



## Key role for insurers and risk advisers

### Is there still a role for insurers and risk advisers?

Yes. We believe there is a significant role for insurers and risk advisers. They have a key role to play in helping employers to take advantage of the incentives and rewards that WorkCover are introducing. Effective insurers and risk advisers will help businesses to maximise the benefits they receive from this reform.

### Why should insurers and risk advisers embrace these reforms?

These reforms will create significant new opportunities for insurers and risk advisers to become an integral part of helping employers to be insured and improve safety. It is in the interests of both employers and employees for businesses to implement best practice systems in order to reduce premiums, and this is where insurers and risk advisers have a critical role to play as trusted advisers.

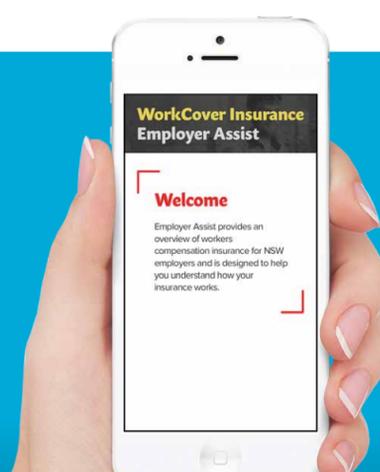
### How can an insurer and risk advisor help to improve outcomes for businesses?

Insurers and risk advisers can help businesses to implement best practice injury management systems, workplace safety programs and loss prevention strategies so that employers minimise their risk of injury, and consequently maximise their ability to receive premium reductions. By assisting in getting employees back to work as soon as safely possible, insurers and risk advisers will help businesses to take advantage of the incentives and rewards introduced by WorkCover.

### What should insurers and risk advisers be focusing on now?

Insurers and risk advisers should focus on helping businesses to capitalise on the incentives and rewards being introduced by WorkCover. They should encourage businesses to proactively implement workplace safety programs that will reduce their risk of incurring injuries, and if injuries do occur, their role is to assist employers in getting staff back to work for their recovery.

## New Web Wizard coming soon to the WorkCover website!



**Our vision is that both employers and employees should feel safe and supported by WorkCover Insurance - this is at the core of everything we do.**

This is demonstrated by the improved forms that are explained in this guide, and the premium reform benefits that include:

- Making insurance easy to manage;
- Providing certainty with premiums;
- Supporting employers and their safety programs; and,
- Providing the opportunity to reward recovery and return to work.

Our mission to protect, insure and care is delivered through the new premium model. We have placed incentives and rewards in the key areas where employers can make a difference.

We believe in partnering with employers to improve safety and then if an injury does occur, supporting employers so they can assist their workers' recovery.

Over the coming months we will be holding information sessions and continuing our consultation as we build a fairer and easier to understand insurance product.

Please contact your scheme agent if you have any questions about our plans to improve premiums for medium and large employers.

Kind regards

**Jason McLaughlin**  
Director | Underwriting  
WorkCover Insurance  
WorkCover NSW

### For more information contact us on:

Phone: **13 10 50**  
8:30 am to 5pm Monday to Friday.  
Email: **contact@workcover.nsw.gov.au**  
Web: **www.workcover.nsw.gov.au**



## Your insurance premium user guide

### Understanding premium reforms in NSW

NSW medium and large businesses workers compensation reforms

**In early 2015, WorkCover announced it would introduce a simpler and more transparent approach to Workers Compensation premiums for medium and large businesses in NSW.**

**We have listened to business and focused on making changes that will improve stability and certainty around what you pay, cut red tape and reward businesses that maintain a safe workplace.**

### How to use this guide

This user guide has been produced to answer your questions in more detail about how the scheme will work, why it is better and how it directly deals with the issues businesses have raised with WorkCover.

### Why are we making these changes?

The premium reforms will provide better outcomes for all workers compensation participants and users. The reforms focus on two key areas: improving safety and caring for the injured.

This will be done through:

- ✓ Risk ratings only on an annual basis – no double whammy reassessment of risk at the end of the year;
- ✓ Additional minimum and maximum premiums for stability and certainty;
- ✓ Simpler documentation that reduces administration;
- ✓ Rewards for businesses that maintain safe workplaces; and,
- ✓ Incentives for employers to manage workers through safe recovery at work.

# A new, simpler and more transparent renewal form

## Our vision

WorkCover Insurance believes you should be safe and supported.

We believe:

- ✓ Insurance should be easy to manage
- ✓ Insurance should come with certainty
- ✓ In supporting your safety program
- ✓ In being transparent
- ✓ Recovery at work is best
- ✓ Every claim deserves your personal attention

## Our mission

### PROTECT

People from harm.

### INSURE

When things go wrong.

### CARE

For people when injured.

## What a policy covers

Our policy provides safety and support for employers and workers with benefits that protect, insure and care for injured workers to recover and return to work including:

- Payment of weekly benefits
- Payment of medical expenses
- Payment for rehabilitation
- Other expenses such as travel, aids, equipment and funeral expenses, and
- Payment for permanent impairment and serious injuries

See [www.workcover.nsw.gov.au](http://www.workcover.nsw.gov.au) or further information.

## Easy to manage and greater certainty

### Why start with an Average Performance Premium?

The Average Performance Premium (APP) is the starting point for all employers. It is calculated using an employers wages and applicable WorkCover Industry Classification (WIC) rate - the risk attached to your industry.

## Simpler, clearer premiums

### How is the new system simpler and easier to understand?

We believe the premiums should be simple, clear and transparent. That's why the new renewal form shows in three easy steps how premiums are calculated with full visibility on how premiums can be reduced through improved performance and the various rewards and incentives.

**1 Your Average Performance Premium (APP)** - previously Basic Tariff Premium (BTP) **+\$1,834,859.14**

Your insurance should be easy to manage and provide certainty. For transparency, your APP is calculated by multiplying your industry classification rate by your total wages.

Your WIC No	Your Rate	Your Total Wages	Your APP
963400	4.626%	\$39,664,054.00	\$1,834,859.14
WIC 2	0.0%		
WIC 3	0.0%		
WIC 4	0.0%		

**2 Your Employer Safety Incentive (ESI)** **-\$183,485.91**

WorkCover is making NSW workplaces safer through providing an ESI. You have received an ESI which will help to contribute towards your investment in a safer workplace and support your work safety program. This is how your ESI was calculated:

Your ESI rate	Your Average Performance Premium (APP)	Your ESI
10%	\$1,834,859.14	\$183,485.91

**3 Your Claims Performance** **-\$642,200.70**

This is how your Claims Performance Rate (CPR) is calculated:

Year	APP	Costs of Claims
2014/15	\$1,956,506	0
2013/14	\$1,784,442	\$142,061
2012/13	\$1,423,510	\$158,907
<b>TOTAL</b>	<b>\$5,164,458.00</b>	<b>\$300,968.00</b>

**Your CPM** (costs of claims / APP) **5.83%**

**Return To Work Incentive (RTWI)**  
Applicable to claims for insurance periods on or after 30/6/15\*

**Summary of your Claims Performance calculation**

Your Claims Performance Measure:	5.83%
Scheme Performance Measure:	÷ 15%
<b>Your CPR of Scheme average:</b>	<b>= 38.85%</b>
Your Claims Performance Adjustment (CPAP) <sup>2</sup>	0.650
Your APP	x \$1,834,859.14
<b>Your Premium including risk assessment</b>	<b>= \$1,192,658.44</b>
<b>Your CPR adjustment</b>	<b>\$1,192,658.44</b>
Your Premium including risk assessment	-\$1,834,859.14
Your APP	<b>-\$642,200.70</b>

**Your premium** **+\$1,009,172.53** Before levies

See back page for summary of premium calculations and levies.

A sample of the new form employers will receive when it is time to renew their insurance.

### How is risk calculated?

Risk is calculated by benchmarking an employer's performance against other similar businesses. This sample risk performance gauge shows how performance can impact premiums to give a minimum and maximum.



### How can better claim performance reduce premiums?

All employers will benefit if the scheme average is improved through better performance across the board - premiums will drop as risk is reduced.

## Improving safety, rewarding excellence

### What is the ESI?

WorkCover Insurance believes in partnering with employers to improve safety and reduce injury. That's why the ESI, successfully rolled out across all small employers, will be expanded to medium and large employers. The incentive is a percentage off the Average Performance Premium.

### How should I spend my ESI?

The ESI has been expanded to assist employers in building safer workplaces. This incentive should be re-invested into improving safety and support systems so that further benefits can be achieved.

### What is the ESR?

The ESR is an Employer Safety Reward that will become available to all employers who maintain a safe workplace and have not incurred any premium impacting claims for four consecutive years. The reward is an additional discount off the Average Performance Premium that is delivered at the end of the policy year.

### Why is WorkCover partnering with employers on safety?

WorkCover Insurance knows that the best way to protect a worker from injury is to prevent it from happening in the first place - that's why we have introduced new incentives and rewards.

## Power to employers to reduce premiums

### Why the move to annual risk assessment?

A shift to annual risk assessment provides certainty and stability to employers - this is a significant point of difference for the scheme.

### Will premiums be adjusted during the 12-month policy?

Premiums will now only be adjusted to reflect an employer's wage change.

### Does the claims history affect the premium?

Yes. The new process will introduce a Claims Performance Rate (CPR) that rewards employers by discounting their premium if they have a good record of managing worker safety and recovery over the previous three years.

### What is the Return To Work Incentive (RTWI)?

The RTWI is a new incentive that rewards employers who proactively help injured workers return to suitable work safely. It is applicable for claims after 30/6/15 and the table below shows how it is applied:

DISCOUNT	15%	10%	5%
RETURN TIME	0-<13 weeks	13-<26 weeks	26-<52 weeks

## How can employers reduce their premium?

An employer can reduce their premium by improving safety and proactively helping injured workers return to suitable work safely. These measures will be clearly shown under "Your Claims Performance" on the new renewal form.

### Why have you introduced further changes to minimum and maximum premiums?

WorkCover have created additional minimum and maximum categories for employers to ensure smoother premium transitions as businesses grow.

### What are the best ways to reduce lost time due to injury?

The best way to reduce lost time through injury is to invest in increasing workplace safety, which the new ESI rebate will allow employers to do.

### What are the best strategies for managing injured workers?

Remaining connected with and making people the focus of injury management systems will ensure they can be effectively managed should injuries occur, while also allowing you to support injured workers to safely recover at work.

### Why is it beneficial for employees to return to work as soon as possible?

We know that the longer a worker is away from work, the less likely they are to return. Recovering at work promotes fast recovery and reduces the risk of long-term disability benefiting both employer and employee.