The Territory Government has moved to better protect professionals against rising insurance costs, passing legislation in Parliament aimed at reducing pressure on the cost and availability of indemnity insurance for professionals such as accountants, lawyers and engineers.

Treasurer Syd Stirling said the Professional Standards Act was a further component of Government’s legislative response to rising public liability insurance costs.

“An ACCC report released in August 2004 showed that professional indemnity premiums had risen, on average, by over 160% since 1999,” Mr Stirling said.

“In addition, many professionals are finding that, when they renew their cover, parts of their business are excluded from their policy.

“The concern is that businesses will simply stop offering those services that are not covered by insurance and customers will lose out.

“The new legislation encourages occupational groups to establish professional standards schemes that will improve the quality and safety of their service to clients, while reducing their members’ exposure to liability risks in the course of their professional work.

“It aims to balance the need to keep professional services available to consumers while protecting consumers against harm.

“Scheme members also benefit from the limitation on liability and through better risk management strategies.

Participation in a professional standards scheme will also allow insurers to more readily assess members’ exposure to risk which should place downward pressure on premiums for professional indemnity insurance – a result that should benefit both professionals and their clients.”

Syd Stirling MLA
Treasurer

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