



RETROSPECTIVE AMENDMENTS TO COSTS OF CLAIMS

This operational instruction outlines procedures for retrospective amendments to costs of Claims. It does not include procedures for retrospective adjustments under clause 150A of the Workers Compensation Regulation 2003. The NSW WorkCover Scheme is designed to operate on a user-pays principle, with some Employers having their Premium adjusted according to an Employer's Claims experience.

When an Employer does not agree with the Scheme Agent's calculation of the costs of individual Claims, as at the commencement or expiry date of the Policy period (as required by clause 135 of the Workers Compensation Regulation 2003), the Employer can lodge an application under section 170 of the 1987 Act for the costs of Claims to be determined by WorkCover. Such applications must be lodged within one month of the issue date of the Premium Demand, unless special circumstances apply.

Generally, a Scheme Agent (other than for keying/coding errors) must not alter the costs of a Claim after Premium Calculation forms have been issued. Where such keying/coding errors are identified and a correction entered, the relevant Claim and underwriting files must be noted accordingly.

Alternatively, application can be made to the Nominal Insurer when a Scheme Agent:

- (a) was aware of information affecting the cost estimate prior to the Policy expiry date, but did not adjust the estimate accordingly
- (b) was unaware of information affecting the cost estimate prior to the Policy expiry date.

These applications should be submitted on the request for retrospective adjustment form attached to this operational instruction.

Nominal Insurer approval must be obtained prior to an amendment being processed..

References

Workers Compensation Act 1987, section 155

Workers Compensation Regulation 2003, clauses 128, 132, 135, 137, 138, 139, 140, 150A

Insurance Premiums Order

Deed, Schedule 1, clause 5.5.1; Schedule 2, clause 2.1.2

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REQUEST FOR RETROSPECTIVE ADJUSTMENT

Employer's name

Renewal date

Policy number

Worker's name

Claim number

Date of injury

As at renewal date, the following estimate was applied to the above claim

Wages

Award rate \$ _____ pw x wks _____ = _____

Stat rate \$ _____ pw x wks _____ = _____

Partial S40 \$ _____ pw x wks _____ = _____

Section 66 (details as appropriate) = _____

Section 67 = _____

Medical = _____

Hospital = _____

Rehabilitation = _____

Legal costs

Worker = _____

Scheme Agent = _____

Investigation = _____

Other = _____

Less recovery = _____

Total outstanding estimate = _____

Paid amount as at renewal = _____

Net incurred cost = _____

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The above estimate was applied based on the following information that was available as at renewal date:

See sample information, below.

We propose the following revised estimate be placed on the file as at renewal

Wages

Award rate	\$_____ pw x wks_____	= _____
Stat rate	\$_____ pw x wks_____	= _____
Partial S40	\$_____ pw x wks_____	= _____
Section 66	(details as appropriate)	= _____
Section 67		= _____
Medical		= _____
Hospital		= _____
Rehabilitation		= _____
Legal costs		
Worker		= _____
Scheme Agent		= _____
Investigation		= _____
Other		= _____
Less recovery		= _____
Total outstanding estimate		= _____
Paid amount as at renewal		= _____
Net incurred cost		= _____

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The revised estimate is based on the following information:

See sample information, below

Copies of relevant supporting documentation must be attached, including Medical Certificates, medical reports, rehabilitation reports and legal advices upon which you rely for the change.

Completed by: (Claims officer/Case Manager): _____

Phone:

Fax:

Approved by authorised WorkCover contact: _____

Phone:

Fax:

Sample information

The above estimate was applied based on the following information that was available as at renewal date:

In January 2002, Mr Smith sustained a severe back injury that required surgery. Initially, he was unfit for work from 18 January 2002 until 10 May 2002, but was fit for suitable duties from 11 May 2002. His employer, however, was unable to provide suitable duties. In accordance with the *WorkCover Claims Estimation Manual*, a wage estimate of 130 weeks of incapacity (section 38) was placed on the claim. In addition, an allowance for medical, hospital and rehabilitation expenses was included. The estimate was calculated according to information held on file as at 6 June 2002, when the 26-week review was carried out.

The revised estimate is based on the following information:

A medical certificate clearing Mr Smith for pre-injury duties from 1 June 2002 was received on 21 June 2002. The wage component of the estimate should not have been included, as Mr Smith had performed his pre-injury duties for greater than the required four weeks, as at 30 June 2002.

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