

# CLIENT ALERT

## NSW WORKERS COMPENSATION PREMIUM REFORMS CONTINUE FOR MEDIUM AND LARGE EMPLOYERS

In 2013, WorkCover NSW commenced reforms to the state's workers compensation scheme, designed to streamline the process for employers and to ensure the long term financial sustainability of the scheme.

WorkCover NSW has now announced further changes to its premium model for medium to large employers, defined as those with base tariff premiums >\$30,000 whereby premiums are calculated under an experience-rated model. This follows the success of an earlier raft of changes for small business employers (base tariff premiums <\$30,000), which the NSW Government has credited for lower administrative costs, a reduction in claims and improved claims experience.

The latest changes will come into effect for policies renewing after 30 June 2015.

### KEY FEATURES INCLUDE:

- a new premium calculation formula
- changes to the way 'claim costs' impact premium (including the removal of claim estimates)
- incentives to reward safe workplaces
- incentives to reward effective return to work practices

It is important to note that while medium and large employers make up 4% of employers in NSW, they employ close to 75% of workers in the state.

Clients are encouraged to review the [WorkCover NSW Employer Guide](#) and to contact their Marsh representative for further assistance.

Please be advised that the Insurance Premium Order, which establishes the new premium calculation method and determines applicable incentive factors, is not expected to be released until mid-June 2015. Whilst premium modelling before this period will be subject to further change, the team at Marsh can assist in navigating the changes ahead.

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