



**Insurance Commission  
of Western Australia**

# **2024**

## **End of Year Performance Report**

**[icwa.wa.gov.au](https://icwa.wa.gov.au)**

## END-OF-YEAR PERFORMANCE REPORT

The Insurance Commission's end-of-year performance report presents unaudited financial and non-financial information to transparently provide our stakeholders with an early indication of performance for the 2023-24 financial year (herein referred to as 2024).

The Insurance Commission generated \$2.2 billion in revenue and earnings in 2024. We received over 40,000 new insurance claims during the financial year and managed claims valued at \$5.9 billion. This includes payments of \$1 billion to individuals, service providers and agencies, and estimated future claims liabilities of \$4.9 billion.

The Insurance Commission's core operations (excluding the RiskCover Fund) recorded a profit before tax of \$644.1 million, compared to the \$681 million profit recorded in 2023. The 2024 profit was the result of a healthy underwriting performance from the motor injury insurance funds and a sizeable investment income of \$475.8 million. The after-tax result was a profit of \$462 million.

The Insurance Commission's core underwriting profit of \$261.7 million was largely due to the overall favourable claims experience in the motor injury insurance funds and an increase in discount rates (based on Government Bond rates) during the year, which had the effect of reducing the expected value of future claim costs.

The strong financial performance has resulted in a solvency level of 138.6% for the Insurance Commission. The Insurance Commission's equity (net assets) increased from \$2.1 billion at 1 July 2023 to \$2.2 billion at 30 June 2024.

The RiskCover Fund recorded an operating loss of \$10 million, after an underwriting loss of \$77.4 million partly offset by an investment income of \$67.4 million. The Fund's underwriting loss reflects the increased claims costs in the workers' compensation, property and liability insurance classes.

The unaudited end-of-year financial statements are included as part of this report. The full audited 2024 Annual Report will be tabled in Parliament in September and published on the Insurance Commission's website.

### Investments

The financial year saw a blend of economic resilience and market volatility, influenced by both domestic factors and global conditions. Restrictive monetary policy began to weigh on growth in most advanced economies and conditions in labour markets eased, although generally remain tight. Inflation remained above central bank targets in most economies, but has moderated markedly from prior peaks.

Geopolitics remained a significant influence on market movements and sentiment, in particular the continued conflicts in Eastern Europe and the Middle East; and tense relations between the US and China. Election campaigns have also influenced markets with eight of the world's ten most-populous nations voting in calendar year 2024.

This macroeconomic environment resulted in volatile financial markets over the year. Growth assets generally outperformed Defensive assets, largely due to the strong performance of listed Equities, with the US technology sector leading the way.

The Insurance Commission's diversified investment portfolio delivered a solid performance, posting a 6.8% return over the financial year. Despite the positive returns, the Insurance Commission's longer-term performance of 5.9% per annum remains modestly below the CPI+3% rolling seven-year target return of 6.3% per annum.

The Motor Vehicle (Catastrophic Injuries) Fund (MVCIF) has delivered a seven-year return of 5.5% per annum, underperforming its CPI+3.25% rolling seven-year return target of 6.5% per

annum. This underperformance is largely due to the conservative phased approach to investing in the Fund's initial years.

The total value of investment funds held by the Insurance Commission increased from \$7 billion at 30 June 2023 to \$7.6 billion at 30 June 2024. The total value of assets held by the Insurance Commission at 30 June 2024 was \$8.1 billion.

### **Motor Injury Insurance**

The Insurance Commission is the sole underwriter of motor injury insurance in Western Australia. One motor injury insurance policy is governed by two Acts of Parliament: the *Motor Vehicle (Third Party Insurance) Act 1943* and *Motor Vehicle (Catastrophic Injuries) Act 2016*.

The policy provides owners and drivers of WA registered vehicles with an unlimited indemnity against personal injury claims for injuries they cause to others in motor vehicle crashes, known as Compulsory Third Party (CTP) insurance. The Insurance Commission provides compensation to claimants where the fault of a third party in a crash causing injury can be identified.

The policy also provides no-fault, first party cover to people for catastrophic injuries they may sustain in a car crash, in circumstances where they are unable to find another driver at fault. This is known as Catastrophic Injuries Support (CIS) insurance.

The policy is issued to motorists along with motor vehicle registration by the Department of Transport that collects premium payments on behalf of the Insurance Commission. The combination of CTP and CIS insurance cover is known as motor injury insurance (MII).

The Insurance Commission received almost \$1 billion in MII premium revenue for approximately 3.3 million insured vehicles (including caravans and trailers) in 2024. We managed car crash claims valued at \$3.9 billion, consisting of \$540.3 million in claim payments to people injured in motor vehicle crashes (mostly from prior years) and \$3.4 billion in anticipated future claims expenses at 30 June 2024.

The TPIF is the fund for the CTP scheme, and the MVCIF is the fund for the CIS scheme.

The TPIF recorded an underwriting profit of \$82.6 million for the financial year, compared to the \$78.9 million profit in 2023. The result was primarily due to a lower than expected increase in claims costs driven by an increase in discount rates and a lower number of outstanding claims at the end of financial year compared to 2023. The TPIF's profit before tax was \$342.5 million, after investment income of \$275.9 million. The Fund's after-tax result was a profit of \$244.2 million.

The MVCIF recorded an underwriting profit of \$184.1 million, compared to the \$145.4 million profit in 2023. The favourable result was also driven by an increase in the long-term discount rate and fewer new scheme participants with catastrophic injuries than anticipated, resulting in a decrease in future claims costs. This outcome was partly offset by higher than forecast medical and care costs inflation. The MVCIF delivered a profit before tax of \$281.9 million (\$201.6 million post-tax profit), after investment income of \$103.3 million.

### **RiskCover Fund**

The RiskCover Fund is the self-insurance funding arrangement for most WA Government public authorities (agencies). The RiskCover Fund provides cover for most agency insurable risk exposures, including:

- workers' compensation;
- loss or damage to property;
- cyber risk;
- legal liability cover for general, professional and medical treatment; and
- personal accidents.

The RiskCover Fund recorded an underwriting loss of \$77.4m, compared to the budgeted loss of \$39.2 million and \$94.9 million loss in 2023. The underwriting loss was mainly attributable to the continued increase in claims costs driven by an increase in the number and cost of new claims in workers compensation, property and liability (general and medical treatment) insurance classes.

The RiskCover Fund recorded an operating loss of \$10 million for the year, after investment income of \$67.4 million. The Insurance Commission invests RiskCover funds under the same arrangements used for the investment of most other funds managed by the Insurance Commission. The Fund's solvency level at 30 June 2024 was 107.6%.

### **Contributions to Government**

As a Government Trading Enterprise, the Insurance Commission seeks to deliver a return to its shareholder while delivering efficient and equitable insurance services to Western Australian motorists, claimants, and government agencies.

In December 2023, the Insurance Commission paid a final dividend to Government of \$36 million in respect of the 2023 financial year. In light of the strong financial performance during 2023, the Insurance Commission also paid a special dividend of \$109.7 million. This is in addition to the interim dividend of \$26 million that was paid in June 2024. The total dividend paid during the 2024 financial year is \$171.7 million.

In November 2023, the Insurance Commission also transferred \$146 million and \$55.2 million from the Third Party Insurance Fund to the Government Insurance and RiskCover Funds respectively. These transfers are to fund historic child sexual abuse claims that would otherwise have to be funded from the Government's Consolidated Account. The transfer to the Government Insurance Fund will effectively eliminate a liability that had been drawing from the Consolidated Account, and is now in a positive net asset position.

During the period, the Insurance Commission has also paid \$109.9 million in insurance duty and \$36.1 million of tax equivalents to the WA Government.

As a result of these payments and transfers, the Insurance Commission will have contributed \$518.9 million to the State Government during 2024.

At 30 June 2024, the Insurance Commission held assets that contribute to a State net debt reduction of \$5 billion.

Sincerely,



**ROD WHITHEAR**  
**CHIEF EXECUTIVE**

## ACTUAL PERFORMANCE COMPARED TO BUDGET AT 30 JUNE 2024

### Insurance Commission

	Actual \$'000	Budget \$'000	Variance \$'000
Net Premium Revenue	985,047	954,635	30,412
Net Claims Incurred	(645,649)	(974,466)	328,817
Underwriting and Administration Expenses	(77,691)	(74,782)	(2,909)
<b>Underwriting Profit/(Loss)</b>	<b>261,707</b>	<b>(94,613)</b>	<b>356,320</b>
Investment Income	475,801	443,664	32,137
Investment Expenses	(27,844)	(24,493)	(3,351)
RiskCover Fund Investment Return	(67,463)	(82,260)	14,797
Other	1,882	147	1,735
<b>Profit Before Tax Equivalent</b>	<b>644,083</b>	<b>242,445</b>	<b>401,638</b>
Income Tax Equivalent Expense	(182,102)	(72,733)	(109,369)
<b>Profit After Tax Equivalent</b>	<b>461,981</b>	<b>169,712</b>	<b>292,269</b>
Other Comprehensive Income After Tax Equivalent	56	-	56
<b>Total Comprehensive Income After Tax Equivalent</b>	<b>462,037</b>	<b>169,712</b>	<b>292,325</b>

**Total Equity (as per Balance Sheet)**

**2,249,285**

	Actual	Budget	Variance
Investment Rolling 7-Year Return (%) - Main Fund	5.9	6.3	(0.4)
Investment Rolling 7-Year Return (%) - MVCIF	5.5	6.5	(1.0)
Annual Investment Rate of Return (%) - Main Fund	6.8	6.2	0.6
Annual Investment Rate of Return (%) - MVCIF	6.9	6.5	0.4
Solvency Level (%)	138.6	132.7	5.9

These financial results are unaudited and not for further release, publication or distribution in whole or part.

## ACTUAL PERFORMANCE COMPARED TO BUDGET AT 30 JUNE 2024

### RiskCover Fund

	Actual \$'000	Budget \$'000	Variance \$'000
Net Premium Revenue	589,734	453,098	136,636
Net Claims Incurred	(622,827)	(452,966)	(169,861)
Underwriting and Administration Expenses	(44,354)	(39,381)	(4,973)
<b>Underwriting Loss</b>	<b>(77,447)</b>	<b>(39,249)</b>	<b>(38,198)</b>
Investment Income	67,463	82,260	(14,797)
<b>(Loss)/Profit</b>	<b>(9,984)</b>	<b>43,011</b>	<b>(52,995)</b>

**Total Equity (as per Balance Sheet)**

**103,433**

	Actual	Budget	Variance
Solvency Level (%)	107.6	113.4	(5.8)
Net Loss Ratio (%)	105.6	100.0	(5.6)
Net Expense Ratio (%)	7.5	8.7	1.2
Net Combined Ratio (%)	113.1	108.7	(4.4)

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## FINANCIAL STATEMENTS

Statement of Comprehensive Income at 30 June 2024	Insurance Commission		Third Party Insurance Fund		Motor Vehicle (Catastrophic Injuries) Fund		RiskCover Fund	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Net Premium Revenue	985,047	931,662	756,776	710,659	228,039	220,852	589,734	407,083
Net Claims Incurred	(645,649)	(615,159)	(612,643)	(578,173)	(30,106)	(63,509)	(622,827)	(460,672)
Underwriting and Administration Expenses	(77,691)	(67,534)	(61,522)	(53,611)	(13,823)	(11,928)	(44,354)	(41,281)
<b>Underwriting Result</b>	<b>261,707</b>	<b>248,969</b>	<b>82,611</b>	<b>78,875</b>	<b>184,110</b>	<b>145,415</b>	<b>(77,447)</b>	<b>(94,870)</b>
Investment Income	475,801	529,109	275,927	329,278	103,318	101,369	67,463	73,665
Investment Expenses	(27,844)	(25,513)	(16,915)	(16,287)	(5,579)	(4,753)	-	-
RiskCover Fund Investment Return	(67,463)	(73,665)	-	-	-	-	-	-
Other	1,882	2,124	883	1,589	32	31	-	-
<b>Profit/(Loss) Before Tax Equivalent</b>	<b>644,083</b>	<b>681,024</b>	<b>342,506</b>	<b>393,455</b>	<b>281,881</b>	<b>242,062</b>	<b>(9,984)</b>	<b>(21,205)</b>
Income Tax Equivalent Expense	(182,102)	(171,632)	(98,279)	(101,154)	(80,303)	(68,138)	-	-
<b>Profit/(Loss) After Tax Equivalent</b>	<b>461,981</b>	<b>509,392</b>	<b>244,227</b>	<b>292,301</b>	<b>201,578</b>	<b>173,924</b>	<b>(9,984)</b>	<b>(21,205)</b>
Other Comprehensive (Expense)/Income after Tax Equivalent	56	(125)	-	-	-	-	-	-
<b>Total Comprehensive Income/(Loss) After Tax Equivalent</b>	<b>462,037</b>	<b>509,267</b>	<b>244,227</b>	<b>292,301</b>	<b>201,578</b>	<b>173,924</b>	<b>(9,984)</b>	<b>(21,205)</b>
<b>Balance Sheet at 30 June 2024</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>	<b>2024 \$'000</b>	<b>2023 \$'000</b>
<b>Assets</b>								
Cash and Cash Equivalents	45,265	20,554	-	-	2,886	7,774	13,157	11,194
Receivables	332,735	454,428	210,807	201,497	54,278	49,163	363,451	204,869
Current Tax Receivable	-	12,913	-	45,129	-	-	-	-
Investments	7,625,818	7,008,144	4,409,778	4,310,421	1,707,948	1,461,208	1,083,916	941,320
Deferred Premium Collection Costs	7,899	7,522	6,419	6,080	1,480	1,442	-	-
Right of Use Lease Assets	37,120	8,399	541	1,549	65	176	-	-
Plant and Equipment	2,949	2,120	-	-	-	-	-	-
Intangibles	16,112	12,881	-	-	-	-	-	-
Other Assets	4,543	4,553	-	-	-	-	-	-
<b>Total Assets</b>	<b>8,072,441</b>	<b>7,531,514</b>	<b>4,627,545</b>	<b>4,564,676</b>	<b>1,766,657</b>	<b>1,519,763</b>	<b>1,460,524</b>	<b>1,157,383</b>
<b>Liabilities</b>								
Payables	68,680	46,865	21,352	14,358	4,947	5,066	50,079	41,285
Financial Liabilities - RiskCover Fund Investments	1,083,916	941,320	-	-	-	-	-	-
Current Tax Payable	96,028	-	31,602	-	60,771	32,551	-	-
Outstanding Claims	3,960,173	3,871,040	2,716,093	2,601,481	922,805	920,827	1,307,012	1,057,914
Unearned Premium	383,136	365,443	294,903	279,178	88,233	86,093	-	-
Provisions	21,896	21,496	-	-	-	-	-	-
Lease Liabilities	41,859	10,351	893	1,923	107	220	-	-
Deferred Tax Liabilities	167,468	130,377	139,438	115,743	28,370	15,161	-	-
<b>Total Liabilities</b>	<b>5,823,156</b>	<b>5,386,892</b>	<b>3,204,281</b>	<b>3,012,683</b>	<b>1,105,233</b>	<b>1,059,918</b>	<b>1,357,091</b>	<b>1,099,199</b>
<b>Net Assets / Equity</b>	<b>2,249,285</b>	<b>2,144,622</b>	<b>1,423,264</b>	<b>1,551,993</b>	<b>661,424</b>	<b>459,845</b>	<b>103,433</b>	<b>58,184</b>

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