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Welcome

June 2007

Welcome to our latest Workers Compensation Newsletter.

Oxley Workers Compensation Solutions, as a member of the Oxley Insurance Group, has continued to grow over the past five years and I would once again like to thank all of you for your continued business which has contributed to our success. Many changes have been made to the Workers Compensation legislation in recent years (as highlighted in the past newsletters) in an effort to try and improve the scheme. These changes are proposed to continue into the future as well and this newsletter is to update you on these proposed changes.



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Workers Compensation

**FORSTER
TAREE
PORT MACQUARIE
KEMPSEY
COFFS HARBOUR**

Future Changes to Legislation

30 June 2007:

The proposed 'penalty for late reporting has not been announced by WorkCover NSW (WCA) and we are unsure if this proposed penalty will be delayed or even implemented at all. As soon as further information regarding this comes to hand I will pass this on.

the 30 June 2006 and 5% reduction from the 31 December 2006. **A total reduction of 25% in the past 18 months.** However, WCA also just released the new hindsight and renewal 'Industry Claims Cost Rates' which on average have decreased more than the decrease in the WIC rate. Therefore, any employer that has claims history will be impacted by this change to the rates!

Scheme agents must offer employers the option of paying their premiums in full, or in 4 or 12 instalments (ie. quarterly or monthly). The WCA proposal was also to offer a 3% discount to employers who elected to pay their annual premium up front in full. This proposed discount has been confirmed and gazetted by WCA and will apply to employers whose premiums renew on or after the 30th June 2007. The 3% discount does not apply to 'minimum premium policies'.

31 December 2007:

The WCA proposal to introduce the 'Statistical Case Estimation Model' from the 31 December 2007 has been delayed and any further news on whether this proposal will go ahead or when it will be implemented has not been announced by WCA.

WCA announced another 5% reduction in all the WorkCover Industry Classifications (WIC rates) effective for all policies which renew on or after the 30 June 2007. This is in addition to the 5% reduction on the 31 December 2005, 10% reduction from

2006/2007:

WCA will consult relevant industry groups and unions on the development of one or more industry-specific pilots under which the costs of a defined set of gradual onset claims will be excluded from experience calculations.

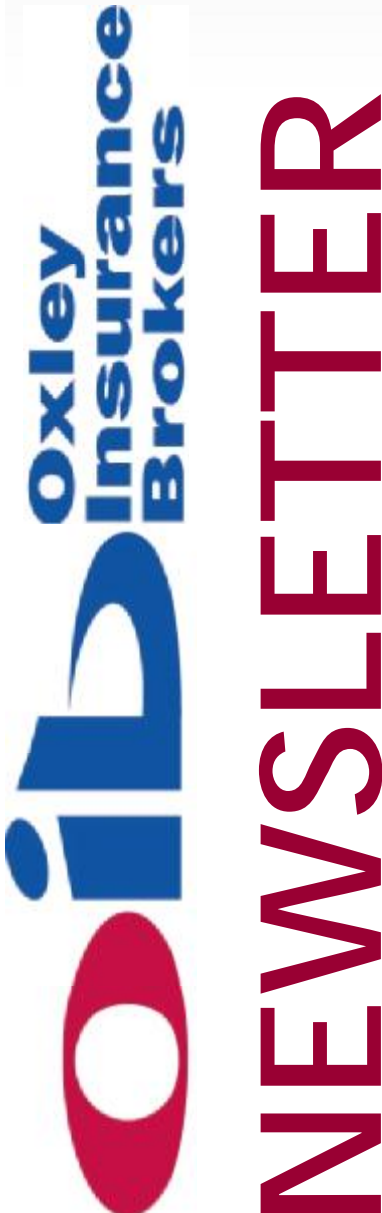
UNLAWFUL TERMINATION

Recently a Federal Magistrates Court has ruled that it is unlawful to terminate the employment of employees for reasons including their absence when they are on paid Workers Compensation leave.

Significantly, there is no time limit on this restriction.

Please refer to case reference 'Lee v Hills Before & After School Care (2007) FMCA 4 (15 January 2007)' to bring yourself up to date with this decisions and its impact on business. I would recommend employers seek further legal advice on matters similar to this.

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Apprenticeship Incentive Scheme

WorkCover recently announced that for new or renewed policies on or after the 31 December 2006, the wages you pay to an apprentice will no longer be used to assess your Workers Compensation premiums.

To be eligible you must:

- Have a valid, new or renewed Workers Compensation policy commencing on or after 31 December 2006.
- Have entered into a NSW Department of Education and Training (NSW DET) approved 'Training Contract' with the apprentice in a designated trade vocation and the apprentice is identified in the training contract.

To receive the work exemption you must:

- Provide details of the apprentices you employ including their wages and the relevant WorkCover Industry Classification on your Workers Compensation policy wages estimate and declaration forms.
- Fulfil the conditions of the NSW DET Training Contract and the associated training plan and retain and documentation provided by NSW DET for wage audit purposes.
- Ensure all information supplied is accurate and can be supported by documentation from NSW DET and other relevant agencies, such as the apprentice's registered training organisation.

Workers Compensation Premium Funding

Many of our clients have previously funded their Workers Compensation premiums with Hunter Premium Funding or Pacific Premium Funding and have found this payment option to work extremely well and to be cost effective.

Now that WorkCover require all the Scheme Agents to offer monthly instalments by the 30 June 2007, many employers will no doubt take up the WorkCover offer of free monthly instalments. I believe that it is important to consider both options to determine which payment option works best for you and your business.

There are still some very valid reasons for clients to continue premium funding their NSW Workers Compensation premiums:

PREMIUM FUNDING

(Loan contract with external 'funder')

- ⇒ Accrues credit charges which are Tax deductible for the business.
- ⇒ Extra premium amounts can be funded together with renewal premiums and any General Insurance premiums which will assist in reducing the overall interest rate.
- ⇒ Interest payable for premium funding is tax deductible and is guaranteed at a fixed flat amount.
- ⇒ Flexibility with monthly repayments due to cash flow irregularities.
- ⇒ Premium funding offers the flexibility and convenience of paying their monthly instalments with a range of payment options including BPay, cheque, credit card and direct debit..



WCA INSTALMENT OFFER

(WCA arrangement)

- ⇒ No credit charges.
- ⇒ Employers will not be offered monthly instalments to pay off any Extra premiums due.
- ⇒ Any missed instalments under the WCA scheme will result in the client forfeiting their pay-by-the month instalment rights, with the full balance of premium due and payable at once.
- ⇒ Agents may only accept direct debit debits from employer's bank accounts.

Please contact us if you would like us to provide you with a Workers Compensation premium funding quotation!

✓ Solid local service
✓ Reliable quality
✓ Trusted since 1976

