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NSW WORKERS COMPENSATION

INSURANCE FOR MEDIUM AND LARGE EMPLOYERS

Medium and large businesses are employers with a basic tariff premium greater than \$30,000.

If you're an employer of a medium or large business, then your premiums will be impacted as the result of a claim.

Your claims experience compared to other employers in the same industry is reflected in the experience premium.

The experience premium is calculated using your claims cost rate (claims divided by wages) and your industry claims cost rate. If your claims cost rate is below your industry claims cost rate then you'll receive a discounted premium that is below the basic tariff premium. If your claims cost rate is worse than your industry average then you'll pay a premium that's above the basic tariff premium.

The industry claims costs rates used in premium calculations are set annually and published in the [Insurance premiums order](#).

Our [Workers compensation insurance guide for NSW employers](#) has more detailed information about insurance for your business.

EXPERIENCE ADJUSTMENT PROTECTION/CAPPING

Premium caps are in place to protect you from significant experience-based premium increases.

For employers with a basic tariff premium:

- less than \$50,000, the total premium cannot exceed one and half times the basic tariff premium
- equal to or greater than \$50,000 and less than \$100,000, the total premium cannot exceed 1.75 times the basic tariff premium
- equal to or greater than \$100,000 and less than \$200,000, the total premium cannot exceed 1.85 times the basic tariff premium
- equal to or greater than \$200,000 and less than \$300,000, the total premium cannot exceed 2 times the basic tariff premium
- equal to or greater than \$300,000 and less than \$500,000, the total premium cannot exceed 2.5 times the basic tariff premium
- equal to or greater than \$500,000 the total premium cannot exceed 3 times the basic tariff premium.

CLAIMS COSTS INCLUDED IN THE EXPERIENCE PREMIUM

Claims costs include:

- all payments made by the insurance agent regarding the claims, including weekly benefits, medical expenses and service provider costs
- the estimated costs of all future payments arising from the claims, calculated in accordance with our claims estimation manual, as at the expiry or renewal date of the policy.

The cost of an individual claim is capped at \$150,000 per policy period and impacts the premium over three years commencing in the policy year when the injury occurred.

The initial experience premium is calculated using your wages and adjusted claims costs for the previous two years of insurance cover.

The hindsight experience premium is calculated using your wages and adjusted claims costs for the previous two years, together with the wages and adjusted claims cost for the current year of cover.

INCENTIVES AND DISCOUNTS

Avoid the claims excess

If one of your workers suffers a workplace injury, you can avoid paying a claims excess by notifying your insurance agent or insurer within five calendar days of you becoming aware of the injury.

Apprentice incentive discount

If you have an apprentice in a designated trade vocation you're entitled to a workers compensation premium reduction based on the wages paid to your apprentices, as long as you are in an approved State Training Services, Department of Education and Communities 'training contract' with the apprentice.

Discount for premiums paid in full

A three percent discount is available for premiums paid in full in advance. The minimum premium payable is \$175. The discount is only available for 12 month policies.