



NSW State Emergency Services (SES) Levy White Paper

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Background

A new levy was introduced at the NSW Government Mini-Budget to fund the NSW State Emergency Service (SES) through the existing statutory contributions framework. The new provisions are to be supported by back office reforms across the SES, the NSW Rural Fire Service and NSW Fire Brigades.

The proposed SES levy will be treated in the same manner as the current fire service levy (FSL) so the provisions relating to GST and Stamp Duty will remain the same.

These provisions will enable the invoicing and furnishing of returns by the insurance companies to be centralised at Emergency Management NSW. Insurers will need to furnish only one return and only one invoice will be raised by the emergency services, which will cover the contributions required for all the agencies mentioned above.

The NSW Government intends to amend Section 80 of the NSW Fire Brigades Act 1989, which prescribes disclosure of fire levies to policyholders. This is anticipated to be promulgated in late June 2009.

It is proposed this levy is to take effect from 1 July 2009.

Broking System Software Considerations

This paper identifies potential software considerations in relation to the above legislative changes.

Policy Processing Requirements

The policy processing modules should be reviewed to establish if the containers for Fire Service Levy require renaming or relabelling.

Documentation Requirements

Client documentation should be reviewed to establish if the term Fire Services Levy (or abbreviation FSL) needs to be updated so a more generic term is used.

Sunrise™ Exchange Considerations

This paper identifies the considerations in relation to the above legislative changes.

Policy Processing Requirements

The Payables node currently controls what is passed via Sunrise Exchange between the broking systems and the insurer products. It currently only details Annual Levy, Period Levy and Version Levy as the amount of levy payable on a transaction; i.e. it does not specify what the levy pertains to. In summary the premium is tabled as follows:

Premium		
Currency	AUD	
	Trans Amt	Policy Amt
Premium	1,166.64	1,166.64
Levy	134.44	134.44
Tax	130.11	130.11
Duty	125.14	125.14
Other	0.00	0.00
Sub-Total	1,556.33	1,556.33
Fee	0.00	0.00
Fee Tax	0.00	0.00
Total	1,556.33	1,556.33
Comm.	291.64	291.64
Comm. Tax	29.17	29.17

As the legislation facilitates the collection of the new SES levy in conjunction with any other levies no changes are proposed. This applies to both General Insurance and Online Quoting.

Insurer Product Requirements

A review of some insurer product screens has indicated the term Fire Services Levy is currently used. As this field may now include NSW SES levy it is appropriate that a more generic term is used, e.g. Fire & Emergency Services Levy (F&ESL). Naturally rating tables should be updated to reflect the appropriate levy.

Insurer Documentation Requirements

Insurers provide Risk Data back to Sunrise Exchange for provision of policy documentation within the Sunrise Exchange compliant broking systems. In addition insurer documentation is provided in PDF format. A review of current Risk Data and insurer PDF's indicates that the term Fire Services Levy is currently used. As this field may now include NSW SES levy it is appropriate that a more generic term is adopted.

Sunrise Templates

Where intermediaries are utilising standard or customised templates any changes insurers make to their products are automatically updated. As the payables node already caters for a levy component there will be no changes required to templates.

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