



# WORK INJURY COMPENSATION INSURANCE 101



1

I employ local and foreign employees. Some of them are part-timers. Do I have to buy Work Injury Compensation (WIC) insurance for all of them?



Under the Work Injury Compensation Act (WICA), you must buy WIC insurance for employees doing:



manual work, regardless of salary level; and



non-manual work and earning \$1,600 or less a month.

This applies to both local and foreign employees under contracts of service or apprenticeship, on either full time or part-time basis.

2

What should I look out for when buying WIC insurance?



Ensure adequate coverage

Insure the correct number of employees and state their occupations accurately.



Benefits must include medical leave wages, medical expenses and compensation for permanent incapacity and death eligible under WICA.



Check for work-related exclusion clauses and recovery clauses.

Work-related exclusion clauses are prohibited in insurance policies for work injury compensation (except for asbestos-related cases). The insurer is still liable to pay in the event of a valid claim but may recover the compensation from you if a recovery clause exists.

3

Do I need to buy my own annual insurance if there are project insurance policies that cover my employees?



Project insurance generally only covers injuries sustained by workers in accidents while working on the insured project. An employer should not rely solely on project insurance unless he has verified that the project insurance covers all his liabilities under WICA.



4

What happens if I do not buy WIC insurance?



Failure to maintain adequate WIC insurance coverage for employees is an offence punishable by:



MAXIMUM FINE OF \$10,000



IMPRISONMENT OF UP TO 12 MONTHS