

Insurance

Insurance Reforms

The rising cost and decreased availability of insurance has had a considerable impact on Territory business in recent years. This 'hardening' of the insurance market reflects a number of factors, including the collapse of HIH and increasingly litigious attitudes.

Over the past two years, the Territory Government has worked with other governments to develop a package of law reforms to create a more stable insurance environment. The reforms aim to improve the availability of insurance cover, hold down premiums, create greater certainty and change social and legal attitudes towards the assumptions of liability for risk.

Key elements of the legislative reforms that have been passed to date include:

- clarifying and fixing reasonable limits on the entitlement to and extent of damages for personal injuries;
- protection of volunteers and 'good Samaritans' from liability;
- providing for processes and timeframes that encourage early resolution of claims; and
- removing legal impediments to people assuming responsibility for their own personal injuries acquired while undertaking risky recreational activities.

Professional Standards Legislation is being drafted to allow for professional or occupational groups to establish schemes to limit members' liability for economic loss in exchange for more stringent self-regulation.

Further legislation is being drafted dealing with the law of negligence and issues such as duty of care, assumption of risk and contributory negligence.

A February 2004 report from the Australian Competition and Consumer Commission (ACCC) has shown that reforms are taking effect. The ACCC found that public liability claim costs had reduced by about 10 per cent in the first six months of 2003 and growth in premiums had slowed. It also found that insurers expected public liability premiums to be 3 per cent lower in 2003 than would have been the case without the law reforms.



For further information on public liability insurance including risk management and not-for-profit group insurance schemes see www.public-liability.nt.gov.au or contact the Public Liability Insurance Hotline on 1800 600 032.

