



Speech by

JULIE ATTWOOD

MEMBER FOR MOUNT OMMANEY

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HIH INSURANCE

Mrs ATTWOOD (Mount Ommaney—ALP) (10.26 a.m.): I am particularly perturbed that there are no safeguards for contributors to the HIH Insurance group. Recently, this firm went into liquidation leaving contributors in the lurch. I have been approached by professionals who over the years have made contributions to this insurance company for protection against malpractice suits. Practitioners such as those people are open slather to those clients who decide that they can make a quick killing. What protection is afforded to professionals if a client decides that they will take a small operator for all they can get? Further anxiety is caused by the fact that their trusted insurance company goes into liquidation and can no longer cover them.

The Australian Securities and Investment Commission and the Australian Prudential Regulation Authority are monitoring this situation and updating information on the latest developments. It is a bit of a worry when a medical professional, who has been paying insurance premiums for a number of years and who has a current legal case, discovers that they are no longer covered and have absolutely no protection. Where do they turn? Other insurance companies will not cover them because, if by chance they lose, it would be very costly.

The insurance industry is a federal government responsibility. It has a duty to ensure that all obligations are met, regardless of whether the insurance company collapses. The reputation of the insurance industry is at stake here. If that means that they can collapse at any time and offer no coverage for new and existing claims, what use are they? Consumers would be better off not paying insurance premiums but saving their money in the event that a client decides to sue them for malpractice. I call on the Howard government to ensure that contributors to the HIH Insurance company are fully protected during this liquidation process.
