

Workers Compensation Insurance Brokers

The *Workers Compensation and Injury Management Act 2023 (WCIMA23)* provides for a scheme of regulation of workers compensation insurance brokers.

Key Points

Act ref: s. 213

- Insurance brokers often assist employers in connection with workers compensation insurance.
- The *WCIMA23* provides for a scheme for the registration of workers compensation insurance brokers should it be required in the future.
- WorkCover WA's *Workers Compensation Insurance Brokers Principles and Standards*, effective from 1 July 2024, provide clear guidelines for insurance brokers involved in workers compensation policy and claim related activities.

Questions & Answers

Q. Will WorkCover WA monitor the compliance of brokers with the Principles and Standards?

A. WorkCover WA expects brokers to comply with the principles and standards but there is no formal regulatory or licensing framework at this time.

Q. Why does the *WCIMA23* provide for a registration scheme for brokers operating in workers compensation insurance if there is no intention to introduce a scheme at this stage?

A. The *WCIMA23* provides for a registration scheme to be established in the event there is a need for formal regulation in the future. The role of brokers has expanded over time and there is a risk the current method of self-regulation, engagement and training may be insufficient in dealing with potential conduct or service delivery risks specific to workers compensation in the future. Statutory based licensing or registration systems apply to most service providers in the workers compensation scheme that set out eligibility for registration, activities that can be undertaken, and compliance with service standards.