



**Insurance Commission
of Western Australia**

STATEMENT OF CORPORATE INTENT 2025-26

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1 INTRODUCTION

I have the pleasure to present on behalf of the Board of Commissioners and the Executive of the Insurance Commission, the strategic plan for the 2025-26 financial year. This plan is presented as the Statement of Corporate Intent (SCI) as required by the *Insurance Commission of Western Australia Act 1986*.

The Insurance Commission continues to operate in a way that promotes collaboration and demonstrates accountability and transparency for its customers while supporting government policies and priorities.

The plan includes the following strategic objectives:

- Objective 1: Best injury recovery outcomes
- Objective 2: Partner in navigating risk and minimising loss
- Objective 3: Customer confidence in service delivery

Each strategic objective is supported by key deliverables that complement the aspirations of the Insurance Commission's 2025-2030 Strategy outlined in the Statement of Expectations (incorporating the Strategic Development Plan obligations).

This 2025-26 Statement of Corporate Intent is designed to align with the organisation's purpose, vision and operating environment, while addressing the complexities of investment markets and insurance liabilities.

Return to Government

The Insurance Commission has returned more than \$2.3 billion in dividends, transfers and capital to the Government since 2013 through its investment functions. We recognise the importance of these contributions to the government as a revenue source to deliver important public services to Western Australians.



ROB BRANSBY

CHAIRPERSON

2 OUR BUSINESS

The Insurance Commission is a Government Trading Enterprise and statutory corporation owned by the Government of Western Australia. Its enabling legislation is the *Insurance Commission of Western Australia Act 1986*.

The responsible Minister is the Treasurer.

2.1 Our Services

The Insurance Commission delivers insurance services for the Western Australian Government, agencies and community. We provide:

- Insurance for government agencies and Western Australian motorists
- Funding and care co-ordination for personal injury
- Advice to government, agencies and community members
- Financial and Investment management

2.1.1 Motor Injury Insurance

The Insurance Commission delivers motor injury insurance to almost two million Western Australian motorists. Two insurance products make up the motor injury insurance policy, compulsory third party (CTP) and catastrophic injuries support (CIS).

The CTP product provides owners and drivers of WA-registered vehicles with cover for the costs incurred in the event they cause a crash that injures another person.

The CIS product provides lifetime treatment, care and support to all people if they are catastrophically injured in a crash in WA and are unable to claim against CTP.

The *Motor Vehicle (Third Party Insurance) Act 1943* and the *Motor Vehicle and Workplace Accidents (Catastrophic Injuries) Act 2016* set out the arrangements for the CTP and CIS products respectively. Owners, when registering their vehicles, purchase the insurance policy from the Department of Transport, who act as the Insurance Commission's retail-arm. As at 30 June 2024, insurance policies had been issued for over 3.3 million WA-registered vehicles.

Revenue is collected into the Third Party Insurance Fund (TPIF) for the CTP product and into the Catastrophic Injuries Fund (CIF) for the CIS product. Together with investment income, this revenue is used to pay claims, provide assets to meet long-term liabilities and administer the motor injury insurance schemes.

The Insurance Commission also receives revenue from the Commonwealth Government to deliver motor injury insurance to motorists in the Indian Ocean Territories.

2.1.2 Government Insurance

The Insurance Commission manages and administers a number of insurance functions for the State Government.

Self-Insurance for Government

The Insurance Commission manages the following covers for most public sector agencies' insurable risk exposures:

- workers' compensation;
- loss or damage to property;
- liability cover;
- cyber risks; and
- travel and personal accidents.

Revenue for these covers is collected from public sector agencies into the Insurance Commission's RiskCover Fund.

The Insurance Commission also continues to manage the WA Government's historic self-insurance arrangements via the Government Insurance Fund (GIF) in run-off. The Government has financial responsibility for the liabilities and any deficit in the GIF.

Industrial Diseases Insurance

The Insurance Commission issued industrial disease insurance policies to employers involved in the mining industry and pays claims made against these policies. The liabilities are underwritten by the Insurance Commission and claims are paid from the Compensation (Industrial Diseases) Fund (CIDF).

The Insurance Commission is no longer issuing new industrial disease insurance policies through the CIDF. The Insurance Commission will continue to manage any claims related to policies previously issued from the CIDF.

Non-Government Liabilities

The Insurance Commission continues to manage non-government liabilities of the former SGIO for policies that are in run-off, as no policies have been issued since 1987. The liabilities are held in the Insurance Commission General Fund (ICGF) and relate to workers' compensation and public liability claims, including claims against the mining industry for asbestos related diseases that are not covered by industrial diseases insurance.

The ICGF also acts as the operating fund of the Insurance Commission. Investment assets are held within the ICGF and then allocated to other funds. The Insurance Commission's own assets are held within the ICGF.

Services for WorkCover WA

The Insurance Commission manages claims on behalf of WorkCover WA if a workers' compensation insurer goes into liquidation.

WorkCover WA invokes a levy on workers' compensation policyholders to fund those claims and liabilities, and the levy is collected into the Employers' Indemnity Supplementation Fund (EISF). The majority of existing EISF liabilities arose from the collapse of the HIH Group of companies in 2001.

The Insurance Commission also manages claims lodged against WorkCover WA's General Account, mainly for injured workers of uninsured employers.

Former Police Officers' Medical Benefits

The Insurance Commission manages claims from former police officers and aboriginal police liaison officers who sustain a work-related injury or disease during their service and have since left the WA Police Force.

Former officers can claim for medical and other expenses under the *Police (Medical and Other Expenses for Former Officers) Act 2008*. Claim entitlements largely mirror those of the *Workers' Compensation and Injury Management Act 1981*. The Police Commissioner is liable for medical and other expenses incurred.

2.1.3 Investments

The Insurance Commission invests in assets to meet its insurance liabilities in line with Prudential Guidelines for Investment approved by the Treasurer.

The Insurance Commission uses an independent investment consultant to guide its investment strategy. Assets are mostly managed by external investment managers with the exception of the cash and inflation linked bonds portfolios.

2.1.4 Advice to Government

The Insurance Commission undertakes analysis on policy issues and provides advice to the Treasurer and government on insurance and liability matters.

2.2 Insurance Commission's Structure

The Insurance Commission delivers investments and insurance services through its Motor Injury Insurance, Government Insurance and Investment Divisions. The corporate support areas help the organisation deliver its functions.

3 STRATEGY

This is the foundational year of the Insurance Commission's refreshed five-year strategic direction, 2025-2030. The strategic direction is focused on three strategic objectives that will drive the organisations' response to key challenges and opportunities, including evolving customer needs and rising cost pressures.

The Insurance Commission's vision for the coming five years is to lead the way in personal injury recovery and state insurance.

The strategic objectives are:

- Objective 1: Best injury recovery outcomes
- Objective 2: Partner in navigating risk and minimising loss
- Objective 3: Customer confidence in service delivery

3.1 Key areas of focus

The strategy provides an opportunity to assess the Insurance Commission's service delivery model to ensure it remains effective, and ensure alignment with the longer-term strategic vision of leading the way in personal injury recovery and state insurance.

This year, the focus is on establishing simpler, more streamlined operations and improved efficiency, creating a strong platform for future enhancements to service delivery.

3.1.1 Strategic Objective: Best injury recovery outcomes

Understanding our customers

The Insurance Commission will undertake comprehensive customer journey mapping to gain deeper insights into customer experience. In 2025, this work will focus on the journey of individuals who have been injured in a motor vehicle incident.

By examining the touchpoints and interactions customers have with the Insurance Commission, the aim is to identify both the pain points that create challenges and the moments of success and satisfaction. This process will help the organisation better understand customer needs through their recovery journey.

Re-designing the customer experience

Through these insights into the customer journey, the Insurance Commission will develop targeted actions to improve both the customer experience and operational efficiency in supporting personal injury recovery outcomes. By aligning processes more closely with customer needs, the organisation can proactively provide timely support and tailored interventions.

3.1.2 Strategic Objective: Partner in navigating risk and minimising loss

Creating increased value through data analytics and insights

Exploring further cost-efficiencies in healthcare services provision

As an insurer and payer of healthcare services, the Insurance Commission wants to ensure customers receive the best possible health recovery outcomes in a cost-effective manner. It recognises there are a number of different management

approaches that can be taken to engage with the health provider network. The Insurance Commission will review spending patterns and identify opportunities to reduce costs while maintaining a commitment to high standards of care and recovery for customers.

Insights to help reduce the cost of insurable risk

The Insurance Commission will continue to leverage data as an asset to identify key trends and insights related to insurable risks. By exploring patterns within claims and operational data, the aim is to uncover actionable insights that can support government agencies in better managing risks. These insights will be tailored to highlight where proactive measures might be identified to help reduce the frequency and/or severity of claims.

In addition to delivering these insights, the organisation will continue to work closely with government agencies to ensure findings are relevant and aligned with their operational contexts. This work reflects a commitment to delivering value through data-driven decision-making and supporting customers in their risk and loss management.

As the Insurance Commission increasingly leverages AI-driven insights, it expects to unlock new efficiencies and reduce claims costs in claims management and decision-making.

3.1.3 Strategic Objective: Customer confidence in service delivery

Enhancing our staff experience

The Insurance Commission is committed to learning from customer journey mapping to better understand how to enhance staff experience and engagement. By identifying key pain points and positive experiences in the customer journey, valuable insights will be gained into the tools, processes, and support staff need to uplift the customer experience. This will enable the organisation to target improvements where they can have the greatest impact on both the customer and staff, creating a more empowered, engaged workforce that is equipped to consistently deliver high-quality, customer-centric outcomes.

3.1.4 Building Strong Foundations for Success

Technology & Systems for a Modern Insurer

The Insurance Commission will modernise its technology and systems to improve efficiency, uplift the experience for staff and customers, and support our strategic intent. Investments in digital capability will target automation, data and analytics, system reliability, and platforms. Key focus areas include reducing manual processing in claims management, strengthening cybersecurity protections, and implementing modern platforms for data and analytics, document management, customer relationship management, and insurance claims management.

A shift towards a more agile IT operating model will enable the Insurance Commission to continuously adapt, refine solutions, and improve service delivery while ensuring digital investments remain sustainable. Strengthening digital literacy, equipping staff with the right tools, and modernising core systems will enhance customer outcomes, resilience, security, and overall efficiency.

Policy

The Insurance Commission will proactively provide insurance and related advice to Government, focusing on emerging trends, issues and risks identified through environmental scanning and stakeholder engagement. By establishing and implementing a robust environmental scanning framework, the organisation can provide timely and insightful advice to the Government.

Skilled and Engaged Workforce

The Insurance Commission will continue to invest in its workforce. The people strategies outlined in the HR Blueprint will be reviewed to support the delivery of the organisational strategy.

Investments Strategy

During 2025-26, the Insurance Commission will progress with the implementation of the updated investment strategy.

A key initiative is the strengthening of liability-aware investment principles to the investment strategy which combine existing investment performance KPIs with a greater emphasis of managing the risks associated with interest rate fluctuations and market volatility. This is expected to create more stable investment returns and better alignment between investment performance and the value of insurance liabilities.

3.2 Performance Targets

The targets for financial Key Performance Indicators are presented in Appendix 1.

4 MINISTERIAL REPORTING

4.1 Annual Report

The Insurance Commission prepares and delivers to the Minister an Annual Report on its performance for the financial year. Content of the Annual Report meets the requirements of the *Financial Management Act 2006*, the *Insurance Commission of Western Australia Act 1986* and any resolution of the Board of Commissioners of the Insurance Commission. Specifically, the Annual Report includes:

- statutory financial statements;
- overview of the major achievements;
- performance against targets; and
- other information required by legislation.

4.2 Quarterly Report

The Insurance Commission provides the Minister and the Department of Treasury with quarterly reports on performance. The quarterly report includes the performance of the organisation and progress against the initiatives within the Statement of Corporate Intent (this document).

4.3 Other Information

The Insurance Commission provides the Minister with a five-year Strategic Development Plan (incorporating the Statement of Expectations) and a one-year Statement of Corporate Intent (this document) as required under the *Insurance Commission of Western Australia Act 1986*.

The Insurance Commission also provides the Minister with briefings and advice on insurance matters.

4.4 Past Performance

To improve transparency and frequency of performance reporting, the Insurance Commission prepares unaudited half-yearly performance reports. The reports are published on the Insurance Commission's website. The reports set out the Insurance Commission's financial and operational performance for each six-month period.

The Insurance Commission also publishes its financial and operational performance for the financial year in its Annual Report released in September each year. The Annual Report is tabled in Parliament and published on the Insurance Commission's website.

5 ACCOUNTING POLICY

The Insurance Commission prepares financial statements in accordance with Australian Accounting Standards, Statements of Accounting Concepts, and other authoritative pronouncements of the Australian Accounting Standards Board, as applied by the Treasurer's Instructions to ensure suitable reporting across the WA Public Sector.

Where modification has a material or significant effect on the reported results, details of that modification and the resulting financial effect are disclosed in individual notes to the financial statements in the Insurance Commission's Annual Report.

The Financial Statements are prepared on the accrual basis of accounting. The majority of the Insurance Commission assets and liabilities are measured at fair value (on a bid price basis for investment assets) and the remainder follow the historical cost convention.

INSURANCE COMMISSION

BALANCE SHEET	2025-2026
	\$'000
ASSETS	
Cash and Cash Equivalents	-
Receivables	373,320
Investments	9,016,020
Deferred Premium Collection Costs	7,899
Other Assets	4,543
Lease Assets	27,014
Plant and Equipment	4,697
Intangibles	16,999
TOTAL ASSETS	9,450,492
LIABILITIES	
Payables	(68,624)
Financial Liabilities - RiskCover Investments	(1,305,140)
Current Tax Payable	(191,906)
Outstanding Claims	(4,755,123)
Unearned Premium	(425,191)
Provisions	(22,128)
Deferred Tax Liabilities	(50,800)
Lease Liabilities	(40,101)
TOTAL LIABILITIES	(6,859,013)
NET ASSETS	2,591,479
EQUITY	
C(ID)F Reserve	26,977
Distribution of Equity	(115,903)
Retained Earnings	2,680,405
TOTAL EQUITY	2,591,479

STATEMENT OF COMPREHENSIVE INCOME	2025-2026
	\$'000
Premium Revenue	1,131,349
Reinsurance Premium Expense	(10,199)
Reinsurance Commission Revenue	927
Net Premium Revenue	1,122,077
Claims Expense	(1,208,713)
Reinsurance and Other Recoveries	29,054
Net Claims Incurred	(1,179,659)
Underwriting and Administration Expenses	(94,236)
UNDERWRITING RESULT	(151,818)
Investment Income	586,823
Investment Expenses	(53,376)
RiskCover Investment Return	(110,115)
Other Income/(Expense)	150
	423,482
PROFIT BEFORE TAX EQUIVALENT EXPENSE	271,664
Income Tax Equivalent Expense	(81,499)
PROFIT AFTER TAX EQUIVALENT EXPENSE	190,165

INSURANCE COMMISSION

Key Performance Indicators	2025-2026 Target
Investment Rolling 7-Year Return (%)	
Main Fund	5.8
CIF	6.0
<p>This KPI measures the long-term investment performance and is calculated by annualising gross investment returns over a rolling 7-year period. The CPI used in quantifying the objectives/ targets are based on latest available inflation data published by the Australian Bureau of Statistics.</p>	
Annual Investment Rate of Return (%)	
Main Fund	6.4
CIF	6.6
<p>This KPI measures annual investment performance, calculated as the rate of change in investment values over a financial year. The forecast performance targets were provided by the Asset Consultant. This KPI is benchmarked against the return of a composite market index, proportionate to the strategic asset allocation of the fund.</p>	
Investment Management Expense Ratio (%)	
Main Fund	0.58
CIF	0.66
<p>Cost of investments expressed as a percentage of average gross investment value. Management costs include investment manager fees, custodian fees, investment advisor fees and the Investment Division administration expenses.</p>	
Solvency Level (%)	
Insurance Commission	137.8
TPIF	139.8
CIF	158.7
<p>This KPI calculates Total Assets as a percentage of Total Liabilities. This KPI measures the ability of the Insurance Commission to meet its long-term financial obligations as they fall due.</p>	
Net Loss Ratio (%)	
TPIF	108.0
CIF	95.5
<p>This KPI calculates net claims incurred (claims payments and movement in outstanding claims provisions) as a percentage of net premium revenue. This KPI measures the sufficiency of premium revenue compared to the cost of claims incurred. A ratio below 100% indicates the Fund received sufficient net premium revenue to meet the net cost of claims incurred.</p>	
Net Expense Ratio (%)	
TPIF	8.5
CIF	6.4
<p>This KPI calculates underwriting and administration expenses as a percentage of net premium revenue, and measures operational efficiency. A lower expense ratio would contribute to a positive underwriting result or lower losses being generated.</p>	

INSURANCE COMMISSION

Key Performance Indicators	2025-2026 Target
<p>Net Combined Ratio (%)</p> <p>TPIF 116.5</p> <p>CIF 101.9</p> <p>This KPI calculates underwriting and administration expenses and net claims incurred as a percentage of net premium revenue. This KPI is a measure of underwriting profitability used to indicate how well the Fund is performing. It is the combined result of the Net Loss Ratio and the Net Expense Ratio. A ratio below 100% indicates that an underwriting profit has been made, whereas a ratio above 100% indicates an underwriting loss.</p>	
<p>Affordability Index (%) - MII 25.0</p> <p>This KPI calculates the Motor Injury Insurance (MII) premium (including GST and insurance duty) for the average family vehicle as a percentage of one week's worth of WA's average weekly earnings. The target is to have the MII premium for the average family vehicle at or below 25% of one week's worth of WA's average weekly earnings.</p>	
<p>Proportion of Claims Payments made for the Direct Benefit of Claimants (%) - MII 95.0</p> <p>This KPI calculates claims payments made for the direct benefit of claimants as a percentage of the total claim payments made in a financial year. Claims payments that do not go to the direct benefit of the claimant include the Insurance Commission's claims management, legal and investigation costs. This KPI reflects the Insurance Commission's effectiveness in minimising the financial hardship of claimants and delivering equitable compensation.</p>	
<p>Timeliness of Liability Determination (%) 80.0</p> <p>This KPI calculates the timeliness of liability decisions for CTP compensation claims. The target requires that a decision be made on claims within 25 business days from the date of lodgement of the claim to ensure claimants are treated fairly.</p>	
<p>Claim Administration Costs as a Ratio of Gross Claims Paid (%) - MII 8.1</p> <p>This KPI calculates claims administration costs as a percentage of the gross claims paid. This KPI measures the efficiency of claims administration.</p>	
<p>Claimant Satisfaction (%) - MII 65.0</p> <p>This KPI measures satisfaction levels of motor injury insurance claimants with the service delivered by the Insurance Commission. The level of satisfaction is determined by a survey conducted by an independent third party.</p>	
<p>Median Claim Duration (months) - MII 17.5</p> <p>This KPI measures effectiveness of claims management in supporting claimant recovery and calculates the median duration between claim lodgement and claim settlement/close dates.</p>	

RISCOVER FUND

BALANCE SHEET	2025-2026
	\$'000
<u>ASSETS</u>	
Cash and Cash Equivalents	3
Receivables	388,423
Investments	1,305,140
TOTAL ASSETS	<u>1,693,566</u>
<u>LIABILITIES</u>	
Payables	(50,079)
Outstanding Claims	(1,451,989)
TOTAL LIABILITIES	<u>(1,502,068)</u>
NET ASSETS	<u>191,498</u>
<u>EQUITY</u>	
Retained Earnings	82,719
Prudential Reserve	108,779
TOTAL EQUITY	<u>191,498</u>

STATEMENT OF COMPREHENSIVE INCOME	2025-2026
	\$'000
Premium Revenue	686,603
Reinsurance Premium Expense	(61,945)
Reinsurance Commission Revenue	1,766
Net Premium Revenue	<u>626,424</u>
Claims Expense	(628,049)
Reinsurance and Other Recoveries	11,358
Net Claims Incurred	<u>(616,691)</u>
Underwriting and Administration Expenses	<u>(56,808)</u>
UNDERWRITING LOSS	<u>(47,075)</u>
Investment Income	110,115
PROFIT	<u>63,040</u>

RISKCOver FUND

Key Performance Indicators	2025-2026 Target
<p>Solvency Level (%) This KPI measures the ability of the RiskCover Fund to meet its long-term financial obligations as they fall due. It calculates Total Assets as a percentage of Total Liabilities in the RiskCover Fund.</p>	112.7
<p>Net Loss Ratio (%) This KPI measures the sufficiency of premium revenue compared to the cost of claims incurred. A ratio below 100% indicates the RiskCover Fund received sufficient net premium revenue to meet the net cost of claims incurred. This KPI calculates net claims incurred (claims payments and movement in outstanding claims provisions) as a percentage of net premium revenue.</p>	98.4
<p>Net Expense Ratio (%) This KPI measures operational efficiency by calculating the RiskCover Fund underwriting and administration expenses as a percentage of net premium revenue. A lower expense ratio would contribute to a positive underwriting result or lower losses being generated.</p>	9.1
<p>Net Combined Ratio (%) This KPI measures underwriting profitability and indicates how well the RiskCover Fund is performing. The measure is the combined result of the Net Loss Ratio and the Net Expense Ratio. The KPI calculates the RiskCover Fund underwriting and administration expenses and net claims incurred as a percentage of net premium revenue. A ratio below 100% indicates an underwriting profit, whereas a ratio above 100% indicates an underwriting loss.</p>	107.5
<p>Affordability Index (%) This KPI measures the affordability of the workers compensation cover provided through the RiskCover Fund and is calculated as total workers compensation agencies' premiums as a percentage of total agencies' wages.</p>	2.25
<p>Proportion of Claims Payments made for the Direct Benefit of Claimants (%) This KPI measures the Insurance Commission's effectiveness in minimising the financial hardship of claimants and delivering equitable compensation. This KPI is calculated as workers compensation claims payments made for the direct benefit of claimants as a percentage of total workers compensation claims payments made during the financial year. Claims payments that do not directly benefit claimants include claims management, legal and investigation costs.</p>	90.0
<p>Timeliness of Liability Determination (%) This KPI measures the percentage of workers compensation claims with a liability decision (accept or decline) within 14 days of the insurer receiving the claim. Timely decisions provide clarity to workers and supports claim progress.</p>	90.0
<p>Claim Administration Costs as a Ratio of Gross Claims Paid (%) This KPI calculates RiskCover Fund claims administration costs as a percentage of the gross claims paid. This KPI measures the efficiency of claims administration.</p>	10.0
<p>Claimant Satisfaction (%) This KPI measures satisfaction levels of workers compensation claimants with the service delivered by the Insurance Commission. The level of satisfaction is determined by a survey conducted by an independent third party.</p>	80.0
<p>Median Claim Duration (month) This KPI measures effectiveness of claims management in supporting claimant recovery and calculates the median duration between claim lodgement and claim settlement/close dates.</p>	5.2