

ACC Fact Sheet #1/5: EXPERIENCE RATING

WHAT IS IT?

It is like your car insurance - no claims you get a discount, claims - you get a loading. ACC looks at a three year cycle (Experience Rating period) which for the 17 / 18 financial year is 1 April 2013 to 30 September 2016. There are two schemes: 1) where you pay less than \$10,000 in work levies, and 2) you pay more than \$10,000 in work levies.

WHY IS EXPERIENCE RATING IMPORTANT?

Put simply, for the smaller scheme it only takes 1 day lost to ACC compensation to lose your 10% discount, which is why it is so important to manage your claims.

LET'S LOOK AT YOUR INDUSTRY SPECIFICALLY

We've done the number crunching - these are the statistics for year ending 31 Dec 2016 for CANZ, CU 42101:

- **The largest Loading was 22%**
- **The largest Discount was: 13%**
- **There are 114 employers in this code**
- **Total workplace claims: 192**
- **Claims lasting longer than a week: 32**

UPSIDE OF EXPERIENCE RATING

Proactively managing your claims will result in getting savings on your ACC levies. On top of that it will also help your bottom line as claims are very expensive with replacement labour, existing holiday pay, recruiting and training costs, etc.

DOWNSIDE OF EXPERIENCE RATING

The penalties are set over calendar days not days worked or scheduled to work. For instance if a worker is off for two weeks this will include both weekends so would be 14 days rather than say 10. Bringing the worker back on part-time hours is still considered full days off so will continue to impact your penalties. Unless properly managed, incorrect workplace claims will result in penalties.

WHAT TO DO: KNOW, PREPARE, MANAGE

There are several things you can do to help improve your Experience Rating.

- **Legitimate Claim:** first make sure the claim actually happened at work rather than at home, on the sport field, etc. Talk with ACC if you think there are doubts. Phone 0800 222 096. Email: workinjury.inquiry@acc.co.nz
- **Know who you employ:** get the ACC history when you recruit. This helps you to understand the claim history of your new employees as well as what, if any pre-existing conditions there are.
- **ACC Medical Authority:** when a claim happens it is difficult to manage it properly without having the legal permission from your employee to talk with the doctor, physios, ACC, etc. Obtaining the Medical Authority now before the accident will enable you to be prepared, and act promptly.
- **Manage the Claim:** being proactive with ACC, and asking how ACC can help beforehand rather than waiting until it is too late. Talking with your employees on a regular basis, keeping them informed and responsible.
- **Alternative Duties and Job Descriptions:** Having a clear job description for each worker will help their doctor understand the job, as well as a list of alternative duties that can be offered and what those duties may involve could speed up the worker's return to work

FREE RESOURCES: VISIT WWW.WORKRISK.CO.NZ

- Claims Toolkit: includes the ACC Pre-employment form & Medical Authority form
- ACC Benchmark: get your business benchmarked and find out how to save money
- ACC Savings Review



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