



OPEN LETTER

To: Hon. Scott Simpson
Minister for ACC

Cc: Christopher Johnston, Manager Official Information Act Services, ACC

From: Motorcycle Advocacy Group New Zealand (MAGNZ)

Date: 13 February 2026

Re: ACC Levy Classification for Motorcycles – OIA Response GOV-045355 and Outstanding Issues

Minister,

MAGNZ writes regarding ACC's response dated 12 February 2026 to our Official Information Act request (GOV-045355) concerning the evidential basis for differential motorcycle levy rates, particularly the 601cc+ classification.

The response and accompanying actuarial advice clarify several important matters. They also confirm significant analytical gaps.

This letter sets out those issues and the policy outcomes we are seeking.

1. Crash Responsibility Is Not Used in Levy Relativities

ACC has confirmed that although claims are matched to Police/NZTA Crash Analysis System data, crash causation is not used in setting levy relativities.

This means injury cost is attributed to motorcycle classes irrespective of fault.

The distinction matters.

Risk contribution and injury severity are not the same.

Without causation weighting, riders may bear levy burdens arising from crashes where another party is responsible. No modelling has been disclosed demonstrating that exclusion of causation is actuarially neutral.



2. Engine Capacity Is Not Linked to Crash Frequency

The actuarial advice provided indicates that motorcycles above 126cc have broadly similar claim frequency relativities. The differentiation between cc bands arises primarily from average claim cost.

The documentation does not demonstrate:

- That engine capacity independently increases crash likelihood;
- That cc has been tested within a multivariate framework controlling for rider demographics, experience, geography, or crash type;
- That cc thresholds represent statistically significant separations rather than descriptive averages.

Absent such analysis, classification boundaries risk appearing structural rather than evidence-driven.

3. Incomplete Data Matching and Missing CC Allocation

The advice confirms that approximately 27% of ACC motor vehicle claims were matched to Crash Analysis System data, accounting for roughly 70% of total cost.

It also confirms that motorcycle claims lacking valid cc data were proportionally reassigned across cc categories based on exposure.

No sensitivity testing, confidence intervals, or bias analysis have been disclosed regarding:

- The unmatched claims;
- The reassignment of missing cc data;
- The robustness of boundary distinctions.

These matters go directly to classification validity.

4. Revenue Neutrality Assumed

The modelling scenarios assumed total motorcycle registration revenue remained unchanged, implicitly retaining cross-subsidisation structures.

The modelling objective therefore appears to have been redistribution within motorcycle cohorts, rather than independent evaluation of classification fairness once causation and exposure are properly considered.



5. No Documented Modelling of Alternatives

ACC has confirmed it does not hold analysis of:

- Rider-based levies;
- Experience-weighted structures;
- Per-kilometre frameworks;
- Adjustments for modern safety technology;
- Revenue impacts under alternative models.

Given the structural implications of levy classification, absence of documented modelling of viable alternatives raises legitimate policy concerns.

Policy Outcomes Sought

In light of the above, MAGNZ seeks the following commitments:

1. Independent Review and Interim Suspension of the 601cc+ Differential

An independent actuarial review of the current cc-based motorcycle levy structure, including publication of model assumptions, statistical testing, sensitivity analysis, and boundary justification.

Pending completion of that review, MAGNZ calls for suspension of the 601cc+ differential so that riders are not subject to a disputed classification while its evidential basis remains unresolved.

This is a proportionate and measured step that preserves contribution to the ACC scheme while ensuring classification integrity.

2. Incorporation of Crash Responsibility

Formal consideration of crash causation in levy relativities so that responsibility and cross-vehicle factors are transparently addressed.

3. Modelling and Publication of Alternative Structures

Documented modelling of exposure-based, rider-based, and experience-weighted frameworks, including revenue impacts, prior to any future levy consultation.

These measures are directed at transparency and evidential robustness. They are not aimed at reducing riders' contribution to ACC, but ensuring that contribution rests on defensible analysis.



Request for Engagement

MAGNZ formally requests a meeting within 21 days between ACC actuarial leadership and MAGNZ representatives to discuss these issues. A virtual meeting is acceptable.

Constructive engagement remains preferable to continued escalation.

Advocacy and Protest

Nothing in the response received to date materially resolves the concerns outlined above.

Accordingly, MAGNZ will continue lawful advocacy and protest actions previously announced, including the nationwide March 28 ride to VTNZ branches and subsequent lawful use of vehicle registration hold provisions available under current regulatory frameworks.

These actions reflect the scale of concern among riders and the absence of satisfactory evidential justification for the current classification structure.

Reservation of Rights

MAGNZ is considering:

- Referral to the Ombudsman regarding completeness and adequacy of the OIA response;
- Further review of consultation integrity;
- Legal review of classification rationality and failure to consider relevant factors.

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Minister, this issue is not about avoiding responsibility. It is about transparency, fairness, and sound policy design.

We look forward to your response.

Respectfully,

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