



# Barry O'Farrell MP Premier of NSW Minister for Western Sydney

---

## MEDIA RELEASE

---

Sunday 17 February 2013

### **A FAIRER, CHEAPER CTP SCHEME FOR ALL**

Motorists could save about 15 per cent on their green slips under proposed reforms to make the Compulsory Third Party (CTP) insurance scheme fairer and more affordable.

NSW Premier Barry O'Farrell and Minister for Finance and Services Greg Pearce said CTP in NSW is the least affordable in Australia and a NSW Motor Accidents Authority review had recommended an overhaul.

"CTP needs to be more affordable for motorists and fairer for people injured in motor vehicle accidents," Mr O'Farrell said.

"At the moment, motorists in NSW are paying on average \$500 a year for CTP insurance - up to \$260 more than other states – while injured people are waiting years to receive benefits.

"The NSW Government's proposed green slip changes could reduce the cost of the average CTP premium by about 15 per cent and ensure claimants receive benefits as soon as possible.

"The current scheme has turned into a lawyers' picnic – less than half of all premiums collected by insurers actually goes to accident victims. That's simply not good enough.

"These proposed changes will drive down costs by ensuring the system is focused on those who are injured, not ambulance chasing lawyers."

Mr Pearce said the plan is for a 'no fault' scheme to significantly reduce long and costly disputes and give those injured in accidents faster access to benefits. This would also bring the NSW system into line with Victoria.

"The current CTP scheme is expensive because of the time it takes to settle compensation disputes often delayed by lengthy legal battles over who is at fault and who should pay," he said.

"Generally, the majority of compensation is paid out between three and five years after an accident and often it's the lawyers who walk away with more money than those with injuries.

"A 'no fault' scheme would reduce costs, create a more competitive CTP insurance market, and get money to those who need it the most, rather than lawyers, insurers and investigators.

“I urge motorists and other stakeholders to review the plan and give feedback to the NSW Government.

“CTP in NSW is the least affordable in Australia and will only get worse unless we change it,” he said.

The Lifetime Care and Support Scheme remains unchanged.

ENDS

### **Current CTP Scheme case studies**

- A pedestrian was hit by a car while walking on a footpath – it took seven years to resolve the case which resulted in the claimant receiving \$6,000 to cover medical expenses, while legal costs amounted to about \$50,000.
- A person was hit by a car and the costs of legal, investigation and medical expenses was \$190,000 – the victim received less than \$30,000 for injuries suffered and the claim took eight years to resolve.
- A motorist involved in a car accident was found to be at fault. He sustained a broken collar bone and had to take several months off his job as a labourer to recover. He was not able to claim for all his lost income as a result of the accident and subsequently found himself in severe financial distress.
- A motorcycle rider was involved in an accident due to the road conditions – the rider was seriously injured but unable to claim compensation as no other vehicle was involved. Legal costs were \$30,000.

ENDS