



HARD TALK

There are a number of issues relating to fair and sustainable workers compensation arrangements that need to be addressed by insurers, their premium holders and individual employees.

1. The health, fitness and wellbeing of the community is in decline. This is affecting workplaces.
2. People suffering from personally-generated metabolic, musculo-skeletal and mental health dysfunctions want someone else to pay for their treatment – and time off work. Due to current workers compensation insurance arrangements, corporate organisations have become sitting ducks.
3. Workers compensation was originally designed to either rehabilitate or compensate workers for work-related accidents and incidents. The system has morphed into a quasi-health insurance scheme, with claims being made (and accepted) for non-work-related, personally-generated, body system dysfunctions.
4. It's in the interests of employers to encourage their staff to keep themselves fit and healthy to the best of their ability. Plus there is an imperative to reduce the number of workers compensation and sick leave claims – in particular fending off claims from people who haven't had an accident or workplace incident. Organisations must know which staff have pre-existing conditions.
5. As a condition of eligibility for workers compensation insurance, organisations must know which staff are in poor physical condition, particularly those lacking strength and flexibility. Organisations need to set in motion a process of assisting staff to improve their metabolic, musculo-skeletal and mental health.
6. It's in the interests of employees to keep themselves in work-fit condition. Number 1 reason? they feel better, they have more energy and vitality. Number 2 reason? they are less likely to experience metabolic, musculo-skeletal and mental health distress.
7. A distinction needs to be made between what is a sickness (with guaranteed sick leave entitlements), what is a work-related injury (with workers compensation entitlements) and what is a personally generated body system dysfunction (for which there is no reason to be compensated by an employer).
8. The vast majority of corporate organisations don't continuously measure, manage or monitor the health, fitness and wellbeing of their staff. They don't have a good handle on pre-existing conditions – or do anything about them.
9. Workers compensation premiums are not rated against risk. Workers compensation insurers don't measure risk, (neither do they demand that their premium holders do so). They are, for all intents and purposes, **escrow agents**. Organisations need to manage the risk themselves.
10. Organisations have to measure, manage and monitor the risk themselves and provide evidence when it comes to supporting or not supporting claims. It's their money that's at stake, not that of the insurer.
11. Based on the principle that an insurance is not an insurance unless premiums are rated against risk, it's imperative the workers compensation insurance premiums are rated against both personal and organisational risk. As an aside, deleting the word 'compensation' from workers compensation insurance would reduce the expectation of an entitlement – like a \$500,000 payout for a crook back.
12. When it comes to psycho/social issues, there are two things organisations need to be aware of – those that are personally generated and those that are caused by poor management. It's in the interests of organisations have in place, from the bottom to the top, procedures for dealing with workplace-generated employee dissatisfaction – and ensure that staff have access to personal development training.

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