

## Appendix

### Motor Insurance in Great Britain – Types of Insurance

- **Road Traffic Act<sup>91</sup>**

Road Traffic Act insurance is the minimum required by law - third party liability risks incurred on public roads. Policies of this type are very rarely issued. However this type of policy is the legal requirement for motor insurance on British roads as determined by the Road Traffic Act 1988 which are as follows:

145.—(1) In order to comply with the requirements of this Part of this Act, a policy of insurance must satisfy the following conditions.

(2) The policy must be issued by an authorised insurer.

(3) Subject to subsection (4) below, the policy—

(a) must insure such person, persons or classes of persons as may be specified in the policy in respect of any liability which may be incurred by him or them in respect of the death of or bodily injury to any person or damage to property caused by, or arising out of, the use of the vehicle on a road in Great Britain, and

(b) must insure him or them in respect of any liability which may be incurred by him or them in respect of the use of the vehicle and of any trailer, whether or not coupled, in the territory other than Great Britain and Gibraltar of each of the member States of the Communities according to the law on compulsory insurance against civil liability in respect of the use of vehicles of the State where the liability may be incurred, and

(c) must also insure him or them in respect of any liability which may be incurred by him or them under the provisions of this Part of this Act relating to payment for emergency treatment.

(4) The policy shall not, by virtue of subsection (3)(a) above, be required—

(a) to cover liability in respect of the death, arising out of and in the course of his employment, of a person in the employment of a person insured by the policy or of bodily injury sustained by such a person arising out of and in the course of his employment, or

(b) to provide insurance of more than £250,000 in respect of all such liabilities as may be incurred in respect of damage to property caused by, or arising out of, any one accident involving the vehicle, or

(c) to cover liability in respect of damage to the vehicle, or

(d) to cover liability in respect of damage to goods carried for hire or reward in or on the vehicle or in or on any trailer (whether or not coupled) drawn by the vehicle, or

(e) to cover any liability of a person in respect of damage to property in his custody or under his control, or

(f) to cover any contractual liability.

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<sup>91</sup> Road Traffic Act 1988 (c. 52) [http://www.opsi.gov.uk/acts/acts1988/ukpga\\_19880052\\_en\\_1.htm](http://www.opsi.gov.uk/acts/acts1988/ukpga_19880052_en_1.htm) downloaded May 2006.

- **Third Party Only**<sup>92</sup>

There is an extension of Road Traffic Act insurance which is known as Third Party offered by insurers which not only covers the insured when driving on public roads, but also applies on private property. It covers third party claims and provides protection against other legal liabilities. For example, it offers passenger indemnity to cover the possibility of a passenger in the vehicle causing an accident. It also provides cover against certain legal costs.

- **Third party fire and theft**

In addition to the protection given by third party insurance, this type of policy covers loss or damage to the policy holder's own vehicle as a result of fire, theft, or attempted theft.

- **Comprehensive**

This is the widest form of cover available although it cannot protect against every conceivable risk. In addition to the covers described above, comprehensive cover protects in other ways. The most important of these is accidental damage cover policyholders can have their own damaged vehicle repaired or replaced. Comprehensive policies also include personal accident insurance, providing payments for death and specified serious injuries such as the loss of a limb or sight. Such payments are usually restricted to the policyholder and his or her wife or husband. Other cover with a comprehensive policy can include small amounts of medical expenses cover for anyone in the insured vehicle, who is injured in an accident and for loss or damage to personal effects in the vehicle.

### Location and Theft Claims

On mainland Britain, the lowest rating for motorcycle insurance is 'one' and the highest is 'six'. An example of how claims are calculated for theft can be identified within the Coventry Postal Code. Areas CV1- CV3 and CV6 have a rating of '5'; in CV4- CV5, the rating is '4' and in CV35- CV37 the rating is '1'. The areas CV35 to 37 are within the Warwickshire Constabulary and include rural areas and Stratford-upon-Avon, which is a wealthy tourist town in England. The areas including CV1- CV3 and CV6 are areas in the centre of Coventry where there is a higher concentration of unemployed. The postal codes CV4 and CV5 include the University of Warwick and a pocket of wealthier home owners, which however border the postal areas where the inhabitants are more economically disadvantaged. Furthermore these postal codes fall within the West Midlands Constabulary that records a higher level of reported vehicle theft than the Warwickshire Constabulary.

### CTP car insurance in Australia (average cost of premium)<sup>93</sup>

State	Cost in A\$	Cost in € Euros
Northern Territory	\$388	€232.29
Australian Capital Territory	\$351	€210.14
Victoria	\$347	€207.74
South Australia	\$341	€204.15
Tasmania	\$302	€180.80
New South Wales	\$296*	€177.21
Queensland	\$276*	€165.24
Western Australia	\$228	€136.50

\* For New South Wales, lowest premium on offer amongst private insurers is shown. NB exchange rate November, 2006: 0.5987 ([www.ft.com](http://www.ft.com) currency converter)

<sup>92</sup> <http://www.thesite.org.uk/homelawandmoney/money/insurance/motorinsurance> downloaded 18th December 2005.

<sup>93</sup> Downloaded 30/01/2006 [http://www.icwa.wa.gov.au/mvpid/mv\\_premiums.shtml](http://www.icwa.wa.gov.au/mvpid/mv_premiums.shtml)

#### 4) Comparison of CTP motorcycle insurance in Australia (2005)

State	Cost in Australian \$	Cost in € Euros <sup>94</sup>
	(1) High risk; (2) Low risk	(1) High risk; (2) Low risk
<b>Northern Territory</b>		
Not available		
<b>Australian Capital Territory</b>		
0-300cc	\$82.85	€50.18
301-600cc	\$393.65	€238.40
>600cc	\$393.65	€238.40
<b>Victoria</b>		
Under 61cc (all zones)	\$63	€38.15
>60cc and under 126cc	\$251.90 (1) \$192.50 (2)	€152.62 (1) €116.63 (2)
>125cc and under 501cc	\$333.30 (1) \$264.00 (2)	€201.94(1) €159.95 (2)
>500cc	\$455.40 (1) \$355.30 (2)	€275.92 (1) €215.27 (2)
<b>South Australia<sup>95</sup></b>		
Under 50cc	\$56 (1) \$34 (2)	€33.91 (1) €20.59 (2)
>50cc up to 250cc	\$173 (1) \$75 (2)	€104.77 (1) €45.42 (2)
>250 up to 600cc	\$225 (1) \$113 (2)	€136.32 (1) €68.46(2)
>600cc	\$319 (1) \$216 (2)	€193.27 (1) €130.87 (2)
<b>Tasmania</b>		
<101cc	\$172.00	€104.21
>100cc – 250cc	\$421.00	€255.07
>500cc	\$421.00	€255.07
Trail Bike, Mini bike (off road with restricted or not requiring registration)	\$172.00	€104.21
<b>New South Wales*</b>		
101cc – 300cc Rider under 25 years <sup>96</sup>	\$198.00-\$264.00 (1) \$119.00 - \$158.95 (2)	€118.54 - €158.05 (1) €71.24 - €95.16 (2)
>300cc Rider over 25 years (rates for under 25 years not available)	\$364.30-\$582.01 (1) \$364.30-\$582.01 (2)	€218.10- €348.44(1) €218.10- €348.44(2)
<b>Queensland</b>		
Motorcycles (with 2 or 3 wheels), including motorcycles for hire, with seating only for the driver	\$94.20	€57.07
Motorcycles (with 2 or 3 wheels), including for hire, with either or both of the following: a) seating for pillion passenger; b) a sidecar.	\$276.20	€167.34
<b>Western Australia</b>		
(Any motor cycle licensed under regulation 21D of the Road Traffic (Licensing) Regulations and issued with registration plates in accordance with regulation 24 (1) of those Regulations as a farm vehicle shall be entitled to a rebate of 50 per cent of this premium.)	\$141.90 (all zones) Includes 10% GST (VAT)	€85.97

<sup>94</sup> Currency Converter [www.ft.com](http://www.ft.com) November, 2006

<sup>95</sup> Includes Input Tax Credit - Under the Commonwealth GST Law, this is known as an 'Input Tax Credit' (ITC). Upon payment of any 'ITC Entitled' premium, a Tax Invoice is automatically be provided with the Certificate of Registration.

<sup>96</sup> Cost for insuring <100cc was not available for New South Wales