

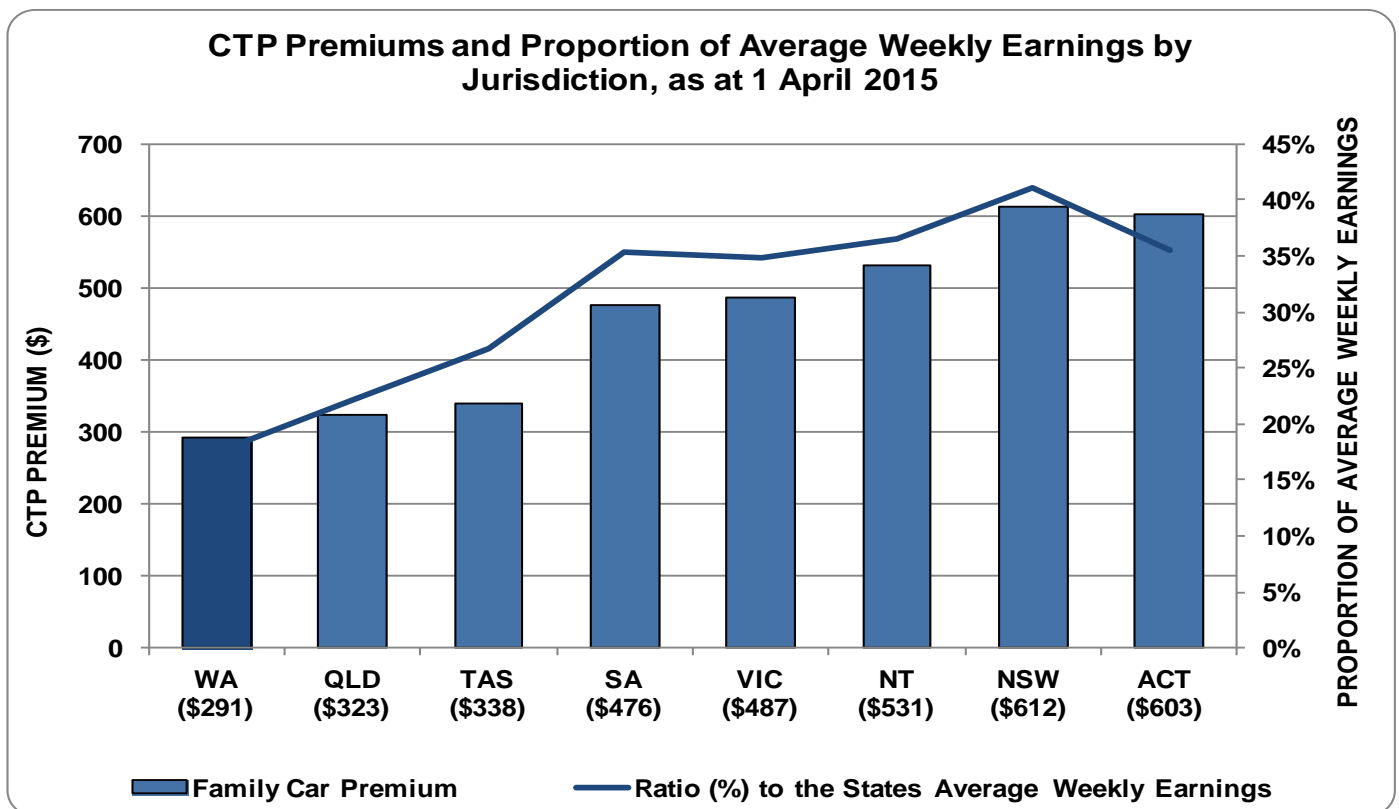


CTP Premium Changes

- The State Government of Western Australia (WA) has announced the introduction of no-fault Compulsory Third Party (CTP) catastrophic injury cover to expand WA's existing CTP insurance scheme. The new scheme will commence on 1 July 2016.
- This Fact Sheet explains the CTP premium increases to be applied to motor vehicle registrations from 1 July 2016.

Background

- Western Australian motorists are fortunate to have the lowest cost CTP insurance in Australia for the last 19 years. Motorists currently pay less than half the cost of some other Australian States and Territories. As at May 2015, the owner of a family car in WA pays an annual premium of \$291.
- The graph below compares WA's 1 May 2015 CTP premium for a family car to the CTP insurance premiums in other States and Territories in Australia. This graph also compares CTP premium costs as a percentage of one week's average wages in each State and Territory.



No-fault Catastrophic Injury Insurance Premium

- It is estimated that approximately 92 people each year suffer a catastrophic injury in a motor vehicle accident.
- The cost of long term care for people catastrophically injured in motor vehicle accidents is estimated by an independent actuary at \$4 million per person on average over the course of their lives. Some people may require much lower levels of care over their lifetime and others may require care exceeding \$10 million.
- The estimated average cost of \$4 million per person includes cover for care, medical costs, aids, appliances and home and vehicle modifications.
- To fund the care of people catastrophically injured in motor vehicle accidents, the annual CTP premium will increase by \$99 for a family car in the first year of changes.
- No vehicle class will pay more than \$99 for no-fault CTP catastrophic injury insurance in the first year.
- Motorcycles above 75cc will pay \$99.
- No additional premium will apply to caravans and trailers.
- Most tractors will pay \$25, while farm fire-fighting vehicles, mopeds and vintage cars will pay \$30.
- The no-fault CTP premium schedule for all 23 vehicle classes in the current CTP scheme will be published and placed on the website of the Insurance Commission closer to the commencement of the Scheme.
- The graph below shows the WA CTP premium for a family car including the no-fault CTP premium at 1 July 2016.

