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## ACT motorists benefit from increased CTP insurance competition

A review of the ACT's compulsory third party (CTP) insurance scheme has found increased competition between insurers drove down premiums over the past three years.

The review by the CTP scheme actuary measured the claims and premiums experience of motorists during a period in which three new insurance brands entered the market.

It found that the introduction of competition saw premiums for ACT motorists fall as all four brands battled for market share.

Insurance Council of Australia (ICA) CEO Rob Whelan said the review made reassuring reading for South Australians ahead of their move to a competitively underwritten CTP scheme from July 1.

"The review provides further evidence of the benefits to consumers of governments opening up statutory insurance schemes to competitive underwriting," Mr Whelan said.

"The ACT review notes that increased competition has not only driven down premiums, it has delivered better product choice as insurers seek an edge on policy features as well as price."

Despite this, the review found ACT CTP premiums were the second-most expensive in the country due to aspects of the scheme design.

Mr Whelan said the ICA supported reforms which made statutory insurance schemes more efficient and sustainable.

"The ICA and insurers will continue working closely with the scheme regulator as the ACT Government weighs up its response," he said.

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