

CLIENT ALERT

WORKCOVER NSW TO RELEASE NEW INSURANCE PREMIUM ORDER

Last week we issued a **Client Alert** advising that WorkCover NSW's release of the Insurance Premiums Order (May IPO) for 2014/2015 was likely to result in significant increases to workers compensation premiums for employers in a number of industries.

In response to employer feedback on the impact of the changes, WorkCover NSW has announced it will now release a new IPO at the end of June, effectively superseding the May IPO.

Until the official release of the new IPO, it is not possible to determine what effect there will be on individual employer's premiums, however, Marsh understands that all ICCRs (Industry Claims Costs Ratios) are currently being reviewed with an aim to more effectively deliver on the **NSW Government's commitment** to a further 5% reduction in average premium rates across the scheme.

Furthermore, in the event of premium increases attributable to the ICCR impact (as outlined in our earlier Client Alert), it is likely that premium capping will be introduced, with premium increases phased-in incrementally over a three year period.

At present, there will be limited information from insurers relating to premium forecasts or projections until after 27 June, when the new IPO is expected to be released.

Marsh continues to monitor developments on this matter and will ensure you are kept informed of potential impacts to your organisation's workers compensation arrangements.

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MAD14-0006 CATS 14/0039

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