

2017 CTP Scheme

Quarterly Actuarial Monitoring

31 March 2023 data

15 May 2023

Limitations and use of the report: Our report has been provided to the State Insurance Regulatory Authority (SIRA) in accordance with the Contract Agreement. The report has been completed solely for the benefit of SIRA and EY has not been engaged to act, and has not acted, as advisor to any other party. Accordingly, EY makes no representations as to the appropriateness, accuracy or completeness of the report for any other party's purposes.

In completing the report we have relied on information provided by SIRA. The reliance and limitations are set out in the report.

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Executive summary (1/4)

High level summary

Purpose

- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 March 2023
- ▶ The key actuarial measures and indicators in this report are used to monitor Scheme experience at an overall level, rather than supervisory measures at an operational level
- ▶ This report is used for monitoring purposes and is not an actuarial valuation report. Any key insights or trends observed in this monitoring will be used for further investigations which could result in operational insights and recommendations, or subsequent changes to valuation assumptions and/or models.

Key insights

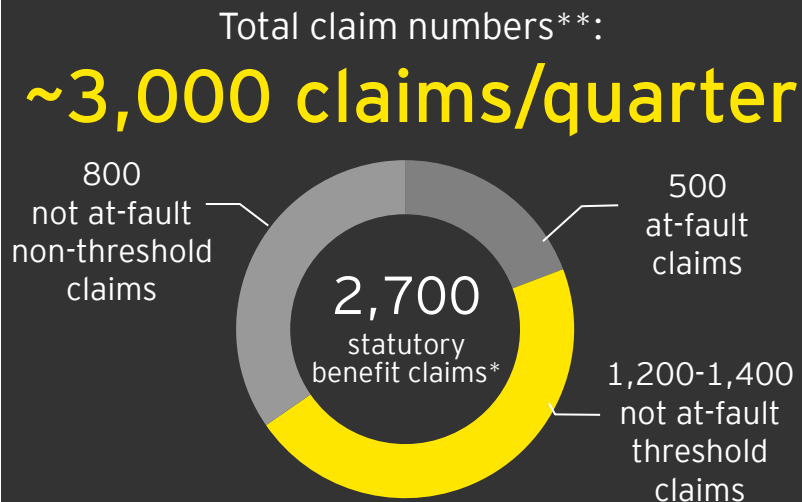
- ▶ From Scheme commencement, 59,763 claims have been reported to date. A further 2,089 claims are expected to have been incurred but not yet reported (IBNR) for accident periods up to 31 March 2023
 - ▶ For the earlier accident periods, almost 100% of ultimate expected statutory benefit claims have been lodged, however there is still expected to be further transitions between claim types following insurer and dispute processes
 - ▶ For more recent accident quarters, there is a greater level of uncertainty surrounding the mix of claims, primarily driven by damages claims with most claims having not passed the 20 month waiting period for lodgement. From 28 November 2022, the Motor Accident Injuries Amendment Act 2022 removed the 20 month waiting period. We will continue to monitor the impact this will have on the mix of claims lodged as more experience emerge in future reporting quarters
- ▶ Payments continue to progress as expected, with 67% of the ultimate expected payments for the first accident year having been paid. There is still a level of uncertainty surrounding ultimate payments given:
 - ▶ Not at-fault non-threshold claims are eligible for statutory benefits for up to 5 years after the date of the accident before transitioning to CTP Care for lifetime treatment and care
 - ▶ For damages claims, although a material number have lodged, the settlement experience is still emerging
- ▶ Average claim sizes, for more recent accident quarters (excluding the COVID-19 lockdown impacted quarters), are higher than previous quarters at the same point of development. This may be due to insurers having better established claims processes resulting in claimants receiving payments earlier and/or higher payments overall. This will not be known with certainty until the profile of these accident quarters develops over time compared to the earlier periods
- ▶ Accident quarter 2021Q3 was heavily impacted by the COVID-19 lockdown in NSW which resulted in significantly fewer accidents and claims. It is expected that ultimate claims for 2021Q4 to 2023Q1 will be higher than 2021Q3 but remain lower than pre-COVID-19 levels.

Executive summary (2/4)

Key observations on claim numbers

Claims reported

Statutory and non statutory* benefit claims



*Remaining 300 claims per quarter are early notifications, interstate, compensation to relatives and workers compensation recoveries claims



Claims continue to transition between different claim types during the claims management process



Due to the most recent COVID-19 lockdown in 2021Q3, the ultimate claims over this period are expected to be lower. Ultimate claims for subsequent periods in 2021Q4 to 2023Q1 are expected to be higher but remain lower than pre-COVID-19 levels.

** Average figures calculated over all years, excluding COVID-19 affected quarters

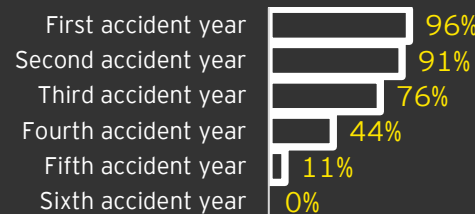
Claims for damages

96% & 91%

of expected claims for damages have been lodged for the first accident year* and second accident year respectively

*13 months; 1 Dec 2017-31 Dec 2018

% of expected* damages claims reported to date

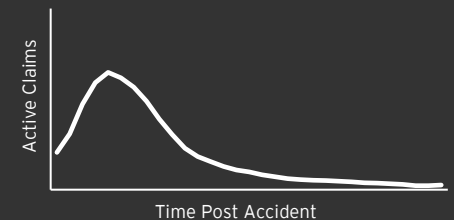


There is greater uncertainty in the recent accident years as claims continue to be reported and assessed by insurers

Active claims

Claims are remaining active as expected

At-fault and not at-fault threshold injury claim timeline:



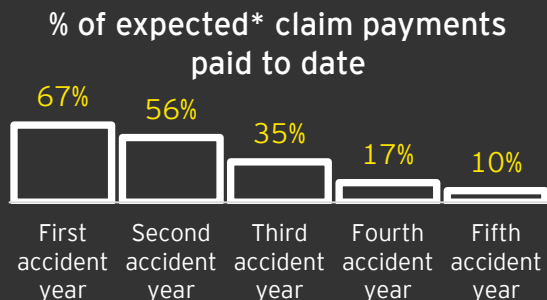
At-fault and not at-fault threshold injury claims remain active for 3-4 months after accident, before approaching close to zero at 12-18 months post-accident

As expected, not at-fault non-threshold claims are remaining active for extended periods.

Executive summary (3/4)

Key observations on claim payments

Ultimate Claim Payments



- ▶ 67% of the ultimate expected payments for first accident year have been paid. The majority of the remaining 33% relates to lump sum damages payments
- ▶ This is generally expected as it reflects the availability of statutory benefits for up to 5 years before claims transition to CTP Care

**Expected payments as at 31 December 2022 valuation*

Statutory Benefit Claims

Average Claim Payments

\$16,000 - \$25,000

Per at-fault claim

\$4,500 - \$9,000

Per not at-fault threshold claim

- ▶ Figures have been estimated from claims in early accident quarters
- ▶ Note that these figures may increase for accidents after 1 April 2023 due to the extension of statutory benefits from 26 to 52 weeks

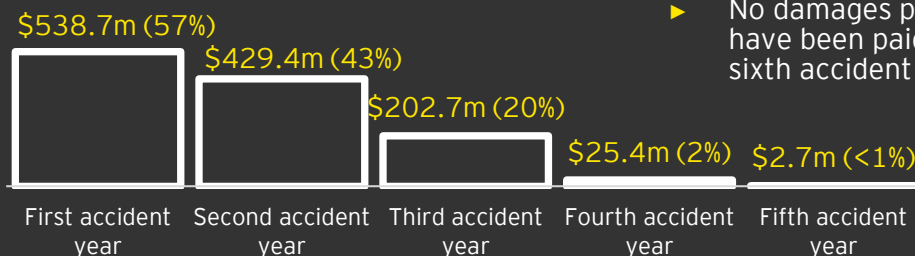
Developing Average Non-Threshold Claim Payments



Average claim payments for not at-fault non-threshold claims continue to develop upwards as these claims continue to access statutory benefits for up to 5 years before transitioning to CTP Care

Award of Damages

Claim payments paid for damages claims (% of expected)



- ▶ No damages payments have been paid for the sixth accident year

Expected* average amount of damages for claims with Whole Person Impairment (WPI)

\$130,000 **\$485,000**

for WPI ≤ 10% for WPI > 10%

**Figures estimated when most damages claims have been settled, which will take several more years*

Executive summary (4/4)

Key observations on experience (reported versus ultimate)

- ▶ 100% of expected ultimate statutory benefit claims have been reported for the first accident year
- ▶ Approximately 96% of expected ultimate damages claims have been reported for the first accident year
- ▶ For non statutory benefit claims, which includes interstate, workers compensation, death and early notification claims, around 99% of expected ultimate claims have been reported for the first accident year
- ▶ The third and fourth accident years were impacted by COVID-19 lockdowns, where traffic volume was observed to be lower than historic levels, resulting in lower expected ultimate claims
- ▶ For the fifth accident year, although claims reported in 2022Q1 to 2022Q3 have not returned to pre-COVID-19 levels, ultimate claims are expected to return towards a level that is slightly lower than accident quarters prior to COVID-19, which is driven in part by the continual general reduction in road casualties over time and reduced overall traffic levels which as at August 2022 was approximately 10% less than pre-COVID-19 periods
- ▶ Ultimate claims in 2022Q4 are expected to be higher compared to 2022Q3 but still at a level slightly lower than accident quarters prior to COVID-19
- ▶ For the sixth accident year, although claims reported in 2022 has not returned to pre-COVID-19 levels, ultimate claims are expected to return towards a level that is slightly lower than accident years prior to COVID-19.

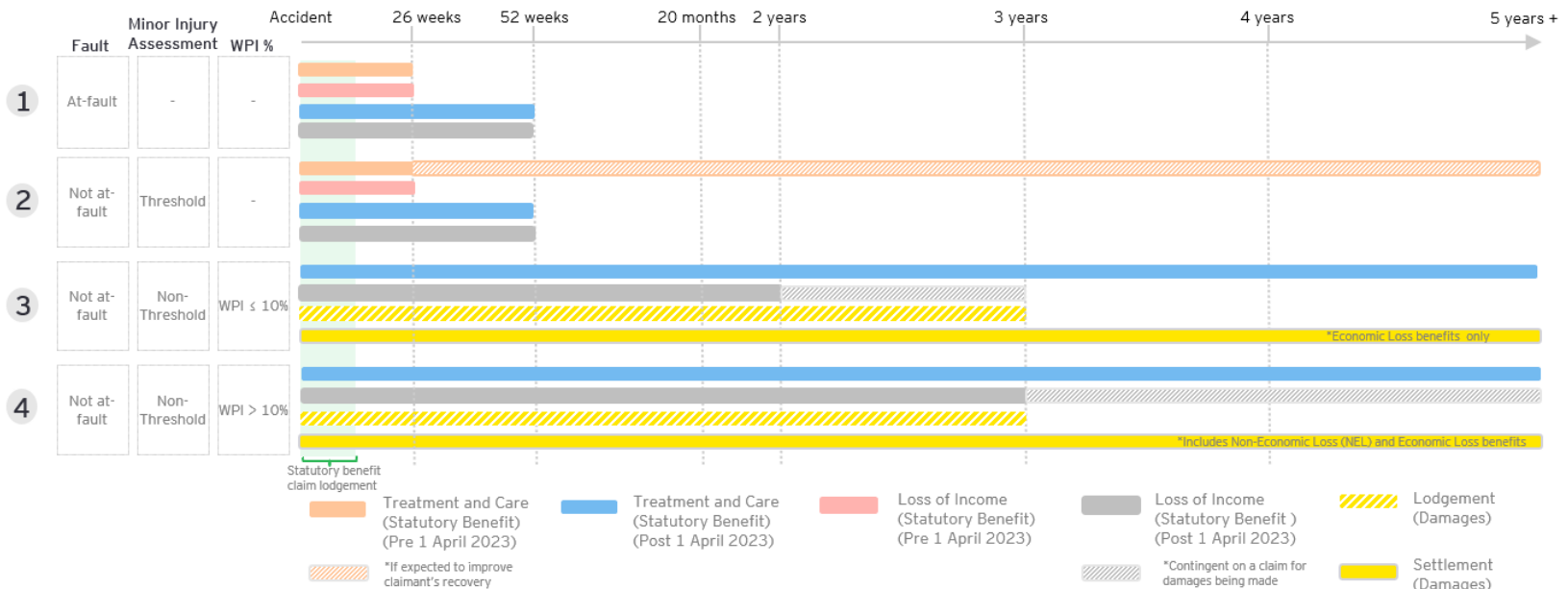
		Statutory benefit claims	Non statutory benefit claims	All claims	Claims for damages
1st accident year (13 months)	Reported to date	12,297	1,530	13,827	2,935
	Expected ultimate	12,297	1,539	13,836	3,064
2nd accident year	Reported to date	11,485	1,391	12,876	2,933
	Expected ultimate	11,490	1,428	12,918	3,237
3rd accident year	Reported to date	9,960	887	10,847	2,408
	Expected ultimate	10,004	940	10,945	3,166
4th accident year	Reported to date	8,801	864	9,665	1,308
	Expected ultimate	8,922	988	9,909	2,960
5th accident year	Reported to date	9,863	812	10,675	422
	Expected ultimate	10,260	1,092	11,351	3,734
6th accident year	Reported to date	1,692	181	1,873	4
	Expected ultimate	10,296	1,110	11,406	3,787

Note: the ultimate estimate for the sixth accident year is determined using the expected ultimate claims for 2023Q1, and an average of prior quarter ultimate claim numbers in the fifth accident year

Scheme development

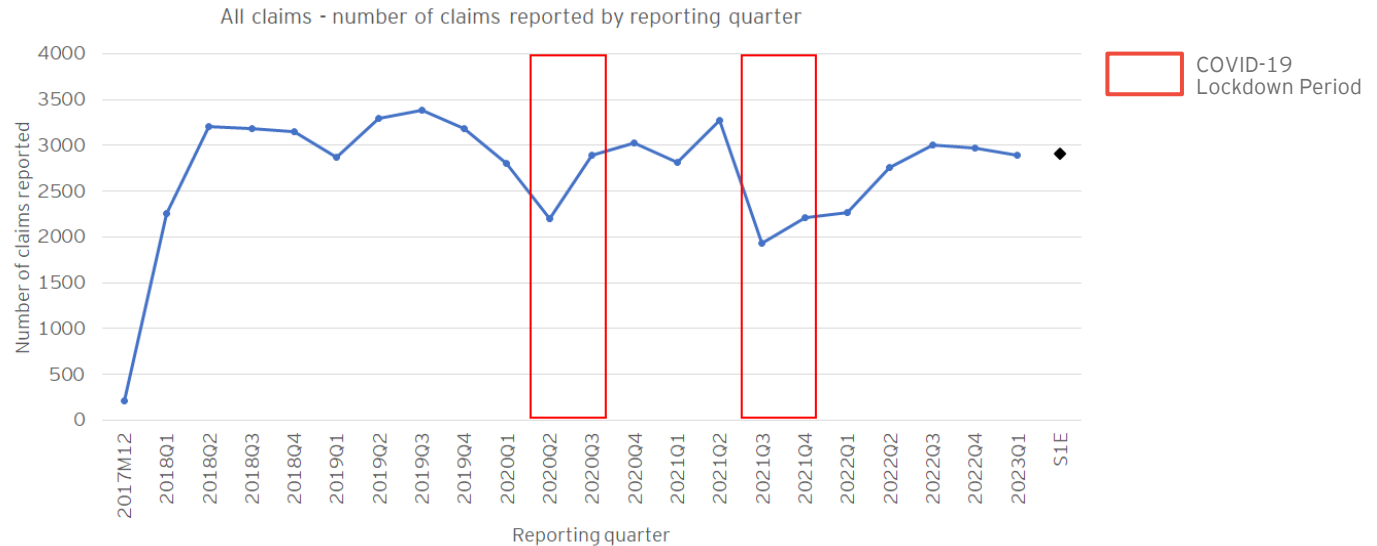
Claim lodgement and timing of payments

- ▶ The timeline below shows the claim lodgement and payment timeframes for statutory benefits and damages (as per MAIA 2017)
- ▶ For example: A claimant who is assessed as not at-fault, non-threshold and with Whole Personal Impairment (WPI) ≤ 10%:
 - ▶ Must lodge a claim for statutory benefits within 3 months of the accident (some exceptions made for 'late claims')
 - ▶ Is eligible for treatment and care payments for up to 5 years from the accident (thereafter transfers to CTP Care for lifetime treatment and care provided by icare)
 - ▶ Is eligible to receive income support for 2 years after the accident, and if a claim for damages has been lodged, up to a maximum of 3 years
- ▶ From 28 November 2022, the Motor Accident Injuries Amendment Act 2022 removed the 20 month lodgement waiting period and 24 month settlement waiting period for all damages claim irrespective of accident date
- ▶ For accidents incurred prior to 1 April 2023, claimants who are assessed as at-fault or not at-fault threshold are eligible for 26 weeks of treatment and care payments and loss of income support. Treatment and care payments may extend up to 5 years for not at-fault threshold claimants if it is expected to improve the claimant's recovery
- ▶ For accidents incurred from 1 April 2023, claimants who are assessed as at-fault or not at-fault threshold are eligible for 52 weeks of treatment and care payments and loss of income support. There will be no extension of treatment and care payments beyond 52 weeks.



Claim numbers

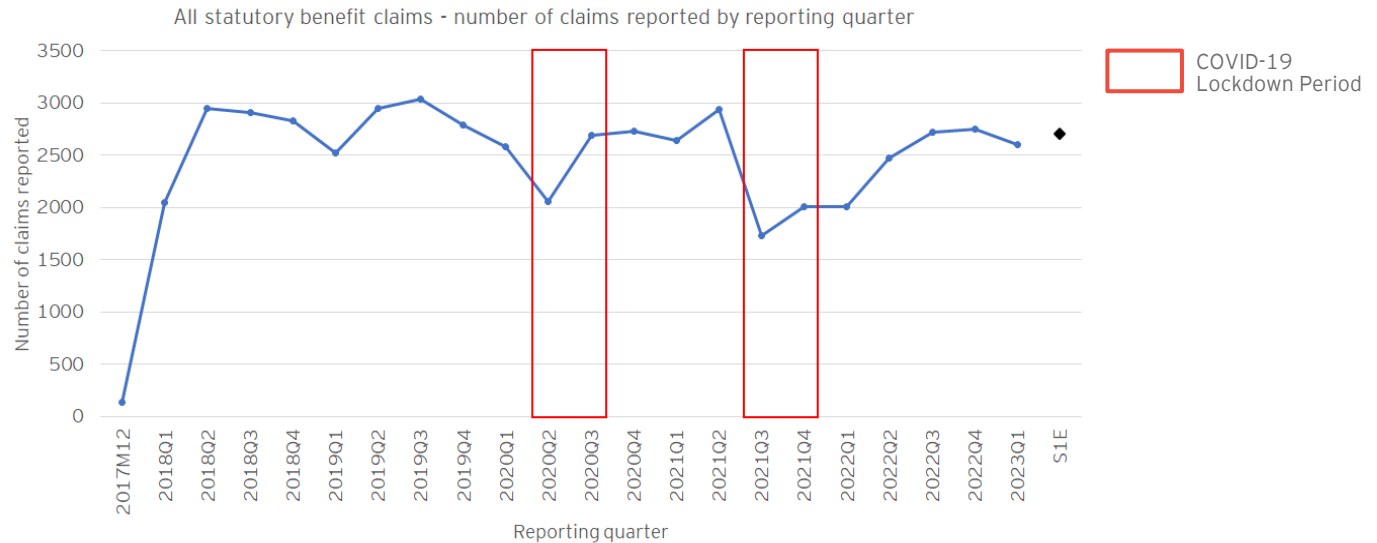
All claims - reporting quarter basis



- ▶ This chart shows the total number of statutory benefit and non statutory benefit claims reported by reporting quarter (or claim lodgement quarter)
- ▶ Claims by reporting quarter act primarily as an indicator of changes in reporting from older accident periods, operational changes, and calendar time effects
- ▶ Claims reported started to stabilise around 2018Q2, six months after the 2017 Scheme commenced
- ▶ Claims reported in 2020Q2 is lower which may have been driven by lower traffic volumes during the first COVID-19 lockdown in NSW. Similarly, claims reported in quarters 2021Q3 - 2022Q1 are lower due to the impact of the second COVID-19 lockdown which was longer and more severe than the previous lockdown. The reduction in claims in the few reporting quarters beyond the COVID-19 lockdown periods may be partially attributed to delays in reporting. This trend has been similarly observed across all claim cohorts
- ▶ Reported claim numbers have since increased to around 3,000 claims in reporting quarters 2022Q3 to 2023Q1, suggesting a return towards pre-COVID-19 lockdown levels.

Claim numbers

Statutory benefit claims - reporting quarter basis

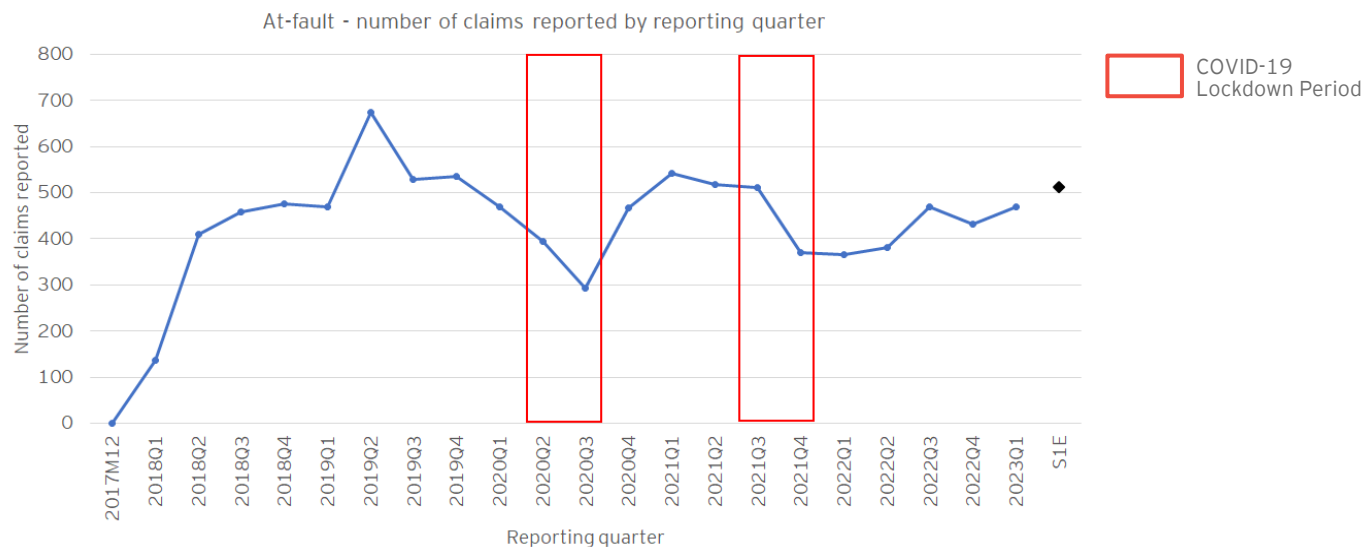


- ▶ This chart shows the total number of statutory benefit claims reported by reporting quarter*, which demonstrates a similar trend to all claims reported in the previous slide
- ▶ Excluding 2020Q2 and 2021Q3 - 2022Q1, there are on average 2,700 claims reported per quarter.
- ▶ Statutory benefit claims reported in 2020Q2 is lower at 2,000 driven by lower traffic volumes during the first COVID-19 lockdown in NSW. Similarly, claims reported in quarters 2021Q3 - 2022Q1 are also lower at 1,700 - 2,000 claims due to the second COVID-19 lockdown which was longer and more severe than the previous lockdown. Claim volumes are also lower in reporting quarter 2022Q1, which may be partially attributed to delays in reporting
- ▶ Claims reported in reporting quarters 2022Q2 - 2023Q1 have since increased to around 2,500 - 2,700 claims, suggesting a return towards pre-COVID-19 lockdown levels

*Note, the total number of statutory benefit claims include at-fault claims, not at-fault threshold claims, not at-fault non-threshold claims and claims with unknown threshold injury status. For example, if an unknown claim has its threshold injury decision determined in subsequent reporting period, it is not considered a newly reported statutory benefit claim in this slide

Claim numbers

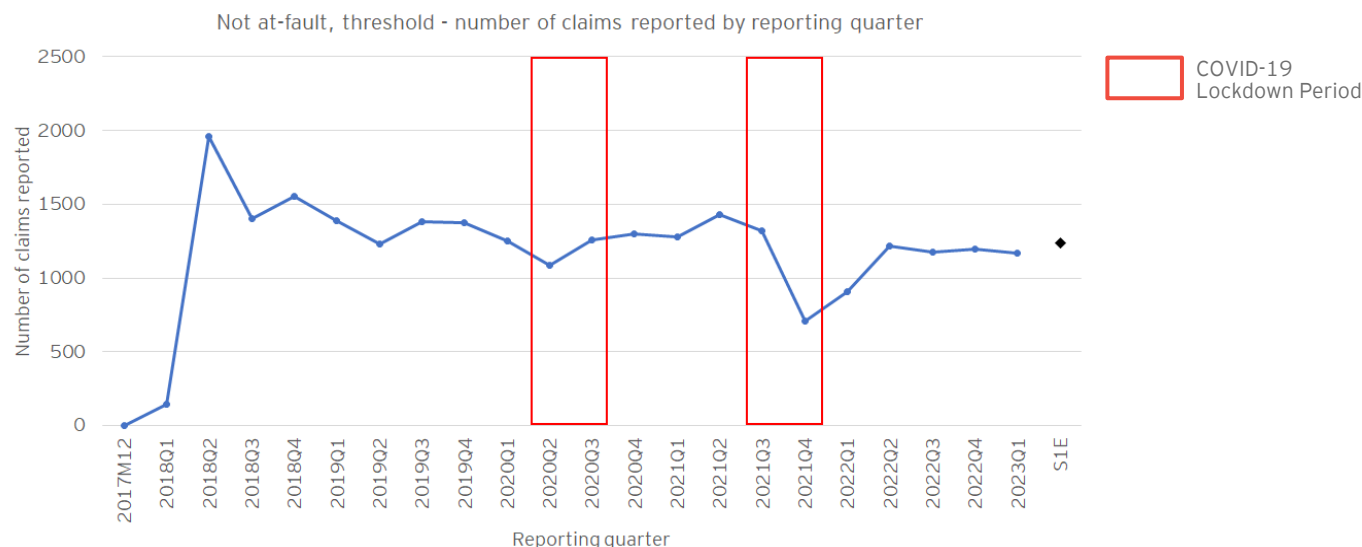
At-fault injury claims - reporting quarter basis



- ▶ This chart shows the total number of at-fault and mostly at-fault claims reported by reporting quarter. It should be noted there is a delay of up to around three months between an insurer receiving a claim and assessing it as “at-fault”. This chart illustrates the quarter a claim was determined as ‘at-fault’
- ▶ After allowing for the one-off increase in the second quarter of 2019 and excluding reporting quarters 2020Q3, and 2021Q4 to 2022Q2, on average around 500 at-fault claims are reported per quarter
- ▶ At-fault claims reported in quarters 2020Q2 - 2020Q3 are lower at 400 and 300 claims respectively which may have been driven by lower traffic volumes during the first COVID-19 lockdown in NSW. Similarly, claims reported in quarters 2021Q4 - 2022Q2 are also lower at 360 - 380 claims, due to the second COVID-19 lockdown, which was longer and more severe than the previous lockdown. Claim volumes are also lower in reporting quarter 2022Q1 - 2022Q2, which may be partially attributed to delays in reporting
- ▶ Claims reported in quarters 2022Q3 - 2023Q1 have increased slightly compared to COVID-19 affected quarters, but remain below pre-COVID lockdown levels.

Claim numbers

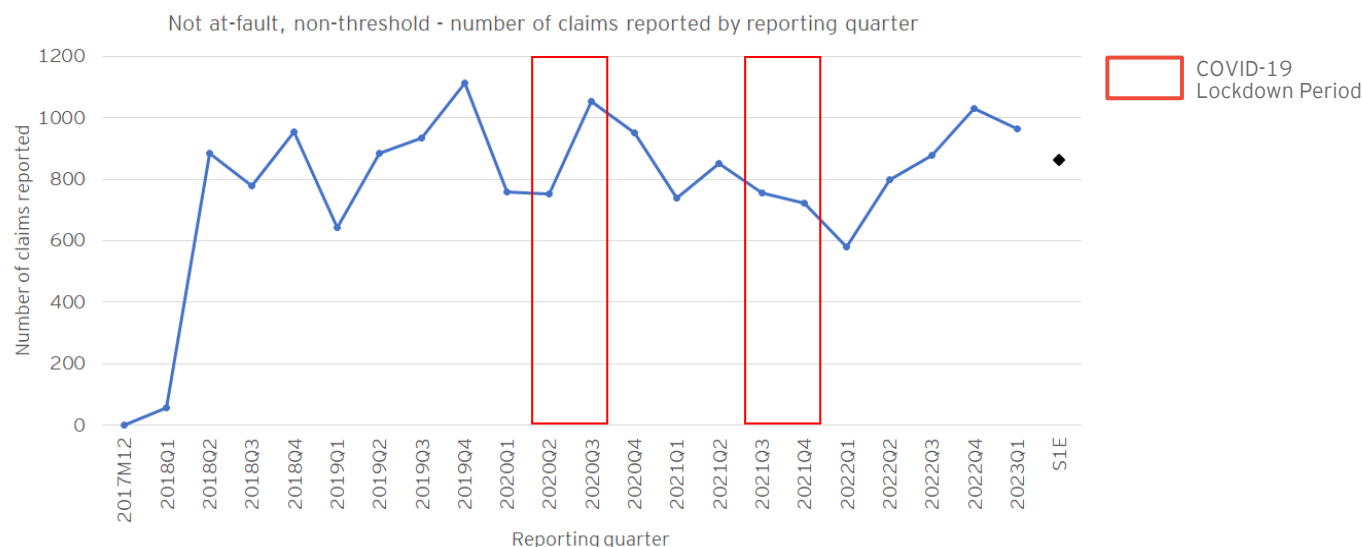
Not at-fault threshold injury claims - reporting quarter basis



- ▶ This chart shows the total number of not at-fault threshold injury claims reported by reporting quarter. In addition, any finalised not at-fault claims with an unknown severity status, or threshold claims with fault status 'yet to be determined' are assumed to be not at-fault threshold, and are included in the chart above
- ▶ It should be noted that there is a delay of up to around three months between a claim being reported to an insurer, and the claim being assessed as 'threshold'. This chart illustrates the quarter a claim was determined as not at-fault threshold, rather than reported to the insurer
- ▶ Excluding reporting quarters 2020Q2 and 2021Q4-2022Q1, around 1,200 - 1,500 not at-fault threshold injury claims are reported per quarter
- ▶ In reporting quarter 2020Q2, we observe a reduction in claims reported to 1,100 claims, driven by lower traffic volumes during the first COVID-19 lockdown in NSW. Similarly, claims reported in quarters 2021Q4 - 2022Q1 are lower at 700 - 900 claims, due to the second COVID-19 lockdown, which was longer and more severe than the previous lockdown. Claim volumes are also lower in reporting quarter 2022Q1, which may be partially attributed to delays in reporting
- ▶ Reported claim numbers have since increased to around 1,200 in reporting quarters 2022Q2-2023Q1, suggesting a return towards pre-COVID lockdown levels.

Claim numbers

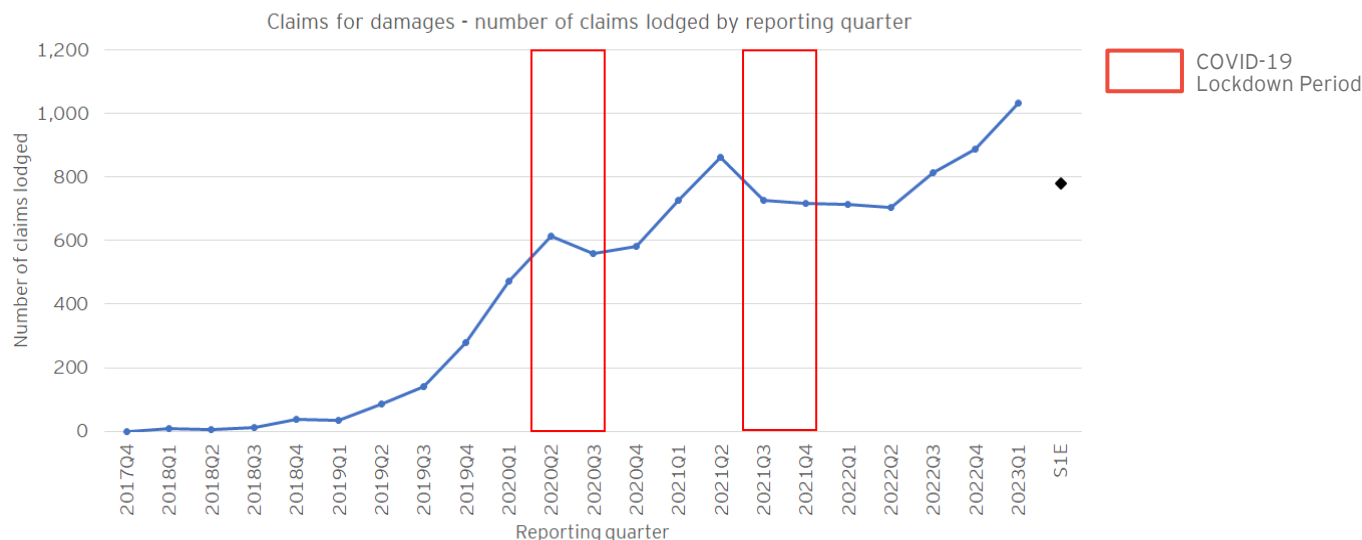
Not at-fault non-threshold claims - reporting quarter basis



- ▶ This chart shows the total number of not at-fault, non-threshold claims reported by reporting quarter. It should be noted that there is a delay of up to around three months between a claim being reported to an insurer, and the claim being classified as 'non-threshold'. This chart illustrates the quarter a claim was determined as not at-fault non-threshold, rather than reported to the insurer
- ▶ Lower reported numbers are observed in the first reporting quarter of each year which appears to be a seasonal effect. Note that the volatility present between reporting quarters is due to combinations of insurer processes for threshold injury assessment and/or volatility in the rate at which not at-fault threshold injury claims transition into not at-fault non-threshold claims following the completion of insurer internal review and dispute processes combined with claims reporting patterns
- ▶ In reporting quarter 2020Q2, we observe a reduction in claims reported due to the first COVID-19 lockdown in NSW. Similarly, due to the effect of the second COVID-19 lockdown, which was longer and more severe, not at-fault non-threshold claims continued to trend downwards until 2022Q1 to just below 600 claims. Claim volumes are also lower in reporting quarter 2022Q1, which may be partially attributed to delays in reporting
- ▶ Since 2022Q2, reported claim numbers have continued to increase to around 1000 claims in 2022Q4-2023Q1, suggesting a return towards pre-COVID-19 lockdown levels.

Claim numbers

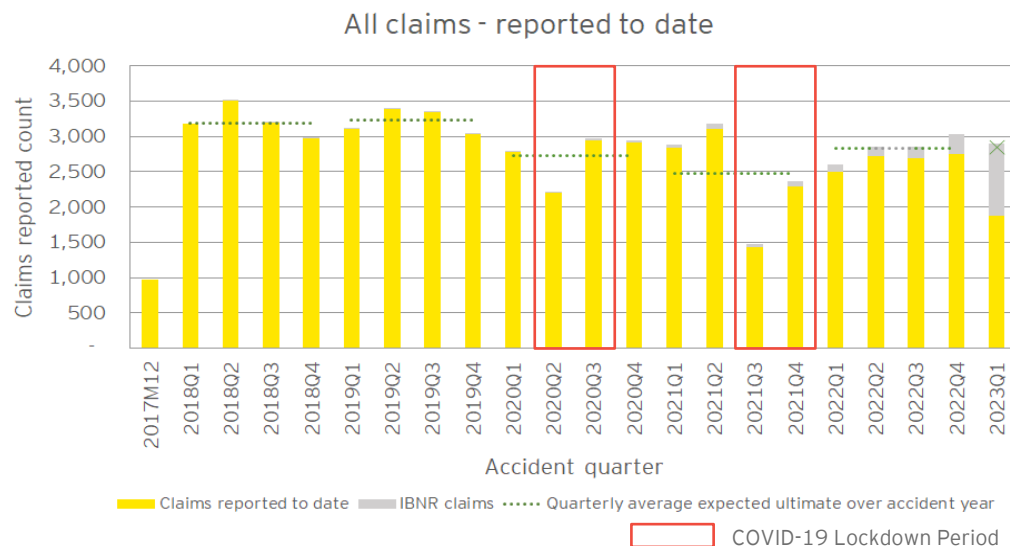
Claims for damages - reporting quarter basis



- ▶ This chart shows the total number of claims for damages made by reporting quarter. It includes non-threshold claims with whole person impairment (WPI) less than or equal to 10 percent, WPI greater than 10 percent, claims with an undetermined WPI, as well as 'other' damages claims which are either at fault or not at-fault threshold
- ▶ Overall, the number of claims for damages shows an upward trend. This reflects the long tail nature of damages claims and the emergence of experience in the 2017 Scheme
- ▶ There is expected to be a temporary increase in the number of claims reported each quarter due to the removal of the 20-month waiting period before a damages claim with WPI $\leq 10\%$ can be lodged as part of the 2022 Motor Accident Injuries Amendment Act. This came into effect on 28 November 2022 and has caused a material volume of existing claims to become newly eligible to lodge. All things being equal, it is expected this impact will subside, and the number of reported damages claims will stabilise at a higher range than previous experience, though possibly lower than the 2023Q1 reporting quarter. This will be monitored in future quarters
- ▶ In reporting quarters 2021Q3 to 2022Q2, the number of claims lodged for damages decreased to between 700 - 730 claims per quarter, which may be attributed to the COVID-19 lockdown and reporting delays for quarters beyond the COVID-19 lockdown period
- ▶ The number of claims for damages has increased steadily since 2022Q2 to around 1000 claims in reporting quarter 2023Q1
- ▶ The timing of claim lodgements appears to be volatile due to interaction between different accident years, all at different development stages.

Claim numbers

All claims - accident quarter basis

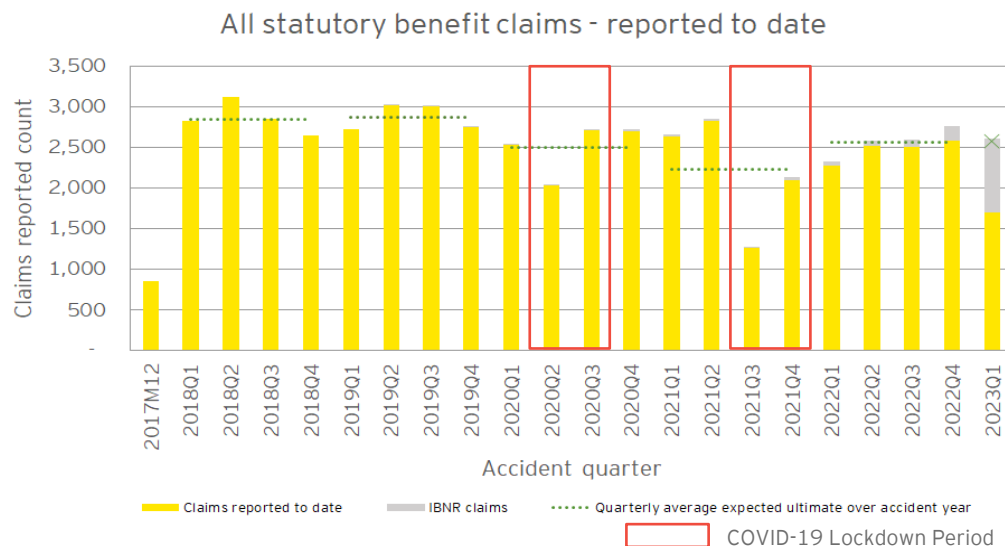


	Reported to date	Expected ultimate
1st accident year (13 months)	13,827	13,836
2nd accident year	12,876	12,918
3rd accident year	10,847	10,945
4th accident year	9,665	9,909
5th accident year	10,675	11,351
6th accident year	1,873	11,406

- ▶ The chart and table show the total number of claims reported to date by accident quarter, starting from the first accident year (1 Dec 17 to 31 Dec 18) to the sixth accident year (1 Jan 23 to 31 Dec 23), compared to their expected ultimate claims
- ▶ The ultimate estimate for the sixth accident year is determined using the expected ultimate claims for 2023Q1, and an average of prior quarter ultimate claim numbers in the fifth accident year, this applies to all claim types shown below
- ▶ Earlier accident periods are more developed, and more recent accident quarters still have a number of incurred but not yet reported (IBNR) claims
- ▶ The observed drop in projected ultimate claims during periods impacted by COVID-19 lockdowns is due to a reduction in exposure as a result of reduced traffic. This reduction in claims as a result of COVID-19 lockdowns has been similarly observed across all claim cohorts
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to be higher compared to 2021Q3 due to an increase in exposure but still at a level that is lower than earlier accident quarters in accident years 2018 - 2019.

Claim numbers

All statutory benefit claims - accident quarter basis

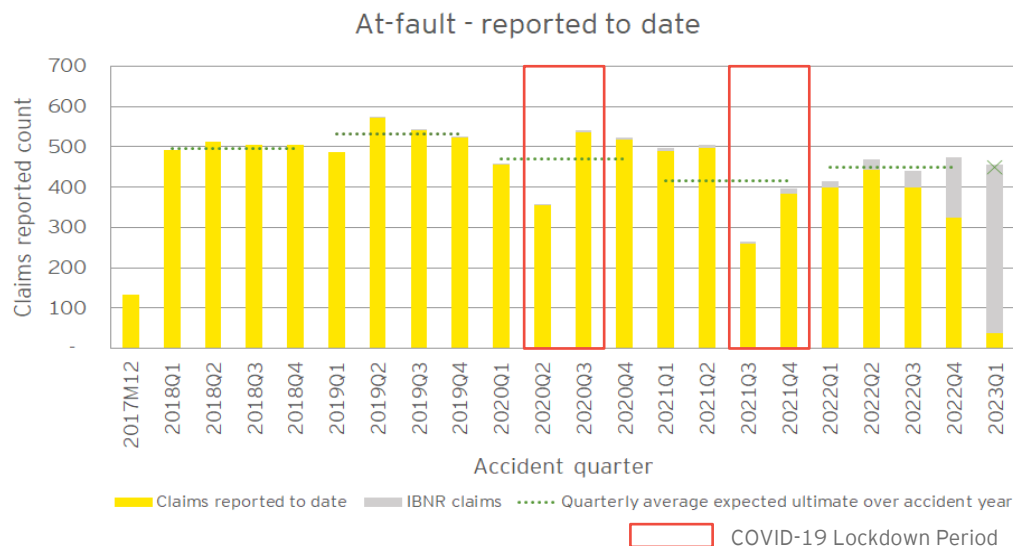


	Reported to date	Expected ultimate
1st accident year (13 months)	12,297	12,297
2nd accident year	11,485	11,490
3rd accident year	9,960	10,004
4th accident year	8,801	8,922
5th accident year	9,863	10,260
6th accident year	1,692	10,296

- ▶ This chart shows the total number of statutory benefit claims (i.e. all claims, excluding workers compensation, interstate and compensation to relatives, and early notifications) reported to date by accident quarter
- ▶ For the first, second and third accident years, over 99% of statutory benefit claims ultimately expected have been reported
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to increase compared to accident quarter 2021Q3 due to an increase in exposure but still at a level that is lower than accident quarters in 2018 - 2019.

Claim numbers

At-fault claims - accident quarter basis

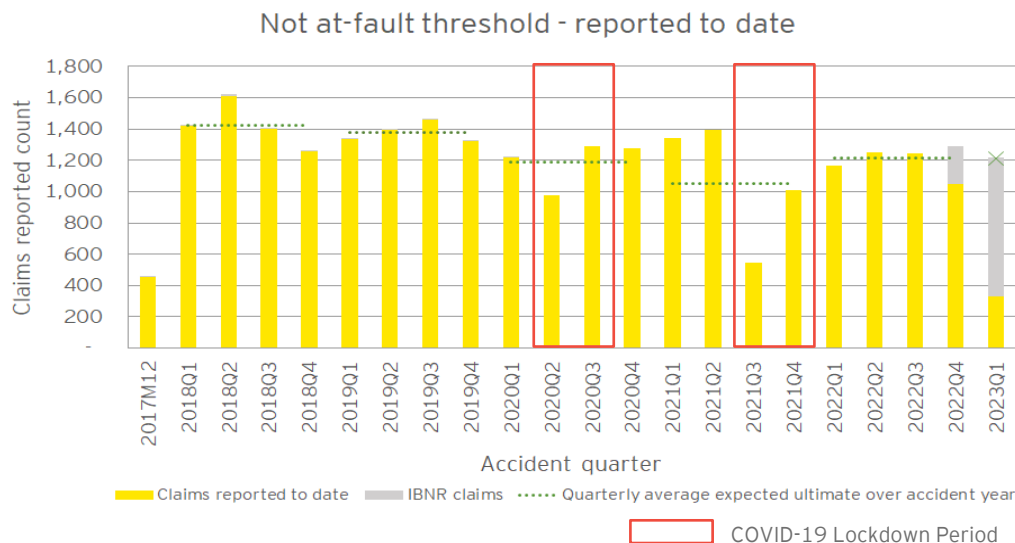


	Reported to date	Expected ultimate
1st accident year (13 months)	2,147	2,147
2nd accident year	2,124	2,129
3rd accident year	1,863	1,882
4th accident year	1,632	1,663
5th accident year	1,563	1,795
6th accident year	38	1,801

- ▶ This chart shows the total number of at-fault and mostly at-fault claims reported to date by accident quarter. These at-fault claim numbers include all claims determined as 'at-fault', regardless of injury severity
- ▶ The fault status of the claim may be undetermined for up to 3 months post the claim received date, and therefore a material number of claims incurred in the last two quarters are yet to receive a fault determination
- ▶ For the first three accident years, nearly 100% of ultimate expected at-fault claims have been reported
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to increase compared to accident quarter 2021Q3 due to an increase in exposure but still at a level that is lower than accident quarters in 2018 - 2019.

Claim numbers

Not at-fault threshold claims - accident quarter basis

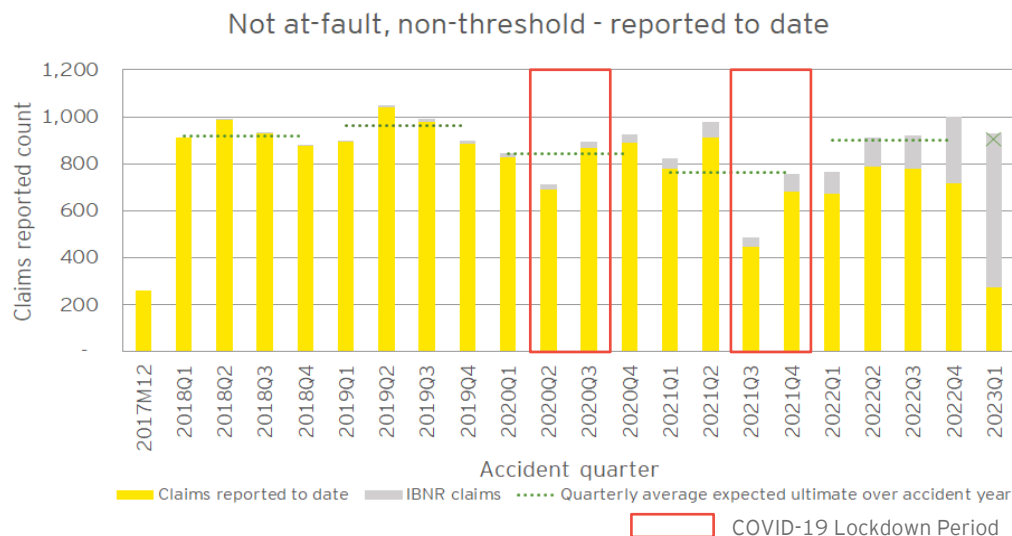


	Reported to date	Expected ultimate
1st accident year (13 months)	6,141	6,180
2nd accident year	5,507	5,519
3rd accident year	4,759	4,747
4th accident year	4,291	4,213
5th accident year	4,703	4,869
6th accident year	331	4,867

- ▶ This chart shows the total number of not-at-fault threshold claims reported to date by accident quarter
- ▶ Not at-fault threshold claim numbers include claims assessed as 'threshold', and fault status determined as 'not at-fault'. In addition, threshold claims with fault status 'yet to be determined' are included in this chart, as a large proportion have historically been determined as not at-fault claims. Any finalised not at-fault claims with an unknown severity status are assumed to be not at-fault threshold, and also included in the chart above
- ▶ The threshold injury assessment can take up to 3 months following claim lodgement to be completed, therefore a material number of claims incurred in the last quarter are yet to receive a threshold injury assessment
- ▶ For the third and fourth accident years, expected ultimate claims are lower than claims reported to date. This is driven by the expectation current not at-fault threshold claims to transition to not-at-fault non-threshold following the completion of dispute processes
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to increase compared to accident quarter 2021Q3 due to an increase in exposure but still at a level that is lower than accident quarters in 2018 - 2019.

Claim numbers

Not at-fault non-threshold claims - accident quarter basis

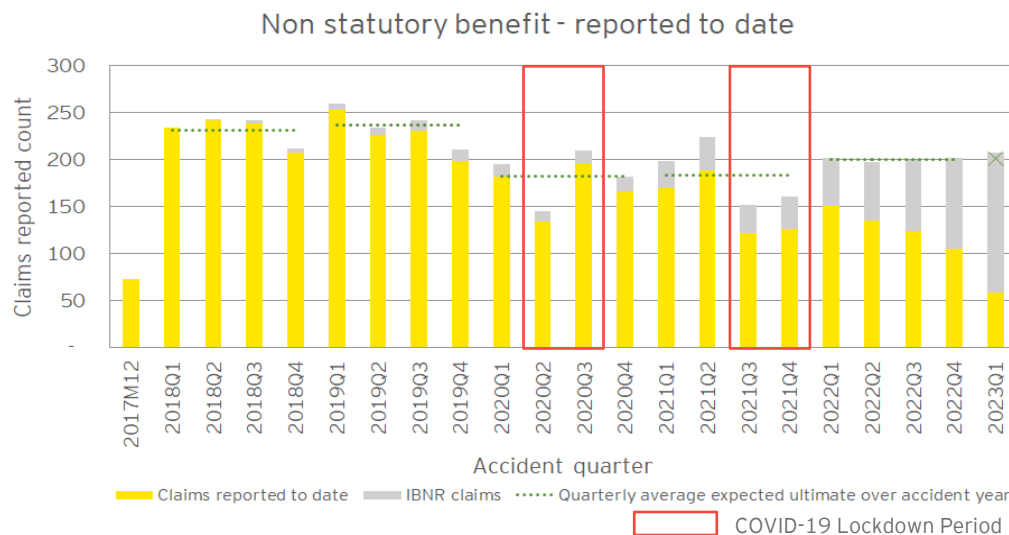


	Reported to date	Expected ultimate
1st accident year (13 months)	3,965	3,970
2nd accident year	3,800	3,842
3rd accident year	3,273	3,376
4th accident year	2,822	3,045
5th accident year	2,960	3,595
6th accident year	273	3,628

- ▶ This chart shows the total number of not at-fault non-threshold claims reported to date by accident quarter
- ▶ Not at-fault non-threshold claim numbers include claims assessed as non-threshold with fault status determined as 'not at fault' or 'yet to be determined' as a large proportion have historically been assessed as not at-fault claims
- ▶ Accident years 2020 to 2022 are expected to develop upwards from current levels. This is due to the lodgement of incurred but not reported claims, and for not at-fault threshold injury claims which are 'overturned' to not at-fault non-threshold claims following the completion of insurer internal review and external dispute processes
- ▶ The threshold injury assessment can take up to 3 months following claim lodgement to be completed, therefore a material number of claims incurred in the last two quarters are still awaiting a threshold injury assessment. The latest expected ultimate numbers allow for a reduction in the threshold injury overturn rate assumption following a lower than expected emergence of overturns
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to increase compared to accident quarter 2021Q3 due to an increase in exposure.

Claim numbers

Non statutory benefit claims - accident quarter basis

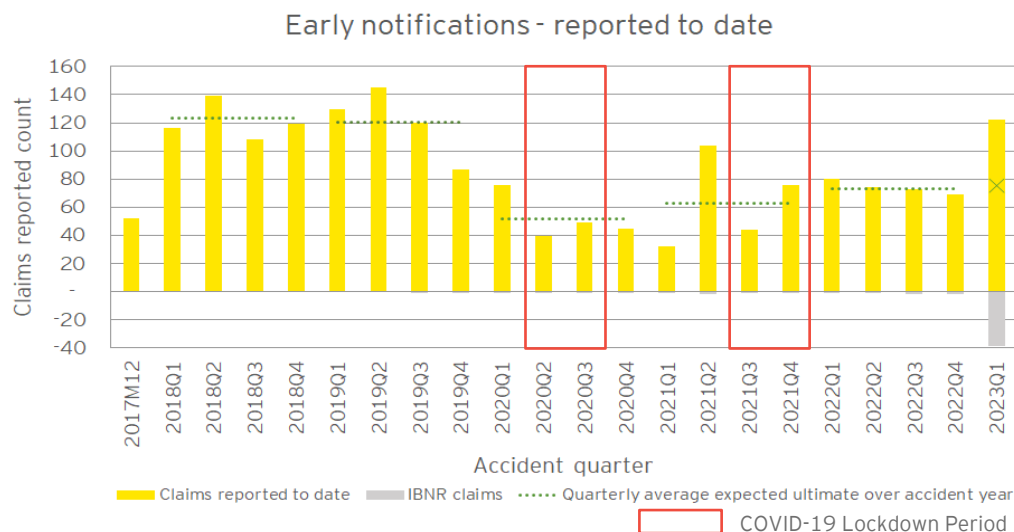


	Reported to date	Expected ultimate
1st accident year (13 months)	996	1,005
2nd accident year	909	947
3rd accident year	677	733
4th accident year	608	736
5th accident year	516	800
6th accident year	59	808

- ▶ This chart shows the total number of non statutory benefit claims reported to date by accident quarter
- ▶ Non statutory benefit claims include workers compensation, interstate and compensation to relatives claims (excluding early notifications)
- ▶ All accident years still have a number of IBNR claims reflected in their expected ultimate
- ▶ On average across accident quarters prior to 2020, approximately 240 non statutory benefit claims are expected to be incurred per quarter. This is lower for accident years 2020, 2021 and 2022 (excluding accident quarters impacted by COVID-19) where approximately 190 non-statutory benefit claims are expected to incur per accident quarter. This can be attributed to the lockdowns and prolonged State border closures which leads to fewer interstate claims
- ▶ Ultimate claims for accident quarters 2021Q4 to 2023Q1 are expected to increase compared to accident quarter 2021Q3 due to an increase in exposure but still at a level that is lower than accident quarters in 2018 - 2019.

Claim numbers

Early notification claims - accident quarter basis

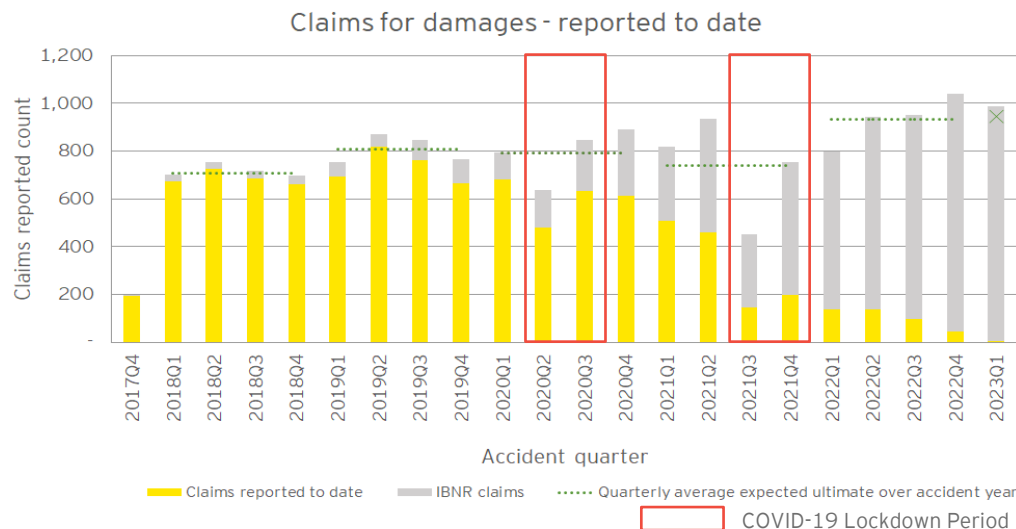


	Reported to date	Expected ultimate
1st accident year (13 months)	534	534
2nd accident year	482	481
3rd accident year	210	208
4th accident year	256	252
5th accident year	296	291
6th accident year	122	302

- ▶ This chart shows the expected total number of early notification claims by accident quarter that are not expected to progress to become a statutory benefit claim
- ▶ On average across all accident quarters prior to 2020, approximately 110 early notification claims are expected to be ultimately incurred per accident quarter reducing to 80 claims in recent periods
- ▶ The reduction in early notification claims for accident quarters 2020Q2 - 2021Q1 and 2021Q3 reflects lower exposure due to COVID-19 restrictions in 2020 and 2021 and potential changes to insurer processes
- ▶ At the December 2020 valuation, the early notification model was updated to allow for the rate at which claims transition out of the early notification model once they progress to become a statutory benefit claim. This change results in a negative development for the more recent accident periods
- ▶ After accounting for transitions out of early notification, ultimate early notification claims continue to trend upwards since 2021Q3, suggesting a potential return towards pre-COVID-19 levels.

Claim numbers

Damages claims - accident quarter basis

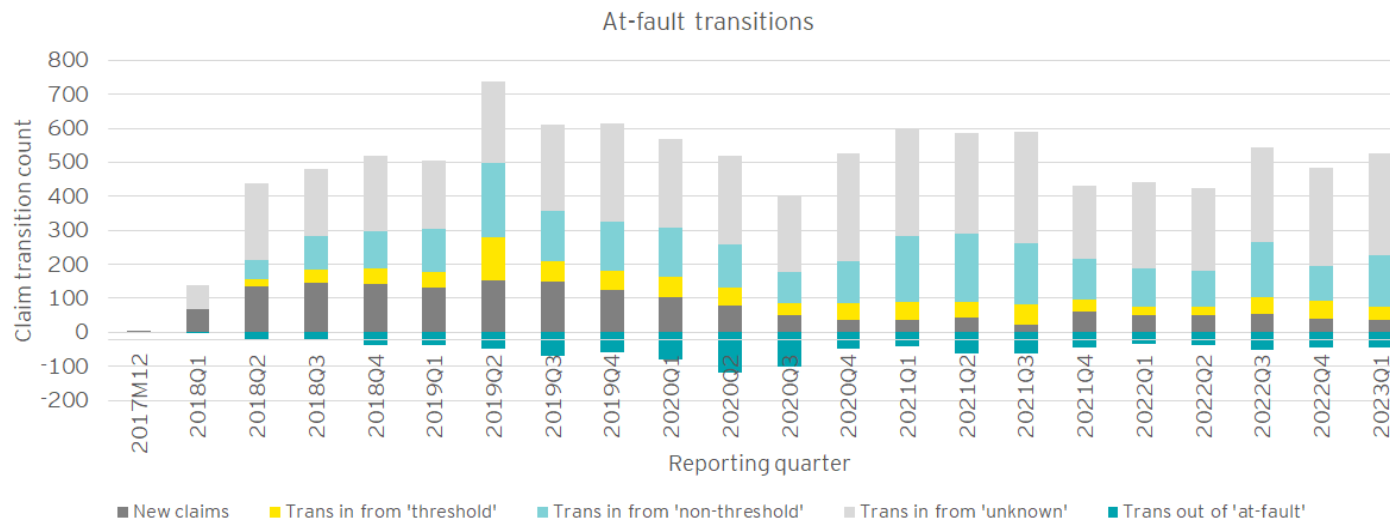


	Reported to date	Expected ultimate
1st accident year (13 months)	2,935	3,064
2nd accident year	2,933	3,237
3rd accident year	2,408	3,166
4th accident year	1,308	2,960
5th accident year	422	3,734
6th accident year	4	3,787

- ▶ This chart shows the total number of claims for damages made to date by accident quarter, along with the expected IBNR claims by accident quarter. The chart includes not at-fault non-threshold claims with whole person impairment (WPI) less than or equal to 10 percent, WPI greater than 10 percent, claims with undetermined WPI, as well as 'other' damages claims which are either at fault or not at-fault threshold
- ▶ Selected damages claim lodgement rates as at March 2023 are 64% for the 2018 accident year and steadily increase to 79% for 2021, and 88% for 2022. The difference between these selections and those as at the December 2022 valuation is purely reflective of evolving claim characteristics. There remains a high level of uncertainty for recent accident years as reflected by the significant amount of IBNR claims. This will continue to be monitored and updated as required
- ▶ Ultimate expected claims for accident quarter in 2020Q2 and 2021Q3 have experienced a large reduction due to decreased exposure from the COVID-19 lockdowns
- ▶ The damages lodgement rate is expected to increase over time as scheme damages lodgement processes are embedded and developed by insurers and lawyers
- ▶ The lodgement rate for accident quarter 2022Q4 onwards are also expected to increase due to the removal of the 20-month damages lodgement waiting period as outlined in Motor Accident Injuries Amendment Bill 2022.

Claim numbers

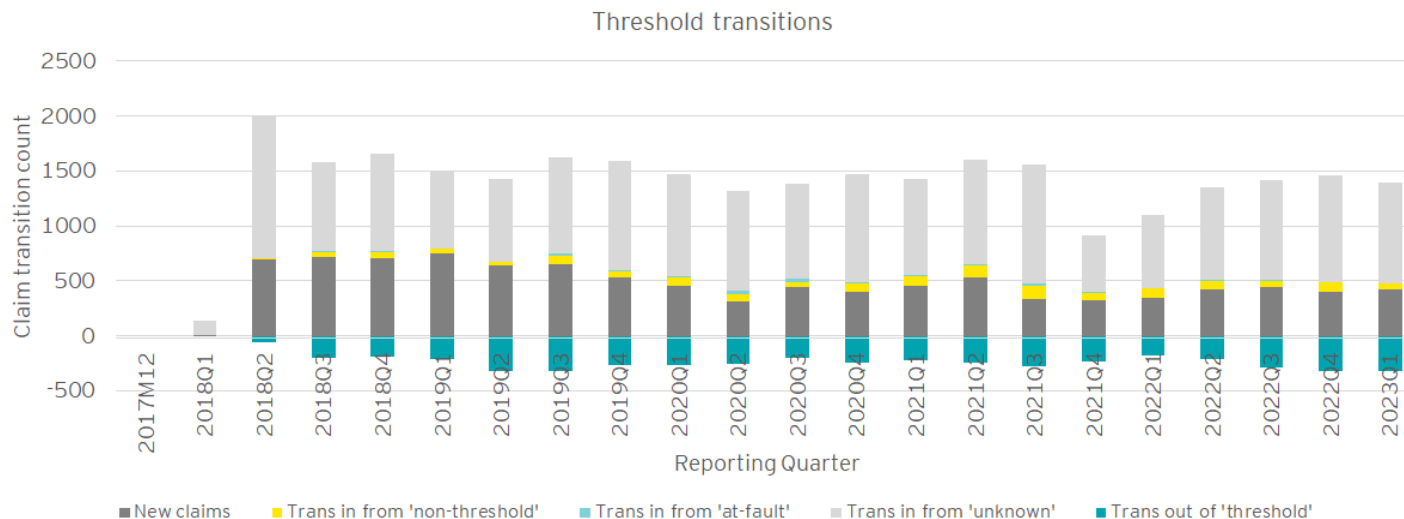
At-fault claims - transitions by reporting quarter



- ▶ The chart above shows the number of claims that transition in and out of the at-fault claims model by reporting quarter. Either claims are newly reported ('New claims'), transition in from an alternative claim type ('Trans in') or transition out to an alternative claim type ('Trans out')
- ▶ Due to the majority of claims being eventually determined as not at-fault, claims are initially categorised as "not at-fault, unknown severity" until a fault status and threshold injury assessment is determined by the insurer. Of the claims with undetermined fault status, assumptions are made as to how many will eventually transition to an at-fault status
- ▶ There are generally less than 100 claims per quarter which transition out of at-fault into other claim types
- ▶ Around 130 new claims are assigned to 'at-fault' within the first quarter of the claim being reported for reporting quarters up to 2020Q1
- ▶ From reporting quarters 2020Q2 - 2021Q3, new claims are lower than previous. This may be a combined effect of operational delay in determining fault status by the insurers, as well as reduced claims volume during the two main COVID-19 lockdown periods in 2020 - 2021
- ▶ Reporting quarters 2021Q4 - 2022Q3 have seen an increase in new claims compared to previous quarters, but this remains lower than pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter 2022Q4, reporting quarter 2023Q1 has a slightly higher number of claims transitioning in, and a similar level of new claims reported and claims transitioning out of the at-fault model.

Claim numbers

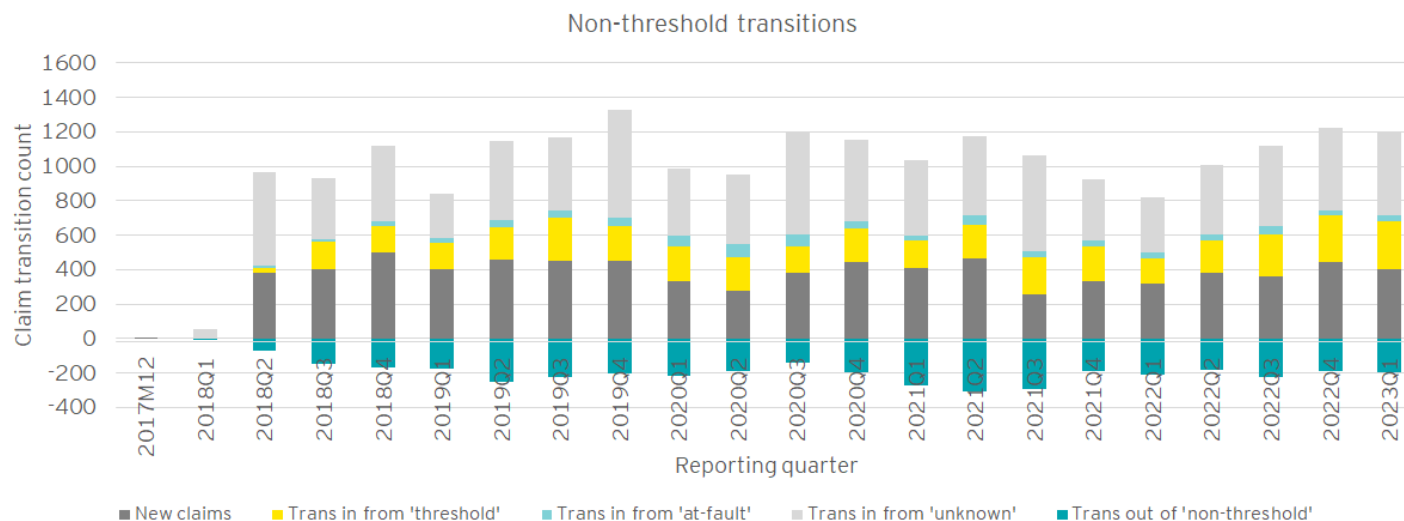
Not at-fault threshold claims - transitions by reporting quarter



- ▶ There are on average 220 claims per quarter transitioning out of the not at-fault threshold injury claim type into other claim types
- ▶ Approximately a third of the claims transitioning into not at-fault threshold claims each quarter are due to new claims reported within the quarter. This was lower during 2020Q2, 2021Q3 and 2021Q4 reporting quarters due to COVID-19 lockdowns
- ▶ The majority of the remaining claims transitioning into not at-fault threshold injury come from not at-fault unknown severity claims, due to the threshold injury assessment not being completed until 3 months after the claim is reported
- ▶ However, for reporting quarter 2021Q4, the transitions from 'unknown' are significantly lower than experienced in previous accident quarters. This has increased between reporting quarters 2022Q1 to 2023Q1, suggesting a return towards pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter 2022Q4, reporting quarter 2023Q1 has a slightly lower number of claims transitioning in, and a similar level of new claims reported and claims transitioning out of the at-fault model.

Claim numbers

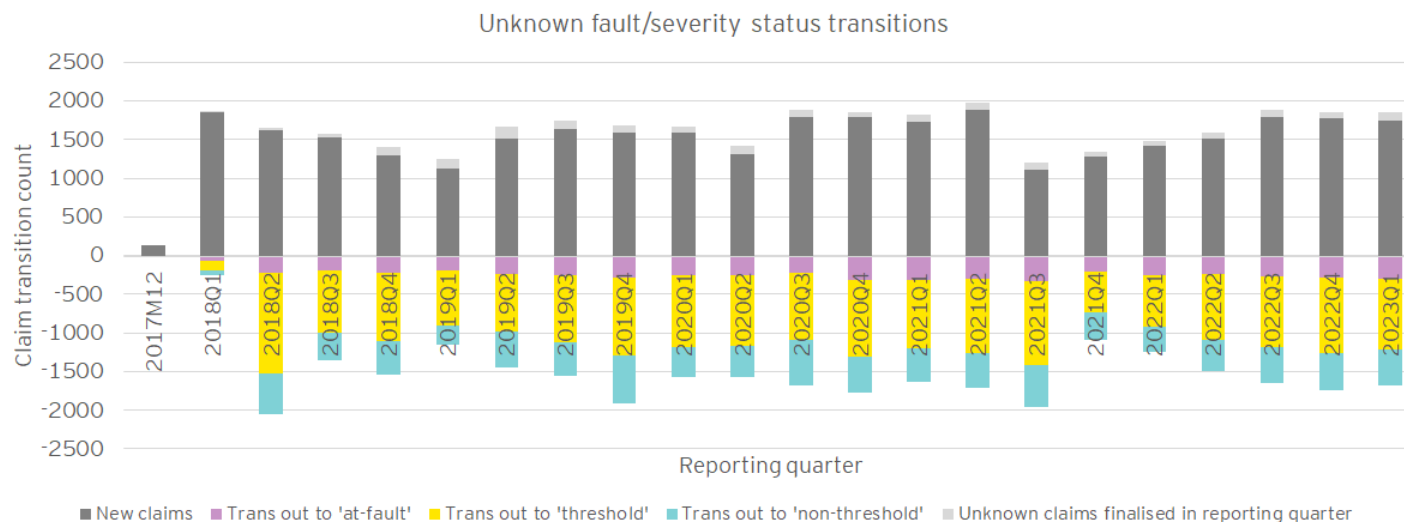
Not at-fault non-threshold claims - transitions by reporting quarter



- ▶ The majority of the remaining claims transitioning into the not at-fault non-threshold injury category come from the not at-fault unknown severity claim type. This is expected, as it typically takes up to approximately three months for the threshold injury assessment to be completed after these claims have been reported
- ▶ On average around 200 claims per quarter transition out of the not at-fault non-threshold injury category into alternative categories, as claims assumed to be not at-fault are later determined as at-fault
- ▶ The number of claims transitioning into non-threshold have reduced for reporting quarters 2021Q4 and 2022Q1, primarily driven by the reduced number of new claims, and reduced transitions from 'unknown' and 'threshold'
- ▶ In 2022Q2 to 2023Q1, we see an increase in new claims and transitions from 'unknown' and 'threshold' claims into non-threshold claims, which signals a return towards pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter 2022Q4, reporting quarter 2023Q1 has a similar level of claims transitioning in, new claims reported and claims transitioning out of the at-fault model.

Claim numbers

Claims with an unknown fault/severity status - transitions by reporting quarter



- ▶ The number of claims finalising without a severity determination are illustrated by the light grey bar. The average claim size of these finalised claims indicates they are likely to be threshold claims
- ▶ When a claim is initially reported, the fault status and the severity of the claim may be undetermined for up to around 3 months after the claim received date. This cohort of claims is modelled separately, and assumptions are made on the eventual fault and threshold status
- ▶ Around 1,500 new claims with an unknown fault or severity determination are reported per quarter
- ▶ In reporting quarters 2021Q3, reduced volumes were observed for new claims with the 'unknown' category, reflecting the impact of the COVID-19 lockdown in 2021. The number of claims transitioning out of the 'unknown' category have also reduced for reporting quarters 2021Q4 and 2022Q1, primarily driven by the reduced number of unknown claims transitioning out to the 'threshold' category. In more recent reporting quarters from 2022Q2 onwards, the volume of new claims and claims transitioning out of 'unknown' suggests a return towards pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter 2022Q4, reporting quarter 2023Q1 has a similar level of claims transitioning in, new claims reported and claims transitioning out of the at-fault model.

Actual versus expected claims experience

Statutory benefit claims reported

			December 2022 - March 2023			
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
At-Fault	All	Stat Ben	432	402	30	8%
Not At-Fault	Threshold	Stat Ben	723	900	-177	-20%
	Non-threshold	Stat Ben	692	646	46	7%
	Unknown	Stat Ben	-942	-1,046	104	-10%
Total			905	902	3	0%

December 2022 - March 2023				
Accident Quarter	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier	59	45	14	30%
2021Q4	2	7	-5	-72%
2022Q1	6	12	-6	-48%
2022Q2	13	21	-8	-38%
2022Q3	45	74	-29	-39%
2022Q4	780	742	38	5%
Total	905	902	3	0%

- ▶ A full statutory benefits valuation was carried out for 31 December 2022, resulting in updated expected payments and claim numbers projected for future quarters relating to accidents up to 31 December 2022
- ▶ In the three months leading up to 31 March 2023, reported claims have been higher than expected by 3 claims (0.3%)
- ▶ This is a result of higher than expected at-fault claims, not at-fault non-threshold and unknown severity claims, which is offset by lower than expected not at-fault threshold claims
- ▶ On an accident quarter basis, there are fewer than expected claims in all accident periods except 2022Q4, and 2021Q3 and prior periods
- ▶ In this reporting quarter, a partial driver to the observed difference is that there has been more null claims reported by insurers than most reporting quarters, particularly for not at-fault threshold and unknown severity claims
- ▶ The reporting patterns are still developing in the 2017 Scheme, driving higher volatility in the actual versus expected from older accident periods.

Actual versus expected claims experience

Statutory benefit claim payments

December 2022 - March 2023						
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
At-Fault	All	Stat Ben	\$10.5m	\$9.6m	\$0.9m	9%
Not At-Fault	Threshold	Stat Ben	\$8.8m	\$10.6m	-\$1.8m	-17%
	Non-threshold	Stat Ben	\$57.5m	\$61.6m	-\$4.1m	-7%
	Unknown	Stat Ben	-\$2.9m	\$0.4m	-\$3.3m	-812%
Total			\$74.0m	\$82.3m	-\$8.3m	-10%

December 2022 - March 2023				
Accident Quarter	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2021Q3 and Earlier	\$23.2m	\$27.0m	-\$3.8m	-14%
2021Q4	\$3.9m	\$4.6m	-\$0.7m	-15%
2022Q1	\$4.7m	\$4.9m	-\$0.2m	-3%
2022Q2	\$6.5m	\$7.1m	-\$0.6m	-9%
2022Q3	\$13.7m	\$15.0m	-\$1.4m	-9%
2022Q4	\$22.0m	\$23.7m	-\$1.7m	-7%
Total	\$74.0m	\$82.3m	-\$8.3m	-10%

- ▶ Statutory benefit payments, for accidents up to 31 December 2022, over the last three months to 31 March 2023 have been \$8.3m (or 10%) lower than expected
- ▶ The lower than expected payments is primarily driven by not at-fault non-threshold and unknown severity claims, partially offset by at-fault claims
- ▶ On an accident quarter basis, the experience is lower than expected across all accident periods
- ▶ The lower than expected experience for not at-fault non-threshold claims may be partially driven by the higher than expected damages settlements which results in the cessation of loss of income statutory benefits. As the damages settlement experience develops this interaction with statutory benefits will continue to be monitored.

Actual versus expected claims experience

Not at-fault non-threshold active claims reported

December 2022 - March 2023				
Payment Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Loss of Income	2,135	2,163	-28	-1%
Treatment & Care	6,386	6,416	-30	-0%
Total	8,521	8,579	-58	-1%

December 2022 - March 2023				
Accident Quarter	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier	4,784	4,887	-103	-2%
2021Q4	528	547	-19	-3%
2022Q1	594	581	14	2%
2022Q2	760	746	14	2%
2022Q3	913	924	-11	-1%
2022Q4	942	895	47	5%
Total	8,521	8,579	-58	-1%

- ▶ The number of not at-fault non-threshold 'active claims' i.e. those receiving a loss of income or treatment payment are shown in this slide
- ▶ In the three months leading up to 31 March 2023, for accidents up to 31 December 2022, there were 8,521 not at-fault non-threshold active claims. This was 58 (or 1%) fewer claims than expected
- ▶ On an accident quarter basis, the lower than expected claims are driven by 2021Q3 and earlier periods, partially offset by 2022Q1, 2022Q2 and 2022Q4
- ▶ The lower than expected active claims which are receiving loss of income may be partially driven by the higher than expected damages settlements which results in the cessation of loss of income benefits
- ▶ The level of claim activity is still developing, driving higher volatility in the actual versus expected experience from older accident periods.

Actual versus expected claims experience

Non statutory benefit claims reported

		December 2022 - March 2023			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Interstate	Non Stat Ben	52	60	-8	-14%
Death	Non Stat Ben	45	35	10	29%
Workers Compensation	Non Stat Ben	36	54	-18	-34%
Early notification	Non Stat Ben	-20	-31	11	-36%
Total		113	118	-5	-5%

		December 2022 - March 2023			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier		9	41	-32	-78%
2021Q4		2	7	-5	-70%
2022Q1		15	10	5	50%
2022Q2		13	16	-3	-21%
2022Q3		34	18	16	84%
2022Q4		40	25	15	58%
Total		113	118	-5	-5%

- ▶ Non statutory benefit claims include interstate, death, worker's compensation and early notification
- ▶ In the three months leading up to 31 March 2023, reported non statutory benefit claims, for accidents up to 31 December 2022, have been lower than expected by around 5%, or 5 claims
- ▶ The lower than expected claims numbers are primarily driven by lower than expected interstate and workers compensation claims, partially offset by a higher number of death and early notification claims than expected
- ▶ On an accident quarter basis, the lower than expected claim numbers is primarily driven by accident quarters 2021Q3 and prior periods, and partially offset by 2022Q1, 2022Q3-Q4
- ▶ The level of claim activity is still developing, driving higher volatility in the actual versus expected experience.

Actual versus expected claims experience

Non statutory benefit claim payments

		December 2022 - March 2023			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Interstate	Non Stat Ben	\$8.5m	\$10.2m	-\$1.8m	-17%
Death	Non Stat Ben	\$5.6m	\$4.1m	\$1.6m	39%
Workers Compensation	Non Stat Ben	\$8.9m	\$2.5m	\$6.4m	255%
Early notification	Non Stat Ben	\$49.2k	\$3.5k	\$45.7k	1319%
Total		\$23.0m	\$16.8m	\$6.2m	37%

		December 2022 - March 2023			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2021Q3 and Earlier		\$21.1m	\$14.6m	\$6.6m	45%
2021Q4		\$0.3m	\$0.7m	-\$0.4m	-54%
2022Q1		\$0.4m	\$0.5m	-\$0.1m	-20%
2022Q2		\$0.3m	\$0.3m	-\$0.1m	-16%
2022Q3		\$0.2m	\$0.2m	-\$0.0m	-14%
2022Q4		\$0.7m	\$0.5m	\$0.2m	38%
Total		\$23.0m	\$16.8m	\$6.2m	37%

- ▶ Non statutory benefit payments in the three months leading up to 31 March 2023, for accidents up to 31 December 2022, have been \$6.2m (or 37%) higher than expected
- ▶ This is driven by higher than expected payments across all non-statutory benefit claim types except interstate claims
- ▶ Higher than expected death payments are likely due to the sparse number of Compensation to Relative (CTR) claims which typically settles for a higher claim amount
- ▶ Higher than expected workers compensation payments are primarily driven by the sparse common law settlements experienced in the older accident periods
- ▶ On an accident quarter basis, there is higher than expected claims payments which is primarily driven by 2021Q3 and prior accident periods, partially offset by accident periods in 2021Q4-2022Q3.

Actual versus expected claims experience

Claims reported for damages

			December 2022 - March 2023			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	293	303	-10	-3%
		≤ 10%	235	290	-55	-19%
		Unknown	335	51	284	558%
Other			167	174	-7	-4%
Total			1,030	818	212	26%

December 2022 - March 2023				
Accident Quarter	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2020Q4 and Earlier	172	238	-66	-28%
2021Q1	103	84	19	22%
2021Q2	244	225	19	8%
2021Q3	82	143	-61	-43%
2021Q4	114	73	41	57%
2022Q1 - 2022Q4	315	55	260	477%
Total	1,030	818	212	26%

- ▶ In the three months leading up to 31 March 2023, reported claims for damages, for accidents up to 31 December 2022, have been higher than expected by around 26%, or 212 claims
- ▶ The higher than expected claims numbers are primarily driven by the higher than expected number of not at-fault non-threshold claims with yet to be determined (i.e. 'unknown') WPI, partially offset by lower than expected not at-fault non-threshold claims with WPI > 10%, WPI ≤ 10% and 'Other' claims
- ▶ On an accident quarter basis, there is higher than expected claims reported for all accident quarters, except 2021Q3, 2020Q4 and prior accident periods
- ▶ The reporting patterns are still developing in the 2017 Scheme, driving higher volatility in the actual versus expected from older accident periods. This is compounded by the removal of the 20-month damages lodgement waiting period as outlined in Motor Accident Injuries Amendment Bill 2022, which will cause substantial changes in reporting patterns for accident periods after 2021Q2.

Actual versus expected claims experience

Claim payments for damages

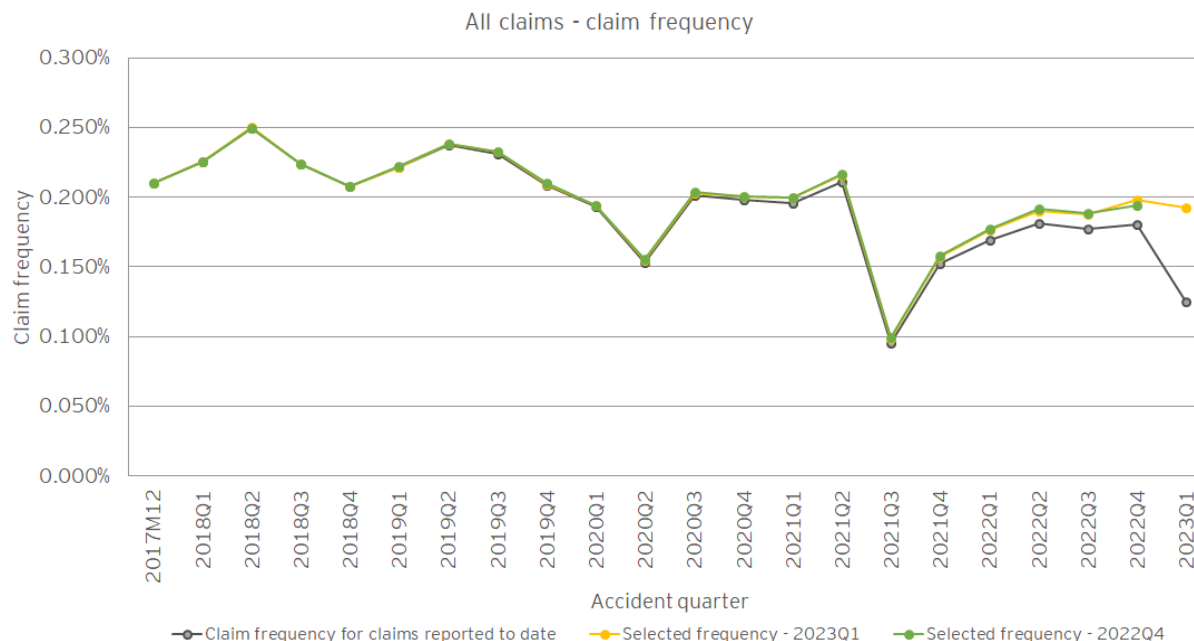
			December 2022 - March 2023			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	\$119.9m	\$134.2m	-\$14.3m	-11%
		≤ 10%	\$21.8m	\$21.8m	-\$0.0m	-0%
		Unknown	\$3.0m	\$2.0m	\$0.9m	45%
Other			\$6.3m	\$13.3m	-\$7.0m	-53%
Total			\$151.0m	\$171.3m	-\$20.3m	-12%

December 2022 - March 2023				
Accident Quarter	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2020Q4 and Earlier	\$137.1m	\$160.4m	-\$23.4m	-15%
2021Q1	\$8.0m	\$6.9m	\$1.2m	17%
2021Q2	\$2.5m	\$1.6m	\$0.9m	57%
2021Q3	\$0.8m	\$0.4m	\$0.4m	91%
2021Q4	\$1.1m	\$1.4m	-\$0.2m	-18%
2022Q1 - 2022Q4	\$1.5m	\$0.7m	\$0.8m	120%
Total	\$151.0m	\$171.3m	-\$20.3m	-12%

- ▶ Claim payments for damages over the three months leading up to 31 March 2023, for accidents up to 31 December 2022, have been \$20.3m (or 12%) lower than expected
- ▶ This is largely driven by a lower amount of payments for not at-fault non-threshold claims with WPI greater than 10% and "Other" claims, partially offset by the higher than expected payments for not-at-fault non-threshold claims with unknown WPI
- ▶ The settlement experience of 'Other' claims will be monitored as many of these claims may not be eligible for a damages claims settlement
- ▶ On an accident quarter basis, actual payments are less than expected primarily in 2020Q4 and prior accident periods, partially offset by accident periods 2021-2022 except 2021Q4.

Claim frequency

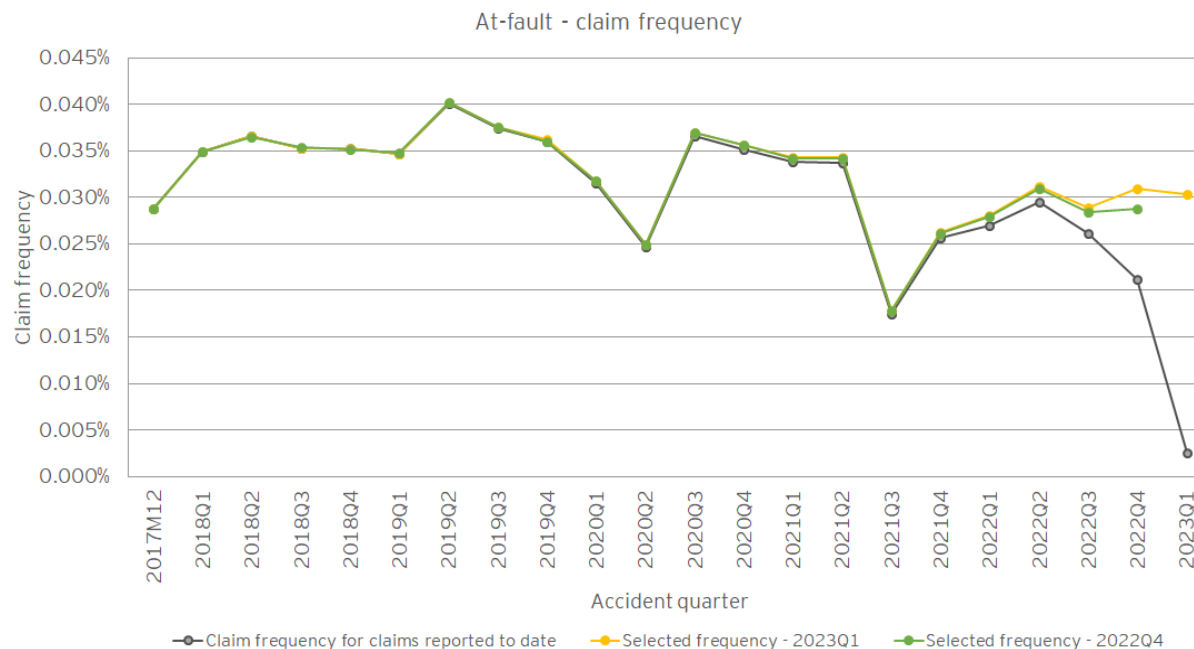
All claims



- ▶ The chart above shows the ultimate claim frequency for all claims per accident quarter
- ▶ A higher amount of uncertainty is associated with the most recent accident quarter, as a larger number of claims are still yet to be reported compared to previous quarters
- ▶ The gap between the grey line and the yellow line illustrates the claims which are expected to have been incurred but have not yet been reported
- ▶ The observed reduction in 2020Q1 to 2020Q2 and 2021Q3 is due to a reduction in exposure during COVID-19 lockdowns in NSW. Claim numbers for 2020Q3 to 2021Q2 have returned towards pre-COVID levels after the first lockdown
- ▶ Claim frequency for 2022Q1 to 2023Q1 is projected to increase compared to 2021Q4 due to an increase in exposure, but at a level below pre-COVID-19 levels.

Claim frequency

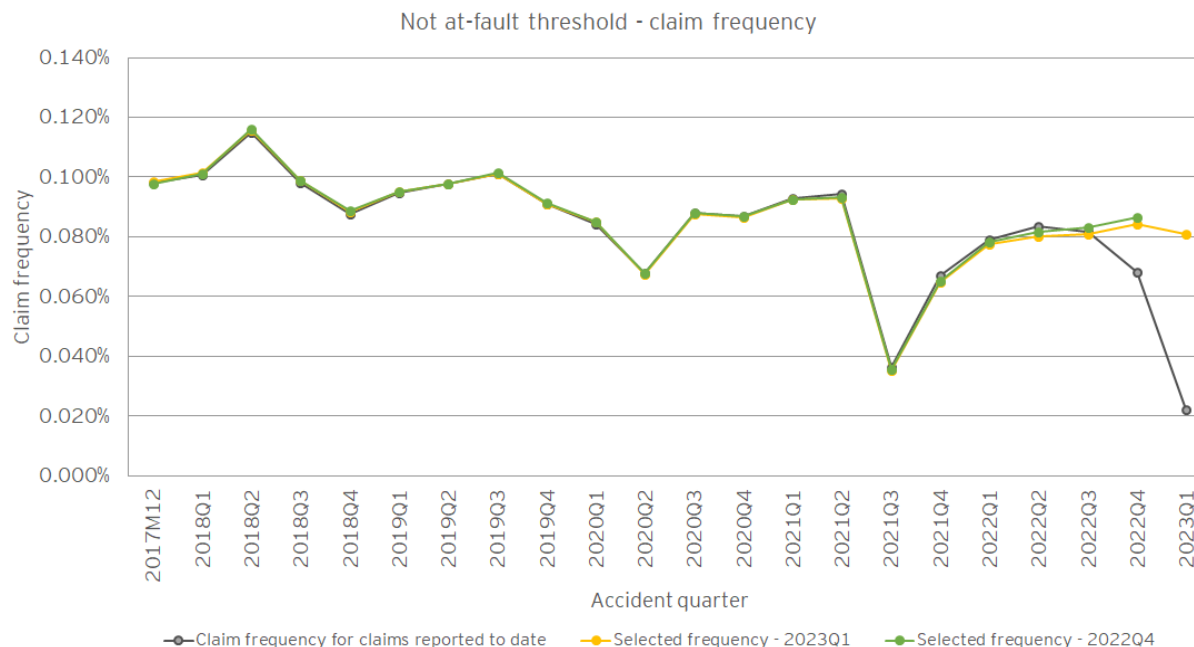
At-fault claims



- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for at-fault and mostly at-fault claims
- ▶ The ultimate frequency for at-fault claims is broadly consistent with the previous full valuation in December 2022 (i.e. green line vs yellow line) for accident quarters before 2020
- ▶ The gap between reported to date claim frequency and ultimate frequency illustrates the claims which have incurred but not yet been reported, or claims that have not yet been determined as 'at-fault'. For accident periods in December 2017 to 2020Q4, it is not expected that there will be any material additional at-fault claims reported
- ▶ The observed reduction in 2020Q1 - 2020Q2 and 2021Q3 is due to a reduction in exposure during COVID-19 lockdowns in NSW. Claim numbers for 2020Q3 to 2021Q2 have returned towards pre-COVID levels after the first lockdown
- ▶ Claim frequencies for 2021Q4 to 2023Q1 are projected to increase compared to 2021Q4 due to an increase in exposure, but at a level that is below pre-COVID-19 levels.

Claim frequency

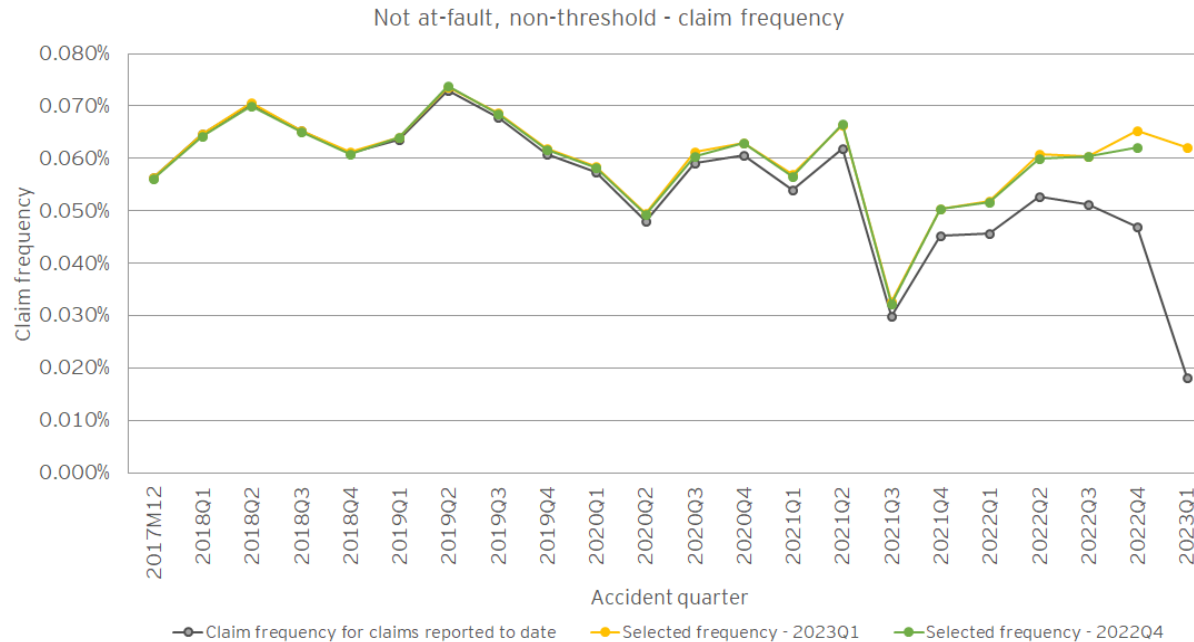
Not at-fault threshold claims



- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for not at-fault threshold injury claims
- ▶ The ultimate frequency for not at-fault threshold claims is broadly consistent with the previous full valuation in December 2022
- ▶ Where the reported to date frequency is higher than the ultimate frequency, it means a proportion of reported claims are expected to transition out of not at-fault threshold into the not at-fault non-threshold claim category following the completion of insurer internal reviews and any further dispute processes
- ▶ The observed reduction in 2020Q1 - 2020Q2 and 201Q3 is due to a reduction in exposure during the COVID-19 lockdowns in NSW. Claim numbers for 2020Q3 to 2021Q2 have returned towards pre-COVID levels after the first lockdown
- ▶ Claim frequency for 2021Q4 to 2023Q1 are projected to increase compared to 2021Q4 due to increase in exposure but at a level that is below pre-COVID-19 levels.

Claim frequency

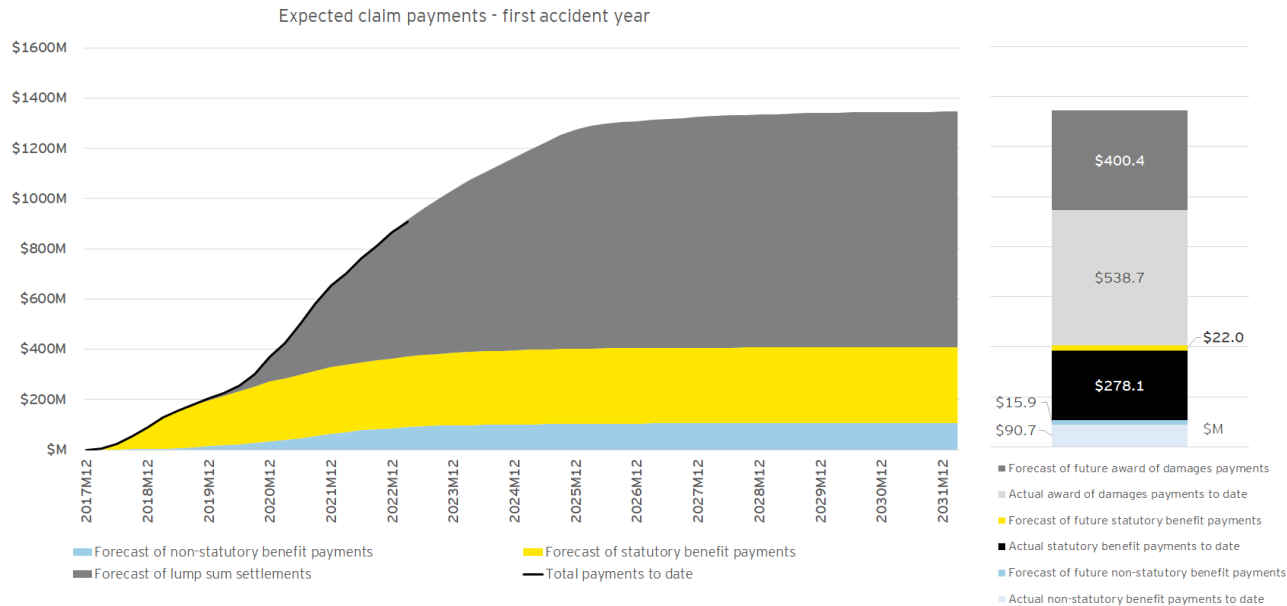
Not at-fault non-threshold claims



- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for not at-fault non-threshold injury claims
- ▶ The ultimate frequency for non-threshold claims is broadly consistent with the previous full valuation at December 2022
- ▶ The observed reduction in 2020Q1 - 2020Q2 and 2021Q3 is due to a reduction in exposure during the COVID-19 lockdowns in NSW. Claim numbers for 2020Q3 to 2021Q2 have returned towards pre-COVID levels after the first lockdown
- ▶ Claim frequencies for 2021Q4 to 2023Q1 are projected to increase compared to 2021Q4 and return towards pre-COVID-19 levels.

Claim payments

Actual vs. expected payment pattern (1 Dec 2017 - 31 Dec 2018)



- ▶ The chart above shows the expected payment pattern of the 2017 Scheme for the first accident year, split by statutory benefit payments, lump sum damages settlements and non statutory benefit payments
- ▶ This graph shows that a material component of the claims cost in relation to the award of damages has yet to be paid due to the Scheme design and access to statutory benefits in the interim
- ▶ In particular, it highlights that total payments to date account for 67% of total expected payments. In addition, approximately 66% of the expected claims costs are for the award of damages (grey segment). To date, there have been \$278.1m payments relating to statutory benefit payments, \$538.7m payments relating to award of damages payments and \$90.7m payments relating to non statutory benefit payments for the first accident year.

*Expected total payments as at 31 Dec 2022 valuation

Claim payments

Actual vs. expected payment pattern (Accident years 2018 - 2022)

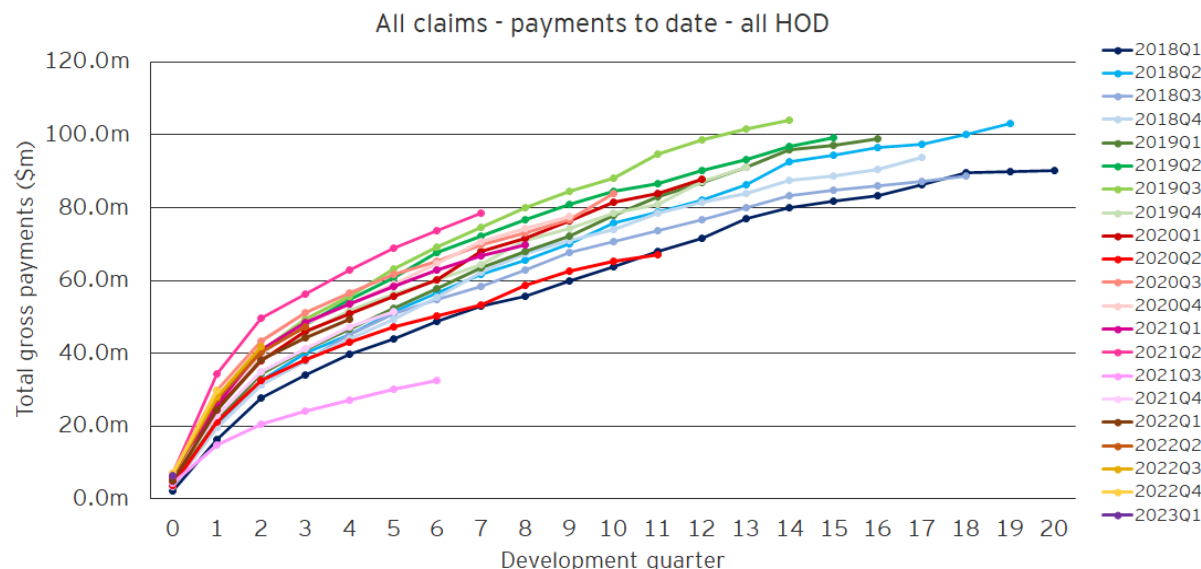
Accident year	Award of damages		Statutory benefit		Non-statutory benefit		% of expected* total payments paid
	Actual payments to date	Forecast of future payments	Actual payments to date	Forecast of future payments	Actual payments to date	Forecast of future payments	
2018	\$538.7 m	\$400.4 m	\$278.1 m	\$22.0 m	\$90.7 m	\$15.9 m	67%
2019	\$429.4 m	\$563.9 m	\$299.5 m	\$38.1 m	\$71.4 m	\$34.0 m	56%
2020	\$202.7 m	\$821.8 m	\$261.1 m	\$63.7 m	\$41.1 m	\$43.5 m	35%
2021	\$25.4 m	\$1027.7 m	\$211.8 m	\$99.3 m	\$13.1 m	\$70.3 m	17%
2022	\$2.7 m	\$1259.6 m	\$161.6 m	\$217.4 m	\$4.3 m	\$89.9 m	10%

- ▶ The table above shows the actual payments to date and forecast of future payments for the 2018-2022 accident years. The 2023 accident year is not shown as the December 2023 valuation is yet to commence
- ▶ The table shows that a material component of the claims cost in relation to the award of damages has yet to be paid due to the Scheme design and access to statutory benefits in the interim
- ▶ As the accident years mature, total payments to date will increase as a proportion of total expected payments
- ▶ For example, for the first accident year, as illustrated in the previous slide, total payments to date account for 67% of total expected payments and approximately 70% of the expected claims costs are for the award of damages
- ▶ The emerging damages payment experience for all accident years creates considerable uncertainty in assessing Scheme performance.

**Expected total payments as at 31 Dec 2022 valuation*

SB - claim payments

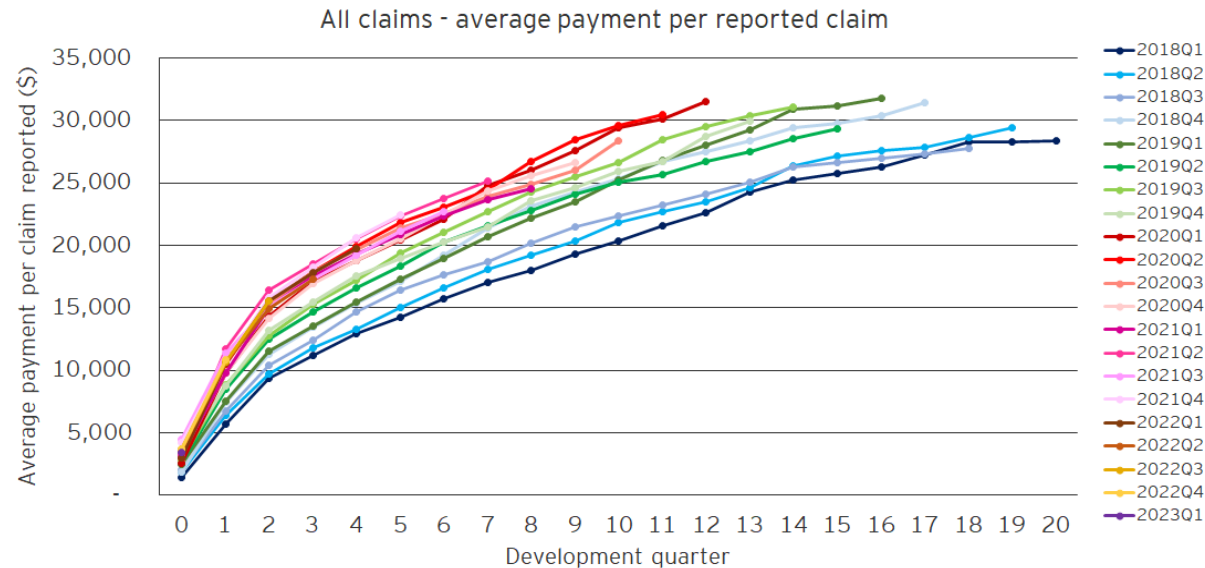
Total gross statutory benefit payments by development quarter (current value)



- ▶ The above chart shows the total statutory benefit payment profile for each accident quarter for all claims across all heads of damage (HOD)
- ▶ The more mature accident quarters are still developing, and this is mainly due to not at-fault non-threshold claimants who are still eligible to receive statutory benefits
- ▶ The ultimate cost per accident quarter will not be known with certainty until after five years after the accident quarter, due to not at-fault non-threshold claimants being entitled to statutory benefits until this point before transitioning to CTP Care, as well as the larger payments relating to the award of damages being finalised
- ▶ It appears for most recent accident quarters with the exclusion of COVID-19 quarter 2021Q3, claimants are receiving higher payments compared to previous quarters at the same point of development. This is especially the case for 2021Q2. This may be due to insurers having better established claims operations resulting in claimants receiving payments earlier, rather than higher payments overall. However, this is not known with certainty until the profile of these accident quarters develops over time compared to the earlier periods
- ▶ For accident quarter 2021Q3, it appears that total gross payments are trending lower compared to previous accident quarters. This is likely driven by the lower reported claim numbers due to the second COVID-19 lockdown in NSW.

SB - average payment per claim reported

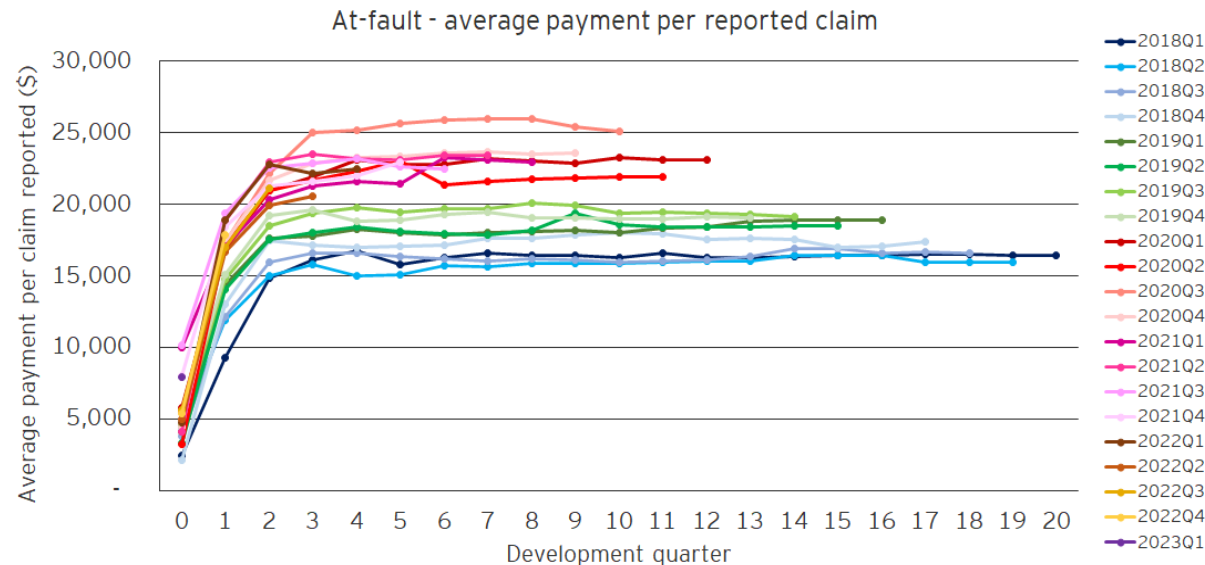
All claims - average cumulative payments per reported claim (current value)



- ▶ This chart shows the profile of average cumulative statutory benefit payments per claim reported by accident quarter and development quarter
- ▶ On a development basis, the more mature accident quarters are still showing development, which is due to non-threshold claimants still receiving statutory benefit payments
- ▶ More recent accident quarters have a higher profile than older accident quarters which may indicate a speeding up of payments as the Scheme has progressed, rather than higher payments overall. However, this is not known with certainty, until the profile of these accident quarters develops over time compared to the earlier periods. This is particularly the case for the non-threshold claim cohort which has a benefit entitlement of up to 5 years.

SB - average payment per claim reported

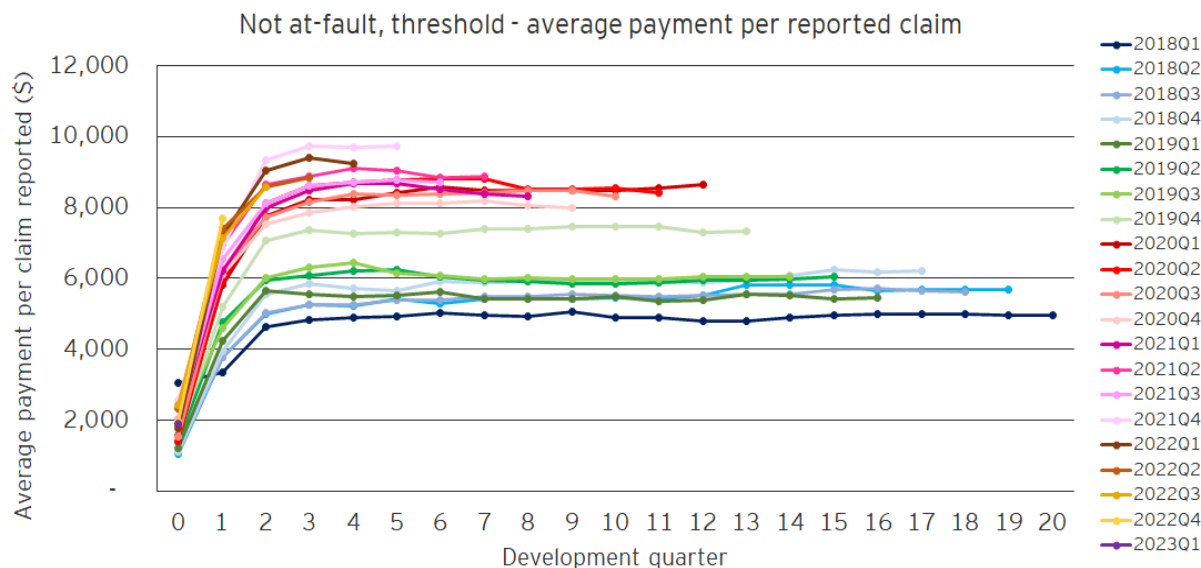
At-fault claims - average cumulative payment per reported claim (current value)



- ▶ This chart shows the profile of average cumulative payments per at-fault claim reported by accident quarter and development quarter
- ▶ On a development quarter basis, the older accident quarters have reached a steady level of average claim size by around development quarter 3. This is expected as at-fault claimants were previously entitled to 26 weeks of benefits, with some allowance for delay in payments and invoicing
- ▶ It appears the recent accident quarters have a higher average claim size than more mature accident quarters
- ▶ This chart indicates that the average claim size is emerging at around \$15,000 - \$25,000 for at-fault claims
- ▶ Payments per claim reported in accident quarter 2020Q3 has continued to develop higher in comparison to other accident quarters in the same development period
- ▶ Despite accident quarters 2021Q2 to 2021Q3 developing higher in earlier development quarters, they have started to converge towards the upper range, at around an average claim size of \$23,000
- ▶ We expect that average claim sizes will increase for accidents post 1 April 2023, due to the 2022 Amendment Bill which extends the benefit entitlement period from 26 to 52 weeks
- ▶ The behaviour of these recent accident quarters will continue to be monitored going forward.

SB - average payment per claim reported

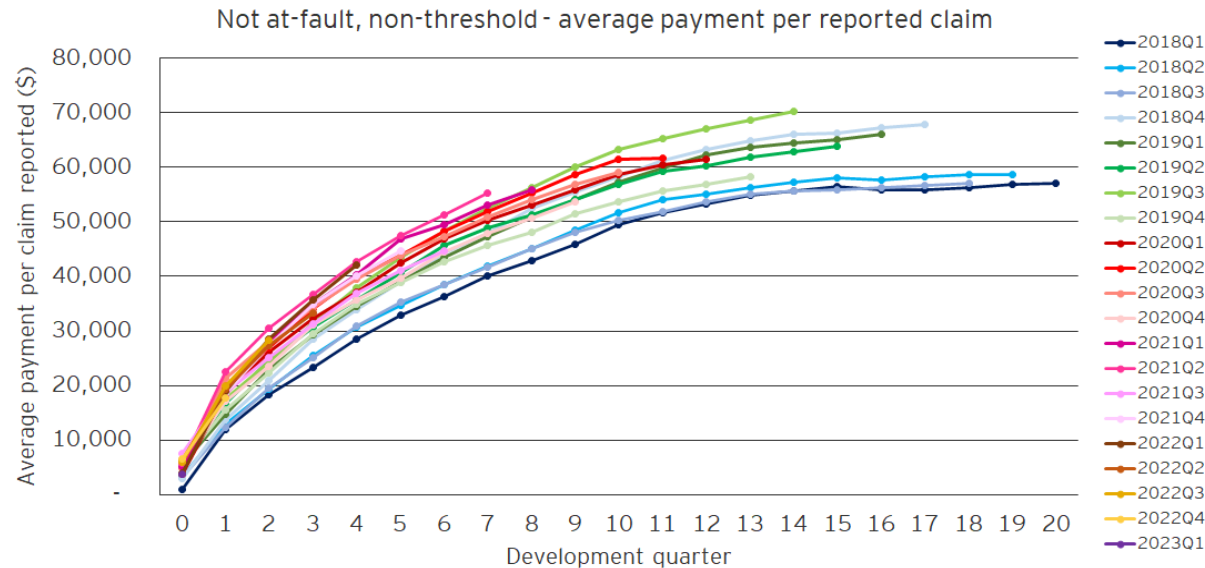
Not at-fault threshold claims - average cumulative payment per reported claim (current value)



- ▶ This chart shows the profile of average cumulative payments per not at-fault threshold injury claim reported by accident quarter and development quarter
- ▶ On a development quarter basis, the older accident quarters have reached a steady level of average claim size by around development quarter 3. This is expected as not at-fault threshold injury claimants were previously entitled to 26 weeks of benefits, with some allowance for delay in payments, invoicing and accessing further benefits for some claims if the insurer agrees that further treatment will aid recovery
- ▶ This chart indicates that the average claim size is around \$4,500 - \$6,000 for not at-fault threshold claims up until 2019Q3, and the average claim size is around \$7,000 - \$10,000 for claims 2019Q4 and onwards
- ▶ Higher average claim sizes for recent accident quarters may be due to a change in claims mix for claims incurred during the COVID-19 lockdown. The reduced number of claims have a higher average severity compared to those in prior quarters
- ▶ Accident quarters 2021Q2 and 2021Q4 to 2022Q3 appear to be developing at a higher rate than other accident quarters when compared within their respective most recent development periods
- ▶ We expect that average claim sizes will increase for accidents post 1 April 2023, due to the 2022 Amendment Bill which extends the benefit entitlement period from 26 to 52 weeks. We will continue to monitor this going forward.

SB - average payment per claim reported

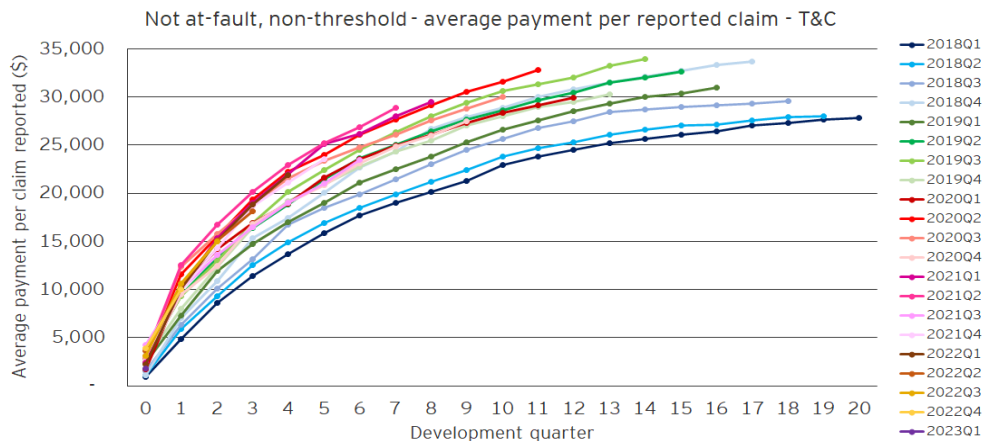
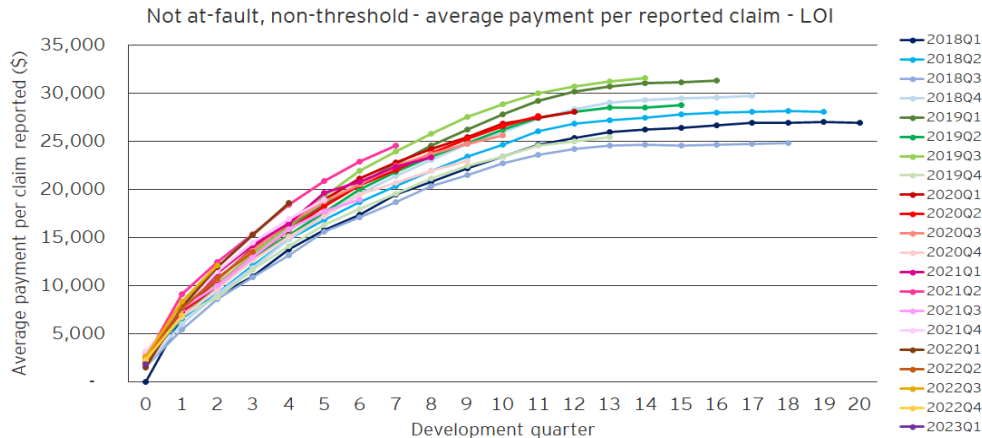
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value)



- ▶ This chart shows the profile of average cumulative payments per not at-fault non-threshold injury claim reported by accident quarter and development quarter
- ▶ It appears that more recent accident quarters have a higher average claim size than more mature accident quarters prior to 2018Q3. This may be indicative of a speeding up of payments for more recent accident years and/or a higher ultimate average claim size for recent accident quarters
- ▶ The average cumulative payment per not at-fault non-threshold claim reported will not be known with certainty until after five years after the accidents occur, due to not at-fault non-threshold claimants being entitled to benefits up to this point before transitioning to CTP Care, as well as the larger payments relating to the award of damages being finalised
- ▶ For accident quarters 2018Q1 and 2018Q2, there is a slight reduction in average payment per not at-fault non-threshold claim reported in development quarter 16. This is driven by large recovery payments.

SB - average payment per claim reported

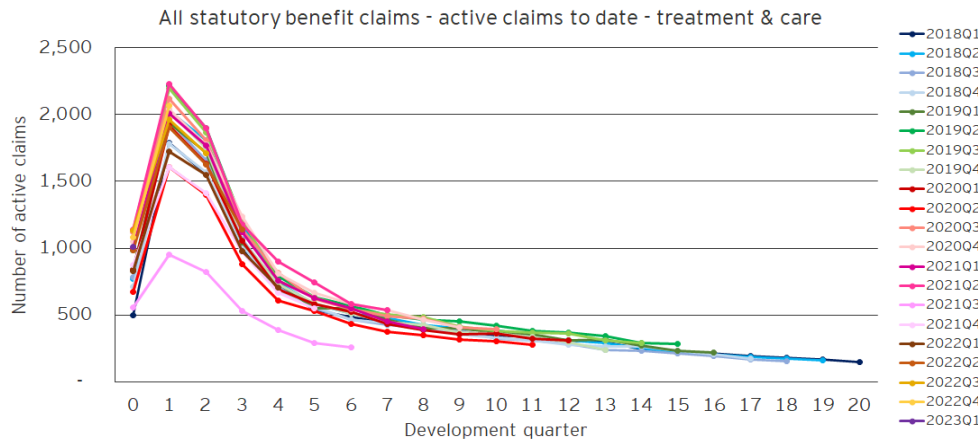
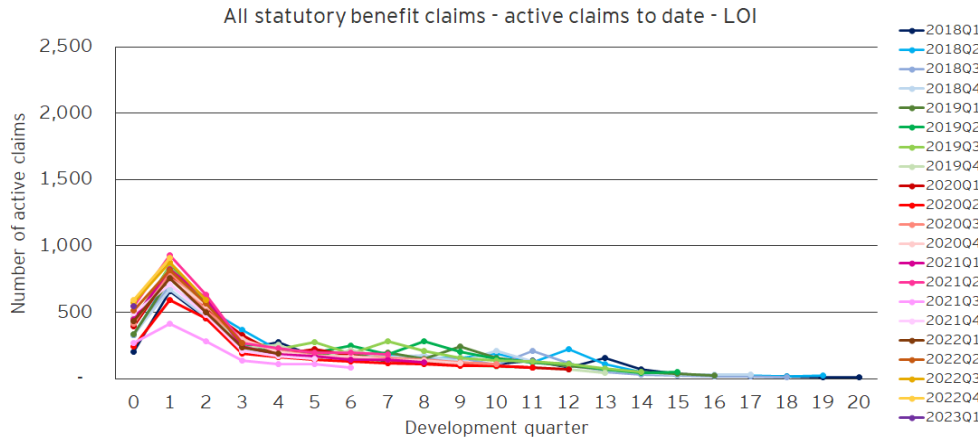
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value)



- ▶ These charts illustrate the profile of average cumulative payments per not at-fault non-threshold injury claims reported by accident quarter and development quarter, split by loss of income (LOI) payments and treatment & care (T&C) payments
- ▶ Both payment types are continuing to develop which is expected as the design of the Scheme enables this cohort of claimants to continue to claim LOI and T&C benefits for up to five years before transitioning to CTP Care
- ▶ For LOI payments, the average claim sizes for each accident quarter averaging between \$12k - \$19k by development quarter 4 and between \$20k - \$26k by development quarter 8
- ▶ For T&C payments, it appears that the average claim size is developing upwards for more recent accident quarters. This could be indicative of speeding up of payments for more recent accident periods and/or a higher ultimate average claim size for recent accident periods
- ▶ Superimposed inflation could also explain this trend as treatment costs are more susceptible to this effect. However, it is more likely related to the longer term trends of the underlying scheme emerging, which includes insurer processes and providers adjusting over time
- ▶ For both LOI and T&C payments, the 2021Q2 accident quarter continues to trend above other accident periods.

SB - number of active claims

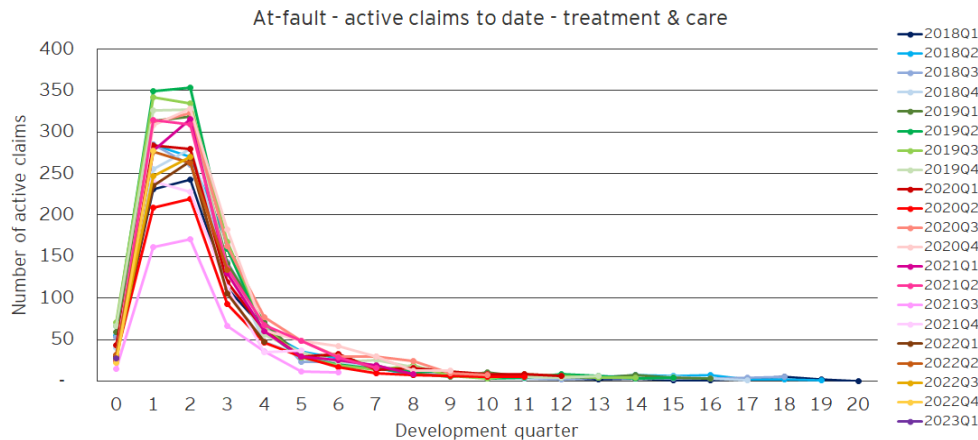
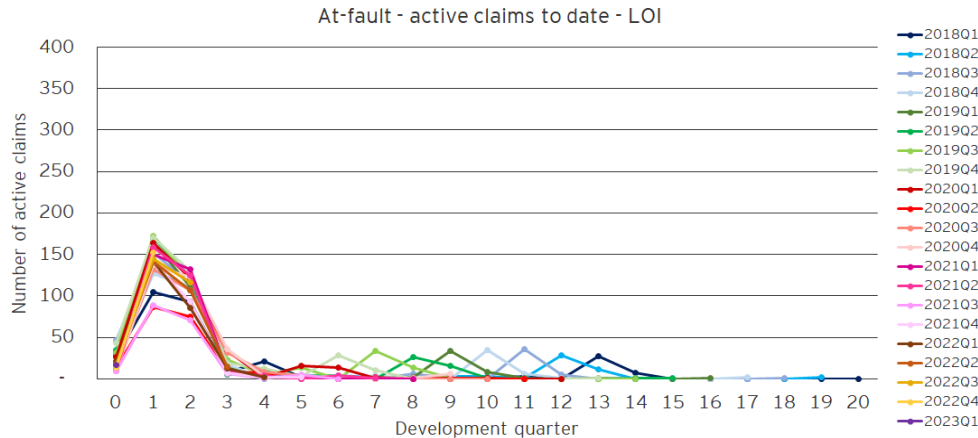
All statutory benefit claims



- ▶ These charts illustrate the number of 'active' claims, i.e. those receiving loss of income (LOI) and/or treatment & care (T&C) benefits, by development quarter
- ▶ A claim is determined as 'active' if the injured person has received a payment within the quarter
- ▶ The volume of active claims reaches the peak around 1 quarter after the accident has occurred for LOI benefits, and around 1 - 2 quarters after for T&C benefits. From this point onwards, the number of injured persons receiving these types of benefits starts to decline
- ▶ By development quarter 4 for LOI, and development quarter 6 for T&C, the claims receiving any payments are mostly the not at-fault non-threshold claims
- ▶ The LOI active claims to date for the first accident year are approaching 0 from development quarter 16 onwards, which reflects the availability of statutory benefits for up to 5 years
- ▶ For both LOI and T&C benefits, more recent accident quarters (other than COVID-19 impacted 2020Q2, 2021Q3 and 2021Q4) have a higher proportion of active claims than more mature accident quarters. This indicates a higher number of claimants are receiving payments earlier and potentially staying active for longer
- ▶ Overall, the volume of claims receiving T&C is much higher than LOI benefits, and they remain active for relatively longer
- ▶ The 2021Q3 accident quarter has a significantly smaller number of active claims than other accident quarters at the same stage of development. This is likely a reflection of the most recent COVID-19 lockdown which had a longer and more severe impact.

SB - number of active claims

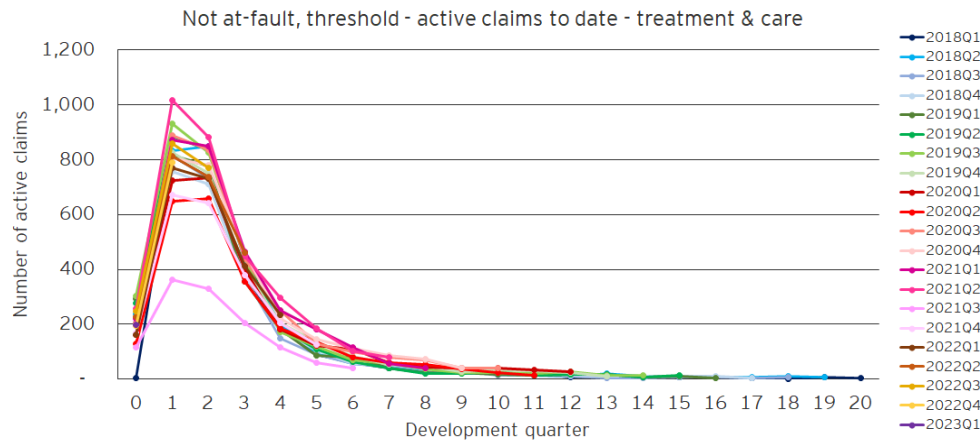
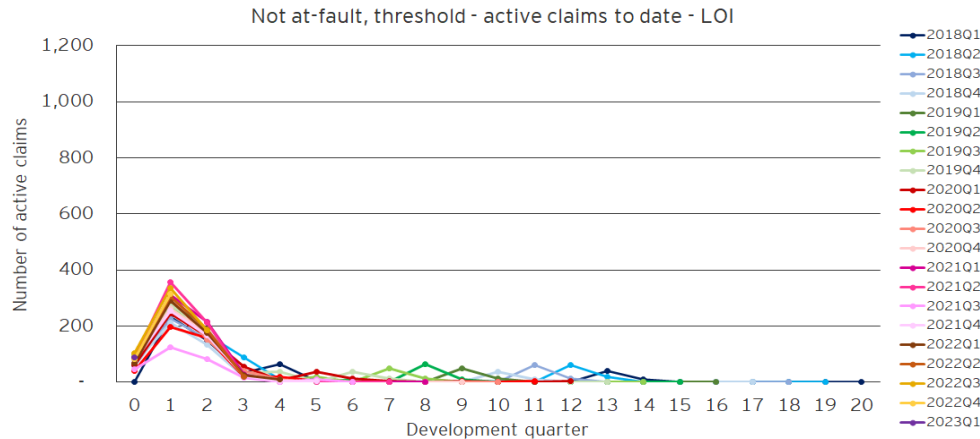
At-fault claims



- ▶ These charts illustrate the number of 'active' at-fault claims, i.e. those receiving loss of income (LOI) and/or treatment & care benefits (T&C), by development quarter
- ▶ On a development quarter basis, the number of at-fault claims receiving LOI benefits reduces to almost 0 after 4 quarters; this is expected as benefit entitlements cease for at-fault claimants after 26 weeks, given allowance for delay in payments and invoicing. This behaviour is expected to change for accidents incurred after 1 April 2023 with the introduction of the Motor Accident Injuries Amendment Act 2022 extending the entitlement period to 52 weeks
- ▶ Claims receiving T&C benefits tend to remain active for longer; there is still a small proportion of the earlier claims which are still active after 6 quarters of development
- ▶ The low number of actives observed for 2020Q2 is due to reduced exposure as a result of the first COVID-19 lockdown
- ▶ Accident quarter 2021Q3 has a lower number of active claims compared to the previous COVID-19 impacted accident quarter 2020Q2. This is likely due to the second COVID-19 lockdown which was longer and more severe than the previous lockdown
- ▶ For COVID-19 impacted accident quarters, T&C continues to trend below other accident periods at the same point of development.

SB - number of active claims

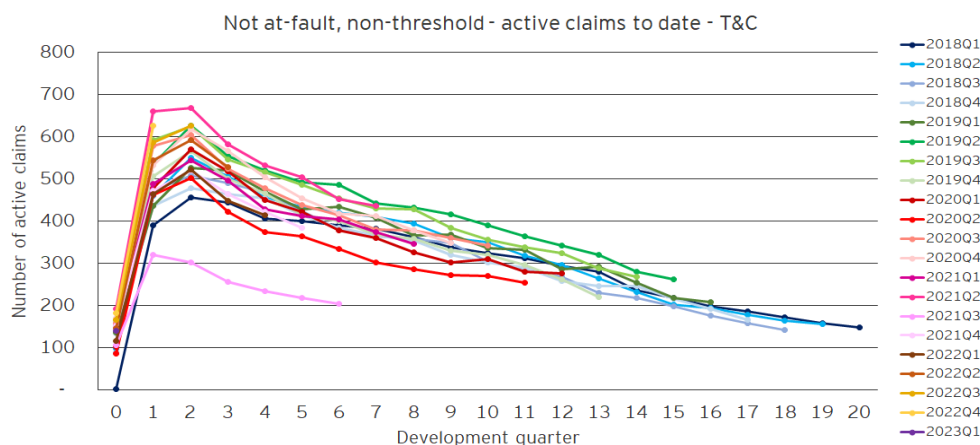
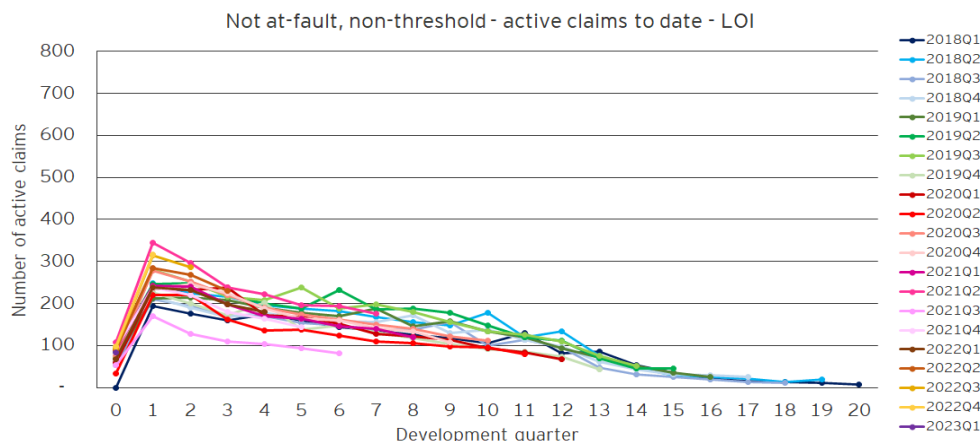
Not at-fault threshold claims



- ▶ These charts illustrate the number of 'active' threshold claims, i.e. those receiving loss of income (LOI) and/or treatment & care benefits (T&C), by development quarter
- ▶ On a development quarter basis, not at-fault threshold injury active claims follow a similar profile to at-fault claims, as their benefits also generally cease 26 weeks after the accident date. This is expected to change for accidents after 1 April 2023 with the introduction of the Motor Accident Injuries Amendment Act 2022 extending the benefit entitlement period to 52 weeks
- ▶ Claims receiving T&C benefits tend to remain active for longer than for LOI benefits, and hence there are still a small proportion of the earlier claims still active six quarters later
- ▶ This is related to the ability to receive T&C benefits more than 26 weeks (for accidents prior to April 2023) after the accident if the insurer accepts that further T&C is likely to aid recovery. Due to the 2022 Amendment Act the ability to receive benefits beyond the 52 week entitlement period will no longer apply to accidents post 1 April 2023
- ▶ Accident quarters 2020Q2 and 2021Q3 have a lower number of active claims compared to other quarters, due to reduced exposure as a result of the COVID-19 lockdowns. 2021Q3 had a larger decrease due to the second COVID-19 lockdown which was longer and more severe than the previous lockdown.

SB - number of active claims

Not at-fault non-threshold claims

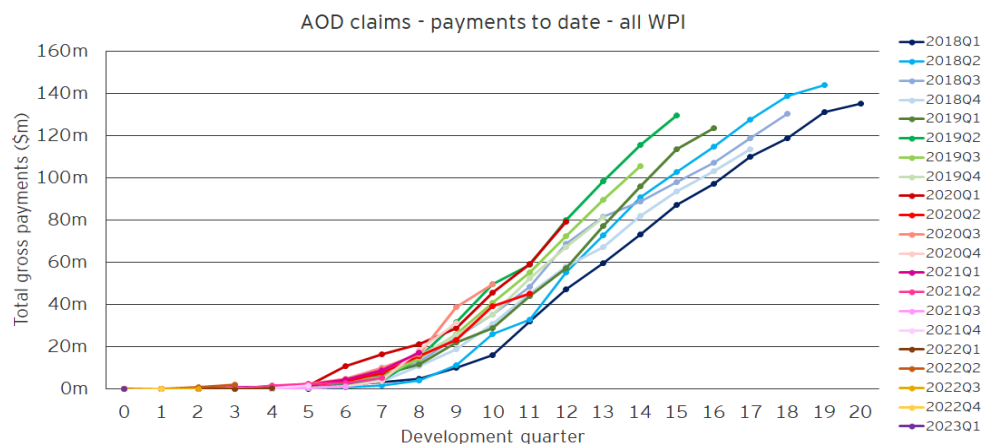
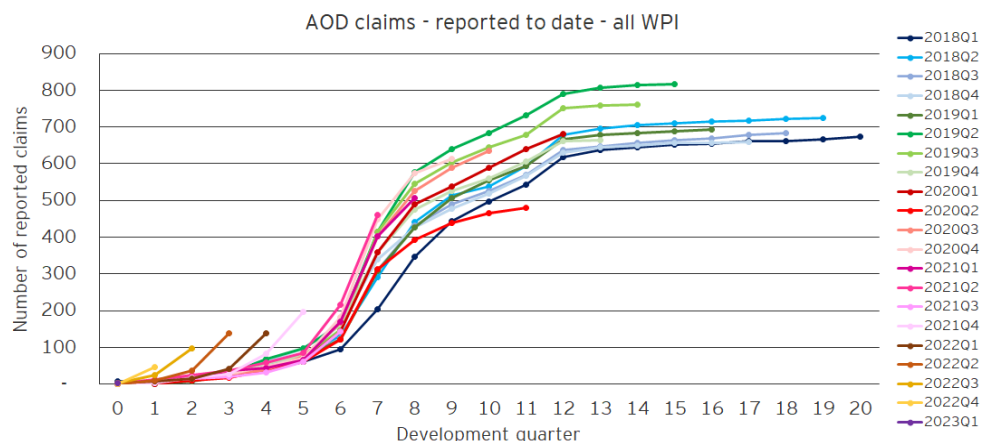


- ▶ These charts illustrate the number of 'active' not at-fault non-threshold claims i.e. those receiving loss of income (LOI) and/or treatment & care (T&C) benefits, by development quarter
- ▶ For both LOI and T&C benefits, more recent accident quarters have a higher number of active claims than more mature accident quarters. This indicates a higher number of claimants are receiving payments earlier than previous accident quarters and this may persist to remaining active for a longer period of time as well
- ▶ Not at-fault non-threshold claims are entitled to statutory benefits for up to 5 years* (injury severity dependent), so it is expected that claims will remain active for a prolonged period of time, unlike at-fault or not at-fault threshold injury claims
- ▶ The number of LOI actives and T&C actives are observed to be slightly lower for the 2020Q2 accident quarter compared to the same development period in 2019, due to reduced exposure as a result of the COVID-19 lockdown
- ▶ The 2021Q2 accident quarter shows higher active claim for earlier development quarters, but the latest development period suggests it is converging towards a level that is consistent with other accident quarters
- ▶ Accident quarter 2021Q3 has a lower number of active claims compared to the previous COVID-19 impacted accident quarter 2020Q2. This is likely due to the second COVID-19 lockdown which was longer and more severe than the previous lockdown.

* Beyond the 5 year period, the active claim will transition from the licensed insurer to CTP care which will provide lifetime T&C benefits

Claim payments and reported numbers

Award of damages claims



The charts show the claims reporting profile and total payment profile for each accident quarter for all award of damages claims across all whole person impairment (WPI) levels, which includes undetermined WPI

Volatility in the payment profile of these damages claims demonstrates the lack of experience for these claims continues to create uncertainty in assessing the financial performance of the 2017 Scheme

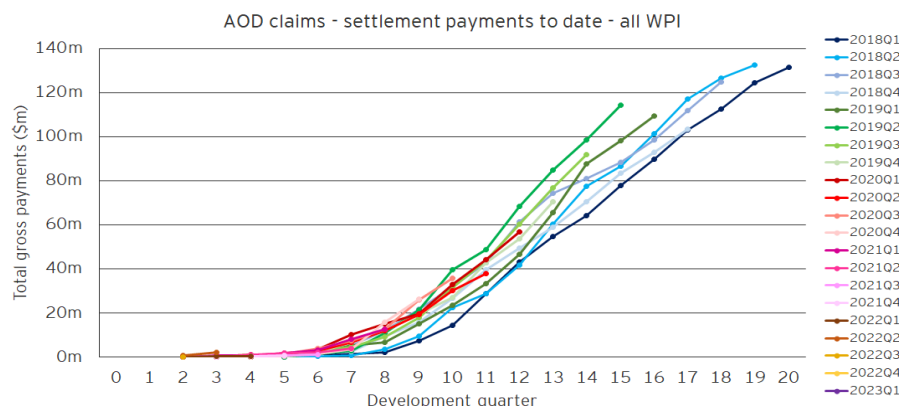
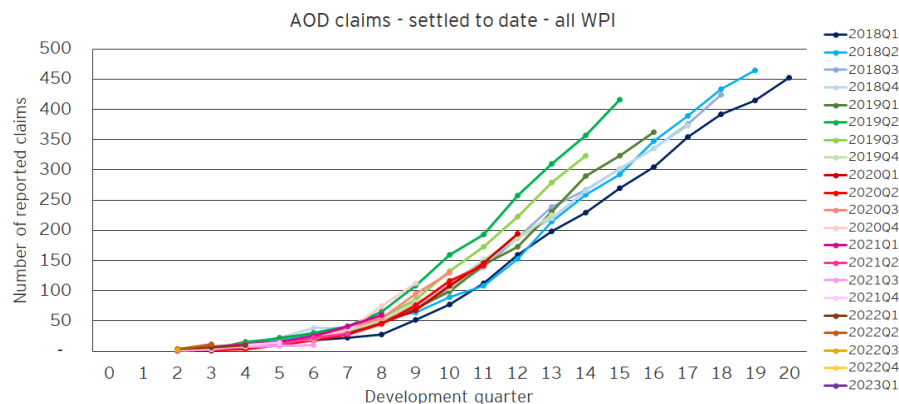
Both payments and claims reported to date continue to increase for all accident quarters

For most recent accident quarters, claimants are receiving higher payments compared to previous quarters at the same point of development. This may be due to the embedment of damages claims process between lodgements and payments, which will include the changes in interaction between those involved in the process. This is expected to result in claims receiving payments more quickly, rather than higher payments overall. However, this is not known with certainty until the profile of how these accident quarters develop over time compared to the earlier periods is better understood

In reporting quarter 2023Q1, an uptick in reported damages claims can be observed. The increase in claims reported is due to the removal of the 20-month lodgement waiting period for all damages claims irrespective of accident date in the Motor Accident Injuries Amendment Act 2022. It is expected that most of this is a bringing forward of lodgements, but there may also be some additional claims as a result of this change. We will continue to monitor this going forward.

Claim payments and reported numbers

Award of damages settled claims only



	Payments to date	Claims to date
1st accident year (13 months)	\$526.8 m	1,849
2nd accident year	\$386.0 m	1,327
3rd accident year	\$156.2 m	579
4th accident year	\$18.1 m	113
5th accident year	\$2.2 m	24
6th accident year	\$0 m	0

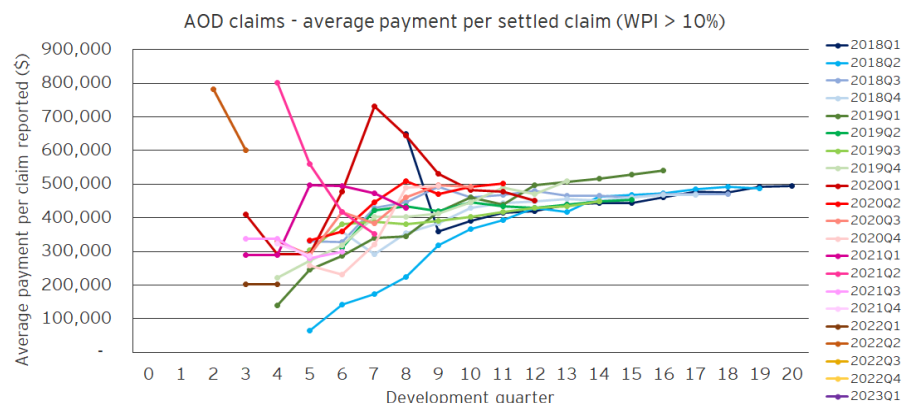
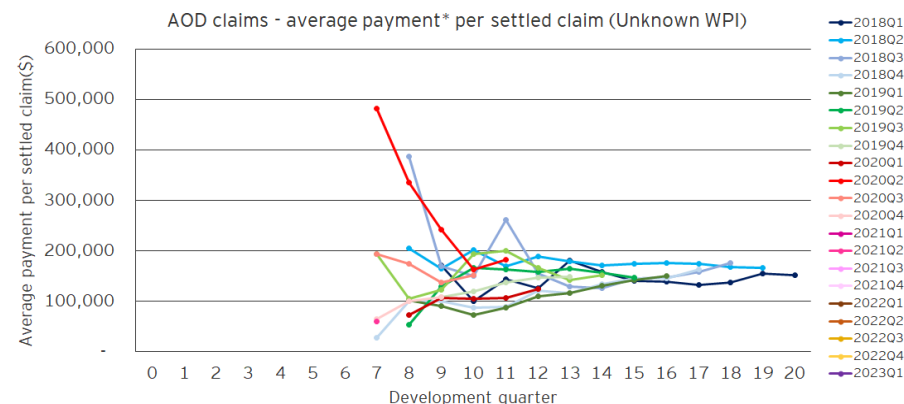
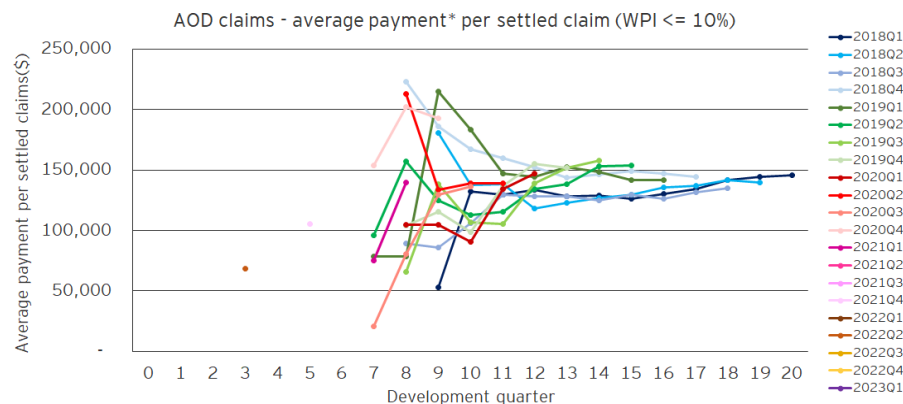
- ▶ The charts show the total payment profile and claims reporting profile for each accident quarter for settled** award of damages claims across all whole person impairment (WPI) levels, which includes undetermined WPI
- ▶ The difference between the payments to date for settled claims and all damages claims in the previous slide is primarily driven by claims which have received a settlement payment and have been classified as 'settled' by insurers. This may be a result of claims awaiting additional settlement payouts and/or lags in data entry
- ▶ Volatility in the payment profile of these settled damages claims demonstrates the lack of experience for these claims continues to create uncertainty in assessing the financial performance of the 2017 Scheme
- ▶ Both payments and claims reported to date continue to increase for all accident quarters due to an increasing number of damages settlements
- ▶ For accident quarters post 28 November 2022, there may be an increase in the number of settled claims in earlier development quarters compared to past experience due to the removal of 2-year settlement period restriction in the Motor Accident Injuries Amendment Act 2022. This has not yet emerged.

* The 6th accident year has only 1 quarter of data with 0 claims settled to date

** For monitoring purposes, a claim is considered 'settled' when the insurer has indicated the 'Common Law Status' is 'Settled' and the claim has a positive settlement amount. Finalised claims that do not have a 'Common Law Status' of 'Settled' but have a positive settlement amount have also been included as these claims generally have no further updates unless the claim re-opens in the future.

Claim payments and reported numbers

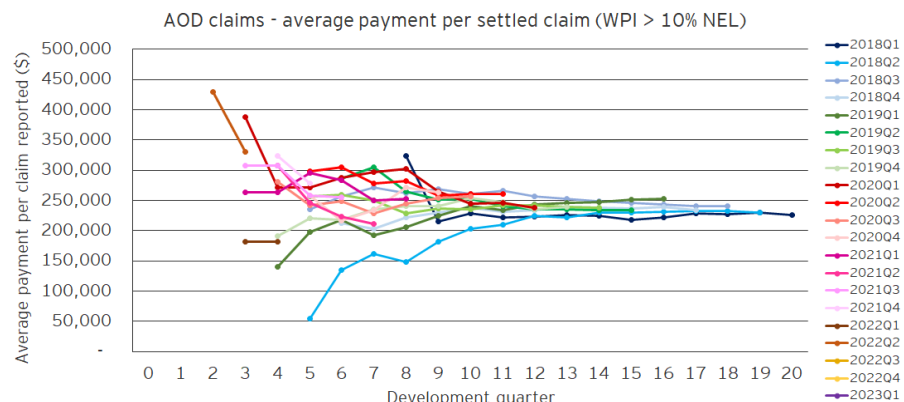
Award of damages payments per settled claim - split by WPI



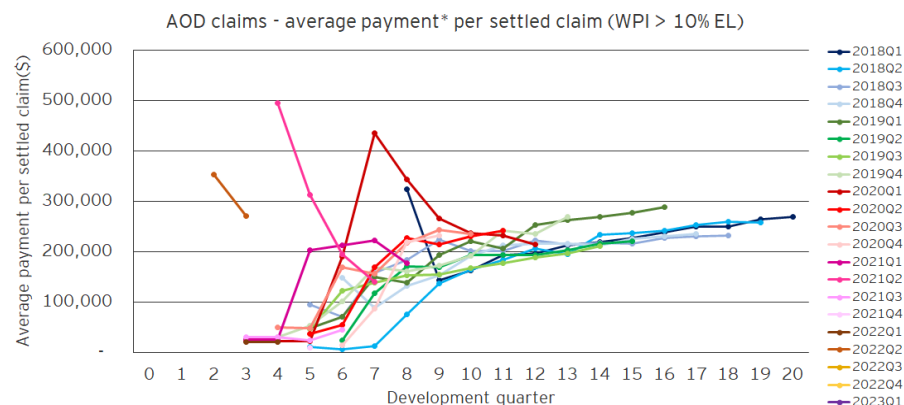
- ▶ The charts show the average payment per settled claim for damages claims, split by whole person impairment (WPI) levels
- ▶ For damages claims with WPI <= 10%, the average payment per settled claim is trending towards a range of \$130,000 - \$150,000 for the older accident quarters
- ▶ For damages claims with WPI > 10%, the average payment per settled claim is trending towards a range of \$450,000 - \$500,000 for the older accident quarters
- ▶ For damages claims that settled with an unknown WPI, the average payment per settled claim is around \$150,000 for the older accident quarters. These settled claims would have a range of WPI outcomes and claim characteristics, leading to a wide range of settlement sizes
- ▶ The payment profile of these settled damages claims will continue to be monitored to understand the underlying claims behaviour and project the ultimate claim cost.

Claim payments and reported numbers

Award of damages payments per settled claim - WPI > 10%



- ▶ The charts illustrate the average payment per settled claim for damages claims with whole person impairment (WPI) > 10% split into non-economic loss (NEL) and economic loss (EL) components
- ▶ The average non-economic loss payment per settled claim is trending towards \$230,000 to \$250,000 for the older accident quarters
- ▶ The average economic loss payment per settled claim is trending towards \$250,000 to \$300,000 for the older accident quarters
- ▶ The payment profile of these settled damages claims will continue to be monitored to understand the underlying claims behaviour and to project the ultimate claim cost.



Schedule 1E Parameters

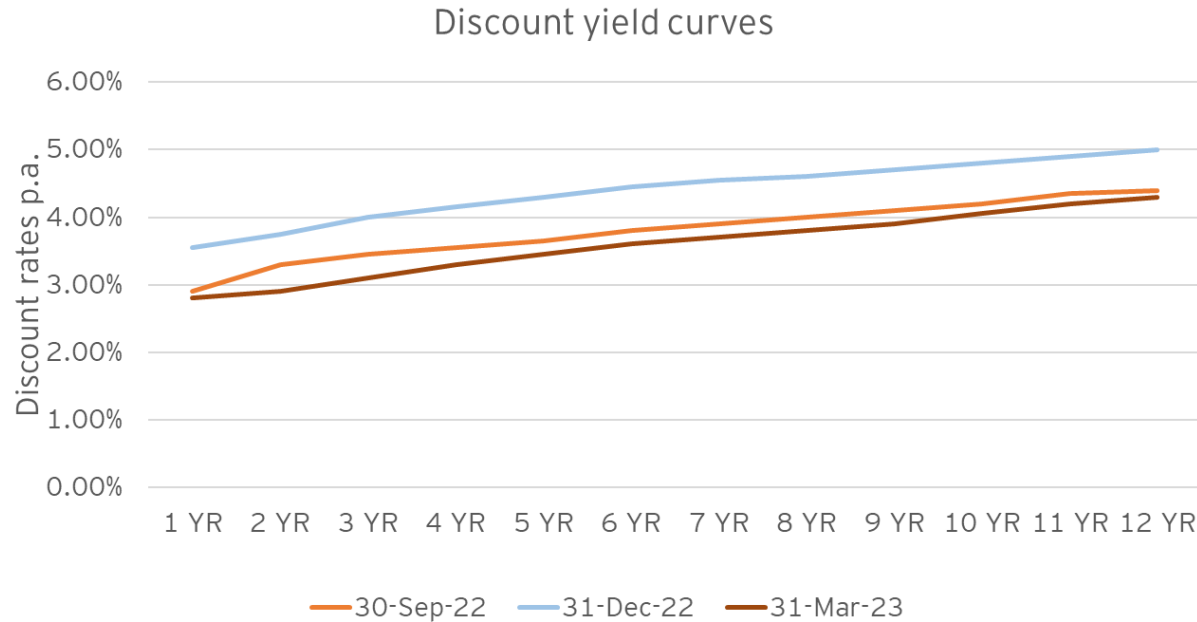
Claim frequency

Schedule 1E effective date	Not at-fault threshold claims	Not at-fault non-threshold claims	At-fault claims	Non statutory benefit claims	Early notification claims	All statutory benefit claims	All claims	Claims for damages (WPI ≤ 10%)	Claims for damages (WPI > 10%)
1 st Dec 2017	0.031%	0.120%	0.015%	0.063%	0.009%	0.214%	0.238%	0.015%	0.007%
15 th Jan 2019	0.094%	0.084%	0.015%	0.036%	0.009%	0.214%	0.238%	0.011%	0.007%
15 th Jan 2020	0.088%	0.085%	0.014%	0.037%	0.008%	0.210%	0.233%	0.011%	0.007%
15 th Jan 2021	0.086%	0.064%	0.015%	0.036%	0.008%	0.194%	0.209%	0.009%	0.006%
15 th Jan 2022	0.085%	0.061%	0.014%	0.035%	0.008%	0.188%	0.203%	0.008%	0.006%
15 th Jan 2023	0.082%	0.057%	0.014%	0.034%	0.006%	0.179%	0.194%	0.007%	0.006%

- ▶ The above table outlines the Schedule 1E claim frequencies effective each year from 1 Dec 2017 to 15 Jan 2023
- ▶ The 2023 Schedule 1E claim frequency is broadly consistent with the 2022 Schedule 1E with slight decreases in the expected claim frequency across most claim types:
 - ▶ This reflects the decreased trend in the 2017 scheme experience, where more recent accident years have emerged to be lower compared to earlier years in the scheme. This is a result of the longer term gradual reduction in road casualties in NSW notwithstanding the lower claim volumes following COVID-19 affected periods in 2020 - 2021. Hence, claim frequencies across most claim types are expected to be lower than levels expected in 2018 - 2019
 - ▶ To date, it appears that the threshold injury assessment is relatively stable, and most lower injury severity claims are being assessed as threshold rather than non-threshold
 - ▶ The 2023 Schedule 1E estimate of claims in these categories has been adjusted to allow for this experience.

Discount Rates

Premium Impact



- ▶ The economic assumptions are updated quarterly
- ▶ The chart above shows the movement in yield curve, which is used for discounting premiums
- ▶ In comparison to the yield curve at 31 December 2022, the 31 March 2023 yield curve is sitting lower across all periods
- ▶ Typically, a decrease in yield curve will act to increase the average premium and vice versa, holding all other factors constant.

Reliance and limitations

- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 March 2023
- ▶ This report is an actuarial monitoring report. As such, key actuarial measures and indicators are used to monitor Scheme experience at an overall level, rather than supervisory measures at an operational level
- ▶ This report is used for monitoring purposes and is not an actuarial valuation report. Any key insights or trends observed in this monitoring will be used for further investigations which could result in operational insights and recommendations, or subsequent changes to valuation assumptions and/or models
- ▶ The report provides Scheme monitoring results and has been provided for the sole purpose of monitoring claims experience and should not be used or relied on for any other purpose or distributed to any other party outside of SIRA without EY's prior written consent. No representation, warranty or undertaking is made or liability is accepted by EY as to the adequacy, completeness or factual accuracy of the contents of our report. In addition, we disclaim all responsibility to any party for any loss or liability that any party may suffer or incur arising from or relating to or in any way connected with the contents of the report, the provision of the report to any party or the reliance upon the report by any party
- ▶ In carrying out our work and preparing our report, EY has worked solely on the instructions of SIRA and has not taken into account the interests of any other party. Our report has been developed based on information current as of 31 March 2023 and provided to us by SIRA. Material events may have occurred since this date which are not reflected in this document
- ▶ The results of our work is limited by the availability and quality of data. The results of our work and procedures performed do not constitute an audit, a review or other form of assurance in accordance with any generally accepted auditing, review or other assurance standards, and accordingly we do not express any form of assurance.

Glossary

Term	Definition
Accident Quarter	Denotes the quarter in which the vehicle accident, giving rise to the claim, occurred.
Development Quarter	Denotes the time elapsed since the quarter in which the accident occurred and the quarter in which the claim is reported to insurers or SIRA.
Reporting Quarter	Denotes the quarter in which the claim is reported to either SIRA (through the online portal) or directly to an Insurer.
Early Notification	A notification of injury where a claims form for statutory benefits is not submitted however the injured party is entitled to access to treatment such as one general practitioner consultation and two treatment consultations (for example physiotherapy).
Compensation to Relatives	Claims in relation to the Compensation to Relatives Act (1897), where a financially dependent person or family member has made a claim in relation to a fatality from a motor vehicle accident.
Interstate	A claim arising from when a NSW registered vehicle has an accident in a state which is not NSW.
Statutory Benefit	A schedule of benefits prescribed in the legislation, with limits on some benefits accessed by submitting a statutory benefit claims form. Statutory benefit claims include at-fault claims, not at-fault threshold claims, not at-fault non-threshold claims and claims with unknown threshold injury status. For example, if an unknown claim has its threshold injury decision determined in subsequent reporting period, it is not considered a newly reported statutory benefit claim.
Statutory Benefit/Award of Damages	A statutory benefit claim which has also submitted a claim for damages. Also known as a 'lump sum' claim.

Glossary

Term	Definition
Award of Damages Only	A claim where only a claim for damages is made.
Workers Compensation	A claim whereby the workers compensation Scheme provider seeks recovery of benefits paid to not-at-fault workers injured in a motor accident during the course of employment (excluding journeys to/from work and recess journeys) from the CTP insurer of the at-fault party.
Care	Covers payments in relation care including domestic care services, personal care services, past care and future care and home and vehicle modifications.
Treatment expenses	Covers payments in relation to GPs, Specialists, Imaging, Psychology, Physiotherapy, Chiropractic, Dental, Occupational Therapy, Exercise Physiologists, Optometry, Osteopathy services, Private Hospital Services etc.
Weekly payments or Loss of Income	Covers payments in relation to loss of income (Interim Payments, Partial Incapacity, Total Incapacity and Centrelink payback).
Payment in current values	Payments in historical values inflated to current valuation date.

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