

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

**Guidelines for completing Insurer Form WC12  
Statement of policies, premium, wages and claims**

**Date Issued:** 30 June 2022

## **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.

### **Remember:**

- The WC12 Forms are to be submitted via WorkCover WA Online.
- The data supplied must be a snapshot of ALL Transactions as at the end of the current Fiscal Year.
- The data supplied must conform to the Data Specification
- The data supplied must pass the validations listed in Appendix 1.

## Information that is collected on the Form WC12

The Form WC12 is to be supplied in Excel format via WorkCover Online portal in a separate workbook for the current Fiscal Reporting Year onwards.

The WC12 contains premium and claim information at the individual policy level according to premium rating classifications based on ANZSIC 2006 (PRC 06). The submission will contain data for the last eight Fiscal Years including the current Fiscal Year.

Provide one row only for each distinct Policy Number/PRC06/Reporting Year.

## Important notes before completing the Form WC12

- Claim Payments should be reported as the **real net cost** to the Insurer. That is, claim payments should be exclusive of any GST payable.  
  
For example, if a payment is made of \$1100 (inclusive of GST) and the Insurer was entitled to an ITC of \$100 (the GST component) then the Insurer would report \$1000 (the net cost, exclusive of GST).
- Payments include all legal, assessor, witness and surveillance fees directly attributable to Workers' Compensation cases.
- Do not include office or administration expenses.
- Cumulative claim payments are to be classified by Accident Year, regardless of when the claims were reported.
- **Do not** allow for claims estimated, paid or recovered in respect of any reinsurance contract. Enter the information as though **no** reinsurance in any form had been affected.

## How to deal with multiple PRC Policies

The document *Guideline on the Industry Based Premium Rating system* outlines the industry based Premium Rating system and methodology to be used by approved Insurers when assessing employers' industry classifications for Workers' Compensation Premium Rating purposes.

## How to complete and submit this Form

The data supplied must conform to the Data requirements and specifications listed below:

The file name must adhere to WorkCover WA file naming convention, Insurer *Id-Insurer or Company Name (e.g., 999-WorkCover WA Insurance)*

Data for WC12-Annual Returns must be submitted on the WC12-Annual-File form template (available on the WorkCover WA website) via the WorkCover WA online portal. A sample pre-filled WC12-Annual file is provided on the WorkCover WA website showing how to complete the Form.

The WC12-Annual Returns must be lodged with WorkCover WA by the due date.

The scheduled due dates for all Premium Rate Forms are available on the WorkCover WA website.

## Data requirements and specifications

The validations are documented in Appendix 1.

Data Item	Name	Data Format	Notes
1.	Record ID (for Insurer reference)	Number	Decimal Places = 0
2.	Policy number	Text	Up to 20 characters – refer to NIDS specification
3.	WCN	Text	10 characters – refer to NIDS specification
4.	PRC 93	Text	5 digits (Include leading zeros where applicable)
5.	PRC 06	Text	5 digits (Include leading zeros where applicable)
6.	Reporting Year	Text	CCYY/YY (Fiscal Year)
7.	Gross Written Premium	Currency	Decimal Places = 2
8.	Current Updated Wages	Currency	Decimal Places = 2
9.	Earned Premium	Currency	Decimal Places = 2
10.	Earned Wages	Currency	Decimal Places = 2
11.	Cumulative No. of Claims	Number	Decimal Places = 0
12.	Cumulative Claim Payments	Currency	Decimal Places = 2
13.	Case Estimates Outstanding at End of Period	Currency	Decimal Places = 2

### Item 1: Record ID

A number that uniquely identifies the row/record within this return, which can be used by WorkCover WA should there be a need for discussion about the data. It could be automatically generated during or after data extraction.

### Item 2: Policy Number

This is the number which has been assigned to the policy by the Insurer.

The number **should be in the same format** as reported to WorkCover WA in NIDS lodgments and **must** already exist on the WorkCover WA database.

For example:

- 53.002490/1 to be entered as 530024901
- 30 C198251-WCR to be entered as 30C198251WCR
- O/1234 to be entered as O01234

### Item 3: WCN

The WorkCover Number (WCN) to which the policy belongs to. The WCN is a unique number allocated by WorkCover WA to an insured entity. It relates to the 'Employer' covered by the policy and may therefore involve more than one legal entity (e.g., a partnership of individuals or companies) if they are covered by the one policy.

The combination of WorkCover and Policy number/s must be the same as that reported in NIDS lodgments.

The WCN **must be valid** and exist on the WorkCover database.

### Item 4: PRC 93

The PRC 93 code is no longer required and if provided will not be validated.

### Item 5: PRC 06

This corresponds to codes in the Premium Rates Classifications based on the *Australian and New Zealand Standard Industry Classification (ANZSIC) 2006* version as published by the Australian Bureau of Statistics.

The PRC 06 code **must be a valid code** and match what was reported in NIDS lodgments.

**Do not** submit Labour Supply Services policies (PRC 72121). If provided these policies will not be validated.

Strata policies (PRC 67110 & 67120 & 67200) and Domestic policies (PRC 96011 & 96020 & 96030) are required to be submitted. These policies will not be validated.

### Item 6: Reporting Year

- The 'Reporting Years' in Columns (G) and (H) refer to the 'Underwriting Year'
- The 'Reporting Years' in Columns (I) and (J) refer to the 'Earned Year'
- The 'Reporting Years' in Columns (K) to (M) refer to 'Accident Year'

### Item 7: Gross Written Premium

Gross Written Premium is the total premium that the Insurer will collect for new or renewed policies in each 'Underwriting Year' against the appropriate ANZSIC code and Reporting Year – it is exclusive of GST. Reinsurance premiums, inward and outward are not included.

Initial Gross Written Premium is based on estimated wages. It is subsequently adjusted at the end of the underwriting year using updated wage declarations from employers.

#### Notes:

- Gross written premium for policies with **30 June** renewal or start dates are included in the following Reporting Year. For example, all Gross Written Premium for policies with a **30 June 2022** renewal or start date are to be included in the '**2022/23**' Reporting Year row.
- In circumstances where the renewal period of a policy is for a term longer than 12 months, declare Gross Written Premium on a pro-rata basis. That is, apportion the Premium according to the appropriate Reporting Year.
- Do not apportion the Gross Written Premium and updated wages beyond the policy expiry or cancelled dates

### Item 8: Current Updated Wages

The total **current** updated wages are to be reported.

This is calculated by using the initial wage estimate and all subsequent wage adjustments provided by employers up to the date of compiling this return on policies renewed by 'Underwriting Year'.

#### Notes:

- Wages for policies with **30 June** renewal or start dates are included in the following Reporting Year. For example, wages for policies with **30 June 2022** renewal or start dates **are included** in the '**2022/23**' row.
- Any wage transactions/adjustments for prior underwriting years are allocated to the applicable underwriting year and **must not** be added into the current year.
- Where there is a delay in processing a policy, renewals pertaining to the relevant underwriting year should still be reported in that Underwriting Year, regardless of when the policy was processed.
- In circumstances where the renewal period of a policy is for a term longer than 12 months, declare wages on a pro-rata basis. That is, apportion the wages according to the appropriate underwriting year.
- Do not apportion the Gross Written Premium and updated wages beyond the policy expiry or cancelled dates
- The current updated wages definition requires the continuing inclusion of wages on lapsed policies for those underwriting years<sup>1</sup> that the policy was renewed.

- For Domestic Policies (if the wages are unknown) and Private Households employing occasional staff (PRC classes 96011, 96020 and 96030). If wages are not known **only declare \$1 for wages per policy**. Since wage declarations are not practical for these policies, this is designed to check the number of occasional staff – domestic policies shown in Column (B) of this Form.

### Definition of wages

WorkCover WA defines wages for the purpose of this Column as follows:

- The word "wages" means all gross wages, salaries, remuneration, commissions, bonuses, overtime, allowances and the like, directors fees and all other benefits paid (whether at piecework rates or otherwise, and whether paid in cash or in kind) to or in relation to a worker before deduction of income tax
- **Do not** declare termination payments, retirement pay, retrenchment, pay in lieu of notice, superannuation payment(s), pensions, golden handshakes or weekly payments of compensation.

### Item 9: Earned Premium\*\*

Earned premium is the portion of Gross Written Premium which is 'earned' by the Insurer in the Earned Year. This is based on the portion of policy period, measured in days, that applies to an Earned Year and for which the Insurer has been exposed to loss.

### Item 10: Earned Wages\*\*

Earned wages is the portion of current updated applying to a given Earned Year. This is based on the portion of policy period, measured in days, that applies to an Earned Year and for which the Insurer has been exposed to loss.

### \*\*Calculation of Items 9 & 10: Earned Premium & Wages

To calculate earned premium and wages:

1. Determine the number of days of policy coverage (that is, the number of days that the policy spans).
2. Determine the number of days in the applicable Reporting Year(s) that the policy relates to
3. Divide the Gross Written Premium and current updated wages by the number of days of policy coverage (Step 1 above) and multiply by the number of days in the applicable Reporting Year(s) (Step 2 above).
4. Do not apportion the Earned Premium and Earned Wages beyond the policy expiry or cancelled dates.

### Item 11: Cumulative No. of Claims

The total number of claims reported from the date of Insurer approval to the end of the current year by 'Accident Year'. These include all reported claims, including those on which no payments or estimates have been made.

**Note:** This can be calculated by adding the claims reported during the current year to last year's cumulative number of claims for the applicable Accident Years.

### Item 12: Cumulative Claim Payments

The total amount of claim payments made from the date of Insurer approval to the end of the current year by 'Accident Year'. Claims payments are gross of reinsurance recoveries and should be reported as the real net cost to the Insurer.

Refer to **Important notes before completing the Form WC12** at the beginning of this Guideline for inclusions and exclusions to claim payments and an example of real net cost.

**Note:** This is calculated by adding the claims payments paid during the current year to last year's cumulative claims payments for the applicable Accident Years.

### Item 13: Case Estimates Outstanding at End of Period

Report case estimates outstanding on current claims for each industry code as at current fiscal year by 'Accident Year'.

Case estimate is the estimate straight from the claim file, less any amounts that have already been paid, without adjustment for any reinsurance.

Case estimates are **not** to be reduced for any reinsurance recoveries.

## Other information

### Reporting the cost of claims by Insurers/Self-Insurers involved in mergers/takeovers

Insurers are to include all relevant claims data where one Insurer takes over another and manages the claims on behalf of the merged Insurer.

Claim data, including number of claims (both reported and active), claim payments and case estimates outstanding is required to ensure that:

- all claims experience is reported
- claims experience for a group of policies/portfolio is not excluded
- claims experience for a group of policies/portfolio is not double counted (that is, included in the merged Insurer's returns).

### Reinsurance

**Do not** allow for claims estimated, paid or recovered in respect of any reinsurance contract. Enter the information as though **no** reinsurance in any Form had been affected.

### Recoveries

**Include** compulsory motor vehicle third party recoveries, recoups against payments, stopped payments and cancelled cheques, etcetera but **exclude** reinsurance recoveries.

If the year a recovery payment is received is different to the year the original payments were incurred, record the recovery payment against the year incurred.

### **Nil return**

If you have a nil return, an electronic version with null values is still required to be submitted until all claims are finalised and approval in writing has been provided by WorkCover WA exempting the Insurer from having to complete this Form

## **Definitions**

### **Accident year**

Is the Fiscal Year (**1 July in a year to 30 June the following year**) in which the accident event occurred, irrespective of when the claim is reported, paid, or finalised

### **Earned year**

The Fiscal Year (1 July in a year to 30 June the following year) in which wages and premium were earned, irrespective of when the policy was written, processed or paid.

### **Fiscal Year**

Fiscal Year is from **1 July in a year to 30 June of the following year**.

### **Reporting year**

Reporting year refers to 'Underwriting Year' for Policy related data, 'Earned Year' for Earned related data and 'Accident Year' for Claim related data. The format for Reporting Year MUST be in the format CCYY/YY.

### **Underwriting year**

The year in which policies were new or renewed from 30 June in a year to 29 June the following year, irrespective of when the policy was written, processed or paid.



## APPENDIX 1 – WC12 Data Validations

Excel column	Column Name	Validation
B	Policy number	Policy number must be valid for the insurer in the WorkCover Database
C	WCN	<ol style="list-style-type: none"> <li>1. The WCN must be valid</li> <li>2. The WCN must identify the same policy number in WorkCover Database.</li> </ol>
D	PRC 93	No validations apply.
E	PRC 06	<ol style="list-style-type: none"> <li>1. There must be a valid PRC 06 Code for Reporting Years 2014/15 onwards.</li> <li>2. For the policy, the PRC 06 codes on WC12 and WorkCover Database must match.</li> <li>3. The PRC 06 industry division should be consistent with the previous year's industry division; confirmation of variations will be required.</li> </ol>
F	Reporting Year	<ol style="list-style-type: none"> <li>1. The minimum Reporting Year should be 2014/15.</li> <li>2. The maximum Reporting Year should be the Fiscal Year of the Return.</li> </ol>
G	Gross Written premium	The Gross Written Premium must be greater than zero.
H	Current Updated Wages	The Current Updated Wages must be greater than zero.
I	Earned Premium	Earned Premium must be greater than zero.
J	Earned Wages	Earned Wages must be greater than zero.
K	Cumulative No. of Claims	The Cumulative No. of Claims on WC12 and the WorkCover Database must reconcile
L	Cumulative Claim Payments	The Cumulative Claim Payments on WC12, the WorkCover Database must reconcile.
M	Case Estimates Outstanding at End of Period	The Case Estimates Outstanding at End of Period on WC12, the WorkCover Database must reconcile.

***If you require Worked Example on calculating Gross Written Premium, Current Updated Wage, Earned Wages, Earned Premium and how the WC12 should be completed, please email your request to [schemeinformation@workcover.wa.gov.au](mailto:schemeinformation@workcover.wa.gov.au)***