

Invoicing Explained

The way you are being invoiced for your TMF contribution hindsight adjustment is changing. From 11 December, you'll receive invoicing direct from icare covering the Workers Compensation Hindsight Adjustments.

You will be receiving two distinct invoices/credit notes: one to cover the 5 years Final Hindsight and one to cover the 3 years interim Hindsight. These invoices replace the existing invoices that you would have received from our insurance providers QBE, EML, and Allianz.

What you need to do

The way you pay your invoices has also changed. Previously you would have paid your invoices to QBE, EML or Allianz but now you will be paying direct to icare.

You need to ensure that icare's bank account details are correctly entered into your accounting system for payment. Please check icare's bank account details (below) with your records.

We also recommend that, when making a payment, you use the reference number that is included in every Tax Invoice to facilitate the processing of your payment and avoid undue delay and/or correspondence.

icare issued Motors Hindsight Adjustment invoices/credit notes should be available in February 2018 and, from July 2018, your annual contribution Tax Invoice will also come directly from icare.

Workers Compensation Hindsight Methodology

Step 1: Determine Target Contribution

Agencies are grouped into 'pools'. The pools are Education, Health, Police, RMS, Fire, Ambulance, Sydney Water and the Primary Pool of agencies'. Each pool will have a 'Target Contribution' which is determined by an actuary, this is a forecast of the total claims costs, expenses and recoveries for the fund year.

Step 2: Allocate the cost to agencies within the pool – Deposit Contribution

Each agency (or facility or business unit) in the pool must make an annual payment toward the 'target contribution', this is known as the 'Deposit Contribution'. The amount is determined by actuaries based on a number of claim metrics including number of claims, volume of payments and cost per claim. The calculation method ensures that individual large claims do not distort the individual's hindsight result.

Step 3: Calculate the Hindsight Contribution amounts

The Hindsight Contribution amount is determined less any deposit and interim hindsight (three year hindsight) contributions already paid for the year. Some agencies will pay more, some will receive hindsight refunds in the form of credit notes.

Agencies are able to directly influence whether or not they receive a hindsight refund through effective risk management: for example, by potentially minimising claims through risk prevention programs and reducing the cost of claims through effective RTW strategies.

The New Invoice



GPO Box 4052,
Sydney NSW 2001
T 02 9216 3327
F 02 9228 3870
icare.nsw.gov.au

Mr John Smith
Govt. Service Co.
123 Agency Street
Sydney NSW 2000

date issued	DD/MM/YYYY
invoice no.	1800002502

TAX INVOICE

NSW Treasury Managed Fund Workers Compensation (Period 01/07/2012 - 30/06/2013)

This note adjusts the original deposit contribution to the final hindsight contribution.

Agency Name	Govt. Service Co.	Policy Number	Policy1
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	Excluding GST (\$)	GST (\$)	Including GST (\$)
Original Deposit Contribution	1,000.00	100.00	1,100.00
Final Hindsight Contribution	2,000.00	200.00	2,200.00
Interim Hindsight Adjustment	500.00	50.00	550.00
Final Hindsight Adjustment	500.00	50.00	550.00
		Total Adjustment	550.00

If the "Total Adjustment" is a Debit, then Govt. Service Co. is required to pay the amount of the "Total Adjustment". Please refer below for payment details. If the "Total Adjustment" is a Credit then this amount will be refunded to Govt. Service Co.

Payment for the Total Adjustment is due by DD MMMM YYYY.

Payment Details:

Bank Deposit - Email Remittance once deposit completed to enquiries.revenue@icare.nsw.gov.au and include the invoice number in your reference field on the deposit.

Payment by electronic funds transfer

BSB/Account Number: 032-001 / 115439
Account Name: NSW SiCorp TMF Premiums
Reference: 1800002502

how to connect with us

GPO Box 4052,
Sydney NSW 2001

Level 15, 321 Kent Street
Sydney NSW 2000

www.icare.nsw.gov.au

Your Details

Mr John Smith Govt. Service Co. 123 Agency Street Sydney NSW 2000	date issued DD/MM/YYYY
	invoice no. 1800002502
TAX INVOICE	
NSW Treasury Managed Fund Workers Compensation (Period 01/07/2012 - 30/06/2013)	
This note adjusts the original deposit contribution to the final hindsight contribution.	
Agency Name Govt. Service Co.	Policy Number Policy1

Your agency's details are displayed here, including your policy number and our invoice number. If any of these details are incorrect or you wish to make an enquiry about your invoice, please contact icare Self Insurance at clientservices@icare.nsw.gov.au or 02 9216 3327.

Item Breakdown

	Excluding GST (\$)	GST (\$)	Including GST (\$)
Original Deposit Contribution	1,000.00	100.00	1,100.00
Final Hindsight Contribution	2,000.00	200.00	2,200.00
Interim Hindsight Adjustment	500.00	50.00	550.00
Final Hindsight Adjustment	500.00	50.00	550.00
	Total Adjustment		550.00

If the "Total Adjustment" is a Debit, then Govt. Service Co. is required to pay the amount of the "Total Adjustment". Please refer below for payment details. If the "Total Adjustment" is a Credit then this amount will be refunded to Govt. Service Co.

This section of the invoice provides a breakdown of the items involved, as well as if the adjustment results in an overall debit or credit.

Payment Details

Payment for the Total Adjustment is due by DD MMMM YYYY.

Payment Details:
Bank Deposit - Email Remittance once deposit completed to enquiries.revenue@icare.nsw.gov.au and include the invoice number in your reference field on the deposit.

Payment by electronic funds transfer
BSB/Account Number: 032-001 / 115439
Account Name: NSW SICorp TMF Premiums
Reference: 1800002502

This final section of the invoice contains the due date and payment details for icare Self Insurance, these account numbers will need to be used to make all TMF payments in future. Please update your payment systems at your earliest convenience to avoid delays or errors.

Frequently Asked Questions

Q. What claim metrics are used to determine the hindsight contribution?

A. The portfolio has been split into a number of segments representing Weekly, Medical, WID and Other payments. Within these segments, claims cost drivers such as reported claims and active claim numbers are used to allocate the pool OSC to an agency level.

Q. How has the hindsight calculation methodology changed?

A. The methodology has remained largely unchanged. The main change has been the mechanism to allocate pool costs to the agency level. However, the principle of the allocation process, namely, allocating costs to the agencies that contribute the most to the total cost remains unchanged.

Q. In the past the WCPM was used. Is the WCPM still being used?

A. No. The WCPM had not been recalibrated for several years. Rather than go through the exercise of recalibrating this model a decision was made to move to a new cost allocation model which simplifies the cost drivers that determine the hindsight. There are pros and cons in each method but the new methodology is expected to better align the drivers of claims experience and the hindsight results.

Q. Has the new model resulted in a lower or higher hindsight for my agency just because the model has changed?

A. The results under the new model have been checked against previously forecast results. In most cases the results were similar. Where there are discrepancies the differences have been investigated to ensure that the result was fair and reasonable.