



Institute of Actuaries of Australia

XIth Accident Compensation Seminar 2007

WA WORKERS' COMPENSATION SCHEME

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Agenda

- Environment
- Trends
 - Claims
 - Payments
 - Premiums
 - Mining Industry Profile
- Scheme Developments

Scheme Design

- Compulsory insurance
 - Private insurers and self insurers
 - Recommended premium rates
- Compensation
 - Statutory benefits
 - Common law
 - Maximum payments
- Medical and allied health services
- Injury management
 - Return to work
- Dispute resolution

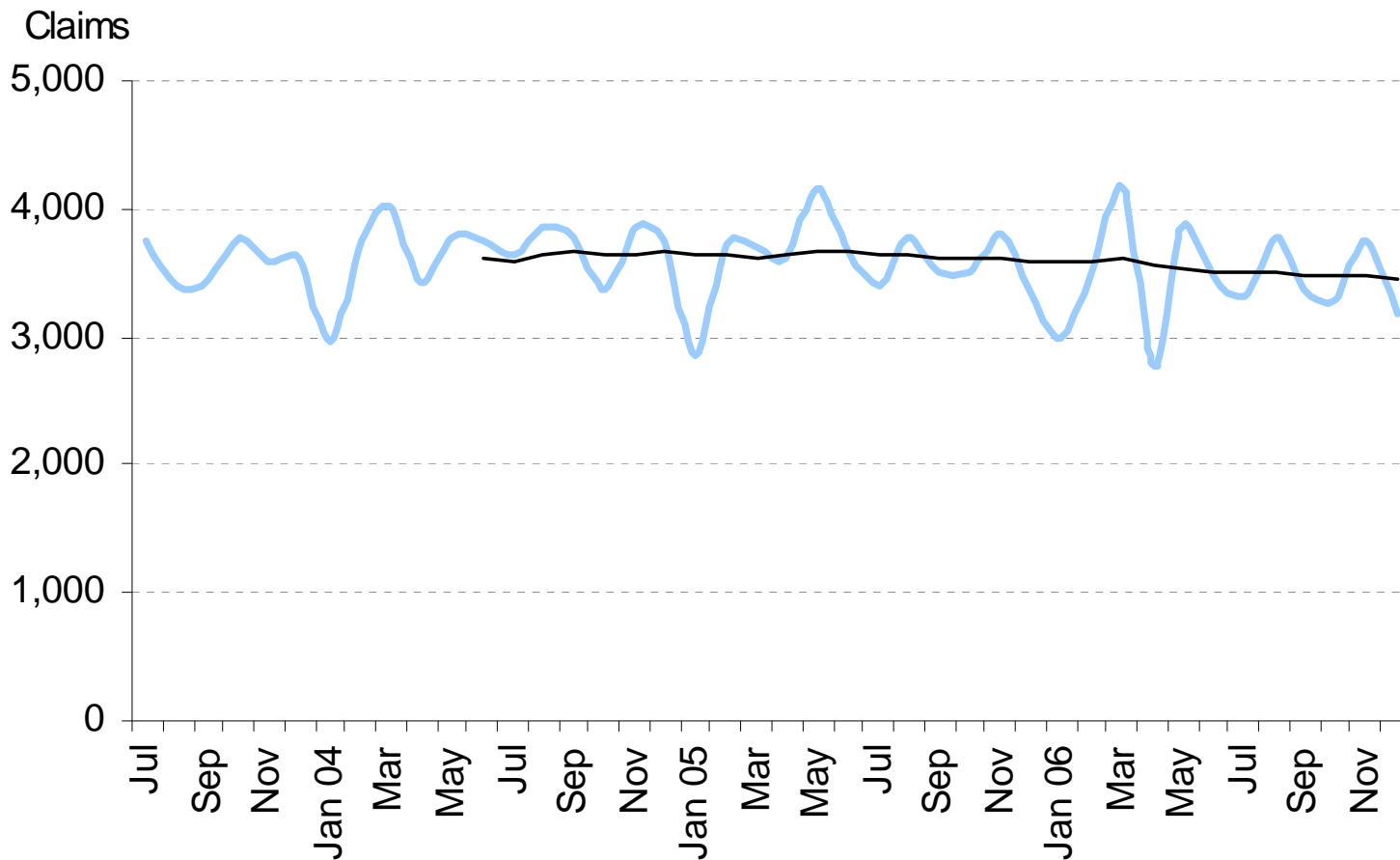
Legislative Environment

- January 2005
 - Statutory benefits increased
 - Cross border arrangements
- 14 November 2005
 - Statutory benefits increased
 - Impairment assessment & common law
 - New dispute resolution framework
 - Injury management

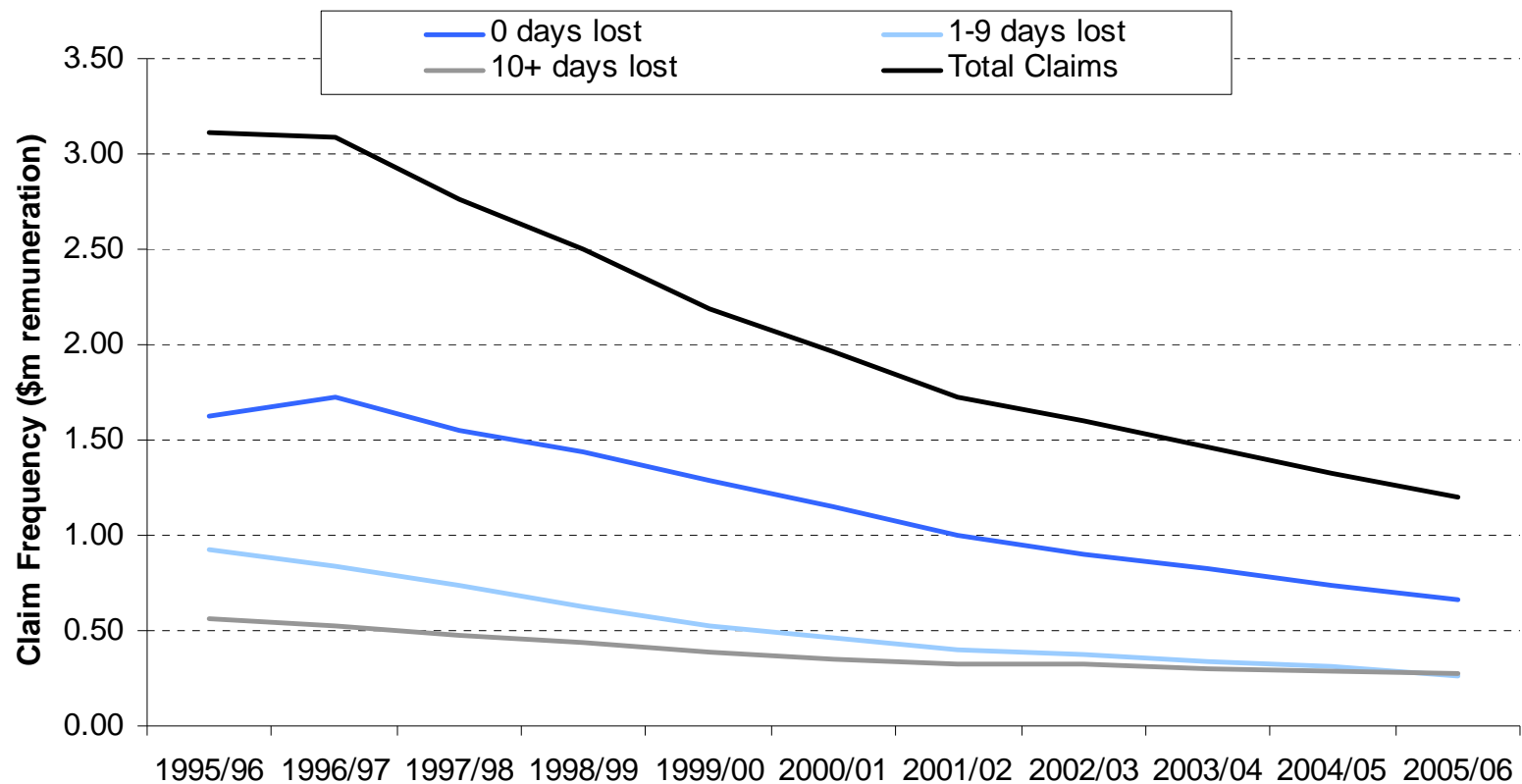
Claim Trends

- Annual number of claims reduced by approximately 35% over 1997-2001
- Stable claim numbers since 2002
- Falling claim rates - strong growth in employment and economic activity
- Stable claim lodgement patterns

Monthly New Claims



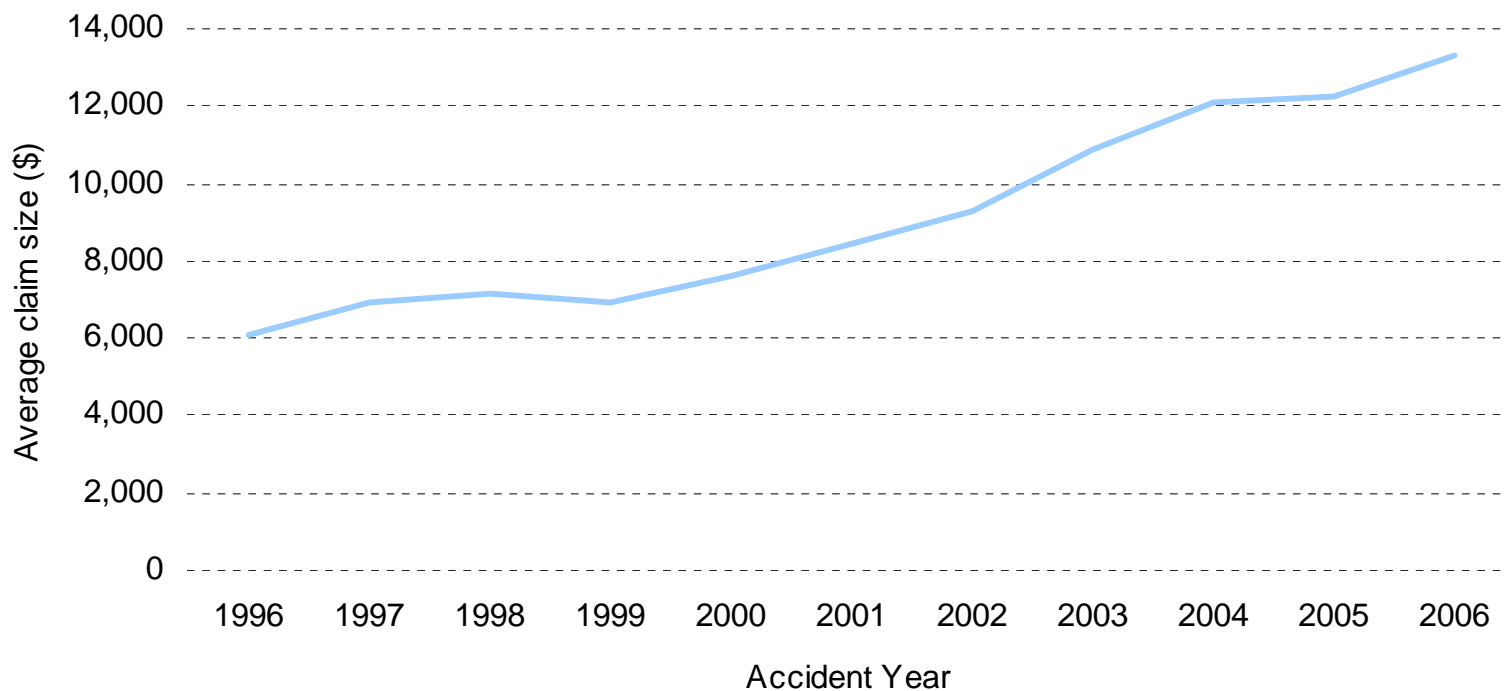
Claim Frequency



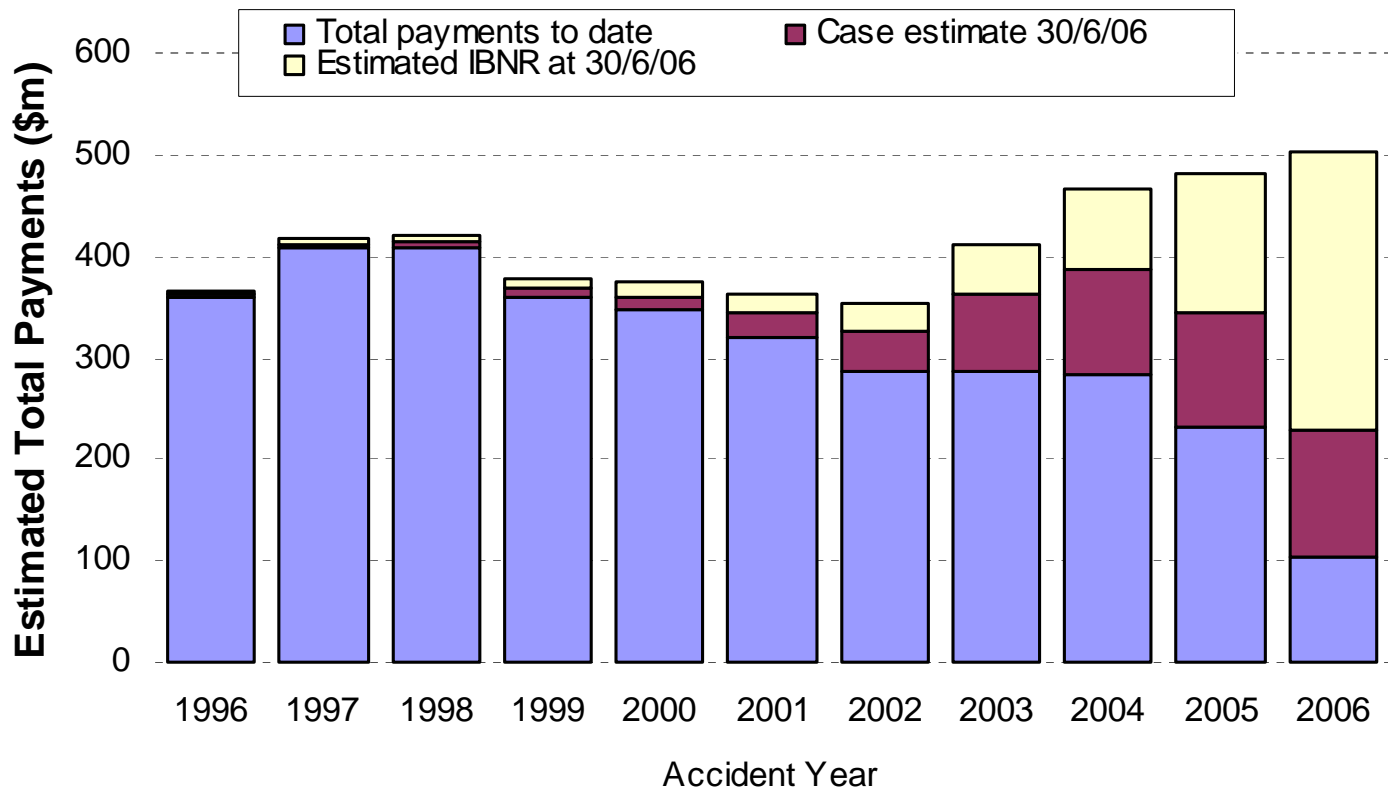
Payment Trends

- Average payment increased as small claims declined
- Total payment also increased

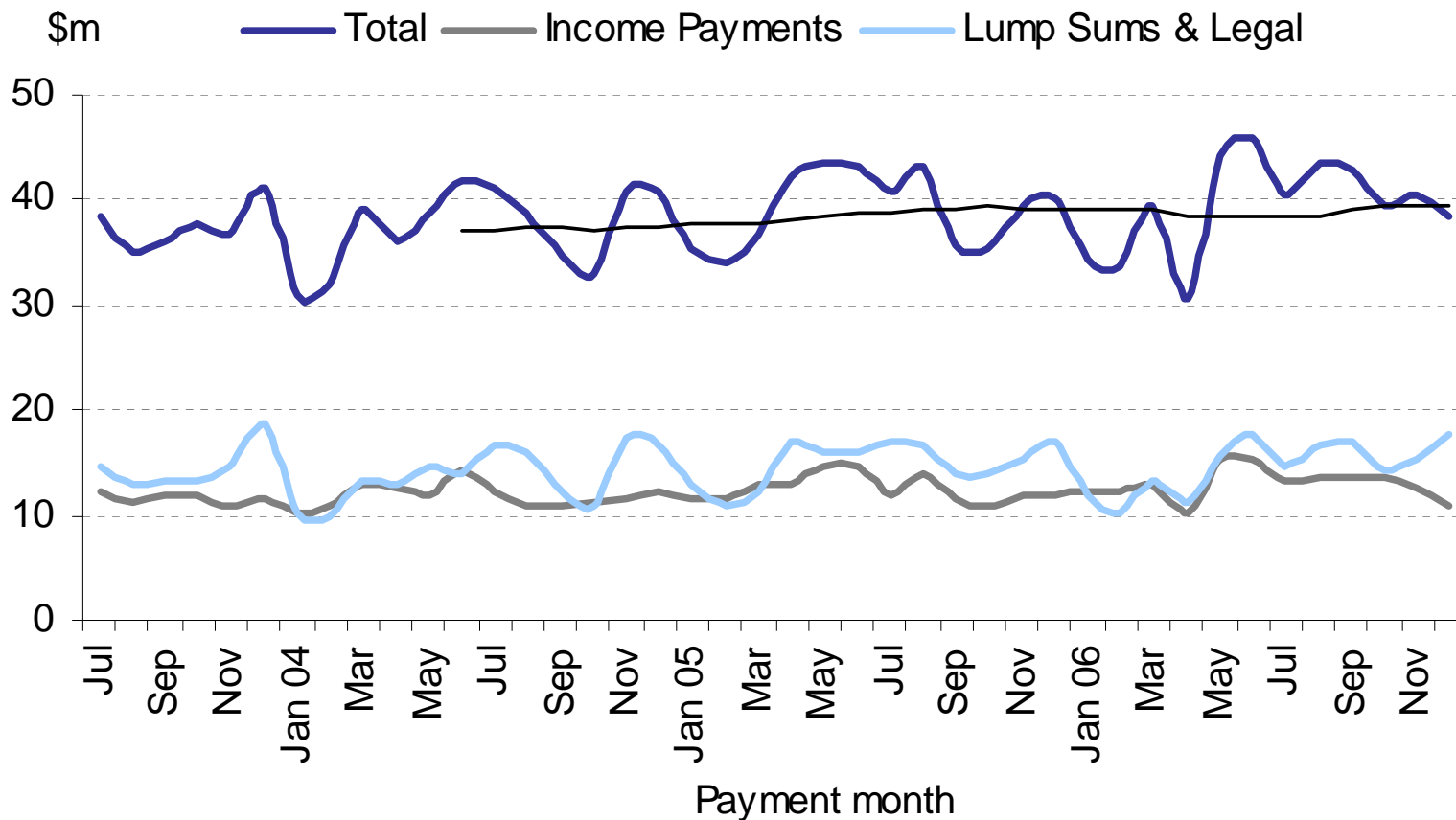
Average Claim Size



Claim Payments



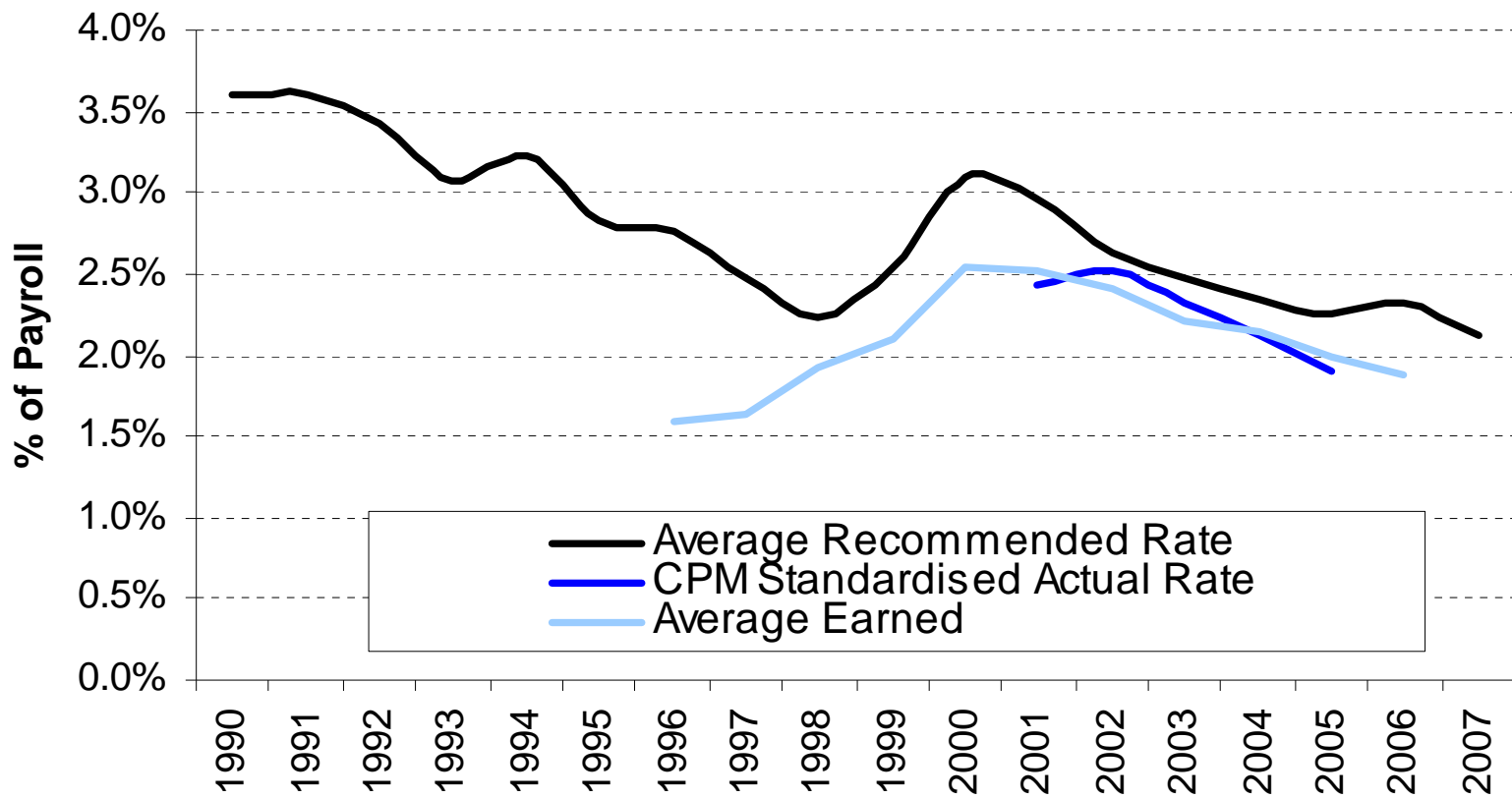
Claim Payments



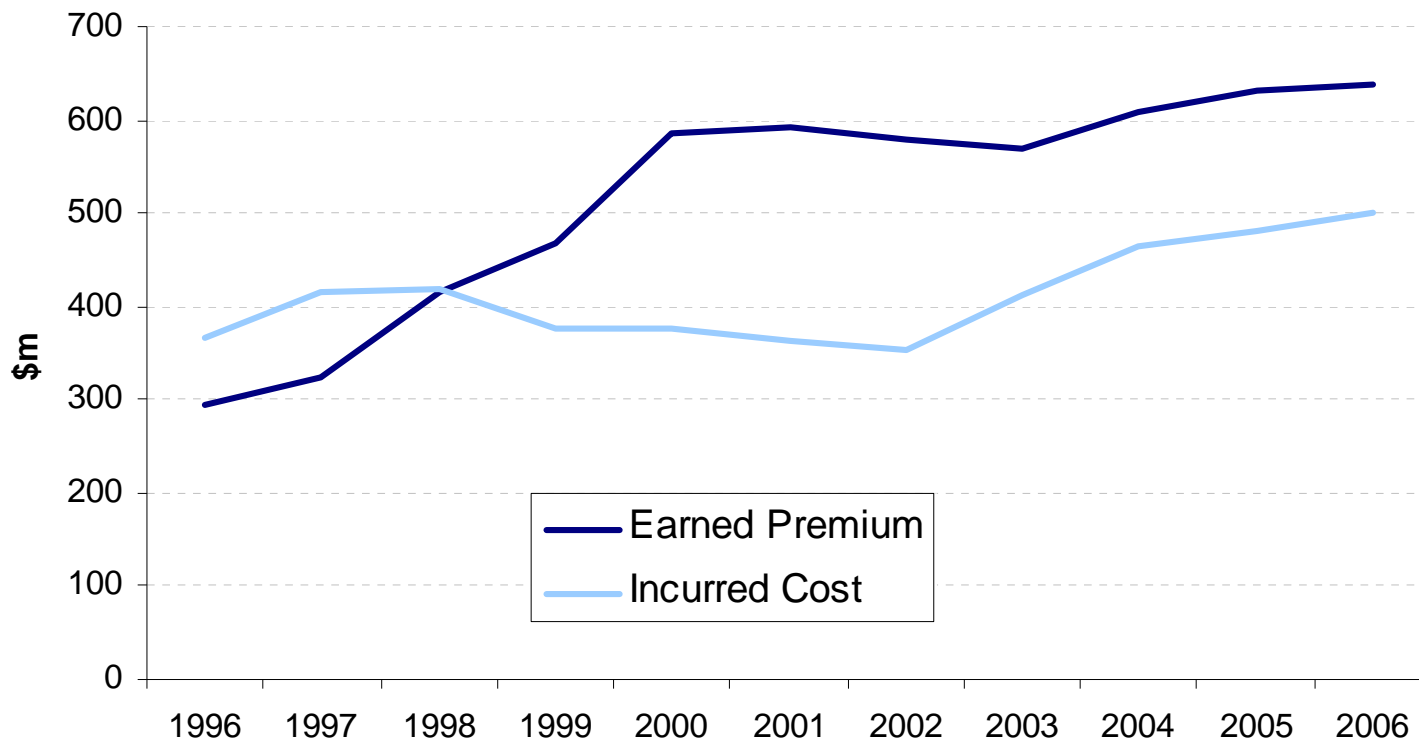
Premium Trends

- Premiums have fallen in recent years
- Average recommended rate is the lowest for 15 years
- Discounting a feature of the WA scheme
- New rates to be finalised in late April

Premium Rates



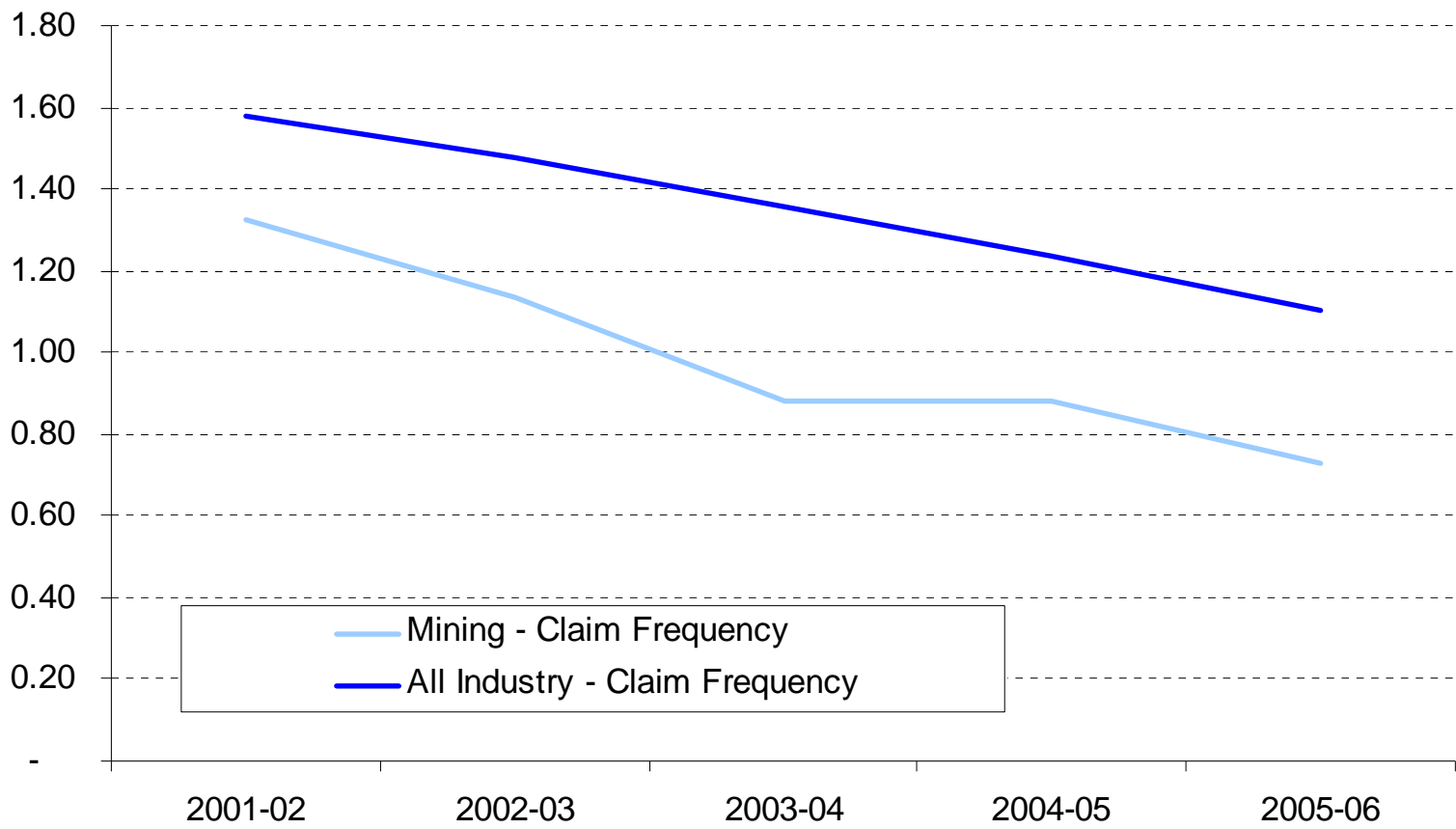
Premium and Incurred Cost



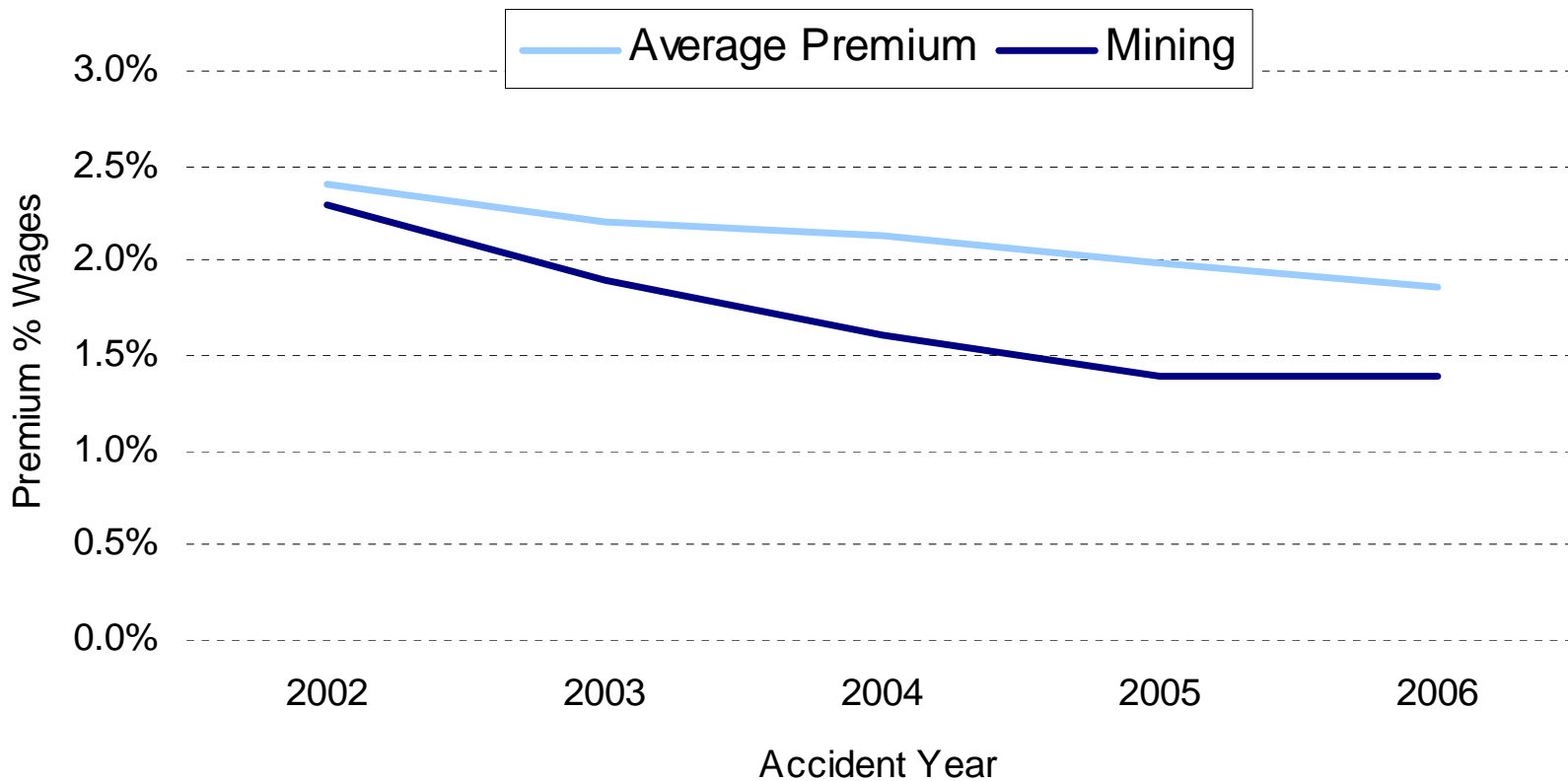
Mining Industry

- Close to full capacity
- Dramatic growth in employment and output
- Falling claim frequency
- Increasing incurred and average costs

Claim Frequency - Mining



Premium Rate - Mining



Legislative Review

- Evaluation of 2005 reforms
 - Too early to determine full impact of changes
 - Dispute resolution processes
 - Common law reduction
 - Impairment assessment
- Legislative Review
 - Structural focus
 - Flexibility

Injury Management Campaign

- Three-year injury management campaign:
 - increase the awareness
 - improve level of compliance with the legislation
 - support return to work outcomes
- Strategies aimed at long-term behavioural change
 - compliance, community engagement, public relations, advertising and training and professional development

Strategic Issues

- National developments
 - Self insurance
 - Harmonisation
- Return to work & injury management focus
- IT systems and data standards