

Motor Accidents Compensation Amendment (Terrorism) Bill 2002

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *Motor Accidents Compensation Act 1999* to exclude, temporarily, liability for acts of terrorism from the coverage provided by compulsory third-party insurance policies under that Act.

Outline of provisions

Clause 1 sets out the name (also called the short title) of the proposed Act.

Clause 2 provides that the proposed Act commences on the date of assent.

Clause 3 is a formal provision giving effect to the amendments to the *Motor Accidents Compensation Act 1999* set out in Schedule 1.

Schedule 1 Amendments

Schedule 1 [1] inserts proposed section 15A into the *Motor Accidents Compensation Act 1999*.

The proposed section provides that a third-party policy does not extend to insure against liability for an act that can reasonably be characterised as an act of terrorism. An **act of terrorism** is defined as an act causing or threatening to cause death, personal injury or property damage, that is designed to influence a government or intimidate the public or a section of the public and that is carried out in furtherance of a political, religious, ideological, ethnic or similar cause. Proposed section 15A (3) applies the section to acts of terrorism that occur on or after 1 January 2002 and before 1 January 2003 (or an earlier date appointed by proclamation). Proposed section 15A (4) makes it clear that claims paid in full before the date of assent to the proposed Act are not affected.

Schedule 1 [2] inserts proposed section 35A into the Act. The proposed section provides the same exemption from liability for claims made in respect of uninsured or unidentified motor vehicles against the Nominal Defendant.