

1994

**THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL
TERRITORY**

MOTOR TRAFFIC ACT 1936

**MOTOR VEHICLE (THIRD PARTY INSURANCE) REGULATIONS
(AMENDMENT)**

EXPLANATORY MEMORANDUM

Circulated by the Authority of the Minister for Urban Services

Colin David Lamont MLA

MOTOR VEHICLE (THIRD PARTY INSURANCE) REGULATIONS (AMENDMENT)

EXPLANATORY MEMORANDUM

Outline

Subsection 88(1) of the *Motor Traffic Act 1936* ("the Act") provides that the maximum rates of premiums which may be charged by an authorised insurer for third party policies shall be such rates as are prescribed. Subsection 88(2) enables different maximum rates to be prescribed in relation to different classes of motor vehicle depending on the purpose for which the vehicles are used. The Motor Vehicle (Third Party Insurance) Regulations ("the Regulations") give effect to these provisions of the Act.

The Motor Vehicle (Third Party Insurance) Regulations (Amendment), ("the amending Regulation") amends the Regulations by increasing the premiums by, on average, 11% - 12%.

The increased rates reflect recommendations made by the Third Party Insurance Premiums Advisory Committee following an increase in overall Compulsory Third Party insurance scheme costs.

Financial considerations

There are no revenue implications arising from the amending Regulation.

Details

Commencement and Interpretation

Regulations 1 and 2 provide that the amending Regulation will take effect on 8 July 1994 and that a reference in the amending Regulation to "Principal Regulations" means the Motor Vehicle (Third Party Insurance) Regulations.

Premium rates

Regulation 3 revises the premium for a third party policy in relation to a trader's plate from \$80 to \$89.

Schedule 1- Part II

Regulation 4 repeals Part II of Schedule 1 and substitutes a new Part which revises all third party premiums for specified classes of vehicle as shown in the table below. Premiums are set relative to that for a private motor car and reflect claims history for that class of vehicle. If a particular class of vehicle has a good or bad claims history having regard to factors such as the number of claims and average claim size for that class of vehicle, this will be reflected in the charged premium. For example, the

premiums for items 7 and 12 have increased by 39% and 36% respectively. It should also be noted that in items 16 and 17 the premiums are reduced thereby reflecting improved claims experience for those classes of vehicle.

Item	Classification	Old Premium	New Premium
1	Private motor car	\$160	\$178
2	Business car	\$144	\$160
3	Goods vehicle -		
	(a) light	\$192	\$214
	(b) heavy	\$432	\$481
4	Primary producer's goods vehicle -		
	(a) light	\$120	\$134
	(b) heavy	\$120	\$134
5	Omnibus or tourist motor vehicle -		
	(a) large	\$704	\$783
	(b) small	\$160	\$178
6	Taxi	\$1520	\$1691
7	Private hire car	\$192	\$267
8	Drive-yourself vehicle	\$480	\$534
9	Motor cycle -		
	(a) large	\$160	\$169
	(b) medium	\$152	\$169
	(c) small	\$64	\$71
10	Fire fighting vehicle	\$80	\$89
11	Undertaker's vehicle	\$32	\$36
12	Motor breakdown vehicle	\$144	\$196
13	Trailer	0	0
14	Miscellaneous vehicle	\$160	\$214
15	Primary producer's tractor	\$32	\$36
16	Mobile crane	\$480	\$445
17	Historic vehicle	\$24	\$18