

Letter to the Editor 27 October Nelson Mail

### **Smith Didn't Answer**

In Rethinking future of ACC system, 21 Oct 11, Nick Smith did not answer the question regarding how the government could make it possible for insurance companies to compete with ACC in the Work Account. He said, "Insurers would need to get prudential approval from the Reserve Bank to ensure they don't go broke. We would have a single clearing house for claims from health providers to minimize compliance costs." That does not answer the question. Insurance company Vero's executive general manager of new ventures, Nigel Edmiston, said his company, owned by the Australian SunCorp Group, had done some planning on entering the workplace insurance market but that the Government's proposal "wasn't particularly attractive". Edmiston said he attended an Insurance Council of New Zealand [ICNZ] committee meeting regarding opening the Work Account to competition where the consensus was one of disappointment. He also said, ""The current regime that they are proposing would, in our view, not result in many private insurers, if any, competing." So this is the voice of one of the potential insurers. Insurance companies would have to pay tax on profits and pay dividends to shareholders neither of which ACC has to pay. Burke Hunter