

~~(Time expired)~~

~~Mr SPEAKER: Member for Cooper, you are warned under the standing orders. I asked three times for you to resume your seat because time had expired. The period for question time has expired. Before calling the Clerk, I would like to acknowledge that we have Jack, a 10-year-old student from Wongai, and his parents in the gallery today.~~

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MOTOR ACCIDENT INSURANCE AND OTHER LEGISLATION AMENDMENT BILL

Introduction



Hon. JA TRAD (South Brisbane—ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (10.31 am): I present a bill for an act to amend the Motor Accident Insurance Act 1994, the Motor Accident Insurance Regulation 2018 and the legislation mentioned in schedule 1 for particular purposes. I table the bill and the explanatory notes. I nominate the Economics and Governance Committee to consider the bill.

Tabled paper: Motor Accident Insurance and Other Legislation Amendment Bill 2019.

Tabled paper: Motor Accident Insurance and Other Legislation Amendment Bill 2019, explanatory notes.

I am pleased to introduce the Motor Accident Insurance and Other Legislation Amendment Bill 2019 which makes important changes to Queensland's compulsory third party insurance scheme to protect vulnerable Queenslanders and the integrity of the state's CTP insurance scheme.

Members of this parliament may recall that at the estimates hearing in July last year I spoke about this government's commitment to stamp out the insidious practice of what is referred to in the insurance industry as claim farming. Claim farming involves anonymous persons cold-calling members of the public about whether they have been involved in a motor vehicle accident. They falsely identify themselves as calling on behalf of an insurer, the CTP regulator—the Motor Accident Insurance Commission—or another government agency, allegedly with the sole purpose of helping the individual make a CTP claim.

They use high-pressured tactics and deceptive behaviour to elicit the individual's personal information and agreement to submit a claim, often with the lure of quick and easy compensation. This information is then sold, for a fee, to a lawyer or claims management service provider to handle the claim. We have all seen the media reports about vulnerable members of our community being harassed, often repeatedly, and many of us here today have received these unwanted calls.

We have been consulting with key stakeholders and have been seeking feedback from people reporting claim farming. The results have been alarming. Some survey participants reported receiving up to 10 calls a week, despite being on the Do Not Call Register. Others report that they have had to go as far as changing their phone number. It is not just the breach of privacy that is of concern. These callers are targeting our most vulnerable people. Customer service data shows that calls are made to non-English-speaking people, the elderly and even children.

Indeed, my own son has been the target of anonymous cold-callers and their predatory, aggressive and threatening behaviour. Last year a claim farmer called our house and spoke to my 10-year-old son—he was 10 at the time. The caller immediately launched into very aggressive questioning without ascertaining whether or not my son was the intended recipient of the call or capable of being interrogated. I found that very, very intimidating and I want to ensure, to the greatest extent possible, that other Queenslanders do not experience this conduct.

Based on customer survey data, it is estimated that over 1.5 million Queenslanders have already been targeted by claim farmers, with the number of complaints to MAIC continuing to rise. Claim farmers are making calls and targeting Queenslanders after the person has been involved in an accident and therefore at a time when they are particularly vulnerable and more likely to find the unsolicited and harassing nature of the call incredibly distressing.

More than 1,000 people have reported a car crash scammer to MAIC, with over 550 people lodging complaints since early February. This number is likely to represent a fraction of the total number of cold-calls received as many people never report these calls. Claim farming is not only a source of irritation and distress to the many people receiving these calls but without decisive action it is also a real threat to our otherwise well-performing CTP scheme. Without this legislative reform to prohibit the practice, claim farming is likely to continue and increase the risk of fraudulent behaviour.

Queensland has a fair and affordable CTP insurance scheme and we want to keep it that way. We have one of the few remaining schemes in the country which preserves an injured person's common law rights, while at the same time ensuring Queensland motor vehicle owners pay the second lowest CTP premiums in the nation. I made a commitment to stop claim farmers and their harassing and deceptive behaviours and protect the long-term viability of our scheme. This bill delivers on that commitment without affecting the entitlements of genuinely injured claimants or preventing lawyers from undertaking legitimate business practices.

This bill will be among the first in the country to ban the practice of claim farming through two major reforms. Firstly, this bill prohibits the act of cold-calling or personally approaching another person without their consent and soliciting or inducing them to make a CTP claim. This offence is squarely targeted at the cold-callers themselves with significant penalties for those who continue this insidious practice.

Secondly, the claim farming business model can only continue to operate if there is money to be made for the private details of Queenslanders. This bill will make it an offence, with significant repercussions, for anyone to pay claim farmers for the names of potential CTP claimants or to receive payment for a claim referral or potential claim referral. This will remove the financial incentive for claim farmers to operate and make it less attractive for legal practitioners to partner with claim farmers as a means of sourcing clients.

Lawyers who represent injured people in Queensland's scheme will also be required to certify at various stages of the claims process that neither they, nor their associates, have paid a claim farmer for the injured person's claim. Failure to provide the requisite certificate, or making a false statutory declaration, will attract significant penalties.

This bill also furnishes MAIC with special investigative and enhanced enforcement powers where a claim farming offence is suspected of having been committed. These powers will be tightly controlled and will focus solely on detecting and prosecuting claim farming activity and are an important part of the reform package.

The bill also strengthens MAIC's supervisory powers by expanding its functions to allow it to establish and revise standards about the management of claims by licensed CTP insurers and to publish these standards on its website. Enabling MAIC to issue claims management standards is consistent with the practice of regulatory authorities in other jurisdictions and is important in ensuring a consistent and firm industry response towards claim farming activity.

Importantly, this bill does not affect the common law entitlements of injured people nor their choice to engage a lawyer to represent them. Members of the public who are unfortunately injured in a motor vehicle accident caused by another party will be able to exercise their right to make a claim and they will be able to do so with the lawyer of their choice without the harassment and pressure of claim farmers. For those genuinely injured who find themselves inadvertently caught up in a car crash scam, they will be able to change lawyers and engage another law firm at no cost or detriment to themselves.

This bill is balanced—it does not prevent lawyers from informing people about their rights and entitlements, nor does it prevent them from advertising or promoting their services, sponsoring local sporting clubs or community groups or making bona fide charitable donations. What it aims to do, and what I believe it will do, is stop the harassing calls and intimidating behaviour, particularly toward vulnerable people, minimise the potential for fraudulent behaviour and protect the affordability and stability of the scheme for the benefit of all Queenslanders.

First Reading

~~Hon. JA TRAD (South Brisbane ALP) (Deputy Premier, Treasurer and Minister for Aboriginal and Torres Strait Islander Partnerships) (10.39 am): I move~~

~~That the bill be now read a first time.~~

~~Question put—That the bill be now read a first time.~~

~~Motion agreed to.~~

~~Bill read a first time.~~

Referral to Economics and Governance Committee

~~Mr DEPUTY SPEAKER (Mr Kelly): In accordance with standing order 131, the bill is now referred to the Economics and Governance Committee.~~