

GB|NZ Advantage — Keeping you Informed

July, 2010

GB selected to manage ACC claims



New Zealand's Accident Compensation Corporation (ACC) has selected Gallagher Bassett NZ as one of four third-party administrators to which it will outsource management of some of its long-term claims.

About 600 long-term claims, of a pool of almost 12,000, will be allocated to the companies to manage. The clients have been with ACC for more than a year, but exclude those classified as seriously injured.

Each company will receive 150 claims to manage.

The ACC provides comprehensive, no-fault personal injury cover for all New Zealand residents and visitors.

John Jury, GBNZ General Manager, said GB was selected after a closed tender process, during which it was able to demonstrate it met ACC criteria on case management processes, IT systems and the like.

"We're very pleased to be a participant in the scheme. While GB is not large in New Zealand, the company globally has a wealth of experience on which we obviously draw to service to New Zealand clients.

"This is a wonderful opportunity for GB to demonstrate its skills," he said.

GBNZ already has experience managing ACC claims, on behalf of various organisations in the Accredited Employer Programme; known as the ACC Partnership Programme. The program allows large organisations to fund and manage their own ACC claims. It covers about 15% of the New Zealand workforce.

GB NZ recently employed two additional team members.

Each has about 15 years' experience in case management and tertiary-level qualifications. John said

GB also planned to further develop its case management business and was working with several potential Partnership Programme participants.

Denise Cosgrove, ACC General Manager, Claims Management, said the TPA agreements would give ACC "access to more resources to manage claims and let us benchmark ACC's performance against other organisations and see if more effective rehabilitation outcomes can be achieved.

"Like ACC, these firms have the goal of returning clients to their pre-injury lives as far as practicable, as soon as possible. The fact is, the longer people stay on ACC the harder it gets for them to get back to their normal lives, including work."

The change in government in 2008 brought New Zealand's Accident Compensation scheme under review. A Stocktake Committee is currently reviewing the scheme and has forwarded an interim report to the NZ Government. A full report is expected in June-July.

"It is possible the scheme could be totally unwound or more competition introduced. Any change could present opportunities for GB."

Ms Cosgrove said the ACC had been concerned about the growth in long-term claims for some time. "We have been considering partnering with external claims managers for more than a year now, as it is one way to help more people, as quickly as possible," she said.



GallagherBassett

We manage claims... better

GB expands into Wellington



Left to right: Terrance Coe, GBNZ National Manager Business Development; Margot Janowska, Receptionist; Peter Walker, General Manager Business Development; John Jury, General Manager New Zealand.

In December 2009 Terrance Coe, moved back to Wellington taking up the position of GB NZ's National Manager Business Development. Terrance was previously a Business Development Manager for 4 years in our Melbourne office.

Gallagher Bassett sees the New Zealand market having significant potential for growth, and Terrance's appointment is the next step in our rolling three year business plan for GBNZ. In addition to generating new business, a part of the role was the opening of the new branch in Wellington to support clients in the Southern part of the North Island.

Prior to joining Gallagher Bassett in 2006, Terrance worked at New Zealand's Accident Compensation Corporation (ACC) for 14 years. His roles included Corporate Account Manager, and National Premium Services Manager, where he was responsible for the run-out of NZ's experience rating system, and responsible for managing all queries relating to the provision of information to every NZ employer and self employed person when privatisation was introduced to the NZ market.

With recently announced increases to levy rates in NZ, there is renewed interest in the Accredited Employers Programme (AEP) which is commonly referred to as the "Partnership Program". This arrangement enables employers to take a degree of 'self insurance' for a period of time whilst having the fundamental backing of the Government Scheme.

Through this programme, the employer self manages their 'work account' component of the broader ACC scheme. This gives them much more control and enables them to reap

financial benefits by integrating their injury prevention initiatives with their injury management processes.

GB believe that it is an ideal time to offer the NZ market our knowledge gained from over 40 years of global claims management and injury prevention experience.

As one of the world's largest and most successful Third Party Claims Managers there is an opportunity to show NZ employers and industry what we can do to reduce their costs.

Terrance's prior ACC experience and expertise gained from working with large organisations across NZ and Australia jurisdictions offers a lot of value to current and potential NZ clients and made him the obvious choice to lead the GB development in Wellington.

Terrance is currently undertaking his Masters in Management (Personal Injury) at Deakin University, and is enjoying being back in New Zealand's cooler climate, with his wife Donna and two young daughters.

GB processes are all about early and effective rehab, and providing solutions to prevent injuries from occurring. If you would like to discuss what Gallagher Bassett can do to reduce your workplace premium and injury costs in New Zealand, please contact Terrance on 04 9055 977.

New ACC Amendment Act passed by Parliament

On the 23 February this year, the Injury Prevention, Rehabilitation, and Compensation Amendment Bill 2009 (now known as the Accident Compensation Amendment Act 2010) was passed by Parliament. The Bill received Royal Assent on 2 March 2010 from the Governor-General, and is now law.

The ACC Minister, Hon Dr Nick Smith, announced that the primary purpose of the Accident Compensation Amendment Act 2010 (the Amendment Act) is to improve flexibility in the Scheme, help contain rising costs to provide value for money services, and encourage closer working relationships between government agencies and ACC.

The following provisions will take effect immediately:

- Provisions relating to the funding of residual claims liabilities.
- The new name of the Act (Accident Compensation Act 2010).
- The provision enabling ACC to provide non-ACC related government services.

The rest of the Act will come into force from 1 July 2010.

Some changes in the new legislation are as follows:

- Reintroducing disentitlement for clients who self-injure or commit suicide
- Enabling incentives to reduce injuries for the Work and Motor Vehicle Accounts
- Authorises a separate levy for the purpose of funding programmes to improve the safety of moped and motor cycle riders
- Strengthening disentitlement for criminals injured while committing a crime for which they are imprisoned
- Setting a threshold for cover for hearing loss

More information about the key changes in the new legislation can be found on the following link:

http://www.acc.co.nz/news/PRD_CTRB136200

and a copy of the Amendment Act is found at:

<http://www.legislation.govt.nz/act/public/2010/0001/latest/DLM2417504.html>.

MERV automates GB risk registers

Gallagher Bassett has expanded its risk management capabilities with a new online program that automates GB's risk registers.

The Management Enterprise Risk Vehicle (MERV) was developed in-house and is an important milestone for GB's risk management programs.

GB's National Risk Manager Andrea Kanserski said MERV replaced GB's Excel-based spreadsheets, allowing easier access by GB's risk owners. MERV linked GB's strategic and operational risks back to the company's business plans, allowed contractual risks to be aligned to their client accounts and gave project managers the ability to assess project risks and manage them electronically to achieve project outcomes.

The project began six months ago when Andrea documented the system requirements. While off-the-shelf systems were available, she said GB needed a tailored program that allowed the company to integrate its risk registers with existing applications, such as business plans, audits and financial information.

There was extensive consultation with stakeholders before the system was developed and considerable testing before it went live. Further enhancements to MERV would support GB's IT security arrangements and compliance with ISO 27001.

Andrea said MERV automated previously manual functions, reducing time and giving stronger accountability and visibility. MERV gives the board and senior executives instant access to live data during meetings and at their desktops.

MERV includes a control repository, which standardises control language, application and evaluation criteria across GB's business functions, including finance, HR, claims operations, premiums and payments. Business unit managers have responsibility for adding, revising and approving new controls.

“We've gone from a clunky Excel format to a streamlined tool that's easy to follow and has a good history log, so we can follow the transitioning of risks and cost of risk mitigation,” Andrea said.

The automated system is linked to GB's product support function, giving the audit team direct access to risk assessments to support independent validation of risk controls and ratings.

“GB now can obtain clear, consistent risk reports against approved risk register information,” Andrea said.



GallagherBassett

GB team recognised for customer service excellence



Darryl Bensted, ENERGEX Insurance Manager; Marianne Baker, ENERGEX Insurance Claims Officer; Christine Cordes, ENERGEX Insurance Claims Officer; Karen Buckman, ENERGEX Insurance Claims Officer; Bill Dwyer, GB Liability Manager; Maria Men, GB Claims Administration Assistant and Maree Bennett, GB Claims Administration Assistant.

Two GB claims assistants have been recognised by Queensland electricity and energy supplier ENERGEX for exceptional customer service.

Maria Men and Maree Bennett were the key personnel who handled claims on ENERGEX's behalf when a supply fluctuation caused equipment failures for about 110 customers in the Gold Coast suburb of Labrador in April 2009.

Their award citation reads: "For the provision of consistent customer service and prompt responses to customers who claim against ENERGEX for damaged electrical installations and appliances following faults on the ENERGEX network." In particular, the pair handled the Labrador claims in "a professional but understanding manner [to] successfully resolve claimants' concerns".

ENERGEX Acting Insurance Manager Marianne Baker said GB had managed multiple claim situations and personal injury claims for the energy supplier for more than a decade.

She said the workload varied, but ENERGEX appreciated GB's ability to get people onsite quickly and "ramp up" its call centre to deal with an influx of claims. "They're ready and waiting when we give them a call," she said. "We've built a good rapport over the years; they know our business and our expectations."

Bill Dwyer, GB Team Leader – General Liability, said GB conducted letter-box drops in affected areas to alert customers to GB's role in handling claims. Claims were prioritised, for example, fridges full of food or people with special needs were managed before broken clock radios, he said.

GB liaises with customers and organises repairs or replacements for electrical appliances or equipment. Ms Baker said customers were very complimentary about the service they received from Maree and Maria, which prompted the supplier to present them with the award.

GB streamlines policies, procedures

Gallagher Bassett has embarked on an ambitious project to streamline corporate policies and operational procedures.

The project began about 18 months ago when the company developed terms of reference for a national corporate policy and procedures group, headed by National Risk Manager, Andrea Kanserski, and an operational procedures group, headed by Phil Bawden, National Product Support Manager.

The corporate group develops charters and policies; the organisational group procedures.

The corporate group, which meets monthly to assess progress and report to Managing Director Jon Winsbury, developed a framework and standard templates. The company has set December as the deadline by which it will have reviewed all policies and procedures. They will then be reviewed annually and redrafted at least every three years.

Andrea said the project aimed to avoid duplication and 'reinventing the wheel' for new clients. "We want all clients to get consistent product delivery, regardless of which state they're in," she said.

There are four stages through which each policy or procedure must be reviewed and signed off – legal, culture, quality and IT & security. Jon Winsbury is then responsible for the final sign off and authorisation of all policy documents.

"We're looking for unity and streamlined procedures, particularly across our two big engines, workers' compensation in NSW and Victoria," Phil said.

The project will ensure all documentation is legally compliant, culturally appropriate, ISO 27001 (information security management system standard) compliant, and meets GB's stringent quality standards.

GB is also standardising its risk control language, as all procedures are mapped and incorporate key risk controls which are then uploaded into GB's electronic risk register control repository, the Management Enterprise Risk Vehicle, known as MERV. That will make Phil's audit work easier when testing products and means greater reliability for clients.

GB is currently sourcing a document management system software product to automate management of its 1,000-plus documents.

Every document has a "sponsor", a senior executive responsible for overseeing it. For example, the CFO oversees finance policies.

GB has devoted one full time staff member to administer the policy and procedure review project.

Phil and Andrea said there was senior-executive level commitment to the project because everyone in the organisation could see the value it would add to GB's product and service delivery.

[Gallagher Bassett Services Pty Ltd](#)
Level 6, 44 Kyber Pass Rd, Grafton, Auckland
PO Box 8971, Symonds St, Auckland
P +64 9 966 1761 F +64 9 377 5612
W www.gallagherbassett.co.nz



GallagherBassett