

# Motor Accident Insurance Regulation 2018

Explanatory notes for SL 2018 No. 113

made under the

*Motor Accident Insurance Act 1994*

*National Injury Insurance Scheme (Queensland) Act 2016*

*State Penalties Enforcement Act 1999*

## General Outline

### Short title

*Motor Accident Insurance Regulation 2018*

### Authorising law

Section 100 of the *Motor Accident Insurance Act 1994*

Section 140 of the *National Injury Insurance Scheme (Queensland) Act 2016*

Section 165 of the *State Penalties Enforcement Act 1999*

### Policy objectives and the reasons for them

The objective of the *Motor Accident Insurance Regulation 2018* is to replace the *Motor Accident Insurance Regulation 2004* which is due to expire on 31 August 2018 in accordance with the requirements of section 54 of the *Statutory Instruments Act 1992*.

The *Motor Accident Insurance Regulation 2004* was first due to expire on 1 September 2014 but was exempted from expiry on two occasions because of reforms associated with the implementation of the National Injury Insurance Scheme Queensland. Further extensions preserved the *Motor Accident Insurance Regulation 2004* until 31 August 2018 while a review of the Compulsory Third Party (CTP) scheme was undertaken.

The CTP Review supported retention of the existing key features of the statutory insurance scheme and did not propose fundamental scheme reforms nor amendments to the subordinate legislation.

The *Motor Accident Insurance Regulation 2018* is to be made in substantially similar form to the existing regulation. Amendments are confined primarily to the drafting style to bring the regulation into line with current drafting practice and to remove obsolete references. Minor amendments have been made to clarify content and some provisions have been renumbered as a result. Transitional provisions relating to the Industry Deed and Class 10 motor vehicles are redundant and are not to be remade. Amendments to the *National Injury Insurance Scheme (Queensland) Regulation 2016* and *State Penalties Enforcement Regulation 2014* are also included to update cross-references.

The *Motor Accident Insurance Regulation 2018* is required to support the effective operation of the *Motor Accident Insurance Act 1994* (the Act) which governs the operation of Queensland's CTP insurance scheme. The Act establishes a statutory insurance scheme that provides a policy of indemnity for at-fault drivers and access to benefits for people injured in motor vehicle accidents where negligence can be established.

The *Motor Accident Insurance Regulation 2018* continues the basis for many fundamental aspects created by the Act, including:

- the classification of motor vehicles for fixing insurance premiums;
- the setting of insurers' premiums;
- the fixing of levies and the administration fee;
- the information required in a notice of claim;
- procedures relating to the management of claims;
- information relating to applications for a CTP licence and reporting requirements; and
- an Industry Deed outlining the agreement between all licensed insurers, the Motor Accident Insurance Commission and transport administration on procedural matters.

The *Motor Accident Insurance Regulation 2018* will commence on 1 September 2018.

## **Achievement of policy objectives**

The policy objective is achieved by making the *Motor Accident Insurance Regulation 2018* which will replace the *Motor Accident Insurance Regulation 2004* on its expiration.

The *Motor Accident Insurance Regulation 2018* will provide for the same matters as dealt with by the expiring regulation except where amendments were necessary to update wording based on current drafting style, and to remove obsolete references and redundant transitional provisions. This will ensure that the prescribed matters continue to support the effective operation of the *Motor Accident Insurance Act 1994*.

## **Consistency with policy objectives of authorising law**

The *Motor Accident Insurance Regulation 2018* is consistent with the main objectives of the *Motor Accident Insurance Act 1994*, that is to continue and improve the system of CTP motor vehicle insurance by providing a regulatory framework that keeps the costs of CTP insurance at a level the average motorist can afford, provides for the licensing and supervision of insurers providing CTP insurance, encourages the speedy resolution of personal injury claims resulting from motor vehicle accidents and promotes and encourages the rehabilitation of injured claimants.

## **Inconsistency with policy objectives of other legislation**

The *Motor Accident Insurance Regulation 2018* is not inconsistent with the policy objectives of other legislation.

## **Benefits and costs of implementation**

The benefit of the *Motor Accident Insurance Regulation 2018* is that by prescribing the matters required it continues to complement the operation of the *Motor Accident Insurance Act 1994*.

Implementing the *Motor Accident Insurance Regulation 2018* will not result in any increase in costs for government or industry.

## **Consistency with fundamental legislative principles**

The *Motor Accident Insurance Regulation 2018* is consistent with fundamental legislative principles.

## **Consultation**

The CTP Review conducted in 2016 consulted licensed CTP insurers, peak legal representative bodies, the Department of Transport and Main Roads and members of the public. Stakeholders consulted agree there is a need to remake the subordinate legislation in a similar form to the expiring regulation to ensure the prescribed matters continue to support the effective operation of the *Motor Accident Insurance Act 1994*.

The Queensland Productivity Commission has advised that the essential requirements of a sunset review have been met by the CTP Review and that further regulatory impact analysis of the proposed regulation under the Queensland Government Guide to Better Regulation is not required.