



Understanding your premium calculation.

Terms of reference

Basic Tariff Premium (BTP)

The premium calculated by multiplying your wage bill by your industry rate (including GST).

Wages

A separate document has been provided, that outlines what constitutes wages for workers compensation purposes.

Claim

Means the total cost of a claim including wages & medical costs.

Claims history

Your claims history is the total cost of a claim or claims the organisation has made over the past 5 years, or the number of years your business has been in operation, if less than 5 years.

Grouping for 'related' businesses

Businesses are related if they have shared ownership, control or shareholding of greater than 50% or employees are shared between businesses. The provisions of grouping are the same as they are for payroll tax in NSW. If your businesses are subject to this provision, please advise us of the applicable policy numbers, so we can link them for premium calculation purposes. Penalties may apply for not grouping related businesses.

Small Employer

You are classified as a small employer if your annualised BTP is less than \$30,000. If you have 'related' businesses, the \$30,000 threshold applies to the aggregate of the premiums across all grouped businesses, even though the policies for each entity are separate.

Medium/Large Employer

You are classified as a medium to large employer if your annualised BTP is above \$30,000. If you have 'related' businesses, the \$30,000 threshold applies to the aggregate of the premiums across all grouped businesses, even though the policies for each entity are separate.

Experience rating

Medium to large employers have their claims history taken into consideration when calculating their insurance premium. The larger the employers wage bill (or aggregate when policies are grouped), the more credibility your claims history has on the premium you pay. If your schedule displays a discount, your claims history is better than average. Conversely, if your schedule displays a loading, your claims history is poorer than average.

Work, Health & Safety Discount (WH&S)

If you complete our work, health and safety program and your loss ratio is less than 40%, you are entitled to a WH&S discount. You may also be eligible for this discount if you have your own program in place. When using your own program, you will need to provide us with proof you actively use your program and of its content, so we can assess its eligibility. Paying attention to excellent WH&S policies and procedures will reduce the risk of preventable injuries in the workplace and will lead to lower premiums, particularly if you are a medium to large employer. Your schedule will show you if you are receiving this discount.

Loss ratio

Your loss ratio is your total claims costs of up to 5 years divided by your base premium paid for the same period. An example of this calculation is:

Base premium \$50,000
Claims Costs \$5,000

$\$5,000/\$50,000 = 10\%$ Loss ratio

Discretionary rating amendments

Guild may apply rate amendments from time to time in line with underwriting guidelines.

We are here to help. Please contact us on **1800 810 213** for further information.

1800 810 213

guildinsurance.com.au/gel



Don't go it alone