



**Victor Dominello**  
Minister for Customer Service

## **MEDIA RELEASE**

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### **CUTTING COSTS FOR NSW DRIVERS**

Groundbreaking new rules will give the NSW Government the power to claw back excessive insurer profits from Compulsory Third Party (CTP) insurance and return the money to motorists through cheaper Green Slips.

Minister for Customer Service Victor Dominello said insurer profits will be capped at 10 per cent by the State Insurance Regulatory Authority (SIRA), keeping costs to motorists down while also encouraging the industry to be more innovative.

The new CTP scheme gave Government the authority to eliminate super profits, and these Australian first rules provide the policy framework to achieve that objective.

“Under the old CTP scheme, insurer profits were in excess of 30 per cent and resulted in motorists paying some of the highest premiums in the country,” Mr Dominello said.

“Those days are over and the sun has completely set on insurer super profits. The new scheme is fairer and more affordable, with motorists paying \$490 on average for their Green Slips – the most affordable since 2011.

“We have delivered on a promise and these rules are a big win for motorists who can have confidence that the Government will crackdown on excessive profits.”

Based on current premiums, for every one per cent of excess profit recovered from insurers, more than \$15 million will be returned to NSW vehicle owners through lower Green Slip prices.

Insurers with approved innovation programs will be able to retain an additional three per cent profit. This gives a strong incentive for them to enhance injury prevention and help people return to health, while ensuring premiums do not increase.

SIRA will monitor insurer profits on a yearly basis and claw back any profits when claims for more complex and serious injuries are resolved.

The new rules are already applicable. Further information is available at [www.sira.nsw.gov.au](http://www.sira.nsw.gov.au)

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