

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER  
ONTARIO RISK SHARING POOL PROJECT MANAGER**

**BULLETIN NO.: F18 – 072**

**DATE: SEPTEMBER 27, 2018**

**SUBJECT: ONTARIO RISK SHARING POOL  
– AUGUST 2018 OPERATIONAL REPORT**

*A copy of this bulletin should be provided to your Chief Financial Officer and Appointed Actuary.*

Please be advised that the August 2018 Ontario Risk Sharing Pool Operational Report is now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

### New This Month

#### Valuation

A valuation of the Ontario RSP as at June 30, 2018 has been completed since last month's Operational Report and the results of that valuation have been incorporated into this month's Operational Report. The valuation was completed by the Facility Association's internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation of the new valuation resulted in an estimated overall **\$36.2 million favourable** impact on the month's net result from operations, subtracting an estimated 15.4 points from the year-to-date Combined Operating Ratio (ending at 143.6%). The impact on the month's results is summarized in the tables immediately below<sup>1</sup>.

Ontario	unfav / (fav) for the month and ytd						ytd EP 235,670 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	(10,601)	(99)	(10,700)	1,282	(22,537)	(31,955)	(4.5%)	-	(4.5%)	0.5%	(9.6%)	(13.6%)
CAY	1,892	289	2,181	480	(4,391)	(1,730)	0.8%	0.1%	0.9%	0.2%	(1.9%)	(0.7%)
Prem Def	434	273	707	262	(3,495)	(2,526)	0.2%	0.1%	0.3%	0.1%	(1.5%)	(1.1%)
<b>TOTAL</b>	<b>(8,275)</b>	<b>463</b>	<b>(7,812)</b>	<b>2,024</b>	<b>(30,423)</b>	<b>(36,211)</b>	<b>(3.5%)</b>	<b>0.2%</b>	<b>(3.3%)</b>	<b>0.9%</b>	<b>(12.9%)</b>	<b>(15.4%)</b>

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a \$7.8 million favourable impact – see column [3] in the left

<sup>1</sup>In the tables, “ults & payout patterns” refers to the impacts associated with changes in selected ultimates and updated cashflows of claims payments; “dsct rate” refers to the impact of changes in the selected discount rate applied to projected cashflows; and “apv adj.” refers to “actuarial present value adjustments”.

table at the bottom of the previous page), partially offset by the impact due to a 6 basis point decrease in the selected discount rate (from 1.89% to 1.83% generating a \$2.0 million unfavourable impact – see column [4] in the left table at the bottom of the previous page). While there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points), as per our usual practice with the June 30 valuations, the margins for adverse deviation for claims development as selected at the coverage / accident year level were updated with this valuation (generating a \$30.4 million favourable impact – see column [5] in the left table at the bottom of the previous page).

Management has observed favourable *total* valuation impacts over the last 12 valuation implementations, with only 2 valuation implementations being unfavourable over that 12-quarter period, as shown in the table immediately below (summarizing the same information as provided in the left table above as relates to the most recent 12 valuation implementations). It should be noted that the impacts in column [3] are largely outside of the control of FA (as being related to macroeconomic factors).

RSP: Ontario, as at: 2018 Q2		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
Valuation	period implemented	updated LR & exp	APVs @ prior assumptions	updated dsct rate	updated margins	Total Impact	Booked Policy Liabilities	Total Impact as % Book Liabs	Nominal Impact as % Book Liabs
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						= sum([1] to [5])		= [5] / [6]	= [1] / [6]
2015 Q3	Oct 2015	(40,983)	(5,717)	8,493	-	(38,207)	1,185,206	(3.2%)	(3.5%)
2015 Q4	Mar 2016	(49,197)	(2,815)	2,623	-	(49,389)	1,116,877	(4.4%)	(4.4%)
2016 Q1	May 2016	(5,109)	(214)	3,318	-	(2,005)	1,137,087	(0.2%)	(0.4%)
2016 Q2	Aug 2016	(18,614)	(528)	4,692	(14,996)	(29,446)	1,142,149	(2.6%)	(1.6%)
2016 Q3	Oct 2016	1,048	(965)	1,885	-	1,968	1,184,757	0.2%	0.1%
2016 Q4	Mar 2017	(35,665)	(2,640)	(17,825)	-	(56,130)	1,174,423	(4.8%)	(3.0%)
2017 Q1	May 2017	6,929	646	3,204	-	10,779	1,224,460	0.9%	0.6%
2017 Q2	Aug 2017	(12,256)	(2,265)	(7,162)	(13,084)	(34,767)	1,242,002	(2.8%)	(1.0%)
2017 Q3	Oct 2017	8,279	882	(19,050)	-	(9,889)	1,235,584	(0.8%)	0.7%
2017 Q4	Mar 2018	(10,194)	3,623	1,101	-	(5,470)	1,235,959	(0.4%)	(0.8%)
2018 Q1	May 2018	3,936	(2,730)	(5,846)	-	(4,640)	1,265,737	(0.4%)	0.3%
2018 Q2	Aug 2018	(8,275)	463	2,024	(30,423)	(36,211)	1,272,626	(2.8%)	(0.7%)
12-qtrs		(160,101)	(12,260)	(22,543)	(58,503)	(253,407)			
% of total		63.2%	4.8%	8.9%	23.1%	100.0%			
Averages									
12-qtrs		(13,342)	(1,022)	(1,879)	(4,875)	(21,117)	1,201,406	(1.8%)	(1.1%)
2015 Q3 to 2017 Q2		(19,231)	(1,812)	(97)	(3,510)	(24,650)	1,175,870	(2.1%)	(1.6%)
2017 Q3 to 2018 Q2		(1,564)	560	(5,443)	(7,606)	(14,053)	1,252,477	(1.1%)	(0.1%)

The FA valuation approach is focused on providing best estimates on a nominal basis, and we expect this to manifest itself as a close-to-zero 12-quarter impact for column [1] in the table above. While this objective has not been met, we are encouraged that the average impact over the most recent 4 valuations has been much (92%) smaller than the earliest 8 valuations shown. Further, the nominal impacts, as a percentage of booked policy liabilities, should ideally be small (less than 2.5%) – this percentage is provided in column [8] above, and, while 3 of the 12 valuation implementations above indicate an impact greater than 2.5%, the overall average impact at 1.1% is below the 2.5% level. Finally, potential “bias” in the nominal impacts should be considered (per either column [1] or [8]). We generally anticipate approximately 1/3<sup>rd</sup> of

nominal valuation impacts will be unfavourable, and 2/3<sup>rds</sup> will be favourable (due to the skewness of the development), and there seems to be evidence of improvement in this measure toward less bias.

In summary, we believe the nominal valuation impacts are moving toward our target impacts (long term zero impact; individual valuation impact of no more than 2.5% of policy liabilities; no bias evident).

Please see “Effect of Quarterly Valuation” on page 5 for additional valuation result detail.

**Summary of Financial Results**

The calendar year-to-date Operating Result is -\$102.8 million and the incurred loss ratio to the end of 8 months is 109.8%, as summarized in the table below.

<b>Amounts in \$000s</b>	<b>August 2018</b>	August 2017	<b>Year to date Aug 2018</b>	Year to Date Aug 2017
Premium Written	32,224	29,455	241,456	264,685
Premium Earned	29,487	33,074	235,670	248,462
Incurred Losses	4,618	6,860	258,761	230,846
Underwriting & Admin Expense	8,722	8,445	79,660	90,056
<b>Operating Result</b>	<b>16,147</b>	<b>17,769</b>	<b>(102,751)</b>	<b>(72,440)</b>
<i>Ratios:</i>				
<b>Loss ratio</b>				
- Prior Accident Years	(113.4%)	(116.8%)	(26.4%)	(40.6%)
- Current Accident Year	129.0%	137.6%	136.2%	133.5%
<i>Total</i>	<b>15.6%</b>	<b>20.8%</b>	<b>109.8%</b>	<b>92.9%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>29.6%</b>	<b>25.5%</b>	<b>33.8%</b>	<b>36.2%</b>
<i>Combined Operating Ratio</i>	<b>45.2%</b>	<b>46.3%</b>	<b>143.6%</b>	<b>129.1%</b>

*rounding differences may occur*

These results are discussed in some detail in the “Current Month Results” section. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2018” attached to this bulletin.

*Updated Projection to Year-end 2018*

The projected calendar year Operating Result to December 2018 is -\$179.9 million and the estimated combined operating ratio to December 2018 is 150.6%, as summarized in the table at the top of the next page.

<b>ON RSP 2018 Yr-end Projection</b>	<b>Current</b>	<b>Prior Mth</b>	<b>Change</b>	<b>Final 2018</b>
<b>Amounts in \$000s</b>	<b>(Aug 2018)</b>	<b>(Jul 2018)</b>		<b>Outlook*</b>
Premium Written	365,795	393,302	(27,507)	413,190
Premium Earned	355,415	361,188	(5,773)	382,147
Incurred Losses	415,464	454,859	(39,395)	487,967
Underwriting & Admin Expense	119,831	140,750	(20,919)	147,584
<b>Net Result from Operations</b>	<b>(179,880)</b>	<b>(234,421)</b>	<b>54,541</b>	<b>(253,404)</b>
<b>Ratios:</b>				
<b>Loss ratio</b>				
- Prior Accident Years	(18.9%)	(10.1%)	(8.8%)	(7.5%)
- Current Accident Year	135.8%	136.0%	(0.2%)	135.2%
<i>Total</i>	<b>116.9%</b>	<b>125.9%</b>	<b>(9.0%)</b>	<b>127.7%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>33.7%</b>	<b>39.0%</b>	<b>(5.3%)</b>	<b>38.6%</b>
<b>Combined Operating Ratio</b>	<b>150.6%</b>	<b>164.9%</b>	<b>(14.3%)</b>	<b>166.3%</b>

rounding differences may occur

\*as posted to FA's website Oct. 3, 2017

This updated projection to the end of the year has improved by \$54.5 million from the projection provided last month (-\$234.4 million and 164.9%), mainly due to the overall \$37.3 million favourable impact of the valuation as at June 30, 2018, as summarized in the tables immediately below (see more information under “Effect of Quarterly Valuation” on page 5). Remaining differences were driven by changes in projected premium volumes, and the associated impacts on claims and expense projections.

Ontario	unfav / (fav) projected for full year						year EP 355,415 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(10,601)	(824)	(11,425)	1,170	(20,603)	(30,858)	(3.0%)	(0.2%)	(3.2%)	0.3%	(5.8%)	(8.7%)
CAY	2,851	311	3,162	707	(6,460)	(2,591)	0.8%	0.1%	0.9%	0.2%	(1.8%)	(0.7%)
Prem Def	(742)	166	(576)	269	(3,592)	(3,899)	(0.2%)	-	(0.2%)	0.1%	(1.0%)	(1.1%)
<b>TOTAL</b>	<b>(8,492)</b>	<b>(347)</b>	<b>(8,839)</b>	<b>2,146</b>	<b>(30,655)</b>	<b>(37,348)</b>	<b>(2.4%)</b>	<b>(0.1%)</b>	<b>(2.5%)</b>	<b>0.6%</b>	<b>(8.6%)</b>	<b>(10.5%)</b>

### Current Month Results

The Ontario Risk Sharing Pool produced a \$16.1 million Operating Result in the month of August 2018, a \$1.6 million deterioration compared with the same month last year. This deterioration is composed of a \$1.9 million unfavourable impact associated with the \$3.6 million decrease in earned premium (at a combined ratio of 46.3%), offset by a \$0.3 million favourable impact stemming from the overall decrease in the combined ratio (from 46.3% to 45.2% applied to \$29.5 million in earned premium). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month's results moved the year-to-date combined operating ratio from 157.7% at the end of 7 months to 143.6% at the end of 8 months. The 14.1 percentage point decrease is composed of a 12.5 percentage point decrease in the Prior Accident Year loss ratio, coupled with a 1.0 percentage point decrease in the Current Accident Year loss ratio, and a 0.6 percentage point decrease in the expense ratio.

*Variances from Projections*

The table immediately below provides a summary of key components of the operating results as compared to the estimates projected last month.

August 2018	Actual	Projection	Difference	Difference %
Written Premium	32,224	40,045	(7,821)	(19.5%)
Earned Premium	29,487	30,537	(1,050)	(3.4%)
Reported Losses				
Paid Losses	30,546	28,978	1,568	5.4%
Paid Expenses	1,778	2,389	(611)	(25.6%)
Change in Outstanding Losses	(1,540)	4,405	(5,945)	(135.0%)
<b>Total Reported Losses</b>	<b>30,784</b>	<b>35,772</b>	<b>(4,988)</b>	<b>(13.9%)</b>
Change in IBNR Provision*	(26,166)	3,855	(30,021)	
Change in Premium Deficiency (DPAC)*	(1,086)	3,609	(4,695)	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Ontario RSP August 2018 Operational Report - Actuarial Highlights](#).

Each month, management reviews the variance between reported premium activity and claims activity (actual reported claims payments and changes in case reserves) and the associated actuarial projections. The projection process involves many assumptions including claims reporting patterns. Actual reporting patterns vary from month-to-month, sometimes considerably. Although variances from our projections are expected, management investigates variances beyond set thresholds and responds as appropriate.

For the month of August 2018, reported losses were \$5.0 million lower than projected. The Current Accident Year had a \$0.3 million unfavourable variance in reported losses, while the Prior Accident Years had a \$5.3 million favourable variance. Of the Prior Accident Years, 2017 had the largest variance in reported losses at \$3.3 million favourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

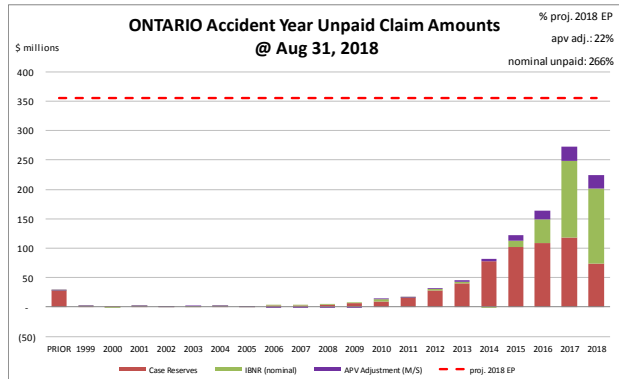
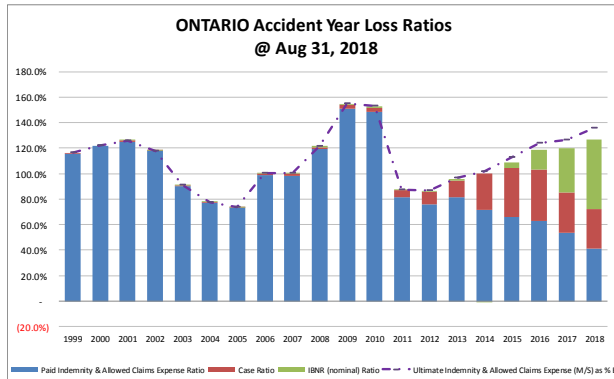
**Effect of Quarterly Valuation**

The August 2018 Ontario Risk Sharing Pool Operational Report reflects the results of an updated valuation as at June 30, 2018, with the associated impacts in relation to the results for August 2018 summarized in the tables immediately below.

Ontario	unfav / (fav) for the month and ytd						mth EP 29,487 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ults & payout patterns			dsct rate		margins	ults & payout patterns			dsct rate		margins
Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(10,601)	(99)	(10,700)	1,282	(22,537)	(31,955)	(36.0%)	(0.3%)	(36.3%)	4.3%	(76.4%)	(108.4%)
CAY	1,892	289	2,181	480	(4,391)	(1,730)	6.4%	1.0%	7.4%	1.6%	(14.9%)	(5.9%)
Prem Def	434	273	707	262	(3,495)	(2,526)	1.5%	0.9%	2.4%	0.9%	(11.9%)	(8.6%)
<b>TOTAL</b>	<b>(8,275)</b>	<b>463</b>	<b>(7,812)</b>	<b>2,024</b>	<b>(30,423)</b>	<b>(36,211)</b>	<b>(28.1%)</b>	<b>1.6%</b>	<b>(26.5%)</b>	<b>6.9%</b>	<b>(103.2%)</b>	<b>(122.8%)</b>

The charts at the top of the next page summarize the current view of the historical loss ratios (indemnity and allowed claims adjustment expenses on a nominal basis) and the associated

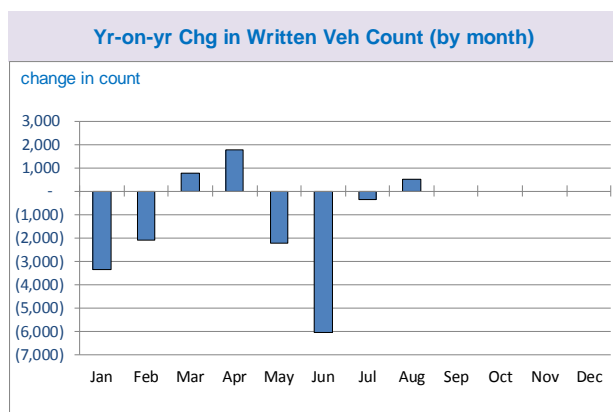
claims liabilities.



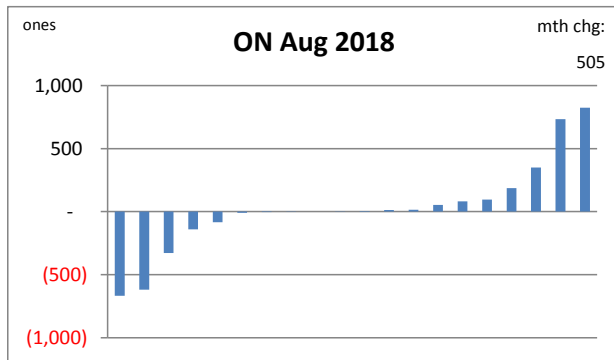
The preceding charts, latest valuation results, and related actuarial present value assumption updates are discussed in more detail in the [Ontario RSP August 2018 Operational Report – Actuarial Highlights](#). The Actuarial Quarterly Valuation Highlights for Risk Sharing Pools as at June 30, 2018 is expected to be posted this fall. The actuarial valuation will be updated next as at September 30, 2018 and we anticipate that the results will be reflected in the October 2018 Operational Report.

### Management Comments

For the Ontario RSP, the transfer limit is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits during a calendar year. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. Our current projection has the 2018 vehicle count down 0.7% from 2017, being 2.6% of the 2017 industry private passenger vehicle count (excluding farmers) and industry farmers private passenger vehicle count. There is the potential for the transferred vehicle count to change dramatically and quickly if member companies choose to take full advantage of their transfer limits.

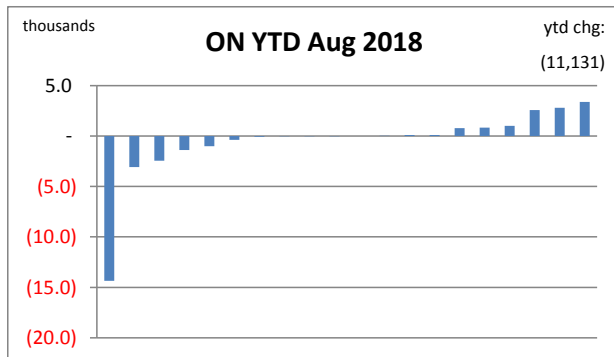


The chart on the left shows the year-on-year change in the vehicles transferred to the pool by month, with August reporting an increase of 505 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for an increase of 3,222 vehicles, indicating a variance of 2,717 from the actual transfers. This variance was mainly due to two member company groups transferring a lower number of vehicles to the pool in August than projected.



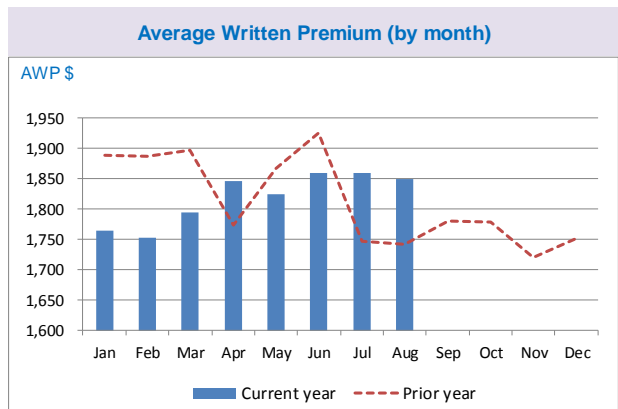
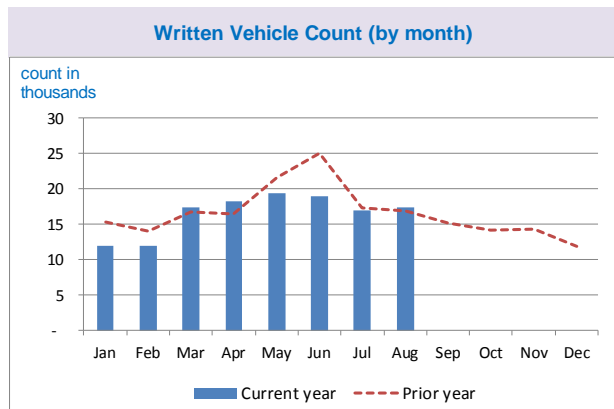
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eight member company groups transferred fewer vehicles to the pool this month compared to a year ago, while eleven transferred more<sup>2</sup>, and one remained the same. Of the 8 member company groups transferring

fewer vehicles, 3 member company groups accounted for 87% of the total transfer decrease for the “decliner” members. Of the 11 member company groups transferring more vehicles, 2 member company groups accounted for 66% of the total transfer increases for the “grower” members.



The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change.

August’s year-on-year change in vehicle count transfers to the pool represents a 3.0% increase from August 2017, but counts were down 7.8% year-to-date. Average written premium was up 6.2% in August 2018 compared with the same month in 2017, but was down 1.1% year-to-date (see charts immediately below and at the top of the next page).



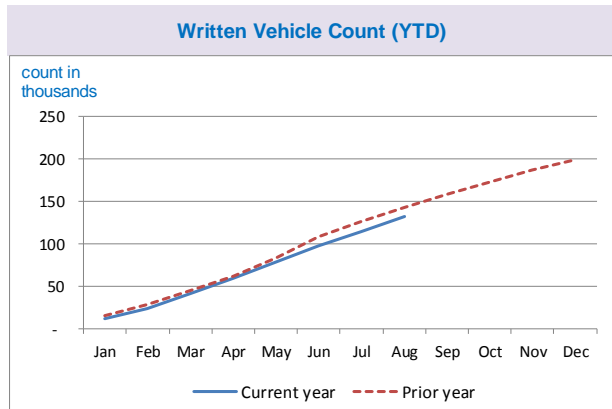
	Aug-18	Aug-17	Amt Chg	% Chg
W. Veh curr mth	17,417	16,912	505	3.0%

	Aug-18	Aug-17	Amt Chg	% Chg
AWP curr mth	1,850	1,742	108	6.2%

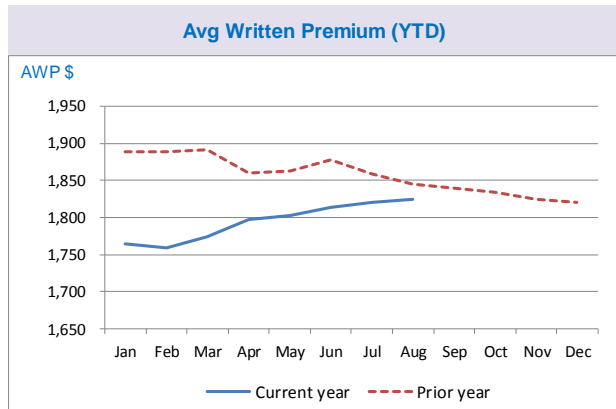
<sup>2</sup>For the purposes of discussion here, we only include those member company groups that transferred at least one vehicle in either 2016 or 2017. Groups that have not transferred vehicles in these two periods are ignored.



**Bulletin F18-072**  
**Ontario Risk Sharing Pool – August 2018 Operational Report**

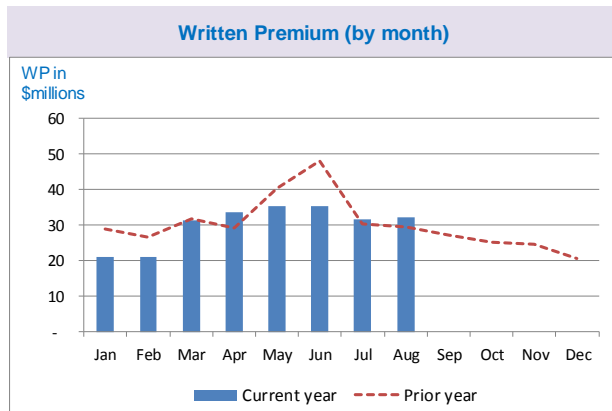


	Aug-18	Aug-17	Amt Chg	% Chg
W. Vehicles YTD	132,324	143,456	(11,131)	-7.8%

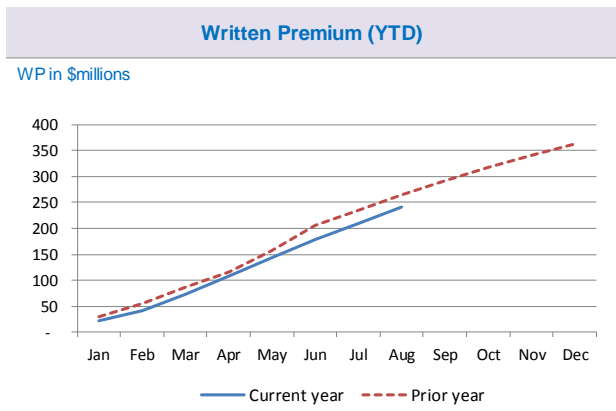


	Aug-18	Aug-17	Amt Chg	% Chg
Avg W. Prem YTD	1,825	1,845	(20)	-1.1%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 9.4% for the month compared with the 36.0% increase we projected last month, but was down 8.8% year-to-date (see charts immediately below).



	Aug-18	Aug-17	Amt Chg	% Chg
WP (\$000s) curr mth	32,224	29,455	2,769	9.4%



	Aug-18	Aug-17	Amt Chg	% Chg
WP (\$000s) YTD	241,455	264,685	(23,230)	-8.8%

Should you require any further information, please call Norm Seene, Vice President, Finance and Member Services at (416) 644-4914.

David J. Simpson, M.B.A., FCIP, C. Dir.  
 President & CEO

**Related links:**

[Ontario RSP August 2018 Operational Report – Actuarial Highlights](#)



**SUMMARY OF OPERATIONS - CALENDAR YEAR 2018**

Risk Sharing Pool - Ontario

Operating Results for the 8 Months Ended August 31, 2018 (Discounted basis)

Source: *Monthly Operational Report*

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	CY2018 YTD	CY2018 12 MONTHS Updated Projection	CY2017 12 MONTHS Actual
Net Premiums Written	\$21,028	\$21,024	\$31,369	\$33,621	\$35,308	\$35,280	\$31,602	\$32,224	\$241,456	\$365,795	\$362,505
Decrease (Increase) in Unearned Premiums	9,392	6,076	(1,234)	(\$4,240)	(\$4,919)	(\$6,145)	(\$1,979)	(\$2,737)	(5,786)	(10,380)	11,153
<b>Net Premiums Earned</b>	<b>\$30,420</b>	<b>\$27,100</b>	<b>\$30,135</b>	<b>\$29,381</b>	<b>\$30,389</b>	<b>\$29,135</b>	<b>\$29,623</b>	<b>\$29,487</b>	<b>\$235,670</b>	<b>\$355,415</b>	<b>\$373,658</b>
<b>Claims Incurred:</b>											
Prior Accident Years:											
Undiscounted	(\$355)	(\$265)	(\$18,967)	(\$100)	\$5,608	(\$41)	(\$47)	(\$10,627)	(\$24,794)	(\$24,794)	(\$47,673)
Effect of Discounting	(1,690)	(2,018)	1,563	(1,955)	(7,643)	(1,616)	(1,170)	(22,806)	(37,335)	(42,280)	(66,431)
Discounted	(\$2,045)	(\$2,283)	(\$17,404)	(\$2,055)	(\$2,035)	(\$1,657)	(\$1,217)	(\$33,433)	(\$62,129)	(\$67,074)	(\$114,104)
Current Accident Year:											
Undiscounted	\$37,624	\$33,465	\$40,131	\$37,097	\$38,045	\$36,669	\$37,282	\$38,985	\$299,298	\$450,776	\$455,722
Effect of Discounting	4,409	3,028	3,679	3,403	2,260	2,837	2,910	(934)	21,592	31,762	39,948
Discounted	\$42,033	\$36,493	\$43,810	\$40,500	\$40,305	\$39,506	\$40,192	\$38,051	\$320,890	\$482,538	\$495,670
<b>Claims Incurred</b>	<b>\$39,988</b>	<b>\$34,210</b>	<b>\$26,406</b>	<b>\$38,445</b>	<b>\$38,270</b>	<b>\$37,849</b>	<b>\$38,975</b>	<b>\$4,618</b>	<b>\$258,761</b>	<b>\$415,464</b>	<b>\$381,566</b>
<b>Underwriting Expenses:</b>											
Expense Allowance	\$6,354	\$6,376	\$9,366	\$9,971	\$10,685	\$10,562	\$9,453	\$9,678	\$72,445	\$109,623	\$110,765
Change in UPDR/DPAC:											
Undiscounted	(2,100)	(1,273)	6,072	1,589	525	1,876	826	1,513	9,028	10,889	6,769
Effect of Discounting	(1,151)	(734)	974	589	(816)	759	268	(2,599)	(2,710)	(2,182)	(8,538)
Discounted	(3,251)	(2,007)	7,046	2,178	(291)	2,635	1,094	(1,086)	6,318	8,707	(\$1,769)
<b>Underwriting Expenses</b>	<b>\$3,103</b>	<b>\$4,369</b>	<b>\$16,412</b>	<b>\$12,149</b>	<b>\$10,394</b>	<b>\$13,197</b>	<b>\$10,547</b>	<b>\$8,592</b>	<b>\$78,763</b>	<b>\$118,330</b>	<b>\$108,996</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$12,671)</b>	<b>(\$11,479)</b>	<b>(\$12,683)</b>	<b>(\$21,213)</b>	<b>(\$18,275)</b>	<b>(\$21,911)</b>	<b>(\$19,899)</b>	<b>\$16,277</b>	<b>(\$101,854)</b>	<b>(\$178,379)</b>	<b>(\$116,904)</b>
<b>Administrative Expenses</b>	<b>\$82</b>	<b>\$124</b>	<b>\$128</b>	<b>\$102</b>	<b>\$127</b>	<b>\$95</b>	<b>\$109</b>	<b>\$130</b>	<b>\$897</b>	<b>\$1,501</b>	<b>\$1,430</b>
<b>Operating Result</b>	<b>(\$12,753)</b>	<b>(\$11,603)</b>	<b>(\$12,811)</b>	<b>(\$21,315)</b>	<b>(\$18,402)</b>	<b>(\$22,006)</b>	<b>(\$20,008)</b>	<b>\$16,147</b>	<b>(\$102,751)</b>	<b>(\$179,880)</b>	<b>(\$118,334)</b>
<b>Ratios:</b>											
<b>Claims &amp; Expenses Incurred (Earned)</b>											
Prior Accident Years	-6.7%	-8.4%	-57.8%	-7.0%	-6.7%	-5.7%	-4.1%	-113.4%	-26.4%	-18.9%	-30.5%
Current Accident Year	138.2%	134.7%	145.4%	137.8%	132.6%	135.6%	135.7%	129.0%	136.2%	135.8%	132.7%
All Accident Years Combined	131.5%	126.3%	87.6%	130.8%	125.9%	129.9%	131.6%	15.6%	109.8%	116.9%	102.2%
Underwriting & Administrative Expenses (Earned)	10.5%	16.6%	54.9%	41.7%	34.6%	45.6%	36.0%	29.6%	33.8%	33.7%	29.6%
<b>Combined Operating Ratio</b>	<b>142.0%</b>	<b>142.9%</b>	<b>142.5%</b>	<b>172.5%</b>	<b>160.5%</b>	<b>175.5%</b>	<b>167.6%</b>	<b>45.2%</b>	<b>143.6%</b>	<b>150.6%</b>	<b>131.8%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding difference may apply