

**TO:** MEMBERS OF THE FACILITY ASSOCIATION

**ATTENTION:** CHIEF EXECUTIVE OFFICER  
NEWFOUNDLAND AND LABRADOR RISK SHARING POOL PROJECT  
MANAGER

**BULLETIN NO.:** F2020 – 098

**DATE:** DECEMBER 23, 2020

**SUBJECT:** NEWFOUNDLAND AND LABRADOR RISK SHARING POOL  
– NOVEMBER 2020 OPERATIONAL REPORT

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

Please be advised that the November 2020 Newfoundland and Labrador (NL) Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

### Key Points

- (a) The *2020 year-to-date net operating deficit was \$242 thousand*, mainly driven by the \$238 thousand incurred for expenses in relation to the NL RSP implementation; and
- (b) The *projected 2020 year-end net operating deficit is \$216 thousand*, with a COR of 515.1% on earned premium of \$52 thousand.

### Summary of Financial Results

The Newfoundland and Labrador Risk Sharing Pool produced a -\$54 thousand Operating Result in the month of November 2020. The calendar year-to-date Operating Result is now -\$242 thousand and the incurred loss ratio to the end of November 2020 is 112.1% as summarized in the following table.

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

Amounts in \$000s	November 2020	November 2019	Year to date Nov 2020	Year to Date Nov 2019
Premium Written	41	-	150	-
Premium Earned	16	-	33	-
Incurred Losses	18	-	37	-
Underwriting & Admin Expense	52	-	238	-
<b>Operating Result</b>	<b>(54)</b>	-	<b>(242)</b>	-
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	-	-	-	-
- Current Accident Year	112.5%	-	112.1%	-
<i>Total</i>	<b>112.5%</b>	-	<b>112.1%</b>	-
<b>Underwriting &amp; Admin Expense</b>	<b>325.0%</b>	-	<b>721.2%</b>	-
<b>Combined Operating Ratio</b>	<b>437.5%</b>	-	<b>833.3%</b>	-

*rounding differences may occur*Updated Projection to Year-end 2020

The projected calendar year Operating Result to December 2020 is -\$216 thousand and the estimated combined operating ratio to December 2020 is 515.1%, as summarized in the following table. This updated projection to the end of the year has deteriorated by \$27 thousand from the projection provided last month (see the second and third columns in the table), and it was a result of the overall increase in projected written premium and the associated impacts on earned premium, claims, and expense projections.

*NL RSP Summary of Projected Year-end Financial Results*

<b>NL RSP 2020 Yr-end Projection</b>	<b>Current</b>	Prior Mth		Final 2020
<b>Amounts in \$000s</b>	<b>(Nov 2020)</b>	<b>(Oct 2020)</b>	<b>Change</b>	<b>Outlook*</b>
Premium Written	171	149	22	-
Premium Earned	52	45	7	-
Incurred Losses	57	51	6	-
Underwriting & Admin Expense	211	183	28	-
<b>Net Result from Operations</b>	<b>(216)</b>	<b>(189)</b>	<b>(27)</b>	-
<i>Ratios:</i>				
<b>Loss ratio</b> - <i>Prior Accident Years</i>	-	-	-	-
- <i>Current Accident Year</i>	109.6%	113.3%	(3.7%)	-
<i>Total</i>	<b>109.6%</b>	<b>113.3%</b>	<b>(3.7%)</b>	-
<b>Underwriting &amp; Admin Expense</b>	<b>405.5%</b>	<b>405.8%</b>	<b>(0.3%)</b>	-
<b>Combined Operating Ratio</b>	<b>515.1%</b>	<b>519.1%</b>	<b>(4.0%)</b>	-

*rounding differences may occur*

\*Final 2020 Outlook unavailable for NL RSP

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

Saskia Matheson  
President & CEO

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**

Risk Sharing Pool - Newfoundland and Labrador

Operating Results for the 5 Months Ended November 30, 2020 (Discounted basis) - RSP NL was effective July 1, 2020.

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	October	November	CY2020 YTD	CY2020 6 MONTHS Updated Projection	CY2019 12 MONTHS Actual
<b>Underwriting Revenue:</b>														
Net Premiums Written	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$17	\$40	\$52	\$41	\$150	\$171	\$0
Decrease (Increase) in Unearned Premiums	-	-	-	-	-	-	-	(17)	(34)	(41)	(25)	(117)	(119)	-
<b>Net Premiums Earned</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6</b>	<b>\$11</b>	<b>\$16</b>	<b>\$33</b>	<b>\$52</b>	<b>\$0</b>
<b>Claims Incurred:</b>														
Prior Accident Years:														
Undiscounted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effect of Discounting	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discounted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Current Accident Year:														
Undiscounted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6	\$11	\$17	\$34	\$52	\$0
Effect of Discounting	-	-	-	-	-	-	-	-	1	1	1	3	5	-
Discounted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7	\$12	\$18	\$37	\$57	\$0
<b>Claims Incurred</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7</b>	<b>\$12</b>	<b>\$18</b>	<b>\$37</b>	<b>\$57</b>	<b>\$0</b>
<b>Underwriting Expenses:</b>														
Expense Allowance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5	\$12	\$15	\$12	\$44	\$51	\$0
Change in UPDR/DPAC:														
Undiscounted	-	-	-	-	-	-	-	(1)	2	-	1	2	2	-
Effect of Discounting	-	-	-	-	-	-	-	2	3	3	4	12	12	-
Discounted	-	-	-	-	-	-	-	1	5	3	5	14	14	-
<b>Underwriting Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6</b>	<b>\$17</b>	<b>\$18</b>	<b>\$17</b>	<b>\$58</b>	<b>\$65</b>	<b>\$0</b>
<b>Net Underwriting Gain (Loss)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$6)</b>	<b>(\$18)</b>	<b>(\$19)</b>	<b>(\$19)</b>	<b>(\$62)</b>	<b>(\$70)</b>	<b>\$0</b>
<b>Administrative Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$120</b>	<b>\$4</b>	<b>\$21</b>	<b>\$35</b>	<b>\$180</b>	<b>\$146</b>	<b>\$0</b>
<b>Operating Result</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$126)</b>	<b>(\$22)</b>	<b>(\$40)</b>	<b>(\$54)</b>	<b>(\$242)</b>	<b>(\$216)</b>	<b>\$0</b>
<b>Ratios:</b>														
<b>Claims &amp; Expenses Incurred (Earned)</b>														
Prior Accident Years	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Accident Year	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	116.7%	109.1%	112.5%	112.1%	109.6%	0.0%
All Accident Years Combined	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	116.7%	109.1%	112.5%	112.1%	109.6%	0.0%
Underwriting & Administrative Expenses (Earned)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	350.0%	354.5%	325.0%	721.2%	405.8%	0.0%
<b>Combined Operating Ratio</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>466.7%</b>	<b>463.6%</b>	<b>437.5%</b>	<b>833.3%</b>	<b>515.4%</b>	<b>0.0%</b>

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

Rounding difference may apply