

1.8. Excess of loss insurance

- a) A Self-insured employer must obtain and maintain an excess of loss insurance policy and produce provide a full copy of this policy to evidence of its existence, to the satisfaction of ReturnToWorkSA.
- b) Such excess of loss insurance must satisfy the following:
 - (i) not less than \$100 million on the sum insured,
 - (ii) a deductible of not less than \$500,000 per event or series of related events, and
 - (iii) if the self-insured employer elects to include a stop loss excess or an aggregate excess, such stop loss or aggregate excess must not be less than the higher of:
 - (A) three times the individual event excess, or
 - (B) Ten percent above the average incurred claim cost for the three immediately prior years.
- c) The excess of loss policy must not be contingent on the solvency of the self-insured employer, a group of self-insured employers or member of a group of self-insured employers.
- d) ReturnToWorkSA must be listed as a beneficiary on the excess of loss policy. In the event the Self-insured employer ceases to be registered as a Self-insured employer and all or part of its liabilities are undertaken by ReturnToWorkSA, ReturnToWorkSA will claim the benefits for such liabilities otherwise payable to the former Self-insured employer in accordance with the terms and conditions of its excess of loss policy, which notes the respective rights and interests of ReturnToWorkSA as a joint reinsured party.

Commented [AM1]: This is the way for a self-insured employer to establish that a claim is covered by the EOLI policy, to enable recoveries to be taken into account for the Financial Guarantee calculation.

- Commented [AM2]:** 1.8 (d) is added to the document
- Commented [AM3R2]:** Outlines one of the rationales for RTWSA to be included as a Beneficiary on EOLI policies
- Further detail and explanation for this change in the Explanatory Note
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