



Institute of Actuaries of Australia

XIth Accident Compensation Seminar 2007

MOTOR ACCIDENTS INSURANCE BOARD

Presenters: **Phillip Livingston**
 Peter Roche

Financial Snapshot (2005/06)

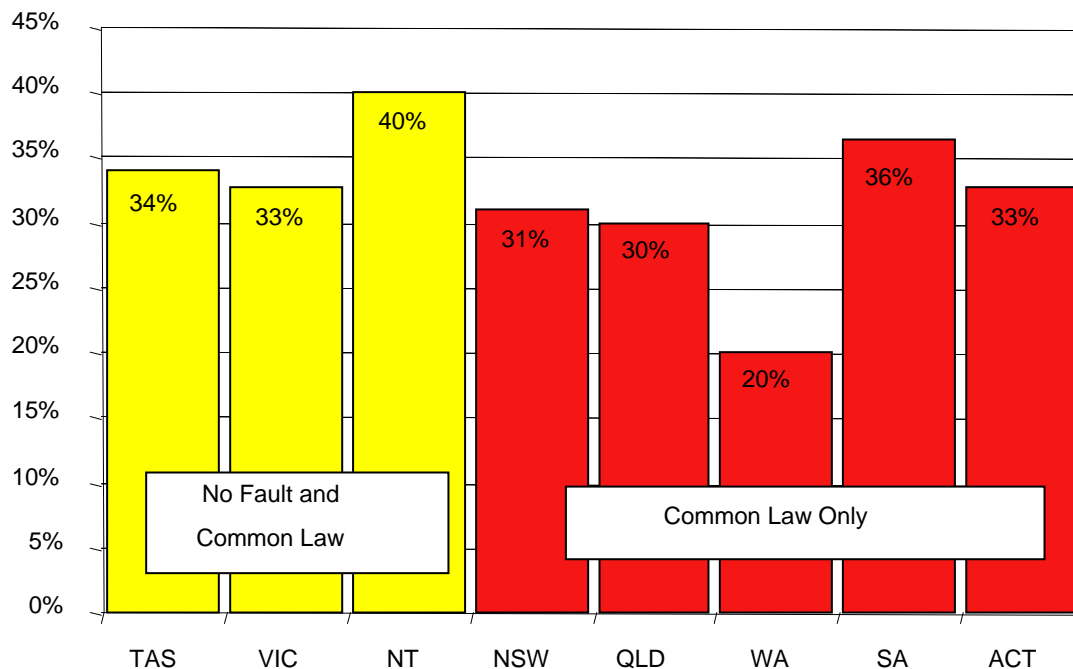
- Net Premium - \$113 M
- Profit (Before Tax) - \$133 M
- Total Assets - \$1,025 M
- Total Liabilities - \$776 M
- Net Assets - \$248 M

Motor Car Premium Rates \$

2003	2004	2005	2006	2007
307	324	332	332	332

Affordability

- premium as a % of Average Weekly Earnings



* NSW and QLD – Based on mid-range prices for 2005/06

** All premiums are inclusive of GST and exclude duty

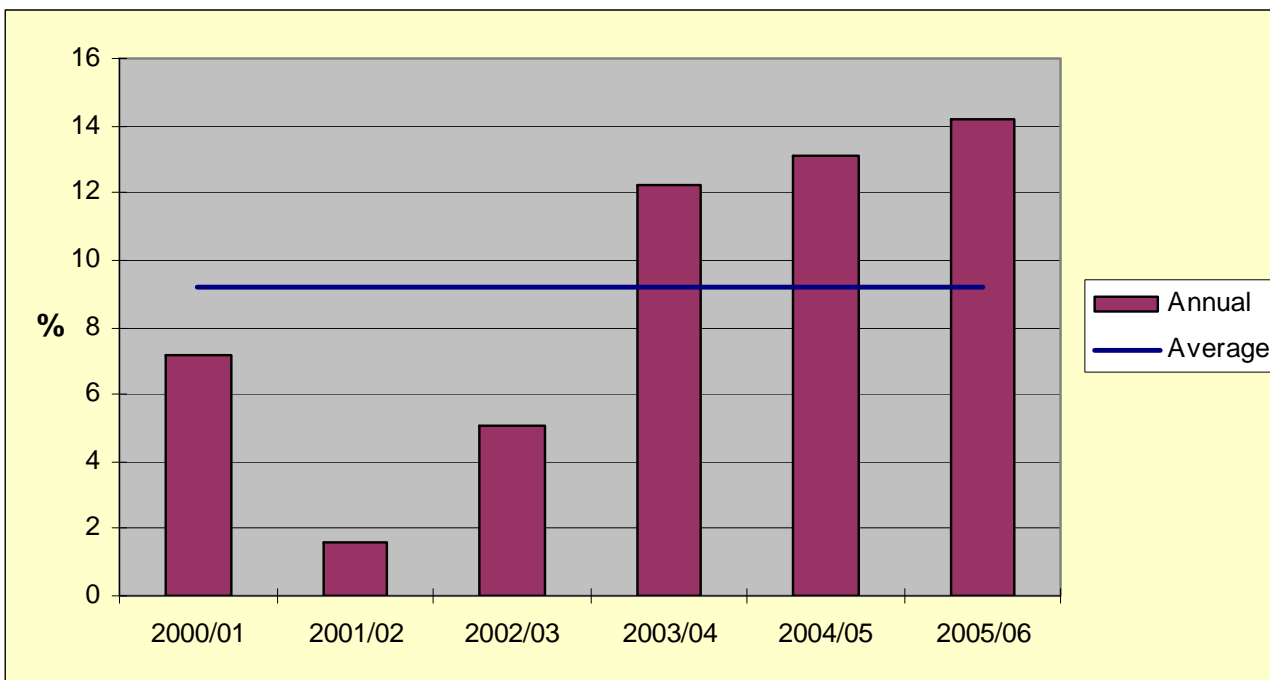
Financial Performance

	2001/02 \$M	2002/03 \$M	2003/04 \$M	2004/05 \$M	2005/06 \$M
Underwriting Result	(2.6)	(18.4)	(0.4)	(3.2)	16.2
Operating Result After Tax	4.2	10.7	51.1	58.4	96.2
Retained Surplus	61	72.3	121.9	173.0	248

Investment Benchmarks

Asset Classes	Benchmark %
Australian Equities	19
International Equities	18
International Bonds	5
Nominal Bonds	24
CPI Linked Bonds	5
Cash	10
Listed Property	14
Property & Alternative Assets	5

Investment Returns

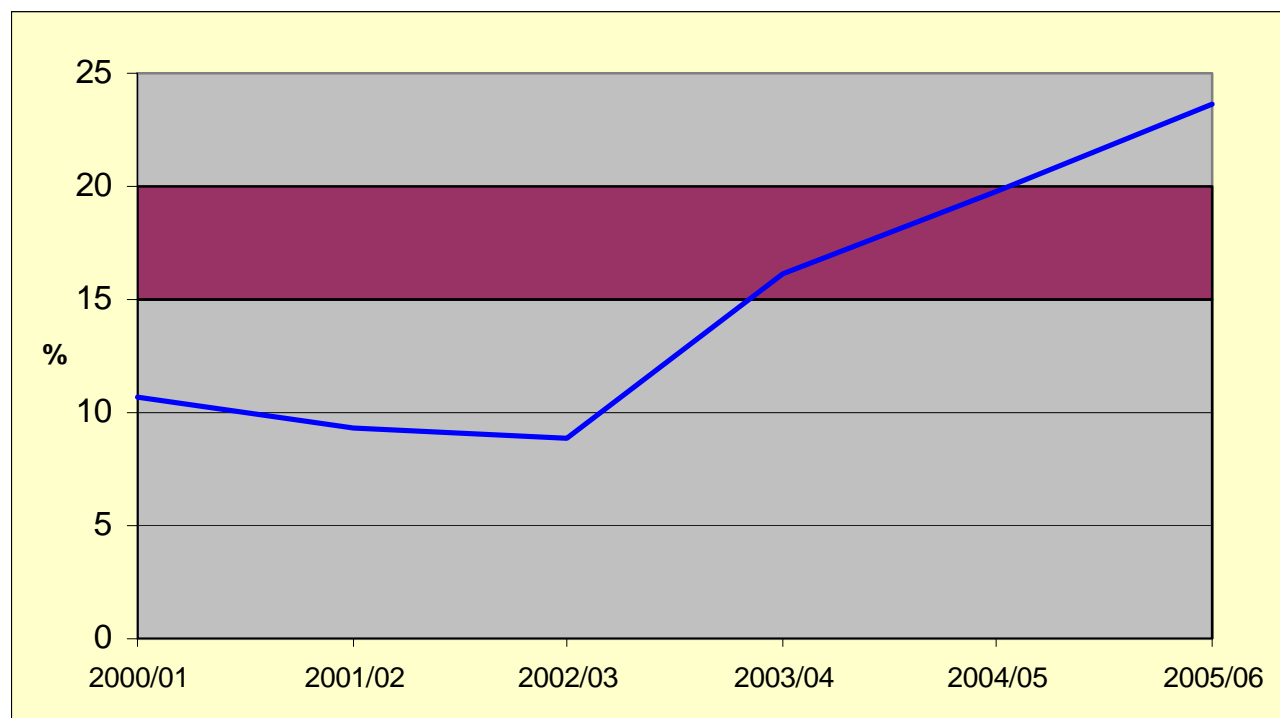


Investment Performance Against Peers

	01/02	02/03	03/04	04/05	05/06
MAIB	1.6%	5.1%	12.2%	13.1%	14.2%
Peer Average *	(1.8%)	1.8%	12.2%	13.3%	14.8%

- * - *Insurance Commission of WA;*
 - *Motor Accidents Commission – SA;*
 - *Motor Accidents Insurance Commission – QLD; and*
 - *Transport Accident Commission - VIC*

Target Solvency



Claims Management

- No Fault Scheme underpinned by a Common Law Scheme with minimal restrictions.

Claims Management (cont)

Recent Legislative Amendments:

- *Motor Accidents (Liabilities & Compensation) Regulations 2000.*
- Civil Liability Act 2002.

Proactive Approach to Claim Management

- Deliver benefits promptly.
- Robust assessment of entitlements.
- Regular reviews.
- Stock of open claims reduced.

Claims Management (cont)

- Specialist services outsourced, e.g. legal, rehabilitation, investigation and facilities.

Daily Care Claims

- Segregated management of daily care claims.
- Regular review of claim estimates.

Daily Care Claims (cont)

- Purpose built housing
- Construction of new group home in Hobart
- Approval for group home on North West Coast

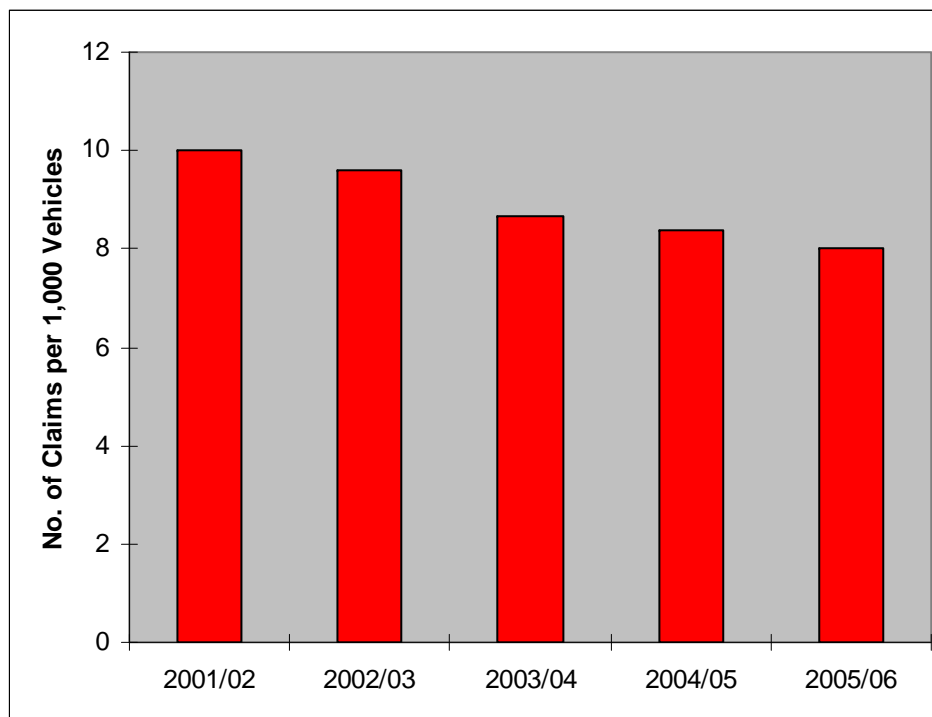


Assumed Average – Outstanding Claims

(\$)

	Scheduled Benefits	Common Law	Daily Care
2003/04	4,237	33,195	3,985,819
2004/05	4,536	34,336	4,077,033
2005/06	4,514	33,088	4,232,506

Claim Frequency



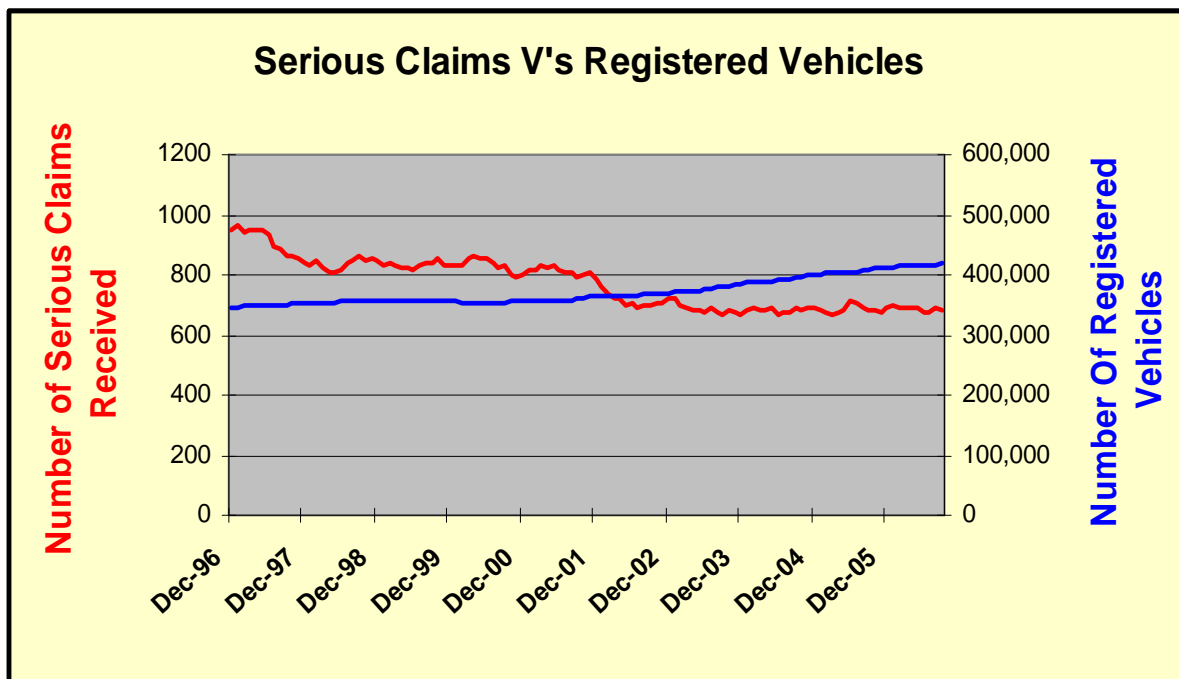
Accident Prevention

- Road Safety Task Force since 1996.
- Motorcycle Safety Strategy.
- Infrastructure.

Road Safety Task Force

- Partnership – Police, DIER, MAIB.
- Review undertaken every three years.
- Funding – Approaching \$20 million since 1996.

Serious Injuries



Motorcycle Safety Strategy

- \$500,000 commitment over three years.
- Subsidised refresher training.
- Education campaign.

Infrastructure

- In principle agreement to invest \$3 million over three years in State Black Spot Program.

Summary

- > 30 years of successful operation.
- Prudent management of business.
- Stable claim numbers and costs.
- Fully funded scheme.