

THRISK SYSTEM TO STRATEGICALLY REDUCE WA WORKER'S COMPENSATION INSURANCE PREMIUMS

This document is a brief overview only and is not definitive, nor a guarantee to achieve any price reductions. This process includes the risk of premiums going up, as further described in this document.

Our Process

Our objective is to outline our process to categorise your company information and align that information with:

- 1) Existing rating methodologies in the WA Workers Compensation system
- 2) Discounting metrics that more broadly apply to general insurance pricing

This information forms part of our 'Slip', which is a comprehensive document we submit to insurers to quote your policy. We then use this information to carefully consider which insurers are best suited to your business.

Step 1: Review Workforce Makeup

What you want to do is split your workforce into 3 categories:

- 1) Admin/white collar
- 2) Technical & Diagnostic (Inc. Engineering/Project Management)
- 3) Blue Collar

Step 2: Review Gazette Rates

Follow below link to review Gazette rates:

https://www.workcover.wa.gov.au/wp-content/uploads/2023/04/RPR-Gazette-6-April-2023-Gg2023_041.pdf

During this step, we:

1. Review industries and select all codes that are relevant to you
2. Identify the code/s that reflects your predominant workforce
3. Determine whether such code(s) is priced better than your current rate

If we determine alternate codes present more favourable rating, this information would form the crux of our negotiation to secure a lower WA Workers Compensation rate for your business.

Step 3: Choose a Strategy (A or B)

We have two strategies for decreasing Worker's Compensation premiums for our clients depending on the information gathered in prior steps. They are as follows:

A) Change classification

OR

B) Seek discount to existing classification

Strategy A:

If electing to change classification, we need to review the alternative classification/s in detail and check the details of worker and activity descriptions. If these do not align, you will not qualify for a classification change.

Strategy B:

If seeking a discount, we would use the other classifications that also form part of your workforce as industry evidence that your rate should be discounted to reflect your workforce's makeup.

Step 4: Further Evidence

Further details about your workforce (such as their time on site, activities, use of equipment, contract forms, etc.) can be reviewed to capture a more holistic picture of what your personnel activity and risk profile looks like.

Surely, all of your staff are not standing on the edge of a crushing and processing facility 24/7, 365 days a year – which is to say that your headline business activity is most likely overstating your workforce risk exposure.

Step 5: Checks and Balances

We then:

- Review your primary business activity, and
- Review your site/s primary business activity

It's important to consider the impact of principal and site activities for your top 3 customers, as well as consider if this could give rise to an insurer seeking to apply the Principal or Site activity as *your* rate (which likely means a huge increase to your rate).

We must tread carefully here, as you can accidentally cause a situation where your rate increases.

As a specialist and experienced brokerage, this is simply a managed risk process for THRISK, but if you were embarking on your own, without prior knowledge of which insurers prefer which industries, then Principal & Site activities could become quite a hurdle.

Step 6: Claims history

This is a whole other process, but, in short, if you've had claims in the past, you will need to demonstrate that:

- You figured out how/why the claims were arising and fixed the underlying issue (define the new process)
- If claims arose from a project/site/activity that you no longer work on or perform, then this is critical information for potentially lowering your premium.
- If you can demonstrate new training processes to mitigate risk, it can be helpful to insurers
- Overall, providing information on your safety culture allows for more certainty for insurers, also potentially lowering your premium.

Contact Us

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