

Bailey v NSW Medical Defence Union Ltd (1995) 184 CLR 399

<https://lawcasesummaries.com/knowledge-base/bailey-v-nsw-medical-defence-union-ltd-1995-184-clr-399/>

Facts

- Doctors had become members of the Medical Defence Union which helped in meeting costs of litigation brought against them.
- When Dr Bailey died, the assistance ceased and action was brought against his estate for \$500,000.

Held

- The High Court found that the company could not unilaterally alter the terms of its constitution and thereby avoid an obligation that it had to a member under the statutory contract.
- Bailey's estate could access the fund in respect of action that was taken against the former member, Dr Bailey.
- A member can imply a separate "*special contract*" based on the terms of the constitution.

Full Text

The full text is available here: <http://eresources.hcourt.gov.au/showbyHandle/1/9856>

Law case summary from www.lawcasesummaries.com