Accident Insurance (Accredited Employers Framework) Amendment Notice 2000

Pursuant to section 326C of the Accident Insurance Act 1998, the Minister for Accident Insurance gives the following notice.

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Notice

1 Title

(1) This notice is the Accident Insurance (Accredited Employers Framework) Amendment Notice 2000.

(2) In this notice, the Framework for the Accredited Employers Programme (SR 2000/111) is called "the principal notice".

2 Commencement

This notice comes into force on 1 July 2000.

3 Premium (Part 1)

(1) Paragraph 6 of the principal notice is amended by revoking paragraph 6.3, and substituting the following paragraph:

"6.3 The Manager is to remain liable to meet bulk funded health costs including public health acute services. 'BHC' is intended to meet an Accredited Employer's contribution to such costs. 'BHC' is to be fixed by the Manager from year to year based (to the extent reasonably practicable) on the following formula:"

$$BHC = \frac{C}{\frac{LE}{t}} \times \frac{100}{APR}$$

Where:

LEt = Estimated total liable earnings across all employers

APR = Average premium rate for all employers

C = Estimated bulk health costs for the Cover Period

The estimated figures are to be the subject of paragraph 21

(2) Paragraph 6.6(a) of the principal notice is amended by adding the words ", and the applicable level of the Limit".

4 Premium (Part 2)

(1) Paragraph 9 of the principal notice is amended by revoking paragraph 9.3, and substituting the following paragraph:

"9.3 The Manager is to remain liable to meet bulk funded health costs including public health acute services. 'BHC' is intended to meet an Accredited Employer's contribution to such costs. 'BHC' is to be fixed by the Manager from year to year based (to the extent reasonably practicable) on the following formula:"

$$BHC = \frac{C}{\frac{LE}{t}} \times \frac{100}{APR}$$

Where:

LEt = Estimated total liable earnings across all employers

APR = Average premium rate for all employers

C = Estimated bulk health costs for the Cover Period

The estimated figures are to be the subject of paragraph 21

(2) *[Revoked]*

Clause 4(2): revoked, on 22 March 2001, by clause 13 of the Accident Insurance (Accredited Employers Framework) Amendment Notice 2001 (SR 2001/41).

5 Injured employees

Paragraph 13.2(c) of the principal notice is amended by omitting the words "and ambulance expenses".

6 Employee review rights

(1) Paragraph 15.2(c) of the principal notice is amended by omitting the word "and".

(2) Paragraph 15.2 of the principal notice is amended by adding to subparagraph (d) the expression "; and", and adding the following subparagraph:

"(e) If an appeal is brought under any of sections 154, 165, and 166 of the Act in relation to a claim by an employee for a work-related personal injury allegedly suffered during a Cover Period, the Accredited Employer must—

"(i) Promptly notify the Manager and provide full details to the Manager; and

"(ii) Consult the Manager prior to initiating any appeal."

7 Employer Liability Cap

(1) Paragraph 16 of the principal notice is amended by revoking paragraphs 16.1, 16.2, and 16.3, and substituting the following paragraphs:

"16.1 For the purpose of this paragraph 16

"(a) **Limit** means any liability to provide statutory entitlements in respect of work-related personal injuries suffered by its employees in any one Cover Period in excess of the percentage of the 'Risk' (as defined in paragraph 16.4) as is nominated under paragraph 16.2 or 16.3:

"(b) If the Limit applies, the Manager will be responsible, on the terms in this paragraph 16, for any statutory entitlement in excess of the Limit.

16.2 An Accredited Employer within the Full Self Cover Plan is not to be liable for more than 200% of the Risk but may elect not to be liable for more than 150% of the Risk.

16.3An Accredited Employer within the Partnership Discount Plan may elect to be protected from liability in excess of either

"(a) 200% of the Risk; or

"(b) 150% of the Risk.

However, cover will be conditional on the Accredited Employer paying the additional premium that then arises from the election.

16.3AThe elections referred to in paragraphs 16.2 and 16.3 are to be contained in the Accreditation Agreement or, if not there, may be exercised by notice in writing to the Manager not less than 1 month before the Commencement of the Cover Period to which it relates. Such notice is irrevocable."

(2) Paragraph 16.6 of the principal notice is amended by omitting the expression "10.5", and substituting the expression "10.4".

(3) Paragraph 16 of the principal notice is amended by adding the following paragraph:

"16.9 For the avoidance of doubt, all calculations (including the level of the Limit and whether it has been or is likely to be exceeded) are to be made exclusive of goods and services tax."

8 Cancellation or termination

Paragraph 23 of the principal notice is amended by inserting, after paragraph 23.2, the following paragraph:

"23.2A For the avoidance of doubt, it is acknowledged that, if paragraph 23.1 applies, the amount payable under paragraph 23.1(b) is in lieu of an additional premium for the remainder of the then Cover Period (had it continued). That is, for that limited period, the Accredited Employer is not liable for a premium calculated as though it were not an Accredited Employer."

Dated at Wellington this 26th day of June 2000.

Michael Cullen,
Minister for Accident Insurance.

Explanatory note

This note is not part of the notice, but is intended to indicate its general effect.

This notice, which comes into force on 1 July 2000, amends the Framework for the Accredited Employers Programme.

The main change relates to the provision of additional stop-loss cover and allows the Accident Compensation Corporation to provide those employers on the Full Self Cover Plan with an optional stop-loss insurance cover for potential claim costs in excess of 150% of their standard premium. Some technical changes are also included in the notice.

Issued under the authority of the Acts and Regulations Publication Act 1989.
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This notice is administered by the Department of Labour.