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Insurance brokers applaud ACT tax reform

The ACT Government continues to be a leader in tax reform as today's Budget has confirmed.

The Budget papers include a reduction of stamp duty on general insurance from 6% to 4% and on life insurance from 3% to 2% from July 1, 2014, and confirm a commitment to fully abolish stamp duty by July 1, 2016.

National Insurance Brokers Association CEO, Dallas Booth, congratulated the Act Government, noting a number of inquiries and reviews had consistently noted the inefficient nature of insurance taxes, and the need for reform.

"Insurance taxes directly affect the affordability of insurance in Australia. As such, they contribute directly to the under-insurance and non-insurance concerns across the community.

"This is directly contrary to good social policy. Insurance is the main source of funds for restoration and recovery from natural and other disasters, and lack of comprehensive insurance cover results in real ongoing detriment to individuals, families and communities across Australia," Mr Booth said.

"We hope other States and Territories take note of this significant example of tax reform," Mr Booth said.

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NIBA is an independent industry association representing 500 firms and more than 2600 intermediaries, who handle almost 90% of the commercial insurance transacted in Australia. Brokers play a major role in insurance distribution, handling \$18 billion in premiums annually and placing around half of Australia's total insurance business.