

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



WorkCover Queensland update

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WorkCover Queensland

Main provider of workers' compensation insurance in Qld

- 840 employees
- Metropolitan and regional centres

In 2008-2009, we

- Insured over 156,000 employers
- Decided over 92,390 statutory claims
- Registered over 3,600 common law claims.



Challenges

Economic climate:

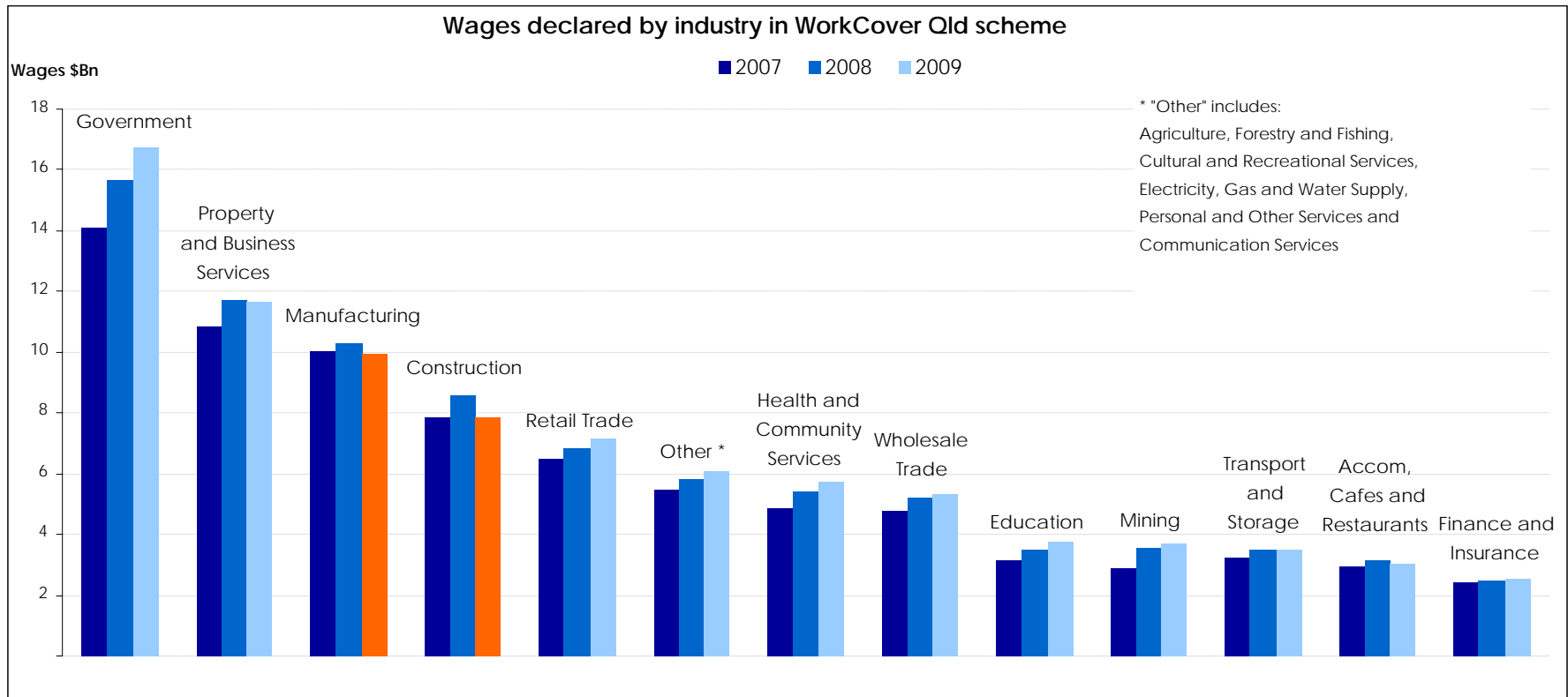
- Investment returns: long term target of 7.5%
 - 07/08: (2.8)%
 - 08/09: (9.4)%
- Erosion of investment fluctuation reserve
 - Reserve has absorbed investment downturn
 - \$2.79 bn (07/08) to \$2.34 bn (08/09).



Challenges cont.

Premium has also been impacted

- Particularly in some higher risk industries.





Challenges cont.

Common law claims experience

- Claim volume and quantum of settlements are increasing
 - claim payments up 20% in last year
- Outstanding claims liability provision has been adjusted accordingly.

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Rising to the Challenge

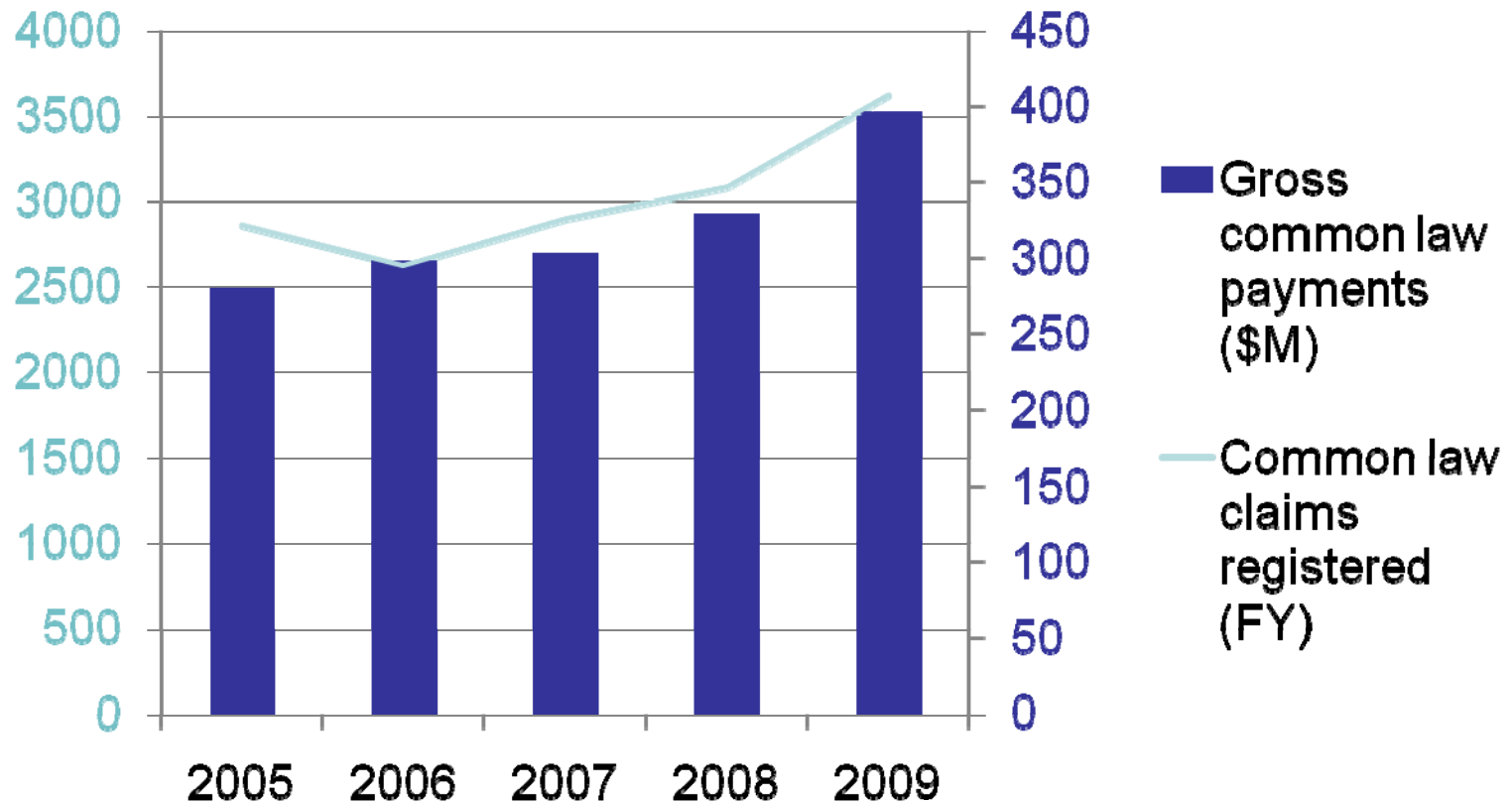
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Challenges cont.





Challenges cont.

Medical and hospital costs

- Greatest increases have been in surgery, radiology and hospital
- Some errant billing practices

Strategies:

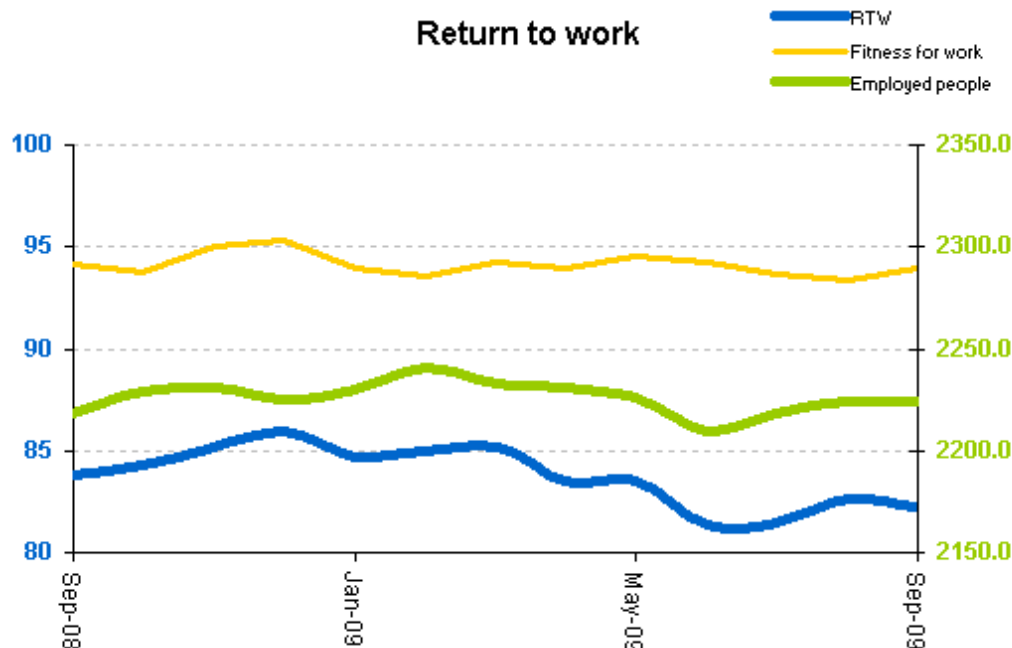
- Spread IME work and improve panel
- Specialist file reviews prior to some surgeries
- Invoice monitoring in high risk areas.



Challenges cont.

Return to work

- Currently more difficult to achieve, but follow normal employment trends.





Customer satisfaction

- Employers: 76%
- Injured workers: 78.3%

This is important to us
because the results are

- Independent
- High
- Balanced, and
- Consistent.





Statutory claim registrations

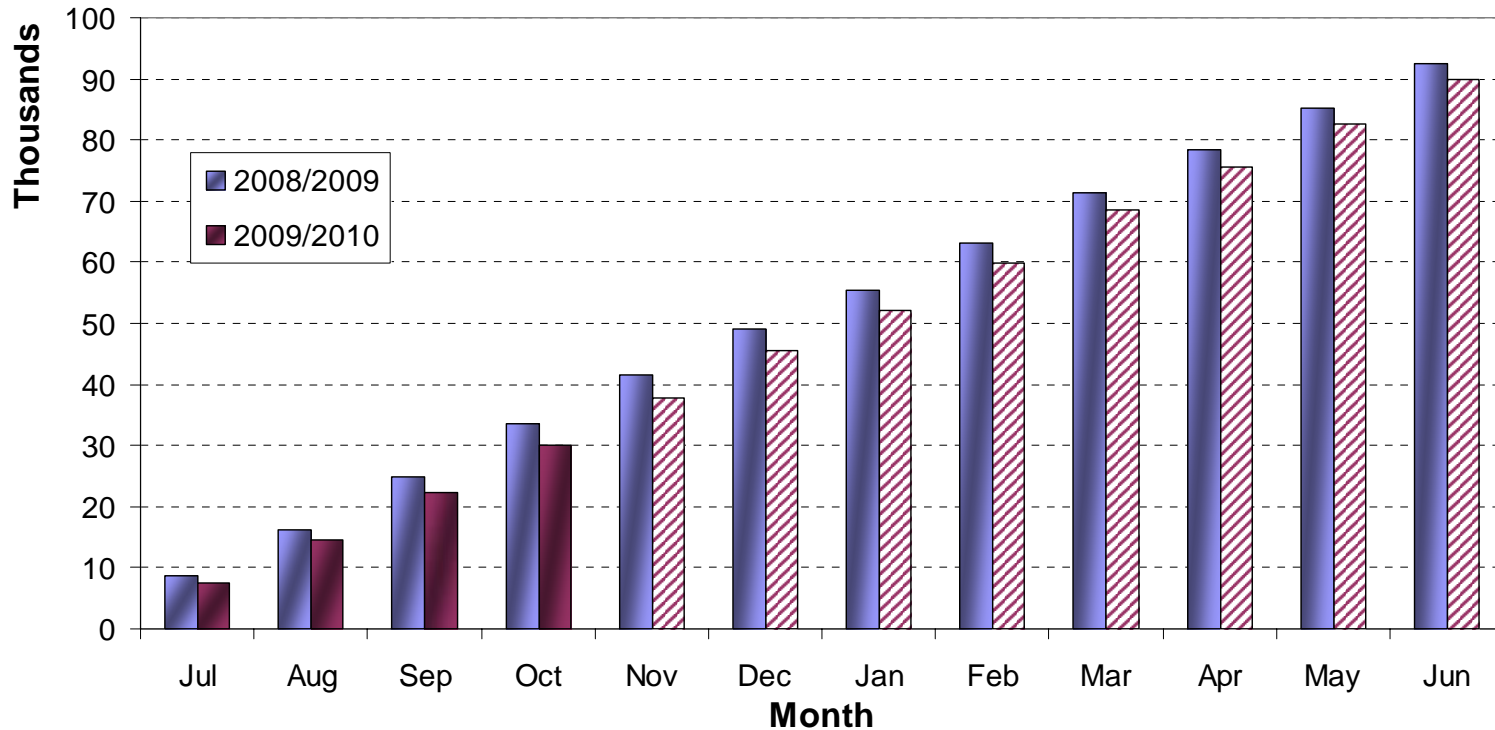
Registrations have been steady:

- Economic conditions
- Employer consultancy program
 - Target employers with high claim frequency
 - 22% vs 11% drop in new claims



Statutory claim registrations cont.

Cumulative Statutory Registrations by Month





Statutory claim management

Most of Statutory claim management is going well:

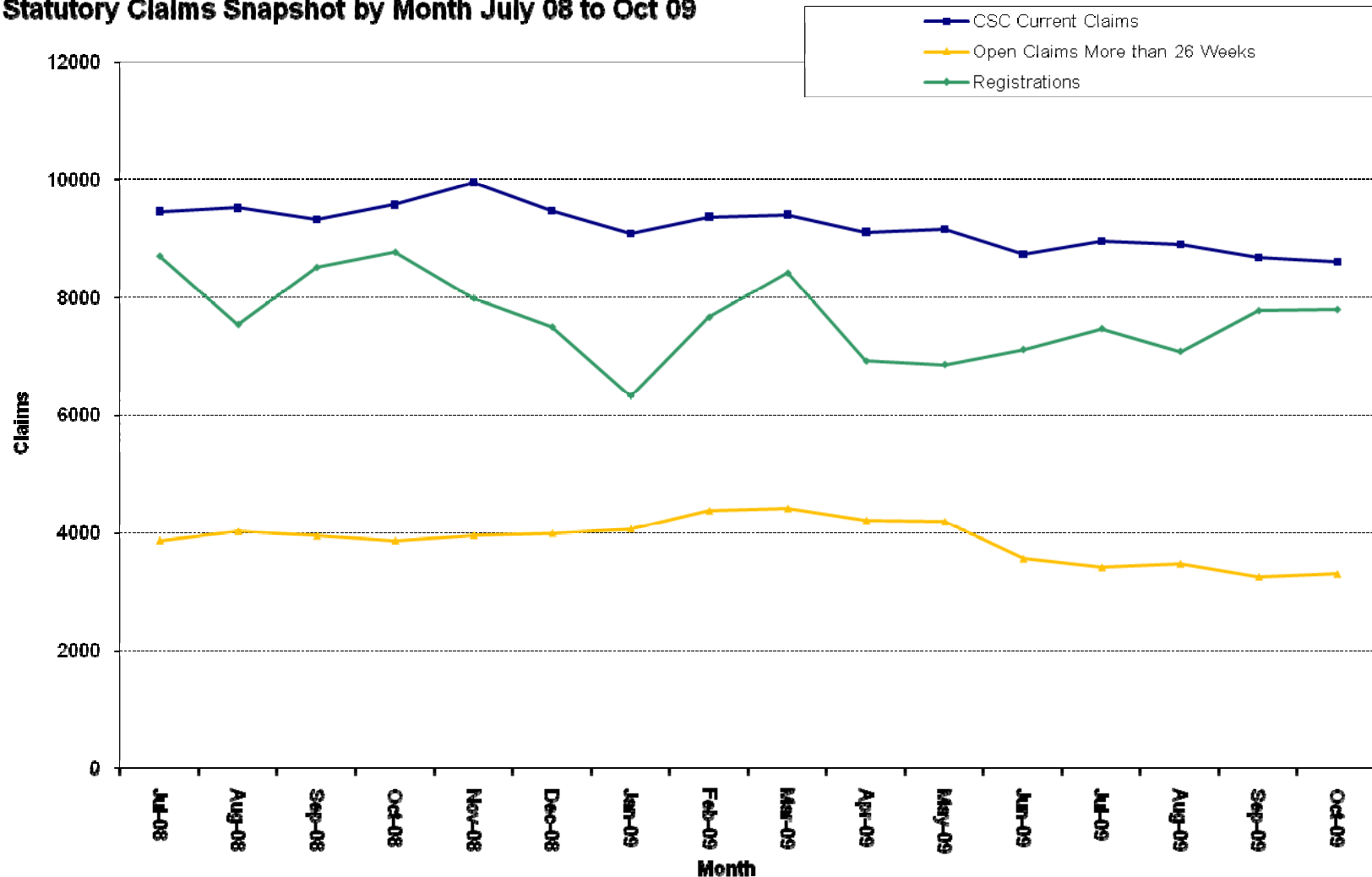
- Weekly compensation payments: steady
- Claim duration in control, particularly longer tail claims (26+ weeks)
- ‘ontrack’ claim management.





Statutory claims management cont.

Statutory Claims Snapshot by Month July 08 to Oct 09





Key process results

- 72.8% of claims are decided in 5 days (30 June 2009)
 - currently 81% in 5 days and 98% in 20 days
- Approx 25% of employers took up interest free payment plans
- 94% of remaining premium was paid by 30 Sept 2009 (67% received 3% disc for early payment)
- 85% of calls answered within 20 seconds
- 73% of calls resolved with first point of contact



Online services

Online services have expanded and increase our speed of processing:

- Online claim and document lodgment
- Provider online: view remittance advices
- Online DX with providers
- 83% of employers prefer email for communication
- SMS claim number to workers on registration
- Simple forms: wages declarations and premium notices
- Internal communication 'screens'.



Our people

Move from satisfaction
to engagement:

- 89% response rate
- Good first time response,
in comparison to like
organisations in Qld and
Australia





Meeting future challenges

- Moving to ANZSIC 2006
- Currently reviewing drivers of common law claims experience
- Continue medical provider management strategies: monitoring and audits
- Maintain weekly compensation payments and claim durations



Meeting future challenges cont.

- Continued prudent financial management
- Focus on customers:
 - Be easy to deal with
 - Provide value for money
 - Returning injured workers to work.

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Questions?