

Injury Schemes Seminar

Balancing Outcomes

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Sheraton Mirage Gold Coast



ACT Workers' Compensation Scheme Update

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ACT Scheme Snapshot

- Privately underwritten
- 16,000 employers
- 120,000 workers
- \$7.1b wages
- Approx 1.5% of national market
- Average premium approx 2.5% of wages, stable for several years
- 3,600 incurred cost claims p.a.
- Average claim cost >\$30,000

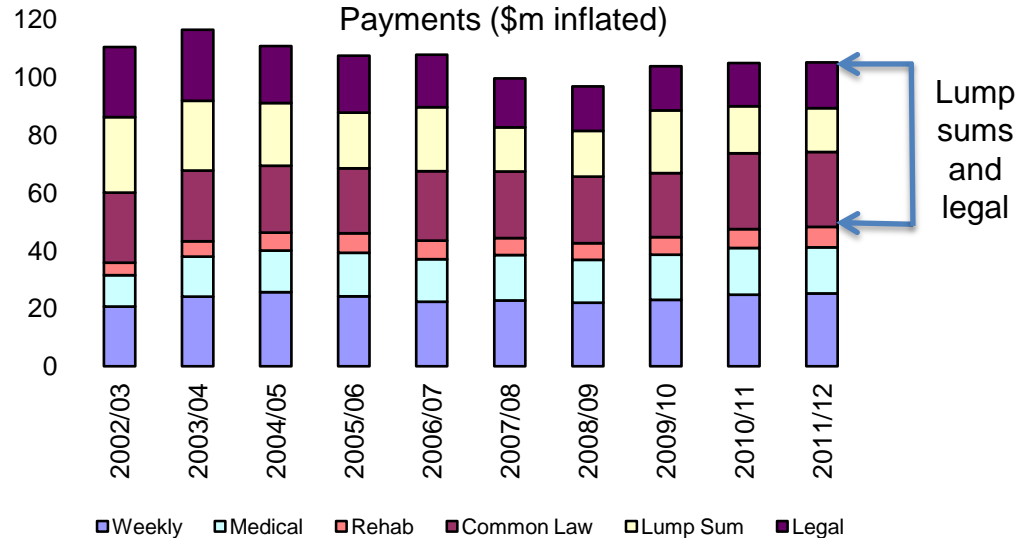


Older Style Scheme Design Features

- Relatively short tail (lump sum focus)
- Unrestricted and uncapped common law damages
- Unrestricted commutations
- “Table of maims” for permanent impairment lump sums
- Journey claims



Payments



- Net payments ~\$100m p.a.
- 10% of claims - 80% of costs
- Lump sum and legal payments account for 56% of claim costs
- Common law average size ~\$215,000



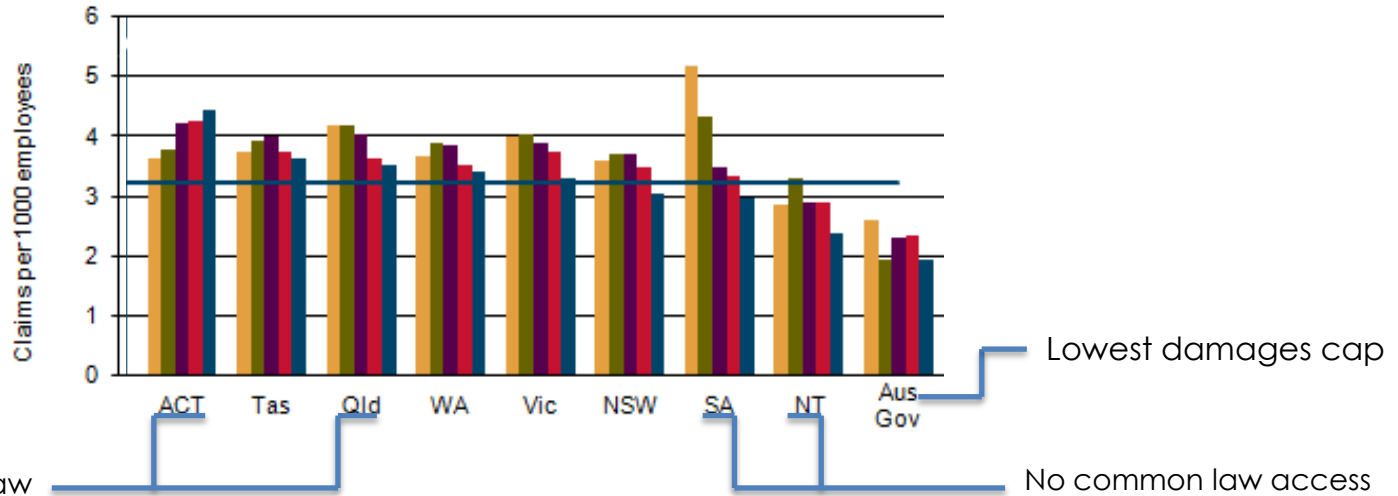
Long Term Incapacity Experience

- Serious claim incidence
 - 13.2 claims per 1,000 workers:
 - fourth highest incidence rate
 - 8% above the national rate
- Incidence of long term incapacity
 - 4.2 claims per 1,000 workers
 - highest incidence of incapacity >12 weeks
 - 27% above national rate

Difference not readily explained by industry mix, claims excess, RTW obligations or incapacity step down points



Long Term Incapacity and Lump Sum Culture?



Most accessible common law

No common law access



Questions?