

**Australian Medical Association Limited**  
**ABN 37 008 426 793**

42 Macquarie Street, Barton ACT 2600: PO Box 6090, Kingston ACT 2604  
 Telephone: (02) 6270 5400 Facsimile (02) 6270 5499  
 Website : <http://www.ama.com.au/>



**GOVERNMENT MAINTAINS SUPPORT FOR MEDICAL INDEMNITY INSURANCE SCHEMES**

AMA President, Dr Tony Bartone, said today that the AMA is pleased that the Government has maintained its support for medical indemnity insurance schemes with funding announced in the Mid-Year Economic and Financial Outlook (MYEFO).

The Government has announced:

- no cuts to the Premium Support Scheme;
- no cuts to the High Cost Claims Scheme;
- retention of the Run Off Cover scheme; and
- a level playing field for Universal Cover arrangements.

Dr Bartone said today’s announcement represents a renewed Government focus on the importance of a strong medical indemnity system following shock cuts in the 2016 MYEFO.

“The AMA has long been a champion of a secure medical indemnity industry, especially throughout the crisis of the early 2000s,” Dr Bartone said.

“Medical indemnity protects doctors and their patients.

“The 2018 MYEFO decisions provide the necessary stability for medical indemnity insurance into the future, and allows doctors to continue to practise securely.”

**Background**

- Australia’s health system is very safe, but a very small number of patients are sometimes harmed in the process of receiving medical care.
- Around 2000 claims of negligence might be expected each year in relation to private medical practice in Australia, but there can be substantial variation from one year to the next.
- Average medical indemnity premiums increased by 221 per cent between 1995 and 2005 (at an average rate of 13 per cent a year). The largest increase was in 2002, when the average premium rose nearly 50 per cent.
- Since 2003, the Commonwealth has subsidised indemnity insurance premiums for medical practitioners in Australia, and provided financial assistance to indemnity providers and medical practitioners for high cost claims.
- In 2016, the Government used MYEFO to cut \$36 million from their Medical Indemnity programs and then announced a full review of all the schemes.

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CONTACT:      John Flannery                      02 6270 5477 / 0419 494 761  
                      Maria Hawthorne                      02 6270 5478 / 0427 209 753