

New FOI data shows: curbing insurer surpluses won't drive premiums higher

5 March 2007

The president of the New South Wales Bar Association, Michael Slattery QC, has rejected claims by Premier Morris lemma that drastic changes to the state's compensation laws have put more money in the pockets of injured people.

The premier was responding to a detailed analysis of the NSW motor accidents and WorkCover schemes. The study debunks claims by NSW Commerce Minister John Della Bosca that the cost of providing a fair go for the injured would have to be passed on in higher premiums .

The analysis also shows that, by 2011, the WorkCover scheme is expected to be nearly \$4 billion in surplus, while benefits to injured workers have fallen by approximately \$1.9 billion per annum since 2001. The WorkCover scheme is now more than \$85 million in surplus and growing at a rate of almost \$1 billion each year.

A recent study, entitled 'We Can Afford to Give Injured People a Fair Go' examines data and actuarial reports procured under the *Freedom of Information Act 1989*.

NSW Bar Association President Michael Slattery QC said, "By analysing data obtained from the MAA and WorkCover, we have demonstrated unequivocally that average benefits are a fraction of what they were," Mr Slattery said.

He said 9 out of 10 people injured in NSW were not being compensated for the ongoing pain and suffering they endure as a result of an accident.

"These figures demonstrate that Compulsory Third Party greenslip insurers were claiming 10 per cent profits before the 1999 changes to the motor accidents scheme were introduced.

"Since the changes, they have made profits of up to 27 per cent. This is despite the fact that the Motor Accidents Authority of NSW (MAA) regards profits of between 4 and 6 per cent to be reasonable.

"Our message is simple: we can afford to give injured people a fair go without any change to premiums," Mr Slattery concluded.

To obtain a copy of the study, visit www.faircompensation.com.au/resources.html

Contact Alastair McConnachie M: 0420 314 462, Kate Rogers M: 0413 440 699 or media@faircompensation.com.au

A Fair Go For Injured People



The New South Wales Bar Association



The Law Society
of New South Wales



Law Council
OF AUSTRALIA



Lawyers
for the People
AUSTRALIAN
LAWYERS
ALLIANCE

Visit www.faircompensation.com.au or call 1800 357 596