

WorkCover WA

2026/27 recommended premium rates

March 2026

Scyne Advisory Pty Ltd

ABN 20 607 773 295



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We accept no responsibility, duty or liability:

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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

27 March 2026

Dear Sharryn

Please find enclosed our report on the 2026/27 recommended premium rates.

Yours sincerely



Andrew Smith

Fellow of the Institute of Actuaries of Australia



Key findings

Context of our review

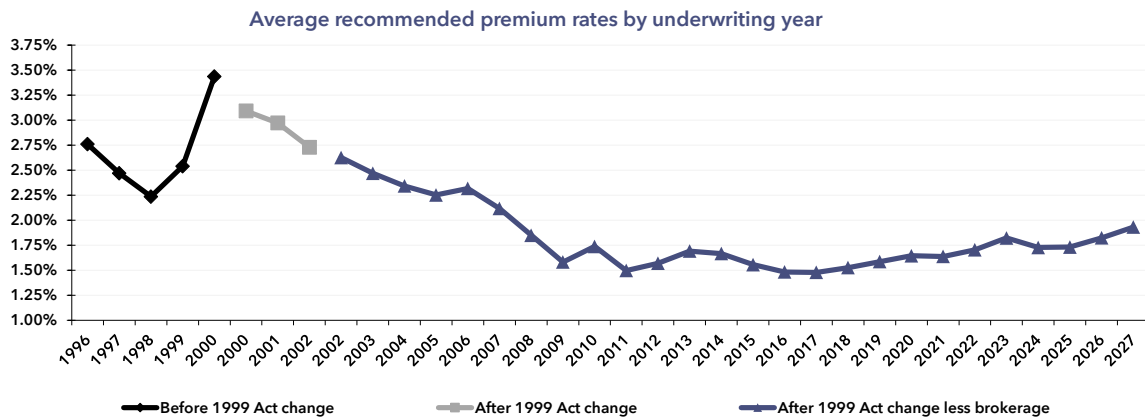
The purpose of this report is to present the recommended premium rates for the Western Australian workers compensation scheme for the 2026/27 financial year. The recommended premium rates are calculated in line with the following objectives:

- 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.

Our recommendation

Based on the Board directives and other assumptions detailed in this report, we recommend a 5.9% increase in the average premium rate for 2026/27 to 1.931% of wages, excluding allowance for brokerage, from the current rate of 1.823%.

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 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 :				
	2027 (a)	2026 (b)	2025 (c)	% difference (a) / (b) -1	(b) / (c) -1
Number of claims incurred (d)	27,710	26,846	25,152	3.2%	6.7%
Average claim size \$ (e)	69,102	58,588	53,302	17.9%	9.9%
Explicit Act change allowance on risk cost of claims \$M (f)	(13.9)	78.5	23.9	-117.7%	227.7%
Risk cost of claims \$M (g)	1,900.9	1,651.3	1,364.6	15.1%	21.0%
Expense and margin factor (h)	1.3532	1.3605	1.3755	-0.5%	-1.1%
CISS levy \$M (i)	31.5	9.7	24.9	223.7%	-61.0%
Gross premium \$M (j)	2,603.8	2,256.4	1,902.0	15.4%	18.6%
Earned wages \$M (k)	134,862	123,741	109,848	9.0%	12.6%
Average premium rate (l)	1.931%	1.823%	1.732%	5.9%	5.3%

Notes: (a) from 2.1 of this report

(b) & (c) from 2.1 of our 28 March 2025 RPR report

(d) includes allowance for IBNR

(e) in inflated and discounted values, 2027 is already inclusive of Act change

(f) common law savings from CISS, and allowance for Act change impacts for 2025 and 2026 which were based on claims data prior to 1 July 2024

(g) = (d) x (e) + (f)

(h) for grossing up the estimated risk cost of claims for expenses and margins, net of interest credit, excluding CISS levy

(i) CISS levy as advised by WorkCover WA

(j) = (g) x (h) + (i)

(k) adjusted to include final wage adjustments and employment growth for the half year to 31 December 2025

(l) = (j) / (k) %

We recommend a 5.9% increase in the average rate for the premium rating year ending 30 June 2027, driven by:

- **A 14.5% increase in the incurred cost of claims.** The incurred cost increased due to the projected risk cost of claims being higher than the 2025 premium rating year by 15.1%, partially offset by the expenses and margin factor decreasing by 0.5%.

The key drivers of the 15.1% higher risk cost are:

- Higher average claim size, including an allowance for the impact of ATO Class Ruling CR 2025/88 on lump sum payments
- Higher incurred claim numbers emerging in recent accident years
- This was partially offset by the removal of the once-off retrospective 2023 Act allowance that was included in last year's average premium rate.

The 0.5% lower expense and margin factor is due to a decrease in the expense loading from 14.3% to 13.8%, reflecting lower expense experience in 2024/25 compared with prior years.

- **A 0.8% increase due to the increase in the Catastrophic Injuries Support Scheme levy**
- **A 9.0% increase in projected earned returned wages.**



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

Australian Taxation Office Class Ruling CR 2025/88

On 17 December 2025, the ATO issued Class Ruling CR 2025/88 which confirmed that the income compensation component of a settlement is required to be included in a worker's assessable income.

We have estimated the impact of this ruling and have allowed for a 13% loading on lump sum payments, equivalent to a 3.4% increase in premium, for both the 30 June 2025 outstanding claims liability and the 2026/27 recommended premium rate.

There remains significant uncertainty in the ultimate impact of this ruling, especially as settlements are negotiated on an amount inclusive of all future compensation. We will continue to closely monitor settlement experience in the future.

Workers Compensation and Injury Management Act 2023

The *Workers Compensation and Injury Management Act 2023* commenced on 1 July 2024 and introduced a number of benefit changes including the doubling of the cap on medical and health expenses, the extension of the income compensation payment step-down period from 13 to 26 weeks, and the net impact of the new Catastrophic Injuries Support Scheme. Medical and allied health fee base rates also changed under new Ministerial fee orders from 1 July 2024.

For the 2025/26 recommended premium rates, an explicit prospective 2023 Act allowance was included to reflect these changes, as the claims data used for the analysis pre-dated the 2023 Act.

The 2025/26 recommended premium rates also included a once-off retrospective 2023 Act allowance relating to the impact of benefit changes on policies underwritten prior to 30 June 2024. This once-off retrospective allowance has been removed for the 2026/27 recommended premium rates.

For the 2026/27 recommended premium rates, we have used claims data since 1 July 2024 which largely reflects the impact of the 2023 Act, so the only explicit prospective 2023 Act allowance included is for the net impact of Catastrophic Injuries Support Scheme which increases recommended premium rates by 0.5%.

See section 6.7 for more details on the ATO Class Ruling and 2023 Act changes.

Target loss ratio

We have adopted a target loss ratio of 73.9% 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 73.5% from the previous review, primarily due to a decrease in the expense loading and the one-year-ahead interest rate.

Total expense levels

The adopted expense margin aligns to a three-year average of insurers' expenses. The total adopted expense level of 13.8% (14.3%) of premium is made up of 12.9% (13.3%) management expenses and 0.8% (1.0%) 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 2024/25 accident year to the 2026/27 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 2026/27 underwriting year, we have implicitly assumed a similar number of lower cost claims as the 2024/25 accident year.

The adopted superimposed inflation to project from the 2024/25 accident year to the 2026/27 underwriting year is 2.8%. This is higher than the 2.7% adopted last year. See Appendix D.2.2 for more details.

The total superimposed inflation adopted for the outstanding claims valuation is 4.0% p.a., which is similar to 4.1% at the previous valuation.

Experience for the half-year to 31 December 2025

We have also considered data for the half-year to 31 December 2025 in projecting the 2026/27 underwriting year. Based on this, we have allowed for the number of claims to be 2.6% higher and the number of employees to be 1.9% higher than 2025.

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 2025/26 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 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 0.3% as a result of the premium respread, which is slightly lower than the 0.4% 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 2025/26 recommended premium rates affected 13 of the 515 classes (3%). 10 classes had a capped increase of 25% and three 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 0.1% 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 2026/27 financial year has increased from last year and are as follows:

Recommended Minimum Premium	Last year's rate	Indexed for 2026/27	2026/27 recommended
All Premium Rating Classes	\$310.00	\$325.59	\$325.00

Outstanding claim liabilities

The outstanding claim liabilities (inflated but not discounted and excluding claims handling expenses) as at 30 June 2025 are estimated to be \$2,803.3 million, excluding the 2017 and earlier accident years. This is \$85.5 million (3.1%) higher than the aggregate outstanding claims estimates returned by applicable insurers of \$2,717.8 million. Last year we were 0.4% higher than insurers' estimates excluding the 2016 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 2024/25 of \$35.7 million (1.5%) on our inflated and discounted projections including expenses. Insurers provide inflated estimates, and these had a release of reserves of \$13.4 million (0.5%) on all accident years to 30 June 2024. On an inflated basis, our estimates had a strain on reserves of \$45.5 million (1.8%).

Our estimates have allowed for the impact of ATO Class Ruling CR 2025/88 which was issued on 17 December 2025, which is estimated to increase ultimate incurred cost by 3.4% (see section 6.7 for more details). At the time of insurers preparing their 30 June 2025 estimates the Class Ruling had not yet been issued, and we are aware that different insurers reacted differently to the private ruling from February 2025. This may be one driver for our estimates being higher than insurers', as we have allowed for the change in income compensation settlements (to be based on gross-of-tax wages rather than net-of-tax wages) across the whole scheme, whereas this may only be reflected in some insurers' estimates.

Uncertainty

The main sources of uncertainty in the projected premium rate for 2026/27 include:

- Claims management
- Current economic outlook
- 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*
- ATO Class Ruling CR 2025/88.

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 2024/25. The form of this year's data is similar to the data supplied last year.



2026/27 recommended premium rates

The 2026/27 recommended premium rates are calculated using the 2024/25 returns together with information provided by WorkCover WA for the split by payment types and the experience in the six months to 31 December 2025.

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 2026/27 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 WCT0126.

We have prepared the recommended premium rates report for the WA workers compensation scheme for a number of years. The most recent report was *2025/26 recommended premium rates* dated 28 March 2025.

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

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 2025 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 2025. The insurers supplying data are collectively known as premium rate returning entities. All self-insurers, other than ICWA 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 allowances for the 2023 Act which commenced on 1 July 2024, as well as the Australian Taxation Office Class Ruling 2025/88 published on 17 December 2025. See section 6.7 for more information.



1.2 Objectives for our review

This report details our recommended premium rates to apply in the Western Australian workers compensation scheme in the 2026/27 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.

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 APRA's prudential standard CPS 320 and GPS 340 for liability valuations for general insurance. It also complies with the Actuaries Institute Professional Standard PS 302, 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	
2024/25 accident year (a)	26,996
2025/26 accident year (b)	27,710
2026/27 underwriting year (c)	27,710

Notes: (a) From our analysis of the 2024/25 data

(b) = (a) x (1+2.6%) indicated by the experience in the half year to 31 December 2025

(c) Assumed equal to the 2025/26 accident year

The adopted average claim size is:

Average claim size	Current values	Inflated and discounted (d)
2024/25 accident year (a)	67,586	65,842
2025/26 accident year (b)	69,478	67,686
2026/27 underwriting year (c)	70,932	69,102

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

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

= (a) x 1.028

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

= (a) x 1.028^{1.75}

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

The inflation and discount factor used is 0.9742 (0.9754 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 2024/25, 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 2.8% which is slightly higher than the 2.7% adopted last year. See section 6.2.2 for more details.

SII is applied to the midpoint of the claims incurred period. For the 2026/27 underwriting year, this is 1.75 years after the 2024/25 accident year. 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 allow for the *Workers Compensation and Injury Management Act 2023*, except for the impact of the Catastrophic Injuries Support Scheme (CISS) which is adjusted for 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 + 2023 Act change impact = Risk premium (\$M)	
2024/25 accident year (incl Act change)	$26,996 \times 65,842 - 11.0 \text{ million} = 1,766.4$
2025/26 accident year (incl Act change)	$27,710 \times 67,686 - 4.3 \text{ million} = 1,871.3$
2026/27 underwriting year (incl Act change)	$27,710 \times 69,102 - 13.9 \text{ million} = 1,900.9$

For the 2026/27 year, we have allowed for a \$13.9 million reduction in common law payments, reflecting catastrophically injured claimants accessing medical benefits through the CISS instead. This allowance is consistent with those made for the 2024/25 and 2025/26 accident years, noting that the CISS levies differ each year.

See section 6.7 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)	
2024/25 accident year (incl Act change)	$1,766.4 \times 1.3532 + 24.9 \text{ million} = 2,415.2$
2025/26 accident year (incl Act change & retrospective)	$(1,871.3 + 41.7) \times 1.3532 + 9.7 \text{ million} = 2,598.4$
2026/27 underwriting year (incl Act change)	$1,900.9 \times 1.3532 + 31.5 \text{ million} = 2,603.8$

The adopted loading factor of 1.3532 is lower than the 1.3605 adopted for our previous valuation due to a decrease in the expense margin (from 14.3% to 13.7%) and the one-year-ahead interest rate. The factor is defined as the inverse of the target loss ratio. More detail is presented in section 6.5.

The \$31.5 million is the allowance for the new Catastrophic Injuries Support Scheme (CISS) levy for 2026/27. This is the estimated insurer's portion of the \$34.0 million levy. This is higher than the \$9.7 million included for the CISS levy in the 2025/26 accident year due to an increase in the size of the CISS levy set by ICWA for 2026/27.

The 2025/26 recommended premium rates included a once-off retrospective impact of the 2023 Act of \$41.7 million (before loading), relating to benefit changes impacting payments made from 1 July 2024 onwards related to claims arising from policies underwritten 30 June 2024 and prior. This has been removed for the 2026/27 recommended premium rates.

The average premium rate is derived by dividing the gross premium by developed wages. The estimated wages for the 2026/27 average premium rate is calculated by multiplying the 2024/25 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 2025.



This is calculated as follows:

Wages (\$M)	
2024/25 returned wages (a)	127,592
Adjustment factor (b)	1.0377
2024/25 developed wages (c)	132,408
Employment growth (d)	1.0185
Earned wages (e)	134,862

Notes: (a) As supplied by insurers

(b) See Appendix C.2

(c) = (a) x (b)

(d) = 1,161 / 1,140, based on ABS Catalogue 6202.0, Table 8 (Labour Force), representing average full-time persons in Western Australia over the 2026 financial year (extrapolated from data for the half-year to 31 December 2025) and the 2025 financial year, respectively.

(e) = (c) x (d)

This year, the adjustment factor of 1.0377 is higher than 1.0368 used last year due to higher development of wages over the year. The employment growth factor is 1.0185, which is lower than the factor last year of 1.0207.

Using the information above, the average premium rate for 2026/27, with comparison to the prior two years, is as follows:

Key Driver	Premium rating year ending 30 June :				
	2027 (a)	2026 (b)	2025 (c)	% difference (a) / (b) -1	(b) / (c) -1
Number of claims incurred (d)	27,710	26,846	25,152	3.2%	6.7%
Average claim size \$ (e)	69,102	58,588	53,302	17.9%	9.9%
Explicit Act change allowance on risk cost of claims \$M (f)	(13.9)	78.5	23.9	-117.7%	227.7%
Risk cost of claims \$M (g)	1,900.9	1,651.3	1,364.6	15.1%	21.0%
Expense and margin factor (h)	1.3532	1.3605	1.3755	-0.5%	-1.1%
CISS levy \$M (i)	31.5	9.7	24.9	223.7%	-61.0%
Gross premium \$M (j)	2,603.8	2,256.4	1,902.0	15.4%	18.6%
Earned wages \$M (k)	134,862	123,741	109,848	9.0%	12.6%
Average premium rate (l)	1.931%	1.823%	1.732%	5.9%	5.3%

Notes: (a) from 2.1 of this report

(b) & (c) from 2.1 of our 28 March 2025 RPR report

(d) includes allowance for IBNR

(e) in inflated and discounted values, 2027 is already inclusive of Act change

(f) common law savings from CISS, and allowance for Act change impacts for 2025 and 2026 which were based on claims data prior to 1 July 2024

(g) = (d) x (e) + (f)

(h) for grossing up the estimated risk cost of claims for expenses and margins, net of interest credit, excluding CISS levy

(i) CISS levy as advised by WorkCover WA

(j) = (g) x (h) + (i)

(k) adjusted to include final wage adjustments and employment growth for the half year to 31 December 2025

(l) = (j) / (k) %

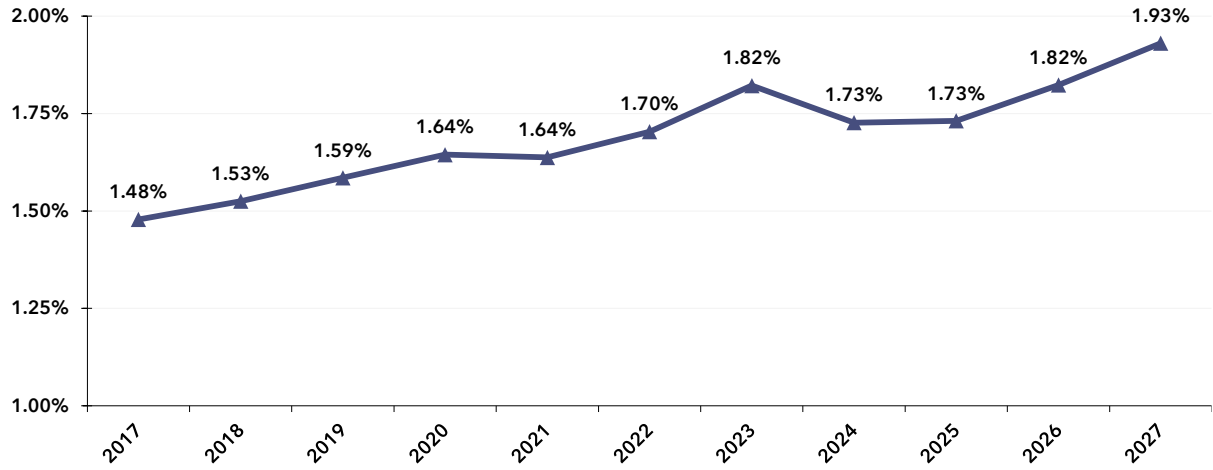
The above analyses and discussion suggest that the weighted average premium rate **increases by 5.9%**.

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

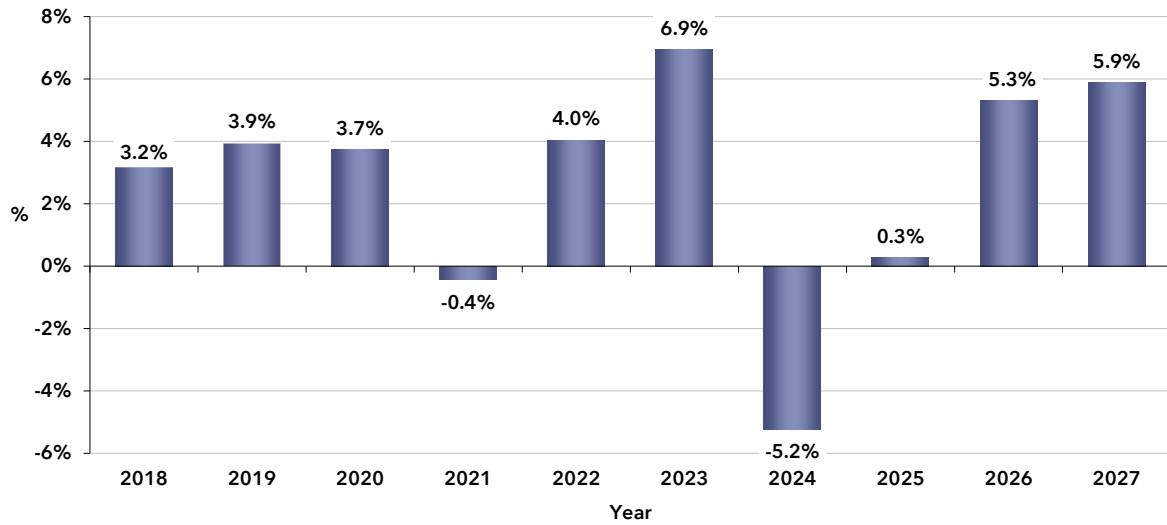
The historical aggregate premium rates over the last 11 years are as follows:

Average recommended premium rates by underwriting year



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

Variation in premium rates



Overall, premium rates increased by 30.6% 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
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.
2026	5.3%	<ul style="list-style-type: none"> • Higher average claim size, above the rate of inflation • Higher incurred claim numbers for 2023/24, and a higher half year to 31 December 2024. • Including the retrospective allowance for the new 2023 Act, partially offset by a reduction in the CISS levy Partially offset by: <ul style="list-style-type: none"> • 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.

2026/27 premium rate drivers

The key drivers of the 5.9% increase in premium rates for 2026/27 are:

- Higher average claim size, above the rate of inflation. The average claim size now allows for the impacts of the 2023 Act (except for the impact of the CISS noted below)
- Allowance for the impact of ATO Class Ruling CR 2025/88 on lump sum payments. See section 6.7 for more details
- Slightly higher incurred claim numbers for 2024/25, and a higher half-year to 31 December 2025
- Lower growth in employment in the six months to 31 December 2025, compared to last year.

The drivers above are partially offset by:

- Increase in returned wages to 2024/25
- Change in the prospective 2023 Act allowance, with the only explicit allowance relating to the net impact of the CISS. See section 6.7 for more details
- Removal of the once-off retrospective 2023 Act allowance that was included in the 2025/26 recommended premium rates
- Decrease in expense rate.

The change in market interest rates was offset by the decrease in inflation rates.

The table below shows the detailed 2026/27 premium rate drivers:

Key drivers**2026/27 average premium rate change****Internal factors - claims, wages and other**

Increase in 2024/25 expected claim numbers	0.5%	
Change in Dec 2025 half-year claim numbers	2.6%	
Average claim size increase more than inflation	11.2%	
Change in superimposed inflation	0.1%	
Change in prospective 2023 Act allowance	-2.2%	
Removal of once-off retrospective 2023 Act allowance	-2.2%	
Allowance for ATO Class Ruling	3.1%	
Increase in wages	-6.1%	
Decrease in expenses	-0.7%	

Total internal factors - claims, wages and other 5.6%

External economic factors

Change in market interest rates	0.3%	
Change in inflation rates	-0.3%	
Change in employment in half-year to Dec 2025	0.2%	

Total external economic factors 0.2%

Total 2026/27 average premium rate change **5.9%**

The percentage increases are multiplicative rather than additive, and have been rounded to one decimal place for publication.

2.2 Premium rates by division

The recommended premium rates by division are:

Recommended Premium Rates at ANZSIC division level by underwriting year				
Division	2024/25	2025/26	2026/27	Difference (a)
A - Agriculture, forestry and fishing	5.02	4.77	4.67	-2.2%
B - Mining	1.54	1.59	1.66	4.3%
C - Manufacturing	2.46	2.47	2.55	3.3%
D - Electricity, gas, water and waste services	1.11	1.24	1.37	10.1%
E - Construction	2.21	2.31	2.44	5.8%
F - Wholesale trade	1.43	1.50	1.55	3.0%
G - Retail trade	1.67	1.68	1.80	6.9%
H - Accommodation and food services	1.87	1.93	1.97	2.2%
I - Transport, postal and warehousing	2.98	3.22	3.42	6.1%
J - Information media and telecommunications	0.47	0.50	0.50	1.0%
K - Financial and insurance services	0.25	0.25	0.26	4.2%
L - Rental, hiring and real estate services	0.89	0.97	0.98	0.7%
M - Professional, scientific and technical services	0.35	0.36	0.38	4.2%
N - Administrative and support services	2.29	2.41	2.45	1.7%
O - Public administration and safety	3.12	3.50	3.97	13.5%
P - Education and training	1.50	1.71	1.96	14.0%
Q - Health care and social assistance	1.88	1.98	2.06	4.5%
R - Arts and recreation services	1.80	1.80	1.86	2.9%
S - Other services	1.54	1.65	1.69	2.5%
Overall	1.73	1.82	1.93	5.9%

Notes : (a) = (2026/27 rate) / (2025/26 rate) - 1 as a percentage

Of the 19 ANZSIC 2006 divisions 1 has decreased and 18 have increased in the 2026/27 premium rate compared to 2025/26.

The only decrease is for division A - Agriculture, forestry and fishing, which has decreased by 2.2% 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 13.5% due to unfavourable experience across most classes in the division.

The overall aggregate premium rate is weighted by wages per division. Therefore, the 5.9% 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 2026/27 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 2026/27 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 2025, excluding disallowed claims there were a total of 40 silicosis claims for 20 claimants, of which 36 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 37 known silicosis claims for 16 claimants for non-mining industries that hadn't been disallowed. The reduction is due to a silicosis claim reported to 31 December 2024 which has been disallowed since. 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 2026/27 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 5.9% increase in the aggregate premium rate, as well as pre and post allowance for the 25% movement cap for both upwards and downwards.

2.3.1 Impact on class rates from change in claims experience

The following table compares the premium rates derived from the experience rating method for an unchanged premium pool, to the current 2025/26 rates, pre the 25% movement capping:

Size of Movement	Number of Recommended Rates which:			Total
	Decrease	Increase	Unchanged	
no. ≤ 5%	125	109	17	251
5% < no. ≤ 10%	101	67	0	168
10% < no. ≤ 15%	41	19	0	60
15% < no. ≤ 20%	11	14	0	25
20% < no. ≤ 25%	2	2	0	4
25% < no.	5	3	0	8
Total	285	214	17	516

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

Last year, eight classes decreased by more than 25% and eight 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 5.9% 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%	91	124	17	232
5% < no. ≤ 10%	36	103	0	139
10% < no. ≤ 15%	11	73	0	84
15% < no. ≤ 20%	2	31	0	33
20% < no. ≤ 25%	2	13	0	15
25% < no.	3	10	0	13
Total	145	354	17	516

Three classes decreased by more than 25% and 10 classes increased by more than 25%. Last year, four classes decreased by more than 25% and 17 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%	85	122	17	224
5% < no. ≤ 10%	36	105	0	141
10% < no. ≤ 15%	11	77	0	88
15% < no. ≤ 20%	2	33	0	35
20% < no. ≤ 25%	5	23	0	28
25% < no.	0	0	0	0
Total	139	360	17	516

71% of classes have a rate change (up or down) less than 10%, up from 68% 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 rate	Indexed for 2026/27	2026/27 recommended
All Premium Rating Classes	\$310.00	\$325.59	\$325.00

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

2.5 Financial performance of WA workers compensation

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

2.5.1 Accident year performance table

Estimated Profit and Loss in the WA Workers Compensation System (\$M)									
	2019	2020	2021	2022	Accident Year ending 30 June			Estimated	
					2023	2024	2025	2026	
Gross earned premium (a)	1,156.4	1,233.7	1,392.5	1,592.5	1,918.5	2,221.8	2,444.1	2,467.7	
Cumulative claim payments (b)	966.1	976.0	1,068.1	1,053.4	1,104.1	941.4	413.2	451.3	
Outstanding estimate (c)	29.7	44.3	89.7	150.7	309.3	675.7	1,483.5	1,620.2	
Net claims incurred (d)	995.8	1,020.3	1,157.8	1,204.1	1,413.4	1,617.1	1,896.8	2,071.5	
Underwriting profit/loss (e)	160.6	213.4	234.7	388.4	505.1	604.7	547.3	396.1	
Commission (f)	37.1	41.5	40.7	45.7	58.2	68.6	69.1	69.8	
Other expenses (g)	188.6	195.6	228.2	228.0	275.4	316.4	310.4	313.4	
Estimated investment income (h)	11.4	4.0	13.7	62.9	88.9	105.0	119.3	130.3	
Estimated profit/loss - \$ (i)	-53.7	-19.7	-20.4	177.6	260.3	324.7	287.1	143.3	
- % of gross EP (i)	-5%	-2%	-1%	11%	14%	15%	12%	6%	
Loss ratio (j)	86%	83%	83%	76%	74%	73%	78%	84%	
					Total profit/loss (k)		668.915	956.014	1,099.272
					Total profit/loss % of EP (l)		7%	8%	8%
GWP on recommended premium rates (m)	1,263.9	1,367.4	1,481.1	1,672.1	2,062.2	2,112.0	2,317.7	2,531.9	
Est EP on recommended premium rates (n)	1,263.9	1,336.3	1,447.0	1,614.8	1,945.2	2,097.1	2,256.0	2,467.7	
Difference in EP (o)	107.5	102.6	54.4	22.3	26.7	-124.8	-188.1	0.0	
Estimated profit/loss on recommended premium rates (p)	53.9	82.9	34.0	199.9	287.0	200.0	99.0	143.3	
	4%	6%	2%	12%	15%	10%	4%	6%	
					Total profit/loss (q)		857.687	956.725	1,099.983
					Total profit/loss % of EP (r)		9%	8%	8%
Number of active claims by accident year (s)	133	224	473	891	2,088	5,195	13,085		

Notes: (a), (b) from Appendix G.4 of this report, estimated for the 2026 accident year. Assumed a 0% discount on recommended premium rates in 2026.

(c) = Scyne reserves from section 3.1.2 of this report.

The 2026 accident year estimated as inflated average claim size x number incurred with 22% assumed paid in DY0 based on the proportion paid for DY0 in 2025. 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 (i.e. does not include) risk margins on outstanding claim reserves and the 13% contingency margin (CM) for 2023 to 2025, 12% CM for 2022 and 11% CM for 2019 to 2021 accident years

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

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

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

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

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

(o) = (n) - (a) ie earned premium on recommended premium rates minus insurer earned premium

(p) = (o) + (i) ie estimated profit on recommended 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 (2024 and 2025) comprise mainly uncertain future estimates. For example, of the total claims incurred for 2025 only 22% has been paid and 78% is the uncertain future estimate
- The whole of 2026 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 2019 to 2021. The contingency margin allowance was 11% for 2019 to 2021. The estimated profit margin was a 5% loss in 2019, a 2% loss in 2020, and a 1% loss in 2021.
- In 2022, the estimated profit is 11% which is slightly lower than 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%
- In 2025, the estimated profit is 12% which is slightly lower 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 2020, 2023 and 2024 accident years, given the relatively similar proportional change in earned premium and incurred costs
 - Decreased by 3% for 2021 (from a 2% profit to a 1% loss). This is due to claims incurred costs increasing and earned premium decreasing
 - Remained within 1% for 2019 and 2022.
- Had insurers not discounted the recommended premium rates for the 2019 to 2021 accident years, the estimated profit margin (row p) ranges from 5% 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 and 2023 would have been 2% higher than the 13% contingency margin.

We provide a very early estimate of the 2026 accident year in the table above. We have considered the experience to December 2025 in our estimate of the incurred cost for 2026, however we do not have any wage information for that period. Assuming no discount to recommended premium



rates (given premiums written in 2025 were on average 1.1% higher than recommended premium rates), we estimate a profit of 6%. This is below the 13% contingency margin assumed in the 2025/26 premium rates, driven by the rate of change in claims experience not previously observed when setting the 2025/26 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							
	2019	2020	2021	2022	2023	2024	2025	Total
Gross earned premium (a)	1,105.5	1,199.9	1,295.4	1,551.2	1,835.5	2,095.1	2,359.4	11,442.0
Claim payments (b)	837.6	898.1	963.1	1,080.3	1,165.0	1,307.6	1,513.6	7,765.3
Change in o/s estimate (c)	8.5	(0.6)	157.0	221.1	323.6	338.0	347.3	1,394.9
Net claims incurred (d)	846.2	897.5	1,120.1	1,301.3	1,488.5	1,645.6	1,860.9	9,160.2
Commission (e)	35.5	40.4	37.8	44.5	55.7	64.7	66.7	345.3
Other expenses (f)	180.3	190.3	212.3	222.1	263.5	298.4	299.6	1,666.4
Underwriting result (g)	43.6	71.7	(74.8)	(16.7)	27.8	86.4	132.1	270.1
Underwriting result % (h)	4%	6%	-6%	-1%	2%	4%	6%	2%
Number of active claims (i)	18,641	17,907	20,082	20,110	20,334	21,640	22,538	

Notes : (a) = from Form WC30 returns for 2024/25 and prior years

(b) = from Form WC20 returns for 2024/25 and prior years

(c) = from Form WC20 returns for 2024/25 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 2025 on a financial year basis is 2% of gross earned premium, compared to 8% on an accident year basis.

Over 2019 to 2025 we estimate an aggregate investment return of \$473 million, which would have improved the overall profit over the seven-year period to 2025, 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:

Estimates of outstanding claims at 30 June 2025 (\$M) (a) (b)							
Acc yr ending 30 June	Income Compensation	Medical and Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal and Miscellaneous	Total
2025	546.679	108.697	67.831	43.724	481.078	160.189	1,408.199
2024	168.578	29.473	19.220	9.902	321.457	89.804	638.434
2023	40.056	8.340	6.001	1.638	185.881	48.023	289.939
2022	8.671	2.485	2.049	0.261	100.844	25.446	139.757
2021	3.059	1.231	0.945	0.095	63.059	14.400	82.789
2020	1.956	0.485	0.822	0.041	30.435	6.609	40.347
2019	1.635	0.436	0.561	0.023	20.453	3.761	26.869
2018	1.342	0.386	0.376	0.010	13.502	2.915	18.532
2017	1.092	0.338	0.250	0.003	8.841	2.258	12.782
2016 & earlier	1.854	0.551	0.451	0.061	24.097	3.652	30.667
Total	774.923	152.423	98.506	55.759	1,249.647	357.057	2,688.314

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					
Acc yr ending 30 June	Estimates at 30 June 2025 (\$M)			Case estimates	Ratio (c)
	30 June 2025 values (a)	Inflated values (b)	Infl/disc values (b)		
2025	1,408.199	1,557.720	1,459.362	702.607	200%
2024	638.434	709.435	660.309	425.825	150%
2023	289.939	324.752	298.897	231.081	125%
2022	139.757	158.254	143.467	115.196	121%
2021	82.789	94.169	84.830	57.441	144%
2020	40.347	46.521	41.069	28.676	141%
2019	26.869	31.136	27.290	15.389	175%
2018	18.532	21.506	18.810	4.691	395%
2017	12.782	14.851	12.968	3.990	320%
2016 & earlier	30.667	33.243	32.025	30.132	102%
Total	2,688.314	2,991.587	2,779.027	1,615.028	166%

Notes: (a) from Appendix E.3.4, excluding claims expenses

(b) includes 5% claims expenses

(c) ratio of actuarial estimates in 30 June 2025 values to case estimates.

The inflated and discounted central estimate at 30 June 2025 is \$2,779.0 million, which is \$415.8 million (17.6%) higher than the \$2,363.2 million estimated at 30 June 2024. Case estimates as at 30 June 2025 were \$192.1 million (13.5%) higher than 30 June 2024. Our estimates have also considered payments experience in the six months to 31 December 2025, which was \$154.8 million higher than the payments in the six months to 31 December 2024.

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 2025, excluding disallowed claims there were

a total of 40 silicosis claims for 20 claimants, of which 36 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 37 known silicosis claims for 16 claimants for non-mining industries that hadn't been disallowed. The reduction is due to a Silicosis claim reported to 31 December 2024 which has been disallowed since. 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. 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 2025 comparison the 2017 and earlier accident years are excluded, for prior year valuation comparisons one less accident year is excluded (e.g. for 2024 only the 2016 and earlier accident years are excluded, and so on)).

Infl/Undisc estimates excluding 'earlier years' (\$M)			
Year ending	Actuarial (a)	Aggregate insurers (b)	% Difference (c)
30 June			
2025	2,803.3	2,717.8	3.1%
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%

Notes: (a) = item (b) from Appendix E.3.4 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 \$85.5 million (3.1%) higher than the insurers' estimates. Last year our estimates were \$10.6 million (0.4%) higher than the insurers' estimates. This comparison excludes the 'earlier years' valuation category as some insurers include asbestos claims while others do not. We have not done a valuation of asbestos liabilities.

The table below shows an accident year comparison of our estimates and the insurers' estimates as at 30 June 2025:

Comparison of claim estimates as at 30 June 2025				
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)
2025	1,483.5	1,460.5	23.0	1.6%
2024	675.7	660.0	15.6	2.4%
2023	309.3	306.4	2.9	0.9%
2022	150.7	149.4	1.3	0.9%
2021	89.7	73.8	15.9	21.6%
2020	44.3	39.2	5.1	13.1%
2019	29.7	21.4	8.2	38.4%
2018	20.5	7.1	13.4	187.4%
2017 & earlier	45.8	149.2	-103.4	-69.3%
Total	2,849.1	2,867.0	-17.9	-0.6%
Total excluding 2017 & earlier	2,803.3	2,717.8	85.5	3.1%

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 higher than insurers for all accident years except 2017 and earlier. We are not privy to the valuation process for each of the insurers so we can't explain the differences in the results between our estimates and theirs.

Our estimates have allowed for the impact of ATO Class Ruling CR 2025/88 which was issued on 17 December 2025, which is estimated to increase ultimate incurred cost by 3.4% (see section 6.7 for more details). At the time of insurers preparing their 30 June 2025 estimates the Class Ruling had not yet been issued, and we are aware that different insurers reacted differently to the private ruling from February 2025. This may be one driver for our estimates being higher than insurers', as we have allowed for the change in income compensation settlements (to be based on gross-of-tax wages rather than net-of-tax wages) across the whole scheme, whereas this may only be reflected in some insurers' estimates.

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 for 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 2024/25 experience showed that for:

- Claims incurred up to 30 June 2024, claims reported were 2% higher than expected, claim closure rate was 1% slower than expected and claim payments were 3% lower than expected
- Claim reports for the 2024/25 accident year were 0.6% more than expected, active claims are 4.2% more than expected, payments per claim incurred were higher than expected and average case estimates were higher than prior years.

Over the six months to 31 December 2025 for the 2024/25 and earlier accident years there were 8% more claim reports than expected, claim closures were 1% slower than expected and payments were 9% lower than expected. For the 2025/26 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 2024/25, for claims incurred to 30 June 2024 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	2024	2023	2022	2021	2020	2019	2018	2017 & earlier	Total
A. Estimates at 30 June 2024 (a)	1,244.6	565.8	243.7	128.1	71.8	31.9	20.8	56.7	2,363.2
B. Gross payments 1 July 2024 to 30 June 2025	597.2	275.5	107.2	53.5	32.8	11.2	3.1	19.8	1,100.4
C. Expenses (b)	29.9	13.8	5.4	2.7	1.6	0.6	0.2	1.0	55.0
D. Assumed investment return (c)	39.7	18.0	8.0	4.3	2.3	1.1	0.8	2.0	76.2
E. = A-B-C+D	657.2	294.5	139.1	76.2	39.6	21.2	18.3	37.9	1,284.0
Updated estimates at 30 June 2025									
F. Revised estimates at 30 June 2025 (d)	660.3	298.9	143.5	84.8	41.1	27.3	18.8	45.0	1,319.7
G. = F-E	3.1	4.4	4.4	8.7	1.4	6.1	0.5	7.1	35.7
Change 1 July 2024 to 30 June 2025									
H. Proportion of change attributable to									
Changes in real rates of return	-2.6	-1.4	-0.8	-0.5	-0.3	-0.2	-0.1	-0.2	-6.0
Change in experience	-31.5	-12.4	-3.2	5.6	4.7	0.5	-3.1	-13.3	-52.6
Change in actuarial assumptions	37.2	18.2	8.3	3.6	-3.0	5.8	3.7	20.5	94.4
I. Amount incurred and outstanding for 2024/25 accident year (d)									1,459.4
J. = F + I									2,779.0
Total outstanding liability at 30 June 2025									

Notes: (a) From Appendix E.3.5 of our 28 March 2025 report

(b) Assumed to be 5% of claim payments in 2024/25

(c) Calculated using 4.25% p.a. being the one year forward rate from Appendix D.1 of our 28 March 2025 report

(d) From Appendix E.3.4 of this report.

The table shows that:

- Overall, there was a strain on reserves of \$35.7 million, which is 1.5% of the opening 30 June 2024 estimates. This was driven by changes in actuarial assumptions which caused a strain of \$94.4 million (4.0% of opening estimates). This was mainly due to the allowance for the ATO Class Ruling.
This was partially offset by:
 - Experience leading to a release of \$52.6 million (2.2% of opening estimates), due to lower-than-expected payments over 2024/25
 - Real rates of return, which lead to a release of \$6.0 million (0.3% of opening estimates) as interest rates increased and inflation decreased.
- There has been a strain across all recent accident years.

Insurer reconciliation

Reconciliation of insurers' estimates (\$M)									
Accident year ending 30-June	2024	2023	2022	2021	2020	2019	2018	2017 & earlier	Total
A. Inflated estimates at 30 June 2024 (a)	1,327.4	600.6	275.1	142.9	78.2	37.9	13.7	169.9	2,645.7
B. Gross payments 1 July 2024 to 30 June 2025	597.2	275.5	107.2	53.5	32.8	11.2	3.1	19.8	1,100.4
C. Expenses (b)	29.9	13.8	5.4	2.7	1.6	0.6	0.2	1.0	55.0
D. = A - B - C	700.3	311.3	162.5	86.7	43.7	26.1	10.4	149.2	1,490.2
Updated inflated estimates at 30 June 2025									
E. Revised inflated estimates at 30 June 2025 (c)	693.0	321.7	156.9	77.4	41.1	22.5	7.5	156.7	1,476.8
F. = E - D	-7.2	10.4	-5.7	-9.3	-2.5	-3.6	-2.9	7.5	-13.4
Change 1 July 2024 to 30 June 2025									
G. Inflated amount incurred and outstanding for 2024/25 accident year (c)									1,533.5
H. = E + G									3,010.4
Total inflated outstanding liability at 30 June 2025									

Notes: (a) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2024 (see our 28 March 2025 report Appendix E.1.5 + E.1.6) adjusted for 5% claim management expenses
 (b) Assumed to be 5% of claim payments in 2024/25
 (c) From columns (d) + (e) on insurers consolidated Form WC20 for 30 June 2025 (as per Appendix E.1.5 + E.1.6) adjusted as per notes (a).

This table shows that:

- Overall, there was a release of insurer's inflated estimates of \$13.4 million, which is 0.5% of the opening estimates
- Most accident years had releases, except for the 2023 and 2017 and prior 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	2024	2023	2022	2021	2020	2019	2018	2017 & earlier	Total
A. Inflated estimates at 30 June 2024 (a)	1,328.7	607.6	265.2	141.2	79.7	36.1	23.7	61.6	2,543.8
B. Gross payments 1 July 2024 to 30 June 2025	597.2	275.5	107.2	53.5	32.8	11.2	3.1	19.8	1,100.4
C. Expenses (b)	29.9	13.8	5.4	2.7	1.6	0.6	0.2	1.0	55.0
D. = A - B - C	701.6	318.3	152.6	85.0	45.2	24.3	20.4	40.8	1,388.4
Updated inflated estimates at 30 June 2025									
E. Revised inflated estimates at 30 June 2025 (c)	709.4	324.8	158.3	94.2	46.5	31.1	21.5	48.1	1,433.9
F. = E - D	7.8	6.4	5.6	9.1	1.3	6.8	1.1	7.3	45.5
Change 1 July 2024 to 30 June 2025									
G. Inflated amount incurred and outstanding for 2024/25 accident year (c)									1,557.7
H. = E + G									2,991.6
Total inflated outstanding liability at 30 June 2025									

On an inflated basis, our estimates had a strain on reserve of \$45.5 million (1.8%).

Overall, our estimates on an inflated basis showed a higher strain on reserve by \$58.9 million compared to insurers.

Comparing the results excluding the 2017 & earlier years our estimates have a strain of \$38.2 million, while insurers have a release of \$20.9 million.

The 2022 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 2025:

- 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 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 2025.

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 2024/25 financial year, split into the 21 different payment types (including 4 provisional payment types) and by accident year.
- Payment data for the half year to 31 December 2025
- Individual list of claims as at 31 December 2025 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 2025
- Number of settlements registered and payments made per quarter, split by settlement type, from the WorkCover WA claims system
- Number of claims reported each month 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 2024/25 and 2023/24 financial years 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 (17) returns received:

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

The numbers in brackets are last year's.

The data quality was reasonably consistent with previous years.

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

4.4 Data enhancements

Future enhancements to data could be to:

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

4.5 General data considerations

Former insurers

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

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 needs 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:

- Income Compensation
- Medical and Hospital Expenses
- Allied Health
- Workplace Rehabilitation
- Lump Sum
- Investigation, Legal and Miscellaneous.

These are the same payment groupings as the previous valuation.

Following the 2023 Act, four new categories of Provisional income, Provisional medical practitioner or specialist, Provisional hospital and Provisional allied health were added, relating to provisional payments for claims where the insurer has not given a liability decision notice 28 days after receiving the claim. These have been included in the Income Compensation, Medical and Hospital Expenses, and Allied Health payment type groups above, respectively.

The first four groupings listed above were projected using the payments per active claim (PPAC) and payments per claim incurred (PPCI) methods. The Investigation, Legal and Miscellaneous and Lump Sum 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 2019/20 to 2024/25 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 2025	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2024	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 \$3,295 million. This is 6.0% higher than the \$3,109 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 (35) of 86 sub-divisions
- 39 (36) of 214 groups
- 41 (35) of 516 premium rating classes.

Figures in brackets are last year's.



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

Credibility Level	This year		Last year	
	No. of Classes	%	No. of Classes	%
$x \leq 25\%$	250	48.4%	248	48.1%
$25\% < x \leq 50\%$	144	27.9%	143	27.7%
$50\% < x \leq 75\%$	56	10.9%	59	11.4%
$75\% < x < 100\%$	25	4.8%	31	6.0%
100%	41	7.9%	35	6.8%
Total	516	100.0%	516	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 three 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%, and 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 7.3.7, 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 2024/25 accident year, large claims are capped if the incurred cost estimate is greater than \$8.0 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 2024/25 accident year, the minimum incurred cost for which this capping is applied is



\$0.53 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 pricing purposes.

For the 2020 to 2025 accident years, which have a greater than 0% weighting (see above in this section), at a class level three (four) claims are capped, at a group level two (three) claims are capped, while at a sub-division and division level one (three) claim is 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 2024/25 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2025/26 recommended premium 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 is the same as last year.

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 2025/26 recommended premium 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 recommended premium rates.

Weighted loss ratio

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

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

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



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 2026	Inflation rate 28 Feb 2026	Real rate 28 Feb 2026	28 Feb 2025
1	3.79%	3.50%	0.29%	0.50%
2	4.24%	3.00%	1.24%	0.21%
3	4.25%	3.00%	1.25%	0.63%
4	4.34%	3.00%	1.34%	0.89%
5	4.49%	3.00%	1.49%	1.15%
6	4.70%	3.00%	1.70%	1.38%
7	4.88%	3.00%	1.88%	1.59%
8	5.05%	3.00%	2.05%	1.77%
9	5.21%	3.00%	2.21%	1.92%
10	5.34%	3.00%	2.34%	2.05%
11	5.46%	3.00%	2.46%	2.16%
12	5.56%	3.00%	2.56%	2.24%
13	5.64%	3.00%	2.64%	2.29%
14	5.71%	3.00%	2.71%	2.32%
15	5.75%	3.00%	2.75%	2.33%
16	5.78%	3.00%	2.78%	2.30%
17	5.79%	3.00%	2.79%	2.27%
18	5.76%	3.00%	2.76%	2.23%
19	5.72%	3.00%	2.72%	2.19%
20	5.68%	3.00%	2.68%	2.16%
21	5.64%	3.00%	2.64%	2.12%

For this valuation, there has been an increase in the real rate of return from year 2 onwards 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 $[(1 + 3.79\%)^{0.25} - 1] = 0.94\%$ 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 1.7 years of the outstanding claims liabilities. For example, applying a 0.25% illiquidity premium reduces outstanding claims liabilities by 0.4%. The implied average premium rate decreases from 1.931% to 1.921% (a reduction of 0.5%).

See Appendix D.1 for further information.

Employment growth for the half-year to December 2025

To determine the employment growth, we have used the movement in the ABS Cat. 6202.0 Table 8 Labour Force for full time persons for Western Australia. This year the employment growth of 1.9% has been calculated based on the estimated average index for 2025/26 compared to the

average index over the 12 months to June 2025, where the 2025/26 average is based on the actual index over the half-year to December 2025 and an extrapolation for the half-year to June 2026. Last year, the employment growth for the half-year to December 2024 was 2.1%.

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 2.9% over 2026/27 based on our expectations of CPI growth, this is lower than the increase over 2024/25 (3.1%) and expected for 2025/26 (4.2%).

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 2026/27 premium rate calculation.

6.2.1 Outstanding claims

We have analysed the historic level of superimposed inflation 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							
	Income Compensation	Medical and Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal And Miscellaneous	Total
30 June 25	4.2%	0.8%	4.0%	0.9%	4.2%	5.1%	4.0%
30 June 24	4.2%	0.1%	3.5%	1.3%	4.0%	5.8%	4.1%

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

Superimposed inflation for the outstanding claims is 4.0% overall, which is similar to last year as there is still continued growth in average claim sizes.

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 has been relatively stable over recent years, so we anticipate that the superimposed inflation rate may be stabilising at a lower level in the future.

6.2.2 2026/27 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 2.8% which is slightly higher than the 2.7% adopted last year. See Appendix D.2.2 for more details.

6.3 Expenses

Total expenses

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

	Expense Ratios			Adopted
	2024/25	2023/24	2022/23	3 yr ave
Commission / Brokerage	2.8%	3.1%	3.0%	3.0%
General Fund Levy	0.6%	0.9%	1.0%	0.8%
Management Expenses	12.1%	13.4%	13.4%	12.9%
Total	15.5%	17.3%	17.4%	16.7%
Total excluding brokerage	12.7%	14.2%	14.4%	13.8%

As the Catastrophic Injury Support Scheme (CISS) levy is a known amount included in the total premium pool that varies each year, the expense ratios for the relevant years (2024/25) have been calculated based on premium excluding the CISS levy.

Note that brokerage and GST on the premium are not included in the recommended premium rates.

The total expenses, excluding brokerage, of 13.8% is lower than the 14.3% adopted last year.

This year the 2024/25 expenses are lower than the three-year average so the average premium rate would slightly decrease 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

The contingency margin has remained the same as last year, at 13%.

This year we performed a full review of the contingency margin where we noted a slight decrease in the required contingency margin, but that it would not be unreasonable to maintain the existing contingency margin. The WorkCover WA Board subsequently decided to maintain the contingency margin at 13%.

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:

$$\begin{aligned} \text{Gross premium} &= \frac{\text{Risk Premium}}{(1 - \text{total expenses} - \text{contingency margin}) \times \text{interest earned factor}} \\ &= \frac{\text{Risk Premium}}{(1 - 0.138 - 0.13) \times 1.0379^{0.25}} \end{aligned}$$

Gross premium = Risk premium x 1.3532 (combined loading factor)

This is equivalent to a loss ratio of:

Risk premium / Gross Premium = 73.9% excluding brokerage

The 1.3532 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 73.5%. The increase in the loss ratio adopted this year is due to the decrease in total expenses and 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. Last year we reviewed the minimum and maximum rates and kept them unchanged 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 0.3% as a result of respreading the extra premium generated. This is slightly lower than the 0.4% 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 recommended premium 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 0.1% reduction.



Large claims capping

As detailed in section 5.2, the 2024/25 accident year large claims are capped at \$8.0 million. A cap is also applied for claims above 12% of wages if the claims are between \$0.5 million and \$8.0 million. In both cases, these are the values for the 2024/25 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 2020 to 2025 accident years, which have a greater than 0% weighting (see section 5.2), at a class level three (four) claims are capped, at a group level two (three) claims are capped, while at a sub-division and division level one (three) claim is capped. The capped large claims represent 0.1% (0.3%) of the 2026/27 premium pool. This percentage is lower than last year, due to two very large claims from the 2018/19 accident year which now has a 0% weighting.

The numbers in brackets are last year figures.

6.7 WA legislative changes and Australian Taxation Office ruling

Appendix D.5 contains the details of the WA legislative changes and Australian Taxation Office (ATO) ruling. A summary of the allowances is included below.

Australian Taxation Office Class Ruling CR 2025/88

In mid-February 2025, a legal firm obtained a private ruling from the ATO that tax would be payable on the income compensation component of a settlement, whereas settlements have historically been negotiated on a net-of-tax wages basis. WorkCover WA then requested a class ruling from the ATO on this matter, which had not been issued at the time of the release of the 2025/26 recommended premium rates.

In last year's report, we estimated the impact of a change in settlement negotiations to be based on gross-of-tax wages, rather than net-of-tax wages, to be a 3% to 4% increase to premium rates. This was only a high-level estimate with significant uncertainty, as it relied on data for historical settlement types where the component relating income compensation was unknown, and no allowance was made for this in the 2025/26 recommended premium rates as a class ruling had not been issued at the time.

On 17 December 2025, the ATO issued Class Ruling CR 2025/88¹ which confirmed that the income compensation component of a settlement payable under the *Workers Compensation and Injury Management Act 2023* is required to be included in a worker's assessable income under section 6-5 of the *Income Tax Assessment Act 1997* because it retains the character of ordinary income when commuted to a lump sum.

We have updated our analysis of the impact of this matter, using data on actual settlement experience since 1 July 2024, and have allowed for a 13% loading on lump sum payments, equivalent to a 3.4% increase in premium, for both the 30 June 2025 outstanding claims liability and the 2026/27 recommended premium rate. A summary of our analysis is shown in the table below.

¹ <https://www.ato.gov.au/law/view/document?docid=CLR/CR202588/NAT/ATO/00001>

Estimated impact of ATO Class Ruling CR 2025/88	Adopted	Previous estimate
Proportion of lump sum settlements that are redemptions (a)	80%	64-73%
Average income compensation proportion of settlements (b)	65%	63-70%
Assumed increase in income compensation before allowing for GMA (c)	26%	31%
Assumed increase in income compensation after allowing for GMA (d)	25%	29-28%
Impact on lump sum payments (e)	13%	12-14%
Proportion of ultimate incurred cost that is lump sum payments (f)	26%	27.5%
Impact on recommended premium rates (g)	3.4%	3-4%

- Notes: (a) & (b) Based on data on settlements registered between 1 July 2024 and 31 December 2025.
(c) Adopted value of 26% is average of gross-of-income tax / net-of-income tax value (including Medicare levy) for: AWE in WA (31%), and actual income compensation components of settlements between 1 July 2024 and 17 December 2025 based on summary provided by WorkCover WA (21%).
(d) Based on applying (c) to claims finalised between 1 July 2024 and 31 December 2025, subject to the General Maximum Amount cap on income compensation and permanent impairment payments.
(e) = (a) x (b) x (d)
(f) Based on latest accident year in inflated values
(g) = (e) x (f)

We note there is still significant uncertainty in the ultimate impact of this class ruling, as different insurers reacted differently to the private ruling and may or may not have changed their settlement negotiation approach since February 2025, so it is not clear to what extent the impact of this ruling is already reflected in the claims data to date. We also note that settlements are negotiated on an amount inclusive of all future compensation, so it is unlikely that the ultimate impact would just be based on applying income tax rates to income compensation amounts.

We will continue to closely monitor settlement experience in the future.

Workers Compensation and Injury Management Act 2023

The 2023 Act commenced on 1 July 2024 and introduced a number of benefit changes including the doubling of the cap on medical and health expenses, the extension of the income compensation payment step-down period from 13 to 26 weeks, and the net impact of the levy imposed for funding catastrophic workplace injuries in the Catastrophic Injuries Support Scheme. Medical and allied health fee base rates also changed under new Ministerial fee orders from 1 July 2024, with medical fees aligning to the AMA rates, whilst allied health fees were benchmarked against health insurers' rates.

For the 2025/26 recommended premium rates, which were based on claims data to 30 June 2024, we allowed for an explicit prospective allowance of 2.8% for the impact of the above benefit changes on claim incurred from 1 July 2024. We also allowed for a once-off retrospective impact of the 2023 Act of 2.6%, 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.

For the 2026/27 recommended premium rates, we now have claims data to 30 June 2025 (as well as high-level data for the half-year to 31 December 2025), with experience since 1 July 2024 reflecting the impact of the 2023 Act. The 30 June 2025 outstanding claims liability and 2026/27 recommended premium rates have therefore been calculated inclusive of the 2023 Act impact (where we have relied on claims data prior to 1 July 2024 to determine the outstanding claims liability, we have continued to apply our previously assumed 2023 Act impacts), with no explicit prospective allowance required for the 2026/27 recommended premium rates. The only exception to this is the common law cost savings due to the CISS, as we do not expect this to be materially reflected in the claims data to date given the long-tail nature of the relevant claims and our reliance on payments-based actuarial methods. We will continue to monitor this in future periods and adjust the required prospective allowance accordingly.



Therefore, the only explicit prospective allowance for the 2023 Act in the 2026/27 recommended premium rates is the CISS levy, net of common law cost savings, which increases the recommended premium rates by 0.5%. The 2026/27 recommended premium rates have also removed the once-off retrospective allowance for the 2023 Act that was included in the 2025/26 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 2025 and 2026/27 premium rates, though it may be implicitly allowed for within the case estimates.

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
- use of 28 February 2026 risk-free Commonwealth Government Bond interest rates.
- 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 2025/26 recommended premium 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 once-off retrospective Act change allowance that was included in the 2025/26 premium rates.
- Consideration of the impact of the ATO class ruling on the tax treatment of settlement payments.



WorkCover WA Industry Classification Order second edition

As per last year, we have allowed for the second edition of the WorkCover WA Industry Classification Order which came into effect on 30 June 2025. Most notably, this second edition contained the following changes:

- Introduction of class 87901 – Employer Receiving Social Assistance Services, for employers or deemed employers under the Act who are receiving social assistance services
- Removal of a separate minimum premium for householders so one minimum premium applies for all policies.

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 2026/27 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 compensation required for insurance risk and other non-financial risk.

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:

Outstanding Claims Provision - Sensitivity Analysis		
Assumption varied	Variation	% Change in total provision
Future interest rates	1% increase	-1.62%
	1% decrease	1.70%
Future inflation rates	1% increase	1.70%
	1% decrease	-1.65%
Adopted claim reporting rates	DY1 rate decreased from 10.37% to 5.19%	-1.79%
Superimposed inflation	1% increase	2.07%
	1% decrease	-2.01%

The percentage change in the outstanding claim provision as at 30 June 2025 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 2026/27 recommended premium rate for changes in key assumptions. The results of this test are shown in the table below:

Recommended Premium Rates - Sensitivity Analysis		
Assumption varied	Variation	% Change in premium rates
Future interest rates	1% increase	-1.74%
	1% decrease	1.81%
Future inflation rates	1% increase	1.16%
	1% decrease	-1.13%
Superimposed inflation for future accident years	1% increase	1.70%
	1% decrease	-1.69%
Superimposed inflation for both historical and future accident years	1% increase	3.30%
	1% decrease	-3.19%
Claims incurred (allowing for small claims)	6,000 more claims incurred with an average claim size of \$6,000 per claim	1.82%
Expenses	one year average (12.7%) used instead of three year average (13.8%)	-1.45%

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 greater uncertainty 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 remains uncertain. Insurers are faced with a number of challenges, including:

- Whilst inflation has moderated in recent years, uncertainty remains around the outlook of financial market conditions and the broader global economy. The 2025-26 WA State Budget notes heightened global uncertainty arising from geopolitical tensions and recent US trade policy developments. For insurers, this means uncertainty remains around inflation and investment returns, which impact workers compensation claims costs and liabilities.
- 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 in the number of claims, with the number of small (time lost less than five days) claims reducing by more than longer duration claims, resulting in a change in the mix of claims. 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 to 2025 accident years are expected to reverse this trend, with the number of claims estimated to be incurred increasing from 24,645 in 2022 by 3.1% over 2023, 4.7% over 2024 and 1.5% over 2025 to 26,996 in 2025. However, the claim frequency per \$112,490 of wages for 2025



is lower than previous years as the increase in the number of claims is lower than the 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 2024 and 2025 is not due to more small claims being reported which leads to the increase in the average claim size.

Another source of uncertainty with regards to the changing claims mix is 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.

7.3.4 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 income compensation benefit duration. It may be used in negotiations to obtain a higher settlement.

As successive accident year cohorts reach the three-year statute of limitations, increases in total estimates have been observed for certain accident years. In recent years, some insurers have 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 overall increases in total estimates.

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.

We have not included any explicit allowance for the 2020 Amendment Act in the 30 June 2025 outstanding claims valuation or 2026/27 premium rates, though it may be implicitly allowed for within the case estimates.

7.3.5 Workers Compensation and Injury Management Act 2023

The *Workers Compensation and Injury Management Act 2023* creates additional uncertainty in the 2026/27 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. Whilst 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.



Claims experience since the 2023 Act came into effect on 1 July 2024 has been adverse, although in our discussion with insurers they noted it was difficult to apportion how much of this adverse experience is directly related to the 2023 Act as opposed to other factors such as increasing claim complexity, higher pre-injury earnings or psychosocial factors impacting recovery.

In our previous costings of the potential impact of the 2023 Act, we estimated the impact of provisional payments would be neutral, as earlier access to income compensation and medical treatment was expected to promote faster recovery outcomes. Whilst provisional payments have reduced the time to first payment, it is still too early to know what impact they will have on ultimate recovery outcomes and claim costs. We have not made any explicit allowance for the impact of provisional payments in the 30 June 2025 outstanding claims valuation or 2026/27 premium rates.

We recommend the claims experience is monitored closely, both to understand how the impact of benefit changes compares to expectations but also to ensure there are no unintended consequences on claim costs more broadly.

7.3.6 ATO Class Ruling CR 2025/88

On 17 December 2025, the ATO issued Class Ruling CR 2025/88 which confirmed that the income compensation component of a settlement payable under the *Workers Compensation and Injury Management Act 2023* is required to be included in a worker's assessable income under section 6-5 of the *Income Tax Assessment Act 1997* because it retains the character of ordinary income when commuted to a lump sum.

We have made an allowance for the estimated impact of this Class Ruling in the outstanding claims liability and 2026/27 recommended premium rates, as discussed in section 6.7. We note there is still significant uncertainty in the ultimate impact of this class ruling, especially since settlements are negotiated, so it is unlikely that the ultimate impact would just be based on applying income tax rates to income compensation.

In our discussions with insurers, they noted that operational impacts associated with the ATO Class Ruling have created complexity in claims management. Some insurers have slowed or paused settlement activity due to uncertainty around potential retrospective impacts, tax withholding requirements and system readiness, which could extend claim durations and increase ongoing payments.

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 2026, WorkCover Queensland had completed the health screening of 1,054 stonemasons exposed to respirable crystalline silica from engineered stone.

289 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
- 234 have silicosis.

In WA, as at 31 December 2025, excluding disallowed claims there were a total of 40 silicosis claims for 20 claimants, of which 36 silicosis claims lodged for 16 claimants are for non-mining industries. At our previous valuation there were 37 known silicosis claims for 16 claimants for non-mining industries that hadn't been disallowed. The reduction is due to Silicosis claims reported to 31 December 2024 has been disallowed since then.

The total average claim size per claimant ranges from \$8,000 to \$1.9 million, with the average per claimant about \$366,000 for non-mining claimants. The accident year for each claim varies between 2018/19 to 2025/26. Note that there are 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 three different accident years

It has been seven 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 62 WA workers with silicosis, of which 53 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 2025 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 2026/27 recommended premium rates. A ban on the use of engineered stone commenced from 1 July 2024, which should reduce the incidence of claims in future years as engineered stone can no longer be manufactured or added into homes. However, 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 2026/27 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 2025, we were advised of 463 COVID-19 related claims, of which 129 are disallowed or withdrawn. This is an increase compared to the 436 claims reported as at 31 December 2024 (including disallowed or withdrawn claims). 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.

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 2026/27 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 2025 outstanding claims valuation or the projection of 2026/27 premium rates.



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Appendix A Premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2025/26)/ (RPR2024/25)	Uncapped / (RES2026/27)
A Agriculture, forestry and fishing									
01110 NURSERY PRODUCTION (UNDER COVER)	70.7%	8.6%	4.25	4.15	4.30	4.30	3.6%	-2.4%	-0.1%
01120 NURSERY PRODUCTION (OUTDOORS)	65.0%	23.9%	4.36	4.20	4.06	4.06	-3.5%	-3.7%	-0.1%
01130 TURF GROWING	63.3%	10.9%	5.36	5.01	4.86	4.85	-3.1%	-6.5%	-0.1%
01140 FLORICULTURE PRODUCTION (UNDER COVER)	65.5%	7.2%	4.56	4.38	4.28	4.28	-2.4%	-4.0%	-0.1%
01150 FLORICULTURE PRODUCTION (OUTDOORS)	65.5%	8.7%	4.23	4.05	3.96	3.96	-2.3%	-4.2%	-0.1%
01210 MUSHROOM GROWING	60.9%	7.3%	5.00	4.51	4.35	4.35	-3.5%	-9.8%	-0.1%
01220 VEGETABLE GROWING (UNDER COVER)	62.6%	10.0%	4.64	4.23	4.15	4.15	-1.8%	-8.9%	-0.1%
01230 VEGETABLE GROWING (OUTDOORS)	59.0%	35.6%	4.99	4.41	4.22	4.21	-4.5%	-11.7%	-0.1%
01310 GRAPE GROWING	56.0%	24.9%	3.77	3.19	3.02	3.02	-5.2%	-15.6%	-0.1%
01320 KIWIFRUIT GROWING	57.6%	2.2%	4.04	3.58	3.33	3.33	-7.0%	-11.4%	-0.1%
01330 BERRY FRUIT GROWING	56.5%	19.6%	3.77	3.32	3.05	3.04	-8.4%	-11.7%	-0.1%
01340 APPLE AND PEAR GROWING	58.3%	20.1%	3.62	3.22	3.02	3.02	-6.3%	-11.0%	-0.1%
01350 STONE FRUIT GROWING	63.0%	10.6%	3.80	3.46	3.43	3.43	-0.9%	-9.1%	-0.1%
01360 CITRUS FRUIT GROWING	59.6%	11.5%	3.70	3.30	3.16	3.15	-4.5%	-10.8%	-0.1%
01370 OLIVE GROWING	58.5%	9.5%	4.01	3.60	3.36	3.36	-6.9%	-10.1%	-0.1%
01390 OTHER FRUIT AND TREE NUT GROWING	53.7%	21.6%	4.48	3.91	3.44	3.43	-12.2%	-12.6%	-0.1%
01410 SHEEP FARMING (SPECIALISED)	74.6%	8.4%	5.54	5.61	5.92	5.92	5.5%	1.1%	-0.1%
01420 BEEF CATTLE FARMING (SPECIALISED)	69.8%	28.7%	6.44	6.61	6.44	6.43	-2.7%	2.6%	-0.1%
01430 BEEF CATTLE FEEDLOTS (SPECIALISED)	67.1%	6.2%	5.70	5.77	5.47	5.47	-5.2%	1.2%	-0.1%
01440 SHEEP-BEEF CATTLE FARMING	69.1%	15.6%	5.63	5.69	5.57	5.56	-2.2%	1.1%	-0.1%
01450 GRAIN-SHEEP OR GRAIN-BEEF CATTLE FARMING	67.6%	70.0%	4.91	4.82	4.76	4.75	-1.5%	-1.8%	-0.1%
01460 RICE GROWING	68.5%	1.9%	5.92	6.50	5.81	5.81	-10.7%	9.8%	-0.1%
01490 OTHER GRAIN GROWING	60.4%	33.3%	4.66	4.27	4.02	4.02	-5.8%	-8.3%	-0.1%
01510 SUGAR CANE GROWING	62.8%	0.1%	4.66	4.42	4.19	4.19	-5.3%	-5.1%	-0.1%
01520 COTTON GROWING	62.8%	4.9%	4.56	4.26	4.10	4.09	-4.1%	-6.4%	-0.1%
01590 OTHER CROP GROWING N.E.C.	60.9%	9.4%	4.54	4.30	3.96	3.95	-8.0%	-5.3%	-0.1%
01600 DAIRY CATTLE FARMING	69.0%	20.6%	5.83	5.98	5.77	5.76	-3.7%	2.5%	-0.1%
01710 POULTRY FARMING (MEAT)	64.6%	12.1%	5.40	5.39	4.99	4.99	-7.4%	-0.3%	-0.1%
01720 POULTRY FARMING (EGGS)	64.8%	16.2%	4.92	4.83	4.56	4.56	-5.6%	-1.9%	-0.1%
01800 DEER FARMING	64.2%	1.3%	4.75	4.52	4.37	4.36	-3.5%	-4.8%	-0.1%
01910 HORSE FARMING	67.3%	12.0%	5.40	5.22	5.21	5.21	-0.3%	-3.4%	-0.1%
01920 PIG FARMING	62.9%	17.7%	4.65	4.22	4.19	4.18	-0.9%	-9.2%	-0.1%
01930 BEEKEEPING	65.9%	6.2%	4.76	4.46	4.49	4.49	0.6%	-6.2%	-0.1%
01990 OTHER LIVESTOCK FARMING N.E.C.	65.3%	6.1%	4.59	4.36	4.29	4.28	-1.8%	-4.8%	-0.1%
02010 OFFSHORE LONGLINE AND RACK AQUACULTURE	83.4%	11.9%	4.15	4.54	4.95	4.95	9.0%	9.3%	-0.1%
02020 OFFSHORE CAGED AQUACULTURE	76.0%	0.5%	4.44	4.49	4.83	4.83	7.5%	1.1%	-0.1%
02030 ONSHORE AQUACULTURE	76.6%	10.9%	4.41	4.33	4.83	4.83	11.4%	-1.7%	-0.1%
03010 FORESTRY	64.7%	27.1%	4.64	4.48	4.30	4.29	-4.2%	-3.5%	-0.1%
03020 LOGGING	59.2%	21.1%	6.87	6.34	5.82	5.81	-8.3%	-7.6%	-0.1%
04110 ROCK LOBSTER AND CRAB POTTING	71.3%	18.5%	4.06	4.01	4.15	4.14	3.3%	-1.3%	-0.1%
04120 PRAWN FISHING	68.1%	8.2%	4.26	4.07	4.15	4.14	1.8%	-4.3%	-0.1%
04130 LINE FISHING	67.3%	5.0%	4.59	4.38	4.42	4.42	0.7%	-4.4%	-0.1%
04140 FISH TRAWLING, SEINING AND NETTING	68.2%	3.7%	4.37	4.18	4.27	4.27	2.0%	-4.3%	-0.1%
04190 OTHER FISHING	68.9%	11.5%	4.76	4.46	4.70	4.69	5.1%	-6.2%	-0.1%
04200 HUNTING AND TRAPPING	66.0%	6.0%	4.20	3.98	3.97	3.96	-0.6%	-5.1%	-0.1%
05100 FORESTRY SUPPORT SERVICES	75.4%	19.2%	4.27	4.28	4.61	4.60	7.6%	0.2%	-0.1%
05210 COTTON GINNING	0.0%	0.0%	6.07	5.70	5.81	5.80	1.7%	-6.1%	-0.1%
05220 SHEARING SERVICES	66.6%	33.3%	6.89	6.50	6.57	6.56	1.0%	-5.7%	-0.1%
05290 OTHER AGRICULTURE AND FISHING SUPPORT SERVICES	67.0%	37.6%	5.67	5.27	5.44	5.43	3.0%	-7.0%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ RPR2025/26	(RPR2025/26)/ RPR2024/25	
B Mining									
06000 COAL MINING	58.3%	38.0%	4.04	3.52	3.37	3.37	-4.2%	-13.0%	-0.1%
07000 OIL AND GAS EXTRACTION - ON LAND	51.2%	100.0%	0.25	0.25	0.18	0.25	0.0%	0.0%	26.7%
07001 OIL AND GAS EXTRACTION - OFFSHORE	98.8%	84.7%	0.69	0.79	0.98	0.98	24.4%	13.6%	-0.1%
08010 IRON ORE MINING	81.6%	100.0%	0.92	1.00	1.08	1.08	7.5%	8.6%	-0.1%
08020 BAUXITE MINING	57.2%	13.9%	1.83	1.74	1.50	1.50	-14.0%	-4.9%	-0.1%
08030 COPPER ORE MINING	66.7%	34.5%	1.28	1.21	1.22	1.22	1.1%	-5.6%	-0.1%
08040 GOLD ORE MINING - ABOVE GROUND	65.7%	100.0%	1.89	1.88	1.77	1.77	-5.8%	-0.3%	-0.1%
08041 GOLD ORE MINING - UNDERGROUND	83.7%	93.6%	1.71	1.84	2.05	2.05	11.5%	7.3%	-0.1%
08050 MINERAL SAND MINING	86.6%	72.6%	1.04	1.17	1.29	1.29	10.1%	12.5%	-0.1%
08060 NICKEL ORE MINING	75.9%	73.0%	1.49	1.57	1.61	1.61	2.9%	5.5%	-0.1%
08070 SILVER-LEAD-ZINC ORE MINING	76.6%	22.9%	1.36	1.39	1.49	1.48	7.1%	2.3%	-0.1%
08090 OTHER METAL ORE MINING	72.1%	40.5%	2.22	2.35	2.29	2.29	-2.6%	5.9%	-0.1%
09110 GRAVEL AND SAND QUARRYING	82.6%	18.7%	2.76	2.99	3.27	3.26	9.3%	8.1%	-0.1%
09190 OTHER CONSTRUCTION MATERIAL MINING	96.1%	32.8%	2.53	2.95	3.48	3.47	17.9%	16.6%	-0.1%
09900 OTHER NON-METALLIC MINERAL MINING AND QUARRYING EXCLUDING SALT HARVESTING	94.0%	70.7%	1.67	1.94	2.25	2.25	15.8%	16.2%	-0.1%
09901 OTHER NON-METALLIC MINERAL MINING AND QUARRYING - SALT HARVESTING	88.5%	40.2%	1.29	1.53	1.63	1.63	6.8%	18.6%	-0.1%
10110 PETROLEUM EXPLORATION	64.6%	27.6%	0.62	0.50	0.57	0.57	12.9%	-18.2%	-0.1%
10120 MINERAL EXPLORATION	61.3%	97.5%	0.74	0.62	0.65	0.65	5.0%	-16.5%	-0.1%
10900 OTHER MINING SUPPORT SERVICES - ON LAND	74.0%	100.0%	2.56	2.63	2.71	2.71	3.0%	2.8%	-0.1%
10901 OTHER MINING SUPPORT SERVICES - OFFSHORE	94.0%	100.0%	0.57	0.61	0.77	0.76	25.0%	7.2%	-0.5%
C Manufacturing									
11110 MEAT PROCESSING	61.4%	67.7%	4.04	3.70	3.55	3.55	-3.9%	-8.6%	-0.1%
11120 POULTRY PROCESSING	68.8%	34.9%	3.84	3.63	3.78	3.78	4.1%	-5.5%	-0.1%
11130 CURED MEAT AND SMALLGOODS MANUFACTURING	65.1%	28.6%	4.94	4.66	4.60	4.60	-1.2%	-5.7%	-0.1%
11200 SEAFOOD PROCESSING	79.3%	27.1%	3.04	3.11	3.45	3.44	10.8%	2.4%	-0.1%
11310 MILK AND CREAM PROCESSING	71.9%	20.5%	2.67	2.59	2.75	2.75	6.1%	-3.0%	-0.1%
11320 ICE CREAM MANUFACTURING	79.3%	5.0%	2.79	2.89	3.16	3.16	9.5%	3.5%	-0.1%
11330 CHEESE AND OTHER DAIRY PRODUCT MANUFACTURING	70.3%	25.0%	2.72	2.60	2.74	2.73	5.2%	-4.4%	-0.1%
11400 FRUIT AND VEGETABLE PROCESSING	60.7%	21.1%	3.45	3.27	3.00	3.00	-8.4%	-5.3%	-0.1%
11500 OIL AND FAT MANUFACTURING	68.6%	10.4%	3.00	2.95	2.94	2.94	-0.3%	-1.6%	-0.1%
11610 GRAIN MILL PRODUCT MANUFACTURING	78.3%	17.4%	2.84	3.23	3.19	3.19	-1.2%	13.4%	-0.1%
11620 CEREAL, PASTA AND BAKING MIX MANUFACTURING	70.5%	16.3%	3.06	3.27	3.09	3.08	-5.6%	6.8%	-0.1%
11710 BREAD MANUFACTURING (FACTORY BASED)	72.9%	28.5%	2.70	2.68	2.82	2.81	4.8%	-0.5%	-0.1%
11720 CAKE AND PASTRY MANUFACTURING (FACTORY BASED)	74.0%	21.4%	2.91	2.92	3.08	3.08	5.3%	0.5%	-0.1%
11730 BISCUIT MANUFACTURING (FACTORY BASED)	74.4%	4.5%	2.73	2.65	2.91	2.91	9.8%	-3.0%	-0.1%
11740 BAKERY PRODUCT MANUFACTURING (NON-FACTORY BASED)	72.1%	40.2%	2.20	2.17	2.27	2.27	4.8%	-1.6%	-0.1%
11810 SUGAR MANUFACTURING	0.0%	0.0%	3.12	3.11	3.21	3.20	3.0%	-0.4%	-0.1%
11820 CONFECTIONERY MANUFACTURING	73.9%	9.5%	2.93	2.99	3.10	3.10	3.6%	2.1%	-0.1%
11910 POTATO, CORN AND OTHER CRISP MANUFACTURING	76.0%	4.8%	3.15	3.15	3.43	3.42	8.6%	0.1%	-0.1%
11920 PREPARED ANIMAL AND BIRD FEED MANUFACTURING	76.8%	21.3%	3.43	3.27	3.77	3.77	15.3%	-4.8%	-0.1%
11990 OTHER FOOD PRODUCT MANUFACTURING N.E.C.	78.4%	34.3%	3.30	3.46	3.71	3.70	7.1%	4.7%	-0.1%
12110 SOFT DRINK, CORDIAL AND SYRUP MANUFACTURING	75.5%	34.7%	1.92	1.97	2.08	2.07	5.2%	2.7%	-0.1%
12120 BEER MANUFACTURING	72.2%	27.5%	1.74	1.78	1.80	1.80	0.9%	2.4%	-0.1%
12130 SPIRIT MANUFACTURING	74.9%	8.4%	1.74	1.74	1.87	1.87	7.3%	-0.1%	-0.1%
12140 WINE AND OTHER ALCOHOLIC BEVERAGE MANUFACTURING	68.4%	39.7%	1.77	1.75	1.74	1.73	-0.7%	-1.5%	-0.1%
12200 CIGARETTE AND TOBACCO PRODUCT MANUFACTURING	72.6%	0.2%	2.02	2.04	2.09	2.09	2.8%	0.9%	-0.1%
13110 WOOL SCOURING	74.3%	0.0%	2.54	2.56	2.70	2.70	5.4%	0.8%	-0.1%
13120 NATURAL TEXTILE MANUFACTURING	73.6%	3.8%	2.46	2.48	2.60	2.60	4.5%	0.7%	-0.1%
13130 SYNTHETIC TEXTILE MANUFACTURING	81.5%	4.6%	2.58	2.73	3.01	3.01	10.1%	5.9%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ RPR2025/26	(RPR2025/26)/ RPR2024/25	
13200 LEATHER TANNING, FUR DRESSING AND LEATHER PRODUCT MANUFACTURING	73.1%	6.6%	2.63	2.69	2.76	2.75	2.5%	1.9%	-0.1%
13310 TEXTILE FLOOR COVERING MANUFACTURING	63.8%	2.8%	2.98	2.84	2.72	2.72	-4.3%	-4.6%	-0.1%
13320 ROPE, CORDAGE AND TWINE MANUFACTURING	64.6%	2.6%	2.84	2.73	2.62	2.62	-3.9%	-3.8%	-0.1%
13330 CUT AND SEWN TEXTILE PRODUCT MANUFACTURING	61.1%	30.2%	2.82	2.66	2.47	2.46	-7.4%	-5.6%	-0.1%
13340 TEXTILE FINISHING AND OTHER TEXTILE PRODUCT MANUFACTURING	63.9%	7.5%	2.54	2.44	2.33	2.33	-4.7%	-4.1%	-0.1%
13400 KNITTED PRODUCT MANUFACTURING	68.6%	2.1%	2.47	2.42	2.42	2.42	0.2%	-2.1%	-0.1%
13510 CLOTHING MANUFACTURING	68.9%	11.5%	2.03	1.99	2.00	1.99	0.0%	-1.6%	-0.1%
13520 FOOTWEAR MANUFACTURING	69.0%	2.6%	2.21	2.17	2.18	2.18	0.2%	-1.5%	-0.1%
14110 LOG SAWMILLING	63.9%	23.6%	4.02	3.70	3.68	3.67	-0.7%	-7.9%	-0.1%
14120 WOOD CHIPPING	65.7%	12.6%	3.96	3.84	3.73	3.72	-3.1%	-3.0%	-0.1%
14130 TIMBER RESAWING AND DRESSING	65.4%	10.0%	3.85	3.65	3.60	3.60	-1.2%	-5.3%	-0.1%
14910 PREFABRICATED WOODEN BUILDING MANUFACTURING	81.2%	18.5%	2.78	3.07	3.24	3.23	5.4%	10.2%	-0.1%
14920 WOODEN STRUCTURAL FITTING AND COMPONENT MANUFACTURING	81.0%	47.2%	3.05	3.38	3.53	3.53	4.5%	10.9%	-0.1%
14930 VENEER AND PLYWOOD MANUFACTURING	85.7%	17.7%	3.29	3.66	4.04	4.04	10.4%	11.0%	-0.1%
14940 RECONSTITUTED WOOD PRODUCT MANUFACTURING	69.5%	4.3%	3.72	3.71	3.71	3.70	-0.3%	-0.2%	-0.1%
14990 OTHER WOOD PRODUCT MANUFACTURING N.E.C.	90.4%	18.4%	3.09	3.76	3.99	3.99	6.1%	21.8%	-0.1%
15100 PULP, PAPER AND PAPERBOARD MANUFACTURING	71.8%	1.9%	2.78	3.38	2.86	2.86	-15.4%	21.4%	-0.1%
15210 CORRUGATED PAPERBOARD AND PAPERBOARD CONTAINER MANUFACTURING	73.7%	21.2%	2.55	2.81	2.69	2.69	-4.0%	9.9%	-0.1%
15220 PAPER BAG MANUFACTURING	74.4%	0.7%	2.53	2.71	2.69	2.69	-0.9%	7.5%	-0.1%
15230 PAPER STATIONERY MANUFACTURING	74.7%	0.8%	2.52	2.71	2.69	2.69	-0.7%	7.6%	-0.1%
15240 SANITARY PAPER PRODUCT MANUFACTURING	71.4%	7.2%	2.64	2.79	2.69	2.69	-3.7%	6.0%	-0.1%
15290 OTHER CONVERTED PAPER PRODUCT MANUFACTURING	83.4%	5.2%	2.49	2.68	2.97	2.97	10.7%	7.8%	-0.1%
16110 PRINTING	84.4%	37.3%	1.35	1.48	1.64	1.63	10.2%	9.5%	-0.1%
16120 PRINTING SUPPORT SERVICES	96.3%	15.8%	1.47	1.65	2.03	2.03	22.9%	12.0%	-0.1%
16200 REPRODUCTION OF RECORDED MEDIA	82.0%	3.4%	1.70	1.82	1.99	1.99	9.3%	7.3%	-0.1%
17010 PETROLEUM REFINING AND PETROLEUM FUEL MANUFACTURING	41.6%	8.5%	0.90	0.71	0.54	0.53	-25.0%	-20.8%	-0.3%
17090 OTHER PETROLEUM AND COAL PRODUCT MANUFACTURING	44.4%	70.3%	0.50	0.37	0.32	0.32	-15.4%	-25.0%	-0.1%
18110 INDUSTRIAL GAS MANUFACTURING	45.1%	16.8%	2.29	1.73	1.48	1.48	-14.6%	-24.4%	-0.1%
18120 BASIC ORGANIC CHEMICAL MANUFACTURING	46.0%	6.2%	2.40	1.85	1.58	1.58	-14.6%	-22.9%	-0.1%
18130 BASIC INORGANIC CHEMICAL MANUFACTURING	37.0%	43.6%	3.03	2.27	1.60	1.71	-25.0%	-25.0%	5.9%
18210 SYNTHETIC RESIN AND SYNTHETIC RUBBER MANUFACTURING	69.2%	13.9%	2.38	2.68	2.36	2.36	-12.0%	12.4%	-0.1%
18290 OTHER BASIC POLYMER MANUFACTURING	66.7%	2.8%	2.24	2.28	2.13	2.13	-6.5%	2.0%	-0.1%
18310 FERTILISER MANUFACTURING	55.1%	34.6%	1.91	1.44	1.51	1.51	4.4%	-24.6%	-0.1%
18320 PESTICIDE MANUFACTURING	66.1%	11.8%	1.73	1.48	1.64	1.64	10.6%	-14.6%	-0.1%
18410 HUMAN PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	76.5%	30.4%	1.66	1.72	1.82	1.82	5.7%	3.4%	-0.1%
18420 VETERINARY PHARMACEUTICAL AND MEDICINAL PRODUCT MANUFACTURING	69.6%	3.4%	1.78	1.75	1.78	1.78	1.6%	-2.0%	-0.1%
18510 CLEANING COMPOUND MANUFACTURING	66.0%	16.0%	2.14	2.10	2.02	2.02	-3.5%	-2.1%	-0.1%
18520 COSMETIC AND TOILETRY PREPARATION MANUFACTURING	64.4%	10.6%	2.34	2.22	2.15	2.15	-3.1%	-5.0%	-0.1%
18910 PHOTOGRAPHIC CHEMICAL PRODUCT MANUFACTURING	78.2%	0.3%	1.76	1.94	1.97	1.97	1.5%	10.2%	-0.1%
18920 EXPLOSIVE MANUFACTURING	91.2%	41.5%	1.66	2.08	2.17	2.17	4.3%	25.0%	-0.1%
18990 OTHER BASIC CHEMICAL PRODUCT MANUFACTURING N.E.C.	75.2%	17.6%	1.53	1.64	1.64	1.64	0.0%	7.5%	-0.1%
19110 POLYMER FILM AND SHEET PACKAGING MATERIAL MANUFACTURING	76.3%	14.6%	2.53	2.57	2.77	2.76	7.4%	1.6%	-0.1%
19120 RIGID AND SEMI-RIGID POLYMER PRODUCT MANUFACTURING	78.9%	42.9%	2.48	2.56	2.80	2.79	9.0%	3.5%	-0.1%
19130 POLYMER FOAM PRODUCT MANUFACTURING	75.3%	8.8%	2.52	2.51	2.72	2.72	8.5%	-0.7%	-0.1%
19140 TYRE MANUFACTURING	89.8%	7.0%	2.51	2.79	3.22	3.22	15.3%	11.4%	-0.1%
19150 ADHESIVE MANUFACTURING	71.0%	9.0%	2.67	2.64	2.72	2.72	2.8%	-1.2%	-0.1%
19160 PAINT AND COATINGS MANUFACTURING	77.9%	12.0%	2.39	2.52	2.67	2.66	5.5%	5.5%	-0.1%
19190 OTHER POLYMER PRODUCT MANUFACTURING	75.1%	23.9%	2.72	2.66	2.92	2.92	9.8%	-2.1%	-0.1%
19200 NATURAL RUBBER PRODUCT MANUFACTURING	81.1%	27.3%	2.36	2.48	2.74	2.74	10.6%	4.9%	-0.1%
20100 GLASS AND GLASS PRODUCT MANUFACTURING	78.6%	19.1%	4.02	4.53	4.52	4.51	-0.4%	12.9%	-0.1%
20210 CLAY BRICK MANUFACTURING	85.2%	25.2%	2.96	3.21	3.61	3.60	12.4%	8.3%	-0.1%
20290 OTHER CERAMIC PRODUCT MANUFACTURING	93.9%	34.0%	4.16	4.86	5.59	5.59	15.0%	16.7%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2024/25)	
20310 CEMENT AND LIME MANUFACTURING	83.9%	19.4%	2.79	2.96	3.35	3.35	13.2%	6.0%	-0.1%
20320 PLASTER PRODUCT MANUFACTURING	84.4%	13.8%	2.89	3.21	3.49	3.49	8.7%	11.0%	-0.1%
20330 READY-MIXED CONCRETE MANUFACTURING	81.6%	35.7%	3.08	3.23	3.60	3.60	11.2%	4.9%	-0.1%
20340 CONCRETE PRODUCT MANUFACTURING	73.9%	31.2%	3.65	3.75	3.86	3.85	2.7%	2.9%	-0.1%
20900 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING EXCLUDING FIBREGLASS, INSULATION AND STONE PRODUCTS	76.6%	14.3%	4.02	4.11	4.41	4.41	7.1%	2.3%	-0.1%
20901 OTHER NON-METALLIC MINERAL PRODUCT MANUFACTURING - FIBREGLASS, INSULATION AND STONE PRODUCTS	70.1%	42.4%	5.46	5.62	5.48	5.47	-2.6%	3.0%	-0.1%
21100 IRON SMELTING AND STEEL MANUFACTURING	65.4%	17.4%	3.27	3.04	3.06	3.06	0.6%	-7.0%	-0.1%
21210 IRON AND STEEL CASTING	80.0%	25.7%	2.31	2.50	2.65	2.65	6.1%	7.9%	-0.1%
21220 STEEL PIPE AND TUBE MANUFACTURING	72.8%	39.1%	2.86	2.83	2.98	2.97	5.0%	-0.8%	-0.1%
21310 ALUMINA PRODUCTION	83.0%	14.1%	2.59	2.77	3.07	3.07	11.0%	7.0%	-0.1%
21320 ALUMINIUM SMELTING	76.9%	11.3%	2.89	2.97	3.18	3.18	7.1%	2.7%	-0.1%
21330 COPPER, SILVER, LEAD AND ZINC SMELTING AND REFINING	83.9%	1.0%	2.51	2.72	3.02	3.02	10.8%	8.4%	-0.1%
21390 OTHER BASIC NON-FERROUS METAL MANUFACTURING	87.8%	35.2%	2.49	2.78	3.14	3.13	12.6%	11.5%	-0.1%
21410 NON-FERROUS METAL CASTING	76.1%	2.0%	2.35	2.47	2.57	2.56	3.8%	4.9%	-0.1%
21420 ALUMINIUM ROLLING, DRAWING, EXTRUDING	77.5%	12.7%	2.21	2.39	2.45	2.45	2.5%	8.1%	-0.1%
21490 OTHER BASIC NON-FERROUS METAL PRODUCT MANUFACTURING	75.7%	4.7%	2.31	2.40	2.50	2.50	4.1%	3.9%	-0.1%
22100 IRON AND STEEL FORGING	80.2%	15.9%	2.73	3.06	3.14	3.14	2.6%	11.9%	-0.1%
22210 STRUCTURAL STEEL FABRICATING	69.8%	58.3%	3.96	3.92	3.96	3.95	0.8%	-0.9%	-0.1%
22220 PREFABRICATED METAL BUILDING MANUFACTURING	85.0%	24.1%	3.21	3.26	3.91	3.91	19.7%	1.6%	-0.1%
22230 ARCHITECTURAL ALUMINIUM PRODUCT MANUFACTURING	79.2%	45.5%	3.15	3.34	3.57	3.57	6.9%	5.9%	-0.1%
22240 METAL ROOF AND GUTTERING MANUFACTURING (EXCEPT ALUMINIUM)	77.3%	15.4%	3.37	3.48	3.73	3.73	7.1%	3.2%	-0.1%
22290 OTHER STRUCTURAL METAL PRODUCT MANUFACTURING	76.5%	30.0%	3.23	3.39	3.53	3.53	4.0%	5.2%	-0.1%
22310 BOILER, TANK AND OTHER HEAVY GAUGE METAL CONTAINER MANUFACTURING	69.7%	38.7%	3.52	3.34	3.51	3.50	5.0%	-5.1%	-0.1%
22390 OTHER METAL CONTAINER MANUFACTURING	84.9%	14.8%	3.27	3.47	3.97	3.97	14.3%	6.3%	-0.1%
22400 SHEET METAL PRODUCT MANUFACTURING (EXCEPT METAL STRUCTURAL AND CONTAINER PRODUCTS)	72.0%	43.6%	3.02	3.18	3.11	3.11	-2.1%	5.2%	-0.1%
22910 SPRING AND WIRE PRODUCT MANUFACTURING	71.5%	15.9%	3.24	3.35	3.31	3.31	-1.3%	3.7%	-0.1%
22920 NUT, BOLT, SCREW AND RIVET MANUFACTURING	69.2%	10.0%	3.25	3.22	3.22	3.21	-0.3%	-0.7%	-0.1%
22930 METAL COATING AND FINISHING	72.0%	33.4%	3.36	3.51	3.46	3.46	-1.4%	4.5%	-0.1%
22990 OTHER FABRICATED METAL PRODUCT MANUFACTURING N.E.C.	67.2%	49.2%	3.60	3.61	3.46	3.46	-4.1%	0.2%	-0.1%
23110 MOTOR VEHICLE MANUFACTURING	81.1%	12.9%	2.69	2.82	3.12	3.12	10.8%	4.7%	-0.1%
23120 MOTOR VEHICLE BODY AND TRAILER MANUFACTURING	74.1%	48.1%	2.66	2.71	2.83	2.82	4.0%	1.9%	-0.1%
23130 AUTOMOTIVE ELECTRICAL COMPONENT MANUFACTURING	77.6%	5.1%	2.33	2.40	2.59	2.59	7.6%	3.1%	-0.1%
23190 OTHER MOTOR VEHICLE PARTS MANUFACTURING	73.6%	16.5%	2.28	2.22	2.40	2.40	8.1%	-2.6%	-0.1%
23910 SHIPBUILDING AND REPAIR SERVICES	103.6%	69.5%	1.47	1.74	2.19	2.18	25.0%	18.2%	-0.4%
23920 BOATBUILDING AND REPAIR SERVICES	77.0%	24.4%	2.87	2.91	3.16	3.16	8.6%	1.4%	-0.1%
23930 RAILWAY ROLLING STOCK MANUFACTURING AND REPAIR SERVICES	75.4%	34.3%	2.12	2.35	2.28	2.28	-3.0%	11.1%	-0.1%
23940 AIRCRAFT MANUFACTURING AND REPAIR SERVICES	91.9%	30.5%	1.74	1.98	2.29	2.29	15.7%	13.5%	-0.1%
23990 OTHER TRANSPORT EQUIPMENT MANUFACTURING N.E.C.	98.6%	10.6%	1.84	2.04	2.60	2.55	25.0%	10.8%	-1.9%
24110 PHOTOGRAPHIC, OPTICAL AND OPHTHALMIC EQUIPMENT MANUFACTURING	69.5%	8.7%	1.21	1.16	1.21	1.21	4.2%	-4.6%	-0.1%
24120 MEDICAL AND SURGICAL EQUIPMENT MANUFACTURING	73.8%	20.8%	1.19	1.19	1.26	1.26	6.2%	-0.7%	-0.1%
24190 OTHER PROFESSIONAL AND SCIENTIFIC EQUIPMENT MANUFACTURING	65.9%	38.8%	0.96	0.85	0.91	0.91	7.2%	-12.1%	-0.1%
24210 COMPUTER AND ELECTRONIC OFFICE EQUIPMENT MANUFACTURING	65.1%	8.0%	1.56	1.45	1.45	1.45	0.5%	-7.3%	-0.1%
24220 COMMUNICATION EQUIPMENT MANUFACTURING	64.1%	18.6%	1.32	1.25	1.21	1.21	-3.5%	-5.0%	-0.1%
24290 OTHER ELECTRONIC EQUIPMENT MANUFACTURING	67.6%	36.0%	1.02	1.02	0.99	0.99	-3.4%	0.1%	-0.1%
24310 ELECTRIC CABLE AND WIRE MANUFACTURING	72.4%	4.3%	1.80	1.81	1.87	1.87	3.2%	0.4%	-0.1%
24320 ELECTRIC LIGHTING EQUIPMENT MANUFACTURING	77.6%	14.1%	2.28	2.36	2.53	2.52	6.9%	3.7%	-0.1%
24390 OTHER ELECTRICAL EQUIPMENT MANUFACTURING	70.3%	33.9%	1.75	1.71	1.77	1.76	3.1%	-2.4%	-0.1%
24410 WHITEWARE APPLIANCE MANUFACTURING	77.5%	2.5%	1.97	2.19	2.19	2.18	-0.3%	11.3%	-0.1%
24490 OTHER DOMESTIC APPLIANCE MANUFACTURING	87.7%	7.5%	2.05	2.25	2.57	2.57	14.0%	10.1%	-0.1%
24510 PUMP AND COMPRESSOR MANUFACTURING	69.0%	24.3%	1.80	1.90	1.78	1.78	-6.6%	5.7%	-0.1%
24520 FIXED SPACE HEATING, COOLING AND VENTILATION EQUIPMENT MANUFACTURING	65.2%	27.7%	2.15	2.23	2.01	2.01	-10.1%	3.8%	-0.1%
24610 AGRICULTURAL MACHINERY AND EQUIPMENT MANUFACTURING	77.7%	28.3%	2.35	2.63	2.62	2.61	-0.8%	11.9%	-0.1%
24620 MINING AND CONSTRUCTION MACHINERY MANUFACTURING	71.6%	100.0%	1.96	1.86	2.01	2.01	7.8%	-5.0%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)	
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2025/26)/ (RPR2024/25)		
24630 MACHINE TOOL AND PARTS MANUFACTURING	68.7%	31.7%	2.28	2.19	2.24	2.24	2.2%	-3.9%	-0.1%	
24690 OTHER SPECIALISED MACHINERY AND EQUIPMENT MANUFACTURING	62.0%	23.9%	2.65	2.53	2.35	2.35	-7.1%	-4.6%	-0.1%	
24910 LIFTING AND MATERIAL HANDLING EQUIPMENT MANUFACTURING	66.9%	62.8%	1.82	1.87	1.75	1.75	-6.7%	2.6%	-0.1%	
24990 OTHER MACHINERY AND EQUIPMENT MANUFACTURING N.E.C.	86.9%	59.6%	1.88	2.12	2.34	2.34	10.5%	12.5%	-0.1%	
25110 WOODEN FURNITURE AND UPHOLSTERED SEAT MANUFACTURING	77.0%	27.5%	3.11	3.37	3.43	3.43	1.6%	8.4%	-0.1%	
25120 METAL FURNITURE MANUFACTURING	77.5%	17.3%	2.58	2.76	2.86	2.86	3.7%	6.9%	-0.1%	
25130 MATTRESS MANUFACTURING	76.5%	13.8%	3.00	3.07	3.28	3.28	6.8%	2.4%	-0.1%	
25190 OTHER FURNITURE MANUFACTURING	83.1%	14.4%	2.63	2.81	3.13	3.13	11.2%	6.9%	-0.1%	
25910 JEWELLERY AND SILVERWARE MANUFACTURING	82.4%	6.5%	2.64	2.91	3.11	3.11	6.7%	10.5%	-0.1%	
25920 TOY, SPORTING AND RECREATIONAL PRODUCT MANUFACTURING	83.5%	12.8%	2.89	3.22	3.45	3.45	7.2%	11.4%	-0.1%	
25990 OTHER MANUFACTURING N.E.C.	80.3%	18.5%	2.83	3.05	3.26	3.25	6.7%	7.7%	-0.1%	
D Electricity, gas, water and waste services										
26110 FOSSIL FUEL ELECTRICITY GENERATION	74.4%	43.3%	0.49	0.42	0.52	0.52	25.0%	-15.0%	-0.2%	
26120 HYDRO-ELECTRICITY GENERATION	72.2%	7.1%	0.58	0.55	0.60	0.60	9.6%	-5.8%	-0.1%	
26190 OTHER ELECTRICITY GENERATION	69.7%	34.3%	0.77	0.75	0.77	0.77	2.9%	-3.2%	-0.1%	
26200 ELECTRICITY TRANSMISSION	90.0%	19.5%	0.69	0.82	0.89	0.89	7.9%	19.3%	-0.1%	
26300 ELECTRICITY DISTRIBUTION	90.0%	89.6%	0.68	0.84	0.87	0.87	3.7%	24.1%	-0.1%	
26400 ON SELLING ELECTRICITY AND ELECTRICITY MARKET OPERATION	56.6%	49.1%	0.42	0.36	0.34	0.34	-4.6%	-15.1%	-0.1%	
27000 GAS SUPPLY	103.4%	38.4%	0.57	0.70	0.84	0.84	20.4%	22.7%	-0.1%	
28110 WATER SUPPLY	95.2%	89.0%	0.72	0.71	0.98	0.89	25.0%	-0.2%	-9.3%	
28120 SEWERAGE AND DRAINAGE SERVICES	93.4%	15.0%	0.90	1.02	1.20	1.20	17.6%	13.5%	-0.1%	
29110 SOLID WASTE COLLECTION SERVICES	99.3%	48.6%	2.82	3.53	4.01	4.00	13.6%	25.0%	-0.1%	
29190 OTHER WASTE COLLECTION SERVICES	88.3%	24.3%	2.57	3.01	3.26	3.25	8.2%	16.8%	-0.1%	
29210 WASTE TREATMENT AND DISPOSAL SERVICES	86.2%	26.9%	3.43	4.03	4.23	4.23	4.8%	17.7%	-0.1%	
29220 WASTE REMEDIATION AND MATERIALS RECOVERY SERVICES	83.1%	26.3%	4.38	5.22	5.21	5.20	-0.2%	19.1%	-0.1%	
E Construction										
30110 HOUSE CONSTRUCTION	76.8%	100.0%	1.33	1.39	1.46	1.46	4.7%	4.9%	-0.1%	
30190 OTHER RESIDENTIAL BUILDING CONSTRUCTION	94.0%	70.3%	1.24	1.44	1.67	1.66	15.6%	16.2%	-0.1%	
30200 NON-RESIDENTIAL BUILDING CONSTRUCTION	70.5%	100.0%	2.16	2.13	2.18	2.18	2.5%	-1.7%	-0.1%	
31010 ROAD AND BRIDGE CONSTRUCTION	81.6%	80.7%	2.67	2.73	3.11	3.11	13.8%	2.5%	-0.1%	
31090 OTHER HEAVY AND CIVIL ENGINEERING CONSTRUCTION	76.8%	100.0%	1.80	1.85	1.97	1.97	6.7%	2.9%	-0.1%	
32110 LAND DEVELOPMENT AND SUBDIVISION	69.3%	31.7%	2.13	2.10	2.11	2.11	0.4%	-1.4%	-0.1%	
32120 SITE PREPARATION SERVICES	71.7%	100.0%	2.90	2.87	2.97	2.97	3.4%	-0.8%	-0.1%	
32210 CONCRETING SERVICES	82.3%	62.1%	4.21	4.70	4.96	4.96	5.5%	11.5%	-0.1%	
32220 BRICKLAYING SERVICES	65.3%	28.6%	5.10	5.23	4.77	4.76	-8.9%	2.6%	-0.1%	
32230 ROOFING SERVICES	77.5%	31.4%	4.99	5.06	5.53	5.53	9.3%	1.5%	-0.1%	
32240 STRUCTURAL STEEL ERECTION SERVICES	70.5%	41.1%	4.43	4.51	4.47	4.46	-1.1%	1.9%	-0.1%	
32310 PLUMBING SERVICES	74.0%	73.3%	2.40	2.41	2.54	2.54	5.2%	0.5%	-0.1%	
32320 ELECTRICAL SERVICES	85.0%	100.0%	1.36	1.44	1.66	1.66	14.8%	5.9%	-0.1%	
32330 AIR CONDITIONING AND HEATING SERVICES	80.6%	65.4%	2.01	2.10	2.32	2.32	10.3%	4.5%	-0.1%	
32340 FIRE AND SECURITY ALARM INSTALLATION SERVICES	77.3%	56.4%	1.85	1.98	2.04	2.04	3.4%	7.0%	-0.1%	
32390 OTHER BUILDING INSTALLATION SERVICES	65.9%	52.4%	2.50	2.42	2.36	2.36	-2.7%	-3.2%	-0.1%	
32410 PLASTERING AND CEILING SERVICES	70.7%	34.9%	5.06	5.14	5.12	5.11	-0.5%	1.6%	-0.1%	
32420 CARPENTRY SERVICES	75.2%	40.7%	5.22	5.52	5.62	5.62	1.8%	5.6%	-0.1%	
32430 TILING AND CARPETING SERVICES	79.2%	29.8%	4.12	4.50	4.67	4.67	3.7%	9.2%	-0.1%	
32440 PAINTING AND DECORATING SERVICES	80.1%	43.0%	4.05	4.53	4.65	4.64	2.5%	11.8%	-0.1%	
32450 GLAZING SERVICES	72.1%	29.9%	4.20	4.34	4.33	4.33	-0.2%	3.2%	-0.1%	
32910 LANDSCAPE CONSTRUCTION SERVICES	101.1%	58.0%	3.05	3.60	4.41	4.41	22.6%	17.9%	-0.1%	
32920 HIRE OF CONSTRUCTION MACHINERY WITH OPERATOR	79.3%	64.5%	2.72	3.01	3.08	3.08	2.2%	10.9%	-0.1%	
32990 OTHER CONSTRUCTION SERVICES N.E.C.	84.3%	100.0%	2.54	2.93	3.07	3.06	4.6%	15.2%	-0.1%	

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2025/26)/ (RPR2024/25)	
F Wholesale trade									
33110 WOOL WHOLESALING	70.6%	12.7%	2.39	2.58	2.41	2.41	-6.4%	7.9%	-0.1%
33120 CEREAL GRAIN WHOLESALING	86.1%	13.4%	2.56	3.01	3.16	3.16	4.9%	17.5%	-0.1%
33190 OTHER AGRICULTURAL PRODUCT WHOLESALING	78.0%	46.0%	1.81	1.95	2.02	2.02	3.6%	7.6%	-0.1%
33210 PETROLEUM PRODUCT WHOLESALING	66.4%	42.1%	2.28	2.23	2.17	2.17	-2.7%	-2.4%	-0.1%
33220 METAL AND MINERAL WHOLESALING	61.1%	39.4%	3.19	2.94	2.79	2.79	-5.1%	-7.9%	-0.1%
33230 INDUSTRIAL AND AGRICULTURAL CHEMICAL PRODUCT WHOLESALING	68.1%	36.4%	1.98	1.93	1.93	1.93	0.1%	-2.7%	-0.1%
33310 TIMBER WHOLESALING	70.7%	16.9%	2.14	2.16	2.17	2.17	0.5%	0.6%	-0.1%
33320 PLUMBING GOODS WHOLESALING	77.1%	32.8%	1.80	1.89	1.99	1.98	4.8%	5.2%	-0.1%
33390 OTHER HARDWARE GOODS WHOLESALING	63.6%	71.5%	2.15	2.10	1.96	1.95	-7.1%	-2.1%	-0.1%
34110 AGRICULTURAL AND CONSTRUCTION MACHINERY WHOLESALING	77.4%	87.4%	1.32	1.41	1.46	1.46	4.1%	6.4%	-0.1%
34190 OTHER SPECIALISED INDUSTRIAL MACHINERY AND EQUIPMENT WHOLESALING	78.2%	94.4%	1.01	1.09	1.14	1.13	3.7%	7.9%	-0.1%
34910 PROFESSIONAL AND SCIENTIFIC GOODS WHOLESALING	87.8%	61.7%	0.46	0.53	0.58	0.58	9.9%	14.3%	-0.1%
34920 COMPUTER AND COMPUTER PERIPHERAL WHOLESALING	66.6%	35.9%	0.68	0.69	0.65	0.65	-5.7%	1.0%	-0.1%
34930 TELECOMMUNICATION GOODS WHOLESALING	73.7%	29.3%	0.80	0.84	0.84	0.84	0.0%	5.5%	-0.1%
34940 OTHER ELECTRICAL AND ELECTRONIC GOODS WHOLESALING	79.1%	84.4%	0.54	0.59	0.61	0.61	4.1%	8.7%	-0.1%
34990 OTHER MACHINERY AND EQUIPMENT WHOLESALING N.E.C.	81.7%	82.9%	1.15	1.27	1.34	1.34	5.4%	10.8%	-0.1%
35010 CAR WHOLESALING	64.4%	25.4%	1.48	1.44	1.36	1.36	-5.9%	-2.1%	-0.1%
35020 COMMERCIAL VEHICLE WHOLESALING	62.5%	39.0%	1.52	1.41	1.36	1.36	-3.9%	-7.0%	-0.1%
35030 TRAILER AND OTHER MOTOR VEHICLE WHOLESALING	59.7%	7.5%	1.84	1.71	1.57	1.57	-8.2%	-7.1%	-0.1%
35040 MOTOR VEHICLE NEW PARTS WHOLESALING	71.6%	51.5%	1.96	1.95	2.01	2.00	2.8%	-0.3%	-0.1%
35050 MOTOR VEHICLE DISMANTLING AND USED PARTS WHOLESALING	61.2%	20.2%	1.78	1.68	1.56	1.56	-7.0%	-6.0%	-0.1%
36010 GENERAL LINE GROCERY WHOLESALING	87.3%	42.7%	2.67	3.03	3.34	3.33	10.0%	13.5%	-0.1%
36020 MEAT, POULTRY AND SMALLGOODS WHOLESALING	77.6%	22.0%	3.07	3.34	3.42	3.41	2.3%	8.5%	-0.1%
36030 DAIRY PRODUCE WHOLESALING	87.9%	9.1%	2.84	3.14	3.57	3.57	13.6%	10.6%	-0.1%
36040 FISH AND SEAFOOD WHOLESALING	81.7%	17.2%	2.81	3.04	3.29	3.29	8.2%	8.0%	-0.1%
36050 FRUIT AND VEGETABLE WHOLESALING	79.1%	45.6%	2.73	2.94	3.09	3.09	5.1%	7.7%	-0.1%
36060 LIQUOR AND TOBACCO PRODUCT WHOLESALING	87.4%	24.7%	2.25	2.52	2.82	2.81	11.6%	12.0%	-0.1%
36090 OTHER GROCERY WHOLESALING	91.1%	41.2%	2.81	3.17	3.67	3.66	15.7%	12.7%	-0.1%
37110 TEXTILE PRODUCT WHOLESALING	80.5%	17.7%	1.21	1.33	1.39	1.39	4.7%	10.1%	-0.1%
37120 CLOTHING AND FOOTWEAR WHOLESALING	89.6%	31.6%	1.12	1.31	1.44	1.43	9.5%	17.0%	-0.1%
37200 PHARMACEUTICAL AND TOILETRY GOODS WHOLESALING	84.5%	44.5%	0.88	1.02	1.07	1.07	4.9%	15.3%	-0.1%
37310 FURNITURE AND FLOOR COVERING WHOLESALING	80.4%	24.2%	1.40	1.44	1.61	1.61	11.7%	2.9%	-0.1%
37320 JEWELLERY AND WATCH WHOLESALING	76.8%	22.1%	1.18	1.21	1.29	1.29	6.7%	2.9%	-0.1%
37330 KITCHEN AND DININGWARE WHOLESALING	79.0%	9.9%	1.24	1.27	1.40	1.40	10.1%	2.5%	-0.1%
37340 TOY AND SPORTING GOODS WHOLESALING	83.2%	21.3%	1.17	1.25	1.40	1.40	11.5%	6.7%	-0.1%
37350 BOOK AND MAGAZINE WHOLESALING	87.1%	7.2%	1.38	1.48	1.73	1.72	16.2%	7.2%	-0.1%
37360 PAPER PRODUCT WHOLESALING	81.1%	23.7%	1.22	1.24	1.42	1.42	14.7%	1.2%	-0.1%
37390 OTHER GOODS WHOLESALING N.E.C.	84.7%	31.3%	1.65	1.76	2.00	2.00	13.8%	6.4%	-0.1%
38000 COMMISSION-BASED WHOLESALING	91.1%	33.5%	0.79	0.99	1.03	1.03	4.2%	25.0%	-0.1%
G Retail trade									
39110 CAR RETAILING	63.1%	100.0%	1.06	0.94	0.95	0.95	1.9%	-11.4%	-0.1%
39120 MOTOR CYCLE RETAILING	66.5%	18.2%	1.41	1.19	1.34	1.34	12.8%	-15.7%	-0.1%
39130 TRAILER AND OTHER MOTOR VEHICLE RETAILING	61.8%	18.8%	1.47	1.25	1.30	1.30	3.5%	-14.5%	-0.1%
39210 MOTOR VEHICLE PARTS RETAILING	77.4%	32.6%	1.99	2.10	2.21	2.21	5.2%	5.3%	-0.1%
39220 TYRE RETAILING	72.2%	39.5%	2.84	2.64	2.93	2.93	10.9%	-7.0%	-0.1%
40000 FUEL RETAILING	80.1%	51.9%	2.33	2.33	2.67	2.67	14.3%	0.2%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)	
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ RPR2025/26	(RPR2025/26)/ RPR2024/25		
41100 SUPERMARKET AND GROCERY STORES	69.5%	81.4%	2.25	2.12	2.24	2.24	5.9%	-6.1%	-0.1%	
41210 FRESH MEAT AND POULTRY RETAILING EXCLUDING FISH RETAILING	76.3%	30.3%	2.85	3.01	3.12	3.11	3.5%	5.4%	-0.1%	
41211 FISH RETAILING	76.0%	11.8%	2.48	2.53	2.70	2.70	6.6%	1.9%	-0.1%	
41220 FRUIT AND VEGETABLE RETAILING	75.4%	41.0%	2.35	2.31	2.54	2.54	9.7%	-1.7%	-0.1%	
41230 LIQUOR RETAILING	87.8%	37.7%	2.32	2.60	2.91	2.91	12.0%	12.1%	-0.1%	
41290 OTHER SPECIALISED FOOD RETAILING	73.1%	33.6%	2.21	2.26	2.32	2.32	2.5%	2.1%	-0.1%	
42110 FURNITURE RETAILING	88.5%	43.8%	2.39	2.70	3.02	3.02	11.7%	13.2%	-0.1%	
42120 FLOOR COVERINGS RETAILING	81.6%	30.3%	1.61	1.74	1.88	1.88	8.2%	7.8%	-0.1%	
42130 HOUSEWARE RETAILING	94.3%	27.1%	1.71	1.98	2.30	2.30	16.3%	15.9%	-0.1%	
42140 MANCHESTER AND OTHER TEXTILE GOODS RETAILING	85.8%	25.4%	2.03	2.21	2.49	2.49	12.9%	8.6%	-0.1%	
42210 ELECTRICAL, ELECTRONIC AND GAS APPLIANCE RETAILING	90.5%	59.3%	0.96	1.12	1.24	1.24	10.5%	17.1%	-0.1%	
42220 COMPUTER AND COMPUTER PERIPHERAL RETAILING	88.2%	14.1%	1.07	1.23	1.36	1.36	9.9%	14.8%	-0.1%	
42290 OTHER ELECTRICAL AND ELECTRONIC GOODS RETAILING	76.3%	20.0%	1.14	1.23	1.25	1.25	1.6%	7.5%	-0.1%	
42310 HARDWARE AND BUILDING SUPPLIES RETAILING	82.8%	45.8%	1.86	1.94	2.20	2.20	13.7%	4.2%	-0.1%	
42320 GARDEN SUPPLIES RETAILING	73.4%	24.1%	2.08	2.09	2.18	2.18	4.1%	0.8%	-0.1%	
42410 SPORT AND CAMPING EQUIPMENT RETAILING	93.3%	41.8%	1.06	1.22	1.41	1.41	15.5%	15.5%	-0.1%	
42420 ENTERTAINMENT MEDIA RETAILING	86.1%	5.8%	1.04	1.15	1.28	1.28	11.4%	10.6%	-0.1%	
42430 TOY AND GAME RETAILING	82.2%	18.3%	1.13	1.20	1.33	1.33	11.2%	5.7%	-0.1%	
42440 NEWSPAPER AND BOOK RETAILING	82.3%	29.2%	0.97	1.05	1.15	1.15	9.0%	8.1%	-0.1%	
42450 MARINE EQUIPMENT RETAILING	80.3%	20.4%	1.12	1.22	1.28	1.28	5.1%	9.4%	-0.1%	
42510 CLOTHING RETAILING	70.0%	67.9%	1.90	1.95	1.90	1.90	-2.5%	2.7%	-0.1%	
42520 FOOTWEAR RETAILING	78.9%	30.1%	1.61	1.71	1.82	1.82	6.5%	6.0%	-0.1%	
42530 WATCH AND JEWELLERY RETAILING	65.8%	36.8%	1.71	1.65	1.61	1.61	-2.7%	-3.3%	-0.1%	
42590 OTHER PERSONAL ACCESSORY RETAILING	66.6%	16.5%	2.27	2.22	2.17	2.17	-2.6%	-2.2%	-0.1%	
42600 DEPARTMENT STORES	70.5%	18.7%	1.68	1.69	1.69	1.69	0.1%	0.7%	-0.1%	
42710 PHARMACEUTICAL, COSMETIC AND TOILETRY GOODS RETAILING	59.7%	79.4%	0.74	0.72	0.64	0.64	-11.2%	-3.9%	-0.1%	
42720 STATIONERY GOODS RETAILING	73.8%	18.8%	1.07	1.10	1.13	1.13	3.5%	2.0%	-0.1%	
42730 ANTIQUE AND USED GOODS RETAILING	78.8%	23.9%	1.17	1.26	1.32	1.31	4.6%	7.7%	-0.1%	
42740 FLOWER RETAILING	68.4%	16.4%	1.28	1.27	1.26	1.26	-0.8%	-1.3%	-0.1%	
42790 OTHER STORE-BASED RETAILING N.E.C.	86.8%	54.8%	1.63	1.79	2.02	2.02	13.1%	9.7%	-0.1%	
43100 NON-STORE RETAILING	81.9%	21.8%	2.27	2.31	2.66	2.66	14.9%	1.9%	-0.1%	
43200 RETAIL COMMISSION-BASED BUYING AND/OR SELLING	73.0%	7.3%	2.01	1.71	2.10	2.10	22.3%	-14.6%	-0.1%	
H Accommodation and food services										
44000 ACCOMMODATION	75.1%	94.9%	2.20	2.24	2.36	2.36	5.2%	2.1%	-0.1%	
45110 CAFES AND RESTAURANTS	57.4%	100.0%	1.85	2.03	1.52	1.52	-25.0%	9.6%	0.0%	
45120 TAKEAWAY FOOD SERVICES	75.8%	100.0%	0.91	0.96	0.99	0.99	3.1%	5.1%	-0.1%	
45130 CATERING SERVICES	91.3%	100.0%	2.84	2.83	3.71	3.54	25.0%	-0.2%	-4.8%	
45200 PUBS, TAVERNS AND BARS	69.1%	96.1%	1.79	1.77	1.77	1.77	0.4%	-1.5%	-0.1%	
45300 CLUBS (HOSPITALITY)	84.6%	26.7%	1.85	1.93	2.24	2.24	15.9%	4.3%	-0.1%	

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2025/26)/ (RPR2024/25)	
I Transport, postal and warehousing									
46100 ROAD FREIGHT TRANSPORT	72.6%	100.0%	5.20	5.32	5.41	5.40	1.5%	2.2%	-0.1%
46210 INTERURBAN AND RURAL BUS TRANSPORT	82.6%	15.1%	2.67	2.97	3.15	3.15	5.9%	11.4%	-0.1%
46220 URBAN BUS TRANSPORT (INCLUDING TRAMWAY)	86.1%	73.6%	2.18	2.56	2.69	2.69	4.8%	17.5%	-0.1%
46230 TAXI AND OTHER ROAD TRANSPORT	77.3%	8.2%	2.87	3.16	3.17	3.17	0.3%	10.2%	-0.1%
47100 RAIL FREIGHT TRANSPORT	97.0%	51.4%	1.69	1.98	2.35	2.34	18.6%	16.9%	-0.1%
47200 RAIL PASSENGER TRANSPORT	110.1%	62.9%	5.13	6.42	8.09	8.02	25.0%	25.0%	-0.8%
48100 WATER FREIGHT TRANSPORT	88.4%	38.1%	2.19	2.33	2.77	2.77	18.7%	6.5%	-0.1%
48200 WATER PASSENGER TRANSPORT	92.0%	19.3%	2.19	2.51	2.89	2.89	14.8%	14.6%	-0.1%
49000 AIR AND SPACE TRANSPORT	70.9%	88.9%	1.29	1.36	1.31	1.31	-3.1%	4.7%	-0.1%
50100 SCENIC AND SIGHTSEEING TRANSPORT	98.9%	29.9%	2.42	2.77	3.43	3.43	23.8%	14.3%	-0.1%
50210 PIPELINE TRANSPORT	88.4%	37.6%	1.05	1.15	1.33	1.33	14.9%	10.0%	-0.1%
50290 OTHER TRANSPORT N.E.C.	95.0%	9.4%	1.93	2.17	2.62	2.62	20.9%	12.4%	-0.1%
51010 POSTAL SERVICES	93.1%	21.7%	3.29	4.01	4.39	4.38	9.2%	22.0%	-0.1%
51020 COURIER PICK-UP AND DELIVERY SERVICES	103.1%	34.0%	3.10	3.88	4.57	4.57	18.0%	25.0%	-0.1%
52110 STEVEDORING SERVICES	91.2%	42.0%	3.29	3.51	4.30	4.29	22.1%	6.8%	-0.1%
52120 PORT AND WATER TRANSPORT TERMINAL OPERATIONS	80.4%	60.0%	1.54	1.64	1.77	1.77	7.5%	7.0%	-0.1%
52190 OTHER WATER TRANSPORT SUPPORT SERVICES EXCLUDING MARINE SALVAGE SERVICE	93.8%	69.3%	1.89	2.25	2.53	2.53	12.5%	19.2%	-0.1%
52191 MARINE SALVAGE SERVICE	85.4%	13.9%	2.17	2.34	2.65	2.64	13.2%	7.9%	-0.1%
52200 AIRPORT OPERATIONS AND OTHER AIR TRANSPORT SUPPORT SERVICES	90.4%	56.7%	1.56	1.90	2.02	2.02	6.6%	21.3%	-0.1%
52910 CUSTOMS AGENCY SERVICES	81.2%	15.8%	1.57	1.63	1.83	1.83	12.3%	3.4%	-0.1%
52920 FREIGHT FORWARDING SERVICES	76.9%	51.9%	1.59	1.53	1.75	1.74	13.8%	-3.4%	-0.1%
52990 OTHER TRANSPORT SUPPORT SERVICES N.E.C.	72.0%	47.9%	2.54	2.42	2.62	2.62	8.4%	-4.9%	-0.1%
53010 GRAIN STORAGE SERVICES	69.1%	62.1%	1.60	1.81	1.58	1.58	-12.5%	13.0%	-0.1%
53090 OTHER WAREHOUSING AND STORAGE SERVICES	84.0%	68.4%	2.22	2.47	2.67	2.67	8.2%	11.1%	-0.1%
J Information media and telecommunications									
54110 NEWSPAPER PUBLISHING	69.1%	35.5%	0.42	0.35	0.41	0.41	18.5%	-16.6%	-0.1%
54120 MAGAZINE AND OTHER PERIODICAL PUBLISHING	73.2%	10.6%	0.34	0.31	0.35	0.35	12.9%	-7.3%	-0.1%
54130 BOOK PUBLISHING	70.8%	13.2%	0.38	0.34	0.39	0.39	15.1%	-12.1%	-0.1%
54140 DIRECTORY AND MAILING LIST PUBLISHING	72.6%	3.4%	0.37	0.34	0.38	0.38	12.2%	-7.4%	-0.1%
54190 OTHER PUBLISHING (EXCEPT SOFTWARE, MUSIC AND INTERNET)	68.7%	4.0%	0.41	0.39	0.41	0.40	4.6%	-6.1%	-0.1%
54200 SOFTWARE PUBLISHING	77.8%	48.5%	0.25	0.30	0.28	0.28	-8.5%	21.7%	-0.1%
55110 MOTION PICTURE AND VIDEO PRODUCTION	71.8%	29.9%	0.90	0.99	0.92	0.92	-7.0%	10.5%	-0.1%
55120 MOTION PICTURE AND VIDEO DISTRIBUTION	90.0%	4.8%	0.81	0.98	1.04	1.04	6.3%	21.1%	-0.1%
55130 MOTION PICTURE EXHIBITION	73.9%	20.1%	0.73	0.79	0.78	0.77	-1.7%	7.5%	-0.1%
55140 POST-PRODUCTION SERVICES AND OTHER MOTION PICTURE AND VIDEO ACTIVITIES	74.0%	8.5%	0.71	0.78	0.76	0.76	-3.5%	9.6%	-0.1%
55210 MUSIC PUBLISHING	95.6%	3.0%	0.67	0.84	0.92	0.92	9.3%	25.0%	-0.1%
55220 MUSIC AND OTHER SOUND RECORDING ACTIVITIES	110.7%	7.8%	0.74	0.93	1.17	1.16	25.0%	25.0%	-1.4%
56100 RADIO BROADCASTING	88.6%	24.4%	0.25	0.31	0.32	0.32	1.3%	25.0%	-0.1%
56210 FREE-TO-AIR TELEVISION BROADCASTING	95.9%	17.1%	0.43	0.53	0.59	0.59	9.7%	25.0%	-0.1%
56220 CABLE AND OTHER SUBSCRIPTION BROADCASTING	98.0%	9.7%	0.38	0.47	0.53	0.53	12.1%	25.0%	-0.1%
57000 INTERNET PUBLISHING AND BROADCASTING	80.5%	11.4%	0.35	0.36	0.40	0.40	9.8%	4.9%	-0.1%
58010 WIRED TELECOMMUNICATIONS NETWORK OPERATION	59.2%	18.4%	0.64	0.48	0.54	0.54	12.8%	-25.0%	-0.1%
58020 OTHER TELECOMMUNICATIONS NETWORK OPERATION	46.9%	28.9%	0.74	0.56	0.50	0.50	-10.5%	-25.0%	-0.1%
58090 OTHER TELECOMMUNICATIONS SERVICES	62.2%	21.4%	0.57	0.47	0.51	0.51	7.2%	-17.0%	-0.1%
59100 INTERNET SERVICE PROVIDERS AND WEB SEARCH PORTALS	86.0%	29.5%	0.54	0.67	0.66	0.66	-1.6%	25.0%	-0.1%
59210 DATA PROCESSING AND WEB HOSTING SERVICES	61.5%	24.3%	0.43	0.36	0.38	0.38	6.7%	-17.6%	-0.1%
59220 ELECTRONIC INFORMATION STORAGE SERVICES	71.4%	21.2%	0.47	0.47	0.48	0.48	2.6%	-0.6%	-0.1%
60100 LIBRARIES AND ARCHIVES	65.6%	13.5%	0.61	0.53	0.57	0.57	7.5%	-12.7%	-0.1%
60200 OTHER INFORMATION SERVICES	104.4%	8.2%	0.39	0.47	0.58	0.58	25.0%	19.4%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ RPR2025/26	(RPR2025/26)/ RPR2024/25	
K Financial and insurance services									
62100 CENTRAL BANKING	45.7%	11.2%	0.25	0.25	0.16	0.25	0.0%	0.0%	34.5%
62210 BANKING	59.4%	50.1%	0.31	0.27	0.27	0.27	-1.5%	-13.8%	-0.1%
62220 BUILDING SOCIETY OPERATION	61.7%	1.3%	0.27	0.25	0.24	0.25	0.0%	-6.5%	5.6%
62230 CREDIT UNION OPERATION	60.2%	9.9%	0.25	0.25	0.22	0.25	0.0%	0.0%	13.8%
62290 OTHER DEPOSITORY FINANCIAL INTERMEDIATION	58.7%	12.0%	0.25	0.25	0.21	0.25	0.0%	0.0%	15.9%
62300 NON-DEPOSITORY FINANCING	58.4%	27.9%	0.25	0.25	0.21	0.25	0.0%	0.0%	16.4%
62400 FINANCIAL ASSET INVESTING	40.6%	53.2%	0.25	0.25	0.15	0.25	0.0%	0.0%	41.9%
63100 LIFE INSURANCE	80.7%	16.2%	0.28	0.28	0.32	0.32	12.1%	2.9%	-0.1%
63210 HEALTH INSURANCE	82.0%	43.8%	0.39	0.41	0.46	0.46	12.7%	4.0%	-0.1%
63220 GENERAL INSURANCE	86.1%	59.9%	0.46	0.50	0.56	0.56	13.8%	8.2%	-0.1%
63300 SUPERANNUATION FUNDS	73.1%	22.5%	0.42	0.41	0.44	0.44	9.0%	-4.0%	-0.1%
64110 FINANCIAL ASSET BROKING SERVICES	22.5%	54.2%	0.25	0.25	0.08	0.25	0.0%	0.0%	67.7%
64190 OTHER AUXILIARY FINANCE AND INVESTMENT SERVICES	43.4%	89.2%	0.25	0.25	0.16	0.25	0.0%	0.0%	37.9%
64200 AUXILIARY INSURANCE SERVICES	94.7%	60.6%	0.27	0.31	0.36	0.36	17.6%	15.1%	-0.1%
L Rental, hiring and real estate services									
66110 PASSENGER CAR RENTAL AND HIRING	88.4%	31.4%	1.40	1.60	1.77	1.76	10.3%	14.6%	-0.1%
66190 OTHER MOTOR VEHICLE AND TRANSPORT EQUIPMENT RENTAL AND HIRING	94.1%	24.6%	1.47	1.71	1.98	1.98	15.7%	16.3%	-0.1%
66200 FARM ANIMAL AND BLOODSTOCK LEASING	77.3%	1.9%	1.79	1.97	1.99	1.98	0.6%	10.0%	-0.1%
66310 HEAVY MACHINERY AND SCAFFOLDING RENTAL AND HIRING	71.8%	75.3%	2.09	2.25	2.15	2.15	-4.7%	7.7%	-0.1%
66320 VIDEO AND OTHER ELECTRONIC MEDIA RENTAL AND HIRING	75.4%	1.9%	2.04	2.24	2.20	2.20	-2.0%	10.1%	-0.1%
66390 OTHER GOODS AND EQUIPMENT RENTAL AND HIRING N.E.C.	78.1%	33.8%	2.26	2.52	2.53	2.52	0.2%	11.4%	-0.1%
66400 NON-FINANCIAL INTANGIBLE ASSETS (EXCEPT COPYRIGHTS) LEASING	71.5%	6.8%	1.75	1.83	1.79	1.79	-2.2%	4.6%	-0.1%
67110 RESIDENTIAL PROPERTY OPERATORS	71.3%	55.5%	1.05	1.17	1.07	1.07	-8.3%	11.1%	-0.1%
67120 NON-RESIDENTIAL PROPERTY OPERATORS	68.5%	61.4%	0.67	0.68	0.66	0.65	-3.6%	1.6%	-0.1%
67200 REAL ESTATE SERVICES	91.8%	100.0%	0.26	0.28	0.34	0.34	19.0%	10.4%	-0.1%
M Professional, scientific and technical services									
69100 SCIENTIFIC RESEARCH SERVICES	72.1%	62.4%	0.48	0.45	0.49	0.49	8.4%	-5.0%	-0.1%
69210 ARCHITECTURAL SERVICES	61.1%	64.4%	0.25	0.25	0.22	0.25	0.0%	0.0%	12.6%
69220 SURVEYING AND MAPPING SERVICES	104.4%	68.8%	0.69	0.86	1.03	1.03	19.4%	25.0%	-0.1%
69230 ENGINEERING DESIGN AND ENGINEERING CONSULTING SERVICES	63.0%	100.0%	0.25	0.25	0.23	0.25	0.0%	0.0%	9.8%
69240 OTHER SPECIALISED DESIGN SERVICES	81.8%	39.5%	0.49	0.48	0.57	0.57	20.8%	-3.2%	-0.1%
69250 SCIENTIFIC TESTING AND ANALYSIS SERVICES	98.0%	100.0%	0.81	0.96	1.14	1.14	18.7%	18.0%	-0.1%
69310 LEGAL SERVICES	63.1%	100.0%	0.25	0.25	0.23	0.25	0.0%	0.0%	9.7%
69320 ACCOUNTING SERVICES	30.6%	100.0%	0.25	0.25	0.11	0.25	0.0%	0.0%	56.2%
69400 ADVERTISING SERVICES	55.9%	46.5%	0.41	0.42	0.33	0.33	-22.1%	2.6%	-0.1%
69500 MARKET RESEARCH AND STATISTICAL SERVICES	94.1%	32.2%	0.27	0.33	0.37	0.37	11.2%	21.0%	-0.1%
69610 CORPORATE HEAD OFFICE MANAGEMENT SERVICES	50.3%	79.1%	1.22	1.12	0.88	0.88	-21.9%	-8.0%	-0.1%
69620 MANAGEMENT ADVICE AND RELATED CONSULTING SERVICES	66.7%	100.0%	0.43	0.40	0.41	0.41	1.0%	-5.6%	-0.1%
69700 VETERINARY SERVICES	81.1%	55.5%	1.58	1.62	1.84	1.84	13.2%	2.5%	-0.1%
69910 PROFESSIONAL PHOTOGRAPHIC SERVICES	85.2%	15.3%	0.70	0.74	0.85	0.85	15.5%	5.6%	-0.1%
69990 OTHER PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES N.E.C.	76.5%	41.5%	0.81	0.85	0.88	0.88	4.1%	5.1%	-0.1%
70000 COMPUTER SYSTEM DESIGN AND RELATED SERVICES	29.9%	100.0%	0.25	0.25	0.11	0.25	0.0%	0.0%	57.3%

2026/27 recommended premium rates

Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins Uncapped / (RES2026/27)
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ RPR2025/26	(RPR2025/26)/ RPR2024/25	
N Administrative and support services									
72110 EMPLOYMENT PLACEMENT AND RECRUITMENT SERVICES	64.2%	61.8%	2.41	2.27	2.22	2.21	-2.3%	-6.0%	-0.1%
72120 LABOUR SUPPLY SERVICES - PREDOMINANTLY CLERICAL STAFF	58.3%	51.6%	2.13	2.02	1.78	1.77	-12.3%	-4.8%	-0.1%
72200 TRAVEL AGENCY AND TOUR ARRANGEMENT SERVICES	79.4%	40.9%	0.74	0.79	0.84	0.84	6.6%	6.6%	-0.1%
72910 OFFICE ADMINISTRATIVE SERVICES	155.2%	69.8%	1.34	1.68	2.98	2.10	25.0%	25.0%	-42.2%
72920 DOCUMENT PREPARATION SERVICES	75.9%	9.6%	1.87	1.88	2.03	2.03	8.2%	0.4%	-0.1%
72930 CREDIT REPORTING AND DEBT COLLECTION SERVICES	79.6%	11.5%	1.81	1.89	2.06	2.05	8.4%	4.9%	-0.1%
72940 CALL CENTRE OPERATION	75.3%	34.4%	1.43	1.43	1.54	1.54	7.5%	0.2%	-0.1%
72990 OTHER ADMINISTRATIVE SERVICES N.E.C.	93.2%	48.2%	1.01	1.26	1.35	1.34	6.6%	25.0%	-0.1%
73110 BUILDING AND OTHER INDUSTRIAL CLEANING SERVICES	75.2%	82.3%	2.36	2.53	2.54	2.54	0.5%	7.1%	-0.1%
73120 BUILDING PEST CONTROL SERVICES	80.5%	30.4%	3.07	3.42	3.53	3.53	3.3%	11.5%	-0.1%
73130 GARDENING SERVICES	78.2%	38.4%	4.93	5.43	5.52	5.52	1.6%	10.1%	-0.1%
73200 PACKAGING SERVICES	71.4%	24.5%	3.20	3.52	3.27	3.26	-7.4%	10.3%	-0.1%
O Public administration and safety									
75100 CENTRAL GOVERNMENT ADMINISTRATION	86.5%	13.4%	0.95	1.03	1.18	1.18	14.1%	8.4%	-0.1%
75200 STATE GOVERNMENT ADMINISTRATION	91.8%	100.0%	1.22	1.38	1.60	1.60	15.7%	13.5%	-0.1%
75300 LOCAL GOVERNMENT ADMINISTRATION (Applies only to privately insured entities. Excludes all self-insured entities in the Local Government Insurance Service - WorkCare scheme)	53.4%	28.8%	1.57	1.33	1.20	1.20	-9.4%	-15.7%	-0.1%
75400 JUSTICE	92.2%	100.0%	8.61	9.75	11.37	11.36	16.5%	13.2%	-0.1%
75510 DOMESTIC GOVERNMENT REPRESENTATION	89.4%	0.2%	1.12	1.26	1.44	1.44	14.6%	11.6%	-0.1%
75520 FOREIGN GOVERNMENT REPRESENTATION	87.3%	9.5%	1.06	1.16	1.32	1.32	14.1%	9.5%	-0.1%
76000 DEFENCE	87.0%	12.7%	2.38	2.53	2.97	2.96	17.0%	6.3%	-0.1%
77110 POLICE SERVICES	85.8%	1.7%	4.16	4.68	5.10	5.10	8.9%	12.7%	-0.1%
77120 INVESTIGATION AND SECURITY SERVICES	86.6%	65.5%	3.09	3.47	3.84	3.83	10.5%	12.2%	-0.1%
77130 FIRE PROTECTION AND OTHER EMERGENCY SERVICES	88.1%	60.4%	6.05	6.80	7.63	7.62	12.2%	12.3%	-0.1%
77140 CORRECTIONAL AND DETENTION SERVICES	85.2%	41.0%	2.93	3.44	3.57	3.57	3.8%	17.4%	-0.1%
77190 OTHER PUBLIC ORDER AND SAFETY SERVICES	78.7%	34.0%	4.81	5.30	5.42	5.42	2.2%	10.1%	-0.1%
77200 REGULATORY SERVICES	156.1%	7.6%	1.99	2.49	4.45	3.11	25.0%	25.0%	-43.0%
P Education and training									
80100 PRESCHOOL EDUCATION	69.7%	21.4%	1.96	1.91	1.96	1.96	2.6%	-2.8%	-0.1%
80210 PRIMARY EDUCATION	84.0%	80.8%	1.10	1.18	1.32	1.32	11.4%	7.9%	-0.1%
80220 SECONDARY EDUCATION	89.9%	72.7%	1.02	1.14	1.31	1.31	15.3%	11.5%	-0.1%
80230 COMBINED PRIMARY AND SECONDARY EDUCATION	91.9%	100.0%	2.06	2.38	2.72	2.72	14.2%	15.1%	-0.1%
80240 SPECIAL SCHOOL EDUCATION	89.0%	13.3%	1.85	2.14	2.36	2.35	9.9%	15.8%	-0.1%
81010 TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING	98.0%	100.0%	1.08	1.24	1.52	1.52	22.2%	14.7%	-0.1%
81020 HIGHER EDUCATION	84.1%	100.0%	0.32	0.35	0.38	0.38	8.6%	10.8%	-0.1%
82110 SPORTS AND PHYSICAL RECREATION INSTRUCTION	78.8%	32.2%	1.38	1.37	1.55	1.55	13.0%	-0.2%	-0.1%
82120 ARTS EDUCATION	77.1%	19.4%	1.17	1.12	1.30	1.29	15.8%	-4.7%	-0.1%
82190 ADULT, COMMUNITY AND OTHER EDUCATION N.E.C.	70.2%	49.3%	1.23	1.14	1.23	1.23	7.6%	-6.7%	-0.1%
82200 EDUCATIONAL SUPPORT SERVICES	77.5%	38.5%	1.16	1.32	1.29	1.29	-2.1%	13.2%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/ (RPR2025/26)	(RPR2025/26)/ (RPR2024/25)	Uncapped / (RES2026/27)
Q Health care and social assistance									
84010 HOSPITALS (EXCEPT PSYCHIATRIC HOSPITALS)	79.9%	100.0%	1.96	2.14	2.24	2.24	4.6%	9.2%	-0.1%
84020 PSYCHIATRIC HOSPITALS	77.6%	21.5%	1.78	1.89	1.98	1.98	4.9%	5.8%	-0.1%
85110 GENERAL PRACTICE MEDICAL SERVICES	86.4%	78.4%	0.66	0.75	0.81	0.81	8.0%	14.5%	-0.1%
85120 SPECIALIST MEDICAL SERVICES	71.6%	83.6%	0.41	0.38	0.42	0.42	10.2%	-7.1%	-0.1%
85200 PATHOLOGY AND DIAGNOSTIC IMAGING SERVICES	93.0%	100.0%	0.86	0.94	1.15	1.15	22.1%	8.9%	-0.1%
85310 DENTAL SERVICES	67.7%	100.0%	0.53	0.48	0.52	0.52	8.7%	-11.0%	-0.1%
85320 OPTOMETRY AND OPTICAL DISPENSING	63.9%	100.0%	0.44	0.41	0.40	0.40	-1.6%	-7.2%	-0.1%
85330 PHYSIOTHERAPY SERVICES	91.7%	100.0%	0.31	0.37	0.41	0.40	8.3%	21.1%	-0.1%
85340 CHIROPRACTIC AND OSTEOPATHIC SERVICES	90.4%	100.0%	0.52	0.65	0.67	0.67	3.5%	25.0%	-0.1%
85390 OTHER ALLIED HEALTH SERVICES	55.6%	79.9%	1.14	0.97	0.91	0.91	-6.0%	-15.5%	-0.1%
85910 AMBULANCE SERVICES	74.2%	61.2%	3.70	3.82	3.93	3.92	2.6%	3.4%	-0.1%
85990 OTHER HEALTH CARE SERVICES N.E.C.	82.4%	65.5%	1.79	1.90	2.11	2.11	11.0%	6.1%	-0.1%
86010 AGED CARE RESIDENTIAL SERVICES	67.7%	100.0%	2.47	2.45	2.39	2.39	-2.6%	-0.6%	-0.1%
86090 OTHER RESIDENTIAL CARE SERVICES	76.1%	100.0%	2.24	2.27	2.44	2.44	7.3%	1.4%	-0.1%
87100 CHILD CARE SERVICES	80.6%	100.0%	2.03	2.24	2.35	2.35	4.5%	10.4%	-0.1%
87900 OTHER SOCIAL ASSISTANCE SERVICES	75.4%	100.0%	2.76	2.78	2.98	2.97	6.8%	0.9%	-0.1%
87901 EMPLOYER RECEIVING SOCIAL ASSISTANCE SERVICES				2.78	2.98	2.97	6.8%		-0.1%
R Arts and recreation services									
89100 MUSEUM OPERATION	74.9%	23.2%	1.44	1.49	1.54	1.54	3.4%	3.7%	-0.1%
89210 ZOOLOGICAL AND BOTANICAL GARDENS OPERATION	80.5%	17.7%	1.82	2.01	2.10	2.10	4.5%	10.2%	-0.1%
89220 NATURE RESERVES AND CONSERVATION PARKS OPERATION	70.3%	23.1%	1.74	1.89	1.75	1.75	-7.2%	8.4%	-0.1%
90010 PERFORMING ARTS OPERATION	82.1%	23.9%	1.68	1.73	1.98	1.98	14.2%	2.9%	-0.1%
90020 CREATIVE ARTISTS, MUSICIANS, WRITERS AND PERFORMERS	84.7%	23.6%	1.38	1.41	1.68	1.68	19.1%	1.7%	-0.1%
90030 PERFORMING ARTS VENUE OPERATION	81.8%	21.8%	1.29	1.34	1.51	1.50	12.1%	4.3%	-0.1%
91110 HEALTH AND FITNESS CENTRES AND GYMNASIA OPERATION	67.5%	39.2%	1.14	1.05	1.10	1.10	4.9%	-7.9%	-0.1%
91120 SPORTS AND PHYSICAL RECREATION CLUBS AND SPORTS PROFESSIONALS	72.8%	45.6%	1.38	1.44	1.44	1.44	-0.2%	4.4%	-0.1%
91130 SPORTS AND PHYSICAL RECREATION VENUES, GROUNDS AND FACILITIES OPERATION EXCLUDING SPEEDWAY OPERATION	65.7%	40.6%	1.36	1.29	1.28	1.28	-0.7%	-5.4%	-0.1%
91131 SPEEDWAY OPERATION	64.9%	2.8%	1.44	1.33	1.33	1.33	0.5%	-7.7%	-0.1%
91140 SPORTS AND PHYSICAL RECREATION ADMINISTRATIVE SERVICE	67.3%	32.9%	1.34	1.26	1.29	1.29	2.1%	-5.7%	-0.1%
91210 HORSE AND DOG RACING ADMINISTRATION AND TRACK OPERATION	66.8%	33.8%	4.33	4.05	4.14	4.13	2.1%	-6.5%	-0.1%
91290 OTHER HORSE AND DOG RACING ACTIVITIES	81.8%	100.0%	12.03	12.00	14.08	12.00	0.0%	-0.2%	-17.4%
91310 AMUSEMENT PARKS AND CENTRES OPERATION	78.6%	20.6%	1.87	1.92	2.11	2.10	9.4%	2.8%	-0.1%
91390 AMUSEMENT AND OTHER RECREATIONAL ACTIVITIES N.E.C.	80.7%	19.0%	1.93	2.10	2.24	2.23	6.5%	8.3%	-0.1%
92010 CASINO OPERATION	77.6%	60.9%	1.54	1.69	1.71	1.71	1.4%	9.4%	-0.1%
92020 LOTTERY OPERATION	78.1%	21.7%	1.15	1.25	1.29	1.29	2.7%	8.7%	-0.1%
92090 OTHER GAMBLING ACTIVITIES	80.3%	10.0%	1.34	1.46	1.54	1.54	5.7%	8.6%	-0.1%

2026/27 recommended premium rates



Divn/Class Name	Weighted Loss Ratio	Credibility	Recommended Premium Rates		Normalised 2026/27 Relative Premium Rates		% Change in Premium Rates		Margins
			2024/25	2025/26	Uncapped	Restricted	(RES2026/27)/RPR2025/26	(RPR2025/26)/RPR2024/25	Uncapped / (RES2026/27)
S Other services									
94110 AUTOMOTIVE ELECTRICAL SERVICES	65.2%	35.7%	2.13	2.03	1.99	1.99	-1.8%	-5.0%	-0.1%
94120 AUTOMOTIVE BODY, PAINT AND INTERIOR REPAIR	75.3%	62.4%	2.00	2.15	2.15	2.15	-0.1%	7.8%	-0.1%
94190 OTHER AUTOMOTIVE REPAIR AND MAINTENANCE	69.4%	82.7%	2.42	2.43	2.40	2.40	-1.4%	0.6%	-0.1%
94210 DOMESTIC APPLIANCE REPAIR AND MAINTENANCE	96.3%	13.7%	1.46	1.70	2.01	2.01	18.3%	16.4%	-0.1%
94220 ELECTRONIC (EXCEPT DOMESTIC APPLIANCE) AND PRECISION EQUIPMENT REPAIR AND MAINTENANCE	99.8%	39.2%	1.01	1.26	1.44	1.44	14.1%	25.0%	-0.1%
94290 OTHER MACHINERY AND EQUIPMENT REPAIR AND MAINTENANCE	82.0%	100.0%	1.46	1.68	1.71	1.71	1.8%	15.2%	-0.1%
94910 CLOTHING AND FOOTWEAR REPAIR	74.5%	10.2%	1.65	1.63	1.76	1.76	7.7%	-1.1%	-0.1%
94990 OTHER REPAIR AND MAINTENANCE N.E.C.	81.8%	15.6%	1.81	1.85	2.13	2.12	14.8%	2.0%	-0.1%
95110 HAIRDRESSING AND BEAUTY SERVICES	75.6%	66.6%	1.06	1.13	1.15	1.15	1.5%	6.5%	-0.1%
95120 DIET AND WEIGHT REDUCTION CENTRE OPERATION	76.5%	4.3%	1.07	1.14	1.17	1.17	2.8%	6.4%	-0.1%
95200 FUNERAL, CREMATORIUM AND CEMETERY SERVICES	111.9%	27.6%	1.91	2.39	3.07	2.99	25.0%	25.0%	-2.6%
95310 LAUNDRY AND DRY-CLEANING SERVICES EXCLUDING INDUSTRIAL LAUNDRY SERVICES	84.5%	19.3%	2.45	2.78	2.96	2.96	6.5%	13.5%	-0.1%
95311 INDUSTRIAL LAUNDRY SERVICES	73.6%	23.5%	3.43	3.59	3.61	3.61	0.5%	4.7%	-0.1%
95320 PHOTOGRAPHIC FILM PROCESSING	79.7%	2.7%	2.31	2.54	2.64	2.63	3.6%	10.0%	-0.1%
95330 PARKING SERVICES	97.1%	8.6%	2.35	2.84	3.27	3.26	15.0%	20.7%	-0.1%
95340 BROTHEL KEEPING AND PROSTITUTION SERVICES	80.7%	3.9%	2.28	2.54	2.64	2.63	3.8%	11.1%	-0.1%
95390 OTHER PERSONAL SERVICES N.E.C.	78.0%	20.6%	2.31	2.60	2.58	2.58	-0.9%	12.5%	-0.1%
95400 RELIGIOUS SERVICES	67.7%	48.4%	1.03	1.07	1.00	1.00	-6.4%	3.4%	-0.1%
95510 BUSINESS AND PROFESSIONAL ASSOCIATION SERVICES	61.2%	47.9%	0.91	0.83	0.80	0.80	-3.1%	-9.7%	-0.1%
95520 LABOUR ASSOCIATION SERVICES	80.9%	30.5%	1.27	1.24	1.47	1.47	18.9%	-2.7%	-0.1%
95590 OTHER INTEREST GROUP SERVICES N.E.C.	70.9%	98.7%	1.18	1.18	1.19	1.19	1.0%	0.4%	-0.1%
96010 PRIVATE HOUSEHOLDS EMPLOYING STAFF	73.7%	39.4%	1.51	1.57	1.59	1.59	0.8%	4.5%	-0.1%
96020 UNDIFFERENTIATED GOODS-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2026/27 Restricted these are dollar premiums (see Recommended Minimum Premium - All Premium Rating Classes) while for 2026/27 Uncapped these are true rates)			100.00	310.00	1.61	325.00	4.8%	210.0%	
96030 UNDIFFERENTIATED SERVICE-PRODUCING ACTIVITIES OF PRIVATE HOUSEHOLDS FOR OWN USE (for 2026/27 Restricted these are dollar premiums (see Recommended Minimum Premium - All Premium Rating Classes) while for 2026/27 Uncapped these are true rates)			100.00	310.00	1.61	325.00	4.8%	210.0%	

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 2025:

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 2025.

Form WC30

Form WC30 contains the following information:

- Premium information
 - Gross written premium for the year to 30 June 2025
 - Unearned premium provision as at 30 June 2024
 - Unearned premium provision as at 30 June 2025
 - Earned premium for the year to 30 June 2025
 - Earned but not yet raised premium for burner policies split into the last six financial years.
- Expenses for the year to 30 June 2025
 - Commission and brokerage
 - General Account levy
 - Default Insurance Fund levy
 - Catastrophic Injuries 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 2025.

Payments data for 2024/25

The payment data provided by WorkCover WA are split payments by accident year and into 21 different categories as follows:

- Income compensation
- Lump sum election registered
- Lump sum no election registered
- Lump sum permanent impairment
- Lump sum fatal
- Lump sum settlement
- Fatal income compensation
- Fatal other
- Investigation
- Legal
- Miscellaneous
- Medical non scheduled
- Medical scheduled
- Hospital
- Allied health
- Workplace rehabilitation
- NIHL compensation.
- Provisional allied health
- Provisional hospital
- Provisional income
- Provisional medical practitioner or specialist

This data was provided for the 2024/25 financial year and the half year to 31 December 2025.

Individual list of all 2005/06 to 2025/26 claims

We were provided with a list of each claim with an accident date from 1 July 2005 to 31 December 2025. 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 2025 and used to apply the large claim cap when calculating premium rates.

Settlements by recorded quarter

We have been provided with data on the number of claims and payments for permanent impairment lump sum, dust disease lump sum and redemptions under the 2023 Act by reported quarter, for insurers only.

We have also been provided with data on the number of claims and payments for Section 92(f), and Schedule 2 settlements, relating to the previous Act, by reported quarter from September 2019, for insurers only.

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

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 = change in WC12
 - Case estimates: WC20 = WC12

In summary, of 17 (17) returns received:

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

The numbers in brackets are last year's.

The data quality was reasonably consistent with previous years.

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

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
- 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:

- Income Compensation
- Medical 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 Relative premium rates methods

Calculate weighted average rates

The raw premium rate is calculated on an accident year basis for 2019/20 to 2024/25 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 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
0	1.700	1.679	1.652	1.641	1.534
1	1.183	1.172	1.160	1.117	1.088
2	1.059	1.056	1.040	1.031	1.014
3	1.030	1.022	1.014	1.010	1.017
4	1.029	1.015	1.018	1.007	1.018
5	1.016	1.009	1.015	1.007	1.016
6	1.015	1.016	1.011	1.014	1.012
7	1.018	1.009	1.006	1.011	1.016

Development Year	Adjustment Factors for Earned Wages				
	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
0	1.038	1.037	1.033	1.024	1.019
1	1.010	1.009	1.009	1.004	1.002
2	1.004	1.005	1.004	1.001	0.998
3	1.001	1.003	1.002	1.000	0.999
4	1.000	1.002	1.001	1.002	1.001
5	1.000	1.000	1.000	1.000	1.000
6	1.000	1.000	1.000	1.000	0.999
7	1.000	1.000	1.000	1.000	1.000

Development Year	Adjustment Factors for Written Wages				
	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
0	1.060	1.052	1.043	1.035	1.032
1	1.018	1.013	1.011	1.010	1.009
2	1.006	1.002	1.001	1.002	1.002
3	1.002	1.000	0.999	0.999	0.998
4	1.001	0.999	0.998	0.999	1.000
5	1.000	1.000	1.000	1.000	1.001
6	1.000	0.999	0.998	0.998	0.999
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 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
0	1.180	1.167	1.131	1.105	1.064
1	1.104	1.093	1.067	1.049	1.021
2	1.071	1.059	1.032	1.018	0.998
3	1.014	1.007	1.002	0.996	0.988
4	1.006	1.004	1.002	0.997	0.995
5	1.003	1.003	1.000	0.997	0.996
6	0.999	1.001	1.000	0.998	0.999
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 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
0	1.077	1.083	1.058	1.067	1.020
1	1.017	1.024	1.009	1.022	0.988
2	1.012	1.020	1.008	1.024	0.993
3	0.970	0.982	0.992	1.013	1.001
4	0.999	1.000	0.997	1.009	0.998
5	0.999	1.000	0.996	0.996	0.991
6	1.001	1.001	1.000	0.999	0.998
7	1.000	1.000	1.000	0.999	0.999

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 2025	0.6	0.9	1.0	1.0	1.0	0.5
30 June 2024	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)	101,340
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)	32,518
Indexed wages for full credibility (e)	3,295,363,427

Notes: (a) = estimated average full time adult ordinary time earnings over 2024/25
 = (2156.80 + 2154.70) / 2 x 52.18 (ABS Cat 6302.0) / 3-year inflation factor (= 1.110) to adjust to the same base as weighted average wages
 (b) from Appendix H being an average of claims experience over the 2020 to 2024 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 \$3,295 million. This is 6.0% higher than the \$3,109 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:

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

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:

$$PCR = WAR$$

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



Under this method the following obtained full credibility:

- 19 (19) of 19 divisions
- 35 (35) of 86 sub-divisions
- 39 (36) of 214 groups
- 41 (35) of 516 premium rating classes.

Figures in brackets are last year's.

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

Credibility Level	This year		Last year	
	No. of Classes	%	No. of Classes	%
$x \leq 25\%$	250	48.4%	248	48.1%
$25\% < x \leq 50\%$	144	27.9%	143	27.7%
$50\% < x \leq 75\%$	56	10.9%	59	11.4%
$75\% < x < 100\%$	25	4.8%	31	6.0%
100%	41	7.9%	35	6.8%
Total	516	100.0%	516	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 7.3.7, 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)
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
2025	0.531	7.958

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 2020 to 2025 accident years (those with a greater than 0% weight to calculate the WAR), at a class level three (four) claims are capped, at a group level two (three) claims are capped, while at a sub-division and division level one (three) claim is capped. Figure in brackets are last year's equivalent figures.

Caps on large claims amount to 0.1% (0.3%) of the total premium pool for 2026/27. This percentage is lower than last year, due to two very large claims from the 2018/19 accident year which now has a 0% weighting.

Normalise partial credibility rates

The PCRs are normalised such that when they are applied to adjusted accident year returned wages for 2024/25 by class, the aggregate notional premiums are equal to the aggregate notional premiums, based on the same wage data, calculated using the 2025/26 recommended premium rates.

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

In 2025, 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 (\$325 for 2026/27) rather than a rate. This is why they are not included in the respread calculation.
- While we recommend that the 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 recommended premium 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 0.3% 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 2025/26 recommended premium 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 recommended premium 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. This is the same as last year.

Thus, the overall net impact due to the minimum and maximum as well as the movement capping mostly offset each other with a small 0.1% decrease in premium rates.

Weighted loss ratio

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

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

The weighted loss ratio is a benchmark statistic and is not used as part of the recommended premium 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	Inflation rate	Real rate	
	28 Feb 2026	28 Feb 2026	28 Feb 2026	28 Feb 2025
1	3.79%	3.50%	0.29%	0.50%
2	4.24%	3.00%	1.24%	0.21%
3	4.25%	3.00%	1.25%	0.63%
4	4.34%	3.00%	1.34%	0.89%
5	4.49%	3.00%	1.49%	1.15%
6	4.70%	3.00%	1.70%	1.38%
7	4.88%	3.00%	1.88%	1.59%
8	5.05%	3.00%	2.05%	1.77%
9	5.21%	3.00%	2.21%	1.92%
10	5.34%	3.00%	2.34%	2.05%
11	5.46%	3.00%	2.46%	2.16%
12	5.56%	3.00%	2.56%	2.24%
13	5.64%	3.00%	2.64%	2.29%
14	5.71%	3.00%	2.71%	2.32%
15	5.75%	3.00%	2.75%	2.33%
16	5.78%	3.00%	2.78%	2.30%
17	5.79%	3.00%	2.79%	2.27%
18	5.76%	3.00%	2.76%	2.23%
19	5.72%	3.00%	2.72%	2.19%
20	5.68%	3.00%	2.68%	2.16%
21	5.64%	3.00%	2.64%	2.12%

For this valuation, there has been an increase in the real rate of return from year 2 onwards 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 $[(1 + 3.79\%)^{0.25} - 1] = 0.94\%$ 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 2026.

The interest rate for the 2026 financial year is set using the actual one month forward rates from July 2025 to February 2026, along with the monthly forward rates for March 2026 to June 2026, which are obtained by fitting a curve to the 28 February 2026 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 1.7 years of the outstanding claims liabilities. For example, applying a 0.25% illiquidity premium reduces outstanding claims liabilities by 0.4%. The implied average premium rate decreases from 1.931% to 1.921% (a reduction of 0.5%).

To set the **future wage inflation** assumption for our outstanding claims review we consider the wage price index inflation assumptions produced by the Government of Western Australia for the *Government Mid-year Financial Projections Statement 2025-26* 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	
	Government of WA WPI (a)	Assumed AWE from Government of WA (b)
2026	3.50%	3.50%
2027	3.00%	3.00%
2028	3.00%	3.00%
2029	3.00%	3.00%

Notes: (a) from *Government Mid-year Financial Projections Statement 2025-26* produced by the Government of WA
(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 3.00% after 30 years. We have assumed wage inflation will remain stable at 3.00% from 2029 to 2056.

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
2011	1,474.10	1,486.40	8.04%	1.515	1.456
2012	1,516.80	1,534.92	3.26%	1.429	1.410
2013	1,644.80	1,638.56	6.75%	1.352	1.321
2014	1,641.20	1,649.12	0.64%	1.327	1.312
2015	1,691.20	1,695.56	2.82%	1.291	1.276
2016	1,698.60	1,699.75	0.25%	1.271	1.273
2017	1,714.70	1,721.68	1.29%	1.268	1.257
2018	1,740.30	1,744.48	1.32%	1.245	1.241
2019	1,780.80	1,780.05	2.04%	1.227	1.216
2020	1,840.80	1,840.72	3.41%	1.201	1.176
2021	1,879.70	1,883.71	2.34%	1.167	1.149
2022	1,937.30	1,949.98	3.52%	1.134	1.110
2023	2,039.30	2,056.19	5.45%	1.082	1.053
2024	2,094.30	2,109.75	2.61%	1.034	1.026
2025	2,154.70	2,164.26	2.58%	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
2022/23	89.9	6.2%
2023/24	93.8	4.3%
2024/25	96.7	3.1%
2025/26 (a)	100.7	4.2%
2026/27 (b)	103.6	2.9%

Note: (a) from ABS Cat. 6401.0 Table 1 CPI All Groups Index Numbers for Perth as at 31 December 2025, extrapolated to 30 June 2026
(b) Projected increase in CPI over 2026/27

The ABS introduced a new monthly CPI series in October 2025 and has re-referenced the previously published quarterly CPI series so that the index for September 2025 = 100.00. As a result, the CPI index numbers for 2022/23 to 2023/24 shown above differ from those available last year, although the percentage movements are unchanged.

Employment growth for the half-year to December 2025

We have included an allowance for the employment growth in the half-year to December 2025 to match the exposure base for the increase in claim numbers.

To determine the change in employment we have used the movement in the average number of full-time persons employed in Western Australia between the 2025 and 2026 financial years, based on ABS Cat. 6202.0 Labour Force.

	2025	2026	Increase
Average number of full time employees in WA (000s)	1,140.2	1,161.3	1.85%

The 2026 average is based on the actual index over the half-year to 31 December 2025 and an extrapolation for the half-year to 30 June 2026.

The employment growth is expected to be 1.9%, which is lower than the expected growth last year of 2.1%.

Wages

In calculating the premium rates, we use the developed earned wages for the 2024/25 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 2026/27.

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

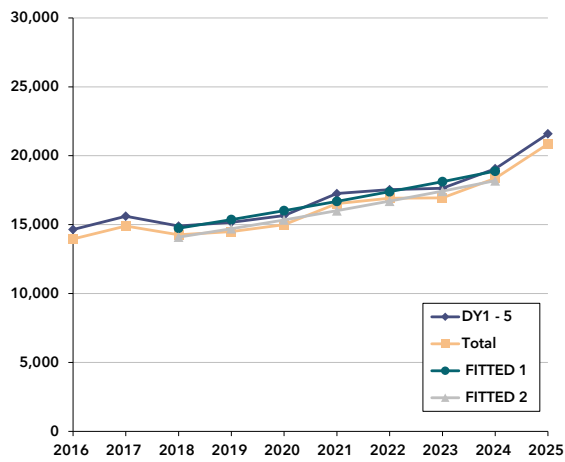
The recent trends in real growth, i.e. superimposed inflation, are shown in the charts below.

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

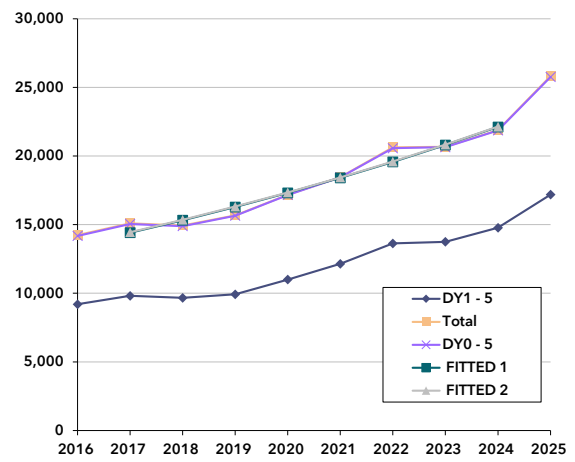
	Number of years analysed to calculate superimposed inflation						
	Income Compensation	Medical And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal And Miscellaneous	
PPAC/PPCF	7	8	5	6	8	7	
PPCI	8	8	5	6	8	7	

Income Compensation

PPAC

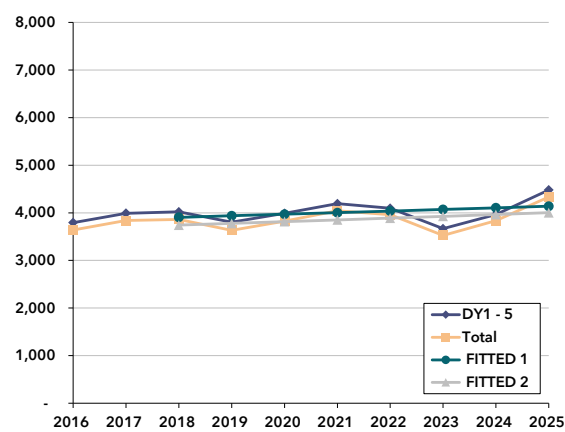


PPCI

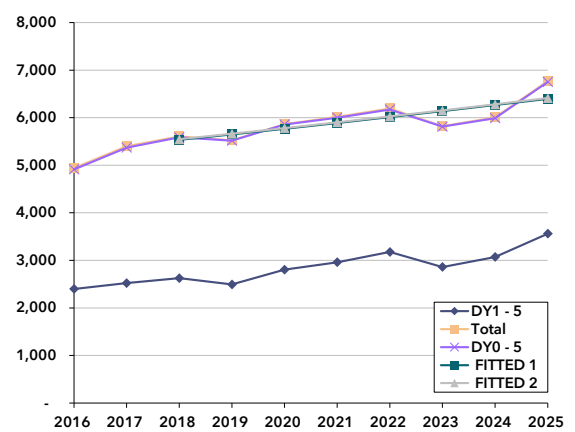


Medical and Hospital Expenses

PPAC

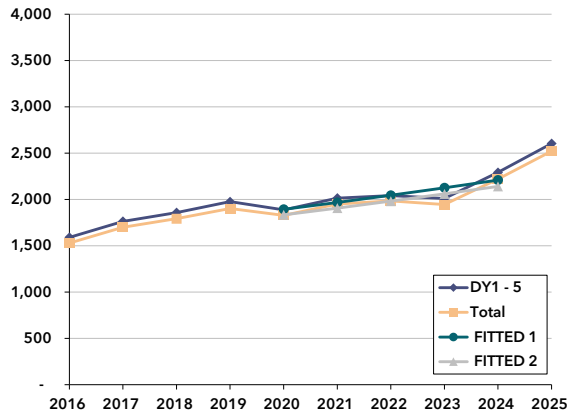


PPCI

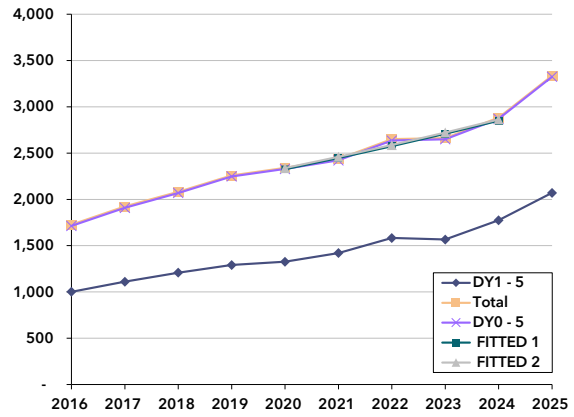


Allied Health

PPAC

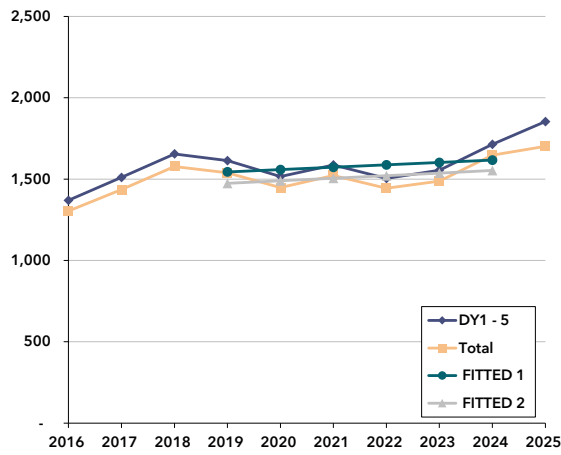


PPCI

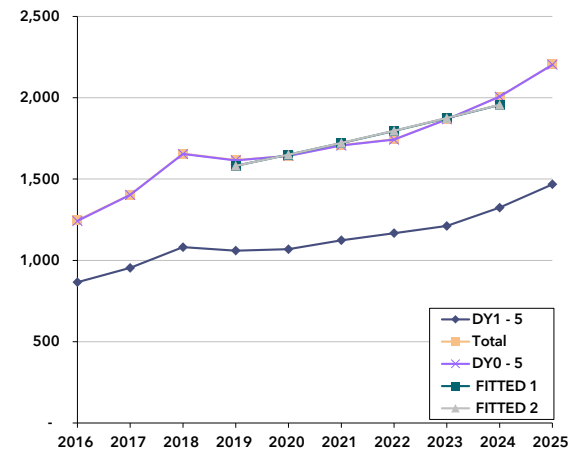


Workplace Rehabilitation

PPAC

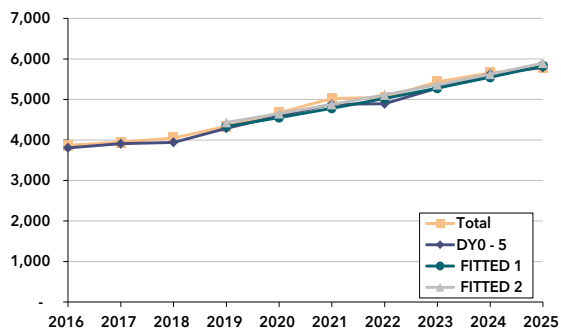


PPCI

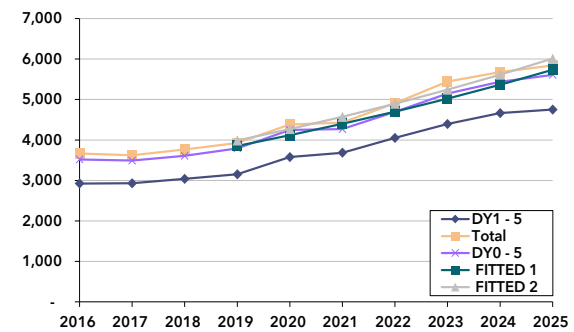


Investigation, Legal and Miscellaneous

PPCF

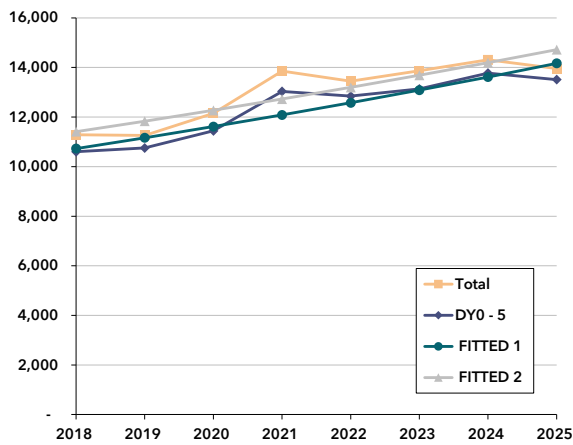


PPCI

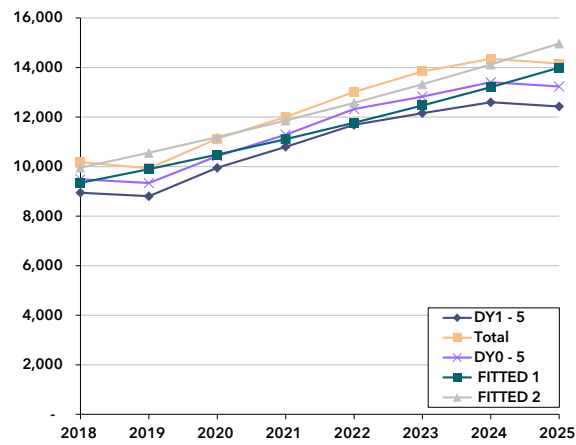


Lump Sum

PPCF



PPCI



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

Superimposed Inflation							
	Income Compensation	Medical And Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal And Miscellaneous	Total
30 June 25							
PPAC / PPCF	4.2%	0.8%	3.9%	0.9%	4.0%	5.1%	4.0%
PPCI	6.3%	2.1%	5.2%	4.4%	5.9%	6.9%	5.9%
Outstanding claims blend	4.2%	0.8%	4.0%	0.9%	4.2%	5.1%	4.0%
30 June 24							
Outstanding claims blend	4.2%	0.1%	3.5%	1.3%	4.0%	5.8%	4.1%

Superimposed inflation for the outstanding claims is 4.0% overall, which is similar to last year as there is still continued growth in average claim sizes.

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 has been relatively stable over recent years, so we anticipate that the superimposed inflation rate may be stabilising at a lower level in the future.

D.2.2 2026/27 premium rate calculation

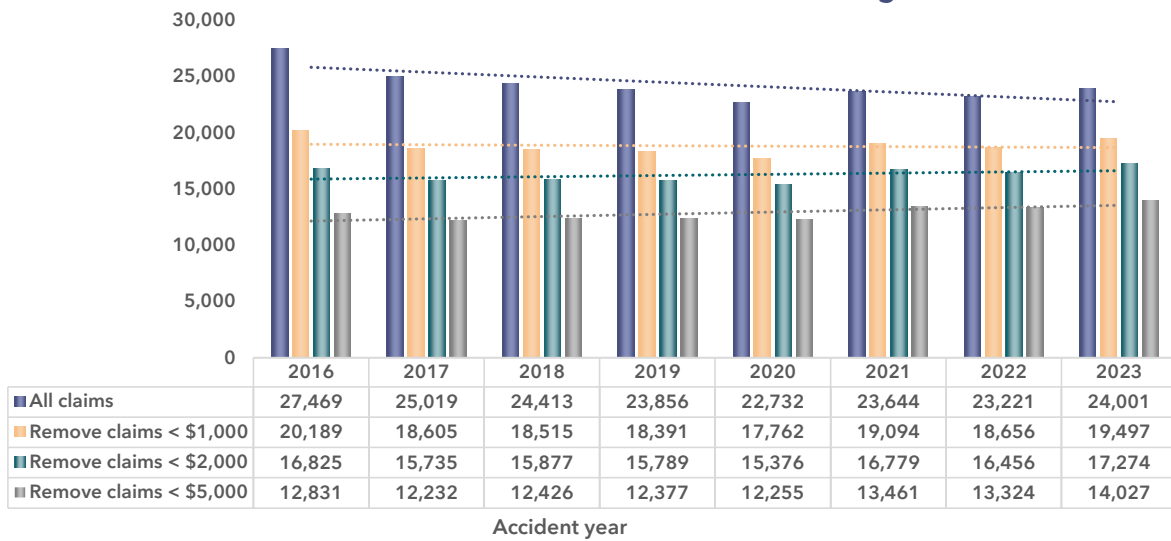
Due to the reduction in small claims and change in claims mix leading to the high rate of SII over the past decade, we have performed a separate analysis of SII for premium rating purposes.

We analysed the annual growth in the incurred cost per claim reported from the 2016 to 2023 accident years. We have not included the 2024 and 2025 accident years in our analysis due to the higher levels of uncertainty in the estimates on these claims and higher IBNR allowances.

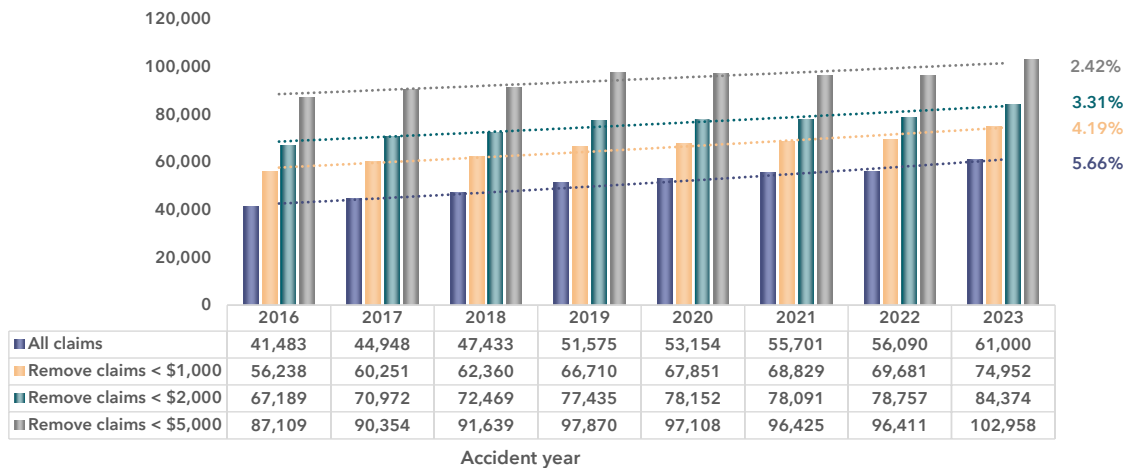
To remove the impact of the change in claims mix, we analysed the incurred cost per claim reported in June 2025 values after removing claims within incurred cost amounts less than or equal to \$1,000, \$2,000 and \$5,000. We have indexed these thresholds by AWE on an accident year basis to account for growth in the underlying exposure. For example, a \$2,000 claim from the 2016 accident year would be more akin to a \$2,400 claim from the 2023 accident year, so for the "Remove claims <\$2,000" scenario below, we have filtered out claims below \$2,000 for 2016 (in June 2025 values) increasing to \$2,400 for 2023 (in June 2025 values).

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

Number of claims from individual claims listing



Incurred per claim reported from individual claims listing



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

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

From our analysis we have adopted 2.8% as our forward expectation of superimposed inflation which is the average of the value determined when all claims which are less than \$2,000 and the value when all claims less than \$5,000 are removed (in June 2025 values for the 2016 accident year, indexed by AWE for later accident years).

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 average of the results based on removing claims less than \$2,000 and removing claims less than \$5,000 as it maximised the number of claims included in the analysis while utilising a stable claims mix.

The adopted forward superimposed inflation rate is 2.8% which is higher than the 2.7% 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)				
	2025	2024	2023	2022	2021
Commission/Brokerage	70,662	65,418	60,532	48,008	40,543
Statutory Charges	41,142	18,644	19,432	17,934	17,332
Management Expenses	301,198	280,049	245,731	205,551	196,191
Total expenses	413,002	364,112	325,695	271,493	254,066
Earned Premium	2,359,431	2,095,102	1,835,541	1,551,176	1,295,367
Claim Payments	1,512,840	1,315,974	1,165,929	1,080,306	963,624
Commission and Statutory Charges as % of Earned Premium	4.7%	4.0%	4.4%	4.3%	4.5%

The commission/statutory charge ratio has ranged between 4.0% to 4.7% over 2021 to 2025.

Expense analysis

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

	Expense Ratios (relative to premium excluding CIF levy)					Adopted 3 yr ave
	2024/25	2023/24	2022/23	2021/22	2020/21	
Commission / Brokerage	2.8%	3.1%	3.0%	2.9%	2.9%	3.0%
General Fund Levy	0.6%	0.9%	1.0%	1.1%	1.2%	0.8%
Management Expenses	12.1%	13.4%	13.4%	13.3%	15.1%	12.9%
Total	15.5%	17.3%	17.4%	17.2%	19.3%	16.7%
Total excluding brokerage	12.7%	14.2%	14.4%	14.3%	16.4%	13.8%

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

As the Catastrophic Injury Support Scheme (CISS) levy is a known amount included in the total premium pool that varies each year, the expense ratios for the relevant years (2024/25) have been calculated based on premium excluding the CISS levy.

The total adopted expenses ratio, excluding brokerage, of 13.8% is 0.5% lower than the 14.3% adopted last year. This is due to the 2024/25 expense ratio (12.7%) being lower than the 2021/22 expense ratio (14.3%) it replaces. The 2024/25 expense ratio is lower than recent years as the increase in management expenses is lower than the increase in earned premium.

Expenses by insurer for 2024/25 were as follows:

Insurer	Brokerage % (a)	General Account Charges % (b)	Management Expenses % (c)	Total Expenses (d)
1	0.0%	0.8%	28.8%	29.6%
2	2.6%	0.9%	20.7%	24.1%
3	2.8%	0.6%	19.4%	22.8%
4	2.8%	0.7%	14.5%	17.9%
5	3.5%	0.8%	11.0%	15.3%
6	4.3%	0.8%	9.7%	14.8%
7	3.8%	0.8%	7.8%	12.4%
8	0.0%	0.0%	11.9%	11.9%
9	8.3%	0.0%	0.0%	8.3%
Total	2.8%	0.6%	12.1%	15.5%

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

If brokerage is spread over only those insurers paying brokerage, the percentage increases from 2.8% to 3.3%.

The adopted expenses for the 2026/27 recommended premium rates are a three-year average of the expenses for the 2022/23 to 2024/25 financial years.

D.4 Contingency margin

In 2020, a full review of the contingency margin was undertaken. While an increase was recommended in light of the economic uncertainty associated with COVID-19, the Board decided to retain the contingency margin at 12% 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%.

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.

For the 2023/24 to 2025/26 recommended premium rates, the decision was to maintain a contingency margin of 13%.

In February 2026, we performed a full review of the contingency margin where we noted a slight decrease in the required contingency margin, but that it would not be unreasonable to maintain the existing contingency margin. The WorkCover WA Board subsequently decided to maintain the contingency margin at 13% for the 2026/27 recommended premium rates.

The contingency margin allows insurers to service the regulatory solvency capital requirement without the purchase of reinsurance.

D.5 WA Legislative changes and Australian Taxation Office ruling

Australian Taxation Office Class Ruling CR 2025/88

In mid-February 2025, a legal firm obtained a private ruling from the ATO that tax would be payable on the income compensation component of a settlement, whereas settlements have historically been negotiated on a net-of-tax wages basis. WorkCover WA then requested a class ruling from the ATO on this matter, which had not been issued at the time of the release of the 2025/26 recommended premium rates.

In last year's report, we estimated the impact of a change in settlement negotiations to be based on gross-of-tax wages, rather than net-of-tax wages, to be a 3% to 4% increase to premium rates. This was only a high-level estimate with significant uncertainty, as it relied on data for historical settlement types where the component relating income compensation was unknown, and no allowance was made for this in the 2025/26 recommended premium rates as a class ruling had not been issued at the time.

On 17 December 2025, the ATO issued Class Ruling CR 2025/88² which confirmed that the income compensation component of a settlement payable under the *Workers Compensation and Injury Management Act 2023* is required to be included in a worker's assessable income under section 6-5 of the *Income Tax Assessment Act 1997* because it retains the character of ordinary income when commuted to a lump sum.

We have updated our analysis of the impact of this matter, using data on actual settlement experience since 1 July 2024, and have allowed for a 13% loading on lump sum payments, equivalent to a 3.4% increase in premium, for both the 30 June 2025 outstanding claims liability and the 2026/27 recommended premium rate. A summary of our analysis is shown in the table below.

Estimated impact of ATO Class Ruling CR 2025/88	Adopted	Previous estimate
Proportion of lump sum settlements that are redemptions (a)	80%	64-73%
Average income compensation proportion of settlements (b)	65%	63-70%
Assumed increase in income compensation before allowing for GMA (c)	26%	31%
Assumed increase in income compensation after allowing for GMA (d)	25%	29-28%
Impact on lump sum payments (e)	13%	12-14%
Proportion of ultimate incurred cost that is lump sum payments (f)	26%	27.5%
Impact on recommended premium rates (g)	3.4%	3-4%

- Notes:
- (a) & (b) Based on data on settlements registered between 1 July 2024 and 31 December 2025.
 - (c) Adopted value of 26% is average of gross-of-income tax / net-of-income tax value (including Medicare levy) for: AWE in WA (31%), and actual income compensation components of settlements between 1 July 2024 and 17 December 2025 based on summary provided by WorkCover WA (21%).
 - (d) Based on applying (c) to claims finalised between 1 July 2024 and 31 December 2025, subject to the General Maximum Amount cap on income compensation and permanent impairment payments.
 - (e) = (a) x (b) x (d)
 - (f) Based on latest accident year in inflated values
 - (g) = (e) x (f)

² <https://www.ato.gov.au/law/view/document?docid=CLR/CR202588/NAT/ATO/00001>

We note there is still significant uncertainty in the ultimate impact of this class ruling, as different insurers reacted differently to the private ruling and may or may not have changed their settlement negotiation approach since February 2025, so it is not clear to what extent the impact of this ruling is already reflected in the claims data to date. We also note that settlements are negotiated on an amount inclusive of all future compensation, so it is unlikely that the ultimate impact would just be based on applying income tax rates to income compensation amounts.

We will continue to closely monitor settlement experience in the future.

Workers Compensation and Injury Management Act 2023

The *Workers Compensation and Injury Management Act 2023* was 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.

For the 2025/26 recommended premium rates, which were based on claims data to 30 June 2024, we allowed for an explicit prospective allowance of 2.8% for the impact of the above benefit changes on claim incurred from 1 July 2024.

For the 2026/27 recommended premium rates, we now have claims data to 30 June 2025 (as well as high-level data for the half-year to 31 December 2025), with experience since 1 July 2024 reflecting the impact of the 2023 Act. The 30 June 2025 outstanding claims liability and 2026/27 recommended premium rates have therefore been calculated inclusive of the 2023 Act impact (where we have relied on claims data prior to 1 July 2024 to determine the outstanding claims liability, we have continued to apply our previously assumed 2023 Act impacts), with no explicit prospective allowance required for the 2026/27 recommended premium rates. The only exception to this is the common law cost savings due to the CISS, as we do not expect this to be materially reflected in the claims data to date given the long-tail nature of the relevant claims and our reliance on payments-based actuarial methods. We will continue to monitor this in future periods and adjust the required prospective allowance accordingly.

Therefore, the only explicit prospective allowance for the 2023 Act in the 2026/27 recommended premium rates is the CISS levy, net of common law cost savings, which increases the recommended premium rates by 0.5%.

The CISS levy for 2026/27 has been set by ICWA at \$34.0 million, of which \$31.5 million (93%) is expected to be paid by insurers based on information provided by WorkCover WA. We have allowed for a \$13.9 million reduction in common law payments, based upon our November 2022 analysis that the net impact of the CISS is estimated to be 56% of the CISS levy after allowing for a reduction in the common law lump sum payments for lifetime medical costs.

Allowance for retrospective impact of 2023 Act

The 2025/26 recommended premium rates allowed for a once-off retrospective impact of the 2023 Act of 2.6%, 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.

The 2026/27 recommended premium rates have removed this once-off retrospective allowance for the 2023 Act that was included in the 2025/26 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 income compensation benefit duration. It may be used in negotiations to obtain a higher settlement.

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.

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.

Ultimate, we have not included any explicit allowance for the 2020 Amendment Act in the 30 June 2025 outstanding claims valuation or 2026/27 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 2025, 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 Goods and Services Tax

No explicit allowance has been made for Goods and Services Tax (GST) net of Input Tax Credit (ITC) and Decreasing Adjustment Mechanism (DAM) as our adopted projection bases use claim payments data which includes GST net of ITC and 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 30 June	Development year											Total
	0	1	2	3	4	5	6	7	8	9	10	
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
2025	23,530	2,321	158	85	50	25	51	34	18	30	690	26,992

Note: From summary of Form WC20 up to 30 June 2025.

E.1.2 Cumulative claims reported

Year ending 30 June	Development year										
	0	1	2	3	4	5	6	7	8	9	10
2015	27,296	32,216	34,270	35,679	34,439	33,074	35,777	38,015	37,640	37,453	39,603
2016	25,733	29,793	32,377	34,341	35,731	34,477	33,116	35,804	38,028	37,661	37,937
2017	23,514	28,073	29,957	32,445	34,387	35,767	34,521	33,143	35,824	38,049	38,180
2018	22,941	25,660	28,216	30,019	32,486	34,422	35,797	34,543	33,166	35,840	38,410
2019	22,203	25,020	25,784	28,282	30,062	32,515	34,450	35,818	34,579	33,197	36,288
2020	20,956	24,204	25,159	25,837	28,303	30,087	32,533	34,464	35,829	34,593	33,513
2021	21,828	23,031	24,337	25,216	25,869	28,317	30,106	32,548	34,478	35,842	34,796
2022	21,532	24,059	23,162	24,404	25,245	25,898	28,339	30,126	32,567	34,496	36,179
2023	22,208	23,693	24,207	23,245	24,449	25,275	25,926	28,368	30,144	32,598	35,074
2024	23,272	24,459	23,876	24,313	23,305	24,492	25,321	25,957	28,409	30,180	33,279
2025	23,530	25,593	24,617	23,961	24,363	23,330	24,543	25,355	25,975	28,439	30,870

Note: Cumulative claim reports from table above.

E.1.3 Active claims

Year ending 30 June	Development year											Total
	0	1	2	3	4	5	6	7	8	9	10	
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
2025	13,085	5,195	2,088	891	473	224	133	69	60	41	279	22,538

Note: From summary of Form WC20 up to 30 June 2025.

E.1.4 Claim payments

Year ending 30 June	Development year										Total	
	0	1	2	3	4	5	6	7	8	9	10	
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
2025	413,217,046	597,237,005	275,544,621	107,203,423	53,493,865	32,835,706	11,207,274	3,114,858	3,344,004	1,177,279	15,260,139	1,513,635,220

Note: From WorkCover WA's database from 1 July 2015 to 30 June 2025.

E.1.5 Case estimates outstanding

Year ending 30 June	Development year										Total	
	0	1	2	3	4	5	6	7	8	9	10	
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
2025	702,607,121	425,824,862	231,080,732	115,196,146	57,440,684	28,675,766	15,389,276	4,690,962	3,989,578	4,589,447	25,542,940	1,615,027,515

Note: From summary of Form WC20 up to 30 June 2025.

E.1.6 Insurer's development and IBNR estimates

Year ending 30 June	Development year										Total	
	0	1	2	3	4	5	6	7	8	9	10	
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
2025	757,907,469	234,189,218	75,300,115	34,194,872	16,312,168	10,500,465	6,043,892	2,435,917	3,439,198	2,094,087	109,555,349	1,251,972,751

Note: From summary of Form WC20 up to 30 June 2025.

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
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
2025	1.100	1.006	1.004	1.002	1.001	1.002	1.001	1.001	1.001	1.023
Adopted (b)	1.104	1.007	1.004	1.002	1.001	1.002	1.001	1.001	1.001	1.020

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

(b) Adopted for the valuation as at 30 June 2025.

Numbers of claims incurred

Accident year ending 30 June	Number of claims		
	Reported to 30-Jun-25 (a)	IBNR at 30-Jun-25 (b)	Incurred (c)
2016	28,439	570	29,009
2017	25,975	549	26,524
2018	25,355	559	25,914
2019	24,543	571	25,114
2020	23,330	582	23,912
2021	24,363	641	25,004
2022	23,961	684	24,645
2023	24,617	800	25,417
2024	25,593	1,011	26,604
2025	23,530	3,466	26,996

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
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
2025	0.444	0.654	0.590	0.544	0.493	0.515	0.533	0.514	0.429	0.529	0.725
Adopted (b)	0.449	0.652	0.592	0.563	0.494	0.513	0.525	0.507	0.492	0.559	0.713

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

(b) Adopted for the valuation as at 30 June 2025.

Continuance rate

Accident year ending 30 June	Continuance rate (a) for development half-year:																		
	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5
2015							77%	76%	77%	79%	86%	84%	72%	75%	76%	90%	85%	85%	
2016					72%	71%	70%	78%	74%	74%	82%	80%	76%	92%	79%	84%	85%	88%	
2017			66%	66%	71%	71%	75%	75%	79%	78%	78%	74%	81%	91%	76%	97%			
2018		63%	63%	66%	67%	71%	70%	73%	74%	73%	69%	72%	85%	75%	96%				
2019	60%	63%	65%	68%	70%	72%	67%	71%	71%	74%	76%	74%	68%						
2020	64%	66%	65%	66%	67%	64%	74%	74%	70%	73%	80%								
2021	64%	64%	65%	64%	65%	68%	74%	72%	72%										
2022	64%	62%	64%	66%	70%	68%	73%												
2023	65%	64%	68%	62%	69%														
2024	65%	63%	67%																
2025	67%																		
Adopted (b)	66%	63%	67%	64%	68%	67%	74%	72%	71%	73%	75%	75%	77%	93%	77%	90%	81%	92%	

Notes: (a) Defined as: Number of active claims at end of development period / number of active claims at start of development period

(b) Adopted for the valuation as at 30 June 2025.

E.2.2 Income Compensation

Claim payments

Claim Payments - Income Compensation													
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total	
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	
2025	229,773,049	309,139,699	106,448,944	25,037,232	5,433,685	378,485	360,848	-119,419	212,813	305,261	692,897	677,663,494	

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

Average real payment per claim incurred

Income Compensation PPCI (a) for development year:													
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total	
2015	4,481	5,983	2,120	571	72	37	22	20	-10	1	18	13,316	
2016	4,978	6,299	2,255	529	101	12	26	-3	6	0	32	14,236	
2017	5,237	6,987	2,216	462	109	40	2	10	14	4	15	15,095	
2018	5,223	7,068	2,105	405	72	15	10	9	5	5	21	14,938	
2019	5,731	7,122	2,319	455	47	-24	0	5	4	4	15	15,679	
2020	6,165	7,846	2,520	547	78	7	-21	4	4	3	16	17,170	
2021	6,308	8,428	2,959	645	133	-21	-5	1	14	4	0	18,466	
2022	6,944	9,607	3,156	745	148	-26	12	8	8	10	25	20,637	
2023	6,893	9,422	3,314	862	100	49	10	-20	8	6	28	20,674	
2024	7,092	10,371	3,359	802	179	62	-10	-7	12	8	25	21,893	
2025	8,576	11,708	4,220	1,024	219	16	14	-5	8	11	23	25,812	
Adopted (b)	8,334	12,071	4,351	1,055	212	40	12	4	11	9	25	26,124	

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per active claim

Income Compensation PPAC (a) for development half year:																			
Accident year ending 30 June	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5
2015								1,870	348	289	800	(1,914)	1,511	222	2,336	748	2,988	2,249	(988)
2016						3,605	2,231	1,189	(278)	(1,794)	2,597	(1,281)	(5,384)	1,166	3,776	707	3,007	2,836	3,702
2017				8,767	6,543	3,925	3,183	2,212	(1,538)	(285)	576	720	(2,937)	2,318	(450)	3,210	667		
2018		11,248	10,614	8,807	6,902	4,685	3,266	2,272	2,295	1,179	308	(2,246)	(801)	(368)	3,162				
2019	10,849	11,448	11,491	9,677	6,777	4,901	1,372	1,959	2,521	1,356	851	919	(104)						
2020	12,247	11,792	11,016	9,703	6,982	5,964	3,903	1,930	(14)	1,271	2,152								
2021	12,065	12,752	11,275	9,046	6,462	5,497	3,852	3,160	(191)										
2022	12,333	13,161	11,687	10,938	8,860	6,577	3,559												
2023	12,948	14,345	13,567	12,005	9,954														
2024	14,172	15,823	15,338																
2025	16,399																		
Adopted (b)	16,399	16,153	15,061	11,954	9,803	6,291	3,862	2,652	2,408	1,313	972	819	571	571	1,853	1,853	2,147	2,147	1,689

Notes: (a) In 30 June 2025 values
 (b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Income Compensation					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2025	546.679	509.441	546.679	100%	0%
2024	168.578	160.772	168.578	100%	0%
2023	40.056	37.232	40.056	100%	0%
2022	8.671	8.733	8.671	100%	0%
2021	3.059	3.193	3.059	100%	0%
2020	1.792	1.956	1.956	0%	100%
2019	1.483	1.635	1.635	0%	100%
2018	1.225	1.342	1.342	0%	100%
2017	1.063	1.092	1.092	0%	100%
2016 & earlier	1.854	1.747	1.854	100%	0%
Total	774.460	727.143	774.923		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.

E.2.3 Medical and Hospital Expenses

Claim payments

Claim Payments - Medical And Hospital Expenses												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2025	85,507,550	67,377,786	19,339,087	4,482,369	870,832	554,265	37,980	95,046	687	73,883	212,684	178,552,169

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

Average real payment per claim incurred

Medical 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	2,458	1,744	425	97	13	9	7	11	1	(0)	14	4,779
2016	2,515	1,827	427	110	22	11	10	6	2	1	10	4,942
2017	2,848	1,963	432	93	24	11	3	7	5	2	11	5,398
2018	2,962	2,082	428	95	15	5	6	2	2	1	8	5,607
2019	3,025	1,965	436	80	14	(2)	(6)	2	2	3	6	5,525
2020	3,052	2,174	502	97	22	10	(0)	(4)	2	1	7	5,863
2021	3,039	2,239	565	123	35	(3)	3	1	5	3	6	6,018
2022	2,995	2,419	597	131	30	(1)	3	4	3	4	7	6,193
2023	2,952	2,135	557	139	9	19	3	(6)	(2)	1	10	5,818
2024	2,920	2,299	577	133	42	19	1	1	1	5	7	6,006
2025	3,191	2,552	767	183	35	23	2	4	0	3	7	6,766
Adopted (b)	3,225	2,578	775	185	39	21	2	3	3	3	7	6,841

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per active claim

Medical And Hospital Expenses PPAC (a) for development half year:																			
Accident year ending 30 June	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5
2015								582	542	376	429	25	626	269	(931)	511	180	3,443	(1,197)
2016						614	647	304	85	(438)	300	143	(1,471)	115	275	225	547	901	402
2017				1,596	1,322	440	1,112	215	(223)	230	81	395	(195)	617	(208)	238	(1,301)		
2018		2,378	2,338	1,403	1,471	672	612	515	624	799	(254)	531	305	682	(19)				
2019	3,614	2,165	2,332	1,637	1,292	715	64	266	1,156	(132)	86	102	349						
2020	3,816	2,259	2,261	1,567	1,278	739	994	364	978	429	398								
2021	3,571	2,379	2,110	1,190	1,071	913	725	361	342										
2022	3,318	2,162	2,076	1,771	1,371	1,483	932												
2023	3,269	2,565	2,490	2,144	1,675														
2024	3,596	2,672	2,516																
2025	3,874																		
Adopted (b)	3,874	2,683	2,524	1,973	1,536	1,208	884	344	775	614	311	311	423	423	614	614	750	750	516

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Medical And Hospital Expenses					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2025	104.171	99.506	104.171	100%	0%
2024	27.929	28.165	27.929	100%	0%
2023	7.552	6.873	7.552	100%	0%
2022	2.129	2.011	2.129	100%	0%
2021	1.113	1.042	1.113	100%	0%
2020	0.510	0.477	0.477	0%	100%
2019	0.463	0.430	0.430	0%	100%
2018	0.362	0.380	0.380	0%	100%
2017	0.327	0.333	0.333	0%	100%
2016 & earlier	0.543	0.596	0.543	100%	0%
Total	145.100	139.814	145.058		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.

E.2.4 Allied Health

Claim payments

Claim Payments - Allied Health												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2025	33,631,824	38,530,816	11,345,340	2,812,417	789,318	333,194	46,800	49,818	48,703	12,486	160,837	87,761,553

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

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	661	681	194	49	16	10	2	2	2	-1	6	1,622
2016	711	728	204	47	15	7	6	2	1	1	5	1,727
2017	798	831	213	47	14	6	4	3	2	1	6	1,923
2018	861	932	211	44	17	4	2	3	1	1	6	2,082
2019	957	974	250	50	12	6	2	2	1	1	4	2,259
2020	1,002	1,008	238	64	11	6	3	4	1	1	3	2,340
2021	1,002	1,064	269	60	25	2	5	4	2	1	2	2,435
2022	1,053	1,186	294	78	21	4	3	4	2	1	5	2,652
2023	1,083	1,146	319	77	19	7	4	1	1	1	7	2,663
2024	1,095	1,295	337	85	31	27	4	4	0	1	5	2,883
2025	1,255	1,459	450	115	32	14	2	2	2	0	5	3,336
Adopted (b)	1,287	1,497	415	105	31	16	4	3	2	1	5	3,365

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per active claim

Accident year ending 30 June	Allied Health PPAC (a) for development half year:																		
	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5
2015							432	253	345	286	476	253	578	26	541	288	437	(369)	
2016					536	295	172	185	(8)	265	285	35	159	143	(43)	129	109	385	
2017			1,133	655	622	587	422	58	269	329	124	367	394	266	328	54			
2018		1,454	942	924	501	646	315	540	206	289	185	367	382	98	572				
2019	1,473	1,340	886	1,127	558	738	226	407	1,371	240	103	129	469						
2020	1,556	1,473	905	1,089	596	565	502	567	288	688	390								
2021	1,546	1,484	1,004	997	687	571	600	405	399										
2022	1,555	1,513	1,189	1,069	935	825	598												
2023	1,786	1,531	1,419	1,319	1,053														
2024	1,884	1,792	1,445																
2025	2,109																		
Adopted (b)	2,109	1,827	1,488	1,241	1,033	726	622	505	686	406	291	313	406	460	336	385	310	310	403

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Allied Health					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
	2025	64.433	59.459	64.433	100%
2024	18.053	16.873	18.053	100%	0%
2023	5.386	5.047	5.386	100%	0%
2022	1.740	2.131	1.740	100%	0%
2021	0.847	1.291	0.847	100%	0%
2020	0.490	0.802	0.802	0%	100%
2019	0.355	0.547	0.547	0%	100%
2018	0.253	0.367	0.367	0%	100%
2017	0.219	0.244	0.244	0%	100%
2016 & earlier	0.441	0.293	0.441	100%	0%
Total	92.218	87.055	92.861		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.

E.2.5 Workplace Rehabilitation

Claim payments

Claim Payments - Workplace Rehabilitation												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2025	19,714,167	29,731,923	7,119,536	1,282,095	159,989	23,670	-19,606	136	8,089	1,573	37,368	58,058,938

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

Average real payment per claim incurred

Accident year ending 30 June	Workplace Rehabilitation PPCI (a) for development year:											Total
	0	1	2	3	4	5	6	7	8	9	10	
2015	323	603	174	33	4	2	1	1	0	0	1	1,143
2016	376	645	184	30	4	2	2	0	0	0	2	1,246
2017	449	718	196	31	5	3	0	0	0	0	1	1,404
2018	573	852	201	24	4	0	1	0	0	0	1	1,656
2019	556	847	186	28	0	-2	-1	1	0	0	1	1,616
2020	575	843	198	25	2	1	-2	-1	0	0	0	1,642
2021	583	887	204	28	4	-1	1	0	1	0	0	1,709
2022	576	908	226	34	1	-3	0	0	1	0	0	1,745
2023	656	929	247	38	0	-2	-1	-1	-1	0	1	1,867
2024	683	1,049	230	39	6	0	-1	0	0	0	1	2,008
2025	736	1,126	282	52	6	1	-1	0	0	0	1	2,205
Adopted (b)	752	1,150	288	54	4	1	1	1	0	0	0	2,251

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per active claim

Workplace Rehabilitation PPAC (a) for development half year:																			
Accident year ending 30 June	0.5	1.0	1.5	2.0	2.5	3.0	3.5	4.0	4.5	5.0	5.5	6.0	6.5	7.0	7.5	8.0	8.5	9.0	9.5
2015								130	35	23	70	44	70	(6)	(238)	1	20	115	(73)
2016						234	23	79	92	(169)	(19)	35	(125)	(4)	51	(202)	(65)	111	227
2017				586	336	128	112	44	(143)	(61)	(12)	(100)	(144)	222	23	78	38		
2018		1,191	901	580	375	97	75	(38)	(96)	(6)	(96)	44	(89)	107	(4)				
2019	1,226	1,131	895	511	327	198	(29)	27	(9)	5	(66)	(24)	(59)						
2020	1,361	1,130	824	646	360	181	100	91	(21)	108	131								
2021	1,157	1,180	886	600	342	232	115	91	(15)										
2022	1,310	1,151	895	602	436	363	169												
2023	1,435	1,259	974	706	422														
2024	1,448	1,391	1,107																
2025	1,618																		
Adopted (b)	1,618	1,397	1,050	660	433	300	143	92	53	53	56	56	56	56	56	56	56	56	58

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Workplace Rehabilitation					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPAC	PPCI	Adopted	PPAC	PPCI
2025	43.724	41.852	43.724	100%	0%
2024	9.902	9.567	9.902	100%	0%
2023	1.638	1.586	1.638	100%	0%
2022	0.261	0.182	0.261	100%	0%
2021	0.095	0.070	0.095	100%	0%
2020	0.064	0.041	0.041	0%	100%
2019	0.047	0.023	0.023	0%	100%
2018	0.033	0.010	0.010	0%	100%
2017	0.029	0.003	0.003	0%	100%
2016 & earlier	0.061	0.000	0.061	100%	0%
Total	55.855	53.335	55.759		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.

E.2.6 Investigation, Legal and Miscellaneous

Claim payments

Claim Payments - Investigation, Legal And Miscellaneous												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2025	22,981,481	50,174,586	34,750,649	18,999,876	10,838,811	6,150,823	2,674,967	710,418	701,854	266,866	1,897,345	150,147,678

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

Average real payment per claim incurred

Investigation, Legal And Miscellaneous PPCI (a) for development year:												
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10	Total
2015	587	1,308	791	377	210	85	38	27	21	17	66	3,527
2016	595	1,378	874	398	192	82	29	27	10	8	75	3,668
2017	560	1,347	854	429	201	99	49	17	12	6	46	3,621
2018	569	1,456	879	422	175	107	73	26	13	6	39	3,764
2019	640	1,491	935	411	217	98	48	32	13	8	32	3,926
2020	669	1,730	1,038	460	231	117	43	17	27	6	46	4,384
2021	583	1,680	1,078	526	260	141	87	16	17	-2	43	4,429
2022	645	1,750	1,242	652	272	134	62	35	15	12	86	4,906
2023	750	1,843	1,261	721	397	173	105	30	93	9	60	5,442
2024	775	2,014	1,312	697	406	234	104	37	26	12	57	5,675
2025	858	1,900	1,378	777	437	259	107	28	27	9	62	5,841
Adopted (b)	873	2,090	1,438	787	451	263	113	29	21	11	62	6,136

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per claim finalised

Investigation, Legal And Miscellaneous PPCF (a) for development year:											
Accident year ending 30 June	0	1	2	3	4	5	6	7	8	9	10
2016	1,206	4,136	9,630	11,672	12,622	12,161	5,941	10,952	5,940	6,054	5,066
2017	1,169	4,042	9,711	12,482	15,565	14,501	13,117	6,583	10,889	5,514	2,757
2018	1,198	4,257	9,405	12,771	14,185	16,606	22,735	11,890	11,076	4,427	3,391
2019	1,446	4,454	10,196	13,940	18,971	15,062	13,978	17,251	7,665	3,987	2,301
2020	1,481	4,879	10,690	13,578	16,996	20,415	13,071	12,870	24,988	5,497	4,020
2021	1,465	5,093	10,866	14,647	18,167	24,427	30,410	12,863	16,252	-2,525	6,623
2022	1,538	4,718	11,438	16,995	16,895	18,637	17,097	13,740	10,933	11,493	8,532
2023	1,839	5,087	10,575	14,881	18,776	20,657	23,507	10,811	51,053	5,716	3,265
2024	1,952	5,586	11,780	14,235	22,764	23,069	17,417	11,182	12,208	7,405	2,660
2025	2,217	5,141	11,663	17,974	23,740	26,038	17,731	9,805	15,714	5,845	2,601
Adopted (b)	2,003	6,016	11,328	15,607	21,587	23,327	19,234	11,566	13,503	7,359	3,922

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Investigation, Legal And Miscellaneous					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2025	160.189	161.583	160.189	100%	0%
2024	89.804	95.240	89.804	100%	0%
2023	48.023	49.810	48.023	100%	0%
2022	25.446	26.430	25.446	100%	0%
2021	14.400	14.190	14.400	100%	0%
2020	7.277	6.609	6.609	0%	100%
2019	4.582	3.761	3.761	0%	100%
2018	3.408	2.915	2.915	0%	100%
2017	2.783	2.258	2.258	0%	100%
2016 & earlier	3.652	3.367	3.652	100%	0%
Total	359.565	366.161	357.057		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.

E.2.7 Lump Sum

Claim payments

Claim Payments - Lump Sum												
Yr to 30 June	DY0	DY1	DY2	DY3	DY4	DY5	DY6	DY7	DY8	DY9	DY10 onwards	Total
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
2025	21,608,975	102,282,194	96,541,066	54,589,433	35,401,229	25,395,268	8,106,285	2,378,860	2,371,859	517,210	12,259,008	361,451,387

Note: From summary of payments data provided by WorkCover WA up to 30 June 2025.

Average real payment per claim incurred

Accident year ending 30 June	Lump Sum PPCI (a) for development year:											Total
	0	1	2	3	4	5	6	7	8	9	10	
2015	411	2,458	2,826	1,702	854	282	94	83	56	56	319	9,141
2016	486	2,968	3,154	1,638	803	442	123	53	34	36	296	10,034
2017	462	3,198	3,365	1,589	665	355	159	57	42	20	379	10,291
2018	544	3,297	3,210	1,470	676	294	156	56	32	24	421	10,180
2019	532	3,121	3,192	1,331	798	365	108	67	13	52	353	9,932
2020	470	3,686	3,577	1,603	779	306	247	43	111	12	297	11,132
2021	490	3,683	3,538	1,837	1,215	526	289	49	45	26	304	12,003
2022	639	3,895	3,908	2,628	871	387	153	143	39	29	322	13,013
2023	669	3,745	4,118	2,504	1,214	580	463	88	38	38	390	13,844
2024	808	4,241	3,784	2,146	1,165	1,263	266	65	174	28	415	14,355
2025	806	3,874	3,827	2,232	1,426	1,070	325	92	90	18	400	14,161
Adopted (b)	807	4,053	3,806	2,291	1,270	965	353	87	74	28	365	14,099

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Average real payment per claim finalised

Accident year ending 30 June	Lump Sum PPCF (a) for development year:										
	0	1	2	3	4	5	6	7	8	9	10
2016	986	8,905	34,760	48,087	52,704	65,785	24,731	21,275	20,136	28,666	20,082
2017	965	9,595	38,256	46,183	51,607	51,764	42,192	22,141	37,040	18,542	22,742
2018	1,145	9,641	34,353	44,482	54,760	45,645	48,615	25,346	26,620	19,120	36,904
2019	1,204	9,321	34,795	45,105	69,800	56,189	31,524	36,116	8,050	25,805	24,992
2020	1,042	10,393	36,829	47,295	57,201	53,439	75,342	33,844	102,789	11,952	26,092
2021	1,232	11,164	35,656	51,127	85,007	91,340	101,412	39,859	43,004	33,505	46,470
2022	1,524	10,498	35,995	68,451	54,156	53,743	41,773	56,601	27,594	27,600	32,047
2023	1,640	10,337	34,544	51,661	57,408	69,227	103,095	31,749	20,739	24,185	21,083
2024	2,035	11,762	33,976	43,798	65,227	124,424	44,820	19,707	81,207	17,739	19,416
2025	2,084	10,480	32,401	51,643	77,538	107,505	53,732	32,832	53,104	11,328	16,804
Adopted (b)	2,059	11,548	32,401	52,791	65,695	86,196	65,735	35,333	46,454	21,751	23,112

Notes: (a) In 30 June 2025 values

(b) Adopted for the valuation as at 30 June 2025.

Estimates from models

Lump Sum					
Accident year ending 30 June	Estimates of outstanding claims at 30 June 2025 (\$M) (a)			Weightings	
	PPCF	PPCI	Adopted	PPCF	PPCI
2025	425.733	412.406	425.733	100%	0%
2024	284.475	278.869	284.475	100%	0%
2023	164.497	157.507	164.497	100%	0%
2022	89.242	89.303	89.242	100%	0%
2021	55.804	54.679	55.804	100%	0%
2020	29.711	26.933	26.933	0%	100%
2019	20.738	18.100	18.100	0%	100%
2018	17.152	11.949	11.949	0%	100%
2017	15.043	7.824	7.824	0%	100%
2016 & earlier	21.325	9.196	21.325	100%	0%
Total	1123.721	1066.765	1105.882		

Note: (a) From models described above, in 30 June 2025 values and includes superimposed inflation.
Does not include any explicit allowance for the impact of the ATO class ruling.



E.3 Adopted estimates of outstanding claims

E.3.1 Estimates from models

Estimates of outstanding claims at 30 June 2025 (\$M) (a) (b)							
Acc yr ending 30 June	Income Compensation	Medical and Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal and Miscellaneous	Total
2025	546.679	108.697	67.831	43.724	481.078	160.189	1,408.199
2024	168.578	29.473	19.220	9.902	321.457	89.804	638.434
2023	40.056	8.340	6.001	1.638	185.881	48.023	289.939
2022	8.671	2.485	2.049	0.261	100.844	25.446	139.757
2021	3.059	1.231	0.945	0.095	63.059	14.400	82.789
2020	1.956	0.485	0.822	0.041	30.435	6.609	40.347
2019	1.635	0.436	0.561	0.023	20.453	3.761	26.869
2018	1.342	0.386	0.376	0.010	13.502	2.915	18.532
2017	1.092	0.338	0.250	0.003	8.841	2.258	12.782
2016 & earlier	1.854	0.551	0.451	0.061	24.097	3.652	30.667
Total	774.923	152.423	98.506	55.759	1,249.647	357.057	2,688.314

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

(b) In 30 June 2025 values, includes superimposed inflation, allowance for the impact 2023 Act to the extent that we have relied on claims data prior to 1 July 2024, and allowance for the impact of the ATO class ruling.

E.3.2 Average claim sizes

Average claim size at 30 June 2025 (\$) (a)							
Acc yr ending 30 June	Income Compensation	Medical and Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal and Miscellaneous	Total
2025	28,826	7,218	3,768	2,355	18,627	6,792	67,586
2024	25,136	6,579	3,277	2,181	16,765	6,051	59,989
2023	23,060	6,345	3,064	2,052	16,050	6,031	56,602
2022	21,100	5,991	2,733	1,798	14,492	5,609	51,724
2021	20,373	6,233	2,661	1,788	14,597	5,304	50,956
2020	18,887	6,114	2,516	1,735	14,073	5,254	48,579
2019	17,523	5,942	2,383	1,636	14,001	4,989	46,474
2018	15,744	5,621	2,180	1,645	11,409	4,313	40,913
2017	15,331	5,515	2,090	1,514	11,107	4,059	39,615

Note: (a) From results in Appendix E.3.1

E.3.3 Relationship to case estimates

Ratio of outstandings to case estimates at 30 June 2025							
Acc yr ending 30 June	Income Compensation	Medical and Hospital Expenses	Allied Health	Workplace Rehabilitation	Lump Sum	Investigation, Legal and Miscellaneous	Total
2025	78%	15%	10%	6%	68%	23%	200%
2024	40%	7%	5%	2%	75%	21%	150%
2023	17%	4%	3%	1%	80%	21%	125%
2022	8%	2%	2%	0%	88%	22%	121%
2021	5%	2%	2%	0%	110%	25%	144%
2020	7%	2%	3%	0%	106%	23%	141%
2019	11%	3%	4%	0%	133%	24%	175%
2018	29%	8%	8%	0%	288%	62%	395%
2017	27%	8%	6%	0%	222%	57%	320%
2016 & earlier	6%	2%	1%	0%	80%	12%	102%

E.3.4 Gross of reinsurance estimates

Total of payment types					
Acc yr ending 30 June	Estimates at 30 June 2025 (\$M)				
	30 June 2025 values (a)	Inflated values (b)	Infl/disc values (b)	Case estimates	Ratio (c)
2025	1,408.199	1,557.720	1,459.362	702.607	200%
2024	638.434	709.435	660.309	425.825	150%
2023	289.939	324.752	298.897	231.081	125%
2022	139.757	158.254	143.467	115.196	121%
2021	82.789	94.169	84.830	57.441	144%
2020	40.347	46.521	41.069	28.676	141%
2019	26.869	31.136	27.290	15.389	175%
2018	18.532	21.506	18.810	4.691	395%
2017	12.782	14.851	12.968	3.990	320%
2016 & earlier	30.667	33.243	32.025	30.132	102%
Total	2,688.314	2,991.587	2,779.027	1,615.028	166%

Notes: (a) From Appendix E.3.1

(b) Includes 5% claims expenses

(c) Ratio of actuarial estimates in 30 June 2025 values to case estimates.

Appendix F Claims experience

F.1 Claims experience during 2024/25

F.1.1 Aggregate trends

Total actual claim payments during 2024/25 were \$1,513.6 million, which is \$206.0 million (15.8%) higher than the \$1,307.6 million for the 2023/24 year. This compares to a \$142.6million (12.2%) increase from 2022/23 to 2023/24.

Total case estimates outstanding increased by \$192.1 million (13.5%) to \$1,615.0 million at 30 June 2025, from \$1,422.9 million as at 30 June 2024. From 30 June 2023 to 30 June 2024, case estimates increased by \$188.0 million (15.2%).

Claims reported over 2024/25 increased by 242 (0.9%) to 26,992, from 26,750 over 2023/24. This compares to a 5.5% increase last year.

Active claim numbers increased by 898 (4.1%) to 22,538 at 30 June 2025, from 21,640 at 30 June 2024. This compares to a 6.4% increase last year.

The claim statistics indicate unfavourable claims experience in 2024/25 compared to last year, with increases in payments, case estimates, claims reported and active claims.

F.1.2 Claims incurred in 2024/25

There were 23,530 claims reported to 30 June 2025 for the 2024/25 accident year. The projected number of incurred claims is 26,996. This is 1.5% more than the 26,604 projected incurred claims for the 2023/24 accident year.

The expected number of open claims for the 2024/25 accident year at 30 June 2025 is $23,530 \times (1 - 0.4665) = 12,554$ compared to actual of 13,085 i.e. actual active claims are 4.2% more.

The 30 June 2024 projection basis expected $\$13,443 \times (1.038 \times 1.041)^{0.5} = \$13,969$ to be paid on each of the 2024/25 accident year claims in the year of claiming. The actual amount paid per claim was \$15,422 i.e. 10.4% more in real values.

The average case estimate per active claim in real values at the end of development year zero increased by 8.3% to \$53,696 at 30 June 2025, from \$49,591 at 30 June 2024. This compares to a 6.6% increase between 30 June 2023 and 30 June 2024.

The 2024/25 accident year shows unfavourable claim experience relative to 2023/24 with more claims incurred, more active claims, higher average case estimates and higher than expected payments per claim.

F.1.3 Claims incurred in prior years (up to 30 June 2024)

The main aspects of claim experience over 2024/25 compared to the projections in our 28 March 2025 report, is as follows:

- a. Number of claims reported is 2% higher than expected
- b. Claims finalisation is 1% slower than expected
- c. Claim payments are 3% lower than expected.

Numbers of claims reported

For the number of claims reported, the overall result was slightly higher than expected. This is driven by more-than-expected claims reported for older accident years, partially offset by fewer-than-expected claims reported for more recent accident years.

Accident year ended 30 June	Number of claims reported during 2024/25		Ratio of actual to projected number reported %
	Actual	Projected (a)	
2024	2,321	2,358	98%
2023	158	170	93%
2022	85	95	89%
2021	50	54	93%
2020	25	34	73%
2019	51	35	144%
2018	34	28	121%
2017	18	26	69%
2016	30	30	99%
2015 and earlier	690	566	122%
Total	3,462	3,397	102%

Note: (a) From our 28 March 2025 actuarial report.

Proportions of claims finalised

Claim finalisation was slightly slower compared to expected overall. This is driven by more recent accident years, partially offset by faster-than-expected finalisations for some older accident years.

Accident year ended 30 June	Proportion of claims finalised (a) during 2024/25		
	Actual	Projected (b)	Actual / expected (c)
2024	65%	66%	99%
2023	59%	59%	100%
2022	54%	56%	97%
2021	49%	52%	95%
2020	52%	51%	101%
2019	53%	52%	103%
2018	51%	50%	102%
2017	43%	52%	82%
2016	53%	57%	92%
2015 and earlier	72%	57%	126%
Total	62.3%	62.7%	99%

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 28 March 2025 report
 (c) = (a) / (b) %

Claim payments

Claim payments were slightly lower than expected in total, driven by lower-than-expected payments for all accident years except 2019 to 2021.

Accident year ended 30 June	Amount of claim payments during 2024/25		Actual / expected (c)
	Actual (a)	Projected (b)	
2024	597,237,005	620,928,959	96%
2023	275,544,621	282,087,613	98%
2022	107,203,423	110,322,754	97%
2021	53,493,865	48,899,396	109%
2020	32,835,706	27,416,208	120%
2019	11,207,274	10,561,505	106%
2018	3,114,858	5,826,333	53%
2017	3,344,004	3,995,615	84%
2016	1,177,279	2,917,816	40%
2015 and earlier	15,260,139	20,505,027	74%
Total	1,100,418,173	1,133,461,226	97%

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

(b) Sum of payments expected in the 2024/25 year.

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

F.2 Claims experience in the six months to 31 December 2025

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 2025, driven by all accident years except for 2023.

In aggregate, claims reported in the six months to 31 December 2025 are 4% higher than expected.

Accident year	Expected for 2025/26 (a)	Proportion to 31 Dec 25 (b)	Six months to 31 Dec 25		Actual/Expected % (e)
			Expected (c)	Actual (d)	
2026	23,530	46.5%	10,950	11,240	103%
2025	2,440	91.0%	2,221	2,228	100%
2024	173	62.8%	109	130	119%
2023	95	55.5%	53	49	93%
2022	52	56.8%	29	34	116%
2021	33	59.2%	19	25	129%
2020 & earlier	688	53.3%	367	546	149%
Total	27,011		13,748	14,252	104%

Notes: (a) from the adopted 30 June 2025 actuarial projection patterns, assuming 2025/26 equals 2024/25

(b) from examination of the 2022/23, 2023/24 and 2024/25 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2025

(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 2022 to 2026 but faster for 2021 and earlier.

Accident year	Expected for 2025/26 (a)	Proportion to 31 Dec 25 (b)	Six months to 31 Dec 25		Actual/Expected % (e)
			Expected (c)	Actual (d)	
2026	10,563	23.8%	2,516	2,371	94%
2025	10,127	64.7%	6,548	6,320	97%
2024	3,179	57.6%	1,829	1,807	99%
2023	1,230	54.5%	671	667	99%
2022	465	57.2%	266	250	94%
2021	259	52.9%	137	145	106%
2020 & earlier	784	46.7%	366	543	148%
Total	26,607		12,334	12,103	98%

Notes: (a) from the adopted 30 June 2025 actuarial projection patterns

(b) from examination of the 2022/23, 2023/24 and 2024/25 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2025

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

F.2.3 Claim payments

Total actual claim payments are 8% lower than expected for the December 2025 half year. The experience by accident year is mixed.

Accident year	Expected for 2025/26 \$M (a)	Proportion to 31 Dec 25 (b)	Six months to 31 Dec 25		Actual/Expected % (e)
			Expected \$M (c)	Actual \$M (d)	
2026	425.411	23.6%	100.288	104.717	104%
2025	729.577	60.7%	442.534	405.430	92%
2024	327.482	64.5%	211.114	194.298	92%
2023	137.966	61.4%	84.706	74.048	87%
2022	54.280	53.2%	28.892	31.328	108%
2021	34.607	62.7%	21.714	16.186	75%
2020 & earlier	51.592	61.7%	31.833	23.181	73%
Total	1,760.915		921.082	849.188	92%

Notes: (a) from the adopted 30 June 2025 actuarial projection patterns and using PPCI for 2025/26

(b) from examination of the 2022/23, 2023/24 and 2024/25 December to June Form WC20

(c) = (a) x (b)

(d) from Form WC20 to 31 December 2025

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

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

Payment type	Six months ended			% Real change (d)
	31 Dec 25 \$M (a)	31 Dec 24 \$M (b)	31 Dec 24 in 31 Dec 25 values \$M (c)	
Lump Sum	204,607	158,461	161,910	26.4%
Income Compensation	378,932	312,741	319,548	18.6%
Allied Health	47,884	40,730	41,617	15.1%
Investigation	29,082	23,350	23,859	21.9%
Legal	49,711	39,742	40,607	22.4%
Miscellaneous	7,323	5,710	5,834	25.5%
Hospital	31,806	28,328	28,944	9.9%
Medical	67,124	57,833	59,092	13.6%
Workplace Rehabilitation	32,785	27,568	28,168	16.4%
Total	849,254	694,464	709,580	19.7%

Notes : (a) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 25
 (b) = from summary of payments data provided by WorkCover WA for returning entities, for the half year period to 31 Dec 24
 (c) = (b) x 1.022 in current values
 (d) = (a) / (c) - 1 in current values

This table shows that, after adjusting for 2.2% wage inflation, in total, claim payments for the six months are \$139.7 million (19.7%) higher than the same period in the prior year. There were significant increases across all payment types. The most significant movements were:

- Income Compensation **increasing** by \$59.4 million (18.6%)
- Lump Sum **increasing** by \$42.7 million (26.4%)
- Legal **increasing** by \$9.1 million (22.4%)
- Medical **increasing** by \$8.0 million (13.6%)
- Allied Health **increasing** by \$6.3 million (15.1%).
- Investigation **increasing** by \$5.2 million (21.9%)
- Workplace Rehabilitation **increasing** by \$4.6 million (16.4%).
- Hospital **increasing** by \$2.9 million (9.9%).

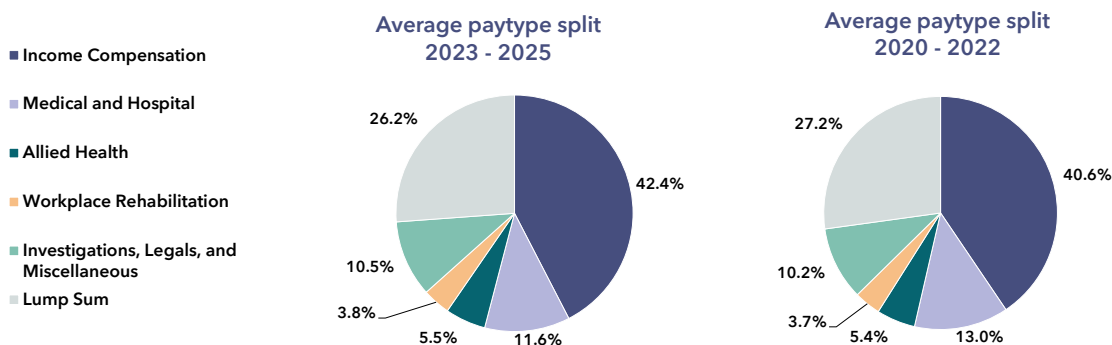
F.2.4 Summary of experience for the six months to 31 December 2025

In summary, the six months to 31 December 2025 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 19.7% higher than the same period last year. Case estimates at 31 December 2025 are 11% higher than at 30 June 2025.

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, income compensation is the major payment group at around 41% to 42% of total payments over the periods, and lump sum is the second highest group at around 26% to 27%.

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

Type of Payment	Financial years ending 30 June	
	2023 - 2025	2020 - 2022
Income Compensation	42.4%	40.6%
Medical and Hospital	11.6%	13.0%
Allied Health	5.5%	5.4%
Workplace Rehabilitation	3.8%	3.7%
Investigations, Legals, and Miscellaneous	10.5%	10.2%
Lump Sum	26.2%	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	2025/26	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
	6 months							
Income Compensation	44.6%	44.8%	41.6%	40.9%	41.7%	40.4%	39.6%	39.4%
Medical and Hospital	11.6%	11.8%	11.5%	11.6%	12.5%	13.2%	13.4%	13.8%
Allied Health	5.6%	5.8%	5.5%	5.3%	5.4%	5.3%	5.4%	5.7%
Workplace Rehabilitation	3.9%	3.8%	3.8%	3.7%	3.5%	3.7%	3.8%	4.1%
Investigations, Legals, and Miscellaneous	10.1%	9.9%	10.6%	10.8%	10.1%	9.9%	10.5%	10.3%
Lump Sum	24.1%	23.9%	26.9%	27.7%	26.8%	27.4%	27.4%	26.8%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Amount (\$000s)	849,254	1,513,635	1,307,614	1,164,974	1,080,261	963,080	898,076	837,634
% change	22.3%	15.8%	12.2%	7.8%	12.2%	7.2%	7.2%	
WC20 Amount (\$000s)	849,188	1,512,840	1,315,974	1,165,929	1,080,306	963,624	898,011	837,924
% difference from data provided by WorkCover WA	0.0%	-0.1%	0.6%	0.1%	0.0%	0.1%	0.0%	0.0%

Over the six months to 31 December 2025, there was an increase in payments of 22.3% compared to the six months to 31 December 2024. Payments increased by 15.8% for 2024/25 compared to 2023/24. We have not included the December 2025 half year in the trend comments below because its payment composition is variable and subject to seasonal influences.

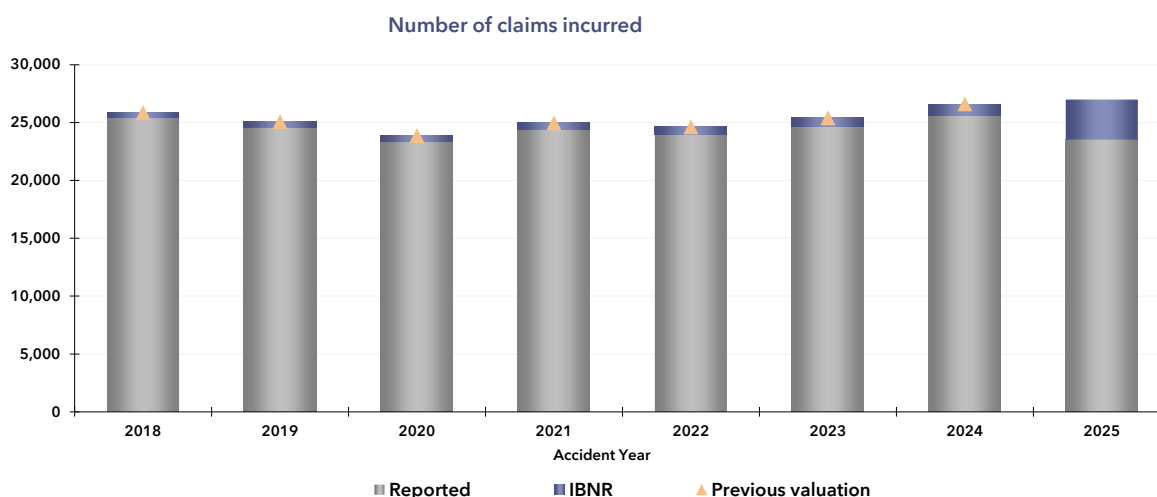
The following trends are apparent:

- Income compensation generally increased from 39% to 45% over 2018/19 to 2024/25
- Lump sum generally decreased from 27% to 24% over 2018/19 to 2024/25
- Medical and hospital generally decreased from 14% to 12% over 2018/19 to 2024/25
- Investigation, legal and miscellaneous has been relatively stable around 10% over 2018/19 to 2024/25
- Allied health has been relatively stable between 5.3% to 5.8% over 2018/19 to 2024/25.
- Workplace rehabilitation has varied between 3.5% and 4.1% over 2018/19 to 2024/25.

Appendix G Claims statistics

G.1 Number of claims incurred

Increase in number of claims incurred for 2025 to 26,996



The key experience points from the above chart are:

- There was a decreasing trend up to the 2020 accident year
- In 2021, however, there was an increase in the number of claims incurred 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 increased by 4.7% to just over 26,600 for the 2024 accident year, with a further increase of 1.5% to just below 27,000 for the 2025 accident year.

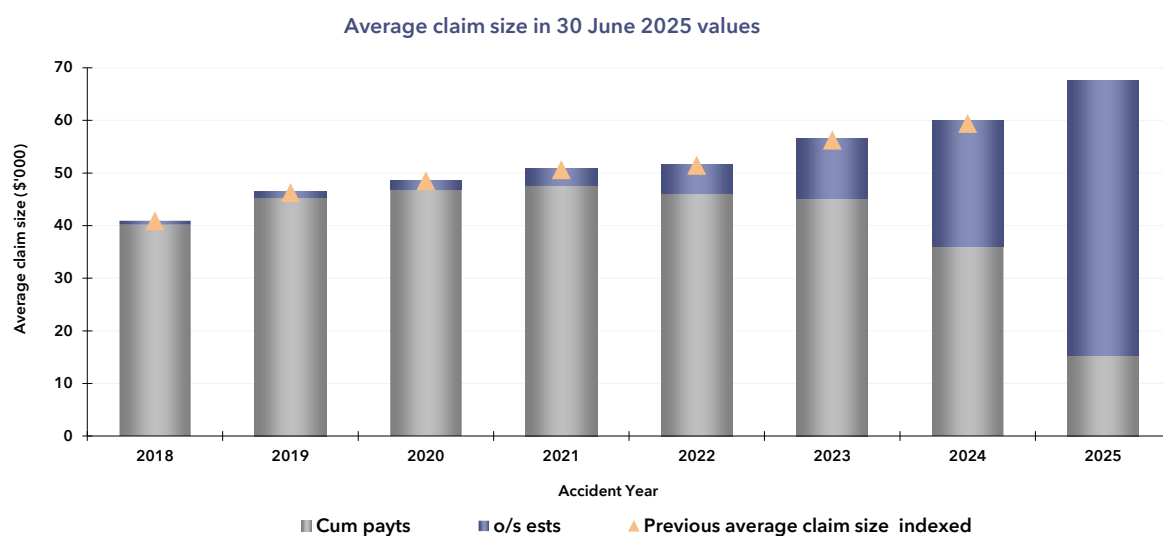
We have factored in the claims experience in the six months to 31 December 2025 in our estimates above for the number of claims incurred for the 2025 accident year.

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 up to the 2020 accident year. The number of short-duration claims has stabilised for 2020 onwards. The increase in claims incurred for 2024 and 2025 is mostly driven by claims with duration more than 60 days.

The number of claims incurred for the current valuation is on par with the previous valuation for all accident years.

G.2 Average claim size

Strong increasing trend continues in the 2025 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 65.2% or 7.4% p.a., 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 2025 accident year where a high proportion (77%) of the average claim size consists of the uncertain future estimate.

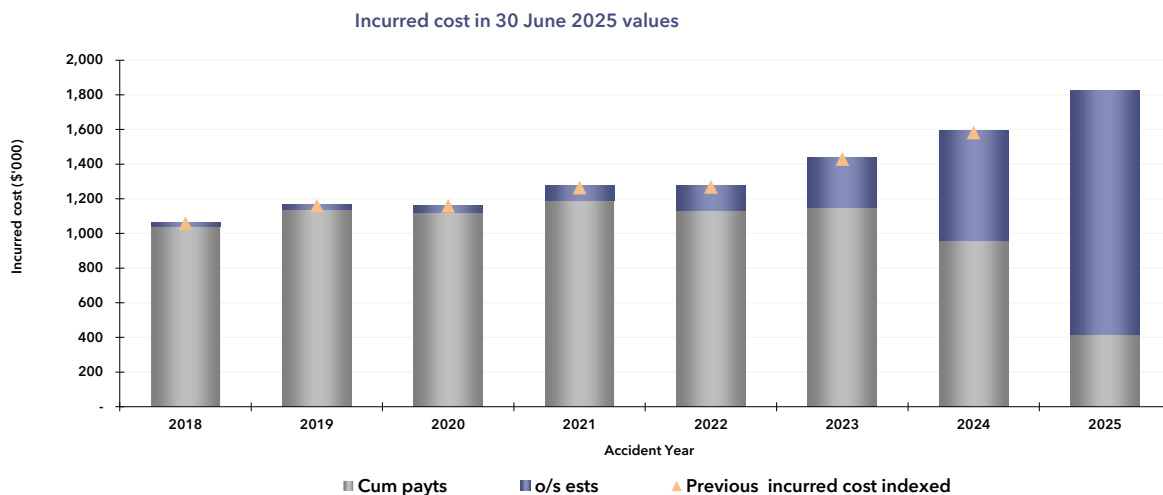
The real average claim size trends show the combined impact of:

- 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)
- The increasing average duration of claims.

The average claim sizes for 2018 to 2024 accident years are slightly higher than estimated from the previous valuation as they now reflect the impact of the 2023 Act and allow for the impact of the ATO class ruling, partially offset by better than expected experience over the year.

G.3 Incurred cost

2025 is expected to be higher than 2024 and all prior years due to the high average claim size and slight increase in claim numbers



The incurred cost has shown the following trends:

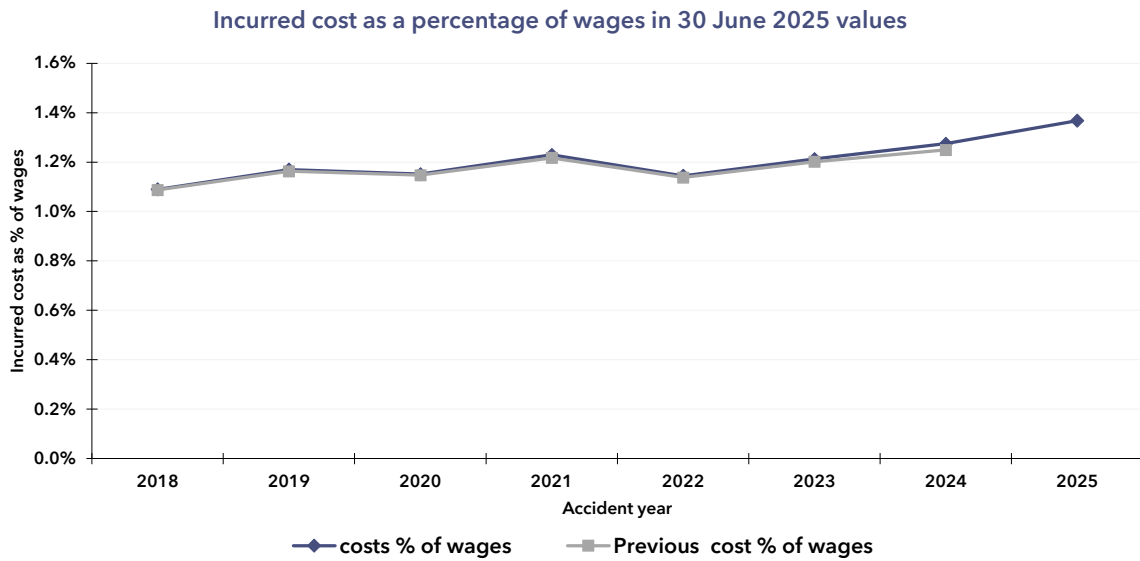
- An increase in incurred cost between 2018 and 2019 as the increase in the average claim size more than offset the decrease in the number of claims
- The 2020 incurred cost is lower than 2019 due to the decrease in number of claims more than offsetting the increase in the average claim size
- The 2021 incurred cost is higher than 2020 due to the increase in 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 number of claims
- The incurred cost increased in 2023 and 2024 due to the increase in average claim size and number of claims
- 2025 incurred cost is estimated to be \$1,824 million, a 14% increase compared to 2024 due to the increase in average claim size and slight increase in the number of claims.

Over the period shown in the graph, the proportion outstanding increases from 2% of the total incurred cost for 2018 to 77% of the total incurred cost for 2025.

Incurred costs are slightly higher than the previous valuation (less than 1% higher) for all accident years.

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

2025 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 1.09% for 2018 to 1.37% for 2025.

Compared to the previous valuation, the claims cost as a percentage of wages has increased for more recent accident years as it now reflects the impact of the 2023 Act and allows for the impact of the ATO class ruling.

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 2026/27 target loss ratio is 70.9% in inflated and discounted values. This is equivalent to 72.8% in current values or 75.7% inflated.

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

$$\frac{(\text{Past claim payments to 30 June 2025} + \text{estimated outstanding liability at 30 June 2025})}{\text{Earned premium}}$$

The past claim payments, estimated outstanding liability and earned premium are all in 30 June 2025 values (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 2025 values	Estimated loss ratio
	In historic values	In 30 June 2025 values	In historic values	In 30 June 2025 values		
	\$M	\$M	\$M	\$M	\$M	
2018	1,053.324	1,311.415	859.527	1,041.694	18.532	81%
2019	1,156.418	1,418.952	966.127	1,140.268	26.869	82%
2020	1,233.734	1,482.127	975.989	1,121.281	40.347	78%
2021	1,392.547	1,624.585	1,068.119	1,191.334	82.789	78%
2022	1,592.505	1,805.238	1,053.397	1,134.966	139.757	71%
2023	1,918.479	2,075.147	1,104.135	1,148.706	289.939	69%
2024	2,221.825	2,296.363	941.441	957.481	638.434	69%
2025	2,444.066	2,462.452	413.217	416.326	1,408.199	74%

The loss ratio is in current 30 June 2025 values.

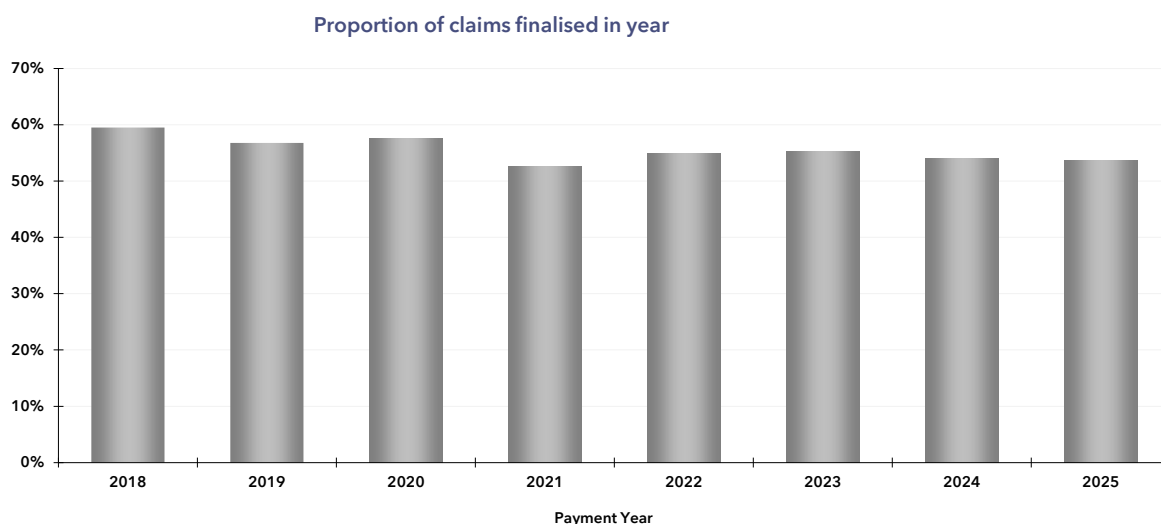
The table and chart show:

- The loss ratio has generally decreased from 81% in 2018 to 69% in 2024
- The 2025 loss ratio is 74%, this is higher than the last three years but still below the 2018 to 2021 accident years
- 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 2021 accident year had the largest increase from 75% last year to 78% this year, mainly due to an increase in the incurred cost and a slight decrease in the earned premiums
 - The loss ratios for all other accident years have been relatively stable.

G.5 Finalisation of claims

By payment year

2025 payment year has a finalisation rate of 54%



Claim finalisation rate by payment year is defined as:

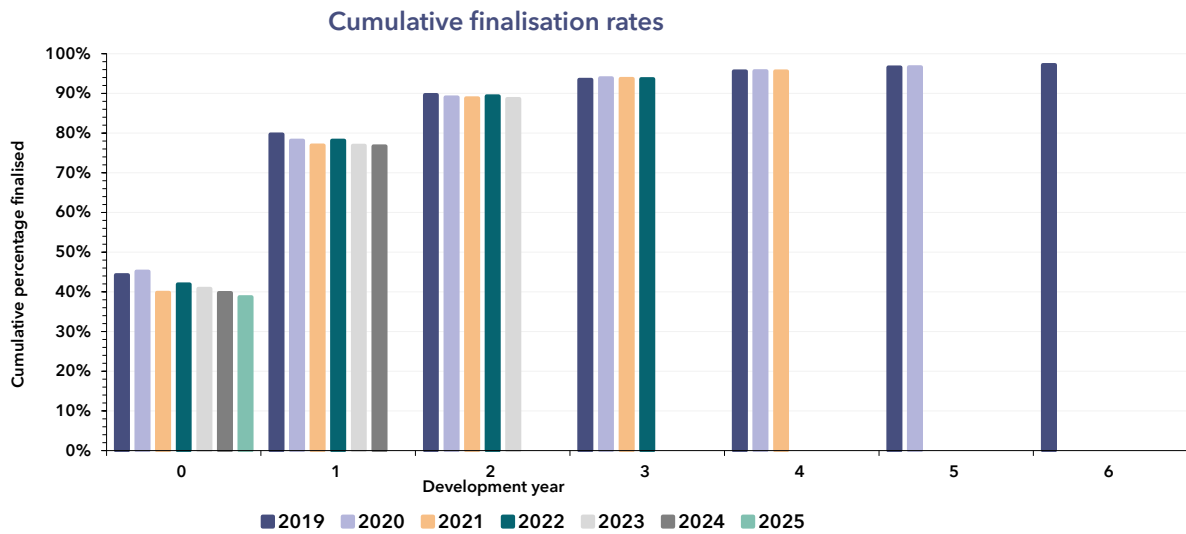
$$\frac{\text{Number of claims finalised in year}}{\text{(Number of outstanding at beginning of the year plus number reported during the year)}}$$

The proportion of total claims finalised has been reducing from around 59% in 2018 to a low of approximately 53% in 2021, before stabilising in more recent years at around 55%.

The 2025 payment year has a finalisation rate of 54%, which is higher than the low observed in 2021 but lower than other years.

By accident year

Slower finalisation for 2021 compared to all prior years in DY0 to DY2. DY0 for 2025 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 notably lower than 2020 and all prior accident years in DY0. 2025 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%.

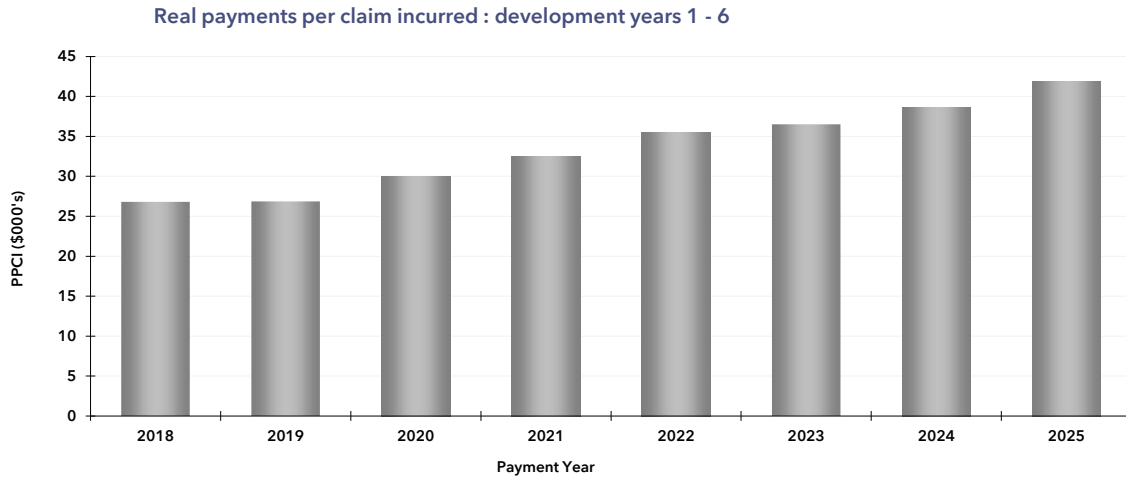
Overall, this suggests that within the first three years after an accident, claims are taking longer to be finalised, but a catch up occurs in DY3 and after this, they are being closed at the same rate compared to older accident years.

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

G.6 Payment per claim incurred

By payment year

Increase (8.7%) in 2025 to \$41,900



Payments per claim incurred were stable between 2018 and 2019. There was a significant increase of 11.6% in the 2020 payment year, to \$30,000.

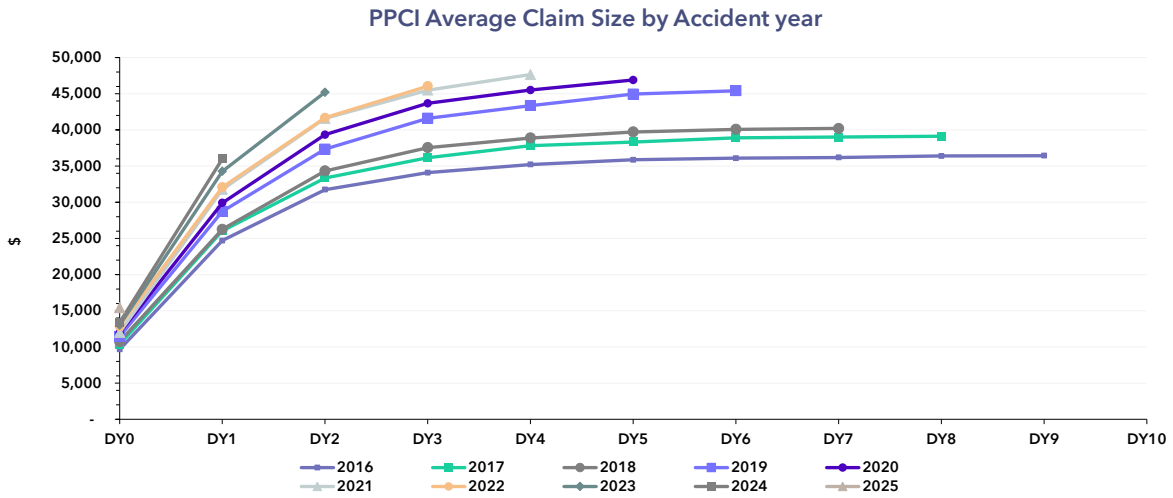
Over 2021 and 2022 there were increases of between 8% and 9% each, to \$35,500 in 2022. The increase for 2021 was driven by increases in lump sum and income compensation payments, whilst the 2022 increase was driven by all payment types.

Over 2023 and 2024 there were increases of between 3% and 6% each, to \$38,600 in 2024. The increase for 2023 was driven by increases in lump sum and investigation, legal and miscellaneous payments, whilst the 2024 increase was driven by increases in income compensation, lump sum and allied health payments.

In 2025, there was a further increase of 8.7% to \$41,900, driven by increases in income compensation, medical and hospital, allied health, and work rehabilitation 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:

$$\frac{\text{sum of claim payments by development year made to date (in 30 June 2025 values)}}{\text{number of claims incurred to date}}$$

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 2016 to 2025, 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 driven by the change in the mix of claims and the reduction in the number of small claims reported since 2016.

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 2025 by financial year of accident:

Accident year ending 30 June	Estimated Incurred Costs in Current Values as at 30 June 2025						
	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)
2025	416.3	1,408.2	1,824.5	26,996	67,586	133,404	1.37%
2024	957.5	638.4	1,595.9	26,604	59,989	125,237	1.27%
2023	1,148.7	289.9	1,438.6	25,417	56,602	118,647	1.21%
2022	1,135.0	139.8	1,274.7	24,645	51,724	111,400	1.14%
2021	1,191.3	82.8	1,274.1	25,004	50,956	103,639	1.23%
2020	1,121.3	40.3	1,161.6	23,912	48,579	100,910	1.15%
2019	1,140.3	26.9	1,167.1	25,114	46,474	99,799	1.17%
2018	1,041.7	18.5	1,060.2	25,914	40,913	97,307	1.09%

Notes:

- (a) cumulative actual claim payments indexed to current values
- (b) from appendix E.3.4
- (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 over 25,900 in 2018. Over 2018 to 2020 there were steady decreases followed by increases since 2020, such that in 2025 the estimated incurred claims are just under 27,000. The 2020 accident year is the lowest at just over 23,900, mainly due to COVID-19 that impacted the June 2020 quarter
- The average claim size has increased in real terms from \$40,900 in 2018 to \$67,600 in 2025. This is an average annual increase over the period of 7.4%. This is predominantly driven by a reduction in the number of lower cost claims and an increasing trend in payments, case estimates on open claims and claim duration
- Estimated claim cost as a percentage of wages has an increasing trend from 1.09% in 2018 to 1.27% in 2024. In 2025 the estimated claim cost as a percentage of wages increased to 1.37% due to incurred cost increasing by more than wages for 2025 compared to 2024.

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 to develop them to ultimate.

Claim frequency has been as follows:

Accident year ending 30 June	Claim frequency as % of:	
	Number of employees (a)	\$112,487 of real wages (b)
2025	2.1%	2.3%
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%

Notes: (a) item (g) from the last table in Appendix H.2
(b) = number of claims incurred / (real wages / ave real wages {\$112,487})
from table above

Claim frequency per \$112,487 wages has decreased by an equivalent 3.8% per year over 2018 to 2025 and by 3.1% per year per employee. The \$112,487 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)
2025	413.2	1,115.8	1,896.8	270%	459%	170%	78%
2024	941.4	1,367.3	1,617.1	145%	172%	118%	73%
2023	1,104.1	1,335.2	1,413.4	121%	128%	106%	74%
2022	1,053.4	1,168.6	1,204.1	111%	114%	103%	76%
2021	1,068.1	1,125.6	1,157.8	105%	108%	103%	83%
2020	976.0	1,004.7	1,020.3	103%	105%	102%	83%
2019	966.1	981.5	995.8	102%	103%	101%	86%
2018	859.5	864.2	880.0	101%	102%	102%	84%

Notes: (a) cumulative actual claim payments
(b) = (a) + insurer's case estimates outstanding
(c) actual cumulative past payments plus inflated projected future payments
(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:

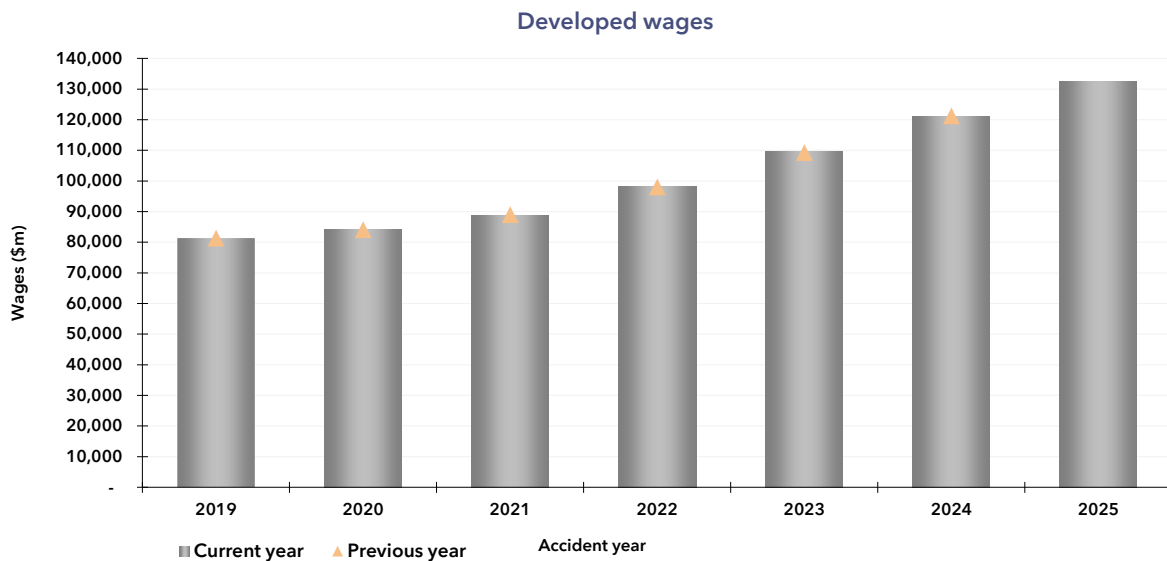
- The case estimate ratio to payments (d) at the same stage of development was similar to last year, except the most recent year. The latest accident year decreased by 8% driven by high claim payments to date
- The ultimate incurred cost ratio to payments (e) at the same stage of development was similar to last year, except the most recent year. The latest accident year decreased by 9% driven by high claim payments to date
- The ultimate incurred cost ratio to total case estimates (f) at the same stage of development was similar to last year (changes between 0% to 1%) for all years, except the latest accident year which had an increase of 2%.

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 for 2021, which was 3% higher.

The target inflated loss ratio including all expenses (including brokerage) and profit loadings is 75.7% for 2026/27. 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 2025 are 9.3% higher than 2024



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

Developed wages for accident year 2019 onwards has been shown in the chart above to reflect the same period used for the recommended premium rates based on the ANZSIC 2006 classification, based on Form WC12.

The 2025 wages are estimated to be 9.3% higher than the 2024 wages.

We have not made any special adjustments to the wages in 2025/26 for this activity to continue.

For the 2019 and 2024 accident years, the developed wages are within 0.3% of the estimated developed wages from last year.

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

The charts below show the:

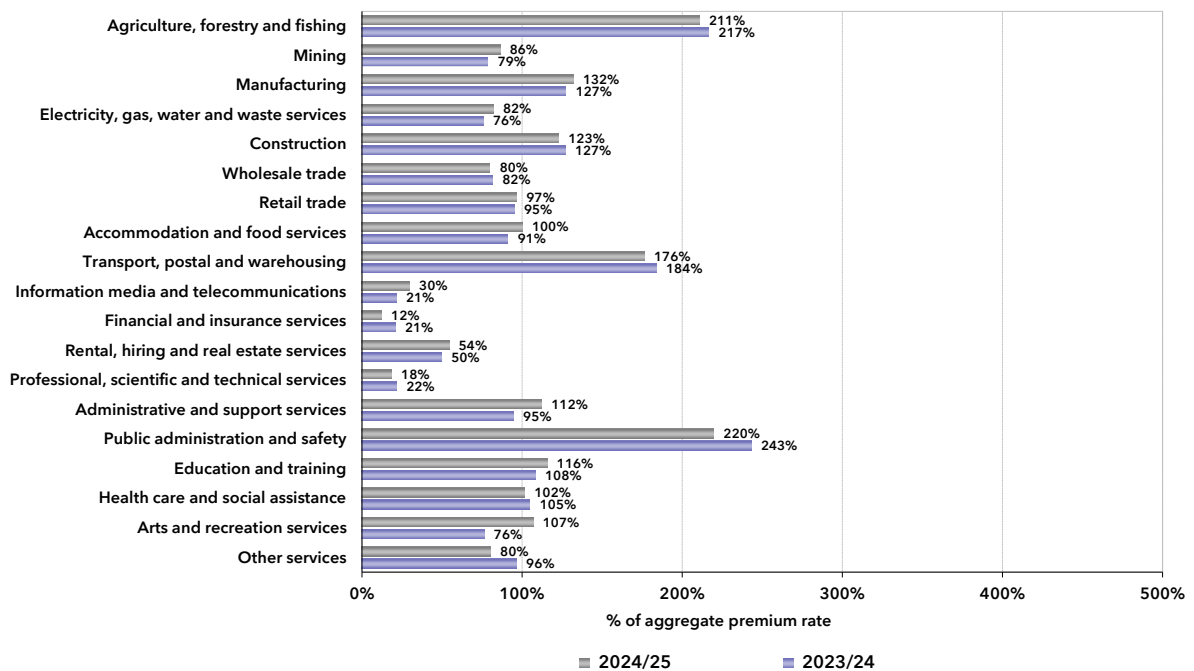
- Comparative cost of workers compensation claims as a percentage of the aggregate premium rate over the past two years by industry
- Composition of wages by industry for the 2024/25 accident year only and
- Composition of wages by industry for the 2020/21 to 2024/25 accident years
- Percentage movement in developed wages by accident year from 2021/22 to 2024/25.

The cost of claims is estimated:

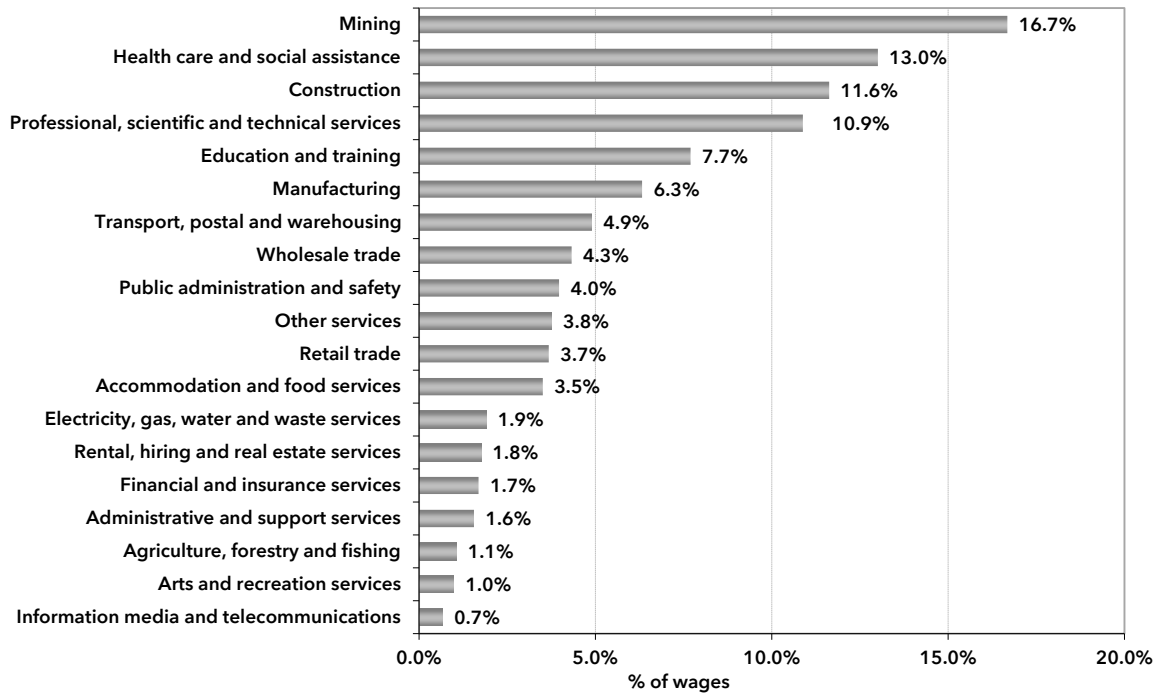
- By year of accident
- Using the actuarial basis and methods in this report
- Including an allowance for expenses and margins (as per section 2)
- Using cost estimates including all development data up to 30 June 2025.

A higher proportion of total cost is estimated for 2024/25 than for the earlier accident years.

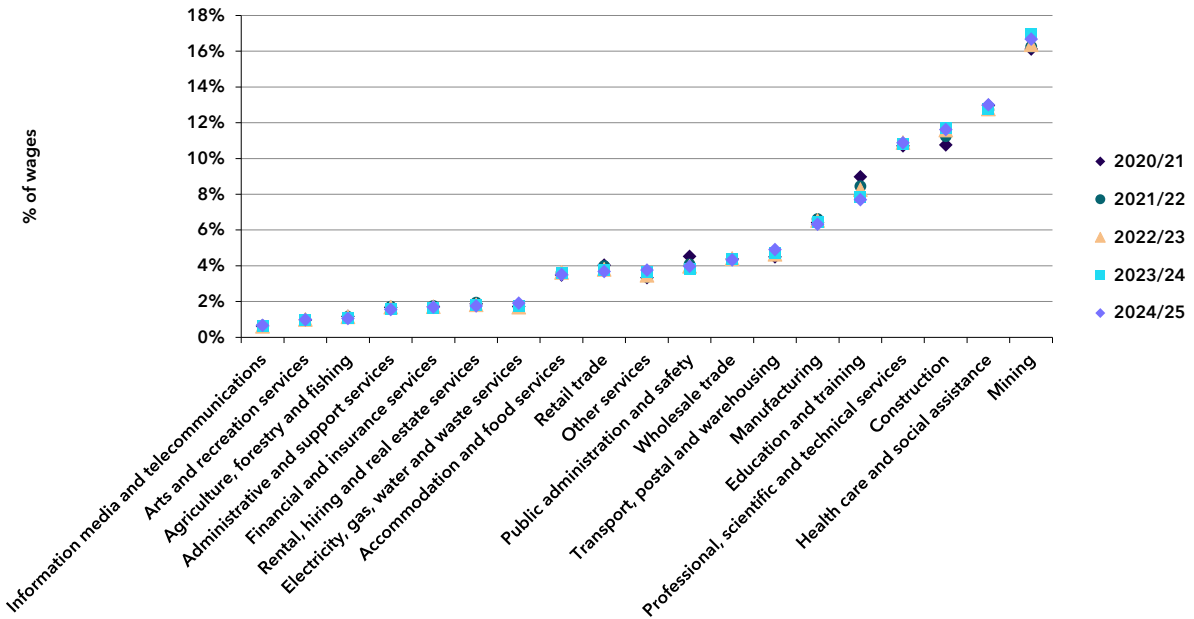
Industry premium rate by accident year as % of aggregate premium rate

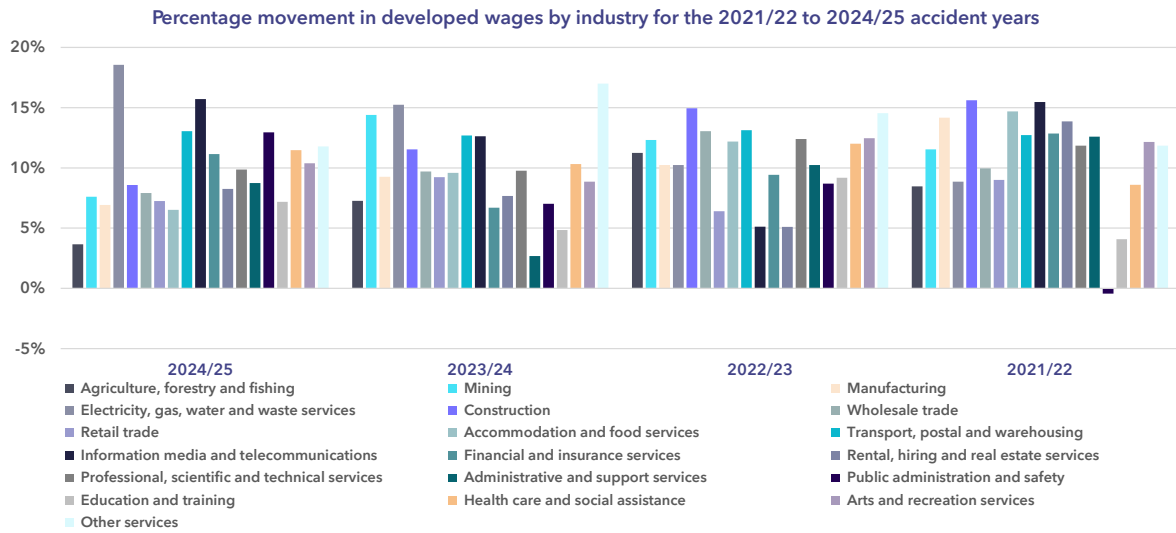


Percentage of wages by industry for the 2024/25 accident year only



Percentage of wages by industry for the 2020/21 to 2024/25 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							
	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Adjusted written wages \$M (a)	136,814	124,065	113,414	101,277	92,326	84,690	82,532	78,088
% change (b)	10.3%	9.4%	12.0%	9.7%	9.0%	2.6%	5.7%	
% change in rates (c)	0.3%	-5.2%	6.9%	4.0%	-0.4%	3.7%	3.9%	3.2%
Notional premium \$M (d)	2,317.7	2,112.0	2,062.2	1,672.1	1,481.1	1,367.4	1,263.9	1,151.2
% change (e)	9.7%	2.4%	23.3%	12.9%	8.3%	8.2%	9.8%	
Expected % change in notional prem (f)	10.6%	3.7%	19.8%	14.1%	8.6%	6.5%	9.9%	
Returned Gross Written Premium (g)	2,042.2	1,955.9	1,843.3	1,614.7	1,426.9	1,248.5	1,164.3	1,075.0
Adjusted Gross Written Premium (h)	2,409.2	2,160.0	1,973.5	1,637.6	1,435.8	1,251.8	1,163.5	1,075.0
% discount by market (i)	-1.1%	0.8%	7.1%	4.8%	5.8%	11.4%	10.8%	9.6%
Notional Average Premium Rate (j)	1.69%	1.70%	1.82%	1.65%	1.60%	1.61%	1.53%	1.47%
Insurer's average premium rate (k)	1.76%	1.74%	1.74%	1.62%	1.56%	1.48%	1.41%	1.38%

Notes: (a) from Form WC12 adjusted to estimated final written wages as per Appendix C.2

(b) % change in (a) from previous year

(c) rate change as decided by RPR

(e) % change in (d) from previous year

(f) = $(1 + b) \times (1 + c) - 1$

(g) returned by insurers taken from Form WC12

(h) = (g) x (GWP adjustment factor as per Appendix C.2)

(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

(j) = (d) / (a)

(k) = (h) / (a)

Wages for 2024/25 increased by 10.3%, compared to AWE growth of 2.6% i.e., 7.7% higher than AWE.

In most years except 2022/23, the expected percentage change in returned notional premiums has been reasonably close to the actual change (within 2%).

Insurer premium discount to recommended premium rates was 9.6% in 2018. In 2019, the discount was 10.8%, before increasing to 11.4% in 2020. In 2021, insurer premium discounts to recommended premium rates decreased to 5.8% and in 2022 they decreased further to 4.8%, before increasing to 7.1% for 2023. In 2024, insurer premium discounts to recommended premium rates decreased to 0.8%, lower than all prior years. In 2025, the insurer premium discount further decreased to **-1.1%**, indicating gross written premiums were **higher** than notional premiums.

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 7% to 9% of the total RPR wages.

	Reporting period							
	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Wage & salary earners (000s) (a)	1,372.5	1,313.5	1,279.9	1,209.4	1,122.6	1,113.4	1,113.7	1,074.8
% change (b)	4.5%	2.6%	5.8%	7.7%	0.8%	0.0%	3.6%	
Estimated RPR employees (c)	1,269.5	1,210.0	1,176.9	1,106.9	1,017.3	1,010.5	1,015.2	980.3
Gross ABS earnings \$M (d)	132,300	122,234	113,247	102,427	93,853	89,498	85,919	83,625
Estimated gross RPR earnings \$M (e)	122,377	112,600	104,131	93,746	85,047	81,230	78,323	76,270
% change (f)	8.7%	8.1%	11.1%	10.2%	4.7%	3.7%	2.7%	
RPR adjusted earned wages (g)	132,408	121,172	109,690	98,272	88,837	83,998	81,334	78,156
Earned wages % of est gross earnings (h)	108.2%	107.6%	105.3%	104.8%	104.5%	103.4%	103.8%	102.5%
Est RPR employees % of wage & salary earners (i)	92.5%	92.1%	92.0%	91.5%	90.6%	90.8%	91.2%	91.2%
Agriculture wages as % of total RPR wages (j)	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%
Self insurer wages as % of total RPR wages (k)	7.5%	7.9%	8.1%	8.5%	9.4%	9.3%	8.9%	8.9%

Notes: (a) = from ABS Cat 6248.0.55.002 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 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 WC12 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 H.1.4 and equivalent in earlier reports
 (k) = Self insurers as % of total RPR + self insurers wages

In 2024/25 adjusted earned wages increased by 9.3%, which is 6.7% more than that of AWE inflation.

Adjusted earned wages as a percentage of ABS data are all above 100%, between 102.5% and 108.2%. 2024/25 adjusted earned wages are 8.2% 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							
	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18
Claim payments \$M (a)	1,513.6	1,307.6	1,165.0	1,080.3	963.1	898.1	837.6	847.8
% change (b)	15.8%	12.2%	7.8%	12.2%	7.2%	7.2%	-1.2%	
Real claim payments \$M (c)	1,525.0	1,351.5	1,260.1	1,224.6	1,123.6	1,078.9	1,027.8	1,055.5
% change (d)	12.8%	7.3%	2.9%	9.0%	4.1%	5.0%	-2.6%	
Estd incurred claim numbers (e)	26,996	26,604	25,417	24,645	25,004	23,912	25,114	25,914
% change (f)	1.5%	4.7%	3.1%	-1.4%	4.6%	-4.8%	-3.1%	
Claim frequency (g)	2.1%	2.2%	2.2%	2.2%	2.5%	2.4%	2.5%	2.6%
Active claims (h)	22,538	21,640	20,334	20,110	20,082	17,907	18,641	18,002
% change (i)	4.1%	6.4%	1.1%	0.1%	12.1%	-3.9%	3.5%	
Case estimates outstanding \$M (j)	1,615.0	1,422.9	1,234.9	1,139.8	1,083.9	908.2	875.7	882.2
% change (k)	13.5%	15.2%	8.3%	5.2%	19.3%	3.7%	-0.7%	
Real case estimates outstanding \$M (l)	1,615.0	1,459.7	1,299.8	1,265.1	1,245.4	1,067.9	1,064.7	1,094.5
% change (m)	10.6%	12.3%	2.7%	1.6%	16.6%	0.3%	-2.7%	

Notes: (a) from Form WC20 returned by insurers
 (b) % change in (a) from previous year
 (c) = (a) indexed into 30 June 2025 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 2025 values
 (m) % change in (l) from previous year

- Real claim payments decreased from \$1,056 million in 2017/18 to \$1,028 million in 2018/19. Over 2019/20 to 2024/25, real claim payments have increased to \$1,525 million. Over 2017/18 to 2024/25, payments have increased 44.5% in total or 5.4% per annum
- Estimated incurred claim numbers decreased from 25,914 in 2017/18 to 23,912 in 2019/20, followed by increases to 26,996 claims in 2024/25.
- Claim frequency as a percentage of employees steadily decreased from 2.6% in 2017/18 to 2.1% in 2024/25.
- Active claims generally decreased from 18,002 in 2017/18 to 17,907 in 2019/20, before a significant increase in active claims to 20,082 in 2020/21, followed by further increases to 22,538 in 2024/25.
- Real case estimates outstanding generally decreased from \$1,095 million in 2017/18 to \$1,068 million in 2019/20. They increased significantly by 16.6% to \$1,245 million in 2020/21 and have been increasing since to \$1,615 million in 2024/25. Over the whole period, real case estimates increased by 47.6% or 5.7% 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 are for claims that were negotiated prior to 1 July 2024 but only closed after.

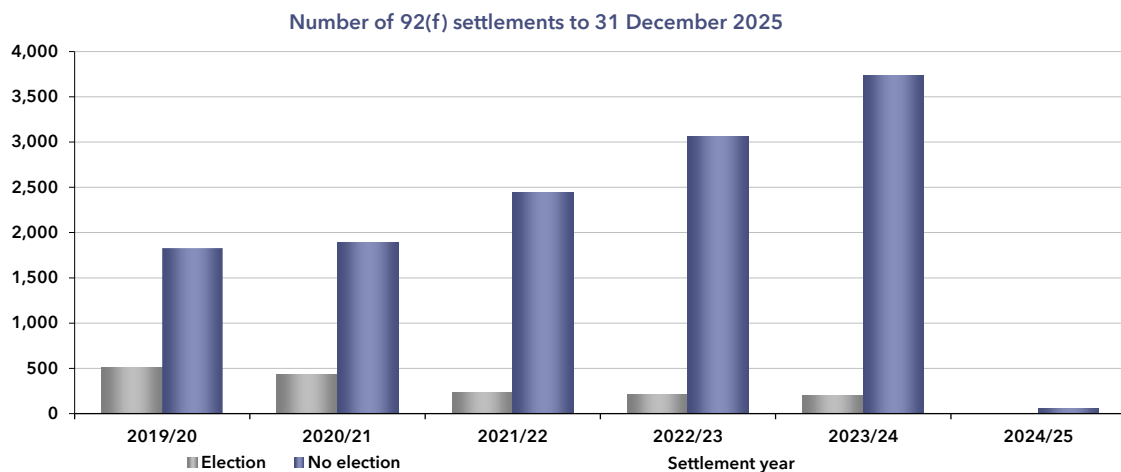
Section 92(f) was in the previous Act since 1981, however the use of this settlement pathway escalated significantly since 2007/08. The intention of the section was to allow common law claims to be settled prior to the matter going to trial and close the claim off to any further common law action.

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 income compensation 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 2019/20 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 2019/20 to 2023/24 was 68%, or an equivalent annual rate of 14%. There were 55 92(f) settlements made in 2024/25.

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 3,733, an increase from 3,060 for the 2022/23 year. Meanwhile settlements with an election application decreased from 212 to 199 between 2022/23 to 2023/24. All 55 settlements made in 2024/25 were without an election application.

The average size of 92(f) settlement payments with an election has increased from \$133,800 in 2019/20 to a peak of \$332,600 in 2022/23, before decreasing to \$315,800 for 2023/24.

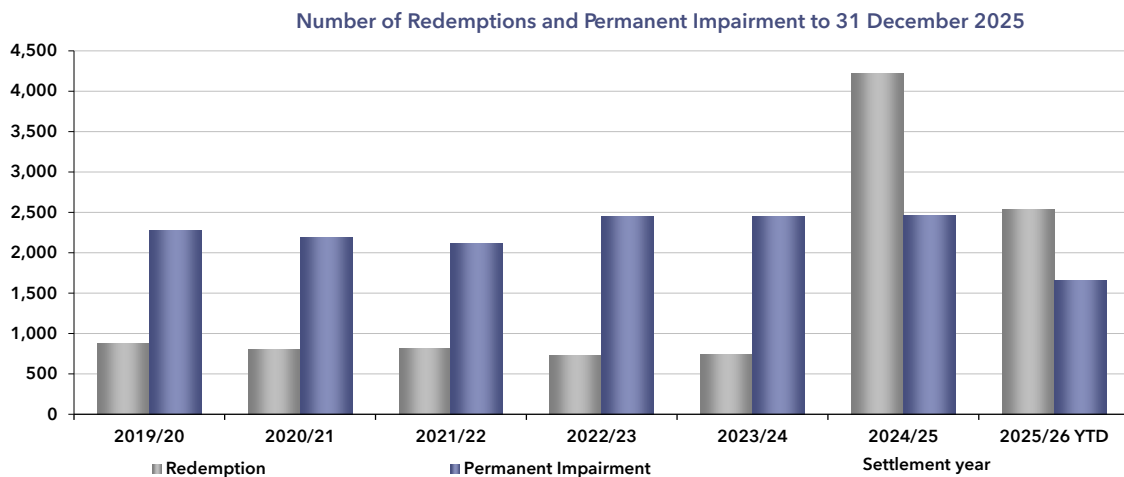
The average size of 92(f) settlement payments without an election increased from \$55,400 for those lodged in 2019/20 to \$65,900 for those lodged in 2023/24, an average annual increase of 4.4%. The average size of 92(f) settlements made in 2024/25 is 28,900.

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 and 2025/26 YTD.

The chart below shows that the recorded number of redemptions and permanent impairment payments to 31 December 2025:



Over the period shown, the number of redemptions have decreased from 873 in 2019/20 to 743 in 2023/24, before increasing significantly to 4,218 in 2024/25 as a result of the removal of Section 92(f) settlements under the 2023 Act.

The number of permanent impairments decreased from 2,277 in 2019/20 to 2,121 in 2021/22, followed by an increase to 2,454 in 2022/23, where it has remained stable over 2023/24 and 2024/25.

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 \$37,900 for those lodged in 2019/20 to \$33,800 for those lodged in 2022/23, followed by an increase to \$37,700 for 2023/24. The average size of redemptions lodged in 2024/25 is higher at \$44,700, due to new payment types under the 2023 Act.

The average size of 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. The average size of permanent impairment payments in 2024/25 was higher at \$19,400.

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 time lost, and the most recent estimate as at 30 June 2025 (which is based on data to 31 December 2025). The original estimates are as at 30 September following the end of the financial year.

	Financial reporting year							
	2018	2019	2020	2021	2022	2023	2024	2025
Original estimate of claims with 60+ days time lost	5,455	5,789	5,760	6,646	6,604	7,223	7,815	8,571
Original 60+ % of Total	22%	23%	24%	27%	27%	29%	29%	32%
Current estimate of claims with 60+ days time lost	4,588	4,756	4,907	5,604	5,706	6,086	6,931	8,571
Current 60+ % of total	18%	19%	21%	23%	23%	24%	26%	32%

This table shows that:

- There has been an increasing trend in the proportion of claims initially reported with more than 60 days time lost since the 2018 financial year
- As a lodgement year matures, the estimate of the proportion of claims with more than 60 days time lost reduces.

In the 2026/27 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													2025/26
Age	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	YTD
<20	5.0%	4.7%	4.1%	3.5%	3.5%	3.4%	3.1%	3.8%	4.3%	4.5%	4.1%	3.8%	3.4%
20 to 24	11.5%	10.9%	10.1%	9.7%	9.4%	9.4%	9.0%	8.8%	9.8%	9.4%	9.0%	8.7%	8.9%
25 to 29	12.9%	12.5%	12.0%	10.9%	11.0%	10.7%	10.4%	10.4%	10.5%	10.2%	10.9%	11.2%	12.0%
30 to 34	10.9%	10.9%	11.1%	11.1%	10.8%	10.9%	10.6%	10.1%	10.3%	10.2%	10.5%	10.9%	11.3%
35 to 39	9.6%	9.2%	9.6%	9.7%	9.5%	10.1%	9.8%	9.7%	9.9%	10.2%	10.4%	10.6%	10.6%
40 to 44	11.3%	10.9%	10.8%	10.7%	10.1%	9.6%	9.9%	9.9%	9.6%	9.9%	10.0%	10.2%	10.6%
45 to 49	11.2%	11.5%	11.5%	12.3%	12.5%	11.8%	12.0%	11.4%	10.6%	10.0%	10.1%	9.7%	9.7%
50 to 54	11.2%	11.6%	11.8%	11.8%	12.1%	12.1%	12.2%	12.0%	11.9%	12.0%	11.7%	11.2%	10.7%
55 to 59	8.9%	9.4%	9.8%	10.6%	11.2%	11.1%	11.5%	11.7%	11.0%	10.9%	10.5%	10.8%	10.5%
60 to 64	5.6%	6.0%	6.5%	6.9%	7.2%	7.7%	8.2%	8.3%	8.1%	8.5%	8.2%	8.2%	7.8%
65+	2.1%	2.3%	2.6%	2.8%	2.8%	3.2%	3.4%	3.8%	3.9%	4.2%	4.7%	4.6%	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 2013/14, there has been an increasing trend in the proportion of claimants over 60, from 7.6% to 12.8% in 2024/25. The proportion in the half year to December 2025 is at 12.2%.

The average claim size table below shows that the average claim size generally increases by age, with claimants aged 34 and younger typically 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 60% in 2013/14 to 67% in 2020/21 before reducing slightly to around 65% over 2021/22 to 2024/25. 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.

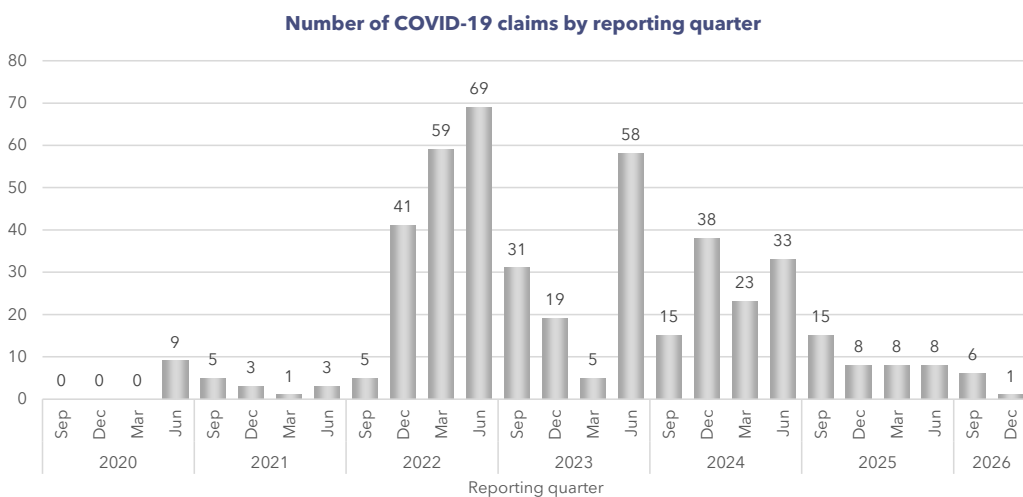
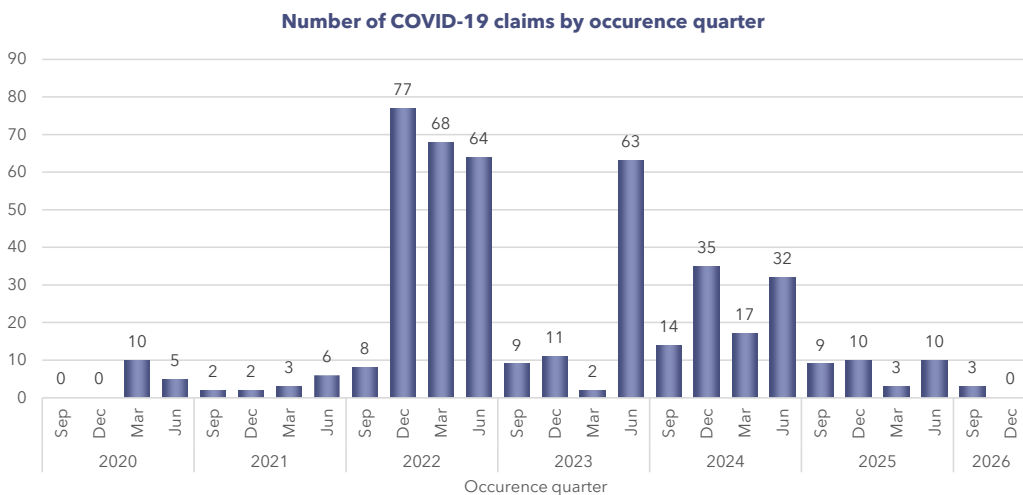
Average claim size based on payments plus case estimates, no allowance for actuarial development													2025/26
Age	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	YTD
<20	6,830	7,034	13,096	10,596	13,856	10,019	16,607	12,535	14,455	17,108	17,212	21,410	28,203
20 to 24	12,771	13,935	14,215	16,180	15,911	21,331	20,124	20,149	22,089	26,040	27,301	30,141	35,929
25 to 29	17,470	18,514	22,540	21,724	22,360	28,328	30,236	31,602	32,843	34,376	43,030	41,047	40,951
30 to 34	25,293	25,098	26,019	28,574	28,801	35,249	35,829	39,031	45,404	48,845	50,276	50,502	46,554
35 to 39	25,970	29,022	33,235	37,385	37,631	43,805	46,861	49,851	48,943	60,393	57,414	58,306	48,448
40 to 44	33,761	37,493	33,616	41,023	43,506	44,452	51,361	50,806	51,292	58,534	59,125	61,532	53,321
45 to 49	37,027	38,330	37,729	43,457	41,633	52,034	51,807	59,340	61,597	68,154	67,672	64,724	58,829
50 to 54	34,938	37,573	39,657	42,623	48,221	52,226	53,455	60,493	69,293	73,209	70,814	65,050	57,496
55 to 59	37,297	40,608	38,926	38,665	42,518	49,315	55,282	62,093	67,178	72,848	78,801	71,192	54,056
60 to 64	33,621	35,891	43,557	44,417	44,702	52,714	54,223	56,622	64,014	73,332	75,357	69,954	55,761
65+	29,008	31,682	36,509	34,633	39,444	45,317	49,886	58,972	58,880	68,589	68,927	72,329	60,679
Total	26,940	29,146	31,026	34,000	35,618	41,361	44,146	47,613	50,403	56,319	57,807	56,385	49,720

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 2025 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 2025

From the individual claims data (for RPR returning entities) up to 31 December 2025 received this year, there were 463 COVID-19 virus related claims that have been reported. This includes 129 disallowed or withdrawn claims. This compares to 436 claims known as at 31 December 2024 of which 125 were disallowed or withdrawn. The chart below shows the distribution of claims based on occurrence and reporting quarter respectively, including disallowed or withdrawn claims.

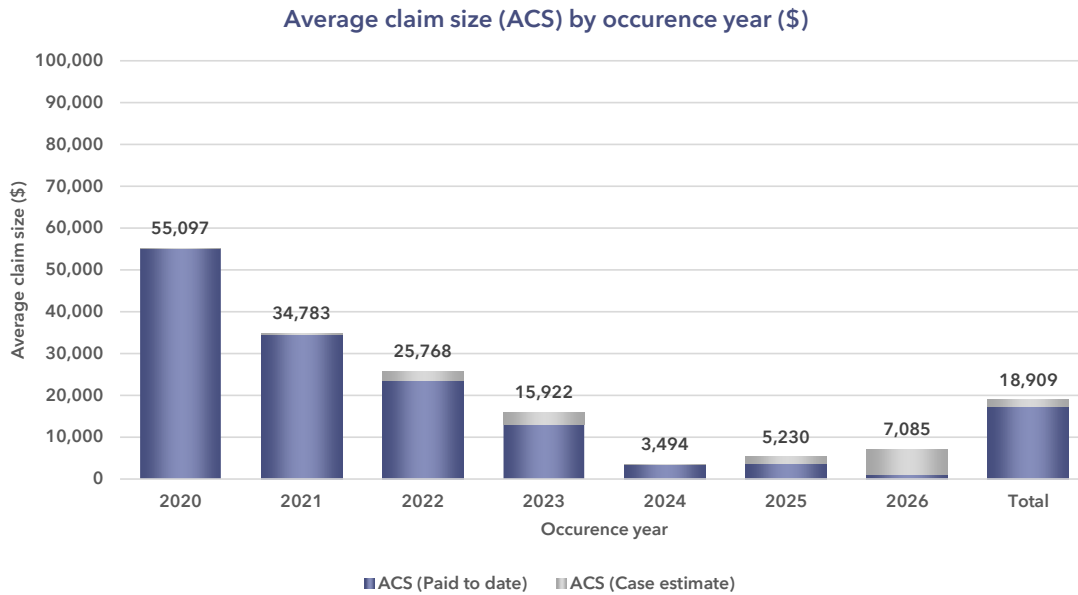


Most COVID-19 claims occurred and were reported over the quarters in the 2022 financial year. This is in line with our expectation, as there was a surge in COVID-19 cases from the reopening of WA state border. There was a second spike in claims in the June 2023 quarter, most of which were

from the class 84010 - Hospitals (except psychiatric hospitals). 77% of claims incurred from 1 April 2023 relate to class 84010 or class 84020 - Psychiatric hospitals.

Out of 463 claims reported, only 306 (66%) 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 in which the lowest scenario estimated at least 400 claims per year.

The chart below shows the average claim size by occurrence (accident) years.



We note the year-on-year average claim size (ACS), based on reported incurred costs as at 31 December 2025, is generally decreasing, from \$55,100 in 2020 to just over \$7,000 for 2026 claims.

The overall reported average claim cost for all claims to 31 December 2025 is approximately \$18,900. 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

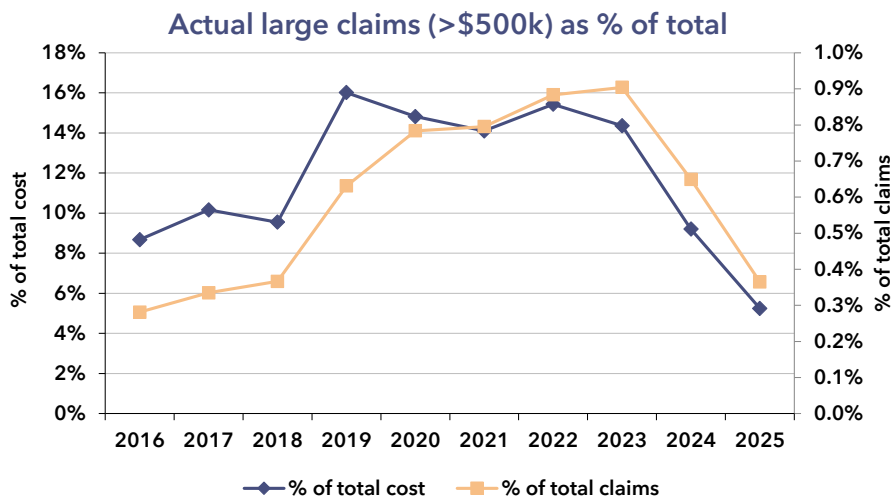
We used the individual claim data file supplied by WorkCover WA to monitor emerging trends in large claims.

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 2024 and 2025 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:

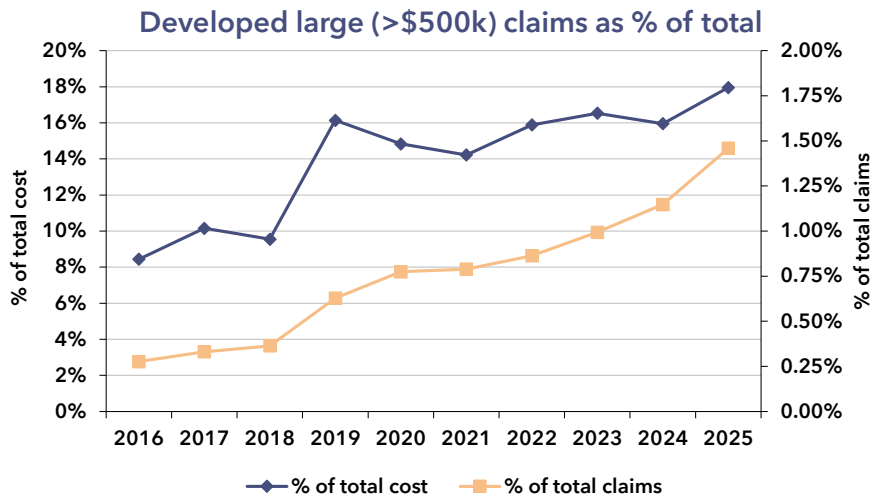
- large claims are an increasing percentage of total claims and total costs over time, reflecting general trends in claim inflation
 - the cost of large claims has increased from around 9% for 2016 to around 16% for 2022 and 2023 on a developed basis
 - the number of large claims has increased from around 0.3% for 2016 to around 0.9% for 2022 and 2023 on a developed basis
- the number of large claims has increased from 80 in 2016 to over 250 for 2023 on a developed basis
- there is no trend in the average size per large claim across the accident years. Actual costs per large claim have ranged from \$804,000 to \$1,014,000
- aggregate large claim cost has increased from \$74 million in 2016 to over \$230 million for 2023 on a developed basis, in actual values.

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



From 2016 to 2018, the actual number of large claims increased from 0.28% to 0.37% of total claims. From 2018 there was a strong increasing trend in the number of large claims as a percentage of all claims, to 0.90% in 2023. 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 2025 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 2016 and 2018, from 0.28% to 0.36%, before then experiencing a strong increasing trend, to 0.99% in 2023. The total cost of the large claims follows a similar trend, increasing from 8.45% of total claim costs in 2016 to 9.55% in 2018, before then increasing to 16.53% in 2023. At this early stage, 2025 may be higher than all prior years, 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 2025. 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 2025						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2016	80	2	73.3	0.3	73.6	920
2017	87	5	84.0	1.8	85.9	987
2018	93	7	81.6	1.0	82.6	888
2019	155	16	148.5	8.7	157.2	1,014
2020	183	34	138.6	10.0	148.6	812
2021	194	70	131.1	27.9	159.0	820
2022	212	122	121.2	60.8	182.0	859
2023	223	183	98.2	98.0	196.1	879
2024	167	160	53.6	80.9	134.5	806
2025	94	92	18.9	56.7	75.6	804
Total	1,488	691	949.0	346.2	1,295.2	870

Claims over \$1,000,000

WA workers compensation claims over \$1.0M as at 31 December 2025						
Accident year	Number reported	Number active	Cumulative paid (\$m)	Estimated outstanding (\$m)	Total cost (\$m)	Average cost (\$000)
2016	17	0	30.1	0.0	30.1	1,768
2017	26	0	45.2	0.0	45.2	1,738
2018	27	0	37.4	0.0	37.4	1,385
2019	44	7	77.1	5.6	82.7	1,879
2020	35	4	46.0	2.5	48.4	1,384
2021	37	15	39.7	11.4	51.1	1,380
2022	44	25	37.4	27.7	65.2	1,481
2023	40	37	24.3	47.7	72.0	1,801
2024	25	25	10.7	29.6	40.2	1,610
2025	13	13	3.3	17.7	21.0	1,618
Total	308	126	351.1	142.2	493.3	1,602

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

Claims over \$500,000

Comparison - actual data										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of claims:										
Claims > \$500k	94	167	223	212	194	183	155	93	87	80
RPR returning entities	25,758	25,723	24,666	23,995	24,388	23,354	24,566	25,372	25,990	28,466
large claim frequency	0.36%	0.65%	0.90%	0.88%	0.80%	0.78%	0.63%	0.37%	0.33%	0.28%
Paid to date (\$m)										
Claims > \$500k	18.9	53.6	98.2	121.2	131.1	138.6	148.5	81.6	84.0	73.3
RPR returning entities	818.6	1,135.7	1,178.2	1,084.7	1,084.3	983.9	969.5	860.6	841.2	844.3
% of total cost	2.30%	4.72%	8.33%	11.17%	12.09%	14.09%	15.32%	9.48%	9.99%	8.68%
Total cost to date (\$m)										
Claims > \$500k	75.6	134.5	196.1	182.0	159.0	148.6	157.2	82.6	85.9	73.6
RPR returning entities	1,440.3	1,462.4	1,365.8	1,179.4	1,127.5	1,002.9	981.8	865.3	845.1	848.4
% of total cost	5.25%	9.20%	14.36%	15.43%	14.10%	14.82%	16.01%	9.55%	10.16%	8.68%
ACS (\$000)	804	806	879	859	820	812	1,014	888	987	920

Comparison - Developed data										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of claims:										
Claims > \$500k	394	305	252	213	197	185	158	94	88	80
RPR returning entities	26,996	26,604	25,417	24,645	25,004	23,912	25,114	25,914	26,524	29,009
% of total claims	1.46%	1.15%	0.99%	0.86%	0.79%	0.77%	0.63%	0.36%	0.33%	0.28%
Total cost to date (\$m)										
Claims > \$500k	340.6	258.1	233.7	191.3	164.7	151.3	160.8	84.1	86.8	73.9
RPR returning entities	1,896.8	1,617.1	1,413.4	1,204.1	1,157.8	1,020.3	995.8	880.0	854.7	874.6
% of total cost	17.96%	15.96%	16.53%	15.89%	14.22%	14.83%	16.14%	9.55%	10.15%	8.45%

Claims over \$1,000,000

Comparison - Actual data										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of claims:										
Claims > \$1m	13	25	40	44	37	35	44	27	26	17
RPR returning entities	25,758	25,723	24,666	23,995	24,388	23,354	24,566	25,372	25,990	28,466
large claim frequency	0.05%	0.10%	0.16%	0.18%	0.15%	0.15%	0.18%	0.11%	0.10%	0.06%
Paid to date (\$m)										
Claims > \$1m	3.3	10.7	24.3	37.4	39.7	46.0	77.1	37.4	45.2	30.1
RPR returning entities	818.6	1,135.7	1,178.2	1,084.7	1,084.3	983.9	969.5	860.6	841.2	844.3
% of total cost	0.41%	0.94%	2.06%	3.45%	3.66%	4.67%	7.95%	4.34%	5.37%	3.56%
Total cost to date (\$m)										
Claims > \$1m	21.0	40.2	72.0	65.2	51.1	48.4	82.7	37.4	45.2	30.1
RPR returning entities	1,440.3	1,462.4	1,365.8	1,179.4	1,127.5	1,002.9	981.8	865.3	845.1	848.4
% of total cost	1.46%	2.75%	5.27%	5.53%	4.53%	4.83%	8.42%	4.32%	5.35%	3.54%

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 2025 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 adjustment	The adjustment added to the central estimate to reflect uncertainty in cash flows arising from non-financial risk.

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>

