



We find the patterns that matter.

Motor Accident Insurance Commission

Retrospective profit study of
Queensland CTP premiums as
at 31 December 2025

8/07/2026



Document classification: Client use

ACN 087 047 809
ABN 29 087 047 809

www.taylorfry.com.au

Taylor Fry Pty Ltd



ISO 27001 INFO SEC
Certified System



TAYLOR FRY

8 July 2026

Ms Gaenor Walker
Acting Insurance Commission
Motor Accident Insurance Commission
Gaenor.Walker@niis.qld.gov.au

Dear Gaenor

Retrospective profit study of Queensland CTP premiums as at 31 December 2025

This report sets out the details of our review of the retrospective profitability of Queensland CTP premiums with a focus on drivers of profitability as well as changes in our view of retrospective profitability over the year ending 31 December 2025.

Yours sincerely



Peter Mulquiney
FIAA



Danielle Ling
FIAA

Table of contents

1	Executive summary	3
1.1	Levels of Scheme profit.....	3
1.2	Range of insurer profit.....	4
1.3	Uncertainties in the estimated profit margin.....	4
2	Background and scope	6
2.1	General.....	6
2.2	Relevant legislation.....	6
2.3	Scope of this report.....	6
2.4	Previous report	7
3	Data.....	8
3.1	Items of data.....	8
4	Methodology	9
4.1	General.....	9
4.2	Inflating future payments.....	10
4.3	Discounting payments	10
4.4	Expenses, allowances and target profit margin	10
4.5	Superimposed inflation	10
4.6	Adjustment for introduction of the NIISQ.....	10
4.7	Impact of claim farming reforms, COVID-19, Eastern Australian floods and Ex-Tropical Cyclone Alfred	11
5	Results	12
5.1	Hindsight premium	12
5.2	Central estimate, floor, ceiling and average insurer premiums.....	15
5.3	Profit	15
5.4	Insurer profit	18
6	Reconciliation	20
6.1	Reconciliation to the profit margin assumed by MAIC	20
6.2	Reconciliation to the previous report.....	23
6.3	Uncertainties in the estimated profit margin.....	24
7	Reliances and limitations.....	27
	Appendix A Economic assumptions	28
A.1	Historical government yields	28
A.2	Future rates of wage inflation.....	28
	Appendix B Ultimate incurred costs	29
B.1	Historical finalised uninflated claim payments (gross of ITC/DAM).....	29
B.2	Outstanding claims liability uninflated/undiscounted (gross of ITC /DAM)	29
	Appendix C Modelled Scheme relativities	30
C.1	Modelled Scheme frequency relativities by accident period	30
C.2	Modelled Scheme size relativities by accident period	30
	Appendix D MAIC's pricing assumptions	31
D.1	MAIC's pricing assumptions used to set floor and ceiling premiums	31
	Appendix E Comparison of estimates	32

E.1	Hindsight estimation of all class risk premiums based on data to 31 December 2025.....	32
E.2	Hindsight estimation of all class profitability based on data to 31 December 2025	32

1 Executive summary

1.1 Levels of Scheme profit

Table 1.1 shows our latest estimates of the average scheme profit per policy as at 31 December 2025 as a percentage of insurer premiums and in dollar values.

Table 1.1 – Scheme retrospective profit margins for all classes as at 31 December 2025

Underwriting period	Profit margin (insurer average premium)	
	%	\$
2021	8%	16
2022	12%	26
2023	12%	26
2024	6%	12
2025	6%	15
Most recent 3 years	8%	18
Most recent 5 years	9%	19
Most recent 10 years	12%	27

Figure 1.1 shows the scheme profit margin over time. These estimates are highly uncertain, particularly for the most recent underwriting year 2025 (see Section 1.3 for more details).

Figure 1.1 – Scheme retrospective profit margin for MAIC premium band and insurer average premiums

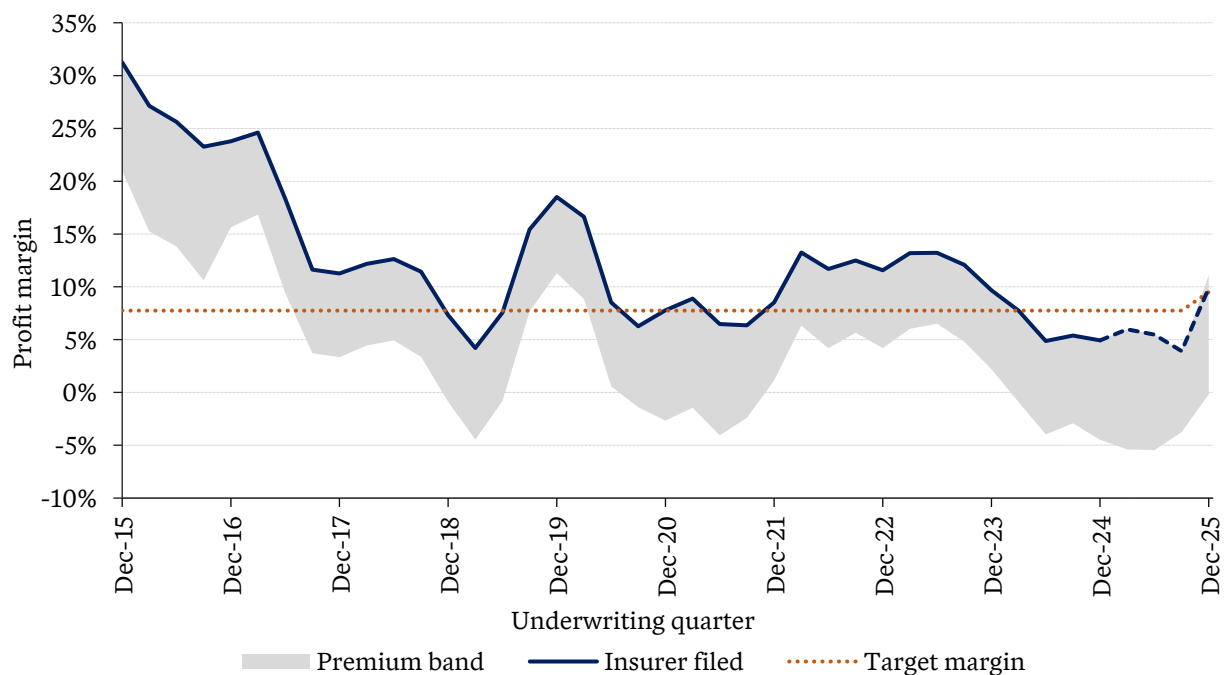


Figure 1.1 shows that since Dec-17 the profit margin has been both above and below target, with the average over the most recent five underwriting years slightly above target, and the average over the last three years at target (Table 1.1). We note that the target profit margin is the margin expected to be achieved on average over a period of several years. As such, in some years the profit margin will be below target, but longer-term averages should yield a profit closer to the target.

The average profit margin over the last ten years is estimated to be 12%. The main drivers of the excess profits above the target margin over the last ten years have been superimposed inflation not emerging as forecast, insurers pricing at the ceiling and favourable claim frequency experience. The reconciliation of latest profit margin estimates to target margins is discussed in Section 6.1.

At the Dec-25 underwriting quarter the target profit margin was increased from 7.75% to 9.5%. Experience for the Dec-25 quarter is underdeveloped but is currently sitting slightly above the target profit margin, following the period of below target estimated profit from Jun-24 through to Sep-25.

1.2 Range of insurer profit

Profitability has varied considerably among individual insurers over the past 5 underwriting years, with an average gap of 13% between the highest and lowest estimated insurer margins (Table 1.2). Over the 5-year period of underwriting years 2021-2025, we estimate:

- An average profit margin of 14% across the *highest* insurer profit margins for each underwriting year
- An average profit margin of 2% across the *lowest* insurer profit margins for each underwriting year.

Table 1.2 – Range of insurer profit margins by underwriting year

Underwriting period	Scheme margin	Highest insurer margin	Lowest insurer margin
2016	25%	29%	17%
2017	16%	26%	0%
2018	11%	25%	2%
2019	11%	29%	-2%
2020	10%	30%	-2%
2021	8%	14%	2%
2022	12%	23%	3%
2023	12%	19%	1%
2024	6%	9%	4%
2025	6%	9%	5%
Average: 2016-2025	12%	21%	3%
Average: 2021-2025	9%	14%	2%
Average: 2023-2025	8%	12%	1%

1.3 Uncertainties in the estimated profit margin

The profit margin estimates reported in Table 1.1 and Table 1.2 are highly uncertain and the degree of uncertainty increases for more recent underwriting years. For example, for the 2025 underwriting year, most of the claims costs that are expected for this year are not yet known. There is considerable

uncertainty in these claim cost forecasts, and it typically takes several years before an underwriting quarter's claims cost can be known with a high degree of certainty.

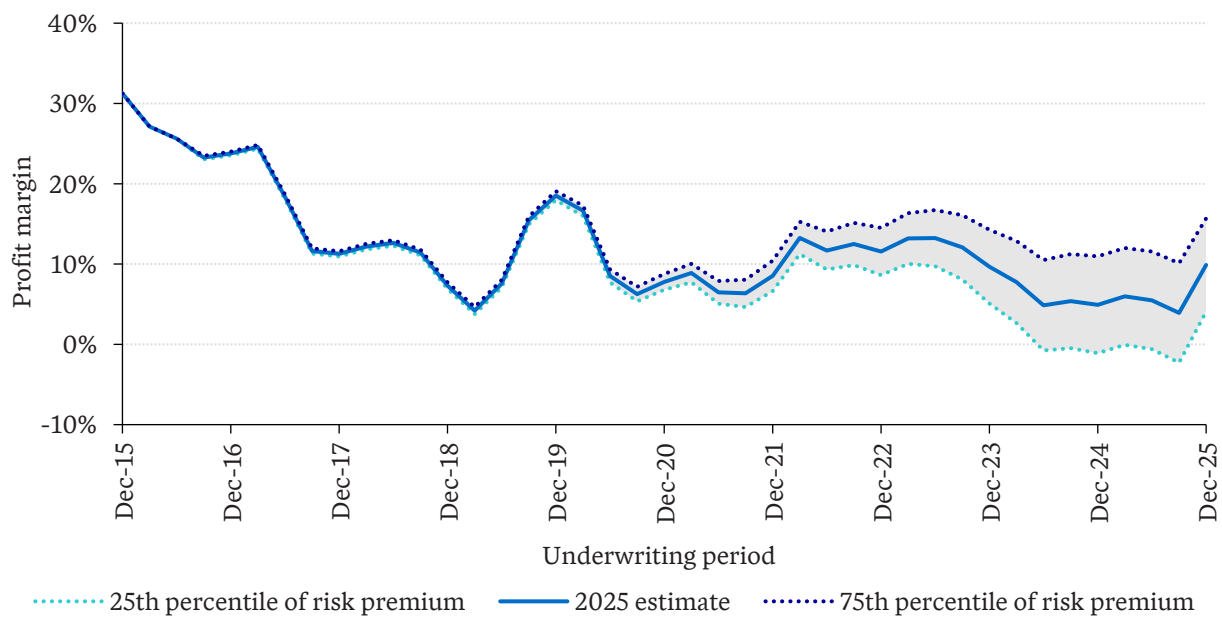
This uncertainty is driven by 2 main sources:

- **Risk premium evolution** – the average claim size for the most recent underwriting year will finalise around 4 years after the latest finalised claim data available to estimate the risk premium. Historically there have been considerable movements in the risk premium over a four-year period.
- **Historical risk premium error** – even for underwriting years where a good volume of finalised claims is available (such as the 2021 underwriting year where approximately 28% of claims costs expected are not yet known), there is uncertainty in the outcomes for claims yet to finalise.

We have quantified this *business as usual variation* and have found that there is an approximately 50% chance that the actual risk premium – allowing for movements in wage inflation and discount rates – will fall within the range of the estimated risk premium by +/- 7.5% and 50% chance that it will fall outside this range.

Figure 1.2 illustrates this uncertainty by showing an approximate 50% confidence interval for scheme retrospective profit. The confidence interval is such that roughly 50% of the time we expect the actual profit margins to fall outside of the interval. The confidence interval narrows as one moves to the left because more of the claims cost has been paid and so the uncertainty is less.

Figure 1.2 – Approximate 50% confidence interval for scheme retrospective profit



2 Background and scope

2.1 General

Queensland operates a common law “fault” based compulsory third party scheme, first introduced in 1936. The scheme provides motor vehicle owners with insurance policies that cover their unlimited liability for personal injury caused by, through, or in connection with the use of the insured motor vehicles anywhere in Australia. It is underwritten by private licensed insurers.

2.2 Relevant legislation

The Motor Accident Insurance Amendment Act 2000 (the Amendment Act) took effect from 1 October 2000. This implemented a number of changes, bringing in statutory limits, of which one of the most significant was a restriction on plaintiff costs.

From 1 October 2000, the insurers, operating in a competitive market, determine the premiums within a range between the maximum (ceiling) and minimum (floor) rates set by MAIC.

The Civil Liability Act 2003 (“CLA”) applies to all accidents occurring on or after 2 December 2002. It affects the type of claims that can be made as well as bringing in further statutory limits, restricting some of the damages that can be claimed. In relation to the latter, it contains Injury Scale Values (ISV) used for calculating general damages arising from incidents on or after 2 December 2002. Under the Act, general damages are calculated after consideration of the application of the ISV set out in the regulations.

The Civil Liability and Other Legislation Amendment Act 2010 (CLAA) increased the ISV scale amounts for general damages and the maximum recoverable legal costs. These changes apply for injuries occurring on or after 1 July 2010. The CLAA also made provision for further indexation, linked to AWE increases.

The Civil and Criminal Jurisdiction Reform and Modernisation Amendment Act 2010 (CCJRA) increased the jurisdictions of the District and Magistrates Courts. The effect is that, from 1 November 2010, many of the claims which would have previously been heard by the District Court are now heard by the Magistrates Court and that some of those claims which would have been heard in the Supreme Court will be heard in the District Court.

The Motor Accident Insurance and Other Legislation Amendment Bill 2019 came into effect on 5 December 2019. The main purpose of this bill is to combat claim farming practices which had become a growing concern in the scheme. The legislation makes it illegal in Queensland for lawyers to pay a fee to a car crash scammer. In addition, the Motor Accident Insurance Regulation 2018 was also amended to require extra information to be provided in the Notice of Accident Claim Form.

2.3 Scope of this report

MAIC have requested that Taylor Fry conduct a review of the retrospective profitability of the premiums for the Queensland CTP Scheme for all vehicle classes. Of interest is the comparison of the hindsight non-ITCE premium with the floor and ceiling premiums, and the average filed insurer premium.

We have relied upon the advice given to MAIC on components of the risk premium for CTP insurance policies underwritten in the quarter 1 July to 30 September 2025. This advice was based on data to 31 December 2025 and is the latest complete annual advice given to MAIC. We will refer to this as the Annual Advice.

An abridged version of that advice, for circulation to the market and insurers, appeared as *Queensland CTP Market Briefing: Review of the risk premium for the 2025Q3 underwriting quarter*, dated 16 March 2025, by Peter Mulquiney and Danielle Ling. This will be referred to as the Risk Premium report.

All results in the report are presented on an all-classes basis unless stated otherwise.

2.4 Previous report

The report titled *Retrospective profit study of Queensland CTP premiums as at 31 December 2024* dated 3 June 2025, by Peter Mulquiney (the previous report) was based on data to 31 December 2024 and is the counterpart to this report. The methodology adopted in this report is unchanged from the previous report.

3 Data

3.1 Items of data

3.1.1 General

In producing this report, we have relied on the following sources of data:

- Numbers of vehicles registered by month from July 2005 to December 2025
- Quarterly floor and ceiling premium rates
- Premium assumptions
- Insurers' rate and expense filings
- Analysis from the Annual Advice.

3.1.2 Number of vehicles registered

This consists of total vehicle registrations, split by vehicle class for each month since 1 July 2005. The exposure was provided by MAIC on 22 January 2026.

3.1.3 Quarterly floor and ceiling premium rates

Quarterly floor and ceiling premium rates for all classes were provided by MAIC for the underwriting periods 1 January 2008 to 1 April 2026 on 20 January 2026.

3.1.4 Premium assumptions

The assumptions adopted by MAIC for the calculation of the floor and ceiling premiums for all classes for the underwriting periods 1 January 2008 to 1 April 2026 were provided by MAIC on 20 January 2026. This information included the underlying assumptions for expenses, profit margin and vehicle class relativities. Average seat numbers for Classes 10A, 10B and 11 for underwriting periods beginning 1 January 2010 to 1 April 2026 were provided on 13 January 2026.

3.1.5 Insurers' rate and expense filings

Insurers' rate filings for all classes along with their expense filings were provided by MAIC for the underwriting periods 1 October 2005 to 30 June 2026 on 20 January 2026.

4 Methodology

The aim of this study is to compare hindsight estimates of the non-ITCE premium with the floor and ceiling premiums set by MAIC, and the premiums filed by insurers.

4.1 General

Since the 2018 review, we have projected claim sizes on the net-of-NIISQ basis.

The National Injury Insurance Scheme Queensland (NIISQ) came into effect from 1 July 2016. All lifetime care and support costs for catastrophically injured claimants arising from accidents after 1 July 2016 will be covered under NIISQ. This is expected to reduce the average claim size for policies underwritten from 1 July 2015 due to the reduction in costs covered by CTP scheme after 1 July 2016. The claim frequency will remain unchanged as certain heads of damages (HoD) such as economic loss will still be covered by CTP scheme.

The estimation of the hindsight premium is as follows:

- Hindsight estimates (as at 31 December 2025) of Scheme claim frequency and net-of-NIISQ gross (of ITC/DAM) claim size by accident quarter are sourced from the Risk Premium report. Estimates covered accident quarters from 31 December 2001 to 31 December 2025 and were in 31 December 2025 dollar values.
- The claim size estimates were inflated to the middle of the calendar quarter in which they were projected to be paid.
- Estimates of the claim size and claim frequency by underwriting quarter were then derived.
- For accidents which occurred before 1 July 2016, the claims size projection was adjusted to reflect the pre-NIISQ Scheme, where there is no claim cost transferred from the insurers to NIISQ. Details on the adjustment are in Section 4.6.
- The claim size estimates were discounted to the middle of the respective underwriting quarter.
- The net risk premium was calculated as the product of claim frequency and the net average claim size (gross average claim size net of GST).
- The hindsight (non-ITCE) premium was then calculated using the claims handling expense, acquisition and reinsurance cost and profit margin assumptions as used by MAIC in the corresponding underwriting quarters.
- For the purposes of comparison, premiums excluding GST and levies were used.

All underwriting quarters included in our analysis have some claims to be settled and most have some claims yet to be reported. Therefore, our calculation of hindsight premium depends on our projection of the number and size of claims to be settled for each underwriting quarter. The more recent the underwriting quarter, the more dependent the estimated hindsight premium is on the assumptions underlying our projection.

4.2 Inflating future payments

Future finalised claim payments have been inflated to the middle of the calendar quarter in which they are projected to be paid using inflation forecasts from a market-based model based on the shape of current nominal and inflation-linked bond yield curves, the QLD unemployment rate and long run assumptions of CPI and the gap between AWE and CPI. Full details of this model are outlined in the discussion paper *An alternative approach to forecasting wage inflation* dated 29 July 2019 by Richard Brookes and Nelson Vasconcelos. Future finalised claim payments are sourced from the Annual Advice.

4.3 Discounting payments

Claim payments have been discounted to the middle of the underwriting quarter using the Government bond yield curve as at the end of the underwriting quarter.

4.4 Expenses, allowances and target profit margin

In their calculation of the floor and ceiling premiums, MAIC make assumptions regarding:

- Claims handling expenses (percentage of risk premium)
- Acquisition costs (dollar cost)
- Reinsurance costs (dollar cost).

These assumptions vary by underwriting quarter and vehicle class. We have used MAIC's adopted expense assumptions, effectively assuming they represent the actual experience of insurers. The changes in these assumptions over the past five years for Class 1 vehicles are:

- Claims handling expenses has increased from 6.25% to 6.75% of premium per policy at 1 July 2022, and increased to 7% of premium per policy at 1 July 2023.
- Acquisition costs decreased from \$10 to \$8 per policy at 1 July 2022.
- Reinsurance costs have been reduced to nil since 1 July 2021 – MAIC has advised these were absorbed into the acquisition cost allowance.

MAIC sets an allowance for profit. This profit margin is defined as the percentage of the total premium that is profit (rather than the percentage loading on expected costs). We maintain this definition of profit margin throughout this report. The current target profit margin is 9.5% of the corresponding premium for the Dec-25 underwriting quarter. Prior to this quarter the target profit margin was 7.75% of the corresponding premium from 1 July 2008 onwards.

4.5 Superimposed inflation

We have assumed future finalisation period superimposed inflation (SI) of 0% p.a. This reflects MAIC's allowance in their calculation of ceiling and floor premium as at 31 December 2025.

4.6 Adjustment for introduction of the NIISQ

The NIISQ came into effect from 1 July 2016. All lifetime care and support costs for catastrophically injured claimants arising from accidents after 1 July 2016 are covered under the NIISQ. This is expected to reduce the average claim size for policies underwritten from 1 July 2015 due to the reduction in costs covered by CTP scheme. The claim frequency will remain unchanged as certain heads of damages (HoD) such as economic loss will still be covered by CTP scheme.

In the retrospective profit study:

- Claim sizes are modelled on a net of NIISQ basis by removing all payments from the data which we assess would have qualified for the NIISQ if it had always been existence. This means that the projected sizes of all NIISQ-eligible claims directly incorporate a reduction in costs covered by the NIISQ.
- For claims incurred prior to 1 July 2016, claim sizes are adjusted to a gross of NIISQ basis by adding back payments and case estimates of NIISQ-eligible claims for HoDs that would have been covered by the NIISQ. This is because NIISQ is not applicable to these claims hence no claims cost was transferred to the NIISQ.

We have adjusted policies underwritten from 1 July 2015 to 30 September 2016 to reflect insurers' payments to MAIC for the exposure covered by the NIISQ (known as 'NIISQ claw back'). This approach remains unchanged from our previous report.

4.7 Impact of claim farming reforms, COVID-19, Eastern Australian floods and Ex-Tropical Cyclone Alfred

Claim frequency for the 2020 and 2021 accident years were significantly lower than 2019 resulting from:

- The claims farming reforms introduced in December 2019
- The impact on COVID-19 on traffic volumes – traffic volumes reduced due the COVID-19 lockdowns and the associated impacts on economic activity.

Claim frequency was also significantly lower in the March 2022 quarter due to the Eastern Australian floods and extended school holidays. Additionally, claim frequency decreased in the March 2025 quarter likely due to Ex-Tropical Cyclone Alfred and the resulting lower traffic volumes.

In our analysis, we separate the impact of these drivers of reduction in claim frequency by utilising the estimated impact of COVID-19, Eastern Australian floods and Ex-Tropical Cyclone Alfred on claim frequencies from the Annual Advice.

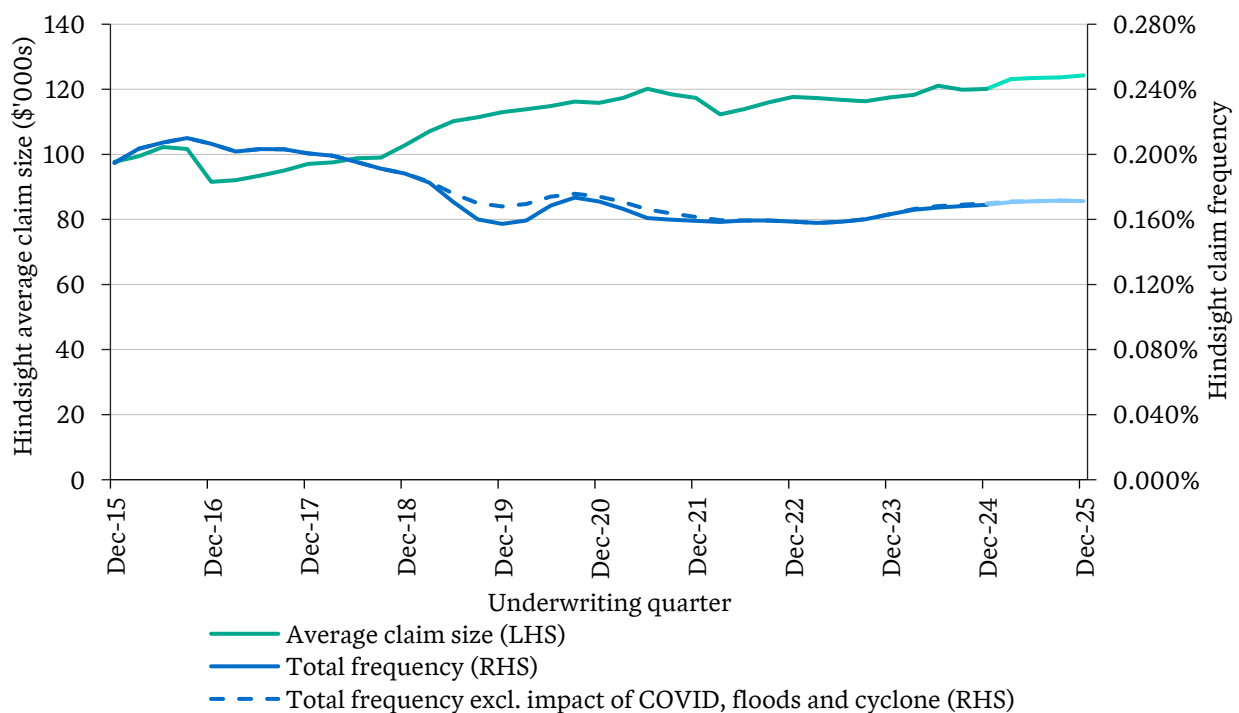
5 Results

5.1 Hindsight premium

5.1.1 Hindsight risk premium

Figure 5.1 displays the Scheme hindsight claim frequency and average claim size, assuming no future superimposed inflation, from the 31 December 2015 to 31 December 2025 underwriting quarters.

Figure 5.1 – Estimated hindsight claim frequency and average claim size (in historical values)



Claim frequency increased to a peak in 2016, before declining through to 2023. Since then, it has increased again and continues to trend upward, although it remains well below the peak level observed in 2016. The impact of claim farming reforms, persistent low traffic volumes, road safety initiatives and COVID-19 have contributed to the lower frequency in recent years. The current frequency estimate for the 2025 underwriting year is approximately 0.171%.

Following the introduction of the NIISQ in 2016, the scheme average claim size fell sharply as part of the claim costs were transferred to the NIISQ.

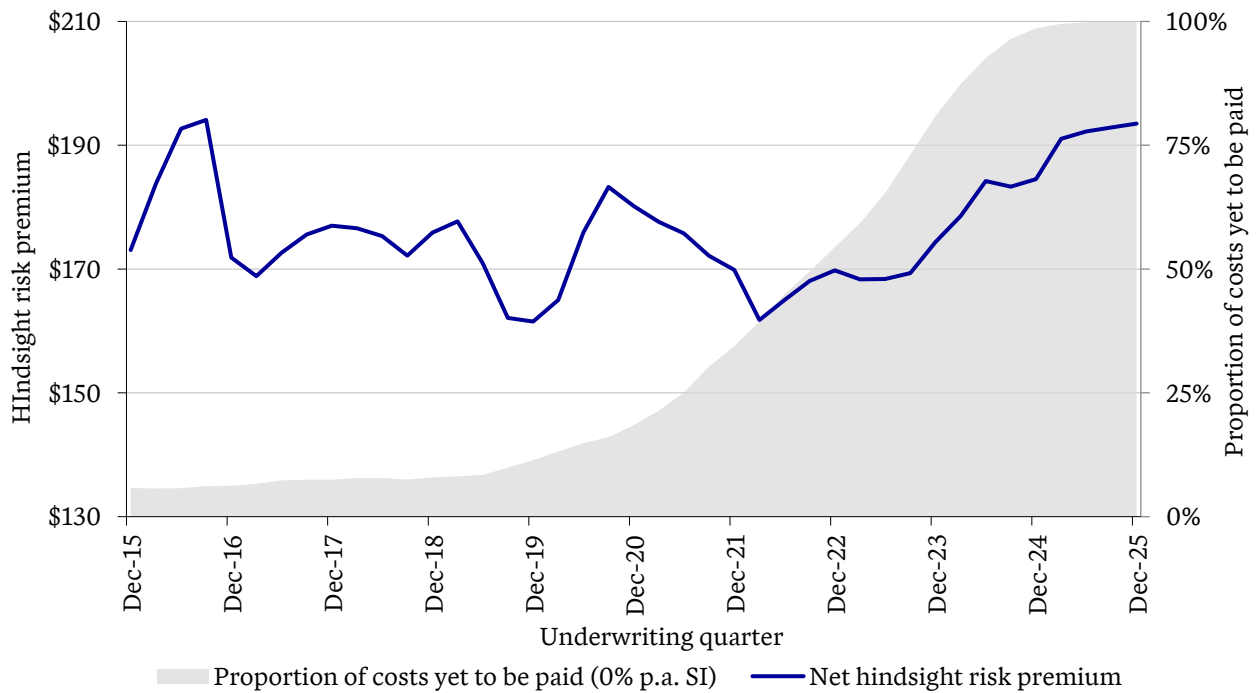
This was followed by a significant increase in scheme average claim size up to the 2021 underwriting year. This increasing trend has been driven by several factors, including:

- Decreases in frequency over this period being attributed to lower severity claims, causing a strengthening in severity profile
- Increases in actual and projected future claim sizes
- Higher projections of future AWE inflation.

The average claim size decreased over 2021-2022, before increasing gradually to 2025.

Figure 5.2 shows the resulting hindsight risk premium for the 2016 to 2025 underwriting years.

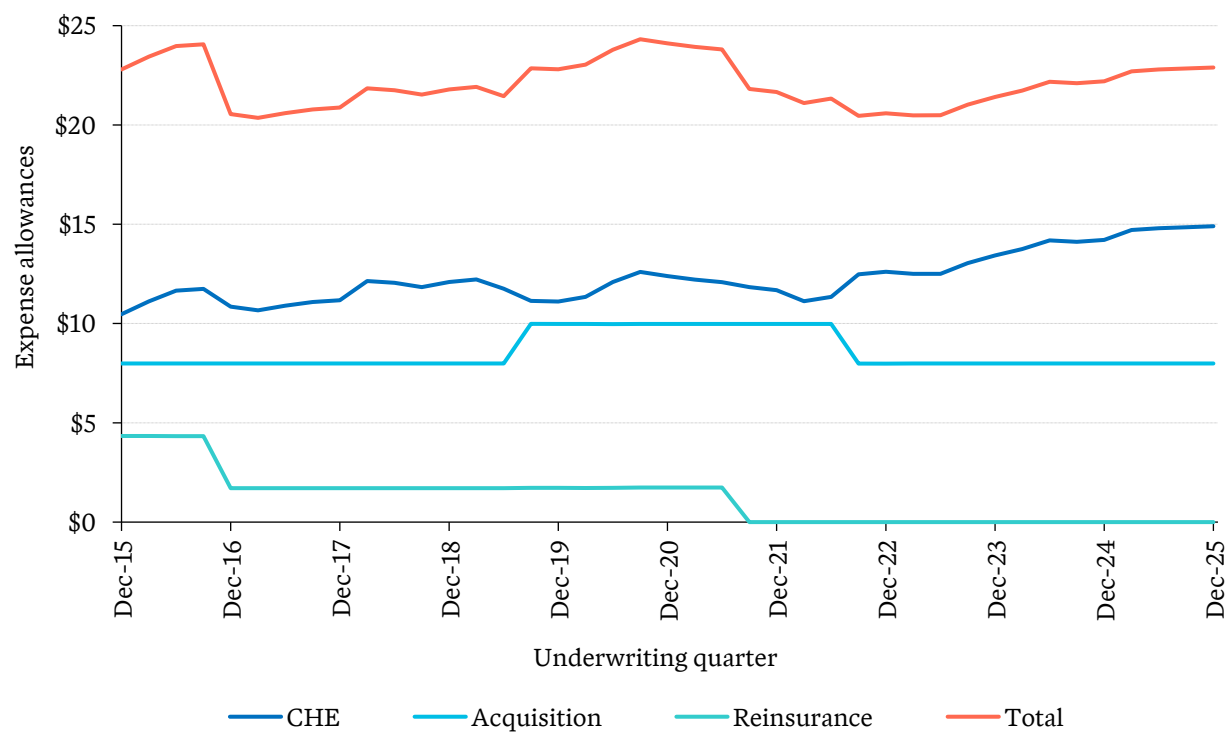
Figure 5.2 – Scheme hindsight risk premium



5.1.2 Expenses and allowances

Figure 5.3 shows claim handling expenses (CHE) and other allowances. CHE and acquisition costs have generally increased since 2015. The allowance for acquisition costs was reduced from 1 July 2022. The reinsurance cost allowances were reduced from 1 October 2016 because of the introduction of the NIISQ and have been set to \$0 from 1 July 2021.

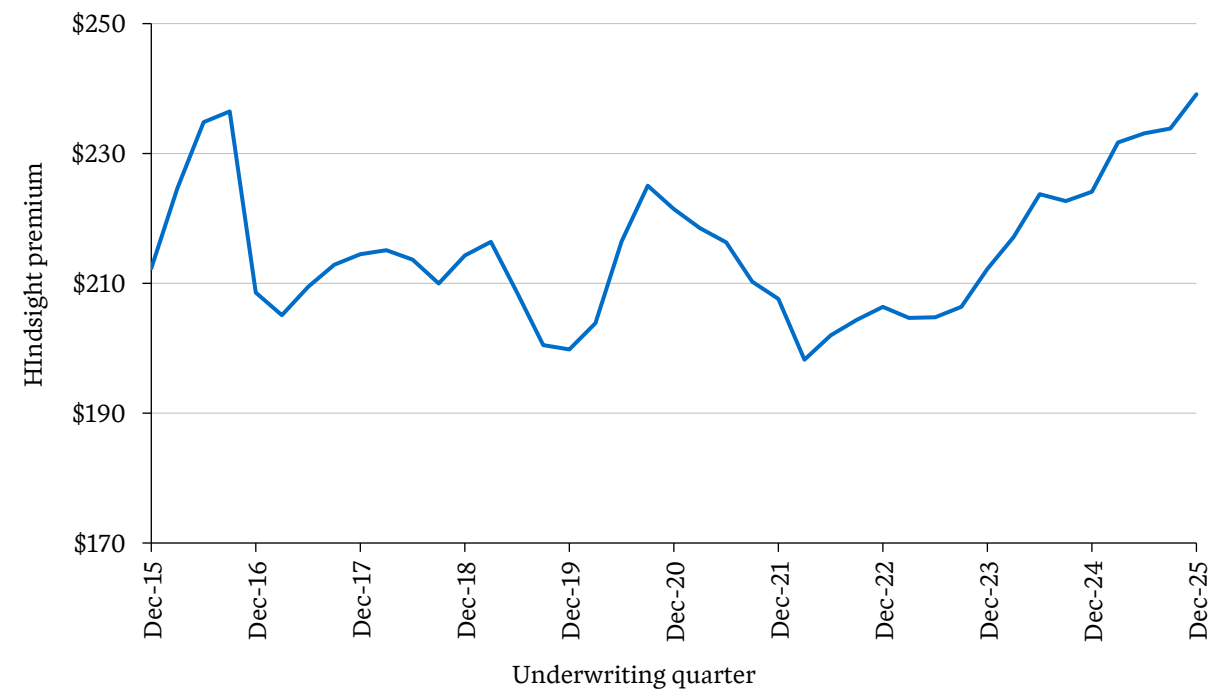
Figure 5.3 – Expenses and allowances



5.1.3 Scheme hindsight premium

Combining the risk premiums in Figure 5.2, expenses and allowances in Figure 5.3 and the target profit margin gives the hindsight premiums illustrated below in Figure 5.4. These hindsight premiums do not include GST.

Figure 5.4 – Scheme hindsight premium (incl. target profit margin)



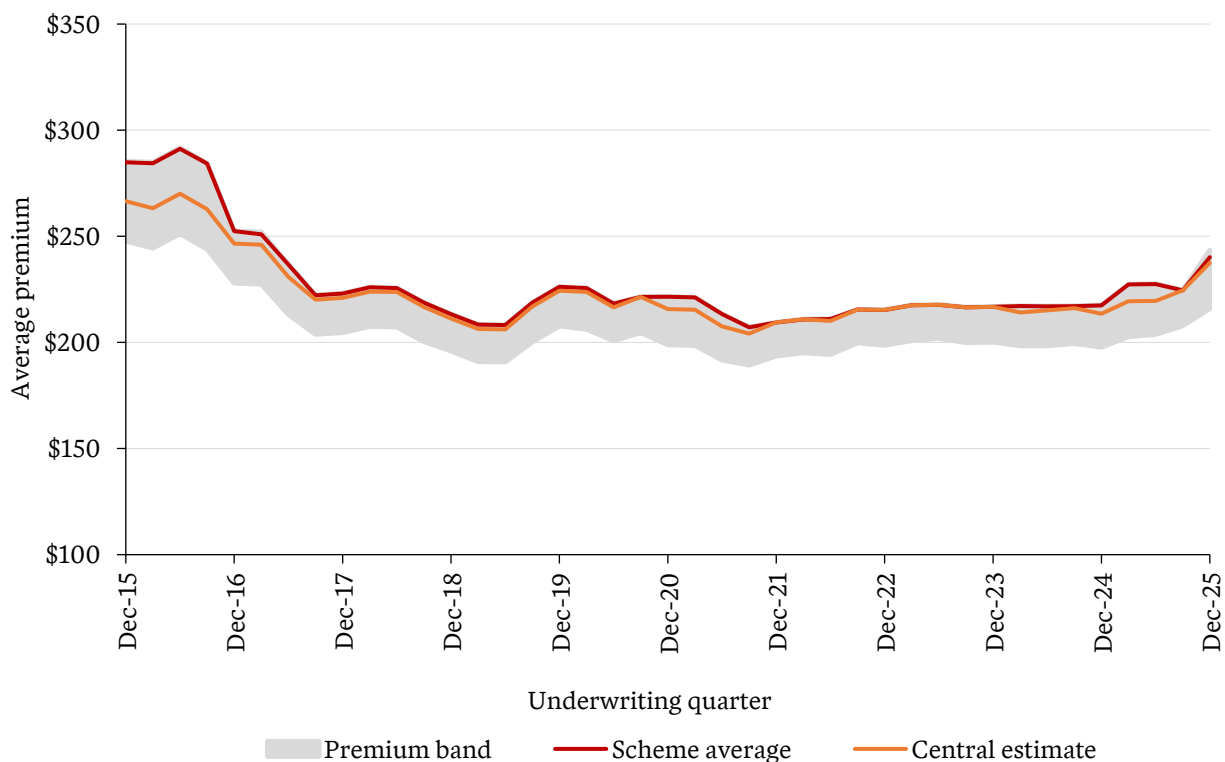
5.2 Central estimate, floor, ceiling and average insurer premiums

Figure 5.5 shows the central estimate premiums as set by MAIC and the premium band around these premiums within which the insurers can set premiums for the 31 December 2015 to 31 December 2025 underwriting quarters. The boundaries of the premium band are referred to as the premium floor and the premium ceiling. Since the Dec-16 underwriting quarter, the ceiling allowance has been reduced significantly, resulting in a narrower premium band and ceiling premiums much closer to the central estimates. The reduction in the ceiling allowance followed the 2016 Scheme review (*Review of Queensland's Compulsory Third Party Insurance Scheme, December 2016*), which recommended that MAIC take action to address insurer profits in excess of the target margin.

Average insurer premiums are also shown in Figure 5.5. In addition to a lower ceiling allowance, the reduction in premium from 1 October 2016 is a result of the transfer of cost to the NIISQ (the NIISQ offset). To reflect insurer's payments to MAIC for the exposure covered by NIISQ for the underwriting period from 1 July 2015 to 30 September 2016 (the NIISQ claw back), we have not adjusted the average insurer premium, but instead, have chosen to adjust the relevant claim costs to reflect the claw back, for the benefit of better consistency with the rest of the methodology.

Following the increase in the target profit margin and ceiling allowance for the Dec-25 underwriting quarter, the scheme average now sits lower than the ceiling for this quarter due to not all insurers pricing at the ceiling.

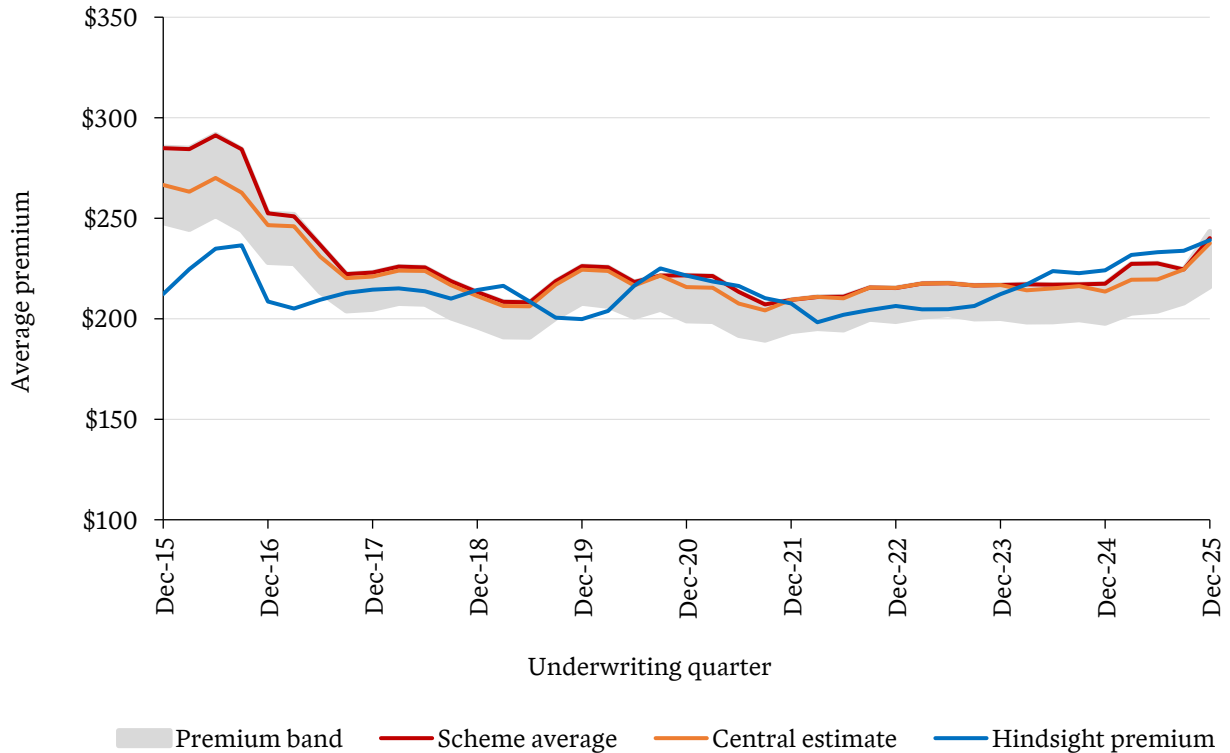
Figure 5.5 – MAIC central estimate, premium band and insurer average premiums



5.3 Profit

Figure 5.6 shows the central estimate, insurer average premium and premium band along with the hindsight premium. This is a combination of Figure 5.4 and Figure 5.5.

Figure 5.6 – Scheme premium central estimate, premium band, insurer average premium and hindsight premiums



Insurer average premiums are above the hindsight premium for all underwriting quarters apart from Dec-18 to Jun-19, Sep-20, Jun-21 to Sep-21 and Jun-24 to Sep-25.

Pricing at the ceiling provides a similar result to the insurer average as most insurers have priced at this level most of the time.

Pricing at the floor would have provided profit above the target profit margin for underwriting quarters prior to Jun-17, but below the target margin for most underwriting quarters from Jun-17 onwards.

Over the most recent underwriting year, the insurer average premium is estimated to achieve a profit margin of 6.3%, which is 1.9% lower than the average target profit margin of 8.2% (the average of 7.75% for underwriting quarters Mar-25 to Sep-25 and 9.5% for underwriting quarter Dec-25). Over three and five-year periods, insurers have averaged profit margins of 8% and 9% respectively (or in-line and 1% above the target profit margin after rounding). The target profit margin is a target to be reached over the long term and single underwriting year profits can fluctuate above and below the target profit margin.

Figure 5.7 shows the profitability expressed as a profit margin. The regions with estimated profit margins above the target margin are shaded in green, with regions below the target margin shaded in orange. Results for the most recent underwriting quarters are the most sensitive to projections of claim frequency and average claim size, and economic forecasts.

Figure 5.7 – Scheme profit margin for insurer average premium

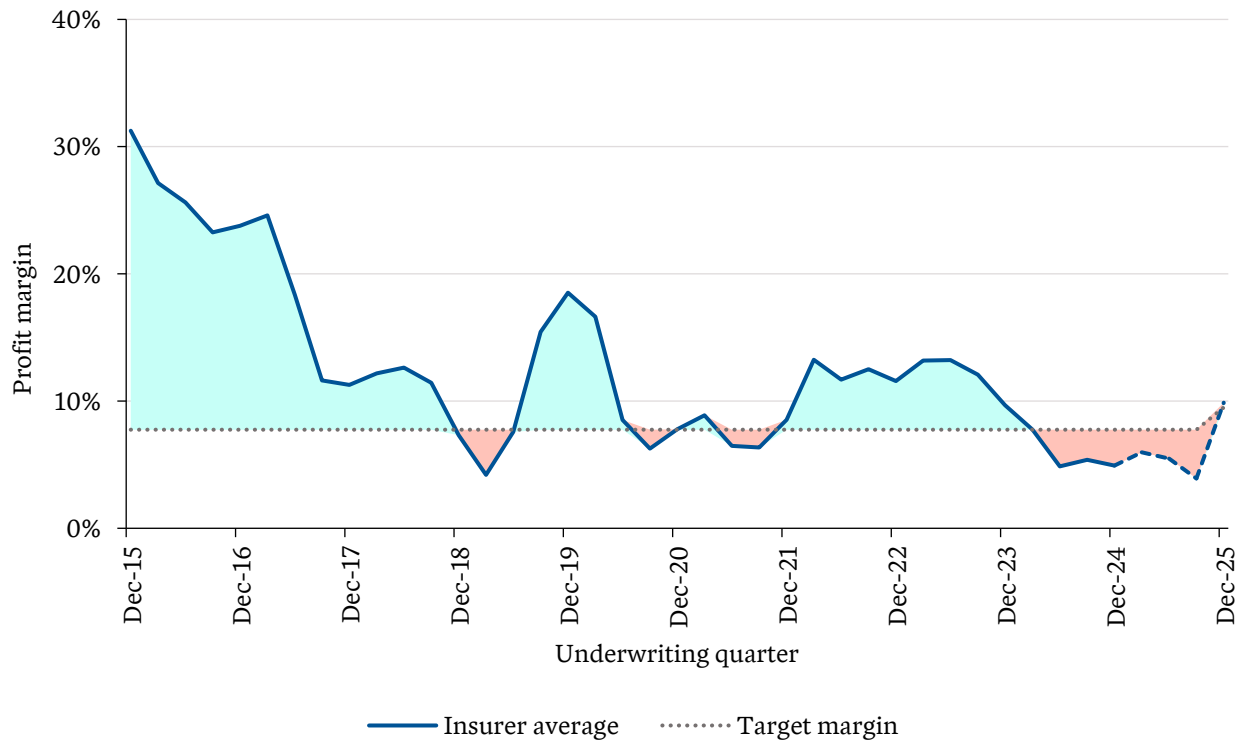
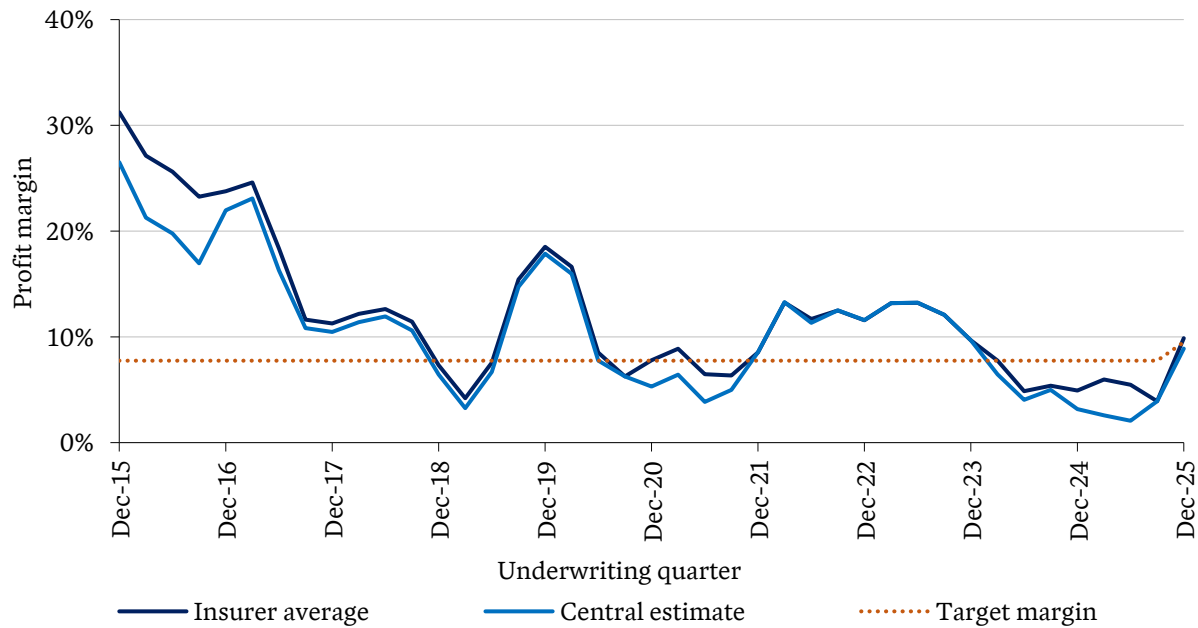


Figure 5.8 shows the profit margin for the central estimate alongside the profit margin for the insurer average premium. The insurer average has been consistently above the central estimate with a considerable gap between the two until the Dec-16 underwriting quarter. After this, MAIC reduced the ceiling margin allowance for insurers to reduce excess insurer profits, resulting in a much narrower margin between the central estimate and insurer filed premiums for recent underwriting periods. MAIC increased the ceiling margin allowance again and the gap widened during parts of the 2024/25 underwriting year. Both the central estimate and insurer average have generally remained above the target profit level apart from underwriting quarters Dec-18 to Jun-19, Sep-20, Jun-21 to Sep-21 and Jun-24 to Sep-25.

Figure 5.8 – Scheme retrospective profit margin for central estimate and insurer average



The most recent underwriting quarters are almost entirely dependent on projections and are likely to be revised in future reviews. Table 6.3 shows a history of revisions for earlier underwriting years.

We summarise profit results over selected periods in Table 5.1.

Table 5.1 – Scheme profit margins

	Insurer average	Ceiling	Floor
Most recent year	6%	7%	-4%
Most recent 3 years	8%	8%	-1%
Most recent 5 years	9%	9%	0%
Most recent 10 years	12%	12%	3%

5.4 Insurer profit

Table 5.2 provides the range of estimated profit margin by underwriting year, showing the maximum and minimum margins estimated for individual insurers.

Table 5.2 – Range of insurer profit margins by underwriting year

Underwriting period	Scheme margin	Highest insurer margin	Lowest insurer margin
2016	25%	29%	17%
2017	16%	26%	0%
2018	11%	25%	2%
2019	11%	29%	-2%
2020	10%	30%	-2%
2021	8%	14%	2%
2022	12%	23%	3%
2023	12%	19%	1%
2024	6%	9%	4%
2025	6%	9%	5%
Average: 2016-2025	12%	21%	3%
Average: 2021-2025	9%	14%	2%
Average: 2023-2025	8%	12%	1%

Note: The average highest and lowest insurer profit margins reflect the individual results by underwriting year and may average across yearly results of different insurers.

Table 5.2 shows that profitability has varied considerably among individual insurers. Over the 5-year period of underwriting years 2021-2025, we estimate:

- An average profit margin of 14% across the *highest* insurer profit margins for each underwriting year
- An average profit margin of 2% across the *lowest* insurer profit margins for each underwriting year.

6 Reconciliation

In this section we reconcile:

- The Scheme all-class retrospective profit margin with the profit margin assumed by MAIC when setting the floor and ceiling
- The Scheme all-class retrospective profit margin with the corresponding Scheme all-class retrospective profit margin from the previous report.

We also show how the estimated profit by underwriting year has changed over the last few measurement years.

6.1 Reconciliation to the profit margin assumed by MAIC

Table 6.1 shows the reconciliation between the retrospective profit margin for all classes with the profit margin assumed by MAIC when setting the floor and ceiling. The table quantifies seven change categories:

Actuarial assumptions

1. **Claim frequency deviation** – the change in profit resulting from a difference between the claim frequency expected at underwriting and the current expected claim frequency (actual and the latest forecast adjusted for COVID-19 in 2020-2021, the Eastern Australian floods in March 2022 and Ex-Tropical Cyclone Alfred in March 2025).
2. **Average claim size deviation** – the change in profit resulting from a difference between the average claim size expected at underwriting and the current expected average claim size (actual and the latest forecast).

Other factors

3. **Economic assumptions**, which is the combined effect of:
 - **Advised AWE** – the change in profit resulting from the difference between the single-rate AWE rate advised by Taylor Fry prior to underwriting and the current wage inflation (actual and the latest forecast)
 - **Yields** – the change in profit resulting from the change between the Government bond yield curve at the time MAIC sets the floor and ceiling and the Government bond yield curve at the end of the underwriting quarter
 - **Economic gap** – the change in profit resulting from the difference between the advised gap and the gap MAIC used to set the floor and ceiling.
4. **Superimposed inflation**, which is the combined effect of:
 - **Adopted superimposed inflation** – the change in profit resulting from the difference between the adopted superimposed inflation rate at underwriting and the observed superimposed inflation since underwriting (with a floor of 0% p.a.)
 - **Change in future superimposed inflation** – policies written to 31 March 2017 were priced under a floor/ceiling regime incorporating the assumption that claim payments would experience superimposed inflation (SI) of 2.5% per annum. MAIC revised the allowance for future SI used in the floor/ceiling down to 1% per annum for policies written from 1 April 2017. The future SI allowance was reduced again to 0.5% per annum for underwriting quarters from 1 July 2019 and reduced further to 0% per annum for underwriting quarters from 1 January 2022.

5. **Insurers filing near ceiling** – the additional profit resulting from insurers pricing at or near the ceiling premium rather than at the central estimate premium where the target profit margin is applied.
6. **Loadings deviation** - the change in profit resulting from assumed increase in claim size due to the CLAA and 2012 tax change not emerging. These loadings to premium were removed entirely from the 1 July 2017 underwriting quarter (0% loading for all underwriting periods from 1 July 2017 onwards).
7. **Impacts of COVID-19, the Eastern Australian floods and Ex-Tropical Cyclone Alfred** – the change in profit resulting from the difference between the current expected claim frequency adjusted to remove the impact of COVID-19 in 2020 and 2021, the Eastern Australian floods in March 2022 and Ex-Tropical Cyclone Alfred in March 2025, and the current expected claim frequency without adjustments.

Table 6.1 – Reconciliation of profit margin per policy to target profit

UW period	Target profit margin ⁽¹⁾	Actuarial assumptions		Change due to actuarial assumptions	Other factors					Change due to other factors	Total change	Profit margin per policy ⁽²⁾
		Claim frequency	Average claim size		Economic assumptions	Superimposed inflation	Insurers pricing at the ceiling	Loadings deviation	COVID, floods and cyclone			
2016	8%	-11%	12%	1%	1%	8%	6%	1%	0%	16%	17%	25%
2017	8%	-6%	6%	0%	2%	5%	1%	1%	0%	9%	9%	16%
2018	8%	4%	-3%	0%	-2%	4%	1%	0%	0%	3%	3%	11%
2019	8%	11%	-7%	3%	-6%	3%	1%	0%	3%	0%	4%	11%
2020	8%	9%	-6%	3%	-6%	2%	1%	0%	2%	-1%	2%	10%
2021	8%	5%	-4%	1%	-7%	2%	2%	0%	2%	-2%	0%	8%
2022	8%	9%	-3%	6%	-1%	0%	0%	0%	0%	-1%	4%	12%
2023	8%	4%	0%	5%	-1%	0%	0%	0%	0%	-1%	4%	12%
2024	8%	-5%	2%	-3%	0%	0%	1%	0%	0%	1%	-2%	6%
2025	8%	-6%	0%	-5%	2%	0%	2%	0%	0%	3%	-2%	6%
Most recent 3 years	8%	-2%	1%	-1%	0%	0%	1%	0%	0%	1%	0%	8%
Most recent 5 years	8%	2%	-1%	1%	-2%	0%	1%	0%	0%	0%	1%	9%
Most recent 10 years	8%	1%	0%	1%	-2%	2%	1%	0%	1%	3%	4%	12%

Note: (1) Target profit margin increased from 7.75% to 9.50% in the Dec-25 underwriting quarter. The increase does not show for 2025 due to rounding. (2) As shown in Section 5.3. May not sum due to rounding.

As shown in Table 6.1, over the past three years:

- **Claim frequency** – has been higher than allowed for in pricing, resulting in a reduction in profitability of 2%. Experience for underwriting year 2023 has emerged lower than expectations, reflecting the potential impacts of claims farming regulation, low traffic volumes and road safety initiatives. Claim frequency for underwriting years 2024 and 2025 is estimated to emerge higher than expectations, reflecting the potential impacts of changes in driver behaviour and insurers' direct claims initiatives.
- **Average claim size** – has been slightly lower than allowed for in pricing, resulting in an increase in profitability of 1%. This is mainly driven by lower average claim size experience for underwriting year 2024, with experience sitting in-line with expected for underwriting years 2023 and 2025.
- **Economic assumptions** – Economic experience has been benign overall, with AWE growth over the three years being overall higher than forecast at the time of premium setting, offset by higher than expected yields.
- **Insurers pricing near the ceiling** – most insurers priced near the ceiling, which has resulted in additional profits in quarters where there was a ceiling allowance above the central estimate premium.

6.2 Reconciliation to the previous report

Table 6.2 shows the reconciliation between the profit margin and the results from the previous report. We show three changes:

1. **Claim frequency deviation** – the change in profit resulting from a difference between the claim frequency expected at underwriting and the current expected claim frequency (actual and the latest forecast adjusted for COVID-19, Eastern Australian floods in March 2022 and Ex-Tropical Cyclone Alfred in March 2025)
2. **Wage inflation** – the change between projected wage inflation at the previous report and current projected wage inflation
3. **Average claim size deviation** – the change in profit resulting from a difference between the average claim size in the previous report and the current expected average claim size (actual and the latest forecast).

Table 6.2 – Reconciliation of profit margin per policy to target profit

UW period	Previous report (0% SI)	Changes due to			Insurer average profit margin (0% SI) ⁽¹⁾
		Frequency	Inflation	ACS	
2016	25%	0%	0%	0%	25%
2017	16%	0%	0%	0%	16%
2018	11%	0%	0%	0%	11%
2019	12%	0%	0%	-1%	11%
2020	9%	1%	1%	0%	10%
2021	6%	1%	1%	0%	8%
2022	11%	1%	2%	-2%	12%
2023	13%	1%	2%	-3%	12%
2024	7%	-1%	2%	-3%	6%
2020-2024	9%	0%	1%	-1%	9%

1. As shown in Section 5.3. May not sum due to rounding

Table 6.2 shows that we have observed **largely unchanged profitability** on average compared to last year's estimates for underwriting years 2020 to 2024, due to:

- Lower than expected actual wage inflation along with a decrease in future inflation projections
- Offset by higher than expected average claim size experience and an increase in projected average claim size.

The 1% profit increases for underwriting years 2020 and 2021 due to frequency were primarily driven by favourable non-core claim reporting experience.

6.3 Uncertainties in the estimated profit margin

Estimates of profit for CTP insurance are subject to considerable degrees of uncertainty due to the dynamic environment. CTP is a long-tailed class and it takes many years before an underwriting quarter's claims cost can be known with a high degree of certainty. Actual results may be materially different from the results presented in this report, particularly for more recent underwriting quarters, because the results are largely based on current model estimates for these quarters.

Table 6.3 shows our assessment of profit for the last few measurement years.

Table 6.3 – Assessments of profit by measurement year

UW year	2016 2.5% p.a. SI	2017	2018 1% p.a. SI	2019	2020 0.5% p.a. SI	2021	2022	2023 0.0% p.a. SI	2024	2025
2016	25%	26%	25%	25%	26%	25%	24%	25%	25%	25%
2017		14%	17%	17%	21%	19%	17%	17%	16%	16%
2018			10%	12%	20%	16%	13%	12%	11%	11%
2019				5%	18%	13%	11%	11%	12%	11%
2020					16%	10%	7%	7%	9%	10%
2021						4%	5%	6%	6%	8%
2022							9%	12%	11%	12%
2023								11%	13%	12%
2024									7%	6%
2025										6%

Note: The profit estimates use the future superimposed inflation scenario consistent with the allowance for superimposed inflation made by MAIC which was current at the time of measurement.

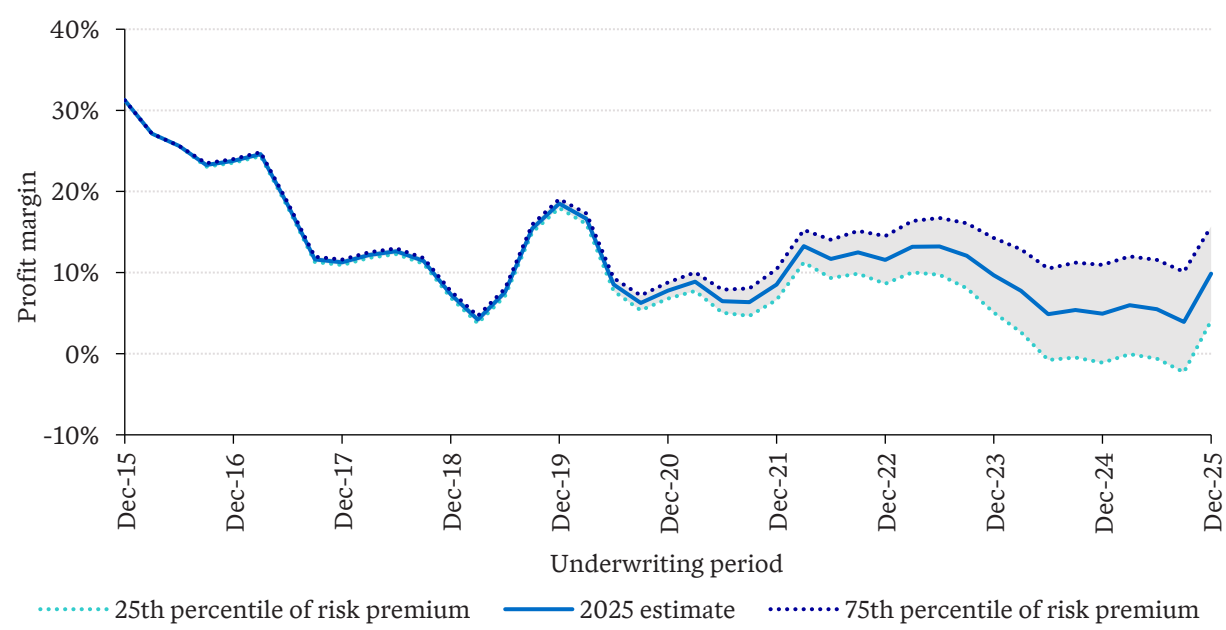
The key points illustrated by this table are:

- Estimates of profitability for each underwriting year have generally stabilised after 5-6 years of development with minor fluctuations due to large claims experience.
- In the early development years for underwriting years prior to 2018, there was a year on year increasing trend in our estimate of profitability driven by a weakening severity profile, a decrease in inflation and a high superimposed inflation estimate built into pricing. For the 2016 underwriting year, the early trend was offset by an increasing core claim frequency, albeit with a weakened severity profile, leading to more stable estimates of profitability.
- In this review, our estimates of the profitability of underwriting years prior to 2021 have stayed relatively stable while underwriting years 2021 and 2022 have seen an increase in profitability, and underwriting years 2023 and 2024 have seen a slight decrease in profitability. The drivers of this increase are explained in Section 6.2.

An implication of this table is that the profit margin estimates for the recent underwriting years are highly uncertain. This is because for these underwriting years a large proportion of the ultimate claims costs are not yet known and need to be projected. For example, for the 2025 underwriting year, almost all of the claims costs that are expected for this year are not yet known. There is considerable uncertainty in these claim cost forecasts, and it typically takes several years before an underwriting quarter's claims cost can be known with a high degree of certainty.

Figure 6.1 illustrates this uncertainty by showing an approximate 50% confidence interval for scheme retrospective profit. The confidence interval is such that roughly 50% of the time we expect the actual profit margins to fall outside of the interval. The confidence interval narrows as one moves to the left because more of the claims cost has been paid and so the uncertainty is less.

Figure 6.1 – Approximate 50% confidence interval for scheme retrospective profit



7 Reliances and limitations

In producing this report, we have relied on data supplied by MAIC on vehicle registrations, underwritten premium, premium filing and claims data without audit or independent verification. The accuracy of the results is dependent on both the accuracy and completeness of the data provided. However, in the course of the analysis, internal checks have been carried out which would be expected to find gross inconsistencies. None have come to light, and we have accepted the data at face value.

In carrying out this analysis we have made several assumptions. For example, we have assumed that the claims handling expense ratio and the acquisition and reinsurance costs included by MAIC in the ceiling calculation are reasonable proxies for the actual expenses. To the extent that this assumption is false, the profit estimates would change.

Our analysis is heavily dependent on our estimates of total claims cost from each accident quarter. These are derived from the Annual Advice and so this report is subject to the same reliances and limitations as that advice.

Due to limitations on data availability, several approximations have been made. Should these turn out to be materially inaccurate then our results would also be affected. In particular, our re-calculation of the ceiling premium based on perfect advanced knowledge of the claim frequency is approximate. We have also extrapolated current experience to estimate claim frequency and sizes for a number of future accident quarters to enable us to produce estimates of hindsight premium for underwriting quarters beginning 1 January 2025 to 31 December 2025. Underwriting quarters with exposure after 31 December 2025 are subject to increased uncertainty since they are based on no actual experience, but rather projections based entirely on model assumptions.

In our judgement we have employed techniques and assumptions that are appropriate, and the conclusions presented herein are reasonable given the information currently available. However, it should be recognised that the actual ultimate profit may deviate, perhaps materially, from our estimates.

Detailed judgements about the methodology, analyses, assumptions and estimated profits should be made only after considering this report in its entirety.

The report has been prepared for MAIC for the specific purpose stated in Section 2.3. No reliance should be placed on this report for any other purpose without confirming with us that such a purpose is appropriate. No other distribution of this report to parties outside of MAIC is permitted without the prior written permission of Taylor Fry. This report is to be considered in its entirety, as parts of the report considered in isolation may be misleading. If any part of this report is to be distributed or provided to other parties, then the entire report including all appendices and not excerpts must be distributed or provided.

Appendix A Economic assumptions

A.1 Historical government yields

A.2 Future rates of wage inflation

Appendix A

Appendix A. 1 Commonwealth forward rates

Underwriting quarter	1	2	3	4	5	6	7	8	9	10
Dec-16	1.74%	2.00%	2.29%	2.56%	2.82%	3.06%	3.29%	3.50%	3.69%	3.87%
Mar-17	1.63%	1.94%	2.23%	2.51%	2.76%	3.00%	3.21%	3.41%	3.59%	3.75%
Jun-17	1.68%	1.95%	2.20%	2.44%	2.66%	2.87%	3.07%	3.25%	3.41%	3.56%
Sep-17	1.83%	2.14%	2.41%	2.67%	2.90%	3.11%	3.31%	3.49%	3.64%	3.78%
Dec-17	1.93%	2.14%	2.34%	2.53%	2.70%	2.87%	3.02%	3.16%	3.29%	3.41%
Mar-18	2.06%	2.35%	2.58%	2.75%	2.89%	2.99%	3.08%	3.16%	3.23%	3.31%
Jun-18	1.96%	2.08%	2.23%	2.39%	2.57%	2.74%	2.90%	3.04%	3.16%	3.25%
Sep-18	1.97%	2.15%	2.31%	2.47%	2.61%	2.74%	2.87%	2.98%	3.08%	3.17%
Dec-18	1.68%	1.68%	1.76%	1.90%	2.09%	2.30%	2.51%	2.70%	2.86%	2.97%
Mar-19	1.06%	1.03%	1.15%	1.34%	1.52%	1.68%	1.82%	1.94%	2.04%	2.13%
Jun-19	0.74%	0.61%	0.66%	0.79%	0.93%	1.05%	1.16%	1.26%	1.34%	1.42%
Sep-19	0.78%	0.74%	0.86%	1.07%	1.29%	1.44%	1.54%	1.62%	1.70%	1.78%
Dec-19	0.78%	0.41%	0.49%	0.65%	0.83%	0.97%	1.07%	1.16%	1.25%	1.35%
Mar-20	0.23%	0.16%	0.42%	0.83%	1.24%	1.50%	1.60%	1.68%	1.76%	1.84%
Jun-20	0.24%	0.12%	0.40%	0.88%	1.35%	1.62%	1.71%	1.76%	1.82%	1.87%
Sep-20	0.12%	0.21%	0.41%	0.66%	0.90%	1.11%	1.30%	1.47%	1.63%	1.77%
Dec-20	0.05%	0.22%	0.74%	1.66%	2.31%	2.58%	2.72%	2.85%	2.98%	3.09%
Mar-21	-0.01%	0.18%	0.82%	1.84%	2.16%	2.32%	2.53%	2.73%	2.90%	3.04%
Jun-21	0.01%	0.23%	0.82%	1.28%	1.46%	1.59%	1.73%	1.87%	2.01%	2.14%
Sep-21	0.67%	1.30%	1.82%	2.10%	2.21%	2.32%	2.44%	2.56%	2.69%	2.81%
Dec-21	1.13%	2.08%	2.48%	2.45%	2.36%	2.36%	2.41%	2.50%	2.61%	2.74%
Mar-22	3.22%	3.68%	3.63%	3.62%	3.65%	3.71%	3.79%	3.88%	3.97%	4.04%
Jun-22	3.21%	3.47%	3.55%	3.64%	3.73%	3.83%	3.93%	4.02%	4.10%	4.17%
Sep-22	3.16%	3.27%	3.44%	3.59%	3.70%	3.79%	3.88%	3.97%	4.09%	4.22%
Dec-22	3.44%	3.27%	3.34%	3.55%	3.73%	3.88%	4.01%	4.11%	4.20%	4.26%
Mar-23	3.75%	3.39%	3.45%	3.62%	3.76%	3.88%	3.99%	4.10%	4.24%	4.39%
Jun-23	3.86%	3.68%	3.73%	3.94%	4.15%	4.33%	4.48%	4.60%	4.70%	4.77%
Sep-23	4.12%	3.84%	3.88%	4.20%	4.50%	4.71%	4.85%	4.94%	4.98%	5.00%
Dec-23	3.72%	3.57%	3.72%	3.98%	4.23%	4.45%	4.63%	4.76%	4.86%	4.92%
Mar-24	4.04%	3.81%	3.84%	4.05%	4.27%	4.45%	4.60%	4.72%	4.81%	4.88%
Jun-24	3.65%	3.21%	3.37%	3.84%	4.17%	4.31%	4.37%	4.43%	4.52%	4.62%
Sep-24	3.97%	3.79%	3.92%	4.20%	4.46%	4.66%	4.81%	4.92%	5.01%	5.07%
Dec-24	3.91%	3.90%	4.13%	4.45%	4.73%	4.94%	5.09%	5.21%	5.32%	5.42%
Mar-25	3.16%	3.24%	3.67%	4.10%	4.50%	4.84%	5.09%	5.26%	5.38%	5.47%
Jun-25	3.46%	3.51%	3.76%	4.18%	4.68%	5.11%	5.37%	5.48%	5.53%	5.61%
Sep-25	3.87%	4.00%	4.13%	4.39%	4.72%	5.02%	5.19%	5.26%	5.30%	5.38%
Dec-25	4.33%	4.26%	4.30%	4.48%	4.69%	4.92%	5.13%	5.32%	5.47%	5.55%

Notes: These are 1-year forward rates extracted from yields on Commonwealth bonds quoted at the end of the underwriting quarter.

Appendix A

Appendix A. 2 Future rates of wage inflation

Quarter	QLD AWE	Inflation rate p.a.
Dec-25	1,535.78	
Mar-26	1,553.80	4.78%
Jun-26	1,572.03	4.75%
Sep-26	1,590.30	4.68%
Dec-26	1,608.37	4.56%
Mar-27	1,626.15	4.43%
Jun-27	1,643.61	4.31%
Sep-27	1,660.84	4.23%
Dec-27	1,678.02	4.20%
Mar-28	1,695.32	4.20%
Jun-28	1,712.90	4.24%
Sep-28	1,730.87	4.27%
Dec-28	1,749.09	4.26%
Mar-29	1,767.38	4.24%
Jun-29	1,785.80	4.23%
Sep-29	1,804.40	4.23%
Dec-29	1,823.18	4.23%
Mar-30	1,842.14	4.22%
Jun-30	1,861.24	4.21%
Sep-30	1,880.49	4.19%
Dec-30	1,899.84	4.17%
Mar-31	1,919.29	4.14%
Jun-31	1,938.82	4.12%
Sep-31	1,958.39	4.08%
Dec-31	1,978.01	4.05%
Mar-32	1,997.67	4.02%
Jun-32	2,017.35	3.98%
Sep-32	2,037.07	3.95%
Dec-32	2,056.84	3.93%
Mar-33	2,076.67	3.90%
Jun-33	2,096.58	3.88%
Sep-33	2,116.59	3.87%
Dec-33	2,136.72	3.85%
Mar-34	2,156.99	3.85%
Jun-34	2,177.42	3.84%
Sep-34	2,198.03	3.84%
Dec-34	2,218.82	3.84%
Mar-35	2,239.82	3.84%
Jun-35	2,261.03	3.84%
Sep-35	2,282.44	3.84%
& later		

Notes: Queensland forecasts from Taylor Fry inflation model for December 2025

Appendix B Ultimate incurred costs

B.1 Historical finalised uninflated claim payments (gross of ITC/DAM)

B.2 Outstanding claims liability uninflated/undiscounted (gross of ITC /DAM)

Appendix B

Appendix B. 1 Historical finalised uninflated claim payments (gross of ITC/DAM)

Accident quarter	Development (\$ millions)																																				
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Dec-16	0.2	1.4	1.9	3.3	8.5	14.4	24.3	17.4	14.3	16.8	12.5	9.4	10.0	6.2	6.7	6.7	6.9	10.5	6.2	8.4	9.0	1.5	5.0	2.2	3.2	0.7	1.4	1.3	3.4	1.0	2.0	1.2	0.3	0.1	0.3	0.1	0.1
Mar-17	0.2	1.1	2.0	3.2	7.7	17.6	15.9	14.3	12.5	18.4	12.6	13.9	7.9	6.7	8.8	8.8	9.0	8.0	6.3	3.6	2.8	4.5	2.3	0.9	0.4	5.4	2.3	1.8	1.5	0.5	0.5	1.3	0.3	1.2	1.5	0.3	
Jun-17	0.1	1.3	2.0	2.4	9.2	14.9	18.5	15.9	18.3	13.5	12.6	8.5	8.3	6.9	12.0	6.0	4.9	6.5	3.8	2.6	7.6	1.0	4.0	1.8	5.5	1.1	0.4	0.7	0.7	2.5	0.4	0.8	0.5	0.3	0.0		
Sep-17	0.1	0.9	1.5	3.4	7.5	15.4	13.5	20.2	13.9	15.6	13.2	11.7	11.8	8.4	6.0	7.8	9.4	4.0	4.0	6.6	3.8	2.6	1.4	2.9	1.3	1.4	2.3	1.9	0.7	2.4	0.1	0.7	0.4	0.3			
Dec-17	0.1	0.8	1.5	2.8	7.6	17.5	16.5	16.9	12.0	10.7	15.5	9.8	10.8	8.6	10.0	3.7	8.9	3.8	5.8	3.3	5.8	3.1	1.0	2.1	1.0	1.2	3.1	0.8	0.8	0.8	1.3	0.0	0.4	0.1			
Mar-18	0.1	1.2	1.6	3.0	5.6	14.9	16.8	17.9	11.1	11.2	10.3	14.7	12.2	12.8	11.6	10.5	6.8	8.9	4.2	5.9	3.2	6.8	2.4	1.5	3.1	1.9	0.8	4.0	0.3	0.5	0.1	1.0					
Jun-18	0.1	1.0	1.8	3.0	8.7	14.0	13.1	13.2	14.4	14.9	17.6	16.1	12.2	12.6	12.0	12.1	10.6	7.5	5.7	3.2	5.4	6.8	6.5	2.2	6.7	0.6	4.4	0.8	1.0	0.3	0.1						
Sep-18	0.2	1.0	1.8	3.7	9.2	12.7	14.2	15.3	10.7	14.2	16.1	15.6	14.2	15.5	12.3	10.9	7.3	4.3	6.1	3.8	3.9	4.8	2.0	1.8	2.4	3.3	1.2	1.5	0.2	0.2							
Dec-18	0.1	0.9	1.9	3.3	6.4	10.6	14.6	10.5	17.6	12.0	14.4	12.0	13.2	11.6	13.3	8.8	8.9	6.4	10.1	5.7	4.1	4.7	2.5	2.9	0.8	0.7	1.4	0.2	1.2								
Mar-19	0.2	1.2	2.0	2.6	4.8	12.3	11.9	13.6	10.6	14.8	10.2	17.7	14.4	14.5	8.0	11.5	9.1	8.3	5.4	4.4	7.3	7.2	1.3	3.9	1.6	2.4	1.9	0.1									
Jun-19	0.2	1.4	2.1	2.5	6.8	9.9	15.1	12.4	14.8	15.8	15.2	9.6	15.0	9.2	10.6	10.9	8.1	8.2	12.4	3.0	8.1	6.4	2.8	2.4	0.7	1.1	0.3										
Sep-19	0.2	1.2	1.9	3.0	6.0	15.0	12.0	15.2	15.2	18.2	13.8	17.1	12.0	13.5	9.3	10.0	9.5	9.6	7.0	7.1	5.0	5.4	2.4	3.3	2.3	1.6											
Dec-19	0.2	1.0	1.8	3.1	9.4	10.6	16.2	13.5	17.1	10.5	16.0	12.0	16.0	8.0	13.9	10.3	8.2	5.0	6.6	10.8	5.2	1.1	1.3	7.4	0.6												
Mar-20	0.1	0.9	1.5	2.3	4.0	10.6	14.0	13.3	11.7	11.9	12.4	18.5	10.9	11.0	8.0	8.7	6.8	6.2	9.0	7.2	2.0	6.0	1.3	0.3													
Jun-20	0.1	0.8	1.5	1.5	4.3	7.7	13.1	14.7	14.3	9.0	11.2	8.1	11.2	8.2	9.4	4.7	3.3	4.1	3.4	1.4	2.3	2.6	2.0														
Sep-20	0.2	1.3	1.9	2.2	5.9	13.1	16.0	19.5	11.6	16.6	11.2	16.3	12.0	13.1	8.4	8.9	8.6	12.9	2.0	7.5	1.7	3.2															
Dec-20	0.2	1.2	1.8	2.5	8.3	12.8	22.5	14.8	18.5	12.0	13.4	18.3	16.0	7.8	9.2	5.6	6.1	6.2	4.9	5.9	3.5																
Mar-21	0.2	1.1	1.8	2.8	6.1	19.2	13.1	16.7	14.2	16.2	15.3	17.7	11.1	16.7	6.8	12.9	5.7	5.7	7.2	6.0																	
Jun-21	0.2	1.7	2.0	2.9	10.6	13.9	21.6	14.5	15.5	18.5	15.1	14.6	12.5	19.4	8.6	5.0	6.5	3.3	10.5																		
Sep-21	0.2	1.4	1.7	3.6	5.4	15.8	16.4	14.6	13.3	18.7	10.3	18.4	16.8	13.7	8.1	13.9	7.9	2.3																			
Dec-21	0.2	1.2	1.7	2.8	8.0	13.4	19.2	15.7	14.0	10.3	13.1	11.7	15.3	13.1	12.9	7.6	5.9																				
Mar-22	0.2	1.2	1.5	2.7	5.6	15.6	16.1	17.9	13.4	17.9	14.8	15.7	12.7	8.5	7.9	4.9																					
Jun-22	0.2	1.3	1.9	2.6	8.8	15.1	20.4	15.6	15.9	14.7	14.7	15.1	14.5	5.1	9.0																						
Sep-22	0.4	1.6	1.6	3.6	8.4	17.3	16.3	18.0	15.0	14.3	15.1	16.4	14.5	10.2																							
Dec-22	0.4	1.2	2.1	3.0	10.5	12.2	21.1	14.0	19.0	14.3	12.0	12.5	10.3																								
Mar-23	0.3	1.3	2.0	3.4	6.1	16.7	13.0	18.4	13.8	11.0	14.3	14.2																									
Jun-23	0.4	1.7	2.8	3.1	8.8	14.6	17.0	17.4	18.9	22.4	12.7																										
Sep-23	0.5	2.1	2.9	4.5	11.5	23.0	17.5	20.1	24.3	14.9																											
Dec-23	0.5	1.5	2.4	3.9	11.9	13.4	17.7	18.0	14.6																												
Mar-24	0.5	1.8	1.9	4.1	8.7	20.2	14.9	14.8																													
Jun-24	0.6	2.0	2.4	2.9	12.9	16.2	18.5																														
Sep-24	0.8	2.4	1.8	3.6	11.8	16.0																															
Dec-24	0.9	1.9	2.2	2.7	7.9																																
Mar-25	0.5	1.1	1.0	2.5																																	
Jun-25	0.4	0.9	1.3																																		
Sep-25	0.2	0.7																																			
Dec-25	0.2																																				

Notes: Sourced from the PIR system as at 31 December 2025 (as supplied by MAIC)

Appendix B

Appendix B. 2 Outstanding claims liability uninflated/undiscounted (gross of ITC/DAM)

	Development (\$ millions)																																																																						
Accident quarter	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	Later																																	
Dec-16																																							12.1																																
Mar-17																																						0.6	5.4																																
Jun-17																																					1.5	1.4	13.0																																
Sep-17																																					1.4	1.3	1.2	11.9																															
Dec-17																																					0.7	0.6	0.6	0.5	6.5																														
Mar-18																																					1.2	1.1	1.0	0.9	0.8	8.7																													
Jun-18																																					1.8	1.6	1.5	1.4	1.3	1.2	12.8																												
Sep-18																																					1.3	1.2	1.1	1.0	1.0	0.9	0.8	8.4																											
Dec-18																																					0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	5.1																										
Mar-19																																					1.5	1.4	1.3	1.2	1.1	1.0	0.9	0.9	0.8	8.9																									
Jun-19																																					1.4	1.2	1.0	1.0	0.9	0.8	0.7	0.7	0.6	0.5	5.2																								
Sep-19																																					1.4	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.6	6.4																								
Dec-19																																					1.6	1.5	1.3	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.7	0.6	6.5																						
Mar-20																																					1.2	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	0.4	0.4	4.1																						
Jun-20																																					1.8	1.5	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.5	0.5	5.4																						
Sep-20																																					3.2	2.5	2.0	1.7	1.6	1.4	1.3	1.1	1.1	1.0	0.9	0.8	0.7	0.7	7.4																				
Dec-20																																					3.3	2.6	2.1	1.7	1.4	1.3	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.5	5.8																			
Mar-21																																					4.8	3.8	3.0	2.4	1.9	1.6	1.5	1.3	1.2	1.1	1.0	0.9	0.9	0.8	0.7	0.7	0.6	6.8																	
Jun-21																																					5.0	4.2	3.5	2.8	2.3	1.9	1.6	1.4	1.3	1.1	1.0	0.9	0.9	0.8	0.7	0.7	0.6	0.6	5.6																
Sep-21																																					5.7	4.8	4.0	3.3	2.6	2.1	1.7	1.5	1.3	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	5.6															
Dec-21																																					8.0	6.7	5.7	4.8	3.9	3.2	2.6	2.2	1.9	1.7	1.5	1.4	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.6	6.1														
Mar-22																																					7.4	6.2	5.3	4.4	3.7	3.1	2.5	2.1	1.7	1.5	1.3	1.2	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	4.5													
Jun-22																																					11.0	9.5	8.1	6.9	5.8	4.9	4.1	3.4	2.8	2.3	2.0	1.8	1.6	1.4	1.3	1.2	1.0	0.9	0.9	0.8	0.7	0.6	5.8												
Sep-22																																					13.3	11.6	10.0	8.5	7.2	6.1	5.1	4.2	3.4	2.8	2.3	2.0	1.8	1.6	1.4	1.3	1.2	1.1	1.0	0.9	0.8	0.7	0.7	6.9											
Dec-22																																					11.7	10.0	8.6	7.3	6.1	5.2	4.3	3.6	3.0	2.4	2.0	1.6	1.4	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.5	0.5	0.4	4.3										
Mar-23																																					17.9	14.6	12.6	11.1	9.5	8.1	6.9	5.8	4.9	4.0	3.3	2.7	2.2	1.9	1.7	1.6	1.4	1.3	1.1	1.0	0.9	0.9	0.8	0.7	0.6	6.2									
Jun-23																																					15.6	16.5	13.2	11.3	9.8	8.4	7.1	6.0	5.1	4.2	3.5	2.8	2.2	1.8	1.6	1.4	1.3	1.1	1.0	0.9	0.9	0.8	0.7	0.7	0.6	0.6	5.8								
Sep-23																																					17.6	16.4	17.4	14.0	12.0	10.4	9.0	7.6	6.4	5.5	4.6	3.7	3.0	2.4	2.0	1.8	1.6	1.4	1.3	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	6.4							
Dec-23																																					14.8	13.6	12.8	13.6	11.0	9.5	8.3	7.1	6.0	5.1	4.3	3.6	2.9	2.4	1.9	1.6	1.4	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.5	0.5	4.8						
Mar-24																																					17.3	16.6	15.2	14.3	15.2	12.3	10.5	9.0	7.7	6.5	5.5	4.6	3.9	3.1	2.5	2.0	1.6	1.4	1.3	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.6	0.5	0.5	5.0					
Jun-24																																					19.8	19.9	19.3	17.9	16.8	17.8	14.5	12.4	10.9	9.4	8.0	6.8	5.8	4.8	3.9	3.2	2.6	2.1	1.9	1.7	1.5	1.4	1.2	1.1	1.0	0.9	0.9	0.8	0.7	0.7	7.1				
Sep-24																																					19.8	20.1	20.3	19.8	18.2	17.1	18.0	14.5	12.3	10.7	9.3	7.8	6.6	5.6	4.6	3.7	3.0	2.4	1.9	1.7	1.5	1.4	1.2	1.1	1.0	1.0	0.9	0.8	0.7	0.7	0.6	7.0			
Dec-24																																					17.1	19.1	19.3	19.3	18.5	16.9	15.9	16.8	13.5	11.6	10.1	8.8	7.4	6.3	5.3	4.4	3.6	2.9	2.3	1.9	1.7	1.5	1.4	1.2	1.1	1.0	0.9	0.9	0.8	0.7	0.7	0.6	6.6		
Mar-25																																					8.4	16.8	18.6	18.7	19.0	18.2	16.7	15.7	16.7	13.4	11.5	10.0	8.6	7.2	6.1	5.2	4.3	3.5	2.8	2.3	1.9	1.6	1.5	1.3	1.2	1.1	1.0	0.9	0.8	0.8	0.7	0.6	0.6	6.0	
Jun-25																																					3.7	10.3	19.8	21.8	21.9	21.9	20.8	19.0	17.8	18.9	15.1	12.9	11.1	9.5	8.0	6.7	5.7	4.8	3.9	3.1	2.5	2.1	1.8	1.6	1.4	1.3	1.2	1.1	1.0	0.9	0.8	0.7	0.7	0.6	6.4
Sep-25																																					1.7	3.6	10.0	19.3	21.1	21.2	21.2	20.3	18.6	17.3	18.3	14.6	12.5	10.8	9.3																				

Notes: Sourced from the Annual Advice

Appendix C Modelled Scheme relativities

C.1 Modelled Scheme frequency relativities by accident period

C.2 Modelled Scheme size relativities by accident period

Appendix C

Appendix C. 1 Modelled Scheme frequency relativities by accident period

Class	Frequency relativities by accident year										Exposures by accident year									
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	2,738,530	2,785,016	2,821,602	2,855,719	2,917,808	2,977,982	3,045,200	3,129,393	3,208,037	3,281,749
2	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%	15,673	16,379	16,866	17,377	18,061	19,037	20,003	21,280	22,641	23,748
3	1555%	1438%	1330%	1230%	1230%	1230%	1230%	1230%	1230%	1230%	2,638	2,649	2,608	2,483	2,063	2,085	2,344	2,472	2,425	2,297
4	161%	161%	161%	161%	161%	161%	161%	161%	161%	161%	41,894	43,780	50,287	50,352	37,003	43,657	53,633	58,957	59,327	60,600
5	6%	6%	6%	6%	6%	6%	6%	6%	6%	6%	27,343	29,193	31,571	34,400	36,225	37,712	39,414	41,791	44,492	46,839
6	105%	107%	109%	109%	109%	109%	109%	109%	109%	109%	837,849	869,093	900,592	928,602	964,853	1,006,218	1,051,400	1,100,649	1,148,022	1,196,416
7	316%	316%	307%	307%	307%	307%	307%	307%	307%	307%	73,782	75,742	78,216	79,608	81,014	84,597	88,146	92,380	95,982	99,262
8	134%	134%	134%	134%	134%	134%	134%	134%	134%	134%	5,781	5,830	5,842	5,886	6,117	6,261	6,301	6,318	6,318	6,395
9	153%	153%	153%	153%	153%	153%	153%	153%	153%	153%	3,731	3,846	3,909	3,953	4,025	4,105	4,111	4,172	4,235	4,456
10A	472%	472%	472%	472%	472%	472%	472%	472%	472%	472%	2,598	2,646	2,713	2,773	2,445	2,572	2,705	2,776	2,948	3,017
10B	1942%	1942%	1942%	1942%	1942%	1942%	1942%	1942%	1942%	1942%	2,170	2,218	2,188	2,235	2,260	2,272	2,353	2,425	2,584	2,650
11	385%	362%	340%	320%	320%	320%	320%	320%	320%	320%	6,470	6,647	6,777	6,554	5,814	6,043	6,538	6,799	7,147	7,353
12	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	78,389	83,129	87,194	90,928	98,655	103,997	108,197	109,235	104,915	102,985
13	23%	23%	23%	23%	23%	23%	23%	23%	23%	23%	125,972	125,055	123,970	122,224	123,230	123,627	124,510	127,681	132,912	139,066
14	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	24,996	25,136	25,194	25,187	25,313	25,622	26,000	26,058	26,050	25,858
15	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	6,869	6,648	6,657	6,641	6,624	6,674	6,804	6,981	7,192	7,257
16	250%	250%	250%	250%	250%	250%	250%	250%	250%	250%	1,063	1,137	1,134	1,149	1,193	1,212	1,301	1,316	1,326	1,428
17	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	38,715	38,795	38,542	38,427	38,554	38,750	39,132	39,045	38,673	38,589
18																				
19	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	44,967	46,420	48,160	48,701	49,337	51,649	54,426	57,035	58,679	60,590
20	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	11,731	11,856	12,064	12,187	12,525	13,006	13,302	13,517	13,552	13,845
21	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	8,740	8,687	8,670	8,714	8,795	9,091	9,239	9,425	9,501	9,528
22																				
23	26%	26%	26%	26%	26%	26%	26%	26%	26%	26%	6,029	6,043	6,146	6,163	6,357	6,617	6,778	7,017	7,317	7,648
24	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	3,392	3,507	3,909	4,371	4,722	5,572	6,445	7,732	8,724	9,613
25																				
26		390%	390%	390%	390%	390%	390%	390%	390%	390%		5,890	15,732	18,144	15,919	14,211	15,093	17,840	19,634	20,257

Notes: Sourced from the Annual Advice

Appendix C

Appendix C. 2 Modelled Scheme size relativities by accident period

Class	Size relativities by accident year										Number of claims by accident year									
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
1	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	4,932	5,549	5,460	5,201	4,468	5,007	4,503	4,569	4,523	4,523
2	93%	93%	93%	93%	93%	93%	93%	93%	93%	93%	6	11	8	5	9	13	6	10	17	7
3	76%	76%	76%	76%	76%	76%	76%	76%	76%	76%	73	86	89	77	53	34	40	39	42	29
4	125%	125%	125%	125%	125%	125%	125%	125%	125%	125%	135	139	139	125	106	91	99	120	139	160
5	112%	112%	112%	112%	112%	112%	112%	112%	112%	112%			4	2	4	2	6	4	7	2
6	112%	110%	110%	110%	110%	110%	110%	110%	110%	110%	1,420	1,831	1,824	1,791	1,572	1,747	1,688	1,740	1,755	1,789
7	131%	131%	131%	131%	131%	131%	131%	131%	131%	131%	387	486	499	449	344	401	364	427	461	432
8	127%	127%	127%	127%	127%	127%	127%	127%	127%	127%	13	16	18	8	6	23	9	6	7	15
9	110%	110%	110%	110%	110%	110%	110%	110%	110%	110%	8	14	12	8	10	3	12	7	15	7
10A	105%	105%	105%	105%	105%	105%	105%	105%	105%	105%	22	24	28	23	12	8	20	13	11	19
10B	66%	66%	66%	66%	66%	66%	66%	66%	66%	66%	53	96	90	72	60	65	57	70	91	88
11	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	57	65	44	45	34	22	24	28	41	29
12	171%	171%	171%	171%	171%	171%	171%	171%	171%	171%	26	18	22	17	31	22	23	23	23	31
13	170%	170%	170%	170%	170%	170%	170%	170%	170%	170%	48	47	59	40	56	32	56	49	39	44
14	157%	157%	157%	157%	157%	157%	157%	157%	157%	157%	2		1	3	3		1	3		1
15	199%	199%	199%	199%	199%	199%	199%	199%	199%	199%	11	24	7	9	13	7	13	9	9	15
16	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	7	6	7	3	2	1	2	5	4	7
17	172%	172%	172%	172%	172%	172%	172%	172%	172%	172%	19	14	21	39	17	26	18	11	17	8
18																				
19	221%	221%	221%	221%	221%	221%	221%	221%	221%	221%	18	10	6	5	7	10	15	10	9	3
20	83%	83%	83%	83%	83%	83%	83%	83%	83%	83%				2				1		
21	194%	194%	194%	194%	194%	194%	194%	194%	194%	194%						1	2		2	
22											1				5	1			1	4
23	117%	117%	117%	117%	117%	117%	117%	117%	117%	117%		1	2	7	2	3	2		5	2
24	34%	34%	34%	34%	34%	34%	34%	34%	34%	34%		2		1	1					1
25																				
26		84%	84%	84%	84%	84%	84%	84%	84%	84%			49	87	120	120	74	91	97	119

Notes: Sourced from the Annual Advice
Does not include adjustment for NIIQ

Appendix D MAIC's pricing assumptions

D.1 MAIC's pricing assumptions used to set floor and ceiling premiums

Appendix D

Appendix D. 1 MAIC's pricing assumptions used to set floor and ceiling premiums

Underwriting quarter	Scheme average premium (\$, excluding GST, levies)		Claims handling expenses	Acquisition Costs (\$)	Reinsurance Cost (\$)	ANTS Impact	Profit margin	Insurer average filed gross premium (\$)
	Floor	Ceiling						
Dec-16	228.03	252.37	5.74%	7.99	1.71	-9.1%	7.8%	252.37
Mar-17	227.47	251.77	5.74%	7.99	1.71	-9.1%	7.8%	250.88
Jun-17	213.26	236.64	5.74%	7.99	1.71	-9.1%	7.8%	236.64
Sep-17	203.91	222.14	5.74%	7.99	1.71	-9.1%	7.8%	222.14
Dec-17	204.69	222.97	5.74%	7.99	1.71	-9.1%	7.8%	222.97
Mar-18	207.62	225.89	6.25%	7.99	1.71	-9.1%	7.8%	225.89
Jun-18	207.28	225.53	6.25%	7.99	1.71	-9.1%	7.8%	225.53
Sep-18	200.41	218.67	6.25%	7.99	1.71	-9.1%	7.8%	218.67
Dec-18	195.95	213.27	6.25%	7.99	1.71	-9.1%	7.8%	213.27
Mar-19	191.03	208.33	6.25%	7.99	1.71	-9.1%	7.8%	208.33
Jun-19	190.83	208.10	6.25%	7.99	1.71	-9.1%	7.8%	208.10
Sep-19	200.29	218.71	6.25%	9.98	1.73	-9.1%	7.8%	218.71
Dec-19	207.79	226.20	6.25%	9.98	1.72	-9.1%	7.8%	226.20
Mar-20	206.29	225.58	6.25%	9.98	1.72	-9.1%	7.8%	225.58
Jun-20	200.85	218.28	6.25%	9.97	1.72	-9.1%	7.8%	218.28
Sep-20	204.73	221.46	6.25%	9.98	1.74	-9.1%	7.8%	221.46
Dec-20	198.99	221.52	6.25%	9.98	1.74	-9.1%	7.8%	221.52
Mar-21	198.67	221.21	6.25%	9.98	1.74	-9.1%	7.8%	221.21
Jun-21	191.77	213.37	6.25%	9.98	1.74	-9.1%	7.8%	213.37
Sep-21	189.40	207.10	6.25%	9.98	-	-9.1%	7.8%	207.10
Dec-21	193.71	209.35	6.25%	9.98	-	-9.1%	7.8%	209.35
Mar-22	195.22	210.85	6.25%	9.98	-	-9.1%	7.8%	210.81
Jun-22	194.47	211.03	6.25%	9.98	-	-9.1%	7.8%	210.99
Sep-22	199.83	215.48	6.75%	7.98	-	-9.1%	7.8%	215.46
Dec-22	198.73	215.30	6.75%	7.98	-	-9.1%	7.8%	215.28
Mar-23	200.92	217.52	6.75%	7.98	-	-9.1%	7.8%	217.50
Jun-23	202.05	217.70	6.75%	7.99	-	-9.1%	7.8%	217.68
Sep-23	200.00	216.55	7.00%	7.99	-	-9.1%	7.8%	216.53
Dec-23	200.19	216.76	7.00%	7.99	-	-9.1%	7.8%	216.74
Mar-24	198.47	217.13	7.00%	7.99	-	-9.1%	7.8%	217.11
Jun-24	198.52	216.96	7.00%	7.99	-	-9.1%	7.8%	216.95
Sep-24	199.59	217.11	7.00%	7.99	-	-9.1%	7.8%	217.09
Dec-24	197.85	217.46	7.00%	7.99	-	-9.1%	7.8%	217.44
Mar-25	202.80	227.34	7.00%	7.99	-	-9.1%	7.8%	227.32
Jun-25	203.89	227.51	7.00%	7.99	-	-9.1%	7.8%	227.49
Sep-25	207.91	224.51	7.00%	7.99	-	-9.1%	7.8%	224.51
Dec-25	215.99	243.35	7.00%	7.99	-	-9.1%	9.5%	240.10

Notes: Supplied by MAIC

Appendix E Comparison of estimates

- E.1 Hindsight estimation of all class risk premiums based on data to 31 December 2025**
- E.2 Hindsight estimation of all class profitability based on data to 31 December 2025**

Appendix E

Appendix E. 1 Hindsight estimation of all-class premiums based on data to 31 December 2025

Underwriting quarter	Scheme Frequency	Scheme Average size (\$)	Profit Margin	0% p.a. superimposed inflation				
				Net RP (\$)	CHE (\$)	Acquisition Costs (\$)	Reinsurance Costs (\$)	Hindsight Premium (\$)
Dec-16	0.206%	91,562	7.75%	171.86	10.85	7.99	1.71	208.57
Mar-17	0.202%	92,069	7.75%	168.85	10.66	7.99	1.71	205.10
Jun-17	0.203%	93,428	7.75%	172.63	10.90	7.99	1.71	209.46
Sep-17	0.203%	95,051	7.75%	175.57	11.09	7.99	1.71	212.84
Dec-17	0.201%	97,086	7.75%	177.00	11.18	7.99	1.71	214.49
Mar-18	0.199%	97,522	7.75%	176.59	12.14	7.99	1.71	215.10
Jun-18	0.195%	98,794	7.75%	175.33	12.05	7.99	1.71	213.64
Sep-18	0.191%	99,035	7.75%	172.16	11.84	7.99	1.71	209.97
Dec-18	0.188%	102,843	7.75%	175.90	12.09	7.99	1.71	214.29
Mar-19	0.183%	107,063	7.75%	177.69	12.22	7.99	1.71	216.37
Jun-19	0.171%	110,250	7.75%	170.94	11.75	7.99	1.71	208.55
Sep-19	0.160%	111,431	7.75%	162.09	11.14	9.98	1.73	200.49
Dec-19	0.157%	112,974	7.75%	161.52	11.10	9.98	1.72	199.81
Mar-20	0.159%	113,883	7.75%	165.01	11.34	9.98	1.72	203.85
Jun-20	0.168%	114,839	7.75%	175.90	12.09	9.97	1.72	216.47
Sep-20	0.173%	116,242	7.75%	183.27	12.60	9.98	1.74	225.02
Dec-20	0.171%	115,855	7.75%	180.18	12.39	9.98	1.74	221.45
Mar-21	0.166%	117,370	7.75%	177.63	12.21	9.98	1.74	218.49
Jun-21	0.161%	120,177	7.75%	175.75	12.08	9.98	1.74	216.32
Sep-21	0.160%	118,442	7.75%	172.14	11.83	9.98	-	210.25
Dec-21	0.159%	117,359	7.75%	169.85	11.68	9.98	-	207.60
Mar-22	0.158%	112,294	7.75%	161.77	11.12	9.98	-	198.24
Jun-22	0.159%	113,915	7.75%	165.01	11.34	9.98	-	201.99
Sep-22	0.159%	115,995	7.75%	168.07	12.48	7.98	-	204.37
Dec-22	0.159%	117,681	7.75%	169.79	12.61	7.98	-	206.37
Mar-23	0.158%	117,315	7.75%	168.33	12.50	7.98	-	204.68
Jun-23	0.159%	116,794	7.75%	168.40	12.50	7.99	-	204.76
Sep-23	0.160%	116,323	7.75%	169.35	13.04	7.99	-	206.37
Dec-23	0.163%	117,533	7.75%	174.36	13.43	7.99	-	212.22
Mar-24	0.166%	118,314	7.75%	178.54	13.75	7.99	-	217.10
Jun-24	0.167%	121,112	7.75%	184.21	14.18	7.99	-	223.72
Sep-24	0.168%	119,856	7.75%	183.31	14.11	7.99	-	222.67
Dec-24	0.169%	120,116	7.75%	184.52	14.21	7.99	-	224.09
Mar-25	0.171%	123,136	7.75%	191.04	14.71	7.99	-	231.70
Jun-25	0.171%	123,497	7.75%	192.24	14.80	7.99	-	233.09
Sep-25	0.172%	123,654	7.75%	192.87	14.85	7.99	-	233.84
Dec-25	0.171%	124,262	9.50%	193.50	14.90	7.99	-	239.11

Notes: Net risk premium excludes GST
Hindsight premium includes profit loading

Appendix E

Appendix E. 2 Hindsight estimation of all-class profitability based on data to 31 December 2025

Underwriting quarter	0% p.a. superimposed inflation							
	Floor	Ceiling	MAIC Central Estimate	Average	Floor (\$)	Ceiling (\$)	MAIC Central Estimate	Average (\$)
Dec-16	16%	24%	22%	24%	35.62	59.96	54.17	59.96
Mar-17	17%	25%	23%	25%	38.27	62.57	56.78	61.68
Jun-17	9%	18%	16%	18%	20.04	43.42	37.61	43.42
Sep-17	4%	12%	11%	12%	7.56	25.79	23.84	25.79
Dec-17	3%	11%	10%	11%	6.82	25.10	23.14	25.10
Mar-18	4%	12%	11%	12%	9.19	27.46	25.50	27.46
Jun-18	5%	13%	12%	13%	10.20	28.44	26.70	28.44
Sep-18	3%	11%	11%	11%	6.71	24.97	22.97	24.97
Dec-18	-1%	7%	6%	7%	1.74	15.58	13.59	15.58
Mar-19	-4%	4%	3%	4%	8.58	8.73	6.74	8.73
Jun-19	-1%	8%	7%	8%	1.56	15.72	13.77	15.72
Sep-19	8%	15%	15%	15%	15.34	33.77	31.97	33.77
Dec-19	11%	19%	18%	19%	23.47	41.88	40.09	41.88
Mar-20	9%	17%	16%	17%	18.24	37.52	35.73	37.52
Jun-20	1%	9%	8%	9%	1.16	18.59	16.80	18.59
Sep-20	-1%	6%	6%	6%	2.86	13.88	13.87	13.88
Dec-20	-3%	8%	5%	8%	5.29	17.24	11.44	17.24
Mar-21	-1%	9%	6%	9%	2.88	19.65	13.85	19.65
Jun-21	-4%	6%	4%	6%	7.78	13.81	8.00	13.81
Sep-21	-2%	6%	5%	6%	4.55	13.15	10.19	13.15
Dec-21	1%	9%	9%	9%	2.20	17.84	17.90	17.84
Mar-22	6%	13%	13%	13%	12.35	27.98	28.03	27.94
Jun-22	4%	12%	11%	12%	8.14	24.70	23.82	24.66
Sep-22	6%	13%	13%	12%	11.29	26.95	26.94	26.93
Dec-22	4%	12%	12%	12%	8.35	24.92	24.93	24.90
Mar-23	6%	13%	13%	13%	12.10	28.70	28.70	28.68
Jun-23	7%	13%	13%	13%	13.16	28.81	28.83	28.79
Sep-23	5%	12%	12%	12%	9.62	26.18	26.18	26.16
Dec-23	2%	10%	10%	10%	4.42	20.99	20.99	20.97
Mar-24	-1%	8%	6%	8%	1.80	16.86	13.83	16.84
Jun-24	-4%	5%	4%	5%	7.86	10.58	8.71	10.57
Sep-24	-3%	5%	5%	5%	5.83	11.69	10.77	11.68
Dec-24	-4%	5%	3%	5%	8.87	10.73	6.77	10.72
Mar-25	-5%	6%	3%	6%	10.94	13.59	5.66	13.57
Jun-25	-5%	5%	2%	5%	11.14	12.48	4.54	12.46
Sep-25	-4%	4%	4%	4%	7.80	8.79	8.80	8.79
Dec-25	0%	11%	9%	10%	0.40	26.96	21.12	23.71

Notes: Derived from previous appendices

Sydney

Level 22
45 Clarence Street
Sydney NSW 2000

Melbourne

Level 27
459 Collins Street
Melbourne VIC 3000

Wellington

Level 6
22 The Terrace
Wellington 6011