There is early evidence that insurance costs have been contained due to reforms undertaken by State and Territory governments and the Commonwealth, Treasurer Syd Stirling told Parliament today.

Mr Stirling said the July 2003 ACCC Price Monitoring Report indicated that insurers expected their public liability claims costs to be an average 5% lower in 2003 as a result of reforms.

"This translates to 3% lower premiums in 2003 than would have been the case in the absence of law reform," Mr Stirling said.

"In addition, insurance industry representatives who attended an Insurance Ministers meeting earlier this month noted that tort law reform was improving insurance conditions in the Australian market, and that some capacity and price stability was returning to the system.

"Early indications are certainly positive that efforts made by the Territory Government and other jurisdictions to contain insurance costs are beginning to work."

Mr Stirling said the NT Government had undertaken a series of reforms to cap insurance costs, including:

- Legislative changes:
  - to the Consumer Affairs and Fair Trading Act which provides public liability reform in the area of risky recreational activity;
  - the Personal Injuries (Liabilities and Damages) Act, which contains a permanent impairment model for assessing general damages, as well as other reforms aimed at reducing the cost of claims for personal injuries; and
  - other legislative reforms to court processes, legal costs and legal advertising, which are designed to improve the legal system for personal injury cases, while also increasing certainty for insurers.

- Facilitating Territory not-for-profit community organisations into Queensland’s group insurance scheme.

- Encouraging a consortium of insurers, the Community Care Underwriting Agency (CCUA), to commence operations in the Territory. CCUA allows not-for-profit organisations having trouble accessing affordable insurance to apply for public liability insurance for activities including community events, community centres and home care.

- Establishing a telephone hotline and home page on the Government website to assist businesses and community groups with public liability insurance information.

- In relation to Government contracts:
  - changing the standard insurance clauses to reduce the complexity and cost of insurance arrangements; and

- reviewing the level of cover required relative to the risks involved (mainly in relation to supply, rather than construction and service contracts).
The Territory Government will also introduce draft legislation later this year based on the core recommendations of the Ipp Review into the law of negligence.

Mr Stirling said further reform work was being carried at a national level. Other issues being considered are:

- the continuing difficulties faced by some community groups and tourism operators in obtaining public liability insurance, with insurers agreeing to develop arrangements to assist them;
- reforming professional indemnity insurance;
- reviewing long term care costs for the catastrophically injured; and
- amendments by the Commonwealth Government to the *Trade Practices Act* to ensure it cannot be used to circumvent jurisdictional tort law reforms.

"The Territory Government, in conjunction with the Commonwealth and other jurisdictions, has done a great deal to contain insurance costs," Mr Stirling said.

"We will continue to work with the States and Commonwealth to keep insurance costs down for businesses and community groups."