

FOR IMMEDIATE RELEASE - Wednesday, 5th June.

MOTORISTS LEFT DEFENCELESS AGAINST BIG INSURERS

NSW motorists are about to be left at the mercy of the huge insurance companies under plans by the State Government to re-vamp the CTP Greenslip scheme.

Some months ago, Premier O'Farrell announced plans to reduce Greenslip prices by removing the litigation from the system, blaming lawyers for holding up compensation payments to accident victims and for increasing the cost of the scheme.

But the legislation that embattled Finance Minister Greg Pearce is attempting to ram through Parliament makes it clear that the only lawyers being removed from the system are the ones representing motorists, while the insurance companies will still have the luxury of using their in-house lawyers to try and stop paying out to innocent accident victims.

Dave Cooke, Manager of the NSW Motorcycle Alliance said today, "In the past, much of the litigation in the system was between the insurance companies, with one insurer trying to prove the other insurer's client was responsible for an accident, because who was at fault determined which Greenslip policy would have to pay out. Under the new proposals all motorists will claim against their own Greenslip after an accident, not that of the person who caused the crash, so insurers won't be fighting with each other anymore, they'll be fighting against their own customers to prevent paying out."

Christopher Burns of the Motorcycle Council of NSW agreed, adding "The problem with the legislation is it doesn't really allow the victim to use a lawyer to protect themselves against the insurers who refuse to pay out. Even if the motorist wins, they won't be able to claim back legal costs. So the only lawyers that have been cut out of the system are the ones working for innocent accident victims, while the insurers can have as many lawyers as they can afford."

Both the MCC of NSW and the NSW Motorcycle Alliance represent hundreds of riders who have felt first-hand the power of insurance companies who are more interested in shareholder profits than meeting their obligations to injured people, and hold grave fears for how motorists and riders will be able to protect themselves against the insurers' behaviour under the new scheme.

It appears that the new legislation has been written totally for the benefit of the big insurance companies, at the expense of the people of NSW, particularly those who are unfortunate enough to suffer serious injuries in a road accident. The new legislation contains no new measures to put a halt to the massive profits the insurers make from the CTP scheme, but contains a lot of measures to reduce the benefits that innocent accident victims are entitled to in terms of covering their costs and loss of income, making it difficult to see how it is anything other than a cash grab by the insurers, with the assistance of Finance Minister Pearce.

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