

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 removing existing classifications for Motor Vehicle Omnibuses and creating two new classes and associated premium rates.

The revised classes reflect recommendations from the Department of Urban Services Transport Regulation Branch and the Department of Urban Services Roads and Transport Branch to introduce Motor Vehicle Omnibus classifications which are consistent with those applying in New South Wales. The revised premium rates reflect recommendations of the National Roads and Motorist Association (NRMA), the sole Compulsory Third Party insurer, and recommendations of the Department of Urban Services Roads and Transport Branch.

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 the date of Gazettal and that a reference in the amending Regulation to "Principal Regulations" means the Motor Vehicle (Third Party Insurance) Regulations.

Regulation 3 revises the categories of Omnibus or tourist motor vehicles and respective premiums as shown in the table below. Premiums have been amended to reflect the risk associated with the new classes of vehicles having regard to such factors as number of claims and average claim size for that class of vehicle.

Existing Classifications and Premium Rates

Item	Classification	Premium
5	Omnibus or tourist motor vehicle	
	a) where the vehicle has seating accommodation for more than six adult persons (including the driver)	\$783
	b) where the vehicle has seating accommodation for not more than six adult persons (including the driver)	\$783

Proposed Classifications and Premium Rates

Item	Classification	Premium
5	Omnibus or tourist motor vehicle	
	a) where the vehicle has seating accommodation for more than 16 adult persons (including the driver)	\$854
	b) where the vehicle has seating accommodation for not more than 16 adult persons (including the driver)	\$214