

**WORKERS COMPENSATION ACT 1987—REGULATION**

(Relating to contributions to the Insurers' Contribution Fund, large claim limits  
and recess claims)

NEW SOUTH WALES



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HIS Excellency the Governor, with the advice of the Executive Council,  
and in pursuance of the Workers Compensation Act 1987, has been  
pleased to make the Regulation set forth hereunder.

JEFFREY WILLIAM SHAW, Q.C., M.L.C.,  
Attorney General, and Minister for Industrial Relations.

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**Commencement**

1. This Regulation commences on 30 June 1995.

**Amendment of Workers Compensation (General) Regulation 1987**

2. The Workers Compensation (General) Regulation 1987 is amended:  
(a) by inserting after clause 21 the following clause:

**Exclusion of certain claims from calculation of excess**

21A. A weekly compensation claim made in respect of a worker  
who receives an injury in the circumstances referred to in section  
11 (Recess claims) of the Act is prescribed for the purposes of  
section 160 (8) (b) of the Act.

- (b) by omitting item 6 from the Table to clause 25 and by inserting  
instead the following items:

6. Financial years commencing 1 July 1993  
and 1 July 1994..... 4 per cent
7. Financial year commencing 1 July 1995 and  
any subsequent financial year..... NIL

**Amendment of Workers Compensation (Insurance Premiums) Regulation 1987**

3. The Workers Compensation (Insurance Premiums) Regulation 1987 is amended:

- (a) by omitting the definition of “**cost of claims**” from clause 8 and by inserting instead the following definition:

“**cost of claims**”, in relation to an injury year or a period of insurance, means:

- (a) except as provided by paragraph (b), the total, calculated by an insurer, of the costs of each individual claim of which the insurer has notice at the time of expiry or renewal (as appropriate) of the policy concerned, being a claim made against a particular employer with respect to an injury received (or which is deemed by the Act or the former Act to have been received) during the injury year or the period of insurance, whichever is relevant, but not including:
- (i) in relation to a policy issued or renewed so as to take effect at or after 4 p.m. on 30 June 1988 (other than a policy to which subparagraph (ii) applies), any claim under section 10 (Journey claims) of the Act; or
- (ii) in relation to a policy issued or renewed so as to take effect at or after 4 p.m. on 30 June 1995, any claim under section 10 (Journey claims) or section 11 (Recess claims) of the Act; or
- (b) where the particular employer does not agree with the calculation made by the insurer and applies to the Authority for a calculation of that total (and the application is not withdrawn or, in the opinion of the Authority, abandoned), that total as calculated by the Authority.
- (b) by omitting from the Table to clause 9 the words “30 June 1987 or 30 June of any subsequent year” and by inserting instead the words “30 June 1987 or 30 June of the years 1988 to 1994”;
- (c) by inserting at the end of the Table to clause 9 the following matter:
- 30 June 1995 or 30 June of any subsequent year.....\$150,000
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**EXPLANATORY NOTE**

The objects of this Regulation are:

- (a) to reduce from 4% per annum to nil the percentage of the premium income of an insurer which is payable as a contribution to the Insurers' Contribution Fund under section 220 (2) of the Workers Compensation Act 1987; and
- (b) to exclude recess claims (claims relating to injuries received during an ordinary recess or authorised absence from a worker's place of employment) from the application of section 160 (Recovery of excess from employer) of the Act, so that recess claims are disregarded when determining the excess payable by an employer under that section; and
- (c) to exclude recess claims from the cost of claims (the cost of claims is used as a basis for determining insurance premiums); and
- (d) to increase the large claim limit for injuries received after 30 June 1995 to \$150,000 (at present the limit is \$100,000).

This Regulation is made under the Workers Compensation Act 1987, including sections 160 (8), 220 (2) and 280.

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