

CoverPlus Extra (CPX) Cancellation or Cessation policy v19.0



Summary

Objective

This policy covers what to consider when a CPX policy must be cancelled or ceased.

Owner Name withheld

Expert Name withheld

Policy

1.0 Customer has ceased trading

- a** ACC defines cessation as when a customer ceases to be self-employed or a shareholder, and will stop filing all sources of liable earnings (shareholder remuneration, self-employed, partnership or adjusted LTC income, and schedular payments). An example of this is when they've found work as an employee for someone else, or may have retired. The reason for cessation is not relevant to ACC.
- b** This can be advised via MyACC for Business, over the phone, or in writing.
- c** Customers can request to have their account ceased in advance, though it is advised not to do this too early in case their situation changes.
- d** The account is ceased and the CPX policy is cancelled from the date the customer stopped self-employment.
- e** Non-standard Balance Dates (NSBDs) do not apply to CPX, as it strictly follows a 01/04 – 31/03 year with a nominated Level of Cover for the year. Customer will be ceased on their balance date if that is when they have stopped working so that they are covered for their full employment. If we ceased them on the 31/03 of the year before, while technically being the last year they filed earnings, they would not be covered by CPX for that period and would be covered by CoverPlus instead.

2.0 Customer asks to cancel their CPX policy and revert to standard cover

- a** This must be in writing, via one of the following methods:
 - An email or letter from the account holder or an authorised party
 - Via MyACC for Business
 - Via live chat
 - ACC7110 Change of details form

The ACC7110 Change of details form must be submitted by the customer, and not a third party. All other methods of request can be submitted by either the customer or an authorised third party.

- b** Customers can request to cancel CPX in advance, though it is advised not to do this too early in case their situation changes.
- c** CPX Policy cancellations on request cannot be back-dated.

- d** The later of the two dates should be used when cancelling a CPX policy:
 - The date requested by the customer
 - The date the cancellation request was received

Example 1: We receive a request on 12 March 2020 to cancel the CPX policy from 31 March 2020. We would cancel from 31 March 2020.

Example 2: We receive a request on 10 July 2020 to cancel the CPX policy from 1 June 2020. We would cancel from 10 July 2020.

3.0 Customer hasn't paid their invoice by the due date

- a** CPX policies are cancelled automatically by the system when they are not paid in full by 5 working days after the due date.
- b** When a CPX policy is cancelled due to non-payment, the cancellation will be backdated to the start of the levy year.
- c** To avoid cancellation the customer must make payment in full or set up a standard direct debit payment plan before the due date.
- d** CPX is an optional alternative to standard cover. When a CPX policy is agreed to by the customer, part of the terms and conditions is that payment must be received by the due date or the agreement has no effect. These terms are also specified in our legislation.
- e** Cancellation of CPX doesn't mean the customer has no cover – they still have the default cover for self-employed (CoverPlus) or shareholder-employees (Workplace Cover).
- f** If a CPX invoice is on a payment plan/arrangement and a payment is missed, a call activity is created in Juno_BillingCenter. After 5 days, Juno_BillingCenter will send a notification to Juno_PolicyCenter and create a 'Process CPX Delinquency' activity for the Operations Admin team. The CPX policy will then be cancelled.
- g** If a customer requests a change to their policy, they still need to pay any issued invoices by the due date. If a debit resulting from a policy change is not paid by the due date, but the original invoice has been paid, one of the two scenarios will apply:
 - If the increase in levy was from a change to level of cover, the change will have no effect and the policy will be reverted to the previous cover details.
 - If the increase in levy was from a change in BIC, the policy will be cancelled effective from the start of the levy year.

h If a customer makes partial payment of a CPX invoice before the due date, this will generate a call activity in Juno_Billing Center. After 5 days, Juno_BillingCenter will send a notification to Juno_PolicyCenter and create a 'Process CPX Delinquency' activity. The CPX policy will then be cancelled.

Exceptions are as follows:

- There is a clear mistake in the payment, for example a Typo, indicating the customer intended to pay in full. In this case, ACC will contact the customer to provide opportunity to pay the outstanding amount.
- The customer did not receive an invoice with a clear amount owing. This is often the case if their previous policy cancelled and they reapplied before the credit note was issued. This results in an adjusted credit note, rather than an invoice. In this case, ACC will contact the customer to provide opportunity to pay the outstanding amount.

i ACC should never apply a Trouble Ticket to a CPX invoice. In the event that a TT is applied to a CPX invoice in error, ACC will honour it and payment will need to be made within the TT period.

4.0 Reinstating a CPX policy that has been cancelled due to non-payment

a In some cases, ACC has the discretion to reinstate a CPX policy which has been cancelled due to non-payment. These requests can only be approved by specific delegated staff members. Other staff should never make a commitment to a customer that a cancelled policy will be reinstated.

ACC can reinstate policies under the following circumstances:

- A request to set up a payment plan was received by the due date; however ACC did not process this request in time - can be approved by Operations Admin, Operations Specialists and the Incentives team.
- Payment is made to ACC using an incorrect reference number by due date, but funds did not appear on the correct account in time - can be approved by Operations Specialists and the Incentives team.
- Payment was allocated from a Suspense account at a later date but paid by the due date - can be approved by the Incentives team.
- Customer had provided new address to ACC (evidence to back this up) but ACC fails to update before the invoice is issued and the customer does not receive their invoice - can be approved by the Incentives team.
- A customer has been promised a Trouble Ticket (TT) but ACC does not apply it in error. The customer then pays within the TT expiry date - can be approved by the Incentives team.
- The customer did not receive an invoice with a clear due date. This is often the case if their previous policy cancelled and they reapplied before the credit note was issued. This results in an adjusted credit note, rather than an invoice. In this case, ACC will contact the customer to provide opportunity to pay the outstanding amount.
- There is other clear evidence of an intent to pay - can be approved by the Incentives team.

ACC will NOT reinstate in the following circumstances:

- Customer failed to provide ACC with new address prior to invoicing or due date of invoice.
- A customer has been promised a Trouble Ticket from a CER, however fails to pay before the hold expires
- The CPX policy has passed its invoice due date but the policy is still active on the system – policy must be cancelled.


b See the Create or Maintain CoverPlus Extra (CPX) Policy process to reinstate a CPX policy.

 **PROCESS** **Create or Maintain CoverPlus Extra (CPX) Policy**

5.0 Customer is no longer eligible for CPX

a For CPX policies where the customer has been identified as not being eligible for CPX cover, the date the CPX policy ends depends on why the customer is not eligible.

b If the customer is part-time and either their most recent liable earnings, or their three year average liable earnings are below the current CPX minimum, the CPX policy is cancelled from the date that ACC identified the customer is no longer eligible. We do not backdate in this instance as if the customer had made a claim for weekly compensation up until this point, the claim would have been approved under their CPX policy.

 CPX Maximum and minimum table
<https://www.acc.co.nz/for-business/received-an-invoice>

- c** If a shareholder-employee begins receiving PAYE from a company that they are a shareholder of (known as 'internal PAYE'), the CPX policy is cancelled from the day before the PAYE starts/started.

6.0 Customer is deceased

- a** These accounts should be managed by a member in Collections & Recoveries, who will send an activity to Policy Admin to cease the account.
- b** The account is ceased and the CPX policy is cancelled from the date the customer passed away.

7.0 Customers receiving ACC weekly compensation

- a** We cannot cancel a CPX policy simply because a customer has been injured and is receiving weekly compensation. This is because the customer should still be covered in the event of a subsequent incapacity. However, we can cancel the policy under these circumstances if the customer requests it.
- b** Customers who receive weekly compensation may request for their CPX policy to be stopped. Should this occur treat this as a cease. We must ensure CPX is active at the time of both injury and incapacity.
 - end the CPX policy 5 calendar days after the customer received their first weekly compensation payment.
 - remove any other CPX policies after this date for the full period.

 **PROCESS** **Cease or Cancel CoverPlus Extra (CPX) Policy (Manual)**

 **PROCESS** **Cease or Cancel CoverPlus Extra (CPX) Policy (System)**
