

Gallagher Bassett expands to **New Zealand**



From left to right: Peter Searson – Chairman GB, John Jury – General Manager NZ, Jon Winsbury – Managing Director GB

Gallagher Bassett (GB) has expanded to New Zealand by acquiring the assets of Auckland-based Injury Prevention Management Services (IPMS).

IPMS Managing Director John Jury has joined GB's senior management team and is now GB's General Manager - New Zealand.

Peter Walker, GB General Manager - Business Development, said: "GB has a long history of working off-shore for New Zealand organisations, such as our seven-year relationship with NZ's Earthquake Commission. We have had several projects requiring us to operate from 'the land of the long white cloud', such as running the compensation program for Mercury Energy in 1998 when Auckland CBD was without power for several days. However, this is the first time we have had a permanent office and the acquisition gives us an

immediate physical presence in New Zealand."

John Jury said: "The opportunities for growth in New Zealand are enormous. However, IPMS alone did not have the capacity to capitalise on those prospects. By joining one of the largest third party administrators in the world, we can offer the New Zealand market the full range of claims management services, plus the possibility of benchmarking against GB's Australian clients and its international customers in the UK and the US."

Peter said the acquisition was part of GB's structured, three-year development plan for New Zealand. "Auckland is the first office, but several branch offices will be established to service the rest of the NZ market."

He said the purchase price was subject to a confidentiality agreement.

GB Wins Berry Street Bathtub Dash

GB supported our workers' compensation client, Berry Street by participating in the Bathtub Dash as part of the Melbourne Moomba Festival.

This is the 14th year that Berry Street has held this event and has teams rowing down the Yarra River in specially designed tubs to raise money for charity. Falling into the water is just one of the mishaps that teams try to avoid!

Berry Street is the largest independent child welfare organisation in Victoria. It helped nearly 11,000 Victorians over the past year including over 7,500 children and young people.

GB managed to take the honours this year. The GB team consisted of Sarah Holmes, Dan Miles, Karlo Milosevic and Alex Kaeding. Sarah and Alex did a great job getting both Karlo and Dan into the water. The race was very smooth and the crowd may have even thought that practice had been undertaken!!



We look forward to defending our title in 2009!

2

Federal Government to review Comcare Scheme



3

GB back bus anniversary



5

Claims run in the family blood



7

GB hosts Delaware delegation



Federal Government to review Comcare Scheme



One of the first projects implemented by the incoming ALP Federal Government is a review of the Comcare Scheme.

Comcare provides workers' compensation and OHS arrangements for Australian Government employees and employees of private corporations that are licensed to self-insure under the Scheme.

Julia Gillard, Deputy Prime Minister and Minister for Employment and Workplace Relations, said

“the review aimed to ensure Comcare was a suitable OHS and workers' compensation system for self-insurers and their employees.”

“With the expansion of the types of industries covered by the Comcare Scheme in 2006, the Rudd Government is particularly concerned that all employees covered under the scheme are protected by rigorous OHS safeguards and appropriate workers' compensation benefits,” she said.

Following a December meeting of the Safety, Rehabilitation and Compensation Commission, there are now 19

licensed self-insurers, with a further 15 corporations eligible to apply for a licence to self-insure.

The government sought submissions from stakeholders, which closed on February 29, and will now undertake national consultation with relevant groups before the review finalises its recommendations.

A report will be provided to Ms Gillard by the end of July.

The review committee has been asked to consider a range of issues on safety and compensation; consultation; finance and access.

It has been asked to find out why private companies seek self-insurance with Comcare and whether there are alternatives available to address the costs and red tape for employers with operations across jurisdictions having to deal with multiple OHS and workers' compensation systems.

If self-insurance under Comcare remains open to eligible corporations, the review will consider whether there should be changes to the eligibility rules for obtaining a licence.

Ms Gillard has placed a moratorium on companies applying to join Comcare until the review is completed.

Self-insurance arrangements in the

Comcare scheme were introduced to provide competitive neutrality for corporations competing in the marketplace with Federal Government owned, or formerly owned, businesses to ensure the Commonwealth did not have an unfair advantage.

For several years, all Comcare self-insurers were owned or formerly owned Commonwealth authorities. Following the High Court's 2007 decision in *Vic Attorney-General v Andrews HCA 9*, which upheld the validity of the Safety, Rehabilitation and Compensation Act's self-insurance provisions, other corporations sought to self-insure under Comcare.

The Australian Government aims to ensure, via the review process, that the Comcare scheme has structures that:

- are based on sound public policy principles;
- pose minimal financial risk or cost to the Commonwealth;
- allow for transparency in the self-insurance licensing process;
- provide effective controls, governance and accountability;
- ensure self-insurers demonstrate best practice in OHS, rehabilitation and claims management;
- provide for appropriate and effective enforcement; and
- minimise impacts on the financial viability of state and territory workers' compensation schemes.

GB backs bus anniversary awards



NSW Transport Minister John Watkins (far right) at the awards ceremony with (from left) STA Acting Chief Executive Officer Peter Rowley, GB General Manager – NSW, Paul Easter, Accident Prevention Officer Phil Ivey, and Learning & Development Adviser Warren Singleton.

Gallagher Bassett was a major sponsor of staff awards organised by the State Transit Authority (STA) to mark the 75th anniversary of NSW government buses.

Paul Easter, General Manager - NSW, said the first bus run ran on Christmas Day in 1932 between Manly Wharf and Cremorne Junction.

The service was very popular, with more than 2,000 passengers on the

first day. That meant the frequency of the service doubled the next day, as did passenger numbers. "The 75th anniversary was certainly a milestone worth celebrating," Paul said.

"We were proud to be a major sponsor of the awards program associated with the anniversary and, in particular, to sponsor the safety category of the awards, which represents a core aspect of our business.

"The STA is a major client for GB's general insurance division. We provide specialist motor vehicle claims management services, including first and third party claims, recoveries and statistical reporting and analysis that help both organisations manage risk more effectively and improve safety for bus drivers and the broader community," Paul said.

"GB's work with the STA helps us understand how we can contribute to improved business efficiencies in the short and long terms."

Today, State Transit operates more than 1,900 buses in Sydney and Newcastle, carrying more than 600,000 passengers a day on more than 300 bus routes. The STA operates the largest bus fleet in Australia and manages one of the largest bus operations of any city in the world.

Meaningful data a valuable bargaining tool



By Rob Hughes
Claims Specialist
Liability

There's a constant cry from risk managers and underwriters – why weren't we told earlier?

Comprehensive data is a valuable tool when negotiating insurance claims, understanding where claims come from, or developing property risk profiles with insurers.

That was highlighted by a Queensland claim, managed by GB, in which an insurer dropped its excess by \$90,000 after GB used its RISX-FACS® data collection software to run a report that assisted in changing the insurer's decision on the applicable excess.

One of the client's properties burned down in Brisbane late last year and the insurer wanted to apply a large excess to the claim, arguing the property should be assessed as commercial because it was on a primarily commercial site. The

client argued its case that the damaged building was used as a residence only. With the help of GB's claims managers and a RISX-FACS® report, the client convinced the underwriter the property was lower risk than previously rated and should be classed as residential, which attracted a much smaller excess.

Data collected over the six years the client has been with GB allowed GB to produce a detailed profile of the client's very large Queensland property portfolio to show properties of a similar nature that had lodged claims for insurable events, such as fire or vandalism, during that period. Using the claims data, the client and its broker convinced the underwriter to reduce the excess on the damaged residential property and reassess the way all the client's similar properties would be rated in future. That potentially means savings of millions of dollars in premium and claim excesses. Without RISX-FACS®, that success would have been much harder to achieve. The client would have had to rely on its strong relationship with the

insurer, rather than cold, hard facts.

The software, created in America by Gallagher Bassett Services, Inc., collects data in a unique way and in more detail than similar products on the market. RISX-FACS® is an internet-based, client-accessible system that displays claims data in real time.

It can break down information in varied ways for analysis, including by business division, state, individual business, individual address or use of a facility. It can be adapted in many ways to suit clients' needs, including across large property portfolios or within single businesses.

All GB clients have access to the software, and some make use of its many other features, including monthly reports and alerts for fluctuations in claim reserves and closures.

When the Queensland client realised the assistance GB could provide on its claim, the response was "awesome".

Victoria Police Chief Commissioner outlines OHS goals



With a workforce of 14,000 across 550 locations, including 330 police stations, and an annual budget of \$1.6 billion, Victoria Police is a major employer with a strong emphasis on occupational health and safety.

Chief Commissioner Christine Nixon outlined her perspectives on OHS at a CEOs' breakfast, hosted by Gallagher Bassett in Melbourne to allow interaction at a higher level than day-to-day claims management staff with some of GB's larger clients.

Andrea McDonald, GB Client Relationship Manager, said the aim was to invite a small number of selected clients to hear from their peers about achievements in OHS and injury management.

Victoria Police has been a GB client since 2004 and is GB's largest employer in the Victorian WorkCover Authority scheme. It has implemented a range of strategies and projects to improve OHS performance.

Ms Nixon outlined just a few of the results at the February 14 breakfast. So far in the 2007/08 financial year there had been zero fatalities; total injuries were 25% fewer than the last financial year and 51% of those were for sprains and strains. The total number of days lost to injury had reduced 20% from 2005/06 to the current year.

Ms Nixon agreed there were challenges. "The health and safety of our members is a key priority,

we are constantly re-evaluating our services and looking for new initiatives to further improve our OHS performance and best support our members," she said. There were myths that had to be broken, for example, "policing being a dangerous business therefore there was little that could be done".

Ms Nixon said senior management in Victoria Police had committed in June 2006 to improving performance and agreed to "some challenging goals which included less injury to our people, less time lost from those injuries and an overall improvement in the wellbeing of our members. All corporate committee members signed a commitment poster indicating their support".

In July 2006, Victoria Police embarked on a three-year strategy, Protecting Our People, which was based on extensive research of Victoria Police data and learnings from staff and external organisations that had achieved good OHS performance.

After 18 months of implementing the new strategy, there were clear signs that the plan and approach taken was working for the organisation.

"We are on track with implementation of numerous initiatives and the performance outcomes against targets are strong," Ms Nixon said.

WorkSafe Chief Executive Greg Tweedly joined Ms Nixon on the podium. Andrea said he outlined WorkSafe's partnership model for Agents and its vision going forward to 2012. "A common theme was that if we want change, it must be driven from the top down," Andrea said. GB plans to host its next CEO breakfast series in May and will hold three a year. It also plans a series of employer information seminars during the year. The first is in April.

GB's new website goes live



Gallagher Bassett's new website, www.gallagherbassett.com.au, is now live.

Rebecca McFarlane, National Marketing Co-ordinator, said the new site was easier to navigate and the structure had been simplified to enable clients and staff to find what they needed quicker.

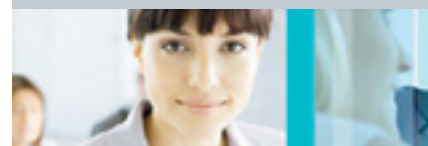
The site reflects the GB rebranding and provides more detailed information on exactly what GB does as a third party claims administrator.

The new site was six to 12 months in the construction phase, with technical development following a research period to understand client needs and obtain staff feedback.

Rebecca said market research ensured a modern web design. "Feedback so far is all positive; staff are rapt in the new look and feel," she said.

Content management is organised internally, making it easy to streamline and update the site.

The site is also accessible from **www.gallagherbassett.co.nz**



Gallagher Bassett appoints **new General Manager for South Australia**



Gallagher Bassett has appointed Paul Easter as General Manager - South Australia.

Paul replaces Ruth Horne at IMA Gallagher Bassett, Adelaide, who is moving into a consultancy role. The move coincides with a change of name, with the SA company being known as Gallagher Bassett

Services Pty Ltd from January 2008.

Paul is also General Manager - New South Wales and will share the roles until a replacement is found for NSW.

GB Managing Director Jon Winsbury welcomed Paul's appointment, saying his extensive background in the South Australian market would be valuable in building a stronger business in the state.

"Paul was a South Australian police officer from 1972 to 1989. He then held senior positions with WorkCover SA until 1995, when he established a consultancy business, assisting many major corporations that were self insured under the SA scheme," Jon said.

Paul then gained experience in the US market and joined GB in 2005.

"Paul's extensive experience in greenfield operational start ups was a major factor in building our NSW workers' compensation division".

"With NSW now running smoothly, the SA appointment gives Paul an opportunity to return to his home city," Jon said.

Paul said he relished the chance to build on the base already established in South Australia through GB's 2006 purchase of IMA Consulting, which was integrated to form IMA Gallagher Bassett Services.

Claims **run in the family blood**

Don Newsham has a passion for claims. It's been his career for more than 30 years and, for the past decade, he's been managing claims at Gallagher Bassett.

He says GB is good at claims because the staff share the passion. "Our people are truly claims professionals. All we do is claims; we focus on that alone. It's what our people want to do – nothing else."

Claims run in the Newsham blood. Don's daughter Meagan is a senior claims consultant with GB's NZ Earthquake Commission division, and daughter Kylie is a team member. Don joined GB after 27 years managing domestic and commercial claims at Suncorp. He wanted a fresh approach and the challenge of starting a TPA – Australia's first – from the ground up.

He's seen many highlights over the years, including a growth from two staff to 500. The fledgling TPA was launched with Elders, its first contract, and progressed through managing claims for aviation fuel contamination, low-sulphur fuel and Mercury Energy, New Zealand,



Don Newsham and daughter, Meagan Newsham.

when the lights went out in Auckland. Avonwood Homes, in Victoria, saw GB oversee construction of hundreds of unfinished homes when a building firm collapsed.

A big win was becoming a WorkCover Agent in Victoria, followed by a similar contract with WorkCover NSW. After the collapse of HIH, GB won contracts to manage claims for the Federal Government's compensation scheme and for Allianz.

Don admits there have been times when long hours have been necessary – he recalls a 22-hour work day, with 18 hours the next – and some sleepless

nights in managing the crisis claim events. But he has always been confident that GB has the right people to do the job – a team that's experienced at establishing claims operations quickly and efficiently. The joy of claims management lies in helping people. "Whether it's a minor claim or a catastrophe, you can help people get their lives back in order." The variety in the job is "unbelievable".

The travel can create pressure, but Don's current role means he is more frequently in Brisbane and he understands the need to create a work-life balance.

WorkSafe Awards 20 years on - who are today's safety heroes?

Entries are open for the 2008 WorkSafe Awards, which are celebrating 20 years of recognising excellence in health and safety innovation.

As WorkSafe calls for entries, it is timely to reflect on the past 20 years and the achievements in health and safety due to the outstanding efforts of workers and employers said WorkSafe Victoria's Executive Director, John Merritt.

We usually hear bad news about health and safety - stories where something has gone wrong.

The WorkSafe Victoria Awards recognise businesses, groups of workers, health and safety representatives and individuals who are having a go at making their workplaces and industries safer.

Victoria has a long tradition of workplace

safety heroes. They're ordinary people who go above and beyond their everyday duties to find better and safer ways of getting the job done.

Many Health and Safety Representatives have also been recognised for stepping up and becoming an integral part of decision making and consultation on behalf of their colleagues.

Since the awards began there have been hundreds of workplace safety heroes who've raised the bar. In 2008 the challenge is to continue unearthing outstanding health and safety innovations and initiatives across our workplaces, said Mr Merritt.

Entries are being received until 9 May in seven categories:

- Health and Safety Representative of the Year

- Health and Safety Committee of the Year
- Best Design for Workplace Safety
- Best Health and Safety Initiative for Small Business
- Best Solution for Preventing Musculoskeletal Disorders (formerly Sprains & Strains)
- Best Solution to a Health and Safety Risk
- Best Strategy for Health and Safety Management

The 20th WorkSafe Awards will be announced on Tuesday 30 October 2008 during Work Safe Week. Are you a workplace safety hero or know someone who is?

For information about the awards and to enter, go online at worksafe.vic.gov.au/awards or call 8663 5033 for an information pack.

Injured passenger's damages sliced

A passenger injured in a car crash two years ago, who has yet to have his personal damages claim assessed, has already had any potential payout cut by two-thirds because he was drunk at the time, unlikely to have been wearing a seatbelt and knew the vehicle's driver was drunk.

On April 5, 2006, David Edward Hawira was in a car that ran off the Logan Motorway, south of Brisbane, hit trees and came to rest upside down in a ditch.

Driver Michelle Lisa Connolly claimed against Mr Hawira and CTP insurer Suncorp Metway Insurance Ltd for damages to her Ford Falcon utility, alleging Mr Hawira caused the crash by grabbing and turning the ute's steering wheel during an argument. Mr Hawira initiated a counter-claim against Ms Connolly and Suncorp for damages for his injuries.

In a January 30 judgement, Queensland Supreme Court Justice Martin Daubney rejected Ms Connolly's claims. The court heard that before the crash, Ms Connolly, operator of a tree-logging business, and Mr Hawira, one of her subcontractors, had shared four jugs of full-strength beer at a Meadowbrook hotel.

Justice Daubney found Ms Connolly negligent and liable for Mr Hawira's injuries because she had been drinking "full-

strength beer over 3-hrs before getting behind the wheel".

"Her blood alcohol concentration some two hours after the accident was found to be 0.119%," he said.

"The notes of the ambulance officer who attended the scene record that Ms Connolly 'appeared unsteady, agitated, defiant' and that she hindered the ambulance officers in taking observations. It is also recorded that she agreed she was intoxicated."

Justice Daubney said Ms Connolly had "displayed a tendency to mendacity" and had given several versions of what occurred, including initially telling ambulance officers and hospital staff that she had not been driving the ute and that another unidentified person had been driving.

"This is the version she gave to the ambulance officer who attended the scene of the accident and to the triage nurse at Logan Hospital," he said.

Ms Connolly abandoned that version of events only after she became aware that Mr Hawira had no memory of the accident and was confronted by police with evidence from a motorway toll booth operator who identified her as the ute's driver.

Justice Daubney ordered mediation on Mr Hawira's counter-claim for injuries that were not specified in court, but not before reducing any potential payment by 66%.

He found it "more likely than not" that Mr Hawira had not been wearing a seatbelt at the time of the crash and apportioned 16% contributory negligence to him.

He said because Ms Connolly and Mr Hawira were intoxicated, within the meaning of Queensland's Civil Liability Act, any payout to Mr Hawira would be reduced by a further 50% because Mr Hawira had known Ms Connolly, the driver, was intoxicated.

"Accordingly, these elements of contributory negligence will combine to reduce the damages otherwise recoverable [for] the personal injuries suffered in this accident by Mr Hawira by 66%," - he said.

Justice Daubney adjourned further hearing of Mr Hawira's claim and ordered the parties to undertake mediation by May 30.

(QSC, Hawira v Connolly & Anor; Connolly v Hawira & Anor, 4/2008)

GB hosts Delaware delegation



(left to right) are Jenny Dempsey - Business Consultant from Join the Dots, Paul Easter GB General Manager NSW and Katelyn McBurnie - University of Delaware student

GB's Sydney office has hosted a delegation of students from the University of Delaware, USA.

The 40 students were a study abroad class from the College of Business and Economics at the university. Most were studying accounting or information systems.

The group visited various Australian companies to discuss their information systems, accounting practices, supply chain systems, financial dealings, strategies, and other business topics. Instead of the professors lecturing, the

students learn through real-life experiences of companies.

During a morning at GB, the students received an overview of GB's national and international operations from NSW General Manager Paul Easter and then separate presentations from departmental managers. Paul covered the GB culture, company history and explained the third party claims administrator concept and how it worked.

The students went on a tour of the building to see the operational floors

of GB's Sydney office and enjoyed morning tea with GB staff.

Feedback from students was positive, with many commenting that they received a very personalised and detailed presentation at GB.

Student participant Katelyn McBurnie said: "The presentation was great and it was nice to learn about TPAs and claims management, as only listening to accounting and IT presentations can get pretty boring!

"Gallagher Bassett was one of the best presentations we listened to; it was great to hear from so many senior managers about the business."

The university will send another study abroad group to Sydney in 2010, so no doubt GB will be on the agenda again.



NZ quake's impact hit Brisbane

The New Zealand coastal town of Gisborne, on the east coast of the North Island, was jolted out of its pre-Christmas reverie with a start on the night of December 20, 2007.

An earthquake of magnitude 6.8 on the Richter scale struck in the Pacific Ocean, 50km off the coast. The tremor mostly affected Gisborne, but was felt throughout the North Island and in parts of the South Island. Buildings trembled and shook; some were seriously damaged. Power was initially cut to the town.

And the impact, if not the tremor, was felt across the Tasman in Brisbane.

Brook Barrington, GB's NZ Earthquake Commission (EQC) Team Leader, was among the first to get an automatically generated text message that night, less than 15 minutes after the quake struck, to alert him to the event's occurrence, the magnitude and depth, and the areas where it was felt most strongly.

Later that night he was on the phone to the EQC Claims Manager to discuss the damage levels and review what footage was so far available via the TV news.

GB, as EQC's offshore claims manager, has a permanent team of six people. When the Gisborne quake struck, the team was still processing around 700-800 other EQC claims, generated by landslips in the North Island and an October quake in the Milford Sound that sparked about 1,000 claims.

The claims management process is ramped up quickly once an event occurs.

"We analyse previous events to calculate the work flow we can expect," Brook said. After Gisborne, the team increased initially by nine people then another four. GB uses an employment agency to source people with customer service skills who can learn claims management fast.

Brisbane office members also spread the word among suitably qualified friends and family who can assist. For large events, there is sometimes internal recruitment as people move temporarily into the EQC claims department to ensure claims are processed promptly.

There are two qualified trainers on staff. Their workload is distributed between other team members so they can train the new recruits quickly.

The new team members were on board by Monday, January 7, in training for three days, then calling claimants and processing claims by the end of that week. The team works on NZ office hours, rather than Brisbane time, to ensure availability to claimants.

EQC established a field office in Gisborne with about 40 loss adjusters and estimators. It has now expanded to two offices with 70 people as claims continue to flow in.

Desk-assessed claims that don't require an adjuster or estimator go straight to GB for processing. For others, reports are filed once damage is assessed and repair costs estimated.

Brook says most Gisborne claims are high

volume, low complexity, but there are a few large ones as well, for example, a block of 23 apartments where damage is likely to be more than \$NZ2 million.

Much of the damage is to contents as buildings shook, dislodging items and appliances, like TVs, slid around. Claims have been filed from as far away as Wellington, more than 500km south of Gisborne.



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