

MEDIA RELEASE

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Insurance Council of Australia lunging at the usual shadows



Figures used by the legal profession to highlight that insurers continue to rake in bumper profits come straight from the Motor Accident Authority's own annual report.

The legal profession has rejected claims by the Insurance Council of Australia that it has misled the public on reforms to personal injury compensation laws.

Four peak legal organisations – the Law Society of NSW, the NSW Bar Association, Law Council of Australia and Australian Lawyers' Alliance have launched a campaign 'A Fair Go For Injured People' designed to restore fairness and consistency to personal injury compensation laws in NSW.

The Insurance Council of Australia has erroneously said that lawyers do not understand personal injury insurance and have misled the public about motor accident insurance.

"The Motor Accident Authority's 2005 annual report shows that of \$8 billion paid in premiums only \$1.8 billion has been returned in compensation to injured people", said NSW Bar Association President Mr Michael Slattery QC.

"The widening gap between premiums collected and claims paid out demonstrates that personal injury compensation could be raised to a fair level without increasing premiums.

"We have consistently and publicly said that that not every dollar goes in profit. Some of it goes to reserves for future claims and administrative costs. But the truth is, insurers are disclosing about three times the level of profit that was considered reasonable at the time the motor accidents scheme commenced.

"We are not alone in drawing attention to this fact. Today's report of the Law & Justice Committee says 'profit estimates prepared by the MAA indicate that insurers will realise profits substantially higher than those estimated in premium filings'", said Mr Slattery.

"The committee's findings accord with those of Richard Grellman and David Bowen of the Motor Accidents Authority".

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“This campaign is about the injured, and restoring fairness and consistency to the system. Under the current benefit restrictions, the community continues to pay its insurance premiums on products such as green slips, only to see victims receive little or nothing for their injuries.

The government and insurers should drop their rhetoric and start getting serious about helping injured people in NSW,” Mr Slattery said. “We are still waiting to hear what is the opposition’s position”, he added.

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A Fair Go For Injured People



The New South Wales Bar Association



The Law Society
of New South Wales



Law Council
OF AUSTRALIA

