

1999

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

MOTOR TRAFFIC ACT 1936

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

EXPLANATORY STATEMENT

**Circulated by the Authority of Minister for Urban Services
Brendan Smyth MLA**

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 compulsory third party (CTP) insurance 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 Part Insurance) Regulations (Amendment), ("the amending Regulations") amend the regulations by establishing a new CTP insurance premium motor vehicle category for goods vehicles with a tare weight not exceeding 975 kilograms, and sets the premium for the new category at the same level as for a Class 1 motor vehicle.

The reason for creating a separate category for goods vehicles with a tare weight not exceeding 975 kilograms is that the size of such vehicles means they are basically used for personal use. Although their compliance plates indicate they are goods carrying, the load capacity of these vehicles is generally no greater than the boot capacity of an average family sedan.

Financial Implications

There are no increased costs associated with the amending Regulations.

Details

Commencement and Interpretation

Regulation 1 and 2 provide that the amending Regulations will take effect on 8 March 1999 and that a reference in the amending Regulations to "Principal Regulations" means the *Motor Traffic Regulations*.

Premium Rates

Regulation 3 and 4 establishes a separate category for goods vehicles with a tare weight not exceeding 975 kilograms and sets the maximum premium at \$332.50.