

Aon New Zealand – WorkAon Service Level Agreement

for the Administration of Workplace Accident Claims and Case Management Services

1. Scope

This agreement outlines the services WorkAon will provide as third party claims administrator for workplace accidents. This agreement is subject to the requirements outlined in the Accident Compensation Act 2001, and the Accredited Employer Programme Agreement between the Accredited Employer and ACC.

Nothing in this agreement removes or alters the Client responsibilities to meet the cost of statutory entitlements payable to injured employees, or claims received in good faith as receiving insurer.

2. Term

This Agreement sets out the terms and conditions on which WorkAon will provide the claims administration and case management services to the Client, (“the Services”). Unless otherwise agreed in writing with the Client, this Agreement applies to all the Services WorkAon provides to the Client and is subject to any additional or alternative terms which the parties agree in writing. The Client will be taken to have accepted this Agreement by continuing to instruct WorkAon, unless otherwise agreed in writing between the parties. The Agreement commences from the day the Client engages WorkAon and continues until terminated in accordance with this Agreement.

3. Claims Administration and Case Management Services

3.1 WorkAon will:

- 3.1.1 Act as the Client agent in the management of work related accident claims for the Client employees. The functions to be performed by WorkAon as agent for the Client are those functions that have been delegated to the Client by ACC in the agreement between the Client and ACC. These functions include:
- a) register claims;
 - b) triage claims according to the severity of the injury;
 - c) determine and issue cover decisions in conjunction with the Client;
 - d) ensure needs assessments are held on file for claims triaged as high risk;
 - e) pay treatment providers for approved treatments in a timely manner;
 - f) record amounts paid by the Client to injured workers where these payments are legitimate claim costs, e.g. weekly compensation, travel reimbursements, prescription reimbursements;
 - g) assess, check and record weekly compensation payments;
 - h) issue entitlement letters to injured workers who have accepted claims;
 - i) develop an initial action plan for employees with high risk claims within 7 days of notification;
 - j) develop a rehabilitation plan in consultation with employees and their managers within 14 days of a cover decision on all high risk claims;
 - k) review ongoing rehab plans with the Client manager monthly; and
 - l) implement agreed non–progressive rehabilitation processes as appropriate.

- 3.1.2 Maintain a register of claims and hold the official claim file for all workplace injuries.
 - 3.1.3 Data-report all claim records at the end of each month in line with the ACC data specification.
 - 3.1.4 Receive and register all disputes, advise the Client's nominated Disputes Manager, perform an administrative review and forward copies of disputed claim files to the ACC disputes tribunal.
 - 3.1.5 Issue standard monthly reports to the Client's nominated representative within 10 days of the end of each month. Ad hoc reports will also be provided from time to time to assist with understanding injury trends and costs.
 - 3.1.6 Participate in the Annual Accreditation Audit including:
 - a) open claims summary report;
 - b) attend and present files for audit; and
 - c) assist with recommendation relating to injury management.
 - 3.1.7 Participate in ACC monitoring visits including:
 - a) attend and present files for audit; and
 - b) assist with recommendation relating to injury management.
 - 3.1.8 Provide access to, and education in the use of an online tool for the assessment of weekly compensation entitlements, including:
 - a) calculation of rates;
 - b) approval of rates and weekly payments;
 - c) assessment of indexed entitlements; and
 - d) issue of decisions to injured workers of how their entitlement is calculated.
 - 3.1.9 Maintain a quality system to ensure the accuracy and quality of claim data and decisions.
- 3.2 The Client will:
- 3.2.1 Ensure claims forms are completed and forwarded with a copy of the ACC45 medical certificate to WorkAon for all work-related accidents resulting in a claim.
 - 3.2.2 Conduct initial needs assessments for all claims where more than initial treatment is required. These must be forwarded to WorkAon within 4 working days of injury notification.
 - 3.2.3 Make timely decisions on recommendations, e.g.,
 - a) cover;
 - b) disputes; and
 - c) entitlements.
 - 3.2.4 Complete gradual process questionnaires and supply information to WorkAon in a timely manner to allow cover decisions to be made within legislative timeframes.
 - 3.2.5 Record the amount of weekly compensation paid to injured employees, and where more than the standard entitlement is paid advise the employee and WorkAon in writing.

- 3.2.6 Maintain weekly face to face contact with injured employees unable to return to their normal duties, and supply the written confirmations to WorkAon for holding on the claim file.
- 3.2.7 Ensure a Manager/Supervisor attends on-site rehabilitation meetings with the injured employee and WorkAon Case Manager.
- 3.2.8 Ensure medical treatment costs are reimbursed to WorkAon within 7 days of receipt of invoice and schedule.
- 3.2.9 Advise WorkAon immediately of any material change affecting the Client's self-insurance plan, including but not limited to:
 - a) level of stop loss;
 - b) level of high cost claim cover;
 - c) claim management period; and
 - d) ACC Payroll number and CU codes for levy assessment and data reporting.
- 3.2.10 Ensure the name and contact details of the Complaints and Disputes Manager are advised to WorkAon. Liaise and provide instruction to WorkAon on key decisions associated with Disputes and Complaints.

4. Warranty

WorkAon warrants that:

- 4.1 It will perform the Services in an efficient, proper, and professional manner, and will follow all reasonable instructions issued by the Client and its representatives;
- 4.2 WorkAon warrants that the Services supplied under this agreement comply with all New Zealand statutory requirements, including, but not limited to, the Privacy Act 1993, Health Information Privacy Code 1994 and the Accident Compensation Act 2001, including the ACC Partnership Programme Audit Standards, effective 1 April 2017.
- 4.3 All representations (whether express or implied) and all other implied conditions, warranties and terms as to the provision of the Services are otherwise excluded to the extent permitted by law.

5. Fee

WorkAon's fee for providing the Services is outlined in Schedule A, as well as the associated invoicing requirements and payment terms.

6. Intellectual Property

Each party confirms that nothing in this agreement will give any right or interest in the intellectual property of the other party and that neither party acquires any right to use the intellectual property of the other party except as expressly provided in this agreement, or agreed in advance in writing by the other party.

7. Key Performance Indicators

The parties acknowledge that the services provided under this agreement require a substantial degree of co-operation to work together to meet the requirements of the Accredited Agreement. The key performance indicators are outlined in Schedule B.

8. Review

WorkAon and the Client will review the performance of WorkAon and the Client claims experience annually. The issues to be considered at these reviews will include:

- 8.1 The number and types of claims, major trends and claims costs;
- 8.2 Feedback received by the Client from claimants about the service provided by WorkAon
- 8.3 Feedback from audits, monitoring visits or direct from ACC regarding the management of claims;
- 8.4 Any problems that may have arisen; and
- 8.5 The format and content of reports.

9. Liability

- 9.1 To the fullest extent permitted by law and except for damages resulting from fraud, or intentional misconduct by either party and/or its Representatives, each parties' liability to the other for any and all damages, costs and expenses in connection with this contract shall be limited to NZ\$100,000 per claim or loss event and in total aggregate shall in no case exceed NZ\$500,000 if more than one claim loss shall arise.
- 9.2 Neither party will be responsible or liable for any consequential, incidental, indirect or special damage or loss of any kind including but not limited to the following losses: profit, revenue, anticipated savings, data, reputation, goodwill, opportunities or business.
- 9.3 WorkAon will indemnify and keep indemnified the Client against all claims, costs (including solicitor and Client costs), liability and losses (other than special or consequential loss or damage) suffered or incurred by the Client as a result of any act or omission by WorkAon in respect of a Client employee (other than for compensation payable by the Client pursuant to the Accredited Employer Programme Agreement between the Client and ACC), or in any way related to this agreement, or to any alleged breach by WorkAon of any law, except to the extent the same arises as a result of any material act or omission of the Client.
- 9.4 The Client will indemnify and keep indemnified WorkAon against all claims, costs (including solicitor and Client costs), liability and losses (other than special or consequential loss or damage) suffered or incurred by WorkAon as a result of any act or omission by the Client in any way related to this agreement, or to any alleged breach by the Client of any law, except to the extent the same arises as a result of any material act or omission of WorkAon.
- 9.5 This liability clause shall survive expiry or termination of this agreement.

10. Termination

- 10.1 Either party may terminate this agreement without cause, by giving the other party 60 days notice in writing.
- 10.2 If WorkAon is unable to meet the Client's obligations under the Accredited Employer Programme Agreement or otherwise breaches this agreement, Client may in its sole discretion:
 - a) terminate this agreement by giving WorkAon 30 days notice; or

- b) specify a timeframe within which WorkAon has the opportunity to remedy such failure or breach; if WorkAon does not remedy such failure or breach within the required timeframe, the Client may terminate this agreement by giving WorkAon 30 days notice.
- 10.3 If the Client fails to meet its payment obligations set out within Schedule A, WorkAon may in its sole discretion terminate this agreement by giving the Client 30 days notice.
- 10.4 If this agreement is terminated (for any reason):
 - 10.4.1 On and from the effective date of termination:
 - a) WorkAon must immediately return to the Client any documentation, keys, security access cards or other such property made or compiled in the course of providing the Services or otherwise acquired by WorkAon concerning the business or affairs of the Client.
 - b) WorkAon shall cease to provide the Services, unless otherwise agreed by the parties, and subject to any disengagement services required under item 10.4.2 below.
 - c) The Client will pay WorkAon for any outstanding invoices not in dispute.
 - 10.4.2 WorkAon will, if requested by the Client, provide the Client with reasonable disengagement services. WorkAon will provide these disengagement services for the notice period leading up to the effective termination date. WorkAon will charge a reasonable fee for these disengagement services.
- 10.5 Termination is without prejudice to any other rights or obligations either party may have under this agreement.

11. General Conditions

11.1 Confidentiality

WorkAon acknowledges that all Client employee data (“Employee Data”) and any other Client information that comes into its possession or comes to its knowledge in the performance of this agreement is to be treated as confidential information at all times and as such will comply with the provisions of the Privacy Act 1993 and the Health Information Privacy Code 1994. WorkAon may not, during the term of this agreement or following its termination, disclose confidential information to any third party, except as required for performance of the Services or otherwise with the prior written consent of the Client. This confidentiality clause shall survive expiry or termination of this agreement.

11.2 Security

WorkAon will keep its premises secure at all times; take all reasonable steps to prevent unauthorised access to their premises; and limit access to the Employee Data and reports to those of its employees who require access in order for WorkAon to carry out the Services.

11.3 Force Majeure

Neither party will be liable for any act, omission or failure to fulfil its obligations under this agreement if such act, omission or failure arises from any cause beyond the reasonable control of that party, including but not limited to, any act of God or nature, war or terrorism, riot, civil disturbance, national emergency, epidemic, action or inaction of a government or regulatory authority and strike or other industrial action.

11.4 Dispute Resolution

The parties shall use their best endeavours to amicably resolve any dispute between them which may arise concerning the interpretation of this agreement or in relation to any matter arising under this agreement.

11.5 Independent Contractor

The parties acknowledge and agree that this agreement is a contract for services and that nothing in this agreement is to be construed as establishing, and neither party will state, imply or do anything to suggest, a contract of employment, partnership relationship or principal/agent relationship (subject to Medical Treatment Payments made by WorkAon on the Client's behalf in accordance with this agreement) between WorkAon and the Client.

11.6 Assignment and sub-contracting

WorkAon must not assign, sub-contract, sub-licence, or otherwise deal with its rights and obligations under this agreement in any way without the Client prior written consent.

11.7 Notices

Any notice given pursuant to this agreement must be in writing and be delivered, or sent by post or by email. The Client will provide to WorkAon a postal, delivery and email address. Notices to WorkAon should be posted to WorkAon, Attention David Wood, PO Box 1184, Auckland, delivered to WorkAon, Attention David Wood, Level 16, AMP Centre, 29 Customs Street West Auckland 1140 or emailed to david.wood@aon.com .

Any such notice will be assumed to have been delivered:

- a) in the case of delivery, when received;
- b) if sent by email, at the time the email enters the recipient's information system as evidenced by a delivery receipt requested by the sender and it is not returned undelivered or as an error;
- c) in the case of posting, on the second working day after the date of posting.

11.8 Variation and Entire Agreement

WorkAon is entitled to change this Agreement from time to time, in which case we will provide the Client with an amended agreement. Unless WorkAon receives written notice from the Client, the amended Agreement will be deemed to be accepted after 30 days from the date WorkAon provides the Client with the amended agreement. If the Client does not accept the amended agreement, it may terminate the agreement by written notice, termination to take effect immediately upon receipt of notice by WorkAon.

The terms and conditions set out in this agreement represent the entire agreement of the parties and replace any previous agreements, contracts or understandings.

Where changes are made to the Accident Compensation Act 2001, the Accreditation Agreement with the Client, or the Audit Standards, both parties will use best endeavours to develop processes to meet these changes. The parties will negotiate in

good faith where changes to systems or processes will result in additional or reduced activity or cost in delivering a revised service.

11.9 Jurisdiction

The relationship between WorkAon and the Client as set out in this Agreement is governed by the laws of New Zealand and the New Zealand courts will have exclusive jurisdiction.

11.10 Counterparts

This agreement may be executed in counterparts, which, when executed, will constitute and be read as the same document.

Schedule A Fees and Medical Treatment Payments

1. Invoicing

1.1. WorkAon will invoice the Client the annual fee in advance on a monthly basis, with each invoice being for the pro rata monthly portion of the annual fee.

2. Medical Treatment Payment

2.1. WorkAon will provide the Client with a regular claims invoice for payment, detailing all Medical providers and claimants, together with the name of the claimant to whom the claim relates and the relevant region.

2.2. An administration fee of \$50 plus GST will be charged on each fortnightly medical treatment schedule produced.

3. General

3.1. Undisputed invoices issued by WorkAon under this agreement will be paid by the Client within 7 days of receipt of the invoice.

3.2. The Client will not be liable for paying or reimbursing WorkAon for any disbursements incurred by it, unless prior authorisation is given by the Client to incur the disbursement, subject to Medical Treatment Payments made by WorkAon on the Client's behalf in accordance with this agreement.

3.3. Any additional services and products provided will be agreed in advance by the parties and charged separately.

Schedule B Key Performance Indicators

Key Performance Indicator	Responsibility
95% of claims registered within 2 working days of receipt	WorkAon
100% of High Risk claims triaged and allocated within 2 working days of receipt	WorkAon
100% of all High Risk claims notified to Client within 2 working days of receipt	WorkAon
Initial Needs Assessment conducted on all High Risk claims within 4 days of notification	Client
Client Managers complete and forward claim forms and questionnaires to WorkAon within 7 days of request	Client
90% of cover decisions for PICBA claims made within 21 days	WorkAon
90% of cover decisions for Gradual process claims made within 60 days	WorkAon
100% of Initial Action Plans developed for High Risk claims within 7 days of notification	WorkAon
100% of High Risk claims have a rehabilitation plan developed within 14 days of a cover decision	WorkAon
Weekly Monitoring notes completed and forwarded to WorkAon for all claims where an injured employee remains on restricted hours and/or restricted duties	Client
Pre-injury earnings details recorded in weekly compensation calculator within 7 days of cover decision for lost time claims	Client Payroll
Weekly compensation payments recorded for all accepted lost time injuries within 7 days of pay cycle	Client Payroll
Data reporting to ACC is submitted within 5 working days of the end of each month	WorkAon
Management reports emailed within 5 working days of each month end	WorkAon
Medical treatment costs are reimbursed to Aon within 7 days of invoicing	Client
Formal disputes notified to the Client within 2 working days of receipt	WorkAon