



Media Release
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MAIB INVESTIGATION

The Tasmanian Economic Regulator has been requested to conduct an investigation into the Motor Accident Insurance Board's (MAIB) pricing policies with respect to motor accidents (personal injury) insurance and to recommend maximum premiums for the four years from 1 December 2013. The inquiry is being conducted in line with the Terms of Reference issued by the Minister for Finance having obtained the agreement of the Minister administering the *Motor Accidents (Liabilities and Compensation) Act 1973*.

To assist in the inquiry, the Regulator has engaged the services of the actuary firm Finity Consulting Pty Limited (Finity).

The Regulator has today published its Draft Report Paper together with Finity's final report. The Draft Report takes into account the MAIB's preliminary submission in response to the Terms of Reference and other submissions made by stakeholders.

From 1 December 2013, the Regulator proposes recommending a 7.4 per cent reduction (excluding duty) in the maximum premium for motor cars and the majority of other vehicle classes. The Regulator also proposes recommending that maximum premiums increase for the last three years of the pricing period in line with the growth in wages.

However, for medium passenger vehicles, medium, medium/large and large motorcycles, taxis and luxury hire cars and off road and recreational vehicles the Regulator is proposing an additional adjustment of between negative 3.86 per cent and positive 6.18 per cent per annum (excluding duty) to reflect changes in accident claims experience.

Mr Glenn Appleyard, Chairman of the Tasmanian Economic Regulator, noted that the proposed recommendations strike an appropriate balance between the interests of consumers, the MAIB and the Government as the MAIB's shareholder.

The Regulator invites and encourages all interested parties, to make submissions on the items for comment in the Draft Report, including any other matter relevant to the Terms of Reference.

After taking account of any submissions received in response to the Draft Report, the Regulator will provide its final recommendations in the Final Report to Government by 31 July 2013. After considering those recommendations, the Government will determine maximum premiums that may be charged by the MAIB for the following four years.

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Copies of the Draft Report, the Terms of
Reference and Finity's final report are
available at:
www.economicregulator.tas.gov.au
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