

MEDIA RELEASE



NEW SOUTH WALES
BAR ASSOCIATION

GREEN SLIP REVIEW MUST FOCUS ON PEOPLE, NOT PROFITS AND PREMIUMS

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The New South Wales Bar Association has today called for an independent review of the compulsory third party insurance scheme for NSW motorists, following repeated warnings that the State's green slip scheme continues to favour insurers' profits and unfairly excludes genuinely and permanently injured people.

The President of the Bar Association, Arthur Moses SC, expressed concern at Finance Minister Dominello's statement on Monday that CTP reforms are 'going better than expected', when in reality only 2% of the nearly \$1 billion in premiums collected by insurers during the first eight months of the CTP scheme's operation has been paid to injured people. This falls short of the Government's original suggestion that more than 50% of premiums would be paid out during the scheme's first year of operation.

'There is a real concern that the Government's CTP reforms have overreached. They have delivered the forecast reduction in premiums but they have not provided for adequate compensation for the injured. Every individual claimant who is entitled to damages under this scheme will receive less no matter how serious their injuries. They will be at the mercy of iCare and the Insurers for their future needs,' Mr Moses SC said.

'The Minister says that these reforms will put a greater percentage of benefits in the hands of the seriously injured, which is measured only by comparison to the vastly reduced benefits paid to those with minor and moderate severity injury.

'The real purpose of the NSW CTP scheme is and must remain to care for injured people, not to reduce green slip premiums. The scheme should be reviewed as it is not compensating people as the Government indicated it would,' said Mr Moses SC.

A central feature of the new scheme is the unfairly broad definition of a 'minor injury', which will likely result in the majority of people injured in motor accidents being ejected from the Scheme after just six months.

'Cost of living is undoubtedly important, however the focus of this scheme must be on members of the public who are genuinely and permanently injured by motor accidents through no fault of their own. These people and their families will already experience a reduced quality of life without the added financial and emotional strain of being shut out of a scheme that ought to support them. If those injured do not receive proper compensation from the CTP Scheme, the NSW community will bear the burden instead through the social security system,' Mr Moses SC said.

‘The Association is concerned that CTP insurers are in a powerful position under the scheme to decide whether and how much compensation an injured person will receive. Insurers are not obliged to fully inform injured people of their rights, and it is the insurer who first decides whether an injured person is entitled to continue to receive support, and whether they can be compensated for their future loss of earnings, pain and suffering.

‘The Association is pleased that the Minister has indicated a review will be undertaken into the scheme. However, in order to fairly and objectively assess the scheme’s impact in achieving its real purpose, that investigation must be undertaken by a truly independent reviewer, not the government organisation iCare, in accordance with clear and robust terms of reference. The Association suggests that consideration should be given to appointing a retired judge to serve as the independent reviewer.

‘The Association has written to the Premier and the Minister to express these concerns. We remain willing to work with the Government, insurers and the community in NSW to promote fair and just outcomes in this important area,’ Mr Moses SC said.

Media contacts: Chris Winslow, 9229 1732 or 0409245369