



21 May 2014

Mr Warren Mundy
Presiding Commissioner
Access to Justice Arrangements
Productivity Commission
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Dear Mr Mundy

Insurance Industry Feedback – Productivity Commission 2014, Access to Justice Arrangements, Draft Report

NRMA Insurance is pleased to provide feedback to the Productivity Commissions Draft Report, *Access to Justice Arrangements* of APRIL 2014.

As the leading general insurer in New South Wales with more than 85 years experience, NRMA Insurance is part of the largest division of Insurance Australia Group (IAG).

Within that division of IAG, the NRMA Insurance brand operates in New South Wales (NSW), Australian Capital Territory (ACT), Queensland and Tasmania. SGIO is the primary brand of that division in Western Australia, and SGIC in South Australia. IAG also has an alliance with RACV for RACV-branded motor policies in Victoria.

Nationally we have over three million customers and insure approximately 1.2 million homes and 3 million vehicles

NRMA Insurance's various insurance divisions have frequent interaction with Australia's civil justice system. Access to justice and the efficiency and effectiveness of the system has a significant bearing on NRMA Insurance business operations including the premium price we can offer to customers, particularly in the areas of Compulsory Third Party Insurance and Public Liability.

NRMA Insurance supports the insurance industry feedback provided by the Insurance Council of Australia in relation to the Access to Justice Arrangements Draft Report dated 21 May, 2104.

In addition we provide further feedback based on NRMA Insurance's experience as a regular participant in the civil justice system in Courts and Tribunals throughout NSW, ACT and QLD which we hope will be of assistance to the Productivity Commission when formulating its final report into Access to Justice Arrangements.

NRMA Insurance:

- (i) Supports any improvement to the dispute resolution process in compensation schemes which reduces claim duration and costs, including the use of alternative dispute resolution (ADR).
- (ii) Believes stakeholder consultation is also paramount to determining which type of ADR for a particular scheme is most appropriate, and when it would be most successfully utilised.
- (iii) Supports the development of compensation schemes which are user friendly. User friendly schemes, by their design should reduce the need for legal representation.
- (iv) Does not support the adoption of limited licences which would allow non-lawyers to act as advocates for injured people. It is foreseeable that such a system would lead to a reduction in understanding of the legal issues involved in compensation schemes, resulting in a less effective ADR and a greater number of disputes within schemes. The overall impact of this is extended claim duration and greater operational costs to compensation schemes.
- (v) Supports improved enforcement of overarching obligations of all parties engaging with Courts and Tribunals, in particular legal representatives. There should be an increase in accountability of actions by lawyers. This should include greater enforcement of obligations through application of cost penalties and referrals to the Legal Services Commissioner (in the relevant state) for lawyers or law firms who are repeatedly fail to comply with their obligations.
- (vi) Supports Governments at all levels (and their affiliated organisations) adhering to the model litigant policy.

NRMA Insurance would welcome the opportunity to provide further assistance to the Productivity Commission in relation to the access to justice arrangements review.

Yours sincerely

Georgé Karagiannakis
Head of Corporate Affairs & Government Relations