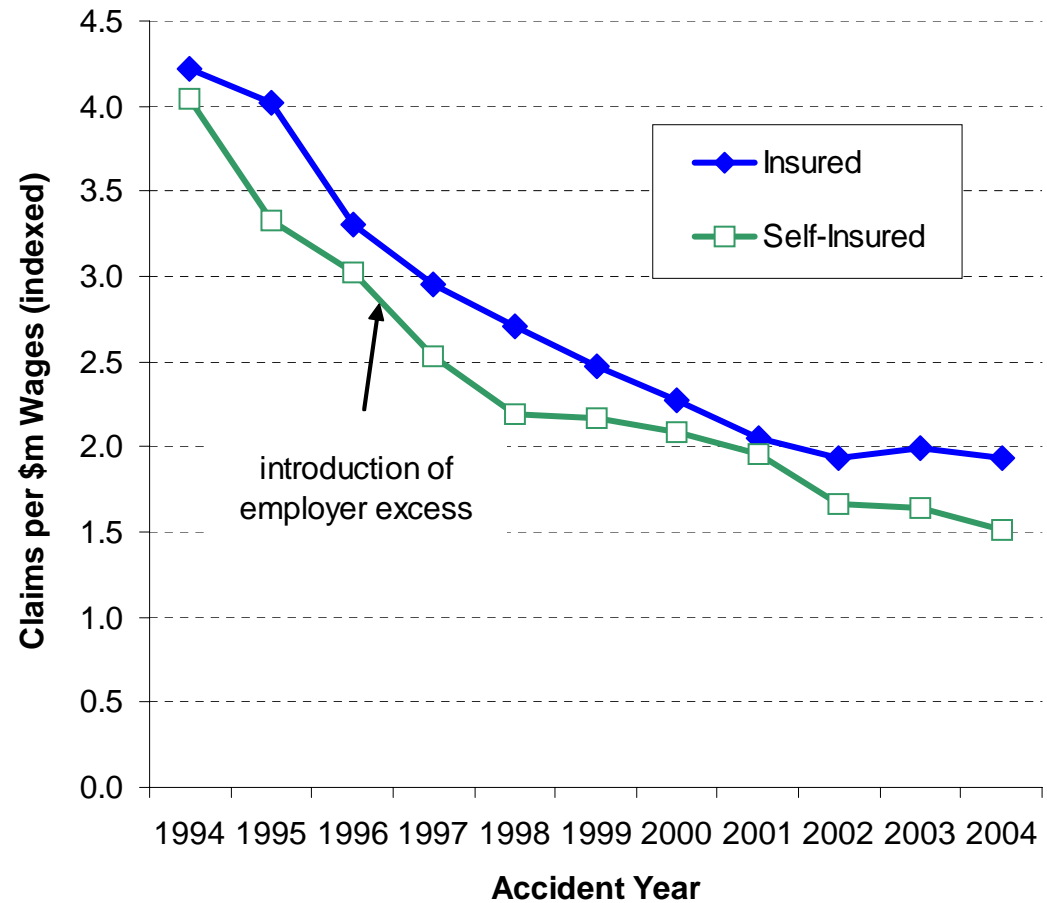




Claim Frequency

- strong reduction since 1995
- some signs of stabilisation
- more under-reporting of below excess claims?

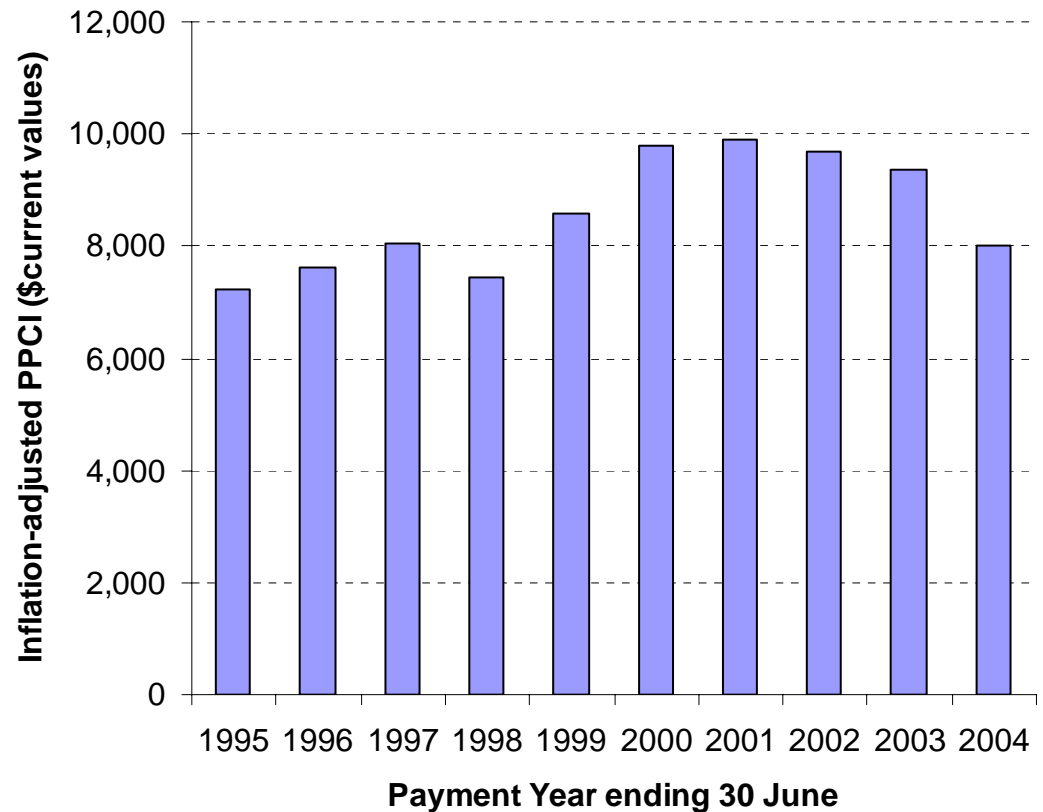




Average Claim Size

- was showing increasing trend
- appears to have been reined in by legislative changes

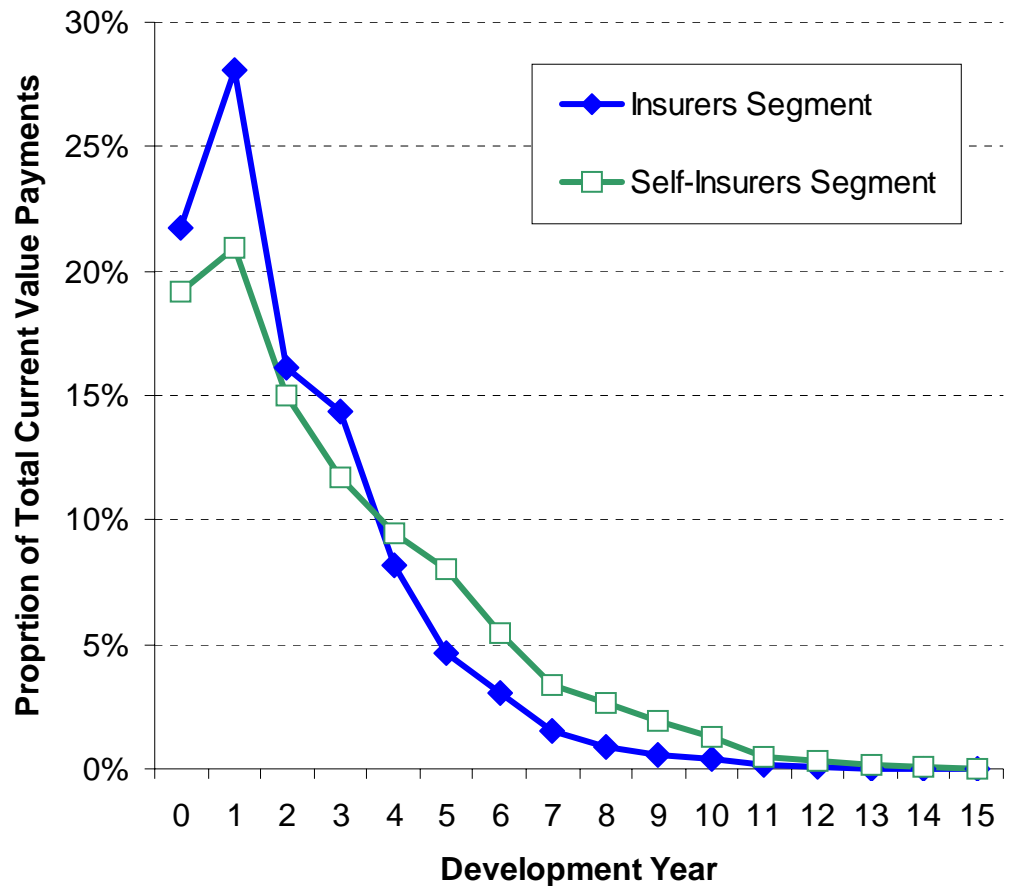
**Average Size by Payment Year
DY 0-5 Only: Insurer Segment**





Payment Pattern

- quite fast compared to other schemes
- reflects use of lump sum settlements





Profile of Scheme Payments

| Payments by Major Category (% of total Scheme payments) | | | | | |
|--|------------------------|------------------------------|------------------|----------------------------------|--------------|
| Financial Year | Weekly Benefits | Medical & Related | Lump Sums | Legal & Investigation | Other |
| 1994/1995 | 36% | 14% | 38% | 6% | 6% |
| 1995/1996 | 36% | 14% | 37% | 6% | 6% |
| 1996/1997 | 32% | 15% | 39% | 7% | 7% |
| 1997/1998 | 31% | 15% | 39% | 9% | 7% |
| 1998/1999 | 27% | 14% | 42% | 10% | 8% |
| 1999/2000 | 25% | 13% | 45% | 9% | 8% |
| 2000/2001 | 24% | 15% | 45% | 11% | 5% |
| 2001/2002 | 23% | 15% | 47% | 10% | 5% |
| 2002/2003 | 24% | 16% | 45% | 8% | 6% |
| 2003/2004 | 24% | 18% | 44% | 8% | 6% |



Negotiated Settlements

- flagged by the actuaries as a potential danger area
- status of these settlements is unclear:
 - no provision for them as such in the Act
 - but nor are they explicitly disallowed
- becoming more common place with the restricted access to common law
- often considered more attractive than redemptions
 - may produce tax advantage
 - can expand beyond statutory entitlements (e.g. P&S)



Premium Rates

- insurers now pricing in impact of 2000 legislative changes
- some feel rates are being driven too low

