

Ms. Stephanie Woodbridge
Senior Researcher
House of Representatives Standing Committee on Economics
Parliament House
Canberra ACT 2600

By email: economics.reps@aph.gov.au

16 September 2020

Dear Ms. Woodbridge,

**Re: Response to questions in writing requested
Review of the four major banks and other financial institutions – Insurance Sector**

I thank you for your letter of 25 August 2020 and your subsequent letter of 2 September 2020 on behalf of the House of Representatives Standing Committee on Economics.

Employers Mutual is the largest provider of workers compensation claims management services in Australia. We provide these services to statutory insurances authorities such as the ACT Government, WorkSafe Victoria, Return to Work SA and Insurance and Care NSW. Employers Mutual also provides services to some of Australia's largest employers, who are self-insured through either Federal or State based schemes.

In relation to these services EML or a subsidiary of EML does not operate as the insurer and manages claims on behalf of these authorities or private organisations. We note in relation to these claims services arrangements, we are subject to confidentiality obligations in relation to the dissemination of information obtained pursuant to those contracts. We also note these insurers hold and usually own the data and are the appropriate persons to provide to the Committee.

Employers Mutual Limited

In relation to insurance business carried on by Employers Mutual Limited, we provide the following specific disclosure.

As an insurer, despite retaining a current license to underwrite, Employers Mutual Limited only operates as a run-off insurer for the previous underwritten NSW workers compensation market. NSW saw a move to a managed fund environment on 1 July 1987, some 33 years ago. Given it has been over 33 years since Employers Mutual offered insurance, it receives very few new claims. The new claims that are made are predominantly related to dust disease matters (asbestosis, silicosis) or industrial deafness. These claims are submitted by legal representatives and can often already be litigated when Employers Mutual is joined to proceedings.

In addition to the requested information, Employers Mutual have also provided a redacted extract of new claims received over the last three completed financial years.



Matthew Vickers, EML's General Manager – Workers Insurance, is available to discuss this response in relation to this specific portfolio should further information be required.

If you have any other queries in relation to our submission, please contact the writer.

Yours sincerely,

Anthony Fleetwood
EML CEO

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

**REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
INSURANCE SECTOR**

Employers Mutual Limited

EML01QW:

- a) For rejected or denied insurance claims across all your products, what are the average and median times, from the initiation of a claim to the decision on it?
- b) For approved insurance claims across all your products, what are the average and median times, from the initiation of a claim to the decision on it?
- c) For each of the last three reporting years, please complete the table below for each of the following products (if provided): Workplace Insurance / Accident Insurance / Income protection insurance.

Answer:

- a)
 - i) Average: 19 days
 - ii) Median: 14 days
- b)
 - i) Average: 4.75 days
 - ii) Median: 3 days
- c) Table completed on the following page (page 3)
- d) Redacted list of new claims received over the last three completed financial years (page 4)

Table as requested at c)

STATE	No. of claims made	Number rejected	Number approved	Average duration from initiation of claim to decision	Median duration from initiation of claim to decision	Rejected claims - average duration from initiation of claim to decision	Rejected claims - median duration from initiation of claim to decision	Approved claims - average duration from initiation of claim to decision	Approved claims - median duration from initiation of claim to decision
NSW	8 *	3	4	10.85 days	5 days	19 days	14 days	4.75 days	3 days
TOTAL	8 *	3	4	10.85 days	5 days	19 days	14 days	4.75 days	3 days

* Note: At the time of writing one claim remains undetermined

Redacted list of claims reported over the last 3 completed financial years:

Name	Date of injury	Date claim received	Date Determined	Description of injury	Description of incident	Claim determination description
CLAIMS REPORTED IN FINANCIAL YEAR 2017 / 2018						
	29-May-1985	05-Oct-2017	05-Oct-2017	Asbestos related pleural disease	Exposure to asbestos dust	AMACA Contribution/Recovery / No direct worker contact
	31-Dec-1956	25-Jan-2018	25-Jan-2018	Asbestos related pleural disease	Exposure to asbestos dust	AMACA Contribution/Recovery / No direct worker contact
CLAIMS REPORTED IN FINANCIAL YEAR 2018 / 2019						
	31-Dec-1983	07-Sep-2018	18-Oct-2018	Mesothelioma	Exposure to asbestos dust	Claim made by way of Statement of Claim. EML was not on risk for the relevant period of employment. Legal representation was required to have proceedings discontinued against EML
	30-Jun-1971	15-Nov-2018	26-Nov-2018	Pleural disease	Exposure to asbestos dust	AMACA Contribution/Recovery / No direct worker contact
	30-Jun-1980	04-Jun-2019	04-Jun-2019	Asbestosis	Exposure to asbestos dust	Exposure to asbestos dust was caused by a third party not employer. Legal process continuing to determine liable party.
CLAIMS REPORTED IN FINANCIAL YEAR 2019 / 2020						
	31-Dec-1976	21-Aug-2019	03-Sep-2019	Mesothelioma	Exposure to asbestos dust	Claim made by way of Statement of Claim. Since legal proceedings commenced the worker passed away, proceeding yet to be amended to claim on behalf of the Estate.
	30-Jun-1987	26-Sep-2019	30-Sep-2019	Lung cancer & asbestosis	Exposure to asbestos & silica	Proceedings commenced for multiple conditions (lung cancer & mesothelioma) against multiple employers for pre and post 1987, apportionment of liability yet to be determined. EML have accepted it has liability on behalf of this employer.
	01-Nov-1983	14-May-2020	Not Yet Determined	Industrial deafness	Exposure to noisy environment	EML have confirmed it has a policy of insurance for the employer. EML is awaiting a response from the workers legal representatives in terms of the workers employment history to determine liability.

As at 2 September 2020