

NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS

for the year ended 30 June 2001

NOTE 35
COMCOVER INSURANCE ACTIVITIES

General Insurance Activities (included in Note 4b—Suppliers expense)

	2000–01			1999–00		
	Current Year	Prior Year	Total	Current Year	Prior Year	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Direct Business Expenses						
Gross claims incurred and related expenses—undiscounted	30,132	(8,837)	21,295	18,922	(10,917)	8,005
Reinsurance and other recoveries—undiscounted	(15,247)	8,400	(6,847)	(7,572)	4,662	(2,910)
Net claims incurred—undiscounted	14,885	(437)	14,448	11,350	(6,255)	5,095
Discount and discount movement—gross claims incurred	(3,998)	(1,476)	(5,474)	(2,907)	1,946	(961)
Discount and discount movement—reinsurance and other recoveries	2,765	141	2,906	1,805	(1,418)	387
Net discount movement	(1,233)	(1,335)	(2,568)	(1,102)	528	(574)
Net claims incurred	13,652	(1,772)	11,880	10,248	(5,727)	4,521
Other Underwriting Expenses						
Other Underwriting expenses	29,721	–	29,721	11,601	–	11,601

This represents Comcover's first three years of operation. The claims have been calculated considering the emerging experience of the fund and relying on industry loss ratios, loss development and payment patterns which may or may not be representative of the ultimate performance of the fund. It is not possible, at this stage, to clearly establish to what extent industry experience will be applicable to the fund's experience.

The claims background is:

Claims paid 2000-01 policy year—\$1,760,996

Claims paid prior policy years—\$2,268,622

Claims not settled—\$16,138,509

Estimated claims incurred but not reported—\$15,593,195