

CoverPlus v CoverPlus Extra

Differences and Scenarios

Sole trader example

John – Builder (CU 41110), Self-employed since 2002

Average taxable income last 3 years - \$80,000

	CoverPlus	CoverPlus Extra (Standard)	CoverPlus Extra (LLWC)*
Level of Cover	\$64,000	\$64,000	\$64,000
Total Levy (incl. GST)	\$2,833	\$2,946	\$2,857

*LLWC = Lower Levels of Weekly Compensation. This option is where the applicant can choose to forgo the non-abatement benefit of ACC CoverPlus Extra Standard, for a reduced levy.

*CU = 41110 House Construction

*2023/2024 levy rates

John may choose to reduce his level of cover

	CoverPlus	CoverPlus Extra (Standard)
Level of Cover	\$64,000	\$34,679
Total Levy (incl. GST)	\$2,834	\$1,630

*All levies quoted are indicative only and include GST

A difference of \$1,204

Please note when reducing the level of cover consideration should be given to the effect on both weekly compensation and on fatal entitlements available to the covered person's spouse, children and dependents.

Non PAYE shareholder example

Foster's Furniture Removal

- Two non-PAYE shareholders both currently on ACC Workplace Cover under the company classification code of Road Freight Transport (Furniture Removal Service) – 61100
- Average income last 3 years
 - Liz Foster \$100,000
 - Scott Foster \$125,000
- Individual shareholder's role within business
 - Liz Office Manager
 - Scott Operations Manager



Cost comparison

Current Situation with Workplace Cover

	Scott Foster	Liz Foster	TOTAL LEVY
Current CU	61100 Road Freight	61100 Road Freight	
Current Levy ACC Workplace Cover*	\$5,103	\$4,082	\$9,185
Level of Cover (up to)	\$100,000	\$80,000	

With change in classification code & change to CoverPlus Extra

	Scott Foster	Liz Foster	NEW TOTAL LEVY
New CU	61100 Road Freight	78540 Office Admin	
New levy ACC CoverPlus Extra*	\$5,284	\$1,893	\$7,177
Level of Cover (agreed amount)	\$100,000	\$80,000	

*All levies quoted are indicative only, using 2023/24 levy rates and including GST

Cost comparison

Change to CoverPlus Extra, Classification code and cover level

	Scott Foster	Liz Foster	TOTAL LEVY
New CU	61100 Road Freight	78540 Office Admin	
Current Levy ACC CoverPlus Extra*	\$2,688	\$872	\$3,560
Level of Cover (up to)	\$50,000	\$34,679	

***All levies quoted are indicative only, using 2023/24 levy rates and including GST**

A difference of \$5,625

In addition to the new classification code, Foster's Furniture Removal may consider the level of cover required for each individual. Above is an example where Liz's level of cover is reduced to the statutory minimum of \$34,679 and Scott's level of cover is reduced to \$50,000

Please note when reducing the level of cover consideration should be given to the effect on both weekly compensation and on fatal entitlements available to the insured's spouse, children and dependents

FATAL CLAIMS

Weekly compensation for fatal claims

- Accidental death is Payable from the date of fatal accident
- Spouse may receive up to 60% of the insured's weekly compensation entitlement
 - Weekly compensation under CoverPlus and Workplace Cover is 80% of the claimant's earnings over the last 52 weeks (e.g. 80% of earnings in last 52 weeks / 52).
 - Weekly compensation under CoverPlus Extra would be 100% of the agreed level of cover / 52.

Weekly compensation for fatal claims

- Compensation is up to 5 years for a surviving spouse with no dependant children (some other conditions apply)
- Surviving spouse compensation can continue beyond 5 years if there are dependants
 - Compensation can continue until youngest child or dependant of the deceased turn 18
- Each child or other dependant may receive up to 20% of the weekly compensation entitlement
 - Child must be under 18 or under 21 if in full time study
 - Pro-rata calculation used for 3+ children (spouse compensation reduced)
 - Children receive their entitlement themselves from age 16

Fatal claim case study

John has a spouse and two children, a five year-old and an eight year-old. If John died as the result of an accident, his spouse and children would be entitled to the following...

CoverPlus – last year’s income \$80,000 (cover amount @80% = \$64000)

	\$ per year	\$ over the life of the claim*	
Spouse	\$38,400	\$499,200	Total \$870,400
Eight year-old	\$12,800	\$166,400	
Five year-old	\$12,800	\$204,800	

CoverPlus Extra – agreed cover \$34,679

	\$ per year	\$ over the life of the claim*	
Spouse	\$ 20,807	\$ 270,491	Total \$471,635
Eight year-old	\$ 6,936	\$ 90,168	
Five year-old	\$ 6,936	\$ 110,973	

-(398,765)

* if the children were in tertiary education until 21

These figures are an indication and should only be used as a general guide

Accidental Death can include

- Motor vehicle accidents
- Work accidents
- Sports accidents
- Drowning
- Treatment injury
- Murder
- Accidents in the home
- Work related gradual process