

**Key Amendments to WICA**

**(A) Prevent injuries from happening in the first place**

a) Facilitating more accurate premium pricing to reward safer companies

(i) Previously there was no information sharing between insurers of their clients' past claims record. This has resulted in safer companies subsidising the less safe companies as there is little premium differentiation between these companies.

(ii) Designated WIC insurers are required to share policy and claims data with MOM. The data will be made available to all designated insurers approved by MOM.

**(B) Expediting WICA Claims Processing**

a) Allowing compensation to be based on current incapacity

(i) Delay in settling Permanent Incapacity (PI) claims means some injured employees can only receive their compensation after several months, while employers incur higher upkeep and maintenance expenses to look after the injured workers. This causes uncertainty and inconvenience for all parties involved.

(ii) To expedite compensation for PI, compensation can be based on the prevailing state of incapacity (termed "current incapacity" or CI) at the earliest opportunity six months from the date of accident. The more complex injuries can still be assessed for permanent incapacity at a later date.

b) Streamline process to "auto-claim"

(i) For cases of fatal or serious injuries, employees or their representatives will no longer need to file claim applications. Claim processing for these cases will commence once MOM or the insurer is notified of the accidents.

(ii) Employees who do not wish to make a claim under WICA can still opt out.

c) Compensate based on a multiple of the basic monthly salary

(i) In cases where there is no readily available and reliable evidence to compute the employee's Average Monthly Earnings (AME), the Commissioner can order compensation to be computed based on a multiple of the employee's basic monthly salary.

d) Designated WIC insurers to process insured claims

(i) Designated WIC insurers will process all insured claims – for temporary incapacity, fatal and permanent incapacity. A licensing framework will be introduced to regulate insurers, to ensure checks and balances are in place for insurers to process claims fairly and expediently.

(ii) The insurers must comply with MOM's processing guidelines and cannot frivolously reject claims. Insurers do not determine the compensation amount as the basis of computing the compensation sum under WICA is prescribed in the WICA Schedule.

(iii) To ensure that injured employees continue to receive their compensation promptly, insurers have to meet the processing timelines set by MOM. MOM will also conduct audits on insurers for compliance with MOM's requirements.

(iv) Designated insurers who fail to comply with MOM's licensing conditions may face administrative financial penalties (AFP) of up to \$30,000 for each such failure, or in more serious cases, have their licenses suspended or revoked.

**(C) Enhancing protection for employees**

a) Expand mandatory insurance coverage

(i) Today, WICA requires employers to purchase Work Injury Compensation (WIC) insurance for (a) all manual employees; and (b) non-manual employees (NMEs) in factories earning up to \$1,600 a month.

(ii) We will amend the WICA Subsidiary Legislation to extend mandatory insurance to NMEs regardless of where they work. The NMEs required to be insured will be those with salaries at or below the threshold under Part IV of the Employment Act (\$2,600). Thus, the salary threshold for NMEs to be insured will be raised from \$1,600 to \$2,100 in April 2020 and to \$2,600 in April 2021.

(iii) This will extend mandatory insurance coverage to about 300,000 more employees. Nonetheless, the vast majority are already voluntarily insured by their employers.

b) Scope of compensation to include light duties

(i) Employees on light duties due to work injury will be compensated for their lost earnings. This is to put them on par with employees on medical leave due to work injuries. Employers only need to compensate them up to their Average Monthly Earnings (AME) if the salary that they are already receiving during period of light duties, is lower.

c) Compulsory reporting for all medical leave or light duties

(i) To address some irresponsible employers that may avoid reporting work accidents or attempt to influence doctors to prescribe lesser medical leave, employers are required to report all work-related medical leave or light duties to MOM. The reporting requirements will be simplified for accidents with less than four days of medical leave or light duties, to ease administrative process for employers.

d) Ensuring proper assessment of work injuries

(i) Where there are strong concerns and evidence of unfair or inadequate incapacity assessment by the employer's doctor, an employee will be allowed to switch doctors, on a case-by-case basis. This is to ensure proper and fair assessment of workers' injuries.

e) Updating compensation limits

(i) To keep pace with wage growth and healthcare cost, the compensation limits for death and permanent incapacity will be increased by about 10% to \$225,000 and \$289,000 respectively. The compensation limit for medical expenses will be raised from the current \$36,000 to \$45,000, an increase of about 25%. This will ensure that the limit for medical expenses continues to cover more than 95% of all WICA claims medical expenses. This change to WICA Subsidiary Legislation will take effect on 1 January 2020, in line with the four-year interval for previous updates.

**(D) More certainty for employers**

a) Designated WIC insurers to sell only WICA-compliant policies

(i) Previously, employers who bought WIC insurance policies may find some work scenarios that were excluded from coverage. To safeguard employers, a core set of standard terms for WICA-compliant policies will be prescribed to ensure adequate coverage. Insurers can offer additional coverage but they cannot reduce the benefits under the standard policy.

(ii) A maximum fine of \$80,000 will be imposed on any person who offers policies purporting to be WICA-compliant. Such person will have to pay compensation as though the policies offered were WICA-compliant policies. This will ensure that employers are not disadvantaged if they are misled into purchasing such policies.

(iii) A maximum fine of \$80,000 will be imposed on any unauthorised person who offers WICA-compliant policies.

b) Recourse for employers

(i) The Commissioner can order the claimant to refund the employer (or insurer), if the employer (or insurer) had paid for the medical expenses or PI or death compensation due to error or false or misleading information. This is on top of it being an offence for any person to obtain compensation by providing false or misleading information.

**(E) Other amendments**

a) Safeguard against fraud or error

(i) The current WICA does not allow late objections irrespective of the reasons, if no objection is raised within the given 14-day from the receipt of the notice of assessment. This will be amended to allow for late objections if the late objection is due to error or fraud by another person.

b) Increased and new penalties

(i) Any person withholding necessary information or documents for claims processing will be liable for a maximum fine of \$5,000 and/or 6 months' imprisonment.

(ii) Failure to pay deposit compensation ordered will result in a maximum fine of \$15,000 and/or 12 months' imprisonment.

(iii) The maximum fine for non-or-late payment of compensation will be increased from \$10,000 to \$15,000.

(iv) The maximum fine will be doubled for a second or subsequent conviction for WICA offences.

**Compensation Limits for WICA**

	Limits	Current Limits	New Limits from 1 Jan 2020
Death	Maximum	\$ 204,000	\$ 225,000
	Minimum	\$ 69,000	\$ 76,000
Total PI <sup>1</sup>	Maximum	\$ 262,000	\$ 289,000
	Minimum	\$ 88,000	\$ 97,000
Medical Expenses		\$ 36,000 or within 1 year from date of accident, whichever is reached first	\$ 45,000 or within 1 year from date of accident, whichever is reached first

**New and Enhanced Penalties for offences under WICA**

S/N	WICA Offences	Maximum penalty	
		Current	New
<b>A. New offence</b>			
1.	Unauthorised sale of a WICA-compliant policy (any person)	New	\$80,000 fine  (Subsequent offences: \$160,000 fine)
2.	Sale of a WIC policy purporting to be WICA-compliant when it is not (any person)	New	\$80,000 fine  (Subsequent offences: \$160,000 fine)
3.	Failure to provide necessary information or document when directed by Commissioner (any person connected to the claim)	New	\$5,000 fine, and/or 6 months' jail  (Subsequent offences: \$10,000 fine and/or 6 months' jail)
4.	Non- or delayed deposit of compensation with the Commissioner (by employer or insurer)	New	\$15,000 fine, and/or 12 months' jail  (Subsequent offences: \$30,000 fine and/or 12 months' jail)

<sup>1</sup> The minimum and maximum sums apply only for total PI cases (or 100% PI). If the PI% is lower than 100%, the minimum and maximum compensation sums could be lower than the amounts stated. The amounts stated also exclude the additional 25% compensation that is paid for total PI to offset the cost of care for the injured employee.

S/N	WICA Offences	Maximum penalty	
		Current	New
<b>B. Increase existing penalties</b>			
5.	Non- or delayed payment of compensation or interest <i>(by employer, principal or insurer)</i>	\$10,000 fine, and/or 12 months' jail	\$15,000 fine, and/or 12 months' jail  <u>(Subsequent offences:</u> \$30,000 fine and/or 12 months' jail)
<b>C. Double the maximum fines for second or subsequent offences</b>			
6.	Failure to maintain compulsory WIC insurance <i>(by employer)</i>	\$10,000 fine, and/or 12 months' jail	\$10,000 fine, and/or 12 months' jail  <u>(Subsequent offences:</u> \$20,000 fine and/or 12 months' jail)
7.	Illegal deduction of salary to defray insurance costs <i>(by employer)</i>	\$5,000 fine, and/or 6 months' jail	\$5,000 fine, and/or 6 months' jail  <u>(Subsequent offences:</u> \$10,000 fine and/or 6 months' jail)
8.	Providing false information or statement to the Commissioner or investigation officer <i>(by any person)</i>	\$5,000 fine, and/or 6 months' jail	\$5,000 fine, and/or 6 months' jail  <u>(Subsequent offences:</u> \$10,000 fine and/or 6 months' jail)
9.	Making false claim for compensation to employer, insurer or the Commissioner <i>(by any person)</i>	\$15,000 fine, and/or 12 months' jail	\$15,000 fine, and/or 12 months' jail  <u>(Subsequent offences:</u> \$30,000 fine and/or 12 months' jail)
10.	Obstruction or delay of the Commissioner or investigation officer in exercising his powers <i>(by any person)</i>	\$5,000 fine, and/or 6 months' jail	\$5,000 fine, and/or 6 months' jail  <u>(Subsequent offences:</u> \$10,000 fine and/or 6 months' jail)
11.	Abetment <i>(by any person)</i>	Same penalty as for the offence that is abetted	Same penalty as for the offence that is abetted