

# HOW DOES MOTOR VEHICLE ACCIDENT INSURANCE WORK IN THE ACT?



## COVERAGE FOR PERSONAL INJURY

### COMPULSORY THIRD-PARTY INSURANCE (CTP)

**Compulsory:** When you register or re-register your vehicle, you are required to pay a CTP premium. You cannot opt out.

#### WHO DOES IT COVER?

- ✔ **Covers other people** (including pedestrians, cyclists and passengers) **injured in a car accident that is found to be your fault** or the fault of someone else driving your car.
- ✔ **If you are injured and it's someone else's fault, their CTP insurance will cover you** for medical costs, and claims can be made for things like lost income and pain and suffering. If a person is found to be partially at fault for the accident or their injuries (e.g. they weren't wearing a seatbelt), their benefits will be reduced to account for their contribution.

#### CTP DOES NOT COVER:

- ✘ Injury to yourself, if the accident was found to be your fault.
- ✘ Injuries if no one was at fault such as a collision with wildlife (e.g. if you hit a kangaroo).
- ✘ Property damage.

If you are in an accident and the driver at fault does not have CTP insurance, the injured person will be covered by the nominal defendant. This is a scheme run by the ACT government to enable injured persons to be compensated. The uninsured person is liable to pay back any amount paid out by the nominal defendant.

#### OTHER BENEFITS INCLUDE:

Injured persons may be covered for the first \$5,000 of their medical expenses, if they notify their insurer within 30 days. Some CTP insurers offer other benefits, like limited cover for eligible at fault drivers.

### LIFETIME CARE AND SUPPORT SCHEME

**Compulsory:** You are required to pay a levy for this cover as part of your vehicle registration. You cannot opt out.

#### WHAT DOES IT COVER?

- ✔ **Covers catastrophic injury to you and others:** Provides treatment and care of anyone who is in a motor vehicle accident in the ACT and is catastrophically injured e.g. spinal cord injury, traumatic brain injury, multiple amputations or serious burns.
- ✔ It doesn't matter who was at fault in the accident—everyone is covered if catastrophically injured.
- ✔ Injured people get the care and treatment they need for their whole life.

#### THE SCHEME DOES NOT COVER:

- ✘ Injuries that do not meet the definition of catastrophic.
- ✘ Property damage.
- ✘ Lost income or pain and suffering. But if someone else was found to be at fault, you may be able to claim this under CTP.

### PERSONAL INJURY/ ACCIDENT INSURANCE

**Optional:** You can choose to buy this cover from an insurer. This is an optional policy.

#### WHAT DOES IT COVER?

- ✔ **Covers you for injury** in an accident even if you were found to be at fault or no one was at fault (subject to individual policy limitations).
- ✔ It can cover gaps in your private health insurance.

#### THE INSURANCE DOES NOT COVER:

- ✘ Property damage unless this is specifically offered under your policy.



## OPTIONAL COVERAGE FOR PROPERTY DAMAGE

### COMPREHENSIVE INSURANCE

**Optional:** You can choose to buy this cover from an insurer. This is an optional policy.

#### WHAT DOES IT COVER?

- ✔ **Covers your car against fire, theft and accident damage**, even if you are found to be at fault in an accident.
- ✔ **Covers damage to other cars** and property where you are found to be at fault in an accident.
- ✔ Covers everything that is covered by a third party property insurance policy.

#### THE INSURANCE DOES NOT COVER:

- ✘ You or anyone else for any injuries caused by the accident.

### THIRD PARTY PROPERTY INSURANCE

**Optional:** You can choose to buy this cover from an insurer. This is an optional policy.

#### WHAT DOES IT COVER?

- ✔ **Covers damage to other cars** and property where you are found to be at fault in an accident.
- ✔ Some insurers offer other benefits, such as cover for fire and theft.

It is usually a less expensive option than comprehensive insurance if you are not worried about covering damage to your car or property.

#### THE INSURANCE DOES NOT COVER:

- ✘ If your car is damaged in an accident.
- ✘ You or anyone else for any injuries caused by the accident.
- ✘ Your car for fire and theft unless you choose this as an optional extra.

**Where are the gaps?** Unless you choose to buy separate personal injury or accident insurance, or your CTP policy offers additional benefits, you are not covered for non-catastrophic injuries from a motor vehicle accident if you were at fault or no one was at fault. CTP insurance covers people you injure, not you. If someone else causes an accident and you are injured, you will not be covered by the at-fault person's CTP insurance for all of your loss if you are found to be partly at fault for the accident. Treatment and care for a serious injury over an extended period of time can cost hundreds of thousands of dollars. If you were not eligible for CTP compensation or the Lifetime Care and Support Scheme, you would have to access public or private health, social security or aged care services, if you needed support as a result of your injuries. Limits and eligibility criteria apply to these services.

**Where are the gaps?** Unless you choose to buy this type of insurance, you are not covered for damage to your car or someone else's car if the accident is your fault. You may have to pay the other person a significant amount of money, depending on how much damage is done and the type of car they drive.