

Licensing of Self-Insurers

The *Workers Compensation and Injury Management Act 2023 (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 are required to hold a self-insurer licence granted by WorkCover WA.
- Regulations specify criteria that must be satisfied for the grant of a self-insurer licence.
- A group self-insurer licence may be granted to cover a group of related entities of the holder of the licence.
- A self-insurer licence is subject to conditions prescribed by the Act and WorkCover WA (e.g. compliance with liability decision timeframes and principles and standards).
- WorkCover WA monitors and reviews 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.
- Each self-insurer licence holder must provide a security in the form of a bank guarantee for an amount determined by WorkCover WA. The bank guarantee covers all accrued, continuing future and contingent self-insurer liabilities of the employer and each employer to which the licence extends.

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 is 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 *WCIMA23*.

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*.