

This product is for large employers with a focus on loss prevention and recovery

workers insurance

What is workers insurance?

Workers insurance ensures that your business is covered for the costs that might follow a workplace related injury or disease. Under the Workers Compensation Act 1987 (NSW), (the Act) all employers in NSW (except exempt employers) must have a workers insurance policy.

The Act contains several provisions in relation to claims coverage and compensation amounts etc. The Workplace Injury Management and Workers Compensation Act 1998 also regulates workers insurance in NSW.

the loss prevention and recovery model (LPR)

What is the benefit of the loss prevention and recovery model?

The LPR model **offers strong incentives** to improve workplace safety and outcomes for injured workers by delivering **more immediate financial rewards** for effective loss prevention and recovery at work.

Under this model, the premiums payable by employers **more closely reflect their individual experience** in loss prevention and recovery at work.

eligibility

Who is eligible?

An employer is eligible for this model if their basic tariff premium **exceeds \$500,000 for a 12 month period of insurance**, or they are member of a group where at least one member's basic tariff premium exceeds \$500,000.

The model is designed for employers of this size because they have the capacity and resources necessary to manage and improve systems for loss prevention and recovery at work.

Employers that are a part of a Group must make a group decision to enter or exit the LPR model, split arrangements are not permitted.

calculation of premiums

How are premiums calculated?

Premiums are calculated based on each employer's individual claim costs each year which are then multiplied by pre-determined adjustment factors, banded by minimum and maximum premium. Members of a group should be aware premiums are calculated at group level and then distributed across its members proportionately. Our team will assist you to understand the specific impacts.

What is the maximum premium?

An employer's maximum premium amount is **3.5 times their basic tariff premium** plus levies. This is calculated across Group BTP where there are multiple policies.

What are the claim limits?

An employer (or group) must elect a large individual claim limit of either **\$350,000 or \$500,000** for the period of insurance. This choice sets the adjustment factors and the minimum premium.

Are there any other costs?

At the commencement of any period of insurance, employers must choose to pay a security deposit or pay a Renewal Premium Adjustment for the term of the insurance period.

Option 1: Security is represented by cash, bank guarantee or insurance bond which is to ensure funds are available if employers are not able to meet their workers compensation liabilities.

Option 2: The Renewal Premium Adjustment is an additional 25% on top of the Deposit Premium.

How are adjustment premiums calculated?

Adjustment Premiums are calculated by:

- the total cost of claims for the employer in respect of the period of insurance;
- any relevant levies and/or incentives; and
- adjustment factors relevant to that period of insurance and outlined in your policy documents

Adjustment date	Adjustment factor for \$350,000 large claim limit	Adjustment factor for \$500,000 large claim limit
24 months after Policy commencement	2.61	2.49
36 months after Policy commencement	2.24	2.11
48 months after Policy commencement	2.24	2.11

general information

What are the terms and conditions?

The specific terms of icare's LPR workers insurance policies are contained in the Workers Compensation Regulation 2016 (NSW) (the Regulations). Please see the Regulations and our website for more details.

Who is a worker?

Under the relevant legislation, the definition of "worker" is broad, and includes some contractors.

Can icare audit my organisation?

Your wage declarations are subject to checks for accuracy. A wage **audit** might result in changes to premiums already charged. In some circumstances, you may also have to pay penalty or late payment fees.

Maintaining safe workplaces

Compliance with work health and safety and workplace injury management obligations is a key factor in maintaining a safe workplace and minimising injuries to workers. icare expects that all employers who apply for its products acknowledge and understand their obligations in respect of work health and safety and workplace injury management under NSW law.

cost of claims

What are my organisation's obligations in relation to claims?

You have several obligations in relation to claims, which are explained in more detail on our website.

First and foremost, if a worker suffers a work-related injury or illness, you must **notify your Claims Agent of any claims within 48 hours of becoming aware**, whether electronically, in writing or by telephone or contact Safework NSW on 13 10 50 for all notifiable injuries.

What claim costs are included in the premium calculation?

- All payments such as weekly benefits, medical and hospital expenses, lump sum benefits, and service provider costs including investigation and legal costs;
- Recoveries received from other parties; and
- Estimated costs for future claim payments.

What claim costs are excluded from the premium calculation?

- Anticipated recoveries from other parties. (claim costs will only be reduced once recoveries have been received, not before)
- Recess claims
- Interpreter expenses
- Claims excess
- Journey claims
- New employment assistance payment
- Education and employment assistance payment

application & renewal

What information does icare need to calculate its premium?

A loss prevention and recovery application and renewal form. Completion of this form ensures we have all the information required to process your LPR deposit premium, including your wage declaration.

How do I pay my organisation's premium?

Deposit **premiums** can be paid by lump sum or by quarterly or monthly **instalments**. Adjustment premiums must be paid in full.

cancellation

Can I cancel my policy at any time?

As workers insurance is compulsory (excluding exempt employers), you can only cancel your policy under the following conditions:

- You cease trading
- You sell your business
- You cease employing (some circumstances require cancellation at expiry)
- You have obtained alternative statutory cover (i.e. via specialised insurer, established a Self-Insurance License approved by either SIRA for NSW, or Comcare federally).

Will my organisation be covered if the policy is cancelled?

You will continue to be covered for claims in relation to injuries that occurred during the time the policy was active.

questions?

If you have any questions or need further information, please check out our website at <http://www.icare.nsw.gov.au>.