

MEDIA RELEASE

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NSW Local Councils File Class Action Against JLT

Quinn Emanuel Urquhart & Sullivan (**QE**) has this week filed a class action against multinational insurance broker Jardine Lloyd Thompson Pty Ltd (**JLT**) on behalf of local councils across New South Wales. The claim alleges local councils in NSW have been paying excessive premiums on their insurance for many years.

The NSW action is the first in a potential series of open class action proceedings brought on behalf of local councils nationwide, with QE continuing to examine JLT's conduct relating to insurance for local councils nationally.

The lead plaintiff in the matter is Richmond Valley Council, located in the Northern Rivers region of north-eastern New South Wales. Six other councils, including Parkes (in Central West NSW) and Mid-Western Regional Council (also in Central West NSW) have expressed their support for Richmond Valley, and have already registered to join the class action.

JLT, through providing insurance services to local councils, advised many local councils about their insurance arrangements. Councils regularly obtained some or all of their insurance through various insurance schemes that were managed by JLT and its related entities (the **Insurance Schemes**).

The NSW class action alleges that JLT breached general law and contractual obligations, as well as fiduciary duties, it owed to local councils in NSW in placing those councils in the Insurance Schemes.

Michael Mills, Managing Partner at QE said, "JLT, in providing insurance broking and advisory services, owed a duty of care to our clients. The fact that many local councils have, since leaving JLT, made substantial savings on their premiums, often in the vicinity of 30-50 per cent, indicates that JLT may not have acted in the best interests of local councils or their ratepayers, who really are the ones paying the cost for these Insurance Schemes."

"QE is encouraging local councils to check their insurance policies. We believe that a vast majority of NSW councils have used JLT's services and as a result, may have overpaid on their insurance premiums – some for a number of years. We intend to right this wrong for local councils and ratepayers," Mr Mills said.

Richmond Valley Council General Manager Vaughan Macdonald said, "In 2017, Richmond Valley put its insurance out to tender, and obtained a saving of 53 per cent on the premium we were previously paying. For that year alone, the saving was \$300,000, and this has been going on for many years."

"We trusted that JLT were giving us the right advice regarding our insurance with Statewide Mutual, and making sure we paid the right amount for our insurance."

"Richmond Valley Council has not taken this action lightly. However, leadership on this issue is necessary for the benefit of NSW ratepayers and we stand shoulder to shoulder with Mid-Western Regional, Parkes Shire and the many other councils who know this insurance arrangement is well passed its use by date and have been waiting for this action to commence."

"In leading this action, I'm confident we will now be joined by many councils in NSW who face the same financial challenges we do to remain sustainable in providing services and infrastructure for our communities. We simply want JLT's millions of dollars of 'super-profits' that have been generated over at least a ten year period to be returned to NSW ratepayers, so that it can be rightly invested into much needed local infrastructure across NSW," Mr Macdonald said.

Local councils who were advised by JLT in relation to their insurance arrangements and/or have been members of the Insurance Schemes at any time since 1 January 2009 should register their interest in the class action by contacting Ashleigh Whittaker or David Hamer on (02) 9146 3500 or CouncilsClassAction@quinnemanuel.com.

The NSW class action is funded by Harbour Fund III, L.P., exclusively advised by Harbour Litigation Funding Limited in the UK ("Harbour"). Harbour is one of the longest established and leading global litigation funders.

More information is available at <http://www.jltclassaction.com.au/>.

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