

8 April 2016

Point-to-Point Review  
State Insurance Regulatory Authority  
Level 25, 580 George Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **Review of CTP insurance for point-to-point transport vehicles**

I am writing in relation to the State Insurance Regulatory Authority (SIRA) review of Compulsory Third Party (CTP) insurance for point-to-point transport vehicles. NRMA welcomes the opportunity to contribute to this important public policy debate.

The National Roads and Motorists' Association (NRMA) advocates for the transport and mobility interests of 2.4 million Members across NSW and the ACT. It is important to note that the National Roads and Motorists' Association does not provide insurance products and is a separate organisation to NRMA Insurance which is owned by Insurance Australia Group (IAG).

For the emerging ride-share sector, NRMA supports the creation of a new vehicle class for registration and CTP insurance, as outlined in **Option 1** in the discussion paper. This would allow SIRA to establish a risk profile for these vehicles without any cross subsidisation between taxis and hire cars, insulating other vehicle classes from price distortions associated with a relatively unknown risk exposure.

As outlined in NRMA's submission to the Point to Point Transport Taskforce, we believe CTP premiums for taxis should also be reviewed. The risk profile of taxis is unique, and we believe that risk-pooling would impose unnecessary costs on other vehicle classes.

However, there is a strong case for allowing taxi operators with proven safety records and those who choose to operate newer, safer vehicles to be eligible for lower CTP premiums. To this extent, we believe that deregulation of CTP premium setting for taxis should be considered, as suggested in **Option 2** in the discussion paper.

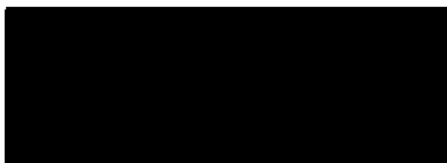
In both instances, drivers and operators of both ride-share vehicles and taxis would be provided with a material incentive to focus on safer driving practices and invest in safer vehicles equipped with modern features that are proven to reduce casualties and save lives.

NRMA places on the record its strong opposition to **Option 4** as outlined in the discussion paper. While classifying all point-to-point vehicles as Class 1 passenger vehicles would reduce CTP costs for taxis, hire cares and ride share vehicles, such a move would lead to increased CTP premiums for all privately owned vehicles in the Sydney metropolitan area. NRMA believes that such a move would unfairly disadvantage vehicle owners who use their vehicles solely for private purposes.

Again, NRMA thanks SIRA for the opportunity to contribute to this review. CTP insurance is a substantial cost burden on any fleet operator and we strongly support the NSW Government's efforts to review and refine the state's regulated CTP insurance scheme.

NRMA would be happy to provide further input into the review should this be required. Should further information about NRMA's submission be required, please do not hesitate to contact Mr Sam Giddings, Head of Government Relations on [REDACTED]

Yours sincerely

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Kyle Loades  
**President**