

## MEDIA CLIPPING

**HEADLINE:** **Insurance Commission of WA braces for \$300m in child abuse compensation claims**

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The State Government insurer is bracing for nearly \$300 million of compensation claims from victims of child sexual abuse.

It is the first time the Insurance Commission of WA has quantified the expected payouts, and reflects a spike in claims since the WA Government in 2018 scrapped time limits on reporting historical abuse.

The Royal Commission into Institutional Responses to Child Sexual Abuse estimated that about 60,000 Australians experienced childhood abuse.

ICWA has responsibility for the Government's insurance arrangements, including compensation claims from victims of abuse in State-run institutions, such as schools and hostels.

Its annual report reveals in the 12 months to June 30, claim numbers leapt 72 per cent to 232, up 97 on a year earlier. The surge has prompted ICWA to provide in its annual accounts for expected payouts of \$275m over the next few years. Chief executive Rod Whithear said after evaluating how claims developed elsewhere in Australia, he would not be surprised if costs exceed \$300m.

He believes it could be another three to five years before claims top out.

"We think claims take a while to come out and develop," he said. "We've looked at the curve in the development of claims in NSW where it was actually flat for quite a while and climbed up. The other States all came later and the curve was faster."

Given that it is now three years since the statute of limitations was scrapped, "we think we're a fair way up the curve, but we're not at the top".

He added: "They're all tragic cases (and) it's going to be a large amount of money the (WA) Government is going to have to find."

The Federal Government founded a separate compensation scheme for victims after the royal commission handed down its findings four years ago.

The National Redress Scheme is funded by more than 1500 institutions blamed for the abuse. It was founded in 2018 and will run until 2027 but its payouts are capped at \$150,000.

As of March, it had received about 10,000 applications. Of those, 3840 claims had been finalised, sharing \$319m for an average payment of \$85,000.

ICWA, which was set up in 1926 to provide insurance to miners in the Goldfields, funds treatment, care and compensation for more than 21,000 injured motorists and government employees every year. Its activities are financed by returns on its \$7 billion investment portfolio and premiums on third-party insurance levied on the State's motorists.

Last financial year, the group bounced back into the black with a bumper \$1.1b profit due to the recovery in global stock markets. The result included investment gains on the \$700m ICWA received as part of last year's settlement of a 24-year legal battle over the collapse of Alan Bond's Bell Group.