

* Formerly the Accident Compensation Seminar



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SYNOPSIS

REMUNERATION MODELS: ACHIEVING A BALANCED OUTCOME BETWEEN THE SCHEME AND EXTERNAL SERVICE PROVIDERS Peter Hardy and Grace Ng

Key words: agent remuneration, incentives, external service provider, claims and administration management

Purpose of your paper:

The purpose of the paper is to explore how remuneration models can be used to achieve scheme outcomes in the context of accident compensation schemes.

Synopsis: External service providers are increasingly being used within accident compensation schemes for a wide variety of reasons. There are a number of remuneration models that can be used to reward external service providers and to achieve scheme outcomes.

In the context of accident compensation schemes, our paper discusses:

- The value and worth of outsourcing specific functions to external service providers.
- Potential conflicting priorities between the scheme and the external service providers.
- Some considerations in developing fair remuneration models.
- Specific challenges in developing appropriate remuneration models for the outsourcing of claims and administration management.
- The use of incentives within remuneration structures and how incentives might be used to enhance outcomes.