



New legislation to combat ‘claims harvesting’

The Treasurer has today introduced new legislation to the WA Parliament to address the practice of ‘harvesting’ insurance claims for injuries sustained in car crashes.

The legislation is designed to deter unscrupulous individuals from soliciting referrals from community members for motor vehicle injury claims and to stop the minority of law firms that solicit and pay for the claim referrals.

Currently, Western Australians are being scammed into giving away their personal details to unknown parties in Australia or internationally, and harassed or enticed into retaining certain lawyers to make injury claims.

Often people are cold-called to find out if they have been in an accident, and in some cases, the caller will pretend they are from the Insurance Commission of Western Australia.

Other targeted calls are made to people that have been in accident where that person’s details may have been sold on to others.

A tactic utilised is to lure potential claimants into believing a large payout is on offer if a claim is made through a particular law firm. Some claimants have indicated they have been left with little, or none, of any compensation payment after significant legal fees.

The new legislation is intended to facilitate government agencies investigating allegations of claims harvesting and, if warranted, refer cases to the relevant authorities for prosecution.

For more information about claims harvesting or how to make a motor injury claim, visit the Insurance Commission of Western Australia [website](#).

Comments attributed to the Chief Executive Rod, Whithear:

“The Insurance Commission of WA supports the introduction of legislation to address claims harvesting in Western Australia.

“Making it illegal to solicit community members to make motor vehicle injury claims and pay referral fees to third parties should help stop this predatory behaviour.

“We hear stories of people being taken advantage of when they are vulnerable by parties involved in claims harvesting activity.

“Claimants have advised us that their representatives have taken half or more of the funds awarded as compensation for the injuries inflicted on them.

“This is after the Insurance Commission has paid ‘party-party’ legal costs.

“We hope that the claims harvesting legislation being introduced by the WA Government will help reduce incidents of claimants losing compensation payments to their representatives.

“Those representatives will have already been paid by the Insurance Commission for costs incurred in progressing car accident compensation claims.

“The Insurance Commission remains concerned that legal costs are outweighing medical costs in several areas in a scheme that is aimed at helping people deal with injuries incurred in car accidents where those people were not at fault.

“People injured in motor vehicle crashes, who are not at fault, can make a claim to the Insurance Commission. As a government entity responsible for managing a range of personal injury claims, we here to support the community.”

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