

WorkCover WA

**2024/25 recommended premium
rates**

March 2024



Disclaimer

This report is not intended to be used by anyone other than WorkCover WA.

We prepared this report solely for WorkCover WA's use and benefit in accordance with and for the purpose set out in our engagement letter with WorkCover WA dated 1 December 2023 and section 1.1 of the report. In doing so, we acted exclusively for WorkCover WA and considered no-one else's interests.

We accept no responsibility, duty or liability:

- to anyone other than WorkCover WA in connection with this report
- to WorkCover WA for the consequences of using or relying on it for a purpose other than that referred to above.

We make no representation concerning the appropriateness of this report for anyone other than WorkCover WA. If anyone other than WorkCover WA chooses to use or rely on it they do so at their own risk.

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- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
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Ms Sharryn Jackson
Board Chairperson
WorkCover WA
2 Bedbrook Place
Shenton Park WA 6008

19 March 2024

Dear Sharryn

Please find enclosed our report on the 2024/25 recommended premium rates.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A Smith', with a large, flowing loop at the end.

Andrew Smith

Fellow of the Institute of Actuaries of Australia

Key findings

Context of our review

The purpose of this report is to present the recommended premium rates for the Western Australian workers compensation scheme for the 2024/25 financial year. The recommended premium rates are calculated in line with the following objectives:

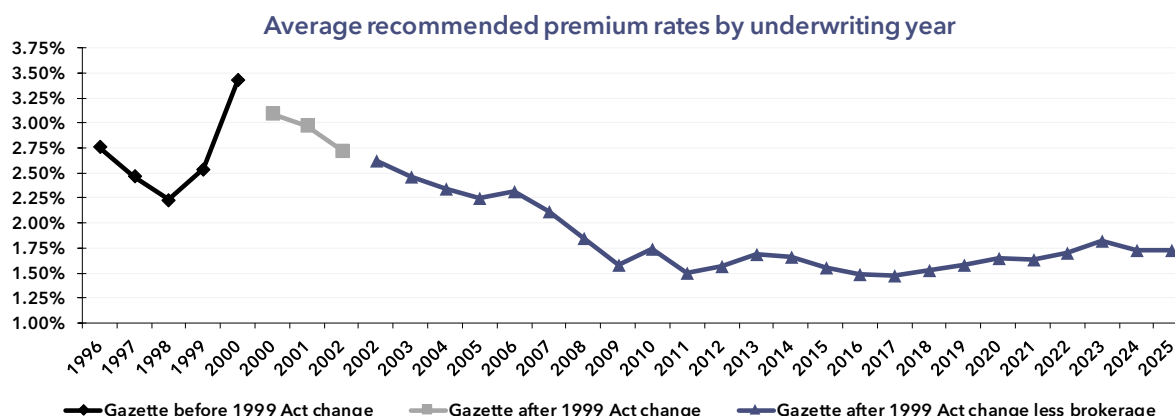
- Calculate the total amount of premium income required to meet the expected cost of claims allowing for expenses, contingency margins and investment income
- Recommend premium rates that are broadly equitable across different industry classes with no intentional cross subsidy of rates
- Suggest an appropriate overall increase or decrease in relative premium rates
- Use methods, which give relative stability in the rate structure.

A further objective of WorkCover WA is to examine the adequacy of outstanding claims provisions in aggregate.

Our recommendation

Based on the Board directives and other assumptions detailed in this report, we recommend a 0.3% increase in the average premium rate for 2024/25 to 1.732% of wages, excluding allowance for brokerage, from the current rate of 1.727%.

The chart below shows the applicable rates from 1996 onwards:



The average premium rate is based on an unbiased estimate of the future incurred risk cost of claims from our projection model.

The recommended premium rates for the 517 premium rating classes based on ANZSIC 2006 classification are detailed in Appendix A. The change in individual class rates is based on the experience for the class and will differ to the movement in the average premium rate.

KEY FINDINGS

Components of average premium rate

The average premium rate is derived by dividing the estimated incurred cost of claims, including expenses but excluding brokerage, by the developed returned earned wages.

The table below shows the key premium rating drivers for the WA scheme for the most recent three premium rating years. These are in appropriate values for that year, i.e. have not been brought into current values.

Key Driver	Premium rating year ending 30 June :				
	2025 (a)	2024 (b)	2023 (c)	% difference (a) / (b) -1	(b) / (c) -1
Risk cost of claims \$M (d)	1,340.7	1,200.5	1,163.0	11.7%	3.2%
Expense and margin factor (e)	1.3755	1.3889	1.4124	-1.0%	-1.7%
Gross premium \$M (f)	1,902.0	1,667.4	1,642.6	14.1%	1.5%
Earned wages returned \$M (g)	109,848	96,556	90,152	13.8%	7.1%
Average premium rate (h)	1.732%	1.727%	1.822%	0.3%	-5.2%

Notes : (a) from 2.1 of this report
 (b) & (c) from Key Findings of our 23 March 2023 RPR report
 (d) includes allowance for IBNR, inflated and discounted values and no allowance for Act changes
 (e) for grossing up the estimated risk cost of claims for expenses and margins, net of interest credit
 (f) = ((d) x (1 + 1.94% + 0.67%) - 11.1 million) x (e) + 25.1 million, ie allowing for Act changes in 2025
 (g) adjusted to include final wage adjustments and employment growth for the half year to 31 December 2023
 (h) = (f) / (g) %

There is a 0.3% increase in the average rate for the premium rating year ending 30 June 2025, driven by:

- **A 10.6% increase in the incurred cost of claims** (excluding the 2023 Act changes). The incurred cost increased due to the projected risk cost of claims being higher than the 2024 premium rating year by 11.7%, partially offset by the expenses and margin factor decreasing by 1.0%.

The key drivers of the 11.7% higher risk cost are:

- Higher average claim size
- Higher incurred claim numbers emerging in recent accident years.

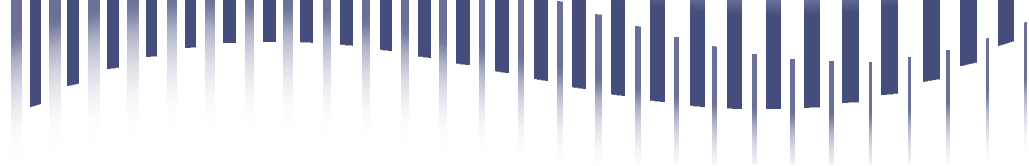
The 1.0% lower expense and margin factor is due to a decrease in the expense loading from 15.5% to 15.0% as earned premium increased by more than expenses.

- **A 13.8% increase in projected earned returned wages.**
- **A 3.2% increase due to the new 2023 Act.**

Based on the experience discussed in the report we have made the following assumptions in deriving the recommended premium rates:

Workers Compensation and Injury Management Act 2023 (2023 Act)

The 2023 Act is expected to commence on 1 July 2024. The overall impact of the 2023 Act on the 2024/25 recommended premium rates is estimated to be 3.2%. This includes the allowance for the doubling of the cap on medical and health expenses, income compensation payments step-down



KEY FINDINGS

extending from 13 to 26 weeks, net impact of the new Catastrophic Injuries Support Scheme (CISS) levy and new base rates for medical and allied health fees.

See Appendix D5 for more details on the 2023 Act changes and other recent legislative changes.

Target loss ratio

We have adopted a target loss ratio of 72.7% to calculate the premium rates gross of expenses and margins, including interest credit but excluding brokerage. This is higher than the target loss ratio of 72.0% used last year, primarily due to an increase in the expected one year forward interest rate and the decrease in the expense loading.

Total expense levels

The adopted expense margin is a three year average of insurers' expenses. The total adopted expense level of 15.0% (15.5%) of premium is made up of 13.9% (14.3%) management expenses and 1.1% (1.2%) for the General Account levy. Figures in brackets are last year's.

Superimposed inflation

We have adopted a different rate of superimposed inflation to project from the 2022/23 accident year to the 2024/25 underwriting year than used in the outstanding claims valuation. This is due to the high superimposed inflation rate in the outstanding claims valuation being driven by the change in the mix of claims across the accident years. In particular, the high superimposed inflation rates are mainly driven by the reduction in the number of claims, and resultant change in claims mix as the number of lower cost claims continue to reduce. The number of claims has been relatively stable over 2020/21 to 2022/23, so this is a positive indication that the superimposed inflation rate may also start to stabilise at a lower rate.

For the projections to the 2024/25 underwriting year, we have assumed the same mix of claims as the 2022/23 accident year.

The adopted superimposed inflation to project from the 2022/23 accident year to the 2024/25 underwriting year is 2.8%. This is lower than the 3.0% adopted last year. See Appendix D.2.2 for more details.

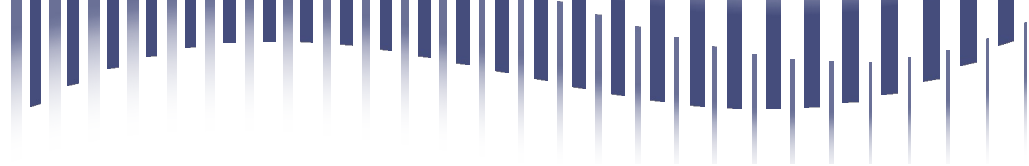
The total superimposed inflation adopted for outstanding claims valuation is 4.3% pa, a decrease compared to 4.7% at the previous valuation.

Claims experience for the half-year to 31 December 2023

The risk cost of claims for the 2024/25 premium rates includes an allowance for the number of claims reported in the half year to 31 December 2023 for the 2024 accident year compared to the 2023 accident year. The number of claims for 2024 is 0.2% higher than 2023. We considered the payment experience when determining the adopted payment rates for the outstanding claims valuation.

Employment growth for the half-year to 31 December 2023

The 2024/25 premium rates calculation includes an allowance for change in employment in the half year to 31 December 2023. This is to be consistent with our adjustment for the number of claims in the half year. The number of full time employees increased by 1.5% in the six months to 31 December 2023. In the six months to 31 December 2022 the number of full-time employees increased by 0.2%.



KEY FINDINGS

Wages to 31 December 2023

In calculating the premium rates, we have used the developed earned wages for the 2022/23 accident year. Claim costs and wages are assumed to be subject to the same inflation rates, and therefore any inflation impacts would offset in the context of the average premium rate. Given this, we do not inflate either to 2024/25.

Economic assumptions

The future inflation assumptions for our outstanding claims review are based on the wage inflation assumptions produced by the WA Treasury for the 2023/24 WA Government Mid-year Financial Projections Statement.

As per last year, we have used a stepped inflation rate for future periods. For initial periods this is based on the WA Treasury forecasts and for the longer-term periods, we have adopted long-term inflation and discount rate assumptions. The overall impact is an increase in the real rates of return for all years which decreases the liabilities.

See Appendix D1 for further information.

Recommended premium rates by class

We have adopted minimum and maximum rates of \$0.25 and \$12.00 per \$100 of wages respectively, when calculating the premium rates. These are the same minimum and maximum rates as last year. In addition, we have also excluded some additional classes from the premium pool respread, as per last year. See section 6.6 for more detail.

Premium rates for 15 classes were capped at the minimum rate of \$0.25 per \$100 of wages and one class is capped at \$12 per \$100 of wages and all other premium rates reduced by 0.4% as a result of the premium respread. This is higher than the 0.3% reduction for the 2023/24 premium rates.

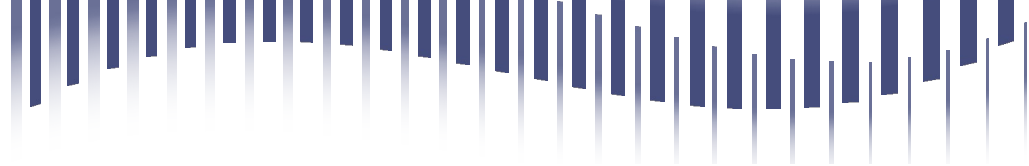
This year, we have been requested to continue to cap the class premium rate movement at 25%, both upwards and downwards, as per last year. The capping of movement at 25% from the 2023/24 Gazette rates affected 17 of the 517 class (3%). 11 classes had a capped increase of 25% and 6 classes had a capped decrease of 25%. This meant that all other premium rates increased by 0.2% because of premium respread, which is less than last year (0.3%). Thus, the overall net impact of the respreading due to the minimum and maximum rates as well as the movement capping is negligible at 0.2% reduction.

If the capping of premium rate movements were to continue in future years, the impact on uncapped classes is expected to continue to reduce.

For more details on the capping of rates, see section 5.2.

The Recommended Minimum Premiums per policy for the 2024/25 financial year have increased from last year and are as follows:

Recommended Minimum Premium			
	Last year's Gazette	Indexed since last change	2024/25 recommended
Householder Policies	\$95.00	\$104.12	\$100.00
All Other Polices	\$290.00	\$306.53	\$305.00



KEY FINDINGS

Outstanding claim liabilities

The outstanding claim liabilities (inflated but not discounted and excluding claims handling expenses) as at 30 June 2023 are estimated to be \$2,007.7 million, excluding the 2015 and earlier accident years. This is \$17.3 million (0.9%) lower than the aggregate outstanding claims estimates returned by applicable insurers of \$2,025.0 million. Last year we were 0.9% higher than insurers' estimates excluding the 2014 and earlier years.

A detailed reconciliation of the build-up of inflated and discounted estimates over the year is shown in section 3.3. This shows a net strain on reserves over 2022/23 of \$37.0 million (2.1%) on our inflated and discounted projections including expenses. Insurers provide inflated estimates, and these had a strain on reserves of \$79.8 million (4.1%) on all accident years to 30 June 2022. On an inflated basis, our estimates had a strain on reserves of \$40.1 million (2.1%).

We have included an allowance for the 2023 Act in the 30 June 2023 outstanding claims liability for the doubling of the cap on medical and health expenses and new base rates for medical and allied health fees. This increases the 30 June 2023 outstanding claims liability by 0.7%.

Uncertainty

The main sources of uncertainty in the projected premium rate for 2024/25 include:

- Claims management
- Current economic outlook, including inflationary pressure
- The historic reduction in the number of small claims in the scheme, and associated change in claims mix
- Legal and settlement costs
- Impact from the 2020 Amendment Act
- Workers Compensation and Injury Management Act 2023
- Silicosis claims
- COVID-19
- Hospital fees legislation change

See section 7.3 for more details on these.

Form and quality of data used

The latest data available from insurer submissions relates to 2022/23. The form of this year's data is similar to the data supplied last year.

The 2024/25 recommended premium rates are calculated using the 2022/23 returns together with information provided by WorkCover WA for the split by payment types and the experience in the six months to 31 December 2023.

The overall quality of the data this year was acceptable for our premium rate projections, once the data validation process was completed.

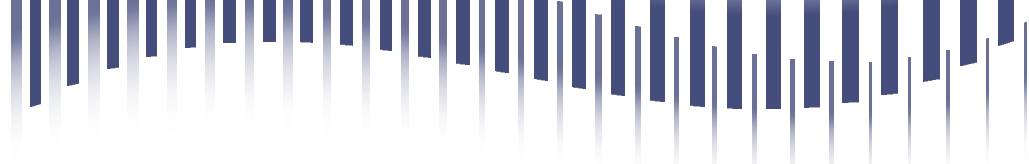
KEY FINDINGS

We encourage insurers to continue to compare their form submissions with the prior year's final version and proactively provide explanations for any large differences.

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1 About this report

1.1 Context for our review

The purpose of this report is to recommend premium rates for the Western Australian workers compensation scheme over the 2024/25 financial year and to document the analysis undertaken to reach that recommendation. This report has been prepared for WorkCover WA in accordance with the actuarial services as specified in detail in tender document WCWAT31718.

PricewaterhouseCoopers Consulting (Australia) Pty Limited changed its name to Scyne Advisory Pty Limited on 6 July 2023 in anticipation of the sale of the business. The sale of the PwC Government Services business completed on 8 November 2023. The change of control letter for our existing actuarial contract was signed by WorkCover WA on 28 November 2023.

We (previously as PwC) have prepared the recommended premium rates report for the WA workers compensation scheme for a number of years. The most recent report was *2023/24 recommended premium rates* dated 23 March 2023.

The Board of WorkCover WA is ultimately responsible for the determination of recommended premium rates.

Under the new 2023 Act, insurers have the discretion to discount or surcharge the recommended rate by any amount.

The analyses and recommended premium rates presented in this report are based on claim data to 30 June 2023 as supplied by applicable approved private insurers and the Insurance Commission of Western Australia (ICWA). Our recommendations also consider the half yearly data to 31 December 2023. The insurers supplying data are collectively known as premium rate returning entities. All self-insurers, other than RiskCover, are excluded from these analyses. See section 4 for a discussion on the data provided for this report.

We used a hierarchical credibility experience rating method to calculate the relative premium rates for each class, based on a weighted average over six accident years. This method relies on the claims experience of each class and the extent of this reliance increases with the size/exposure of the class.

The premium rating method has been adjusted for:

- Our projection of the ultimate incurred cost of claims
- Returned wages, adjusted to reflect the extent to which past returned wages have increased or decreased in future years
- Emerging claims and economic trends.

The method and assumptions are described in greater detail in sections 5 and 6 respectively.

No explicit allowance has been made for the 2020 Amendment Act which commenced on 12 October 2020. We have made allowance for the 2023 Act based on the target commencement date of 1 July 2024. See Appendix D for more information.

ABOUT THIS REPORT

As specified in WCWAT31718, we have examined the adequacy of insurers' outstanding claim provisions in total. See section 3.1.2 for more detail.

1.2 Objectives for our review

This report details our recommended premium rates to apply in the Western Australian workers compensation scheme in the 2024/25 financial year. The main objectives of this exercise are to:

- Calculate the total amount of premium income required to meet the expected cost of claims plus expenses and margins with investment income
- Recommend rates that are broadly equitable across different industry classes with no intentional cross subsidy of rates
- Suggest an appropriate overall increase or decrease in relative premium rates
- Use methods, which give relative stability in the rate structure.

A further objective of WorkCover WA is to examine the adequacy of outstanding claims provisions in aggregate.

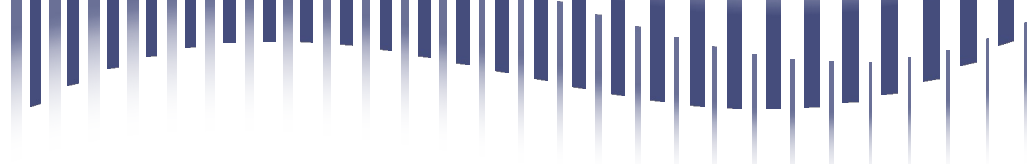
1.3 Compliance with standards

1.3.1 Premium rates

Our advice complies with the Actuaries Institute Code of Conduct.

1.3.2 Outstanding claims liabilities

The approach for calculating the outstanding claims liabilities is consistent with that required by the Accounting Standards for private and State Government general insurers (AASB1023), and APRA's prudential standard CPS320 and GPS340 for liability valuations for general insurance. It also complies with the Actuaries Institute Professional Standard PS302, with the exception that we have not performed a valuation of asbestos liabilities. As agreed with WorkCover WA, an asbestos liability valuation is not necessary in the context of setting premium rates.



2 Premium rates analysis

2.1 Overall premium rate variation

2.1.1 Incurred cost of claims in inflated and discounted values

The estimated number of claims incurred by the premium rate returning entities is:

Claims incurred	
2022/23 accident year (a)	25,102
2023/24 accident year (b)	25,152
2024/25 underwriting year (c)	25,152

Notes: (a) From our analysis of the 2022/23 data

(b) = (a) x (1+0.2%) indicated by the experience in the half year to 31 December 2023

(c) Assumed equal to the 2023/24 accident year

The adopted average claim size is:

Average claim size	Current values	Inflated and discounted (d)
2022/23 accident year (a)	52,033	50,787
2023/24 accident year (b)	53,490	52,210
2024/25 underwriting year (c)	54,609	53,302

Notes: (a) As per the adopted actuarial assessment model, excluding 2023 Act changes

(b) = (a) + 1 year of superimposed inflation (2.8% p.a.)

= (a) x 1.028

(c) = (a) + 1.75 years of superimposed inflation (2.8% p.a.)

= (a) x 1.028 ^ 1.75

(d) = current values excluding Act changes x inflation and discount factor

The inflation and discount factor used is 0.9761 (0.9839 last year). This allows for projected future cashflow to be inflated and discounted using the financial assumptions stated in section 6.1

The rate of superimposed inflation (SII) allowed for in the premium rating calculation is derived from an analysis separate to the outstanding claims valuation. Historically, the high superimposed inflation rates observed are mainly driven by the reduction in the number of claims, and resultant change in claims mix as the number of lower cost claims continue to reduce. The number of claims has been relatively stable over 2020/21 to 2022/23, so we anticipate that the superimposed inflation rate may start to stabilise at a lower rate if this trend continues. As a result of the change in trend, a separate analysis of SII for premium rating purposes was required. The analysis indicated a SII rate of 2.8% which is lower than the 3.0% adopted last year. See Appendix D.2.2 for more details.

SII is applied to the midpoint of the claims incurred period. For the 2024/25 underwriting year, this is 1.75 years after the 2022/23 accident year, which is the mid-point to which the premium rates apply. These are notional forward average claim sizes. Normal wage inflation is not included for consistency with the total wages used to calculate the average premium rate.

The adopted average claim sizes above do not allow for the Workers Compensation and Injury Management Act 2023 as we have included them in the table below.

PREMIUM RATES ANALYSIS

The estimated risk premium is shown in the table below. The estimated risk premium is equivalent to the number of claims incurred multiplied by the average claim size.

Number of claims x average claim size = Risk premium (\$M)		
2022/23 accident year	$25,102 \times 50,787 =$	1,274.9
2023/24 accident year	$25,152 \times 52,210 =$	1,313.2
2024/25 underwriting year	$25,152 \times 53,302 \times (1 + 1.94\% + 0.67\%) - 11.1 \text{ million} =$	1,364.6

For the 2024/25 year we have included an allowance for a 1.94% increase in costs due to the 2023 Act, as well as a 0.67% increase due to the alignment of medical and allied health fees to the AMA rates and health insurers' rates, respectively. In addition to this we have allowed for a \$11.1 million reduction in common law payments due to catastrophically injured claimants accessing medical benefits from the Catastrophic Injuries Support Scheme (CISS) instead. See Appendix D.5 for more detail.

2.1.2 Impact on overall premium levels

Gross premium is the risk premium with appropriate allowance for expenses (excluding brokerage), contingency margins and interest earned. The estimated gross premium for the premium rate returning entities is shown in the table below:

Risk premium x loading factor = Gross premium (\$M)		
2022/23 accident year	$1,274.9 \times 1.3755 =$	1,753.6
2023/24 accident year	$1,313.2 \times 1.3755 =$	1,806.3
2024/25 underwriting year	$1,364.6 \times 1.3755 + 25.1 \text{ million} =$	1,902.0

The adopted loading factor of 1.3755 is lower than the 1.3889 adopted for our previous valuation due to a decrease in the expense margin. The factor is defined as the inverse of the target loss ratio. More detail is presented in section 6.5.

The \$25.1 million is the allowance for the new Catastrophic Injuries Support Scheme (CISS) levy for 2024/25. This is the estimated insurer's portion of the \$27.3 million levy.

The average premium rate is derived by dividing the gross premium by developed wages. The estimated wages for the 2024/25 average premium rate is calculated by multiplying the 2022/23 returned wages by a wage development factor, and making an allowance for the change in the number of employed persons in the half year to 31 December 2023.

PREMIUM RATES ANALYSIS

This is calculated as follows:

Wages (\$M)	
2022/23 returned wages (a)	104,836
Adjustment factor (b)	1.0328
2022/23 developed wages (c)	108,277
Employment growth (d)	1.0145
Earned wages (e)	109,848

Notes: (a) As supplied by insurers

(b) See Appendix C2

(c) = (a) x (b)

(d) = 1,095 / 1,080, from ABS Cat. 6202.0 Table 8 Labour Force for average full time persons for Western Australia at 31 December 2023 quarter and 30 June 2023 quarter respectively

(e) = (c) x (d)

This year, the adjustment factor of 1.0328 is higher than 1.0238 use last year due to higher development of wages over the year. The employment growth factor is 1.0145, which is higher than the factor last year of 1.0020.

For the purpose of estimating the 2024/25 recommended premium rates we have used the 2022/23 earned wages as provided with the historical development factors. We understand part of the increase in wages in 2022/23 is due to WorkCover WA identifying employers without a workers compensation insurance policy and requiring them to obtain one. We have not made any special adjustments to the wages in 2024/25 for this activity to continue. We assume that any future increase in the wages for employers who didn't previously have a workers compensation insurance policy will have a corresponding increase in claims experience.

Using the information above, the average premium rate for 2024/25, with comparison to the prior two years, is as follows:

Key Driver	Premium rating year ending 30 June :				
	2025 (a)	2024 (b)	2023 % difference (c)	(a) / (b) -1	(b) / (c) -1
Number of claims incurred (d)	25,152	24,480	24,845	2.7%	-1.5%
Average claim size \$ (e)	53,302	49,043	46,809	8.7%	4.8%
Expense and margin factor (f)	1.3755	1.3889	1.4124	-1.0%	-1.7%
Earned wages \$M (g)	109,848	96,556	90,152	13.8%	7.1%
Gross premium \$M (h)	1,902.0	1,667.4	1,642.6	14.1%	1.5%
Average premium rate (i)	1.732%	1.727%	1.822%	0.3%	-5.2%

Notes : (a) from 2.1 of this report

(b) & (c) from 1.1 of our 23 March 2023 RPR report

(d) includes allowance for IBNR

(e) in inflated and discounted values, no Act change allowance is included

(f) for grossing up the estimated risk cost of claims for expenses and margins, net of interest credit

(g) adjusted to include final wage adjustments and employment growth for the half year to 31 December 2023

(h) = ((d) x (e) x (1 + 1.94% + 0.67%) - 11.1 million) x (f) + 25.1 million, ie allowing for Act changes in 2025

(i) = (h) / (g) %

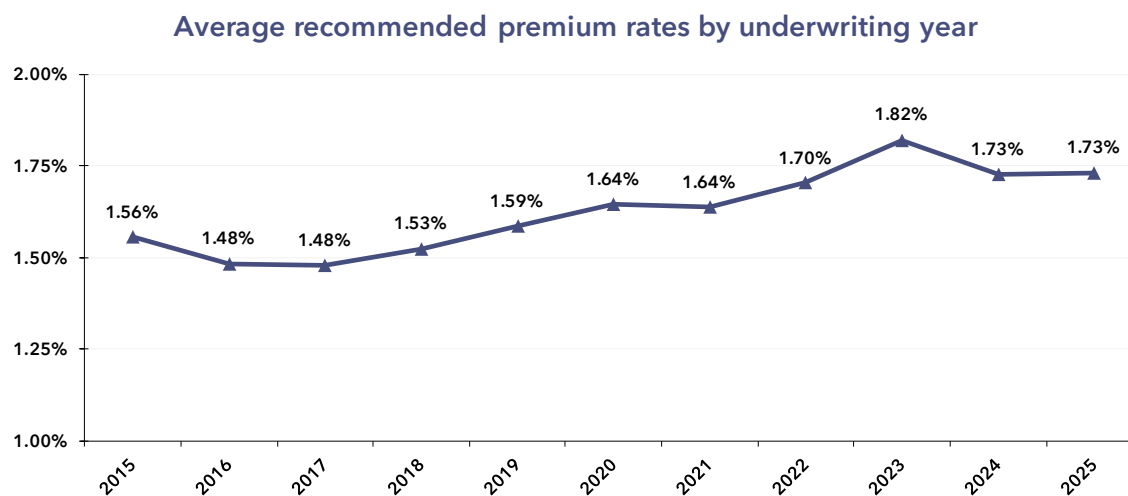
PREMIUM RATES ANALYSIS

The above analyses and discussion suggest that the weighted average Gazette premium rate **increases by 0.3%**.

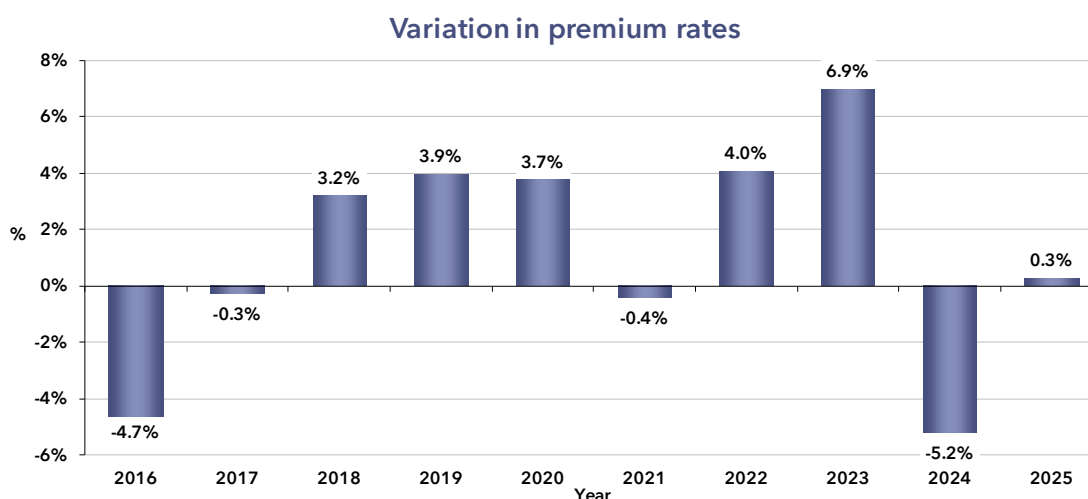
The premium rates do not include brokerage costs or an allowance for the 10% GST on premiums, which is generally recoverable by employers.

2.1.3 Historical aggregate premium rates

The historical aggregate premium rates over the last eleven years are as follows:



The chart below shows the variation in the average Gazetted recommended premium rates over the last ten years:



Overall, premium rates increased by 16.8% over the period shown.

PREMIUM RATES ANALYSIS

The key drivers of past changes in the premium rates for the last five years were as follows:

Year	Increase / decrease	Main drivers
2020	3.7%	<ul style="list-style-type: none"> Reduction in wages compared to the wages used in last year's rates, after allowing for wage inflation An increase in expenses <p>Partially offset by:</p> <ul style="list-style-type: none"> Lower claim numbers for 2017/18 A decrease in superimposed inflation for the outstanding claims valuation, which more than offset the increase in the average claim size above the rate of wage inflation
2021	-0.4%	<ul style="list-style-type: none"> Lower claim numbers for 2018/19 and in the half year to 31 December 2019 Increase in wages <p>Partially offset by:</p> <ul style="list-style-type: none"> An increase in the average claim size, including superimposed inflation, above the rate of inflation Reductions in market interest rates
2022	4.0%	<ul style="list-style-type: none"> Higher average claim size, including superimposed inflation, above the rate of inflation A 1% increase in contingency margin from 11% to 12% Reduction in market interest rates offset by a reduction in inflation rates <p>Partially offset by:</p> <ul style="list-style-type: none"> Increase in wages and employment to 31 December 2020 Lower incurred claim numbers for 2019/20 and in the half year to 31 December 2020, offset by the adjustment for the low claims in the June 2020 quarter
2023	6.9%	<ul style="list-style-type: none"> Higher incurred claim numbers for 2020/21 and in the half year to 31 December 2021 Higher average claim size, significantly above the rate of inflation A 1% increase in contingency margin from 12% to 13% <p>Partially offset by:</p> <ul style="list-style-type: none"> Increase in wages and employment to 31 December 2021 Decrease in the adopted forward looking superimposed inflation.

PREMIUM RATES ANALYSIS

Year	Increase / decrease	Main drivers
2024	-5.2%	<ul style="list-style-type: none"> • Increase in returned wages to 2021/22 • Fewer incurred claim numbers for 2021/22, partially offset by a higher half year to 31 December 2022 • Increase in the market interest rates by more than the increase in inflation rates • Decrease in expense rate <p>Partially offset by:</p> <ul style="list-style-type: none"> • Higher average claim size, above the rate of inflation • Lower growth in employment in the six months to 31 December 2022.

2024/25 premium rate drivers

The key drivers of the 0.3% increase in premium rates for 2024/25 are:

- Higher average claim size, above the rate of inflation
- Increase due to the 2023 Act changes
- Higher incurred claim numbers for 2022/23, and a slightly higher half year to 31 December 2023

partially offset by:

- Increase in returned wages to 2022/23
- Lower growth in employment in the six months to 31 December 2023, compared to last year
- Increase in the market interest rates by more than the increase in inflation rates
- Decrease in expense rate

The table below shows the detailed 2024/25 premium rate drivers:

Key drivers		
2024/25 average premium rate change		
<i>Internal factors - claims, wages and other</i>		
Increase in 2022/23 claim numbers	2.5%	
Change in December 23 half year claim numbers	0.2%	
Average claim size increase more than inflation	4.0%	
Change in superimposed inflation	-0.2%	
Change in legislation	3.2%	
Increase in wages	-6.2%	
Decrease in expenses	-0.7%	
<i>Total internal factors - claims, wages and other</i>		2.5%
<i>External economic factors</i>		
Change in market interest rates	-1.2%	
Change in inflation rates	0.3%	
Change in employment in half year to December 2023	-1.2%	
<i>Total external economic factors</i>		-2.1%
Total 2024/25 average premium rate change		0.3%

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The percentage increases are multiplicative rather than additive.

2.2 Premium rates by division

The recommended premium rates by division are:

Recommended Premium Rates at ANZSIC division level by underwriting year				
Division	2022/23	2023/24	2024/25	Difference (a)
A - Agriculture, forestry and fishing	5.72	5.12	5.02	-1.8%
B - Mining	1.61	1.52	1.54	1.2%
C - Manufacturing	2.57	2.45	2.46	0.2%
D - Electricity, gas, water and waste services	1.28	1.11	1.11	0.3%
E - Construction	2.31	2.15	2.21	2.7%
F - Wholesale trade	1.52	1.44	1.43	-0.8%
G - Retail trade	1.76	1.66	1.67	0.8%
H - Accommodation and food services	1.95	1.87	1.87	0.2%
I - Transport, postal and warehousing	3.04	2.93	2.98	1.4%
J - Information media and telecommunications	0.59	0.51	0.47	-7.9%
K - Financial and insurance services	0.25	0.25	0.25	0.0%
L - Rental, hiring and real estate services	0.91	0.86	0.89	3.9%
M - Professional, scientific and technical services	0.39	0.37	0.35	-3.9%
N - Administrative and support services	2.22	2.17	2.29	5.7%
O - Public administration and safety	3.03	3.02	3.12	3.3%
P - Education and training	1.49	1.45	1.50	3.9%
Q - Health care and social assistance	2.05	1.91	1.88	-1.9%
R - Arts and recreation services	2.01	1.87	1.80	-3.9%
S - Other services	1.82	1.63	1.54	-5.6%
Overall	1.82	1.73	1.73	0.3%

Notes: (a) = (2024/25 rate) / (2023/25 rate) -1 as a percentage

Of the 19 ANZSIC 2006 divisions 7 have decreased and 12 have increased in the 2024/25 premium rate compared to 2023/24.

The most significant decrease is for division *J- Information media and telecommunications*, which has decreased by 7.9% due to favourable experience in recent years in most of the classes within the division, with three classes have a capped reduction of 25%.

The most significant increase is for division *N - Administrative and support services*, which has increased by 5.7% due to unfavourable experience in recent years with two classes within the division having a capped increase of 25%.

The overall aggregate premium rate is weighted by wages per division. Therefore, the 0.3% increase in the overall premium rate is not a straight average of the percentage differences for each division, since the wages are not uniform by division.

We have not included a specific allowance for silicosis in the 2024/25 premium rates as we understand most WA employees currently employed in the relevant occupations have now been tested and their claims experience is mostly in the data, though the ultimate size of these claims is still uncertain as most claims remain open. There remains a risk that there could also be future claims reported from historical exposure which arise from people previously employed in the relevant industries who have not yet been tested and people who have been tested develop symptoms in the future. There is a ban on the use of

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engineered stone commencing from 1 July 2024. This should reduce the incidence of claims in 2024/25 as the engineered stone can no longer be manufactured or added into homes. There could still be cases arising from the removal of stone benchtops if they are cut up as part of the removal process.

As at 31 December 2023, excluding disallowed claims there were a total of 42 silicosis claims for 21 claimants, of which 39 silicosis claims lodged for 18 claimants are for non-mining industries. At our previous valuation there were 36 known silicosis claims for 21 claimants for non-mining industries that hadn't been disallowed. At this point, we don't expect the silicosis claim frequency in WA to be as prevalent as reported in Queensland.

COVID-19 could have a greater impact on some divisions than others, for example the presumptive legislation for healthcare workers. The claims reported to date have been spread across 18 of the 19 divisions, though overall have been fewer than the high-level modelling in our 1 April 2022 report. The COVID claims reported from the June 2023 have mostly been in division *Q - Healthcare and social assistance* though have been few in number and low in size. We have not included an additional allowance for COVID-19 in the 2024/25 premium rates.

See section 7.3 for further discussion regarding both silicosis and COVID-19 claims.

2.3 Movement in relative premium rates

The tables below show the movement in the recommended premium rates exclusive and inclusive of the 0.3% increase in the aggregate premium rate, as well as pre and post allowance for the 25% movement cap for both upwards and downwards.

2.3.1 Impact on class rates from change in claims experience

The following table compares the premium rates derived from the experience rating method for an unchanged premium pool, to the current 2023/24 Gazette rates, pre the 25% movement capping:

Table of movement in Recommended Premium Rates				
Size of Movement	Number of Recommended Rates which :			Total
	Decrease	Increase	Unchanged	
no. \leq 5%	124	109	11	244
5% < no. \leq 10%	85	67	0	152
10% < no. \leq 15%	30	42	0	72
15% < no. \leq 20%	8	16	0	24
20% < no. \leq 25%	2	6	0	8
25% < no.	6	11	0	17
Total	255	251	11	517

Before allowing for the change in the average premium rate and without movement capping, six classes decreased by more than 25%, 11 classes increased by more than 25%.

Last year, six classes decreased by more than 25% and 27 classes increased by more than 25%.

2.3.2 Impact on class rates including aggregate rate increase

The following table is the distribution of the percentage movement in recommended rates allowing for the aggregate 0.3% increase in rates, without a movement capping of 25%:

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Table of movement in Recommended Premium Rates				
Size of Movement	Number of Recommended Rates which :			Total
	Decrease	Increase	Unchanged	
no. ≤ 5%	121	111	11	243
5% < no. ≤ 10%	82	71	0	153
10% < no. ≤ 15%	27	44	0	71
15% < no. ≤ 20%	8	17	0	25
20% < no. ≤ 25%	2	6	0	8
25% < no.	6	11	0	17
Total	246	260	11	517

Six classes decreased by more than 25% and 11 classes increased by more than 25%. Last year, eight classes decreased by more than 25% and 22 classes increased by more than 25%.

These classes were capped at a 25% increase or decrease in the table below.

Shown in the table below is the distribution of the percentage movement in recommended rates allowing movement capping of 25% which requires a premium shift/redistribution to other classes to ensure that the overall average premium rate is collected.

Table of movement in Recommended Premium Rates				
Size of Movement	Number of Recommended Rates which :			Total
	Decrease	Increase	Unchanged	
no. ≤ 5%	118	114	11	243
5% < no. ≤ 10%	78	72	0	150
10% < no. ≤ 15%	27	48	0	75
15% < no. ≤ 20%	7	17	0	24
20% < no. ≤ 25%	8	17	0	25
25% < no.	0	0	0	0
Total	238	268	11	517

76% of classes have a rate change (up or down) which is less than 10%, up from 61% last year.

2.4 Minimum premiums

Revised minimum premiums are calculated each year based on movements in the Perth CPI index, but changes are only made in \$5 multiples. The recommended minimum premiums are:

Recommended Minimum Premium			
	Last year's Gazette	Indexed since last change	2024/25 recommended
Householder Policies	\$95.00	\$104.12	\$100.00
All Other Polices	\$290.00	\$306.53	\$305.00

Indexing is cumulative irrespective of when recommended minimum premiums were last revised.

2.5 Financial performance of WA workers compensation

The tables below show the performance of the WA workers compensation system on an accident year and financial year basis. The purpose of these is to assess the adequacy of premium rates for prior years.

2.5.1 Accident year performance table

Estimated Profit and Loss in the WA Workers' Compensation System (\$M)								
	2017	2018	Accident Year ending 30 June				2023	Estimated 2024
			2019	2020	2021	2022		
Gross earned premium (a)	1,007.7	1,050.8	1,157.9	1,258.9	1,398.3	1,573.1	1,885.2	1,821.7
Cumulative claim payments (b)	834.6	847.3	915.9	900.8	920.2	717.3	305.5	326.0
Outstanding estimate (c)	20.5	31.2	77.0	109.4	213.0	477.5	1,063.8	1,134.9
Net claims incurred (d)	855.1	878.5	992.9	1,010.2	1,133.2	1,194.8	1,369.3	1,460.8
Underwriting profit/loss (e)	152.6	172.3	164.9	248.8	265.2	378.3	515.9	360.9
Commission (f)	31.1	34.9	37.2	42.3	40.8	45.1	57.2	55.3
Other expenses (g)	166.0	185.8	188.8	199.6	229.1	225.2	270.6	261.5
Estimated investment income (h)	33.7	25.5	11.4	4.0	13.4	62.4	86.1	91.8
Estimated profit/loss - \$ (i)	-10.7	-22.9	-49.7	10.8	8.6	170.4	274.2	136.0
- % of gross EP (i)	-1%	-2%	-4%	1%	1%	11%	15%	7%
Loss ratio (j)	85%	84%	86%	80%	81%	76%	73%	80%
Total profit/loss (k)						106.469	380.635	516.619
Total profit/loss % of EP (l)						1%	4%	5%
GWP on Gazette Rates (m)	1,162.3	1,151.2	1,263.9	1,367.4	1,481.0	1,653.0	1,980.6	1,949.5
Est EP on Gazette Rates (n)	1,162.3	1,154.6	1,230.1	1,336.3	1,446.9	1,601.4	1,882.3	1,958.9
Difference in EP (o)	154.6	103.7	72.3	77.4	48.6	28.3	-2.9	137.1
Estimated profit/loss on Gazette rates (p)	143.9	80.9	22.6	88.1	57.2	198.7	271.3	273.1
	12%	7%	2%	7%	4%	12%	14%	14%
Total profit/loss (q)						591.377	862.673	1,135.777
Total profit/loss % of EP (r)						7%	9%	10%
Number of active claims by accident year (s)	144	216	446	804	2,002	4,433	11,845	

Notes :

(a), (b) from Appendix G4 of this report, estimated for the 2024 accident year. Assumed a 7% discount on Gazette rates in 2024.

(c) = Our reserves from section 3.1.2 of this report. The 2024 accident year estimated as inflated average claim size x number incurred with 22% assumed paid in DY0 based on the proportion paid for DY0 in 2023. Excludes 5% claim management expense allowance and risk margins.

(d) = (b) + (c)

(e) = (a) - (d)

(f) = brokerage from Appendix D3 of report x (a)

(g) = {total expense % from Appendix D3 in this report x (a)} - (f)

(h) = Assumed investment income based on discount factor calculated for each accident year

(i) = (e) - (f) - (g) + (h), where the % in the row below is of (a). Estimated profit/loss is **after** allowance for superimposed inflation and the rate change in previous years. It is **before** allowance for (ie does not include) risk margins on outstanding claim reserves and the 13% contingency margin (CM) for 2023, 12% CM for 2022, 11% CM for 2018 to 2021 accident years and 10% CM adopted for 2016 to 2017

(j) = (d) / (a) %

(k) = sum of (i) in \$ million

(l) = (k) / sum of (a) %

(m) = gross written premium on the Gazette rates which applied for the year

(n) = estimated earned premium on Gazette rates allowing for 30% of GWP to be unearned at each 30 June

(o) = (n) - (a) ie Gazette earned premium minus insurer earned premium

(p) = (o) + (i) ie estimated profit on Gazette rates, where % in row below is of (n)

(q), (r) = defined as for (k) and (l) with reference to (p) and (n)

(s) = the number of open claims from the consolidated Form WC20s supplied by returning entities.

In the table above note that the:

- Results are indicative of actual past and expected future claim trends

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- Gross earned premium is different to last year's table as earned premium by accident year develops and becomes more certain as the actual experience of burning cost policies emerges
- Outstanding claim provisions contain no allowance for claims management expenses, as these are included in 'other expenses', or the risk margin
- Estimated profit/loss includes allowance for superimposed inflation, the rate change from previous years, expenses and commission/brokerage
- Estimated investment income credit is a theoretical allowance based on the forward rates implied by the Commonwealth Government Bond yield curve applicable for each year
- Estimated costs for the more recent years (2022 and 2023) comprise mainly uncertain future estimates. For example, of the total claims incurred for 2023 only 24% has been paid and 76% is the uncertain future estimate
- The whole of 2024 is an uncertain future estimate. The gross earned premium is subject to external market forces. Claims costs are influenced by market forces, uncertain future claim events and economic, legislative and social conditions.

The key points to note from the experience shown in the above table are:

- The estimated profit / loss for each accident year (row i) is significantly below the contingency margin allowed for in the premium rates from 2017 to 2021. The contingency margin allowance was 10% for 2017 and 11% for 2018 to 2021. The estimated profit margin was a 1% loss in 2017, a 2% loss in 2018, 4% loss in 2019 and a 1% profit for 2020 and 2021.
- In 2022, the estimated profit is 11% which is in line with the contingency margin of 12%.
- In 2023, the estimated profit is 15% which is higher than the contingency margin of 13%
- Compared to last year the estimated profit as a percentage of earned premium has:
 - Remained on par for the 2017 accident year, given the relatively similar proportional change in earned premium and incurred costs
 - Decreased by 1% to 4% for 2018 to 2022. This is due to incurred costs increasing and earned premium decreasing for most years except 2020 where it is in line with last year
- Had insurers not discounted the recommended premium rates for the 2017 accident year the estimated profit margin (row p) would have been 2% in excess of the 10% contingency margin. However, for the 2018 to 2022 accident years, the estimated profit margin ranges from 4% to 9% below the relevant contingency margin for these years. For the 2022 and 2023 accident years, the estimated profit margin is on par to slightly higher than the contingency margin.

We provide a very early estimate of the 2024 accident year in the table above. We have considered the experience to December 2023 in our estimate of the incurred cost for 2024, however we do not have any wage information for that period. Assuming Gazette rates are discounted by 7% (which is average level of discounting in 2022 and 2023), we estimate a profit of 7%. This is below the 13% contingency margin assumed in the 2023/24 premium rates. Without discounting Gazette rates, the estimated profit margin is 14%, which is 1% above the contingency margin. Given the reliance on estimated experience, this result should be treated with caution as it is likely to change, perhaps significantly, as actual claims experience and wage levels emerge.

2.5.2 Financial year performance table

Estimated Profit and Loss in the WA Workers' Compensation System (\$ million)								
	Financial Year ending 30 June							
	2017	2018	2019	2020	2021	2022	2023	Total
Gross earned premium (a)	1,050.3	1,053.9	1,105.5	1,199.9	1,295.4	1,551.2	1,835.5	9,091.7
Claim payments (b)	875.7	847.8	837.6	898.1	963.1	1,080.3	1,165.0	6,667.5
Change in o/s estimate (c)	(139.0)	(96.3)	8.5	(0.6)	157.0	221.1	323.6	474.2
Net claims incurred (d)	736.7	751.4	846.2	897.5	1,120.1	1,301.3	1,488.5	7,141.7
Commission (e)	32.4	35.0	35.5	40.4	37.8	44.5	55.7	281.3
Other expenses (f)	173.0	186.3	180.3	190.3	212.3	222.1	263.5	1,427.7
Underwriting result (g)	108.3	81.1	43.6	71.7	(74.8)	(16.7)	27.8	241.0
Underwriting result % (h)	10%	8%	4%	6%	-6%	-1%	2%	3%
Number of active claims (i)	18,637	18,002	18,641	17,907	20,082	20,110	20,334	

Notes :

- (a) = from Form WC30 returns for 2022/23 and prior years
- (b) = from Form WC20 returns for 2022/23 and prior years
- (c) = from Form WC20 returns for 2022/23 and prior years.
- (d) = (b) + (c)
- (e) = commission rate for each financial year x (a) estimated
- (f) = {total expense % from Appendix D3 in this report x (a)} - (e)
- (g) = (a) - (d) - (e) - (f)
- (h) = (g) / (a) %
- (i) = the number of open claims from the consolidated Form WC20s supplied by returning entities.

The gross earned premium is provided directly by insurers.

The above table is different from the accident year table as it:

- Does not include investment income (as this data is not returned by insurers)
- Does not use the benefit of hindsight for reserving
- Is based purely on data supplied by premium rate returning entities
- Shows the financial year results aggregated across accident years.

The outstanding claim provisions reflect market knowledge and conditions at the end of each year.

The overall underwriting result over the seven year period to 2023 on a financial year basis is 3% of gross earned premium, compared to 4% on an accident year basis.

Over 2017 to 2023 we estimate an aggregate investment return of \$271 million, which would have improved the overall profit over the seven year period to 2023, on a financial year basis, to 6% of gross earned premium. This is estimated using the average funds available for investment and the one year forward Commonwealth Bond rate.

3 Outstanding claims results

3.1 Outstanding claims liability

3.1.1 Central estimate

The projected gross outstanding claims cost for each payment type group in current values, including the 2023 Act changes is:

Acc yr ending 30 June	Weekly	Estimates of outstanding claims at 30 June 2023 (\$M) (a) (b)					Total
		Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	
2023	360.670	81.409	45.500	30.888	352.152	130.089	1,000.708
2022	105.124	19.935	11.760	6.535	231.283	72.627	447.264
2021	26.568	5.015	3.836	1.012	122.374	40.272	199.077
2020	6.142	2.054	1.399	0.110	69.392	21.187	100.285
2019	2.505	1.193	0.809	0.056	53.833	12.273	70.670
2018	1.724	0.560	0.724	0.044	18.632	6.482	28.166
2017	1.408	0.458	0.576	0.024	12.220	3.702	18.389
2016	1.226	0.400	0.489	0.011	8.550	3.102	13.778
2015	1.035	0.339	0.402	0.004	5.809	2.205	9.795
2014 & earlier	1.603	0.692	0.566	0.030	22.294	3.148	28.333
Total	508.006	112.055	66.061	38.713	896.540	295.090	1,916.466

To generate the central estimates, the current value estimates are inflated and discounted, and a claims handling expense margin added. These are as follows:

Total of payment types					
Estimates at 30 June 2023 (\$M)					
Acc yr ending 30 June	30 June 2023 values (a)	Inflated values (b)	Infl/disc values (b)	Case estimates	Ratio (c)
2023	1,000.708	1,116.956	1,047.794	523.286	191%
2022	447.264	501.376	467.822	312.905	143%
2021	199.077	223.610	208.118	169.014	118%
2020	100.285	114.823	104.558	95.382	105%
2019	70.670	80.867	73.719	59.623	119%
2018	28.166	32.796	29.275	18.595	151%
2017	18.389	21.522	19.099	11.205	164%
2016	13.778	16.104	14.312	10.368	133%
2015	9.795	11.459	10.173	3.798	258%
2014 & earlier	28.333	31.158	29.736	30.683	92%
Total	1,916.466	2,150.670	2,004.605	1,234.859	155%

Notes: (a) from Appendix E3.5, excluding claims expenses

(b) includes 5% claims expenses

(c) ratio of actuarial estimates in 30 June 2023 values to case estimates.

The inflated and discounted central estimate at 30 June 2023 is \$2,004.6 million, which is \$225 million (12.6%) higher than the \$1,779.9 million estimated at 30 June 2022. The higher estimates are driven by a \$95.1 million (8.3%) increase in case estimates as at 30 June 2023. Payments in the six months to 31 December 2023 were also \$62.5 million higher than the payments in the six months to 31 December 2022. \$13.8 million of the increase is due to allowing for the 2023 Act changes.

The detail in the development of the outstanding claims can be found in Appendix E.

OUTSTANDING CLAIMS RESULTS

We have not included an explicit allowance for silicosis claims in our outstanding claims liabilities. Based on the claims experience up to 31 December 2023, excluding disallowed claims there were a total of 42 silicosis claims for 21 claimants, of which 39 silicosis claims lodged for 18 claimants are for non-mining industries. At our previous valuation there were 36 known silicosis claims for 21 claimants for non-mining industries that hadn't been disallowed. We understand that most WA employees currently employed in the relevant occupations have now been tested. At this point, we don't expect the silicosis claim frequency in WA to be as prevalent as reported in Queensland. We will monitor any emergence in the scheme for such claims.

We have also not included any explicit allowance for COVID-19 claims beyond the extent that it is reflected in the claims data to date. This is the same approach as last year.

See section 7.3 for further discussion regarding both silicosis and COVID-19 claims and Appendix J3 for more details on COVID-19 claims. We will continue to closely monitor any emergence in the scheme for such claims.

3.1.2 Comparison with insurers

The following table compares our assessment of the outstanding claim estimates for the last five years to insurers' estimates in inflated values without discounting or claims handling expenses and excluding the oldest accident years (for 2023 comparison the 2015 and earlier accident years are excluded, for prior year valuation comparisons one less accident year is excluded (e.g. for 2022 only the 2014 and earlier accident years are excluded, and so on)).

Infl/Undisc estimates excluding 'earlier years' (\$M)			
Year ending 30 June	Actuarial (a)	Aggregate insurers (b)	% Difference (c)
2023	2,007.7	2,025.0	-0.9%
2022	1,764.2	1,748.7	0.9%
2021	1,592.9	1,530.3	4.1%
2020	1,373.3	1,373.9	0.0%
2019	1,309.3	1,326.1	-1.3%

Notes: (a) = item (b) from Appendix E3.5 in this year and previous year's report divided by 1.05 to remove claims expenses

(b) = col(d) + col(e) from Form WC20 data supplied by insurers (see Appendix E1.5 + E1.6)

(c) = (a) / (b) - 1

Our inflated estimates are \$17.3 million (0.9%) lower than the insurers' estimates. Last year our estimates were \$15.5 million (0.9%) higher than the insurers' estimates. This comparison excludes the 'earlier years' valuation category as some insurers include asbestos claims while others do not. We have not done a valuation of asbestos liabilities.

OUTSTANDING CLAIMS RESULTS

The table below shows an accident year comparison of our estimates and the insurers' estimates as at 30 June 2023:

Comparison of claim estimates as at 30 June 2023				
Accident year ending 30 June	Inflated actuarial o/s claim estimates \$M (a)	Insurers o/s claim estimates \$M (b)	Difference \$M (c)	Difference % (d)
2023	1,063.8	1,107.0	-43.2	-3.9%
2022	477.5	475.7	1.8	0.4%
2021	213.0	213.8	-0.8	-0.4%
2020	109.4	109.6	-0.3	-0.2%
2019	77.0	69.2	7.8	11.3%
2018	31.2	23.1	8.1	35.1%
2017	20.5	14.4	6.1	42.0%
2016	15.3	12.1	3.2	26.3%
2015 & earlier	40.6	156.7	-116.1	-74.1%
Total	2,048.3	2,181.7	-133.4	-6.1%
Total excluding 2015 & earlier	2,007.7	2,025.0	-17.3	-0.9%

Notes :

- (a) = item (b) from attachment E3.5 divided by 1.05 to remove claim expenses
- (b) = from consolidated Form WC20 columns (d) + (e)
- (c) = (a) - (b)
- (d) = $\{(a) / (b) - 1\} \times 100$

Our estimates are generally higher than insurers for all accident years except 2015 and earlier, 2020, 2021 and 2023.

In total, our inflated estimates excluding earlier years as at 30 June 2023 of \$2,008 million are 13.8% higher than our estimates as at 30 June 2022 of \$1,764 million. We are not privy to the valuation process for each of the insurers so can't explain the differences in the results between our estimates and theirs.

The 'earlier' years are a major source of difference due to insurers' reserves for asbestos related claims. Some but not all insurers include asbestos claims on their Form WC20. The "& earlier" years results for insurers are much higher than last year as one insurer who had previously had very small IBNR allowance but now has a much higher IBNR/IBNER allowance. This may be due to the IBNR/IBNER including an allowance for asbestos claims.

Specialised data and methods are required to reserve IBNR dust-disease claims, and our central estimate does not include a full asbestos claim valuation. After discussions with WorkCover WA, a full asbestos valuation is not required, as it should not affect the level of recommended premium rates, which depends on the more recent accident years.

3.2 Actual vs expected claims experience

The 2022/23 experience showed that for:

- Claims incurred up to 30 June 2022, claims reported were 12% higher than expected, claim payments were 1% higher than expected and claim closure rate was 3% faster than expected
- Claim reports for the 2022/23 accident year were 2.5% more than expected, active claims are 3.2% more than expected, payments per claim incurred were higher than expected and average case estimates were higher than prior years.

Over the six months to 31 December 2023 for the 2022/23 and earlier accident years there were 8% more claim reports than expected, claim closures were 2% faster than expected but payments were 2% lower than expected. For the 2023/24 accident year, claim reports was on par with expected, but claim closures were slower than expected and claim payments were lower than expected.

See Appendix F for full details.

3.3 Reconciliation of provisions

The tables below show the build-up of inflated and discounted outstanding claim estimates, including claims handling expenses, over 2022/23, for claims incurred to 30 June 2022 for:

- Our actuarial projections
- Insurers outstanding claim estimates.

The reconciliation of our projections is on an inflated and discounted basis while the insurer's reconciliation is on an inflated and undiscounted basis.

Actuarial reconciliation

Reconciliation of actuarial estimates (\$M)									
Accident year ending 30-June	2022	2021	2020	2019	2018	2017	2016	2015 & earlier	Total
A. Estimates at 30 June 2022 (a)	905.9	430.1	187.1	108.1	43.9	27.9	20.7	56.2	1,779.9
B. Gross payments 1 July 2022 to 30 June 2023	437.9	226.9	96.0	40.4	19.8	14.3	2.5	21.7	859.4
C. Expenses (b)	21.9	11.3	4.8	2.0	1.0	0.7	0.1	1.1	43.0
D. Assumed investment return (c)	21.5	9.9	4.4	2.8	1.1	0.6	0.6	1.4	42.3
E. = A-B-C+D	467.6	201.7	90.7	68.5	24.2	13.5	18.8	34.9	919.8
Updated estimates at 30 June 2023									
F. Revised estimates at 30 June 2023 (d)	467.8	208.1	104.6	73.7	29.3	19.1	14.3	39.9	956.8
G. = F-E	0.3	6.4	13.9	5.3	5.1	5.6	-4.5	5.0	37.0
Change 1 July 2022 to 30 June 2023									
H. Proportion of change attributable to									
Changes in real rates of return	-0.3	-0.2	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.8
Change in experience	-0.6	6.5	4.4	-7.2	5.8	7.4	-2.6	-6.8	6.9
Change in actuarial assumptions	1.2	0.1	9.6	12.5	-0.7	-1.8	-1.8	11.8	30.9
I. Amount incurred and outstanding for 2022/23 accident year (d)									1,047.8
J. = F + I									2,004.6
Total outstanding liability at 30 June 2023									

Notes: (a) From Appendix E3.5 of our 23 March 2023 report

(b) Assumed to be 5% of claim payments in 2022/23

(c) Calculated using 3.17% pa being the one year forward rate from Appendix D1 of our 23 March 2023 report

(d) From Appendix E3.5 of this report.

OUTSTANDING CLAIMS RESULTS

The table shows that:

- Overall, there was a strain on reserves of \$37 million, which is 2.1% of the opening 30 June 2022 estimates. This is due to changes to:
 - Change in actuarial assumptions caused a strain of \$30.9 million (1.7% of opening estimates).
 - Experience leading to a strain of \$6.9 million (0.4% of opening estimates)

Partially offset by:

- Real rates of return, which lead to a release of \$0.8 million (less than 0.1% of opening estimates) as interest rates increased by more than inflation.
- There has been a strain across most accident years except the 2016 accident year.

Insurer reconciliation

Reconciliation of insurers' estimates (\$M)									
Accident year ending 30-June	2022	2021	2020	2019	2018	2017	2016	2015 & earlier	Total
A. Inflated estimates at 30 June 2022 (a)	960.6	453.7	199.9	113.0	54.2	29.7	13.6	126.4	1,951.0
B. Gross payments 1 July 2022 to 30 June 2023	437.9	226.9	96.0	40.4	19.8	14.3	2.5	21.7	859.4
C. Expenses (b)	21.9	11.3	4.8	2.0	1.0	0.7	0.1	1.1	43.0
D. = A - B - C	500.8	215.4	99.1	70.6	33.5	14.6	11.0	103.7	1,048.6
Updated inflated estimates at 30 June 2023									
E. Revised inflated estimates at 30 June 2023 (c)	499.5	224.5	115.1	72.7	24.3	15.2	12.8	164.5	1,128.4
F. = E - D	-1.3	9.1	16.0	2.1	-9.2	0.5	1.8	60.8	79.8
Change 1 July 2022 to 30 June 2023									
G. Inflated amount incurred and outstanding for 2022/23 accident year (c)									1,162.3
H. = E + G									2,290.8
Total inflated outstanding liability at 30 June 2023									

Notes : (a) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2022 (see our 23 March 2023 report Appendix E1.5 + E1.6) adjusted for 5% claim management expenses
 (b) Assumed to be 5% of claim payments in 2022/23
 (c) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2023 (as per Appendix E1.5 + E1.6) adjusted as per notes (a).

This table shows that:

- Overall, there was a strain on insurer's inflated estimates of \$79.8 million, which is 4.1% of the opening estimates
- Most accident years had strains, except for the 2018 and 2022 accident years.
- The 2015 & earlier accident years had a large strain of \$60.8 million, which is 76% of the total strain. This was largely due to one insurer who had previously had very small IBNR allowance but now has a large IBNR/IBNER. This may be due to the IBNR/IBNER including an allowance for asbestos claims.

OUTSTANDING CLAIMS RESULTS

The reconciliation of our estimates on an inflated basis is shown in the table below.

Reconciliation of actuarial inflated estimates (\$ million)									
Accident year ending 30-June	2022	2021	2020	2019	2018	2017	2016	2015 & earlier	Total
A. Inflated estimates at 30 June 2022 (a)	957.2	455.6	200.8	117.4	49.0	31.5	23.5	61.2	1,896.0
B. Gross payments 1 July 2022 to 30 June 2023	437.9	226.9	96.0	40.4	19.8	14.3	2.5	21.7	859.4
C. Expenses (b)	21.9	11.3	4.8	2.0	1.0	0.7	0.1	1.1	43.0
D. = A - B - C	497.4	217.3	100.0	75.0	28.3	16.4	20.9	38.4	993.6
Updated inflated estimates at 30 June 2023									
E. Revised inflated estimates at 30 June 2023 (c)	501.4	223.6	114.8	80.9	32.8	21.5	16.1	42.6	1,033.7
F. = E - D	4.0	6.3	14.8	5.9	4.5	5.1	-4.8	4.2	40.1
Change 1 July 2022 to 30 June 2023									
G. Inflated amount incurred and outstanding for 2022/23 accident year (c)									1,117.0
H. = E + G									2,150.7
Total inflated outstanding liability at 30 June 2023									

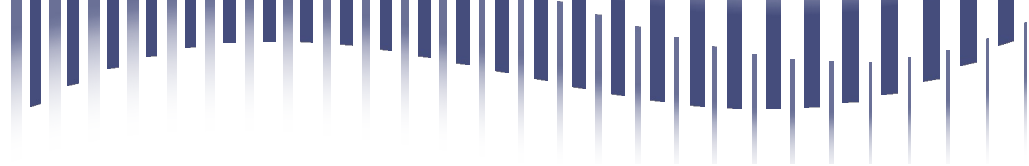
On an inflated basis, our estimates had a strain on reserve of \$40.1 million (2.1%).

Overall, our estimates on an inflated basis showed a lower strain on reserve by \$40 million compared to insurers.

Comparing the results excluding the 2015 & earlier years our estimates have a strain of \$35.9 million, while insurers have a strain of \$19.0 million. This is mainly driven by:

- Higher strains on reserves in our estimates for the 2019 and 2017 accident years in our estimate. We also had strains on reserves for 2022 and 2018 while the insurers had releases of reserves for these accident years.
- Partially offset by smaller strains on reserves in our estimates for the 2021 and 2020 accident years, in addition to a release of reserves in comparison to a strain on insurers' estimate for the 2016 accident year

The 2020 accident year had the largest strains for both ourselves and insurers. There is still a high portion outstanding for these years, so the ultimate incurred cost is still uncertain.



4 Data used in the review

4.1 Insurer data

We were supplied the following electronic forms as at 30 June 2023:

- Form WC12 - individual policy data with associated claims data for ANZSIC 2006 premium rating classes
- Form WC20 - aggregate claims data for each accident year
- Form WC30 - premium and expenses data

The data is supplied to WorkCover WA by the premium rate returning entities. WorkCover WA reviews the data and then forwards it to us.

Policy data refers to the number of policies, written premium and written wages and is presented on an underwriting year basis. Form WC12 presents policy-level earned premium and earned wages on a financial/accident year basis based on the ANZSIC 2006 classifications and so matches the claim data exposure period.

Claims data refers to claims reported, active claims (Form WC20 only), payments, case estimates and development, and incurred but not reported (IBNR) estimates (Form WC20 only). Claims data is presented on a financial year basis, subdivided by accident year.

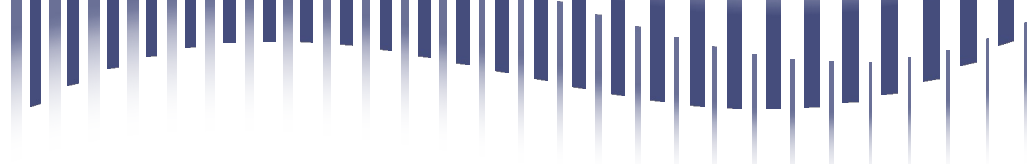
We were also provided with a half yearly WC20 to 31 December 2023.

For further details on the insurer data, see Appendix B.1.

4.2 Other data

WorkCover WA provided the following data:

- Payment data for the 2023 financial year, split into the 15 different payment types and by accident year.
- Claim payments for the half year to 31 December 2023
- Individual list of claims as at 31 December 2023 to assess any change in the frequency of claims for claimants over 60 years old, to track movement in both silicosis and COVID claims, as well as the review of the forward-looking superimposed inflation
- Claims with an incurred cost estimate over \$0.2 million, as at 30 June 2023
- Number of Schedule 2, Redemptions and section 92(f) settlements lodged and payments made per quarter from the WorkCover WA claims system
- Lump sum payments split into lump sum settlements with and without election, Schedule 2 and legal payments
- Number of claims reported each quarter split into duration of days lost of 0, 1 to 4, 5 to 19, 20 to 59, 60 to 119, 120 to 179 and greater than 180 days time lost



DATA USED IN THE REVIEW

- Self-insurers' wages for the 2022/23 and 2021/22 financial year with comments for those self-insurers' with large movement.
- This year we were also reissued with the payment data for the 2013 financial year and later financial years, split into the 15 different payment types and by accident year. This is because the clinical psychology payments were reallocated this year from medical scheduled to allied health. There were also some small differences in other payment types. The overall difference in the total payments for prior financial years was immaterial (less than 0.1%) compared to the previous valuation.

Appendix B.2 discusses the form of the data provided in greater detail.

4.3 Data quality

The overall quality of the data was acceptable for our premium rate projections, once the data validation process was completed.

In summary, of 18 (20) returns received:

- 10 (7) required no further action
- 8 (13) insurers had to clarify specific issues or do a first revision
- 0 (0) insurers had to further clarify issues or do a second revision

The numbers in brackets are last year's.

The data quality was reasonably consistent with previous years.

We encourage insurers to continue to compare their submissions with the prior year's final version and provide explanations for any large differences. This will reduce the number of queries we have when we review the initial submissions. In addition, it is also essential that all required WC12 data corrections are submitted by insurers as a revision of the form. This helps to improve efficiency and reduce the potential for data errors to be introduced when manual data corrections are made.

4.4 Data enhancements

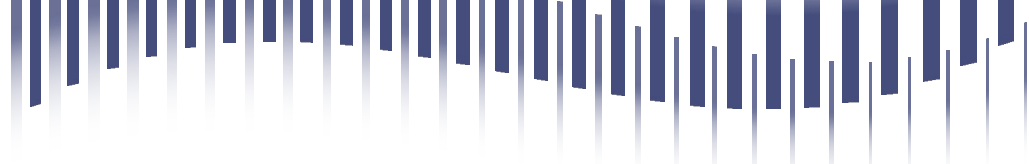
Future enhancements to data could be to:

- separately identify and possibly exclude the impact of asbestos claims for DY10 and later, to ensure they are not unintentionally impacting the estimates for the future premium rating years
- include a flag for secondary psychological injury claims in the data so we can better monitor and understand the impact of these to the scheme and how their impact changes over time.

4.5 General data considerations

Former insurers

Even though insurers may surrender their licences to renew or write new policies, they will generally have outstanding and IBNR claims to manage. These claims are a cost to the system and hence need to be reported.



DATA USED IN THE REVIEW

There are guidelines in place for data provision during the claim run-off period and WorkCover WA have advised us that supervisory control of the claim run-off continues once the licence to write premiums is surrendered.

Mergers/takeovers

Where one insurer takes over another on the basis that it manages the claims on a 100% recovery basis, the cost of these managed claims still need to be returned since they are a cost to the system.

Administrative issues

WorkCover WA assists us with the efficient administration of the quarterly and annual statutory returns, by advising us of any changes to the licensing situation of insurers/self-insurers as they occur, e.g.:

- New insurer / self-insurer licences granted
- Insurer / self-insurer licences surrendered
- Purchase / merger of insurers.

Such advice includes information such as the full details of effective dates, and any relevant background detail.

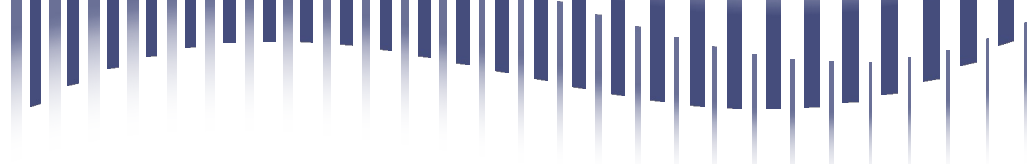
Self-Insurers

Self-insurers supply all the statutory returns submitted by insurers, excluding Form WC12. They renew their licences annually.

RiskCover is the only self-insurer included in the calculation of the recommended premium rates, as requested by WorkCover WA.

LGIS - WorkCare has not been included in the calculation of the recommended premium rates since 2002/03. As a result, the recommended premium rate for ANZSIC code 75300 - Local Government Administration should be treated with caution as it does not reflect the current experience of the Local Government self-insurance scheme as it only includes the data from the privately insured entities.

The premium rates for other classes, where there is a dominant employer, could be similarly non-reflective of the whole WA experience for that class if that employer is self-insured or changes between being insured and self-insured.



5 Calculation methods

5.1 Projection methods

We assessed the outstanding claims liability by projecting cashflows separately by payment type. The payment types are grouped as follows:

- Weekly
- Medical (Scheduled and Non-Scheduled) and Hospital Expenses
- Allied Health
- Workplace Rehabilitation
- Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)
- Investigation, Legal and Miscellaneous.

These are the same payment groupings as the previous valuation.

The first four groupings listed above were projected using the payments per active claim (PPAC) and payments per claim incurred (PPCI) methods. The Lump Sum and Investigation, Legal and Miscellaneous groups were projected using the payments per claim finalised (PPCF) and PPCI methods.

Appendix C has a description of each of the projection methods.

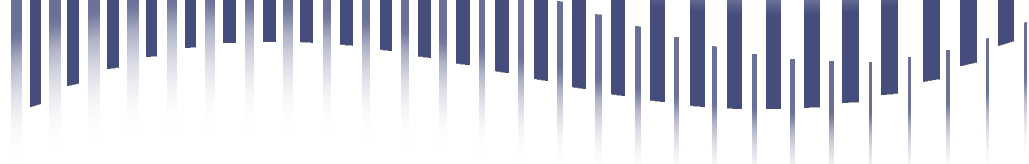
The above methods calculate the projected liability in current values, including allowances for superimposed inflation.

The estimated liability for outstanding claims is calculated as the present value of the future claim payments allowing for:

- a Future increases prior to payment, due to claims inflation
- b Discounting to take into account the time value of money
- c Expenses associated with claims handling.

This approach is consistent with the standards described in section 1.3.

The question of uncertainty in the actuarial estimates and the determination of provisions are discussed in sections 7.1 and 7.2.



CALCULATION METHODS

5.2 Relative premium rates methods

Calculate weighted average rates

The raw premium rate is calculated on an accident year basis for 2017/18 to 2022/23 using the following formula:

$$\frac{\text{developed total estimate (claim payments + outstanding case estimates)}}{\text{developed returned earned wages}}$$

This is done by industry division, subdivision, group and class.

Both the total estimate and returned earned wages are developed on an individual insurer basis and then cumulated to attain the industry totals. Returned earned wages are developed by considering the extent to which individual insurers' returns have developed in the past. The total estimate is developed based on the insurers' expected development, provided on Form WC20, adjusted on an aggregate level to align with our total development expectations.

The weighted average rates (WARs) are calculated from the raw rates by applying the following weightings to each development year (weights for last year are for information only):

Weightings	Development year					
	0	1	2	3	4	5
30 June 2023	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2022	0.6	0.9	1.0	1.0	1.0	0.5

The current accident year experience is given only 60% weighting because of the low level of development. This increases to 90% for development year 1. The rates are then standardised to give an overall weighting of 100% up to development year 4, reducing thereafter due to lower relevance of the older years. The weights sum to five full years.

The weightings for this year are the same as the weightings for previous year's valuation.

Partial credibility rates

Partial Credibility Rates (PCRs) are calculated from the WARs using aggregate weighted wages as the exposure measure. PCRs are calculated by industry division, sub-division, group and class progressively, using a system of hierarchical credibility.

To obtain full credibility, the aggregated weighted wages for each class, group, sub-division or division need to be greater than \$2,918 million. This is 8.7% higher than the \$2,685 million from the analysis last year. The increase is due to higher estimated average wages and lower projected claim frequency.

Under this method the following obtained full credibility:

- 19 (19) of 19 divisions
- 34 (36) of 86 sub-divisions
- 35 (35) of 214 groups
- 33 (34) of 517 premium rating classes.

Figures in brackets are last year's.

CALCULATION METHODS

The table below shows the distribution of credibility level achieved by rating classes on their own claims experience:

Credibility Level	This year		Last year	
	No. of Classes	%	No. of Classes	%
$x \leq 25\%$	245	47.4%	241	46.6%
$25\% < x \leq 50\%$	152	29.4%	152	29.4%
$50\% < x \leq 75\%$	53	10.3%	57	11.0%
$75\% < x < 100\%$	34	6.6%	33	6.4%
100%	33	6.4%	34	6.6%
Total	517	100.0%	517	100.0%

Where a class, group or sub-division does not have full credibility the rate is built-up from group level, progressively through sub-division and division level, if necessary.

The wages for some classes were aggregated to calculate the credibility factor. This is done to promote homogeneity of experience where rating classes have claim experience vastly different from the other classes in the same group.

Last year, in reviewing the impact of Silicosis claims on individual classes, we observed that two classes had a class rate before credibility that was increasing a faster rate than the group rate. To ensure that the premium rates for these classes include an appropriate allowance for the higher recent claims experience, we had increased the credibility of the following two classes by adding 25%, we have maintained this approach this year:

- 20901 - Other Non-Metallic Product Manufacturing Stone Products
- 20290 - Other Ceramic Product Manufacturing.

After allowing for this adjustment the class credibility increases to 34% and 43% respectively. Given the relatively small class size and volatility of the experience, we have not increased the class experience to 100%. As discussed in section 7.3, there is significant uncertainty about the future rates for these classes given the ban on engineered stone benchtops from 1 July 2024 which should remove Silicosis claims occurring in future underwriting years. We will monitor the future Silicosis experience and review the credibility weighting in future valuations.

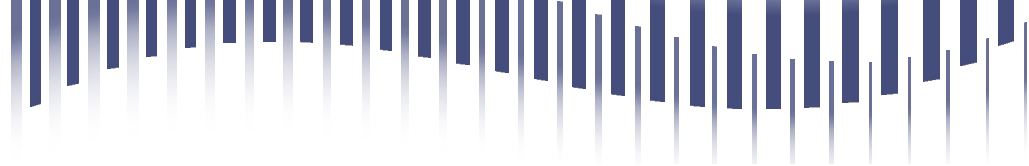
We have assigned class **91290 - Other Horse and Dog Racing Activities** credibility of 100%. This class has a calculated 14% credibility based on wages but the claim activity in this class has been significantly higher than all other classes in the subdivision. The class experience has been relatively stable at this higher level. This is the same approach as last year.

See Appendix C for a detailed description of changes made to credibility factors for select classes.

Capping large claims

Large claims are capped when calculating relative premium rates to moderate their influence on the rates at a class level.

For the 2022/23 accident year, large claims are capped if the incurred cost estimate is greater than \$7.5 million. The level that large claims are capped at is indexed in line with wage inflation, starting from a base of \$3.0 million for the 2000/01 accident year.



CALCULATION METHODS

Large claims are also capped based on their size relative to the rating class to which they belong. Claims are capped if the incurred cost is 12% or more of wages for that rating class. For the 2022/23 accident year, the minimum incurred cost for which this capping is applied is \$0.50 million. This has also been indexed in line with wage inflation, starting from a base of \$0.20 million for the 2000/01 accident year.

Large claims are capped only for the purposes of calculating the relative premium rates. They are not capped for the calculation of the Scheme's outstanding claims liability. As such, the cost above the cap is in effect respread over the whole scheme for valuation purposes.

For the 2018 to 2023 accident years, which have a greater than 0% weighting (see above in this section), at class level five (six) claims are capped, while at group, sub-division and division level two (two) claims are capped. The numbers in brackets are last year figures.

Our methodology for capping large claims remained unchanged from our previous recommended premium rates.

The large claims capping method is discussed in further detail in Appendix C2.

Normalise partial credibility rates

The PCRs are normalised such that when they are applied to adjusted accident year returned wages for 2022/23 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2023/24 Gazette rates.

The normalised PCRs (NPCRs) are subjected to absolute minimum and maximum rates of \$0.25 and \$12.00 per \$100 of wages. This is the same as last year.

Capping the movement of premium rates

In addition, the normalised PCRs post the absolute minimum and maximum adjustment (above) is then further capped in their total movement from the 2023/24 Gazetted rates (both upwards and downwards) by 25%. This is intended to strike a balance between manageable increases for policyholders and limiting the cross-subsidisation between classes. This approach is the same as last year.

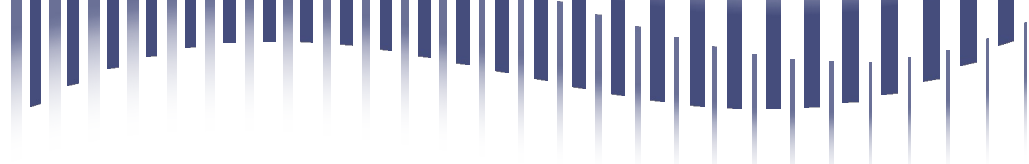
Having applied these limits, the NPCRs are normalised once again to the aggregate notional premiums at Gazette rates.

Weighted loss ratio

The weighted loss ratio in Appendix A, is calculated as follows:

$$\frac{\text{estimated risk cost of claims (based on this year's Gazette rates times wages)}}{\text{premium on last year's Gazette rates}}$$

The weighted loss ratio is not directly used when calculating recommended premium rates. However, one divided by the weighted loss ratio is equivalent to the combined loadings factor, which is used (see section 6.5).



6 Assumptions

6.1 Financial assumptions

Future inflation and interest rates

The financial assumptions of future inflation and market rates of interest are as follows:

Years ahead	Interest rate 31 Jan 2024	Inflation rate 31 Jan 2024	Real rate 31 Jan 2024	28 Feb 2023
1	4.18%	4.25%	-0.07%	-0.33%
2	3.65%	3.50%	0.15%	-0.07%
3	3.31%	3.25%	0.06%	0.02%
4	3.49%	3.00%	0.49%	0.39%
5	3.81%	3.02%	0.80%	0.52%
6	4.10%	3.04%	1.06%	0.63%
7	4.34%	3.06%	1.28%	0.73%
8	4.53%	3.07%	1.46%	0.83%
9	4.68%	3.09%	1.58%	0.91%
10	4.77%	3.11%	1.66%	0.98%
11	4.79%	3.13%	1.66%	1.04%
12	4.79%	3.15%	1.64%	1.09%
13	4.78%	3.17%	1.61%	1.14%
14	4.77%	3.19%	1.59%	1.17%
15	4.76%	3.20%	1.56%	1.18%
16	4.76%	3.22%	1.53%	1.19%
17	4.75%	3.24%	1.51%	1.19%
18	4.74%	3.26%	1.48%	1.18%
19	4.73%	3.28%	1.46%	1.17%
20	4.73%	3.30%	1.43%	1.16%
21	4.72%	3.31%	1.40%	1.15%

For this valuation, there has been an increase in the real rate of return for all years which decreases the liabilities. This is mainly due to increases in the interest rates which more than offset the increase in the short-term inflation rates.

The interest rate for one quarter of the first year ahead $(((1 + 4.18\%)^{\wedge} 0.25 - 1) = 1.03\%)$ is included in the calculation of the average premium rate. This is because premiums are received on average three months earlier than the point to which claims are discounted.

See Appendix D1 for further information.

Employment growth for the half-year to 31 December 2023

To determine the employment growth, we have used the movement in the ABS Cat. 6202.0 Table 8 Labour Force for full time persons for Western Australia. This year the employment growth of 1.5% has been calculated based on the growth rate factor between the average index in the 30 June 2023 quarter and 31 December 2023 quarter. Over the equivalent period last year, 30 June 2022 to 31 December 2022, there was an increase of 0.2%.

Past general inflation

To determine the minimum premium for householders and other policies we have used the movement in the ABS Cat. 6401.0 Table 1 CPI all groups index numbers for Perth. CPI is expected to increase by

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4.0% over 2024/25, this is based on our expectations of CPI growth and is lower than the increase over 2022/23 (6.2%) and expected for 2023/24 (4.3%).

Past wage inflation

Payments and case estimates are inflated to current values based on the ABS Cat 6302.0 Average Weekly Earnings for Western Australia (persons full-time adult ordinary time earnings). Details are in Appendix D1.

6.2 Superimposed inflation

The superimposed inflation assumptions for each payment category are shown in the table below. As per last year, we have used different superimposed inflation rates for the outstanding claims blend and 2024/25 premium rate calculation.

6.2.1 Outstanding claims

We have analysed the historic level of SII for each payment group and weighted these by the outstanding claims amount to find an overall level. This is shown in the table below.

Superimposed Inflation							
	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	Total
30 June 23	3.9%	1.4%	4.6%	2.9%	4.5%	5.3%	4.3%
30 June 22	4.5%	3.3%	5.9%	4.3%	4.7%	5.5%	4.7%

See Appendix D.2 for more details of our analysis.

Superimposed inflation for the outstanding claims is 4.3% overall, which is lower than the 4.7% adopted last year due to a reduction in all payment groups as the PPAC/PPCF methods have often had a higher weighting this year compared to previous years.

The high superimposed inflation rates are mainly driven by the reduction in the number of claims, and resultant change in claims mix as the number of lower cost claims continue to reduce. The number of claims is relatively stable over 2022/23 and 2021/22, so we anticipate that the superimposed inflation rate may be stabilising at a lower level in the future.

6.2.2 2024/25 premium rate calculation

Historically the reduction in small claims and change in claims mix led to the high rate of SII over the past decade. However, more recently, the number of claims incurred has begun to stabilise at a lower level. As a result, we have performed a separate analysis of SII for premium rating purposes. The analysis indicated a SII rate of 2.8% which is lower than the 3.0% adopted last year. See Appendix D.2.2 for more details.

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6.3 Expenses

Total expenses

A three year average is calculated from the expenses provided by insurers on the WC30 form. The expenses adopted are as follows:

	Expense Ratios			Adopted
	2022/23	2021/22	2020/21	3 yr ave
Commission / Brokerage	3.0%	2.9%	2.9%	2.9%
General Fund Levy	1.0%	1.1%	1.2%	1.1%
Management Expenses	13.4%	13.3%	15.1%	13.9%
Total	17.4%	17.2%	19.3%	18.0%
Total excluding brokerage	14.4%	14.3%	16.4%	15.0%

Note that brokerage, the supplementation fund levy (if applicable) and GST on the premium are not included in the recommended premium rates.

The total expenses, excluding brokerage, of 15.0% is lower than the 15.5% last year.

If a one year average of expenses was used in the premium rates, the average premium rate would decrease by 0.9%. This is shown in the premium rates sensitivity table in section 7.2.3.

Claims handling expenses

Claims management expenses equal to 5% of the projected future claim payments have been allowed for in the outstanding claims liability. This is intended to be a market level reserving allowance for claim handling costs.

Goods and Services Tax

Our adopted projection bases use claim payments data, which includes Goods and Services Tax (GST) net of Input Tax Credit (ITC) and Decreasing Adjustment Mechanism (DAM) and therefore appropriate GST net of ITC, and/or DAM allowance is included in the results obtained. As mentioned above, the 10% GST on the workers compensation premium itself (which employers will generally be able to recover via an input tax credit) is not included in our analysis or the recommended premium rates.

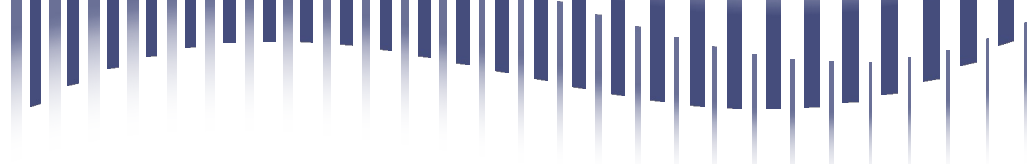
6.4 Contingency margin

This year, we have maintained the contingency margin at 13% as per last year. This was based on a full review in 2020, with updated analysis in 2022.

The contingency margin allows for insurers' cost of servicing the regulatory solvency capital required without the purchase of reinsurance.

6.5 Combined loadings and loss ratio

The loss ratio is calculated from the expenses and contingency margin above and includes interest earned on earlier receipt of premiums.



ASSUMPTIONS

A combination of these loadings, excluding brokerage, is:

$$\begin{aligned} \text{Gross premium} &= \frac{\text{Risk Premium}}{(1 - \text{total expenses} - \text{contingency margin}) \times \text{interest earned factor}} \\ &= \frac{\text{Risk Premium}}{(1 - 0.150 - 0.13) \times 1.0418^{0.25}} \end{aligned}$$

Gross premium = Risk premium x 1.3751 (combined loading factor)

This is equivalent to a loss ratio of:

Risk premium / Gross Premium = 72.7% excluding brokerage

The 1.3751 combined loading factor in the premium rates is calculated as the inverse of the loss ratio, rounded to four decimal places.

The loss ratio adopted last year was 72.0%. The increase in the loss ratio adopted this year is due to the decrease in total expenses, partially offset by the increase in the one year interest rate.

6.6 Premium rating caps

Minimum and maximum premium rating caps

As detailed in section 5.2, premium rates are subject to absolute minimum and maximum rates. The minimum and maximum rates are \$0.25 and \$12.00 per \$100 of wages, which is the same as last year.

In addition, we have excluded the following classes from the premium pool respread calculation:

- 07000 - Oil and Gas Extraction on Land
- 96020 - Undifferentiated Goods - Producing Activities of Private Households for Own Use
- 96030 - Undifferentiated Service - Producing Activities of Private Households for Own Use
- 96011 - Private Households Employing Staff - Occasional Staff

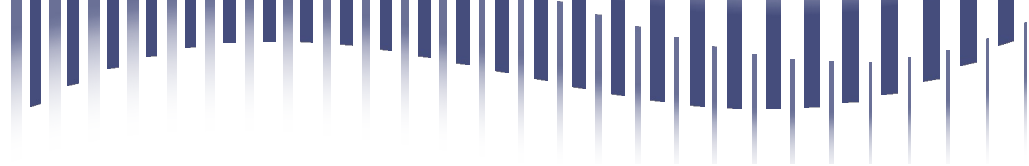
These are the same classes excluded as last year. Premium rates for 15 rating classes were increased to the minimum rate, one class was decreased to the maximum premium rate (prior to the 25% movement cap) and all other premium rates have reduced by 0.4% as a result of respreading the extra premium generated. This is higher than the 0.3% for redistribution last year.

Premium rate movement cap of 25%

As detailed in section 5.2, premium rates are subject to absolute minimum and maximum rates and a movement cap from its previous comparable Gazetted rates. This movement cap was retained at 25% this year, the same movement rate as last year.

This capping of movement increases all premium rates (not subject to capping) by 0.2% as a result of respreading the extra premium required. This has reduced from 0.3% last year.

Thus, the overall net impact of the respreading due to the minimum and maximum rates as well as the movement capping is negligible at 0.2% reduction.



ASSUMPTIONS

Large claims capping

As detailed in section 5.2, the 2022/23 accident year large claims are capped at \$7.5 million. A cap is also applied for claims above 12% of wages if the claims are between \$0.5 million and \$7.5 million. In both cases, these are the values for the 2022/23 accident year, which have been indexed from base values set for the 2000/01 accident year. This is the same method as last year.

For the 2018 to 2023 accident years, which have a greater than 0% weighting (see section 5.2), at class level five (six) claims are capped, while at group, sub-division and division level two (two) claims are capped. The capped large claims represent 0.5% (0.4%) of the 2024/25 premium pool.

The numbers in brackets are last year figures.

6.7 WA legislative changes

Appendix D.5 contains the details of the WA legislation changes. A summary of the allowances are included below.

Workers Compensation and Injury Management Act 2023

The 2023 Act is expected to commence on 1 July 2024. The overall impact of the 2023 Act on the 2024/25 recommended premium rates is 3.2%. This includes the allowance for the doubling of the cap on medical and health expenses, income compensation payments step-down extending from 13 to 26 weeks, net impact of the new Catastrophic Injuries Support Scheme (CISS) levy and new base rates for medical and allied health fees.

We have also included an allowance in the 30 June 2023 outstanding claims liability for the doubling of the cap on medical and health expenses and new base rates for medical and allied health fees. This increases the 30 June 2023 outstanding claims liability by 0.7%.

Workers' Compensation and Injury Management Amendment (COVID-19 Response) Act 2020

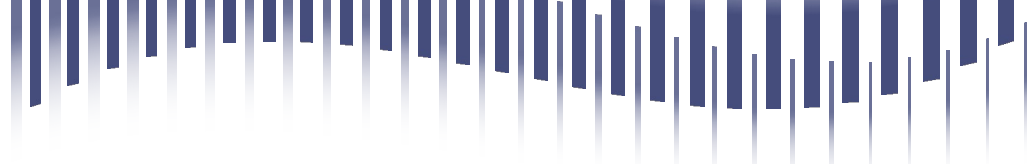
We have not included any explicit allowance for the 2020 Amendment Act in the outstanding claims liability at 30 June 2023 and 2024/25 premium rates, though it may be implicitly allowed for within the case estimates.

We have been advised that some of the increase in case estimates may be related to the discontinuation of the common law termination date as claimants and their legal advisers are waiting longer to determine the level of whole person impairment and to elect to pursue common law benefits and this is lengthening weekly benefit duration. It may be used in negotiations to obtain a higher settlement. It will take a few years for the evidence to emerge to determine if this translates into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid.

6.8 Board directives

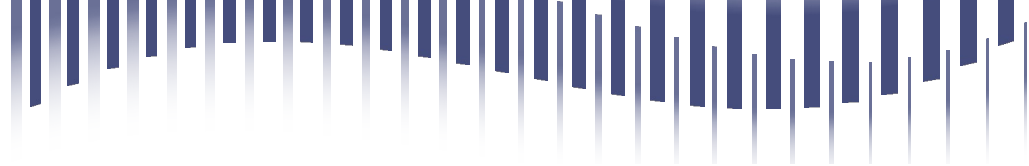
The following WorkCover WA Board directives have been issued:

- All self-insurers, with the exception of the ICWA-RiskCover, are to be excluded from the recommended premium rates (LGIS WorkCare was included in the rates until 2004)
- Brokerage is to be excluded from the premium rates



ASSUMPTIONS

- Premium rates are to be specified gross of reinsurance. The contingency margin allows for the insurer to hold the total amount of capital required to support the business without the purchase of reinsurance
- Premium rates are calculated using earned wages, which provides more stable premium rates than the use of written wages
- The level for large claim capping
- The minimum and maximum premium rates
- A maximum movement (both upwards and downwards movement) of 25% for the premium rates by class based their comparable Gazetted 2023/24 rates. This was part of the strategy to smooth the transition for premium rates calculated and published based on ANZSIC 1993 to ANZSIC 2006. The board advised that this is now intended to strike a balance between manageable increases for policyholders and limiting the cross-subsidisation between classes. The percentage cap is the same as last year's cap.
- Use a three year average to calculate the expense loading
- Contingency margin remains at 13%.



7 Uncertainty

7.1 Uncertainty in the estimates

Actuarial estimates are obtained after analysis of past claims experience. From these analyses, models of the claim payment process can be established and used to project future payments on claims outstanding at the valuation date.

The estimates of outstanding claims obtained in this manner are indeed estimates in the sense that there is a degree of uncertainty as to the difference, which will ultimately arise between the estimates and the final result of the experience. This uncertainty arises due to independent risk and systemic risk. These are defined as:

- **Independent risk:** This covers the uncertainty associated with the actual claim cost outcome from random effects
- **External systemic risk:** refers to the uncertainty arising from non-random risks external to the actuarial modelling process. This covers systemic episodes that have not yet occurred but may emerge in the future and those that are emerging in the recent experience but where there is some uncertainty as to how they will develop in future. This component of risk includes items such as economic and superimposed inflation risks, legislative and political risks, claims management process risk, event risk, expense risk, recovery risk, and latent claims risk.
- **Internal systemic risk:** refers to the uncertainty arising from the actuarial valuation models used being an imperfect representation of the insurance process as it pertains to insurance liabilities. This covers risks such as *model specification error* (an inability to build a model that is fully representative of the underlying insurance process), *parameter selection error* (even if a perfect model could be specified, it would not be possible to adequately measure all the predictors of claim cost outcomes or trends in these predictors) and *data error* (errors that arise as a result of incomplete or inaccurate data).

The investigation and application of different models to the data is intended to reduce the model specification error, although the extent to which this is achieved is unknown.

The initial estimates obtained from the calculations are "central" estimates in the sense that they incorporate no deliberate bias towards over or under estimation. By definition, the estimates are intended to have about an even chance of ultimately turning out to be sufficient.

7.2 Determination of provisions

7.2.1 Background

Insurers' financial statements would have to comply with Accounting Standard AASB 1023 on General Insurance Contracts.

AASB1023 requires the determination of a central estimate of the present value of the expected future payments for claims incurred with an additional risk margin to allow for the inherent uncertainty in the central estimate.

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It should be realised that, by definition, any margins over central estimates are intended to have a better than even chance of falling into future surplus, provided that future experience is consistent with that of the recent past. This should be considered in making management decisions.

7.2.2 Levels of sufficiency

The nature of insurance claims is such that the actual value of the liabilities is unknown because claims experience is subject to the sources of uncertainty described above. As a result, it is very difficult to determine the central estimate with a reasonable degree of precision. For this reason, the inherent uncertainty in the central estimate must also be considered.

Determination of a risk margin allows for some part of the uncertainties in the claim process and also it ensures as far as possible that surplus is not released until it is reasonably certain that the surplus is real.

The adopted method was tested for its sensitivity to changes in the claim rates assumed and a measure of the variation in the results was obtained. This analysis indicated that the distribution of likely results was skewed to the right. This means that the variation upwards in the provision is expected to be greater than the variation downwards.

The dispersion of expected results is added to by:

- The variable nature of the claim experience
- Very large common law claims can sometimes occur.

The variation analysed together with benchmarking against reports published by APRA and the Actuaries Institute leads to the assumption of a 17% coefficient of variation of the distribution of results, which allows for the skewed distribution and systemic variation. The lognormal distribution was then assumed to apply when calculating the risk margin required to increase the level of sufficiency above 50%.

This leads to the following risk margins. As per last year we adopted a risk margin of 10.5%.

Level of sufficiency and risk margins				
Level of sufficiency	60%	70%	75%	80%
Risk margin	2.89%	7.71%	10.47%	13.63%

7.2.3 Sensitivity

The adopted method was tested for its sensitivity to changes in the assumptions about future interest and inflation rates, adopted reporting rates, and superimposed inflation, and a measure of the variation in the results was obtained. The results of this analysis are shown below:

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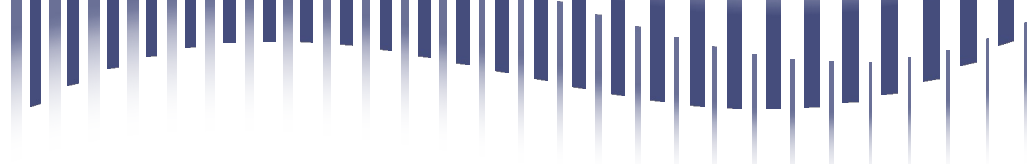
Recommended Premium Rates Provision - Sensitivity Analysis		
Assumption varied	Variation	% Change in total provision
Future interest rates	1% increase	-1.65%
	1% decrease	1.73%
Future inflation rates	1% increase	1.71%
	1% decrease	-1.67%
Adopted claim reporting rates	DY0 rate decreased from 10.13% to 5.06%	-2.59%
Superimposed inflation	1% increase	1.70%
	1% decrease	-1.65%

The percentage change in the outstanding claim provision as at 30 June 2023 is shown in the table above. The inherent robustness of the various assumptions in the table above means that the variations shown are not necessarily cumulative. Hence care needs to be exercised in developing any best or worst case scenario.

We also tested the impact on the 2024/25 recommended premium rate for changes in key assumptions. The results of this test are shown in the table below:

Recommended Premium Rates Provision - Sensitivity Analysis		
Assumption varied	Variation	% Change in premium rates
Future interest rates	1% increase	-1.77%
	1% decrease	1.84%
Future inflation rates	1% increase	1.18%
	1% decrease	-1.16%
Superimposed inflation for future accident years	1% increase	1.70%
	1% decrease	-1.69%
Superimposed inflation for both historical and future accident years	1% increase	2.89%
	1% decrease	-2.81%
Claims incurred (allowing for small claims)	6,000 more claims incurred with an average claim size of \$6,000 per claim	2.61%
Expenses	one year average (14.4%) used instead of three year average (15.0%)	-0.94%

This table differs from the previous table as the first table is the change in the outstanding claims provision and the second table is the change in the recommended premium rate.



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7.3 Additional sources of uncertainty

7.3.1 Claims management

We understand that over the 2022 financial year and prior years insurers have all experienced a shortage of experienced case managers and staff to process claims as claims managers left the industry. We understand that this impacted insurers' ability to proactively manage claims as caseloads increased for remaining claims managers which delayed finalisation and settlement of claims, potentially increasing claims costs as well as creating an unintended change in case estimation practice due to a lack of experienced case managers. We understand that this has stabilised in the last 12 to 18 months with an increase in the number of claims managers and a reduction in caseloads to enable more proactive settlement of historical claims. While ongoing challenges persist in the estimation of insurance liabilities, and there may be some overestimation in case estimates for more complex claims due to inexperience, the industry anticipates a gradual improvement in this aspect over the longer term as staff gain experience and claims are settled or return to work more swiftly.

We understand that some insurers are using artificial intelligence (AI) to support their claims managers to understand the average return to work for claimants with similar injuries and therefore assist in case estimation and flagging where a claimant may need extra support as the duration is longer than expected.

This adds uncertainty in the estimation of insurance liabilities.

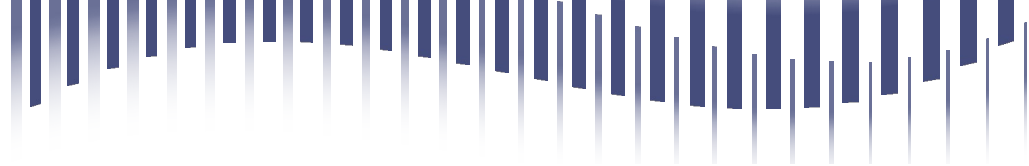
7.3.2 Current economic outlook and the WA workers compensation scheme

The current economic outlook is very much uncertain. Insurers are faced with a number of challenges with, which include:

- High inflation pressure, uncertainty in interest rates and volatility in investment outlook; all of which will impact the estimated insurance liabilities and net profit after investment income. While average weekly earnings have not increased to the same extent as CPI, if CPI continues to increase that will put pressure on wage increases. Both wage inflation and CPI impact workers compensation claims costs
- Aftermath of COVID, as government initiatives have now ended such as the COVID-19 stimulus packages. The main impacted sector for this is the construction industry. With reduced stimulus, as demand for construction work reduced compared to the surge during COVID, coupled with cost inflation for building materials, we understand that there have been several collapses of construction businesses as well as large projects being put on pause
- General economic pressure may also cause a higher level of bad debts and premium refunds compared to a longer-term average. We understand that currently bad debts are accounted for in management expenses. Future increases in bad debts will increase the expense rate, and therefore premium rate, for the scheme.

7.3.3 Historical reduction in claim numbers and change in claims mix

The number of incurred claims over the 2024/25 premium rate year has a direct impact on the assumed incurred cost, if there is no change in the average claim size, and therefore the premium rate. Since the



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Global Financial Crisis (GFC) in 2008 to the 2020 accident year there had been a reducing trend in the number of incurred claims across accident years.

Over the 2015 to 2020 accident years, there had been significant decreases, with the number of small (time lost less than five days) claims reducing by more than longer duration claims, so the mix of claims was changing. Over the 2015 to 2020 period, the decreases between accident years range from 2.4% (2017 to 2018) to 8.6% (2016 to 2017).

The 2023 accident year is expected to reverse this trend and have an increase with 25,102 claims estimated to be incurred, which is 785 (3.2%) claims more than the 2022 accident year (24,317). However, the claim frequency per \$105,085 of wages for 2023 is in line with 2022 as the increase in the number of claims is matched by an increase in wages. The graphs in Appendix D.2.2 provide further information on the number of claims by size of claim. This shows that the increase in the number of claims for 2023 is not due to more small claims being reported which leads to the increase in the average claim size.

Other sources of uncertainty with regards to the changing claims mix are:

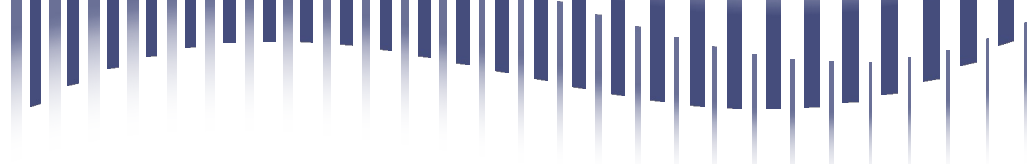
- The number of psychological claims both primary and secondary. Although these claims represent a small, but increasing, proportion of the total, they tend to have a higher average cost and therefore an increase in the volume of these claims would cause additional uncertainty for the incurred cost in the scheme. From our discussions with insurers, secondary psychological claims are thought to be increasing but difficulties in effectively capturing and tracking secondary psychological claim data make this hard to prove.
- Whether the employer is requesting reimbursement for all payment types from the insurer or whether employers are choosing to pay part of the claim's costs in house, particularly in situations where an employee has partially returned to work. If costs are currently being withheld from the scheme this creates additional uncertainty about the actual total cost. The total cost could increase in the future if these payments are reclaimed.

7.3.4 Settlements and legal costs

There has been significant superimposed inflation for lump sum and legal costs over recent years. The increase in redemptions may be driven by the impact of the economic environment, especially on the ability to find injured employees alternative duties or return to work opportunities. It could also be driven by other reasons such as changing claimant preferences. The increase in legal costs is linked to the higher settlements. Legal costs are also impacted by insurers using external versus internal lawyers.

Over the 2023 financial year, we continue to see higher lump sum payments than expected. For the 2022 and earlier accident years, lump sum payments during the year were 5% higher than projected in our previous report. We have allowed for this in our valuation by adopting more recent periods of experience for assumptions in earlier development years, as well as referencing the experience in the six months to 31 December 2023. We will monitor this to analyse whether there is a continuation or easing of this trend.

The actuarial valuation of workers compensation risks is subject to a high level of uncertainty, especially for the settlement payment types. This is because the costs of settlement claims are more difficult to predict since they are the larger claims, tend to have longer reporting and payment delays than statutory benefit claims, and a greater dispersion of claim size. Lump sum settlements have also been impacted



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by the 2020 Amendment Act as discussed below. We have taken longer averaging periods for older years to offset this volatility.

7.3.5 Impact from the 2020 Amendment Act

There is a risk the discontinuation of the common law termination date could increase the number of common law claims as it gives workers an additional year to elect to pursue common law benefits. It is not known how much impact this will have given common law claims have declined significantly over the last 10 years. It will create an additional year of uncertainty in estimating which claims may become common law which could increase liabilities.

We have been advised that some of the increase in case estimates may be related to the discontinuation of the common law termination date as claimants and their legal advisers are waiting longer to determine the level of whole person impairment and to elect to pursue common law benefits and this is lengthening weekly benefit duration. It may be used in negotiations to obtain a higher settlement. It will take a few years for the evidence to emerge to determine if this translates into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid.

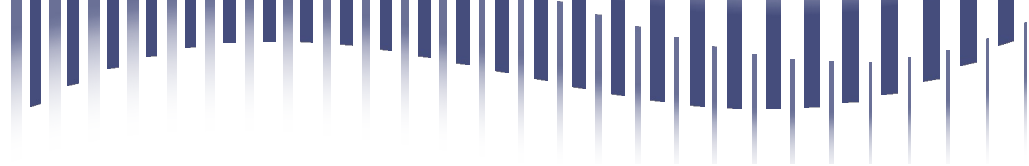
The first cohort of claims impacted by the 2020 Amendment Act are claims for the 2019/20 accident year. In the 2023 financial year these claimants reached the three year statute of limitations. The data is unavailable to know the percentage of claims that have lodged a common law claim and whether this has changed from prior years. The total estimates for the 2019/20 accident year have increased since 30 June 2022. In our discussions with insurers, while some claimants didn't pursue common law where the insurer thought they might, other injured workers who weren't expected to lodge a common law claim did, so the reduction in case estimates on some claims was more than offset by increases on other claims. This has led to an overall slight increase in total estimates.

We have not included any explicit allowance for the 2020 Amendment Act in the 30 June 2023 outstanding claims valuation and 2024/25 premium rates, though it may be implicitly allowed for within the case estimates.

7.3.6 Workers Compensation and Injury Management Act 2023

The new Workers Compensation and Injury Management Act 2023 (2023 Act) creates additional uncertainty in the 2024/25 premium rates. We have discussed the benefits changes in Appendix D.5. There is significant uncertainty as the increase in the cap on medical and allied health benefits, delay in the step-down on income compensation and provisional payments represent an increasing of benefits which could lead to behavioural change. While we undertook different scenario testing to estimate the impact of potential behavioural change when costing these benefit changes the impact could still be different to expected. There is additional uncertainty as the whole Act has been rewritten along with new Regulations which could have unintended consequences.

We recommend the claims experience is monitored closely, both for benefits that have been changed to compare their actual experience with expected but claims costs more broadly are monitored to ensure there are no unintended consequences.



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7.3.7 Silicosis claims

Silicosis has become a significant issue for employees in the manufacturing stone industry in some other states, particularly Queensland. Towards the end of the 2018 calendar year, Queensland commenced testing all employees who have potentially been exposed to crystalline silica dust.

WorkCover Queensland's website advises that as at 31 January 2024, WorkCover Queensland had completed the health screening of 1,054 stonemasons exposed to respirable crystalline silica from engineered stone.

271 people have been diagnosed with a work-related condition, WorkCover Queensland are helping them with their recovery and rehabilitation and providing compensation for their loss of wages. Some of these people were diagnosed through other health screening and have lodged claims with WorkCover Queensland.

Of these workers:

- 37 have a diagnosis of progressive massive fibrosis
- 15 have a respiratory condition that is not silicosis
- 219 have silicosis.

In WA, as at 31 December 2023, excluding disallowed claims there were a total of 42 silicosis claims for 21 claimants, of which 39 silicosis claims lodged for 18 claimants are for non-mining industries. At our previous valuation there were 36 known silicosis claims for 21 claimants for non-mining industries that hadn't been disallowed.

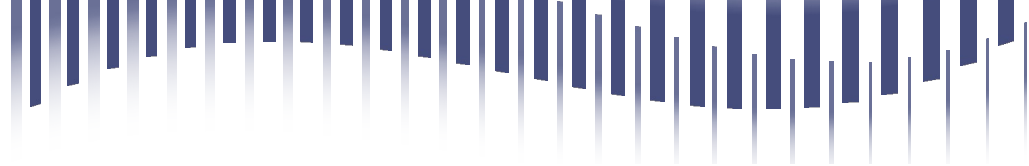
The total average claim size per claimant ranges from \$42,000 to \$1.7 million, with the average per claimant about \$375,000 for non-mining claimants. The accident year for each claim varies between 2004/05 to 2023/24. Note that there is often different accident years for each claim per claimant due to the worker changing employers and having exposure across multiple years. For example, one worker has seven claims spread across six different accident years

It has been five years since the Queensland experience emerged. We understand that most WA employees currently employed in the relevant occupations have now been tested and since 2018 WorkSafe have identified 48 WA workers with silicosis, of which 43 work in the engineered stone industry so the number of Silicosis claims reported may increase for prior accident years.

There could also be future claims reported from historical exposure which arise from people previously employed in the relevant industries who have not yet been tested and people who have been tested develop symptoms in the future. Based on the claims data, WorkSafe data and our understanding that most WA employees currently employed in the relevant occupations have been tested at this point in time, we don't expect the silicosis claim frequency in WA to be as prevalent as reported in Queensland.

While there is a risk that there could be an increase in the number of silicosis claims reported for prior accident years or an increase in the size of these claims, we have not included an explicit allowance within the 30 June 2023 outstanding claims valuation. This is likely captured within our development factors as the historical claims are spread across a number of accident years.

We have not included an explicit allowance for silicosis in the 2024/25 recommended premium rates. There is a ban on the use of engineered stone commencing from 1 July 2024. This should reduce the



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incidence of claims in future years as the engineered stone can no longer be manufactured or added into homes. There could still be cases arising from the removal of stone benchtops if they are cut up as part of the removal process.

While we expect the claims to reduce in future years due to the ban, we have not removed these claims from the 2024/25 premium rates calculation for the relevant classes given the uncertainty. Classes with current claims, which could be impacted are 14920, 19120, 20290, 20330, 20901, 21210, 22930, 24990, 30110, 31090, 32990 and 33390. As per last year, we have used the adjusted credibility applied to the class experience for two classes with silicosis (20901 and 20290). See section 5.2 for more information.

We recommend that silicosis claims associated with manufacturing stone continue to be monitored.

7.3.8 COVID-19 claims experience

There continues to be a degree of uncertainty due to COVID-19. Up until 31 December 2023, we were advised of 349 COVID-19 related claims, of which 112 are disallowed or withdrawn. This is an increase compared to the 233 claims as at 31 December 2022. The additional claims in this year's data are primarily from classes 84010 - Hospitals (except psychiatric hospitals) or 84020 - Psychiatric hospitals where presumptive legislation applies to these workers.

Of the claims that are reported to date, the average claim size is lower than other claims in the scheme for more recent accident years and lower than our estimates from our previous high-level modelling (as per Appendix J.3 our 1 April 2022 report).

The ultimate impact of COVID-19 will depend upon the percentage of people who can prove they obtained it through work. There may be an increase in claims reported for long term illness, either long COVID or mental stress. There could also be additional mental stress claims from employees who are taking on additional workload while other staff are absent.

Other potential impacts due to COVID-19 include lengthening claims durations if there are delays in accessing services or delays in the ability for people to return to work. Over time, other impacts may also emerge.

The overall impact of COVID-19 is still unknown for the projection of 2024/25 premium rates. Given the low number of claims to date and average payments to date being lower than other claims, we have not included any explicit allowance for COVID-19 in the 30 June 2023 outstanding claims valuation or the projection of 2024/25 premium rates.

See Appendix J.3 for further COVID-19 related information.

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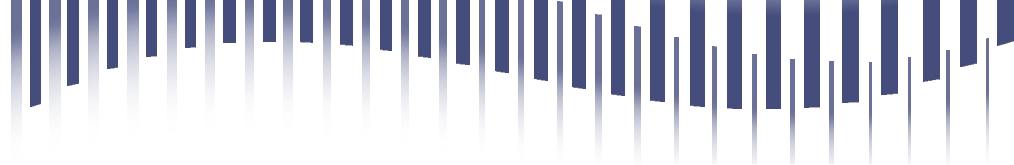
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A Premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins Uncapped / (RES2024/25)
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/ GAZ2023/24	(GAZ2023/24)/ GAZ2022/23	
A Agriculture, forestry and fishing									
1110 NURSERY PRODUCTION (UNDER COVER)	65.8%	11.0%	4.64	4.28	4.26	4.25	-0.8%	-7.8%	-0.2%
1120 NURSERY PRODUCTION (OUTDOORS)	63.1%	23.4%	4.97	4.41	4.37	4.36	-1.0%	-11.4%	-0.2%
1130 TURF GROWING	70.7%	11.1%	5.45	5.31	5.37	5.36	1.0%	-2.6%	-0.2%
1140 FLORICULTURE PRODUCTION (UNDER COVER)	66.2%	7.9%	4.96	4.55	4.57	4.56	0.2%	-8.1%	-0.2%
1150 FLORICULTURE PRODUCTION (OUTDOORS)	63.0%	9.0%	4.82	4.34	4.23	4.23	-2.6%	-10.0%	-0.2%
1210 MUSHROOM GROWING	62.0%	6.6%	5.79	5.40	5.00	5.00	-7.5%	-6.7%	-0.2%
1220 VEGETABLE GROWING (UNDER COVER)	62.0%	8.6%	5.38	4.95	4.65	4.64	-6.3%	-8.0%	-0.2%
1230 VEGETABLE GROWING (OUTDOORS)	62.3%	36.3%	5.77	5.48	5.00	4.99	-8.9%	-5.0%	-0.2%
1310 GRAPE GROWING	57.9%	24.8%	4.69	3.89	3.78	3.77	-3.0%	-17.0%	-0.2%
1320 KIWIFRUIT GROWING	60.1%	0.6%	4.83	4.23	4.05	4.04	-4.4%	-12.5%	-0.2%
1330 BERRY FRUIT GROWING	62.6%	17.8%	4.32	3.88	3.77	3.77	-3.1%	-10.2%	-0.2%
1340 APPLE AND PEAR GROWING	58.8%	19.1%	4.42	3.83	3.63	3.62	-5.4%	-13.5%	-0.2%
1350 STONE FRUIT GROWING	62.4%	11.3%	4.38	4.01	3.81	3.80	-5.1%	-8.6%	-0.2%
1360 CITRUS FRUIT GROWING	58.6%	11.8%	4.54	3.88	3.71	3.70	-4.7%	-14.5%	-0.2%
1370 OLIVE GROWING	60.9%	9.8%	4.73	3.98	4.02	4.01	0.6%	-15.8%	-0.2%
1390 OTHER FRUIT AND TREE NUT GROWING	63.0%	22.6%	5.11	4.62	4.48	4.48	-3.0%	-9.6%	-0.2%
1410 SHEEP FARMING (SPECIALISED)	58.3%	10.9%	6.84	5.77	5.55	5.54	-4.0%	-15.6%	-0.2%
1420 BEEF CATTLE FARMING (SPECIALISED)	60.6%	28.0%	7.64	6.68	6.45	6.44	-3.6%	-12.5%	-0.2%
1430 BEEF CATTLE FEEDLOTS (SPECIALISED)	63.3%	5.0%	6.47	5.84	5.71	5.70	-2.5%	-9.7%	-0.2%
1440 SHEEP-BEEF CATTLE FARMING	59.5%	16.3%	6.81	5.87	5.64	5.63	-4.2%	-13.7%	-0.2%
1450 GRAIN-SHEEP OR GRAIN-BEEF CATTLE FARMING	57.0%	69.2%	6.19	5.36	4.92	4.91	-8.4%	-13.4%	-0.2%
1460 RICE GROWING	64.3%	2.7%	6.63	6.17	5.94	5.92	-4.0%	-7.0%	-0.2%
1490 OTHER GRAIN GROWING	56.4%	28.9%	5.93	4.92	4.66	4.66	-5.3%	-17.2%	-0.2%
1510 SUGAR CANE GROWING	58.6%	0.5%	5.72	4.98	4.67	4.66	-6.4%	-12.9%	-0.2%
1520 COTTON GROWING	57.5%	2.6%	5.69	4.92	4.57	4.56	-7.5%	-13.5%	-0.2%
1590 OTHER CROP GROWING N.E.C.	57.0%	9.0%	5.72	4.92	4.55	4.54	-7.8%	-14.1%	-0.2%
1600 DAIRY CATTLE FARMING	61.8%	20.5%	6.79	6.24	5.85	5.83	-6.4%	-8.2%	-0.2%
1710 POULTRY FARMING (MEAT)	66.1%	11.6%	5.88	4.89	5.41	5.40	10.5%	-16.8%	-0.2%
1720 POULTRY FARMING (EGGS)	64.5%	15.8%	5.48	4.79	4.93	4.92	2.6%	-12.5%	-0.2%
1800 DEER FARMING	59.5%	1.3%	5.74	5.06	4.76	4.75	-6.1%	-11.8%	-0.2%
1910 HORSE FARMING	61.1%	12.5%	6.36	5.74	5.41	5.40	-5.8%	-9.8%	-0.2%
1920 PIG FARMING	56.4%	16.6%	5.93	5.19	4.66	4.65	-10.3%	-12.5%	-0.2%
1930 BEEKEEPING	55.9%	6.6%	6.12	5.18	4.77	4.76	-8.1%	-15.4%	-0.2%
1990 OTHER LIVESTOCK FARMING N.E.C.	59.0%	6.9%	5.59	4.92	4.59	4.59	-6.7%	-12.1%	-0.2%
2010 OFFSHORE LONGLINE AND RACK AQUACULTURE	63.6%	9.2%	4.69	4.19	4.16	4.15	-0.9%	-10.7%	-0.2%
2020 OFFSHORE CAGED AQUACULTURE	60.3%	0.4%	5.30	4.62	4.45	4.44	-4.0%	-12.7%	-0.2%
2030 ONSHORE AQUACULTURE	56.2%	11.7%	5.64	4.76	4.41	4.41	-7.5%	-15.5%	-0.2%
3010 FORESTRY	76.1%	29.9%	4.39	3.98	4.65	4.64	16.7%	-9.3%	-0.2%
3020 LOGGING	82.1%	24.1%	6.02	5.50	6.88	6.87	25.0%	-8.7%	-0.2%
4110 ROCK LOBSTER AND CRAB POTTING	69.9%	19.8%	4.18	3.80	4.07	4.06	6.9%	-9.2%	-0.2%
4120 PRAWN FISHING	67.9%	6.4%	4.51	3.94	4.26	4.26	8.0%	-12.6%	-0.2%
4130 LINE FISHING	69.1%	5.6%	4.77	4.10	4.60	4.59	11.9%	-14.1%	-0.2%
4140 FISH TRAWLING, SEINING AND NETTING	64.5%	3.4%	4.88	4.17	4.38	4.37	4.9%	-14.5%	-0.2%
4190 OTHER FISHING	67.6%	12.0%	5.06	4.37	4.77	4.76	8.9%	-13.6%	-0.2%
4200 HUNTING AND TRAPPING	63.5%	5.4%	4.75	4.15	4.21	4.20	1.1%	-12.7%	-0.2%
5100 FORESTRY SUPPORT SERVICES	67.8%	20.1%	4.53	4.11	4.28	4.27	3.8%	-9.2%	-0.2%
5210 COTTON GINNING	0.0%	0.0%	6.86	6.17	6.08	6.07	-1.6%	-10.0%	-0.2%
5220 SHEARING SERVICES	62.2%	34.3%	7.97	7.01	6.91	6.89	-1.7%	-12.0%	-0.2%
5290 OTHER AGRICULTURE AND FISHING SUPPORT SERVICES	65.5%	37.8%	6.23	5.77	5.68	5.67	-1.7%	-7.3%	-0.2%

PREMIUM RATES

Divn/Class Name		Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Margins
				Gazette 2022/23	Gazette 2023/24	Normalised 2024/25	Relative Prem Rates	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	Uncapped / (RES2024/25)
B	Mining									
6000	COAL MINING	70.7%	38.8%	4.11	3.95	4.05	4.04	2.3%	-3.9%	-0.2%
7000	OIL AND GAS EXTRACTION ON LAND	44.6%	100.0%	0.25	0.25	0.16	0.25	0.0%	0.0%	37.9%
7001	OIL AND GAS EXTRACTION OFFSHORE	109.6%	93.0%	0.45	0.57	0.69	0.69	21.9%	25.0%	-0.2%
8010	IRON ORE MINING	73.8%	100.0%	0.90	0.87	0.93	0.92	5.8%	-2.9%	-0.2%
8020	BAUXITE MINING	69.7%	11.2%	1.89	1.73	1.84	1.83	5.9%	-8.5%	-0.2%
8030	COPPER ORE MINING	60.1%	39.7%	1.53	1.34	1.28	1.28	-4.3%	-12.8%	-0.2%
8040	GOLD ORE MINING ABOVE GROUND	68.6%	100.0%	1.98	1.86	1.89	1.89	1.1%	-5.7%	-0.2%
8041	GOLD ORE MINING UNDERGROUND	56.3%	90.5%	2.19	1.89	1.71	1.71	-9.3%	-13.7%	-0.2%
8050	MINERAL SAND MINING	84.1%	68.5%	0.89	0.91	1.04	1.04	14.1%	2.5%	-0.2%
8060	NICKEL ORE MINING	70.9%	66.2%	1.51	1.45	1.49	1.49	2.4%	-3.7%	-0.2%
8070	SILVER-LEAD-ZINC ORE MINING	77.4%	24.5%	1.26	1.38	1.36	1.36	-1.8%	9.6%	-0.2%
8090	OTHER METAL ORE MINING	84.8%	38.0%	1.88	2.03	2.23	2.22	9.3%	7.9%	-0.2%
9110	GRAVEL AND SAND QUARRYING	69.7%	20.4%	2.85	2.48	2.77	2.76	11.3%	-12.9%	-0.2%
9190	OTHER CONSTRUCTION MATERIAL MINING	58.1%	35.8%	3.13	2.50	2.53	2.53	1.3%	-20.2%	-0.2%
9900	OTHER NON-METALLIC MINERAL MINING AND QUARRYING EXCLUDING SALT HARVESTING	72.9%	59.4%	1.65	1.46	1.67	1.67	14.5%	-11.4%	-0.2%
9901	OTHER NON-METALLIC MINERAL MINING AND QUARRYING SALT HARVESTING	75.4%	37.4%	1.23	1.15	1.29	1.29	12.5%	-6.9%	-0.2%
10110	PETROLEUM EXPLORATION	59.7%	31.4%	0.74	0.68	0.62	0.62	-8.8%	-8.9%	-0.2%
10120	MINERAL EXPLORATION	60.1%	92.2%	0.89	0.86	0.74	0.74	-13.9%	-3.0%	-0.2%
10900	OTHER MINING SUPPORT SERVICES ON LAND	67.4%	100.0%	2.73	2.55	2.56	2.56	0.3%	-6.5%	-0.2%
10901	OTHER MINING SUPPORT SERVICES OFFSHORE	35.1%	100.0%	1.01	0.76	0.49	0.57	-25.0%	-25.0%	13.1%
C	Manufacturing									
11110	MEAT PROCESSING	64.6%	65.8%	4.50	4.04	4.05	4.04	0.1%	-10.2%	-0.2%
11120	POULTRY PROCESSING	57.5%	33.2%	4.80	4.23	3.84	3.84	-9.4%	-11.8%	-0.2%
11130	CURED MEAT AND SMALLGOODS MANUFACTURING	69.4%	29.7%	5.11	4.74	4.95	4.94	4.2%	-7.3%	-0.2%
11200	SEAFOOD PROCESSING	76.4%	27.8%	2.86	2.76	3.04	3.04	10.1%	-3.5%	-0.2%
11310	MILK AND CREAM PROCESSING	68.0%	19.4%	2.83	2.40	2.68	2.67	11.6%	-15.3%	-0.2%
11320	ICE CREAM MANUFACTURING	69.0%	4.6%	2.91	2.64	2.79	2.79	5.7%	-9.2%	-0.2%
11330	CHEESE AND OTHER DAIRY PRODUCT MANUFACTURING	71.2%	26.9%	2.75	2.55	2.72	2.72	6.6%	-7.1%	-0.2%
11400	FRUIT AND VEGETABLE PROCESSING	68.9%	20.5%	3.60	3.68	3.46	3.45	-6.3%	2.3%	-0.2%
11500	OIL AND FAT MANUFACTURING	63.0%	9.8%	3.42	3.05	3.00	3.00	-1.6%	-11.0%	-0.2%
11610	GRAIN MILL PRODUCT MANUFACTURING	62.5%	16.2%	3.27	2.90	2.85	2.84	-1.9%	-11.4%	-0.2%
11620	CEREAL, PASTA AND BAKING MIX MANUFACTURING	61.2%	15.6%	3.59	3.11	3.07	3.06	-1.7%	-13.3%	-0.2%
11710	BREAD MANUFACTURING (FACTORY BASED)	65.1%	27.7%	2.98	2.66	2.70	2.70	1.3%	-10.7%	-0.2%
11720	CAKE AND PASTRY MANUFACTURING (FACTORY BASED)	69.5%	20.6%	3.01	2.84	2.92	2.91	2.4%	-5.6%	-0.2%
11730	BISCUIT MANUFACTURING (FACTORY BASED)	71.1%	3.5%	2.76	2.55	2.74	2.73	7.2%	-7.8%	-0.2%
11740	BAKERY PRODUCT MANUFACTURING (NON-FACTORY BASED)	68.3%	40.8%	2.32	2.14	2.21	2.20	2.8%	-7.6%	-0.2%
11810	SUGAR MANUFACTURING	0.0%	0.0%	3.34	3.09	3.13	3.12	1.1%	-7.5%	-0.2%
11820	CONFECTIONERY MANUFACTURING	67.3%	8.2%	3.13	2.89	2.93	2.93	1.2%	-7.6%	-0.2%
11910	POTATO, CORN AND OTHER CRISP MANUFACTURING	70.2%	6.1%	3.23	3.11	3.15	3.15	1.2%	-3.5%	-0.2%
11920	PREPARED ANIMAL AND BIRD FEED MANUFACTURING	65.2%	22.0%	3.78	3.49	3.44	3.43	-1.8%	-7.7%	-0.2%
11990	OTHER FOOD PRODUCT MANUFACTURING N.E.C.	73.9%	35.6%	3.21	3.23	3.31	3.30	2.4%	0.4%	-0.2%
12110	SOFT DRINK, CORDIAL AND SYRUP MANUFACTURING	74.2%	35.4%	1.86	1.82	1.92	1.92	5.3%	-2.1%	-0.2%
12120	BEER MANUFACTURING	72.7%	27.6%	1.72	1.66	1.74	1.74	5.0%	-3.7%	-0.2%
12130	SPIRIT MANUFACTURING	59.3%	7.5%	2.11	1.77	1.74	1.74	-1.8%	-16.0%	-0.2%
12140	WINE AND OTHER ALCOHOLIC BEVERAGE MANUFACTURING	76.7%	40.3%	1.66	1.58	1.77	1.77	12.4%	-5.0%	-0.2%
12200	CIGARETTE AND TOBACCO PRODUCT MANUFACTURING	71.8%	0.2%	2.02	1.92	2.02	2.02	5.1%	-4.9%	-0.2%
13110	WOOL SCOURING	0.0%	0.0%	2.98	2.60	2.54	2.54	-2.5%	-12.6%	-0.2%
13120	NATURAL TEXTILE MANUFACTURING	60.5%	3.0%	2.93	2.55	2.47	2.46	-3.2%	-13.1%	-0.2%
13130	SYNTHETIC TEXTILE MANUFACTURING	62.7%	3.9%	2.96	2.58	2.59	2.58	0.0%	-12.9%	-0.2%



PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
13200 LEATHER TANNING, FUR DRESSING AND LEATHER PRODUCT MANUFACTURING	61.3%	6.8%	3.09	2.77	2.64	2.63	-5.0%	-10.2%	-0.2%
13310 TEXTILE FLOOR COVERING MANUFACTURING	61.0%	2.7%	3.52	3.20	2.99	2.98	-6.8%	-9.1%	-0.2%
13320 ROPE, CORDAGE AND TWINE MANUFACTURING	56.8%	2.8%	3.59	3.05	2.84	2.84	-7.0%	-15.1%	-0.2%
13330 CUT AND SEWN TEXTILE PRODUCT MANUFACTURING	54.4%	31.3%	3.72	3.07	2.82	2.82	-8.1%	-17.6%	-0.2%
13340 TEXTILE FINISHING AND OTHER TEXTILE PRODUCT MANUFACTURING	56.7%	7.4%	3.23	2.72	2.55	2.54	-6.3%	-15.8%	-0.2%
13400 KNITTED PRODUCT MANUFACTURING	60.2%	1.9%	2.95	2.63	2.47	2.47	-6.2%	-10.8%	-0.2%
13510 CLOTHING MANUFACTURING	59.3%	11.7%	2.46	2.14	2.03	2.03	-5.6%	-12.7%	-0.2%
13520 FOOTWEAR MANUFACTURING	60.3%	2.8%	2.63	2.31	2.21	2.21	-4.5%	-12.2%	-0.2%
14110 LOG SAWMILLING	69.3%	23.7%	4.17	3.88	4.02	4.02	3.4%	-6.8%	-0.2%
14120 WOOD CHIPPING	72.7%	12.5%	3.92	3.57	3.97	3.96	10.9%	-8.8%	-0.2%
14130 TIMBER RESAWING AND DRESSING	70.9%	10.0%	3.91	3.67	3.86	3.85	4.8%	-6.0%	-0.2%
14910 PREFABRICATED WOODEN BUILDING MANUFACTURING	64.8%	19.7%	3.09	2.78	2.79	2.78	0.0%	-9.9%	-0.2%
14920 WOODEN STRUCTURAL FITTING AND COMPONENT MANUFACTURING	68.4%	46.7%	3.20	2.99	3.05	3.05	2.0%	-6.8%	-0.2%
14930 VENEER AND PLYWOOD MANUFACTURING	74.1%	17.8%	3.20	3.06	3.30	3.29	7.8%	-4.4%	-0.2%
14940 RECONSTITUTED WOOD PRODUCT MANUFACTURING	64.0%	6.0%	4.18	3.78	3.73	3.72	-1.4%	-9.8%	-0.2%
14990 OTHER WOOD PRODUCT MANUFACTURING N.E.C.	64.8%	17.2%	3.42	3.11	3.09	3.09	-0.6%	-9.2%	-0.2%
15100 PULP, PAPER AND PAPERBOARD MANUFACTURING	73.7%	3.0%	2.72	2.51	2.79	2.78	10.8%	-7.5%	-0.2%
15210 CORRUGATED PAPERBOARD AND PAPERBOARD CONTAINER MANUFACTURING	78.8%	19.9%	2.33	2.37	2.56	2.55	7.7%	1.8%	-0.2%
15220 PAPER BAG MANUFACTURING	75.5%	0.9%	2.41	2.44	2.53	2.53	3.7%	1.3%	-0.2%
15230 PAPER STATIONERY MANUFACTURING	76.7%	1.3%	2.36	2.41	2.52	2.52	4.5%	2.0%	-0.2%
15240 SANITARY PAPER PRODUCT MANUFACTURING	77.8%	7.4%	2.44	2.63	2.64	2.64	0.4%	7.8%	-0.2%
15290 OTHER CONVERTED PAPER PRODUCT MANUFACTURING	76.3%	6.1%	2.35	2.42	2.49	2.49	2.7%	3.2%	-0.2%
16110 PRINTING	66.3%	38.9%	1.47	1.28	1.36	1.35	5.9%	-13.0%	-0.2%
16120 PRINTING SUPPORT SERVICES	52.0%	17.3%	2.03	1.64	1.47	1.47	-10.4%	-19.2%	-0.2%
16200 REPRODUCTION OF RECORDED MEDIA	69.1%	4.9%	1.76	1.63	1.70	1.70	4.1%	-7.7%	-0.2%
17010 PETROLEUM REFINING AND PETROLEUM FUEL MANUFACTURING	60.9%	7.4%	1.06	0.90	0.90	0.90	-0.2%	-15.1%	-0.2%
17090 OTHER PETROLEUM AND COAL PRODUCT MANUFACTURING	65.3%	66.3%	0.55	0.49	0.50	0.50	1.4%	-10.5%	-0.2%
18110 INDUSTRIAL GAS MANUFACTURING	65.6%	17.2%	2.51	2.33	2.29	2.29	-1.6%	-7.4%	-0.2%
18120 BASIC ORGANIC CHEMICAL MANUFACTURING	64.3%	6.8%	2.69	2.53	2.41	2.40	-5.1%	-5.8%	-0.2%
18130 BASIC INORGANIC CHEMICAL MANUFACTURING	91.1%	37.1%	2.39	2.99	3.04	3.03	1.4%	25.0%	-0.2%
18210 SYNTHETIC RESIN AND SYNTHETIC RUBBER MANUFACTURING	66.1%	12.7%	2.59	2.30	2.39	2.38	3.8%	-11.4%	-0.2%
18290 OTHER BASIC POLYMER MANUFACTURING	67.2%	1.5%	2.39	2.21	2.24	2.24	0.9%	-7.4%	-0.2%
18310 FERTILISER MANUFACTURING	63.9%	34.0%	2.15	2.12	1.92	1.91	-9.6%	-1.6%	-0.2%
18320 PESTICIDE MANUFACTURING	64.7%	11.0%	1.93	1.86	1.74	1.73	-6.6%	-3.6%	-0.2%
18410 HUMAN PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	60.8%	31.2%	1.97	1.71	1.67	1.66	-2.5%	-13.3%	-0.2%
18420 VETERINARY PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	63.7%	3.0%	2.01	1.82	1.79	1.78	-1.8%	-9.7%	-0.2%
18510 CLEANING COMPOUND MANUFACTURING	74.9%	16.9%	2.06	1.87	2.15	2.14	14.2%	-8.9%	-0.2%
18520 COSMETIC AND TOILETRY PREPARATION MANUFACTURING	79.8%	11.0%	2.11	2.14	2.34	2.34	9.3%	1.5%	-0.2%
18910 PHOTOGRAPHIC CHEMICAL PRODUCT MANUFACTURING	73.3%	0.3%	1.73	1.72	1.76	1.76	2.1%	-0.2%	-0.2%
18920 EXPLOSIVE MANUFACTURING	83.5%	40.3%	1.43	1.54	1.67	1.66	7.9%	7.6%	-0.2%
18990 OTHER BASIC CHEMICAL PRODUCT MANUFACTURING N.E.C.	66.0%	17.9%	1.66	1.59	1.53	1.53	-4.1%	-4.3%	-0.2%
19110 POLYMER FILM AND SHEET PACKAGING MATERIAL MANUFACTURING	66.7%	15.4%	2.73	2.64	2.54	2.53	-4.2%	-3.2%	-0.2%
19120 RIGID AND SEMI-RIGID POLYMER PRODUCT MANUFACTURING	68.7%	40.8%	2.59	2.48	2.48	2.48	-0.3%	-4.2%	-0.2%
19130 POLYMER FOAM PRODUCT MANUFACTURING	65.5%	9.2%	2.77	2.60	2.53	2.52	-2.9%	-6.3%	-0.2%
19140 TYRE MANUFACTURING	64.1%	10.0%	2.81	2.65	2.51	2.51	-5.6%	-5.7%	-0.2%
19150 ADHESIVE MANUFACTURING	69.3%	7.9%	2.77	2.75	2.68	2.67	-3.0%	-0.7%	-0.2%
19160 PAINT AND COATINGS MANUFACTURING	64.3%	12.3%	2.67	2.50	2.39	2.39	-4.4%	-6.4%	-0.2%
19190 OTHER POLYMER PRODUCT MANUFACTURING	49.8%	22.8%	3.93	3.19	2.72	2.72	-15.0%	-18.6%	-0.2%
19200 NATURAL RUBBER PRODUCT MANUFACTURING	63.1%	26.2%	2.69	2.39	2.36	2.36	-1.2%	-11.1%	-0.2%
20100 GLASS AND GLASS PRODUCT MANUFACTURING	82.9%	18.6%	3.49	3.50	4.02	4.02	14.8%	0.4%	-0.2%
20210 CLAY BRICK MANUFACTURING	91.3%	23.0%	2.33	2.62	2.97	2.96	12.8%	12.6%	-0.2%
20290 OTHER CERAMIC PRODUCT MANUFACTURING	102.8%	34.5%	2.91	3.64	4.17	4.16	14.3%	25.0%	-0.2%

PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins	
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	Uncapped / (RES2024/25)	
20310 CEMENT AND LIME MANUFACTURING	72.4%	22.1%	2.77	2.71	2.79	2.79	2.8%	-2.1%	-0.2%	
20320 PLASTER PRODUCT MANUFACTURING	71.1%	14.3%	2.92	2.74	2.90	2.89	5.6%	-6.4%	-0.2%	
20330 READY-MIXED CONCRETE MANUFACTURING	73.9%	34.5%	3.00	3.01	3.09	3.08	2.4%	0.4%	-0.2%	
20340 CONCRETE PRODUCT MANUFACTURING	75.2%	30.9%	3.49	3.44	3.65	3.65	5.9%	-1.3%	-0.2%	
20900 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING EXCL FIBREGLASS, INSULATION AND STONE PRODUCTS	75.0%	13.4%	3.85	3.95	4.03	4.02	1.9%	2.4%	-0.2%	
20901 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING STONE PRODUCTS	93.5%	42.5%	4.20	5.25	5.47	5.46	4.0%	25.0%	-0.2%	
21100 IRON SMELTING AND STEEL MANUFACTURING	76.8%	16.6%	3.06	3.00	3.28	3.27	8.9%	-2.0%	-0.2%	
21210 IRON AND STEEL CASTING	91.4%	23.6%	1.82	2.09	2.32	2.31	10.9%	14.6%	-0.2%	
21220 STEEL PIPE AND TUBE MANUFACTURING	97.7%	31.9%	2.10	2.51	2.86	2.86	13.7%	19.5%	-0.2%	
21310 ALUMINA PRODUCTION	80.5%	11.8%	2.31	2.64	2.59	2.59	-2.0%	14.2%	-0.2%	
21320 ALUMINIUM SMELTING	102.6%	10.1%	2.02	2.53	2.89	2.89	14.2%	25.0%	-0.2%	
21330 COPPER, SILVER, LEAD AND ZINC SMELTING AND REFINING	89.3%	2.8%	2.02	2.35	2.52	2.51	6.8%	16.3%	-0.2%	
21390 OTHER BASIC NON-FERROUS METAL MANUFACTURING	98.1%	36.7%	1.83	2.25	2.50	2.49	10.9%	23.0%	-0.2%	
21410 NON-FERROUS METAL CASTING	80.0%	1.2%	2.12	2.26	2.36	2.35	4.1%	6.9%	-0.2%	
21420 ALUMINIUM ROLLING, DRAWING, EXTRUDING	79.7%	12.6%	1.99	2.16	2.21	2.21	2.1%	8.5%	-0.2%	
21490 OTHER BASIC NON-FERROUS METAL PRODUCT MANUFACTURING	79.7%	3.3%	2.08	2.23	2.31	2.31	3.4%	7.2%	-0.2%	
22100 IRON AND STEEL FORGING	83.3%	16.6%	2.36	2.41	2.74	2.73	13.6%	2.0%	-0.2%	
22210 STRUCTURAL STEEL FABRICATING	81.9%	55.1%	3.47	3.67	3.97	3.96	7.9%	5.5%	-0.2%	
22220 PREFABRICATED METAL BUILDING MANUFACTURING	73.0%	21.6%	3.16	3.09	3.22	3.21	4.1%	-2.5%	-0.2%	
22230 ARCHITECTURAL ALUMINIUM PRODUCT MANUFACTURING	79.0%	44.6%	2.87	2.98	3.16	3.15	5.8%	3.7%	-0.2%	
22240 METAL ROOF AND GUTTERING MANUFACTURING (EXCEPT ALUMINIUM)	82.8%	17.4%	2.93	3.16	3.38	3.37	6.7%	8.0%	-0.2%	
22290 OTHER STRUCTURAL METAL PRODUCT MANUFACTURING	70.6%	28.3%	3.29	3.23	3.23	3.23	-0.2%	-1.7%	-0.2%	
22310 BOILER, TANK AND OTHER HEAVY GAUGE METAL CONTAINER MANUFACTURING	53.5%	44.5%	4.72	3.98	3.52	3.52	-11.7%	-15.7%	-0.2%	
22390 OTHER METAL CONTAINER MANUFACTURING	59.8%	17.3%	3.93	3.44	3.27	3.27	-5.0%	-12.5%	-0.2%	
22400 SHEET METAL PRODUCT MANUFACTURING (EXCEPT METAL STRUCTURAL AND CONTAINER PRODUCTS)	73.9%	46.5%	2.94	2.98	3.03	3.02	1.5%	1.2%	-0.2%	
22910 SPRING AND WIRE PRODUCT MANUFACTURING	62.6%	15.8%	3.72	3.30	3.24	3.24	-2.0%	-11.2%	-0.2%	
22920 NUT, BOLT, SCREW AND RIVET MANUFACTURING	64.1%	9.8%	3.64	3.40	3.25	3.25	-4.4%	-6.7%	-0.2%	
22930 METAL COATING AND FINISHING	65.6%	33.1%	3.68	3.49	3.36	3.36	-3.8%	-5.1%	-0.2%	
22990 OTHER FABRICATED METAL PRODUCT MANUFACTURING N.E.C.	71.4%	52.8%	3.62	3.62	3.60	3.60	-0.7%	0.0%	-0.2%	
23110 MOTOR VEHICLE MANUFACTURING	74.4%	12.0%	2.60	2.58	2.70	2.69	4.5%	-0.9%	-0.2%	
23120 MOTOR VEHICLE BODY AND TRAILER MANUFACTURING	69.3%	43.6%	2.76	2.63	2.67	2.66	1.3%	-4.8%	-0.2%	
23130 AUTOMOTIVE ELECTRICAL COMPONENT MANUFACTURING	69.4%	5.4%	2.42	2.28	2.33	2.33	2.2%	-5.6%	-0.2%	
23190 OTHER MOTOR VEHICLE PARTS MANUFACTURING	68.7%	15.9%	2.38	2.27	2.28	2.28	0.3%	-4.7%	-0.2%	
23910 SHIPBUILDING AND REPAIR SERVICES	72.4%	69.0%	1.46	1.47	1.48	1.47	0.1%	0.6%	-0.2%	
23920 BOATBUILDING AND REPAIR SERVICES	80.2%	24.1%	2.58	2.84	2.88	2.87	1.2%	10.2%	-0.2%	
23930 RAILWAY ROLLING STOCK MANUFACTURING AND REPAIR SERVICES	84.0%	32.1%	1.81	1.75	2.12	2.12	21.2%	-3.7%	-0.2%	
23940 AIRCRAFT MANUFACTURING AND REPAIR SERVICES	84.1%	32.1%	1.49	1.60	1.75	1.74	9.3%	7.0%	-0.2%	
23990 OTHER TRANSPORT EQUIPMENT MANUFACTURING N.E.C.	78.1%	11.8%	1.69	1.67	1.84	1.84	9.9%	-1.2%	-0.2%	
24110 PHOTOGRAPHIC, OPTICAL AND OPHTHALMIC EQUIPMENT MANUFACTURING	58.7%	9.0%	1.49	1.30	1.22	1.21	-6.7%	-12.5%	-0.2%	
24120 MEDICAL AND SURGICAL EQUIPMENT MANUFACTURING	52.6%	21.3%	1.63	1.31	1.20	1.19	-8.8%	-19.9%	-0.2%	
24190 OTHER PROFESSIONAL AND SCIENTIFIC EQUIPMENT MANUFACTURING	50.3%	37.6%	1.38	1.10	0.96	0.96	-12.8%	-19.8%	-0.2%	
24210 COMPUTER AND ELECTRONIC OFFICE EQUIPMENT MANUFACTURING	58.1%	9.8%	1.93	1.79	1.56	1.56	-12.7%	-7.4%	-0.2%	
24220 COMMUNICATION EQUIPMENT MANUFACTURING	73.0%	17.3%	1.30	1.26	1.32	1.32	4.7%	-3.0%	-0.2%	
24290 OTHER ELECTRONIC EQUIPMENT MANUFACTURING	68.8%	36.0%	1.07	0.98	1.02	1.02	3.9%	-7.9%	-0.2%	
24310 ELECTRIC CABLE AND WIRE MANUFACTURING	67.4%	5.3%	1.92	1.89	1.81	1.80	-4.4%	-1.9%	-0.2%	
24320 ELECTRIC LIGHTING EQUIPMENT MANUFACTURING	68.6%	16.2%	2.38	2.31	2.28	2.28	-1.6%	-3.0%	-0.2%	
24390 OTHER ELECTRICAL EQUIPMENT MANUFACTURING	65.4%	28.8%	1.93	1.96	1.76	1.75	-10.5%	1.7%	-0.2%	
24410 WHITEWARE APPLIANCE MANUFACTURING	75.6%	1.2%	1.88	1.71	1.97	1.97	15.4%	-9.0%	-0.2%	
24490 OTHER DOMESTIC APPLIANCE MANUFACTURING	85.4%	6.5%	1.80	1.64	2.14	2.05	25.0%	-9.0%	-4.6%	
24510 PUMP AND COMPRESSOR MANUFACTURING	68.6%	23.1%	1.89	1.91	1.80	1.80	-5.5%	0.9%	-0.2%	
24520 FIXED SPACE HEATING, COOLING AND VENTILATION EQUIPMENT MANUFACTURING	64.4%	29.5%	2.40	2.30	2.16	2.15	-6.5%	-4.2%	-0.2%	
24610 AGRICULTURAL MACHINERY AND EQUIPMENT MANUFACTURING	70.1%	27.1%	2.42	2.21	2.36	2.35	6.7%	-8.7%	-0.2%	
24620 MINING AND CONSTRUCTION MACHINERY MANUFACTURING	70.3%	97.4%	2.01	1.90	1.97	1.96	3.2%	-5.3%	-0.2%	

PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
24630 MACHINE TOOL AND PARTS MANUFACTURING	68.2%	29.7%	2.40	2.18	2.28	2.28	4.4%	-9.2%	-0.2%
24690 OTHER SPECIALISED MACHINERY AND EQUIPMENT MANUFACTURING	74.8%	27.8%	2.55	2.44	2.66	2.65	8.8%	-4.4%	-0.2%
24910 LIFTING AND MATERIAL HANDLING EQUIPMENT MANUFACTURING	62.2%	59.6%	2.11	1.93	1.83	1.82	-5.3%	-8.6%	-0.2%
24990 OTHER MACHINERY AND EQUIPMENT MANUFACTURING N.E.C.	77.2%	58.0%	1.75	1.79	1.89	1.88	5.4%	1.8%	-0.2%
25110 WOODEN FURNITURE AND UPHOLSTERED SEAT MANUFACTURING	65.1%	28.9%	3.44	3.24	3.12	3.11	-3.9%	-5.8%	-0.2%
25120 METAL FURNITURE MANUFACTURING	60.7%	16.6%	3.05	2.74	2.58	2.58	-5.8%	-10.3%	-0.2%
25130 MATTRESS MANUFACTURING	63.9%	13.4%	3.37	3.11	3.00	3.00	-3.6%	-7.8%	-0.2%
25190 OTHER FURNITURE MANUFACTURING	61.9%	16.5%	3.05	2.83	2.64	2.63	-7.2%	-7.2%	-0.2%
25910 JEWELLERY AND SILVERWARE MANUFACTURING	64.8%	5.4%	2.93	2.64	2.64	2.64	-0.1%	-9.7%	-0.2%
25920 TOY, SPORTING AND RECREATIONAL PRODUCT MANUFACTURING	66.3%	12.0%	3.13	2.84	2.89	2.89	1.8%	-9.5%	-0.2%
25990 OTHER MANUFACTURING N.E.C.	63.2%	19.0%	3.22	2.83	2.84	2.83	0.2%	-12.3%	-0.2%
D Electricity, gas, water and waste services									
26110 FOSSIL FUEL ELECTRICITY GENERATION	75.1%	39.1%	0.48	0.39	0.50	0.49	25.0%	-17.8%	-1.9%
26120 HYDRO-ELECTRICITY GENERATION	74.5%	5.4%	0.56	0.52	0.58	0.58	13.0%	-8.4%	-0.2%
26190 OTHER ELECTRICITY GENERATION	97.3%	28.6%	0.57	0.71	0.77	0.77	8.2%	25.0%	-0.2%
26200 ELECTRICITY TRANSMISSION	93.6%	31.3%	0.53	0.57	0.69	0.69	21.0%	7.7%	-0.2%
26300 ELECTRICITY DISTRIBUTION	72.7%	88.5%	0.67	0.60	0.68	0.68	12.5%	-10.1%	-0.2%
26400 ON SELLING ELECTRICITY AND ELECTRICITY MARKET OPERATION	72.0%	40.3%	0.42	0.39	0.42	0.42	10.0%	-9.0%	-0.2%
27000 GAS SUPPLY	79.8%	36.7%	0.52	0.45	0.58	0.57	25.0%	-12.7%	-1.9%
28110 WATER SUPPLY	86.9%	86.0%	0.59	0.67	0.72	0.72	6.5%	13.4%	-0.2%
28120 SEWERAGE AND DRAINAGE SERVICES	51.1%	25.4%	1.26	1.02	0.90	0.90	-12.6%	-18.7%	-0.2%
29110 SOLID WASTE COLLECTION SERVICES	67.1%	47.4%	3.02	2.69	2.83	2.82	4.8%	-11.0%	-0.2%
29190 OTHER WASTE COLLECTION SERVICES	57.3%	22.2%	3.23	2.59	2.58	2.57	-0.6%	-19.9%	-0.2%
29210 WASTE TREATMENT AND DISPOSAL SERVICES	61.8%	25.7%	3.99	3.47	3.43	3.43	-1.3%	-12.9%	-0.2%
29220 WASTE REMEDIATION AND MATERIALS RECOVERY SERVICES	60.7%	29.1%	5.19	4.44	4.39	4.38	-1.4%	-14.4%	-0.2%
E Construction									
30110 HOUSE CONSTRUCTION	60.6%	100.0%	1.57	1.32	1.33	1.33	0.2%	-15.9%	-0.2%
30190 OTHER RESIDENTIAL BUILDING CONSTRUCTION	75.2%	78.8%	1.18	1.15	1.24	1.24	7.2%	-2.4%	-0.2%
30200 NON-RESIDENTIAL BUILDING CONSTRUCTION	66.3%	100.0%	2.35	2.28	2.17	2.16	-5.1%	-2.8%	-0.2%
31010 ROAD AND BRIDGE CONSTRUCTION	68.9%	82.9%	2.78	2.63	2.67	2.67	1.2%	-5.4%	-0.2%
31090 OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION	68.6%	100.0%	1.88	1.71	1.80	1.80	5.1%	-9.2%	-0.2%
32110 LAND DEVELOPMENT AND SUBDIVISION	93.7%	34.7%	1.63	1.93	2.13	2.13	10.1%	18.4%	-0.2%
32120 SITE PREPARATION SERVICES	72.3%	100.0%	2.88	2.82	2.90	2.90	2.7%	-2.1%	-0.2%
32210 CONCRETING SERVICES	71.9%	58.2%	4.22	3.96	4.22	4.21	6.5%	-6.1%	-0.2%
32220 BRICKLAYING SERVICES	75.4%	29.3%	4.86	4.66	5.11	5.10	9.5%	-4.3%	-0.2%
32230 ROOFING SERVICES	63.1%	30.4%	5.68	5.16	5.00	4.99	-3.3%	-9.2%	-0.2%
32240 STRUCTURAL STEEL ERECTION SERVICES	103.1%	39.8%	3.09	3.86	4.43	4.43	14.7%	25.0%	-0.2%
32310 PLUMBING SERVICES	66.6%	70.5%	2.59	2.44	2.40	2.40	-1.8%	-5.6%	-0.2%
32320 ELECTRICAL SERVICES	71.6%	100.0%	1.37	1.26	1.36	1.36	8.2%	-8.0%	-0.2%
32330 AIR CONDITIONING AND HEATING SERVICES	66.6%	64.1%	2.17	1.97	2.01	2.01	2.0%	-9.2%	-0.2%
32340 FIRE AND SECURITY ALARM INSTALLATION SERVICES	66.8%	55.5%	1.99	1.83	1.85	1.85	1.0%	-8.0%	-0.2%
32390 OTHER BUILDING INSTALLATION SERVICES	61.7%	48.2%	2.91	2.52	2.50	2.50	-0.7%	-13.5%	-0.2%
32410 PLASTERING AND CEILING SERVICES	73.4%	36.5%	4.95	4.60	5.07	5.06	10.1%	-7.2%	-0.2%
32420 CARPENTRY SERVICES	69.3%	39.5%	5.43	5.11	5.23	5.22	2.3%	-5.9%	-0.2%
32430 TILING AND CARPETING SERVICES	69.8%	30.0%	4.25	3.90	4.13	4.12	5.7%	-8.2%	-0.2%
32440 PAINTING AND DECORATING SERVICES	75.8%	45.2%	3.84	3.61	4.06	4.05	12.3%	-6.2%	-0.2%
32450 GLAZING SERVICES	61.9%	31.1%	4.88	4.17	4.21	4.20	0.7%	-14.5%	-0.2%
32910 LANDSCAPE CONSTRUCTION SERVICES	63.4%	57.1%	3.46	2.95	3.06	3.05	3.3%	-14.6%	-0.2%
32920 HIRE OF CONSTRUCTION MACHINERY WITH OPERATOR	62.7%	55.4%	3.11	2.74	2.72	2.72	-1.1%	-11.8%	-0.2%
32990 OTHER CONSTRUCTION SERVICES N.E.C.	68.2%	100.0%	2.68	2.44	2.55	2.54	4.4%	-9.1%	-0.2%

PREMIUM RATES

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			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
F Wholesale trade									
33110 WOOL WHOLESALING	75.8%	12.7%	2.27	2.14	2.39	2.39	11.8%	-5.8%	-0.2%
33120 CEREAL GRAIN WHOLESALING	63.5%	13.5%	2.90	2.57	2.57	2.56	-0.4%	-11.4%	-0.2%
33190 OTHER AGRICULTURAL PRODUCT WHOLESALING	67.7%	44.7%	1.93	1.64	1.81	1.81	10.7%	-15.0%	-0.2%
33210 PETROLEUM PRODUCT WHOLESALING	70.6%	39.1%	2.32	2.42	2.29	2.28	-5.7%	4.2%	-0.2%
33220 METAL AND MINERAL WHOLESALING	60.2%	39.7%	3.82	3.65	3.20	3.19	-12.6%	-4.3%	-0.2%
33230 INDUSTRIAL AND AGRICULTURAL CHEMICAL PRODUCT WHOLESALING	63.7%	37.3%	2.24	2.17	1.99	1.98	-8.6%	-3.0%	-0.2%
33310 TIMBER WHOLESALING	70.3%	17.8%	2.19	2.03	2.15	2.14	5.8%	-7.6%	-0.2%
33320 PLUMBING GOODS WHOLESALING	79.4%	33.8%	1.63	1.63	1.80	1.80	10.7%	-0.3%	-0.2%
33390 OTHER HARDWARE GOODS WHOLESALING	68.7%	76.3%	2.25	2.13	2.15	2.15	0.8%	-5.2%	-0.2%
34110 AGRICULTURAL AND CONSTRUCTION MACHINERY WHOLESALING	68.3%	74.7%	1.39	1.29	1.32	1.32	2.6%	-7.5%	-0.2%
34190 OTHER SPECIALISED INDUSTRIAL MACHINERY AND EQUIPMENT WHOLESALING	66.9%	86.4%	1.09	0.99	1.02	1.01	1.9%	-8.8%	-0.2%
34910 PROFESSIONAL AND SCIENTIFIC GOODS WHOLESALING	68.2%	61.7%	0.49	0.44	0.46	0.46	5.8%	-10.3%	-0.2%
34920 COMPUTER AND COMPUTER PERIPHERAL WHOLESALING	77.2%	35.7%	0.63	0.64	0.68	0.68	5.7%	1.5%	-0.2%
34930 TELECOMMUNICATION GOODS WHOLESALING	67.3%	29.5%	0.85	0.82	0.80	0.80	-2.1%	-4.4%	-0.2%
34940 OTHER ELECTRICAL AND ELECTRONIC GOODS WHOLESALING	56.5%	83.2%	0.69	0.58	0.54	0.54	-6.4%	-16.0%	-0.2%
34990 OTHER MACHINERY AND EQUIPMENT WHOLESALING N.E.C.	72.3%	91.6%	1.14	1.11	1.15	1.15	3.5%	-2.8%	-0.2%
35010 CAR WHOLESALING	59.6%	27.6%	1.78	1.68	1.48	1.48	-12.1%	-5.7%	-0.2%
35020 COMMERCIAL VEHICLE WHOLESALING	65.5%	36.9%	1.67	1.60	1.52	1.52	-4.9%	-4.3%	-0.2%
35030 TRAILER AND OTHER MOTOR VEHICLE WHOLESALING	58.9%	7.8%	2.25	2.05	1.85	1.84	-9.9%	-9.1%	-0.2%
35040 MOTOR VEHICLE NEW PARTS WHOLESALING	64.5%	49.3%	2.18	2.08	1.96	1.96	-6.0%	-4.5%	-0.2%
35050 MOTOR VEHICLE DISMANTLING AND USED PARTS WHOLESALING	62.1%	19.5%	2.06	1.87	1.78	1.78	-4.8%	-9.4%	-0.2%
36010 GENERAL LINE GROCERY WHOLESALING	69.7%	40.1%	2.75	2.52	2.67	2.67	6.0%	-8.6%	-0.2%
36020 MEAT, POULTRY AND SMALLGOODS WHOLESALING	69.4%	21.0%	3.19	2.94	3.08	3.07	4.4%	-7.6%	-0.2%
36030 DAIRY PRODUCE WHOLESALING	63.5%	10.8%	3.21	2.83	2.84	2.84	0.2%	-11.9%	-0.2%
36040 FISH AND SEAFOOD WHOLESALING	70.5%	17.5%	2.87	2.54	2.82	2.81	10.8%	-11.5%	-0.2%
36050 FRUIT AND VEGETABLE WHOLESALING	70.2%	45.3%	2.79	2.72	2.73	2.73	0.3%	-2.6%	-0.2%
36060 LIQUOR AND TOBACCO PRODUCT WHOLESALING	74.3%	26.3%	2.18	2.16	2.26	2.25	4.3%	-0.9%	-0.2%
36090 OTHER GROCERY WHOLESALING	74.1%	40.7%	2.73	2.64	2.82	2.81	6.5%	-3.3%	-0.2%
37110 TEXTILE PRODUCT WHOLESALING	68.7%	17.8%	1.26	1.30	1.21	1.21	-7.1%	2.9%	-0.2%
37120 CLOTHING AND FOOTWEAR WHOLESALING	69.2%	31.9%	1.16	1.18	1.12	1.12	-5.4%	1.7%	-0.2%
37200 PHARMACEUTICAL AND TOILETRY GOODS WHOLESALING	73.7%	45.2%	0.86	0.81	0.88	0.88	9.3%	-6.2%	-0.2%
37310 FURNITURE AND FLOOR COVERING WHOLESALING	63.4%	24.3%	1.59	1.44	1.40	1.40	-2.6%	-9.5%	-0.2%
37320 JEWELLERY AND WATCH WHOLESALING	60.9%	13.1%	1.39	1.25	1.18	1.18	-6.0%	-9.9%	-0.2%
37330 KITCHEN AND DININGWARE WHOLESALING	64.3%	8.4%	1.38	1.30	1.24	1.24	-4.5%	-6.4%	-0.2%
37340 TOY AND SPORTING GOODS WHOLESALING	64.1%	20.9%	1.32	1.29	1.17	1.17	-8.9%	-2.2%	-0.2%
37350 BOOK AND MAGAZINE WHOLESALING	61.7%	8.6%	1.61	1.46	1.39	1.38	-5.1%	-9.6%	-0.2%
37360 PAPER PRODUCT WHOLESALING	58.9%	25.3%	1.49	1.34	1.23	1.22	-8.6%	-10.3%	-0.2%
37390 OTHER GOODS WHOLESALING N.E.C.	68.2%	32.0%	1.74	1.69	1.65	1.65	-2.2%	-3.0%	-0.2%
38000 COMMISSION-BASED WHOLESALING	70.1%	31.9%	0.81	0.75	0.79	0.79	5.2%	-7.4%	-0.2%
G Retail trade									
39110 CAR RETAILING	58.8%	100.0%	1.29	1.12	1.06	1.06	-5.8%	-13.2%	-0.2%
39120 MOTOR CYCLE RETAILING	63.3%	18.6%	1.60	1.40	1.41	1.41	1.1%	-13.0%	-0.2%
39130 TRAILER AND OTHER MOTOR VEHICLE RETAILING	62.0%	17.5%	1.70	1.48	1.47	1.47	-1.2%	-12.7%	-0.2%
39210 MOTOR VEHICLE PARTS RETAILING	59.6%	34.4%	2.40	2.10	2.00	1.99	-5.0%	-12.7%	-0.2%
39220 TYRE RETAILING	59.5%	39.1%	3.43	2.94	2.84	2.84	-3.5%	-14.3%	-0.2%
40000 FUEL RETAILING	63.7%	51.1%	2.63	2.41	2.33	2.33	-3.4%	-8.4%	-0.2%

PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
41100 SUPERMARKET AND GROCERY STORES	67.4%	80.0%	2.41	2.35	2.26	2.25	-4.0%	-2.4%	-0.2%
41210 FRESH MEAT AND POULTRY RETAILING EXCLUDES FISH RETAILING	70.0%	30.9%	2.93	2.85	2.86	2.85	-0.1%	-2.6%	-0.2%
41211 FISH RETAILING	71.5%	11.4%	2.50	2.42	2.49	2.48	2.7%	-3.3%	-0.2%
41220 FRUIT AND VEGETABLE RETAILING	73.2%	40.0%	2.31	2.21	2.36	2.35	6.5%	-4.4%	-0.2%
41230 LIQUOR RETAILING	72.3%	34.1%	2.30	2.16	2.32	2.32	7.3%	-6.3%	-0.2%
41290 OTHER SPECIALISED FOOD RETAILING	79.5%	33.8%	2.00	1.96	2.22	2.21	13.0%	-2.2%	-0.2%
42110 FURNITURE RETAILING	73.1%	44.8%	2.35	2.35	2.39	2.39	1.6%	0.0%	-0.2%
42120 FLOOR COVERINGS RETAILING	64.7%	30.6%	1.79	1.69	1.61	1.61	-4.8%	-5.5%	-0.2%
42130 HOUSEWARE RETAILING	64.9%	28.1%	1.89	1.75	1.71	1.71	-2.3%	-7.6%	-0.2%
42140 MANCHESTER AND OTHER TEXTILE GOODS RETAILING	70.4%	25.9%	2.07	1.97	2.03	2.03	3.2%	-5.2%	-0.2%
42210 ELECTRICAL, ELECTRONIC AND GAS APPLIANCE RETAILING	72.3%	60.8%	0.95	0.88	0.96	0.96	8.8%	-7.6%	-0.2%
42220 COMPUTER AND COMPUTER PERIPHERAL RETAILING	76.4%	13.9%	1.01	1.00	1.08	1.07	6.9%	-0.6%	-0.2%
42290 OTHER ELECTRICAL AND ELECTRONIC GOODS RETAILING	68.9%	20.1%	1.19	1.12	1.14	1.14	1.9%	-6.0%	-0.2%
42310 HARDWARE AND BUILDING SUPPLIES RETAILING	65.2%	43.9%	2.05	2.01	1.86	1.86	-7.5%	-1.9%	-0.2%
42320 GARDEN SUPPLIES RETAILING	70.4%	24.3%	2.12	2.14	2.08	2.08	-3.2%	1.1%	-0.2%
42410 SPORT AND CAMPING EQUIPMENT RETAILING	67.4%	39.5%	1.13	0.91	1.06	1.06	16.1%	-19.3%	-0.2%
42420 ENTERTAINMENT MEDIA RETAILING	65.7%	7.7%	1.14	1.02	1.04	1.04	2.6%	-11.1%	-0.2%
42430 TOY AND GAME RETAILING	61.5%	18.2%	1.32	1.24	1.13	1.13	-8.9%	-6.2%	-0.2%
42440 NEWSPAPER AND BOOK RETAILING	59.2%	30.4%	1.18	0.99	0.98	0.97	-1.9%	-16.2%	-0.2%
42450 MARINE EQUIPMENT RETAILING	59.8%	21.3%	1.34	1.23	1.12	1.12	-9.5%	-8.2%	-0.2%
42510 CLOTHING RETAILING	79.9%	68.6%	1.71	1.68	1.90	1.90	13.1%	-1.7%	-0.2%
42520 FOOTWEAR RETAILING	81.0%	29.3%	1.43	1.37	1.61	1.61	17.5%	-4.1%	-0.2%
42530 WATCH AND JEWELLERY RETAILING	85.7%	37.7%	1.44	1.60	1.71	1.71	6.7%	11.7%	-0.2%
42590 OTHER PERSONAL ACCESSORY RETAILING	85.0%	18.4%	1.92	1.90	2.28	2.27	19.5%	-1.1%	-0.2%
42600 DEPARTMENT STORES	71.3%	21.1%	1.69	1.60	1.68	1.68	4.5%	-5.1%	-0.2%
42710 PHARMACEUTICAL, COSMETIC AND TOILETRY GOODS RETAILING	68.2%	79.0%	0.79	0.75	0.75	0.74	-0.3%	-4.9%	-0.2%
42720 STATIONERY GOODS RETAILING	74.2%	19.5%	1.04	0.97	1.08	1.07	10.3%	-6.5%	-0.2%
42730 ANTIQUE AND USED GOODS RETAILING	69.7%	19.2%	1.20	1.07	1.17	1.17	9.0%	-11.0%	-0.2%
42740 FLOWER RETAILING	62.6%	15.7%	1.47	1.30	1.29	1.28	-1.3%	-11.8%	-0.2%
42790 OTHER STORE-BASED RETAILING N.E.C.	86.2%	53.6%	1.36	1.38	1.63	1.63	17.8%	1.7%	-0.2%
43100 NON-STORE RETAILING	72.1%	20.5%	2.27	2.16	2.28	2.27	5.2%	-4.8%	-0.2%
43200 RETAIL COMMISSION-BASED BUYING AND/OR SELLING	60.7%	7.7%	2.38	2.31	2.01	2.01	-13.2%	-2.9%	-0.2%
H Accommodation and food services									
44000 ACCOMMODATION	61.8%	92.4%	2.56	2.30	2.20	2.20	-4.4%	-10.1%	-0.2%
45110 CAFES AND RESTAURANTS	86.0%	100.0%	1.55	1.62	1.86	1.85	14.6%	4.4%	-0.2%
45120 TAKEAWAY FOOD SERVICES	54.4%	100.0%	1.20	1.02	0.91	0.91	-10.3%	-15.6%	-0.2%
45130 CATERING SERVICES	73.1%	99.3%	2.79	2.87	2.84	2.84	-1.1%	2.8%	-0.2%
45200 PUBS, TAVERNS AND BARS	67.9%	94.4%	1.90	1.80	1.80	1.79	-0.1%	-5.5%	-0.2%
45300 CLUBS (HOSPITALITY)	65.7%	28.1%	2.03	1.82	1.86	1.85	1.9%	-10.4%	-0.2%

PREMIUM RATES

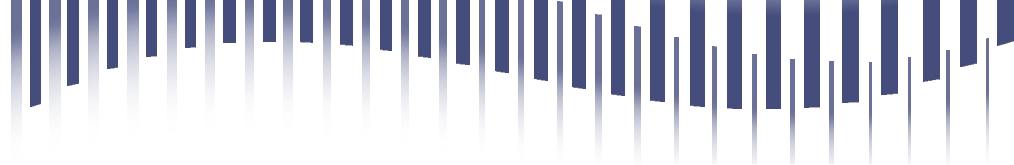
Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
I Transport, postal and warehousing									
46100 ROAD FREIGHT TRANSPORT	67.6%	100.0%	5.53	5.33	5.21	5.20	-2.5%	-3.6%	-0.2%
46210 INTERURBAN AND RURAL BUS TRANSPORT	76.4%	16.3%	2.51	2.30	2.67	2.67	15.8%	-8.3%	-0.2%
46220 URBAN BUS TRANSPORT (INCLUDING TRAMWAY)	77.8%	73.4%	2.02	1.91	2.18	2.18	14.0%	-5.1%	-0.2%
46230 TAXI AND OTHER ROAD TRANSPORT	76.3%	8.2%	2.70	2.59	2.87	2.87	10.6%	-4.1%	-0.2%
47100 RAIL FREIGHT TRANSPORT	88.7%	51.5%	1.37	1.53	1.69	1.69	10.5%	11.6%	-0.2%
47200 RAIL PASSENGER TRANSPORT	85.6%	61.1%	4.31	4.56	5.14	5.13	12.6%	5.7%	-0.2%
48100 WATER FREIGHT TRANSPORT	90.5%	29.0%	1.74	1.81	2.20	2.19	20.9%	4.1%	-0.2%
48200 WATER PASSENGER TRANSPORT	71.6%	19.1%	2.20	2.06	2.20	2.19	6.3%	-6.3%	-0.2%
49000 AIR AND SPACE TRANSPORT	58.2%	87.3%	1.60	1.50	1.30	1.29	-13.5%	-6.4%	-0.2%
50100 SCENIC AND SIGHTSEEING TRANSPORT	88.3%	29.0%	1.97	2.09	2.43	2.42	15.7%	6.1%	-0.2%
50210 PIPELINE TRANSPORT	65.5%	36.0%	1.15	1.07	1.05	1.05	-1.7%	-7.3%	-0.2%
50290 OTHER TRANSPORT N.E.C.	77.0%	11.7%	1.80	1.83	1.93	1.93	5.3%	1.8%	-0.2%
51010 POSTAL SERVICES	87.4%	21.5%	2.71	2.76	3.30	3.29	19.1%	2.1%	-0.2%
51020 COURIER PICK-UP AND DELIVERY SERVICES	77.7%	32.9%	2.87	2.80	3.11	3.10	10.9%	-2.6%	-0.2%
52110 STEVEDORING SERVICES	80.4%	42.9%	2.94	3.02	3.30	3.29	8.9%	2.7%	-0.2%
52120 PORT AND WATER TRANSPORT TERMINAL OPERATIONS	69.5%	59.6%	1.59	1.56	1.54	1.54	-1.5%	-2.0%	-0.2%
52190 OTHER WATER TRANSPORT SUPPORT SERVICES EXCLUDES MARINE SALVAGE SERVICE	73.7%	59.0%	1.84	1.70	1.89	1.89	11.1%	-7.8%	-0.2%
52191 MARINE SALVAGE SERVICE	77.5%	11.7%	2.01	1.98	2.17	2.17	9.5%	-1.5%	-0.2%
52200 AIRPORT OPERATIONS AND OTHER AIR TRANSPORT SUPPORT SERVICES	73.3%	57.4%	1.53	1.37	1.57	1.56	13.7%	-10.3%	-0.2%
52910 CUSTOMS AGENCY SERVICES	46.3%	18.6%	2.44	1.90	1.57	1.57	-17.4%	-22.1%	-0.2%
52920 FREIGHT FORWARDING SERVICES	46.8%	49.4%	2.44	1.87	1.59	1.59	-15.3%	-23.1%	-0.2%
52990 OTHER TRANSPORT SUPPORT SERVICES N.E.C.	38.6%	43.0%	4.52	3.39	2.43	2.54	-25.0%	-25.0%	4.5%
53010 GRAIN STORAGE SERVICES	78.2%	54.9%	1.47	1.47	1.60	1.60	9.1%	-0.3%	-0.2%
53090 OTHER WAREHOUSING AND STORAGE SERVICES	98.0%	69.9%	1.63	1.80	2.23	2.22	23.5%	10.3%	-0.2%
J Information media and telecommunications									
54110 NEWSPAPER PUBLISHING	48.3%	40.3%	0.62	0.47	0.42	0.42	-10.5%	-25.0%	-0.2%
54120 MAGAZINE AND OTHER PERIODICAL PUBLISHING	41.1%	11.8%	0.59	0.44	0.34	0.34	-23.8%	-25.0%	-0.2%
54130 BOOK PUBLISHING	35.3%	13.3%	0.68	0.51	0.33	0.38	-25.0%	-25.0%	12.5%
54140 DIRECTORY AND MAILING LIST PUBLISHING	47.2%	4.0%	0.56	0.42	0.37	0.37	-12.5%	-25.0%	-0.2%
54190 OTHER PUBLISHING (EXCEPT SOFTWARE, MUSIC AND INTERNET)	45.7%	4.9%	0.65	0.49	0.41	0.41	-15.3%	-25.0%	-0.2%
54200 SOFTWARE PUBLISHING	68.0%	45.0%	0.25	0.25	0.24	0.25	0.0%	0.0%	5.2%
55110 MOTION PICTURE AND VIDEO PRODUCTION	107.0%	29.8%	0.60	0.75	0.90	0.90	19.0%	25.0%	-0.2%
55120 MOTION PICTURE AND VIDEO DISTRIBUTION	94.7%	4.5%	0.62	0.77	0.81	0.81	5.3%	25.0%	-0.2%
55130 MOTION PICTURE EXHIBITION	82.6%	20.9%	0.64	0.73	0.73	0.73	0.0%	14.8%	-0.2%
55140 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES	88.8%	7.4%	0.58	0.72	0.72	0.71	-1.3%	25.0%	-0.2%
55210 MUSIC PUBLISHING	76.5%	3.1%	0.63	0.71	0.68	0.67	-4.7%	11.6%	-0.2%
55220 MUSIC AND OTHER SOUND RECORDING ACTIVITIES	83.7%	6.7%	0.64	0.79	0.74	0.74	-6.2%	24.1%	-0.2%
56100 RADIO BROADCASTING	63.6%	25.3%	0.27	0.26	0.24	0.25	-5.1%	-2.5%	4.2%
56210 FREE-TO-AIR TELEVISION BROADCASTING	98.3%	18.0%	0.31	0.39	0.43	0.43	9.4%	25.0%	-0.2%
56220 CABLE AND OTHER SUBSCRIPTION BROADCASTING	75.1%	10.6%	0.36	0.43	0.38	0.38	-11.1%	17.4%	-0.2%
57000 INTERNET PUBLISHING AND BROADCASTING	56.2%	10.0%	0.44	0.38	0.35	0.35	-9.2%	-14.0%	-0.2%
58010 WIRED TELECOMMUNICATIONS NETWORK OPERATION	62.3%	18.7%	0.74	0.68	0.64	0.64	-5.5%	-8.4%	-0.2%
58020 OTHER TELECOMMUNICATIONS NETWORK OPERATION	68.4%	25.7%	0.78	0.75	0.74	0.74	-0.6%	-4.3%	-0.2%
58090 OTHER TELECOMMUNICATIONS SERVICES	57.2%	27.1%	0.72	0.63	0.57	0.57	-9.6%	-12.0%	-0.2%
59100 INTERNET SERVICE PROVIDERS AND WEB SEARCH PORTALS	115.5%	30.7%	0.34	0.43	0.55	0.54	25.0%	25.0%	-3.0%
59210 DATA PROCESSING AND WEB HOSTING SERVICES	52.5%	21.6%	0.49	0.58	0.36	0.43	-25.0%	17.1%	16.8%
59220 ELECTRONIC INFORMATION STORAGE SERVICES	82.6%	21.4%	0.41	0.52	0.48	0.47	-8.1%	25.0%	-0.2%
60100 LIBRARIES AND ARCHIVES	27.1%	14.2%	1.08	0.81	0.41	0.61	-25.0%	-25.0%	32.9%
60200 OTHER INFORMATION SERVICES	43.7%	11.7%	0.64	0.50	0.39	0.39	-21.6%	-22.5%	-0.2%

PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins	
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates		(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	Uncapped / (RES2024/25)	
					Uncapped	Restricted				
K	Financial and insurance services									
62100	CENTRAL BANKING	52.0%	8.2%	0.25	0.25	0.18	0.25	0.0%	0.0%	27.6%
62210	BANKING	50.9%	51.0%	0.44	0.36	0.31	0.31	-13.6%	-18.2%	-0.2%
62220	BUILDING SOCIETY OPERATION	52.9%	2.0%	0.36	0.30	0.27	0.27	-11.7%	-16.7%	-0.2%
62230	CREDIT UNION OPERATION	52.3%	10.1%	0.34	0.28	0.25	0.25	-10.4%	-17.3%	1.8%
62290	OTHER DEPOSITORY FINANCIAL INTERMEDIATION	51.8%	10.8%	0.34	0.28	0.24	0.25	-10.1%	-17.7%	2.5%
62300	NON-DEPOSITORY FINANCING	60.2%	28.5%	0.25	0.25	0.21	0.25	0.0%	0.0%	16.2%
62400	FINANCIAL ASSET INVESTING	33.6%	48.7%	0.25	0.25	0.12	0.25	0.0%	0.0%	53.2%
63100	LIFE INSURANCE	65.0%	16.2%	0.31	0.29	0.28	0.28	-3.9%	-5.9%	-0.2%
63210	HEALTH INSURANCE	66.0%	42.8%	0.42	0.39	0.39	0.39	-0.4%	-7.8%	-0.2%
63220	GENERAL INSURANCE	68.8%	60.1%	0.48	0.44	0.46	0.46	2.9%	-7.0%	-0.2%
63300	SUPERANNUATION FUNDS	59.6%	22.8%	0.51	0.51	0.42	0.42	-16.6%	-0.7%	-0.2%
64110	FINANCIAL ASSET BROKING SERVICES	16.8%	53.8%	0.25	0.25	0.06	0.25	0.0%	0.0%	76.6%
64190	OTHER AUXILIARY FINANCE AND INVESTMENT SERVICES	40.4%	85.6%	0.25	0.25	0.14	0.25	0.0%	0.0%	43.7%
64200	AUXILIARY INSURANCE SERVICES	60.8%	60.3%	0.31	0.31	0.27	0.27	-13.4%	-2.4%	-0.2%
L	Rental, hiring and real estate services									
66110	PASSENGER CAR RENTAL AND HIRING	74.1%	29.6%	1.35	1.17	1.40	1.40	18.9%	-13.3%	-0.2%
66190	OTHER MOTOR VEHICLE AND TRANSPORT EQUIPMENT RENTAL AND HIRING	68.3%	23.4%	1.55	1.30	1.47	1.47	13.5%	-16.3%	-0.2%
66200	FARM ANIMAL AND BLOODSTOCK LEASING	70.6%	1.6%	1.83	1.70	1.80	1.79	5.4%	-6.9%	-0.2%
66310	HEAVY MACHINERY AND SCAFFOLDING RENTAL AND HIRING	74.7%	73.5%	2.01	1.98	2.09	2.09	5.4%	-1.5%	-0.2%
66320	VIDEO AND OTHER ELECTRONIC MEDIA RENTAL AND HIRING	73.4%	3.3%	1.99	1.94	2.04	2.04	4.8%	-2.5%	-0.2%
66390	OTHER GOODS AND EQUIPMENT RENTAL AND HIRING N.E.C.	66.8%	33.9%	2.43	2.27	2.26	2.26	-0.7%	-6.5%	-0.2%
66400	NON-FINANCIAL INTANGIBLE ASSETS (EXCEPT COPYRIGHTS) LEASING	70.7%	7.6%	1.78	1.69	1.75	1.75	3.4%	-5.0%	-0.2%
67110	RESIDENTIAL PROPERTY OPERATORS	74.9%	60.5%	1.01	0.92	1.05	1.05	14.7%	-9.2%	-0.2%
67120	NON-RESIDENTIAL PROPERTY OPERATORS	63.4%	63.6%	0.76	0.72	0.67	0.67	-7.0%	-5.1%	-0.2%
67200	REAL ESTATE SERVICES	62.5%	100.0%	0.29	0.27	0.26	0.26	-4.8%	-8.7%	-0.2%
M	Professional, scientific and technical services									
69100	SCIENTIFIC RESEARCH SERVICES	81.1%	56.5%	0.42	0.42	0.48	0.48	13.0%	-0.2%	-0.2%
69210	ARCHITECTURAL SERVICES	58.1%	65.6%	0.25	0.25	0.20	0.25	0.0%	0.0%	19.1%
69220	SURVEYING AND MAPPING SERVICES	100.8%	66.3%	0.55	0.55	0.77	0.69	25.0%	0.9%	-11.4%
69230	ENGINEERING DESIGN AND ENGINEERING CONSULTING SERVICES	59.8%	100.0%	0.25	0.25	0.21	0.25	0.0%	0.0%	16.7%
69240	OTHER SPECIALISED DESIGN SERVICES	76.5%	38.3%	0.46	0.45	0.49	0.49	8.7%	-2.2%	-0.2%
69250	SCIENTIFIC TESTING AND ANALYSIS SERVICES	79.8%	100.0%	0.73	0.69	0.81	0.81	17.7%	-5.7%	-0.2%
69310	LEGAL SERVICES	42.2%	100.0%	0.32	0.26	0.19	0.25	-3.8%	-19.0%	24.5%
69320	ACCOUNTING SERVICES	32.2%	100.0%	0.25	0.25	0.11	0.25	0.0%	0.0%	55.1%
69400	ADVERTISING SERVICES	57.6%	46.5%	0.50	0.54	0.40	0.41	-25.0%	9.4%	2.2%
69500	MARKET RESEARCH AND STATISTICAL SERVICES	78.8%	42.0%	0.25	0.25	0.27	0.27	9.6%	0.0%	-0.2%
69610	CORPORATE HEAD OFFICE MANAGEMENT SERVICES	77.7%	84.3%	1.13	1.29	1.22	1.22	-5.4%	14.2%	-0.2%
69620	MANAGEMENT ADVICE AND RELATED CONSULTING SERVICES	53.2%	100.0%	0.57	0.46	0.43	0.43	-7.6%	-20.0%	-0.2%
69700	VETERINARY SERVICES	60.3%	53.8%	1.89	1.69	1.58	1.58	-6.3%	-10.5%	-0.2%
69910	PROFESSIONAL PHOTOGRAPHIC SERVICES	66.8%	15.6%	0.75	0.59	0.70	0.70	19.3%	-22.1%	-0.2%
69990	OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES N.E.C.	75.6%	39.6%	0.78	0.65	0.82	0.81	25.0%	-17.2%	-1.7%
70000	COMPUTER SYSTEM DESIGN AND RELATED SERVICES	28.8%	100.0%	0.25	0.25	0.10	0.25	0.0%	0.0%	59.9%

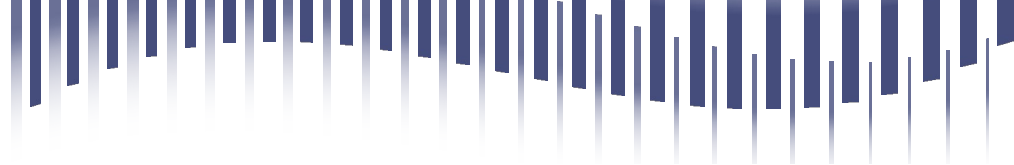
PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins	
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Relative Prem Rates Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	Uncapped / (RES2024/25)	
N	Administrative and support services									
72110	EMPLOYMENT PLACEMENT AND RECRUITMENT SERVICES	91.3%	60.3%	1.90	2.37	2.41	2.41	1.6%	25.0%	-0.2%
72120	LABOUR SUPPLY SERVICES PREDOMINANTLY CLERICAL STAFF	80.6%	49.6%	1.90	1.98	2.13	2.13	7.4%	4.3%	-0.2%
72121	LABOUR SUPPLY SERVICES NOT ELSEWHERE CLASSIFIED (rate as per industry)	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
72200	TRAVEL AGENCY AND TOUR ARRANGEMENT SERVICES	86.2%	46.6%	0.61	0.70	0.74	0.74	4.7%	14.4%	-0.2%
72910	OFFICE ADMINISTRATIVE SERVICES	215.5%	67.8%	0.86	1.07	2.58	1.34	25.0%	25.0%	-92.1%
72920	DOCUMENT PREPARATION SERVICES	94.7%	10.6%	1.42	1.77	1.87	1.87	5.4%	25.0%	-0.2%
72930	CREDIT REPORTING AND DEBT COLLECTION SERVICES	97.9%	12.1%	1.33	1.66	1.81	1.81	8.9%	25.0%	-0.2%
72940	CALL CENTRE OPERATION	87.4%	33.5%	1.18	1.40	1.43	1.43	2.1%	19.0%	-0.2%
72990	OTHER ADMINISTRATIVE SERVICES N.E.C.	134.6%	52.2%	0.65	0.81	1.21	1.01	25.0%	25.0%	-20.0%
73110	BUILDING AND OTHER INDUSTRIAL CLEANING SERVICES	66.2%	83.5%	2.56	2.26	2.36	2.36	4.6%	-11.9%	-0.2%
73120	BUILDING PEST CONTROL SERVICES	70.0%	30.2%	3.15	2.72	3.07	3.07	12.6%	-13.5%	-0.2%
73130	GARDENING SERVICES	76.2%	37.2%	4.65	4.17	4.94	4.93	18.2%	-10.4%	-0.2%
73200	PACKAGING SERVICES	66.5%	24.3%	3.45	3.15	3.20	3.20	1.3%	-8.6%	-0.2%
O	Public administration and safety									
75100	CENTRAL GOVERNMENT ADMINISTRATION	72.2%	12.0%	0.95	0.95	0.96	0.95	0.4%	0.0%	-0.2%
75200	STATE GOVERNMENT ADMINISTRATION	76.9%	100.0%	1.14	1.18	1.22	1.22	3.5%	3.3%	-0.2%
75300	LOCAL GOVERNMENT ADMINISTRATION (Applies only to privately insured entities. Excludes all self-insured entities in the Local Government Insurance Service - WorkCare scheme)	64.8%	39.1%	1.75	1.64	1.58	1.57	-3.8%	-6.3%	-0.2%
75400	JUSTICE	75.6%	100.0%	8.19	8.24	8.63	8.61	4.5%	0.6%	-0.2%
75510	DOMESTIC GOVERNMENT REPRESENTATION	77.9%	1.3%	1.04	1.06	1.13	1.12	6.1%	2.1%	-0.2%
75520	FOREIGN GOVERNMENT REPRESENTATION	77.5%	9.5%	0.98	0.99	1.06	1.06	7.2%	0.6%	-0.2%
76000	DEFENCE	87.9%	17.9%	1.95	2.39	2.39	2.38	-0.4%	22.7%	-0.2%
77110	POLICE SERVICES	70.8%	1.8%	4.22	4.14	4.16	4.16	0.4%	-2.0%	-0.2%
77120	INVESTIGATION AND SECURITY SERVICES	62.4%	65.8%	3.57	3.15	3.10	3.09	-1.7%	-11.8%	-0.2%
77130	FIRE PROTECTION AND OTHER EMERGENCY SERVICES	77.7%	61.2%	5.60	5.63	6.06	6.05	7.4%	0.6%	-0.2%
77140	CORRECTIONAL AND DETENTION SERVICES	62.9%	41.0%	3.35	3.56	2.93	2.93	-17.8%	6.4%	-0.2%
77190	OTHER PUBLIC ORDER AND SAFETY SERVICES	72.8%	29.3%	4.76	4.89	4.82	4.81	-1.5%	2.8%	-0.2%
77200	REGULATORY SERVICES	213.7%	6.0%	1.28	1.59	3.80	1.99	25.0%	25.0%	-90.6%
P	Education and training									
80100	PRESCHOOL EDUCATION	63.9%	16.5%	2.21	2.09	1.97	1.96	-6.3%	-5.1%	-0.2%
80210	PRIMARY EDUCATION	63.8%	81.0%	1.23	1.11	1.10	1.10	-1.6%	-9.8%	-0.2%
80220	SECONDARY EDUCATION	65.8%	78.9%	1.12	1.04	1.02	1.02	-1.6%	-7.0%	-0.2%
80230	COMBINED PRIMARY AND SECONDARY EDUCATION	74.0%	100.0%	2.01	1.95	2.07	2.06	5.9%	-2.8%	-0.2%
80240	SPECIAL SCHOOL EDUCATION	68.9%	10.4%	1.93	1.85	1.85	1.85	0.2%	-4.3%	-0.2%
81010	TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING	71.1%	100.0%	1.10	1.05	1.08	1.08	2.8%	-3.8%	-0.2%
81020	HIGHER EDUCATION	63.8%	100.0%	0.36	0.33	0.32	0.32	-4.0%	-7.6%	-0.2%
82110	SPORTS AND PHYSICAL RECREATION INSTRUCTION	68.4%	30.1%	1.45	1.31	1.38	1.38	5.0%	-9.4%	-0.2%
82120	ARTS EDUCATION	63.0%	18.1%	1.34	1.24	1.18	1.17	-5.6%	-7.2%	-0.2%
82190	ADULT, COMMUNITY AND OTHER EDUCATION N.E.C.	65.9%	46.7%	1.34	1.28	1.23	1.23	-4.6%	-4.0%	-0.2%
82200	EDUCATIONAL SUPPORT SERVICES	84.8%	39.7%	0.99	1.09	1.16	1.16	7.0%	10.2%	-0.2%



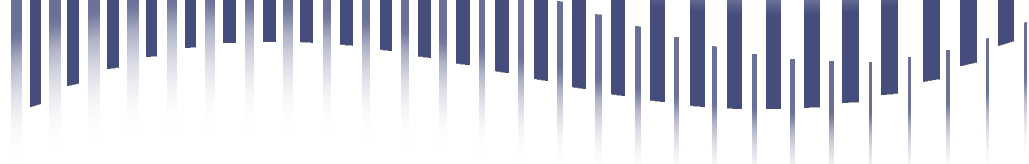
PREMIUM RATES

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2024/25		% Change in Relative Premium Rates		Margins	
			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Relative Prem Rates Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	Uncapped / (RES2024/25)	
Q	Health care and social assistance									
84010	HOSPITALS (EXCEPT PSYCHIATRIC HOSPITALS)	70.9%	100.0%	1.99	1.95	1.97	1.96	0.4%	-1.8%	-0.2%
84020	PSYCHIATRIC HOSPITALS	65.0%	23.2%	1.97	1.83	1.79	1.78	-2.5%	-7.4%	-0.2%
85110	GENERAL PRACTICE MEDICAL SERVICES	70.1%	78.6%	0.67	0.68	0.66	0.66	-2.9%	0.4%	-0.2%
85120	SPECIALIST MEDICAL SERVICES	60.0%	82.9%	0.50	0.42	0.41	0.41	-2.0%	-14.9%	-0.2%
85200	PATHOLOGY AND DIAGNOSTIC IMAGING SERVICES	76.0%	96.3%	0.81	0.83	0.86	0.86	3.9%	1.7%	-0.2%
85310	DENTAL SERVICES	69.0%	98.8%	0.56	0.52	0.54	0.53	3.2%	-7.1%	-0.2%
85320	OPTOMETRY AND OPTICAL DISPENSING	80.9%	98.8%	0.39	0.41	0.44	0.44	7.6%	4.6%	-0.2%
85330	PHYSIOTHERAPY SERVICES	71.0%	98.8%	0.31	0.36	0.31	0.31	-14.4%	15.4%	-0.2%
85340	CHIROPRACTIC AND OSTEOPATHIC SERVICES	146.9%	98.8%	0.33	0.41	0.68	0.52	25.0%	25.0%	-30.9%
85390	OTHER ALLIED HEALTH SERVICES	59.3%	77.2%	1.39	1.17	1.15	1.14	-2.0%	-15.8%	-0.2%
85910	AMBULANCE SERVICES	69.2%	58.6%	3.84	3.60	3.70	3.70	2.7%	-6.2%	-0.2%
85990	OTHER HEALTH CARE SERVICES N.E.C.	72.8%	64.2%	1.77	1.76	1.79	1.79	1.6%	-0.3%	-0.2%
86010	AGED CARE RESIDENTIAL SERVICES	61.8%	100.0%	2.87	2.52	2.47	2.47	-2.1%	-12.1%	-0.2%
86090	OTHER RESIDENTIAL CARE SERVICES	57.0%	100.0%	2.82	2.44	2.24	2.24	-8.1%	-13.8%	-0.2%
87100	CHILD CARE SERVICES	64.1%	94.7%	2.28	2.10	2.04	2.03	-3.3%	-7.8%	-0.2%
87900	OTHER SOCIAL ASSISTANCE SERVICES	57.3%	100.0%	3.46	2.88	2.76	2.76	-4.3%	-16.8%	-0.2%
R	Arts and recreation services									
89100	MUSEUM OPERATION	69.1%	22.8%	1.50	1.46	1.44	1.44	-1.8%	-2.2%	-0.2%
89210	ZOOLOGICAL AND BOTANICAL GARDENS OPERATION	53.3%	18.1%	2.46	2.16	1.83	1.82	-15.7%	-12.1%	-0.2%
89220	NATURE RESERVES AND CONSERVATION PARKS OPERATION	52.9%	19.3%	2.36	2.00	1.74	1.74	-13.0%	-15.5%	-0.2%
90010	PERFORMING ARTS OPERATION	71.7%	22.1%	1.69	1.60	1.69	1.68	5.2%	-5.2%	-0.2%
90020	CREATIVE ARTISTS, MUSICIANS, WRITERS AND PERFORMERS	61.5%	24.7%	1.62	1.38	1.39	1.38	0.1%	-14.5%	-0.2%
90030	PERFORMING ARTS VENUE OPERATION	61.8%	21.6%	1.50	1.24	1.29	1.29	4.0%	-17.3%	-0.2%
91110	HEALTH AND FITNESS CENTRES AND GYMNASIA OPERATION	49.2%	37.4%	1.66	1.37	1.14	1.14	-17.3%	-17.3%	-0.2%
91120	SPORTS AND PHYSICAL RECREATION CLUBS AND SPORTS PROFESSIONALS	60.6%	44.8%	1.64	1.50	1.38	1.38	-7.7%	-8.7%	-0.2%
91130	SPORTS AND PHYSICAL RECREATION VENUES, GROUNDS AND FACILITIES OPERATION	58.3%	40.4%	1.68	1.46	1.36	1.36	-6.6%	-13.2%	-0.2%
91131	SPEEDWAY OPERATION	51.1%	3.7%	2.02	1.63	1.44	1.44	-12.0%	-19.2%	-0.2%
91140	SPORTS AND PHYSICAL RECREATION ADMINISTRATIVE SERVICE	62.0%	32.2%	1.55	1.40	1.34	1.34	-4.5%	-9.7%	-0.2%
91210	HORSE AND DOG RACING ADMINISTRATION AND TRACK OPERATION	61.3%	34.5%	5.08	4.78	4.34	4.33	-9.4%	-5.9%	-0.2%
91290	OTHER HORSE AND DOG RACING ACTIVITIES	141.3%	100.0%	8.68	10.85	17.08	12.03	10.9%	25.0%	-42.0%
91310	AMUSEMENT PARKS AND CENTRES OPERATION	65.3%	18.4%	2.06	1.91	1.87	1.87	-1.9%	-7.4%	-0.2%
91390	AMUSEMENT AND OTHER RECREATIONAL ACTIVITIES N.E.C.	63.8%	17.8%	2.18	2.15	1.94	1.93	-10.2%	-1.3%	-0.2%
92010	CASINO OPERATION	88.1%	63.2%	1.26	1.30	1.55	1.54	18.5%	3.4%	-0.2%
92020	LOTTERY OPERATION	88.1%	21.7%	0.94	0.98	1.15	1.15	18.0%	3.8%	-0.2%
92090	OTHER GAMBLING ACTIVITIES	89.1%	9.5%	1.08	1.15	1.34	1.34	16.3%	6.5%	-0.2%



PREMIUM RATES

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			Gazette 2022/23	Gazette 2023/24	Relative Prem Rates Uncapped	Relative Prem Rates Restricted	(RES2024/25)/GAZ2023/24	(GAZ2023/24)/GAZ2022/23	
S Other services									
94110 AUTOMOTIVE ELECTRICAL SERVICES	58.7%	36.4%	2.61	2.31	2.14	2.13	-7.6%	-11.7%	-0.2%
94120 AUTOMOTIVE BODY, PAINT AND INTERIOR REPAIR	58.1%	61.5%	2.47	2.21	2.00	2.00	-9.6%	-10.7%	-0.2%
94190 OTHER AUTOMOTIVE REPAIR AND MAINTENANCE	57.2%	80.2%	3.04	2.64	2.42	2.42	-8.5%	-13.1%	-0.2%
94210 DOMESTIC APPLIANCE REPAIR AND MAINTENANCE	57.6%	14.6%	1.82	1.65	1.46	1.46	-11.6%	-9.3%	-0.2%
94220 ELECTRONIC (EXCEPT DOMESTIC APPLIANCE) AND PRECISION EQUIPMENT REPAIR AND MAINTENANCE	128.2%	43.3%	0.65	0.81	1.15	1.01	25.0%	25.0%	-14.3%
94290 OTHER MACHINERY AND EQUIPMENT REPAIR AND MAINTENANCE	55.6%	100.0%	1.88	1.56	1.46	1.46	-7.0%	-16.9%	-0.2%
94910 CLOTHING AND FOOTWEAR REPAIR	57.5%	10.4%	2.06	1.80	1.65	1.65	-8.2%	-12.9%	-0.2%
94990 OTHER REPAIR AND MAINTENANCE N.E.C.	64.4%	14.6%	2.03	1.76	1.82	1.81	3.0%	-13.0%	-0.2%
95110 HAIRDRESSING AND BEAUTY SERVICES	75.1%	65.4%	1.02	1.01	1.07	1.06	4.8%	-0.4%	-0.2%
95120 DIET AND WEIGHT REDUCTION CENTRE OPERATION	70.8%	4.9%	1.09	1.04	1.07	1.07	3.3%	-4.7%	-0.2%
95200 FUNERAL, CREMATORIUM AND CEMETERY SERVICES	65.6%	27.5%	2.10	1.93	1.92	1.91	-0.6%	-8.2%	-0.2%
95310 LAUNDRY AND DRY-CLEANING SERVICES EXCLUDES INDUSTRIAL LAUNDRIES	64.2%	19.4%	2.74	2.35	2.46	2.45	4.3%	-14.3%	-0.2%
95311 INDUSTRIAL LAUNDRIES	75.7%	22.4%	3.26	3.20	3.44	3.43	7.0%	-1.6%	-0.2%
95320 PHOTOGRAPHIC FILM PROCESSING	70.0%	2.2%	2.37	2.21	2.31	2.31	4.6%	-6.9%	-0.2%
95330 PARKING SERVICES	75.2%	8.7%	2.25	2.08	2.35	2.35	12.8%	-7.3%	-0.2%
95340 BROTHEL KEEPING AND PROSTITUTION SERVICES	70.8%	4.2%	2.32	2.19	2.29	2.28	4.4%	-5.6%	-0.2%
95390 OTHER PERSONAL SERVICES N.E.C.	63.3%	18.7%	2.63	2.31	2.31	2.31	0.0%	-11.9%	-0.2%
95400 RELIGIOUS SERVICES	58.2%	54.0%	1.28	1.13	1.03	1.03	-8.7%	-11.5%	-0.2%
95510 BUSINESS AND PROFESSIONAL ASSOCIATION SERVICES	68.2%	45.5%	0.96	0.96	0.92	0.91	-4.8%	-0.4%	-0.2%
95520 LABOUR ASSOCIATION SERVICES	63.3%	31.5%	1.44	1.34	1.27	1.27	-4.8%	-7.4%	-0.2%
95590 OTHER INTEREST GROUP SERVICES N.E.C.	61.0%	94.8%	1.38	1.24	1.18	1.18	-5.1%	-10.5%	-0.2%
96010 PRIVATE HOUSEHOLDS EMPLOYING STAFF PERMANENT STAFF	67.3%	36.3%	1.61	1.47	1.51	1.51	2.3%	-8.5%	-0.2%
96011 PRIVATE HOUSEHOLDS EMPLOYING STAFF OCCASIONAL STAFF (for 2024/25 restricted these are dollar premiums (see Recommended Minimum Premium - Household's Policies) while for 2024/25 these are true rates)				95.00	95.00	1.51	100.00	5.3%	0.0%
96020 UNDIFFERENTIATED GOODS-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2024/25 restricted these are dollar premiums (see Recommended Minimum Premium - Household's Policies) while for 2024/25 these are true rates)				95.00	95.00	1.52	100.00	5.3%	0.0%
96030 UNDIFFERENTIATED SERVICE-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2024/25 restricted these are dollar premiums (see Recommended Minimum Premium - Household's Policies) while for 2024/25 these are true rates)				95.00	95.00	1.51	100.00	5.3%	0.0%



B Detailed data description

B.1 Data supplied by insurers

Data is supplied to WorkCover WA by the premium rate returning entities. The term premium rate returning entities refers to all approved private insurers, former insurers currently in run-off and ICWA. ICWA supplies data for RiskCover, the Government Insurance Fund (Funded and Unfunded) and for its pre - 1987 private sector risks.

After initial validation, WorkCover WA forwarded the data to us.

LGIS - WorkCare has not been included in the calculation of the recommended premium rates since 2002/03. As a result, the recommended premium rate for ANZSIC code 75300 – Local Government Administration should be treated with caution as it does not reflect the current experience of the Local Government self-insurance scheme as it only includes the data from the privately insured entities.

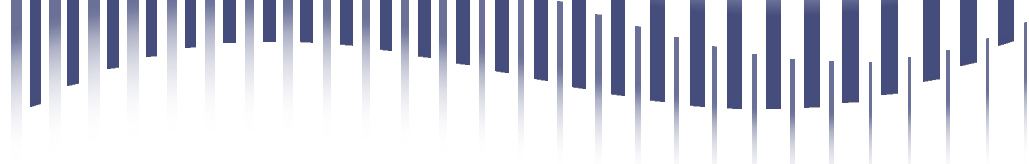
The following forms from the premium rating returning entities were supplied electronically as at 30 June 2023:

Form WC12

The form contains a list of each policy with its associated claims data (in aggregate) and class based on ANZSIC 2006. The form contains the following pieces of data for each policy:

- ANZSIC 2006 code where the policy is classified
- Reporting year
- Gross written premium including any adjustments
- Written wages, including any adjustments to initial wage declarations
- Earned premium
- Earned wages, including any adjustments to initial wage declarations
- Cumulative number of claim reports
- Cumulative claim payments
- Case estimates outstanding on active claims.

WorkCover WA aggregated the forms provided by insurers and provide the aggregated data to us.



DETAILED DATA DESCRIPTION

Form WC20

This form contains the following information:

- Number of claim reports in the year
- Amount of claim payments in the year
- Number of active claims at year end
- Case estimates of active claims at year end
- IBNR and development estimates at year end

We were also provided with a half yearly WC20 to 31 December 2023.

Form WC30

Form WC30 contains the following information:

- Premium information
 - Gross written premium for the year to 30 June 2023
 - Unearned premium as at 30 June 2022
 - Unearned premium as at 30 June 2023
 - Earned premium for the year to 30 June 2023
 - Earned but not yet raised premium for burner policies split into the last five financial years.
- Expenses for the year to 30 June 2023
 - Commission and brokerage
 - General Account levy
 - Supplementary fund levy
 - Other statutory charges
 - Management expenses.
- Prudential margin used in the financial accounts
- Corresponding level of sufficiency adopted in the financial accounts
- Prudential margin at a 75% level of sufficiency (as supplied to APRA).

B.2 Other data provided

WorkCover WA also provided the following data as at 31 December 2023.

Payments data for 2022/23

The payment data provided by WorkCover WA are split payments by accident year and into 15 different categories as follows:

- Allied health
- Hospital
- Investigation
- Legal
- Lump sum election registered
- Lump sum no election registered
- Lump sum fatal
- Lump sum permanent impairment
- Medical non scheduled
- Medical scheduled
- Fatal other
- Miscellaneous
- Fatal weekly
- Weekly benefits
- Workplace rehabilitation.

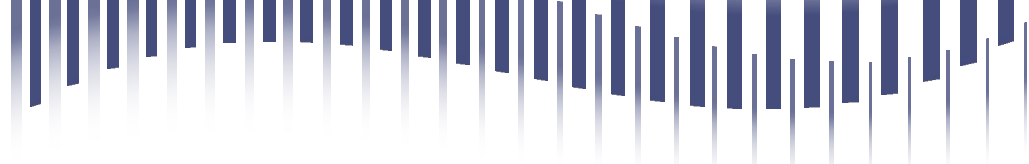
This data was provided for the 2022/23 financial year and the half year to 31 December 2023.

The clinical psychology payments were reallocated this year from medical scheduled to allied health. Therefore, we were reissued with the data by payment type for 2012/13 financial year onwards. There were also some small differences in other payment types. The overall difference in the total payments for prior financial years was immaterial (less than 0.1%) compared to the previous valuation.

Individual list of all 2004/05 to 2022/23 claims

We were provided with a list of each claim with an accident date from 1 July 2004 to 31 December 2023. This data contained:

- Claim number
- Occurrence date
- Finalisation date
- Reopened date
- Date of birth
- Insurer type



DETAILED DATA DESCRIPTION

- Total payments and split into by payment type
- Total estimate
- Claim type (i.e., Disallowed or Disease)
- Nature of injury
- Settlement type
- Age group
- Claimant identifier
- Silicosis flag
- COVID-19 flag

We used this data to review any change in the frequency of claims and average claim size for claimants over age 60, as well as to undertake analysis on the forward-looking superimposed inflation.

In addition, based on the information above and the additional Silicosis and COVID flag, we have used these to identify the number of claims related to these two sources of uncertainty.

Large claims

A file of large claims (>\$0.2 million) incurred by the premium rate returning entities. Data fields provided include:

- Claim number
- Accident year, date insurer received claim and finalisation date (if applicable)
- Total estimate, paid and outstanding
- Premium rating class.

The large claim file is provided as at 30 June 2023 and used to apply the large claim cap when calculating premium rates.

Lump sum payment type by reported quarter

We have been provided with the schedule 2, redemptions and 92(f) number of claims and payments by quarter reported from September 2017 for insurers only.

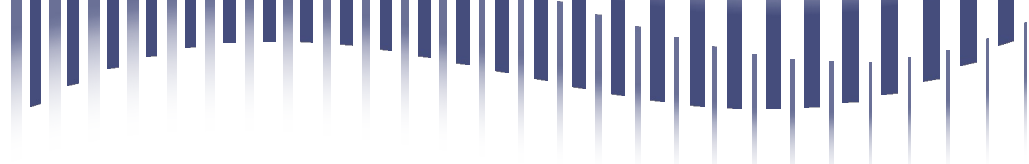
This data enabled us to review the trends in settlement lodgement and payment.

Lump sum payments in the 2022/23 financial year

We received a report that provides the lump sum payments over the financial year, separated by accident year and split into lump sums without election, lump sum with election, Schedule 2. It also has the total number of settlements and legal payments.

Lump sum payments by accident year

We received a report that provides the total lump sum payments by accident year and split into lump sums without election, lump sum with election, Schedule 2. It also has the total number of settlements and legal payments.



DETAILED DATA DESCRIPTION

Number of claims reported each quarter split by duration

We have been provided with the number of claims reported by quarter split into number of lost time days of 0, 1 to 4, 5 to 19, 20 to 59, 60 to 119, 120 to 179 and greater than 180 days' time lost.

While for the more recent quarters the days lost is only an estimate, this data helps us understand the changes in the duration and which durations are experiencing a reduction in the number of claims.

B.3 Data quality

The overall quality of the data this year was acceptable for our premium rate projections, once the data validation process was completed.

The initial data is screened by WorkCover WA using a set of validation tests and cross-referencing information from the database. We then subject the data to more comprehensive and detailed checking.

Each insurer form is checked to ensure that they are:

- Reasonable and internally consistent
- Consistent across the forms, i.e.:
 - Claims paid: WC20 = WC12

A range of ratios were also calculated for each insurer, being:

- Notional loss ratio
- Outstanding claim ratio
- Expense ratios.

We review these ratios over the past three financial years to check for any major changes and errors in the data.

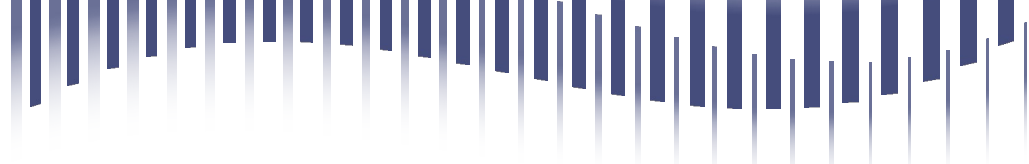
In summary, of 18 (20) returns received:

- 10 (7) required no further action
- 8 (13) insurers had to clarify specific issues or do a first revision
- 0 (0) insurers had to further clarify issues or do a second revision.

The numbers in brackets are last year's.

The data quality was reasonably consistent with previous years.

We encourage insurers to continue to compare their submissions with the prior year's final version and provide explanations for any large differences. This will reduce the number of queries we have when we review the initial submissions. In addition, it is also essential that all required WC12 data corrections are submitted by insurers as a revision of the form. This helps to improve efficiency and reduce the potential for data errors to be introduced when manual data corrections are made.



C Detailed methods description

C.1 Projection methods

As discussed in section 5.1, a range of projection methods were used to calculate the outstanding claims liability. They are detailed below:

Payments per claim finalised method

All payments were brought to current values and divided by the numbers of claims finalised in their respective accident years and years of payment. Averages of payments per claim finalised were formed from these figures. These averages were then combined with a projection of future numbers of claims finalised to produce projected future payments.

The PPCF model was used, along with other methods, to project the cashflows for the following payment categories:

- Lump sum (election registered, no election registered, permanent impairment/fatal)
- Investigation, legal and miscellaneous.

Payments per active claim method

As described for the payments per claim finalised method, but with a denominator of numbers of claims active at the beginning of the period.

The PPAC model was used, along with other methods, to project the cashflows for the following payment categories:

- Weekly benefits
- Medical (scheduled and non-scheduled) and Hospital expenses
- Allied health
- Workplace rehabilitation.

Payments per claim incurred method

All claim payments were brought to current values and divided by the numbers of claims incurred in their respective accident years. A pattern of past payments per claim incurred was derived in respect of each accident year. These payment patterns were then extended into future years and used to project future payments.

The PPCI method was used in a blend with other methods to project payments for all payment groups for more recent accident years. The PPCI method was used as a benchmark for all groupings for older accident years.

C.2 Premium rates methods

C.2.1 Relative rates

Calculate weighted average rates

The raw premium rate is calculated on an accident year basis for 2014/15 to 2022/23 using the following formula:

$$\frac{\text{developed total estimate (claim payments + outstanding case estimates)}}{\text{developed returned earned wages}}$$

This is done by industry division, subdivision, group and class.

Both the total estimate and returned earned wages are developed on an individual insurer basis and then cumulated to attain the industry totals. Returned earned wages are developed by considering the extent to which earned wages have developed historically on individual insurers' returns. The total estimate is developed based on the insurers' expected development, provided on Form WC20, adjusted at an aggregate level to align with our expected total development.

The equivalent aggregate adjustment rates, after applying the development at an individual insurer level for total case estimates and earned wages, are shown in the tables below.

Development Year	Adjustment Factors for Total Case Estimates				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
0	1.652	1.641	1.534	1.551	1.485
1	1.160	1.117	1.088	1.078	1.107
2	1.040	1.031	1.014	1.032	1.022
3	1.014	1.010	1.017	1.019	1.017
4	1.018	1.007	1.018	1.014	1.012
5	1.015	1.007	1.016	1.007	1.005
6	1.011	1.014	1.012	1.016	1.018
7	1.006	1.011	1.016	1.014	1.015

Development Year	Adjustment Factors for Earned Wages				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
0	1.033	1.024	1.019	1.008	1.002
1	1.009	1.004	1.002	0.996	0.999
2	1.004	1.001	0.998	0.995	0.998
3	1.002	1.000	0.999	0.996	0.999
4	1.001	1.002	1.001	0.999	1.000
5	1.000	1.000	1.000	1.000	1.000
6	1.000	1.000	0.999	1.000	1.000
7	1.000	1.000	1.000	1.000	1.000

DETAILED METHODS DESCRIPTION

Development Year	Adjustment Factors for Written Wages				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
0	1.043	1.035	1.032	1.023	1.016
1	1.011	1.010	1.009	1.003	1.007
2	1.001	1.002	1.002	1.001	1.005
3	0.999	0.999	0.998	1.000	1.004
4	0.998	0.999	1.000	0.999	1.000
5	1.000	1.000	1.001	0.999	1.000
6	0.998	0.998	0.999	1.000	1.000
7	1.000	1.000	1.000	1.000	1.000

Earned wage development is generally lower than written wage development since earned wages already include part of the wage adjustments from the prior underwriting years.

Development Year	Adjustment Factors for Gross written premiums				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
0	1.131	1.105	1.064	1.058	1.038
1	1.067	1.049	1.021	1.016	1.003
2	1.032	1.018	0.998	0.996	0.983
3	1.002	0.996	0.988	0.997	0.999
4	1.002	0.997	0.995	0.998	0.999
5	1.000	0.997	0.996	0.998	0.999
6	1.000	0.998	0.999	1.000	1.000
7	1.000	1.000	1.000	1.000	1.000

The table below shows the development of the earned premiums, including the earned but not yet raised (EBNYR) premium.

Development Year	Adjustment Factors for Earned premiums (including EBNYR)				
	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
0	1.058	1.067	1.020	1.014	0.987
1	1.009	1.022	0.988	0.986	0.966
2	1.008	1.024	0.993	0.995	0.980
3	0.992	1.013	1.001	1.007	0.999
4	0.997	1.009	0.998	0.999	0.988
5	0.996	0.996	0.991	0.993	0.993
6	1.000	0.999	0.998	1.000	1.000
7	1.000	0.999	0.999	1.000	1.000

The gross written premium and earned premium for the most recent accident years is affected by burner policies. The development of gross written premium and earned premium will depend upon the percentage of burner policies in the scheme.

The WARs are calculated from the raw rates by applying the following credibility weightings to each financial year:

DETAILED METHODS DESCRIPTION

Weightings	Development year					
	0	1	2	3	4	5
30 June 2023	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2022	0.6	0.9	1.0	1.0	1.0	0.5

The current accident year experience is given only 60% weighting because of the low level of development. This increases to 90% for development year 1. The rates are then standardised to give an overall weighting of 100% up to development year 4, reducing thereafter due to lower relevance of the older years. The weights sum to five full years.

The weightings for this year are the same as previous year's valuation.

Partial credibility rates

PCRs are calculated from the WARs using aggregate weighted wages as the exposure measure. PCRs are calculated by industry division, sub-division, group and class progressively, using a system of hierarchical credibility.

The application of credibility theory to experience rating was developed as follows:

Calculation of self-rating point	
Estimated average wages (a)	94,078
Estimated claim frequency (b)	2.4%
n	720
σ/m	0.175
Number of claims for full credibility (c)	742
Number of employees for full credibility (d)	31,019
Indexed wages for full credibility (e)	2,918,210,370

Notes: (a) = estimated average full time adult ordinary time earnings over 2022/23

= $(1,988.50 + 2,039.30) / 2 \times 52.18$ (ABS Cat 6302.0) / 3 year inflation factor (=1.117) to adjust to the same base as weighted average wages

(b) from Appendix H being an average of claims experience over the 2018 to 2022 accident years

(c) = $n \times (1 + (\sigma/m)^2)$

(d) = (c) / (b)

(e) = (d) x (a)

To obtain full credibility, the aggregated weighted wages for each class, group, sub-division or division need to be greater than \$2,918 million. This is 8.7% higher than the \$2,685 million from the analysis last year. The increase is due to higher estimated average wages and lower projected claim frequency.

The formula for the partial credibility factor Z is:

$$Z = \sqrt{n_1 / n_r}$$

where: n_1 = returned wages for the industry class

DETAILED METHODS DESCRIPTION

n_f = returned wages for full credibility, where returned wages are substituted as a surrogate measure for number of claims.

The partial credibility rate is then calculated as:

$$PCR = Z \times WAR + (1 - Z) \times DWAR$$

Where: WAR = weighted average rate per class

DWAR = weighted average rate per division, sub-division, group

For full credibility, we get $Z = 1$ and the formula reduces to:

$$PCR = WAR$$

i.e.: PCR = full credibility premium rate.

Under this method the following obtained full credibility:

- 19 (19) of 19 divisions
- 34 (36) of 86 sub-divisions
- 35 (35) of 214 groups
- 33 (34) of 517 premium rating classes.

Figures in brackets are last year's.

The table below shows the distribution of credibility level achieved by rating classes on their own claims experience:

Credibility Level	This year		Last year	
	No. of Classes	%	No. of Classes	%
$x \leq 25\%$	245	47.4%	241	46.6%
$25\% < x \leq 50\%$	152	29.4%	152	29.4%
$50\% < x \leq 75\%$	53	10.3%	57	11.0%
$75\% < x < 100\%$	34	6.6%	33	6.4%
100%	33	6.4%	34	6.6%
Total	517	100.0%	517	100.0%

Where a class, group, sub-division or division does not have full credibility the rate is built-up from group level, progressively through sub-division and division level, if necessary. In this way, a finer distinction is made to better approach homogeneity in the full credibility grouping of the premium rating classes. Classes with credibility close to unity will be largely unaffected, while those with low credibility levels should experience greater equity and appropriateness in their rates.

Wages across the following classes were aggregated to calculate the credibility factor Z for the relevant class:

DETAILED METHODS DESCRIPTION

Group	Rating Classes	Z based on aggregate wages
A	85310 - Dental Services	0.99
	85320 - Optometry and Optical Dispensing	0.99
	85330 - Physiotherapy Services	0.99
	85340 - Chiropractic and Osteopathic Services	0.99

This is done to promote homogeneity of experience and for consistency with grouping applied on an ANZSIC 1993 classification basis. The above rating classes have claim experience vastly different from the other classes in the same group:

- Group A has Other Allied Health Services.

Last year, in reviewing the impact of Silicosis claims on individual classes, we observed that two classes had a class rate before credibility that was increasing a faster rate than the group rate. To ensure that the premium rates for these classes include an appropriate allowance for the higher recent claims experience, we had increased the credibility of the following two classes by adding 25%, we have maintained this approach this year:

- 20901 - Other Non-Metallic Product Manufacturing Stone Products
- 20290 - Other Ceramic Product Manufacturing.

After allowing for this adjustment the class credibility increases to 34% and 43% respectively. Given the relatively small class size and volatility of the experience, we have not increased the class experience to 100%. As discussed in section 7.3, there is significant uncertainty about the future rates for these classes given the ban on engineered stone benchtops from 1 July 2024 which should remove Silicosis claims occurring in future underwriting years. We will monitor the future Silicosis experience and review the credibility weighting in future valuations.

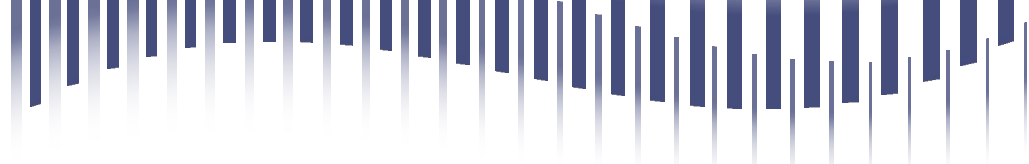
We have assigned class **91290 - Other Horse and Dog Racing Activities** credibility of 100%. This class has a calculated 14% credibility based on wages but the claim activity in this class has been significantly higher than all other classes in the subdivision. The class experience has been relatively stable at this higher level. This is the same approach as last year.

We are of the opinion that the significant difference in the premium rate for this class compared to the group/sub-division along with stable experience at the higher level justifies using the higher credibility of its own experience. We note that the average premium charged by insurers for this class is significantly higher than the historical recommended premium rate.

We also reviewed other classes which have low credibility, and their own class rate is significantly different to the group or sub-division. As these other classes either have very volatile experience or are extremely small this did not support adopting 100% of their own experience so we have continued with the same approach as last year for these classes.

Capping large claims

We have been provided with all claims with an incurred cost greater than \$0.2 million. Although no longer considered in our analysis, large claims for the 2000/01 accident year are capped at an incurred cost estimate of \$3.0 million or 12% of wages for claims between \$0.2 million and \$3.0 million. For subsequent accident years, the capping is indexed in line with wage inflation.



DETAILED METHODS DESCRIPTION

The table below shows the capping applied to each accident year with greater than 0% weighting in the premium rates.

Accident year	Minimum (\$M)	Maximum (\$M)
2018	0.428	6.415
2019	0.436	6.546
2020	0.451	6.769
2021	0.462	6.927
2022	0.478	7.170
2023	0.502	7.531

The large claim capping has been performed at an individual insurer level, using the total aggregate wages across all insurers by:

- Deducting the total estimate for each large claim from 'claim payments and outstanding case estimates' for the rating class it belongs to
- Applying the development factor to the reduced total
- Adding back the capped amount for the large claim and
- Dividing by returned wages.

This implies that:

- No further development is added to insurer's estimates of these claims
- They are capped when calculating the WARs to limit the influence of abnormally large items on relative rates at class level
- The cost above the cap is in effect respread over the whole scheme.

For the 2018 to 2023 accident years (those with a greater than 0% weight to calculate the WAR) there are five (six) claims capped at class level, but only two (two) claims capped at group, sub-division and divisional level. Figure in brackets are last year's equivalent figures.

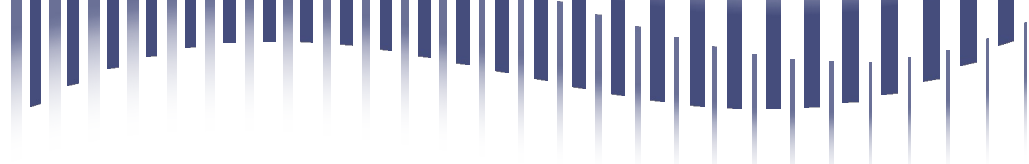
Caps on large claims amount to 0.5% (0.4%) of the total premium pool for 2024/25.

Normalise partial credibility rates

The PCRs are normalised such that when they are applied to adjusted accident year returned wages for 2022/23 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2023/24 Gazette rates.

The normalised PCRs (NPCRs) are subjected to absolute minimum and maximum rates of \$0.25 and \$12.00 per \$100 of wages. This is the same as last year.

In 2019, we performed a review of the minimum and maximum premium rate capping for the 2020/21 and future recommended premium rates. The details of our findings are contained in our *Review of minimum and maximum premium rates* report dated 8 November 2019. The key recommendations from our review were:



DETAILED METHODS DESCRIPTION

- For the minimum and maximum premium rate caps to be applied to the 2020/21 and future recommended premium rates remain unchanged at \$0.25 and \$12.00 per \$100 wages, until the next review occurs.
- Recommend that the following classes to be removed from the premium pool respread calculation:
 - 07000 - Oil and Gas Extraction On Land
 - 96020 - Undifferentiated Goods - Producing Activities of Private Households for Own Use
 - 96030 - Undifferentiated Service - Producing Activities of Private Households for Own Use
 - 96011 - Private Households Employing Staff - Occasional Staff
- For classes 96020, 96030 and 96011 we recommend using the dollar value of the minimum premium for householder's policies (\$100 for 2024/25) rather than a rate. This is why they are not included in the respread calculation.
- While we recommend that the Gazetted rate for class 07000 - Oil and Gas Extraction On Land be based on the minimum rate of 0.25, the premium pool respread calculation does not include class 07000 to avoid the under collection of the total premium pool. We make this exclusion due to the presence of one very large policy for which the actual premium rate charged is similar to its own true rate which is significantly below 0.25.

All premium rates, other than those where a minimum or maximum premium rate cap is applied, have reduced by 0.4% as a result of the premium respread.

Capping the movement of premium rates

In addition, the normalised PCRs post the absolute minimum and maximum adjustment (above) is then further capped in their total movement from the 2023/24 Gazetted rates (both upwards and downwards) by 25%. This is intended to strike a balance between manageable increases for policyholders and limiting the cross-subsidisation between classes. This approach is the same as last year.

Having applied these limits, the NPCRs are normalised once again to the aggregate notional premiums at Gazette rates.

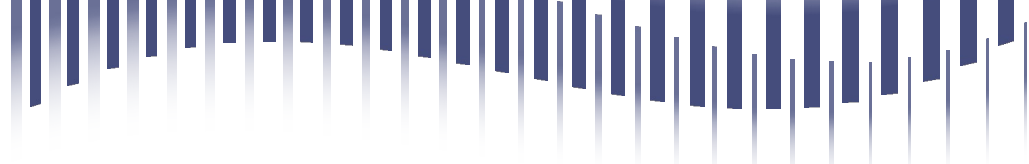
This capping of movement increases all premium rates (not subject to capping) by 0.2% as a result of respreading the extra premium required. Thus, the overall net impact due to the minimum and maximum as well as the movement capping mostly offset each other with a small 0.2% decrease in premium rates.

Weighted loss ratio

The weighted loss ratio presented in the tables in Appendix A, is calculated as follows:

$$\frac{\text{estimated risk cost of claims (based on this year's Gazette rates times wages)}}{\text{premium on last year's Gazette rates}}$$

The weighted loss ratio is a benchmark statistic and is not used as part of the Gazette rate calculation.



D Assumptions

D.1 Financial assumptions

Future inflation and interest rates

Years ahead	Interest rate 31 Jan 2024	Inflation rate 31 Jan 2024	Real rate 31 Jan 2024	28 Feb 2023
1	4.18%	4.25%	-0.07%	-0.33%
2	3.65%	3.50%	0.15%	-0.07%
3	3.31%	3.25%	0.06%	0.02%
4	3.49%	3.00%	0.49%	0.39%
5	3.81%	3.02%	0.80%	0.52%
6	4.10%	3.04%	1.06%	0.63%
7	4.34%	3.06%	1.28%	0.73%
8	4.53%	3.07%	1.46%	0.83%
9	4.68%	3.09%	1.58%	0.91%
10	4.77%	3.11%	1.66%	0.98%
11	4.79%	3.13%	1.66%	1.04%
12	4.79%	3.15%	1.64%	1.09%
13	4.78%	3.17%	1.61%	1.14%
14	4.77%	3.19%	1.59%	1.17%
15	4.76%	3.20%	1.56%	1.18%
16	4.76%	3.22%	1.53%	1.19%
17	4.75%	3.24%	1.51%	1.19%
18	4.74%	3.26%	1.48%	1.18%
19	4.73%	3.28%	1.46%	1.17%
20	4.73%	3.30%	1.43%	1.16%
21	4.72%	3.31%	1.40%	1.15%

For this valuation, there has been an increase in the real rate of return for all years which decreases the liabilities. This is mainly due to increases in the interest rates which more than offset the increase in the short-term inflation rates.

The interest rate for one quarter of the first year ahead $(((1 + 4.18\%)^{\wedge} 0.25 - 1) = 1.03\%)$ is included in the calculation of the average premium rate. This is because premiums are received on average three months earlier than the point to which claims are discounted.

Forward interest rates are those estimated to be anticipated over future years by the Commonwealth bond market as it stood at 31 January 2024.

The interest rate for the 2024 financial year is set using the actual one month forward rates from July 2023 to January 2024, along with the monthly forward rates for February 2024 to June 2024, which are obtained by fitting a curve to the 31 January 2024 Commonwealth Government Bond yield curve. Future one year forward rates of interest are derived from the same yield curve and are independent of the cash flows of a particular portfolio of risks.

The inflation and interest rates are chosen to be consistent with those currently used in our actuarial assessments for long tail classes.

We assume a long term discount rate of 4.50% after year 50. We have assumed a smooth progression from the observed market rate at year 12 to the long term rate at year 50. This is the same approach used in the last valuation.

ASSUMPTIONS

To set the **future wage inflation** assumption for our outstanding claims review we consider the wage price index inflation assumptions produced by the WA Treasury for the *Government Mid-year Financial Projections Statement 2023-24* with no adjustment as we do not expect a material difference between the increase in AWE and the WPI. These form the basis for the inflation rate assumption for the first four projection years.

Financial year ending 30 June	Forecasts of Future Wage Inflation	
	WA Treasury WPI (a)	Assumed AWE from WA Treasury (b)
2024	4.25%	4.25%
2025	3.50%	3.50%
2026	3.25%	3.25%
2027	3.00%	3.00%

Notes: (a) from Government Mid-year Financial Projections Statement 2023-24 produced by the WA Department of Treasury
(b) = (a) as no adjustment is made for the difference between the increase in AWE and WPI.

We have adopted a long term inflation rate of 3.5% after 30 years. We have assumed a smooth progression of wage inflation increasing from 3.00% in 2027 to a rate of 3.50% in 2053. This is the same approach we used in the last valuation.

Past wage inflation

Past wage inflation for bringing past payments and case estimates into current values is taken from ABS Cat 6302.0 Average Weekly Earnings for Western Australia (persons full-time adult ordinary time earnings), as shown below:

Year to 30-Jun	Mid Quarter AWE	End Quarter AWE	Claims escalation factors		
			% Change p.a.	For payments	For case estimates
2009	1,287.00	1,299.78	7.05%	1.636	1.582
2010	1,364.10	1,375.77	5.85%	1.533	1.495
2011	1,474.10	1,486.40	8.04%	1.439	1.383
2012	1,516.80	1,534.92	3.26%	1.357	1.340
2013	1,644.80	1,638.56	6.75%	1.284	1.255
2014	1,641.20	1,649.12	0.64%	1.261	1.247
2015	1,691.20	1,695.56	2.82%	1.227	1.213
2016	1,698.60	1,699.75	0.25%	1.208	1.210
2017	1,714.70	1,721.68	1.29%	1.205	1.194
2018	1,740.30	1,744.48	1.32%	1.183	1.179
2019	1,780.80	1,780.05	2.04%	1.166	1.155
2020	1,840.80	1,840.72	3.41%	1.141	1.117
2021	1,879.70	1,883.71	2.34%	1.108	1.092
2022	1,937.30	1,949.98	3.52%	1.077	1.054
2023	2,039.30	2,056.19	5.45%	1.028	1.000

ASSUMPTIONS

Past general inflation

To determine the minimum premium for householders and other policies we have used the movement in the Perth CPI Index as shown below:

Financial Year	CPI Perth Index	Rate
2020/21	114.6	1.6%
2021/22	121.5	6.0%
2022/23	129.0	6.2%
2023/24 (a)	134.5	4.3%
2024/25 (b)	139.9	4.0%

Note: (a) from ABS Cat. 6401.0 Table 1 CPI All Groups Index Numbers for Perth as at 31 December 2023, extrapolated to 30 June 2024
(b) Projected increase in CPI over 2024/25

The 2022/23 and 2023/24 indices have changed since last year's report where these CPI rates had been estimated.

Employment growth

We have included an allowance for the employment growth in the half year to December 2023 to match the exposure base for the increase in claim numbers.

To determine the change in employment we have used the movement in the ABS Cat. 6202.0 Table 8 Labour Force for full time persons for Western Australia.

	Jun 23	Dec 23	Increase
Number of full time employees in WA	1,079.7	1,095.3	1.5%

The number of full time employees increased by 1.5% in the half year to 31 December 2023, derived from the growth rate between June 2023 quarter to December 2023 quarter. This is the same approach as last year.

Wages to 31 December 2023

In calculating the premium rates, we use the developed earned wages for the 2022/23 accident year. We assume claim costs and wages are subject to the same inflation and would cancel in the context of the average premium rate, and hence we do not inflate either to 2024/25.

ASSUMPTIONS

D.2 Superimposed *inflation*

A realistic level of superimposed inflation is allowed for in the outstanding claim reserves and premium rating. We have analysed SII separately for each payment type and performed separate analyses for the outstanding claims and premium rating.

D.2.1 Outstanding claims

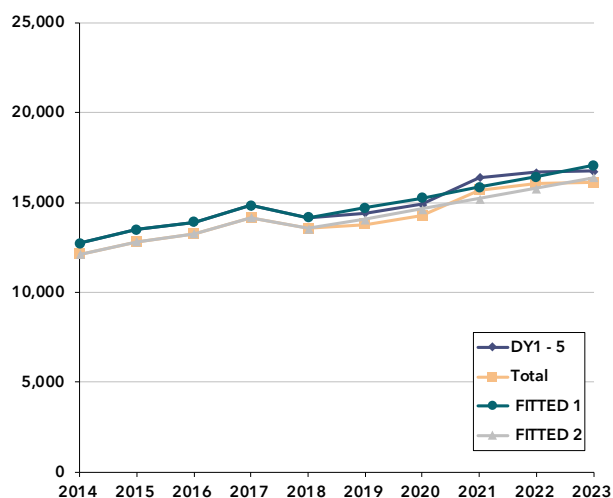
The recent trends in real growth, i.e. superimposed inflation, are shown in the charts below.

The adopted periods over which superimposed inflation has been analysed for each method are:

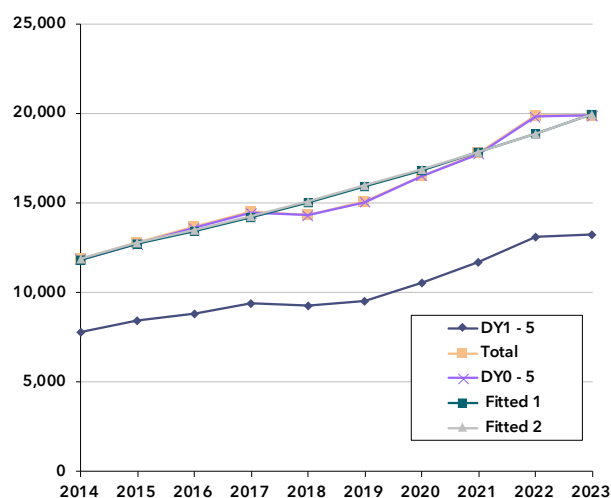
Number of years analysed to calculate superimposed inflation						
	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous
PPAC/PPCF	6	9	9	9	9	7
PPCI	9	9	9	5	9	7

Weekly benefits

PPAC



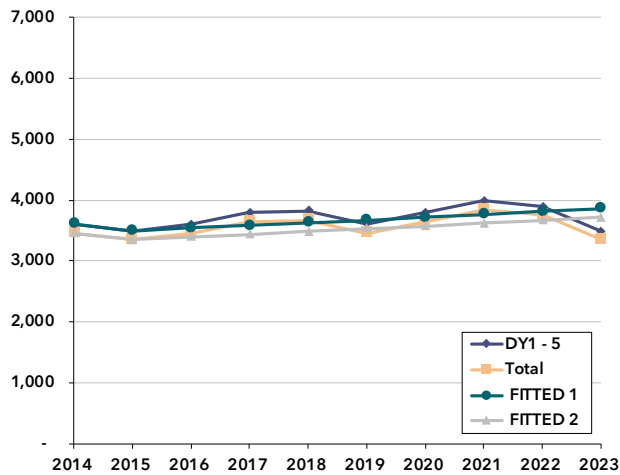
PPCI



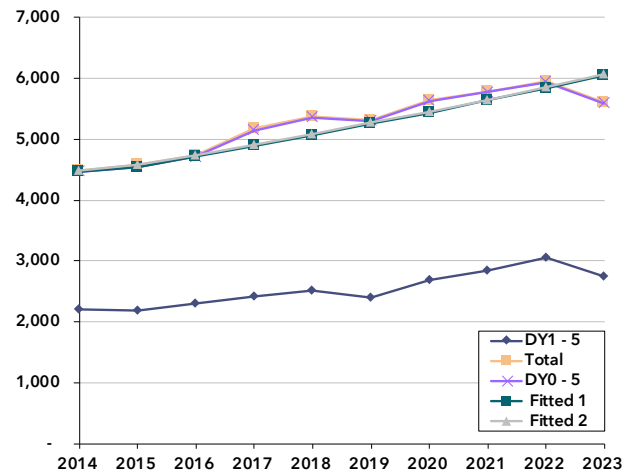
ASSUMPTIONS

Medical (scheduled and non-scheduled) and hospital expenses

PPAC

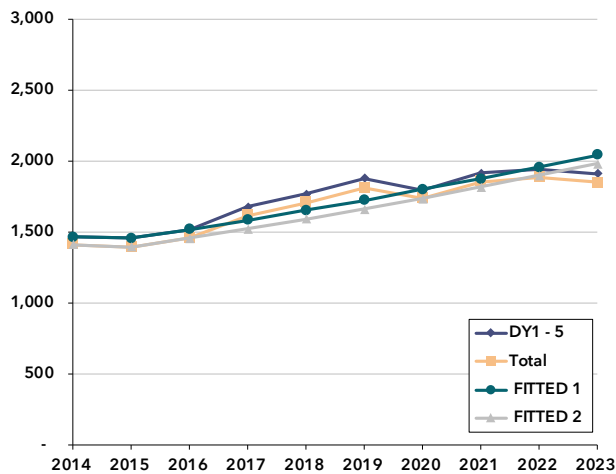


PPCI

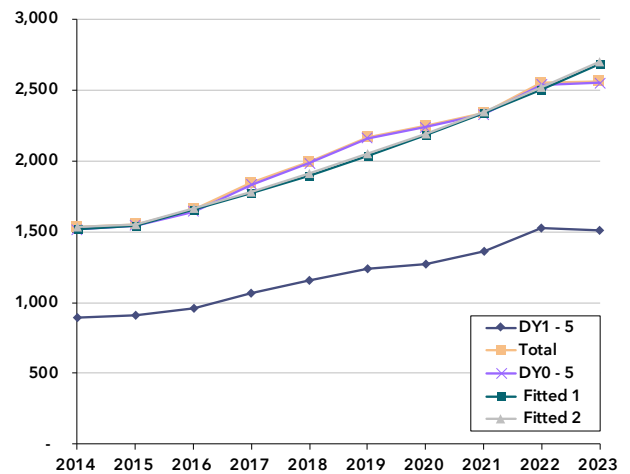


Allied Health

PPAC



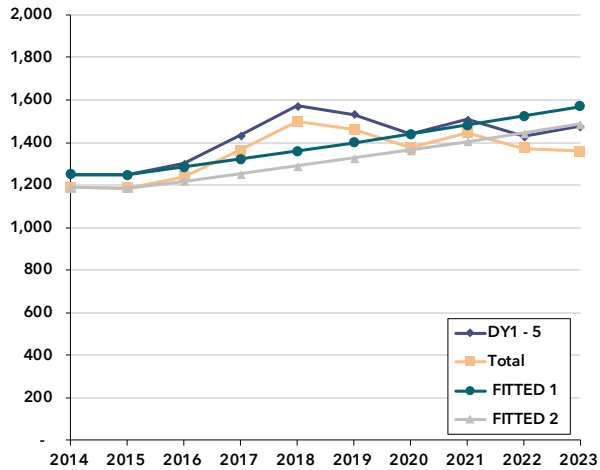
PPCI



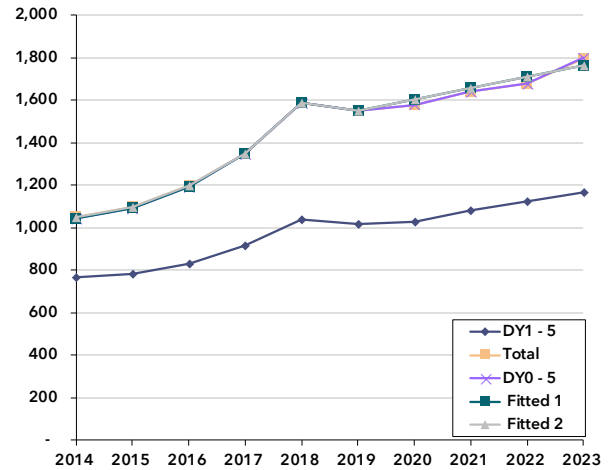
ASSUMPTIONS

Workplace rehabilitation

PPAC

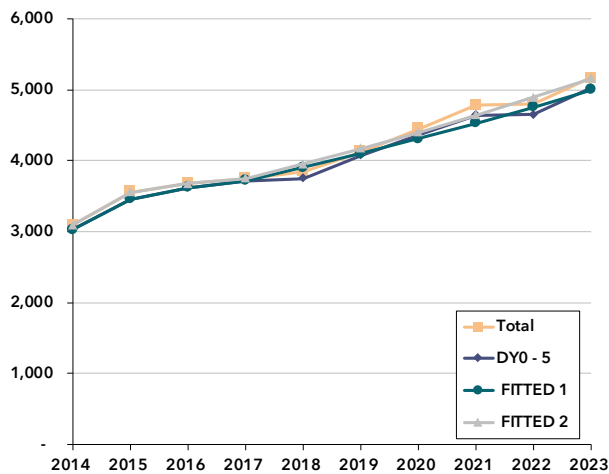


PPCI

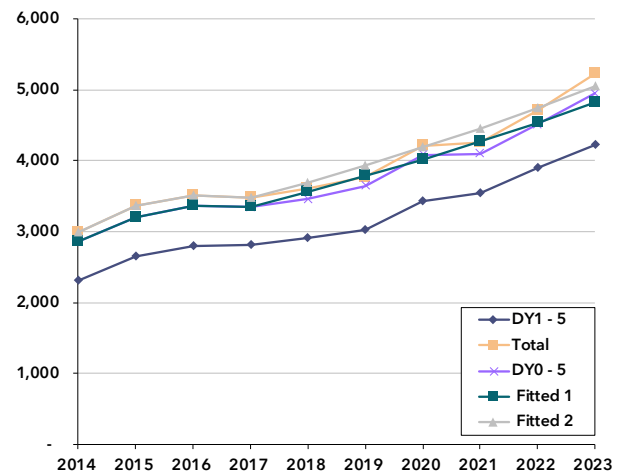


Investigation, Legal and Miscellaneous

PPCF



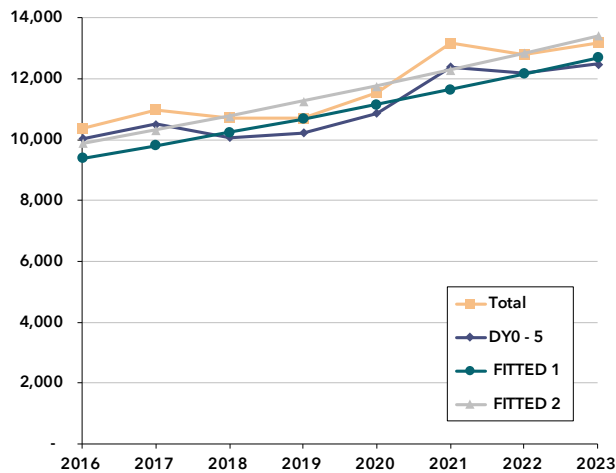
PPCI



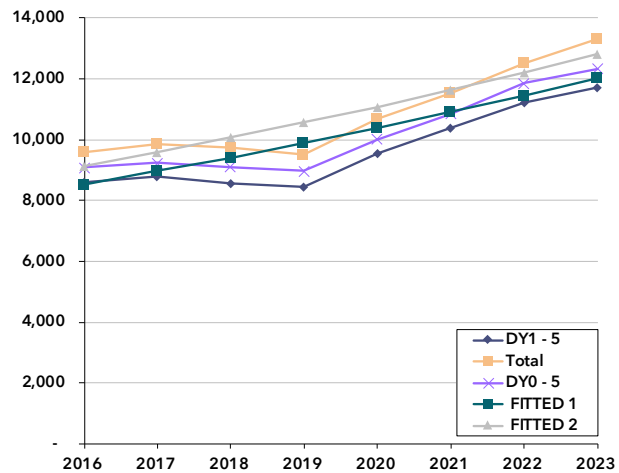
ASSUMPTIONS

Lump Sum (Election registered, No election registered, Permanent impairment/fatal)

PPCF



PPCI



This analysis of trends leads to the following assumed rates of superimposed inflation:

Superimposed Inflation							
	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	Total
30 June 23							
PPAC / PPCF	3.8%	1.2%	4.3%	2.9%	4.4%	5.1%	4.1%
PPCI	5.8%	3.6%	7.2%	3.3%	5.0%	6.3%	5.4%
Outstanding claims blend	3.9%	1.4%	4.6%	2.9%	4.5%	5.3%	4.3%
30 June 22							
Outstanding claims blend	4.5%	3.3%	5.9%	4.3%	4.7%	5.5%	4.7%

Superimposed inflation for the outstanding claims is 4.3% overall, which is lower than the 4.7% adopted last year due to a reduction in all payment groups as the PPAC/PPCF methods have often had a higher weighting this year compared to previous years.

The high superimposed inflation rates are mainly driven by the reduction in the number of claims, and resultant change in claims mix as the number of lower cost claims continue to reduce. The number of claims is relatively stable over 2022/23 and 2021/22, so we anticipate that the superimposed inflation rate may be stabilising at a lower level in the future.

D.2.2 2024/25 premium rating

Due to the reduction in small claims and change in claims mix leading to the high rate of SII over the past decade, we have performed a separate analysis of SII for premium rating purposes.

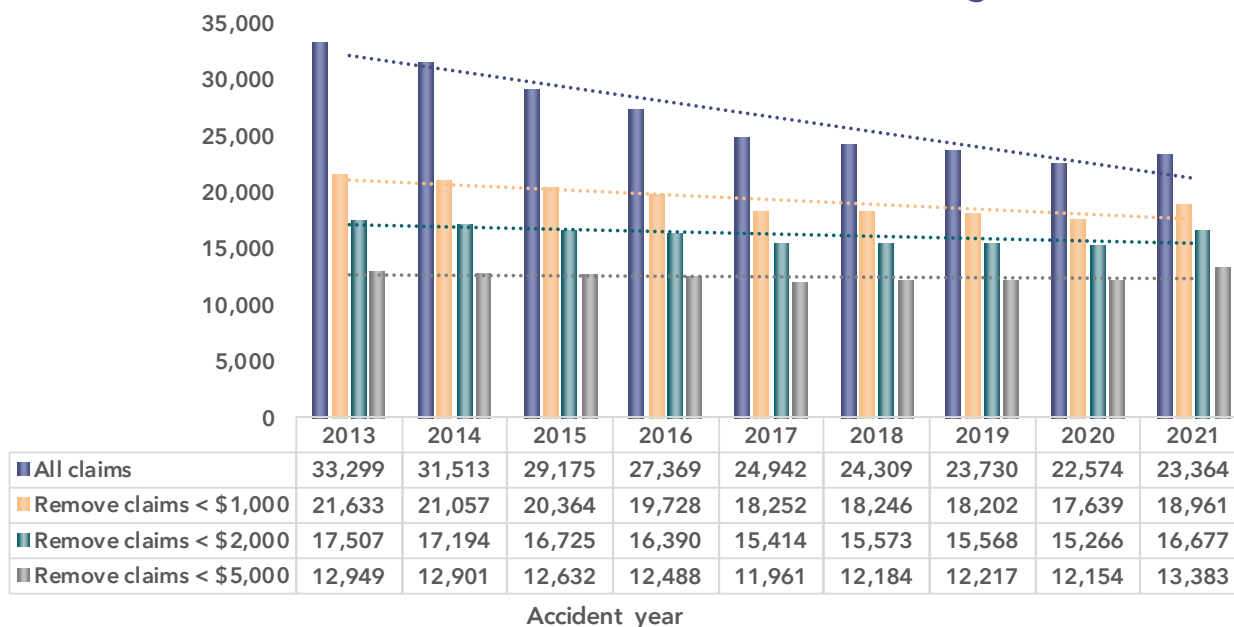
We analysed the annual growth in the incurred cost per claim reported from the 2013 to 2021 accident years. We have not included the 2022 and 2023 accident years in our analysis due to the higher levels of uncertainty in the estimates on these claims and higher IBNR allowances.

To remove the impact of the change in claims mix, we analysed the incurred cost per claim reported after removing claims within incurred cost amounts less than or equal to \$1,000, \$2,000 and \$5,000 (in

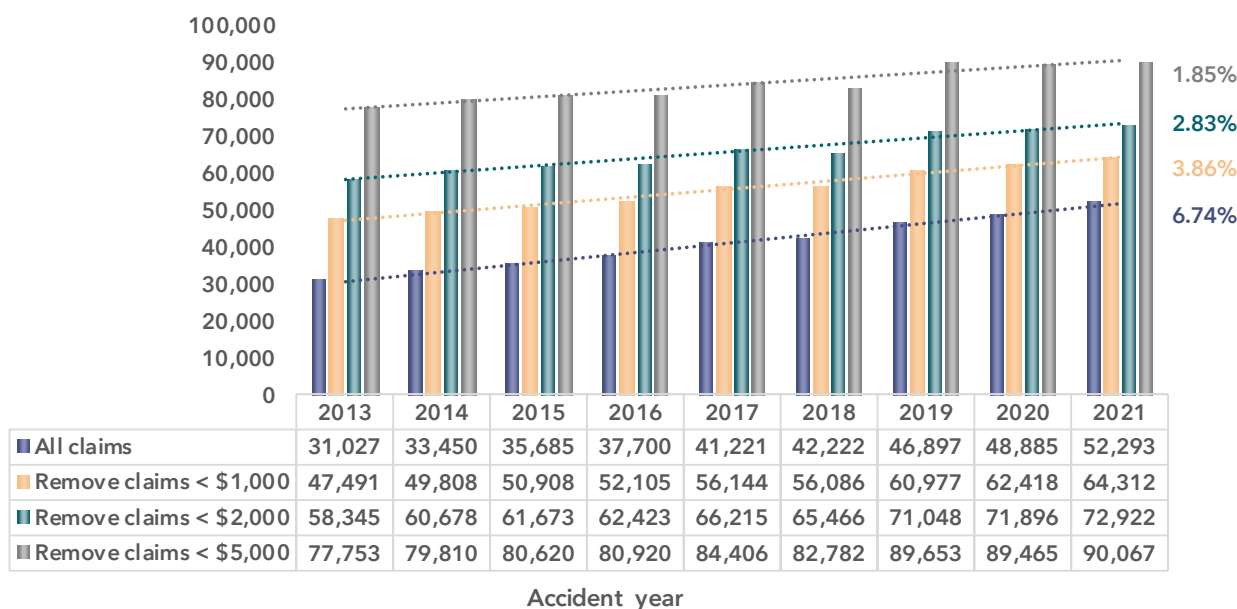
ASSUMPTIONS

June 2023 values). The number of claims and average claim size per claim reported is shown in the graphs below.

Number of claims from individual claims listing



Incurred per claim reported from individual claims listing



The figures above are taken from inflating the figures in the individual claim listings provided by WorkCover WA. This is a different data set to that used for our outstanding claims valuation and so the average claim sizes are not directly comparable with other figures shown throughout this report.

However, the analysis was undertaken to understand the average annual increase in average claim sizes when controlling for the reduction in small claim numbers over time.

ASSUMPTIONS

From our analysis we have adopted 2.8% as our forward expectation of superimposed inflation which is equivalent to the figure when all claims which are less than \$2,000 (in June 2023 values) are removed. This was selected after viewing the trend in the number of claims when removing claims of different sizes. The \$2,000 and \$5,000 analysis removed the strong decreasing trend in number of claims reported. We decided to use the result based on removing claims less than \$2,000 as it maximised the number of claims included in the analysis while utilising a stable claims mix. This is the same approach as per last year.

The adopted forward superimposed inflation rate is 2.8% which is lower than the 3.0% adopted last year.

D.3 Management and other expenses

Overall expenses

The overall level of expenses is analysed below:

Expenses					
Financial Year	Year ending 30 June (\$'000s)				
	2023	2022	2021	2020	2019
Commission/Brokerage	60,532	48,008	40,543	40,778	37,267
Statutory Charges	19,432	17,934	17,332	16,589	15,218
Management Expenses	245,731	205,551	196,191	173,959	165,883
Total expenses	325,695	271,493	254,066	231,326	218,368
Earned Premium	1,835,541	1,551,176	1,295,367	1,199,853	1,105,510
Claim Payments	1,165,929	1,080,306	963,624	898,011	837,924
Commission and Statutory Charges as % of Earned Premium	4.4%	4.3%	4.5%	4.8%	4.7%

The commission/statutory charge ratio has ranged between 4.3% to 4.8% over 2019 to 2023.

Expense analysis

The expenses are analysed from the Form WC30. The results obtained are summarised below:

	Expense Ratios					Adopted 3 yr ave
	2022/23	2021/22	2020/21	2019/20	2018/19	
Commission / Brokerage	3.0%	2.9%	2.9%	3.4%	3.2%	2.9%
General Fund Levy	1.0%	1.1%	1.2%	1.4%	1.3%	1.1%
Management Expenses	13.4%	13.3%	15.1%	14.5%	15.0%	13.9%
Total	17.4%	17.2%	19.3%	19.2%	19.5%	18.0%
Total excluding brokerage	14.4%	14.3%	16.4%	15.9%	16.3%	15.0%

The expense ratios are used directly in deriving the loss ratio used to quantify the gross incurred cost of WA workers compensation claims.

The total adopted expenses, excluding brokerage, of 15.0% are 0.5% lower than the 15.5% adopted last year. This is due to the fact that the 2022/23 expense ratio (14.4%) is lower than the 2019/20 expense ratio (15.9%) it replaces. This is because the management expenses in 2022/23 increased by less than the earned premium.

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Expenses by insurer for 2022/23 were as follows:

Insurer	Brokerage % (a)	General Account Charges % (b)	Management Expenses % (c)	Total Expenses (d)
1	0.6%	1.3%	34.0%	35.9%
2	0.0%	0.9%	25.5%	26.4%
3	4.4%	1.1%	17.7%	23.2%
4	2.7%	0.8%	18.9%	22.4%
5	3.6%	1.1%	16.5%	21.1%
6	3.0%	0.9%	11.0%	14.9%
7	4.4%	1.0%	9.3%	14.8%
8	0.0%	1.0%	11.9%	12.9%
9	4.2%	0.9%	6.1%	11.3%
Total	3.0%	1.0%	13.4%	17.4%

Notes :

- (a) = Commission and brokerage / Gross written premium
- (b) = General account charges / Gross written premium
- (c) = Management expenses / Earned premium
- (d) = (a) + (b) + (c)

If brokerage is spread over only those insurers paying brokerage, the percentage increases from 3.0% to 3.5%.

The adopted expenses for the 2024/25 recommended premium rates are a three year average of the expenses for the 2020/21 to 2022/23 financial years.

D.4 Contingency margin

In the 2020 year, we performed a full review of the contingency margin where we recommended an increase, but in light of the economic uncertainty of COVID-19, the Board decided to retain the same contingency margin for the 2020/21 recommended premium rates.

For the 2021/22 recommended premium rates, at the request of WorkCover WA, the contingency margin was increased to 12%, an increase of 1% compared to the 2020/21 recommended premium rates.

For the 2022/23 recommended premium rates, following a re-evaluation based on claim data up to 30 June 2021 and financial data up to 28 February 2022, the contingency margin was further increased to 13% at the request of WorkCover WA.

The decision has been to maintain a contingency margin of 13% last year and this year.

The contingency margin allows for insurers' cost of servicing the regulatory solvency capital required without the purchase of reinsurance.

D.5 WA Legislative changes

Workers Compensation and Injury Management Act 2023

The Workers Compensation and Injury Management Act 2023, passed by the WA parliament in October 2023 to modernise workers compensation laws in WA. The target commencement date of the new Act is 1 July 2024. Key benefit changes included in this Act include:

- the doubling of the cap on medical and health expenses from 30% of the prescribed amount (PA) to 60% of the PA
- income compensation payments step-down extending from 13 to 26 weeks
- provisional income compensation and medical and health expenses payments for claims pending for more than 28 days
- access to lifetime care and support payments to employees who are catastrophically injured in the workplace, aligning workers under the Catastrophic Injuries Support Scheme (CISS) with those affected by motor vehicle accidents. The catastrophically injured workers can access this Scheme rather than receiving a common law lump sum payment for lifetime medical benefits if they choose
- Creation of the Default Insurance Fund (DIF) which combines the liabilities from
 - uninsured employers currently funded via the WorkCover WA General Account
 - insolvent insurers currently funded via the Employers Indemnity Supplementation Fund (EISF), and extended to cover liabilities of insolvent self-insurers in excess of the bank guarantee
 - acts of terrorism currently provided for under the EISF and subsequently recovered from insurers and self-insurers via contribution agreements. The limit of coverage for the Terrorism Act is increasing from \$25 million to \$100 million.
 - waterfront workers under the *Waterfront Workers' (Compensation for Asbestos Related Diseases) Act 1986* - which is in run off and included in the EISF liabilities.
- The industrial diseases statutory claims that were previously paid through the Compensation (Industrial Diseases) Fund (CIDF) for certain industries / ANZSIC classes will no longer be paid by the CIDF for exposure after the commencement date so will be part of the recommended premium rates pool.

In November 2022, we costed the first five dot points of the legislation change in a report titled *WorkCover WA Legislation Changes Costings*. This report contains more information about the legislation changes and costing approach. The costs below include an allowance for behavioural change.

For the 2024/25 recommended premium rates we have included the following benefit change impacts:

- 0.91% increase in the risk cost for the doubling of the cap on medical and health expenses, from our November 2022 report
- 1.03% increase in the risk cost for income compensation payments step-down extending from 13 to 26 weeks, from our November 2022 report
- No allowance is made for provisional payments as after allowing for behavioural change the outcome is expected to be neutral, from our November 2022 report

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- \$27.3 million increase in expenses for the CISS levy as provided by ICWA for 2024/25. We have reduced the risk cost by \$11.1 million to account for the saving in common law costs. The saving is based upon our November 2022 analysis that 92% of the total levy relates to insurers (\$25.1 million) and the net cost is estimated to be 56% of the gross cost after allowing for a reduction in the common law lump sum payments for lifetime medical costs.
- No allowance is included for DIF as the WorkCover WA Board have decided not to raise a levy for 2024/25, unless circumstances change such as a large insurer failure or large Terrorism event.
- While the claims for injured workers of uninsured employers will be moving from the WorkCover WA General Account to DIF, we were advised that there is no expected change in the WorkCover WA General Account budget for 2024/25 so we have not made any changes to the expense loading for this.
- No allowance is included for the changes to the industrial disease statutory claims. We reviewed the ICWA CIDF data as at 30 June 2023 which shows a limited number of claims with accident dates from 2000 onwards.
 - There are five claims with a disease type of Silicosis that haven't been denied and were diagnosed in the 2020 to 2023 financial years (last previous claim with Silicosis nature was in 2004 and then 1993 and earlier). Of these five claims, three have an accident date before 2000 (with two claims still pending) and two have accident dates in 2020 and 2022 respectively (one of which is still pending). The size of these claims range from \$20,000 to \$250,000.
 - There are 21 other claims with natures of injury of Pneumoconiosis, Mesothelioma, Asbestosis or Lung Cancer which were lodged in the last 10 financial years that weren't denied. There is one claim that has an accident date in the 2020 financial year, with the other 20 claims have an accident date in 1993 or earlier. The size for these claims ranges from \$60,000 to \$330,000, with the majority between \$60,000 and \$80,000.
 - Given the delay between accident date and diagnosis date and lodgement date there could be more claims that arise in the future with dates of accident over the past twenty years but given the limited claims observed to date we have not included an explicit allowance for these claims.

We were also advised by WorkCover WA that the medical and allied health fee base rates are changing under new Ministerial fee orders from 1 July 2024. The medical fees are being aligned to the AMA rates, while the allied health fees are being benchmarked against health insurers' rates. WorkCover costed this themselves and we reviewed this work. Overall, WorkCover WA estimated that the medical and hospital fees would have increase by \$4.1 million based on the 2022/23 payments and the allied health fees would increase by \$3.0 million. This is an increase in 0.67% of total the 2022/23 payments.

The overall impact of the legislation change on the 2024/25 recommended premium rates is 3.2%.

Some of these benefit changes will impact claims incurred prior to 1 July 2024 so we have included the following allowances in the 30 June 2023 outstanding claims liability:

- For the doubling of the cap on medical and health expenses, claims which are open and have yet to reach the threshold will be eligible for the higher cap. We have therefore made the following allowances:
 - For the 2023 accident year we have allowed for a \$7.1 million increase in current values. This is based on 60% of the 0.91% increase in costs (60% x \$1,306 million incurred cost for 2023 x 0.91%). From our analysis we found that 60% of claimants who were estimated to be impacted

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by this legislation change reached the cap in development two or later. Pre-act change the medical, hospital and allied health costs combined are estimated to be \$32.2 million for payments in 2025 onwards so this is a 22% increase in these payments.

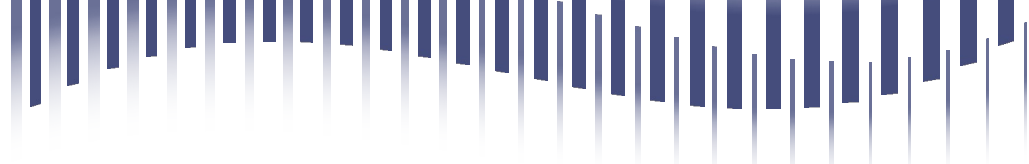
- For the 2022 accident year we have allowed for a \$3.2 million increase in current values. This is based on 29% of the 0.91% increase in costs (29% x \$1,196 million incurred cost for 2022 x 0.91%). From our analysis we found that 29% of claimants who were estimated to be impacted by this legislation change reached the cap in development three or later. Pre-act change the medical, hospital and allied health costs combined are estimated to be \$8.7 million for payments in 2025 onwards so this is a 37% increase in these payments.
- For the 2021 accident year we have allowed for a \$0.9 million increase in current values. This is based on 9% of the 0.91% increase in costs (9% x \$1,186 million incurred cost for 2021 x 0.91%). From our analysis we found that 9% of claimants who were estimated to be impacted by this legislation change reached the cap in development four or later. Pre-act change the medical, hospital and allied health costs combined are estimated to be \$2.8 million for payments in 2025 onwards so this is a 33% increase in these payments.
- No allowance is included for the 2020 and earlier accident years, as it is not estimated to be material.
- No allowance for income compensation payments step-down extending from 13 to 26 weeks.
 - Only claims which have not commenced receiving payments at 1 July 2024 will be eligible for the 26 weeks of income compensation before step-down. Therefore, it would likely only be claims reported after 1 July 2024 that would be eligible.
 - From our analysis, 0.4% to 0.7% of claims that exceeded 13 weeks of income compensation were reported from development year 2 onwards. Therefore, it was determined to have an immaterial impact on the 30 June 2023 outstanding claims liabilities.
- No adjustments for the Catastrophic Injuries changes, as this will only apply to claims with a date incurred from the commencement date.
- As the medical and allied health payments rates will apply to all payments from 1 July 2024, regardless of date of injury, we have allowed for the following increases for payments in the 2025 financial year onwards:
 - 3.03% increase in the medical and hospital group payments. This is from WorkCover WA's analysis above, with the \$4.1 million increase as a percentage of the \$135 million payments for medical and hospital in 2022/23.
 - 4.83% increase in the allied health group payments. This is from WorkCover WA's analysis above, with the \$3.0 million increase as a percentage of the \$61.6 million payments for allied health in 2022/23.

The overall impact of the legislation change on the 30 June 2023 outstanding claims liability is 0.7%.

Workers' Compensation and Injury Management Amendment (COVID-19 Response) Act 2020

From 12 October 2020, the Workers' Compensation and Injury Management Amendment (COVID-19 Response) Act 2020 commenced. This amendment:

- Establishes a presumption of work-related injury for COVID-19 contracted by health care workers
- Discontinue the common law termination day



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- Provide for a revised notice to be given to workers about common law claims
- Provide for email service of liability decision notices to workers from insurers and self-insurers
- Provide for annual indexation of capped worker entitlements

There is a risk the discontinuation of the common law termination date could increase the number of common law claims as it gives workers an additional year to elect to pursue common law benefits. It is not known how much impact this will have given common law claims have declined significantly over the last 10 years. It will create an additional year of uncertainty in estimating which claims may become common law which could increase liabilities.

We have been advised that some of the increase in case estimates may be related to the discontinuation of the common law termination date as claimants and their legal advisers are waiting longer to determine the level of whole person impairment and to elect to pursue common law benefits and this is lengthening weekly benefit duration. It may be used in negotiations to obtain a higher settlement. It will take a few years for the evidence to emerge to determine if this translates into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid.

The first cohort of claims impacted by the 2020 Amendment Act are claims for the 2019/20 accident year. In the 2023 financial year these claimants reached the three year statute of limitations. The data is unavailable to know the percentage of claims that have lodged a common law claim and whether this has changed from prior years. The total estimates for the 2019/20 accident year have increased since 30 June 2022. In our discussions with insurers while some claimants didn't pursue common law where the insurer thought they might, other injured workers who weren't expected to lodge a common law claim did, so the reduction in case estimates on some claims was more than offset by increases on other claims. This has led to an overall slight increase in total estimates.

The changes to the annual indexation of capped worker entitlements mean that the benefits cannot be reduced even if the index reduces over the year. The benefits will remain flat until the index increases. No costing was done for the scheme as part of these Amendments.

Ultimately, we have not included any explicit allowance for the 2020 Amendment Act in the outstanding claims liability at 30 June 2023 and 2024/25 premium rates, though it may be implicitly allowed for within the case estimates.

Workers' Compensation and Injury Management Amendment Acts 2011 and 2018

We have not made any explicit allowance for the 2011 or 2018 Amendment Act within the outstanding claims valuation as at 30 June 2023, as the adopted factors are based on post-Act change experience.

This is unchanged from last year's valuation.

For information about the 2011 and 2018 Amendment Acts, see previous reports.

D.6 GST

No explicit allowance has been made for GST net of ITC and/or DAM as our adopted bases rely on data, which includes GST net of ITC and/or DAM. The 10% GST on the workers compensation premium itself (which employers will generally be able to recover via an input tax credit) is not included in our analysis or the recommended premium rates.

E Outstanding claim valuation

E.1 Claims experience and analysis

E.1.1 Numbers of claims reported

Year ending	Development year											
30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2013	31,221	3,136	139	54	39	34	27	25	29	14	298	35,016
2014	29,464	2,910	138	54	36	37	21	29	50	29	412	33,180
2015	27,296	2,752	139	63	42	32	26	19	24	25	393	30,811
2016	25,733	2,497	161	71	52	38	42	27	13	21	484	29,139
2017	23,514	2,340	164	68	46	36	44	27	20	21	519	26,799
2018	22,941	2,146	143	62	41	35	30	22	23	16	361	25,820
2019	22,203	2,079	124	66	43	29	28	21	36	31	448	25,108
2020	20,956	2,001	139	53	21	25	18	14	11	14	316	23,568
2021	21,828	2,075	133	57	32	14	19	15	14	13	203	24,403
2022	21,532	2,231	131	67	29	29	22	20	19	18	337	24,435
2023	22,208	2,161	148	83	45	30	28	29	18	31	578	25,359

Note: From summary of Form WC20 up to 30 June 2023.

E.1.2 Cumulative claims reported

Year ending	Development year											
30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2013	31,221	35,478	34,343	33,006	35,714	37,975	37,587	37,378	39,181	38,326	38,158	398,367
2014	29,464	34,131	35,616	34,397	33,042	35,751	37,996	37,616	37,428	39,210	38,738	393,389
2015	27,296	32,216	34,270	35,679	34,439	33,074	35,777	38,015	37,640	37,453	39,603	385,462
2016	25,733	29,793	32,377	34,341	35,731	34,477	33,116	35,804	38,028	37,661	37,937	374,998
2017	23,514	28,073	29,957	32,445	34,387	35,767	34,521	33,143	35,824	38,049	38,180	363,860
2018	22,941	25,660	28,216	30,019	32,486	34,422	35,797	34,543	33,166	35,840	38,410	351,500
2019	22,203	25,020	25,784	28,282	30,062	32,515	34,450	35,818	34,579	33,197	36,288	338,198
2020	20,956	24,204	25,159	25,837	28,303	30,087	32,533	34,464	35,829	34,593	33,513	325,478
2021	21,828	23,031	24,337	25,216	25,869	28,317	30,106	32,548	34,478	35,842	34,796	316,368
2022	21,532	24,059	23,162	24,404	25,245	25,898	28,339	30,126	32,567	34,496	36,179	306,007
2023	22,208	23,693	24,207	23,245	24,449	25,275	25,926	28,368	30,144	32,598	35,074	295,187

Note: Cumulative claim reports from table above.

E.1.3 Active claims

Year ending	Development year											
30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2013	13,514	4,754	1,955	892	472	301	192	134	97	74	450	22,835
2014	12,880	4,724	2,013	888	484	256	183	139	94	78	489	22,228
2015	11,978	4,694	1,932	929	416	275	156	114	82	57	447	21,080
2016	11,427	4,187	1,835	808	430	220	151	92	62	55	428	19,695
2017	10,823	4,098	1,636	758	402	218	133	91	71	41	366	18,637
2018	10,641	3,899	1,530	678	388	211	132	78	74	41	330	18,002
2019	11,094	4,043	1,590	740	368	201	119	86	56	37	307	18,641
2020	10,159	4,188	1,665	744	366	216	110	88	58	35	278	17,907
2021	11,880	4,345	1,829	791	397	213	147	84	65	43	288	20,082
2022	11,201	4,835	1,880	932	403	235	129	89	56	46	304	20,110
2023	11,845	4,433	2,002	804	446	216	144	78	51	35	280	20,334

Note: From summary of Form WC20 up to 30 June 2023.

OUTSTANDING CLAIM VALUATION

E.1.4 Claim payments

Year ending 30 June	Development Year 0	1	2	3	4	5	6	7	8	9	10	Total
2013	201,331,451	285,186,455	139,137,670	55,911,412	25,082,343	8,900,578	5,353,272	5,055,187	3,173,742	2,812,620	9,570,544	741,515,273
2014	213,887,947	313,318,409	164,166,127	70,557,684	28,500,879	9,005,393	5,376,489	9,193,691	2,310,595	1,929,765	12,183,749	830,430,729
2015	213,240,328	329,270,332	177,348,142	79,217,053	31,504,882	11,042,885	4,632,650	4,287,446	2,074,549	2,145,350	13,005,085	867,768,702
2016	220,499,759	336,249,465	185,873,745	75,968,722	32,388,218	15,233,497	5,154,702	2,430,039	1,584,426	1,376,227	12,565,049	889,323,848
2017	216,572,416	344,191,776	177,147,811	69,592,061	28,160,589	14,638,802	5,961,488	2,493,100	2,138,256	1,005,778	13,776,703	875,678,781
2018	223,362,430	334,171,046	163,891,742	60,971,223	25,650,084	11,995,738	7,223,647	2,715,709	1,430,737	1,085,339	15,286,080	847,783,775
2019	234,159,759	327,776,033	158,190,391	55,677,185	27,388,835	11,935,022	4,303,750	3,207,287	939,730	1,890,193	12,165,748	837,633,933
2020	237,527,849	361,405,385	174,132,553	61,736,567	27,125,352	11,483,911	7,452,053	1,842,330	4,384,236	663,934	10,322,245	898,076,415
2021	257,310,131	368,561,158	185,442,702	71,519,350	38,016,558	16,005,547	10,036,325	2,038,907	2,525,312	1,008,624	10,615,501	963,080,114
2022	279,388,830	435,975,375	198,770,067	94,542,875	30,726,072	11,589,040	5,981,438	5,275,286	2,021,798	1,780,781	14,209,913	1,080,261,474
2023	305,540,785	437,920,328	226,921,384	95,972,615	40,352,923	19,781,339	14,333,575	2,456,238	3,926,494	1,694,262	16,073,776	1,164,973,720

Note: From WorkCover WA's database from 1 July 2012 to 30 June 2023. The payments for the 2022 and earlier financial years are slightly different to the previous year's report due to the payment data being re-provided with clinical psychology payments being moved from medical scheduled to allied health.

E.1.5 Case estimates outstanding

Year ending 30 June	Development year 0	1	2	3	4	5	6	7	8	9	10	Total
2013	379,712,259	270,088,121	140,722,336	59,498,665	23,740,354	13,992,136	12,038,829	7,678,817	5,680,261	4,430,304	24,220,987	941,803,070
2014	399,200,332	276,707,555	146,973,954	74,121,099	32,687,912	11,541,151	7,758,280	5,378,923	4,718,487	4,524,588	25,167,406	988,779,688
2015	374,313,463	292,302,623	142,525,830	73,069,636	35,327,743	14,401,635	7,484,776	4,071,626	3,377,046	2,357,617	25,100,727	974,332,722
2016	370,177,994	249,553,640	143,165,323	64,995,521	34,702,145	12,422,920	8,019,853	4,543,299	2,707,048	1,645,437	24,015,475	915,948,655
2017	389,934,389	254,765,365	128,241,881	74,619,975	29,085,343	17,884,734	7,008,162	5,185,150	3,276,235	1,556,462	20,009,220	931,566,916
2018	376,824,525	236,397,978	113,131,205	61,288,268	42,734,072	13,489,749	9,756,803	3,952,145	3,643,283	2,022,872	19,000,156	882,241,056
2019	375,007,184	229,566,778	117,298,925	60,437,457	33,191,124	25,144,735	7,657,407	7,533,565	2,551,102	1,463,926	15,869,320	875,721,523
2020	369,616,631	267,732,668	120,745,215	61,840,423	31,757,041	22,204,473	6,529,145	5,707,071	2,954,047	1,764,600	17,397,362	908,248,675
2021	459,561,919	286,492,902	170,039,882	70,311,521	31,677,783	16,837,171	11,943,578	4,189,135	3,825,066	2,426,287	26,612,538	1,083,917,783
2022	446,162,131	316,170,818	161,418,544	101,935,743	40,733,197	23,901,888	10,276,738	7,255,544	3,259,615	3,160,977	25,569,030	1,139,844,225
2023	523,286,078	312,905,056	169,014,451	95,381,974	59,622,507	18,594,603	11,204,884	10,368,162	3,797,603	2,165,919	28,517,340	1,234,858,577

Note: From summary of Form WC20 up to 30 June 2023.

E.1.6 Insurer's development and IBNR estimates

Year ending 30 June	Development year 0	1	2	3	4	5	6	7	8	9	10	Total
2013	306,317,713	99,797,755	60,047,109	47,739,966	38,902,839	21,420,486	12,637,217	9,499,508	7,317,466	5,083,033	164,339,903	773,102,995
2014	332,122,549	115,805,924	53,820,400	36,707,863	29,618,910	24,095,523	12,497,010	7,568,618	5,624,748	4,432,681	146,590,600	768,884,826
2015	385,427,025	118,974,066	47,651,749	38,972,974	31,011,986	22,296,676	15,933,345	7,791,524	5,536,768	4,008,116	129,403,302	807,007,529
2016	357,641,199	135,466,579	57,828,986	28,431,503	23,475,324	19,482,366	11,857,911	7,536,769	5,798,631	4,679,744	139,339,985	791,538,999
2017	291,323,062	105,318,106	46,022,925	26,471,139	20,375,414	11,550,671	8,281,701	4,439,442	3,940,173	2,360,005	116,814,023	636,896,661
2018	288,415,264	86,313,770	33,197,975	15,813,595	16,049,436	8,456,298	5,548,928	5,012,998	3,952,021	2,287,147	124,835,852	589,883,284
2019	310,859,652	91,545,567	24,857,667	14,015,983	10,630,746	9,482,693	4,724,688	4,169,513	5,966,093	1,850,914	126,817,615	604,921,131
2020	344,181,692	85,057,114	26,547,441	10,910,872	9,116,454	3,193,945	4,411,656	4,372,555	3,401,521	6,006,693	74,613,487	571,813,430
2021	350,248,857	77,281,464	20,878,855	9,756,639	9,818,534	4,039,702	5,010,468	2,208,709	2,918,896	1,991,909	69,008,758	553,162,791
2022	468,705,204	115,908,203	28,920,732	5,667,943	10,905,692	4,352,189	2,654,677	3,711,737	2,614,809	1,728,052	73,121,331	718,290,569
2023	583,689,492	162,814,346	44,763,144	14,235,763	9,601,599	4,526,765	3,231,360	1,775,709	3,957,393	1,339,041	116,891,662	946,826,272

Note: From summary of Form WC20 up to 30 June 2023.

E.2 Analysis and projection models

E.2.1 All payment types

Claim notification pattern

Accident year ending 30 June	Chain ladder ratio (a) for development year:									
	1	2	3	4	5	6	7	8	9	10
2014	1.093	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.011
2015	1.093	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.010
2016	1.091	1.005	1.002	1.001	1.001	1.001	1.001	1.000	1.001	1.013
2017	1.091	1.006	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.014
2018	1.091	1.005	1.002	1.001	1.001	1.001	1.001	1.001	1.000	1.009
2019	1.091	1.005	1.002	1.001	1.001	1.001	1.001	1.001	1.001	1.013
2020	1.090	1.006	1.002	1.001	1.001	1.001	1.000	1.000	1.000	1.010
2021	1.099	1.005	1.002	1.001	1.000	1.001	1.000	1.000	1.000	1.006
2022	1.102	1.006	1.003	1.001	1.001	1.001	1.001	1.001	1.001	1.009
2023	1.100	1.006	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.017
Adopted (b)	1.101	1.006	1.003	1.001	1.001	1.001	1.001	1.001	1.001	1.012

Notes: (a) Using cumulative claim report numbers from data

(b) Adopted for the valuation as at 30 June 2023.

Numbers of claims incurred

Accident year ending 30 June	Number of claims		Incurred (c)
	Reported to 30-Jun-23 (a)	IBNR at 30-Jun-23 (b)	
2014	32,598	393	32,991
2015	30,144	382	30,526
2016	28,368	377	28,745
2017	25,926	360	26,286
2018	25,275	371	25,646
2019	24,449	381	24,830
2020	23,245	397	23,642
2021	24,207	491	24,698
2022	23,693	624	24,317
2023	22,208	2,894	25,102

Notes: (a) From number reported in Appendix E.1.1

(b) From pattern in chain ladder ratio table above

(c) = (a) + (b)

OUTSTANDING CLAIM VALUATION

Claim finalised per handled rate

Accident year ending 30 June	Finalisation rate (a) for development year:										
	0	1	2	3	4	5	6	7	8	9	10
2014	0.563	0.712	0.589	0.558	0.478	0.497	0.432	0.371	0.489	0.381	0.478
2015	0.561	0.700	0.603	0.553	0.553	0.467	0.447	0.436	0.497	0.521	0.534
2016	0.556	0.711	0.622	0.597	0.562	0.515	0.524	0.497	0.512	0.466	0.567
2017	0.540	0.702	0.624	0.602	0.529	0.532	0.496	0.489	0.366	0.506	0.635
2018	0.536	0.699	0.639	0.601	0.514	0.517	0.468	0.497	0.351	0.529	0.570
2019	0.500	0.682	0.605	0.536	0.490	0.518	0.502	0.438	0.509	0.648	0.625
2020	0.515	0.680	0.602	0.547	0.519	0.450	0.498	0.338	0.402	0.500	0.579
2021	0.456	0.645	0.577	0.541	0.488	0.439	0.374	0.328	0.363	0.394	0.442
2022	0.480	0.657	0.580	0.508	0.509	0.448	0.451	0.467	0.456	0.446	0.545
2023	0.467	0.668	0.598	0.590	0.544	0.501	0.452	0.506	0.523	0.598	0.698
Adopted (b)	0.467	0.663	0.590	0.547	0.516	0.464	0.427	0.442	0.449	0.529	0.620

Notes: (a) Defined as: Number of claims finalised / number of claims handled

(b) Adopted for the valuation as at 30 June 2023.

E.2.2 Weekly benefits

Claim payments

Claim Payments - Weekly												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
2013	99,623,064	133,284,858	44,933,872	11,582,558	2,840,943	149,765	78,525	480,238	236,910	128,209	166,891	293,505,832
2014	106,118,539	144,797,954	53,764,438	14,716,541	3,692,802	677,801	615,744	(575,532)	571,590	652,833	462,186	325,494,895
2015	107,098,531	154,185,672	57,580,498	15,992,243	1,931,258	972,702	619,639	584,638	(281,994)	28,998	565,085	339,277,269
2016	113,620,514	152,971,716	59,051,611	14,608,164	2,875,311	338,720	696,611	(96,891)	166,876	13,059	959,525	345,205,216
2017	109,547,952	159,860,304	53,950,128	12,131,627	3,019,583	1,127,959	61,514	261,016	395,014	110,983	451,913	340,917,993
2018	108,713,295	150,565,301	49,044,222	10,034,867	1,928,596	429,350	295,713	264,563	133,163	131,893	658,187	322,199,150
2019	117,300,100	150,414,654	50,138,880	10,757,345	1,171,399	(640,319)	(7,498)	136,020	111,379	122,144	450,214	329,954,318
2020	122,709,452	164,028,045	54,350,027	12,083,733	1,892,882	174,298	(587,356)	119,092	121,012	97,398	454,807	355,443,390
2021	135,201,284	172,737,815	63,704,792	14,328,500	3,034,687	(528,356)	(132,421)	18,106	422,652	131,017	9,555	388,927,632
2022	150,969,868	211,909,085	66,567,517	16,495,452	3,391,394	(612,779)	309,392	220,236	231,704	318,025	790,405	450,590,300
2023	161,982,730	214,677,955	76,615,866	19,065,683	2,321,348	1,178,514	247,527	(531,102)	238,572	170,111	909,405	476,876,609

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

Average real payment per active claim

Accident year ending 30 June	Weekly PPAC (a) for development year:									
	1	2	3	4	5	6	7	8	9	10
2014	13,508	14,257	9,490	5,219	1,810	2,579	(3,779)	5,378	8,485	1,112
2015	14,688	14,955	9,748	2,668	2,466	2,970	3,920	(2,489)	379	1,223
2016	15,422	15,192	9,131	3,738	983	3,059	(750)	1,768	192	2,299
2017	16,852	15,522	7,964	4,502	3,160	337	2,082	5,172	2,156	1,127
2018	16,455	14,156	7,255	3,010	1,263	1,605	2,353	1,731	2,197	1,913
2019	16,478	14,991	8,196	2,014	(1,924)	(41)	1,201	1,665	1,924	1,415
2020	16,875	15,343	8,674	2,920	541	(3,335)	1,142	1,606	1,985	1,509
2021	18,846	16,860	9,538	4,521	(1,600)	(679)	182	5,323	2,504	34
2022	19,211	16,500	9,713	4,618	(1,662)	1,564	1,614	2,971	5,269	2,572
2023	19,696	16,284	10,422	2,560	3,005	1,082	(4,231)	2,755	3,122	2,670
Adopted (b)	20,194	17,010	10,618	4,569	1,635	1,312	1,086	3,174	3,701	2,027

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

OUTSTANDING CLAIM VALUATION

Average real payment per claim incurred

Accident year ending 30 June	Weekly PPCI (a) for development year:											
	0	1	2	3	4	5	6	7	8	9	10	Total
2014	4,055	5,205	1,873	533	139	24	20	-19	19	21	15	11,885
2015	4,305	5,734	2,014	542	68	36	21	19	-9	1	18	12,748
2016	4,773	6,051	2,162	503	96	12	25	-3	5	0	31	13,655
2017	5,020	6,699	2,129	443	104	38	2	9	13	3	14	14,475
2018	5,014	6,775	2,018	389	69	14	10	9	5	4	20	14,328
2019	5,507	6,837	2,224	436	45	-23	0	4	4	4	14	15,053
2020	5,924	7,540	2,419	525	75	7	-20	4	4	3	15	16,495
2021	6,067	8,098	2,844	619	128	-20	-5	1	13	4	0	17,749
2022	6,686	9,240	3,032	715	142	-25	12	8	8	10	24	19,852
2023	6,631	9,072	3,188	829	96	47	10	-19	8	5	27	19,894
Adopted (b)	7,044	9,687	3,292	815	122	21	10	4	10	6	20	21,032

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Estimates from models

Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2023	360.670	370.240	360.670	100%	0%
2022	105.124	110.009	105.124	100%	0%
2021	29.019	26.568	26.568	0%	100%
2020	6.142	5.298	6.142	100%	0%
2019	2.505	2.303	2.505	100%	0%
2018	1.573	1.724	1.724	0%	100%
2017	1.297	1.408	1.408	0%	100%
2016	1.074	1.226	1.226	0%	100%
2015	0.817	1.035	1.035	0%	100%
2014 & earlier	1.603	1.639	1.603	100%	0%
Total	509.825	521.450	508.006		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

E.2.3 Medical (scheduled and non-scheduled) and hospital expenses

Claim payments

Claim Payments - Medical (Scheduled And Non-Scheduled) And Hospital Expenses												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
2013	57,518,196	42,307,759	9,925,547	2,337,964	656,795	247,138	121,560	168,980	97,032	51,792	340,778	113,773,542
2014	58,925,670	44,816,839	12,386,291	2,923,514	1,432,438	323,990	297,002	(107,061)	144,991	52,006	363,676	121,559,357
2015	58,759,165	44,936,617	11,537,127	2,710,570	359,547	233,537	198,193	313,744	27,517	(1,254)	433,169	119,507,933
2016	57,394,130	44,376,775	11,192,544	3,040,833	635,073	295,580	258,091	165,758	55,250	35,323	302,455	117,751,812
2017	59,578,880	44,900,974	10,521,767	2,434,440	658,930	305,427	71,708	191,230	139,745	65,237	335,540	119,203,878
2018	61,660,899	44,350,147	9,976,064	2,345,856	387,878	148,193	187,048	69,438	40,621	40,090	255,821	119,462,056
2019	61,911,124	41,499,264	9,418,227	1,895,046	357,732	(65,298)	(178,228)	67,980	49,854	85,661	178,805	115,220,166
2020	60,748,070	45,445,107	10,836,984	2,133,595	530,877	254,014	(12,150)	(117,568)	75,188	31,763	195,125	120,121,005
2021	65,141,180	45,891,264	12,171,649	2,741,754	806,675	(80,946)	83,158	41,330	157,156	85,908	171,922	127,211,050
2022	65,112,723	53,368,032	12,598,351	2,896,354	679,108	(17,968)	76,300	110,609	98,839	133,921	215,806	135,272,075
2023	69,354,776	48,645,915	12,878,997	3,080,829	210,265	451,785	84,722	(164,456)	(45,011)	40,433	337,428	134,875,682

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

The payments for the 2022 and earlier financial years are lower than last year due to clinical psychology payments being moved from medical scheduled to allied health

OUTSTANDING CLAIM VALUATION

Average real payment per active claim

Medical (Scheduled And Non-Scheduled) And Hospital Expenses PPAC (a) for development year:										
Accident year ending 30 June	1	2	3	4	5	6	7	8	9	10
2014	4,181	3,285	1,885	2,024	865	1,244	(703)	1,364	676	875
2015	4,281	2,997	1,652	497	592	950	2,104	243	(16)	937
2016	4,474	2,879	1,901	826	858	1,133	1,283	585	520	725
2017	4,733	3,027	1,598	982	856	393	1,526	1,830	1,268	837
2018	4,847	2,880	1,696	605	436	1,015	618	528	668	743
2019	4,546	2,816	1,444	615	(196)	(985)	600	745	1,349	562
2020	4,675	3,059	1,532	819	788	(69)	(1,128)	998	647	647
2021	5,007	3,221	1,825	1,202	(245)	427	416	1,979	1,642	609
2022	4,838	3,123	1,705	925	(49)	386	810	1,267	2,219	702
2023	4,463	2,737	1,684	232	1,152	370	(1,310)	(520)	742	991
Adopted (b)	4,704	2,986	1,695	1,059	792	394	642	1,632	1,535	789

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Average real payment per claim incurred

Medical (Scheduled And Non-Scheduled) And Hospital Expenses PPCI (a) for development year:												
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2014	2,252	1,611	432	106	54	11	10	(4)	5	2	12	4,490
2015	2,362	1,671	404	92	13	9	7	10	1	(0)	13	4,581
2016	2,411	1,756	410	105	21	10	9	6	2	1	10	4,740
2017	2,730	1,882	415	89	23	10	2	7	5	2	11	5,176
2018	2,844	1,996	411	91	14	5	6	2	1	1	8	5,379
2019	2,907	1,886	418	77	14	(2)	(6)	2	2	3	6	5,306
2020	2,933	2,089	482	93	21	9	(0)	(4)	2	1	7	5,633
2021	2,923	2,151	543	118	34	(3)	3	1	5	3	5	5,785
2022	2,884	2,327	574	126	29	(1)	3	4	3	4	6	5,959
2023	2,839	2,056	536	134	9	18	3	(6)	(2)	1	10	5,599
Adopted (b)	2,861	2,100	554	130	24	10	3	2	4	3	8	5,699

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Estimates from models

Medical (Scheduled And Non-Scheduled) And Hospital Expenses					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2023	76.212	73.425	76.212	100%	0%
2022	18.579	18.475	18.579	100%	0%
2021	5.522	4.655	4.655	0%	100%
2020	1.809	1.288	1.809	100%	0%
2019	1.021	0.721	1.021	100%	0%
2018	0.606	0.462	0.462	0%	100%
2017	0.540	0.378	0.378	0%	100%
2016	0.427	0.330	0.330	0%	100%
2015	0.304	0.279	0.279	0%	100%
2014 & earlier	0.601	0.444	0.601	100%	0%
Total	105.624	100.456	104.327		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

OUTSTANDING CLAIM VALUATION

E.2.4 Allied Health

Claim payments

Claim Payments - Allied Health												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
2013	15,653,383	16,410,195	4,505,041	1,442,873	486,711	163,682	154,078	106,425	59,889	54,524	225,019	39,261,822
2014	16,262,690	17,625,674	5,190,815	1,426,758	598,929	203,999	134,383	24,947	66,534	54,874	215,771	41,805,374
2015	15,801,093	17,550,069	5,268,869	1,358,903	437,256	262,256	51,141	71,599	45,982	(23,118)	186,518	41,010,568
2016	16,229,673	17,684,978	5,340,065	1,309,750	433,080	191,319	147,142	44,555	26,454	15,836	159,675	41,582,527
2017	16,686,409	19,005,324	5,192,427	1,229,235	386,320	163,733	123,392	67,871	43,057	28,332	168,593	43,094,692
2018	17,919,285	19,849,812	4,916,215	1,089,843	465,919	107,330	60,725	79,147	36,444	36,387	177,907	44,739,015
2019	19,589,792	20,560,858	5,393,980	1,172,814	311,646	158,296	68,948	49,273	32,140	25,945	128,498	47,492,192
2020	19,949,961	21,077,030	5,125,404	1,409,322	256,621	158,142	74,221	126,099	25,207	18,539	85,021	48,305,566
2021	21,467,539	21,810,855	5,795,511	1,332,177	566,054	55,995	122,613	114,190	47,572	33,182	47,781	51,393,470
2022	22,882,327	26,151,069	6,201,035	1,736,873	484,653	90,554	89,486	96,014	72,914	45,134	166,587	58,016,647
2023	25,453,959	26,099,966	7,380,520	1,691,836	431,094	156,231	92,682	19,365	35,657	33,736	212,141	61,607,185

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

The payments for the 2022 and earlier financial years are higher than last year due to clinical psychology payments being moved from medical scheduled to allied health

Average real payment per active claim

Allied Health PPAC (a) for development year:										
Accident year ending 30 June	1	2	3	4	5	6	7	8	9	10
2014	1,644	1,377	920	846	545	563	164	626	713	519
2015	1,672	1,368	828	604	665	245	480	406	(302)	404
2016	1,783	1,374	819	563	555	646	345	280	233	383
2017	2,004	1,494	807	576	459	676	541	564	550	420
2018	2,169	1,419	788	727	316	329	704	474	606	517
2019	2,253	1,613	894	536	476	381	435	480	409	404
2020	2,168	1,447	1,012	396	490	421	1,209	335	378	282
2021	2,380	1,534	887	843	170	629	1,151	599	634	169
2022	2,371	1,537	1,023	660	246	452	703	935	748	542
2023	2,395	1,569	925	475	398	405	154	412	619	623
Adopted (b)	2,485	1,621	1,008	688	448	448	448	448	448	609

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Average real payment per claim incurred

Allied Health PPCI (a) for development year:												
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2014	621	634	181	52	23	7	4	1	2	2	7	1,533
2015	635	653	184	46	15	10	2	2	1	(1)	6	1,554
2016	682	700	195	45	14	7	5	1	1	1	5	1,656
2017	765	796	205	45	13	5	4	2	1	1	5	1,844
2018	826	893	202	42	17	4	2	3	1	1	5	1,997
2019	920	935	239	48	12	6	2	2	1	1	4	2,169
2020	963	969	228	61	10	6	3	4	1	1	3	2,248
2021	963	1,023	259	58	24	2	4	4	2	1	2	2,341
2022	1,013	1,140	282	75	20	4	3	3	2	1	5	2,551
2023	1,042	1,103	307	74	18	6	4	1	1	1	6	2,563
Adopted (b)	1,079	1,202	318	80	21	5	3	3	1	1	6	2,718

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

OUTSTANDING CLAIM VALUATION

Estimates from models

Allied Health					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2023	42.125	44.104	42.125	100%	0%
2022	10.793	11.634	10.793	100%	0%
2021	3.518	3.443	3.443	0%	100%
2020	1.216	1.254	1.216	100%	0%
2019	0.677	0.731	0.677	100%	0%
2018	0.421	0.587	0.587	0%	100%
2017	0.323	0.467	0.467	0%	100%
2016	0.250	0.397	0.397	0%	100%
2015	0.214	0.327	0.327	0%	100%
2014 & earlier	0.485	0.498	0.485	100%	0%
Total	60.022	63.441	60.517		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

E.2.5 Workplace rehabilitation

Claim payments

Claim Payments - Workplace Rehabilitation												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
2013	6,873,177	13,866,011	4,174,395	738,040	165,046	44,565	27,553	13,165	18,916	19,345	9,545	25,949,759
2014	7,279,761	15,308,746	4,849,136	1,000,438	257,047	(22,648)	54,577	13,962	15,085	12,915	25,247	28,794,267
2015	7,726,439	15,546,347	4,725,015	910,871	121,171	49,833	29,032	38,743	6,466	(99)	33,820	29,187,637
2016	8,589,028	15,661,609	4,821,488	827,571	126,376	58,238	47,119	9,386	2,353	837	63,725	30,207,730
2017	9,392,554	16,432,674	4,773,014	819,897	149,550	80,560	(9,525)	2,076	10,604	4,360	29,787	31,685,550
2018	11,920,798	18,157,763	4,674,593	595,379	107,981	10,813	32,428	(343)	9,406	6,980	18,453	35,534,251
2019	11,370,040	17,889,324	4,030,414	660,683	9,821	(60,376)	(29,390)	39,993	3,527	5,410	19,963	33,939,410
2020	11,443,185	17,625,327	4,260,643	556,213	48,804	16,105	(44,537)	(35,154)	14,689	7,874	12,413	33,905,562
2021	12,498,551	18,185,322	4,397,718	627,625	91,086	(12,838)	19,529	12,426	18,602	14,979	9,966	35,862,967
2022	12,516,173	20,035,786	4,777,754	751,288	33,885	(66,172)	1,365	8,367	20,965	7,721	7,067	38,094,199
2023	15,415,449	21,175,027	5,701,480	834,666	(9,196)	(37,450)	(19,562)	(15,249)	(19,571)	12,526	28,055	43,066,174

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

Average real payment per active claim

Accident year ending 30 June	Workplace Rehabilitation PPAC (a) for development year:									
	1	2	3	4	5	6	7	8	9	10
2014	1,428	1,286	645	363	(60)	229	92	142	168	61
2015	1,481	1,227	555	167	126	139	260	57	(1)	73
2016	1,579	1,240	517	164	169	207	73	25	12	153
2017	1,732	1,373	538	223	226	(52)	17	139	85	74
2018	1,984	1,349	430	169	32	176	(3)	122	116	54
2019	1,960	1,205	503	17	(181)	(162)	353	53	85	63
2020	1,813	1,203	399	75	50	(253)	(337)	195	160	41
2021	1,984	1,164	418	136	(39)	100	125	234	286	35
2022	1,816	1,184	442	46	(180)	7	61	269	128	23
2023	1,943	1,212	456	(10)	(95)	(86)	(121)	(226)	230	82
Adopted (b)	1,971	1,229	449	69	50	38	38	38	38	38

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

OUTSTANDING CLAIM VALUATION

Average real payment per claim incurred

Accident year ending 30 June	Workplace Rehabilitation PPCI (a) for development year:											
	0	1	2	3	4	5	6	7	8	9	10	Total
2014	278	550	169	36	10	(1)	2	0	1	0	1	1,047
2015	311	578	165	31	4	2	1	1	0	(0)	1	1,094
2016	361	620	176	28	4	2	2	0	0	0	2	1,196
2017	430	689	188	30	5	3	(0)	0	0	0	1	1,346
2018	550	817	192	23	4	0	1	(0)	0	0	1	1,589
2019	534	813	179	27	0	(2)	(1)	1	0	0	1	1,552
2020	552	810	190	24	2	1	(2)	(1)	0	0	0	1,577
2021	561	853	196	27	4	(0)	1	0	1	0	0	1,643
2022	554	874	218	33	1	(3)	0	0	1	0	0	1,678
2023	631	895	237	36	(0)	(2)	(1)	(1)	(1)	0	1	1,797
Adopted (b)	593	950	228	36	2	1	1	1	0	0	-	1,811

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Estimates from models

Workplace Rehabilitation					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2023	30.888	31.327	30.888	100%	0%
2022	6.535	6.654	6.535	100%	0%
2021	1.043	1.012	1.012	0%	100%
2020	0.110	0.112	0.110	100%	0%
2019	0.056	0.069	0.056	100%	0%
2018	0.030	0.044	0.044	0%	100%
2017	0.022	0.024	0.024	0%	100%
2016	0.016	0.011	0.011	0%	100%
2015	0.013	0.004	0.004	0%	100%
2014 & earlier	0.030	0.000	0.030	100%	0%
Total	38.744	39.256	38.713		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

E.2.6 Investigation, Legal and Miscellaneous

Claim payments

Claim Payments - Investigation, Legal And Miscellaneous												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
2013	13,513,498	26,886,994	16,399,920	7,658,252	4,113,632	1,731,841	821,985	1,014,619	746,410	748,924	1,803,233	75,439,308
2014	14,705,881	30,123,299	17,977,552	10,212,487	4,434,919	1,736,700	1,157,485	(129,752)	246,586	281,571	2,172,342	82,919,069
2015	14,038,381	33,705,930	21,482,092	10,550,793	5,646,322	2,217,420	1,079,356	812,142	628,835	489,173	2,013,678	92,664,124
2016	13,569,369	33,473,873	22,880,831	10,973,384	5,471,556	2,238,830	775,850	784,069	303,764	228,630	2,231,947	92,932,102
2017	11,704,887	30,825,835	20,794,188	11,271,627	5,548,863	2,836,409	1,355,207	451,704	352,110	182,650	1,383,140	86,706,619
2018	11,833,926	31,010,999	20,478,025	10,462,808	4,682,775	3,014,388	2,118,273	735,339	355,863	163,574	1,192,989	86,048,959
2019	13,092,622	31,499,000	20,216,326	9,725,141	5,457,648	2,651,433	1,366,974	941,954	362,325	220,929	960,009	86,494,362
2020	13,313,593	36,174,376	22,397,231	10,161,084	5,588,359	3,007,827	1,185,953	482,102	811,216	160,149	1,278,144	94,560,033
2021	12,492,825	34,440,787	23,209,908	11,688,782	5,902,003	3,496,668	2,293,865	452,048	515,438	(60,604)	1,294,442	95,726,162
2022	14,019,000	38,603,434	26,193,830	14,452,141	6,215,037	3,140,205	1,598,765	945,417	453,288	375,124	2,739,661	108,735,898
2023	17,621,744	41,994,132	29,143,595	15,944,883	9,217,363	4,144,167	2,586,088	799,548	2,643,123	274,776	1,956,159	126,325,579

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

OUTSTANDING CLAIM VALUATION

Average real payment per claim finalised

Accident year ending 30 June	Investigation, Legal And Miscellaneous PPCF (a) for development year:										
	0	1	2	3	4	5	6	7	8	9	10
2014	1,118	3,246	7,872	11,485	12,592	8,654	10,498	(1,995)	3,454	7,395	6,127
2015	1,124	3,781	8,993	11,286	13,478	11,289	10,511	11,324	9,525	9,681	4,816
2016	1,145	3,929	9,149	11,089	11,992	11,554	5,644	10,405	5,643	5,752	4,813
2017	1,111	3,840	9,226	11,858	14,788	13,777	12,462	6,254	10,345	5,239	2,620
2018	1,138	4,044	8,935	12,133	13,477	15,777	21,600	11,296	10,523	4,206	3,222
2019	1,374	4,232	9,686	13,244	18,023	14,310	13,280	16,389	7,282	3,787	2,186
2020	1,407	4,635	10,156	12,900	16,147	19,395	12,418	12,228	23,740	5,222	3,819
2021	1,392	4,839	10,323	13,916	17,260	23,207	28,892	12,220	15,440	(2,399)	6,293
2022	1,461	4,482	10,867	16,146	16,051	17,706	16,244	13,054	10,387	10,919	8,106
2023	1,747	4,833	10,047	14,138	17,838	19,626	22,333	10,271	48,504	5,430	3,102
Adopted (b)	1,686	5,073	10,958	14,704	21,000	21,572	23,819	12,827	21,620	5,868	4,205

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Average real payment per claim incurred

Accident year ending 30 June	Investigation, Legal And Miscellaneous PPCI (a) for development year:											Total
	0	1	2	3	4	5	6	7	8	9	10	
2014	562	1,083	626	370	167	60	38	(4)	8	9	71	2,990
2015	564	1,254	751	358	199	81	36	26	20	16	62	3,368
2016	570	1,324	838	378	183	78	28	26	10	7	71	3,512
2017	536	1,292	821	412	191	94	47	16	12	6	44	3,470
2018	546	1,395	843	405	168	102	69	25	13	5	37	3,608
2019	615	1,432	897	394	208	94	45	30	12	8	31	3,766
2020	643	1,663	997	441	222	112	41	16	26	5	44	4,209
2021	561	1,615	1,036	505	249	135	83	15	16	(2)	41	4,254
2022	621	1,683	1,193	627	261	129	60	33	15	12	82	4,715
2023	721	1,775	1,213	693	381	166	101	29	89	9	57	5,234
Adopted (b)	714	1,837	1,250	659	400	180	100	25	30	8	51	5,255

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Estimates from models

Investigation, Legal And Miscellaneous					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2023	130.089	128.131	130.089	100%	0%
2022	72.627	73.471	72.627	100%	0%
2021	42.700	40.272	40.272	0%	100%
2020	21.187	21.159	21.187	100%	0%
2019	12.273	11.277	12.273	100%	0%
2018	6.548	6.482	6.482	0%	100%
2017	4.074	3.702	3.702	0%	100%
2016	3.017	3.102	3.102	0%	100%
2015	2.075	2.205	2.205	0%	100%
2014 & earlier	3.148	2.729	3.148	100%	0%
Total	297.739	292.532	295.090		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

OUTSTANDING CLAIM VALUATION

E.2.7 Lump sum (Election Registered, No Election Registered, Permanent Impairment/ Fatal)

Claim payments

Claim Payments - Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)													
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total	
2013	8,150,133	52,430,637	59,198,894	32,151,724	16,819,216	6,563,588	4,149,570	3,271,758	2,014,586	1,809,827	7,025,077	193,585,011	
2014	10,595,407	60,645,898	69,997,895	40,277,946	18,084,744	6,085,551	3,117,297	9,967,127	1,265,809	875,567	8,944,528	229,857,767	
2015	9,816,719	63,345,697	76,754,541	47,693,673	23,009,327	7,307,138	2,655,288	2,466,581	1,647,743	1,651,650	9,772,815	246,121,171	
2016	11,097,044	72,080,515	82,587,206	45,209,021	22,846,822	12,110,810	3,229,889	1,523,162	1,029,729	1,082,543	8,847,721	261,644,462	
2017	9,661,733	73,166,665	81,916,288	41,705,234	18,397,344	10,124,715	4,359,193	1,519,203	1,197,726	614,217	11,407,729	254,070,048	
2018	11,314,228	70,237,023	74,802,622	36,442,470	18,076,935	8,285,663	4,529,460	1,567,566	855,240	706,415	12,982,723	239,800,345	
2019	10,896,080	65,912,934	68,992,563	31,466,156	20,080,589	9,891,285	3,082,944	1,972,067	380,505	1,430,104	10,428,260	224,533,486	
2020	9,363,587	77,055,500	77,162,265	35,392,619	18,807,810	7,873,525	6,835,922	1,267,759	3,336,925	348,212	8,296,735	245,740,859	
2021	10,508,750	75,495,116	76,163,123	40,800,511	27,616,053	13,075,023	7,649,581	1,400,807	1,363,893	804,142	9,081,835	263,958,833	
2022	13,888,739	85,907,968	82,431,581	58,210,768	19,921,994	9,055,201	3,906,130	3,894,644	1,144,088	900,857	10,290,387	289,552,356	
2023	15,712,128	85,327,333	95,200,926	55,354,718	28,182,049	13,888,092	11,342,119	2,348,132	1,073,725	1,162,681	12,630,587	322,222,490	

Note: From summary of payments data provided by WorkCover WA up to 30 June 2023.

Average real claim payment per claim finalised

Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal) PPCF (a)												
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	
2014	805	6,535	30,651	45,297	51,349	30,324	28,273	153,236	17,731	22,996	25,226	
2015	786	7,106	32,131	51,019	54,926	37,202	25,857	34,391	24,960	32,686	23,374	
2016	937	8,461	33,024	45,686	50,072	62,500	23,496	20,213	19,131	27,235	19,079	
2017	917	9,115	36,345	43,877	49,030	49,179	40,085	21,035	35,190	17,617	21,607	
2018	1,088	9,160	32,638	42,261	52,025	43,366	46,187	24,081	25,291	18,165	35,061	
2019	1,143	8,855	33,057	42,852	66,314	53,383	29,950	34,313	7,648	24,517	23,744	
2020	990	9,874	34,990	44,933	54,345	50,771	71,579	32,154	97,656	11,355	24,789	
2021	1,171	10,607	33,875	48,574	80,762	86,778	96,348	37,869	40,857	31,832	44,149	
2022	1,448	9,974	34,198	65,033	51,452	51,059	39,687	53,775	26,216	26,222	30,446	
2023	1,558	9,820	32,819	49,081	54,541	65,770	97,947	30,163	19,704	22,977	20,031	
Adopted (b)	1,569	9,899	33,461	50,297	61,059	66,985	77,767	41,820	34,175	23,277	30,000	

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

Average real payment per claim incurred

Lump sum (election registered, no election registered, permanent impairment/fatal)												
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2014	405	2,180	2,439	1,459	680	211	102	329	42	28	291	8,167
2015	395	2,356	2,685	1,617	811	268	90	79	53	53	303	8,710
2016	466	2,851	3,023	1,557	763	420	116	51	32	34	282	9,595
2017	443	3,066	3,233	1,523	632	337	151	55	40	19	360	9,858
2018	522	3,161	3,078	1,412	648	279	148	53	30	23	400	9,755
2019	512	2,996	3,060	1,276	767	350	102	64	13	50	335	9,523
2020	452	3,542	3,434	1,537	747	294	236	41	105	11	283	10,683
2021	472	3,539	3,400	1,763	1,164	504	278	47	43	25	289	11,525
2022	615	3,746	3,755	2,525	837	371	146	137	37	28	306	12,504
2023	643	3,606	3,961	2,406	1,166	557	443	84	36	36	370	13,309
Adopted (b)	577	3,632	3,704	2,223	1,166	514	233	73	48	30	317	12,516

Notes: (a) In 30 June 2023 values

(b) Adopted for the valuation as at 30 June 2023.

OUTSTANDING CLAIM VALUATION

Estimates from models

Accident year ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2023	352.152	330.581	352.152	100%	0%
2022	231.283	218.808	231.283	100%	0%
2021	140.911	122.374	122.374	0%	100%
2020	69.392	60.261	69.392	100%	0%
2019	43.892	32.011	43.892	100%	0%
2018	26.300	18.632	18.632	0%	100%
2017	18.204	12.220	12.220	0%	100%
2016	15.281	8.550	8.550	0%	100%
2015	13.913	5.809	5.809	0%	100%
2014 & earlier	22.294	6.746	22.294	100%	0%
Total	933.621	815.993	886.599		

Note: (a) From models described above, in 30 June 2023 values and includes superimposed inflation. Does not include an allowance for the 2023 Act changes

E.3 Adopted estimates of outstanding claims

E.3.1 Estimates from models

Acc yr ending 30 June	Estimates of outstanding claims at 30 June 2023 (\$M) (a) (b)						Total
	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	
2023	360.670	76.212	42.125	30.888	352.152	130.089	992.137
2022	105.124	18.579	10.793	6.535	231.283	72.627	444.942
2021	26.568	4.655	3.443	1.012	122.374	40.272	198.325
2020	6.142	1.809	1.216	0.110	69.392	21.187	99.857
2019	2.505	1.021	0.677	0.056	43.892	12.273	60.425
2018	1.724	0.462	0.587	0.044	18.632	6.482	27.931
2017	1.408	0.378	0.467	0.024	12.220	3.702	18.200
2016	1.226	0.330	0.397	0.011	8.550	3.102	13.616
2015	1.035	0.279	0.327	0.004	5.809	2.205	9.660
2014 & earlier	1.603	0.601	0.485	0.030	22.294	3.148	28.162
Total	508.006	104.327	60.517	38.713	886.599	295.090	1,893.253

Notes: (a) From models described in Appendix E.2

(b) In 30 June 2023 values, includes superimposed inflation but does not include an allowance for the 2023 Act changes

OUTSTANDING CLAIM VALUATION

E.3.2 Average claim sizes

Average claim size at 30 June 2023 (\$) (a)							
Acc yr ending 30 June	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	Total
2023	21,000	5,875	2,720	1,862	14,672	5,904	52,033
2022	20,082	5,704	2,560	1,718	13,732	5,382	49,178
2021	19,571	5,975	2,550	1,713	13,133	5,087	48,029
2020	18,143	5,868	2,393	1,664	13,088	5,040	46,195
2019	16,803	5,714	2,268	1,575	12,912	4,816	44,089
2018	15,146	5,396	2,096	1,581	10,835	4,159	39,214
2017	14,710	5,287	2,007	1,452	10,644	3,889	37,989
2016	14,017	4,807	1,758	1,270	9,665	3,652	35,170
2015	12,970	4,661	1,619	1,143	9,594	3,713	33,700

Note: (a) In 30 June 2023 values, from results in Appendix E.3.1, includes superimposed inflation.

E.3.3 Relationship to case estimates

Ratio of outstandings to case estimates at 30 June 2023							
Acc yr ending 30 June	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous	Total
2023	69%	15%	8%	6%	67%	25%	190%
2022	34%	6%	3%	2%	74%	23%	142%
2021	16%	3%	2%	1%	72%	24%	117%
2020	6%	2%	1%	0%	73%	22%	105%
2019	4%	2%	1%	0%	74%	21%	101%
2018	9%	2%	3%	0%	100%	35%	150%
2017	13%	3%	4%	0%	109%	33%	162%
2016	12%	3%	4%	0%	82%	30%	131%
2015	27%	7%	9%	0%	153%	58%	254%
2014 & earlier	5%	2%	2%	0%	73%	10%	92%

E.3.4 Adopted estimates in 30 June 2023 values

Acc yr ending 30 June	Estimate of outstanding claims (a)	Estimate of outstanding claims (a)(b)	Average claim size (a) (b)	Ratio to Case Estimates
	\$M	\$M	\$	
2023	992.137	1,000.708	52,375	191%
2022	444.942	447.264	49,273	143%
2021	198.325	199.077	48,060	118%
2020	99.857	100.285	46,213	105%
2019	60.425	70.670	44,501	119%
2018	27.931	28.166	39,223	151%
2017	18.200	18.389	37,996	164%
2016	13.616	13.778	35,175	133%
2015	9.660	9.795	33,705	258%
2014 & earlier	28.162	28.333		92%
Total	1,893.253	1,916.466		155%

Note: (a) In 30 June 2023 values, includes superimposed inflation.

(b) Allowing for the 2023 Act, see Appendix D.5 for more details.

OUTSTANDING CLAIM VALUATION

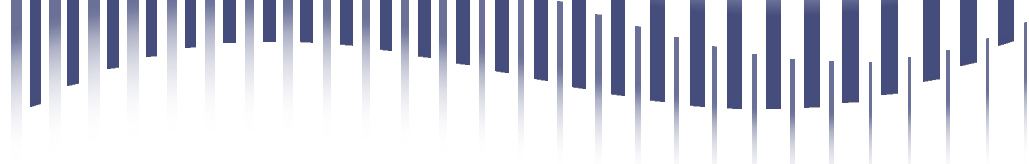
E.3.5 Gross of reinsurance estimates

Total of payment types					
Estimates at 30 June 2023 (\$M)					
Acc yr ending 30 June	30 June 2023 values (a)	Inflated values (b)	Infl/disc values (b)	Case estimates	Ratio (c)
2023	1,000.708	1,116.956	1,047.794	523.286	191%
2022	447.264	501.376	467.822	312.905	143%
2021	199.077	223.610	208.118	169.014	118%
2020	100.285	114.823	104.558	95.382	105%
2019	70.670	80.867	73.719	59.623	119%
2018	28.166	32.796	29.275	18.595	151%
2017	18.389	21.522	19.099	11.205	164%
2016	13.778	16.104	14.312	10.368	133%
2015	9.795	11.459	10.173	3.798	258%
2014 & earlier	28.333	31.158	29.736	30.683	92%
Total	1,916.466	2,150.670	2,004.605	1,234.859	155%

Notes: (a) From Appendix E.3.4

(b) Includes 5% claims expenses

(c) Ratio of actuarial estimates in 30 June 2023 values to case estimates



F Claims experience

F.1 Claims experience during 2022/23

F.1.1 Aggregate trends

Total actual claim payments during 2022/23 were \$1,165.0 million, which is \$84.6 million (7.8%) higher than the \$1,080.3 million for the 2021/22 year. This compares to a \$117.6 million (12.2%) increase from 2020/21 to 2021/22.

Total case estimates outstanding increased by \$95.0 million (8.3%) to \$1,234.9 million at 30 June 2023, from \$1,139.8 million as at 30 June 2022. From 30 June 2021 to 30 June 2022, case estimates increased by \$55.9 million (5.2%).

Claims reported over 2022/23 increased by 924 (3.8%) to 25,359, from 24,435 over 2021/22. This compares to a 0.1% increase last year.

Active claim numbers increased by 224 (1.1%) to 20,334 at 30 June 2023, from 20,110 at 30 June 2022, this compares to a 0.1% increase last year.

The claim statistics indicate unfavourable claims experience in 2022/23 compared to last year, with increases in payments, case estimates, claims reported and active claims.

F.1.2 Claims incurred in 2022/23

There were 22,208 claims reported to 30 June 2023 for the 2022/23 accident year. The projected number of incurred claims is 25,102. This is 3.2% more than the 24,317 projected incurred claims for the 2021/22 accident year.

The expected number of open claims for the 2022/23 accident year at 30 June 2023 is $22,208 \times (1 - 0.4832) = 11,478$ compared to actual of 11,845 i.e. actual active claims are 3.2% more.

The 30 June 2022 projection basis expected $\$11,785 \times (1.035 \times 1.047)^{0.5} = \$12,270$ to be paid on each of the 2022/23 accident year claims in the year of claiming. The actual amount paid per claim was \$12,509 i.e. 1.9% more in real values.

The average case estimate per active claim in real values at the end of development year zero increased by 5.2% to \$44,178 at 30 June 2023, from \$42,002 at 30 June 2022. This compares to a 0.5% decrease between 30 June 2021 and 30 June 2022.

The 2022/23 accident year shows unfavourable claim experience relative to 2021/22 with more claims incurred, more active claims, higher than expected payments per claim and higher average case estimates.

F.1.3 Claims incurred in prior years (up to 30 June 2022)

The main aspects of claim experience over 2022/23 compared to the projections in our 23 March 2023 report, as follows:

- a Number of claims reported is (12%) higher than expected
- b Claims finalisation is (3%) faster than expected
- c Claim payments are (1%) higher than projected.

Numbers of claims reported

For the number of claims reported, the overall result was higher than expected. This is driven by more than expected claims reported for the 2021 and earlier years, except 2015. For many of these years the majority of these claims are noise-induced hearing loss claims. We increased our development factors to allow for more of these claims to continue to be reported in the future.

Accident year ended 30 June	Number of claims reported during 2022/23		Ratio of actual to projected number reported %
	Actual	Projected (a)	
2022	2,161	2,182	99%
2021	148	134	110%
2020	83	58	143%
2019	45	29	154%
2018	30	22	136%
2017	28	19	149%
2016	29	16	186%
2015	18	18	99%
2014	31	17	180%
2013 and earlier	578	324	179%
Total	3,151	2,819	112%

Note: (a) From our 23 March 2023 actuarial report.

Proportions of claims finalised

Claim finalisation was faster compared to expected overall. All accident years were faster than expected, especially the 2016 and earlier years. For the older years this reflects the increase in noise-induced hearing loss claims which are finalised quickly.

Accident year ended 30 June	Proportion of claims finalised (a) during 2022/23		
	Actual	Projected (b)	Actual / expected (c)
2022	67%	66%	101%
2021	60%	59%	102%
2020	59%	53%	111%
2019	54%	51%	108%
2018	50%	45%	112%
2017	45%	44%	103%
2016	51%	39%	131%
2015	52%	41%	129%
2014	60%	51%	116%
2013 and earlier	70%	51%	136%
Total	63.5%	61.7%	103%

Notes: (a) Defined as:

$$\frac{\text{Number of claims finalised during year}}{\text{Number outstanding at beginning of year} + \text{number reported during year}}$$

CLAIMS EXPERIENCE

(b) According to PPCF model in Appendix E 3.1 of our 23 March 2023 report

(c) = (a) / (b) %

Claim payments

Claim payments were slightly higher than expected in total, with some years lower and some higher than expected.

Accident year ended 30 June	Amount of claim payments during 2022/23		Actual / expected (c)
	Combined total		
	Actual (a)	Projected (b)	
2022	437,920,328	442,717,931	99%
2021	226,921,384	223,430,563	102%
2020	95,972,615	88,683,419	108%
2019	40,352,923	45,616,490	88%
2018	19,781,339	14,873,974	133%
2017	14,333,575	7,757,252	185%
2016	2,456,238	5,228,115	47%
2015	3,926,494	3,953,849	99%
2014	1,694,262	2,976,764	57%
2013 and earlier	16,073,776	14,659,559	110%
Total	859,432,935	849,897,916	101%

Notes: (a) From data supplied by WorkCover WA for RPR returning entities.

(b) Sum of payments expected in the 2022/23 year.

(c) = (a) / (b) x 100.

F.2 Claims experience in the six months to 31 December 2023

F.2.1 Claim reports

In total across all accident years, claim reports for the six months are more than expected from models derived on experience to 30 June 2023, except 2024 and 2022.

In aggregate, claims reported in the six months to 31 December 2023 are 2% higher than expected.

Accident year	Expected for 2023/24 (a)	Proportion to 31 Dec 23 (b)	Six months to 31 Dec 23		Actual/Expected % (e)
			Expected (c)	Actual (d)	
2024	22,208	46.8%	10,401	10,422	100%
2023	2,249	87.8%	1,976	1,988	101%
2022	140	65.0%	91	88	96%
2021	76	52.0%	40	63	158%
2020	35	44.6%	15	37	239%
2019	22	46.6%	10	24	236%
2018 & earlier	463	49.3%	228	350	153%
Total	25,194		12,762	12,972	102%

Notes: (a) from the adopted 30 June 2023 actuarial projection patterns, assuming 2023/24 equals 2022/23

(b) from examination of the 2020/21, 2021/22 and 2022/23 December to June Form WC20

(c) = (a) x (b)

CLAIMS EXPERIENCE

(d) from Form WC20 to 31 December 2023

(e) = (d) / (c) %

F.2.2 Claims finalised

Claims finalisation is on par with expected in aggregate, with the experience by accident year being mixed

Accident year	Expected for 2023/24 (a)	Proportion to 31 Dec 23 (b)	Six months to 31 Dec 23		Actual/Expected % (e)
			Expected (c)	Actual (d)	
2024	10,379	26.5%	2,749	2,510	91%
2023	9,340	67.6%	6,313	6,149	97%
2022	2,696	61.3%	1,654	1,690	102%
2021	1,137	59.6%	678	768	113%
2020	433	60.4%	261	249	95%
2019	217	56.9%	123	152	123%
2018 & earlier	541	44.1%	239	468	196%
Total	24,743		12,018	11,986	100%

Notes: (a) from the adopted 30 June 2023 actuarial projection patterns

(b) from examination of the 2020/21, 2021/22 and 2022/23 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2023

(e) = (d) / (c) %

F.2.3 Claim payments

Total actual claim payments are 2% lower than expected for the December 2023 half year. The experience by accident year is mixed.

Accident year	Expected for 2023/24 \$M (a)	Proportion to 31 Dec 23 (b)	Six months to 31 Dec 23		Actual/Expected % (e)
			Expected \$M (c)	Actual \$M (d)	
2024	334.390	24.1%	80.479	76.523	95%
2023	506.980	57.7%	292.330	293.115	100%
2022	230.234	62.0%	142.755	138.235	97%
2021	102.061	60.9%	62.203	54.567	88%
2020	42.390	56.0%	23.757	21.544	91%
2019	31.579	67.9%	21.450	26.378	123%
2018 & earlier	38.385	58.2%	22.334	22.311	100%
Total	1,286.019		645.306	632.672	98%

Notes: (a) from the adopted 30 June 2023 actuarial projection patterns and using PPCI for 2023/24

(b) from examination of the 2020/21, 2021/22 and 2022/23 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2023

(e) = (d) / (c) %

CLAIMS EXPERIENCE

The table below compares claim payments by type of payment in real terms:

Payment type	Six months ended			% Real change (d)
	31 Dec 23 \$M (a)	31 Dec 22 \$M (b)	31 Dec 22 in 31 Dec 23 values \$M (c)	
Lump sum election registered	33,573	30,909	32,729	2.6%
Lump sum no election registered	117,625	109,867	116,338	1.1%
Lump sum permanent impairment/fatal	25,663	22,620	23,952	7.1%
Weekly	254,657	226,297	239,626	6.3%
Allied health	35,007	30,515	32,312	8.3%
Investigation	22,675	19,757	20,921	8.4%
Legal	40,417	37,328	39,526	2.3%
Miscellaneous	5,282	3,974	4,208	25.5%
Hospital	23,730	22,959	24,312	-2.4%
Medical non scheduled	15,765	14,126	14,958	5.4%
Medical scheduled	32,852	29,903	31,664	3.8%
Workplace rehabilitation	24,633	21,151	22,397	10.0%
Total	631,879	569,405	602,942	4.8%

Notes :
 (a) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 23
 (b) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 22
 (c) = (b) x 1.059 in current values
 (d) = (a) / (c) -1 in current values

This table shows that, after adjusting for 5.9% wage inflation, in total, claim payments for the six months are \$28.9 million (4.8%) higher than the same period in the prior year. There were increases across all payment types except Hospital. The most significant movements were:

- Weekly increasing by \$15.0 million (6.3%)
- Allied health increasing by \$2.7million (8.3%)
- Workplace rehabilitation increasing by \$2.2 million (10.0%)
- Investigation increasing by \$1.8 million (8.4%)
- Lump sum permanent impairment/fatal increasing by \$1.7 million (7.1%)

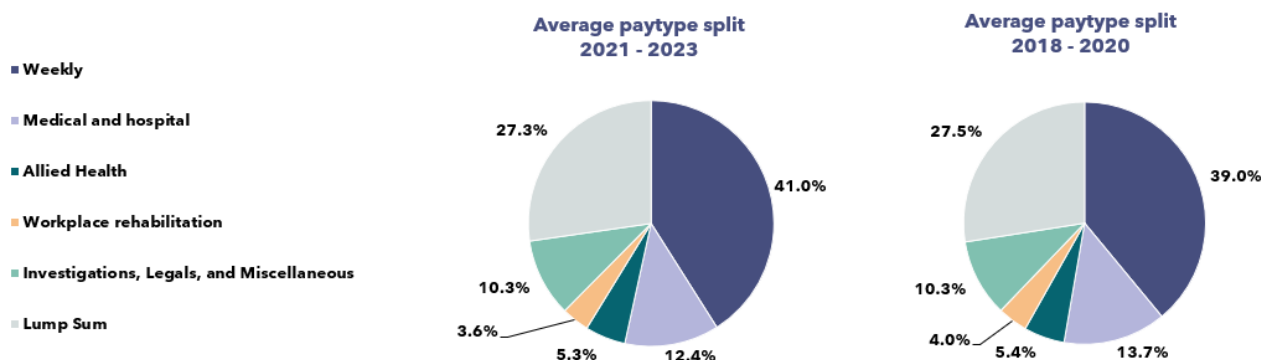
F.2.4 Summary of experience for the six months to 31 December 2023

In summary, the six months to 31 December 2023 has been mixed as payments were lower than expected, though 4.8% higher than the same period last year, partially offset by higher than expected claim reports whilst claim closures were on par with expected.

F.3 Analysis by type of payment

The purpose of this section is to investigate trends in the composition of claim payments by benefit type. We use higher level groups to explore the relative movement of ongoing and lump sum benefits.

The pie-charts and table below show the composition in two period ranges over the past six years:



In both periods, weekly benefits are the major payment group at around 39% to 41% of total payments over the periods, and lump sum payments are the second highest group at around 27%.

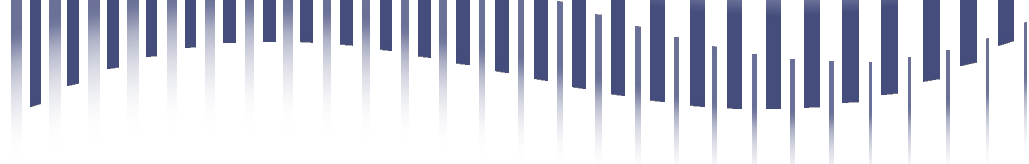
The table below shows all other payments are also relatively stable across both periods.

Type of Payment	Financial years ending 30 June	
	2021 - 2023	2018 - 2020
Weekly	41.0%	39.0%
Medical and hospital	12.4%	13.7%
Allied Health	5.3%	5.4%
Workplace rehabilitation	3.6%	4.0%
Investigations, Legals, and Miscellaneous	10.3%	10.3%
Lump Sum	27.3%	27.5%
Total	100.0%	100.0%

The table below shows the annual composition of claim payments over the past seven and a half years.

Type of Payment	2023/24 6 months	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Weekly	40.3%	40.9%	41.7%	40.4%	39.6%	39.4%	38.0%	38.9%
Medical and hospital	11.4%	11.6%	12.5%	13.2%	13.4%	13.8%	14.1%	13.6%
Allied Health	5.5%	5.3%	5.4%	5.3%	5.4%	5.7%	5.3%	4.9%
Workplace rehabilitation	3.9%	3.7%	3.5%	3.7%	3.8%	4.1%	4.2%	3.6%
Investigations, Legals, and Miscellaneous	10.8%	10.8%	10.1%	9.9%	10.5%	10.3%	10.1%	9.9%
Lump Sum	28.0%	27.7%	26.8%	27.4%	27.4%	26.8%	28.3%	29.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Amount (\$'000s)	631,879	1,164,974	1,080,261	963,080	898,076	837,634	847,784	875,679
% change	11.0%	7.8%	12.2%	7.2%	7.2%	-1.2%	-3.2%	
WC20 Amount (\$'000s)	632,672	1,080,306	1,080,306	963,624	898,011	837,924	848,303	876,129
% difference from data provided by WorkCover WA	0.1%	-7.3%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%

Over the six months to 31 December 2023, there was an increase in payments of 11.0% compared to the six months to 31 December 2022, which is above inflation. Payments increased by 7.8% for 2022/23



CLAIMS EXPERIENCE

compared to 2021/22. We have not included the December 2023 half year in the trend comments below because its payment composition is variable and subject to seasonal influences.

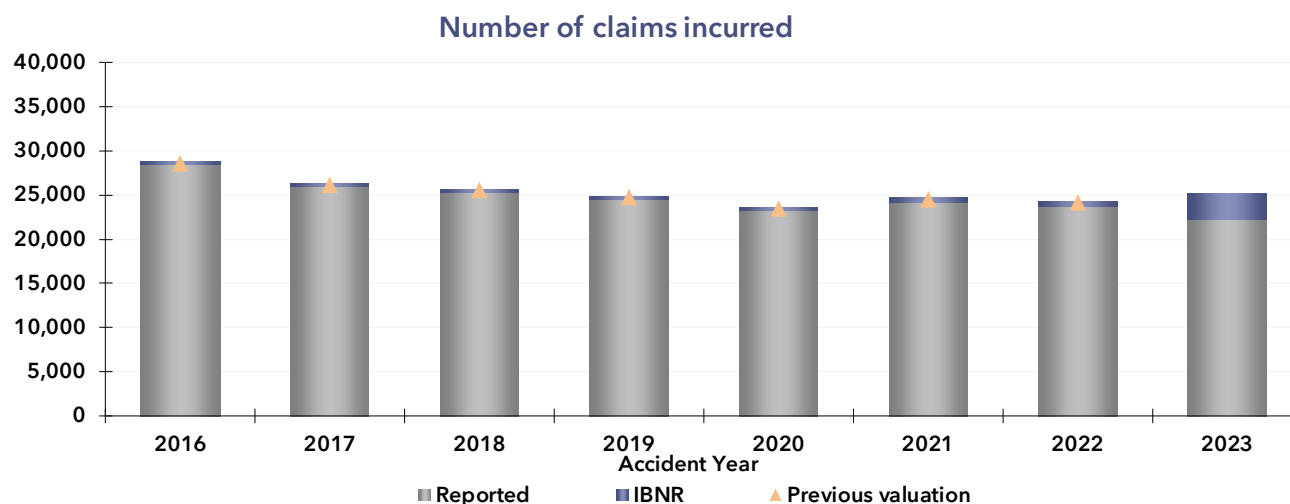
The following trends are apparent:

- Weekly benefits has been steadily increasing from 39% to 41% over 2016/17 to 2022/23, with the exception of the low 2017/18 and high 2021/22
- Lump sum group has ranged between 27% to 29% over 2016/17 to 2022/23
- Medical and hospital payments generally decreased from around 14% to 11.6% over 2016/17 to 2022/23
- Investigation, legal and miscellaneous has been relatively stable at between 9.9% and 10.8% over 2016/17 to 2022/23
- Allied health have been relatively stable around 5.3%, except for a low of 4.9% in 2016/17 and high of 5.7% in 2018/19. These figures are high than in last year's report due to the reallocation of clinical psychology payments.
- Workplace rehabilitation increased from 3.6% to 4.2% in 2017/18, after which it generally decreased to 3.7% in 2022/23.

G Claims statistics

G.1 Number of claims incurred

Increase in claims incurred for 2023 to 25,102



The key experience points from the above chart are:

- There has been a strong decreasing trend across the 2016 to 2020 accident years, with reductions of between 2.4% and 8.6% each year
- In 2021 however, there was an increase in claim number of about 4.5%. This is the first increase since the 2012 accident year, driven by the low June 2020 quarter of the 2020 accident year, which was impacted by COVID-19. The increase from 2020 to 2021 was more than the increase expected in the 30 June 2020 valuation, when we factored in the reduction in claims in the June 2020 quarter that was not expected to reoccur in 2021
- The number of claims incurred has remained relatively stable since 2021, at around 25,000
- The estimated number of incurred claims for the 2023 accident year is just over 25,100, which is 3.2% higher than 2022 (24,300).

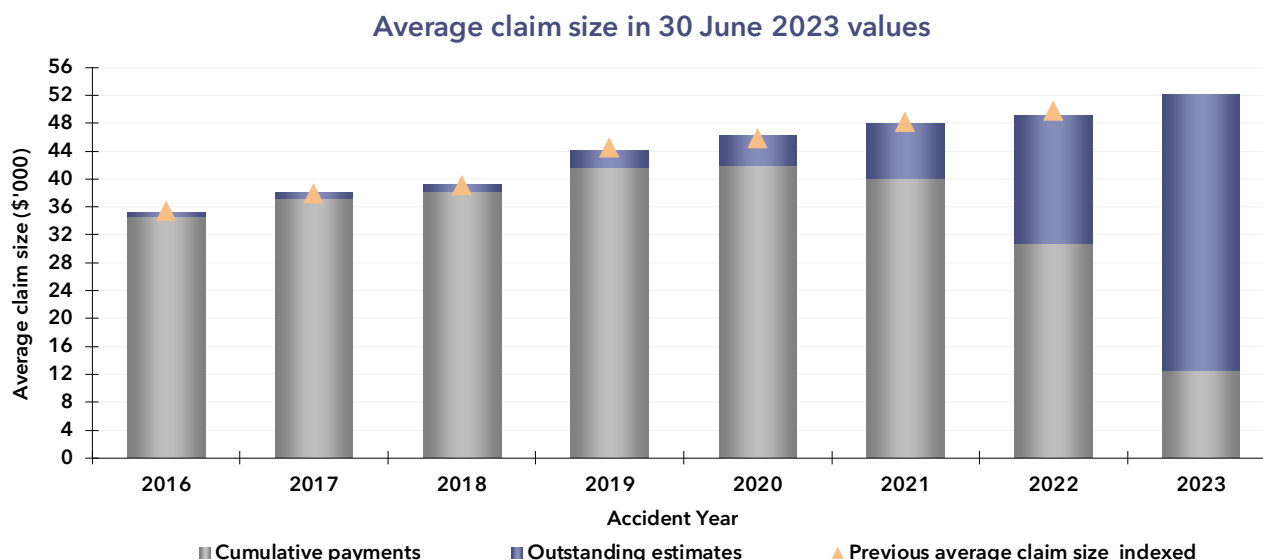
We have factored in the claims experience in the six months to 31 December 2023 in our estimates above for the number of claims incurred for the 2023 accident year.

The number of claims by duration data shows that it was the number of short duration claims that have caused the reduction in claims numbers over the 2016 to 2020 accident years. The number of short duration claims has stabilised for 2020 onwards. The increase in claims incurred for 2023 is mostly driven by claims with duration more than 60 days.

The number of claims incurred for the current valuation is slightly higher than the previous valuation for all accident years shown. The difference is on average about 0.4% per year. The increase in the number of claims in older accident years is driven by more noise-induced hearing loss claims. We increased our development factors in the tail to allow for more of these claims to continue to be reported in the future.

G.2 Average claim size

Strong and consistent increasing trend continues in the 2023 accident year



The higher average claim sizes in recent years are a reflection of the trends shown in Appendix G.6. Over the eight years shown in the graph there has been an increasing trend, with an overall increase of 47.9% or 5.8% pa, in current values.

The uncertainty of the estimates, and any future development which occurs, means that the ultimate level may differ from projected at this early development stage for recent accident years. This is especially true for the 2023 accident year where a high proportion (76%) of the average claim size consists of the uncertain future estimate.

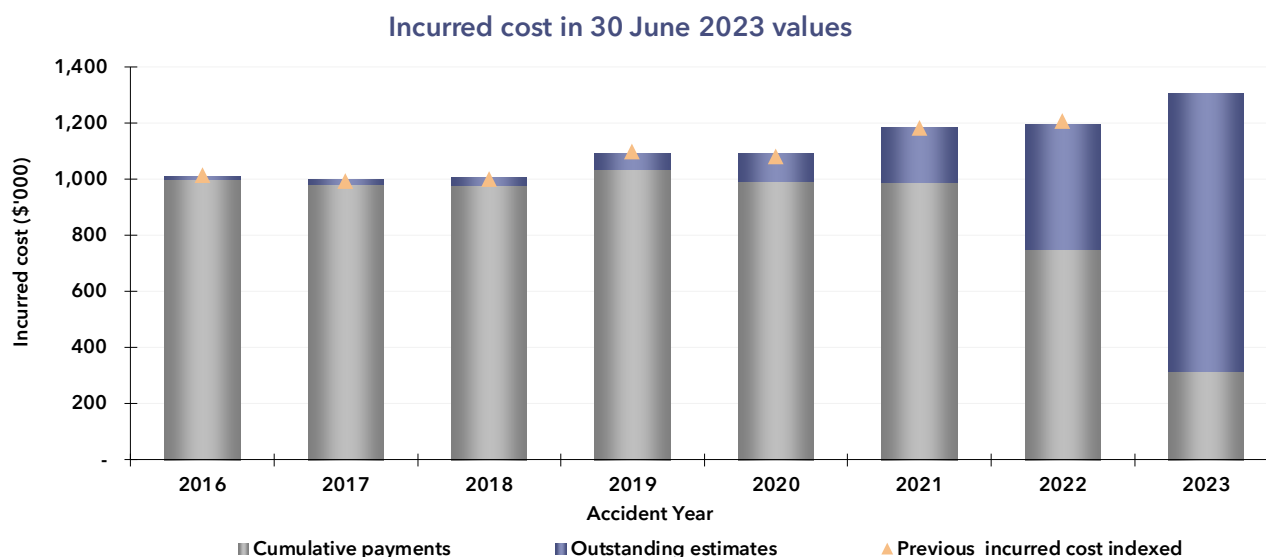
The real average claim size trends show the combined impact of:

- The change in mix of claims, with a reduction in the number of small claims over recent years and also a higher percentage of older claimants who generally have a higher average claim size (see Appendix J.2)
- High levels of superimposed inflation
- The increasing average duration of claims.

The average claim sizes are generally on par with the estimate from the previous valuation.

G.3 Incurred cost

2023 is expected to be higher than 2022 and all prior years due to the high average claim size and increase in claim numbers



The incurred cost has shown the following trends:

- A decrease in incurred cost from 2016 to 2017 due to the reduction in claim numbers more than offsetting the increase in average claim size. Incurred cost is expected to be \$999 million for 2017
- An increase in incurred cost from 2017 to 2019 as the increase in the average claim size more than offset the decrease in the claims incurred
- The 2020 incurred cost is lower than 2019 due to the reduction in claims more than offsetting the increase in the average claim size
- The 2021 incurred cost is higher than 2020 due to the increase in the number of claims and average claim size
- The 2022 incurred cost is higher than 2021 due to the high average claim size more than offsetting the decrease in claim numbers
- 2023 incurred cost is estimated to be \$1,306 million, a 9% increase compared to 2022 due to the increase in claim numbers and average claim size.

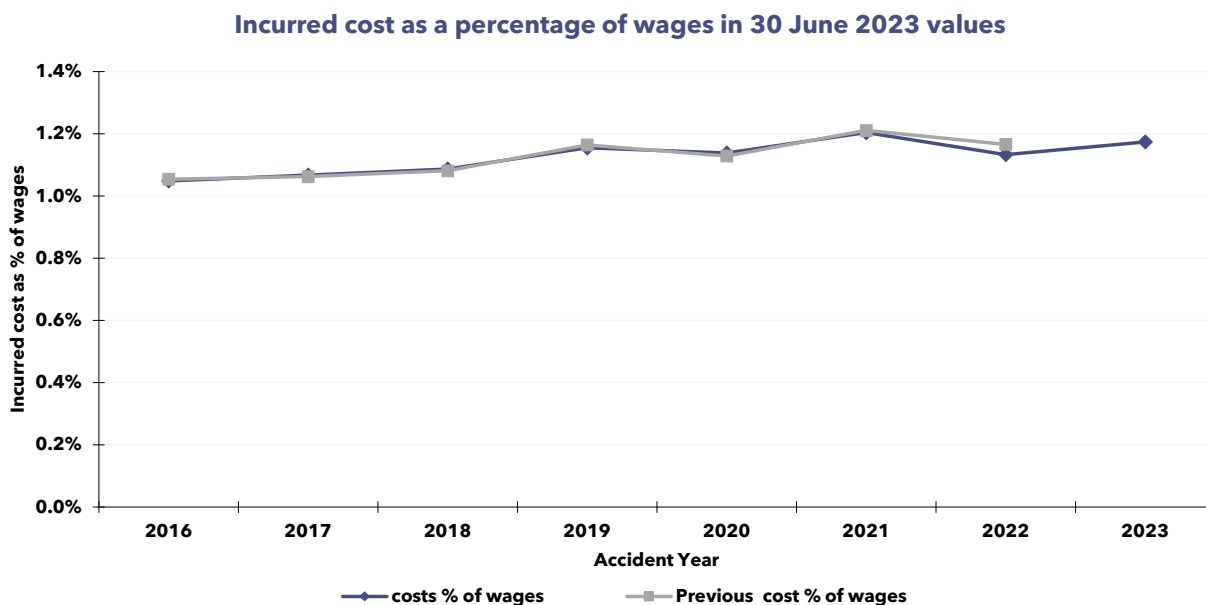
Over the period shown in the graph, the proportion outstanding increases from 1% of the total incurred cost to 76% of the total incurred cost for 2023.

Incurred costs are generally on par with the previous valuation, in line with the average claim size.

CLAIMS STATISTICS

The incurred cost increases in recent years have been driven by an increase in wages.

2023 incurred cost as a percentage of wages are higher than 2022 but lower than 2021 due to higher wages in 2023 than prior years

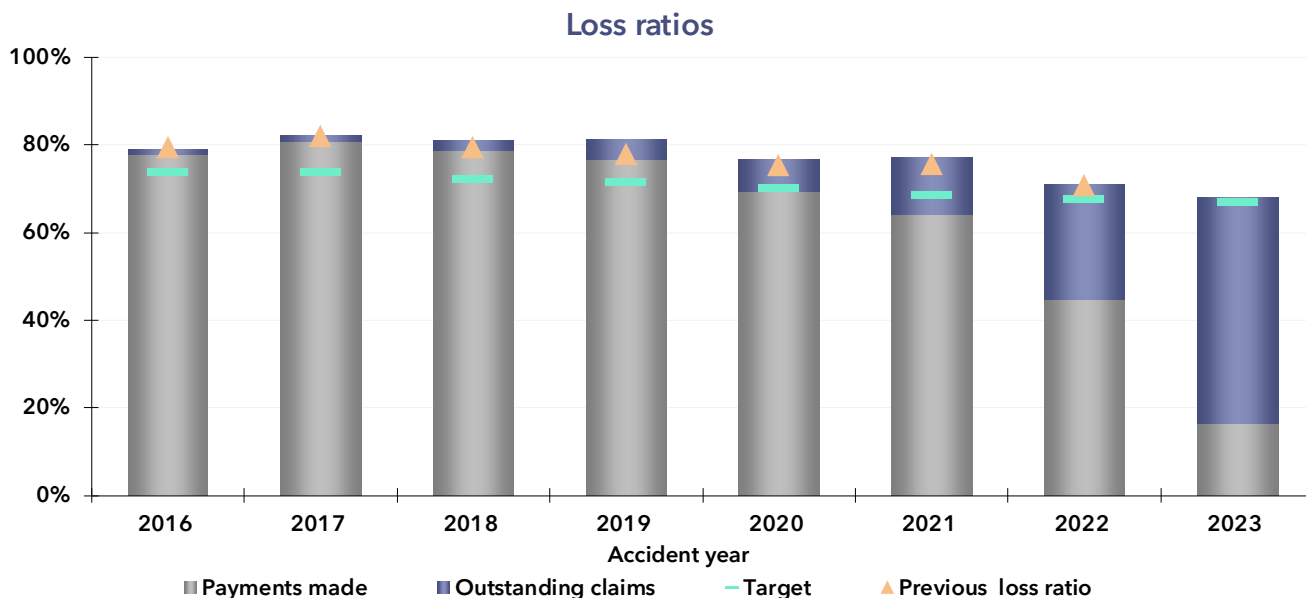


The incurred cost as a percentage of wages has been increasing over the period shown from 1.05% for 2016 to 1.17% for 2023.

Compared to the previous valuation, the claim cost as a percentage of wages have decreased for 2022 due to wages increasing more than expected.

G.4 Loss ratios

The most recent eight accident years are above the target loss ratio for that year



Note: (a) The target loss ratio was developed in section 6.5, and equivalent section of prior reports. Including brokerage, the 2024/25 target loss ratio is 69.7% in inflated and discounted values. This is equivalent to 71.4% in current values or 74.4% inflated.

Loss ratios are calculated for each accident year using the following formula:

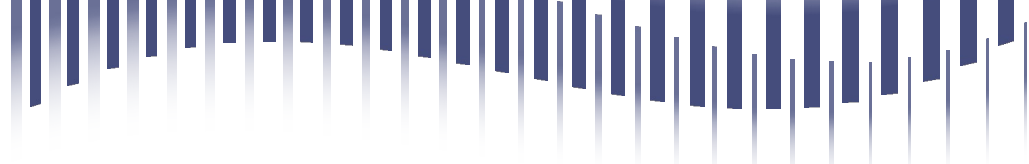
$$\frac{(\text{Past claim payments to 30 June 2023} + \text{estimated outstanding liability at 30 June 2023})}{\text{Earned premium}}$$

The past claim payments, estimated outstanding liability and earned premium are all in 30 June 2023 values i.e. current values. The estimated outstanding liability includes allowance for future superimposed inflation.

These ratios are not a proper measure of profitability, as they do not allow for investment returns or expenses. Nevertheless, as a crude measure, they do provide an indication of trends in the experience.

The loss ratios are calculated in the following table and illustrated in the chart above. The chart shows separately the portion of the loss ratios relating to amount already paid and amount still outstanding:

Accident year ended 30 June	Gross earned premiums		Cumulative payments		Estimated net outstanding claims liability in 30 June 2023 values	Estimated loss ratio
	In historic values	In 30 June 2023 values	In historic values	In 30 June 2023 values		
	\$M	\$M	\$M	\$M	\$M	
2016	1,060.647	1,280.833	835.829	997.325	13.616	79%
2017	1,007.710	1,213.902	834.610	980.384	18.200	82%
2018	1,050.828	1,242.978	847.298	977.746	27.931	81%
2019	1,157.857	1,349.773	915.904	1,034.290	60.425	81%
2020	1,258.945	1,436.891	900.832	992.302	99.857	76%
2021	1,398.332	1,549.874	920.207	987.927	198.325	77%
2022	1,573.114	1,694.210	717.309	750.924	444.942	71%
2023	1,885.196	1,937.321	305.541	313.989	992.137	67%



CLAIMS STATISTICS

The loss ratio is in current 30 June 2023 values.

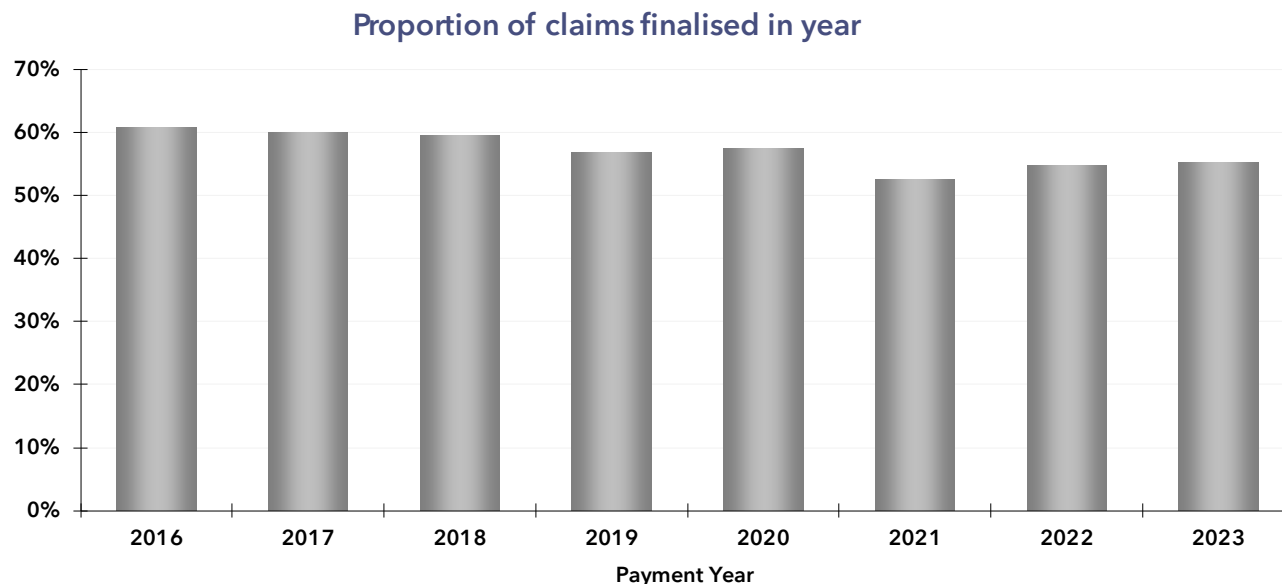
The table and chart show:

- The loss ratio increased from 79% in 2016 to 82% in 2017 and then generally decreasing to 71% in 2022
- For 2023, loss ratio decreased to 67% so is lower than all prior years shown
- All accident years' estimated loss ratios are above the target, with 2023 much closer than prior years shown on the graph
- Compared to the previous valuation:
 - The loss ratio for all accident years have been stable or increased slightly
 - The loss ratio for the 2019 accident year had the largest increase from 78% last year to 81% this year, mainly due to a decrease in earned premium (in historic values).

G.5 Finalisation of claims

By payment year

2023 payment year has a finalisation rate of 55%



Claim finalisation rate by payment year is defined as:

Number of claims finalised in year

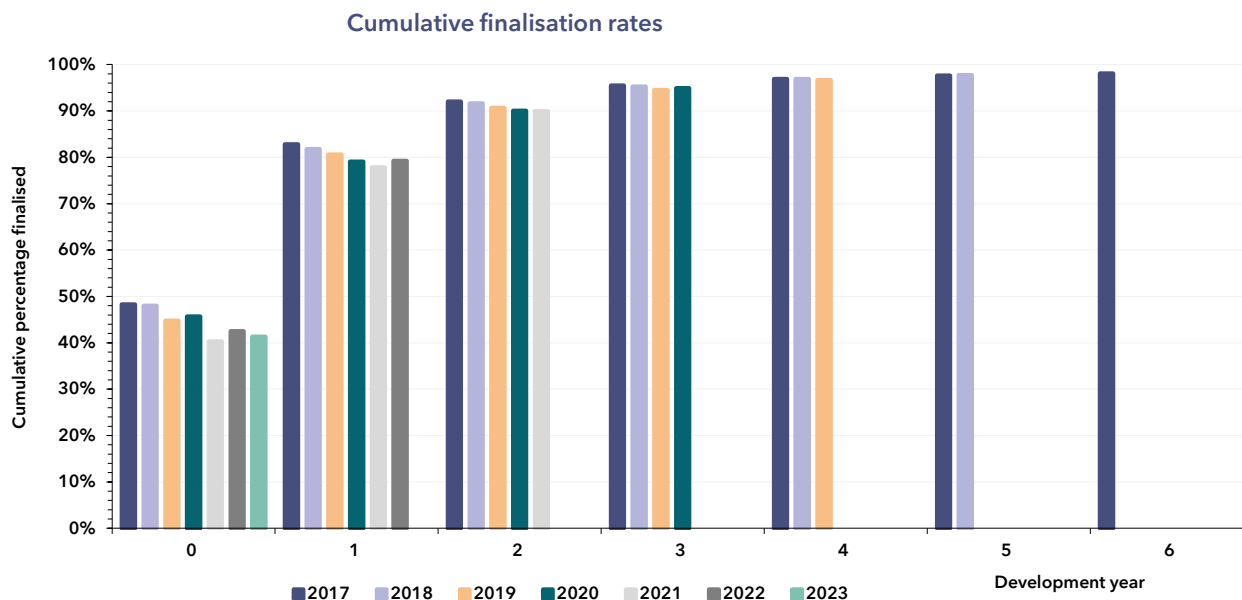
(Number of outstanding at beginning of the year plus number reported during the year)

The proportion of total claims finalised since 2016 has historically been between 56% and 61%. However, the finalisation rate reduced to 53% in the 2021 payment year. The 2022 and 2023 payment years have a finalisation rate of around 55%, this is higher than the low of 2021 but lower than all other prior years.

CLAIMS STATISTICS

By accident year

Slower finalisation for 2021 compared to all prior years in DY0 to DY2. DY0 for 2023 higher than 2021 but is slower than all other prior years



Claim finalisation rate by accident year is defined as:

$$\frac{\text{Cumulative number of claims finalised by development year}}{\text{Incurred number of claims for the accident year}}$$

The chart above shows that more recent accident years have a lower proportion of total incurred claims finalised by the end of development year 0 (i.e. the same year as the accident occurred) and development year 1 (the year following year in which the accident occurred). 2021 was significantly lower than 2020 and all prior accident years in DY0. Meanwhile, 2023 is higher than 2021 but lower than all prior years.

After development year three, the cumulative finalisation is relatively stable for the accident years that have developed that far at around 95% to 96%.

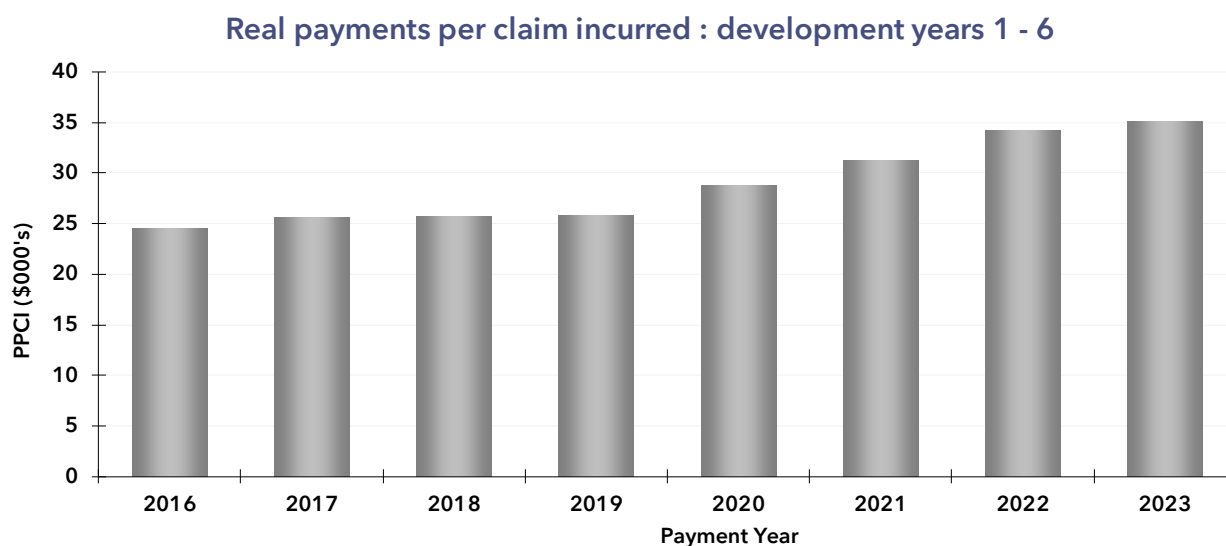
Overall, this suggests that within the first three years after an accident, claims are taking longer to be finalised, but a catch up occurs in DY 3 and after this, they are being closed at the same rate compared to older accident years.

Approximately 98% of claims are finalised by development year 5.

G.6 Payment per claim incurred

By payment year

Increase (2.9%) in 2023 to \$35,100



The payments per claim incurred increased between the 2016 and 2017 payment years but was fairly stable over 2017 to 2019. These increases were partially due to the changing mix in the size of claims.

There was a significant increase in the 2020 payment year, to just over \$28,800. This is 11.7% higher than the 2019 payment year. This increase is higher than all prior years increases.

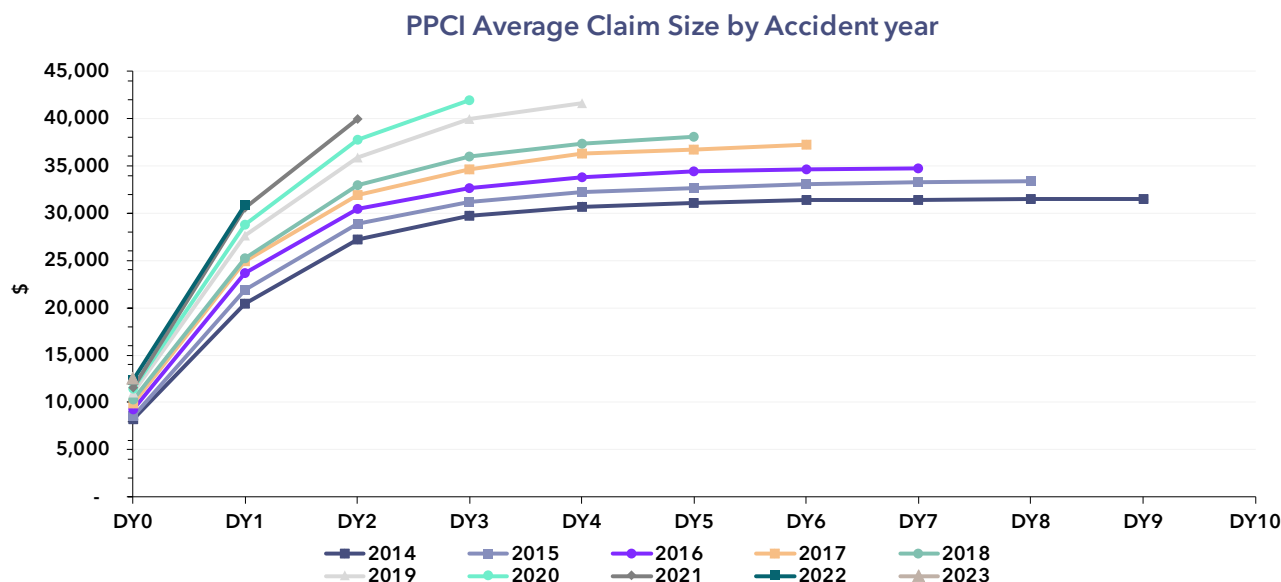
In 2021 and 2022 there were further increases of 8.4% and 9.4%, respectively, to \$34,200 in 2022. The increase for 2021 was driven by increases in lump sum and weekly payments, whilst the 2022 increase was driven by all payment types.

In 2023, there was another increase of 2.9% to \$35,100, driven by increases in lump sum and investigation, legal and miscellaneous payments.

CLAIMS STATISTICS

By accident year

Continuing evidence of superimposed inflation in payments by accident year



The chart above shows cumulative PPCI by accident year. This is calculated as:

$$\frac{\text{sum of claim payments by development year made to date (in 30 June 2023 values)}}{\text{number of claims incurred to date}}$$

As the values in the chart are all in current values, any differences are the result of a change in the real cost of each claim. This is also referred to as superimposed inflation. The chart is based entirely on actual experience. There are no future projections included in this graph.

The key points from this chart may be summarised as follows:

- From 2014 to 2023, there is an increasing trend across accident years, with each year higher than the previous years at the same stage of development. The difference between 2022 and 2021 is lower than prior years with 2022 only 1% higher than 2021 at DY1. The increasing trend across the accident years is due to the combined impact of:
 - The presence of superimposed inflation in the scheme
 - The change in the mix of claims and the reduction in the number of small claims reported since 2014.



H Comparative statistics

H.1 Statistical trends

H.1.1 Aggregate incurred cost of claims in current values

The table below shows, using the benefit of hindsight, the estimated incurred cost of claims in current values as at 30 June 2023 by financial year of accident:

Accident year ending 30 June	Estimated Incurred Costs in Current Values as at 30 June 2023						
	Cumulative payments \$M (a)	Estimated outstanding \$M (b)	Estimated incurred \$M (c)	Estimated no of claims incurred (d)	Average claim size \$ (e)	Earned wages in c/ values \$M (f)	Claim cost % of wages (g)
2023	314.0	992.1	1,306.1	25,102	52,033	111,271	1.17%
2022	750.9	444.9	1,195.9	24,317	49,178	105,540	1.13%
2021	987.9	198.3	1,186.3	24,698	48,029	98,552	1.20%
2020	992.3	99.9	1,092.2	23,642	46,195	95,951	1.14%
2019	1,034.3	60.4	1,094.7	24,830	44,089	94,796	1.15%
2018	977.7	27.9	1,005.7	25,646	39,214	92,525	1.09%
2017	980.4	18.2	998.6	26,286	37,989	93,557	1.07%
2016	997.3	13.6	1,010.9	28,745	35,170	96,410	1.05%

Notes :

- (a) cumulative actual claim payments indexed to current values
- (b) from appendix E.3.5
- (c) = (a) + (b)
- (d) from appendix E.2.1
- (e) = (c) in \$ / (d)
- (f) from Form WC12 indexed to current values adjusted to est final wages as in appendix C.2.1
- (g) = (c) / (f) .

The key trends to highlight in the table are:

- The estimated number of claims incurred was just under 28,750 in 2016. Over 2016 to 2020 there were strong steady decreases followed by smaller increases since 2020, such that in 2023 the estimated incurred claims are just over 25,100. The 2020 accident year is the lowest at just below 23,650, mainly due to COVID-19 that impacted the June 2020 quarter
- The average claim size has increased in real terms from \$35,170 in 2016 to \$52,033 in 2023. This is an average annual increase over the period of 5.8%. This is predominantly driven by a reduction in the number of small claims and an increasing trend in both payments and case estimates on open claims
- Estimated claim cost as a percentage of wages has an increasing trend from 1.05% in 2016 to 1.13% in 2022. In 2023 the estimated claim cost as a percentage of wages increased to 1.17% due to incurred cost increasing by more than wages for 2023 compared to 2022.
- Compared to the previous valuation, the claim cost as a percentage of wages have decreased by 0.04% for 2022 due to wages increasing more than expected and decreasing by 0.01% for 2021 but increased by 0.01% to 0.02% for other years, driven by more claims reported.

Our estimates in the table above make realistic allowance for current trends to continue in the future.

COMPARATIVE STATISTICS

The wages above include the wage adjustment factors from Appendix C.2.1 to develop them to ultimate.

Claim frequency has been as follows:

Claim frequency as % of :		
Accident year ending 30 June	Number of employees (a)	\$105,085 of real wages (b)
2023	2.1%	2.4%
2022	2.2%	2.4%
2021	2.4%	2.6%
2020	2.3%	2.6%
2019	2.4%	2.8%
2018	2.6%	2.9%
2017	2.7%	3.0%
2016	2.9%	3.1%

Notes :
 (a) item (g) from the last table in appendix H.2
 (b) = number of claims incurred / (real wages / ave real wages {\$105,085})
 from table above

Claim frequency per \$105,085 wages has declined by an equivalent 3.9% per year over 2016 to 2023 and by 4.5% per year per employee. The \$105,085 figure adopted is the annualised figure from ABS Cat 6302.0 Average Weekly Earnings for Western Australia (persons, full-time adult ordinary time earnings).

COMPARATIVE STATISTICS

H.1.2 Reserving and loss ratios

Some overall market reserving and loss ratios which may assist insurers to judge the relative strength of their outstanding claim estimates are as follows:

Accident year ending 30 June	Cumulative claim payments \$M (a)	Total case estimates \$M (b)	Inflated actuarial incurred cost ests \$M (c)	Total case estimates to claim payments (d)	Ultimate incurred costs/claim payments (e)	Ultimate incurred costs/total case ests (f)	Inflated loss ratios (g)
2023	305.5	828.8	1,369.3	271%	448%	165%	73%
2022	717.3	1,030.2	1,194.8	144%	167%	116%	76%
2021	920.2	1,089.2	1,133.2	118%	123%	104%	81%
2020	900.8	996.2	1,010.2	111%	112%	101%	80%
2019	915.9	975.5	992.9	107%	108%	102%	86%
2018	847.3	865.9	878.5	102%	104%	101%	84%
2017	834.6	845.8	855.1	101%	102%	101%	85%
2016	835.8	846.2	851.2	101%	102%	101%	80%

Notes :

- (a) cumulative actual claim payments
- (b) = (a) + insurer's case estimates outstanding
- (c) = (c) from previous table
- (d) = (b) / (a) x 100
- (e) = (c) / (a) x 100
- (f) = (c) / (b) x 100
- (g) = (c) in \$ / (earned premium from WC12 supplied by insurers + earned but not yet raised premium supplied by insurers on their WC30) x development factor in Appendix C

By applying the ratios in columns (d), (e) and (f) above, insurers can obtain a measure of the strength of their own case estimates and total incurred claim cost, relative to overall market levels.

Compared to last year:

- The case estimate ratio (d) at the same stage of development was similar to last year, except the most recent years. The 2019 accident year increased by 2%, whilst 2020 to 2022 each decreased by 1% to 2%. The 2023 accident year increased by 11% driven by high actuarial incurred cost estimates
- The ultimate incurred cost ratio to payments (e) for 2016 to 2023 is relatively on par, with changes between 0% and 1% except for 2019, 2022 and 2023 that had increases of 3%, 4% and 22%, respectively
- The ultimate incurred cost ratio to total case estimates (f) was on par for all years (changes between 0% to 1%) except 2022, where it increased by 4%.

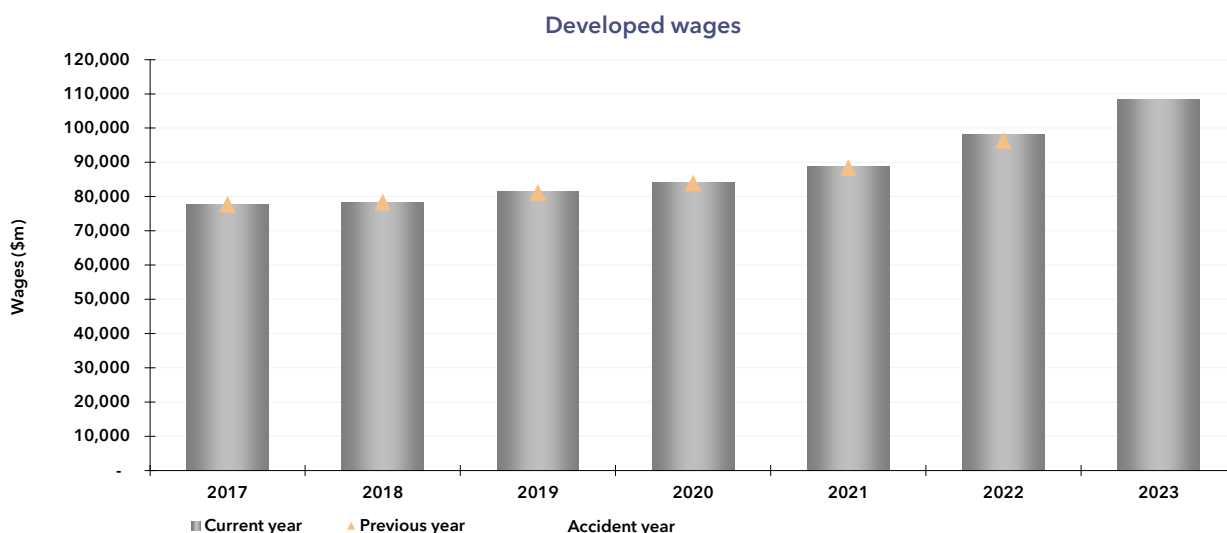
The inflated loss ratio (g) is a measure of the cost of claims to earned premium. The higher the loss ratio, the less profitable the portfolio of risks. Compared to last year, loss ratio estimates on par (changes between 0% to 1%) for all accident years except 2019, which is 4% higher due to lower earned premium than estimated.

The target inflated loss ratio including all expenses (including brokerage) and profit loadings is 74.4% for 2024/25. See Appendix G.4 for a comparison of loss ratios against the target loss ratio for that year in current values.

COMPARATIVE STATISTICS

H.1.3 Developed wages

Developed wages for 2022/23 are 10.5% higher than 2021/22



Developed wages are equal to reported wages plus an allowance for future development.

Developed wages for 2016/17 onwards has been shown in the chart above to reflect the same period used for the Gazetted rates based on the ANZSIC 2006 classification, based on Form WC12.

The 2022/23 wages are estimated to be 10.5% higher than the 2021/22 wages. We understand part of this increase is due to WorkCover WA identifying employers without a workers compensation insurance policy and requiring them to obtain one.

We have not made any special adjustments to the wages in 2024/25 for this activity to continue.

For the 2019 to 2022 accident years, the developed wages are higher than estimated last year, with 2021 being 0.6% higher and 2022 being 1.7% higher.

H.1.4 Comparison of workers compensation costs and wages by industry division

The charts below show the:

- Comparative cost of workers compensation claims as a percentage of the aggregate premium rate over the past two years by industry
- Composition of wages by industry for the 2022/23 accident year only and
- Composition of wages by industry for the 2018/19 to 2022/23 accident years
- Percentage movement in developed wages by accident year from 2019/20 to 2022/23.

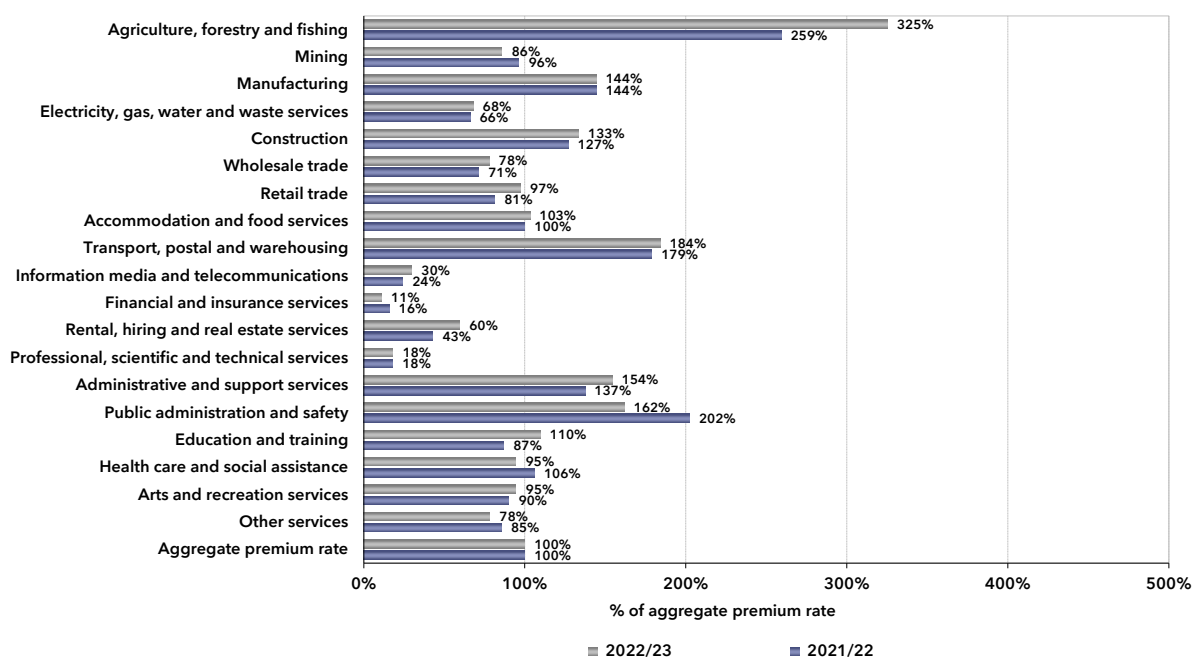
The cost of claims is estimated:

COMPARATIVE STATISTICS

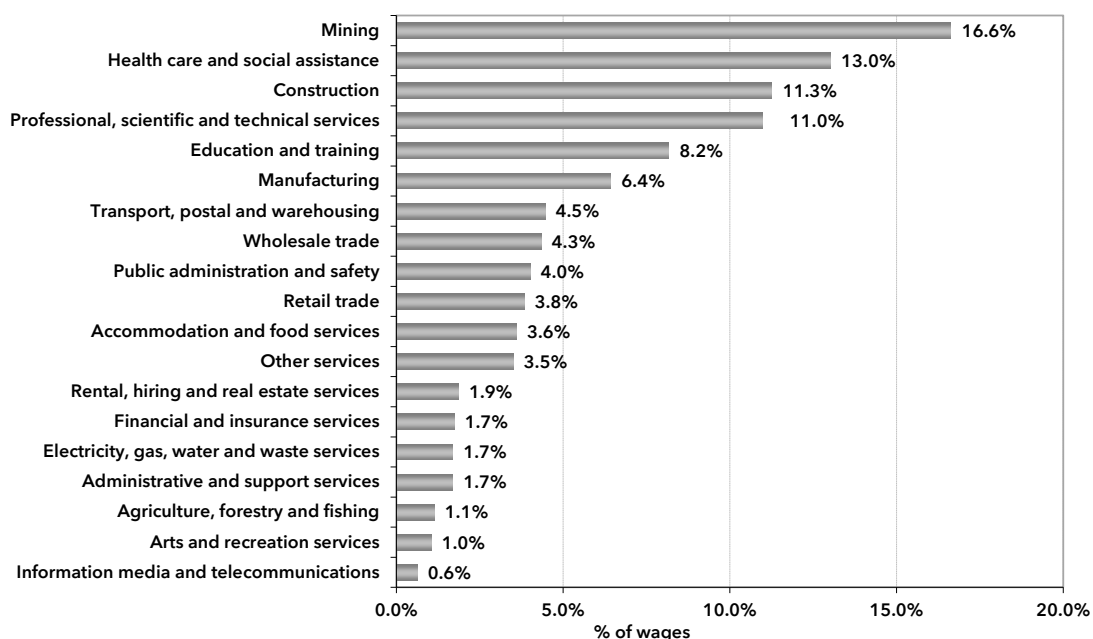
- By year of accident
- Using the actuarial basis and methods in this report
- Including an allowance for expenses and margins (as per section 2)
- Using cost estimates including all development data up to 30 June 2023.

A higher proportion of total cost is estimated for 2022/23 than for the earlier accident years.

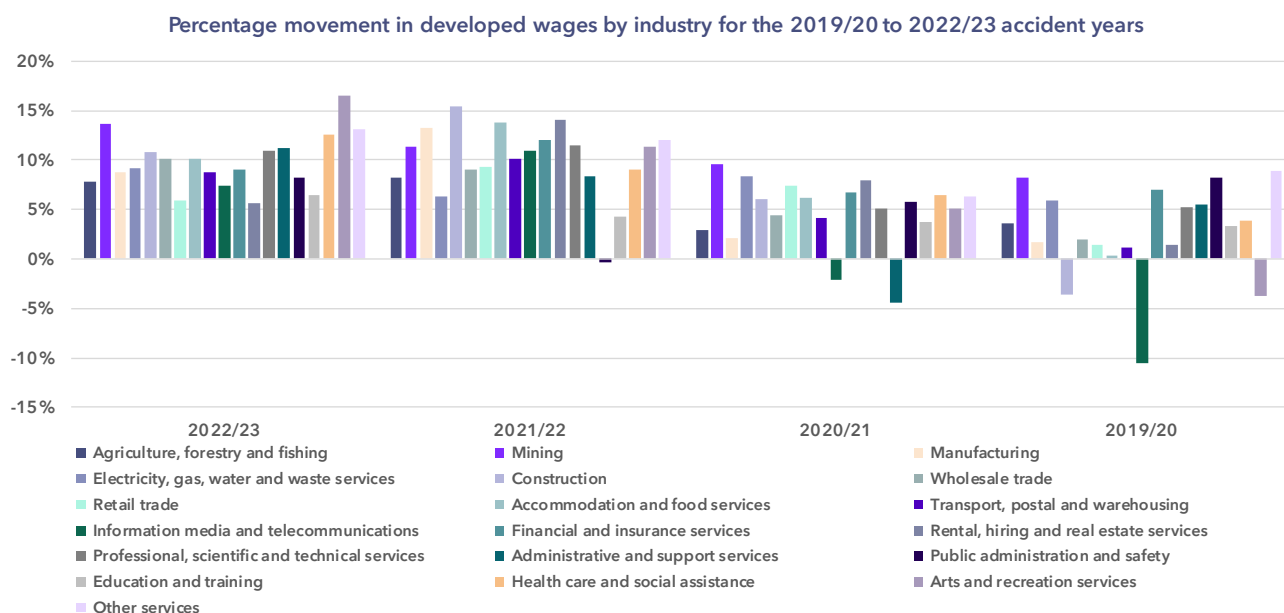
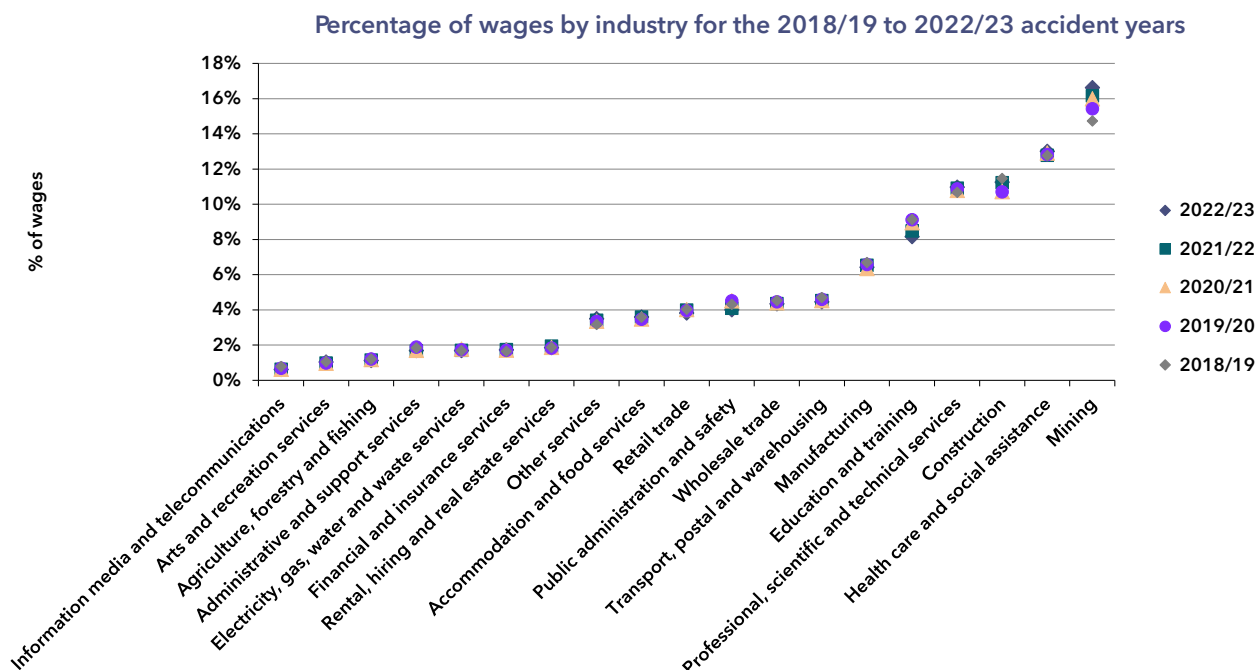
Industry premium rate by accident year as % of aggregate premium rate



Percentage of wages by industry for the 2022/23 accident year only



COMPARATIVE STATISTICS



Significant movements in division wages can significantly impact the divisional premium rates where the change in wages is not reflected in a change in claims experience.

H.2 Comparative statistics

Wages

	Reporting period							
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Adjusted written wages \$M (a)	110,621	100,436	92,090	84,477	82,237	78,074	77,265	78,901
% change (b)	10.1%	9.1%	9.0%	2.7%	5.3%	1.0%	-2.1%	
% change in rates (c)	6.9%	4.0%	-0.4%	3.7%	3.9%	3.2%	-0.3%	-4.7%
Notional premium \$M (d)	1,980.6	1,653.0	1,481.0	1,367.4	1,263.9	1,151.2	1,162.3	1,178.5
% change (e)	19.8%	11.6%	8.3%	8.2%	9.8%	-1.0%	-1.4%	
Expected % change in notional prem (f)	17.8%	13.5%	8.5%	6.6%	9.5%	4.3%	-2.4%	
Returned Gross Written Premium (g)	1,668.0	1,500.6	1,327.5	1,236.3	1,160.8	1,072.9	1,014.1	1,035.0
Adjusted Gross Written Premium (h)	1,885.8	1,600.9	1,370.6	1,238.3	1,162.6	1,072.9	1,014.0	1,035.0
% discount by market (i)	7.6%	5.8%	10.1%	12.4%	10.9%	9.8%	15.4%	14.5%
Notional Average Premium Rate (j)	1.79%	1.65%	1.61%	1.62%	1.54%	1.47%	1.50%	1.49%
Insurer's average premium rate (k)	1.70%	1.59%	1.49%	1.47%	1.41%	1.37%	1.31%	1.31%

Notes :

- (a) from Form WC12 adjusted to estimated final written wages as per appendix C.2.1
- (b) % change in (a) from previous year
- (c) rate change as decided by RPR
- (d) calculated from (a) and the applicable Gazette rates
- (e) % change in (d) from previous year
- (f) $= (1 + b) \times (1 + c) - 1$
- (g) returned by insurers taken from Form WC12
- (h) $= (g) \times (\text{GWP adjustment factor as per appendix C.2.1})$
- (i) $= \{1 - (h) / ((d) \times (1 + \text{the rate of commission}))\}$ to add back the brokerage allowance.
Note that ICWA doesn't include brokerage or contingency margin in premium, so discount overstated but impact immaterial (0.5%)
- (j) $= (d) / (a)$
- (k) $= (h) / (a)$

Wages for 2022/23 increased by 10.1%, compared to AWE growth of 5.4% i.e., 4.7% higher than AWE.

In most years, except 2017/18, the expected percentage change in returned notional premiums has been reasonably close to the actual change (within 2%).

Insurer premium discounts to Gazette rates were between 14% to 16% over 2016 and 2017. In 2018, the discount was 9.8%, before increasing to 10.9% in 2019 and 12.4% in 2020. In 2021, insurer premium discounts to Gazette rates decreased to 10.1% and in 2022 they decreased further to 5.8% which is the lowest since 2016. In 2023, insurer premium discounts to Gazette rates increased by 1.8% to 7.6%.

We have developed the gross written premium based on historical development. Without this development, the discount levels would be significantly higher. The discount levels for all years have decreased in comparison to the level of discounting estimated in last year's valuation.

As a basis for comparison we have extracted statistics from the Australian Bureau of Statistics Cat 6248.0 (Wage and Salary Earners, Public sector Australia), Cat 6202.0 Labour Force Australia (Private sectors) for wage and salary earners and Cat 5676.0 for private sector wages.

ABS Gross earnings statistics are not directly comparable with returned wages since:

- Returned wages include the Agriculture private sector, ABS figures do not
- For ABS gross earnings we include only State Government all public sector earnings excluding permanent defence forces, and returned wages are on a similar basis, but exclude WA Police officers

COMPARATIVE STATISTICS

- ABS gross earnings include self-insurers, while premium rating returns exclude self-insurers.

Adjustments made for these items for comparison purposes are:

- Deduct the percent of RPR wages that self-insurers represent each year
- Deduct 1% for police officers
- Add back the percent of wages that the Agriculture division represents each year.

In order to attain the relevant percentage that self-insurers represent we have examined the developed wages, which allows for development in wages reported for accident years across reporting periods. The analysis shows self-insurer wages represent 8% to 9% of the total RPR wages.

	Reporting period							
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Wage & salary earners (\$000s) (a)	1,279.2	1,217.7	1,130.0	1,117.9	1,117.4	1,081.7	1,058.8	1,073.6
% change (b)	5.1%	7.8%	1.1%	0.0%	3.3%	2.2%	-1.4%	
Estimated RPR employees (c)	1,175.5	1,114.4	1,024.2	1,014.8	1,018.6	986.7	965.5	978.1
Gross ABS earnings \$M (d)	113,520	102,427	93,853	89,498	85,919	83,625	80,978	84,081
Estimated gross RPR earnings \$M (e)	104,317	93,736	85,065	81,241	78,321	76,276	73,846	76,600
% change (f)	11.3%	10.2%	4.7%	3.7%	2.7%	3.3%	-3.6%	
RPR adjusted earned wages (g)	108,277	97,996	88,916	84,069	81,318	78,222	77,665	79,836
Earned wages % of est gross earnings (h)	103.8%	104.5%	104.5%	103.5%	103.8%	102.6%	105.2%	104.2%
Est RPR employees % of wage & salary earners (i)	91.9%	91.5%	90.6%	90.8%	91.2%	91.2%	91.2%	91.1%
Agriculture wages as % of total RPR wages (j)	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.1%
Self insurer wages as % of total RPR wages (k)	8.1%	8.5%	9.4%	9.3%	8.9%	8.9%	8.9%	8.9%

Notes :

- (a) = from ABS Cat 6248.0.55.002 2011-12 Table 1 Public sector employees state
ABS Cat 6202.0 Labour Force Australia table 8 (Persons) for private sector
- (b) = % change in (a) from previous year
- (c) = (a) x (1 - (j) self-insurers - 0.01 WA Police) / (1 - (i) Agriculture).
- (d) = from ABS Cat 6248.0.55.002 2011-12 Table 2 Public sector cash wages and salaries for State Government only
Table 19 of ABS Cat 5676.0 for private sector
- (e) = (d) x (1 - (j) self-insurers - 0.01 WA Police) / (1 - (i) Agriculture).
- (f) = % change in (e) from previous year
- (g) from Form WC11 adjusted to estimated final written wages as per appendix C.2.1
- (h) = (g) / (e)
- (i) = (c) / (a) x 100
- (j) = Agriculture as % of total RPR wages chart in appendix H1.5 and equivalent in earlier reports
- (k) = Self insurers as % of total RPR + self insurers wages

In 2022/23 adjusted earned wages increased by 10.5%, which is 5.0% more than that of AWE inflation.

Adjusted earned wages as a percentage of ABS data are all above 100%, between 102.6% and 105.2%. 2022/23 adjusted earned wages are 3.8% higher than ABS wages, which is in line with the difference in prior years.

COMPARATIVE STATISTICS

Claim Experience

Claim payments, case estimates and claim numbers have varied as follows by financial year:

	Reporting period							
	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Claim payments \$M (a)	1,165.0	1,080.3	963.1	898.1	837.6	847.8	875.7	889.3
% change (b)	7.8%	12.2%	7.2%	7.2%	-1.2%	-3.2%	-1.5%	
Real claim payments \$M (c)	1,197.2	1,163.4	1,067.5	1,025.0	976.5	1,002.8	1,054.9	1,073.9
% change (d)	2.9%	9.0%	4.1%	5.0%	-2.6%	-4.9%	-1.8%	
Estd incurred claim numbers (e)	25,102	24,317	24,698	23,642	24,830	25,646	26,286	28,745
% change (f)	3.2%	-1.5%	4.5%	-4.8%	-3.2%	-2.4%	-8.6%	
Claim frequency (g)	2.1%	2.2%	2.4%	2.3%	2.4%	2.6%	2.7%	2.9%
Active claims (h)	20,334	20,110	20,082	17,907	18,641	18,002	18,637	19,695
% change (i)	1.1%	0.1%	12.1%	-3.9%	3.5%	-3.4%	-5.4%	
Case estimates outstanding \$M (j)	1,234.9	1,139.8	1,083.9	908.2	875.7	882.2	931.6	915.9
% change (k)	8.3%	5.2%	19.3%	3.7%	-0.7%	-5.3%	1.7%	
Real case estimates outstanding \$M (l)	1,234.9	1,201.9	1,183.2	1,014.6	1,011.6	1,039.9	1,112.6	1,108.0
% change (m)	2.7%	1.6%	16.6%	0.3%	-2.7%	-6.5%	0.4%	

- Notes :
- (a) from Form WC20 returned by insurers
 - (b) % change in (a) from previous year
 - (c) = (a) indexed into 30 June 2023 values
 - (d) % change in (c) from previous year
 - (e) = number reported + actuarial estimate of IBNRs
 - (f) % change in (e) from previous year
 - (g) = (e) / (row (c) from previous table)
 - (h) from Form WC20 returned by insurers
 - (i) % change in (h) from previous year
 - (j) from Form WC20 returned by insurers
 - (k) % change in (j) from previous year
 - (l) = (j) indexed into 30 June 2023 values
 - (m) % change in (l) from previous year

- Real claim payments decreased from \$1,074 million in 2015/16 to \$977 million in 2018/19. Over 2019/20 to 2022/23 real claim payments have increased to \$1,197 million. Over 2015/16 to 2022/23, payments have increased 11.5% in total or 1.6% per annum
- Estimated incurred claim numbers decreased from 28,745 in 2015/16 to 23,642 in 2019/20, followed by increases to 25,102 claims in 2022/23
- Claim frequency as a percentage of employees steadily declined from 2.9% in 2015/16 to 2.1% in 2022/23
- Active claims decreased from around 19,695 in 2015/16 to 17,907 in 2019/20 before a significant increase in active claims in 2020/21, followed by slight increases to 20,334 in 2022/23
- Real case estimates outstanding generally decreased from \$1,108 million in 2015/16 to \$1,015 million in 2019/20. They increased significantly by 16.6% to \$1,183 million in 2020/21 and have been slightly increasing since to \$1,235 million in 2022/23. Over the whole period real case estimates increased by 11.4% or 1.6% per annum.

I Analysis of lump sum claim experience

I.1 Section 92(f) settlements

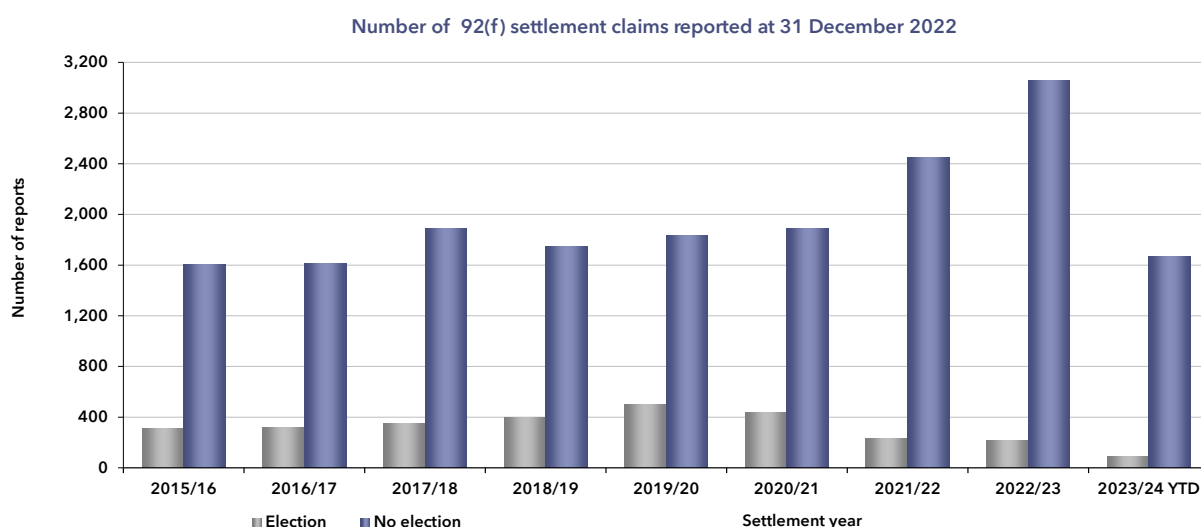
Section 92(f) has been in the Act since 1981, however the use of this settlement pathway has escalated significantly since 2007/08. The intention of the section is to allow common law claims to be settled prior to the matter going to trial and close the claim off to any further common law action.

As the wording of the Act is quite broad, this section has been used for a number of purposes including:

- Redeeming claims before the six months of weekly benefits required for a redemption under the statutory system
- Industrial relations claims, and
- The original intention of this section of the Act.

WorkCover WA supplied us with 92(f) settlement data separately for claims with and without an election application for the most recent settlement year. Data relating to previous settlement years was provided for previous reviews. An analysis of this data is presented in the chart and commentary below.

In total, 2022/23 is significantly higher than all other prior years for no election settlements



The number of section 92(f) settlements has been generally increasing between 2015/16 and 2022/23. The number of section 92(f) settlements peaks at 3,272 in 2022/23 which is higher than 2,684 settlements in 2021/22. The increase in total 92(f) settlements for 2022/23 is driven by the increase in settlements without an election partially offset by the decrease in settlements with an election application. The total growth over 2015/16 to 2022/23 was 71%, or an equivalent annual rate of 8%. In the half year to December 2023, there have been 11% more 92(f) settlements compared to the half year to December 2022.

The proportion of 92(f) settlements made without an election application has varied between 79% and 94%. The number of 92(f) settlements without an election application increased from 1,612 in 2016/17 to 1,889 in 2017/18, which was the biggest driver behind the high total 92(f) settlements for 2017/18. In

ANALYSIS OF LUMP SUM CLAIM EXPERIENCE

2022/23, the number of 92(f) settlements without an election application is 3,060, an increase from the 2,450 for the 2021/22 year. Meanwhile settlements with an election application decreased from 234 to 212 between 2021/22 to 2022/23.

The average size of 92(f) settlement payments with election over 2015/16 to 2019/20 generally ranged between \$128,000 to \$138,000, except for the high in 2016/17, which was \$183,000. The 2016/17 average settlement was higher compared to all its surrounding years due to one very large 92(f) settlement in the December 2016 quarter. For 2020/21, the average claim size of 92(f) settlement payments with election increased significantly to \$193,100, followed by another increase to \$235,500 for 2021/22. For 2022/23, the average claim size of 92(f) settlement payments with election increased significantly again to a peak of \$331,100.

The average in the half year to 31 December 2023 decreased to \$254,800, which was also lower than the half year to 31 December 2022 average of \$371,100.

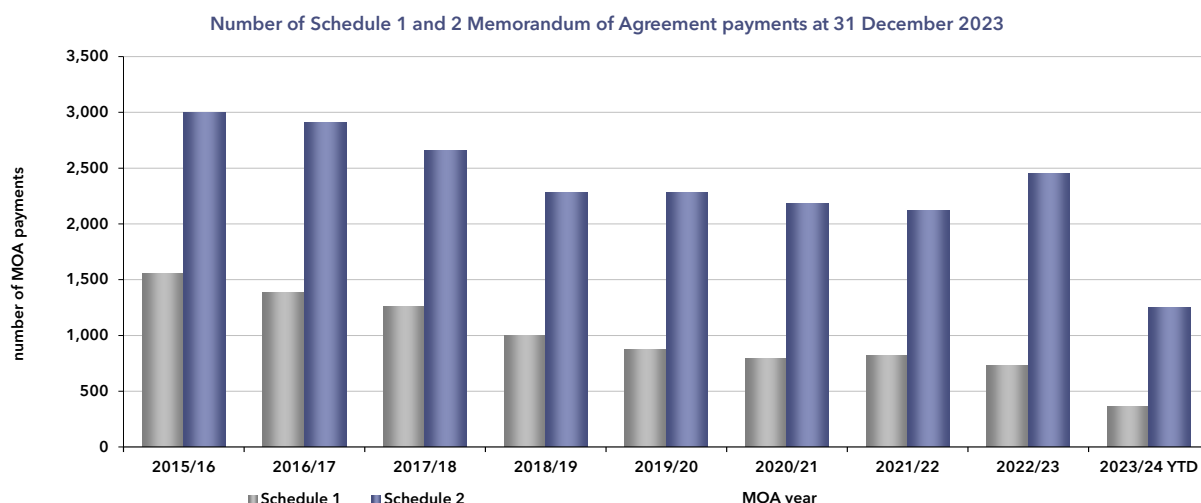
The average size of 92(f) settlement payments without election increased from \$54,200 for those lodged in 2015/16 to \$62,700 for those lodged in 2022/23, an average annual increase of 2.1%.

I.2 Redemptions and Schedule 2 payments

The change in section 92(f) settlements experience should be viewed together with the change in the number of Schedule 1 redemptions. There may be some transfer of costs between the settlement types.

The chart below shows that the recorded number of Memorandum of Agreement (MOA) Schedule 1 redemptions and Schedule 2 specific injury payments to 31 December 2023:

Schedule 1 settlements and schedule 2 reduced from 2015/16 to 2022/23



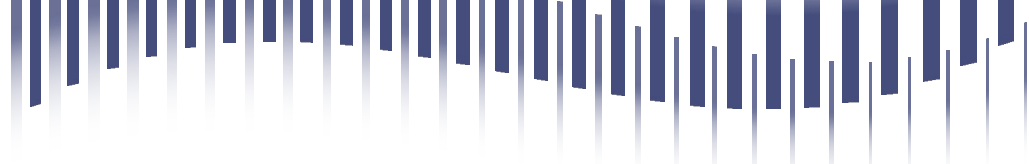
Over the period shown, Schedule 1 claims have decreased from 1,551 in 2015/16 to 730 in 2022/23, which is lower than all prior years.

The number of Schedule 2 specific injury payments decreased from 2,997 in 2015/16 to 2,121 in 2021/22, followed by an increase to 2,454 in 2022/23. This general decrease in the number of schedule 2 payments has been matched by a general decrease in the total amount of schedule 2 payments made.



ANALYSIS OF LUMP SUM CLAIM EXPERIENCE

The average size of Schedule 1 redemptions payments recorded has increased from \$36,400 for those lodged in 2015/16 to \$37,500 for those lodged in 2021/22, with a decrease to \$33,800 for those lodged in 2022/23. For the half year to 31 December 2023, the average claim size was \$37,400. Over the period since 2015/16 to 2022/23, the average annual decrease in Schedule 1 average claim size is 1.1% per year. The average claim size for schedule 2 payments has increased from \$16,300 to \$18,300 for 2022/23, which is an average growth of 1.7% per year.



J Additional data analysis

J.1 Duration analysis

We reviewed the data provided on the number of claims separated by duration of less than 60 days and those with 60 days or more. The table below shows the initial estimate of the proportion of claims with more than 60 days timelost, and the most recent estimate as at 30 June 2023 (which is based on data to 31 December 2023). Similarly, the original estimates are as at 30 September following the end of the financial year.

	Financial reporting year							
	2016	2017	2018	2019	2020	2021	2022	2023
Original estimate of claims with 60+ days timelost	5,607	5,423	5,455	5,789	5,760	6,646	6,604	7,223
Original 60+ % of Total	19%	21%	22%	23%	24%	27%	27%	29%
Current estimate of claims with 60+ days timelost	4,554	4,414	4,593	4,764	4,928	5,662	5,876	6,943
Current 60+ % of total	16%	17%	18%	19%	21%	23%	24%	27%

This table shows that:

- There has been an increasing trend in the proportion of claims initially reported with more than 60 days timelost since the 2016 financial year
- As a lodgement year matures the estimate of the proportion of claims with more than 60 days timelost reduces.

In the 2024/25 premium rates, we have not made an explicit additional allowance for an increasing trend in the percentage of claims with a duration of 60 or more days, as we are of the opinion that this is reflected in our valuation, particularly in the superimposed inflation component.

J.2 Age data

Our review of the distribution of claims by age shows:

Distribution of number of claims by age													2023/24
Age	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	YTD
<20	6.4%	5.6%	5.0%	4.7%	4.1%	3.5%	3.5%	3.4%	3.1%	3.8%	4.4%	4.6%	4.3%
20 to 24	12.2%	12.4%	11.5%	10.9%	10.2%	9.7%	9.4%	9.4%	9.0%	8.9%	9.8%	9.5%	9.7%
25 to 29	12.4%	12.7%	12.9%	12.5%	12.0%	11.0%	11.0%	10.8%	10.5%	10.5%	10.5%	10.4%	11.0%
30 to 34	10.2%	10.5%	11.0%	11.0%	11.1%	11.1%	10.8%	10.9%	10.6%	10.2%	10.3%	10.3%	10.8%
35 to 39	9.9%	9.6%	9.6%	9.2%	9.6%	9.8%	9.5%	10.1%	9.8%	9.7%	10.0%	10.1%	10.5%
40 to 44	11.6%	11.3%	11.3%	10.9%	10.8%	10.7%	10.1%	9.7%	10.0%	9.9%	9.6%	9.9%	9.7%
45 to 49	11.1%	10.9%	11.1%	11.5%	11.5%	12.3%	12.5%	11.8%	12.0%	11.4%	10.6%	10.0%	9.9%
50 to 54	11.0%	10.9%	11.2%	11.5%	11.8%	11.8%	12.1%	12.1%	12.2%	12.0%	11.9%	11.9%	11.2%
55 to 59	8.5%	8.4%	8.8%	9.4%	9.7%	10.5%	11.1%	11.1%	11.5%	11.7%	10.9%	10.8%	10.4%
60 to 64	5.1%	5.6%	5.5%	6.0%	6.5%	6.9%	7.2%	7.6%	8.1%	8.2%	8.0%	8.5%	8.0%
65+	1.6%	1.9%	2.1%	2.3%	2.6%	2.8%	2.8%	3.2%	3.3%	3.7%	3.9%	4.1%	4.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Since 2011/12, there has been an increasing trend in the proportion of claimants over 60, from 6.8% to 12.6% in 2022/23. The proportion in the half year to December 2023 is at 12.5%.

The average claim size table below shows that the average claim size generally increases by age, with claimants aged 34 and younger having an average claim size below the overall average, while claimants

ADDITIONAL DATA ANALYSIS

over age 35 are above the average. The percentage of claimants over 35 have increased from around 59% in 2011/12 to 63% in 2015/16 to 67% in 2019/20 and 2020/21 before reducing slightly to 65% in 2022/23. This change in the mix of claims by age is a factor driving the increase in the overall average claim size.

The average claim size by age is shown in the table below. This is based on actual payments and case estimates with no allowance for actuarial development. Therefore, the most recent accident years have a large amount of uncertainty regarding the ultimate value and are likely to develop further.

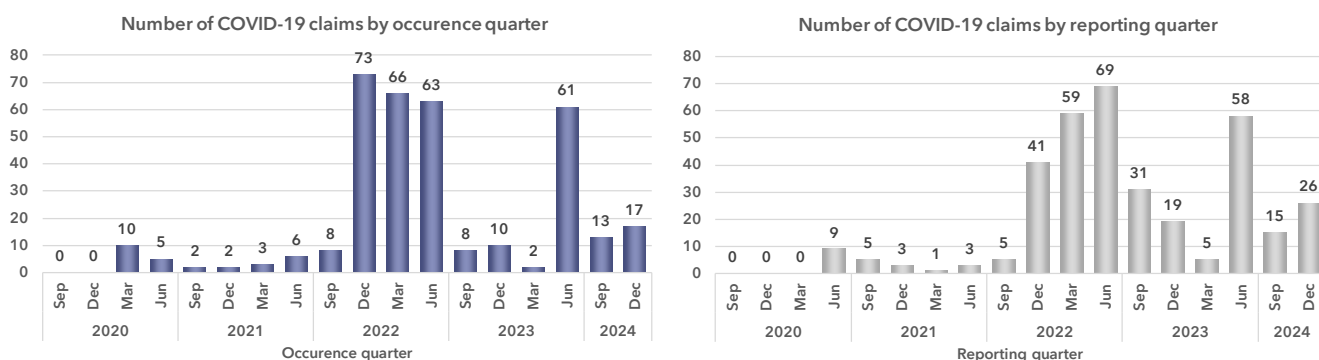
Average claim size based on payments plus case estimates, no allowance for actuarial development													2023/24
Age	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	YTD
<20	5,406	5,595	6,737	7,035	13,097	10,669	13,738	10,025	15,506	12,596	16,108	15,493	23,032
20 to 24	9,973	11,996	12,768	13,711	14,214	16,188	15,925	20,599	19,951	19,770	20,832	22,138	25,228
25 to 29	15,001	16,966	17,459	18,594	22,513	21,739	22,414	27,853	30,267	30,944	30,897	30,343	29,832
30 to 34	18,230	22,440	25,264	25,097	25,880	28,574	28,723	35,610	35,576	38,151	42,530	38,660	36,807
35 to 39	26,388	27,923	25,883	28,979	33,036	37,142	37,346	43,692	47,216	47,991	45,212	47,038	39,456
40 to 44	25,869	31,310	33,811	37,466	33,521	41,128	43,557	44,438	51,403	51,059	47,400	47,015	38,553
45 to 49	30,784	31,526	37,302	38,260	37,578	43,260	41,767	52,412	51,279	58,184	56,109	53,051	44,049
50 to 54	30,057	32,997	35,010	37,612	39,591	42,961	48,439	51,529	53,687	59,903	63,285	57,402	41,037
55 to 59	30,086	30,958	37,497	40,808	39,374	38,656	42,851	49,738	55,009	61,108	60,607	54,916	47,043
60 to 64	31,488	32,441	33,704	36,062	43,662	44,489	44,711	52,696	53,311	56,793	62,178	60,962	46,067
65+	27,603	26,548	28,957	31,452	36,425	34,579	39,446	45,529	50,401	59,177	58,975	56,097	47,472
Total	22,215	24,547	26,973	29,131	30,983	33,999	35,651	41,251	43,966	46,931	46,868	44,869	38,262

J.3 COVID-19 claims

There continues to be a degree of uncertainty due to COVID-19, though it is less than prior years. The potential impact of this additional uncertainty is still unclear, and some impacts may offset each other at least to some extent. We analysed the COVID-19 claims in the data to 31 December 2023 and these are presented below. Based on the analysis, we have not made any adjustment to the claim assumptions which form part of the valuation and will continue to monitor these. This is the same approach as last year.

COVID-19 claim experience as at 31 December 2023

From the individual claims data (for RPR returning entities) up to 31 December 2023 received this year, there were 349 COVID-19 virus related claims that have been reported. This compares to 233 claims known as at 31 December 2022. The chart below shows the distribution of claims based on occurrence and reporting quarter respectively.

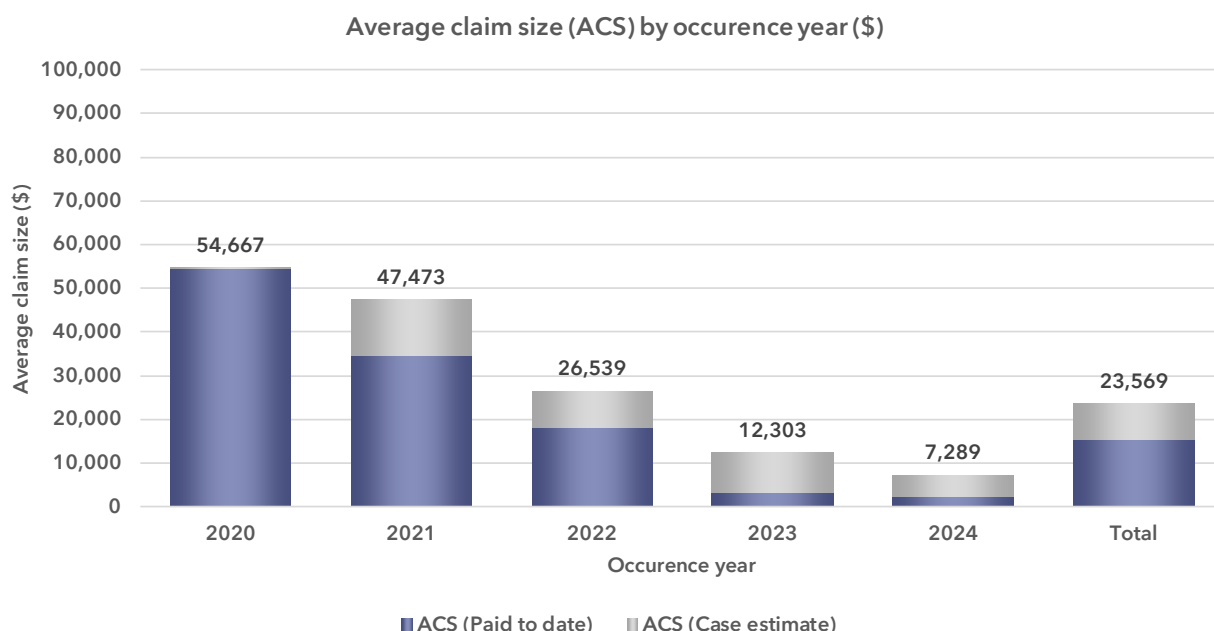


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Most COVID-19 claims occurred and were reported over the quarters in the 2022 financial year. This is in line with our expectation, as there was a surge in COVID-19 cases from the reopening of WA state border. There was a second spike in claims in the June 2023 quarter, most of which were from the class 84010 – Hospitals (except psychiatric hospitals). From the above charts, we note that there were 41 claims reported over the half year to 31 December 2023 (in the 2024 financial year), the majority of which are for class 84010. 87% of claims incurred from 1 April 2023 relate to classes 84010 or 84020 – Psychiatric hospitals.

Out of 349 claims reported, only 198 (57%) claims relate to direct actual infection of the Novel coronavirus (COVID-19). In addition, overall, the number of claims incurred is still fewer compared to our projected scenarios in our 2022 report, with the lowest scenario estimating at least 400 claims.

The chart below shows the average claim size by occurrence (accident) years.



We note that the year-on-year average claim size (ACS) based on the claims reported incurred cost to 31 December 2023 is decreasing, from \$54,700 in 2020, to just below \$7,300 for 2024. The overall reported average claims cost as at 31 December 2023 is around \$23,600. This is lower than the average claim size assumed in our projected scenarios from the 2022 report that ranges between \$40,000 to \$42,000.

J.4 Large claims

J.4.1 Analysis of large claim data

We used the individual claim data file supplied by WorkCover WA to monitor emerging trends in large claims.

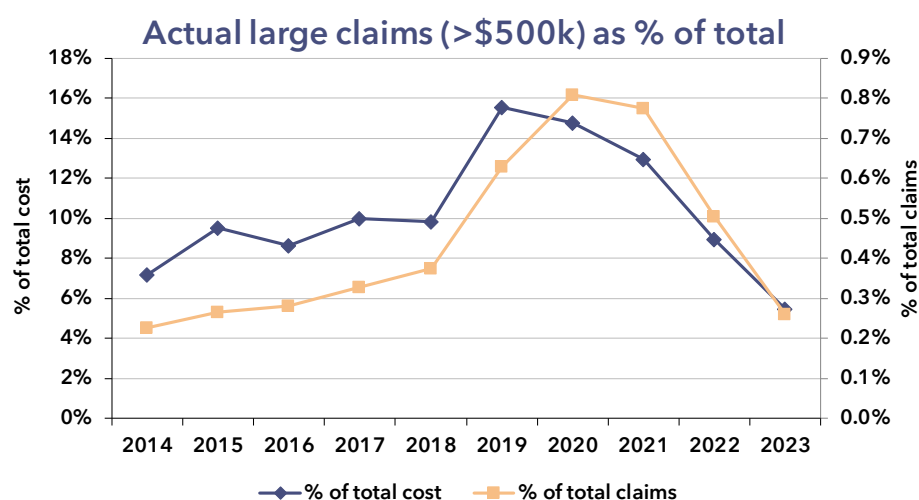
The values quoted in this section only include data from RPR returning entities for claims with a total estimate greater than \$0.5 million. This analysis does not explicitly form part of the premium rating setting process and is for reference purposes.

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The development analysis and detailed distribution tables below show for large claims with a total estimate greater than \$0.5 million:

- large claims are an increasing percentage of total claims and total costs over time, reflecting general trends in claim inflation
 - the cost of large claims has increased from around 10% in 2015 to 2018 to around 16% for 2019 to 2021 on a developed basis
 - the number of large claims has increased from around 0.2% to 0.3% in 2015 to 2017 to around 0.8% for 2020 to 2023 on a developed basis
- the number of large claims has increased from 74 in 2014 to around 200 for 2020 to 2023 on a developed basis
- there is no trend in the average size per large claim across the accident years. Actual costs per large claim have ranged from \$819,000 to \$1,013,000
- aggregate large claim cost has increased from \$60 million in 2014 to around \$200 million in 2023 on a developed basis, in actual values.

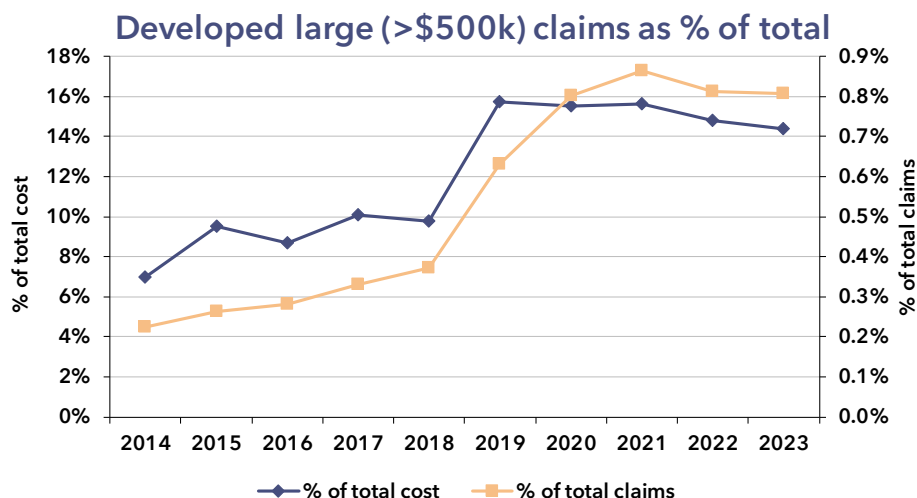
The chart below shows our analysis of the actual undeveloped large claim data:



From 2014 through to 2018, the actual number of large claims increased from 0.23% to 0.38% of total claims. From 2018 there has been a strong increasing trend in the number of large claims as a percentage of all claims, to 0.77% in 2021. The total cost of large claims follows a similar trend.

We have analysed the development of large claim reporting and total case estimate patterns using the chain ladder method and projected the ultimate large claim experience. This is separate to the analysis for the 30 June 2023 outstanding claims liabilities. The chart below shows the developed results obtained:

ADDITIONAL DATA ANALYSIS



As for the undeveloped experience, the number of developed claims as a percentage of total claims increases between 2014 and 2018, from 0.22% to 0.37%, before then experiencing a strong increasing trend, to 0.86% in 2021. The total cost of the large claims follows a similar trend, increasing from 6.99% of total claim costs in 2014 to 9.79% in 2018, before then increasing to 15.63% in 2021. At this early stage, 2022 and 2023 may be slightly lower than 2021, however there is more uncertainty as they involve a higher projected portion.

This high level analysis suggests that while large claim trends have not been a key driver of overall claim costs, their annual cost variation can be a source of system cost volatility.

Subsequent analyses will continue to monitor these trends.

In the tables below we have also showed the data for claims with total estimates greater than \$1.0 million for information purposes. We have not estimated the development for these claims given the small data set leads to greater volatility. The 2023 accident year has more claims reported with total estimates over \$1 million and therefore higher total estimates than most prior accident years at the same stage of development.

J.4.2 Large claim data

We compiled the following distribution tables from the data supplied as at 31 December 2023. We have compiled the summary tables for the full set of data provided, and for those claims which have a total estimate greater than \$0.5 million and \$1.0 million. These tables are only for premium rates returning entities:

Claims over \$500,000

WA workers' compensation claims over \$0.5M as at 31 December 2023						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2014	74	1	60.7	0.5	61.3	828
2015	80	3	79.6	1.4	81.0	1,013
2016	80	4	72.5	0.7	73.2	915
2017	85	6	80.8	3.4	84.2	991
2018	95	19	78.6	6.5	85.1	896
2019	154	56	128.9	23.3	152.2	989
2020	188	110	96.2	51.8	148.0	787
2021	188	162	73.2	71.7	144.9	771
2022	120	115	35.5	62.8	98.3	819
2023	63	62	13.9	45.4	59.3	941
Total	1,127	549	720.4	275.4	995.8	884

Claims over \$1,000,000

WA workers' compensation claims over \$1.0M as at 31 December 2023						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2014	16	0	22.7	0.0	22.7	1,418
2015	21	0	41.4	0.0	41.4	1,972
2016	17	0	30.1	0.0	30.1	1,768
2017	26	1	43.3	1.7	45.0	1,729
2018	28	5	36.6	3.2	39.8	1,422
2019	41	18	61.1	13.3	74.4	1,816
2020	31	21	21.1	19.0	40.1	1,293
2021	26	22	14.4	20.6	35.0	1,346
2022	18	18	5.6	23.6	29.1	1,618
2023	11	10	5.9	19.6	25.5	2,320
Total	235	96	282.1	102.8	384.9	1,638

The tables below show the results of our analysis of large claims relative to total system claims.

ADDITIONAL DATA ANALYSIS

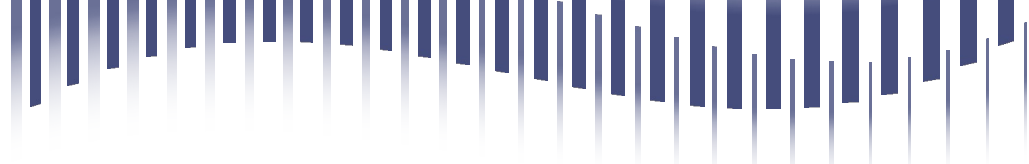
Claims over \$500,000

Comparison - actual data										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of claims:										
Claims > \$500k	63	120	188	188	154	95	85	80	80	74
RPR returning entities	24,196	23,781	24,270	23,282	24,473	25,301	25,942	28,391	30,160	32,618
large claim frequency	0.26%	0.50%	0.77%	0.81%	0.63%	0.38%	0.33%	0.28%	0.27%	0.23%
Paid to date (\$m)										
Claims > \$500k	13.9	35.5	73.2	96.2	128.9	78.6	80.8	72.5	79.6	60.7
RPR returning entities	598.7	855.5	974.8	922.4	942.3	853.4	835.7	841.1	846.7	849.9
% of total cost	2.32%	4.15%	7.50%	10.43%	13.68%	9.22%	9.67%	8.62%	9.40%	7.15%
Total cost to date (\$m)										
Claims > \$500k	59.3	98.3	144.9	148.0	152.2	85.1	84.2	73.2	81.0	61.3
RPR returning entities	1,087.1	1,102.1	1,118.8	1,004.2	980.5	866.2	844.7	846.4	849.6	852.2
% of total cost	5.45%	8.92%	12.95%	14.74%	15.53%	9.83%	9.97%	8.65%	9.54%	7.19%

Comparison - Developed data										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of claims:										
Claims > \$500k	203	197	213	190	157	96	87	81	81	74
RPR returning entities	25,102	24,317	24,698	23,642	24,830	25,646	26,286	28,745	30,526	32,991
% of total claims	0.81%	0.81%	0.86%	0.80%	0.63%	0.37%	0.33%	0.28%	0.26%	0.22%
Total cost to date (\$m)										
Claims > \$500k	197.0	176.8	177.1	156.9	156.0	86.0	86.2	73.9	81.7	61.4
RPR returning entities	1,369.3	1,194.8	1,133.2	1,010.2	992.9	878.5	855.1	851.2	856.6	879.1
% of total cost	14.39%	14.80%	15.63%	15.53%	15.71%	9.79%	10.08%	8.68%	9.54%	6.99%

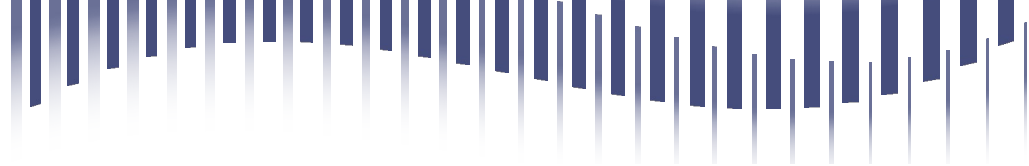
Claims over \$1,000,000

Comparison - Actual data										
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Number of claims:										
Claims > \$1m	11	18	26	31	41	28	26	17	21	16
RPR returning entities	24,196	23,781	24,270	23,282	24,473	25,301	25,942	28,391	30,160	32,618
large claim frequency	0.05%	0.08%	0.11%	0.13%	0.17%	0.11%	0.10%	0.06%	0.07%	0.05%
Paid to date (\$m)										
Claims > \$1m	5.9	5.6	14.4	21.1	61.1	36.6	43.3	30.1	41.4	22.7
RPR returning entities	598.7	855.5	974.8	922.4	942.3	853.4	835.7	841.1	846.7	849.9
% of total cost	0.98%	0.65%	1.48%	2.28%	6.49%	4.29%	5.18%	3.57%	4.89%	2.67%
Total cost to date (\$m)										
Claims > \$1m	25.5	29.1	35.0	40.1	74.4	39.8	45.0	30.1	41.4	22.7
RPR returning entities	1,087.1	1,102.1	1,118.8	1,004.2	980.5	866.2	844.7	846.4	849.6	852.2
% of total cost	2.35%	2.64%	3.13%	3.99%	7.59%	4.60%	5.32%	3.55%	4.88%	2.66%



K Glossary

Abbreviation	Description
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
Accident year	The financial year ending 30 June, in which the accident event leading to a claim occurs, irrespective of when the claim is reported, paid and finalised
APRA	Australian Prudential Regulation Authority
Burner policies	Burner policies or adjustable premium policies are a form of risk rated insurance, generally issued to large employers. The effect is ultimately that an employer pays the claims cost plus a margin for expenses and other loadings subject to a stated minimum and maximum premium. The initial burner premium is known as the deposit premium and the insurer will request a top-up premium once claim costs exceed a stated percentage of the deposit premium. When the burner is finalised or closed (usually after 36 months or longer) the final balance is either paid to the employer or insurer depending on the developed cost of claims.
Central estimate	Unbiased actuarial estimate, which has 50% probability of being sufficient. It is the mean range of possible outcomes.
Combined loading factor	The combined loading factor allows for expenses and contingency margin. It is equal to one divided by the loss ratio.
Conventional policies	Conventional policies pay premiums based on declared wages.
Developed wages	Developed wages are reported wages multiplied by the wage development factor (i.e. allowing for the initial underestimation of wages).
Development year	The number of completed years since the end of the accident year. Development year zero refers to the financial year ending 30 June in which the accident event occurs. Development year is also abbreviated to DY in this report.
Gross Premium	<p>The gross premium is an estimate of the total cost of a policy, that is the claims cost and allowance for expenses and margins.</p> <p>Gross Premium = Risk Premium + loadings for expenses, margins etc.</p> <p style="text-align: center;">= Risk Premium / [(1 - expense loading % - contingency margin %) x interest earned factor]</p>
Inflated and discounted values	The estimates in current values are inflated to the dollar values in the estimated future year of payment. These values are discounted to 30 June 2023 values to allow for future investment income that will be earned until the claim is paid. The inflation and discount rates are outlined in Appendix D.1.
Premium rating returning entities	Applicable approved private insurers and the Insurance Commission of Western Australia (ICWA)



GLOSSARY

Abbreviation	Description
Risk margin	The margin added to the central estimate to increase its level of adequacy to above 50%.
Risk premium	<p>The risk premium is an estimate of the pure risk cost of claims and does not include allowance for expenses or margins.</p> <p>Risk Premium = estimated incurred cost of the risk covered i.e., of the claims with dates of occurrence in the risk/cover period</p> <p>=number of claims x average claim size</p>
Superimposed inflation (SII)	Superimposed inflation is claims inflation over and above wage inflation.
Wage development factor	The wage development factor is applied to reported wages to increase them to ultimate (or developed) wages.



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