

Change • Challenge • Opportunity

Injury & Disability Schemes Seminar



12 - 14 November 2017 • Sofitel • Brisbane





ReturnToWorkSA Scheme Update

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ReturnToWorkSA

November 2017



History of the scheme





History of the scheme

High premiums

Low return to work rates

Unfunded

High levels of dispute & slow resolution

Complicated premium system

Poor service





Effective 1 July 2015



WorkCover scheme

*Workers Rehabilitation and
Compensation Act 1986*

*was
replaced
by*



Return to Work scheme

Return to Work Act 2014

Key features new scheme

Service standards

Definition of Injury changes

Differentiated product for seriously injured: Income support to retirement age; care and support for life (non-redeemable); common law option (for F.E.L only)

All other claims: 2 year cap on income support; 1 year limit beyond cessation of income support for medical expenses

New economic-loss lump sum available and increased amounts for traditional lump sums (WPI)

New dispute resolution system - SAET

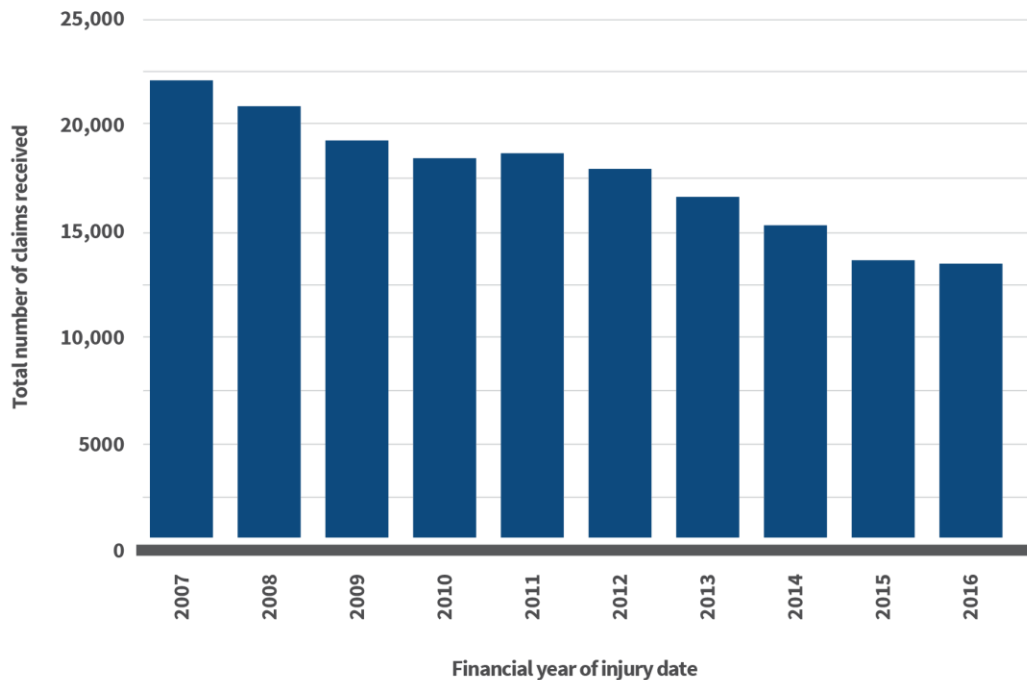


Service reform





Claim Numbers



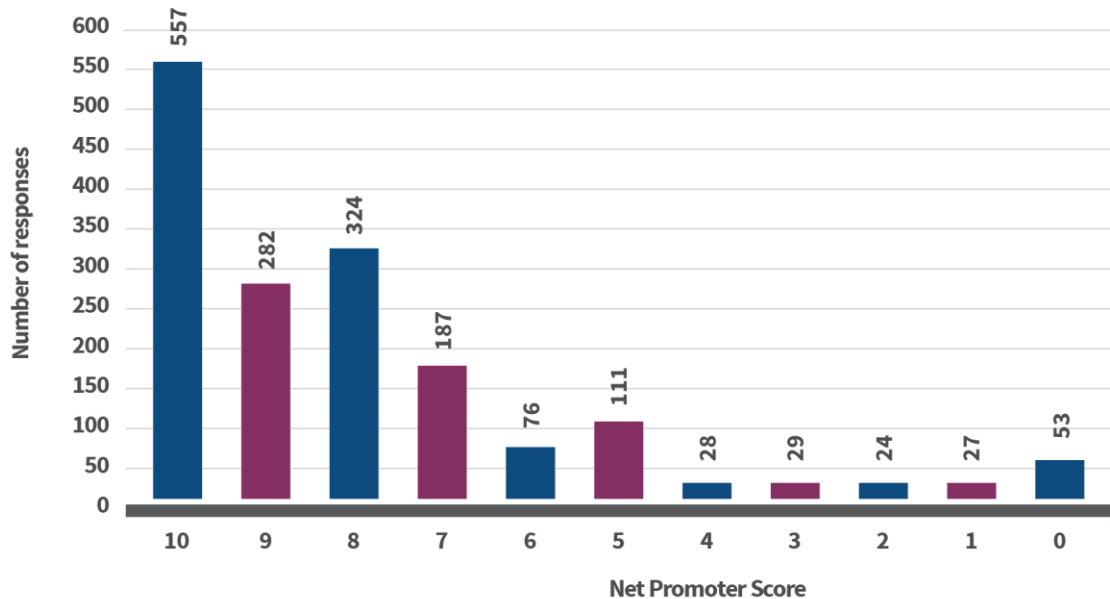


Eligibility



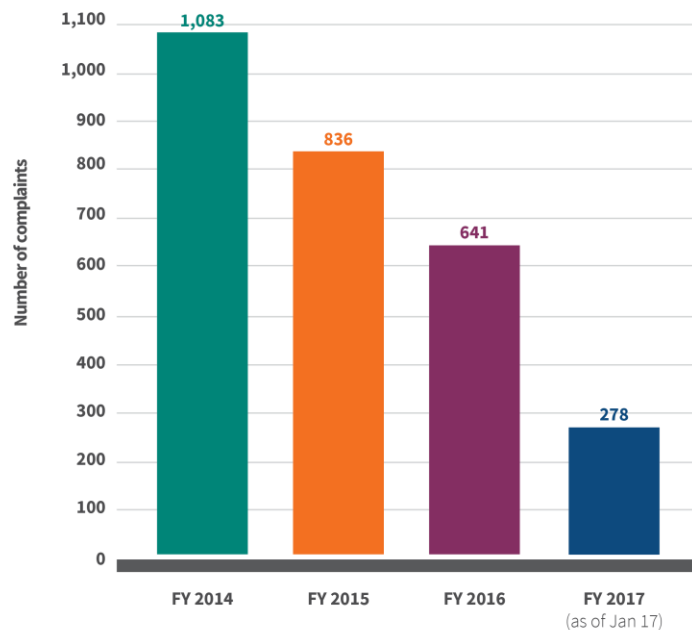


Satisfaction levels





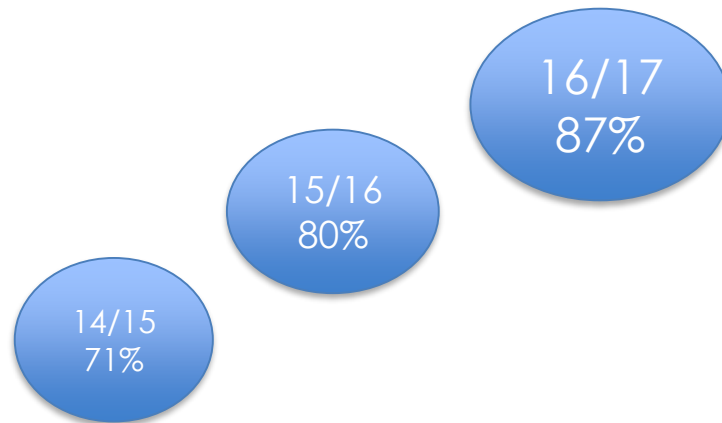
Complaints



At Work & RTW 16/17

At work: (full)

Exits - full rtw or
earning > NWE





Psychological Claims



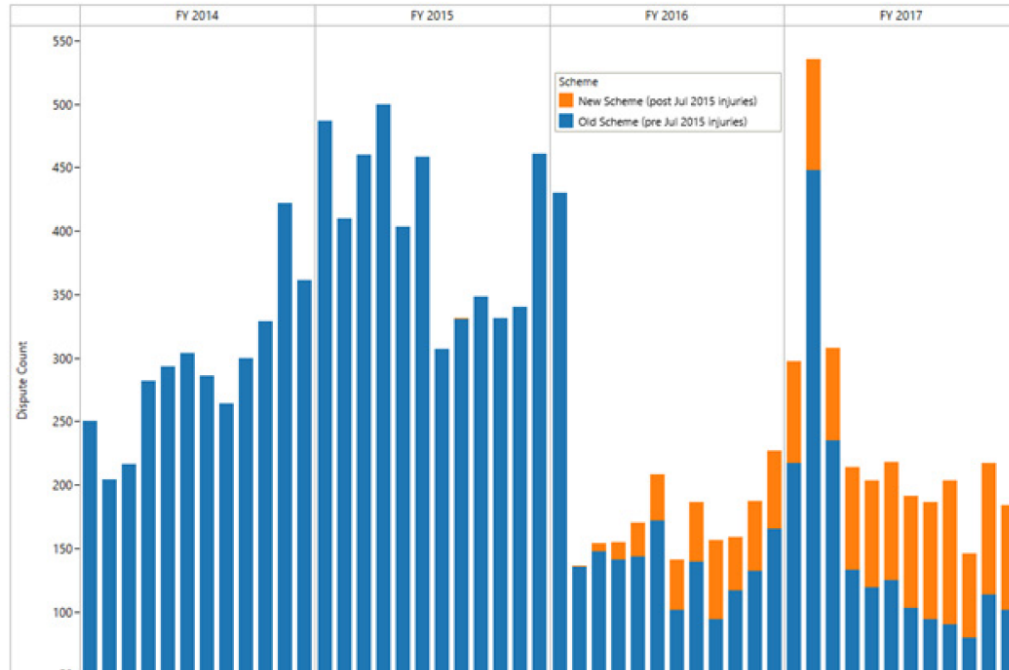
Psychological claims
as a percentage of total
claims made in 2017

(Injury date in 2017; non-self insured;
confirmed as potential claim for
psychological injury.)





Disputes



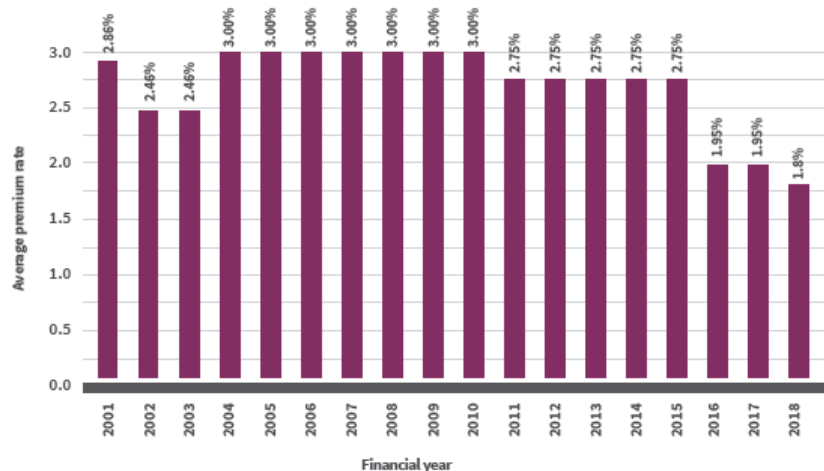


Premium

Average Premium Rates (SA)

Percentage of remuneration paid by employers.

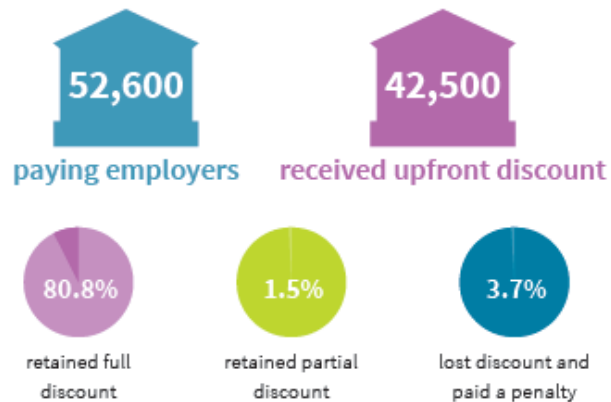
A premium is paid by 52,000 employers to receive this insurance that protects them from the full cost of a work related injury.



1.8%

Employers registered for premium

During 2016-17, there were 52,600 registered businesses.



June 17 Valuation of OSC

	Central Estimate	Risk Margin	Recommended Provision
	\$m	\$m	\$m
Gross Claims Cost - Serious Injuries	1,325		
Gross Claims Cost - Short Term Claims	562		
Claims Handling Expenses	187		
Gross Outstanding Claims Liability	2,075	311	2,386
Recoveries	-57	-9	-66
Net Outstanding Claims Liability	2,017	303	2,320

*Serious injury
liabilities 2.4 x's
that of short term
claims*

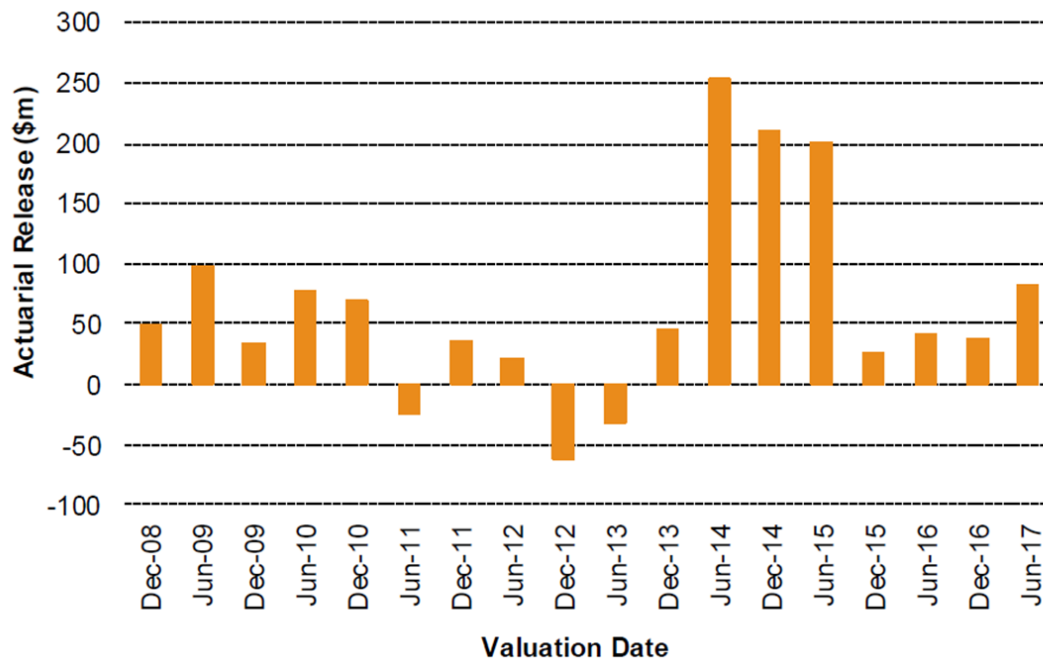
	Central Estimate		
	Projected Jun-17 Liability ¹	AvE Payments in 6 mths to Jun-17	Actuarial Release ²
	\$m	\$m	\$m
Liability at Dec-16 Valuation	2,013		
Projected Liability at Jun-17 (from Dec-16 valuation)	2,028		
Claims Movement - Short Term Claims	-0	-23	24
Claims Movement - Serious Injury	-62	3	59
Impact of Change in economic assumptions	52		
Recommended Liability at Jun-17	2,017		83

Funding 119.5%

*Economic hit
cushioned by the
release*

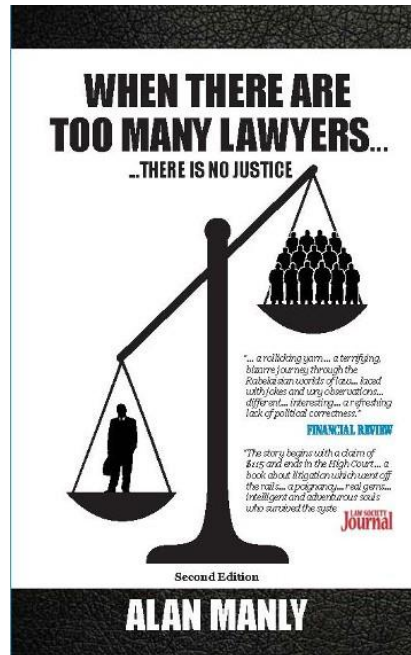


Releases





Durability & Affordability Risks





SUCCESS
is not final,



FAILURE
is not fatal:
it is the
COURAGE
to **CONTINUE**
that **COUNTS**