Australian Capital Territory

Motor Accident Injuries (Premiums) Guidelines 2026 (No 1)

Disallowable instrument DI2026-204

made under the

Motor Accident Injuries Act 2019, section 487 (MAI Guidelines)

EXPLANATORY STATEMENT

Section 487 of the *Motor Accident Injuries Act 2019* (the MAI Act) enables the MAI Commission to make guidelines about any matter required or permitted by the MAI Act to be included in guidelines.

The guidelines are for the purpose of section 316 of the MAI Act and make provision for the information and factors to be taken into account to assist insurers in working out MAI premiums; and the requirements that must be met to support premiums charged under the MAI Scheme.

The guidelines capture the prudential regulatory framework underlying the MAI Scheme. A fundamental principle is that all premiums (filings) are required to fully fund the insurer's present and likely future liability and must not be excessive.

The guidelines have been updated to provide clarity about information required to support a filing. This includes greater substantiation of details of discount rate assumptions used in the filing and also details of any material changes in expense assumptions and allocations between filings. In addition, the guidelines now include benchmark caps on claims handling and other premium expenses, with insurers being required to justify with reasons if these caps are exceeded. These changes will improve the comparability of information provided by different insurers and provide additional information to assist the MAI Commission in approving MAI premiums.

The guidelines have also been updated for the maximum premiums that can be charged by those insurers with premiums below the maximum amounts for motorcycle classes 9A and 9B $520 (increase from $502), and classes 9C and 9D $110 (increase from $105) (section 4.1). This takes into consideration inflation and ensuring motorcyclists contribute a fair share of funding for their costs.

Insurers and the Scheme Actuary were consulted on the updates to the guidelines.

The 2026 guidelines come into effect from the day after their notification for premiums effective from 1 April 2027. There is a long lead time associated with de novo premium filings.

<u>Consistency with Human Rights</u>
In developing the guidelines, consideration was given to its compatibility with the *Human Rights Act 2004* and the terms of reference of the Standing Committee on Legal Affairs (Legislative Scrutiny Role). The guidelines outline how licensed insurers as corporations are to propose MAI premiums for approval by the MAI Commission as required under the primary legislation and therefore do not affect an individual’s human rights.