

# Motor Accident Injuries Premium Guidelines 2024 (No 1)

## Disallowable instrument DI2024-282

made under the

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

## EXPLANATORY STATEMENT

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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 to make provision for 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 for the maximum premiums that can be charged by those insurers with premiums below the maximum amounts - for motorcycle classes 9A and 9B \$485 (increase from \$470), and classes 9C and 9D \$100 (increase from \$95) (section 4.1). This takes into consideration inflation and ensuring motorcyclists contribute a fair share of funding their costs.

There is a delayed revocation of the 2023 guidelines to allow them to have effect up until 31 January 2025 for premiums applicable until this date. Notwithstanding this, the 2024 guidelines come into effect from the day after their notification for premiums effective from 1 February 2025 given the need for insurers to follow these guideline requirements for new premium filings (with an effective date from 1 February 2025) and the long lead time associated with de novo premium filings.

### Consistency with Human Rights

In developing the guidelines, consideration was given to its compatibility with the *Human Rights Act 2004* and the terms of reference of the Justice and Community Safety Committee. The guidelines outline how corporations as licensed insurers 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.