

APPENDICES

Appendix 1: Actuarial Certificate, Nominal Defendant Fund

Actuarial Certificate Queensland Nominal Defendant Fund Outstanding Claims Liability as at 30 June 2012



The State Actuary's Office was asked by the Nominal Defendant to undertake a valuation of the Nominal Defendant Fund's ("The Fund") claims liabilities as at 30 June 2012 and to advise on an appropriate balance sheet provision for these liabilities.

The data, assumptions, approach and results of this valuation are described in detail in our report entitled "*Nominal Defendant Outstanding Claims Liability Review 30 June 2012*". The advice set out in our report has been prepared in compliance with the relevant accounting standard AASB 137 and Professional Standard 300 of the Institute of Actuaries of Australia.

Results

The recommended provision for the Nominal Defendant as at 30 June 2012 is \$163.6 million, comprising the central estimate of the liability for outstanding claims and a prudential margin. The recommended provision is net of reinsurance and other recoveries. The central estimate is discounted (i.e. allows for investment income on notional assets equivalent to the liabilities), allows for future claim inflation and claim handling expenses. The prudential margin of 10% of the central estimate allows for the risk and uncertainty associated with the estimated liability.

Reliances and Limitations

In preparing our advice we relied extensively on information supplied by the Nominal Defendant. Independent verification of this information was not undertaken although it was reviewed and checked for reasonableness and consistency.

Although we have prepared estimates in conformity with what we believe to be the likely future experience, the experience could vary considerably from our estimates. Deviations from our estimates are normal and to be expected.

A.A. van den Berg
Fellows of the Institute of Actuaries of Australia
3 August 2012

C. A. Harrison