

Licensing of Self-Insurers

The Bill provides for a modernised licensing framework for the approval and regulation of self-insurers.

Key Points

Bill ref: cl. 245-252, 277, 278, 597

- Self-insurers will be required to hold a self-insurer licence granted by WorkCover WA - rather than the Governor. Licences may be fixed term or granted to remain in force indefinitely.
- The Bill clarifies the status of self-insurers covered by a group self-insurer license (i.e. a group of related entities).
- Regulations may specify criteria that must be satisfied for the grant of a self-insurer licence.
- A self-insurer licence will be subject to conditions prescribed by the Act, regulations or WorkCover WA.
- WorkCover WA will monitor and review the functions of self-insurers to determine whether they are being carried out in compliance with the Act, regulations and licence conditions.
- WorkCover WA may suspend or cancel a self-insurer licence (and / or issue an improvement notice) if a self-insurer fails to satisfy the criteria for the grant of a licence, or fails to comply with any provision of the Act or regulations, or a licence condition.
- The Bill provides for securities other than a bank guarantee to be provided to cover potential self-insurer liabilities if approved by WorkCover WA.
- The Bill clarifies that WorkCover WA may demand payment under a self-insurer security to the extent of any payments to be made by WorkCover WA on a claim under Part 5 Division 8 of the Bill (this will arise when a self-insurer is insolvent).

Questions & Answers

Q. Will self-insurers approved under the current Act have to reapply to become licensed insurers when the new Act commences?

A. No. Savings and transitional provisions provide that an approved self-insurer under the current Act is taken to be a licensed self-insurer under the new Act, but is subject to the new Act. This means self-insurers approved under the current Act will be subject to the licence criteria, conditions, performance monitoring and compliance requirements in the new Act and regulations. Savings and transitional provisions also convert self-insured groups of employers under the current Act to a group self-insurer licence under the new Act.

Q. Will the bank guarantee held for existing self-insurers need to be reissued when the new Act commences?

A. No. Savings and transitional provisions provide that self-insurer securities given by self-insurers under the current Act are taken to be securities under the new Act.

