

Compulsory third-party insurance: just get on with it

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TRANSPORT MINISTER Steven Joyce has taken Harry Duynhoven's baby, given it a good shake and dropped it back into the cot.

For two decades, Duynhoven has chuntered on about the desirability of making third-party vehicle insurance compulsory, most recently in his role as Labour's transport minister.

And most sensible people agreed with Duynhoven. Careful drivers who diligently insured their vehicles – and thus cross-subsidised their more feckless and accident-prone brethren – loved the idea of sharing the cost of prangs more widely. Anyone who'd had their bumper or fence or front room wiped out by an uninsured teenager was delighted at the notion that they would no longer

have to foot the repair bill. Some Duynhoven among them – believed that even the great evil of boy racers could be put to death by compulsory third-party insurance (though this is in fact very wishful thinking).

Yet for a range of reasons – not least a lack of enthusiasm from the insurance industry, which claimed insuring the riskiest of drivers would push up vehicle insurance costs across the board – Duynhoven's grand plan progressed painfully slowly. Then last year it finally picked up some speed, with the release of a discussion document in June; if Labour had won the election, compulsory third-party insurance would have passed into law this year.

But Joyce has put a stop – or a least a solid pause – to all that. He seems to be buying the Insurance Council line

that the new law would increase average premiums, despite compelling arguments that it would do precisely the opposite. He reckons the statistics on how many drivers are uninsured are shonky so, of course, there must be more research.

In California, students with good marks can pay lower premiums, because research shows high achievers crash less.

The public must be consulted. We'll know more in October.

Enough. We've already been consulted. We already know that we want to join the rest of the developed world in requiring drivers – especially young, inexperienced, bad drivers in

cars designed for high performance, inter-cooled, turbo-charged ostentation – to take greater responsibility for the accidents they cause.

Certainly, Joyce can ask his minions to work out exactly how many of us aren't insured if it makes him feel

better (and in fairness, the estimates do vary wildly), but in the meantime, let's get on with it.

There are plenty of overseas models to choose from (though each would need to be tweaked to account for the fact that ACC already covers loss of life and limb, leaving only property damage to pay for). The best of these allow insurers to adjust premiums in

response to risk, which means preferentially raiding the wallets of the young, or of the inexperienced, or of those with previous traffic offence history, or of those who insist on certain types of car, or any combination of the above. Oh, and of males, who consistently cause more crashes than females.

There are issues of fairness. It may seem harsh to penalise cautious boy-children for the recklessness of their peers. And the poor may be disinclined to hand over what amounts to a new vehicle tax. But these are details, and can be addressed. In the UK some insurers charge young drivers a lower premium if they agree not to drive at night (a promise holstered by a GPS tracker). In California, students with good marks can pay lower premiums, because research shows high achievers

crash less. And surely there will be cheers at the notion that those with a history of traffic offences, or who drive cars whose horsepower exceeds their maturity, will come under financial pressure to change.

A new law won't be a panacea. Boy racers are not that easy to scare off the roads. Other morons will still drink before driving, drive too fast, kill others and destroy property. And a certain proportion of people will likely ignore the directive to get insured, especially if the premiums are absurdly high.

But that's not enough reason to delay indefinitely an eminently sensible law that will establish incentives for us all to drive a little better, which will reduce the tooth-grinding frustration of realising that the idiot who totalled your parked car can't pay for the damage.