

WICA Changes 2020

# WORKMEN INJURY COMPENSATION

How it impact your business and what are the solutions to minimise your liability ?

**Did you know** that the Workmen Injury Compensation Insurance (W.I.C) has been amended and since January 1, 2020, there have been some newly applied changes? What are these changes that have come into effect and how will they impact employers , employees operating and each industry in Singapore?

To prepare you in advance and help you understand the key changes to WICA for 2020. We have enclosed an overview of the revised Act . Do find our advisory / solutions for your consideration or implementation accordingly.



1. Increase in compensation and medical expenses limits.
2. Mandatory to cover all manual employees & non-manual employees with an earnings of \$2,600 & below (monthly).
3. Light duties will be claimable .
4. Employers are able to object the claims if fa
5. Compulsory reporting to MOM within 10 days for all work related - accidents. (\*\* ex : MC/ light duties / injury / death\*\* )

## In-Depth Details

### Wider scope of compensation to include light duties

Employees who are assigned on light duties due to a work injury will be compensated for their lost earnings at the same level as employees who are receiving medical leave for the same reasons

### Transparent Information Sharing

All underwriters are able to access a shared portal provided by the MOM to check on each company's claim history for the past 3 years, total headcount and wages of your employees. Employers with poor safety records would face higher premiums while those with good safety records would be rewarded with lower premiums.

## No Policy Exclusion

Work-related exclusion clauses are no longer allowed in insurance policies for work injury compensation (except for asbestos-related cases). This means that your insurer is liable to pay for all accidents relating to work. While inevitably, there could be loadings to the premium with the removal of exclusions under WICA, each case will be reviewed on its exposures and its merits and appropriate adjustments to premium will be made accordingly. Refer to the appendix for the [list of standard exclusions](#) below.



## Renovation & Construction Biz

### What Will Happen To All The Project Tendering Moving Forward ?

- Project WIC will be outlawed WEF 1 Sept 2020 and will no longer be recognised by the authorities.
- Third party liability & material damage covered under Project contractor all risk (CAR) still remain unchanged.
- Every contractor ( Main-contractor & Sub-contractor ) should rely on their [annual WIC](#) insurance to protect their employees during work.
- Main contractor is responsible to ensure that their subcontractors fulfill the basic insurance requirements before partnership.
- Higher claims will result in higher premiums

## Will Project Policies be cancelled with immediate effect?

All project policies will be allowed 1 year from Sept 2020 to run off and insurers will no longer underwrite project WICA from Sept onwards.

## Will Your WIC Policies Be Covered Under The New Scheme Automatically WEF Sept 2020 ?

- **Policy Renewal Before Sept 2020:** Your policy coverage will only be revised during the next policy renewal (2021).
- **Policy Renewal After Sept 2020:** Your policy benefits will automatically be revised under the new scheme and be prepared for a premium increase across the market . ( especially for Construction related business )

## Is there any duplication between WIC & FWMI? (Foreign Employee Medical Insurance Plan)

As an employer, it is also compulsory to buy and maintain foreign worker medical insurance (FWMI) coverage of at least \$15,000/year for each work permit and S-Pass holder. The insurance should cover inpatient care and day surgery, including hospital bills for conditions that may not be work related. Whereas, Work Injury Compensation Insurance covers accidents arising out of and in the course of employment. Unless there is evidence to prove otherwise, an accident in the course of employment is regarded as arising out of employment.



- Work out a solution with your insurance agents to manage every claim properly to prevent paying high premiums during your renewal.
- Safety officers and supervisors should ensure all workers adhere to the safety guidelines and be more attentive to looking out of the employees during work.
- Issuance of warning letters to employees who violate safety regulations repeatedly, these will act as a deterrent for any future claims.
- Look into the insurance details instead of the cheapest premium, ensure that the policy meets your business nature and reduce the risk of any financial loss to the company upon claims.

## Summary - ADAPT, PREPARE & MANAGE

While inevitably for some industries ( *Construction/ logistics /Marine etc* ) will be facing an overall increase in the premium this renewal. Ensuring work safety and working closely with your trusted agent, leveraging on their expertise to manage your account are the key solutions to minimise financial risk in the event of a claim.

We sincerely hope that everyone in your company is still strong and healthy, as we believe that we will conquer this period together. While we may not know when this will end, my team is committed to provide the best possible service experience to you and your company. Be safe and stay healthy.

## Appendix :

### What Are The Types Of Exclusions For Annual WIC ?

1. Working/Delivery on board vessel/ Shipyard/oil rigs/platforms/offshore Island/aircraft/airside exposure
2. Working in chemical plant/ petrochemical /oil refinery plant/ wafer plants or similar/ clean room and/or within its vicinity
3. Working at a height exceeding 30Ft (9.14Metre) from ground level.
4. Construction Activities, Piling, Demolition, Excavation, Working Underground, Tunnelling Works (including pipe-jacking) and in manhole/confined space
5. Work using Cherry Picker Truck & Cherry Picker Works
6. Scaffolding & Gondola Exclusion
7. Tandem Lifting Operations Exclusion
8. Welding / Hot works exclusion
9. Contract limit of \$200,000 - \$300,000 per project.
10. Excavation & Trenching Works

Excavation not exceeding 1.5m in depth from street/road level and/or trenching work not exceeding a distance of 50m per trench

## Changes In Compensation Limits

### Compensation for death

	Before 1 Jan 2020	From 1 Jan 2020
Minimum	\$69,000	\$76,000
Maximum	\$204,000	\$225,000

### Compensation for total permanent incapacity

	Before 1 Jan 2020	From 1 Jan 2020
Minimum	\$88,000	\$97,000
Maximum	\$262,000	\$289,000

### Maximum limit for medical expenses

Before 1 Jan 2020	From 1 Jan 2020
Up to maximum of <b>\$36,000</b> , or up to 1 year from date of accident, whichever comes first.	Up to maximum of <b>\$45,000</b> , or up to 1 year from date of accident, whichever comes first.