

## **Travel agents: don't be put off by new stamp duty on insurance**

**(Brisbane) 26<sup>th</sup> May 2005** – Agents in New South Wales should not be dissuaded from encouraging customers to take travel insurance following Tuesday's announcement of an increase in stamp duty premiums on general insurance in the State, according to one of the world's largest assistance organisations, Mondial Assistance.

Due to take effect in the 2005 / 2006 financial year, the increase in stamp duty costs from 5 to 9 per cent was announced during Tuesday's NSW budget launch. It will predominantly apply to all stamp duties on domestic travel insurance, and cancellation charges on international travel insurance.

Mondial Assistance estimates that on an average international policy of \$264.00, the new stamp duty premiums will result in an increase of approximately \$5.00, while an average domestic policy of \$127.00 will incur an additional charge of approximately \$4.00.<sup>1</sup>

While the Government has encouraged insurance companies to bear the costs of the increase, early comments from the industry have indicated the extra charges will be passed on to consumers.

"It is disappointing the NSW Government has chosen to introduce this extra tax without regulating who should carry the cost. That said, travel agents need to be mindful that the need for travellers to insure themselves is greater than ever, and supersedes the discomfort of these extra charges," said Mondial Assistance Australia Managing Director, Peter Edwards.

"While the reality is that the industry will ultimately pass this increase onto the purchaser, travel agents need to be aware that any increase for individual travellers will be negligible and should not affect their decision to take insurance for domestic and international travel."

According to Mr Edwards, recent events have demonstrated how easy it is to be caught in situations travellers haven't planned for.

"While a certain amount of responsibility lies with the travellers themselves, we as an industry have a responsibility to ensure those heading overseas are suitably prepared."

"Travel Agents are a vital source of information for travellers, and are in the best position to explain the realities of the need for travel insurance. I would encourage any Agent in NSW who is concerned about the new duties to investigate how the changes will affect them in real terms, and share this information with their customers," Mr Edwards added.

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<sup>1</sup> Calculation based on all policies sold in NSW in 2004 through Mondial Assistance.

NSW Agents are welcome to direct any questions regarding the new stamp duty premiums to Mondial Assistance Australia General Manager - Insurance Development, John Colless at [icolless@mondial-assistance.com.au](mailto:icolless@mondial-assistance.com.au).

## ENDS

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