

Health & Safety at Work

On 7 August the Government announced the most significant reform of New Zealand's workplace health and safety system in 20 years.

'Working Safer: a blueprint for health and safety at work'

is the Government's response to the recommendations of the Independent Taskforce on Workplace Health and Safety set up in April 2012, partially in response to the Pike River Coal Mine disaster.

The reform package is aimed at reducing New Zealand's workplace injury and death toll by 25 per cent by 2020. The current scenario is reflected in the following annual statistics:

75 workplace fatalities
200,000 work related injuries
750 (est) deaths from work-related diseases

'Working Safer' will see a new Health and Safety at Work Bill replace the Health and Safety in Employment Act.

This will be introduced into Parliament in December 2013.

The legislation will be based on the Australian *Model Work Health & Safety Law*. The new law and key supporting regulations are expected to take effect from the end of 2014.

Its ultimate implementation will have an impact on the liability insurance sector. Of particular significance

Working Safer foreshadows:

- The establishment of a new enforcement agency – *WorkSafe NZ*
- Greater clarity on employers' duties
- Positive duty on company directors
- Stronger penalties for culpable employers:
 - Up to \$600,000 fines for individuals
 - Up to \$3m fines for corporate entities
 - Possible creation of "Corporate Manslaughter"

Whilst we are looking at a 16 month time-frame the changes are likely to be significant so Vero Liability is already considering potential implications particularly for Statutory and Directors & Officers Liability portfolios. We recommend to all our valued broker customers that they find time to look at

<http://www.mbie.govt.nz/what-we-do/workplace-health-and-safety-reform>

It's too early to predict how underwriting will be specifically affected but in the meantime it would probably be appropriate to consider your clients' risk profiles and risk management in the run-up to the new era in workplace health and safety.