

Tasmanian Economic Regulator  
GPO Box 770,  
Hobart  
TAS 7001

19 April 2013

### Review of MAIB Pricing Policy

I write to you concerning your current review of pricing of MAIB premiums and, in particular, premiums for motorcycles.

I am the registered owner of three vehicles, a car, a motorcycle and a motor scooter. I find the MAIB premiums for these vehicles to be onerous indeed. However, each vehicle has a different purpose for me so I wish to keep using them all.


I find that motorcycle premiums are not only expensive but, in my opinion, are also unfair. I say that they are unfair because there are four classes for motorcycles but only two levels of premium. Class 17 for small motorcycles that do not exceed 125cc in engine capacity currently incurs a premium of \$172. Class 4 for medium motorcycles (that exceed 125cc but not 250cc) has a premium of \$442. Class 20 for medium large motorcycles (that exceed 250cc but not 700cc) also incurs a premium of \$442. As does class 5 for large motorcycles (that exceed 700cc).

The above mentioned premiums mean that anyone with a motorcycle in excess of 125cc pays the same premium regardless of the size of the engine and the power it produces. I am the owner of a 150cc scooter that I find to be a very useful vehicle for transporting me about the city but is too small for open roads and highways. Because the engine capacity is 25cc greater than the Small Motorcycle class of 125cc I have to pay the same premium as a person registering a 1200cc or 1400cc super-bike that is capable of speeds in excess of 200kph and can be ridden competitively on the race track. To put it another way, for a 20% increase in engine capacity I have to pay a 157% increase in MAIB premium.

It beggars belief that there could be an equal amount of risk in insuring my 150cc scooter as there is in insuring someone's 1200cc super-bike or 1900cc cruiser. I therefore ask that when you consider the premiums that MAIB be allowed to charge for motorcycles that you require them to have staggered premiums for the different classes of motorcycle. I would also suggest that it would be far more logical for MAIB to base their class of motorcycles on engine power and not on engine capacity as is the system for learner approved motorcycles (LAMS). This is because engine capacity is not the only factor in determining an engines power and therefore the speed at which it can move a motorcycle.

In conclusion, I ask that you consider, in your current review, the inequitable pricing of motorcycle premiums charged by MAIB. I would also draw your attention to a recent statement in the media by a representative of MAIB "that they would not insure motorcycles unless they were required to do so by law" This, I believe, begs the question, "Is MAIB using excessive premiums as a way of discouraging people from owning motorcycles?".

Yours sincerely,

  
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