

Submission to Royal Commission into the Banking and Finance Sector

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Appendix 1- 83 Cases of Insurer Misdeeds

These 83 cases were compiled over 3 years from when I first noted insurer behaviours that were unacceptable within the framework of their paying for reasonable and necessary treatments. The cases were compiled from my patients in this time, and a few were noted from my medical partner as we share patients when he is on holidays or occasionally the workload is too heavy.

Each case has a complete medical and billing history, and in each case the patients were unhappy with how the insurers had treated them. I will give the conclusions and then a brief summary of the cases. Patients have been de-identified, but I would like them kept confidential as insurers may be able to trace them. I am able to be questioned further about them in an appropriate forum, with sufficient notice to get the details of the cases.

Table of 97 Claims in 83 Cases:

Insurer	Workers Comp	CTP	CTP%*	CTP Market Share ¹	Total Claims
NRMA	0	36	50%	33%	36
Suncorp/GIO/AAMI	9	11	15%	28%	20
Allianz	6	11	15%	18%	17
QBE	1	9	13%	18%	10
EML	8	0			8
Zurich	0	3	4%		3
TAC Victoria	0	1	1%		1
TMF	0	1	1%		1
Westpac	<u>1</u>	<u>0</u>			<u>1</u>
Totals	25	72			97

Note that there are more cases than patients as 10 cases had more than one insurer, and some insurers had more than one claim, including an Allianz case which had both a WC and CTP in the same patient.

*CTP% is the percentage of CTP claims that the insurer has, hence is compared to their market share.

¹ www.sira.nsw.gov.au/resources-library/green-slip-resources/publications/scheme-reports/CTP-Scheme-Quarterly-Report-June-2016.pdf page 5

Appendix 1: 83 cases**Conclusions**

The following conclusions can be drawn- (not all from the numbers):

1. All cases involved what I regard as unreasonable denial of treatment.
2. Some involved denial of all treatment, but most involved denial of investigations, specialist referrals or treatments. One insurer, GIO, actually stated in one case² that the only thing that they would pay for was medical certificates, but no other treatment.
3. Four cases involved an insurer denying treatment because the dent in the car was not big enough, based on the photos of it³.
4. Ten cases involved more than one insurer and these had a higher incidence of problems than other cases as either there were 2 claims or there was argument over who should pay and both refused or grossly delayed payment. This suggests that competition between insurers makes more trouble than having a single insurer.
5. Cases that had previous injuries often led to refusals as insurers want to blame problems on the previous injury or degenerative condition. This occurred even when the patient had been working up to the date of injury and was unable to work after it.
6. Patients who continue to work after the accident are deemed as fit and treatments or investigations are denied. This is the case even when patients are quite unfit and working against medical advice because of absolute economic necessity.
7. NRMA appear to be the worst insurer in terms of behaviour as they have a greater percentage of the complaints 50% than of market share 33%. They are also the insurers of cases numbers 5-7 who were 3 Korean boys who after a work party got into a car with a person who they feared were intoxicated, but did so as it is rude in their custom to refuse. When they were all seriously and long-term injured NRMA refused to pay for 18 months, though they did not even have Medicare, presumably because NRMA wished to claim contributory negligence.
8. Children tend to be viewed with great suspicion by insurers as padding family CTP claims, so that those that have genuine psychological trauma after injury tend to be denied. There are two in this list⁴. Most children get better quickly, both physically and mentally.
9. IMEs (Independent Medical Examiners) are increasingly used to argue with treating doctors. They almost invariably find in favour of the insurers and the insurers almost invariably prefer their opinion to the treating doctors.
10. Almost all of these cases have solicitors, but they still cannot get treatments, showing that the system either does not work, or works so slowly as to be useless.
11. The social cost of denials is high. Five marriages failed in this 82 patients, 22 and 23, 26 and 33, 31 and 32, 43, and 70. In 6 other cases marriages are in trouble, two of them having separated and returned to each other, 2,11,18,21,27 and 30. 49 and 51 lost their houses. Many single people have to move often, and the full impact is not known or quantified. Some cannot afford to buy prescribed drugs which may not be paid for. Five are suicide risks, two have been hospitalised for this and one has made a serious attempt.

² Case 39 Appendix 1

³ There is no evidence that lack of a dent means that the force is inadequate to cause harm, in fact medical evidence suggests the contrary.

⁴ Cases 14 and 74