



Default Insurance Fund

THE ROLE OF THE DEFAULT INSURANCE FUND

What is the Default Insurance Fund ?

The Default Insurance Fund (DI Fund) was established under Section 166 of the *Workers Compensation Act 1951 (the Act)*, and came into effect on 1 July 2006. It is effectively a safety net mechanism to ensure that all private sector workers in the Australian Capital Territory have access to workers compensation benefits.

Who can make a claim on the DI Fund ?

An ACT worker may make a claim on the DI Fund if that worker has:

- suffered an injury or disease arising out of or during the course of their employment;
- AND**
- whose employer did not hold a compulsory workers compensation policy; or
- whose workers compensation insurer has collapsed or is otherwise unable to meet the costs of claims.

How do you make a claim on the DI Fund ?

A claim can be lodged against the DI Fund simply by completing a claim form and forwarding it to the DI Fund office together with an ACT workers compensation medical certificate and any other relevant information that may assist in the assessment of the claim.

Claim forms are available on our website, or can be mailed or faxed to you if requested.

What is the process once a claim is made against the DI Fund ?

Uninsured Employers

Upon receipt of a claim, the DI Fund will assess the claim and **may** take on the role of insurer **if** an employer defaults on payment.

The employer will be given the opportunity to pay the claim in the first instance. If the employer defaults on payment for any reason, the DI Fund will step in and attend to payments if satisfied that liability should be accepted. The employer is given a period of 30 days maximum, as directed by the Act.

The DI Fund may conduct investigations, such as a factual investigation or may request medical reports from your treating practitioners, or we may have you medically examined by a suitably qualified independent specialist prior to determining liability on a claim. In accordance with the Act, liability must be determined within 28 days of receipt of a claim.

As required by the Act, the DI Fund will appoint a rehabilitation provider for any claims where the worker has suffered a *significant injury*, ie an injury which results in more than 7 days incapacity, whether total or partial incapacity. The rehabilitation provider will ensure that injured workers are getting appropriate medical treatment, whilst assisting them to return to work.

All parties are required to comply with rehabilitation. A separate DI Fund information bulletin on rehabilitation and injury management is available.

Insurers Unable to Pay

For any claims where an employer's insurer cannot make the payments, the DI Fund will take on the role of an insurer.

Who provides the funding for the DI Fund ?

The funding for the DI Fund is made up of two components:

1. The cost of all uninsured employer claims and related administrative costs are met through levies imposed on all approved ACT workers compensation insurers and self-insurers.
2. Where an insurer is unable to pay, the claims and related administrative costs are currently met through contributions made by the Territory.

How is the Uninsured Employer affected by a claim against the DI Fund ?

Where an employer fails to maintain a compulsory insurance policy, and the DI Fund is required to make payments on behalf of that employer, the DI Fund is entitled to recover three times the amount of :

- compensation payments made to or on behalf of an injured worker, including any lump settlement and legal costs; and
- The premium that would have been payable to an insurer.

The DI Fund acts to recover those monies from the liable employer, and to return them to the levied insurers and self-insurers.

The preferred course of action for the DI Fund is to give the liable employer every opportunity to pay the claim. The DI Fund will work with the employer and the injured worker to manage claims as efficiently as possible, whilst ensuring legislative compliance.

In cases where the employer has agreed to pay, the DI Fund will assist the employer through the determination of liability and the appointment of rehabilitation as required under legislation, as well as assist with the day to day management of the claim as required.

For more information:

- Contact the DI Fund:

*GPO Box 158
Canberra ACT 2601*

*Phone: (02) 6207 0184
Email: defaultinsurance@act.gov.au*

- View the DI Fund website at:

<https://www.treasury.act.gov.au/insurance-and-risk-management/default-insurance-fund>