



Workers Insurance

Premium Rates 2023-24

Questions and Answers

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1. How much are workers insurance premiums going to rise for NSW employers for the 2023-24 financial year?

Workers insurance premiums for NSW employers will rise by an average rate of 8% for the 2023-24 financial year.

icare has received confirmation from the State Insurance Regulatory Authority (SIRA) that they do not oppose the average 8% rate rise for the 2023-24 financial year as stipulated by the NSW Government.

In April icare received a direction from the NSW Government that any premium rate increase should be limited to an average of 8% for each of the next three years.

2. Why is this such a large rise compared to previous years?

Currently the premium rate is 1.48% of wages which is below the rate required for the scheme to break even with the expected claims costs forecasts for 2023.

Premium rate increases are required to support a sustainable workers compensation scheme, ensuring it is able to support injured workers into the future.

3. When will employers have to start paying these new premiums?

The 2023-24 rates are effective for policies renewing on or after 30 June 2023. NSW businesses with a 30 June renewal will begin to receive their worker's insurance premium notices for the 2023-24 policy year from 31 May onwards.

These premiums for the 30 June policies are due for payment on 31 July 2023.

icare has recently expanded the availability of monthly installments to any annualised premium of \$1000 or over. This provides an additional 130,000 employers access to payments spread over 12 months.

4. What direction did the NSW Government give icare on how much premiums should rise?

icare received a direction notice from The Hon. Sophie Cotsis MP, Minister for Industrial Relations, Minister for Work Health and Safety that the premium rate increase is to be limited to an average of 8% per year for the next three years.

Phasing these increases over the next three years provides businesses with certainty that premium increase will be implemented in a measured way.

5. Is the Workers Compensation/ Nominal Insurer Scheme financially stable?

The Nominal Insurer (NI) workers compensation scheme is well funded and able to meet long-term liabilities. There are challenges, but we are well-equipped to support injured workers into the future.

The financial pressures we face are not unique to icare, with all workers compensation schemes in Australia facing strong economic headwinds from volatile investment markets, high inflation, and increases in mental health claims.

This average 8% increase in premium rates for the 2023-24 financial year improves the financial sustainability of the workers compensations scheme and ensures we can continue paying benefits to injured workers.

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6. What does this 8% rise in the average rate of premiums mean for employers?

For the vast majority of businesses, an average 8% increase in their workers compensation premiums will cost around \$8 per week more on average. However, as this is an average, some businesses will pay more, some will pay less.

7. Will some employers pay less than the average 8% increase and others pay more? If so, why?

Yes. A number of employers will be paying less than the 8% average increase, while others will be paying more. The premium rate increase of 8% is an average increase for the scheme across all policy holders. Every industry/business has its own inherent level of risk, so icare applies a premium rate based on the safety performance of each industry over the past five years.

8. What options do employers have if they cannot afford their premium?

icare has recently expanded the availability of monthly instalments to any annualised premium of \$1000 or over. This provides an additional 130,000 employers access to payments spread over 12 months. We also offer discounts for businesses that pay their insurance premium in full, on or before the due date.

We aim to reward businesses that create safer, healthier workplaces in NSW. Incentives are available for employers to report incidents early, introduce safety initiatives and support injured workers returning to work.

9. What can employers do to help reduce their premiums in future years?

icare offers a range of incentives, rewards and other adjustments to help businesses in NSW lower the cost of their insurance premiums.

10. What is the Safe Employer Reward (SER)?

The Safe Employer Reward (SER) is a performance-based reward designed to recognise employers who have safe workplaces and demonstrate good claims performance. There are criteria to obtaining the reward which includes at least three years of policy history and no catastrophic claim charges in the 36 months prior to policy renewal.

For more information see the [How to Lower your Workers Insurance Premium](#) page on our website:

<https://www.icare.nsw.gov.au/employers/premiums/ways-to-lower-your-premiums>

11. Will premium capping still apply to premiums in FY2023-24?

Yes, a premium cap applies where an employer's premium rate increase is more than 30% from the previous year due to their claims cost or to amendments to the premium methodology.

Premium capping does not apply as a result of a change in an employer's wages, or a change in an employer's business resulting in a different industry classification being applied.

For more information see the [What is premium capping and how does it work?](#) page on our website:

<https://www.icare.nsw.gov.au/news-and-stories/2020/what-is-premium-capping-and-how-does-it-work>

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12. Why weren't savings made to deliver lower premiums?

There are four levers available to icare to improve the financial position of the scheme - premiums, claims management, investments, and operating expenses. icare is using all four levers.

icare has recently delivered a range of operational savings, investment strategies and new initiatives that yielded ongoing efficiencies that have kept customers' premiums as low as possible. Also, the launch of the new claims model will lead to positive long-term outcomes for injured workers through the introduction of competition and a performance framework that is expected to favorably impact financial outcomes for the scheme.

13. How are the funds collected through these premiums spent by icare?

Some 78% of the workers compensation premiums collected by icare are paid out in the support of injured workers. If someone is injured at work, icare helps them get back to health and meaningful employment, and pays benefits, including their salary, financial support and medical treatment costs.

Around 14% of premiums collected go to operating and service costs, including Claims Service Providers (CSPs) and icare service teams, while a further 8% is the Regulatory Levy that goes to the State Insurance Regulatory Authority (SIRA).

14. How does this increase compare with workers insurance premiums in the other States?

The financial pressures we face are not unique to icare, with all workers compensation schemes in Australia facing strong economic headwinds from volatile investment markets, high inflation, and increases in mental health claims.

The increase in premiums is modest compared to Victoria, who runs a similar scheme and are increasing premiums by an average of 42%.

15. Where do I go if I have any questions?

There is detailed information on our [Premium updates](#) page on our website. Make sure you visit this page in case the information you are seeking is on this page:

<https://www.icare.nsw.gov.au/employers/premiums/premium-updates>

