



**Insurance Commission
of Western Australia**

2025

End of Year Performance Report

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 regarding our performance for the 2024-25 financial year (herein referred to as 2025).

During 2025, the Insurance Commission assisted 109 Western Australian agencies in managing risk and loss, delivered affordable insurance to motorists and Government agencies, and supported over 22,000 people recovering from road or workplace injuries. The Insurance Commission received over 41,000 new insurance claims during the financial year and managed claims valued at \$6.4 billion. This includes payments of \$1.2 billion to individuals, service providers and agencies, and estimated future claims liabilities of almost \$5.3 billion.

The Insurance Commission generated nearly \$2.7 billion in revenue and earnings in 2025. The Insurance Commission recorded a core underwriting profit of \$114 million this year. This favourable outcome was largely due to an increase in the long-term discount rates (used to value the CIF's long-tailed claims liabilities) which had the effect of reducing the expected value of future claim costs and fewer new catastrophic injury claims than expected.

The strong financial performance has resulted in a solvency level of 143.5% for the Insurance Commission. The Insurance Commission's equity (net assets) increased from \$2.2 billion at 1 July 2024 to \$2.7 billion at 30 June 2025.

The Insurance Commission's core operations (which exclude the RiskCover Fund) recorded a profit before tax of \$754.1 million, compared to the budgeted profit of \$216.6 million and \$644.1 million profit in 2024. The 2025 profit was the result of a sizeable investment income of \$791.1 million and a healthy underwriting performance from the Catastrophic Injuries Fund (CIF). The after-tax result was a profit of \$543.2 million.

The RiskCover Fund, which the Insurance Commission manages on behalf of the WA Government, recorded an operating profit of \$17.9 million, after an underwriting loss of \$102.8 million was more than offset by investment income of \$120.7 million. The RiskCover Fund's underwriting loss was primarily driven by increased claims costs in the workers' compensation and liability insurance classes.

The unaudited end-of-year financial statements are included as part of this report. The full audited 2025 Annual Report will be tabled in Parliament in September and published on the Insurance Commission's website.

Motor Injury Insurance

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

The policy provides owners and drivers of WA registered vehicles with an unlimited indemnity against personal injury claims for injuries directly caused to others by, or by the driving of that motor vehicle within Australia, 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 cover to any person catastrophically injured by a registerable motor vehicle in a Western Australian crash, who cannot establish a liability for negligence on any other party. 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 motor vehicle insurance cover is known as motor injury insurance (MII).

The Insurance Commission received \$1.1 billion in MII premium revenue for approximately 3.4 million insured vehicles (including caravans and trailers) in 2025. We managed claims valued at \$4.3 billion, consisting of \$608 million in claim payments to people injured in motor vehicle accidents (mostly from prior years) and \$3.6 billion in anticipated future claims expenses at 30 June 2025.

The Third Party Insurance Fund (TPIF) is the fund for the CTP scheme, and the CIF is the fund for the CIS scheme.

The TPIF recorded an underwriting loss of \$37.2 million for the financial year, compared to the \$82.6 million profit in 2024. The result was primarily due to the increased claims costs driven by the decline in discount rate which had the effect of increasing the TPIF's provisions for future claims costs, partially offset by higher premium revenue. The TPIF's profit before tax was \$390.2 million, after investment income of \$447.1 million. The TPIF's after-tax result was a profit of \$282 million.

From 1 July 2024, the CIS scheme was expanded to also provide treatment, care and support for workers catastrophically injured in workplace accidents. The addition of workplace catastrophic injuries is funded by an annual levy on workers' compensation insurance premiums, collected by WorkCover WA and remitted to the Insurance Commission. 3 claims for workplace catastrophic injuries qualified for participation during the financial year.

The CIF recorded an underwriting profit of \$158.5 million, compared to the \$184.1 million profit in 2024. The profit was driven by an increase in the long-term discount rate (based on Government Bonds) and fewer new participants entering the scheme than anticipated, resulting in a lower than forecast increase in expected future claims costs. The CIF's profit before tax was \$331.1 million, after investment income of \$178.7 million. The CIF's after-tax result was a profit of \$234.6 million.

RiskCover Fund

Western Australian Government agencies covered by the RiskCover Fund are provided the following core covers for their insurable risk exposures:

- workers' compensation;
- property and business interruption;
- liability;
- motor vehicle;
- cyber; and
- miscellaneous (personal accident and travel).

The RiskCover Fund recorded an underwriting loss of \$102.8m, compared to the budgeted loss of \$54.7 million and a \$77.4 million loss in 2024. 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 and liability (general and medical treatment) insurance classes.

The RiskCover Fund delivered an operating profit of \$17.9 million for the financial year, after a sizeable investment income of \$120.7 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 RiskCover Fund's solvency level at 30 June 2025 was 107.9%.

Investments

The financial year saw significant volatility across global markets arising from concerns around US trade policy and conflict in the Middle East. In both cases, the initial concerns were overcome and the major asset classes delivered positive returns over the year.

Markets were supported by continued resilient economic conditions. Inflation in many economies moved closer to central bank targets, labour markets remained tight, and lower interest rates helped sustain growth, although the pace of expansion showed signs of slowing.

Growth assets generally outperformed defensive assets, largely due to the strong performance of listed equities trending close to all-time highs across several markets.

The Insurance Commission's total investment portfolio (comprising the Main Fund and the CIF) delivered a solid performance, posting a 9.6% return over the financial year.

The Main Fund delivered a 9.6% return over the financial year. The CIF investment strategy has a moderately higher allocation to growth assets to align with the long date nature of its liabilities. This stance benefited performance and the CIF posted a 9.8% return for the year.

The total value of investment funds held by the Insurance Commission increased from \$7.6 billion at 30 June 2024 to \$8.5 billion at 30 June 2025.

Contributions to Government

In December 2024, the Insurance Commission paid a final dividend to Government of \$31.9 million in respect of the 2024 financial year. This is in addition to the interim dividend of \$31.7 million paid in June 2025. The total dividend paid during the 2025 financial year is \$63.6 million.

During the period, the Insurance Commission has also paid \$115.9 million in insurance duty and \$135.3 million of tax equivalents to the WA Government. As a result of these payments, the Insurance Commission contributed \$314.8 million to the State Government during 2025.

Sincerely,



Helen Robinson
A/CHIEF EXECUTIVE

ACTUAL PERFORMANCE COMPARED TO BUDGET AT 30 JUNE 2025

Insurance Commission

	Actual	Budget	Variance
	\$'000	\$'000	\$'000
Net Premium Revenue	1,078,203	1,038,120	40,083
Net Claims Incurred	(866,872)	(1,099,295)	232,423
Net Movement in Unexpired Risk	(975)	-	(975)
Underwriting and Administration Expenses	(96,323)	(80,973)	(15,350)
Underwriting Profit/(Loss)	114,033	(142,148)	256,181
Investment Income	791,087	478,650	312,437
Investment Expenses	(32,046)	(26,733)	(5,313)
RiskCover Fund Investment Return	(120,693)	(93,369)	(27,324)
Other	1,750	154	1,596
Profit Before Tax Equivalent	754,131	216,554	537,577
Income Tax Equivalent Expense	(210,975)	(64,966)	(146,009)
Profit After Tax Equivalent	543,156	151,588	391,568
Other Comprehensive Expense After Tax Equivalent	(33)	-	(33)
Total Comprehensive Income After Tax Equivalent	543,123	151,588	391,535

Total Equity (as per Balance Sheet)

2,728,821

	Actual	Budget	Variance
Investment Rolling 7-Year Return (%) - Main Fund	6.0	5.8	0.2
Investment Rolling 7-Year Return (%) - CIF	6.3	6.0	0.3
Annual Investment Rate of Return (%) - Main Fund	9.6	6.0	3.6
Annual Investment Rate of Return (%) - CIF	9.8	6.3	3.5
Solvency Level (%)	143.5	133.0	10.5

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 2025

RiskCover Fund

	Actual \$'000	Budget \$'000	Variance \$'000
Net Premium Revenue	656,517	513,267	143,250
Net Claims Incurred	(705,250)	(522,919)	(182,331)
Underwriting and Administration Expenses	(54,077)	(45,041)	(9,036)
Underwriting Loss	(102,810)	(54,693)	(48,117)
Investment Income	120,693	93,369	27,324
Profit	17,883	38,676	(20,793)

Total Equity (as per Balance Sheet) **121,316**

	Actual	Budget	Variance
Solvency Level (%)	107.9	113.7	(5.8)
Net Loss Ratio (%)	107.4	101.9	(5.5)
Net Expense Ratio (%)	8.2	8.8	0.6
Net Combined Ratio (%)	115.6	110.7	(4.9)

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

FINANCIAL STATEMENTS

	Insurance Commission		Third Party Insurance Fund		Catastrophic Injuries Fund		RiskCover Fund	
	2025	2024	2025	2024	2025	2024	2025	2024
Statement of Comprehensive Income at 30 June 2025	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net Premium Revenue	1,078,203	985,047	813,305	756,776	264,897	228,039	656,517	589,734
Net Claims Incurred	(866,872)	(645,649)	(771,698)	(612,643)	(90,469)	(30,106)	(705,250)	(622,827)
Net Movement in Unexpired Risk	(975)	-	(975)	-	-	-	-	-
Underwriting and Administration Expenses	(96,323)	(77,691)	(77,861)	(61,522)	(15,931)	(13,823)	(54,077)	(44,354)
Underwriting Result	114,033	261,707	(37,229)	82,611	158,497	184,110	(102,810)	(77,447)
Investment Income	791,087	475,801	447,108	275,927	178,711	103,318	120,693	67,463
Investment Expenses	(32,046)	(27,844)	(19,688)	(16,915)	(6,116)	(5,579)	-	-
RiskCover Fund Investment Return	(120,693)	(67,463)	-	-	-	-	-	-
Other	1,750	1,882	4	883	33	32	-	-
Profit Before Tax Equivalent	754,131	644,083	390,195	342,506	331,125	281,881	17,883	(9,984)
Income Tax Equivalent Expense	(210,975)	(182,102)	(108,225)	(98,279)	(96,498)	(80,303)	-	-
Profit After Tax Equivalent	543,156	461,981	281,970	244,227	234,627	201,578	17,883	(9,984)
Other Comprehensive (Expense)/Income After Tax Equivalent	(33)	56	-	-	-	-	-	-
Total Comprehensive Income After Tax Equivalent	543,123	462,037	281,970	244,227	234,627	201,578	17,883	(9,984)
Balance Sheet at 30 June 2025	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Cash and Cash Equivalents	47,314	45,265	-	-	16,683	2,886	40,381	13,157
Receivables	341,863	332,735	227,749	210,807	56,041	54,278	423,342	363,451
Current Tax Receivable	-	-	6,387	-	-	-	-	-
Investments	8,549,195	7,625,818	4,907,935	4,409,778	2,016,542	1,707,948	1,186,609	1,083,916
Deferred Premium Collection Costs	1,549	7,899	-	6,419	1,549	1,480	-	-
Right of Use Lease Assets	32,745	37,120	6,184	541	1,251	65	-	-
Plant and Equipment	5,959	2,949	-	-	-	-	-	-
Intangibles	20,583	16,112	-	-	-	-	-	-
Other Assets	3,793	4,543	-	-	-	-	-	-
Total Assets	9,003,001	8,072,441	5,148,255	4,627,545	2,092,066	1,766,657	1,650,332	1,460,524
Liabilities								
Payables	66,247	68,680	25,166	21,352	5,511	4,947	51,307	50,079
Financial Liabilities - RiskCover Fund Investments	1,186,609	1,083,916	-	-	-	-	-	-
Current Tax Payable	56,290	96,028	-	31,602	55,654	60,771	-	-
Outstanding Claims	4,209,482	3,960,173	2,930,141	2,716,093	988,964	922,805	1,477,709	1,307,012
Unearned Premium	405,267	383,136	314,157	294,903	91,110	88,233	-	-
Unexpired Risk Liability	975	-	975	-	-	-	-	-
Provisions	23,794	21,896	-	-	-	-	-	-
Lease Liabilities	42,694	41,859	6,775	893	1,364	107	-	-
Deferred Tax Liabilities	282,822	167,468	229,393	139,438	53,411	28,370	-	-
Total Liabilities	6,274,180	5,823,156	3,506,607	3,204,281	1,196,014	1,105,233	1,529,016	1,357,091
Net Assets / Equity	2,728,821	2,249,285	1,641,648	1,423,264	896,052	661,424	121,316	103,433

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



**Insurance Commission
of Western Australia**

icwa.wa.gov.au

Insurance Commission of Western Australia

Mia Yellagonga Tower 2, Level 15,
5 Spring Street, Perth WA 6000
GPO Box L920 Perth WA 6842
T: +61 8 9264 3333 E: public.relations@icwa.wa.gov.au