



Injury Schemes Seminar*

Balancing Outcomes

10–12 November 2013
Sheraton Mirage Gold Coast

* Formerly the Accident Compensation Seminar



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SYNOPSIS

STUDY OF PHYSICAL AND PSYCHOLOGICAL OUTCOMES FOLLOWING A ROAD TRAFFIC CRASH (UQ-SuPPOrT): 24-MONTH FOLLOW-UP

Jacelle Lang, Justin Kenardy, Michelle Heron-Delaney, Erin Brown, Nicholas Bellamy, Michele Sterling, Luke Connelly

Key words: CTP claimants, adults, 2-year follow-up, psychological outcomes, physical outcomes, recovery, risk factors

Purpose of your paper: To describe factors that may predict which individuals will experience long-term psychological and physical impairment following an RTC, including levels of pain and disability, general quality of life, CTP claims process and expectations regarding recovery.

Synopsis: Road traffic crashes can have a large and long-lasting impact on individuals, in terms of physical and mental health outcomes. More research is needed to assess specific risk factors for poor outcomes, so that screening tools may be developed to identify individuals at risk and effective interventions can be devised. This study assesses the impact of road traffic crashes on adults who are Compulsory Third Party Claimants in Queensland across a 2-year period. A prospective longitudinal design is utilized with assessment by computer assisted telephone interview (CATI) and questionnaires at 3-6 months (Wave 1), 12 months (Wave 2), and 24 months post-injury (Wave 3). Results from Wave 3 are reported. Participants' disability levels, amount of sick leave, health care usage and prevalence of psychiatric morbidity are reported. Additionally, the relationship between psychiatric diagnoses and physical outcomes (disability level, pain, health care usage, number of sick days) is examined. Compensation factors will also be discussed. This research investigates a diverse array of factors that can modify the course of recovery for physical injury in adults resulting from road traffic crashes. Results from the proposed study will provide important information for improving policy and practice in injury management and post-injury rehabilitation.



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SYNOPSIS

AUSTRALIAN AND INTERNATIONAL INCENTIVE PROGRAMS FOR NEW EMPLOYERS TO HIRE WORKERS WITH A PREVIOUS WORK-RELATED COMPENSABLE INJURY

Dr Susan Gargett

Key words: Incentive programs, wage subsidies, work-related injury, workers' compensation, return to work, new employment/employers

Purpose of your paper: The purpose is to compare and appraise national and international employer incentive programs provided by workers' compensation authorities and aim to facilitate the hiring of workers with a previous compensable work-related injury by new employers.

Synopsis:

ISSUE:

At times it may not be feasible or reasonable for an injured worker to return to work with their pre-injury employer. In such circumstances there can be significant negative consequences for the worker and the employer. The worker may suffer detrimental health, vocational, social and financial outcomes whereas the employer loses a valued trained employee and may incur financial penalties through experience-rated workers compensation premiums. An approach that has been used to try and reduce such outcomes has been the implementation of programs designed to encourage new employers to hire workers who have sustained a work-related injury.

PURPOSE:

The purpose of this presentation is threefold. First, features of existing Australian and international new employer incentive programs are outlined and compared. Second, various implementation-related issues reported in the literature are discussed. Third, options for improving the up-take or design of the programs are presented.

To the author's knowledge this is the first time such programs from across a range of jurisdictions have been reviewed and reported on. As such the findings of this review will help to address a gap in knowledge and may contribute to future policy development.

METHOD:

Data used in this presentation have been sourced from a search of the peer-reviewed literature and a review of the grey literature. Specifically, five academic databases (EBSCOhost, Informit, ABI/Inform, Scopus and ECONOMICSnetsBASE) have been searched using various keyword combinations. In addition, the websites of over 30 Australian, Canadian and US workers compensation authorities were searched. The review was conducted in 2013. Relevant data have been collated and synthesised to provide summary information on the programs.



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FINDINGS:

Broadly speaking, the effective use of incentives in public policy requires that the implemented measure provides sufficient motivation for the intended target to voluntarily change their behavior or actions. In relation to these programs, the aim is that the financial incentives offered are sufficient to motivate new employers to hire workers with past work-related injuries.

In the programs reviewed the main types of incentives used include wage subsidies, protection from the costs of subsequent injuries, and exemption of the worker's salary from calculation of the employer's WC premium. Various other programs are also offered such as the subsidisation of work trials, on-the-job training programs and workplace accommodations. It is acknowledged that there may be debate about whether these types of initiatives should be classified as an incentive program for new employers. There is often no requirement that the employer hires the worker on completion of the training/trial and workplace accommodations may be equally available to all employers not just new employers. However employers supervising a work trial or providing training typically receive a benefit in that they don't incur wage costs for the labour provided, and are able to assess the suitability of the worker for the position without a hiring commitment. Through these means the incentive may indirectly facilitate the worker's employment. For the purposes of this review a broad definition of an incentive program has been used and such initiatives have been included as they represent part of the continuum of programs available.

There is substantial variation in existing programs in regards the range of incentives offered and in the specific features of the incentives. For example, some programs include a wide array of incentive features whereas others focus on one or two. Some limit the availability of the benefits to new employers, others are more open and allow original employers to also access some of the benefits. Some also include benefits for injured workers. In terms of the specifics of an incentive, in relation to wage subsidies some programs provide the subsidy as a set amount per week, in others it may be a variable percentage of the worker's salary, it can be based on the severity of the worker's previous injury or it can be tied to the worker's participation in training. Features of existing Australian, Canadian and US programs will be described and compared.

Despite the commendable aims of these programs numerous implementation and contextual issues have been raised by stakeholders. A key issue is the limited awareness of the programs which creates a barrier to up-take. Time consuming administration procedures and the inadequacy of the benefits offered relative to perceived risks are other matters of concern. An additional issue is the lack of objective evaluation of the effectiveness of these programs even though some have been operating for a number of decades. Issues nominated by stakeholders as likely to be impacting on the success of the programs will be discussed.



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Lastly, it is important to consider options to improve the up-take and/or effectiveness of the programs. Improved awareness, more focused communication channels, greater flexibility and more generous incentives are measures that have been suggested. Potential opportunities to enhance the effectiveness of the programs will also be presented.

CONCLUSION:

Programs to facilitate the return to work of injured workers when they are unable to continue in their previous employment have been implemented by numerous workers compensations jurisdictions across Australia, Canada and the US. The programs offer a range of incentives to employers encouraging them to hire the worker.

In some programs the incentives are provisional on the worker being employed. In others the provision of the incentive e.g., subsidizing the worker's wage during an on-the-job training program may facilitate the employment of the worker in a more indirect way. There is also variation in the range of incentives offered and in the specifics of the incentives.

A number of issues are challenging the use of these programs. First, there appears to be limited awareness of the existence of the programs amongst employers and second, little evidence on their effectiveness is available. If it is not known whether the schemes are having a positive impact on return to work outcomes, then it can't be assessed whether or not they are an efficient use of time and money.

IMPLICATIONS:

Despite limited evidence of their effectiveness, greater knowledge of programs offered by different jurisdictions is useful for compensation schemes considering implementing a similar initiative. Such information is also valuable for jurisdictions wanting to review their own program as it allows them to assess whether alternative strategies may be more or less acceptable and effective than their own.



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SYNOPSIS

‘INSURED FOCUSED’ RISK MANAGEMENT – A TREND FOR THE FUTURE?

Katrina Ren and Laurel Kong

Key words: Risk management

Synopsis: Risk management is part and parcel of sustaining affordable (and competitive) premiums for schemes and insurers alike. While some risks are managed within the insurer/scheme, some are active in promoting risk management at the insured level. Our paper intends to examine the state of play of:

- The role insurers and schemes are currently playing on risk education
- How this differs across the industry (e.g. medical indemnity, workers compensation)?
- The availability of risk management programs offered to scheme ‘insureds’
- The scope and breadth of the programs on offer, and how these align to the insurable (or scheme covered) risks.
- What incentives (through premiums or otherwise) are offered to participating insureds and are those incentives commensurate with the savings achieved? Is this measured or measurable?

Our paper would be of interest to schemes seeking to understand common approaches to incentivising risk management, and what the desirable features are of a risk management program targeted at insured. We will also consider the available evidence as to the effectiveness of these programs and therefore the implications for their use in the future.



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SYNOPSIS

MAKING BETTER USE OF SCHEME DATA

Aaron Cutter, David Gifford, Nat Pocock

Key words: Accident compensation, CTP, workers compensation, big data, unstructured data

Purpose of your paper: To examine the use of unstructured data and additional data sources to improve claims management and the identification of intervention points.

Synopsis: Accident compensation schemes collect significant information on their claimants, on the services they are being provided and on the interactions between various parties along the way. Historically this information has been used in a limited way.

With the assistance of new technologies, many of the restrictions imposed by traditional methods of data mining/data analytics can be overcome and new learnings on the factors impacting on claim outcomes can be obtained.

This paper uses real examples to demonstrate how accident compensation analytics can be taken to the next level.



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SYNOPSIS

SOCIAL CAPITAL AND WORKERS COMP – IS THIS MISSING INGREDIENT?

Associate Professor Alan Clayton and Dr Mary Wyatt

Key words: social capital, trust, return to work, social outcomes, cost outcomes, scheme performance

Purpose of your paper: To assist schemes to develop a framework, strategies, policies and practices that will lead to markedly superior social and economic outcomes

Synopsis: Social capital is the asset that comes from working within an organisation, a system, or a country where trust levels are high.

It's a key element of workplaces that produce consistently good return to work results.

Compensation systems traditionally have low levels of social capital and trust.

In this session we explore a large multi-employer workplace-based intervention founded on the principles of social capital, with significantly improved return to work and cost outcomes compared to matched control companies.

We also explore elements of compensation systems that contribute to low levels of social capital, and the consequent cost implications. Finally we set out some of the stepping stones by which compensation schemes can develop greater levels of trust and social capital.



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SYNOPSIS

THOUGHTS ON EVALUATION OF INJURY PREVENTION EFFORTS

Felix Tang

Key words: TBC

Purpose of your paper: TBC

Synopsis: Compensation for injuries has been a broad but well researched area, and indeed one that actuaries have been involved for some time.

There is often recognition that the prevention of injuries is arguably “more important” than the compensation of the injury after the event. This is particularly true if the effects of the potential injury are irreversible or even fatal. However, in many ways, even with the best intentions, in practice there are often constraints in terms of time, cost, and resources.

On the other hand, for compliance or business reasons, the prevention of injuries is often a high priority for many organisations. Although their basic aims are the same, injury prevention initiatives do vary in scale and in detail, and therefore the associated commitments can also vary.

How should one evaluate the effectiveness of the injury prevention efforts before, during and after its implementation? What are the many dimensions that impact on the “success” of injury prevention initiatives? Is the most expensive always the “best”?

This presentation aims to outline some examples of different approaches to evaluating injury prevention efforts, and draw out the common themes from these studies. It will also explore the key success factors, and how these can be measured and monitored in practice. Finally we attempt to emphasise how an actuarial way of thinking can add further value in the process.



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SYNOPSIS

WORKPLACE RESILIENCE *Fred Cicchini*

Key words: Workplace resilience

Synopsis:

Given the rise of psychological injury in the work environment, Employers, Insurers and rehabilitation professionals alike have an ever increasing requirement to find effective measures for early intervention and a platform on which to structure return to work. The role of interpersonal and organisation resilience may provide meaningful practical answers to both.

A Resilience culture or organisational system, is a system that can firstly identify risk in advance of incident and further more adapt or self-regulate in response to risk in a goal directed and functional manner so that risk response becomes an opportunity to build systems that are intrinsically stronger and more response than they would otherwise be if they were simply focused on risk resolution. Resilient organisations are characterised by innovation and the engagement of staff in the innovation process. Resilient individuals know how to manage interpersonal stressors, when to seek assistance and how to develop in the face of adversity.

Fred Cicchini, will deliver a discussion on what resilience in the vocational context looks like, how individuals and employers can enhance their resilience, how resilience can become an early indicator of risk and how to build resilience into a return to work model. Vocationally driven and irreverent Fred will challenge the way you perceive psychological injury and your response to it.