

ACCIDENT INSURANCE (TRANSITIONAL PROVISIONS) BILL

Government Bill

EXPLANATORY NOTE

General Policy Statement

The Government is committed to the wind-down of competition in the scheme under the Accident Insurance Act 1998 as soon as possible and a return to a single public fund model. Therefore, the key objectives of this Bill are to achieve the following by 1 July 2000:

- Remove competition from workplace insurance:
 - Return responsibility to the Accident Compensation Corporation (“ACC”) for the provision of all workplace insurance:
 - Re-establish the Accredited Employers’ Programme.
- More specifically, the Bill makes the following changes:

- From 1 July 2000, ACC will automatically insure all employers:
- No new accident insurance contracts can be written from 1 April 2000:
- ACC will take on any uninsured employers during the period from 1 April 2000 until 30 June 2000, including current employers who wish to terminate existing accident insurance contracts and return to ACC early:
- Current registered accident insurers will manage out any claims (for injuries suffered prior to 1 July 2000, including those not reported), with the option of negotiating with ACC or other registered insurers for assumption of that liability, including the payment to be made by the insurer to ACC (or other insurer):
- Insurers will be required to refund to employers premiums already paid for any period after 30 June 2000 covered by an accident insurance contract:
- An explicit provision will state that no compensation can be sought by registered accident insurers, employers, or others for any loss or damage or taxation liability arising from the enactment or operation of the Bill:
- A new Employers’ Account will be established:
- The employers’ premium will be set by regulation with an amended truncated process for the first year’s premium rates (1 April 2000 to 31 March 2001):

- Basic provisions for establishment of an Accredited Employers' Programme are included with detail provided through a framework developed by ACC, agreed by the Minister for Accident Insurance, and tabled in the House and notified in the *Gazette*:
- The ability of self-employed persons and private domestic workers to opt out of ACC will be removed from 1 April 2000:
- The Insolvent Insurers Fund will continue as long as insurers are managing out their claims. In relation to any liabilities taken over from insurers, ACC will become liable to contribute to the Insolvent Insurers Fund in the event of insurer insolvency:
- ACC will not have the ability to offer top-ups to existing entitlements or to offer other insurance products to be bundled with cover and entitlements under the scheme:
- The obligation for ACC to deliver claims management and network services through a subsidiary (currently named "Catalyst") will be removed (ACC will still have the option to use the subsidiary). If ACC winds up any of its subsidiaries, there will be no compensation to directors and no technical redundancy for staff who are offered employment with ACC on terms and conditions no less favourable than their employment with the subsidiary.

Clause by Clause Analysis

Clause 1 relates to the Title.

Clause 2 relates to the commencement of the Bill. Most of the provisions come into force on 1 April 2000. Some repeals and the amendments set out in *Part 2 of the Schedule* come into force on 1 July 2000.

Clause 3 states the purpose of the Bill.

PART 1

REMOVAL OF COMPETITION FOR WORKPLACE INSURANCE

Clause 4 cancels all accident insurance contracts at the close of 30 June 2000. However, the clause contains provisions that—

- Preserve the obligations under such contracts in respect of the period before cancellation and, in particular, preserve the insurer's obligations in respect of personal injury suffered while the contracts were in force:
- Provide for refunds of premiums paid by an employer in respect of any period from 30 June 2000.

The clause also provides that an accident insurance contract entered into on or after 1 April 2000, or before that date but which comes into force after that date, has no effect.

Clause 5 states the principal effect of the Bill, which is that—

- On and from 1 April 2000, the Corporation provides cover and entitlements for work-related personal injury suffered by persons on or after that date who are not insured under an accident insurance contract at the time of the injury:
- On and from 1 July 2000, the Corporation provides cover and entitlements for all work-related personal injury and all other personal injury that occurs on or after that date.

Clause 6 enables the Corporation or other insurers to take on the obligations of insurers under accident insurance contracts. This will be done by agreement between the parties concerned.

Clause 7 empowers the making of transitional regulations that may be required or desirable because of the coming into force of this Bill.

Clause 8 precludes compensation claims for any loss or damage, or any tax liability, arising from the enactment of this Bill.

Clause 9 precludes compensation for technical redundancy where the business of an existing wholly-owned subsidiary of the Corporation is transferred to the Corporation and an employee of the subsidiary is offered a position with the Corporation on a no less favourable terms basis. The clause also precludes compensation for any director of the subsidiary on the ground that he or she has ceased to be a director as a result of the transfer of the subsidiary's business to the Corporation.

Clause 10 ensures that the Bill has effect despite anything to the contrary in any other enactment or rule of law.

PART 2

AMENDMENTS TO PRINCIPAL ACT

Clause 11 inserts new *sections 281A to 281F*, which relate to the establishment of an Employers' Account.

These new sections provide for a new Employers' Account and, in particular, that—

- The purpose of this Account is to finance statutory entitlements provided under the principal Act by the Corporation to employees for work-related personal injuries:
- The funds for this Account are to be derived from premiums paid by employers:
- The premiums must relate to a prescribed period, and may be collected in advance or in arrears as specified in regulations:
- The premium rates are to be set by regulations and must be related to the amount of earnings paid by employers to their employees:
- The premium rates are to be set so that the Account is fully funded:
- Employers are to be classified into industry or risk classes defined in regulations for the purposes of setting premium rates:
- The Corporation may require employers to pay premiums based on the Corporation's reasonable estimates of the premiums payable by the employers for a period, with adjustments at the end of the period:
- The Corporation may, for the purpose of identifying employers and setting premiums, obtain information about employers from the Commissioner of Inland Revenue.

Clause 12 inserts a new *Part 10A*, which provides for accreditation agreements between the Corporation and employers. This Part provides that—

- The purpose of these agreements is to promote injury prevention and rehabilitation, and reduce work-related personal injury claim costs and premiums, by allowing accredited employers to provide statutory entitlements in relation to work-related personal injuries suffered by their employees:
- The Minister must, by notice in the *Gazette*, establish a framework under which accreditation agreements may be made:
- An accreditation agreement may provide that 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, in return, the Corporation will charge the employer reduced premiums:

- The Corporation may not enter into an accreditation agreement unless, in the opinion of the Corporation, the requirements specified in the new *section 326E* are satisfied:
- If an accredited employer does not perform its obligations under an accreditation agreement, those obligations must be performed by the Corporation:
- The Corporation must establish a monitoring and audit programme in relation to accredited employers:
- Accredited employers must report to the Corporation in accordance with the accreditation agreements.

Clause 13 provides that the repeal of section 185 (risk sharing agreements) by *clause 14* does not affect the liability of an insurer to provide cover and statutory entitlements, if the obligations specified in the insurer's risk sharing agreement under section 185 are not carried out.

Clause 14 contains consequential repeals.

Clause 15 and the Schedule make other amendments to the principal Act, which are largely of a textual nature. Some consequential amendments to tax legislation are likely to be required and these will be dealt with at a later date.

Hon Dr Michael Cullen

ACCIDENT INSURANCE (TRANSITIONAL PROVISIONS)

Government Bill

ANALYSIS

1. Title	281c. Rates of premiums
2. Commencement	281d. Classification of industries or risks
3. Purpose	281e. Estimation of premium
	281f. Information available to manager
PART 1	12. New Part 10A inserted
REMOVAL OF COMPETITION FOR WORKPLACE INSURANCE	
4. No new accident insurance contracts after 1 April 2000 and cancellation of contracts at close of 30 June 2000	PART 10A
5. Corporation to provide cover	ACCREDITED EMPLOYERS
6. Corporation or any other insurer may take on insurer's obligations by agreement	326A. Interpretation
7. Transitional regulations	326B. Objectives of this Part
8. No compensation for enactment of this Act	326C. Framework to be established
9. No compensation for technical redundancy, etc	326D. Accreditation agreements
10. Effect of this Part	326E. Accreditation requirements
	326F. Accredited employers to provide statutory entitlements
PART 2	326G. Monitoring and audit
AMENDMENTS TO PRINCIPAL ACT	326H. Reporting and information
11. New heading and sections inserted	13. Saving for risk sharing
	14. Repeals
<i>Employers' Account</i>	15. Other amendments to principal Act
281A. Application and source of funds	
281B. Employers to pay premiums	SCHEDULE
	Other Amendments to Accident Insurance Act 1998

The Parliament of New Zealand enacts as follows:

1. Title—(1) This Act is the Accident Insurance (Transitional Provisions) Act 1999.

(2) In this Act, the Accident Insurance Act 1998* is called “the principal Act”.

2. Commencement—(1) **Section 14 (c) and Part 2 of the Schedule** come into force on 1 July 2000.

(2) The rest of this Act comes into force on 1 April 2000. 5

3. Purpose—The purpose of this Act is to remove the competitive provision of workplace accident insurance and, instead, provide for the entire scheme to be delivered through a single public fund model, while ensuring that—

(a) Claimants continue to have access to entitlements; and 10

(b) All persons who should be contributing to the cost of accident insurance do so; and

(c) The Corporation has the infrastructure and powers necessary for carrying out its functions (including the collection of premiums); and 15

(d) There is an orderly transition.

PART 1

REMOVAL OF COMPETITION FOR WORKPLACE INSURANCE

4. No new accident insurance contracts after 1 April 2000 and cancellation of contracts at close of 30 June 2000—(1) All accident insurance contracts in force at the close of 30 June 2000 are cancelled at the close of that date. 20

(2) An accident insurance contract that is entered into on or after 1 April 2000, or that was entered into before that date but comes into force on or after that date, has no effect. 25

(3) Despite **subsection (1)**,—

(a) The obligations of each party under a contract cancelled by that subsection, in respect of any period before that cancellation, continue to have effect after that cancellation; and 30

(b) In particular, the obligations of an insurer under a contract cancelled by that subsection, in respect of personal injury suffered before that cancellation, continue to have effect after that cancellation; and

(c) All provisions of the contract relevant to those obligations continue to have effect after that cancellation. 35

(4) The insurer under an accident insurance contract cancelled by **subsection (1)** must, as soon as practicable, refund any part of a premium received by the insurer in respect of the contract that relates to a period after the cancellation. 40

(5) The amount of any refund under **subsection (4)** must be determined—

- (a) In accordance with the applicable provisions (if any) of the accident insurance contract; or
- 5 (b) If there are no such provisions, so as to reflect the respective risks of the parties; or
- (c) If the parties are unable to determine the amount under **paragraph (a) or paragraph (b)**, as otherwise agreed by the parties.

10 **5. Corporation to provide cover**—(1) On and from 1 April 2000, the Corporation provides cover and statutory entitlements under the principal Act in respect of work-related personal injury suffered on or after that date by persons who are not insured under an accident insurance contract at the

15 time of the injury.
(2) On and from 1 July 2000, the Corporation provides cover and statutory entitlements under the principal Act in respect of work-related personal injury, and all other personal injury, that occurs on or after that date.

20 **6. Corporation or any other insurer may take on insurer's obligations by agreement**—(1) The Corporation or any other insurer may take on an insurer's obligations under an accident insurance contract by agreement with that insurer.

25 (2) This section overrides any provision to the contrary in any accident insurance contract.

7. Transitional regulations—(1) The Governor-General may from time to time, by Order in Council, make regulations prescribing transitional and savings provisions required or desirable because of the coming into force of this Act or

30 provisions of it.
(2) Regulations made under **subsection (1)** may not have retrospective effect.

8. No compensation for enactment of this Act—No compensation is payable by the Crown to any person for any

35 loss or damage, or any taxation liability, arising from the enactment or operation of this Act.
9. No compensation for technical redundancy, etc—
(1) This section applies if the whole or part of the business of a company that, before the commencement of this section, was a

40 wholly-owned subsidiary of the Corporation is transferred to

the Corporation (whether or not as a result of the liquidation of the company).

(2) An employee of the company who transfers to the Corporation on terms and conditions of employment that are no less favourable than the terms and conditions of employment applying to the employee immediately before the transfer is not entitled to any compensation for redundancy or any severance payment solely because—

(a) The position held by the person in the company has ceased to exist; or

(b) The person has ceased to be an employee of the company.

(3) No director of the company who ceases to hold office as such as a result of the transfer of the whole or part of the company's business is entitled to any compensation for ceasing to hold that office.

10. Effect of this Part—This Part has effect despite anything in the principal Act or any other enactment or rule of law.

PART 2

AMENDMENTS TO PRINCIPAL ACT

11. New heading and sections 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 6 of the Accident Insurance (Transitional Provisions) Act 1999** 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) Administering the Account; and

“(c) Any other expenditure authorised by this Act.

5 “**281B. Employers to pay premiums**—(1) Every employer who does not have an accident insurance contract as an employer must pay, in accordance with this Act and regulations made under this Act, premiums to fund the Employers’ Account.

10 “(2) A premium must relate to a prescribed period, and may be collected in advance or in arrears as specified in regulations.

15 “**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.

20 “(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.

25 “(4) Sections 408 and 409 do not apply to the making of regulations under any of **sections 281B to 281E** if those regulations apply to a period ending not later than 31 March 2001.

30 “**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)**.

35 “(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.

40 “**281E. Estimation of premium**—(1) 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 a 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 period and—

“(a) Refund any amount overpaid; or

“(b) Require the employer to pay any amount outstanding. 5

“281F. **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. 10

“(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. 15

“(4) The manager may from time to time request the Commissioner to provide such information relating to an employer’s industry classification and employee earnings levels as the manager may specify for the purposes of this section. 20

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

12. New Part 10A inserted—The principal Act is amended by inserting, after Part 10, the following Part: 25

“PART 10A

“ACCREDITED EMPLOYERS

“326A. **Interpretation**—In this Part, unless the context otherwise requires,—

“‘Accreditation agreement’ means an agreement between the Corporation and an employer entered into, or to be entered into, under the framework: 30

“‘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: 35 40

“‘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

5 “(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—

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

15 “326C. **Framework to be established**—(1) The Minister must, by notice in the *Gazette*, establish a framework under which the Corporation and an employer may agree that the employer is the agent of the Corporation 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.

20 Cf. 1992, No. 13, s. 105

“326D. **Accreditation agreements**—(1) An accreditation agreement may provide that—

25 “(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

30 “(b) In return, the Corporation 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 Corporation.

35 “326E. **Accreditation requirements**—(1) The Corporation may not enter into an accreditation agreement with an employer unless, in the opinion of the Corporation, the employer—

40 “(a) Has at least the number of employees specified in the framework for the purposes of this paragraph; and

“(b) Has appropriate experience in managing occupational health and safety issues positively; and

“(c) Has demonstrated commitment to injury prevention; 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 rehabilitation; and 5

“(f) Has adequate procedures in place to fulfil the reporting requirements in **section 326H**; and

“(g) Is solvent and able to meet its expected financial and other obligations in relation to work-related personal injury claims. 10

“(2) The Corporation may revoke an accreditation agreement at any time if, in the opinion of the Corporation, the employer no longer complies with the framework or no longer fulfils the requirements in **paragraphs (a) to (g)** of **subsection (1)**. 15

“**326F. Accredited employers to provide statutory entitlements**—(1) Every accredited employer must, on behalf of the Corporation and during the claim management period concerned,— 20

“(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. 25

“(2) Despite **subsection (1)**, the Corporation 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 Corporation thinks fit. 30

“(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 Corporation; and 35

“(b) Except to the extent otherwise provided in the accreditation agreement, the cost of doing so will constitute a debt due to the Corporation from the accredited employer; and 40

“(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.

5 “(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.

10 “326G. **Monitoring and audit**—The Corporation must establish a monitoring programme in relation to accredited employers, which may include audits of the activities of accredited employers to ascertain whether—

15 “(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 Corporation in accordance with accreditation agreements.

20 “326H. **Reporting and information**—(1) Every accredited employer must report to the Corporation in accordance with the accreditation agreement.

25 “(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 Corporation.

30 “(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.”

35 **13. Saving for risk sharing**—The repeal of section 185 (3) of the principal Act by section 14 of this Act does not affect the liability of any insurer to provide cover and statutory entitlements, if the obligations specified in any risk sharing agreement to which that insurer is a party are not carried out.

14. Repeals—The following provisions of the principal Act are repealed:

40 (a) Section 2 (which relates to the purposes of the principal Act);

10 *Accident Insurance (Transitional Provisions)*

- (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): 5
- (d) Sections 200, 201, 207, 220, and 221 (which relate to registration and prudential supervision of insurers):
- (e) Section 335 (which requires the Corporation to form a company to provide claims management and network services). 10

15. Other amendments to principal Act—The principal Act is amended in the manner indicated in the **Schedule**.

SCHEDULE

Section 15

OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998

PART 1

AMENDMENTS COMING INTO FORCE ON 1 APRIL 2000

Provision	Amendment
Section 9	<p>By repealing this section, and substituting the following section:</p> <p>“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.</p> <p>“(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 the Schedule of the Accident Insurance (Transitional Provisions) Act 1999, and that continues to be registered under section 204.</p> <p>“(3) Those Parts also—</p> <p>“(a) Create a prudential regime to manage the particular risks associated with this insurance market, including exit from that market by insurers:</p> <p>“(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:</p> <p>“(c) Identify the regulatory roles required.”</p>
Section 10	<p>By omitting from subsection (1) the words “that are not open to competition”.</p>
Section 11	<p>By repealing subsection (2).</p> <p>By omitting from subsection (1) the words “non-competitive elements of the”.</p>
Section 13 (1)	<p>By repealing subsections (2) and (3).</p>
Section 13 (1)	<p>By repealing the definition of the term “arms length”.</p> <p>By inserting, in its appropriate alphabetical order, the following definition:</p> <p>“‘Employers’ Account’ means the Account described in section 281A.”.</p> <p>By omitting from paragraph (b) of the definition of the term “insurer” the words “, except for the purposes of Parts</p>

SCHEDULE—*continued*OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*PART 1—*continued*AMENDMENTS COMING INTO FORCE ON 1 APRIL 2000—*continued*

Provision	Amendment
Section 13 (1)— <i>continued</i>	7 to 9 and the provisions in Part 12 associated with those Parts”.
Section 135	To insert, after subsection (1), the following subsection: “(1A) The Regulator, on behalf of an insured or on his or her own initiative, may apply to an insurer for a review of any decision on a claim, but may not take any further part in the review.”
Section 169	By repealing subsection (1), and substituting the following subsection: “(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 the Schedule of the Accident Insurance (Transitional Provisions) Act 1999, unless the contract is terminated in accordance with section 174 or section 189.”
Section 170 (1)	By omitting from paragraph (h) the words “it is terminated in accordance with section 174 or section 189”, and substituting 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	By repealing subsections (1) and (2), and substituting the following subsection: “(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.”
Section 174	By repealing subsection (4). By repealing paragraph (a) of subsection (1), and substituting the following paragraph: “(a) Notified the insurer of the employer’s election to terminate that accident insurance contract, and the insurer has

SCHEDULE—*continued*

OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*

PART 1—*continued*

AMENDMENTS COMING INTO FORCE ON 1 APRIL 2000—*continued*

Provision	Amendment
Section 174— <i>continued</i>	<p>notified the manager, in writing, of that election; or”.</p> <p>By omitting from subsection (2) the word “certificate”, and substituting the words “written notification”.</p>
Section 175 (2)	<p>By omitting the words “the employer’s proposals (in general terms) for a new accident insurance contract”, and substituting the words “that cover for work-related personal injury will, on and from the date of termination, be available from the Corporation”.</p>
Section 178 (1)	<p>By omitting from paragraph (h) the words “it is terminated in accordance with section 174 or section 189”, and substituting 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”.</p>
Section 179 (1)	<p>By repealing paragraph (a).</p>
Section 181 (1)	<p>By omitting from paragraph (h) the words “it is terminated in accordance with section 183 or section 189”, and substituting 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”.</p>
Section 189 (1) (b)	<p>By inserting, after the word “Regulator”, the words “, and to the manager,”.</p>
Section 197	<p>By repealing paragraph (b).</p>
Section 237	<p>By inserting, after subsection (1), the following subsection:</p> <p>“(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.”</p>
Section 279 (1)	<p>By inserting, before paragraph (a), the following paragraph:</p> <p>“(aa) Employees in respect of work-related personal injury; and”.</p>

SCHEDULE—*continued*OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*PART 1—*continued*AMENDMENTS COMING INTO FORCE ON 1 APRIL 2000—*continued*

Provision	Amendment
Section 279 (1)— <i>continued</i>	By omitting from paragraph (b) the words “who do not have an accident insurance contract”.
Section 281 (1)	By inserting, before paragraph (a), the following paragraph: “(aa) An Employers’ Account for the purposes set out in section 281A.”.
Section 282 (2)	By adding the expression “; and”. By adding the following paragraph: “(d) Payments made to the manager in respect of obligations taken on by the manager under section 6 of the Accident Insurance (Transitional Provisions) Act 1999 in relation to accident insurance contracts for self-employed persons for non-work injury.”
Section 299	By repealing subsection (2), and substituting the following subsection: “(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 6 of the Accident Insurance (Transitional Provisions) Act 1999 in relation to accident insurance contracts for self-employed persons for work-related personal injury.”
Section 301	By repealing subsection (4). By repealing paragraph (b) of subsection (2). By repealing subsection (3).
Section 308	By omitting from subsection (2) the words “A self-employed person”, and substituting the words “An employer, self-employed person,”. By adding the following subsection: “(3) If an accident insurance contract terminates under a term implied by

SCHEDULE—*continued*

OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*

PART 1—*continued*

AMENDMENTS COMING INTO FORCE ON 1 APRIL 2000—*continued*

Provision	Amendment
Section 308— <i>continued</i>	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	By repealing subsections (4) to (6), and substituting the following subsection: “(4) The returns generated by the activities of any subsidiary company must be applied by the Corporation on a basis determined in a policy direction under section 339.”
Section 364 (1)	By repealing paragraph (b), and substituting the following paragraph: “(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

Provision	Amendment
Section 187 (1) (a)	By omitting the word “has”, and substituting the word “had”.
Section 199 (1)	By adding the following paragraph: “(c) Continue to meet obligations under accident insurance contracts that were in force before 1 July 2000.”
Section 204	By adding the following subsection: “(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.”

SCHEDULE—*continued*OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*PART 2—*continued*AMENDMENTS COMING INTO FORCE ON 1 JULY 2000—*continued*

Provision	Amendment
Section 236	<p>By repealing subsection (2), and substituting the following subsections:</p> <p>“(2) The Corporation must pay, on the amount of its outstanding liability for claims under accident insurance contracts taken on under section 6 of the Accident Insurance (Transitional Provisions) Act 1999, 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.</p> <p>“(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.”</p>
Section 247	<p>By repealing subsection (4), and substituting the following subsection:</p> <p>“(4) Every insurer must pay a contribution calculated in accordance with the following formula:</p> $\frac{a}{b} \times c$ <p>where—</p> <p>“a is 1 of the following amounts:</p> <p>“(i) In the case of the Corporation, the amount of its outstanding liability under accident insurance contracts taken on under section 6 of the Accident Insurance (Transitional Provisions) Act 1999 at the end of the immediately preceding financial year as determined by the Regulator:</p> <p>“(ii) In the case of every other insurer, the amount of its outstanding liability for</p>

SCHEDULE—*continued*

OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*

PART 2—*continued*

AMENDMENTS COMING INTO FORCE ON 1 JULY 2000—*continued*

Provision	Amendment
Section 247— <i>continued</i>	<p>claims under accident insurance contracts at the end of the immediately preceding financial year as determined by the Regulator:</p> <p>“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:</p> <p>“c is the amount determined under subsection (2).”</p>
Section 266	<p>By omitting from subsection (1) the words “an annual”, and substituting the word “a”.</p> <p>By repealing subsection (2), and substituting the following subsection:</p> <p>“(2) The Regulator must, as soon as practicable after 30 June 2000, determine the total amount to be levied on insurers to the Fund.”</p> <p>By repealing paragraph (b) of subsection (3), and substituting the following paragraphs:</p> <p>“(b) The Regulator’s estimate of the amount necessary to meet all claims on the Fund in future years; and</p> <p>“(c) The costs of the Regulator in administering the Fund in that financial year; and</p> <p>“(d) The Regulator’s estimate of the costs of the Regulator in administering the Fund in future years.”</p>
Section 299 (1)	<p>By omitting the words “and who do not have an accident insurance contract” in both places where they occur.</p>

SCHEDULE—*continued*OTHER AMENDMENTS TO ACCIDENT INSURANCE ACT 1998—*continued*PART 2—*continued*AMENDMENTS COMING INTO FORCE ON 1 JULY 2000—*continued*

Provision	Amendment
Section 299 (3) (a)	By omitting the words “(other than a self-employed person who has an accident insurance contract)”.
Section 299 (3) (b)	By omitting the words “(other than a private domestic worker who has an accident insurance contract)”.
Section 300 (1)	By omitting the words “who does not have an accident insurance contract”.