



NEW BRUNSWICK RISK SHARING POOL

FEBRUARY 2017 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

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ACTUARIAL HIGHLIGHTS
RSP NEW BRUNSWICK
OPERATIONAL REPORT
FEBRUARY 2017

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1 Summary

1.1 Valuation Schedule (Fiscal Year 2017)

The February 2017 Operational Report leverages actuarial assumptions consistent with last month (that is, it does not reflect the results of an updated valuation). The table immediately below summarizes the implemented valuations and future scheduled valuations for fiscal year 2017.

NEW BRUNSWICK RISK SHARING POOL FISCAL YEAR 2017 – SCHEDULE OF VALUATIONS			
Valuation Date	Discount Rate (per annum)	Operational Report	Description of Changes
Sep. 30, 2016 (completed)	0.52% mfad: 25 bp	Oct. 2016	updated valuation (roll forward): accident year 2016 loss ratio decreased 1.3 points to 74.3%; discount rate decreased by 5 basis points; no change to selected margins for adverse deviations
Dec. 31, 2016		Mar. 2017	update valuation:
Mar. 31, 2017		May 2017	update valuation (roll forward):
Jun. 30, 2017		Aug. 2017	update valuation:
Sep. 30, 2017		Oct. 2017	update valuation (roll forward):

Under the proposed schedule for fiscal year 2017, the “off-half” valuation quarters ending March 31, 2017 and September 30, 2017 would not reflect a full valuation update of assumptions, but would rather “roll-forward” key assumptions from the previous valuation.

1.2 Appointed Actuary and Hybrid Actuarial Services Model

Liam McFarlane of Ernst & Young LLP is Facility Association’s Appointed Actuary (effective as of June 1, 2013).

Facility Association operates under a “hybrid” model in relation to the management and provision of actuarial services. Under this model, actuarial services are performed by both Facility Association’s internal staff and its external actuarial consulting firm. The hybrid model approach maximizes the efficiency of resource allocation while providing access to additional expertise and capacity as needed.

1.3 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation

Consideration and assessment of potential impacts of legal decisions and changes in legislation / regulation constitutes a regular part of the valuation process. Descriptions of some of the more recent changes are provided below (there have been no changes in these descriptions since last month’s Highlights).

New Brunswick Regulation 2013-37 was filed by the Government of New Brunswick on May 7, 2013, amending Regulation 2003-20 (Injury Regulation), made under the Insurance Act. The Regulation introduced a new Part 2 which applies to all injuries arising from motor vehicle accidents occurring on or after August 1, 2013. The new Part 2 re-defines “minor personal injury”, raises the maximum non-pecuniary damages recoverable by those suffering a “minor personal injury”, and sets out a process for annually indexing the monetary cap for inflation. With the most recent valuation (September 30, 2016), reform adjustments (originally introduced with the June 30, 2014 valuation) were explicitly taken into account with the updated industry trend analysis (completed using industry data as at December 31, 2015), impacting the selection of ultimates.

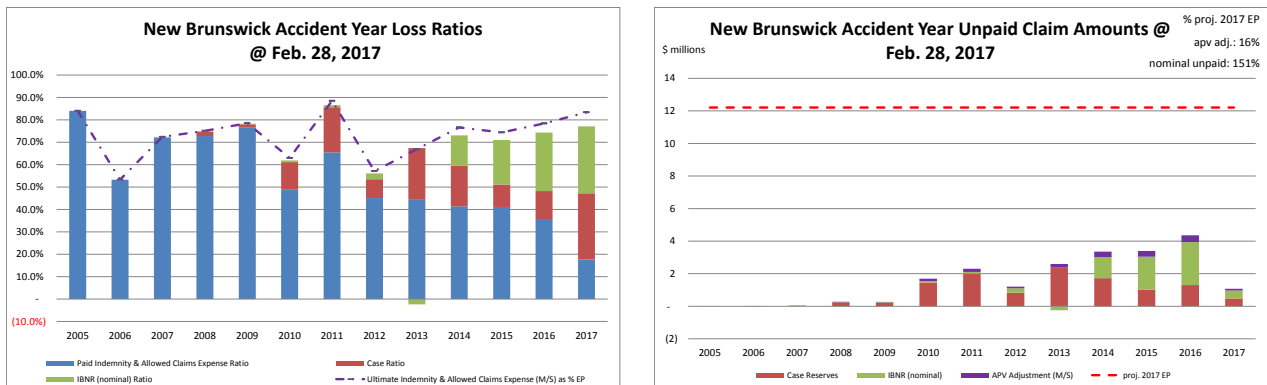
1.4 Harmonized Sales Tax

In the fiscal 2016-17 provincial budget released February 2, 2016, the New Brunswick Finance Minister announced a 2 percentage point increase in the provincial component of the harmonized sales tax (“HST”) effective July 1st, 2016 increasing the combined HST rate in the province from 13% to 15%.

With the most recent valuation (September 30, 2016), no specific adjustments have been made to the valuation assumptions in consideration of these changes.

1.5 Current Provision Summary

The charts immediately below show the current levels of claim liabilities¹ booked by accident year. The left chart displays life-to-date payments, case reserves, IBNR, and the total including actuarial present value adjustments against accident year earned premium. The right chart shows the associated dollar amounts for the components of the claim liabilities and the current projected amount of 2017 full year earned premium (the red hash-mark line) to provide some perspective.



“M/S” refers to “Member Statement” values – that is, actuarial present value adjustments at the selected discount rate.

The current actuarial present value adjustments balance (\$1.9 million – see table at the top of the next page) represents 16% of the earned premium projected for the full year 2017 (see the upper right corner of the right chart above). If our current estimates of the nominal unpaid amounts prove to match actual claims payments, the actuarial present value adjustments will be released into the net operating result over future periods.

¹Claim liabilities refer to provision for unpaid indemnity and allowed claims expenses. Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this discussion.

claim liabilities (\$000s)

	amt	%
case	11,692	57.5%
ibnr	6,748	33.2%
M/S apv adjust.	1,907	9.4%
M/S total	20,347	100.0%

The table to the left breaks down the Member Statement (M/S) claim liabilities total into component parts, showing that the majority of the claim liabilities is in case reserves for this pool. Approximately 46% of the IBNR balance relates to accident years 2016 and 2017 (see Exhibit B). Approximately 72% of the M/S claim liabilities are related to accident years 2013-2017 inclusive (i.e. the most recent 5 accident years).

The tables immediately below summarize the premium liabilities and the total policy liabilities.

premium liabilities (\$000s)

	amt	%
unearned prem	4,725	115.4%
prem def/(dpac)	(961)	(23.5%)
M/S apv adjust.	331	8.1%
M/S total	4,095	100.0%

policy liabilities (\$000s)

	amt	%
claim	18,440	75.4%
premium	3,764	15.4%
M/S apv adjust.	2,238	9.2%
M/S total	24,442	100.0%

2 Activity During the Month of February 2017

2.1 Recorded Premium and Claims Activity

The table immediately below summarizes the extent to which premiums and claims amounts recorded during the month differ from projections reflected in the prior month's Operational Report².

New Brunswick RSP Actual vs Projected Summary: Recorded Transaction Amounts (\$ thousands)

Accident Year	Earned Premium		Paid Indemnity & Allowed Claims Expense		Case increase / (decrease)		Recorded increase / (decrease)	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	(3)	(3)	48	(56)	(249)	(182)	(201)	(238)
2015	(4)	(4)	107	44	(106)	(144)	1	(100)
2016	(24)	(24)	98	17	(107)	(185)	(8)	(167)
2017	772	(28)	194	(108)	219	(82)	413	(189)
TOTAL	741	(60)	448	(102)	(243)	(592)	205	(694)

(Recorded transaction amounts exclude IBNR & other actuarial provisions)

Claims transaction activity is generally volatile and changes from one month to the next are anticipated due to this natural "process variance" (this is particularly true where volumes are low). Each month, the projection variances are reviewed for signs of projection bias and to identify potential ways to reduce the level of the variance. Commentary from our review is provided in the sub-sections that follow.

2.1.a Actual vs. Projected (AvsP): Earned Premium

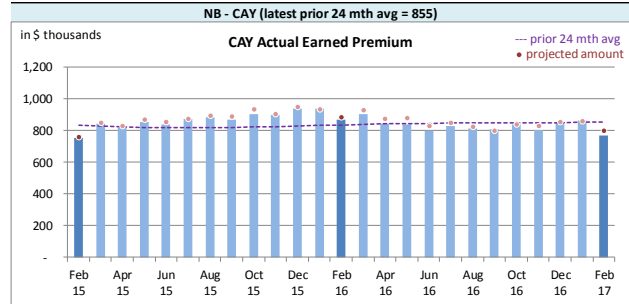
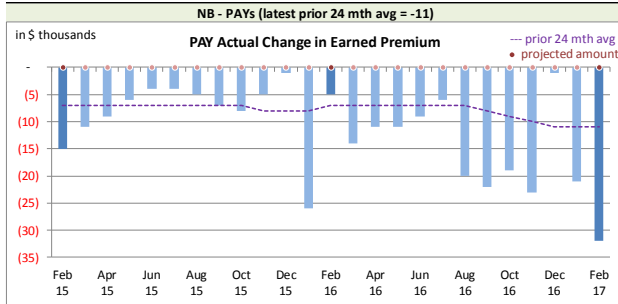
The tables at the top of the next page show actual **earned premium**³ activity in each of the most

²There may be rounding differences in values in this document compared with the associated Bulletin and/or Operational Report.

³Premium is earned on a daily basis based on the transaction term measured in days. As a result, months with 31 days earned relatively more than those with 30 days, and February earns the least.

recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

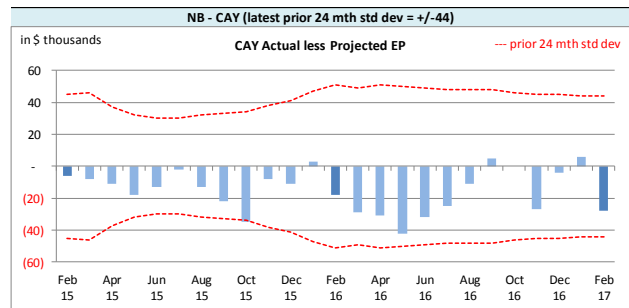
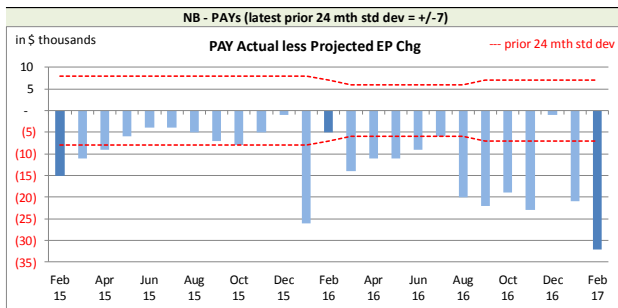
New Brunswick RSP Actual Earned Premium by Calendar Month



Earned premium changes during a given calendar month in relation to prior accident years tend to be at modest levels, although relatively high levels seem to occur in January each year. The heightened prior accident years’ activity is related to ineligible risks being removed from the RSP based on findings of the FA internal audit team with respect to a recent audit.

The associated variance between the actual changes and the projections from the previous month are shown in the charts immediately below. **Earned premium** change projections are all attributed to the current accident year as the projection upload does not accept **earned premium** changes for other accident years. We do not see this limitation as being significant for our purposes, but it does mean that the actual less projection variance will equal the actual **earned premium** change in relation to prior accident years.

New Brunswick RSP Actual vs. Projected Summary: Earned Premium Variances by Calendar Month



On Latest \$ thousands		
Earned Premium	PAYs	CAY
Mthly Avg EP Chg (prior 24 mths)	(11)	855
std dev	7	44
A-P <> std dev	14	1
% <> std dev	56.0%	4.0%
norm <> std dev	31.7%	31.7%

We project **earned premium** changes from known unearned premium and projected written premium levels, but upload the total projections as current accident year (CAY). This process has generated prior accident years’ bias⁴, with actuals generally lower than our projections.

However, the magnitude is not high relative to monthly premium, and the CAY variances are within the prior 24-month standard deviation more

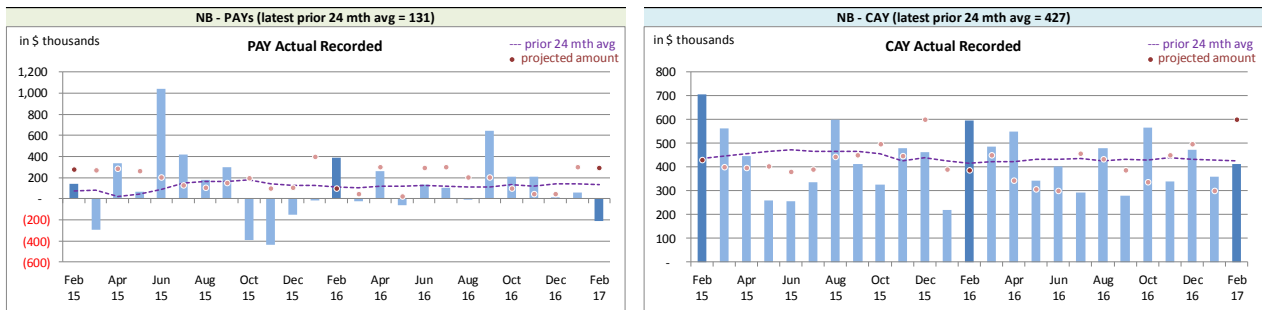
⁴The prior accident years (PAYs) variances will show bias as the projection upload forces all earned premium projections to be attributed to the current accident year.

often than indicated by a normal distribution (see tablet at the bottom of the previous page). In addition to the prior accident years’ bias, the CAY has also shown bias, with actuals being generally lower than projected. Starting with the August 2016 projections, we have modified our projection processes in an attempt to account for CAY bias. Over time, we may consider other projection approaches to narrow monthly variance levels further, but it is not currently deemed a priority.

2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

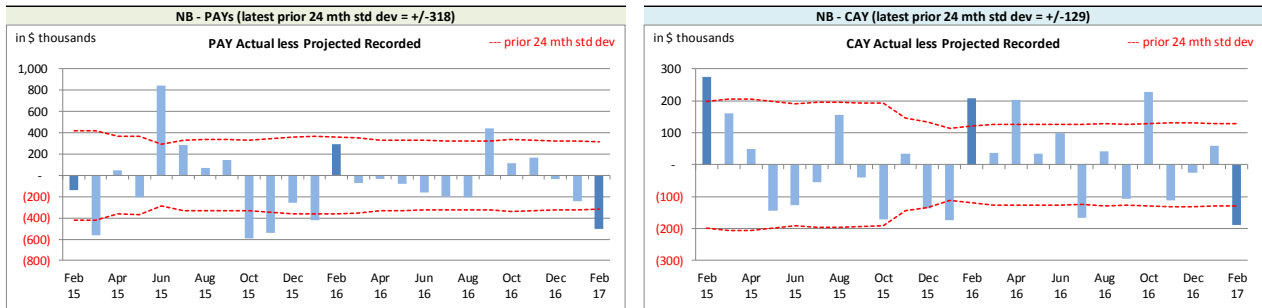
Actual **recorded** activity (**paid** and case reserve changes) over the last 25-month period are shown in the charts immediately below, including the “prior 24-month average” level.

New Brunswick RSP Actual Recorded by Calendar Month



Recorded activity variances from the previous month’s projections are shown in the charts immediately below, including the “prior 24-month standard deviation” levels.

New Brunswick RSP Actual vs Projected Summary: Recorded Variances by Calendar Month



On Latest \$ thousands		
	Recorded	
Mthly Avg Recorded (prior 24 mths)	PAYS 131	CAY 427
std dev	318	129
A-P <> std dev	7	8
% <> std dev	28.0%	32.0%
norm <> std dev	31.7%	31.7%

With respect to **recorded** indemnity & allowed claims expense activity, caution must be exercised in reviewing the variances as this is a small pool and single claim transactions that are normal course for the business may look “unusual” and generate relatively “significant” variances that in nominal value terms are not

that significant. The prior accident years’ (PAYS) **recorded** variances (left chart above) have fallen outside one standard deviation of the overall period 28% of the time, indicating the projection process is little better than simply projecting from the preceding 24-month average.

The current accident year (CAY) **recorded** variances (right chart above), with 32% outside of one standard deviation, suggests the projection process is performing no better than projecting simply on

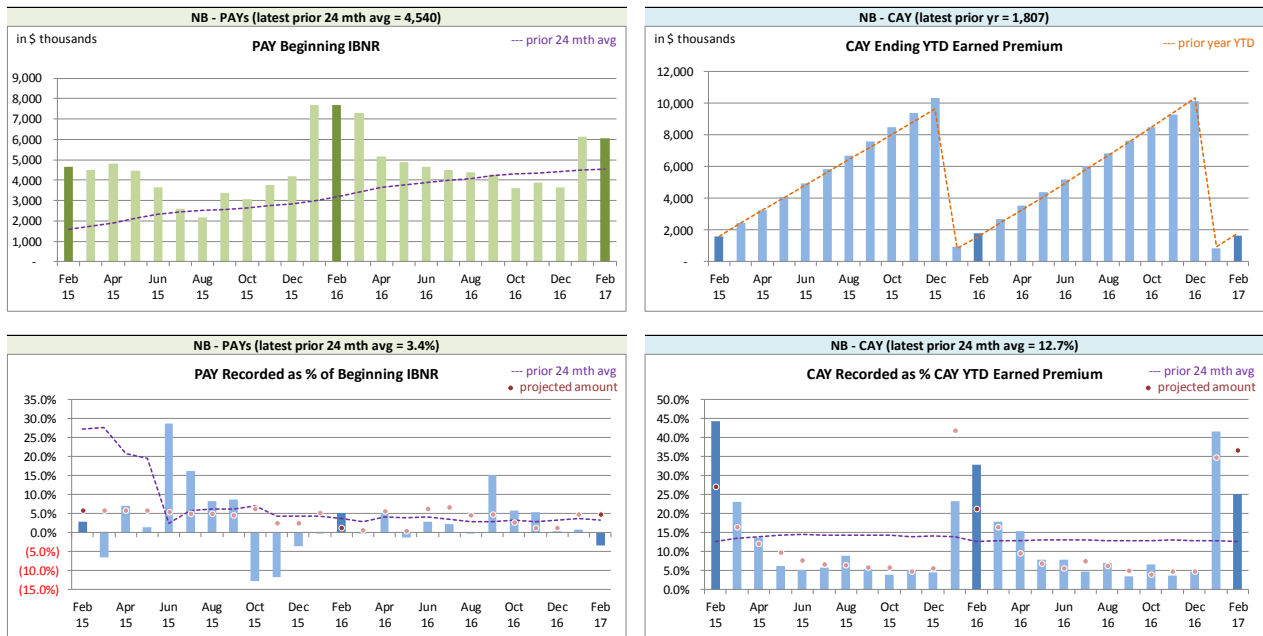
a 24-month average. We do not see evidence of bias in the variances.

Both the PAYs and CAY **recorded** variances for the current month were outside the one standard deviation band. The activity was reviewed and confirmed, with the variances attributed to process variance.

The method for establishing IBNR adjusts automatically for changes in **earned premium** and **recorded** claims activity level (see sections 2.2 and 3).

We have included, for reference, additional charts immediately below related to levels influencing **recorded** activity. Note in particular the increase in the level of PAYs beginning IBNR over the months. Part of this will be as a response to valuations and showing up as a beginning IBNR change one month after the valuation is implemented (i.e. April, June, September, and November).

New Brunswick RSP Levels that influence⁵ Recorded activity by Calendar Month



We track beginning prior accident years’ IBNR as **recorded** activity “comes out of” IBNR. Changes in the prior accident years’ beginning IBNR (see upper left chart above) occur for several possible reasons:

- to offset actual **recorded** activity (through loss ratio matching);
- the annual switchover as a current accident year becomes a prior accident year (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of prior accident years’ ultimate (will show up as a beginning IBNR change one

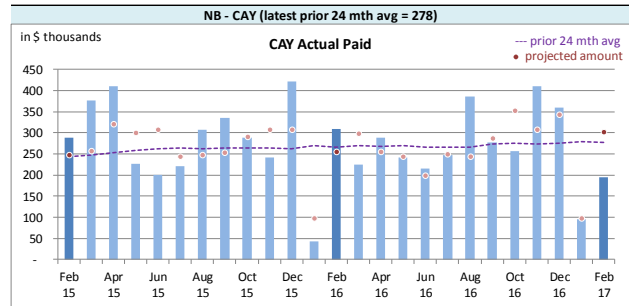
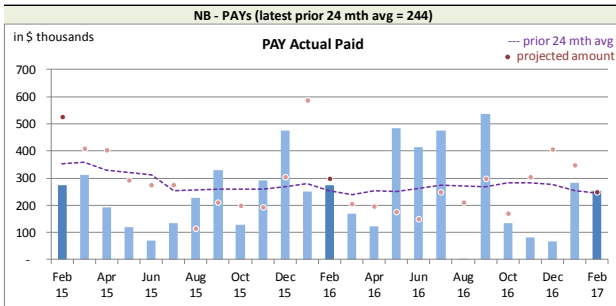
⁵Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned premium), deriving year-to-date recorded as selected ultimate less IBNR. In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

2.1.c AvsP: Paid Indemnity & Allowed Claims Expense

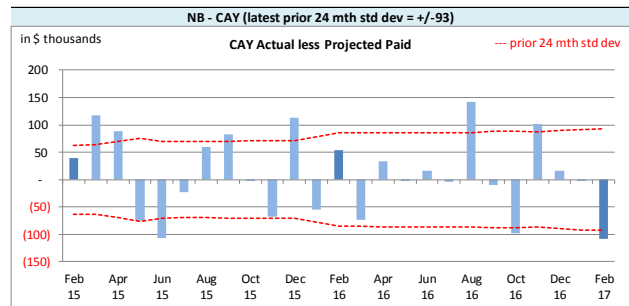
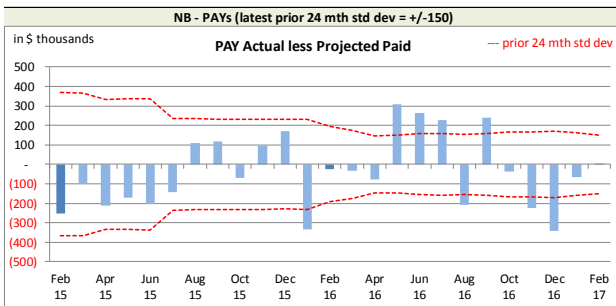
The charts immediately below show actual **paid** activity in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

*New Brunswick RSP Actual **Paid** activity by Calendar Month*



The charts immediately below show the actual less projected **paid** variances for the last 25 calendar months, along with bands for the “prior 24-month standard deviations” to show how the variances from projection compare with historical standard deviations.

*New Brunswick RSP Actual vs Projected Summary: **Paid** Variances by Calendar Month*



On Latest \$ thousands			
	Paid	PAYS	CAY
Mthly Avg Paid (prior 24 mths)		244	278
std dev		150	93
A-P <> std dev		8	9
% <> std dev		32.0%	36.0%
norm <> std dev		31.7%	31.7%

With respect to **paid** indemnity & allowed claims expense, caution must be exercised in reviewing the variances as this is a small pool, and single claim transactions that are normal course for the business may look “unusual” and generate relatively “significant” variances that in nominal value terms are not that significant.

That said, the prior accident years’ (PAYs) **paid** variances (left chart above) do not seem to indicate bias. At 32%, the percentage of months with variances outside of the experience period’s standard deviation suggests the projection process performs no better than projecting simply on average values.

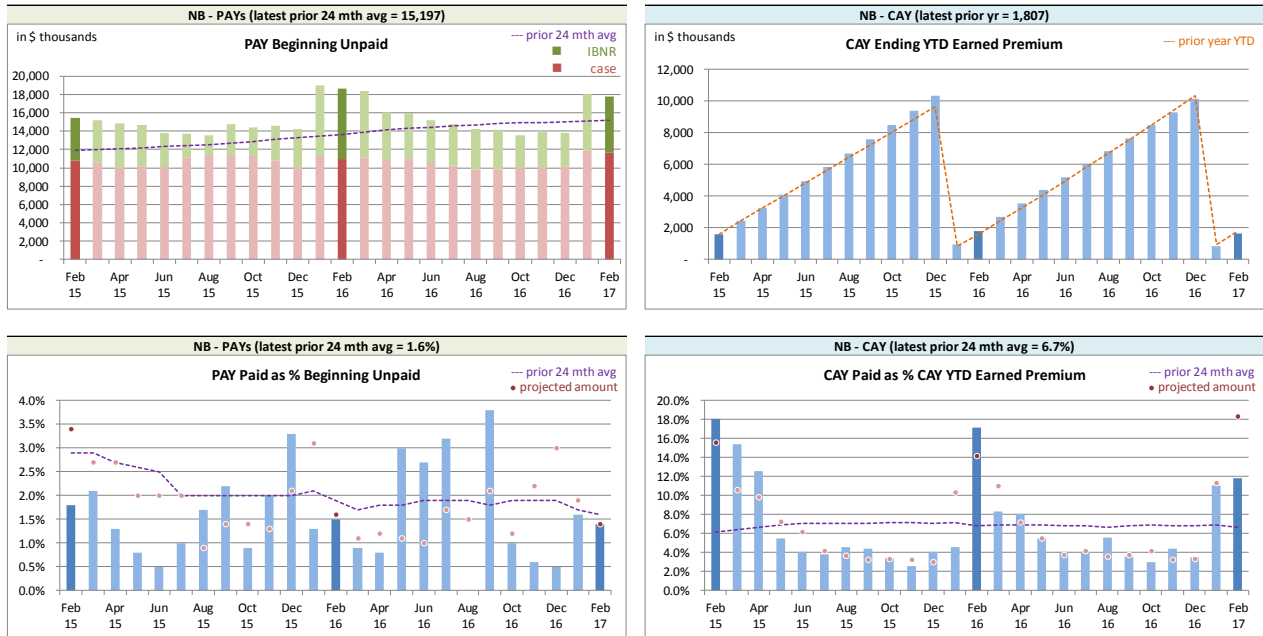
The current accident year (CAY) **paid** variances (right chart above) do not appear to show bias, but at 36%, the percentage of months with variances falling outside of the experience period’s standard

deviation suggests the projection process is performing worse than simply projecting a 24-month average.

The CAY **paid** variance for the current month was outside the one standard deviation band. The activity was reviewed and confirmed, with the variance attributed to process variance.

We have included, for reference, additional charts immediately below related to levels influencing **paid** activity.

New Brunswick RSP Levels that influence⁶ Paid activity by Calendar Month



We track beginning prior accident years’ unpaid balance (case and IBNR) as **paid** activity “comes out of” the unpaid balance. Changes in the prior accident years’ beginning unpaid balance (see upper left chart above) occur for several possible reasons:

- to offset actual **paid** activity (may reduce case or IBNR or both);
- the annual switchover as a current accident year becomes a prior accident year (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of prior accident years’ ultimate (will show up as a beginning unpaid balance change one month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

2.2 Actuarial Provisions

An “ultimate loss ratio matching method” (described in section 3) was used to determine the month’s

⁶Our paid projections for the prior accident years are based on selected ratios of paid to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date paid to year-to-date selected ultimate indemnity (i.e. selected LR x earned premium). In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

IBNR⁷, and factors were applied to the nominal unpaid claims liability (case plus IBNR) to determine the discount amount (shown as a negative value to indicate its impact of reducing the liability) and the Provisions for Adverse Deviations. The loss ratios and the factors used to determine the current month’s provisions and projections were based on the applicable valuation. The table immediately below summarizes variances in provisions included in the February 2017 Operational Report and the associated one-month projections from last month’s Report.

New Brunswick RSP Actual vs Projected Summary: IBNR and APV Amounts (\$ thousands)

Table 02

Accident Year	IBNR		actuarial present value adjustments				IBNR + actuarial present value adjustments	
	Actual	Actual less Projected	Discount Amount		Provisions for Adverse Deviations		Actual	Actual less Projected
			Actual	Actual less Projected	Actual	Actual less Projected		
Prior	1,598	237	(113)	-	1,152	6	2,637	243
2015	2,024	97	(43)	-	391	(7)	2,372	90
2016	2,637	150	(71)	1	488	(5)	3,054	146
2017	489	168	(17)	(1)	120	11	592	178
TOTAL	6,748	652	(244)	-	2,151	5	8,655	657

The IBNR provision is \$0.7 million higher than projected last month, counterbalancing the recorded claims activity and adjusting for the earned premium variance impacts indicated in section 2.1.

Exhibit G shows the accident year IBNR amount change from last month to this month broken down into:

- (i) the change projected last month;
- (ii) the additional change due to variances in earned premium (because we apply a loss ratio to earned premium in determining ultimate level) and/or recorded claims (as IBNR is calculated as ultimate less recorded) differences; and
- (iii) the additional change due to valuation implementation impacts (as applicable)

The variances associated with (ii) above are discussed in sections 2.1.a and 2.1.b.

The table at the top of the next page summarizes the variances in the provisions for deferred policy acquisition cost asset included in the February 2017 Operational Report and the one-month projections from last month’s Report. This RSP is in a deferred policy acquisition cost asset position (shown as a negative amount) prior to and after actuarial present value adjustments. Actuarial present value adjustments decrease the asset value as the adjustments increase the expected future policy obligations (costs) associated with the unearned premium. The variances noted are mainly driven by the unearned premium variance.

⁷For ease of discussion, “IBNR” is used in place of “provisions for incurred but not recorded (IBNR) and development”.

New Brunswick RSP Actual vs Projected Summary: Premium Deficiency / (DPAC) Amounts (\$ thousands)

Table 03

	Premium Deficiency / (Deferred Policy Acquisition Costs)		actuarial present value adjustments		Premium Deficiency / (DPAC) including actuarial present value adjustments	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
balance:	(961)	80	331	(29)	(630)	51
balance as % unearned premium:	(20.3%)	-	7.0%	-	(13.3%)	-
actual unearned premium:	4,725					
less projected:	(403)					

3 Ultimate Loss Ratio Matching Method

An “ultimate loss ratio matching method” continues to be applied to the current month and two projected months shown in the Operational Reports, with IBNR determined by accident year as follows:

- (a) Earned premium to-date
- (b) Ultimate loss⁸ ratio per latest valuation
- (c) Estimated ultimate incurred = (a) x (b)
- (d) Recorded indemnity & allowed claims expense to-date
- (e) IBNR = (c) – (d)

4 Calendar Year-to-Date Results

The table below summarizes the calendar year-to-date results for indemnity & allowed claims expenses⁹, including IBNR.

In calculating the amounts as percentages of earned premium, the calendar year-to-date earned premium has been used, which includes not only the earned premium associated with the current accident year, but also earned premium adjustments related to prior accident years. Specifically, the current accident year (CAY) ratio in the table is 79.6% rather than 77.1% (the valuation ultimate ratio for accident year 2017), as the calendar year-to-date earned premium includes prior accident year earned premium adjustments. (Note that the ratios in this table may differ slightly from those shown in the New Brunswick RSP Summary of Operations due to rounding.)

New Brunswick RSP Calendar Year-to-Date Indemnity & Allowed Claims Expense Summary (\$ thousands)

Table 04

	YTD Nominal Values		YTD actuarial present value adjustment		YTD Total		Change from Prior Month YTD	
	Amount	% EP	Amount	% EP	Amount	% EP	Amount	LR pts
PAYs	(39)	(2.5%)	(45)	(2.8%)	(84)	(5.3%)	(53)	(1.6%)
CAY	1,263	79.6%	103	6.5%	1,366	86.1%	637	(0.1%)
TOTAL	1,224	77.2%	58	3.7%	1,282	80.8%	584	(1.8%)

(“% EP” based on 2017 calendar year-to-date earned premium; ratios may not total due to rounding)

⁸“Loss” here refers to indemnity and allowed claims expenses, but does not include the claims expense allowance included in member company overall expense allowances (“Expense Allowance” in the Operational Report).

⁹Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this analysis.

The prior accident years (PAYs) changes from last month are due to the release of the actuarial present value adjustments with claims payments. The loss ratio change year-to-date reflects not only changes in the prior accident year levels, but also the increase in the calendar year-to-date earned premium with an additional month's earned premium.

For the CAY, changes in the year-to-date total reflects the additional month's exposure and regular changes to actuarial present value adjustments as the year ages.

5 Current Operational Report – Additional Exhibits

Section 6 provides exhibits pertaining to the actuarial provisions reflected in the current month's Operational Report.

IBNR (including actuarial present value adjustments) presented in section 6, Exhibit A, were derived on a discounted basis, and therefore reflect the time value of money and include an explicit provision for adverse deviations in accordance with accepted actuarial practice in Canada.

IBNR presented in section 6, Exhibit B, does NOT include any actuarial present value adjustments. The "Total IBNR" from this exhibit is shown in the Operational Report as "Undiscounted IBNR".

The ultimate loss ratios detailed in section 6, Exhibit B, refer to the estimates derived on the basis of various actuarial methodologies applied to the experience of the New Brunswick Risk Sharing Pool for the purposes of the most recent quarterly valuation. As discussed in section 3, IBNR reflected in the current month's Operational Report was derived as the difference between the estimated ultimate for the claims amount (i.e. earned premium x ultimate loss ratio) and the associated current recorded amounts (life-to-date payments plus current case reserves).

6 EXHIBITS

The exhibits listed below are provided on the pages that follow:

- EXHIBIT A IBNR for Member Sharing – includes Actuarial Present Value Adjustments
- EXHIBIT B IBNR
- EXHIBIT C Premium Liabilities
- EXHIBIT D Projected Year-end Policy Liabilities
- EXHIBIT E Discount Rate & Margins for Adverse Deviations
- EXHIBIT F Interest Rate Sensitivity
- EXHIBIT G Components of IBNR Change During Month

EXHIBIT A

IBNR for Member Sharing – includes Actuarial Present Value Adjustments

TABLE EXHIBIT A

		Amounts in \$000s				
IBNR + M/S actuarial present value adjustments	Accident Year	Actual Jan. 2017	Actual Feb. 2017	Projected Mar. 2017	Projected Apr. 2017	Projected Dec. 2017
	2005	(2)	(2)	(2)	(2)	(2)
	2006	12	12	12	12	12
	2007	50	50	49	48	40
	2008	28	28	28	28	26
	2009	64	64	63	62	52
	2010	236	236	232	229	204
	2011	321	295	290	285	256
discount rate	2012	380	366	361	355	311
0.52%	2013	103	(48)	(47)	(44)	(28)
	2014	1,251	1,636	1,620	1,578	1,349
interest rate margin	2015	2,389	2,372	2,345	2,243	1,865
25 basis pts	2016	3,076	3,054	3,033	2,868	2,260
	2017	368	592	828	1,133	2,179
	TOTAL	8,276	8,655	8,812	8,795	8,524
	Change		379	157	(17)	

Please see Exhibit G, page 1 for Components of Change during Current Month

EXHIBIT B

IBNR

TABLE EXHIBIT B

Amounts in \$000s

IBNR	Ultimate Loss Ratio	Accident Year	Actual Jan. 2017	Actual Feb. 2017	Projected Mar. 2017	Projected Apr. 2017	Projected Dec. 2017
	84.0%	2005	(2)	(2)	(2)	(2)	(2)
	53.3%	2006	11	11	11	11	11
	72.4%	2007	45	45	44	43	35
	74.9%	2008	4	4	4	4	4
	78.3%	2009	41	41	40	39	31
	61.8%	2010	90	90	88	86	72
	86.5%	2011	124	98	96	94	78
	56.1%	2012	276	263	260	255	218
	65.0%	2013	(99)	(248)	(246)	(241)	(208)
	73.0%	2014	908	1,296	1,283	1,245	1,053
	71.0%	2015	2,028	2,024	2,004	1,904	1,594
	74.3%	2016	2,646	2,637	2,624	2,467	2,004
	77.1%	2017	307	489	677	937	1,654
		TOTAL	6,379	6,748	6,883	6,842	6,544
		Change		369	135	(41)	

Please see Exhibit G, page 2 for Components of Change during Current Month

EXHIBIT C

Premium Liabilities

TABLE EXHIBIT C

	Amounts in \$000s				
	Actual Jan. 2017	Actual Feb. 2017	Projected Mar. 2017	Projected Apr. 2017	Projected Dec. 2017
Premium Liabilities					
(1) unearned premium (UP)	4,906	4,725	4,984	5,437	7,327
FOR MEMBER SHARING					
(2) expected future costs ratio {% of (1)}	86.7%	86.7%	86.8%	86.9%	88.8%
(3) expected future costs {(1) x (2)}	4,252	4,095	4,324	4,724	6,506
(4) premium deficiency / (deferred policy acquisition cost)	(654)	(630)	(660)	(713)	(821)
Excluding Actuarial Present Value Adjustments					
(5) expected future costs ratio {% of (1)}	79.7%	79.7%	79.8%	79.9%	81.6%
(6) expected future costs {(1) x (5)}	3,909	3,764	3,975	4,343	5,982
(7) premium deficiency / (deferred policy acquisition cost)	(997)	(961)	(1,009)	(1,094)	(1,345)

EXHIBIT D
Projected Year-end Policy Liabilities

The table below presents the projected policy liabilities as at December 31, 2017, broken down by component.

New Brunswick ending 2017		Projected Balances as at Dec. 31, 2017 (\$000s)							
		nominal values			actuarial present value adjustments (apvs)				TOTAL
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs		
2005	-	(2)	(2)	-	-	-	-	(2)	
2006	-	11	11	-	-	1	1	12	
2007	10	35	45	-	-	5	5	50	
2008	227	4	231	(2)	1	23	22	253	
2009	190	31	221	(2)	1	22	21	242	
2010	1,330	72	1,402	(13)	6	139	132	1,534	
2011	1,828	78	1,906	(21)	10	189	178	2,084	
2012	782	218	1,000	(11)	5	99	93	1,093	
2013	2,134	(208)	1,926	(21)	10	191	180	2,106	
2014	1,568	1,053	2,621	(31)	16	311	296	2,917	
2015	769	1,594	2,363	(33)	17	287	271	2,634	
2016	402	2,004	2,406	(43)	22	277	256	2,662	
PAYs (sub-total):	9,240	4,890	14,130	(177)	88	1,544	1,455	15,585	
CAY (2017)	3,354	1,654	5,008	(90)	40	575	525	5,533	
claims liabilities:	12,594	6,544	19,138	(267)	128	2,119	1,980	21,118	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	7,327	(1,345)	5,982	(81)	40	565	524	6,506	
*Total may not be sum of parts, as apvs apply to future costs within UPR									
policy liabilities:			25,120	(348)	168	2,684	2,504	27,624	

EXHIBIT E

Discount Rate & Margins for Adverse Deviations

The tables below present selected margins for adverse development by coverage (the total is a weighted average, based on the unpaid claims projection for December 31, 2016 from the valuation), followed by the selected discount rate and the associated margin for investment income.

Selected Claims Development MfADs (Sep. 30, 2016)				
Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	12.5%	10.0%	10.4%	12.0%
2015	12.5%	10.0%	12.5%	12.3%
2016	12.4%	10.0%	6.0%	11.7%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.9%	10.0%	5.1%	9.9%

discount rate: 0.52%
margin (basis points): 25

EXHIBIT F
Interest Rate Sensitivity

The tables below present sensitivity to the member statement claims liability as projected to Dec. 31, 2016 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2017 and based on more up-to-date information). We have included both the current valuation selection (0.52%), the prior valuation assumption (0.57%) and the prior fiscal year end valuation assumption (0.73%) for comparative purposes. A 25 basis point margin for investment return adverse deviation is used in all scenarios presented.

\$ Format: \$000s

AY	Actuarial Present Value of Provisions at Various Discount Rates - Dec. 31, 2016 projected Unpaid							
	0.02%	0.52%	1.02%	1.52%	2.02%	2.52%	0.57%	0.73%
2005	-	-	-	-	-	-	-	-
2006	5	5	5	5	5	5	5	5
2007	38	38	38	37	37	37	38	38
2008	244	243	241	239	237	235	242	242
2009	275	274	271	269	266	264	273	273
2010	1,547	1,538	1,522	1,506	1,491	1,477	1,536	1,531
2011	2,046	2,033	2,011	1,990	1,970	1,950	2,031	2,024
2012	1,115	1,108	1,097	1,086	1,075	1,064	1,107	1,104
2013	2,291	2,276	2,251	2,226	2,201	2,178	2,274	2,265
2014	3,296	3,270	3,226	3,183	3,142	3,101	3,265	3,251
2015	3,568	3,533	3,473	3,416	3,360	3,306	3,527	3,507
2016	4,789	4,740	4,656	4,576	4,498	4,422	4,731	4,704
Total	19,214	19,058	18,791	18,533	18,282	18,039	19,029	18,944
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

AY	Dollar Impact Relative to Valuation Assumption							
	0.02%	0.52%	1.02%	1.52%	2.02%	2.52%	0.57%	0.73%
Total	156	-	(267)	(525)	(776)	(1,019)	(29)	(114)
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

AY	Percentage Impact Relative to Valuation Assumption							
	0.02%	0.52%	1.02%	1.52%	2.02%	2.52%	0.57%	0.73%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	(2.6%)	(2.6%)	(2.6%)	-	-
2008	0.4%	-	(0.8%)	(1.6%)	(2.5%)	(3.3%)	(0.4%)	(0.4%)
2009	0.4%	-	(1.1%)	(1.8%)	(2.9%)	(3.6%)	(0.4%)	(0.4%)
2010	0.6%	-	(1.0%)	(2.1%)	(3.1%)	(4.0%)	(0.1%)	(0.5%)
2011	0.6%	-	(1.1%)	(2.1%)	(3.1%)	(4.1%)	(0.1%)	(0.4%)
2012	0.6%	-	(1.0%)	(2.0%)	(3.0%)	(4.0%)	(0.1%)	(0.4%)
2013	0.7%	-	(1.1%)	(2.2%)	(3.3%)	(4.3%)	(0.1%)	(0.5%)
2014	0.8%	-	(1.3%)	(2.7%)	(3.9%)	(5.2%)	(0.2%)	(0.6%)
2015	1.0%	-	(1.7%)	(3.3%)	(4.9%)	(6.4%)	(0.2%)	(0.7%)
2016	1.0%	-	(1.8%)	(3.5%)	(5.1%)	(6.7%)	(0.2%)	(0.8%)
Total	0.8%	-	(1.4%)	(2.8%)	(4.1%)	(5.3%)	(0.2%)	(0.6%)
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

EXHIBIT G

Page 1 of 2

Components of Member Statement IBNR (i.e. “Discounted”) Change During Month

RSP **New Brunswick**
AccountCode Desc **IBNR - Discour**

M/S IBNR - in \$000s

AccYear	Values			Sum of Change Due to Valuation Implementation	Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances				
2005	(2)	-	-	-	-	-	(2)
2006	12	-	-	-	-	-	12
2007	50	(1)	1	-	-	-	50
2008	28	-	-	-	-	-	28
2009	64	(1)	1	-	-	-	64
2010	236	(4)	4	-	-	-	236
2011	321	(5)	(21)	-	(26)	(8.1%)	295
2012	380	(8)	(6)	-	(14)	(3.7%)	366
2013	103	-	(151)	-	(151)	(146.6%)	(48)
2014	1,251	(30)	415	-	385	30.8%	1,636
2015	2,389	(107)	90	-	(17)	(0.7%)	2,372
2016	3,076	(168)	146	-	(22)	(0.7%)	3,054
2017	368	46	178	-	224	60.9%	592
Grand Total	8,276	(278)	657	-	379	4.6%	8,655

EXHIBIT G

Page 2 of 2

Components of IBNR (i.e. “Undiscounted”) Change During Month

 RSP **New Brunswick**
 AccountCode Desc **IBNR - Undiscounted**

IBNR - in \$000s

AccYear	Values				Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances	Sum of Change Due to Valuation Implementation			
2005	(2)	-	-	-	-	-	(2)
2006	11	-	-	-	-	-	11
2007	45	(1)	1	-	-	-	45
2008	4	-	-	-	-	-	4
2009	41	(1)	1	-	-	-	41
2010	90	(2)	2	-	-	-	90
2011	124	(2)	(24)	-	(26)	(21.0%)	98
2012	276	(6)	(7)	-	(13)	(4.7%)	263
2013	(99)	2	(151)	-	(149)	150.5%	(248)
2014	908	(27)	415	-	388	42.7%	1,296
2015	2,028	(101)	97	-	(4)	(0.2%)	2,024
2016	2,646	(159)	150	-	(9)	(0.3%)	2,637
2017	307	14	168	-	182	59.3%	489
Grand Total	6,379	(283)	652	-	369	5.8%	6,748