

2017 CTP Scheme Quarterly Actuarial Monitoring

31 December 2024 data

14 February 2025



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Executive Summary



Executive summary

High level summary

Purpose

- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 December 2024
- ▶ 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, 84,030 claims have been reported to date. A further 2,673 claims are expected to have been incurred but not yet reported (IBNR) for accident periods up to 31 December 2024
- ▶ Reported claim numbers have increased in recent reporting quarters to around 3,700 for the 2024Q4 reporting quarter, exceeding pre-Covid lockdown levels. This is close to the highest observed number of claims since inception of the scheme
- ▶ For more recent quarters, there is greater uncertainty in the mix of statutory benefit claims and damages claims
- ▶ For statutory benefit claims, the Motor Accident Injuries Amendment Act 2022 ('the amendments'), extended the second liability decision from three to nine months which has resulted in slower fault status determination and greater uncertainty in the reporting pattern and mix of at-fault, not at-fault threshold and non-threshold claims
- ▶ For damages claims, from 28 November 2022, the amendments removed the 20-month waiting period, which has resulted in earlier claims lodged and greater uncertainty in the ultimate total
- ▶ Payments continue to progress for all accident years, there is still a level of uncertainty surrounding ultimate payments for all accident years:
 - ▶ For damages claims, although a material number have lodged, the settlement experience is still developing even for the earliest accident years of the scheme
 - ▶ For statutory benefit claims, average claim sizes for more recent accident quarters are higher than previous quarters at the same point of development. This experience is particularly prominent for Treatment & Care payments. Further investigation suggests:
 - ▶ The key payment types which have largely contributed to the observed increases are Physiotherapy, Specialist, and Imaging. These increases are driven by a combination of increased active claims, and an increased number of transactions per claim
 - ▶ Lower severity claims have also exhibited larger increases than high severity claims.

Executive summary

High level summary - observations and risks - claim numbers (1)

	Observed trends	Key risks and uncertainties
Statutory benefit claims	<ul style="list-style-type: none">▶ Claims have increased significantly since the Covid lockdown period, current levels are close to the highest since scheme commencement▶ 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.	<ul style="list-style-type: none">▶ 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▶ The extension of the statutory benefit liability decision from three to nine months 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 these claims remains uncertain.
Non-statutory benefit claims	<ul style="list-style-type: none">▶ Death and Interstate claims have a stable reporting pattern, with the majority of expected claims being reported within one year of the accident.▶ Interstate claims are increasing to pre-Covid levels	<ul style="list-style-type: none">▶ 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▶ The level of interstate travel remains a key uncertainty. While it is expected that claims reported in 2024 will return towards pre-Covid levels, due to greater interstate travel it is not clear how quickly this will occur▶ 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.
Award of damages claims	<ul style="list-style-type: none">▶ Reported claim volumes for older accident years 2018, 2019 and 2020 appear to be stabilising with only some additional late claims expected▶ From late 2022, damages claims are lodging earlier than pre-2022 period, this is a result of the amendments removing the 20 month waiting period	<ul style="list-style-type: none">▶ 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▶ There is a potential for earlier and a higher number of damages claims to be reported following the amendments▶ The behaviours of insurers, claimants and claimant representatives continue to develop for award of damages (AOD) claims, with emerging volatility continuing▶ Overall, the number of damages claims remains uncertain for recent accident years.

Executive summary

High level summary - observations and risks - claim payments (2)

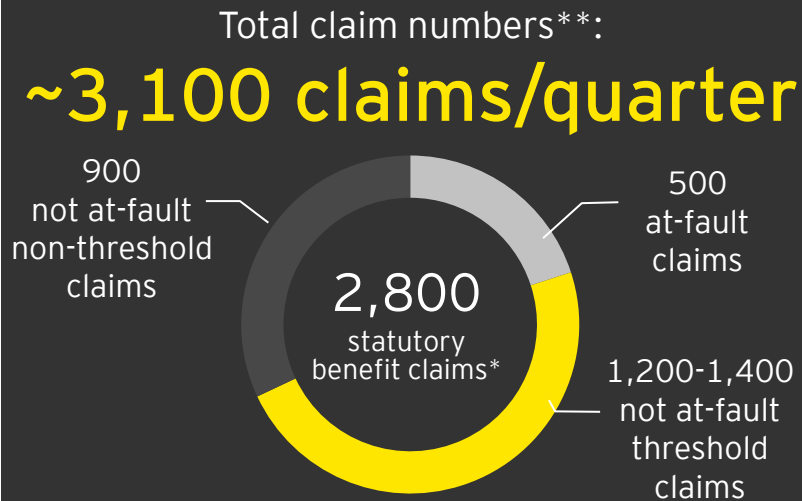
	Observed trends	Key risks and uncertainties
Statutory benefit claims	<ul style="list-style-type: none"> ▶ The average claim size for statutory benefits is increasing over time ▶ The payment pattern tends to be consistent with the entitlement period of statutory benefits claimants 	<ul style="list-style-type: none"> ▶ There is ongoing uncertainty regarding the payment assumptions as not at-fault non-threshold claims reach the five year post accident milestone ▶ Experience from previous accident quarters may not be an appropriate guide to estimate the claims cost for recent accident quarters due to the amendments extending benefit entitlement periods ▶ Across development time, payments are increasing which may indicate sustained levels of superimposed inflation. This experience is prominent for Treatment & Care payments. Earlier utilisation of treatment services may ultimately lead to higher overall costs
Award of damages claims	<ul style="list-style-type: none"> ▶ Damages payments to date continue to increase across all accident and development quarters ▶ Average payments per settled claim for economic loss have tended to increase over time 	<ul style="list-style-type: none"> ▶ A material proportion of claims have yet to settle, even for the earliest accident years, with 77% and 75% of expected ultimate not at-fault non-threshold damages payments having been paid for 2018 and 2019 accident years respectively. This creates uncertainty in the total expected claim cost for all years ▶ 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 10% and 12% 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 these claims ▶ The removal of the damages settlement waiting period following the amendments creates uncertainty around the behaviour of early settlements for claims ▶ Across development time, payments are increasing which may indicate sustained levels of superimposed inflation
Non-statutory benefit claims	<ul style="list-style-type: none"> ▶ Payments for non-statutory benefit claims continue to increase for even the oldest accident periods. 	<ul style="list-style-type: none"> ▶ 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.

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



Claims have increased significantly since the Covid lockdown periods in 2020 and 2021. Recent reporting quarters have reached a level of 3,700 lodged claims which is the highest since scheme inception.

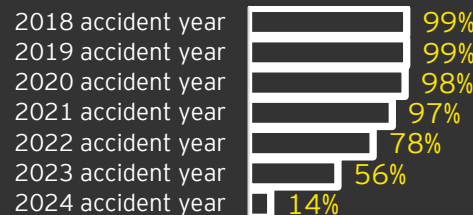
^{**} Average figures calculated over all years, excluding Covid affected quarters

Claims for damages

99%

of expected* claims for damages have been lodged for the 2018 accident year^{**} and 2019 accident year

% 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.

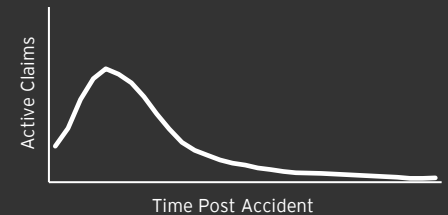
*Expected claims as at 31 December 2024

^{**} 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:



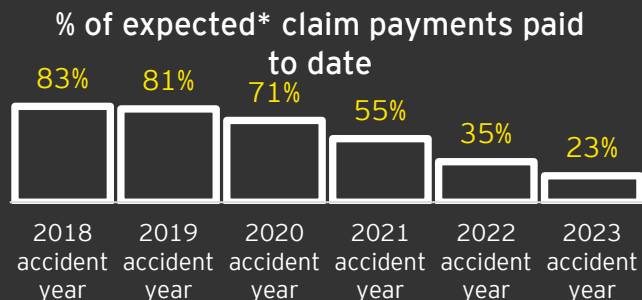
At-fault and not at-fault threshold injury claims remain active for 3-4 months after accident, before approaching close to zero at 12-18 months post-accident. The active period for these claim types is expected to increase for accidents post 1 April 2023, due to the extension of benefits from 26 weeks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



- ▶ 83% of the ultimate expected payments for the 2018 accident year have been paid. The majority of the remaining 17% 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 2023 valuation

Statutory Benefit Claims

Average Claim Payments^

\$40,000 per at-fault claim

\$16,000 per not at-fault threshold claim

^ Post-amendment claims experience

Accidents after 1 April 2023 receive extended benefits from 26 to 52 weeks. Average claim payments for these claims are emerging 50% higher for both at-fault and not at-fault threshold claims compared to their respective pre-amendment experience

Developing Average Non-Threshold Claim Payments



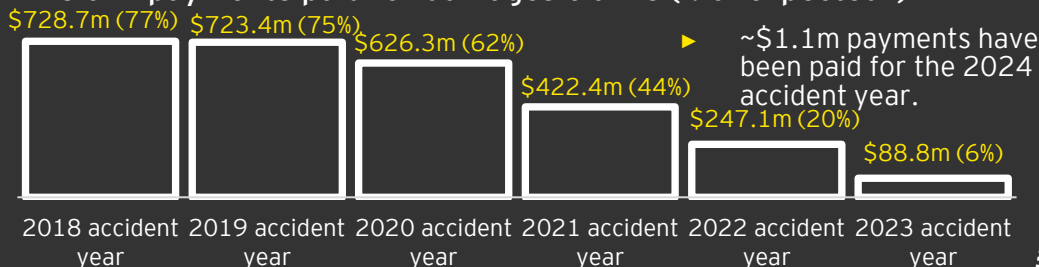
Average claim payments for not at-fault non-threshold claims continue to develop upwards.

\$70,000 to \$80,000

per not at-fault claim non-threshold

Award of Damages

Claim payments paid for damages claims (% of expected*)



- ▶ ~\$1.1m payments have been paid for the 2024 accident year.

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

\$175,000

for WPI ≤ 10%

\$575,000

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)

- ▶ Close to 100% of expected ultimate statutory benefit claims and non-statutory benefit claims and 99% of expected ultimate damages claims have been reported for the 2018 and 2019 accident years
- ▶ The 2020 and 2021 accident years were impacted by Covid 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
- ▶ For the 2023 and 2024 accident years, expected ultimate claims are expected to return to and exceed 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	12,308	1,546	13,854	2,968
	Expected ultimate	12,308	1,546	13,854	2,983
2019 accident year	Reported to date	11,518	1,426	12,944	2,992
	Expected ultimate	11,522	1,426	12,948	3,024
2020 accident year	Reported to date	10,045	936	10,981	2,785
	Expected ultimate	10,059	941	10,999	2,847
2021 accident year	Reported to date	8,938	926	9,864	2,385
	Expected ultimate	8,964	951	9,915	2,636
2022 accident year	Reported to date	10,253	961	11,214	2,600
	Expected ultimate	10,364	1,021	11,385	3,327
2023 accident year	Reported to date	11,429	1,151	12,580	2,115
	Expected ultimate	11,691	1,283	12,975	3,798
2024 accident year	Reported to date	11,522	1,071	12,593	606
	Expected ultimate	13,136	1,490	14,626	4,275

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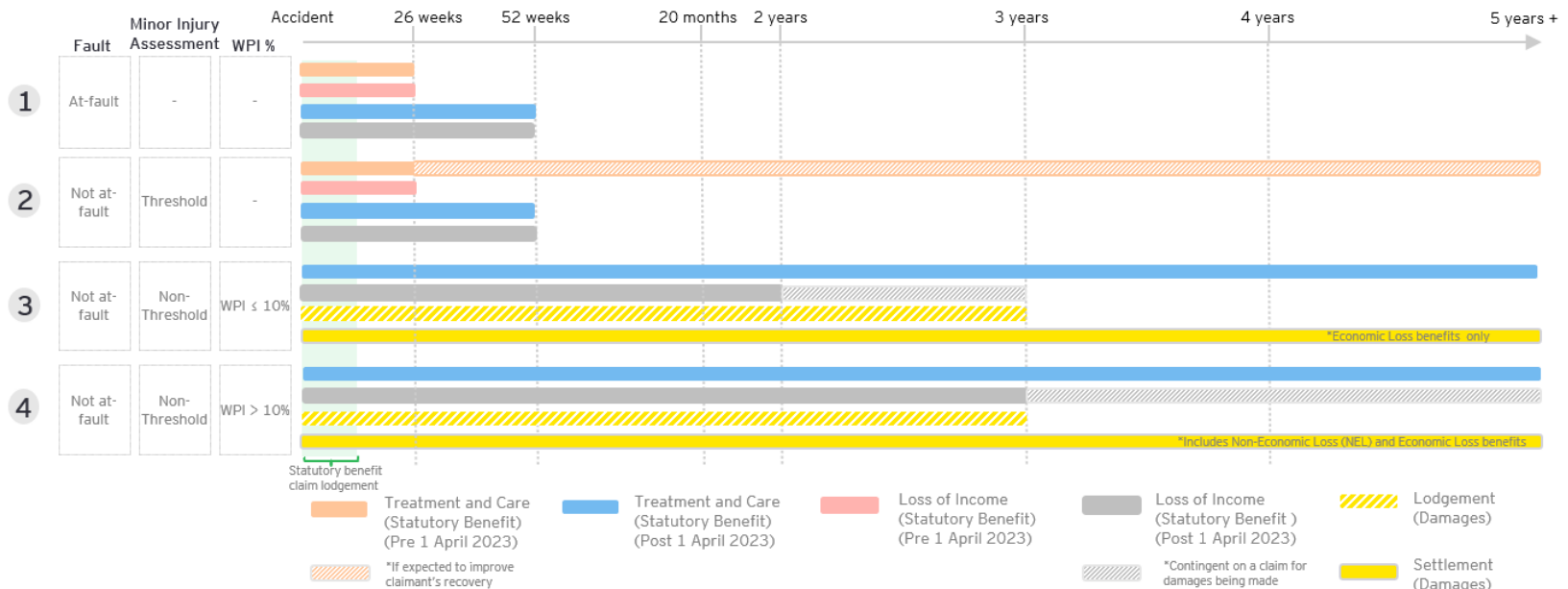
Scheme Development



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 three months of the accident (some exceptions made for 'late claims')
 - ▶ Is eligible for treatment and care payments for up to five years from the accident (thereafter transfers to CTP Care for lifetime treatment and care provided by icare)
- ▶ Is eligible to receive income support for two years after the accident, and if a claim for damages has been lodged, up to a maximum of three 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.



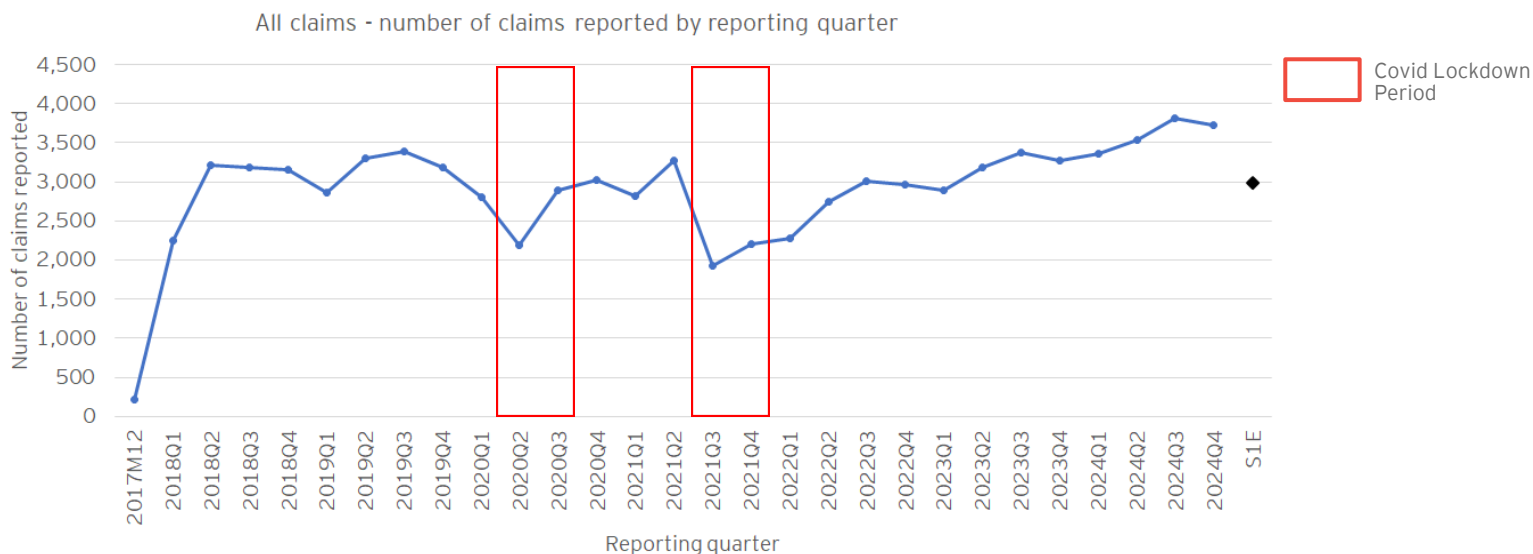
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Claim numbers - reporting quarter basis



Claim numbers - reporting quarter basis

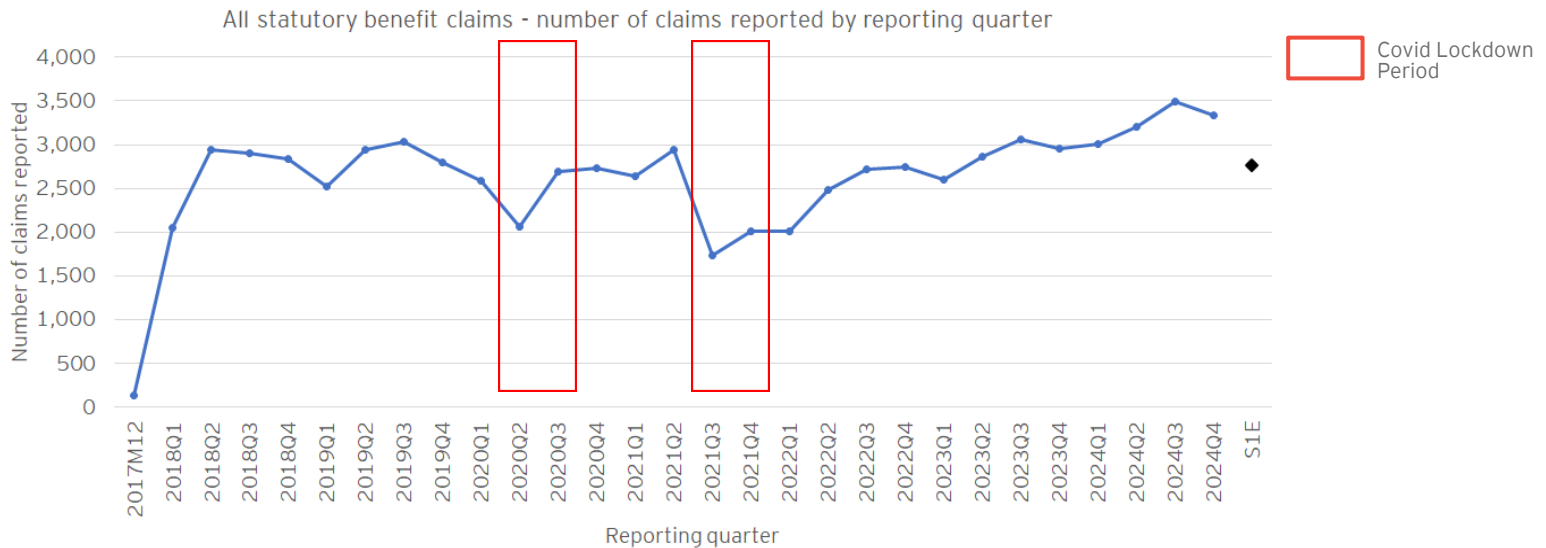
All claims



- ▶ 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 in 2020Q2 and 2021Q3 - 2022Q1 are lower due to lower traffic volumes during the 2020 and 2021 Covid lockdowns in NSW. The reduction in claims in the reporting quarters immediately after the Covid lockdown periods may be partially attributed to delays in reporting. This trend has been similarly observed across all claim cohorts
- ▶ Reported claim numbers increased in recent reporting quarters to around 3,750 for the 2024Q3 and 2024Q4 reporting quarters, exceeding pre-Covid levels. This is the highest observed since inception of the scheme, driven by at-fault and not at-fault threshold claims.

Claim numbers - reporting quarter basis

Statutory benefit claims

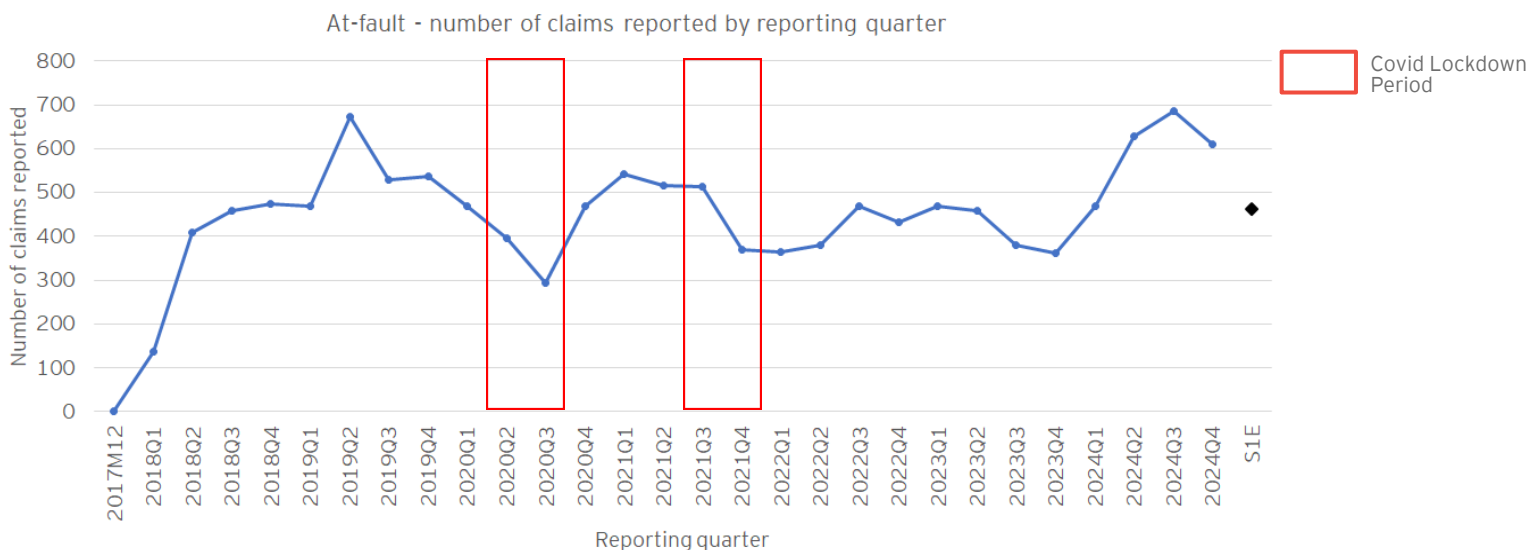


- ▶ This chart shows the total number of statutory benefit claims reported by reporting quarter*, which demonstrates a similar trend to all claims reported in the previous slide
- ▶ Reported claim numbers have steadily increased since the last Covid lockdown, current levels are close to 3,500 which is the highest since scheme inception.

*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

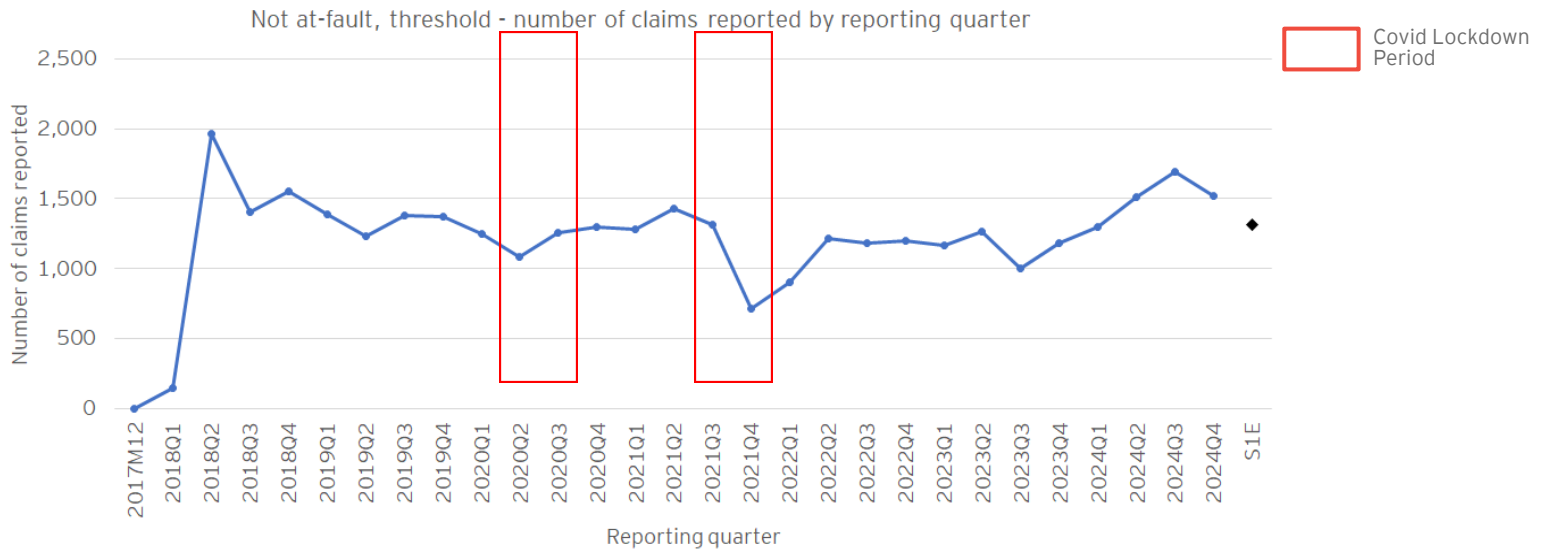
At-fault injury claims



- ▶ 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'
- ▶ On average around 450 - 500 at-fault claims have historically been reported per quarter (excluding Covid affected quarters)
- ▶ The decrease in claims reported for reporting quarters 2023Q3 - 2023Q4 is due to the extension of the statutory benefit liability decision from three to nine months under the amendments, which resulted in slower reporting of fault status determination for accidents occurring from 1 April 2023
- ▶ A significant increase in the number of claims reported per quarter has been observed over the 2024Q2-2024Q4, with the 2024Q3 quarter being the highest to date. This is likely due to additional claims due to the amendments expanding benefits available to at-fault claimants, however there may also be some 'catch-up' due to the slower reporting in the 2023Q3-2023Q4 quarters.

Claim numbers - reporting quarter basis

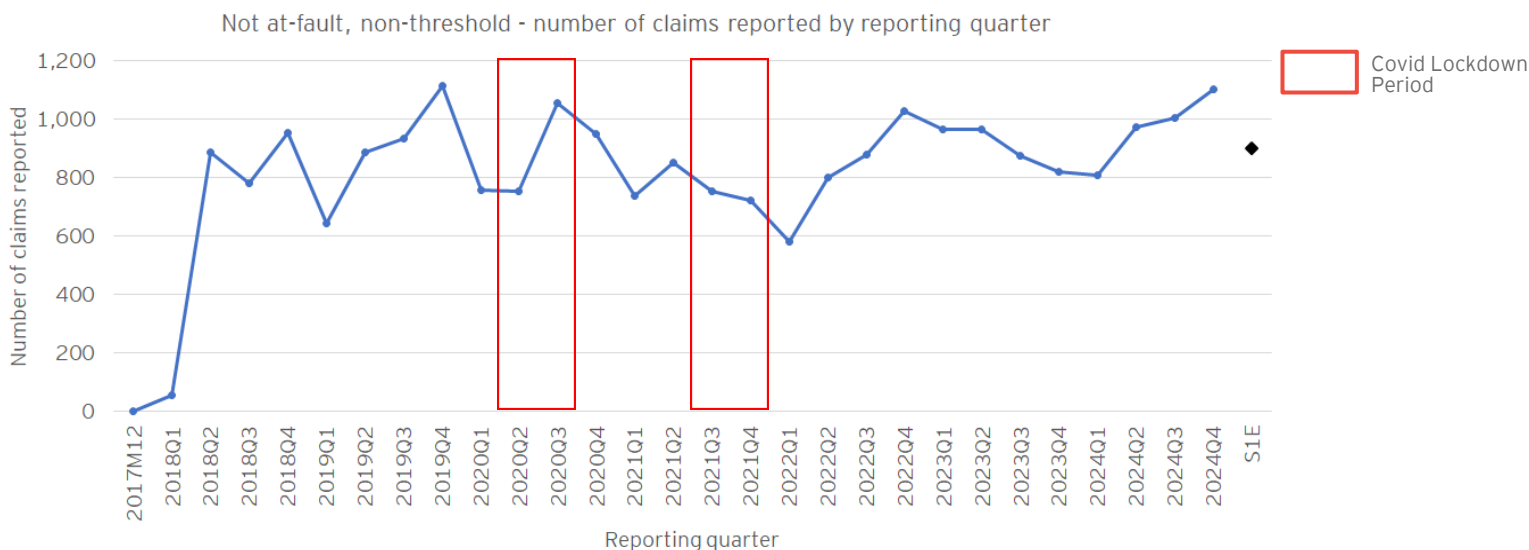
Not at-fault threshold injury claims



- ▶ 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
- ▶ Around 1,000 - 1,500 not at-fault threshold injury claims have historically been reported per quarter (excluding Covid affected quarters)
- ▶ A significant increase in the number of claims reported per quarter has been observed over the 2024Q2-2024Q4 reporting quarters, with the 2024Q3 quarter being amongst the highest to date. This is likely due to additional claims due to the amendments expanding benefits available to not at-fault threshold claimants, however there may also be some 'catch-up' due to the slower reporting in the 2023Q3-2023Q4 quarters.

Claim numbers - reporting quarter basis

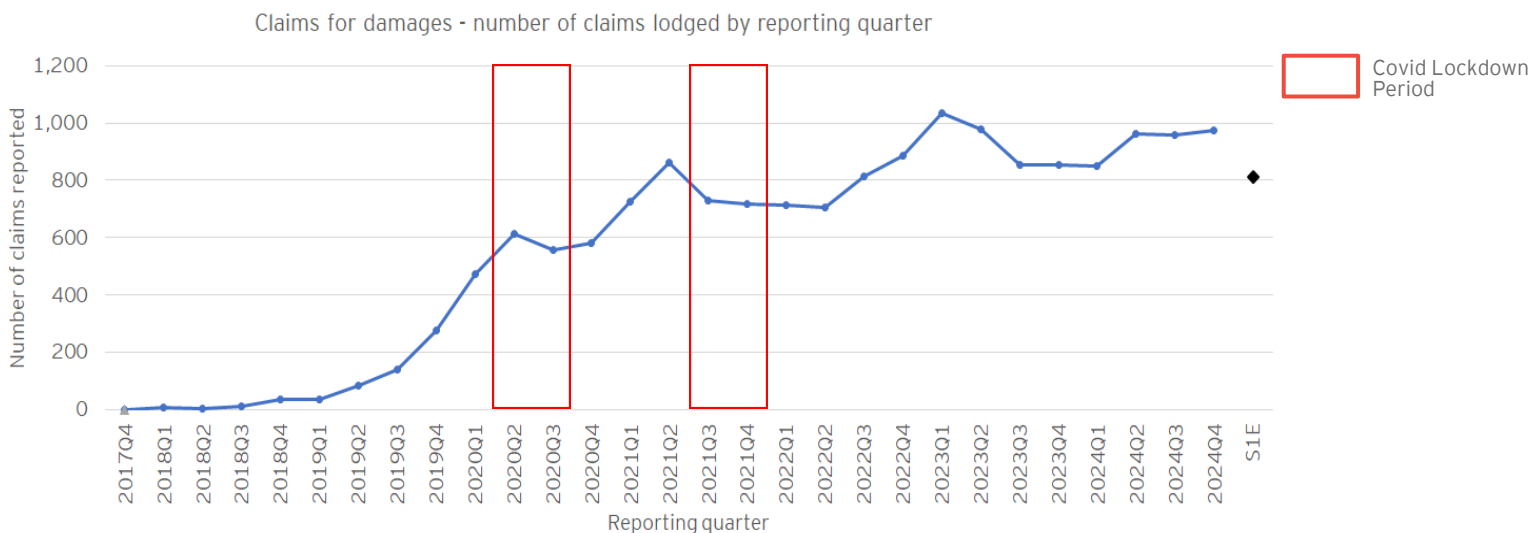
Not at-fault non-threshold claims



- ▶ This chart shows the total number of not at-fault, non-threshold claims reported by reporting quarter. Note 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
- ▶ Since 2022Q2, reported claim numbers have returned to pre-Covid lockdown levels, ranging between 800 - 1000 claims.
- ▶ The decrease in claims reported in reporting quarters 2023Q3 - 2024Q1 is likely due to the extension of the statutory benefit liability decision from three to nine months under the amendments, which will likely result in slower reporting of fault and threshold status determination for accidents occurring from 1 April 2023. In reporting quarters 2024Q2 - 2024Q4, an increase in reported claim numbers is observed, mostly from claims receiving their fault / threshold status determination from older accident quarters
- ▶ The volatility present between reporting quarters is due to combinations of insurer processes for fault and/or 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.

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
- ▶ The number of claims for damages has increased since 2022Q2 to around 1,000 claims per reporting quarter.
- ▶ The timing of claim lodgements has additional volatility due to interaction between different accident years, all at different development stages as well as uncertainty due to the removal of the 20-month waiting period for damages lodgement due to the amendments.

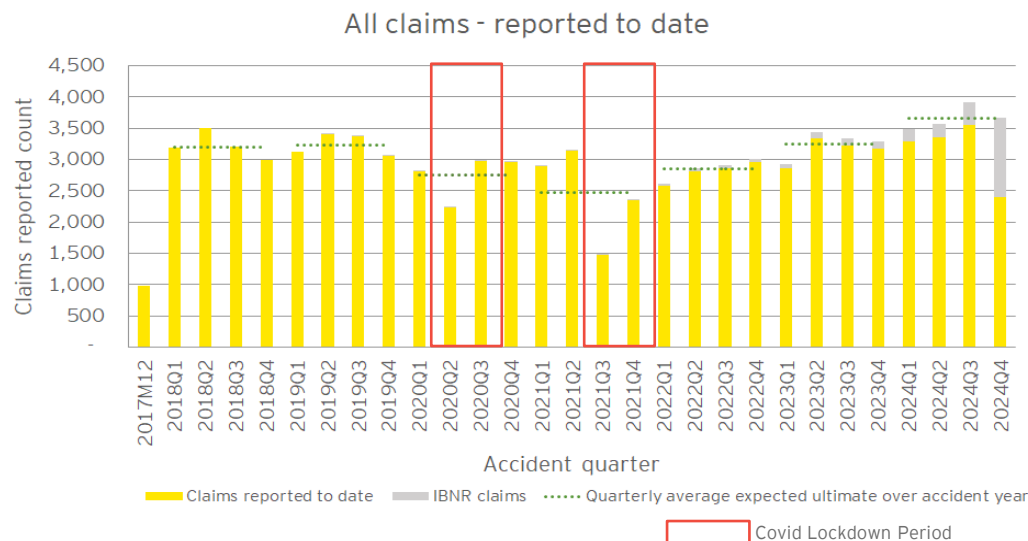
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Claim numbers - accident quarter basis



Claim numbers - accident quarter basis

All claims

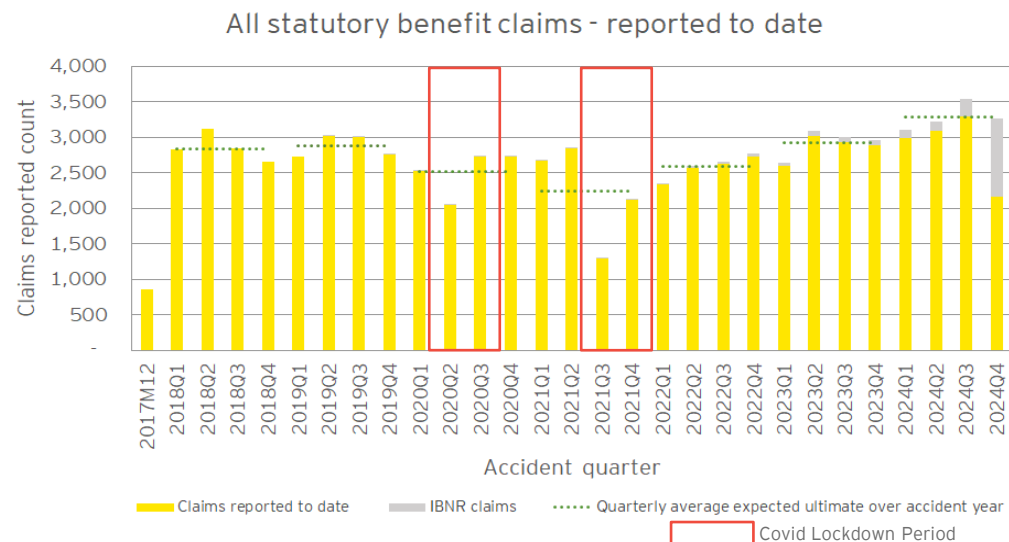


	Reported to date	Expected ultimate
2018 accident year (13 months)	13,854	13,854
2019 accident year	12,944	12,948
2020 accident year	10,981	10,999
2021 accident year	9,864	9,915
2022 accident year	11,214	11,385
2023 accident year	12,580	12,975
2024 accident year	12,593	14,626

- ▶ 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 IBNR claims
- ▶ The number of claims projected for the 2024Q4 accident quarter is the second highest to date in the 2017 Scheme, with the 2024Q3 accident quarter being the highest. There is significant uncertainty in how this trend will emerge in future quarters.

Claim numbers - accident quarter basis

All statutory benefit claims

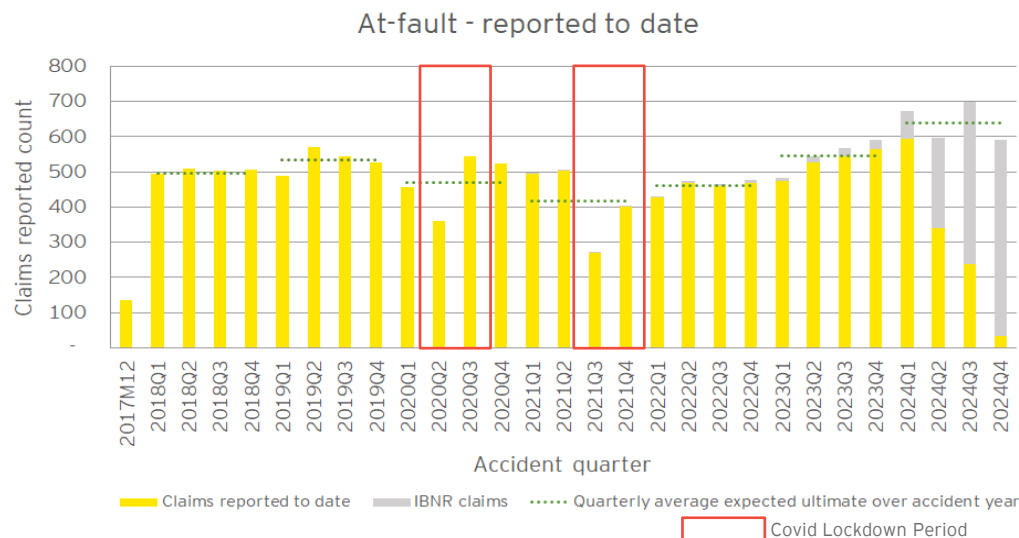


	Reported to date	Expected ultimate
2018 accident year (13 months)	12,308	12,308
2019 accident year	11,518	11,522
2020 accident year	10,045	10,059
2021 accident year	8,938	8,964
2022 accident year	10,253	10,364
2023 accident year	11,429	11,691
2024 accident year	11,522	13,136

- ▶ This chart shows the total number of statutory benefit claims reported to date by accident quarter
- ▶ For accident years 2018 - 2021, ~100% of expected ultimate statutory benefit claims have been reported
- ▶ The number of claims projected for the 2024Q4 accident quarter is the second highest to date in the 2017 Scheme, with the 2024Q3 accident quarter being the second highest. There is significant uncertainty in how this increased trend will emerge in future quarters.

Claim numbers - accident quarter basis

At-fault claims

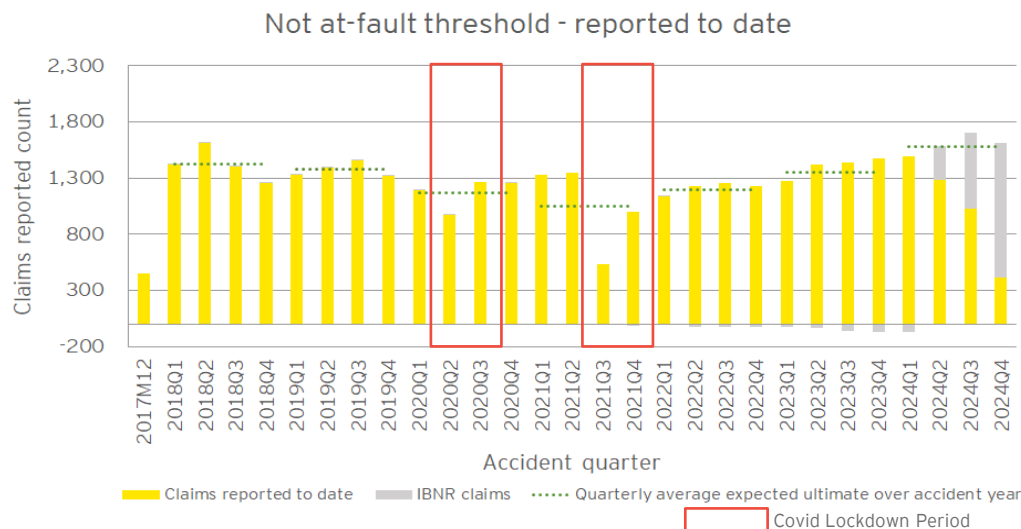


	Reported to date	Expected ultimate
2018 accident year (13 months)	2,145	2,145
2019 accident year	2,129	2,129
2020 accident year	1,882	1,882
2021 accident year	1,668	1,672
2022 accident year	1,822	1,845
2023 accident year	2,108	2,184
2024 accident year	1,204	2,558

- ▶ 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 following the amendments
- ▶ Following the amendments, at-fault claims are currently projected to continue to exceed pre-Covid levels.

Claim numbers - accident quarter basis

Not at-fault threshold claims

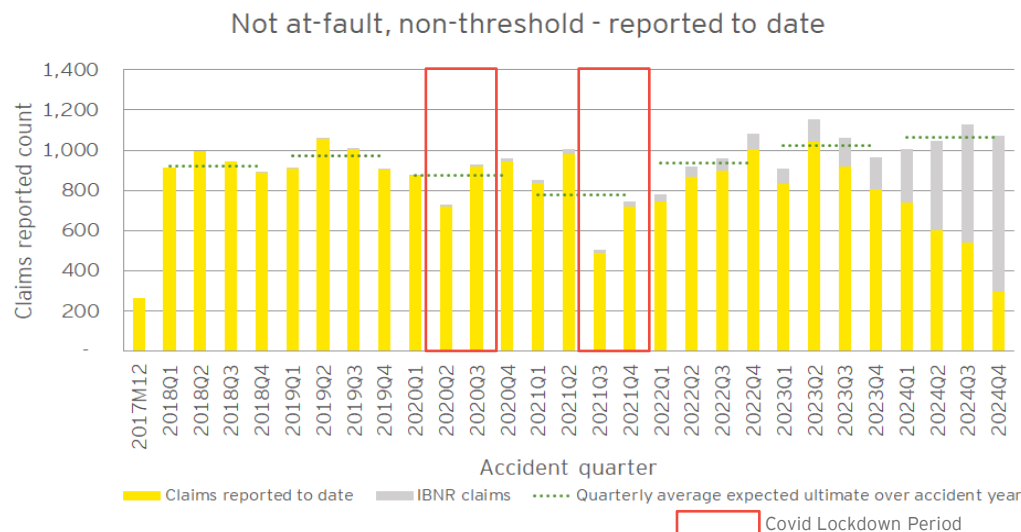


	Reported to date	Expected ultimate
2018 accident year (13 months)	6,150	6,162
2019 accident year	5,499	5,507
2020 accident year	4,674	4,681
2021 accident year	4,212	4,182
2022 accident year	4,849	4,780
2023 accident year	5,604	5,413
2024 accident year	4,209	6,326

- ▶ 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 2024Q2 - 2024Q4 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 amendments, not at-fault threshold claims are currently projected to exceed pre-Covid levels.

Claim numbers - accident quarter basis

Not at-fault non-threshold claims

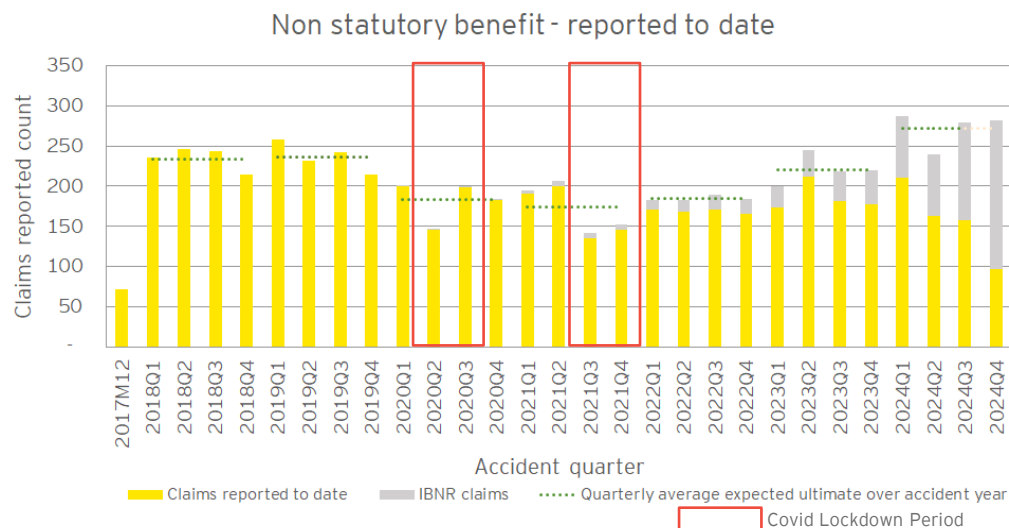


	Reported to date	Expected ultimate
2018 accident year (13 months)	4,000	4,001
2019 accident year	3,873	3,887
2020 accident year	3,452	3,496
2021 accident year	3,024	3,110
2022 accident year	3,512	3,739
2023 accident year	3,600	4,094
2024 accident year	2,180	4,252

- ▶ 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 - 2024 are expected to develop upwards from current levels. This is due to the lodgement of IBNR claims, and for the transition of claims into this cohort following the completion of insurer internal review and external dispute processes
- ▶ Following the Covid lockdown periods, not at-fault non-threshold claims are expected to slightly exceed pre-Covid levels.

Claim numbers - accident quarter basis

Non-statutory benefit claims

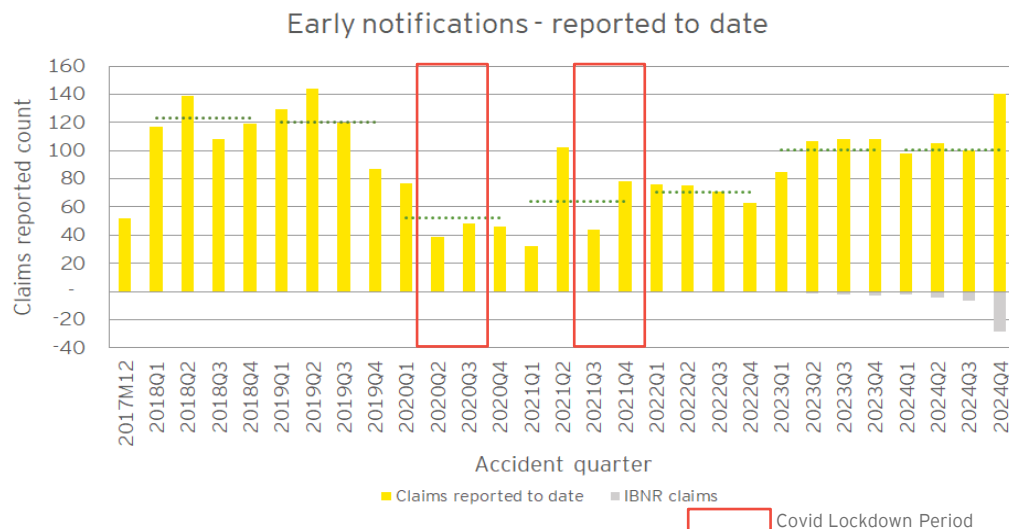


	Reported to date	Expected ultimate
2018 accident year (13 months)	1,011	1,011
2019 accident year	946	946
2020 accident year	726	731
2021 accident year	670	695
2022 accident year	676	739
2023 accident year	743	883
2024 accident year	628	1,088

- ▶ 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 2021 onwards still have a number of IBNR claims
- ▶ For accident periods 2023 onwards, non-statutory benefit claims are currently projected to exceed pre-Covid levels.

Claim numbers - accident quarter basis

Early notification claims

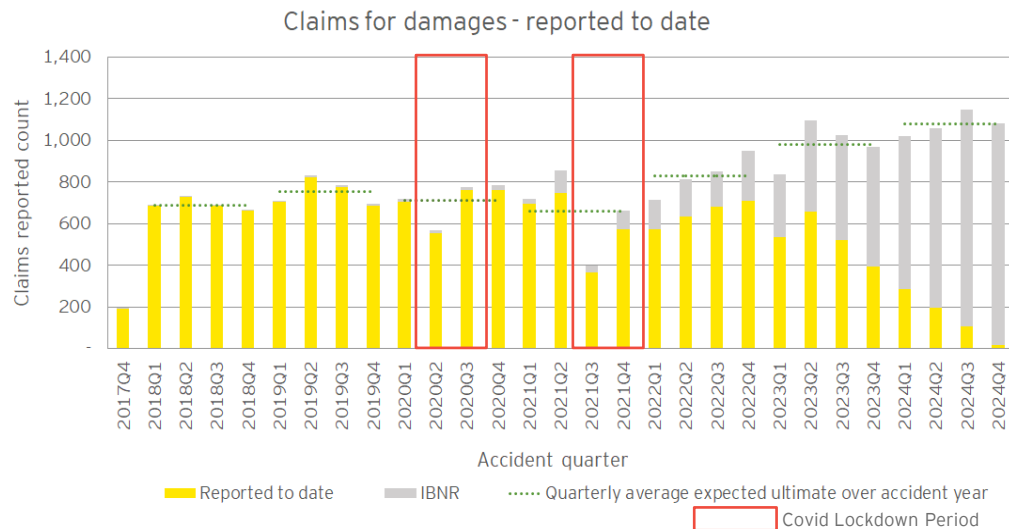


	Reported to date	Expected ultimate
2018 accident year (13 months)	535	535
2019 accident year	480	480
2020 accident year	210	210
2021 accident year	256	256
2022 accident year	285	282
2023 accident year	408	401
2024 accident year	443	402

- ▶ 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 120 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 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 return to pre-Covid levels.

Claim numbers - accident quarter basis

Damages claims



	Reported to date	Expected ultimate
2018 accident year (13 months)	2,968	2,983
2019 accident year	2,992	3,024
2020 accident year	2,785	2,847
2021 accident year	2,385	2,636
2022 accident year	2,600	3,327
2023 accident year	2,115	3,931
2024 accident year	606	4,316

- ▶ 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
- ▶ Selected damages claim lodgement rates (for not at-fault, non-threshold claims) as at December 2024 are 63% for the 2018 accident year, increasing to 73% for 2022, 79% for 2023 and 83% for 2024. There remains a high level of uncertainty for recent accident years as reflected by the significant number of IBNR claims
- ▶ 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 due to the amendments.

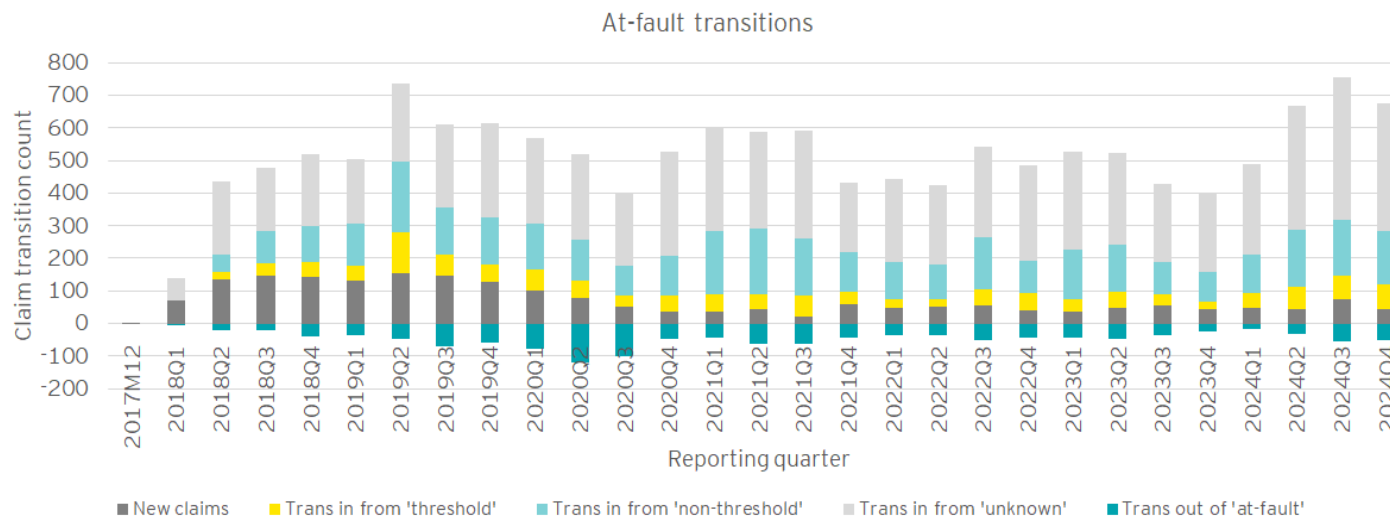
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Claim transitions - reporting quarter basis



Claim transitions - reporting quarter basis

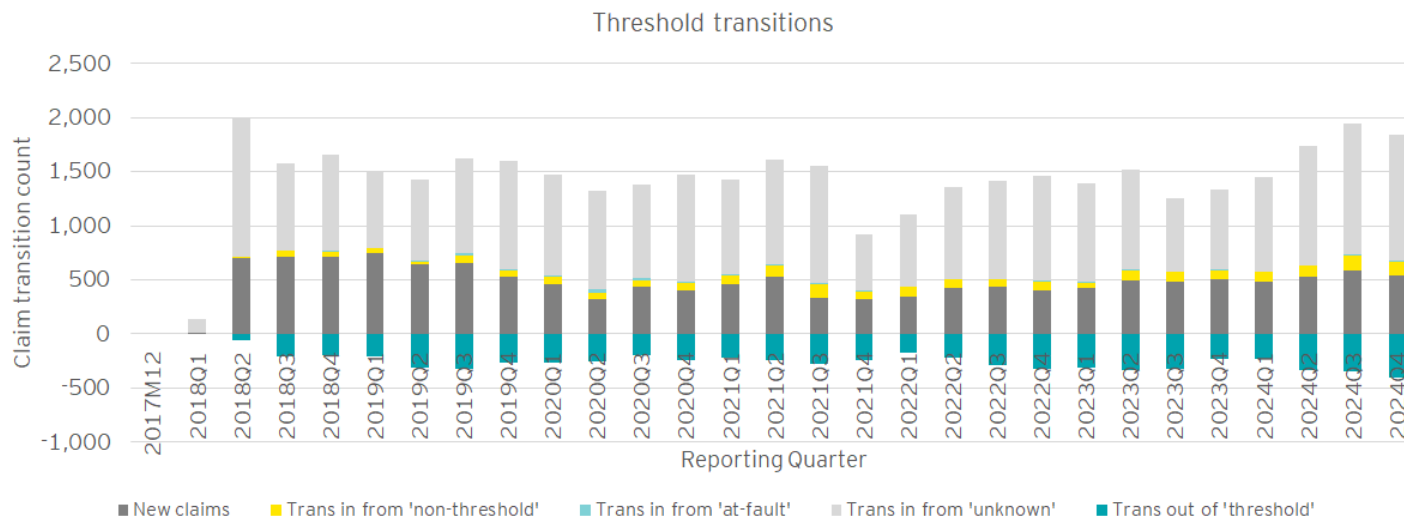
At-fault claims



- ▶ 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
- ▶ Since 2024Q2, there has been an observed increase in number of new claims reported, transitions in from unknown, threshold and non-threshold, and a number of claims transitioning out of the at-fault model.

Claim transitions - reporting quarter basis

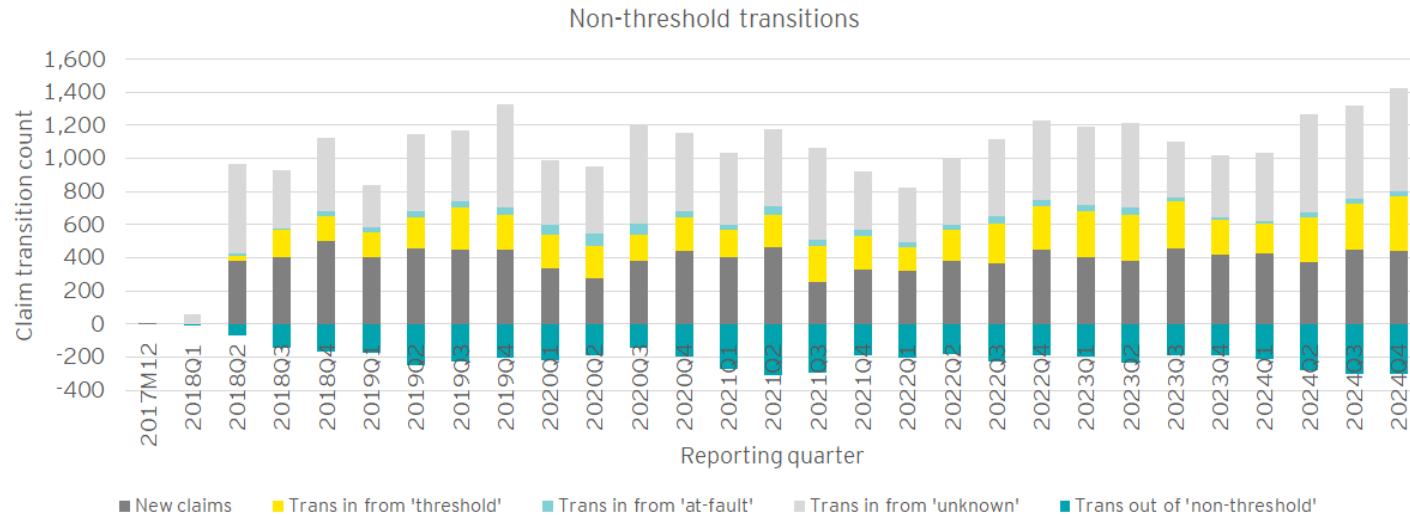
Not at-fault threshold claims



- ▶ There are on average 300 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
- ▶ 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 to 9 months after the claim is reported
- ▶ Compared to the previous reporting quarter, reporting quarters 2024Q2-2024Q4 have experienced an increasing number of claims transitioning in. This is most likely due to the amendments extending the statutory benefits liability decision from 3 to 9 months for accidents occurring from 1 April 2023.

Claim transitions - reporting quarter basis

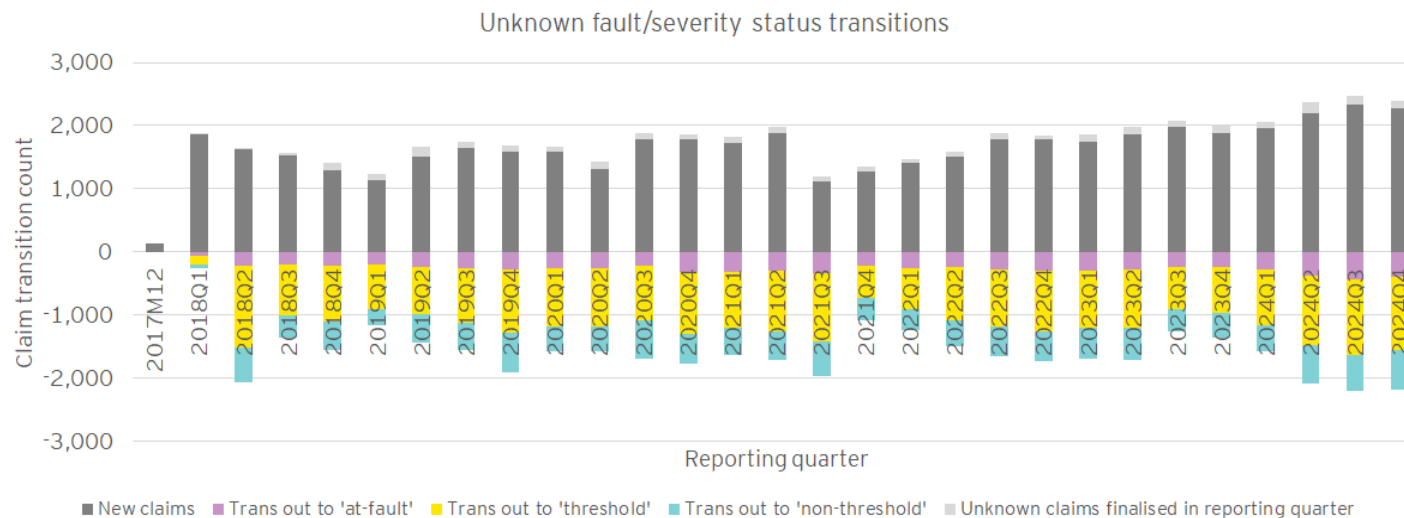
Not at-fault non-threshold claims



- ▶ 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 takes up to nine months for the threshold injury assessment to be completed after these claims have been reported
- ▶ On average around 300 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
- ▶ Compared to previous reporting quarters, reporting quarter 2024Q2 and onwards show an increased number of transitions in from 'unknown' claims, which is most likely due to the impacts of the legislative amendments. Transitions in from other claim cohorts and new claims reported remain at roughly similar levels.

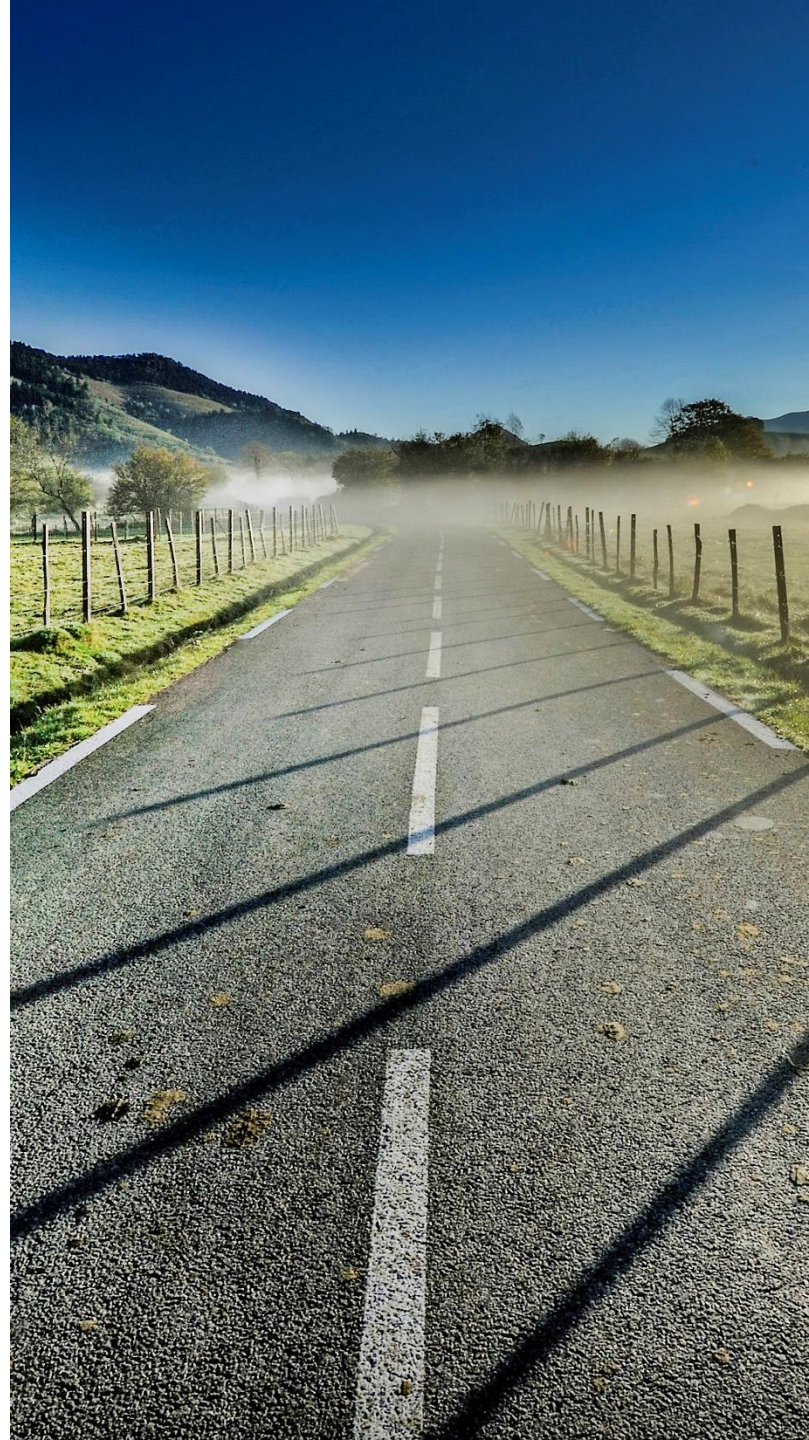
Claim transitions - reporting quarter basis

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 up to 9 months after the claim received date. This cohort of claims is modelled separately, and assumptions are made on the eventual fault and threshold status
- ▶ Over the last year, over 2,000 new claims with an unknown fault or severity determination have been reported per quarter, a similar number have been transitioning out to other categories.

6 Actual versus expected claims & payments experience



Actual versus expected claims & payments experience

Statutory benefit claims reported

			December 2023 - December 2024			
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
At-Fault	All	Stat Ben	1,188	1,084	104	10%
Not At-Fault	Threshold	Stat Ben	1,574	1,421	153	11%
	Non-threshold	Stat Ben	1,706	1,715	-9	-1%
	Unknown	Stat Ben	-2,945	-2,811	-134	5%
Total			1,523	1,408	115	8%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2022Q3 and Earlier		221	147	74	51%
2022Q4		50	36	14	40%
2023Q1		50	47	3	6%
2023Q2		92	70	22	31%
2023Q3		159	103	56	55%
2023Q4		951	1,006	-55	-5%
Total		1,523	1,408	115	8%

- ▶ A full statutory benefits valuation was carried out for 31 December 2023, resulting in updated expected payments and claim numbers projected for future quarters relating to accidents up to 31 December 2024
- ▶ In the twelve months leading up to 31 December 2024, reported claims have been higher than expected by 115 claims (or 8%)
- ▶ This is a result of higher than expected at-fault and not at-fault threshold claims, which is partially offset by lower than expected unknown severity claims
- ▶ On an accident quarter basis, there are higher than expected claims in all accident periods except 2023Q4
- ▶ A new set of reporting patterns are expected to emerge for statutory benefit claims for accident periods 2023Q1 and onwards, due to the extension of the statutory benefit liability decision from three to nine months under the amendments. This is expected to drive higher volatility in the actual versus expected from recent accident periods.

Actual versus expected claims & payments experience

Statutory benefit claim payments

			December 2023 - December 2024			
Fault Status	Severity	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
At-Fault	All	Stat Ben	\$53.8m	\$37.0m	\$16.9m	46%
Not At-Fault	Threshold	Stat Ben	\$44.0m	\$29.5m	\$14.6m	50%
	Non-threshold	Stat Ben	\$280.0m	\$284.2m	-\$4.2m	-1%
	Unknown	Stat Ben	-\$39.8m	\$0.7m	-\$40.5m	-5622%
Total			\$338.0m	\$351.3m	-\$13.3m	-4%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2022Q3 and Earlier		\$100.5m	\$132.0m	-\$31.4m	-24%
2022Q4		\$25.2m	\$26.0m	-\$0.7m	-3%
2023Q1		\$25.3m	\$24.7m	\$0.6m	2%
2023Q2		\$45.5m	\$41.0m	\$4.5m	11%
2023Q3		\$55.6m	\$56.3m	-\$0.6m	-1%
2023Q4		\$85.9m	\$71.5m	\$14.4m	20%
Total		\$338.0m	\$351.3m	-\$13.3m	-4%

- ▶ Statutory benefit payments, for accidents up to 31 December 2024, over the last twelve months from 31 December 2023 have been lower than expected by \$13.3m (or 4%)
- ▶ The lower than expected payments is primarily driven by unknown severity claims, partially offset by at-fault, not-at-fault threshold and not-at-fault non-threshold claims
- ▶ The negative actual payments for not at-fault unknown severity claims reflects the transition of claims from this category into other claim types
- ▶ On an accident quarter basis, the lower than expected experience is driven by 2022Q4 and prior and 2023Q3, offset by most other accident quarters

Actual versus expected claims & payments experience

Not at-fault non-threshold active claims reported

Payment Type	December 2023 - December 2024			
	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Loss of Income	7,871	7,992	-121	-2%
Treatment & Care	25,469	24,754	715	3%
Total	33,340	32,746	594	2%

Accident Quarter	December 2023 - December 2024			
	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2022Q3 and Earlier	17,867	17,510	357	2%
2022Q4	3,034	3,085	-51	-2%
2023Q1	2,699	2,719	-20	-1%
2023Q2	3,626	3,079	547	18%
2023Q3	3,233	3,179	54	2%
2023Q4	2,881	3,173	-292	-9%
Total	33,340	32,746	594	2%

- ▶ 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 2024 for accidents up to 31 December 2023, there were 33,340 not at-fault non-threshold active claims. This was higher than expected by 549 claims (or 2%)
- ▶ On an accident quarter basis, active claims are higher than expected for accident periods 2022Q3 and earlier and 2023Q2 - 2023Q3, offset by 2022Q4 - 2023Q1 and 2023Q4
- ▶ 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 2023 - December 2024			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Interstate	Non Stat Ben	198	172	26	15%
Death	Non Stat Ben	71	69	2	3%
Workers Compensation	Non Stat Ben	81	138	-57	-41%
Early notification	Non Stat Ben	-35	-46	11	-24%
Total		315	333	-18	-5%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2022Q3 and Earlier		93	153	-60	-39%
2022Q4		17	22	-5	-24%
2023Q1		19	34	-15	-44%
2023Q2		40	39	1	3%
2023Q3		46	56	-10	-18%
2023Q4		100	29	71	241%
Total		315	333	-18	-5%

- ▶ In the twelve months leading up to 31 December 2024, reported non-statutory benefit claims, for accidents up to 31 December 2023, have been lower than expected by 18 claims (or 5%)
- ▶ The lower than expected claims numbers are primarily driven by lower than expected workers compensation claims, offset by a higher number of the interstate and early notifications claims than expected
- ▶ On an accident quarter basis, the lower than expected claim numbers is primarily driven by accident quarters 2023Q1 and earlier, and 2023Q3
- ▶ 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 2023 - December 2024			
Claim Type	Claim Type	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Interstate	Non Stat Ben	\$40.6m	\$40.7m	-\$0.0m	-0%
Death	Non Stat Ben	\$23.9m	\$24.9m	-\$1.0m	-4%
Workers Compensation	Non Stat Ben	\$34.5m	\$22.4m	\$12.1m	54%
Early notification	Non Stat Ben	-\$195.7k	\$13.9k	-\$209.6k	-1512%
Total		\$98.9m	\$88.0m	\$10.9m	12%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2022Q3 and Earlier		\$81.3m	\$70.5m	\$10.8m	15%
2022Q4		\$4.9m	\$4.0m	\$0.9m	22%
2023Q1		\$4.1m	\$4.0m	\$0.1m	4%
2023Q2		\$4.7m	\$4.1m	\$0.6m	15%
2023Q3		\$1.6m	\$3.0m	-\$1.3m	-45%
2023Q4		\$2.3m	\$2.5m	-\$0.2m	-9%
Total		\$98.9m	\$88.0m	\$10.9m	12%

- ▶ Non-statutory benefit payments in the twelve months leading up to 31 December 2024, for accidents up to 31 December 2023, have been \$10.9m (or 12%) higher than expected
- ▶ This is driven by higher than expected payments across workers compensation claims
- ▶ 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 accident quarters 2023Q2 and earlier.

Actual versus expected claims & payments experience

Claims reported for damages

			December 2023 - December 2024			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	1,615	1,469	146	10%
		≤ 10%	1,805	1,626	179	11%
		Unknown	-835	340	-1,175	-345%
Other			558	543	15	3%
Total			3,143	3,979	-836	-21%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (#)	Actual - Expected (%)
2021Q4 and Earlier		422	630	-208	-33%
2022Q1		183	237	-54	-23%
2022Q2		207	316	-109	-34%
2022Q3		274	377	-103	-27%
2022Q4		357	517	-160	-31%
2023Q1 - 2023Q4		1,700	1,902	-202	-11%
Total		3,143	3,979	-836	-21%

- ▶ In the twelve months leading up to 31 December 2024, for accidents up to 31 December 2023, reported claims for damages have been lower than expected by around 21%, or 836 claims, which could be driven by claims reporting at lower levels for pre-2021 accident years.
- ▶ Lower than expected claim numbers are primarily observed for yet to be determined (i.e. 'unknown') WPI claims, reflecting these claims transitioning out to WPI > 10% or WPI ≤ 10% cohorts
- ▶ The significantly lower than expected reported claim numbers for unknown, and higher than expected reported claim numbers for WPI > 10% and WPI ≤ 10% cohorts, is driven by a single insurer transitioning a large number of claims from unknown WPI to WPI ≤ 10% and WPI > 10%. This is believed to be a one-off effect however this will continue to be monitored
- ▶ On an accident quarter basis, there is lower than expected claims reported for all accident quarters
- ▶ A new set of reporting patterns are expected to emerge for damages claims for accident periods 2021Q2 and onwards, due to the removal of the 20-month damages lodgement waiting period under the amendments. This is expected to drive higher volatility in the actual versus expected for affected accident periods.

Actual versus expected claims & payments experience

Claim payments for damages

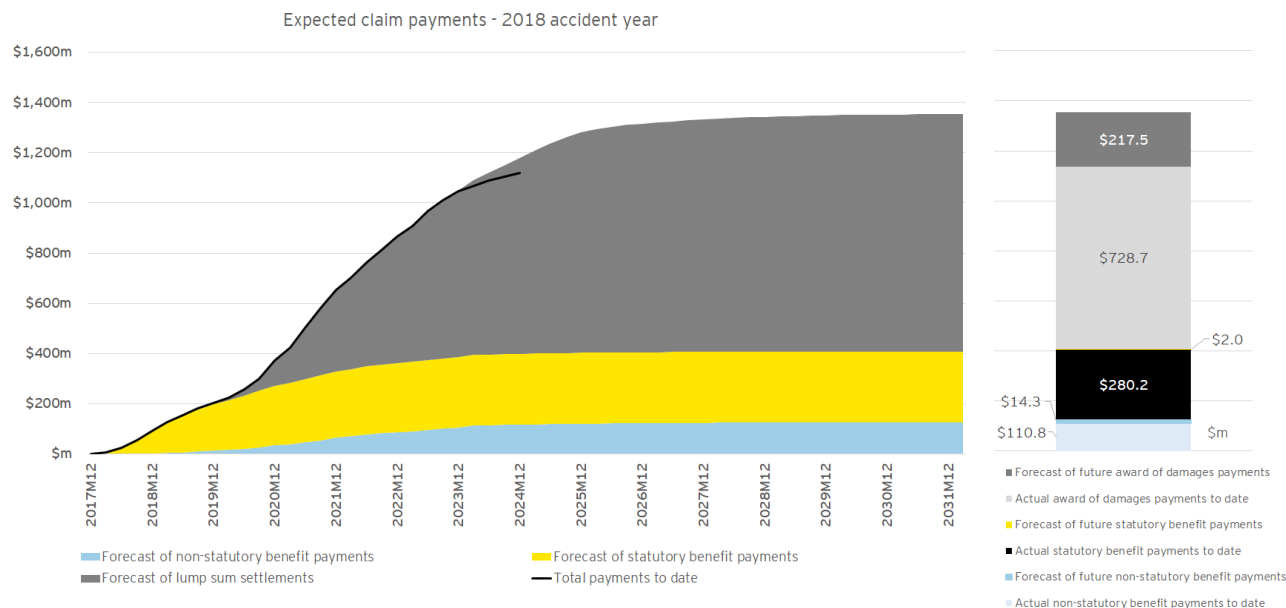
			December 2023 - December 2024			
Fault Status	Severity	WPI	Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
Not At-Fault	Non-threshold	> 10%	\$747.4m	\$705.7m	\$41.7m	6%
		≤ 10%	\$209.0m	\$176.9m	\$32.1m	18%
		Unknown	-\$20.1m	\$4.5m	-\$24.6m	-549%
Other			\$35.7m	\$49.8m	-\$14.1m	-28%
Total			\$971.9m	\$936.9m	\$35.1m	4%

		December 2023 - December 2024			
Accident Quarter		Actual	Expected	Actual - Expected (\$)	Actual - Expected (%)
2021Q4 and Earlier		\$679.0m	\$677.0m	\$1.9m	0%
2022Q1		\$52.7m	\$52.5m	\$0.2m	0%
2022Q2		\$56.0m	\$56.2m	-\$0.2m	-0%
2022Q3		\$52.3m	\$44.9m	\$7.4m	16%
2022Q4		\$47.9m	\$44.6m	\$3.3m	7%
2023Q1 - 2023Q4		\$84.1m	\$61.7m	\$22.4m	36%
Total		\$971.9m	\$936.9m	\$35.1m	4%

- ▶ Claim payments for damages over the twelve months leading up to 31 December 2024, for accidents up to 31 December 2023, have been \$35.1m (or 4%) higher than expected. This is driven by average settlement sizes being 11% higher than expected, partially offset by the number of settlements being 7% lower 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% claims, offset by unknown WPI and Other claims
- ▶ The settlement experience of 'Other' claims will continue to 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 2022Q2.

Actual versus expected future claims & payments experience

Actual vs. expected future claim payment pattern - 2018 accident year



83% 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 83% of total expected payments. Nearly all forecast future claim payments are for damages settlements
- ▶ To date, there have been \$280.2m payments relating to statutory benefit payments, \$728.7m payments relating to award of damages payments and \$110.8m payments relating to non-statutory benefit payments for the 2018 accident year.

*Expected total payments as at 31 Dec 2023 valuation

Actual versus expected future claims & payments experience

Actual and expected future claim payments (accident years 2018 - 2023)

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	\$728.7m	\$217.5m	\$280.2m	\$2.0m	\$110.8m	\$14.3m	83%
2019	\$723.4m	\$245.7m	\$316.1m	\$5.7m	\$99.4m	\$13.8m	81%
2020	\$626.3m	\$379.5m	\$301.3m	\$9.0m	\$79.4m	\$20.7m	71%
2021	\$422.4m	\$537.5m	\$274.7m	\$28.1m	\$42.5m	\$43.3m	55%
2022	\$247.1m	\$981.2m	\$323.1m	\$78.9m	\$37.8m	\$62.2m	35%
2023	\$88.8m	\$1328.5m	\$363.8m	\$102.3m	\$17.8m	\$116.6m	23%

- ▶ The table above shows the actual payments to date and forecast of future payments for the 2018 - 2023 accident years
- ▶ 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 83% 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 2023 valuation

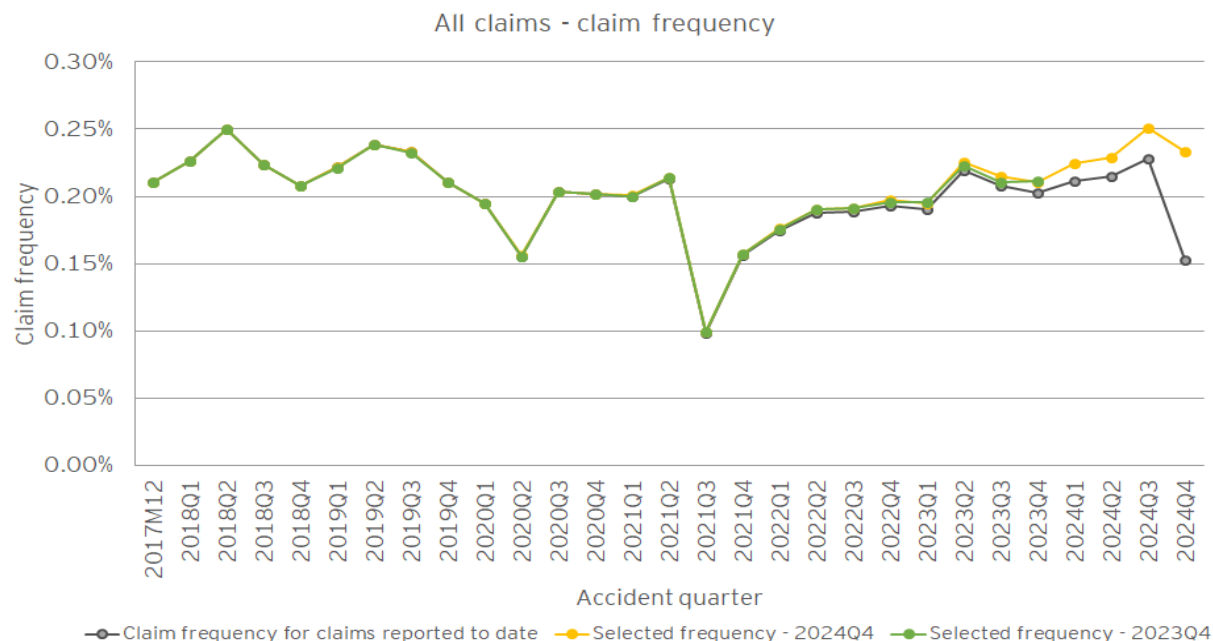
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Claim frequency



Claim frequency

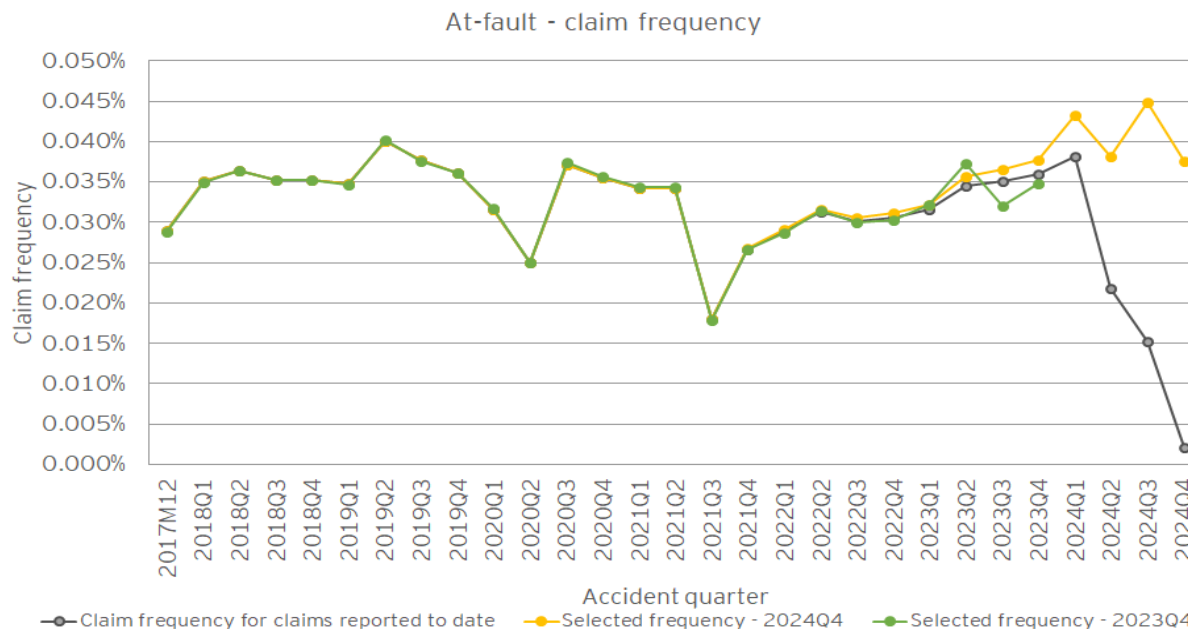
All claims



- ▶ 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 IBNR compared to previous quarters, illustrated by the gap between the grey and yellow lines
- ▶ Accident quarters 2023Q2 - 2024Q4 are expected to return towards claim frequency levels in 2018 and 2019.

Claim frequency

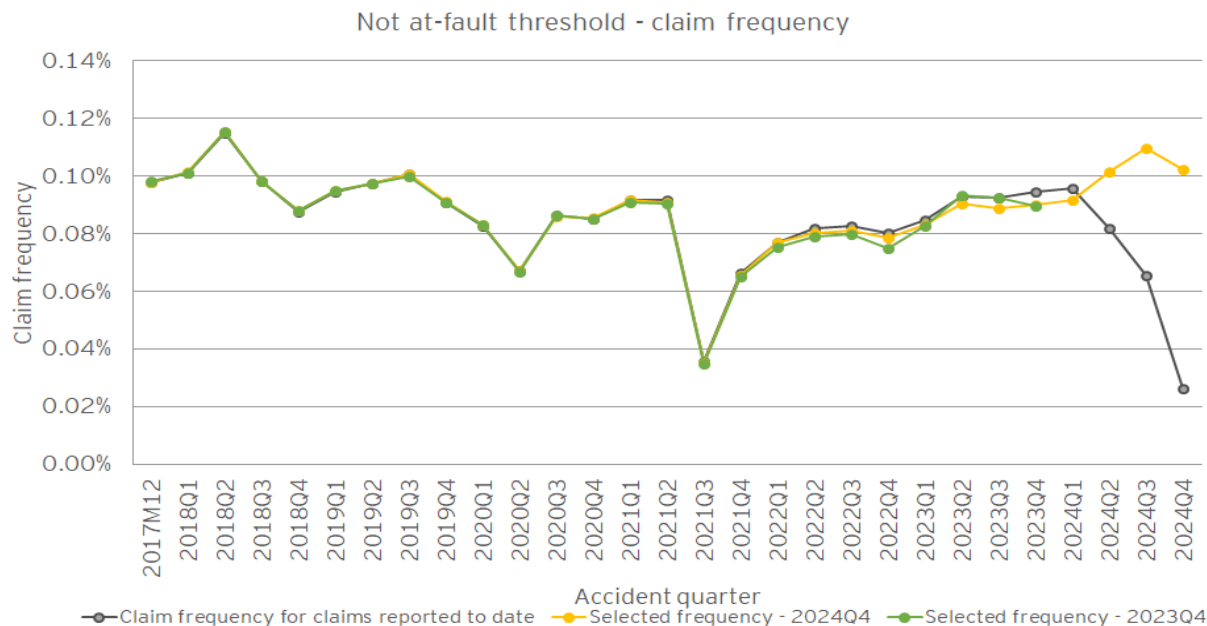
At-fault claims



- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for at-fault and mostly at-fault claims
- ▶ The 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 2023Q1, it is not expected that there will be any material additional at-fault claims reported
- ▶ Accident quarters 2023Q2 - 2024Q4 are generally expected to exceed claim frequency levels in 2018 and 2019.
- ▶ 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 - 2024Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

Claim frequency

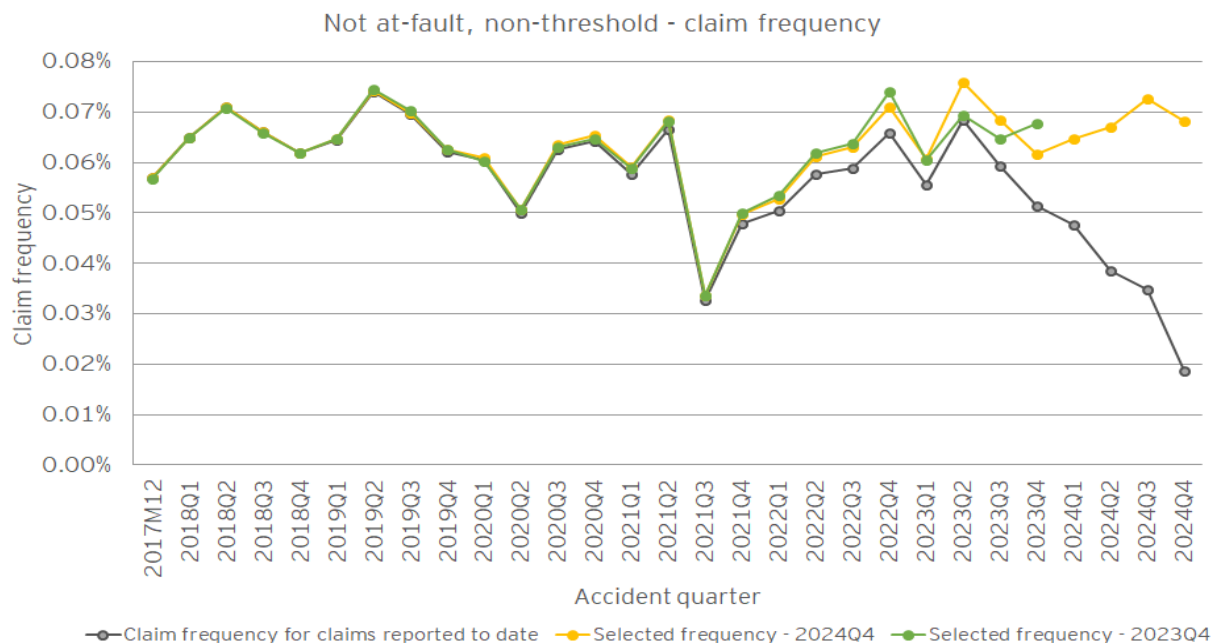
Not at-fault threshold claims



- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for not at-fault threshold injury claims
- ▶ 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 following the completion of insurer internal reviews and any further dispute processes
- ▶ Accident quarters 2023Q2 - 2024Q4 are expected to return towards claim frequency levels in 2018
- ▶ 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 - 2024Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

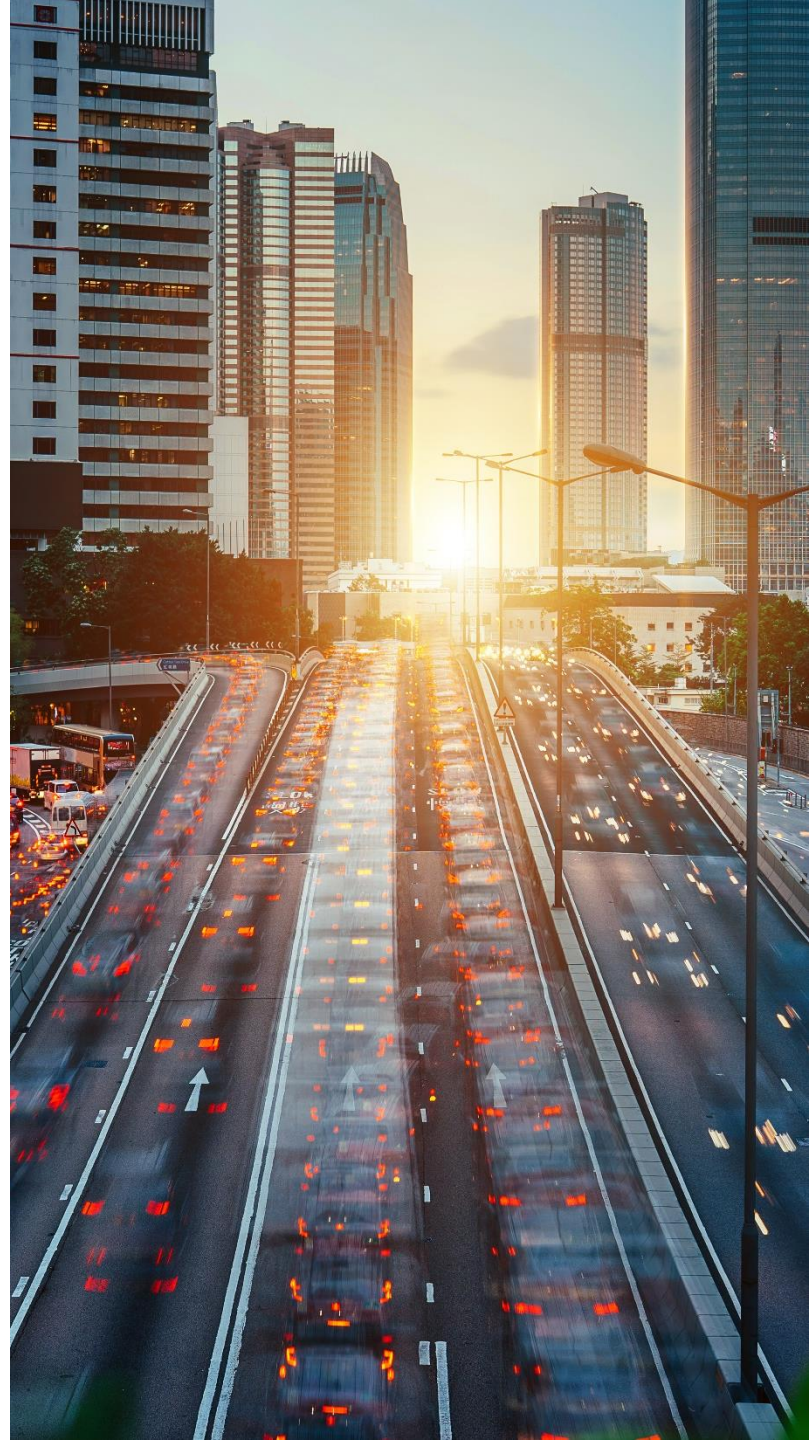
Claim frequency

Not at-fault non-threshold claims



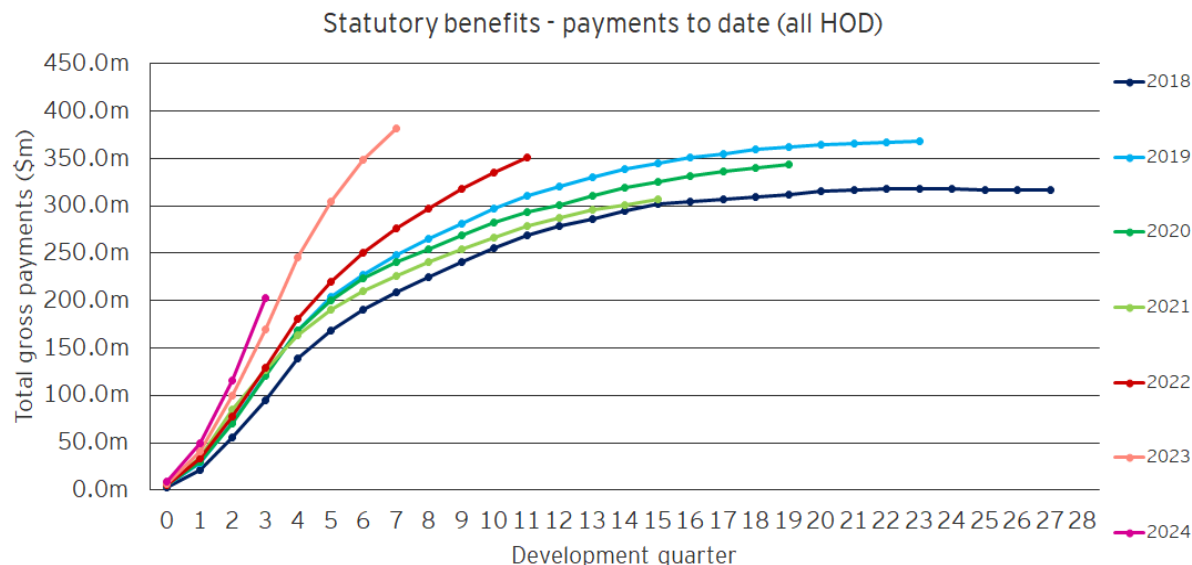
- ▶ The chart shows the ultimate claim frequency and reported to date claim frequency for not at-fault non-threshold injury claims
- ▶ Claim frequencies for 2022Q1 - 2024Q4 have increased compared to 2021Q4 and have returned towards pre-Covid levels
- ▶ For accidents occurring after 1 April 2023, the 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 - 2024Q4 accident quarters is likely to remain for longer compared to prior accident quarters.

Statutory Benefits - development of claims & payments



Statutory Benefits - development of claims & payments

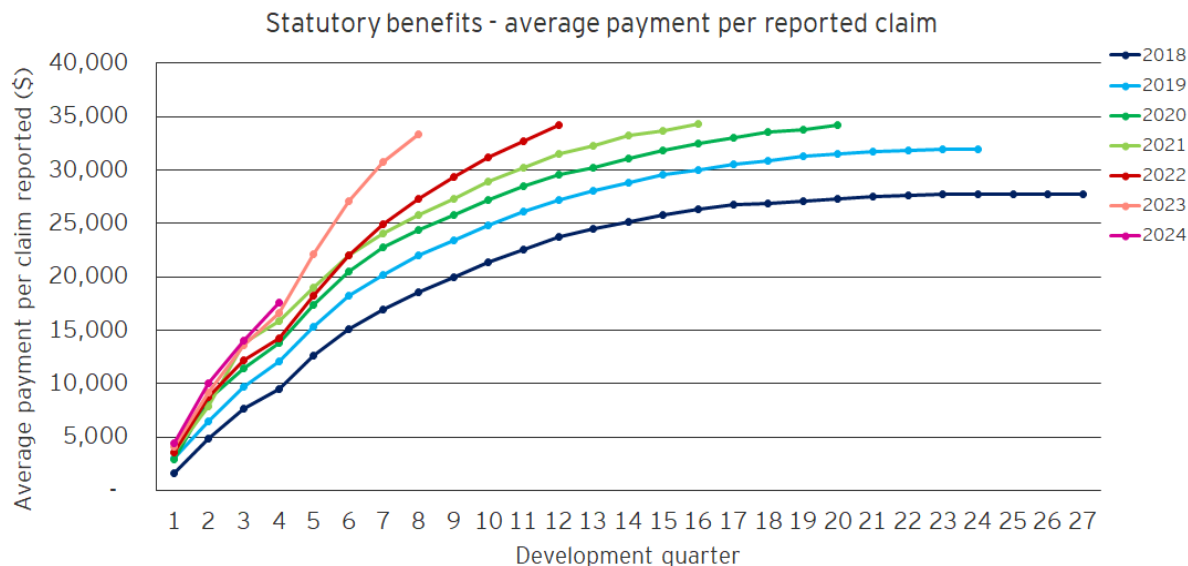
Total gross statutory benefit payments by development quarter (current value)



- ▶ The above chart shows the total statutory benefit payment profile for each accident year for all claims across all heads of damage (HOD)
- ▶ The ultimate cost per accident year will be uncertain until 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. To date, only the 2018 and 2019 accident years have completely passed the five year transition point
- ▶ For the most recent accident years, claimants are receiving higher payments compared to previous years at the same point of development. This is a combination of factors including insurers having better established claims operations resulting in claimants receiving payments earlier and higher payments overall. Accident years 2020 and 2021 were likely exceptions to this as they were affected by Covid lockdowns. This new profile became more apparent in the past 12 months, especially for the 2023 and 2024 accident year
- ▶ Accident year 2023 and 2024 will likely have higher payments to date compared to earlier years. This is mainly 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.

Statutory Benefits - development of claims & payments

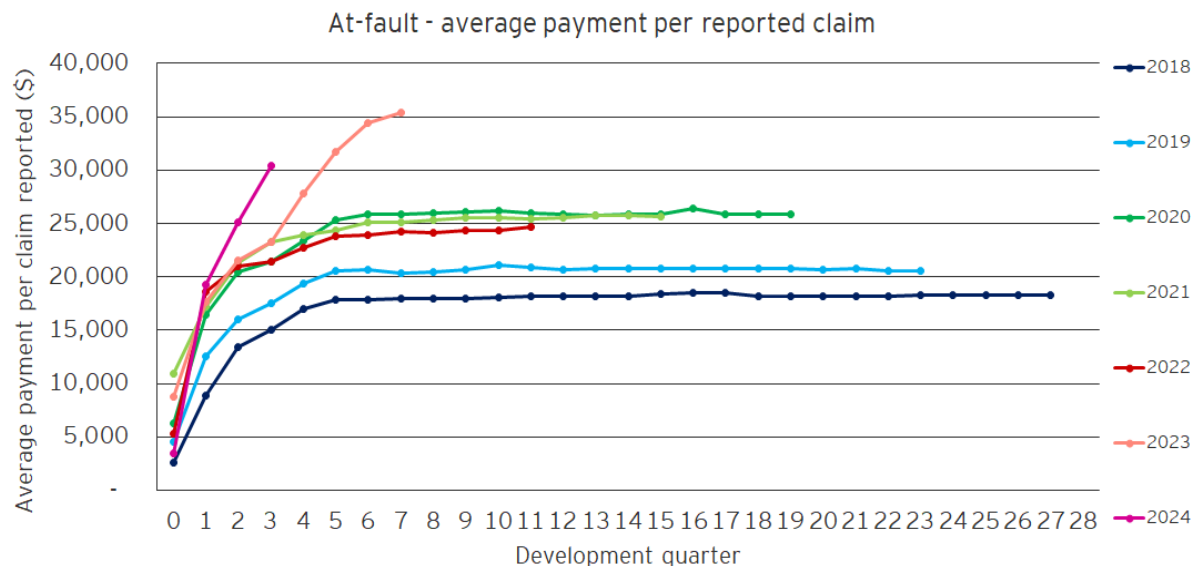
Average cumulative statutory benefit payments per reported claim (current value)



- ▶ This chart shows the profile of average cumulative statutory benefit payments per claim reported by accident year and development quarter
- ▶ More recent accident quarters have a higher profile than older accident quarters, this may be a combination of factors including insurers having better established claims operations resulting in claimants receiving payments earlier and some higher payments overall
- ▶ Accident year 2023 has a higher average payment per reported claim compared to previous years at development quarter 4 and onwards. This is mostly 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
- ▶ It appears a new trend has emerged in the past 12 months, this is most apparent for the 2023 accident year. Since the inception of the scheme, several factors have been changing including the experience as the scheme matures, reversing impact from Covid and the effect emerging as result of the legislative amendment. Compared to older accident years, the incremental growth in average payment per reported claim is stronger for more recent accident years

Statutory Benefits - development of claims & payments

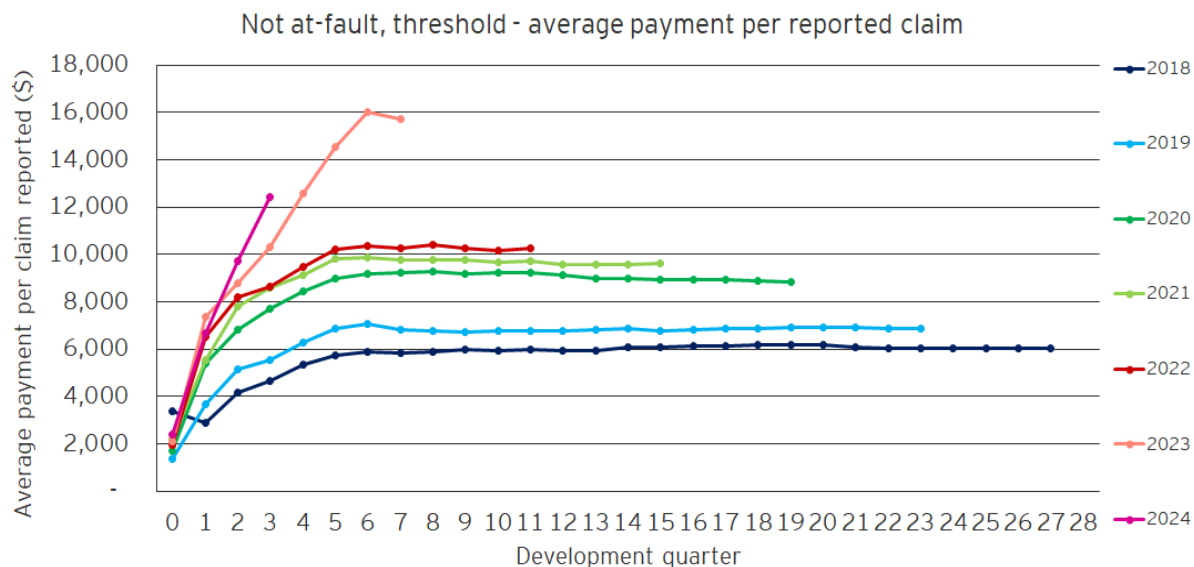
At-fault claims - average cumulative payment per reported claim (current value)



- ▶ 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 years have reached a steady level of average claim size by around development quarter 5. This is expected as at-fault claimants were previously entitled to 26 weeks of benefits, with some allowance for delay in payments and invoicing
- ▶ The amendments extended the benefit entitlement for at-fault claimants for accidents post 1 April 2023. As a result, the average claims size in the 2023 and 2024 accident years have emerged significantly higher than earlier accident years at the same points of development. There remains material uncertainty in how the average claim size for these periods will ultimately emerge
- ▶ This chart indicates that the average claim size has emerged at around \$18,000 - \$26,000 for at-fault claims for 2018 to 2022 accident years. Accident years are expected to emerge close to \$40,000, however this is yet to be observed.

Statutory Benefits - development of claims & payments

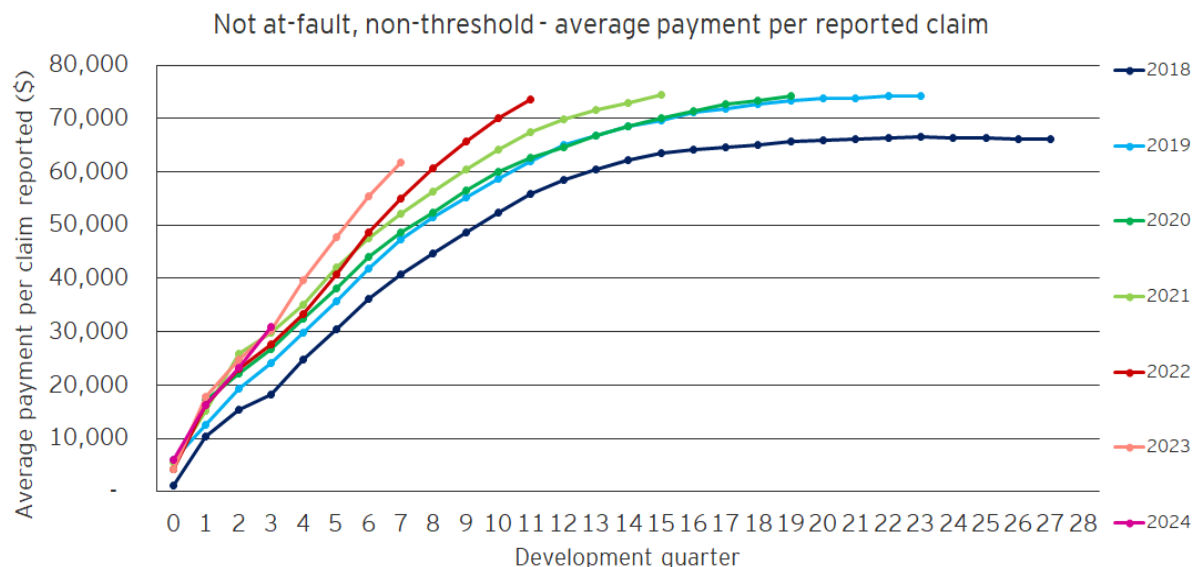
Not at-fault threshold claims - average cumulative payment per reported claim (current value)



- ▶ This chart shows the profile of average cumulative payments per not at-fault threshold injury claim reported by accident year and development quarter
- ▶ The amendments extended the benefit entitlement for not at-fault threshold claimants for accidents post 1 April 2023. As a result, the average claims size in the 2023 and 2024 accident years have emerged significantly higher than earlier accident years at the same points of development. There remains material uncertainty as to how the average claim size for these periods will ultimately emerge
- ▶ On a development quarter basis, the older accident years have reached a steady level of average claim size by around development quarter 6. 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 \$6,000 - \$7,000 for not at-fault threshold claims up until the 2019 accident year while the average claim size in accident years 2020 - 2022 is around \$9,000 - \$10,000. For accident years 2023 to 2024, the average claim size is expected to exceed \$16,000, although this is yet to be observed.

Statutory Benefits - development of claims & payments

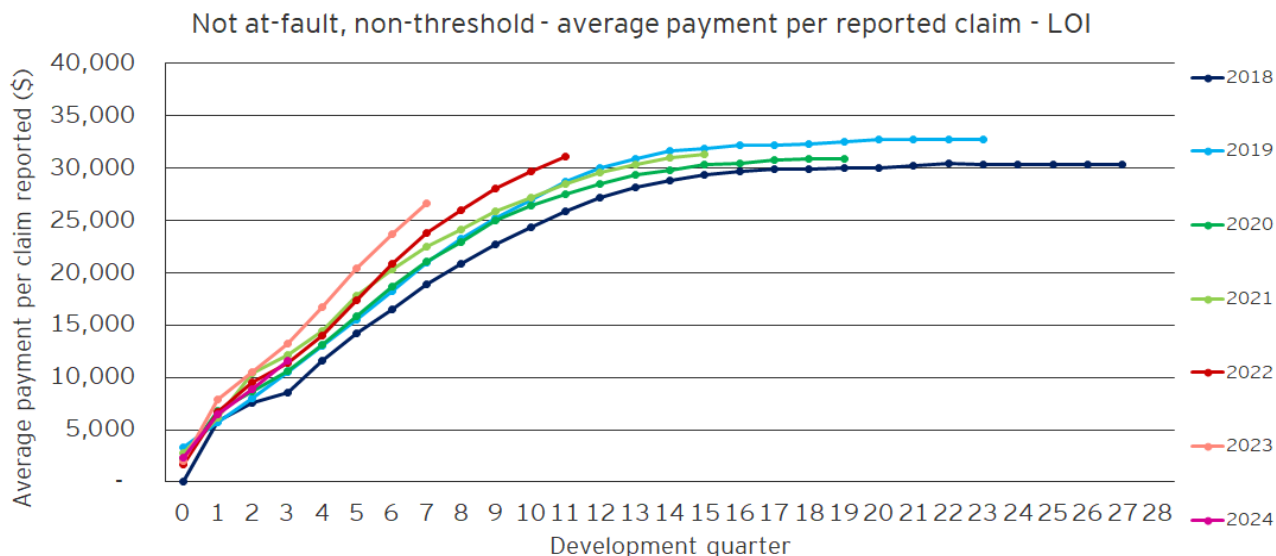
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value) (1)



- ▶ This chart shows the profile of average cumulative payments per not at-fault non-threshold injury claim reported by accident year and development quarter
- ▶ It appears that a higher average claim size has emerged in recent accident years when compared to earlier accident years. This may be indicative of a speeding up of payments for more recent accident years and a higher ultimate average claim size for recent accident years
 - ▶ This experience is prominent for Treatment & Care payments. Further discussion of this trend can be found on Slide 55
- ▶ 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.

Statutory Benefits - development of claims & payments

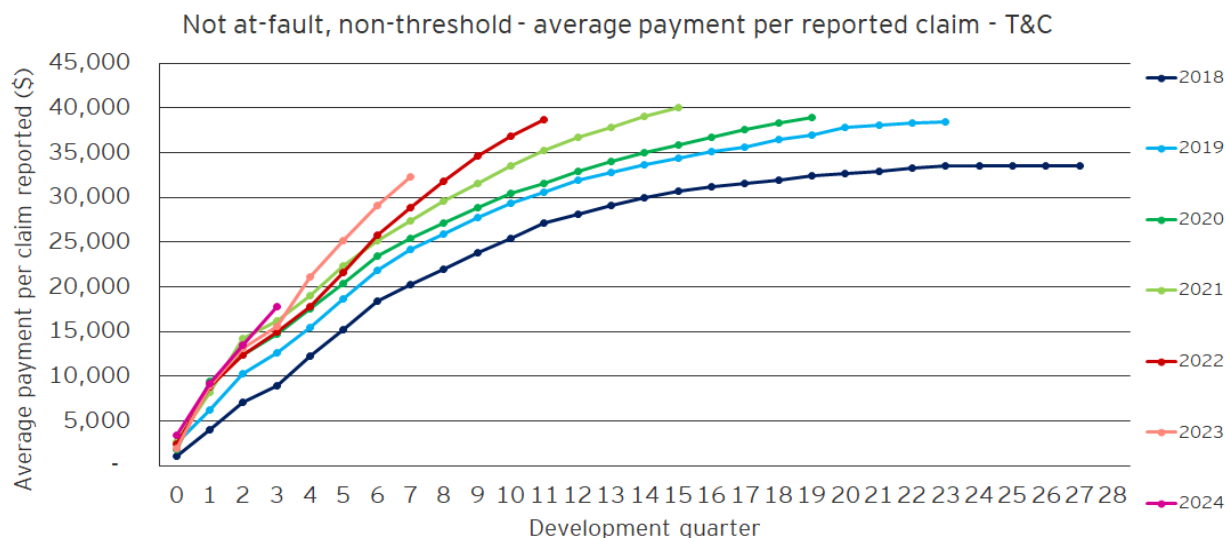
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value) (2)



- ▶ This chart illustrates the profile of average cumulative loss of income (LOI) payments received per not at-fault non-threshold injury claim reported by accident year and development quarter
- ▶ The average claim sizes for each accident year are averaging between \$12,000 - \$17,000 by development quarter 4 and between \$21,000 - \$26,000 by development quarter 8
- ▶ A new trend has emerged over the past 12 months, whereby compared to older accident years, the 2022 and 2023 accident years see an uptick in the average payment per claim report with much stronger incremental growth compared to earlier accident years at the same stage of development. It is uncertain whether this trend will be reflected for the 2024 accident year as well.

Statutory Benefits - development of claims & payments

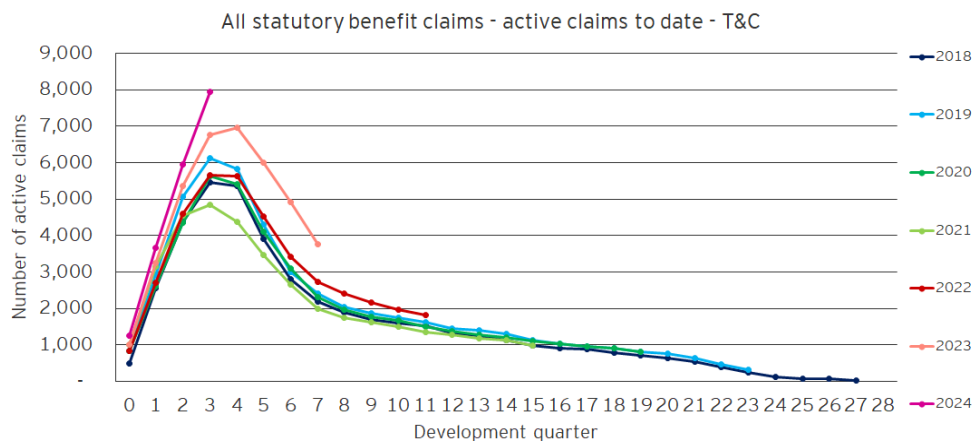
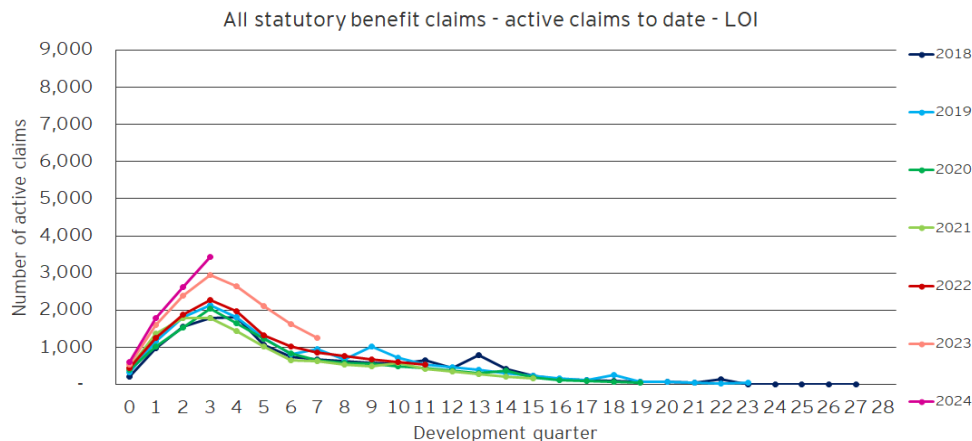
Not at-fault non-threshold claims - average cumulative payment per reported claim (current value) (3)



- ▶ This chart illustrates the profile of average cumulative treatment & care (T&C) payments received per not at-fault non-threshold injury claim reported by accident year and development quarter
- ▶ Compared to older accident years, average payments in the 2022 and 2023 accident years have emerged higher at the same stage of development. Significant uncertainty remains in how the 2024 accident year may emerge. Some specific observations include:
 - ▶ The key payment types which have contributed to the observed increases are Physiotherapy, Specialist, and Imaging
 - ▶ Increases are driven by a combination of increased active claims, and an increased number of transactions per claim
 - ▶ Lower severity claims have exhibited larger increases than high severity claims
- ▶ Earlier utilisation of treatment services may ultimately lead to higher T&C costs as claimants may now receive T&C for a longer duration.

Statutory Benefits - development of claims & payments

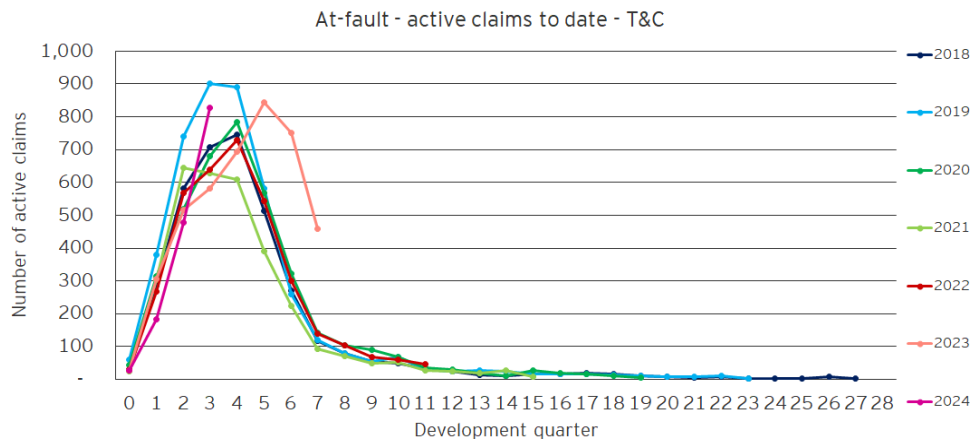
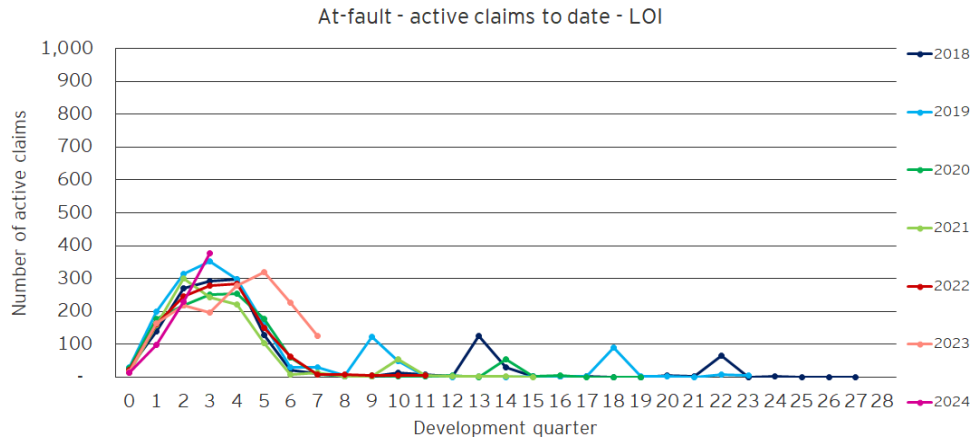
Number of active claims - all statutory benefit claims



- ▶ 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 peaks around 3 quarters after the accident has occurred for LOI benefits, and around 3 - 4 quarters after for T&C benefits. From this point onwards, the number of injured persons receiving these types of benefits declines
- ▶ By approximately development quarter 7 for LOI, and development quarter 8 for T&C, the claims receiving any payments are mostly not at-fault non-threshold claims
- ▶ The LOI active claims to date for mature accident years approaches zero from development quarter 20 onwards, reflecting the availability of statutory benefits for up to five 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, recent accident years have a higher proportion of active claims than mature accident years. This indicates a higher number of claimants are receiving payments earlier and potentially staying active for longer
- ▶ Accident years 2023 - 2024 have a higher number of active claims for both LOI and T&C compared to other accident years. 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. 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 higher than LOI benefits, and they remain active for relatively longer.

Statutory Benefits - development of claims & payments

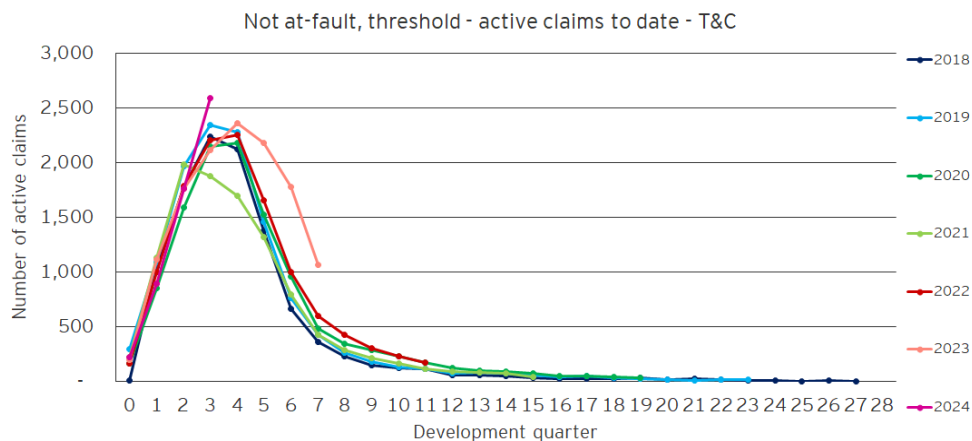
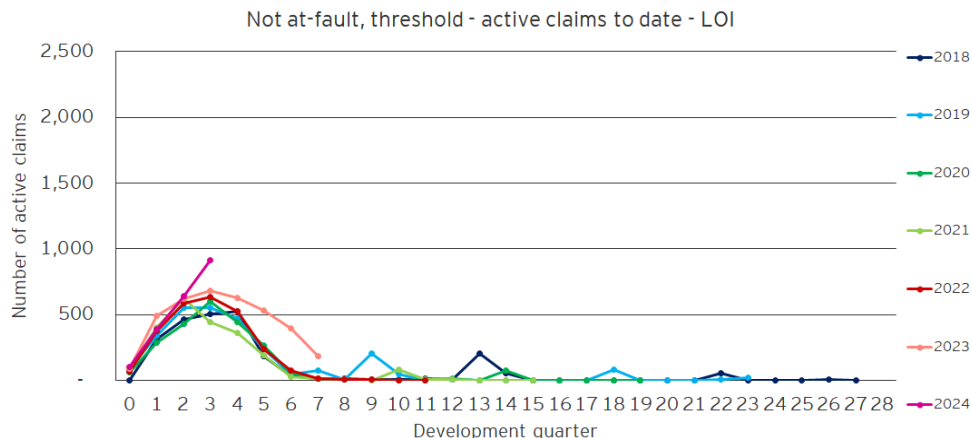
Number of active claims - At-fault claims



- ▶ 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
- ▶ Accident year 2023 onwards will have a different active claims profile. This is due to the legislative amendment for accidents post 1 April 2023, which has introduced a delay in the assessment of fault status and extended the availability of benefits for at-fault claims. There are more claims being grouped in 'unknown' prior to transitioning into 'at-fault' for accident years post amendment. Further, claims are remaining active for longer. This is evidenced by the 2023 accident year reaching its peak volume of active claims later than other accident years had. Accident year 2024 also shows signs of continued increase to accident year 2019 levels, most likely due to the extension of benefits for at fault claims. This continues to be monitored, with significant uncertainty in how post amendment accident years may emerge
- ▶ For mature accident periods, the number of at-fault claims receiving LOI benefits reduces significantly to almost zero after development quarter 6. 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
- ▶ 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.

Statutory Benefits - development of claims & payments

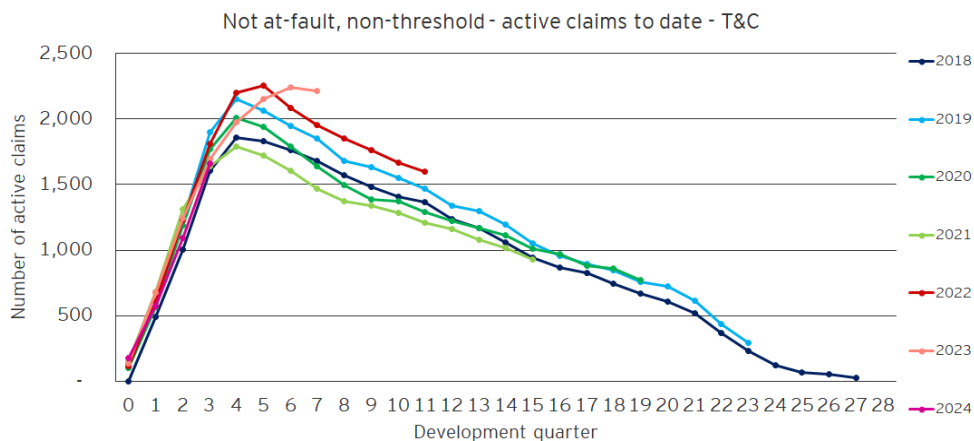
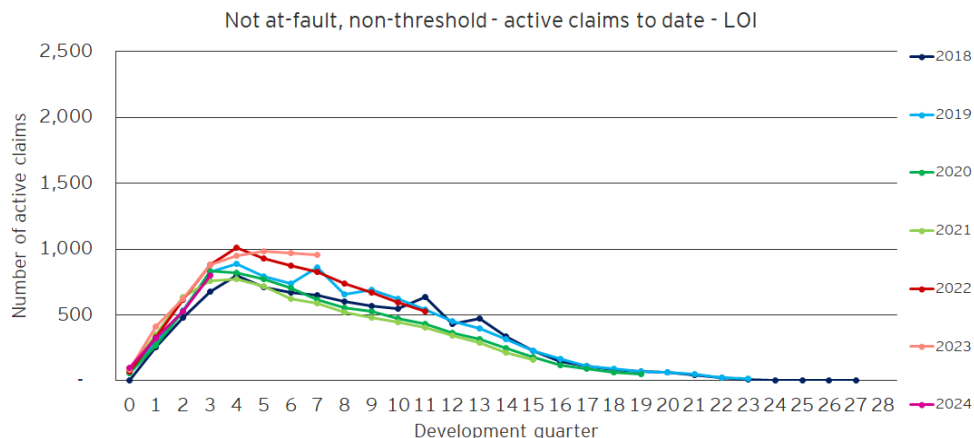
Number of active claims - Not at-fault threshold claims



- ▶ 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 cease 52 weeks after the accident date for accidents after 1 April 2023, and 26 weeks for accidents prior to 1 April 2023
- ▶ The amendment has extended benefit entitlements for accidents after 1 April 2023 from up to 26 weeks after the accident date to 52 weeks. Due to this, the volume of active claims in the 2023 and 2024 accident year has emerged higher than previous accident years at the same development quarters. There is uncertainty in how trends will emerge for more recent accident years. This continues to be monitored
- ▶ The amendment has also allowed a longer period for fault determination. This may result in a different active claims profile for accident years 2023 onwards
- ▶ Claims receiving T&C benefits tend to remain active for longer than for LOI benefits, and hence there are 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.

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, recent accident years have a higher number of active claims than more mature accident years
- ▶ Not at-fault non-threshold claims are entitled to statutory benefits for up to five years* (injury severity dependent). Therefore, it is expected that claims will remain active for longer in comparison to 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 year 2021 in development quarter 3 and onwards as a result of reduced exposure during Covid lockdown periods. More recent accident years show a return towards pre-Covid levels of active claims
- ▶ Accident year 2022 development quarter 4 and 5 onwards shows higher active claim levels for T&C at all points of development. This is primarily driven by two insurers
- ▶ A new trend appears to be emerging for the 2023 accident year. These claims may remain in the scheme for longer compared to earlier accident periods
- ▶ 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.

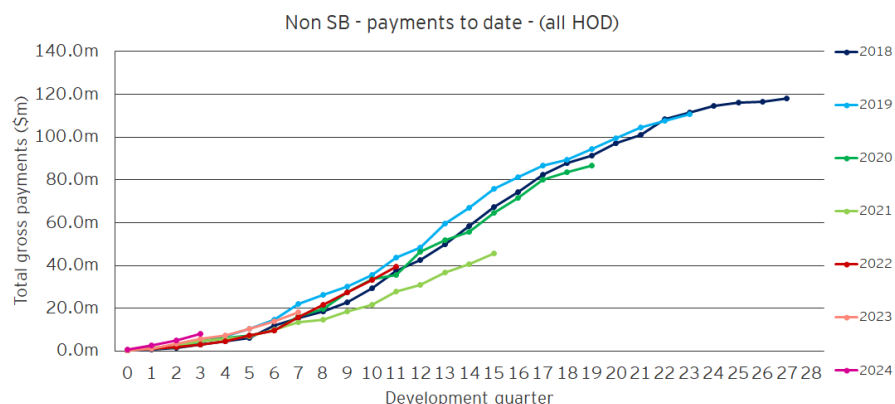
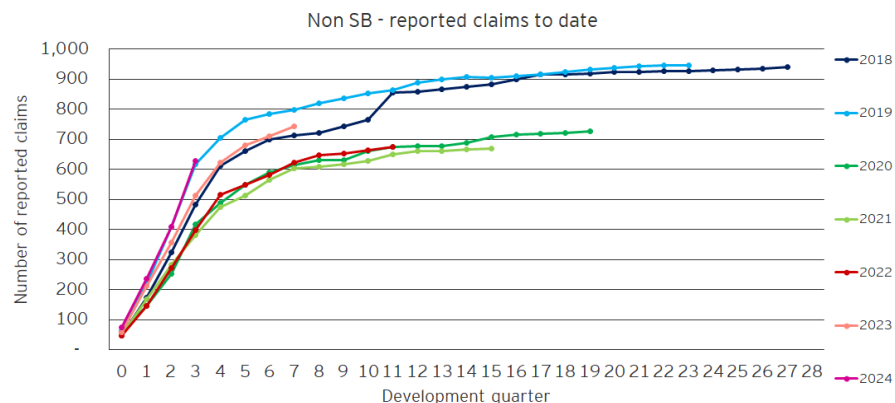
*Beyond the 5 year period, the active claim will transition from the licensed insurer to CTP care which will provide lifetime T&C benefits

Non-Statutory Benefits - development of claims & payments



Non-Statutory benefits - development of claims & payments

Claim payments and reported numbers



- ▶ The charts show the claims reporting profile and total payment profile for each accident year for Non-statutory benefit claims (i.e. Death, Interstate, and Workers' compensation claims)
- ▶ A reduction in the number of claims reported can be observed for the 2020-2022 accident years (i.e. the Covid lockdown affected years). This is driven by the Death and Interstate claim segments, following lockdowns and State border closure. This trend appears to have reversed in recent accident years, with claims reporting at a similar level and rate to the 2018 and 2019 accident years
- ▶ Payments to date continue to develop for all accident years. All claim segments are continuing to develop even for the earliest accident years
- ▶ The largest heads of damage for non-statutory benefit claims are death (including compensation to relative) claims and interstate claims, which make up approximately 80% of the non-statutory benefits paid to date. The remaining payments are for workers' compensation recovery claims
- ▶ Non-Statutory benefits form only a small portion of scheme costs, with expected payments to these claim segments forming roughly 10% of total scheme payments.

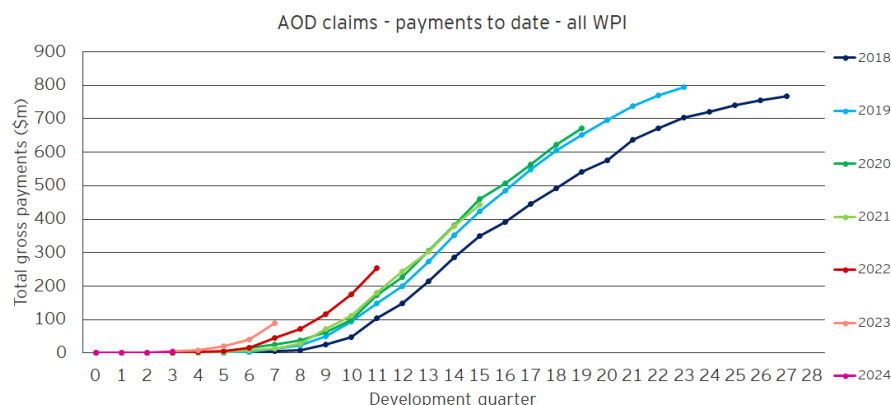
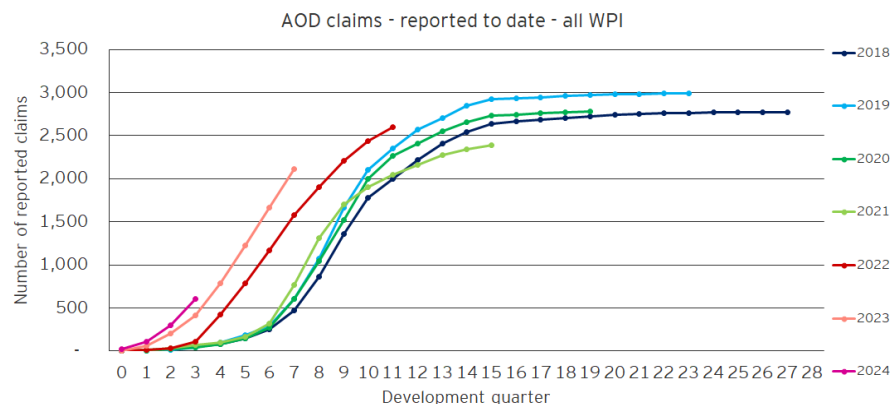
10

Award of Damages – development of claims & payments



Award of Damages - development of claims & payments

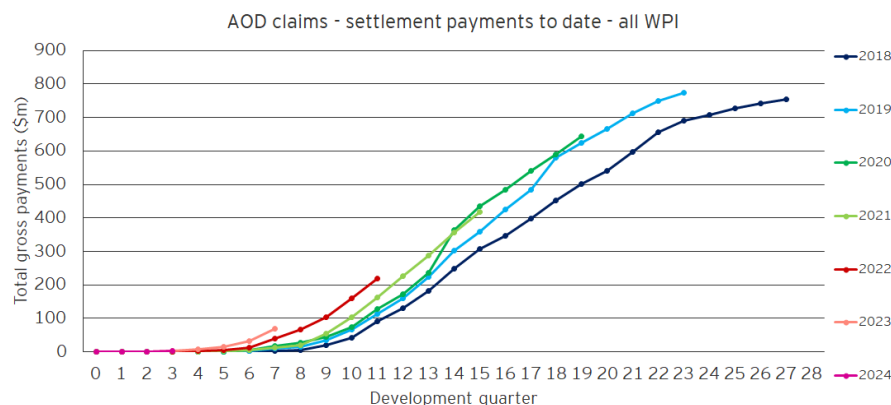
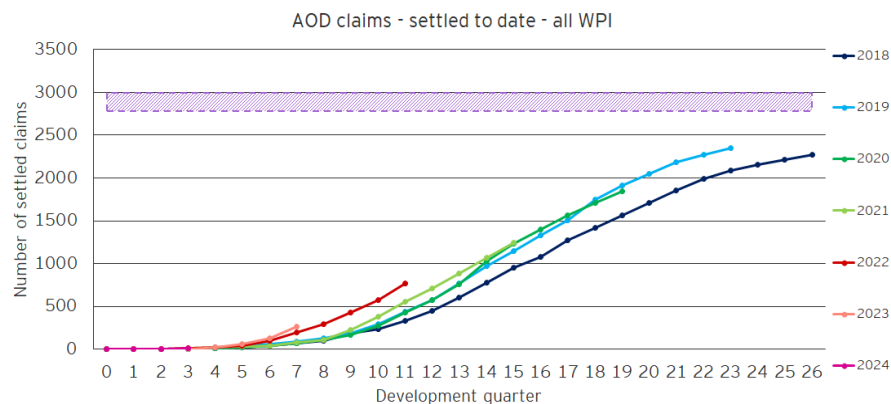
Claim payments and reported numbers



- ▶ The charts show the claims reporting profile and total payment profile for each accident year for all award of damages claims across all whole person impairment (WPI) levels, which includes undetermined WPI
- ▶ From accident year 2022 onwards, an increase 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 this is mostly due to earlier lodgements, though some additional claims are expected as a result of this change
- ▶ Claims reported from the 2018 - 2020 accident years appear to be stabilising. However, the claims reporting pattern for more recent accident periods remain uncertain
- ▶ The lower number of reported claims to date for 2021 is likely due to reduced exposure as a result of the Covid lockdowns
- ▶ Payments to date continue to develop for all accident years and the lack of experience continues to create uncertainty in assessing the financial performance of the 2017 Scheme
- ▶ For the most recent accident years 2022 and onwards, claimants are receiving higher payments compared to previous quarters at the same point of development. This is in part a result of earlier settlements from the removal of the 24-month waiting period. 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. This continues to be monitored.

Award of Damages - development of claims & payments

Claim payments and reported numbers (settled claims only)



*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.

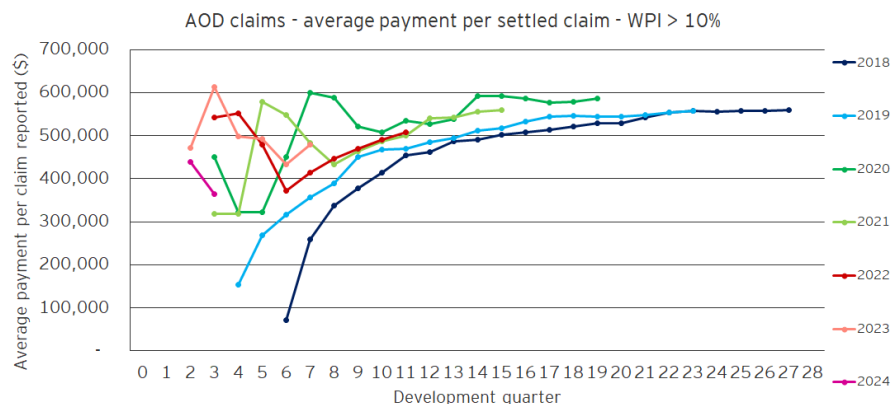
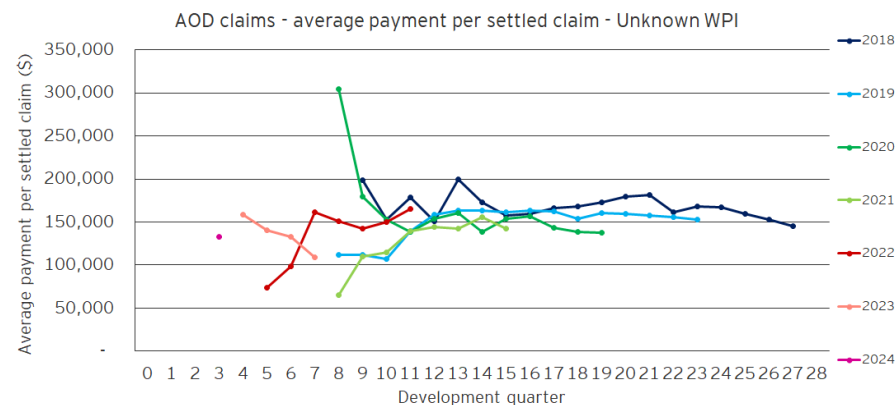
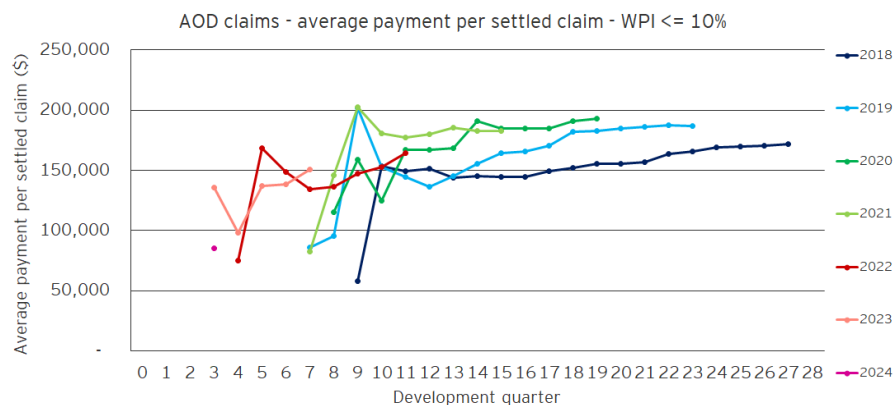
	Settled claims to date	Settlement payments to date	Expected remaining
2018 accident year (13 months)	2,431	\$783.1 m	\$190.0 m
2019 accident year	2,271	\$741.0 m	\$233.5 m
2020 accident year	1,706	\$584.9 m	\$398.2 m
2021 accident year	1,066	\$353.0 m	\$554.0 m
2022 accident year	580	\$157.3 m	\$969.0 m
2023 accident year	132	\$31.1 m	\$1,231.2 m
2024 accident year	2	\$0.9 m	

*Expected remaining settlement amount is based on ultimate projected payments from the 31 December 2023 valuation. 2024 accident year does not yet have an expected remaining settlement amount.

- ▶ The charts show the total payment profile and claims reporting profile for each accident year for settled* damages claims across all whole person impairment (WPI) categories, 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 settlements and payments to date continue to increase for all accident years
- ▶ The uptick observed at development quarter 13 for accident year 2020 and development quarter 17 for 2019 for the number of settled claims and amount of settlement payments is partially driven by one insurer. This insurer changed the status of a large number of claims to 'settled' across all accident years in the 2023Q3 reporting quarter
- ▶ For accidents post 28 November 2020, there is a speeding up in the settlement process compared to earlier accident years due to the removal of the 24 month settlement waiting period following the 2022 amendments.

Award of Damages - development of claims & payments

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

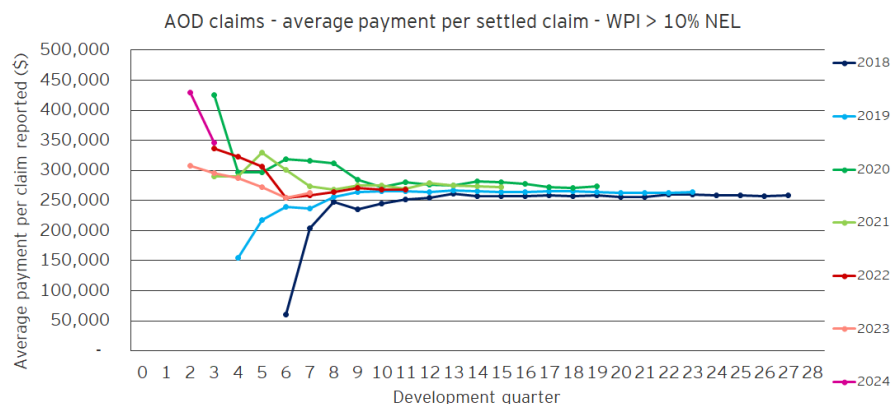


- ▶ The charts show the average payment per settled* claim for damages claims, split by whole person impairment (WPI) levels
- ▶ The average payment per settled claim for damages is trending towards a range of \$170,000 - \$190,000 for claims with WPI ≤ 10%, and \$560,000 - \$590,000 for WPI > 10%
- ▶ For damages claims that settled with an unknown WPI, the average payment per settled claim is around \$150,000 for older accident years. These settled claims exhibit a wide range of settlement amounts, due to varying claim characteristics and injury severities
- ▶ The payment profile of these settled damages claims continues to be monitored to understand the underlying claims behaviour and project the ultimate claim cost. For more recent accident years, claimants appear to be receiving higher payments compared to previous years at the same point of development for both WPI > 10% and WPI ≤ 10% cohorts. The drivers of this remain uncertain, however higher statutory benefit payments, particularly for T&C, may have been used as support to negotiate higher settlement amounts.

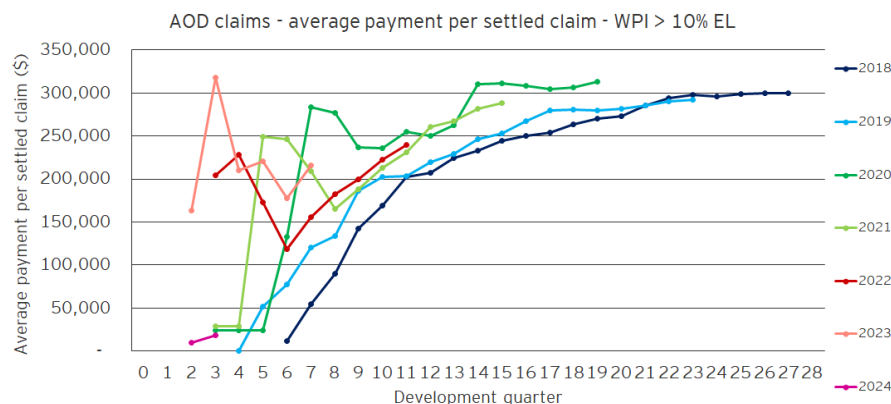
*For monitoring purposes, a claim is considered 'settled' when the insurer has indicated the 'Common Law Status' is 'Settled' and the claim has a positive settlement amount. Finalised claims that do not have a 'Common Law Status' of 'Settled' but have a positive settlement amount have also been included 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 \$260,000 to \$270,000 for the older accident years
- ▶ The average economic loss payment per settled claim is trending at or above \$300,000 to \$320,000 for the older accident years. There is uncertainty in the settlement experience observed as this is still developing
- ▶ The payment profile of these settled damages claims continues to be monitored to understand the underlying claims behaviour and to project the ultimate claim cost. For more recent accident years, claimants appear to be receiving higher payments compared to previous years at the same point of development for both economic loss and non-economic loss payments in WPI > 10%.



*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.

11

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 st Dec 2017	0.031%	0.120%	0.015%	0.063%	0.009%	0.214%	0.238%	0.060%	0.027%
15 th Jan 2019	0.094%	0.084%	0.015%	0.036%	0.009%	0.214%	0.238%	0.044%	0.027%
15 th Jan 2020	0.088%	0.085%	0.014%	0.037%	0.008%	0.210%	0.233%	0.045%	0.027%
15 th Jan 2021	0.086%	0.064%	0.015%	0.036%	0.008%	0.194%	0.209%	0.035%	0.026%
15 th Jan 2022	0.085%	0.061%	0.014%	0.035%	0.008%	0.188%	0.203%	0.031%	0.025%
15 th Jan 2023	0.082%	0.057%	0.014%	0.034%	0.006%	0.179%	0.194%	0.028%	0.024%
1 st Apr 2023	0.082%	0.057%	0.014%	0.034%	0.006%	0.179%	0.193%	0.029%	0.024%
15 th Jan 2024	0.086%	0.059%	0.015%	0.030%	0.006%	0.180%	0.195%	0.029%	0.024%

- ▶ The above table outlines the Schedule 1E claim frequencies effective each year from 1 Dec 2017 to 15 Jan 2024
- ▶ The 15 Jan 2024 Schedule 1E claim frequency is broadly consistent with the 1 Apr 2023 Schedule 1E for statutory benefit, non-statutory benefit claims and award of damages claims

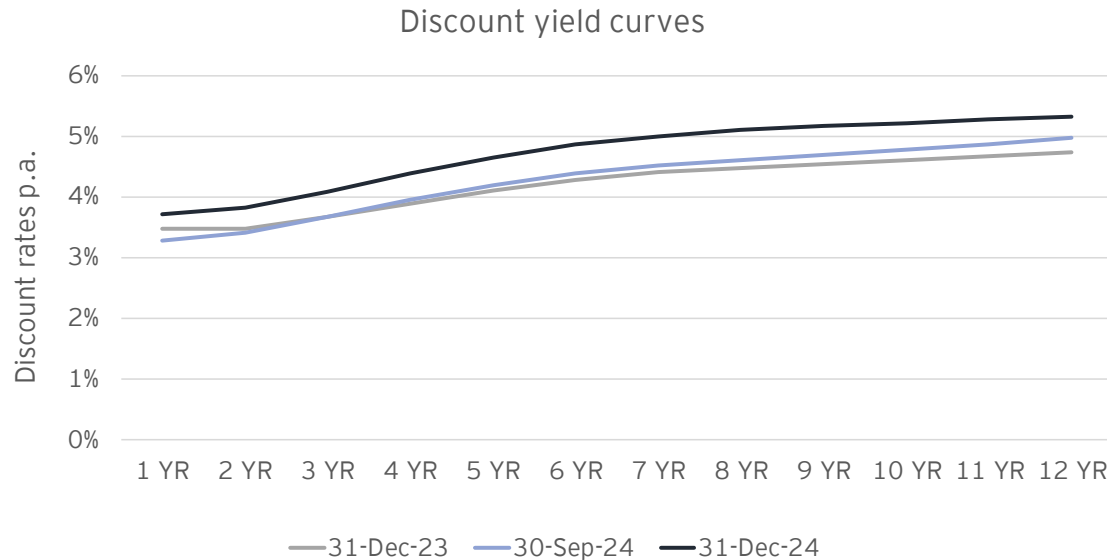
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Discount Rates



Discount Rates

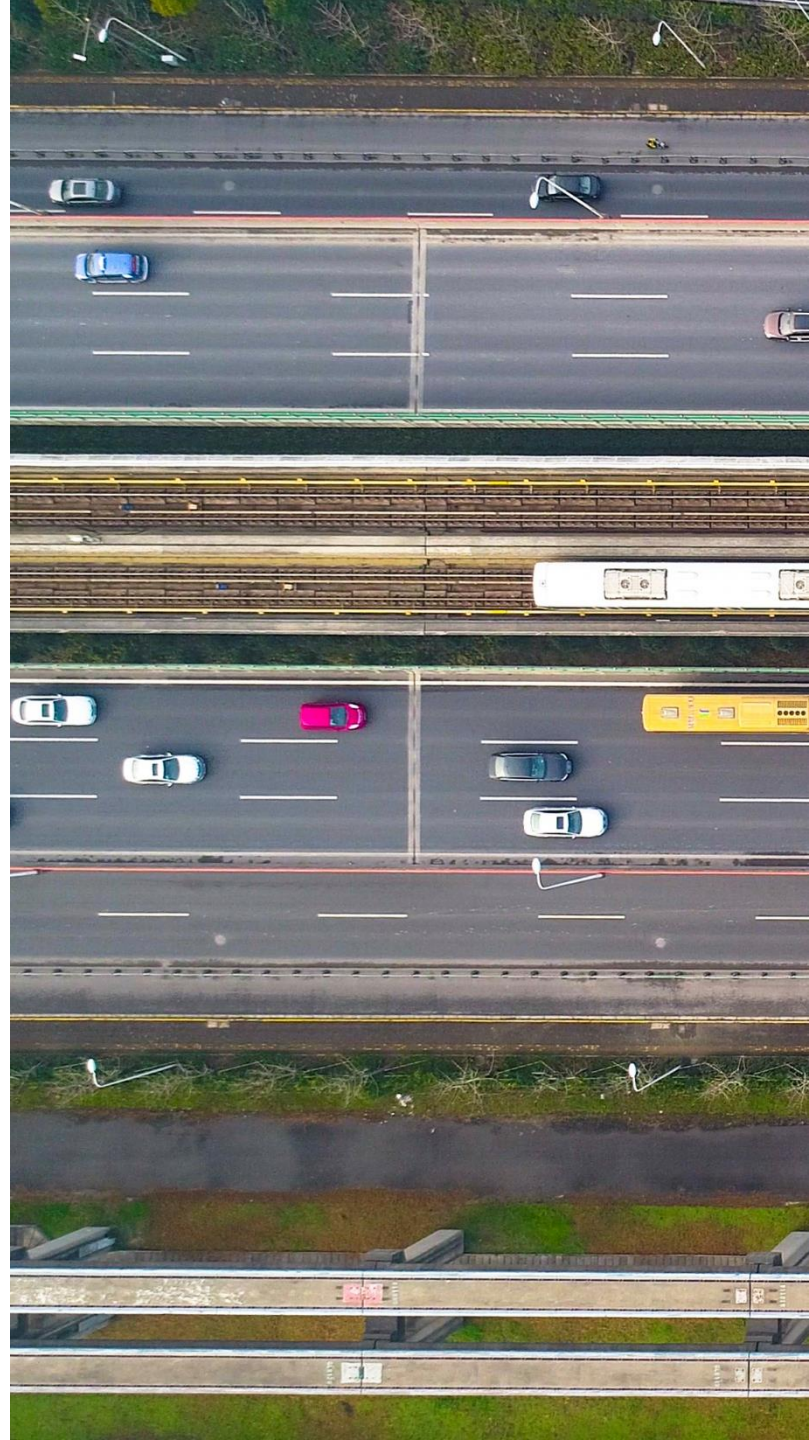
Premium Impact



- ▶ 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 30 September 2024, the 31 December 2024 yield curve is higher across all periods
- ▶ Typically, an increase in the yield curve will act to decrease the average premium and vice versa, holding all other factors constant.

13

Reliance and Limitations

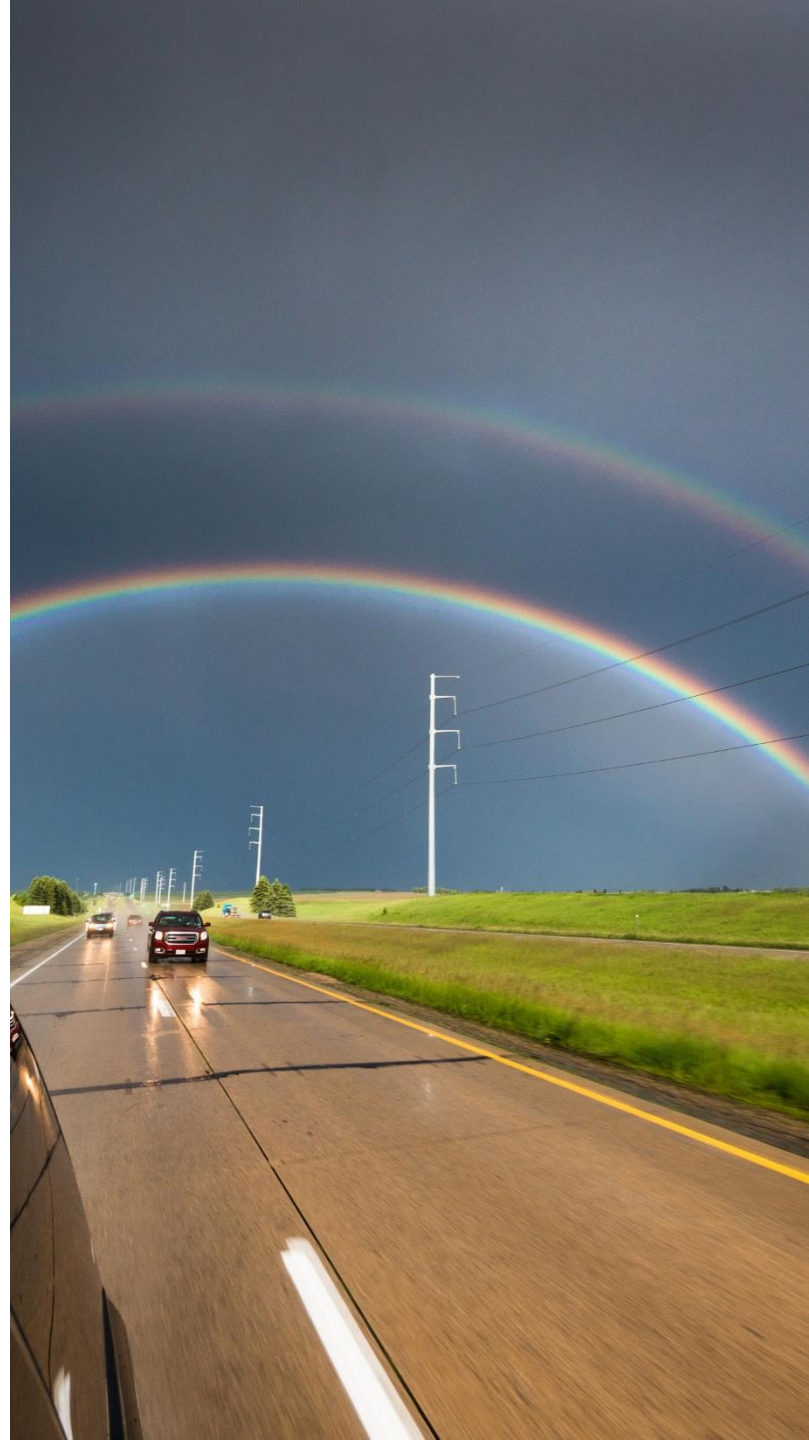


Reliance and limitations

- ▶ This report is a quarterly actuarial monitoring report for the 2017 CTP Scheme using data as at 31 December 2024
- ▶ 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 2024 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.

14

Glossary



Glossary (1)

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)

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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