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