



FIRST NAME LAST NAME
123 AVENUE STREET
SUBURBSVILLE ADELAIDE 5000

25 February 2020

Dear First Name

COMPULSORY THIRD PARTY (CTP) INSURANCE PREMIUM INCREASE NOTIFICATION

I write to inform you that your vehicle's CTP insurance premium will increase from 1 July 2020 as a result of your vehicle's garaging suburb transferring from insurance rating district 2 to district 1.

This transfer follows a review, the first since 2002, of the boundary that separates the two districts. The review confirmed the majority of vehicles are correctly allocated to district 1 or district 2. The review also found four district 2 suburbs that met the criteria for transferring to district 1. These four suburbs are Lewiston, Two Wells, Aldinga Beach and Sellicks Beach.

CTP insurance premiums, paid in the one transaction with your vehicle registration, can be different depending on garaging address and a vehicle's garaging address falls into one of two districts. District 1 represents higher populated areas (roughly corresponding to metropolitan Adelaide) with a higher number of CTP claims per 1,000 registered vehicles and a higher average cost of claims than district 2 (the rest of the state).

If you also own an historic or left-hand drive vehicle, tractor, rideshare vehicle or car carrier trailer you will experience no change in premium as a result of the boundary reclassification. This is because premiums in district 1 and district 2 are currently identical for these vehicles.

You can find out more about South Australia's CTP insurance district boundary review and CTP insurance over the page and at www.ctp.sa.gov.au or contact us on **1300 303 558**.

Yours sincerely

Kim Birch
CTP REGULATOR

What do I need to do?

Nothing. The change in premium class will automatically appear on your vehicle registration renewal notice effective from 1 July 2020 or your account if you pay by direct debit.

How much will my CTP premium increase by?

The premiums for 1 July 2020 will be known in May after the Regulator sets the upper and lower premium limits and the CTP insurers set premiums within these limits.

If you own a private passenger vehicle, using the lowest annual premium offered as at 25 February 2020 as an indication, the CTP premium will move from \$201.03 to \$296.77.

If you own a goods carrying: heavy vehicle and are entitled to an input tax credit, using the lowest annual premium offered as at 25 February 2020 as an indication, the CTP premium will move from \$1,325.44 to \$1,752.76.

Information for other vehicle types can be found at www.ctp.sa.gov.au.

Does this mean CTP insurers are getting more money?

CTP insurers do not benefit from the boundary review. The amended boundary alters the contribution each district makes to the funding but CTP scheme funding remains the same.

What is CTP insurance?

Compulsory Third Party insurance covers people injured in a motor vehicle accident that is found to be the fault of another vehicle. CTP insurance is paid at the same time as your motor vehicle registration – and just as registration of your vehicle is compulsory, so is CTP insurance.

Can I disagree with the decision?

Changes will not be made to the boundary before the next review planned for 2030. The 2020 review means suburbs and postcodes are in the district appropriate for their current CTP claims experience. Our CTP Scheme does not take individual driver history or driving patterns into consideration.

What was the criteria for transferring suburbs from district 2 to district 1?

A suburb must have more than two claims per 1,000 registered vehicles and 30 or more CTP claims between 2013 and 2019 for it to be a district 1 suburb.

Vehicles garaged in Lewiston and Two Wells will now be classed the same as vehicles in neighbouring Virginia and Penfield Gardens. Vehicles garaged in Aldinga Beach and Sellicks Beach will now be classed the same as vehicles in neighbouring Port Willunga and Aldinga.

This brings them in line with suburbs that meet this criteria and are already in district 1.

How many vehicles are affected?

A total of 44,000 premium paying vehicles are transferring between districts. Approximately 16,000 vehicles are transferring from district 2 to district 1 and approximately 28,000 vehicles are transferring from district 1 to district 2.

How did you get my personal details?

The Registrar of Motor Vehicles provided your contact details to the CTP Regulator for the purpose of communicating with you about CTP insurance business.