

## **Overview of Proposed Changes to the WICA in the Public Consultation**

### **A. Broaden WICA Coverage, Increase Payout**

#### Expand Compulsory WIC Insurance Coverage

- a) Extend compulsory insurance to non-manual employees (NMEs), regardless of where they work.
- b) Update the NME salary threshold to \$2,600, to align with the new salary threshold for non-workmen under Part IV of the EA. We will allow business time to adjust by raising the salary threshold in stages.

#### Expand Scope of Compensation

- a) Compensate employees on light duties due to work injury for his lost earnings. As employees on light duties are receiving salary, employers only need to compensate them up to their AME if the salary received during periods of light duties is lower.

#### Update the WICA Compensation Limits

<b>Type</b>	<b>Limits</b>	<b>Current Limits</b>	<b>New Limits</b>
<b>Death</b>	Maximum	\$ 204,000	\$ 225,000
	Minimum	\$ 69,000	\$ 76,000
<b>Total Permanent Incapacity (PI)<sup>1</sup></b>	Maximum	\$ 262,000	\$ 289,000
	Minimum	\$ 88,000	\$ 97,000
<b>Medical Expenses</b>		\$ 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

### **B. Speed Up Claims Processing**

- a) For cases of fatal or serious injuries<sup>2</sup>, 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.
- b) To expedite compensation for PI, allow compensation based on the prevailing state of incapacity (termed “current incapacity”) at the earliest opportunity after six months from the date of accident.

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<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 will be prorated. 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.

<sup>2</sup> These are for injuries likely to result in permanent incapacity, as proxied by the number of days of hospitalisation, medical leaves and light duties.

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

**C. License Insurers to Process All Insured WICA Claims**

- a) Establish a licensing framework to designate WIC insurers to allow them to offer approved WICA-compliant and process claims arising from such policies. The Commissioner will be able to impose requirements, directions and conditions to ensure that claims are processed in a fair and timely manner
- a) Allow the Commissioner to prescribe a standard core set of policy terms and conditions in WICA-compliant policies that employers must purchase to fulfil their compulsory insurance obligations.
- b) Impose a maximum fine of \$80,000 to any unauthorised person who offers WICA-compliant policies or any person who offers policies purporting to be WICA-compliant.<sup>3</sup>

**D. Other Amendments**

- a) Raise the maximum fine for failure to pay compensation from \$10,000 to \$15,000.
- b) Double the maximum fines for a second or subsequent conviction for WICA offences.
- c) The Commissioner can allow late objections to notices on the compensation payable if it is found that the objection was delayed by any error or fraud discovered after the period for objections to be raised.
- d) Clarifying legal ambiguities and to streamline the claims process.

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<sup>3</sup> This is benchmarked to the Employment Agencies Act's penalty for unlicensed employment agency activities.