



Retro-Paid Loss Arrangement

Retro-Paid Loss Arrangement (RPL) provides an opportunity for large employers with good injury management and safety to benefit from reduced premiums. Under an RPL arrangement, an employer's insurance premium more closely reflects their individual claims experience for claims with a date of injury in the premium period (financial year). The premium is adjusted each year to reflect the claim development over a four year period.

How premium is calculated under RPL

Your premium is adjusted annually over four years using an adjustment formula and your claim costs.

You'll then receive a refund or an additional premium to pay based on the adjustment formula and claims costs.

Your premium will be subject to minimum and maximum premium costs, and the maximum premium you'll pay will be two times your base premium (BP).

Adjustment Period	Adjustment Formula
15 month	$BP \times 0.6 + \text{claim costs}$
27 month	$BP \times 0.5 + \text{claim costs}$
39 month	$BP \times 0.4 + \text{claim costs}$
48 month	$BP \times 0.4 + \text{claim costs}$

How claims costs impact your premium

Your claims costs as at 30 September of the relevant adjustment period, or 30 June for the final adjustment are added to your premium calculation, subject to the following exclusions:

- costs associated with claims for unrepresentative injuries
- costs associated with successfully prosecuted fraudulent claims
- actual recoveries for compulsory third party and common law actions
- the first two weeks income support costs.

Individual claims costs are capped to a maximum of \$500,000.

RPL premium calculation examples

Adjustments	No claims	With claim costs
At 15 months	Base premium: \$500 000 $\\$500,000 \times 0.6 = \\$300,000$	Base premium: \$500,000, claim costs:\$50,000 $\\$500,000 \times 0.6 = \\$300,000 + \\$50,000 = \\$350,000$
At 27 months	Base premium: \$500 000 $\\$500,000 \times 0.5 = \\$250,000$	Base premium: \$500 000, claim costs:\$75,000 $\\$500,000 \times 0.5 = \\$250,000 + \\$50,000 = \\$325,000$
At 39 months	Base premium: \$500 000 $\\$500,000 \times 0.4 = \\$200,000$	Base premium: \$500 000, claim costs:\$100,000 $\\$500,000 \times 0.4 = \\$250,000 + \\$50,000 = \\$300,000$
At 48 months	Base premium: \$500 000 $\\$500,000 \times 0.4 = \\$200,000$	Base premium: \$500 000, claim costs:\$100,000 $\\$500,000 \times 0.4 = \\$250,000 + \\$50,000 = \\$300,000$

The examples above are exclusive of GST & WHS fee which are included in the RPL premium calculation.

Is your business eligible?

To be eligible you must have a minimum base premium of \$300 000 as an individual employer, or \$500 000 for a group of employers.

Work health and safety compliance is also required.

Applying for RPL

To apply for RPL arrangement you will need to submit an application form which is available on our website.

The application process closes annually on 31 May.

Applications should be emailed to retropaidloss@rtwsa.com.

Further information

For further information to help you consider if this premium option is right for you, email retropaidloss@rtwsa.com.