



Accident Insurance Amendment Act 2000

Public Act 2000 No 6
Date of assent 25 March 2000
Commencement see section 2

Contents

1	Title		302D Premiums for self-employed persons who purchase weekly compensation
2	Commencement		
3	New heading and sections 281A-281H inserted	5	New Part 10A inserted
	<i>Employers' Account</i>		Part 10A
	281A Application and source of funds		Accredited employers
	281B Employers to pay premiums		326A Interpretation
	281C Rates of premiums		326B Objectives of this Part
	281D Classification of industries or risks		326C Framework to be established
	281E Risk adjustment of employer premiums		326D Accreditation agreements
	281F Estimation of premium		326E Accreditation requirements
	281G Information available to manager		326F Accredited employers to provide statutory entitlements
	281H Regulator may provide information to manager		326G Monitoring and audit
4	New heading and sections 302A-302D inserted	6	Saving for risk sharing
	<i>Purchase of weekly compensation by self-employed persons</i>	7	Repeals
	302A Purpose of sections 302B to 302D	8	Other amendments to principal Act
	302B Purchase of weekly compensation by self-employed persons	9	Consequential amendments
	302C Compensation for self-employed persons who purchase weekly compensation		
			Schedule 1
			Other amendments to Accident Insurance Act 1998
			Schedule 2
			Enactments amended
			Schedule 3
			Regulations amended

The Parliament of New Zealand enacts as follows:**1 Title**

- (1) This Act is the Accident Insurance Amendment Act 2000.
- (2) In this Act, the Accident Insurance Act 1998 is called “the principal Act”.

2 Commencement

- (1) Section 7(c), Part 2 of Schedule 1, and Part 2 of Schedule 2 come into force on 1 July 2000.
- (2) The rest of this Act comes into force on 1 April 2000.

3 New heading and sections 281A–281H inserted

The principal Act is amended by inserting, after section 281, the following heading and sections:

“Employers’ Account

“281A Application and source of funds

- “(1) The purpose of the Employers’ Account is to finance statutory entitlements provided under this Act by the manager to employees for work-related personal injuries (other than entitlements funded from the Self-Employed Work Account or the Residual Claims Account).
- “(2) The funds for the Employers’ Account are to be derived—
 - “(a) from premiums payable under section 281B; and
 - “(b) from payments made to the manager in respect of obligations taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to employers’ accident insurance contracts.
- “(3) The funds in the Employers’ Account are to be applied to meet the costs of—
 - “(a) statutory entitlements of employees for work-related personal injuries (other than entitlements funded from the Self-Employed Work Account or the Residual Claims Account); and
 - “(b) statutory entitlements in respect of obligations, under accident insurance contracts of employers, taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000; and
 - “(c) administering the Account; and
 - “(d) audits referred to in section 281E; and

“(e) any other expenditure authorised by this Act.

“281B Employers to pay premiums

- “(1) On and from 1 July 2000, every employer must pay, in accordance with this Act and regulations made under this Act, premiums to fund the Employers’ Account.
- “(2) If at any time during the period on and from 1 April 2000 to the end of 30 June 2000 an employer does not have an accident insurance contract as an employer, the employer must pay, in accordance with this Act and regulations made under this Act, premiums to fund the Employers’ Account.
- “(3) A premium must relate to a prescribed period, and may be collected in advance or in arrears as specified in regulations.

“281C Rates of premiums

- “(1) Premiums are to be paid under section 281B at a rate or rates prescribed from time to time in regulations made under this Act, and must be related in whole or in part to the amount of earnings paid, estimated to be paid, or deemed to have been paid by the employer to the employer’s employees for that period.
- “(2) The extent of funds to be derived from premiums under section 281B is to be calculated so that the cost of all claims under the Employers’ Account is fully funded.
- “(3) Regulations made on or after 1 April 2000 for the purposes of this section may apply in respect of any period commencing on or after that date.
- “(4) Sections 408 and 409 do not apply to the making of regulations under any of sections 281B to 281F if those regulations apply to a period ending not later than 31 March 2001.

“281D Classification of industries or risks

- “(1) Employers must be classified into industry or risk classes defined in regulations made under this Act for the purposes of setting premiums payable under section 281B.
- “(2) A premium must be determined for each industry or risk class defined under subsection (1).
- “(3) Subject to this Act, the manager must decide which classification of industry or risk is appropriate in relation to any employer by whom a premium is payable.

- “(4) Separate account must be kept of the amounts collected from each industry or risk class under section 281B and the amounts expended for the purposes of section 281A(3) in respect of employers within each industry or risk class.

“281E Risk adjustment of employer premiums

- “(1) A premium determined for the purposes of section 281D may be adjusted up or down for a particular employer by reference to the safety management practices of the employer.
- “(2) Adjustments to premiums under this section are to be made in accordance with regulations made under this Act.
- “(3) Regulations made for the purposes of this section must specify the basis of and procedure for making the adjustments and, in particular, must provide that—
- “(a) premiums will be adjusted on the basis of audits of safety management practices; and
 - “(b) audits will measure safety management practices against independent New Zealand or foreign standards; and
 - “(c) adjustments are to be within ranges or at levels specified in the regulations; and
 - “(d) adjustments may be reassessed from time to time on the basis of new audits.
- “(4) Section 409 (which prescribes consultation requirements for regulations relating to premium setting), except subsection (2)(a)(iv) and (v), applies in relation to the making of regulations for the purposes of this section as if the regulations prescribed rates of premiums.
- “(5) Regulations made for the purposes of this section may incorporate by reference all or any part of any—
- “(a) New Zealand standard; or
 - “(b) standard, requirement, recommended practice, rule, statute, or regulation, of any foreign government or organisation.
- “(6) Any material incorporated in regulations by reference is to be regarded for all purposes as forming part of the regulations, but any amendment made to the material after the commencement of the regulations will not have effect until regulations have been made incorporating the amendment into the regulations.

“(7) A copy of all material incorporated in regulations by reference must be made available by the manager for inspection by the public free of charge.

“281F Estimation of premium

“(1) If a premium is to be collected in advance, the manager may require an employer to pay a premium based on the manager’s reasonable estimate of the premium payable by the employer for part or all of the prescribed period.

“(2) In that event, the manager must, as soon as practicable after the end of the period, calculate the amount of premium actually payable by the employer for the part or all of the prescribed period and—

“(a) refund any amount overpaid, together with (if that amount exceeds \$1000) interest on that amount at the rate prescribed by regulations made under this Act; or

“(b) require the employer to pay any amount outstanding.

“281G Information available to manager

“(1) The purpose of this section is to enable the manager to—

“(a) identify employers whose employees are covered by the manager; and

“(b) set premiums payable by those employers.

“(2) The manager may, for the purposes of this section, from time to time request the Commissioner to provide a list of all employers, or of such category of employers, as the manager may specify.

“(3) The list is to include the names of the employers, their addresses and tax file numbers, and the time at which the employers became or ceased to be employers.

“(4) The manager may from time to time request the Commissioner to provide such information relating to an employer’s industry classification and the total earnings as employees of the employer’s employees as the manager may specify for the purposes of this section.

“(5) The Commissioner is authorised to comply with requests made under this section.

“281H Regulator may provide information to manager

- “(1) The Regulator may provide information about employers to the manager for the purpose of facilitating the assumption by the manager of the obligation to provide statutory entitlements to employees for work-related personal injuries.
- “(2) Nothing in the Privacy Act 1993 is to be regarded as preventing the provision of information by the Regulator to the manager under subsection (1).”

4 New heading and sections 302A–302D inserted

The principal Act is amended by inserting, after section 302, the following heading and sections:

*“Purchase of weekly compensation by self-employed persons***“302A Purpose of sections 302B to 302D**

The purpose of sections 302B to 302D is to give a self-employed person an opportunity to apply to purchase from the manager the right to receive a predetermined and guaranteed level of weekly compensation for loss of earnings as a self-employed person, instead of weekly compensation for loss of earnings as a self-employed person provided under Schedule 1 (which compensation is calculated in retrospect after the injury and based on actual earnings), for any personal injury for which the person has cover under this Act.

“302B Purchase of weekly compensation by self-employed persons

- “(1) A self-employed person may apply to purchase from the manager the right to receive an agreed amount or level of weekly compensation for loss of earnings as a self-employed person in accordance with this section.
- “(2) The manager must discuss with the self-employed person the amount that will be the guaranteed level of weekly compensation and determine an amount or level of weekly compensation that fairly reflects the likely costs of incapacity for the self-employed person having regard to—
- “(a) an estimate of the person’s income, net of business costs; and
 - “(b) an estimate of the cost of any required replacement labour; and

- “(c) such other matters as may be relevant to the particular case.
- “(3) The amount determined under subsection (2) must not be—
- “(a) less than 80% of the amount of weekly earnings specified in clause 13(a) of Schedule 1; or
- “(b) more than the maximum amount of weekly compensation specified in clause 21 of Schedule 1.
- “(4) The manager must specify by notice in writing to the self-employed person—
- “(a) the date on which the right to receive weekly compensation will start, which may be the date on which the agreement is made or any later date; and
- “(b) the period for which the agreement has effect; and
- “(c) the amount which is to be treated as the weekly compensation of the person for the purpose of the agreement.
- “(5) If the self-employed person agrees to the terms of the notice under subsection (4), the person must give the manager a notice in writing indicating his or her agreement and the terms of the notice constitute the agreement to purchase weekly compensation under this section.
- “(6) The agreement has no effect in respect of any personal injury suffered before the date the agreement is entered into.
- “(7) Any person who is dissatisfied with a determination of the manager under subsection (2) may seek a review by the manager of that determination within 60 working days after the person is notified of the determination, and Part 6 (including the provisions relating to appeals) applies with any necessary modifications.

“302C Compensation for self-employed persons who purchase weekly compensation

- “(1) A self-employed person who purchases weekly compensation under section 302B is entitled to weekly compensation for the period and at the rate agreed by the person and the manager, without proof of loss of earnings, if—
- “(a) the person suffers incapacity resulting from personal injury during the period for which the agreement has effect; and
- “(b) the person has cover for the personal injury under Part 3.

- “(2) A person who purchases weekly compensation under section 302B for loss of earnings as a self-employed person does not have any entitlement to weekly compensation for loss of earnings as a self-employed person other than under the agreement.

“302D Premiums for self-employed persons who purchase weekly compensation

- “(1) Premiums prescribed by regulations made for the purposes of section 300 may provide for the cost of purchasing weekly compensation under section 302B, having regard to the variables of risk and level of compensation purchased.
- “(2) A self-employed person who purchases weekly compensation under section 302B must pay a premium determined by the manager in accordance with the regulations.
- “(3) The aim of premiums payable by persons who purchase weekly compensation under section 302B is that they are sufficient to fully fund the costs arising from the purchase of compensation in the relevant period.
- “(4) The Self-Employed Work Account must fund weekly compensation payable to persons who purchase weekly compensation under section 302B.
- “(5) The manager must separately account for and report on how many persons elect to purchase weekly compensation under section 302B, and on how much is subsequently expended on those persons.”

5 New Part 10A inserted

The principal Act is amended by inserting, after Part 10, the following Part:

**“Part 10A
“Accredited employers**

“326A Interpretation

In this Part, unless the context otherwise requires,—

“accreditation agreement means an agreement between the manager and an employer entered into, or to be entered into, under the framework

“accredited employer means an employer who has entered into an accreditation agreement

“**claim management period**, in relation to an accredited employer and a work-related personal injury, means the period specified as such in the employer’s accreditation agreement, being a period of not less than 12 months, and not more than 60 months, from the date of the injury

“**framework** means the framework established under section 326C.

“326B Objectives of this Part

The objectives of this Part are to—

- “(a) promote injury prevention and rehabilitation; and
- “(b) reduce work-related personal injury claim costs and premiums; and
- “(c) provide benchmarks against which the extent and management of work-related personal injuries can be measured—

by allowing accredited employers to provide at their own cost statutory entitlements in relation to work-related personal injuries suffered by their employees.

“326C Framework to be established

- “(1) The Minister must, by notice in the *Gazette*, establish a framework under which the manager and an employer may agree that the employer is the agent of the manager for the purposes of providing statutory entitlements in relation to work-related personal injuries suffered by the employer’s employees.
- “(2) The framework must not contain any provision that is inconsistent with any provision of this Part.
- “(3) The Minister may, by notice in the *Gazette*, change or replace the framework, after such consultation as the Minister considers appropriate has been undertaken.
- “(4) A notice in the *Gazette* under this section is to be regarded as a regulation for the purposes of the Regulations (Disallowance) Act 1989.

Compare: 1992, No 13, s 105

“326D Accreditation agreements

- “(1) An accreditation agreement may provide that—
 - “(a) the employer is liable for some or all of the cost of providing statutory entitlements in relation to work-

related personal injuries suffered by the employer's employees; and

“(b) in return, the manager will charge the employer reduced premiums in relation to those work-related personal injuries on the basis set out in the framework.

“(2) A decision of an employer in relation to a work-related personal injury that is made under an accreditation agreement is, for the purposes of this Act, to be regarded as a decision of the manager.

“326E Accreditation requirements

“(1) The manager may not enter into an accreditation agreement with an employer unless, in the opinion of the manager, the employer—

“(a) has appropriate experience in managing occupational health and safety issues positively; and

“(b) has demonstrated commitment to injury prevention; and

“(c) has demonstrated understanding and awareness of the importance of—

“(i) rehabilitation; and

“(ii) the employer's involvement in the rehabilitation of the employer's employees; and

“(d) has appropriate policies and procedures in place to prevent work-related personal injuries; and

“(e) has adequate resources, policies, and procedures in place to manage work-related personal injury claims; and

“(f) has adequate resources, policies, and procedures in place to promote and manage rehabilitation; and

“(g) has adequate procedures in place to fulfil the reporting requirements in section 326H; and

“(h) is solvent and able to meet its expected financial and other obligations in relation to work-related personal injury claims; and

“(i) has consulted with the employer's employees and any representatives of those employees about the employer's ability to meet the requirements of paragraphs (a) to (h).

“(2) The manager may revoke an accreditation agreement at any time if, in the opinion of the manager, the employer no longer

complies with the framework or no longer fulfils the requirements in paragraphs (a) to (h) of subsection (1).

“326F Accredited employers to provide statutory entitlements

“(1) Every accredited employer must, on behalf of the manager and during the claim management period concerned,—

“(a) manage every work-related personal injury claim relating to injury suffered by an employee of the employer while the accreditation agreement is in force; and

“(b) provide any statutory entitlements, and pay the costs, specified in the accreditation agreement in relation to every such claim.

“(2) Despite subsection (1), the manager may agree with an accredited employer to perform some or all of the employer’s obligations under subsection (1) on such terms and conditions as the manager thinks fit.

“(3) If an accredited employer has ceased to exist or fails or is unable to perform its obligations under an accreditation agreement or this Act,—

“(a) those obligations must be performed by the manager; and

“(b) except to the extent otherwise provided in the accreditation agreement, the cost of doing so will constitute a debt due to the manager from the accredited employer; and

“(c) for the purposes of any law relating to the ranking of creditors on an insolvency, receivership, or liquidation, that debt is, to the extent it represents payment of weekly compensation to an employee, to be regarded as ranking in priority next after wages or salary of that employee.

“(4) The obligations of an accredited employer under, and other provisions of, an accreditation agreement in respect of any work-related personal injury claim relating to injury suffered while the agreement was in force continue after the termination of the agreement as if the agreement remained in force.

“326G Monitoring and audit

“(1) The manager must establish a monitoring programme in relation to accredited employers, which may include audits of the activities of accredited employers to ascertain whether—

- “(a) the requirements of this Part and of accreditation agreements relating to accredited employers have been met; and
 - “(b) accredited employers have provided accurate and complete reports to the manager in accordance with accreditation agreements.
- “(2) Persons carrying out any audit under subsection (1) must, during the course of the audit, give representatives of the accredited employer, and representatives of employees of the accredited employer, an opportunity to be heard in relation to the audit.

“326H Reporting and information

- “(1) Every accredited employer must report to the manager in accordance with the accreditation agreement.
- “(2) All information received by an accredited employer in relation to work-related personal injury claims made by an employee of the employer under the accreditation agreement is the property of the manager.
- “(3) Every accredited employer must provide to each employee, without charge, a written statement that specifies the procedures and requirements under the accreditation agreement in relation to the lodging of claims, provision of treatment, handling of claims, assessment of incapacity, assessment of capacity for work, and dispute resolution.”

6 Saving for risk sharing

- (1) The repeal of section 185 of the principal Act by section 7 of this Act does not extinguish or affect the obligations of any party under a risk sharing agreement entered into under that section 185.
- (2) A risk sharing agreement entered into under section 185 of the principal Act does not affect the liability of the insurer to provide cover and statutory entitlements, if the obligations specified in the risk sharing agreement are not carried out.

7 Repeals

The following provisions of the principal Act are repealed:

- (a) section 2 (which relates to the purposes of the principal Act):

- (b) sections 168, 173, 176, 177, 180, 182, 185, and 186 (which relate to the competitive provision of accident insurance):
- (c) sections 169, 184, 188, and 189 (which also relate to the competitive provision of accident insurance):
- (d) sections 200, 201, 207, 220, and 221 (which relate to insurers):
- (e) section 335 (which requires the Corporation to form a company to provide claims management and network services).

8 Other amendments to principal Act

The principal Act is amended in the manner indicated in Schedule 1.

9 Consequential amendments

- (1) The enactments specified in Schedule 2 are amended in the manner set out in that schedule.
 - (2) The regulations specified in Schedule 3 are amended in the manner set out in that schedule.
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Schedule 1

Other amendments to Accident Insurance Act 1998

Part 1

Amendments coming into force on 1 April 2000

Section 9

Repeal and substitute:

“9 Competitive delivery of elements of scheme

“(1) Parts 7 to 9 deal with the delivery of the scheme by insurers under accident insurance contracts in force before 1 July 2000.

“(2) Those Parts create a regulatory regime and set out rules for the delivery of the scheme by any insurer that was registered under section 201 immediately before the commencement of Part 1 of Schedule 1 of the Accident Insurance Amendment Act 2000, and that continues to be registered under section 204.

“(3) Those Parts also—

“(a) create a prudential regime to manage the particular risks associated with this insurance market, including exit from that market by insurers:

“(b) create an environment to ensure that persons with cover receive their entitlements in the event of a failure to insure or in the event of insurer insolvency:

“(c) identify the regulatory roles required.”

Section 10

Omit from subsection (1) the words “that are not open to competition”.

Repeal subsection (2).

Section 11

Omit from subsection (1) the words “non-competitive elements of the”.

Repeal subsections (2) and (3).

Section 13(1)

Repeal the definition of the term **arms length**.

Insert, in its appropriate alphabetical order, the following definition:

“**Employers’ Account** means the Account described in section 281A”.

Part 1—*continued*

Omit from paragraph (b) of the definition of the term **insurer** the words “, except for the purposes of Parts 7 to 9 and the provisions in Part 12 associated with those Parts”.

Insert in paragraph (b) of the definition of the term **weekly compensation**, after the expression “section 286”, the expression “or 302C,”.

Section 135

Insert, after subsection (1):

“(1A) If the Regulator considers that an insurer has not taken adequate action in relation to a claim by an insured, the Regulator may, on behalf of the insured or on his or her own initiative, apply to the insurer for a review of any of its decisions on the claim, but may not take any further part in the review.”

Section 169(1)

Repeal and substitute:

“(1) Every employer must maintain in force, until the close of 30 June 2000, an accident insurance contract that was in force immediately before the commencement of Part 1 of Schedule 1 of the Accident Insurance Amendment Act 2000, unless the contract is terminated in accordance with section 174 or section 189.”

Section 170(1)

Omit from paragraph (h) the words “it is terminated in accordance with section 174 or section 189” and substitute the words “the close of 30 June 2000 or the date on which it is terminated in accordance with section 174 or section 189, whichever is the earlier”.

Section 171

Repeal subsections (1) and (2) and substitute:

“(1) Every employer must give to each person who has been employed by the employer at any time during the period commencing on 1 July 1999 and ending with the close of 30 June 2000, on demand by the person and without charge, a written statement that complies with this section.”

Repeal subsection (4).

Section 174

Repeal paragraph (a) of subsection (1) and substitute:

“(a) Notified the insurer of the employer’s election to terminate that accident insurance contract, and the insurer

Part 1—*continued*

has notified the manager, in writing, of that election; or”.

Omit from subsection (2) the word “certificate” and substitute the words “written notification”.

Section 175(2)

Omit the words “the employer’s proposals (in general terms) for a new accident insurance contract” and substitute the words “that cover for work-related personal injury will, on and from the date of termination, be available from the manager”.

Section 178(1)

Omit from paragraph (h) the words “it is terminated in accordance with section 174 or section 189” and substitute the words “the close of 30 June 2000 or the date on which it is terminated in accordance with section 174 or section 189, whichever is the earlier”.

Section 179(1)

Repeal paragraph (a).

Section 181(1)

Omit from paragraph (h) the words “it is terminated in accordance with section 183 or section 189” and substitute the words “the close of 30 June 2000 or the date on which it is terminated in accordance with section 183 or section 189, whichever is the earlier”.

Section 189(1)(b)

Insert, after the word “Regulator”, the words “, and to the manager,”.

Section 197

Repeal paragraph (b).

Section 237

Insert, after subsection (1):

“(1A) The Regulator must declare that an insurer is an insolvent insurer for the purposes of sections 238 to 261 if registration of the insurer is cancelled under section 205.”

Section 279(1)

Insert, before paragraph (a):

“(aa) employees in respect of work-related personal injury; and”.

Omit from paragraph (b) the words “who do not have an accident insurance contract”.

Part 1—continued**Section 281(1)**

Insert, before paragraph (a):

“(aa) an Employers’ Account for the purposes set out in section 281A:”.

Section 282(2)

Add “; and”.

Add:

“(d) payments made to the manager in respect of obligations taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to accident insurance contracts for self-employed persons for non-work injury.”

Section 282(3)

Insert, after paragraph (d):

“(da) statutory entitlements in respect of obligations taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to accident insurance contracts for self-employed persons for non-work injury; and”.

Section 299

Repeal subsection (2) and substitute:

“(2) The funds for the Self-Employed Work Account are to be derived from—

“(a) premiums payable by those self-employed persons and private domestic workers under section 300; and

“(b) payments made to the manager in respect of obligations taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to accident insurance contracts for self-employed persons for work-related personal injury.”

Insert in subsection (3), after paragraph (b), the following paragraph:

“(ba) statutory entitlements in respect of obligations taken on by the manager under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to accident insurance contracts for self-employed persons and private domestic workers for work-related personal injury; and”.

Repeal subsection (4).

Part 1—continued**Section 301**

Repeal paragraph (b) of subsection (2).

Repeal subsection (3).

Section 308

Omit from subsection (2) the words “A self-employed person” and substitute the words “An employer, self-employed person,”.

Add:

“(3) If an accident insurance contract terminates under a term implied by section 170(1)(h), or section 178(1)(h), or section 181(1)(h), the employer, self-employed person, or private domestic worker, as the case may be, is liable to pay to the manager premiums under this Part that are proportionate to the period of time during that year that they did not have an accident insurance contract.”

Section 334

Repeal subsections (4) to (6) and substitute the following subsection:

“(4) The returns generated by the activities of any subsidiary company must be applied by the manager on a basis determined in a policy direction under section 339.”

Section 364(1)

Repeal paragraph (b) and substitute:

“(b) the liability arises as a result of the insurer’s obligation under this Act to provide cover and entitlements.”

Part 2

Amendments coming into force on 1 July 2000

Section 187(1)(a)

Omit the word “has” and substitute the word “had”.

Section 199(1)

Add the following paragraph:

“(c) Continue to meet obligations under accident insurance contracts that were in force before 1 July 2000.”

Section 204

Add, as subsection (2):

“(2) Continuation of registration as an insurer applies only in relation to the insurer’s obligations in respect of accident insurance contracts in force before 1 July 2000.”

Part 2—*continued***Section 236(2)**

Repeal and substitute:

“(2) The manager must pay, on the amount of its outstanding liability for claims under accident insurance contracts taken on under section 7 of the Accident Insurance (Transitional Provisions) Act 2000, as determined by the Regulator, a levy at a rate or rates prescribed by regulations made under this Act to meet the costs of the Regulator under this Act in the previous financial year.

“(2A) Every other insurer must pay, on the amount of its outstanding liability for claims under accident insurance contracts, as determined by the Regulator, a levy at a rate or rates prescribed by regulations made under this Act to meet the costs of the Regulator under this Act in the previous financial year.”

Section 247(4)

Repeal and substitute:

“(4) Every insurer must pay a contribution calculated in accordance with the following formula:

$$\frac{a}{b} \times c$$

where—

“a is 1 of the following amounts:

“(i) in the case of the manager, the amount of its outstanding liability under accident insurance contracts taken on under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 at the end of the immediately preceding financial year as determined by the Regulator:

“(ii) in the case of every other insurer, the amount of its outstanding liability for claims under accident insurance contracts at the end of the immediately preceding financial year as determined by the Regulator:

“b is the total amount of outstanding liability of all insurers under accident insurance contracts at the end of the immediately preceding financial year, as determined by the Regulator, minus the total amount of outstanding claims liability of any insolvent insurer in that year:

“c is the amount determined under subsection (2).”

Part 2—*continued***Section 266**

Omit from subsection (1) the words “an annual” and substitute the word “a”.

Repeal subsection (2) and substitute:

“(2) The Regulator must, as soon as practicable after 30 June 2000, determine the total amount to be levied on insurers to the Fund.”

Repeal paragraph (b) of subsection (3) and substitute:

“(b) the Regulator’s estimate of the amount necessary to meet all claims on the Fund in future years; and

“(c) the costs of the Regulator in administering the Fund in that financial year; and

“(d) the Regulator’s estimate of the costs of the Regulator in administering the Fund in future years.”

Section 299(1)

Omit the words “and who do not have an accident insurance contract” in both places where they occur.

Section 299(3)(a)

Omit the words “(other than a self-employed person who has an accident insurance contract)”.

Section 299(3)(b)

Omit the words “(other than a private domestic worker who has an accident insurance contract)”.

Section 300(1)

Omit the words “who does not have an accident insurance contract”.

Schedule 2

Enactments amended

s 9(1)

Part 1

Amendments coming into force on 1 April 2000

Armed Forces Discipline Act 1971 (1971 No 53)

Omit from section 186A(4)(b) the expression “section 14” and substitute the expression “section 394”.

Children, Young Persons, and Their Families Act 1989 (1989 No 24)

Repeal section 302 and substitute:

“302 **Application of Accident Insurance Act 1998 to young persons performing work under community work order**

When a young person performs any service or does any work for the purposes of a community work order, the following provisions apply:

- “(a) if the young person suffers any personal injury for which he or she has cover under the Accident Insurance Act 1998 arising out of and in the course of performing that service or doing that work,—
 - “(i) the personal injury is deemed, for the purposes of section 76 of that Act only, to be a work-related personal injury; and
 - “(ii) the Crown is liable to pay compensation to which the young person is entitled under that section:
- “(b) the cost of all other entitlements of the young person under that Act must be met from the Earners’ Account in the case of a young person who is an earner and from the Non-Earners’ Account in all other cases.”

Corporations (Investigation and Management) Act 1989 (1989 No 11)

Insert, after the words “section 201 of the Accident Insurance Act 1998”, the words “(as it read immediately before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

Insert, after the words “section 201 of that Act”, the words “(as it so read before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

Part 1—*continued***Criminal Justice Act 1985** (1985 No 120)

Omit from section 28(4)(a) the words “Accident Compensation Act 1982” and substitute the words “Accident Insurance Act 1998”.

Disputes Tribunals Act 1988 (1988 No 110)

Omit from section 59 the words “Accident Compensation Act 1982” and substitute the words “Accident Insurance Act 1998”.

Fair Trading Act 1986 (1986 No 121)

Omit from section 43(9) the words “section 27 of the Accident Compensation Act 1982” and substitute the words “section 394 of the Accident Insurance Act 1998”.

Holidays Act 1981 (1981 No 15)

Omit from section 30A(6) the words “earnings related compensation under the Accident Compensation Act 1982” and substitute the words “weekly compensation under the Accident Insurance Act 1998”.

Income Tax Act 1994 (1994 No 164)

Omit from section CB 4(1)(a)(ii) the expression “section 201” and substitute the expression “section 204”.

Omit from section CB 5(1)(i)(ii) the expression “section 201” and substitute the expression “section 204”.

Omit from section CB 10(2)(e)(iv) the expression “section 201” and substitute the expression “section 204”.

Omit from section CB 10(2)(e)(v) the expression “section 201” and substitute the expression “section 204”.

Insert in section CI 1(ja)(i), after the words “section 13 of the Accident Insurance Act 1998”, the words “, in this case being a premium or contribution that was paid in respect of an accident insurance contract that was in force before 1 July 2000”.

Omit from section CI 1(ja)(ii) the words “that Act” where they secondly appear and substitute the words “the Accident Insurance Act 1998”.

Insert in section ED 1A(2), after paragraph (b):

“(ba) Premiums to fund the Self-Employed Work Account under section 300:”.

Insert, after section ED 1A:

“ED 1B Year in which employers’ premium deductible

“(1) For the purposes of calculating a taxpayer’s taxable income for an income year, an employers’ premium that is due and

Part 1—*continued*

payable by an employer in the income year is treated as being expenditure incurred by the taxpayer in the income year and the allowable deduction for the amounts must be computed accordingly.

- “(2) If a taxpayer’s balance date ends between 1 October and 6 April (inclusive), a premium that is due and payable on a date specified in Schedule 13, column E is an allowable deduction as if it were due and payable on the date specified in Schedule 13, column D.
- “(3) Despite subsection (1), an employers’ premium is treated as being expenditure incurred by a taxpayer in the income year in which it is allowed as a deduction if—
- “(a) the employers’ premium was allowed as a deduction in an income year before the income year in which the premium became due and payable by the taxpayer; and
- “(b) the Commissioner cannot lawfully alter the assessment for the income year because of the time bar.

“(4) In this section—

“**employers’ premium** means an employers’ premium to fund the Employers’ Account under section 281B of the Accident Insurance Act 1998.”

Insert in section EH 33(4)(b), after subparagraph (iv):

“(iva) the Accident Insurance Act 1998, or”.

Insert in section NC 20(3)(a)(ii), after the words “section 115 of the Accident Rehabilitation and Compensation Insurance Act 1992”, the words “, or section 285 of the Accident Insurance Act 1998,”.

Insert in section OB 1, in its appropriate alphabetical order, the following definition:

“**employers’ premium** is defined in section ED 1B for the purposes of this section.”

Omit from paragraph (ib) of the definition of that term in section OB 1 the words “that Act” and substitute the words “the Accident Insurance Act 1998”.

Omit from paragraph (e) of the definition of the term “specified payment” in section OB 1 the words “Accident Rehabilitation and Compensation Insurance Corporation” and substitute the words “Accident Compensation Corporation”.

Insert in section OF 2(2)(h)(i), before the expression “EF 1,”, the expression “ED 1B,”.

Part 1—*continued*

Sharemilking Agreements Act 1937 (1937 No 37)

Omit from clauses 5(2) and 45 of Parts I and II of the Schedule the words “Accident Compensation Act 1982” and substitute the words “Accident Insurance Act 1998”.

Social Security Act 1964 (1964 No 136)

Insert in paragraph (c)(iii) of the definition of the term **income** in section 3(1), after the words “section 185 of that Act”, the words “(as it read immediately before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

Tax Administration Act 1994 (1994 No 166)

Insert in section 167(1), after the words “section 115 of the Accident Rehabilitation and Compensation Insurance Act 1992”, the words “or section 285 of the Accident Insurance Act 1998”.

Part 2

Amendments coming into force on 1 July 2000

Income Tax Act 1994 (1994 No 164)

Omit from section CC 1(1)(bb) the words “section 188(1)(a) of the Accident Insurance Act 1998” and substitute the words “(as it read immediately before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

Insert in section CI 1(ja)(ii), after the words “section 188(1)(a) of that Act”, the words “(as it read immediately before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

Insert in paragraph (ib) of the definition of the term **salary or wages** in section OB 1, after the words “section 188(1)(a) of the Accident Insurance Act 1998”, the words “(as it read immediately before its repeal by section 7 of the Accident Insurance Amendment Act 2000)”.

s 9(2)

Schedule 3

Regulations amended

Accident Insurance (Insurers' Payments for Public Health Acute Services) Regulations 1999 (SR 1999/103)

Omit from regulation 3(2) the words “(for an insurer other than the manager)”.

Add to regulation 3(2)(b) “; plus”.

Add to regulation 3(2):

“(c) all employees for whom the manager is liable to provide statutory entitlements for work-related personal injuries (other than entitlements funded from the Self-Employed Work Account or the Residual Claims Account); plus

“(d) all employees in respect of whom the manager has taken on obligations under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to employers' accident insurance contracts.”

Revoke regulation 3(3) and substitute:

“(3) The manager's relevant employees in a quarter are—

“(a) the self-employed persons or private domestic workers in respect of whom a premium is payable to the Self-Employed Work Account in the quarter; plus

“(b) all self-employed persons and private domestic workers in respect of whom the manager has taken on obligations under section 7 of the Accident Insurance (Transitional Provisions) Act 2000 in relation to accident insurance contracts for self-employed persons or private domestic workers.”

Insert in regulation 6(3), after paragraph (a):

“(aa) add to the amount calculated under paragraph (a) any amount calculated in respect of the manager's obligations under regulation 3; and”.

Accident Insurance (Insurer Returns) Regulations 1999 (SR 1999/163)

Revoke the definition of the term **insurer** in regulation 2 and substitute:

“**insurer** means an insurer registered under section 201 of the Act (as at the date of its repeal by section 7 of the Accident Insurance Amendment Act 2000):”.

Add to regulation 3:

- “(4) For the purposes of the Accident Insurance (Transitional Provisions) Act 2000,—
- “(a) on and from 1 April 2000, the manager must give the Regulator returns relating to employers’ employees covered by the manager:
 - “(b) on and from 1 July 2000 the manager must give the Regulator returns relating to all employers:
 - “(c) returns required by paragraph (a) or (b) must be given weekly in 1 single return unless the manager and the Regulator agree to some other timing:
 - “(d) an insurer must advise the Regulator if any of the insurer’s liabilities under an accident insurance contract have been taken over by the manager or another insurer:
 - “(e) in respect of any period ending on or before 30 June 2000, an insurer must continue to comply with subclauses (1) to (3) until the Regulator is satisfied that the insurer has provided the correct information for all the insurer’s accident insurance contracts in force during that period.”

Add to regulation 4:

- “(3) In respect of any period ending on or before 30 June 2000, an insurer must continue to comply with subclauses (1) and (2) until the Regulator is satisfied that the insurer has provided the correct information for all the insurer’s accident insurance contracts in force during that period, whether or not any of the insurer’s liabilities under those contracts has been taken over by the manager or another insurer.”

Add to regulation 5:

- “(2) The returns required by regulation 3(4) to be given by the manager must include the information specified in subclause (1), except that—
- “(a) the premium must include both the estimated and actual premium; and
 - “(b) there is no need to provide the numbers of employees of an employer if those details are not known by the manager.”

Add to regulation 6:

- “(2) Nothing in subclause (1) applies to the manager.”

Add to regulation 12(1):

“(g) Employers’ Account.”

Add to regulation 12(2)(b) “; and”.

Add to regulation 12(2):

“(c) subclause 1(g).”

Omit from regulation 13(2)(a) the words “weekly in 1 single return, by the second working day of each week” and substitute the words “weekly in 1 single return unless the manager and the Regulator agree to some other timing”.

Insert in regulation 15, after paragraph (h), the following paragraph:

“(ha) the actual aggregate earnings on which the actual premium was calculated:”.

Legislative history

21 March 2000	Divided from Accident Insurance (Transitional Provisions) Bill (Part 2 and schedules) (Bill 4–3A)
23 March 2000	Third reading
25 March 2000	Royal assent

This Act is administered in the Department of Labour.
