



News release

Insurance Council
of Australia

Thursday, 20 November 2025

NSW Claims Farming Crackdown a Positive Step Forward

The Insurance Council of Australia welcomes the NSW Government's crackdown on claims farming through new legislation introduced to parliament this week that aims to outlaw this deceptive practice for Compulsory Third Party (CTP) claims.

Claims farming is a predatory practice where individuals or companies target policyholders believed to have been in accidents, pressuring them to pursue compensation claims.

These operators often profit by selling policyholder information to law firms or other organisations.

If passed, the NSW legislation would ban claims farming in CTP insurance, a practice that adds pressure to insurance premiums for all motorists.

More broadly, claims farming is emerging across a range of insurance lines and becoming more prevalent in motor and home insurance.

Those responsible for claims farming will often target and exploit vulnerable individuals using coercive tactics that can be traumatic or harmful for those targeted.

The Insurance Council welcomes the opportunity to work with all state and territory governments on broader reforms to curb these behaviours right across the sector.

Quotes attributable to ICA CEO Andrew Hall:

No consumer should be subjected to aggressive or coercive tactics from unscrupulous operators seeking to generate insurance claims for their own benefit.

The NSW Government's announcement shows strong leadership to protect consumers, while locking in the long-term sustainability of the CTP scheme.

This announcement will benefit both those directly targeted by claims farmers and all motorists who pay the price for this practice in their premiums.