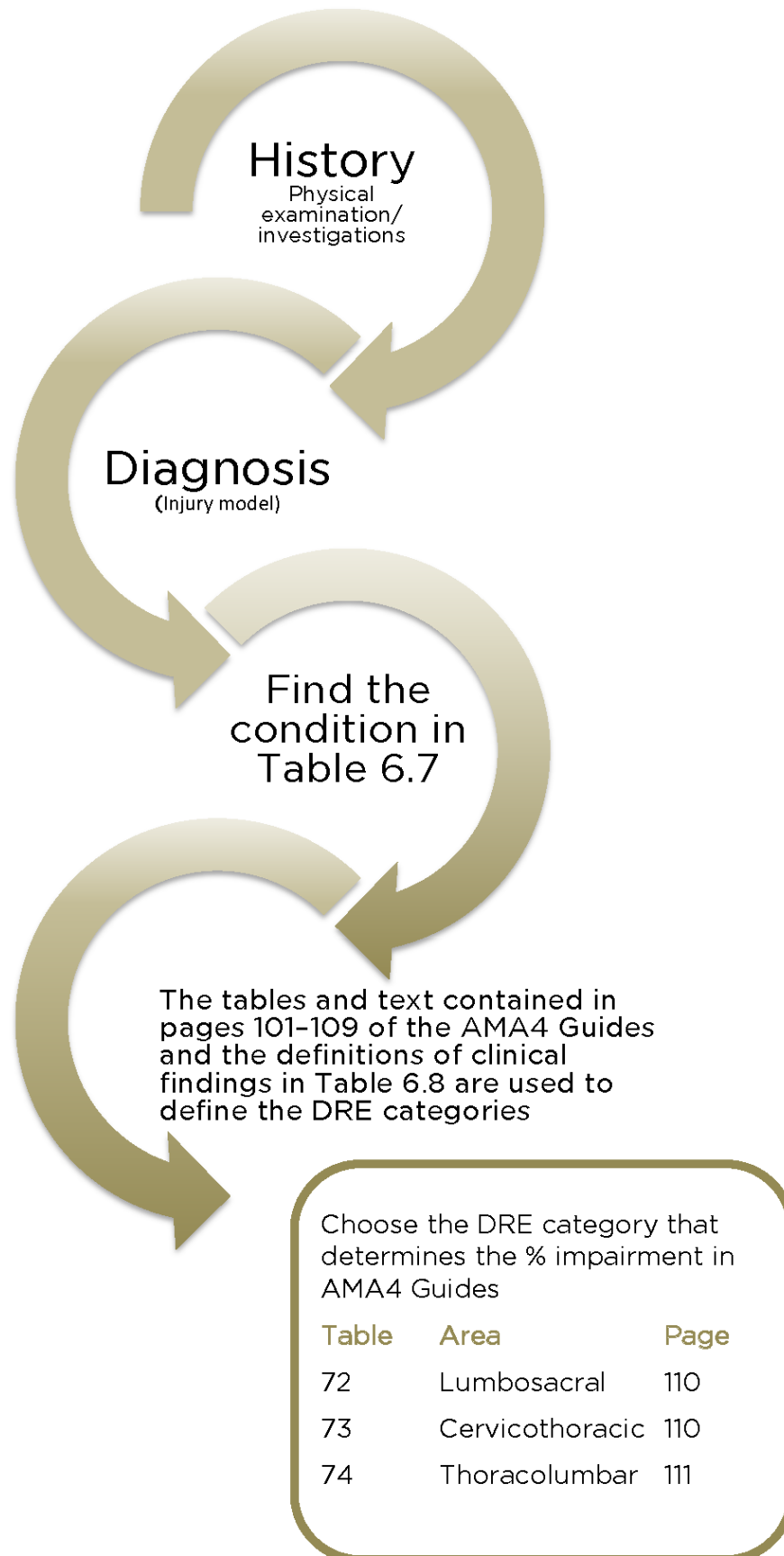
## Pelvic fractures

- 6.154 Pelvic fractures must be assessed using Section 3.4 (page 131, AMA4 Guides). Fractures of the acetabulum must be assessed using Table 64 (pages 85–86, AMA4 Guides).
- 6.155 Multiple fractures of the pelvis must be assessed separately and then combined.



## Figure 6.1: Spine – summary of spinal DRE assessment

The terms *cervicothoracic*, *thoracolumbar* and *lumbosacral* have been defined in clause 6.115.



# Nervous system

## Introduction

- 6.156 Chapter 4 (pages 139–152, AMA4 Guides) provides guidance on methods of assessing permanent impairment involving the central nervous system. Elements of the assessment of permanent impairment involving the peripheral nervous system can be found in relevant parts of the ‘Upper extremity’, ‘Lower extremity’ and ‘Spine’ sections.
- 6.157 Chapter 4 is logically structured and consistent with the usual sequence of examining the nervous system. Cortical functions are discussed first, followed by the cranial nerves, the brain stem, the spinal cord and the peripheral nervous system.
- 6.158 Spinal cord injuries (SCI) must be assessed using the ‘Nervous system’ and ‘Musculoskeletal system’ chapters of the AMA4 Guides and these Guidelines. See clause [6.161](#).
- 6.159 The relevant parts of the ‘Upper extremity’, ‘Lower extremity’ and ‘Spine’ chapters of the AMA4 Guides must be used to evaluate impairments of the peripheral nervous system.

## Assessment of the nervous system

- 6.160 The introduction to Chapter 4 ‘Nervous system’ in the AMA4 Guides is ambiguous in its statement about combining nervous system impairments. The medical assessor must consider the categories of:
- 6.160.1 aphasia or communication disorders
  - 6.160.2 mental status and integrative functioning abnormalities
  - 6.160.3 emotional and behavioural disturbances
  - 6.160.4 disturbances of consciousness and awareness (permanent and episodic).
- The medical assessor must select the highest rating from categories 1 to 4. This rating can then be combined with ratings of other nervous system impairments or from other body regions.
- 6.161 A different approach is taken in assessing spinal cord impairment (Section 4.3, pages 147–148, AMA4 Guides). In this case impairments due to this pathology can be combined using the ‘Combined values’ chart (pages 322–324, AMA4 Guides). It should be noted that Section 4.3 ‘Spinal cord’ must be used for motor or sensory impairments caused by a central nervous system lesion. Impairment evaluation of spinal cord injuries should be combined with the associated DRE I–V from Section 3.3 in the ‘Musculoskeletal system’ Chapter (pages 101–107, AMA4 Guides). This section covers hemiplegia due to cortical injury as well as SCI.

- 6.162 Headache or other pain potentially arising from the nervous system, including migraine, is assessed as part of the impairment related to a specific structure. The AMA4 Guides state that the impairment percentages shown in the chapters of the AMA4 Guides make allowance for the pain that may accompany the impairing condition.
- 6.163 The 'Nervous system' Chapter of the AMA4 Guides lists many impairments where the range for the associated WPI is from 0% to 9% or 0% to 14%. Where there is a range of impairment percentages listed, the medical assessor must nominate an impairment percentage based on the complete clinical circumstances revealed during the examination and provide reasons.

## Specific interpretation of the AMA4 Guides

### The central nervous system – cerebrum or forebrain

- 6.164 For an assessment of mental status impairment and emotional and behavioural impairment there should be:
- 6.164.1 evidence of a significant impact to the head or a cerebral insult, or that the motor accident involved a high-velocity vehicle impact, and
  - 6.164.2 one or more significant, medically verified abnormalities such as an abnormal initial post-injury Glasgow Coma Scale score, or post-traumatic amnesia, or brain imaging abnormality.
- 6.165 The results of psychometric testing, if available, must be taken into consideration.
- 6.166 Assessment of disturbances of mental status and integrative functioning: Table 6.9 in these Guidelines – the clinical dementia rating (CDR), which combines cognitive skills and function – must be used for assessing disturbances of mental status and integrative functioning.
- 6.167 When using the CDR the injured person's cognitive function for each category should be scored independently. The maximum CDR score is 3. Memory is considered the primary category; the other categories are secondary. If at least three secondary categories are given the same numeric score as memory then the CDR = M. If three or more secondary categories are given a score greater or less than the memory score, CDR = the score of the majority of secondary categories unless three secondary categories are scored less than M and two secondary categories are scored greater than M. In this case, then the CDR = M. Similarly if two secondary categories are greater than M, two are less than M and one is the same as M, CDR = M.
- 6.168 In Table 6.9, 'Personal care' (PC) for the level of impairment is the same for a CDR score of 0 and a CDR score of 0.5, being *fully capable of self-care*. In order to differentiate between a personal care CDR score of 0 and 0.5, a rating that best fits with the pattern of the majority of other categories must be allocated. For example, when the personal care rating is *fully capable of self-care* and at least three other components of the CDR are scored at 0.5 or higher, the PC must be scored at 0.5. If three or more ratings are less than 0.5 then a rating of 0 must be assigned. Reasons to support all ratings allocated must be provided.

- 6.169 Corresponding impairment ratings for CDR scores are listed in Table 6.10 in these Guidelines.
- 6.170 Emotional and behavioural disturbances assessment: Table 3 (page 142, AMA4 Guides) must be used to assess emotional or behavioural disturbances.
- 6.171 Sleep and arousal disorders assessment: Table 6 (page 143, AMA4 Guides) must be used to assess sleep and arousal disorders. The assessment is based on the clinical assessment normally done for clinically significant disorders of this type.
- 6.172 Visual impairment assessment: An ophthalmologist must assess all impairments of visual acuity, visual fields or extra-ocular movements (page 144, AMA4 Guides).
- 6.173 Trigeminal nerve assessment: Sensory impairments of the trigeminal nerve must be assessed with reference to Table 9 (page 145, AMA4 Guides). The words *or sensory disturbance* are added to the table after the words *neuralgic pain* in each instance. Impairment percentages for the three divisions of the trigeminal nerve must be apportioned with extra weighting for the first division (for example, division 1 – 40%, and division 2 and 3 – 30% each). If present, motor loss for the trigeminal nerve must be assessed in terms of its impact on mastication and deglutition (page 231, AMA4 Guides).
- 6.174 As per clause 6.189, regarding bilateral total facial paralysis in Table 4 (page 230, AMA4 Guides) *total* means all branches of the facial nerve.
- 6.175 Sexual functioning assessment: Sexual dysfunction is assessed as an impairment only if there is an associated objective neurological impairment (page 149, AMA4 Guides). This is consistent with clauses 6.136 and 6.137 in these Guidelines.
- 6.176 Olfaction and taste assessment: The assessment of olfaction and taste is covered in clauses 6.192 and 6.193 in these Guidelines.

Table 6.9: Clinical dementia rating (CDR)

	Impairment level and CDR score				
	None 0	Questionable 0.5	Mild 1.0	Moderate 2.0	Severe 3.0
<b>Memory (M)</b>	No memory loss or slight inconsistent forgetfulness	Consistent slight forgetfulness; partial recollection of events; <i>benign</i> forgetfulness	Moderate memory loss; more marked for recent events; defect interferes with everyday activities	Severe memory loss; only highly learned material retained; new material rapidly lost	Severe memory loss; only fragments remain
<b>Orientation (O)</b>	Fully oriented	Fully oriented except for slight difficulty with time relationships	Moderate difficulty with time relationships; oriented in place at examination; may have geographic disorientation elsewhere	Severe difficulty with time relationships; usually disoriented to time, often to place	Oriented to person only
<b>Judgement and problem solving (JPS)</b>	Solves everyday problems and handles business and financial affairs well; judgement good in relation to past performance	Slight impairment in solving problems, similarities and differences	Moderate difficulty in handling problems, similarities and differences; social judgement usually maintained	Severely impaired in handling problems, similarities and differences; social judgement usually impaired	Unable to make judgements or solve problems
<b>Community affairs (CA)</b>	Independent function at usual level in job, shopping, volunteer and social groups	Slight impairment in these activities	Unable to function independently in these activities although may still be engaged in some; appears normal to casual inspection	No pretence of independent function outside home. Appears well enough to be taken to functions outside a family home	No pretence of independent function outside home. Appears too ill to be taken to functions outside a family home
<b>Home and hobbies (HH)</b>	Life at home, hobbies and intellectual interests well maintained	Life at home, hobbies and intellectual interests slightly impaired	Mild but definite impairment of function at home; more difficult chores abandoned; more complicated hobbies and interests abandoned	Only simple chores preserved; very restricted interests, poorly maintained	No significant function at home
<b>Personal care (PC)</b>	Fully capable of self-care	Fully capable of self-care* *see clause <a href="#">6.168</a>	Needs prompting	Requires assistance in dressing, hygiene, keeping of personal effects	Requires much help with personal care; frequent incontinence

Table 6.10: Criteria for rating impairment related to mental status

Class 1 1-14% WPI	Class 2 15-29% WPI	Class 3 30-49% WPI	Class 4 50-70% WPI
Impairment exists, but ability remains to perform satisfactorily most activities of daily living remains	Impairment requires direction of some activities of daily living	Impairment requires assistance and supervision for most activities of daily living	Unable to care for self and be safe in any situation without supervision
CDR = 0.5	CDR = 1.0	CDR = 2.0	CDR = 3.0

# Ear, nose and throat, and related structures

## Introduction

- 6.177 Chapter 9 of the AMA4 Guides (pages 223–234) provides guidance on methods of assessing permanent impairment involving the ear, nose and throat, and related structures, including the face.
- 6.178 Chapter 9 discusses the ear, hearing, equilibrium, the face, respiratory (air passage) obstruction, mastication and deglutition, olfaction and taste, and speech. There is potential overlap with other chapters, particularly the nervous system, in these areas.

## Assessment of ear, nose and throat, and related structures

- 6.179 To assess of impairment of the ear, nose and throat, and related structures, the injured person must be assessed by the medical assessor. While the assessment may be based principally on the results of audiological or other investigations, the complete clinical picture must be elaborated through direct consultation with the injured person by the medical assessor.

## Specific interpretation of the AMA4 Guides

### Ear and hearing

- 6.180 Ear and hearing (pages 223–224, AMA4 Guides): Tinnitus is only assessable in the presence of hearing loss, and both must be caused by the motor accident. An impairment of up to 5% can be added, not combined, to the percentage binaural hearing impairment before converting to WPI hearing loss if tinnitus is permanent and severe.

### Hearing impairment

- 6.181 Hearing impairment (pages 224–228, AMA4 Guides): Sections 9.1a and 9.1b of the AMA4 Guides are replaced with the following section.
- 6.182 Impairment of an injured person’s hearing is determined according to evaluation of the individual’s binaural hearing impairment.
- 6.183 Hearing impairment must be evaluated when the impairment is permanent. Prosthetic devices (i.e. hearing aids) must not be used during evaluation of hearing sensitivity.
- 6.184 Hearing threshold level for pure tones is defined as the number of decibels above a standard audiometric zero level for a given frequency at which the listener’s threshold of hearing lies when tested in a suitable sound-attenuated environment. It is the reading on the hearing level dial of an audiometer calibrated according to current Australian standards.

- 6.185 Binaural hearing impairment is determined by using the 1988 National Acoustics Laboratory tables 'Improved procedure for determining percentage loss of hearing', with allowance for presbycusis according to the presbycusis correction table in the same publication (NAL Report No. 118, National Acoustics Laboratory, Commonwealth of Australia, 1988).
- 6.186 Table 3 (page 228, AMA4 Guides) is used to convert binaural hearing impairment to impairment of the whole person. For example, a person aged 50 with a total unilateral hearing loss in the right ear and no hearing loss in the left ear has 17% binaural hearing impairment less 0% presbycusis correction, which is equivalent to 6% WPI.

## Equilibrium

- 6.187 Assessment of impairment due to disorders of equilibrium (pages 228–229, AMA4 Guides) is dependent on objective findings of vestibular dysfunction. Such data must be available to the medical assessor.
- 6.188 There is an error in the description of classes 3, 4 and 5 in 'Criteria of vestibular impairment' (page 229, AMA4 Guides). Class 3 of impairment of vestibular function is associated with a WPI of 11% to 30%. Class 4 is 31% to 60% and class 5, 61% to 95%.

## Face

- 6.189 Facial scarring and disfigurement are assessed separately to scarring elsewhere on the body. This scarring is combined with any other assessment of scarring and/or other permanent impairment assessments. In Table 4 (page 230, AMA4 Guides), *total* means all branches of the facial nerve.
- 6.190 Loss of the entire outer ear is 11% WPI.
- 6.191 The assessment of permanent impairment involving scarring of the face may be undertaken using Chapter 13 'The skin' (pages 279–280, AMA4 Guides) and/or Section 9.2 'The face' (pages 229–230, AMA4 Guides).

## Olfaction and taste

- 6.192 There is a discrepancy in the AMA4 Guides in the treatment of olfaction and taste between the 'Nervous system' Chapter (pages 144, 146) and the 'ENT' Chapter (pages 231–232). To resolve this difference, the medical assessor may assign a value of WPI from 1% to 5% for loss of sense of taste and a value of WPI from 1% to 5% for loss of sense of olfaction. Where there is a range of impairment percentages listed, the medical assessor must nominate an impairment percentage based on the complete clinical circumstances revealed during the examination and provide reasons.
- 6.193 However, the very rare case of total permanent loss of taste and olfaction is deemed in these Guidelines to constitute greater than 10% permanent impairment.



## Teeth

- 6.194 An impairment assessment for loss of teeth must be done with the injured person wearing their dental prosthesis if this was normal for the injured person before the accident. If, as a result of the motor accident, the injured person required a removable dental prosthesis for the first time, or a different dental prosthesis, the difference should be accounted for in the assessment of permanent impairment.
- 6.195 Damage to the teeth can only be assessed when there is a permanent impact on mastication and deglutition (page 231, AMA4 Guides) and/or loss of structural integrity of the face (pages 229–230, AMA4 Guides).
- 6.196 Where loss of structural integrity occurs as a result of a dental injury, the injury must be assessed for a loss of functional capacity (mastication) and a loss of structural integrity (cosmetic deformity) and any impairment combined.
- 6.197 When using Table 6 'Relationship of dietary restrictions to permanent impairment' (page 231, AMA4 Guides) the first category is to be 0–19%, not 5–19%.
- 6.198 In some cases, it will be necessary to access current dental X-rays to assess permanent impairment.

## Respiration

- 6.199 When Table 5 (page 231, AMA4 Guides) is used for the evaluation of air passage defects, these Guidelines allow 0–5% WPI where there is significant difficulty in breathing through the nose and examination reveals significant partial obstruction of the right and/or left nasal cavity or nasopharynx, or significant septal perforation.

## Speech

- 6.200 When Table 7 'Speech impairment criteria' (page 233, AMA4 Guides) is used, the percentage from the table must be converted to WPI using Table 9 (page 234, AMA4 Guides).

# Mental and behavioural disorders

## Introduction

- 6.201 Psychiatric disorders have complex effects on the individual, and impairment must be assessed by a psychiatrist.
- 6.202 The AMA4 Guides do not give percentages of psychiatric impairment in Chapter 14 (pages 291–302), which deals with mental and behavioural disorders. Medically determinable impairments in thinking, affect, intelligence, perception, judgement and behaviour are difficult to translate into functional limitations.

- 6.203 The assessment of mental and behavioural disorders must be undertaken in accordance with the psychiatric impairment rating scale (PIRS) as set out in these Guidelines. Chapter 14 of the AMA4 Guides (pages 291–302) is to be used for background or reference only.
- 6.204 The PIRS draws heavily on Chapter 14 of the AMA4 Guides.
- 6.205 The AMA4 Guides provide a framework to determine whether a motor accident has caused psychiatric impairment. They bridge the gap between impairment and disability by focusing on four areas or aspects of functioning:
- 6.205.1 activities of daily living (ADL). Three aspects of ADL are used in the PIRS system
  - 6.205.2 social functioning
  - 6.205.3 concentration, persistence and pace
  - 6.205.4 adaptation.
- 6.206 These areas are described in detail on pages 294–295 of the AMA4 Guides.
- 6.207 Activities of daily living include self-care, personal hygiene, communication, ambulation, travel and social and recreational activities.
- 6.208 Social functioning refers to the capacity to get along with others and communicate effectively.
- 6.209 Concentration, persistence and pace is defined as the ability to sustain focused attention, for long enough to permit the timely completion of tasks commonly found in work settings.
- 6.210 Adaptation (also called deterioration or de-compensation in work or work-like settings) refers to the repeated failure to adapt to stressful circumstances.
- 6.211 Impairment is divided into five classes ranging from no impairment to extreme impairment.
- 6.212 Mental and behavioural disorders resulting from an organic brain injury are most suitably assessed as an organic problem under Chapter 5 ‘Nervous system impairment’ in these Guidelines.

## Assessment of mental and behavioural disorders

- 6.213 The impairment must be attributable to a psychiatric diagnosis recognised by the current edition of the *Diagnostic & Statistical Manual of Mental Disorders* (DSM) or the current edition of the *International Statistical Classification of Diseases & Related Health Problems* (ICD). The impairment evaluation report must specify the diagnostic criteria on which the diagnosis is based.
- 6.214 Impairment due to physical injury is assessed using different criteria outlined in other parts of these Guidelines.
- 6.215 The PIRS must not to be used to measure impairment due to somatoform disorders or pain.

- 6.216 Where cognitive deficits are suspected, the medical assessor must carefully consider the history of the injury, medical treatment and progress through rehabilitation. The medical assessor will also take into account the results of CT and MRI scans, electroencephalograms (EEGs) and psychometric tests.
- 6.217 The scale must be used by a properly trained medical assessor. The psychiatrist's clinical judgement is the most important tool in the application of the scale. The impairment rating must be consistent with a recognised psychiatric diagnosis, and based on the psychiatrist's clinical experience.
- 6.218 In order to measure impairment caused by a specific event, the medical assessor must, in the case of an injured person with a pre-existing psychiatric diagnosis or diagnosable condition, estimate the overall pre-existing impairment using precisely the method set out in this part of the Guidelines, and subtract this value from the current impairment rating.

## The psychiatric impairment rating scale

- 6.219 Behavioural consequences of psychiatric disorders are assessed on six areas of function, each of which evaluates an area of functional impairment:
- 6.219.1 self-care and personal hygiene (Table 6.11)
  - 6.219.2 social and recreational activities (Table 6.12)
  - 6.219.3 travel (Table 6.13)
  - 6.219.4 social functioning (relationships) (Table 6.14)
  - 6.219.5 concentration, persistence and pace (Table 6.15)
  - 6.219.6 adaptation (Table 6.16).
- 6.220 Impairment in each area of function is rated using class descriptors. Classes range from 1 to 5 according to severity. The standard form (Figure 6.2) must be used when scoring the PIRS. The classes in each area of function are described through the use of common examples. These are intended to be illustrative rather than literal criteria. The medical assessor should obtain a history of the injured person's pre-accident lifestyle, activities and habits, and then assess the extent to which these have changed as a result of the psychiatric injury. The medical assessor should take into account variations in lifestyle due to age, gender, cultural, economic, educational and other factors.
- 6.221 Where adaptation cannot be assessed by reference to work or a work-like setting, consideration must be given to the injured person's usual pre-injury roles and functions such as caring for others, housekeeping, managing personal/family finances, voluntary work, education/study or the discharge of other obligations and responsibilities.

## Adjustment for the effects of treatment

- 6.222 An adjustment for the effects of prescribed treatment may be made by the medical assessor if all of the following requirements are met:
- 6.222.1 there is research evidence demonstrating that the treatment prescribed is effective for the injured person's diagnosed psychiatric condition
  - 6.222.2 the medical assessor is satisfied that the treatment has been appropriate, for example, medication has been taken in the appropriate dose and duration
  - 6.222.3 there is clear clinical evidence that the treatment has been effective, that is, the injured person's symptoms have improved and/or functioning has improved, and
  - 6.222.4 it is the clinical judgement of the medical assessor that ceasing treatment will result in a deterioration of symptoms and/or a worsening in function.
- 6.223 The medical assessor may increase the percentage of WPI by:
- 6.223.1 0% WPI (no or negligible treatment effect)
  - 6.223.2 1% WPI (a mild treatment effect)
  - 6.223.3 2% WPI (a moderate treatment effect), or
  - 6.223.4 3% WPI (a full remission).
- 6.224 This clause does not apply to the use of analgesics, anti-inflammatory or antidepressant drugs for analgesia or pain management.

**Table 6.11: Psychiatric impairment rating scale (PIRS)**

Self-care and personal hygiene	
Class 1	No deficit, or minor deficit attributable to normal variation in the general population.
Class 2	Mild impairment. Able to live independently and look after self adequately, although may look unkempt occasionally. Sometimes misses a meal or relies on takeaway food.
Class 3	Moderate impairment. Cannot live independently without regular support. Needs prompting to shower daily and wear clean clothes. Cannot prepare own meals, frequently misses meals. Family member or community nurse visits (or should visit) 2–3 times per week to ensure minimum level of hygiene and nutrition.
Class 4	Severe impairment. Needs supervised residential care. If unsupervised, may accidentally or purposefully hurt self.
Class 5	Totally impaired. Needs assistance with basic functions, such as feeding and toileting.

Table 6.12: Psychiatric impairment rating scale (PIRS)

Social and recreational activities	
Class 1	No deficit or minor deficit attributable to normal variation in the general population. Able to go out regularly to cinemas, restaurants or other recreational venues. Belongs to clubs or associations and is actively involved with these.
Class 2	Mild impairment. Able to occasionally go out to social events without needing a support person, but does not become actively involved; for example, in dancing, cheering favourite team.
Class 3	Moderate impairment. Rarely goes to social events, and mostly when prompted by family or close friend. Unable to go out without a support person. Not actively involved, remains quiet and withdrawn.
Class 4	Severe impairment. Never leaves place of residence. Tolerates the company of family member or close friend, but will go to a different room or the garden when others visit family or flatmate.
Class 5	Totally impaired. Cannot tolerate living with anybody, extremely uncomfortable when visited by close family member.

Table 6.13: Psychiatric impairment rating scale

Travel	
Class 1	No deficit, or minor deficit attributable to normal variation in the general population. Able to travel to new environments without supervision.
Class 2	Mild impairment. Able to travel without support person, but only in a familiar area such as local shops or visiting a neighbour.
Class 3	Moderate impairment. Unable to travel away from own residence without support person. Problems may be due to excessive anxiety or cognitive impairment.
Class 4	Severe impairment. Finds it extremely uncomfortable to leave own residence even with a trusted person.
Class 5	Totally impaired. Cannot be left unsupervised, even at home. May require two or more persons to supervise when travelling.

**Table 6.14: Psychiatric impairment rating scale (PIRS)**

<b>Social functioning</b>	
Class 1	No deficit, or minor deficit attributable to normal variation in the general population. No difficulty in forming and sustaining relationships; for example a partner or close friendships lasting years.
Class 2	Mild impairment. Existing relationships strained. Tension and arguments with partner or close family member, loss of some friendships.
Class 3	Moderate impairment. Previously established relationships severely strained, evidenced for example by periods of separation or domestic violence. Partner, relatives or community services looking after children.
Class 4	Severe impairment. Unable to form or sustain long-term relationships. Pre-existing relationships ended; for example, lost partner, close friends. Unable to care for dependants; for example, own children, elderly parent.
Class 5	Totally impaired. Unable to function within society. Living away from populated areas, actively avoids social contact.

**Table 6.15: Psychiatric impairment rating scale (PIRS)**

<b>Concentration, persistence and pace</b>	
Class 1	No deficit, or minor deficit attributable to normal variation in the general population. Able to operate at previous educational level; for example, pass a TAFE or university course within normal timeframe.
Class 2	Mild impairment. Can undertake a basic retraining course, or a standard course at a slower pace. Can focus on intellectually demanding tasks for up to 30 minutes; for example, then feels fatigued or develops headache.
Class 3	Moderate impairment. Unable to read more than newspaper articles. Finds it difficult to follow complex instructions; for example, operating manuals, building plans, make significant repairs to motor vehicle, type detailed documents, follow a pattern for making clothes, tapestry or knitting.
Class 4	Severe impairment. Can only read a few lines before losing concentration. Difficulties following simple instructions. Concentration deficits obvious even during brief conversation. Unable to live alone, or needs regular assistance from relatives or community services.
Class 5	Totally impaired. Needs constant supervision and assistance within an institutional setting.

Table 6.16: Psychiatric impairment rating scale

Adaptation	
Class 1	No deficit, or minor deficit attributable to normal variation in the general population. Able to work full time. Duties and performance are consistent with injured person's education and training. The injured person is able to cope with the normal demands of the job.
Class 2	Mild impairment. Able to work full time in a different environment. The duties require comparable skill and intellect. Can work in the same position, but no more than 20 hours per week; for example, no longer happy to work with specific persons, work in a specific location due to travel required.
Class 3	Moderate impairment. Cannot work at all in same position as previously. Can perform less than 20 hours per week in a different position, which requires less skill or is qualitatively different; for example, less stressful.
Class 4	Severe impairment. Cannot work more than one or two days at a time, less than 20 hours per fortnight. Pace is reduced, attendance is erratic.
Class 5	Totally impaired. Cannot work at all.

## Calculation of psychiatric impairment

6.225 Rating psychiatric impairment using the PIRS is a three-step procedure:

6.225.1 Determine the median class score.

6.225.2 Calculate the aggregate score.

6.225.3 Convert the median class and aggregate score to % WPI.

6.226 Determining the median class score: Each area of function described in the PIRS is given an impairment rating ranging from class 1 to class 5. The six class scores are arranged in ascending order using the standard form (Figure 6.2). The median class is then calculated by averaging the two middle scores. For example:

Example	Impairment rating	Median class
A	1, 2, <b>3, 3</b> , 4, 5	= 3
B	1, 2, <b>2, 3</b> , 3, 4	= 2.5 = 3
C	1, 2, <b>3, 5</b> , 5, 5	= 4

If a score falls between two classes, it is rounded up to the next class. A median class score of 2.5 thus becomes 3. The median class score method was chosen as it is not influenced by extremes. Each area of function is assessed separately. While impairment in one area is neither equivalent to nor interchangeable with impairment in other areas, the median seems the fairest way to translate different impairments onto a linear scale.

- 6.227 Calculation of the aggregate score: The aggregate score is used to determine an exact percentage of impairment within a particular class range. The six class scores are added to give the aggregate score.
- 6.228 Converting the median class and aggregate score: The median class and aggregate score are converted to a percentage impairment score using Table 6.17 'Conversion table'.

**Table 6.17: Conversion table**

	Aggregate score																													
	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30					
Class 1	0	0	1	1	2	2	2	3	3																					
Class 2				4	5	5	6	7	7	8	9	9	10																	
Class 3								11	13	15	17	19	22	24	26	28	30													
Class 4													31	34	37	41	44	47	50	54	57	60								
Class 5																	61	65	70	74	78	83	87	91	96	100				

### Conversion table – Explanatory notes

- Distribution of aggregate scores:
  - The lowest aggregate score that can be produced is  $1 + 1 + 1 + 1 + 1 + 1 = 6$ .
  - The highest score that can be produced is  $5 + 5 + 5 + 5 + 5 + 5 = 30$ .
  - Table 6.17 therefore has aggregate scores ranging from 6 to 30.
  - Each median class score has a range of possible aggregate scores and hence a range of possible impairment scores (for example, class 3 = 11% – 30% WPI).
  - Table 6.17 distributes the impairment percentages across the possible range of aggregate scores.
- Same aggregate score in different classes:
  - Table 6.17 shows that the same aggregate score leads to different impairment percentages for different median classes. For example, an aggregate score of 18 is equivalent to an impairment rating of:
    - 10% in class 2
    - 22% in class 3, and
    - 34% in class 4
  - This is because the injured person whose impairment is in median class 2 is likely to have a lower score across most areas of function. The injured person may be significantly impaired in one aspect of their life, such as travel, yet have low impairment in social function, self-care or concentration. In contrast, someone whose impairment reaches median class 4 will experience significant impairment across most aspects of their life.



## Examples

### Example A

List classes in ascending order

Median class value

1	2	<b>3</b>	<b>3</b>	4	5		3
---	---	----------	----------	---	---	--	---

Aggregate score

Total %

1 +	2 +	3 +	3 +	4 +	5	=	18	22% WPI
-----	-----	-----	-----	-----	---	---	----	---------

### Example B

List classes in ascending order

Median class value

1	2	<b>2</b>	<b>3</b>	3	5		3
---	---	----------	----------	---	---	--	---

Aggregate score

Total %

1 +	2 +	2 +	3 +	3 +	5	=	16	17% WPI
-----	-----	-----	-----	-----	---	---	----	---------

### Example C

List classes in ascending order

Median class value

1	2	<b>3</b>	<b>5</b>	5	5		4
---	---	----------	----------	---	---	--	---

Aggregate score

Total %

1 +	2 +	3 +	5 +	5 +	5	=	21	44% WPI
-----	-----	-----	-----	-----	---	---	----	---------

Figure 6.2: Psychiatric impairment rating scale – Assessment form

Psychiatric diagnoses	1.		2.		
	3.		4.		
Psychiatric treatment					
<b>Category</b>	<b>Class</b>	<b>Reason for decision</b>			
Self-care and personal hygiene					
Social and recreational activities					
Travel					
Social functioning					
Concentration, persistence and pace					
Adaptation					
<b>List classes in ascending order</b>				Median class value	
Aggregate score				Total	%
+	+	+	+	+	=
Pre-existing/subsequent impairment? If applicable, determine % as above					
<b>List classes in ascending order</b>				Median class value	
Aggregate score				Total	%
+	+	+	+	+	=
<b>Final % WPI _____</b>					

# Other body systems

## Respiratory system

- 6.229 The system of respiratory impairment classification is based on a combination of forced vital capacity (FVC), forced expiratory volume (FEV1) and diffusing capacity of carbon monoxide (DCO) or measurement of exercise capacity (VO<sub>2</sub> max). Chapter 5 (pages 153–167, AMA4 Guides) should be infrequently used in assessing impairment following a motor accident. Healed sternal and rib fractures do not result in any assessable impairment unless they result in a permanent impairment of respiratory function.
- 6.230 Table 8 (page 162, AMA4 Guides) provides the classification of respiratory impairment. A footnote to the table reinforces that conditions other than respiratory disease may reduce maximum exercise capacity and medical assessors must carefully interpret the clinical presentation of the injured person.
- 6.231 The medical assessor must provide a specific percentage impairment for permanent impairment due to respiratory conditions. Table 8 (page 162, AMA4 Guides) must be used to classify the injured person's impairment. Classes 2, 3 and 4 define a range of WPI percentages. The medical assessor must provide a specific percentage impairment within the range for the class that best describes the clinical status of the injured person. Class 2 (10-25% WPI) will need careful consideration.
- 6.232 Use of Tables 2 to 7 (pages 156–161, AMA4 Guides) may give rise to an inaccurate interpretation of lung function and impairment due to age or race. Where appropriate Tables 2 to 7 should be replaced with relevant guidelines from a substantial body of peer-reviewed research literature, which must be referenced.

## Cardiovascular system

### Introduction and assessment of the cardiovascular system

- 6.233 Chapter 6 (pages 169–199, AMA4 Guides) provides a clear explanation of the methods required for the assessment of the cardiovascular system.
- 6.234 The results from all relevant diagnostic tests must be taken into account by the medical assessor, including:
- 6.234.1 ECG (including an exercise ECG)
  - 6.234.2 standard and trans-oesophageal echocardiogram
  - 6.234.3 exercise thallium scan, exercise echo scan
  - 6.234.4 coronary angiograms
  - 6.234.5 operative notes for coronary artery bypass grafts, coronary angioplasty or other surgery

- 6.234.6 Holter monitoring results
  - 6.234.7 electrodiagnostic studies
  - 6.234.8 serum urea/electrolytes and urinalysis (particularly if hypertensive).
- 6.235 Diagnostic tests should not be ordered by the medical assessor for the purpose of rating impairment. This is in keeping with the approach taken elsewhere in Part 6 of the Guidelines.
- 6.236 Functional classification of cardiovascular system impairments: Table 2 (page 171, AMA4 Guides) should be used as an option if the medical assessor is not sure into which category the injured person should be placed based on specific pathology (refer to Tables 4–12, pages 172–195, AMA4 Guides). Table 2 can be used as a *referee or umpire* if there is doubt about the level of impairment that is obtained using the other recommended tables in this section.
- 6.237 Hypertensive cardiovascular disease (Section 6.4, pages 185–188, AMA4 Guides): This type of cardiovascular disease (Table 9, page 187, AMA4 Guides) requires medical documentation of the hypertension. If the injured person’s illness is controlled with medication, then they might not be assessable under this table. The medical assessor should refer to clauses 6.25–6.29 of these Guidelines.
- 6.238 Vascular diseases affecting the extremities (pages 196–198, AMA4 Guides): Impairments due to upper or lower extremity peripheral vascular disease resulting from vascular trauma must be assessed using the ‘Musculoskeletal’ Chapter of the AMA4 Guides. Tables 13 and 14 (pages 197–198, AMA4 Guides) must not be used.
- 6.239 Impairment scores from Table 17 ‘Impairment of the upper extremity due to peripheral vascular disease’ (page 57, AMA4 Guides) and Table 69 ‘Impairment of the lower extremity due to peripheral vascular disease’ (page 89, AMA4 Guides) must be converted to WPI.

## Haematopoietic system

### Introduction and assessment of the haematopoietic system

- 6.240 Chapter 7 (pages 201–207, AMA4 Guides) will be infrequently used in the motor accident context. The methods of impairment assessment suggested in this Part of the Motor Accident Guidelines should be used.
- 6.241 Splenectomy is covered in this chapter (page 205, AMA4 Guides). An injured person with post-traumatic splenectomy must be assessed as having 3% WPI.

## Visual system

### Introduction and assessment of the visual system

- 6.242 The visual system must be assessed by an ophthalmologist. Chapter 8 of the AMA4 Guides (pages 210–222) must be used.
- 6.243 Impairment of vision should be measured with the injured person wearing their corrective spectacles or contact lenses, if it was normal for the injured person to wear them before the motor accident, or if the need for such spectacles has become necessary due to normal physiological changes to the refractive error either in distance or near vision. If as a result of the injury, the injured person has been prescribed corrective spectacles and/or contact lenses for the first time, or different spectacles and/or contact lenses than those prescribed pre-injury, the difference should be accounted for in the assessment of permanent impairment.

## Digestive system

### Introduction and assessment of the digestive system

- 6.244 Assessments must be performed using the methods outlined in Chapter 10 (pages 235–248, AMA4 Guides).
- 6.245 Tables 2 to 7 in Chapter 10 (pages 239–247, AMA4 Guides) give details of the components to be assessed. Examples are given that assist by describing illustrative cases. Note that splenectomy is discussed in the 'Haematopoietic system' Chapter.
- 6.246 In Table 2, 'Classes of impairment of the upper digestive tract' (page 239, AMA4 Guides), the reference to *Loss of weight below desirable weight does not exceed 10%* in class 2 must be replaced with *Loss of weight below desirable weight (if any) does not exceed 10%*.
- 6.247 Upper digestive tract disease caused by the commencement and ongoing use of anti-inflammatory medications must be assessed as 0-2% WPI class 1 impairment according to Table 2 (page 239, AMA4 Guides). Upper digestive tract disease caused by the use of anti-inflammatory medications resulting in severe and specific signs or symptoms must be assessed as a class 2 impairment according to Table 2 (page 239, AMA4 Guides).
- 6.248 Colonic and/or rectal disease caused by the use of opiate medication must be assessed as 0-2% WPI class 1 impairment according to Table 2 (page 239, AMA4 Guides). Assessment of constipation alone results in 0% WPI.
- 6.249 Table 7 (page 247, AMA4 Guides): In classes 1 and 2 the first criterion must be present, together with the second or third criterion. In class 3, all three criteria must be present.

## Urinary and reproductive systems

### Introduction and assessment of the urinary and reproductive systems

- 6.250 Chapter 11 (pages 249–262, AMA4 Guides) is used for the assessment of urinary and reproductive systems and provides clear methods for assessing impairment in these systems.
- 6.251 For male and female sexual dysfunction, objective pathology should be present for an impairment percentage to be given.
- 6.252 Objective evidence of neurological impairment is necessary to assess incontinence related to spinal injury (AMA4 Guides, Chapter 4, 4.3d). Objective evidence of injury to the bladder and urethra associated with urinary incontinence is necessary to assess urinary incontinence due to trauma (AMA4 Guides, Chapter 11, 11.3 and 11.4)

## Endocrine system

### Introduction and assessment of the endocrine system

- 6.253 Chapter 12 (pages 263–275, AMA4 Guides) is used to assess the endocrine system. Each endocrine organ or system is listed separately.
- 6.254 Where an impairment class defines a range of WPI percentages the medical assessor must define a specific percentage impairment within the range described by the class that best describes the clinical status of the injured person and provide reasons.
- 6.255 Where injury has resulted in fat necrosis in the mammary glands this must be assessed using Chapter 13 ‘The skin’ (pages 278–289, AMA4 Guides).
- 6.256 Section 12.8 ‘Mammary glands’ (page 275, AMA4 Guides) is replaced by these Guidelines. Total loss of one or both mammary glands is deemed to be an impairment of greater than 10% WPI.
- 6.257 Injury to the breast(s) caused by damage to a breast implant(s) must be assessed as class 1, Table 2 (page 280, AMA4 Guides).

## Skin

### Introduction and assessment of the skin

- 6.258 Chapter 13 (pages 277–289, AMA4 Guides) refers to skin diseases generally. In the context of injury, Sections 13.4 ‘Disfigurement’ (page 279, AMA4 Guides) and 13.5 ‘Scars and skin grafts’ are particularly relevant.
- 6.259 The assessment of permanent impairment involving scarring of the face may be undertaken using Chapter 13 ‘The skin’ (pages 279–280, AMA4 Guides) and/or Section 9.2 ‘The face’ (pages 229–230, AMA4 Guides). Criteria for facial impairment are listed on page 229 of the AMA4 Guides. Specific facial disfigurements may also be assessed by reference to Table 4 (page 230, AMA4 Guides).

- 6.260 Disfigurement, scars and skin grafts may be assessed as causing significant permanent impairment when the skin condition causes limitation in performance of activities of daily living. Assessment should include a history that sets out any alterations in activities of daily living. The AMA4 Guides (page 317) contain a table of activities of daily living. Any impairment secondary to severe scarring, such as contracture or nerve damage, is assessed using other chapters and combined with the assessment for scarring.
- 6.261 A scar may be present and rated 0% WPI.
- 6.262 Table 2 (page 280, AMA4 Guides) provides the method of classifying impairment due to skin disorders. Three components – namely signs and symptoms of skin disorder, limitation of activities of daily living and requirements for treatment – define five classes of impairment. Determining which class is applicable is primarily dependent on the impact of the skin disorder on daily activities. The medical assessor must derive a specific percentage impairment within the range described by the class that best describes the clinical status of the injured people. All three criteria must be present. Impairment values are WPI.
- 6.263 When using Table 2 (page 280, AMA4 Guides), the medical assessor is reminded to consider the skin as an organ. The effect of scarring (whether single or multiple) is to be considered as the total effect of the scar on the organ system as it relates to the criteria in Table 2 ‘Table for the evaluation of minor skin impairment’ (TEMSKI). Multiple scars must not be assessed individually. The medical assessor must not add or combine the assessment of individual scars, but assess the total effect of the scarring on the entire organ system.
- 6.264 The TEMSKI (Table 6.18) is an extension of Table 2 (page 280, AMA4 Guides). The TEMSKI divides class 1 into five categories of impairment. When a medical assessor determines that a skin disorder falls into class 1, they must assess the skin disorder in accordance with the TEMSKI criteria. The medical assessor must evaluate all scars either individually or collectively with reference to the five criteria and 10 descriptors of the TEMSKI. The medical assessor should address all descriptors.
- 6.265 The TEMSKI is to be used in accordance with the principle of *best fit*. The medical assessor must be satisfied that the criteria within the chosen category of impairment best reflect the skin disorder being assessed. The skin disorder should meet most, but does not need to meet all, of the criteria within the impairment category in order to satisfy the principle of best fit. The medical assessor must provide reasons as to why this category has been selected.
- 6.266 Where there is a range of values in the TEMSKI categories, the medical assessor should use clinical judgement to determine the exact impairment value and provide reasons that clearly link their clinical judgement to the impairment value selected.
- 6.267 For the purpose of assessing fat necrosis, Chapter 13 ‘The skin’ (pages 277-289, AMA4 Guides) may be used by analogy where appropriate.

Table 6.18: Table for the evaluation of minor skin impairment (TEMSKI)

Criteria	0% WPI	1% WPI	2% WPI	3-4% WPI	5-9% WPI
Description of the scar(s) and/or skin condition(s) (shape, texture, colour)	Injured person is not conscious or is barely conscious of the scar(s) or skin condition	Injured person is conscious of the scar(s) or skin condition	Injured person is conscious of the scar(s) or skin condition	Injured person is conscious of the scar(s) or skin condition	Injured person is conscious of the scar(s) or skin condition
	Good colour match with surrounding skin and the scar(s) or skin condition is barely distinguishable	Some parts of the scar(s) or skin condition colour contrast with the surrounding skin as a result of pigmentary or other changes	Noticeable colour contrast of scar(s) or skin condition with surrounding skin as a result of pigmentary or other changes	Easily identifiable colour contrast of scar(s) or skin condition with surrounding skin as a result of pigmentary or other changes	Distinct colour contrast of scar(s) or skin condition with surrounding skin as a result of pigmentary or other changes
	Injured person is unable to easily locate the scar(s) or skin condition	Injured person is able to locate the scar(s) or skin condition	Injured person is able to easily locate the scar(s) or skin condition	Injured person is able to easily locate the scar(s) or skin condition	Injured person is able to easily locate the scar(s) or skin condition
	No trophic changes	Minimal trophic changes	Trophic changes evident to touch	Trophic changes evident to touch	Trophic changes are visible
	Any staple marks or suture marks are barely visible	Any staple marks or suture marks are visible	Any staple marks or suture marks are clearly visible	Any staple marks or suture marks are clearly visible	Any staple marks or suture marks are clearly visible
Location	Anatomic location of the scar(s) or skin condition is not clearly visible with usual clothing/hairstyle	Anatomic location of the scar(s) or skin condition is not usually visible with usual clothing/hairstyle	Anatomic location of the scar(s) or skin condition is usually visible with usual clothing/hairstyle	Anatomic location of the scar(s) or skin condition is usually visible with usual clothing/hairstyle	Anatomic location of the scar(s) or skin condition is usually and clearly visible with usual clothing/hairstyle
Contour	No contour defect	Minor contour defect	Contour defect visible	Contour defect easily visible	Contour defect easily visible
ADL/treatment	No effect on any ADL	Negligible effect on any ADL	Minor limitation in the performance of few ADL	Minor limitation in the performance of few ADL <i>and</i> exposure to chemical or physical agents (for example sunlight, heat, cold etc.) may temporarily increase limitation	Limitation in the performance of few ADL ( <i>in addition to</i> restriction in grooming and dressing) <i>and</i> exposure to chemical or physical agents (for example sunlight, heat, cold etc.) may temporarily increase limitation or restriction
	No treatment, or intermittent treatment only, required	No treatment, or intermittent treatment only, required	No treatment, or intermittent treatment only, required	No treatment, or intermittent treatment only, required	No treatment, or intermittent treatment only, required
Adherence to underlying structures	No adherence	No adherence	No adherence	Some adherence	Some adherence

**Note:** This table uses the principle of *best fit*. Medical assessors should assess the impairment to the whole skin system against each criteria and then determine which impairment category best fits (or describes) the impairment. A skin impairment will usually meet most, but does not need to meet all, criteria to best fit a particular impairment category.



# Acknowledgements

The first version of these Guidelines was developed for the then NSW Motor Accidents Authority by a consortium comprising Dr Jim Stewart, Associate Professor Ian Cameron, Associate Professor Malcolm Sim and Professor Peter Disler. The bulk of the task was undertaken by seven clinical reference groups, whose members are listed below. Particular mention should be made of the extensive contributions of Dr Dwight Dowda, Professor Sydney Nade and Dr Julian Parmegiani.

A number of Victorian clinicians with experience in the use of the AMA Guides (second and fourth editions) have provided valuable assistance. They are Dr Neil Cullen, Dr Michael Epstein, Dr Peter Lothian, Dr Gary Speck, Dr Richard Stark and Dr Nigel Strauss. Dr Alan Rosen provided valuable comment on the PIRS.

## Upper extremity

- Professor Sydney Nade (chair)
- Dr Lyn March
- Dr David Duckworth
- Dr Jim Stewart
- Dr Dwight Dowda
- Professor Bill Marsden
- Associate Professor Ian Cameron
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## Lower extremity

- Professor Sydney Nade (chair)
- Dr Dwight Dowda
- Dr Ken Hume
- Dr Lyn March
- Dr Jim Stewart
- Professor Bill Marsden
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- Dr Dwight Dowda
- Dr Jim Stewart
- Dr Michael Ryan
- Dr John Yeo
- Associate Professor Ian Cameron

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- Dr Stephen Buckley (chair)
- Dr Peter Blum
- Dr Dwight Dowda
- Dr Keith Lethlean
- Dr Ivan Lorenz
- Dr Jim Stewart
- Associate Professor Ian Cameron

## ENT and scarring

- Dr Ray Carroll (chair)
- Dr Dwight Dowda
- Dr Brian Williams
- Dr Victor Zielinski
- Associate Professor Ian Cameron

## Mental and behavioural disorders

- Dr Julian Parmegiani (chair)
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# Part 7 of the Motor Accident Guidelines: Dispute resolution

For and with respect to internal review by insurers and dispute resolution by the State Insurance Regulatory Authority's Dispute Resolution Service (DRS) including determination of merit review matters, medical assessment matters, miscellaneous claims assessment matters and claims assessment matters.

Made under the *Motor Accident Injuries Act 2017* (NSW) (the Act), including Part 7 (Dispute resolution), Division 7.3 (Internal review), Division 7.4 (Merit review), Division 7.5 (Medical assessment) and Division 7.6 (Claims assessment).

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# Preliminary

## Explanatory note

- 7.1 'Part 7 of the Motor Accident Guidelines: Dispute resolution' is made under those Sections of the *Motor Accident Injuries Act 2017 (NSW)* (the Act) relating to dispute resolution in the NSW motor accident injuries (MAI) scheme, including internal reviews by insurers and the Dispute Resolution Service (DRS) of the State Insurance Regulatory Authority (the Authority).
- 7.2 DRS has been established by the Authority under Division 7.2, Section 7.2 of the Act, as a dispute resolution service that is independent of insurers and claimants, to resolve disputes as they arise during the course of a claim.
- 7.3 DRS is delivered by the Dispute Resolution Services Division, a separate division of the Authority, which is independent from other divisions of the Authority.
- 7.4 These Guidelines are intended to instruct, guide, support and assist claimants and their representatives, insurers and their representatives, members of the legal and medical professions, officers of DRS, dispute resolution officers (DROs), proper officers, DRS merit reviewers, DRS medical assessors, DRS claims assessors and the DRS principal claims assessor (PCA) to resolve disputes arising in MAI scheme claims in accordance with the objects of the Act and the objects of DRS.
- 7.5 These Guidelines apply to all MAI scheme claims arising from accidents occurring on or after 1 December 2017.
- 7.6 These Guidelines should be read in conjunction with the Act and the Regulation.
- 7.7 These Guidelines replace the previous Motor Accident Guidelines published on 22 November 2017 and will apply to all new internal review applications and applications to DRS on or after 1 and all current matters at internal review or at DRS on or after that date, that have not been determined, unless otherwise provided for in these Guidelines.
- 7.8 In support of these Guidelines, the Authority has published on its website ([www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)) a suite of supporting information and explanatory materials to assist and inform claimants, insurers and their representatives on the operations of this Part of the Motor Accident Guidelines and dispute resolution in the MAI scheme.
- 7.9 Questions about these Guidelines should be directed to the Executive Director, Dispute Resolution Services.

## Introduction and interpretation

### What is the power, status and purpose of these Guidelines?

- 7.10 The power to make this Part of the Motor Accident Guidelines comes from the Act, including Part 7, Division 7.3 (Internal review), Division 7.4 (Merit review), Division 7.5 (Medical assessment) and Division 7.6 (Claims assessment).

- 7.11 This Part of the Motor Accident Guidelines is to be read in conjunction with the Act and the Regulation.
- 7.12 The purpose of this Part of the Motor Accident Guidelines is to:
- 7.12.1 give effect to legislative provisions with respect to dispute resolution in the MAI scheme, including internal reviews by insurers and dispute resolution by DRS.
  - 7.12.2 instruct, guide, support and assist claimants and their representatives, insurers and their representatives, members of the legal and medical professions, officers of DRS, merit reviewers, medical assessors and claims assessors to resolve disputes arising in claims, in accordance with the objects of the Act and the objects of DRS, and in a way that is timely, fair, cost-effective, accessible, transparent and professional.

## Definitions

### What definitions apply in these Guidelines?

- 7.13 The definitions of terms in this clause apply to this Part of the Motor Accident Guidelines to the extent that these terms may not otherwise be defined in the Act. The terms used in 'Part 7 of the Motor Accident Guidelines: Dispute resolution' have the following meanings:
- 7.13.1 Act - the *Motor Accident Injuries Act 2017* (NSW).
  - 7.13.2 Advisory service - An advisory service under [Section 7.49](#) of the Act to assist claimants in connection with their claims and with the dispute resolution procedures under [Part 7](#) of the Act.
  - 7.13.3 Applicant - The party that refers a claim or dispute in connection with a claim.
  - 7.13.4 Application - The way a party refers a merit review matter, medical assessment and claims assessment matter to DRS.
  - 7.13.5 Authority - The State Insurance Regulatory Authority, constituted under the *State Insurance and Care Governance Act 2015* (NSW).
  - 7.13.6 Claimant - A person who makes or is entitled to make a claim.
  - 7.13.7 Claims assessor - A person appointed by the Authority under [Part 7, Division 7.2](#) of the Act as a DRS claims assessor.
  - 7.13.8 Claims for insurers - 'Part 4 of the Motor Accident Guidelines: Claims', which are made under [Section 6.1](#) of the Act, and which make provision with respect to the manner in which insurers and those acting on their behalf are to deal with claims.
  - 7.13.9 Decision maker - A DRS merit reviewer, DRS claims assessor, DRS principal claims assessor, DRS proper officer or DRS medical assessor.
  - 7.13.10 Dispute resolution - This document, being 'Part 7 of the Motor Accident Guidelines: Dispute resolution'.
  - 7.13.11 DRO - A dispute resolution officer who is a staff member of DRS.

- 7.13.12 DRS – The Dispute Resolution Service of the Authority.
- 7.13.13 Health Practitioner – Has the same meaning as in the *Health Practitioner Regulation National Law (NSW)*.

### Definitions that apply in these Guidelines cont.

- 7.13.14 Internal review – A review of a decision by the insurer under Division 7.3 (Internal review of insurer’s decisions) of the Act.
- 7.13.15 Internal reviewer – An insurer’s internal reviewer who may conduct an internal review under Division 7.3 of the Act.
- 7.13.16 MAI scheme – The NSW motor accident injuries scheme, created under Act.
- 7.13.17 Matters – A merit review matter, medical assessment matter, miscellaneous claims assessment matter or claims assessment matter as declared by Schedule 2 of the Act.
- 7.13.18 Medical assessment matter – A matter declared by Schedule 2, clause 2 of the Act to be a medical assessment matter.
- 7.13.19 Medical assessor – A person appointed by the Authority under Part 7, Division 7.2 as a DRS medical assessor.
- 7.13.20 Medical review panel – Comprised of at least two DRS medical assessors who have been appointed by the Authority under Section 7.4 of the Act for the purposes of conducting a review of a single medical assessment under Section 7.26 of the Act.
- 7.13.21 Merit review matter – A matter declared by Schedule 2, clause 1 of the Act to be a merit review matter.
- 7.13.22 Merit review panel – Comprised of at least two merit reviewers who have been appointed by the Authority under Section 7.4 of the Act for the purposes of conducting a review of a single merit review under Section 7.15 of the Act.
- 7.13.23 Merit reviewer – A person appointed by the Authority under Part 7, Division 7.2 as a DRS merit reviewer.
- 7.13.24 Miscellaneous claims assessment matter – A matter declared under Schedule 2, Section 3 of the Act to be a miscellaneous claims assessment matter.
- 7.13.25 Officer of DRS – A staff member of the Authority who is also staff member of DRS.
- 7.13.26 PCA – The principal claims assessor of DRS appointed under Schedule 3 of the Act.
- 7.13.27 Person under a legal incapacity – includes:
- 7.13.29.1. a child under the age of 18 years, and
  - 7.13.29.2. a forensic patient within the meaning of the *Mental Health (Forensic Provisions) Act 1990 (NSW)*, as defined in Section 42 of that Act, and
  - 7.13.29.3. an involuntary patient or forensic patient within the meaning of the *Mental Health Act 2007 (NSW)*, as defined in Section 4 of that Act, and

- 7.13.29.4. a person under guardianship within the meaning of the *Guardianship Act 1987 (NSW)*, as defined in Section 3 of that Act, and



## Definitions that apply in these Guidelines cont.

- 7.13.29.5. a protected person within the meaning of the *NSW Trustee and Guardian Act 2009 (NSW)*, as defined in Section 38 of that Act, and
- 7.13.29.6. an incommunicate person who has such a physical or mental disability that they are unable to receive communications, or express their will, with respect to their property or affairs.
- 7.13.28 Proceedings – Any conference or other proceeding held with or before a DRS claims assessor, including any such proceedings at which the parties (or some of them) participate by telephone, closed-circuit television or other means.
- 7.13.29 Proper officer – A member of staff of the Authority designated by the Authority for the purpose of determining applications under Section 7.15, Section 7.24 or Section 7.26 of the Act.
- 7.13.30 Regulation – The Motor Accident Injuries Regulation 2017.
- 7.13.31 Representative – A person representing an insurer or claimant.
- 7.13.32 Reply – The response to an application.
- 7.13.33 Respondent – A party who replies to an application.

## How do the references apply in these Guidelines?

- 7.14 Sections and parts – A reference in this Part of the Motor Accident Guidelines to a ‘Part X’, ‘Division Y’ or ‘Section Z’ is a reference to a Part, Division or Section of the *Motor Accident Injuries Act 2017 (NSW)* (the Act), as amended from time to time, unless otherwise specified.
- 7.15 Parties – A reference in this Part of the Motor Accident Guidelines to a party includes a reference to any representative of that party, unless otherwise specified.
- 7.16 Days – A reference in this Part of the Motor Accident Guidelines to a number of days is a reference to a number of calendar days, unless otherwise specified.

## Obligations and duties

### What are the obligations of the Authority?

- 7.17 The Authority is under an obligation to:
  - 7.17.1 establish the DRS, consisting of merit reviewers, medical assessors, claims assessors and staff of the Authority, under Section 7.2 of the Act
  - 7.17.2 establish an advisory service to assist claimants in connection with their claims and dispute resolution procedures under Part 7 of the Act, and

- 7.17.3 exercise the functions of the Authority under Division 10.1 of the Act, including to issue Motor Accident Guidelines, establish DRS, appoint decision makers, and provide an advisory service to assist claimants in connection with claims and with dispute resolution procedures under Part 7 of the Act.

## What are the obligations and duties of the insurer?

7.18 An insurer must:

- 7.18.1 act in accordance with the objects of the Act and the objects of DRS
- 7.18.2 comply with its duty to act in good faith under Section 6.3 of the Act
- 7.18.3 comply with its duty to endeavour to resolve a claim as justly and expeditiously as possible under Section 6.4 of the Act
- 7.18.4 act honestly and fairly while participating in any dispute resolution processes, including complying with any requests or directions made by decision makers
- 7.18.5 not mislead the parties, representatives, DRS or any decision maker
- 7.18.6 attempt to identify and narrow any issues in dispute before any application is lodged with DRS and continue to do so while any application is being considered by DRS, and
- 7.18.7 comply with the requirements of 'Part 7 of the Motor Accident Guidelines: Dispute resolution'.

## What are the obligations and duties of the claimant?

7.19 A claimant must:

- 7.19.1 act in accordance with the objects of the Act and the objects of DRS
- 7.19.2 comply with their duty to act in good faith under Section 6.3 of the Act
- 7.19.3 comply with their duty to endeavour to resolve a claim as justly and expeditiously as possible under Section 6.4 of the Act
- 7.19.4 comply with their duty to take all reasonable steps to minimise their loss under Section 6.5 of the Act
- 7.19.5 comply with any requests or directions made by decision makers
- 7.19.6 act honestly and not mislead the parties, representatives, DRS or any decision maker

- 7.19.7 attempt to identify and narrow any issues in dispute before any application is lodged with DRS and continue to do so while any application is being considered by DRS, and
- 7.19.8 comply with the requirements of 'Part 7 of the Motor Accident Guidelines: Dispute resolution'.

## What are the obligations of a representative of a party?

- 7.20 A representative of a claimant or insurer must:
  - 7.20.1 act honestly and not mislead the parties, representatives, DRS or any decision maker
  - 7.20.2 assist the party they are representing to act in accordance with the objects of the Act and the objects of DRS
  - 7.20.3 assist the party they are representing to meet their obligations and duties under these Guidelines, and
  - 7.20.4 ensure that they do not, by their conduct, cause the party they represent to fail to meet their obligations and duties under these Guidelines.

## What are the obligations of DRS?

- 7.21 Decision makers of DRS must:
  - 7.21.1 assist the parties to resolve the issues in dispute referred to them
  - 7.21.2 assist the parties to further the objects of the Act and the objects of DRS
  - 7.21.3 assist the parties to meet their obligations and duties under these Guidelines
  - 7.21.4 act honestly and not mislead the parties, representatives or any decision maker, and
  - 7.21.5 interpret and apply the provisions of this Part of the Motor Accident Guidelines in a way that best supports the objects of the Act, and the objects of DRS.
- 7.22 Officers of DRS must:
  - 7.22.1 assist the parties and decision makers to resolve any issues in dispute in the claim
  - 7.22.2 assist the parties and decision makers to further the objects of the Act and the objects of DRS, and
  - 7.22.3 assist the parties, their representatives and decision makers to meet their obligations and duties under these Guidelines.
- 7.23 DRS may provide reports to the Authority on the failure of a claimant or insurer to comply with any duty, under [Section 6.7](#) of the Act.

# Insurer internal review

## Guideline powers

### What is the power to make Guidelines about internal reviews?

- 7.24 This Part of the Motor Accident Guidelines, in relation to internal reviews by insurers, is made under the Act, including under [Division 7.3](#), [Section 7.9](#) of the Act.

## Internal review matters

### What insurer decisions can a claimant request be internally reviewed?

- 7.25 A claimant may request an internal review by the insurer under [Division 7.3](#), [Section 7.9](#) of the Act of an insurer's decision about a merit review matter, medical assessment matter, or a miscellaneous claims assessment matter.
- 7.26 Merit review matters, medical assessment matters and miscellaneous claims assessment matters are defined in [Section 7.1](#) of the Act to be those matters that are declared by [Schedule 2](#) of the Act to be such matters.

### What insurer decisions do not require an internal review before referral to DRS?

- 7.27 An application to DRS may be made without an internal review, under [Sections 7.11\(2\)](#), [7.19\(2\)](#) and [7.41\(2\)](#) of the Act, if the insurer has failed to complete an internal review and notify the claimant of the decision on the internal review as and when required to do so, or has declined to conduct a review.
- 7.28 A merit review application to DRS may be made without an internal review, under [Section 7.11\(3\)](#) of the Act, if the reviewable decision is about a merit review matter that is of a kind prescribed by the Regulation.
- 7.29 The Regulation prescribes four types of merit review matters where an internal review is not required before an application may be made to DRS for a merit review, under Part 5, Division 1, clause 10 of the Regulation:
- 7.29.1 Whether, for the purposes of [Section 6.24](#) of the Act ('Duty of claimant to cooperate with other party'), a request made of the claimant is reasonable or whether the claimant has a reasonable excuse for failing to comply
  - 7.29.2 whether the claimant has provided the insurer with all relevant particulars about a claim in accordance with [Section 6.25](#) of the Act ('Duty of claimant to provide relevant particulars of claim for damages')
  - 7.29.3 whether the insurer is entitled to give a direction to the claimant under [Section 6.26](#) of the Act ('Consequences of failure to provide relevant particulars of claim for damages')

- 7.29.4 whether for the purposes of Section 8.10 of the Act ('Recovery of costs and expenses in relation to claims for statutory benefits'), the costs and expenses incurred by the claimant are reasonable and necessary.
- 7.30 A medical assessment application may be made without an internal review, under Section 7.19(3) of the Act, if the medical dispute is about a decision relating to a medical assessment matter that is of a kind prescribed by the Regulation. The Regulation does not prescribe any medical assessment matters for which an internal review is not required before a medical assessment application may be made.
- 7.31 A miscellaneous claims assessment may be made without an internal review, under Section 7.41(2)(a) of the Act, if the dispute is about a miscellaneous claims assessment matter that is of a kind prescribed by these Guidelines, as set out in clause 7.419.
- 7.32 A miscellaneous claims assessment application may also be made without an internal review, under Section 7.41(3), if the dispute is about a miscellaneous claims assessment matter that is of a kind prescribed by the Regulation. The Regulation prescribes in Part 5, Division 1, clause 11 one miscellaneous claims assessment matter where an internal review is not required before an application may be made:
- 7.32.1 Section 7.41 of the Act ('Internal review required before miscellaneous claims assessment') does not apply to a dispute about which insurer is the insurer of the at-fault motor vehicle for the purposes of Section 3.3 of the Act ('Determination of relevant insurer').

## Requesting an internal review

### How long does a claimant have to request an internal review?

- 7.33 These Guidelines set the time limit for a claimant to make a request for an internal review and for insurers to extend time for an application for internal review under Section 7.9(3)(b) of the Act.
- 7.34 A claimant may request an internal review of a decision within 28 days of receiving notice of the decision from the insurer.
- 7.35 If a claimant requests an internal review more than 28 days after receiving notice of the decision from the insurer, the insurer does not have to accept the application. This does not entitle the claimant to seek a review by DRS as the dispute has not first been the subject of an internal review by the insurer.
- 7.36 An insurer may exercise discretion to accept a late request for an internal review, consistent with Section 1.3 of the Act, if the insurer believes the exercise of that discretion would best promote the objects of the Act in all the circumstances of the claim.

### What is the effect of requesting an internal review?

- 7.37 The fact that an internal review has been requested does not stay or stop the effect of the original decision under review, and action may continue to be taken by the insurer based on that decision while any internal review is under consideration, under Section 7.9(7) of the Act.

## How does a claimant request an internal review?

- 7.38 This Part of the Motor Accident Guidelines sets out how a claimant may make a request for internal review under Division 7.3, Section 7.9(3)(a) of the Act.
- 7.39 A claimant may request an internal review by the insurer by:
- 7.39.1 application form – by completing the approved form for requesting an internal review by the insurer and delivering it to the insurer by post, email, facsimile or in person
  - 7.39.2 online application process – by completing an approved online application process for requesting an internal review by the insurer, to which the provisions of the *Electronic Transactions Act 2000* (NSW) apply
  - 7.39.3 letter – by contacting the insurer by letter and requesting an internal review, or
  - 7.39.4 telephone – by contacting the insurer by telephone and requesting an internal review.

## What must an internal review request include?

- 7.40 A request for an internal review of an insurer's decision must include:
- 7.40.1 all requirements specified in any application form approved by the Authority for making a request for an internal review
  - 7.40.2 all requirements specified in any approved online application process for making a request for an internal review, and
  - 7.40.3 in any case, details of:
    - 7.39.3.1 the decision of the insurer that is being referred for internal review
    - 7.39.3.2 the alternative decision sought in the internal review
    - 7.39.3.3 issues under review – the elements of the original decision that the claimant wishes to be reviewed
    - 7.39.3.4 the reasons the claimant believes the decision should be changed, and
    - 7.39.3.5 any additional documentation or materials that the claimant considers relevant to a review of the decision.

## Can the claimant withdraw a request for an internal review?

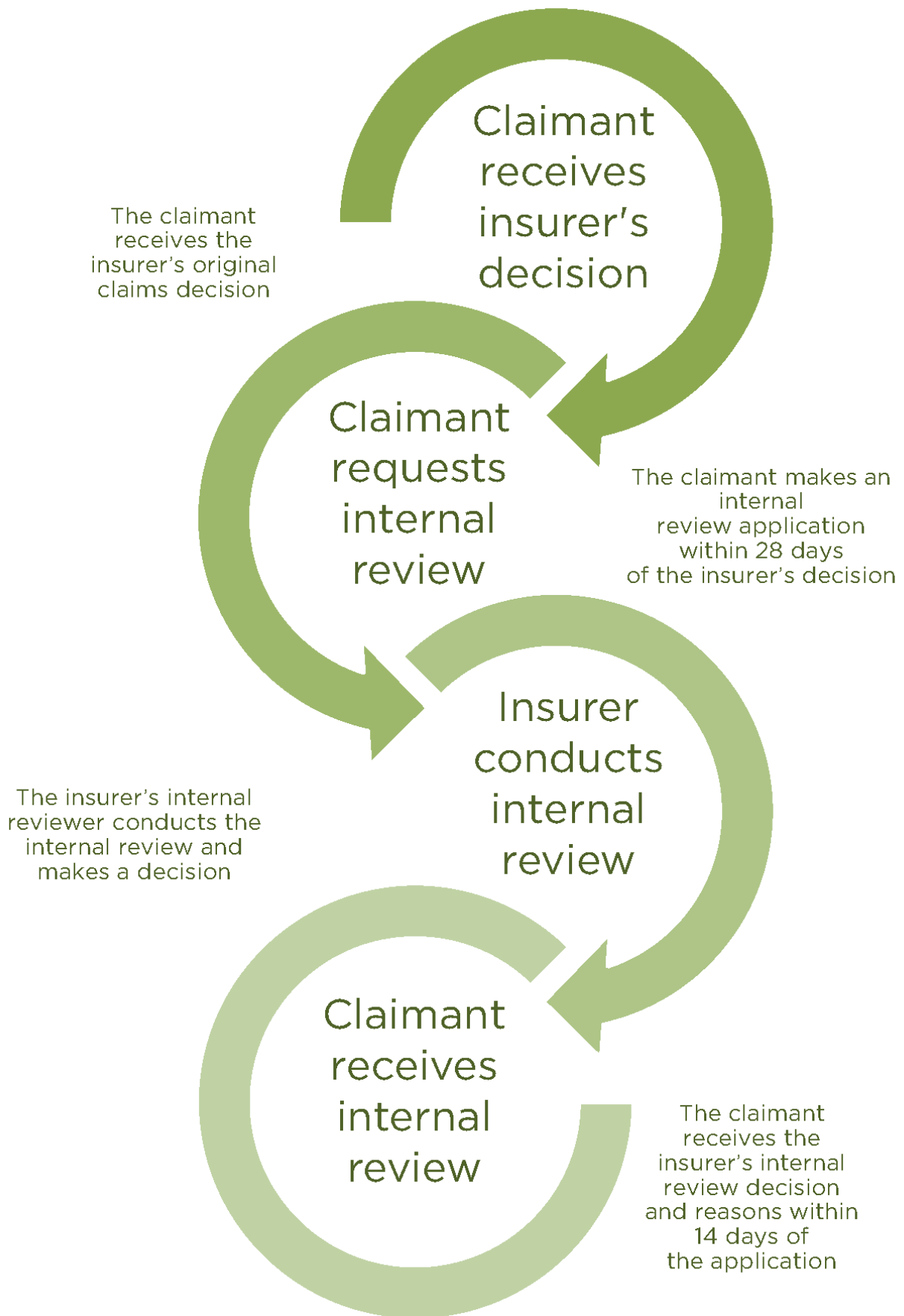
- 7.41 A claimant may withdraw a request for an internal review of a decision by letter, facsimile, telephone, email, or in person at any time before the insurer sends notification of the internal review decision to the claimant. The insurer will confirm the withdrawal of the request for an internal review in writing to the claimant.

## What happens once the insurer receives an internal review application?

- 7.42 The insurer will acknowledge receipt of the application for internal review by notification to the claimant, to be sent within two working days of receiving the application.

- 7.43 The notification is to be in writing and is to be delivered either by post, email, online electronic delivery, or a combination of these methods, depending on the claimant's preference.
- 7.44 The notification from the insurer must advise the claimant whether the insurer accepts that it has power to conduct an internal review of the decision, or alternatively whether the insurer does not accept it has the power to conduct an internal review. The notification must include the date that the application was received and the date the internal review decision is due to be issued.
- 7.45 If the insurer accepts that it has the power to conduct an internal review of the decision, the insurer must advise the claimant as soon as practicable, and preferably within seven days of receiving the application, of:
- 7.45.1 issues under review – the elements of the original decision that the insurer understands are under review
  - 7.45.2 internal reviewer – the person allocated as the internal reviewer to conduct the internal review
  - 7.45.3 additional information – any additional relevant documents or information required from the claimant for the internal review, and any additional information or documentation that the insurer has that is relevant to the internal review and has not previously been provided to the claimant, and
  - 7.45.4 how to make contact – how the claimant can contact the insurer about the internal review, and how the claimant can contact the advisory service about the internal review.
- 7.46 If the insurer does not accept it has the power to conduct an internal review, the insurer must also advise the claimant as soon as practicable and preferably within seven days of receiving the application, of:
- 7.46.1 reasons for decision – brief reasons for the decision to decline to conduct the review
  - 7.46.2 the internal reviewer – the person who decided to decline to conduct the review
  - 7.46.3 how to make contact – how the claimant can contact the insurer about the decision to decline to conduct the review, and how the claimant can contact the advisory service about the decision, and
  - 7.46.4 next steps for the claimant – the options available to the claimant if they disagree with the decision, including that they can seek legal advice as to the options available.
- 7.47 If an insurer accepts it has the power to conduct an internal review and then subsequently determines it does not have jurisdiction to do so, the insurer is to advise the claimant as soon as practicable of its decision to not accept the application.
- 7.48 If the insurer does not accept it has jurisdiction to conduct an internal review, that does not entitle the claimant to refer the dispute to DRS as the dispute has not first been the subject of an internal review by the insurer and the insurer has not declined to conduct a review.

Figure 7.1: The internal review process





## The internal review

### Who will conduct the internal review?

- 7.49 This Part of the Motor Accident Guidelines sets out details of individuals who may or may not conduct an internal review, under [Section 7.9\(3c\)](#) of the Act.
- 7.50 The individual appointed by the insurer as the internal reviewer to conduct the internal review:
- 7.50.1 must be someone who has the required skills, experience, knowledge, training, capacity and capability to conduct the internal review in accordance with the objects of the Act, the obligations and duties established in this Part of the Motor Accident Guidelines, and the claims handling principles established in these Guidelines
  - 7.50.2 must not be someone who has been involved in making or advising on the initial insurer's decision, who has previously managed any aspect of the claim or who the initial decision maker reports to or manages directly, and
  - 7.50.3 may be someone who has previously conducted an internal review in relation to the same claim.

### How is the internal review conducted?

- 7.51 This Part of the Motor Accident Guidelines makes provision for the way an internal review is to be conducted under [Section 7.9\(3d\)](#) of the Act.
- 7.52 The internal review must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular internal review, which may include undertaking the review on the papers, using teleconferences, videoconferences or face-to-face meetings as appropriate.
- 7.53 The internal reviewer may determine the internal review procedure, is not bound by the rules of evidence and may inquire into any matter relevant to the issues under review in such manner as the internal reviewer thinks fit.

### Can the internal reviewer consider new information?

- 7.54 The claimant may submit new information to the insurer to be considered by the internal reviewer.
- 7.55 The internal reviewer may consider information that was not provided before the decision being reviewed was made, under [Section 7.9\(6\)](#) of the Act, and the insurer must provide any such information to the claimant if it has not already been provided to the claimant.
- 7.56 The insurer is to provide the claimant with any information considered that was not provided before the original decision was made, and the claimant is to be given the opportunity to respond.

## Can the internal reviewer request information from the claimant?

- 7.57 The insurer may reasonably request information from the claimant for the purposes of the internal review, which the claimant must provide, under Section 7.9(2) of the Act.
- 7.58 If the claimant does not provide the insurer with the information reasonably requested, the insurer may decline to conduct an internal review.

## How will the internal reviewer determine the application?

- 7.59 In determining an internal review application, the internal reviewer is to review the matter on the merits and make their decision having regard to the material before them, including the relevant factual material and applicable law.

## What decisions may the internal reviewer make?

- 7.60 In determining an internal review application, the internal reviewer may decide to:
- 7.60.1 affirm the original decision
  - 7.60.2 vary the original decision, or
  - 7.60.3 set aside the original decision and make a decision in substitution for the original decision.

## What does the internal reviewer provide to the parties?

- 7.61 The internal reviewer is to issue the claimant with a certificate as to the decision, including a brief statement of reasons for the decision.

## When will the internal review decision be issued?

- 7.62 The insurer is to notify the claimant of the results of the internal review within the period of time specified in Table 7.1 after receiving the request for review, under Section 7.9(4) of the Act, unless the circumstances in clause 7.63 below of this Part of the Motor Accident Guidelines apply to allow a longer period.

Table 7.1: Internal review notification period

Internal review matter types	Internal review period
Merit review matters about: 1. all matters ( <u>Schedule 2</u> , clause 1)	14 days
Medical assessment matters about: 2. treatment and care being reasonable and necessary and causally related ( <u>Schedule 2</u> , clause 2(b)) 3. treatment and care improving recovery ( <u>Schedule 2</u> , clause 2(c)) 4. degree of impairment of earning capacity ( <u>Schedule 2</u> , clause 2(d))	14 days
Medical assessment matters about: 5. degree of permanent impairment ( <u>Schedule 2</u> , clause 2(a)) 6. minor injury ( <u>Schedule 2</u> , clause 2(e))	21 days
Miscellaneous claims assessment matters: 7. excluding those matters listed in 8-11 below in this table ( <u>Schedule 2</u> , clause 3)	14 days
Miscellaneous claims assessment matters about: 8. fault ( <u>Schedule 2</u> , clause 3(d)) 9. person mostly at fault ( <u>Schedule 2</u> , clause 3(e)) 10. serious driving offence exclusion ( <u>Schedule 2</u> , clause 3(f)) 11. contributory negligence ( <u>Schedule 2</u> , clause 3(g))	21 days

7.63 The circumstances in which an insurer has a longer period, under Section 7.9(5) of the Act, to complete and give notice of the results of an internal review are:

- 7.63.1 additional claimant information provided after application – where the claimant provides, at some point after the application for an internal review was lodged, new information of their own or at the insurer’s request that is relevant to the issues under review, an additional period of up to four days after the information is provided is allowed, and
- 7.63.2 the maximum period – in any case, including any longer periods above, must be no more than 28 days after the claimant’s request for the insurer to complete and give notice of the results of the internal review.

## What is the effect of the internal review decision?

- 7.64 The internal review decision of the insurer is binding on the insurer and should be applied and given effect to by the insurer as quickly as is practicable, in accordance with the insurer's responsibilities under this Part of the Motor Accident Guidelines.
- 7.65 A claimant who has received an internal review decision of an insurer may seek to refer the issues under review to DRS for either a merit review of a merit review matter, a medical assessment of a medical assessment matter, or a miscellaneous claims assessment of a miscellaneous claims assessment matter.

## What information must the insurer provide the claimant?

- 7.66 In notifying the claimant of the results of the internal review, the insurer is to provide the claimant with:
- 7.66.1 the internal reviewers certificate including brief reasons for the decision
  - 7.66.2 details of how and when the insurer will give effect to the internal reviewer's determination
  - 7.66.3 details of the impact of the internal reviewer's determination on the claimant and their claim, and
  - 7.66.4 details of any right of the claimant to apply for a merit review in relation to the internal review decision, as required under Part 5, clauses 12(1) and (2) of the Regulation. A failure to do so is subject to a maximum penalty of five penalty units.

## Are legal costs payable for internal reviews?

- 7.67 The Regulation in Part 6, clause 23 provides that no costs are payable for legal services to a claimant or to an insurer in connection with an application for an internal review by the insurer.

# Dispute Resolution Service

## Establishment & Jurisdiction

### What is the power to establish DRS?

- 7.68 The DRS is established by the Authority under Division 7.2 of the Act.

### What types of disputes can be resolved by DRS?

- 7.69 The types of disputes that can be resolved by DRS are merit review matters, medical assessment matters, claims assessment matters and other matters, including:
- 7.69.1 merit review matters under Part 7, Division 7.4 and as declared under Schedule 2, clause 1 of the Act

- 7.69.2 medical assessment matters under Part 7, Division 7.5 and as declared under Schedule 2, clause 2 of the Act
  - 7.69.3 further medical assessments under Section 7.24 of the Act
  - 7.69.4 reviews of medical assessments by review panel, under Section 7.26 of the Act
  - 7.69.5 non-binding opinions of medical assessors, under Section 7.27 of the Act
  - 7.69.6 miscellaneous claims assessment matters under Division 7.6, Subdivision 3 of the Act, and matters declared to be miscellaneous claims assessment matters under Schedule 2, Section 3 of the Act
  - 7.69.7 damages claims assessments, under Section 7.36 of the Act and exemption of a claim from assessment under Section 7.34 of the Act
  - 7.69.8 approvals of self-represented claimant damages claims settlements
  - 7.69.9 further damages claims assessment under Section 6.34 of the Act, and
  - 7.69.10 other matters under Section 7.2(3) of the Act where a provision of the Act confers a function on DRS.
- 7.70 Other matters referred to in clause 7.69.10 above may be referred to DRS by writing to the Executive Director, Dispute Resolution Services, who will designate an appropriate decision maker or decision makers for that other matter.

## Objects

### What are the objects of the Act about dispute resolution?

- 7.71 The objects of the Act are established in Section 1.3 of the Act, which includes the following objects that are of most direct relevance to DRS:
- 7.71.1 Section 1.3(2)(a) - to encourage early and appropriate treatment and care to achieve optimum recovery of persons from injuries sustained in motor accidents and to maximise their return to work or other activities
  - 7.71.2 Section 1.3(2)(b) - to provide early and ongoing financial support for persons injured in motor accidents
  - 7.71.3 Section 1.3(2)(f) - to deter fraud in connection with CTP insurance
  - 7.71.4 Section 1.3(2)(g) - to encourage the early resolution of motor accident claims, and the quick, cost-effective and just resolution of disputes
  - 7.71.5 Section 1.3(2)(h) - to ensure the collection and use of data to facilitate the effective management of the CTP insurance scheme.

## What are the objects of DRS?

- 7.72 The objects of DRS are detailed in Division 7.2, Section 7.3 of the Act:
- 7.72.1 Section 7.3(a) – to provide a timely, independent, fair and cost-effective system for the resolution of disputes that is accessible, transparent and professional
  - 7.72.2 Section 7.3(b) – to assess claims and disputes fairly and according to the substantial merits of the matter with as little formality and technicality as is practicable, and to minimise the cost to the parties
  - 7.72.3 Section 7.3(c) – to ensure the quality and consistency of decision making by decision makers
  - 7.72.4 Section 7.3(d) – to make appropriate use of the knowledge and experience of decision makers
  - 7.72.5 Section 7.3(e) – to establish and maintain effective communication and liaison with stakeholders concerning the role of DRS
  - 7.72.6 Section 7.3(f) – to publicise and disseminate information concerning the dispute resolution system and the role of DRS.

## How should the Act be interpreted?

- 7.73 Consistent with Section 1.3(4) of the Act, in the interpretation of a provision of the Act, the Regulation or this Part of the Motor Accident Guidelines, a construction that would promote the objects of the Act or the provision, and the objects of DRS, is to be preferred to a construction that would not promote those objects.

## How should discretions be exercised?

- 7.74 Consistent with Section 1.3(5) of the Act, in the exercise of a discretion conferred by a provision of the Act, the Regulation or this Part of the Motor Accident Guidelines, the person exercising the discretion must do so in the way that would best promote the objects of the Act or of the provision concerned, and the objects of DRS and in accordance with any applicable legal requirements reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

## How does ‘Part 4 of the Motor Accident Guidelines: Claims’ apply?

- 7.75 ‘Part 4 of the Motor Accident Guidelines: Claims’ makes provision for the manner in which insurers and their representatives are to deal with claims, under Section 6.1 of the Act.
- 7.76 ‘Part 4 of the Motor Accident Guidelines: Claims’ establishes five principles at clause 4.6 and states that insurers must act in accordance with all of the principles at all times and in all dealings with all claims.
- 7.77 The principles apply to insurers and their representatives during any disputes arising in claims and during any dispute resolution processes under this Part of the Motor Accident Guidelines.

## Lodging applications and replies

### Where is DRS located?

- 7.78 The DRS office is located at 1 Oxford Street, Darlinghurst, Sydney, and is open to the public for lodgement of documents and general enquiries from 8:30am to 5:00pm except on Saturdays, Sundays and public holidays.
- 7.79 DRS may make provision for lodgement of documents electronically and also outside the usual opening hours. Any documents lodged electronically after 11:59pm will be deemed to have been received on the next day that DRS is open to the public for lodgement of documents in person.
- 7.80 The contact details for DRS are:
- Phone: 1800 DISPUTE or 1800 347788
- Address: 1 Oxford St, Darlinghurst, NSW 2010
- Email: [disputeresolutionservice@sira.nsw.gov.au](mailto:disputeresolutionservice@sira.nsw.gov.au)

### How do you lodge an application with DRS?

- 7.81 A party may lodge an application with DRS by:
- 7.81.1 application form – by completing the approved DRS application form, and lodging it with DRS by post, email, or in person
  - 7.81.2 online application process – by completing an approved online DRS application process through any electronic dispute management (EDM) system, or
  - 7.81.3 telephone – a claimant who is making an application may contact DRS by telephone to make an application, which DRS will confirm in writing to the parties, confirming the nature and extent of the application.
- 7.82 DRS will, as soon as practicable, and preferably within two working days, acknowledge receipt of the application, and will give notice of the application to the other party, providing them with access to the application and all supporting documents and materials.

### What must an application include?

- 7.83 An application to DRS must include:
- 7.83.1 all requirements specified in any approved application form
  - 7.83.2 all requirements specified in any approved online application process through any EDM system, or
  - 7.83.3 all information requested by an officer of DRS while a telephone application is being made.
- 7.84 A claimant who is making an application should list all documents relevant to their application, but they do not need to attach copies of documents or materials they have previously provided to the insurer. The claimant only needs to provide copies of new documents or materials.



- 7.85 The insurer will be required to provide to DRS all of the documents or materials in their possession relevant to the application and reply, including documents and materials listed in the application by the claimant that the claimant has previously supplied to the insurer.
- 7.86 DRS may decline to accept an application if the application does not comply with clause [7.83](#) above, and notify the parties as soon as practicable, providing brief reasons for its decision.

### Can an applicant withdraw or amend an application?

- 7.87 An applicant may withdraw or amend an application to DRS online, by letter, telephone, email, or in person at any time before DRS notifies the parties of the outcome. DRS will confirm the withdrawal of the application in writing to the parties.

### How is a reply lodged?

- 7.88 A reply should be lodged as soon as practicable by a respondent and within any time limits specified in the Act, the Regulation or this Part of the Motor Accident Guidelines.
- 7.89 A respondent may lodge a reply to an application with DRS by:
- 7.89.1 reply form – by completing the approved DRS reply form, and lodging it with DRS by post, email, or in person
  - 7.89.2 online reply process – by completing an approved online DRS reply process through any EDM system, or
  - 7.89.3 telephone – by a claimant making a reply by contacting DRS by telephone, which DRS will confirm in writing to the parties, confirming the nature and extent of the claimant’s reply.
- 7.90 As soon as practicable, and preferably within two working days of receiving the reply, DRS will acknowledge receipt of the reply to the respondent, and will give notice of the reply to the applicant, providing them with access to the reply and all supporting documents and materials.

### What must a reply include?

- 7.91 A reply to an application must include:
- 7.91.1 all requirements specified in any approved reply form for responding to an application
  - 7.91.2 all requirements specified in any approved online reply process through any EDM system for responding to an application, or
  - 7.91.3 all information requested by an officer of DRS while a telephone reply is being made.
- 7.92 A claimant who is lodging a reply should list all documents relevant to their reply, but they do not need to attach copies of documents or materials they have previously provided to the insurer. The claimant only needs to provide copies of documents or materials not previously provided.
- 7.93 The insurer must provide to DRS all of the documents or materials in their possession relevant to the application and reply, including documents and materials listed in the reply that the claimant has previously supplied to the insurer.



- 7.94 DRS may decline to accept a reply if the reply does not comply with clause [7.91](#) above.
- 7.95 DRS may also proceed in the absence of a reply.

### Why might an application or reply be rejected by DRS?

- 7.96 An officer of DRS may reject any form, part of a form or supporting document if it does not substantially comply with this Part of the Motor Accident Guidelines or the requirements specified, unless the non-compliance is technical and of no significance.

### What happens if parties have representatives?

- 7.97 If the claimant is represented in respect of an application before DRS:
- 7.97.1 it is sufficient notification for a decision maker, officer of DRS or an insurer to send any document required to be sent to the claimant to the representative, and
  - 7.97.2 a decision maker or officer of DRS may contact the claimant directly in relation to the application before DRS to make arrangements for medical examinations, teleconferences or assessment conferences where the attendance of the claimant in person may assist in the resolution or determination of the issues in dispute.
- 7.98 If the insurer is represented in respect of an application before DRS:
- 7.98.1 it is sufficient notification for a decision maker, officer of DRS or a claimant to send any document required to be sent to the insurer to the representative, and
  - 7.98.2 a decision maker or officer of DRS may contact the insurer directly in relation to the application before DRS.
- 7.99 If a party retains a representative, or changes their representative after an application or reply is lodged at DRS, that party or their representative must notify DRS and the other party of the change in representation as soon as possible.

### What happens if the claimant is a person under legal incapacity?

- 7.100 A claimant who is a person under legal incapacity may not make any application, or refer any matter, or carry on proceedings at DRS except by an appointed representative, under [Section 7.47\(1\)](#) of the Act.
- 7.101 An appointed representative is a person appointed to represent the claimant under legal incapacity, and may be a relative, friend or other suitable person who is willing and able to be appointed to represent the claimant.
- 7.102 A person may be appointed to represent the person under legal incapacity in accordance with this Part of the Motor Accident Guidelines, under [Section 7.47\(2\)](#) of the Act.
- 7.103 An appointed representative may do anything that this Part of the Motor Accident Guidelines allows or requires a party to do, and anything required in this Part of the Motor Accident Guidelines of that party is also required of the appointed representative.

- 7.104 If legal incapacity ends during the course of proceedings – for example where a person turns 18 years of age – the appointed representative will no longer be appointed as the claimant’s representative.

## How do you apply to be an appointed representative of a person under legal incapacity?

- 7.105 A person may make an application to DRS for appointment as an appointed representative for a claimant at any time.
- 7.106 If the claimant already has an appointed representative, an application to DRS need not be made for appointment, and instead the representative should notify DRS and the other party of the terms of that existing appointment.
- 7.107 Any person may be appointed as a representative of a claimant except:
- 7.107.1 a person under legal incapacity
  - 7.107.2 a decision maker or officer of DRS, or
  - 7.107.3 a person who has an interest in the proceedings that may be adverse to the interests of the person under legal incapacity.
- 7.108 An application for appointment as an appointed representative for a claimant under legal incapacity may be referred to a claims assessor to consider whether or not to appoint that person as the appointed representative for the person under legal incapacity.
- 7.109 An application for appointment as an appointed representative for a claimant under legal incapacity must include:
- 7.109.1 evidence that the claimant is a person under legal incapacity, and
  - 7.109.2 evidence that the proposed representative consents to being appointed and does not have any interest in the proceedings adverse to the interests of the person under legal incapacity.

## What decisions about a representative may a claims assessor make?

- 7.110 A claims assessor may determine their own procedure, is not bound by the rules of evidence and may inquire into any matter relevant to the proposed appointment in such manner as they think fit.
- 7.111 A claims assessor must issue a decision on whether or not to appoint a person as an appointed representative for a claimant as soon as practicable, preferably within seven days of the lodgement of the application, providing brief reasons for that decision.
- 7.112 An appointed representative of a claimant under legal incapacity may apply to a claims assessor to cease their appointment.
- 7.113 If an appointed representative for a claimant under legal incapacity ceases their appointment, the DRS proceedings will be stayed pending the appointment of a new representative for the claimant under a legal incapacity.
- 7.114 A claims assessor may decide that a person is to be an appointed representative for a specified period of time, such as until a claimant turns 18 years of age within the meaning of Section 7.47(2) of the Act.

## What happens if the claimant needs an interpreter?

- 7.115 If a party indicates that an interpreter is required in relation to an application to DRS, an officer of DRS will arrange for an interpreter to be available when required as part of the dispute resolution process, and DRS will meet the costs of the interpreter.
- 7.116 If a decision maker indicates that an interpreter would assist their determination of an application to DRS, an officer of DRS will arrange for an interpreter to be available when required as part of the dispute resolution process, and DRS will meet the costs.
- 7.117 Interpreters and translators accredited by National Accreditation Authority for Translators & Interpreters (NAATI) will be preferred; however, a non-NAATI accredited interpreter may be used at the discretion of DRS if required.

## Can time limits be extended at DRS?

- 7.118 An officer of DRS or a decision maker may, if the circumstances justify, abridge or extend any time limit fixed by this Part of the Motor Accident Guidelines, including any time limit affecting the parties, DRS or a decision maker, other than the time fixed for a decision maker to issue a certificate.
- 7.119 In considering whether to abridge or extend any time limit, DRS will consider all relevant factors and circumstances surrounding the claim and the application, including:
- 7.119.1 the objects of the Act
  - 7.119.2 the objects of DRS
  - 7.119.3 the obligations and duties of the parties and DRS
  - 7.119.4 the reasons for seeking expedition
  - 7.119.5 the submissions, if any, of the other parties, and
  - 7.119.6 the interests of both parties to the application.
- 7.120 An officer of DRS or a decision maker may extend a time limit before or after the time has expired.

## How are days counted at DRS?

- 7.121 Where a period of time, dating from a given day, act or event, is prescribed or allowed for any purpose, the time will be counted exclusive of that day or of the day of that act or event.
- 7.122 Where, apart from this subsection, the period in question, being a period of five days or less, would include a day on which DRS is closed for lodgement in person, that day will be excluded.
- 7.123 Where the last day for doing a thing is a day on which DRS is closed for lodgement in person, the thing may be done on the next day on which the registry is open for lodgement in person.

## Can DRS expedite an application?

- 7.124 A party may request that an application to DRS be expedited by notifying DRS and the other party, providing reasons why the application should be expedited.
- 7.125 In the absence of a request by a party, an officer of DRS or a decision maker may also determine that an application should be expedited.
- 7.126 In considering whether an application should be expedited, DRS will consider all relevant factors and circumstances surrounding the claim and the application, including:
- 7.126.1 the objects of the Act
  - 7.126.2 the objects of DRS
  - 7.126.3 the obligations and duties of the parties and DRS
  - 7.126.4 the reasons for seeking expedition
  - 7.126.5 the submissions, if any, of the other parties
  - 7.126.6 the interests of both parties to the application, and
  - 7.126.7 the interests of other parties to other disputes, particularly regarding the equity of prioritising the application seeking expedition ahead of other applications.
- 7.127 If an application is to be expedited, DRS will take all reasonable steps to ensure the application is dealt with as quickly as possible.

## Documents and other supporting material

### Do documents lodged with DRS have to be in English?

- 7.128 If a party wishes to lodge a document with DRS in a language other than English, that party is responsible for arranging for the document to be translated.
- 7.129 Documents in a language other than English lodged with DRS should be accompanied by an English translation, and a declaration by the translator that the translation is an accurate translation.
- 7.130 If a party is unable to arrange for such a document to be translated, DRS will arrange to have the document translated, with the insurer to pay the costs of translation.

### How do you provide surveillance images to DRS?

- 7.131 If surveillance images or footage are to be lodged with DRS, it should be lodged at the same time the party lodges the application or reply, and:
- 7.131.1 all surveillance images or footage relevant to the issues in dispute must be lodged, not just some selected images or selected footage
  - 7.131.2 any investigators or loss adjusters report concerning those surveillance images or footage must also be lodged, and

7.131.3 the surveillance images or footage must be provided in an unedited digital format, with details also provided advising which specific portions of the images or footage are relevant to the issues in dispute.

7.132 Surveillance images and footage held by the Authority that contains personal information are subject to the *Privacy and Personal Information Protection Act 1998 (NSW)*.

## How do you provide medical imaging to DRS?

7.133 To provide DRS with medical imaging:

7.133.1 all relevant medical imaging must be listed by the parties in the application or reply, and, if an electronic copy is available, it must be included in the application or reply

7.133.2 the original medical image should not be lodged, and only a copy of the medical image or a report on the content of the medical imaging should be lodged, and

7.133.3 the claimant should take the original medical imaging listed in the application or reply, whether in a physical or electronic format, to any relevant medical assessment examination.

7.134 A medical assessor will consider any original medical imaging and accompanying reports that are taken to the examination, and:

7.134.1 where the medical imaging or reports have not previously been included in the documentation supporting the application or reply and exchanged by the parties, the medical assessor will list the medical imaging in their certificate and attach a copy of any associated reports to their certificate, and

7.134.2 the party in possession of the medical imaging will make those images, or an electronic version of those images, available to the other party to inspect on request.

## How does DRS deal with additional documents?

7.135 Parties may only lodge additional documents, after they have lodged documents with their application or reply either:

7.135.1 with the consent of the other party, or

7.135.2 in response to a specific request or direction from the decision maker or an officer of DRS, and

7.135.3 with approval of the decision maker or an officer of DRS, having considered all of the circumstances of the application and the claim.

## What happens if the date a document was delivered is unknown?

7.136 For the purpose of this Part of the Motor Accident Guidelines, if the date of delivery or receipt of a document cannot be ascertained, and the document was delivered to the address given by a claimant or insurer for delivery of documents, then the following deeming provisions apply.

- 7.137 Unless there is evidence to the contrary, the documents are to be taken to be received by the person as follows:
- 7.137.1 in the case of personal delivery to a physical address, the day the document is delivered to that address
  - 7.137.2 in the case of postage to a postal address, five working days after the document is posted
  - 7.137.3 in the case of sending to a DX box, two working days after the document is left in that DX box or in another DX box for transmission to that DX box
  - 7.137.4 in the case of an email to an email address, on the day the email is sent if received by 11:59pm, or
  - 7.137.5 in the case of a facsimile to a facsimile number, on the day the facsimile is sent if received before 11:59pm.
- 7.138 For matters lodged via the EDM system, the provisions of Section 13B of the *Electronic Transactions Act 2000 (NSW)* apply for the purpose of this Part of the Motor Accident Guidelines.

### What are the restrictions on medico-legal evidence?

- 7.139 In any application in relation to a merit review under Division 7.4 of the Act, a medical assessment under Division 7.5 of the Act or the assessment of a claim under Division 7.6 of the Act, evidence given by a health practitioner in relation to a medical matter concerning an injured person is not admissible unless that evidence is from a treating health practitioner of the injured person, or a practitioner authorised by the Motor Accident Guidelines, under Section 7.52 of the Act.
- 7.140 The Regulation may prescribe the kind of medical assessment matter to which the restrictions in Section 7.52 of the Act apply, in addition to permanent impairment matters, under Section 7.52(4)(b) of the Act.
- 7.141 Division 6, clause 18 of the Regulation provides that the restrictions in Section 7.52 of the Act apply to all medical assessment matters.
- 7.142 The Motor Accident Guidelines may make provision with respect to the appointment of relevant health practitioners who may be authorised under Section 7.52(1)(b) of the Act to give evidence, under Section 7.52(2) of the Act.

### Which health practitioners are authorised to give evidence?

- 7.143 The Authority may appoint any person as a health practitioner authorised under Section 7.52(1)(b) of the Act, to give evidence for the purposes of the Act and these Motor Accident Guidelines, if it is satisfied that they are suitably qualified.
- 7.144 The Authority is to ensure that, as far as reasonably practicable, there are health practitioners appointed in the regional areas of the state.
- 7.145 Nothing prevents a health practitioner from being appointed as a decision maker of DRS, as well as a health practitioner authorised under Section 7.52(1)(b) of the Act.



- 7.146 The terms of appointment of a health practitioner may restrict a health practitioner to being authorised to give evidence in disputes of a specified kind and/or claims of a specified kind and/or claimants of a specified kind.
- 7.147 The terms of appointment of a health practitioner may establish the requirements for appointment of a health practitioner and/or the standards that are required of an appointed health practitioner and/or the duration of the appointment.
- 7.148 The Authority may remove a health practitioner from appointment at any time.
- 7.149 The Authority shall publish on its website ([www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)) a list of appointed health practitioners who are authorised under Section 7.52(1)(b) of the Act to give evidence, and the terms and extent of any such appointment and authorisation.

### What happens if an authorised health practitioner is not available?

- 7.150 If a party is unable to make appropriate arrangements with a practitioner appointed by the Authority that are suitable to that party, (such as in relation to the availability of a health practitioner, the timing of the evidence to be given, and the nature and extent of the evidence to be given) the parties may request the Authority to appoint a health practitioner for the purposes of that claim, by writing to the Executive Director, Dispute Resolution Services who will refer the matter to an appropriate decision maker to consider the views of both parties and determine an appropriate health practitioner to be appointed in relation to that particular claim.
- 7.151 The determination of the decision maker as to the appropriate health practitioner to be appointed will be made as soon as practicable and will be binding on the parties.

### Which health practitioners may be jointly agreed by the parties to give evidence?

- 7.152 In circumstances where a claimant is represented by an Australian legal practitioner, the parties may agree between them to appoint, in relation to a particular claim, any health practitioner authorised under Section 7.52(1)(b) of the Act, to give joint evidence in relation to that particular claim for the purposes of the Act and these Motor Accident Guidelines.
- 7.153 The parties must agree on the health practitioner and the extent of the evidence to be given in relation to the claim.
- 7.154 If the parties cannot agree on the appointment of a health practitioner, then either party may request the Authority to appoint a health practitioner for the purposes of that claim by writing to the Executive Director, Dispute Resolution Services, who will refer the matter to an appropriate decision maker to consider the views of both parties and determine an appropriate health practitioner to be appointed in relation to that particular claim.
- 7.155 The determination of the decision maker as to the appropriate health practitioner to be appointed will be made as soon as practicable and will be binding on the parties.

## DRS electronic dispute management system

### Can DRS establish an EDM system?

- 7.156 DRS may establish an electronic dispute management (EDM) system to help support the objects of DRS, including to:
- 7.156.1 enable applications and replies to DRS to be created, lodged, exchanged and accessed in an electronic form
  - 7.156.2 enable documents with respect to applications to DRS to be created, exchanged, lodged, issued and accessed in electronic form by the parties and DRS
  - 7.156.3 enable parties to applications to DRS to communicate in an electronic form with DRS and with other parties
  - 7.156.4 enable information concerning the progress of applications to DRS to be provided in an electronic form to parties to those disputes, and/or
  - 7.156.5 enable officers of DRS and decision makers to communicate in an electronic form with parties to applications to DRS.
- 7.157 DRS may issue an information sheet for the use of the EDM system, and establish requirements for persons to become registered users of the EDM system, in addition to decision makers and officers of DRS.
- 7.158 Such an information sheet may specify, among other things, the level of access to the EDM system to which persons or specified classes of persons are entitled, the conditions of use of the EDM system applicable to persons generally or persons of any such class, the security methods by which persons using the EDM system are identified and verified, and how users gain access to the EDM system.
- 7.159 Subject to any information sheet, a person other than a decision maker and an officer of DRS may not use the EDM system for a particular application unless they are a registered user of the EDM system and is:
- 7.159.1 a party to the application to DRS, or
  - 7.159.2 a legal practitioner or agent representing a party to the application regarding to DRS.
- 7.160 In relation to any application, the level of access to the EDM system to which a user is entitled, and the conditions of use applicable to a user, are subject to any decision of DRS.
- 7.161 Documents and information lodged via the EDM system may be dealt with in accordance with the provisions of the *Electronic Transactions Act 2000 (NSW)*.
- 7.162 When DRS sends documents or forwards correspondence to a party who is a registered user of the EDM system, it will generally only do so via electronic communication to that party through the EDM system.



- 7.163 The Regulation may prescribe methods for service of documents (which is defined in Part 11, Sections 11.5(4), 11.6(4), and 11.7(4) of the Act to include in the definition of *serve* the words to *give* or to *send*) in addition to the methods available in Sections 11.5, 11.6 and 11.7 of the Act, under Sections 11.5(1f), 11.6(1d) and 11.7(1c) of the Act.
- 7.164 The Regulation prescribes additional methods for service of documents using the EDM system, under Part 7, clause 36 of the Regulation.

## Managing applications made to DRS

### How will DRS manage applications?

- 7.165 The application will be allocated to a DRO as the contact point for the parties with DRS who is responsible for the management of the application.
- 7.166 The DRO will notify the parties how the application will be managed, and about any preliminary issues arising in the application, as soon as practicable, and preferably within two working days of receiving the application.
- 7.167 The DRO will consider the application, reply, documentation and materials to triage the application and determine how it will be managed, including determining any relevant preliminary issues arising in the application, including:
- 7.167.1 jurisdiction – whether DRS has the power to accept the application
  - 7.167.2 issues in dispute – the issues that are the subject of the application that are in dispute between the parties, and whether it may be possible to assist the parties to narrow or resolve those issues in dispute and what appropriate dispute resolution approaches might assist that to occur
  - 7.167.3 process – the process for resolving the issues in dispute between the parties that are the subject of the application
  - 7.167.4 decision maker – an appropriate decision maker or decision makers to determine the application, and
  - 7.167.5 additional documentation and materials – whether any additional documentation and materials relevant to the application are required from the parties to help resolve the issues in dispute and to determine the application.
- 7.168 The decision maker who will determine the application is not bound by any preliminary determination by the DRO as to the issues in dispute, or the documentation or materials that are relevant to the application.
- 7.169 In managing the application, DRO must exercise any discretion in the way that best supports the objects of the Act, or the provision concerned, and the objects of DRS, and, in accordance with any applicable legal requirements. The DRS must also act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.
- 7.170 In managing the application, DRO may:
- 7.170.1 contact the parties by email, letter, telephone, in person, teleconference, videoconference, face-to-face meetings or via any other method as appropriate

- 7.170.2 inquire into any matter relevant to the issues in dispute in such manner as they think fit
- 7.170.3 assist the parties narrow the issues in dispute, or to resolve the issues in dispute where appropriate, using their best endeavours to do so, including using any appropriate dispute resolution approaches.

7.171 The DRO will keep the parties informed of the application's progress.

### Can you object to the decision-maker allocated to your application?

- 7.172 Either party may, after being notified by the DRO of the DRS decision maker who will be the merit reviewer, proper officer, medical assessor or claims assessor to determine an application, apply to have the application reallocated to a different merit reviewer, proper officer, medical assessor or claims assessor.
- 7.173 Any such application must include reasons why the decision maker is not appropriate to determine the application.
- 7.174 The DRO will make a decision on any such application and may reallocate the dispute if satisfied that the decision maker is not appropriate to determine the application.
- 7.175 DRO may reallocate an application to a different decision maker if the original decision maker becomes unwell, is otherwise unable to determine the application or the DRO becomes aware that the decision maker is no longer appropriate to determine the application.
- 7.176 The DRO will advise the parties of the decision in response to the application to be reallocated, giving brief reasons for the decision.

### Can you contact a decision maker?

- 7.177 Parties must not correspond with a DRS decision maker directly in respect of a current or finalised application.
- 7.178 All correspondence to, and communication with, DRS and a decision maker must be directed to the DRO, unless directed otherwise by the decision maker.

## Publication of decisions

### Which decisions may be published?

- 7.179 Details of the decisions of merit reviewers and claims assessors may be published in accordance with this Part of the Motor Accident Guidelines, under [Section 7.50](#) of the Act.
- 7.180 The publication of the decisions of merit reviewers and claims assessors is to enhance transparency, accountability and education, and to provide guidance and education to claimants, insurers, representatives and all scheme stakeholders. Publication is intended to assist in improving claims management practices, insurer decision making and minimise disputation in the motor accident scheme.

- 7.181 DRS operates under a presumption in favour of publishing the decisions of merit reviewers and claims assessors, which may include:
- 7.181.1 publication of a decision in full, or
  - 7.181.2 publication of a decision in part, or
  - 7.181.3 publication of a de-identified and anonymised version of a decision.
- 7.182 A claimant may request that DRS withhold its decision from publication at any time up to 14 days after the decision is issued. DRS may withhold from publishing all or part of a decision, regardless of whether or not a claimant requests that DRS does so, if it is desirable to do so because of the confidential or sensitive nature of the information, or for any other reason.
- 7.183 DRS may publish decisions of merit reviewers and claims assessors on the DRS EDM system, on the Authority's website ([www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)) and/or on the Australasian Legal Information Institute (AustLII) website ([www.austlii.edu.au](http://www.austlii.edu.au)) or by other means.

## Merit review

### Guideline powers

#### What is the power to make Guidelines about merit reviews?

- 7.184 This Part of the Motor Accident Guidelines, in relation to merit reviews by DRS, is made under the Act, including under Division 7.4, Section 7.12 of the Act.

### Merit review matters

#### What decisions can you ask to be merit reviewed?

- 7.185 A claimant may apply to DRS for a merit review of a reviewable decision of an insurer under Section 7.12 of the Act.
- 7.186 A reviewable decision is defined in Section 7.10 of the Act as an insurer's decision about a merit review matter.
- 7.187 A merit review matter is defined in Section 7.1 of the Act as a matter declared by Schedule 2 of the Act to be a merit review matter.
- 7.188 Schedule 2 of the Act may be amended or replaced by the Regulation, under Section 7.51 of the Act.
- 7.189 Schedule 2 of the Act has been amended by Schedule 2, clause 5 of the Regulation, which declares the matters that are merit review matters, and which may be the subject of an application for merit review.

## Applying for a merit review

### What has to happen before you may apply for a merit review?

- 7.190 A merit review application may be made after:
- 7.190.1 the decision has been the subject of an internal review by the insurer, under Section 7.11(1) of the Act, or
  - 7.190.2 the insurer has failed to complete an internal review and notify the claimant of the internal review decision within the timeframe that they are required to do so, under Section 7.11(2) of the Act, or
  - 7.190.3 the insurer has declined to conduct an internal review under Section 7.11(2) of the Act and clause 7.58 of this Part of the Motor Accident Guidelines.
- 7.191 A merit review application may be made where the decision has not been the subject of an internal review by the insurer, under Section 7.11(3) of the Act, if the reviewable decision is about a merit review matter that is of a kind prescribed by the Regulation.
- 7.192 The Regulation prescribes a number of merit review matters where an internal review is not required before an application may be made for a merit review, under Part 5, clause 10 of the Regulation.

### How long do you have to apply for a merit review?

- 7.193 This Part of the Motor Accident Guidelines makes provision for limiting the time within which a merit review application may be made, under Section 7.12(9) of the Act.
- 7.194 An application for merit review must be made within 28 days of the claimant receiving the insurer's decision, meaning:
- 7.194.1 for merit review matters where an internal review is required before a merit review, the merit review application must be made:
    - a. within 28 days of the claimant receiving the insurer's internal review of the reviewable decision, or
    - b. if the insurer has failed to complete the internal review and notify the claimant of the internal review within the period required under Section 7.9(4) and (5) and clauses 7.62 and 7.63 of this Part of the Motor Accident Guidelines, within 28 days of that date.
  - 7.194.2 for merit review matters prescribed by the Regulation not to require an internal review before a merit review, the merit review application must be made within 28 days of the claimant receiving the insurer's reviewable decision.
- 7.195 If a claimant applies for a merit review more than 28 days after receiving the insurer's decision, DRS does not have to accept the application.

- 7.196 DRS may exercise a discretion to accept a late application for a merit review, consistent with [Section 1.3](#) of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act. The discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

### What is the effect of applying for a merit review?

- 7.197 The fact that a merit review application has been lodged does not stay or stop the effect of the original decision under review, and action may continue to be taken based on that decision while any merit review is under consideration, under [Section 7.12\(8\)](#) of the Act.

### How do you apply for a merit review?

- 7.198 This Part of the Motor Accident Guidelines sets out how a claimant may apply for a merit review, under [Division 7.4](#), [Section 7.12](#) of the Act.
- 7.199 A claimant may apply for a merit review by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

### What must a merit review application include?

- 7.200 In addition to the standard DRS application requirements, an application for merit review must also include details of:
- 7.200.1 the decision of the insurer that is referred for merit review
  - 7.200.2 the alternative decision sought in the merit review
  - 7.200.3 issues under review – the elements of the original decision that the party wishes to be reviewed
  - 7.200.4 the reasons the decision should be changed, and
  - 7.200.5 any additional documentation or materials that the party considers relevant to a review of the decision.
- 7.201 DRS may decline to conduct a merit review if the application does not comply with clause [7.200](#) above.

## Replying to a merit review application

### How long do you have to reply to a merit review application?

- 7.202 An insurer who receives an application for a merit review lodged with DRS by the claimant will be given the opportunity to respond to the application by lodging a reply.
- 7.203 An insurer may lodge a reply to an application for a merit review after receiving the application for merit review according to the timeframes listed in Table 7.2 below for each of the different types of merit review matters:

**Table 7.2: Merit review notification period**

Merit review matter types	Reply period
1. Funeral expenses merit review matters ( <u>Schedule 2</u> , clause 1(a))	7 days
2. Weekly payments merit review matters ( <u>Schedule 2</u> , clause 1(b) to (h), (s) and (t))	7 days
3. Treatment and care benefits merit review matters ( <u>Schedule 2</u> , clause 1(i) to (n) and (p) to (r))	7 days
4. Damages claim merit review matters ( <u>Schedule 2</u> , clause 1(w) to (z1))	14 days
5. Other merit review matters not listed above ( <u>Schedule 2</u> , clause 1)	7 days

7.204 If an insurer lodges a reply later than the period allowed to respond to the application in clause 7.203 above, DRS may proceed to make a decision in the absence of a reply.

7.205 DRS may exercise a discretion to consider a late reply to an application for merit review, consistent with Section 1.3 of the Act, if an officer of DRS is satisfied the exercise of that discretion would best promote the objects of the Act. The discretion must be exercised in accordance with any applicable legal requirements and the DRO officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

## How do you reply to a merit review application?

7.206 An insurer may reply to an application for a merit review by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses 7.88, 7.89, 7.90, 7.91, 7.92, 7.93 and 7.94 of this Part of the Motor Accident Guidelines.

## What must a reply to a merit review application include?

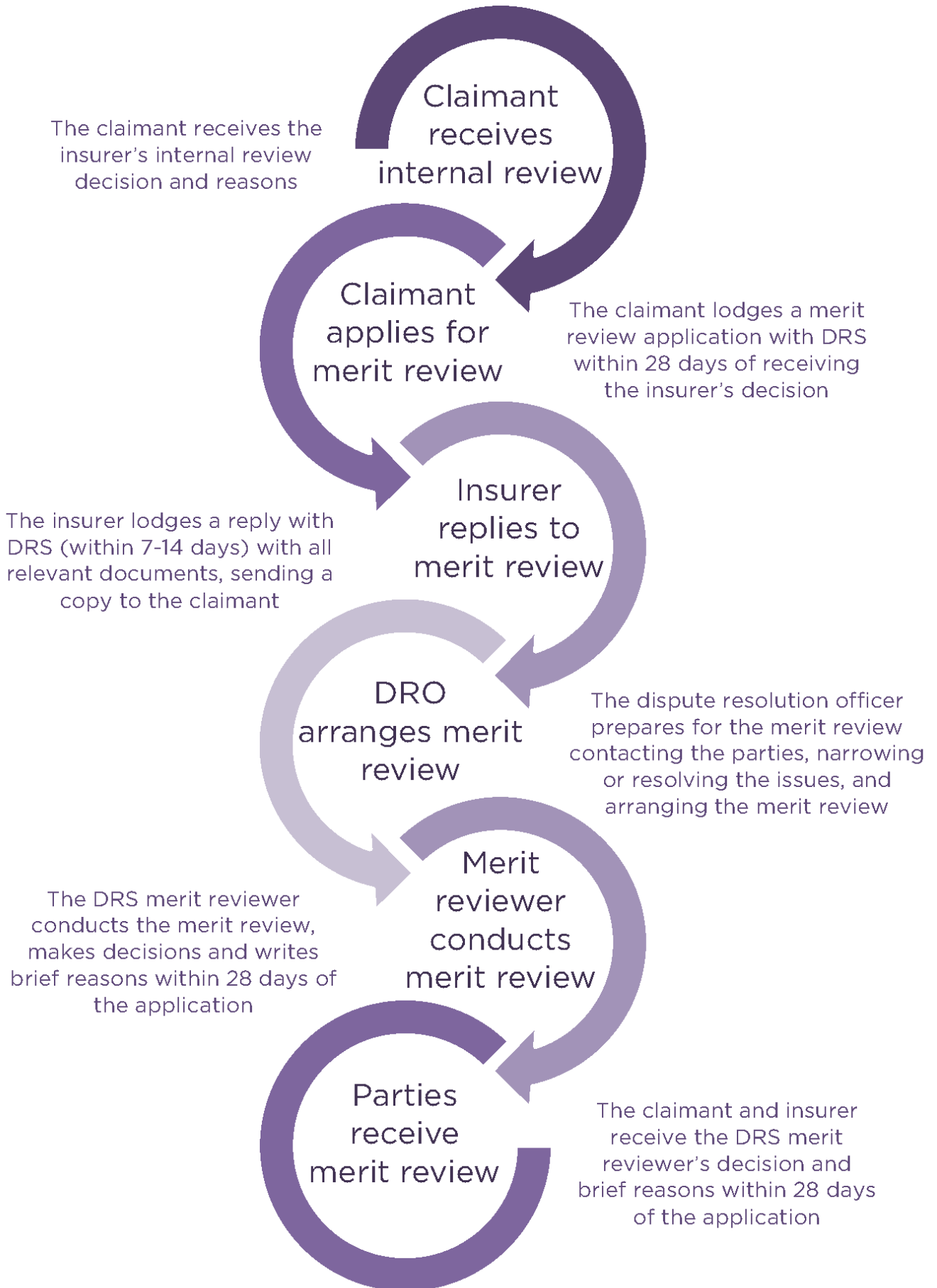
7.207 In addition to the standard DRS reply requirements, a reply to an application for merit review must also include details of the following information:

7.207.1 the response of the insurer to the alternative decision sought in the merit review application, and

7.207.2 the response of the insurer to the reasons the claimant believes the decision should be changed.

7.208 DRS may decline to consider a reply to an application for a merit review if the reply does not comply with clause 7.207 above.

**Figure 7.2: The merit review process**





## The merit review

### How will DRS manage the merit review?

- 7.209 The application for merit review will be managed in accordance with the provisions set out in the Section ‘Managing applications to DRS’ in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.210 In addition to those standard application management provisions, DRO may also:
- 7.210.1 arrange for the merit review application to be dealt with by a merit reviewer, under [Section 7.12\(2\)](#) of the Act.

### Who will deal with the merit review?

- 7.211 The merit review will be dealt with by a merit reviewer who has been appointed by the Authority, under [Division 7.2](#), [Section 7.4](#) of the Act.
- 7.212 The DRO will advise the parties of the merit reviewer who has been allocated to deal with the merit review.

### How is the merit review dealt with?

- 7.213 The merit review must be dealt with in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular merit review, which may include undertaking the review on the papers, using teleconferences, videoconferences or face-to-face meetings as appropriate.
- 7.214 The merit reviewer may determine the merit review procedure, is not bound by the rules of evidence and may inquire into any matter relevant to the issues in dispute in such manner as they think fit.
- 7.215 The merit reviewer is to act with as little formality as the circumstances of the claim permit and according to equity, good conscience and the substantial merits of the matter without regard to technicalities and legal forms.
- 7.216 The merit reviewer is to ensure that relevant material is available so as to enable all of the relevant facts in issue to be determined.

### Can the merit reviewer consider new material?

- 7.217 The merit reviewer may consider material that was not provided to the original decision maker. The merit reviewer is required to decide what the correct and preferable decision is having regard to the material before the reviewer, including any relevant factual material, under [Section 7.13\(1\)](#) of the Act.

### Can the merit reviewer request information from the parties?

- 7.218 The merit reviewer may request information from the parties for the purposes of the merit review, which the parties must provide, under [Sections 7.12\(5\) to \(6\)](#) of the Act.



- 7.219 The merit reviewer may require the insurer to provide to the claimant and the merit reviewer a statement of reasons, together with any supporting documentation, for a reviewable decision that is the subject of a merit review application, under [Section 7.12\(4\)](#) of the Act.
- 7.220 The merit reviewer may decline to review the reviewable decision if the claimant or the insurer has failed to provide any such information required by the merit reviewer, under [Section 7.12\(7\)](#) of the Act.

### How will the merit reviewer determine the application?

- 7.221 The merit reviewer is to decide what is the correct and preferable decision having regard to the material before them, including any relevant factual material and any applicable written or unwritten law, under [Section 7.13\(1\)](#) of the Act.
- 7.222 In deciding the correct and preferable decision, the merit reviewer may exercise all of the insurer functions that are conferred or imposed by or under this Act or any other Act on the insurer, under [Section 7.13\(2\)](#) of the Act.

### What decisions may the merit reviewer make?

- 7.223 In determining a merit review application, the merit reviewer may decide to affirm, vary or set aside the reviewable decision and make a decision in substitution for the reviewable decision or remit the matter for the insurer to reconsider in accordance with directions, under [Section 7.13\(3\)](#) of the Act.

### What does the merit reviewer provide to the parties?

- 7.224 The merit reviewer is to issue the parties with a certificate as to their determination, including a brief statement of reasons for the determination, under [Section 7.13\(4\)](#) of the Act.

### When will the merit review application be determined?

- 7.225 The merit review application will be determined as soon as practicable, and within 28 days of the application being made; however, a determination is not invalid if it is made after the period expires, under [Section 7.13\(5\)](#) of the Act.

### Can a merit reviewer correct an obvious error in a certificate?

- 7.226 If a merit reviewer is satisfied that a certificate as to the merit reviewer's determination issued under [Section 7.13\(4\)](#) contains an obvious error, the merit reviewer may issue a replacement certificate to correct the error under [Section 7.13\(6\)](#).
- 7.227 An obvious error may be corrected at the request of a party, or as a result of the merit reviewer's identification of an obvious error.

### Can the merit reviewer assess legal costs?

- 7.228 Statutory benefits costs disputes (where there is no other merit review matter before the merit reviewer)

7.228.1 A dispute about the maximum legal costs recoverable by an Australian legal practitioner who provides legal services to a claimant or an insurer in a statutory benefits claim, or the apportionment of such costs between legal practitioners, may be referred to DRS to be dealt with by a merit reviewer, under Part 6, Division 2, clause 22(4a) of the Regulation.

7.229 Costs in a merit review application

7.229.1 When making a determination and issuing a certificate under Section 7.13(4) of the Act about a merit review matter arising in a statutory benefits claim, the merit reviewer may include an assessment of the legal costs relating to that merit review in the merit reviewer's certificate and reasons, under Part 8, Sections 8.10(3) and (4) of the Act.

## What is the effect of the merit review decision?

7.230 A merit review decision is binding on the parties under Section 7.14(3) of the Act, subject to the right of review that exists under Section 7.15 of the Act.

## When does the merit reviewer decision take effect?

7.231 When a merit review decision takes effect depends on the nature of the merit review decision that is made, as established in Section 7.14(1) and (2) of the Act.

7.232 The insurer should apply and effect to the merit review decision as quickly as is practicable, in accordance with its responsibilities under the principles in 'Part 4 of the Motor Accident Guidelines: Claims', clause 4.6.

7.233 If the merit review decision results in an increase in weekly payments of statutory benefits, under Section 7.14(4) and (5) of the Act, the insurer must commence payment of the increased weekly payments within seven days of the issue of the certificate as to the merit reviewer's determination.

7.234 Where a merit review decision requires the insurer to make payments of to the claimant for entitlements for prior periods which have not been paid, the insurer must make that payment as quickly as is practicable, in accordance with its responsibilities under the principles in 'Part 4 of the Motor Accident Guidelines: Claims', clause 4.6.

## What decision information must the insurer provide the claimant?

7.235 On receiving the merit review certificate, the insurer is to advise the claimant about the effect of the decision, providing the claimant with details of:

7.235.1 how and when the insurer will give effect to the merit review decision

7.235.2 the impact of the merit review decision on the claimant and their claim.

## Are legal costs payable for merit reviews?

7.236 Schedule 1, clause 2(1) and Table A of the Regulation makes provision for the maximum costs for legal services provided to a claimant in connection with a merit review under Division 7.4 of the Act.

## Review of a single merit review by a review panel

### Which merit review decisions may be reviewed?

- 7.237 A claimant or an insurer may apply under [Section 7.15\(1\)](#) of the Act to the proper officer to refer a decision of a single merit reviewer to a review panel of merit reviewers for review.
- 7.238 An application for the referral of a decision of a single merit reviewer to a review panel may only be made on the grounds that the decision was incorrect in a material respect under [Section 7.15\(2\)](#) of the Act.

### How long do you have to apply for a review of the decision?

- 7.239 This Part of the Motor Accident Guidelines makes provision for limiting the time within which an application for review of a decision of a single merit reviewer may be made, under [Section 7.15\(6\)](#) of the Act.
- 7.240 An application for review of a decision of a single merit reviewer must be made within 21 days of the date of the decision.
- 7.241 DRS may refuse to accept an application for review if it is made more than 21 days after the date of the decision.
- 7.242 DRS may exercise a discretion to accept a late application for review of a decision, consistent with [Section 1.3](#) of the Act, if the proper officer believes the exercise of that discretion would best promote the objects of the Act or the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, and the proper officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

### How do you apply for a review?

- 7.243 This Part of the Motor Accident Guidelines sets out how a claimant or an insurer may apply for a review of a decision of a single merit reviewer, under [Section 7.15\(1\)](#) of the Act.
- 7.244 A party may apply for a review by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

### What must a review application include?

- 7.245 In addition to the standard DRS application requirements, an application for a review must also include details of:
- 7.245.1 the decision of the single merit reviewer that is the subject of the application for review, and
  - 7.245.2 the reasons why the decision that is the subject of the application for review is incorrect in a material respect.
- 7.246 DRS may decline to accept the application if it does not comply with clause [7.245](#) above.

## How long do you have to reply to a review application?

- 7.247 A respondent may lodge a reply within seven days of receiving the application.
- 7.248 DRS may proceed to make a decision if the reply is lodged more than seven days after receiving the application.
- 7.249 DRS may exercise a discretion to consider a late reply, consistent with [Section 1.3](#) of the Act, if an officer of DRS is satisfied the exercise of that discretion would best promote the objects of the Act or the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

## How do you reply to a review application?

- 7.250 A respondent may reply to an application for a review by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses [7.88](#), [7.89](#), [7.90](#), [7.91](#), [7.92](#), [7.93](#) and [7.94](#) of this Part of the Motor Accident Guidelines.

## What must a reply to a review application include?

- 7.251 In addition to the standard DRS reply requirements, a reply to an application for a panel merit review must also include a response to the reasons given in the application.
- 7.252 DRS may decline to consider a reply to an application for a panel review of a decision if the reply does not comply with clause [7.251](#) above.

## How will DRS manage the review application?

- 7.253 The application for a review will be managed in accordance with the provisions set out in the Section 'Managing applications to DRS' in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.254 In addition to those standard application management provisions, DRO must:
- 7.254.1 arrange for a proper officer to consider the application and make a determination under [Section 7.15\(3\)](#) of the Act on whether there is reasonable cause to suspect that the decision of the single merit reviewer was incorrect in a material respect.

## What will the proper officer do?

- 7.255 The proper officer will review the application, any reply, and the documentation and materials relevant to the application for review of a decision of a single merit reviewer, to determine whether they are satisfied that there is reasonable cause to suspect that the decision determining the review was incorrect in a material respect, as required by [Section 7.15\(3\)](#) of the Act, and provide brief reasons for the decision.

- 7.256 The proper officer will advise the parties as soon as practicable, and preferably within 14 days of the expiry of the period for reply, whether they are satisfied that there is reasonable cause to suspect that the merit review decision was incorrect in a material respect, and whether the application is to be referred to a review panel.

### What happens if the proper officer accepts the application?

- 7.257 If the proper officer is satisfied that there is reasonable cause to suspect that the merit review decision was incorrect in a material respect, then they are to refer the application to a panel of at least two merit reviewers, under [Section 7.15\(3\)](#) of the Act.

### Who will conduct the review?

- 7.258 The review panel will be comprised of at least two merit reviewers who have been appointed by the Authority under [Section 7.4](#) of the Act. The single merit reviewer whose decision is under review will not be part of the panel.
- 7.259 The DRO will advise the parties of the individual merit reviewers who have been allocated to the merit review panel.

### How is the review conducted?

- 7.260 The review panel must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular merit review. This may include undertaking the review on the papers, using teleconferences, video conferences or face-to-face meetings as appropriate.
- 7.261 The review panel may determine the review procedure, is not bound by the rules of evidence and may inquire into any matter relevant to the issues in dispute in such manner as the review panel thinks fit.

### Can the review panel consider new material?

- 7.262 The review panel may consider material that was not before the single merit reviewer. The review panel is required to decide what the correct and preferable decision is having regard to the material before it, including any relevant factual material, under [Section 7.13\(1\)](#) of the Act.

### Can the review panel request information from the parties?

- 7.263 The review panel may request information from the parties, which they must provide, under [Sections 7.12\(5\) to \(7\)](#) of the Act.
- 7.264 The review panel may decline to review the reviewable decision if the claimant or the insurer has failed to provide any such information required by the review panel, under [Section 7.12\(7\)](#) of the Act.

### What decisions may the review panel make?

- 7.265 The review panel may confirm the decision of the single merit reviewer, or set aside the decision and make a decision in substitution for the decision the review panel set aside, under [Section 7.15\(4\)](#) of the Act.

## What does the review panel provide to the parties?

7.266 The review panel is to issue the parties with a certificate as to the panel's determination, attaching a brief statement of reasons for the determination.

## When will the review application be determined?

7.267 The review application will be determined as soon as practicable, and preferably within 28 days of the proper officer's decision. A review panel determination is not invalid if it is made after that period expires.

## What is the effect of the review panel decision?

7.268 The effect of a review panel decision under Division 7.4, Section 7.15(5) of the Act is the same as the status and effect of a review decision under Division 7.4, Section 7.14 of the Act, and the provisions of this Part of the Motor Accident Guidelines in clauses 7.230 to 7.234 apply equally to review panel decisions.

## Are legal costs payable for review panel matters?

7.269 Schedule 1 clause 2(2) and Table B of the Regulation makes provision for the maximum costs for legal service provided to a claimant in connection with a matter relating to the assessment of a medical dispute.

# Medical assessment

## Guideline powers

### What is the power to make Guidelines about medical assessments?

7.270 This Part of the Motor Accident Guidelines, in relation to medical assessments by the DRS, is made under the Act, including under Division 7.5, Section 7.29 of the Act.

## Medical assessment matters

### What disputes can be medically assessed by DRS?

7.271 A claimant, insurer, merit reviewer, claims assessor or court may refer a medical dispute about a claim to DRS for a medical assessment, under Section 7.20 of the Act.

7.272 A medical dispute is defined in Section 7.17 of the Act as a dispute about a medical assessment matter or an issue arising about a medical assessment matter.

7.273 A medical assessment matter is defined in Section 7.1 of the Act as a matter declared by Schedule 2 of the Act to be a medical assessment matter.

7.274 Schedule 2, clause 2 of the Act declares that there are a number of medical assessment matters that may be the subject of an application for a medical assessment by DRS.



## What types of medical assessment applications may be made?

- 7.275 An application may be made to DRS for a medical assessment of medical disputes about:
- 7.275.1 Permanent impairment – for assessment of the degree of permanent impairment of an injured person that has resulted from an injury caused by a motor accident, under Sections 7.21 and 7.22, and Schedule 2, clause 2(a) of the Act.
  - 7.275.2 Whether treatment and care is reasonable and necessary – for assessment of whether any treatment and care provided to an injured person is reasonable and necessary in the circumstances, in relation to the entitlement to statutory benefits for treatment and care, under Section 3.24 and Schedule 2, clause 2(b) of the Act.
  - 7.275.3 Whether treatment and care relates to an injury – for assessment of whether any treatment and care provided to an injured person relates to an injury caused by a motor accident, in relation to the entitlement to statutory benefits for treatment and care, under Section 3.24 and Schedule 2, clause 2(b) of the Act.
  - 7.275.4 Whether treatment and care will improve recovery – for assessment of whether treatment and care expenses incurred more than 26 weeks after the motor accident relate to treatment and care that will improve the recovery of the injured person, under Section 3.28(3) and Schedule 2, clause 2(c) of the Act.
  - 7.275.5 The degree of earning capacity impairment – for assessment of the degree of impairment of an injured person’s earning capacity, under Section 4.8 and Schedule 2, clause 2(d) of the Act.
  - 7.275.6 Minor injury – for assessment of whether an injury is a minor injury for the purposes of this Act, under Section 1.6 and Schedule 2, clause 2(e) of the Act.
  - 7.275.7 Further medical assessment – for assessment again of a medical dispute that has been referred for assessment, under Section 7.24 of the Act, but only on the grounds prescribed by the Regulation in clause 13.
  - 7.275.8 Review of a medical assessment – for assessment by a review panel of a medical assessment by a single medical assessor, under Section 7.26 of the Act, but only on the grounds that the assessment was incorrect in a material respect.
  - 7.275.9 Non-binding opinion – at the request of a merit reviewer or claims assessor for the purposes of providing a non-binding medical opinion by a medical assessor, under Section 7.27 of the Act.

## Requesting a medical assessment

### When can a medical assessment application be made?

- 7.276 A medical dispute about a decision of an insurer may not be referred for assessment until:
- 7.276.1 the decision has been the subject of an internal review by the insurer, under Section 7.19(1) of the Act, or
  - 7.276.2 the insurer has failed to complete an internal review and notify the claimant of the internal review decision when required to do so, under Section 7.19(2) of the Act, or
  - 7.276.3 the insurer has declined to conduct a review, under Section 7.19(2) of the Act and under clause 7.58 of this Part of the Motor Accident Guidelines.

### How long do you have to apply for a medical assessment?

- 7.277 This Part of the Motor Accident Guidelines makes provisions relating to the procedures for the referral of disputes for assessment, under Section 7.29 of the Act.
- 7.278 An application for a medical assessment must be made:
- 7.278.1 within 28 days of the claimant receiving the insurer's internal review of the reviewable decision, or
  - 7.278.2 if the insurer has not declined to conduct an internal review, but has failed to complete the internal review and notify the claimant of the internal review within the period required under Section 7.9(4) and 7.9(5) of the Act and clauses 7.62 and 7.63 of this Part of the Motor Accident Guidelines, within 28 days of that due date.
- 7.279 DRS may decline to accept the application if a claimant applies for a medical assessment more than 28 days after receiving the insurer's internal review decision.
- 7.280 DRS may exercise a discretion to accept a late application for a medical assessment, consistent with Section 1.3 of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act or of the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, reasonably, and the DRO officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

### How do you apply for a medical assessment?

- 7.281 This Part of the Motor Accident Guidelines makes provisions relating to the procedures for the referral of disputes for assessment, under Section 7.29 of the Act.
- 7.282 A referral for medical assessment is made by making an application to DRS in accordance with the standard DRS application requirements set out in clauses 7.81, 7.82, 7.83, 7.84, 7.85 and 7.86 of this Part of the Motor Accident Guidelines.



## Replying to a medical assessment application

### How long do you have to reply to a medical assessment application?

- 7.283 A party who receives an application for medical assessment lodged with DRS by another party or by a merit reviewer, claims assessor or the court will be given the opportunity to respond to the application by lodging a reply to that application.
- 7.284 The respondent may lodge a reply to an application for a medical assessment according to the timeframes listed in Table 7.3 for each of the different types of medical assessment matters:

**Table 7.3: Medical assessment notification period**

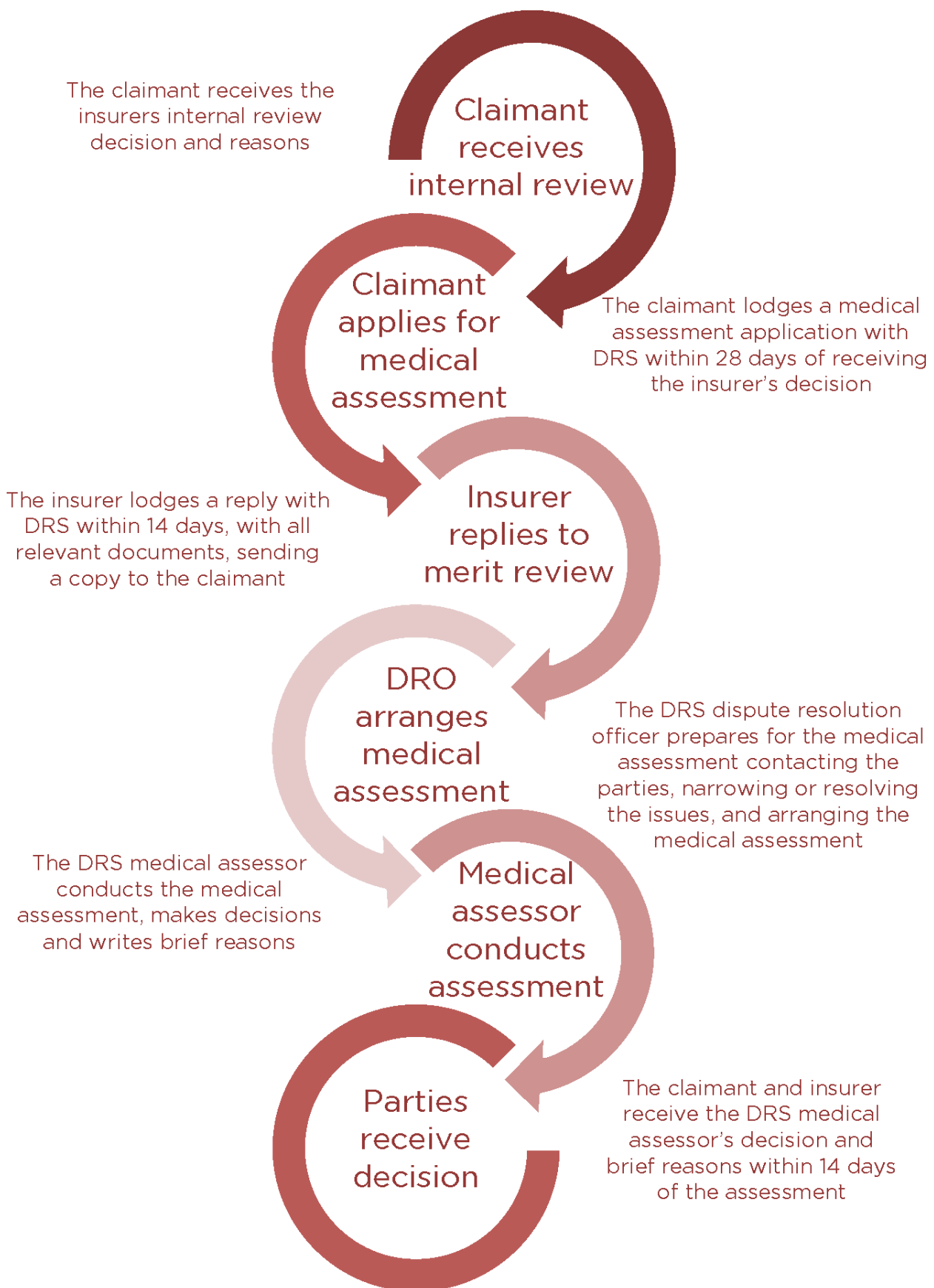
Medical assessment matters	Reply period
1. Permanent impairment medical assessment matters ( <u>Schedule 2</u> , clause 2(a))	14 days
2. Treatment and care medical assessment matters ( <u>Schedule 2</u> , clause 2(b) and (c))	14 days
3. Earning capacity impairment medical assessment matters ( <u>Schedule 2</u> , clause 2(d))	14 days
4. Minor injury medical assessment matters ( <u>Schedule 2</u> , clause 2(e))	14 days
5. Further medical assessments ( <u>Section 7.24</u> )	14 days
6. Review of a medical assessment ( <u>Section 7.26</u> )	14 days
7. Non-binding opinion medical assessments ( <u>Section 7.27</u> )	7 days

- 7.285 DRS may proceed to make a decision in the absence of a reply if a respondent lodges a reply later than the period allowed in Table 7.3 above.
- 7.286 DRS may exercise a discretion to consider a late reply to an application for medical assessment, consistent with Section 1.3 of the Act, if an officer of DRS is satisfied the exercise of that discretion would best promote the objects of the Act or of the provision concerned, and the objects of DRS. This discretion must be made in accordance with any applicable legal requirements, and the DRS officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

### How do you reply to a medical assessment application?

- 7.287 A party may reply to an application for a medical assessment by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses 7.88, 7.89, 7.90, 7.91, 7.92, 7.93 and 7.94 of this Part of the Motor Accident Guidelines.

**Figure 7.3: The medical assessment process**



## The medical assessment

### How will DRS arrange the medical assessment?

- 7.288 The application for a medical assessment will be dealt with in accordance with the provisions set out in the Section 'Managing applications to DRS' in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.289 In addition to those standard application management provisions, DRO may also:
- 7.289.1 make assessment arrangements – arrange for the medical assessment application to be dealt with by one or more medical assessors, under [Section 7.20\(2\)](#) of the Act.

### Who will conduct the medical assessment?

- 7.290 The medical assessment will be conducted by a medical assessor who has been appointed by the Authority, under [Division 7.2](#), [Section 7.4](#) of the Act.
- 7.291 The DRO will advise the parties of the individual medical assessor or medical assessors who have been allocated to conduct the medical assessment.

### How is the medical assessment conducted?

- 7.292 The medical assessment must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular medical assessment. This may include undertaking the assessment on the papers, using teleconferences, videoconferences, face-to-face meetings or medical examinations as appropriate.
- 7.293 The medical assessor may determine the medical assessment procedure, is not bound by the rules of evidence, and may inquire into any matter relevant to the issues in dispute in such manner as they think fit.

### Can the medical assessor request information from the parties?

- 7.294 The medical assessor may request such information from the claimant and/or insurer as they may reasonably require for the purposes of the medical assessment, which the claimant and/or insurer must provide, under [Section 7.20\(4\) to \(6\)](#) of the Act.
- 7.295 The medical assessor may decline to make a medical assessment if the claimant or the insurer has failed to provide any such information required by the medical assessor, under [Section 7.20\(6\)](#) of the Act.

### When may the medical assessor contact a treatment provider?

- 7.296 A medical assessor may, at their discretion, communicate with any of the claimant's treating health practitioners in relation to health or safety issues noted by a medical assessor as being of an urgent or serious nature, where necessary to prevent or lessen a serious or imminent threat to life or health, or with the consent of the claimant. Any such communication may be considered personal health information and should not form part of the medical assessment application, decision, reasons or any certificate.

## Can a support person be present at a medical examination?

- 7.297 If the person being examined is a person under legal incapacity, a parent, tutor, next friend, legal guardian, carer or other support person or appointed personal representative may be present during an examination.
- 7.298 If the person being examined is not a person under legal incapacity, a support person may only be present during an examination if the medical assessor conducting the examination is satisfied it is reasonable in the circumstances. During the conduct of such an examination, any person other than the claimant who has been permitted to be present may not respond to questions or speak on behalf of the claimant, unless invited to do so by the medical assessor.
- 7.299 Legal, medical or other representatives of the claimant or any other party may not be present during an examination unless the proper officer gives prior approval and is satisfied that the circumstances warrant it.

## What happens if you can't attend a medical examination?

- 7.300 A claimant must notify DRS as soon as they become aware that they will be unable to attend a medical examination or medical review panel examination arranged for them.
- 7.301 If the claimant has given DRS at least 72 hours or more notice before the scheduled time for an examination, the claimant will not be required to pay any cancellation fees.
- 7.302 If the claimant, without a reasonable excuse, gives DRS less than 72 hours' notice before the scheduled time for an examination, or fails to attend an examination, or attends an examination late that results in a cancellation, the claimant will be required to pay a cancellation fee equal to the amount of any cancellation fee that DRS is required to pay to the medical assessor or interpreter.
- 7.303 DRS will send a notification to the claimant seeking payment of any such cancellation fee.
- 7.304 A new date for an examination will only be scheduled if the proper officer is satisfied that the claimant has provided to DRS:
- 7.304.1 a reasonable excuse for the late attendance or non-attendance
  - 7.304.2 evidence that payment of the cancellation fee would cause the claimant financial hardship
  - 7.304.3 a signed Irrevocable Authority and Direction in a form acceptable to DRS, addressed to the insurer, directing the insurer to pay the cancellation fee from the claimant's damages claim settlement monies, or
  - 7.304.4 payment of the cancellation fee.

## Are medical assessments private?

- 7.305 Medical assessments are conducted in private and are not open to the public. An examination may not be recorded by the claimant or any other person unless with the prior agreement of the proper officer, the medical assessor and the consent of the claimant.

## Medical assessor's certificates and reasons

### When will the medical assessment application be determined?

- 7.306 The medical assessor to whom a medical dispute is referred is to give a certificate as to the matters referred for assessment as soon as practicable, and preferably within 14 days of the medical examination of the claimant, or where there is no medical examination of the claimant, preferably within 14 days of the medical assessor receiving the application for assessment. However, a medical assessor's decision is not invalid because it is made after that period has expired.

### What does the medical assessor provide to the parties?

- 7.307 The medical assessor is to issue the parties with a certificate as to the matters referred for assessment, under [Section 7.23\(1\)](#) of the Act.
- 7.308 The medical assessor's certificate is to set out the reasons for any finding as to any matter certified in respect of which the certificate is conclusive evidence, under [Section 7.23\(7\)](#) of the Act.

### When is a combined certificate of permanent impairment needed?

- 7.309 A combined certificate of the total degree of permanent impairment is needed if the assessment of more than one medical assessor is required to assess whether the degree of permanent impairment of the injured person is greater than a particular percentage, under [Section 7.23\(8\)](#) of the Act.
- 7.310 A medical assessor nominated by the Authority for the purpose is to make an assessment of the total degree of permanent impairment resulting from all the injuries and is to give a combined certificate as to that total degree of permanent impairment, under [Section 7.23\(8\)](#) of the Act, which is to be issued to the parties as soon as practicable, and preferably within three working days of receiving all of the single medical assessors' certificates.

### What is provided when a non-binding opinion is requested?

- 7.311 The medical assessor to whom a medical assessment matter has been referred for the purpose of providing a non-binding opinion under [Section 7.27](#) of the Act is to give the parties and the merit reviewer or claims assessor a statement of their opinion as soon as practicable, and preferably within seven days of any medical examination of the claimant, or where there is no medical examination of the claimant, preferably within seven days of receiving the referral for a non-binding opinion.
- 7.312 The medical assessor's statement of their opinion is to set out the reasons for their opinion on the matters referred.

### Can an obvious error be corrected by a medical assessor?

- 7.313 Either party may request that an obvious error be corrected by making an application to DRS. An obvious error may also be corrected as a result of the medical assessor's identification of an obvious error in their certificate.
- 7.314 If a medical assessor is satisfied that a certificate issued under [Section 7.23](#) contains an obvious error, a medical assessor may issue a replacement certificate to correct the error under [Section 7.23\(9\)](#) of the Act.

## What is the status of a medical assessor's certificate?

- 7.315 A medical assessor's certificate is evidence (but not conclusive) of any matter certified as to the degree of impairment of earning capacity of the injured person as a result of the injury concerned, under Section 7.23(2)(a) of the Act.
- 7.316 A medical assessor's certificate is conclusive evidence of any other matter certified, under Section 7.23(2)(b) of the Act.
- 7.317 A medical assessor's statement of opinion given in response to a matter referred for the provision of a non-binding opinion, is not binding on the merit reviewer or claims assessor or on the parties to a claim, under Section 7.27(3) of the Act.

## What decision information must the insurer provide the claimant?

- 7.318 On receiving the medical assessment decision in the certificate, the insurer is to advise the claimant about the effect of the decision, providing the claimant with details of:
- 7.318.1 how and when the insurer will give effect to the medical assessment decision
  - 7.318.2 the impact of the medical assessment decision on the claimant and their claim.

## Permanent impairment

### What must a medical assessment application about permanent impairment include?

- 7.319 In addition to the standard DRS application requirements, an application for a medical assessment about the degree of permanent impairment must also include:
- 7.319.1 evidence in support of the degree of permanent impairment asserted by the party.
- 7.320 DRS may refuse to accept the application if it does not comply with clause 7.319 above, under Section 7.20(3) of the Act.

### How is permanent impairment assessed?

- 7.321 Permanent impairment is to be assessed in accordance with Part 6 of the Motor Accident Guidelines. Where those Guidelines are silent on an issue, the American Medical Association's *Guides to the Evaluation of Permanent Impairment*, Fourth Edition (third printing, 1995) (AMA4 Guides) must be followed.

### How are impairments arising from multiple injuries assessed?

- 7.322 Impairments that result from more than one physical injury are to be assessed together to assess the degree of permanent impairment of the injured person, under Section 7.21(2) of the Act.

## Are psychiatric or psychological injury impairments assessed separately?

- 7.323 In assessing the degree of permanent impairment, psychiatric or psychological injury, impairment or symptoms are to be assessed separately to any other injuries and impairments, under [Section 7.21\(3\)](#) of the Act.
- 7.324 In assessing whether the degree of permanent impairment of an injured person as a result of an injury caused by a motor accident is greater than 10%, psychiatric or psychological injury, impairment or symptoms are assessed separately to any physical injuries and impairments, under [Section 1.7](#) of the Act.

## What happens if the impairment has not become permanent yet?

- 7.325 A medical assessor may decline to make an assessment of the degree of permanent impairment until they are satisfied that the impairment caused by the injury has become permanent, under [Section 7.21\(4\)](#) of the Act.
- 7.326 A medical assessor who declines, under [Section 7.21\(4\)](#) of the Act, to make an assessment of permanent impairment must make an interim assessment, under [Section 7.22](#) of the Act.

## Treatment and care

### Do treatment and care assessments apply to lifetime care participants?

- 7.327 The provisions contained in [Division 7.5](#) of the Act, including the provisions relating to assessments of treatment and care, do not apply in respect of any treatment and care needs, or excluded treatment and care needs, of a person who is a participant in the Lifetime Care & Support Scheme under the *Motor Accidents (Lifetime Care and Support) Act 2006* (NSW), under [Section 7.18](#) of the Act.

## Minor injury

### What must a medical assessment application about minor injury include?

- 7.328 In addition to the standard DRS application requirements, an application for medical assessment about a minor injury must also include
- 7.328.1 evidence in support of the injury asserted by the party.
- 7.329 DRS may refuse to accept the application if it does not comply with clause [7.319](#) of this Part of the Motor Accident Guidelines, under [Section 7.20\(3\)](#) of the Act.

### What is a minor injury?

- 7.330 A minor injury under Section 1.6 of the Act is either:
- 7.330.1 a soft tissue injury or
- 7.330.2 a minor psychological or psychiatric injury.



## What is a soft tissue injury?

- 7.331 A soft tissue injury, under Section 1.6(2) of the Act is an injury to tissue that connects, supports or surrounds other structures or organs of the body (such as muscles, tendons, ligaments, menisci, cartilage, fascia, fibrous tissues, fat, blood vessels and synovial membranes), but not an injury to nerve or a complete or partial rupture of tendons, ligaments, menisci or cartilage.
- 7.332 The Regulation may exclude or include a specified injury as being a soft tissue injury under Section 1.6(4)(a) and 1.6(4)(b) of the Act.
- 7.333 An injury to a spinal nerve root that manifests in neurological signs (other than radiculopathy) is included as a soft tissue injury, under Clause 4 (1) of the Regulation.

## What is a minor psychological or psychiatric injury?

- 7.334 A minor psychological or psychiatric injury is a psychological or psychiatric injury that is not a recognised psychiatric illness, under Section 1.6(3) of the Act.
- 7.335 The Regulation may exclude or include a specified injury as being a minor psychological or psychiatric injury under Section 1.6(4)(a) and 1.6(4)(b) of the Act.
- 7.336 Acute stress disorder and adjustment disorder are included as minor psychological or psychiatric injury under Clause 4(2) of the Regulation. Clause 4(3) of the Regulation provides that acute stress disorder and adjustment disorder have the same meaning as in the document titled *Diagnostic & Statistical Manual of Mental Disorders* (DSM-5), Fifth Edition, 2013, published by the American Psychiatric Association.

## Further medical assessment

### Which matters can be referred for a further medical assessment?

- 7.337 A medical assessment referred for assessment may be referred again for assessment, under Section 7.24 of the Act.
- 7.338 A referral for a further medical assessment may only be made on the grounds prescribed by the Regulation, under Section 7.24(2) of the Act.
- 7.339 The Regulation provides the grounds for referral for a further medical assessment in clause 13:
- 7.339.1 Clause 13(1) – A matter referred for assessment under Division 7.5 of the Act may be referred again for assessment, but only on the grounds of deterioration of an injury or additional information about an injury.
- 7.339.2 Clause 13(2) – A matter may not be referred again for assessment on the grounds of deterioration of the injury or additional relevant information about the injury unless the deterioration or additional information is such as to be capable of having a material effect on the outcome of the previous outcome.



## How long do you have to apply for a further medical assessment?

7.340 An application for a further medical assessment may be made at any time under Section 7.24(1) and (2) of the Act.

## How many further medical assessments can be requested?

- 7.341 A medical dispute may not be referred again for assessment by the claimant or the insurer on more than one occasion, under Section 7.24(3) of the Act.
- 7.342 If an injury has not previously been the subject of a medical assessment, a further medical assessment application is not required to apply for that injury to be assessed, and instead an original assessment application may be made relating to that injury.

## How will DRS arrange the further medical assessment?

- 7.343 The application for a further medical assessment will be managed in accordance with the DRS dispute application management approach set out in the Section 'Managing applications to DRS' in clauses 7.165, 7.166, 7.167, 7.168, 7.169, 7.170 and 7.171 of this Part of the Motor Accident Guidelines.
- 7.344 In addition to those standard application management provisions, DRO must arrange a proper officer to consider the application and make a determination under Section 7.24(5) of the Act, on whether they are satisfied that the application meets the requirements for referral under Section 7.24 of the Act and clause 13 of the Regulation.

## What will the proper officer do?

- 7.345 The proper officer will review the application and any reply, and the documentation and materials relevant to the application for a further medical assessment, to determine whether they are satisfied that the application meets the requirements for referral under Section 7.24(2) of the Act and clause 13 of the Regulation.
- 7.346 The proper officer will advise the parties of that determination, providing brief reasons for the determination, within 14 days of the expiry of the period for the respondent to lodge a reply.

## What happens if the proper officer accepts the application?

- 7.347 If the proper officer is satisfied that the application meets the requirements for referral for a further medical assessment, then they will arrange for DRO to refer the medical dispute to one or more medical assessors for a further medical assessment.

## Can the scope of a further medical assessment be limited?

- 7.348 The matters in dispute in a further medical assessment can be limited by an agreement between the parties as to the degree of permanent impairment of an injured person that has resulted from a particular injury, or whether a particular injury was caused by a motor accident, under Section 7.25 of the Act.

## Review of a single medical assessment by a review panel

### Which medical assessments may be referred for a review?

- 7.349 Either party may apply under [Section 7.26\(1\)](#) of the Act to the proper officer to refer a medical assessment by a single medical assessor to a review panel of medical assessors for review.
- 7.350 A combined certificate assessment cannot be the subject of review under this Section, except by way of the review of any of the assessments of the single medical assessor on which the combined certificate assessment is based, under [Section 7.26\(4\)](#) of the Act.
- 7.351 An application to refer a medical assessment of a single medical assessor to a review panel may only be made on the grounds that the decision was incorrect in a material respect, under [Section 7.26\(2\)](#) of the Act.

### How long do you have to apply for a review?

- 7.352 This Part of the Motor Accident Guidelines makes provision for limiting the time within which an application for review of a medical assessment of a single medical assessor may be made, under [Section 7.26\(10\)](#) of the Act.
- 7.353 An application for review of a medical assessment of a single medical assessor must be made within 28 days of the date of the certificate of the single medical assessor.
- 7.354 If a party applies for a review of a medical assessment more than 28 days after the date of the certificate, DRS does not have to accept the application.
- 7.355 The proper officer may exercise a discretion to accept a late application for review of a medical assessment, consistent with [Section 1.3](#) of the Act, if the proper officer believes the exercise of that discretion would best promote the objects of the Act or of the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, and the proper officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

### How many reviews of a medical assessment can you request?

- 7.356 A medical assessment may not be referred for review on more than one occasion, under [Section 7.26\(3\)](#) of the Act.

### How do you apply for a review?

- 7.357 This Part of the Motor Accident Guidelines sets out how a claimant or an insurer may apply for a review of a decision of a single medical assessor, under [Section 7.26\(1\)](#) of the Act.
- 7.358 A party may apply for a review by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

## What must a review application include?

- 7.359 In addition to the standard DRS application requirements, an application for a review must also include details of:
- 7.359.1 the decision of the single medical assessor that is the subject of the application for review, and
  - 7.359.2 the reasons why the decision is incorrect in a material respect.
- 7.360 DRS may decline to accept the application if it does not comply with clause [7.359](#) above.

## How long do you have to reply to a review application?

- 7.361 A respondent who receives an application for a review of a decision of a single medical assessor may lodge a reply within 14 days of receiving the application.
- 7.362 If a respondent lodges a reply more than 14 days after receiving the application, DRS may proceed to make a decision in the absence of a reply.
- 7.363 DRS may exercise a discretion to consider a late reply to an application for a review, consistent with [Section 1.3](#) of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act or of the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

## How do you reply to a review application?

- 7.364 A respondent may reply to an application for a review by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses [7.88](#), [7.89](#), [7.90](#), [7.91](#), [7.92](#), [7.93](#) and [7.94](#) of this Part of the Motor Accident Guidelines.

## What must a reply include?

- 7.365 In addition to the standard DRS reply requirements set out in clauses [7.90](#) and [7.91](#) of this Part of the Motor Accident Guidelines, a reply to a review application must also include a response to the reasons given in the review application.
- 7.366 DRS may decline to consider a reply to a review application if the reply does not comply with clause [7.365](#) above.

## How will DRS arrange for review to be managed?

- 7.367 The application for a review will be managed in accordance with the provisions set out in the Section 'Managing applications to DRS' in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.368 In addition to those standard application management provisions, DRO must:
- 7.368.1 arrange for a proper officer to consider the application and make a determination under [Section 7.26\(5\)](#) of the Act on whether there is reasonable cause to suspect that the medical assessment was incorrect in a material respect.

## What will the proper officer do?

- 7.369 The proper officer will review the application, and any reply, and the documentation and materials relevant to the application to determine whether they are satisfied that there is reasonable cause to suspect that the medical assessment was incorrect in a material respect, as required by [Section 7.26\(5\)](#) of the Act.
- 7.370 The proper officer will advise the parties as soon as practicable, and preferably within 14 days of the expiry of the period for a reply, whether they are satisfied that there is reasonable cause to suspect that the medical assessment was incorrect in a material respect, and whether the application is to be referred to a medical review panel, providing brief reasons for the decision.

## What happens if the proper officer accepts the application?

- 7.371 If the proper officer is satisfied that there is reasonable cause to suspect that the medical assessment was incorrect in a material respect, then they will refer the application to a medical review panel of at least two medical assessors, under [Section 7.26\(5\)](#) of the Act.

## Who will conduct the medical review panel?

- 7.372 The medical review panel will be conducted by at least two medical assessors who have been appointed by the Authority under [Division 7.2, Section 7.4](#) of the Act. The single medical assessor whose medical assessment is under review will not be on the panel.
- 7.373 The DRO will advise the parties of the individual medical assessors who have been allocated to conduct a particular medical review panel.

## Can the scope of a review be limited?

- 7.374 The matters in dispute before a medical review panel can be limited by an agreement between the parties as to the degree of permanent impairment of an injured person that has resulted from a particular injury, or whether a particular injury was caused by a motor accident, under [Section 7.25](#) of the Act.

## How is the medical review panel conducted?

- 7.375 The review panel must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular medical assessment, which may include undertaking the panel review on the papers, using teleconferences, video conferences, face-to-face meetings or medical examinations as appropriate.
- 7.376 The medical review panel may determine the review procedure, is not bound by the rules of evidence, and may inquire into any matter relevant to the issues in dispute in such manner as it thinks fit. This may include seeking the assistance of a merit reviewer or claims assessor to assist the panel to inquire into any matter relevant to the issues in dispute.

## Can the review panel consider new material?

7.377 The review panel may consider material that was not provided before the medical assessment being reviewed was made. The medical review panel is required to conduct the review by way of a new assessment of all the matters with which the medical assessment is concerned, under Section 7.26(6) of the Act, subject to clause 7.374 above and Section 7.25 of the Act.

## Can the review panel request information from the parties?

7.378 The medical review panel may request information from the parties for the purpose of the review, which the parties must provide, under Section 7.20(4) to (6) of the Act.

7.379 The medical review panel may decline to make a medical assessment if the claimant or the insurer has failed to provide any such information required by the medical review panel, under Section 7.20(6) of the Act.

## What decisions may the medical review panel make?

7.380 In determining a review application, the medical review panel may decide to confirm the certificate of assessment of the single medical assessor or revoke that certificate and issue a new certificate as to the matters concerned, under Section 7.26(7) of the Act.

## What does the medical review panel provide to the parties?

7.381 The medical review panel is to confirm the single medical assessor's certificate, or revoke that certificate and issue a certificate as to the medical review panel's determination, under Section 7.26(7) of the Act, including a statement of reasons for the determination.

7.382 The medical review panel is also to issue a new combined certificate to take account of the results of the review when required, under Section 7.26(8) of the Act.

## When will the review application be determined?

7.383 The review application will be determined as soon as practicable, and preferably within 28 days of the proper officer's decision under Section 7.26(5) of the Act. However, a medical review panel decision is not invalid if it is made after that period expires.

## What is the status and effect of the medical review panel decision?

7.384 The status and effect of a medical review panel certificate under Section 7.26(7) and Section 7.26(8) of the Act is the same as the status and effect of a medical assessment under Section 7.23 of the Act, and the provisions of this Part of the Motor Accident Guidelines in clauses 7.313, 7.314, 7.315, 7.316, 7.317 and 7.318 apply equally to medical review panel certificates.

## Costs and medical assessments

### Who pays your expenses to attend a medical assessment?

- 7.385 The insurer must pay the reasonable and necessary costs and expenses incurred by the claimant, and by a parent or other carer of the claimant in order to accompany the claimant, in attending a medical examination, under [Section 7.28](#) of the Act.

### Are legal costs payable for medical assessment matters?

- 7.386 Schedule 1, part 1, clause 2 of the Regulation makes provision for the maximum costs for legal services provided to a claimant in connection with a matter relating to the assessment of a medical dispute.

## Claims assessment

### Guideline powers

#### What is the power to make Guidelines about claims assessments?

- 7.387 This Part of the Motor Accident Guidelines, in relation to claims assessments by DRS, is made under the Act, including under [Division 7.6](#), [Section 7.39](#) of the Act.

#### What can you refer to DRS for a claims assessment?

- 7.388 **Damages settlement approval** – A claim may be referred to DRS where the claimant is not represented by an Australian legal practitioner for a damages settlement approval, under [Division 6.4](#), [Section 6.23\(2\)\(b\)](#) of the Act.
- 7.389 **Miscellaneous claims assessment** – A party may refer a dispute to DRS for a miscellaneous claims assessment, under [Division 7.6](#), [Section 7.42](#) of the Act.
- 7.390 **Damages claims assessment** – A claimant or insurer may refer a claim for damages to DRS for a claims assessment, under [Division 7.6](#), [Section 7.32\(1\)](#) of the Act, which is defined in [Section 7.30\(2\)](#) of the Act to include referring a claim for a certificate of exemption from damages claims assessment.
- 7.391 **Further damages claims assessment** – A party may refer a claim for damages to DRS for a further claims assessment where significant new evidence is produced in court proceedings after a claims assessor has previously assessed a claim, under [Division 6.5](#), [Section 6.34](#) of the Act.

### Damages settlement approval

#### Which settlements need to be approved?

- 7.392 If a claimant is not represented by an Australian legal practitioner, a claim for damages cannot be settled unless the proposed settlement is approved by DRS, under [Division 6.4](#), [Section 6.23\(2\)\(b\)](#) of the Act.



## When can an application for settlement approval be made?

- 7.393 A claim for damages cannot be settled within two years of the motor accident, unless the degree of permanent impairment of the injured person as a result of the injury caused by the motor accident is greater than 10%, under [Division 6.4, Section 6.23\(1\)](#) of the Act.
- 7.394 If a claimant and insurer have agreed to a proposed damages settlement, and the claimant is not represented by an Australian legal practitioner, the insurer is to make an application to DRS on behalf of both the claimant and the insurer seeking a damages settlement approval, which the insurer is to lodge as quickly as is practicable, and preferably within seven days of reaching that proposed agreement, in accordance with its responsibilities under the principles of 'Part 4 of the Motor Accident Guidelines: Claims'.

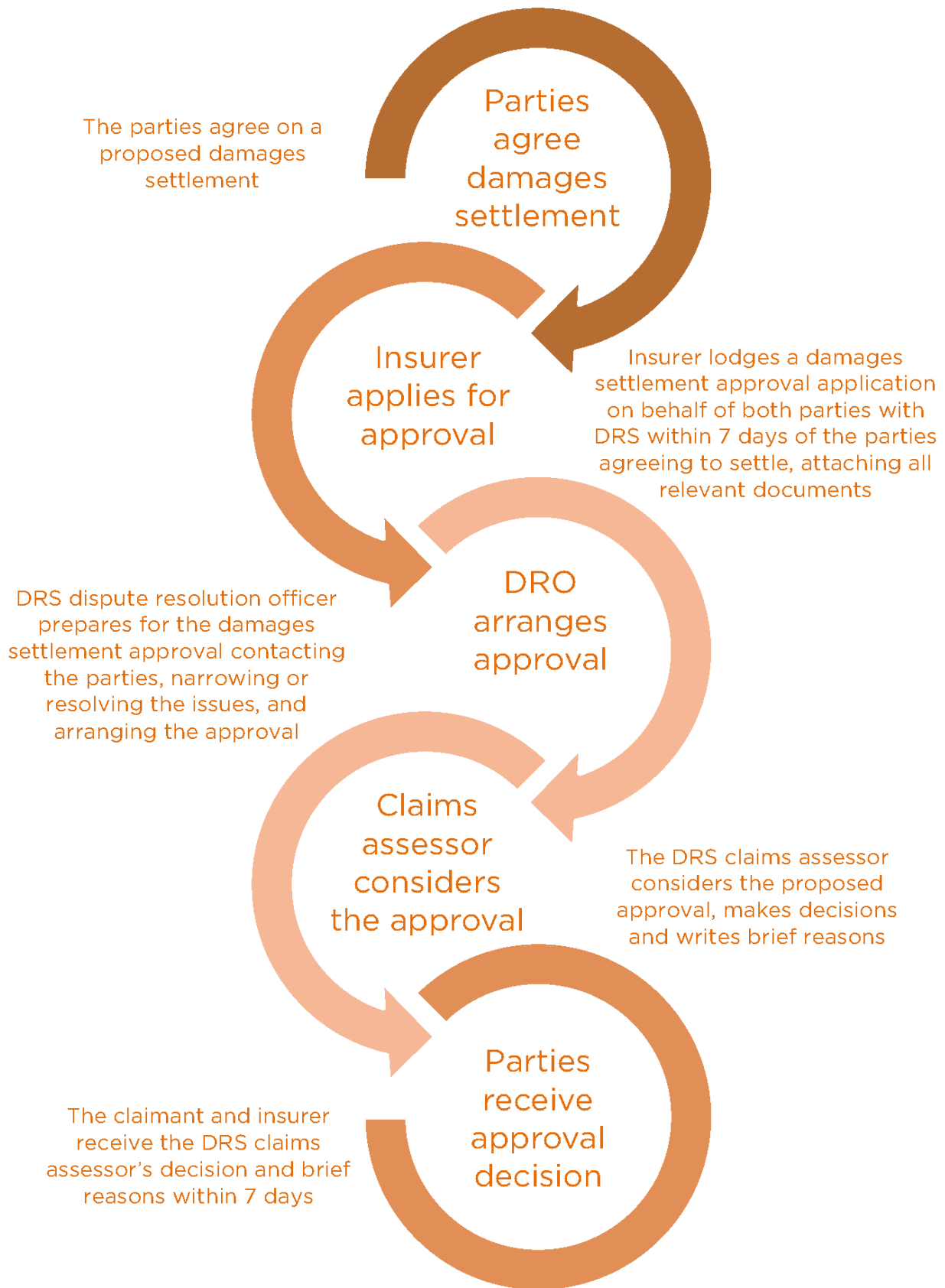
## How do you apply for a settlement approval?

- 7.395 A request for a settlement approval is made by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

## What must a settlement approval application include?

- 7.396 In addition to the standard DRS application requirements, an application for a settlement approval lodged by the insurer must also include details of:
- 7.396.1 the amount of the proposed damages settlement, including a breakdown of the amount allowed for each head of damage and how each amount allowed has been calculated
  - 7.396.2 the amount of any reductions in the proposed damages settlement including for contributory negligence or any other reduction, including brief reasons for that reduction and how any reductions have been calculated
  - 7.396.3 the amount of any advance payments that the insurer has made in advance of the settlement and the dates of those advance payments, including brief reasons explaining why those advanced payments were made, and
  - 7.396.4 the evidence, documents and materials relevant to an assessment of the damages settlement.
- 7.397 DRS may decline to accept the settlement approval application if it does not comply with clause [7.396](#) above.

Figure 7.4: The damages settlement approval process





## How will DRS arrange the settlement approval?

- 7.398 The application for a settlement approval will be managed in accordance with the provisions set out in the Section ‘Managing applications to DRS’ in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.399 In addition to those standard application management provisions, DRO may also:
- 7.399.1 arrange for the settlement approval application to be referred to a claims assessor for determination, under [Division 6.4, Section 6.23](#) of the Act.

## Who will determine whether to approve the settlement?

- 7.400 The settlement approval will be considered and determined by a claims assessor who has been appointed by the Authority, under [Division 7.2, Section 7.4](#) of the Act.
- 7.401 DRO will advise the parties of the claims assessor who has been allocated to determine a particular settlement approval.

## How is the settlement approval conducted?

- 7.402 The settlement approval must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular damages settlement, which may include undertaking the assessment on the papers, using teleconferences, videoconferences or face-to-face meetings as appropriate.
- 7.403 The claims assessor may determine the settlement approval procedure, is not bound by the rules of evidence, and may inquire into any matter relevant to the issues in dispute in such manner as they think fit.

## Can the claims assessor request information from the parties?

- 7.404 The claims assessor may request additional information from the parties for the purpose of considering the settlement approval.

## How will the claims assessor determine the application?

- 7.405 The claims assessor is not to approve the settlement of the claim unless satisfied that the settlement complies with any applicable requirements of or made under [Division 6.4, Section 6.23\(3\)](#) of the Act, or this Part of the Motor Accident Guidelines.
- 7.406 The proposed settlement must comply with the following requirements of this Part of the Motor Accident Guidelines, made under [Section 6.23\(3\)](#) of the Act:
- 7.406.1 timeliness – the proposed settlement satisfies the timing requirements in [Section 6.23\(1\)](#) of the Act

- 7.406.2 appropriateness – the proposed settlement is just, fair and reasonable and within the range of likely potential damages assessments for the claim were the matter to be assessed by a claims assessor, taking into account the nature and extent of the claim and the injuries, disabilities impairments and losses sustained by the claimant, and taking into account any proposed reductions or deductions in the proposed settlement, and
- 7.406.3 understanding – the claimant understands the nature and effect of the proposed settlement and is willing to accept the proposed settlement.

7.407 The claims assessor may receive information from the claimant in confidence during the settlement approval process. This information may include the reason given by the claimant for agreeing to the proposed settlement. The claims assessor is not required to disclose this information to the insurer, except where the information suggests that the claimant may have made a fraudulent claim, or may have otherwise contravened the Act or the Motor Accident Guidelines.

### What decisions may the claims assessor make?

- 7.408 The claims assessor may decide to:
- 7.408.1 reject the proposed settlement as submitted in the application, with or without recommendations to the parties about the further conduct of the claim
  - 7.408.2 approve the proposed settlement as submitted in the application, or
  - 7.408.3 approve an amended proposed settlement agreed by the parties during the course of the consideration of the proposed settlement approval.

### What does the claims assessor provide to the parties?

7.409 The claims assessor is to issue the parties with a certificate as to the determination of the settlement approval application, attaching a brief statement of reasons for the determination.

### When will the settlement approval application be determined?

7.410 The settlement approval application will be determined as soon as practicable by the issuing of the claims assessor's certificate, and preferably within 14 days of the application being made; however, a determination is not invalid if it is made after that period expires.

### What is the status of the settlement approval decision?

7.411 A settlement approval decision is effectively binding on the parties under Division 6.4, Section 6.23 of the Act.

## When does an approved settlement take effect?

- 7.412 The insurer should apply and give effect to the settlement approval decision as quickly as is practicable, in accordance with any agreed terms of the settlement, and the insurer's responsibilities under the principles in 'Part 4 of the Motor Accident Guidelines: Claims', clause 4.6.

## What decision information must the insurer provide the claimant?

- 7.413 On receiving the settlement approval decision, the insurer is to advise the claimant about the effect of the decision, providing the claimant with details of:
- 7.413.1 how and when the insurer will give effect to the settlement approval decision, and
  - 7.413.2 the impact of the settlement approval decision on the claimant and their claim.

## Miscellaneous claims assessment

### What disputes can be referred for a miscellaneous claims assessment?

- 7.414 A party may refer a miscellaneous dispute in connection with claims for a miscellaneous claims assessment, under Section 7.42 of the Act.
- 7.415 A dispute is defined in Section 7.40 of the Act as a dispute between a claimant and an insurer about a miscellaneous claims assessment matter.
- 7.416 A miscellaneous claims assessment matter is defined in Section 7.1 of the Act as a matter declared by Schedule 2 of the Act to be a miscellaneous claims assessment matter.
- 7.417 Schedule 2, clause 3 of the Act declares that there are a number of miscellaneous claims assessment matters that may be the subject of an application for a miscellaneous claims assessment by DRS.

### When can a miscellaneous claims assessment application be made?

- 7.418 A dispute about a decision of an insurer may not be referred for a miscellaneous claims assessment unless:
- 7.418.1 the decision has been the subject of an internal review by the insurer, under Section 7.41(1) of the Act
  - 7.418.2 this Part of the Motor Accident Guidelines provides that an internal review is not required for that miscellaneous claims assessment, under Section 7.41(2)(a) of the Act
  - 7.418.3 the insurer has failed to complete an internal review and notify the claimant of the internal review decision within the timeframe that it is required to do so, under Section 7.41(2)(b) of the Act
  - 7.418.4 the insurer has declined to conduct an internal review under Section 7.41(2)(b) of the Act, and clause 7.58 of this Part of the Motor Accident Guidelines.

- 7.419 A miscellaneous claims assessment may be made without an internal review, under [Section 7.41\(2\)\(a\)](#) and [7.41\(3\)](#) of the Act, this clause of the Guidelines and clause 11 of the Regulation, if the dispute is about:
- 7.419.1 which insurer is the insurer of the at-fault motor vehicle for the purposes of [Section 3.3](#) ('Determination of relevant insurer'), as listed in [Schedule 2](#), clause 3(c) of the Act.

## How long do you have to apply for a miscellaneous claims assessment?

- 7.420 This Part of the Motor Accident Guidelines may make provisions with respect to any aspect of the procedures to be followed under [Division 7.6](#), [Section 7.39](#) of the Act.
- 7.421 Where an internal review is required before the referral for a miscellaneous claims assessment, the application for a miscellaneous claims assessment must be made:
- 7.421.1 within 28 days of the claimant receiving the insurer's internal review of the reviewable decision, or
- 7.421.2 if the insurer has received an internal review application that it has not declined to review; however, the insurer has failed to complete an internal review and notify the claimant of the internal review decision within the timeframe that they are required to do so, under [Section 7.9\(4\)](#) and (5), and [Section 7.41\(2\)\(b\)](#) of the Act, and clauses [7.62](#) and [7.63](#) of this Part of the Motor Accident Guidelines, within 28 days of that due date.
- 7.422 If a claimant applies for a miscellaneous claims assessment more than 28 days after receiving the insurer's decision, DRS does not have to accept the application.
- 7.423 DRS may exercise a discretion to accept a late application for a miscellaneous claims assessment, consistent with [Section 1.3](#) of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act or the provision concerned, and the objects of DRS. This discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably and impartially, and give proper and genuine consideration to the particular circumstances of the issue and the claim.

## How do you apply for a miscellaneous claims assessment?

- 7.424 This Part of the Motor Accident Guidelines makes provisions relating to the procedures for the referral of disputes for assessment, under [Section 7.39](#) of the Act.
- 7.425 A referral for a miscellaneous claims assessment is made by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

## What must a miscellaneous claims assessment application include?

- 7.426 In addition to the standard DRS application requirements, an application for a miscellaneous claims assessment must also include:
- 7.426.1 the decision that is referred for a miscellaneous claims assessment
  - 7.426.2 the alternative decision sought in the miscellaneous claims assessment
  - 7.426.3 the reasons the decision should be changed.
- 7.427 DRS may decline to conduct a miscellaneous claims assessment if the application does not comply with clause [7.426](#) above.

## How long do you have to reply to a miscellaneous claims assessment application?

- 7.428 A party who receives an application for a miscellaneous claims assessment lodged with DRS by another party will be given the opportunity to respond to the application by lodging a reply to that application.
- 7.429 The responding party may lodge a reply to an application for a miscellaneous claims assessment within a period of time after receiving the application for a miscellaneous claims assessment as listed in Table 7.4 for the various types of medical assessment matters.

**Table 7.4: Miscellaneous claims assessment notification period**

Miscellaneous claims assessment matters	Reply period
1. Statutory benefits payments matters ( <a href="#">Schedule 2</a> , clause 3(b), (f) and (k))	7 days
2. Procedural claims matters ( <a href="#">Schedule 2</a> , clause 3(h), (i), (j), (l), and (m))	14 days
3. Fault and contributory negligence matters ( <a href="#">Schedule 2</a> , clause 3(a), (a1), (c), (d), (e) and (g))	21 days

- 7.430 If the respondent lodges a reply later than the period allowed in clause [7.429](#) above, DRS does not have to consider the reply.
- 7.431 DRS may exercise a discretion to consider a late reply to an application for a miscellaneous claims assessment, consistent with [Section 1.3](#) of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act or the provision concerned, and the objects of DRS. This discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably, impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.
- 7.432 DRS may also proceed in the absence of a reply.

## How do you reply to a miscellaneous claims assessment application?

7.433 A party may reply to an application for a miscellaneous claims assessment by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses [7.88](#), [7.89](#), [7.90](#), [7.91](#), [7.92](#), [7.93](#) and [7.94](#) of this Part of the Motor Accident Guidelines.

## What must a reply to a miscellaneous claims assessment application include?

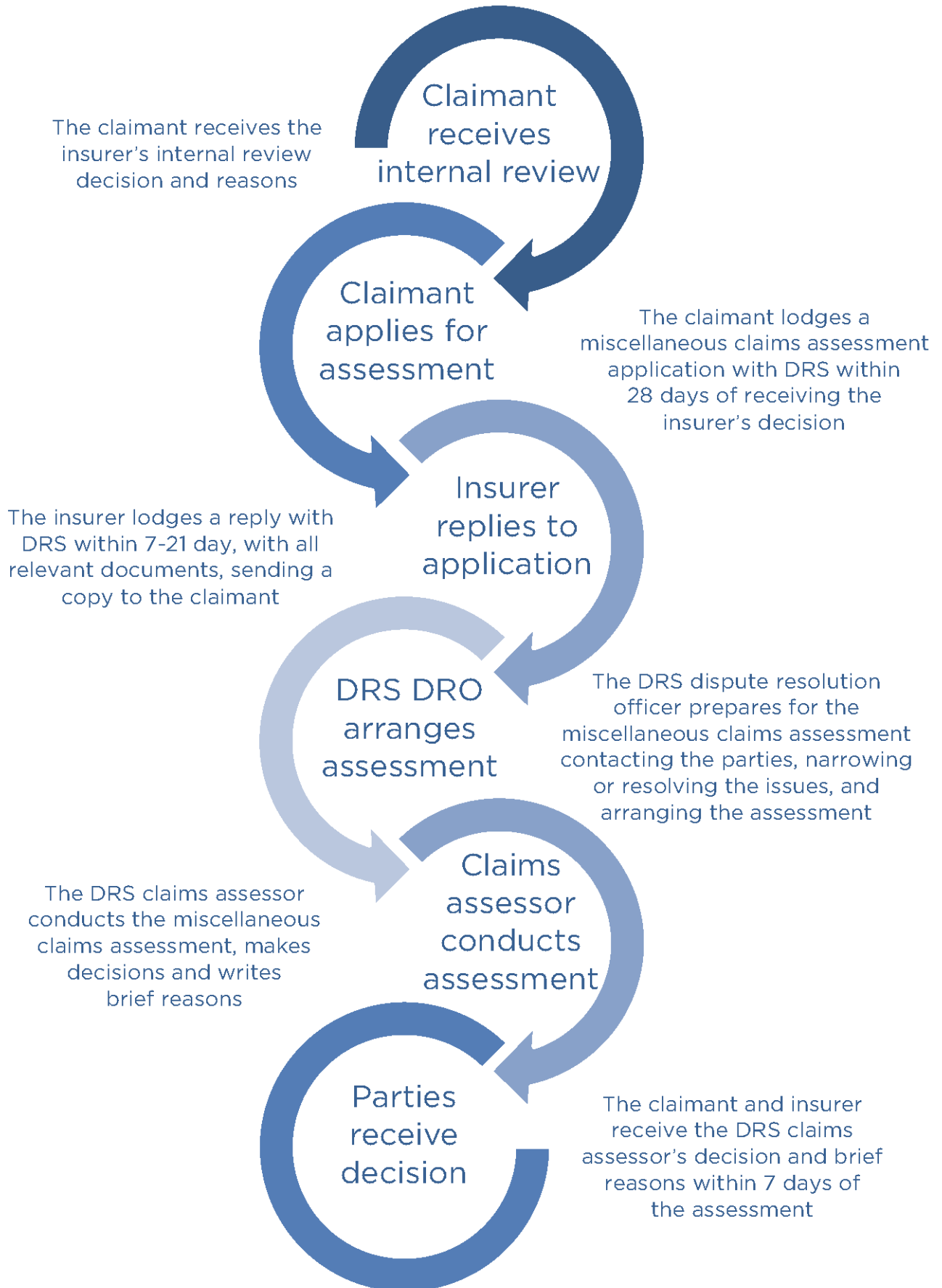
7.434 In addition to the standard DRS reply requirements, a reply to an application for a miscellaneous claims assessment must also include the following information:

7.434.1 the response of the party to the alternative decision sought in the application for miscellaneous claims assessment

7.434.2 the response of the party to the reasons the other party believes the decision should be changed.

7.435 DRS may decline to consider a reply to an application for a miscellaneous claims assessment if the reply does not comply with clause [7.434](#) above.

Figure 7.5: The miscellaneous claims assessment process





## How will DRS arrange the miscellaneous claims assessment?

- 7.436 The application for a miscellaneous claims assessment will be managed in accordance with the provisions set out in the Section ‘Managing applications to DRS’ in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.437 In addition to those standard application management provisions, DRO may also arrange for the miscellaneous claims assessment application to be referred to a claims assessor, under [Section 7.32\(2\)](#) of the Act.
- 7.438 The provisions of [Division 7.6](#), [Subdivision 2](#) ‘Assessment of claims for damages’, also apply to the assessment of a miscellaneous claims assessment under [Subdivision 3](#) ‘Miscellaneous claims assessments’ due to the operation of [Section 7.42\(2\)](#) of the Act.

## Who will conduct the miscellaneous claims assessment?

- 7.439 The miscellaneous claims assessment will be conducted by a claims assessor who has been appointed by the Authority, under [Division 7.2](#), [Section 7.4](#) of the Act.
- 7.440 DRO will advise the parties of the claims assessor who has been allocated to conduct a particular miscellaneous claims assessment.

## How is the miscellaneous claims assessment conducted?

- 7.441 The miscellaneous claims assessment must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular miscellaneous claims assessment, which may include undertaking the assessment on the papers, using teleconferences, videoconferences or face-to-face meetings as appropriate.
- 7.442 The claims assessor may determine the miscellaneous claims assessment procedure, is not bound by the rules of evidence and may inquire into any matter relevant to the issues in dispute in such manner as the they think fit.

## What are the claims assessor’s powers and procedures?

- 7.443 The claims assessor conducting the miscellaneous claims assessment may exercise the same claims assessor powers and apply the same procedures as for a claims assessments that are referred to in the following sections of this Part of the Motor Accident Guidelines:
- 7.443.1 ‘Can the claims assessor request additional information?’ (Clause [7.486](#) to [7.488](#))
  - 7.443.2 ‘Can the claims assessor provide documents to a party?’ (Clause [7.489](#))
  - 7.443.3 ‘Can parties be represented in claims assessments?’ (Clause [7.490](#))
  - 7.443.4 ‘Can parties be assisted to communicate in claims assessments?’ (Clause [7.491](#))
  - 7.443.5 Can parties make written submissions in a claims assessment? (Clause [7.492](#))
  - 7.443.6 Can claims assessors hold separate proceedings? (Clause [7.493](#))



- 7.443.7 'Can a claims assessment be conducted without a formal hearing?'  
(Clause [7.494](#))
- 7.443.8 'How will a claims assessor assess a claimant's legal costs?'  
(Clause [7.498](#))

## When will the miscellaneous claims assessment be determined?

- 7.444 The miscellaneous claims assessment will be determined by the claims assessor as soon as practicable, and preferably within seven days of the assessment, under [Section 7.36\(4\)](#) of the Act; however, a determination is not invalid if it is made after that period expires.

## What does the claims assessor provide to the parties?

- 7.445 The claims assessor is to issue the parties with a certificate as to the miscellaneous claims assessment, attaching a brief statement of reasons for the assessment, under [Section 7.36\(5\)](#) of the Act.

## Can a claims assessor correct an obvious error?

- 7.446 If the PCA is satisfied that a certificate as to a miscellaneous claims assessment or a statement of reasons attached to the certificate contains an obvious error, the PCA may issue, or approve of the claims assessor issuing, a replacement certificate or statement of reasons to correct the error, under [Section 7.36\(6\)](#) of the Act.
- 7.447 An obvious error may be corrected at the request of a party, or as a result of the claims assessor's or PCA's identification of an obvious error.

## What is the status of the miscellaneous claims assessment decision?

- 7.448 An assessment of a dispute about a miscellaneous claims assessment matter relating to a claim for statutory benefits is binding on the parties to the dispute, under [Section 7.42\(3\)](#) of the Act.
- 7.449 A determination made in connection with a claim for statutory benefits as to:
- 7.449.1 any fault of the owner or driver in the use or operation of the motor vehicle, or
  - 7.449.2 contributory negligence in relation to the motor accident, or
  - 7.449.3 any other matter prescribed by the Regulation,
- is not binding in connection with a claim for damages in relation to the same motor accident, under [Section 3.44](#) of the Act.
- 7.450 An assessment of a dispute about a miscellaneous claims assessment matter relating to a claim for damages is not binding under clause 17(cii) of the Regulation.

## When does the miscellaneous claims assessment take effect?

- 7.451 The should apply for and give effect to the miscellaneous claims assessment decision as quickly as practicable, in accordance with its responsibilities under this Part of the Motor Accident Guidelines principles in 'Part 4 of the Motor Accident Guidelines: Claims', clause [4.6](#).

## What decision information must the insurer provide the claimant?

- 7.452 On receiving the miscellaneous claims assessment decision, the insurer is to advise the claimant about the effect of the decision, providing the claimant with details of:
- 7.452.1 how and when the insurer will give effect to the miscellaneous claims assessment decision, and
  - 7.452.2 the impact of the miscellaneous claims assessment decision on the claimant and their claim.

## Are legal costs payable for miscellaneous assessment matters?

- 7.453 Schedule 1, clause 2(4) and Table D of the Regulation make provision for the maximum costs for legal services provided to a claimant in connection with matters relating to the assessment of a miscellaneous assessment matter.

## Assessment of claims for damages

### What damages claims can be referred for a claims assessment?

- 7.454 A claimant, insurer or both may refer a claim for damages for a claims assessment, under Section 7.32(1) of the Act.
- 7.455 A reference to referring a claim for assessment is defined in Section 7.30(2) of the Act to include a reference to referring a claim for a certificate of exemption from assessment.

### Which claims are specified by the Regulation as exempt from a damages claims assessment?

- 7.456 A claim is exempt from assessment if the claim is of a kind specified in the Regulation as a claim that is exempt from assessment, under Section 7.34(1)(a) of the Act.
- 7.457 The following kinds of claims are specified in the Regulation, under clause 14, as being exempt from assessment:
- 7.457.1 a claim in respect of which the claimant is a person under legal incapacity
  - 7.457.2 a claim involving an action under the Compensation to Relatives Act 1897 NSW brought on behalf of a person under legal incapacity
  - 7.457.3 a claim made against a person other than an insurer
  - 7.457.4 a claim in connection with which the insurer has, by notice in writing to the claimant, alleged that the claimant has engaged in conduct in contravention of Section 6.41 ('Fraud on motor accidents injuries scheme') of the Act
  - 7.457.5 a claim in respect of which the insurer has, by notice in writing to the claimant and the owner or driver of the motor vehicle to which a third party policy relates, declined to indemnify the owner or driver under the third party policy.

## Which damages claims may be not suitable for assessment and exempt?

- 7.458 A claim is exempt from assessment if a claims assessor has made a preliminary assessment of the claim and has determined, with the approval of the PCA, that the claim is not suitable for assessment, under Section 7.34(1)(b) of the Act.
- 7.459 In determining whether a claim is not suitable for a claims assessment, a claims assessor and the PCA will have regard to the objects of the Act, the objects of DRS and all of the circumstances of the claim at the time of considering the claim.

## What needs to happen before a damages claims assessment application may be made?

- 7.460 The parties to a claim must use their best endeavours to settle the claim before referring it for damages claims assessment, under Section 7.32(3) of the Act.

## How long do you have to apply for a damages claims assessment?

- 7.461 An application for a claims assessment, including for exemption from assessment, must be made within three years of the date of the accident, under Section 7.33 of the Act.
- 7.462 If an application for a claims assessment, including for exemption from assessment, is made more than three years after the date of the motor accident, the applicant must provide a full and satisfactory explanation for the delay for a claims assessor. The claims assessor will determine whether to grant leave for the claim to be referred for assessment, including for exemption from assessment, under Section 7.33 of the Act.

## How do you refer a claim for damages for a claims assessment?

- 7.463 This Part of the Motor Accident Guidelines makes provisions relating to the procedures referring disputes for a damages claims assessment, including for exemption from a damages claims assessment, under Section 7.39 of the Act.
- 7.464 A claim for damages may be referred for a claims assessment, including for exemption from damages claims assessment, by making an application to DRS in accordance with the standard DRS application requirements set out in clauses 7.81, 7.82, 7.83, 7.84, 7.85 and 7.86 of this Part of the Motor Accident Guidelines.

## What must a claims assessment application include?

- 7.465 In addition to the standard DRS application requirements, an application for a damages claims assessment, including for exemption from assessment, must also include details of:
- 7.465.1 the best endeavours that the parties have used to attempt to settle the claim before referring it for assessment, including for exemption from assessment, and
  - 7.465.2 the issues in dispute between the parties.
- 7.466 DRS may decline to conduct a claims assessment if the application does not comply with clause 7.465 above.

## How long do you have to reply to a claims assessment application?

- 7.467 A party who receives an application for a claims assessment, including for exemption from assessment, lodged with DRS by another party will be given the opportunity to respond to the application by lodging a reply to that application.
- 7.468 The responding party may lodge a reply to an application:
- 7.468.1 for exemption from damages claims assessment, within seven days of receiving the application, and
  - 7.468.2 for a damages claims assessment, within 21 days of receiving the application.
- 7.469 If the respondent lodges a reply later than the period allowed in clause [7.468](#), DRS may proceed to make a decision in the absence of a reply.
- 7.470 DRS may exercise a discretion to consider a late reply to an application for a claims assessment, including for exemption from assessment, consistent with [Section 1.3](#) of the Act, if an officer of DRS believes the exercise of that discretion would best promote the objects of the Act or the provision concerned, and the objects of DRS. The discretion must be exercised in accordance with any applicable legal requirements, and the DRS officer must act reasonably and impartially and give proper and genuine consideration to the particular circumstances of the issue and the claim.

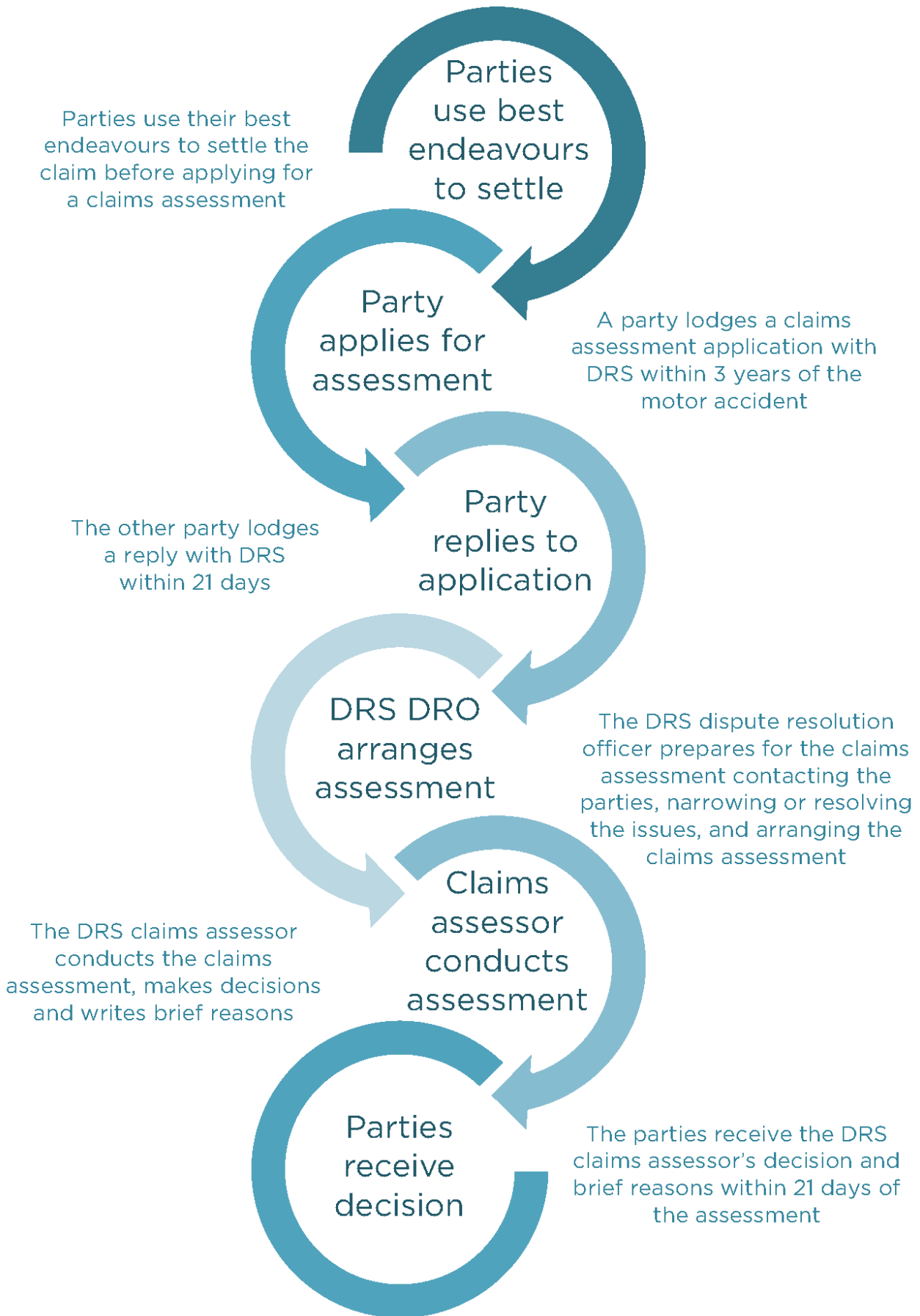
## How do you reply to a claims assessment application?

- 7.471 A party may reply to an application for a damages claims assessment, including for exemption from assessment, by making a reply to DRS in accordance with the standard DRS reply requirements set out in clauses [7.88](#), [7.89](#), [7.90](#), [7.91](#), [7.92](#), [7.93](#) and [7.94](#) of this Part of the Motor Accident Guidelines.

## What must a reply to a claims assessment application include?

- 7.472 In addition to the standard DRS reply requirements, a reply to an application for a claims assessment, including for exemption from assessment, must also include:
- 7.472.1 the response of the party, including details of the best endeavours that the parties have used to attempt to settle the claim before referring it for assessment, including for exemption from assessment, identified in the claims assessment application, and
  - 7.472.2 the response of the party to the issues in dispute between the parties identified in the claims assessment application.
- 7.473 DRS may proceed to make a decision in the absence of a reply to an application for a claims assessment, including for exemption from assessment, if the reply does not comply with clause [7.472](#) above.

Figure 7.6: The claims assessment process



## How will DRS arrange the claims assessment?

- 7.474 The application for a claims assessment, including for exemption from assessment, will be managed in accordance with the provisions set out in the Section 'Managing applications to DRS' in clauses [7.165](#), [7.166](#), [7.167](#), [7.168](#), [7.169](#), [7.170](#) and [7.171](#) of this Part of the Motor Accident Guidelines.
- 7.475 In addition to those standard application management provisions, DRO may also:
- 7.475.1 make exemption assessment arrangements – arrange for an exemption application under [Section 7.34\(1\)\(a\)](#) of the Act, to be referred to the PCA, under [Section 7.32\(2\)](#) of the Act
  - 7.475.2 make claims assessment arrangements – arrange for a damages claims assessment application, including any exemption application under [Section 7.34\(1\)\(b\)](#) of the Act for matters claimed to be not suitable for assessment, to be referred to a claims assessor, under [Section 7.32\(2\)](#) of the Act.

## How and when can a claim be exempted from assessment?

- 7.476 If a claim is exempt from assessment under [Section 7.34\(1\)\(a\)](#) of the Act for matters specified in the Regulation as exempt, the PCA must, as soon as practicable, and preferably within seven days of the due date for the reply to the application, arrange for a certificate to that effect to be issued to the insurer and the claimant under [Section 7.34\(2\)](#) of the Act.
- 7.477 If a claims assessor has determined (with the approval of the PCA) that a claim is not suitable for assessment under [Section 7.34\(1\)\(b\)](#) of the Act, the PCA must, as soon as practicable, and preferably within seven days of the claims assessor's determination, arrange for a certificate to that effect to be issued to the insurer and the claimant under [Section 7.34\(2\)](#) of the Act.

## Who will conduct the claims assessment?

- 7.478 The claims assessment will be conducted by a claims assessor who has been appointed by the Authority, under [Section 7.4](#) of the Act, and who may assess that particular class of claim under [Section 7.35](#) of the Act.
- 7.479 The DRO will advise the parties of the claims assessor who has been allocated to conduct a particular claims assessment.

## How is the claims assessment conducted?

- 7.480 The claims assessment must be conducted in the way that best supports the objects of the Act, given the facts and circumstances of the particular claim and the particular claims assessment, which may include undertaking the assessment on the papers, using teleconferences, videoconferences or face-to-face meetings, as appropriate.
- 7.481 The claims assessor may determine the claims assessment procedure, is not bound by the rules of evidence, and may inquire into any matter relevant to the issues in dispute in such manner as they think fit.
- 7.482 The claims assessor is to act with as little formality as the circumstances of the claim permit and according to equity, good conscience and the substantial merits of the matter without regard to technicalities and legal forms.



- 7.483 The claims assessor is to ensure that relevant material is available so as to enable all of the relevant facts in issue to be determined.
- 7.484 During the course of an assessment, the claims assessor will not inquire about the amount of any offers made by either party.
- 7.485 A claims assessor will not be disqualified from assessing a matter if they become aware in any manner of the amount of any offer. If the claims assessor becomes aware of any offer, they will disregard that information for the purpose of assessing the claim.

### Can the claims assessor request additional information?

- 7.486 The claims assessor may give a direction in writing to a party requiring them to produce documents, information, consents and authorities under [Section 7.43\(1\)](#) of the Act.
- 7.487 The claims assessor may give a direction in writing to a person who is not a party requiring them to produce documents and information, and the Authority must pay the reasonable costs incurred by a person in complying with such a direction under [Section 7.43\(2\)](#) of the Act.
- 7.488 It is a condition of an insurer's licence under [Section 7.43\(5\)](#) that it complies with a claims assessor's direction under [Section 7.43](#).

### Can the claims assessor provide documents to a party?

- 7.489 The claims assessor may provide the parties with documents or information that has been produced to the claims assessor, under [Section 7.44](#) of the Act.

### Can parties be represented in claims assessments?

- 7.490 A party is entitled to be represented in claims assessment proceedings by an Australian legal practitioner, or another representative if they have sufficient authority to make binding decisions on behalf of the party, under [Section 7.46\(2\)](#) of the Act.

### Can parties be assisted to communicate in claims assessments?

- 7.491 A party is entitled to such representation or assistance in claims assessment proceedings (for example, the assistance of an interpreter) as may be necessary to enable the party to communicate adequately at the proceedings, under [Section 7.46\(3\)](#) of the Act.

### Can parties make written submissions in a claims assessment?

- 7.492 A claims assessor must take into account any written submission prepared by an Australian legal practitioner acting for a party to a claim and submitted by or on behalf of the party, under [Section 7.46\(4\)](#) of the Act.

### Can claims assessors hold separate proceedings?

- 7.493 A claims assessor may, subject to any general directions of the PCA, conduct proceedings with all relevant parties and experts in attendance, or separate proceedings in private with any of them, under [Section 7.46\(5\)](#) of the Act.

## Can a claims assessment be conducted without a formal hearing?

- 7.494 If the claims assessor is satisfied that sufficient information has been supplied in connection with a claim, the assessor may undertake the claims assessment without holding any formal hearing, under [Section 7.46\(6\)](#) of the Act.

## Can a summons to appear be issued to a party?

- 7.495 The PCA may issue a summons requiring the attendance of a party if they are satisfied that the party has failed without reasonable excuse to comply with a request by a claims assessor to attend, under [Section 7.45\(1\)](#) of the Act.

## What assessments will the claims assessor make?

- 7.496 In conducting a claims assessment, the claims assessor is to make an assessment of the issue of liability and specify the amount of damages for the claim, by having regard to such information as is conveniently available to the claims assessor, even if one or more of the parties to the assessment does not cooperate or ceases to cooperate, under [Section 7.36](#) of the Act.
- 7.497 In making an assessment and specifying damages in respect of a claim, a claims assessor may include in the assessment an assessment of the claimant's costs (including costs for legal services and fees for medico-legal services), under [Section 7.37](#) of the Act.

## How will a claims assessor assess a claimant's legal costs?

- 7.498 In making an assessment of a claimant's costs, a claims assessor:
- 7.498.1 may have regard to the amount of any written offer of settlement made by either party, under [Section 7.37\(3\)\(a\)](#) of the Act
  - 7.498.2 must give effect to any requirement of the Regulation under Part 8 ('Costs and fees') as to costs that may be included in an assessment or award of damages or in fixing maximum fees and costs under [Section 7.37\(3\)\(b\)](#) of the Act
  - 7.498.3 must have regard to the principles and matters referred to in [Section 200](#) of the *Legal Profession Uniform Law (NSW)*, under [Section 7.37\(3\)\(c\)](#) of the Act, and
  - 7.498.4 may, in a dispute about the maximum legal costs recoverable by an Australian legal practitioner who provides legal services to a claimant or an insurer in the claim for damages, or the apportionment of such costs between legal practitioners, refer the matter to DRS to be dealt with by a claims assessor, under Part 6, Division 2, clause 22(4)(b) of the Regulation.

## When will the claims assessment be determined?

- 7.499 The claim assessor will determine the claims assessment as soon as practicable and preferably within 21 days of the assessment, under [Section 7.36\(4\)](#) of the Act; however, a determination is not invalid if it is made after that period expires.



## What does the claims assessor provide to the parties?

- 7.500 The claims assessor is to issue the parties with a certificate as to the claims assessment, attaching a brief statement of reasons for the assessment, under Section 7.36(5) of the Act.

## Can a claims assessor correct an obvious error?

- 7.501 If the PCA is satisfied that a certificate as to an assessment, or a statement of reasons attached to the certificate, contains an obvious error, the PCA may issue, or approve of the claims assessor issuing, a replacement certificate or statement of reasons to correct the error, under Section 7.36(6) of the Act.
- 7.502 An obvious error may be corrected at the request of a party, or as a result of the claims assessor's or PCA's identification of an obvious error.

## What is the status of the claims assessment decision?

- 7.503 An assessment of the issue of liability for a claim is not binding on any party to the assessment, under Section 7.38(1) of the Act.
- 7.504 An assessment of the amount of damages is binding on the insurer, and the insurer must pay the claimant the amount of damages specified in the certificate, under Section 7.38(2) of the Act if:
- 7.504.1 the insurer admits liability under the claim, and
  - 7.504.2 the claimant accepts that amount of damages in settlement of the claim within 21 days of the certificate of assessment is issued.

## How is an assessment of damages accepted or rejected?

- 7.505 The Regulation provides in clause 15(1) that the claimant is to give written notice to the insurer of their acceptance or rejection of any amount of damages assessed under Division 7.6 in relation to a claim.
- 7.506 The Regulation provides in clause 15(2) that the insurer is to give written notice to the claimant and DRS of any rejection by the insurer, or any mutual acceptance by the insurer and the claimant, of an amount of damages assessed under Division 7.6 in relation to a claim.
- 7.507 The assessment acceptance day is prescribed by the Regulation under clause 15(3) as the earlier of the following days:
- 7.507.1 the day on which the insurer receives a notice under this clause of the claimant's acceptance of an amount of damages
  - 7.507.2 the day that is 21 days after the certificate of assessment is issued to the insurer.

## When does the claims assessment take effect?

- 7.508 The insurer should apply and effect to the claims assessment decision as quickly as is practicable, in accordance with its responsibilities under the principles in 'Part 4 of the Motor Accident Guidelines: Claims', clause 4.6.
- 7.509 It is a condition of an insurer's licence that the amount of damages payable by an insurer (including any costs assessed as payable by the insurer) be paid within such period as may be prescribed by the Regulation, under Section 7.38(3) and (4) of the Act.

- 7.510 The Regulation prescribes, at clause 16(1), that the amount of damages payable by an insurer (including any costs assessed as payable by the insurer) must be paid within 20 days of the assessment acceptance date, as prescribed under clause 15(3) of the Regulation.

### What decision information must the insurer provide the claimant?

- 7.511 On receiving the claims assessment decision, the insurer is to advise the claimant about the effect of the decision, providing the claimant with details of:
- 7.511.1 how and when the insurer will give effect to the claims assessment decision, and
  - 7.511.2 the impact of the claims assessment decision on the claimant and their claim.

### Are legal costs payable in claims assessment matters?

- 7.512 Schedule 1 clause 2(5) and Table E of the Regulation makes provision for the maximum costs for legal services to a claimant in connection with a claims assessment matter.

## Further assessments of claims for damages

### What claims can be referred for a further claims assessment?

- 7.513 A party may refer a claim for damages to DRS for a further claims assessment where significant new evidence is produced in court proceedings after a claims assessor has previously assessed a claim, under [Section 6.34](#) of the Act.

### How do you refer a claim for damages for a further claims assessment?

- 7.514 This Part of the Motor Accident Guidelines makes provisions relating to the procedures for the referral of disputes for assessment, under [Section 7.39](#) of the Act.
- 7.515 A claim for damages may be referred for a further claims assessment by making an application to DRS in accordance with the standard DRS application requirements set out in clauses [7.81](#), [7.82](#), [7.83](#), [7.84](#), [7.85](#) and [7.86](#) of this Part of the Motor Accident Guidelines.

### Which claims assessment provisions also apply to further claims assessments?

- 7.516 The further claims assessment will be dealt with under the same guideline provisions that apply to claims assessments, and clause [7.455](#) through to clause [7.509](#) inclusive also apply to applications for further claims assessment.

# Glossary

AIS	Abbreviated Injury Scale	EFT	Electronic funds transfer
ACS	Average claims size	eGreenSlip	Electronic notification of a third party policy by an insurer to Roads & Maritime Services
ADL	Activities of daily living		
AF	At fault		
AustLII	Australasian Legal Information Institute	FEV1	Forced expiratory volume
ABS	Australian Bureau of Statistics	FVC	Forced vital capacity
AMA	Australian Medical Association	Fund levy	The combined total of the Motor Accidents Operational Fund levy, Lifetime Care & Support Authority Fund levy and Motor Accident Injuries Treatment & Care Benefits Fund levy
AMA4	<i>Guides to the Evaluation of Permanent Impairment, Fourth Edition (third printing, 1995) published by the American Medical Association</i>	icare	Insurance & Care NSW
ABN	Australian Business Number	ICD	International Statistical Classification of Diseases & Related Health Problems
APRA	Australian Prudential Regulation Authority	ITC	Input tax credit
BPAY	Electronic bill payment system	LTCS	Lifetime Care & Support Scheme
CDR	Clinical dementia rating	MAI	Motor accident injuries
CRPS	Complex regional pain syndrome	MRC	Medical Research Council
CT scans	computerized axial tomography scan	MAF	Motor Accidents Operational Fund
CTP	Compulsory third party	MAITC	Motor Accident Injuries Treatment & Care Fund
DSM	Diagnostic & Statistical Manual of Mental Disorders	MRI scans	magnetic resonance imaging scan
DSM-5	<i>Diagnostic &amp; Statistical Manual of Mental Disorders, Fifth Edition, 2013, published by the American Psychiatric Association.</i>	NAATI	National Accreditation Authority for Translators & Interpreters
DRE	Diagnosis-related estimates	NAF	Not at fault
DCO	Diffusing capacity of carbon monoxide	APRA	Australian Prudential Regulation Authority
DRO	Dispute Resolution Officer	PC	Personal care
DRS	Dispute Resolution Service	PCA	Principal claims assessor
DX box	secure document exchange box	PIRS	Psychiatric impairment rating scale
ENT	Ear, nose and throat	ROM	Range of motion
EEG	Electroencephalogram	REM	Risk equalisation mechanism
EDM	Electronic dispute management	RMS	Roads & Maritime Services
		TAFE	Technical and Further Education

TEMSKI	Table for the evaluation of minor skin impairment	VIN	Vehicle identification number
SCI	Spinal cord injuries	VO2 max	Measurement of exercise capacity
SI	Superimposed inflation	WPI	Whole person impairment
SLR	Straight leg raising	WHO	World Health Organisation
UEI	Upper extremity impairment	WOVR	Written-off vehicles register

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