

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



Scheme Review – Tasmania

**Brad Parker
Assistant Director
WorkCover Tasmania**



Tas Workers' Comp Scheme

- Privately underwritten scheme
- Operates on non-fault basis under the *Workers Rehabilitation and Compensation Act 1988*
- 7 licensed insurers, 13 self insurers
- Tasmanian State Service
- Nominal Insurer



Scheme Snapshot 2008-09

| Insurer Type | Number of Insurers | Worker Coverage | Worker Coverage (%) | Earned Wages (\$m) | Earned Wages (%) | Number of Policies | Earned Premium (\$m) |
|--------------|--------------------|-----------------|---------------------|--------------------|------------------|--------------------|----------------------|
| Licensed | 7 ¹ | 190,700 | 84 | 6,222.6 | 74 | 18,309 | 95.3 |
| Self | 13 | 12,647 | 5 | 542.4 | 6 | 29 | N/A |
| TSS | 1 | 24,787 | 11 | 1,681.5 | 20 | 83 | N/A |
| Total | 22 | 228,164 | 100 | 8,446.4 | 100 | 18,421 | 95.3 |

¹ During the course of 2008-09 the number of licensed insurers decreased from eight to seven

² Based on earned wages

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Scheme Snapshot 2008-09

| Insurer Type | Number of Claims | Claims % | Claim Payments (\$m) | Claim Payments (%) |
|--------------|------------------|------------|----------------------|--------------------|
| Licensed | 7,608 | 78 | 81.1 | 71 |
| Self | 566 | 6 | 7.2 | 6 |
| TSS | 1,535 | 16 | 26.8 | 23 |
| Total | 9,709 | 100 | 115.1 | 100 |

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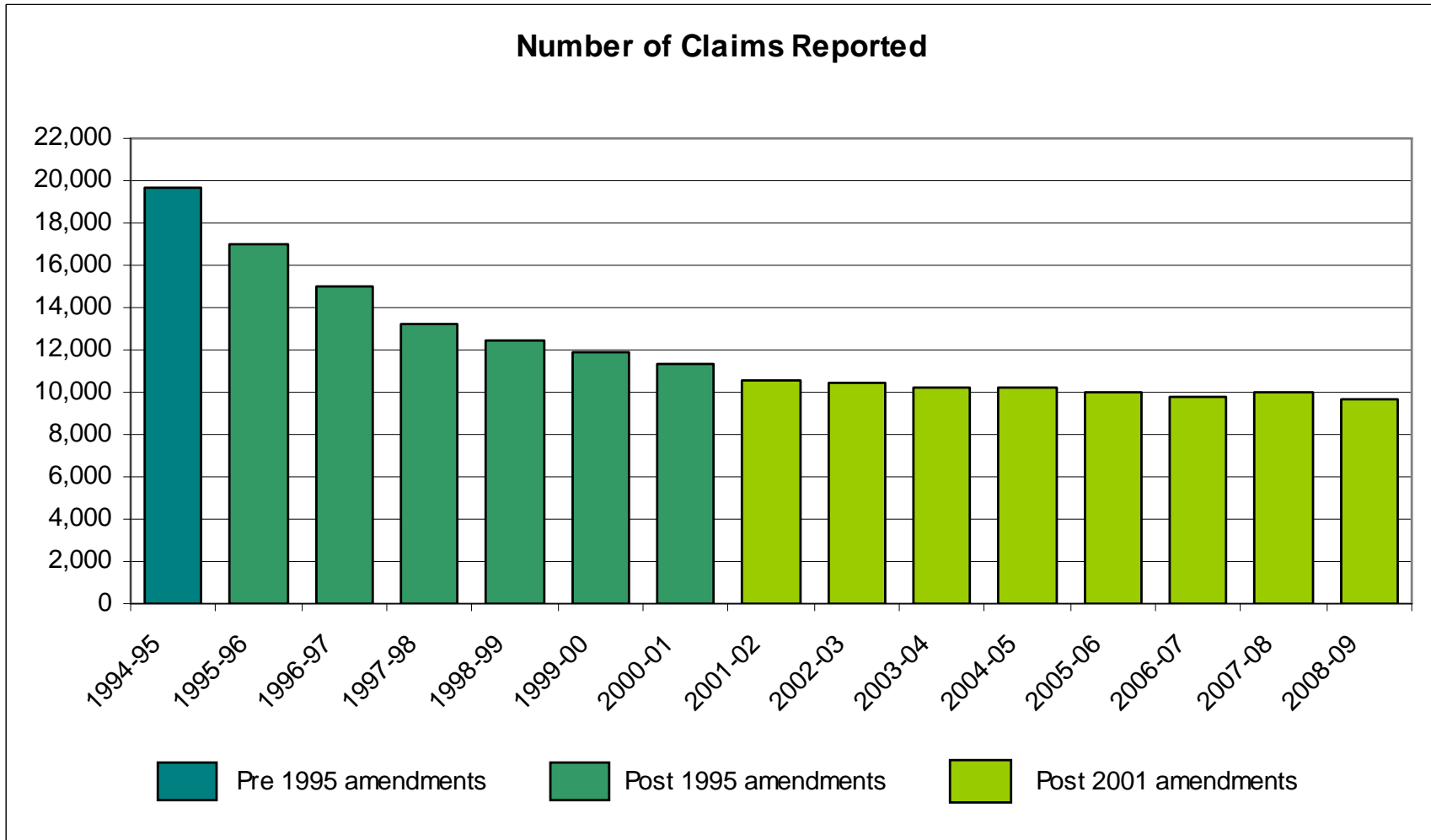
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Total Claim Numbers



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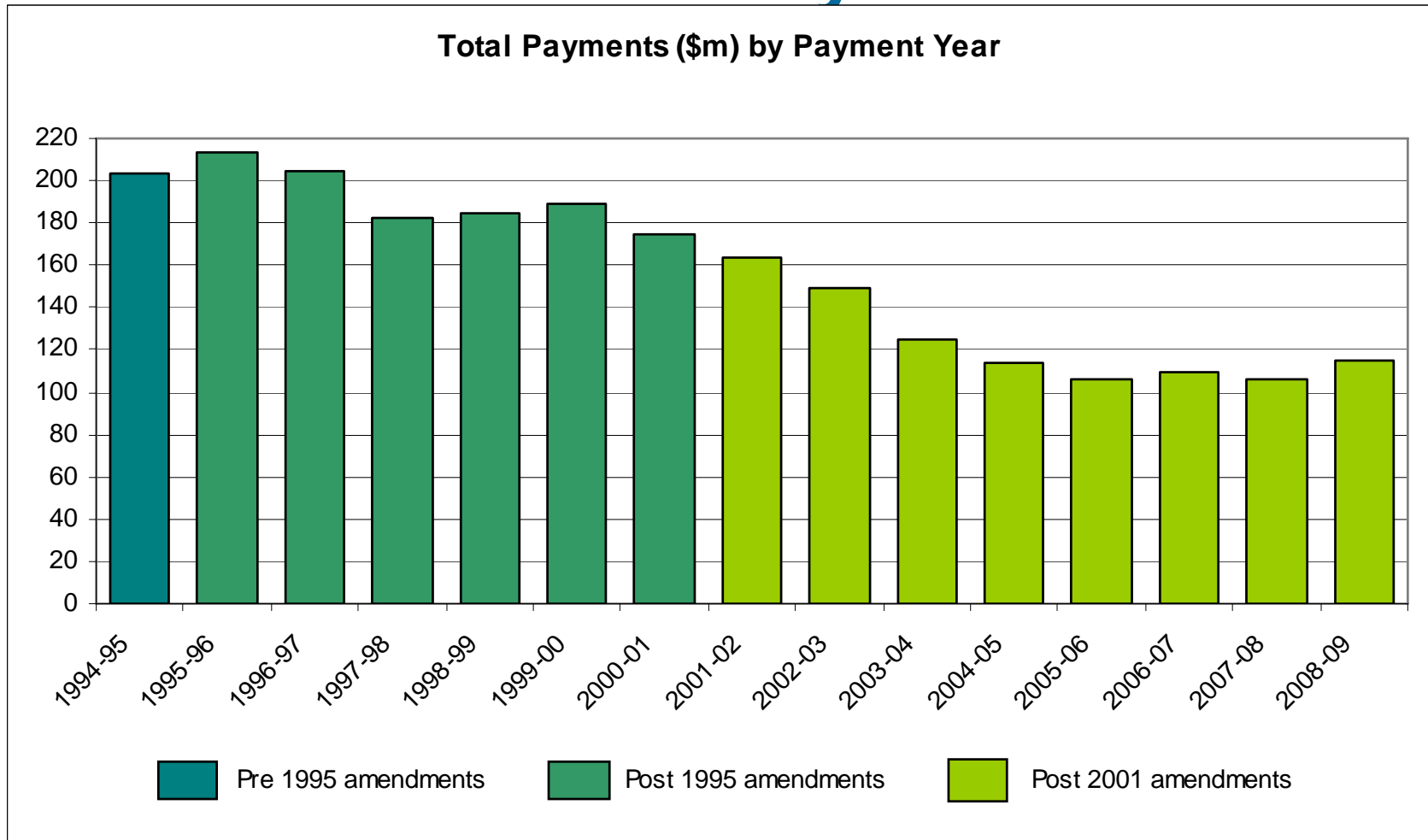
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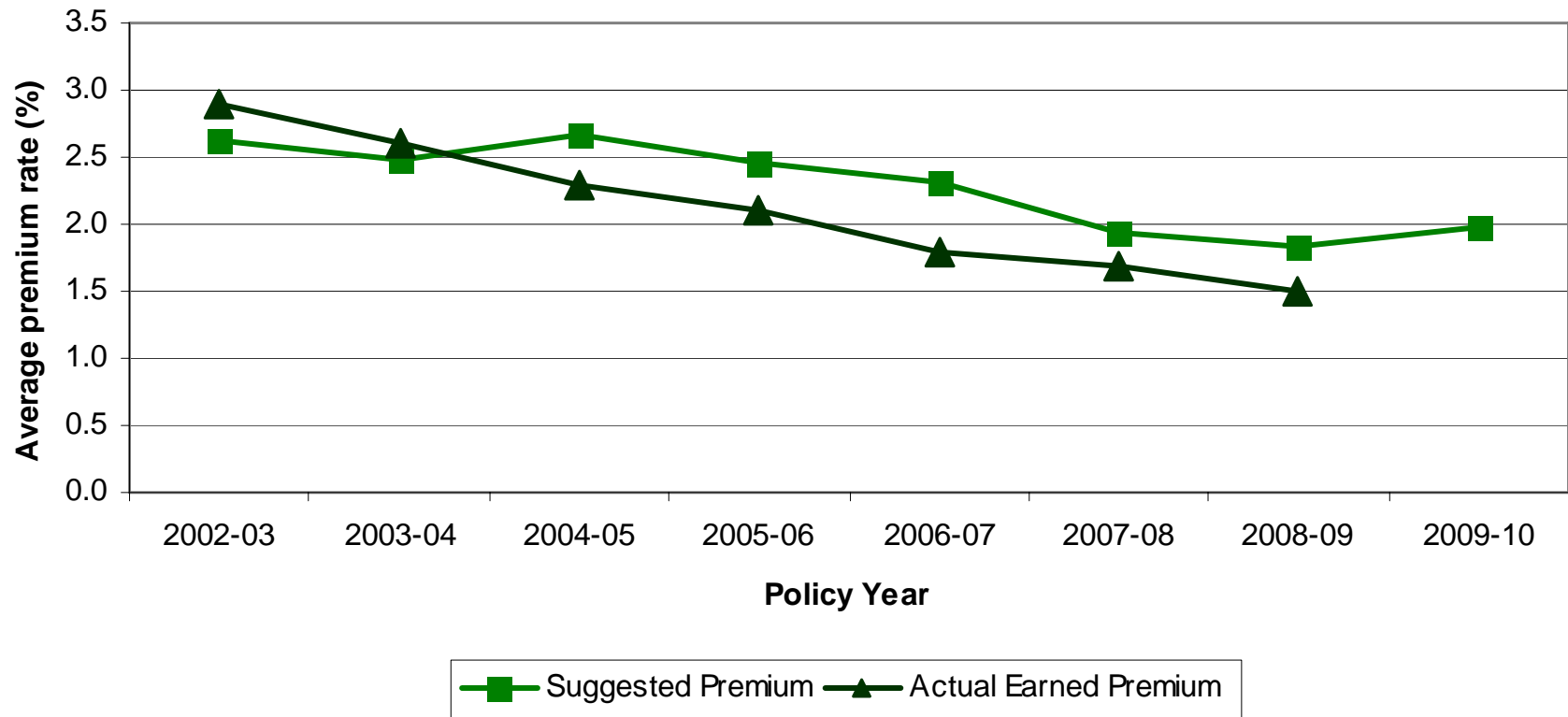
Total Claim Payments





Premium Rates

Achieved versus Suggested Premium Rates





Nominal Insurer (NI)

- NI claims represent around 0.1% licensed insurer claims
- Average of 6.9 claims per annum 1990-2008
- Average claim size by accident year \$60K 1990-2008
- NI made a 3 calls totaling \$0.9m in 2008-09



Return to Work (RTW) Outcomes

- Tasmania has good RTW performance
- 2008-09 RTW rate – 91% (83% nationally)
- Durable RTW rate – 80% (72% nationally)

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- Tasmania performing better than national average in the following areas:

| RTW measure | Tasmania | National |
|--|-----------------|----------|
| Mean length of durable RTW | 161 days | 141 days |
| Full RTW (employment as the only source of income seven to nine months after making their claim) | 66% | 59% |
| Management help in RTW (mean rating out of 5) | 3.8 | 3.6 |
| Ease of putting in a claim (simple) | 80% | 74% |
| Development of a RTW plan | 59% | 53% |
| Who helped to follow RTW plan: Insurer | 6% | 4% |
| In helping to RTW, most assistance: Rehab provider | 14% | 7% |
| Helpfulness of people in RTW: Work rehabilitation coordinator (mean rating out of 5) | 4.0 | 3.8 |
| Helpfulness of people in RTW: Employer (mean rating out of 5) | 3.7 | 3.6 |
| Compensation payment status seven to nine months after making their claim | 15% | 23% |
| Participation in rehabilitation | 56% | 46% |



Return to Work & Injury Management Model

Initiatives

- Improved provision of information
- Injury Management Programs
- Injury Management Coordinator role
- Claims assistance service



Nationally Consistent Framework for Accreditation of Workplace Rehabilitation Providers.

- Legislation
- Prescribed Services
- Specialist qualifications for some services



Knowledge Management System

- Integrated data and regulation system
- Includes accreditation of medical providers and rehabilitation providers
- Online forms and data portals
- More comprehensive data specification
- Tender first quarter 2010
- Switch on July 2011



Medical Management

- GP education strategy
- Review of permanent impairment guides
- Review of medical certificates
- Improved electronic medical certificates



Legislative amendments

- Changes to step down provisions
- Reduction in Common law threshold
- Benefits linked to WPI
- Underpin the Return to Work & Injury Management Model
- Accreditation of Rehabilitation Providers