

26 September 2013

## **MEDIA STATEMENT**

### **Insurance Commission Annual Result 2013**

The Insurance Commission of Western Australia (ICWA) has today announced a net profit after tax of \$314.1 million for the 12 months to June 30 2013, compared with a loss of \$102.6 million the previous year.

Profit before tax was \$424.1 million, compared with a loss of \$184.6 million in 2012.

An underwriting profit of \$83.3 million was achieved, compared with an underwriting loss of \$257.7 million in 2012. It is the Insurance Commission's first underwriting profit in eight years.

The key driver in the overall profit result was the strong investment return delivered. Total investment returns for 2013 were 14.9%, or \$480.7 million.

The Third Party Insurance Fund reported an underwriting profit of \$98.4 million, while the RiskCover fund reported an underwriting loss of \$62.4 million. However, RiskCover's total profit was \$20.3 million – helped by investment income of \$82.7 million.

ICWA Chief Executive, Mr Rod Whithear, said he was pleased with the result, particularly the stronger performance of the underlying underwriting businesses.

"We received a strong boost from our investment returns in 2013, but we are focused on improving the longer term fundamentals of the insurance businesses," Mr Whithear said.

"We are particularly mindful to ensure we retain the right level of capital adequacy, to provide confidence about the solvency of the Third Party Insurance Fund, for current and future years."

The Insurance Commission has recommended a total dividend payment to the State Government of \$46.8 million for the 2013 financial year, comprising an interim and final dividend. The recommendation has been accepted by the Treasurer.

"We have developed a dividend policy that balances the delivery of efficient and equitable insurance services to West Australian motorists with providing an appropriate return on equity to the State Government," Mr Whithear said.

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