

2019-20 Premium Updates Experience Rated Employers

1. Changes to Employer Safety Incentive (ESI)

All employers are entitled to an ESI of 7.5%.

For more details visit www.icare.nsw.gov.au/premiumupdates

2. Scheme Performance Measure

Over the past 24 months icare has consolidated claims management from five scheme agents to predominantly one. The aligning of these claims may have had a small one-off impact to the claims cost used to calculate our experience-rated employer premiums. To make allowances the SPM has been increased to 4.3%. Increasing the SPM reduces any adverse premium impact resulting from the claims consolidation process.

The rates for employers with a policy for less than 36 months are as follows:

- 24 to < 36 months 3.32%
- 12 to < 24 months 2.42%
- < 12 months 0.00%

3. Increase in Loss Prevention & Recovery (LPR) Factors

There has been a change in LPR rates for the 2019-20 policy year. We've endeavoured to keep LPR rates as low as possible over recent years, however to ensure we're able to continue to offer this product we've had to gradually increase them.

Details of the LPR rates are as follows:

Adjustment point	Large claim limit and adjustment factors	
	\$350,000	\$500,000
24 months	2.61	2.49
36 months	2.24	2.11
48 months	2.24	2.11

4. Cap on premium changes

There will be a 30% cap on experience premium changes for employers. The cap is only applied if the increase or decrease results from a change in your claims experience, or due to amendments in the premium methodology.

If you qualify for capping this has been automatically applied to your premium.

5. Adaptive Maximum Premium Component

In 2019/20 an adaptive maximum premium component will be applied to employers who have consistently high claims costs year-on-year.

Employers that have had a claims performance rate (CPR) of 400% and above for more than one year will have an increased claims performance adjustment (CPA) rate.

6. Changes to Workers Compensation Industry Classification (WIC) rates

Each year WIC rates are revised in line with an industry's performance. However, the average premium rate for NSW remains unchanged at 1.4% of wages. WIC changes for 2019-20 are as follows:

- 234 WICs have had a decrease in WIC rate.
- 271 WICs have had an increase.
- 33 WICs remain unchanged.

Find out more about current and historical WICs and premium rates.

7. Catastrophic Claims Contribution

Fatality claims will no longer be included in the claims experience for your premium. However, your business may be required to pay a one-off contribution amount if a claim is made in relation to a workplace incident or injury if it results in the death of your worker.

The contribution is based on a percentage of your Employers Average Performance Premium (APP) and is capped at a \$1,000 minimum and a \$250,000 maximum.

The contribution does not apply to uninsured employers with an uninsured liability scheme (UILS) claim, Loss, Prevention and Recovery (LPR) employers and exempt employers.

8. Premium Reviews

icare will conduct a review of your premium at your request.

Refer to the icare website www.icare.nsw.gov.au/premiumreviews for more information on the process and what to expect from your premium review.

9. Mine Safety Fund Premium Adjustment (MSFPA).

The MSFPA for 2019-20 is 1.0131%, down from 1.0879%.

10. Changes to Consumer Price Index (CPI) Applied to Wages

The CPI increase applied to wages for all employers has been amended from 2% to 1.8%.

11. Late Payment Fee

The Late Payment Fee remains at 0.808%.

12. Claims excess

The maximum excess amount recoverable from an employer is increased to \$2,145.30

13. Exclusion from wages of motor vehicle and accommodation allowances

The motor vehicle allowance increased to 68c per kilometre. The accommodation allowance has increased to \$278.05.