



# Scheme Exits Report

December 2024

A workers compensation and injury management scheme that works for all.

[workcover.wa.gov.au](https://workcover.wa.gov.au)








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## Scheme Exits Report

WorkCover WA is the government agency responsible for overseeing the workers compensation and injury management scheme in Western Australia (WA).

WA operates a privately underwritten workers compensation scheme, where private insurance agencies are approved by WorkCover WA to provide workers compensation insurance to WA employers. Additionally, WorkCover WA also exempts large employers, who have the material and financial resources to cover their own liabilities from any workplace injuries that may occur, from having to obtain workers compensation insurance from an approved insurer. Exempt employers are commonly referred to as self-insurers. During the period referenced in this report, there were six approved insurers and 23 self-insurers operating within the WA workers compensation scheme.

Data from the Insurance Commission of Western Australia (ICWA) is also included in this report. ICWA manages workers compensation arrangements for WA government agencies. Although not an approved insurer within the WA workers compensation scheme, ICWA is considered to be more appropriately grouped with licensed insurers rather than self-insurers.

**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.

This report reflects the changes introduced by the new *Workers Compensation and Injury Management Act 2023*, which took effect from 1 July 2024.

p. 5

6,598

Claims finalised

▼ -6.2% over 6 months

▲ +3.3% over 12 months

p. 5

New to closed claims ratio

1.09

▲ +5.7% over 6 months

▼ -2.1% over 12 months

Average finalised claim cost

\$46,320

▼ -1.8% over 6 months

▼ -2.8% over 12 months

The two-year trend for average finalised claim cost decreased

p. 6

Service utilisation

37.8%

of lost-time claims had workplace rehabilitation services

▲ +0.8%p over 6 months

▼ -0.1%p over 12 months

15.1%

of claims had legal payments recorded

▼ -3.6%p over 6 months

▼ -4.2%p over 12 months

p. 6

22.2% of claims finalised with a lump sum payment

22.2%

With lump sum

77.8%

Without lump sum

p. 7 & 8

5,130 claims finalised without lump sum

▼-2.4% over 6 months

▲+9.5% over 12 months

Claim costs

Up to \$5k

53.6%

\$5k to \$50K

38.5%

\$50 to \$200k

7.3%

Over \$200k

0.6%

p. 7 & 10

1,468 claims finalised with lump sum

▼ -17.4% over 6 months

▼ -13.6% over 12 months

62.9%

Lump sum - general

33.5%

Lump sum - permanent impairment

3.6%

Lump sum - election registered

Average claim cost - with lump sum

General

\$137,767

Permanent impairment

\$112,457

Election registered

\$787,840

Permanent impairment

\$112,457

▲ +36.7% over 6 months

▲ +35.1% over 12 months

General lump sum

\$137,767

▼ -5.0% over 6 months

▼ -6.4% over 12 months

Election registered

\$787,840

▲ +10.2% over 6 months

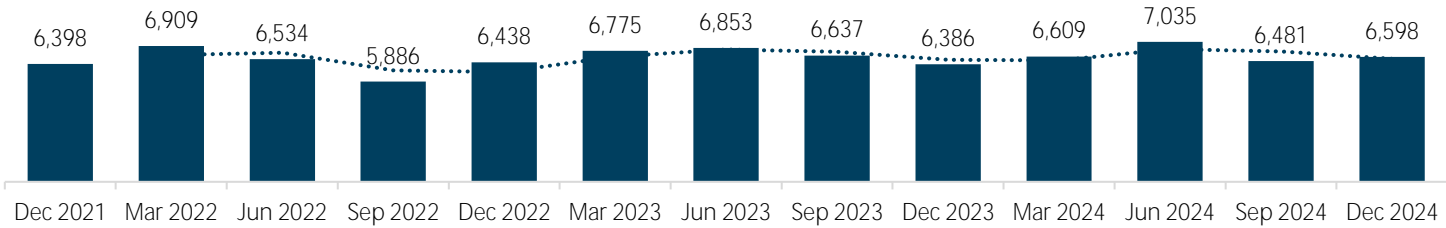
▲ +4.1% over 12 months

p. 11

# SCHEME EXIT TRENDS

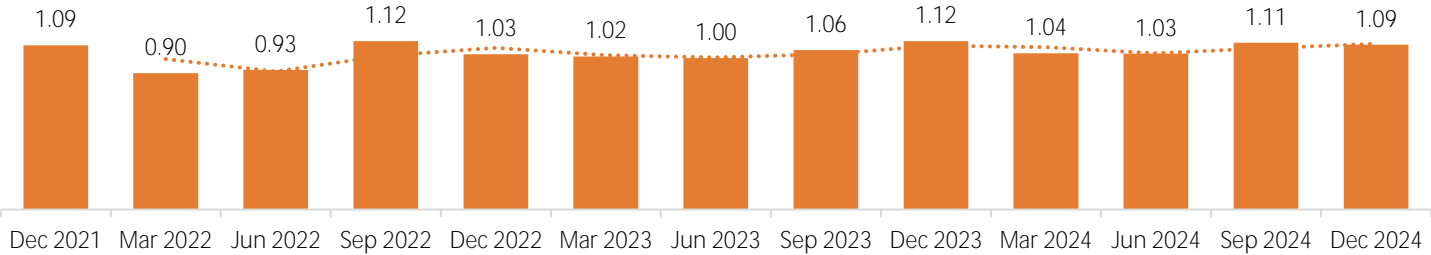
Number of claims finalised

Current	change over		
	2 years	1 year	6 months
6,598	+2.5%	+3.3%	-6.2%



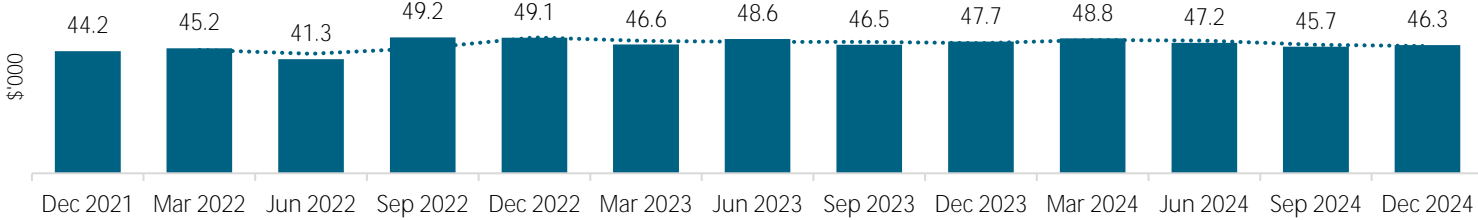
New to closed claims ratio

Current	change over		
	2 years	1 year	6 months
1.09	+6.2%	-2.1%	+5.7%



Average finalised claim cost

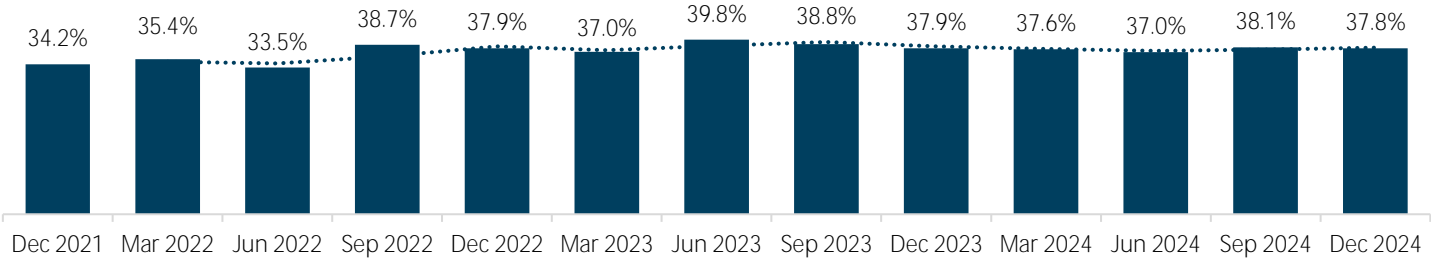
Current	change over		
	2 years	1 year	6 months
\$46,320	-5.6%	-2.8%	-1.8%



# SERVICE UTILISATION FOR FINALISED CLAIMS

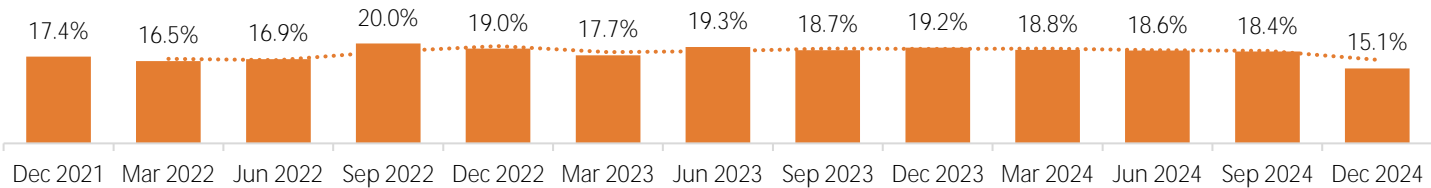
Proportion of lost-time claims with workplace rehabilitation services

Current	change over		
	2 years	1 year	6 months
37.8%	-0.1%p	-0.1%p	+0.8%p



Proportion of claims with legal payment recorded

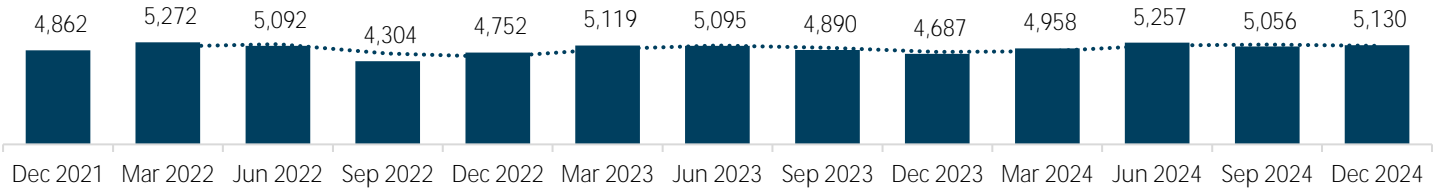
Current	change over		
	2 years	1 year	6 months
15.1%	-4.0%p	-4.2%p	-3.6%p



# CLAIMS FINALISED WITH OR WITHOUT LUMP SUMS

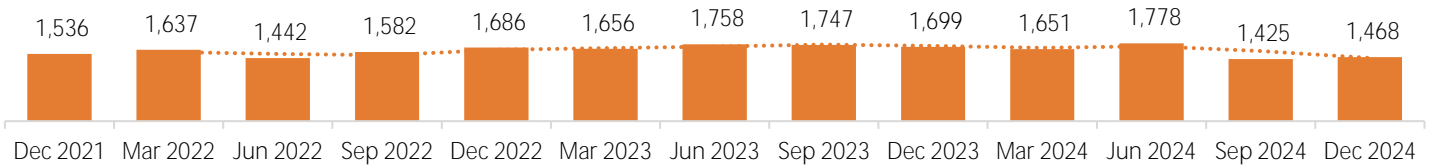
Number of claims finalised without lump sums

Current	% change over		
	2 years	1 year	6 months
5,130	+8.0%	+9.5%	-2.4%

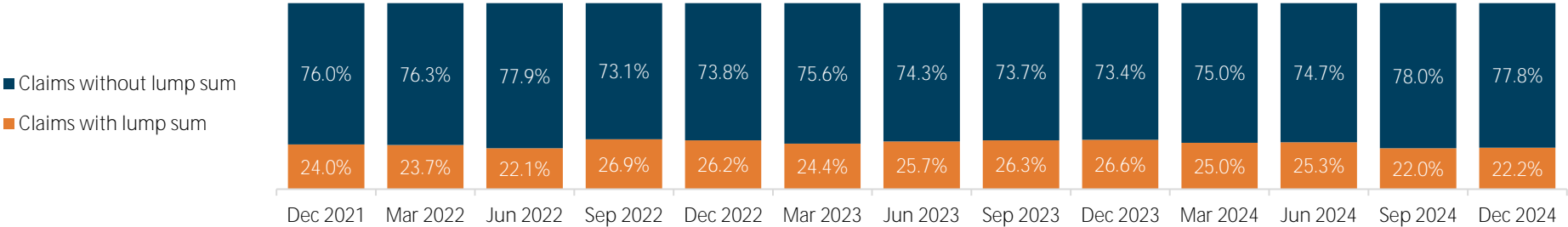


Number of claims finalised with lump sums

Current	% change over		
	2 years	1 year	6 months
1,468	-12.9%	-13.6%	-17.4%



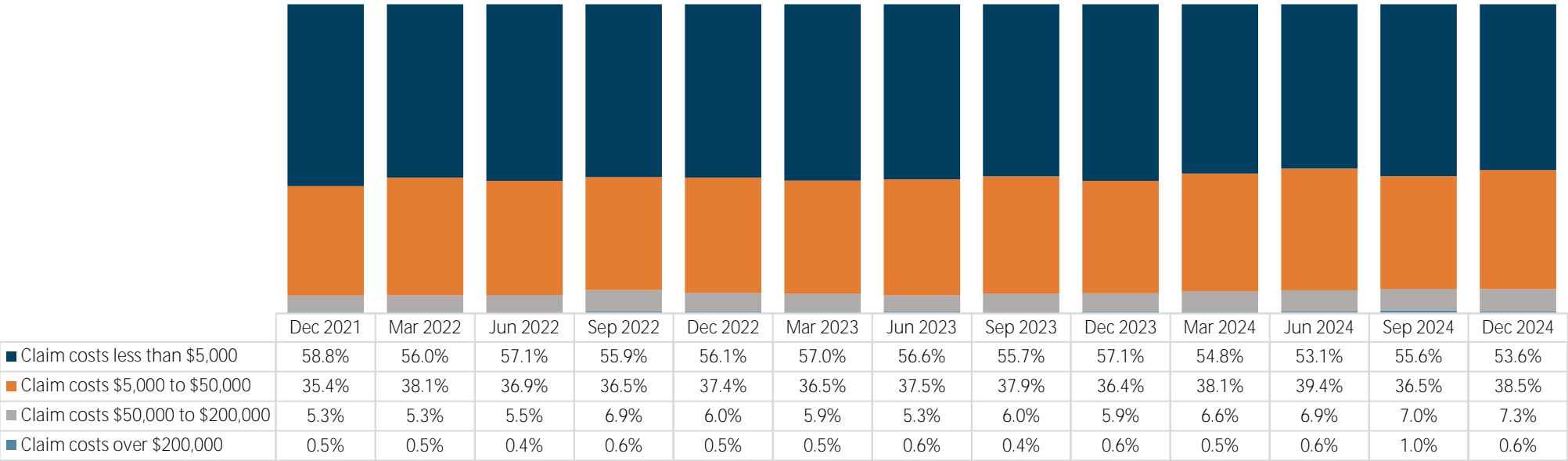
Proportion of claims finalised with or without lump sum



# SCHEME EXITS WITHOUT LUMP SUMS | 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	53.6%	-2.5%p	-3.5%p	+0.5%p
Claim costs \$5,000 - \$50,000	38.5%	+1.1%p	+2.1%p	-0.9%p
Claim costs \$50,000 - \$200,000	7.3%	+1.3%p	+1.4%p	+0.4%p
Claim costs over \$200,000	0.6%	+0.1%p	n.c.	n.c.

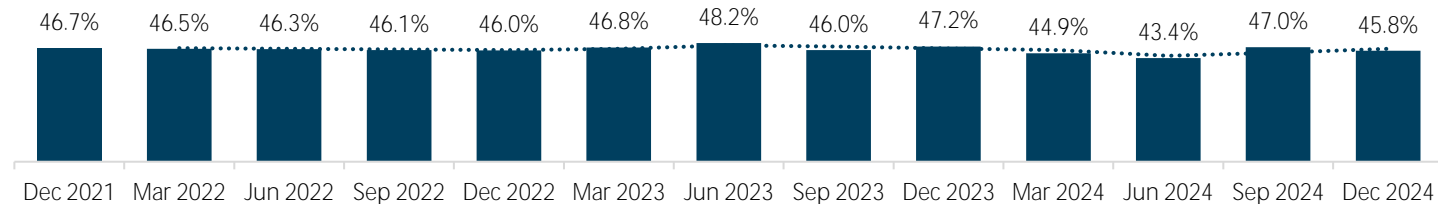




# SCHEME EXITS WITHOUT LUMP SUMS | DAYS LOST

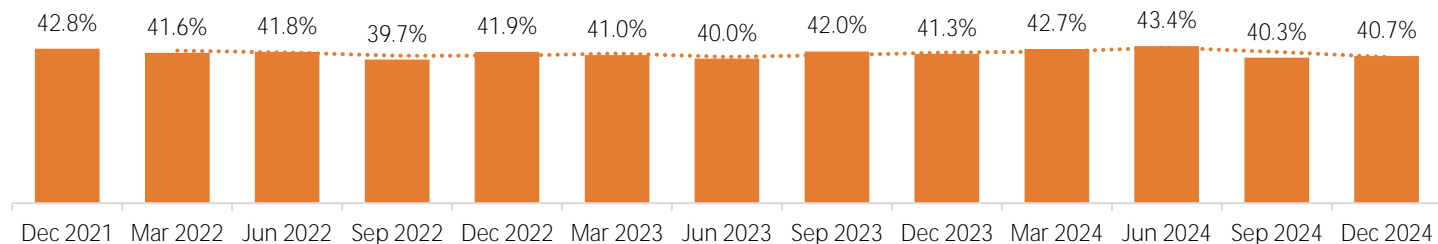
Claim finalised without lump sum  
No days lost

Current	change over		
	2 years	1 year	6 months
45.8%	-0.2%p	-1.4%p	+2.4%p



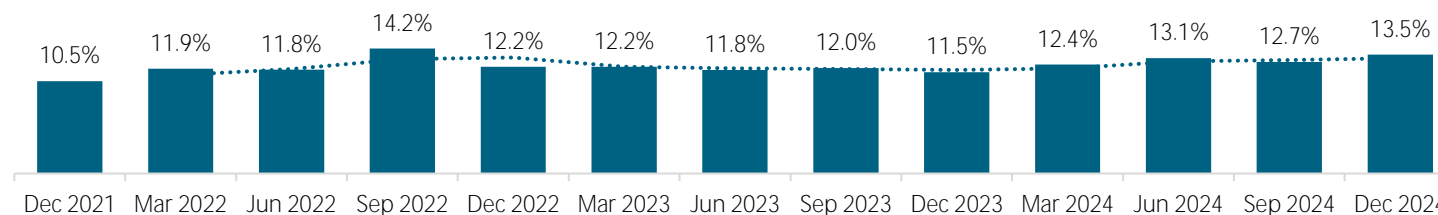
Claim finalised without lump sum  
1 - 59 days lost

Current	change over		
	2 years	1 year	6 months
40.7%	-1.2%p	-0.6%p	-2.8%p



Claim finalised without lump sum  
60+ days lost

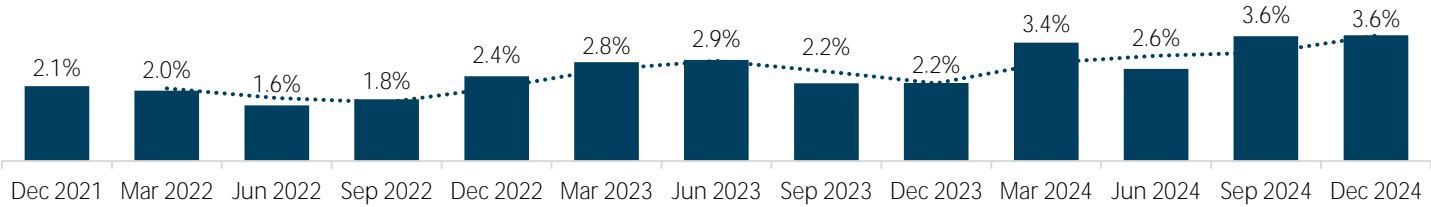
Current	change over		
	2 years	1 year	6 months
13.5%	+1.4%p	+2.0%p	+0.4%p



# SCHEME EXITS WITH LUMP SUMS

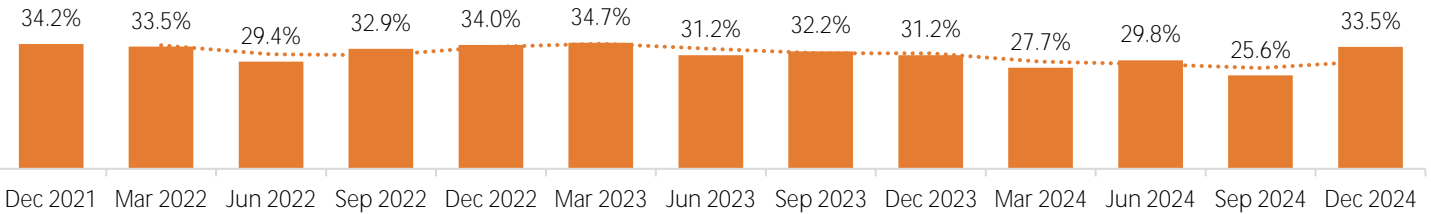
Proportion of claims finalised with lump sum - election registered

Current	change over		
	2 years	1 year	6 months
3.6%	+1.2%p	+1.4%p	+1.0%p



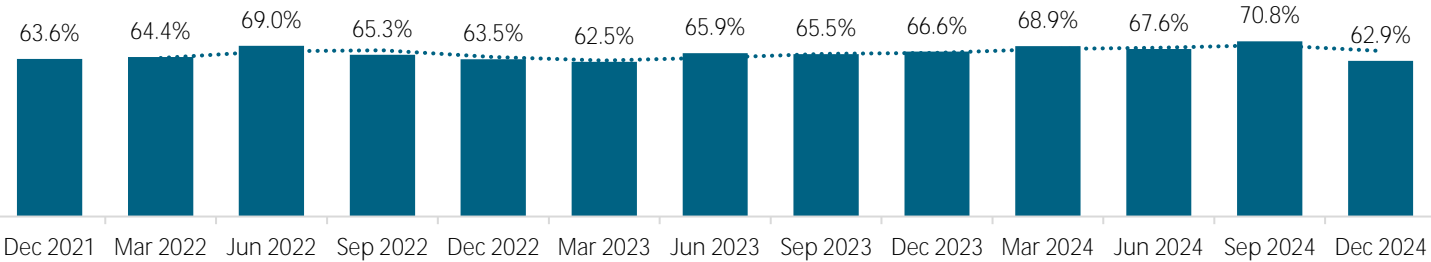
Proportion of claims finalised with lump sum - permanent impairment

Current	change over		
	2 years	1 year	6 months
33.5%	-0.5%p	+2.3%p	+3.8%p



Proportion of claims finalised with lump sum - general

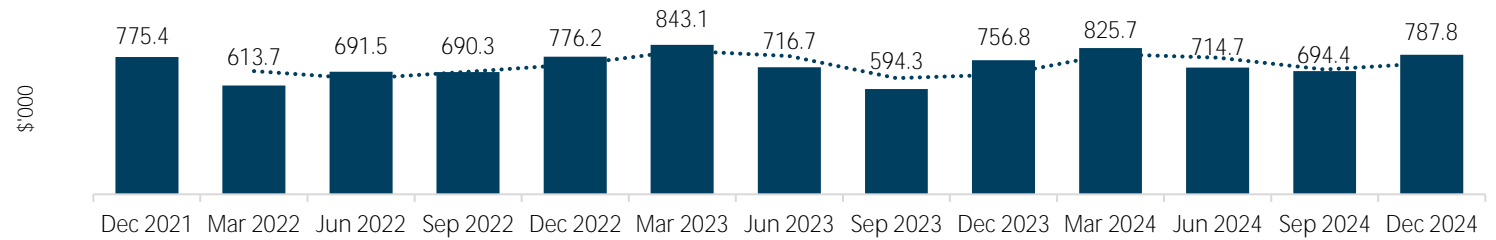
Current	change over		
	2 years	1 year	6 months
62.9%	-0.6%p	-3.7%p	-4.7%p



# SCHEME EXITS WITH LUMP SUMS | AVERAGE CLAIM COST

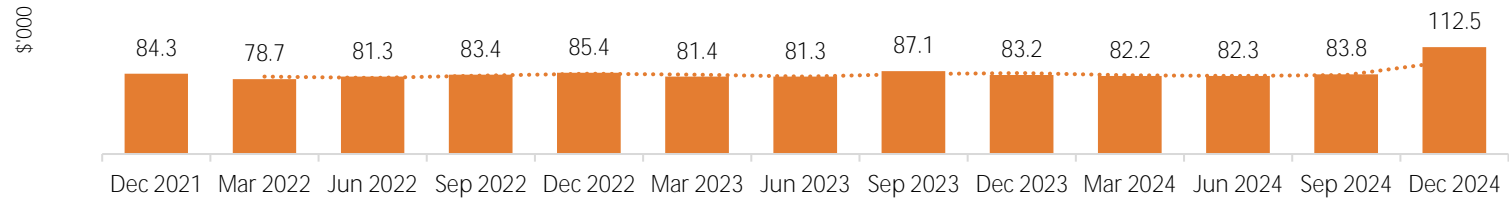
Average claim cost - finalised claim with lump sum - election registered

Current	change over		
	2 years	1 year	6 months
\$787,840	+1.5%	+4.1%	+10.2%



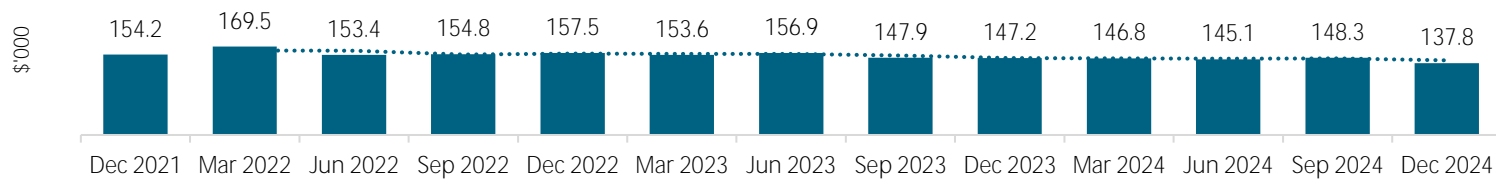
Average claim cost - finalised claim with lump sum - permanent impairment

Current	change over		
	2 years	1 year	6 months
\$112,457	+31.7%	+35.1%	+36.7%



Average claim cost - finalised claim with lump sum - general

Current	change over		
	2 years	1 year	6 months
\$137,767	-12.5%	-6.4%	-5.0%



# GLOSSARY

## Claim cost

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

## Election registered

A Common law election to retain the right to seek damages. A worker may elect to retain the right to seek an award of damages for a workplace injury caused by negligence committed by the employer.

## 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 *under the previous Workers' Compensation and Injury Management Act 1981 or permanent impairment under the new Workers Compensation and Injury Management Act 2023* in the settlement database.

## **Lump sum – general**

Includes Section 92(f) deed settlement, Redemption, Combined Redemption/Schedule 2 under the previous *Workers' Compensation and Injury Management Act 1981* or Redemption, Combined Redemption/permanent impairment under the new *Workers Compensation and Injury Management Act 2023* and claims with lump sum payment but not recorded in the settlement database.

## n.c.

No change.

## %p change over

Percentage point change measures the difference of two percentage values.

## Permanent impairment settlement

Based on a fixed formula that measures the type and severity of the permanent injury or illness. Previously known as a Schedule 2 settlement under the previous *Workers' Compensation and Injury Management Act 1981*.