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Working Directors

Following amendment to the Workers' Compensation and Injury Management Act 1981 which became effective from the 14th November 2005, Approved Insurers have supported the following recommended policy and procedures to be implemented to ensure a consistent and efficient transition of the new statutory arrangements for working directors.

It is recommended Approved Insurers maintain workers compensation insurance cover for those directors who execute work for or on behalf of their company and whose earnings as a director are in substance for their personal manual labour or services and who are nominated individually with estimated earnings at the time of completing or renewing a policy, until such policy expires up to and including 13th November 2006.

In the event of a claim a directors earnings are to be verified, to the extent practicable, by supporting particulars provided by the company.

However if the nominated director is a director of a public company, as that term is interpreted in the Corporations Act 2001 of the Commonwealth, then all cover for that director will cease from 14th November 2005.

This procedure will be incorporated into the ICA Workers' Compensation Best Practice Manual which is to be revised to incorporate the 2005 reforms.

Should you have specific or detailed enquiries please direct them to the Insurer, Broker or Agent concerned.