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Institute.

# Whole person. Whole system.

IDSS 2023

12 – 14 November  
Hobart



# Worker-to-Worker Claims and the Changing Workforce

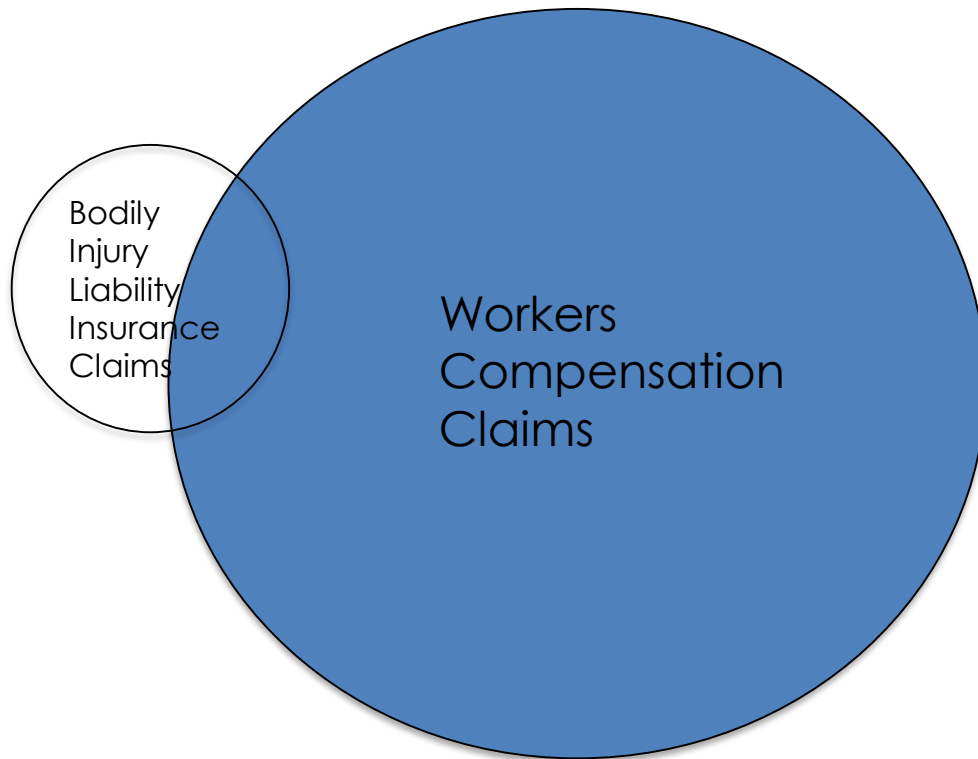
Estelle Pearson

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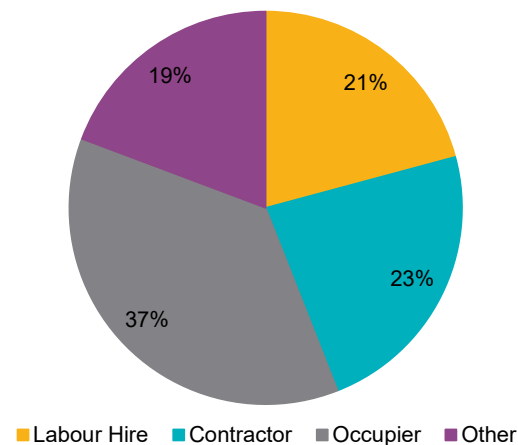
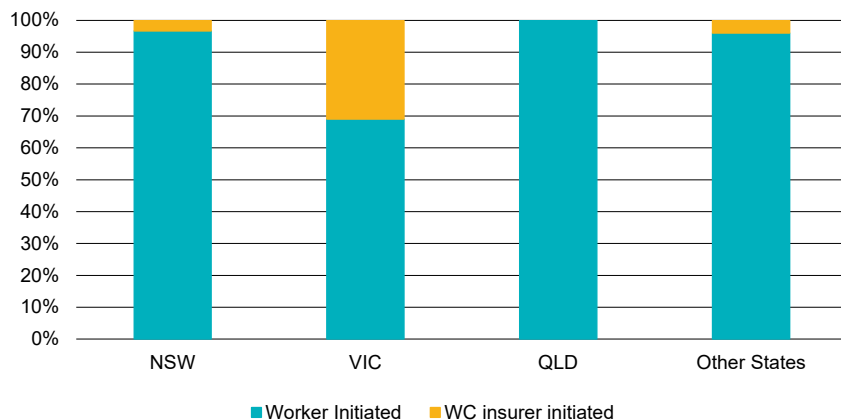
# What are WTW Claims?

- Where workers compensation and liability insurance claims intersect



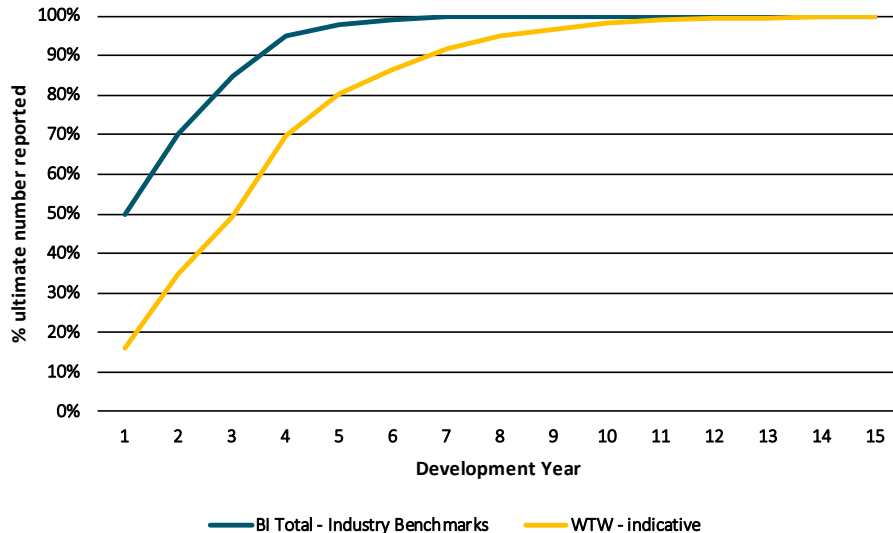
# Insights from WTW Court Database

Proportion of all WTW cases

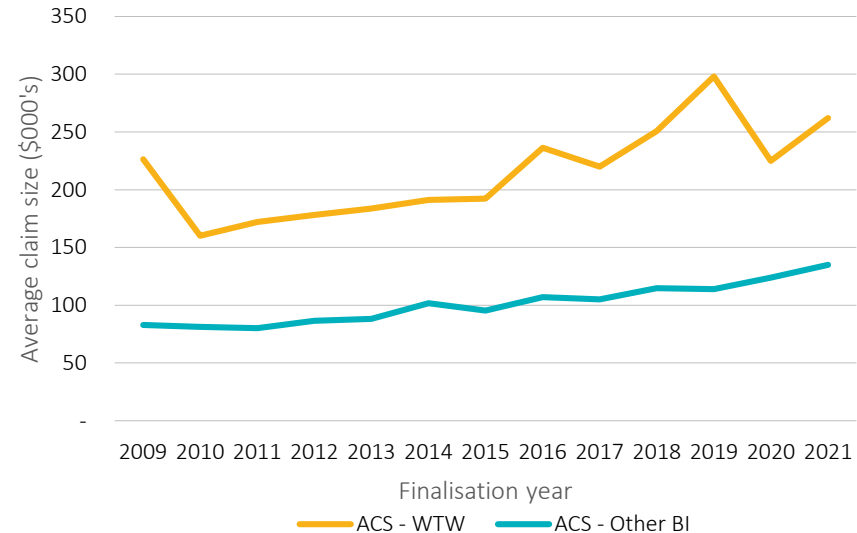


# WTW from Liability Insurer View

Claim reporting - WTW vs Other BI Liability claims



Average Size - WTW vs Other BI Liability claims

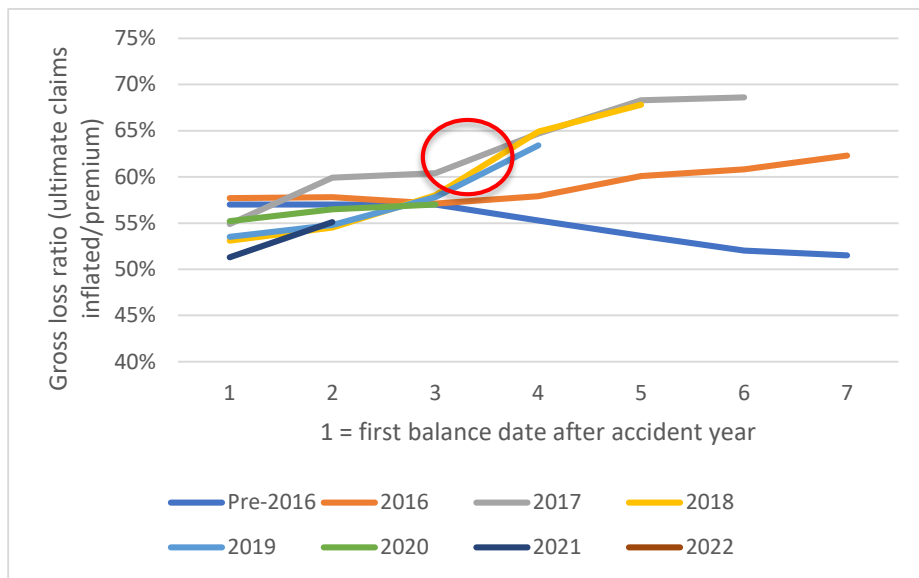


# Not a New Problem

- “Liability – Today’s Policies for Tomorrow’s Claims”
  - Backe-Hansen, 1988 General Insurance Seminar
- “Worker to Worker Claims in Liability Portfolios”
  - Laganier & Zhao, 2010 General Insurance Seminar

# Why are WTW a Problem Now?

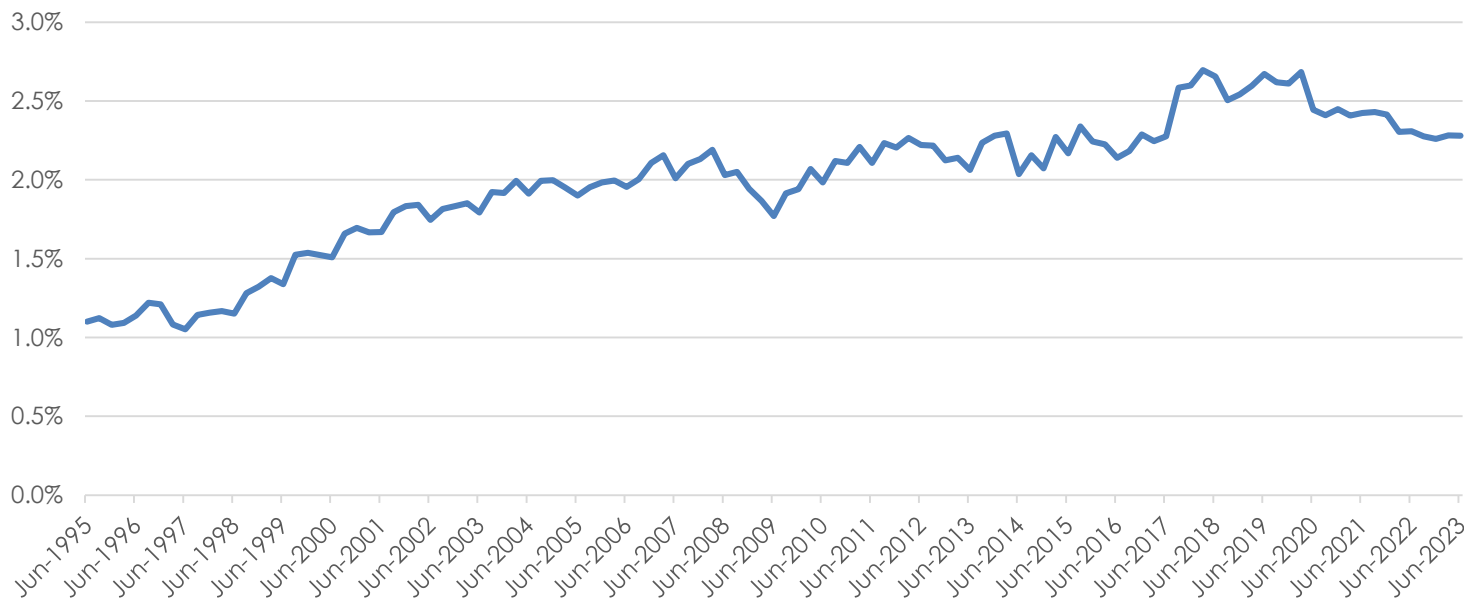
Liability insurer reserve deterioration



- More labour hire/contract workers?
- Legal environment?
- Severity of w/comp claims?
- More recovery action?

# Changes to the Workforce?

Labour supply services jobs/All employed people





# Impacts of WTW

## Injured Workers



Delay to claim  
resolution

Adversarial system

Impacts on recovery  
and return to health

Forum shopping

## Businesses



Higher liability insurance  
premiums

Uninsured WTW  
excesses

Low underwriter  
appetite for some  
sectors

## Schemes



Recoveries reduce  
workers compensation  
premiums

But total cost of w/c +  
liability insurance for  
businesses is higher  
because of frictional  
costs

# A Better Way?

- Schemes could evolve to reflect changes in workforce arrangements
- Key Principles
  - Promotion of safe workplaces and conditions
  - Fair and equitable compensation
  - Minimise frictional costs
  - Adequate and affordable insurance cover (w/c and liability) for businesses



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Thank you

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