



**Insurance Commission
of Western Australia**

Mid-Year Performance Report 2017

Insurance Commission
of Western Australia

MID-YEAR PERFORMANCE REPORT

In the first half of the 2016-17 Financial Year (herein referred to as 2017), the Insurance Commission of Western Australia (Insurance Commission) and RiskCover received approximately 17,500 insurance claims and managed claims to a value of over \$765 million, combining current and past claims paid to injured people and Government agencies during 2017 (\$389 million), and booked future claims liabilities for new and outstanding claims (\$376 million).

The Insurance Commission and RiskCover generated more than \$750 million in revenue and earnings in 2017. The Insurance Commission's profit before tax was \$217.9 million for 2017, which was \$182.3 million better than budget.

These positive mid-year results were driven by strong investment performance during the first half of the year. The Insurance Commission recorded an investment return of 5.5% or \$241 million for the first half of 2017 Financial Year, after delivering 1.6% for the prior 12 months. If the same investment return is maintained through the second half of the 2017 Financial Year, the final result will represent a \$442 million turnaround in earnings compared to 2016.

The strong investment performance for the year to date reflects the financial market recovery from losses incurred following the decision of the United Kingdom to exit the European Union and the conclusion of the Presidential Election in the United States of America. While we always expect short-term material movements in international and Australian equities, financial volatility measures are currently showing the lowest volatility since 2007.

The unaudited half-year financial statements are available as **Appendix A** to this Report.

Contributions to Government

The Board's Dividend Policy and the *Insurance Commission of Western Australia Act 1986* balance the Insurance Commission's objective of delivering efficient and equitable insurance services to Western Australian motorists while providing a basis to deliver a dividend to the WA Government as the Insurance Commission's sole shareholder.

In January 2017, the Insurance Commission agreed to pay an interim dividend to Government of \$21.6 million. In addition to this, in light of the very strong financial performance of the Insurance Commission during 2017, the Insurance Commission agreed to pay an additional special dividend of \$95.3 million.

During 2017, the Insurance Commission paid tax of \$101 million and insurance/stamp duty of \$44 million to the WA Government.

As a result of these dividend and tax payments, in 2017 the Insurance Commission has contributed \$262 million (2016: \$275 million) to improving the General Government Net Operating Balance. The Insurance Commission has also contributed a further \$178 million in 2017 (2016: \$795 million) towards reducing State Net Debt.

Motor Injury Insurance

In 2017, we received over \$325 million in revenue in motor injury insurance premium payments for over 2.8 million insured vehicles.

In 2017, the Insurance Commission managed car crash claims to the value of \$539 million, consisting of \$279 million in claims payments to people injured in crashes, mostly in prior years, and anticipated future claims expenses of \$260 million.

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 the recently introduced *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 cover (from 1 July 2016) to more than 1.8 million motorists for catastrophic injuries. This is known as Catastrophic Injuries Support (CIS) insurance, which covers the cost of catastrophic injuries suffered by any person in a crash in WA, where they are either wholly at fault in the crash or unable to find another person at fault in the crash. It has been commonly referred to as 'no-fault catastrophic motor injury insurance'.

The policy is issued to motorists along with their motor vehicle registration by the Department of Transport and its agents who collect premium payments on behalf of the Insurance Commission.

The combination of CTP and CIS insurance cover is known as motor injury insurance.

The Third Party Insurance Fund (TPIF) is the financial fund for the CTP scheme, and the Motor Vehicle (Catastrophic Injuries) Fund is the financial fund for the CIS scheme. The Motor Injury Insurance Division manages the claims associated with both schemes.

In the first half of 2017, the TPIF recorded an underwriting profit of \$35 million, compared to a budgeted loss of \$5.2 million. This half-year result represented a \$40 million turnaround compared to an underwriting loss of \$5.2 million recorded in 2016.

The principal reason for the turnaround is due to a decrease in net incurred claims of \$40.2 million through a decrease in new motor injury insurance claims and a drop in the estimated cost of future claim payments.

For the first half of 2017, the TPIF recorded a profit before tax of \$208.5 million, which was \$127.1m or 155.9% better than budget. This was mainly due to:

- net investment income of \$173.4 million which was \$86.7 million (100%) better than budget; and
- net claims incurred of \$230 million which was \$40.2 million (14.9%) better than budget.

While the results for the first half of the year were positive, in the past 20 years we have recorded underwriting losses on 16 occasions for the CTP insurance product. This long-term trend of underwriting losses reflect that motor injury insurance premium revenues were insufficient to meet the costs of claims payments and management of the motor injury insurance scheme. The Insurance Commission continues to endeavour to reduce or eliminate underwriting losses in our Motor Injury Insurance Division, and generally adopts an incremental approach to manage insurance premium prices in line with rising wage inflation.

The MVCIF commenced on 1 July 2016. After six months of operations the MVCIF is close to break-even, having recorded a small loss before tax of \$430,000.

The MVCIF has received net premium revenue of \$33.7 million and recorded net claims incurred of \$30.2 million.

The net assets or total equity of the MVCIF is \$95.6 million. This balance reflects the capital transferred from the Insurance Commission General Fund on 1 July 2016 as a result of a release of capital tied up in one of the Insurance Commission's office buildings. The capital was transferred to offset the scheme funding shortfall that would have occurred as premium revenue was not collected in advance of the scheme start date.

From 1 July to 31 December 2016, the Insurance Commission received 88 initial notifications of people with potential catastrophic injuries from motor vehicle crashes in WA. Twenty-three cases may be eligible for lifetime treatment, care and support. Many of these people are still in hospital undergoing treatment for, and assessment of, their potential catastrophic injuries. The eventual split of catastrophic injuries between the TPIF and MVCIF is expected to be about 50/50, and is currently in line with this.

The remaining 65 cases did not meet the eligible crash and/or catastrophic injury criteria.

The Actuary estimated that 92 people would be catastrophically injured in motor vehicle crashes each year in WA. There have been fewer people catastrophically injured in crashes in the first six months compared to the independent actuarial estimate. That is an excellent result as fewer people have suffered catastrophic injuries in crashes. We expect variations in the numbers of people involved in crashes who sustain catastrophic injuries over time. The CIS scheme is a long-term scheme expected to reach maturity in approximately 80 years. We will continue to monitor crash and catastrophic injury trends.

We have completed the Project that delivered the CIS scheme, including the enhanced care delivery arrangements, which now see our staff engage early with people with catastrophic injuries and their families. Feedback from these participants, their families and treating health teams has been positive.

We have also implemented the expanded insurance cover with little increase to our administrative costs, which is a credit to our staff. Total administration expenses for the Insurance Commission were \$4 million (10.8%) better than budget.

RiskCover

The RiskCover Fund is the self-insurance arrangement for WA Government public authorities (agencies). RiskCover provides cover for the majority of the agencies' insurable risk exposures including:

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

The RiskCover Fund recorded a half-year profit of \$74.7 million, which was \$48.8 million (188.5%) better than the budgeted profit of \$25.9 million. This result is due to an underwriting profit of \$19.3 million and stronger than anticipated investment income of \$55.4 million. The Insurance Commission invests RiskCover funds under the same arrangements used for the investment of other funds managed by the Insurance Commission.

The positive half-year underwriting performance is due mostly to gross claims paid at \$103.2 million being \$18.6 million lower than budget (\$121.8 million).

RiskCover continues to finalise claims at a rate of 10.4% faster compared to budget for its workers' compensation class of insurance. This is an excellent outcome for our clients who cease dealing with their insurer sooner, and for our administration costs on claims handled which can be kept low.

For the year to date, RiskCover has received 862 fewer new insurance claims compared to the same period in 2016 (6,783). The lower new claims received were mostly in the short-tail insurance classes with fewer 'property in transit' and lost and stolen laptop property claims, and fewer motor damage claims. There has been only a marginal reduction in the number of new workers' compensation claims received compared to the same period last year (2,378 in 2017, 2,438 in 2016).

The solvency level for the RiskCover fund was 139.8% at the end of December. The most comparable inter-jurisdictional solvency comparisons are 105-115% for iCare (NSW) and 125-165% for SAICORP (SA).

The Board of the Insurance Commission has approved the adoption of a RiskCover Fund target at a solvency ratio of 135% (assets against liabilities). The Board also approved reserves within the RiskCover Fund above the 135% solvency level being distributed to the WA Government as the owner of the RiskCover Fund after the end of each financial year.

Investments

The total value of the investment funds held by the Insurance Commission to offset insurance liabilities grew from \$4.4 billion at 1 July 2016 to \$4.8 billion at 31 December 2016. The total value of assets held by the Insurance Commission at 31 December was over \$5 billion.

There is still a significant overweight to Cash (33% of total fund value) against the preferred neutral asset allocation of 8%. This overweight position reflects the decisions to avoid Fixed Interest exposures until Fixed Interest yields increase back towards the long-term average, and the return achieved from selling four directly-held property investments over the previous 12 months.

The actual allocation to Cash will be reduced in the coming months due to new investments being made in infrastructure, corporate loans and retail property classes from the Cash portfolio. Implementation of these investment changes will help to achieve a closer allocation of asset class exposure of investment funds against the neutral strategic asset allocation and assist the Insurance Commission meet its liabilities.

The Insurance Commission continues to own one direct property, Westralia Square. The office tower is an A-grade asset located between St Georges Terrace and Mounts Bay Road. The strategic long-term direction adopted by the Insurance Commission is not to be a direct holder of property assets and expects to divest this asset at some point in the future.

Bell Group Recoveries

We continue to pursue our legal rights in the Bell Group liquidations. Litigation is underway in multiple jurisdictions, where we continue to firmly defend our position while at the same time keeping the door open for possible settlement. There are no signs that a resolution is imminent to bring an end to these matters.

A Commonwealth Senate Inquiry is underway about the extent of any deal between the WA State and Commonwealth Governments on distribution of the Bell liquidations. There was no financial deal reached between the two governments that the Insurance Commission is aware of. There has been little of relevance for the Insurance Commission from the Inquiry to date.



ROD WHITEHEAR
CHIEF EXECUTIVE

ACTUAL PERFORMANCE COMPARED TO BUDGET (INSURANCE COMMISSION ONLY) at 31 December 2016

	Actual \$'000	Budget \$'000	Variance* \$'000	
Net Premium Revenue	322,633	333,152	(10,519)	🚩
Net Claims Incurred	(260,025)	(355,925)	95,900	🟢
Underwriting and Administration Expenses	(44,598)	(50,273)	5,675	🟢
Underwriting Profit/(Loss)	18,010	(73,046)	91,056	🟢
Net Investment Income	240,966	112,312	128,654	🟢
Finance Costs - RiskCover Investment Return	(55,360)	(26,832)	(28,528)	🚩
Other	14,287	23,137	(8,850)	🚩
Profit before Income Tax Equivalent Expense	217,903	35,571	182,332	🟢
Income Tax Equivalent Expense	(65,371)	(10,671)	(54,700)	🚩
Profit After Income Tax Equivalent Expense	152,532	24,900	127,632	🟢

This comparison excludes the RiskCover Fund.

Total Equity (as per Statement of Financial Position) 1,268,826








	Actual	Budget	Variance*	
Annual Investment Rate of Return (%)	5.5	2.8	2.7	🟢
Return on Total Assets (%)	4.5	2.2	2.3	🟢
Solvency Level (%)	133.6	132.1	1.5	🟢
Investment Rolling 7-Year Return (%)	7.7	6.0	1.7	🟢
Net Loss Ratio (%)	80.6	106.8	26.2	🟢
Net Expense Ratio (%)	14.2	15.3	1.1	🟢
Net Combined Ratio (%)	94.8	122.1	27.3	🟢

This comparison excludes the RiskCover Fund.

ACTUAL PERFORMANCE COMPARED TO BUDGET

(RISKCOVER)

at 31 December 2016

	Actual \$'000	Budget \$'000	Variance* \$'000
Premium Revenue	154,922	151,825	3,097 
Reinsurance and Other Adjustments	(14,665)	(8,515)	(6,150) 
Net Claims Incurred	(105,246)	(126,991)	21,745 
Underwriting and Administration Expenses	(15,698)	(17,270)	1,572 
Underwriting Profit/(Loss)	19,313	(951)	20,264 
Net Investment Income	55,360	26,832	28,528 
Profit	74,673	25,881	48,792 
Total Equity (as per Statement of Financial Position)	303,337		

	Actual	Budget	Variance*
Solvency Level (%)	139.8	132.2	7.6 
Net Loss Ratio (%)	75.0	88.6	13.6 
Net Expense Ratio (%)	11.2	12.0	0.8 
Net Combined Ratio (%)	86.2	100.6	14.4 

STATEMENT OF COMPREHENSIVE INCOME

at 31 December 2016

	2017 YTD \$'000	2016 \$'000
Premium Revenue	325,269	555,050
Outwards Reinsurance Premium Expense	(3,138)	(5,541)
Outwards Reinsurance Commission Revenue	502	548
Net Premium Revenue	322,633	550,057
Claims Expense	(263,912)	(520,395)
Reinsurance and Other Recoveries Revenue	3,887	10,116
Net Claims Incurred	(260,025)	(510,279)
Premium Collection Costs	(11,740)	(22,222)
Other Underwriting and Administration Expenses	(32,858)	(60,027)
UNDERWRITING PROFIT/(LOSS)	18,010	(42,471)
Investment Income	252,568	70,144
Investment Expenses	(11,602)	(31,094)
Finance Costs - RiskCover Investment Return	(55,360)	(23,540)
Other Income	14,288	36,780
Other Expenses	(1)	(4,672)
PROFIT BEFORE INCOME TAX EQUIVALENT EXPENSE	217,903	5,147
Income Tax Equivalent (Expense)/Benefit	(65,371)	6,679
PROFIT AFTER INCOME TAX EQUIVALENT EXPENSE	152,532	11,826
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT/(LOSS):		
Re-measurement Loss on Defined Benefit Plans	-	(340)
Related Income Tax Equivalent Effect	-	102
OTHER COMPREHENSIVE INCOME/(LOSS) AFTER INCOME TAX (EXPENSE)/BENEFIT	-	(238)
TOTAL COMPREHENSIVE INCOME AFTER INCOME TAX EQUIVALENT EXPENSE	152,532	11,588

The Statement of Comprehensive Income for the Insurance Commission represents an aggregation of the Insurance Commission's Funds.

The RiskCover Fund is managed by the Insurance Commission on behalf of the Government of Western Australia. This fund is excluded from this Statement of Comprehensive Income.

STATEMENT OF FINANCIAL POSITION

at 31 December 2016

	2017 YTD \$'000	2016 \$'000
ASSETS		
Current Assets		
Cash and Cash Equivalents	2,861	4,174
Receivables	58,570	52,629
Current Tax Receivable	21,954	-
Investments	4,071,711	3,657,632
Deferred Premium Collections Costs	5,723	5,723
Other Assets	2,919	2,177
Property Assets Held for Sale	-	87,000
Total Current Assets	4,163,738	3,809,335
Non-Current Assets		
Receivables	195,408	203,445
Investments	464,119	447,435
Property, Plant and Equipment	2,031	2,243
Investment Property	219,821	224,011
Intangibles	5,430	5,872
Total Non-Current Assets	886,809	883,006
TOTAL ASSETS	5,050,547	4,692,341
LIABILITIES		
Current Liabilities		
Payables	14,639	27,940
Financial Liabilities - RiskCover Investments	1,134,452	921,541
Current Tax Payable	-	79,076
Outstanding Claims	478,068	478,068
Unearned Premium	258,285	220,163
Provisions	11,302	7,542
Total Current Liabilities	1,896,746	1,734,330
Non-Current Liabilities		
Outstanding Claims	1,724,580	1,746,769
Provisions	10,148	10,072
Deferred Tax Liabilities	150,247	84,876
Total Non-Current Liabilities	1,884,975	1,841,717
TOTAL LIABILITIES	3,781,721	3,576,047
NET ASSETS	1,268,826	1,116,294
EQUITY		
Compensation (Industrial Diseases) Fund Reserve	21,472	20,865
Retained Earnings	1,247,354	1,095,429
TOTAL EQUITY	1,268,826	1,116,294

The Statement of Financial Position for the Insurance Commission represents an aggregation of the Insurance Commission's Funds.

The RiskCover Fund is managed by the Insurance Commission on behalf of the Government of Western Australia. This fund is excluded from this Statement of Financial Position.

These unaudited mid-year results are not for further release, publication or distribution in whole or in part.

FUNDS' FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME at 31 December 2016	Third Party Insurance Fund		Motor Vehicle (Catastrophic Injuries) Fund		Compensation (Industrial Diseases) Fund		Government Insurance Fund		Insurance Commission General Fund	
	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Premium Revenue	289,571	554,970	35,652	-	46	80	-	-	-	-
Outwards Reinsurance Premium Expense	(1,089)	(5,541)	(2,049)	-	-	-	-	-	-	-
Outwards Reinsurance Commission Revenue	363	548	139	-	-	-	-	-	-	-
Net Premium Revenue	288,845	549,977	33,742	-	46	80	-	-	-	-
Claims Expense	(232,725)	(504,423)	(31,438)	-	-	(864)	251	-	-	(15,108)
Reinsurance and Other Recoveries Revenue	2,727	3,094	1,189	-	-	(285)	(29)	(830)	-	8,137
Net Claims Incurred	(229,998)	(501,329)	(30,249)	-	-	(1,149)	222	(830)	-	(6,971)
Premium Collection Costs	(9,512)	(22,222)	(2,228)	-	-	-	-	-	-	-
Other Underwriting and Administration Expenses	(14,302)	(31,666)	(2,851)	-	(500)	(959)	(553)	(929)	(15,747)	(30,920)
UNDERWRITING PROFIT/(LOSS)	35,033	(5,240)	(1,586)	-	(454)	(2,028)	(331)	(1,759)	(15,747)	(37,891)
Investment Income	184,280	101,201	1,142	-	1,404	767	(42)	(90)	65,784	(31,734)
Investment Expenses	(10,883)	(34,691)	-	-	(83)	(269)	-	-	(636)	3,866
Finance Costs - RiskCover Investment Return	-	-	-	-	-	-	-	-	(55,360)	(23,540)
Other Income	120	94	15	-	-	-	373	1,849	14,875	39,284
Other Expenses	-	-	-	-	-	-	-	-	(1)	(4,672)
PROFIT/(LOSS) BEFORE INCOME TAX EQUIVALENT EXPENSE	208,550	61,364	(429)	-	867	(1,530)	-	-	8,915	(54,687)
Income Tax Equivalent (Expense)/Benefit	(62,565)	(11,314)	129	-	(260)	514	-	-	(2,675)	17,479
PROFIT/(LOSS) AFTER INCOME TAX EQUIVALENT EXPENSE	145,985	50,050	(300)	-	607	(1,016)	-	-	6,240	(37,208)

These unaudited mid-year results are not for further release, publication or distribution in whole or in part.

FUNDS' FINANCIAL STATEMENTS (continued)

STATEMENT OF FINANCIAL POSITION at 31 December 2016	Third Party Insurance Fund		Motor Vehicle (Catastrophic Injuries) Fund		Compensation (Industrial Diseases) Fund		Government Insurance Fund		Insurance Commission General Fund	
	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS										
Current Assets										
Cash and Cash Equivalents	-	-	3,948	-	-	-	-	-	869	4,174
Receivables	42,202	40,290	840	-	92	103	3,958	3,587	11,478	9,853
Current Tax Receivable	-	-	-	-	-	-	-	-	21,954	4,321
Investments	-	-	-	-	-	-	-	-	4,071,711	3,657,632
Deferred Premium Collection Costs	5,723	5,723	-	-	-	-	-	-	-	-
Other Assets	1,121	-	543	-	-	-	-	-	1,255	2,177
Property Assets Held for Sale	-	-	-	-	-	-	-	-	-	87,000
Total Current Assets	49,046	46,013	5,331	-	92	103	3,958	3,587	4,107,267	3,765,157
Non-Current Assets										
Receivables	111,310	117,200	1,189	-	623	623	35,791	37,042	46,495	48,580
Investments	-	-	-	-	-	-	-	-	464,119	447,435
Property, Plant and Equipment	-	-	-	-	-	-	-	-	2,031	2,243
Investment Property	-	-	-	-	-	-	-	-	219,821	224,011
Intangibles	-	-	-	-	-	-	-	-	5,430	5,872
Total Non-Current Assets	111,310	117,200	1,318	-	623	623	35,791	37,042	737,896	728,141
Inter-Fund Investments	3,321,925	3,261,422	168,784	-	26,173	24,853	(4,795)	(4,753)	(3,512,087)	(3,281,522)
TOTAL ASSETS	3,482,281	3,424,635	175,433	-	26,888	25,579	34,954	35,876	1,333,076	1,211,776

These unaudited mid-year results are not for further release, publication or distribution in whole or in part.

FUNDS' FINANCIAL STATEMENTS (continued)

	Third Party		Motor Vehicle		Compensation		Government		Insurance Commission	
	Insurance Fund		(Catastrophic Injuries)		(Industrial Diseases)		Insurance Fund		General Fund	
	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016	2017 YTD	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
LIABILITIES										
Current Liabilities										
Bank Overdraft	-	-	-	-	556	-	1,400	-	-	-
Payables	6,210	21,302	2,301	-	129	81	1	31	5,998	7,730
Current Tax Payable	-	83,305	-	-	-	92	-	-	-	-
Financial Liabilities - RiskCover Investments	-	-	-	-	-	-	-	-	1,134,452	921,541
Outstanding Claims	461,510	461,510	-	-	658	658	3,584	3,584	12,316	12,316
Unearned Premium	211,418	219,998	46,730	-	137	165	-	-	-	-
Provisions	1,764	-	469	-	-	-	1	-	9,068	7,542
Total Current Liabilities	680,902	786,115	49,500	-	1,480	996	4,986	3,615	1,161,834	949,129
Non-Current Liabilities										
Outstanding Claims	1,576,090	1,621,780	30,333	-	3,173	3,214	29,968	32,261	85,016	89,514
Provisions	-	-	-	-	-	-	-	-	10,148	10,072
Deferred Tax Liabilities	146,820	84,256	-	-	763	504	-	-	2,793	116
Total Non-Current Liabilities	1,722,910	1,706,036	30,333	-	3,936	3,718	29,968	32,261	97,957	99,702
TOTAL LIABILITIES	2,403,812	2,492,151	79,833	-	5,416	4,714	34,954	35,876	1,259,791	1,048,831
NET ASSETS	1,078,469	932,484	95,600	-	21,472	20,865	-	-	73,285	162,945
EQUITY										
Compensation (Industrial Diseases) Fund Reserve	-	-	-	-	21,472	20,865	-	-	-	-
Funds' Retained Earnings	1,078,469	932,484	95,600	-	-	-	-	-	73,285	162,945
TOTAL EQUITY	1,078,469	932,484	95,600	-	21,472	20,865	-	-	73,285	162,945

The Government Insurance Fund forms part of the financial statements of the Insurance Commission. The Government of Western Australia assumed liability for the accumulated deficit in that Fund from 1 July 1997 after Cabinet's decision in June 1996.

The above Statement of Financial Position for the four Funds is presented before eliminations for inter-fund transactions.

RISKCOver FUND FINANCIAL STATEMENTS

The financial statements of the RiskCover Fund are not consolidated as its assets are controlled by the Government of Western Australia and not by the Insurance Commission.

STATEMENT OF COMPREHENSIVE INCOME at 31 December 2016

	2017 YTD \$'000	2016 \$'000
Premium Revenue	154,922	319,557
Premium Adjustment	(7,010)	(47,281)
Outwards Reinsurance Premium Expense	(8,046)	(15,985)
Outwards Reinsurance Commission Revenue	391	817
Net Premium Revenue	140,257	257,108
Claims Paid	(103,228)	(233,887)
Movement in Outstanding Claims	(9,524)	38,644
Reinsurance and Other Recoveries Revenue	7,506	12,520
Net Claims Incurred	(105,246)	(182,723)
Underwriting and Administration Expenses	(15,698)	(31,585)
UNDERWRITING PROFIT	19,313	42,800
Investment Income	55,360	23,540
TOTAL COMPREHENSIVE INCOME	74,673	66,340

STATEMENT OF FINANCIAL POSITION at 31 December 2016

ASSETS		
Current Assets		
Cash and Cash Equivalents	-	14,942
Receivables	10,170	9,814
Investments	1,134,452	921,541
Other Assets	7,987	-
Total Current Assets	1,152,609	946,297
Non-Current Assets		
Receivables	16,828	16,968
Total Non-Current Assets	16,828	16,968
TOTAL ASSETS	1,169,437	963,265
LIABILITIES		
Current Liabilities		
Bank Overdraft	1,633	-
Payables	11,187	43,646
Unearned Premium	152,403	-
Outstanding Claims	202,365	207,079
Other Liabilities	398	-
Total Current Liabilities	367,986	250,725
Non-Current Liabilities		
Payables	95,594	95,594
Outstanding Claims	402,520	388,283
Total Non-Current Liabilities	498,114	483,877
TOTAL LIABILITIES	866,100	734,602
NET ASSETS	303,337	228,663
EQUITY		
Retained Earnings	233,867	159,193
Prudential Reserve	69,470	69,470
TOTAL EQUITY	303,337	228,663

These unaudited mid-year results are not for further release, publication or distribution in whole or in part.



icwa.wa.gov.au

Insurance Commission of Western Australia

Forrest Centre, 221 St Georges Terrace
Perth WA 6000
GPO Box U1908 Perth WA 6845
T: +61 8 9264 3333 E: public.relations@icwa.wa.gov.au