



# Injury Schemes Seminar\*

**Balancing Outcomes**

10–12 November 2013  
Sheraton Mirage Gold Coast

\* Formerly the Accident Compensation Seminar



**Actuaries  
Institute**

**Call for Papers  
and Presentations**

## SYNOPSIS

### FROM INSURANCE TO SOCIAL WELFARE AND BACK: A LOOK AT BEST PRACTICE IN LIABILITY MANAGEMENT

*Hugh Miller and Richard Brookes*

**Key words:** Liability management, segmentation, case estimation, social welfare, KPIs

**Purpose of your paper:** To describe a framework of management control that spans the aggregate, operation and tailored intervention levels. It will draw on our experience on workers compensation, CTP and social welfare.

**Synopsis:** There are many dimensions to effectively managing an injury scheme, even when restricting attention to management of the liabilities:

- Understanding **aggregate** trends and apportionments
- Identifying key operational **segments** of the liability and setting up appropriate KPIs for these
- Recognizing the drivers of cost at an **individual** level and ensuring interventions are tailored and appropriate.

Taylor Fry has been assisting the New Zealand government in implementing these key ideas from insurance liabilities in a social welfare context – how to best manage the future cost of future unemployment, sickness and other benefits to the general population. This enables management to make better decisions, such as understanding the long term implications of potential policy reforms.

However, our experience in NZ welfare has reminded us that there are many areas where insurance operations can continue to improve. In particular, there is progress to be made in establishing a framework where liability management and operation are tightly integrated and working together at all levels of injury management. This paper aims to describe such a framework and progress towards it in both injury schemes and social welfare.