

NIBA welcomes icare repair

The National Insurance Brokers Association (NIBA) welcomes the NSW Government's efforts to improve workers' compensation governance through the appointment of an employer and employee nominee to the icare Board as a step in the right direction.

"This is a positive first step to what needs to be extensive reforms in NSW workers' compensation" said NIBA CEO Philip Kewin.

However, NIBA believes more needs to be done to ensure the ongoing affordability and sustainability of the NSW workers' compensation scheme. Spiralling claims costs have resulted in a dramatic increase to the cost of workers' compensation insurance for many NSW employers.

Whilst the recent premium increases issued by icare are quoted to average 8%, the reality is that 41% of employers may face significantly higher increases. This will place additional pressure on small businesses, many of whom are already struggling to meet the increasing costs of running a business.

Mr Kewin says, "the recent premium increases will affect some employers dramatically. The review of the Workers Compensation Industry Classification and the removal of the Employer Safety Incentive, in favour of a new Employer Safety Reward, would mean that the real increase for some employers could be upwards of 30%, and that is before taking into consideration higher wage costs. The way employers are being assessed for the Employer Safety Reward will make it impossible for many to meet the hurdles necessary to qualify for the discounts they previously held. This will place significant pressure on businesses to meet their ongoing running costs," he said.

The premium increases are said to be attributed to a high inflationary environment driving up claim costs, market volatility and increasing psychological claims, however, NIBA believes some claims management practices and administration inefficiencies, are contributing to increasing claims costs.

NIBA acknowledges the government's announcement that the improvement and reform journey regarding workers' compensation is ongoing, and as the professional association for insurance brokers, NIBA looks forward to the opportunity to have necessary conversations about wider reform, as the urgency around the sustainability of the workers' compensation scheme in NSW cannot be overstated.

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The National Insurance Brokers Association is the peak representative body for the intermediated insurance industry in Australia.

NIBA represents approximately 450 member firms and 15,000 individual brokers including large, multinational insurance brokers, Australian broker networks, and small to medium-sized businesses located in cities, and regional areas right around Australia.

NIBA member firms all hold an Australian financial services licence, issued by the Australian Securities and Investments Commission under the Corporations Act, which enables them to deal in or advise on risk insurance products.

At an international level, NIBA is a member of the Council of Asia Pacific Insurance Brokers Associations (CAPIBA) and the World Federation of Insurance Intermediaries (WFII).

NIBA is committed to supporting its members by representing the interests of brokers and their members to government and regulators and promoting high levels of professionalism.