

## Licensing of Self-Insurers

The *WCIMA23* provides for a modernised licensing framework for the approval and regulation of self-insurers.

### Key Points

Act ref: ss. 245-252, 277, 278, 598

- 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 *WCIMA23* clarifies the status of self-insurers covered by a group self-insurer licence (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 *WCIMA23* provides for securities other than a bank guarantee to be provided to cover potential self-insurer liabilities if approved by WorkCover WA.
- The *WCIMA23* 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 *WCIMA23* (this will arise when a self-insurer is insolvent).

### Questions & Answers

**Q. Will self-insurers approved under the 1981 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 1981 Act is taken to be a licensed self-insurer under the *WCIMA23*, but is subject to the new Act. This means self-insurers approved under the 1981 Act will be subject to the licence criteria, conditions, performance monitoring and compliance requirements in the *WCIMA23* and regulations. Savings and transitional provisions also convert self-insured groups of employers under the 1981 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 1981 Act are taken to be securities under the *WCIMA23*.