

Change • Challenge • Opportunity

Injury & Disability Schemes Seminar



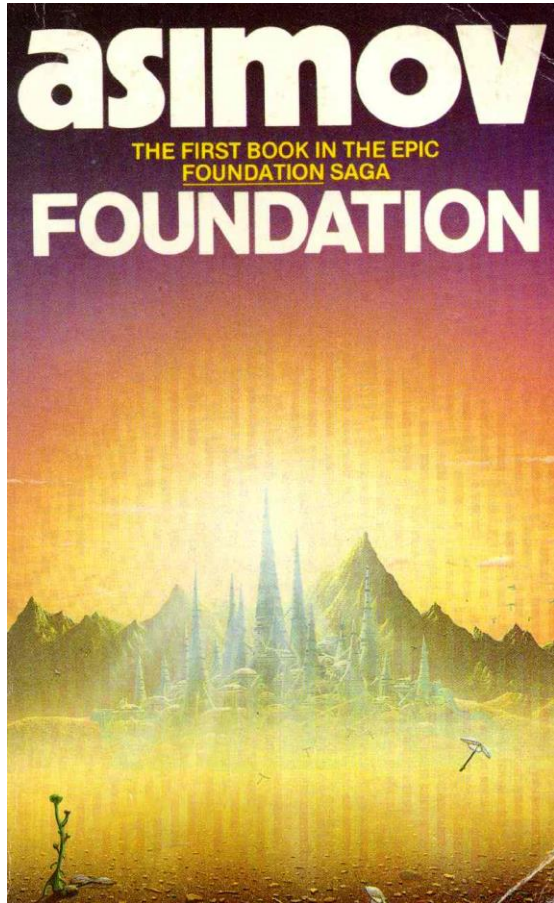
12 - 14 November 2017 • Sofitel • Brisbane





The future of prediction

Hugh Miller



Σ Actuarial
Institute

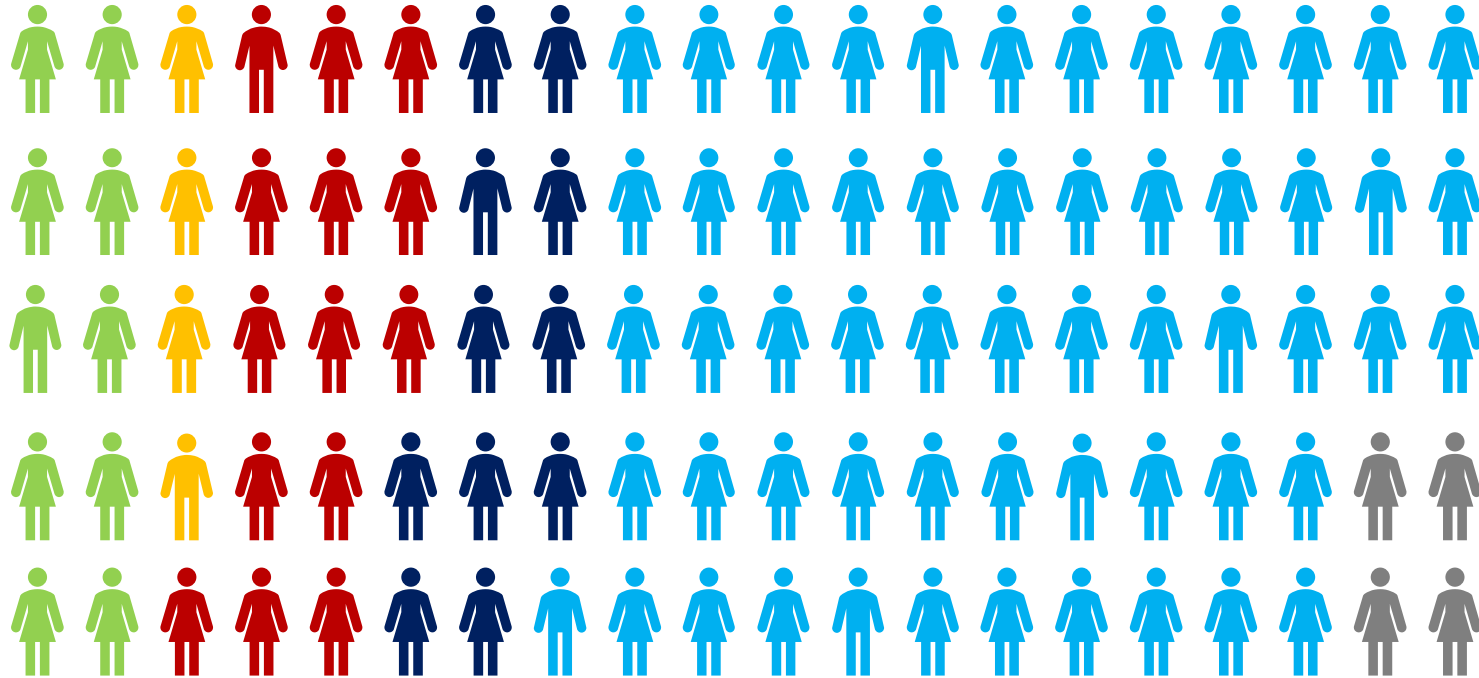




Unemployment

Health condition benefit

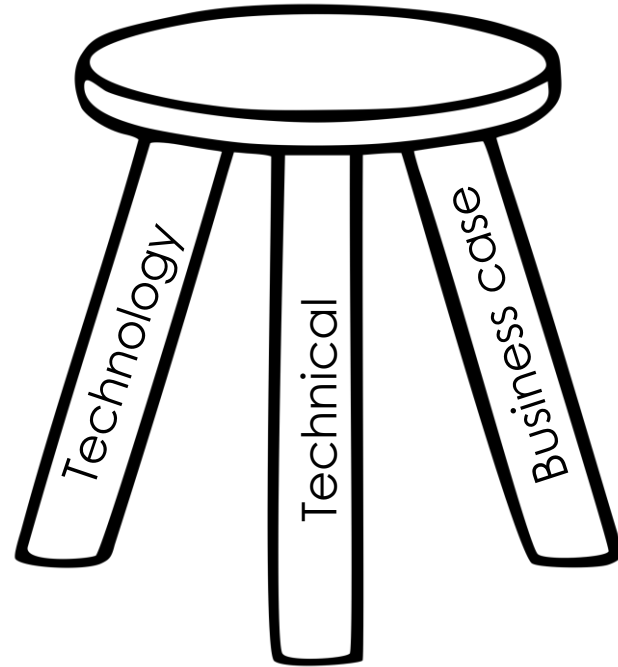
Off benefits



Sole parent

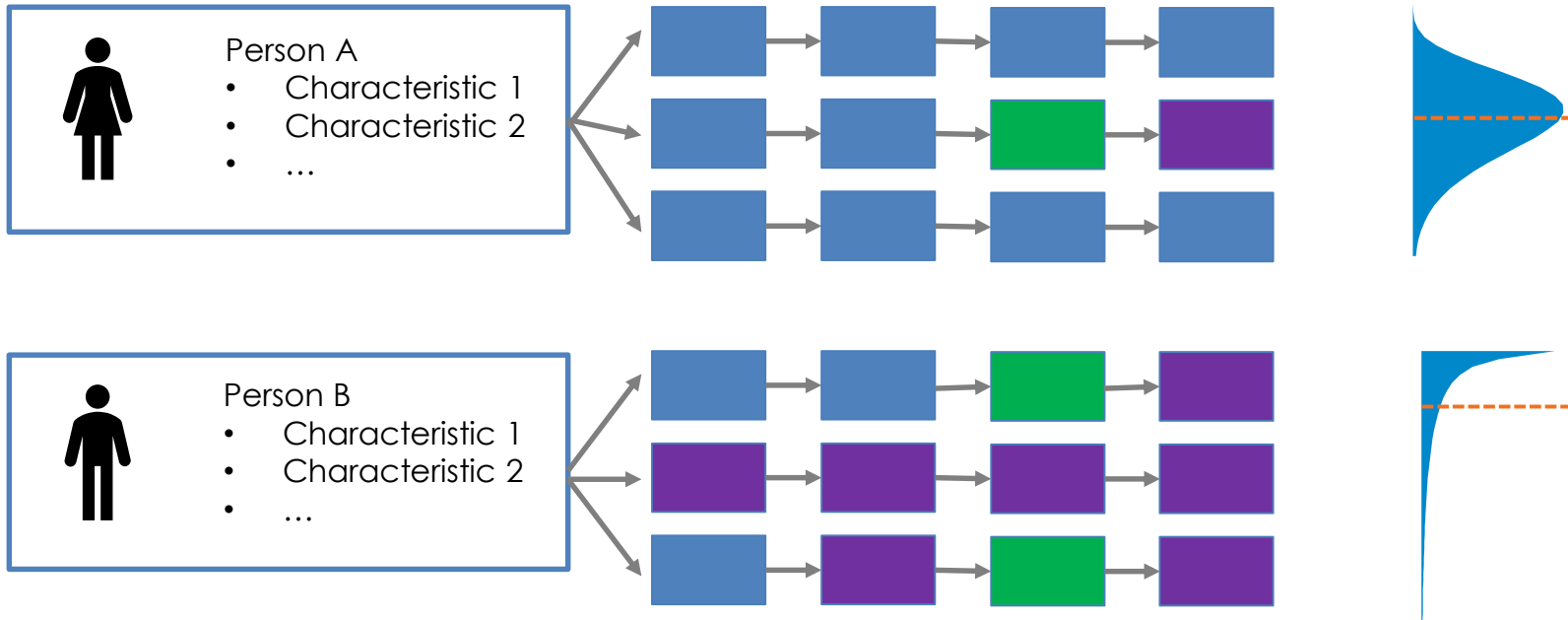
Accommodation support

Pension

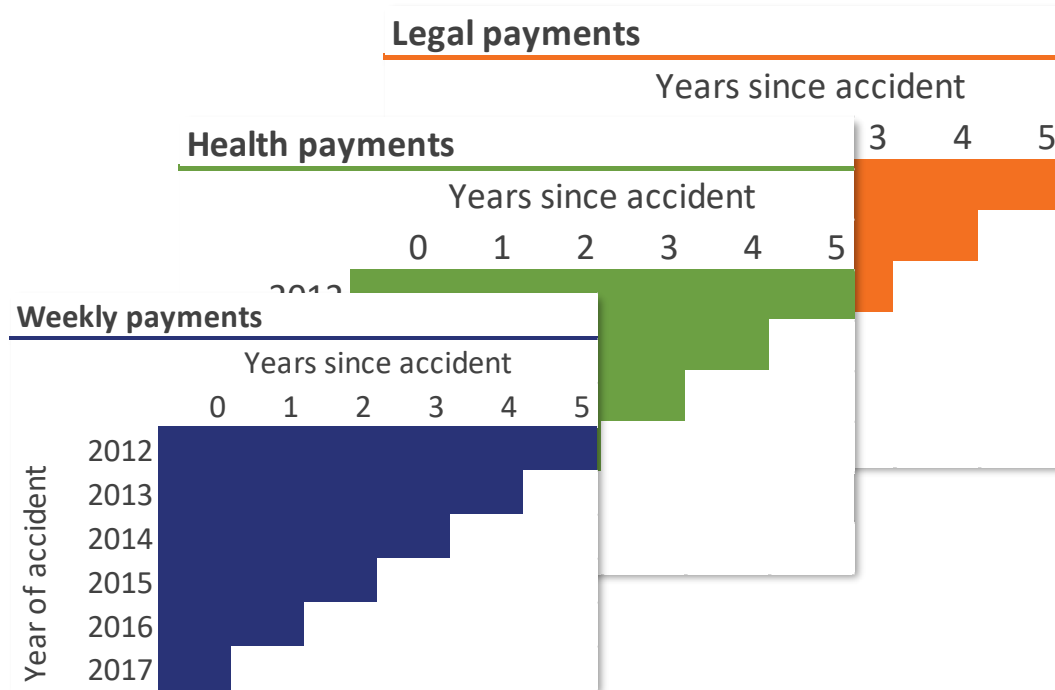


Tripod of innovation

Microsimulation



Comparison: aggregate methods



- Separate by payment type
- Two predictors (dimensions of triangle)

Why microsimulation?

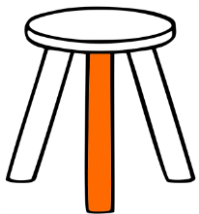


Technology

Recent tech trends align well

- Parallelisation
- Cloud and on demand processing

Why microsimulation?

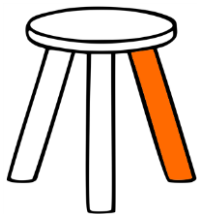


Technical

Technically dominates aggregate approaches

- Can reproduce everything an aggregate model can
- Flexible
- Extensible
- Allows understanding of more drivers

Why microsimulation?



Business case



Our Mission

To be the world's leading social insurer.

Social insurers are responsible for prevention, compensation and rehabilitation, and we are striving to be the best in the world.

We identify as a social insurer because our outcomes are about people.

We want to ensure people are not hurt on our roads and in those who are to get their lives back on track and live a life of dignity.

Our clients deserve the best, so we aim to be nothing less.



The current system is not client-centred. It is designed around programs and service models instead of the needs of vulnerable families.

There is a significant amount of expenditure directed to programs intended to prevent escalation to out of home care. The NSW Government spent approximately \$1.86 billion on vulnerable children and families in 2015-16. This expenditure consists of at least 61 programs. The programs are not aligned to the outcomes these clients require, are often inflexible and do not recognise the specific concerns of vulnerable children and families and their individual circumstances. The problems are complex, entrenched and will not be addressed adequately through a program-by-program review approach.

Person centred



Key features of the Scheme

People with disability are at the centre of the scheme and are involved in the design process.

It provides people with choice and control, over the reasonable and necessary support they receive.

It signs the whole of Australia in its design, where previously funding was state and territory led.

It is based on insurance principles, which fundamentally mean planning early for supports likely to be required over a whole lifetime.

It uses the planning process to fund supports based on individual needs, rather than a one-size-fits-all fixed dollar amount.

It is designed to continually evolve and grow as lessons are learned across the Scheme and as advances are made in areas such as technology.



purpose
Our purpose is to protect, support and care for the people, business and assets that make NSW great.

vision
Our vision is to change the way people think about insurance and care by providing world class services to people, businesses and communities.

our purpose & vision

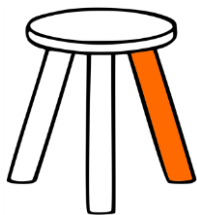
Person-centric experiences
We deliver world class experiences for our people, businesses and assets.

Optimal outcomes for our customers
We deliver optimal outcomes for the people, businesses and assets we serve.

Financially sustainable schemes
We meet our obligations to our people, businesses and assets.

3 target outcomes

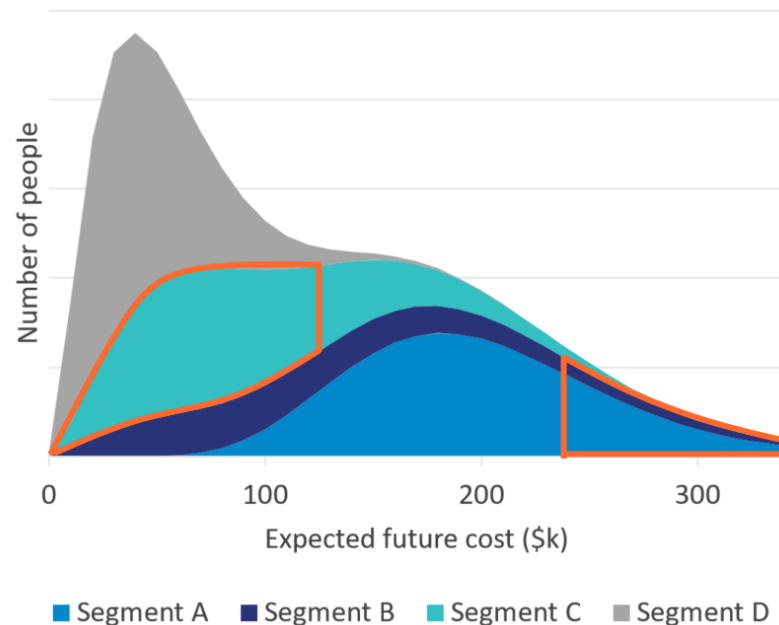
Why microsimulation?



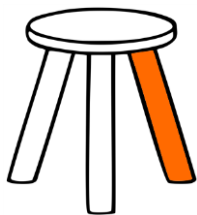
Business case



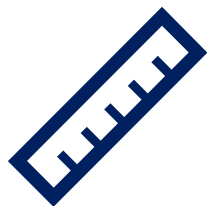
**Targeted
support**



Why microsimulation?



Business case



**Measure
better**

