



SYNOPSIS

INTRODUCING VEHICLE RISK RATING FOR ACC LEVIES - APPROACH AND PITFALLS

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Purpose of your paper: ACC has introduced a new rating system for light passenger vehicles utilising real crash information to group vehicles into four bands. This presentation discusses the approach and how we overcame some of the pitfalls.

Synopsis: ACC provides 24-hour, no-fault coverage. ACC's Motor Vehicle Account covers all injuries from accidents involving a moving motor vehicle on a public road. Levies are collected as part of vehicle registrations and, for petrol-powered vehicles, through a petrol levy.

Until recently, levy rates were set at broad category levels including light passenger vehicles, heavy goods and service vehicles, mopeds, motorcycles, etc. Light passenger vehicles make up about 85% of the NZ fleet but were all charged a single rate. Consequently, ACC has just introduced a new rating system for light passenger vehicles which utilises real crash information collected and analysed by Monash University Accident Research Centre (MUARC). This analysis has been combined with the NZ vehicle fleet to determine ratings by make, model and year of manufacture. As all vehicles are covered, we need to determine a rate for all possible vehicles including models not yet released, rare vehicles, kitset cars and vehicles incorrectly registered. We have also considered how to smooth these rates over multiple years of manufacture. Ultimately we also draw from NCAP ratings to supplement these ratings for newer vehicles.

This presentation will discuss the rationale for introducing this rating system as well as some of the pitfalls and how we overcame them and the experiences and feedback since implementation.