

## Hon Rob Lucas MLC Treasurer

Wednesday 22 May 2019

### **Car rego costs driven down with lower CTP insurance premiums in full competition**

South Australian motorists will save up to \$114 a year on their CTP Insurance premiums when the market opens to full competition on July 1, driving down the overall cost of renewing a motor vehicle's registration.

***For a typical Adelaide household with 1.8 vehicles\*, this represents a potential saving of more than \$205 per household.***

Treasurer Rob Lucas today announced the premiums offered by four government-approved private insurers to provide CTP insurance in SA - QBE, AAMI, SGIC and Allianz – with the first rego renewals for policies effective from July 1 to begin arriving in letterboxes next week.

Allianz has set its premium for a private passenger vehicle in metropolitan Adelaide and the Hills (premium class 1) at the lowest end of the parameter set by the independent regulator at \$296.77 – a \$114.48 saving, or 28 per cent reduction, on the lowest rate available in 2018-19.

SGIC's premium is \$327.09 which represents a \$84.16 saving, while both AAMI and QBE have listed their premium at \$364.75 – which is the highest rate permissible by the regulator - but is still a saving of \$46.50.

Mr Lucas said it represented a 'victory for consumers' who benefitted from a full-competition model, with insurers competing on service, price and other policy holder benefits. Each insurer is given a rating out of 100 for their claimant service, based on their feedback from injured people reporting the overall experience they had of the insurer handling their claim.

It is important to note that over the last three years, consumers had been sluggish by the former Labor government with CTP increases of about 3 per cent per year as part of maximising returns of their MAC privatisation.

Another major factor in the reduced premiums has been a lower-than-expected cost of providing the scheme following legislative change in 2013-14.

"This is fantastic news for motorists who, ultimately, will see the cost of renewing their car rego driven down significantly from July 1," said Treasurer Lucas.

"Cars registered in regional SA – under premium class 51 – will attract premiums of between \$201.03 and \$244.29 depending on the insurer, representing a saving of up to \$66.47."

There are also significant savings to be made for other vehicle classes, such as motorcycles, utilities, vans and trucks. In many of these classes, SGIC offers the lowest premium. Mr Lucas said motorists would receive CTP information on how to choose an insurer, with their next registration renewal.

Since July 1, 2016, motorists' CTP insurance policies have been auto allocated to approved insurers and will continue for **new vehicle** policies, but with customers given three months to change to their own preferred insurer, if desired.

Under the auto allocation policy, customers will still receive the lowest available premium for the class, irrespective of which insurer they have been allocated.

Under this new competition model, insurers can adjust their prices at any time, but their new price can only be implemented after a period of two months. The independent regulator will set a premium band on a 12-monthly basis.

For further information, visit: [YourChoice.sa.gov.au](http://YourChoice.sa.gov.au)

Vehicle type	AAMI 69% Claimant Service Rating	Allianz 74% Claimant Service Rating	QBE 71% Claimant Service Rating	SGIC 71% Claimant Service Rating	Saving from lowest rate in 2018-19
Private passenger Premium class 1 (District 1 – Metro/hills), No ITCE	\$364.75	<b>\$296.77</b>	\$364.75	\$327.09	<b>\$114.48 (-27.8%)</b>
Private passenger Premium class 51 (District 2 - Regional), No ITCE	\$244.29	<b>\$201.03</b>	\$244.29	\$220.33	<b>\$66.47 (-24.8%)</b>
Motorcycles: medium Premium class 16 (District 1 – metro/hills), No ITCE	\$202.13	\$193.48	\$202.13	<b>\$182.97</b>	<b>\$76.03 (-29.4%)</b>
Motorcycles: medium Premium class 66 (District 2 – regional), No ITCE	\$139.86	\$134.22	\$139.86	<b>\$127.37</b>	<b>\$57.63 (-31.2%)</b>
Goods carrying: light Premium class 2 (district 1 – metro/hills), ITCE	\$444.84	<b>\$359.92</b>	\$444.84	\$397.80	<b>\$119.03 (-24.9)</b>
Goods carrying: light Premium class 52 (District 2 – regional), ITCE	\$274.91	<b>\$225.22</b>	\$274.92	\$247.39	<b>\$49.68 (-18.1%)</b>

\*[https://quickstats.censusdata.abs.gov.au/census\\_services/getproduct/census/2016/quickstat/4](https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/4)