



TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F19 – 096

DATE: DECEMBER 23, 2019

SUBJECT: FARM – OCTOBER 2019 PARTICIPATION REPORT

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

Please be advised that the October 2019 FARM Participation Report is available on the Facility Association Portal at <https://portal.facilityassociation.com>.

Key Points

- (a) the **2019 year-to-date net operating surplus is \$2.9 million** with the addition of \$6.7 million in deficit generated in October, resulting in a year-to-date COR of 99.2% on earned premium of \$261 million;
- (b) the **projected 2019 year-end net operating surplus is \$10.3 million**, with a COR at 97.1% on earned premium of \$317 million (our Outlook for 2019 was \$20.5 million of net operating surplus with a COR of 91.7% on earned premium of \$239 million);
- (c) the September 30, 2019 **FARM valuation** was completed and **implemented** into this month's results, generating a **\$10.0 million unfavourable impact** (1.4% of policy liabilities; 3.0 points of ytd COR, 3.2 points of projected full year 2019 COR);
- (d) claims activity was generally higher than we had projected last month, with activity variances spread across jurisdictions, business segments, and accident years, and with a few larger claims playing a large role in the variances;
- (e) we continue to see increases in both vehicle counts and written premiums across rating classes on a **rolling 12-month basis**, with overall counts up 10 thousand (11%) and **premium up \$107 million (45%)**, with premium growth driven primarily by interurban vehicles (long haul trucks), commercial vehicles, and private passenger vehicles; and
- (f) at FARM fiscal year-end (October 31), FA requests estimates of **unprocessed business** (i.e. written premium) from Servicing Carriers; typically, amounts are not material for FARM year-end financial statement purposes; however for fiscal year 2019, the estimate is **\$26.5 million** (vs \$6.3 million for fiscal year-end 2018 and \$2.4 million for fiscal year-end 2017); as a result, FA will make adjustments to account for the unprocessed business for the FARM financial statements; however, no adjustments have been or will be made for FARM Participation Reports for the unprocessed business; note that in general, as the FARM generates an operating surplus, any adjustment would be either balance sheet related or accretive to operating surplus.

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New This Month

Valuation

An actuarial valuation as at September 30, 2019 has been completed since last month’s Participation Report for the FARM private passenger and non-private passenger business segments for all jurisdictions and the results of that valuation have been incorporated into this month’s Participation 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 resulted in an estimated overall **\$10.0 million unfavourable** impact on the month’s net result from operations, adding an estimated 3.8 points to the year-to-date Combined Operating Ratio (ending at 99.2%). The impact on the month’s results is summarized in the tables below¹.

2019 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)						ytd EP 260,780 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns			dsct rate	margins		ultimates & 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	9,160	574	9,734	(167)	-	9,567	3.5%	0.2%	3.7%	(0.1%)	-	3.7%
CAY	447	(18)	429	(17)	-	412	0.2%	-	0.2%	-	-	0.2%
Prem Def	-	(19)	(19)	-	-	(19)	-	-	-	-	-	-
TOTAL	9,607	537	10,144	(184)	-	9,960	3.7%	0.2%	3.9%	(0.1%)	-	3.8%

Please see “Effect of Quarterly Valuation” on page 6 for additional detail.

Summary of Financial Results

The calendar year-to-date Operating Result is \$2.9 million and the incurred loss ratio to the end of 10 months is 76.4%, as summarized in the table at the top of the next page.

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

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FARM Summary of Financial Results (for month and year-to-date)

Amounts in \$000s	Oct 2019	Oct 2018	Year to date Oct 2019	Year to Date Oct 2018
Premium Written	31,891	28,231	308,409	216,767
Premium Earned	31,110	21,190	260,779	173,813
Incurred Losses	30,805	11,578	199,044	100,467
Underwriting & Admin Expense	7,004	5,019	58,837	42,394
Net Result from Operations	(6,699)	4,593	2,898	30,952
<i>Ratios:</i>				
Loss ratio - Prior Accident Years	28.5%	(10.7%)	6.6%	(13.5%)
- Current Accident Year	70.5%	65.4%	69.8%	71.3%
<i>Total</i>	99.0%	54.7%	76.4%	57.8%
Underwriting & Admin Expense	23.0%	23.9%	22.9%	24.6%
Combined Operating Ratio	122.0%	78.6%	99.3%	82.4%

rounding differences may occur

These results are discussed in some detail in the “Current Month Results” section. For additional numeric details, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2019 - All jurisdictions by month”. A comparable summary by jurisdiction is included in Exhibit 2. Detailed exhibits by jurisdiction are included in the [Summary of Operations](#) folder on our website.

Updated Projection to Year-end 2019

The projected calendar year Net Result from Operations to December 2019 is \$10.3 million and the estimated combined operating ratio to December 2019 is 97.1% as indicated in the table at the top of the next page.

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FARM Summary of Projected Year-end Financial Results (current month's projection, prior month's projection, and Outlook posted last fall)

FARM 2019 Year-end Projection	Current	Prior Mth	Change	Final 2019
Amounts in \$000s	(Oct 2019)	(Sep 2019)		Outlook*
Premium Written	361,483	350,008	11,475	245,869
Premium Earned	317,089	313,368	3,721	239,409
Incurred Losses	236,836	224,465	12,372	164,659
Underwriting & Admin Expense	69,949	68,738	1,211	54,223
Net Result from Operations	10,303	20,165	(9,862)	20,528
Ratios:				
Loss ratio - Prior Accident Years	5.0%	2.1%	2.9%	(1.5%)
- Current Accident Year	69.7%	69.5%	0.2%	70.2%
<i>Total</i>	74.7%	71.6%	3.1%	68.8%
Underwriting & Admin Expense	22.4%	22.3%	0.1%	22.9%
Combined Operating Ratio	97.1%	93.9%	3.2%	91.7%

rounding differences may occur

*as posted to FA's website Nov. 30, 2018

This updated projection to the end of the year has deteriorated by \$10.0 million from the projection provided last month (see second last column in table above), mainly due to the impact of the valuation as at September 30, 2019, as summarized in the table below (see more information under “Effect of Quarterly Valuation” on page 6). Remaining differences were driven by changes in projected premium volumes by jurisdiction and business segment, and the associated impacts on earned premium, claims, and expense projections.

2019 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-end Projected Results

unfav / (fav) projected for full year						year EP 317,089 (current projection)					
IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
ultimates & payout patterns		dsct rate		margins		ultimates & 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]
9,160	499	9,659	(164)	-	9,495	2.9%	0.2%	3.0%	(0.1%)	-	3.0%
596	52	648	(23)	-	625	0.2%	-	0.2%	-	-	0.2%
-	(6)	(6)	-	-	(6)	-	-	-	-	-	-
9,756	545	10,301	(187)	-	10,114	3.1%	0.2%	3.2%	(0.1%)	-	3.2%

Current Month Results

The Net Results from Operations in the month of October 2019 was -\$6.7 million, down \$11.3 million from the same month last year. This deterioration is composed of an approximately \$2.2 million favourable impact associated with the \$9.9 million increase in earned premium (at a prior combined ratio of 78.6%), offset by a \$13.5 million unfavourable impact stemming from the overall increase in the combined ratio (from 78.6% to 122.0% applied to \$31.1 million in earned premium).

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This month’s results moved the year-to-date combined operating ratio from 96.2% at the end of 9 months to 99.3% at the end of 10 months. The 3.1 percentage point increase is mainly stemming from the increase in the Prior Accident Years loss ratio.

Variances from Projections

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

FARM Summary of Actual vs Projected variances

October 2019	Actual	Projection	Difference	Difference %
Premium Written	31,891	23,715	8,176	34.5%
Premium Earned	31,110	28,361	2,749	9.7%
Reported Losses				
Paid Losses	20,029	14,544	5,485	37.7%
Change in Outstanding Losses	7,539	2,274	5,265	231.5%
Total Reported Losses	27,568	16,818	10,750	63.9%
Change in IBNR*	3,217	2,566	651	
Change in Premium Deficiency (DPAC)*	(144)	331	(475)	
Change in Retro Claims Expense*	21	(128)	149	

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [FARM October 2019 Participation 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 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 October 2019, reported indemnity amounts were \$10.2 million higher than projected (*allowed claims expenses are included in the table immediately above as part of reported losses, explaining why the variance in Total Reported Losses in the table shows \$10.8 million*). The Current Accident Year had a \$6.0 million unfavourable variance in reported indemnity, and the Prior Accident Years had an unfavourable variance of approximately \$4.2 million. Accident Year 2016 had the largest unfavourable variance of approximately \$1.1 million. No other single Prior Accident Year had a reported indemnity variance in excess of \$1.0 million.

The variances for claims activity that were beyond the set thresholds at the jurisdiction, business segment level, and accident year group (i.e. Prior Accident Years vs. Current Accident Year) were investigated by Management. Management is satisfied that the variances are appropriately accounted for in our current booking process (variances were spread across jurisdictions, business segments, and accident years).

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Effect of Quarterly Valuation

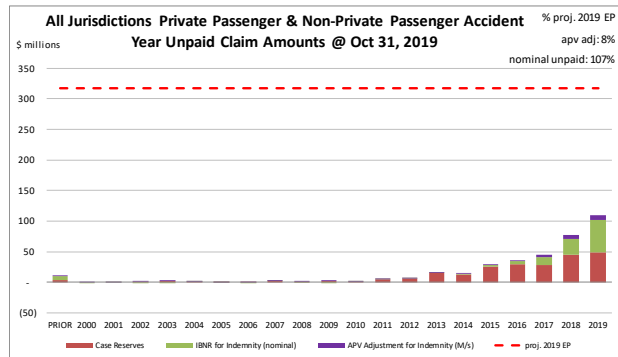
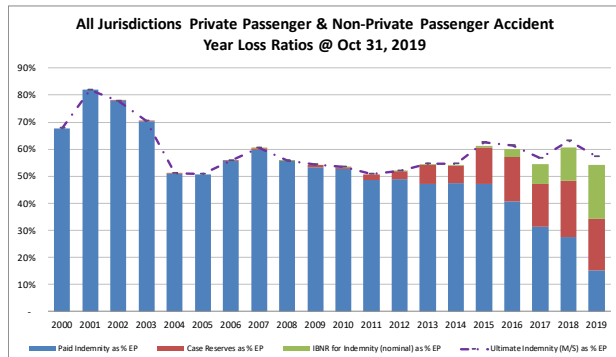
The October 2019 Participation Report reflects the results of an updated valuation as at September 30, 2019, with the associated impacts in relation to the results for October 2019 summarized in the table below.

2019 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Month’s Results

Grand Total	unfav / (fav)					mth EP 31,110 (actual)						
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ultimates & payout patterns			dsct rate		margins	ultimates & 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	9,160	574	9,734	(167)	-	9,567	29.4%	1.8%	31.3%	(0.5%)	-	30.8%
CAY	447	(18)	429	(17)	-	412	1.4%	(0.1%)	1.4%	(0.1%)	-	1.3%
Prem Def	-	(19)	(19)	-	-	(19)	-	(0.1%)	(0.1%)	-	-	(0.1%)
TOTAL	9,607	537	10,144	(184)	-	9,960	30.9%	1.7%	32.6%	(0.6%)	-	32.0%

The charts below summarize the current view of the historical loss ratios (indemnity-only on a nominal basis) and the associated claims liabilities.

FARM Indemnity Only Accident Year Ultimate Loss Ratios and Claims Liabilities (% EP)



The valuation included all jurisdictions and business segments and resulted in updated policy liability cash flow estimates for all jurisdictions that, when applied to the updated risk free yield curve, resulted in an increase in the selected discount rate from 1.44% to 1.46%. The investment return margin for adverse deviation was left unchanged at 25 basis points, and the selected claims development margins² were also left unchanged (per usual practice, claims development margins are reviewed and updated annually with the June 30 valuation).

The **valuation summary** (in relation to **indemnity only**) is provided in the table at the top of the next page. (Please note that in reference to columns [7] to [9] in that table, the estimated impacts are in relation to a full year estimated earned premium, and are not “year-to-date”.)

²Claims development margins are selected by jurisdiction, business segment, coverage, and accident half-year.

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2019 Q3 Valuation Summary (Indemnity Only)

Valuation Summary (Nominal Basis)

unfavourable / (favourable)

Jurisdiction	2018 & Prior Beginning Indemnity Unpaid (000s)	2018 & Prior Accident Year Indemnity Change (000s)	% of Beginning Unpaid	2019 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2019 Earned Prem (000s)	2020 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2020 Proj Earned Prem (000s)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Ontario	75,061	9,326	12.4%	44.0%	0.4%	463	48.4%	0.0%	(31)
PPV	27,790	6,513	23.4%	56.1%	3.0%	812	54.4%	(0.1%)	(31)
Non-PPV	47,271	2,813	6.0%	40.3%	(0.4%)	(349)	46.5%	0.0%	-
Alberta	71,098	(755)	(1.1%)	55.2%	(0.6%)	(558)	54.9%	0.1%	90
PPV	9,190	(10)	(0.1%)	49.7%	(2.2%)	(192)	48.3%	(0.1%)	(8)
Non-PPV	61,908	(745)	(1.2%)	55.7%	(0.4%)	(365)	55.5%	0.1%	99
Newfoundland & Labrador	43,298	725	1.7%	71.2%	4.0%	1,243	64.1%	0.0%	-
PPV	31,948	850	2.7%	74.0%	6.4%	1,416	64.5%	0.0%	-
Non-PPV	11,350	(125)	(1.1%)	64.0%	(2.0%)	(173)	63.0%	0.0%	-
New Brunswick	28,517	(203)	(0.7%)	63.2%	(1.9%)	(495)	57.8%	0.0%	-
PPV	17,473	415	2.4%	65.6%	(0.6%)	(85)	62.0%	0.0%	-
Non-PPV	11,044	(618)	(5.6%)	60.2%	(3.6%)	(410)	52.9%	0.0%	-
Nova Scotia	21,987	(157)	(0.7%)	65.8%	(0.4%)	(99)	63.8%	0.0%	-
PPV	8,772	102	1.2%	70.6%	(0.4%)	(59)	66.0%	0.0%	-
Non-PPV	13,215	(259)	(2.0%)	60.6%	(0.3%)	(41)	61.0%	0.0%	-
Prince Edward Island	8,007	(254)	(3.2%)	58.4%	(0.8%)	(42)	54.1%	0.0%	(3)
PPV	3,426	106	3.1%	45.4%	(0.4%)	(10)	46.4%	(0.1%)	(3)
Non-PPV	4,581	(360)	(7.9%)	72.2%	(1.3%)	(32)	61.5%	0.0%	-
Yukon Territory	2,320	(4)	(0.2%)	48.7%	(2.3%)	(42)	53.8%	(0.1%)	(2)
PPV	1,311	(4)	(0.3%)	62.0%	(1.2%)	(4)	64.5%	(0.1%)	(0)
Non-PPV	1,009	-	0.0%	45.7%	(2.5%)	(38)	51.4%	(0.1%)	(1)
Northwest Territories	2,572	(77)	(3.0%)	49.9%	1.5%	64	40.0%	0.1%	3
PPV	1,497	(65)	(4.3%)	49.1%	(1.3%)	(34)	45.6%	0.1%	3
Non-PPV	1,075	(12)	(1.1%)	51.1%	6.4%	98	31.6%	0.0%	-
Nunavut	905	(15)	(1.7%)	31.3%	(3.3%)	(33)	31.6%	0.0%	0
PPV	265	(7)	(2.6%)	24.7%	(2.0%)	(3)	27.0%	0.1%	0
Non-PPV	640	(8)	(1.3%)	32.6%	(3.6%)	(29)	32.5%	0.0%	-
Total	253,765	8,586	3.4%	54.1%	0.2%	500	54.0%	0.0%	57

There are differences between the changes in valuation estimates (summarized above), and the impact of implementing the valuation into the operating results (summarized on the next page). For example, differences will emerge due to the differences between data available at September 30, 2019 (used for the valuation) and available for implementation (October 31, 2019).

In addition, column [9] of the valuation summary table above estimates the impact of the change in selected future accident year indemnity loss ratio against projected full year 2019 earned premium, whereas the current accident year row, second row of column [1] in the implementation impact table at the top of the next page applies the change to 2019 year-to-date earned premium at October 31, 2019.

With this background, the overall **impact of implementing the valuation** on the results of the Month of October 2019 is estimated as **unfavourable by \$10.0 million**, as summarized in the table at the top of the next page. In that table, column [1] shows indemnity only, and is therefore comparable to the valuation summary table above (column [2] in the valuation summary table is comparable to the first row of column [1] in the table at the top of the next page).

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2019 Q3 FARM Valuation Implementation Impact (\$000s) – Impact with expenses

Implementation Impact - relative to projection for month of October 2019 (negative values are favourable)

\$000s	indemnity [1]	retroactive claims fee [2]	allowed claims expenses [3]	nominal total [4]	actuarial present value [5]	Grand Total [6]
prior accident years (1994-2018)	8,624	536	-	9,160	407	9,567
current accident year claims incurred	396	51	-	447	(35)	412
premium deficiency / (DPAC)	-	-	-	-	(19)	(19)
TOTAL	9,020	587	-	9,607	353	9,960

An alternate summary of the valuation implementation impact is presented in the table below, including the impact in relation to year-to-date earned premium. In this table, rows “PAYs” and “CAY” (for “Prior Accident Years” and “Current Accident Year” respectively), include the changes in indemnity, retroactive claims fee adjustment provision and the provision for allowed claims adjustment expenses.

2019 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)					ytd EP 260,779 (actual)						
	IMPACT in \$000s from changes in:					IMPACT unfav / (fav) as % ytd EP from changes in:						
	ultimates & payout patterns		dsct rate	margins			ultimates & 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	9,160	574	9,734	(167)	-	9,567	3.5%	0.2%	3.7%	(0.1%)	-	3.7%
CAY	447	(18)	429	(17)	-	412	0.2%	-	0.2%	-	-	0.2%
Prem Def	-	(19)	(19)	-	-	(19)	-	-	-	-	-	-
TOTAL	9,607	537	10,144	(184)	-	9,960	3.7%	0.2%	3.9%	(0.1%)	-	3.8%

The overall impact *prior to* the 2 basis point increase in the discount rate (from 1.44% to 1.46%) and changes to margins for adverse deviation (of which there were none) was unfavourable by \$10.1 million (Total row, column [3] of left table above). This was partially offset by the \$0.2 million favourable impact of the discount rate change (Total row, column [4] of left table above). Finally, here was no update to the selected margins for investment income, and no updates to the selected margins for adverse claims development deviation, hence there being no margin change impact (Total row, column [5] of left table above).

As shown in the table³ at the top of the next page, management has observed favourable *total* valuation impacts (column [5]) over the last 12 valuation implementations, with 4 valuation implementations being unfavourable over that 12-quarter period. It should be noted that the impacts in column [3] are largely outside of the control of FA (as being related to macroeconomic factors).

³The table summarizes the same information as provided in the columns [1], [2], [4], and [5] for the TOTAL row of the summary table on this page, but does so for the most recent 12 valuation implementations.

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FARM Valuation Implementation Impacts (\$000s) – most recent 12 valuations

FARM juris: ALL,
as at: 2019 Q3

Valuation	period implemented	unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
		updated LR& exp [1]	APVs @ prior assumptions [2]	updated dsct rate [3]	updated margins [4]	Total Impact [5] = sum([1] to [5])	Booked Policy Liabilities [6]	Total Impact as % Book Liabs [7] = [5] / [6]	Nominal Impact as % Book Liabs [8] = [1] / [6]
2016 Q4	Mar 2017	(10,311)	(613)	(6,322)	-	(17,246)	439,627	(3.9%)	(2.3%)
2017 Q1	May 2017	10,636	1,177	1,138	-	12,951	456,566	2.8%	2.3%
2017 Q2	Aug 2017	(2,319)	(271)	(2,314)	(1,256)	(6,160)	457,027	(1.3%)	(0.5%)
2017 Q3	Oct 2017	(2,100)	(341)	(5,847)	-	(8,288)	450,704	(1.8%)	(0.5%)
2017 Q4	Mar 2018	(10,085)	(890)	153	-	(10,822)	419,870	(2.6%)	(2.4%)
2018 Q1	May 2018	(949)	(1,001)	(1,647)	-	(3,597)	429,713	(0.8%)	(0.2%)
2018 Q2	Aug 2018	(4,126)	1,450	630	(1,800)	(3,846)	451,385	(0.9%)	(0.9%)
2018 Q3	Oct 2018	59	465	(3,754)	-	(3,230)	463,838	(0.7%)	-
2018 Q4	Mar 2019	(1,628)	129	3,105	-	1,606	469,304	0.3%	(0.3%)
2019 Q1	May 2019	13,044	950	4,632	-	18,626	507,837	3.7%	2.6%
2019 Q2	Aug 2019	(5,947)	(842)	419	(1,160)	(7,530)	535,467	(1.4%)	(1.1%)
2019 Q3	Oct 2019	9,607	537	(184)	-	9,960	558,937	1.8%	1.7%
12-qtrs	-	(4,119)	750	(9,991)	(4,216)	(17,576)			
% of total		23.4%	(4.3%)	56.8%	24.0%	100.0%			
		4 unfavourable (nominal) valuations						1 impact was outside of 2.5%	
Averages									
12-qtrs		(343)	63	(833)	(351)	(1,465)	470,023	(0.3%)	(0.1%)
2016 Q4 to 2018 Q1		(2,521)	(323)	(2,473)	(209)	(5,527)	442,251	(1.2%)	(0.6%)
2018 Q2 to 2019 Q3		1,835	448	808	(493)	2,598	497,795	0.5%	0.4%
Standard deviations									
12-qtrs		7,675	849	3,317	652	10,474	42,418	2.2%	1.6%
2016 Q4 to 2018 Q1		6,577	931	2,871	722	8,658	15,077	1.9%	1.5%
2018 Q2 to 2019 Q3		9,012	767	2,267	580	11,210	38,538	2.2%	1.7%
Coefficients of Variation									
12-qtrs		(2,237.5%)	1,348.0%	(398.2%)	(185.9%)	(714.9%)	9.0%	(736.8%)	(1,607.6%)
2016 Q4 to 2018 Q1		(260.9%)	(288.1%)	(116.1%)	(345.5%)	(156.6%)	3.4%	(160.9%)	(245.3%)
2018 Q2 to 2019 Q3		491.1%	171.3%	280.6%	(117.6%)	431.5%	7.7%	434.2%	429.3%

The FA valuation approach is focused on providing (i) best estimates on a nominal basis (i.e. the longer term average of nominal changes in column [1] should be close-to-zero); (ii) the nominal changes of any one valuation in relation to policy liabilities⁴, should be “small” (less than 2.5%); and (iii) the valuation results should not indicate bias – that is, we generally anticipate approximately 1/3rd of nominal valuation impacts will be unfavourable, and 2/3rds will be favourable (due to the skewness of the development). On these 3 measures:

- (i) **Best estimate measurement: This objective has largely been met.** While 12-quarter nominal change in column [1] is \$4.1 million favourable (clearly not \$0), the average

⁴We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

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favourable impact over the 12 quarters at \$0.3 million (nominal only) represents 0.1% of ending policy liabilities, which we would view as not significant. We note that the latest 6 valuations have been on average less unfavourable than the earlier 6 valuations were favourable. Taking into consideration the average changes relative to policy liabilities, we would consider the objective as being largely met.

- (ii) **Nominal size measurement: This objective has largely been met**, as there is only a single individual valuation showing a nominal change in excess of 2.5% of ending policy liabilities per column [8] in the table on the previous page.
- (iii) **Bias evidence measurement: This objective has been met**, as 4 of 12 valuations show unfavourable changes (column [1] of the table above), in line with our expectation (4 of 12).

In summary, we view our valuation measurements as either being largely met, or met. That said, we continue to look for ways to improve the overall accuracy of the valuation estimates.

Additional detail related to the valuation results and impact is available in the [FARM October 2019 Participation Report – Actuarial Highlights](#). The Actuarial Quarterly Valuation Highlights FARM as at September 30, 2019 are expected to be posted during the month of January 2020.

The actuarial valuation will be updated next as at December 31, 2019 for all jurisdictions and business segments. The results are anticipated to be reflected in the March 2020 Participation Report.

Management Comments

As shown in the table at the top of the next page, the private passenger annualized vehicle counts increased by 14.8% overall in October 2019 relative to October 2018. On a year-to-date basis, exposure counts are up by 24.1%, increasing in all jurisdictions except in the northern territories. Note in particular that private passenger counts have increased the most in Ontario, for approximately 114%, followed by Nova Scotia, which has increased 47%.

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FARM Private Passenger Written Car Years

# FARM Vehicles Written								
Jurisdiction	Month of October 2019				Calendar YTD as of October 2019			
	2019	2018	Chg	% Chg	2019	2018	Chg	% Chg
Ontario	656	276	380	137.6%	5,650	2,636	3,014	114.3%
Alberta	158	180	(22)	(12.0%)	1,461	1,425	36	2.5%
Newfoundland & Labrador	1,099	963	136	14.2%	9,814	8,863	951	10.7%
New Brunswick	630	581	49	8.4%	5,421	5,157	264	5.1%
Nova Scotia	636	655	(19)	(2.9%)	6,504	4,416	2,087	47.3%
Prince Edward Island	141	133	7	5.4%	1,186	1,047	139	13.3%
Yukon	12	9	3	34.0%	123	135	(12)	(9.2%)
Northwest Territories	99	180	(82)	(45.3%)	1,414	1,729	(315)	(18.2%)
Nunavut	9	19	(10)	(50.9%)	102	112	(10)	(8.8%)
All Jurisdictions	3,440	2,996	444	14.8%	31,676	25,521	6,155	24.1%

Rounding differences may occur

On a rolling 12-month basis to October 2019 (see table on the top of the next page), FARM vehicle counts are up 11.2% across all rating classes (up 22.4% for private passenger, 5.8% for non-private passenger). However, the non-private passenger increase in vehicle counts is significantly influenced by the change in mix by rating class, as decreases in recreational vehicles have partially offset increases in commercial vehicles and interurban vehicles (long haul trucks). Rolling 12-month premium changes are much more significant than the changes in counts (private passenger up 40.0%, non-private passenger up 47.3%, for a total increase of 45.0%); this premium increase reflects changes in mix by rating class and jurisdiction.

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FARM Vehicle Counts and Written Premium – Rolling 12-months to October 2019

Business Segment	FA Minor Rating Class Desc	2019 rolling 12 to month 10			% Change in Amount			Change in Amount			2018 rolling 12 to month 10		
		Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP
PPV	Private Passenger (x Farmers)	35,554	104,439,233	2,937	22.4%	40.0%	14.4%	6,497	29,855,771	370	29,056	74,583,462	2,567
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
PPV Total		35,554	104,439,233	2,937	22.4%	40.0%	14.4%	6,497	29,855,771	370	29,056	74,583,462	2,567
non-PPV	Private Passenger (x Farmers)	714	707,127	991	26.7%	65.3%	30.4%	150	279,408	231	563	427,719	760
	Commercial	15,678	79,915,394	5,097	30.4%	62.5%	24.7%	3,654	30,751,597	1,008	12,024	49,163,797	4,089
	Interurban	6,564	95,219,269	14,506	55.3%	78.1%	14.7%	2,337	41,747,084	1,857	4,227	53,472,185	12,649
	Public Bus	1,718	7,675,299	4,468	4.6%	7.0%	2.3%	76	503,976	100	1,642	7,171,323	4,368
	Private Bus & Misc Public	1,553	5,791,551	3,730	9.8%	17.7%	7.2%	139	869,248	249	1,414	4,922,303	3,481
	School Bus	1,056	1,642,943	1,556	(2.2%)	0.5%	2.7%	(23)	7,741	41	1,079	1,635,202	1,515
	Hotel & Country Club Bus	656	1,488,817	2,270	12.2%	11.7%	(0.4%)	71	156,168	(9)	585	1,332,649	2,279
	Taxi	4,564	21,276,445	4,661	(1.3%)	5.7%	7.1%	(62)	1,149,587	311	4,626	20,126,858	4,350
	Funeral	5	11,633	2,327	150.0%	243.3%	37.3%	3	8,244	632	2	3,389	1,695
	Ambulance	40	175,637	4,382	13.7%	26.9%	11.6%	5	37,276	457	35	138,361	3,925
	Motorcycle	17,113	11,938,987	698	(10.9%)	2.0%	14.6%	(2,092)	233,490	89	19,205	11,705,497	609
	All Terrain Vehicle	8,892	3,702,350	416	(5.3%)	1.6%	7.2%	(496)	59,525	28	9,387	3,642,825	388
	Snow Vehicle	3,906	1,633,246	418	(8.2%)	(5.5%)	3.0%	(348)	(94,246)	12	4,254	1,727,492	406
	Antique	5	8,729	1,587	(7.0%)	16.7%	25.5%	(0)	1,246	322	6	7,483	1,265
	Motor Home	263	663,896	2,528	12.3%	18.8%	5.9%	29	105,106	140	234	558,790	2,388
	Trailer Home	-	19,599	19,599	-	2,049.0%	2,049.0%	-	18,687	18,687	-	912	912
	Garage	-	8,943,880	8,943,880	-	20.2%	20.2%	-	1,504,388	1,504,388	-	7,439,492	7,439,492
	Non-Owned	-	360,827	360,827	-	40.3%	40.3%	-	103,724	103,724	-	257,103	257,103
	Drivers Policy	64	74,085	1,162	(7.8%)	(22.3%)	(15.7%)	(5)	(21,249)	(216)	69	95,334	1,378
non-PPV Total		62,791	241,249,714	3,842	5.8%	47.3%	39.2%	3,437	77,421,000	1,082	59,353	163,828,714	2,760
TOTAL		98,344	345,688,947	3,515	11.2%	45.0%	30.3%	9,935	107,276,771	818	88,410	238,412,176	2,697

Should you require any further information, please call Shawn Doherty, Senior Vice President Actuarial & CFO at (416) 644-4968.

Saskia Matheson
 President & CEO

Related link:

[FARM October 2019 Participation Report – Actuarial Highlights](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS BY MONTH
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 10/2019

(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$24,756	\$16,886	\$23,354	\$33,154	\$38,475	\$37,652	\$33,417	\$33,906	\$34,918	\$31,891	\$308,409	\$361,483	\$254,047
CHANGE IN UNEARNED PREMIUMS	-2,287	3,202	-253	-9,075	-12,613	-11,210	-5,134	-4,554	-4,925	-781	-47,630	-44,394	-37,666
NET PREMIUMS EARNED	\$22,469	\$20,088	\$23,101	\$24,079	\$25,862	\$26,442	\$28,283	\$29,352	\$29,993	\$31,110	\$260,779	\$317,089	\$216,381
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	458	-1,493	625	-1	12,799	10	-9	-6,633	-\$2	\$9,160	14,914	14,916	-14,683
EFFECT OF DISCOUNTING	-150	-286	2,624	-404	3,914	-350	-424	-1,887	-\$550	-\$299	2,188	816	-9,883
DISCOUNTED	308	-1,779	3,249	-405	16,713	-340	-433	-8,520	-552	8,861	17,102	15,732	-24,566
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	14,604	13,486	14,854	15,814	17,161	17,397	18,614	19,782	\$19,792	\$21,016	172,520	209,916	147,959
EFFECT OF DISCOUNTING	761	624	919	764	1,380	976	1,024	1,033	\$1,013	\$928	9,422	11,189	5,799
DISCOUNTED	15,365	14,110	15,773	16,578	18,541	18,373	19,638	20,815	20,805	21,944	181,942	221,105	153,758
CLAIMS INCURRED	\$15,673	\$12,331	\$19,022	\$16,173	\$35,254	\$18,033	\$19,205	\$12,295	\$20,253	\$30,805	\$199,044	\$236,837	\$129,192
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	2,547	1,746	2,406	3,425	3,995	3,903	3,450	3,502	\$3,589	\$3,303	31,866	37,293	26,218
AGENTS COMMISSIONS	1,875	1,261	1,822	2,373	2,860	2,848	2,542	2,685	\$2,695	\$2,488	23,449	27,713	19,686
DRIVER RECORD ABSTRACTS	102	246	435	151	421	226	520	448	\$168	\$429	3,146	3,775	3,093
BAD DEBTS	-2	-4	-2	-10	9	-4	-3	-3	-\$11	-\$111	-141	-32	-279
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-143	283	-171	-670	-903	-808	-400	-192	-\$391	-\$73	-3,468	-3,286	-2,888
EFFECT OF DISCOUNTING	3	-5	-220	16	149	-5	-7	-157	-\$43	-\$71	-340	-447	-249
DISCOUNTED	-140	278	-391	-654	-754	-813	-407	-349	-434	-144	-3,808	-3,733	-3,137
UNDERWRITING EXPENSES	\$4,382	\$3,527	\$4,270	\$5,285	\$6,531	\$6,160	\$6,102	\$6,283	\$6,007	\$5,965	\$54,512	\$65,016	\$45,581
NET UNDERWRITING GAIN (LOSS)	\$2,414	\$4,230	-\$191	\$2,621	-\$15,923	\$2,249	\$2,976	\$10,774	\$3,733	-\$5,660	\$7,223	\$15,236	\$41,608
ADMINISTRATIVE EXPENSES	400	419	391	420	488	445	485	483	\$451	\$1,193	5,175	6,046	5,656
PREMIUM FINANCE FEE	-9	-8	-9	-10	-11	-10	-10	-12	-\$13	-\$11	-103	-92	-110
INVESTMENT INCOME	106	78	55	57	70	82	101	127	\$112	\$165	953	1,202	636
OPERATING RESULTS	\$2,111	\$3,881	-\$536	\$2,248	-\$16,352	\$1,876	\$2,582	\$10,406	\$3,381	-\$6,699	\$2,898	\$10,300	\$36,478
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	1.4%	-8.9%	14.1%	-1.7%	64.6%	-1.3%	-1.5%	-29.0%	-1.8%	28.5%	6.6%	5.0%	-11.4%
Current Accident Year	68.4%	70.2%	68.3%	68.8%	71.7%	69.5%	69.4%	70.9%	69.4%	70.5%	69.8%	69.7%	71.1%
All Accident Years Combined	69.8%	61.3%	82.4%	67.1%	136.3%	68.2%	67.9%	41.9%	67.6%	99.0%	76.4%	74.7%	59.7%
Underwriting & Admin Exp.(Earned)	21.3%	19.6%	20.2%	23.7%	27.1%	25.0%	23.3%	23.1%	21.5%	23.0%	22.9%	22.4%	23.7%
COMBINED OPERATING RATIO	91.1%	80.9%	102.6%	90.8%	163.4%	93.2%	91.2%	65.0%	89.1%	122.0%	99.3%	97.1%	83.4%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	Alberta	Ontario	NS	PEI	NB	NFLD & LAB	Yukon	NWT	Nunavut	Total	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:												
PREMIUMS WRITTEN	\$93,989	\$122,087	\$28,253	\$4,937	\$23,709	\$29,398	\$1,751	\$3,458	\$827	\$308,409	\$361,483	\$254,047
CHANGE IN UNEARNED PREMIUMS	-8,284	-27,670	-4,772	-711	-2,328	-3,777	-126	39	-1	-47,630	-44,394	-37,666
NET PREMIUMS EARNED	\$85,705	\$94,417	\$23,481	\$4,226	\$21,381	\$25,621	\$1,625	\$3,497	\$826	\$260,779	\$317,089	\$216,381
CLAIMS INCURRED												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	10,557	4,341	-910	381	-2,971	4,425	247	-1,041	-115	14,914	14,916	-14,683
EFFECT OF DISCOUNTING	1,242	1,034	-61	-52	-343	342	39	-19	6	2,188	816	-9,883
DISCOUNTED	11,799	5,375	-971	329	-3,314	4,767	286	-1,060	-109	17,102	15,732	-24,566
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	55,469	54,497	18,537	2,986	16,363	21,251	968	2,114	335	172,520	209,916	147,959
EFFECT OF DISCOUNTING	2,517	3,749	950	179	788	1,063	58	102	16	9,422	11,189	5,799
DISCOUNTED	57,986	58,246	19,487	3,165	17,151	22,314	1,026	2,216	351	181,942	221,105	153,758
CLAIMS INCURRED	\$69,785	\$63,621	\$18,516	\$3,494	\$13,837	\$27,081	\$1,312	\$1,156	\$242	\$199,044	\$236,837	\$129,192
UNDERWRITING EXPENSES												
OPERATING & SERVICE FEES	9,399	13,184	2,825	492	2,392	2,970	175	346	83	31,866	37,293	26,218
AGENTS COMMISSIONS	7,324	7,578	2,575	454	2,192	2,767	155	335	69	23,449	27,713	19,686
DRIVER RECORD ABSTRACTS	661	292	872	224	530	490	15	56	6	3,146	3,775	3,093
BAD DEBTS	-69	-86	-29	41	-23	60	-21	-15	1	-141	-32	-279
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	-492	-1,668	-682	-63	-206	-353	-10	6	0	-3,468	-3,286	-2,888
EFFECT OF DISCOUNTING	0	0	-67	0	0	-273	0	0	0	-340	-447	-249
DISCOUNTED	-492	-1,668	-749	-63	-206	-626	-10	6	0	-3,808	-3,733	-3,137
UNDERWRITING EXPENSES	\$16,823	\$19,300	\$5,494	\$1,148	\$4,885	\$5,661	\$314	\$728	\$159	\$54,512	\$65,016	\$45,581
NET UNDERWRITING GAIN (LOSS)	-\$903	\$11,496	-\$529	-\$416	\$2,659	-\$7,121	-\$1	\$1,613	\$425	\$7,223	\$15,236	\$41,608
ADMINISTRATIVE EXPENSES	1,431	1,943	497	148	425	514	69	93	55	5,175	6,046	5,656
PREMIUM FINANCE FEE	-28	-48	-10	0	-7	-10	0	0	0	-103	-92	-110
INVESTMENT INCOME	281	343	84	22	83	118	6	13	3	953	1,202	636
OPERATING RESULTS	-\$2,081	\$9,848	-\$952	-\$542	\$2,310	-\$7,527	-\$64	\$1,533	\$373	\$2,898	\$10,300	\$36,478
RATIOS:												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	13.8%	5.7%	-4.1%	7.8%	-15.5%	18.6%	17.6%	-30.3%	-13.2%	6.6%	5.0%	-11.4%
Current Accident Year	67.7%	61.7%	83.0%	74.9%	80.2%	87.1%	63.1%	63.4%	42.5%	69.8%	69.7%	71.1%
All Accident Years Combined	81.5%	67.4%	78.9%	82.7%	64.7%	105.7%	80.7%	33.1%	29.3%	76.4%	74.7%	59.7%
Underwriting & Admin Exp.(Earned)	21.3%	22.5%	25.5%	30.7%	24.8%	24.1%	23.6%	23.5%	25.9%	22.9%	22.4%	23.7%
COMBINED OPERATING RATIO	102.8%	89.9%	104.4%	113.4%	89.5%	129.8%	104.3%	56.6%	55.2%	99.3%	97.1%	83.4%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - ALBERTA
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$8,413	\$4,209	\$7,005	\$10,619	\$12,306	\$9,541	\$10,022	\$9,718	\$12,134	\$10,022	\$93,989	\$118,321	\$82,892
CHANGE IN UNEARNED PREMIUMS	-892	2,384	774	-2,646	-3,796	-1,067	-804	-297	-2,290	350	-8,284	-14,719	-16,069
NET PREMIUMS EARNED	\$7,521	\$6,593	\$7,779	\$7,973	\$8,510	\$8,474	\$9,218	\$9,421	\$9,844	\$10,372	\$85,705	\$103,602	\$66,823
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	181	-521	1,972	5	6,101	-2	-1	3,566	-1	-743	10,557	10,556	-3,140
EFFECT OF DISCOUNTING	25	-116	674	-86	1,176	-62	-102	60	-119	-208	1,242	875	-2,049
DISCOUNTED	206	-637	2,646	-81	7,277	-64	-103	3,626	-120	-951	11,799	11,431	-5,189
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	4,374	4,037	4,808	4,855	5,130	5,168	5,603	8,762	6,437	6,295	55,469	67,086	42,387
EFFECT OF DISCOUNTING	186	149	239	193	311	218	222	559	274	166	2,517	2,997	1,246
DISCOUNTED	4,560	4,186	5,047	5,048	5,441	5,386	5,825	9,321	6,711	6,461	57,986	70,083	43,633
CLAIMS INCURRED	\$4,766	\$3,549	\$7,693	\$4,967	\$12,718	\$5,322	\$5,722	\$12,947	\$6,591	\$5,510	\$69,785	\$81,514	\$38,444
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	840	422	701	1,062	1,230	954	1,003	972	1,213	1,002	9,399	11,834	8,290
AGENTS COMMISSIONS	654	329	539	798	943	739	783	811	933	795	7,324	9,358	6,602
DRIVER RECORD ABSTRACTS	25	61	85	17	116	61	85	76	53	82	661	956	690
BAD DEBTS	0	-3	-1	0	-2	1	0	0	0	-64	-69	-6	-40
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-77	202	69	-224	-318	-81	-62	159	-187	27	-492	-1,013	-1,348
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-77	202	69	-224	-318	-81	-62	159	-187	27	-492	-1,013	-1,348
UNDERWRITING EXPENSES	\$1,442	\$1,011	\$1,393	\$1,653	\$1,969	\$1,674	\$1,809	\$2,018	\$2,012	\$1,842	\$16,823	\$21,129	\$14,194
NET UNDERWRITING GAIN (LOSS)	\$1,313	\$2,033	-\$1,307	\$1,353	-\$6,177	\$1,478	\$1,687	-\$5,544	\$1,241	\$3,020	-\$903	\$959	\$14,185
ADMINISTRATIVE EXPENSES	108	105	106	120	135	79	131	122	149	376	1,431	1,895	1,723
PREMIUM FINANCE FEE	-3	-2	-2	-3	-3	-2	-3	-3	-4	-3	-28	-25	-33
INVESTMENT INCOME	33	24	15	17	21	25	29	35	32	50	281	361	175
OPERATING RESULTS	\$1,235	\$1,950	-\$1,400	\$1,247	-\$6,294	\$1,422	\$1,582	-\$5,634	\$1,120	\$2,691	-\$2,081	-\$600	\$12,604
AVERAGE YTD OPERATING RESULT	\$1,235	\$1,593	\$595	\$758	-\$652	-\$307	-\$37	-\$737	-\$530	-\$208	-\$208	-\$50	\$1,050
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	2.7%	-9.7%	34.0%	-1.0%	85.5%	-0.8%	-1.1%	38.5%	-1.2%	-9.2%	13.8%	11.0%	-7.8%
Current Accident Year	60.6%	63.5%	64.9%	63.3%	63.9%	63.6%	63.2%	98.9%	68.2%	62.3%	67.7%	67.6%	65.3%
All Accident Years Combined	63.3%	53.8%	98.9%	62.3%	149.4%	62.8%	62.1%	137.4%	67.0%	53.1%	81.5%	78.6%	57.5%
Underwriting & Admin Exp.(Earned)	20.6%	16.9%	19.3%	22.2%	24.7%	20.7%	21.0%	22.7%	22.0%	21.4%	21.3%	22.2%	23.8%
COMBINED OPERATING RATIO	83.9%	70.7%	118.2%	84.5%	174.1%	83.5%	83.1%	160.1%	89.0%	74.5%	102.8%	100.8%	81.3%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - ONTARIO
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$9,357	\$6,745	\$8,710	\$13,663	\$14,911	\$17,315	\$13,394	\$13,974	\$12,115	\$11,903	\$122,087	\$137,349	\$85,210
CHANGE IN UNEARNED PREMIUMS	-1,848	93	-879	-4,974	-5,555	-7,353	-2,854	-2,837	-952	-511	-27,670	-21,685	-18,728
NET PREMIUMS EARNED	\$7,509	\$6,838	\$7,831	\$8,689	\$9,356	\$9,962	\$10,540	\$11,137	\$11,163	\$11,392	\$94,417	\$115,664	\$66,482
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	187	-1,320	-2,594	2	3,628	16	-2	-5,373	3	9,794	4,341	4,341	-11,417
EFFECT OF DISCOUNTING	3	-35	824	-155	1,532	-90	-94	-1,293	-127	469	1,034	585	-4,052
DISCOUNTED	190	-1,355	-1,770	-153	5,160	-74	-96	-6,666	-124	10,263	5,375	4,926	-15,469
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	4,739	4,439	4,486	5,397	5,232	6,050	6,421	4,336	6,432	6,965	54,497	66,883	40,818
EFFECT OF DISCOUNTING	319	289	367	335	539	459	466	124	386	465	3,749	4,419	2,208
DISCOUNTED	5,058	4,728	4,853	5,732	5,771	6,509	6,887	4,460	6,818	7,430	58,246	71,302	43,026
CLAIMS INCURRED	\$5,248	\$3,373	\$3,083	\$5,579	\$10,931	\$6,435	\$6,791	-\$2,206	\$6,694	\$17,693	\$63,621	\$76,228	\$27,557
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	1,010	729	941	1,475	1,610	1,870	1,447	1,509	1,308	1,285	13,184	14,844	9,204
AGENTS COMMISSIONS	568	380	574	754	896	1,117	824	920	776	769	7,578	8,552	5,089
DRIVER RECORD ABSTRACTS	12	19	38	17	35	19	46	39	17	50	292	377	246
BAD DEBTS	0	0	0	-9	14	-1	0	0	0	-90	-86	4	-122
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-115	10	-52	-303	-339	-457	-168	-159	-55	-30	-1,668	-1,303	-1,184
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-115	10	-52	-303	-339	-457	-168	-159	-55	-30	-1,668	-1,303	-1,184
UNDERWRITING EXPENSES	\$1,475	\$1,138	\$1,501	\$1,934	\$2,216	\$2,548	\$2,149	\$2,309	\$2,046	\$1,984	\$19,300	\$22,474	\$13,233
NET UNDERWRITING GAIN (LOSS)	\$786	\$2,327	\$3,247	\$1,176	-\$3,791	\$979	\$1,600	\$11,034	\$2,423	-\$8,285	\$11,496	\$16,962	\$25,692
ADMINISTRATIVE EXPENSES	155	154	141	175	173	199	177	176	144	449	1,943	2,156	1,821
PREMIUM FINANCE FEE	-4	-4	-4	-4	-5	-5	-5	-6	-6	-5	-48	-44	-46
INVESTMENT INCOME	32	26	19	18	25	27	37	62	40	57	343	427	241
OPERATING RESULTS	\$659	\$2,195	\$3,121	\$1,015	-\$3,944	\$802	\$1,455	\$10,914	\$2,313	-\$8,682	\$9,848	\$15,189	\$24,066
AVERAGE YTD OPERATING RESULT	\$659	\$1,427	\$1,992	\$1,748	\$609	\$641	\$758	\$2,027	\$2,059	\$985	\$985	\$1,266	\$2,006
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	2.5%	-19.8%	-22.6%	-1.8%	55.2%	-0.7%	-0.9%	-59.9%	-1.1%	90.1%	5.7%	4.3%	-23.3%
Current Accident Year	67.4%	69.1%	62.0%	66.0%	61.7%	65.3%	65.3%	40.0%	61.1%	65.2%	61.7%	61.6%	64.7%
All Accident Years Combined	69.9%	49.3%	39.4%	64.2%	116.9%	64.6%	64.4%	-19.9%	60.0%	155.3%	67.4%	65.9%	41.4%
Underwriting & Admin Exp.(Earned)	21.7%	18.9%	21.0%	24.3%	25.5%	27.6%	22.1%	22.3%	19.6%	21.4%	22.5%	21.3%	22.6%
COMBINED OPERATING RATIO	91.6%	68.2%	60.4%	88.5%	142.4%	92.2%	86.5%	2.4%	79.6%	176.7%	89.9%	87.2%	64.0%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - NOVA SCOTIA
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$2,135	\$1,766	\$2,468	\$2,307	\$3,547	\$3,444	\$3,153	\$2,914	\$3,438	\$3,081	\$28,253	\$32,227	\$23,070
CHANGE IN UNEARNED PREMIUMS	-125	66	-386	-230	-1,245	-1,066	-630	-297	-681	-178	-4,772	-3,547	-2,393
NET PREMIUMS EARNED	\$2,010	\$1,832	\$2,082	\$2,077	\$2,302	\$2,378	\$2,523	\$2,617	\$2,757	\$2,903	\$23,481	\$28,680	\$20,677
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	22	4	1,091	1	646	0	-4	-2,555	-1	-114	-910	-910	228
EFFECT OF DISCOUNTING	-84	-58	300	-21	292	-9	-47	-251	-79	-104	-61	-222	-644
DISCOUNTED	-62	-54	1,391	-20	938	-9	-51	-2,806	-80	-218	-971	-1,132	-416
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	1,608	1,491	1,669	1,684	1,903	1,936	2,061	1,775	2,188	2,222	18,537	22,670	16,339
EFFECT OF DISCOUNTING	84	57	95	73	166	105	103	67	111	89	950	1,141	614
DISCOUNTED	1,692	1,548	1,764	1,757	2,069	2,041	2,164	1,842	2,299	2,311	19,487	23,811	16,953
CLAIMS INCURRED	\$1,630	\$1,494	\$3,155	\$1,737	\$3,007	\$2,032	\$2,113	-\$964	\$2,219	\$2,093	\$18,516	\$22,679	\$16,537
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	213	177	247	231	355	344	315	291	344	308	2,825	3,223	2,306
AGENTS COMMISSIONS	206	156	214	223	314	314	295	272	304	277	2,575	2,939	2,086
DRIVER RECORD ABSTRACTS	29	60	118	64	105	65	161	106	41	123	872	1,047	805
BAD DEBTS	1	0	0	0	-1	-2	0	-1	0	-26	-29	-3	-29
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-5	10	-204	-37	-69	-122	-92	-88	-56	-19	-682	-568	10
EFFECT OF DISCOUNTING	15	-2	38	16	97	22	18	-157	-43	-71	-67	-174	129
DISCOUNTED	10	8	-166	-21	28	-100	-74	-245	-99	-90	-749	-742	139
UNDERWRITING EXPENSES	\$459	\$401	\$413	\$497	\$801	\$621	\$697	\$423	\$590	\$592	\$5,494	\$6,464	\$5,307
NET UNDERWRITING GAIN (LOSS)	-\$79	-\$63	-\$1,486	-\$157	-\$1,506	-\$275	-\$287	\$3,158	-\$52	\$218	-\$529	-\$463	-\$1,167
ADMINISTRATIVE EXPENSES	40	44	43	26	47	47	51	43	45	111	497	562	529
PREMIUM FINANCE FEE	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-6	-9
INVESTMENT INCOME	9	7	5	6	7	7	10	8	10	15	84	107	51
OPERATING RESULTS	-\$111	-\$101	-\$1,525	-\$178	-\$1,547	-\$316	-\$329	\$3,122	-\$88	\$121	-\$952	-\$924	-\$1,654
AVERAGE YTD OPERATING RESULT	-\$111	-\$106	-\$579	-\$479	-\$692	-\$630	-\$587	-\$123	-\$119	-\$95	-\$95	-\$77	-\$138
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-3.1%	-2.9%	66.8%	-1.0%	40.7%	-0.4%	-2.0%	-107.2%	-2.9%	-7.5%	-4.1%	-3.9%	-2.0%
Current Accident Year	84.2%	84.5%	84.7%	84.6%	89.9%	85.8%	85.8%	70.4%	83.4%	79.6%	83.0%	83.0%	82.0%
All Accident Years Combined	81.1%	81.6%	151.5%	83.6%	130.6%	85.4%	83.8%	-36.8%	80.5%	72.1%	78.9%	79.1%	80.0%
Underwriting & Admin Exp.(Earned)	24.8%	24.3%	21.9%	25.2%	36.8%	28.1%	29.6%	17.8%	23.0%	24.2%	25.5%	24.5%	28.2%
COMBINED OPERATING RATIO	105.9%	105.9%	173.4%	108.8%	167.4%	113.5%	113.4%	-19.0%	103.5%	96.3%	104.4%	103.6%	108.2%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - PRINCE EDWARD ISLAND
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$334	\$225	\$272	\$589	\$531	\$491	\$546	\$787	\$526	\$636	\$4,937	\$5,536	\$4,547
CHANGE IN UNEARNED PREMIUMS	55	117	106	-207	-122	-90	-92	-300	-39	-139	-711	-433	-8
NET PREMIUMS EARNED	\$389	\$342	\$378	\$382	\$409	\$401	\$454	\$487	\$487	\$497	\$4,226	\$5,103	\$4,539
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	6	80	68	-1	1,436	-1	0	-918	0	-289	381	381	350
EFFECT OF DISCOUNTING	-36	-3	48	0	143	-3	-13	-113	-4	-71	-52	-74	-222
DISCOUNTED	-30	77	116	-1	1,579	-4	-13	-1,031	-4	-360	329	307	128
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	252	223	254	253	359	285	326	373	348	313	2,986	3,620	4,205
EFFECT OF DISCOUNTING	15	15	16	5	37	16	7	30	21	17	179	210	241
DISCOUNTED	267	238	270	258	396	301	333	403	369	330	3,165	3,830	4,446
CLAIMS INCURRED	\$237	\$315	\$386	\$257	\$1,975	\$297	\$320	-\$628	\$365	-\$30	\$3,494	\$4,137	\$4,574
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	33	22	27	59	53	49	54	79	52	64	492	555	457
AGENTS COMMISSIONS	32	22	27	52	49	46	51	65	54	56	454	514	427
DRIVER RECORD ABSTRACTS	3	14	40	9	25	9	49	22	9	44	224	224	206
BAD DEBTS	0	0	0	0	0	0	0	0	0	41	41	0	-7
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	6	9	9	-16	-11	-8	-9	-24	-7	-12	-63	-39	3
EFFECT OF DISCOUNTING	0	0	0	0	17	-7	-10	0	0	0	0	0	0
DISCOUNTED	6	9	9	-16	6	-15	-19	-24	-7	-12	-63	-39	3
UNDERWRITING EXPENSES	\$74	\$67	\$103	\$104	\$133	\$89	\$135	\$142	\$108	\$193	\$1,148	\$1,254	\$1,086
NET UNDERWRITING GAIN (LOSS)	\$78	-\$40	-\$111	\$21	-\$1,699	\$15	-\$1	\$973	\$14	\$334	-\$416	-\$288	-\$1,121
ADMINISTRATIVE EXPENSES	13	10	8	12	15	20	18	19	11	22	148	154	157
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	3	2	2	1	1	3	4	1	2	3	22	30	15
OPERATING RESULTS	\$68	-\$48	-\$117	\$10	-\$1,713	-\$2	-\$15	\$955	\$5	\$315	-\$542	-\$413	-\$1,263
AVERAGE YTD OPERATING RESULT	\$68	\$10	-\$32	-\$22	-\$360	-\$300	-\$260	-\$108	-\$95	-\$54	-\$54	-\$34	-\$105
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-7.7%	22.5%	30.7%	-0.3%	386.1%	-1.0%	-2.9%	-211.7%	-0.8%	-72.4%	7.8%	6.0%	2.8%
Current Accident Year	68.6%	69.6%	71.4%	67.5%	96.8%	75.1%	73.3%	82.8%	75.8%	66.4%	74.9%	75.1%	98.0%
All Accident Years Combined	60.9%	92.1%	102.1%	67.2%	482.9%	74.1%	70.4%	-128.9%	75.0%	-6.0%	82.7%	81.1%	100.8%
Underwriting & Admin Exp.(Earned)	22.4%	22.5%	29.4%	30.4%	36.2%	27.2%	33.7%	33.1%	24.4%	43.3%	30.7%	27.6%	27.4%
COMBINED OPERATING RATIO	83.3%	114.6%	131.5%	97.6%	519.1%	101.3%	104.1%	-95.8%	99.4%	37.3%	113.4%	108.7%	128.2%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - NEW BRUNSWICK
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$2,000	\$1,275	\$2,077	\$2,272	\$3,019	\$2,916	\$2,182	\$2,721	\$2,532	\$2,715	\$23,709	\$27,376	\$23,172
CHANGE IN UNEARNED PREMIUMS	7	511	-70	-300	-893	-791	24	-387	-199	-230	-2,328	-1,526	-1,190
NET PREMIUMS EARNED	\$2,007	\$1,786	\$2,007	\$1,972	\$2,126	\$2,125	\$2,206	\$2,334	\$2,333	\$2,485	\$21,381	\$25,850	\$21,982
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	18	377	-994	-2	-5	-2	-1	-2,160	-2	-200	-2,971	-2,970	3,646
EFFECT OF DISCOUNTING	58	-32	252	-64	311	-101	-55	-405	-96	-211	-343	-520	-849
DISCOUNTED	76	345	-742	-66	306	-103	-56	-2,565	-98	-411	-3,314	-3,490	2,797
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	1,371	1,241	1,588	1,438	2,108	1,666	1,729	1,868	1,834	1,520	16,363	19,757	16,622
EFFECT OF DISCOUNTING	53	35	93	58	168	68	95	99	97	22	788	943	521
DISCOUNTED	1,424	1,276	1,681	1,496	2,276	1,734	1,824	1,967	1,931	1,542	17,151	20,700	17,143
CLAIMS INCURRED	\$1,500	\$1,621	\$939	\$1,430	\$2,582	\$1,631	\$1,768	-\$598	\$1,833	\$1,131	\$13,837	\$17,210	\$19,940
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	200	128	207	228	302	292	218	272	254	291	2,392	2,738	2,358
AGENTS COMMISSIONS	182	139	195	202	274	258	202	247	234	259	2,192	2,524	2,153
DRIVER RECORD ABSTRACTS	17	45	73	26	78	38	94	72	24	63	530	569	544
BAD DEBTS	0	0	0	0	0	-1	-1	0	0	-21	-23	-1	-20
UNDISCOUNTED	-1	40	-8	-23	-76	-66	2	-32	-18	-24	-206	-134	-96
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-1	40	-8	-23	-76	-66	2	-32	-18	-24	-206	-134	-96
UNDERWRITING EXPENSES	\$398	\$352	\$467	\$433	\$578	\$521	\$515	\$559	\$494	\$568	\$4,885	\$5,696	\$4,939
NET UNDERWRITING GAIN (LOSS)	\$109	-\$187	\$601	\$109	-\$1,034	-\$27	-\$77	\$2,373	\$6	\$786	\$2,659	\$2,944	-\$2,897
ADMINISTRATIVE EXPENSES	35	34	36	28	41	39	41	41	34	96	425	483	518
PREMIUM FINANCE FEE	0	0	-1	-1	-1	-1	0	-1	-1	-1	-7	-5	-10
INVESTMENT INCOME	11	8	5	5	5	8	7	8	11	15	83	103	57
OPERATING RESULTS	\$85	-\$213	\$569	\$85	-\$1,071	-\$59	-\$111	\$2,339	-\$18	\$704	\$2,310	\$2,559	-\$3,368
AVERAGE YTD OPERATING RESULT	\$85	-\$64	\$147	\$132	-\$109	-\$101	-\$102	\$203	\$178	\$231	\$231	\$213	-\$281
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	3.8%	19.3%	-37.0%	-3.3%	14.4%	-4.8%	-2.5%	-109.9%	-4.2%	-16.5%	-15.5%	-13.5%	12.7%
Current Accident Year	71.0%	71.4%	83.8%	75.9%	107.1%	81.6%	82.7%	84.3%	82.8%	62.1%	80.2%	80.1%	78.0%
All Accident Years Combined	74.8%	90.7%	46.8%	72.6%	121.5%	76.8%	80.2%	-25.6%	78.6%	45.6%	64.7%	66.6%	90.7%
Underwriting & Admin Exp.(Earned)	21.6%	21.6%	25.1%	23.4%	29.1%	26.4%	25.2%	25.7%	22.6%	26.7%	24.8%	23.9%	24.8%
COMBINED OPERATING RATIO	96.4%	112.3%	71.9%	96.0%	150.6%	103.2%	105.4%	0.1%	101.2%	72.3%	89.5%	90.5%	115.5%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - NEWFOUNDLAND & LABRADOR
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$2,024	\$2,287	\$2,277	\$2,979	\$3,246	\$3,414	\$3,415	\$3,200	\$3,541	\$3,015	\$29,398	\$33,529	\$28,045
CHANGE IN UNEARNED PREMIUMS	396	-122	152	-583	-698	-895	-680	-433	-755	-159	-3,777	-2,422	642
NET PREMIUMS EARNED	\$2,420	\$2,165	\$2,429	\$2,396	\$2,548	\$2,519	\$2,735	\$2,767	\$2,786	\$2,856	\$25,621	\$31,107	\$28,687
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	36	40	950	-3	915	-3	0	1,678	0	812	4,425	4,427	-3,465
EFFECT OF DISCOUNTING	-152	-36	455	-53	377	-80	-103	195	-113	-148	342	154	-1,641
DISCOUNTED	-116	4	1,405	-56	1,292	-83	-103	1,873	-113	664	4,767	4,581	-5,106
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	1,932	1,757	1,724	1,857	2,049	1,969	2,132	2,284	2,189	3,358	21,251	25,820	23,441
EFFECT OF DISCOUNTING	88	72	94	81	140	88	112	123	111	154	1,063	1,271	830
DISCOUNTED	2,020	1,829	1,818	1,938	2,189	2,057	2,244	2,407	2,300	3,512	22,314	27,091	24,271
CLAIMS INCURRED	\$1,904	\$1,833	\$3,223	\$1,882	\$3,481	\$1,974	\$2,141	\$4,280	\$2,187	\$4,176	\$27,081	\$31,672	\$19,165
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	202	229	229	298	354	341	342	320	354	301	2,970	3,384	2,893
AGENTS COMMISSIONS	187	198	221	278	306	323	326	314	333	281	2,767	3,164	2,655
DRIVER RECORD ABSTRACTS	7	40	73	15	51	24	77	124	18	61	490	506	509
BAD DEBTS	-2	-1	-2	-1	-2	-1	-2	-2	-10	83	60	-24	-28
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	39	-2	11	-54	-65	-81	-65	-45	-67	-24	-353	-226	-284
EFFECT OF DISCOUNTING	-12	-3	-258	0	35	-20	-15	0	0	0	-273	-273	-378
DISCOUNTED	27	-5	-247	-54	-30	-101	-80	-45	-67	-24	-626	-499	-662
UNDERWRITING EXPENSES	\$421	\$461	\$274	\$536	\$679	\$586	\$663	\$711	\$628	\$702	\$5,661	\$6,531	\$5,367
NET UNDERWRITING GAIN (LOSS)	\$95	-\$129	-\$1,068	-\$22	-\$1,612	-\$41	-\$69	-\$2,224	-\$29	-\$2,022	-\$7,121	-\$7,096	\$4,155
ADMINISTRATIVE EXPENSES	35	55	39	38	41	45	54	47	47	113	514	569	634
PREMIUM FINANCE FEE	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-10	-12
INVESTMENT INCOME	15	10	8	8	10	10	11	9	15	22	118	148	84
OPERATING RESULTS	\$74	-\$175	-\$1,100	-\$53	-\$1,644	-\$77	-\$113	-\$2,263	-\$62	-\$2,114	-\$7,527	-\$7,527	\$3,593
AVERAGE YTD OPERATING RESULT	\$74	-\$51	-\$400	-\$314	-\$580	-\$496	-\$441	-\$669	-\$601	-\$753	-\$753	-\$627	\$299
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-4.8%	0.2%	57.8%	-2.3%	50.7%	-3.3%	-3.8%	67.7%	-4.1%	23.2%	18.6%	14.7%	-17.8%
Current Accident Year	83.5%	84.5%	74.8%	80.9%	85.9%	81.7%	82.0%	87.0%	82.6%	123.0%	87.1%	87.1%	84.6%
All Accident Years Combined	78.7%	84.7%	132.6%	78.6%	136.6%	78.4%	78.2%	154.7%	78.5%	146.2%	105.7%	101.8%	66.8%
Underwriting & Admin Exp.(Earned)	18.8%	23.8%	12.9%	24.0%	28.3%	25.0%	26.2%	27.4%	24.2%	28.5%	24.1%	22.8%	20.9%
COMBINED OPERATING RATIO	97.5%	108.5%	145.5%	102.6%	164.9%	103.4%	104.4%	182.1%	102.7%	174.7%	129.8%	124.6%	87.7%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - YUKON
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$104	\$58	\$105	\$142	\$407	\$259	\$227	\$160	\$129	\$160	\$1,751	\$2,059	\$1,860
CHANGE IN UNEARNED PREMIUMS	53	82	51	1	-246	-105	-52	13	42	35	-126	-108	-23
NET PREMIUMS EARNED	\$157	\$140	\$156	\$143	\$161	\$154	\$175	\$173	\$171	\$195	\$1,625	\$1,951	\$1,837
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	0	-12	240	-1	146	1	-1	-126	0	0	247	246	213
EFFECT OF DISCOUNTING	18	-2	42	-18	32	-2	-4	-9	-4	-14	39	34	-132
DISCOUNTED	18	-14	282	-19	178	-1	-5	-135	-4	-14	286	280	81
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	96	87	96	86	95	94	110	118	106	80	968	1,162	1,261
EFFECT OF DISCOUNTING	5	5	6	4	6	9	5	10	2	6	58	66	42
DISCOUNTED	101	92	102	90	101	103	115	128	108	86	1,026	1,228	1,303
CLAIMS INCURRED	\$119	\$78	\$384	\$71	\$279	\$102	\$110	-\$7	\$104	\$72	\$1,312	\$1,508	\$1,384
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	10	6	10	14	41	26	23	16	13	16	175	207	185
AGENTS COMMISSIONS	9	6	9	15	34	21	19	15	12	15	155	181	164
DRIVER RECORD ABSTRACTS	2	1	3	2	2	1	1	1	1	1	15	21	15
BAD DEBTS	0	0	0	0	0	0	0	0	-1	-20	-21	-2	-2
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	5	6	5	-1	-21	-8	-3	0	3	4	-10	-9	-1
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	5	6	5	-1	-21	-8	-3	0	3	4	-10	-9	-1
UNDERWRITING EXPENSES	\$26	\$19	\$27	\$30	\$56	\$40	\$40	\$32	\$28	\$16	\$314	\$398	\$361
NET UNDERWRITING GAIN (LOSS)	\$12	\$43	-\$255	\$42	-\$174	\$12	\$25	\$148	\$39	\$107	-\$1	\$45	\$92
ADMINISTRATIVE EXPENSES	4	4	5	6	14	7	4	11	6	8	69	72	83
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	1	0	1	1	0	1	1	6	8	4
OPERATING RESULTS	\$9	\$39	-\$260	\$37	-\$188	\$6	\$22	\$137	\$34	\$100	-\$64	-\$19	\$13
AVERAGE YTD OPERATING RESULT	\$9	\$24	-\$71	-\$44	-\$73	-\$60	-\$48	-\$25	-\$18	-\$6	-\$6	-\$2	\$1
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	11.5%	-10.0%	180.8%	-13.3%	110.6%	-0.6%	-2.9%	-78.0%	-2.3%	-7.2%	17.6%	14.4%	4.4%
Current Accident Year	64.3%	65.7%	65.4%	62.9%	62.7%	66.9%	65.7%	74.0%	63.2%	44.1%	63.1%	62.9%	70.9%
All Accident Years Combined	75.8%	55.7%	246.2%	49.6%	173.3%	66.3%	62.8%	-4.0%	60.9%	36.9%	80.7%	77.3%	75.3%
Underwriting & Admin Exp.(Earned)	19.1%	16.4%	20.5%	25.2%	43.5%	30.5%	25.1%	24.9%	19.9%	12.3%	23.6%	24.1%	24.2%
COMBINED OPERATING RATIO	94.9%	72.1%	266.7%	74.8%	216.8%	96.8%	87.9%	20.9%	80.8%	49.2%	104.3%	101.4%	99.5%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - NWT
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$352	\$236	\$399	\$529	\$452	\$228	\$300	\$353	\$358	\$251	\$3,458	\$4,119	\$4,308
CHANGE IN UNEARNED PREMIUMS	19	79	-45	-167	-87	120	52	-18	7	79	39	32	51
NET PREMIUMS EARNED	\$371	\$315	\$354	\$362	\$365	\$348	\$352	\$335	\$365	\$330	\$3,497	\$4,151	\$4,359
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	4	-100	-191	-2	-173	0	0	-495	-1	-83	-1,041	-1,040	-685
EFFECT OF DISCOUNTING	15	-3	19	-7	25	-3	-4	-43	-8	-10	-19	-22	-250
DISCOUNTED	19	-103	-172	-9	-148	-3	-4	-538	-9	-93	-1,060	-1,062	-935
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	193	177	193	206	242	191	194	242	221	255	2,114	2,518	2,399
EFFECT OF DISCOUNTING	10	0	8	12	9	11	13	20	8	11	102	122	77
DISCOUNTED	203	177	201	218	251	202	207	262	229	266	2,216	2,640	2,476
CLAIMS INCURRED	\$222	\$74	\$29	\$209	\$103	\$199	\$203	-\$276	\$220	\$173	\$1,156	\$1,578	\$1,541
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	35	24	40	53	45	23	30	35	36	25	346	411	432
AGENTS COMMISSIONS	33	25	39	48	39	25	29	34	36	27	335	399	426
DRIVER RECORD ABSTRACTS	7	6	4	1	8	9	6	7	4	4	56	66	70
BAD DEBTS	-1	0	1	0	0	0	0	0	0	-15	-15	0	-10
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	1	8	-4	-15	-6	11	5	-2	0	8	6	4	7
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	1	8	-4	-15	-6	11	5	-2	0	8	6	4	7
UNDERWRITING EXPENSES	\$75	\$63	\$80	\$87	\$86	\$68	\$70	\$74	\$76	\$49	\$728	\$880	\$925
NET UNDERWRITING GAIN (LOSS)	\$74	\$178	\$245	\$66	\$176	\$81	\$79	\$537	\$69	\$108	\$1,613	\$1,693	\$1,893
ADMINISTRATIVE EXPENSES	7	8	9	10	13	5	5	14	9	13	93	102	128
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	1	1	1	1	1	1	1	3	1	2	13	13	7
OPERATING RESULTS	\$68	\$171	\$237	\$57	\$164	\$77	\$75	\$526	\$61	\$97	\$1,533	\$1,603	\$1,772
AVERAGE YTD OPERATING RESULT	\$68	\$120	\$159	\$133	\$139	\$129	\$121	\$172	\$160	\$153	\$153	\$134	\$148
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	5.1%	-32.7%	-48.6%	-2.5%	-40.5%	-0.9%	-1.1%	-160.6%	-2.5%	-28.2%	-30.3%	-25.6%	-21.4%
Current Accident Year	54.7%	56.2%	56.8%	60.2%	68.8%	58.0%	58.8%	78.2%	62.7%	80.6%	63.4%	63.6%	56.8%
All Accident Years Combined	59.8%	23.5%	8.2%	57.7%	28.3%	57.1%	57.7%	-82.4%	60.2%	52.4%	33.1%	38.0%	35.4%
Underwriting & Admin Exp.(Earned)	22.1%	22.5%	25.1%	26.8%	27.1%	21.0%	21.3%	26.3%	23.3%	18.8%	23.5%	23.7%	24.2%
COMBINED OPERATING RATIO	81.9%	46.0%	33.3%	84.5%	55.4%	78.1%	79.0%	-56.1%	83.5%	71.2%	56.6%	61.7%	59.6%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019
FACILITY ASSOCIATION RESIDUAL MARKET - NUNAVUT
Operating Results for the 10 months ended October 31, 2019 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2019
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2019 YTD	CY2019 12 Months Updated Projections	CY2018 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$37	\$85	\$41	\$54	\$56	\$44	\$178	\$79	\$145	\$108	\$827	\$967	\$943
CHANGE IN UNEARNED PREMIUMS	48	-8	44	31	29	37	-98	2	-58	-28	-1	14	52
NET PREMIUMS EARNED	\$85	\$77	\$85	\$85	\$85	\$81	\$80	\$81	\$87	\$80	\$826	\$981	\$995
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	4	-41	83	0	105	1	0	-250	0	-17	-115	-115	-413
EFFECT OF DISCOUNTING	3	-1	10	0	26	0	-2	-28	0	-2	6	6	-44
DISCOUNTED	7	-42	93	0	131	1	-2	-278	0	-19	-109	-109	-457
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	39	34	36	38	43	38	38	24	37	8	335	400	487
EFFECT OF DISCOUNTING	1	2	1	3	4	2	1	1	3	-2	16	20	20
DISCOUNTED	40	36	37	41	47	40	39	25	40	6	351	420	507
CLAIMS INCURRED	\$47	-\$6	\$130	\$41	\$178	\$41	\$37	-\$253	\$40	-\$13	\$242	\$311	\$50
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	4	9	4	5	5	4	18	8	15	11	83	97	93
AGENTS COMMISSIONS	4	6	4	3	5	5	13	7	13	9	69	82	84
DRIVER RECORD ABSTRACTS	0	0	1	0	1	0	1	1	1	1	6	9	8
BAD DEBTS	0	0	0	0	0	0	0	0	0	1	1	0	-21
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	4	0	3	3	2	4	-8	-1	-4	-3	0	2	5
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	4	0	3	3	2	4	-8	-1	-4	-3	0	2	5
UNDERWRITING EXPENSES	\$12	\$15	\$12	\$11	\$13	\$13	\$24	\$15	\$25	\$19	\$159	\$190	\$169
NET UNDERWRITING GAIN (LOSS)	\$26	\$68	-\$57	\$33	-\$106	\$27	\$19	\$319	\$22	\$74	\$425	\$480	\$776
ADMINISTRATIVE EXPENSES	3	5	4	5	9	4	4	10	6	5	55	53	63
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	0	0	0	1	1	0	0	3	5	2
OPERATING RESULTS	\$24	\$63	-\$61	\$28	-\$115	\$23	\$16	\$310	\$16	\$69	\$373	\$432	\$715
AVERAGE YTD OPERATING RESULT	\$24	\$44	\$9	\$14	-\$12	-\$6	-\$3	\$36	\$34	\$37	\$37	\$36	\$60
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	8.2%	-54.5%	109.4%	0.0%	154.1%	1.2%	-2.5%	-343.2%	0.0%	-23.8%	-13.2%	-11.1%	-45.9%
Current Accident Year	47.1%	46.8%	43.5%	48.2%	55.3%	49.4%	48.8%	30.9%	46.0%	7.5%	42.5%	42.8%	51.0%
All Accident Years Combined	55.3%	-7.7%	152.9%	48.2%	209.4%	50.6%	46.3%	-312.3%	46.0%	-16.3%	29.3%	31.7%	5.1%
Underwriting & Admin Exp.(Earned)	17.6%	26.0%	18.8%	18.8%	25.9%	21.0%	35.0%	30.9%	35.6%	30.0%	25.9%	24.8%	23.3%
COMBINED OPERATING RATIO	72.9%	18.3%	171.7%	67.0%	235.3%	71.6%	81.3%	-281.4%	81.6%	13.7%	55.2%	56.5%	28.4%

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