

## Insurance Requirements for Employers

The *Workers Compensation and Injury Management Act 2023 (WCIMA23)* maintains the fundamental employer obligation to maintain a workers compensation insurance policy to cover workers suffering an injury from employment, and sets out insurance obligations.

### Key Points

Act ref: ss. 202-204, 209, 211

- The *WCIMA23* requires employers when effecting and renewing a workers compensation policy to provide a declaration of aggregate remuneration in respect of workers employed or engaged by the employer. The declarations must be in the approved form and can be found on the WorkCover WA website:  
IN1- *Declaration of estimated remuneration*  
IN2 - *Declaration of actual remuneration*
- The *WorkCover WA Remuneration Guidelines* set out what constitutes 'remuneration' to assist employers to provide a remuneration declaration to their insurer.
- Employers may be required to provide to the insurer any other information reasonably required by the insurer to enable the insurer to have sufficient information about the risk profile of the employer in order to issue or renew the policy, or provide a quote of the premium payable.
- Employers must maintain records relating to the number of workers employed, the appropriate industry classification, and total remuneration paid or payable for each period of insurance. Records must be retained for not less than 7 years.
- An insurer may recover the cost of undertaking an audit of employer records if there is a serious misstatement in the information provided that is relevant to the calculation of the premium.

### Key Points

- The penalty for the offence of failing to effect or renew a workers compensation policy, or for failing to provide a remuneration declaration (or one that is provided but is known to be false and misleading) has increased from \$5,000 to \$10,000 in respect of each of the employer's workers to whom the offence relates.

## Questions & Answers

**Q. What other information is required to be given to the insurer other than the remuneration declarations?**

**A.** The regulations permit insurers to request information to assist in providing a quote or issuing or renewing the policy, which may include records relating to the employer's WHS safety management plan, claims experience, details about the nature of the business and working arrangements under the employer, and details of any contractual indemnity arrangements that may impact on the policy.

**Q. Why has the penalty increased for failing to have a workers compensation policy?**

**A.** The increase in the maximum penalty is required to ensure it acts as a deterrent and can be applied when necessary commensurate with high risk, recidivous offenders. The maximum penalty effective is seldom awarded in the courts. Most offences for failing to take out or renew a workers compensation policy are dealt with via an infringement notice and modified penalty.