



10 August 2009

By email: [economics.sen@aph.gov.au](mailto:economics.sen@aph.gov.au)

The Secretary  
Senate Economics Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Sir/Madam,

**Submission to Inquiry into the Trade Practices Amendment (Australian Consumer Law) Bill 2009 – Insurance Law Service Submission**

Upon reviewing submissions into the Australian Consumer Law Bill 2009, it has come to our attention that the Insurance Law Service (ILS) submission has cited some concerns regarding the AAMI business and how it is managing its claims in relation to its uninsured motorist extension in its third party motor policies. Given that AAMI has been directly cited in the ILS submission, we thought some clarifying points might be of assistance to the Committee.

Condition 1 – Page 4 - In particular the ILS mentions that AAMI has not accepted that a non insured third party was at fault. In relation to this particular claim, there was indeed a judgement in a NSW court against the non insured third party. However this judgement was a default judgement, which did not decide upon liability. AAMI's decision in regards to liability in this issue was predicated upon two independent witness statements. Their version of the events supported each other and made it clear to our claims staff and our Internal Dispute Resolution staff that the claimant was responsible for this accident, not the third party. If the claimant wishes to take this issue further he/she may appeal to Financial Services Ombudsman to have the case heard by an independent dispute resolution service. AAMI has informed him/her of this right.

Condition 2 – Page 4 – in this instance the other insurer will not confirm the status of the at fault uninsured driver without the permission of that driver. The Privacy Act prevents them from doing so. However the claimant is able to obtain a copy of the police report, which would confirm the status of the driver and the insurer would accept this as sufficient evidence of non insurance.

Therefore AAMI rebuts in both cases that the terms of the uninsured motorist extension are unfair.

If you have any questions in regards to the above, please do not hesitate to contact me.

Regards

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