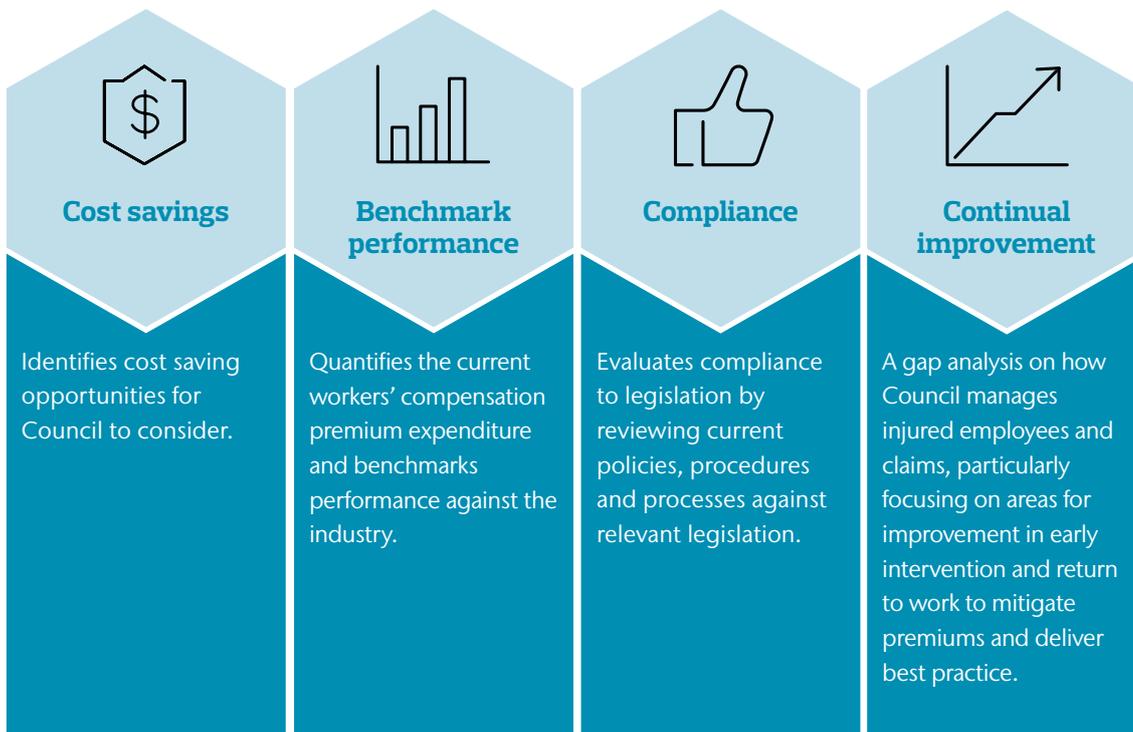


Australian Local Government

Workers' Compensation Management Review

Through our work with councils and clients as a workers' compensation broker and risk advisor, we have identified an opportunity for councils to achieve cost savings and enhance the benefits of their Workers' Compensation program with the outcomes of an independent management review exercise:



“ We commissioned Aon to provide a review of the effectiveness of our worker's compensation and return to work processes. It was invaluable to have an independent perspective, and while we were thrilled to learn that our overall performance was strong, the team was also able to identify a number of opportunities for us to build on our current processes in order to reach leading practice. We now have a clear action plan, and as CEO, I have the confidence that we are doing everything possible to effectively manage this important area of risk and liability exposure.”

Rebecca McKenzie, Chief Executive Officer, Glen Eira City Council

Our Approach

Aon has a defined methodology which it will apply to your current program. Our approach is to conduct an independent Management Review to unlock the full potential of your existing arrangements. The three part methodology includes both quantitative and qualitative assessments:

1. Benchmarking performance (Quantitative)

Access to Claims and Premium Data

We will engage with your insurer/claims agent/scheme provider to collect all relevant workers' compensation information to undertake the assessment. We simply require a signed letter of authority from Council to release information and we will take care of the rest.

Assessment undertaken

Aon completes the assessment and prepares a high level analysis including:

- Financial performance – premiums and trends for the last 5 years
- Competitiveness of pricing (privately underwritten states, i.e. WA, ACT, NT, TAS)
- Claims experience, current performance and future liabilities
- Policy structure and compliance commentary
- Industry classification review
- Establishment of three to five key metrics to provide insight into performance drivers for executive and management reporting, and to inform decision making.

2. Management Review (Qualitative)

The review will focus on the below key areas:

- Understanding the protocols and work flows from sites to head office and the Insurer/WorkCover Agent/Scheme – specifically the linkage between initial notification of an injury/claim, injury/ claim triage, claim lodgment, injury/ rehabilitation management, compensation payment to workers, reimbursement and reconciliation of wages and medical expenses and provider interface

- Organisational structures and role clarification (Finance, Payroll, Accounts, Safety and Legal)
- Policy and procedural documentation review
- Usage and basic IT system interfaces.

The above will be conducted through structured interviews, desktop review and comparison against actual practices (policies and procedures), and benchmarking / comparison against external industry optimal practices.

3. Consultation, Report and Presentation

The Aon People Risk team will arrange a consultation with you to share valuable insights as to what is driving performance in your organisation as observed in the assessment and discuss strategies to improve performance going forward.

Key deliverables expected from our engagement:

- Identification of short, medium and longer term cost saving opportunities
- Quantification of current expenditure and future forecast
- Financial dashboard of the past five years' history plotted against a number of key metrics
- Critical insights of key performance drivers
- Critical insights of current legislative compliance (both policy structures and practices)
- Informed position in relation to resource adequacy, organisational structures and overall competencies in place.

The above findings will be conveyed in a succinct report and associated presentation. The report and presentation is designed to be delivered to executive level and form the basis of any roadmap or future strategy.

Contact

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