

# Change • Challenge • Opportunity

## Injury & Disability Schemes Seminar

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Injury & Disability Schemes Seminar



# Insights for Success in Work Injury Insurance

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# Overview

- This presentation is intended for Regulators & Insurers in Work Injury Schemes
- It is based on my broad experience but in particular South Australia
- SA Scheme was “buggered” therefore ready for a significant change
- It had the countries highest premiums, worst RTW rates & poor service
- In 2013 strategies were implemented to improve service, RTW rates & cost
- Even with this change poor scheme design & culture meant it would never achieve the governments objectives:-
  - Better health and RTW outcomes
  - More affordable premiums
- This realisation brought about the new Return to Work Scheme.

# Overarching Principles – Only for the Brave

- Admit Your Faults
- Lead the Change not the Committee
- Help the Government to Succeed, but not without Frank and Fearless Advice
- If you Hold the Liability, then you Hold the Risk – you are the Underwriter



# Insurance Lessons

- You are an Insurer
- Apply the Law – not what you would like it to be
- Deliver Risk Based Personalised & Active Claims Management
- Doctors Help – so work with them, not against them
- Don't let Redemptions become your RTW Strategy
- Actively Manage your Claims Agents
- Data is Everything – Base Decisions and Interventions on Evidence
- Don't let Information Technology Run your Business
- Don't Let Premiums be the Quiet Achiever
- Simplify the Premium Structure



# Regulator Lessons

- You Can't Hide Behind the Rules
- Do not Underestimate the Importance of Culture
- Review & Improve things as you go – Do not Wait too Long
- Partnerships do not Work – Everyone needs to know who is In Charge
- Never forget to think about the vested interests
- DO NOT let Poor Performance become Normal
- Use Disputation as your Failsafe – Not your Performance Management Mechanism



# Final Lesson

- When considering whether a scheme can afford either a reduction in premium and/or an increase in benefits then for that scheme to remain sustainable and fully funded in the long term you **SHOULD NOT** fund either premium reductions and/or benefit increases out of a surplus.
- They should only be considered if there is a positive gap between the average premium rate (APR) and the breakeven premium rate (BEP) and you are confident that gap is sustainable.
- Ignore this at a Scheme's peril.