

**TO:** MEMBERS OF THE FACILITY ASSOCIATION

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

**BULLETIN NO.:** F19 – 098

**DATE:** DECEMBER 23, 2019

**SUBJECT:** ALBERTA RISK SHARING POOLS  
– NOVEMBER 2019 OPERATIONAL REPORT

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

Please be advised that the November 2019 Alberta Risk Sharing Pools Operational Reports are available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

### Key Points

- (a) the Alberta Grid RSP transfer counts and premium for the month were generally as projected, but the transfer counts and premium for the Non-Grid RSP were lower than projected (counts increased 28% vs projection of 52%; premium increased 40% vs projection of 59%);
- (b) the *Alberta Grid 2019 year-to-date net operating deficit is \$16 million* with the addition of \$4.2 million in deficit generated in November, resulting in a year-to-date COR of 109.9% on earned premium of \$163 million;
- (c) the *Alberta Non-Grid 2019 year-to-date net operating deficit is \$24 million* with the addition of \$5 million in deficit generated in November, resulting in a year-to-date COR of 122.3% on earned premium of \$105 million;
- (d) the *projected Alberta Grid 2019 year-end net operating deficit is \$19 million*, with a COR at 110.7% on earned premium of \$180 million (our Outlook for 2019 was \$38 million of net operating deficit with a COR of 124.2% on earned premium of \$158 million); and
- (e) the *projected Alberta Non-Grid 2019 year-end net operating deficit is \$29 million*, with a COR at 124.6% on earned premium of \$116 million (our Outlook for 2019 was \$63 million of net operating deficit with a COR of 150.6% on earned premium of \$125 million).

### Alberta Grid RSP - Summary of Financial Results

The calendar year-to-date Operating Result is -\$16.1 million and the incurred loss ratio to the end

**Bulletin F19-098**  
**Alberta Risk Sharing Pools – November 2019 Operational Reports**

---

of 11 months is 72.6%, as summarized in the table below.

*AB-G RSP Summary of **Financial Results** (for month and year-to-date)*

<b>Amounts in \$000s</b>	<b>November 2019</b>	November 2018	<b>Year to date Nov 2019</b>	Year to Date Nov 2018
Premium Written	17,701	14,797	190,546	146,033
Premium Earned	16,452	13,160	162,958	147,782
Incurred Losses	14,157	11,900	118,304	131,295
Underwriting & Admin Expense	6,478	4,273	60,750	46,571
<b>Operating Result</b>	<b>(4,183)</b>	<b>(3,013)</b>	<b>(16,096)</b>	<b>(30,084)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - <i>Prior Accident Years</i>	<b>(3.2%)</b>	<b>(2.2%)</b>	<b>(17.8%)</b>	<b>(4.9%)</b>
- <i>Current Accident Year</i>	89.3%	92.6%	90.4%	93.7%
<i>Total</i>	<b>86.1%</b>	<b>90.4%</b>	<b>72.6%</b>	<b>88.8%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>39.4%</b>	<b>32.5%</b>	<b>37.3%</b>	<b>31.5%</b>
<b>Combined Operating Ratio</b>	<b>125.5%</b>	<b>122.9%</b>	<b>109.9%</b>	<b>120.3%</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 2019 for Risk Sharing Pool - Alberta Grid” attached to this bulletin.

*Updated Projection to Year-end 2019 (Alberta Grid RSP)*

The projected calendar year Operating Result to December 2019 is -\$19.4 million and the estimated combined operating ratio to December 2019 is 110.7%, as summarized in the table at the top of the next page for the Alberta Grid RSP. This updated projection to the end of the year has not changed much from the projection provided last month (see the second and third columns in the table).

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

<b>AB Grid RSP 2019 Yr-end Projection</b> Amounts in \$000s	<b>Current</b> (Nov 2019)	Prior Mth (Oct 2019)	<b>Change</b>	Final 2019 Outlook*
Premium Written	205,740	205,995	(255)	158,031
Premium Earned	180,470	180,772	(302)	158,085
Incurred Losses	133,383	133,650	(267)	144,374
Underwriting & Admin Expense	66,444	66,551	(107)	51,933
<b>Net Result from Operations</b>	<b>(19,357)</b>	<b>(19,429)</b>	<b>72</b>	<b>(38,222)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(16.4%)	(16.3%)	(0.1%)	(3.1%)
- Current Accident Year	90.3%	90.2%	0.1%	94.4%
<i>Total</i>	<b>73.9%</b>	<b>73.9%</b>	-	<b>91.3%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>36.8%</b>	<b>36.8%</b>	-	<b>32.9%</b>
<b>Combined Operating Ratio</b>	<b>110.7%</b>	<b>110.7%</b>	-	<b>124.2%</b>

rounding differences may occur

\*as posted to FA's website Oct. 18, 2018

#### Current Month Results (Alberta Grid RSP)

The Alberta Grid Risk Sharing Pool produced a -\$4.2 million Operating Result in the month of November 2019, a deterioration of \$1.2 million compared with the same month last year. This deterioration is composed of a \$0.8 million unfavourable impact associated with the \$3.3 million increase in earned premium (at a combined ratio of 122.9%), and a \$0.4 million unfavourable impact from the overall increase in the combined ratio (from 122.9% to 125.5% applied to \$16.5 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 108.1% at the end of 10 months to 109.9% at the end of 11 months. The 1.8 percentage point increase is composed of a 1.6 percentage point increase in the Prior Accident Year loss ratio and a 0.3 percentage point increase in the expense ratio, offset by a 0.1 percentage point decrease in the Current Accident Years loss ratio.

#### Variations from Projections (Alberta Grid RSP)

The table at the top of the next page provides a summary of key components of the operating results compared to the estimates projected last month.

*Alberta Grid RSP Summary of Actual vs Projected variances*

November 2019	Actual	Projection	Difference	Difference %
Written Premium	17,701	17,956	(255)	(1.4%)
Earned Premium	16,452	16,727	(275)	(1.6%)
Reported Losses				
Paid Losses	10,246	9,378	868	9.3%
Paid Expenses	382	850	(468)	(55.1%)
Change in Outstanding Losses	1,602	2,682	(1,080)	(40.3%)
<b>Total Reported Losses</b>	<b>12,230</b>	<b>12,910</b>	<b>(680)</b>	<b>(5.3%)</b>
Change in IBNR Provision*	1,927	1,525	402	
Change in Premium Deficiency (DPAC)*	741	761	(20)	

*(Amounts in \$000's)**rounding differences may occur*

\*Detailed information is included in [Alberta Grid RSP November 2019 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 November 2019, reported losses were \$0.7 million lower than projected. The Current Accident Year had a \$0.5 million favourable variance in reported losses, while the Prior Accident Years had a \$0.2 million favourable variance. No single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for some specific individual Prior Accident Years for the month. Management investigated claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. All other variances were within the set thresholds for the month.

*Booking IBNR*

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Grid RSP November 2019 Operational Report – Actuarial Highlights](#).

**Effect of Quarterly Valuation (Alberta Grid RSP)**

The November 2019 Alberta Grid Risk Sharing Pool Operational Report does not reflect the results of an updated valuation (the most recent valuation is as at September 30, 2019). The

actuarial valuation will be updated next as at December 31, 2019 and we anticipate that the results will be reflected in the March 2020 Operational Report.

### **Alberta Non-Grid RSP - Summary of Financial Results**

The calendar year-to-date Operating Result is -\$23.5 million and the incurred loss ratio to the end of 11 months is 86.6%, as summarized in the table below.

#### *AB-N RSP Summary of Financial Results (for month and year-to-date)*

<b>Amounts in \$000s</b>	<b>November 2019</b>	November 2018	<b>Year to date Nov 2019</b>	Year to Date Nov 2018
Premium Written	11,561	8,253	112,791	106,145
Premium Earned	9,808	9,425	105,307	96,963
Incurred Losses	10,193	10,302	91,206	89,737
Underwriting & Admin Expense	4,484	2,175	37,627	34,114
<b>Operating Result</b>	<b>(4,869)</b>	<b>(3,052)</b>	<b>(23,526)</b>	<b>(26,888)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	<b>(2.6%)</b>	<b>(2.4%)</b>	<b>(23.3%)</b>	<b>(20.7%)</b>
- Current Accident Year	106.5%	111.7%	109.9%	113.2%
<i>Total</i>	<b>103.9%</b>	<b>109.3%</b>	<b>86.6%</b>	<b>92.5%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>45.7%</b>	<b>23.1%</b>	<b>35.7%</b>	<b>35.2%</b>
<i>Combined Operating Ratio</i>	<b>149.6%</b>	<b>132.4%</b>	<b>122.3%</b>	<b>127.7%</b>

*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 2 “Summary of Operations for Calendar Year 2019 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

#### *Updated Projection to Year-end 2019 (Alberta Non-Grid RSP)*

The projected calendar year Operating Result to December 2019 is -\$28.6 million and the estimated combined operating ratio to December 2019 is 124.6%, as summarized in the table at the top of the next page for Alberta Non-Grid RSP. This updated projection to the end of the year has improved by \$0.7 million from the projection provided last month (see the second and third columns in the table). This improvement is driven by the \$1.6 million increase in the projected written premium for the year and the associated impacts on earned premium, claims, and expense projections.

Alberta Non-Grid RSP Summary of **Projected Year-end Financial Results** (current month's projection, prior month's projection, and Outlook posted last fall)

<b>AB Non-Grid RSP 2019 Yr-end Proj.</b> Amounts in \$000s	<b>Current</b> (Nov 2019)	Prior Mth (Oct 2019)	<b>Change</b>	Final 2019 Outlook*
Premium Written	125,162	126,715	(1,553)	141,592
Premium Earned	115,952	116,245	(293)	124,625
Incurred Losses	102,286	102,526	(240)	137,538
Underwriting & Admin Expense	42,234	42,937	(703)	50,104
<b>Net Result from Operations</b>	<b>(28,568)</b>	<b>(29,218)</b>	<b>650</b>	<b>(63,017)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(21.5%)	(21.4%)	(0.1%)	(2.6%)
- Current Accident Year	109.7%	109.6%	0.1%	113.0%
<i>Total</i>	<b>88.2%</b>	<b>88.2%</b>	-	<b>110.4%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>36.4%</b>	<b>36.9%</b>	<b>(0.5%)</b>	<b>40.2%</b>
<b>Combined Operating Ratio</b>	<b>124.6%</b>	<b>125.1%</b>	<b>(0.5%)</b>	<b>150.6%</b>

rounding differences may occur

\*as posted to FA's website Oct. 18, 2018

#### Current month results (Alberta Non-Grid RSP)

The Alberta Non-Grid Risk Sharing Pool produced a -\$4.9 million Operating Result in the month of November 2019, a deterioration of \$1.8 million compared with the same month last year. This deterioration is composed of a \$0.1 million unfavourable impact associated with the \$0.4 million increase in earned premium (at a combined ratio of 132.4%), and a \$1.7 million unfavourable impact stemming from the overall increase in the combined ratio (from 132.4% to 149.6% applied to \$9.8 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 119.5% at the end of 10 months to 122.3% at the end of 11 months. The 2.8 percentage point increase is composed of a 2.2 percentage point increase in the Prior Accident loss ratio, and a 1.0 percentage point increase in the expense loss ratio, offset by a 0.4 percentage point decrease in the Current Accident Years loss ratio.

#### Variances from Projections (Alberta Non-Grid RSP)

The table at the top of the next page provides a summary of key components of the operating results as compared to the estimates projected last month.

**Bulletin F19-098**  
**Alberta Risk Sharing Pools – November 2019 Operational Reports**

---

*Alberta Non-Grid RSP Summary of Actual vs Projected variances*

November 2019	Actual	Projection	Difference	Difference %
Written Premium	11,561	13,122	(1,561)	(11.9%)
Earned Premium	9,808	10,095	(287)	(2.8%)
Reported Losses				
Paid Losses	8,119	8,243	(124)	(1.5%)
Paid Expenses	210	295	(85)	(28.8%)
Change in Outstanding Losses	2,980	(502)	3,482	(693.6%)
<b>Total Reported Losses</b>	<b>11,309</b>	<b>8,036</b>	<b>3,273</b>	<b>40.7%</b>
Change in IBNR Provision*	(1,116)	2,431	(3,547)	
Change in Premium Deficiency (DPAC)*	655	860	(205)	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Alberta Non-Grid RSP November 2019 Operational Report - Actuarial Highlights](#).

As discussed in relation to the Alberta Grid RSP, 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 November 2019, reported losses were \$3.3 million higher than projected. The Current Accident Year had a \$1.8 million unfavourable variance in reported losses and the Prior Accident Years had a \$1.5 million unfavourable variance. Of all the Prior Accident Years, Accident Year 2017 had the largest variance of \$1.1 unfavourable; no other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for some specific individual Prior Accident Years for the month. Management investigated claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. All other variances were within the set thresholds for the month.

**Booking IBNR**

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Non-Grid RSP November 2019 Operational Report – Actuarial Highlights](#).

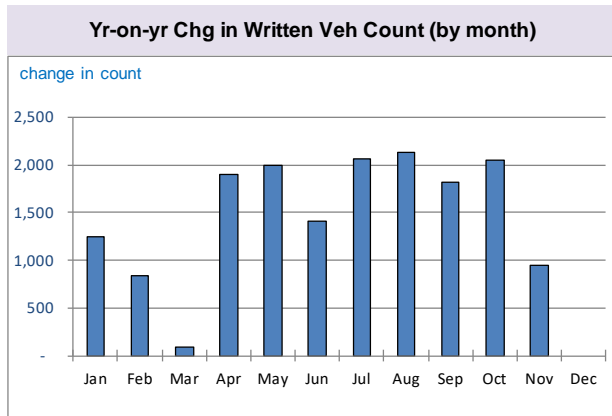
**Effect of Quarterly Valuation (AB-N RSP)**

The November 2019 Alberta Non-Grid Risk Sharing Pool Operational Report does not reflect the

results of an updated valuation (the most recent valuation is as at September 30, 2019). The actuarial valuation will be updated next as at December 31, 2019 and we anticipate that the results will be reflected in the March 2020 Operational Report.

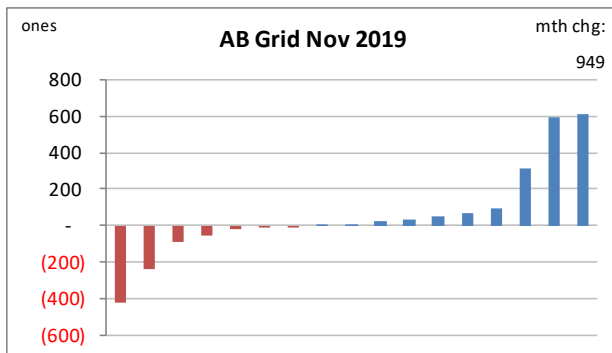
**Management Comments**

**Alberta Grid**



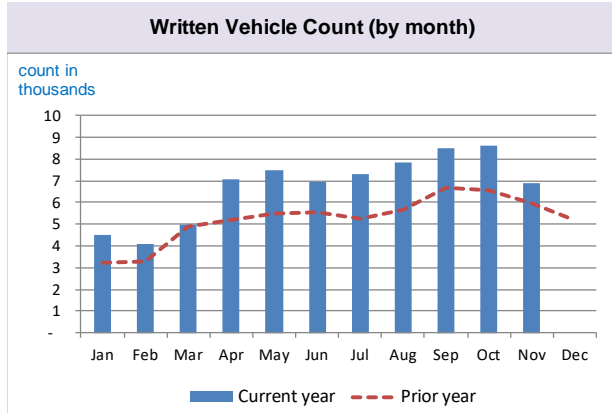
The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid RSP by month, with October showing an increase of 949 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 965 vehicles, indicating a variance of 16 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a lower number of vehicles than projected, offset by another member company group transferring a

higher number of vehicles to the RSP in November.

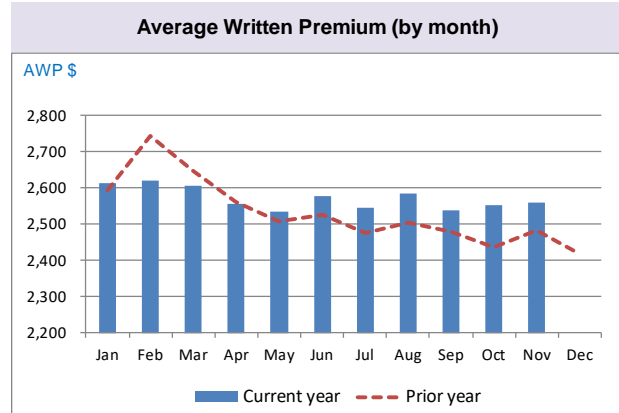




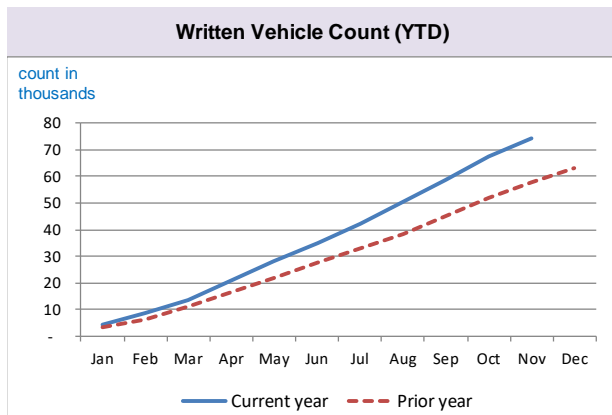
November’s vehicle count transfers to the RSP represent a 15.9% increase from November 2018, and counts were up 28.5% year-to-date. Average written premium was up 3.2% in November 2019 compared with the same month in 2018, and up 1.5% year-to-date (see charts immediately below).



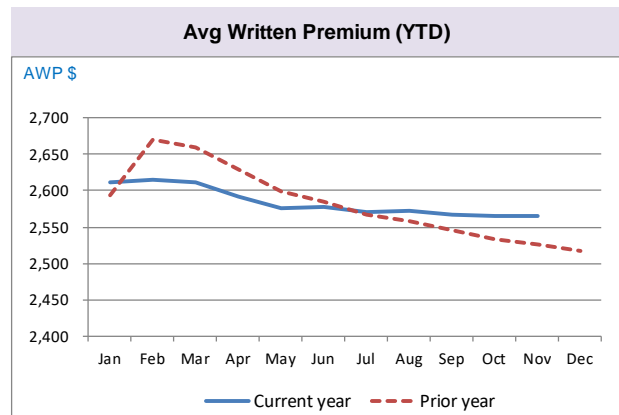
	Nov-19	Nov-18	Amt Chg	% Chg
W. Veh curr mth	6,911	5,962	949	15.9%



	Nov-19	Nov-18	Amt Chg	% Chg
AWP curr mth	2,561	2,482	79	3.2%

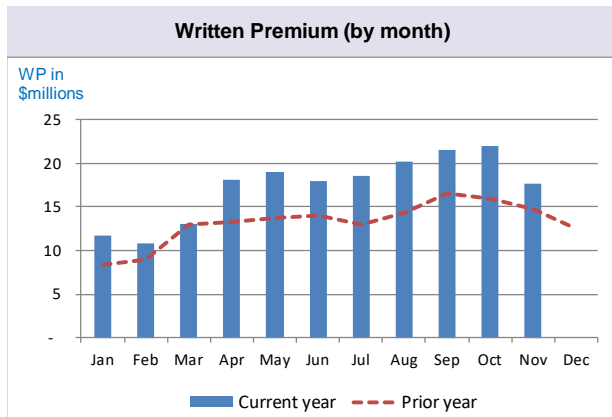


	Nov-19	Nov-18	Amt Chg	% Chg
W. Vehicles YTD	74,263	57,781	16,481	28.5%

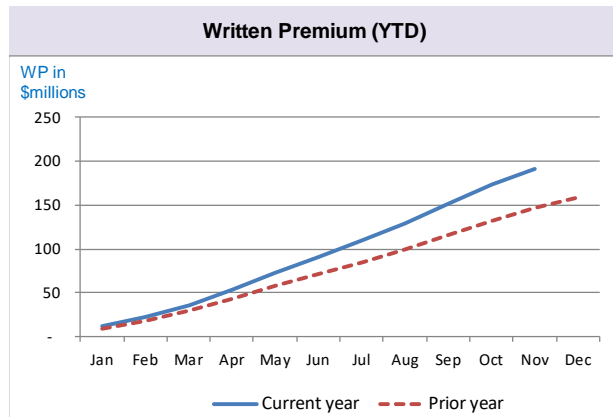


	Nov-19	Nov-18	Amt Chg	% Chg
Avg W. Prem YTD	2,566	2,527	39	1.5%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 19.6% for the month compared with the 21.3% increase we projected last month, and was up 30.5% year-to-date (see charts at the top of the next page).



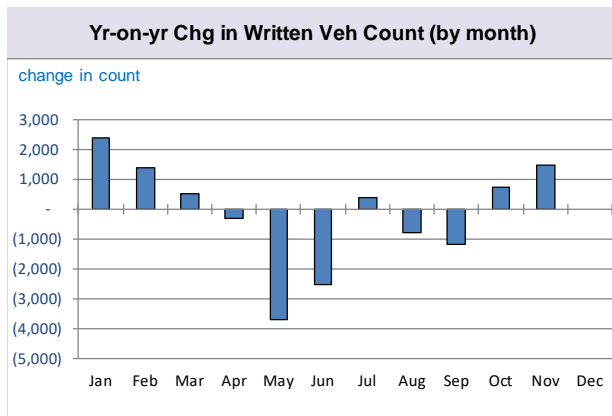
	Nov-19	Nov-18	Amt Chg	% Chg
WP (\$000s) curr mth	17,701	14,797	2,903	19.6%



	Nov-19	Nov-18	Amt Chg	% Chg
WP (\$000s) YTD	190,545	146,033	44,512	30.5%

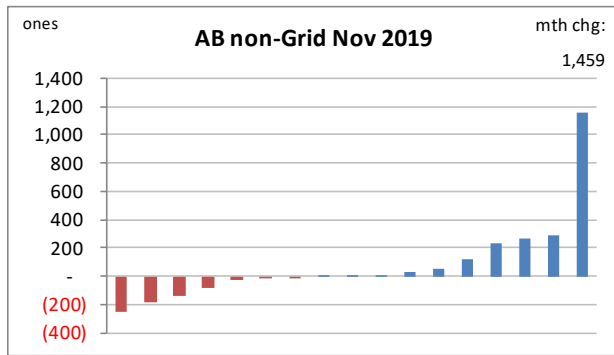
**Alberta Non-Grid**

For the Alberta Non-Grid RSP, the transfer limit is 4.0% of Non-Grid 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 2019 vehicle count up 1.0% from 2018, being 2.7% of the 2018 industry private passenger vehicle count (including farmers). 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.



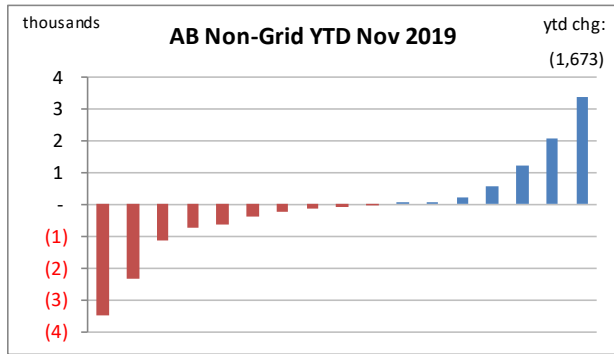
projected.

The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid RSP by month, with November showing an increase of 1,459 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 2,738 vehicles, indicating a variance of 1,279 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a higher number of vehicles to the RSP in November than



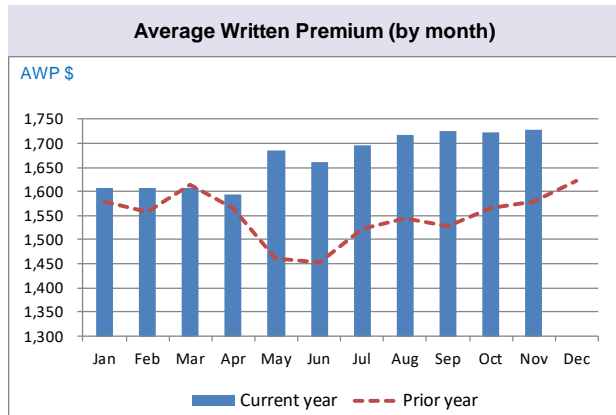
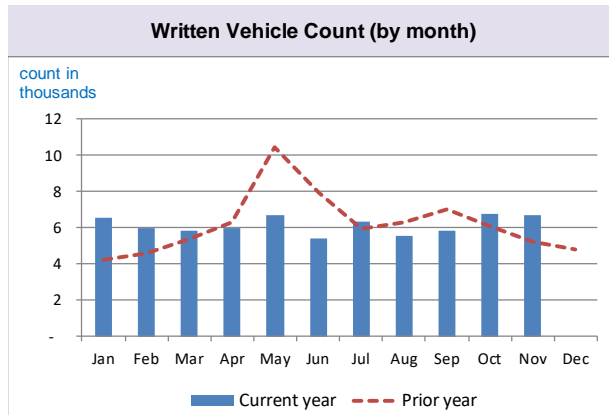
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Seven member company groups transferred fewer vehicles to the RSP this month compared to a year ago, while ten transferred more. Of the 7 member company groups transferring fewer vehicles, 1 member company

group accounted for 36% of the total transfer decrease for these “decliner” members. Of the 10 member company groups transferring more vehicles, 1 member company group accounted for 54% of the total transfers increase for these “grower” members.



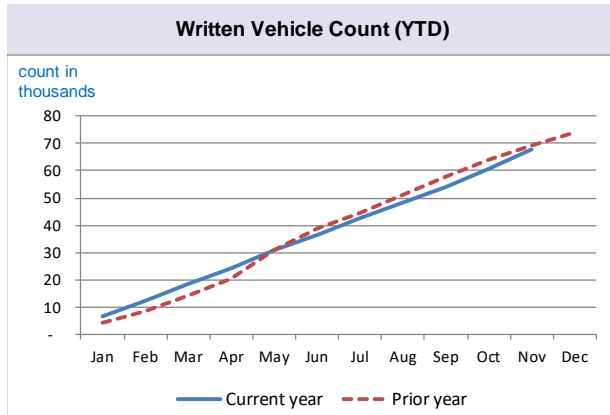
The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

November’s vehicle count transfers to the RSP represent a 27.9% increase from November 2018, while counts were down 2.4% year-to-date. Average written premium was up 9.6% in November 2019 compared with the same month in 2018, and were up 8.9% year-to-date (see charts immediately below and at the top of the next page).

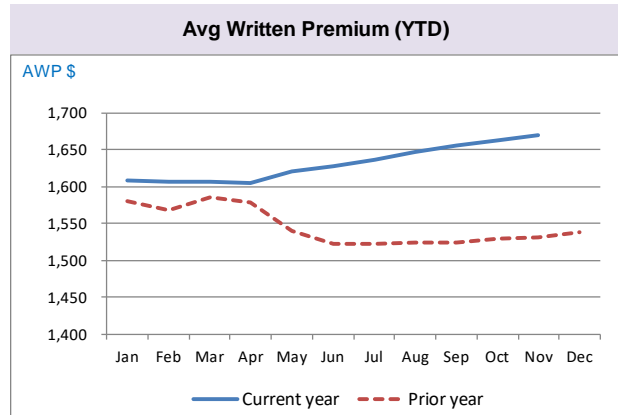


	Nov-19	Nov-18	Amt Chg	% Chg
W. Veh curr mth	6,687	5,228	1,459	27.9%

	Nov-19	Nov-18	Amt Chg	% Chg
AWP curr mth	1,729	1,578	151	9.6%

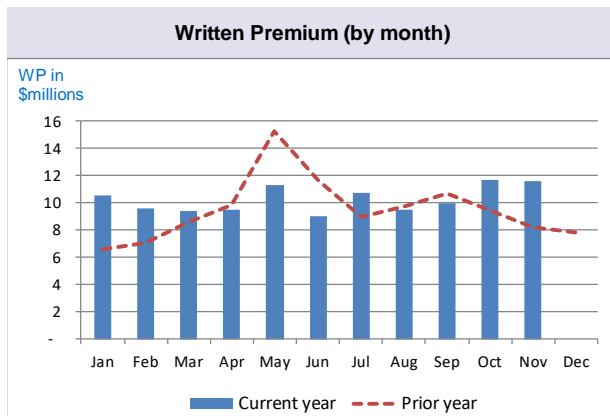


	Nov-19	Nov-18	Amt Chg	% Chg
W. Vehicles YTD	67,590	69,263	(1,673)	-2.4%

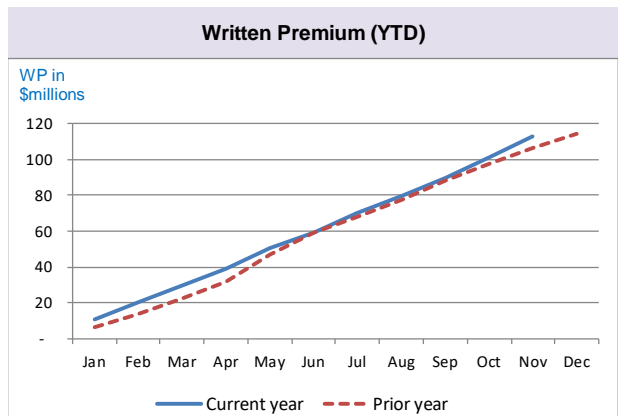


	Nov-19	Nov-18	Amt Chg	% Chg
Avg W. Prem YTD	1,669	1,532	137	8.9%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 40.1% for the month compared with the 59.0% increase we projected last month, and was up 6.3% year-to-date (see charts immediately below).



	Nov-19	Nov-18	Amt Chg	% Chg
WP (\$000s) curr mth	11,561	8,253	3,308	40.1%



	Nov-19	Nov-18	Amt Chg	% Chg
WP (\$000s) YTD	112,790	106,145	6,645	6.3%

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

Saskia Matheson  
President & CEO

**Bulletin F19-098**

**Alberta Risk Sharing Pools – November 2019 Operational Reports**

---

**Related Links:**

Alberta Grid RSP:

[Alberta Grid RSP November 2019 Operational Report - Actuarial Highlights](#)

Alberta Non-Grid RSP:

[Alberta Non-Grid RSP November 2019 Operational Report - Actuarial Highlights](#)

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2019**

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 11 Months Ended November 30, 2019 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	October	November	CY2019 YTD	CY2019 12 MONTHS Updated Projection	CY2018 12 MONTHS Actual
<b>Underwriting Revenue:</b>														
Net Premiums Written	\$11,700	\$10,771	\$13,009	\$18,131	\$18,933	\$17,983	\$18,582	\$20,204	\$21,572	\$21,960	\$17,701	\$190,546	\$205,740	\$158,547
Decrease (Increase) in Unearned Premiums	1,935	1,482	893	(4,247)	(3,980)	(3,986)	(3,159)	(4,271)	(5,805)	(5,201)	(1,249)	(27,588)	(25,270)	3,021
<b>Net Premiums Earned</b>	<b>\$13,635</b>	<b>\$12,253</b>	<b>\$13,902</b>	<b>\$13,884</b>	<b>\$14,953</b>	<b>\$13,997</b>	<b>\$15,423</b>	<b>\$15,933</b>	<b>\$15,767</b>	<b>\$16,759</b>	<b>\$16,452</b>	<b>\$162,958</b>	<b>\$180,470</b>	<b>\$161,568</b>
<b>Claims Incurred:</b>														
Prior Accident Years:														
Undiscounted	(\$336)	(\$453)	(\$15,477)	(\$157)	\$554	(\$565)	(\$61)	(\$13,394)	(\$22)	\$829	(\$43)	(\$29,125)	(\$29,125)	\$555
Effect of Discounting	779	(315)	1,873	(506)	3,132	(567)	(437)	(1,991)	(536)	(793)	(486)	\$153	(412)	(8,142)
Discounted	\$443	(\$768)	(\$13,604)	(\$663)	\$3,686	(\$1,132)	(\$498)	(\$15,385)	(\$558)	\$36	(\$529)	(\$28,972)	(\$29,537)	(\$7,587)
Current Accident Year:														
Undiscounted	\$12,482	\$11,366	\$12,301	\$12,485	\$13,919	\$13,111	\$13,898	\$10,934	\$13,704	\$11,014	\$13,928	\$139,142	\$153,934	\$146,295
Effect of Discounting	593	484	834	565	1,403	762	829	725	808	373	758	\$8,134	8,986	4,993
Discounted	\$13,075	\$11,850	\$13,135	\$13,050	\$15,322	\$13,873	\$14,727	\$11,659	\$14,512	\$11,387	\$14,686	\$147,276	\$162,920	\$151,288
<b>Claims Incurred</b>	<b>\$13,518</b>	<b>\$11,082</b>	<b>(\$469)</b>	<b>\$12,387</b>	<b>\$19,008</b>	<b>\$12,741</b>	<b>\$14,229</b>	<b>(\$3,726)</b>	<b>\$13,954</b>	<b>\$11,423</b>	<b>\$14,157</b>	<b>\$118,304</b>	<b>\$133,383</b>	<b>\$143,701</b>
<b>Underwriting Expenses:</b>														
Expense Allowance	\$3,644	\$3,360	\$4,049	\$5,645	\$5,889	\$5,605	\$5,781	\$6,284	\$6,710	\$6,830	\$5,507	\$59,304	\$64,029	\$47,116
Change in UPDR/DPAC:														
Undiscounted	213	178	(66)	(328)	424	(251)	(146)	(2,683)	(329)	(947)	610	(3,325)	(2,216)	3,348
Effect of Discounting	(76)	(61)	703	213	1,342	254	205	209	377	462	131	3,759	3,672	(1,135)
Discounted	137	117	637	(115)	1,766	3	59	(2,474)	48	(485)	741	434	1,456	2,213
<b>Underwriting Expenses</b>	<b>\$3,781</b>	<b>\$3,477</b>	<b>\$4,686</b>	<b>\$5,530</b>	<b>\$7,655</b>	<b>\$5,608</b>	<b>\$5,840</b>	<b>\$3,810</b>	<b>\$6,758</b>	<b>\$6,345</b>	<b>\$6,248</b>	<b>\$59,738</b>	<b>65,485</b>	<b>\$49,329</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$3,664)</b>	<b>(\$2,306)</b>	<b>\$9,685</b>	<b>(\$4,033)</b>	<b>(\$11,710)</b>	<b>(\$4,352)</b>	<b>(\$4,646)</b>	<b>\$15,849</b>	<b>(\$4,945)</b>	<b>(\$1,009)</b>	<b>(\$3,953)</b>	<b>(\$15,084)</b>	<b>(\$18,398)</b>	<b>(\$31,462)</b>
<b>Administrative Expenses</b>	<b>\$69</b>	<b>\$92</b>	<b>\$61</b>	<b>\$79</b>	<b>\$79</b>	<b>\$69</b>	<b>\$92</b>	<b>\$71</b>	<b>\$77</b>	<b>\$93</b>	<b>\$230</b>	<b>\$1,012</b>	<b>\$959</b>	<b>\$1,039</b>
<b>Operating Result</b>	<b>(\$3,733)</b>	<b>(\$2,398)</b>	<b>\$9,624</b>	<b>(\$4,112)</b>	<b>(\$11,789)</b>	<b>(\$4,421)</b>	<b>(\$4,738)</b>	<b>\$15,778</b>	<b>(\$5,022)</b>	<b>(\$1,102)</b>	<b>(\$4,183)</b>	<b>(\$16,096)</b>	<b>(\$19,357)</b>	<b>(\$32,501)</b>
<b>Ratios:</b>														
<b>Claims &amp; Expenses Incurred (Earned)</b>														
Prior Accident Years	3.2%	-6.3%	-97.9%	-4.8%	24.7%	-8.1%	-3.2%	-96.6%	-3.5%	0.2%	-3.2%	-17.8%	-16.4%	-4.7%
Current Accident Year	95.9%	96.7%	94.5%	94.0%	102.5%	99.1%	95.5%	73.2%	92.0%	67.9%	89.3%	90.4%	90.3%	93.6%
All Accident Years Combined (Earned)	99.1%	90.4%	-3.4%	89.2%	127.2%	91.0%	92.3%	-23.4%	88.5%	68.1%	86.1%	72.6%	73.9%	88.9%
Underwriting & Administrative Expenses (Earned)	28.2%	29.1%	34.1%	40.4%	51.7%	40.6%	38.5%	24.4%	43.4%	38.4%	39.4%	37.3%	36.8%	31.2%
<b>Combined Operating Ratio</b>	<b>127.3%</b>	<b>119.5%</b>	<b>30.7%</b>	<b>129.6%</b>	<b>178.9%</b>	<b>131.6%</b>	<b>130.8%</b>	<b>1.0%</b>	<b>131.9%</b>	<b>106.5%</b>	<b>125.5%</b>	<b>109.9%</b>	<b>110.7%</b>	<b>120.1%</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

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2019**

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for the 11 Months Ended November 30, 2019 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

	January	February	March	April	May	June	July	August	September	October	November	CY2019 YTD	CY2019 12 MONTHS Updated Projection	CY2018 12 MONTHS Actual
<b>Underwriting Revenue:</b>														
Net Premiums Written	\$10,569	\$9,549	\$9,397	\$9,521	\$11,278	\$9,022	\$10,707	\$9,505	\$10,007	\$11,675	\$11,561	\$112,791	\$125,162	\$113,977
Decrease (Increase) in Unearned Premiums	(729)	(477)	695	(291)	(1,330)	(1,072)	(846)	448	(454)	(1,675)	(1,753)	(7,484)	(9,210)	(7,273)
<b>Net Premiums Earned</b>	<b>\$9,840</b>	<b>\$9,072</b>	<b>\$10,092</b>	<b>\$9,230</b>	<b>\$9,948</b>	<b>\$7,950</b>	<b>\$9,861</b>	<b>\$9,953</b>	<b>\$9,553</b>	<b>\$10,000</b>	<b>\$9,808</b>	<b>\$105,307</b>	<b>\$115,952</b>	<b>\$106,704</b>
<b>Claims Incurred:</b>														
Prior Accident Years:														
Undiscounted		(\$92)	(\$79)	(\$10,395)	(\$587)	(\$39)	(\$1,670)	(\$60)	(\$12,051)	(\$23)	\$954	(\$28)	(\$24,070)	(\$14,506)
Effect of Discounting		(301)	(372)	1,181	(229)	1,855	(297)	(147)	(1,525)	(135)	(228)	(491)	(810)	(5,786)
Discounted		(\$393)	(\$451)	(\$9,214)	(\$816)	\$1,816	(\$1,967)	(\$207)	(\$13,576)	(\$158)	\$661	(\$256)	(\$24,561)	(\$20,292)
Current Accident Year:														
Undiscounted	\$10,631	\$9,795	\$11,262	\$10,623	\$10,983	\$10,310	\$10,778	\$7,771	\$10,035	\$7,975	\$10,052	\$110,215	\$121,095	\$117,039
Effect of Discounting	548	409	612	417	976	498	555	238	427	475	397	5,552	6,071	3,698
Discounted	\$11,179	\$10,204	\$11,874	\$11,040	\$11,959	\$10,808	\$11,333	\$8,009	\$10,462	\$8,450	\$10,449	\$115,767	\$127,166	120,737
<b>Claims Incurred</b>	<b>\$10,786</b>	<b>\$9,753</b>	<b>\$2,660</b>	<b>\$10,224</b>	<b>\$13,775</b>	<b>\$8,841</b>	<b>\$11,126</b>	<b>(\$5,567)</b>	<b>\$10,304</b>	<b>\$9,111</b>	<b>\$10,193</b>	<b>\$91,206</b>	<b>\$102,286</b>	<b>\$100,445</b>
<b>Underwriting Expenses:</b>														
Expense Allowance	\$3,286	\$2,970	\$2,924	\$2,973	\$3,510	\$2,833	\$3,331	\$2,957	\$3,113	\$3,632	\$3,596	\$35,125	\$38,973	\$33,858
Change in UPDR/DPAC:														
Undiscounted	65	66	787	81	301	185	179	(2,274)	159	(219)	505	(165)	433	1,227
Effect of Discounting	38	27	488	21	676	80	67	(105)	39	146	150	1,627	1,782	(63)
Discounted	103	93	1,275	102	977	265	246	(2,379)	198	(73)	655	1,462	2,215	1,164
<b>Underwriting Expenses</b>	<b>\$3,389</b>	<b>\$3,063</b>	<b>\$4,199</b>	<b>\$3,075</b>	<b>\$4,487</b>	<b>\$3,098</b>	<b>\$3,577</b>	<b>\$578</b>	<b>\$3,311</b>	<b>\$3,559</b>	<b>\$4,251</b>	<b>\$36,587</b>	<b>\$41,188</b>	<b>\$35,022</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$4,335)</b>	<b>(\$3,744)</b>	<b>\$3,233</b>	<b>(\$4,069)</b>	<b>(\$8,314)</b>	<b>(\$3,989)</b>	<b>(\$4,842)</b>	<b>\$14,942</b>	<b>(\$4,062)</b>	<b>(\$2,670)</b>	<b>(\$4,636)</b>	<b>(\$22,486)</b>	<b>(\$27,522)</b>	<b>(\$28,763)</b>
<b>Administrative Expenses</b>	<b>\$69</b>	<b>\$92</b>	<b>\$62</b>	<b>\$79</b>	<b>\$80</b>	<b>\$71</b>	<b>\$96</b>	<b>\$77</b>	<b>\$83</b>	<b>\$98</b>	<b>\$233</b>	<b>\$1,040</b>	<b>\$1,046</b>	<b>\$1,054</b>
<b>Operating Result</b>	<b>(\$4,404)</b>	<b>(\$3,836)</b>	<b>\$3,171</b>	<b>(\$4,148)</b>	<b>(\$8,394)</b>	<b>(\$4,060)</b>	<b>(\$4,938)</b>	<b>\$14,865</b>	<b>(\$4,145)</b>	<b>(\$2,768)</b>	<b>(\$4,869)</b>	<b>(\$23,526)</b>	<b>(\$28,568)</b>	<b>(\$29,817)</b>
<b>Ratios:</b>														
<b>Claims &amp; Expenses Incurred (Earned)</b>														
Prior Accident Years	-4.0%	-5.0%	-91.3%	-8.8%	18.3%	-24.7%	-2.1%	-136.4%	-1.7%	6.6%	-2.6%	-23.3%	-21.5%	-19.0%
Current Accident Year	113.6%	112.5%	117.7%	119.6%	120.2%	135.9%	114.9%	80.5%	109.5%	84.5%	106.5%	109.9%	109.7%	113.2%
All Accident Years Combined	109.6%	107.5%	26.4%	110.8%	138.5%	111.2%	112.8%	-55.9%	107.8%	91.1%	103.9%	86.6%	88.2%	94.2%
Underwriting & Administrative Expenses (Earned)	35.1%	34.8%	42.2%	34.2%	45.9%	39.9%	37.2%	6.6%	35.5%	36.6%	45.7%	35.7%	36.4%	33.8%
<b>Combined Operating Ratio</b>	<b>144.7%</b>	<b>142.3%</b>	<b>68.6%</b>	<b>145.0%</b>	<b>184.4%</b>	<b>151.1%</b>	<b>150.0%</b>	<b>-49.3%</b>	<b>143.3%</b>	<b>127.7%</b>	<b>149.6%</b>	<b>122.3%</b>	<b>124.6%</b>	<b>128.0%</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