



TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F2020 – 031

DATE: MAY 28, 2020

SUBJECT: FARM – MARCH 2020 PARTICIPATION REPORT

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

Please be advised that the March 2020 FARM Participation Report is available on the Facility Association Portal at <https://portal.facilityassociation.com>.

Key Points

- (a) The loss ratios being used under our current assumptions do NOT include any incurred impacts or adjustments related to COVID-19; any associated impacts and changes will be initially reflected in our March 31, 2020 valuation which we anticipate will be implemented in the May 2020 Participation Report;
- (b) The *March 2020 net operating result* was -\$0.8 million, with a COR of 102.4% on earned premium of \$33 million;
- (c) The December 31, 2019 FARM valuation was completed and implemented into this month's results, generating an estimated \$0.5 million unfavourable impact;
- (d) The *projected 2020 year-end net operating surplus is now \$54.0 million*, with a COR at 87.3% on earned premium of \$423 million (our Outlook for 2020 was \$33.7 million of net operating surplus with a COR of 90.5% on earned premium of \$342 million). **March's reported claims projections for the next two months (April 2020 and May 2020) have been adjusted to reflect COVID-19 pandemic impacts: a 30% decrease in Current Accident Year physical damage claim activity**, as per discussion with FA's Appointed Actuary. No adjustment has been made to this month's premium projections;
- (e) Servicing Carrier claims expense allowance retroactive adjustments were calculated for and taken into account with this month's Participation Report, with accident year 2014, 2017, and 2019 receiving payment/recovery for a total of \$3.9 million in recovery;
- (f) 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 18 thousand (20%) and *premium up \$140 million (51%)*, with premium growth driven primarily by private passenger vehicles, commercial vehicles, and interurban vehicles (long haul trucks); and
- (g) The impact due to the release of unprocessed business from the Servicing Carriers in the month has decreased; the estimated impact for businesses with effective dates prior to 2020 was \$4.2

Bulletin F2020–031
FARM – March 2020 Participation Report

million primarily from Alberta Non-Private Passenger new/renewal business.

New This Month

Members’ Transfer of Funds

The March 2020 Participation Report reflects the effect of a **transfer of \$20 million** from Facility Association to members. Member Companies’ share of this transfer is shown on page 21 of the Participation Report: Members Combined Accident Year Share Results for all Jurisdictions. **Note: All balances due to/from Facility Association, and receivable and payable dates are shown on page 21 of the Participation Report.** Please see the “Members’ Transfer of Funds” section on page 11 of this bulletin for more details.

Retroactive Claims Fees Adjustments

FARM Servicing Carrier compensation is largely formula driven and the relevant formulas are specified in the Facility Association Plan of Operation. Annually, claims handling compensation is adjusted via retroactive claims fees adjustments based on changes in FARM indemnity loss ratios. Settlement with Servicing Carriers is performed for the final and interim adjustments in accordance with the Facility Association Plan of Operation and Chapter 7 (*Servicing Carrier Claims Expense Allowance – Retroactive Adjustment*) of the Facility Association Accounting & Statistical Manual available via links below:

[Accounting & Statistical Manual](#)

[Plan of Operation](#)

Servicing Carrier claims expense allowance retroactive adjustments were calculated and taken into account for this month’s Participation Report, with accident year 2014 receiving final payment/(recovery), accident year 2017 receiving 2nd interim payment/(recovery), and accident year 2019 receiving 1st interim payment/(recovery). The payments/(recoveries) and changes in provision are summarized in the table immediately below. As indicated, the retroactive claims fees adjustments incurred have little impact on the operational results, as unpaid balances are updated monthly to remain current.

FARM March 2020 Retroactive Claims Fees Adjustments Summary

\$000s	Accident Year 2019	Accident Year 2017	Accident Year 2014	TOTAL
Retro Adj Paid	(3,616)	(629)	385	(3,860)
unpaid @ Feb 28	(3,804)	(721)	74	(4,451)
unpaid @ Mar 31	(115)	(209)	-	(324)
change:	3,689	512	(74)	4,127
incurred:	73	(117)	311	267

Valuation

An actuarial valuation as at December 31, 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.

Bulletin F2020–031
FARM – March 2020 Participation Report

The implementation resulted in an estimated overall **\$0.5 million unfavourable** impact on the month’s net result from operations, adding an estimated 0.5 points to the year-to-date Combined Operating Ratio (ending at 90.3%). The impact on the month’s results is summarized in the tables below¹.

2019 Q4 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)					TOTAL	ytd EP 97,902 (actual)					TOTAL
	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.		nominal	apv adj.	sub-tot	apv adj.	apv adj.		
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	3,604	1,995	5,599	(1,772)	-	3,827	3.7%	2.0%	5.7%	(1.8%)	-	3.9%
CAY	(2,782)	(238)	(3,020)	(228)	-	(3,248)	(2.8%)	(0.2%)	(3.1%)	(0.2%)	-	(3.3%)
Prem Def	-	(64)	(64)	-	-	(64)	-	(0.1%)	(0.1%)	-	-	(0.1%)
TOTAL	822	1,693	2,515	(2,000)	-	515	0.8%	1.7%	2.6%	(2.0%)	-	0.5%

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

Summary of Financial Results

The calendar year-to-date Operating Result is \$9.9 million and the incurred loss ratio to the end of 3 months is 69.2%, as summarized in following table.

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

Amounts in \$000s	March 2020	March 2019	Year to date Mar 2020	Year to Date Mar 2019
Premium Written	39,160	23,354	107,690	64,996
Premium Earned	33,458	23,101	97,902	65,658
Incurred Losses	27,217	19,022	67,671	47,026
Underwriting & Admin Expense	6,998	4,615	20,351	13,176
Net Result from Operations	(757)	(536)	9,880	5,456
Ratios:				
Loss ratio - Prior Accident Years	21.0%	14.1%	4.6%	2.7%
- Current Accident Year	60.3%	68.3%	64.6%	68.9%
<i>Total</i>	81.3%	82.4%	69.2%	71.6%
Underwriting & Admin Expense	21.1%	20.2%	21.1%	20.4%
Combined Operating Ratio	102.4%	102.6%	90.3%	92.0%

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 2020 - All jurisdictions by month”. A comparable summary by jurisdiction is included in Exhibit 2. Detailed exhibits by jurisdiction

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”.

Bulletin F2020–031
FARM – March 2020 Participation Report

are included in the [Summary of Operations](#) folder on our website.

Updated Projection to Year-end 2020

PLEASE NOTE: March’s reported claims projections for the next two months (April 2020 and May 2020) **have been adjusted to reflect COVID-19 pandemic impacts**; this includes a 30% decrease in Current Accident Year physical damage claim activity, as per discussion with FA’s Appointed Actuary. No adjustment has been made to this month’s premium projections.

The projected calendar year Net Result from Operations to March 2020 is \$54.0 million and the estimated combined operating ratio to March 2020 is 87.3% as indicated in the following table.

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

FARM 2020 Year-end Projection	Current	Prior Mth	Change	Final 2020
Amounts in \$000s	(Mar 2020)	(Feb 2020)		Outlook*
Premium Written	460,703	440,721	19,982	350,613
Premium Earned	423,455	408,243	15,212	341,552
Incurred Losses	273,675	278,731	(5,056)	233,103
Underwriting & Admin Expense	95,783	92,788	2,995	74,721
Net Result from Operations	53,997	36,725	17,272	33,728
<i>Ratios:</i>				
Loss ratio - Prior Accident Years	(1.2%)	(1.2%)	0.0%	(1.7%)
- Current Accident Year	65.8%	69.5%	(3.7%)	69.9%
<i>Total</i>	64.6%	68.3%	(3.7%)	68.2%
<i>Underwriting & Admin Expense</i>	22.7%	22.9%	(0.2%)	22.3%
Combined Operating Ratio	87.3%	91.2%	(3.9%)	90.5%

rounding differences may occur

*as posted to FA's website Nov. 20, 2019

This updated projection to the end of the year has improved by \$17.3 million from the projection provided last month (see second last column in the preceding table), mainly due to the impact of the valuation as at December 31, 2019, as summarized in the following table (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, as well as the adjustments made on the claims projections due to COVID-19 pandemic (as indicated at the beginning of this section).

Bulletin F2020–031
FARM – March 2020 Participation Report

2019 Q4 FARM Valuation Implementation Impact (\$000s) – Impact on Year-end Projected Results

Grand Total	unfav / (fav) projected for full year						year EP 423,455 (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]	
PAYs	3,604	1,307	4,911	(1,439)	-	3,472	0.9%	0.3%	1.2%	(0.3%)	-	0.8%
CAY	(13,381)	(815)	(14,196)	(855)	-	(15,051)	(3.2%)	(0.2%)	(3.4%)	(0.2%)	-	(3.6%)
Prem Def	-	(358)	(358)	-	-	(358)	-	(0.1%)	(0.1%)	-	-	(0.1%)
TOTAL	(9,777)	134	(9,643)	(2,294)	-	(11,937)	(2.3%)	-	(2.3%)	(0.5%)	-	(2.8%)

Current Month Results

The Net Results from Operations in the month of March 2020 was -\$0.8 million, down \$0.2 million from the same month last year. This deterioration is composed of an approximately \$0.3 million unfavourable impact associated with the \$10.4 million increase in earned premium (at a prior combined ratio of 102.6%) and a \$0.1 million favourable impact stemming from the overall decrease in the combined ratio (from 102.6% to 102.4% applied to \$33.5 million in earned premium). Written premium again showed a significant increase, up \$15.8 million (67.7%), with increases in both private passenger and non-private passenger vehicles in the month; \$4.2 million of the increase was related to the release of unprocessed new/renewal business with effective dates prior to 2020.

This month's results moved the year-to-date combined operating ratio from 83.9% at the end of 2 months to 90.3% at the end of 3 months. The 6.4 percentage point increase is composed of an 8.6 percentage point increase in the Prior Accident Years loss ratio, offset by a 2.2 percentage point decrease in the Current Accident Year loss ratio.

Variances from Projections

The following table 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

March 2020	Actual	Projection	Difference	Difference %
Premium Written	39,160	32,265	6,895	21.4%
Premium Earned	33,458	31,167	2,291	7.4%
Reported Losses				
Paid Losses	18,881	14,134	4,747	33.6%
Change in Outstanding Losses	2,726	6,548	(3,822)	(58.4%)
Total Reported Losses	21,607	20,682	925	4.5%
Change in IBNR*	1,351	1,454	(103)	
Change in Premium Deficiency (DPAC)*	(433)	(127)	(306)	
Change in Retro Claims Expense*	4,259	(486)	4,745	

(Amounts in \$000's)

rounding differences may occur

Bulletin F2020–031
FARM – March 2020 Participation Report

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 March, recorded indemnity amounts were \$1.4 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 \$0.9 million*). The Current Accident Year had a \$3.0 million unfavourable variance in recorded indemnity, while the Prior Accident Years had a favourable variance of \$1.6 million. Accident Year 2019 had the largest favourable variance of \$4.0 million, followed by Accident Year 2018 with \$1.5 million unfavourable variance and Accident Year 2014 with \$1.0 million unfavourable variance. 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).

Effect of Quarterly Valuation

The March 2020 Participation Report reflects the results of an updated valuation as at December 31, 2019, with the associated impacts in relation to the results for March 2020 summarized in the following table.

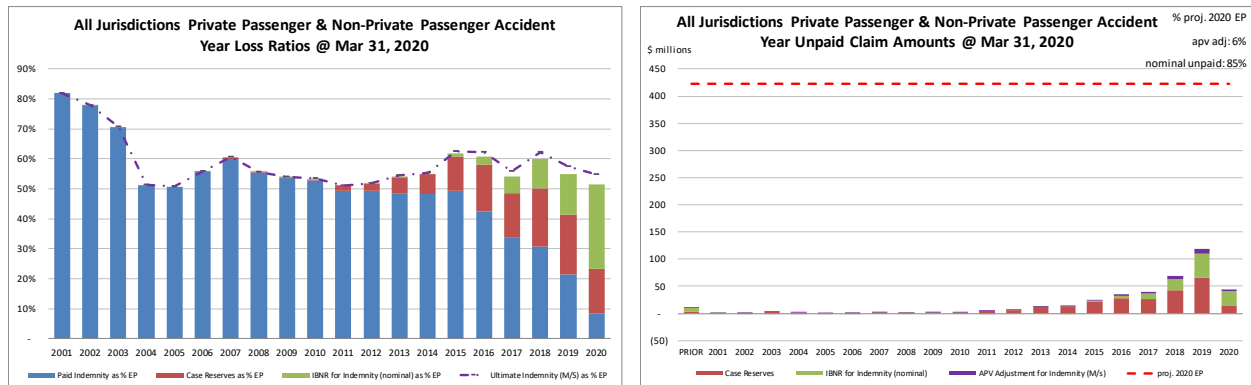
2019 Q4 FARM Valuation Implementation Impact (\$000s) – Impact on Month’s Results

Grand Total	unfav / (fav)						mth EP 33,458 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ultimates & payout patterns		dsct rate	margins		TOTAL	ultimates & payout patterns		dsct rate	margins		TOTAL
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	3,604	1,995	5,599	(1,772)	-	3,827	10.8%	6.0%	16.7%	(5.3%)	-	11.4%
CAY	(2,782)	(238)	(3,020)	(228)	-	(3,248)	(8.3%)	(0.7%)	(9.0%)	(0.7%)	-	(9.7%)
Prem Def	-	(64)	(64)	-	-	(64)	-	(0.2%)	(0.2%)	-	-	(0.2%)
TOTAL	822	1,693	2,515	(2,000)	-	515	2.5%	5.1%	7.5%	(6.0%)	-	1.5%

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

Bulletin F2020-031
FARM – March 2020 Participation Report

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 1.46% to 1.64%. 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, investment income margins and 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 following table. (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.

Bulletin F2020–031
FARM – March 2020 Participation Report

2019 Q4 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	80,337	1,600	2.0%	42.9%	(1.3%)	(1,504)	41.8%	(6.7%)	(9,274)
PPV	32,409	816	2.5%	54.9%	(1.2%)	(346)	51.9%	(2.5%)	(839)
Non-PPV	47,928	784	1.6%	39.0%	(1.3%)	(1,159)	38.5%	(8.0%)	(8,434)
Alberta	67,816	3,428	5.1%	57.3%	2.1%	2,210	56.0%	0.9%	1,063
PPV	9,033	(287)	(3.2%)	51.6%	1.9%	175	43.3%	(5.0%)	(394)
Non-PPV	58,783	3,715	6.3%	57.8%	2.1%	2,035	56.9%	1.4%	1,456
Newfoundland & Labrador	40,601	(56)	(0.1%)	72.3%	1.1%	342	64.5%	0.4%	144
PPV	30,606	(189)	(0.6%)	75.4%	1.4%	316	66.0%	1.5%	341
Non-PPV	9,995	133	1.3%	64.3%	0.3%	26	61.0%	(2.0%)	(198)
New Brunswick	25,301	259	1.0%	67.3%	4.2%	1,092	57.3%	(0.4%)	(100)
PPV	16,212	(201)	(1.2%)	65.8%	0.2%	29	60.5%	(1.5%)	(210)
Non-PPV	9,089	460	5.1%	69.3%	9.1%	1,062	53.8%	0.9%	110
Nova Scotia	20,309	(1,931)	(9.5%)	65.0%	(0.7%)	(217)	59.1%	(4.6%)	(1,455)
PPV	8,070	(928)	(11.5%)	72.6%	2.0%	302	60.5%	(5.5%)	(933)
Non-PPV	12,239	(1,003)	(8.2%)	57.0%	(3.6%)	(520)	57.5%	(3.5%)	(522)
Prince Edward Island	6,236	(477)	(7.6%)	57.4%	(0.8%)	(43)	53.0%	(0.8%)	(38)
PPV	2,873	262	9.1%	45.0%	(0.4%)	(11)	45.4%	(1.0%)	(26)
Non-PPV	3,363	(739)	(22.0%)	70.9%	(1.3%)	(32)	61.0%	(0.5%)	(12)
Yukon Territory	2,254	(361)	(16.0%)	45.2%	(3.7%)	(72)	52.6%	(1.3%)	(25)
PPV	1,253	(87)	(6.9%)	59.8%	(2.2%)	(8)	62.0%	(2.5%)	(9)
Non-PPV	1,001	(274)	(27.4%)	41.7%	(4.0%)	(64)	50.4%	(1.0%)	(16)
Northwest Territories	2,336	(192)	(8.2%)	50.6%	0.8%	32	40.7%	0.5%	23
PPV	1,295	(141)	(10.9%)	49.3%	0.2%	5	44.6%	(1.0%)	(26)
Non-PPV	1,041	(51)	(4.9%)	52.8%	1.7%	26	34.6%	3.0%	48
Nunavut	881	(108)	(12.3%)	28.2%	(3.0%)	(30)	30.1%	(1.6%)	(15)
PPV	253	(41)	(16.2%)	18.0%	(6.7%)	(11)	22.4%	(4.6%)	(6)
Non-PPV	628	(67)	(10.7%)	30.3%	(2.3%)	(19)	31.4%	(1.1%)	(8)
Total	246,071	2,162	0.9%	54.7%	0.6%	1,808	51.2%	(2.7%)	(9,678)

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 December 31, 2019 (used for the valuation) and available for implementation (March 31, 2020).

In addition, column [9] of the preceding valuation summary table estimates the impact of the change in selected future accident year indemnity loss ratio against projected full year 2020 earned premium, whereas the current accident year row, second row of column [1] in the following implementation impact table applies the change to 2020 year-to-date earned premium at March 31, 2020.

With this background, the overall **impact of implementing the valuation** on the results of the Month of March 2020 is estimated as **unfavourable by \$0.5 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 following table).

Bulletin F2020–031
FARM – March 2020 Participation Report

2019 Q4 FARM Valuation Implementation Impact (\$000s) – Impact with expenses

Implementation Impact - relative to projection for month of March 2020 (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 (1994-2019)	3,816	(212)	-	3,604	223	3,827
current accident year claims incurred	(2,536)	(246)	-	(2,782)	(466)	(3,248)
premium deficiency / (DPAC)	-	-	-	-	(64)	(64)
TOTAL	1,280	(458)	-	822	(307)	515

An alternate summary of the valuation implementation impact is presented in the following table, 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 Q4 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)					ytd EP 97,902 (actual)						
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns		dsct rate	margins		TOTAL	ultimates & payout patterns		dsct rate	margins		TOTAL
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	3,604	1,995	5,599	(1,772)	-	3,827	3.7%	2.0%	5.7%	(1.8%)	-	3.9%
CAY	(2,782)	(238)	(3,020)	(228)	-	(3,248)	(2.8%)	(0.2%)	(3.1%)	(0.2%)	-	(3.3%)
Prem Def	-	(64)	(64)	-	-	(64)	-	(0.1%)	(0.1%)	-	-	(0.1%)
TOTAL	822	1,693	2,515	(2,000)	-	515	0.8%	1.7%	2.6%	(2.0%)	-	0.5%

The overall impact *prior to* the 18 basis point increase in the discount rate (from 1.46% to 1.64%) and changes to margins for adverse deviation (of which there were none) was unfavourable by \$2.5 million (Total row, column [3] of left table above). This was partially offset by the \$2.0 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 following table³, management has observed unfavourable total valuation impacts (column [5]) over the last 12 valuation implementations, with 5 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.

Bulletin F2020–031
FARM – March 2020 Participation Report

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

FARM juris: ALL,
as at: 2019 Q4

Valuation	period implemented	unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
		updated LRs & 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]
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%
2019 Q4	Mar 2020	3,604	1,995	(1,772)	-	3,827	597,699	0.6%	0.6%
12-qtrs	-	9,796	3,358	(5,441)	(4,216)	3,497			
% of total		280.1%	96.0%	(155.6%)	(120.6%)	100.0%			
		5 unfavourable (nominal) valuations					1 impact was outside of 2.5%		
Averages									
12-qtrs		816	280	(453)	(351)	291	483,196	0.1%	0.2%
2017 Q1 to 2018 Q2		(1,491)	21	(1,315)	(509)	(3,294)	444,211	(0.7%)	(0.3%)
2018 Q3 to 2019 Q4		3,123	539	408	(193)	3,877	522,180	0.7%	0.6%
Standard deviations									
12-qtrs		7,058	984	2,861	652	9,287	54,844	1.9%	1.5%
2017 Q1 to 2018 Q2		5,749	898	2,893	722	7,320	16,810	1.6%	1.3%
2018 Q3 to 2019 Q4		8,321	1,174	2,733	580	10,995	38,053	2.1%	1.6%

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 not been met**, as the 12-quarter nominal change in column [1] is \$9.8 million unfavourable. That said, the average impact over the 12 quarters at \$0.8 million unfavourable (nominal only) represents 0.2% of ending policy liabilities, which we would view as not significant. We note that the latest 6 valuations have been on average more unfavourable than the earlier 6 valuations were favourable. Taking into consideration that the 12-quarter nominal average change of \$0.8 million

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.

Bulletin F2020–031
FARM – March 2020 Participation Report

unfavourable represents 0.2% of ending policy liabilities per column [8], 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 preceding table.
- (iii) **Bias evidence measurement: This objective has been met**, as 5 of 12 valuations show unfavourable changes (column [1] of the table above), in line with our expectation (3-5 of 12).

In summary, our best estimate measurements been met, or largely 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 March Participation Report – Actuarial Highlights](#).

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

Members’ Transfer of Funds

As indicated in our Bulletin [F05-049](#) dated October 4, 2005, the Facility Association Board of Directors authorized the transfer to members of Facility Association Residual Market (FARM) reserve-related funds that are not required to meet Facility Association’s short-term cash flow needs. Transferring these funds to Members allows them to invest the funds based upon Members’ own investment plans and policies. **Please note that any investment losses on funds held by Members will be borne solely by them.**

As 100% of all FARM policyholder payments are made directly through Facility Association, Members will be required to return the FARM policyholder funds they hold when such payments are made, or projected to be made, by Facility Association. Facility Association’s short-term cash flow needs are monitored on a monthly basis, and net transfers of funds to or from Members are made periodically as needed.

The March 2020 Participation Report reflects the effect of the ***transfer of \$20 million from Facility Association to Members***. The amount due to or from Facility Association for your company as a result of the transfer will depend on your company’s share of the FARM in each jurisdiction, as well as differences in share ratios by business segment and accident year.

Each Member’s share of the transfer of \$20 million is shown on page 21 of the FARM Participation Report: Members Combined Accident Year Share Results for all Jurisdictions. ***Note: All balances due to/from Facility Association, and receivable and payable dates are shown on page 21 of the Participation Report.***

The amounts to be settled with Facility Association at this time are the net amounts of the adjustment referred to above, an aggregate summary of which is shown in the following table.

Bulletin F2020-031
FARM – March 2020 Participation Report

Amounts (\$'000s) to be Transferred to / (from) Members

Summary by Jurisdiction	Private Passenger	Non Private Passenger	Total
Ontario	2,374	10,950	13,324
Alberta	439	3,515	3,955
Newfoundland & Labrador	(1,522)	(40)	(1,562)
New Brunswick	495	(736)	(240)
Nova Scotia	1,689	2,323	4,013
Prince Edward Island	37	123	160
Yukon	(57)	34	(23)
Northwest Territories	210	158	368
Nunavut	19	(11)	7
TOTAL	3,684	16,316	20,000

Management Comments

As shown in the following table, the private passenger annualized vehicle counts increased by 17.4% overall in March 2020 relative to March 2019. The increases are across all jurisdictions except for the territories; increases in Ontario and Nova Scotia are the largest which account for 72% of the overall increase.

FARM Private Passenger Written Counts

Business Segment	PPV
Share Month	03

Jurisdiction	2020			2019			2018
	Annualized Vehicle Count	Change from Prior	% Change from Prior	Annualized Vehicle Count	Change from Prior	% Change from Prior	Annualized Vehicle Count
ON	639	215	50.7%	424	216	104.1%	208
AB	115	9	8.1%	106	(37)	(26.0%)	143
NL	888	64	7.8%	824	104	14.4%	720
NB	596	47	8.5%	550	29	5.6%	521
NS	676	125	22.8%	550	177	47.5%	373
PE	120	27	29.0%	93	6	7.2%	86
YT	7	(1)	(11.0%)	8	(6)	(43.8%)	14
NT	151	(8)	(5.3%)	160	(37)	(18.7%)	197
NU	10	(2)	(15.2%)	12	(0)	(1.4%)	12
Grand Total	3,201	475	17.4%	2,726	453	19.9%	2,273

The release of unprocessed business from the Servicing Carriers (unprocessed business and its impact were briefly mentioned in our October 2019 FARM Participation Report bulletin) continues to have an impact on written premium in the month, but on a decreasing trend as compared with previous months. Based on the FARM March data, the released unprocessed business applicable to months prior to October 31, 2019 (new business and renewals) had a premium impact of approximately \$1.3 million; with an additional \$3.0 million premium from business with effective dates beyond October 31, 2019 (November 2019 and December 2019) being submitted in the month, the total premium impact was \$4.2 million for business with prior year effective dates. Alberta Non Private Passenger was the main driver accounting for 92% of the premium impact.

On a rolling 12-month basis to March (as shown in the following table), FARM vehicle counts are up

Bulletin F2020–031
FARM – March 2020 Participation Report

20.0% across all rating classes (up 39.6% for private passenger, 15.1% for non-private passenger). In particular, the non-private passenger increase in vehicle counts is mainly driven by the 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 50.6%, non-private passenger up 51.0%, for a total increase of 50.9%). The difference in the count and premium increases reflects the more significant increases in counts in Ontario and Alberta for private passenger and changes in mix by rating class and jurisdiction for non-private passenger.

The recent increase in taxi business (primarily in Ontario - Toronto and Hamilton regions) has raised concerns and we are currently investigating and monitoring.

FARM Vehicle Counts and Written Premium – Rolling 12-months to March 2020

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 03			% Change in Amount			Change in Amount			2019 rolling 12 to month 03		
		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)	40,024	123,489,330	3,085	29.6%	50.6%	16.2%	9,140	41,501,495	430	30,884	81,987,835	2,655
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
PPV Total		40,024	123,489,330	3,085	29.6%	50.6%	16.2%	9,140	41,501,495	430	30,884	81,987,835	2,655
non-PPV	Private Passenger (x Farmers)	702	721,533	1,027	5.6%	28.5%	21.7%	37	160,092	183	665	561,441	844
	Commercial	19,220	102,365,484	5,326	45.7%	78.8%	22.7%	6,030	45,111,509	985	13,190	57,253,975	4,341
	Interurban	7,892	107,423,412	13,612	45.2%	45.5%	0.2%	2,456	33,588,750	28	5,435	73,834,662	13,584
	Public Bus	1,748	7,793,312	4,458	3.0%	3.4%	0.4%	50	253,758	17	1,698	7,539,554	4,441
	Private Bus & Misc Public	1,608	6,364,900	3,957	11.9%	28.4%	14.7%	171	1,405,935	508	1,438	4,958,965	3,449
	School Bus	1,173	1,925,391	1,641	10.3%	15.5%	4.7%	109	258,203	74	1,064	1,667,188	1,567
	Hotel & Country Club Bus	667	1,555,774	2,333	4.9%	11.1%	5.9%	31	154,915	129	636	1,400,859	2,204
	Taxi	5,395	34,496,475	6,395	17.0%	66.8%	42.6%	783	13,810,179	1,909	4,611	20,686,296	4,486
	Funeral	2	3,770	1,885	(60.0%)	(66.6%)	(16.4%)	(3)	(7,501)	(369)	5	11,271	2,254
	Ambulance	38	155,271	4,051	3.8%	5.9%	2.0%	1	8,702	81	37	146,569	3,970
	Motorcycle	18,158	12,554,513	691	(4.1%)	9.4%	14.0%	(768)	1,081,143	85	18,925	11,473,370	606
	All Terrain Vehicle	9,365	3,971,789	424	2.6%	9.3%	6.5%	241	338,963	26	9,124	3,632,826	398
	Snow Vehicle	3,906	1,595,924	409	(0.5%)	(3.1%)	(2.4%)	(22)	(50,970)	(10)	3,928	1,646,894	419
	Antique	5	8,011	1,602	(21.1%)	(14.7%)	8.1%	(1)	(1,376)	120	6	9,387	1,482
	Motor Home	328	832,985	2,540	38.6%	50.9%	8.9%	91	281,027	207	237	551,958	2,333
	Trailer Home	-	39,348	39,348	-	4,214.5%	4,214.5%	-	38,436	38,436	-	912	912
	Garage	-	9,885,652	9,885,652	-	28.4%	28.4%	-	2,188,328	2,188,328	-	7,697,324	7,697,324
	Non-Owned	-	378,067	378,067	-	27.0%	27.0%	-	80,440	80,440	-	297,627	297,627
	Drivers Policy	90	121,371	1,351	45.5%	54.2%	6.0%	28	42,677	77	62	78,694	1,274
non-PPV Total		70,297	292,192,982	4,157	15.1%	51.0%	31.2%	9,237	98,743,210	989	61,060	193,449,772	3,168
TOTAL		110,322	415,682,312	3,768	20.0%	50.9%	25.8%	18,377	140,244,705	772	91,945	275,437,607	2,996

Should you require any further information, please call Aidan Chen, AVP Data & Analytics at (416) 863-1750 x4804.

Saskia Matheson
 President & CEO

Related link:

[FARM March 2020 Participation Report – Actuarial Highlights](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS BY MONTH
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 03/2020

(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$38,815	\$29,715	\$39,160	\$107,690	\$460,704	\$372,967
CHANGE IN UNEARNED PREMIUMS	-4,450	364	-5,702	-9,788	-37,249	-49,022
NET PREMIUMS EARNED	\$34,365	\$30,079	\$33,458	\$97,902	\$423,455	\$323,945
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	2,394	-3,629	7,887	6,652	2,791	14,991
EFFECT OF DISCOUNTING	-773	-556	-856	-2,185	-7,791	924
DISCOUNTED	1,621	-4,185	7,031	4,467	-5,000	15,915
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	20,592	19,677	19,356	59,625	264,468	214,321
EFFECT OF DISCOUNTING	1,488	1,261	830	3,579	14,208	11,261
DISCOUNTED	22,080	20,938	20,186	63,204	278,676	225,582
CLAIMS INCURRED	\$23,701	\$16,753	\$27,217	\$67,671	\$273,676	\$241,497
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	3,980	3,082	4,101	11,163	47,587	38,519
AGENTS COMMISSIONS	3,082	2,124	2,769	7,975	35,314	28,514
DRIVER RECORD ABSTRACTS	286	271	206	763	5,378	3,532
BAD DEBTS	-3	-2	-2	-7	-5	-148
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-361	83	-381	-659	-2,840	-3,571
EFFECT OF DISCOUNTING	2	3	-52	-47	-47	-460
DISCOUNTED	-359	86	-433	-706	-2,887	-4,031
UNDERWRITING EXPENSES	\$6,986	\$5,561	\$6,641	\$19,188	\$85,387	\$66,386
NET UNDERWRITING GAIN (LOSS)	\$3,678	\$7,765	-\$400	\$11,043	\$64,392	\$16,062
ADMINISTRATIVE EXPENSES	398	623	419	1,440	10,930	6,286
PREMIUM FINANCE FEE	-13	-12	-13	-38	-26	-130
INVESTMENT INCOME	119	121	75	315	564	1,208
OPERATING RESULTS	\$3,386	\$7,251	-\$757	\$9,880	\$54,000	\$10,854
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	4.7%	-13.9%	21.0%	4.6%	-1.2%	4.9%
Current Accident Year	64.3%	69.6%	60.3%	64.6%	65.8%	69.6%
All Accident Years Combined	69.0%	55.7%	81.3%	69.2%	64.6%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.6%	21.1%	21.1%	22.7%	22.4%
COMBINED OPERATING RATIO	90.5%	76.3%	102.4%	90.3%	87.3%	96.9%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	Alberta	Ontario	NS	PEI	NB	NFLD & LAB	Yukon	NWT	Nunavut	Total	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:												
PREMIUMS WRITTEN	\$37,774	\$43,193	\$10,054	\$1,301	\$6,394	\$6,973	\$335	\$1,468	\$198	\$107,690	\$460,704	\$372,967
CHANGE IN UNEARNED PREMIUMS	-4,592	-6,744	-765	202	740	1,408	162	-279	80	-9,788	-37,249	-49,022
NET PREMIUMS EARNED	\$33,182	\$36,449	\$9,289	\$1,503	\$7,134	\$8,381	\$497	\$1,189	\$278	\$97,902	\$423,455	\$323,945
CLAIMS INCURRED												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	8,412	-159	-2,246	-515	1,514	410	-483	-154	-127	6,652	2,791	14,991
EFFECT OF DISCOUNTING	79	-814	-478	-131	-113	-628	-37	-47	-16	-2,185	-7,791	924
DISCOUNTED	8,491	-973	-2,724	-646	1,401	-218	-520	-201	-143	4,467	-5,000	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	19,421	20,353	6,573	968	4,997	6,346	318	555	94	59,625	264,468	214,321
EFFECT OF DISCOUNTING	1,052	1,478	395	57	230	321	16	25	5	3,579	14,208	11,261
DISCOUNTED	20,473	21,831	6,968	1,025	5,227	6,667	334	580	99	63,204	278,676	225,582
CLAIMS INCURRED	\$28,964	\$20,858	\$4,244	\$379	\$6,628	\$6,449	-\$186	\$379	-\$44	\$67,671	\$273,676	\$241,497
UNDERWRITING EXPENSES												
OPERATING & SERVICE FEES	3,779	4,663	1,005	131	640	745	34	147	19	11,163	47,587	38,519
AGENTS COMMISSIONS	3,071	2,468	860	119	621	646	31	141	18	7,975	35,314	28,514
DRIVER RECORD ABSTRACTS	150	74	234	36	139	95	4	31	0	763	5,378	3,532
BAD DEBTS	1	0	0	0	0	-7	0	-1	0	-7	-5	-148
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	-397	-415	-55	19	54	142	12	-26	7	-659	-2,840	-3,571
EFFECT OF DISCOUNTING	0	0	-47	0	0	0	0	0	0	-47	-47	-460
DISCOUNTED	-397	-415	-102	19	54	142	12	-26	7	-706	-2,887	-4,031
UNDERWRITING EXPENSES	\$6,604	\$6,790	\$1,997	\$305	\$1,454	\$1,621	\$81	\$292	\$44	\$19,188	\$85,387	\$66,386
NET UNDERWRITING GAIN (LOSS)	-\$2,386	\$8,801	\$3,048	\$819	-\$948	\$311	\$602	\$518	\$278	\$11,043	\$64,392	\$16,062
ADMINISTRATIVE EXPENSES	487	573	138	28	82	85	14	20	13	1,440	10,930	6,286
PREMIUM FINANCE FEE	-12	-20	-3	0	0	-3	0	0	0	-38	-26	-130
INVESTMENT INCOME	89	116	36	7	28	33	2	3	1	315	564	1,208
OPERATING RESULTS	-\$2,796	\$8,324	\$2,943	\$798	-\$1,002	\$256	\$590	\$501	\$266	\$9,880	\$54,000	\$10,854
RATIOS:												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	25.6%	-2.7%	-29.3%	-43.0%	19.6%	-2.6%	-104.6%	-16.9%	-51.4%	4.6%	-1.2%	4.9%
Current Accident Year	61.7%	59.9%	75.0%	68.2%	73.3%	79.5%	67.2%	48.8%	35.6%	64.6%	65.8%	69.6%
All Accident Years Combined	87.3%	57.2%	45.7%	25.2%	92.9%	76.9%	-37.4%	31.9%	-15.8%	69.2%	64.6%	74.5%
Underwriting & Admin Exp.(Earned)	21.4%	20.2%	23.0%	22.2%	21.5%	20.4%	19.1%	26.2%	20.5%	21.1%	22.7%	22.4%
COMBINED OPERATING RATIO	108.7%	77.4%	68.7%	47.4%	114.4%	97.3%	-18.3%	58.1%	4.7%	90.3%	87.3%	96.9%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ALBERTA
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$17,167	\$8,069	\$12,538	\$37,774	\$144,450	\$114,601
CHANGE IN UNEARNED PREMIUMS	<u>-4,415</u>	<u>1,657</u>	<u>-1,834</u>	<u>-4,592</u>	<u>-12,959</u>	<u>-8,283</u>
NET PREMIUMS EARNED	<u>\$12,752</u>	<u>\$9,726</u>	<u>\$10,704</u>	<u>\$33,182</u>	<u>\$131,491</u>	<u>\$106,318</u>
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	1,900	-636	7,148	8,412	7,481	10,587
EFFECT OF DISCOUNTING	-298	-146	523	79	-1,749	873
DISCOUNTED	<u>1,602</u>	<u>-782</u>	<u>7,671</u>	<u>8,491</u>	<u>5,732</u>	<u>11,460</u>
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	6,322	6,016	7,083	19,421	83,824	68,811
EFFECT OF DISCOUNTING	414	325	313	1,052	3,650	2,997
DISCOUNTED	<u>6,736</u>	<u>6,341</u>	<u>7,396</u>	<u>20,473</u>	<u>87,474</u>	<u>71,808</u>
CLAIMS INCURRED	<u>\$8,338</u>	<u>\$5,559</u>	<u>\$15,067</u>	<u>\$28,964</u>	<u>\$93,206</u>	<u>\$83,268</u>
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	1,717	807	1,255	3,779	14,445	11,461
AGENTS COMMISSIONS	1,410	652	1,009	3,071	11,769	8,936
DRIVER RECORD ABSTRACTS	39	43	68	150	1,393	798
BAD DEBTS	1	1	-1	1	2	-69
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-365	111	-143	-397	-1,058	-484
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	<u>-365</u>	<u>111</u>	<u>-143</u>	<u>-397</u>	<u>-1,058</u>	<u>-484</u>
UNDERWRITING EXPENSES	<u>\$2,802</u>	<u>\$1,614</u>	<u>\$2,188</u>	<u>\$6,604</u>	<u>\$26,551</u>	<u>\$20,642</u>
NET UNDERWRITING GAIN (LOSS)	<u>\$1,612</u>	<u>\$2,553</u>	<u>-\$6,551</u>	<u>-\$2,386</u>	<u>\$11,734</u>	<u>\$2,408</u>
ADMINISTRATIVE EXPENSES	185	183	119	487	3,357	1,771
PREMIUM FINANCE FEE	-5	-3	-4	-12	-8	-36
INVESTMENT INCOME	<u>32</u>	<u>36</u>	<u>21</u>	<u>89</u>	<u>155</u>	<u>353</u>
OPERATING RESULTS	<u>\$1,454</u>	<u>\$2,403</u>	<u>-\$6,653</u>	<u>-\$2,796</u>	<u>\$8,524</u>	<u>\$954</u>
AVERAGE YTD OPERATING RESULT	<u>\$1,454</u>	<u>\$1,929</u>	<u>-\$932</u>	<u>-\$932</u>	<u>\$710</u>	<u>\$80</u>
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	12.6%	-8.0%	71.7%	25.6%	4.4%	10.8%
Current Accident Year	52.8%	65.2%	69.1%	61.7%	66.5%	67.5%
All Accident Years Combined	65.4%	57.2%	140.8%	87.3%	70.9%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	18.5%	21.6%	21.4%	22.7%	21.1%
COMBINED OPERATING RATIO	88.8%	75.7%	162.4%	108.7%	93.6%	99.4%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ONTARIO
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$12,025	\$13,847	\$17,321	\$43,193	\$188,128	\$146,703
CHANGE IN UNEARNED PREMIUMS	-175	-2,417	-4,152	-6,744	-15,928	-28,619
NET PREMIUMS EARNED	\$11,850	\$11,430	\$13,169	\$36,449	\$172,200	\$118,084
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	237	-2,713	2,317	-159	-2,879	4,386
EFFECT OF DISCOUNTING	-277	-294	-243	-814	-2,806	667
DISCOUNTED	-40	-3,007	2,074	-973	-5,685	5,053
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	7,422	7,182	5,749	20,353	95,721	68,258
EFFECT OF DISCOUNTING	628	580	270	1,478	6,529	4,395
DISCOUNTED	8,050	7,762	6,019	21,831	102,250	72,653
CLAIMS INCURRED	\$8,010	\$4,755	\$8,093	\$20,858	\$96,565	\$77,706
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	1,299	1,495	1,869	4,663	20,318	15,842
AGENTS COMMISSIONS	803	769	896	2,468	11,644	9,196
DRIVER RECORD ABSTRACTS	26	26	22	74	863	345
BAD DEBTS	0	0	0	0	0	-86
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-9	-149	-257	-415	-980	-1,724
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	-9	-149	-257	-415	-980	-1,724
UNDERWRITING EXPENSES	\$2,119	\$2,141	\$2,530	\$6,790	\$31,845	\$23,573
NET UNDERWRITING GAIN (LOSS)	\$1,721	\$4,534	\$2,546	\$8,801	\$43,790	\$16,805
ADMINISTRATIVE EXPENSES	105	285	183	573	4,462	2,347
PREMIUM FINANCE FEE	-6	-7	-7	-20	-13	-61
INVESTMENT INCOME	44	43	29	116	220	441
OPERATING RESULTS	\$1,654	\$4,285	\$2,385	\$8,324	\$39,535	\$14,838
AVERAGE YTD OPERATING RESULT	\$1,654	\$2,970	\$2,775	\$2,775	\$3,295	\$1,237
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	-0.3%	-26.3%	15.7%	-2.7%	-3.3%	4.3%
Current Accident Year	67.9%	67.9%	45.7%	59.9%	59.4%	61.5%
All Accident Years Combined	67.6%	41.6%	61.4%	57.2%	56.1%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	21.2%	20.6%	20.2%	21.1%	22.0%
COMBINED OPERATING RATIO	86.4%	62.8%	82.0%	77.4%	77.2%	87.8%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NOVA SCOTIA
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$3,617	\$3,146	\$3,291	\$10,054	\$44,695	\$35,559
CHANGE IN UNEARNED PREMIUMS	-432	-194	-139	-765	-3,998	-6,000
NET PREMIUMS EARNED	\$3,185	\$2,952	\$3,152	\$9,289	\$40,697	\$29,559
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	101	77	-2,424	-2,246	-2,130	-907
EFFECT OF DISCOUNTING	-33	-18	-427	-478	-843	-165
DISCOUNTED	68	59	-2,851	-2,724	-2,973	-1,072
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	2,337	2,252	1,984	6,573	29,102	23,331
EFFECT OF DISCOUNTING	160	140	95	395	1,431	1,211
DISCOUNTED	2,497	2,392	2,079	6,968	30,533	24,542
CLAIMS INCURRED	\$2,565	\$2,451	-\$772	\$4,244	\$27,560	\$23,470
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	362	314	329	1,005	4,473	3,555
AGENTS COMMISSIONS	308	262	290	860	4,072	3,226
DRIVER RECORD ABSTRACTS	96	70	68	234	1,760	951
BAD DEBTS	0	0	0	0	0	-29
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-37	-6	-12	-55	-384	-790
EFFECT OF DISCOUNTING	2	3	-52	-47	-47	-187
DISCOUNTED	-35	-3	-64	-102	-431	-977
UNDERWRITING EXPENSES	\$731	\$643	\$623	\$1,997	\$9,874	\$6,726
NET UNDERWRITING GAIN (LOSS)	-\$111	-\$142	\$3,301	\$3,048	\$3,263	-\$637
ADMINISTRATIVE EXPENSES	35	73	30	138	1,086	623
PREMIUM FINANCE FEE	-1	-1	-1	-3	-2	-12
INVESTMENT INCOME	13	14	9	36	64	106
OPERATING RESULTS	-\$134	-\$202	\$3,279	\$2,943	\$2,239	-\$1,166
AVERAGE YTD OPERATING RESULT	-\$134	-\$168	\$981	\$981	\$187	-\$97
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	2.1%	2.0%	-90.5%	-29.3%	-7.3%	-3.6%
Current Accident Year	78.4%	81.0%	66.0%	75.0%	75.0%	83.0%
All Accident Years Combined	80.5%	83.0%	-24.5%	45.7%	67.7%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.3%	20.7%	23.0%	26.9%	24.9%
COMBINED OPERATING RATIO	104.6%	107.3%	-3.8%	68.7%	94.6%	104.3%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - PRINCE EDWARD ISLAND
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$578	\$243	\$480	\$1,301	\$6,547	\$5,865
CHANGE IN UNEARNED PREMIUMS	-58	232	28	202	-389	-650
NET PREMIUMS EARNED	\$520	\$475	\$508	\$1,503	\$6,158	\$5,215
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	14	54	-583	-515	-469	381
EFFECT OF DISCOUNTING	-5	3	-129	-131	-232	-53
DISCOUNTED	9	57	-712	-646	-701	328
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	334	312	322	968	4,017	3,685
EFFECT OF DISCOUNTING	24	17	16	57	237	215
DISCOUNTED	358	329	338	1,025	4,254	3,900
CLAIMS INCURRED	\$367	\$386	-\$374	\$379	\$3,553	\$4,228
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	58	25	48	131	657	585
AGENTS COMMISSIONS	51	25	43	119	605	545
DRIVER RECORD ABSTRACTS	15	13	8	36	227	242
BAD DEBTS	0	0	0	0	0	41
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-5	21	3	19	-35	-60
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	-5	21	3	19	-35	-60
UNDERWRITING EXPENSES	\$119	\$84	\$102	\$305	\$1,454	\$1,353
NET UNDERWRITING GAIN (LOSS)	\$34	\$5	\$780	\$819	\$1,151	-\$366
ADMINISTRATIVE EXPENSES	9	10	9	28	168	171
PREMIUM FINANCE FEE	0	0	0	0	0	0
INVESTMENT INCOME	2	3	2	7	11	27
OPERATING RESULTS	\$27	-\$2	\$773	\$798	\$994	-\$510
AVERAGE YTD OPERATING RESULT	\$27	\$13	\$266	\$266	\$83	-\$43
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	1.7%	12.0%	-140.2%	-43.0%	-11.4%	6.3%
Current Accident Year	68.8%	69.3%	66.5%	68.2%	69.1%	74.8%
All Accident Years Combined	70.5%	81.3%	-73.7%	25.2%	57.7%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	19.8%	21.9%	22.2%	26.3%	29.2%
COMBINED OPERATING RATIO	95.1%	101.1%	-51.8%	47.4%	84.0%	110.3%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NEW BRUNSWICK
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$2,667	\$1,670	\$2,057	\$6,394	\$32,637	\$28,610
CHANGE IN UNEARNED PREMIUMS	-227	600	367	740	-2,513	-2,307
NET PREMIUMS EARNED	\$2,440	\$2,270	\$2,424	\$7,134	\$30,124	\$26,303
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	38	-47	1,523	1,514	1,467	-2,973
EFFECT OF DISCOUNTING	-43	-62	-8	-113	-582	-422
DISCOUNTED	-5	-109	1,515	1,401	885	-3,395
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	1,710	1,602	1,685	4,997	21,164	20,134
EFFECT OF DISCOUNTING	111	78	41	230	889	932
DISCOUNTED	1,821	1,680	1,726	5,227	22,053	21,066
CLAIMS INCURRED	\$1,816	\$1,571	\$3,241	\$6,628	\$22,938	\$17,671
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	267	167	206	640	3,264	2,881
AGENTS COMMISSIONS	247	167	207	621	3,058	2,671
DRIVER RECORD ABSTRACTS	56	62	21	139	571	575
BAD DEBTS	0	0	0	0	0	-23
UNDISCOUNTED	-22	49	27	54	-243	-213
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	-22	49	27	54	-243	-213
UNDERWRITING EXPENSES	\$548	\$445	\$461	\$1,454	\$6,650	\$5,891
NET UNDERWRITING GAIN (LOSS)	\$76	\$254	-\$1,278	-\$948	\$536	\$2,741
ADMINISTRATIVE EXPENSES	28	33	21	82	799	512
PREMIUM FINANCE FEE	0	0	0	0	-1	-9
INVESTMENT INCOME	11	11	6	28	46	103
OPERATING RESULTS	\$59	\$232	-\$1,293	-\$1,002	-\$218	\$2,323
AVERAGE YTD OPERATING RESULT	\$59	\$146	-\$334	-\$334	-\$18	\$194
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	-0.2%	-4.8%	62.5%	19.6%	2.9%	-12.9%
Current Accident Year	74.6%	74.0%	71.2%	73.3%	73.2%	80.1%
All Accident Years Combined	74.4%	69.2%	133.7%	92.9%	76.1%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	21.1%	19.9%	21.5%	24.7%	24.3%
COMBINED OPERATING RATIO	98.0%	90.3%	153.6%	114.4%	100.8%	91.5%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NEWFOUNDLAND & LABRADOR
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$1,966	\$2,334	\$2,673	\$6,973	\$36,659	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	325	184	1,408	-1,342	-3,235
NET PREMIUMS EARNED	\$2,865	\$2,659	\$2,857	\$8,381	\$35,317	\$31,298
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	23	-169	556	410	273	4,426
EFFECT OF DISCOUNTING	-114	-26	-488	-628	-1,396	3
DISCOUNTED	-91	-195	68	-218	-1,123	4,429
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	2,142	2,002	2,202	6,346	26,757	25,969
EFFECT OF DISCOUNTING	128	105	88	321	1,285	1,297
DISCOUNTED	2,270	2,107	2,290	6,667	28,042	27,266
CLAIMS INCURRED	\$2,179	\$1,912	\$2,358	\$6,449	\$26,919	\$31,695
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	197	234	314	745	3,666	3,484
AGENTS COMMISSIONS	186	208	252	646	3,454	3,279
DRIVER RECORD ABSTRACTS	48	33	14	95	438	533
BAD DEBTS	-3	-3	-1	-7	-6	54
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	83	43	16	142	-128	-310
EFFECT OF DISCOUNTING	0	0	0	0	0	-273
DISCOUNTED	83	43	16	142	-128	-583
UNDERWRITING EXPENSES	\$511	\$515	\$595	\$1,621	\$7,424	\$6,767
NET UNDERWRITING GAIN (LOSS)	\$175	\$232	-\$96	\$311	\$974	-\$7,164
ADMINISTRATIVE EXPENSES	17	36	32	85	885	604
PREMIUM FINANCE FEE	-1	-1	-1	-3	-2	-12
INVESTMENT INCOME	14	12	7	33	56	151
OPERATING RESULTS	\$171	\$207	-\$122	\$256	\$143	-\$7,629
AVERAGE YTD OPERATING RESULT	\$171	\$189	\$85	\$85	\$12	-\$636
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	-3.2%	-7.3%	2.4%	-2.6%	-3.2%	14.2%
Current Accident Year	79.2%	79.2%	80.2%	79.5%	79.4%	87.1%
All Accident Years Combined	76.0%	71.9%	82.6%	76.9%	76.2%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	20.7%	21.9%	20.4%	23.5%	23.6%
COMBINED OPERATING RATIO	94.4%	92.6%	104.5%	97.3%	99.7%	124.9%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - YUKON
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$118	\$50	\$167	\$335	\$2,055	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	94	10	162	-64	-79
NET PREMIUMS EARNED	\$176	\$144	\$177	\$497	\$1,991	\$1,972
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	3	22	-508	-483	-454	247
EFFECT OF DISCOUNTING	0	-3	-34	-37	-73	36
DISCOUNTED	3	19	-542	-520	-527	283
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	109	100	109	318	1,269	1,177
EFFECT OF DISCOUNTING	8	7	1	16	72	68
DISCOUNTED	117	107	110	334	1,341	1,245
CLAIMS INCURRED	\$120	\$126	-\$432	-\$186	\$814	\$1,528
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	12	5	17	34	208	205
AGENTS COMMISSIONS	9	6	16	31	179	182
DRIVER RECORD ABSTRACTS	1	2	1	4	30	17
BAD DEBTS	0	0	0	0	-1	-22
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	5	7	0	12	-7	-6
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	5	7	0	12	-7	-6
UNDERWRITING EXPENSES	\$27	\$20	\$34	\$81	\$409	\$376
NET UNDERWRITING GAIN (LOSS)	\$29	-\$2	\$575	\$602	\$768	\$68
ADMINISTRATIVE EXPENSES	4	3	7	14	54	82
PREMIUM FINANCE FEE	0	0	0	0	0	0
INVESTMENT INCOME	1	1	0	2	4	8
OPERATING RESULTS	\$26	-\$4	\$568	\$590	\$718	-\$6
AVERAGE YTD OPERATING RESULT	\$26	\$11	\$197	\$197	\$60	-\$1
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	1.7%	13.2%	-306.2%	-104.6%	-26.5%	14.4%
Current Accident Year	66.5%	74.3%	62.1%	67.2%	67.4%	63.1%
All Accident Years Combined	68.2%	87.5%	-244.1%	-37.4%	40.9%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	16.0%	23.2%	19.1%	23.3%	23.2%
COMBINED OPERATING RATIO	85.8%	103.5%	-220.9%	-18.3%	64.2%	100.7%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NWT
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$567	\$322	\$579	\$1,468	\$4,512	\$4,052
CHANGE IN UNEARNED PREMIUMS	-108	25	-196	-279	-17	140
NET PREMIUMS EARNED	\$459	\$347	\$383	\$1,189	\$4,495	\$4,192
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	64	-163	-55	-154	-315	-1,041
EFFECT OF DISCOUNTING	-2	-10	-35	-47	-82	-21
DISCOUNTED	62	-173	-90	-201	-397	-1,062
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	183	178	194	555	2,238	2,550
EFFECT OF DISCOUNTING	13	7	5	25	95	124
DISCOUNTED	196	185	199	580	2,333	2,674
CLAIMS INCURRED	\$258	\$12	\$109	\$379	\$1,936	\$1,612
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	57	32	58	147	453	406
AGENTS COMMISSIONS	58	32	51	141	445	395
DRIVER RECORD ABSTRACTS	5	22	4	31	86	65
BAD DEBTS	-1	0	0	-1	0	-15
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	-12	3	-17	-26	-2	15
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	-12	3	-17	-26	-2	15
UNDERWRITING EXPENSES	\$107	\$89	\$96	\$292	\$982	\$866
NET UNDERWRITING GAIN (LOSS)	\$94	\$246	\$178	\$518	\$1,577	\$1,714
ADMINISTRATIVE EXPENSES	10	-3	13	20	91	110
PREMIUM FINANCE FEE	0	0	0	0	0	0
INVESTMENT INCOME	1	1	1	3	6	15
OPERATING RESULTS	\$85	\$250	\$166	\$501	\$1,492	\$1,619
AVERAGE YTD OPERATING RESULT	\$85	\$168	\$167	\$167	\$124	\$135
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	13.5%	-49.9%	-23.5%	-16.9%	-8.8%	-25.3%
Current Accident Year	42.7%	53.3%	52.0%	48.8%	51.9%	63.8%
All Accident Years Combined	56.2%	3.4%	28.5%	31.9%	43.1%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	24.8%	28.5%	26.2%	23.9%	23.3%
COMBINED OPERATING RATIO	81.7%	28.2%	57.0%	58.1%	67.0%	61.8%

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 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NUNAVUT
Operating Results for the 3 months ended March 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 03/2020
(thousands of dollars)

	January	February	March	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:						
PREMIUMS WRITTEN	\$110	\$34	\$54	\$198	\$1,021	\$993
CHANGE IN UNEARNED PREMIUMS	8	42	30	80	-39	11
NET PREMIUMS EARNED	\$118	\$76	\$84	\$278	\$982	\$1,004
CLAIMS INCURRED						
PRIOR ACCIDENT YEARS						
UNDISCOUNTED	14	-54	-87	-127	-183	-115
EFFECT OF DISCOUNTING	-1	0	-15	-16	-28	6
DISCOUNTED	13	-54	-102	-143	-211	-109
CURRENT ACCIDENT YEAR						
UNDISCOUNTED	33	33	28	94	376	406
EFFECT OF DISCOUNTING	2	2	1	5	20	22
DISCOUNTED	35	35	29	99	396	428
CLAIMS INCURRED	\$48	-\$19	-\$73	-\$44	\$185	\$319
UNDERWRITING EXPENSES						
OPERATING & SERVICE FEES	11	3	5	19	103	100
AGENTS COMMISSIONS	10	3	5	18	88	84
DRIVER RECORD ABSTRACTS	0	0	0	0	10	6
BAD DEBTS	0	0	0	0	0	1
PREMIUM DEFICIENCY/(DPAC)						
UNDISCOUNTED	1	4	2	7	-3	1
EFFECT OF DISCOUNTING	0	0	0	0	0	0
DISCOUNTED	1	4	2	7	-3	1
UNDERWRITING EXPENSES	\$22	\$10	\$12	\$44	\$198	\$192
NET UNDERWRITING GAIN (LOSS)	\$48	\$85	\$145	\$278	\$599	\$493
ADMINISTRATIVE EXPENSES	5	3	5	13	28	66
PREMIUM FINANCE FEE	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	1	2	4
OPERATING RESULTS	\$44	\$82	\$140	\$266	\$573	\$431
AVERAGE YTD OPERATING RESULT	\$44	\$63	\$89	\$89	\$48	\$36
RATIOS:						
Claims & Adj Expenses Incurred (Earned)						
Prior Accident Years	11.0%	-71.1%	-121.4%	-51.4%	-21.5%	-10.9%
Current Accident Year	29.7%	46.1%	34.5%	35.6%	40.3%	42.6%
All Accident Years Combined	40.7%	-25.0%	-86.9%	-15.8%	18.8%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	17.1%	20.2%	20.5%	23.0%	25.7%
COMBINED OPERATING RATIO	63.6%	-7.9%	-66.7%	4.7%	41.8%	57.4%

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