



WorkCover WA Bulletin for Approved Insurers, Self Insurers and Insurance Brokers (03/2012)

SUBJECT: DIRECT EMPLOYER PAYMENTS FOR MINOR CLAIMS

Purpose

To provide information about employer obligations to claim in accordance with the *Workers' Compensation and Injury Management Act 1981 (the Act)* and policy of insurance.

Information

It has been brought to WorkCover WA's attention that a number of employers have initiated, or been advised to adopt, a procedure whereby low cost workers' compensation claims are paid for by the employer and not processed in accordance with the requirements of the Act.

Such arrangements are contrary to the purposes of the Act and should not be entered into by employers or sanctioned by insurers.

Employers are required to claim under and in accordance with their policy of insurance within five days following receipt of the worker's claim for compensation and medical certificate (s57A), regardless of the size of the claim. Non compliance is an offence under the Act and any arrangement made contrary to the Act is prohibited (s301).

Neither the Act nor the policy of insurance contemplates employers making decisions on liability and managing claims independently.

WorkCover WA is also aware of alternative arrangements whereby workers may be asked to agree not to pursue a workers' compensation claim and to receive payments directly from an employer. In this particular circumstance there is no compulsion on a worker or employer to claim under the Act. However, there are potentially significant legal issues for workers, employers and insurers in the event a worker subsequently makes a claim on an employer for any injury that has been managed outside the provisions of the Act and the policy of insurance.

Approval

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