



STATISTICAL REPORT

SCHEME EXITS REPORT

December 2022

*A worker's compensation and injury
management scheme that works for all*



About this report

The quarterly Scheme Exits Report measures trends and characteristics of **finalised claims where claimants' injuries occurred 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.

Citation



Business Intelligence Services
Corporate Services

- ☎ Advice and Assistance: 1300 794 744
- 💻 workcover.wa.gov.au
- ✉ communications@workcover.wa.gov.au
- 🐦 @WorkCoverWA

Published: April 2023

Contents

	Page
About this report	2
Scheme exits overview.....	3
Scheme exit trends	4
Service utilisation for finalised claims	5
Claims finalised with or without lump sum	6
Scheme exits without lump sum - claim costs	7
Scheme exits without lump sum - days lost	8
Scheme exits with lump sum	9
Scheme exits with lump sum - average claim cost	10
Breakdown of lump sum - general	11
Glossary	12
Disclaimer	13

Overview - December (Q2) 2022/23

p. 4

6,194

Claims finalised

- ▼ -5.4% over 6 months
- ▼ -3.5% over 12 months

p. 4

New to closed claims ratio

1.07

Number more than one
indicates more new claims
lodged than finalised claims

- ▲ 15.4% over 6 months
- ▼ -1.7% over 12 months

Average finalised claim cost

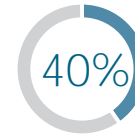
\$43,389

The two-year trend for average
finalised claim cost increased

- ▲ 15.6% over 6 months
- ▲ 5.9% over 12 months

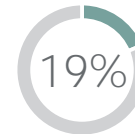
Service utilisation

p. 5



of lost-time claims
had **workplace
rehabilitation**
services

- ▲ 6.7%p over 6 months
- ▲ 6.0%p over 12 months



of claims had **legal
payments** recorded

- ▲ 2.4%p over 6 months
- ▲ 1.8%p over 12 months

p. 6

24% of claims finalised with
a lump sum payment



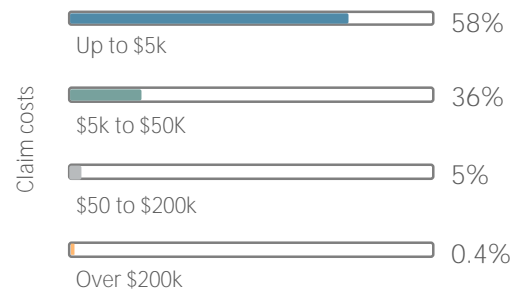
24%
With lump sum

76%
Without lump sum

p. 6 & 7

4,722 claims finalised without lump sum

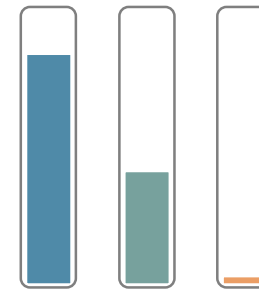
- ▼ -8.7% over 6 months
- ▼ -4.2% over 12 months



p. 6 & 9

1,472 claims finalised with lump sum

- ▲ 6.8% over 6 months
- ▼ -1.1% over 12 months



65%

Lump sum - general

32%

Lump sum - permanent impairment

3%

Lump sum - election registered

Average claim cost - with lump sum



Permanent impairment

\$75,902

- ▲ 2.7% over 6 months
- ▼ -0.9% over 12 months

General lump sum

\$148,061

- ▲ 3.7% over 6 months
- ▲ 2.1% over 12 months

Election registered

\$753,610

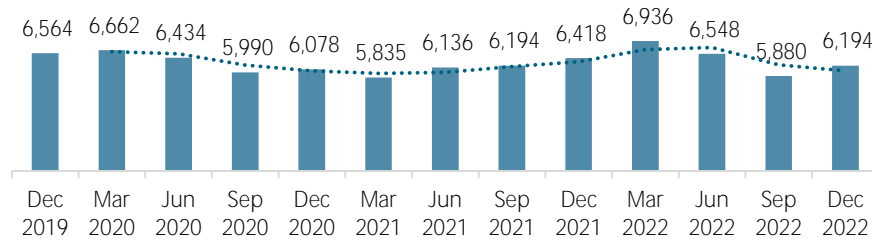
- ▲ 3.7% over 6 months
- ▼ -2.1% over 12 months

p. 10

Scheme exit trends

Number of claims finalised

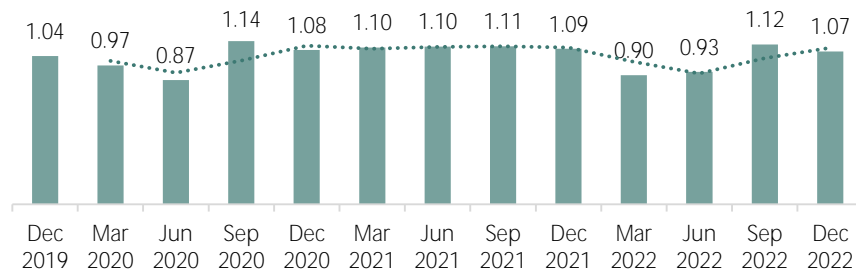
Current	% change over		
	2 years	1 year	6 months
6,194	1.9%	-3.5%	-5.4%



- ▲ The number of finalised claims decreased over the last six months by 5.4% to 6,194.

New to closed claims ratio

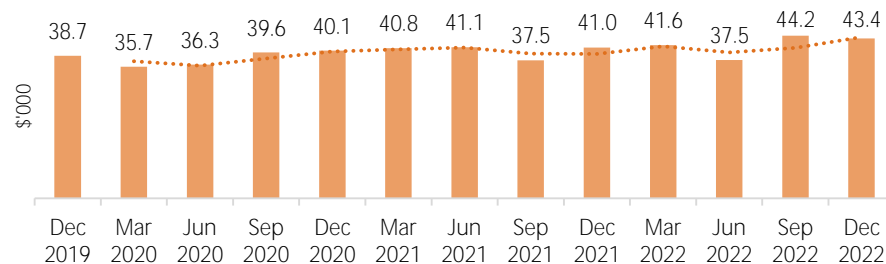
Current	% change over		
	2 years	1 year	6 months
1.07	-0.9%	-1.7%	15.4%



- ▲ New to closed claims ratio compares the number of new claims to the number of closed claims.
- ▲ The new to closed claims ratio decreased by 1.7% over the last year to 1.07, indicating more new claims lodged than claims finalised.

Average finalised claim cost

Current	% change over		
	2 years	1 year	6 months
\$43,389	8.1%	5.9%	15.6%

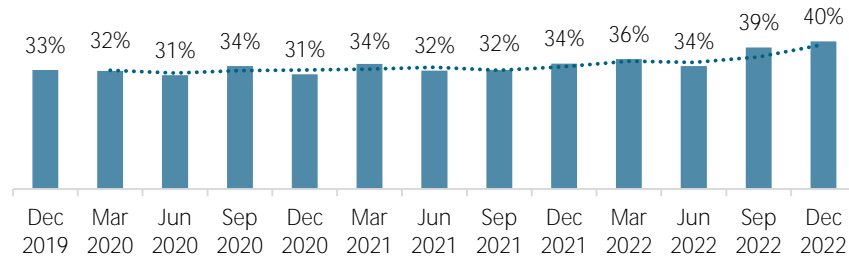


- ▲ The trend for average finalised claim cost increased by 8.1% over the last two years.
- ▲ The last six months show an increase of 15.6% in the average finalised claim cost.
- ▲ Payments are adjusted for inflation to allow meaningful comparisons over time.

Service utilisation for finalised claims

Proportion of lost-time claims with workplace rehabilitation services

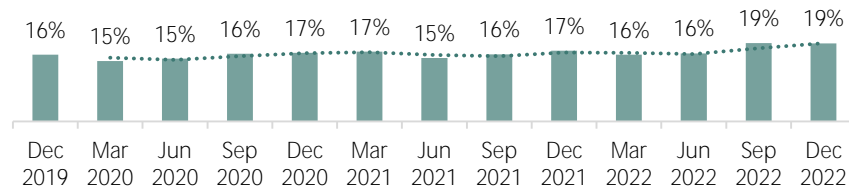
Current	%p change over		
	2 years	1 year	6 months
40%	9.0%	6.0%	6.7%



- ▲ For the Dec 2022 quarter, 40% of lost-time claims had workplace rehabilitation services recorded.
- ▲ The proportion of lost-time claims with workplace rehabilitation services increased by 9.0%p over two years.

Proportion of claims with legal payment recorded

Current	%p change over		
	2 years	1 year	6 months
19%	2.3%	1.8%	2.4%

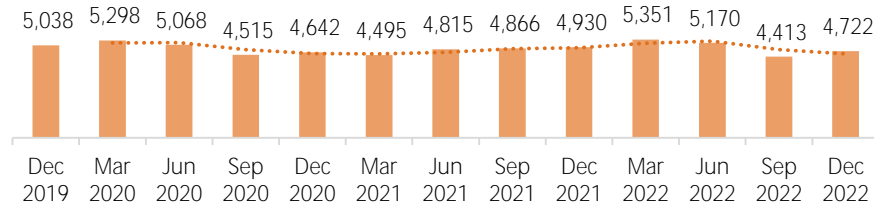


- ▲ The proportion of claims with legal payments increased by 2.3%p over two years.
- ▲ For the Dec 2022 quarter, 19% of claims had legal payments recorded.

Claims finalised with or without lump sums

Number of claims finalised without lump sums

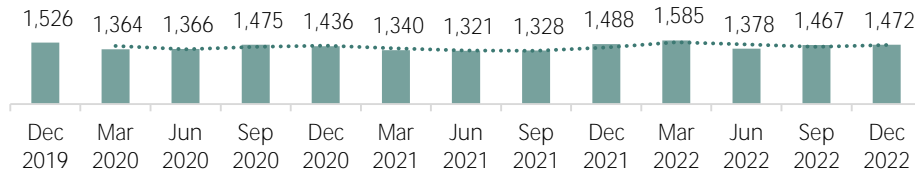
Current	% change over		
	2 years	1 year	6 months
4,722	1.7%	-4.2%	-8.7%



- ▲ Over the last year, the number of finalised claims without lump sums decreased by 4.2%.
- ▲ The number of finalised claims without lump sum payment stands at 4,722 for the Dec 2022 quarter.

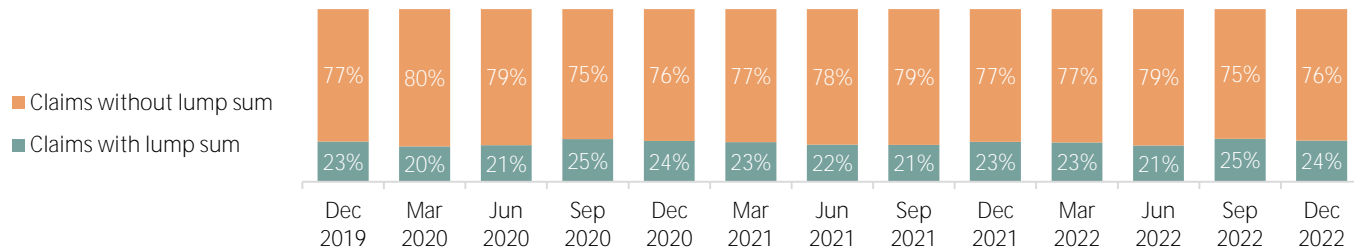
Number of claims finalised with lump sums

Current	% change over		
	2 years	1 year	6 months
1,472	2.5%	-1.1%	6.8%



- ▲ The number of finalised claims with lump sums increased by 6.8% over six months.
- ▲ The number of claims finalised with lump sums payments stands at 1,472 for the Dec 2022 quarter.

Proportion of claims finalised with or without lump sum



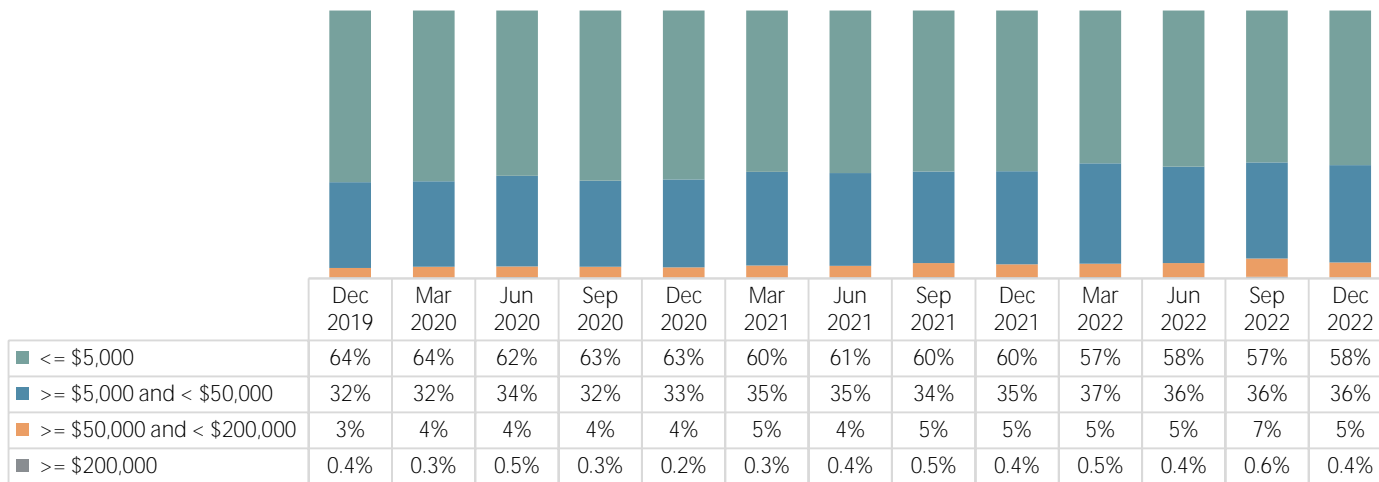
- ▲ Since the Dec 2019 quarter, the proportion of claims with lump sums ranges between 20% to 25%.
- ▲ Claims without lump sums continue to account for the larger proportion of finalised claims.

Scheme exits without lump sum - claim costs

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

Claims finalised without lump sum	Current	%p change over		
		2 years	1 year	6 months
Claim costs less than \$5,000	58%	-5.4%	-2.3%	-0.7%
Claim costs \$5,000 - \$50,000	36%	3.6%	1.7%	0.5%
Claim costs \$50,000 - \$200,000	5%	1.6%	0.5%	0.2%
Claim costs over \$200,000	0.4%	0.2%	0.0%	0.0%

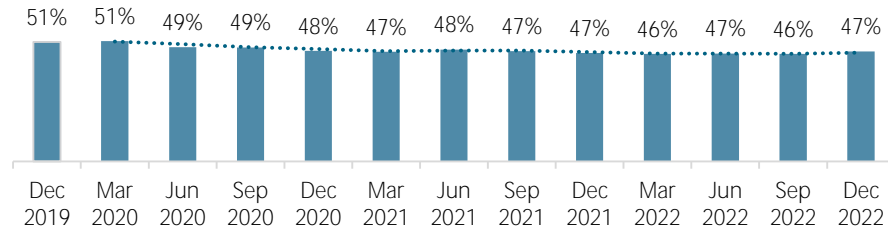
- ▲ The majority of finalised claims without lump sums cost less than \$5,000.
- ▲ The last two-year period shows this proportion decreasing from 63% to 58%.
- ▲ For the current quarter, 36% of finalised claims without lump sums cost between \$5,000 to \$50,000. This is a 3.6% increase over the two-year period.



Scheme exits without lump sum - days lost

Claim finalised without lump sum No days lost

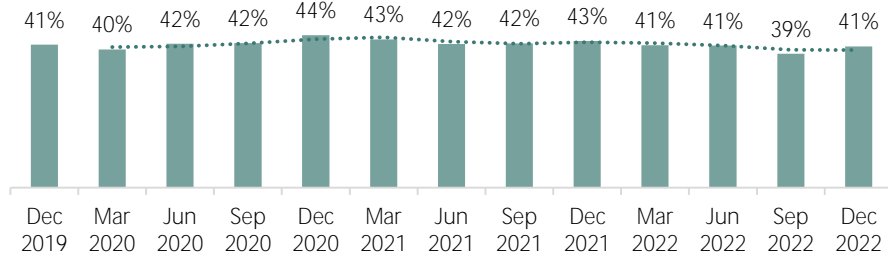
Current	%p change over		
	2 years	1 year	6 months
47%	-0.2%	0.5%	0.7%



- ▲ In the Dec 2022 quarter, 47% 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 increased by 0.5%p.

Claim finalised without lump sum 1 - 59 days lost

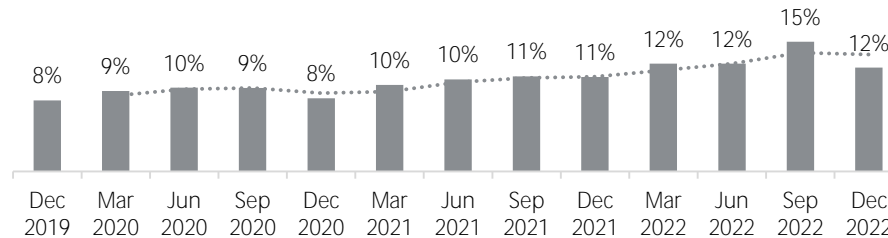
Current	%p change over		
	2 years	1 year	6 months
41%	-3.3%	-1.6%	-0.2%



- ▲ The proportion of claims with 1 to 59 days lost accounted for 41% of finalised claims without lump sums in the Dec 2022 quarter.
- ▲ This proportion decreased by 1.6%p over the last year.

Claim finalised without lump sum 60+ days lost

Current	%p change over		
	2 years	1 year	6 months
12%	3.5%	1.1%	-0.4%

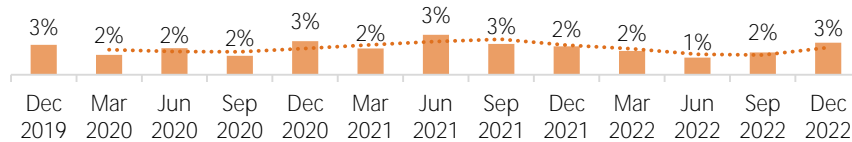


- ▲ Claims resulting in 60 days or more off work accounted for 12% of finalised claims without lump sums in the Dec 2022 quarter.
- ▲ Over three years, this proportion ranges from 8% to 15%.

Scheme exits with lump sum

Proportion of claims finalised with lump sum - election registered

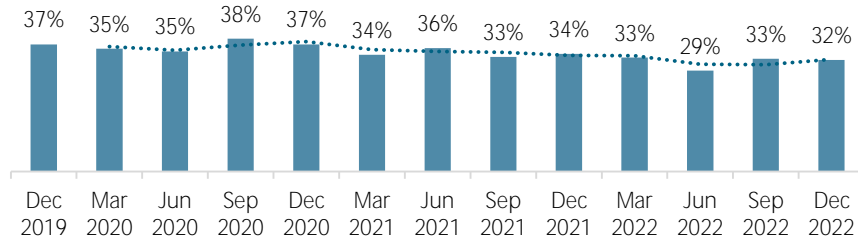
Current	%p change over		
	2 years	1 year	6 months
3%	-0.1%	0.3%	1.3%



- ▲ In the current quarter, 3% of finalised claims with lump sums had elections registered.
- ▲ This proportion increased by 0.3%p over the last year.

Proportion of claims finalised with lump sum - permanent impairment

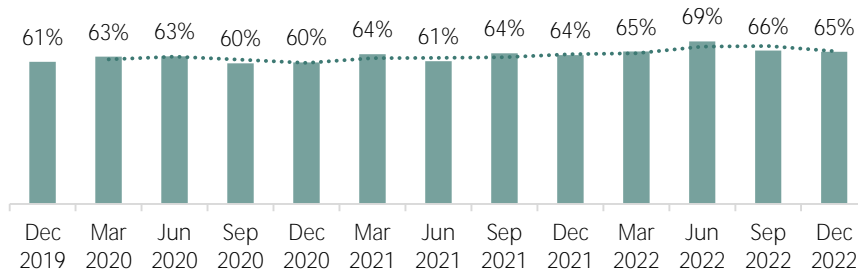
Current	%p change over		
	2 years	1 year	6 months
32%	-4.5%	-1.7%	3.1%



- ▲ Less than a third of finalised claims with lump sums were for permanent impairment (Schedule 2).
- ▲ This proportion decreased by 1.7%p over the last year.

Proportion of claims finalised with lump sum - general

Current	%p change over		
	2 years	1 year	6 months
65%	4.6%	1.4%	-4.4%

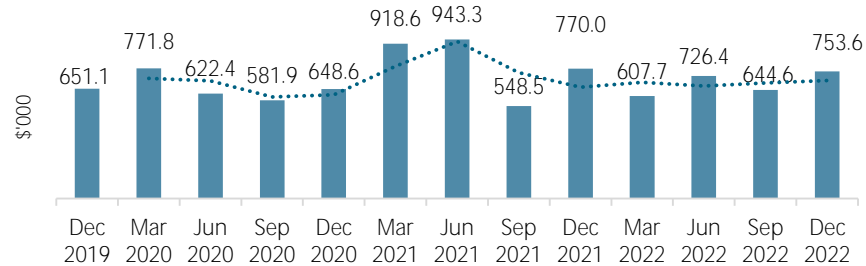


- ▲ The proportion of finalised claims with general lump sum payments was 65% in the current quarter.
- ▲ Over two years, the proportion increased by 4.6%p.

Scheme exits with lump sum - average claim cost

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

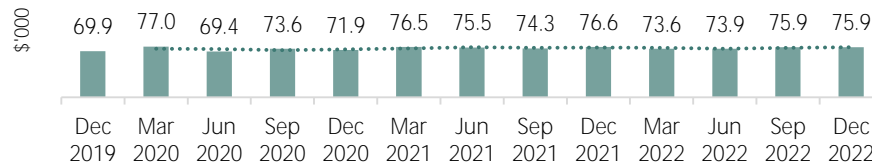
Current	% change over		
	2 years	1 year	6 months
\$753,610	16.2%	-2.1%	3.7%



- ▲ The average claim cost for finalised claims with lump sums and election registered is subject to fluctuation due to the small number of claims.
- ▲ In annual terms, the average claim cost for this category decreased by 2.1% to \$753,610 in the Dec 2022 quarter.

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

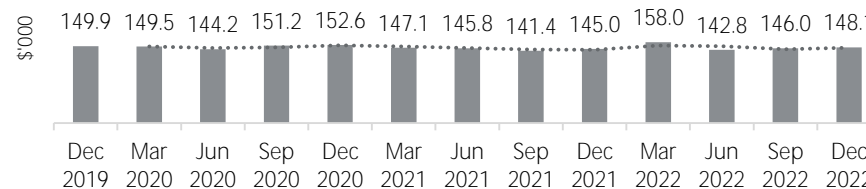
Current	% change over		
	2 years	1 year	6 months
\$75,902	5.6%	-0.9%	2.7%



- ▲ The average claim cost for finalised claims with lump sum for permanent impairment (Schedule 2) was \$75,902 in the Dec 2022 quarter.
- ▲ Over six months, the average cost for claims finalised with lump sums for permanent impairment increased by 2.7%.

Average claim cost - finalised claim with lump sum - general

Current	% change over		
	2 years	1 year	6 months
\$148,061	-3.0%	2.1%	3.7%

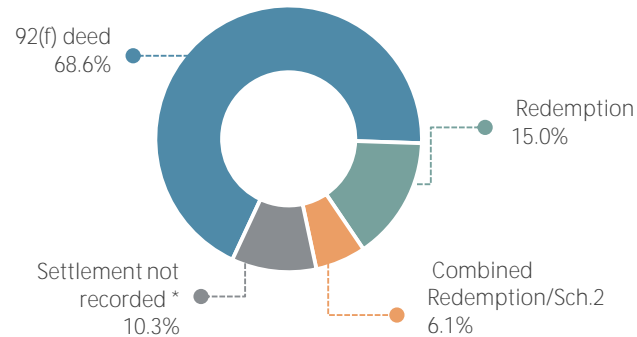


- ▲ In the current quarter, the average claim cost for finalised claims with general lump sums is \$148,061.
- ▲ The average claim cost increased by 2.1% from the previous year.

Breakdown of lump sum - general

Lump sum - general claims finalised in the last four financial quarters
(2021/22 Q3 - 2022/23 Q2)

Lump sum - general	Claims
Section 92(f) deed	2,680
Redemption	586
Combined Redemption/Schedule 2	240
Settlement not recorded*	402

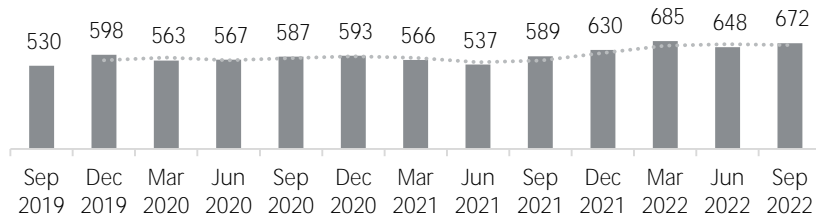


- ▲ The number of Section 92(f) deeds finalised over the last four quarters was 2,680, accounting for around two-thirds of total lump sum - general claims.
- ▲ Redemptions accounted for 15.0% of total lump sum - general claims over the same period.

* "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.

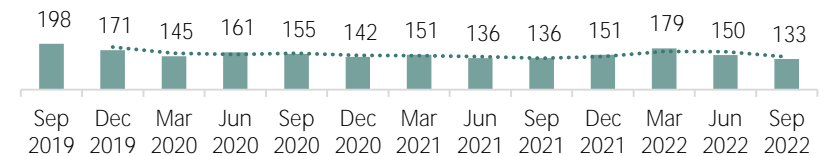
Number of claims finalised through Section 92(f) deeds

Current	% change over		
	2 years	1 year	6 months
672	14.5%	14.1%	-1.9%



Number of claims finalised through Redemptions

Current	% change over		
	2 years	1 year	6 months
133	-14.2%	-2.2%	-25.7%



Glossary

Claim cost

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

Finalised claims

Claims closed during a period (i.e. an initial 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 a 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.

%p change over

Percentage point change measures the difference of two percentage values.

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.

Disclaimer

- 1 Due to the dynamic nature of **workers'** compensation claims, the interpretation of data contained within this report (the data) must be undertaken with some caution. Data users are cautioned to consider carefully the provisional nature of the data before using it for decisions that concern personal or public safety or the conduct of business that involves substantial monetary or operational consequences.
- 2 The accuracy or reliability of the data is not guaranteed or warranted in any way. WorkCover WA has made a reasonable effort to ensure that the data is up-to-date, accurate, complete, and comprehensive at the time of disclosure. This data reflects data reported to this agency by insurers and self-insurers for the reporting periods indicated. Data users are responsible for ensuring, by independent verification, its accuracy, currency or completeness.
- 3 Neither WorkCover WA, or its agencies or representatives are responsible for data that is misinterpreted or altered in any way. Derived conclusions and analysis generated from this data are not to be considered attributable to WorkCover WA.
- 4 This data is provided as is and in no event shall WorkCover WA, its agencies or representatives be liable for any damages, including, without limitation, damages resulting from lost data or lost profits or revenue, the costs of recovering such data, the costs of substitute data, claims by third parties or for other similar costs, or any special, incidental, punitive or consequential damages, arising out of the use of the data.
- 5 Information concerning the accuracy and appropriate uses of the data or concerning other **workers'** compensation data may be obtained by contacting WorkCover WA.