



TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F2020 – 056

DATE: AUGUST 28, 2020

SUBJECT: FARM – JUNE 2020 PARTICIPATION REPORT

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

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

Key Points

- (a) The loss ratios currently being used include an initial assessment of the incurred impacts associated with the COVID-19 pandemic, with a further review and assessment to be included with the FARM 2020 Q2 actuarial valuation update (as at June 2020);
- (b) The *projected 2020 year-end net operating surplus is now \$32.9 million*, with a COR at 91.5% on earned premium of \$384 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);
- (c) The **June 2020 Participation Report reflects the effect of a funds transfer of \$25 million** from Facility Association to Members;
- (d) Further to the implementation of the 2020 Q1 valuation included with **last month's participation results (May 2020)**, we have **investigated an error** in the selected claim development margins for adverse deviations for the **New Brunswick Private Passenger Vehicles** business segment, related to a non-updated linked spreadsheet, and a correction has been made in the current month's Participation Report (June 2020). This update resulted in an **\$83 thousand favourable impact on the month's results** and a \$131 thousand favourable impact on the year-end projected results. Management has reviewed the error and additional valuation controls have been implemented;
- (e) We are currently **investigating a Servicing Carrier case reserve claims reporting difference** between trial balance and automobile statistical plan reporting with the current month's Participation Report (June 2020). Because Facility Association uses an ultimate loss ratio matching (IBNR booking) approach with the monthly participation results calculations (recorded activity is assumed to be offset by changes in IBNR), **there is no impact on this month's Operating Results**. Any impact arising from investigation of the difference will be included with the FARM 2020 Q2 valuation update (as at June 2020) which will be reflected in the August 2020 Participation Report.

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FARM – June 2020 Participation Report

New This Month

Members’ Transfer of Funds

The June 2020 Participation Report reflects the effect of a **transfer of \$25 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 6 of this bulletin for more details.

Claim Development Margins Correction (NB PPV)

Further to the implementation of the 2020 Q1 valuation included with **last month’s participation results (May 2020)**, we have **investigated an error** in the selected claim development margins for adverse deviations for New Brunswick Private Passenger Vehicles business segment, related to a non-updated linked spreadsheet, and a correction was included in the current month’s (June 2020) result. The claim development margins update resulted in an **estimated overall \$83 thousand favourable impact** on the month’s Operating Result and a \$131 thousand favourable impact on year-end projected results (no change in the Combined Operating Ratio – note the 0% impact on the tables to the right), as summarized in the tables below.

NB-PPV Claim Development Margins Correction Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)						ytd EP 186,657 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns		dsct rate	margins			ultimates & payout patterns		dsct rate	margins		
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	-	-	-	-	(51)	(51)	-	-	-	-	-	
CAY	-	-	-	-	(32)	(32)	-	-	-	-	-	
Prem Def	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	(83)	(83)	-	-	-	-	-	

NB-PPV Claim Development Margins Correction Impact (\$000s) – Impact on Year-end Projected Results

Grand Total	unfav / (fav) projected for full year						year EP 384,351 (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	-	-	-	-	(44)	(44)	-	-	-	-	-	
CAY	-	-	-	-	(87)	(87)	-	-	-	-	-	
Prem Def	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	(131)	(131)	-	-	-	-	-	

Summary of Financial Results

The calendar year-to-date Operating Result is \$6.6 million and the incurred loss ratio to the end of 6 months is 75.2%, as summarized in the following table.

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FARM – June 2020 Participation Report

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

Amounts in \$000s	June 2020	June 2019	Year to date Jun 2020	Year to Date Jun 2019
Premium Written	42,287	37,652	200,229	174,277
Premium Earned	29,943	26,442	186,657	142,041
Incurred Losses	18,458	18,033	140,250	116,486
Underwriting & Admin Expense	7,577	6,533	39,765	32,327
Net Result from Operations	3,908	1,876	6,642	(6,772)
Ratios:				
Loss ratio - Prior Accident Years	(4.8%)	(1.3%)	9.7%	12.5%
- Current Accident Year	66.4%	69.5%	65.5%	69.5%
<i>Total</i>	61.6%	68.2%	75.2%	82.0%
Underwriting & Admin Expense	25.4%	25.0%	21.5%	23.0%
Combined Operating Ratio	87.0%	93.2%	96.7%	105.0%

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

Updated Projection to Year-end 2020

PLEASE NOTE: June’s projections include the following **adjustments to reflect COVID-19 pandemic impacts**:

- A 5% decrease in written counts for the rest of the 2020 calendar year, following from discussion with FA’s underwriting team and Servicing Carriers and being consistent with the adjustment originally introduced with April 2020’s premium projections.
- An additional 10% decrease in next month’s reported claims activity - reducing the projected reported activity over the next month and spreading over the remainder of the year, reflecting a shift in Current Accident Year claims reporting and emergence patterns due to the COVID-19 pandemic. This is consistent with previous month’s projections following the valuation assumptions update.

The projected calendar year Net Result from Operations to June 2020 is \$32.9 million and the estimated combined operating ratio to June 2020 is 91.5% as indicated in the following table.

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

FARM 2020 Year-end Projection	Current	Prior Mth	Change	Final 2020
Amounts in \$000s	(Jun 2020)	(May 2020)		Outlook*
Premium Written	407,018	395,421	11,597	350,613
Premium Earned	384,351	377,771	6,580	341,552
Incurred Losses	266,869	262,831	4,038	233,103
Underwriting & Admin Expense	84,579	82,830	1,749	74,721
Net Result from Operations	32,903	32,111	793	33,728
Ratios:				
Loss ratio - Prior Accident Years	3.4%	3.5%	(0.1%)	(1.7%)
- Current Accident Year	66.1%	66.0%	0.1%	69.9%
<i>Total</i>	69.4%	69.6%	(0.2%)	68.2%
Underwriting & Admin Expense	22.1%	22.1%	0.0%	22.3%
Combined Operating Ratio	91.5%	91.7%	(0.2%)	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 \$0.8 million from the projection provided last month (see second last column in the preceding table). This improvement is driven by an \$11.6 million increase in the projected written premium for the year, and its associated impacts on earned premium, claims, and expense projections.

Current Month Results

The Net Results from Operations in the month of June 2020 was \$3.9 million, up \$2.0 million from the same month last year. This improvement is composed of a \$0.2 million favourable impact associated with the \$3.5 million increase in earned premium (at a prior combined ratio of 93.2%), and an approximately \$1.8 million favourable impact stemming from the overall decrease in the combined ratio (from 93.2% to 87.0% applied to \$29.9 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 98.4% at the end of 5 months to 96.7% at the end of 6 months. The 1.7 percentage point decrease is composed of a 2.7 percentage point decrease in the Prior Accident Years loss ratio, offset by a 0.2 percentage point increase in the Current Accident Year loss ratio, and a 0.8 percentage point increase in the expense 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.

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FARM Summary of Actual vs Projected variances

June 2020	Actual	Projection	Difference	Difference %
Premium Written	42,287	33,704	8,583	25.5%
Premium Earned	29,943	29,683	260	0.9%
Reported Losses				
Paid Losses	20,672	16,632	4,040	24.3%
Change in Outstanding Losses	(349)	2,296	(2,645)	(115.2%)
Total Reported Losses	20,323	18,928	1,395	7.4%
Change in IBNR*	(1,826)	554	(2,380)	
Change in Premium Deficiency (DPAC)*	(930)	(296)	(634)	
Change in Retro Claims Expense*	(39)	(674)	635	

(Amounts in \$000's)

rounding differences may occur

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.

We're investigating a Servicing Carrier case reserve claims reporting difference between trial balance and automobile statistical plan reporting with the current month's Participation Report (June 2020). Based on the ultimate loss ratio matching (IBNR booking) approach used with the monthly participation results calculations (recorded activity is assumed to be offset by changes in IBNR), there is no impact on this month's Operating Results. The claims reporting investigation will be reviewed and any impact included with the FARM 2020 Q2 valuation update (as at June 2020) which will be reflected in the August 2020 Participation Report.

Notwithstanding the case reserve reporting difference being investigated and described above, for the month of June, recorded indemnity amounts were \$2.1 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 \$1.4 million*). The Current Accident Year had an approximately \$1.0 million unfavourable variance in recorded indemnity, and the Prior Accident Years had an unfavourable variance of \$1.1 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).

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

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Accident Years and Current Accident Year variances from projected for the most recent accident years back to 1994 (for accident years 1993 and earlier, IBNR is held at \$0). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend.

Effect of Quarterly Valuation

The June 2020 Participation Report reflects the results of Claim Development Margins correction for New Brunswick Private Passenger Vehicles business segment only (see earlier section, *Claim Development Margins Correction (NB PPV)*). The most recent valuation was as at March 31, 2020 for all jurisdictions and business segments. The actuarial valuation will be updated next as at June 30, 2020 for all jurisdictions and business segments, and the results of that valuation are anticipated to be reflected in the August 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 June 2020 Participation Report reflects the effect of the *transfer of \$25 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 \$25 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.

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

Summary by Jurisdiction	Private Passenger	Non Private Passenger	Total
Ontario	5,910	5,098	11,008
Alberta	1,046	4,143	5,189
Newfoundland & Labrador	2,937	1,628	4,565
New Brunswick	715	1,697	2,412
Nova Scotia	(331)	1,046	714
Prince Edward Island	378	136	514
Yukon	(74)	258	184
Northwest Territories	181	222	403
Nunavut	4	6	10
TOTAL	10,765	14,235	25,000

Management Comments

As shown in the following table, the **private passenger** annualized vehicle counts increased by 22.8% overall in June 2020 relative to June 2019. The increase was across all jurisdictions except for Nova Scotia, with most of the increase coming from Ontario, up 345 vehicles (55%), and Newfoundland and Labrador, up 193 vehicles (18%).

FARM Private Passenger Written Counts (June 2020)

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	971	345	55.1%	626	275	78.1%	351
AB	141	52	57.5%	90	(62)	(40.9%)	152
NL	1,295	193	17.5%	1,102	(27)	(2.4%)	1,130
NB	694	107	18.3%	587	11	1.9%	576
NS	806	(4)	(0.5%)	810	282	53.4%	528
PE	165	46	38.6%	119	(0)	(0.1%)	119
YT	18	4	32.5%	13	(5)	(25.9%)	18
NT	184	52	39.4%	132	(35)	(20.8%)	167
NU	12	1	6.7%	11	(0)	(0.7%)	11
Grand Total	4,286	796	22.8%	3,490	438	14.4%	3,052

On a year-to-date basis, the private passenger annualized vehicle counts increased by 13.8%, largely driven by the increase in Ontario, up 1,033 vehicles (45%) and accounts for more than half of the overall increase.

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FARM Private Passenger Written Counts (Year-to-date to June 2020)

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	3,338	1,033	44.8%	2,305	1,224	113.3%	1,080
AB	940	227	31.8%	713	113	18.8%	600
NL	4,523	230	5.4%	4,293	400	10.3%	3,893
NB	2,764	175	6.7%	2,590	170	7.0%	2,419
NS	3,156	170	5.7%	2,987	1,262	73.2%	1,724
PE	537	39	7.7%	498	59	13.5%	439
YT	60	3	4.6%	58	(11)	(15.8%)	69
NT	806	82	11.3%	724	(102)	(12.4%)	826
NU	51	8	19.0%	43	(6)	(11.9%)	48
Grand Total	16,175	1,966	13.8%	14,209	3,110	28.0%	11,099

On a rolling 12-month basis to June (as shown in the following table), FARM vehicle counts are up 15.5% across all rating classes (up 24.1% for private passenger, 10.9% 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). The increase for interurban vehicle counts has gone down due to the recent decrease in Ontario, with majority of the decrease from fleet business.

Rolling 12-month premium changes are more significant than the changes in counts (private passenger up 40.4%, non-private passenger up 23.1%, for a total increase of 28.2%). 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.

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

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 06			% Change in Amount			Change in Amount			2019 rolling 12 to month 06		
		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)	40,884	127,596,396	3,121	24.1%	40.4%	13.2%	7,937	36,731,972	363	32,947	90,864,424	2,758
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
PPV Total		40,884	127,596,396	3,121	24.1%	40.4%	13.2%	7,937	36,731,972	363	32,947	90,864,424	2,758
non-PPV	Private Passenger (x Farmers)	687	679,077	989	0.9%	10.0%	9.0%	6	61,876	82	680	617,201	907
	Commercial	19,307	103,284,945	5,350	36.2%	54.5%	13.4%	5,136	36,435,546	633	14,171	66,849,399	4,717
	Interurban	7,313	93,096,402	12,730	16.4%	3.3%	(11.3%)	1,030	2,938,019	(1,620)	6,283	90,158,383	14,350
	Public Bus	1,062	4,543,546	4,277	(36.9%)	(39.7%)	(4.5%)	(620)	(2,993,841)	(202)	1,683	7,537,387	4,479
	Private Bus & Misc Public	1,407	5,547,946	3,944	(1.6%)	14.2%	16.1%	(23)	689,746	547	1,430	4,858,200	3,397
	School Bus	858	1,381,626	1,610	(20.7%)	(21.8%)	(1.5%)	(224)	(385,458)	(24)	1,081	1,767,084	1,634
	Hotel & Country Club Bus	567	1,265,218	2,231	1.5%	(5.5%)	(7.0%)	8	(74,297)	(167)	559	1,339,515	2,398
	Taxi	4,676	30,682,363	6,561	0.3%	44.1%	43.7%	15	9,394,045	1,994	4,662	21,288,318	4,567
	Funeral	2	3,417	1,709	(60.0%)	(70.6%)	(26.5%)	(3)	(8,207)	(616)	5	11,624	2,325
	Ambulance	32	119,830	3,784	(19.5%)	(26.9%)	(9.2%)	(8)	(44,155)	(385)	39	163,985	4,169
	Motorcycle	18,163	12,553,769	691	3.8%	11.2%	7.0%	673	1,263,363	45	17,490	11,290,406	646
	All Terrain Vehicle	9,651	4,178,364	433	7.6%	15.9%	7.7%	680	572,198	31	8,971	3,606,166	402
	Snow Vehicle	3,864	1,651,298	427	(2.7%)	0.3%	2.9%	(105)	4,642	12	3,969	1,646,656	415
	Antique	2	3,324	1,425	(55.6%)	(65.8%)	(22.9%)	(3)	(6,383)	(424)	5	9,707	1,849
	Motor Home	339	833,346	2,462	39.5%	42.1%	1.9%	96	247,055	46	243	586,291	2,416
	Trailer Home	-	70,197	70,197	-	3,438.2%	3,438.2%	-	68,213	68,213	-	1,984	1,984
	Garage	-	10,862,265	10,862,265	-	30.0%	30.0%	-	2,507,969	2,507,969	-	8,354,296	8,354,296
	Non-Owned	-	452,863	452,863	-	66.8%	66.8%	-	181,303	181,303	-	271,560	271,560
	Drivers Policy	84	124,849	1,478	41.4%	79.0%	26.6%	25	55,103	311	60	69,746	1,167
non-PPV Total		68,014	271,334,645	3,989	10.9%	23.1%	11.0%	6,684	50,906,737	395	61,330	220,427,908	3,594
TOTAL		108,898	398,931,041	3,663	15.5%	28.2%	10.9%	14,621	87,638,709	361	94,277	311,292,332	3,302

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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 June 2020 Participation Report – Actuarial Highlights](#)

*For additional details on Actual vs Projected variances, IBNR, and valuation (if applicable)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS BY MONTH
Operating Results for the 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$38,815	\$29,715	\$39,160	\$11,893	\$38,359	\$42,287	\$200,229	\$407,020	\$372,967
CHANGE IN UNEARNED PREMIUMS	(4,450)	364	(5,702)	17,183	(8,623)	(12,344)	(13,572)	(22,666)	(49,022)
NET PREMIUMS EARNED	\$34,365	\$30,079	\$33,458	\$29,076	\$29,736	\$29,943	\$186,657	\$384,354	\$323,945
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	2,394	(3,629)	7,887	(81)	5,957	(33)	12,495	12,494	14,991
EFFECT OF DISCOUNTING	(773)	(556)	(856)	(735)	9,863	(1,392)	5,551	501	924
DISCOUNTED	1,621	(4,185)	7,031	(816)	15,820	(1,425)	18,046	12,995	15,915
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	20,592	19,677	19,356	18,671	16,845	18,719	113,860	237,245	214,321
EFFECT OF DISCOUNTING	1,488	1,261	830	928	2,673	1,164	8,344	16,629	11,261
DISCOUNTED	22,080	20,938	20,186	19,599	19,518	19,883	122,204	253,874	225,582
CLAIMS INCURRED	\$23,701	\$16,753	\$27,217	\$18,783	\$35,338	\$18,458	\$140,250	\$266,869	\$241,497
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	3,980	3,082	4,101	1,178	3,954	4,354	20,649	41,963	38,519
AGENTS COMMISSIONS	3,082	2,124	2,769	1,284	3,062	3,335	15,656	31,679	28,514
DRIVER RECORD ABSTRACTS	286	271	206	372	530	318	1,983	4,819	3,532
BAD DEBTS	(3)	(2)	(2)	0	(3)	(2)	(12)	(8)	(148)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(361)	83	(381)	1,149	(641)	(930)	(1,081)	(1,808)	(3,571)
EFFECT OF DISCOUNTING	2	3	(52)	0	0	0	(47)	(47)	(460)
DISCOUNTED	(359)	86	(433)	1,149	(641)	(930)	(1,128)	(1,855)	(4,031)
UNDERWRITING EXPENSES	\$6,986	\$5,561	\$6,641	\$3,983	\$6,902	\$7,075	\$37,148	\$76,598	\$66,386
NET UNDERWRITING GAIN (LOSS)	\$3,678	\$7,765	-\$400	\$6,310	-\$12,504	\$4,410	\$9,259	\$40,887	\$16,062
ADMINISTRATIVE EXPENSES	398	623	419	506	482	518	2,946	8,460	6,286
PREMIUM FINANCE FEE	(13)	(12)	(13)	(12)	(12)	(11)	(73)	(64)	(130)
INVESTMENT INCOME	119	121	75	30	30	27	402	540	1,208
OPERATING RESULTS	\$3,386	\$7,251	-\$757	\$5,822	-\$12,968	\$3,908	\$6,642	\$32,903	\$10,854
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	4.7%	-13.9%	21.0%	-2.8%	53.2%	-4.8%	9.7%	3.4%	4.9%
Current Accident Year	64.3%	69.6%	60.3%	67.4%	65.6%	66.4%	65.5%	66.1%	69.6%
All Accident Years Combined	69.0%	55.7%	81.3%	64.6%	118.8%	61.6%	75.2%	69.5%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.6%	21.1%	15.4%	24.8%	25.4%	21.5%	22.1%	22.4%
COMBINED OPERATING RATIO	90.5%	76.3%	102.4%	80.0%	143.6%	87.0%	96.7%	91.6%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(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	\$66,933	\$72,411	\$21,060	\$2,944	\$16,040	\$16,678	\$1,120	\$2,693	\$350	\$200,229	\$407,020	\$372,967
CHANGE IN UNEARNED PREMIUMS	(6,228)	(2,531)	(2,413)	(20)	(1,811)	(183)	(138)	(396)	148	(13,572)	(22,666)	(49,022)
NET PREMIUMS EARNED	\$60,705	\$69,880	\$18,647	\$2,924	\$14,229	\$16,495	\$982	\$2,297	\$498	\$186,657	\$384,354	\$323,945
CLAIMS INCURRED												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	10,884	3,807	(3,714)	(438)	1,172	1,855	(626)	(283)	(162)	12,495	12,494	14,991
EFFECT OF DISCOUNTING	1,791	2,449	5	139	613	508	10	32	4	5,551	501	924
DISCOUNTED	12,675	6,256	(3,709)	(299)	1,785	2,363	(616)	(251)	(158)	18,046	12,995	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	37,665	37,488	12,546	1,903	10,028	12,213	605	1,221	191	113,860	237,245	214,321
EFFECT OF DISCOUNTING	2,495	3,229	879	128	675	811	42	71	14	8,344	16,629	11,261
DISCOUNTED	40,160	40,717	13,425	2,031	10,703	13,024	647	1,292	205	122,204	253,874	225,582
CLAIMS INCURRED	\$52,835	\$46,973	\$9,716	\$1,732	\$12,488	\$15,387	\$31	\$1,041	\$47	\$140,250	\$266,869	\$241,497
UNDERWRITING EXPENSES												
OPERATING & SERVICE FEES	6,693	7,820	2,106	295	1,604	1,715	112	269	35	20,649	41,963	38,519
AGENTS COMMISSIONS	5,390	4,653	1,858	268	1,485	1,620	99	253	30	15,656	31,679	28,514
DRIVER RECORD ABSTRACTS	401	202	577	107	353	292	7	44	0	1,983	4,819	3,532
BAD DEBTS	2	0	(1)	0	0	(12)	0	(1)	0	(12)	(8)	(148)
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	(510)	(149)	(209)	2	(161)	(19)	(12)	(35)	12	(1,081)	(1,808)	(3,571)
EFFECT OF DISCOUNTING	0	0	(47)	0	0	0	0	0	0	(47)	(47)	(460)
DISCOUNTED	(510)	(149)	(256)	2	(161)	(19)	(12)	(35)	12	(1,128)	(1,855)	(4,031)
UNDERWRITING EXPENSES	\$11,976	\$12,526	\$4,284	\$672	\$3,281	\$3,596	\$206	\$530	\$77	\$37,148	\$76,598	\$66,386
NET UNDERWRITING GAIN (LOSS)	-\$4,106	\$10,381	\$4,647	\$520	-\$1,540	-\$2,488	\$745	\$726	\$374	\$9,259	\$40,887	\$16,062
ADMINISTRATIVE EXPENSES	832	971	330	98	254	259	66	79	57	2,946	8,460	6,286
PREMIUM FINANCE FEE	(22)	(33)	(7)	0	(4)	(7)	0	0	0	(73)	(64)	(130)
INVESTMENT INCOME	119	145	42	9	36	45	2	3	1	402	540	1,208
OPERATING RESULTS	-\$4,841	\$9,522	\$4,352	\$431	-\$1,762	-\$2,709	\$681	\$650	\$318	\$6,642	\$32,903	\$10,854
RATIOS:												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	20.9%	9.0%	-19.9%	-10.2%	12.5%	14.3%	-62.7%	-10.9%	-31.7%	9.7%	3.4%	4.9%
Current Accident Year	66.2%	58.3%	72.0%	69.5%	75.2%	79.0%	65.9%	56.2%	41.2%	65.5%	66.1%	69.6%
All Accident Years Combined	87.1%	67.3%	52.1%	59.3%	87.7%	93.3%	3.2%	45.3%	9.5%	75.2%	69.5%	74.5%
Underwriting & Admin Exp.(Earned)	21.1%	19.3%	24.7%	26.3%	24.8%	23.4%	27.7%	26.5%	26.9%	21.5%	22.1%	22.4%
COMBINED OPERATING RATIO	108.2%	86.6%	76.8%	85.6%	112.5%	116.7%	30.9%	71.8%	36.4%	96.7%	91.6%	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 6 months ended June 30, 2020 (Discounted Basis)
 Source: Monthly (Accident Year) Member Participation Report as at 06/2020
 (thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$17,167	\$8,069	\$12,538	\$5,102	\$11,971	\$12,086	\$66,933	\$133,822	\$114,601
CHANGE IN UNEARNED PREMIUMS	(4,415)	1,657	(1,834)	4,256	(2,849)	(3,043)	(6,228)	(10,783)	(8,283)
NET PREMIUMS EARNED	\$12,752	\$9,726	\$10,704	\$9,358	\$9,122	\$9,043	\$60,705	\$123,039	\$106,318
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	1,900	(636)	7,148	(79)	2,562	(11)	10,884	10,884	10,587
EFFECT OF DISCOUNTING	(298)	(146)	523	(294)	2,775	(769)	1,791	317	873
DISCOUNTED	1,602	(782)	7,671	(373)	5,337	(780)	12,675	11,201	11,460
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	6,322	6,016	7,083	6,205	6,106	5,933	37,665	78,664	68,811
EFFECT OF DISCOUNTING	414	325	313	264	861	318	2,495	4,699	2,997
DISCOUNTED	6,736	6,341	7,396	6,469	6,967	6,251	40,160	83,363	71,808
CLAIMS INCURRED	\$8,338	\$5,559	\$15,067	6,096	12,304	5,471	\$52,835	\$94,564	\$83,268
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	1,717	807	1,255	510	1,196	1,208	6,693	13,380	11,461
AGENTS COMMISSIONS	1,410	652	1,009	398	933	988	5,390	10,851	8,936
DRIVER RECORD ABSTRACTS	39	43	68	89	93	69	401	1,201	798
BAD DEBTS	1	1	(1)	1	0	0	2	3	(69)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(365)	111	(143)	346	(219)	(240)	(510)	(879)	(484)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	(365)	111	(143)	346	(219)	(240)	(510)	(879)	(484)
UNDERWRITING EXPENSES	\$2,802	\$1,614	\$2,188	\$1,344	\$2,003	\$2,025	\$11,976	\$24,556	\$20,642
NET UNDERWRITING GAIN (LOSS)	\$1,612	\$2,553	-\$6,551	\$1,918	-\$5,185	\$1,547	-\$4,106	\$3,919	\$2,408
ADMINISTRATIVE EXPENSES	185	183	119	162	32	151	832	2,599	1,771
PREMIUM FINANCE FEE	(5)	(3)	(4)	(4)	(3)	(3)	(22)	(20)	(36)
INVESTMENT INCOME	32	36	21	11	11	8	119	156	353
OPERATING RESULTS	\$1,454	\$2,403	-\$6,653	\$1,763	-\$5,209	\$1,401	-\$4,841	\$1,456	\$954
AVERAGE YTD OPERATING RESULT	\$1,454	\$1,929	-\$932	-\$258	-\$1,248	-\$807	(807)	\$121	\$80
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	12.6%	-8.0%	71.7%	-4.0%	58.5%	-8.6%	20.9%	9.1%	10.8%
Current Accident Year	52.8%	65.2%	69.1%	69.1%	76.4%	69.1%	66.2%	67.8%	67.5%
All Accident Years Combined	65.4%	57.2%	140.8%	65.1%	134.9%	60.5%	87.1%	76.9%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	18.5%	21.6%	16.1%	22.3%	24.1%	21.1%	22.1%	21.1%
COMBINED OPERATING RATIO	88.8%	75.7%	162.4%	81.2%	157.2%	84.6%	108.2%	99.0%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$12,025	\$13,847	\$17,321	-\$1,441	\$14,822	\$15,837	\$72,411	\$150,923	\$146,703
CHANGE IN UNEARNED PREMIUMS	(175)	(2,417)	(4,152)	12,143	(3,414)	(4,516)	(2,531)	(5,820)	(28,619)
NET PREMIUMS EARNED	\$11,850	\$11,430	\$13,169	\$10,702	\$11,408	\$11,321	\$69,880	\$145,103	\$118,084
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	237	(2,713)	2,317	(2)	3,979	(11)	3,807	3,809	4,386
EFFECT OF DISCOUNTING	(277)	(294)	(243)	(151)	3,757	(343)	2,449	558	667
DISCOUNTED	(40)	(3,007)	2,074	(153)	7,736	(354)	6,256	4,367	5,053
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	7,422	7,182	5,749	6,048	4,961	6,126	37,488	78,136	68,258
EFFECT OF DISCOUNTING	628	580	270	389	904	458	3,229	6,760	4,395
DISCOUNTED	8,050	7,762	6,019	6,437	5,865	6,584	40,717	84,896	72,653
CLAIMS INCURRED	\$8,010	\$4,755	\$8,093	\$6,284	\$13,601	\$6,230	\$46,973	\$89,263	\$77,706
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	1,299	1,495	1,869	(154)	1,601	1,710	7,820	16,299	15,842
AGENTS COMMISSIONS	803	769	896	79	1,044	1,062	4,653	9,458	9,196
DRIVER RECORD ABSTRACTS	26	26	22	40	65	23	202	653	345
BAD DEBTS	0	0	0	0	1	(1)	0	1	(86)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(9)	(149)	(257)	751	(209)	(276)	(149)	(350)	(1,724)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	(9)	(149)	(257)	751	(209)	(276)	(149)	(350)	(1,724)
UNDERWRITING EXPENSES	\$2,119	\$2,141	\$2,530	\$716	\$2,502	\$2,518	\$12,526	\$26,061	\$23,573
NET UNDERWRITING GAIN (LOSS)	\$1,721	\$4,534	\$2,546	\$3,702	-\$4,695	\$2,573	\$10,381	\$29,779	\$16,805
ADMINISTRATIVE EXPENSES	105	285	183	63	255	80	971	3,190	2,347
PREMIUM FINANCE FEE	(6)	(7)	(7)	(2)	(6)	(5)	(33)	(26)	(61)
INVESTMENT INCOME	44	43	29	10	9	10	145	197	441
OPERATING RESULTS	\$1,654	\$4,285	\$2,385	\$3,647	-\$4,947	\$2,498	\$9,522	\$26,760	\$14,838
AVERAGE YTD OPERATING RESULT	\$1,654	\$2,970	\$2,775	\$2,993	\$1,405	\$1,587	\$1,587	\$2,230	\$1,237
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	-0.3%	-26.3%	15.7%	-1.4%	67.8%	-3.1%	9.0%	3.0%	4.3%
Current Accident Year	67.9%	67.9%	45.7%	60.1%	51.4%	58.2%	58.3%	58.5%	61.5%
All Accident Years Combined	67.6%	41.6%	61.4%	58.7%	119.2%	55.1%	67.3%	61.5%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	21.2%	20.6%	7.3%	24.2%	22.9%	19.3%	20.2%	22.0%
COMBINED OPERATING RATIO	86.4%	62.8%	82.0%	66.0%	143.4%	78.0%	86.6%	81.7%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$3,617	\$3,146	\$3,291	\$3,253	\$3,436	\$4,317	\$21,060	\$41,397	\$35,559
CHANGE IN UNEARNED PREMIUMS	(432)	(194)	(139)	(151)	(336)	(1,161)	(2,413)	(2,761)	(6,000)
NET PREMIUMS EARNED	\$3,185	\$2,952	\$3,152	\$3,102	\$3,100	\$3,156	\$18,647	\$38,636	\$29,559
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	101	77	(2,424)	(2)	(1,462)	(4)	(3,714)	(3,714)	(907)
EFFECT OF DISCOUNTING	(33)	(18)	(427)	(48)	597	(66)	5	(316)	(165)
DISCOUNTED	68	59	(2,851)	(50)	(865)	(70)	(3,709)	(4,030)	(1,072)
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	2,337	2,252	1,984	2,223	1,615	2,135	12,546	26,066	23,331
EFFECT OF DISCOUNTING	160	140	95	87	267	130	879	1,718	1,211
DISCOUNTED	2,497	2,392	2,079	2,310	1,882	2,265	13,425	27,784	24,542
CLAIMS INCURRED	\$2,565	\$2,451	-\$772	\$2,260	\$1,017	\$2,195	\$9,716	\$23,754	\$23,470
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	362	314	329	325	344	432	2,106	4,138	3,555
AGENTS COMMISSIONS	308	262	290	296	320	382	1,858	3,713	3,226
DRIVER RECORD ABSTRACTS	96	70	68	100	135	108	577	1,506	951
BAD DEBTS	0	0	0	0	(1)	0	(1)	(1)	(29)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(37)	(6)	(12)	(16)	(35)	(103)	(209)	(249)	(790)
EFFECT OF DISCOUNTING	2	3	(52)	0	0	0	(47)	(47)	(187)
DISCOUNTED	(35)	(3)	(64)	(16)	(35)	(103)	(256)	(296)	(977)
UNDERWRITING EXPENSES	\$731	\$643	\$623	\$705	\$763	\$819	\$4,284	\$9,060	\$6,726
NET UNDERWRITING GAIN (LOSS)	-\$111	-\$142	\$3,301	\$137	\$1,320	\$142	\$4,647	\$5,822	-\$637
ADMINISTRATIVE EXPENSES	35	73	30	87	31	74	330	860	623
PREMIUM FINANCE FEE	(1)	(1)	(1)	(2)	(1)	(1)	(7)	(6)	(12)
INVESTMENT INCOME	13	14	9	2	2	2	42	53	106
OPERATING RESULTS	-\$134	-\$202	\$3,279	\$50	\$1,290	\$69	\$4,352	\$5,009	-\$1,166
AVERAGE YTD OPERATING RESULT	-\$134	-\$168	\$981	\$748	\$857	\$725	\$725	\$417	-\$97
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	2.1%	2.0%	-90.5%	-1.6%	-27.9%	-2.2%	-19.9%	-10.4%	-3.6%
Current Accident Year	78.4%	81.0%	66.0%	74.5%	60.7%	71.8%	72.0%	71.9%	83.0%
All Accident Years Combined	80.5%	83.0%	-24.5%	72.9%	32.8%	69.6%	52.1%	61.5%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.3%	20.7%	25.5%	25.6%	28.3%	24.7%	25.7%	24.9%
COMBINED OPERATING RATIO	104.6%	107.3%	-3.8%	98.4%	58.4%	97.9%	76.8%	87.2%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$578	\$243	\$480	\$513	\$499	\$631	\$2,944	\$6,272	\$5,865
CHANGE IN UNEARNED PREMIUMS	(58)	232	28	(12)	(67)	(143)	(20)	(275)	(650)
NET PREMIUMS EARNED	\$520	\$475	\$508	\$501	\$432	\$488	\$2,924	\$5,997	\$5,215
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	14	54	(583)	17	59	1	(438)	(439)	381
EFFECT OF DISCOUNTING	(5)	3	(129)	(2)	255	17	139	41	(53)
DISCOUNTED	9	57	(712)	15	314	18	(299)	(398)	328
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	334	312	322	315	300	320	1,903	3,926	3,685
EFFECT OF DISCOUNTING	24	17	16	20	45	6	128	307	215
DISCOUNTED	358	329	338	335	345	326	2,031	4,233	3,900
CLAIMS INCURRED	\$367	\$386	-\$374	\$350	\$659	\$344	\$1,732	\$3,835	\$4,228
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	58	25	48	51	50	63	295	630	585
AGENTS COMMISSIONS	51	25	43	46	45	58	268	579	545
DRIVER RECORD ABSTRACTS	15	13	8	21	36	14	107	229	242
BAD DEBTS	0	0	0	0	0	0	0	0	41
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(5)	21	3	0	(5)	(12)	2	(23)	(60)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	(5)	21	3	0	(5)	(12)	2	(23)	(60)
UNDERWRITING EXPENSES	\$119	\$84	\$102	\$118	\$126	\$123	\$672	\$1,415	\$1,353
NET UNDERWRITING GAIN (LOSS)	\$34	\$5	\$780	\$33	-\$353	\$21	\$520	\$747	-\$366
ADMINISTRATIVE EXPENSES	9	10	9	25	19	26	98	172	171
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	2	3	2	0	1	1	9	11	27
OPERATING RESULTS	\$27	-\$2	\$773	\$8	-\$371	-\$4	\$431	\$585	-\$510
AVERAGE YTD OPERATING RESULT	\$27	\$13	\$266	\$202	\$87	\$72	\$72	\$49	-\$43
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	1.7%	12.0%	-140.2%	3.0%	72.7%	3.7%	-10.2%	-6.6%	6.3%
Current Accident Year	68.8%	69.3%	66.5%	66.9%	79.9%	66.8%	69.5%	70.6%	74.8%
All Accident Years Combined	70.5%	81.3%	-73.7%	69.9%	152.6%	70.5%	59.3%	64.0%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	19.8%	21.9%	28.5%	33.6%	30.5%	26.3%	26.5%	29.2%
COMBINED OPERATING RATIO	95.1%	101.1%	-51.8%	98.4%	186.2%	101.0%	85.6%	90.5%	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 6 months ended June 30, 2020 (Discounted Basis)
 Source: Monthly (Accident Year) Member Participation Report as at 06/2020
 (thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$2,667	\$1,670	\$2,057	\$2,347	\$3,322	\$3,977	\$16,040	\$31,884	\$28,610
CHANGE IN UNEARNED PREMIUMS	(227)	600	367	(87)	(961)	(1,503)	(1,811)	(2,017)	(2,307)
NET PREMIUMS EARNED	\$2,440	\$2,270	\$2,424	\$2,260	\$2,361	\$2,474	\$14,229	\$29,867	\$26,303
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	38	(47)	1,523	(3)	(334)	(5)	1,172	1,171	(2,973)
EFFECT OF DISCOUNTING	(43)	(62)	(8)	(82)	976	(168)	613	121	(422)
DISCOUNTED	(5)	(109)	1,515	(85)	642	(173)	1,785	1,292	(3,395)
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	1,710	1,602	1,685	1,595	1,689	1,747	10,028	21,058	20,134
EFFECT OF DISCOUNTING	111	78	41	64	291	90	675	1,306	932
DISCOUNTED	1,821	1,680	1,726	1,659	1,980	1,837	10,703	22,364	21,066
CLAIMS INCURRED	\$1,816	\$1,571	\$3,241	\$1,574	\$2,622	\$1,664	\$12,488	\$23,656	\$17,671
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	267	167	206	235	332	397	1,604	3,191	2,881
AGENTS COMMISSIONS	247	167	207	213	302	349	1,485	2,996	2,671
DRIVER RECORD ABSTRACTS	56	62	21	64	92	58	353	615	575
BAD DEBTS	0	0	0	0	0	0	0	0	(23)
UNDISCOUNTED	(22)	49	27	(5)	(81)	(129)	(161)	(201)	(213)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	(22)	49	27	(5)	(81)	(129)	(161)	(201)	(213)
UNDERWRITING EXPENSES	\$548	\$445	\$461	\$507	\$645	\$675	\$3,281	\$6,601	\$5,891
NET UNDERWRITING GAIN (LOSS)	\$76	\$254	-\$1,278	\$179	-\$906	\$135	-\$1,540	-\$390	\$2,741
ADMINISTRATIVE EXPENSES	28	33	21	64	44	64	254	661	512
PREMIUM FINANCE FEE	0	0	0	(2)	(1)	(1)	(4)	(4)	(9)
INVESTMENT INCOME	11	11	6	3	3	2	36	50	103
OPERATING RESULTS	\$59	\$232	-\$1,293	\$116	-\$948	\$72	-\$1,762	-\$1,005	\$2,323
AVERAGE YTD OPERATING RESULT	\$59	\$146	-\$334	-\$222	-\$367	-\$294	-\$294	-\$84	\$194
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	-0.2%	-4.8%	62.5%	-3.8%	27.2%	-7.0%	12.5%	4.3%	-12.9%
Current Accident Year	74.6%	74.0%	71.2%	73.4%	83.9%	74.3%	75.2%	74.9%	80.1%
All Accident Years Combined	74.4%	69.2%	133.7%	69.6%	111.1%	67.3%	87.7%	79.2%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	21.1%	19.9%	25.3%	29.2%	29.9%	24.8%	24.3%	24.3%
COMBINED OPERATING RATIO	98.0%	90.3%	153.6%	94.9%	140.3%	97.2%	112.5%	103.5%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$1,966	\$2,334	\$2,673	\$1,766	\$3,660	\$4,279	\$16,678	\$35,230	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	325	184	824	(919)	(1,496)	(183)	(950)	(3,235)
NET PREMIUMS EARNED	\$2,865	\$2,659	\$2,857	\$2,590	\$2,741	\$2,783	\$16,495	\$34,280	\$31,298
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	23	(169)	556	(3)	1,449	(1)	1,855	1,856	4,426
EFFECT OF DISCOUNTING	(114)	(26)	(488)	(153)	1,350	(61)	508	(201)	3
DISCOUNTED	(91)	(195)	68	(156)	2,799	(62)	2,363	1,655	4,429
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	2,142	2,002	2,202	1,972	1,833	2,062	12,213	25,428	25,969
EFFECT OF DISCOUNTING	128	105	88	93	263	134	811	1,590	1,297
DISCOUNTED	2,270	2,107	2,290	2,065	2,096	2,196	13,024	27,018	27,266
CLAIMS INCURRED	\$2,179	\$1,912	\$2,358	\$1,909	\$4,895	\$2,134	\$15,387	\$28,673	\$31,695
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	197	234	314	176	366	428	1,715	3,573	3,484
AGENTS COMMISSIONS	186	208	252	215	357	402	1,620	3,381	3,279
DRIVER RECORD ABSTRACTS	48	33	14	54	102	41	292	503	533
BAD DEBTS	(3)	(3)	(1)	(1)	(3)	(1)	(12)	(10)	54
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	83	43	16	54	(86)	(129)	(19)	(99)	(310)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	(273)
DISCOUNTED	83	43	16	54	(86)	(129)	(19)	(99)	(583)
UNDERWRITING EXPENSES	\$511	\$515	\$595	\$498	\$736	\$741	\$3,596	\$7,348	\$6,767
NET UNDERWRITING GAIN (LOSS)	\$175	\$232	-\$96	\$183	-\$2,890	-\$92	-\$2,488	-\$1,741	-\$7,164
ADMINISTRATIVE EXPENSES	17	36	32	55	51	68	259	734	604
PREMIUM FINANCE FEE	(1)	(1)	(1)	(2)	(1)	(1)	(7)	(5)	(12)
INVESTMENT INCOME	14	12	7	4	4	4	45	63	151
OPERATING RESULTS	\$171	\$207	-\$122	\$130	-\$2,938	-\$157	-\$2,709	-\$2,417	-\$7,629
AVERAGE YTD OPERATING RESULT	\$171	\$189	\$85	\$97	-\$510	-\$452	-\$452	-\$201	-\$636
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	-3.2%	-7.3%	2.4%	-6.0%	102.1%	-2.2%	14.3%	4.8%	14.2%
Current Accident Year	79.2%	79.2%	80.2%	79.7%	76.5%	78.9%	79.0%	78.8%	87.1%
All Accident Years Combined	76.0%	71.9%	82.6%	73.7%	178.6%	76.7%	93.3%	83.6%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	20.7%	21.9%	21.4%	28.7%	29.1%	23.4%	23.6%	23.6%
COMBINED OPERATING RATIO	94.4%	92.6%	104.5%	95.1%	207.3%	105.8%	116.7%	107.2%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$118	\$50	\$167	\$103	\$250	\$432	\$1,120	\$2,013	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	94	10	53	(95)	(258)	(138)	(36)	(79)
NET PREMIUMS EARNED	\$176	\$144	\$177	\$156	\$155	\$174	\$982	\$1,977	\$1,972
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	3	22	(508)	(1)	(140)	(2)	(626)	(627)	247
EFFECT OF DISCOUNTING	0	(3)	(34)	1	46	0	10	(16)	36
DISCOUNTED	3	19	(542)	0	(94)	(2)	(616)	(643)	283
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	109	100	109	99	75	113	605	1,207	1,177
EFFECT OF DISCOUNTING	8	7	1	7	13	6	42	76	68
DISCOUNTED	117	107	110	106	88	119	647	1,283	1,245
CLAIMS INCURRED	\$120	\$126	-\$432	\$106	-\$6	\$117	\$31	\$640	\$1,528
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	12	5	17	10	25	43	112	203	205
AGENTS COMMISSIONS	9	6	16	10	22	36	99	178	182
DRIVER RECORD ABSTRACTS	1	2	1	1	1	1	7	25	17
BAD DEBTS	0	0	0	0	0	0	0	(1)	(22)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	5	7	0	6	(9)	(21)	(12)	(5)	(6)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	5	7	0	6	(9)	(21)	(12)	(5)	(6)
UNDERWRITING EXPENSES	\$27	\$20	\$34	\$27	\$39	\$59	\$206	\$400	\$376
NET UNDERWRITING GAIN (LOSS)	\$29	-\$2	\$575	\$23	\$122	-\$2	\$745	\$937	\$68
ADMINISTRATIVE EXPENSES	4	3	7	16	16	20	66	75	82
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	1	1	0	0	0	0	2	3	8
OPERATING RESULTS	\$26	-\$4	\$568	\$7	\$106	-\$22	\$681	\$864	-\$6
AVERAGE YTD OPERATING RESULT	\$26	\$11	\$197	\$149	\$141	\$114	\$114	\$72	-\$1
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	1.7%	13.2%	-306.2%	0.0%	-60.6%	-1.1%	-62.7%	-32.5%	14.4%
Current Accident Year	66.5%	74.3%	62.1%	67.9%	56.8%	68.4%	65.9%	64.9%	63.1%
All Accident Years Combined	68.2%	87.5%	-244.1%	67.9%	-3.8%	67.3%	3.2%	32.4%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	16.0%	23.2%	27.6%	35.5%	45.4%	27.7%	24.0%	23.2%
COMBINED OPERATING RATIO	85.8%	103.5%	-220.9%	95.5%	31.7%	112.7%	30.9%	56.4%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$567	\$322	\$579	\$213	\$342	\$670	\$2,693	\$4,538	\$4,052
CHANGE IN UNEARNED PREMIUMS	(108)	25	(196)	133	(5)	(245)	(396)	(49)	140
NET PREMIUMS EARNED	\$459	\$347	\$383	\$346	\$337	\$425	\$2,297	\$4,489	\$4,192
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	64	(163)	(55)	0	(128)	(1)	(283)	(282)	(1,041)
EFFECT OF DISCOUNTING	(2)	(10)	(35)	(4)	86	(3)	32	1	(21)
DISCOUNTED	62	(173)	(90)	(4)	(42)	(4)	(251)	(281)	(1,062)
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	183	178	194	180	234	252	1,221	2,386	2,550
EFFECT OF DISCOUNTING	13	7	5	3	22	21	71	148	124
DISCOUNTED	196	185	199	183	256	273	1,292	2,534	2,674
CLAIMS INCURRED	\$258	\$12	\$109	\$179	\$214	\$269	\$1,041	\$2,253	\$1,612
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	57	32	58	21	34	67	269	454	406
AGENTS COMMISSIONS	58	32	51	25	33	54	253	442	395
DRIVER RECORD ABSTRACTS	5	22	4	3	6	4	44	79	65
BAD DEBTS	(1)	0	0	0	0	0	(1)	0	(15)
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	(12)	3	(17)	12	0	(21)	(35)	(4)	15
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	(12)	3	(17)	12	0	(21)	(35)	(4)	15
UNDERWRITING EXPENSES	\$107	\$89	\$96	\$61	\$73	\$104	\$530	\$971	\$866
NET UNDERWRITING GAIN (LOSS)	\$94	\$246	\$178	\$106	\$50	\$52	\$726	\$1,265	\$1,714
ADMINISTRATIVE EXPENSES	10	(3)	13	19	20	20	79	111	110
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	1	1	1	0	0	0	3	6	15
OPERATING RESULTS	\$85	\$250	\$166	\$87	\$30	\$32	\$650	\$1,159	\$1,619
AVERAGE YTD OPERATING RESULT	\$85	\$168	\$167	\$147	\$124	\$108	\$108	\$97	\$135
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	13.5%	-49.9%	-23.5%	-1.2%	-12.5%	-0.9%	-10.9%	-6.3%	-25.3%
Current Accident Year	42.7%	53.3%	52.0%	52.9%	76.0%	64.2%	56.2%	56.4%	63.8%
All Accident Years Combined	56.2%	3.4%	28.5%	51.7%	63.5%	63.3%	45.3%	50.1%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	24.8%	28.5%	23.1%	27.6%	29.2%	26.5%	24.1%	23.3%
COMBINED OPERATING RATIO	81.7%	28.2%	57.0%	74.8%	91.1%	92.5%	71.8%	74.2%	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 6 months ended June 30, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 06/2020
(thousands of dollars)

	January	February	March	April	May	June	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:									
PREMIUMS WRITTEN	\$110	\$34	\$54	\$37	\$57	\$58	\$350	\$941	\$993
CHANGE IN UNEARNED PREMIUMS	8	42	30	24	23	21	148	25	11
NET PREMIUMS EARNED	\$118	\$76	\$84	\$61	\$80	\$79	\$498	\$966	\$1,004
CLAIMS INCURRED									
PRIOR ACCIDENT YEARS									
UNDISCOUNTED	14	(54)	(87)	(8)	(28)	1	(162)	(164)	(115)
EFFECT OF DISCOUNTING	(1)	0	(15)	(2)	21	1	4	(4)	6
DISCOUNTED	13	(54)	(102)	(10)	(7)	2	(158)	(168)	(109)
CURRENT ACCIDENT YEAR									
UNDISCOUNTED	33	33	28	34	32	31	191	374	406
EFFECT OF DISCOUNTING	2	2	1	1	7	1	14	25	22
DISCOUNTED	35	35	29	35	39	32	205	399	428
CLAIMS INCURRED	\$48	-\$19	-\$73	\$25	\$32	\$34	\$47	\$231	\$319
UNDERWRITING EXPENSES									
OPERATING & SERVICE FEES	11	3	5	4	6	6	35	95	100
AGENTS COMMISSIONS	10	3	5	2	6	4	30	81	84
DRIVER RECORD ABSTRACTS	0	0	0	0	0	0	0	8	6
BAD DEBTS	0	0	0	0	0	0	0	0	1
PREMIUM DEFICIENCY/(DPAC)									
UNDISCOUNTED	1	4	2	1	3	1	12	2	1
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0
DISCOUNTED	1	4	2	1	3	1	12	2	1
UNDERWRITING EXPENSES	\$22	\$10	\$12	\$7	\$15	\$11	\$77	\$186	\$192
NET UNDERWRITING GAIN (LOSS)	\$48	\$85	\$145	\$29	\$33	\$34	\$374	\$549	\$493
ADMINISTRATIVE EXPENSES	5	3	5	15	14	15	57	58	66
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	0	0	0	1	1	4
OPERATING RESULTS	\$44	\$82	\$140	\$14	\$19	\$19	\$318	\$492	\$431
AVERAGE YTD OPERATING RESULT	\$44	\$63	\$89	\$70	\$60	\$53	\$53	\$41	\$36
RATIOS:									
Claims & Adj Expenses Incurred (Earned)									
Prior Accident Years	11.0%	-71.1%	-121.4%	-16.4%	-8.8%	2.5%	-31.7%	-17.4%	-10.9%
Current Accident Year	29.7%	46.1%	34.5%	57.4%	48.8%	40.5%	41.2%	41.3%	42.6%
All Accident Years Combined	40.7%	-25.0%	-86.9%	41.0%	40.0%	43.0%	9.5%	23.9%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	17.1%	20.2%	36.1%	36.3%	32.9%	26.9%	25.3%	25.7%
COMBINED OPERATING RATIO	63.6%	-7.9%	-66.7%	77.1%	76.3%	75.9%	36.4%	49.2%	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