

Australian Capital Territory

Road Transport (Third-Party Insurance) Amendment Regulation 2007 (No 1)

Subordinate Law SL2007—26

made under the

Road Transport (General) Act 1999 section 233

EXPLANATORY STATEMENT

Circulated with the authority of
Jon Stanhope MLA
Treasurer

ROAD TRANSPORT (THIRD-PARTY INSURANCE) AMENDMENT REGULATION 2007 (NO 1)

Authority

This Regulation is authorised by section 233 of the *Road Transport (General) Act 1999*.

Outline

Section 214 of *Road Transport (General) Act 1999* (the Act) prohibits an authorised insurer from charging a higher premium for a compulsory third party (CTP) policy than the maximum premium prescribed by regulation for the policy.

The amendments proposed in this Regulation amend the *Road Transport (Third-Party Insurance) Regulation 2000* (the principal regulation) by revising the maximum premiums that can be charged by an authorised insurer for the various premium classes for CTP policies taking effect on or after 1 November 2007. The premiums set out in Schedule 1 to the amending regulation have been developed following a peer review by Cumpston Sarjeant Pty Ltd, an independent actuary engaged by the Government to ensure that the interests of the ACT community are protected, of insurer proposals in relation to premiums.

Revenue/Cost Implications

The Government retains no premium revenue. Accordingly, there are no revenue implications. There are cost implications. ACT agencies will pay CTP premiums in accordance with Schedule 1 for registered vehicles that carry CTP insurance.

Formal Clauses

Clause 1 – Name of Regulation – states the title of the Regulation, which is the *Road Transport (Third-Party Insurance) Amendment Regulation 2007 (No 1)*.

Clause 2 – Commencement – states when the Regulation commences. The Regulation commences on the day after its notification day.

Clause 3 – Legislation Amended – provides that this Regulation amends the *Road Transport (Third-Party Insurance) Regulation 2000*.

Clause 4 – New Section 11 (5), (6) and (7) – are transitional provisions that continue to apply the existing schedule of maximum premiums for different classes of vehicles to CTP policies that begin after the commencement of the amending regulation but before 1 November 2007.

Clause 5 – Schedule 1 – substitutes the existing schedule of maximum premiums for different classes of vehicles with the new schedule of premiums that can be charged for CTP policies that begin on or after 1 November 2007.