



Media Release
2 July 2013

MAIB INVESTIGATION

The Tasmanian Economic Regulator has completed its investigation into the MAIB's pricing policies with respect to motor accidents (personal injury) insurance and has recommended maximum premiums for the four years from 1 December 2013.

The investigation was conducted in line with the Terms of Reference issued by the Minister for Finance having obtained the agreement of the Minister for Infrastructure.

The Regulator released a draft report in April 2013 and received five submissions including a further submission from the MAIB. After fully considering these submissions, the Regulator has not changed the recommendation contained in its draft report with respect to maximum premiums. The Regulator has, however, made relevant changes in its Final Report in response to other issues raised in the submissions.

The Regulator's major recommendations are:

- from 1 December 2013, a reduction in the maximum premium (excluding GST and duty) for motor cars and the majority of other vehicle classes of 7.4 per cent;
- maximum premiums for most vehicles to increase for the remaining three years of the pricing period in line with the growth in wages; and
- after the initial reduction, the premiums for medium and large motorcycles, taxis and chauffeured hire cars and recreational off-road vehicles to grow faster than wages growth to address the current mismatch between premiums and the costs relating to those vehicles; and
- premiums for medium passenger vehicles to grow more slowly than wages growth.

After allowing for GST and duty, the maximum annual premium for motor cars is recommended to fall from \$364 to \$338, a reduction of 7.1 per cent, from 1 December 2013.

The Regulator has submitted its Final Report and recommendations to the Minister for Infrastructure. The final decision on the MAIB's premiums for the next four years will be made by the Government.

For further information contact:

Dean Burgess
Director, Office of the Tasmanian Economic
Regulator
Tel: (03) 6233 3144

Copies of the Final Report are available at:
www.economicregulator.tas.gov.au
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