

Friday December 1, 2017

New South Wales road users benefit from fairer and more affordable CTP scheme from today

Today marks the start of the new Compulsory Third Party insurance scheme for New South Wales, as set by the *Motor Accident Injuries Act 2017*.

“The Insurance Council of Australia and NSW CTP insurers have worked closely with the NSW Government, legal groups and other stakeholders over the past year to ensure that a fairer and more affordable CTP scheme will be implemented,” ICA CEO Rob Whelan said.

“Today is an important landmark for all NSW road users. Anyone injured in a road accident will receive benefits under the new scheme, regardless of fault. About 7,000 people injured in a motor accident who are considered to be at-fault will now be entitled to benefits.”

Under the new scheme, defined benefits will provide all those injured with payments for medical treatment and care, while common-law entitlements will be retained for the most seriously injured.

The new scheme will also encourage faster claims processing. Benefits will commence soon after a claim is made under the new scheme, whereas a claim could take on average three to five years to be finalised under the old scheme.

The NSW Government has announced the new scheme will see a reduction in average premiums and will allow more funds to be provided to those that have been most severely injured and need help the most.

“It is anticipated that the new scheme design will reduce opportunities for claims fraud and exaggeration, which can drive up premiums,” Mr Whelan said.

“The ICA and its member companies continue to support the NSW CTP Fraud Taskforce, sharing expertise to keep the system financially sustainable and fair for everyone. We look forward to the commencement of a more sustainable CTP scheme.”

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