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Legislation changes surprise motorists

The RAC says motorists deserve a detailed assurance from the State government that the move to claim a dividend from the Insurance Commission of WA will not drive up Compulsory Third Party (CTP) insurance costs.

Legislation tabled in State Parliament yesterday will allow the State government to nominate a dividend to be taken from ICWA's annual profit.

RAC Head of Advocacy Matt Brown says the move by the government had come as a surprise to motorists.

"Prior to the State election the RAC sought assurances from both major parties that ICWA would not be used as a source of additional funds for government through the calling-in of special dividend payments," Mr Brown said.

"The RAC had been reassured by the State government's response that the *ICWA Act* did not allow the payment of such dividends.

"The new Legislation will now require ICWA to offer up a dividend to the government on an annual basis.

"A further concern is that the Legislation allows the government to nominate its own dividend amount if it is not happy with what has been recommended by the ICWA. ICWA is then required to pay the dividend amount determined by the government.

Mr Brown said any profits from the CTP scheme should be returned to the motoring public through lower premiums.

"CTP Insurance is a significant part of ICWA's business and is a government-mandated monopoly. Motorists can't shop around for an alternative," he said.

"While acknowledging that ICWA has been able to keep premiums increases to a minimum in recent years, we have significant concerns that the calling in of dividends from ICWA will impact on future premium increases."

The RAC will continue to pursue the matter with the State government.

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