

# ACT EMPLOYERS' INDEMNITY POLICY

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## Introduction

1. Under the Act (defined below) it is compulsory for every employer to obtain a policy of insurance and this document has been designed to meet that requirement.
2. The words "we", "us" and "our" in this document refer to Insurance Australia Limited ABN 11 000 016 722 trading as **CGU Workers Compensation**.
3. The words "you" and "your" in this document refer to the Insured named in the Schedule to this document.
4. You have applied in writing to be covered by this Policy upon payment of an agreed premium.
5. We have therefore agreed to issue this Policy to cover you for the Policy Period, on the following terms.

## Definitions

6. The following definitions apply to the words used in this document. As a reminder, the first letters of the words are printed in upper case.

**Act** means the Workers Compensation Act 1951 as amended and replaced from time to time, including any subordinate rules and regulations.

**Business** means the business, occupation, trade or profession described in the Schedule.

**Injury** means injury as defined by the Act including death and incapacity through disease as per the Act arising out of, or in the course of, the Worker's employment.

**Injury Management Program** means the program which we have designed that integrates all aspects of injury management (including treatment, rehabilitation, retraining, claims management and employment management practices) to achieve the best results for a timely, safe and durable return to work of injured workers.

**Policy** means this document, the Schedule, any endorsement, policy clause, the proposal or application for this policy, and any wages statement or estimate for the Business pertaining to the Policy Period.

**Policy Period** means the period of insurance commencing at 4.00pm on the start date shown in the Schedule and ceasing at 4.00pm on the end date shown in the Schedule, and any subsequent period for which the Policy is renewed.

**Schedule** means the document pertaining to this Policy and titled "Policy Schedule" or "Employers' Indemnity Insurance".

**Worker** means a worker as defined in the Act and employed by you and whose employment is connected to the Australian Capital Territory as determined by the Act.

## Indemnity

7. We will indemnify you for an unlimited amount for any liability you have to a Worker under the Act, or independently of the Act, as a result of an Injury to the Worker during the Policy Period and in addition, will pay all reasonable costs and expenses you incur with our written consent.

## Business Activities

8. The indemnity under this Policy applies to the Business described in the Schedule and does not extend to any other business or occupation unless details have been advised and accepted by us in writing.

## Exclusions

### 1. Failure to give notice of injury

We will not pay for amounts for which you are liable due to a failure to give notice of an injury under Section 95 of the Act.

### 2. Fines and penalties

We will not pay or be liable for fines or penalties which you incur or are liable for under the Act.

### 3. Punitive Damages

We will not pay or be liable for aggravated, punitive or exemplary damages.

### 4. Other Insurance

We will not pay for any liability for which you are indemnified by another policy of insurance.

### 5. Other Compensation schemes

We will not pay for any liability imposed upon you by the provisions of any workers' compensation legislation or any accident compensation legislation in another State or Territory.

### 6. Amounts excluded by the Act

We will not pay for any amount for which the Act expressly states that you are not entitled to be indemnified.

### 7. Contractual Liability

We will not pay for any obligation assumed by you under any agreement or contract with someone other than a Worker except to the extent that the liability to the Worker would have arisen regardless of that agreement or contract.

# Conditions

The Conditions set out below apply to all sections of this policy. If you do not comply with a condition applicable to you, we may be entitled to refuse to indemnify you or to reduce the amount you are entitled to receive.

## 1. General Obligation

You must comply with all of your obligations as an “Employer” set out in the Act.

## 2. Injury Management

You must:

- a) Comply with any obligation we impose under our Injury Management Program;
- b) Comply with any reasonable request by us for information in relation to an injury or a claim for compensation;
- c) Report injuries in the time allowed by the Act;
- d) Co-operate in the development and implementation of personal injury plans where required;
- e) Provide suitable work for full-time, part-time and casual Workers where required.

## 3. Claims Management

You must:

- a) Provide us with notice of the injury (an injury notice as per the Act) within 48 hours after becoming aware that the worker has received a workplace injury;
- b) Forward claims for compensation or any other document in relation to a claim to us within seven days;
- c) Pay any monetary compensation received from us to the person entitled to compensation immediately.

## 4. Services

We will provide in addition to the indemnity set out in this Policy, the services required of an insurer under the Act, and contained in our Injury Management Program.

## 5. Alteration of Risk

You must immediately notify us in writing of any changes you know of which materially alter any of the facts or circumstances that existed at the commencement of this Policy, including a change in your Business.

## 6. Reporting

The Act creates obligations for you in relation to the issue or renewal of a policy of insurance under the Act. We have set out those obligations below. You are required to provide to us:

### a) For each proposed Policy Period

A statement signed by you advising an **estimate** of:

- i. the total wages to be paid to Workers in each category;
- ii. the number of Workers in each category;
- iii. the number of paid and unpaid Workers who will work for you; and

- iv. the amount of time to be worked by each paid and unpaid Worker in that period.

### b) During the Policy Period

- i. A revised estimate of the total wages to be paid to Workers in each category within 30 days of you becoming aware that the total estimate is understated by more than \$500,000.

### c) After the end or cancellation of the policy

- i. A statement signed by you advising the **actual** amount of total wages paid to Workers for the Policy Period within 30 days after the end of the Policy Period or cancellation date.

## 7. Contractual Agreement

- a) We will not pay for or our liability may be reduced, if you enter or have entered (even before you entered into this contract of insurance) into an agreement, release or undertaking which limits or excludes your rights of recovery against, or contribution from, a person or organisation unless such agreement, release or undertaking has been agreed by us in writing or by specific mention in the Schedule;
- b) We will reduce our liability by the same amount that the agreement, release or undertaking has prevented you from recovering from that person or organisation.

## 8. Subrogation

Once we agree that you are entitled to be indemnified by us, we are entitled to use your name in any legal proceedings and to exercise any rights you may have against anyone to recover any payments that we make on your behalf. When we require it, you must execute any necessary documents to assist us in taking action in your name.

## 9. Cancellation Protocol

This Policy may be cancelled by:

- a) **You**, at any time notifying us in writing, in which case:
  - i. cancellation takes place when we receive the notice;
  - ii. we will retain, or be entitled to, premium for the period during which the Policy has been in force, based on our normal short period rates; or
- b) **Us**, if you are in breach of any of its terms and conditions, including the non-payment of premium, or for any other reason available at law, in which case:
  - i. we will first notify you in writing of the breach and we will provide you with a reasonable opportunity to rectify the breach before the Policy will be cancelled; and
  - ii. cancellation takes place at the time you enter into another contract of insurance intended to replace this Policy, or at 4.00 pm on the 14th day after delivery of the notice of cancellation to you, whichever is earlier; and
  - iii. we will refund the premium paid for the unexpired period of insurance, subject to our retaining any customary minimum premium.

You must supply us with such particulars as we may require for the adjustment of the premium following any cancellation.

## 10. Premium Adjustment

The first premium and every renewal premium payable to us will be calculated on the amount of the total wages you estimate you will pay or be liable to pay during the Policy Period. If the actual amount of the total wages differs from the information on which the premium for that year was calculated, the premium will be adjusted accordingly, subject to our retaining any customary minimum premium.

## 11. Inspection

- a) You must not, so far as reasonably practicable, make any alteration or repair to any works, machinery or plant, without our consent, after an injury to a Worker has occurred in connection with the works, machinery or plant;
- b) You must permit us at all reasonable times to inspect your place of business and any equipment or documentation relating to the operation of your business. This includes (not limited to the Policy Period) inspection by any person duly authorised by us of your wages records pertaining to this Policy.

## 12. Admissions

You must not, without our written consent, incur any expense, or make any payment, settlement or admission of liability in respect of any injury to or claim made by any Worker.

## 13. Occupational Health & Safety

You must take all reasonable precautions to prevent Injury and to comply with your obligations under relevant laws in respect of occupational health and safety.

## 14. Court Action

You must send to us immediately upon receipt any legal process issued or commenced against you in respect of an Injury to a Worker.

## 15. Governing Legislation

This Policy is governed by the Act and this Policy and any person's rights pursuant to this Policy will be read subject to the Act as applicable at the time of any claim or exercise of any right pursuant to this Policy.

## 16. Waiver

You must not rely on any waiver of any provision of this Policy unless we have confirmed the waiver to you in writing.



Insurer  
Insurance Australia Limited  
ABN 11 000 016 722  
trading as CGU Workers  
Compensation