



## **Chairperson's Report Annual General Meeting 2020**

It's with pleasure that I welcome you to the Annual General Meeting of our association. I think COVID-19 will go down in our SIA books as the most challenging time of our professional lives and if you told me this time last year I would be delivering the AGM via a Zoom webinar I would have thought you had gone crazy yet here I am doing exactly that.

At this time of year, I like to reflect on the year that has past and provide events and how they continue to change the landscape that we work within so that should I be re-elected in the role for next year, you better understand what I propose our focus and direction should be.

As I do each year, I provide the following quote that I believe best articulates this past years' experience ....

"Never discourage anyone who continually makes progress no matter how slow." - '

### **The Key Events**

The following key events / submissions were made that continue to shape the ongoing changes in workers compensation NSW. They are:

- Personal Injury Commission
- Introduction of SIRA's ODIN (On Demand Insurance) system
- Review of RTW measure consultation
- PIAWE review
- COVID – 19 Pandemic – SIRA introduces – Standard of Practise – COVID-19
- New WIRO Officer – Mr Simon Cohen
- SIRA introduces new Claims Audit Tool
- SIRA issues Customer Service Principles & Attestation Letter
- SIRA consults Psychological Claims – Standard of Practise

**Never Discourage Anyone**



There are numerous examples of how we, as a group, supported and didn't discourage ourselves or others however the announcement of COVID-19 pandemic and our collective responses was fantastic. I have heard stories of self-insurers quickly adapting to working from home, going to a paperless claims management solution and the executive was no different. In the wake of COVID-19 and our challenge to deliver BAU activities was solved through Zoom and support from Hall & Wilcox which I say thank you to you on behalf of the executive.

To everyone in our field, irrespective of what company you work for, I humbly remind everyone to " Become an Encourager – the world is full of critics!"

### **Continually Makes Progress**

After several years of building and developing systems to perform our basic requirements in managing the SIA, the tasks like bookkeeping / memberships management and financial reconciliation processes, we finally experienced a full year of a fully operational website, MYOB management and expense / reconciliation processes followed. I wish to formally thank Sam Narline as our webmaster, Kris Bruckner and Rosa Martins for our financial management which has made a huge difference to our financial management.

1. Personal Injury Commission - The NSW Government will deliver a new one-stop shop Personal Injury Commission (PIC) to simplify the dispute resolution system for injured road users and workers who make a compensation claim

Minister for Customer Service Victor Dominello said the PIC will merge the dispute resolution systems of the workers compensation and CTP insurance schemes into a single, independent tribunal.

"Making a compensation claim is already stressful enough and this new Commission will put the claimant at the centre of the dispute resolution process," Mr Dominello said.

"The new single tribunal will help thousands of customers resolve their disputes each year. In 2019 around 7,000 applications were lodged in the Workers Compensation Commission and around 10,000 CTP applications were also lodged.

"Customer experience has been a key driver throughout this process, and hours of consultation with scheme providers and industry stakeholders has been completed to ensure the new Commission delivers the best possible claimant experience."

Effective 1 March 2021, the Bill Act transfers the functions of the Workers



Compensation Commission (WCC) and the State Insurance Regulatory Authority's (SIRA), Dispute Resolution Service (DRS), the Motor Accidents Claims Assessment and Resolution Service (CARS), and the Motor Accidents Medical Assessment Service (MAS) to the PIC.

"The Commission will have two specialist divisions to deal with workers compensation and motor accidents, with an independent judicial head," Mr Dominello said.

"The purpose of the Commission is to simplify the dispute resolution process and deal with disputes justly, quickly, and as cost efficiently as possible."

The reforms do not change the benefits and entitlements in the original workers compensation and CTP schemes, ensuring minimal impact to insurance premiums and offering certainty with business continuity.

2. ODIN (On Demand Insurance System) SIRA is developing a new data system to complete, timely and quality data from insurers is for SIRA to report on and assess the performance of the scheme. SIRA has embarked on the Data System Modernisation project which will see a complete overhaul on how SIRA ingests and manages data. However, there is a need to enhance the existing reporting requirements to capture data to support the PIAWE reforms introduced on 21 October 2019 and to improve the collection of payment data. This change will also assist insurers as it will remove the need to identify a replacement payment classification when trying to report a service on a retired classification.

#### Workers Compensation Data System Modernisation (ODIN) - Deferred

To allow insurers to focus on their critical function SIRA is deferring the commencement of ODIN by six months. The transition period to move from CDR reporting to ODIN reporting is now February 2021 to December 2021.

SIRA is committed to modernising its data collection and will continue to develop ODIN where possible. However, because of recent events the information pack due for release next week has been delayed until later next month. Consultation with insurer will continue with longer periods for insurers to provide comments.

#### Workers Compensation Insurer Data Report Requirements (WCIDRR) Deferred



SIRA has also decided to defer the changes to reporting requirements schedule for August 2020 until February 2021. This will mean insurers able to transition to ODIN in February 2021 do not have to make multiple system changes.

### 3. RTW Consultation

The State Insurance Regulatory Authority (SIRA) currently measures return to work (RTW) and is seeking input from stakeholders about how measurement of RTW could be strengthened across the schemes we regulate.

As a result, we have released the Measuring RTW discussion paper which outlines in detail how SIRA currently measures return to work rates – a key metric for system performance.

The impact of delayed return to work on injured people is a serious concern. There is a strong body of empirical evidence that shows the longer an injured worker is away from work, the less likely they are ever to return.

In the New South Wales context, SIRA continually works to understand and monitor RTW performance including the effectiveness of early intervention and longer-term support.

### 4. PIAWE Review

You will recall that some weeks ago SIRA engaged with you to discuss possible changes to weekly payment/PIAWE arrangements to more fairly manage the impact of the COVID-19 pandemic on workers' earnings, including clarifying the impact of JobKeeper payments on weekly payment and PIAWE calculations.

It is SIRA's view that, through the consultation process, general consensus was reached on the following policy positions:

- For PIAWE purposes, a new adjustment to the relevant earning period should be created for workers who have had a material reduction in their earnings during the pandemic period attributable to the impact of the COVID-19 on their employer.
- For clarity and simplicity, it is preferable for the 'pandemic period' to be clearly defined for the purposes of the new relevant earning period adjustment.
- Only payments for work performed (including paid leave entitlements etc.) should be considered earnings for the purposes of calculating a worker's



PAIWE, not any additional payment subsidised by the JobKeeper scheme (i.e. exclude from earnings the 'top-up' component of any JobKeeper payment).

- For injured workers in receipt of JobKeeper payments, the entire payment should be considered current weekly earnings for the purposes of calculating the workers weekly payment entitlement.

SIRA is pleased to advise that, in consultation with DCS Legal and the Parliamentary Counsel's Office, we have finalised draft amendments to the Workers Compensation Regulation 2016 to give effect to the above policy intent.

#### 5. SIRA's COVID 19 Standard of Practice

New COVID-19 workers compensation Standard of practice

Following a public consultation process, SIRA has amended its workers compensation Standards of practice to include a new Standard (Standard 32) on the management of claims during the COVID-19 pandemic.

Standard 32 is designed to:

- clarify expectations regarding insurer decision making and determination of weekly payment entitlements to promote transparency and consistency, and provide certainty for impacted workers
- reduce barriers and ensure workers are fully informed of supports and options available to them
- support workers through their recovery and return to work

The amended Standards of practice will commence on 26 June 2020. Standard 32 will be in effect for 12 months unless SIRA amends, revokes, or replaces the Standard earlier.

#### 6. WIRO Officer

Mr Simon Cohen commenced his new role in February 2020 and I met him in May. Mr Cohen has addressed the members this year and has recently issued a request for all stakeholders to provide feedback on the announcement that a review of the Workers Compensation Independent Review Office (WIRO) Enquiry and Complaint Handling Protocol ("the Protocol") is to take place and to seek SIRA's feedback on how WIRO best deals with enquiries and complaints from complainants about the conduct of workers



compensation or CTP insurers. We request your feedback on any or all the following points:

1. The efficacy of the existing Protocol;
2. Any suggested changes to the Protocol;
3. The implementation of a rapid investigation model of complaint.

#### 7. SIRA Claims Audit Tool

Please find below information about the updated Insurer claims management audit manual.

Following extensive consultation with stakeholders, including self- and specialised insurers, the Nominal Insurer and independent auditors, SIRA has reviewed and updated the Insurer claims management audit manual and supporting material to reflect recent amendments to workers compensation legislation and guidelines and the introduction of the Standards of practice.

The updated manual is supported by the following documents, which are available on our website and can be downloaded here:

- Insurer claims management audit guide
- Insurer audit tool
- Insurer claims management audit report template
- Insurer audit improvement plan template

The audit criteria remain divided into three components of compliance, case management practice and data quality, but have been reduced in number from 87 to 57.

The audit sample size has remained the same and is determined by the number of claims the insurer has with claims activity over the previous 18-month period, however for the purposes of the audit, the auditor is to only review claims activity over the previous 12-month period.

The revised Insurer claims management audit manual is effective for all insurer self-audits from 1 July 2020, with the following requirements:



- four weeks prior to their scheduled audits, insurers are requested to contact their SIRA portfolio manager to advise the date of their audit and to request an audit sample
- two weeks prior to the scheduled audit, SIRA will provide the insurer with the specific claim records to be audited. The audit sample will be selected by SIRA based on insurer data, and using random sampling techniques, where possible.

A transitional period will apply for the month of July, so for those insurers who have self-audits scheduled over the next month, please contact your portfolio manager to discuss your options.

#### 8. Customer Service Principles & Attestation Letter

SIRA has revised the Customer Service Conduct Principles which we propose to apply to insurers and alternative indemnity providers in the insurance schemes regulated by SIRA. The revised principles will be published on the SIRA website shortly.

In July 2019, SIRA called for stakeholder comment in response to the discussion paper

*Customer service conduct principles: proposed licence conditions for insurers operating in SIRA-regulated schemes.* In response, twenty-five submissions were received, and a paper providing a high-level summary of the key themes of the submissions will also be available on the SIRA website.

The principles aim to ensure policy holders and people who experience injury or loss are provided with fair, timely, respectful and appropriate services. Under the Customer Service Conduct principles, insurers will be required to attest to meeting these five principles:

- Be easy to engage and efficient.
- Act fairly, with empathy and respect.
- Resolve customer concerns quickly, respect customers' time and be proactive.
- 4. Have systems in place to identify and address customer concerns.
- Be accountable for actions and honest in interactions with customers.

SIRA will be considering the most effective approach for inclusion of the conduct principles in licence conditions in consultation with insurers.



### No Matter How Slow

We continue to be placed in a position of constant change therefore we must take soleus in the fact that incremental improvement no matter how slow should be celebrated. I note that SIRA has introduced new measures for return to work as but one example and although I am not completely familiar with this new measure, self-insurers seem to be performing quite well in comparison to other insurers. I ask that you continue to drive for improvements in your return to work rates and not because this is what the regulator is focusing on but instead I remind you that returning to work is a form of treatment and with COVIDS-129, this is paramount to a person's mental health and wellbeing. The following new working rate on SIRA's website for June to August 2020 is as follows:

Working rate by insurer type						
Financial year	Working rate measure	Government self-insurers (TMF)	Nominal insurer	Self-insurers	Specialised insurer	
Aug 2020	4 week	78%	75%	85%	82%	
	13 week	87%	84%	89%	87%	
	26 week	90%	87%	90%	89%	
	52 week	92%	89%	92%	90%	
	104 week	93%	92%	93%	91%	
Jul 2020	4 week	78%	76%	85%	82%	
	13 week	87%	84%	89%	87%	
	26 week	90%	88%	90%	90%	
	52 week	92%	89%	92%	90%	
	104 week	93%	93%	93%	91%	
Jun 2020	4 week	78%	76%	85%	83%	
	13 week	87%	84%	89%	87%	
	26 week	90%	88%	91%	90%	
	52 week	92%	89%	92%	91%	
	104 week	94%	93%	93%	91%	

The measure is an encouraging result when you consider this is the main reason we perform our line if work and that is to help injured workers back to work.

The introduction of SIRA's online open data should allow members to run reports and assess areas of strength and areas of further improvement and do so with data that SIRA uses in determining performance and resultant tiering classifications.





### **Proposed Areas of Focus**

I believe we need to focus on:

- Become more anticipatory of the scheme and the performance of the scheme and be pro active with education and awareness around those topics to help insurers continue to be proactive in that space
- Continue to support our members to maintain and / or improve the tiering placement by delivering relevant education topics centred around improving performance under our licensing framework
- Improve membership engagement and attract new membership
- Take greater ownership in driving self & specialised insurers direction moving forward.

### **Acknowledgement of Executive Committee**

I would ask that you join me in showing your appreciation by applauding the names as I read them out. They are as follows:

- Rebecca Sekulovski – Secretary
- Kira Hanrahan – Membership Officer
- Anita Chandra – Education Convenor
- Rosa Martins – Treasurer
- Kris Bruckner – Officer
- Tanya Jones – Officer
- Kira Chase - Officer
- Sam Narline - Webmaster
- Mick Franco – Honorary Member
- Paul Macken – Honorary Member

In closing, I believe each and everyone in this room plays an important role in making change in workers compensation here in NSW. In keeping with my quote, I leave you with this video.

<https://www.youtube.com/watch?v=P1diDs6EqnM>

Alan Becken  
Chairperson  
NSW Self Insured Association

