

**There are some simple steps a business can take to save money on Western Australian Workers Compensation Insurance.**

# how to save money on



## workers compensation insurance

**In essence the Premium you pay is a function of Wages multiplied by a Rate.**

**To reduce your Premium, you must reduce your Rate and ensure you are not over declaring Wages.**

**Premium = Wages x Rate**

Here are 8 handy tips to reduce your Workers Compensation Premium:

### Wages

1. Make sure you are calculating wages correctly. Your wages figure should not include:
  - Compulsory superannuation payments.
  - Termination and/or redundancy pay in lieu of notice.
  - Weekly payments being reimbursed under workers compensation insurance.
  - Golden handshakes.
2. Executive and Non-Executive Directors of public companies are not covered by the Western Australian Workers Compensation and Injury Management Act, so do not include Director's salaries and/or payments in your wages figure.
3. It is not compulsory to insure Directors of private companies under Western Australian Workers Compensation legislation. There may be better value in obtaining Life and/or Salary Continuance Insurance. If you elect not to insure Directors, do not include Director's salaries and/or payments in your wages figure.

### Rate

4. Your particular industry/occupation will have an ANZIC Code. Each year Workcover WA publishes an advisory premium rate for each ANZIC Code. Check to make sure your ANZIC Code fits your business activities. There may be a different ANZIC Code applicable to your business that has a lower advisory premium rate.
5. Your rate is directly influenced by the frequency and severity of your workers compensation claims. Reduce your claims and you reduce your rate. There are several strategies to reduce claims, but it goes without saying that "prevention is better than the cure".

### Other Considerations

6. Check to see if your business is big enough to receive a Claims Experience Discount (CED). CED's reduce your premium over the long-term.
7. Do you pay your Workers Compensation premium in one hit? Depending on the size of your premium, your insurer may allow six monthly or quarterly instalments. If you fund your insurance premiums, six monthly or quarterly instalments will help reduce your interest rate.
8. Use an experienced insurance broker who is fully versed on WA Workers Compensation Insurance. Robinson Insurance Broking Services can assist you regardless of your size. We have extensive experience in this area, having service clients with payrolls in excess of \$50,000,000 and more than 100 active workers compensation claims annually.



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