

12th Accident Compensation Seminar 2009 Rising to the Challenge

Melbourne 22nd – 24th November 2009



Institute of Actuaries of Australia



WA CTP SCHEME UPDATE

**FAB ZANUTTIGH
MANAGER**

**MOTOR VEHICLE PERSONAL INJURY DIVISION
INSURANCE COMMISSION OF WA**



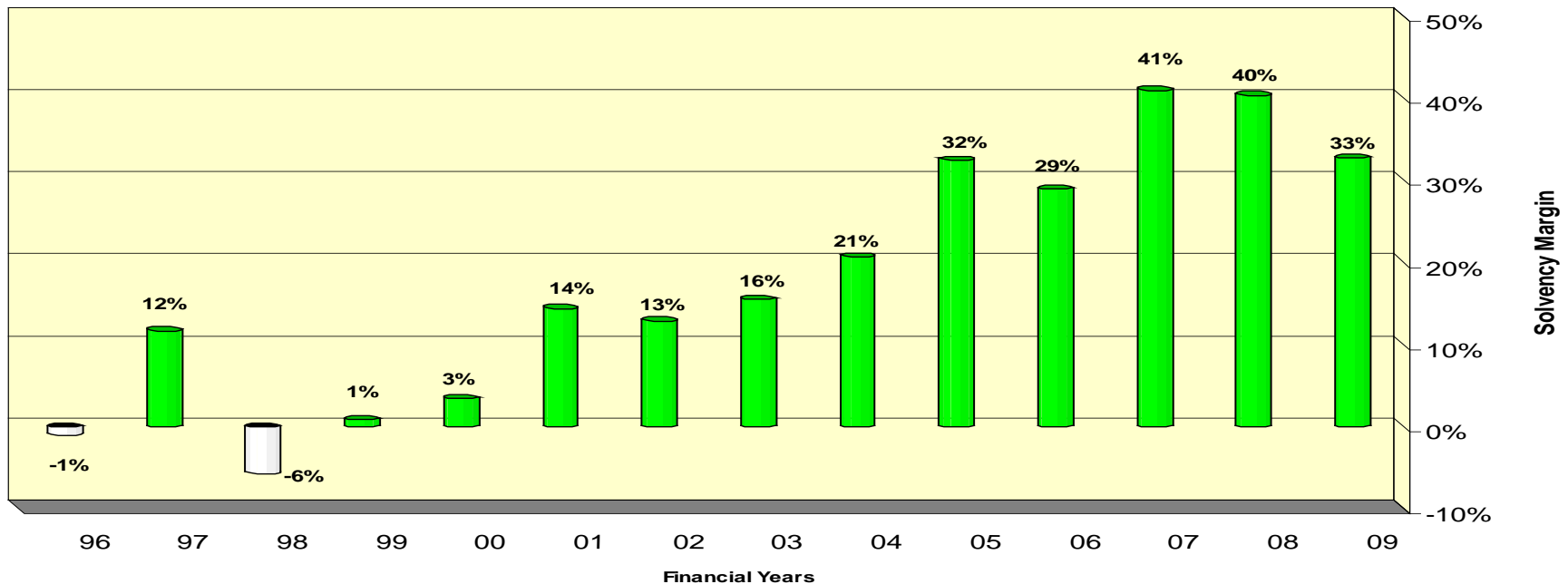
AGENDA

- Highlights – Past two years
- State of the Fund
- Premiums
- Claim Frequency
- Claim Costs
- Future Direction
- Questions



Highlights

- Scheme remains fully funded





Highlights (cont'd)

- CTP premiums increases restricted to inflation
 - 2007 - 4.6%
 - 2008 - nil
 - 2009 - 4.0%
- GWP:
 - 2007 - \$350M
 - 2008 - \$360M
 - 2009 - \$384M



Highlights (cont'd)

- Registered vehicles growth averaging approximately 4.5% pa over the past 4 years
- Continuation of a decreasing claim frequency
- Moderate increase in Outstanding Claims Provisions
 - 2007 - \$1.2b
 - 2008 - \$1.2b
 - 2009 - \$1.3b



State of The Fund

June 30	Liabilities (\$M)	Assets (\$M)	Surplus/ Deficit (\$M)	Funding %	Provisions for Outstanding Claims (\$M)
1996	691	684	-7	99%	585
1997	727	812	85	112%	633
1998	978	922	-56	94%	873
1999	1,043	1,052	9	101%	916
2000	1,139	1,179	39	103%	1,004
2001	1,124	1,286	162	114%	1,001
2002	1,170	1,321	151	113%	1,045
2003	1,214	1,402	188	116%	1,073
2004	1,338	1,615	277	121%	1,183
2005	1,408	1,865	457	132%	1,193
2006	1,527	1,969	442	129%	1,239
2007	1,677	2,365	688	141%	1,202
2008	1,653	2,320	667	140%	1,231
2009	1,584	2,103	519	133%	1,308

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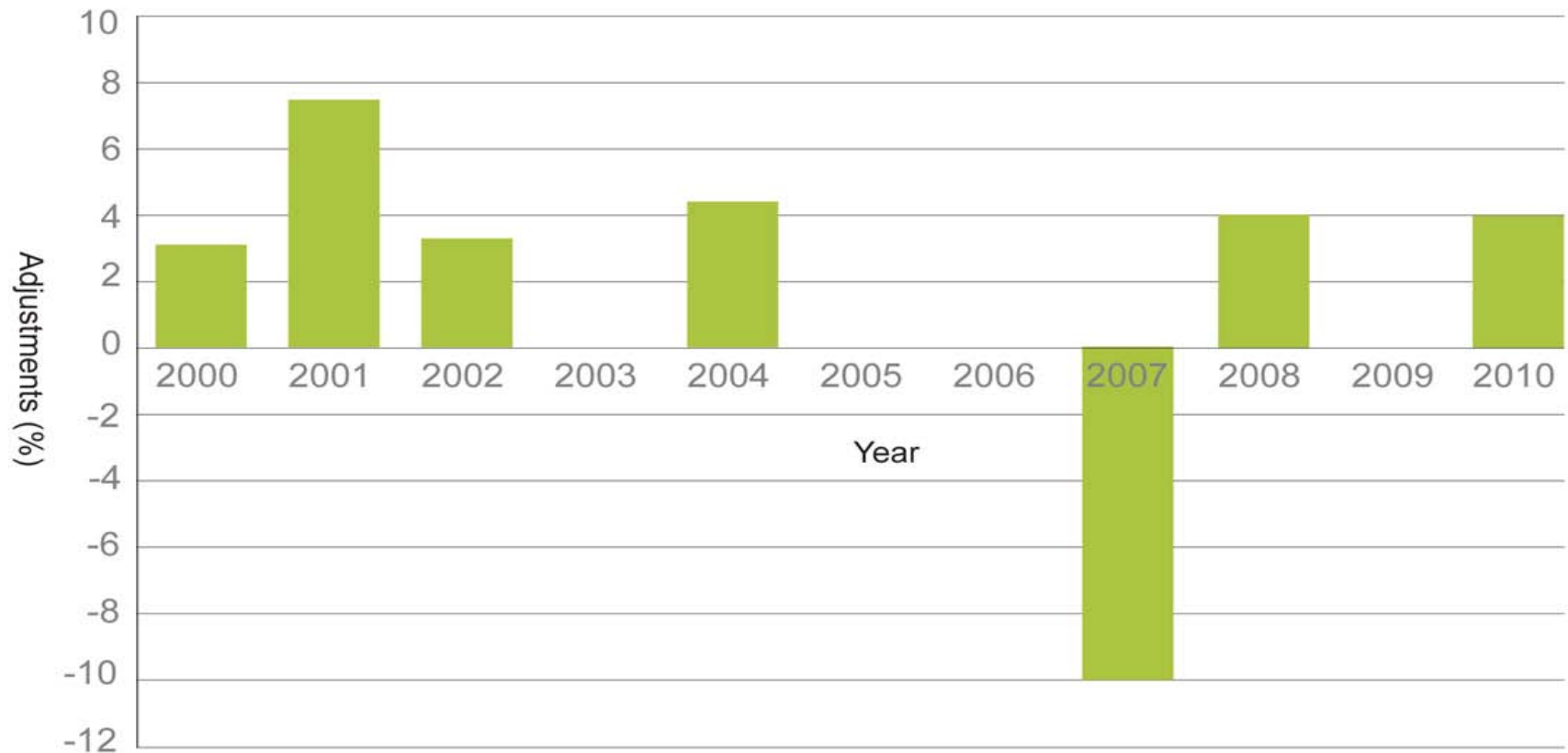


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Premiums

TEN YEAR HISTORY OF PREMIUM ADJUSTMENTS

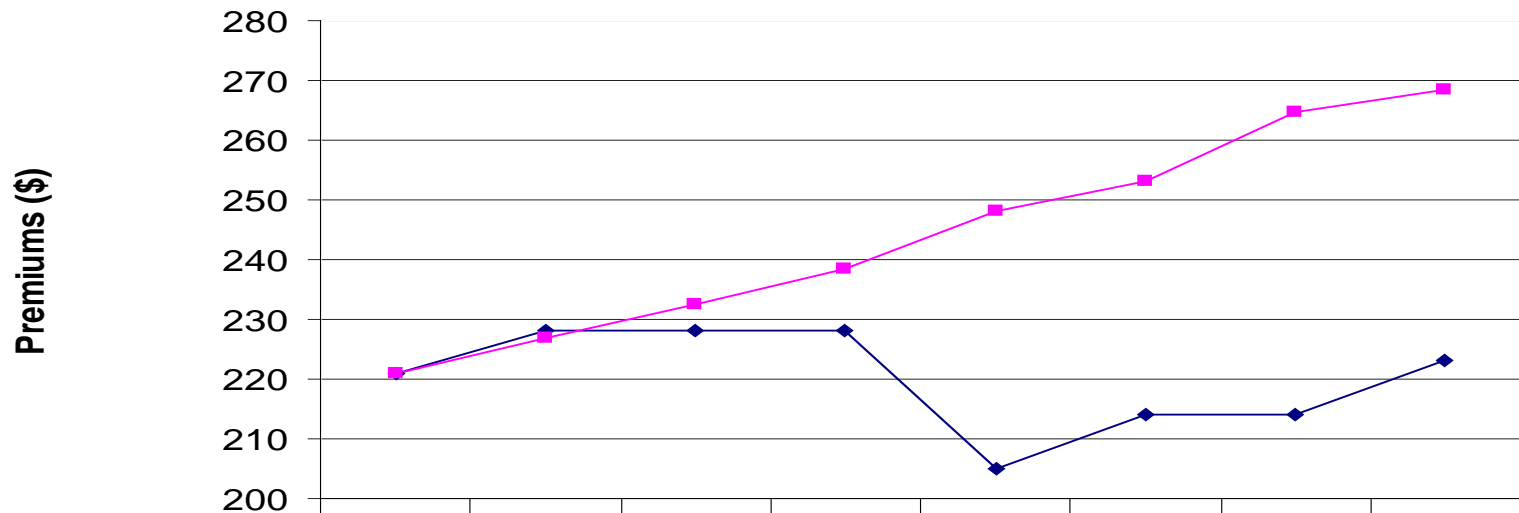


**2004 was a GST linked premium increase due to the end of transitional arrangements for CTP Insurance*



Premiums (cont'd)

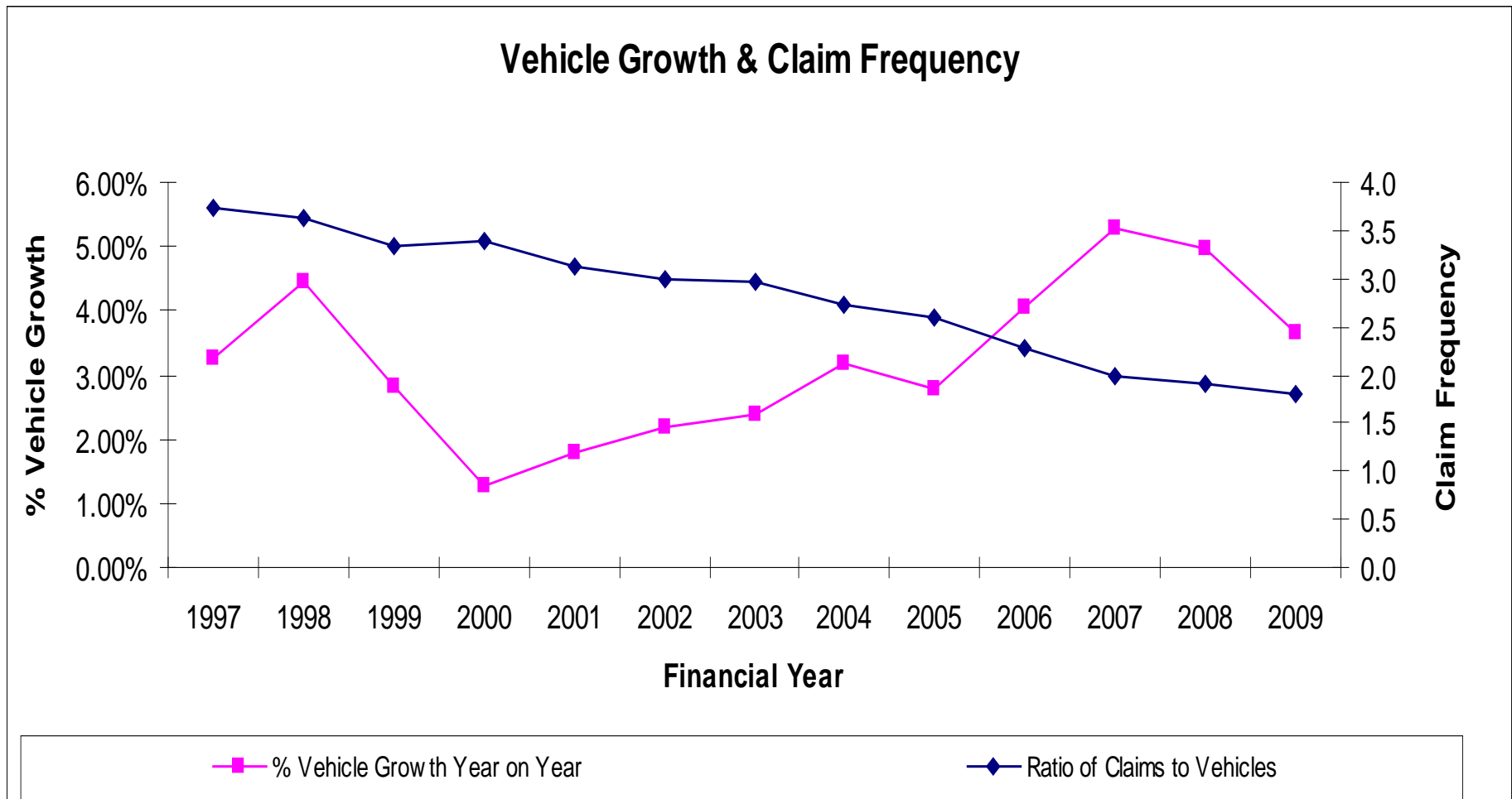
WA CTP Family Car Premiums Fall in Real Terms



	2002	2003	2004	2005	2006	2007	2008	2009
—◆— Actual Premium	221	228	228	228	205	214	214	223
—■— Inflation Adjusted Premium	221	227	233	238	248	253	265	269



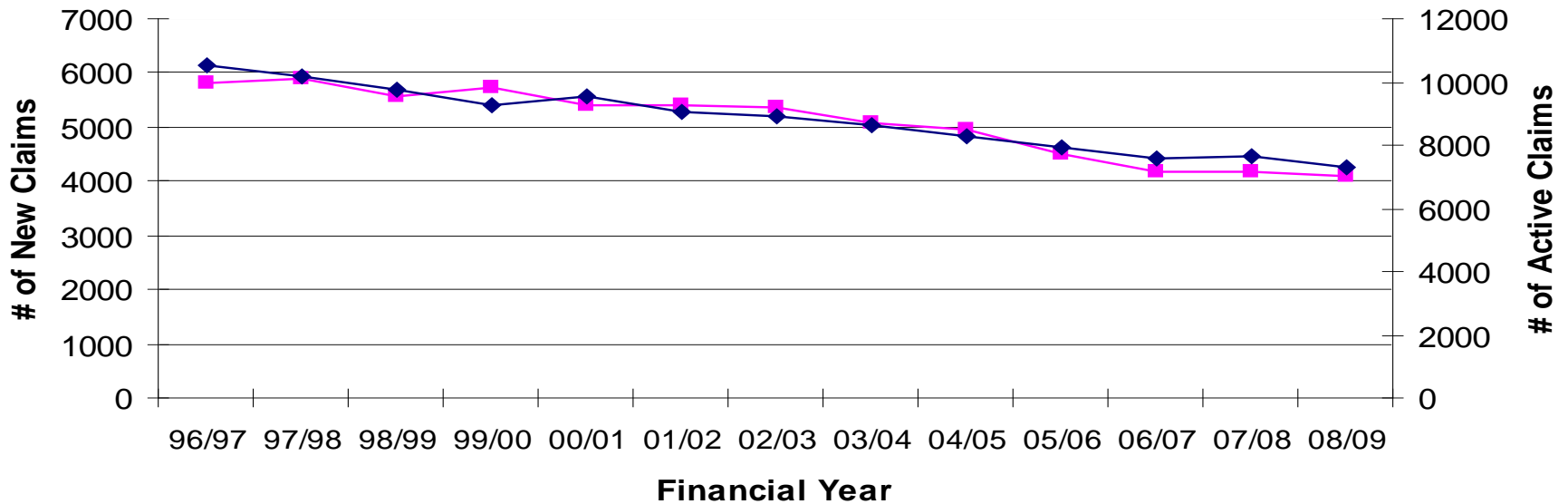
Claim Frequency





Claim Frequency (cont'd)

Number of New and Active Claims by Financial Year

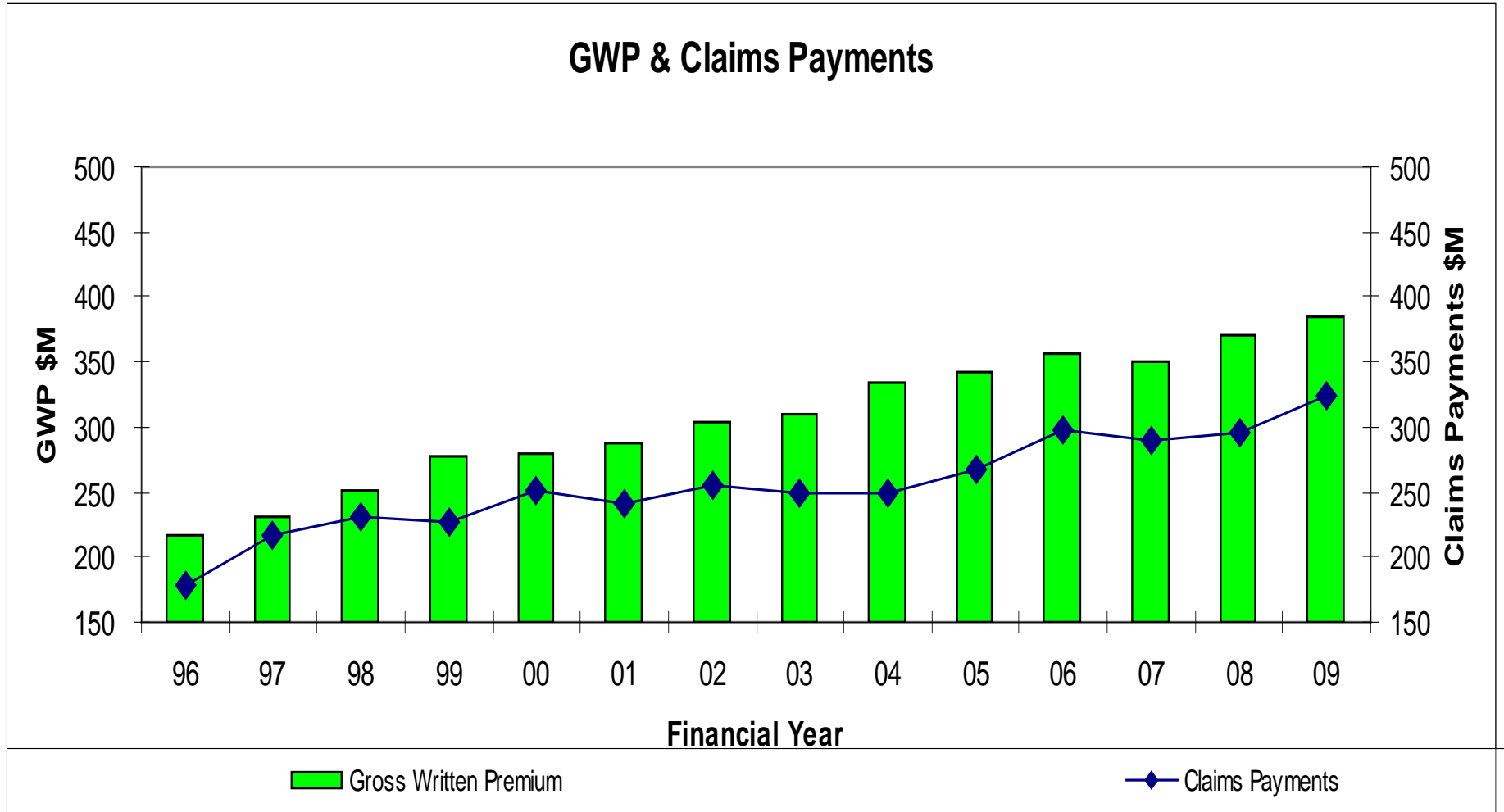


—■— New Claims

—◆— Outstanding Claims



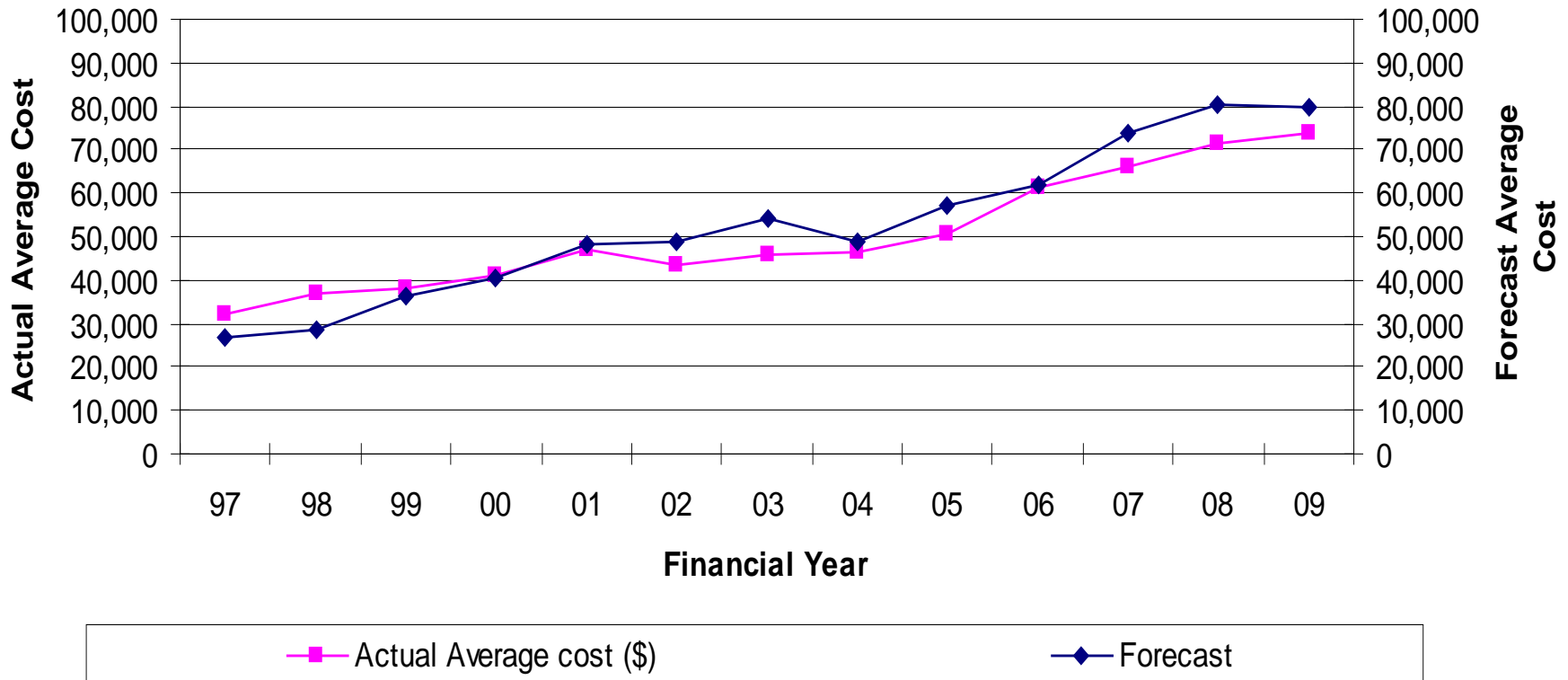
GWP & Claims Payments





Claim Costs

Actual v Forecast Average Claim Costs





New Initiatives Implemented

- Integration of an external service provider panel into our internal workflow system
- Implemented an “on-line” crash reporting facility for all motor vehicle crashes in WA, which:
 - Simplifies the reporting of a crash by providing a crash report form that is context-sensitive;
 - Improve the accuracy and reliability of crash data by means of automated validation functions and protocols;
 - Enable real time sharing and exchange of crash data electronically with partner agencies such as WA Police, Department of Transport and Main Roads WA



Future Directions

- Continue to focus on improving claims management systems and processes and increase efficiencies, in particular:
 - e-commerce and internet functionalities that enhance scheme accessibility and utilisation;
 - Upgrade main business systems (this is expected to take a number of years to complete)



Future Directions (cont'd)

- Evaluate opportunities for implementing a “no fault” long term care scheme for catastrophically injured MV personal injury claimants
 - Research project undertaken by UWA’s node of the Centre for Economic Research on Health (ACERH) expected to be concluded by 31 December 2009.

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Questions?