

CGU SUBMISSION TO THE FIRST REVIEW OF THE WORKERS COMPENSATION SCHEME IN NSW

Background

CGU Workers compensation would like to thank the Legislative Council Standing Committee on Law and Justice for the opportunity to address key issues raised at the recent public hearings during the first review of the Workers Compensation scheme in New South Wales.

CGU is a leading commercial, rural and personal lines insurer and provides workers compensation insurance to more than 100,000 Australian businesses. CGU is part of IAG, which employs over 15,000 people throughout Australia, New Zealand and Asia. CGU aims to provide tailored, flexible and responsive injury and claims management services.

CGU recognises the critical role workers compensation plays in ensuring economic strength and international competitiveness through a workforce that is productive and operating at the highest level of participation.

CGU is one of five scheme agents in the New South Wales workers compensation scheme charged with administering workers compensation insurance policies and managing claims on behalf of icare. In that capacity, CGU responds to the following issues identified by the Committee;

- Covert surveillance;
- Consistency in case management and case management turnover;
- Qualifications and training of case managers;
- Triaging of claims for professional assessment;
- The length and complexity of work capacity decisions, including accessibility; for non-English speaking workers.

Keeping Customers at the Centre of our business

At IAG, our objective is to improve our customers' experiences, and everything we do is designed with them in mind. This year, we found new ways to bring customers into our conversations, and include them in how we are shaping our business.

In June 2016, we established the IAG Consumer Advisory Board to bring together a number of Australia's leading consumer representatives and IAG management to discuss key

customer issues in the insurance industry, with the goal of improving customer service and consumer protection.

Covert Surveillance

As a scheme agent, CGU has an obligation to the scheme, injured workers, employers and the community to pay valid claims in a timely and effective manner.

In assessing insurance claims, CGU does undertake surveillance to investigate matters where there is an indication of potential fraud or exaggerated claims. The ability to conduct legitimate surveillance is an essential part of the process to deter and uncover fraudulent behaviour within the scheme.

CGU only undertakes surveillance in a small number of claims. As evidence of this, in the period July 2015 to June 2016, surveillance only occurred in 2% of workers compensation claims managed by CGU in NSW.

While we stress that this is very much a procedure of last resort, we recognise the evidence of witnesses during this review concerning psychological injuries. In response to the evidence given, CGU updated its procedures in November 2016 to be even more stringent on using surveillance where the predominant injury suffered by the worker is psychological. From November 2016, referrals of this kind require authorization by a Claims Branch manager at a minimum.

In July 2016 CGU commenced a review of its surveillance and investigation procedures. As a consequence of this review a more robust framework for referrals to investigation providers was introduced. It is important to note that there are specific guidelines relating to surveillance and investigation providers that ensure the protection of third parties, including minors. At all times CGU is committed to following these guidelines to supplement any guidance provided by icare.

In recognition of community concerns around privacy, CGU is supportive of appropriate regulation to ensure the responsible use of surveillance by insurers and licensed operatives.

Consistency in case management and case manager turnover

IAG which includes CGU, supports the scheme prioritising return to health and activity for injured workers.

As a scheme agent, CGU is committed to delivering best practice claims management and our strategy starts with 'getting the basics right' in order to deliver excellent customer service to key stakeholders including; injured workers, employers, the scheme and broader community. Our claims management practices strive to achieve; clarity, consistency, capability, collaboration, communication and service.

An ongoing challenge for all customer service industries, including personal injury insurers, is maintaining consistency in case management through staff changes, to ensure an injured person's return to health is not hindered. CGU is not immune to this issue.

CGU undertakes a range of initiatives to build the capability and competence of staff to deliver consistency in case management. Capability measures include a comprehensive induction program for new case managers and the development of skills matrices for key roles. In situations where the CGU staff member responsible for an injured worker changes, the worker is notified as soon as possible and is kept informed throughout the transfer process.

There is a focus on continuous improvement for all staff across the business through forums such as; internal reviews, monthly meetings, seminars and case management planning sessions. This investment in our people has resulted in an improved staff retention rate in the last year for all CGU workers compensation staff in New South Wales.

CGU is committed to a continuous improvement of its customer service and is always ready to listen, help and advise its customers by receiving feedback and implementing changes required to its claims management processes. We are acutely aware of the important role culture plays in how a business operates and performs. Mindful of community discussions, IAG established an Ethics Committee and reviewed our Code of Ethics and Conduct to confirm they remain relevant and appropriate.

Qualifications and training of case managers

CGU through its human resources, culture and learning and development strategies aims to attract, retain and develop a highly engaged and capable workforce.

Across our business, the training scheduling for operational claims staff has three tiers with set objectives to ensure that training adds value to our people, the scheme and translates in better outcomes for our customers. The tiers of operational training are; mandatory compliance training, technical and service training and ongoing professional development training. Encompassed within these tiers are the completion of icare training modules, supplemented by internal and external courses to develop our staff's competency of the scheme and regulatory requirements.

Consistent with the evidence given by icare and the Insurance Council of Australia, there is no single course which an individual can attain to qualify them to work as a case manager in the NSW workers compensation scheme.

There are broader personal injury courses and certifications that can be completed. For the benefit of the committee we have listed a few of them below.

- Masters in Personal Injury Management through Griffith University;
- Certificates in Personal Injury Management through the Personal Injury Education of which IAG is a member;
- Diploma of personal injury and disability insurance management.

CGU financially support its workforce to complete such courses by funding the course costs and providing study leave.

IAG provides staff access to programs designed to improve the support we provide for customers with mental health issues. These programs help staff empathise with these customers. IAG has also increased the volume of mental health resources which staff are provided access to. Notwithstanding the absence of a designated qualification, CGU recruits capable staff with the required competency and capability. Staff are provided with coaching, mentoring and support with all facets of their role.

Triaging of claims for professional assessment

CGU recognises that no two claims are the same. For that reason, when a claim is made, several criteria are considered to ensure the claim is managed appropriately. These criteria include an assessment of the injury, claim and employer type. Thereafter claims are reviewed regularly to ensure appropriate management with the goal of returning the worker to optimum health. In order to assess the injured worker's capacity, there may be a need for a professional assessment by independent medical examiners.

The WorkCover Guidelines on Independent Medical Examinations and Reports¹ provides obligations for the referral, conduct and reporting of independent medical examinations (IME), and complaints management. CGU's operational claims procedure accords with this Guideline. Recent changes introduced by icare provide the injured worker with greater control over the process, giving the ability to elect which IME to attend from a choice of three.

CGU is participating in a working group established by Workers Insurance to review the IME process. This working group will continue to work towards the goal of co-designing and delivering a new IME service that is timely, simplified and consistent.²

The length and complexity of work capacity decisions, including accessibility for non-English speaking workers

CGU affirms the testimony given by injured workers and industry stakeholders that the work capacity decision which is based on administrative law principles is complex for injured workers to navigate.

In acknowledgement of this fact, case managers speak with injured workers regularly to hold discussions relating to work capacity. These discussions occur throughout the life of the claim to ensure that injured workers are aware of any decisions made regarding their claims.

¹ Government Gazette of the State of New South Wales, Number 30, Friday 23 March 2012.

² icare annual report 2015-16, p106.

Furthermore, any written decisions made, are accompanied with a phone call to ensure the worker understands the effect of all decisions being made, as well as how to contest a decision if they wish to do so.

We appreciate that non English speaking workers may without adequate support, struggle to review, understand and navigate their claim. CGU addresses this issue by providing interpreters as required, not limited to the work capacity decision process. An injured worker also has the opportunity to request a translator at any time during the life of their claim.

CGU as a scheme agent, acknowledges that we can always do better when dealing with the most vulnerable of those making claims. For this reason, we would welcome the opportunity to partner with icare to identify and implement ways that non-English speaking workers could be further supported to navigate the scheme, claim and decisions made. We acknowledge that in this regard, icare has recently introduced two online tools, Worker Assist and Employer Assist, which can be translated into eight different languages.

We believe that all injured workers should be treated with compassion and respect.

IAG appreciates the opportunity to comment on the evidence heard by the Committee.