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FRAMEWORK
FOR THE
ACCREDITED
EMPLOYERS
PROGRAMME

FRAMEWORK FOR THE ACCREDITED EMPLOYERS PROGRAMME

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1. Background

1.1 Under section 326C of the Accident Insurance Act 1998 (the Act) the Minister for Accident Insurance is required, by notice in the Gazette, to establish a framework under which the Accident Compensation Corporation (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 (the Accredited Employers Programme). This is that Framework.

1.2 The Manager is obliged to follow, and may rely on, the terms of this Framework.

2. Objectives

2.1 The objectives of the Accredited Employers Programme are those set out in section 326B of the Act in the following terms:

The objectives [of the Accredited Employers Programme] 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.

2.2 In order to meet these objectives the Accredited Employers Programme (as set out in this Framework) provides that:

- (a) An employer
 - who meets the criteria set out in section 326E(1) of the Act (as to which see [paragraph 11.2](#)); and
 - who can provide the evidence referred to in [paragraph 11](#) that it meets such criteria,
 may enter into an Accreditation Agreement with the Manager which must be consistent with this Framework. However, to gain entry to the Accredited Employers Programme, an employer must show a commitment and ability to deliver on the injury prevention and rehabilitation objectives in the Act.
- (b) Under the Accreditation Agreement the Accredited Employer will be required to manage and directly fund most of the statutory entitlements of employees of that Accredited Employer who have suffered a work-related personal injury during each Cover Period contained in the Accreditation Agreement (the statutory entitlements the employer does not need to

meet being expressly set out in this Framework and the Accreditation Agreement) (see [paragraph 13](#)). In return the Accredited Employer will be entitled to reduced premiums (see [paragraphs 6 and 9](#)). The underlying philosophy is that this will provide incentives to Accredited Employers to provide injury prevention and rehabilitation thereby reducing work-related injury costs and premiums. It should also encourage Accredited Employers to assist employees to return to work so reducing their dependence on accident compensation. This provides benefits for both employer and employee.

- (c) There will be two categories of plans under the Accredited Employers Programme:
- The Partnership Discount Plan under which the Accredited Employer assumes responsibility for managing and meeting work-related personal injury claims for a period of up to 2 years after each Cover Period but with no liability at the end of the Claim Management Period (other than for accrued obligations) (see [Part 1](#));
 - The Full Self Cover Plan under which the Accredited Employer assumes responsibility for managing and meeting work-related personal injury claims for a period of up to 4 years after each Cover Period and is required to pay to the Manager an amount equivalent to the assessed ongoing liability in respect of claims handed back to the Manager at the end of the Claim Management Period. In return the Accredited Employer receives a significantly higher discount on the premium otherwise payable (see [Part 2](#)).
- (d) The Accredited Employers Programme is not to be an opportunity for Accredited Employers to withdraw from their responsibilities and obligations to employees. On the contrary it is intended to highlight those responsibilities and obligations. Accordingly:
- The offsetting of the risk to the Accredited Employer by way of anything in the nature of an insurance contract with a private insurer is incompatible with the requirement that the Accredited Employer should have a commitment to playing an active role in injury prevention and in management of its injured employees. Such insurance is, therefore, prohibited (see [paragraph 17](#));
 - Although Accredited Employers may, with the consent of the Manager, retain third party providers to assist in the management of workplace injuries this is subject to them maintaining direct personal involvement with the claimant (see [paragraph 18](#)).
- (e) After the signing of the Accreditation Agreement the Accredited Employer will be subject to various reporting obligations and to ongoing monitoring and audit by the Manager, with relevant input from employees and their representatives, to ensure continuing compliance with the criteria and commitment to the objectives of the Accredited Employers Programme (see [paragraphs 19 and 20](#)). The Accredited Employer will also have some opportunity for input into the premium setting (see [paragraph 21](#)).
- (f) The Accredited Employer under the Full Self Cover Plan must, and an Accredited Employer under the Partnership Discount Plan may, have a cap on employer liability (see [paragraph 16](#)).

3. Definitions

3.1 In this Framework, unless the context otherwise requires:

“**Accreditation Agreement**” means a contract between the Manager and an Accredited Employer under the Accredited Employers Programme (being either a Contract for Partnership Discount or a Contract for Full Self Cover);

“**Accredited Employer**” means an employer as defined by the Act who has signed a contract with the Manager under either the Partnership Discount Plan or Full Self Cover Plan;

“**Accredited Employers Programme**” means the programme consisting of the Partnership Discount Plan and the Full Self Cover Plan;

“**Act**” means the Accident Insurance Act 1998;

“**Claim Management Period**”, in respect of each work-related personal injury, commences on the date of such injury and expires, in the case of the Partnership Discount Plan, on the date specified under [paragraph 4.2](#) and, in the case of the Full Self Cover Plan, on the date specified under [paragraph 7.2](#);

“**Cover Period**” means each period of one year (or, where appropriate, part of a year) during which, if an employee of an Accredited Employer suffers a work-related personal injury, the Accredited Employer has the responsibility for meeting that employee’s statutory entitlements to the extent contained in the Accreditation Agreement with the Accredited Employer;

“**Framework**” means this document;

“**Full Self Cover Plan**” means the plan described in Part 2 and “**Contract for Full Self Cover**” means the Accreditation Agreement between the Manager and an Accredited Employer under that plan;

“**Limit**” has the meaning given to it in [paragraph 16.1](#);

“**Manager**” means the Accident Compensation Corporation established under the Act;

“**Partnership Discount Plan**” means the plan described in Part 1 and “**Contract for Partnership Discount**” means the Accreditation Agreement between the Manager and an Accredited Employer under that plan;

“**Risk**” has the meaning given to it in [paragraph 16.4](#);

“**Year**” means, in relation to Cover Periods, a year ending 31 March and (where appropriate) includes part of that year and in relation to the Manager, a year ending 30 June.

3.2 Expressions not otherwise defined in this Framework but which are defined in the Act are to be given the meaning provided in that Act unless the context requires otherwise.

3.3 For the purposes of the management and payment (under an Accreditation Agreement) of claims arising out of a work-related personal injury suffered by an employee of an Accredited Employer during a Cover Period, the Accredited Employer must agree that the injured person is to continue to be the responsibility of that Accredited Employer even if:

- (a) The employment relationship comes to an end subsequent to the injury; or
- (b) The claim for work-related personal injury is lodged after the end of the relevant Cover Period or the end of the employment relationship.

PART 1

Partnership Discount Plan

4. Outline of the Partnership Discount Plan

4.1 The Partnership Discount Plan is open to employers who satisfy the criteria set out in section 326E of the Act (and more particularly contained in paragraph 11) and who enter into a Contract for Partnership Discount with the Manager which provides for self management by the Accredited Employer of all work-related personal injuries to their employees.

4.2 Such Contract for Partnership Discount must specify a Claim Management Period which runs for the remainder of the relevant Cover Period in which the work-related personal injury was suffered together with a further period which must be for a minimum period of 12 months and a maximum period of 24 months from the expiry of that Cover Period.

4.3 The Accredited Employer must agree to meet, during the Claim Management Period, the costs of providing statutory entitlements, to the extent set out in paragraphs 13 and 14.5, in relation to work-related personal injuries suffered during a Cover Period by employees of that Employer.

4.4 If, at the expiration of the Claim Management Period provided for in the Contract for Partnership Discount, an employee of the Accredited Employer, who has suffered a work-related personal injury during the Cover Period, still has or may have statutory entitlements related to that injury, then the management of that claim and responsibility for payment of the statutory entitlements arising after that date must pass to the Manager.

4.5 An Accredited Employer under the Partnership Discount Plan may elect to have its liability above the Limit capped for each respective Cover Period in the manner set out in paragraph 16.

4.6 The initial Contract for Partnership Discount must be for a minimum 3 Cover Periods the first of which may be for a part year with the next two Cover Periods each being for a year. However, on expiry of that initial term, such Contract for Partnership Discount may be extended from time to time but no one extension may be for longer than 3 Cover Periods.

4.7 Nothing in this paragraph is to limit:

- (a) The right of the Manager to cancel the Accreditation Agreement earlier if the Accredited Employer no longer complies with this Framework or no longer fulfils the requirements under the Act (as set out in paragraph 11.2); or
- (b) The right of either party to cancel the Accreditation Agreement for breach by the other party.

4.8 In exchange for the Contract for Partnership Discount, the Accredited Employer is entitled to a lower premium under the Act as calculated under paragraph 6.

4.9 The provisions of this Part 1 are to be read with the general provisions of Part 3 which are common to both the Partnership Discount Plan and Full Self Cover Plan.

5. Eligibility of the Employer

5.1 To be eligible to enter into the Partnership Discount Plan the employer must:

- (a) Satisfy the general eligibility requirements in paragraph 11; and
- (b) Make application to the Manager in the form specified by the Manager; and
- (c) Execute a Contract for Partnership Discount in the form stipulated by the Manager (being a form consistent with the Act and this Framework).

5.2 The decision to offer a Contract for Partnership Discount to an employer is to be made by the Chief Executive of the Manager or his or her immediate delegate.

6. Premium

6.1 In return for the Accredited Employer undertaking to meet, during the Cover Period and any ensuing Claim Management Period, the obligations in [paragraph 13](#) and the other obligations in the Contract for Partnership Discount and this Framework, the Accredited Employer is to be charged a reduced premium in relation to work-related personal injuries as set out in this paragraph.

6.2 The premium to be paid by the Accredited Employer under the Partnership Discount Plan, for periods subsequent to 31 March 2001, is to be calculated in accordance with the following formula:

$$P_{PDP} = LE \times SPR \times \frac{100 - SMP}{100} \times \frac{100 + BHC}{100} \times \frac{100 - D_{PDP}}{100} \\ + LE \times SPR \times \frac{PHC + A_{AEP} + F_{ELC}}{100}$$

Where:

P_{PDP} = Premium for the Partnership Discount Plan (expressed in dollars)

LE = Liabile employee earnings for the relevant Accredited Employer (expressed in dollars)

SPR = Standard premium rate for the relevant Accredited Employer is set out from time to time, in regulations made under the Act (expressed in dollars per \$100 of liable earnings)

SMP = Safety management practices discount for the relevant Accredited Employer as set out, from time to time, in the regulations, made under the Act (expressed as a percentage)

BHC = Bulk health costs calculated in accordance with [paragraph 6.3](#) (expressed as a percentage)

PHC = Allowance for primary health costs incurred by the Manager calculated in accordance with [paragraph 6.4](#) (expressed as a percentage)

A_{AEP} = Contribution to the administration cost to the Manager of the Accredited Employers Programme calculated in accordance with [paragraph 6.5](#) (expressed as a percentage)

F_{ELC} = Amount for employer liability cap (if appropriate) calculated in accordance with [paragraph 6.6](#) (expressed as a percentage)

D_{PDP} = Discount for the Partnership Discount Plan calculated in accordance with [paragraph 6.7](#) (expressed as a percentage)

6.3 The Manager is to remain liable to meet bulk funded health costs including public health acute services and ambulance expenses. "BHC" is intended to meet the Accredited Employer's contribution to such costs. "BHC" is to be fixed by the Manager from year to year based (to the extent reasonably practicable) on the following formula:

$$BHC = \frac{LE}{LE_T} \times APR \times C \times \frac{1}{100}$$

Where (to the extent not defined in [paragraph 6.2](#)):

LE_T = Estimated total liable earnings across all employers

APR = Average premium rate for all employers

C = Estimated bulk health costs for the Cover Period.

The estimated figures are to be the subject of [paragraph 21](#).

6.4 Although primary health costs incurred by employees as a result of work-related personal injuries are required to be met by the relevant individual Accredited Employer, it is recognised that there will, at times, be administrative difficulties of properly identifying:

- that the injury is a work-related one;
- which Accredited Employer is liable; and
- collecting the cost from the correct Accredited Employer.

These difficulties will mean that some of those costs will be borne by the Manager. “PHC” in the formula in [paragraph 6.2](#) is intended to recover those costs across all Accredited Employers as well as the cost of administering the collection of primary health costs from Accredited Employers generally. “PHC” is to be fixed by the Manager from year to year based on actual experience with the proposed cost being the subject of [paragraph 21](#).

6.5 The Manager is to be entitled to recover the likely administration costs during the Cover Period and Claim Management Period arising in respect of the Accredited Employers Programme as it affects the particular Accredited Employer. “A_{AEP}” is intended to reflect that cost. This amount is to be fixed from year to year by the Manager so as to provide full cost recovery but is not to exceed 3% of the premium that would otherwise be payable by the Accredited Employer if it was not a member of the Partnership Discount Plan (or the Full Self Cover Plan).

6.6 An Accredited Employer under the Partnership Discount Plan has the option of being protected by the employers liability cap (as set out in [paragraph 16](#)):

(a) If the Accredited Employer takes that option, “F_{ELC}” is to be a charge fixed by the Manager in relation to that particular Accredited Employer having regard to the general risks associated with the employer, its size and the industry in which it operates.

(b) If the Accredited Employer does not take that option, “F_{ELC}” is to be zero.

6.7 The discount for the Partnership Discount Plan is to be fixed annually by the Manager for each industry class used in fixing employer premiums in regulations made under the Act subdivided (for each such class) into the standard durations of Claim Management Periods to be offered under the Partnership Discount Plan. That discount is intended to be an actuarial calculation of the liability that would be undertaken by the employer within each such industry class had that employer been an Accredited Employer in the Partnership Discount Plan. “D_{PDP}” is intended to be that discount. For the purpose of calculating such discount the following steps are to be taken:

Step 1: The starting point is SPR (as defined in [paragraph 6.2](#));

Step 2: From that is to be deducted:

- Bulk health costs as referred to in [paragraph 6.3](#); and
- Administrative costs as referred to in [paragraph 6.4](#); and
- Primary health costs.

Step 3: The balance, after step 2, is to be treated as being for:

- prudential reserves; and
- claims benefit and case management expenses.

Step 4: The balance, in step 3, is then to be allocated as between:

- (i) the standard Claim Management Periods in the Partnership Discount Plan;
- (ii) any subsequent period of likely claim management.

For the purpose of this calculation:

- (iii) The calculation is to be based on the average employer in that industry class; and
- (iv) The calculation is to use the same actuarial calculations as are used by the Manager in preparing recommendations under section 409 of the Act for the year to which the premium relates.

Step 5: D_{PDP} is the outcome of Step 4(i).

6.8 An Accredited Employer may seek to have the premium payable under the Accredited Employers Programme reviewed under section 310 of the Act (as though that section also applied to Part 10A of the Act) but an Accredited Employer must agree that a certificate from the auditors of the Manager as to the matters referred to in [paragraphs 6.3, 6.4, 6.5, 6.6\(a\), 6.7](#) is to be conclusive of those matters in the absence of manifest error.

6.9 The premium to be paid by the Accredited Employer under the Partnership Discount Plan for the period up to 31 March 2001 is to be calculated in a similar manner to that set out in this [paragraph 6](#) except that:

- (a) D_{PDP} may include the factors included in “BHC”, “PHC and “A_{AEP}”; and
- (b) [Paragraph 21](#) does not apply to such premium setting.

PART 2

Full Self Cover Plan

7. Outline of the Full Self Cover Plan

7.1 The Full Self Cover Plan is open to employers who satisfy the criteria set out in [section 326E](#) of the Act (and more particularly contained in [paragraph 11](#)) and who enter into a Contract for Full Self Cover with the Manager which provides for full self management by the Accredited Employer of all work-related personal injuries to their employees.

7.2 The Contract for Full Self Cover must specify a Claim Management Period which runs for the remainder of the relevant Cover Period in which the injury was suffered together with a further period which must be a minimum period of 24 months and a maximum period of 48 months from the expiry of that Cover Period.

7.3 The Accredited Employer must agree to meet, during the Claim Management Period, the costs of providing statutory entitlements, to the extent set out in paragraphs 13 and 14.5, in relation to work-related personal injuries suffered during a Cover Period by employees of that Employer.

7.4 If, at the expiration of the Claim Management Period provided in the Contract for Full Self Cover, an employee of the Accredited Employer, who has suffered a work-related personal injury during the Cover Period, still has or may have ongoing statutory entitlements in respect of that injury, then the management of that claim and responsibility for payment of all statutory entitlements arising after that date must pass to the Manager but the Accredited Employer is to be liable for the claim and case management expenses of such claims with the amount of that liability being determined under paragraph 10.

7.5 An Accredited Employer under the Full Self Cover Plan must have its liability above the Limit capped for each respective Cover Period in the manner set out in paragraph 16.

7.6 The initial Contract for Full Self Cover must be for a minimum 3 Cover Periods the first of which may be a part year with next two Cover Periods each being for a year. However, on expiry of that initial term, such Contract for Full Self Cover may be extended from time to time but no one extension may be for longer than 3 Cover Periods.

7.7 Nothing in this paragraph is to limit:

- (a) The right of the Manager to cancel the Accreditation Agreement if the Accredited Employer no longer complies with this Framework or no longer fulfils the requirements under the Act (as set out in paragraph 11.2); or
- (b) The right of either party to cancel the Accreditation Agreement for breach by the other party.

7.8 In exchange for the Contract for Full Self Cover the Accredited Employer is entitled to a lower premium calculated under paragraph 9.

7.9 The provisions of this Part 2 are to be read with the general provisions of Part 3 which are common to both the Full Self Cover Plan and the Partnership Discount Plan.

8. Eligibility of the Employer

8.1 To be eligible to enter into the Full Self Cover Plan the employer must:

- (a) Satisfy the general eligibility requirements in paragraph 11; and
- (b) Make application to the Manager in the form specified by the Manager; and
- (c) Execute a Contract for Full Self Cover in the form stipulated by the Manager (being a form consistent with the Act and this Framework).

8.2 The decision to offer a Contract for Full Self Cover to an employer is to be made by the Chief Executive of the Manager or his or her immediate delegate.

9. Premium

9.1 In return for the Accredited Employer undertaking to meet, during the Cover Period and any ensuing Claim Management Period, the obligations in paragraph 13 and the other obligations in the Contract for Full Self Cover and this Framework, the Accredited Employer is to be charged a reduced premium in relation to work-related personal injuries as set out in this paragraph.

9.2 The premium to be paid by the Accredited Employer under the full Self Cover Option is to be calculated in accordance with the following formula:

$$P_{FSC} = LE \times SPR \times \frac{100 - SMP}{100} \times \frac{BHC}{100} + LE \times SPR \times \frac{PHC + A_{AEP} + F_{FSC}}{100}$$

Where:

P_{FSC} = Premium for the Full Self Cover Plan (expressed in dollars)

LE = Liable employee earnings for the relevant Accredited Employer (expressed in dollars)

SPR = Standard premium rate for the relevant Accredited Employer as set out, from time to time, in regulations made under the Act (expressed in dollars per \$100 of liable earnings)

SMP = Safety management practices discount for the relevant Accredited Employer as set out, from time to time, in regulations made under the Act (expressed as a percentage)

BHC = Bulk health costs calculated in accordance with paragraph 9.3 (expressed as a percentage)

PHC = Allowance for primary health costs incurred by the Manager calculated in accordance with paragraph 9.4 (expressed as a percentage)

A_{AEP} = Contribution to the administration cost to the Manager of the Accredited Employers Programme calculated in accordance with paragraph 9.5 (expressed as a percentage)

F_{FSC} = Amount for employer liability cap calculated in accordance with paragraph 9.6 (expressed as a percentage)

9.3 The Manager is to remain liable to meet bulk funded health costs including public health acute services and ambulance expenses. "BHC" is intended to meet the Accredited Employer's contribution to such costs. "BHC" is to be fixed by the Manager from year to year based (to the extent reasonably practicable) on the following formula:

$$\text{BHC} = \frac{\text{LE}}{\text{LE}_T} \times \frac{\text{SPR}}{\text{APR}} \times \text{C} \times \frac{1}{100}$$

Where (to the extent not defined in paragraph 9.2):

LE_T = Estimated total liable earnings across all employers

APR = Average premium rate for all employers

C = Estimated bulk health costs for the Cover Period

The estimated figures are to be the subject of paragraph 21.

9.4 Although primary health costs incurred by employees as a result of work-related personal injuries are required to be met by the relevant individual Accredited Employer, it is recognised that there will, at times, be administrative difficulties of properly identifying:

- that the injury is a work-related one;
- which Accredited Employer is liable; and
- collecting the cost from the correct Accredited Employer.

These difficulties will mean that some of those costs will be borne by the Manager. "PHC" in the formula in paragraph 9.2 is intended to recover those costs across all Accredited Employers as well as the cost of administering the collection of primary health costs from Accredited Employers generally. "PHC" is to be fixed by the Manager from year to year based on actual experience with the proposed cost being the subject of paragraph 21.

9.5 The Manager is to be entitled to recover the likely administration costs during the Cover Period and Claim Management Period arising in respect of the Accredited Employers Programme as it affects the particular Accredited Employer. "A_{AEP}" is intended to reflect that cost. This amount is to be fixed from year to year by the Manager so as to provide full cost recovery but is not to exceed 3% of the premium that would otherwise be payable by the Accredited Employer if it was not a member of the Full Self Cover Plan (or the Partnership Discount Plan).

9.6 An Accredited Employer under the Full Self Cover Plan must be protected by the employers liability cap (as set out in paragraph 16). "F_{FSC}" is to be a charge fixed by the Manager in relation to that particular Accredited Employer having regard to the general risks associated with the employer, its size and the industry in which it operates.

9.7 An Accredited Employer may seek to have the premium payable under the Accredited Employers Programme reviewed under section 310 of the Act (as though that section also applied to Part 10A of the Act) but an Accredited Employer must agree that a certificate from the auditors of the Manager as to the matters referred to in paragraphs 9.3, 9.4, 9.5 and 9.6 is to be conclusive of those matters in the absence of manifest error.

9.8 Notwithstanding the provisions of paragraphs 9.3 and 9.4, paragraph 21 shall not apply to the setting of the premium for the period to 31 March 2001.

10. Transferred Claims Payment

10.1 If, at the expiration of the Claim Management Period provided for in the Contract for Full Self Cover, an employee of the Accredited Employer, who has suffered a work-related personal injury during the Cover Period, still has or may have statutory entitlements related to that injury then:

- (a) Responsibility for payments and the management of the claim must transfer to the Manager; and
- (b) The Accredited Employer must agree to pay to the Manager an amount in respect of the residual liability calculated in accordance with paragraphs 10.2 and 10.3 and to accept the contingent liability in paragraph 10.4. However, the liability of the Accredited Employer is not to exceed the Limit for the relevant Cover Period set out in paragraph 16.

10.2 The amount payable in respect of the residual liability referred to in paragraph 10.1 is to be calculated by the Manager making an actuarial assessment of the then present value of the likely amounts of:

- (a) Future payments of statutory entitlements of that employee (being the statutory entitlements that the Accredited Employer would have paid to or on behalf of that employee had the Claim Management Period continued indefinitely into the future); and
- (b) Case management expenses.

10.3 In respect of both heads of liability under paragraph 10.2 such assessment is to be made:

- (a) From information obtained from the file for such claim together with any additional information obtained by the Manager in respect of the claim (either from the Accredited Employer or otherwise);
- (b) Using the same actuarial calculations (including, where appropriate, inflation allowances and discount rates) as were used by the Manager in preparing the recommendations under section 409 of the Act for the year in which the Claim Management Period terminates;
- (c) Where practical, within one month after the end of the relevant Claim Management Period.

10.4 The Accredited Employer must agree that if, after the expiration of the Claim Management Period provided for in the Contract for Full Self Cover, an employee of the Accredited Employer, who has suffered a work-related personal injury during the Cover Period:

- (a) Makes a claim for that work-related personal injury for the first time (whether because it is work-related gradual process, disease or infection under section 33 of the Act or otherwise); or
- (b) Suffers a subsequent injury (as defined in section 112 of the Act); or
- (c) Reactivates a claim (not being a claim handed over under paragraph 10.1 and for which an assessment was made under paragraphs 10.2 and 10.3),

Then the Manager is entitled to be paid by the Accredited Employer the costs of such claim. Such costs are to include a proper contribution to case management expenses but, in relation to the statutory entitlements of such employee, are not to exceed the amount that the Accredited Employer would have had to pay if the Claim Management Period was still then current. The costs are to be paid to the Manager as they are incurred by the Manager.

10.5 An Accredited Employer must agree that a certificate from the auditors of the Manager as to the matters referred to in paragraph 10.3(b) is to be conclusive evidence in the absence of manifest error.

10.6 The Manager may stipulate in the Accreditation Agreement a date by which the Accredited Employer must provide full information to the Manager about the then known unclosed claims. This is in order that the transfer of responsibility from the Accredited Employer to the Manager can be planned co-operatively and so that there is a smooth transition in the interests of the injured employee. The date so stipulated may be up to 6 months before the end of the relevant Claim Management Period.

PART 3

Provisions Common to both the Partnership Discount and Full Self Cover Plans

11. General Eligibility

11.1 An employer seeking to enter into either a Contract for Partnership Discount or a Contract for Full Self Cover must qualify under the criteria in this paragraph 11.

11.2 Section 326E(1) of the Act provides that:

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).*

11.3 The Manager, in deciding whether an employer meets the statutory requirements set out in paragraph 11.2, must have regard to the degree that the employer can establish, and can produce evidence of systems and documentation to establish, that:

- (a) In relation to s326E(1)(a):
 - (i) It has active and effective health and safety management systems;
 - (ii) It has a hazard management plan;
 - (iii) It has a proper employee information system in place;
 - (iv) It has appropriate employee training and supervision systems in place;
 - (v) It has a documented emergency plan in place which is up to date and under which the key personnel are trained and ready;
 - (vi) It has policies and procedures in place to ensure that all employees (with appropriate involvement and resourcing by their union), have the opportunity to be fully involved in the identification and management of all workplace hazards;
 - (vii) It has appropriate procedures for incident and accident reporting, recording and investigation, including on site accident registers;
 - (viii) It has a process to ensure health and safety procedures are monitored, reviewed and evaluated; and
 - (ix) Its experience in relation to accidents over the previous 3 years (or shorter period where appropriate) substantiates the effectiveness of the foregoing systems and procedures.
- (b) In relation to s326E(1)(b):
 - (i) It has occupational health and safety policies and procedures incorporating the matters referred to in subparagraph (a);
 - (ii) The policies and procedures include a commitment to comply with all relevant legislation, regulations, codes of practice and safe operating procedures;
 - (iii) The policies and procedures are current and have been reviewed within the 12 months preceding the application;
 - (iv) The policies and procedures have been endorsed by the Chief Executive or other similarly senior executive;
 - (v) It has a process in place to keep the policies and procedures up to date;
 - (vi) The policies and procedures ensure that appropriate health and safety information is available to all employees;
 - (vii) There is proper induction training on health and safety matters for new employees;
 - (viii) The policies and procedures provide for ongoing employee input from each main business area;
 - (ix) It does, and can effectively, investigate accidents and incidents; and
 - (x) It does, and can, take corrective action where hazards are identified.
- (c) In relation to s326E(1)(c):
 - (i) It has documented policies and procedures in place that provide a supportive work place environment such that rehabilitation (both social and vocational) after injury is the usual course of action whenever possible, and, to the extent relevant, this has worked in practice in the past;
 - (ii) Those policies and procedures provide for ongoing personal and direct involvement by the employer in the management of any claims by employees for work-related personal injuries; and
 - (iii) Those policies and procedures recognise the employee's need for support, advice and representation from the employee's union or other nominated representative.
- (d) In relation to s326E(1)(d):
 - (i) In addition to the matters under subparagraphs (a) and (b), it has ensured and will ensure:
 - that all employees are regularly informed about, and understand, their responsibilities for the health and safety of themselves and others;
 - that the development, implementation and observance of healthy and safe systems of work is the overriding priority for the employer; and
 - that the employee should not undertake the work if it cannot be done within agreed safe systems of work.
- (e) In relation to s326E(1)(e):
 - (i) It has developed and will implement policies and procedures that comply with the Act for making decisions as to the statutory entitlements of employees suffering work-related personal injuries;

- (ii) The policies and procedures include a full explanation of the review and appeal processes;
 - (iii) The policies and procedures contain safeguards to ensure that entitlements are assessed and provided in an accurate and timely manner;
 - (iv) The policies and procedures will ensure claimants and treatment providers are promptly notified of all decisions affecting them (in full compliance with the Act);
 - (v) The policies and procedures will ensure that all claims by its employees in relation to work-related personal injuries and the employees themselves, are managed in a pro active and appropriate manner;
 - (vi) It can demonstrate an ability to manage disputes arising out of any aspect of injury management and occupational health and safety including dispute resolution procedures;
 - (vii) There is at least one senior executive with clear responsibility for these issues; and
 - (viii) There are proper procedures in place for informing employees of their rights in relation to work-related injuries and the procedures that will or (at their election) can be followed and that proper procedures and policies are in place to ensure representation of employees by their union or other nominated representative where requested; and
 - (ix) It can demonstrate appropriate resources to implement the foregoing policies and procedures.
- (f) In relation to s326E(1)(f), and in addition to the matters set out in subparagraph (e):
- (i) It has policies and procedures that ensure:
 - accurate and timely needs assessments are carried out (including proper bring up systems);
 - planning for rehabilitation is undertaken;
 - rehabilitation is undertaken in an open, consultative manner and in line with agreed procedures;
 - (ii) It has active policies and procedures (developed and implemented with the involvement of the employees' union(s) where present or, if no union, with employee representatives) in place that support the safe and sustainable maintenance of injured employees at work or their safe, early and sustainable return to work;
 - (iii) The systems include provision for the out-of-work impact on the injured employee to be considered and appropriately managed; and
 - (iv) It will make known to its employees its commitment to at work rehabilitation (wherever possible) for injured employees.
- (g) In relation to s326E(1)(g):
- (i) It has in place processes and procedures that ensure that all claims by employees that they have suffered a work-related personal injury are recorded, including full details of:
 - the accident;
 - the circumstances surrounding the accident;
 - the nature of the injury;
 - the severity of the injury;
 - the known consequences of the injury;
 - the nature and severity of the known consequences of the injury; and
 - all decisions relating to the acceptance or otherwise of the claim.
 - (ii) It has in place processes and procedures that ensure that there are full records of:
 - all statutory entitlements claimed by employees;
 - all decisions made as to the acceptance or otherwise of those claims and the treatment and rehabilitation of the employee concerned;
 - all entitlements provided, and the manner of their provision;
 - all payments made on account of statutory entitlements;
 - all treatment and rehabilitation provided and other non monetary steps taken;
 - all relevant calculations; and
 - all interactions with treatment providers.
 - (iii) Such records are capable of being transferred in computer form; and
 - (iv) The systems in place will allow that Accredited Employer to provide monthly reports to the Manager within 5 working days after month end in a format specified by the Manager.
- (h) In relation to s326E(1)(h):
- (i) It has substantial net worth (being total assets minus total liabilities);
 - (ii) That its contingent liabilities are not excessive (details to be provided including an evaluation as to likely crystallisation of those liabilities);
 - (iii) It has an appropriate working capital ratio based on current assets (being cash, marketable securities, and trade receivables) divided by current liabilities.
 - (iv) It has an appropriate equity to debt ratio (being net worth divided by total liabilities); and
 - (v) It has an appropriate return on equity (being net profit divided by total equity).

These figures should, where possible, be provided for the 3 financial periods preceding the application and include best estimates for at least the then current financial period and the next financial period (“*period*” normally meaning a year).

- (i) In relation to s326E(1)(i):
- (i) It has involved its employees and any representatives of its employees in developing the occupational health and safety procedures referred to in this paragraph 11.3; and
 - (ii) It has given its employees and any representatives of its employees adequate opportunities for input into the application for admission to the Accredited Employers Programme.

11.4 The Manager may, from time to time, develop and apply operational procedures which are consistent with the criteria in paragraph 11.2 and the tests in paragraph 11.3, being procedures for determining if the intended Accredited Employer satisfies the criteria in paragraph 11.2 and the extent to which the intended Accredited Employer meets the tests which the Manager is required to have regard to under paragraph 11.3.

11.5 An employer applying to join the Accredited Employers Programme must provide to the Manager evidence that it satisfies each of the criteria in paragraph 11.2 and as to the degree to which it meets each of the tests in paragraph 11.3. Such evidence must be verified by an independent person or persons acceptable to the Manager. The Manager, in its absolute discretion, may require the employer to provide further information about any aspect of the application.

11.6 When applying to join the Accredited Employers Programme, the employer owes to the Manager a duty of absolute good faith to disclose all relevant information.

11.7 The Manager must promptly assess each application by an employer to join the Accredited Employers Programme (supported as required under paragraph 11.5), according to its merits in light of the statutory criteria and this Framework.

11.8 The Manager must treat the information provided by the applicant employer as confidential and not use the information other than:

- (a) For the purpose for which the information was received or other purposes directly related to that purpose; or
- (b) For statistical or research purposes provided there is no publication of the information in a form that could reasonably be expected to identify the employer concerned.

12. More than one Employer

12.1 For the purposes of paragraph 11 an “employer” may comprise more than one legal entity provided the provisions of this paragraph 12 are satisfied.

12.2 An “employer” may be:

- (a) An unlimited partnership; or
- (b) Some or all of the members of a group of companies (as that expression is defined in section 2 of the Financial Reporting Act 1993),

Provided:

- (c) Each of those legal entities undertakes, in the Accreditation Agreement, joint and several liability for all payments, liabilities and obligations arising under that Accreditation Agreement including, for the avoidance of doubt, for all payments, liabilities and obligations arising under that Accreditation Agreement for persons employed by the other entities which are parties to the same Accreditation Agreement.

12.3 Where paragraph 12.2 applies the Manager, when assessing the degree to which the employer satisfies the tests under paragraph 11.3, may, in its discretion, take into account the degree to which the partnership or group as a whole satisfies such tests rather than each individual employer.

13. Injured Employees

13.1 The Accreditation Agreement must specify that whenever a work-related personal injury claim is made by an employee of an Accredited Employer, that Accredited Employer must:

- (a) Promptly process the claim; and
- (b) Keep the employee fully and regularly informed of what is happening; and
- (c) Inform the employee of any review or appeal rights that the employee may have if dissatisfied with the decisions of the Accredited Employer; and
- (d) Promptly pay all treatment providers the treatment expenses for which the Accredited Employer is liable; and
- (e) Properly and fully document the matters referred to in paragraph 11.3(g).

13.2 The Accredited Employer must agree that, during the Claim Management Period, the Accredited Employer must provide all statutory entitlements in relation to work-related personal injuries suffered by that Accredited Employer's employees and pay all the costs in relation to every claim by an employee for work-related personal injury (including administration costs). This is other than:

- (a) To the extent expressly agreed in the Contract for Partnership Discount (if a member of the Partnership Discount Plan); and
- (b) To the extent that the Accredited Employer and the Manager from time to time agree that the Manager will, in exchange for a payment agreed with the Accredited Employer, take over the management of the case of any particular employee; and
- (c) Those health related costs which are bulk funded by the Manager (being public health acute services costs and ambulance expenses); and
- (d) As provided for in paragraph 16 (if applicable).

13.3 For the avoidance of doubt:

- (a) Such statutory entitlements are, during the Claim Management Period for that injury, to be met by the Accredited Employer except to the extent expressly stated in paragraph 13.2;
- (b) The Accredited Employer must agree to pay (or reimburse to the Manager if required by the Manager) all obligations which have accrued at the date of expiry of the Claim Management Period;
- (c) Weekly compensation is to be deemed to accrue from day to day;
- (d) An Accredited Employer must agree that if an employee of that Accredited Employer suffers a work-related personal injury and incurs primary health costs in respect of such injury the costs of which are borne by the Manager, the Accredited Employer must reimburse those costs to the Manager.
- (e) The Accredited Employer must agree to be liable to the Manager for any expenses incurred in respect of the claim by the Manager after the end of the relevant Claim Management Period or on termination or cancellation of an Accreditation Agreement being expenses unreasonably deferred or not met by the Accredited Employer;
- (f) Nothing in this paragraph precludes the Accredited Employer from providing more assistance to the employee than the statutory minimum. However, the Accredited Employer must agree to inform the employee that:
 - (i) More than the statutory minimum is being paid; and
 - (ii) The Manager will not be liable to continue to pay more than the statutory minimum should responsibility for the claim pass to the Manager.
- (g) To the extent that:
 - (i) The Manager has responsibilities and obligations as the "insurer" under sections 54 to 74 of the Act; and
 - (ii) Those responsibilities and obligations arise as a result of a work-related personal injury to an employee of the Accredited Employer,

the Accredited Employer must agree to accept such responsibilities and obligations. This is unless the Act or this Framework or the context requires otherwise.

13.4 The Accredited Employer must agree that where the injury concerned is either:

- (a) Of the type defined in section 33 of the Act (being a work-related gradual process, disease or infection); or
- (b) A subsequent injury (as defined in section 112 of the Act),

Such that, if the Accredited Employer were the "managing insurer" (as defined in section 109 or 112 of the Act), it would be entitled to recover a proportion of the costs of providing entitlements to the employee (and associated costs) under sections 111(2) or 113 (as the case may be) of the Act then:

- (c) The Accredited Employer must manage the claim and make the same payments of statutory entitlements as it would be required to do if it were the Accredited Employer of the injured employee for the whole period of the work-related gradual process, disease or infection or when the "previous personal injury" (as defined in section 112) occurred (as the case may be);
- (d) The Accredited Employer may notify the Manager of the circumstances of the claim and the basis for contending that, if it had been the "managing insurer", it would have been entitled to recover a proportion of the costs of providing the statutory entitlements referred to in subparagraph (c) (and associated costs);
- (e) On notice under subparagraph (d) the Manager must:
 - (i) Take all appropriate steps in a timely manner to check the validity of the claim;
 - (ii) If the claim is valid and the Manager was the "contributing insurer" (as defined in sections 109 or 112 as the case requires) and the previous employer was not an Accredited Employer at the relevant time, the Manager must pay to the Accredited Employer the appropriate amount (calculated under sections 108 or 113(2) as the case requires);
 - (iii) If the claim is valid and if the Manager was not the "contributing insurer" or if the previous employer at the relevant time was an Accredited Employer, the Manager must take reasonable steps to recover the appropriate amount (calculated under sections 108 or 113(2) as the case requires) on behalf of the Accredited Employer and account to the Accredited Employer for all recoveries (after deductions of reasonable collection expenses);
 - (iv) If the Manager considers the claim not to be valid the Manager must promptly notify the Accredited Employer.

14. Processing of Claims

14.1 Each Accredited Employer is to agree to use its best endeavours to ensure that employees suffering a work-related personal injury lodge any resulting claim with that Employer.

14.2 If any such claim is first lodged with the Manager, the Manager must promptly forward such claim to the Accredited Employer and, at the same time, notify the affected employee and known treatment provider that this has been done and that further contact should be direct with the Accredited Employer.

14.3 The Accredited Employer must agree that, for the purposes of sections 50 to 53 of the Act:

- (a) It is the “receiving insurer” if an employee or ex-employee of that Accredited Employer lodges a claim with it under section 55; and
- (b) It is the “managing insurer” if it is liable, under the Accreditation Agreement, to provide statutory entitlements to the employee who has suffered a work-related personal injury.

This is unless the Act or the Framework or the context requires otherwise.

14.4 For the avoidance of doubt, an Accredited Employer must agree that, if it receives a claim for which, under the Accreditation Agreement, it is not responsible it must forward such claim on to the insurer who is responsible and, in the case of doubt, to the Manager.

14.5 Notwithstanding paragraphs 13.2, 14.1, 14.2 and 14.3, if the Manager receives a claim for a work-related personal injury direct from an employee of an Accredited Employer in circumstances where the Manager, in its absolute discretion, considers that, for reasons of a sensitive, personal nature related to the affected employee and/or related to the circumstances giving rise to the claim, it is inappropriate for the Accredited Employer to self manage the claim, the Manager may elect to retain the management of the claim for such period as it thinks fit.

14.6 If, under paragraph 14.5, the Manager has elected to retain management of the claim, the Manager must keep the Accredited Employer informed to the greatest extent practical consistent with the interests of the employee and the reasons giving rise to it managing the claim in the first place.

14.7 The Accredited Employer must agree that if, under paragraph 14.5, the Manager has elected to retain management of the claim, the Accredited Employer will reimburse the Manager all costs and expenses incurred by the Manager in relation to the claim (including proper allowance for the case management expenses that would not have been incurred by the Manager but for the decision to handle the claim).

14.8 Nothing in paragraphs 14.5, 14.6 and 14.7 are to be read:

- (a) As reducing the rights of an insured to elect, under section 32(7) of the Act, to have a personal injury (of the type described in that section) regarded as a non-work injury; or
- (b) As altering the consequences of such an election.

15. Employee Review Rights

15.1 The rights of employees of an Accredited Employer to dispute decisions by the employer as to statutory entitlements are those contained in Part 6 of the Act.

15.2 The Accredited Employer must agree that, for the purposes of a review under Part 6 of the Act:

- (a) The Manager is to provide the reviewer under section 138(2) of the Act;
- (b) The Accredited Employer is to be responsible for arguing the insurer’s interest in the review;
- (c) The Accredited Employer is liable to pay the Manager the reasonable cost of conducting the review; and
- (d) For all other purposes, when the Manager is referred to in Part 6 (the term “Manager” there being included within the term “insurer”), then, if the context permits, the Accredited Employer is to stand in the position of the Manager and is liable for the resulting expense.

16. Employer Liability Cap

16.1 For the purposes of this paragraph 16 “Limit” means any liability, in respect of work-related personal injuries suffered by its employees in any one Cover Period, over 200% of the “Risk” as defined in paragraph 16.4.

16.2 No Accredited Employer within the Full Self Cover Plan is to be liable for more than the Limit with the Manager being responsible for the excess.

16.3 An Accredited Employer within the Partnership Discount Plan may elect to be protected from liability in excess of the Limit (with the Manager being responsible for the excess). Such election is to be contained in the Accreditation Agreement or, if not in there, may be exercised by notice in writing to the Manager not less than 1 month before the commencement of the Cover Period to which it relates (such notice being irrevocable). However, cover will be conditional on the Accredited Employer paying the additional premium that then arises.

16.4 For the purpose of this paragraph 16:

(a) “Risk” means:

$$R = A \times B$$

Where:

R = Risk (in dollars)

A = The premium (expressed as a percentage) that would have been payable in that year by the Accredited Employer if the Accredited Employer were not a member of the Accredited Employers Programme and if there was no safety management practices discount. For the avoidance of doubt the premium is to be calculated without allowance for rebates either under this Framework or performance rebates or discounts or otherwise and without allowance for penalties.

B = Total employee earnings paid by the Accredited Employer in the Cover Period that are liable to be included in the calculation of the premium amount.

(b) The Risk so covered is for the total of all statutory entitlements for which the Accredited Employer is liable arising from all work-related personal injuries of employees of the Accredited Employer in that Cover Period excluding:

(i) Case management expenses; and

(ii) Expenses that would, in any event, be payable by an employer in the same situation but who is not an Accredited Employer (including the first week’s compensation);

but including, where appropriate (for the avoidance of doubt):

(iii) Liabilities arising under paragraph 10.1(b).

16.5 If, in respect of any Cover Period, an Accredited Employer is or is likely to exceed the Limit it must immediately notify the Manager in writing of that together with full details of:

(a) Claimants;

(b) Payments made;

(c) Payments anticipated to be made;

(d) The amount of earnings already paid in the Cover Period and the amount of earnings expected to be paid in the remainder of that Cover Period (being earnings that are used to calculate “B” in the formula in paragraph 16.4(a)); and

(e) Any special circumstances giving rise to the Limit being, or being likely to be, exceeded,

together with such further information as the Manager may, from time to time, thereafter require.

16.6 For the purposes of calculating if the Limit is or is likely to be exceeded for Accredited Employers in the Full Self Cover Plan, future liabilities are to be calculated in the same way as is set out in paragraphs 10.2, 10.3 and 10.5.

16.7 Notwithstanding that the Manager is notified that the Limit is or is likely to be exceeded:

(a) The Accredited Employer must remain liable up to the Limit and is to continue to be responsible for case management for the remaining Claim Management Period; and

(b) If the claims expenses then incurred by the Accredited Employer (being expenses that are included in the calculation of the Limit) exceed the Limit then, at the end of the Claim Management Period or such earlier date as may be agreed between the Accredited Employer and the Manager, the Manager must reimburse the Accredited Employer for any expenses over the Limit for which it is liable within one month of being provided with satisfactory evidence that such expenses have been actually incurred.

16.8 The Accredited Employer must agree that the Manager may, at any time, require a certificate from the auditor of the Accredited Employer as to any of the matters set out in paragraphs 16.4(a) (definition of “B”), 16.5 16.6 and 16.7(b) and that the Accredited Employer will then provide such certificate or, failing that, may remain liable to make the payments required by the Accreditation Agreement as though the provisions of this paragraph 16 do not apply.

17. Incompatibility of Private Insurance

17.1 An important concept behind the Accredited Employer Programme is that Accredited Employers are to have a direct financial interest in maintaining their standards of workplace safety and in integrating injured employees back into the work force. For an Accredited Employer to enter into a private insurance agreement or a reinsurance agreement or a guarantee or other instrument which removes from the Accredited Employer any of the risks it has under its Accreditation Agreement is inconsistent with the objectives of the Accredited Employers Programme. Accordingly, an Accredited Employer must agree not to enter into any contract or arrangement which removes all or any part of the financial responsibility such Accredited

Employer has, to any of its employees who suffer a work-related personal injury during the Cover Period or to the Manager, to meet the statutory entitlements of such employees and associated costs as provided for in the relevant Accreditation Agreement.

17.2 Nothing in paragraph 17.1 is to prevent:

- (a) An Accredited Employer entering into an agreement (for adequate consideration) with a treatment provider for the meeting of costs of treatment (as provided for in Part 1 of Schedule 1 to the Act); or
- (b) Where an Accredited Employer is a member of a group of companies (as that expression is defined in section 2 of the Financial Reporting Act 1993), the requisite statutory entitlement being provided by another member of that group.

18. Delegations

18.1 The responsibilities of each Accredited Employer are to be personal to that employer.

18.2 Notwithstanding paragraph 18.1 and paragraph 11.3(c)(ii), an Accredited Employer may utilise the services of a third party to provide claim and case management services provided:

- (a) The Accredited Employer retains overall responsibility for claim and case management; and
- (b) The Accredited Employer maintains direct personal involvement with the claimant in respect of the claimant's injury management and rehabilitation; and
- (c) The third party provider has, in the opinion of the Manager, the functional capacity to carry out its responsibilities under the Act and this Framework; and
- (d) The Accredited Employer makes full disclosure of the relationship (including the nature of the third party provider's obligations) that exists or will exist with the third party provider; and
- (e) The Accredited Employer will procure that the third party provider undertakes to the Accredited Employer and the Manager to advise treatment providers as to who has the ultimate responsibility for managing the claim and paying the treatment expenses; and
- (f) The Accredited Employer first obtains the consent of the Manager. Such consent is not to be unreasonably withheld if the Manager is satisfied that the requirements of subparagraphs (a), (b), (c), (d) and (e) and the objectives of the Act have been met. The Manager may impose reasonable conditions as part of any such consent.

19. Reporting and Information

19.1 Every Accredited Employer must agree to regularly report to the Manager on claims, the provision of statutory entitlements and expenses arising during the Cover Period and ensuing Claim Management Period. Such reports are to be at the frequency specified in their Accreditation Agreement being not more frequent than 1 month nor less frequent than 3 months. The reports are to be in the form specified by the Manager. Such reports must at least meet the requirements of section 194(1)(g) and (7) of the Act.

19.2 The Accredited Employer must agree that all information received by an Accredited Employer in relation to work-related personal injury claims made by an employee of that employer, or created by the Accredited Employer for the purpose of managing that claim, is, as far as possible, the property of the Manager and:

- (a) The Manager is entitled to access to that information at all reasonable times;
- (b) Where the employee has more than one employer the Accredited Employer consents to the sharing with the other employer such information as the Manager considers necessary to fulfil the obligations of the Manager to the employee under the Act.

19.3 Every Accredited Employer must agree to provide to each employee, without charge, a written statement, in plain English, that specifies the procedures and requirements under its 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.

20. Monitoring and Audit Framework

20.1 The Manager must maintain an active monitoring and audit programme of Accredited Employers to ensure the entry requirements set out in paragraph 11 are maintained and that claimant interests are appropriately addressed.

20.2 This active monitoring and audit programme must include:

- (a) A review of the reporting of claims details and expenditure. This information is to be utilised to provide regular comparative benchmarking reports for the Manager and the individual Accredited Employer and their third party providers (if any) and to allow the identification of any follow-up issues while still protecting privacy and commercial sensitivity;
- (b) Onsite audits at least annually of individual Accredited Employer claims management performance. Such audits are to include and to be consistent with the criteria and tests in paragraph 11;

- (c) Regular meetings between the account manager of the Manager and the Accredited Employer (the frequency of which will depend on the experience of the individual Accredited Employer). The meetings are to review and confirm that appropriate systems are being maintained and to ascertain general satisfaction levels as well as to discuss matters of mutual concern;
- (d) In the discretion of the Manager and in conjunction with the annual audit programme, a claimant satisfaction survey to determine overall claimant satisfaction with the Accredited Employers Programme;
- (e) Active liaison with Accredited Employer's workplace employee representatives (if any); and
- (f) Monitoring of the ongoing solvency of the Accredited Employer and its expected ability to meet its obligations under the Accreditation Agreement.

20.3 The Manager, in carrying out the audit programme referred to in paragraph 20.2, must give representatives of the Accredited Employer, and representatives of employees of that Accredited Employer, an opportunity to be heard in relation to the audit prior to its completion.

20.4 The Manager is to establish an Accredited Employer reference group to serve as a communication forum to effectively obtain employer views and feedback regarding the overall operation of the programme and identify potential areas for improvement (including in relation to the content and application of the monitoring and audit programme).

20.5 The Manager is to appoint a liaison manager to facilitate employee and employer representative input and advice regarding the operation of the Accredited Employers Programme.

21. Premium Setting

21.1 Before setting the premiums payable under paragraph 6 and paragraph 9 for Cover Periods after 31 March 2001, the Manager must seek the views of Accredited Employers on the elements of the premium expressed (in the relevant formula) as the following factors:

- BHC
- PHC

21.2 The views of Accredited Employer are to be sought by the Manager giving notice with supporting details of its proposals:

- (a) To the Accredited Employer reference group referred to in paragraph 20.4; and
- (b) To the extent practical, to individual Accredited Employers by despatch through the ordinary mail or by E-mail,

And giving that reference group and those individual Accredited Employers at least 21 days to respond.

21.3 The Manager must then consider the views expressed before finalising the relevant premium elements.

21.4 Failure to comply with the provisions of this paragraph 21 is not to invalidate the premium set.

22. Payment to Manager

The Accredited Employer must agree that any liability referred to under paragraphs 10.2, 10.3, 10.4, 13.3(b), (d), (e), 14.5, 15.2(c) and 23.1 must be paid to the Manager within one month after demand in writing is made by the Manager and notwithstanding any dispute as to the assessment but without prejudice to the rights of the Accredited Employer in respect of such dispute. Unless expressly otherwise stated in this Framework, such demand may be made by the Manager by way of a lump sum after assessment and/or as the expense is incurred by the Manager.

23. Cancellation or Termination

23.1 The Accredited Employer must agree that on early cancellation of any Accreditation Agreement the Accredited Employer is to be liable to the Manager for:

- (a) All unexpired obligations of the Accredited Employer under the Accreditation Agreement owed or due to employees who have suffered work-related personal injuries that have arisen or would have arisen during the Claim Management Period but for the early cancellation of the Accreditation Agreement;
- (b) An allowance for any further claims that may arise during the remainder of the Cover Period (had it continued).

23.2 The amount of the liability under paragraph 23.1 is to be calculated by the Manager using a basis similar to that in paragraphs 10.2 and 10.3 but taking into account the then known claimants together with provision for future possible claimants and with full allowance for the risks the Manager has been obliged to take over and for related administration costs.

23.3 The Accredited Employer must agree that on:

- (a) Expiry of each Claim Management Period; and
- (b) Cancellation or termination for any reason of any Accreditation Agreement, any Accredited Employer affected is to provide all information and any assistance and co-operation reasonably required by the Manager to enable the Manager:
- (c) To promptly and efficiently take over the ongoing claims and case management of every employee of that Accredited Employer who has suffered a work-related personal injury during the Cover Period; and
- (d) To act in the interests of the employee and the Manager in relation to such case management.

24. Dispute Resolution

Each Accreditation Agreement must include provision for disputes between the Accredited Employer and the Manager, being dispute resolution procedures appropriate to the types of disputes likely to arise between them under the Accreditation Agreement (which may include final offer arbitration).

Dated at Wellington this 10th day of April 2000.

The Hon Dr Michael Cullen.
Minister for Accident Insurance.