

News&Views

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Smarter Business Less Risk



EML or Gallagher Bassett - your choice

Gallagher Bassett will join Employers Mutual SA as an approved claims management provider for the South Australian WorkCover Scheme from 1 January 2013.

Employers Mutual Limited has been the sole claims management provider for WorkCover SA since 2006. The Government's decision to use a monopoly claims manager has been the subject of widespread criticism from both employers and injured workers. This criticism has primarily been focused on EML's performance¹.

WorkCover's unfunded liability has blown out to \$1.174 billion², and the latest actuarial results for the period ended 30 June 2012, which are likely to be revealed within the next month, are expected to show a further deterioration. South Australian employers continue to pay the second highest premiums in the nation next to the Seacare scheme, and the scheme suffers from the worst return-to-work figures in the nation. Allowing registered employers to choose their claims agent may result in increased competition which may improve the status quo.

What this means for your business

With the advent of a second claims agent, it is expected that many registered employers who are dissatisfied with the service provided by EML will make the switch to Gallagher Bassett. In turn, registered employers will demand better service, more efficient and effective claims management and a range of value-added services. The extent to which these can be delivered may be constrained by the contract between the agents and WorkCover SA, the terms of which are confidential. However, the end of the monopoly on claims management held by Employers Mutual is intended to herald an improvement in claims agent performance and service standards from all perspectives.

It will strongly benefit all registered employers to be active in both their choice of claims agent and that agent's handling of compensation claims. The best results in workers compensation are gained when employers are actively involved in the management of their claims.



If you require advice about making the switch or the management of your workers' compensation claims please contact Jodie Bradbrook.

Endnotes:

1 South Australian WorkCover Ombudsman Annual Report 2010-2011

2<http://main.workcover.com/workcover/news-and-media/media-releases>

3<http://main.workcover.com/workcover/news-and-media/media-releases>

4<http://main.workcover.com/workcover/news-and-media/media-releases>

Provider snapshot

Employers Mutual SA

Specifically established to act as a claims agent in South Australia, Employers Mutual SA Pty Ltd is a wholly-owned subsidiary of Employers Mutual Limited and part of the Employers Mutual group that has operated as a mutual in Australia since 1910.

Employers Mutual Limited has been the sole claims agent for the South Australian WorkCover Scheme since 2006³.

Gallagher Bassett Services Pty Ltd

Incorporated in Queensland, Gallagher Bassett has provided claims administration and related services across Australia and New Zealand for more than twenty years. It is a wholly-owned subsidiary of Arthur J. Gallagher & Co which employs almost 13,000 people worldwide.

Gallagher Bassett is currently contracted as a claims agent for workers compensation schemes in Victoria and New South Wales.

In South Australia, Gallagher Bassett was appointed to the State Procurement Board panel contract for the provision of audit and related services in 2006 and has been providing self-insurance services to South Australia Police and other self insurers since 2005⁴.

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