

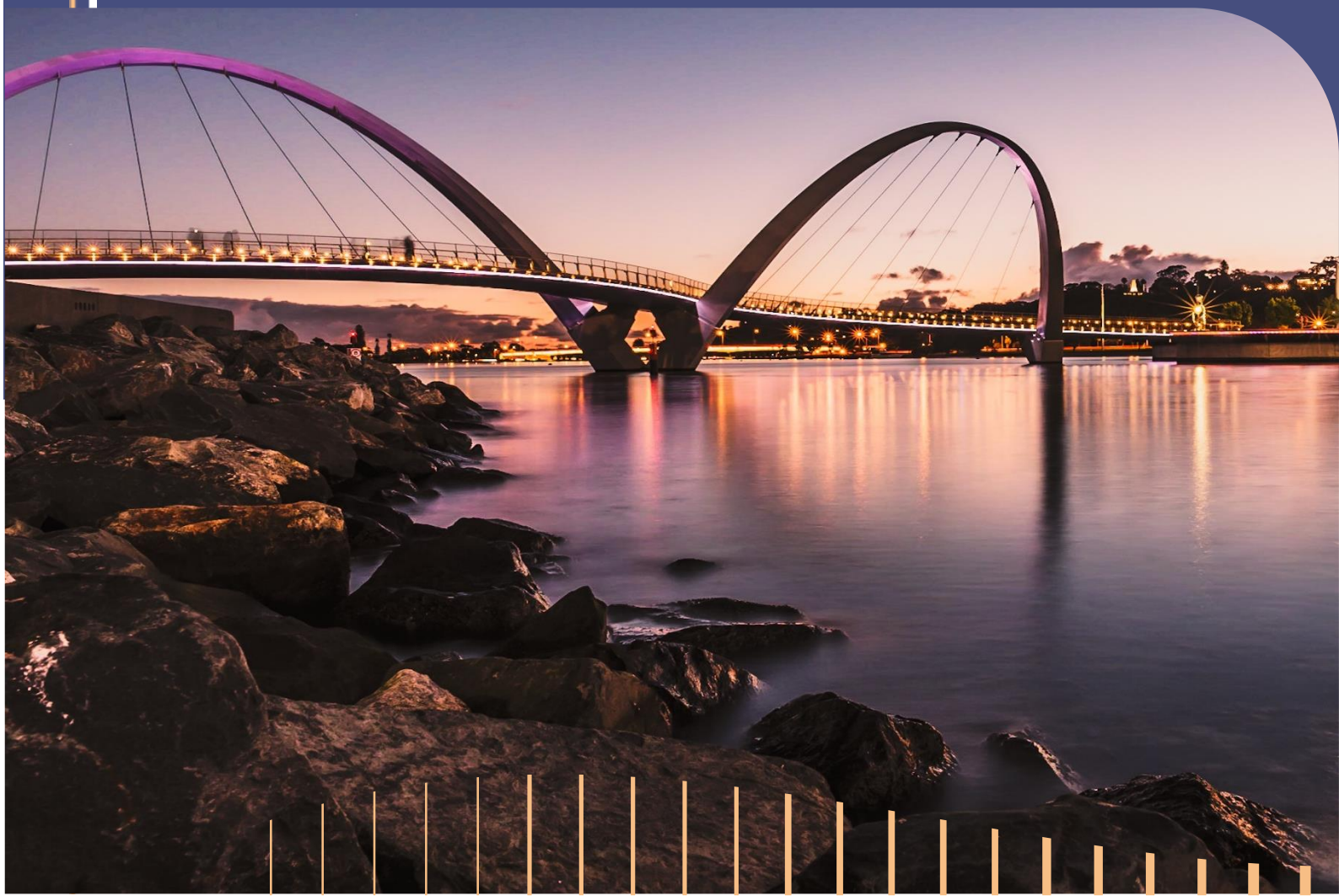
WorkCover WA

2025/26 recommended premium rates

March 2025

Scyne Advisory Pty Ltd

ABN 20 607 773 295



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 30 August 2024 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.

This disclaimer applies:

- to the maximum extent permitted by law and, without limitation, to liability arising in negligence or under statute; and
- even if we consent to anyone other than WorkCover WA receiving or using this report.



Ms Sharryn Jackson
Board Chairperson
WorkCover WA
2 Bedbrook Place
Shenton Park WA 6008

28 March 2025

Dear Sharryn

Please find enclosed our report on the 2025/26 recommended premium rates.

Yours sincerely

A handwritten signature in dark blue ink, appearing to read 'A Smith', with a stylized, flowing script.

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 2025/26 financial year. The recommended premium rates are calculated in line with the following objectives:

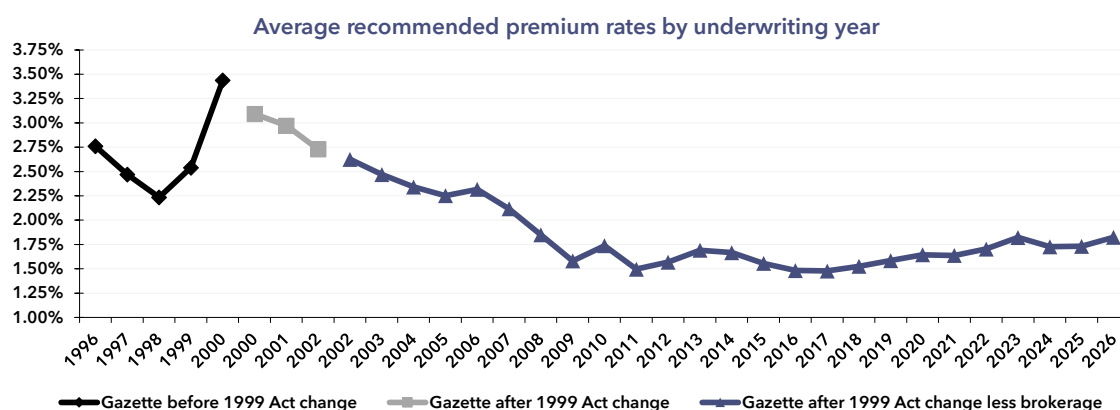
- Calculate the total amount of premium income required to meet the expected cost of claims allowing for expenses, contingency margins and investment income
- Recommend premium rates that are broadly equitable across different industry classes with no intentional cross subsidy of rates
- Suggest an appropriate 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 5.3% increase in the average premium rate for 2025/26 to 1.823% of wages, excluding allowance for brokerage, from the current rate of 1.732%.

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 516 premium rating classes based on ANZSIC 2006 classification are detailed in Appendix A. The number of premium rating classes has reduced by one this year as 96010 and 96011 were merged together, 72121 was removed and 87901 was introduced. 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.

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 :				
	2026 (a)	2025 (b)	2024 (c)	% difference (a) / (b) -1	(b) / (c) -1
Number of claims incurred (d)	26,846	25,152	24,480	6.7%	2.7%
Average claim size \$ (e)	58,588	53,302	49,043	9.9%	8.7%
Expense and margin factor (f)	1.3605	1.3755	1.3889	-1.1%	-1.0%
Earned wages \$M (g)	123,741	109,848	96,556	12.6%	13.8%
Gross premium \$M (h)	2,256.4	1,902.0	1,667.4	18.6%	14.1%
Average premium rate (i)	1.823%	1.732%	1.727%	5.3%	0.3%

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 2024
 (h) = (((d) x (e) + 41.7 million) x (1 + 1.94% + 0.67%) - 4.3 million) x (f) + 9.7 million,
 i.e. allowing for Act changes in 2025 and 2026 and retrospective allowance in 2026
 (i) = (h) / (g) %

There is a 5.3% increase in the average rate for the premium rating year ending 30 June 2026, driven by:

- **A 16.0% 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 2025 premium rating year by 17.3%, partially offset by the expenses and margin factor decreasing by 1.1%.

The key drivers of the 17.3% higher risk cost are:

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

The 1.1% lower expense and margin factor is due to a decrease in the expense loading from 15.0% to 14.3% as the experience for 2023/24 was in line with 2021/22 and 2022/23 but lower than 2020/21 which is the year that was removed from the averaging period.

- **A 12.6% increase in projected earned returned wages**
- **A 2.3% increase due to the 2023 Act changes.** This is comprised of:
 - 0.3% decrease in the prospective impact on claims arising from policies underwritten in 2025/26, due to the reduction in the CISS levy set by ICWA
 - 2.6% retrospective allowance due to the benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior.

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 commenced on 1 July 2024. The overall prospective impact of the 2023 Act on the 2025/26 recommended premium rates is 2.8%. 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. The 2.8% is lower than the 3.2% included in the 2024/25 recommended premium rates due to the reduction in the CISS levy. There were no other changes to the 2023 Act change allowance assumptions as there is insufficient time since the new Act commenced to determine the actual impact in the data to 31 December 2024.

We have also allowed for a once-off retrospective impact of the 2023 Act in the recommended premium rates due to the benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior, meaning the premium that was collected for these policies no longer adequately reflects the revised expected claims cost. This once-off impact increases the 2025/26 recommended premium rates by 2.6%. This impact will be removed in the 2026/27 recommended premium rates.

See Appendix D.5 for more details on the 2023 Act changes and other recent legislative changes.

Target loss ratio

We have adopted a target loss ratio of 73.5% 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 72.7% used last year, primarily due to a 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 14.3% (15.0%) of premium is made up of 13.3% (13.9%) management expenses and 1.0% (1.1%) 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 2023/24 accident year to the 2025/26 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, with a reducing number of lower cost claims.

For the projections to the 2025/26 underwriting year, we have assumed the same mix of claims as the 2023/24 accident year.

The adopted superimposed inflation to project from the 2023/24 accident year to the 2025/26 underwriting year is 2.7%. This is lower than the 2.8% adopted last year. See Appendix D.2.2 for more details.

By contrast, the total superimposed inflation adopted for outstanding claims valuation is 4.1% p.a., a decrease compared to 4.3% at the previous valuation.

Claims experience for the half-year to 31 December 2024

The risk cost of claims for the 2025/26 premium rates includes an allowance for the number of claims reported in the half year to 31 December 2024 for the 2025 accident year compared to the 2024 accident year. The number of claims for 2025 is 0.9% higher than 2024. 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 2024

The 2025/26 premium rates calculation includes an allowance for change in employment in the half year to 31 December 2024. 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 2.1% in the six months to 31 December 2024. This is higher than the 1.5% increase in the six months to 31 December 2023.

Wages to 31 December 2024

In calculating the premium rates, we have used the developed earned wages for the 2023/24 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 2025/26.

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 2024/25 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 D.1 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 14 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, which is the same as last year.

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 2024/25 Gazette rates affected 21 of the 516 classes (4%). 17 classes had a capped increase of 25% and four classes had a capped decrease of 25%. This meant that all other premium rates increased by 0.2% because of premium respread, which is the same as 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.

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 Premium per policy for the 2025/26 financial year has increased from last year and are as follows:



Recommended Minimum Premium	Last year's Gazette	Indexed since last change	2025/26 recommended
All Policies	\$305.00	\$312.98	\$310.00

This year we were advised to remove the separate minimum premium for householders so one minimum premium applies for all policies.

Outstanding claim liabilities

The outstanding claim liabilities (inflated but not discounted and excluding claims handling expenses) as at 30 June 2024 are estimated to be \$2,379.7 million, excluding the 2016 and earlier accident years. This is \$10.6 million (0.4%) higher than the aggregate outstanding claims estimates returned by applicable insurers of \$2,369.1 million. Last year we were 0.9% lower than insurers' estimates excluding the 2015 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 2023/24 of \$62.8 million (3.1%) on our inflated and discounted projections including expenses. Insurers provide inflated estimates, and these had a strain on reserves of \$39.1 million (1.7%) on all accident years to 30 June 2023. On an inflated basis, our estimates had a strain on reserves of \$76.0 million (3.5%).

We have included an allowance for the 2023 Act in the 30 June 2024 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 2024 outstanding claims liability by 1.4%.

Uncertainty

The main sources of uncertainty in the projected premium rate for 2025/26 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
- Settlements and legal costs
- Impact from the 2020 Amendment Act
- Workers Compensation and Injury Management Act 2023

One issue that should be noted is potential change to tax basis for redemption payments.

In late February 2025 we were made aware of an issue that may increase the cost of settlements significantly. We understand that redemptions have historically been negotiated on a net wages basis. In mid-February 2025, a legal firm obtained a private ruling that tax would be payable on the income compensation portion of a redemption payment, but not on the medical and other components of the settlement. It is unknown if historically claimants who received a lump sum payment paid tax on this as previously the components to the settlements were not shown separately on some settlements.

This could result in changes in settlement negotiations to be based on gross wages rather than net wages which could increase the size of settlement payments.



The high-level estimate of the potential impact is 3% to 4%. There is significant uncertainty in the estimate as it is mostly based on data from the Workers' Compensation and Injury Management Act 1981 Act.

There is uncertainty about the outcome of the global tax ruling that WorkCover WA have requested and the response, if any, by WorkCover WA and insurers to this. Therefore, we have not included an allowance in the 2025/26 recommended premium rates for an increase in settlement payments.

We will closely monitor the situation with WorkCover WA and if there is evidence that the settlement size increases we will work with WorkCover WA to determine the most appropriate response to that including consideration for mid-term premium rate adjustments and/or retrospective allowance.

See section 7.3 for more details on the sources of uncertainty.

Form and quality of data used

The latest data available from insurer submissions relates to 2023/24. The form of this year's data is similar to the data supplied last year.

The 2025/26 recommended premium rates are calculated using the 2023/24 returns together with information provided by WorkCover WA for the split by payment types and the experience in the six months to 31 December 2024.

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

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 2025/26 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.

We have prepared the recommended premium rates report for the WA workers compensation scheme for a number of years. The most recent report was *2024/25 recommended premium rates* dated 19 March 2024.

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 2024 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 2024. 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 commencement date of 1 July 2024. See Appendix D for more information.

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 2025/26 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	
2023/24 accident year (a)	26,616
2024/25 accident year (b)	26,846
2025/26 underwriting year (c)	26,846

Notes: (a) From our analysis of the 2023/24 data

(b) = (a) x (1+0.9%) indicated by the experience in the half year to 31 December 2024

(c) Assumed equal to the 2024/25 accident year

The adopted average claim size is:

Average claim size (excl Act change)	Inflated and discounted (d)	
	Current values	
2023/24 accident year (a)	57,327	55,919
2024/25 accident year (b)	58,875	57,429
2025/26 underwriting year (c)	60,063	58,588

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

(b) = (a) + 1 year of superimposed inflation (2.7% p.a.)

= (a) x 1.027

(c) = (a) + 1.75 years of superimposed inflation (2.7% p.a.)

= (a) x 1.027 ^ 1.75

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

The inflation and discount factor used is 0.9754 (0.9761 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 were mainly driven by the change in claims mix as the number of lower cost claims continued to reduce. The number of claims has been relatively stable to increasing over 2021/22 to 2023/24, but there is still a change in the mix of claims by size. As a result of this change in trend, a separate analysis of SII for premium rating purposes was required. The analysis indicated a SII rate of 2.7% which is lower than the 2.8% adopted last year. See Appendix D.2.2 for more details.

SII is applied to the midpoint of the claims incurred period. For the 2025/26 underwriting year, this is 1.75 years after the 2023/24 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.

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 + Act change = Risk premium (\$M)
2023/24 accident year	26,616 x 55,919 = 1,488.4
2024/25 accident year (incl Act change)	26,846 x 57,429 x (1 + 1.94% + 0.67%) - 11.0 million = 1,570.9
2025/26 underwriting year (incl Act change & retrospective)	26,846 x 58,588 x (1 + 1.94% + 0.67%) - 4.3 million + 41.7 million = 1,651.3

For the 2025/26 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 \$4.3 million reduction in common law payments due to catastrophically injured claimants accessing medical benefits from the Catastrophic Injuries Support Scheme (CISS) instead. These are similar to the allowances for the 2024/25 accident year, except the CISS levy was higher for that year.

We have also allowed for a once-off retrospective impact of the 2023 Act in the recommended premium rates due to the benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior, meaning the premium that was collected for these policies no longer adequately reflects the revised expected claims cost. This once-off impact increases the risk premium by \$41.7 million. This impact will be removed in the 2026/27 recommended premium rates.

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 + CISS levy = Gross premium (\$M)
2023/24 accident year	1,488.4 x 1.3605 = 2,025.0
2024/25 accident year (incl Act change)	1,570.9 x 1.3605 + 24.9 million = 2,162.3
2025/26 underwriting year (incl Act change & retrospective allowance)	1,651.3 x 1.3605 + 9.7 million = 2,256.4

The adopted loading factor of 1.3605 is lower than the 1.3755 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 \$9.7 million is the allowance for the new Catastrophic Injuries Support Scheme (CISS) levy for 2025/26. This is the estimated insurer's portion of the \$10.6 million levy. This is lower than the \$24.9 million included for the CISS levy in the 2024/25 accident year due to a reduction in the size of the CISS levy set by ICWA for 2025/26.

The average premium rate is derived by dividing the gross premium by developed wages. The estimated wages for the 2025/26 average premium rate is calculated by multiplying the 2023/24 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 2024.

This is calculated as follows:

Wages (\$M)	
2023/24 returned wages (a)	116,928
Adjustment factor (b)	1.0368
2023/24 developed wages (c)	121,225
Employment growth (d)	1.0207
Earned wages (e)	123,741

Notes: (a) As supplied by insurers

(b) See Appendix C.2

(c) = (a) x (b)

(d) = 1,130 / 1,107, from ABS Cat. 6202.0 Table 8 Labour Force for average full time persons for Western Australia at 31 December 2024 quarter and 30 June 2024 quarter respectively

(e) = (c) x (d)

This year, the adjustment factor of 1.0368 is higher than 1.0328 use last year due to higher development of wages over the year. The employment growth factor is 1.0207, which is higher than the factor last year of 1.0145.

For the purpose of estimating the 2025/26 recommended premium rates we have used the 2023/24 earned wages as provided with the historical development factors. We understand part of the increase in wages in 2022/23 and 2023/24 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 2025/26 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 2025/26, with comparison to the prior two years, is as follows:

Key Driver	Premium rating year ending 30 June :				
	2026 (a)	2025 (b)	2024 (c)	% difference (a) / (b) -1	(b) / (c) -1
Number of claims incurred (d)	26,846	25,152	24,480	6.7%	2.7%
Average claim size \$ (e)	58,588	53,302	49,043	9.9%	8.7%
Expense and margin factor (f)	1.3605	1.3755	1.3889	-1.1%	-1.0%
Earned wages \$M (g)	123,741	109,848	96,556	12.6%	13.8%
Gross premium \$M (h)	2,256.4	1,902.0	1,667.4	18.6%	14.1%
Average premium rate (i)	1.823%	1.732%	1.727%	5.3%	0.3%

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 2024

(h) = (((d) x (e) + 41.7 million) x (1 + 1.94% + 0.67%) - 4.3 million) x (f) + 9.7 million,

i.e. allowing for Act changes in 2025 and 2026 and retrospective allowance in 2026

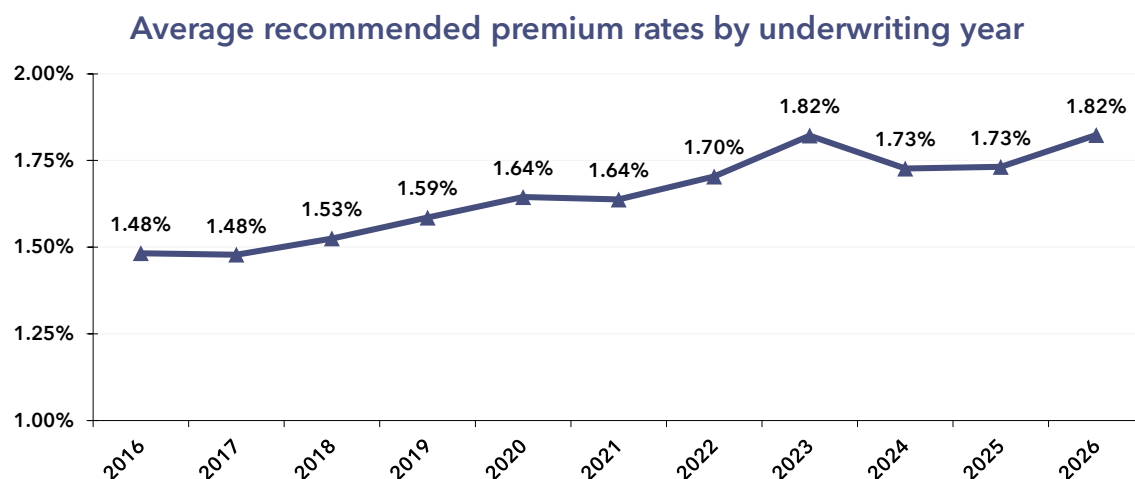
(i) = (h) / (g) %

The above analyses and discussion suggest that the weighted average Gazette premium rate **increases by 5.3%.**

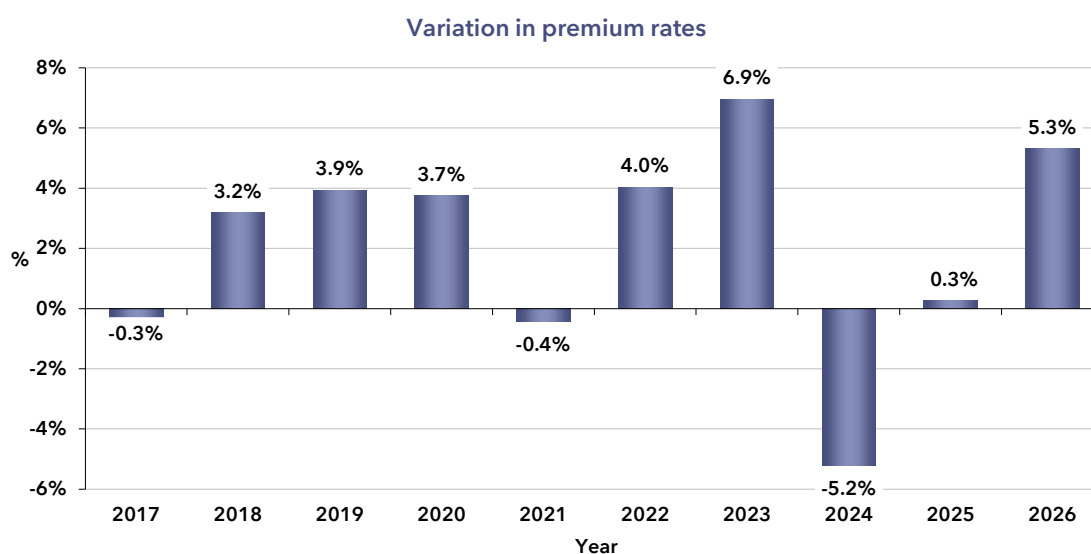
The premium rates do not include brokerage costs or an allowance for the 10% GST on premiums, which is generally recoverable by employers.

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 23.3% over the period shown.

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

Year	Increase / decrease	Main drivers
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 Partially offset by: <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 Partially offset by: <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% Partially offset by: <ul style="list-style-type: none"> • Increase in wages and employment to 31 December 2021 • Decrease in the adopted forward looking superimposed inflation.
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 Partially offset by: <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.
2025	0.3%	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • Increase in returned wages to 2022/23 and higher growth in employment in the six months to 31 December 2023 • Increase in the market interest rates by more than the increase in inflation rates • Decrease in expense rate.

2025/26 premium rate drivers

The key drivers of the 5.3% increase in premium rates for 2025/26 are:

- Higher average claim size, above the rate of inflation
- Higher expected incurred claim numbers for 2023/24, and a higher half year to 31 December 2024. The higher number of claims for 2023/24 aligns with the increase in wages so the claim frequency is stable.
- Including the retrospective allowance for the new 2023 Act, partially offset by a reduction in the CISS levy

partially offset by:

- Increase in returned wages to 2023/24
- Higher growth in employment in the six months to 31 December 2024, compared to last year
- Increase in the market interest rates and decrease in inflation rates
- Decrease in expense rate

The table below shows the detailed 2025/26 premium rate drivers:

Key drivers			
2025/26 average premium rate change			
Internal factors - claims, wages and other			
Increase in 2023/24 expected claim numbers	5.8%		
Change in December 24 half year claim numbers	0.9%		
Average claim size increase more than inflation	8.0%		
Change in superimposed inflation	-0.4%		
Act change (incl retrospective allowance)	2.3%		
Increase in wages	-8.4%		
Decrease in expenses	-0.9%		
<i>Total internal factors - claims, wages and other</i>			6.7%
External economic factors			
Change in market interest rates	-0.3%		
Change in inflation rates	-0.3%		
Change in employment in half year to December 2024	-0.6%		
<i>Total external economic factors</i>			-1.3%
Total 2024/25 average premium rate change			5.3%

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	2023/24	2024/25	2025/26	Difference (a)
A - Agriculture, forestry and fishing	5.12	5.02	4.77	-4.9%
B - Mining	1.52	1.54	1.59	3.3%
C - Manufacturing	2.45	2.46	2.47	0.5%
D - Electricity, gas, water and waste services	1.11	1.11	1.24	12.0%
E - Construction	2.15	2.21	2.31	4.7%
F - Wholesale trade	1.44	1.43	1.50	5.0%
G - Retail trade	1.66	1.67	1.68	0.8%
H - Accommodation and food services	1.87	1.87	1.93	3.0%
I - Transport, postal and warehousing	2.93	2.98	3.22	8.2%
J - Information media and telecommunications	0.51	0.47	0.50	5.6%
K - Financial and insurance services	0.25	0.25	0.25	0.0%
L - Rental, hiring and real estate services	0.86	0.89	0.97	9.0%
M - Professional, scientific and technical services	0.37	0.35	0.36	1.5%
N - Administrative and support services	2.17	2.29	2.41	5.1%
O - Public administration and safety	3.02	3.12	3.50	12.3%
P - Education and training	1.45	1.50	1.71	14.0%
Q - Health care and social assistance	1.91	1.88	1.98	5.2%
R - Arts and recreation services	1.87	1.80	1.80	0.3%
S - Other services	1.63	1.54	1.65	7.2%
Overall	1.73	1.73	1.82	5.3%

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

Of the 19 ANZSIC 2006 divisions 1 has decreased and 18 have increased in the 2025/26 premium rate compared to 2024/25.

The only decrease is for division A - Agriculture, forestry and fishing, which has decreased by 4.9% due to favourable experience in recent years in most of the classes within the division.

The most significant increase is for division P - Education and training, which has increased by 14.0% due to unfavourable experience for the largest classes in this division. Division O - Public administration and safety also had a significant increase of 12.3% due to unfavourable experience across most classes in the division.

The overall aggregate premium rate is weighted by wages per division. Therefore, the 5.3% 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 2025/26 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 engineered stone that commenced from 1 July 2024. This should reduce the incidence of claims in relation to the 2025/26 underwriting year 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 2024, excluding disallowed claims there were a total of 40 silicosis claims for 19 claimants, of which 37 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 39 known silicosis claims for 18 claimants for non-mining industries that hadn't been disallowed. The reduction is due to two Silicosis claims reported to 31 December 2023 have been disallowed since then. 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 quarter onwards have mostly been in division Q – Healthcare and social assistance though have been low in size. We have not included an additional allowance for COVID-19 in the 2025/26 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 5.3% increase in the aggregate premium rate, as well as pre and post allowance for the 25% movement cap for both upwards and downwards.

Whilst the number of premium rating classes this year is 516, the tables below only show 515 as class 87901 is newly introduced for 2025/26 and does not have a 2024/25 Gazette rate to compare to.

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 2024/25 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%	111	103	13	227
5% < no. \leq 10%	89	60	0	149
10% < no. \leq 15%	53	28	0	81
15% < no. \leq 20%	19	9	0	28
20% < no. \leq 25%	8	6	0	14
25% < no.	8	8	0	16
Total	288	214	13	515

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

Last year, six classes decreased by more than 25% and 11 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 5.3% increase in rates, without a movement capping of 25%:

Table of movement in Recommended Premium Rates				
Size of Movement	Number of Recommended Rates which:			Total
	Decrease	Increase	Unchanged	
no. ≤ 5%	81	105	13	199
5% < no. ≤ 10%	59	100	0	159
10% < no. ≤ 15%	17	65	0	82
15% < no. ≤ 20%	11	27	0	38
20% < no. ≤ 25%	4	12	0	16
25% < no.	4	17	0	21
Total	176	326	13	515

Four classes decreased by more than 25% and 17 classes increased by more than 25%. Last year, six classes decreased by more than 25% and 11 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%	84	103	13	200
5% < no. ≤ 10%	52	97	0	149
10% < no. ≤ 15%	18	71	0	89
15% < no. ≤ 20%	10	30	0	40
20% < no. ≤ 25%	8	29	0	37
25% < no.	0	0	0	0
Total	172	330	13	515

68% of classes have a rate change (up or down) which is less than 10%, down from 76% last year.

2.4 Minimum premium

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 premium is:

Recommended Minimum Premium			
	Last year's Gazette	Indexed since last change	2025/26 recommended
All Premium Rating Classes	\$305.00	\$312.98	\$310.00

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

This year we were advised to remove the separate minimum premium for householders so one minimum premium applies for all policies.

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)								
	2018	2019	Accident Year ending 30 June					Estimated 2025
			2020	2021	2022	2023	2024	
Gross earned premium (a)	1,056.3	1,161.1	1,232.1	1,436.7	1,606.9	1,931.2	2,213.1	2,159.0
Cumulative claim payments (b)	856.4	954.9	943.2	1,014.6	946.2	828.6	344.2	365.8
Outstanding estimate (c)	22.6	34.4	75.9	134.5	252.6	578.7	1,265.4	1,344.9
Net claims incurred (d)	879.0	989.3	1,019.0	1,149.1	1,198.8	1,407.3	1,609.6	1,710.7
Underwriting profit/loss (e)	177.4	171.8	213.1	287.6	408.1	523.9	603.5	448.3
Commission (f)	35.1	37.3	41.4	42.0	46.1	58.6	68.3	66.7
Other expenses (g)	186.7	189.4	195.4	235.4	230.1	277.2	315.2	307.5
Estimated investment income (h)	25.5	11.4	4.0	13.6	62.6	88.5	104.6	111.1
Estimated profit/loss - \$ (i)	-19.0	-43.5	-19.7	23.8	194.6	276.6	324.5	185.3
- % of gross EP (i)	-2%	-4%	-2%	2%	12%	14%	15%	9%
Loss ratio (j)	83%	85%	83%	80%	75%	73%	73%	79%
					Total profit/loss (k)	412.849	737.346	922.650
					Total profit/loss % of EP (l)	5%	7%	7%
GWP on Gazette Rates (m)	1,151.2	1,263.9	1,367.4	1,481.1	1,654.8	2,037.2	2,084.6	2,190.9
Est EP on Gazette Rates (n)	1,151.2	1,230.1	1,336.3	1,447.0	1,602.7	1,922.5	2,070.3	2,159.0
Difference in EP (o)	94.9	69.1	104.2	10.2	-4.2	-8.7	-142.8	0.0
Estimated profit/loss on Gazette rates (p)	75.9	25.5	84.5	34.1	190.4	267.8	181.7	185.3
	7%	2%	6%	2%	12%	14%	9%	9%
					Total profit/loss (q)	678.300	860.027	1,045.331
					Total profit/loss % of EP (r)	8%	8%	8%
Number of active claims by accident year (s)	108	234	437	883	1,871	4,932	12,707	

Notes: (a), (b) from Appendix G.4 of this report, estimated for the 2025 accident year. Assumed a 0% discount on Gazette rates in 2025.
(c) = Scyne reserves from section 3.1.2 of this report. The 2025 accident year estimated as inflated average claim size x number incurred with 21% assumed paid in DY0 based on the proportion paid for DY0 in 2024. Excludes 5% claim management expense allowance and risk margins.
(d) = (b) + (c)
(e) = (a) - (d)
(f) = brokerage from Appendix D.3 of report x (a)
(g) = {total expense % from Appendix D.3 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 2024 and 2023, 12% CM for 2022 and 11% CM for 2018 to 2021 accident years
(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
- 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 (2023 and 2024) comprise mainly uncertain future estimates. For example, of the total claims incurred for 2024 only 21% has been paid and 79% is the uncertain future estimate
- The whole of 2025 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 2018 to 2021. The contingency margin allowance was 11% for 2018 to 2021. The estimated profit margin was a 2% loss in 2018, a 4% loss in 2019, a 2% loss in 2020 and a 1% profit for 2021
- In 2022, the estimated profit is 12% which is in line with the contingency margin of 12%
- In 2023 and 2024, the estimated profit is 14% and 15%, respectively, which is higher than the contingency margin of 13%
- Therefore, insurers were not making profits over the 2018 to 2021 accident years, though from 2022 the profits are estimated to be in line with allowances in the premium rates
- Compared to last year the estimated profit as a percentage of earned premium has:
 - Remained on par for the 2018, 2019 and 2021 accident years, given the relatively similar proportional change in earned premium and incurred costs
 - Decreased by 3% for 2020 (from a 1% profit to a 2% loss). This is due to claims incurred costs increasing and earned premium decreasing
 - Remained within 1% for 2022 and 2023.
- Had insurers not discounted the recommended premium rates for the 2018 to 2021 accident years, the estimated profit margin (row p) ranges from 4% to 9% below the 11% contingency margin for these years. For 2022, the estimated profit margin would have been on par with the 12% contingency margin. 2023 would have been 1% higher than the 13% contingency margin whilst 2024 would be 4% below.

We provide a very early estimate of the 2025 accident year in the table above. We have considered the experience to December 2024 in our estimate of the incurred cost for 2025, however we do not have any wage information for that period. Assuming no discount to Gazette rates (given the average level of discounting in 2024 was 0.3%), we estimate a profit of 9%. This is below the 13% contingency margin assumed in the 2024/25 premium rates. 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							
	2018	2019	2020	2021	2022	2023	2024	Total
Gross earned premium (a)	1,053.9	1,105.5	1,199.9	1,295.4	1,551.2	1,835.5	2,095.1	10,136.5
Claim payments (b)	847.8	837.6	898.1	963.1	1,080.3	1,165.0	1,307.6	7,099.4
Change in o/s estimate (c)	(96.3)	8.5	(0.6)	157.0	221.1	323.6	338.0	951.2
Net claims incurred (d)	751.4	846.2	897.5	1,120.1	1,301.3	1,488.5	1,645.6	8,050.6
Commission (e)	35.0	35.5	40.4	37.8	44.5	55.7	64.7	313.6
Other expenses (f)	186.3	180.3	190.3	212.3	222.1	263.5	298.4	1,553.1
Underwriting result (g)	81.1	43.6	71.7	(74.8)	(16.7)	27.8	86.4	219.1
Underwriting result % (h)	8%	4%	6%	-6%	-1%	2%	4%	2%
Number of active claims (i)	18,002	18,641	17,907	20,082	20,110	20,334	21,640	

Notes : (a) = from Form WC30 returns for 2023/24 and prior years

(b) = from Form WC20 returns for 2023/24 and prior years

(c) = from Form WC20 returns for 2023/24 and prior years.

This is movement of estimates on an inflated basis not allowing for discounting or expenses or prudential margin.

(d) = (b) + (c)

(e) = commission rate for each financial year x (a) estimated

(f) = {total expense % from attachment D.3 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 and the movement in the net claims incurred is on an inflated, undiscounted basis not including expenses or prudential margin
- 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 2024 on a financial year basis is 2% of gross earned premium, compared to 7% on an accident year basis.

Over 2018 to 2024 we estimate an aggregate investment return of \$384 million, which would have improved the overall profit over the seven-year period to 2024, 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	Estimates of outstanding claims at 30 June 2024 (\$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	
2024	454.752	93.661	55.508	35.085	407.920	149.284	1,196.210
2023	140.852	26.227	16.606	7.489	268.957	84.465	544.594
2022	32.528	7.049	5.146	1.090	145.873	43.495	235.182
2021	7.548	2.364	2.030	0.187	86.050	25.727	123.906
2020	2.924	0.992	0.783	0.087	50.901	13.835	69.521
2019	1.799	0.513	0.490	0.043	21.403	6.818	31.066
2018	1.479	0.454	0.329	0.024	14.139	3.835	20.260
2017	1.206	0.398	0.219	0.010	9.263	3.014	14.111
2016	1.048	0.373	0.155	0.004	6.480	2.494	10.553
2015 & earlier	1.952	0.598	0.448	0.061	23.022	3.979	30.060
Total	646.088	132.629	81.713	44.080	1,034.008	336.946	2,275.464

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 2024 (\$M)					
Acc yr ending 30 June	30 June 2024 values (a)	Inflated values (b)	Infl/disc values (b)	Case estimates	Ratio (c)
2024	1,196.210	1,328.713	1,244.574	614.283	195%
2023	544.594	607.634	565.810	371.671	147%
2022	235.182	265.194	243.663	189.096	124%
2021	123.906	141.190	128.058	109.924	113%
2020	69.521	79.662	71.777	60.820	114%
2019	31.066	36.093	31.893	25.954	120%
2018	20.260	23.707	20.758	8.815	230%
2017	14.111	16.537	14.451	7.985	177%
2016	10.553	12.384	10.805	5.231	202%
2015 & earlier	30.060	32.690	31.427	29.126	103%
Total	2,275.464	2,543.806	2,363.218	1,422.905	160%

Notes: (a) from Appendix E.3.5, excluding claims expenses

(b) includes 5% claims expenses

(c) ratio of actuarial estimates in 30 June 2024 values to case estimates.

The inflated and discounted central estimate at 30 June 2024 is \$2,004.6 million, which is \$358.6 million (17.9%) higher than the \$2,004.6 million estimated at 30 June 2023. The higher estimates are driven by a \$188.0 million (15.2%) increase in case estimates as at 30 June 2024. Payments in the six months to 31 December 2024 were also \$62.6 million higher than the payments in the six months to 31 December 2023, this is despite fewer settlements being processed in the six months to 31 December 2024 due to processing delays attributed to the accurate completion of new forms for the new Act.

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

We have not included an explicit allowance for silicosis claims in our outstanding claims liabilities. Based on the claims experience up to 31 December 2024, excluding disallowed claims there were a total of 40 silicosis claims for 19 claimants, of which 37 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 39 known silicosis claims for 18 claimants for non-mining industries that hadn't been disallowed. The reduction is due to two Silicosis claims reported to 31 December 2023 have been disallowed since then. 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 J.3 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 the 2024 comparison the 2016 and earlier accident years are excluded, for prior year valuation comparisons one less accident year is excluded (e.g. for 2023 only the 2015 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)
2024	2,379.7	2,369.1	0.4%
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%

Notes: (a) = item (b) from Appendix E.3.5 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 E.1.5 + E.1.6)

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

Our inflated estimates are \$10.6 million (0.4%) higher than the insurers' estimates. Last year our estimates were \$17.3 million (0.9%) lower 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.



The table below shows an accident year comparison of our estimates and the insurers' estimates as at 30 June 2024:

Comparison of claim estimates as at 30 June 2024				
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)
2024	1,265.4	1,264.2	1.3	0.1%
2023	578.7	572.0	6.7	1.2%
2022	252.6	262.0	-9.4	-3.6%
2021	134.5	136.1	-1.6	-1.2%
2020	75.9	74.4	1.4	1.9%
2019	34.4	36.1	-1.7	-4.8%
2018	22.6	13.0	9.5	73.1%
2017	15.7	11.2	4.5	40.0%
2016 & earlier	42.9	150.6	-107.7	-71.5%
Total	2,422.7	2,519.7	-97.0	-3.9%
Total excluding 2016 & earlier	2,379.7	2,369.1	10.6	0.4%

Notes:

(a) = item (b) from attachment E.3.5 divided by 1.05 to remove claim expenses

(b) = from consolidated Form WC20 columns (d) + (e)

(c) = (a) - (b)

(d) = [(a) / (b) - 1] x 100

Our estimates are generally higher than insurers for all accident years except 2016 and earlier, 2019, 2021 and 2022.

In total, our inflated estimates excluding earlier years as at 30 June 2024 of \$2,380 million are 18.5% higher than our estimates excluding earlier years as at 30 June 2023 of \$2,008 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.

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 2023/24 experience showed that for:

- Claims incurred up to 30 June 2023, claims reported were 16% higher than expected, claim closure rate was 1% faster than expected and claim payments were 1% higher than expected
- Claim reports for the 2023/24 accident year were 4.8% more than expected, active claims are 2.5% more than expected, payments per claim incurred were lower than expected and average case estimates were higher than prior years.

Over the six months to 31 December 2024 for the 2023/24 and earlier accident years there were 5% more claim reports than expected, claim closures were 2% slower than expected and payments were 8% lower than expected. For the 2024/25 accident year, claim reports were more than expected, claim closures were slower than expected and claim payments were higher 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 2023/24, for claims incurred to 30 June 2023 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	2023	2022	2021	2020	2019	2018	2017	2016 & earlier	Total
A. Estimates at 30 June 2023 (a)	1,047.8	467.8	208.1	104.6	73.7	29.3	19.1	54.2	2,004.6
B. Gross payments 1 July 2023 to 30 June 2024	523.0	228.9	94.4	42.3	39.0	9.1	2.6	24.0	963.4
C. Expenses (b)	26.2	11.4	4.7	2.1	2.0	0.5	0.1	1.2	48.2
D. Assumed investment return (c)	32.4	14.6	6.6	3.4	2.2	1.0	0.7	1.7	62.8
E. = A-B-C+D	531.0	242.1	115.6	63.6	35.0	20.7	17.1	30.8	1,055.9
Updated estimates at 30 June 2024									
F. Revised estimates at 30 June 2024 (d)	565.8	243.7	128.1	71.8	31.9	20.8	14.5	42.2	1,118.6
G. = F-E	34.8	1.6	12.4	8.2	-3.1	0.0	-2.7	11.5	62.8
Change 1 July 2023 to 30 June 2024									
H. Proportion of change attributable to									
Changes in real rates of return	-2.2	-1.0	-0.6	-0.3	-0.2	-0.1	-0.1	-0.2	-4.7
Change in experience	18.8	-7.9	-10.3	1.7	5.5	-0.8	-3.2	-7.9	-4.1
Change in actuarial assumptions	18.2	10.5	23.3	6.8	-8.4	1.0	0.6	19.5	71.6
I. Amount incurred and outstanding for 2023/24 accident year (d)									1,244.6
J. = F + I									2,363.2
Total outstanding liability at 30 June 2024									

Notes: (a) From Appendix E.3.5 of our 19 March 2024 report

(b) Assumed to be 5% of claim payments in 2023/24

(c) Calculated using 4.18% p.a. being the one year forward rate from Appendix D.1 of our 19 March 2024 report

(d) From Appendix E.3.5 of this report.

The table shows that:

- Overall, there was a strain on reserves of \$62.8 million, which is 3.1% of the opening 30 June 2023 estimates. This is mainly due to change in actuarial assumptions which caused a strain of \$71.6 million (3.6% of opening estimates). This is mainly due to total estimates increasing more than expected. In response we have allowed for higher payment factors. This is partially offset by:
 - Real rates of return, which lead to a release of \$4.7 million (0.2% of opening estimates) as interest rates increased and inflation decreased
 - Experience leading to a release of \$4.1 million (0.2% of opening estimates).
- There has been a strain across most accident years except the 2017 and 2019 accident years.

Insurer reconciliation

Reconciliation of insurers' estimates (\$M)									
Accident year ending 30-June	2023	2022	2021	2020	2019	2018	2017	2016 & earlier	Total
A. Inflated estimates at 30 June 2023 (a)	1,162.3	499.5	224.5	115.1	72.7	24.3	15.2	177.3	2,290.8
B. Gross payments 1 July 2023 to 30 June 2024	523.0	228.9	94.4	42.3	39.0	9.1	2.6	24.0	963.4
C. Expenses (b)	26.2	11.4	4.7	2.1	2.0	0.5	0.1	1.2	48.2
D. = A - B - C	613.1	259.2	125.3	70.7	31.7	14.7	12.4	152.0	1,279.2
Updated inflated estimates at 30 June 2024									
E. Revised inflated estimates at 30 June 2024 (c)	600.6	275.1	142.9	78.2	37.9	13.7	11.8	158.1	1,318.3
F. = E - D	-12.5	15.9	17.6	7.5	6.2	-1.0	-0.6	6.1	39.1
Change 1 July 2023 to 30 June 2024									
G. Inflated amount incurred and outstanding for 2023/24 accident year (c)									1,327.4
H. = E + G									2,645.7
Total inflated outstanding liability at 30 June 2024									

Notes: (a) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2023 (see our 19 March 2024 report Appendix E.1.5 + E.1.6) adjusted for 5% claim management expenses

(b) Assumed to be 5% of claim payments in 2023/24

(c) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2024 (as per Appendix E.1.5 + E.1.6) adjusted as per notes (a).

This table shows that:

- Overall, there was a strain on insurer's inflated estimates of \$39.1 million, which is 1.7% of the opening estimates
- Most accident years had strains, except for the 2017, 2018 and 2023 accident years.

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	2023	2022	2021	2020	2019	2018	2017	2016 & earlier	Total
A. Inflated estimates at 30 June 2023 (a)	1,117.0	501.4	223.6	114.8	80.9	32.8	21.5	58.7	2,150.7
B. Gross payments 1 July 2023 to 30 June 2024	523.0	228.9	94.4	42.3	39.0	9.1	2.6	24.0	963.4
C. Expenses (b)	26.2	11.4	4.7	2.1	2.0	0.5	0.1	1.2	48.2
D. = A - B - C	567.8	261.0	124.5	70.4	39.9	23.2	18.8	33.5	1,139.1
Updated inflated estimates at 30 June 2024									
E. Revised inflated estimates at 30 June 2024 (c)	607.6	265.2	141.2	79.7	36.1	23.7	16.5	45.1	1,215.1
F. = E - D	39.9	4.1	16.7	9.3	-3.8	0.5	-2.3	11.6	76.0
Change 1 July 2023 to 30 June 2024									
G. Inflated amount incurred and outstanding for 2023/24 accident year (c)									1,328.7
H. = E + G									2,543.8
Total inflated outstanding liability at 30 June 2024									

On an inflated basis, our estimates had a strain on reserve of \$76.0 million (3.5%).

Overall, our estimates on an inflated basis showed a higher strain on reserve by \$36.9 million compared to insurers.

Comparing the results excluding the 2016 & earlier years our estimates have a strain of \$64.4 million, while insurers have a strain of \$33.0 million. This is mainly driven by:

- A large strain on reserves in our estimates for the 2023 accident year, while the insurers had a release of reserves
- Higher strains on reserves in our estimates for the 2018 and 2020 accident years in our estimate
- Partially offset by smaller strains on reserves or largest releases in our estimates for the 2017, 2019, 2021 and 2022 accident years.

Aside from the large strain for our estimate of the 2023 accident year, the 2021 accident year had the next largest strain for ourselves and the largest strain for insurers. The 2021 accident year has now reached the statute of limitation for lodgement of common law claims. There is still a high portion outstanding for this year, 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 2024:

- 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 2024.

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 2023/24 financial year, split into the 17 different payment types and by accident year.
- Claim payments for the half year to 31 December 2024
- Individual list of claims as at 31 December 2024 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 2024
- Number of Section 92(f), Schedule 2, redemption and lump sum settlements lodged and payments made per quarter from the WorkCover WA claims system
- Lump sum payments split into with and without election, permanent impairment, settlement 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
- Self-insurers' wages for the 2023/24 and 2022/23 financial year with comments for those self-insurers' with large movement.



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 17 (18) returns received:

- 10 (10) required no further action
- 7 (8) 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 total number of insurers reduced this year due to one former insurer who had been in run-off for a long time, no longer being required to submit any returns.

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.

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 half-yearly 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. Following the new 2023 Act the 31 December 2024 payment categories have changed slightly with two new categories of NIHL compensation and Lump sum Settlements added. These are both included in the Lump Sum payment type group.

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.



5.2 Relative premium rates methods

Calculate weighted average rates

The raw premium rate is calculated on an accident year basis for 2018/19 to 2023/24 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 2024	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2023	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 \$3,109 million. This is 6.5% higher than the \$2,918 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
- 35 (34) of 86 sub-divisions
- 36 (35) of 214 groups
- 35 (33) of 516 (517) premium rating classes.

Figures in brackets are last year's. The number of premium rating classes reduce by one this year from 517 to 516 as 96010 and 96011 were merged together, 72121 was removed and 87901 was introduced.

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	%
$x \leq 25\%$	248	48.1%	245	47.4%
$25\% < x \leq 50\%$	143	27.7%	152	29.4%
$50\% < x \leq 75\%$	59	11.4%	53	10.3%
$75\% < x < 100\%$	31	6.0%	34	6.6%
100%	35	6.8%	33	6.4%
Total	516	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.

Over the past two years, 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:

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

After allowing for this adjustment the class credibility increases to 34% and 42% 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 2023/24 accident year, large claims are capped if the incurred cost estimate is greater than \$7.8 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.



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 2023/24 accident year, the minimum incurred cost for which this capping is applied is \$0.52 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 2019 to 2024 accident years, which have a greater than 0% weighting (see above in this section), at class level four (five) claims are capped, while at group, sub-division and division level three (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 C.2.

Normalise partial credibility rates

The PCR's are normalised such that when they are applied to adjusted accident year returned wages for 2023/24 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2024/25 Gazette rates.

The normalised PCR's (NPCR's) are subjected to absolute minimum and maximum rates of \$0.25 and \$12.00 per \$100 of wages. This year we reviewed the minimum and maximum rates and kept them the same as last year after considering the movement for other classes in capping the rates.

Capping the movement of premium rates

In addition, the normalised PCR's post the absolute minimum and maximum adjustment (above) is then further capped in their total movement from the 2024/25 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 NPCR's are normalised once again to the aggregate notional premiums at Gazette 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 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 28 Feb 2025	Inflation rate 28 Feb 2025	Real rate 28 Feb 2025	31 Jan 2024
1	4.25%	3.75%	0.50%	-0.07%
2	3.71%	3.50%	0.21%	0.15%
3	3.63%	3.00%	0.63%	0.06%
4	3.89%	3.00%	0.89%	0.49%
5	4.16%	3.01%	1.15%	0.80%
6	4.40%	3.02%	1.38%	1.06%
7	4.62%	3.03%	1.59%	1.28%
8	4.81%	3.04%	1.77%	1.46%
9	4.97%	3.05%	1.92%	1.58%
10	5.11%	3.06%	2.05%	1.66%
11	5.22%	3.06%	2.16%	1.66%
12	5.31%	3.07%	2.24%	1.64%
13	5.38%	3.08%	2.29%	1.61%
14	5.42%	3.09%	2.32%	1.59%
15	5.43%	3.10%	2.33%	1.56%
16	5.42%	3.11%	2.30%	1.53%
17	5.39%	3.12%	2.27%	1.51%
18	5.36%	3.13%	2.23%	1.48%
19	5.33%	3.14%	2.19%	1.46%
20	5.31%	3.15%	2.16%	1.43%
21	5.28%	3.16%	2.12%	1.40%

For this valuation, there has been an increase in the real rate of return for all years which decreases the liabilities. This is due to increases in the interest rates and decreases in the inflation rates.

The interest rate for one quarter of the first year ahead $[(1 + 4.25\%)^{0.25} - 1] = 1.05\%$ 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.

The discount rates are based on Commonwealth bond yields. While AASB17 includes an allowance for an illiquidity premium we have not included an allowance for this in the discount rates. If an allowance was included it would reduce the outstanding claims liabilities and average premium rate movement slightly. The impact would be relatively small given the weighted mean term of 1.8 years of the outstanding claims liabilities. For example, an illiquidity premium of 0.25% would decrease the outstanding claims liabilities by 0.4% and decrease the average premium rate (excluding the retrospective Act change) to 1.771% from 1.778% is a 0.4% reduction.

See Appendix D.1 for further information.

Employment growth for the half-year to December 2024

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

2.1% has been calculated based on the growth rate factor between the average index in the June 2024 quarter and December 2024 quarter. Over the equivalent period last year, June 2023 to December 2023, there was an increase of 1.5%.

Past general inflation

To determine the minimum premium for all 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 3.0% over 2025/26, this is based on our expectations of CPI growth and is lower than the increase over 2023/24 (4.3%) and expected for 2024/25 (3.1%).

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 D.1.

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 2025/26 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 24	4.2%	0.1%	3.5%	1.3%	4.0%	5.8%	4.1%
30 June 23	3.9%	1.4%	4.6%	2.9%	4.5%	5.3%	4.3%

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

Superimposed inflation for the outstanding claims is 4.1% overall, which is lower than the 4.3% adopted last year driven by reductions for all payment types except for Weekly and Investigation, Legal and Miscellaneous.

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

6.2.2 2025/26 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, though there continues to be a change in claims mix. As a result, we have performed a separate analysis of SII for premium rating purposes. The analysis indicated a SII rate of 2.7% which is lower than the 2.8% adopted last year. See Appendix D.2.2 for more details.

6.3 Expenses

6.3.1 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
	2023/24	2022/23	2021/22	3 yr ave
Commission / Brokerage	3.1%	3.0%	2.9%	3.0%
General Fund Levy	0.9%	1.0%	1.1%	1.0%
Management Expenses	13.4%	13.4%	13.3%	13.3%
Total	17.3%	17.4%	17.2%	17.3%
Total excluding brokerage	14.2%	14.4%	14.3%	14.3%

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 14.3% is lower than the 15.0% last year.

This year the 2023/24 expenses are in line with the three year average so the average premium rate would remain unchanged if a one-year average was used instead. 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.

A combination of these loadings, excluding brokerage, is:

$$\begin{aligned}\text{Gross premium} &= \frac{\text{Risk Premium}}{(1 - \text{total expenses} - \text{contingency margin}) \times \text{interest earned factor}} \\ &= \frac{\text{Risk Premium}}{(1 - 0.143 - 0.13) \times 1.0425^{0.25}}\end{aligned}$$

Gross premium = Risk premium x 1.3614 (combined loading factor)

This is equivalent to a loss ratio of:

Risk premium / Gross Premium = 73.5% excluding brokerage

The 1.3614 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 72.7%. 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. This year we reviewed the minimum and maximum rates and kept them the same as last year after considering the movement for other classes in capping the rates.

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.

These are the same classes excluded as last year. Premium rates for 14 rating classes were increased to the minimum rate, one class was decreased to the maximum premium rate and all other premium rates have reduced by 0.4% as a result of respreading the extra premium generated. This is the same as 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 is the same as 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.

Large claims capping

As detailed in section 5.2, the 2023/24 accident year large claims are capped at \$7.8 million. A cap is also applied for claims above 12% of wages if the claims are between \$0.5 million and \$7.8 million. In both cases, these are the values for the 2023/24 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 2019 to 2024 accident years, which have a greater than 0% weighting (see section 5.2), at class level four (five) claims are capped, while at group, sub-division and division level three (two) claims are capped. The capped large claims represent 0.3% (0.5%) of the 2025/26 premium pool. This percentage is lower than last year, despite more very large claims exceeding the cap due to two very large claims having a 2018/19 accident year so only have a 0.5 weighting.

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 commenced on 1 July 2024. The overall prospective impact of the 2023 Act on the 2025/26 recommended premium rates is 2.8%. 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. The 2.8% is lower than the 3.2% included in the 2024/25 recommended premium rates due to the reduction in the CISS levy. There were no other changes to the 2023 Act change allowance assumptions as there is insufficient time since the new Act commenced to determine the actual impact in the data to 31 December 2024.

We have also included an allowance in the 30 June 2024 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 2024 outstanding claims liability by 1.4%.

We have also allowed for a once-off retrospective impact of the 2023 Act in the recommended premium rates due to the benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior, meaning the premium that was collected for these policies no longer adequately reflects the revised expected claims cost. This once-off impact increases the 2025/26 recommended premium rates by 2.6%. This impact will be removed in the 2026/27 recommended premium rates.

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 2024 and 2025/26 premium rates, though it may be implicitly allowed for within the case estimates.

We have been previously advised that some of the increase in case estimates a few years ago 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. Last year and this year we have observed increases in total estimates for the 2020 and 2021 accident years now that they are beyond the three year statute of limitations period for lodging a common law claim. We will continue to monitor the size of the lump sum settlements to see if there is evidence of whether this has translated into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid. Anecdotally from our discussions with insurers they are an increase in the size of lump sum settlements.

6.8 Board directives

The following WorkCover WA Board directives have been issued:

- All self-insurers, with the exception of 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
- 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 2024/25 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%
- Removal of the special class 96011 - Private Households Employing Staff Occasional Staff and merging the data into the class 96011 - Private Households Employing Staff
- Removal of a separate minimum premium for householders so one minimum premium applies for all policies.
- Including the once-off retrospective Act change allowance in the 2025/26 premium rates.

WorkCover WA Industry Classification Order second edition

We have also allowed for the second edition of the WorkCover WA Industry Classification Order which is effective from and after 4pm, 30 June 2025. In addition to the changes to classes 96010 and 96011 mentioned above, the second edition also contains the following changes:

- Removal of otiose class 72121 - Labour Supply Services Not Elsewhere Classified



- Introduction of class 87901 – Employer Receiving Social Assistance Services, for employers or deemed employers under the Act who are receiving social assistance services
- Minor editorial changes to some classes.

As there is no experience to date for class 87901 – Employer Receiving Social Assistance Services, it relies on the experience of group 879 – Other Social Assistance Services (which currently only comprises class 87900 – Other Social Assistance Services). Therefore, the 2025/26 recommended premium rate for class 87901 is the same as class 87900.

As class 87901 starts to build its own experience over time, its recommended premium rate will reflect more of this experience through the system of hierarchical credibility.



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 17 *Insurance Contracts*.

AASB 17 requires the determination of a central estimate of the present value of the expected future cash flows for incurred claims with a risk adjustment to allow for the inherent uncertainty in the central estimate.



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 adjustment 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 adjustment required to increase the level of sufficiency above 50%.

This leads to the following risk adjustments estimates for different levels of sufficiency. As we present the outstanding claims liabilities on a central estimate and the recommended premium rates in corporate a contingency margin these are not utilised.

Level of sufficiency and risk adjustment				
Level of sufficiency	60%	70%	75%	80%
Risk adjustment	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:



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	1.73%
	1% decrease	-1.68%
Adopted claim reporting rates	DY0 rate decreased from 10.13% to 5.07%	-2.52%
Superimposed inflation	1% increase	1.71%
	1% decrease	-1.66%

The percentage change in the outstanding claim provision as at 30 June 2024 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 2025/26 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	-1.63%
	1% decrease	1.84%
Future inflation rates	1% increase	1.18%
	1% decrease	-1.16%
Superimposed inflation for future accident years	1% increase	1.71%
	1% decrease	-1.69%
Superimposed inflation for both historical and future accident years	1% increase	2.91%
	1% decrease	-2.83%
Claims incurred (allowing for small claims)	6,000 more claims incurred with an average claim size of \$6,000 per claim	2.23%
Expenses	one year average (14.2%) used instead of three year average (14.3%)	0.00%

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.

7.3 Additional sources of uncertainty

7.3.1 Claims management

We understand that over the 2022 financial year, in particular and in earlier years all insurers 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 mostly stabilised since then with an increase in the number of claims managers and a reduction in caseloads to enable more proactive settlement of historical claims, though some insurers have said that caseloads are higher than an ideal range and there is still high turnover of staff. 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, 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, there is continued pressure on wage increases to catch up to CPI increases. Both wage inflation and CPI impact workers compensation claims costs
- 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

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 2.3% (2017 to 2018) to 8.5% (2016 to 2017).

The 2023 and 2024 accident years are expected to reverse this trend, with the number of claims estimated to be incurred increasing from 24,624 in 2022 by 3.2% over 2023 and 4.8% over 2024 to 26,616 in 2024. However, the claim frequency per \$109,630 of wages for 2024 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. While not shown on the graph, the increase in the number of claims for 2023 and 2024 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 the primary psychological injury 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 2024 financial year, there were a higher number of settlements than prior years, especially in the June 2024 quarter. We understand that this is in response to the new Act and uncertainty about the new settlement environment. For the 2023 and earlier accident years, lump sum payments during the year were 1% higher than projected in our previous report, of which the 2023 accident year was 8% higher. The lump sum payments in the 2024 financial year were 4.5% higher than the lump sum payments in the 2023 financial year, after allowing for inflation.

Lump sum payments in the six months to 31 December 2024 are lower than prior years. We understand that this is due to fewer settlements being processed in the six months to 31 December 2024 due to processing delays attributed to the accurate completion of new forms from the 2023 Act. We understand that the delays have reduced since 31 December 2024 so we have allowed for the catch up in settlement payments to occur by 30 June 2025. 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 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 by the 2020 Amendment Act as discussed below. We have taken longer averaging periods for older years to offset this volatility.

Potential change to tax basis for redemption payments

In late February 2025 we were made aware of an issue that may increase the cost of settlements significantly. We understand that redemptions have historically been negotiated on a net of tax wages basis. In mid-February 2025, a legal firm obtained a private ruling from the ATO that tax would be payable on the income compensation portion of a redemption payment, but not on the medical and other components of the settlement. It is unknown if historically claimants who received a lump sum payment paid tax on this as previously the components to the settlements were not shown separately on some settlements.



This could result in changes in settlement negotiations to be based on gross of tax wages rather than net of tax wages which could increase the size of settlement payments.

There is a General Maximum Amount / Income Compensation General Limit (previously known as the Prescribed Amount) that caps the amount of Income Compensation plus Permanent Impairment an injured worker can receive in statutory payments. This will limit the potential increase for some injured workers where their settlement was already close to the General Maximum Amount.

WorkCover WA have requested a global tax ruling from the ATO on this matter.

We have undertaken a high-level estimate of the potential impact, which shows a high-level potential impact of 3% to 4%.

High level estimated impact of redemption payment change from net to gross wages	Min	Max
Gross / net wages based on ABS average weekly earnings (a)	31%	31%
Percentage of ultimate incurred cost for AY24 in inflated/discounted values that are lump sum payments (b)	28%	28%
Proportion lump sums that are redemption / lump sum non-election registered (c)	64%	73%
Proportion of redemption / lump sum non-election payments that are income compensation (d)	63%	70%
Increase in payments after allowing for PA capping (e)	29%	28%
High level estimated impact (assuming all insurers impacted) (f)	3.2%	3.9%

Notes:

- (a) Based on AWE for WA of \$109,360 gross earnings, \$83,761 net earnings using 2024/25 tax rates including 2% Medicare levy
- (b) From 30 June 2024 outstanding claims valuation
- (c) Range of percentage of lump sum payments where no election is registered, from data provided for quarterly review over 2023 and 2024 financial years
- (d) 63% is estimate used in 2022 legislation costing work, 70% is based on future income compensation payments as a percentage of total redemption payments in 6 months of 2024/25, from settlements data provided for 2025/26 RPR
- (e) From data provided for 2022 legislation costing work. The increase for the max scenario of which 70% of lump sum no election payments are income compensation is less than the min scenario with 63% of lump sum no election payments due to more claims being closer to the Prescribed Amount Cap to begin with so more claims can have an increase of less than 31%
- (f) = (b) x (c) x (d) x (e)

There is significant uncertainty in the estimate as it is mostly based on data from the Workers' Compensation and Injury Management Act 1981 Act where:

- the portion of income compensation in the old Act statutory settlements was unknown
- there were a significant number of 92f settlements and whether redemptions and 92f settlements had a similar split in the payment types that made up the settlements.

There is uncertainty about the outcome of the global tax ruling and the response, if any, by WorkCover WA and insurers to this. Therefore, we have not included an allowance in the 2025/26 recommended premium rates for an increase in settlement payments.

We will closely monitor the situation with WorkCover WA and if there is evidence that the settlement size increases, we will work with WorkCover WA to determine the most appropriate response to that including consideration for mid-term premium rate adjustments and/or retrospective allowance.

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 were previously advised that some of the increase in case estimates a few years ago 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.

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 increased from 30 June 2022 to 30 June 2023. In our discussions with insurers last year they noted 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.

In the 2024 financial year, claimants for the 2020/21 financial year reached the three-year statute of limitations. We observed increases in total estimates for both the 2019/20 and 2020/21 accident years since 30 June 2023. In our discussions with insurers this year, it was suggested that the increased timeframe before making a decision on whether or not to pursue common law has resulted in higher levels of whole person impairment for some claims, in addition to longer durations of weekly benefits.

We will continue to monitor the size of the lump sum settlements to see if there is evidence of whether this has translated into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid. As outlined above, from our discussions with insurers, the increases are an increase in the size of lump sum settlements.

We have not included any explicit allowance for the 2020 Amendment Act in the 30 June 2024 outstanding claims valuation and 2025/26 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 2025/26 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.

Likewise, the cost impact for the retrospective allowance could be different to estimated.

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.

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 28 February 2025, WorkCover Queensland had completed the health screening of 1,054 stonemasons exposed to respirable crystalline silica from engineered stone.

282 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:

- 38 have a diagnosis of progressive massive fibrosis
- 17 have a respiratory condition that is not silicosis
- 227 have silicosis.

In WA, as at 31 December 2024, excluding disallowed claims there were a total of 40 silicosis claims for 19 claimants, of which 37 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 39 known silicosis claims for 18 claimants for non-mining industries that hadn't been disallowed. The reduction is due to two Silicosis claims reported to 31 December 2023 have been disallowed since then.

The total average claim size per claimant ranges from \$38,000 to \$1.8 million, with the average per claimant about \$377,000 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 four different accident years

It has been six 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 56 WA workers with silicosis, of which 51 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 2024 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 2025/26 recommended premium rates. There is a ban on the use of engineered stone commencing from 1 July 2024. This should reduce the 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 2025/26 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 2024, we were advised of 436 COVID-19 related claims, of which 125 are disallowed or withdrawn. This is an increase compared to the 349 claims reported as at 31 December 2023, including disallowed or withdrawn claim. The additional claims in this year's data are primarily from class 84010 - Hospitals (except 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 2025/26 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 2024 outstanding claims valuation or the projection of 2025/26 premium rates.

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



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Appendix A Premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates Normalised 2025/26		% Change in Relative Premium Rates		Margins
			Gazette 2023/24	Gazette 2024/25	Relative Prem Rates Uncapped	Restricted	(RES2025/26)/ (GAZ2024/25)/	GAZ2023/24	
A Agriculture, forestry and fishing									
01110 NURSERY PRODUCTION (UNDER COVER)	67.6%	8.8%	4.28	4.25	4.15	4.15	-2.4%	-0.8%	-0.2%
01120 NURSERY PRODUCTION (OUTDOORS)	66.6%	24.0%	4.41	4.36	4.21	4.20	-3.7%	-1.0%	-0.2%
01130 TURF GROWING	65.9%	10.9%	5.31	5.36	5.02	5.01	-6.5%	1.0%	-0.2%
01140 FLORICULTURE PRODUCTION (UNDER COVER)	67.2%	7.5%	4.55	4.56	4.39	4.38	-4.0%	0.2%	-0.2%
01150 FLORICULTURE PRODUCTION (OUTDOORS)	65.2%	8.9%	4.34	4.23	4.06	4.05	-4.2%	-2.6%	-0.2%
01210 MUSHROOM GROWING	58.3%	7.3%	5.40	5.00	4.52	4.51	-9.8%	-7.5%	-0.2%
01220 VEGETABLE GROWING (UNDER COVER)	59.7%	9.2%	4.95	4.64	4.24	4.23	-8.9%	-6.3%	-0.2%
01230 VEGETABLE GROWING (OUTDOORS)	56.2%	36.2%	5.48	4.99	4.42	4.41	-11.7%	-8.9%	-0.2%
01310 GRAPE GROWING	57.2%	24.7%	3.89	3.77	3.19	3.19	-15.6%	-3.0%	-0.2%
01320 KIWIFRUIT GROWING	59.2%	1.6%	4.23	4.04	3.59	3.58	-11.4%	-4.4%	-0.2%
01330 BERRY FRUIT GROWING	59.8%	18.7%	3.88	3.77	3.33	3.32	-11.7%	-3.1%	-0.2%
01340 APPLE AND PEAR GROWING	58.8%	19.7%	3.83	3.62	3.23	3.22	-11.0%	-5.4%	-0.2%
01350 STONE FRUIT GROWING	60.3%	11.1%	4.01	3.80	3.47	3.46	-9.1%	-5.1%	-0.2%
01360 CITRUS FRUIT GROWING	59.4%	11.8%	3.88	3.70	3.31	3.30	-10.8%	-4.7%	-0.2%
01370 OLIVE GROWING	63.2%	9.7%	3.98	4.01	3.61	3.60	-10.1%	0.6%	-0.2%
01390 OTHER FRUIT AND TREE NUT GROWING	59.2%	22.2%	4.62	4.48	3.92	3.91	-12.6%	-3.0%	-0.2%
01410 SHEEP FARMING (SPECIALISED)	67.8%	9.4%	5.77	5.54	5.62	5.61	1.1%	-4.0%	-0.2%
01420 BEEF CATTLE FARMING (SPECIALISED)	69.1%	28.3%	6.68	6.44	6.62	6.61	2.6%	-3.6%	-0.2%
01430 BEEF CATTLE FEEDLOTS (SPECIALISED)	69.0%	5.1%	5.84	5.70	5.78	5.77	1.2%	-2.5%	-0.2%
01440 SHEEP-BEEF CATTLE FARMING	67.7%	16.1%	5.87	5.63	5.70	5.69	1.1%	-4.2%	-0.2%
01450 GRAIN-SHEEP OR GRAIN-BEEF CATTLE FARMING	62.9%	69.7%	5.36	4.91	4.83	4.82	-1.8%	-8.4%	-0.2%
01460 RICE GROWING	73.7%	2.3%	6.17	5.92	6.52	6.50	9.8%	-4.0%	-0.2%
01490 OTHER GRAIN GROWING	60.6%	31.0%	4.92	4.66	4.28	4.27	-8.3%	-5.3%	-0.2%
01510 SUGAR CANE GROWING	62.0%	0.3%	4.98	4.66	4.43	4.42	-5.1%	-6.4%	-0.2%
01520 COTTON GROWING	60.5%	3.8%	4.92	4.56	4.27	4.26	-6.4%	-7.5%	-0.2%
01590 OTHER CROP GROWING N.E.C.	61.0%	9.2%	4.92	4.54	4.31	4.30	-5.3%	-7.8%	-0.2%
01600 DAIRY CATTLE FARMING	67.0%	20.4%	6.24	5.83	5.99	5.98	2.5%	-6.4%	-0.2%
01710 POULTRY FARMING (MEAT)	77.0%	12.0%	4.89	5.40	5.40	5.39	-0.3%	10.5%	-0.2%
01720 POULTRY FARMING (EGGS)	70.4%	15.8%	4.79	4.92	4.84	4.83	-1.9%	2.6%	-0.2%
01800 DEER FARMING	62.5%	1.3%	5.06	4.75	4.53	4.52	-4.8%	-6.1%	-0.2%
01910 HORSE FARMING	63.6%	12.0%	5.74	5.40	5.23	5.22	-3.4%	-5.8%	-0.2%
01920 PIG FARMING	56.9%	17.1%	5.19	4.65	4.23	4.22	-9.2%	-10.3%	-0.2%
01930 BEEKEEPING	60.2%	6.5%	5.18	4.76	4.47	4.46	-6.2%	-8.1%	-0.2%
01990 OTHER LIVESTOCK FARMING N.E.C.	62.0%	6.6%	4.92	4.59	4.37	4.36	-4.8%	-6.7%	-0.2%
02010 OFFSHORE LONGLINE AND RACK AQUACULTURE	75.7%	9.9%	4.19	4.15	4.55	4.54	9.3%	-0.9%	-0.2%
02020 OFFSHORE CAGED AQUACULTURE	67.8%	0.5%	4.62	4.44	4.50	4.49	1.1%	-4.0%	-0.2%
02030 ONSHORE AQUACULTURE	63.5%	11.5%	4.76	4.41	4.34	4.33	-1.7%	-7.5%	-0.2%
03010 FORESTRY	78.6%	28.8%	3.98	4.64	4.49	4.48	-3.5%	16.7%	-0.2%
03020 LOGGING	80.6%	22.7%	5.50	6.87	6.36	6.34	-7.6%	25.0%	-0.2%
04110 ROCK LOBSTER AND CRAB POTTING	73.7%	19.1%	3.80	4.06	4.02	4.01	-1.3%	6.9%	-0.2%
04120 PRAWN FISHING	72.2%	7.5%	3.94	4.26	4.08	4.07	-4.3%	8.0%	-0.2%
04130 LINE FISHING	74.7%	5.3%	4.10	4.59	4.39	4.38	-4.4%	11.9%	-0.2%
04140 FISH TRAWLING, SEINING AND NETTING	70.1%	3.6%	4.17	4.37	4.19	4.18	-4.3%	4.9%	-0.2%
04190 OTHER FISHING	71.4%	11.6%	4.37	4.76	4.47	4.46	-6.2%	8.9%	-0.2%
04200 HUNTING AND TRAPPING	67.0%	5.7%	4.15	4.20	3.99	3.98	-5.1%	1.1%	-0.2%
05100 FORESTRY SUPPORT SERVICES	72.6%	19.5%	4.11	4.27	4.29	4.28	0.2%	3.8%	-0.2%
05210 COTTON GINNING	0.0%	0.0%	6.17	6.07	5.71	5.70	-6.1%	-1.6%	-0.2%
05220 SHEARING SERVICES	64.7%	33.9%	7.01	6.89	6.51	6.50	-5.7%	-1.7%	-0.2%
05290 OTHER AGRICULTURE AND FISHING SUPPORT SERVICES	63.9%	38.0%	5.77	5.67	5.28	5.27	-7.0%	-1.7%	-0.2%

2025/26 recommended premium rates

				Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins
						Normalised 2025/26		Premium Rates		
				Gazette	Gazette	Relative Prem Rates		(RES2025/26)/	(GAZ2024/25)/	Uncapped /
Divn/Class Name		Weighted	Credibility	2023/24	2024/25	Uncapped	Restricted	GAZ2024/25	GAZ2023/24	(RES2025/26)
B	Mining									
06000	COAL MINING	62.2%	38.2%	3.95	4.04	3.52	3.52	-13.0%	2.3%	-0.2%
07000	OIL AND GAS EXTRACTION - ON LAND	36.4%	100.0%	0.25	0.25	0.13	0.25	0.0%	0.0%	47.7%
07001	OIL AND GAS EXTRACTION - OFFSHORE	96.7%	91.9%	0.57	0.69	0.79	0.79	13.6%	21.9%	-0.2%
08010	IRON ORE MINING	80.2%	100.0%	0.87	0.92	1.01	1.00	8.6%	5.8%	-0.2%
08020	BAUXITE MINING	70.4%	12.7%	1.73	1.83	1.75	1.74	-4.9%	5.9%	-0.2%
08030	COPPER ORE MINING	63.1%	37.6%	1.34	1.28	1.21	1.21	-5.6%	-4.3%	-0.2%
08040	GOLD ORE MINING - ABOVE GROUND	70.4%	100.0%	1.86	1.89	1.88	1.88	-0.3%	1.1%	-0.2%
08041	GOLD ORE MINING - UNDERGROUND	68.0%	91.4%	1.89	1.71	1.84	1.84	7.3%	-9.3%	-0.2%
08050	MINERAL SAND MINING	89.7%	70.7%	0.91	1.04	1.17	1.17	12.5%	14.1%	-0.2%
08060	NICKEL ORE MINING	75.5%	70.9%	1.45	1.49	1.57	1.57	5.5%	2.4%	-0.2%
08070	SILVER-LEAD-ZINC ORE MINING	70.2%	24.3%	1.38	1.36	1.39	1.39	2.3%	-1.8%	-0.2%
08090	OTHER METAL ORE MINING	80.8%	39.2%	2.03	2.22	2.36	2.35	5.9%	9.3%	-0.2%
09110	GRAVEL AND SAND QUARRYING	84.1%	19.6%	2.48	2.76	2.99	2.99	8.1%	11.3%	-0.2%
09190	OTHER CONSTRUCTION MATERIAL MINING	82.5%	33.4%	2.50	2.53	2.95	2.95	16.6%	1.3%	-0.2%
09900	OTHER NON-METALLIC MINERAL MINING AND QUARRYING EXCLUDING SALT HARVESTING	92.9%	64.9%	1.46	1.67	1.94	1.94	16.2%	14.5%	-0.2%
09901	OTHER NON-METALLIC MINERAL MINING AND QUARRYING - SALT HARVESTING	93.2%	38.8%	1.15	1.29	1.53	1.53	18.6%	12.5%	-0.2%
10110	PETROLEUM EXPLORATION	52.1%	29.8%	0.68	0.62	0.51	0.50	-18.2%	-8.8%	-0.2%
10120	MINERAL EXPLORATION	50.2%	94.4%	0.86	0.74	0.62	0.62	-16.5%	-13.9%	-0.2%
10900	OTHER MINING SUPPORT SERVICES - ON LAND	72.0%	100.0%	2.55	2.56	2.64	2.63	2.8%	0.3%	-0.2%
10901	OTHER MINING SUPPORT SERVICES - OFFSHORE	56.1%	100.0%	0.76	0.57	0.61	0.61	7.2%	-25.0%	-0.2%
C	Manufacturing									
11110	MEAT PROCESSING	63.9%	66.4%	4.04	4.04	3.70	3.70	-8.6%	0.1%	-0.2%
11120	POULTRY PROCESSING	59.8%	34.0%	4.23	3.84	3.63	3.63	-5.5%	-9.4%	-0.2%
11130	CURED MEAT AND SMALLGOODS MANUFACTURING	68.6%	29.0%	4.74	4.94	4.66	4.66	-5.7%	4.2%	-0.2%
11200	SEAFOOD PROCESSING	78.7%	27.3%	2.76	3.04	3.12	3.11	2.4%	10.1%	-0.2%
11310	MILK AND CREAM PROCESSING	75.6%	19.8%	2.40	2.67	2.60	2.59	-3.0%	11.6%	-0.2%
11320	ICE CREAM MANUFACTURING	76.4%	4.8%	2.64	2.79	2.89	2.89	3.5%	5.7%	-0.2%
11330	CHEESE AND OTHER DAIRY PRODUCT MANUFACTURING	71.2%	26.1%	2.55	2.72	2.60	2.60	-4.4%	6.6%	-0.2%
11400	FRUIT AND VEGETABLE PROCESSING	62.0%	20.9%	3.68	3.45	3.28	3.27	-5.3%	-6.3%	-0.2%
11500	OIL AND FAT MANUFACTURING	67.7%	10.1%	3.05	3.00	2.96	2.95	-1.6%	-1.6%	-0.2%
11610	GRAIN MILL PRODUCT MANUFACTURING	77.7%	16.8%	2.90	2.84	3.23	3.23	13.4%	-1.9%	-0.2%
11620	CEREAL, PASTA AND BAKING MIX MANUFACTURING	73.3%	16.0%	3.11	3.06	3.27	3.27	6.8%	-1.7%	-0.2%
11710	BREAD MANUFACTURING (FACTORY BASED)	70.4%	28.1%	2.66	2.70	2.69	2.68	-0.5%	1.3%	-0.2%
11720	CAKE AND PASTRY MANUFACTURING (FACTORY BASED)	71.9%	20.7%	2.84	2.91	2.93	2.92	0.5%	2.4%	-0.2%
11730	BISCUIT MANUFACTURING (FACTORY BASED)	72.6%	3.9%	2.55	2.73	2.65	2.65	-3.0%	7.2%	-0.2%
11740	BAKERY PRODUCT MANUFACTURING (NON-FACTORY BASED)	70.7%	40.2%	2.14	2.20	2.17	2.17	-1.6%	2.8%	-0.2%
11810	SUGAR MANUFACTURING	0.0%	0.0%	3.09	3.12	3.12	3.11	-0.4%	1.1%	-0.2%
11820	CONFECTIONERY MANUFACTURING	72.2%	8.8%	2.89	2.93	3.00	2.99	2.1%	1.2%	-0.2%
11910	POTATO, CORN AND OTHER CRISP MANUFACTURING	70.8%	5.4%	3.11	3.15	3.16	3.15	0.1%	1.2%	-0.2%
11920	PREPARED ANIMAL AND BIRD FEED MANUFACTURING	65.3%	21.7%	3.49	3.43	3.27	3.27	-4.8%	-1.8%	-0.2%
11990	OTHER FOOD PRODUCT MANUFACTURING N.E.C.	74.8%	34.2%	3.23	3.30	3.47	3.46	4.7%	2.4%	-0.2%
12110	SOFT DRINK, CORDIAL AND SYRUP MANUFACTURING	75.5%	34.8%	1.82	1.92	1.98	1.97	2.7%	5.3%	-0.2%
12120	BEER MANUFACTURING	75.1%	27.5%	1.66	1.74	1.78	1.78	2.4%	5.0%	-0.2%
12130	SPIRIT MANUFACTURING	68.5%	8.0%	1.77	1.74	1.74	1.74	-0.1%	-1.8%	-0.2%
12140	WINE AND OTHER ALCOHOLIC BEVERAGE MANUFACTURING	77.3%	39.9%	1.58	1.77	1.75	1.75	-1.5%	12.4%	-0.2%
12200	CIGARETTE AND TOBACCO PRODUCT MANUFACTURING	74.1%	0.2%	1.92	2.02	2.04	2.04	0.9%	5.1%	-0.2%
13110	WOOL SCOURING	68.6%	0.6%	2.60	2.54	2.56	2.56	0.8%	-2.5%	-0.2%
13120	NATURAL TEXTILE MANUFACTURING	68.1%	3.6%	2.55	2.46	2.49	2.48	0.7%	-3.2%	-0.2%
13130	SYNTHETIC TEXTILE MANUFACTURING	74.0%	4.3%	2.58	2.58	2.74	2.73	5.9%	0.0%	-0.2%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped / Restricted	(RES2025/26)/ GAZ2024/25	(GAZ2024/25)/ GAZ2023/24	Uncapped / (RES2025/26)
13200 LEATHER TANNING, FUR DRESSING AND LEATHER PRODUCT MANUFACTURING	67.7%	6.8%	2.77	2.63	2.69	2.69	1.9%	-5.0%	-0.2%
13310 TEXTILE FLOOR COVERING MANUFACTURING	62.1%	2.8%	3.20	2.98	2.85	2.84	-4.6%	-6.8%	-0.2%
13320 ROPE, CORDAGE AND TWINE MANUFACTURING	62.5%	2.7%	3.05	2.84	2.73	2.73	-3.8%	-7.0%	-0.2%
13330 CUT AND SEWN TEXTILE PRODUCT MANUFACTURING	60.6%	30.5%	3.07	2.82	2.67	2.66	-5.6%	-8.1%	-0.2%
13340 TEXTILE FINISHING AND OTHER TEXTILE PRODUCT MANUFACTURING	62.7%	7.4%	2.72	2.54	2.44	2.44	-4.1%	-6.3%	-0.2%
13400 KNITTED PRODUCT MANUFACTURING	64.2%	2.1%	2.63	2.47	2.42	2.42	-2.1%	-6.2%	-0.2%
13510 CLOTHING MANUFACTURING	64.9%	11.4%	2.14	2.03	2.00	1.99	-1.6%	-5.6%	-0.2%
13520 FOOTWEAR MANUFACTURING	65.7%	2.7%	2.31	2.21	2.18	2.17	-1.5%	-4.5%	-0.2%
14110 LOG SAWMILLING	66.6%	23.9%	3.88	4.02	3.71	3.70	-7.9%	3.4%	-0.2%
14120 WOOD CHIPPING	75.2%	12.5%	3.57	3.96	3.85	3.84	-3.0%	10.9%	-0.2%
14130 TIMBER RESAWING AND DRESSING	69.3%	9.8%	3.67	3.85	3.65	3.65	-5.3%	4.8%	-0.2%
14910 PREFABRICATED WOODEN BUILDING MANUFACTURING	76.9%	18.6%	2.78	2.78	3.07	3.07	10.2%	0.0%	-0.2%
14920 WOODEN STRUCTURAL FITTING AND COMPONENT MANUFACTURING	79.0%	46.7%	2.99	3.05	3.38	3.38	10.9%	2.0%	-0.2%
14930 VENEER AND PLYWOOD MANUFACTURING	83.6%	17.7%	3.06	3.29	3.67	3.66	11.0%	7.8%	-0.2%
14940 RECONSTITUTED WOOD PRODUCT MANUFACTURING	68.7%	5.0%	3.78	3.72	3.72	3.71	-0.2%	-1.4%	-0.2%
14990 OTHER WOOD PRODUCT MANUFACTURING N.E.C.	84.5%	17.8%	3.11	3.09	3.77	3.76	21.8%	-0.6%	-0.2%
15100 PULP, PAPER AND PAPERBOARD MANUFACTURING	93.9%	1.5%	2.51	2.78	3.38	3.38	21.4%	10.8%	-0.2%
15210 CORRUGATED PAPERBOARD AND PAPERBOARD CONTAINER MANUFACTURING	82.7%	20.8%	2.37	2.55	2.81	2.81	9.9%	7.7%	-0.2%
15220 PAPER BAG MANUFACTURING	77.8%	0.7%	2.44	2.53	2.72	2.71	7.5%	3.7%	-0.2%
15230 PAPER STATIONERY MANUFACTURING	78.5%	1.0%	2.41	2.52	2.71	2.71	7.6%	4.5%	-0.2%
15240 SANITARY PAPER PRODUCT MANUFACTURING	74.3%	7.3%	2.63	2.64	2.80	2.79	6.0%	0.4%	-0.2%
15290 OTHER CONVERTED PAPER PRODUCT MANUFACTURING	77.4%	5.5%	2.42	2.49	2.69	2.68	7.8%	2.7%	-0.2%
16110 PRINTING	81.0%	37.6%	1.28	1.35	1.49	1.48	9.5%	5.9%	-0.2%
16120 PRINTING SUPPORT SERVICES	70.1%	16.5%	1.64	1.47	1.65	1.65	12.0%	-10.4%	-0.2%
16200 REPRODUCTION OF RECORDED MEDIA	78.1%	3.9%	1.63	1.70	1.82	1.82	7.3%	4.1%	-0.2%
17010 PETROLEUM REFINING AND PETROLEUM FUEL MANUFACTURING	55.2%	7.7%	0.90	0.90	0.71	0.71	-20.8%	-0.2%	-0.2%
17090 OTHER PETROLEUM AND COAL PRODUCT MANUFACTURING	49.7%	71.1%	0.49	0.50	0.35	0.37	-25.0%	1.4%	6.4%
18110 INDUSTRIAL GAS MANUFACTURING	52.0%	18.8%	2.33	2.29	1.73	1.73	-24.4%	-1.6%	-0.2%
18120 BASIC ORGANIC CHEMICAL MANUFACTURING	51.1%	6.4%	2.53	2.40	1.85	1.85	-22.9%	-5.1%	-0.2%
18130 BASIC INORGANIC CHEMICAL MANUFACTURING	46.9%	40.1%	2.99	3.03	2.01	2.27	-25.0%	1.4%	11.6%
18210 SYNTHETIC RESIN AND SYNTHETIC RUBBER MANUFACTURING	81.5%	13.2%	2.30	2.38	2.69	2.68	12.4%	3.8%	-0.2%
18290 OTHER BASIC POLYMER MANUFACTURING	71.9%	2.0%	2.21	2.24	2.29	2.28	2.0%	0.9%	-0.2%
18310 FERTILISER MANUFACTURING	47.6%	34.4%	2.12	1.91	1.44	1.44	-24.6%	-9.6%	-0.2%
18320 PESTICIDE MANUFACTURING	55.7%	11.5%	1.86	1.73	1.48	1.48	-14.6%	-6.6%	-0.2%
18410 HUMAN PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	70.4%	30.9%	1.71	1.66	1.72	1.72	3.4%	-2.5%	-0.2%
18420 VETERINARY PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	67.2%	3.1%	1.82	1.78	1.75	1.75	-2.0%	-1.8%	-0.2%
18510 CLEANING COMPOUND MANUFACTURING	78.2%	16.4%	1.87	2.14	2.10	2.10	-2.1%	14.2%	-0.2%
18520 COSMETIC AND TOILETRY PREPARATION MANUFACTURING	72.5%	10.9%	2.14	2.34	2.22	2.22	-5.0%	9.3%	-0.2%
18910 PHOTOGRAPHIC CHEMICAL PRODUCT MANUFACTURING	78.6%	0.3%	1.72	1.76	1.94	1.94	10.2%	2.1%	-0.2%
18920 EXPLOSIVE MANUFACTURING	94.3%	40.6%	1.54	1.66	2.09	2.08	25.0%	7.9%	-0.3%
18990 OTHER BASIC CHEMICAL PRODUCT MANUFACTURING N.E.C.	72.0%	17.6%	1.59	1.53	1.65	1.64	7.5%	-4.1%	-0.2%
19110 POLYMER FILM AND SHEET PACKAGING MATERIAL MANUFACTURING	68.0%	15.1%	2.64	2.53	2.58	2.57	1.6%	-4.2%	-0.2%
19120 RIGID AND SEMI-RIGID POLYMER PRODUCT MANUFACTURING	72.1%	41.8%	2.48	2.48	2.57	2.56	3.5%	-0.3%	-0.2%
19130 POLYMER FOAM PRODUCT MANUFACTURING	67.4%	8.9%	2.60	2.52	2.51	2.51	-0.7%	-2.9%	-0.2%
19140 TYRE MANUFACTURING	73.5%	8.0%	2.65	2.51	2.80	2.79	11.4%	-5.6%	-0.2%
19150 ADHESIVE MANUFACTURING	67.0%	8.5%	2.75	2.67	2.65	2.64	-1.2%	-3.0%	-0.2%
19160 PAINT AND COATINGS MANUFACTURING	70.5%	11.9%	2.50	2.39	2.53	2.52	5.5%	-4.4%	-0.2%
19190 OTHER POLYMER PRODUCT MANUFACTURING	58.2%	23.4%	3.19	2.72	2.66	2.66	-2.1%	-15.0%	-0.2%
19200 NATURAL RUBBER PRODUCT MANUFACTURING	72.4%	27.3%	2.39	2.36	2.48	2.48	4.9%	-1.2%	-0.2%
20100 GLASS AND GLASS PRODUCT MANUFACTURING	90.5%	18.9%	3.50	4.02	4.54	4.53	12.9%	14.8%	-0.2%
20210 CLAY BRICK MANUFACTURING	85.3%	24.0%	2.62	2.96	3.21	3.21	8.3%	12.8%	-0.2%
20290 OTHER CERAMIC PRODUCT MANUFACTURING	93.2%	34.4%	3.64	4.16	4.87	4.86	16.7%	14.3%	-0.2%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins	
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped	Restricted	(RES2025/26)/ (GAZ2024/25)	Premium Rates (GAZ2023/24)	Uncapped / (RES2025/26)
20310 CEMENT AND LIME MANUFACTURING	76.2%	20.8%	2.71	2.79	2.96	2.96	2.96	6.0%	2.8%	-0.2%
20320 PLASTER PRODUCT MANUFACTURING	81.9%	13.6%	2.74	2.89	3.22	3.21	3.21	11.0%	5.6%	-0.2%
20330 READY-MIXED CONCRETE MANUFACTURING	75.1%	35.2%	3.01	3.08	3.24	3.23	3.23	4.9%	2.4%	-0.2%
20340 CONCRETE PRODUCT MANUFACTURING	76.1%	30.2%	3.44	3.65	3.76	3.75	3.75	2.9%	5.9%	-0.2%
20900 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING EXCLUDING FIBREGLASS, INSULATION AND STONE PRODUCTS	72.9%	14.0%	3.95	4.02	4.12	4.11	4.11	2.3%	1.9%	-0.2%
20901 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING - FIBREGLASS, INSULATION AND STONE PRODUCTS	74.8%	42.4%	5.25	5.46	5.63	5.62	5.62	3.0%	4.0%	-0.2%
21100 IRON SMELTING AND STEEL MANUFACTURING	70.8%	16.9%	3.00	3.27	3.05	3.04	3.04	-7.0%	8.9%	-0.2%
21210 IRON AND STEEL CASTING	83.5%	25.1%	2.09	2.31	2.50	2.50	2.50	7.9%	10.9%	-0.2%
21220 STEEL PIPE AND TUBE MANUFACTURING	78.8%	38.3%	2.51	2.86	2.84	2.83	2.83	-0.8%	13.7%	-0.2%
21310 ALUMINA PRODUCTION	73.2%	13.1%	2.64	2.59	2.77	2.77	2.77	7.0%	-2.0%	-0.2%
21320 ALUMINIUM SMELTING	81.9%	11.1%	2.53	2.89	2.97	2.97	2.97	2.7%	14.2%	-0.2%
21330 COPPER, SILVER, LEAD AND ZINC SMELTING AND REFINING	80.8%	1.9%	2.35	2.51	2.73	2.72	2.72	8.4%	6.8%	-0.2%
21390 OTHER BASIC NON-FERROUS METAL MANUFACTURING	86.4%	35.9%	2.25	2.49	2.79	2.78	2.78	11.5%	10.9%	-0.2%
21410 NON-FERROUS METAL CASTING	76.3%	1.6%	2.26	2.35	2.48	2.47	2.47	4.9%	4.1%	-0.2%
21420 ALUMINIUM ROLLING, DRAWING, EXTRUDING	77.1%	13.0%	2.16	2.21	2.39	2.39	2.39	8.1%	2.1%	-0.2%
21490 OTHER BASIC NON-FERROUS METAL PRODUCT MANUFACTURING	75.1%	4.5%	2.23	2.31	2.40	2.40	2.40	3.9%	3.4%	-0.2%
22100 IRON AND STEEL FORGING	88.8%	15.7%	2.41	2.73	3.06	3.06	3.06	11.9%	13.6%	-0.2%
22210 STRUCTURAL STEEL FABRICATING	74.7%	56.8%	3.67	3.96	3.93	3.92	3.92	-0.9%	7.9%	-0.2%
22220 PREFABRICATED METAL BUILDING MANUFACTURING	73.9%	22.7%	3.09	3.21	3.27	3.26	3.26	1.6%	4.1%	-0.2%
22230 ARCHITECTURAL ALUMINIUM PRODUCT MANUFACTURING	78.3%	44.5%	2.98	3.15	3.35	3.34	3.34	5.9%	5.8%	-0.2%
22240 METAL ROOF AND GUTTERING MANUFACTURING (EXCEPT ALUMINIUM)	76.9%	16.2%	3.16	3.37	3.49	3.48	3.48	3.2%	6.7%	-0.2%
22290 OTHER STRUCTURAL METAL PRODUCT MANUFACTURING	73.3%	29.0%	3.23	3.23	3.40	3.39	3.39	5.2%	-0.2%	-0.2%
22310 BOILER, TANK AND OTHER HEAVY GAUGE METAL CONTAINER MANUFACTURING	58.5%	41.6%	3.98	3.52	3.34	3.34	3.34	-5.1%	-11.7%	-0.2%
22390 OTHER METAL CONTAINER MANUFACTURING	70.5%	15.6%	3.44	3.27	3.48	3.47	3.47	6.3%	-5.0%	-0.2%
22400 SHEET METAL PRODUCT MANUFACTURING (EXCEPT METAL STRUCTURAL AND CONTAINER PRODUCTS)	74.6%	44.4%	2.98	3.02	3.18	3.18	3.18	5.2%	1.5%	-0.2%
22910 SPRING AND WIRE PRODUCT MANUFACTURING	71.0%	15.9%	3.30	3.24	3.36	3.35	3.35	3.7%	-2.0%	-0.2%
22920 NUT, BOLT, SCREW AND RIVET MANUFACTURING	66.3%	9.9%	3.40	3.25	3.23	3.22	3.22	-0.7%	-4.4%	-0.2%
22930 METAL COATING AND FINISHING	70.2%	33.2%	3.49	3.36	3.51	3.51	3.51	4.5%	-3.8%	-0.2%
22990 OTHER FABRICATED METAL PRODUCT MANUFACTURING N.E.C.	69.5%	50.6%	3.62	3.60	3.61	3.61	3.61	0.2%	-0.7%	-0.2%
23110 MOTOR VEHICLE MANUFACTURING	76.4%	12.3%	2.58	2.69	2.82	2.82	2.82	4.7%	4.5%	-0.2%
23120 MOTOR VEHICLE BODY AND TRAILER MANUFACTURING	72.2%	45.7%	2.63	2.66	2.72	2.71	2.71	1.9%	1.3%	-0.2%
23130 AUTOMOTIVE ELECTRICAL COMPONENT MANUFACTURING	73.6%	5.4%	2.28	2.33	2.41	2.40	2.40	3.1%	2.2%	-0.2%
23190 OTHER MOTOR VEHICLE PARTS MANUFACTURING	68.2%	15.8%	2.27	2.28	2.22	2.22	2.22	-2.6%	0.3%	-0.2%
23910 SHIPBUILDING AND REPAIR SERVICES	82.6%	69.6%	1.47	1.47	1.75	1.74	1.74	18.2%	0.1%	-0.2%
23920 BOATBUILDING AND REPAIR SERVICES	71.7%	24.2%	2.84	2.87	2.92	2.91	2.91	1.4%	1.2%	-0.2%
23930 RAILWAY ROLLING STOCK MANUFACTURING AND REPAIR SERVICES	94.1%	33.0%	1.75	2.12	2.36	2.35	2.35	11.1%	21.2%	-0.2%
23940 AIRCRAFT MANUFACTURING AND REPAIR SERVICES	86.7%	31.3%	1.60	1.74	1.98	1.98	1.98	13.5%	9.3%	-0.2%
23990 OTHER TRANSPORT EQUIPMENT MANUFACTURING N.E.C.	85.1%	11.1%	1.67	1.84	2.04	2.04	2.04	10.8%	9.9%	-0.2%
24110 PHOTOGRAPHIC, OPTICAL AND OPHTHALMIC EQUIPMENT MANUFACTURING	62.2%	8.9%	1.30	1.21	1.16	1.16	1.16	-4.6%	-6.7%	-0.2%
24120 MEDICAL AND SURGICAL EQUIPMENT MANUFACTURING	63.3%	20.9%	1.31	1.19	1.19	1.19	1.19	-0.7%	-8.8%	-0.2%
24190 OTHER PROFESSIONAL AND SCIENTIFIC EQUIPMENT MANUFACTURING	53.5%	38.0%	1.10	0.96	0.85	0.85	0.85	-12.1%	-12.8%	-0.2%
24210 COMPUTER AND ELECTRONIC OFFICE EQUIPMENT MANUFACTURING	56.5%	8.7%	1.79	1.56	1.45	1.45	1.45	-7.3%	-12.7%	-0.2%
24220 COMMUNICATION EQUIPMENT MANUFACTURING	69.5%	17.5%	1.26	1.32	1.25	1.25	1.25	-5.0%	4.7%	-0.2%
24290 OTHER ELECTRONIC EQUIPMENT MANUFACTURING	72.6%	36.0%	0.98	1.02	1.03	1.02	1.02	0.1%	3.9%	-0.2%
24310 ELECTRIC CABLE AND WIRE MANUFACTURING	67.0%	4.8%	1.89	1.80	1.81	1.81	1.81	0.4%	-4.4%	-0.2%
24320 ELECTRIC LIGHTING EQUIPMENT MANUFACTURING	71.3%	15.4%	2.31	2.28	2.36	2.36	2.36	3.7%	-1.6%	-0.2%
24390 OTHER ELECTRICAL EQUIPMENT MANUFACTURING	61.0%	30.9%	1.96	1.75	1.71	1.71	1.71	-2.4%	-10.5%	-0.2%
24410 WHITEWARE APPLIANCE MANUFACTURING	89.8%	1.6%	1.71	1.97	2.20	2.19	2.19	11.3%	15.4%	-0.2%
24490 OTHER DOMESTIC APPLIANCE MANUFACTURING	96.1%	7.3%	1.64	2.05	2.26	2.25	2.25	10.1%	25.0%	-0.2%
24510 PUMP AND COMPRESSOR MANUFACTURING	69.7%	23.6%	1.91	1.80	1.91	1.90	1.90	5.7%	-5.5%	-0.2%
24520 FIXED SPACE HEATING, COOLING AND VENTILATION EQUIPMENT MANUFACTURING	67.8%	28.6%	2.30	2.15	2.24	2.23	2.23	3.8%	-6.5%	-0.2%
24610 AGRICULTURAL MACHINERY AND EQUIPMENT MANUFACTURING	83.4%	27.7%	2.21	2.35	2.64	2.63	2.63	11.9%	6.7%	-0.2%
24620 MINING AND CONSTRUCTION MACHINERY MANUFACTURING	68.5%	100.0%	1.90	1.96	1.87	1.86	1.86	-5.0%	3.2%	-0.2%

2025/26 recommended premium rates

Divn/Class	Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins
				Gazette 2023/24	Gazette 2024/25	Normalised 2025/26		Premium Rates		Uncapped / (RES2025/26)
						Relative Prem Rates	Restricted	(RES2025/26)/ GAZ2024/25	(GAZ2024/25)/ GAZ2023/24	
						Uncapped	Restricted	GAZ2024/25	GAZ2023/24	
24630	MACHINE TOOL AND PARTS MANUFACTURING	70.1%	30.8%	2.18	2.28	2.19	2.19	-3.9%	4.4%	-0.2%
24690	OTHER SPECIALISED MACHINERY AND EQUIPMENT MANUFACTURING	72.5%	25.6%	2.44	2.65	2.54	2.53	-4.6%	8.8%	-0.2%
24910	LIFTING AND MATERIAL HANDLING EQUIPMENT MANUFACTURING	67.9%	61.2%	1.93	1.82	1.88	1.87	2.6%	-5.3%	-0.2%
24990	OTHER MACHINERY AND EQUIPMENT MANUFACTURING N.E.C.	82.9%	58.8%	1.79	1.88	2.12	2.12	12.5%	5.4%	-0.2%
25110	WOODEN FURNITURE AND UPHOLSTERED SEAT MANUFACTURING	72.8%	28.1%	3.24	3.11	3.38	3.37	8.4%	-3.9%	-0.2%
25120	METAL FURNITURE MANUFACTURING	70.3%	16.8%	2.74	2.58	2.76	2.76	6.9%	-5.8%	-0.2%
25130	MATTRESS MANUFACTURING	69.0%	13.7%	3.11	3.00	3.08	3.07	2.4%	-3.6%	-0.2%
25190	OTHER FURNITURE MANUFACTURING	69.3%	15.3%	2.83	2.63	2.82	2.81	6.9%	-7.2%	-0.2%
25910	JEWELLERY AND SILVERWARE MANUFACTURING	77.1%	5.9%	2.64	2.64	2.92	2.91	10.5%	-0.1%	-0.2%
25920	TOY, SPORTING AND RECREATIONAL PRODUCT MANUFACTURING	79.2%	12.3%	2.84	2.89	3.22	3.22	11.4%	1.8%	-0.2%
25990	OTHER MANUFACTURING N.E.C.	75.4%	18.7%	2.83	2.83	3.06	3.05	7.7%	0.2%	-0.2%
D	Electricity, gas, water and waste services									
26110	FOSSIL FUEL ELECTRICITY GENERATION	74.2%	42.9%	0.39	0.49	0.42	0.42	-15.0%	25.0%	-0.2%
26120	HYDRO-ELECTRICITY GENERATION	74.4%	6.2%	0.52	0.58	0.55	0.55	-5.8%	13.0%	-0.2%
26190	OTHER ELECTRICITY GENERATION	73.2%	30.6%	0.71	0.77	0.75	0.75	-3.2%	8.2%	-0.2%
26200	ELECTRICITY TRANSMISSION	100.8%	24.4%	0.57	0.69	0.82	0.82	19.3%	21.0%	-0.2%
26300	ELECTRICITY DISTRIBUTION	97.5%	88.1%	0.60	0.68	0.84	0.84	24.1%	12.5%	-0.2%
26400	ON SELLING ELECTRICITY AND ELECTRICITY MARKET OPERATION	65.2%	44.9%	0.39	0.42	0.36	0.36	-15.1%	10.0%	-0.2%
27000	GAS SUPPLY	107.2%	36.7%	0.45	0.57	0.70	0.70	22.7%	25.0%	-0.2%
28110	WATER SUPPLY	74.2%	87.6%	0.67	0.72	0.72	0.71	-0.2%	6.5%	-0.2%
28120	SEWERAGE AND DRAINAGE SERVICES	69.3%	17.8%	1.02	0.90	1.02	1.02	13.5%	-12.6%	-0.2%
29110	SOLID WASTE COLLECTION SERVICES	92.9%	47.3%	2.69	2.82	3.59	3.53	25.0%	4.8%	-1.8%
29190	OTHER WASTE COLLECTION SERVICES	81.1%	23.4%	2.59	2.57	3.01	3.01	16.8%	-0.6%	-0.2%
29210	WASTE TREATMENT AND DISPOSAL SERVICES	81.1%	25.5%	3.47	3.43	4.04	4.03	17.7%	-1.3%	-0.2%
29220	WASTE REMEDIATION AND MATERIALS RECOVERY SERVICES	82.0%	26.5%	4.44	4.38	5.23	5.22	19.1%	-1.4%	-0.2%
E	Construction									
30110	HOUSE CONSTRUCTION	73.4%	100.0%	1.32	1.33	1.39	1.39	4.9%	0.2%	-0.2%
30190	OTHER RESIDENTIAL BUILDING CONSTRUCTION	87.0%	74.5%	1.15	1.24	1.44	1.44	16.2%	7.2%	-0.2%
30200	NON-RESIDENTIAL BUILDING CONSTRUCTION	65.2%	100.0%	2.28	2.16	2.13	2.13	-1.7%	-5.1%	-0.2%
31010	ROAD AND BRIDGE CONSTRUCTION	72.5%	81.6%	2.63	2.67	2.74	2.73	2.5%	1.2%	-0.2%
31090	OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION	75.6%	100.0%	1.71	1.80	1.85	1.85	2.9%	5.1%	-0.2%
32110	LAND DEVELOPMENT AND SUBDIVISION	75.8%	32.4%	1.93	2.13	2.10	2.10	-1.4%	10.1%	-0.2%
32120	SITE PREPARATION SERVICES	71.1%	100.0%	2.82	2.90	2.88	2.87	-0.8%	2.7%	-0.2%
32210	CONCRETING SERVICES	82.9%	60.2%	3.96	4.21	4.71	4.70	11.5%	6.5%	-0.2%
32220	BRICKLAYING SERVICES	78.5%	29.0%	4.66	5.10	5.24	5.23	2.6%	9.5%	-0.2%
32230	ROOFING SERVICES	68.5%	30.8%	5.16	4.99	5.07	5.06	1.5%	-3.3%	-0.2%
32240	STRUCTURAL STEEL ERECTION SERVICES	81.7%	39.6%	3.86	4.43	4.52	4.51	1.9%	14.7%	-0.2%
32310	PLUMBING SERVICES	69.0%	71.4%	2.44	2.40	2.41	2.41	0.5%	-1.8%	-0.2%
32320	ELECTRICAL SERVICES	80.1%	100.0%	1.26	1.36	1.45	1.44	5.9%	8.2%	-0.2%
32330	AIR CONDITIONING AND HEATING SERVICES	74.5%	64.4%	1.97	2.01	2.11	2.10	4.5%	2.0%	-0.2%
32340	FIRE AND SECURITY ALARM INSTALLATION SERVICES	75.5%	56.0%	1.83	1.85	1.98	1.98	7.0%	1.0%	-0.2%
32390	OTHER BUILDING INSTALLATION SERVICES	67.2%	50.3%	2.52	2.50	2.43	2.42	-3.2%	-0.7%	-0.2%
32410	PLASTERING AND CEILING SERVICES	78.1%	35.3%	4.60	5.06	5.15	5.14	1.6%	10.1%	-0.2%
32420	CARPENTRY SERVICES	75.5%	39.7%	5.11	5.22	5.53	5.52	5.6%	2.3%	-0.2%
32430	TILING AND CARPETING SERVICES	80.6%	29.5%	3.90	4.12	4.51	4.50	9.2%	5.7%	-0.2%
32440	PAINTING AND DECORATING SERVICES	87.7%	44.1%	3.61	4.05	4.54	4.53	11.8%	12.3%	-0.2%
32450	GLAZING SERVICES	72.6%	30.4%	4.17	4.20	4.35	4.34	3.2%	0.7%	-0.2%
32910	LANDSCAPE CONSTRUCTION SERVICES	85.1%	57.1%	2.95	3.05	3.60	3.60	17.9%	3.3%	-0.2%
32920	HIRE OF CONSTRUCTION MACHINERY WITH OPERATOR	76.6%	59.5%	2.74	2.72	3.02	3.01	10.9%	-1.1%	-0.2%
32990	OTHER CONSTRUCTION SERVICES N.E.C.	84.0%	100.0%	2.44	2.54	2.93	2.93	15.2%	4.4%	-0.2%

2025/26 recommended premium rates

Divn/Class	Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins
				Gazette 2023/24	Gazette 2024/25	Normalised 2025/26		Premium Rates		Uncapped / (RES2025/26)
						Relative Prem Rates	Restricted	(RES2025/26)/ GAZ2024/25	(GAZ2024/25)/ GAZ2023/24	
F	Wholesale trade					Uncapped	Restricted	GAZ2024/25	GAZ2023/24	
33110	WOOL WHOLESALING	84.3%	12.8%	2.14	2.39	2.58	2.58	7.9%	11.8%	-0.2%
33120	CEREAL GRAIN WHOLESALING	81.7%	13.2%	2.57	2.56	3.02	3.01	17.5%	-0.4%	-0.2%
33190	OTHER AGRICULTURAL PRODUCT WHOLESALING	83.2%	45.1%	1.64	1.81	1.95	1.95	7.6%	10.7%	-0.2%
33210	PETROLEUM PRODUCT WHOLESALING	64.3%	40.3%	2.42	2.28	2.23	2.23	-2.4%	-5.7%	-0.2%
33220	METAL AND MINERAL WHOLESALING	56.3%	39.4%	3.65	3.19	2.95	2.94	-7.9%	-12.6%	-0.2%
33230	INDUSTRIAL AND AGRICULTURAL CHEMICAL PRODUCT WHOLESALING	62.1%	36.7%	2.17	1.98	1.93	1.93	-2.7%	-8.6%	-0.2%
33310	TIMBER WHOLESALING	74.4%	17.4%	2.03	2.14	2.16	2.16	0.6%	5.8%	-0.2%
33320	PLUMBING GOODS WHOLESALING	81.3%	32.5%	1.63	1.80	1.90	1.89	5.2%	10.7%	-0.2%
33390	OTHER HARDWARE GOODS WHOLESALING	68.9%	72.7%	2.13	2.15	2.11	2.10	-2.1%	0.8%	-0.2%
34110	AGRICULTURAL AND CONSTRUCTION MACHINERY WHOLESALING	76.3%	80.2%	1.29	1.32	1.41	1.41	6.4%	2.6%	-0.2%
34190	OTHER SPECIALISED INDUSTRIAL MACHINERY AND EQUIPMENT WHOLESALING	76.8%	90.0%	0.99	1.01	1.10	1.09	7.9%	1.9%	-0.2%
34910	PROFESSIONAL AND SCIENTIFIC GOODS WHOLESALING	84.5%	61.3%	0.44	0.46	0.53	0.53	14.3%	5.8%	-0.2%
34920	COMPUTER AND COMPUTER PERIPHERAL WHOLESALING	74.6%	35.8%	0.64	0.68	0.69	0.69	1.0%	5.7%	-0.2%
34930	TELECOMMUNICATION GOODS WHOLESALING	72.1%	29.1%	0.82	0.80	0.84	0.84	5.5%	-2.1%	-0.2%
34940	OTHER ELECTRICAL AND ELECTRONIC GOODS WHOLESALING	71.1%	83.7%	0.58	0.54	0.59	0.59	8.7%	-6.4%	-0.2%
34990	OTHER MACHINERY AND EQUIPMENT WHOLESALING N.E.C.	80.1%	86.9%	1.11	1.15	1.28	1.27	10.8%	3.5%	-0.2%
35010	CAR WHOLESALING	60.1%	26.2%	1.68	1.48	1.45	1.44	-2.1%	-12.1%	-0.2%
35020	COMMERCIAL VEHICLE WHOLESALING	61.8%	37.9%	1.60	1.52	1.42	1.41	-7.0%	-4.9%	-0.2%
35030	TRAILER AND OTHER MOTOR VEHICLE WHOLESALING	58.4%	7.5%	2.05	1.84	1.71	1.71	-7.1%	-9.9%	-0.2%
35040	MOTOR VEHICLE NEW PARTS WHOLESALING	65.4%	50.6%	2.08	1.96	1.95	1.95	-0.3%	-6.0%	-0.2%
35050	MOTOR VEHICLE DISMANTLING AND USED PARTS WHOLESALING	62.6%	19.9%	1.87	1.78	1.68	1.68	-6.0%	-4.8%	-0.2%
36010	GENERAL LINE GROCERY WHOLESALING	84.0%	41.0%	2.52	2.67	3.03	3.03	13.5%	6.0%	-0.2%
36020	MEAT, POULTRY AND SMALLGOODS WHOLESALING	79.1%	21.4%	2.94	3.07	3.34	3.34	8.5%	4.4%	-0.2%
36030	DAIRY PRODUCE WHOLESALING	77.5%	9.9%	2.83	2.84	3.15	3.14	10.6%	0.2%	-0.2%
36040	FISH AND SEAFOOD WHOLESALING	83.6%	17.3%	2.54	2.81	3.05	3.04	8.0%	10.8%	-0.2%
36050	FRUIT AND VEGETABLE WHOLESALING	75.5%	45.2%	2.72	2.73	2.94	2.94	7.7%	0.3%	-0.2%
36060	LIQUOR AND TOBACCO PRODUCT WHOLESALING	81.6%	25.4%	2.16	2.25	2.53	2.52	12.0%	4.3%	-0.2%
36090	OTHER GROCERY WHOLESALING	83.9%	41.2%	2.64	2.81	3.17	3.17	12.7%	6.5%	-0.2%
37110	TEXTILE PRODUCT WHOLESALING	71.4%	17.7%	1.30	1.21	1.33	1.33	10.1%	-7.1%	-0.2%
37120	CLOTHING AND FOOTWEAR WHOLESALING	77.3%	31.6%	1.18	1.12	1.31	1.31	17.0%	-5.4%	-0.2%
37200	PHARMACEUTICAL AND TOILETRY GOODS WHOLESALING	88.0%	44.8%	0.81	0.88	1.02	1.02	15.3%	9.3%	-0.2%
37310	FURNITURE AND FLOOR COVERING WHOLESALING	70.0%	23.9%	1.44	1.40	1.44	1.44	2.9%	-2.6%	-0.2%
37320	JEWELLERY AND WATCH WHOLESALING	67.6%	18.1%	1.25	1.18	1.21	1.21	2.9%	-6.0%	-0.2%
37330	KITCHEN AND DININGWARE WHOLESALING	68.4%	8.9%	1.30	1.24	1.27	1.27	2.5%	-4.5%	-0.2%
37340	TOY AND SPORTING GOODS WHOLESALING	67.9%	21.0%	1.29	1.17	1.25	1.25	6.7%	-8.9%	-0.2%
37350	BOOK AND MAGAZINE WHOLESALING	71.0%	7.9%	1.46	1.38	1.49	1.48	7.2%	-5.1%	-0.2%
37360	PAPER PRODUCT WHOLESALING	64.6%	24.6%	1.34	1.22	1.24	1.24	1.2%	-8.6%	-0.2%
37390	OTHER GOODS WHOLESALING N.E.C.	72.6%	31.4%	1.69	1.65	1.76	1.76	6.4%	-2.2%	-0.2%
38000	COMMISSION-BASED WHOLESALING	95.2%	32.9%	0.75	0.79	1.03	0.99	25.0%	5.2%	-3.8%
G	Retail trade									
39110	CAR RETAILING	58.3%	100.0%	1.12	1.06	0.94	0.94	-11.4%	-5.8%	-0.2%
39120	MOTOR CYCLE RETAILING	59.6%	18.3%	1.40	1.41	1.19	1.19	-15.7%	1.1%	-0.2%
39130	TRAILER AND OTHER MOTOR VEHICLE RETAILING	59.0%	18.1%	1.48	1.47	1.26	1.25	-14.5%	-1.2%	-0.2%
39210	MOTOR VEHICLE PARTS RETAILING	69.9%	32.9%	2.10	1.99	2.10	2.10	5.3%	-5.0%	-0.2%
39220	TYRE RETAILING	62.7%	39.1%	2.94	2.84	2.64	2.64	-7.0%	-3.5%	-0.2%
40000	FUEL RETAILING	67.6%	51.4%	2.41	2.33	2.34	2.33	0.2%	-3.4%	-0.2%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped	Restricted	Uncapped / (RES2025/26) / GAZ2024/25	Uncapped / (RES2025/26)
41100 SUPERMARKET AND GROCERY STORES	62.9%	80.4%	2.35	2.25	2.12	2.12	-6.1%	-4.0%	-0.2%
41210 FRESH MEAT AND POULTRY RETAILING EXCLUDING FISH RETAILING	73.6%	30.5%	2.85	2.85	3.01	3.01	5.4%	-0.1%	-0.2%
41211 FISH RETAILING	73.1%	11.9%	2.42	2.48	2.54	2.53	1.9%	2.7%	-0.2%
41220 FRUIT AND VEGETABLE RETAILING	73.1%	40.3%	2.21	2.35	2.32	2.31	-1.7%	6.5%	-0.2%
41230 LIQUOR RETAILING	84.1%	36.1%	2.16	2.32	2.60	2.60	12.1%	7.3%	-0.2%
41290 OTHER SPECIALISED FOOD RETAILING	80.6%	33.8%	1.96	2.21	2.26	2.26	2.1%	13.0%	-0.2%
42110 FURNITURE RETAILING	80.4%	44.2%	2.35	2.39	2.71	2.70	13.2%	1.6%	-0.2%
42120 FLOOR COVERINGS RETAILING	71.7%	30.3%	1.69	1.61	1.74	1.74	7.8%	-4.8%	-0.2%
42130 HOUSEWARE RETAILING	79.1%	27.7%	1.75	1.71	1.98	1.98	15.9%	-2.3%	-0.2%
42140 MANCHESTER AND OTHER TEXTILE GOODS RETAILING	78.3%	25.8%	1.97	2.03	2.21	2.21	8.6%	3.2%	-0.2%
42210 ELECTRICAL, ELECTRONIC AND GAS APPLIANCE RETAILING	89.0%	60.0%	0.88	0.96	1.12	1.12	17.1%	8.8%	-0.2%
42220 COMPUTER AND COMPUTER PERIPHERAL RETAILING	85.7%	13.7%	1.00	1.07	1.24	1.23	14.8%	6.9%	-0.2%
42290 OTHER ELECTRICAL AND ELECTRONIC GOODS RETAILING	76.5%	19.9%	1.12	1.14	1.23	1.23	7.5%	1.9%	-0.2%
42310 HARDWARE AND BUILDING SUPPLIES RETAILING	67.3%	44.9%	2.01	1.86	1.94	1.94	4.2%	-7.5%	-0.2%
42320 GARDEN SUPPLIES RETAILING	68.2%	24.1%	2.14	2.08	2.10	2.09	0.8%	-3.2%	-0.2%
42410 SPORT AND CAMPING EQUIPMENT RETAILING	93.7%	40.7%	0.91	1.06	1.22	1.22	15.5%	16.1%	-0.2%
42420 ENTERTAINMENT MEDIA RETAILING	79.3%	6.8%	1.02	1.04	1.16	1.15	10.6%	2.6%	-0.2%
42430 TOY AND GAME RETAILING	67.2%	18.1%	1.24	1.13	1.20	1.20	5.7%	-8.9%	-0.2%
42440 NEWSPAPER AND BOOK RETAILING	74.1%	29.7%	0.99	0.97	1.05	1.05	8.1%	-1.9%	-0.2%
42450 MARINE EQUIPMENT RETAILING	69.2%	20.9%	1.23	1.12	1.22	1.22	9.4%	-9.5%	-0.2%
42510 CLOTHING RETAILING	81.1%	68.0%	1.68	1.90	1.95	1.95	2.7%	13.1%	-0.2%
42520 FOOTWEAR RETAILING	86.9%	29.4%	1.37	1.61	1.71	1.71	6.0%	17.5%	-0.2%
42530 WATCH AND JEWELLERY RETAILING	72.1%	37.1%	1.60	1.71	1.66	1.65	-3.3%	6.7%	-0.2%
42590 OTHER PERSONAL ACCESSORY RETAILING	81.7%	17.2%	1.90	2.27	2.23	2.22	-2.2%	19.5%	-0.2%
42600 DEPARTMENT STORES	73.5%	19.6%	1.60	1.68	1.69	1.69	0.7%	4.5%	-0.2%
42710 PHARMACEUTICAL, COSMETIC AND TOILETRY GOODS RETAILING	66.9%	79.2%	0.75	0.74	0.72	0.72	-3.9%	-0.3%	-0.2%
42720 STATIONERY GOODS RETAILING	78.6%	19.3%	0.97	1.07	1.10	1.10	2.0%	10.3%	-0.2%
42730 ANTIQUE AND USED GOODS RETAILING	82.0%	21.6%	1.07	1.17	1.26	1.26	7.7%	9.0%	-0.2%
42740 FLOWER RETAILING	68.0%	16.0%	1.30	1.28	1.27	1.27	-1.3%	-1.3%	-0.2%
42790 OTHER STORE-BASED RETAILING N.E.C.	90.3%	54.0%	1.38	1.63	1.79	1.79	9.7%	17.8%	-0.2%
43100 NON-STORE RETAILING	74.9%	20.6%	2.16	2.27	2.32	2.31	1.9%	5.2%	-0.2%
43200 RETAIL COMMISSION-BASED BUYING AND/OR SELLING	51.8%	7.1%	2.31	2.01	1.72	1.71	-14.6%	-13.2%	-0.2%
H Accommodation and food services									
44000 ACCOMMODATION	68.2%	93.3%	2.30	2.20	2.25	2.24	2.1%	-4.4%	-0.2%
45110 CAFES AND RESTAURANTS	87.8%	100.0%	1.62	1.85	2.03	2.03	9.6%	14.6%	-0.2%
45120 TAKEAWAY FOOD SERVICES	65.8%	100.0%	1.02	0.91	0.96	0.96	5.1%	-10.3%	-0.2%
45130 CATERING SERVICES	69.0%	100.0%	2.87	2.84	2.84	2.83	-0.2%	-1.1%	-0.2%
45200 PUBS, TAVERNS AND BARS	68.7%	94.9%	1.80	1.79	1.77	1.77	-1.5%	-0.1%	-0.2%
45300 CLUBS (HOSPITALITY)	74.3%	27.4%	1.82	1.85	1.94	1.93	4.3%	1.9%	-0.2%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped Restricted	(RES2025/26)/ (GAZ2024/25)	(GAZ2024/25)/ (GAZ2023/24)	
I Transport, postal and warehousing									
46100 ROAD FREIGHT TRANSPORT	69.6%	100.0%	5.33	5.20	5.33	5.32	2.2%	-2.5%	-0.2%
46210 INTERURBAN AND RURAL BUS TRANSPORT	90.2%	14.7%	2.30	2.67	2.98	2.97	11.4%	15.8%	-0.2%
46220 URBAN BUS TRANSPORT (INCLUDING TRAMWAY)	93.6%	73.4%	1.91	2.18	2.57	2.56	17.5%	14.0%	-0.2%
46230 TAXI AND OTHER ROAD TRANSPORT	85.1%	8.1%	2.59	2.87	3.16	3.16	10.2%	10.6%	-0.2%
47100 RAIL FREIGHT TRANSPORT	90.2%	51.4%	1.53	1.69	1.98	1.98	16.9%	10.5%	-0.2%
47200 RAIL PASSENGER TRANSPORT	100.2%	61.5%	4.56	5.13	6.55	6.42	25.0%	12.6%	-2.1%
48100 WATER FREIGHT TRANSPORT	89.9%	33.8%	1.81	2.19	2.34	2.33	6.5%	20.9%	-0.2%
48200 WATER PASSENGER TRANSPORT	85.1%	19.2%	2.06	2.19	2.52	2.51	14.6%	6.3%	-0.2%
49000 AIR AND SPACE TRANSPORT	63.2%	87.2%	1.50	1.29	1.36	1.36	4.7%	-13.5%	-0.2%
50100 SCENIC AND SIGHTSEEING TRANSPORT	92.3%	29.4%	2.09	2.42	2.77	2.77	14.3%	15.7%	-0.2%
50210 PIPELINE TRANSPORT	75.5%	36.8%	1.07	1.05	1.16	1.15	10.0%	-1.7%	-0.2%
50290 OTHER TRANSPORT N.E.C.	82.7%	10.5%	1.83	1.93	2.17	2.17	12.4%	5.3%	-0.2%
51010 POSTAL SERVICES	101.5%	21.8%	2.76	3.29	4.02	4.01	22.0%	19.1%	-0.2%
51020 COURIER PICK-UP AND DELIVERY SERVICES	97.7%	33.4%	2.80	3.10	3.92	3.88	25.0%	10.9%	-1.1%
52110 STEVEDORING SERVICES	81.3%	42.4%	3.02	3.29	3.52	3.51	6.8%	8.9%	-0.2%
52120 PORT AND WATER TRANSPORT TERMINAL OPERATIONS	73.6%	59.3%	1.56	1.54	1.65	1.64	7.0%	-1.5%	-0.2%
52190 OTHER WATER TRANSPORT SUPPORT SERVICES EXCLUDING MARINE SALVAGE SERVICE	92.5%	62.0%	1.70	1.89	2.25	2.25	19.2%	11.1%	-0.2%
52191 MARINE SALVAGE SERVICE	82.5%	13.0%	1.98	2.17	2.34	2.34	7.9%	9.5%	-0.2%
52200 AIRPORT OPERATIONS AND OTHER AIR TRANSPORT SUPPORT SERVICES	96.3%	56.1%	1.37	1.56	1.90	1.90	21.3%	13.7%	-0.2%
52910 CUSTOMS AGENCY SERVICES	59.6%	17.1%	1.90	1.57	1.63	1.63	3.4%	-17.4%	-0.2%
52920 FREIGHT FORWARDING SERVICES	57.2%	50.9%	1.87	1.59	1.54	1.53	-3.4%	-15.3%	-0.2%
52990 OTHER TRANSPORT SUPPORT SERVICES N.E.C.	49.8%	44.4%	3.39	2.54	2.42	2.42	-4.9%	-25.0%	-0.2%
53010 GRAIN STORAGE SERVICES	86.1%	55.6%	1.47	1.60	1.81	1.81	13.0%	9.1%	-0.2%
53090 OTHER WAREHOUSING AND STORAGE SERVICES	95.8%	69.6%	1.80	2.22	2.47	2.47	11.1%	23.5%	-0.2%
J Information media and telecommunications									
54110 NEWSPAPER PUBLISHING	52.1%	37.4%	0.47	0.42	0.35	0.35	-16.6%	-10.5%	-0.2%
54120 MAGAZINE AND OTHER PERIODICAL PUBLISHING	49.4%	11.3%	0.44	0.34	0.31	0.31	-7.3%	-23.8%	-0.2%
54130 BOOK PUBLISHING	46.1%	13.3%	0.51	0.38	0.34	0.34	-12.1%	-25.0%	-0.2%
54140 DIRECTORY AND MAILING LIST PUBLISHING	56.6%	3.5%	0.42	0.37	0.34	0.34	-7.4%	-12.5%	-0.2%
54190 OTHER PUBLISHING (EXCEPT SOFTWARE, MUSIC AND INTERNET)	55.6%	4.5%	0.49	0.41	0.39	0.39	-6.1%	-15.3%	-0.2%
54200 SOFTWARE PUBLISHING	85.0%	46.1%	0.25	0.25	0.30	0.30	21.7%	0.0%	-0.2%
55110 MOTION PICTURE AND VIDEO PRODUCTION	91.8%	29.5%	0.75	0.90	0.99	0.99	10.5%	19.0%	-0.2%
55120 MOTION PICTURE AND VIDEO DISTRIBUTION	89.1%	4.5%	0.77	0.81	0.98	0.98	21.1%	5.3%	-0.2%
55130 MOTION PICTURE EXHIBITION	75.1%	20.4%	0.73	0.73	0.79	0.79	7.5%	0.0%	-0.2%
55140 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES	75.6%	8.3%	0.72	0.71	0.79	0.78	9.6%	-1.3%	-0.2%
55210 MUSIC PUBLISHING	89.7%	3.1%	0.71	0.67	0.91	0.84	25.0%	-4.7%	-8.0%
55220 MUSIC AND OTHER SOUND RECORDING ACTIVITIES	101.0%	7.3%	0.79	0.74	1.15	0.93	25.0%	-6.2%	-23.7%
56100 RADIO BROADCASTING	85.6%	24.7%	0.26	0.25	0.32	0.31	25.0%	-5.1%	-3.6%
56210 FREE-TO-AIR TELEVISION BROADCASTING	109.8%	17.3%	0.39	0.43	0.62	0.53	25.0%	9.4%	-15.2%
56220 CABLE AND OTHER SUBSCRIPTION BROADCASTING	80.3%	10.3%	0.43	0.38	0.49	0.47	25.0%	-11.1%	-3.6%
57000 INTERNET PUBLISHING AND BROADCASTING	66.6%	10.8%	0.38	0.35	0.36	0.36	4.9%	-9.2%	-0.2%
58010 WIRED TELECOMMUNICATIONS NETWORK OPERATION	47.2%	18.1%	0.68	0.64	0.46	0.48	-25.0%	-5.5%	4.5%
58020 OTHER TELECOMMUNICATIONS NETWORK OPERATION	45.1%	27.6%	0.75	0.74	0.48	0.56	-25.0%	-0.6%	13.3%
58090 OTHER TELECOMMUNICATIONS SERVICES	52.4%	24.0%	0.63	0.57	0.47	0.47	-17.0%	-9.6%	-0.2%
59100 INTERNET SERVICE PROVIDERS AND WEB SEARCH PORTALS	117.6%	29.8%	0.43	0.54	0.73	0.67	25.0%	25.0%	-7.9%
59210 DATA PROCESSING AND WEB HOSTING SERVICES	43.2%	22.8%	0.58	0.43	0.36	0.36	-17.6%	-25.0%	-0.2%
59220 ELECTRONIC INFORMATION STORAGE SERVICES	63.8%	21.5%	0.52	0.47	0.47	0.47	-0.6%	-8.1%	-0.2%
60100 LIBRARIES AND ARCHIVES	45.7%	13.7%	0.81	0.61	0.53	0.53	-12.7%	-25.0%	-0.2%
60200 OTHER INFORMATION SERVICES	65.4%	9.7%	0.50	0.39	0.47	0.47	19.4%	-21.6%	-0.2%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped Restricted	(RES2025/26)/ (GAZ2024/25)	(GAZ2024/25)/ (GAZ2023/24)	
K Financial and insurance services									
62100 CENTRAL BANKING	42.2%	10.2%	0.25	0.25	0.15	0.25	0.0%	0.0%	39.5%
62210 BANKING	52.0%	50.8%	0.36	0.31	0.27	0.27	-13.8%	-13.6%	-0.2%
62220 BUILDING SOCIETY OPERATION	53.5%	1.5%	0.30	0.27	0.23	0.25	-6.5%	-11.7%	7.2%
62230 CREDIT UNION OPERATION	52.9%	10.1%	0.28	0.25	0.21	0.25	0.0%	-10.4%	15.2%
62290 OTHER DEPOSITORY FINANCIAL INTERMEDIATION	52.3%	11.5%	0.28	0.25	0.21	0.25	0.0%	-10.1%	16.6%
62300 NON-DEPOSITORY FINANCING	48.6%	27.7%	0.25	0.25	0.17	0.25	0.0%	0.0%	30.2%
62400 FINANCIAL ASSET INVESTING	28.7%	51.3%	0.25	0.25	0.10	0.25	0.0%	0.0%	58.8%
63100 LIFE INSURANCE	69.1%	16.4%	0.29	0.28	0.28	0.28	2.9%	-3.9%	-0.2%
63210 HEALTH INSURANCE	72.3%	44.3%	0.39	0.39	0.41	0.41	4.0%	-0.4%	-0.2%
63220 GENERAL INSURANCE	77.8%	59.9%	0.44	0.46	0.50	0.50	8.2%	2.9%	-0.2%
63300 SUPERANNUATION FUNDS	55.9%	22.6%	0.51	0.42	0.41	0.41	-4.0%	-16.6%	-0.2%
64110 FINANCIAL ASSET BROKING SERVICES	18.4%	53.8%	0.25	0.25	0.07	0.25	0.0%	0.0%	73.6%
64190 OTHER AUXILIARY FINANCE AND INVESTMENT SERVICES	37.4%	87.0%	0.25	0.25	0.13	0.25	0.0%	0.0%	46.3%
64200 AUXILIARY INSURANCE SERVICES	69.6%	60.2%	0.31	0.27	0.31	0.31	15.1%	-13.4%	-0.2%
L Rental, hiring and real estate services									
66110 PASSENGER CAR RENTAL AND HIRING	95.2%	30.2%	1.17	1.40	1.60	1.60	14.6%	18.9%	-0.2%
66190 OTHER MOTOR VEHICLE AND TRANSPORT EQUIPMENT RENTAL AND HIRING	92.2%	23.9%	1.30	1.47	1.71	1.71	16.3%	13.5%	-0.2%
66200 FARM ANIMAL AND BLOODSTOCK LEASING	80.9%	1.8%	1.70	1.79	1.98	1.97	10.0%	5.4%	-0.2%
66310 HEAVY MACHINERY AND SCAFFOLDING RENTAL AND HIRING	79.3%	74.8%	1.98	2.09	2.26	2.25	7.7%	5.4%	-0.2%
66320 VIDEO AND OTHER ELECTRONIC MEDIA RENTAL AND HIRING	80.6%	2.4%	1.94	2.04	2.25	2.24	10.1%	4.8%	-0.2%
66390 OTHER GOODS AND EQUIPMENT RENTAL AND HIRING N.E.C.	77.3%	33.1%	2.27	2.26	2.52	2.52	11.4%	-0.7%	-0.2%
66400 NON-FINANCIAL INTANGIBLE ASSETS (EXCEPT COPYRIGHTS) LEASING	75.5%	7.1%	1.69	1.75	1.83	1.83	4.6%	3.4%	-0.2%
67110 RESIDENTIAL PROPERTY OPERATORS	89.0%	57.2%	0.92	1.05	1.17	1.17	11.1%	14.7%	-0.2%
67120 NON-RESIDENTIAL PROPERTY OPERATORS	66.0%	62.2%	0.72	0.67	0.68	0.68	1.6%	-7.0%	-0.2%
67200 REAL ESTATE SERVICES	73.4%	100.0%	0.27	0.26	0.28	0.28	10.4%	-4.8%	-0.2%
M Professional, scientific and technical services									
69100 SCIENTIFIC RESEARCH SERVICES	75.0%	59.5%	0.42	0.48	0.45	0.45	-5.0%	13.0%	-0.2%
69210 ARCHITECTURAL SERVICES	51.6%	64.3%	0.25	0.25	0.19	0.25	0.0%	0.0%	25.9%
69220 SURVEYING AND MAPPING SERVICES	112.5%	67.7%	0.55	0.69	0.89	0.86	25.0%	25.0%	-3.3%
69230 ENGINEERING DESIGN AND ENGINEERING CONSULTING SERVICES	58.3%	100.0%	0.25	0.25	0.21	0.25	0.0%	0.0%	16.3%
69240 OTHER SPECIALISED DESIGN SERVICES	73.5%	38.9%	0.45	0.49	0.48	0.48	-3.2%	8.7%	-0.2%
69250 SCIENTIFIC TESTING AND ANALYSIS SERVICES	97.1%	100.0%	0.69	0.81	0.96	0.96	18.0%	17.7%	-0.2%
69310 LEGAL SERVICES	54.3%	100.0%	0.26	0.25	0.20	0.25	0.0%	-3.8%	19.1%
69320 ACCOUNTING SERVICES	30.8%	100.0%	0.25	0.25	0.11	0.25	0.0%	0.0%	55.8%
69400 ADVERTISING SERVICES	53.8%	46.4%	0.54	0.41	0.42	0.42	2.6%	-25.0%	-0.2%
69500 MARKET RESEARCH AND STATISTICAL SERVICES	92.6%	35.7%	0.25	0.27	0.33	0.33	21.0%	9.6%	-0.2%
69610 CORPORATE HEAD OFFICE MANAGEMENT SERVICES	60.8%	81.1%	1.29	1.22	1.13	1.12	-8.0%	-5.4%	-0.2%
69620 MANAGEMENT ADVICE AND RELATED CONSULTING SERVICES	60.9%	100.0%	0.46	0.43	0.40	0.40	-5.6%	-7.6%	-0.2%
69700 VETERINARY SERVICES	67.1%	54.5%	1.69	1.58	1.62	1.62	2.5%	-6.3%	-0.2%
69910 PROFESSIONAL PHOTOGRAPHIC SERVICES	88.0%	15.4%	0.59	0.70	0.74	0.74	5.6%	19.3%	-0.2%
69990 OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES N.E.C.	91.8%	40.2%	0.65	0.81	0.85	0.85	5.1%	25.0%	-0.2%
70000 COMPUTER SYSTEM DESIGN AND RELATED SERVICES	31.1%	100.0%	0.25	0.25	0.11	0.25	0.0%	0.0%	55.5%

2025/26 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Uncapped / (RES2025/26)	
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26		(RES2025/26)/ (GAZ2024/25)	(GAZ2024/25)/ (GAZ2023/24)		
					Relative Prem Rates	Restricted				
N	Administrative and support services									
72110	EMPLOYMENT PLACEMENT AND RECRUITMENT SERVICES	66.7%	61.1%	2.37	2.41	2.27	2.27	-6.0%	1.6%	-0.2%
72120	LABOUR SUPPLY SERVICES - PREDOMINANTLY CLERICAL STAFF	71.4%	51.7%	1.98	2.13	2.03	2.02	-4.8%	7.4%	-0.2%
72200	TRAVEL AGENCY AND TOUR ARRANGEMENT SERVICES	78.0%	43.0%	0.70	0.74	0.79	0.79	6.6%	4.7%	-0.2%
72910	OFFICE ADMINISTRATIVE SERVICES	178.6%	69.0%	1.07	1.34	2.75	1.68	25.0%	25.0%	-63.9%
72920	DOCUMENT PREPARATION SERVICES	73.9%	10.0%	1.77	1.87	1.88	1.88	0.4%	5.4%	-0.2%
72930	CREDIT REPORTING AND DEBT COLLECTION SERVICES	79.8%	12.0%	1.66	1.81	1.90	1.89	4.9%	8.9%	-0.2%
72940	CALL CENTRE OPERATION	71.5%	35.0%	1.40	1.43	1.43	1.43	0.2%	2.1%	-0.2%
72990	OTHER ADMINISTRATIVE SERVICES N.E.C.	110.6%	50.5%	0.81	1.01	1.28	1.26	25.0%	25.0%	-1.5%
73110	BUILDING AND OTHER INDUSTRIAL CLEANING SERVICES	78.2%	82.1%	2.26	2.36	2.53	2.53	7.1%	4.6%	-0.2%
73120	BUILDING PEST CONTROL SERVICES	87.7%	30.2%	2.72	3.07	3.43	3.42	11.5%	12.6%	-0.2%
73130	GARDENING SERVICES	90.9%	37.5%	4.17	4.93	5.44	5.43	10.1%	18.2%	-0.2%
73200	PACKAGING SERVICES	78.0%	23.5%	3.15	3.20	3.53	3.52	10.3%	1.3%	-0.2%
O	Public administration and safety									
75100	CENTRAL GOVERNMENT ADMINISTRATION	76.1%	13.2%	0.95	0.95	1.04	1.03	8.4%	0.4%	-0.2%
75200	STATE GOVERNMENT ADMINISTRATION	82.1%	100.0%	1.18	1.22	1.38	1.38	13.5%	3.5%	-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)	56.6%	33.8%	1.64	1.57	1.33	1.33	-15.7%	-3.8%	-0.2%
75400	JUSTICE	82.6%	100.0%	8.24	8.61	9.77	9.75	13.2%	4.5%	-0.2%
75510	DOMESTIC GOVERNMENT REPRESENTATION	82.7%	0.3%	1.06	1.12	1.26	1.26	11.6%	6.1%	-0.2%
75520	FOREIGN GOVERNMENT REPRESENTATION	82.0%	9.5%	0.99	1.06	1.16	1.16	9.5%	7.2%	-0.2%
76000	DEFENCE	74.0%	16.3%	2.39	2.38	2.54	2.53	6.3%	-0.4%	-0.2%
77110	POLICE SERVICES	79.0%	1.8%	4.14	4.16	4.69	4.68	12.7%	0.4%	-0.2%
77120	INVESTIGATION AND SECURITY SERVICES	77.0%	66.0%	3.15	3.09	3.48	3.47	12.2%	-1.7%	-0.2%
77130	FIRE PROTECTION AND OTHER EMERGENCY SERVICES	84.3%	60.7%	5.63	6.05	6.81	6.80	12.3%	7.4%	-0.2%
77140	CORRECTIONAL AND DETENTION SERVICES	67.4%	40.3%	3.56	2.93	3.44	3.44	17.4%	-17.8%	-0.2%
77190	OTHER PUBLIC ORDER AND SAFETY SERVICES	75.7%	31.9%	4.89	4.81	5.31	5.30	10.1%	-1.5%	-0.2%
77200	REGULATORY SERVICES	183.5%	6.8%	1.59	1.99	4.20	2.49	25.0%	25.0%	-68.4%
P	Education and training									
80100	PRESCHOOL EDUCATION	63.6%	17.9%	2.09	1.96	1.91	1.91	-2.8%	-6.3%	-0.2%
80210	PRIMARY EDUCATION	74.1%	80.4%	1.11	1.10	1.18	1.18	7.9%	-1.6%	-0.2%
80220	SECONDARY EDUCATION	76.6%	75.6%	1.04	1.02	1.14	1.14	11.5%	-1.6%	-0.2%
80230	COMBINED PRIMARY AND SECONDARY EDUCATION	85.1%	100.0%	1.95	2.06	2.38	2.38	15.1%	5.9%	-0.2%
80240	SPECIAL SCHOOL EDUCATION	81.1%	12.0%	1.85	1.85	2.15	2.14	15.8%	0.2%	-0.2%
81010	TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING	82.3%	100.0%	1.05	1.08	1.24	1.24	14.7%	2.8%	-0.2%
81020	HIGHER EDUCATION	74.3%	100.0%	0.33	0.32	0.35	0.35	10.8%	-4.0%	-0.2%
82110	SPORTS AND PHYSICAL RECREATION INSTRUCTION	73.2%	31.2%	1.31	1.38	1.37	1.37	-0.2%	5.0%	-0.2%
82120	ARTS EDUCATION	62.8%	18.7%	1.24	1.17	1.12	1.12	-4.7%	-5.6%	-0.2%
82190	ADULT, COMMUNITY AND OTHER EDUCATION N.E.C.	62.2%	47.9%	1.28	1.23	1.15	1.14	-6.7%	-4.6%	-0.2%
82200	EDUCATIONAL SUPPORT SERVICES	84.6%	39.5%	1.09	1.16	1.32	1.32	13.2%	7.0%	-0.2%

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Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates	Uncapped Restricted	(RES2025/26)/ (GAZ2024/25)/	(GAZ2024/25)/ (GAZ2023/24)	
							GAZ2024/25	GAZ2023/24	Uncapped / (RES2025/26)
Q Health care and social assistance									
84010 HOSPITALS (EXCEPT PSYCHIATRIC HOSPITALS)	76.6%	100.0%	1.95	1.96	2.15	2.14	9.2%	0.4%	-0.2%
84020 PSYCHIATRIC HOSPITALS	72.1%	22.0%	1.83	1.78	1.89	1.89	5.8%	-2.5%	-0.2%
85110 GENERAL PRACTICE MEDICAL SERVICES	77.6%	78.2%	0.68	0.66	0.75	0.75	14.5%	-2.9%	-0.2%
85120 SPECIALIST MEDICAL SERVICES	63.6%	82.8%	0.42	0.41	0.38	0.38	-7.1%	-2.0%	-0.2%
85200 PATHOLOGY AND DIAGNOSTIC IMAGING SERVICES	79.1%	100.0%	0.83	0.86	0.94	0.94	8.9%	3.9%	-0.2%
85310 DENTAL SERVICES	64.2%	99.6%	0.52	0.53	0.48	0.48	-11.0%	3.2%	-0.2%
85320 OPTOMETRY AND OPTICAL DISPENSING	69.8%	99.6%	0.41	0.44	0.41	0.41	-7.2%	7.6%	-0.2%
85330 PHYSIOTHERAPY SERVICES	72.4%	99.6%	0.36	0.31	0.37	0.37	21.1%	-14.4%	-0.2%
85340 CHIROPRACTIC AND OSTEOPATHIC SERVICES	151.6%	99.6%	0.41	0.52	0.90	0.65	25.0%	25.0%	-39.1%
85390 OTHER ALLIED HEALTH SERVICES	57.9%	77.5%	1.17	1.14	0.97	0.97	-15.5%	-2.0%	-0.2%
85910 AMBULANCE SERVICES	74.2%	60.2%	3.60	3.70	3.83	3.82	3.4%	2.7%	-0.2%
85990 OTHER HEALTH CARE SERVICES N.E.C.	75.3%	64.7%	1.76	1.79	1.90	1.90	6.1%	1.6%	-0.2%
86010 AGED CARE RESIDENTIAL SERVICES	67.9%	100.0%	2.52	2.47	2.46	2.45	-0.6%	-2.1%	-0.2%
86090 OTHER RESIDENTIAL CARE SERVICES	65.1%	100.0%	2.44	2.24	2.27	2.27	1.4%	-8.1%	-0.2%
87100 CHILD CARE SERVICES	74.5%	97.3%	2.10	2.03	2.25	2.24	10.4%	-3.3%	-0.2%
87900 OTHER SOCIAL ASSISTANCE SERVICES	67.5%	100.0%	2.88	2.76	2.79	2.78	0.9%	-4.3%	-0.2%
87901 EMPLOYER RECEIVING SOCIAL ASSISTANCE SERVICES					2.79	2.78			
R Arts and recreation services									
89100 MUSEUM OPERATION	71.2%	23.0%	1.46	1.44	1.49	1.49	3.7%	-1.8%	-0.2%
89210 ZOOLOGICAL AND BOTANICAL GARDENS OPERATION	64.8%	17.8%	2.16	1.82	2.01	2.01	10.2%	-15.7%	-0.2%
89220 NATURE RESERVES AND CONSERVATION PARKS OPERATION	65.9%	19.2%	2.00	1.74	1.89	1.89	8.4%	-13.0%	-0.2%
90010 PERFORMING ARTS OPERATION	75.6%	23.2%	1.60	1.68	1.74	1.73	2.9%	5.2%	-0.2%
90020 CREATIVE ARTISTS, MUSICIANS, WRITERS AND PERFORMERS	71.1%	24.0%	1.38	1.38	1.41	1.41	1.7%	0.1%	-0.2%
90030 PERFORMING ARTS VENUE OPERATION	75.7%	21.7%	1.24	1.29	1.34	1.34	4.3%	4.0%	-0.2%
91110 HEALTH AND FITNESS CENTRES AND GYMNASIA OPERATION	53.2%	38.0%	1.37	1.14	1.05	1.05	-7.9%	-17.3%	-0.2%
91120 SPORTS AND PHYSICAL RECREATION CLUBS AND SPORTS PROFESSIONALS	67.3%	45.2%	1.50	1.38	1.44	1.44	4.4%	-7.7%	-0.2%
91130 SPORTS AND PHYSICAL RECREATION VENUES, GROUNDS AND FACILITIES OPERATION EXCLUDING SPEEDWAY OPERATION	61.7%	40.5%	1.46	1.36	1.29	1.29	-5.4%	-6.6%	-0.2%
91131 SPEEDWAY OPERATION	56.7%	3.2%	1.63	1.44	1.33	1.33	-7.7%	-12.0%	-0.2%
91140 SPORTS AND PHYSICAL RECREATION ADMINISTRATIVE SERVICE	62.9%	32.5%	1.40	1.34	1.27	1.26	-5.7%	-4.5%	-0.2%
91210 HORSE AND DOG RACING ADMINISTRATION AND TRACK OPERATION	59.2%	33.8%	4.78	4.33	4.06	4.05	-6.5%	-9.4%	-0.2%
91290 OTHER HORSE AND DOG RACING ACTIVITIES	97.5%	100.0%	10.85	12.03	15.17	12.00	-0.2%	10.9%	-26.4%
91310 AMUSEMENT PARKS AND CENTRES OPERATION	70.4%	19.6%	1.91	1.87	1.93	1.92	2.8%	-1.9%	-0.2%
91390 AMUSEMENT AND OTHER RECREATIONAL ACTIVITIES N.E.C.	68.0%	18.4%	2.15	1.93	2.10	2.10	8.3%	-10.2%	-0.2%
92010 CASINO OPERATION	90.5%	61.2%	1.30	1.54	1.69	1.69	9.4%	18.5%	-0.2%
92020 LOTTERY OPERATION	89.6%	21.5%	0.98	1.15	1.26	1.25	8.7%	18.0%	-0.2%
92090 OTHER GAMBLING ACTIVITIES	88.2%	9.9%	1.15	1.34	1.46	1.46	8.6%	16.3%	-0.2%

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Divn/Class Name	Weighted Loss Ratio	Credibility	Relative Premium Rates		Relative Premium Rates		% Change in Relative Premium Rates		Margins
			Gazette 2023/24	Gazette 2024/25	Normalised 2025/26 Relative Prem Rates Uncapped	Normalised 2025/26 Relative Prem Rates Restricted	(RES2025/26)/ (GAZ2024/25)	(GAZ2024/25)/ (GAZ2023/24)	
S Other services									
94110 AUTOMOTIVE ELECTRICAL SERVICES	61.3%	35.4%	2.31	2.13	2.03	2.03	-5.0%	-7.6%	-0.2%
94120 AUTOMOTIVE BODY, PAINT AND INTERIOR REPAIR	68.1%	61.8%	2.21	2.00	2.16	2.15	7.8%	-9.6%	-0.2%
94190 OTHER AUTOMOTIVE REPAIR AND MAINTENANCE	64.4%	81.0%	2.64	2.42	2.44	2.43	0.6%	-8.5%	-0.2%
94210 DOMESTIC APPLIANCE REPAIR AND MAINTENANCE	71.8%	13.8%	1.65	1.46	1.70	1.70	16.4%	-11.6%	-0.2%
94220 ELECTRONIC (EXCEPT DOMESTIC APPLIANCE) AND PRECISION EQUIPMENT REPAIR AND MAINTENANCE	120.1%	40.9%	0.81	1.01	1.39	1.26	25.0%	25.0%	-10.3%
94290 OTHER MACHINERY AND EQUIPMENT REPAIR AND MAINTENANCE	74.9%	100.0%	1.56	1.46	1.68	1.68	15.2%	-7.0%	-0.2%
94910 CLOTHING AND FOOTWEAR REPAIR	63.4%	10.3%	1.80	1.65	1.63	1.63	-1.1%	-8.2%	-0.2%
94990 OTHER REPAIR AND MAINTENANCE N.E.C.	73.4%	14.9%	1.76	1.81	1.85	1.85	2.0%	3.0%	-0.2%
95110 HAIRDRESSING AND BEAUTY SERVICES	78.0%	65.8%	1.01	1.06	1.13	1.13	6.5%	4.8%	-0.2%
95120 DIET AND WEIGHT REDUCTION CENTRE OPERATION	76.7%	4.7%	1.04	1.07	1.14	1.14	6.4%	3.3%	-0.2%
95200 FUNERAL, CREMATORIUM AND CEMETERY SERVICES	87.3%	27.6%	1.93	1.91	2.41	2.39	25.0%	-0.6%	-0.9%
95310 LAUNDRY AND DRY-CLEANING SERVICES EXCLUDING INDUSTRIAL LAUNDRY SERVICES	82.7%	19.1%	2.35	2.45	2.79	2.78	13.5%	4.3%	-0.2%
95311 INDUSTRIAL LAUNDRY SERVICES	78.3%	23.4%	3.20	3.43	3.60	3.59	4.7%	7.0%	-0.2%
95320 PHOTOGRAPHIC FILM PROCESSING	80.4%	2.5%	2.21	2.31	2.55	2.54	10.0%	4.6%	-0.2%
95330 PARKING SERVICES	95.1%	8.6%	2.08	2.35	2.84	2.84	20.7%	12.8%	-0.2%
95340 BROTHEL KEEPING AND PROSTITUTION SERVICES	81.0%	4.0%	2.19	2.28	2.54	2.54	11.1%	4.4%	-0.2%
95390 OTHER PERSONAL SERVICES N.E.C.	78.6%	19.5%	2.31	2.31	2.61	2.60	12.5%	0.0%	-0.2%
95400 RELIGIOUS SERVICES	66.0%	51.0%	1.13	1.03	1.07	1.07	3.4%	-8.7%	-0.2%
95510 BUSINESS AND PROFESSIONAL ASSOCIATION SERVICES	60.1%	46.4%	0.96	0.91	0.83	0.83	-9.7%	-4.8%	-0.2%
95520 LABOUR ASSOCIATION SERVICES	64.7%	31.0%	1.34	1.27	1.24	1.24	-2.7%	-4.8%	-0.2%
95590 OTHER INTEREST GROUP SERVICES N.E.C.	66.6%	96.3%	1.24	1.18	1.18	1.18	0.4%	-5.1%	-0.2%
96010 PRIVATE HOUSEHOLDS EMPLOYING STAFF	74.7%	38.2%	1.47	1.51	1.58	1.57	4.5%	2.3%	-0.2%
96020 UNDIFFERENTIATED GOODS-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2025/26 Restricted these are dollar premiums (see Recommended Minimum Premium - All Premium Rating Classes) while for 2025/26 Uncapped these are true rates)			100.00	100.00	1.59	310.00	210.0%	0.0%	
96030 UNDIFFERENTIATED SERVICE-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2025/26 Restricted these are dollar premiums (see Recommended Minimum Premium - All Premium Rating Classes) while for 2025/26 Uncapped these are true rates)			100.00	100.00	1.59	310.00	210.0%	0.0%	

Appendix 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 2024:

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.

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 2024.

Form WC30

Form WC30 contains the following information:

- Premium information
 - Gross written premium for the year to 30 June 2024
 - Earned premium for the year to 30 June 2024
 - Earned but not yet raised premium for burner policies split into the last six financial years.
- Expenses for the year to 30 June 2024
 - 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
- Diversified 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 2024.

Payments data for 2023/24

The payment data provided by WorkCover WA are split payments by accident year and into 17 different categories as follows:

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

This data was provided for the 2023/24 financial year and the half year to 31 December 2024.

Individual list of all 2004/05 to 2024/25 claims

We were provided with a list of each claim with an accident date from 1 July 2004 to 31 December 2024. This data contained:

- Claim number
- Occurrence date
- Insurer received date
- Finalisation date
- Reopened date
- Total payments and split into by payment type
- Total estimate
- Date of birth
- Age group
- Insurer type
- Nature of injury
- Claim type (e.g., Disallowed or Disease)
- Settlement type
- Current claim status description
- 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, large claims analysis as well as to undertake analysis on the forward-looking superimposed inflation.

In addition, based on the information above and the Silicosis and COVID flags, 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 2024 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 Section 92(f), Schedule 2, redemption and lump sum number of claims and payments by quarter reported from September 2018 for insurers only.

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

Lump sum payments in the 2023/24 financial year

We received a report that provides the lump sum payments over the financial year, separated by accident year and split into lump sum election registered, lump sum no election registered, lump sum permanent impairment and lump sum settlement. 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 sum election registered, lump sum no election registered, lump sum permanent impairment and lump sum settlement. It also has the total number of settlements and legal payments.

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 17 (18) returns received:

- 10 (10) required no further action
- 7 (8) 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 total number of insurers reduced this year due to one former insurer who had been in run-off for a long time, no longer being required to submit any returns.

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.

Appendix 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
- 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 2018/19 to 2023/24 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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
0	1.679	1.652	1.641	1.534	1.551
1	1.172	1.160	1.117	1.088	1.078
2	1.056	1.040	1.031	1.014	1.032
3	1.022	1.014	1.010	1.017	1.019
4	1.015	1.018	1.007	1.018	1.014
5	1.009	1.015	1.007	1.016	1.007
6	1.016	1.011	1.014	1.012	1.016
7	1.009	1.006	1.011	1.016	1.014

Development Year	Adjustment Factors for Earned Wages				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
0	1.037	1.033	1.024	1.019	1.008
1	1.009	1.009	1.004	1.002	0.996
2	1.005	1.004	1.001	0.998	0.995
3	1.003	1.002	1.000	0.999	0.996
4	1.002	1.001	1.002	1.001	0.999
5	1.000	1.000	1.000	1.000	1.000
6	1.000	1.000	1.000	0.999	1.000
7	1.000	1.000	1.000	1.000	1.000

Development Year	Adjustment Factors for Written Wages				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
0	1.052	1.043	1.035	1.032	1.023
1	1.013	1.011	1.010	1.009	1.003
2	1.002	1.001	1.002	1.002	1.001
3	1.000	0.999	0.999	0.998	1.000
4	0.999	0.998	0.999	1.000	0.999
5	1.000	1.000	1.000	1.001	0.999
6	0.999	0.998	0.998	0.999	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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
0	1.167	1.131	1.105	1.064	1.058
1	1.093	1.067	1.049	1.021	1.016
2	1.059	1.032	1.018	0.998	0.996
3	1.007	1.002	0.996	0.988	0.997
4	1.004	1.002	0.997	0.995	0.998
5	1.003	1.000	0.997	0.996	0.998
6	1.001	1.000	0.998	0.999	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 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
0	1.083	1.058	1.067	1.020	1.014
1	1.024	1.009	1.022	0.988	0.986
2	1.020	1.008	1.024	0.993	0.995
3	0.982	0.992	1.013	1.001	1.007
4	1.000	0.997	1.009	0.998	0.999
5	1.000	0.996	0.996	0.991	0.993
6	1.001	1.000	0.999	0.998	1.000
7	1.000	1.000	0.999	0.999	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:

Weightings	Development year					
	0	1	2	3	4	5
30 June 2024	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2023	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)	97,884
Estimated claim frequency (b)	2.3%
n	720
σ/m	0.175
Number of claims for full credibility (c)	742
Number of employees for full credibility (d)	31,764
Indexed wages for full credibility (e)	3,109,190,212

Notes: (a) = estimated average full time adult ordinary time earnings over 2023/24

= $(2107.70 + 2094.30) / 2 \times 52.18$ (ABS Cat 6302.0) / 3 year inflation factor (= 1.120) to adjust to the same base as weighted average wages

(b) from Appendix H being an average of claims experience over the 2019 to 2023 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 \$3,109 million. This is 6.5% higher than the \$2,918 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:

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

where: n_1 = returned wages for the industry class

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:

$$\text{PCR} = \text{WAR}$$

i.e.: $\text{PCR} = \text{full credibility premium rate.}$

Under this method the following obtained full credibility:

- 19 (19) of 19 divisions
- 35 (34) of 86 sub-divisions
- 36 (35) of 214 groups
- 35 (33) of 516 (517) premium rating classes.

Figures in brackets are last year's. The number of premium rating classes reduced by one this year, from 517 to 516, as 96010 and 96011 were merged together, 72121 was removed and 87901 was introduced. This occurred following a review by WorkCover in consultation with insurers.

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	%
$x \leq 25\%$	248	48.1%	245	47.4%
$25\% < x \leq 50\%$	143	27.7%	152	29.4%
$50\% < x \leq 75\%$	59	11.4%	53	10.3%
$75\% < x < 100\%$	31	6.0%	34	6.6%
100%	35	6.8%	33	6.4%
Total	516	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:

Group	Rating Classes	Z based on aggregate wages
A	85310 - Dental Services	1.00
	85320 - Optometry and Optical Dispensing	1.00
	85330 - Physiotherapy Services	1.00
	85340 - Chiropractic and Osteopathic Services	1.00

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.

Over the past two years, 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:

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

After allowing for this adjustment the class credibility increases to 34% and 42% 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.

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)
2019	0.436	6.546
2020	0.451	6.769
2021	0.462	6.927
2022	0.478	7.170
2023	0.504	7.561
2024	0.517	7.758

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 2019 to 2024 accident years (those with a greater than 0% weight to calculate the WAR) there are four (five) claims capped at class level, but only three (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 0.3% (0.5%) of the total premium pool for 2025/26. This percentage is lower than last year, despite more very large claims exceeding the cap due to two very large claims having a 2018/19 accident year so only have a 0.5 weighting.

Normalise partial credibility rates

The PCRs are normalised such that when they are applied to adjusted accident year returned wages for 2023/24 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2024/25 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.

This year, we performed a review of the minimum and maximum premium rate capping for the 2025/26 and future recommended premium rates. The details of our findings are contained in our *Review of minimum and maximum premium rates* report dated March 2025. The key recommendations from our review were:

- For the minimum and maximum premium rate caps to be applied to the 2025/26 and future recommended premium rates remain unchanged at \$0.25 and \$12.00 per \$100 wages, until the next review occurs.
- Maintain 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
- For classes 96020 and 96030 we recommend continuing to use the dollar value of the minimum premium (\$310 for 2025/26) 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.
- Consideration was made regarding increasing the maximum premium rate given how high the true rate is for class 91290 - Other Horse And Dog Racing Activities. However we kept the maximum rate at \$12 per \$100 in wages given increasing the maximum rate has a negligible impact on the premium respread to other classes and insurers have the ability to charge rates

different to the Gazette rate so can charge a rate that aligns with the experience of the policyholder.

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 2024/25 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.

Appendix D Assumptions

D.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 28 Feb 2025	Inflation rate 28 Feb 2025	Real rate 28 Feb 2025	31 Jan 2024
1	4.25%	3.75%	0.50%	-0.07%
2	3.71%	3.50%	0.21%	0.15%
3	3.63%	3.00%	0.63%	0.06%
4	3.89%	3.00%	0.89%	0.49%
5	4.16%	3.01%	1.15%	0.80%
6	4.40%	3.02%	1.38%	1.06%
7	4.62%	3.03%	1.59%	1.28%
8	4.81%	3.04%	1.77%	1.46%
9	4.97%	3.05%	1.92%	1.58%
10	5.11%	3.06%	2.05%	1.66%
11	5.22%	3.06%	2.16%	1.66%
12	5.31%	3.07%	2.24%	1.64%
13	5.38%	3.08%	2.29%	1.61%
14	5.42%	3.09%	2.32%	1.59%
15	5.43%	3.10%	2.33%	1.56%
16	5.42%	3.11%	2.30%	1.53%
17	5.39%	3.12%	2.27%	1.51%
18	5.36%	3.13%	2.23%	1.48%
19	5.33%	3.14%	2.19%	1.46%
20	5.31%	3.15%	2.16%	1.43%
21	5.28%	3.16%	2.12%	1.40%

For this valuation, there has been an increase in the real rate of return for all years which decreases the liabilities. This is due to increases in the interest rates and decreases in the inflation rates.

The interest rate for one quarter of the first year ahead $[(1 + 4.25\%)^{0.25} - 1] = 1.05\%$ 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 28 February 2025.

The interest rate for the 2025 financial year is set using the actual one month forward rates from July 2024 to February 2025, along with the monthly forward rates for March 2025 to June 2025, which are obtained by fitting a curve to the 28 February 2025 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 16 to the long-term rate at year 50. This approach is in line with the last valuation.

The discount rates are based on Commonwealth bond yields. While AASB17 includes an allowance for an illiquidity premium we have not included an allowance for this in the discount rates. If an allowance was included it would reduce the outstanding claims liabilities and average premium rate movement slightly. The impact would be relatively small given the weighted mean term of 1.8 years of the outstanding claims liabilities. For example, an illiquidity premium of 0.25% would decrease the outstanding claims liabilities by 0.4% and decrease the average premium rate (excluding the retrospective Act change) to 1.771% from 1.778% is a 0.4% reduction.

To set the **future wage inflation** assumption for our outstanding claims review we consider the wage price index inflation assumptions produced by the WA Department of Treasury for the *Government Mid-year Financial Projections Statement 2024-25* 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)
2025	3.75%	3.75%
2026	3.50%	3.50%
2027	3.00%	3.00%
2028	3.00%	3.00%

Notes: (a) from *Government Mid-year Financial Projections Statement 2024-25* 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 3.25% after 30 years. We have assumed a smooth progression of wage inflation increasing from 3.00% in 2028 to a rate of 3.25% in 2054. 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
2010	1,364.10	1,375.77	5.85%	1.573	1.534
2011	1,474.10	1,486.40	8.04%	1.477	1.419
2012	1,516.80	1,534.92	3.26%	1.393	1.375
2013	1,644.80	1,638.56	6.75%	1.318	1.288
2014	1,641.20	1,649.12	0.64%	1.294	1.279
2015	1,691.20	1,695.56	2.82%	1.259	1.244
2016	1,698.60	1,699.75	0.25%	1.239	1.241
2017	1,714.70	1,721.68	1.29%	1.236	1.225
2018	1,740.30	1,744.48	1.32%	1.214	1.209
2019	1,780.80	1,780.05	2.04%	1.196	1.185
2020	1,840.80	1,840.72	3.41%	1.171	1.146
2021	1,879.70	1,883.71	2.34%	1.137	1.120
2022	1,937.30	1,949.98	3.52%	1.105	1.082
2023	2,039.30	2,056.19	5.45%	1.054	1.026
2024	2,094.30	2,109.75	2.61%	1.008	1.000

Past general inflation

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

Financial Year	CPI Perth Index	Rate
2021/22	121.5	6.0%
2022/23	129.0	6.2%
2023/24	134.6	4.3%
2024/25 (a)	138.7	3.1%
2025/26 (b)	142.9	3.0%

Note: (a) from ABS Cat. 6401.0 Table 1 CPI All Groups Index Numbers for Perth as at 31 December 2024, extrapolated to 30 June 2025
(b) Projected increase in CPI over 2025/26

The 2023/24 and 2024/25 indices have changed since last year’s report where these CPI rates had been estimated.

Employment growth for the half-year to December 2024

We have included an allowance for the employment growth in the half year to December 2024 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 24	Dec 24	Increase
Number of full time employees in WA	1,106.6	1,129.6	2.1%

The June 2024 figure is from the data published at 30 June 2024 as historically the number of full-time employees reduces in the months following the initial estimate so this allows for the figures to be at a similar point of development.

The number of full time employees increased by 2.1% in the half year to 31 December 2024, derived from the growth rate between June 2024 quarter to December 2024 quarter. This is the same approach as last year.

Wages

In calculating the premium rates, we use the developed earned wages for the 2023/24 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 2025/26.

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.

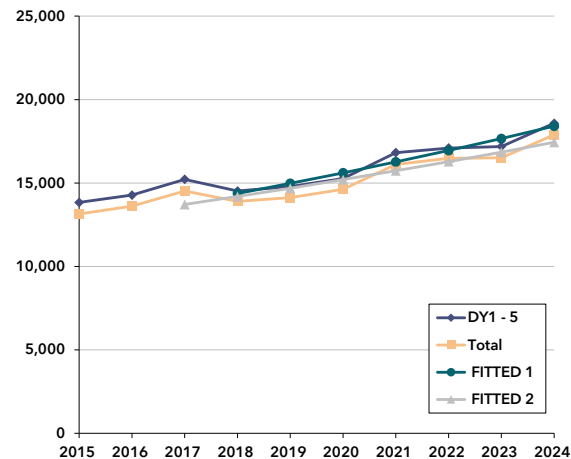


The adopted periods over which superimposed inflation has been analysed for each method are:

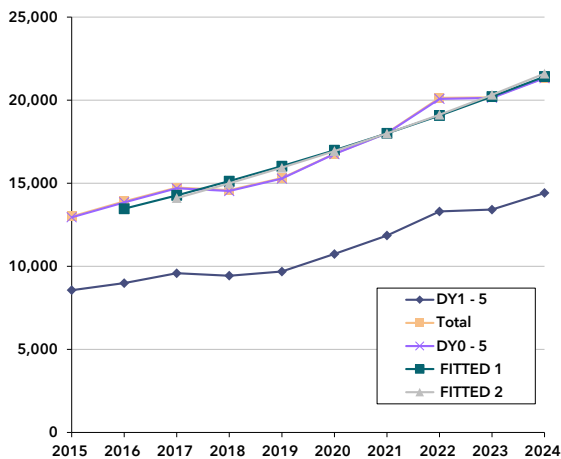
Number of years analysed to calculate superimposed inflation						
	Weekly	Medical (Scheduled And Non-Scheduled) And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)	Investigation, Legal And Miscellaneous
PPAC/PPCF	7	9	9	9	8	7
PPCI	9	9	9	6	9	7

Weekly

PPAC

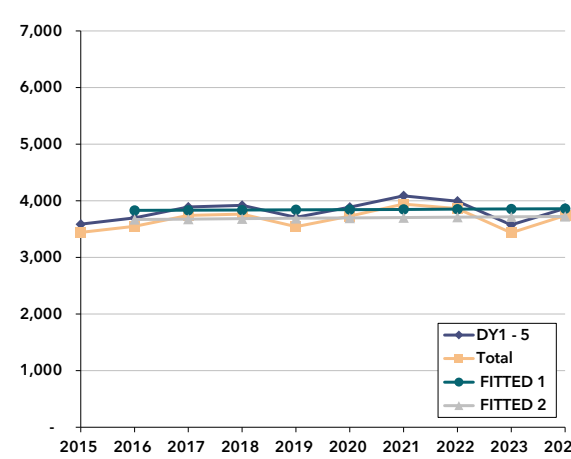


PPCI

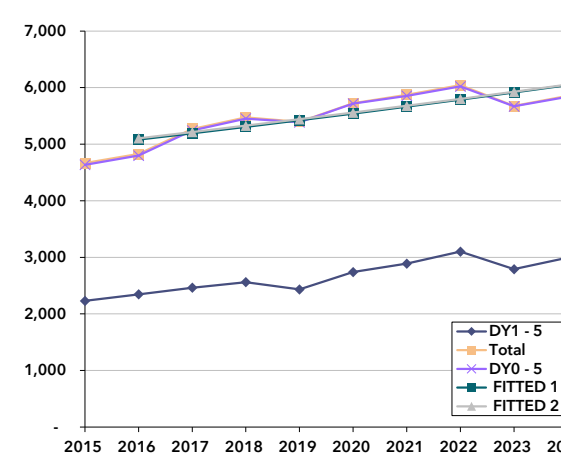


Medical (scheduled and non-scheduled) and Hospital expenses

PPAC

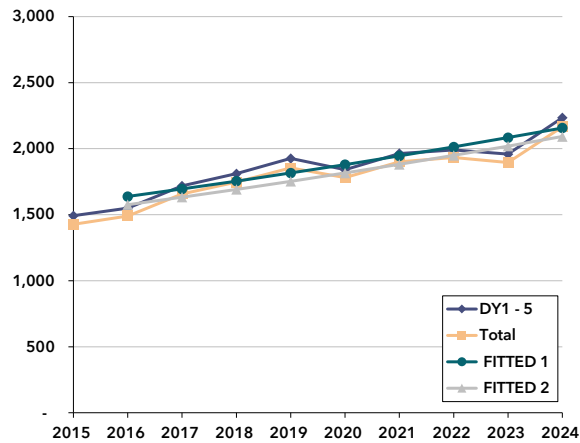


PPCI

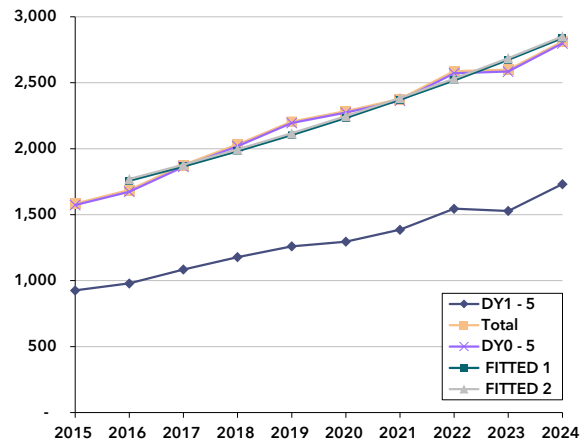


Allied Health

PPAC

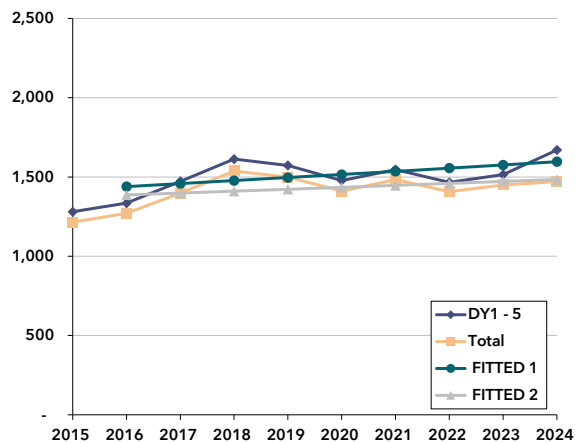


PPCI

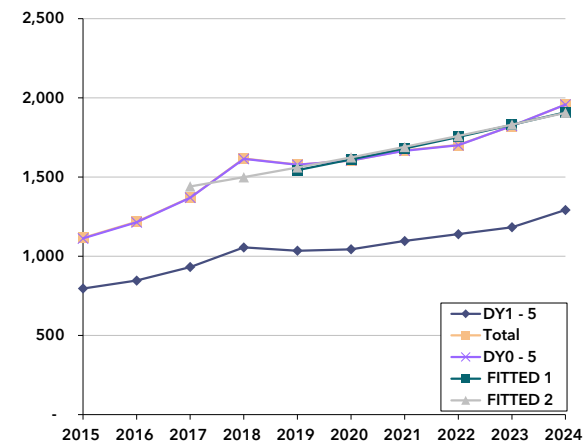


Workplace Rehabilitation

PPAC

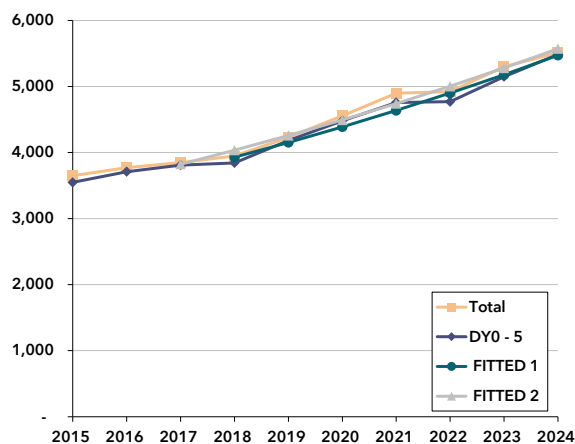


PPCI

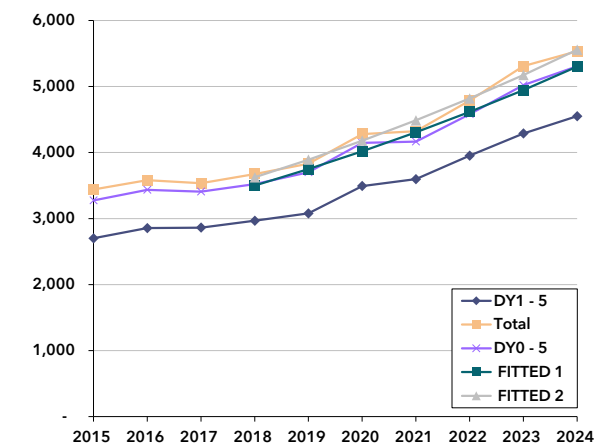


Investigation, Legal and Miscellaneous

PPCF

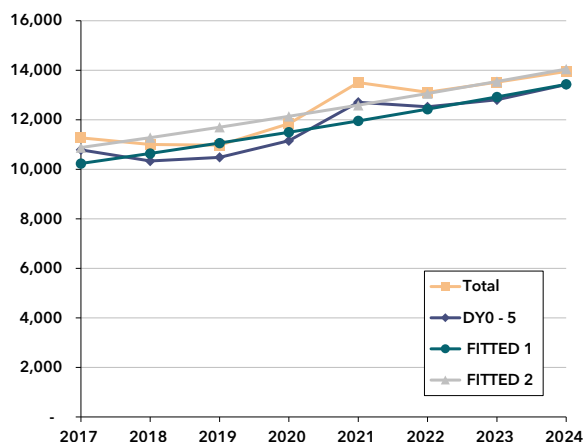


PPCI

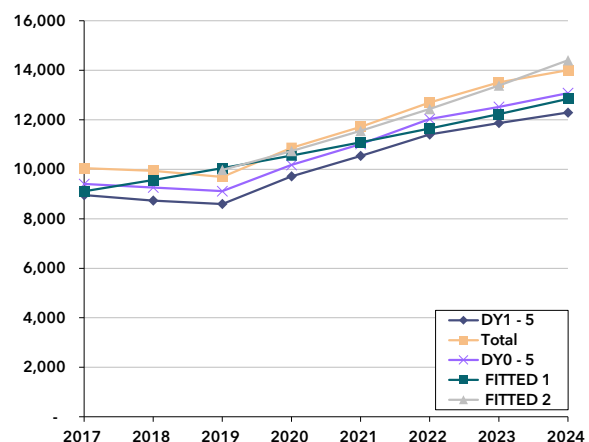


Lump Sum (election registered, no election registered, permanent impairment/fatal)

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 24							
PPAC / PPCF	4.2%	0.1%	3.5%	1.3%	4.0%	5.7%	4.0%
PPCI	6.0%	2.2%	6.2%	4.3%	5.0%	7.2%	5.5%
Outstanding claims blend	4.2%	0.1%	3.5%	1.3%	4.0%	5.8%	4.1%
30 June 23							
Outstanding claims blend	3.9%	1.4%	4.6%	2.9%	4.5%	5.3%	4.3%

Superimposed inflation for the outstanding claims is 4.1% overall, which is lower than the 4.3% adopted last year driven by reductions for all payment types except for Weekly and Investigation, Legal and Miscellaneous.

The high superimposed inflation rates are mainly driven by the Removed the reduction in claims comment but left the change in claims mix comment

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 2025/26 premium rate calculation

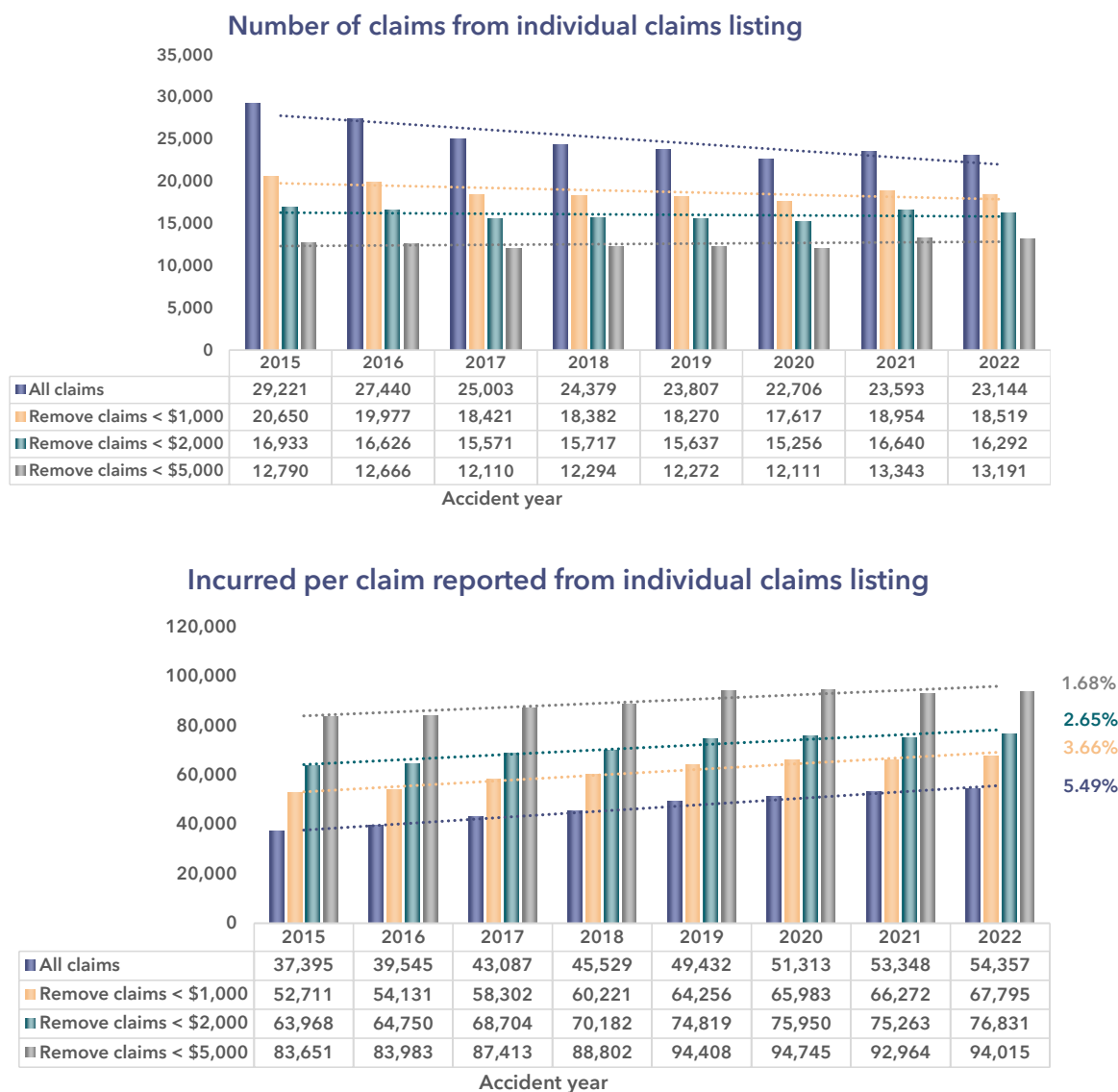
Due to the reduction in small claims and change in claims mix leading to the high rate of SII over the past decade, we have performed a separate analysis of SII for premium rating purposes.

We analysed the annual growth in the incurred cost per claim reported from the 2015 to 2022 accident years. We have not included the 2023 and 2024 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 in June 2024 values after removing claims within incurred cost amounts less than or equal to \$1,000, \$2,000 and \$5,000. We have indexed these thresholds by AWE on an accident year

basis to account for growth in the underlying exposure. For example, a \$2,000 claim from the 2015 accident year would be more akin to a \$2,300 claim from the 2022 accident year, so for the "Remove claims <\$2,000" scenario below, we have filtered out claims below \$2,000 for 2015 (in June 2024 values) increasing to \$2,300 for 2022 (in June 2024 values).

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



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.

From our analysis we have adopted 2.7% as our forward expectation of superimposed inflation which is equivalent to the figure when all claims which are less than \$2,000 (in June 2024 values for the 2015 accident year, indexed by AWE for later accident years) 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 in line with last year's approach, except we have refined our analysis to allow for indexed thresholds across accident years to better account for the growth in underlying exposure.

The adopted forward superimposed inflation rate is 2.7% which is lower than the 2.8% 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)				
	2024	2023	2022	2021	2020
Commission/Brokerage	65,418	60,532	48,008	40,543	40,778
Statutory Charges	18,644	19,432	17,934	17,332	16,589
Management Expenses	280,049	245,731	205,551	196,191	173,959
Total expenses	364,112	325,695	271,493	254,066	231,326
Earned Premium	2,095,102	1,835,541	1,551,176	1,295,367	1,199,853
Claim Payments	1,315,974	1,165,929	1,080,306	963,624	898,011
Commission and Statutory Charges as % of Earned Premium	4.0%	4.4%	4.3%	4.5%	4.8%

The commission/statutory charge ratio has ranged between 4.0% to 4.8% over 2020 to 2024.

Expense analysis

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

	Expense Ratios					Adopted 3 yr ave
	2023/24	2022/23	2021/22	2020/21	2019/20	
Commission / Brokerage	3.1%	3.0%	2.9%	2.9%	3.4%	3.0%
General Fund Levy	0.9%	1.0%	1.1%	1.2%	1.4%	1.0%
Management Expenses	13.4%	13.4%	13.3%	15.1%	14.5%	13.3%
Total	17.3%	17.4%	17.2%	19.3%	19.2%	17.3%
Total excluding brokerage	14.2%	14.4%	14.3%	16.4%	15.9%	14.3%

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 14.3% are 0.7% lower than the 15.0% adopted last year. This is due to the fact that the 2023/24 expense ratio (14.2%) is lower than the 2020/21 expense ratio (16.4%) it replaces. The 2023/24 expense ratio is in line with recent years as the increase in management expenses is matched by the increase in earned premium.

Expenses by insurer for 2023/24 were as follows:

Insurer	Brokerage % (a)	General Account Charges % (b)	Management Expenses % (c)	Total Expenses (d)
1	0.0%	0.0%	74.4%	74.4%
2	0.0%	0.7%	28.9%	29.6%
3	4.2%	1.0%	24.3%	29.4%
4	3.0%	0.9%	17.5%	21.4%
5	3.3%	1.0%	15.1%	19.4%
6	4.6%	0.8%	11.8%	17.3%
7	4.3%	0.8%	9.0%	14.1%
8	3.0%	0.8%	10.1%	13.9%
9	0.0%	0.9%	11.6%	12.5%
Total	3.1%	0.9%	13.4%	17.3%

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 3.1% to 3.6%.

The adopted expenses for the 2025/26 recommended premium rates are a three-year average of the expenses for the 2021/22 to 2023/24 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% for the 2023/24 to 2025/26 recommended premium rates.

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 commencement date of the new Act was 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 2025/26 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

- \$10.6 million increase in expenses for the CISS levy as set by ICWA for 2025/26. We have reduced the risk cost by \$4.3 million to account for the saving in common law costs. We have allowed for 91% of the CISS levy to be payable by insurers (\$9.7 million) based on information provided by WorkCover WA regarding the split of the 2024/25 CISS levy. The \$4.3 million saving is based upon our November 2022 analysis that 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. The total CISS levy for 2024/25 was estimated to be \$27.3 million so has reduced for 2025/26.
- No allowance is included for DIF as the WorkCover WA Board have decided not to raise a levy for 2025/26, unless circumstances change such as a large insurer failure or large Terrorism event.
- While the claims for injured workers of uninsured employers has moved from the WorkCover WA General Account to DIF from 1 July 2024, we were advised that there is no expected change in the WorkCover WA General Account budget for 2025/26 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 showed a limited number of claims with accident dates from 2000 onwards.
 - There were 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 had an accident date before 2000 (with two claims pending as at 30 June 2023) and two had accident dates in 2020 and 2022 respectively (one of which was pending as at 30 June 2023). The size of these claims ranged from \$20,000 to \$250,000.
 - There were 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 was one claim that had an accident date in the 2020 financial year, with the other 20 claims having an accident date in 1993 or earlier. The size of these claims ranged 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.

Medical and allied health fee base rates also changed under new Ministerial fee orders from 1 July 2024. The medical fees are aligned to the AMA rates, while the allied health fees are benchmarked against health insurers' rates. WorkCover WA costed this themselves and we reviewed this work in early 2024. Overall, WorkCover WA estimated that the medical and hospital fees would have increased by \$4.1 million based on the 2022/23 payments and the allied health fees would have increased by \$3.0 million. This is an increase in 0.67% of the total 2022/23 payments. At this early stage of the new Act, there is not enough evidence to determine the actual impact.

The overall prospective impact of the legislation change on the 2025/26 recommended premium rates is 2.8%. The 2.8% increase is lower than the 3.2% increase included in the 2024/25 recommended premium rates due to the reduction in the CISS levy. There were no other changes to the 2023 Act change allowance assumptions as there is insufficient time since the new Act commenced to determine the actual impact in the data to 31 December 2024.



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 2024 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 2024 accident year we have allowed for a \$11.8 million increase in current values. This is based on 85% of the 0.91% increase in costs ($85\% \times \$1,526$ million incurred cost for 2024 $\times 0.91\%$). From our analysis we found that 85% of claimants who were estimated to be impacted by this legislation change reached the cap in development one or later. Pre-Act change the medical, hospital and allied health costs combined are estimated to be \$132.0 million for payments in 2025 onwards so this is a 9% increase in these payments.
 - For the 2023 accident year we have allowed for a \$7.5 million increase in current values. This is based on 60% of the 0.91% increase in costs ($60\% \times \$1,385$ million incurred cost for 2023 $\times 0.91\%$). From our analysis we found that 60% of claimants who were estimated to be impacted 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 \$33.8 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 \$3.3 million increase in current values. This is based on 29% of the 0.91% increase in costs ($29\% \times \$1,233$ million incurred cost for 2022 $\times 0.91\%$). 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 \$8.5 million for payments in 2025 onwards so this is a 39% increase in these payments.
 - For the 2021 accident year we have allowed for a \$1.0 million increase in current values. This is based on 9% of the 0.91% increase in costs ($9\% \times \$1,232$ million incurred cost for 2021 $\times 0.91\%$). 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 \$3.3 million for payments in 2025 onwards so this is a 30% 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, 8.6% of claims that exceeded 13 weeks of income compensation were reported from development year 1 onwards and 0.5% of claims that exceeded 13 weeks of income compensation were reported from development year 2 onwards. Given these claims are only expected to have a 1.03% increase in costs, it was determined to have an immaterial impact on the 30 June 2024 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 retrospective impact of the legislation change on the 30 June 2024 outstanding claims liability is 1.4%.

Retrospective allowance in 2025/26 recommended premium rates

After the 2024/25 recommended premium rates work last year, it was identified that a once-off retrospective Act change allowance should be made in the recommended premium rates due to the benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior, meaning the premium that was collected for these policies no longer adequately reflects the revised expected claims cost.

We have been directed to allow for this once-off retrospective Act change allowance in the 2025/26 recommended premium rates. This comprises two aspects:

- Impact on payments made from 1 July 2024 onwards relating to claims incurred 30 June 2024 and prior. This is equivalent to the allowance made in the 30 June 2024 outstanding claims liability, and results in a 2.0% increase in the 2025/26 recommended premium rates
- Impact on claims incurred from 1 July 2024 onwards arising from policies that were underwritten 30 June 2024 and prior (i.e., a one-year policy underwritten on 31 March 2024 will have nine months of exposure under the new Act, but the premium collected on this policy would not have allowed for any benefit change impacts). This was based on expected Act change impact for the 2025 accident year, with a proportion applied based on the expected proportion of policies underwritten 30 June 2024 and prior that have exposure in the 2025 accident year. This resulted in a further 0.6% increase in the 2025/26 recommended premium rates.

The distribution of the average of the premium and wages written by month and the resulting premium earned post 30 June 2024 is shown in the table below. This is based on policies written with a commencement date from 30 June 2023 to 29 June 2024.

UWY24	30-Jun	31-Jul	31-Aug	30-Sep	31-Oct	30-Nov	31-Dec	31-Jan	29-Feb	31-Mar	30-Apr	31-May	Total
% premium / wages written by month	35%	6%	5%	8%	7%	6%	7%	4%	5%	7%	6%	5%	100%
% exposure for 2025 onwards	0%	8%	17%	25%	33%	42%	50%	58%	67%	75%	83%	92%	
% premium earned post 30 Jun 24	0%	1%	1%	2%	2%	2%	3%	2%	3%	6%	5%	4%	31%

The total cost for the retrospective Act change before expense and margin loadings is shown in the table below.

Retrospective cost (\$m)	
2024 and earlier accident years (a)	32.7
Costs for the 2025 accident year for policies written pre 30 June 2024 (b)	9.1
Total retrospective cost excluding expenses and margin factor (c)	41.7

Notes: (a) The impact of the 2023 Act change on the 2024 and earlier accident years in inflated and discounted values. This includes the allowance for the increase in medical and allied health fees along with the increase in the cap on medical and health expenses as included in the 30 June 2024 outstanding claim valuation.

(b) 31% x \$29.2 million. The \$29.2 million is the increase in claims costs for the 2025 accident year.

(c) = (a) + (b)

The overall retrospective impact of the legislation on the 2025/26 recommended premium rates is 2.6%. This is a once-off impact and will be removed for the 2026/27 recommended premium rates.

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
- 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 were previously advised that some of the increase in case estimates a few years ago 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.

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 increased from 30 June 2022 to 30 June 2023. In our discussions with insurers last year they noted 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.

In the 2024 financial year, claimants for the 2020/21 financial year reached the three-year statute of limitations. We observed increases in total estimates for both the 2019/20 and 2020/21 accident years since 30 June 2023. In our discussions with insurers this year, it was suggested that the increased timeframe before making a decision on whether or not to pursue common law has resulted in higher levels of whole person impairment for some claims, in addition to longer durations of weekly benefits.

We will continue to monitor the size of the lump sum settlements to see if there is evidence of whether this has translated into an actual increase in lump sum settlements or is a temporary behavioural change but with no increase in benefits paid. As outlined above, from our discussions with insurers, the increases are an increase in the size of lump sum settlements.



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 2024 and 2025/26 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 2024, 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.

Appendix E Outstanding claim valuation

E.1 Claims experience and analysis

E.1.1 Numbers of claims reported

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	23,272	2,251	183	106	60	43	46	31	41	36	681	26,750

Note: From summary of Form WC20 up to 30 June 2024.

E.1.2 Cumulative claims reported

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	23,272	24,459	23,876	24,313	23,305	24,492	25,321	25,957	28,409	30,180	33,279	286,863

Note: Cumulative claim reports from table above.

E.1.3 Active claims

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	12,707	4,932	1,871	883	437	234	108	87	57	39	285	21,640

Note: From summary of Form WC20 up to 30 June 2024.

E.1.4 Claim payments

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	344,204,000	523,049,613	228,884,674	94,418,172	42,321,362	39,016,495	9,114,377	2,592,372	5,971,990	1,617,136	16,423,642	1,307,613,833

Note: From WorkCover WA's database from 1 July 2014 to 30 June 2024.

E.1.5 Case estimates outstanding

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	614,283,165	371,670,676	189,096,276	109,923,900	60,819,896	25,953,876	8,815,205	7,984,987	5,231,092	2,714,157	26,411,406	1,422,904,636

Note: From summary of Form WC20 up to 30 June 2024.

E.1.6 Insurer's development and IBNR estimates

Year ending	Development year											Total
30 June	0	1	2	3	4	5	6	7	8	9	10	
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
2024	649,868,424	200,362,735	72,885,608	26,173,888	13,618,609	10,154,376	4,225,819	3,263,640	3,033,789	1,809,961	111,385,561	1,096,782,410

Note: From summary of Form WC20 up to 30 June 2024.

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
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
2024	1.101	1.008	1.004	1.003	1.002	1.002	1.001	1.001	1.001	1.021
Adopted (b)	1.101	1.007	1.004	1.002	1.001	1.001	1.001	1.001	1.001	1.019

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

(b) Adopted for the valuation as at 30 June 2024.

Numbers of claims incurred

Accident year ending 30 June	Number of claims		Incurred (c)
	Reported to 30-Jun-24 (a)	IBNR at 30-Jun-24 (b)	
2015	30,180	566	30,746
2016	28,409	564	28,973
2017	25,957	542	26,499
2018	25,321	557	25,878
2019	24,492	575	25,067
2020	23,305	582	23,887
2021	24,313	663	24,976
2022	23,876	748	24,624
2023	24,459	942	25,401
2024	23,272	3,344	26,616

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

(b) From pattern in chain ladder ratio table above

(c) = (a) + (b)

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
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
2024	0.454	0.650	0.595	0.581	0.494	0.521	0.588	0.503	0.521	0.552	0.714
Adopted (b)	0.466	0.658	0.591	0.561	0.517	0.512	0.520	0.505	0.522	0.575	0.706

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

(b) Adopted for the valuation as at 30 June 2024.

E.2.2 Weekly benefits

Claim payments

Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2024	182,537,487	255,042,204	80,087,256	19,414,019	4,141,815	1,505,156	(261,545)	(169,150)	334,202	247,520	818,774	543,697,738

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

Average real payment per claim incurred

Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2015	4,385	5,833	2,067	556	70	37	21	19	-9	1	18	12,998
2016	4,859	6,165	2,199	516	98	12	26	-3	5	0	31	13,909
2017	5,110	6,820	2,169	451	106	39	2	10	13	4	15	14,737
2018	5,099	6,896	2,054	396	70	15	10	9	5	4	21	14,579
2019	5,597	6,952	2,263	444	46	-23	0	4	4	4	15	15,307
2020	6,016	7,663	2,460	534	77	7	-21	4	4	3	16	16,762
2021	6,156	8,224	2,890	630	130	-21	-5	1	14	4	0	18,023
2022	6,775	9,376	3,079	727	145	-26	12	8	8	10	24	20,138
2023	6,724	9,193	3,235	842	98	48	10	-19	8	5	27	20,170
2024	6,910	10,116	3,277	783	175	60	-10	-6	12	8	25	21,349
Adopted (b)	7,227	11,000	4,000	1,000	151	36	11	4	10	8	23	23,470

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Average real payment per active claim

Accident year ending 30 June	1	2	3	4	5	6	7	8	9	10
2015	15,071	15,345	10,002	2,738	2,530	3,047	4,022	(2,554)	388	1,255
2016	15,824	15,588	9,369	3,835	1,009	3,139	(770)	1,814	197	2,359
2017	17,291	15,926	8,171	4,619	3,242	346	2,137	5,307	2,212	1,156
2018	16,884	14,525	7,444	3,088	1,296	1,646	2,414	1,776	2,255	1,963
2019	16,908	15,381	8,410	2,067	(1,974)	(43)	1,233	1,708	1,974	1,452
2020	17,315	15,743	8,900	2,996	555	(3,422)	1,172	1,648	2,037	1,548
2021	19,337	17,299	9,787	4,639	(1,642)	(697)	187	5,462	2,569	35
2022	19,711	16,930	9,966	4,738	(1,706)	1,605	1,656	3,048	5,407	2,639
2023	20,209	16,708	10,693	2,626	3,083	1,111	(4,341)	2,826	3,203	2,740
2024	21,693	18,202	9,770	5,190	3,400	(1,220)	(1,183)	4,317	4,890	2,619
Adopted (b)	23,250	20,500	13,000	4,862	2,435	1,346	1,073	3,451	4,536	2,668

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Weekly					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2024	454.752	457.064	454.752	100%	0%
2023	140.852	140.173	140.852	100%	0%
2022	32.528	32.547	32.528	100%	0%
2021	7.548	6.888	7.548	100%	0%
2020	2.924	2.709	2.924	100%	0%
2019	1.823	1.799	1.799	0%	100%
2018	1.372	1.479	1.479	0%	100%
2017	1.352	1.206	1.206	0%	100%
2016	1.084	1.048	1.048	0%	100%
2015 & earlier	1.952	1.642	1.952	100%	0%
Total	646.187	646.555	646.088		

Note: (a) From models described above, in 30 June 2024 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												
June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2024	75,152,712	56,531,063	13,753,722	3,219,181	981,602	458,271	24,093	36,695	36,466	162,103	234,965	150,590,874

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

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
2015	2,406	1,700	414	94	13	9	7	10	1	(0)	14	4,668
2016	2,455	1,788	417	107	22	11	10	6	2	1	10	4,827
2017	2,779	1,915	423	90	23	10	3	7	5	2	11	5,269
2018	2,892	2,031	418	93	14	5	6	2	1	1	8	5,472
2019	2,954	1,918	425	78	14	(2)	(6)	2	2	3	6	5,394
2020	2,978	2,123	490	94	21	10	(0)	(4)	2	1	7	5,723
2021	2,966	2,185	552	120	35	(3)	3	1	5	3	6	5,873
2022	2,922	2,361	583	128	29	(1)	3	4	3	4	7	6,043
2023	2,879	2,083	544	136	9	18	3	(6)	(2)	1	10	5,676
2024	2,845	2,242	563	130	41	18	1	1	1	5	7	5,856
Adopted (b)	2,881	2,288	563	131	27	15	2	2	3	3	8	5,923

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Average real payment per active claim

Accident year ending 30 June	Medical (Scheduled And Non-Scheduled) And Hospital Expenses PPAC (a) for development year:									
	1	2	3	4	5	6	7	8	9	10
2015	4,392	3,075	1,695	510	607	975	2,158	249	(17)	962
2016	4,591	2,954	1,950	847	880	1,163	1,317	601	534	744
2017	4,857	3,106	1,640	1,008	878	403	1,565	1,877	1,301	859
2018	4,973	2,955	1,740	621	447	1,041	634	542	685	763
2019	4,665	2,889	1,482	631	(201)	(1,010)	616	765	1,385	576
2020	4,797	3,139	1,571	840	808	(71)	(1,157)	1,024	664	664
2021	5,137	3,305	1,873	1,233	(252)	438	427	2,031	1,684	625
2022	4,964	3,204	1,750	949	(50)	396	831	1,300	2,277	720
2023	4,579	2,809	1,728	238	1,182	380	(1,344)	(533)	761	1,017
2024	4,808	3,126	1,620	1,230	1,035	112	257	471	3,202	752
Adopted (b)	4,853	3,108	1,707	873	1,015	332	514	1,228	1,964	836

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Medical (Scheduled And Non-Scheduled) And Hospital Expenses					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2024	83.430	82.519	83.430	100%	0%
2023	20.806	19.576	20.806	100%	0%
2022	4.932	4.862	4.932	100%	0%
2021	1.772	1.586	1.772	100%	0%
2020	0.963	0.850	0.963	100%	0%
2019	0.535	0.498	0.498	0%	100%
2018	0.428	0.440	0.440	0%	100%
2017	0.425	0.387	0.387	0%	100%
2016	0.342	0.362	0.362	0%	100%
2015 & earlier	0.581	0.633	0.581	100%	0%
Total	114.214	111.713	114.170		

Note: (a) From models described above, in 30 June 2024 values and includes superimposed inflation.

Does not include an allowance for the 2023 Act changes.

E.2.4 Allied Health*Claim payments*

Claim Payments - Allied Health												
June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2024	28,189,425	31,851,595	8,029,782	2,047,971	715,331	665,553	91,949	91,923	7,804	33,672	148,302	71,873,308

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

Average real payment per claim incurred

Accident year ending 30 June	Allied Health PPCI (a) for development year:											Total
	0	1	2	3	4	5	6	7	8	9	10	
2015	647	664	189	47	16	10	2	2	2	(1)	6	1,584
2016	694	713	199	46	15	7	5	2	1	1	5	1,687
2017	778	811	209	46	14	6	4	3	1	1	5	1,877
2018	840	909	206	43	17	4	2	3	1	1	6	2,032
2019	935	950	243	48	12	6	2	2	1	1	4	2,205
2020	978	985	232	62	10	6	3	4	1	1	3	2,285
2021	978	1,038	263	59	24	2	5	4	2	1	2	2,376
2022	1,027	1,157	287	77	21	4	3	3	2	1	5	2,588
2023	1,057	1,118	312	75	18	6	4	1	1	1	6	2,598
2024	1,067	1,263	329	83	30	27	4	3	0	1	4	2,811
Adopted (b)	1,100	1,265	340	84	24	9	4	3	1	1	5	2,835

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Average real payment per active claim

Accident year ending 30 June	Allied Health PPAC (a) for development year:									
	1	2	3	4	5	6	7	8	9	10
2015	1,715	1,404	850	620	682	251	493	416	(310)	414
2016	1,829	1,410	840	578	570	663	354	288	239	393
2017	2,056	1,533	828	591	471	693	556	578	565	431
2018	2,226	1,456	809	746	324	338	722	486	622	531
2019	2,311	1,655	917	550	488	391	446	493	419	414
2020	2,225	1,485	1,038	406	503	432	1,241	343	388	289
2021	2,442	1,574	910	865	174	646	1,181	615	651	174
2022	2,432	1,577	1,049	677	252	464	722	959	767	556
2023	2,457	1,610	949	488	409	416	158	422	635	639
2024	2,709	1,825	1,031	896	1,503	429	643	101	665	474
Adopted (b)	2,677	1,773	1,063	771	599	599	599	599	599	589

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Allied Health					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2024	48.593	48.941	48.593	100%	0%
2023	12.947	12.798	12.947	100%	0%
2022	3.539	3.565	3.539	100%	0%
2021	1.495	1.379	1.495	100%	0%
2020	0.747	0.686	0.747	100%	0%
2019	0.478	0.468	0.468	0%	100%
2018	0.305	0.314	0.314	0%	100%
2017	0.256	0.209	0.209	0%	100%
2016	0.212	0.148	0.148	0%	100%
2015 & earlier	0.427	0.174	0.427	100%	0%
Total	68.998	68.681	68.885		

Note: (a) From models described above, in 30 June 2024 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													
	June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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	
2024	17,569,679	25,806,415	5,488,604	953,577	130,087	(2,251)	(13,587)	2,855	(10,211)	6,100	34,591	49,965,860	

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

Average real payment per claim incurred

Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2015	316	588	170	32	4	2	1	1	0	(0)	1	1,116
2016	367	631	180	29	4	2	2	0	0	0	2	1,218
2017	438	701	192	30	5	3	(0)	0	0	0	1	1,371
2018	559	832	196	24	4	0	1	(0)	0	0	1	1,617
2019	543	827	182	27	0	(2)	(1)	1	0	0	1	1,578
2020	561	823	193	25	2	1	(2)	(1)	0	0	0	1,603
2021	569	866	200	28	4	(1)	1	0	1	0	0	1,668
2022	562	886	221	33	1	(3)	0	0	1	0	0	1,702
2023	640	907	241	37	(0)	(2)	(1)	(1)	(1)	0	1	1,822
2024	665	1,024	225	38	5	(0)	(1)	0	(0)	0	1	1,958
Adopted (b)	681	1,008	243	39	3	1	1	1	0	0	-	1,977

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Average real payment per active claim

Accident year ending 30 June	1	2	3	4	5	6	7	8	9	10
2015	1,520	1,259	570	172	130	143	267	59	(1)	75
2016	1,620	1,273	531	169	173	212	75	26	13	157
2017	1,777	1,409	552	229	232	(54)	17	142	87	76
2018	2,036	1,384	442	173	33	181	(3)	125	119	55
2019	2,011	1,236	517	17	(186)	(167)	362	54	87	64
2020	1,861	1,234	410	77	51	(259)	(346)	200	165	42
2021	2,036	1,194	429	139	(40)	103	128	240	294	36
2022	1,864	1,215	454	47	(184)	7	63	276	131	24
2023	1,993	1,243	468	(10)	(98)	(88)	(125)	(232)	236	85
2024	2,195	1,247	480	163	(5)	(63)	20	(132)	121	111
Adopted (b)	2,124	1,262	480	107	51	87	87	87	87	87

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Workplace Rehabilitation					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2024	35.085	35.636	35.085	100%	0%
2023	7.489	7.532	7.489	100%	0%
2022	1.090	1.146	1.090	100%	0%
2021	0.187	0.153	0.187	100%	0%
2020	0.087	0.067	0.087	100%	0%
2019	0.066	0.043	0.043	0%	100%
2018	0.042	0.024	0.024	0%	100%
2017	0.035	0.010	0.010	0%	100%
2016	0.030	0.004	0.004	0%	100%
2015 & earlier	0.061	0.000	0.061	100%	0%
Total	44.172	44.615	44.080		

Note: (a) From models described above, in 30 June 2024 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												
June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2024	19,956,637	49,527,248	31,287,575	16,871,816	9,404,623	5,691,554	2,595,231	952,086	732,302	343,885	1,830,093	139,193,049

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

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	
2015	575	1,275	771	367	204	83	37	27	21	16	64	3,441
2016	580	1,349	852	388	187	80	29	27	10	7	73	3,582
2017	546	1,315	836	419	196	97	48	17	12	6	45	3,535
2018	555	1,420	858	413	171	104	71	26	13	5	38	3,674
2019	625	1,456	913	401	212	95	47	31	12	8	32	3,832
2020	653	1,690	1,014	449	226	115	42	16	26	5	45	4,280
2021	569	1,640	1,053	514	253	137	85	15	17	(2)	42	4,323
2022	629	1,708	1,212	637	265	131	61	34	15	12	84	4,788
2023	732	1,798	1,230	704	388	169	103	29	91	9	59	5,311
2024	755	1,965	1,280	681	397	229	101	36	25	11	55	5,535
Adopted (b)	797	2,018	1,345	692	420	213	109	25	21	9	57	5,707

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

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
2015	1,154	3,879	9,227	11,580	13,829	11,583	10,784	11,619	9,774	9,933	4,942
2016	1,175	4,031	9,388	11,378	12,304	11,855	5,791	10,676	5,790	5,902	4,938
2017	1,140	3,940	9,466	12,167	15,173	14,136	12,786	6,417	10,615	5,375	2,688
2018	1,168	4,150	9,168	12,449	13,828	16,188	22,163	11,590	10,797	4,316	3,306
2019	1,410	4,342	9,939	13,589	18,493	14,683	13,626	16,816	7,472	3,886	2,243
2020	1,444	4,756	10,421	13,236	16,568	19,901	12,742	12,546	24,359	5,358	3,918
2021	1,428	4,965	10,592	14,278	17,710	23,812	29,644	12,539	15,843	(2,461)	6,457
2022	1,500	4,599	11,150	16,566	16,470	18,168	16,667	13,394	10,657	11,203	8,317
2023	1,793	4,959	10,308	14,506	18,303	20,137	22,914	10,538	49,767	5,572	3,183
2024	1,903	5,445	11,484	13,876	22,190	22,488	16,979	10,900	11,900	7,218	2,593
Adopted (b)	1,954	5,501	10,959	14,869	21,174	22,623	20,678	11,824	14,999	7,199	4,245

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Investigation, Legal And Miscellaneous					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2024	149.284	149.431	149.284	100%	0%
2023	84.465	83.556	84.465	100%	0%
2022	43.495	43.588	43.495	100%	0%
2021	25.727	24.557	25.727	100%	0%
2020	13.835	12.219	13.835	100%	0%
2019	8.041	6.818	6.818	0%	100%
2018	4.639	3.835	3.835	0%	100%
2017	3.889	3.014	3.014	0%	100%
2016	3.067	2.494	2.494	0%	100%
2015 & earlier	3.979	3.634	3.979	100%	0%
Total	340.422	333.146	336.946		

Note: (a) From models described above, in 30 June 2024 values and includes superimposed inflation.

Does not include an allowance for the 2023 Act changes.

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)												
June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2024	20,798,061	104,291,088	90,237,736	51,911,608	26,947,904	30,698,212	6,678,236	1,677,963	4,871,426	823,855	13,356,917	352,293,005

Note: From summary of payments data provided by WorkCover WA up to 30 June 2024.

Average real payment per claim incurred

Accident year ending 30 June	Lump sum (election registered, no election registered, permanent impairment/fatal)											
	0	1	2	3	4	5	6	7	8	9	10	Total
2015	402	2,396	2,755	1,660	832	274	92	81	54	55	311	8,913
2016	475	2,905	3,075	1,597	782	431	119	52	33	35	289	9,794
2017	451	3,121	3,293	1,549	648	346	155	56	41	20	369	10,049
2018	531	3,217	3,133	1,439	659	287	152	55	31	24	410	9,937
2019	520	3,047	3,114	1,299	781	356	105	65	13	51	344	9,695
2020	459	3,600	3,492	1,564	760	300	241	42	108	12	290	10,867
2021	479	3,594	3,455	1,793	1,185	513	283	48	44	25	297	11,717
2022	623	3,801	3,813	2,566	851	378	149	140	38	28	314	12,702
2023	652	3,654	4,019	2,443	1,185	566	451	85	37	37	380	13,510
2024	787	4,137	3,692	2,094	1,137	1,234	260	64	169	27	404	14,005
Adopted (b)	758	4,162	3,744	2,367	1,162	657	273	75	59	26	337	13,618

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Average real payment per claim finalised

Accident year ending 30 June	Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal) PPCF (a) for devel										
	0	1	2	3	4	5	6	7	8	9	10
2015	807	7,291	32,968	52,348	56,356	38,171	26,530	35,287	25,610	33,537	23,983
2016	961	8,681	33,884	46,876	51,376	64,128	24,108	20,739	19,629	27,944	19,576
2017	941	9,353	37,292	45,020	50,308	50,460	41,129	21,583	36,107	18,075	22,170
2018	1,116	9,399	33,488	43,362	53,381	44,496	47,390	24,708	25,949	18,638	35,974
2019	1,173	9,086	33,918	43,969	68,042	54,774	30,730	35,206	7,847	25,156	24,362
2020	1,016	10,131	35,901	46,104	55,761	52,093	73,444	32,992	100,200	11,651	25,435
2021	1,201	10,883	34,758	49,839	82,866	89,039	98,858	38,855	41,921	32,661	45,300
2022	1,486	10,234	35,088	66,727	52,793	52,389	40,721	55,176	26,899	26,905	31,240
2023	1,599	10,076	33,674	50,360	55,962	67,483	100,499	30,949	20,217	23,576	20,552
2024	1,983	11,466	33,121	42,695	63,584	121,290	43,691	19,211	79,162	17,293	18,927
Adopted (b)	1,864	11,466	33,409	51,740	62,877	79,115	68,939	34,783	43,839	21,869	24,943

Notes: (a) In 30 June 2024 values

(b) Adopted for the valuation as at 30 June 2024.

Estimates from models

Lump Sum (Election Registered, No Election Registered, Permanent Impairment/Fatal)					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2024 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2024	407.920	379.642	407.920	100%	0%
2023	268.957	241.769	268.957	100%	0%
2022	145.873	133.181	145.873	100%	0%
2021	86.050	70.919	86.050	100%	0%
2020	50.901	37.502	50.901	100%	0%
2019	31.334	21.403	21.403	0%	100%
2018	20.414	14.139	14.139	0%	100%
2017	18.347	9.263	9.263	0%	100%
2016	16.465	6.480	6.480	0%	100%
2015 & earlier	23.022	7.443	23.022	100%	0%
Total	1069.283	921.740	1034.008		

Note: (a) From models described above, in 30 June 2024 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

Estimates of outstanding claims at 30 June 2024 (\$M) (a) (b)							
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
2024	454.752	83.430	48.593	35.085	407.920	149.284	1,179.064
2023	140.852	20.806	12.947	7.489	268.957	84.465	535.515
2022	32.528	4.932	3.539	1.090	145.873	43.495	231.458
2021	7.548	1.772	1.495	0.187	86.050	25.727	122.779
2020	2.924	0.963	0.747	0.087	50.901	13.835	69.456
2019	1.799	0.498	0.468	0.043	21.403	6.818	31.028
2018	1.479	0.440	0.314	0.024	14.139	3.835	20.231
2017	1.206	0.387	0.209	0.010	9.263	3.014	14.089
2016	1.048	0.362	0.148	0.004	6.480	2.494	10.535
2015 & earlier	1.952	0.581	0.427	0.061	23.022	3.979	30.022
Total	646.088	114.170	68.885	44.080	1,034.008	336.946	2,244.178

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

(b) In 30 June 2024 values, includes superimposed inflation but does not include an allowance for the 2023 Act changes

E.3.2 Average claim sizes

Average claim size at 30 June 2024 (\$) (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
2024	23,995	5,979	2,893	1,983	16,113	6,364	57,327
2023	22,386	5,940	2,830	1,958	15,378	6,021	54,513
2022	20,565	5,768	2,617	1,737	13,893	5,474	50,054
2021	19,852	6,072	2,589	1,742	13,838	5,218	49,311
2020	18,458	5,963	2,439	1,694	13,577	5,184	47,316
2019	17,107	5,804	2,322	1,600	13,414	4,893	45,141
2018	15,380	5,486	2,124	1,607	11,085	4,222	39,903
2017	14,956	5,383	2,036	1,477	10,773	3,965	38,591
2016	14,273	4,895	1,781	1,292	9,929	3,719	35,891

Note: (a) In 30 June 2024 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 2024							
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
2024	74%	14%	8%	6%	66%	24%	192%
2023	38%	6%	3%	2%	72%	23%	144%
2022	17%	3%	2%	1%	77%	23%	122%
2021	7%	2%	1%	0%	78%	23%	112%
2020	5%	2%	1%	0%	84%	23%	114%
2019	7%	2%	2%	0%	82%	26%	120%
2018	17%	5%	4%	0%	160%	44%	230%
2017	15%	5%	3%	0%	116%	38%	176%
2016	20%	7%	3%	0%	124%	48%	201%
2015 & earlier	7%	2%	1%	0%	79%	14%	103%

E.3.4 Adopted estimates in 30 June 2024 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	\$	
2024	1,179.064	1,196.210	57,972	195%
2023	535.515	544.594	54,870	147%
2022	231.458	235.182	50,205	124%
2021	122.779	123.906	49,356	113%
2020	69.456	69.521	47,318	114%
2019	31.028	31.066	45,143	120%
2018	20.231	20.260	39,904	230%
2017	14.089	14.111	38,592	177%
2016	10.535	10.553	35,891	202%
2015 & earlier	30.022	30.060		103%
Total	2,244.178	2,275.464		160%

Notes: (a) In 30 June 2024 values, includes superimposed inflation

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

E.3.5 Gross of reinsurance estimates

Total of payment types					
Estimates at 30 June 2024 (\$M)					
Acc yr ending 30 June	30 June 2024 values (a)	Inflated values (b)	Infl/disc values (b)	Case estimates	Ratio (c)
2024	1,196.210	1,328.713	1,244.574	614.283	195%
2023	544.594	607.634	565.810	371.671	147%
2022	235.182	265.194	243.663	189.096	124%
2021	123.906	141.190	128.058	109.924	113%
2020	69.521	79.662	71.777	60.820	114%
2019	31.066	36.093	31.893	25.954	120%
2018	20.260	23.707	20.758	8.815	230%
2017	14.111	16.537	14.451	7.985	177%
2016	10.553	12.384	10.805	5.231	202%
2015 & earlier	30.060	32.690	31.427	29.126	103%
Total	2,275.464	2,543.806	2,363.218	1,422.905	160%

Notes: (a) From Appendix E.3.4

(b) Includes 5% claims expenses

(c) Ratio of actuarial estimates in 30 June 2024 values to case estimates.

Appendix F Claims experience

F.1 Claims experience during 2023/24

F.1.1 Aggregate trends

Total actual claim payments during 2023/24 were \$1,307.6 million, which is \$142.6 million (12.2%) higher than the \$1,165.0 million for the 2022/23 year. This compares to a \$84.7million (7.8%) increase from 2021/22 to 2022/23.

Total case estimates outstanding increased by \$188.0 million (15.2%) to \$1,422.9 million at 30 June 2024, from \$1,234.9 million as at 30 June 2023. From 30 June 2022 to 30 June 2023, case estimates increased by \$95.0 million (8.3%).

Claims reported over 2023/24 increased by 1,391 (5.5%) to 26,750, from 25,359 over 2022/23. This compares to a 3.8% increase last year.

Active claim numbers increased by 1,306 (6.4%) to 21,640 at 30 June 2024, from 20,334 at 30 June 2023, this compares to a 1.1% increase last year.

The claim statistics indicate unfavourable claims experience in 2023/24 compared to last year, with increases in payments, case estimates, claims reported and active claims.

F.1.2 Claims incurred in 2023/24

There were 23,272 claims reported to 30 June 2024 for the 2023/24 accident year. The projected number of incurred claims is 26,616. This is 4.8% more than the 25,401 projected incurred claims for the 2022/23 accident year.

The expected number of open claims for the 2023/24 accident year at 30 June 2024 is $23,272 \times (1 - 0.4673) = 12,396$ compared to actual of 12,707 i.e. actual active claims are 2.5% more.

The 30 June 2023 projection basis expected $\$12,868 \times (1.043 \times 1.043)^{0.5} = \$13,417$ to be paid on each of the 2023/24 accident year claims in the year of claiming. The actual amount paid per claim was \$13,029 i.e. 2.9% less in real values.

The average case estimate per active claim in real values at the end of development year zero increased by 6.6% to \$48,342 at 30 June 2024, from \$45,329 at 30 June 2023. This compares to a 5.2% increase between 30 June 2022 and 30 June 2023.

The 2023/24 accident year shows unfavourable claim experience relative to 2022/23 with more claims incurred, more active claims and higher average case estimates, partially offset by lower than expected payments per claim.

F.1.3 Claims incurred in prior years (up to 30 June 2023)

The main aspects of claim experience over 2023/24 compared to the projections in our 19 March 2024 report, is as follows:

- Number of claims reported is 16% higher than expected
- Claims finalisation is 1% faster than expected
- 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 2022 and earlier years. 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 2023/24		Ratio of actual to projected number reported %
	Actual	Projected (a)	
2023	2,251	2,249	100%
2022	183	140	130%
2021	106	76	139%
2020	60	35	173%
2019	43	22	197%
2018	46	19	239%
2017	31	16	195%
2016	41	17	247%
2015	36	19	190%
2014 and earlier	681	393	173%
Total	3,478	2,986	116%

Note: (a) From our 19 March 2024 actuarial report.

Proportions of claims finalised

Claim finalisation was faster compared to expected overall. All accident years were faster than expected, except 2023 and 2020. 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 2023/24		Actual / expected (c) %
	Actual	Projected (b)	
2023	65%	66%	98%
2022	59%	59%	101%
2021	58%	55%	106%
2020	49%	52%	96%
2019	52%	46%	112%
2018	59%	43%	138%
2017	50%	44%	114%
2016	52%	45%	116%
2015	55%	53%	104%
2014 and earlier	71%	53%	135%
Total	62.5%	62.0%	101%

Notes: (a) Defined as:

Number of claims finalised during year

Number outstanding at beginning of year + number reported during year

(b) According to PPCF model in Appendix E.3.1 of our 19 March 2024 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 2023/24		Actual / expected (c)
	Combined total		
	Actual (a)	Projected (b)	
2023	523,049,613	506,979,807	103%
2022	228,884,674	230,233,917	99%
2021	94,418,172	102,061,077	93%
2020	42,321,362	42,389,858	100%
2019	39,016,495	31,579,242	124%
2018	9,114,377	9,419,866	97%
2017	2,592,372	5,184,278	50%
2016	5,971,990	4,112,786	145%
2015	1,617,136	2,877,205	56%
2014 and earlier	16,423,642	16,791,316	98%
Total	963,409,833	951,629,353	101.2%

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

(b) Sum of payments expected in the 2023/24 year.

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

F.2 Claims experience in the six months to 31 December 2024

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 2024, driven by 2025, 2021 and 2019 and earlier, partially offset by lower than expected experience for other accident years.

In aggregate, claims reported in the six months to 31 December 2024 are 2% higher than expected.

Accident year	Expected for 2024/25 (a)	Proportion to 31 Dec 24 (b)	Six months to 31 Dec 24		Actual/ Expected % (e)
			Expected (c)	Actual (d)	
2025	23,272	46.2%	10,755	10,848	101%
2024	2,358	88.3%	2,083	2,041	98%
2023	170	57.1%	97	91	94%
2022	95	55.1%	52	46	88%
2021	54	52.2%	28	28	100%
2020	34	48.0%	16	15	91%
2019 & earlier	686	40.5%	278	469	169%
Total	26,669		13,310	13,538	102%

Notes: (a) from the adopted 30 June 2024 actuarial projection patterns, assuming 2024/25 equals 2023/24

(b) from examination of the 2021/22, 2022/23 and 2023/24 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2024

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

F.2.2 Claims finalised

Claims finalisation is slower than expected in aggregate, with the experience by accident year being slower than expected for 2021 to 2025 but faster for 2020 and earlier. Some of the slower finalisation rate in 2021 to 2024 may be due to processing delays for settlements. We understand that this is expected to be caught up by 30 June 2025.

Accident year	Expected for	Proportion to	Six months to 31 Dec 24		Actual/Expected %
	2024/25 (a)	31 Dec 24 (b)	Expected (c)	Actual (d)	
2025	10,856	24.6%	2,675	2,639	99%
2024	9,919	67.1%	6,656	6,445	97%
2023	3,016	60.9%	1,837	1,663	91%
2022	1,103	60.1%	663	602	91%
2021	484	59.7%	289	255	88%
2020	241	56.6%	136	147	108%
2019 & earlier	778	43.2%	336	593	177%
Total	26,397		12,592	12,344	98%

Notes: (a) from the adopted 30 June 2024 actuarial projection patterns

(b) from examination of the 2021/22, 2022/23 and 2023/24 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2024

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

F.2.3 Claim payments

Total actual claim payments are 7% lower than expected for the December 2024 half year. The experience by accident year is mixed. Some of the lower payments in 2024 and earlier years may be due to processing delays for settlements. We understand that this is expected to be caught up by 30 June 2025.

Accident year	Expected for	Proportion to	Six months to 31 Dec 24		Actual/Expected %
	2024/25 \$M (a)	31 Dec 24 (b)	Expected \$M (c)	Actual \$M (d)	
2025	369.335	22.9%	84.593	88.875	105%
2024	620.929	56.7%	352.197	331.452	94%
2023	282.088	61.1%	172.436	155.379	90%
2022	110.323	59.1%	65.205	56.072	86%
2021	48.899	52.4%	25.628	31.280	122%
2020	27.416	70.0%	19.181	16.416	86%
2019 & earlier	43.806	61.3%	26.845	17.791	66%
Total	1,502.797		746.084	697.264	93%

Notes: (a) from the adopted 30 June 2024 actuarial projection patterns and using PPCI for 2024/25

(b) from examination of the 2021/22, 2022/23 and 2023/24 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2024

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

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

Payment type	Six months ended		31 Dec 23	% Real change (d)
	31 Dec 24	31 Dec 23	in 31 Dec 24 values \$M (c)	
	\$M (a)	\$M (b)		
Lump sum	158,461	176,861	182,170	-13.0%
Weekly	312,741	254,657	262,302	19.2%
Allied health	40,730	35,007	36,058	13.0%
Investigation	23,350	22,675	23,355	0.0%
Legal	39,742	40,417	41,630	-4.5%
Miscellaneous	5,710	5,282	5,441	5.0%
Hospital	28,328	23,730	24,443	15.9%
Medical	57,833	48,616	50,076	15.5%
Workplace rehabilitation	27,568	24,633	25,373	8.7%
Total	694,464	631,879	650,848	6.7%

Notes : (a) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 24
 (b) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 23
 (c) = (b) x 1.03 in current values
 (d) = (a) / (c) - 1 in current values

This table shows that, after adjusting for 3.0% wage inflation, in total, claim payments for the six months are \$43.6 million (6.7%) higher than the same period in the prior year. There were increases across all payment types except Lump sum and Legals. The most significant movements were:

- Weekly **increasing** by \$50.4 million (19.2%)
- Medical **increasing** by \$7.8 million (15.5%). Some of this increase would relate to the increase in medical fee base rates as mentioned in Appendix D5 effective from 1 July 2024
- Allied health **increasing** by \$4.8 million (13.0%). Some of this increase would relate to the increase in allied health fee base rates as mentioned in Appendix D5 effective from 1 July 2024
- Hospital **increasing** by \$3.9 million (15.9%)
- Lump sum **decreasing** by \$23.7 million (13.0%). As mentioned above, this may be due to processing delays in settlements which we understand is expected to be caught up by 30 June 2025.

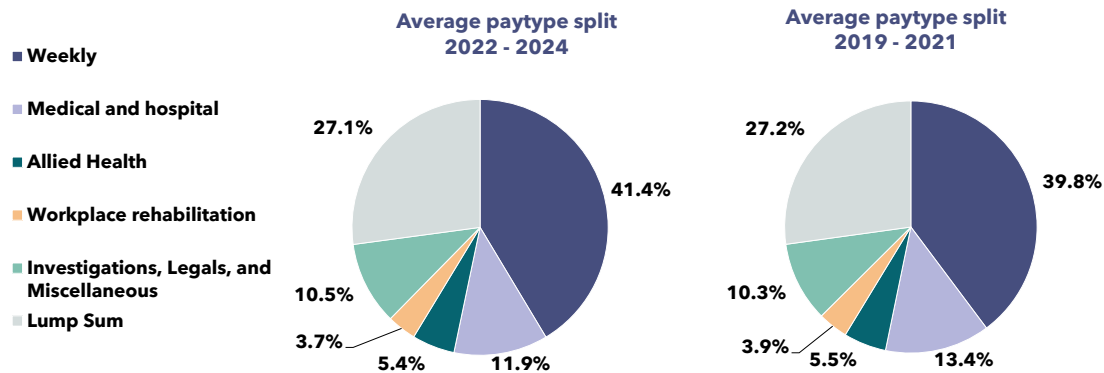
F.2.4 Summary of experience for the six months to 31 December 2024

In summary, the six months to 31 December 2024 has been generally unfavourable as there are higher than expected claim reports and slower than expected claim closure. While payments were lower than expected, they are 6.7% higher than the same period last year and it's unknown the impact processing delays have had on settlements. Case estimates at 31 December 2024 are 15% higher than at 30 June 2024.

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 40% 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	
	2022 - 2024	2019 - 2021
Weekly	41.4%	39.8%
Medical and hospital	11.9%	13.4%
Allied Health	5.4%	5.5%
Workplace rehabilitation	3.7%	3.9%
Investigations, Legals, and Miscellaneous	10.5%	10.3%
Lump Sum	27.1%	27.2%
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	2024/25 6 months	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Weekly	45.0%	41.6%	40.9%	41.7%	40.4%	39.6%	39.4%	38.0%
Medical and hospital	12.4%	11.5%	11.6%	12.5%	13.2%	13.4%	13.8%	14.1%
Allied Health	5.9%	5.5%	5.3%	5.4%	5.3%	5.4%	5.7%	5.3%
Workplace rehabilitation	4.0%	3.8%	3.7%	3.5%	3.7%	3.8%	4.1%	4.2%
Investigations, Legals, and Miscellaneous	9.9%	10.6%	10.8%	10.1%	9.9%	10.5%	10.3%	10.1%
Lump Sum	22.8%	26.9%	27.7%	26.8%	27.4%	27.4%	26.8%	28.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Amount (\$000s)	694,464	1,307,614	1,164,974	1,080,261	963,080	898,076	837,634	847,784
% change	9.9%	12.2%	7.8%	12.2%	7.2%	7.2%	-1.2%	
WC20 Amount (\$000s)	697,264	1,080,306	1,080,306	1,080,306	963,624	898,011	837,924	848,303
% difference from data provided by WorkCover WA	0.4%	-17.4%	-7.3%	0.0%	0.1%	0.0%	0.0%	0.1%

Over the six months to 31 December 2024, there was an increase in payments of 9.9% compared to the six months to 31 December 2023, which is above inflation. Payments increased by 12.2% for 2023/24 compared to 2022/23. We have not included the December 2024 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 generally been increasing from 38% to 42% over 2017/18 to 2023/24
- Lump sum group has ranged between 27% to 28% over 2017/18 to 2023/24
- Medical and hospital payments generally decreased from around 14% to 11.5% over 2017/18 to 2023/24
- Investigation, legal and miscellaneous has been relatively stable at between 9.9% and 10.8% over 2017/18 to 2023/24
- Allied health has been relatively stable between 5.3% to 5.5%, except for a high of 5.7% in 2018/19.
- Workplace rehabilitation has generally decreased from 4.2% in 2017/18 to 3.8% in 2023/24.

Appendix G Claims statistics

G.1 Number of claims incurred

Increase in claims incurred for 2024 to 26,616



The key experience points from the above chart are:

- There has been a decreasing trend across the 2017 to 2020 accident years, with reductions of between 2.3% and 4.7% each year
- In 2021, however, there was an increase in claim number of about 4.6%. 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 over 2021 to 2023, at around 25,000
- The estimated number of incurred claims for the 2024 accident year is just over 26,600, which is 4.8% higher than 2023 (25,400).

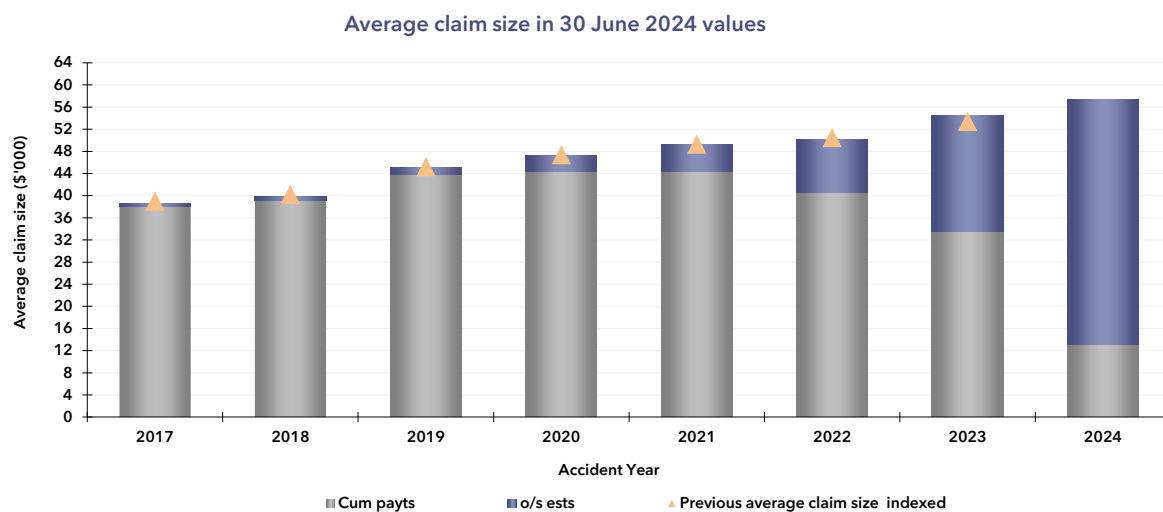
We have factored in the claims experience in the six months to 31 December 2024 in our estimates above for the number of claims incurred for the 2024 accident year.

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 2017 to 2020 accident years. The number of short duration claims has stabilised for 2020 onwards. The increase in claims incurred for 2024 is mostly driven by claims with duration more than 60 days.

The number of claims incurred for the current valuation is higher than the previous valuation for all accident years shown. The difference is on average about 1.0% 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 2024 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 48.6% 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 2024 accident year where a high proportion (77%) of the average claim size consists of the uncertain future estimate.

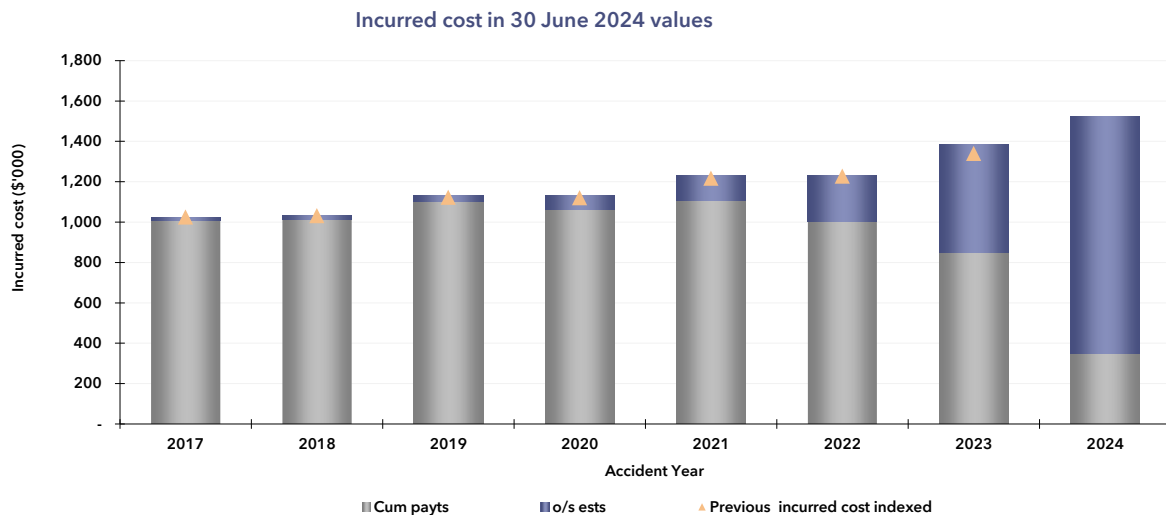
The real average claim size trends show the combined impact of:

- The change in mix of claims, with a reduction in the number of lower cost 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, with the exception of the 2023 accident year which has a higher average claim size than expected due to higher development.

G.3 Incurred cost

2024 is expected to be higher than 2023 and all prior years due to the high average claim size and increase in claim numbers



The incurred cost has shown the following trends:

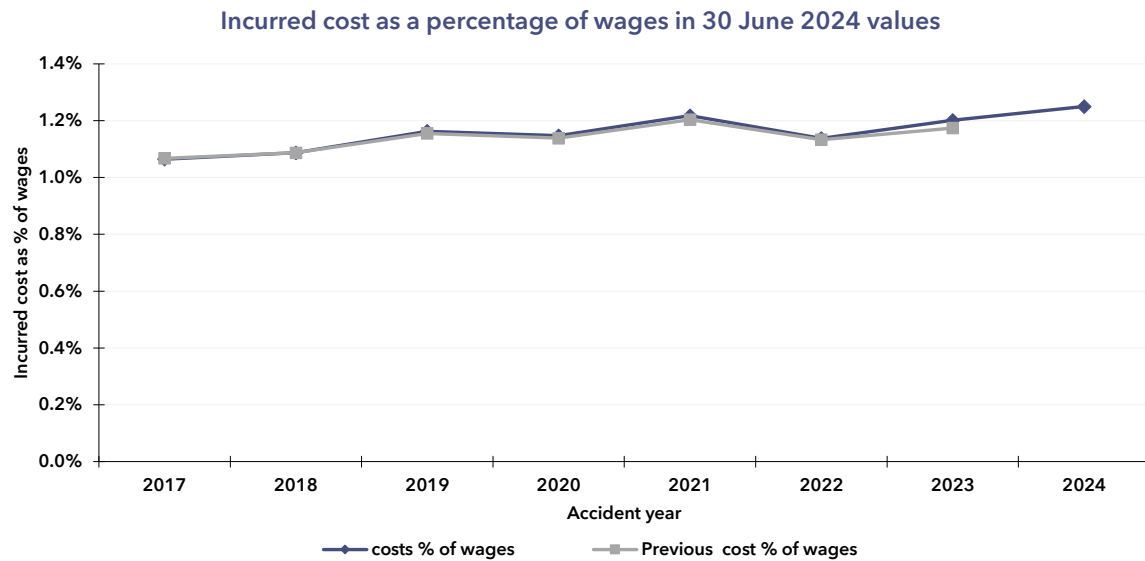
- An increase in incurred cost from 2017 to 2019 as the increase in the average claim size more than offset the decrease in the claims incurred
- The 2020 incurred cost is lower than 2019 due to the reduction in claims more than offsetting the increase in the average claim size
- The 2021 incurred cost is higher than 2020 due to the increase in the number of claims and average claim size
- The 2022 incurred cost is on par with 2021 as the high average claim size is offset by the decrease in claim numbers
- The 2023 incurred cost is higher than 2022 due to higher average claim size and increase in claim numbers
- 2024 incurred cost is estimated to be \$1,526 million, a 10% increase compared to 2023 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 for 2017 to 77% of the total incurred cost for 2024.

Incurred costs are slightly higher than the previous valuation (less than 1% higher) for most years due to more claims incurred, with the exception of 2023 which is 3.3% higher due to the average claim size being higher than expected along with more claims.

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

2024 incurred cost as a percentage of wages are higher than all prior years

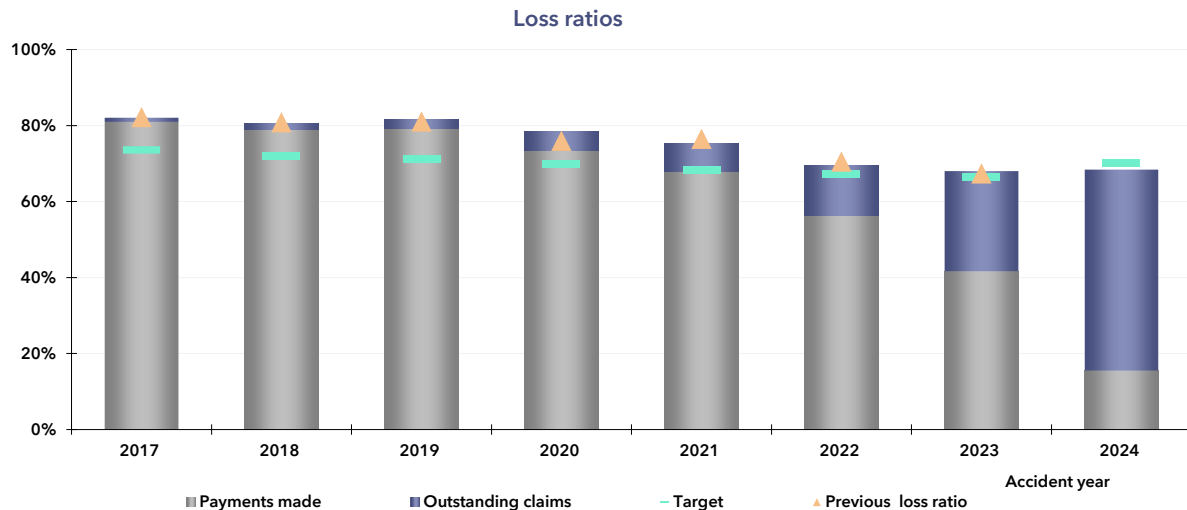


The incurred cost as a percentage of wages has been increasing over the period shown from 1.06% for 2017 to 1.25% for 2024.

Compared to the previous valuation, the claims cost as a percentage of wages has increased for 2023.

G.4 Loss ratios

The most recent eight accident years, except for 2024, 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 2025/26 target loss ratio is 70.4% in inflated and discounted values. This is equivalent to 72.2% in current values or 75.3% inflated.

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

$$\frac{(\text{Past claim payments to 30 June 2024} + \text{estimated outstanding liability at 30 June 2024})}{\text{Earned premium}}$$

The past claim payments, estimated outstanding liability and earned premium are all in 30 June 2024 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 2024 values	Estimated loss ratio
	In historic values	In 30 June 2024 values	In historic values	In 30 June 2024 values		
	\$M	\$M	\$M	\$M	\$M	
2017	1,008.018	1,245.906	837.202	1,008.535	14.089	82%
2018	1,056.343	1,282.051	856.412	1,012.400	20.231	81%
2019	1,161.066	1,388.774	954.920	1,100.543	31.028	81%
2020	1,232.124	1,442.913	943.153	1,060.791	69.456	78%
2021	1,436.739	1,633.927	1,014.625	1,108.791	122.779	75%
2022	1,606.893	1,775.671	946.194	1,001.091	231.458	69%
2023	1,931.186	2,036.282	828.590	849.150	535.515	68%
2024	2,213.106	2,229.742	344.204	346.791	1,179.064	68%

The loss ratio is in current 30 June 2024 values.

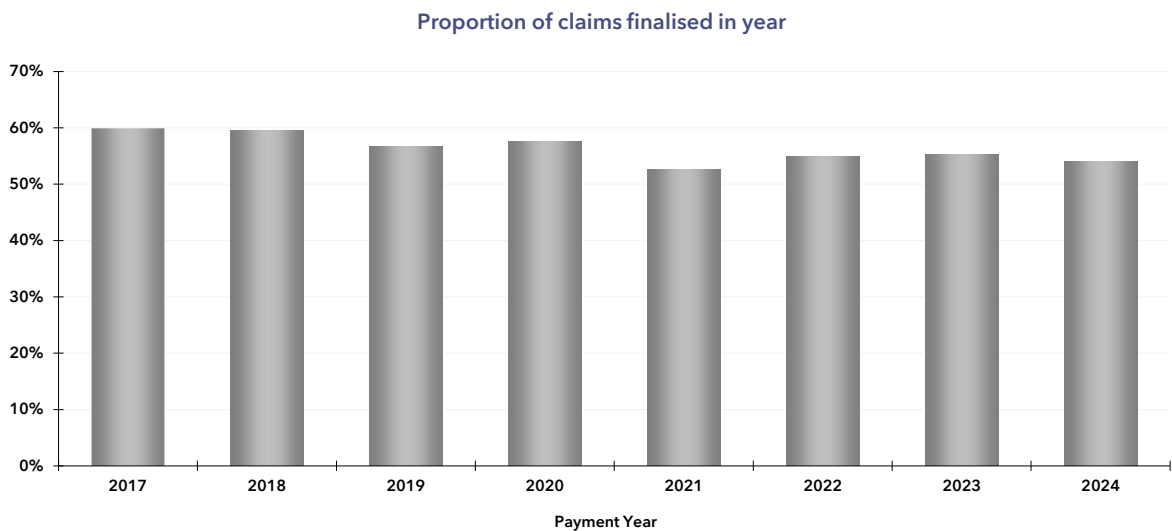
The table and chart show:

- The loss ratio has generally decreased from 82% in 2017 to 68% in 2023
- The 2024 loss ratio is 68%, on par with 2023 but lower than all prior years shown
- All accident years’ estimated loss ratios, except 2024, are above the target, but there has been a trend towards the target over the years shown on the graph
- Compared to the previous valuation:
 - The loss ratio for the 2020 accident year had the largest increase from 76% last year to 78% this year, mainly due to a decrease in earned premium (in historic values) and an increase in the incurred cost.
 - The loss ratio for all other accident years have been relatively stable.

G.5 Finalisation of claims

By payment year

2024 payment year has a finalisation rate of 54%



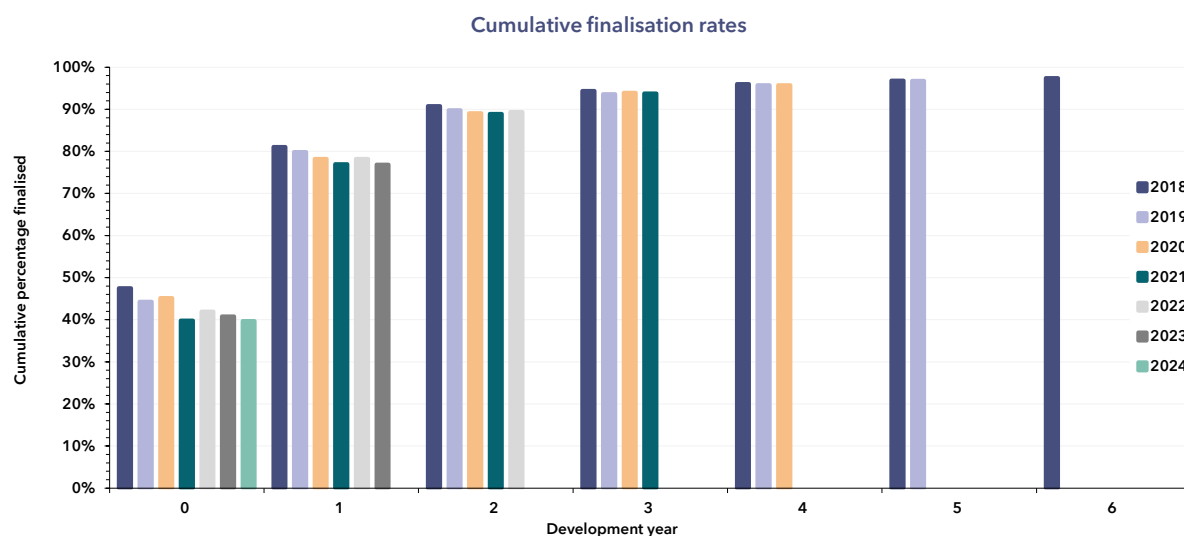
Claim finalisation rate by payment year is defined as:

$$\frac{\text{Number of claims finalised in year}}{(\text{Number of outstanding at beginning of the year plus number reported during the year})}$$

The proportion of total claims finalised since 2017 has been reducing from around 60% in the 2017 to 2018 payment years to a low of 53% in the 2021 payment year. This was followed by a slight increase to 55% over the 2022 and 2023 payment years. The 2024 payment year has a finalisation rate of 54%, this is higher than the low of 2021 but lower than all other prior years.

By accident year

Slower finalisation for 2021 compared to all prior years in DY0 to DY2. DY0 for 2024 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 generally 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. 2024 is similar to 2021.

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

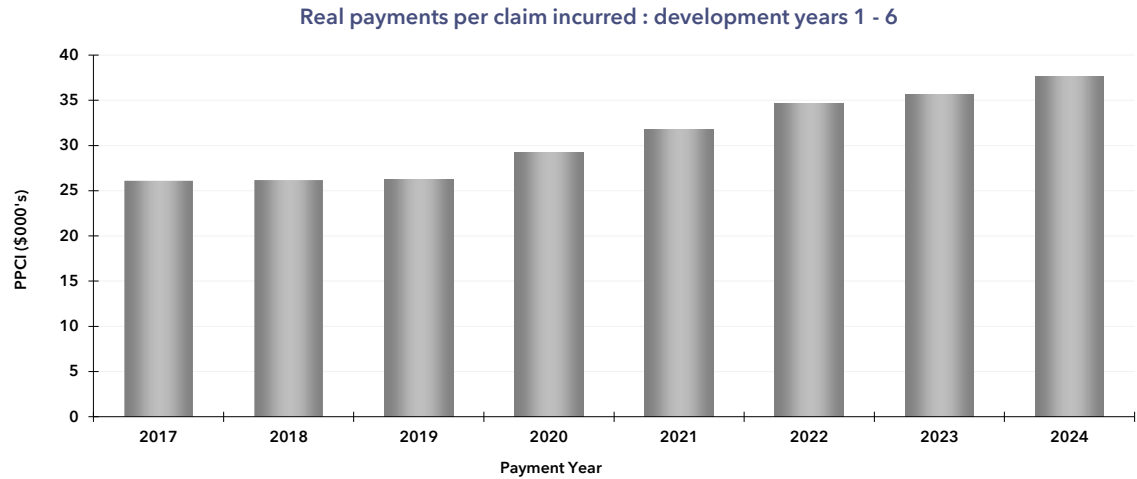
Overall, this suggests that within the first three years after an accident, claims are taking longer to be finalised, but a catch up occurs in DY3 and after this, they are being closed at the same rate compared to older accident years.

Approximately 97% of claims are finalised by development year 5.

G.6 Payment per claim incurred

By payment year

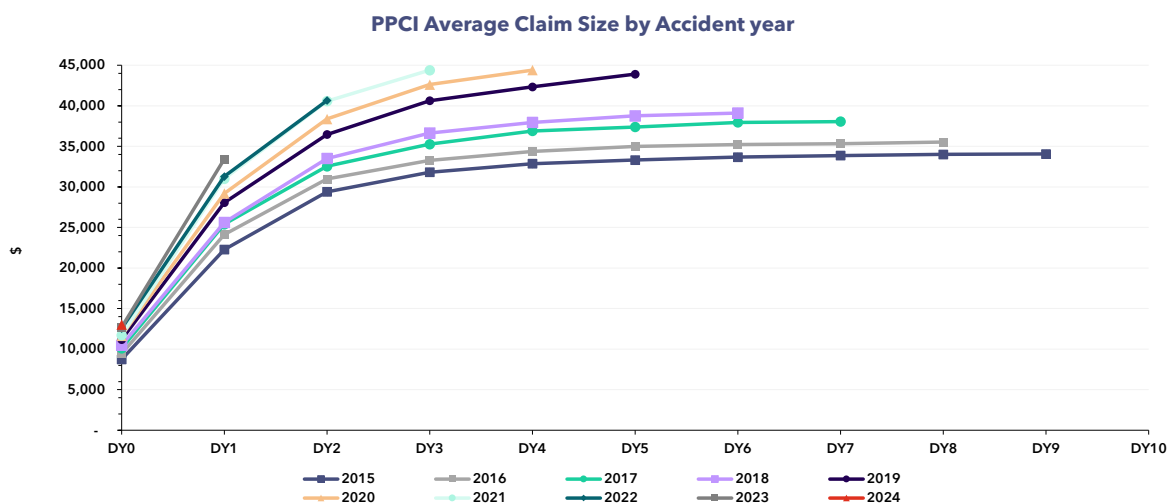
Increase (5.6%) in 2024 to \$37,600



The payments per claim incurred was fairly stable over 2017 to 2019. There was a significant increase of 11.7% in the 2020 payment year, to \$29,300.

In 2021 and 2022 there were further increases of 8.3% and 9.3%, respectively, to \$34,700 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 2.8% to \$35,600, driven by increases in lump sum and investigation, legal and miscellaneous payments.

In 2024, there was a further increase of 5.6% to \$37,600, driven by increases in weekly, lump sum and allied health payments.

*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:

$$\frac{\text{sum of claim payments by development year made to date (in 30 June 2024 values)}}{\text{number of claims incurred to date}}$$

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 2015 to 2024, 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 2015

Appendix 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 2024 by financial year of accident:

Accident year ending 30 June	Estimated Incurred Costs in Current Values as at 30 June 2024						
	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)
2024	346.8	1,179.1	1,525.9	26,616	57,327	122,137	1.25%
2023	849.1	535.5	1,384.7	25,401	54,513	115,265	1.20%
2022	1,001.1	231.5	1,232.5	24,624	50,054	108,345	1.14%
2021	1,108.8	122.8	1,231.6	24,976	49,311	101,190	1.22%
2020	1,060.8	69.5	1,130.2	23,887	47,316	98,530	1.15%
2019	1,100.5	31.0	1,131.6	25,067	45,141	97,319	1.16%
2018	1,012.4	20.2	1,032.6	25,878	39,903	94,987	1.09%
2017	1,008.5	14.1	1,022.6	26,499	38,591	96,063	1.06%

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 26,500 in 2017. Over 2017 to 2020 there were steady decreases followed by increases since 2020, such that in 2024 the estimated incurred claims are just over 26,600. The 2020 accident year is the lowest at just below 23,900, mainly due to COVID-19 that impacted the June 2020 quarter
- The average claim size has increased in real terms from \$38,590 in 2017 to \$57,330 in 2024. This is an average annual increase over the period of 5.8%. This is predominantly driven by a reduction in the number of lower cost 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 1.06% in 2017 to 1.20% in 2023. In 2024 the estimated claim cost as a percentage of wages increased to 1.25% due to incurred cost increasing by more than wages for 2024 compared to 2023
- Compared to the previous valuation, the claim cost as a percentage of wages have increased by 0.03% for 2023 due to more claims reported and larger average claim size, and increased by 0.01% for 2019 to 2021 due to more claims reported. Other years remained steady.

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

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

Claim frequency has been as follows:

Accident year ending 30 June	Claim frequency as % of:	
	Number of employees (a)	\$109,630 of real wages (b)
2024	2.2%	2.4%
2023	2.2%	2.4%
2022	2.2%	2.5%
2021	2.5%	2.7%
2020	2.4%	2.7%
2019	2.5%	2.8%
2018	2.6%	3.0%
2017	2.8%	3.0%

Notes: (a) item (g) from the last table in Appendix H.2
 (b) = number of claims incurred / (real wages / ave real wages {\$109,630})
 from table above

Claim frequency per \$109,630 wages has declined by an equivalent 3.3% per year over 2017 to 2024 and by 3.1% per year per employee. The \$109,630 figure adopted is the annualised figure from ABS Cat 6302.0 Average Weekly Earnings for Western Australia (persons, full-time adult ordinary time earnings).

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)
2024	344.2	958.5	1,609.6	278%	468%	168%	73%
2023	828.6	1,200.3	1,407.3	145%	170%	117%	73%
2022	946.2	1,135.3	1,198.8	120%	127%	106%	75%
2021	1,014.6	1,124.5	1,149.1	111%	113%	102%	80%
2020	943.2	1,004.0	1,019.0	106%	108%	101%	83%
2019	954.9	980.9	989.3	103%	104%	101%	85%
2018	856.4	865.2	879.0	101%	103%	102%	83%
2017	837.2	845.2	853.0	101%	102%	101%	85%

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:

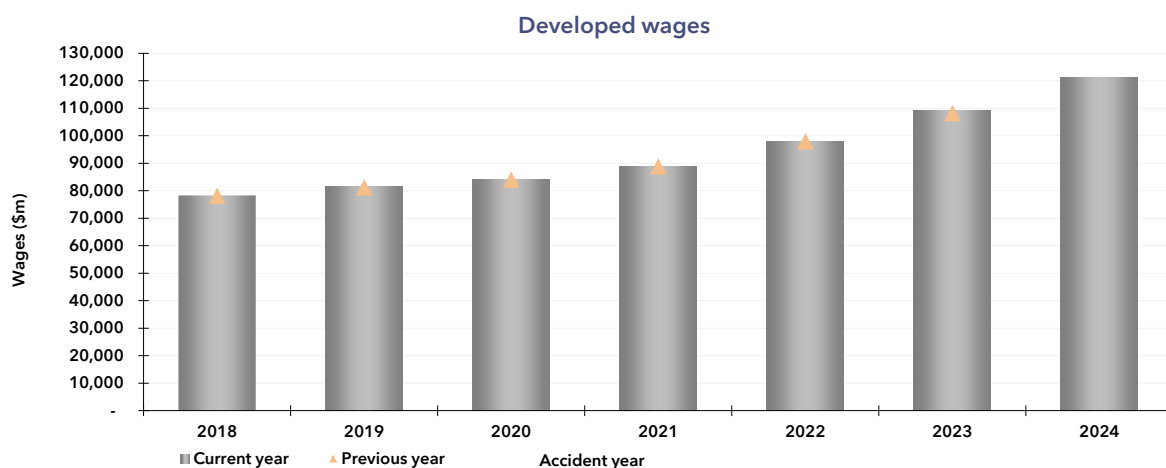
- The case estimate ratio (d) at the same stage of development was similar to last year, except the most recent years. The 2022 and 2023 accident years increased by 1% to 2%. The 2024 accident year increased by 7% driven by high actuarial incurred cost estimates
- The ultimate incurred cost ratio to payments (e) for 2017 to 2024 was relatively on par, with changes between 0% and 1% except for 2022, 2023 and 2024 that had increases of 4%, 3% and 19%, respectively
- The ultimate incurred cost ratio to total case estimates (f) was on par for all years (changes between 0% to 1%) except for 2022 and 2024 that had increases of 2% and 3%, respectively.

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 were on par (changes between 0% to 1%) for all accident years except 2020, which was 2%.

The target inflated loss ratio including all expenses (including brokerage) and profit loadings is 75.3% for 2025/26. See Appendix G.4 for a comparison of loss ratios against the target loss ratio for that year in current values.

H.1.3 Developed wages

Developed wages for 2024 are 10.9% higher than 2023



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

Developed wages for accident year 2018 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 2024 wages are estimated to be 10.9% higher than the 2023 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 2025/26 for this activity to continue.

For the 2017 to 2023 accident years, the developed wages are within 0.1% of the estimated developed wages from last year, except 2023 which is 1.0% higher.

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

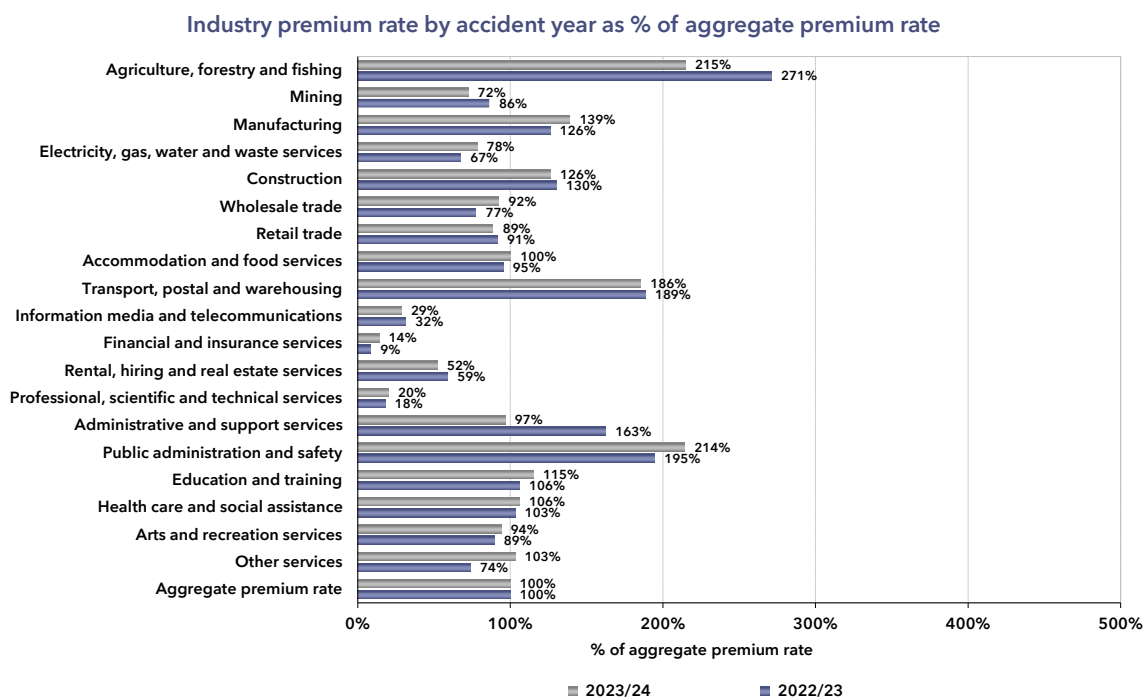
The charts below show the:

- 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 2023/24 accident year only and
- Composition of wages by industry for the 2019/20 to 2023/24 accident years
- Percentage movement in developed wages by accident year from 2020/21 to 2023/24.

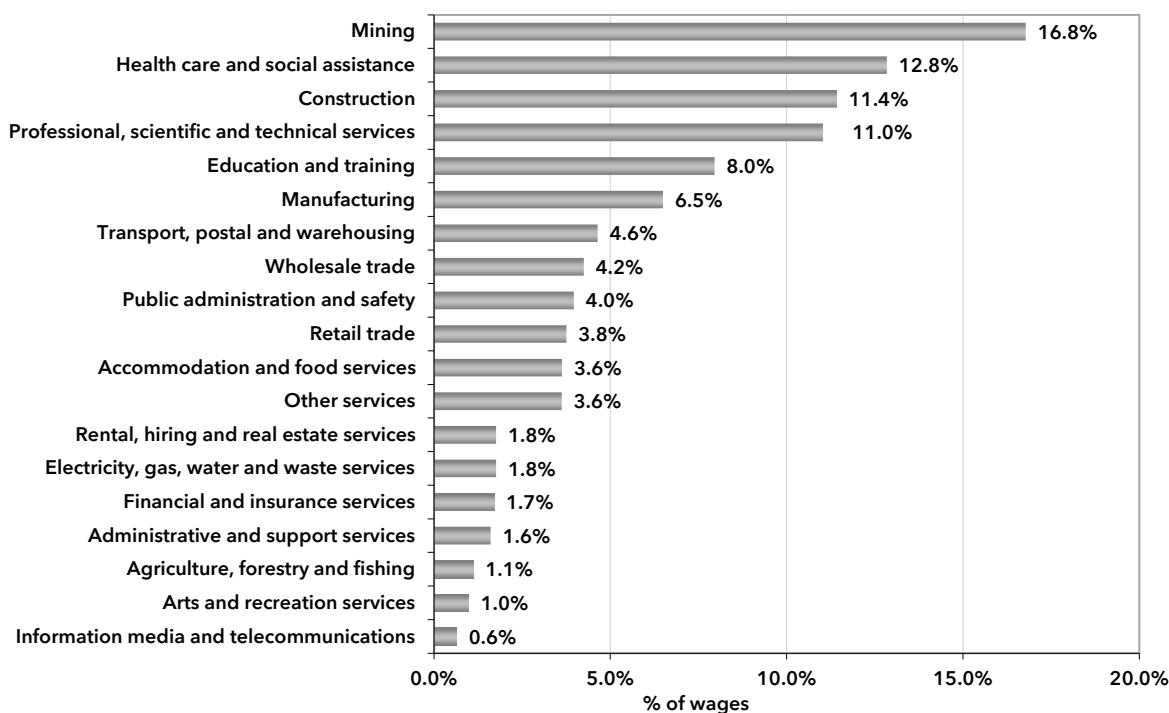
The cost of claims is estimated:

- 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 2024.

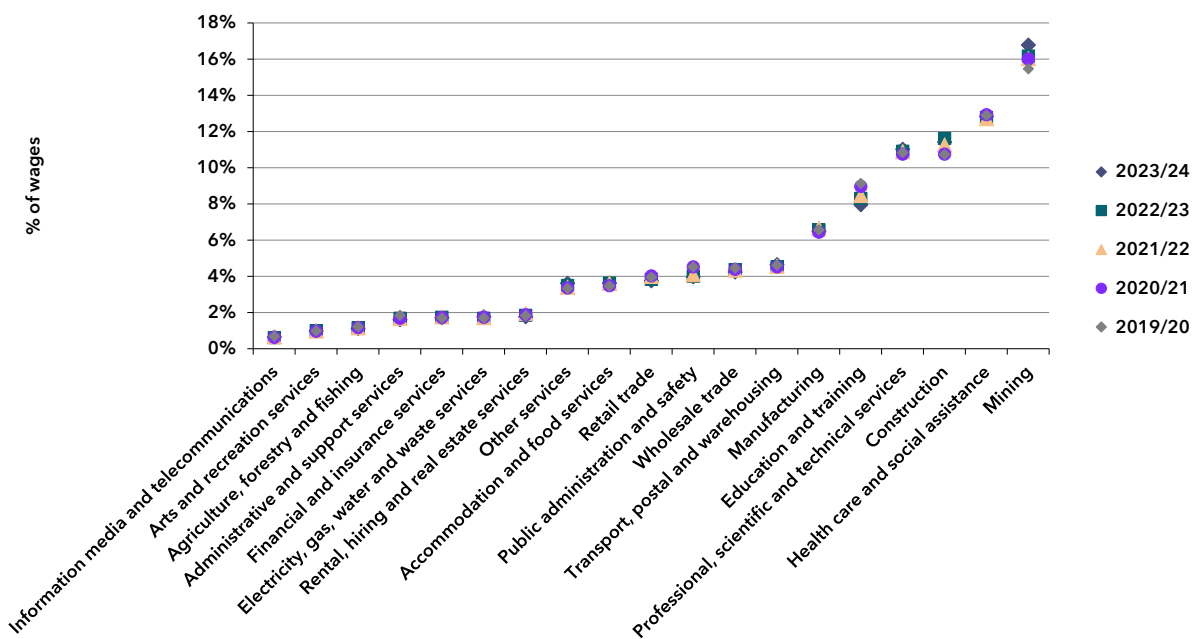
A higher proportion of total cost is estimated for 2023/24 than for the earlier accident years.

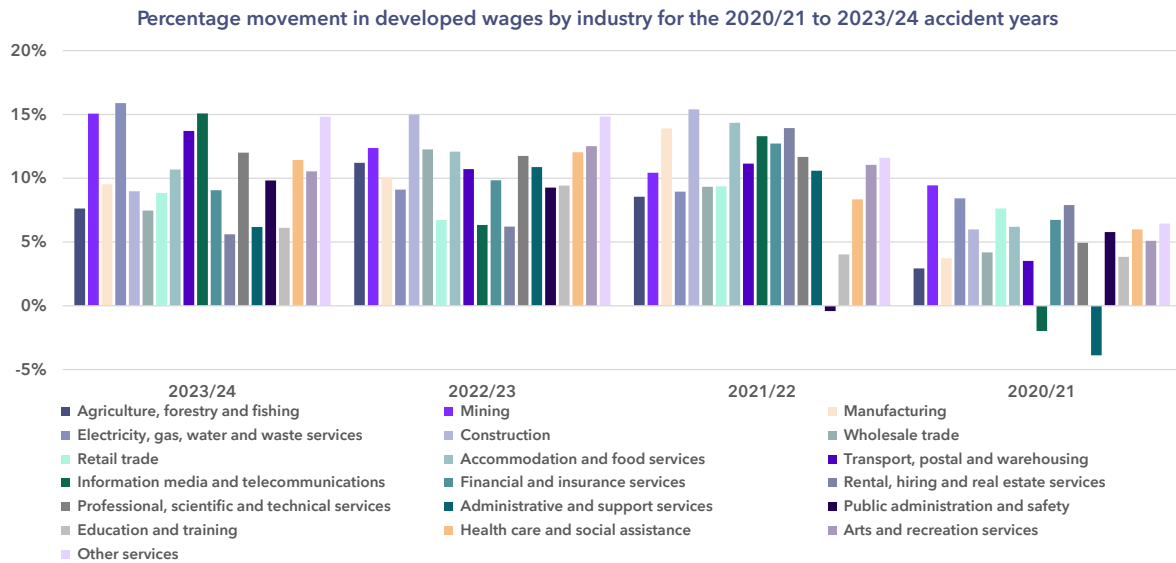


Percentage of wages by industry for the 2023/24 accident year only



Percentage of wages by industry for the 2019/20 to 2023/24 accident years





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							
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Adjusted written wages \$M (a)	123,892	112,577	100,280	92,123	84,543	82,437	77,967	77,386
% change (b)	10.1%	12.3%	8.9%	9.0%	2.6%	5.7%	0.8%	
% change in rates (c)	-5.2%	6.9%	4.0%	-0.4%	3.7%	3.9%	3.2%	-0.3%
Notional premium \$M (d)	2,084.6	2,037.2	1,654.8	1,481.1	1,367.4	1,263.9	1,151.2	1,162.3
% change (e)	2.3%	23.1%	11.7%	8.3%	8.2%	9.8%	-1.0%	
Expected % change in notional prem (f)	4.3%	20.1%	13.2%	8.5%	6.4%	9.9%	4.0%	
Returned Gross Written Premium (g)	1,834.8	1,782.1	1,535.0	1,416.3	1,244.4	1,161.9	1,077.0	1,014.5
Adjusted Gross Written Premium (h)	2,141.6	1,948.2	1,626.0	1,426.4	1,250.0	1,165.4	1,077.8	1,014.5
% discount by market (i)	0.3%	7.2%	4.5%	6.4%	11.6%	10.7%	9.4%	15.3%
Notional Average Premium Rate (j)	1.68%	1.81%	1.65%	1.61%	1.62%	1.53%	1.48%	1.50%
Insurer's average premium rate (k)	1.73%	1.73%	1.62%	1.55%	1.48%	1.41%	1.38%	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 2023/24 increased by 10.1%, compared to AWE growth of 2.6% i.e., 7.5% 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 3%).

Insurer premium discount to Gazette rates was 15% in 2017. In 2018, the discount was 9.4%, before increasing to 10.7% in 2019 and 11.6% in 2020. In 2021, insurer premium discounts to Gazette rates decreased to 6.4% and in 2022 they decreased further to 4.5%, before increasing to 7.2% for 2023. In 2024, insurer premium discounts to Gazette rates decreased to 0.3%, lower than all previous years.

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
- 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							
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Wage & salary earners (000s) (a)	1,307.5	1,275.9	1,208.2	1,122.6	1,113.4	1,113.6	1,074.9	1,055.0
% change (b)	2.5%	5.6%	7.6%	0.8%	0.0%	3.6%	1.9%	
Estimated RPR employees (c)	1,204.4	1,173.0	1,105.7	1,017.5	1,010.7	1,015.2	980.5	962.2
Gross ABS earnings \$M (d)	122,234	113,247	102,427	93,853	89,498	85,919	83,625	80,978
Estimated gross RPR earnings \$M (e)	112,596	104,115	93,738	85,065	81,243	78,325	76,279	73,851
% change (f)	8.1%	11.1%	10.2%	4.7%	3.7%	2.7%	3.3%	
RPR adjusted earned wages (g)	121,225	109,316	98,047	88,978	84,136	81,362	78,264	77,721
Earned wages % of est gross earnings (h)	107.7%	105.0%	104.6%	104.6%	103.6%	103.9%	102.6%	105.2%
Est RPR employees % of wage & salary earners (i)	92.1%	91.9%	91.5%	90.6%	90.8%	91.2%	91.2%	91.2%
Agriculture wages as % of total RPR wages (j)	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%
Self insurer wages as % of total RPR wages (k)	7.9%	8.1%	8.5%	9.4%	9.3%	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 2023/24 adjusted earned wages increased by 10.9%, which is 8.3% more than that of AWE inflation.

Adjusted earned wages as a percentage of ABS data are all above 100%, between 102.6% and 107.7%. 2023/24 adjusted earned wages are 7.7% higher than ABS wages, which is a larger difference than prior years.

Claim Experience

Claim payments, case estimates and claim numbers have varied as follows by financial year:

	Reporting period							
	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17
Claim payments \$M (a)	1,307.6	1,165.0	1,080.3	963.1	898.1	837.6	847.8	875.7
% change (b)	12.2%	7.8%	12.2%	7.2%	7.2%	-1.2%	-3.2%	
Real claim payments \$M (c)	1,317.4	1,228.4	1,193.7	1,095.3	1,051.7	1,001.9	1,028.9	1,082.3
% change (d)	7.3%	2.9%	9.0%	4.1%	5.0%	-2.6%	-4.9%	
Estd incurred claim numbers (e)	26,616	25,401	24,624	24,976	23,887	25,067	25,878	26,499
% change (f)	4.8%	3.2%	-1.4%	4.6%	-4.7%	-3.1%	-2.3%	
Claim frequency (g)	2.2%	2.2%	2.2%	2.5%	2.4%	2.5%	2.6%	2.8%
Active claims (h)	21,640	20,334	20,110	20,082	17,907	18,641	18,002	18,637
% change (i)	6.4%	1.1%	0.1%	12.1%	-3.9%	3.5%	-3.4%	
Case estimates outstanding \$M (j)	1,422.9	1,234.9	1,139.8	1,083.9	908.2	875.7	882.2	931.6
% change (k)	15.2%	8.3%	5.2%	19.3%	3.7%	-0.7%	-5.3%	
Real case estimates outstanding \$M (l)	1,422.9	1,267.0	1,233.2	1,214.0	1,041.0	1,037.9	1,067.0	1,141.5
% change (m)	12.3%	2.7%	1.6%	16.6%	0.3%	-2.7%	-6.5%	

Notes :

- (a) from Form WC20 returned by insurers
- (b) % change in (a) from previous year
- (c) = (a) indexed into 30 June 2024 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 2024 values
- (m) % change in (l) from previous year

- Real claim payments decreased from \$1,082 million in 2016/17 to \$1,002 million in 2018/19. Over 2019/20 to 2023/24 real claim payments have increased to \$1,317 million. Over 2016/17 to 2023/24, payments have increased 21.7% in total or 2.8% per annum
- Estimated incurred claim numbers decreased from 26,499 in 2016/17 to 23,887 in 2019/20, followed by increases to 26,616 claims in 2023/24
- Claim frequency as a percentage of employees steadily declined from 2.8% in 2016/17 to 2.2% in 2023/24
- Active claims decreased from around 18,637 in 2016/17 to 17,907 in 2019/20 before a significant increase in active claims in 2020/21, followed by further increases to 21,640 in 2023/24
- Real case estimates outstanding generally decreased from \$1,142 million in 2016/17 to \$1,041 million in 2019/20. They increased significantly by 16.6% to \$1,214 million in 2020/21 and have been increasing since to \$1,423 million in 2023/24. Over the whole period real case estimates increased by 24.6% or 3.2% per annum.

Appendix I Analysis of lump sum claim experience

I.1 Section 92(f) settlements

The Workers Compensation and Injury Management Act 2023, which commenced from 1 July 2024, introduced new payment types for lump sum settlements and removed Section 92(f) settlements. The data presented in this section refers to payments under the previous Act only. The values for 2024/25 YTD are for claims that were negotiated prior to 1 July 2024 but only closed after.

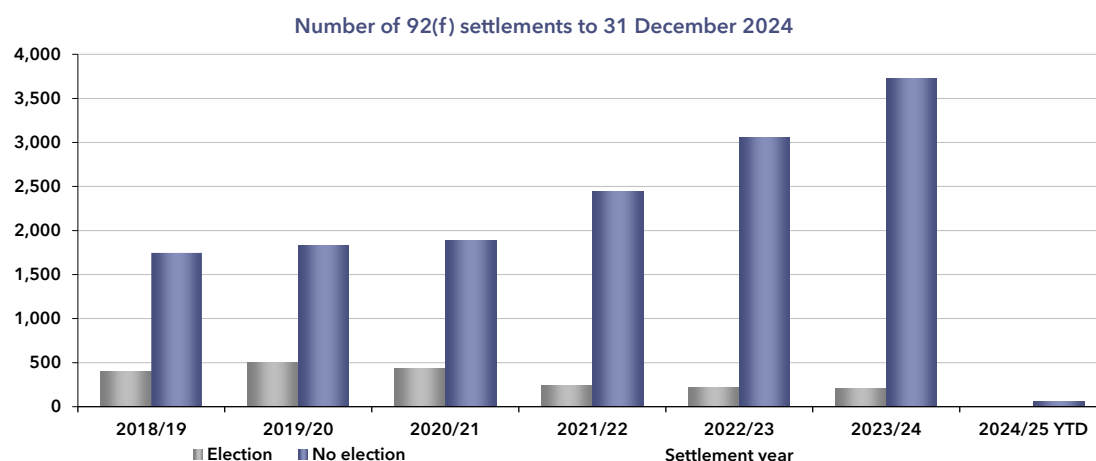
Section 92(f) was in the previous Act since 1981, however the use of this settlement pathway escalated significantly since 2007/08. The intention of the section is to allow common law claims to be settled prior to the matter going to trial and close the claim off to any further common law action.

As the wording of the previous 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. An analysis of this data is presented in the chart and commentary below.

2023/24 is significantly higher than all other prior years for no election settlements



The number of 92(f) settlements has been generally increasing between 2018/19 and 2023/24. The number of 92(f) settlements peaks at 3,932 in 2023/24 which is significantly higher than 3,272 settlements in 2022/23. The increase in total 92(f) settlements for 2023/24 is driven by the increase in settlements without an election partially offset by the decrease in settlements with an election. We understand that the increased 92f settlement activity in 2023/24 was due to the uncertainty

regarding the settlement pathways in the new Act so there was a desire to settle claims pre 1 July 2024. The total growth over 2018/19 to 2023/24 was 84%, or an equivalent annual rate of 11%.

The proportion of 92(f) settlements made without an election application has varied between 78% and 95%. In 2023/24, the number of 92(f) settlements without an election application is 3,728, an increase from 3,060 for the 2022/23 year. Meanwhile settlements with an election application decreased from 212 to 204 between 2022/23 to 2023/24.

The average size of 92(f) settlement payments with an election has increased from \$128,600 in 2018/19 to a peak of \$330,900 in 2022/23. The average claim size for 92(f) settlement payments with an election for 2023/24 is \$314,100.

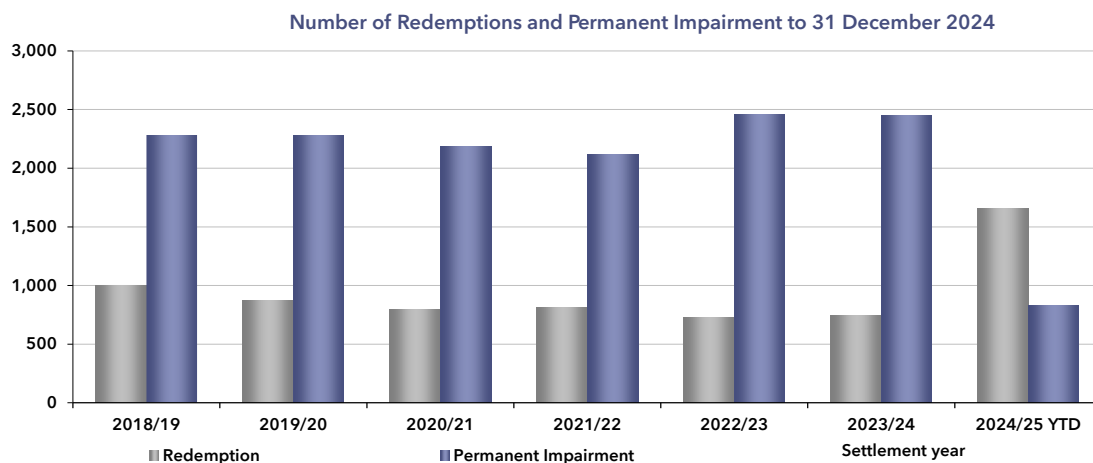
The average size of 92(f) settlement payments without an election increased from \$53,800 for those lodged in 2018/19 to \$65,600 for those lodged in 2023/24, an average annual increase of 3.4%.

I.2 Redemptions and lump sum 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.

As noted above, the 2023 Act introduced new settlement payment types for redemptions and Permanent Impairment lump sum which apply from 1 July 2024. This data has been combined with the Memorandum of Agreement (MOA) Schedule 1 redemptions and Schedule 2 specific injury lump sums under the previous Act, respectively, for 2024/25 YTD.

The chart below shows that the recorded number of redemptions and permanent impairment payments to 31 December 2024:



Over the period shown, the number of redemptions have decreased from 996 in 2018/19 to 743 in 2023/24, which is slightly higher than the low of 730 in 2022/23.

The number of permanent impairments decreased from 2,284 in 2018/19 to 2,121 in 2021/22, followed by an increase to 2,454 in 2022/23. 2023/24 is similar at 2,450. The trend in permanent impairment payments follows the trend in the number of permanent impairments. Some claimants will receive both a redemption and permanent impairment payment so will be counted in both categories.

The average size of redemptions recorded has decreased from \$39,600 for those lodged in 2018/19 to \$37,500 for those lodged in 2021/22, with a decrease to \$33,800 for those lodged in 2022/23 followed by an increase to \$37,700 for 2023/24.

Over the period since 2018/19 to 2023/24, the average annual decrease in redemptions average claim size is 0.8% per year. The average claim size for permanent impairments payments increased from \$16,300 for 2018/19 to \$18,300 for 2022/23, followed by a decrease to \$17,700 in 2023/24, which is an average growth of 1.4% per year.

The experience for redemptions and permanent impairments for the six months to 31 December 2024 is very different to prior years, with a higher number of redemptions (1,654 in six months) compared to permanent impairments (828 in six months). This is due to the new settlement payment types under the 2023 Act, as well as claimants no longer having Section 92(f) settlements as an option. The average size of redemptions over these six months was \$45,900 whilst the average size of permanent impairments was \$18,700.

Appendix 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 2024 (which is based on data to 31 December 2024). Similarly, the original estimates are as at 30 September following the end of the financial year.

	Financial reporting year							
	2017	2018	2019	2020	2021	2022	2023	2024
Original estimate of claims with 60+ days timelost	5,423	5,455	5,789	5,760	6,646	6,604	7,223	7,815
Original 60+ % of Total	21%	22%	23%	24%	27%	27%	29%	29%
Current estimate of claims with 60+ days timelost	4,411	4,589	4,758	4,912	5,616	5,740	6,226	7,564
Current 60+ % of total	17%	18%	19%	21%	23%	24%	25%	28%

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 2017 financial year
- As a lodgement year matures the estimate of the proportion of claims with more than 60 days timelost reduces.

In the 2025/26 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													2024/25
Age	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	YTD
<20	5.6%	5.0%	4.7%	4.1%	3.5%	3.5%	3.4%	3.1%	3.8%	4.3%	4.5%	4.1%	3.9%
20 to 24	12.4%	11.5%	10.9%	10.2%	9.7%	9.4%	9.4%	9.0%	8.8%	9.8%	9.4%	9.1%	9.0%
25 to 29	12.7%	12.9%	12.5%	12.0%	10.9%	11.0%	10.8%	10.5%	10.4%	10.5%	10.3%	10.9%	11.6%
30 to 34	10.5%	11.0%	11.0%	11.1%	11.0%	10.8%	10.9%	10.6%	10.1%	10.3%	10.2%	10.5%	10.6%
35 to 39	9.6%	9.6%	9.2%	9.6%	9.7%	9.5%	10.1%	9.8%	9.8%	9.9%	10.2%	10.4%	11.1%
40 to 44	11.3%	11.3%	10.9%	10.8%	10.7%	10.1%	9.6%	9.9%	9.9%	9.6%	9.9%	10.0%	10.1%
45 to 49	11.0%	11.1%	11.5%	11.5%	12.3%	12.5%	11.8%	12.0%	11.4%	10.7%	10.0%	10.1%	9.8%
50 to 54	11.0%	11.2%	11.6%	11.8%	11.8%	12.1%	12.1%	12.2%	12.0%	11.9%	12.0%	11.6%	11.0%
55 to 59	8.5%	8.8%	9.4%	9.8%	10.5%	11.1%	11.1%	11.5%	11.7%	11.0%	10.9%	10.5%	10.4%
60 to 64	5.6%	5.5%	6.0%	6.5%	6.9%	7.2%	7.6%	8.1%	8.3%	8.1%	8.5%	8.2%	7.9%
65+	1.9%	2.1%	2.3%	2.6%	2.8%	2.8%	3.2%	3.4%	3.8%	3.9%	4.2%	4.7%	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 2012/13, there has been an increasing trend in the proportion of claimants over 60, from 7.5% to 12.9% in 2023/24. The proportion in the half year to December 2024 is at 12.4%.

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 over age 35 are above the average. The percentage of claimants over 35 have increased from around 59% in 2012/13 to 67% in 2019/20 and 2020/21 before reducing slightly to 65% over 2021/22 to 2023/24. 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.

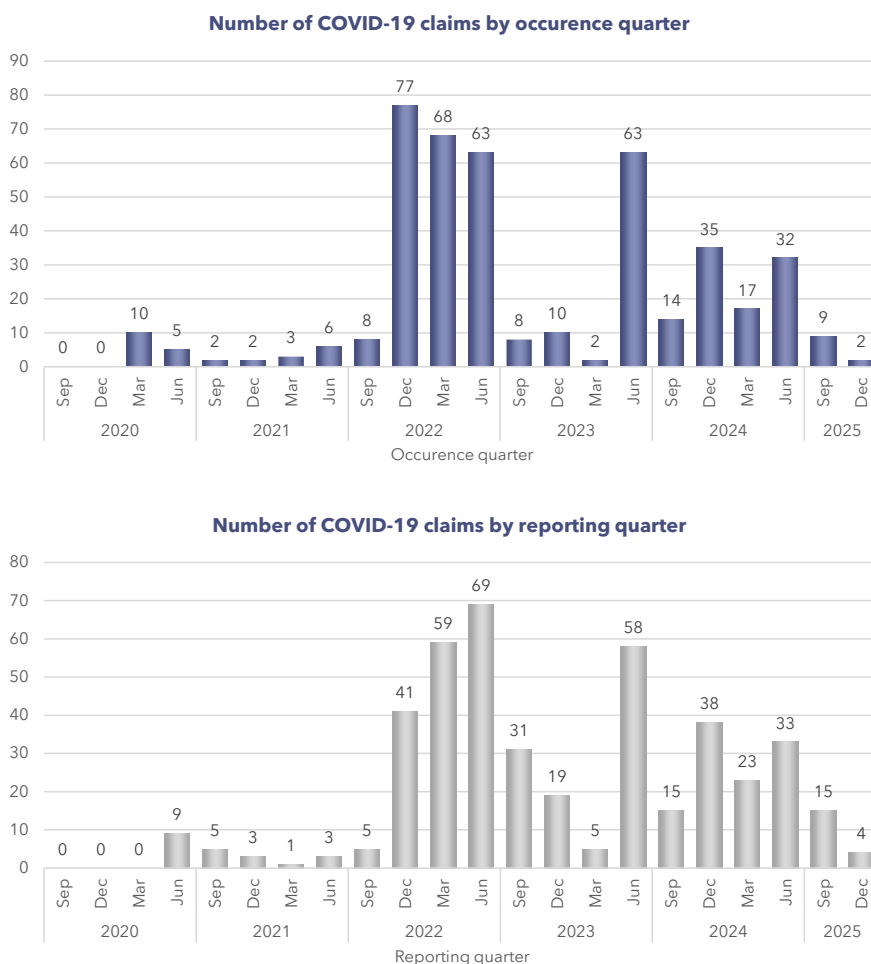
Average claim size based on payments plus case estimates, no allowance for actuarial development													2024/25
Age	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	YTD
<20	5,603	6,737	7,034	13,096	10,585	13,854	10,007	15,998	12,619	16,452	16,247	17,576	26,029
20 to 24	12,008	12,765	13,795	14,235	16,188	15,896	21,234	19,767	19,869	21,611	25,382	25,731	30,488
25 to 29	16,965	17,486	18,519	22,552	21,734	22,388	27,976	30,220	31,300	32,095	33,597	37,217	37,532
30 to 34	22,445	25,238	25,091	25,897	28,579	28,712	35,326	35,676	38,278	43,905	46,261	44,412	41,485
35 to 39	27,861	25,862	28,967	33,117	37,192	37,509	43,628	47,223	50,069	47,567	55,504	48,699	46,678
40 to 44	31,297	33,721	37,493	33,545	41,034	43,599	44,435	51,320	51,369	49,894	55,789	49,793	44,851
45 to 49	31,426	37,223	38,286	37,673	43,219	41,429	52,298	52,136	59,002	60,155	64,843	56,618	50,395
50 to 54	32,867	35,008	37,576	39,661	42,799	48,221	52,432	53,634	60,137	68,122	68,642	58,440	51,385
55 to 59	30,897	37,400	40,793	39,137	38,644	42,629	49,191	55,240	61,466	63,876	67,585	65,110	50,995
60 to 64	32,425	33,667	35,886	43,668	44,445	44,707	52,191	53,314	56,350	64,450	70,789	62,031	52,200
65+	26,548	29,007	31,483	36,509	34,579	39,155	45,500	50,430	58,016	59,393	64,550	61,098	55,932
Total	24,520	26,950	29,127	31,009	33,973	35,577	41,300	44,097	47,329	49,317	53,230	49,050	44,791

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 2024 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 2024

From the individual claims data (for RPR returning entities) up to 31 December 2024 received this year, there were 436 COVID-19 virus related claims that have been reported. This includes 125 disallowed or withdrawn claims. This compares to 349 claims known as at 31 December 2023 of which 112 were disallowed or withdrawn. The chart below shows the distribution of claims based on occurrence and reporting quarter respectively, including disallowed or withdrawn claims.

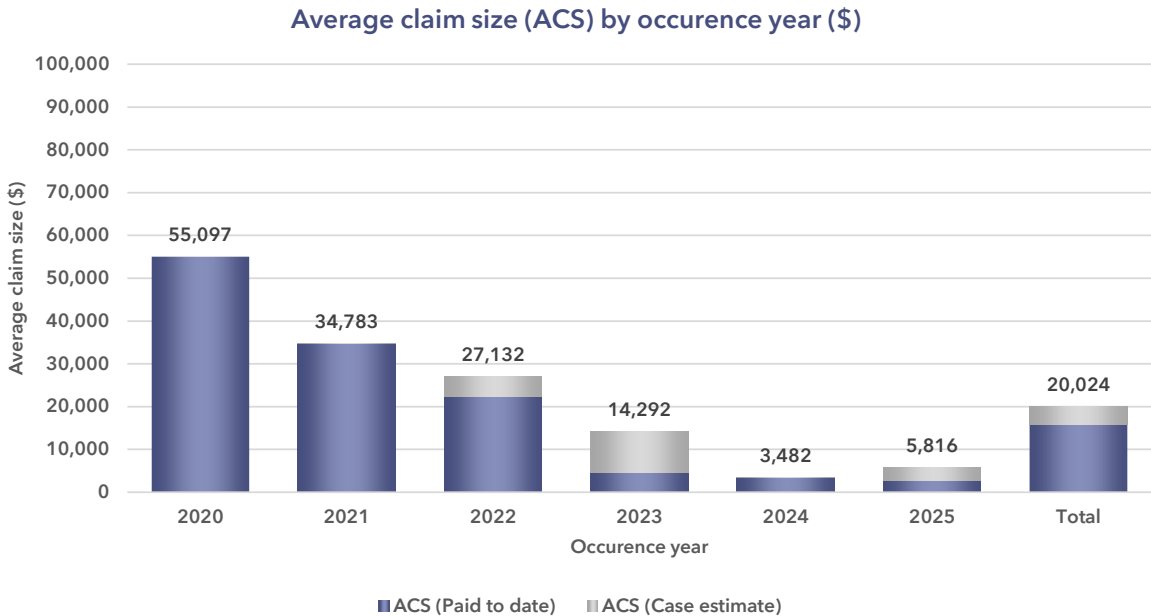


Most COVID-19 claims occurred and were reported over the quarters in the 2022 financial year. This is in line with our expectation, as there was a surge in COVID-19 cases from the reopening of WA state border. There was a second spike in claims in the June 2023 quarter, most of which were from the class 84010 - Hospitals (except psychiatric hospitals). From the above charts, we note that there were 19 claims reported over the half year to 31 December 2024 (in the 2025 financial year),

the majority of which are for class 84010. 83% of claims incurred from 1 April 2023 relate to classes 84010 or 84020 - Psychiatric hospitals.

Out of 436 claims reported, only 279 (64%) claims relate to direct actual infection of the Novel coronavirus (COVID-19). In addition, overall, the number of claims incurred per year is significantly fewer than our projected scenarios in our 2022 report, with the lowest scenario estimating at least 400 claims per year.

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 2024 is decreasing, from \$55,100 in 2020, to just above \$5,800 for 2025. The overall reported average claims cost as at 31 December 2024 is around \$20,00. 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

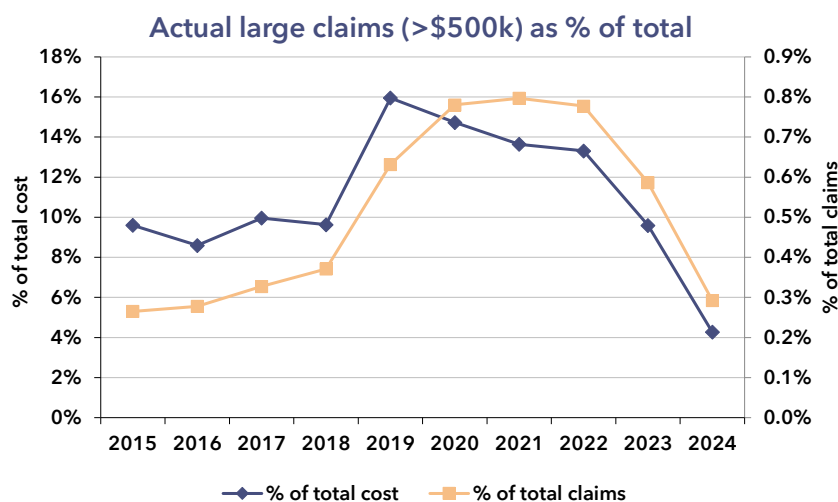
We used the individual claim data file supplied by WorkCover WA to monitor emerging trends in large claims.

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. There is significant uncertainty in the developed estimates for more recent accident years. This is even greater than for estimating the costs for all claims as these claims take longer to emerge and finalise and there is a wide variety in the average claim size. Therefore the developed estimates for the 2023 and 2024 accident years particularly should be considered with caution.

The development analysis and detailed distribution tables below show for large claims with a total estimate greater than \$0.5 million:

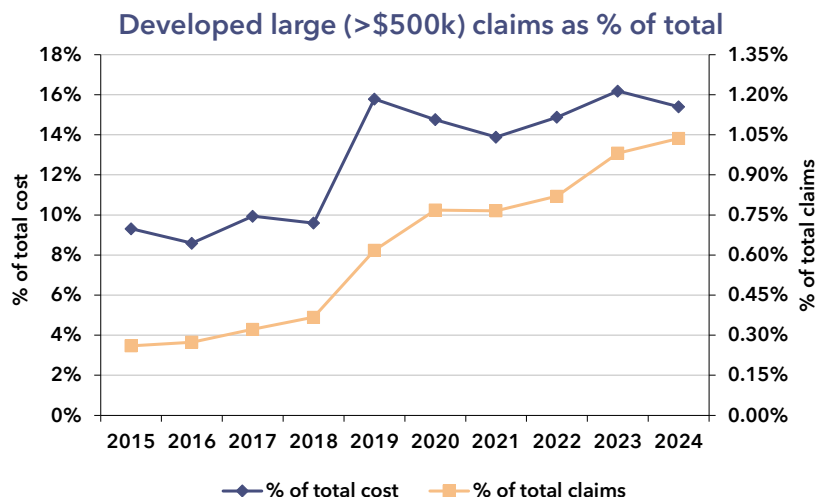
- large claims are an increasing percentage of total claims and total costs over time, reflecting general trends in claim inflation
 - the cost of large claims has increased from around 10% in 2015 to 2018 to around 14% to 16% for 2019 to 2022 on a developed basis
 - the number of large claims has increased from around 0.3% in 2015 to 2018 to around 0.8% for 2020 to 2022 and around 1.0% for 2023 and 2024 on a developed basis
- the number of large claims has increased from 80 in 2015 to over 200 for 2022 to 2024 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 \$1,022,000
- aggregate large claim cost has increased from \$80 million in 2015 to around \$250 million in 2024 on a developed basis, in actual values.

The chart below shows our analysis of the actual undeveloped large claim data:



From 2015 through to 2018, the actual number of large claims increased from 0.27% to 0.37% 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 0.80% 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 2024 outstanding claims liabilities. The chart below shows the developed results obtained:



As for the undeveloped experience, the number of developed claims as a percentage of total claims increases between 2015 and 2018, from 0.26% to 0.37%, before then experiencing a strong increasing trend, to 0.82% in 2022. The total cost of the large claims follows a similar trend, increasing from 9.31% of total claim costs in 2015 to 9.60% in 2018, before then increasing to 14.87% in 2022. At this early stage, 2024 may be slightly lower than 2023 and 2021, however there is more uncertainty as it involves a higher projected portion.

This high-level analysis suggests that while large claim trends have not been a key driver of overall claim costs increases in recent years, their annual cost variation can be a source of system cost volatility.

Subsequent analysis will continue to monitor these trends.

In the tables below we have also shown 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.

J.4.2 Large claim data

We compiled the following distribution tables from the data supplied as at 31 December 2024. 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 2024						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2015	80	3	79.7	1.9	81.6	1,020
2016	79	3	72.2	0.7	72.8	922
2017	85	5	81.4	2.7	84.1	989
2018	94	8	81.8	1.5	83.2	885
2019	155	28	144.5	11.9	156.4	1,009
2020	182	59	121.6	26.1	147.7	811
2021	194	118	106.7	47.1	153.8	793
2022	186	156	78.7	75.6	154.3	830
2023	144	136	44.6	80.0	124.7	866
2024	74	73	14.1	39.4	53.5	723
Total	1,273	589	825.3	286.9	1,112.2	874

Claims over \$1,000,000

WA workers' compensation claims over \$1.0M as at 31 December 2024						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2015	22	1	41.7	1.3	43.0	1,953
2016	17	0	30.1	0.0	30.1	1,768
2017	26	1	43.4	1.6	45.0	1,729
2018	27	0	37.4	0.0	37.4	1,385
2019	41	9	72.1	6.3	78.4	1,912
2020	37	12	36.8	12.0	48.9	1,321
2021	31	19	27.6	14.1	41.7	1,346
2022	38	32	21.1	32.8	54.0	1,420
2023	24	23	12.0	35.1	47.1	1,961
2024	6	6	2.1	8.1	10.2	1,697
Total	269	103	324.3	111.2	435.5	1,619

The tables below show the results of our analysis of large claims relative to total system claims.

Claims over \$500,000

Comparison - actual data	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of claims:										
Claims > \$500k	74	144	186	194	182	155	94	85	79	80
RPR returning entities	25,313	24,550	23,922	24,341	23,320	24,526	25,341	25,969	28,424	30,186
large claim frequency	0.29%	0.59%	0.78%	0.80%	0.78%	0.63%	0.37%	0.33%	0.28%	0.27%
Paid to date (\$m)										
Claims > \$500k	14.1	44.6	78.7	106.7	121.6	144.5	81.8	81.4	72.2	79.7
RPR returning entities	675.7	984.0	1,002.3	1,045.9	959.6	961.3	858.4	838.0	842.3	847.5
% of total cost	2.09%	4.54%	7.86%	10.20%	12.67%	15.04%	9.52%	9.71%	8.57%	9.40%
Total cost to date (\$m)										
Claims > \$500k	53.5	124.7	154.3	153.8	147.7	156.4	83.2	84.1	72.8	81.6
RPR returning entities	1,254.4	1,299.8	1,159.6	1,127.7	1,002.6	980.7	864.3	844.4	847.5	850.4
% of total cost	4.27%	9.59%	13.31%	13.64%	14.73%	15.95%	9.63%	9.96%	8.60%	9.60%
ACS (\$000)	723	866	830	793	811	1,009	885	989	922	1,020

Comparison - Developed data	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of claims:										
Claims > \$500k	276	249	202	191	184	155	95	85	79	80
RPR returning entities	26,616	25,401	24,624	24,976	23,887	25,067	25,878	26,499	28,973	30,746
% of total claims	1.04%	0.98%	0.82%	0.77%	0.77%	0.62%	0.37%	0.32%	0.27%	0.26%
Total cost to date (\$m)										
Claims > \$500k	245.9	227.5	178.2	159.5	150.4	156.2	84.3	84.7	73.3	81.8
RPR returning entities	1,609.6	1,407.3	1,198.8	1,149.1	1,019.0	989.3	879.0	853.0	853.6	878.5
% of total cost	15.28%	16.16%	14.87%	13.88%	14.75%	15.79%	9.59%	9.93%	8.59%	9.31%

Claims over \$1,000,000

Comparison - Actual data	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Number of claims:										
Claims > \$1m	6	24	38	31	37	41	27	26	17	22
RPR returning entities	25,313	24,550	23,922	24,341	23,320	24,526	25,341	25,969	28,424	30,186
large claim frequency	0.02%	0.10%	0.16%	0.13%	0.16%	0.17%	0.11%	0.10%	0.06%	0.07%
Paid to date (\$m)										
Claims > \$1m	2.1	12.0	21.1	27.6	36.8	72.1	37.4	43.4	30.1	41.7
RPR returning entities	675.7	984.0	1,002.3	1,045.9	959.6	961.3	858.4	838.0	842.3	847.5
% of total cost	0.31%	1.22%	2.11%	2.64%	3.84%	7.50%	4.36%	5.18%	3.57%	4.92%
Total cost to date (\$m)										
Claims > \$1m	10.2	47.1	54.0	41.7	48.9	78.4	37.4	45.0	30.1	43.0
RPR returning entities	1,254.4	1,299.8	1,159.6	1,127.7	1,002.6	980.7	864.3	844.4	847.5	850.4
% of total cost	0.81%	3.62%	4.65%	3.70%	4.87%	7.99%	4.33%	5.32%	3.55%	5.05%

Appendix 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	The gross premium is an estimate of the total cost of a policy, that is the claims cost and allowance for expenses and margins. $\text{Gross Premium} = \text{Risk Premium} + \text{loadings for expenses, margins etc.}$ $= \text{Risk Premium} / [(1 - \text{expense loading \%} - \text{contingency margin \%}) \times \text{interest earned factor}]$
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 2024 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)
Risk margin	The margin added to the central estimate to increase its level of adequacy above 50%.

Abbreviation	Description
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)	<p>Superimposed inflation is claims inflation over and above wage inflation.</p>
Wage development factor	<p>The wage development factor is applied to reported wages to increase them to ultimate (or developed) wages.</p>