

INTRODUCTION TO VIDEO ON REGULATION OF INSURANCE BROKERS

NIBA VIDEOTAPE



PLAY VIDEOTAPE

JUSTICE MICHAEL KIRBY

Look behind you. You'll see the law books including the acts passed by parliament. Recently the parliament of the Commonwealth passed an Act to regulate Insurance Brokers. This Act arose out of a report of the Law Reform Commission. At the time the report was written I was the chairman of the Commission. The thing that surprised me about the insurance industry was its size and importance. More than forty thousand employees, nearly six thousand brokers an industry with enormous investments in our country. And inevitably an industry where sometimes things go wrong.

The purpose of the report and subsequently the legislation on insurance brokers was to lift the standards of the profession, to ensure that it becomes a true profession, to deal with cases of wrong doing, to ensure the integrity of the investments by brokers and in this way to improve the standards. And that was the purpose of the legislation and that's also the purpose of this videotape.

In the ten years before our report in 1980 some 27 brokers had got into difficulties. The losses to their clients were known to be in excess of 7½ million dollars they were probably much more.

And the question therefore arises what can we do what should we do to ensure higher standards and compliance with the law. Parliaments can enact legislation they can pass laws but unless we know what the laws say and unless we comply with them and with the procedures they lay down the aim of the legislation may be frustrated.

The purpose of this videotape is to ensure that you get to know the procedures. That the law is brought out of the law books that you understand what is required of you.

Experience teaches that the problems so far as professional negligence are concerned tend more to be problems of sloppiness, carelessness, lack of attention than the failure of the professional to know this little piece of law or that. As a young solicitor I would always spend once a week my time going through my files similarly as barrister and we do it as judges once a week we go through our reserve judgements to see what work is outstanding. I commend careful attention to your duties because that is the essence of professional responsibility.

I commend this programme to your careful attention and I also commend NIBA for having taken the initiative which is rare amongst the professional bodies of Australia to have a programme as modern and as relevant prepared for your information.