

THE RIGHTS ISSUE

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One more insurance myth bites the dust

One of the more ugly strands of the insurance industry's campaign to cut rights was to paint victims of catastrophic injury as undeserving opportunists, cashing in on the sympathy of the courts.

The reality is quite different, as a court decision last month demonstrates.

The Wyong Council was sued by Ernest Vairy, who became quadriplegic after diving from a rock platform.

At trial it was heard that the council was well aware of the danger of the platform because a person had become paraplegic at the same location before.

Following the incident the council received a recommendation that a sign be erected warning of the danger. Unfortunately, this recommendation was ignored.

The judge ordered the council to pay Vairy \$5 million damages, reduced to take into account Vairy's own responsibility for his injuries.

At appeal last month two of the three judges threw out the award, labelling Vairy 'foolhardy.' The third judge agreed with the original judgment.

During the "insurance crisis" insurers suggested people such as Mr Vairy were selfish opportunists, and that the courts were playing fast and loose with other people's money.

The truth is that the courts have never been a soft touch, and there has never been easy money for injured victims.

The Wyong Shire Council's sigh of relief must have been a big one. They were insured at the time of the incident by HIH.



FAI book BAKE-OFF

The real face of cuts to rights

Speaking of HIH, in July we saw several former FAI executives committed to stand trial for failing to act honestly, and providing false and misleading information related to some allegedly dodgy reinsurance deals. The deals were vital to the successful sale of FAI to HIH.

It is widely accepted that the purchase of insurance basket-case FAI was the straw that broke HIH's back.

After HIH collapsed the other insurers took advantage of the gap in the public liability market to ramp up prices, which was the substance of the "insurance crisis."

Tell someone.....

Under the new laws if you lost your entire sense of taste and smell in an accident that is somebody else's fault, you would be entitled to nothing for your pain and suffering.

Imagine if you were a chef. According to this Government losing your life's passion is worth nothing. Zilch. Too bad, so sad. Where's the justice in that?

It is convenient for insurers that these hearings have taken so long to reach court.

It would have been a bit rich for the insurance industry to blame lawyers and injured people for their profitability problems while their own executives were in court for cooking the books.

Quick Update ACCC

The ACCC recently published its third report for public liability and professional indemnity. The report highlighted **cost of premiums and claims frequency**. It found that public liability premiums increased by 17% in 2003, after increasing by 44% in 2002 and 19% in 2001. The average premium has nearly doubled since 2000.

The report also found that claims frequency decreased from 1999 to 2002, with a 1% increase for 2003.

Incredibly, of the 8 insurers surveyed, 7 indicated that falls in claim frequency were not due to the cutting of rights. Insurers say that higher excess and a different business mix is the reason that claims have fallen.

If this is the case let's have our rights back. If the insurance industry has *really* managed its way to record profits, as it's suggesting, then Victorians should have their rights returned. Immediately.

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 on (03) 9949 8706 or cleavesley@peoplesrights.com.au