

**MOM/OSHD/2021-08**

Employers in the shipyards sector

**REQUIREMENTS FOR WORK INJURY COMPENSATION INSURANCE UNDER WORK INJURY  
COMPENSATION ACT 2019**

This circular reinforces the work injury compensation (WIC) insurance requirements under the Work Injury Compensation Act 2019 (WICA 2019) that took effect on 1 September 2020.

2. Under WICA 2019, all manual employees, and all non-manual employees earning less than \$2,600 a month, must be covered by their employer under WIC insurance. Furthermore, all WIC insurance policies that commence from 1 January 2021 must be an approved WIC insurance policy issued by an insurer designated by MOM.
3. WIC insurance is employer-centric. Every employer must maintain their own WIC insurance policy for their employees. The reason for this is to give employers and employees greater assurance of insurance coverage. Employer-centric WIC insurance avoids disputes between insurers on which policy should pay out the claims, and facilitates claim resolution and compensation to the injured employee.
4. We are aware of an existing practice in the shipyard industry, where employers are contractually required by the shipyards to provide WIC insurance coverage beyond their employees, including but not limited to, the shipyards and their related entities, other shipyard nominated contracts as well as independent contractors.
5. **This practice is not allowed under WICA 2019.** Such insurance arrangements constitute an offence by the insurers and employers involved. If the shipyards are concerned that all workers on the project may not be covered by WIC insurance, they could contractually require all employers working on the project to maintain their own approved WIC insurance policy for their respective employees.
6. As for common law coverage, shipyards can continue to contractually require their contractors to provide the relevant insurance coverage for the various other entities, if appropriate.
7. For any clarification, please email MOM at [mom\\_oshd@mom.gov.sg](mailto:mom_oshd@mom.gov.sg).