



Australian Government

Comcare

## REPORTING ON PERFORMANCE

This guide explains how you can use the Customer Information System (CIS) to report on performance by comparing previous injury years. This will assist an agency to identify a change in performance and serve as an alarm for potential upward pressure on premiums in the future.

### WHAT IS PERFORMANCE?

There are four key areas that identify how an agency is performing. These are:

- > number of claims accepted to date
- > progressive payments
- > length of time injured employees have off work (incapacity)
- > estimated lifetime costs of claims.

### USEFUL CIS REPORTS:

- > 1: Progressive costs report
- > 25: Claim cost estimates summary.

### IMPORTANT TERMINOLOGY

> **Injury year:**

An injury year is a calendar year (January–December). Only claims that are accepted and have a date of injury within the reported calendar year are applicable to the injury year. For example, any claim that is accepted and has a date of injury in 2013 forms part of the 2013 injury year.

> **Mature months:**

The number of months since the beginning of the calendar year being measured. For example, the 18th mature month of the 2011 calendar year is at the end of June 2012; likewise, the 18th mature month of the 2012 calendar year is at the end of June 2013. This ensures comparison of data that has had the same amount of time to accrue costs and incapacity.

## MEASURING THE NUMBER OF CLAIMS, COST OF CLAIMS, AND INCAPACITY

CIS Report 1: Progressive Costs Report is the best report in CIS to measure the number of claims in an injury year, and the costs and incapacity associated with accepted claims in each injury year in comparison to other injury years. By using the same maturity point we can compare how the agency is performing in these key areas.



# READING REPORT 1: PROGRESSIVE COSTS

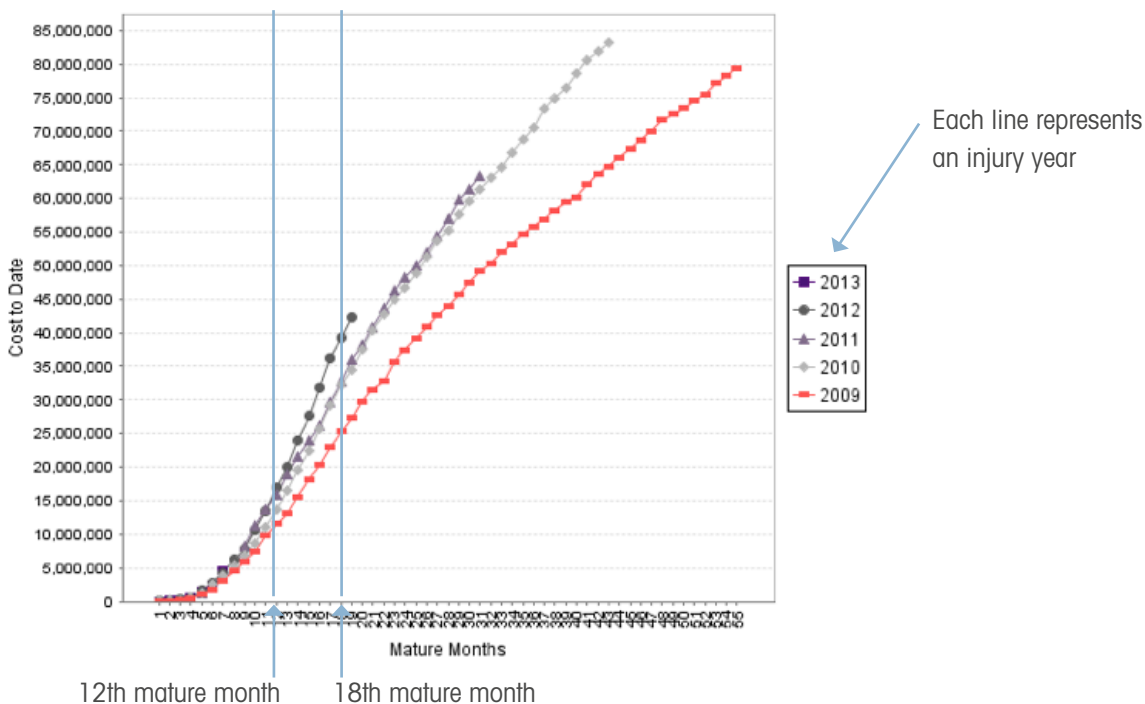
On first glance, CIS Report 1 may appear difficult to read, but the key terminologies 'injury year' and 'mature months' should assist.

## THE GRAPHS

### Claim costs progress

- > Each line on the graph represents an injury year.
- > The Mature Months axis represents the time that has passed since the injury began.
- > By going to, for example, the 12th mature month on the horizontal axis (x axis) and then tracing a line directly vertical from the 12th mature month point, you can get a snapshot of how the injury years track against each other. Most of the time, if an injury year is higher than other injury years, this means that these claims will continue to incur more costs and incapacity than previous years, and this would have an adverse effect on the premium.
- > The 'steepness' of the curve is important and indicates continuing costs over time or a plateau of costs.
- > Different injury years need to be compared at the same month of maturity.

### Example graph from Report 1



### What this graph tells us about performance

- > We can see that the 2009 injury year had the lowest costs at the 12th mature month point and that this trend continued on to the 18th mature month point and further.
- > We can see that the 2012 injury year had the highest costs at the 12th mature month point and continued at an accelerated pace to have the highest injury costs per year at the 18th mature month point.
- > Because the 2012 injury year is so much more expensive than previous years, premiums will need to rise to cover the costs of the claims incurred in the 2012 injury year.

Other graphs available in Report 1 allow you to conduct a similar comparison with:

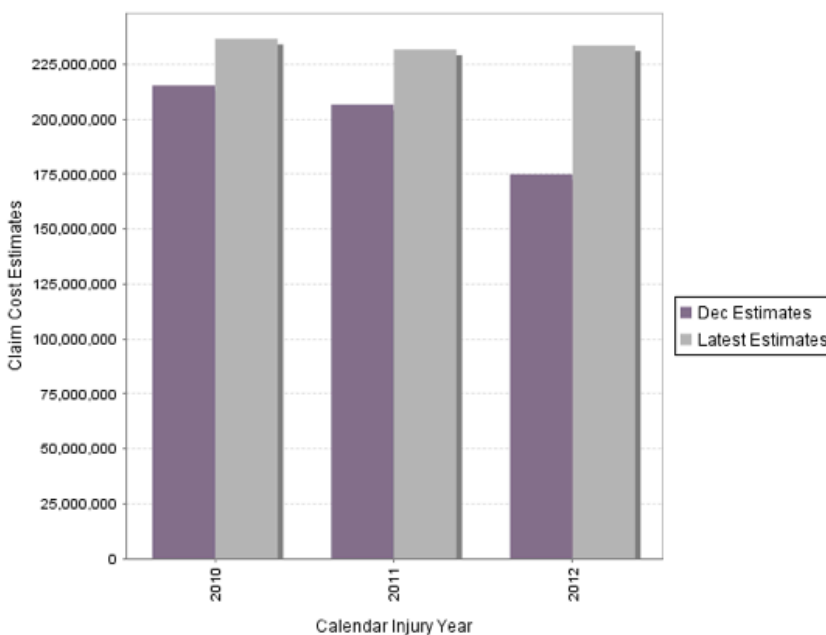
- > claims numbers progress
- > average incapacity weeks
- > total incapacity weeks progress.

## ESTIMATED LIFETIME COSTS OF CLAIMS

CIS Report 25: Claim Cost Summary is the best report in CIS to assess the movement of estimated claim costs for injury years before the latest injury year. When Comcare calculates each agency's premium for the coming year, we also revise each premium rate for the previous year. This revision will recognise the development to the end of December in the current year for injuries suffered in earlier injury years. Whether we revise an agency's premium rate up or down will depend on how that agency's claims have developed from the end of December in the previous year to the end of December in the current year relative to other agency's claims. This revised rate will form the starting point for calculating the upcoming year's premium rate. The revised rate will also determine whether the agency gets a bonus or a premium in the upcoming premium.

## READING REPORT 25: CLAIM COST SUMMARY

The darker bar on the graph indicates the estimated cost of claims for each injury year when we calculated the last premium. The lighter bar indicates estimated cost of claims for each injury year based on more recent development of the claims.



This report has drill-down functionality to allow agencies to better see which claims have had the greatest increase in estimates. Simply click on an individual injury year in the chart, and you will be able to view claims that have had an increase of over \$40, 000. If no claims are listed on the drill-down report, then no claims have had an increase of \$40 000 or more.