

**2009**

**THE LEGISLATIVE ASSEMBLY FOR THE  
AUSTRALIAN CAPITAL TERRITORY**

**WORKERS COMPENSATION (TERRORISM) AMENDMENT BILL 2009**

**EXPLANATORY STATEMENT**

**Presented by  
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## **Workers Compensation (Terrorism) Amendment Bill 2009**

### **OUTLINE**

After the 11 September 2001 terrorist attacks most insurance companies withdrew products offering coverage for an act of terrorism. Any products covering acts of terrorism that have been placed back on the market have been prohibitively expensive. As a result it is either not possible, or is an unreasonable burden, for employers to gain workers compensation coverage for an act of terrorism.

In order to provide protection for workers injured in the event of a terrorist incident a temporary reinsurance fund was established through the insertion of the provisions of Chapter 15 of the *Workers Compensation Act 1951* (WC Act). The initial amendment contained a sunset clause of 1 October 2004 but further amendments have extended these protections until 1 October 2009, noting that subsection 224(1)(b) establishes that the provision only cover acts of terrorism that occur before 1 April 2009.

The Workers Compensation (Terrorism) Amendment Bill 2009 will extend these provisions to cover acts of terrorism occurring before 1 April 2012.

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## **Workers Compensation (Terrorism) Amendment Bill 2009**

### **Detail**

#### **Clause 1 — Name of Act**

This is a technical clause that names the Act. The name of the Act is the *Workers Compensation (Terrorism) Amendment Act 2009*.

#### **Clause 2 — Commencement**

The Act commences on the day following the day the Act is notified on the ACT's Legislation Register.

#### **Clause 3 — Legislation amended**

This clause identifies the Act to be amended, namely the *Workers Compensation Act 1951*.

#### **Clause 4 — Payments out of DI fund - Section 166B(3)**

This clause will change the date that payments can be made out of the DI fund for transfer to the terrorism cover temporary reinsurance fund under chapter 15 (from 1 October 2009 to 1 October 2012).

#### **Clause 5 — Application of ch 15 to insurers – Section 224(1)(b)**

This clause will establish that Chapter 15 of the *Workers Compensation Act 1951* applies to insurers if an act of terrorism has occurred before 1 April 2012. It currently applies to acts of terrorism that occur before 1 April 2009.

#### **Clause 6 — Entitlement of insurers to reimbursement from temporary fund – section 228(2)(a)**

This clause will establish that an insurer is entitled to have their uninsured liability fully reimbursed from the temporary fund for an act of terrorism that happens before 1 April 2012. Insurers currently have this entitlement to acts of terrorism that occur before 1 April 2009.

#### **Clause 7 — Section 232**

This clause will establish that Chapter 15 of the *Workers Compensation Act 1951* expires on 1 October 2012. Chapter 15 currently expires on 1 October 2009.