



Australian Capital Territory

Road Transport (Third-Party Insurance) (Governance) Amendment Act 2010

A2010-36

An Act to amend the *Road Transport (Third-Party Insurance) Act 2008*, and for other purposes

The Legislative Assembly for the Australian Capital Territory enacts as follows:

1 Name of Act

This Act is the *Road Transport (Third-Party Insurance) (Governance) Amendment Act 2010*.

2 Commencement

This Act commences on the day after its notification day.

Note The naming and commencement provisions automatically commence on the notification day (see Legislation Act, s 75 (1)).

3 Legislation amended

This Act amends the *Road Transport (Third-Party Insurance) Act 2008*.

Note This Act also amends the *Financial Management Act 1996* (see s 8).

4 Part 1.2 heading

substitute

Part 1.2 Objects and important concepts

5A Objects

The main objects of this Act are—

- (a) to continue and improve the system of compulsory third-party insurance, and the scheme of statutory insurance for uninsured and unidentified vehicles, operating in the ACT; and
- (b) to promote competition in setting premiums for compulsory third-party insurance policies; and
- (c) to keep the costs of insurance at an affordable level; and

- (d) to provide for the licensing and supervision of insurers providing insurance under policies of compulsory third-party insurance; and
- (e) to encourage the speedy resolution of personal injury claims resulting from motor accidents; and
- (f) to promote and encourage, as far as practicable, the rehabilitation of people who sustain personal injury because of motor accidents; and
- (g) to establish and keep a register of motor accident claims to help the administration of the statutory insurance scheme and the detection of fraud; and
- (h) to promote measures directed at eliminating or reducing causes of motor accidents and mitigating their results.

5 Section 14

substitute

Part 1.3 CTP regulator

Note The governance of territory authorities, including the CTP regulator, is regulated by the *Financial Management Act 1996* (the *FMA*), pt 9 as well as the Act that establishes them.

The FMA, pt 9 deals, for example, with the corporate status of territory authorities and their powers.

14 Who is the *CTP regulator*?

- (1) The Australian Capital Territory Compulsory Third-Party Insurance Regulator (the *CTP regulator*) is established.

Note 1 The CTP regulator is a corporation (see *Financial Management Act 1996*, s 54 (1), s 72, def *relevant territory authority*, and s 73).

Note 2 The Legislation Act, dict, pt 1, defines *establish* as including continue in existence.

- (2) The chief executive is the CTP regulator.
- (3) The CTP regulator may delegate the CTP regulator's functions under the road transport legislation to a public employee.

Note For the making of delegations and the exercise of delegated functions, see the Legislation Act, pt 19.4.

14A Functions of CTP regulator

The CTP regulator has the following functions:

- (a) to regulate the licensing of insurers operating under the compulsory third-party insurance scheme under this Act, including to issue, suspend or cancel licences for insurers and supervise insurers;
- (b) to monitor the management of claims by licensed insurers and insurers' compliance with their obligations under the Act;
- (c) to ensure that premiums fully fund the present and likely future liability under the Act but are not excessive;
- (d) to approve or reject CTP premiums and make guidelines in relation to premiums under this Act;
- (e) to monitor the availability, adequacy and use of rehabilitation services for claimants who suffer personal injury in motor accidents and develop and support programs, research, resources and guidelines that will assist effective injury management;
- (f) to support research into the causes of motor accidents, and the economic, social and personal cost of motor accidents;
- (g) to promote public awareness of the causes of motor vehicle accidents, and the economic, social and personal cost of motor accidents;

- (h) to promote the provision, maintenance and support of the infrastructure and services necessary to reduce the incidence and consequences of motor accidents;
- (i) to monitor the efficiency of the compulsory third-party insurance scheme and, in particular, the proportion of the funds of the scheme paid to claimants or applied for their direct benefit;
- (j) to develop and coordinate strategies to identify and combat fraud in or related to motor accident claims;
- (k) to keep the insurance industry deed under review and make recommendations for its amendment;
- (l) to keep the compulsory third-party insurance scheme generally under review and make recommendations for its amendment;
- (m) any other function given to the CTP regulator under this Act or another territory law.

6 New section 46A

in division 2.6.1, insert

46A Average risk premium amount

- (1) For each financial year, the CTP regulator must publish in the CTP regulator's annual report the average risk premium amount for passenger vehicles.
- (2) In this section:

average risk premium amount, for passenger vehicles, for a financial year, means the average of the risk premium amounts for passenger vehicles used by each licensed insurer for the year, weighted by each insurer's market share and expressed as an average price by policy.

passenger vehicle means a motor vehicle built mainly to carry people but does not include the following:

- (a) an ambulance;
- (b) a bus;
- (c) a demand responsive service vehicle;
- (d) a drive-yourself hire vehicle;
- (e) a motorcycle;
- (f) a police vehicle;
- (g) a general hire car;
- (h) a taxi.

risk premium amount, for a licensed insurer for passenger vehicles, means an amount that is equal to the insurer's best estimate of the minimum projected cost of motor accident claims relating to passenger vehicles.

7 New sections 163F and 163G

in part 4.10A, insert

163F Accounts for nominal defendant fund

- (1) The nominal defendant must keep a separate account in the nominal defendant fund for meeting the liabilities of the nominal defendant.

Note The nominal defendant is liable for uninsured or unidentified motor vehicles (see pt 2.7) and for insolvent insurers (see s 241).

- (2) The nominal defendant must keep accounts for—
 - (a) amounts paid into the nominal defendant fund under section 163B; and
 - (b) amounts withdrawn from the nominal defendant fund.

- (3) Accounts kept of amounts withdrawn from the nominal defendant fund must show the reason why each amount is withdrawn.

163G Audit of nominal defendant fund

- (1) The nominal defendant must have the accounts of the nominal defendant fund for a financial year audited by a recognised auditor as soon as practicable after the end of the financial year.
- (2) The nominal defendant must give the auditor's report and audited accounts to the CTP regulator as soon as practicable after the end of the financial year to which the report relates.

8 Financial Management Act 1996, section 54 (1)

insert

- Australian Capital Territory Compulsory Third-Party Insurance Regulator

Endnotes

1 Presentation speech

Presentation speech made in the Legislative Assembly on 19 August 2010.

2 Notification

Notified under the Legislation Act on 29 September 2010.

3 Republications of amended laws

For the latest republication of amended laws, see www.legislation.act.gov.au.

I certify that the above is a true copy of the Road Transport (Third-Party Insurance) (Governance) Amendment Bill 2010, which was passed by the Legislative Assembly on 21 September 2010.

Acting Clerk of the Legislative Assembly

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