Market Bulletin

May 2018

Statutory Liability Insurance

Hazardous Substances

Under the Health and Safety at Work (Hazardous Substances) Regulations 2017 there are specific duties applying to PCBUs who have "management or control" of a workplace, transit depot, or a hazardous substance location. These are:

- maintaining an inventory of hazardous substances at the workplace that includes the name, quantity, location, storage requirements of each hazardous substance, and any hazardous waste,
- obtaining and making available to workers, current safety data sheets for hazardous substances,
- ensuring that containers of hazardous substances are properly labelled,
- displaying signage in the workplace for certain quantities of hazardous substances,
- ensuring hazardous substances are in appropriate containers or packaging, and
- where specific quantities of hazardous substances are present, ensuring there are sufficient fire extinguishers and preparing a workplace emergency response plan.

The 2017 Regulations apply to a wide range of hazardous substances which are defined as those properties as follows:

- explosiveness (class 1),
- flammability (classes 2 to 4),
- a capacity to oxidise (class 5),
- toxicity (class 6), and
- corrosiveness (class 8).

PCBUs must also review and change any controls which have been put in place in relation to hazardous substances at the workplace if:

- there is a significant change to published information about a hazardous substance;
- a notifiable event occurs involving a hazardous substance; or
- at least once every five years.

Failure to comply with this requirement could result in a prosecution by WorkSafe which if successful might mean a fine of up to NZ\$50,000 for a business. This differs from the Health & Safety at Work provisions in that there is no requirement for 'harm' to persons simply a failure to 'manage and control.

The VL Statutory Liability policy would respond to prosecutions for an innocent breach of these regulations. As well, VL's Public Liability and LegalEdge policies have a specific extension to cover costs resulting from a hazardous substances emergency at the insured's workplace.

Talk to your VL underwriter if you have any queries.

