Applying for registration as a single or group self-insured employer

Registration as a self-insured employer carries significant responsibilities, authorities and costs.

A decision to apply for registration as a self-insured employer should only occur after careful consideration of the benefits, risk and obligations associated with registration as a self-insured employer.

An employer must undertake an application and approval process to ensure it is capable of delivering against the objects of the *Return to Work Act 2014* (Act) before registration as a self-insured employer.

## Initial meeting

An initial meeting should occur between the employer and ReturnToWorkSA. At this meeting, ReturnToWorkSA will provide a high-level overview of the obligations and requirements of registration as a self-insured employer.

## Expression of Interest

An employer will need to complete an Expression of Interest for registration as a single or group self-insured employer.

ReturnToWorkSA will allocate an Account Manager to the employer to assist the potential applicant to develop an understanding of the requirements of registration as a self-insured employer.

Education activities may, in consultation with the potential applicant, be undertaken to assist in the understanding of the requirements of registration as a self-insured employer and of the considerations ReturnToWorkSA will have regard to when assessing an application.

The Account Manager will not undertake any assessment of the potential applicants WHS and injury management systems.

An organisation choosing to proceed with its application does so on the basis of its own assessment of the risks and benefits of its application.

## Application Fee

An Application fee must be paid before an application can be progressed. The application fee is $10,000 plus $15 per worker employed by the organization in South Australia, (Maximum $40,000) plus GST. Application fees are not refundable.

## Application

An employer must complete and submit an Application for registration as a single or group self-insured employer.

The assessment of the application will involve desktop review and onsite validation of the evidence provided by the applicant at the time of application, and will be assessed against the ReturnToWorkSA Injury Management and WHS Standards for self-insured employers.

The applicant will be provided with a formal report on the assessment of its application and have an opportunity to decide whether to proceed with the consideration of the application by the Board of ReturnToWorkSA.

An applicant may elect to provide a written submission to the Board of ReturnToWorkSA in addition to its application.

## Group of employers

An application for registration as a single or group self-insured employer will require the applicant to identify all related bodies corporate. The Act requires all related bodies corporate who employ in South Australia to be included in an application/registration.

## Costs associated with Self-insurance

The following is an estimate of some of the costs associated with registration as a self-insured employer. These amounts are our best estimate based on our experience. Many of the costs will be dependent on your negotiations with service providers. Your experience or cost may be very different and ReturnToWorkSA accepts no responsibility for the accuracy or applicability of any of these estimates[[1]](#footnote-1).

* Annual fee to ReturnToWorkSA – approximately 4 to 5% of base premium,
* Annual Actuarial valuation $15,000 to $25,000,
* Financial guarantee cost – 2% of value of the guarantee,
* Excess of Loss Insurance –$30,000 to $50,000 for small to medium applicants and can be much more for very large employers,
* Administrative costs – Claims practitioner, WHS practitioner and any administrative support,
* The cost of a claims data system to record and transmit data to ReturnToWorkSA - $50,000 initial purchase plus annual upkeep requirements,
* All claims costs incurred by your workers.

## Assumption of liability

## On registration as a self-insured employer, the employer becomes liable to make all outstanding payments of compensation to which a person is entitled in consequence of a work injury arising from employment by the employer that occurred before the employer became a self-insured employer.

## Feasibility study

ReturnToWorkSA believes that an independent feasibility study may help you understand the benefits and risks associated with registration as a self-insured employer before you proceed to an application

## Assessment against each of the elements referred to in section 129(11)

An organisation will need to demonstrate, amongst other things, that it has and is capable of demonstrating,

* a significant level of employment,
* an ability to meet liabilities relating to workers compensation claims,
* established WHS systems,
* a good record in relation to serious injuries and interaction with SafeWorkSA,
* appropriate financial, human and physical resource to the administration of its claims and rehabilitation activities,
* preparedness for injury management,
* a history of appropriate rehabilitation outcomes and provision of suitable employment,
* a better than industry group (based on levy rate) record over recent years in the incidence and severity of claims incurred,
* consultation with appropriate industrial associations.

ReturnToWorkSA will, in deciding whether to grant an initial period of registration as a self-insured employer consider the effect of registration on the compensation fund and any other matter as it considers relevant.

## How long does the application process take?

The time taken to complete an application will vary between organisations. Given that application fees are non-refundable, we recommend careful consideration of risks, options and costs during the Expression of Interest Phase.

Further Information

Further information is available at [www.rtwsa.com](http://www.rtwsa.com) or by contacting the Technical Lead, Self-Insurer Performance & Assurance on 0448 803 253 or at [selfinsured@rtwsa.com](mailto:selfinsured@rtwsa.com).

Reference Material – [www.rtwsa.com](http://www.rtwsa.com)

* Code of Conduct for Self-insured employers
* Expression of Interest
* Application for registration as a single or group self-insured employer
* Self-insured work health and safety standards
* Self-insured work health and safety guideline
* Self-insured injury management standards
* Self-insured injury management standards guidelines
* Guideline for actuary reports and financial guarantees
* Guideline on liability transfer payments

1. Indicative estimate only. Costs may vary significantly form estimate. [↑](#footnote-ref-1)