

Law Council calls for victims' rights in proposed ACT third party insurance reform

Law Council of Australia President, Alexander Ward, today hit-out at proposed reforms to third party insurance laws in the Australian Capital Territory (ACT).

The ACT Government's proposed changes to the *Road Transport (Third Party Insurance) Bill 2011* (the Bill) will directly impact on people's ability to access compensation as a result of road accidents.

Mr Ward said the ACT Government's proposed changes to the Bill will strip away the rights of over 84% of people injured on ACT roads through no fault of their own.

"The proposed changes are even more draconian than restrictive motor accident laws introduced in NSW in 1999, at a time when a serious insurance 'crisis' was emerging across the country," Mr Ward said.

"However there is nothing to suggest the CTP insurance market in the ACT is presently in any form of 'crisis' to justify these dramatic changes, or any suggestion the sole CTP insurer in the ACT is about to cease offering insurance policies to ACT motorists.

"In fact, the ACT flat premium is lower than the average risk-rated premium in Sydney or Melbourne," he said.

Under the proposed new legislation, a victim injured on ACT roads will need to suffer permanent impairment to over 15% of their body before they can receive compensation for pain and suffering, despite the lasting and debilitating impact of injury on their lives.

"A victim of an accident can be in constant pain, lose their job, their marriage, never again play sport or do the things they once enjoyed, all because of another driver's negligence yet the ACT government says this is worth nothing in compensation," Mr Ward said.

"Those worst affected by thresholds will be those who cannot claim compensation for economic loss: children, retirees, stay-at-home parents, unemployed people and those prevented from working due to a disability or illness.

"If your child, home-spouse or retired mother happens to be seriously injured in an accident, through no fault of their own, they will receive almost nothing in compensation."

In other jurisdictions, insurers have been the primary winners from restricting accident victims' rights.

"In NSW after a 10% threshold was introduced, CTP greenslip insurers' average profits jumped from 12% to 27% of premium revenue - six times the level of profits considered "reasonable" in the CTP insurance market by the government's actuaries.

"Based on the experiences of other states, these changes will be a disaster for ACT citizens and a windfall for the Territory's monopoly provider of CTP insurance policies," Mr Ward said.

The Law Council strongly urges the Canberra Liberals and ACT Greens to oppose this Bill or, at the very least, refer this Bill to a Parliamentary Committee to ensure its provisions and likely impact can be properly scrutinised.

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