QBE Connect Newsflash

NEWSFLASH 81 **May 2010**

Payment of Default Insurance ('DI') Fund Levy by Employers in the Australian Capital Territory

Provisions of the Workers Compensation (Default Insurance Fund) Amendment Act 2009 (no 2) will alter the method by which the Default Insurance (DI) Fund in the Australian Capital Territory (ACT) collects insurer and self-insurer contributions.

The DI Fund meets the costs of workers' compensation claims where a worker suffers a compensable injury but their employer:

- does not have a compulsory insurance policy to cover the worker for the claim; or
- has a policy, but the insurer has collapsed (including the HIH Insurance Group) or cannot provide the indemnity required under the policy;
- is a self-insurer and is unable to pay the injured worker's compensation.

Insurers currently make payments to the DI Fund on a quarterly basis and the costs of these contributions have been incorporated into the insurer pricing structure, making it a hidden levy.

The change in the method that contributions are made is to achieve transparency around the cost of the DI Fund operations. Specifically, insurers will disclose the amount which represents the DI Fund contribution.

The Levy will be collected as a percentage of the base premium. An annual percentage amount to be levied will be notified by the DI Fund in April/May every year and will apply to all policies new or renewed from 4pm 30 June of that year.

For new or renewed policies from 4pm 30 June 2010, the prescribed DI Fund Levy will be 1.70%. GST is payable on the levy.

Like to know more?

If you would like to know more about how this change will impact you, please contact us on 02 6201 3333.

Disclaimer: The content of this information sheet is for distribution to clients and intermediaries of QBE. It provides general information only. It does not take into account matters specific to your business. You should always seek independent professional advice before acting upon anything in this document. No part of this publication can be reproduced without the written permission of QBE Insurance (Australia) Limted.
ABN 78 003 191 035

This email was sent to: **%%emailaddr%%**

This email was sent by: %%Member_Busname%%
%%Member_Addr%%, %%Member_City%%, %%Member_State%%
%%Member_PostalCode%% %%Member_Country%%

We respect your right to privacy - view our policy

QBE