



## Approved Self-Insurers Performance Indicators

### Standards:

Approved self-insurers are to maintain relevant resources and authority in the State to fulfil their obligations under the *Workers' Compensation and Injury Management Act 1981* (the Act).

Approved self-insurers are to comply with the *Conditions of Exemption from section 157A(1) of the Act*.

### References:

*Workers' Compensation and Injury Management Act 1981*,  
*Workers' Compensation and Injury Management Regulations 1982*,  
*Workers' Compensation and Injury Management Act 1981 Code of Practice (Injury Management 2005)*  
*Workers' Compensation and Injury Management Act 1981 Conditions of Exemptions: Self-Insurers*

**Applicability:** *Approved self-insurers*

\* *Mandatory Performance Indicator – Statutory Requirement*

## 1.0 Organisational Performance

### Objective

#### 1.1 Liability Decisions and Reporting

Self-insurers execute effective and efficient decision-making and reporting in accordance with statutory requirements.

### Performance Indicator

#### Liability Determination (Section 57B)

\*1.1.1 A decision on liability for all claims is made within 17 days from the receipt of the claims information.

#### Reporting – Liability is disputed (Section 57B(2)(b))

\*1.1.2 If liability is disputed self-insurers are to ensure that the prescribed notice advising of such is forwarded to an injured worker within the prescribed timeframe.

#### Reporting – Decision on liability is not able to be made (Section 57B(2)(c))

\*1.1.3 Where a decision on liability is not able to be made within the prescribed timeframe self-insurers are to ensure the prescribed notice advising of such is sent to the:

- a. Director
- b. Worker

#### Claims data

1.1.4 Self-insurers are to provide the following data items for all claims received, irrespective of whether accepted, declined or pended in accordance with the insurer/self-insurer electronic data specification (Q1):

- Date claim received by self-insurer (C34)
- Date claim accepted/rejected (C35)
- Claim status code (C36)

<p><b>1.2 Notices</b></p> <p>Self-Insurers comply with statutory requirements to provide notifications to injured workers and WorkCover WA.</p>	<p><b>Common Law Election Notices</b></p> <p>*1.2.1 Self-insurers must provide written notice to injured workers advising of the termination day for election to seek common law damages (section 93O). Written notice must be given within a two-week period commencing on the day that is six months and 14 days before the termination day, unless the Director extended the termination day under section 93M(4) of the Act.</p> <p><b>Medical expenses entitlement notice (Schedule 1, clause 18A(4))</b></p> <p>*1.2.2 Self-insurers must provide written notice to an injured worker advising that the amount for medical and other expenses exceeds 60% of the prescribed amount.</p> <p><b>Discontinuance/reduction in weekly payments (Section 61)</b></p> <p>*1.2.3 Self-insurers must provide written notification to the worker giving 21 clear days advising of discontinuance or reduction of weekly payments based on medical evidence that certifies the worker has total or partial capacity for work or that the incapacity is no longer a result of the injury.</p> <p><b>Employer to notify worker and WorkCover WA of intention to dismiss worker (Section 84AB)</b></p> <p>*1.2.4 A self-insurer must not dismiss an injured worker unless the prescribed notice of intention to dismiss the worker (Form 15G) is sent to:</p> <ol style="list-style-type: none"> <li>a. the worker; and</li> <li>b. WorkCover WA;</li> </ol> <p>not less than 28 days before the dismissal is to take effect.</p>
<p><b>1.3 Data</b></p> <p>Self-insurers are required to provide WorkCover WA as requested, with accurate, complete and timely information.</p>	<p><b>Returning (Section 103A)</b></p> <p>1.3.1 Data returns should be completely processed and corrected within 21 days from the end of the month.</p>
<p><b>1.4 Dispute Resolution</b></p> <p>Self-insurers implement an Internal Dispute Resolution Policy (IDRP) to reduce the number of formal disputes within the scheme and ensure timely compliance with all orders from Conciliation and Arbitration Service.</p>	<p><b>Internal dispute resolution programme</b></p> <p>1.4.1 Self-insurers must develop and implement an IDRP and lodge as part of their annual review.</p> <p>1.4.2 Self-insurers must take reasonable action to utilise the IDRP when a decision is disputed.</p> <p>1.4.3 Self-insurers are to ensure that injured workers are informed of the IDRP.</p> <p><b>Compliance with CAS orders</b></p> <p>1.4.4 Self-insurers must comply with orders from CAS within the specified timeframe or within a maximum of ten working days from when the orders were issued if a specific timeframe is not identified.</p>

<b>2.0 Claims Management</b>	
<b>Objective</b>	<b>Performance Indicator</b>
<p><b>2.1 Claims Management</b></p> <p>Self-insurers are to ensure that accurate, timely and complete records are maintained and payments are made in a timely and effective manner.</p>	<p><b>Claims Record</b></p> <p>2.1.1 Self-insurers must maintain a:</p> <ol style="list-style-type: none"> <li>Register of Injury</li> <li>Quarterly Claims Estimation Records is to be submitted as part of the annual review</li> <li>Claims Record</li> </ol> <p>2.1.2 The Register of Injury should contain the following information:</p> <ol style="list-style-type: none"> <li>Worker's name</li> <li>Worker's occupation or job title</li> <li>Time and date of injury</li> <li>How the injury happened</li> <li>Nature of injury and the body parts affected</li> <li>Date of entry in the register</li> <li>Name of person(s) making the entry</li> </ol> <p><b>Weekly payments</b></p> <p>*2.1.3 Self-insurers must, from the acceptance of a claim, ensure that weekly payments are made to an employee on their normal payday.</p> <p><b>Payment of accounts</b></p> <p>2.1.4 Self-insurers are to ensure the payment of valid accounts are recorded and paid within 20 working days of receiving the account.</p>

<b>3.0 Injury Management</b>	
<b>Objective</b>	<b>Performance Indicator</b>
<p><b>3.1 Injury Management System (Section 155B)</b></p> <p>Self-Insurers establish and implement an injury management system that is in accordance with the legislation and the <i>Workers' Compensation Code of Practice (Injury Management) 2005 (Code of Practice)</i>.</p>	<p>*3.1.1 The self-insurer must establish and implement an injury management system in accordance with the Code of Practice.</p> <p>*3.1.2 The injury management system should include:</p> <ol style="list-style-type: none"> <li>A description of the steps the employer will take when an injury occurs at the employer's workplace; and</li> <li>Details of the person who is to have the day to day responsibility for the injury management system, and their contact details.</li> </ol> <p>*3.1.3 The self-insurer should ensure that the documented injury management system is made available to any of the employer's workers upon request.</p>

### 3.2 Return to Work Programs

Self-insurers will ensure that a return to work program has been established and implemented in accordance with the *Workers' Compensation and Injury Management Regulations 1982* and the *Code of Practice (Injury Management)*.

### Documentation

\*3.2.1 If the self-insurer is to establish a RTWP, documentation must record:

- a. Contact with the treating medical practitioner.
- b. Contact with the worker.
- c. The name of the injured worker and employer.
- d. A description of the goal of the program.
- e. A list of actions to be taken and by whom, to enable the worker to return to work.
- f. A statement as to whether the worker agrees with the content of the program.
- g. Whether vocational rehabilitation is required.
- h. Date of commencement of vocational rehabilitation if required.
- i. A proposed date of review of RTWP (no more than four weeks).

### Consultation

\*3.2.2 Self-insurers must ensure that the injured worker has been given an opportunity to participate in the establishment of a RTWP.

\*3.2.3 The self-insurer must ensure that reasonable steps are taken to ensure:

- a. The worker agrees with the content of the worker's RTWP.
- b. The action listed in the RTWP is taken in a timely manner

### Modifications

\*3.2.4 If the self-insurer becomes aware that the treating medical practitioner modified the restrictions of the work that the worker is considered to be capable of doing, the self-insurer is to ensure the RTWP is changed to reflect the modification.

\*3.2.5 In accordance with the Code of Practice a RTWP and any changes to the workers RTWP must be described in writing.

\*3.2.6 Evidence that the self-insurer has given a copy of the document describing the RTW program to:

- a. the worker; and
- b. the treating medical practitioner.

<b>4.0 Financial Management</b>	
<b>Objective</b>	<b>Performance Indicator</b>
<p><b>4.1 Material Resources</b></p> <p>Self-insurers are required to maintain an office in the State with authority and material resources to enable the discharging of its obligations under the Act.</p>	<p>4.1.1 Self-insurers are to provide a copy of their organisational chart detailing the minimum levels of training and experience for each classification of employee, dealing with worker's compensation and injury management matters.</p>
<p><b>4.2 Financial Resources</b></p> <p>Self-insurers are to ensure maintenance of adequate financial resources to comply with the requirements the Act and the Performance Monitoring Guidelines.</p>	<p><b>Financial ratios</b></p> <p>4.2.1 Self-Insurers are to maintain the following ratios within WorkCover WA's parameters:</p> <ol style="list-style-type: none"> <li>a. Current ratio</li> <li>b. Debt to Assets ratio</li> <li>c. Leverage ratio</li> </ol> <p>NB: The following financial indicators may also be used to review performance.</p> <ul style="list-style-type: none"> <li>▪ Balance Sheet Test</li> <li>▪ Quick liquidity</li> <li>▪ Interest coverage</li> <li>▪ Return on investment</li> <li>▪ Claims liability as a percentage of net assets (outstanding claims/net assets)</li> </ul> <p><b>Contributions to the General Account (Section 109)</b></p> <p>*4.2.2 Self-insurers are to contribute to the General Account in the prescribed format within the required timeframe.</p> <p>*4.2.3 Self-insurers must ensure that returns to WorkCover WA are not false (section 109(4a)).</p> <p>*4.2.4 Self-insurers must ensure that returns to WorkCover WA are sent within the prescribed timeframe (section 109(4b)).</p>

### 4.3 Securities and Insurance Obligations

Self-Insurers are required to maintain adequate securities and assurances.

#### Securities

\*4.3.1 Self-insurers are required to contribute to the Supplementation Fund, when a levy is imposed. (section 164(1a)).

4.3.2 Self-insurers as part of their annual review or when required by WorkCover WA, are to provide a report on the actuarial assessed value of outstanding claims liabilities. The report is to include a 50% prudential margin and be prepared by a registered actuary.

\*4.3.3 Self-insurers are to maintain a bank guarantee of 150% of the actuarial assessed value of outstanding claims liabilities during the period of approval. The withdrawal or reduction in the value of the bank guarantee is to be in accordance with the Authority's guidelines. The bank providing the bank guarantee is to be subject to the *Banking Act*. (section 164(1)).

#### Insurances+

4.3.4 Appropriate common law and catastrophe cover is maintained during the period of approval.

\*4.3.5 Appropriate insurance coverage for industrial diseases of the kinds referred to in section 151(a)(iii) is maintained through the period of approval (section 164(1)).