



New South Wales

NSW Self Insurance Corporation Amendment (Special Liability Insurance) Bill 2024

Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

Overview of Bill

The object of this Bill is to amend the *NSW Self Insurance Corporation Act 2004* (the *principal Act*) to authorise the NSW Self Insurance Corporation (the *Corporation*) to—

- (a) create a special liability insurance for certain persons delivering out-of-home care and youth homelessness services to cover physical and sexual abuse claims, and
- (b) establish a Special Liability Insurance Fund for special liability insurance.

Outline of provisions

Clause 1 sets out the name, also called the short title, of the proposed Act.

Clause 2 provides for the commencement of the proposed Act.

Schedule 1 **Amendment of NSW Self Insurance Corporation Act 2004 No 106**

Schedule 1[1] inserts definitions for *out-of-home care*, *special liability insurance* and *Special Liability Insurance Fund*.

Schedule 1[2] inserts proposed section 8D which establishes the following functions of the Corporation—

- (a) to carry on the business of providing special liability insurance to persons who provide out-of-home care or youth homelessness services under contract with the Crown,

- (b) to manage the Special Liability Insurance Fund,
- (c) to enter into arrangements with certain persons relating to the exercise of these functions.

Schedule 1[5] makes it clear that the Special Liability Insurance Fund and special liability insurance are separate to the Self Insurance Fund established under the principal Act. **Schedule 1[3], [4] and [6]** make consequential amendments.

Schedule 1[7] inserts proposed Division 3A which provides for the establishment of the Special Liability Insurance Fund. The proposed division also sets out what money must be paid into and from the Special Liability Insurance Fund.

Schedule 1[8] provides that the Corporation may invest money in accordance with the *Government Sector Finance Act 2018* and the Treasurer may determine investment strategies.

Schedule 1[9] requires the Minister to review certain provisions of the principal Act to decide whether the policy objectives of the provisions remain valid and whether the terms of the principal Act remain appropriate for securing the policy objectives. The review is required as soon as possible after the period of 2 years from the commencement of the proposed Act and a report of the outcome of the review must be tabled in each House of Parliament within 12 months after the end of the period of 2 years.

Schedule 1[10] provides that the special liability insurance does not apply to certain liabilities arising before 30 June 2007 or if the liability is covered by some other insurance issued before the commencement of proposed Division 3A.