

In sponsoring a 457 Visa employee, a business gives the Immigration Department specific undertakings regarding medical, hospital and repatriation costs.

The wording on DIAC Form 1196 which is signed by all sponsors reads as follows:

"The business undertakes to do the following in relation to sponsored persons and accompanying family members:

- ensure that the cost of return travel by a sponsored person is met;
- paying all medical or hospital expenses for a sponsored person arising from treatment administered in a public hospital (other than expenses that are met by health insurance or reciprocal health care arrangement. This undertaking continues until such expenses are paid.)

A sponsor may choose to self insure all costs directly using an inhouse or captive insurance company, or to transfer the risk by requiring 457 visa employees to purchase Health Insurance.

Overseas travel policies only provide emergency medical and hospital cover. UK travel policies in the very fine print exclude any claim which is not paid under the Reciprocal Agreement.

Some Australian health funds offer only partial cover, having overall limits of \$A30,000 or \$5000 claim buyout clauses. It is necessary to carefully read and understand the fine print clauses.

For further information see www.457visa.com

Payment of Expenses Incurred Under Compensable Injury Claims

Compensable Injury claims are excluded under all health insurance and general insurance policies covering 457 visa and all other temporary residents working in Australia, because these risks are also covered under motor vehicle third party, sporting club or other public liability insurance policies.

This is a major risk faced by all Sponsors and employees on working visa.

Sponsors are required to pay all medical, hospital, rehabilitation and repatriation costs then employ lawyers and seek to recover these expenses from a general insurer under a third party policy. Compensable claim expenses for overseas visitors are mostly excluded from insurance risk pools for Australian residents.

Catastrophic Compensable Injury claims involving motor accidents can exceed \$200,000 plus repatriation costs. It can take years before the matter comes to court.

Under Working Visa Health Plans we go up front and pay all medical, hospital, rehabilitation and repatriation expenses then undertake to adjust the claim and recover from other insurers.

Sponsors are not responsible for any shortfall in the amounts we recover, nor any legal costs we incur.

As a discretionary mutual fund we are permitted to provide Sponsors with Assistance Service. Four recent cases illustrate the risks faced by Sponsors.

Case 1 - Expenses \$275,046

University professor involved in tragic accident on the day of his arrival in Australia and before he reported for work. This resulted in his becoming a quadriplegic and after hospitalisation, he required rehabilitation before repatriation to the USA.

Case 2 - \$227,838

Accident victim who after a long period of rehabilitation required repatriation to the United Kingdom.

Case 3 - \$87,569

Whilst playing tennis on a public court woman injured by spike protruding through wire surrounding court.

Required extensive facial surgery and dental reconstruction.

Case 4 - \$70,567

Man crushed in motor vehicle accident but being an overseas visitor hospital could not forward claim to local insurance risk pool. Sponsored employee liable to pay expenses incurred.