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27 March 2006

Ms Lyndel Bates  
Acting Research Director  
Travelsafe Committee  
Parliament House  
George Street  
BRISBANE QLD 4000

Dear Ms Bates

**Vehicle Impoundment for Drink Drivers Public Hearing  
Your Reference: IQ14**

Further to my conversation with Jaana Hokkanen, ICA wishes to make to make a brief written submission to the Travelsafe Committee in response to the invitation to appear at the public hearing to be held on 31 March 2006.

Motor vehicle insurers treat drink driving seriously and firmly support the blood alcohol and breath testing of drivers as a road safety initiative. Drink driving affects motor vehicle insurance claim payments and this has serious implications for policyholders who exceed the legal limit and are involved in motor vehicle accidents.

Insurance policies clearly state they do not cover claims where the driver is over the legal limit at the time of the accident. Product disclosure statements include exclusions like, you are not covered if at the time of the accident you or any other person in charge of or driving your vehicle had in their breath or blood an amount of alcohol or drugs exceeding the limit prescribed by law. Some policy wordings refer to situations where the driver refuses to take a legal test for alcohol or drugs. This means that where an insurance policy is in place an insurer may reduce or refuse to pay a claim and cancel the policy.

When a customer applies for motor insurance they are asked various questions about their driving history. Drink driving is one of the rating factors used by insurers to assess the risk they are being asked to insure and to determine the premium. A prospective customer is asked about any loss of licence, cancellation, suspension or amended licence conditions. They are also asked about convictions for a criminal offence, over say the last 3 or 5 years, whether or not a conviction is recorded. Insurers may charge an extra premium or not provide insurance depending on their individual underwriting criteria.

ICA has been asked to respond specifically on the insurance position if a vehicle is impounded and is damaged while it is impounded. The general view of insurers is that the damage would be covered and the insurer would have subrogation rights against the responsible party.

ICA supports the continuing efforts to reduce the incidence of drink driving as a road safety initiative and looks forward to the outcome of the Inquiry.

Yours sincerely

Robert Drummond  
General Manager, Member Services  
and Manager for Queensland  
Travelsafe Committee Queensland