

Workers' Compensation Frequently Asked Questions - COVID-19

Last updated: **13 May 2020**

We're here to help our brokers support their clients through COVID-19.

With the COVID-19 virus being declared a global pandemic, GIO Workers' Compensation is committed to providing assistance to help you navigate the challenges ahead by monitoring expert advice from federal and state health authorities including **Safe Work Australia**.

It is important for businesses to have measures in place to protect the health of all workers.

Financial Relief

Q1: What financial relief or payment flexibility is available for workers' compensation customers?

Answer: For businesses that have temporarily paused operations, mid-term wage adjustments are supported by GIO as an option for your clients to provide immediate financial relief as part of our normal practices.

If your client is still experiencing financial hardship, we can offer eligible SME businesses a six-month premium deferral for GIO Workers' Compensation (policies with annual premium under \$30,000) as part of the Small Business COVID-19 Relief Package. This deferment is available to existing SME customers experiencing financial hardship whose policy is renewing in the period 1 March 2020 – 30 June 2020 and have yet not paid their insurance premium. Clients can apply for this relief up until 30 June 2020.

Q2: How does the Federal Government \$1,500 JobKeeper subsidy affect any wage adjustments my client needs to make?

Answer: We have worked with regulators and the Insurance Council of Australia to agree on a position for the treatment of the JobKeeper subsidy for workers insurance premiums. Our position for the underwritten schemes (WA, ACT, TAS and NT) is currently as follows:

- ▼ Employers must declare wages for workers who are working even if wages are subsidised by the JobKeeper payment.
- ▼ Employers are not required to declare wages for workers who have been stood down and not required to work even if wages are subsidised by the JobKeeper payment.
- ▼ Employers need only declare the original wages where the JobKeeper subsidy is above the worker's original pay. For example: a worker historically earning \$800 per fortnight and is now currently on the \$1,500 JobKeeper subsidy, the employer need only declare the \$800 as wages.

Please note that the JobKeeper subsidy applies from 30 March 2020 to 27 September 2020, with applications for the subsidy closing 31 May 2020.

Q3: How does the Federal Government \$1,500 JobKeeper subsidy affect claims payments to injured workers?

We have worked with regulators and the Insurance Council of Australia to agree on a position for the treatment of the JobKeeper subsidy for workers insurance claims payments. This will depend on the type of payment the injured worker is receiving. Our position for the underwritten schemes (WA, ACT, TAS and NT) is currently as follows:

- ▼ If the injured worker is not working and receiving full-weekly benefits, they will not be eligible for the JobKeeper payment. GIO Workers Compensation will continue to pay the full weekly benefits as per the local Workers Compensation scheme.
- ▼ If the injured worker is receiving partial-weekly benefits and is eligible for the JobKeeper subsidy, the employer must pass on the JobKeeper subsidy payment of \$1,500 per fortnight to the injured worker even if the employee's ordinary wages is less than \$1,500 per fortnight. GIO Workers Compensation does not pay weekly benefits in this scenario. However, if their entitlement benefit exceeds the amount provided by the JobKeeper subsidy, then GIO Workers Compensation will pay the difference after the employer passes on the JobKeeper subsidy payment of \$1,500 per fortnight to the injured worker.
- ▼ If it is a medical claim, GIO Workers Compensation will continue to pay the medical component of the claim. If the injured worker is eligible for the JobKeeper subsidy, the employer must pass on the JobKeeper subsidy payment of \$1,500 per fortnight to the injured worker.

VeroEdge

Q4: Can we continue to use VeroEdge?

Answer: Please continue to use VeroEdge where possible as it is the key quote, bind and renewal tool for the SME market.

Please note that in Western Australia, Overseas Common Law cover for any new journey has been suspended in-line with the Federal Government ban on overseas travel.

Working from Home

Q5: What safety measures could my client take to protect employees working from home?

Answer: We have provided some useful resources below which you can share with your clients:

- ▼ Some simple strategies on how to stay focused and productive when working from home: <https://www.vero.com.au/content/dam/suncorp/insurance/vero/documents/pdfs/vero-how-to-stay-focused-and-productive-when-working-from-home.pdf>
- ▼ A workplace checklist from Safe Work Australia: <https://www.safeworkaustralia.gov.au/doc/workplace-checklist-covid-19>

Change of Business Activity

Q6: Will my client's policy be impacted now that their food business offers a delivery service?

Answer: We will continue to rate employers on their predominant industry. If there is no change to the predominant industry, there will be no impact. We must be notified if there is a change in the main business activity.

Cover

Q7: My client has just recruited additional temporary staff; will their temporary staff be covered?

Answer: If employees are classified as a 'worker' under the relevant state legislation they will be covered. We will need to update the policy to ensure workers are covered correctly, particularly if they are employed to work in an industry outside the predominant industry of the employer.

Claims

Q8: Are there any changes to the lodgement process for claims as a result of the global pandemic?

Answer: The method for lodgement of claims will not change.

GIO will respond in writing following lodgement of a claim and we encourage regular communication with the injured worker and GIO to ensure all parties work together to achieve a successful outcome.

Q9: Will there be any changes to claims management services?

Answer: The only change we have made to our claims management services is replacing face to face meetings with Skype or telephone conferences.

Q10: Are there any changes to injured worker obligations to attend scheduled medical appointments?

Answer: No, there are no changes to injured worker obligations to attend treating doctor reviews, treatment reviews or independent medical examinations. Most medical practitioners have precautions in place to minimise any risk of infection, such as phone appointments, video conferences and strict social distancing and sanitisation practices. Workers can contact their medical provider to discuss what arrangements are in place during this time.

Q11. What happens if an employee submits a claim for COVID-19?

Answer: All claims will go through our usual claims management process. For acceptance of liability to be considered for a claim of this nature, we would need to be satisfied that it is compensable. Workers' compensation legislation varies between states and territories but broadly, a worker needs to establish that they suffered an injury or disease and there must be a causal relationship between the employment and that injury or disease. Each claim will need to be assessed on its facts, and in accordance with the relevant legislation for that state or territory.

Q12. Will my client's workers' compensation policy cover their worker's wages during any self-isolation period?

Answer: Your client's policy will not cover wages for their worker during self-isolation unless there is an accepted claim.

Q13: What impact will COVID-19 claims have on my client's premium?

Answer: Any worker with an accepted claim for COVID-19 will have access to the same compensation entitlements that are provided under the applicable legislation for other compensable injuries and diseases, such as weekly compensation, medical and rehabilitation expenses and return to work support.

The cost of claims is only one variable used in the calculation of premiums. Other variables which have a larger impact on premium include industry type and annual wage roll. We can provide you with an update on your client's premium closer to renewal.

Q14: My client is a company director – will they be covered for COVID-19 if they lodge a claim?

Answer: If as required by the relevant state's legislation the working director's name, remuneration and the nature of employment is disclosed on the policy, then there is an entitlement to lodge a worker's compensation claim.

For acceptance of liability to be considered for a claim of this nature, we would need to be satisfied that it is compensable. Workers' compensation legislation varies between states and territories, but broadly, a worker needs to establish that they suffered an injury or disease and there must be a causal relationship between the employment and that injury or disease. Each claim will need to be assessed on its facts, and in accordance with the relevant legislation for that state or territory.

Q15: My client has independently arranged for their workers to undergo testing for COVID-19. Will their Workers' Compensation policy cover reimbursement of testing costs?

Answer: COVID-19 testing will only be covered by workers' compensation if the worker is subsequently diagnosed with COVID-19, they lodge a claim and liability is accepted.