

Section 14 Guidelines

*Motor Accidents Compensation
Act 1999*

**State Insurance
Regulatory
Authority**

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Section 14 Guidelines

Motor Accidents Compensation Act 1999

These guidelines are policy guidelines as to the circumstances in which the Motor Accidents Authority (the "Authority") may or may not give its approval to the making of requests for the suspension or cancellation of the registration of motor vehicles under section 14 of the *Motor Accidents Compensation Act 1999* (the "Act").

Probative evidence of allegations must be provided to the Authority.

Guideline 1: words with particular meanings

In these Guidelines, the following words have the following meanings:

"Authority" means the Motor Accidents Authority of New South Wales.

"cheque or credit card default" means a cheque not met on due presentation within the meaning of section 14(4) or a credit card transaction which is not duly honoured or is fraudulent within the meaning of section 14(4) of the Act, as the case may be.

"Form" means a numbered form comprising part of these Guidelines.

"fraud" means deliberate avoidance of payment of the correct premium within the meaning of section 14(4A) of the Act.

"insurer" means a licensed insurer as defined in s 3 of the Act.

"insurer's certificate" means a written statement signed by or on behalf of a senior CTP Manager of the insurer certifying the truth (as at the date of the certificate) of facts alleged in the documentation to which the certificate relates. An insurer may collectively certify in a single document, any number of impugned third-party policy purchase transactions.

"outstanding remains unpaid" means outstanding premium remains unpaid within the meaning of section 14(6A) of the Act.

"owner" means the owner within the meaning of section 4 of the Act.

"representations" means any statements, representations, evidence or other material the owner (or anyone on behalf of the owner) seeks be taken into account by the insurer in its decision whether or not to seek the suspension and cancellation of a motor vehicle's registration.

"RTA" means the Roads and Traffic Authority, NSW.

"the Act" means the *Motor Accidents Compensation Act 1999*.

Words used in these Guidelines which are also used in section 14 of the Act mean the same as they do in that section of the Act.

Guideline 2: Cheque and credit card default

- (1) Subject to Guideline 2(2) and (3), the Authority may give its prior approval to the making of a request for the suspension and cancellation of the registration of a motor vehicle if the insurer satisfies the Authority that a cheque or credit card default has occurred.
- (2) The insurer must provide the Authority with such documents as are reasonably requested by the Authority, including but not limited, to the following documents::
 - (a) the insurer's certificate that:
 - (i) it has been advised by a financial institution that a cheque or credit card default has occurred; and
 - (ii) it has issued to the owner, letters in accordance with Forms 1 and 2 of these Guidelines; and
 - (b) a fully completed Form 3 (which shall contain the insurer's certificate referred to in Guideline 2(2)(a)).
- (3) If the insurer received representations, the insurer must provide the Authority with such documents as are reasonably requested by the Authority, including but not limited, to the following documents :
 - (a) the insurer's certificate that it has been advised by a financial or credit card institution that a cheque or credit card default has occurred;
 - (b) copies of letters issued by the insurer to the owner in accordance with Forms 1 and 2 of these Guidelines;
 - (c) a fully completed Form 3 (which shall contain the insurer's certificate referred to in Guideline 2(3)(a); and
 - (d) a copy of all representations submitted to the insurer by the owner.
- (4) If the Authority refuses to give its approval, it will provide the insurer with brief reasons for its refusal.

Guideline 3: Deliberate avoidance of payment of the correct premium by making false statement

- (1) Subject to Guideline 3(2), the Authority may give its prior approval to the making of a request for the suspension and cancellation of the registration of a motor vehicle *if* the insurer satisfies the Authority that a fraud has been committed.
- (2) The insurer must provide the Authority with such documents as are reasonably requested by the Authority, including but not limited, to the following documents:
 - (a) a fully completed Form 4;
 - (b) copies of letters issued by the insurer to the owner in accordance with Forms 1 and 2 of these Guidelines;
 - (c) a complete description and chronology of relevant events;
 - (d) copy of all documentary evidence on which the insurer relies to maintain its allegation of fraud against the owner;
 - (e) a copy of a full transcript of any false statement made by the owner; and
 - (f) a copy of all representations submitted to the insurer by the owner.

- (3) If the Authority refuses to give its approval, it will provide the insurer with brief reasons for its refusal.

Guideline 4: Miscellaneous

- (1) No person may certify a Form 3 or a Form 4 unless he or she has Level 2 DRIVES access approval issued by the RTA.
- (2) The Authority may rely on the information contained in any Form 1 or Form 2 it receives from an insurer as though it was personally signed by the person who certified the Form.
- (3) The Authority may request a person who certifies a Form 3 to provide to it the evidence of one or more of the payment defaults indicated on that Form.
- (4) Where these Guidelines provide for copies of documents, if necessary its attachment(s), to be furnished by an insurer to the Authority the documents may be in electronic or hard copies.

Dated: 1 January 2010

Carmel Donnelly
General Manager
Motor Accidents Authority

Form 1

(Warning letter – Insurer's letterhead)

Our Reference:
 Telephone:
 Date:
 Name:
 Address:

CTP Premium Default Notice

Dear Customer,

Motor Vehicle Registration No.....*[adopt (a), (b) or (c) as appropriate]*

(a) The cheque for \$. tendered for payment of Compulsory Third Party Insurance and Medical Care and Injury Services Levy for the above mentioned vehicle has been returned unpaid by the bank.

(b) The credit card transaction for payment of \$. for Compulsory Third Party Insurance and Medical Care and Injury Services Levy for the above mentioned vehicle has been refused or reversed by the credit provider.

(c) The payment of Compulsory Third Party Insurance and Medical Care and Injury Services Levy for the above mentioned vehicle is less than the correct amount and we are examining whether a deliberate false statement was made to avoid paying the correct premium.

This premium was calculated on information that *[enter the information the customer provided that led to the premium being incorrect, e.g. the vehicle would be registered with the Roads and Traffic Authority ("RTA") as being for Private use].*

[Enter a summary of the reasons the information is considered to be incorrect e.g. The RTA has advised that the vehicle has been registered for rental use].

Had this information been disclosed to us we would have determined the premium at \$. .

Accordingly, the CTP policy for the current period of registration has been under paid by \$. .

You have 14 days from the date of this letter to pay the correct premium. If payment of \$. is not received in that time we may begin the process of suspending and cancelling your vehicle's registration. We are entitled to request the Roads and Traffic Authority ("RTA") to do this under section 14 of the *Motor Accidents Compensation Act 1999* ("section 14").

To avoid this you must, within 14 days of the date of this letter, either:

- (a) present this letter with your payment, in cash, bank cheque, or money order **only**, directly to You **cannot** make payment at an RTA registry, or
- (b) provide evidence and / or make representations to us to demonstrate that you have already paid the correct premium. If you wish to do this, you must send your material to us using:
 - (i) our mailing address, which is
 - (ii) email address @ or
 - (iii) the fax number (02).

Another reason why it is important for you to pay within 14 days is that we will charge you an additional *[\$ insert the RTA suspension fee]* if the suspension is imposed. This is so we can recover from you the amount that the RTA charges us to suspend your registration.

Once your vehicle's registration is suspended, you will receive a letter from the RTA. Driving a suspended or unregistered vehicle on a road or road related area in New South Wales is an offence that carries a

maximum penalty of [*\$ insert the amount of the fine*]. Once registration is cancelled your vehicle will **not** be covered by Compulsory Third-Party insurance. Amounts paid as compensation for death or injury arising from the use of the uninsured vehicle may be recovered from you.

To safeguard the public interest, section 14 provides that the Motor Accidents Authority (MAA) must give its prior written approval to any request we make to have your registration suspended or cancelled. The approval process is conducted between the MAA and the insurer. There is no need for you to contact the MAA directly. All material furnished by you in response to (b) above will be forwarded to the MAA if we proceed to seek its approval for the suspension and cancellation of the registration of your motor vehicle.

If you require further information about this matter please contact us on telephone number [*insert insurance company phone no.*].

Yours faithfully,
For and on behalf of [*insert CTP insurance company name*].

Form 2

(Statutory letter Section 14(5), *Motor Accidents Compensation Act 1999*)
(Insurer's letterhead)

Our Reference:
Telephone:
Date:
Name:
Address:

Notification of Intention to Suspend Registration

Dear Customer

Motor Vehicle Registration No.....

You will recall receiving a CTP Premium Default Notice dated *[insert date]*. Despite that notice, payment of \$ *[insert amount]* has not been received by us.

[adopt (a) or (b) as appropriate]

<p>(a)</p> <p>(i)</p> <p>(ii)</p> <p>(iii)</p>	<p>Receipt is acknowledged of the following material:</p> <p>This material will be taken into account by us in deciding whether to request the Roads and Traffic Authority (RTA) to suspend and cancel your registration</p>
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or

<p>(b)</p>	<p>It is noted that you have not submitted any evidence or other material to us to demonstrate that the Compulsory Third Party insurance policy and Medical Care and Injury Services Levy have been paid. Therefore, we will proceed on the basis of our existing knowledge of this transaction.</p>
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[adopt in cases of short payment by making false statement]

<p>Your premium was calculated on information that <i>[enter the information the customer provided that led to the premium being incorrect, e.g. the vehicle would be registered with the RTA as being for Private use]</i>.</p> <p><i>[Enter a summary of the reasons the information is considered to be incorrect e.g. The RTA has advised that the vehicle has been registered for rental use]</i>.</p> <p>Had this information been disclosed to us we would have determined the premium at \$ <i>[insert amount]</i>.</p> <p>Accordingly, the CTP policy for the current period of registration has been – under paid by , \$ <i>[insert amount]</i>, which is the total amount outstanding.</p>
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***[insert CTP insurance company name]* notify you that we intend to request the RTA to suspend the registration of your motor vehicle. The registration and third-party policy may be cancelled at the expiration of the suspension period if the amount outstanding has not been paid before the expiration of the period.**

You can still make your payment and you have up to 7 days to do so while we obtain the necessary approvals from the Motor Accidents Authority to enable us to ask the RTA to suspend, and if necessary, cancel your vehicle's registration. Unless you pay the total amount outstanding, this will occur and without further notice to you.

To make your payment you must present this letter with payment of the total amount outstanding in cash, bank cheque, or money order **only**, before *[insert date which is 7 days after this letter]*. Payment must be made directly to *[insert CTP insurance company name]*. You **cannot** make payment at an RTA registry.

If payment is delayed until after registration suspension occurs then you will need to pay \$ *[insert amount]*, which includes an additional *[\$insert the RTA suspension fee]* to cover the cost charged by the RTA for suspension of registration. The final payment cut-off date to avoid registration cancellation is *[the date 14 days after the date of this letter]*.

If the vehicle registration and CTP policy are cancelled you will receive a letter from the RTA. *[insert - if there has been part payment: You may be entitled to a refund of part of the amount already paid less government and administration fees]*.

Driving a suspended or unregistered vehicle on a road or road related area in New South Wales is an offence that carries a maximum penalty of *[\$ insert the amount of the fine]*. Once registration is cancelled your vehicle will **not** be covered by third-party insurance. Amounts paid as compensation for death or injury arising from the use of the uninsured vehicle may be recovered from you.

If you require any further information about this matter please contact us on telephone number *[insert insurance company phone no.]*.

Yours faithfully,
For and on behalf of *[insert CTP insurance company name]*

Form 3: Request for approval to suspend and cancel registration for cheque or credit card default
 (Guidelines under Section 14 *Motor Accidents Compensation Act 1999*)

Insurer No:

Vehicle plate No	CTP Account No	Registration end date	Customer name	Premium amount	Cheque or credit card	Forms 1 & 2 letters sent	Representations received Y/N*	Approved = A Rejected = R

** Where representations are received, they must be attached electronically to this form as well as copies of the letters on Forms 1 & 2 sent to the customer*

Insurer contact details:

Name		Phone	
Title		Fax	

I certify that the facts set out in this form are true and correct and I have attached all representations made by the customer or any person on behalf of the customer.

Certified by		Email	
Date			

**Form 4: Request for approval to suspend and cancel registration for deliberate avoidance of payment
of the correct premium by making a false statement**
(Guidelines under Section 14 of the *Motor Accidents Compensation Act 1999*)

Insurer No:

CTP account No.	Vehicle plate No	Registration start date	Registration end date	Customer name	Premium amount paid	Amount of short payment	Reason Code (See below)

All documents required under Guideline 3, paragraph 2 must be attached to this request.

Insurer contact details

Name		Phone	
Title		Fax	

I certify that the facts set out in this form are true and correct and I have attached all of the relevant documents.

Certified by		Email	
Date			

Reason code	Description	Reason code	Description
101	Use	106	Engine capacity
102	Shape	107	Year of manufacture
103	Area garaged	201	Youngest driver DoB
104	GVM	202	Incorrect insurance details
105	Number of seats		