

**Tuesday, 22 March 2005. 22:02 (AEST)**

## **CALL TO TOUGHEN INSURANCE INDUSTRY ACCOUNTABILITY**

The states say the Commonwealth has allowed the insurance industry to "exploit" reforms to laws aimed at limiting personal injury payouts.

State and territory Attorneys-General have wound up a two-day meeting on Queensland's Gold Coast.

Representatives from the Insurance Council of Australia (ICA) attended the meeting today and Victoria's Attorney-General Rob Hulls says they were asked to explain why premiums remained high, despite record profits.

"Insurance companies have an obligation to explain to Australians what the benefits of tort law reform have been," he said.

Mr Hulls says there is not an acceptable level of accountability.

"The ACCC [Australian Competition and Consumer Commission] has indicated that while it monitors insurance companies, it can't ascertain a direct connection between tort law reform and insurance changes," he said.

"Now that should be of grave concern to most Australians."

His Queensland counterpart, Rod Welford, says the Commonwealth must take some of the blame for failing to ensure insurance companies have been held accountable.

"We've been defrauded by the Federal Government," he said.

Mr Welford wants the Federal Government to give the ACCC the power to control insurance pricing.