

# THE RIGHTS ISSUE

The newsletter of

People's Rights<sup>INC.</sup>

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[www.peoplesrights.com.au](http://www.peoplesrights.com.au)

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## “The Stars have aligned”

February was the reporting period for insurance companies. In the words of IAG chief Michael Hawker the ‘stars have aligned for insurers.’

Premiums have skyrocketed, claims have fallen into a black hole and victims’ rights have gone the way of so many under-maintained space shuttles.

The profits of the insurance companies are truly out of this world. **QBE’s** profit was **up 105%**, **Suncorp’s** insurance profit was **up 199%**, **IAG’s** half year profit was **up 387%** on the same period and Promina’s profit was over **\$100 million above their prospectus**.

This adds up to a total profit of around **\$1.4 billion for the year**, and IAG’s figures were only for a half year.

With \$1.4 billion dollars worth of insurance industry good news we’ll all be expecting a bit of premium relief.

In a massive shock, insurance companies have said they *won’t* be reducing premiums.

In fact, insurers told the ACCC that public liability **premiums will be increasing by between 5 and 15%** in the coming year.

Insurers indicated that they would be using their windfall profits to make overseas acquisitions, not to reduce premiums, and certainly not to pay out victims of injury who desperately need the money.

## Litigation Explosion Bunkem

In the years before our rights were removed (1998-2001) claims related to public and occupiers liability were increasing at **less than 5% per annum**. Year on year the **rate of increase was declining!**

*So much for the litigation explosion.*



### People’s Rights needs your stories !!

*Have you, or somebody you know, been injured through negligence but have been denied the right to claim compensation because of the new laws??*

*Then contact People’s Rights. We want to tell your stories !!*

## More Lenders’ lies:

### Lie Number #1

On ABC’s Stateline, Minister for Insurance Cheerleading, John Lenders claimed that “No insurance company is making profits out of public liability insurance.”

Figures from the ACCC show that for public liability, insurers had a net combined **ratio of 90% in 2002 and 88% for the first half of 2003**.

Net combined ratio is the ratio of costs versus premiums.

**Any ratio below 100% shows a profit for insurance companies!** Yes, Mr Lenders, insurers are profiting from public liability insurance.

### Lie Number #2

ACCC figures show that **claims costs were decreasing by 14%** in the period from January to June, 2003.

Incredibly, Lenders’ response to the figures was to *take credit* for the decreasing claims costs, even though his cuts to rights didn’t pass through Parliament until the end of May the same year!

**That’s right Mr Lenders, insurers were stacking up big profits and paying out less in claims before victims’ rights were cut.**

As we’ve said all along, cutting rights was totally unnecessary.

### Tell someone.....

- **Errors are associated with 5%-10% of all medical procedures, but 90% of injuries from these errors receive no compensation.**
- **Does this sound like a litigation explosion?**

**Join People’s Rights NOW !!** Go to [www.peoplesrights.com.au](http://www.peoplesrights.com.au) and click on Registration, it’s FREE !! And if you’ve been duded by Bracks’ new compensation laws contact [cleavesley@peoplesrights.com.au](mailto:cleavesley@peoplesrights.com.au). (03) 9949 8706. **Tell us your story !**