



Application for Exemption Self Insurers

Worker Compensation Act 1951

The *Workers Compensation Act 1951* (the Act) empowers the Minister to exempt an employer from having to obtain and maintain a compulsory workers' compensation insurance policy under section 147A (2) of the Act. That approval must be made in writing and for a stated period of time.

Applicant Details

Applicant (employer name)	
Principal Officer (ACT office)	
Address of ACT office	
Date of application	

Core competencies and Assessment Criteria

An employer who is granted an exemption by the Minister is referred to as a Self-Insurer and is subject to the conditions, obligations and requirements enshrined in the Act, the *Workers Compensation Regulation 2002* and its subordinate instruments (the Regulatory Framework).

Those seeking approval as Self-Insurers must demonstrate core competencies across a range of areas including case management, decision making, customer service and dispute resolution, reporting and data quality and in respect of their understanding of, and compliance with, the Regulatory Framework.

The evidence provided in response to this application must demonstrate the employer's ability to meet these core competencies and are assessed against the following criteria:

Financial solvency

1. Ability to meet present and future claims under the Act for which the employer is, or is expected to be, liable;
 - A. The application must include copies of the employer's annual report and balance sheet (or, if either is not available, equivalent information) for each of the previous 3 years. These reports must relate to the legal entity which is making this application (i.e. the entity which is listed as the Applicant on this application). The employer must provide a copy of its annual report and balance sheet (or equivalent) within 30 days after the end of each financial year of its finalisation.
 - B. The application must include a statement from the employer's Chief Finance Officer as to its financial solvency.
 - C. The application must include a copy of the employer's business plan – as it pertains to its operations in the ACT - for the forthcoming 3 year period.
 - D. The application must include an actuarial report which contains the following:
 - a) An estimate of the employer's current outstanding liability in relation to compensable injuries;
 - b) An estimate of the total of the employer's expected liability for each year in relation to which the employer is applying to be a self-insurer;
 - c) An estimate of the total payments in satisfaction of the employer's liability for compensable injuries that will be made for each year;
 - E. The application must include evidence that the employer has a guarantee from an authorised deposit-taking institution in favour of the DI Fund for \$750,000 or an amount

calculated by an actuary to be the estimate of outstanding claims liability at the balance date, plus a prudential margin of 30%, whichever is the greater.

2. Reinsurance for a single event to cover the employer's future liability under the Act;
 - A. The application must provide evidence that the employer has reinsurance of \$500,000 (CPI indexed) for a single event to cover the employer's future liability under the Act.

Physical connection to the ACT market

3. The employer has a place of business in the ACT with the necessary resources to ensure the effective and efficient management of claims;
 - A. The application must provide the name, address in the ACT and telephone number of a person nominated by the employer to be the contact officer who is to give information about claims under the Act to the Minister (or delegate).
 - B. The application must include information regarding the resources in the ACT for discharging the employer's obligations under, or for the purposes of the Regulatory Framework, including a summary of the number, skills, experience and qualification of persons:
 - a) Employed in claims management, including handling of disputes on claims;
 - b) Responsible for injury management;
 - c) Responsible for risk management advisory services.
4. If the employer has, or is applying for, a corresponding approval—evidence of the approval or application.

Compliance and audits

5. Use and disclosure of information regarding the affairs and performance of the employer;
 - A. The employer must agree to allow the Minister (or delegate) to discuss its affairs and performance with Commonwealth or State Ministers responsible for workers' compensation or corporate or prudential regulation. Completion of this application and submission to WorkSafe ACT is deemed to be evidence of this agreement.
6. Participation in and payment of the costs of audits;
 - A. The employer must agree to participate in, and pay the costs of, an audit to establish that the employer has adequate resources to meet its current and expected liabilities under the Act. Completion of this application and submission to WorkSafe ACT is deemed to be evidence of this agreement.
 - B. The employer must agree to participate in, and pay the costs of, an audit to establish that the employer has complied with its obligations under the Regulatory Framework. Completion of this application and submission to WorkSafe ACT is deemed to be evidence of this agreement.
7. Continued satisfaction of obligations under the Regulatory Framework once approved;
 - A. The application must include a comprehensive description of the employer's business process and service delivery model relating to:
 - a) Claims management:
 - i. Assessment of claim liability;
 - ii. Management of claims to assist injured workers return to health and work outcomes;
 - iii. Monitoring and assessing return to work outcomes (including process associated with personal injury plans);
 - iv. The involvement of external vocational rehabilitation services and providers;
 - v. Handling and resolving a dispute and/or complaint;
 - vi. Redemption of compensation benefits;
 - vii. Litigation management, including management of arbitration matters;

b) Compliance and the employer's ACT workforce:

- i. Data collection and supply;
 - ii. Training of the employer's staff;
 - iii. Quality assurance, including the employer's quality management plan, quality assurance, quality control and continuous improvement;
 - iv. Occupational health and safety for the employer's staff;
- B. Evidence that the employer has in place an occupational health and safety management system that complies Australian Standard 4801 as in force from time to time.
- C. A copy of the employer's occupational health and safety policy and evidence that it has been brought to the attention of the employer's workers.
- D. A copy of the employer's up-to-date injury management program.
- E. The nature and extent of any outsourcing arrangements entered into or to be entered into by the employer in relation to their responsibilities under the Regulatory Framework, including the use of resources from the employer's offices in other States/Territories.

Lodging an application

All application forms must be completed and submitted electronically to Access Canberra and/or by post to the following address:

Workers' Compensation
Access Canberra
GPO BOX 158
Canberra ACT 2601
Telephone: (02) 6207 3000
Fax: (02) 6205 0336
E-mail: WorkersCompensation@act.gov.au

The prescribed fees for financial year 2016/2017 associated with an application for an exemption (Self Insurer) in the ACT are as follows:

Application fee	\$7983 (GST is not applicable)
Approval fee	\$7983 (GST is not applicable)

The Application fee must be paid prior to, or at the time, this application is submitted for consideration by Access Canberra. Any applications submitted without payment will not be considered until the prescribed fees are paid. If the prescribed fees are not paid, the application will be treated as incomplete and returned to the employer. Applications that do not provide the information outlined by the Assessment Criteria will also be regarded as incomplete and returned to the employer without progressing to the Minister for consideration.

If a completed application is not returned to Access Canberra, along with payment of the above fees, the insurer will not be eligible to apply for a licence for the requested period.

An employer has 30 days from notification of approval of their application for exemption to pay the Approval Fee listed above.

