

A close-up photograph of a person's hand resting on the black rim of a wheelchair wheel. The person is wearing a blue shirt. The background is a plain, light color.

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Volume 3, 2011

NDIS - Tackling the issues

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NDIS-Tackling the issues

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Adequately meeting the needs of the catastrophically injured is a challenge.



The Productivity Commission's report, released in July, found the current disability support arrangements to be 'underfunded, unfair, fragmented and inefficient.' The report proposes significant reform and puts forward 86 recommendations.¹

The task of proposing a National Disability Insurance Scheme that will provide a reasonable level of support and care for all Australians and be financially sustainable is no easy feat. The current allocation of resources to meet the

needs of the catastrophically injured is a 'lottery' at best. Access to these resources can depend on where you live geographically and whether compensation is payable for the injury.² The difference in available treatment, care and support for compensable and non-compensable catastrophic injuries can be substantial.

I recently spoke at the 2nd Annual National Disability Summit, where we were the only insurer, and shared our views on the introduction of a National Disability Insurance Scheme (NDIS).

The proposed NDIS has far-reaching implications for all insurance industry participants, but particularly for us as Australia's largest personal injury insurer. Every day of the week, around 1,000 people at Suncorp are managing the claims of people who have been injured. When you consider the size

of our organisation, and the experience in our collective brands, this issue is not trivial for us.

When visiting our customers in rehabilitation, the contrast is stark. Our customers are provided with all reasonable treatment, care and support. Next to them is often someone with a non compensable injury, relying on the current system. Often these people are not getting nearly the same level of care as our customers. This is particularly the case for long-term, ongoing care, and if nothing is done they will continue to struggle with whatever they and their family can provide.

The difference in health outcomes can also be substantial. An example is when you see young people with severe disabilities getting 24 hour attendant care in an aged care facility. It's our exposure to this reality that

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An insurance company like Suncorp has an important role to play in addressing this inequality as we have the skills and expertise necessary to help make the NDIS work in a sustainable manner.

led us to support an organisation such as Youngcare, who do a great job in ensuring young people can live young lives. This unfortunate inequity does not represent sound public policy.

An insurance company like Suncorp has an important role to play in addressing this inequality as we have the skills and expertise necessary to help make the NDIS work in a sustainable manner. We've been managing personal injury claims since early last century, but we can never stop learning how

it can be done better. There are a number of opportunities, but four key areas are of material importance to the development and maintenance of an effective scheme.

1. Reserving

Estimating costs and allocating reserves is a highly specialised activity and insurance companies are skilled in this. Similarly, these actuarial skills and application of commercial discipline are essential to ensure the NDIS is fully funded and viable for the foreseeable future.

2. Claims management

We have learnt a lot over our many years in business and are now far more conscious of the benefits of early intervention, appropriate treatment and rehabilitation. We also know that matching employment opportunities with functional ability and providing incentives to help employers change the way they hire personnel makes good sense. Understanding not just the physical but the emotional and psychological dynamics of people who have catastrophic injuries is also necessary to manage claims in a way that gives people the best chance of returning to a fulfilled life, which often includes rejoining the workforce.

3. Dispute resolution

Disputes impact financial viability, so a transparent, timely and cost effective process is required. Our experience has shown that an adversarial approach to resolving personal injury claims leads to poorer health outcomes, as additional stress is generated and funds are directed away from those in need. It is important that disputes within the NDIS are kept out of the court system and resolved efficiently.

4. Reporting and monitoring

Finally, reporting, monitoring and effective measurement are an absolute requirement to ensure value for money. We would like to see a common database across Australia, with a focus on accuracy, reliability, transparent reporting and the sharing of information and activities across the nation. Such measures will improve

the effectiveness of services and interventions and will also assist us to develop best practice models, promote innovation and detect emerging issues.

It is likely that many opportunities will present themselves for cost-effective synergies between the NDIS, the various accident compensation schemes and insurance companies. This will create a very exciting time of innovation and information sharing between the schemes.

Suncorp's view is that the NDIS is an important nation building initiative. This reform presents an opportunity to refresh the disability and accident compensation sectors.

Personal injuries – particularly catastrophic injuries – can devastate the lives of individuals and their families. This impact is far worse if financial and other support is not available to help people recover. It is vital we get this right for those who find themselves in this unfortunate situation. There is much the insurance industry can offer by way of experience and support to assist with the implementation of the NDIS and to ensure its success. The NDIS is too important an issue for the insurance industry and the whole Australian community to sit on the sidelines. //

¹ Australian Government: *Disability Care and Support: Productivity Commission Inquiry Report*, Volume 1, No 54, 31 July 2011

² Australian Government: *Disability Care and Support: Productivity Commission Final Report*, Volume 2, No 54, 31 July 2011

Profile:

Corporate and Global Liability

Vero's Liability proposition was strengthened further a year ago when David Leighton and Michael Gay joined the company in leadership roles. With the vast industry experience that exists within the team they believe Vero's liability proposition is stronger than ever.

What has their impact been, one year on?

David and Michael head up a formidable team of 17 underwriters based in Sydney, Melbourne and Brisbane. Vero can provide meaningful capacity on a wide variety of risks.

New additions to the team include Senior Underwriter Greg McGann who is based in

Melbourne and Underwriters Samantha MacDonald and Patrick Whittemore based in Sydney who further strengthen the proposition.

"The team has a depth and breadth of knowledge that enable us to handle the most complex risks backed up by one of Australia's largest general insurers" said David Leighton.

Vero provides both Corporate and Global insurance solutions. In Corporate they handle risks with turnovers above \$10M and in Global risks with turnover above \$500M or risks that have multinational policy issue requirements.

Vero can arrange the issue of policies in over 140 countries through its connections with the Royal and Sun Alliance network.

A solid track record coupled with international capabilities means Vero are well placed to help brokers meet their client's needs both in Australia and internationally. //



Michael Gay, Patrick Whittemore, Samantha McDonald, Simon Kenny, Seriwati Tan, Dena Murdoch, David Leighton

David and Michael head up a formidable team of 17 underwriters based in Sydney, Melbourne and Brisbane.

Zero-tolerance to fraud

Vero have a zero-tolerance policy towards fraud. Insurance claims fraud needs to be monitored continually to mitigate its impact on the insurer.

Fraud occurs on a number of levels, from the exaggeration of a legitimate loss to the fabrication of incidents that haven't occurred.

False information may be provided to reduce a premium when a policy is issued. The aim of misleading information can be to have a policy issued to a person or property which would otherwise be uninsurable.

"There's a lot of creativity in some of the spurious claims we receive," said Cameron Doring, Manager of our National Intelligence Unit. "It's amazing the lengths some people will go to."

In Commercial Insurance, a number of risk areas from burglary or theft and business interruption through to a material damage can be targeted to gain a benefit by deception.

Alleged losses through fire and arson, mechanical breakdown, burglary and accidental damage can be stated in fraudulent claims.

A recent example came from a fire. Claims were filed for damage to stock and contents as well as business interruption. A forensic fire investigator found that accelerants were used and the fire was deliberately set.



The business had been placed in receivership and had been losing money continually. Police were involved and discrepancies in the information provided by the claimant were identified, but they refused further interviews or to provide documents.

The claim has not been paid.

Vero's Fraud and Investigations team includes employees with law enforcement,

private investigation, data analytics and claims backgrounds. They provide a solid knowledge base for fraud investigations.

An Insurance Fraud Hotline (1300 882 615) provides the public with an avenue to report suspected instances of fraud.

Zero-tolerance is our policy... and it works. //

What's the state of play in Christchurch?

It's almost a year since the first major quake hit Christchurch. So what is the state of play today?

The city has been divided into four zones – Green, White Orange and Red. Green means fit for rebuilding, White means further assessments are required, Orange denotes uncertain prospects.

The Red Zone properties have extensive land damage

and building repair has been deemed uneconomical. A total of 5,100 properties are involved.

Residents in the Red Zone are presented with two options: the Government purchases the properties at current value (an enormous cost) or it makes an

offer on the land only, leaving homeowners to deal with their insurers on their homes.

The Vero specialist claims team has worked hard to ensure customers in the Red Zone receive their offers as soon as possible. All homeowners insured with Vero have had

their quotes on repairs and rebuilds finalised.

Around 100 projects are under construction and another 200 are in pre-construction phase, however with an 80% probability of further shakes, risks remain high. Aftershocks have declined and if this trend continues, the rebuild can begin

in earnest. Vero automatically covers works we manage and will insure the finished project subject to no change in risk levels.

A temporary accommodation service is also available to insured homeowners.

We are also reviewing our Business Interruption payments

which factor in information on business trends in Canterbury and the higher payments that may be available.

Vero continues to partner with Brokers as we work through the issues affecting their customers. //



Tackling workplace stress head-on

There are so many helpful and therapeutic stories written about workplace stress, and it's no wonder. As one of Australia's largest workplace injury insurers, we know just how enormous the costs associated with this industry epidemic can be.

Recently, we heard some unusually actionable advice on the topic of the S-word and thought you may like to share in it.

The venue was an Aon conference attended by a number of senior Vero executives and the speaker was Aon's Chief Commercial Officer, Jason Disborough. Here's a little of what Jason had to say on the topic.

He identified resilience as the key ingredient in staying fully engaged and went on to describe the four sources of energy that help us maintain full engagement. These include physical, emotional, mental and organisational energies.

"We must also balance energy use

with energy renewal, push beyond our normal limits (as in physical training) and adopt specific routines to help maintain high performance. These actions will help maintain the full engagement underpinning our resilience," says Jason.

He claimed, when applied in business, these tactics will lead to high client retention, outstanding sales results and the ability to adapt and cope with change more easily.

Jason also discussed what can be learnt from successes and failures, warning there is a human tendency to give too much credit to our strategy and our talents when we win and often fail to identify the real causes behind successes.

He says with a 'Growth mindset' (understanding that intelligence can be developed), individuals can reach higher levels of achievement.

"When you put physical resilience together with engagement and organisational resilience, your mission is complete!"

Jason then went on to present his thoughts at the recent Suncorp Commercial Insurance conference and was voted the most outstanding presentation. //



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Vero and YoungCare

In line with our support of the NDIS, the Suncorp group is a major sponsor of Youngcare – the charity that helps young people with disabilities find housing and/or support away from aged care facilities. Our recent donation of \$100,000 will assist the national charity to build Youngcare's first housing project in Sydney. //

Vero appointments

Patrick Campbell, Sales Leader, Broker Distribution, Queensland. Experienced in claims, underwriting and sales with CGU in Tasmania and QBE in Queensland.

Darren Klein, Business Development Manager, Queensland. Joins from Marsh (Finpro) and held positions with international and local Queensland brokers.

Craig McBride, Sales Leader, Broker Distribution, Western Australia. Experienced in broking and underwriting with Country Wide and Wesfarmers. //

SAICORP on board

Vero has won the South Australian Government and Ambulance Fleet (SAICORP) insurance account. Key discriminators were ease of administration (fleet size is over 2000 vehicles) and efficient claims service. //

Events calendar

S.M.A.R.T. events

Brisbane – 5 October

Perth – 13 October

IAA Conference

Port Douglas – 16 – 19 October

Ausure Conference

Newcastle – 14 – 15 October

Broker Training

Dandenong – 11 October

Shepparton – 12 October

Ballarat – 13 October

Melbourne – 14 October

Gold Coast – 24 October

Ballina – 25 October

Sunshine Coast – 26 October

Did you know?

Suncorp Group CEO, Patrick Snowball has announced he is extending his tenure with the Group through to 2015.

In NSW, GIO General Limited operates the NSW WorkCover Scheme. In WA, ACT, TAS and NT, Workers Compensation insurance is issued by GIO General Limited ABN: 22 002 861 583.

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