



IPASA

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SUBMISSIONS TO FEDERAL PARLIAMENT INQUIRY 20 NOVEMBER, 2002

My name is Mrs Margaret Pursey, I am secretary of the above organization, Injured Persons Action and Support Association Inc, known as IPASA. Firstly I would like to sincerely thank the Chair and other members of this Inquiry for allowing this submission to be presented at this late date. It is very much appreciated.

IPASA is a registered charity and a totally VOLUNTARY group that has been helping accident victims fight the Insurance Companies for about 20 years. The volunteers are mostly people who have been injured and have been hurt financially and/or physically by trying to claim for an injury either through a public liability claim, motor vehicle claim or workers compensation claim. Some volunteers have in fact received a payout, but have become so scarred by the process involved in getting that payout, they are now determined to try and help others, so they do not have to go through what they went through. The fact that we have hundreds of helpers and supporters speaks for itself. IPASA was formed about 1984 after the Trades and Labour Council closed down its Workers Compensation Department. IPASA grew from a need, there was no-where injured people could go to get support, help and advice to fight an Insurer that had unlimited resources and many Specialist Doctors at its service. At the first called public

meeting nearly a thousand people turned up and IPASA was formed. I have been involved with IPASA since that first meeting. We have thousands of people on our books and most of them have come to us for help because of what their Insurer is doing to them and their claim.

During the twenty years I have been with IPASA I have literally seen thousands of injured people, counselled them and mostly been able to help them through their claims. We do this by telling our members of the right independent doctors to see, the right rehabilitation people to see and the best lawyers operating in the system. We offer support and any help we can. In all that time I have only been suspicious of three people that could be fraudulently pretending to be injured. Even then it was only a suspicion, I had no proof at all and I well might have been wrong. I have also seen a number of people who are probably exaggerating their claim. I have no doubt that a few of exaggerated claims get through ever year. But I do reiterate **ONLY A FEW** of the thousands of genuine accident victims exaggerate their claims. IPASA condemns such people and we NEVER encourage such behaviour. We are only interested in helping the genuine accident victim. There is not one victim who has been to our office who does not want to go back to work, they all want to work and all say the same that they wish the accident had never happened. Many understate their injury, somehow thinking this will get them a job. Some then find out their injuries prevent them from going back to the work they were doing or any other kind of work. Depression then seems to set in and a bad rehabilitation provider makes matters worse. We see marriages break up, we see suicidal people and worst of all we know many actually succeed and kill themselves. One of our past Committee Member's teenage son killed himself after leaving an Insurance arranged appointment with an known Insurance Company Psychiatrist.

After the 20th November 2002 we urgently sent out a questionnaire to 500 of our members. (We would have liked to send out thousands, but cost constraints limited us) Their replies are still coming in and we enclose 23 .received so far. (appendix 1) We

have sent you photocopies so you can keep them. We retain the originals if you wish to see them. We would request that the names addresses and any identifying information be kept confidential as many are fearful they will suffer a backlash at the hands of the Insurer or WorkCover or both.

As you can see from the contents of these questionnaires the theme is always the same, complaints about the Insurer and its practices and "WorkCover" and its practices. Indeed if there is any fraud in the system, reading this correspondence one could only assume it would be the Insurer and WorkCover committing the fraud, not the accident victims. It is also not unknown for work Bosses to lie about an accident.

Many of our members Bosses carry no workers compensation insurance and the Minister for Workers Compensation told me last year that 21% of employers are not insured. This is WorkCover's responsibility and they have failed miserably in making sure everyone carries workers compensation insurance. Harry Neesham, Executive Director, WorkCover said in his evidence before you, that 1734 businesses were identified as having no workers compensation insurance cover for 1998-99, 1,537 in 1999 to 2000 and 1516 in 2000 to 2001. Yet they only prosecuted 6. No one on the Committee asked Mr.Neesham just how many Inspectors he employs and why only 6 prosecutions.

As usual your inquiry does not even look at insurance company fraud your terms of reference only include Injured Workers. As an association we cannot but wonder why your terms of reference are structured in such a way as to only be able to condemn Injured Workers and allow the real perpetrators of fraud to escape investigation but of course it is well known that the Government will never hold an inquiry unless they know the outcome!!

We also enclose for your attention figures (see appendix 2) from Public Liability all over Australia and Workers Compensation from West Australia, they show the surpluses the

Insurance Companies have received over payouts for the past 20 years. Crisis in Insurance, we think not. Indeed this would have to be the biggest fraud ever committed on the Australian people . We feel your committee have been unknowing participants in this massive fraud and your terms of reference were designed to provide more evidence to justify massive increases in Public Liability and Workers Compensation Premiums and worse still to take away the 400 year old common law rights of ordinary Australians.

Senator Coonan and Justice Ipp have also “had their own little inquiry into the so called “insurance crisis” and we enclose also for your attention our media release (see appendix 3) for our views of what they too have done.

In 1998 in Western Australia’s our own Brendan McCarthy, Head of the Chamber of Commerce and Industry gave sworn evidence before a State Legislative Committee, in that evidence (see appendix 4) he said that injured people and their lawyers were the last people to blame for problems in the system. He accused Insurance Companies of mismanaging claims and incompetence. He also accused them of “cooking their books” and said I’ve long suspected they are able to manipulate their out standings (claims) to make their books look whatever they want them to look. He also accused them of charging suspiciously similar premiums. McCarthy said he could go stronger. As far as we know he never has gone stronger and nobody has ever asked him to. McCarthy knew exactly what was going on as he sat on the Premium Rates Committee for years. A committee that Mr.Harry Neesham, Executive Director of the Insurance funded WorkCover Western Australia says in his evidence is Chaired by “our Auditor-General”. This smells of Government Involvement.

Also in his evidence to your committee Mr. Neesham said that the State Government is looking at reforming our system to improve the statutory benefits and access to common law. This is untrue. If the proposed changes go through the Western Australian Parliament we estimate that the common law will be wiped out for all but 5 or 6 cases a

year out of 46,005 workers compensation claims. We note too that in his evidence Neesham says that "there is very minimal opportunity for fraud in our system". We also think he failed to point out to you that Western Australia's WorkCover is funded by the Insurance Industry.

That way, the victims who were warned by another person on radio that day that they only had 6 hours left to lodge their claims, And this is the man that is supposed to independent as the head of Western Australian's WorkCover. He then had the audacity to give evidence to you on behalf of the Western Australian Labor Government even though this Government knew what he had done. We want you to investigate him and this fraud on countless victims, or stand accused of being in bed with the Insurance Companies, as most people now think Politicians are. We bet you make no reference to this at all in your report and we think you will also try to smother it under the carpet. This will be a good test to see just how genuine you really are.

We would also challenge Neesham's evidence that Western Australia has the best system for Worker's Compensation in Australia and that 99% of workers are very happy with the scheme. To our knowledge, WorkCover receives over 500 complaints EVERY WEEK and the amount of people coming to us does not represent 1% of Workers Compensation victims. As for Neesham's evidence about medical panels, he did not tell you that the Insurance Funded WorkCover itself selects each doctor that appears on the panel (usually 3) and a small survey amongst our members 2 years ago found that from a list of about 300 Doctors (both GP's and Specialists) about 40 of them work mostly for the Insurance Companies and of that forty – 90% of them sit on the panels 90% of the time. The same old names crop up time after time. Also for your committees

information there is no record or transcript kept of what occurs at those medical panel interviews and we only know that many many of our members lose their common law rights at these “stacked” panels. Many are treated abominably, I personally know of one case where the “selected” psychiatrist suggested the worker go home and kill herself. This she tried but luckily intervention by the girls mother stopped what could have been a tragedy. Complaints about WorkCover selected medical panels are continuous in our office. Neesham makes no reference to this as I am sure if we are getting complaints so is WorkCover.

Neesham also failed to mention in his evidence that Queensland was the only state that had full common law and NO bars or percentages. Why did he not mention this? Maybe he did not want you to know that the Insurance Industry is NOT involved in the Queensland Workers Compensation system, but rather it is run by a Government Department that collects the premiums and pays the injured workers AND STILL MAKES millions of Dollars profit each year. Also, Neesham did not mention that Queensland Employer Workers Compensation Premiums are the lowest in Australia and nearly half of what Western Australian Bosses are paying. It is amazing what can happen when the Insurance Industry is out of the picture. Even more amazing is the deathly silence about Queensland’s Workers Compensation System, from the key players in the Western Australian System

All this nonsense about Insurance fraud. and crisis was tried in America in 1984 by the Insurance Industry (see appendix 5) with ultimate outcome that those American States that went down the path of insurance recommendations and enacted tort reform within five years premiums etc were exactly the same as those states that chose to disbelieve and disregard the Insurance Companies recommendations. Meanwhile countless innocent accident victims were denied compensation in those American States that enacted tort reform.

It would appear to our organization that there is no part of the compensation system that the Insurance Industry has not infiltrated. Rehabilitation in the Workers Compensation System in Western Australia is another example of consistent complaints heard in our office. It would seem that many of the Rehabilitation providers are actually owned by the Insurance Industry. Others just use up the allocated money that each victim is entitled to without ever retraining or finding them suitable work. Probably the two biggest complaints about Rehabilitation is the rudeness, threats, bullying, betrayal and abuse that a lot of people seem to experience when dealing with their Rehabilitation Providers. Most rehabilitators seem hell bent on getting people back to work, no matter if they are in pain and no matter what type of work they are required to do. In one case I know of a girl with "social phobia" who could not talk to strangers, was placed in a receptionist/telephonist position and then abused by her rehabilitation provider because she could not do the job. Many of our members become reinjured while attempting unsuitable and unworkable programmes set up by rehabilitation providers. They end up with all the money being used up and no suitable work or training at the end. The second biggest complaint is about the factor of the rehabilitation programme that injured people here in Western Australia, legally cannot leave a rehabilitation provider unless they can prove certain conditions. The law was restructured, I think, about 1999 to make sure that people could not move once "they were signed up". Most feel they were tricked into signing up with the rehabilitation providers not realising the consequences of the ownership of the provider or the fact that they can never get "away". Instead of using the bullyboy tactics, if rehabilitation providers really cared they would all work together, allow people to move to someone more suitable if the client is unhappy with them or their programme, learn some manners and show some concern and care about their clients. GP's have often said to me they are sick of the attitude and abuse THEY receive from rehabilitation providers when they won't go along with an unsuitable back to work programme for their injured patients. Again I reiterate not ALL rehabilitation providers are like this, but a great many are.

The frauds of Insurance Claims are there but they are miniscule but the fraud perpetuated on Injured Australians by Insurance Companies and Government Departments that have "got into bed with the Insurance Industry" is MASSIVE.

TAKE OFF YOUR BLINKERS AND SEE THE TRUTH AS IT REALLY IS, BUT THE BET IN THE IPASA OFFICE IS "YOU WONT".

Appendix:

1. 25 Complaints about the Compensation Schemes in Western Australia (more will follow)
2. Figures showing Surpluses made by the Insurance Industry for Workers Compensation in Western Australia over 20 years and surpluses made by the Insurance Industry for public liability all over Australia for 20 years
3. IPASA Media release re Senator Coonan and Justice Ipp "Insurance Inquiry"
4. Brenden McCarthy's report to the Standing Committee on Legislation 14 July 1998 Western Australian Parliament
5. Premium Deceit Article re Tort Reform and its American consequences.