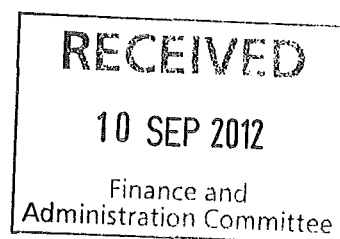
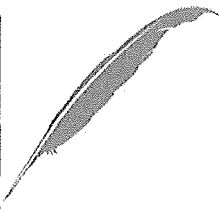




National Insurance Brokers Association.



NATIONAL INSURANCE BROKERS ASSOCIATION OF AUSTRALIA (NIBA)

ABOUT NIBA

NIBA is the voice of the insurance broking industry in Australia. NIBA represents around 500 member firms and over 2000 individual Qualified Practising Insurance Brokers (QPIB's) throughout Australia.

Brokers handle almost 90% of the commercial insurance transacted in Australia, and play a major role in risk assessment, risk financing and insurance distribution, handling an estimated \$16 billion in premiums annually and placing around half of Australia's total insurance business. Insurance brokers also place substantial insurance business into overseas markets for large and special risks.

Over a number of years NIBA has been a driving force for change in the Australian insurance broking industry. It has supported financial services reforms, encouraged higher educational standards for insurance brokers through NIBA College and other education providers, and introduced a strong independently administered and monitored Code of Practice for members. The 500 member firms all hold an Australian financial services (AFS) licence under the Corporations Act that enables them to deal in or advise on Risk Insurance products.

ABOUT INSURANCE BROKERS

The role of insurance brokers

The traditional role of insurance brokers is to:

- assist customers to assess and manage their risks, and provide advice on what insurance is appropriate for the customer's personal or business needs;
- assist customers to arrange and acquire insurance; and
- assist the customer in relation to any claim that may be made by them under their insurance program.



In doing the above the insurance broker acts on behalf of the customer as their agent. Insurance brokers offer many benefits to customers and consumers:

- assistance with selecting and arranging appropriate, tailored insurance policies and packages
- detailed technical expertise including knowledge of prices, terms and conditions, benefits and pitfalls of the wide range of insurance policies on the market;
- assistance in interpreting, arranging and completing insurance documentation;
- experience in predicting, managing and reducing risks; and
- assistance with claims and the resolution of claims.

In limited cases insurance brokers may act as agent of the insurer not the insured but where such a relationship exists the customer is clearly advised up front.

If you would like further information in relation to insurance broking, insurance brokers, or their place in the Australian insurance industry, please do not hesitate to contact me.

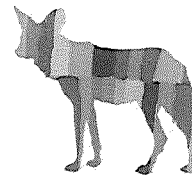
Dallas Booth

Chief Executive Officer

National Insurance Brokers' Association of Australia

Direct: +61 (0)2 9459 4305

Email: dbooth@niba.com.au



Painted Dog Research

WorkCover WA Employer Survey

1 December 2011

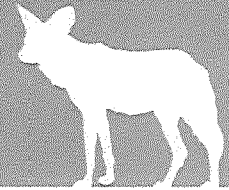
Client Contact

Dr Joanne Jordan – Principal Policy Officer (Scheme Research), WorkCover WA
Leona Glasby - Manager Research & Evaluation, WorkCover WA

Prepared By

Justin Scerri (BCom, Hons, QMPR) – Principal
Jacinta Bristow-Baohm (BBus, BA Psych, Mkt) – Senior Account Manager

Executive summary: Overview



Overall, the results of this study show a strong outlook for WorkCover WA, its Insurers, Brokers and vocational rehab providers. It also provides some clear focal points for the organisation going forward.

Pros

Of the employers surveyed, the majority fulfilled their obligation to hold a current workers comp policy.

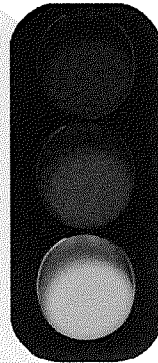
Two thirds of employers surveyed buy their policy through a Broker – making Brokers a very important channel.

Both Brokers and Insurers perform exceptionally well during the purchase and claims process. They should be congratulated.

Employers feel they know a lot about workers compensation – however more contact and communication from WorkCover WA may be beneficial.

90% of Employers surveyed lodge their claims within 3 working days. But the other 10% who don't need to be looked into. This may be rectified with recent changes to legislation extending to 5 days.

Many rate WorkCover WA's performance and information provision very highly. Well done.

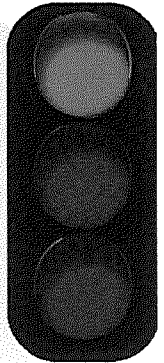


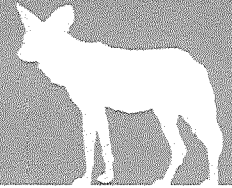
Cons

Most employers surveyed say that the claims process can be improved by reducing the 'paperwork burden' placed on them. Potentially highlighting a need to take these tasks online.

Only three quarters of Employers surveyed have a written injury management plan in place – and one third explain this during induction. These elements may need a stronger compliance focus.

While awareness of WorkCover WA was high at 89%, there is some confusion with WorkSafe WA. This could be tackled via a name change or stronger communications with Employers.

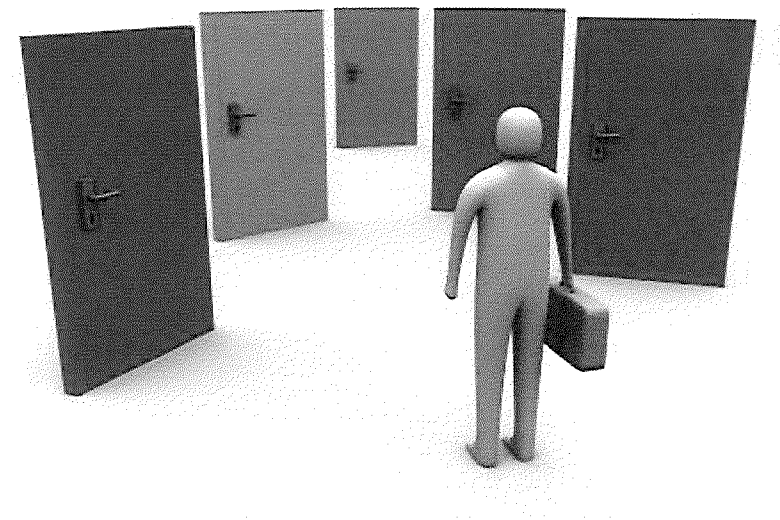


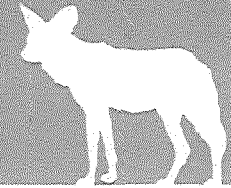


Compliance, Selection and Purchase

Of the employers surveyed, there is universal compliance with the requirement to hold a current workers' compensation policy.

- Insurance Brokers are the main purchase channel with around two thirds of Employers buying through a Broker.
- Most employers held workers' compensation policies with QBE and CGU – particularly amongst claimants.
- There is some confusion amongst Employers surveyed about the scope of their policy in relation to contractors / sub-contractors. Just 2 in 5 Employers who engaged them thought they were covered on their policy.
 - Awareness is more likely among businesses who have purchased insurance through a Broker.
 - Potentially indicating a need to improve direct communication with businesses for them to better understand the extent of the coverage of their policies.



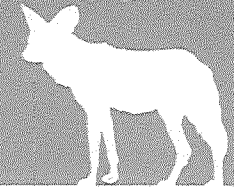


Performance of Insurance Brokers and Insurers during selection and purchase

Both Insurers and Brokers perform very strongly during the purchase and selection process – but Brokers exhibit stand-out performance.

- 'Cheaper rates', 'better customer service' and 'better communication with customers' were the most suggested ways for Insurance Brokers and Insurers to improve.
- The top 3 drivers of overall performance for Insurance Brokers were:
 - 'Acting in the business' best interests'
 - 'Providing advice appropriate to your business' needs'
 - 'Making an effort to understand your needs'
- The top 3 drivers of overall performance for Insurers were:
 - 'Providing advice appropriate to your business' needs'
 - 'Keeping you informed on the progress of your request, query or issue'
 - 'Making an effort to understand your needs'



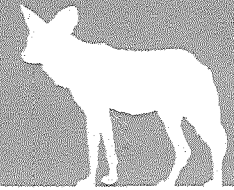


Workers' Compensation Claims

Employers rate their knowledge of workers compensation quite high - and said they don't want more information about injury management and return to work.

- Most Employers see their primary role in the claims process as assisting staff with rehabilitation and handling administrative paperwork.
- While most fulfil their legal obligation to lodge a claim within 3 working days – there remain 1 in 10 Employers who do not. Further investigation into the reasons behind this should be undertaken. This may be rectified with recent changes to legislation extending to 5 days.
- The most challenging aspects for Employers in managing a claim are:
 - 'General' issues (eg. administration, financial management)
 - Managing the 'Return to Work' (eg. finding appropriate tasks)
- Most Employers who have had experience with the claims process rate it positively. The greatest negativity surrounds the perception that 'there is too much paperwork to complete'.

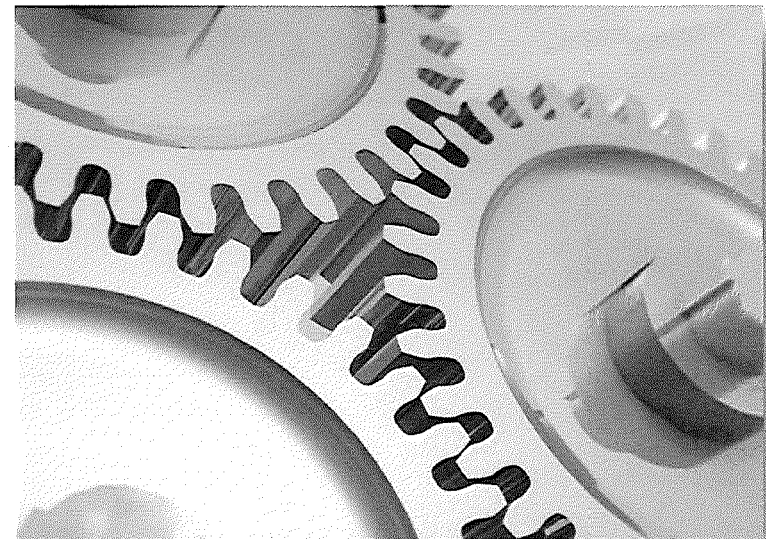


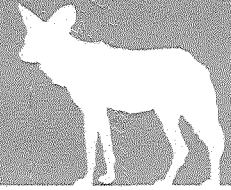


Performance During Workers' Compensation Claims

Performance of both Insurers and Brokers during the claims process is exceptional – again, Brokers stand out.

- Most deal directly with their insurer during the claims process – even those who purchased their insurance through a Broker.
- The top 3 drivers of overall performance for Insurance Brokers during a claim were:
 - 'Responding to your requests or queries in a timely manner'
 - "Rectifying problems and mistakes quickly"
 - Providing accessible and transparent information"
- The top 3 drivers of overall performance for Insurers were:
 - 'Making an effort to understand your needs'
 - 'Taking ownership of your queries and requests'
 - 'Responding to your requests or queries in a timely manner'

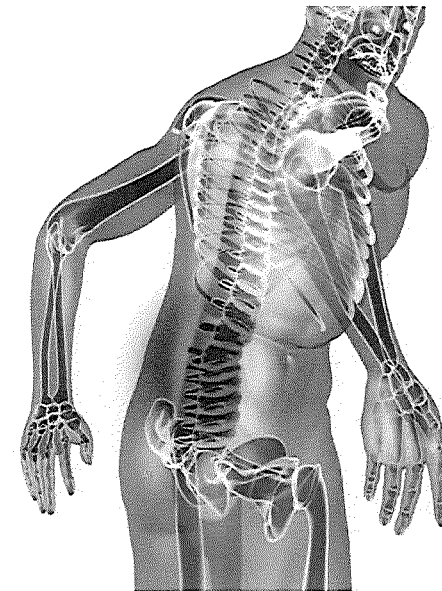


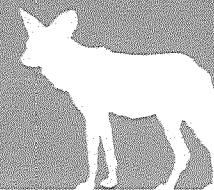


Injury Management and Vocational Rehab

Three quarters of employers surveyed (regardless of claim status) fulfil their legal obligation to have a written injury management plan.

- Medium Sized Employers are particularly compliant with having a written injury management plan.
- However, for 1 in 3 Employers, staff inductions are the **only** time the injury management plan is explained.
- Insurers and Insurance Brokers are the most thought of channel for information about work-related injury management, ahead of WorkCover WA and WorkSafe WA.
- Around one third of Employers used a vocational rehabilitation provider in the past 2 years – and two thirds rate their experience positively.





Awareness and Performance of WorkCover WA

89% of Employers surveyed say they've heard of WorkCover WA .

- One in five identify WorkCover WA's main role as 'workplace safety' and a further one in five 'to protect the employee'. However, Employers aren't confident about this– with the majority saying they don't know much about WorkCover WA.
- Overall, WorkCover WA has delivered a positive experience to Employers who've had direct contact with it. More than 9 out of 10 rating its performance positively – including the information it provides.
- The three suggestions to improve WorkCover WA were:
 - More contact/communication
 - More education / training programs
 - Simplification of the system – less paperwork more web based

