

Group self-insurer standard licence conditions

Workers compensation
regulation

June 2017



State Insurance
Regulatory Authority

Group self-insurer licence

Issued pursuant to Section 211 of the *Workers Compensation Act 1987*

This licence is granted to [Click here to enter text.](#) (ABN) [Click here to enter text.](#) (the Licensee) for [Click here to enter text.](#) (number) years commencing at 4.00pm on [Click here to enter text.](#) (date DD/MM/YYYY) and ending at 4.00pm on [Click here to enter text.](#) (date DD/MM/YYYY).

This licence is subject to:

- the conditions prescribed now and in the future by the Acts and any regulations, and
- the following additional standard [[and special](#)] conditions.

Additional standard conditions

In these licence conditions:

1987 Act refers to the *Workers Compensation Act 1987*.

1998 Act refers to the *Workplace Injury Management and Workers Compensation Act 1998*.

Acts refers to both the 1987 Act and the 1998 Act.

APRA refers to the Australian Prudential Regulation Authority established by the *Australian Prudential Regulation Authority Act 1998* and any successor authority.

Authority refers to the State Insurance Regulatory Authority.

Business day refers to a weekday on which the Authority's head office is attended and open.

References to legislation other than the Acts include any successor legislation and references to particular provisions of legislation which is replaced include references to the equivalent provisions in the successor legislation.

1. General

- 1.1 The Licensee shall act in accordance with all legislative requirements and conditions of licence issued by the Authority.

2. Scope of licence

- 2.1 This licence is granted to the Licensee and extends to the wholly-owned subsidiaries as named in Schedule 1 of this licence.

3. Conduct

- 3.1 The Licensee must conduct itself as a licensed self-insurer in accordance with the legislation and provide acceptable reporting to the Authority.

3.2 Business Plan

- 3.2.1** The Licensee is to develop and submit a business plan for its NSW workers compensation portfolio in accordance with the requirements established and published by the Authority.

3.3 Work, health and safety

- 3.3.1** The Licensee must perform its workplace obligations and functions as an employer in accordance with the requirements of the *Work Health and Safety Act 2011*.

3.4 Corporate information

- 3.4.1** The Licensee must notify the Authority in writing within ten business days of becoming aware of any change in the effective control of the Licensee, or any change in the ownership of the Licensee exceeding 20 per cent of its shareholding. In such an event the continuity of the licence will be subject to review by the Authority.
- 3.4.2** The Licensee must notify the Authority in writing within ten business days of any company which:
- a) becomes a wholly-owned subsidiary of the Licensee and employs workers in NSW
 - b) is named on Schedule 1 of this licence and is disposed of or is no longer a wholly-owned subsidiary of the Licensee.
- 3.4.3** Except with the Authority's prior written approval:
- a) the Licensee must not transfer, or agree to transfer, the whole or any part of its self-insurer liabilities (as defined in section 213 of the 1987 Act); and
 - b) the Licensee must ensure that each company which is named in Schedule 1 of this Licence does not transfer, or agree to transfer, the whole or any part of its self-insurer liabilities (as defined in section 213 of the 1987 Act)

and the Authority may give or refuse to provide such approval as it sees fit, and any such approval may be given upon such terms as the Authority sees fit.

3.5 Significant matters notification

- 3.5.1** The Licensee must formally notify the Authority of a significant matter within the timeframes and in accordance with requirements established and published by the Authority.

3.6 Claims information

- 3.6.1** The Licensee must provide to the Authority such data relating to claims as the Authority reasonably requires to carry out its functions under the Act. The Licensee shall ensure that such data is accurate and provided to the Authority within the time specified by prescribed regulations or as otherwise directed by the Authority.
- 3.6.2** The Licensee must provide to the Authority data quality self-audit results within a timeframe and in accordance with requirements established and published by the Authority.

3.7 *Contact information*

- 3.7.1 The Licensee must notify the Authority in writing within ten business days of any change or vacancy in the senior management position responsible for its NSW workers compensation business and the senior management position with overall responsibility for workers compensation.

4. Management and administration of claims operations

- 4.1 The Licensee must perform its obligations and functions as a licensed self-insurer in accordance with the legislation and demonstrate performance in injury and claims management of a standard acceptable to the Authority.
- 4.2 The Licensee must provide to the Authority its injury and claims management performance self-audit results within a timeframe and in accordance with requirements established and published by the Authority.

5. Financial ability

- 5.1 The Licensee must demonstrate ongoing financial viability and strength. The continuity of the licence is subject to review by the Authority if, in the opinion of the Authority, the financial position of the Licensee is such that it may make vulnerable the Licensee's ability to undertake its obligations as a self-insurer.
- 5.2 The Licensee must provide a copy of its annual report (including audited financial statements prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001*) each financial year within a timeframe established by the Authority. If the Licensee is not the ultimate holding company in Australia, then the annual report of the ultimate Australian holding company is to be provided.

5.3 *Security*

- 5.3.1 The Licensee shall maintain or provide, by a date to be advised by the Authority, a deposit with the Authority or security in a form approved by the Authority in favour of the Authority and/or its nominee(s). The deposit or security shall be for such sums and in such manner as the Authority may from time to time determine for the purpose of securing the payment of workers compensation liabilities, including contingent liabilities, of the licensee subject to a minimum security requirement.
- 5.3.2 The Licensee must provide the Authority with an actuarial report prepared by a qualified actuary for reported and unreported claims in respect of its NSW workers compensation business within a timeframe and in accordance with requirements established and published by the Authority.

5.4 *Reinsurance*

- 5.4.1 The Licensee must at all times have reinsurance arrangements in place in relation to its NSW workers compensation business in accordance with requirements established and published by the Authority.
- 5.4.2 The Licensee must provide the Authority with evidence of the currency of such reinsurance arrangements as and when reasonably directed by the Authority.

5.5 *Holding company guarantee*

- 5.5.1** The Licensee shall maintain a holding company guarantee in a form approved by the Authority under which the Licensee guarantees the liabilities to workers under the Acts and independently of the Acts of each of its wholly-owned subsidiaries as named in Schedule 1 of the licence.

- *End of standard licence conditions* -

Special licence conditions (if applicable)

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Schedule 1

This is Schedule 1 forming part of the licence granted to:

Licensee: [Click here to enter text.](#)

for the period commencing [Click here to enter text.](#) (DD/MM/YYYY) to [Click here to enter text.](#) (DD/MM/YYYY).

Subject to the conditions of the licence, the licence is granted to the licensee and extends to all its wholly-owned subsidiaries who are employers in NSW as named below:

Subsidiaries (if applicable)

Name	ABN/ACN

Disclaimer

This publication may contain information that relates to the regulation of workers compensation insurance, motor accident third party (CTP) insurance and home building compensation in NSW. It may include details of some of your obligations under the various schemes that the State Insurance Regulatory Authority (SIRA) administers.

However to ensure you comply with your legal obligations you must refer to the appropriate legislation as currently in force. Up to date legislation can be found at the NSW Legislation website legislation.nsw.gov.au

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State Insurance Regulatory Authority, Workers and Home Building Compensation Regulation

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