



NEW BRUNSWICK RISK SHARING POOL

JANUARY 2016 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

Related Bulletin: [F16-013 New Brunswick RSP January 2016 Operational Report](#)

For your convenience, bookmarks have been added to this document. To view them, please click on the BOOKMARK tab at the left.

Should you require any further information, please call Norm Seeney, Vice President, Finance & Member Services at (416) 644-4914.

ACTUARIAL HIGHLIGHTS

RSP NEW BRUNSWICK

OPERATIONAL REPORT

JANUARY 2016

TABLE OF CONTENTS

1	Summary.....	3
1.1	Valuation Schedule (Fiscal Year 2016).....	3
1.2	Appointed Actuary and Hybrid Actuarial Services Model.....	3
1.3	Consideration of Recent Legal Decisions and Changes in Legislation / Regulation	3
1.4	Current Provision Summary	4
2	Activity During the Month of January 2016	5
2.1	Recorded Premium and Claims Activity	5
2.1.a	Actual vs. Projected (AvsP): Earned Premium.....	5
2.1.b	AvsP: Recorded Indemnity & Allowed Claims Expense.....	6
2.1.c	AvsP: Paid Indemnity & Allowed Claims Expense.....	9
2.2	Actuarial Provisions.....	11
3	Ultimate Loss Ratio Matching Method.....	12
4	Calendar Year-to-Date Results	12
5	Current Operational Report – Additional Exhibits.....	13
6	EXHIBITS	13

1 Summary

1.1 Valuation Schedule (Fiscal Year 2016)

The January 2016 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 2016.

NEW BRUNSWICK RISK SHARING POOL FISCAL YEAR 2016 – SCHEDULE OF VALUATIONS			
Valuation Date	Discount Rate (per annum)	Operational Report	Description of Changes
Sep. 30, 2015 (completed)	0.73% mfad: 25 bp	Oct. 2015	update valuation (roll forward): accident year 2015 loss ratio increased 0.6 points to 83.5%; discount rate decreased by 17 basis points; no change to selected margins for adverse deviations
Dec. 31, 2015		Mar. 2016	updated valuation:
Mar. 31, 2016		May 2016	update valuation (roll forward):
Jun. 30, 2016		Aug. 2016	updated valuation:
Sep. 30, 2016		Oct. 2016	update valuation (roll forward):

Under the proposed schedule for fiscal year 2016, the “off-half” valuation quarters ending March 31, 2016 and September 30, 2016 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

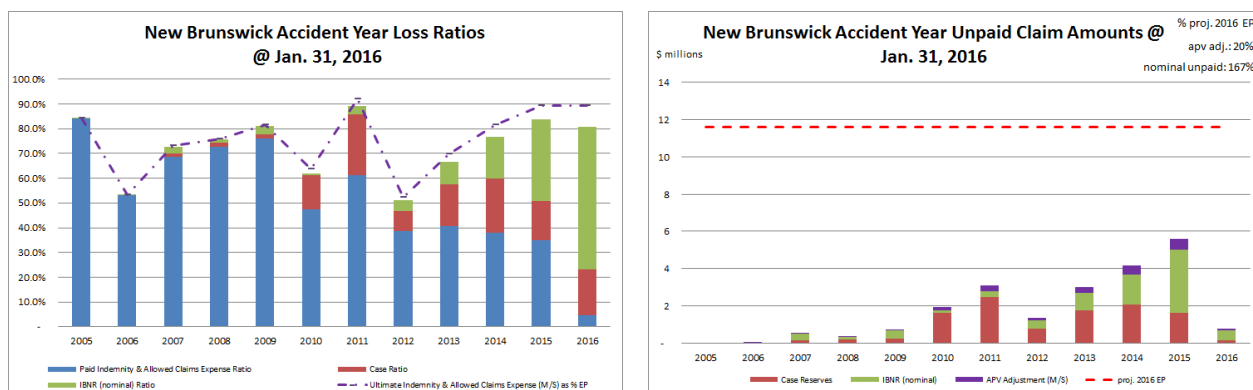
Consideration and assessment of potential impacts of legal decisions and changes in legislation / regulation constitutes a regular part of the valuation process. Descriptions of some of the more recent changes are provided below.

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. At the June 30, 2015 valuation, 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, 2014), impacting the selection of ultimates.

1.4 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 2016 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 (\$2.3 million – see table immediately below) represents 20% of the earned premium projected for the full year 2016 (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.

claim liabilities (\$000s)

	amt	%
case	11,171	51.5%
ibnr	8,225	37.9%
M/S apv adjust.	2,299	10.6%
M/S total	21,695	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 48% of the IBNR balance relates to accident years 2015 and 2016 (see Exhibit B). Approximately 69% of the M/S claim liabilities are related to accident years 2012-2016 inclusive (i.e. the most recent 5 accident years).

The tables at the top of the next page summarize the premium liabilities and the total policy

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.

liabilities.

premium liabilities (\$000s)			policy liabilities (\$000s)		
	amt	%		amt	%
unearned prem	5,142	109.4%	claim	19,396	73.5%
prem def/(dpac)	(845)	(18.0%)	premium	4,297	16.3%
M/S apv adjust.	403	8.6%	M/S apv adjust.	2,702	10.2%
M/S total	4,700	100.0%	M/S total	26,395	100.0%

2 Activity During the Month of January 2016

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)

Table 01 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	-	-	31	(170)	33	96	64	(74)
2014	(5)	(5)	54	(21)	(95)	(98)	(40)	(118)
2015	(21)	(21)	166	(145)	(208)	(82)	(42)	(227)
2016	939	3	43	(55)	175	(120)	219	(174)
TOTAL	913	(23)	295	(390)	(95)	(204)	201	(593)

(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.

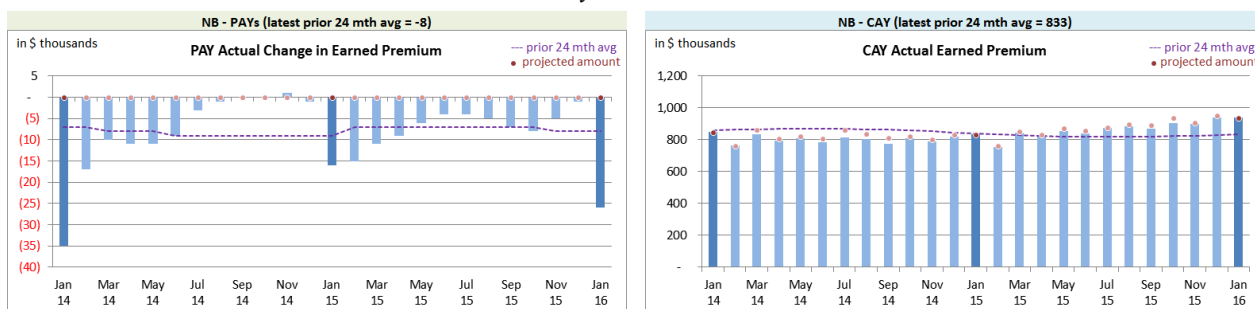
2.1.a Actual vs. Projected (AvsP): Earned Premium

The charts at the top of the next page show actual **earned premium**³ 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.

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.

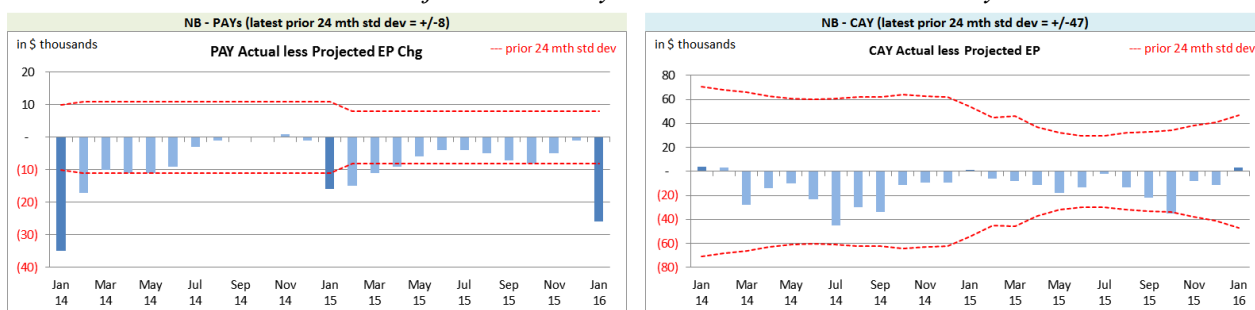
New Brunswick RSP Actual *Earned Premium* by Calendar Month



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 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)	(8)	833
std dev	8	47
A-P <> std dev	7	1
% <> std dev	28.0%	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 bias⁴, with actuals generally lower than our projections. However, the magnitude is not high relative to monthly premium, and the

variances are within the prior 24-month standard deviation more often than indicated by a normal distribution (see charts above). Over time, we may consider other projection approaches to narrow monthly variance levels further, but it is not currently deemed a priority.

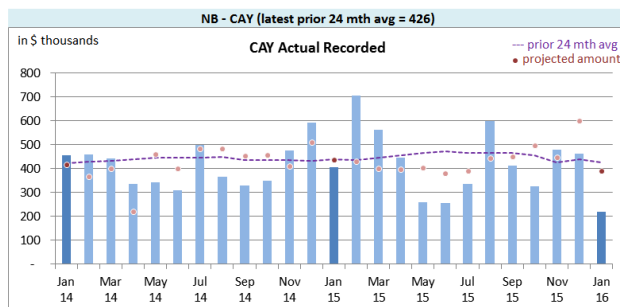
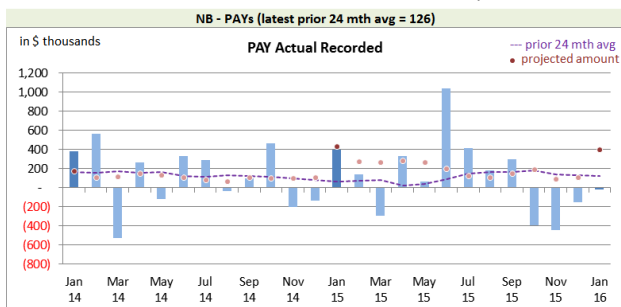
2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

Actual **recorded** activity (**paid** and case reserve changes) over the last 25-month period are shown in

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.

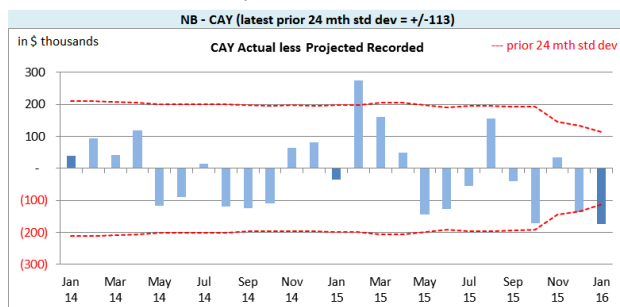
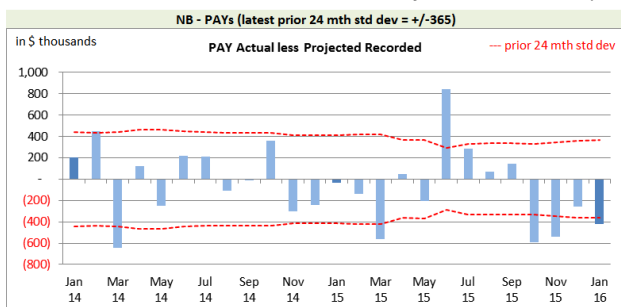
the charts immediately below, including the “prior 24-month average” level.

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)	126	CAY 426
std dev	365	113
A-P <> std dev	7	3
% <> std dev	28.0%	12.0%
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. That said, the prior accident years’ (PAYs) **recorded** variances (left chart above) do not appear to have bias, although the most recent 4 projections have proven higher than actual. In each of these projections, actuals have been negative. At 28%, the percentage of months with variances beyond one standard deviation of the experience period activity suggests the projection process is slightly better than projections based simply on a 24-month average. However, 3 of the 7 variances beyond one standard deviation have occurred in relation to the last 4 projections. In addition, 5 of the 7 variances beyond one standard deviation have occurred in relation to actuals that were negative.

The PAYs **recorded** 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. This is the fourth consecutive month where the actual recorded amount is significantly lower than our projection with three of those months having the variance fall outside of the standard deviation band. We will monitor this situation to see if this trend continues moving forward.

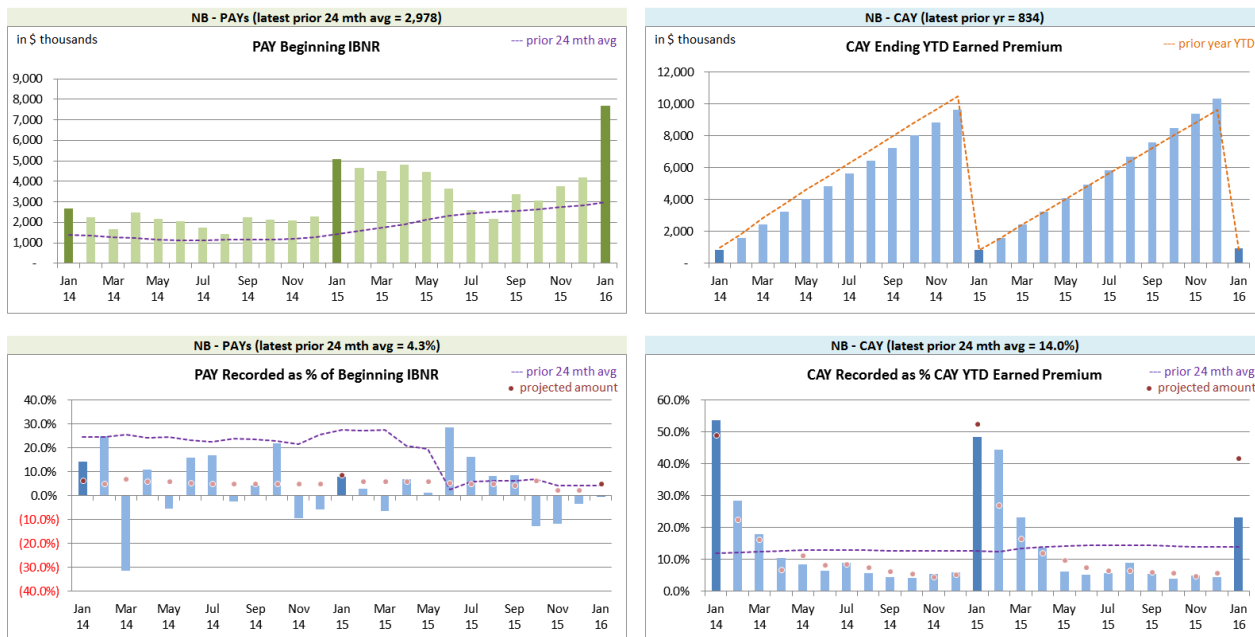
The current accident year (CAY) **recorded** variances (right chart in the middle of the previous page), with 12% of months with variances outside of one standard deviation, suggest the projection process is better than projecting simply on a 24-month average. We do not see evidence of bias in the variances, although 2 of the 3 variances beyond one standard deviation were in relation to our most recent 2 projections. However, it is notable that the standard deviation of the prior 24 months' activity has narrowed considerably in the most recent 2 periods (reduced by half).

The CAY **recorded** 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.

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.

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

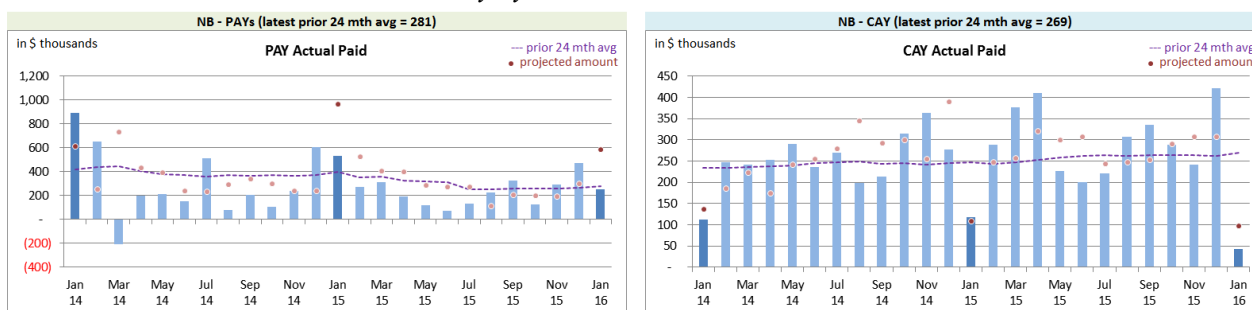
⁵Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned 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.

- 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 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

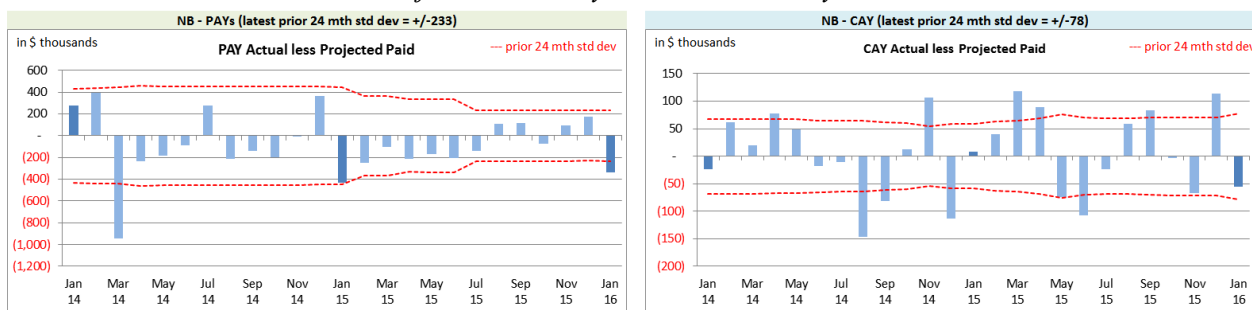
The charts immediately below show actual **paid** activity in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

*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	
Mthly Avg Paid (prior 24 mths)	281	269
std dev	233	78
A-P <> std dev	2	10
% <> std dev	8.0%	40.0%
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.

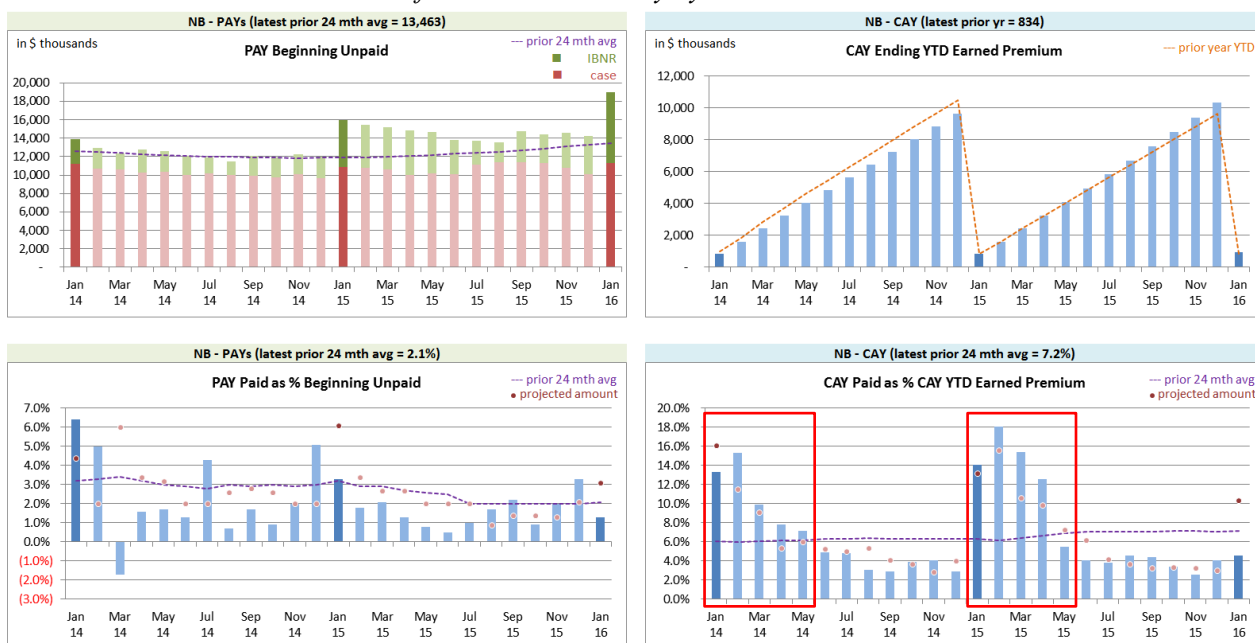
That said, the prior accident years’(PAYs) **paid** variances (left chart above) indicates some bias (actuals have tended to be lower than projections), but at 8%, the percentage of months with variances outside of the experience period’s standard deviation suggest the projection process performs better than projecting simply on average values.

The PAYs **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.

The current accident year (CAY) **paid** variances (right chart above) do not appear to show bias, but at 40%, 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.

We have included, for reference, additional charts immediately below related to levels influencing **paid** activity. We note that the “shape” of the CAY **paid** as % of CAY YTD **earned premium** for 2015 does differ from 2014 (we’ve highlighted Jan-May in the lower right chart). At this point, we have not made adjustments to our projection process explicitly for this, but we will continue to monitor.

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

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.

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 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 January 2016 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		actuarial present value adjustments					
Accident Year	IBNR		Discount Amount		Provisions for Adverse Deviations		IBNR + actuarial present value adjustments
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual Actual less Projected
Prior	2,699	72	(152)	(3)	1,307	19	3,854 88
2014	1,598	114	(77)	-	550	2	2,071 116
2015	3,390	210	(125)	(3)	714	19	3,979 226
2016	538	176	(19)	(2)	101	7	620 181
TOTAL	8,225	572	(373)	(8)	2,672	47	10,524 611

The IBNR provision is \$0.6 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 amounts (shown as negative values) included in the January 2016 Operational Report and the one-month projections from last month’s Report. Note that this RSP is in a deferred policy acquisition cost asset position; actuarial present value adjustments have an impact on the asset value as the adjustments increase the expected future policy obligations (costs) associated with the unearned premium and therefore increase the write down of the asset value. The variances are mainly driven by 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:	(845)	14	403	(2)	(442)	12
balance as % unearned premium:	(16.4%)	0.2%	7.8%	-	(8.6%)	0.2%
actual unearned premium:	5,142					
less projected:	(31)					

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:

- Earned premium to-date
- Ultimate loss⁸ ratio per latest valuation
- Estimated ultimate incurred = (a) x (b)
- Recorded indemnity & allowed claims expense to-date
- 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 82.8% rather than 80.6% (the valuation ultimate ratio for accident year 2016), 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	(23)	(2.5%)	(2)	(0.2%)	(25)	(2.7%)	(25)	(2.7%)
CAY	757	82.8%	82	9.0%	839	91.8%	839	91.8%
TOTAL	734	80.3%	80	8.8%	814	89.1%	814	89.1%

(“% EP” based on 2016 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 current accident year, 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

 IBNR + M/S actuarial present
 value adjustments

 discount rate
 0.73%

 interest rate margin
 25 basis pts

Amounts in \$000s					
Accident Year	Actual Dec. 2015	Actual Jan. 2016	Projected Feb. 2016	Projected Mar. 2016	Projected Dec. 2016
2005	3	3	3	3	3
2006	12	12	11	10	10
2007	388	384	368	355	238
2008	162	167	161	160	111
2009	510	507	483	482	321
2010	383	300	290	287	230
2011	575	639	617	612	464
2012	593	564	558	556	383
2013	1,283	1,278	1,267	1,255	874
2014	2,032	2,071	2,052	2,036	1,399
2015	3,970	3,979	3,959	3,929	2,613
2016	-	620	1,003	1,400	4,023
TOTAL	9,911	10,524	10,772	11,085	10,669
Change		613	248	313	

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 Dec. 2015	Actual Jan. 2016	Projected Feb. 2016	Projected Mar. 2016	Projected Dec. 2016
84.1%	2005	3	3	3	3	3
53.3%	2006	11	11	10	9	9
72.7%	2007	329	326	310	298	188
75.5%	2008	124	129	123	122	77
81.0%	2009	433	430	408	406	256
62.1%	2010	186	101	96	96	60
89.0%	2011	265	327	311	309	195
51.1%	2012	460	432	428	426	269
66.7%	2013	954	940	935	930	586
76.5%	2014	1,562	1,598	1,590	1,582	998
83.5%	2015	3,365	3,390	3,373	3,356	2,116
80.6%	2016	-	538	865	1,209	3,374
	TOTAL	7,692	8,225	8,452	8,746	8,131
	Change		533	227	294	

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

EXHIBIT C
Premium Liabilities
TABLE EXHIBIT C

	Amounts in \$000s				
Premium Liabilities	Actual Dec. 2015	Actual Jan. 2016	Projected Feb. 2016	Projected Mar. 2016	Projected Dec. 2016
(1) unearned premium (UP)	5,454	5,142	4,916	4,835	5,645
FOR MEMBER SHARING					
(2) expected future costs ratio {% of (1)}	91.2%	91.4%	91.2%	91.3%	92.8%
(3) expected future costs {(1) x (2)}	4,975	4,700	4,486	4,415	5,237
(4) premium deficiency / (deferred policy acquisition cost)	(479)	(442)	(430)	(420)	(408)
Excluding Actuarial Present Value Adjustments					
(5) expected future costs ratio {% of (1)}	83.4%	83.6%	83.4%	83.5%	84.8%
(6) expected future costs {(1) x (5)}	4,549	4,297	4,102	4,037	4,787
(7) premium deficiency / (deferred policy acquisition cost)	(905)	(845)	(814)	(798)	(858)

EXHIBIT D
Projected Year-end Policy Liabilities

The table below presents the projected policy liabilities as at December 31, 2016, broken down by component.

New Brunswick ending 2016		Projected Balances as at Dec. 31, 2016 (\$000s)						
		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2005	-	3	3	-	-	-	-	3
2006	2	9	11	-	-	1	1	12
2007	245	188	433	(5)	2	53	50	483
2008	215	77	292	(3)	1	36	34	326
2009	322	256	578	(8)	2	71	65	643
2010	1,443	60	1,503	(21)	8	183	170	1,673
2011	2,200	195	2,395	(36)	12	293	269	2,664
2012	791	269	1,060	(18)	6	126	114	1,174
2013	1,705	586	2,291	(39)	14	313	288	2,579
2014	2,142	998	3,140	(66)	22	445	401	3,541
2015	2,120	2,116	4,236	(106)	38	565	497	4,733
PAYs (sub-total):	11,185	4,757	15,942	(302)	105	2,086	1,889	17,831
CAY (2016)	2,202	3,374	5,576	(145)	50	744	649	6,225
claims liabilities:	13,387	8,131	21,518	(447)	155	2,830	2,538	24,056
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL
premium liabilities:	5,645	(858)	4,787	(83)	28	505	450	5,237
policy liabilities:			26,305	(530)	183	3,335	2,988	29,293

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, 2015 from the valuation), followed by the selected discount rate and the associated margin for investment income.

Selected Claims Development MfADs (Sep. 30, 2015)				
Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2005	12.5%	10.0%	12.5%	12.5%
2006	12.5%	10.0%	12.5%	12.3%
2007	12.5%	10.0%	12.5%	12.5%
2008	12.5%	10.0%	12.5%	12.4%
2009	12.5%	10.0%	12.5%	12.5%
2010	12.5%	10.0%	5.0%	12.4%
2011	12.5%	10.0%	12.5%	12.4%
2012	12.5%	10.0%	10.2%	12.1%
2013	15.0%	10.0%	14.9%	13.9%
2014	15.0%	10.0%	15.0%	14.5%
2015	14.8%	10.0%	6.1%	13.7%
2016	15.0%	10.0%	15.0%	15.0%
prem liab	13.4%	10.0%	5.1%	11.1%
discount rate:				0.73%
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, 2015 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2016 and based on more up-to-date information). We have included both the current valuation selection (0.73%) and the prior valuation assumption (0.90%) for comparative purposes. A 25 basis point margin for investment return adverse deviation is used in all scenarios presented.

\$ Format: \$000s

Actuarial Present Value of Provisions at Various Discount Rates - Dec. 31, 2015 projected Unpaid								
AY	0.23%	0.73%	0.90%	1.23%	1.73%	2.23%	2.73%	3.23%
2005	4	4	4	4	4	4	4	4
2006	11	11	11	11	10	10	10	10
2007	562	557	555	552	548	544	539	535
2008	385	381	380	378	375	371	368	365
2009	779	771	769	764	757	750	743	736
2010	1,855	1,835	1,829	1,816	1,797	1,779	1,761	1,744
2011	3,148	3,110	3,098	3,074	3,039	3,004	2,970	2,937
2012	1,394	1,378	1,372	1,362	1,346	1,331	1,316	1,301
2013	3,060	3,016	3,002	2,975	2,934	2,894	2,855	2,817
2014	4,195	4,124	4,100	4,055	3,987	3,922	3,859	3,797
2015	5,677	5,575	5,541	5,477	5,381	5,289	5,200	5,113
Total	21,070	20,762	20,661	20,468	20,178	19,898	19,625	19,359
		valuation assumption	prior val assumption					

Dollar Impact Relative to Valuation Assumption								
AY	0.23%	0.73%	0.90%	1.23%	1.73%	2.23%	2.73%	3.23%
Total	308	-	(101)	(294)	(584)	(864)	(1,137)	(1,403)
		valuation assumption	prior val assumption					

Percentage Impact Relative to Valuation Assumption								
AY	0.23%	0.73%	0.90%	1.23%	1.73%	2.23%	2.73%	3.23%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	(9.1%)	(9.1%)	(9.1%)	(9.1%)
2007	0.9%	-	(0.4%)	(0.9%)	(1.6%)	(2.3%)	(3.2%)	(3.9%)
2008	1.0%	-	(0.3%)	(0.8%)	(1.6%)	(2.6%)	(3.4%)	(4.2%)
2009	1.0%	-	(0.3%)	(0.9%)	(1.8%)	(2.7%)	(3.6%)	(4.5%)
2010	1.1%	-	(0.3%)	(1.0%)	(2.1%)	(3.1%)	(4.0%)	(5.0%)
2011	1.2%	-	(0.4%)	(1.2%)	(2.3%)	(3.4%)	(4.5%)	(5.6%)
2012	1.2%	-	(0.4%)	(1.2%)	(2.3%)	(3.4%)	(4.5%)	(5.6%)
2013	1.5%	-	(0.5%)	(1.4%)	(2.7%)	(4.0%)	(5.3%)	(6.6%)
2014	1.7%	-	(0.6%)	(1.7%)	(3.3%)	(4.9%)	(6.4%)	(7.9%)
2015	1.8%	-	(0.6%)	(1.8%)	(3.5%)	(5.1%)	(6.7%)	(8.3%)
Total	1.5%	-	(0.5%)	(1.4%)	(2.8%)	(4.2%)	(5.5%)	(6.8%)
		valuation assumption	prior val assumption					

EXHIBIT G

Page 1 of 2

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

 RSP
 AccountCode Desc

 New Brunswick
 IBNR - Discour

M/S 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	3	-	-	-	-	-	3
2006	12	(1)	1	-	-	-	12
2007	388	(17)	13	-	(4)	(1.0%)	384
2008	162	(6)	11	-	5	3.1%	167
2009	510	(22)	19	-	(3)	(0.6%)	507
2010	383	(12)	(71)	-	(83)	(21.7%)	300
2011	575	(16)	80	-	64	11.1%	639
2012	593	(25)	(4)	-	(29)	(4.9%)	564
2013	1,283	(44)	39	-	(5)	(0.4%)	1,278
2014	2,032	(77)	116	-	39	1.9%	2,071
2015	3,970	(217)	226	-	9	0.2%	3,979
2016	-	439	181	-	620	100.0%	620
Grand Total	9,911	2	611	-	613	6.2%	10,524

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	3	-	-	-	-	-	3
2006	11	(1)	1	-	-	-	11
2007	329	(16)	13	-	(3)	(0.9%)	326
2008	124	(6)	11	-	5	4.0%	129
2009	433	(22)	19	-	(3)	(0.7%)	430
2010	186	(9)	(76)	-	(85)	(45.7%)	101
2011	265	(13)	75	-	62	23.4%	327
2012	460	(23)	(5)	-	(28)	(6.1%)	432
2013	954	(48)	34	-	(14)	(1.5%)	940
2014	1,562	(78)	114	-	36	2.3%	1,598
2015	3,365	(185)	210	-	25	0.7%	3,390
2016	-	362	176	-	538	100.0%	538
Grand Total	7,692	(39)	572	-	533	6.9%	8,225