

## Employers Liability

In New Zealand we have an ACC system that for many years has been a shining example of how to manage the expectations of business should employees be injured in the workplace.

In the 1970's the ACC would provide lump-sum payments should there be a loss of limb or eyesight or hearing etc as well as the standard payments for medical bills and partial payment of lost wages.

The ACC system however could not sustain these lump-sum payments so dropped them. ACC also had to look further at what it could afford to insure and what it couldn't and had to look very carefully at what defined an Accident. Following this a number of injuries became excluded – these were generally injuries which took longer than 30 days to appear, for example the effects of passive smoking, melanoma, and fairly obviously Occupational Overuse Syndrome (OOS) or Repetitive Strain Injury (RSI).

On this basis Employees can sue for bodily injury occurring in the workplace that falls outside of the Accident Rehabilitation and Compensation Insurance Act. Actions can be taken alleging recklessness on the part of the business and its directors leading to the injury, and most of these actions seek a lump sum payment based on pain, suffering and loss of enjoyment of life.

Apex can provide cover to businesses that provides indemnity for defence costs and damages following these allegations.

No business should be without this cover. A quality defence is always important as it is often the reputation of the business that is at stake let alone the potential cost to the business's balance sheet should a claim be successful.

Apex can provide cover for all of your Liability needs, whether General Liability, Statutory Liability, Employment Disputes, Crime, Directors & Officers and not-for-profit Associations.

We tailor-make to your requirements dependant on your business needs.

## Claims examples:

- An employee had worked for a carpentry company for the last five years, frequently outside in the harsh New Zealand sun. One day he came home sunburned and his wife, noticing that the mole on his neck was getting very dark, suggested he see a doctor about it. The employee went to a dermatologist the next week who advised him that surgery was required to remove the mole and tests needed to see if it was cancerous. As it transpired the mole was a malignant melanoma and further surgery showed that cancer had spread a little way through his body. Fortunately the doctor was confident that the employee would be okay after a course of chemotherapy, but he faced large medical bills as ACC wouldn't pay for it because it was an "injury" from a gradual process rather than an accident. The employee sued the company and recovered most of his legal costs and enough money to pay for his cancer treatment.
- An employee overinflated a tractor tyre until it exploded causing serious injury. He sued for pain and suffering and received an award in the courts against the employer.

To discuss further or for any queries, please contact your Apex Broker or our Technical Manager, Mark Robb:  
[markr@apexinsurance.co.nz](mailto:markr@apexinsurance.co.nz)