



New South Wales

# Workers Compensation Amendment (Premiums, Large Claim Limits and Policy Cancellation) Regulation 2017

under the

Workers Compensation Act 1987

His Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Workers Compensation Act 1987*.

VICTOR DOMINELLO, MP  
Minister for Finance, Services and Property

## Explanatory note

The objects of this Regulation are:

- (a) to empower the State Insurance Regulatory Authority to define the methodology for determining the deemed premium income of an insurer (for the purposes of determining the contribution payable by a self-insurer or Comcare employer to the Workers Compensation Operational Fund), by prescribing the circumstances relevant to determining what they would have been liable to pay if they were not self-insured or a Comcare employer as those set out in the *Deemed Premium Income Calculation Methodology*, and
- (b) to make it clear that the large claim limit for a policy (that is, the maximum cost of an individual claim that can be included in the assessment of the claims experience of an employer for the purposes of calculating the policy premium for that employer) is, for premium filings for the 2017–2018 financial year and subsequent years, the amount specified by the licensed insurer in the costs of claims as defined in the Workers Compensation Market Practice and Premium Guidelines, and
- (c) to provide that an employer may elect to pay the premiums under a policy of insurance by instalment plans as detailed in the premium filings of the insurer, but only if the instalment plans are approved by, or are plans of a class approved by, the State Insurance Regulatory Authority for that policy or policies of that class, and
- (d) to make it clear that the Insurer can cancel insurance policies without having to obtain the State Insurance Regulatory Authority's written consent to do so in circumstances approved by the Authority and specified in the policy.

This Regulation is made under the *Workers Compensation Act 1987*, including sections 159 (in relation to cancellation of policies of insurance), 171 (in relation to the payment of premiums by instalments) and 280 (the general regulation-making power) and the *Workplace Injury Management and Workers Compensation Act 1998*, including sections 37 (the definition of *deemed premium income*) and 248 (the general regulation-making power).

## **Workers Compensation Amendment (Premiums, Large Claim Limits and Policy Cancellation) Regulation 2017**

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### **1 Name of Regulation**

This Regulation is the *Workers Compensation Amendment (Premiums, Large Claim Limits and Policy Cancellation) Regulation 2017*.

### **2 Commencement**

This Regulation commences on 30 June 2017 and is required to be published on the NSW legislation website.

## **Schedule 1      Amendment of Workers Compensation Regulation 2016**

**[1]    Clause 64**

Omit the clause. Insert instead:

**64    Definition of “deemed premium income” for purposes of self-insurers’ contributions**

For the 2017–2018 financial year and each subsequent financial year, the prescribed circumstances referred to in the definition of *deemed premium income* in section 37 of the 1998 Act are the circumstances in which the amount payable as premiums referred to in that definition is calculated in the manner fixed by the *Deemed Premium Income Calculation Methodology*, published by the Authority in July 2017.

**[2]    Clause 145 Cost of an individual claim**

Omit “or 30 June of any subsequent year” from Column 1 of the Table to the clause.

**[3]    Clause 145, Table**

Insert at the end of the Table:

30 June 2017 or 30 June of any subsequent year	The amount specified by the insurer in the cost of claims in accordance with the Workers Compensation Market Practice and Premiums Guidelines that applies to the policy concerned
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**[4]    Part 18, Division 6**

Omit the Division. Insert instead:

### **Division 6      Payment of premiums by instalments**

**152    Payment of premiums by instalments**

An employer may elect to pay the premiums under any policy of insurance by instalment plans as detailed in the premium filings of the insurer, but only if the instalment plans are approved by, or are plans of a class approved by, the Authority for that policy or policies of that class.

**[5]    Schedule 3 Mandatory provisions in employer’s insurance policy**

Omit clause 18. Insert instead:

**18    Cancellation of Policy**

- (1) The Insurer may cancel this Policy at any time if the Insurer has first obtained the written consent of the Authority.
- (2) The Insurer cannot cancel this Policy without that consent except in any circumstances approved by the Authority and specified in this Policy.
- (3) The Insurer cancels this Policy by giving notice of cancellation in writing to the Employer.
- (4) The cancellation takes effect on the cancellation day notified in the notice of cancellation but that day must not be less than 7 days after the notice of cancellation is given to the Employer.

- (5) Section 184 of the 1987 Act applies as if the Policy had been cancelled under that section.

**[6] Schedule 8 Savings and transitional provisions**

Insert after Part 6:

**Part 7 Provision consequent on making of Workers  
Compensation Amendment (Premiums, Large  
Claim Limits and Policy Cancellation) Regulation  
2017**

**40 Payment of premiums by instalments**

The substitution of Division 6 of Part 18 by the *Workers Compensation Amendment (Premiums, Large Claim Limits and Policy Cancellation) Regulation 2017* does not affect the payment of premiums by an employer who had elected to pay the premiums under a policy of insurance by instalments for the financial year ending on 30 June 2017.