

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



Developing Analytical Capability in the Accident Compensation Industry

Amanda Johnston and Julie Evans



This presentation will...

Provide an overview of:

- PIEF
- Industry postgraduate programs
- Subject - *Scheme Assessment and Economics*
- Activities taking place to increase the professionalism and knowledge of the industry

...and invite suggestions and contributions



Personal Injury Education Foundation (PIEF)

- Established in 2006 by a consortium of accident compensation organisations.
- It now consists of 18 members ranging from regulators to insurers, CTP and workers' compensation...

Accident Compensation Corporation of NZ	Territory Insurance Office
Allianz Australia	Transport Accident Commission
Comcare	Victorian Managed Insurance Authority
Employers Mutual Management	WorkCover Corporation of South Australia
Gallagher Bassett Services	WorkCover NSW
Insurance Australia Group	WorkCover Queensland
Motor Accidents Authority of NSW	WorkCover Western Australia
QBE Insurance	WorkSafe Victoria
Suncorp Metway	Xchanging



The aims of PIEF



To develop personal injury management into an industry of choice through the professionalisation of the industry and the development of formal qualifications

that offer training and subsequently recognition of best-practice performance in personal injury management.



PIEF Initiatives

Postgraduate programs...





PIEF Initiatives

Bi-annual conferences

Personal Injury Management Conference 2008



Themes

- Return to work
- Service delivery
- Medical management
- Scheme comparison
- Industry capability

Keynote speakers

- Terry Bogyo
- Liz Scott
- Wolfgang Zimmerman



PIEF Initiatives



Excellence in Personal Injury Management Awards

Categories

- Student Excellence Award
- Innovation in Personal Injury Management
- Excellence in Personal Injury Management
- Outstanding Contribution by an Individual



PIEF Initiatives

Seminars

PIEF 2009 Seminars; Melbourne, Sydney and Perth

Keynote speaker – Robert Aurbach

Themes

- The impact of the financial downturn on accident compensation schemes
- The challenges and opportunities of managing claims in a compensable environment





PIEF Initiatives

Professional designations

- Certified Return to Work Coordinator™ (CRTWC™)
- Certified Disability Management Professional™ (CDMP™)
- Certified Personal Injury Professional (CPIP)



PIEF Initiatives

Return to Work Management Training Program

- Fully facilitated online training program
- Consists of 8 modules
- Aim to teach skills and knowledge to those working to return injured workers and motorists back to the workplace
- Adapted from NIDMAR program





Postgraduate programs

In conjunction with Deakin University the PIEF has developed the following postgraduate qualifications:

- Graduate Certificate of Management (Personal Injury)
- Graduate Diploma of Management (Personal Injury)
- Master of Management (Personal Injury)
- Master of Business (Personal Injury)



Postgraduate programs

OVERVIEW OF MASTER OF MANAGEMENT

Stage 1	→	Stage 2	→	Stage 3
Graduate Certificate of Management (Personal Injury)		Graduate Diploma of Management (Personal Injury)		Master of Management (Personal Injury)
<i>Core Units:</i> <ul style="list-style-type: none">• Injury Management• Scheme Policy and Design• Financial Reporting and Analysis <i>Elective:</i> <ul style="list-style-type: none">• Other approved elective		<i>Core Units:</i> <ul style="list-style-type: none">• Claims Management Strategy• Scheme Assessment and Economics• Strategic Management <i>Elective:</i> <ul style="list-style-type: none">• Other approved elective		<i>Core Units:</i> <ul style="list-style-type: none">• Applied Business Project• Change Management• Strategic Customer Services <i>Elective:</i> <ul style="list-style-type: none">• Other approved elective



Postgraduate programs

An alternative to undertaking one of the previous qualifications, Deakin designed a Master of Business (Personal Injury) qualification which is an 8 credit point, 2 year part-time course.

Participants enrolled in this course must complete the following units:

Injury Management

Claims Management Strategy

Scheme Policy and Design

Scheme Assessment and Economics

Financial Reporting and Analysis

Strategic Management

An approved elective

Applied Business Project



Postgraduate programs

Single-unit enrolment

Some subjects can be completed as Professional Development, through a single-unit enrolment.

This means that a full course enrolment is not required and credit is given for subject completed.

For further information, contact:

The Personal Injury Management Helpdesk

Ph: 03 9918 9106

Email: pimhelpdesk@deakinprime.com



Postgraduate programs

Program delivery

The program is run by Deakin University, via a mix of online, distance learning and residential components.

Students may also be able to undertake some of their electives in their home jurisdiction.





Industry-specific subjects

Scheme Policy and Design

Provides students with an overview of the history of workers' and motor accident compensation schemes, along with critical analysis of the current situation around Australia and internationally.

The unit considers the political issues surrounding the development of scheme design and policy and the impacts these decisions may have on other related bodies,

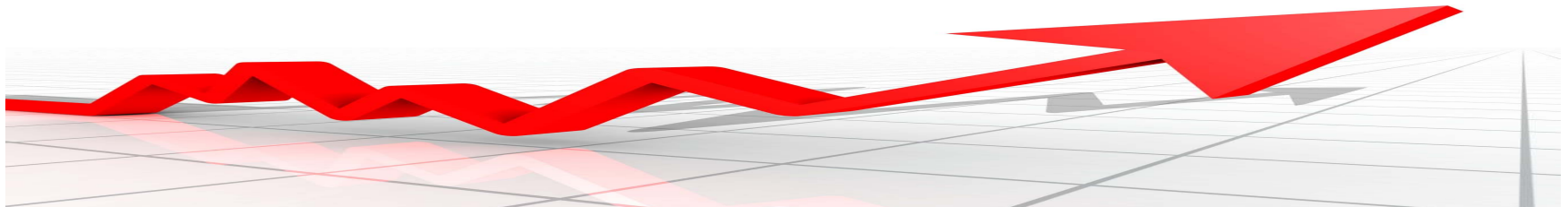




Industry-specific subjects

Scheme Assessment and Economics

This subject is designed to provide students with a comprehensive understanding of the unique aspects of the risk associated with long-tail personal injury schemes and how schemes are assessed and evaluated.





Industry-specific subjects

Claims Management Strategy

This unit is designed to equip students with the core strategic and business planning skills to effectively manage scheme outcomes and costs plus help develop their knowledge and skills in the management of personal injury claims.





Industry-specific subjects

Applied Business Project

This subject requires students to apply the knowledge and skills gained during their studies to an actual business problem. Students are required to identify a problem faced by the personal injury industry and develop a suggested remedy.





Developing analytical capacity

- Prior to development of the postgraduate program, consultation with stakeholders was conducted
- Included scheme regulators and insurers, at a variety of levels of seniority

Outcome of consultation:

Industry skill-gap identified regarding actuarial evaluation, in particular the way in which actuarial analysis and reporting was used to effect scheme design and management



Subject development

Development involved collaboration by:

- The PIEF working group
- Deakin University academics
- Industry experts and actuarial staff from Victoria, NSW, SA and New Zealand
- PIEF educational specialists



Subject overview

- This subject is designed to provide students with a comprehensive understanding of the unique aspects of the risk associated with long-tail personal injury schemes and how schemes are assessed and evaluated.
- Not focused on extensive mathematic principles

In short:

It has **not** been designed to train actuaries, but rather to increase the level of understanding and insight into the work that is done as a result of actuarial information and analysis



The context

...While actuarial calculations are made by trained professionals with a background in mathematics and statistics, a general understanding of the uses and limitations of actuarial information, along with awareness of the process is extremely useful for individuals who work in the accident compensation sector. This information, along with knowledge about economic impacts on the scheme, is invaluable in program assessment and evaluation and complements planning and design processes related to operational and financial decision making.



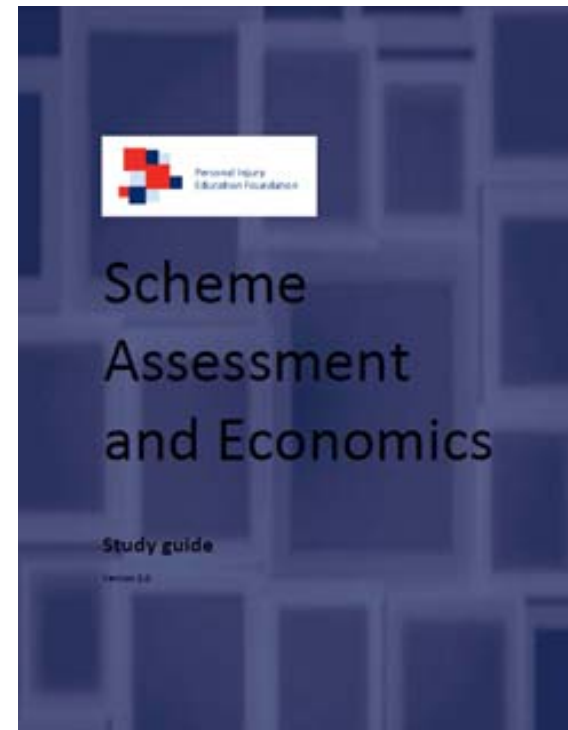
Topics

- Theory of General Insurance
- The nature of accident compensation schemes
- Key concepts for scheme assessment
- The role of the actuary
- An overview of basic actuarial reserving techniques
- Premium setting
- Issues relating to actuarial work
- How to use a valuation to manage a scheme



Subject delivery

- Online delivery
- Written study guide
- Residential program





Residential program

Residentials allowed students to:

- Hear from industry experts from WorkSafe Victoria, Ernst & Young, PwC, and LTCS
- Learn from each other
- Work more closely with subject facilitators; and
- Work with their syndicate groups on assessment tasks



Facilitator's perspective

Julie Evans

Director of Actuarial Services

WorkSafe Victoria





Students' perspective

76.2% were satisfied with the facilitation

85% were satisfied with the study material

95.2% felt that the study materials were relevant

85% believed that the additional readings provided as part of the materials improved their understanding of the topic

80.6% were satisfied with the residential program

85.7% were satisfied with the subject overall





Ongoing development

- Broader jurisdictional coverage

Currently very Victorian workers compensation focused. Experts and collaborators required in other schemes and jurisdictions.

- Treatment of additional assessment methods and concepts

Include more on pay-as-you-go methods, superimposed inflation, universal coverage and levy setting...and more?



An invitation

Our course would not be what it is today without the input of industry experts through their writing, delivery and consultation.

PIEF would welcome any offers of knowledge, time and skills to continue the process of developing the analytical capability of those working in the accident compensation industry.



Contact... Amanda Johnston at PIEF

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