

# THE RIGHTS ISSUE

The newsletter of

People's Rights INC.

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## Insurers buy Cake Factory

Recent media reports indicate that new insurance industry regulations proposed by the Australian Prudential Regulation Authority (APRA) have been rejected by the Insurance Council of Australia (ICA) as too strict. APRA will be watering them down.

Lack of reliable data allowed insurers to pass the buck when bad management created poor profit results leading up to the 'insurance crisis'. An industry insider indicated to People's Rights that the data relied upon by the ICA during the 'crisis' was inaccurate and provided comparisons that were deceptive.

Full and accurate data is one of the few protections that the public has against insurance industry attacks on our rights to compensation.

APRA is allowing insurers the avenue to exploit ambiguous data to push for further cuts to rights in the future.

Insurers claim that APRA's new proposals create overlap and duplication of powers with other groups, such as the ACCC. Sound familiar?

It was the same reason given for nobbling our "special Insurance Commissioner." As such, the Insurance Commissioner hasn't made a single report on general insurance matters since appointed.

And what Victorian insurance data have we seen from APRA or the ACCC since the law changes? Nothing. Zilch.

There *is* no accountability, and that suits the insurers just fine.

Record profits, permanent cuts to rights, no accountability. **Insurers aren't just having their cake and eating it too; they've bought the cake factory !!**

### Tell someone.....

**Medical Indemnity Claims in public health fell by over 15% between 2001 and 2002 in Victoria.**

**Yet in 2003 they cut our rights to medical negligence compensation because of a so-called "litigation explosion."**

Source: Characteristics of and Trends in Medical Indemnity Compensation Payments in Victoria. Ernst and Young Actuarial Business Consultants. December 2002.

## That's no medical error, it's a "Sentinel Event"

A recent Government report attempted to demonstrate the Government's commitment to addressing medical errors in hospitals.

It reported 79 cases of serious medical accidents in Victorian hospitals, labelling them "sentinel events." One would be forgiven for thinking that there were only 79 serious mistakes made for the year.

The truth is quite different. The report looks at "sentinel events," not 'adverse events' or 'medical errors.' Why? Listen to the definition of "sentinel event;"

*"...relatively infrequent, clear cut events that occur independently of a patient's condition; commonly reflect hospital system and process deficiencies; and result in unnecessary outcomes for patients."*

These events are attributed to hospital systems, and are by definition "infrequent." Naturally the media reported on the "sentinel events" as if they were the extent of serious mistakes in Victorian Hospitals.

This buries the true extent of medical mistakes while making the Government seem committed to looking after the health of Victorians.

If they were truly committed they would never have cut rights to compensation that helps put victims lives back together.

## Lenders' truths

The Rights Issue has been devoted to exposing Finance Minister John Lenders' lies in its previous issues.

To compensate we've quoted something Mr Lenders has said that *is* true.

*"It would be wrong for the Parliament to raise expectations that premiums will fall as a result of amendments to the law, unless reliable data demonstrated there were reasonable grounds for believing this to be a likely outcome of the legislatures efforts."*

John Lenders. Hansard 26/3/02

Congratulations, Mr Lenders. Reliable data *never* was presented, and premiums haven't fallen. You were spot on. Good work.



**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](mailto:cleavesley@peoplesrights.com.au)