

Reclaiming workers' compensation costs

For most businesses, the new financial year brings with it a new workers' compensation insurance premium which, this year, will likely have increased by at least 10 per cent.

Although workers' compensation insurance is one of the most significant recurring costs a business incurs, few managers understand their capacity to reduce that cost, according to Aurenda business manager Michael Chester.

Mr Chester said that in his experience many businesses simply paid their premium when it fell due, believing it was a "necessary evil" over which they had no control.

"There is one avenue of control open to businesses to reduce that premium and if they exploit that avenue they will save money," he said. "Just as a bad claims history will increase a premium, a good claims history can reduce a premium."

Aurenda managing director Debbie Young said that by reducing the cost of their workers' compensation claims, businesses put themselves in a position of considerable strength to negotiate and receive a lower premium.

"We can show instances where under our guidance companies have reduced the cost of their claims and as a consequence have saved up to \$1.5 million in workers' compensation insurance over five years," she said.

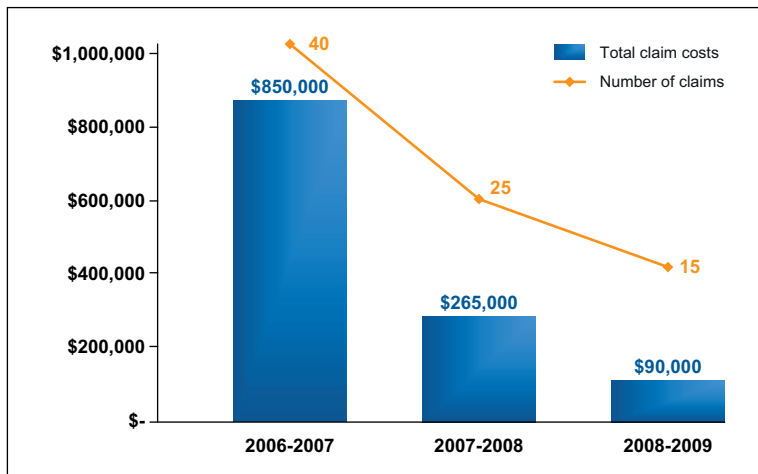
Ms Young said that unfortunately many businesses only sought help when they reached crisis point.

"We've had companies come to us with premium loadings of hundreds of per cent as a result of a poor claims history," she said.

Mr Chester said Aurenda offered businesses a range of packages to reduce their claims costs by better managing workers with injuries and by better understanding the world of workers' compensation.

"Employers can dramatically reduce the financial and human cost of workplace injuries by controlling the medical, rehabilitation, legal and wages costs associated with claims," he said.

"Integral to this process is a management commitment to providing a safe and supportive environment for injured workers when they return to work. Aurenda's experience is that businesses can typically expect a 40 to 60 per cent reduction in claims costs within 12 months. Clearly, achieving such significant reductions will have a major impact on claims history at the next insurance renewal."



In partnership with Aurenda, this business has reduced total claims costs by \$750,000 (90%) in two years.



Debbie Young
MANAGING DIRECTOR



Michael Chester
BUSINESS MANAGER

The Unifying Spirit...

To Native Americans, Orenda is the unifying spirit that connects mankind to each other, the earth and all things. This spirit places particular emphasis on the importance of good relationships.

The Aurenda team identifies the connection between people, organisations and risk. Aurenda assists our clients to reduce the human and financial cost of injury, and, in doing so, develops and enhances valued relationships.

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BECAUSE INJURY COSTS

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