

**STATE GOVERNMENT INSURANCE CORPORATION
ANNUAL REPORT 2001**

STATEMENT OF COMPLIANCE

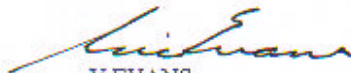
Photo

The Hon Nick Griffiths LLB MLC
Minister for Government Enterprises

TO THE HON NICK GRIFFITHS LLB MLC
MINISTER FOR GOVERNMENT ENTERPRISES

In accordance with Section 66 of the *Financial Administration and Audit Act 1985*, we hereby submit to the Minister for Government Enterprises, for information and presentation to Parliament, the Annual Report of the State Government Insurance Corporation for the financial year ended 30 June 2001.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985* and any other relevant written law.


V EVANS
CHAIRMAN
29 August 2001


M E WRIGHT
DEPUTY CHAIRMAN
29 August 2001

In accordance with a resolution of the Board of Directors of the State Government Insurance Corporation, passed on 29 August 2001.

CONTENTS

Statement of Compliance
Financial History
Chairman's Review
Board of Directors
Annual Estimates 2001/2002 5

FINANCIAL STATEMENTS

Financial Statements Index
Statement by Members of the Board and Principal Accounting Officer
Opinion of the Auditor General
Financial Statements

PERFORMANCE INDICATORS

Certificate of Performance Indicators
Opinion of the Auditor General
Performance Indicators

APPENDICES

Glossary
Index

CONTACT DETAILS

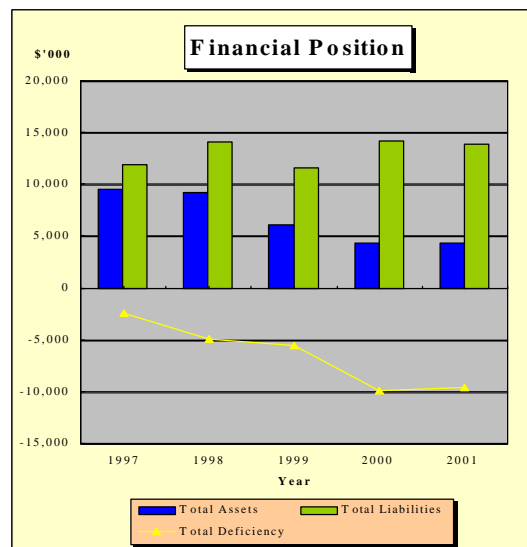
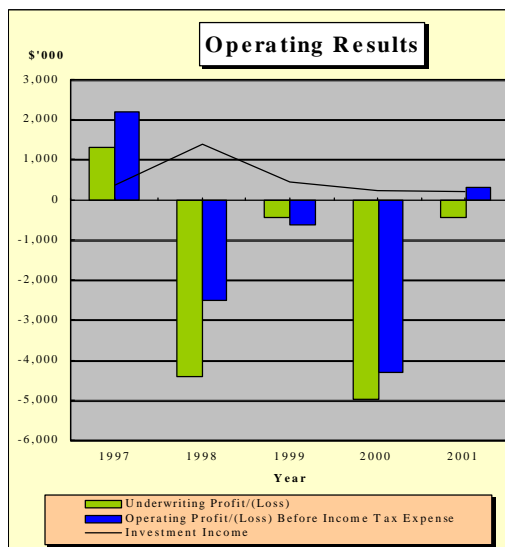
The State Government Insurance Corporation
Level 22, The Forrest Centre; 221 St George's Terrace; PERTH WA
Postal Address : GPO Box U1908; PERTH WA 6845
Telephone: (08) 9264 3333; Facsimile : (08) 9264 3690

FINANCIAL HISTORY

	2001	2000	1999	1998	1997
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Operating Statement					
Net Earned Premium	(184)	(21)	103	(325)	(155)
Claims Incurred	(101)	(4,710)	(348)	(3,988)	1,470
Reinsurance and Other Recoveries Revenue	20	2	51	(14)	104
Net Claims Incurred	(81)	(4,708)	(297)	(4,002)	1,574
Underwriting and Administration Expenses	(169)	(254)	(255)	(94)	(122)
Underwriting Profit/(Loss)	(434)	(4,983)	(449)	(4,421)	1,297
Investment Income	201	243	442	1,397	379
Other Income	549	429	(609)	506	511
Operating Profit/(Loss) Before Income Tax Expense	316	(4,311)	(616)	(2,518)	2,187

Statement of Financial Position

Investments	3,380	3,168	4,632	7,171	7,045
Other Assets	906	1,116	1,409	1,999	2,420
Total Assets	4,286	4,284	6,041	9,170	9,465
Outstanding Claims	13,663	13,961	11,568	13,807	11,459
Other	171	187	26	300	425
Total Liabilities	13,834	14,148	11,594	14,107	11,884
Net Liabilities	(9,548)	(9,864)	(5,553)	(4,937)	(2,419)
Share Capital	100,000	100,000	100,000	100,000	100,000
Accumulated Loss	(109,548)	(109,864)	(105,553)	(104,937)	(102,419)
Total Deficiency	(9,548)	(9,864)	(5,553)	(4,937)	(2,419)



Chairman's Review

The Corporation underwrote small lines of Australian and overseas business from 1988 to 1992. The Insurance Commission's Reinsurance and Underwriting Section is responsible for the management of the run off of the business.


It is expected that it will take a number of years for all the claims to be finalised.

There is a high degree of uncertainty in regard to the final outcome of the run off due to; the small portfolio of business under management, the advanced state of the run off and the heavy liability weighting of the portfolio. The year ending 30 June 2001 was uneventful with the gross outstanding claims provision only reducing slightly from \$14 million at 30 June 2000 to \$13.7 million.

There were a number of competing factors such as currency fluctuations, interest rate assumptions, improvement on forecast incurred losses and expenses which resulted in the minimal change overall.

Due to the uncertainty of the final outcome, the accounts incorporate a prudential margin based on an 80% confidence level, with additional margins for Australian Casualty and professional indemnity risks.

I am pleased to report that after accounting for the above factors, the overall result was a profit of \$316,000.


VIC EVANS
CHAIRMAN

**STATE GOVERNMENT INSURANCE CORPORATION
BOARD OF DIRECTORS**

The Board of Directors of the State Government Insurance Corporation have been appointed in accordance with the *Insurance Commission of Western Australia Act 1986*. The Board for the year ending 30 June 2001 was comprised of:

MR V EVANS

Dip Bus Mgt, AFAIM

Chairman of the Board of Directors

Re-appointed for a period expiring on 21 June 2006

Managing Director, Insurance Commission of WA

MR M E WRIGHT

FAICD

Deputy Chairman, State Government Insurance Corporation

Re-appointed for a period expiring on 30 November 2001

Chairman, Insurance Commission of WA

Consultant, Mallesons Stephen Jaques

MR P D EASTWOOD

FCA, FAICD

Director

Re-appointed for a period expiring on 23 May 2003

Deputy Chairman, Insurance Commission of WA

Consultant, Grant Thornton Chartered Accountants

Director, WA Centre for Pathology and Medical Research

Councillor, Edith Cowan University

MR G C BOND

FAII

Director

Re-appointed for a period expiring on 30 September 2001

Commissioner, Insurance Commission of WA

MR G N REYNOLDS

AAII, FAIM, FAICD, CD, FNIBA

Director

Re-appointed for a period expiring on 30 September 2002

Commissioner, Insurance Commission of WA

Deputy Chairman, Medical Indemnity Company of Western Australia Pty Ltd

Chairman, Medical Indemnity Services Pty Ltd

Executive Member, Medical Defence Association of WA

National Consultant, Jardine Lloyd Thompson Pty Ltd

Director, Perth Bone and Tissue Bank Inc

Chairman, Erracht Pty Ltd

Deputy Chairman, Plan B Trustees Ltd

Chairman, Botanic Gardens and Parks Authority

Director, Medepartner

Directors' Attendance at Meetings 2000/2001

Board of Directors (Total of 12 Meetings)	
Director	Number of
Meetings Attended	
Mr V Evans	11
M E Wright	12
P D Eastwood	11
G C Bond	10
G N Reynolds	11

DISCLOSURE OF INTEREST IN AN EXISTING OR PROPOSED CONTRACT

Deputy Chairman, Mr M E Wright, is a consultant to Mallesons Stephen Jaques which, during 2000/2001, received professional fees for legal advice provided to the Insurance Commission of Western Australia.

ANNUAL ESTIMATES

In accordance with Section 42 of the Financial Administration and Audit Act 1985, the State Government Insurance Corporation's Annual Estimates for 2001/2002 have been approved by the Minister.

As required by Treasurer's Instruction 953, the approved Annual Estimates are detailed below:

	<u>\$'000</u>
Premium Revenue	893

Net Earned Premium	893
Claims Expense	(289)
Reinsurance and Other Recoveries Revenue	23

Net Incurred Claims	(266)
Underwriting and Administration Expenses	(177)

UNDERWRITING PROFIT	450
Investment Income	218

PROFIT ON ORDINARY ACTIVITIES BEFORE INCOME TAX BENEFIT	668
	=====

STATE GOVERNMENT INSURANCE CORPORATION
FINANCIAL STATEMENTS 2001
INDEX

Statement by the Members of the Board and Principal Accounting Officer	7
Opinion of the Auditor General	8
Statement of Financial Performance for the year ended 30 June 2001	9
Statement of Financial Position as at 30 June 2001	10
Statement of Cash Flows for the year ended 30 June 2001	11
Note 1 Statement of Significant Accounting Policies	13
Note 2 Revenue	18
Note 3 Net Gains/(Losses) and Expenses	18
Note 4 Net Claims Incurred	19
Note 5 Income Tax	20
Note 6 Receivables	21
Note 7 Investments	21
Note 8 Creditors and Accruals	21
Note 9 Outstanding Claims	22
Note 10 Share Capital	23
Note 11 Accumulated Losses	23
Note 12 Financial Instruments	24
Note 13 Segment Reporting	26
Note 14 Funding of Inwards Reinsurance Net Claims Liabilities	26
Note 15 Amounts Receivable and Payable Denominated in Foreign Currencies	27
Note 16 Explanatory Statement	28
Note 17 Contingent Liabilities	29
Note 18 Capital Commitments	29
Note 19 Events Occurring after Balance Date	29

Statement by the Members of the Board and Principal Accounting Officer

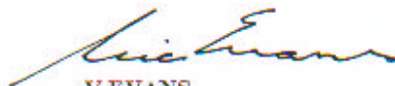
State Government Insurance Corporation

The accompanying financial statements of the State Government Insurance Corporation (the "Corporation") have been prepared on the assumption that the Corporation is a "going concern" and will continue its business operations in the normal manner. This necessarily assumes that the obligations of the Corporation will be discharged as and when they fall due in the normal course of business.

The financial statements have been prepared on this basis (notwithstanding the excess of liabilities over assets) based on confirmation received from the Government of Western Australia that the Corporation is an Agent of the Crown in the right of the State under the *Insurance Commission of Western Australia Act 1986* and that its ultimate financial viability (including its ability to meet its financial obligations as and when they fall due) is subject to that support.

The accompanying consolidated financial statements and the financial statements of the Corporation have been prepared in compliance with the provisions of the *Financial Administration and Audit Act 1985* from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2001 and the financial position as at 30 June 2001.

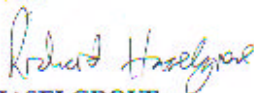
At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



V EVANS
CHAIRMAN
29 August 2001



M E WRIGHT
DEPUTY CHAIRMAN
29 August 2001



R HASELGROVE
PRINCIPAL ACCOUNTING OFFICER
29 August 2001

In accordance with a resolution of the Board of Directors of the State Government Insurance Corporation passed on 29 August 2001.





Auditor General

To the Parliament of Western Australia

STATE GOVERNMENT INSURANCE CORPORATION FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2001

Scope

I have audited the accounts and financial statements of the State Government Insurance Corporation for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The financial statements of the Corporation have been prepared on a going concern basis notwithstanding its liabilities exceed its assets at June 30, 2001. As stated in Note 1(a) to the financial statements, the Corporation has received a letter from the Premier confirming financial support by the State Government of Western Australia to ensure that the Corporation is able to meet its financial obligations as and when they fall due.

The Board of Directors is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing and presenting the financial statements, and complying with the Act and other relevant written law. The primary responsibility for the detection, investigation and prevention of irregularities rests with the Board of Directors.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, the controls exercised by the Corporation to ensure financial regularity in accordance with legislative provisions, evidence to provide reasonable assurance that the amounts and other disclosures in the financial statements are free of material misstatement and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions so as to present a view which is consistent with my understanding of the Corporation's financial position, the results of its operations and its cash flows.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion,

- (i) the controls exercised by the State Government Insurance Corporation provide reasonable assurance that the receipt, expenditure and investment of moneys and the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the Statement of Financial Performance, Statement of Financial Position and Statement of Cash Flows and the Notes to and forming part of the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Treasurer's Instructions, the financial position of the Corporation at June 30, 2001 and the results of its operations and its cash flows for the year then ended.

D D R PEARSON
AUDITOR GENERAL
August 29, 2001

STATE GOVERNMENT INSURANCE CORPORATION

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2001

	<u>Notes</u>	2001 \$'000	2000 <u>\$'000</u>
Premium Charge		(31)	(20)
Outwards Reinsurance Expense		(153)	(1)
		-----	-----
Net Earned Premium		(184)	(21)
		-----	-----
Claims Incurred		(101)	(4,710)
Reinsurance and Other Recoveries Revenue		20	2
		-----	-----
Net Claims Incurred	4	(81)	(4,708)
		-----	-----
Underwriting and Administration Expenses	3	(169)	(254)
		-----	-----
UNDERWRITING LOSS		(434)	(4,983)
Investment Income		201	243
Other Income	2	549	429
		-----	-----
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INCOME TAX (EXPENSE)/BENEFIT		316	(4,311)
Income Tax (Expense)/Benefit attributable to Ordinary Activities	5	-	-
		-----	-----
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS		316	(4,311)
		=====	=====

The Statement of Financial Performance should be read in conjunction with the notes to and forming part of the financial statements.

STATE GOVERNMENT INSURANCE CORPORATION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2001

	<u>Notes</u>	2001 \$'000	2000 \$'000
CURRENT ASSETS			
Cash Assets		733	964
Receivables	6	22	19
Investments	7	3,380	3,168
Total Current Assets		4,135	4,151
NON-CURRENT ASSETS			
Receivables	6	151	133
TOTAL ASSETS		4,286	4,284
CURRENT LIABILITIES			
Creditors and Accruals	8	164	181
Outstanding Claims	9	2,947	2,094
Other		7	6
Total Current Liabilities		3,118	2,281
NON-CURRENT LIABILITIES			
Outstanding Claims	9	10,716	11,867
TOTAL LIABILITIES		13,834	14,148
NET LIABILITIES		(9,548)	(9,864)
EQUITY			
Share Capital	10	100,000	100,000
Accumulated Losses	11	(109,548)	(109,864)
TOTAL DEFICIENCY		(9,548)	(9,864)

The Statement of Financial Position should be read in conjunction with the notes to and forming part of the financial statements.

STATE GOVERNMENT INSURANCE CORPORATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2001

	<u>Notes</u>	2001 \$'000	2000 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Reinsurance and Other Recoveries Received		2	38
Interest Received		203	242
Other Receipts		45	42
Internal Interest		5	8
Claims Paid		(438)	(2,114)
Outwards Reinsurance Paid		(153)	(1)
Underwriting and Administration Expenses Paid		(180)	(254)
Net Cash Outflow from Operating Activities	(i)	(516)	(2,039)
NET DECREASE IN CASH HELD		(516)	(2,039)
CASH AT THE BEGINNING OF THE YEAR		4,125	5,785
Effects of Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies		542	379
CASH AT THE END OF THE YEAR	(ii)	4,151	4,125

The Statement of Cash Flows should be read in conjunction with the notes to and forming part of the financial statements.

(i) and (ii), refer to the following page.

STATE GOVERNMENT INSURANCE CORPORATION

STATEMENT OF CASH FLOWS (Continued)

	<u>Notes</u>	2001 \$'000	2000 \$'000
(i) Reconciliation of Operating Profit/(Loss) after Income Tax Benefit to Net Cash Flows from Operating Activities			
Operating Profit/(Loss) after Income Tax (Expense)/Benefit		316	(4,311)
Movement in Provision for Doubtful Debts		(7)	(1)
Foreign Exchange Gains		(499)	(379)
Changes in Assets and Liabilities			
Decrease in Premiums Receivable		-	35
(Increase)/Decrease in Reinsurance and Other Recoveries Receivable		(14)	64
Decrease in Investment Debtors		2	-
(Decrease)/Increase in Outstanding Claims		(298)	2,393
(Decrease)/Increase in Other Liabilities		(16)	160
Net Cash Outflow from Operating Activities		(516)	(2,039)
(ii) Reconciliation of Cash			
Cash at the end of the year as shown in the Statement of Cash Flows is reconciled to the related items of the Statement of Financial Position as follows:			
Cash		733	964
Short-Term Discount Securities	7	2,953	2,498
Deposits At Call	7	465	663
		4,151	4,125

The Corporation has no stand-by credit arrangements or loan facilities. The Corporation's ability to meet its financial obligations as and when they fall due is ultimately supported by the Government of Western Australia. The cash detailed in (ii) above is available to the Corporation without restriction.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

To facilitate a better understanding of the financial statements, presented below are the significant accounting policies adopted by the State Government Insurance Corporation ("Corporation") in the preparation of the financial statements.

(a) Basis of Accounting

The financial statements constitute a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Urgent Issues Group ("UIG") Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act 1985 and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Australian Accounting Standards and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and to satisfy accountability requirements. If any such modification has a material financial effect upon the reported results, details of that modification and, where practicable, the financial effect is disclosed in individual notes to these financial statements. No such modifications were required to be reported either this year or last year.

The financial statements have been prepared in accordance with the historical cost convention and except where stated do not take into account current valuations of non-current assets.

The accounting policies used are consistent with those adopted in the previous year.

The financial statements have been prepared on the assumption that the Corporation is a "going concern", will continue its business operations in the normal manner and that it will be able to meet its liabilities as and when they fall due. The financial statements have been prepared on this basis notwithstanding the excess of liabilities over assets.

The Corporation is an Agent of the Crown in the right of the State under Section 4(A) of the Insurance Commission of Western Australia Act 1986. A letter has been received from the Premier confirming that the State Government fully supports the financial viability of the Corporation and will continue to support the Corporation and its Board as a going concern. The State Government has also confirmed that it is committed to ensuring the Corporation can meet its financial obligations as and when they fall due.

(b) Principal Activities

The Corporation ceased writing Inwards Reinsurance in August 1992. During the financial year the Corporation's only activity has been the further "run-off" of this operation.

(c) Taxation

The Corporation is subject to the Tax Equivalent Regime ("TER"), pursuant to the State Enterprises (Commonwealth Tax Equivalents) Act 1996 and is liable to pay to the State Treasurer a tax equivalent sum in respect of each financial year.

The purpose of the TER is to achieve competitive neutrality between government and privately owned trading enterprises by ensuring they bear similar taxed-based imposts.

The tax equivalent sum is equal to the amount of any income tax for which the Corporation would have been liable in respect of the financial year if it were not exempt from that tax under the relevant Commonwealth Act.

As the TER obligations are equivalent to those of a public company, Australian Accounting Standard "Accounting for Income Tax" (AAS 3) has been adopted. Where the Corporation has tax losses, the future income tax benefit relating to tax losses and timing differences is not carried forward as an asset unless the benefit is virtually certain of being realised. Refer Note 5.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific criteria must also be met before revenue is recognised.

C Premium Revenue

Premium revenue comprises amounts charged to other insurers, excluding amounts collected on behalf of third parties such as stamp duty. Premiums on unclosed business are brought to account as revenue, based upon an actuarial assessment. As the periods of cover provided by all underwritten contracts have now expired, all premium is earned, whether on closed or unclosed business.

C Reinsurance and Other Recoveries

Reinsurance and other recoveries on paid claims, claims reported but not paid, claims incurred but not reported and claims incurred but not enough reported are recognised as revenue. Recoveries receivable for long-tail classes of insurance are measured as the present value of the expected future receipts, calculated on the same basis as the liability for outstanding claims. The details of discount and inflation rates used are set out in Note 9.

C Interest

Income from interest is recognised as it accrues.

C Investment Revenue - Changes in Market Values

Gains and losses realised from the sale of investments and unrealised changes in the net market values of investments at balance date are recognised in the Statement of Financial Performance.

C Foreign Exchange Revenue

Refer Note 1(f) - "Foreign Currencies".

(e) Outwards Reinsurance

Premium ceded to reinsurers is recognised as an expense in accordance with the pattern of reinsurance service received.

(f) Foreign Currencies

- Transactions in foreign currencies are converted to Australian currency at the rates of exchange ruling at the dates of the transactions.
- Assets (including investments) and liabilities of the Corporation denominated in foreign currencies at the balance date are converted to Australian currency using rates of exchange ruling at that date. Resulting exchange differences are recorded as exchange gains or losses in the Statement of Financial Performance in that financial year.

(g) Outstanding Claims

The liability for outstanding claims at balance date comprises:

- C claims that have been reported but not paid,
- C claims incurred but not reported ("IBNR"),

C claims incurred but not enough reported (“IBNER”),

together with the anticipated direct and indirect claims’ settlement costs.

The liability for outstanding claims is the present value of expected future claim payments (including claims management expenses), which is affected by factors arising during the period to settlement such as normal (eg. wage) inflation and “superimposed” inflation. “Superimposed” inflation refers to factors like trends in court awards and changes in legislation, for example increases in the level and period of compensation for injury. The expected future claims payments are then discounted to a present value at balance date using market-determined risk adjusted rates of return.

The details of discount and inflation rates used are set out in Note 9.

The liability for outstanding claims is estimated following an independent actuarial assessment. Inwards Reinsurance is a long-tail class of insurance. Long-tail claims are typically not settled within one year of the occurrence of the events giving rise to those claims. Protracted legal proceedings may be involved to resolve the issues of negligence or liability and/or to establish the amount of claims settlement.

In determining the liability for outstanding claims the Board has added a prudential margin to the central estimate of the discounted future claims payments. The prudential margin provides for a higher degree of certainty that the liability will be adequate to cover possible adverse developments. The degree of certainty required by the Board has been achieved by a prudential margin that allows for an 80% level of confidence.

(h) Investments

The Insurance Commission of Western Australia (“Commission”) administers the cash investment portfolio on behalf of the Corporation. The Corporation’s investments are primarily held in short-term discount securities and deposits at call.

Investments considered integral to the general insurance activities of the Corporation are measured at net market value, where the expected costs of realisation are taken into account, at balance date. Refer Note 7.

(i) Net Fair Value of Financial Assets and Liabilities

Net fair values of financial assets and liabilities are determined on the following basis:

- **Recognised Financial Assets**

For financial assets traded in an organised market, net fair value equates to net market value.

Where financial assets are not traded in an organised market, net fair value is the historical carrying cost net of any provision for diminution in value or doubtful debt.

- **Recognised Financial Liabilities**

Where financial liabilities are not traded in an organised market, net fair value is the historical carrying value.

(j) Cash

For the purpose of the Statement of Cash Flows, cash includes cash on hand and in banks, together with short-term discount securities and deposits at call which are investments integral to the Corporation's general insurance activities (all of which are readily convertible to cash and are not subject to a significant risk of changes in value).

(k) Management Expenses

The Corporation is charged a management fee in proportion to its usage of the Commission's services.

(l) Comparatives

In accordance with Treasurer's Instruction 949, where appropriate, certain reclassifications are made to the prior year's financial statements in order to enhance comparability with those of the current year.

(m) Rounding

In accordance with Treasurer's Instruction 948, all amounts shown in the financial statements are rounded to the nearest thousand dollars unless otherwise stated.

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001 \$'000	2000 \$'000
2. REVENUE		
Revenue from Operating Activities		
Premium Charge (i)	(31)	(20)
Reinsurance Recoveries Revenue	20	2
Investment Interest	201	243
Other		
Interest	50	50
Foreign Exchange Gain	499	379
	<hr/>	<hr/>
	549	429
	<hr/>	<hr/>
Total Revenue	739	654
	<hr/>	<hr/>

(i) The negative premium is due to premium adjustments from unclosed business.

3. NET GAINS/(LOSSES) AND EXPENSES

Operating Profit/(Loss) Before Income Tax (Expense)/Benefit includes the following specific net gains/losses and expenses:

NET GAINS/(LOSSES)

Foreign Exchange Gain	499	379
	<hr/>	<hr/>

EXPENSES

Claims Incurred	101	4,710
Outwards Reinsurance Expense	153	1
Underwriting and Administration		
Acquisition Cost Adjustment	(5)	1
Bad and Doubtful Debts	(7)	(1)
Amounts paid or due and payable to the Auditor General		
- Auditing the financial statements	7	6
Contractors and Consultants	30	48
Other Underwriting and Administration	144	200
	<hr/>	<hr/>
	169	254
	<hr/>	<hr/>
Total Expenses	423	4,965
	<hr/>	<hr/>

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001 \$'000	2000 \$'000
4. NET CLAIMS INCURRED		
Inwards Reinsurance		
Gross Claims Incurred and Related Expenses		
- Undiscounted	(6,842)	6,609
Reinsurance and Other Recoveries		
- Undiscounted	(28)	18
Net Claims Incurred		
- Undiscounted	(6,870)	6,627
Discount and Discount Movement		
- Gross Claims Incurred	6,943	(1,900)
Discount and Discount Movement		
- Reinsurance and Other Recoveries	8	(19)
Net Discount Movement	6,951	(1,919)
Net Claims Incurred	81	4,708

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001	2000
	<u>\$'000</u>	<u>\$'000</u>
5. INCOME TAX		
(a) Calculation of Income Tax (Expense)/Benefit		
Operating Profit/(Loss) before Income Tax (Expense)/Benefit	316	(4,311)
	=====	=====
Prima Facie Income Tax (Expense)/Benefit on the Operating Profit/(Loss) at 34% (2000 - 36%)	(107)	1,552
Tax Effect of Timing Differences not brought to account	(68)	1
Tax Effect of Losses not brought to account	175	(1,553)
	-----	-----
Income Tax (Expense)/Benefit attributable to Operating Profit/(Loss)	-	-
	=====	=====
(b) Tax Losses		
Tax Losses at the Beginning of the Year	(64,685)	(60,370)
Tax Profit/(Loss) arising in year	516	(4,315)
	-----	-----
Tax Losses at the End of the Year	(64,169)	(64,685)
	=====	=====

Benefit of Tax Losses not brought to account

At balance date, the Corporation had tax losses of \$64.2 million (2000 - \$64.7 million) which are available to offset against future years' taxable income. The benefit of these losses of \$19.3 million is expected to be realised after 1 July 2002 and is therefore expressed at a corporate rate of 30% (2000 - \$19.4 million, expressed at a corporate rate of 30%). This benefit has not been brought to account as its realisation is not virtually certain. The benefit will be obtained only if:

- (i) the Corporation or the Insurance Commission of Western Australia ("Commission") derives future assessable income of a nature and of an amount sufficient to enable the benefit to be realised;
- (ii) the Corporation or Commission continues to comply with the conditions for deductibility imposed by the National Tax Equivalent Regime ("NTER"), and
- (iii) no changes in the NTER adversely affect the Corporation or Commission in realising the benefit.

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001 \$'000	2000 \$'000
6. RECEIVABLES		
Current		
Reinsurance and Other Recoveries Receivable	87	91
Less: Provision for Doubtful Debts	(65)	(72)
	<u>22</u>	<u>19</u>
Non-Current		
Reinsurance and Other Recoveries Receivable	<u>151</u>	<u>133</u>
Movement in Provision for Doubtful Debts		
Balance at Beginning of the Year	72	73
Previously provided for but provision no longer required	(7)	(1)
Balance at End of the Year	<u>65</u>	<u>72</u>

7. INVESTMENTS

At Net Market Value

Debtors		5	7
Short-Term Discount Securities	(i)	2,953	2,498
Deposits At Call	(i)	465	663
Creditors		(43)	-
		<u>3,380</u>	<u>3,168</u>

- (i) Short-term discount securities and deposits at call are cash assets which are investments integral to the general insurance activities of the entity.

8. CREDITORS AND ACCRUALS

Reinsurance Creditors	<u>164</u>	<u>181</u>
-----------------------	------------	------------

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

9. OUTSTANDING CLAIMS

	2001 \$'000	2000 \$'000
Liability for Outstanding Claims (undiscounted)	17,325	18,178
Discount to present value	(3,662)	(4,217)
	-----	-----
Liability for Outstanding Claims (discounted)	13,663	13,961
	=====	=====
Current	2,947	2,094
Non-Current	10,716	11,867
	-----	-----
	13,663	13,961
	=====	=====
Weighted average expected term to settlement	5 yrs 4 mths	5 yrs 10 mths

Liability for Outstanding Claims

The liability for outstanding claims is based on development patterns derived from the International Underwriting Association statistics, or derived from the experience of particular treaties. These development patterns indicate the manner in which the liability, in respect of individual years of underwriting, are expected to change over future periods. The estimate allows implicitly for the same rates of claim inflation as those occurring during the periods from which the development patterns were derived.

Inwards Reinsurance

The Board has added a prudential margin to the central estimate of the discounted future claims payments to provide for a higher degree of certainty that the liability, at balance date, will be adequate to cover possible adverse development. Refer Note 1(g). The degree of certainty required by the Board has been achieved by a prudential margin that allows for an 80% (2000 - 80%) level of confidence. The prudential margin has added \$1.8 million (2000 - \$1.8 million) to the liability for outstanding claims at balance date. In addition, due to adverse experience in two segments of the claims portfolio in recent years, namely in the Australian Casualty Proportional business and on a professional indemnity contract (MIPI), the Board has accepted an actuarial recommendation to include additional margins in these two segments, of \$0.8 million (2000 - \$0.9 million) and \$1.7 million (2000 - \$1.9 million) respectively.

Discount Rates

The following discount rates were used in measuring the liability for outstanding claims, reinsurance and other recoveries:

Financial Year	% Rates Used - 2001			% Rates Used - 2000		
	Australia	UK	US	Australia	UK	US
2001	N/A	N/A	N/A	6.0	6.2	6.3
2002	5.0	5.5	4.0	6.0	6.0	6.4
2003	5.8	5.7	4.8	6.1	5.7	6.3
2004	6.1	5.6	5.3	6.3	5.5	6.2
2005	6.3	5.6	5.7	6.4	5.2	6.1
2006	6.5	5.5	6.0	6.4	5.0	6.0
2007	6.5	5.4	6.2	6.5	4.8	5.9
2008	6.5	5.3	6.3	6.5	4.6	5.8
2009	6.5	5.1	6.3	6.5	4.5	5.8
2010	6.5	5.0	6.3	6.5	4.3	5.8
2011	6.5	4.9	6.3	6.5	4.2	5.8
2012 and later	6.5	4.9	6.3	6.5	4.2	5.8

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001		2000	
	<u>SHARES</u>	<u>\$'000</u>	<u>SHARES</u>	<u>\$'000</u>
10. SHARE CAPITAL				
Authorised shares of \$100 each	1,000,000	100,000	1,000,000	100,000
	=====	=====	=====	=====
Issued and paid up share capital				
Balance at beginning and end of year	1,000,000	100,000	1,000,000	100,000
	=====	=====	=====	=====

The ultimate holding entity is the Insurance Commission of Western Australia which holds all the shares issued by the Corporation.

	2001	2000
	<u>\$'000</u>	<u>\$'000</u>
11. ACCUMULATED LOSSES		
Accumulated Losses at beginning of the year	(109,864)	(105,553)
Net Profit/(Loss) for the year	316	(4,311)
	-----	-----
Accumulated Losses at end of the year	(109,548)	(109,864)
	=====	=====

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

12. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

Interest rate risk is the risk that the Corporation will suffer a financial loss due to adverse movements in interest rates.

The following table details the Corporation's exposure to interest rate risk at balance date:

Current Year	2001 (\$'000)			Weighted Average Interest Rate (%)
	Fixed Interest Rate Maturing in	Non-Interest Bearing	Total	
	Less than 1 Year			
Financial Assets				
Cash	733	-	733	4.25
Short-Term Discount Securities	2,953	-	2,953	3.75
Deposits At Call	465	-	465	4.89
Investment Debtors	-	5	5	-
	-----	-----	-----	
Total Financial Assets	4,151	5	4,156	
	=====	=====	=====	
Weighted Average Interest Rate (%)	3.97	-		
Financial Liabilities				
Investment Creditors	-	43	43	
Other Liabilities: Current	-	7	7	-
	-----	-----	-----	
Total Financial Liabilities	-	50	50	
	=====	=====	=====	
Net Financial Assets/(Liabilities)	4,151	(45)	4,106	
	=====	=====	=====	
Previous Year	2000 (\$'000)			Weighted Average Interest Rate (%)
	Fixed Interest Rate Maturing in	Non-Interest Bearing	Total	
	Less than 1 Year			
Financial Assets				
Cash	964	-	964	5.56
Short-Term Discount Securities	2,498	-	2,498	6.25
Deposits At Call	663	-	663	5.90
Investment Debtors	-	7	7	-
	-----	-----	-----	
Total Financial Assets	4,125	7	4,132	
	=====	=====	=====	
Weighted Average Interest Rate (%)	6.03	-		
Financial Liabilities				
Investment Creditors	-	-	-	
Other Liabilities: Current	-	6	6	-
	-----	-----	-----	
Total Financial Liabilities	-	6	6	
	=====	=====	=====	
Net Financial Assets	4,125	1	4,126	
	=====	=====	=====	

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

12. FINANCIAL INSTRUMENTS (Continued)

(i) Reconciliation of Net Financial Assets to Net Liabilities

	<u>Notes</u>	2001 \$'000	2000 <u>\$'000</u>
Net Financial Assets (previous page)		4,106	4,126
Receivables (current and non-current)	6	173	152
Creditors and accruals	8	(164)	(181)
Outstanding Claims (current and non-current)	9	(13,663)	(13,961)
		<u>(9,548)</u>	<u>(9,864)</u>
Net Liabilities per Statement of Financial Position		<u>(9,548)</u>	<u>(9,864)</u>

(b) Credit Risk Exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Corporation.

The following table details the Corporation's maximum credit risk exposure at balance date without taking into account the value of any collateral or other security obtained. 100% of the Corporations recognised financial assets are held in Australia. The Corporation's credit risk exposure is to one single counterparty, the financial assets having a Standard & Poors rating of A1+.

Credit Risk Exposure

4,156	4,132
<u>4,156</u>	<u>4,132</u>

(c) Net Fair Value

The recognised financial assets and financial liabilities are carried at amounts that approximate net fair value. The recognised financial assets and liabilities, with the exception of those listed below, are readily traded on organised markets. The following table details the net fair value, at balance date, of each class of recognised financial asset and liability, which are not readily traded on organised markets:

Not Readily Traded on Organised Markets

Recognised Financial Assets

Investment Debtors	5	7
	<u>5</u>	<u>7</u>

Recognised Financial Liabilities

Investment Creditors	43	-
Other Liabilities	7	6
	<u>50</u>	<u>6</u>
	<u>50</u>	<u>6</u>

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

13. SEGMENT REPORTING

The general insurance activities of the Corporation relate to the "run-off" of its Inwards Reinsurance business. The Corporation underwrote small lines of Australian and overseas reinsurance between 1988 and August 1992. The Inwards Reinsurance account was an international book of business, where half of the insured risks assumed were retrocessions from other Reinsurers. The ultimate location of all the insured risks and/or the original risk carrier is therefore not readily identifiable.

As the Inwards Reinsurance account is in "run-off" it is considered that the disclosure of the net claims liabilities, which will be settled in Australian and foreign currencies, and the assets held to meet those net claims liabilities, would provide equivalent relevant information to users. Refer Note 14.

14. FUNDING OF INWARDS REINSURANCE NET CLAIMS LIABILITIES

As claims are payable in the currency designated by the Reinsurance agreement, the Corporation seeks to maintain a natural hedge by holding assets in the respective currencies. For practical reasons, this policy is limited to the following major currencies, which collectively account for the substantial majority of the business. These currencies are Australian dollars (\$A), Canadian dollars (\$C), Great British pounds sterling (£UK) and United States dollars (\$US).

The following sets out the net liabilities in the respective currencies:

30 June 2001	Currency of Exposure (in Australian dollars equivalent)				Total
	\$A \$'000	\$C \$'000	£UK \$'000	\$US \$'000	
Net Liability	5,581	15	1,258	6,787	13,641
Amount of Assets Held	503	-	683	2,963	4,149
Funding (Deficit)/Surplus	(5,078)	(15)	(575)	(3,824)	(9,492)

30 June 2000	Currency of Exposure (in Australian dollars equivalent)				Total
	\$A \$'000	\$C \$'000	£UK \$'000	\$US \$'000	
Net Liability	6,342	16	692	6,755	13,805
Amount of Assets Held	874	-	750	2,502	4,126
Funding (Deficit)/Surplus	(5,468)	(16)	58	(4,253)	(9,679)

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2001 \$'000	2000 \$'000
15. AMOUNTS RECEIVABLE AND PAYABLE DENOMINATED IN FOREIGN CURRENCIES (Australian dollars equivalent)		
Receivables		
Current		
United States dollars	5	5
	<hr/>	<hr/>
	5	5
	<hr/>	<hr/>
Non-current		
United States dollars	31	25
	<hr/>	<hr/>
Total Receivables	36	30
	<hr/> <hr/>	<hr/> <hr/>
Payables		
Current		
Canadian dollars	2	3
Great British pounds	752	123
United States dollars	1,652	1,184
	<hr/>	<hr/>
	2,406	1,310
	<hr/>	<hr/>
Non-current		
Canadian dollars	13	13
Great British pounds	506	569
United States dollars	5,171	5,601
	<hr/>	<hr/>
	5,690	6,183
	<hr/>	<hr/>
Total Payables	8,096	7,493
	<hr/> <hr/>	<hr/> <hr/>

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

16. EXPLANATORY STATEMENT

			PROFIT INCREASE/(DECREASE)				
	ACTUAL	BUDGET	ACTUAL	FROM ACTUAL 2001 TO		2000 ACTUAL	
	2001	2001	2000	2001 BUDGET		2000	
	\$'000	\$'000	\$'000	\$'000	%	\$'000	%
Premium (Charge)/Revenue	(31)	2	(20)	(33)	(1,650.0)	(11)	(55.0)
Outwards Reinsurance Expense	(153)	-	(1)	(153)	0.0	(152)	(15,200.0)
Net Earned Premium	(184)	2	(21)	(186)	(9,300.0)	(163)	(776.2)
Claims Incurred	(101)	(245)	(4,710)	144	58.8	4,609	97.9
Reinsurance and Other Recoveries Revenue	20	20	2	-	0.0	18	900.0
Net Claims Incurred	(81)	(225)	(4,708)	144	64.0	4,627	98.3
Underwriting and Administration Expenses	(169)	(187)	(254)	18	9.6	85	33.5
UNDERWRITING LOSS	(434)	(410)	(4,983)	(24)	(5.9)	4,549	91.3
Investment Income	201	229	243	(28)	(12.2)	(42)	(17.3)
Other Income	549	-	429	549	0.0	120	28.0
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INCOME TAX (EXPENSE)/BENEFIT	316	(181)	(4,311)	497	274.6	4,627	107.3

The Corporation underwrote small lines of Australian and overseas reinsurance between 1988 and August 1992. The general insurance activities of the Corporation relate to the "run-off" of its Inwards Reinsurance business. During the 2001 and 2000 financial years, the Corporation's only activity has been the winding down of this operation.

Due to the nature of reinsurance, it is expected that it will take a number of years for all claims to be finalised. Reinsurance is, by nature, highly variable, especially where there is a heavy exposure to the liability class of insurance. As a result, significant variations between actual and budget and the current and comparative years are expected to occur.

STATE GOVERNMENT INSURANCE CORPORATION

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

17. CONTINGENT LIABILITIES

There are no contingent liabilities that materially affect the financial statements of the Corporation.

18. CAPITAL COMMITMENTS

There is no material capital expenditure, which has not been provided for at balance date.

19. EVENTS OCCURRING AFTER BALANCE DATE

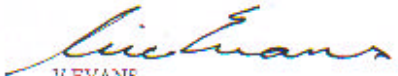
No events have occurred after balance date that materially affect the financial statements of the Corporation.

STATE GOVERNMENT INSURANCE CORPORATION

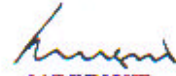
CERTIFICATION OF PERFORMANCE INDICATORS

30

We hereby certify that the Performance Indicators are based on proper records and fairly represent the performance of the State Government Insurance Corporation for the financial year ended 30 June 2001.



V EVANS
CHAIRMAN
29 August 2001



M E WRIGHT
DEPUTY CHAIRMAN
29 August 2001

In accordance with a resolution of the Board of Directors of the State Government Insurance Corporation passed on 29 August 2001.





Auditor General

To the Parliament of Western Australia

**STATE GOVERNMENT INSURANCE CORPORATION
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2001**

Scope

I have audited the key effectiveness and efficiency performance indicators of the State Government Insurance Corporation for the year ended June 30, 2001 under the provisions of the Financial Administration and Audit Act 1985.

The Board of Directors is responsible for developing and maintaining proper records and systems for preparing and presenting performance indicators. I have conducted an audit of the key performance indicators in order to express an opinion on them to the Parliament as required by the Act. No opinion is expressed on the output measures of quantity, quality, timeliness and cost.

My audit was performed in accordance with section 79 of the Act to form an opinion based on a reasonable level of assurance. The audit procedures included examining, on a test basis, evidence supporting the amounts and other disclosures in the performance indicators, and assessing the relevance and appropriateness of the performance indicators in assisting users to assess the Corporation's performance. These procedures have been undertaken to form an opinion as to whether, in all material respects, the performance indicators are relevant and appropriate having regard to their purpose and fairly represent the indicated performance.

The audit opinion expressed below has been formed on the above basis.

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the State Government Insurance Corporation are relevant and appropriate for assisting users to assess the Corporation's performance and fairly represent the indicated performance for the year ended June 30, 2001.

A handwritten signature in black ink, appearing to read 'DD R Pearson'.

DD R PEARSON
AUDITOR GENERAL
August 29, 2001

PERFORMANCE INDICATORS

The State Government Insurance Corporation ("Corporation") ceased underwriting Inwards Reinsurance in August 1992 and its remaining activity is the "run-off" of its Inwards Reinsurance business. As such, output measures have not been separately identified. The output measures of cost, quantity, quality and timeliness are embedded in the Performance Indicators below. Further, the key effectiveness and efficiency Performance Indicators listed here for the Corporation only relate to these operations.

Where appropriate, prior year figures have been restated in order to enhance comparability with those of the current year.

OUTCOMES**(a) That The Corporation Has Sufficient Assets To Meet Its Liabilities**

	2001	2000	1999	1998	1997
<i>Effectiveness</i>					
Ratio Of Total Assets To Total Liabilities (%)	31.0	30.3	52.1	65.0	79.6
<i>Efficiency</i>					
Net Operating Cash Outflow (\$'000)	(516)	(2,039)	(2,249)	(482)	(1,004)

(b) Minimise The Financial Liability Of Insurers And Reinsurers

	2001	2000	1999	1998	1997
<i>Effectiveness</i>					
Number Of Outstanding Claims	157	159	167	171	180
<i>Efficiency</i>					
Underwriting And Administration Costs Per Outstanding Claim (\$)	1,076	1,597	1,527	550	678

COMMENTS**Ratio of Total Assets to Total Liabilities**

The assets of the Corporation are not sufficient to meet the total liabilities and the ratio of assets to liabilities will deteriorate over time. The slight improvement in the ratio as at June 2001 was due to the effect of a reduction of the outstanding claims liability.

Net Operating Cash Outflow

The level of cash outflow is largely dependant on the settlement of large claims during the year. No large claims were settled during the year.

Number of Outstanding Claims

The Corporation Inwards Reinsurance business is in "run off" and therefore the "number of outstanding claims" is expected to progressively reduce.

Underwriting and Administration Costs Per Outstanding claim

A reduction in the allocation of Corporate Overheads and the cost of contracted services has resulted in a decrease in "underwriting and administration costs per outstanding claim".

GLOSSARY

The following definitions have been provided to assist readers in gaining a better understanding of the Annual Report and Financial Statements.

1 PREMIUMS**Premium Revenue**

Premium revenue comprises amounts in relation to Inwards Reinsurance, charged to other insurers.

Net Earned Premium

Premium revenue plus the outwards reinsurance commission earned less the outwards reinsurance expense.

Outwards Reinsurance Expense

Premium paid to a reinsurer in consideration for the insurance liability assumed by the reinsurer, adjusted for any amount prepaid at balance date.

2 CLAIMS**Claims Expense**

The amount paid for losses suffered under the terms of an insurance policy/cover, adjusted for :

- C claims which have been reported but not paid;
- C claims incurred but not reported ("IBNR");
- C claims incurred but not enough reported ("IBNER"); together with the anticipated direct and indirect claims settlement costs.

Central Estimate

The estimate of the liability for outstanding claims based on a 50% level of confidence that the liability will be adequate in meeting the actual amount of claim liability to which it relates.

Prudential Margin

An amount added to the central estimate of the liability for outstanding claims, to increase the level of confidence that the liability will be adequate in meeting the actual amount of claim liability to which it relates.

IBNR and IBNER Claims

IBNR claims are claims arising from events which have occurred but have not been reported at balance date. IBNER claims are claims arising from events which have occurred and been reported at balance date, but the amount reported may be understated.

The liability for outstanding claims in the Statement of Financial position includes a provision for both IBNR and IBNER claims.

Net Claims Incurred

Net Claims Incurred comprises claims paid and the movement in the liability for outstanding claims, net of reinsurance and other amounts recoverable.

GLOSSARY**Liability for Outstanding Claims**

A provision for the future estimated cost of claims outstanding at balance date. Outstanding claims incorporate those which have been reported but not paid, IBNRs and IBNERs, gross of any GST that may be paid.

Reinsurance Recoveries

Amounts recovered or recoverable in respect of reinsurance cover purchased. Reinsurance cover provides some protection against single large claims or many claims arising out of a single event.

Other Recoveries

Other amounts recovered or recoverable (eg. salvage) in relation to claims.

3 REINSURANCE

Cover provided by a general insurer (the “reinsurer”) to indemnify another general insurer (the “reinsured”) against all or part of a loss, which the latter may sustain.

4 OTHER

“Run-off” refers to closed insurance portfolios where the applicable claims liabilities are being progressively extinguished to their final liquidation. The State Government Insurance Corporation is in run-off.

INDEX

Subject	Page	Note Ref.
STATEMENT GOVERNMENT INSURANCE CORPORATION		
Accumulated Losses	23	11
Amounts Receivable and Payable Denominated in Foreign Currencies	27	15
Annual Estimates	5	
Auditor General's Opinion - Financial Statements	8	
Board of Directors	3	
Capital Commitments	29	18
Chairman's Review	2	
Contents	1	
Contingent Liabilities	29	17
Creditors and Accruals	21	8
Events Occurring After Balance Date	29	19
Explanatory Statements	28	16
Financial History	(ii)	
Financial Instruments	24	12
Financial Statements Index	6	
Funding of Inwards Reinsurance Net Claims Liabilities	26	14
Glossary	33	
Income Tax	20	5
Investments	21	7
Net Claims Incurred	19	4
Net Gains/(Losses) and Expenses	18	3
Outstanding Claims	22	9
Performance Indicators		
- Auditor General's Opinion	31	
Receivables	21	6
Revenue	18	2
Segment Reporting	26	13
Share Capital	23	10
Statement by the Members of the Board and Principal Accounting Officer	7	
Statement of Compliance	(i)	
Statement of Cash Flows	11	
Statement of Financial Performance	9	
Statement of Financial Position	10	
Statement of Significant Accounting Policies	13	1