Queensland Law Society

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Office of the President

23 July 2026

Our ref: HS/ACTL

Committee Secretary
Parliamentary Joint Committee on Corporations and Financial Services
PO Box 6100
Parliament House
Canberra ACT 2600

By email: [redacted]

Dear Committee Secretary

Inquiry into Small Business Insurance – Questions on notice and transcript

The Queensland Law Society (**QLS**) once again thanks the Committee for the opportunity to appear at the public hearing on 15 June 2026.

The QLS witnesses have considered the transcript provided on 10 July 2026 and consider it accurate apart from a minor error in the evidence of Mr Murphy on page 29 which should be corrected as follows:

> **Mr Murphy:** I referred earlier to a submission we have just made to a review of the work ~~currently~~ cover —

QLS took two questions on notice at the hearing, paraphrased as follows:

1. Further information about the number of personal injuries claims in Queensland that settle without legal proceedings being issued. (Page 31)
2. Whether QLS is seeing that there is a default requirement for $20 million public indemnity insurance for outdoor recreation providers. (Page 34)

The QLS responses to these questions are attached.

Yours faithfully

[redacted]

Sarah-Jane MacDonald
Deputy President

1. **Further information about the number of personal injuries claims in Queensland that settle without legal proceedings being issued.**

There is no central repository of data from which QLS can draw statistics regarding the proportion of personal injuries claims that settle during the pre-litigation procedures set out in the *Personal Injuries Proceedings Act 2002* (Qld) (**PIPA**), *Workers' Compensation and Rehabilitation Act 2003* (Qld) (**WCRA**) and *Motor Accident Insurance Act 1994* (Qld) (**MAIA**).

However, in respect of motor accidents under the MAIA, we understand from the Motor Accident Insurance Commission that on average only around 23% of matters proceeded to litigation over the last six years, with the vast majority of those matters then going on to resolve prior to trial. This means that 77% of motor vehicle accident-related claims are resolved through the pre-court process, avoiding the costs associated with instituting legal proceedings. This is a very significant statistic that justifies the effectiveness of the pre-court process in the motor accident claim jurisdiction.

In terms of WCRA, the insurer in most workers' compensation claims is WorkCover Queensland. We have been advised that for 2025-2026, only 18% of common law WorkCover claims proceeded to formal litigation in the civil courts, meaning 82% resolved during the pre-court procedure. Unfortunately, we do not have data regarding the self-insurers but expect it may be of a similar nature although most likely a slightly lower proportion of matters resolving pre-litigation.

PIPA claims encompass all personal injury claims that are not MAIA claims or workers' compensation claims by a worker against their employer. This incorporates public liability, medical negligence, product liability and abuse claims. These claims are responded to by a broad range of insurers and there is no body from whom QLS can draw statistics about the litigation rate. However, based on experience, we anticipate that the proportion of claims that proceed to litigation following compliance with PIPA pre-court process to be higher than that under the two statutory schemes. This is due to the harder commercial approach often adopted by the private commercial insurers who operate in the less regulated PIPA jurisdiction. Further, there is often added complexity due to the broad range of claims and often multiple respondents, meaning that disputes can be more difficult to resolve. Nonetheless, the vast majority of PIPA claims resolve prior to trial.

Across all three domains of personal injury claims in Queensland, very few matters proceed to trial -we estimate in the order of 1-2%. This is a result of the pre-court procedures in and of themselves and the 'cards on the table' approach to disclosure taken in both the pre-court procedures and the *Uniform Civil Procedure Rules 1999* that ensures both parties are fully aware of the other's case and the expert evidence that supports it.

2. **Whether QLS is seeing that there is a default requirement for $20 million public indemnity insurance for outdoor recreation providers.**

QLS is not specifically aware of a trend towards landholders requiring higher insurance coverage by the operators of recreational activities.

We would suggest, however, that $20 million public liability coverage does not seem unreasonable, given that, although damages for pain and suffering are limited for less significant injuries, a catastrophic injury can result in significant awards for:

- general damages,
- care
- out of pocket expenses, and
- economic loss.

A lower default requirement may therefore leave a respondent to a catastrophic claim exposed to a significant damages award which would not only expose an under insured respondent to the prospect of bankruptcy/liquidation but also leave the claimant without adequate access to compensation and dependant on government funded schemes for support and basic needs.

We do note that $20 million of public liability coverage is now commonly provided in home insurance policies. This suggests it is understandably considered by insurers to represent an appropriate amount to protect both potential respondents and claimants.

We note that the Queensland Tourism Industry Council has recently addressed this issue in its Insurance Affordability and Availability: Advocacy Report and Action Plan which specifically recognised that in respect of access to public land, national parks and protected areas 'the $20 million minimum reflects a legitimate public interest in protecting claimants and the government in the event of a catastrophic loss.'[1]

Further, we note that insurance premiums do not necessarily increase in direct proportion to the policy limit. That is, the premium for a $20 million limit is not necessarily twice the premium for a $10 million limit because insurers will factor in the low frequency of claims in excess of $20 million. The insurance industry may be able to provide an indication of the likely difference in premium between a $10 million and $20 million limit.

[1] QTIC Insurance Affordability and Availability Advocacy Report & Action Plan.pdf, 20 July 2026 < https://47599917.fs1.hubspotusercontent-na1.net/hubfs/47599917/Advocacy%20-%20Policies%20and%20submissions/QTIC%20Insurance%20Affordability%20and%20Availability%20Advocacy%20Report%20&%20Action%20Plan.pdf>