



# MEDIA RELEASE

20 December 2011

The New South Wales Bar Association

## **Injured motorists pay a high price for insurers' bumper profits**

The President of the NSW Bar Association Bernard Coles QC today called upon the NSW Government to implement key recommendations of the report of the Standing Committee on Law and Justice into the New South Wales Motor Accidents system.

The Report of the Upper House Committee, released today, has highlighted deficiencies in the current system, which allows motor accident insurers make profits at an average of 24 per cent while people injured in motor accidents are denied proper compensation for their injuries.

"The motor accidents compensation regime denies ninety per cent of injured people compensation for pain and suffering" said Mr Coles. "The recommendations of the bipartisan Legislative Council Committee provide an opportunity for the Government to bring fairness back into the system."

Key recommendations of the Committee include the need for the Motor Accidents Authority to provide the Committee with a report on its assessment of insurer profit margins and the actuarial basis for its calculation, and that the Government review the current system to allow the fairer assessment of injuries sustained in motor accidents. The New South Wales Bar Association has previously called for an independent inquiry into New South Wales personal injury laws.

"The Committee's report provides the basis for a thorough reassessment of motor accident compensation in this State. If implemented, the recommendations have the potential to redress the balance in favour of people injured in motor accidents and prevent insurers reaping excess profits at their expense" Mr Coles said.

"The Inquiry's recommendations reflect the fact that the changes to personal injury laws passed by the previous Government went too far, with the result that thousands are denied proper compensation for their injuries."

"The New South Wales Government should implement these proposals and pave the way for crucial changes to the current system, which is failing the people of New South Wales" said Mr Coles.

"It is obvious when considering the recommendations as a whole that the Standing Committee requires more information in order to make further recommendations for reform. In the Association's view the best way of doing so would be for the Government to establish an independent inquiry into New South Wales personal injury laws."

For further information, contact Alastair McConnachie at the Bar Association on ph: (02) 9229 1756 or mobile: 0420314462.