



MOTOR ACCIDENTS INSURANCE BOARD

**UNAUDITED HALF-YEAR REPORT
FOR THE PERIOD ENDING 31 DECEMBER 2025**

MOTOR ACCIDENTS INSURANCE BOARD

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MOTOR ACCIDENTS INSURANCE BOARD

CHAIR'S REPORT

Operating Environment

MAIB has returned an above budget profit for the six months ending 31 December 2025. This primarily resulted from higher than anticipated investment returns for the period, combined with a lower net claims incurred.

The MAIB aims to achieve a sustainable commercial rate of return that maximises value for the State, while having regard to the economic and social objectives of the Government, the long-term risk profile of the business and balancing the needs of all stakeholders.

The three main drivers of business performance are premium revenue, investment income and claims expense. Major external influences include claims rates and severity, financial market impacts on investment revenue and changes in prevailing bond yields which impact the claims expense through the movement in economic assumptions underlying the valuation of the outstanding claims liability. Annual movements in investment markets may introduce volatility into short-term results, however, the MAIB's investment strategy is focussed on maximising long-term growth and sustainability.

Following a pricing review by the Tasmanian Economic Regulator during 2024-25, general premium indexation of 2.5 per cent was applied effective 1 December 2025, in line with the new Premiums Order for the four-year period to 30 November 2029.

Performance and Major Outcomes to 31 December 2025

MAIB reported a profit before tax of \$76.0 million for the six months to 31 December 2025, representing an increase of \$55.3 million over the original budget. The increase in profitability is primarily comprised of:

- A \$28.9 million increase in net investment revenue relative to budget, resulting from higher than expected returns in global and domestic financial markets. The investment portfolio returned 3.6 per cent for the six-month period, relative to an annual benchmark of 4.5 per cent.
- A decrease in net claims incurred in the period of \$23.3 million reflecting the combined movement in claims experience and revised economic assumptions resulting from the actuarial review of the claims liability at 31 December 2025.

Premium revenue for the six months to 31 December 2025 was \$1.1 million below budget.

The return on equity for the period was 7.4 per cent and the return on assets was 3.3 per cent. The funding ratio at 31 December 2025 was 135.9 per cent, relative to the target range of 120 per cent to 145 per cent.

Forecast Financial Results

The forecast 2025-26 full year financial results are based on the latest available information and have been updated to reflect the business experience to the end of January 2026.

Premium Revenue

The current forecast premium revenue for 2025-26 of \$165.0 million remains consistent with the original budget and follows a total increase in premiums, including relativity adjustments, of 2.9 per cent, effective from 1 December 2025.

Net Claims Incurred

The forecast net claims incurred for the full year is \$168.1 million, representing a decrease of \$19.7 million from the original budget of \$187.8 million, primarily reflecting revised economic assumptions underlying the valuation of the outstanding claims liability.

Investment Revenue

Net investment revenue for the year is currently forecast to be \$133.3 million (a projected annual return of 5.9 per cent), representing an increase of \$31.0 million from the original budget of \$102.3 million.

MAIB adopts a prudent investment strategy which seeks to balance risk and return objectives. Funds are invested in a range of asset classes to maximise long term portfolio returns, although there remains the potential for significant short-term volatility into MAIB's profitability.

Over the preceding five financial years investment returns averaged an annual return of 6.5 per cent.

Operating Result

The current forecast operating result for the year is a profit before tax of \$95.2 million, an increase of \$51.5 million from the original budget, primarily reflecting the net impact of the movements in the forecast investment revenue and claims expense outlined above.

Key Performance Indicators

Financial Returns to Government

The dividend payment relating to 2024-25 of \$47.3 million was paid in December 2025.

Following the lodgement of the 2024-25 tax return in January 2026, the total tax instalment payments in 2025-26 are projected to be \$13.7 million, which is \$5.7 million above the original budget. For the six months to 31 December 2025, MAIB has made \$3.6 million in tax payments to the Government.

Financial Targets

Consistent with the higher year-to-date actual result, there has been a corresponding increase in the year-to-date return on assets and return on equity. The forecast return on assets and return on equity for the full year are expected to be 4.0 per cent and 9.7 per cent respectively, compared with original budgeted returns of 1.9 per cent and 4.7 per cent.

The actual funding ratio at 31 December 2025 of 135.9 per cent and the forecast funding ratio at 30 June 2026 of 135.3 per cent remains within the target range of 120 per cent to 145 per cent.

Non-Financial Targets

The actual general claim rate for the six months to 31 December 2025 was 3.2 claims per 1,000 registered vehicles, compared with the original budget of 3.5 claims. The serious claim rate (including fatalities) to 31 December 2025 was consistent with budget, at 1.0 per 1,000 vehicles.

The number of outstanding claims at 31 December 2025 was 2,244, compared with the original target of less than 2,400. The number of outstanding claims at 30 June 2026 is expected to remain below 2,400.

An annual client survey was undertaken in October 2025, with MAIB achieving an overall average satisfaction score of 86.4 per cent, compared with a target of 80.0 per cent.

Premium affordability, which is currently 16.9 per cent, is forecast to be below the target of 18 per cent in 2025-26.

The Supported Accommodation Renewal Project is forecast to be within budget in 2025-26 and all gateways and milestones met.

Major Projects

MAIB currently has two significant projects in progress.

Supported Accommodation Renewal

The Supported Accommodation Renewal Project will replace MAIB's current buildings, located at sites in Hobart, Launceston and Ulverstone, with contemporary, purpose-designed facilities to meet modern disability accommodation standards. The total project budget is \$84.7 million, which will be self-funded by MAIB.

An initial Expression of Interest (EOI) process to appoint builders is being undertaken in the first quarter of 2026. Main construction works are anticipated to commence in mid/late 2026. The current estimated project construction completion date is 30 April 2029.

Claims Management System

The Claims Management System project will replace the existing claims management IT software, which has been in use for over 25 years. The project budget has an upper limit of \$11.2 million. MAIB expects to appoint a software provider in February 2026, with the new system due to be implemented in 2026-27.

Accounting Policies

The same accounting policies have been followed in preparing the interim financial statements as were adopted in the 2024-25 annual financial statements.



L Balcombe
CHAIR

Motor Accidents Insurance Board
Statement of Corporate Intent Key Performance Indicators for 2025-26
as at 31 December 2025

	Full Year Target	Year-to-date Actual	Full Year Current Forecast
Financial Returns to Government			
Dividends paid (\$'000)	47,285	47,285	47,285
Tax equivalents paid (\$'000)	7,957	3,581	13,675
Total (\$'000)	55,242	50,866	60,960
Financial Targets			
Financial result after tax (\$'000)	33,563	53,208	70,586
Funding Ratio (%)	133.8	135.9	135.3
Return on equity - 1 year (%)	8.0	7.4	9.7
Return on equity - 15 years (%)*	8.0		15.5
Return on assets - 1 year (%)	3.0	3.3	4.0
Return on assets - 15 years (%)*	3.0		6.1
Return on investments - 1 year (%)	4.5	3.6	5.9
Return on investments - 15 years (%)*	4.5		7.3
Premium increase/(decrease) (%)	<2.5	2.5	2.5
Non-Financial Targets			
General claim rate per 1,000 vehicles	3.5	3.1	3.2
Serious claim rate per 1,000 vehicles	1.0	1.0	1.0
Number of outstanding claims	2,400	2,244	2,400
Client satisfaction (%)	80.0	86.4	86.4
Premium affordability of AWOTE (%)	18.0	16.9	16.8
SAR project with budget (%)	<100.0	26.9	100.0
SAR project major milestones met (%)	100.0	60.0	100.0

*Note * returns for 15 years are only reported on a full year basis only*



MOTOR ACCIDENTS INSURANCE BOARD

**UNAUDITED HALF-YEAR FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 31 DECEMBER 2025**

Motor Accidents Insurance Board
Unaudited Statement of Comprehensive Income
for the year-to-date period ended 31 December 2025

	01-Jul-2025 to 31-Dec-2025 \$'000	01-Jul-2024 to 31-Dec-2024 \$'000
Premium revenue	82,203	78,421
Reinsurance expense	(5,026)	(4,976)
	77,177	73,445
Claims expense	(72,731)	(82,918)
Third party recoveries	517	506
Reinsurance recoveries	1,649	2,143
Net claims incurred	(70,565)	(80,269)
Unexpired risk expense	1,701	167
Premium collection costs	(1,719)	(1,681)
Underwriting result	6,594	(8,338)
Gross investment revenue	80,594	104,545
Investment expenses	(519)	(569)
Net investment revenue	80,075	103,976
Other income	461	310
Administration expenses	(6,465)	(7,073)
Road safety initiatives	(2,087)	(2,143)
Other expenses	(2,567)	(1,332)
Profit/(Loss) before tax	76,011	85,400
Tax expense	(22,803)	(25,620)
Profit/(Loss) after tax	53,208	59,780
Other comprehensive income net of tax	0	0
Total comprehensive result	53,208	59,780

Motor Accidents Insurance Board
Unaudited Statement of Financial Position
as at 31 December 2025

	31-Dec-2025	30-Jun-2025
	\$'000	\$'000
Assets		
Cash and cash equivalents	3,753	4,206
Prepaid tax	0	0
Receivables	30,828	29,276
Investments	2,292,054	2,264,101
Property, plant and equipment	24,689	22,812
Intangibles	222	294
Total assets	2,351,546	2,320,689
Liabilities		
Payables	1,551	3,265
Provision for tax	7,395	109
Unearned premiums	67,238	66,502
Outstanding claims	1,490,978	1,482,946
Unexpired risk	5,191	6,892
Net deferred tax liability	45,715	33,779
Provision for employee benefits	10,266	9,907
Total liabilities	1,628,334	1,603,400
Net assets	723,212	717,289
Equity		
Retained earnings	714,439	708,516
Reserves	8,773	8,773
Total equity	723,212	717,289

Motor Accidents Insurance Board
Unaudited Statement of Changes in Equity
for the year-to-date period ended 31 December 2025

	Retained Earnings \$'000	Reserves \$'000	Total Equity \$'000
Balance at 1 July 2024	662,924	8,521	671,445
Profit/(loss) after tax	59,780	0	59,780
Other comprehensive income net of tax	0	0	0
Total comprehensive result	59,780	0	59,780
Dividends paid	(37,559)	0	(37,559)
Balance at 31 December 2024	685,145	8,521	693,666
Balance at 1 July 2025	708,516	8,773	717,289
Profit/(loss) after tax	53,208	0	53,208
Other comprehensive income net of tax	0	0	0
Total comprehensive result	53,208	0	53,208
Dividends paid	(47,285)	0	(47,285)
Balance at 31 December 2025	714,439	8,773	723,212

Motor Accidents Insurance Board
Unaudited Statement of Cash Flows
for the year-to-date period ended 31 December 2025

	01-Jul-2025 to 31-Dec-2025	01-Jul-2024 to 31-Dec-2024
	\$'000	\$'000
Cash flows from operating activities		
Premiums received	91,167	87,392
Third party recoveries received	554	201
Dividends received	50,326	42,782
Interest received	109	126
Rent received	363	179
Other investment revenue	787	1,450
Claims paid	(68,915)	(60,495)
Reinsurance paid	(6,306)	(6,211)
Premium collection costs paid	(1,960)	(1,832)
General and administration expenses paid	(6,550)	(7,112)
Other expenses paid	(1,582)	(1,280)
Investment expenses paid	(669)	(788)
Road Safety Advisory Council paid	(1,675)	(1,563)
State Emergency Service paid	-	(418)
Injury Prevention and Management Foundation paid	(606)	(360)
Tax equivalents paid	(3,581)	(16,945)
Goods and services tax paid	(3,067)	(3,422)
Net cash flows from operating activities	48,395	31,704
Cash flows from investing activities		
Net sale/(purchase) of investments	1,552	7,647
Purchase of property	(2,833)	(738)
Purchase of intangibles	(41)	(45)
Purchase of plant and equipment	(241)	(252)
Sale of plant and equipment	-	136
Net cash flows from investing activities	(1,563)	6,748
Cash flows from financing activities		
Dividends paid	(47,285)	(37,559)
Net cash flows from financing activities	(47,285)	(37,559)
Net increase/(decrease) in cash and cash equivalents held	(453)	893
Cash and cash equivalents at the beginning of the period	4,206	4,533
Cash and cash equivalents at the end of the period	3,753	5,426

Motor Accidents Insurance Board
Capital Expenditure
for the Period Ended 31 December 2025

	Year to Date			Full year budget		
	Actual \$'000	Budget \$'000	Variance \$'000	Revised \$'000	Original \$'000	Variance \$'000
Plant and equipment	70	150	(80)	300	300	0
IT hardware/equipment	54	150	(96)	300	300	0
Supported Accommodation Renewal Project	2,654	5,071	(2,417)	10,142	10,142	0
Properties - non-supported accommodation	297	150	147	300	300	0
Total - Property, plant and equipment	3,074	5,521	(2,447)	11,042	11,042	0
Intangibles - computer software	41	100	(59)	200	200	0
Total - Intangibles	41	100	(59)	200	200	0
Total Capital Expenditure	3,116	5,621	(2,505)	11,242	11,242	0

Significant Accounting Policies

Summary of significant accounting policies

Statement of compliance

The half-year financial report for the period ended 31 December 2025 is a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting, the *Government Business Enterprises Act 1995* and the Treasurer's Instructions and Guidelines. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting.

The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The accounting policies and methods of calculation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2025 annual report for the financial year ended 30 June 2025.

The financial statements cover the MAIB for the six month period ended 31 December 2025 and were authorised for issue by the Board of Directors on 19 February 2026.