



STATISTICAL REPORT



Scheme Exits Report

June 2018

About this report

The Scheme Exits Report is produced on a quarterly basis to measure trends and characteristics of finalised claims over the past ten years. This report provides a summary of elements relating to claimants exiting the workers' compensation scheme based on the initial finalisation date. The elements for analysis include:

- ▲ Lump sum payments
- ▲ Claim costs
- ▲ Days lost
- ▲ Workplace rehabilitation services
- ▲ Legal services


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Scheme and Corporate Services

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<p>p.04</p> <p>7,447</p> <p>Claims finalised</p> <p>The number of finalised claims increased by 5.8% over the last six months.</p> <p>↓ by 4.1% over 12 months</p>	<p>p.04</p> <p>0.95</p> <p>New to closed ratio</p> <p>Indicates more finalised claims than new claims.</p> <p>↑ by 1.9% over 12 months</p>	<p>p.04</p> <p>\$29,612</p> <p>Average finalised claim cost</p> <p>The two-year trend for average finalised claim cost is increasing.</p> <p>↓ by 7.4% over 12 months</p>	<p>p.05</p> <p>19%</p> <p>of lost-time claims had workplace rehabilitation services. The proportion of claims with these services increased over two years.</p> <p>↑ by 2.0% over 12 months</p>	<p>p.05</p> <p>15%</p> <p>of claims had legal payments recorded. This figure remained stable over two years.</p> <p>↓ by 1.6% over 12 months</p>
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p.06

20% of claims exited the Scheme with a lump sum payment.

With lump sum 20%

Without lump sum 80%

p.07

5,922 claims finalised without lump sum

↓ by 1.6% over 12 months

68% of those claims (no lump sum) with claim cost less than \$5,000.

Up to \$5k	68%
Up to \$50k	28%
Up to \$200k	3%
Over \$200k	0.3%

p.09

1,525 claims finalised with lump sum

↓ by 12.5% over 12 months

37% of lump sum claims with permanent impairment (Schedule 2) payment.

Lump sum - general	62%
Lump sum - permanent impairment	37%
Lump sum - election registered	2%

p.10

Average claim cost for claims with lump sum - election registered was \$555,858 while the average claim cost for general lump sum claims was \$128,244.

General	\$128,244
Election registered	\$555,858
Permanent impairment	\$58,241

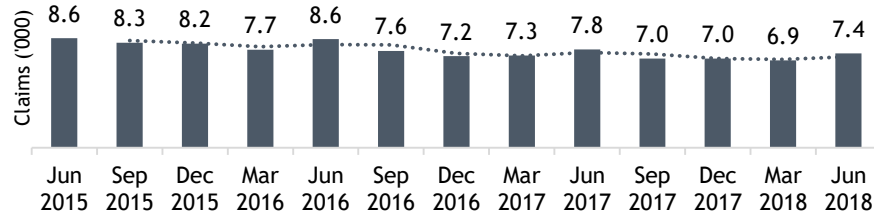
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Scheme exit trends

Number of claims finalised

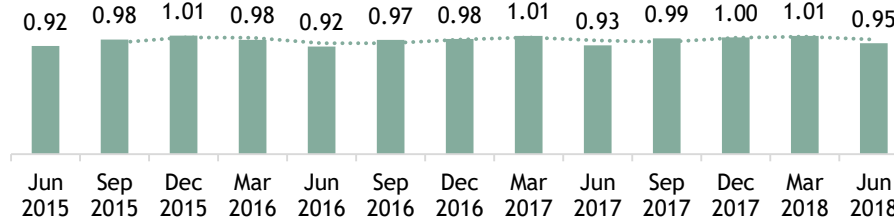
Current	% change over		
	2 years	1 year	6 months
7,447	-13.1%	-4.1%	5.8%



- ▲ The number of finalised claims increased over the last six months by 5.8% to 7,447.

New to closed ratio

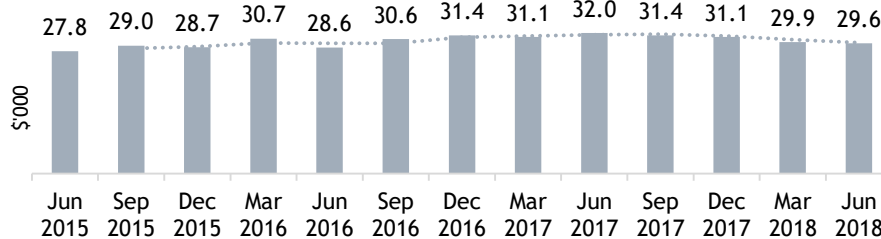
Current	% change over		
	2 years	1 year	6 months
0.95	2.9%	1.9%	-5.1%



- ▲ New to closed ratio measures the relationship between the number of new claims and the number of closed claims.
- ▲ The new to closed ratio decreased by 5.1% over the previous six months.

Average finalised claim cost

Current	% change over		
	2 years	1 year	6 months
\$29,612	3.4%	-7.4%	-4.7%



- ▲ The trend for average finalised claim cost is increasing over the last two years.
- ▲ The last six months show a decrease of 4.7% in the average finalised claim cost.

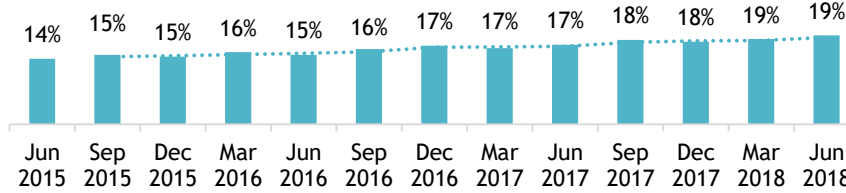
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Service utilisation for finalised claims

Proportion of lost-time claims with workplace rehabilitation services

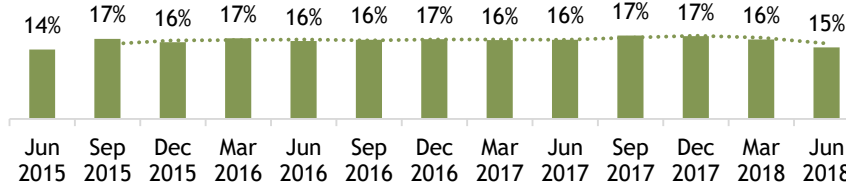
Current	% change over		
	2 years	1 year	6 months
19%	4.2%	2.0%	1.4%



- ▲ For the June 2018 quarter, 19% of lost-time claims had workplace rehabilitation services recorded.
- ▲ The proportion of lost-time claims with workplace rehabilitation services increased by 4.2% over two years.

Proportion of claims with legal payment recorded

Current	% change over		
	2 years	1 year	6 months
15%	-1.3%	-1.6%	-2.3%

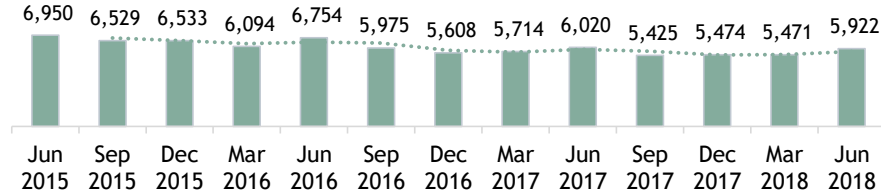


- ▲ The proportion of claims with legal payments decreased by 1.3% over two years.
- ▲ For the June 2018 quarter, 15% of claims had legal payments recorded.

Claims finalised with or without lump sums

Number of claims finalised without lump sums

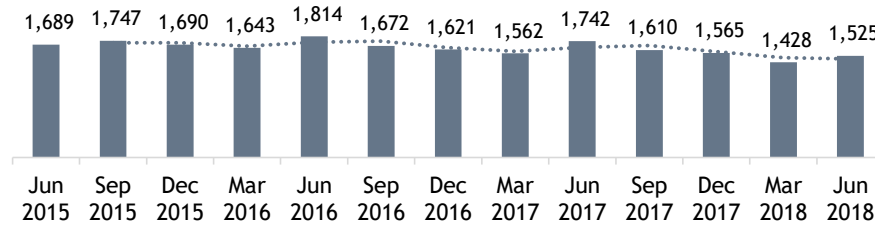
Current	% change over		
	2 years	1 year	6 months
5,922	-12.3%	-1.6%	8.2%



- ▲ Over the last year, the number of finalised claims without lump sums decreased by 1.6%.
- ▲ The number of finalised claims without lump sum payment stands at 5,922 for June 2018.

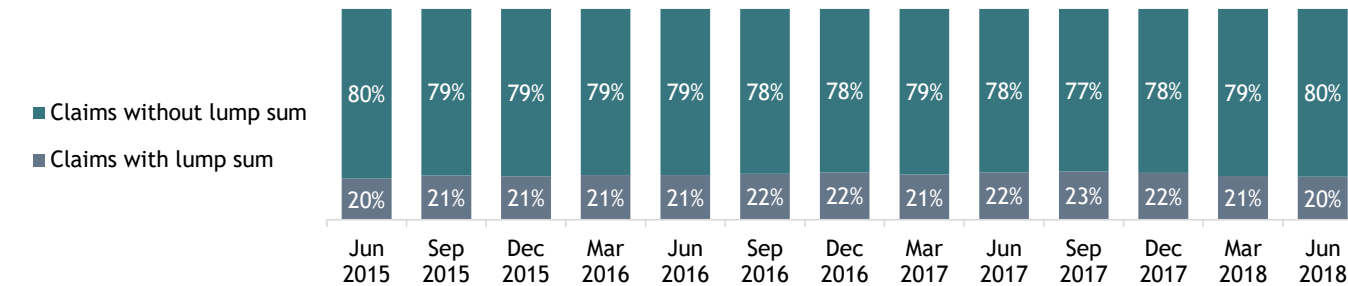
Number of claims finalised with lump sums

Current	% change over		
	2 years	1 year	6 months
1,525	-15.9%	-12.5%	-2.6%



- ▲ The number of finalised claims with lump sums decreased by 12.5% over the last year.
- ▲ The number of claims finalised with lump sums payments stands at 1,525 for June 2018.

Proportion of claims finalised with or without lump sum



- ▲ From June 2017 to June 2018, the proportion of claims with lump sums remained stable and stands at 20%.
- ▲ Claims without lump sums continue to account for the larger proportion of finalised claims.

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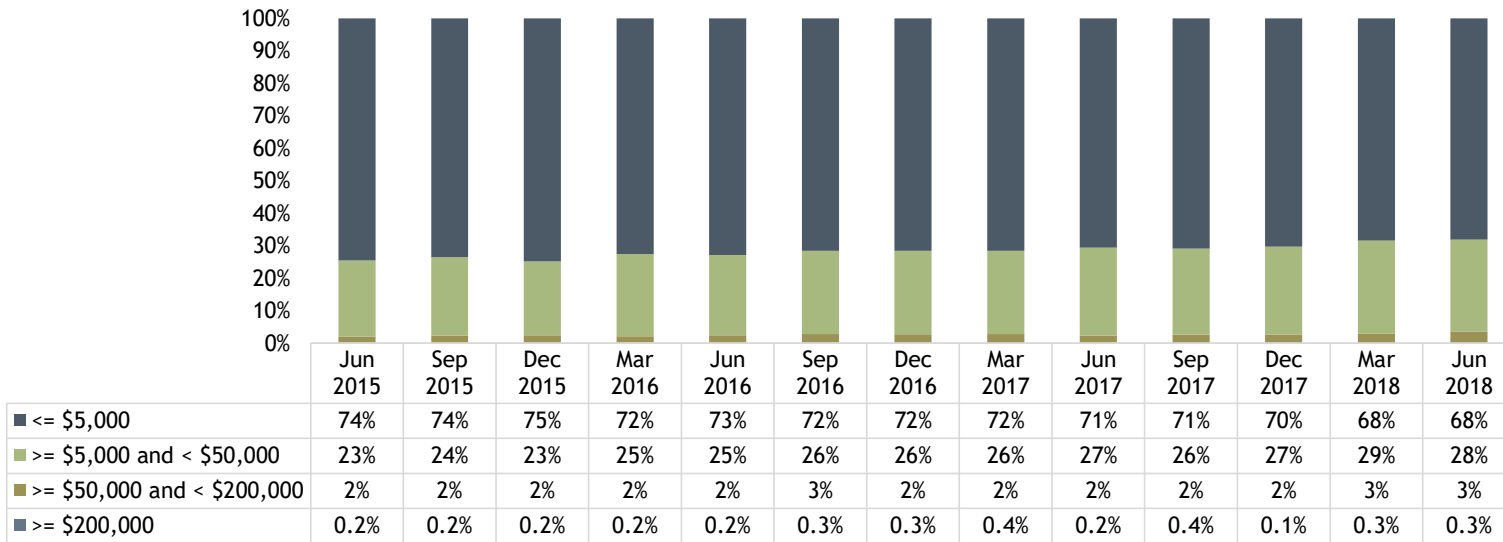


Scheme exits without lump sum - claim costs

Claims finalised without lump sum - proportion of claims by claim costs

Claims finalised without lump sum	Current	% change over		
		2 years	1 year	6 months
Claim costs less than \$5,000	68%	-4.8%	-2.5%	-2.2%
Claim costs \$5,000 - \$50,000	28%	3.6%	1.3%	1.1%
Claim costs \$50,000 - \$200,000	3%	1.2%	0.4%	0.2%
Claim costs over \$200,000	0.3%	0.2%	0.1%	0.0%

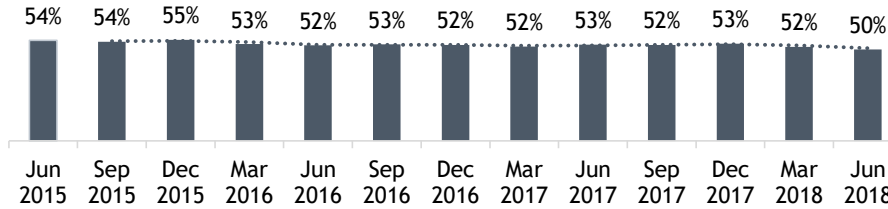
- ▲ The majority of finalised claims without lump sums cost less than \$5,000.
- ▲ The last two year period shows this proportion decreasing from 73% to 68%.
- ▲ For the current quarter, 28% of finalised claims without lump sums cost between \$5,000 to \$50,000. This is a 3.6% increase over the two year period.



Scheme exits without lump sum - days lost

Claim finalised without lump sum No days lost

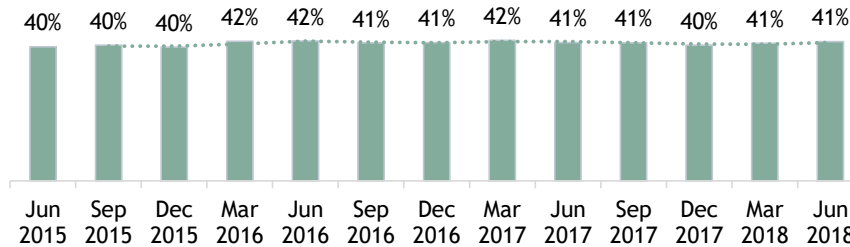
Current	% change over		
	2 years	1 year	6 months
50%	-1.9%	-2.2%	-2.5%



- ▲ In June 2018, half of claims finalised without lump sums had no days lost recorded.
- ▲ In annual terms, the proportion of finalised claims without lump sums and no days lost decreased by 2.2%.

Claim finalised without lump sum 1 - 59 days lost

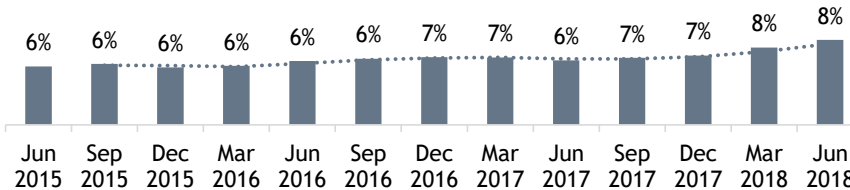
Current	% change over		
	2 years	1 year	6 months
41%	-0.2%	0.2%	1.0%



- ▲ The proportion of claims with 1 to 59 days lost accounted for 41% of finalised claims without lump sums.
- ▲ This proportion increased by 0.2% over the last year.

Claim finalised without lump sum 60+ days lost

Current	% change over		
	2 years	1 year	6 months
8%	2.1%	2.0%	1.5%



- ▲ Claims resulting in 60 days or more off work accounted for 8% of finalised claims without lump sums.
- ▲ In annual terms, this proportion increased by 2.0%.

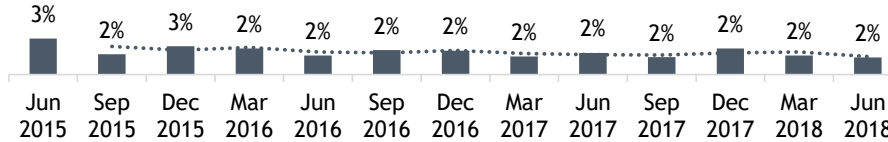
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Scheme exits with lump sum

Proportion of claims finalised with lump sum - election registered

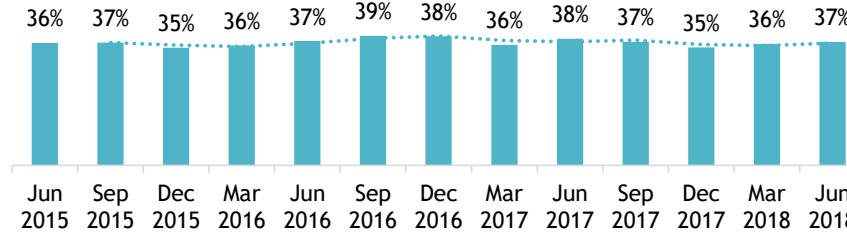
Current	% change over		
	2 years	1 year	6 months
2%	-0.2%	-0.4%	-0.9%



- ▲ In the current quarter, 2% of finalised claims with lump sums had elections registered.
- ▲ The long term trend is stable, ranging between 2% and 3%.

Proportion of claims finalised with lump sum - permanent impairment

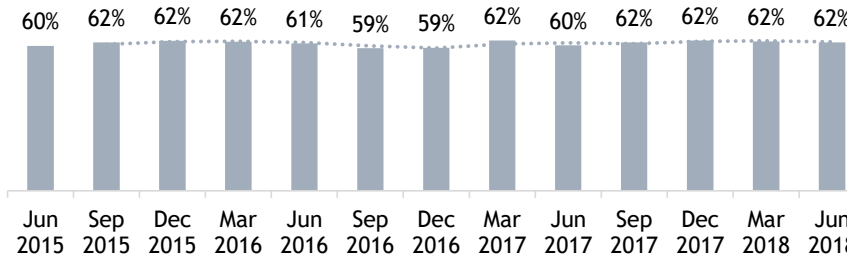
Current	% change over		
	2 years	1 year	6 months
37%	-0.2%	-0.9%	1.6%



- ▲ Around a third of finalised claims with lump sums were for permanent impairment (Schedule 2).
- ▲ In annual terms, the proportion decreased by 0.9%.

Proportion of claims finalised with lump sum - general

Current	% change over		
	2 years	1 year	6 months
62%	0.4%	1.3%	-0.8%

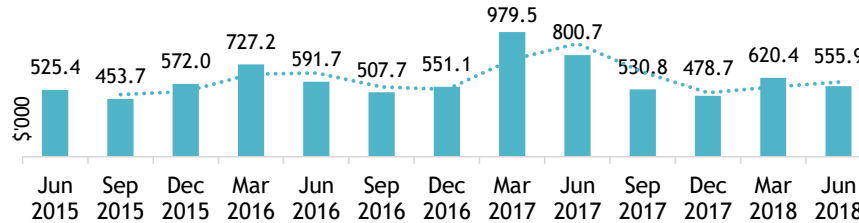


- ▲ The proportion of finalised claims with general lump sum payments was 62%.
- ▲ Over two years, the proportion remained stable.

Scheme exits with lump sum - Average claim cost

Average claim cost - finalised claim with lump sum - election registered

Current	% change over		
	2 years	1 year	6 months
\$555,858	-6.1%	-30.6%	16.1%

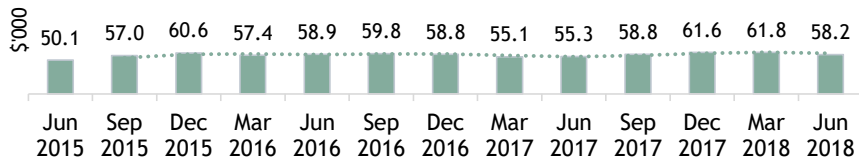


▲ The current average claim cost for finalised claims with election registered lump sums is \$555,858.

▲ Over the year, the average claim cost for this category decreased by 30.6%.

Average claim cost - finalised claim with lump sum - permanent impairment

Current	% change over		
	2 years	1 year	6 months
\$58,241	-1.1%	5.3%	-5.4%

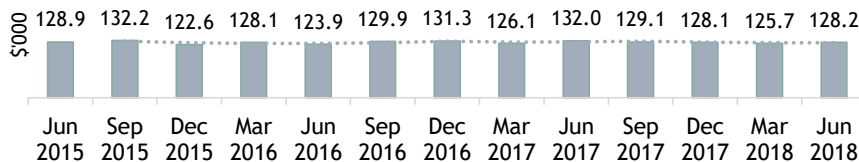


▲ The average claim cost for finalised claims with lump sum for permanent impairment (Schedule 2) was \$58,241 in June 2018.

▲ In annual terms, the average cost for claims finalised with lump sums for permanent impairment increased by 5.3%.

Average claim cost - finalised claim with lump sum - general

Current	% change over		
	2 years	1 year	6 months
\$128,244	3.5%	-2.8%	0.1%



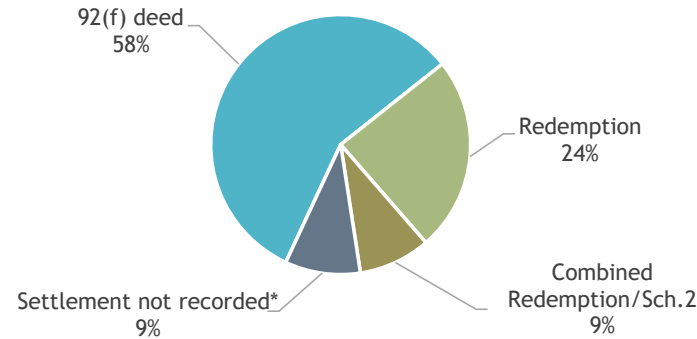
▲ In the current quarter, the average claim cost for finalised claims with general lump sums is \$128,244.

▲ The average claim cost decreased by 2.8% since June 2017.

Breakdown of lump sum - general

Lump sum - general claims finalised in the last four financial quarters (2017/18 Q1 - 2017/18 Q4)

Lump sum - general	Claims
92(f) deed	2,178
Redemption	921
Combined Redemption/Sch.2	340
Settlement not recorded*	356

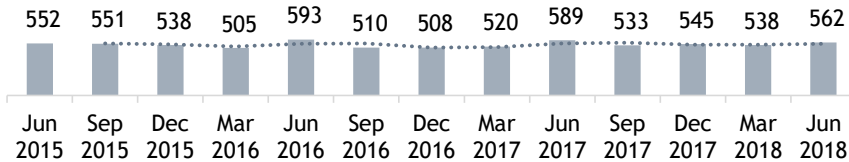


- ▲ The number of 92(f) deeds finalised over the last four quarters was 2,178, accounting for more than half of total lump sum - general claims.
- ▲ Redemptions accounted for 24% of total lump sum - general claims over the same period.

* "Settlement not recorded" are claims with lump sum payments not recorded in the settlement database. Settlements can only be linked to one claim even though a settlement may be for more than one claim. Therefore, these claims are considered as 'Settlement not recorded' and often associated with noise induced hearing loss and industrial disease claims with exposure over a period of time and multiple employers. Claims settled through Section 67 consent order and some fatalities are also categorised in this group.

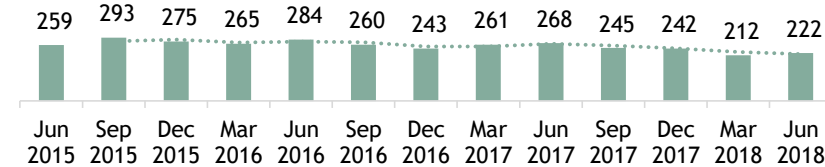
Number of claims finalised through Section 92(f) deeds

Current	% change over		
	2 years	1 year	6 months
562	-5.2%	-4.6%	3.1%



Number of claims finalised through Redemptions

Current	% change over		
	2 years	1 year	6 months
222	-21.8%	-17.2%	-8.3%



Glossary

Claim cost

Payments are adjusted for inflation to allow meaningful comparisons over time.

Finalised claims

Claims closed during a period (i.e. a finalisation date is recorded).

Lump sum - election registered

Finalised claim recorded in the settlement database with an election registered.

Lump sum - permanent impairment

Finalised claim which had no election registered but recorded as Schedule 2 settlement in the settlement database.

Lump sum - general

Includes Section 92(f) deed settlement, Redemption, Combined Redemption/Schedule 2 and claims with lump sum payment but not recorded in the settlement database.

Section 92(f) deed election application

Section 92(f) deeds registered following the lodgement of a "Form 34 Election to retain right to seek damages". The worker's injury cannot be deemed less than 15% whole person impairment for these types of settlements.

Section 92(f) deed no election application

Section 92(f) deeds registered without the lodgement of a "Form 34 Election to retain right to seek damages".

Schedule 2 settlement

A Schedule 2 settlement compensates a permanent impairment based on a fixed formula that measures the type and severity of the permanent injury or illness.

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