

# 2017 CTP Scheme Quarterly Actuarial Monitoring

31 December 2023 data

15 February 2024



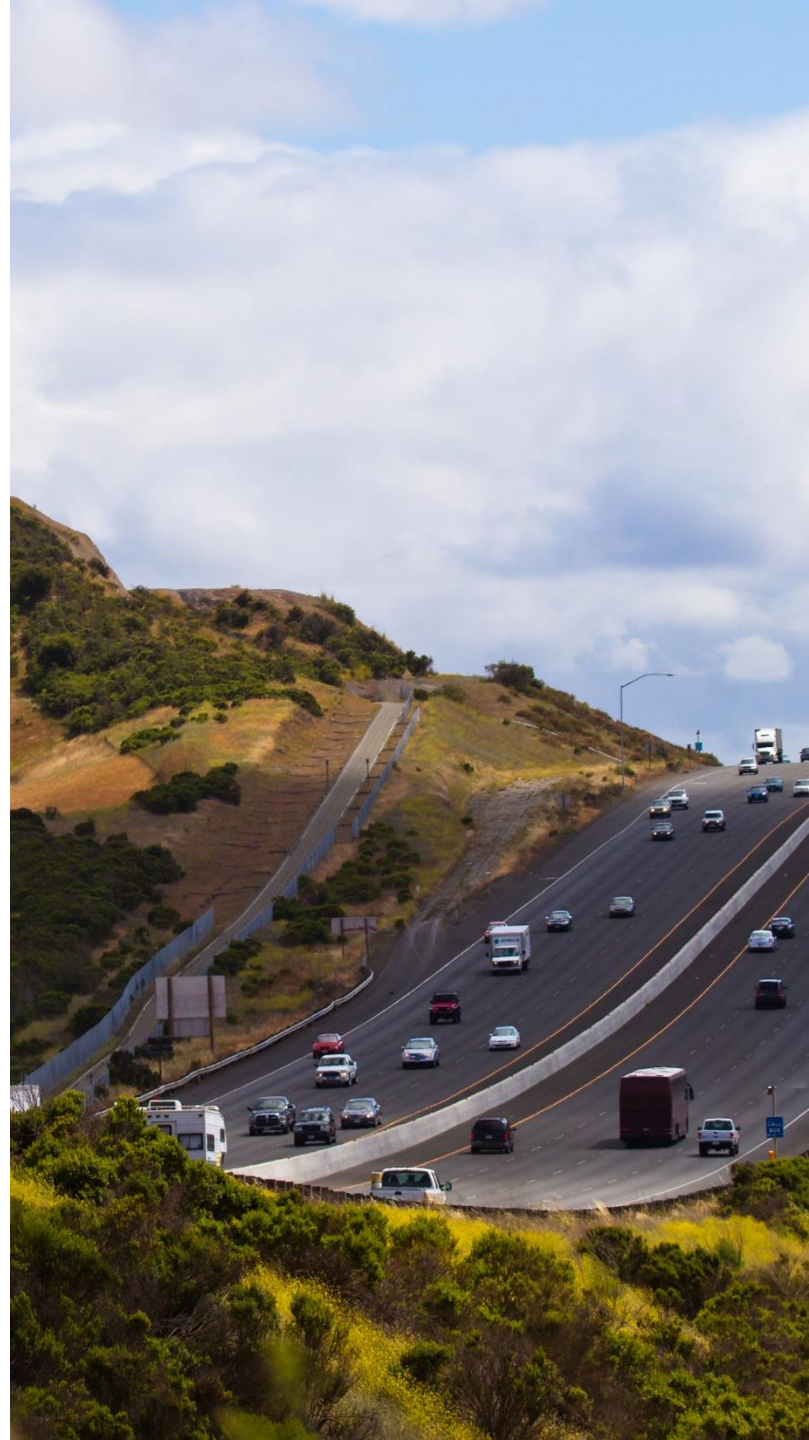
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# 1

## Executive Summary



# Executive summary

## High level summary

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### Purpose

- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 December 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 2017 Scheme commencement, 69,605 claims have been reported to date. A further 2,290 claims are expected to have been incurred but not yet reported (IBNR) for accident periods up to 31 December 2023
  - ▶ For the earlier accident periods in 2018 - 2020, ~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. From 28 November 2022, the Motor Accident Injuries Amendment Act 2022 ('the amendments') removed the 20-month waiting period, which has resulted in an earlier uptick in claims lodged for damages. We will continue to monitor the impact this will have on the mix of claims lodged as more experience emerges
  - ▶ The extension of the statutory benefit liability decision from 3 to 9 months has resulted in slower fault status determination and greater uncertainty in the future reporting pattern for at-fault, not at-fault threshold and non-threshold claims. This will continue to be monitored going forward
- ▶ Payments continue to progress as expected, with 78% of the ultimate expected payments for the 2018 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.

# Executive summary

## High level summary - observations and risks (1)

### Claim numbers

	Observed trends	Key risks and uncertainties
<b>Statutory benefit claims</b>	<ul style="list-style-type: none"> <li>▶ Not at-fault claims in aggregate have a stable reporting pattern, with 98% of claims expected to be reported within the first 6 months following the motor accident</li> <li>▶ On average, not at-fault non-threshold claims are increasing as a proportion of not at-fault claims for more recent accident quarters, with a corresponding decreasing proportion for not at-fault threshold claims.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Entitlements to statutory benefits for at-fault and not at-fault threshold claims for motor accidents after 1 April 2023 have increased to 52 weeks under the amendments. This introduces additional uncertainty around how long injured people will remain on benefits, the number of claims being reported and the mix of threshold vs non-threshold claims</li> <li>▶ The extension of the statutory benefit liability decision from 3 to 9 months under the amendments has resulted in slower fault status determination and therefore lower claims reported for at-fault, not at-fault threshold and non-threshold claims for recent reporting quarters. As a result, the future reporting pattern for claims with accidents post 1 April 2023 remains uncertain.</li> </ul>
<b>Non-statutory benefit claims</b>	<ul style="list-style-type: none"> <li>▶ Death and Interstate claims have a stable reporting pattern, with the majority of expected claims being reported within one year of the accident.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Workers Compensation claims take longer to lodge as they are reliant on interactions of the Workers Compensation and CTP Schemes. This results in greater uncertainty for more recent accident quarters</li> <li>▶ The level of interstate travel remains a key uncertainty. While it is expected that claims reported in 2023 will return towards pre-COVID levels, due to greater interstate travel, it is not clear how quickly this will occur</li> <li>▶ The trauma support service introduced in the amendments is expected to increase the number of compensation to relatives claims for accidents occurring on or after 1 April 2023. Due to the lack of experience, the effect on the claims reporting pattern and ultimate claims remains uncertain.</li> </ul>
<b>Award of damages claims</b>	<ul style="list-style-type: none"> <li>▶ Reported claim volumes for older accident years 2018 and 2019 appear to stabilising with only some additional late claims expected</li> <li>▶ Slight decreases were observed in quarters affected by COVID-19 lockdowns, however recent claim numbers demonstrate a return towards previous levels.</li> </ul>	<ul style="list-style-type: none"> <li>▶ The removal of the 20-month damages lodgement waiting period is expected to temporarily increase lodgements as a material number of claims become eligible; this has already been observed in reported to date claims for 2022 onwards</li> <li>▶ There is a potential for earlier and a greater number of damages claims to be reported following the amendments</li> <li>▶ The behaviours of insurers, claimants and claimant representatives continue to develop for award of damages (AOD) claims, with emerging volatility continuing</li> <li>▶ Overall, the number of damages claims remains uncertain for recent accident years.</li> </ul>

# Executive summary

## High level summary - observations and risks (2)

### Claim payments

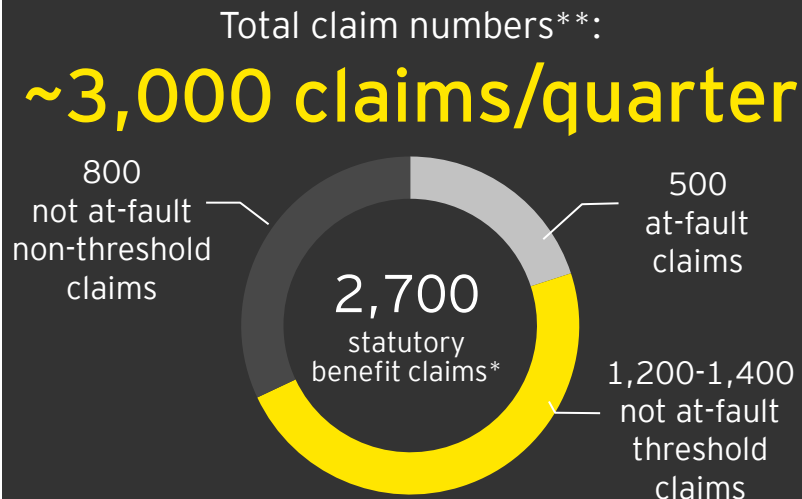
	Observed trends	Key risks and uncertainties
<b>Statutory benefit claims</b>	<ul style="list-style-type: none"> <li>▶ The average claim size for statutory benefits is increasing over time</li> <li>▶ The payment pattern tends to be consistent with the entitlement period of statutory benefits claimants.</li> </ul>	<ul style="list-style-type: none"> <li>▶ There is ongoing uncertainty regarding the payment assumptions as not at-fault non-threshold claims reach the 5 year post accident milestone. This will continue to be monitored as the scheme matures</li> <li>▶ Experience from previous accident quarters may not be an appropriate guide to estimate the claims cost for recent accident quarters due to legislative amendments extending benefit entitlement periods</li> <li>▶ Across development time, payments are increasing which may indicate sustained levels of superimposed inflation. This continues to be monitored.</li> </ul>
<b>Non-statutory benefit claims</b>	<ul style="list-style-type: none"> <li>▶ Payments for non-statutory benefit claims continue to increase for even the oldest accident periods</li> <li>▶ For funeral payments, the majority of payments occur in the first year of development, hence the payment pattern tends to stabilise after this point.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Uncertainty in the payment experience for Compensation to Relatives and Workers Compensation claims is mainly driven by volatile settlement payments, which is a product of both the sparsity of claims and a long-tailed payment pattern</li> <li>▶ Further, the nature of interstate payments being a mix of both statutory benefits and common law payments from all states which have different legislation and CTP benefit structures, results in volatility in the payment experience.</li> </ul>
<b>Award of damages claims</b>	<ul style="list-style-type: none"> <li>▶ Damages payments to date continue to increase across all accident and development quarters</li> <li>▶ Average payments per settled claim for non-economic loss (NEL) appear to have stabilised.</li> </ul>	<ul style="list-style-type: none"> <li>▶ A material proportion of claims have yet to settle, even for the earliest accident years, with 71% and 63% of expected ultimate payments having been made for 2018 and 2019 accident years respectively. This creates uncertainty in the total expected claim cost for all years</li> <li>▶ A material portion of not at-fault non-threshold reported claims have not yet received WPI determinations. This applies even for the earlier accident years, with 15% and 21% of reported claims in the 2018 and 2019 accident years classified as an undetermined WPI. As a result, there is uncertainty in the WPI determination for undetermined WPI claims</li> <li>▶ The removal of the damages settlement waiting period as per the amendments creates uncertainty around the behaviour of early settlements for claims with a WPI ≤ 10% determination</li> <li>▶ Across development time, payments are increasing which may indicate sustained levels of superimposed inflation. This continues to be monitored</li> <li>▶ Overall, there remains significant uncertainty in the expected future payments for damages claims across all accident periods.</li> </ul>

# Executive summary

## Scheme statistics at a glance (claims reported)

### 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 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. Accident quarters 2023Q2 onwards are expected to return towards claim levels in 2018 and 2019.

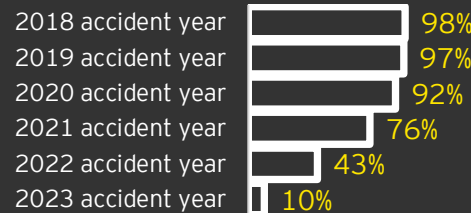
<sup>\*\*</sup> Average figures calculated over all years, excluding COVID-19 affected quarters

#### Claims for damages

# 98% & 97%

of expected\* claims for damages have been lodged for the 2018 accident year<sup>\*\*</sup> and 2019 accident year respectively

#### % 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.

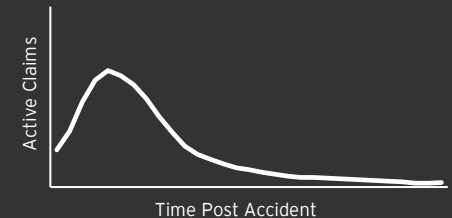
\*Expected claims as at 31 Dec 2023

<sup>\*\*</sup> 13 months; 1 Dec 2017-31 Dec 2018

### Active claims

#### Claims are remaining active as expected

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



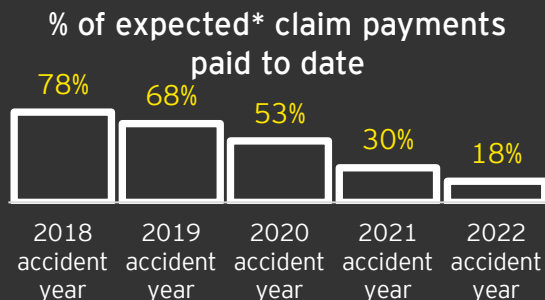
At-fault and not at-fault threshold injury claims remain active for 3-4 months after accident, before approaching close to zero at 12-18 months post-accident. The active period for these claim types is expected to increase for accidents post 1 April 2023, due to the extension of benefits from 26 weeks to 52 weeks under the amendments

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

# Executive summary

## Scheme statistics at a glance (claim payments)

### Ultimate Claim Payments



- ▶ 78% of the ultimate expected payments for the 2018 accident year have been paid. The majority of the remaining 22% 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 - \$26,000**

Per at-fault claim

**\$5,000 - \$10,000**

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

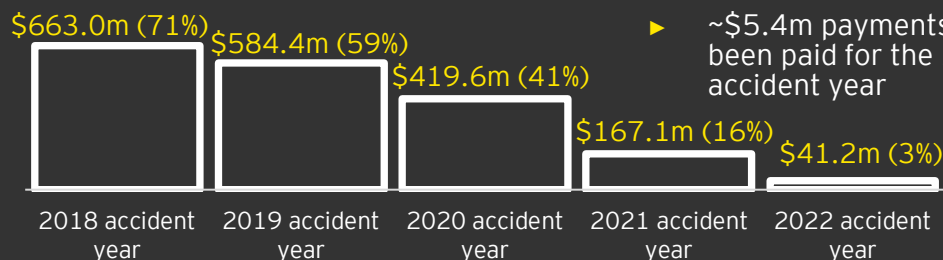
#### Developing Average Non-Threshold Claim Payments



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\*)



- ▶ ~\$5.4m payments have been paid for the 2023 accident year

#### Expected\*\* average amount of damages costs by Whole Person Impairment (WPI)

**\$175,000**

for WPI ≤ 10%

**\$550,000**

for WPI > 10%

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



# Executive summary

## Key observations on experience (reported versus ultimate)

- ▶ 100% of expected ultimate statutory benefit claims and non-statutory benefit claims and 98% of expected ultimate damages claims have been reported for the 2018 accident year
- ▶ The 2020 and 2021 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 2022 accident year, ultimate claims are expected to return towards a level that is slightly lower than accident years prior to COVID-19
- ▶ For the 2023 accident year, expected ultimate claims are expected to return to pre-COVID levels observed in the 2019 accident year.

		Statutory benefit claims	Non statutory benefit claims	All claims	Claims for damages
2018 accident year (13 months)	Reported to date	12,305	1,535	13,840	2,957
	Expected ultimate	12,305	1,535	13,840	3,021
2019 accident year	Reported to date	11,502	1,413	12,915	2,970
	Expected ultimate	11,502	1,421	12,923	3,068
2020 accident year	Reported to date	10,021	918	10,939	2,733
	Expected ultimate	10,036	943	10,980	2,960
2021 accident year	Reported to date	8,861	907	9,768	2,047
	Expected ultimate	8,930	967	9,897	2,704
2022 accident year	Reported to date	10,102	912	11,014	1,579
	Expected ultimate	10,295	1,046	11,341	3,637
2023 accident year	Reported to date	10,177	952	11,129	415
	Expected ultimate	11,618	1,296	12,915	4,267

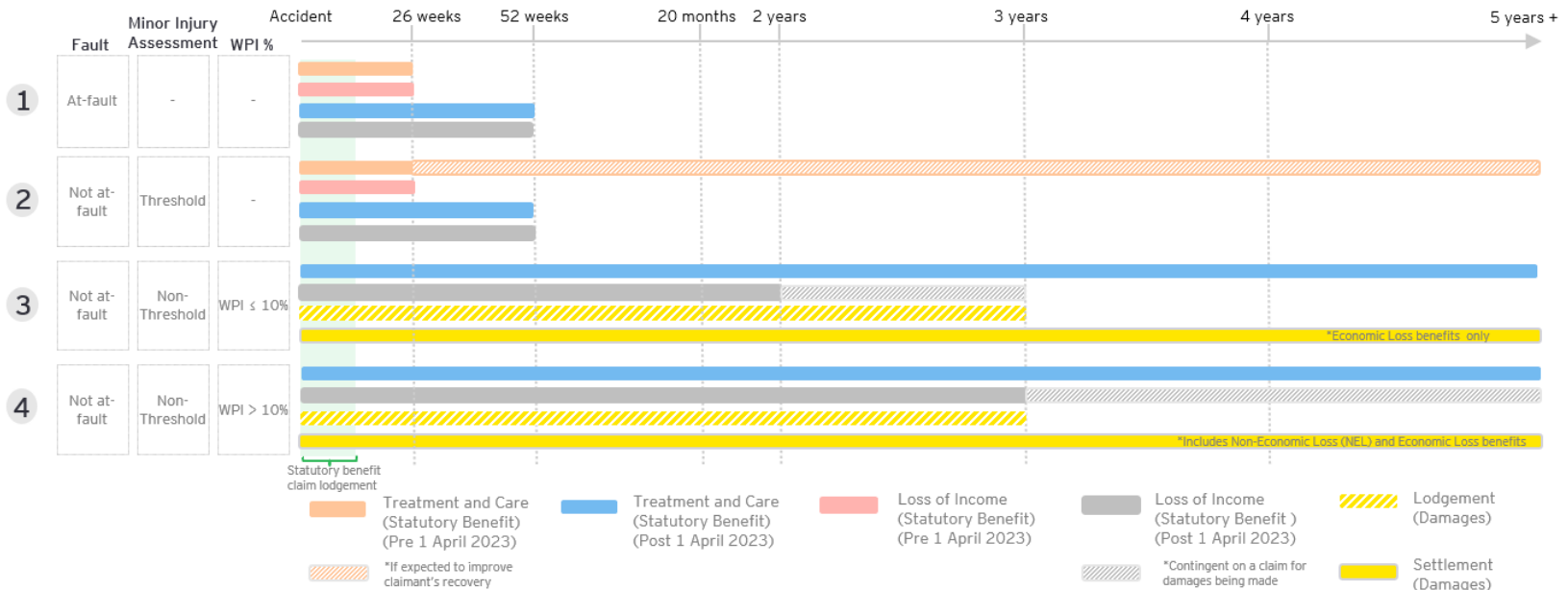
# Scheme Development



# 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
- ▶ 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 or 52 weeks if the accident occurred after 1 April 2023.



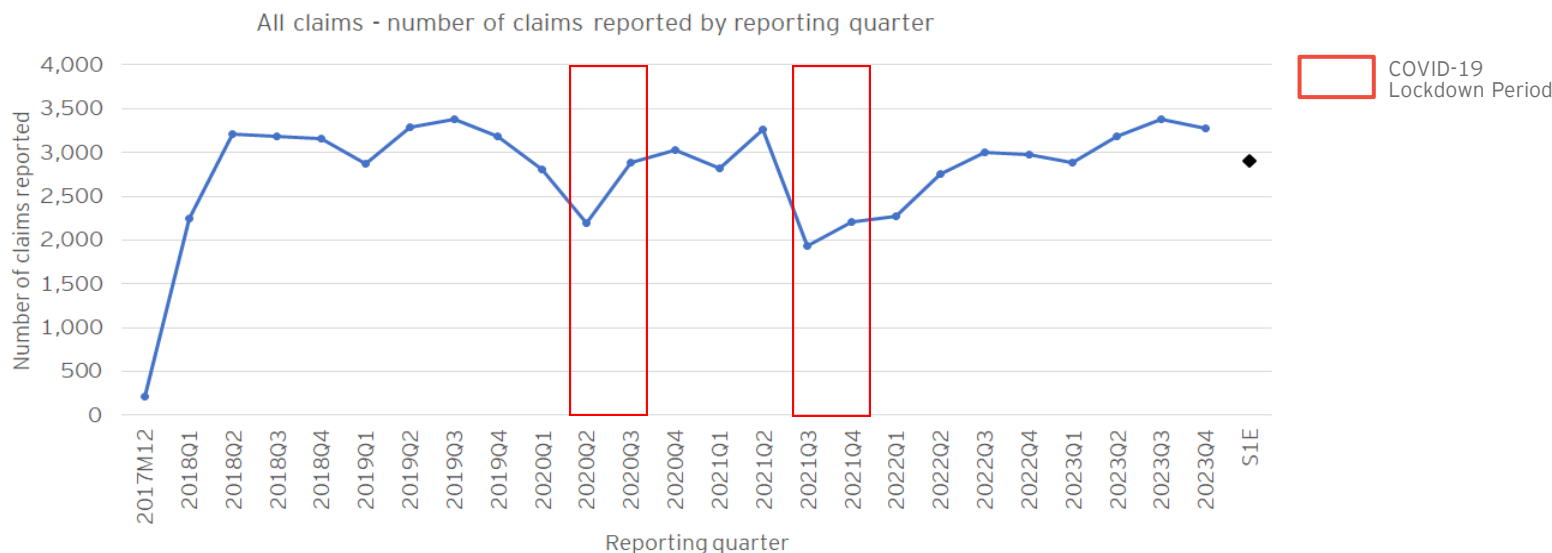
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## Claim numbers - reporting quarter basis



# Claim numbers - reporting quarter basis

## All claims

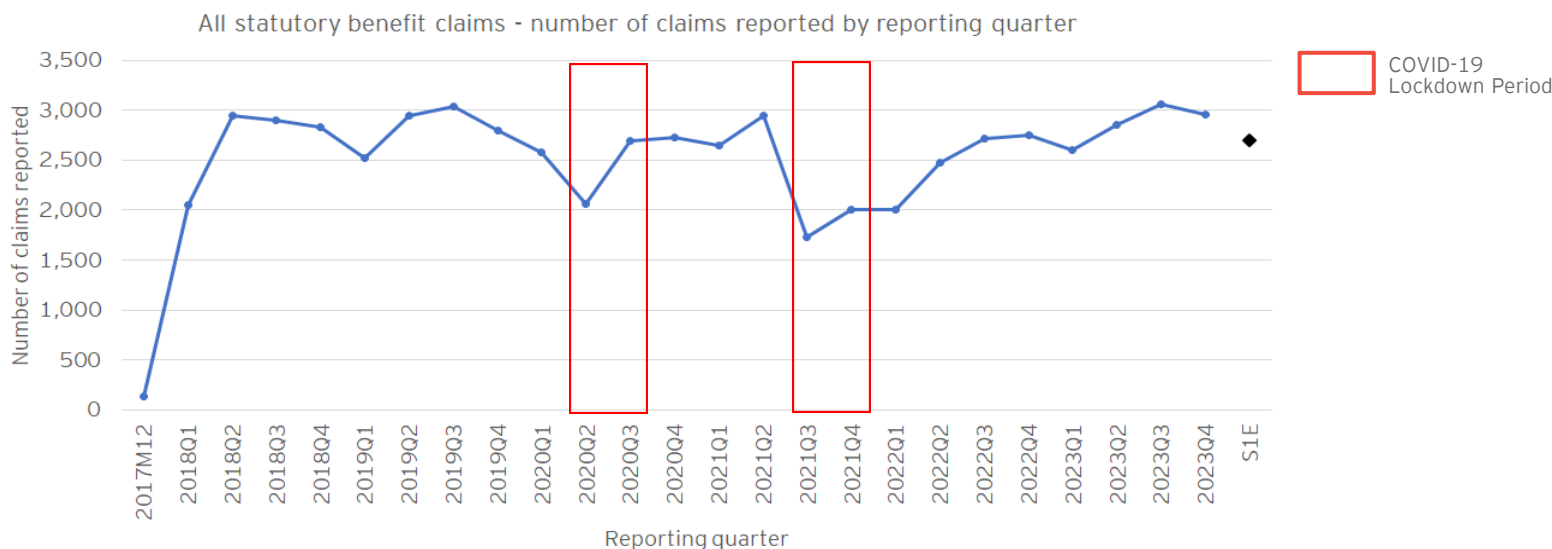


- ▶ This chart shows the total number of statutory benefit and non-statutory benefit claims reported by reporting quarter (or claim lodgement quarter)
- ▶ Claims by reporting quarter act primarily as an indicator of changes in reporting from older accident periods, operational changes, and calendar time effects
- ▶ Claims reported started to stabilise around 2018Q2, six months after the 2017 Scheme commenced
- ▶ Claims reported in 2020Q2 and 2021Q3 - 2022Q1 are lower due to lower traffic volumes during the 2020 and 2021 COVID-19 lockdowns in NSW. The reduction in claims in the reporting quarters immediately after 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 above 3,000 suggesting a return to pre-COVID-19 lockdown levels.



# Claim numbers - reporting quarter basis

## Statutory benefit claims

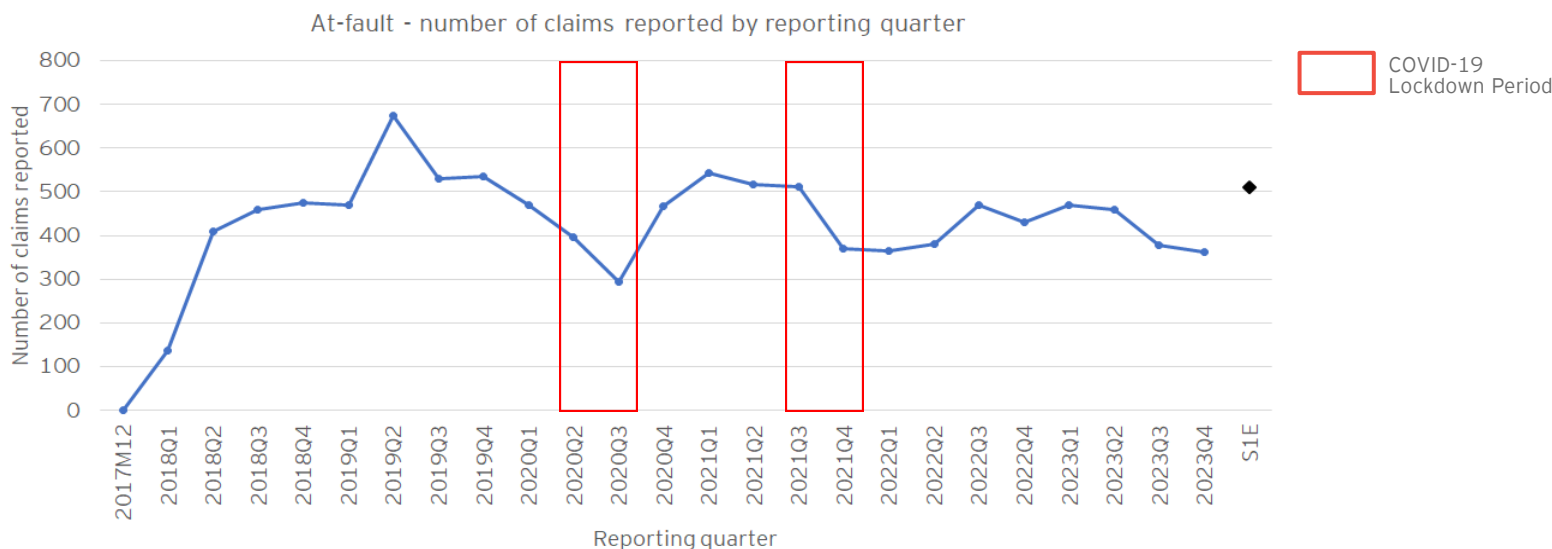


- ▶ This chart shows the total number of statutory benefit claims reported by reporting quarter\*, which demonstrates a similar trend to all claims reported in the previous slide
- ▶ Excluding 2020Q2 and 2021Q3 - 2022Q1, there are on average 2,700 claims reported per quarter
- ▶ Statutory benefit claims reported in 2020Q2 and 2021Q3 - 2022Q1 are lower due to lower traffic volumes during the 2020 and 2021 COVID-19 lockdowns in NSW. The reduction in claims in the reporting quarters immediately after 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 close to 3,000 suggesting a return to pre-COVID-19 lockdown levels
- ▶ While the total number of statutory benefit claims reported in quarters 2023Q3 - 2023Q4 have returned to pre-COVID-19 levels, the same trend is not observed for at-fault, not at-fault threshold and not at-fault non-threshold claims, which show a decrease. This is driven by an increase in reported claims for unknown open claims, which is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments.

\*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 - reporting quarter basis

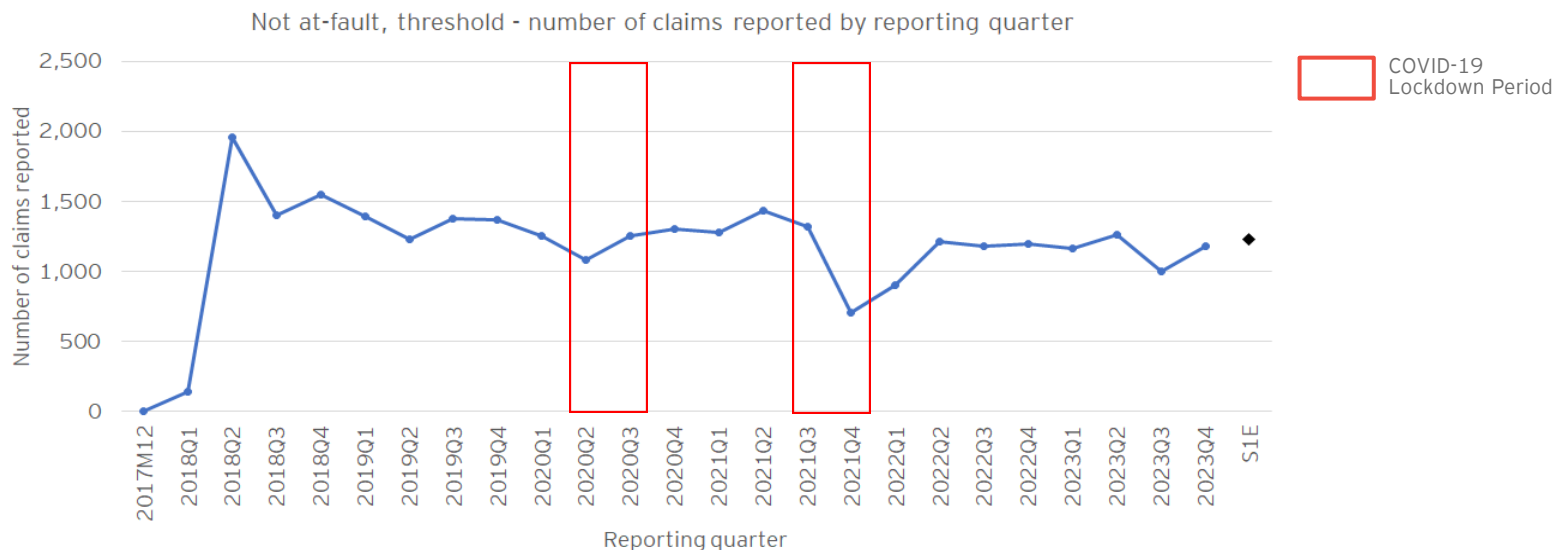
## At-fault injury claims



- ▶ 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 nine 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 and 2021Q4 - 2022Q2 are lower, which were due to lower traffic volumes during the two COVID-19 lockdowns in NSW. Claim volumes are also lower in reporting quarter 2022Q1 - 2022Q2, which may be partially attributed to delays in reporting. Claims reported in quarters 2022Q3 - 2023Q2 have increased slightly compared to COVID-19 affected quarters, but remain below pre-COVID lockdown levels
- ▶ The decrease in claims reported for reporting quarters 2023Q3 - 2023Q4 is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments, which will likely result in slower reporting of fault status determination for accidents occurring from 1 April 2023.

# Claim numbers - reporting quarter basis

## Not at-fault threshold injury claims

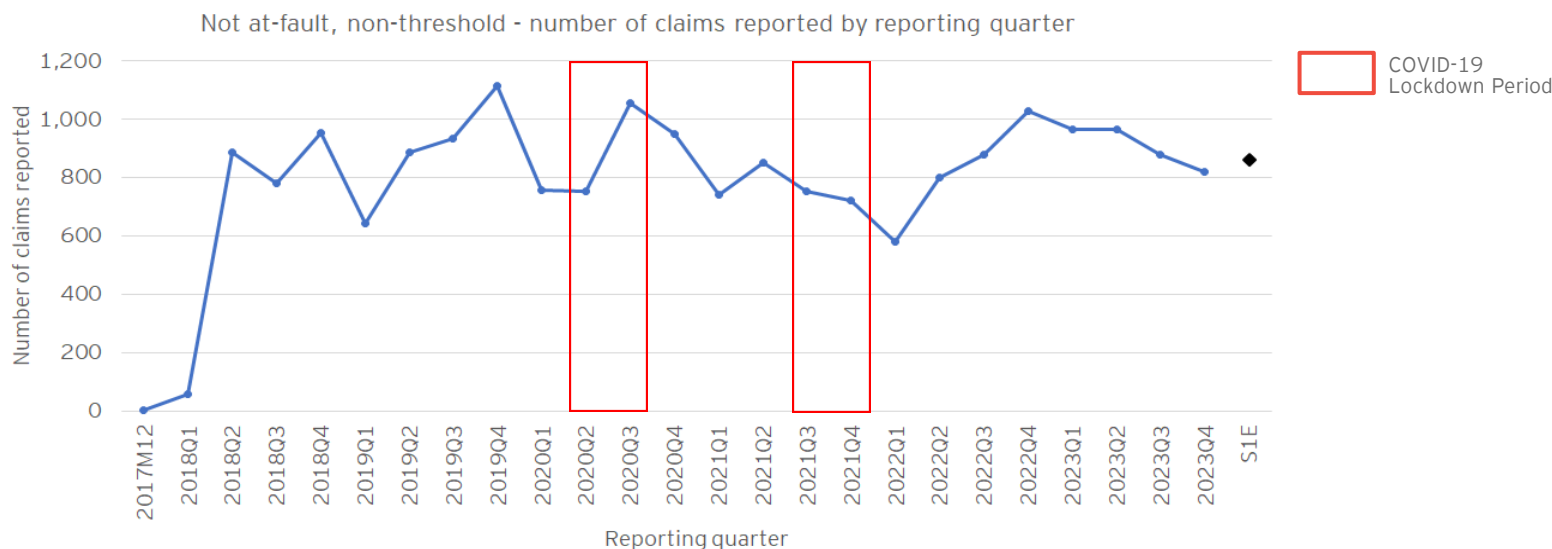


- ▶ This chart shows the total number of not at-fault threshold injury claims reported by reporting quarter. In addition, any finalised not at-fault claims with an unknown severity status, or threshold claims with fault status 'yet to be determined' are assumed to be not at-fault threshold, and are included in the chart above
- ▶ It should be noted that there is a delay of up to nine 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
- ▶ Not at-fault, threshold claims reported in quarters 2020Q2 and 2021Q4 - 2022Q1 are lower, which were driven by reduced traffic volumes during the two COVID-19 lockdowns in NSW. Claim volumes are also lower in reporting quarter 2022Q1, which may be partially attributed to delays in reporting. Reported claim numbers have increased to around 1,200 in reporting quarters 2022Q2 - 2023Q2, to a level similar to pre-COVID lockdown levels
- ▶ The decrease in claims reported in reporting quarter 2023Q3 is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the 2022 Motor Accident Injuries Amendment Act, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023. Reporting quarter 2023Q4 has since returned to a level in line with previous quarters.



# Claim numbers - reporting quarter basis

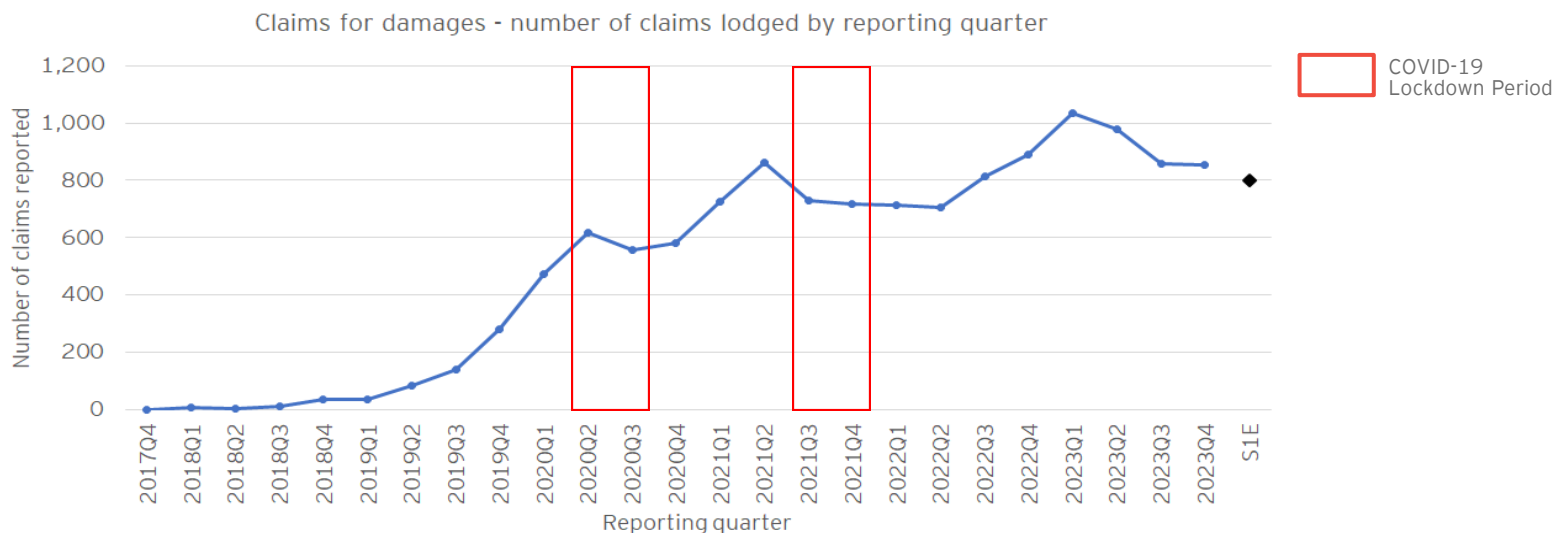
## Not at-fault non-threshold claims



- ▶ 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 nine 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 and a trend downwards from 2020Q3 to 2022Q1, which may have been driven by reduced traffic volumes during the two COVID-19 lockdowns in NSW. 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 1,000 claims in 2022Q4 - 2023Q2, which is similar to pre-COVID-19 lockdown levels
- ▶ The decrease in claims reported in reporting quarters 2023Q3 - 2023Q4 is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the 2022 Motor Accident Injuries Amendment Act, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023.

# Claim numbers - reporting quarter basis

## Claims for damages



- ▶ This chart shows the total number of claims for damages made by reporting quarter. It includes non-threshold claims with any WPI level (included not yet determined), 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 reporting pattern of these claims
- ▶ There is expected to be a temporary increase in the number of claims reported each quarter due to the removal of the 20-month damages lodgement waiting period under the amendments, which has caused a material volume of existing claims to become newly eligible to lodge. As has been observed over the past 2 quarters, this impact is expected to subside, and the number of reported damages claims may stabilise at a higher range than previous experience
- ▶ The number of claims for damages has increased steadily since 2022Q2 to around 1,000 claims in reporting quarter 2023Q1. Reporting quarters 2023Q2 - 2023Q4 show a slight decrease to around 850 claims, suggesting a stabilising effect since the initial uptick of lodgements. This will continue to be monitored in future quarters
- ▶ The timing of claim lodgements appears to be volatile due to interaction between different accident years, all at different development stages.

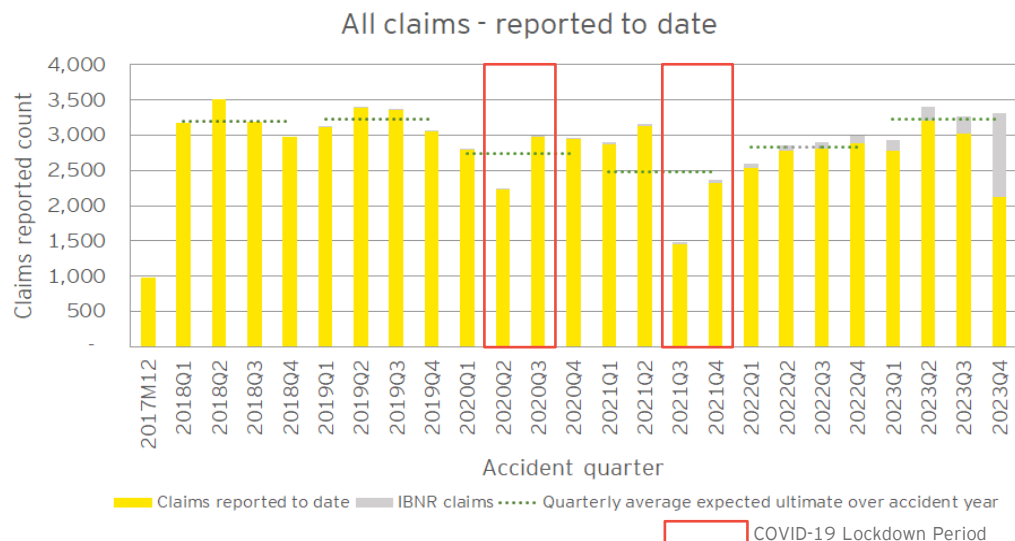
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## Claim numbers - accident quarter basis



# Claim numbers - accident quarter basis

## All claims

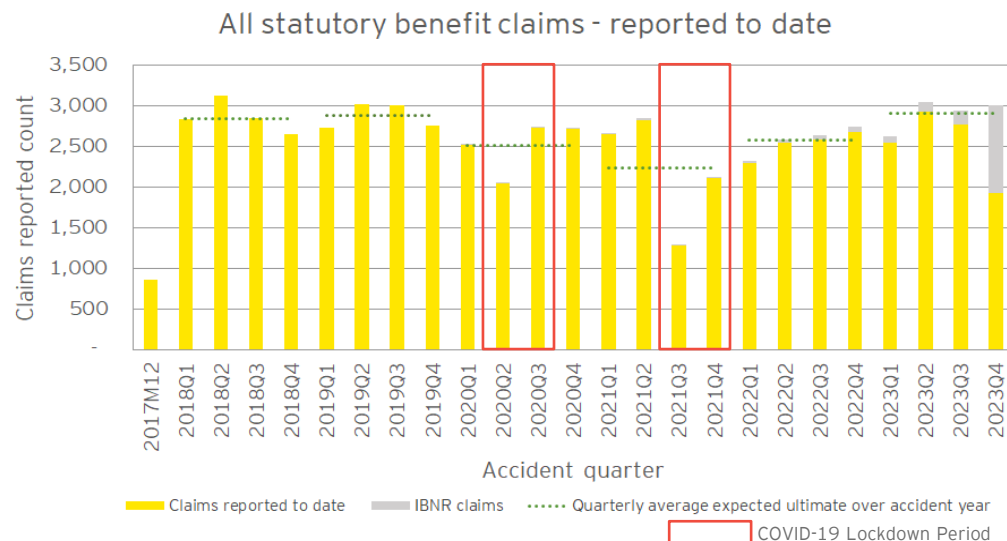


	Reported to date	Expected ultimate
2018 accident year (13 months)	13,840	13,840
2019 accident year	12,915	12,923
2020 accident year	10,939	10,980
2021 accident year	9,768	9,897
2022 accident year	11,014	11,341
2023 accident year	11,129	12,915

- ▶ The chart and table show the total number of claims reported to date by accident quarter, compared to their expected ultimate claims
- ▶ 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 because of decreased traffic. Lower claims during COVID-19 lockdown periods has been similarly observed across all claim cohorts
- ▶ Following the COVID-19 lockdown periods, total claims are expected to return towards pre-COVID levels.

# Claim numbers - accident quarter basis

## All statutory benefit claims

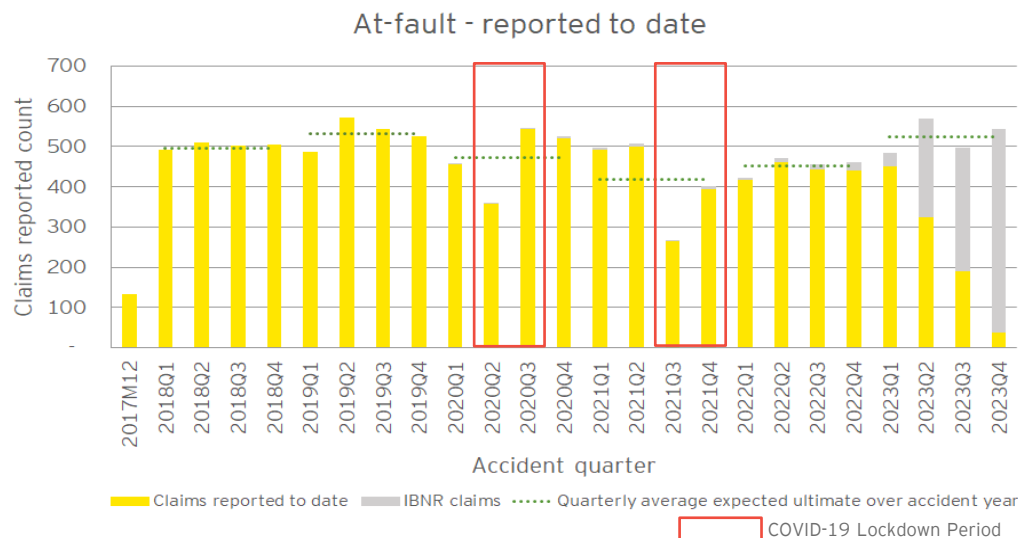


	Reported to date	Expected ultimate
2018 accident year (13 months)	12,305	12,305
2019 accident year	11,502	11,502
2020 accident year	10,021	10,036
2021 accident year	8,861	8,930
2022 accident year	10,102	10,295
2023 accident year	10,177	11,618

- ▶ This chart shows the total number of statutory benefit claims reported to date by accident quarter
- ▶ For accident years 2018 - 2020, ~100% of expected ultimate statutory benefit claims have been reported
- ▶ Following the COVID-19 lockdown periods, statutory benefit claims are expected to return towards pre-COVID levels.

# Claim numbers - accident quarter basis

## At-fault claims

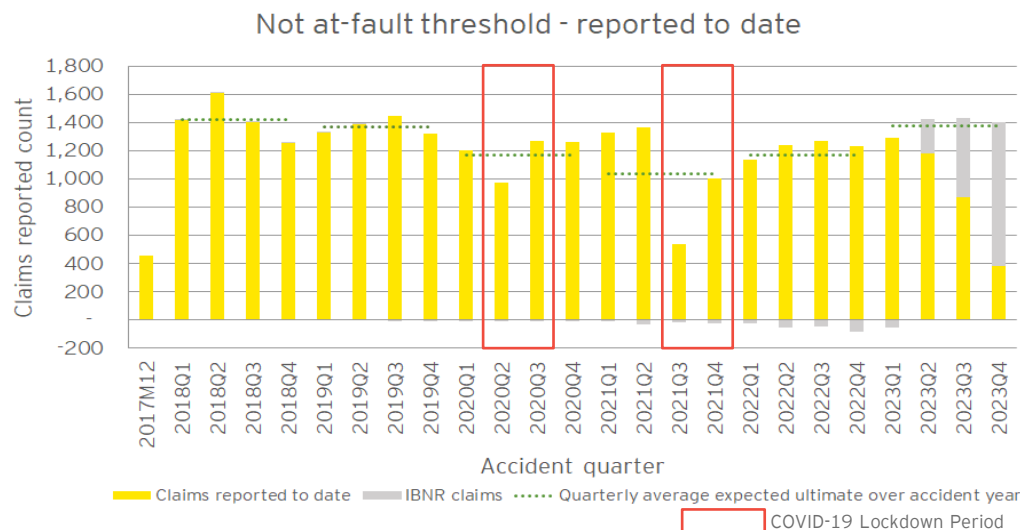


	Reported to date	Expected ultimate
2018 accident year (13 months)	2,144	2,144
2019 accident year	2,127	2,127
2020 accident year	1,879	1,887
2021 accident year	1,653	1,672
2022 accident year	1,759	1,813
2023 accident year	1,004	2,094

- ▶ 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 period for which the fault status of claims remain undetermined is expected to be longer for accidents occurring post 1 April 2023, due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments
- ▶ For accident years 2018 - 2020, ~100% of ultimate expected at-fault claims have been reported
- ▶ Following the COVID-19 lockdown periods, at-fault claims are expected to return towards pre-COVID levels.

# Claim numbers - accident quarter basis

## Not at-fault threshold claims

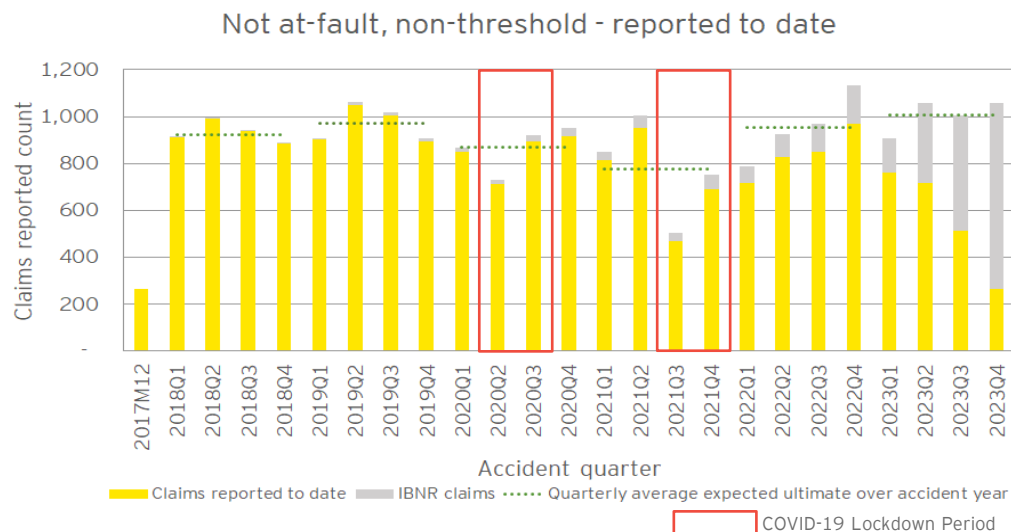


	Reported to date	Expected ultimate
2018 accident year (13 months)	6,142	6,164
2019 accident year	5,484	5,483
2020 accident year	4,709	4,678
2021 accident year	4,231	4,151
2022 accident year	4,875	4,666
2023 accident year	3,733	5,499

- ▶ 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 are also included in the chart above
- ▶ The threshold injury assessment can take up to 9 months following claim lodgement to be completed for accidents occurring post 1 April 2023, therefore a material number of claims incurred in accident quarters 2023Q2 - 2023Q4 are yet to receive a threshold injury assessment
- ▶ For some accident years, expected ultimate claims are lower than claims reported to date. This is driven by the expectation that some current not at-fault threshold claims will transition to not-at-fault non-threshold following the completion of dispute processes
- ▶ Following the COVID-19 lockdown periods, not at-fault threshold claims are expected to return to pre-COVID levels.

# Claim numbers - accident quarter basis

## Not at-fault non-threshold claims



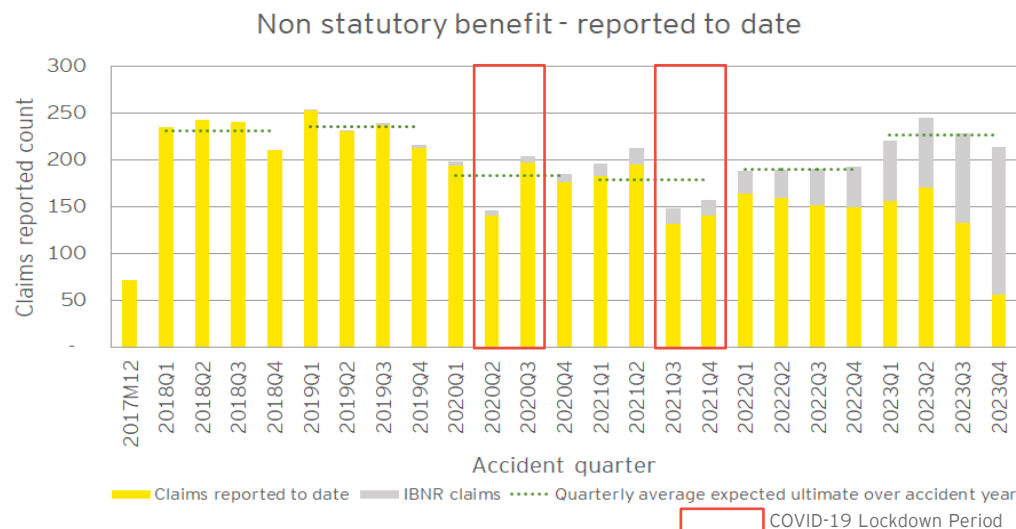
	Reported to date	Expected ultimate
2018 accident year (13 months)	3,988	3,997
2019 accident year	3,848	3,892
2020 accident year	3,375	3,471
2021 accident year	2,926	3,107
2022 accident year	3,362	3,816
2023 accident year	2,256	4,025

- ▶ 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 - 2023 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 9 months following claim lodgement to be completed for accidents occurring post 1 April 2023, therefore a material number of claims incurred in accident quarters 2023Q2 - 2023Q4 are yet to receive a threshold injury assessment
- ▶ Following the COVID-19 lockdown periods, not at-fault non-threshold claims are expected to return to pre-COVID levels.



# Claim numbers - accident quarter basis

## Non-statutory benefit claims

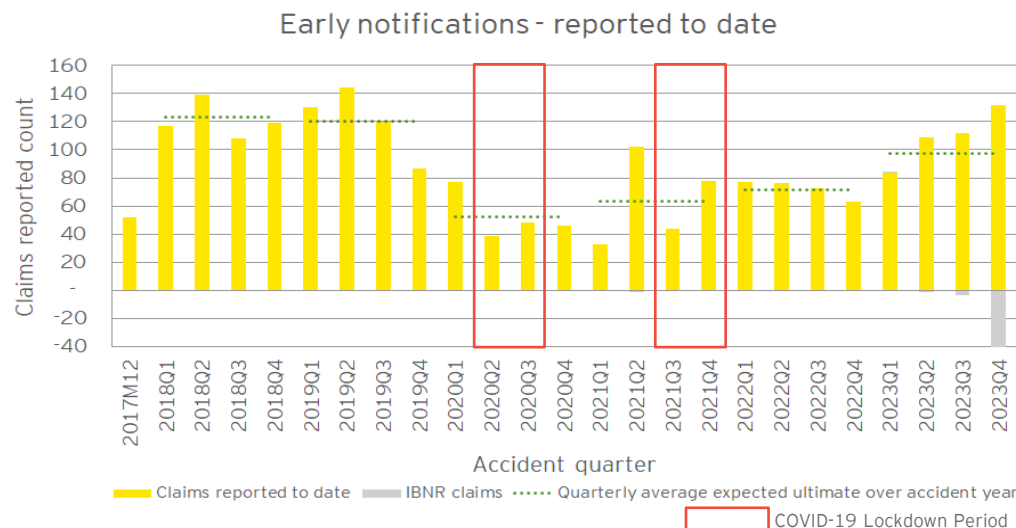


	Reported to date	Expected ultimate
2018 accident year (13 months)	1,000	1,000
2019 accident year	932	940
2020 accident year	708	733
2021 accident year	650	713
2022 accident year	623	760
2023 accident year	515	906

- ▶ 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)
- ▶ More recent accident years from 2020 onwards 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 - 2022 (excluding accident quarters impacted by COVID-19) where approximately 190 non-statutory benefit claims are expected to be incurred per accident quarter. This can be attributed to the lockdowns and prolonged State border closures which led to fewer interstate travel and claims
- ▶ Following the COVID-19 lockdown periods, non statutory benefit claims are expected to return to pre-COVID levels.

# Claim numbers - accident quarter basis

## Early notification claims

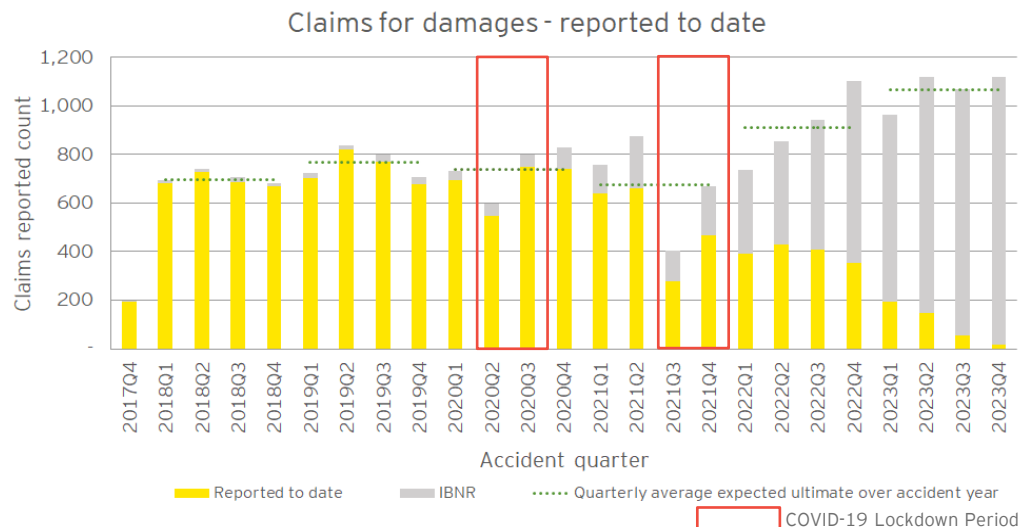


	Reported to date	Expected ultimate
2018 accident year (13 months)	535	535
2019 accident year	481	481
2020 accident year	210	210
2021 accident year	257	254
2022 accident year	289	286
2023 accident year	437	390

- ▶ 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. This reduced to approximately 50 claims for accident quarters 2020Q2 - 2021Q1 and 2021Q3, reflecting lower exposure due to COVID-19 restrictions in 2020 and 2021 and potential changes to insurer processes
- ▶ Negative claims development is expected for the most recent accident periods as claims may transition out of the early notification model once they progress to become a statutory benefit claim
- ▶ 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 - accident quarter basis

## Damages claims



	Reported to date	Expected ultimate
2018 accident year (13 months)	2,957	3,021
2019 accident year	2,970	3,068
2020 accident year	2,733	2,960
2021 accident year	2,047	2,704
2022 accident year	1,579	3,637
2023 accident year	415	4,267

- ▶ 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 non-threshold claims with any WPI level (included not yet determined), as well as 'other' damages claims which are either at-fault or not at-fault threshold
- ▶ Ultimate expected claims for accident quarter in 2020Q2 and 2021Q3 have experienced a large reduction due to decreased exposure from the COVID-19 lockdowns
- ▶ Selected damages claim lodgement rates (for not at-fault and non-threshold claims) as at December 2023 are 63% for the 2018 accident year, increasing to 70% for 2021, and 80% for 2022. The reduction in selected claim lodgement rates from those as at the December 2022 valuation is reflective of changing claim characteristics towards those that are expected to have a lower likelihood of lodging damages claims. 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
- ▶ The selected damages lodgement rates are expected to increase each accident year as scheme damages lodgement processes are developed and embedded by insurers and lawyers. Lodgement rates for accident quarters 2021Q2 and onwards are further expected to increase due to the removal of the 20-month damages lodgement waiting period as outlined in the amendments.

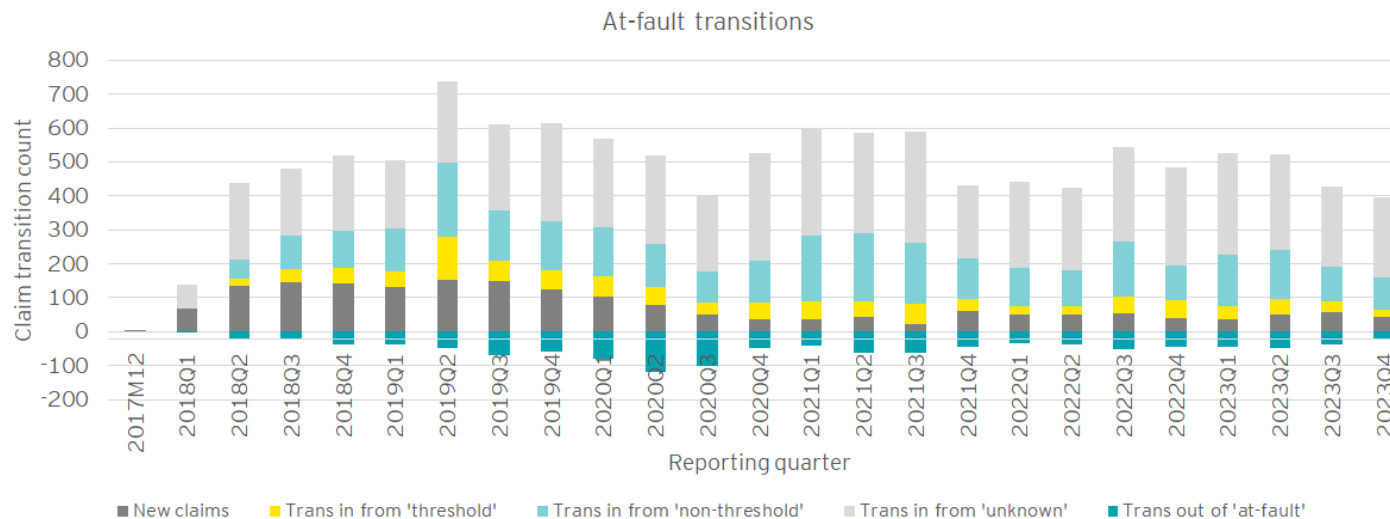
# 5

## Claim transitions – reporting quarter basis



# Claim transitions - reporting quarter basis

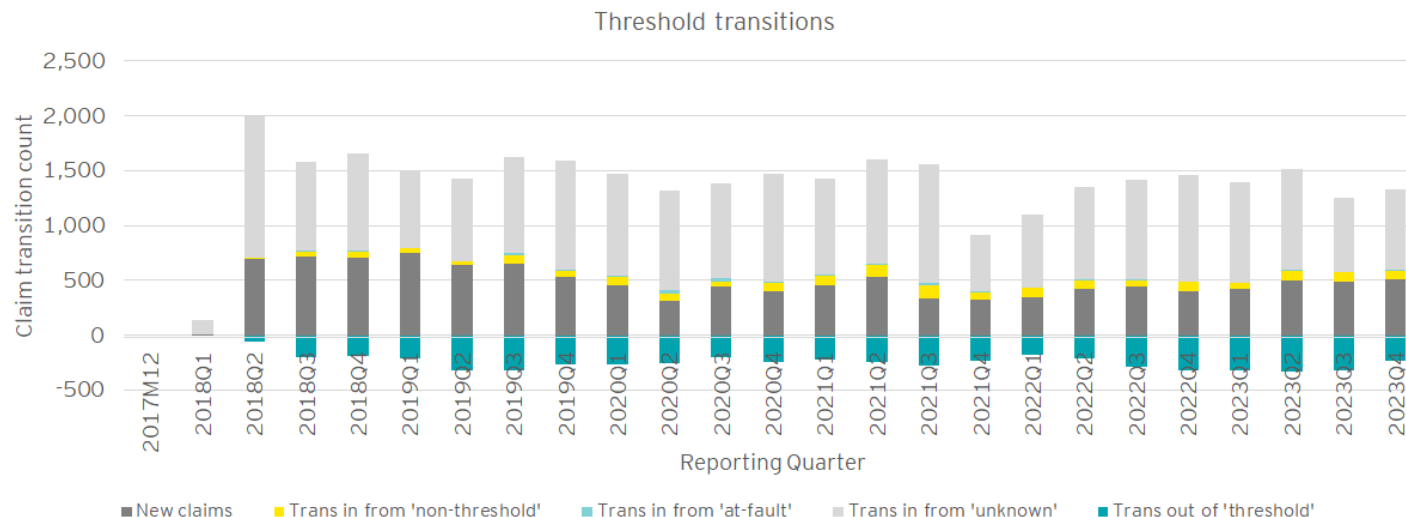
## At-fault claims



- ▶ 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 most 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. For claims with undetermined fault status, assumptions are made about the number that will eventually transition to an at-fault status
- ▶ There are generally fewer 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, which may be due to insurer operational delays in determining fault status and COVID-19 lockdowns. 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, reporting quarter 2023Q4 has a slightly lower number of new claims reported, and a lower level of claims transitioning in and out of the at-fault model
- ▶ The lower level of transitions in from 'unknown' for reporting quarters 2023Q3 onwards is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments, which will likely result in slower reporting of fault status determination for accidents occurring from 1 April 2023.

# Claim transitions - reporting quarter basis

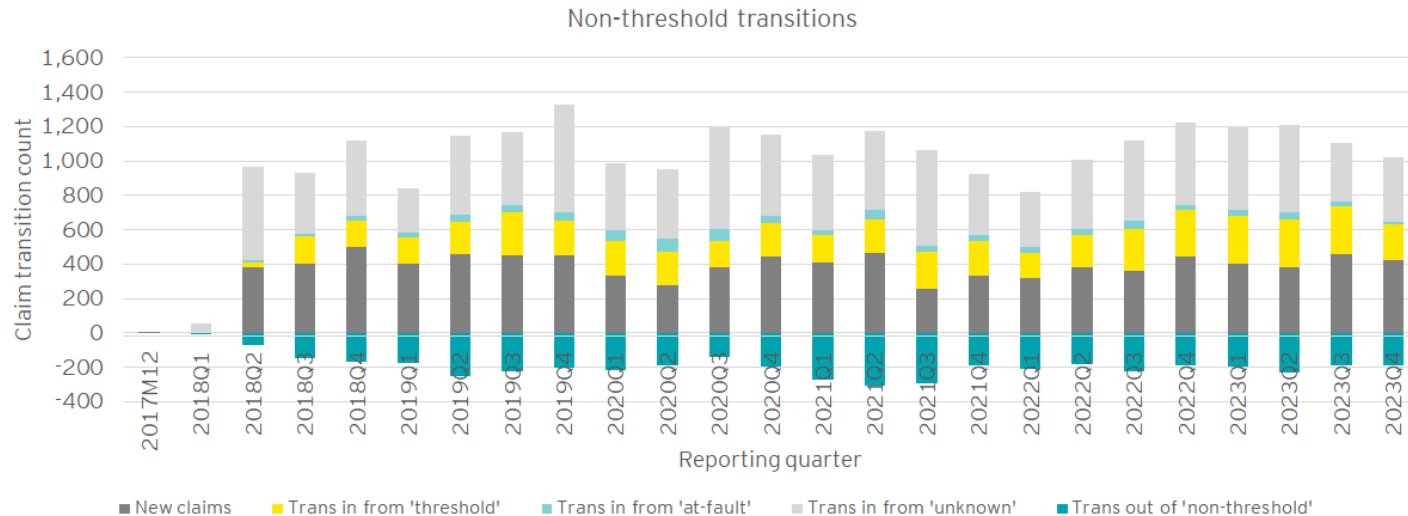
## Not at-fault threshold claims



- ▶ 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
- ▶ For reporting quarter 2021Q4, the transitions from 'unknown' are significantly lower than experienced in previous accident quarters. This has increased between reporting quarters 2022Q1 - 2023Q2, to a level similar to pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter, reporting quarter 2023Q4 has a similar level of new claims reported, a lower level of claims transitioning out of the not at-fault threshold model, and a slightly higher level of claims transitioning in, mainly driven by higher transitions from 'unknown'.
- ▶ The lower level of transitions in from 'unknown' for reporting quarters 2023Q3 onwards is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023.

# Claim transitions - reporting quarter basis

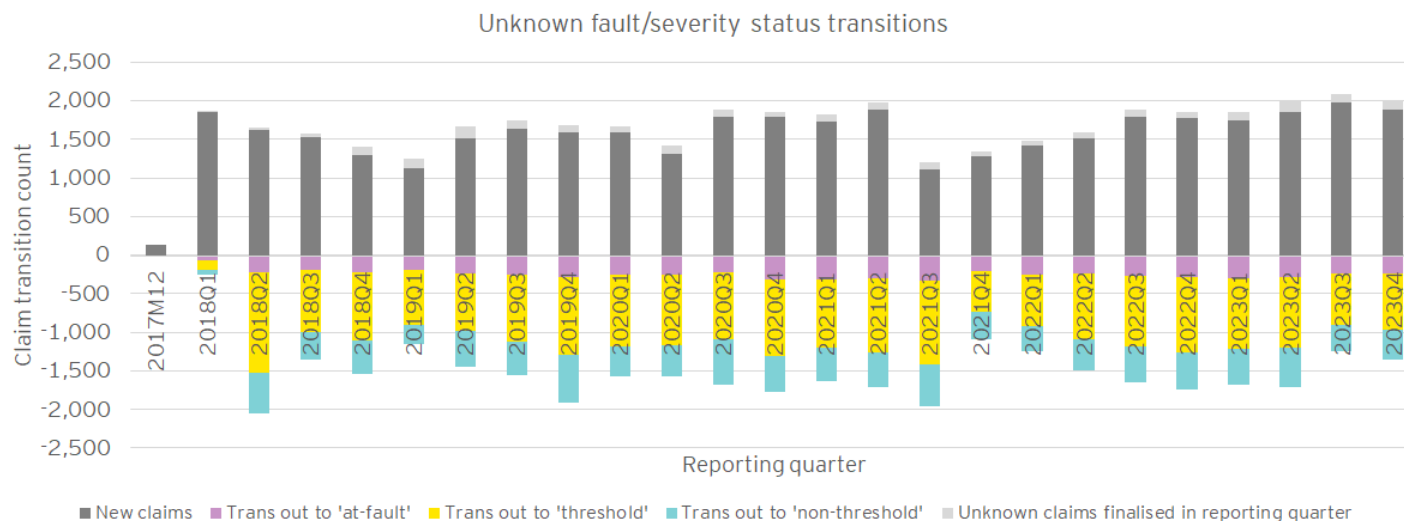
## Not at-fault non-threshold claims



- ▶ 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'
- ▶ For reporting quarters 2022Q2 - 2023Q2, there is an increase in new claims and transitions from 'unknown' and 'threshold' claims into non-threshold claims, to a level similar to pre-COVID-19 levels
- ▶ Compared to the previous reporting quarter, reporting quarter 2023Q4 has a similar level of new claims reported and claims transitioning out of the not at-fault non-threshold model, but a lower level of claims transitioning into the not at-fault non-threshold model.
- ▶ The lower level of transitions in from 'unknown' for reporting quarters 2023Q3 onwards is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023.

# Claim transitions - reporting quarter basis

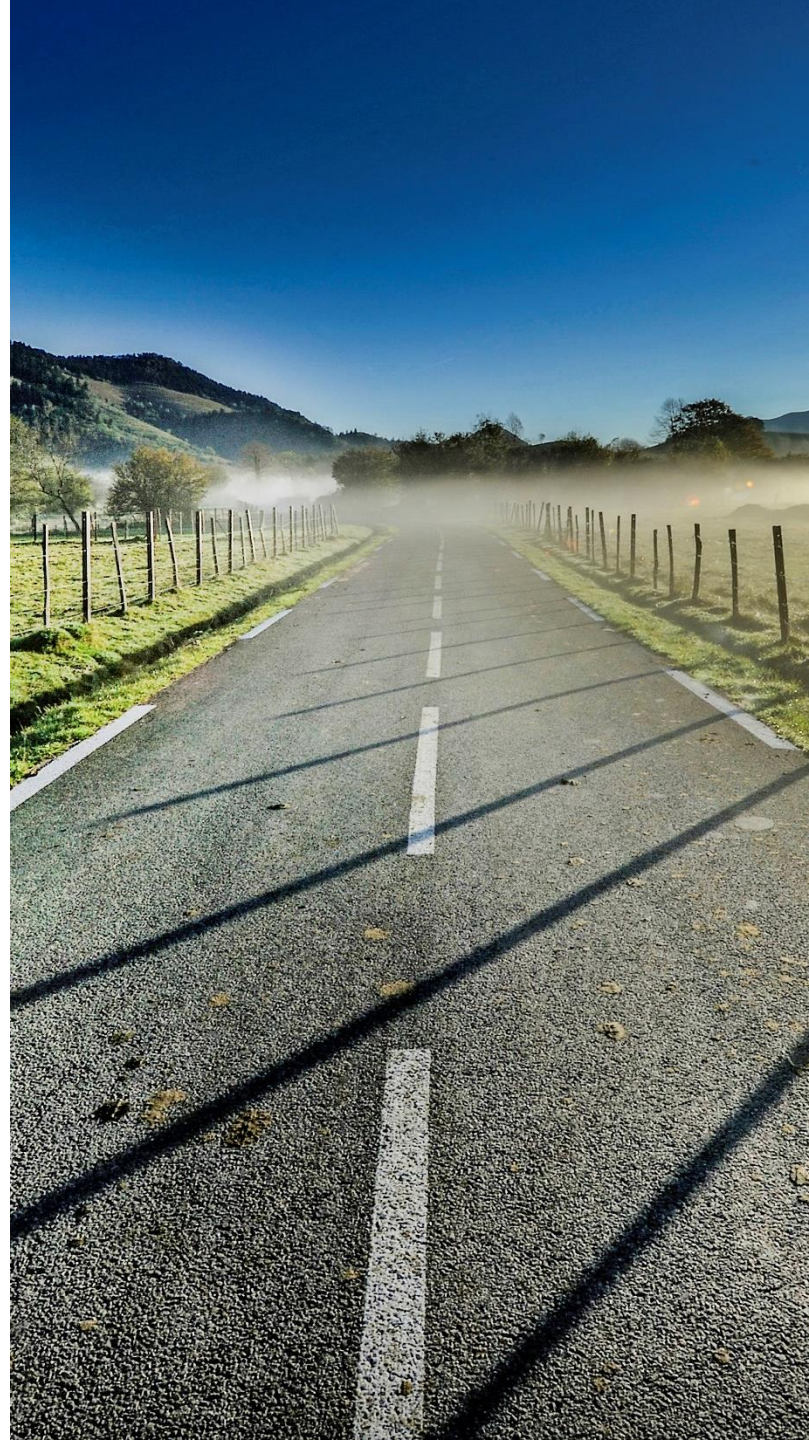
## Claims with an unknown fault/severity status



- ▶ 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 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. For reporting quarters 2022Q2 - 2023Q2, 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, reporting quarter 2023Q4 has a slightly lower level of new claims reported and a slightly higher level of claims transitioning out of the unknown fault/severity status model, driven mainly by higher transitions out to 'threshold'
- ▶ The lower level of transitions out of 'unknown' for reporting quarters 2023Q3 onwards is likely due to the extension of the statutory benefit liability decision from 3 to 9 months under the amendments, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023.



# 6 Actual versus expected claims & payments experience



# Actual versus expected claims & payments experience

## Statutory benefit claims reported

December 2022 - December 2023						
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
At-Fault	All	Stat Ben	665	602	63	11%
Not At-Fault	Threshold	Stat Ben	614	1,079	-465	-43%
	Non-threshold	Stat Ben	1,371	1,123	248	22%
	Unknown	Stat Ben	-1,360	-1,591	231	-15%
Total			1,290	1,212	78	6%

December 2022 - December 2023				
Accident Quarter	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier	187	133	54	41%
2021Q4	20	28	-8	-28%
2022Q1	27	35	-8	-22%
2022Q2	43	52	-9	-17%
2022Q3	137	115	22	19%
2022Q4	876	850	26	3%
Total	1,290	1,212	78	6%

- ▶ 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 twelve months leading up to 31 December 2023, reported claims have been higher than expected by 78 claims (or 6%)
- ▶ 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 higher than expected claims in all accident periods except 2021Q4 - 2022Q2
- ▶ For not at-fault threshold claims, the observed lower than expected claim numbers are partially driven by transitions to not at-fault non-threshold severity. This is likely driven by greater disputes under the Personal Injury Commission (PIC) for not at-fault threshold claimants
- ▶ 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 & payments experience

## Statutory benefit claim payments

December 2022 - December 2023						
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
At-Fault	All	Stat Ben	\$18.6m	\$17.0m	\$1.6m	9%
Not At-Fault	Threshold	Stat Ben	\$10.2m	\$15.5m	-\$5.3m	-34%
	Non-threshold	Stat Ben	\$214.7m	\$204.9m	\$9.8m	5%
	Unknown	Stat Ben	-\$5.0m	\$0.3m	-\$5.3m	-1556%
Total			\$238.6m	\$237.7m	\$0.8m	0%

December 2022 - December 2023				
Accident Quarter	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2021Q3 and Earlier	\$86.5m	\$95.3m	-\$8.7m	-9%
2021Q4	\$14.1m	\$14.3m	-\$0.2m	-1%
2022Q1	\$19.6m	\$16.7m	\$2.8m	17%
2022Q2	\$23.8m	\$22.6m	\$1.2m	5%
2022Q3	\$36.9m	\$34.6m	\$2.2m	6%
2022Q4	\$57.6m	\$54.1m	\$3.5m	6%
Total	\$238.6m	\$237.7m	\$0.8m	0%

- ▶ Statutory benefit payments, for accidents up to 31 December 2022, over the last twelve months to 31 December 2023 have been close to expected
- ▶ The higher than expected payments is primarily driven by at-fault and not at-fault non-threshold claims, offset by not at-fault threshold and unknown severity claims
- ▶ For not at-fault threshold claims, the observed lower than expected claim payments are partially driven by transitions to not at-fault non-threshold severity. This is likely driven by greater disputes under the PIC for not at-fault threshold claimants
- ▶ On an accident quarter basis, the higher than expected experience is driven by 2022Q1 - 2022Q4, offset by periods 2021Q4 and prior.

# Actual versus expected claims & payments experience

## Not at-fault non-threshold active claims reported

Payment Type	December 2022 - December 2023			
	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Loss of Income	7,183	7,252	-69	-1%
Treatment & Care	23,428	23,334	94	0%
<b>Total</b>	<b>30,611</b>	<b>30,586</b>	<b>25</b>	<b>0%</b>

Accident Quarter	December 2022 - December 2023			
	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier	16,560	17,430	-870	-5%
2021Q4	1,915	1,983	-68	-3%
2022Q1	2,276	2,099	177	8%
2022Q2	2,728	2,629	99	4%
2022Q3	3,278	3,119	159	5%
2022Q4	3,854	3,326	528	16%
<b>Total</b>	<b>30,611</b>	<b>30,586</b>	<b>25</b>	<b>0%</b>

- ▶ 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 twelve months leading up to 31 December 2023, for accidents up to 31 December 2022, there were 30,611 not at-fault non-threshold active claims. This was similar to expected
- ▶ On an accident quarter basis, active claims are higher than expected for accident periods 2022Q1 - 2022Q4, offset by periods 2021Q4 and earlier
- ▶ 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 & payments experience

## Non-statutory benefit claims reported

		December 2022 - December 2023			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Interstate	Non Stat Ben	177	161	16	10%
Death	Non Stat Ben	61	54	7	12%
Workers Compensation	Non Stat Ben	103	173	-70	-40%
Early notification	Non Stat Ben	-26	-37	11	-30%
<b>Total</b>		<b>315</b>	<b>351</b>	<b>-36</b>	<b>-10%</b>

		December 2022 - December 2023			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q3 and Earlier		95	186	-91	-49%
2021Q4		17	21	-4	-18%
2022Q1		25	30	-5	-16%
2022Q2		39	42	-3	-7%
2022Q3		61	48	13	27%
2022Q4		78	25	53	207%
<b>Total</b>		<b>315</b>	<b>351</b>	<b>-36</b>	<b>-10%</b>

- ▶ In the twelve months leading up to 31 December 2023, reported non-statutory benefit claims, for accidents up to 31 December 2022, have been lower than expected by around 10%, or 36 claims
- ▶ The lower than expected claims numbers are primarily driven by lower than expected workers compensation claims, partially offset by a higher number of interstate, death and early notification claims than expected
- ▶ On an accident quarter basis, the lower than expected claim numbers is primarily driven by accident quarters 2022Q2 and prior periods, and partially offset by 2022Q3 - 2022Q4
- ▶ The level of claim activity is still developing, driving higher volatility in the actual versus expected experience.

# Actual versus expected claims & payments experience

## Non-statutory benefit claim payments

		December 2022 - December 2023			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Interstate	Non Stat Ben	\$38.1m	\$39.6m	-\$1.5m	-4%
Death	Non Stat Ben	\$21.8m	\$15.4m	\$6.4m	41%
Workers Compensation	Non Stat Ben	\$29.9m	\$11.9m	\$18.0m	151%
Early notification	Non Stat Ben	\$167.7k	\$5.4k	\$162.2k	2990%
<b>Total</b>		<b>\$89.9m</b>	<b>\$66.9m</b>	<b>\$23.0m</b>	<b>34%</b>

		December 2022 - December 2023			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2021Q3 and Earlier		\$75.3m	\$55.7m	\$19.6m	35%
2021Q4		\$2.5m	\$2.4m	\$0.1m	5%
2022Q1		\$4.8m	\$2.8m	\$1.9m	69%
2022Q2		\$2.5m	\$2.5m	\$0.1m	3%
2022Q3		\$2.6m	\$1.9m	\$0.8m	41%
2022Q4		\$2.1m	\$1.6m	\$0.5m	32%
<b>Total</b>		<b>\$89.9m</b>	<b>\$66.9m</b>	<b>\$23.0m</b>	<b>34%</b>

- ▶ Non-statutory benefit payments in the twelve months leading up to 31 December 2023, for accidents up to 31 December 2022, have been \$23.0m (or 34%) higher than expected
- ▶ This is driven by higher than expected payments across death and Workers Compensation 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 volatile common law settlements experienced in the older accident periods and a faster than expected payment pattern
- ▶ On an accident quarter basis, there is higher than expected claims payments which is primarily driven by 2021Q3 and prior accident periods.



# Actual versus expected claims & payments experience

## Claims reported for damages

			December 2022 - December 2023			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	1,312	1,259	53	4%
		≤ 10%	1,257	1,420	-163	-11%
		Unknown	160	745	-585	-79%
Other			581	785	-204	-26%
Total			3,310	4,209	-899	-21%

		December 2022 - December 2023			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2020Q4 and Earlier		556	815	-259	-32%
2021Q1		235	257	-22	-9%
2021Q2		446	511	-65	-13%
2021Q3		218	290	-72	-25%
2021Q4		383	476	-93	-20%
2022Q1 - 2022Q4		1,472	1,860	-388	-21%
<b>Total</b>		<b>3,310</b>	<b>4,209</b>	<b>-899</b>	<b>-21%</b>

- ▶ In the twelve months leading up to 31 December 2023, for accidents up to 31 December 2022, reported claims for damages have been lower than expected by around 21%, or 899 claims
- ▶ Lower than expected claim numbers are primarily observed for not at-fault non-threshold claims with WPI ≤ 10%, yet to be determined (i.e. 'unknown') WPI and 'Other' claims
- ▶ The lower than expected claim numbers for unknown and ≤ 10% WPI are partially driven by a single insurer transitioning claims with larger settlement payments from unknown WPI to WPI ≤ 10% during the 2023Q3 reporting quarter. For the 2023Q4 reporting quarter, claims have also transitioned from 'undetermined' WPI to 'WPI ≤ 10%' but to a lesser extent than 2023Q3
- ▶ On an accident quarter basis, there is lower than expected claims reported for all accident quarters
- ▶ 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 under the amendments, which will cause substantial changes in reporting patterns for accident periods after 2021Q2.

# Actual versus expected claims & payments experience

## Claim payments for damages

			December 2022 - December 2023			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	\$653.3m	\$587.1m	\$66.3m	11%
		≤ 10%	\$168.7m	\$106.1m	\$62.6m	59%
		Unknown	-\$8.6m	\$2.5m	-\$11.0m	-448%
Other			\$24.2m	\$58.4m	-\$34.2m	-59%
Total			\$837.7m	\$754.0m	\$83.7m	11%

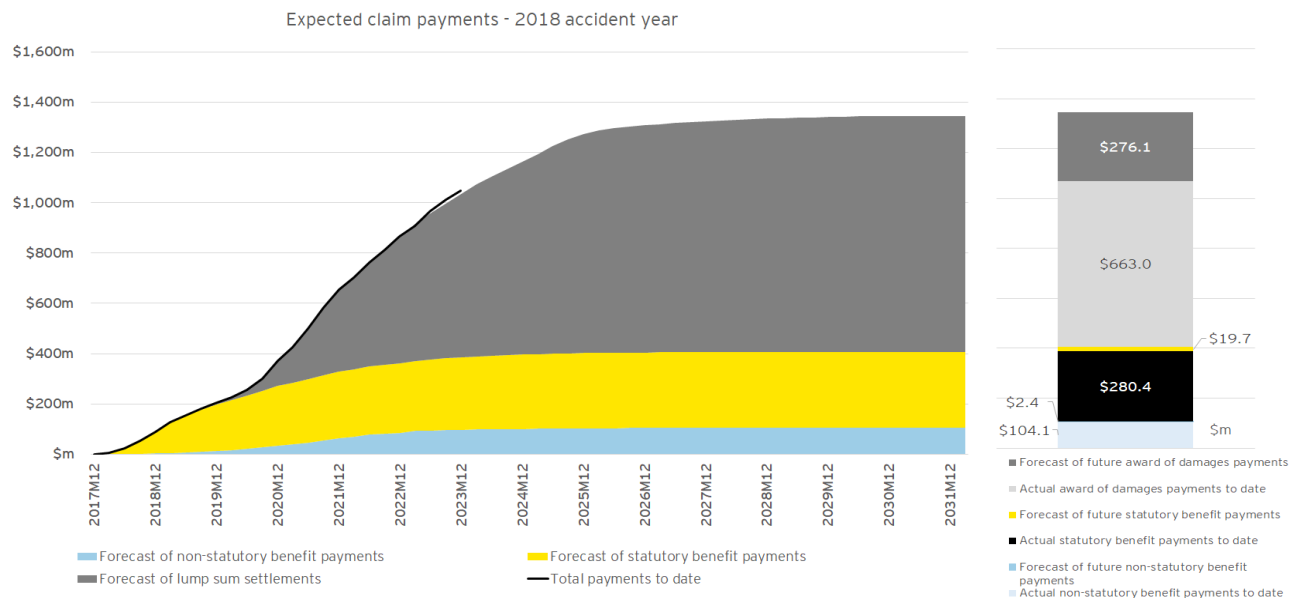
		December 2022 - December 2023			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2020Q4 and Earlier		\$641.6m	\$618.2m	\$23.4m	4%
2021Q1		\$50.0m	\$56.2m	-\$6.2m	-11%
2021Q2		\$53.0m	\$46.8m	\$6.2m	13%
2021Q3		\$20.8m	\$13.6m	\$7.2m	52%
2021Q4		\$32.0m	\$10.1m	\$21.9m	218%
2022Q1 - 2022Q4		\$40.3m	\$9.1m	\$31.1m	342%
<b>Total</b>		<b>\$837.7m</b>	<b>\$754.0m</b>	<b>\$83.7m</b>	<b>11%</b>

- ▶ Claim payments for damages over the twelve months leading up to 31 December 2023, for accidents up to 31 December 2022, have been \$83.7m (or 11%) higher than expected
- ▶ This is largely driven by a higher amount of payments for not at-fault non-threshold claims with WPI > 10% and WPI ≤ 10%, partially offset by the lower than expected payments for not at-fault non-threshold claims unknown WPI and 'Other' claims
- ▶ The negative actual payments for not at-fault non-threshold claims with unknown WPI and the corresponding increase in the actual payments for WPI ≤ 10% is driven by an insurer transitioning a large number of claims from unknown WPI into WPI ≤ 10% during the 2023Q3 reporting quarter, particularly in the 2018 - 2020 accident periods. For the 2023Q4 reporting quarter, claims have also transitioned from 'undetermined' WPI to 'WPI ≤ 10%' but to a lesser extent than 2023Q3
- ▶ 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 higher than expected in all accident periods except for 2021Q1.



# Actual versus expected claims & payments experience

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



78% of  
expected\* total  
payments have  
been paid

- ▶ The chart above shows the expected payment pattern of the 2017 Scheme for the 2018 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
- ▶ Total payments to date account for 78% of total expected payments. In addition, approximately 70% of the expected claims costs are for the award of damages (grey segment). To date, there have been \$280.4m payments relating to statutory benefit payments, \$663.0m payments relating to award of damages payments and \$104.1m payments relating to non-statutory benefit payments for the 2018 accident year.

\*Expected total payments as at 31 Dec 2022 valuation

# Actual versus expected claims & payments experience

## Actual vs. expected claim 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	\$663.0m	\$276.1m	\$280.4m	\$19.7m	\$104.1m	\$2.4m	78%
2019	\$584.4m	\$408.9m	\$310.8m	\$26.8m	\$83.6m	\$21.8m	68%
2020	\$419.6m	\$604.9m	\$283.6m	\$41.2m	\$58.1m	\$26.4m	53%
2021	\$167.1m	\$886.0m	\$247.6m	\$63.4m	\$25.4m	\$58.0m	30%
2022	\$41.2m	\$1221.1m	\$250.2m	\$128.8m	\$14.7m	\$79.6m	18%

- ▶ 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 not yet finalised
- ▶ 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 2018 accident year, as illustrated in the previous slide, total payments to date account for 78% 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

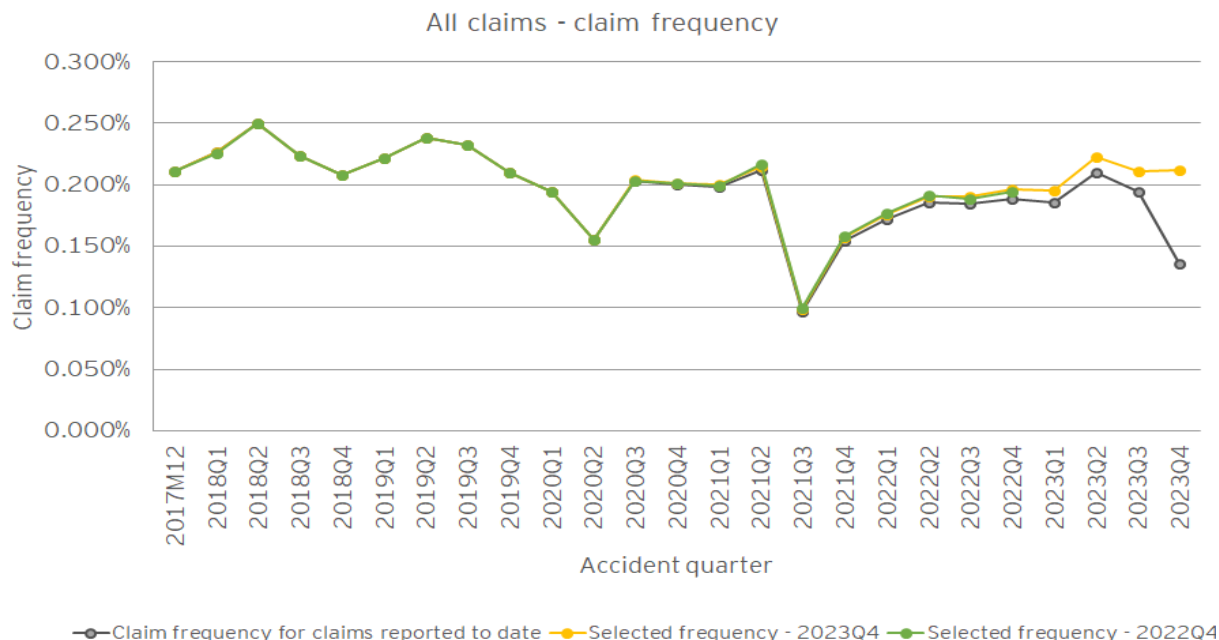
# 7

## Claim frequency



# Claim frequency

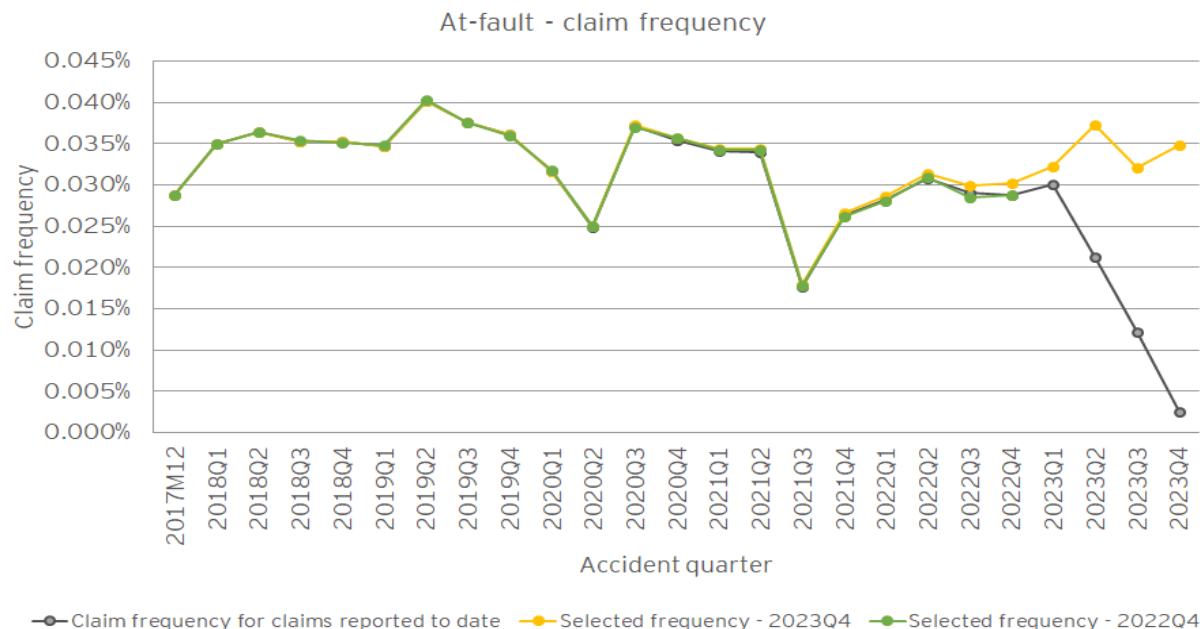
## All claims



- ▶ The chart above shows the ultimate claim frequency for all claims per accident quarter
- ▶ A higher level of uncertainty is associated with the most recent accident quarter, as a larger number of claims are expected to be incurred but not yet reported (IBNR) compared to previous quarters, illustrated by the gap between the grey and yellow lines
- ▶ The observed reduction in accident quarters 2020Q1 - 2020Q2 and 2021Q3 is due to a reduction in exposure during COVID-19 lockdowns in NSW
- ▶ Claim frequency for 2022Q1 - 2023Q1 is projected to increase compared to 2021Q4 due to an increase in exposure, but at a level below pre-COVID-19 levels. Accident quarters 2023Q2 - 2023Q4 are expected to return towards claim frequency levels in 2018 and 2019.

# Claim frequency

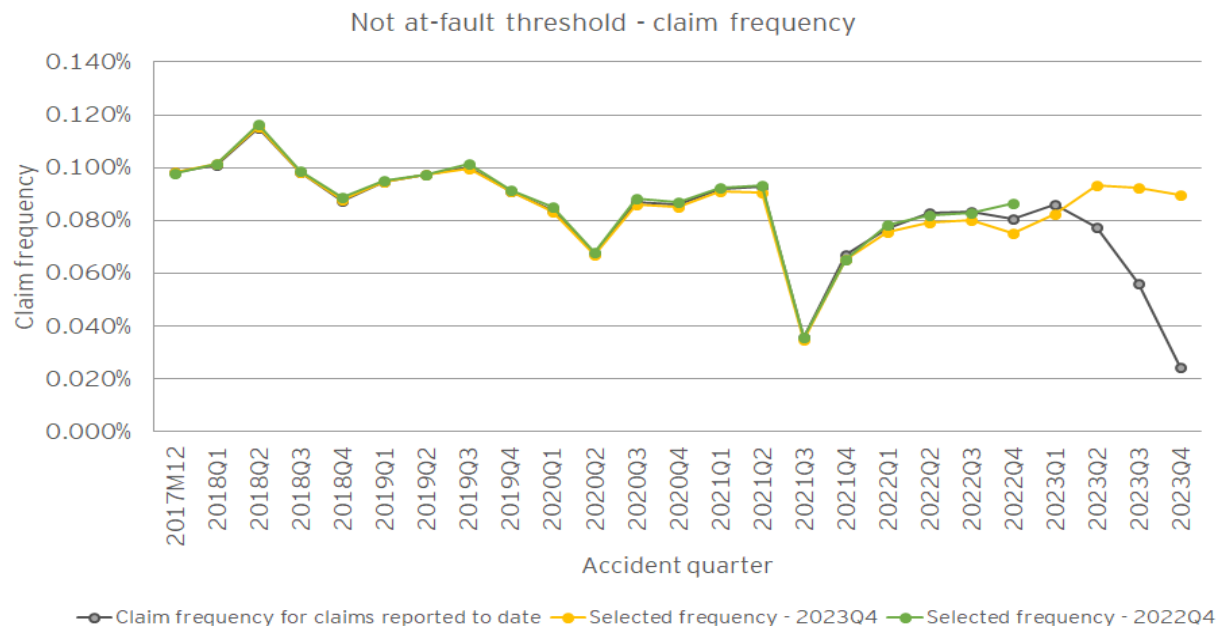
## At-fault claims



- ▶ 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 2022
- ▶ The gap between reported to date claim frequency and ultimate frequency illustrates the IBNR claims 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 the COVID-19 lockdowns in NSW
- ▶ Claim frequencies for 2021Q4 - 2023Q2 are projected to increase compared to 2021Q4 due to an increase in exposure, but at a level that is below pre-COVID-19 levels
- ▶ For accidents occurring after 1 April 2023, the fault status of the claim may be undetermined for up to 9 months post the claim received date, and therefore the gap between ultimate and reported to date claim frequency for the 2023Q2 - 2023Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

# Claim frequency

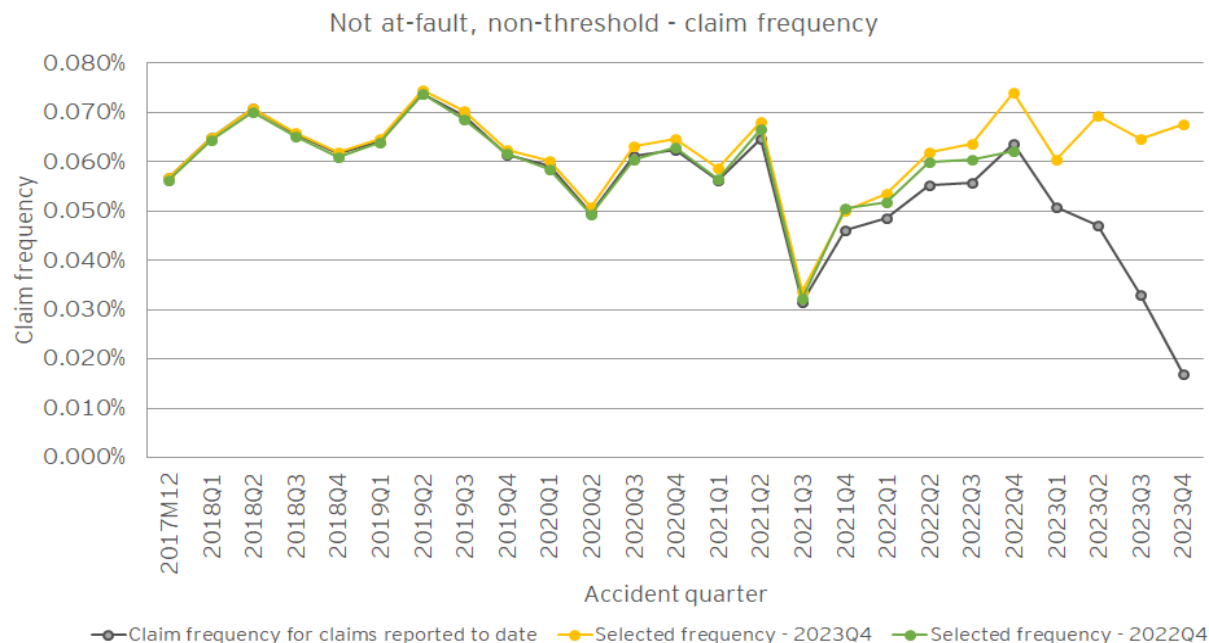
## Not at-fault threshold claims



- ▶ 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 (i.e. green line vs yellow line) for accident quarters before 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 2021Q3 is due to a reduction in exposure during the COVID-19 lockdowns in NSW
- ▶ Claim frequency for 2021Q4 - 2023Q2 are projected to increase compared to 2021Q4 due to an increase in exposure but at a level that is below pre-COVID-19 levels
- ▶ For accidents occurring after 1 April 2023, the fault status of the claim may be undetermined for up to 9 months post the claim received date, and therefore the gap between ultimate and reported to date claim frequency for the 2023Q2 - 2023Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

# Claim frequency

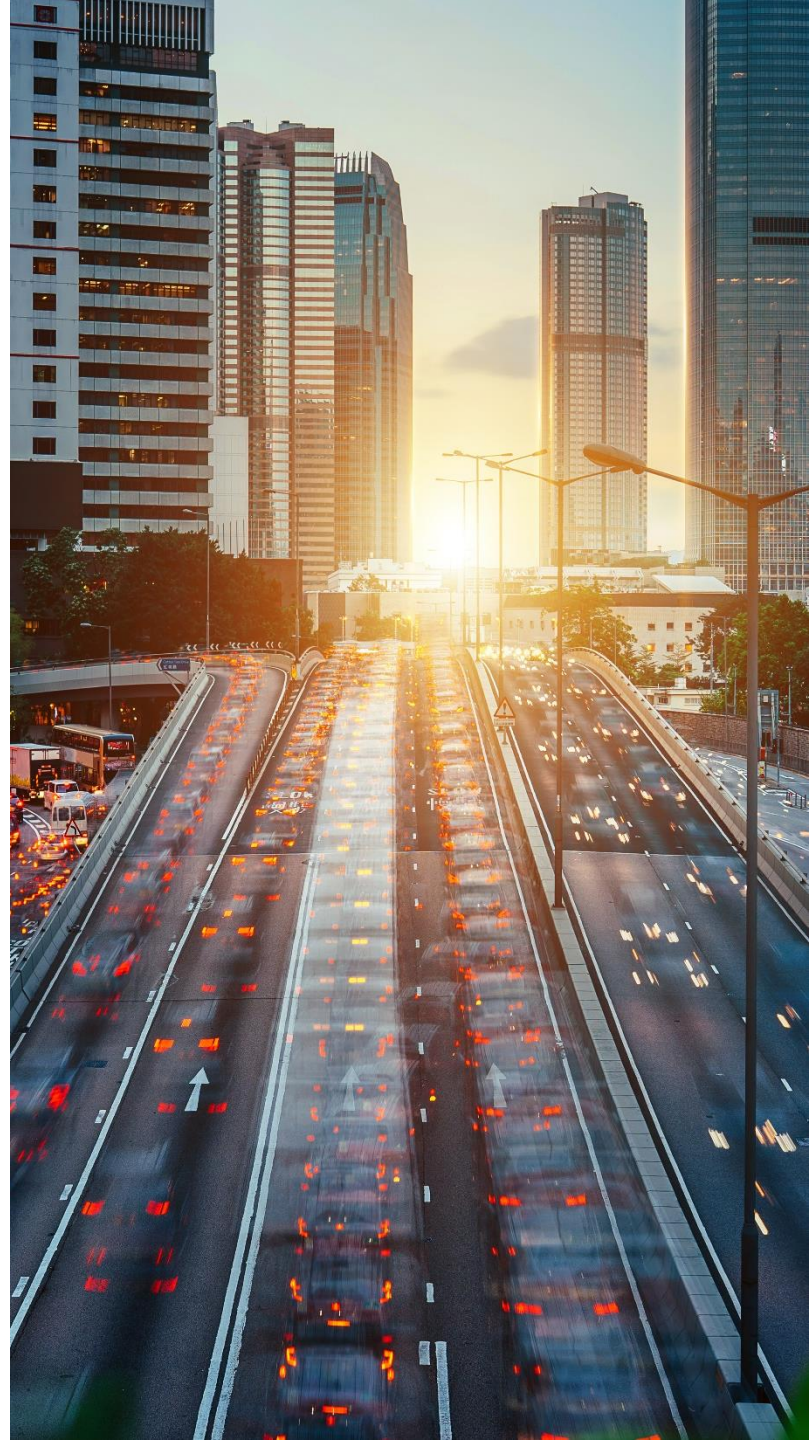
## Not at-fault non-threshold claims



- ▶ 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 (i.e. green line vs yellow line) for accident quarters before 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 - 2021Q2 have returned towards pre-COVID levels after the first lockdown
- ▶ Claim frequencies for 2021Q4 - 2023Q4 are projected to increase compared to 2021Q4 and return towards pre-COVID-19 levels
- ▶ For accidents occurring after 1 April 2023, the fault status of the claim may be undetermined for up to 9 months post the claim received date, and therefore the gap between ultimate and reported to date claim frequency for the 2023Q2 - 2023Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

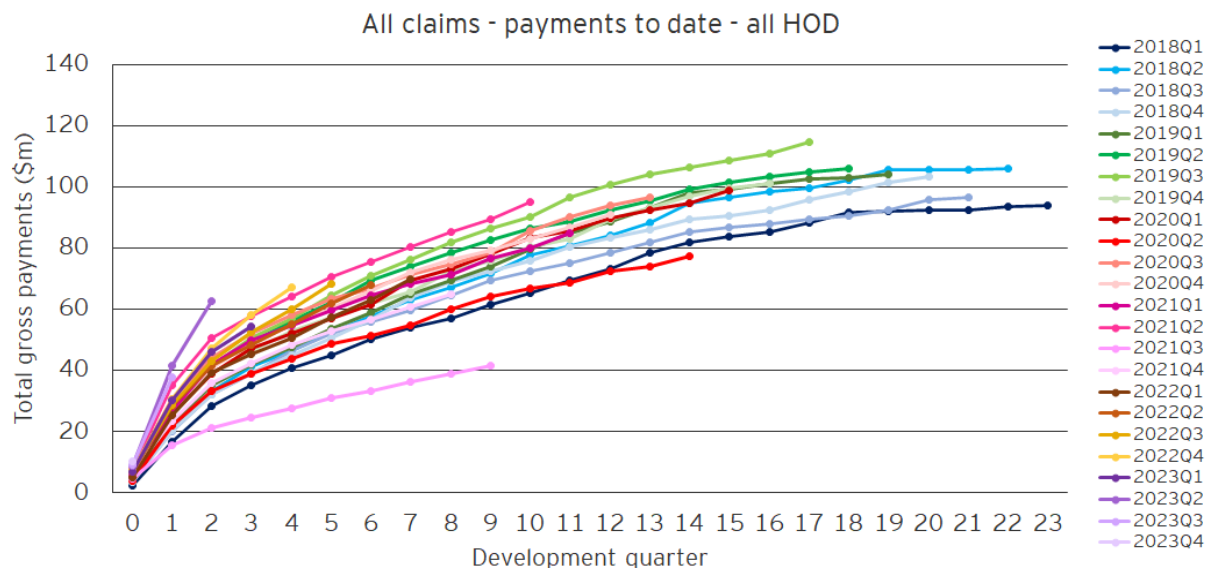


# Statutory Benefits - development of claims & payments



# All Claims - development of claims & payments

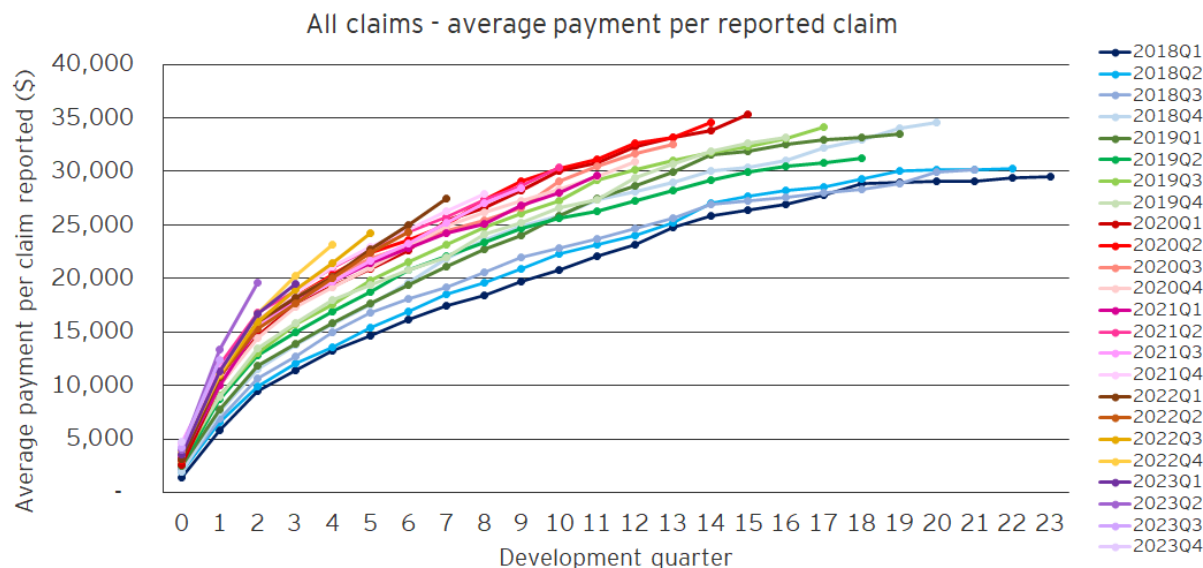
## Total gross statutory benefit payments by development quarter (current value)



- ▶ 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, total gross payments are trending lower compared to previous accident quarters. This is driven by the lower reported claim numbers due to the second COVID-19 lockdown in NSW
- ▶ Accident quarter 2023Q2 has higher payments to date compared to quarters 2023Q1 and prior. This is likely due to the extended weekly benefits under the legislative amendment for accidents post 1 April 2023, which is reflected by the increase in average payment per reported claim for at-fault and not at-fault threshold claimants shown on the following slides. We will continue to monitor this going forward.

# All Claims - development of claims & payments

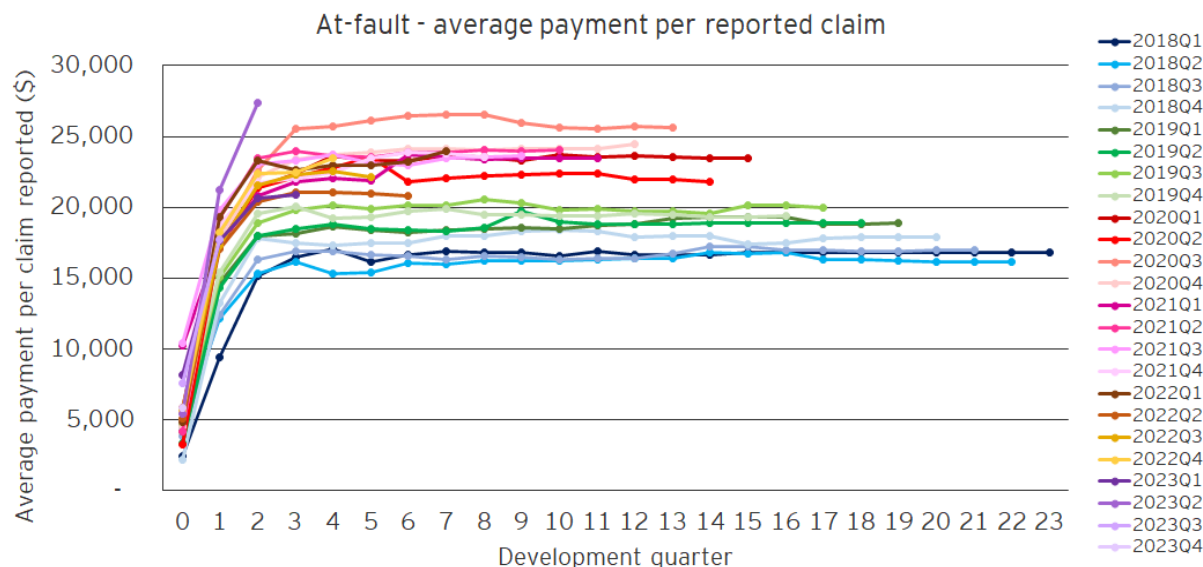
## Average cumulative payments per reported claim (current value)



- ▶ 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
- ▶ Accident quarter 2023Q2 has a higher average payment per reported claim compared to quarters 2023Q1 and prior at the same point of development. This is likely due to the extended weekly benefits under the legislative amendment for accidents post 1 April 2023, which is reflected by the increase in average payment per reported claim for at-fault and not at-fault threshold claimants shown on the following slides. We will continue to monitor this going forward.

# Statutory Benefits - development of claims & payments

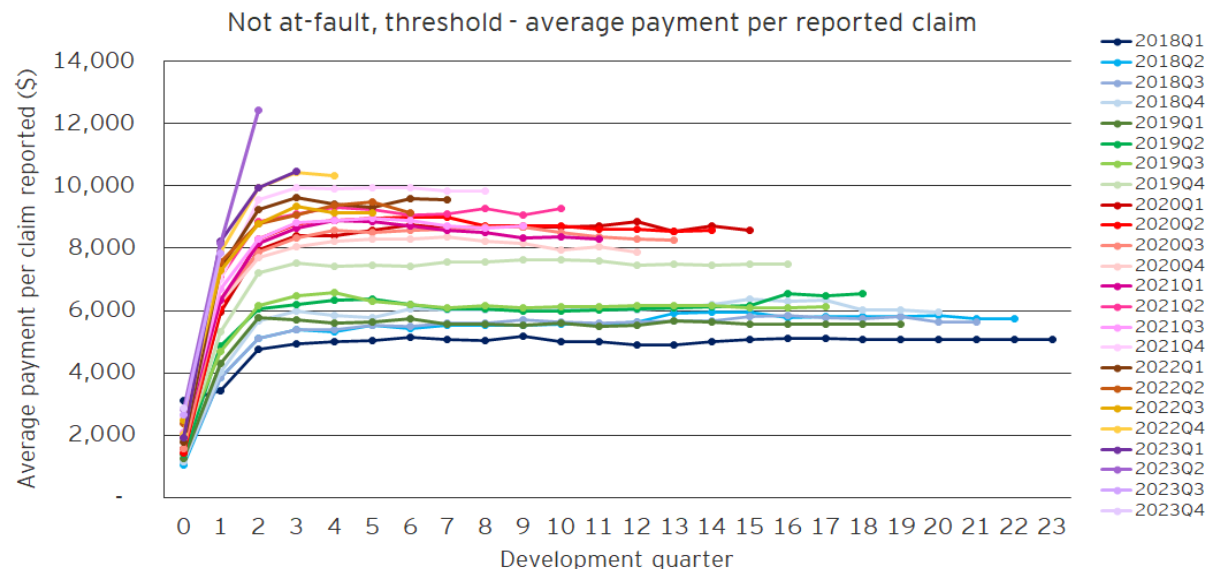
At-fault claims - average cumulative payment per reported claim (current value)



- ▶ 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 - \$26,000 for at-fault claims, with accident quarters in 2021 - 2022 emerging at the upper range, at around an average claim size of \$23,000
- ▶ Payments per claim reported in accident quarter 2020Q3 has continued to develop higher in comparison to other accident quarters in the same development period
- ▶ Accident quarter 2023Q2 has a higher average claim size for at-fault claims compared to quarters 2023Q1 and prior at the same point of development. This is due to the amendments which extends the benefit entitlement period from 26 to 52 weeks for accidents post 1 April 2023. The behaviour of accident quarters 2023Q3 and onwards will continue to be monitored going forward.

# Statutory Benefits - development of claims & payments

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

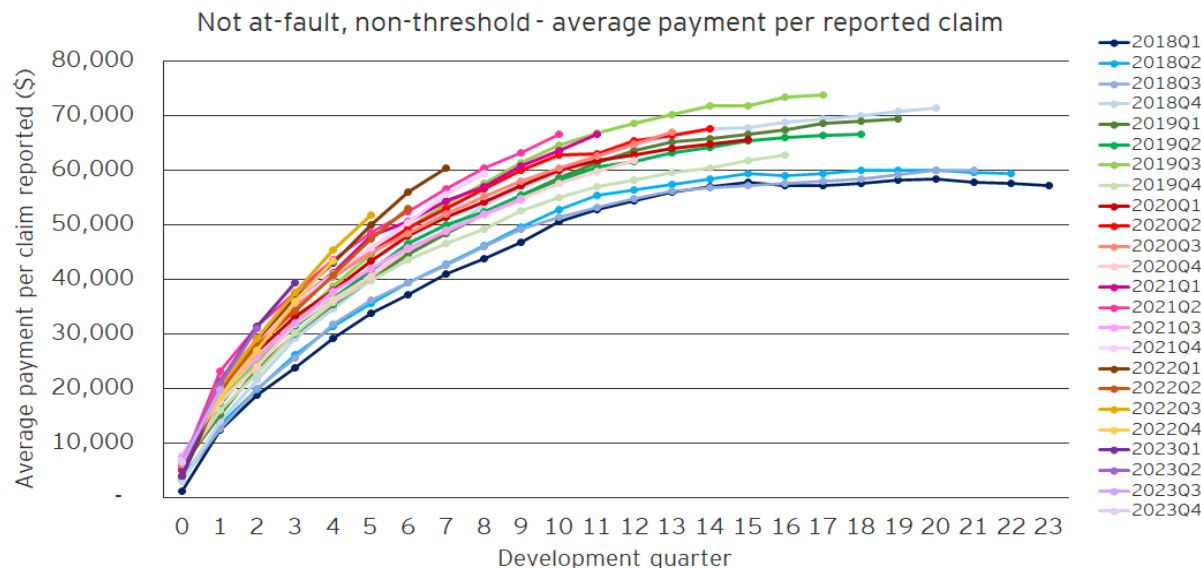


- ▶ This chart shows the profile of average cumulative payments per not at-fault threshold injury claim reported by accident quarter and development quarter
- ▶ On a development quarter basis, the older accident quarters have reached a steady level of average claim size by around development quarter 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 2023Q2 appear to be developing at a higher rate than other accident quarters when compared within their respective most recent development periods
- ▶ Accident quarter 2023Q2 has a higher average claim size for not at-fault threshold claims compared to quarters 2023Q1 and prior at the same point of development. This is due to the amendments which extends the benefit entitlement period from 26 to 52 weeks for accidents post 1 April 2023. The behaviour of accident quarters 2023Q3 and onwards will continue to be monitored going forward.



# Statutory Benefits - development of claims & payments

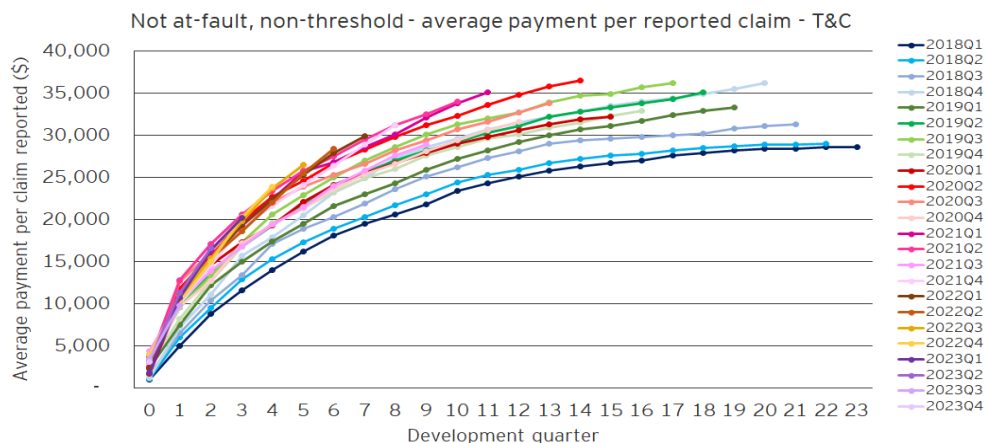
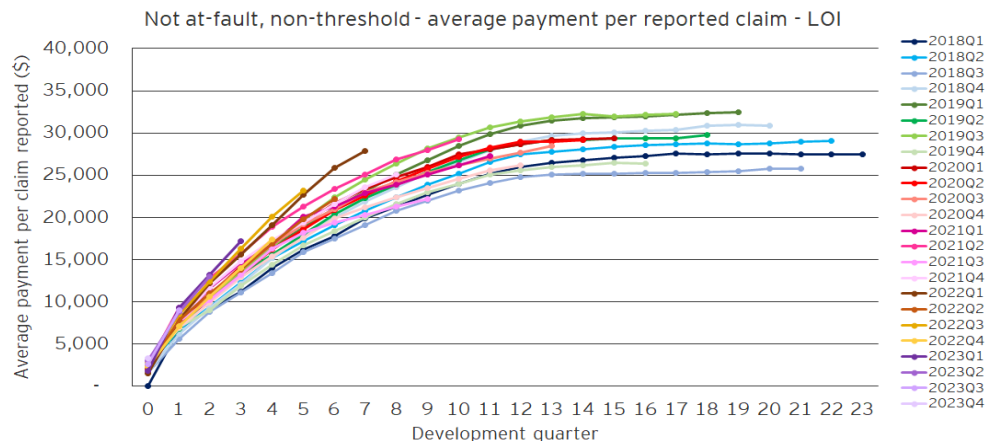
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value) (1)



- ▶ 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
- ▶ Any reductions observed in the average payment per reported claim at later development quarters, such as those seen in accident quarters 2018Q1 and 2018Q2, are the result of large recovery payments.

# Statutory Benefits - development of claims & payments

## Not at-fault non-threshold claims - average cumulative payment per reported claim (current value) (2)



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. However, new experience past five years of development (i.e. from development quarter 21) may still be observed due to operational delays (e.g. claimant is awaiting recoveries), and common law settlements still being finalised, ahead of the claim transitioning to CTP Care

For LOI payments, the average claim sizes for each accident quarter averaging between \$12k - \$20k by development quarter 4 and between \$20k - \$28k by development quarter 8

Accident quarters 2022Q1 and 2022Q3 are trending higher for LOI compared to other accident quarters at the same point in development. This is not driven by a single insurer and may be volatility in experience. We will continue to monitor this in future quarters

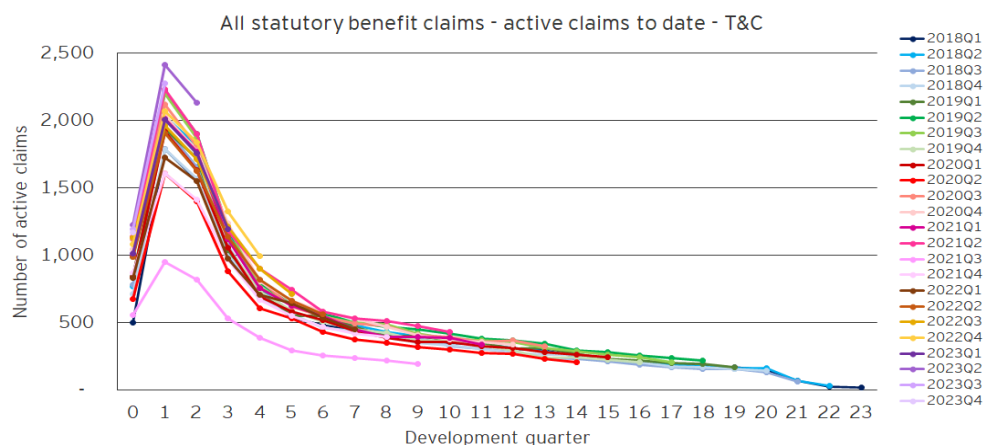
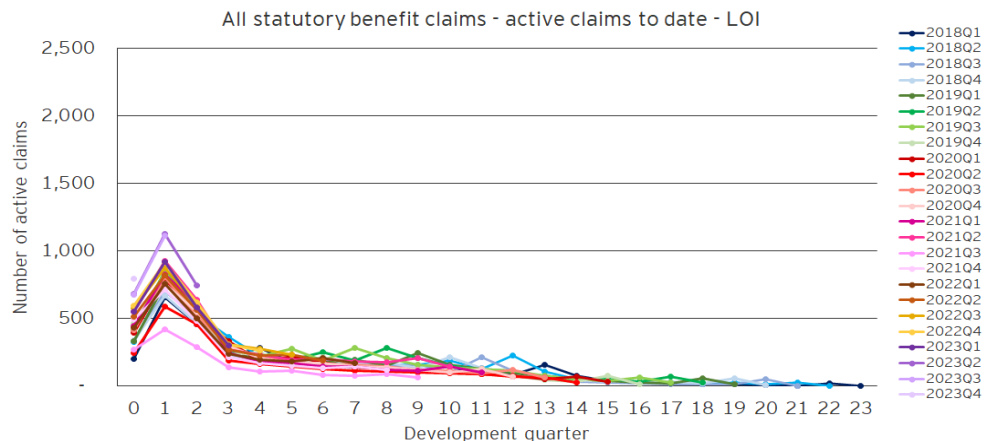
For T&C payments, it appears that the average claim size is developing upwards for more recent accident quarters, compared to the 2018 and 2019 accident years. This could be indicative of speeding up of payments for more recent accident periods and/or a higher ultimate average claim size for recent accident periods

Superimposed inflation could also explain this trend as treatment costs are more susceptible to this effect. However, it may also be related to the longer term trends of the underlying scheme emerging, which includes insurer processes and providers adjusting over time.



# Statutory Benefits - development of claims & payments

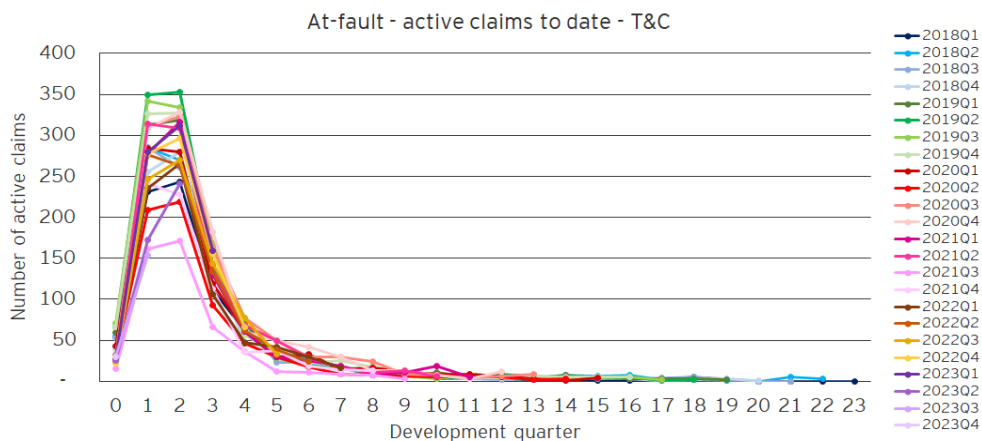
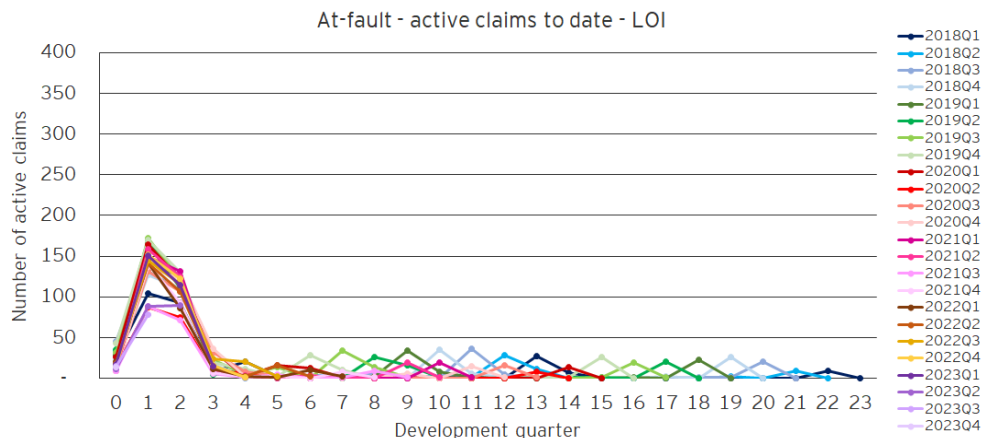
## Number of active claims - all statutory benefit claims



- ▶ 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 2018 accident year are approaching 0 from development quarter 16 onwards, which reflects the availability of statutory benefits for up to 5 years
- ▶ New experience past five years of development (i.e. from development quarter 21) may still be observed, as noted on the previous slide
- ▶ 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
- ▶ Accident quarters 2023Q2 - 2023Q4 have a higher number of active claims for both LOI and T&C compared to other accident quarters. This may be driven by a higher propensity to claim for statutory benefit due to the extended weekly benefits under the legislative amendment for accidents post 1 April 2023. Note that the higher level of active claims is not yet seen on the following slides due to claims staying in 'unknown' for longer due to the extension of the statutory benefit liability decision under the legislative amendment
- ▶ Overall, the volume of claims receiving T&C is much higher than LOI benefits, and they remain active for relatively longer
- ▶ The uptick in LOI active experience for reporting quarter 2023Q3 across all accident quarters was due to one insurer. In the 2023Q4 reporting quarter, the number of active claims have returned to previous levels.

# Statutory Benefits - development of claims & payments

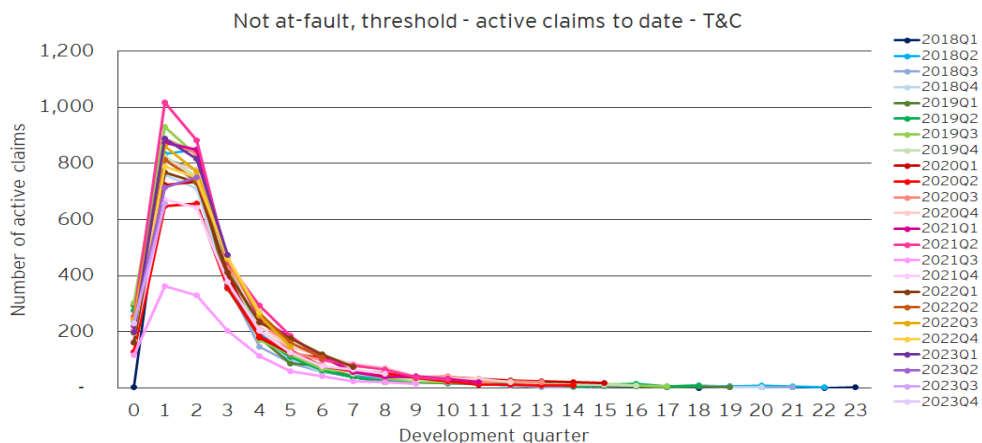
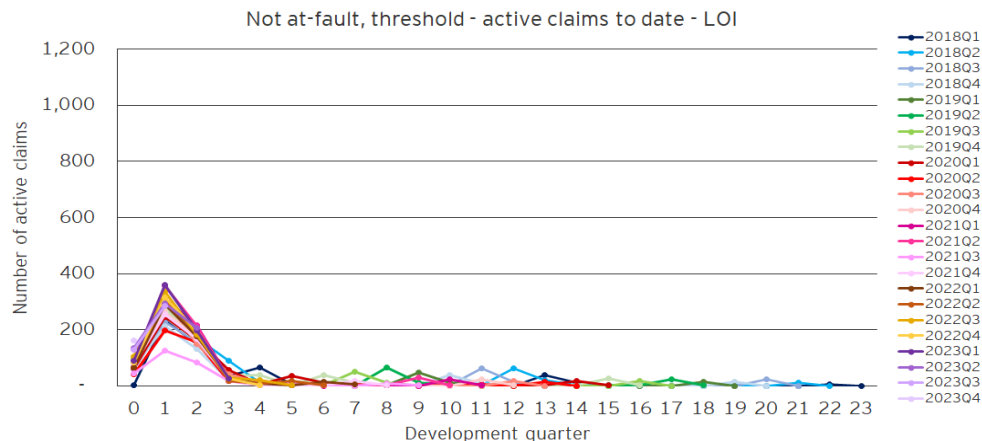
## Number of active claims - At-fault claims



- ▶ 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 significantly to almost 0 after 4 quarters; this is expected as benefit entitlements cease for at-fault claimants after 26 weeks for accident occurring prior to 1 April 2023, with an allowance for delay in payments and invoicing
- ▶ This is expected to change for accidents after 1 April 2023 with the amendments extending the benefit entitlement period to 52 weeks
- ▶ Claims receiving T&C benefits tend to remain active for longer. There is a small proportion of the earlier claims which are still active after 7 quarters of development
- ▶ The low number of LOI and T&C actives observed for 2020Q2, 2021Q3 and 2021Q4 is due to reduced exposure as a result of the COVID-19 lockdowns. More recent accident quarters in 2022 onwards have shown a return towards pre-COVID-19 levels of active claims for LOI, but remain lower for T&C
- ▶ Accident quarters 2023Q2 and 2023Q3 have a lower number of active claims to date. This is likely due to the legislative amendment for accidents post 1 April 2023, as there may be a delay in the assessment of fault status. Hence, there are more claims being grouped in 'unknown' prior to transitioning into 'at-fault' for accident quarters post amendment. A different peak may emerge for these quarters in the future
- ▶ The uptick in LOI active experience for reporting quarter 2023Q3 across all accident quarters was due to one insurer. In the 2023Q4 reporting quarter, the number of active claims have returned to previous levels.

# Statutory Benefits - development of claims & payments

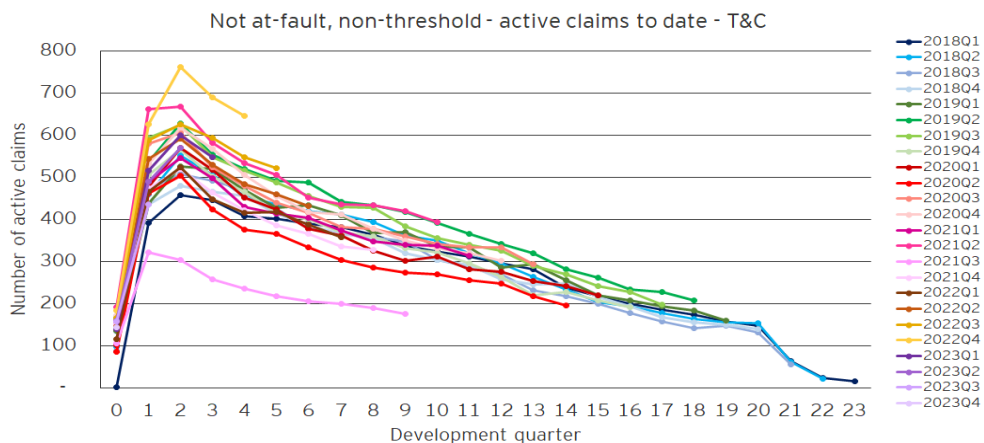
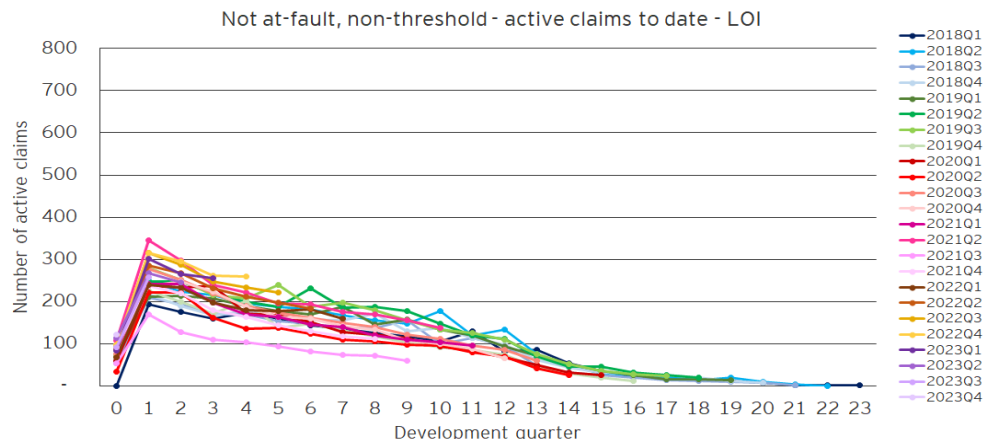
## Number of active claims - Not at-fault threshold claims



- ▶ 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 amendments 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 1 April 2023) after the accident if the insurer accepts that further T&C is likely to aid recovery. Due to the amendments the ability to receive benefits beyond the 52 week entitlement period will no longer apply to accidents post 1 April 2023
- ▶ The low number of LOI and T&C actives observed for 2020Q2, 2021Q3 and 2021Q4 is due to reduced exposure as a result of the COVID-19 lockdowns. More recent accident quarters in 2022 onwards have shown a return towards pre-COVID-19 levels of active claims for both LOI and T&C
- ▶ The uptick in LOI active experience for reporting quarter 2023Q3 across all accident quarters was driven by one insurer. In the 2023Q4 reporting quarter, the number of active claims have returned to previous levels.

# Statutory Benefits - development of claims & payments

## 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. New experience past five years of development (i.e. from development quarter 21) may still be observed
- ▶ Active claims for LOI and T&C are observed to be slightly lower for accident quarters 2020Q2, 2021Q3 and 2021Q4 as a result of reduced exposure during COVID-19 lockdown periods. More recent accident quarters have shown a return towards pre-COVID-19 levels of active claims
- ▶ Accident quarter 2022Q4 shows higher active claim levels for T&C at all points of development. This is primarily driven by two insurers
- ▶ From development quarter 20 onwards, claims transition to CTP Care (administered by icare) for lifetime treatment and care. The graph shows active claims reducing to close to 0, it is not yet clear whether this is due to lower data quality following this transition of the claim to CTP Care
- ▶ Recent claims experience will continue to be monitored going forward.

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

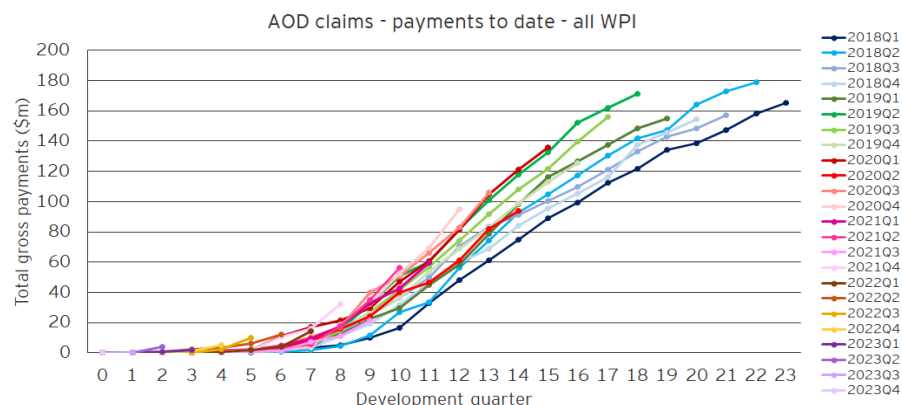
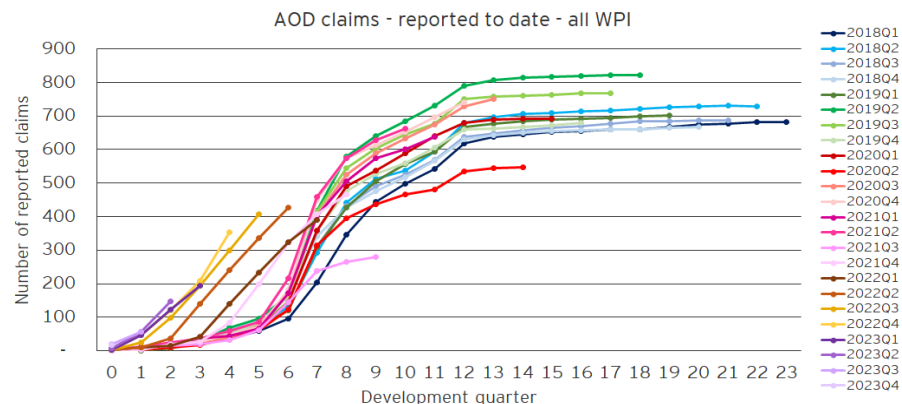
# Award of Damages - development of claims & payments





# Award of Damages - development of claims & payments

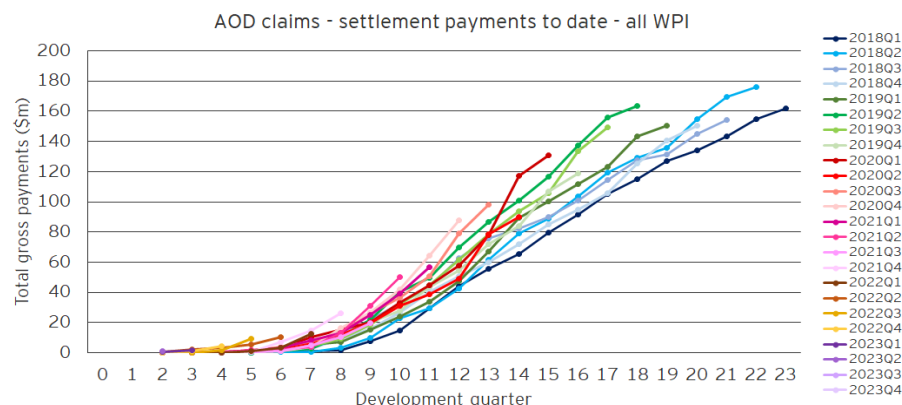
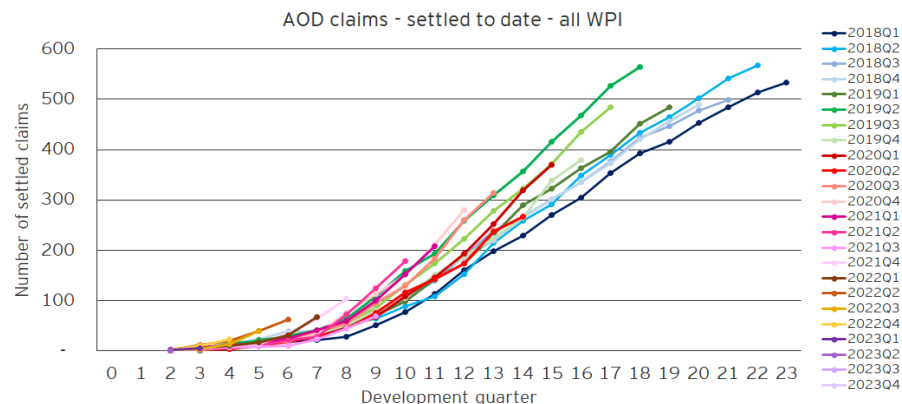
## Claim payments and reported numbers



- ▶ 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
- ▶ Claims reported from the 2018 to 2019 accident years appear to be stabilising. However, the claims reporting pattern for more recent accident periods remain uncertain
- ▶ The low number of reported claims to date for 2020Q2 and 2021Q3 is likely due to reduced exposure as a result of the COVID-19 lockdown
- ▶ From accident year 2022 onwards, an uptick in reported damages claims can be observed in early development quarters. The increase in claims reported is due to the removal of the 20-month lodgement waiting period for all damages claims. It is expected that most of this is due to earlier lodgements, but there may also be some additional claims as a result of this change. We will continue to monitor this going forward
- ▶ Payments to date continue to develop for all accident quarters and the lack of experience continues to create uncertainty in assessing the financial performance of the 2017 Scheme
- ▶ 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.

# Award of Damages - development of claims & payments

## Claim payments and reported numbers (settled claims only)



	Settled claims to date	Settlement payments to date
2018 accident year (13 months)	2,244	\$684.4 m
2019 accident year	1,912	\$582.4 m
2020 accident year	1,231	\$406.5 m
2021 accident year	560	\$152.4 m
2022 accident year	193	\$36.8 m
2023 accident year	6	\$3.0 m

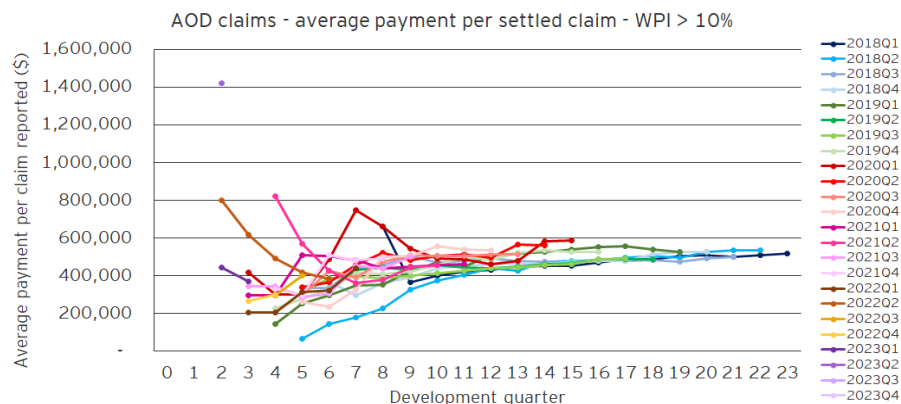
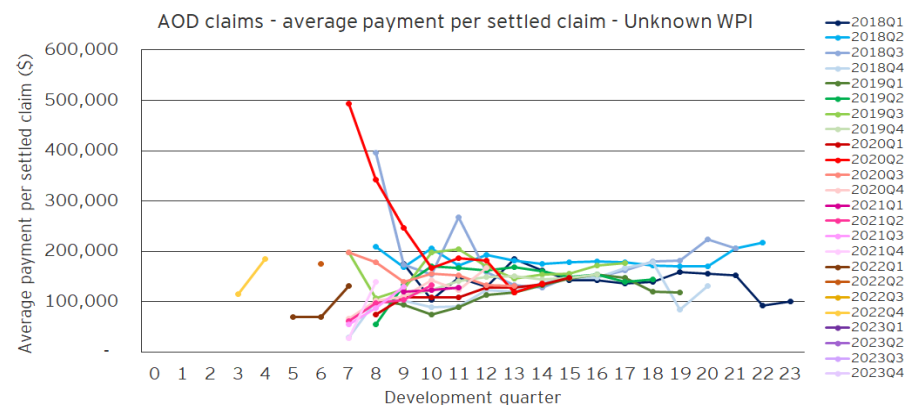
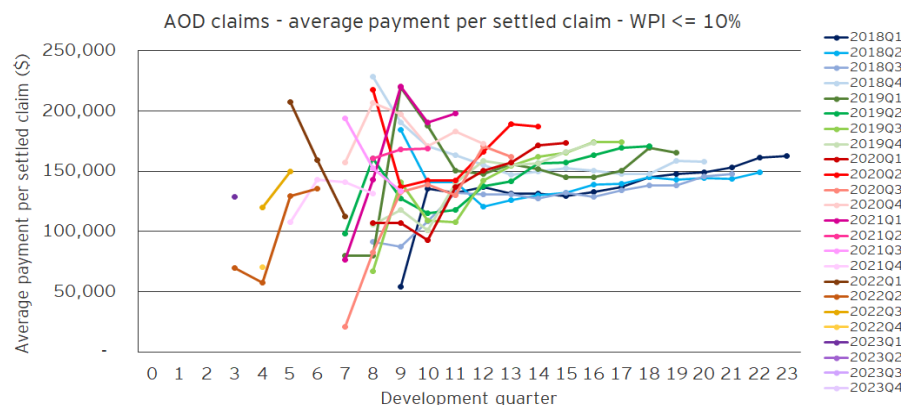
- ▶ The charts show the total payment profile and claims reporting profile for each accident quarter for settled\* award of damages claims across all whole person impairment (WPI) levels, which includes undetermined WPI
- ▶ The difference between the payments to date for settled claims and all damages 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 payment and/or lags in data entry
- ▶ Both payments and claims reported to date continue to increase for all accident quarters due to an increasing number of damages settlements
- ▶ The uptick observed in the 2023Q3 reporting quarter for the number of settled claims and amount of settlement payments is partially driven by an insurer changing the status of a large number of claims to 'settled' across all accident periods
- ▶ 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 the 24 month settlement waiting period in the amendments. We will continue to monitor this going forward.

\*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.



# Award of Damages - development of claims & payments

## Claim payments and reported numbers per settled claim - split by WPI

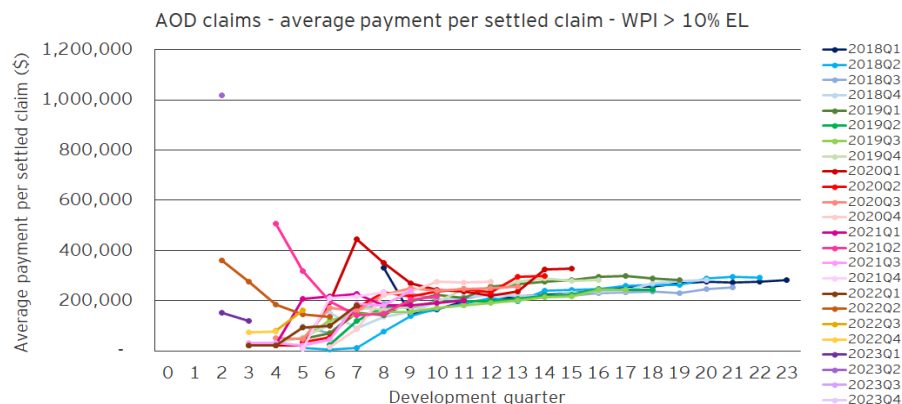
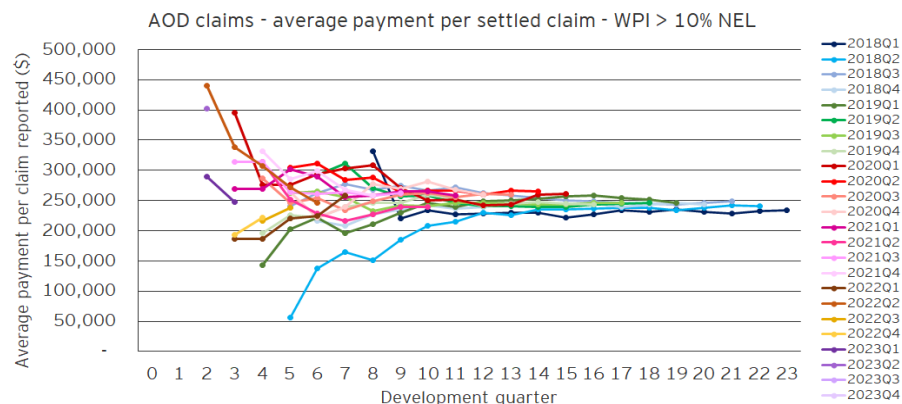


- ▶ The charts show the average payment per settled\* claim for damages claims, split by whole person impairment (WPI) levels
- ▶ The average payment per settled claim for damages claims is trending towards a range of \$150,000 - \$180,000 for claims with WPI ≤ 10%, and \$500,000 - \$580,000 for claims with WPI > 10%, at the older accident quarters
- ▶ For damages claims that settled with an unknown WPI, the average payment per settled claim is between \$100,000 - \$220,000 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 amounts
- ▶ The high average payment per settled claim for WPI > 10% for accident quarter 2023Q2 in development quarter 2 is driven by a single claim, and is not likely to be reflective of the average experience
- ▶ 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.

\*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.

# Award of Damages - development of claims & payments

## Claim payments and reported numbers 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 \$260,000 for the older accident quarters
- ▶ The average economic loss payment per settled claim is trending towards \$260,000 to \$300,000 for the older accident quarters. There is uncertainty in the settlement experience observed as this is still developing
- ▶ The high average economic loss payment per settled claim for WPI > 10% for accident quarter 2023Q2 in development quarter 2 is driven by a single claim, and is not likely to be reflective of the average experience
- ▶ 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.

\*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.

# 10

Schedule 1E  
parameters -  
claim frequency



# 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 <sup>st</sup> Dec 2017	0.031%	0.120%	0.015%	0.063%	0.009%	0.214%	0.238%	0.060%	0.027%
15 <sup>th</sup> Jan 2019	0.094%	0.084%	0.015%	0.036%	0.009%	0.214%	0.238%	0.044%	0.027%
15 <sup>th</sup> Jan 2020	0.088%	0.085%	0.014%	0.037%	0.008%	0.210%	0.233%	0.045%	0.027%
15 <sup>th</sup> Jan 2021	0.086%	0.064%	0.015%	0.036%	0.008%	0.194%	0.209%	0.035%	0.026%
15 <sup>th</sup> Jan 2022	0.085%	0.061%	0.014%	0.035%	0.008%	0.188%	0.203%	0.031%	0.025%
15 <sup>th</sup> Jan 2023	0.082%	0.057%	0.014%	0.034%	0.006%	0.179%	0.194%	0.028%	0.024%
1 <sup>st</sup> Apr 2023	0.082%	0.057%	0.014%	0.034%	0.006%	0.179%	0.193%	0.029%	0.024%

- ▶ The above table outlines the Schedule 1E claim frequencies effective each year from 1 Dec 2017 to 1 Apr 2023
- ▶ The 1 April 2023 Schedule 1E claim frequency is broadly consistent with the 15 Jan 2023 Schedule 1E for statutory benefit and non-statutory benefit claims
- ▶ For award of damages claims, there is a slight increase in the expected claim frequency for claims with WPI ≤ 10%. This reflects the removal of the 20 month waiting period under the amendments which is expected to result in an increase in the claim frequency for award of damages claims, particularly for claims with WPI ≤ 10%.

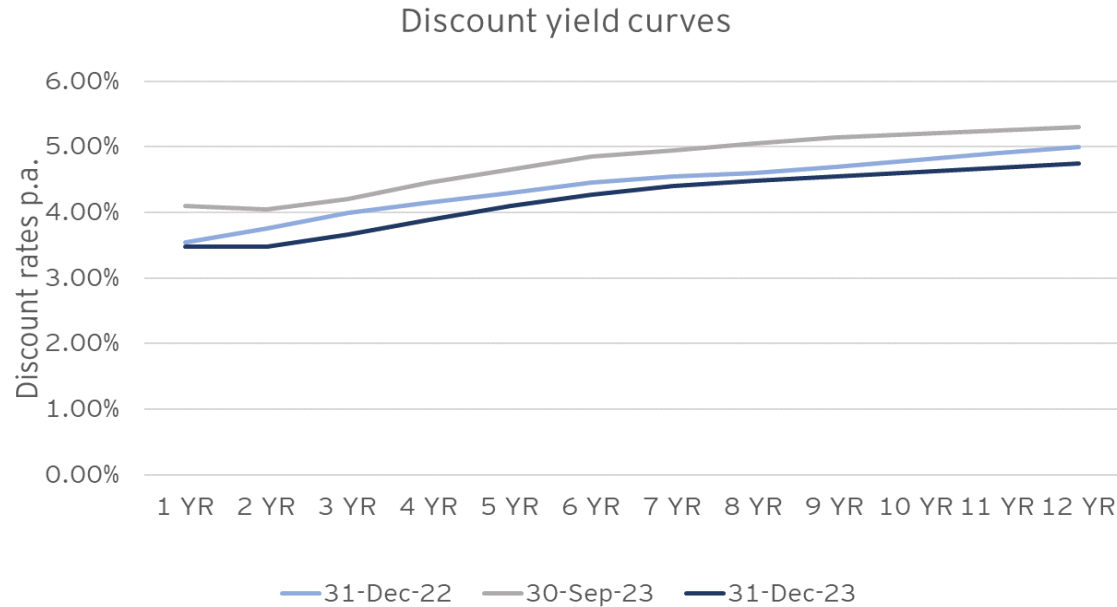
# 11

## Discount Rates



# Discount Rates

## Premium Impact

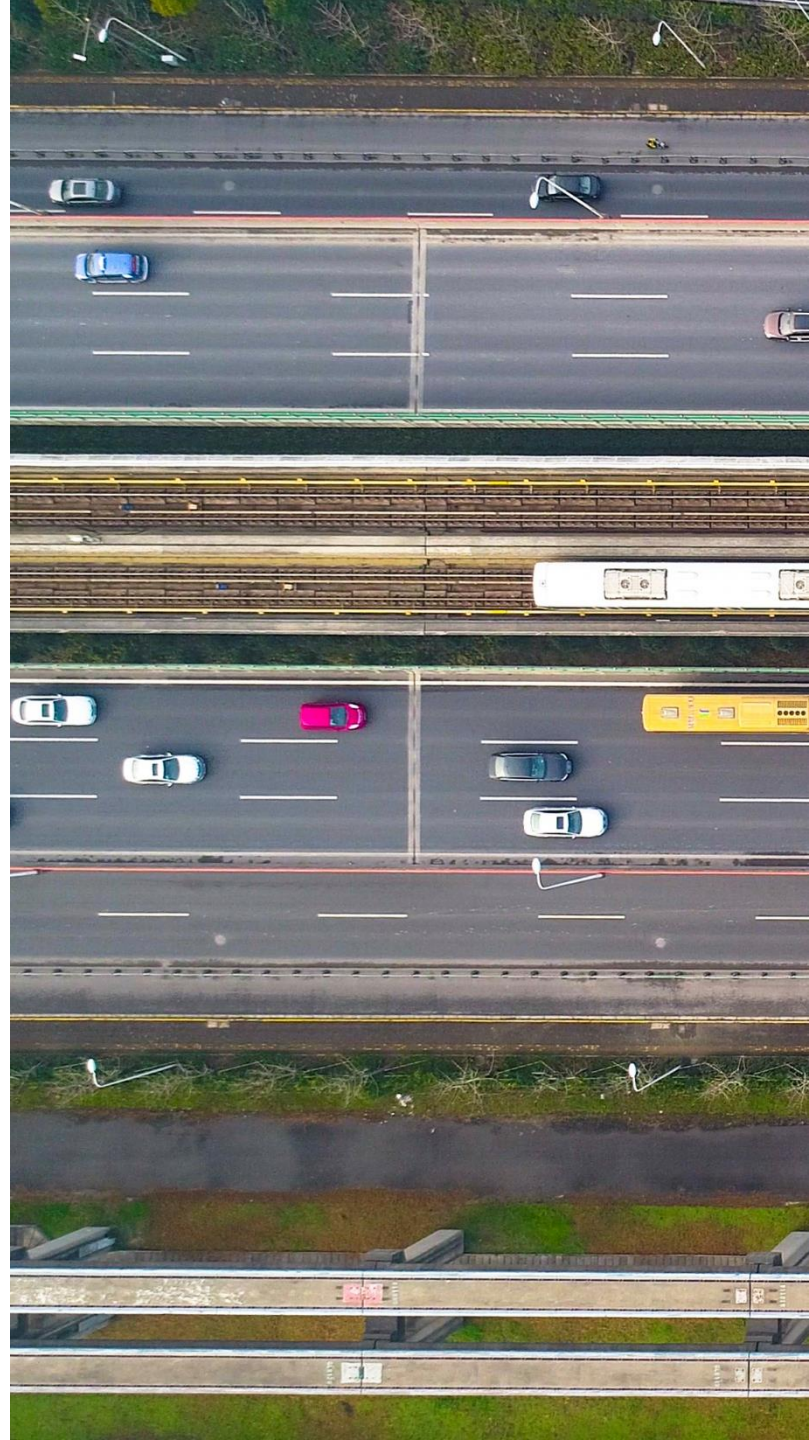


- ▶ The economic assumptions are updated quarterly
- ▶ The chart above shows the movement in yield curve, which is used for discounting premiums
- ▶ In comparison to the yield curve at 31 December 2022, the 31 December 2023 yield curve is sitting lower across all periods
- ▶ Typically, a decrease in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



# 12

## Reliance and Limitations





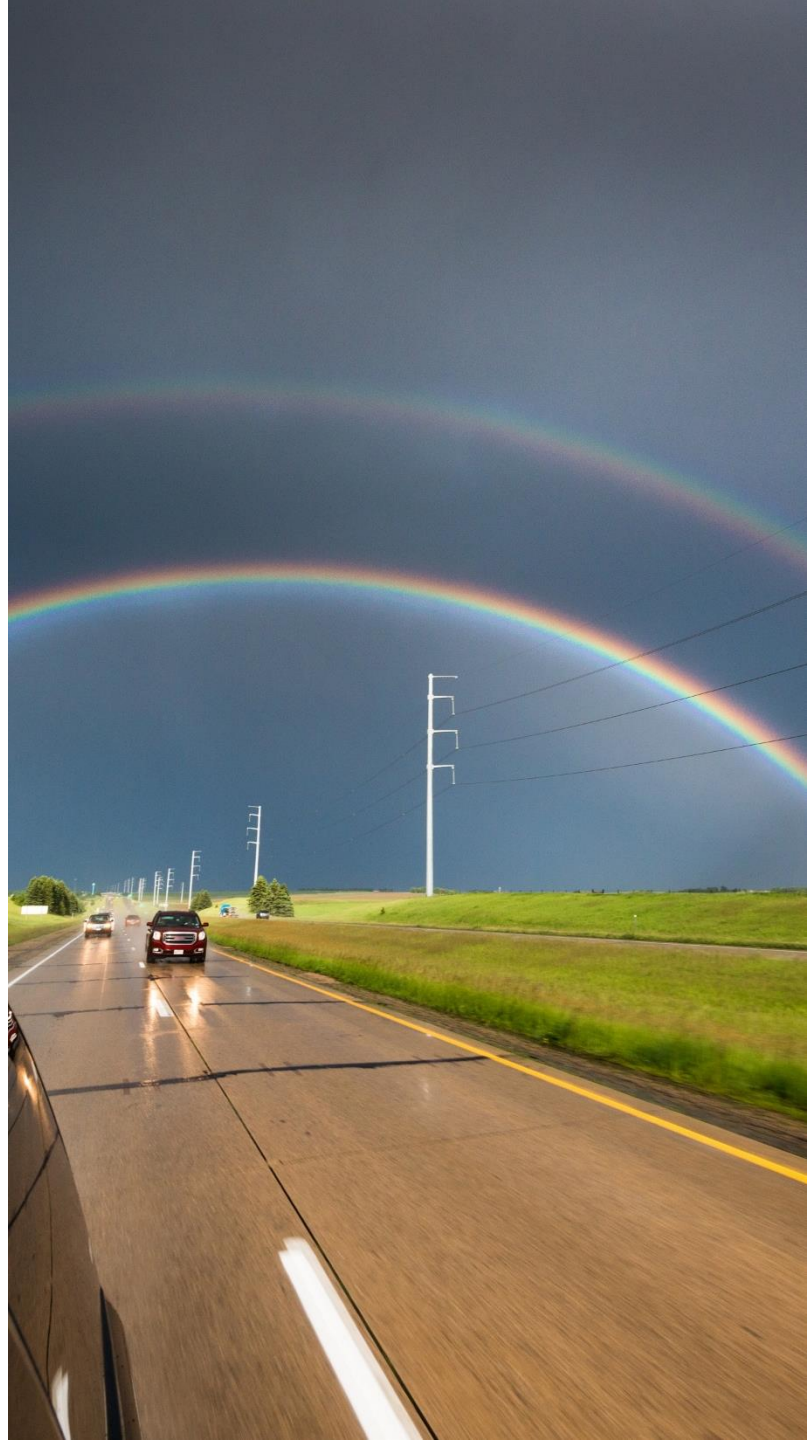
# Reliance and limitations

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- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 December 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 December 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 are 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.

# 13

## Glossary



# Glossary (1)

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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 (2)

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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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