

Australian Capital Territory

Motor Accident Injuries (UVP Liability Contribution) Guideline 2019

Disallowable instrument DI2019-277

made under the

Motor Accident Injuries Act 2019, section 332, MAI Commission decide UVP liability contribution

EXPLANATORY STATEMENT

The ACT Nominal Defendant insures Unregistered Vehicle Permit (UVP) holders for the purposes of third-party insurance. A UVP liability contribution is paid by UVP holders, which gives the ACT Nominal Defendant the funds to provide the third-party insurance policy that is required when using a motor vehicle on a road or road related area. A UVP is purchased from the Road Transport Authority (RTA) and a fee applies for the permit.

The *Motor Accident Injuries Act 2019* requires the MAI Commission to determine an amount to be the UVP Liability Contribution that is paid by the UVP holder when obtaining their UVP (see section 332). The MAI Commission must also make guidelines for the UVP liability contributions. The instrument determines the amount.

The amount is a formula that is worked out in accordance with the guidelines. The formula is the same as that applying under the current Compulsory Third-Party Insurance scheme.

The guideline provides that the contribution is based on the average MAI premium of all insurers for a vehicle class divided by a formula according to the duration of the UVP. For 1 day of use, 1/30 of the yearly average MAI premium for that kind of vehicle is payable. For up to 7 days of use, the contribution is 1/20 of the yearly average MAI premium. For any period over 7 days the contribution is 1/10 of the yearly average MAI premium. Provision is also made for a restricted UVP to be determined in accordance to the time applied for.

The class of vehicle for assessing contributions is the same as those for determining MAI premiums under the *Motor Accident Injuries (Premiums and Administration) Regulation 2019*, schedule 1.