




Speech By  
**Ray Stevens**

**MEMBER FOR MERMAID BEACH**

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Record of Proceedings, 24 October 2019

**MOTOR ACCIDENT INSURANCE AND OTHER LEGISLATION AMENDMENT  
BILL**

 **Mr STEVENS** (Mermaid Beach—LNP) (5.06 pm): It was an eye opener for me as a member of the Economics and Governance Committee to deal with the Motor Accident Insurance and Other Legislation Amendment Bill. To be honest, I had never heard of a claim farmer until this bill came to the committee. This practice is a product of the very litigious society that we have, with our legal eagles unfortunately dragging every possible bit of blood out of the stone through the legal system.

In previous parliaments I have commented on the fact that claim farming is encouraged by some legal operatives. That is a matter for the Law Society to deal with. The Law Society made presentations to the committee, as all committee members are aware. Basically, they were abhorred by the practice of claim farming. That is why this legislation is before the House. We are supporting the legislation—and gladly so—now that claim farming has been explained to the member for Mermaid Beach! We see people in the community ready to milk society, particularly with the help of our legal fraternity buying referrals in bulk.

For those who are not clear on claim farming, I will explain it. Claim farmers ring up people involved in accidents and promise that they can get a lot of money from making a claim through the legal system for an injury that they may or may not have. Then these claim farmers wander along to some legal practitioners—I think they used to be called ambulance chasers, but I suppose they are tow truck chasers these days—who then take those referrals, contact the people to drum up business and make a claim through the third-party system. That obviously results in claimants receiving a greater payout, but most of that money ends up in the lawyer's coffers. The claimants initially contacted by these claim farmers may or may not get a small amount of money for the trouble of going through the court case.

This model has provided quite a lucrative business for some spurious types of legal practitioners and I again say that this is a matter that the legal fraternity should be cleaning up. It is just a shame that we have to come in here and legislate to stop this hideous and abhorrent practice, because there are some genuine people who do genuine sponsorships. Tom O'Donnell made a presentation to the committee. He is obviously a good gentleman who is a genuine sponsor of local teams in his area. Many of these people sponsor and become closely associated with clubs and if there are claimants who have problems—whether it is a marriage problem or any problem—they end up at that legal firm because that is a welcome way for them to further, firstly, the club's interests and, secondly, assist if there are genuine claims for legal representation.

That is not what claim farming is all about. Claim farming, as the Deputy Premier alluded to earlier, is a hideous, abhorrent practice that forces a claim on an insurer's purse. They could not, as I recall—and I defer to the chair of the committee—give us a financial amount in terms of the rising number of CTP claims due to claim farming, but I understand there was a major increase, as I think the chair said, of about 20 per cent which they attributed to this claim-farming activity. That has to stop because that cost is passed back on to the community right across the board through increased

premiums. No-one wants to see increased premiums on their car insurance. We have been aware of registration creeping up under the particular government that we have at the moment—I cannot let it go without a cheap shot somewhere—but the fact of the matter is that we want to keep the cost to the community as low as possible.

Some witnesses said that the CTP people were overstating it and were trying to get their premiums down so they could make more profit, and that is a reasonable economic argument to mount from an insurer's point of view. We believe that this practice—it would not matter if it is for ambulance claims or accident claims—is a hideous practice that is in the community. There was even evidence of people who had been contacted on the day they came through.

One issue that the deputy opposition leader mentioned relates to the fact that union interests have been particularly excluded in this legislation. Why is there exclusive referral to unions? I understand why this government is making exclusive referral to unions. As Mr Kerry Splatt, Principal of Splatt Lawyers, said—a great name for a motor insurance law firm—it just squeezes small firms out of the market and instead we get the big union backed groups that are spread throughout its membership.

I do not think that the amendments that the member for Logan quoted referred to the CCIQ or doctors. I am pretty certain that he was referring to the large union memberships—decreasing union memberships—in relation to the economic advantage that they take over smaller members in driving the genuine legal operatives who are sponsors for all of the right reasons, whether it be for marriage breakdowns or whatever legal problems that community might have. They are taking that opportunity away because the big boys with the big muscle—the union groups—will swallow up all of that referral work through their union muscle.

There were some complaints that \$200 would limit it, but overall this legislation is a step forward in attacking claim farmers within our community who are a blight on our community and which is a further blight on the legal operatives in this state. This legislation is a great step forward.