



**WORKERS' COMPENSATION AND INJURY MANAGEMENT ACT 1981
EMPLOYERS' INDEMNITY POLICIES (PREMIUM RATES) ACT 1990**

**Guideline for completing Form WC30
Statement of Premiums and Expenses
associated with the writing of workers'
compensation business**

Date issued: 30 June 2017 (Insurer Version)

2017-2018 Year

Due Date: Annually Refer to Premium Rating Returns Deadline Schedule

Penalties

For late or non-submission

Section 103A of the *Workers' Compensation and Injury Management Act 1981* (the Act) stipulates a **\$2,000** fine for refusing or failing to furnish to WorkCover WA information or returns requested in writing by WorkCover WA to enable it to compile and record statistics, records and reports for the better administration of the Act.

A suspension and/or revocation of approval may also be invoked under section 161 of the Act.

For actuarial time after the first revision

Insurers requiring more than one revision of returns conducted by the Actuary of WorkCover WA may be billed directly by WorkCover WA for the additional processing time for subsequent revisions.

When revisions are required, all Forms on the electronic version need to be resubmitted. That is, if only the WC30 requires revision, the electronic version must include all Forms with completed data.

Please also refer to the “Guidelines for Completing Annual Proforma & Checklist” prior to completing the WC30.

This form excludes all reinsurance related transactions in their entirety.

Reinsurance

Do not allow for premiums received or ceded in respect of any reinsurance contracts. Enter the information as though no reinsurance in any form had been affected.

Premiums

Earned Premium

The aim of this information is to determine the actual direct premium pool in respect of workers' compensation business in Western Australia. There are two components that are used to calculate the Earned Premium and are detailed as follows:

Gross written premium

Gross Written Premium in the WC30 is the total premium underwritten and collected over the 2017/18 underwriting year including adjustments received regardless of the underwriting year they relate to (that is, it will include premium adjustments from previous years). It is **exclusive** of GST and reinsurance premiums, inward and outward.

Unearned premium provision

This is the provision for unearned premium, calculated on the same basis as that adopted by the company for its annual accounts, with an adjustment for reinsurance premiums, both inward and outward, which are to be ignored.

Note:	Gross written premium for 2017/18
PLUS	Unearned Premium Provision at 30/06/17
LESS	Unearned premium provision at 30/06/18
EQUALS	Earned premium for 2017/18

Earned But Not Raised Premium

Earned but not raised (EBNR) premium relates to burning cost policies only. It represents additional premium that the insurer would be entitled to, but has not yet been collected, from policy holders due to the estimated ultimate incurred cost being higher than the level assumed for the deposit premium.

The EBNR premium can be negative if the ultimate cost indicates that the ultimate premium will be less than the initial deposit premium.

“Top-up” premiums for burners are NOT included in EBNR. “Top-up” premiums received to date for burners are included in Gross Written Premium.

Expenses

The aim of this information is to determine the expenses required by insurers to carry out workers' compensation business in Western Australia.

Commission and brokerage

- This is the total amount paid to brokers or other intermediaries in respect of workers' compensation business. Commissions that are received relating to inward reinsurance business are to be ignored and no netting of commissions paid in respect of business reinsured outwards should be done.
- The commission should be on a written basis and not an earned basis.

Note: Outsourced claims administration expenses should not be included in Commission and Brokerage, these should be included in ‘Management Expenses’

Statutory charges and levies

General Fund Contribution

The total General Fund contribution paid to WorkCover WA (as invoiced by WorkCover WA).

Supplementation Fund Levy

The total Supplementation Fund levy paid to WorkCover WA (Note that this has not been in effect since 1 July 2009).

Other Statutory Charges

- All other charges and levies incurred from all statutory entities
- Taxes other than income tax and stamp duties that is not included in the above charges with respect to workers' compensation business.

Management expenses

Management expenses are expenses that are attributable to the workers' compensation business but not directly related to specific claims. These include:

- Salaries
- Travelling expenses
- Superannuation contributions
- Director's fees
- Auditor's fees
- Legal expenses (other than those directly attributable to specific claims)
- Office rent
- Information technology/computer costs
- Hire and maintenance of machinery
- Advertising
- Printing and stationery
- Post and telephone
- Depreciation (if charged to underwriting management expenses)
- Head office overhead charges re-allocated to branch office or an equivalent value if not charged directly to branch expenses
- Risk management fees and expenses
- General costs of administering policies and claims (that is, indirect costs not including those costs directly attributable to specific claims)
- Actuarial fees
- Outsourced claims administration/management expenses

Note: Reinsurance premiums are not classified as an underwriting expense

Please refer to Accounting Standard AASB 1023 for clarification on the definitions of premiums and expenses.