

2021 MOTOR ACCIDENTS INSURANCE BOARD (MAIB) PRICING POLICIES INVESTIGATION FINAL REPORT

The Tasmanian Economic Regulator has completed its investigation and made final recommendations on the maximum premiums the MAIB can charge for motor accident personal injury insurance for the four years beginning on 1 December 2021.

The Regulator has recommended that most Tasmanian vehicle owners continue to pay the same MAIB premium from 1 December 2021 to 30 November 2022 as they have been paying this year, with the premium for a standard motor car remaining at \$282 (excluding duty).

The Regulator, Mr Joe Dimasi, says “MAIB premiums largely reflect the level of risk and the cost of providing the benefits of personal injury insurance cover to people injured in motor accidents. My recommended maximum premiums take into account the MAIB’s conservative management of the scheme and its strong financial position. The recommended premiums are designed to provide MAIB with the revenue it needs to administer the scheme, maintain its long term financial sustainability and provides an appropriate return on investment and dividend.”

“The cost of claims for some vehicle classes has not been fairly reflected in the premiums. I have therefore recommended small increases in the premiums for owners of medium to large motorcycles and ride-sourcing vehicles such as Uber vehicles.”

“In relation to vehicles used to provide ride-sourcing services, I have found that retaining the current situation where owners of these vehicles pay the same premium as owners of standard motor cars would not reflect the expected costs for the MAIB. Drawing on the experience from other jurisdictions, I believe it is appropriate to address this imbalance now.”

Owners of caravans, heavy trailers, plant and machinery, farm tractors and special interest vehicles will see premiums fall for these vehicles by 15 to 24 per cent from 1 December 2021. “These premium decreases average around \$14 per registration.” Mr Dimasi noted.

The Regulator has also recommended that, in addition to the changes set out above, MAIB premiums from 1 December 2022 may be indexed each year to 2024-25 by the increase in earnings (Average Weekly Ordinary Time Earnings).

After considering submissions on the treatment of vehicles used for car sharing (ie peer-to-peer car rentals and membership schemes), the Regulator has concluded that it is appropriate that these vehicles remain in Class 8 (Hire and Drive Vehicles) as proposed by the MAIB.

“The Class 8 premium reflects the expected level of risk and cost of providing insurance to vehicles used for car hire. I anticipate that the MAIB will monitor claims for these vehicles over the next four years and may be in a position to review this vehicle class during that time.”

The Regulator’s Final Report has been provided to the MAIB and the Minister for Finance, Infrastructure and Transport. The final decision on the MAIB’s premiums for the next four years will be made by the Government.

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The Final Report is available at:
www.economicregulator.tas.gov.au
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Table 1 Recommended maximum premiums (including GST) for the period 1 December 2021 to 30 November 2022

Class	Vehicle Description	2020-21 Premium	Recommended Maximum Premium from 1 Dec 2021
1	Motor Car	282	282
	Discounted premium for eligible asylum seekers and pensioners	226	226
2	Light Goods Vehicle	282	282
	Discounted premium for eligible asylum seekers and pensioners	226	226
3	Heavy Goods Vehicle	446	446
4	Medium Motorcycle*	464	487
5	Large Motorcycle*	464	487
6	Taxi or Luxury Hire Car	982	981
7	Large Public Passenger Vehicle	730	744
8	Hire and Drive Vehicle	730	730
9	Caravan, Horse Float, Plant and Machinery (non-self-propelled)	37	28
10	Heavy Trailer	83	71
11	Mobile Crane	299	299
12	Restricted Registration Vehicles, including farm motorcycles	39	39
13	Plant and Machinery (self-propelled)	107	85
14	Motor Trade Plate	283	282
15	Farm Tractor	84	71
16	Medium Public Passenger Vehicle	353	353
17	Small Motorcycle	157	164
18	Off-road and Recreational Vehicle	250	258
19	Short Term Unregistered Vehicle	28	28
20	Medium-Large Motorcycle*	464	487
21	Vintage Motor Vehicle or Street Rod	28	28
22	Special Interest Vehicle	71	56
23	Ride-Sourcing Vehicle	282	301

* It is expected that motorcycle class definitions will be expanded to accommodate electric motorcycles in the 2021 Premiums Order.

Appendix F of the Final Report provides a detailed description of vehicle classifications.

These maximum premiums include the incremental relativity adjustments for Classes 4, 5, 7, 17, 18, 20 and 23.