



13 December 2023

Kia ora [REDACTED]

**Your Official Information Act request, reference: GOV-029022**

Thank you for your emails of 15 and 16 November 2023, asking for information under the Official Information Act 1982 (the Act). Please find our responses to each of your questions below (our numbering).

**15 November questions**

1. *Can you provide the relevant Acts and function of how the ACC works in this arms length 'crown entity' arrangement? Please be specific and quote Legislation and the relevant sections.*

ACC is governed as a Crown entity according to the Accident Compensation Act 2001 and the Crown Entities Act 2004. Information about Crown entities is available on the Public Service Commission website here: [www.publicservice.govt.nz/system/crown-entities/](http://www.publicservice.govt.nz/system/crown-entities/).

2. *The Accident Compensation Corporation (ACC) isn't easy to find on the companies office registry. Can you please advise the detail of the registration and formal legal name of the Accident Compensation Corporation? ie identify the legal entity trading as ACC.*

Accident Compensation Corporation is the formal legal name, and is commonly known and referred to as ACC. It is not a company, but rather a Crown Agent. It is listed under Schedule 1, Part 1 of the Crown Entities Act 2004, which you can view at:

[www.legislation.govt.nz/act/public/2004/0115/latest/DLM331113.html?search=sw\\_096be8ed81db3340\\_Accident\\_25\\_se&p=1&sr=0](http://www.legislation.govt.nz/act/public/2004/0115/latest/DLM331113.html?search=sw_096be8ed81db3340_Accident_25_se&p=1&sr=0)

3. *The ACC will be a New Zealand entity of course, is this true?*

Yes, it was established under New Zealand legislation.

4. *Debt collection for unpaid levies. Can policies related to outstanding debt/unpaid levies be provided? Please ensure that this is over the last few years and if COVID matters and the impact were part of the policy creation process. (These will be internal processes and other related official type operation information).*

We have identified the following policies as being relevant to your question:

- Levy penalties policy
- Levy Insolvency policy
- Levy delinquency letters policy
- Levy missed payments policy
- Levy debt collection agencies policy

Please note that policies are periodically reviewed, and may be edited at any time (including for minor wording changes or for correcting typos). As you have asked for policies for the last few years, we have included the current versions of the above policies, as well as historic versions (current as at 31 December 2020). Please find these in the following attachments:

- Levy debt policies – CURRENT 12 DEC 2023
- Levy debt policies – HISTORIC 31 DEC 2020

There were no changes to ACC's policies in response to the COVID 19. However, during the COVID Lockdown (and for events such as natural disasters), ACC stopped some debt collection actions, including:

- Sending collection letters
- Issuing delay invoices
- Adding late penalties.

Please note we have removed the ACC staff members' names from the documents provided with this response as we consider them to be outside of the scope of your request.

5. *Can government departments like IRD, The Ministry of Justice etc list debts on credit reporting agencies through third parties?*

As advised on 29 November 2023, this request has been transferred to IRD and Ministry of Justice for response.

6. *Is ACC able to list debts or support a third party to list debts?*

ACC has instructed debt collection agencies (DCAs) not to list debts for individuals, but we have given permission for DCAs to list debts for companies where there is non-compliance.

7. *Can you please provide the actual legislation that gives ACC the process of law to list debts through a third party?*

ACC has the same rights regarding collection of debt as any other entity. There is nothing in its legislation that limits its ability to collect debts. In terms of relevant sections within the Accident Compensation Act 2001, we note that: section 248 defines certain obligations to ACC as debts, and that section 245 explicitly does not limit the agents that ACC may use to collect debts on the corporation's behalf.

You can access this legislation at [www.legislation.govt.nz/act/public/2001/0049/latest/DLM103109.html](http://www.legislation.govt.nz/act/public/2001/0049/latest/DLM103109.html).

8. *Has ACC made it clear to clients about the sharing of personal information?*

9. *Has the sharing of information been transparent in a direct way to clients?*

10. *Has the sharing of information been expressly stated that personal information will be shared in certain events?*

11. *The Privacy Act has been fully followed client by client in relation to bringing on board Debt collection agencies?*

12. *Have you received a wet ink signature to authorise and consent to the release of personal information from client's?*

The only information that ACC sends to collection agencies is information that identifies them, contact information and a copy of the outstanding invoice. No claims information is provided. In cases where customers advise they may need to send personal information, for example, in the case of financial hardship, ACC advises the customer to contact ACC directly.

Customers are advised of information sharing arrangements with DCAs in the third and final levy reminder letter, where customers are advised that 'not paying the invoice may result in added penalties and referring your account to a debt collection agency'. For further information, please refer to the Debt Collections Agencies policy on the ACC website at:

[www.acc.co.nz/assets/Policy-and-procedure-documents/levy-debt-collection-agencies-policy.pdf](http://www.acc.co.nz/assets/Policy-and-procedure-documents/levy-debt-collection-agencies-policy.pdf)

Our policies and practices align with the Privacy Act 2020. ACC is not required to seek or receive signatures from customers to refer a debt to a DCA in relation to the release of their levy account information. If you have any concerns about the privacy of your information, please get in touch with ACC's privacy Officer. Information on how to make a complaint about our privacy process is available at [www.acc.co.nz/privacy/make-a-complaint-about-our-privacy-process/](http://www.acc.co.nz/privacy/make-a-complaint-about-our-privacy-process/).

*13. Do ACC sell debts to debt collection agencies?*

No.

*14. The Act does give information about the sharing of information between government departments, but it gives the privacy act restriction. Can you give information on the circumstances that personal private information is shared?*

Please refer to the information on the ACC website here, regarding ACC's information sharing policies: [Our privacy framework \(acc.co.nz\)](http://Our%20privacy%20framework%20(acc.co.nz)). Under Privacy Principal 11 of the Privacy Act 2020, agencies are able disclose personal information for the purpose of upholding the law or the protection of public revenue. ACC has a legal obligation to collect on debts. The relevant section of the Privacy Act, and further information on this Principle, is available online at:

- [www.legislation.govt.nz/act/public/2020/0031/latest/whole.html#LMS23342](http://www.legislation.govt.nz/act/public/2020/0031/latest/whole.html#LMS23342)
- [www.privacy.org.nz/privacy-act-2020/privacy-principles/11/](http://www.privacy.org.nz/privacy-act-2020/privacy-principles/11/).

*15. The sensitive claim team repeatedly express privacy related to these areas. Can the business team or collections read these files?*

There are two debt collection teams, one that manages debt from levy-payers and another that manages debts caused by overpayments to clients.

Staff in the Levy Collections team cannot view sensitive claim files.

The team that looks after claim-related debt, where a client has been overpaid, has access to sensitive claims. They are only permitted to view and access documents and parts of the claims file if it is necessary for a task they are completing.

*16. In the Debt collection process is there a standard formula. ie notice, second notice, intention to send to Debt collectors?*

As noted in the *Levy delinquency letters* policy, customers are advised about the debt collection in the case of unpaid levies.

*17. Why is no formal postal correspondence no longer undertaken and when did this cease?*

ACC still sends levy invoices and collection letters by post unless a customer's correspondence preference is to a verified email.

## **16 November questions**

The following questions are being responded to under the Official Information Act. Your remaining questions from your 16 November email have been referred to the Channel Support team for their response.

*18. Please supply your policies related to hardship and Levy write off.*

19. *What circumstances or policies do you have. (This request will be an official information request). The reason for asking this, is other government departments have write off criteria. I'm very sure this has happened in the past.*

Please find the following policies related to hardship and levy write offs on the ACC website here:

<https://www.acc.co.nz/resources/#/search/hardship> and here:

<https://www.acc.co.nz/resources/#/subcategory/343>.

- Assessing hardship for levy payers policy
- Write off levy debt policy
- Reverse a debt write off

20. *What are your policies with regard to a current claim and outstanding levies.*

We have interpreted this request as referring to whether ACC pay weekly compensation to a levy payer who has not paid their levies or is in debt to us. Please note that this scenario only impacts self-employed clients. Please refer to our *Client payment deductions to pay levies* policy available on the ACC website here: [www.acc.co.nz/assets/Policy-and-procedure-documents/client-payment-deductions-to-pay-levies-policy.pdf](http://www.acc.co.nz/assets/Policy-and-procedure-documents/client-payment-deductions-to-pay-levies-policy.pdf)

21. *Are there specific people designated to handle these matters with higher fiduciary and care*

There is a multi-tier Collections and Recoveries team who specialize in debt management and are designated for all business and client debts. Debt collection does not incur a fiduciary responsibility, but there are processes in place to ensure the collection is fair and reasonable.

22. *Is there a policy for no payout for any unpaid Levy*

Please refer to our response to question 20.

23. *Are your accounting systems interfaced with the claims system? At a software level.*

ACC's claims management system sends General Ledger information electronically to our accounting system to account for claims related financial transactions made during the day.

24. *What audit of internal systems are there? Audit meaning the internal processes to ensure alignment with The ACC Act and general effectiveness for services. (Specifically termed internal controls)*

ACC follows the three-line assurance model recommended by the Institute of Internal Auditors. The Internal Audit function is the third line and provides independent assurance to ACC's Board and Executive. The Internal Audit plan is approved by the Board annually and is reconfirmed six-monthly so it can be updated if business priorities change. The audit plan covers ACC's internal processes and controls on a cyclical basis. The FY24 Internal Audit plan is attached for you.

25. *Are your computer systems being upgraded? When were they last upgraded?*

Guidewire is ACC's policy and levy management system. The core Guidewire application was last upgraded in February 2022 with regular functionality releases. The last functional release was completed 1 December 2023.

26. *Can anyone see the claim system, specifically the sensitive claims area? The writer would summarise that in the past there's been a separate paper file type area for sensitive claims, but maybe the ACC hasn't created this for sensitive claims at a software level. Has the current ACC software system been*

*established to cater to extremely sensitive information with very clear security clearance - specifically related to sensitive claims?*

There are restrictions placed on ACC staff member's access to claims information, which meant that only certain staff can see claims information. Access to claims records is governed by role mapping, which sets out which staff can access claims files, including which types of claim and what information within them.

Each claim file is divided into tabs, or compartments, so contact information and payments, for example, are in different parts of the file to reports and medical records relating to the client's injury. When staff need to access a file, they only work in the tabs that hold the information they need to see to complete their task. Access to claim files is restricted to a role, rather than to individuals.

The Code of Conduct sets out the expectations of staff members throughout the course of their work. To ensure staff are accessing claims information appropriately, and in line with the Code, ACC conducts random 'spot check' monitoring. Where there are concerns about an inappropriate access to a person's claim information, the matter is escalated to the Privacy, Employment Relations or the Integrity Services team to investigate.

*27. When someone is reviewing for an escalation - are there policies and in these policies are there processes to check current ACC involvement and potential sensitivities?*

We have interpreted this question as referring to when missed levy payments are escalated for legal involvement. Please find the *escalate levy collection* policy available on the ACC website here: [www.acc.co.nz/assets/Policy-and-procedure-documents/escalate-levy-collection.pdf](http://www.acc.co.nz/assets/Policy-and-procedure-documents/escalate-levy-collection.pdf).

**If you have any questions about this response, please get in touch**

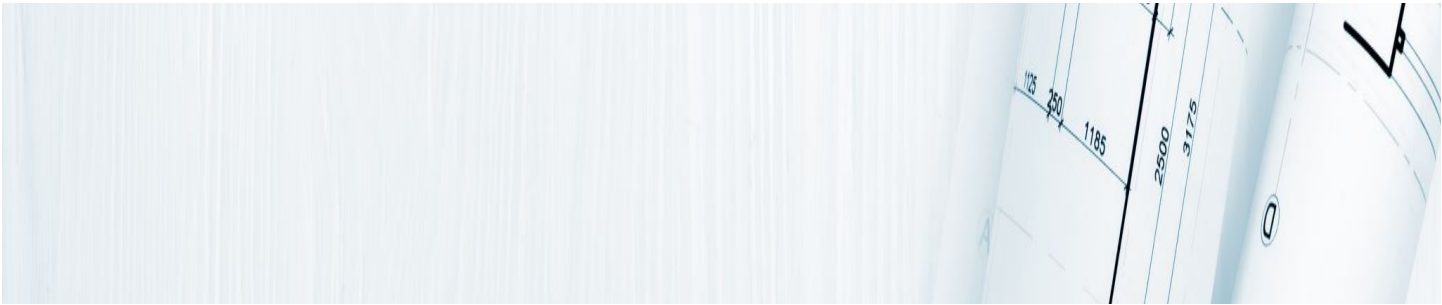
You can email me at [GovernmentServices@acc.co.nz](mailto:GovernmentServices@acc.co.nz).

Ngā mihi



Sara Freitag

**Acting Manager Official Information Act Services**  
Government Engagement



# FY24 Internal Audit Plan by ACC business group

Out of scope Out of scope  
Out of scope

| Cross Organisational | Review Title            | Description  | Scheduled Quarter | Risks Addressed               |
|----------------------|-------------------------|--|-------------------|-------------------------------|
| Enabling system      | Te Kahu.                | Post Implementation Review to capture lessons learned and assess benefits delivery.<br><br>Ongoing design assurance over major changes driven through the ART/Continuous delivery process. | Full Year         | Benefits                      |
| Model risk           | Artificial Intelligence | Watching brief/governance review.  | Full Year         | Customer Experience and Trust |

| Service Delivery                 | Review Title               | Description  | Scheduled Quarter | Risks Addressed        |
|----------------------------------|----------------------------|--|-------------------|------------------------|
| Support and Capability Services  | Overpayments and recovery. | Write off decision making and consistency.<br>Include considering if the cost of recovery is ROI positive. | Q3                | Claims cost management |
| Rehabilitation Improvement Group | Placeholder                | With the programme is moving to delivery   | TBC               | Claims cost Management |

|  |  |  |  |                   |
|--|--|--|--|-------------------|
|  |  | Internal Audit support to be determined. |  | Customer Outcomes |
|--|--|--|--|-------------------|

| Prevention & Partnerships                 | Review Title   | Description   | Scheduled Quarter | Risks Addressed                                   |
|---|--|---|-------------------|---|
| Accredited Employer Change Programme      | Design assurance.  | Ongoing design assurance over major changes in the Accredited Employer Programme  | Full Year         | Customer  |
| Clinical Services and Health Partnerships | Value Based Healthcare Commissioning (formerly Health Sector Strategy) | Continuous design assurance over work programme, focusing initially on Provider Hub, including Roadmap review and use of contractors. | Full Year         | Benefits<br>Customer Outcomes                     |
| Injury Prevention                         | Grants and subsidies Programme.  | Effectiveness of workplace safety grants and subsidies.   | Q4                | Injury Prevention Impact<br><br>Customer Outcomes |

| Corporate and Finance | Review Title                  | Description   | Scheduled Quarter | Risks Addressed |
|-----------------------|-------------------------------|---|-------------------|-----------------|
| Purchase to Pay       | End to end control review.    | End to end review of controls implemented in Te Kahu  | Q2                | Operational     |
| Sensitive Expenditure | Probity review                | Utilising data analytics  | Q3                | Trust           |
| Actuarial Services    | Predictive algorithms review. | Assess processes and controls to ensure the accuracy and integrity of predictive algorithm's, particularly those impacting the OCL. | Q3                | Model           |

| People & Culture              | Review Title | Description  | Scheduled Quarter | Risks Addressed              |
|-------------------------------|--------------|--|-------------------|------------------------------|
| Health, Safety, and Wellbeing | Safe Plus    | Health and Safety system audit.  | Q2                | Health, Safety and Wellbeing |
| Payroll                       | Place holder | The externally sourced review of payroll and holiday pay calculations is in draft. The scope of payroll control testing will be determined once the report is finalised. | TBC               | Operational                  |

| Enterprise Change Delivery | Review Title   | Description   | Scheduled Quarter | Risks Addressed                   |
|----------------------------|--|---|-------------------|-----------------------------------|
| Technology and Platforms   | Medical Fees Processing (MFP) system replacement             | Design Assurance over replacement of MFP system. Heath checks during design/development, pre-implementation and post-implementation reviews.  | Full year         | Benefits                          |
| Data and Analytics ART     | <a href="#">Data Analytics Release Train - completed</a>     | Design Assurance at key intervention points, generally as major system features developed. Cloud legislative and privacy compliance as more features/data added.                                | Q1                | Leveraging our Information Assets |
| Technology and Platforms   | Security Certification and Accreditation process management. | Consistent application of the baseline C&A process as defined by the Information Security Team. C&A coverage of new and existing legacy systems, including prioritisation and risk assessments. | Q1                | Cyber Security                    |



|                                    |   |  |    |                                   |
|------------------------------------|---|--|----|-----------------------------------|
| Technology and Platforms           | Back Up Processes   | Assess the effectiveness of our backup processes (including ensuring we have offsite or “air gapped” backups available as needed).   | Q1 | Operational                       |
| Technology and Platforms           | Cyber Security Incident Response, including any Ransomware attack response. | Assess the effectiveness of the controls in place to respond to and mitigate the risks associated with cyber security incidents and particularly a ransomware attack.  | Q2 | Cyber Security                    |
| Enterprise and Continuous Delivery | Customer Master Data (Principal Customer Record) Review                     | Design assurance over the mastering of customer records in Salesforce during design/development, pre-implementation and post-implementation reviews.   | Q2 | Leveraging our Information Assets |
| Technology and Platforms           | Software Licensing  | Efficiency review that will assess how many active users exist versus what is being paid for and how many/what features are being used vs. what is being paid for. The review will also include a compliance element to ensure use of appropriately licensed software. | Q3 | Conduct                           |
| Technology and Platforms           | Guidewire Application Review.   | Assess how application security is established, including privileged user access, role and capability profile configuration/management.  | Q3 | Leveraging our Information Assets |
| Technology and Platforms           | EOS Migration to  | Initial design assurance work around planning for  | Q4 | Benefits                          |

|  |                        |                                |  |  |
|--|------------------------|--------------------------------|--|--|
|  | Cloud Design Assurance | migration of EOS to the Cloud. |  |  |
|--|------------------------|--------------------------------|--|--|

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

## Summary

### Objective

All policies that fall overdue go through the delinquency workflow; this involves C&R attempting to contact the customer and letters being sent. If the Policy remains unpaid at the end of delinquency then C&R will determine if it meets the criteria to be referred to a DCA.

Once the Policy has been referred to a DCA then they will commence their delinquency workflow. If the customer contacts ACC and would like to set up a Payment Plan or Payment Arrangement, we must transfer the customer to the relevant DCA to discuss setting this up. We cannot set a Plan or Arrangement with ACC if the Policy is with a DCA.

If the customer wants to pay in full by Credit Card, ACC can accept this payment.

Owner

Expert

## Procedure

### 1.0 How do I know which external collector/DCA an invoice is with?

- a** Juno\_BillingCentre -> relevant policy -> details -> refer to collections on far bottom left

DCA 1 = East Coast Credit Control

DCA 2 = Dun & Bradstreet

DCA 3 = Baycorp

### 2.0 How we communicate case updates

- a** For urgent requests, C&R will contact the DCA immediately.
- b** Juno generates a file with all payment information, Policies to be withdrawn, new addresses and phone numbers for customers and changes to account balances (completed reassessments) which is sent daily to each DCA.

### 3.0 Reasons to put a DCA invoice on hold

- a** If a customer calls or writes to ACC and would like to dispute that their Policy should be with a DCA, then you must ask them for their reason and if it meets one of the following you can ask C&R to place a hold on the customers Policy with the DCA or withdraw the Policy.
- True GNA (if the customer has paid previous years or we have spoken to an authorised party previously then this is not true GNA and will not be withdrawn).
  - Reassessment of the invoice required that will result in a credit being applied reducing the Policy balance.
  - Deceased.
  - Confirmed insolvency (bankrupt, in liquidation, in receivership).
  - Payment in full made to ACC clearing the balance owing.

Customer Experience Representatives (CERs) cannot put a hold on a Policy that is with a DCA. However, if you believe a Customer's Account meets one or more of the above criteria then you can call Collection Services to request a hold or withdrawal and gain confirmation from C&R that your request can be processed.

## Summary

### Objective

All Policies that fall overdue go through the delinquency workflow; this involves C&R attempting to contact the customer and letters being sent to the address on file. If the Policy remains unpaid at the end of delinquency then C&R will determine if it meets the criteria to be referred to a DCA.

Owner

Expert

## Procedure

### 1.0 Delinquency letters

- a** Letters are sent to customers as part of ACC's collection strategy. All letters that are sent request immediate payment from the customer for all overdue Policies and advise the customer of the consequences of non-payment.

CoverPlus Extra (CPX) Policies that remain unpaid after the due date will not receive a reminder letter. Instead, an activity will be created automatically in Juno to request cancellation of the CPX Policy; this activity will go to the Policy Admin team to complete.

If the Policy remains unpaid then the customer will receive the following letters:

- Reminder letter – BCCC number
- Second Reminder – C&R number
- Final Reminder – C&R number

If the customer has entered into a Payment Plan or Payment Arrangement and defaults on one payment they will receive a Missed Installment letter advising them that they need to make up the payment or risk the Policy being referred to a DCA or Legal Recoveries.

If the customer defaults on a second payment then a second missed installment letter will be sent advising them that the full balance of the Policy is due immediately as they risk the Policy being referred to a DCA or Legal Recoveries.

To confirm what letters have been sent, you can see this in Juno\_BillingCenter.

### 2.0 Your customer has a reminder letter and is not sure why they have received this

- a** Confirm the Policy number on the letter received and the date that this was sent; confirm these details in Juno\_BillingCenter. To view the letter sent, you will need to look in Juno\_PolicyCenter.

- b** Confirm if there has been a payment in full to the Customer's Account within the last 7 days or if there has been a reassessment reversing the balance owing in full

**NOTE If payment in full has been received**

If the Customer's Account is showing a zero balance on all Policies you can advise the customer to disregard the letter

**NOTE If there is a balance owing on the Customer's account**

Advise the customer of the balance owing and ask for payment in full

### 3.0 If the customer continues to disagree with the letter

- a** Escalate the call to Collections & Recoveries on 50010.

### 4.0 Can we re-send a delinquency letter?

- a** Yes, a copy of the letter is stored in Juno\_PolicyCenter. All letters sent to customers are stored in SharePoint as a PDF so you can email or print and re-post it to customers. Please note, you should still be asking for payment in full on outstanding balances even if you are re-sending the letter – no hold is to be placed on overdue Policies in this situation.

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## Summary

### Objective

A customer may tell you they are insolvent (the same as 'being bankrupt', or 'in liquidation'), or you might find out via email or a colleague.

In these cases, you need to work with the collections and recoveries (C&R) team.

Email [recoveries@acc.co.nz](mailto:recoveries@acc.co.nz)

Where businesses have been 'struck off' or 'removed' (again, these terms mean the same thing) for a reason other than insolvency, keep collecting their debt - their invoices are still liable.

If a customer advises no funds or assets, please follow the hardship application process. Talk to C&R about this.

Owner

Expert

## Procedure

### 1.0 Kinds of insolvency


**a** There are two kinds of insolvency:

- Individual – for example bankruptcy, no asset procedure, summary instalment order
- Corporate – for example liquidation, receivership, voluntary administration, creditors' compromise.

### 2.0 Check whether the customer is insolvent

**a** To find out if your customer or a company is insolvent, go online.

- For individuals, have a look at the insolvency register.
- For companies, have a look at the Companies Register.

 New Zealand Insolvency and Trustee Service  
<https://www.insolvency.govt.nz/>

 Companies Register  
<https://companies-register.companiesoffice.govt.nz/>

#### **NOTE** What If they are not insolvent

Pursue payment as if they had not made their claim, as their invoices are still liable.

#### **NOTE** What If they are in the process of being made insolvent

Effectively, the customer's position has not changed, so deal with the account as usual, ie collect their debt.

The customer can contact us later, after their insolvency has been processed.

It might be best you speak with C&R to see if they want to talk with the customer.

#### **NOTE** what If they are insolvent

Let C&R know by sending them an email that contains the:

- account's name
- customer's name and ACC number
- reason for the call and status, eg bankrupt, liquidated
- contact person's name and address.

### 3.0 Ceasing accounts due to insolvency

**a** If you know an account is insolvent, call C&R, if they are unavailable send C&R an activity to make sure they are aware of the insolvency and can further update the account as needed.

## Summary

### Objective

If a customer:

- contacts us about any type of missed payment letter
- or are going to get a missed payment letter

Call the C&R team otherwise they will call the customer to discuss the missed payment as part of their workflow.

Owner

Expert

## Procedure

### 1.0 What happens if a customer misses a payment?

- a** A missed payment letter is sent five business days after the missed payment. This will direct the customer to pay the missed payment immediately or contact the C&R team to discuss the missed payment.

### 2.0 What if a customer is tells you they are going to miss a payment?

**NOTE** If they can make up the payment

- find out when they will be able to make up the payment
- contact the C&R team.

**NOTE** If they can no longer afford the payments

- how much can they afford to pay per week/month
- when they may be able to start
- contact the C&R team.

### 3.0 What happens if the customer misses two payments?

- a** Five business days after the missed payment another missed payment letter will be sent and if there is no payment or contact after ten days the plan will 'cancel' the plan reverting it back to an annual plan. The invoice(s) will then fall into the normal collection cycle.

### 4.0 Can you reinstate a 'cancelled' payment plan?

- a** They will need to speak with the C&R team to see if this is possible.



Summary

**Objective**  
A 'penalty' is interest applied to a policy, because it is not paid by its due date.

**Owner**  
**Expert**

Policy

1.0 How much are the penalties?

- a A 1% penalty (exc GST) can be applied 67 days after the invoice date, and compounds every month after that. The system automatically applies this, but will not apply it if the invoice is below \$100 (inc GST).  
  
A 1% penalty will continue to be applied monthly thereafter – this is applied on each overdue invoice.  
  
In rare cases, a further 10% penalty can be manually applied 210 days after the due date and every 180 days after that.

2.0 Reversing a penalty or admin fee

- a The Collections and Recoveries (C&R) , Channel's (CER's) Levy and Operations Administrator (OAT) Teams decides if a penalty can be removed.
  - we sent an invoice or letter to the wrong address or it came back GNA even if address was correct.
  - there was a payment ' issue', for example if we received the payment before applying the penalty.
  - we made an error.
  - reassessment of policy resulting in credit.
  - payment was made on time but assigned to wrong policy, ACC account etc.
  - discretion where approved.



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Once the Policy has been referred to a DCA then they will commence their delinquency workflow. If the customer contacts ACC and would like to set up a Payment Plan or Payment Arrangement, we must transfer the customer to the relevant DCA to discuss setting this up. We cannot set a Plan or Arrangement with ACC if the Policy is with a DCA.

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**Owner** Outside of scope

**Expert** Outside of scope

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Outside of scope

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- Reminder letter – BCCC number
- Second Reminder – C&R number
- Final Reminder – C&R number

If the customer has entered into a Payment Plan or Payment Arrangement and defaults on one payment they will receive a Missed Installment letter advising them that they need to make up the payment or risk the Policy being referred to a DCA or Legal Recoveries.

If the customer defaults on a second payment then a second missed installment letter will be sent advising them that the full balance of the Policy is due immediately as they risk the Policy being referred to a DCA or Legal Recoveries.

To confirm what letters have been sent, you can see this in Juno\_BillingCenter.

### 2.0 Your customer has a reminder letter and is not sure why they have received this

**a** Confirm the Policy number on the letter received and the date that this was sent; confirm these details in Juno\_BillingCenter. To view the letter sent, you will need to look in Juno\_PolicyCenter.

**b** Confirm if there has been a payment in full to the Customer's Account within the last 7 days or if there has been a reassessment reversing the balance owing in full

#### NOTE If payment in full has been received

If the Customer's Account is showing a zero balance on all Policies you can advise the customer to disregard the letter

#### NOTE If there is a balance owing on the Customer's account

Advise the customer of the balance owing and ask for payment in full

### 3.0 If the customer continues to disagree with the letter

**a** Escalate the call to Collections & Recoveries on 50010.

### 4.0 Can we re-send a delinquency letter?

**a** Yes, a copy of the letter is stored in Juno\_PolicyCenter. All letters sent to customers are stored in SharePoint as a PDF so you can email or print and re-post it to customers. Please note, you should still be asking for payment in full on outstanding balances even if you are re-sending the letter – no hold is to be placed on overdue Policies in this situation.

RELEASED UNDER THE  
OFFICIAL INFORMATION ACT

## Summary

### Objective

A customer may tell you they are insolvent (the same as 'being bankrupt', or 'in liquidation'), or you might find out via email or a colleague.

In these cases, you need to work with the collections and recoveries (C&R) team.

Email [recoveries@acc.co.nz](mailto:recoveries@acc.co.nz)

Where businesses have been 'struck off' or 'removed' (again, these terms mean the same thing) for a reason other than insolvency, keep collecting their debt - their invoices are still liable.

If a customer advises no funds or assets, please follow the hardship application process. Talk to C&R about this.

## Outside of scope

## Procedure

### 1.0 Kinds of insolvency


a There are two kinds of insolvency:

- Individual – for example bankruptcy, no asset procedure, summary instalment order
- Corporate – for example liquidation, receivership, voluntary administration, creditors' compromise.

### 2.0 Check whether the customer is insolvent

a To find out if your customer or a company is insolvent, go online.

- For individuals, have a look at the insolvency register.
- For companies, have a look at the Companies Register.

 New Zealand Insolvency and Trustee Service  
<https://www.insolvency.govt.nz/>

 Companies Register  
<https://companies-register.companiesoffice.govt.nz/>

#### NOTE What If they are not insolvent

Pursue payment as if they had not made their claim, as their invoices are still liable.

#### NOTE What If they are in the process of being made insolvent

Effectively, the customer's position has not changed, so deal with the account as usual, ie collect their debt.

The customer can contact us later, after their insolvency has been processed.

It might be best you speak with C&R to see if they want to talk with the customer.

#### NOTE what If they are insolvent

Let C&R know by sending them an email that contains the:

- account's name
- customer's name and ACC number
- reason for the call and status, eg bankrupt, liquidated
- contact person's name and address.

### 3.0 Ceasing accounts due to insolvency

a If you know an account is insolvent, call C&R, if they are unavailable send C&R an activity to make sure they are aware of the insolvency and can further update the account as needed.

## Summary

### Objective

If a customer:

- contacts us about any type of missed payment letter
- or are going to get a missed payment letter

Call the C&R team otherwise they will call the customer to discuss the missed payment as part of their workflow.

**Owner** Outside of scope

**Expert** Outside of scope

## Procedure

### 1.0 What happens if a customer misses a payment?

- a** A missed payment letter is sent five business days after the missed payment. This will direct the customer to pay the missed payment immediately or contact the C&R team to discuss the missed payment.

### 2.0 What if a customer is tells you they are going to miss a payment?

**NOTE** If they can make up the payment

- find out when they will be able to make up the payment
- contact the C&R team.

**NOTE** If they can no longer afford the payments

- how much can they afford to pay per week/month
- when they may be able to start
- contact the C&R team.

### 3.0 What happens if the customer misses two payments?

- a** Five business days after the missed payment another missed payment letter will be sent and if there is no payment or contact after ten days the plan will 'cancel' the plan reverting it back to an annual plan. The invoice(s) will then fall into the normal collection cycle.

### 4.0 Can you reinstate a 'cancelled' payment plan?

- a** They will need to speak with the C&R team to see if this is possible.

## Summary

### Objective

A 'penalty' is interest applied to a policy, because it is not paid by its due date.

**Owner** Outside of scope

**Expert** Outside of scope

## Policy

### 1.0 How much are the penalties?

- a** A 1% penalty (exc GST) can be applied 67 days after the invoice date, and compounds every month after that. The system automatically applies this, but will not apply it if the invoice is below \$100 (inc GST).

A 1% penalty will continue to be applied monthly thereafter – this is applied on each overdue invoice.

In rare cases, a further 10% penalty can be manually applied 210 days after the due date and every 180 days after that.

### 2.0 Removing a penalty

- a** The collections and recoveries (C&R) team decides if a penalty can be removed.

Contact them if:

- we sent an invoice or letter to the wrong address.
- there was a payment 'issue', for example if we received the payment before applying the penalty.
- we made a different error.