



ONTARIO RISK SHARING POOL

MAY 2016 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

Related Bulletin: [F16-039 Ontario RSP May 2016 Operational Report](#)

Related Quarterly Valuation Highlights:

[Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at March 31, 2016](#)

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ACTUARIAL HIGHLIGHTS
RSP ONTARIO
OPERATIONAL REPORT
MAY 2016

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1 Summary

1.1 Valuation Schedule (Fiscal Year 2016)

The May 2016 Operational Report incorporates the results of an updated valuation (as at March 31, 2016) – the impact of the implementation of the valuation is discussed in section 1.2. The table immediately below summarizes the implemented valuations and future scheduled valuations for fiscal year 2016.

ONTARIO RISK SHARING POOL FISCAL YEAR 2016 – SCHEDULE OF VALUATIONS			
Valuation Date	Discount Rate (per annum)	Operational Report	Description of Changes
Sep. 30, 2015 (completed)	0.98% mfad: 25 bp	Oct. 2015	updated valuation (roll forward): accident year 2015 loss ratio decreased 5.7 points to 116.8%; discount rate decreased by 21 basis points; no change to selected margins for adverse deviations
Dec. 31, 2015 (completed)	0.90% mfad: 25 bp	Mar. 2016	updated valuation: accident year 2015 loss ratio decreased 1.3 points to 115.5%; accident year 2016 loss ratio decreased 3.6 points to 117.0%; discount rate decreased by 8 basis points; no change to selected margins for adverse deviations
Mar. 31, 2016 (completed)	0.81% mfad: 25 bp	May 2016	updated valuation (roll forward): accident year 2016 loss ratio decreased 0.7 points to 116.3%; discount rate decreased by 9 basis points; no change to selected margins for adverse deviations
Jun. 30, 2016		Aug. 2016	update 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 New Valuation

A valuation of the Ontario Risk Sharing Pool (“RSP”) as at March 31, 2016 has been completed since last month’s Operational Report and the results of that valuation have been incorporated into this month’s Report. The valuation was completed by the Facility Association’s internal actuarial group in conjunction with, and approved by, the appointed actuary, under the hybrid model for actuarial services. Additional detail will be provided in an “Actuarial Highlights – Quarterly Valuation” report to be posted to the FA website at the same time as this report.

The valuation implementation impact is summarized in the tables at the top of the next page.

Summary of Impact (\$000s) of Implementing Result of Valuation as at March 31, 2016¹

Ontario	unfav / (fav) for the month and ytd					
	IMPACT in \$000s from changes in:					
	ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(3,082)	(130)	(3,212)	2,519	-	(693)
CAY	(706)	(200)	(906)	313	-	(593)
Prem Def	(1,321)	116	(1,205)	486	-	(719)
TOTAL	(5,109)	(214)	(5,323)	3,318	-	(2,005)

As indicated in the table above, the incorporation of the new valuation had an estimated **\$2.0 million favourable impact** on the month's net result from operations, subtracting an estimated 2.0 points (see table immediately below) from the **year-to-date Combined Operating Ratio** to end at **105.5%**.

Summary of Impact (% YTD EP) of Implementing Result of Valuation as at March 31, 2016

Ontario	ytd EP 100,440 (actual)					
	IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(3.1%)	(0.1%)	(3.2%)	2.5%	-	(0.7%)
CAY	(0.7%)	(0.2%)	(0.9%)	0.3%	-	(0.6%)
Prem Def	(1.3%)	0.1%	(1.2%)	0.5%	-	(0.7%)
TOTAL	(5.1%)	(0.2%)	(5.3%)	3.3%	-	(2.0%)

The impact of the nominal changes is shown in column [1] of the two preceding summary tables. The change in the selected nominal ultimates was favourable by \$5.1 million overall. This reflects the impact attributable to the change in the selected ultimate loss ratio (i.e. for each accident year, it is the product of life-to-date earned premium for the accident year and the change in the selected ultimate loss ratio).

The prior accident years overall showed a \$3.1 million favourable variance with the implementation and the total favourable impact is 0.4% of the prior accident years' nominal unpaid balance of \$776.3 million determined at the end of last month (April 2016).

The current accident year and premium deficiency impacts are a result of the changes in the selected loss ratios for accident years **2016** (down 0.7 points from 117.0% to **116.3%**) and **2017** (down 2.6 points from 121.1% to **118.5%**).

¹In these tables, "PAYs" refers to prior accident years, "CAY" refers to the current accident year, and "Prem Def" refers to the provision for premium deficiency or the deferred policy acquisition asset (as applicable). "Nominal" refers to changes excluding any actuarial present value adjustments, whereas "apv adj." refers to actuarial present value adjustments.

The columns under the heading "ults & payout patterns" reflect the impact of changes in the valuation selected ultimates and claims payment patterns (i.e. based on unchanged selection of discount rates and margins for adverse deviation). The column "dsct rate" reflects the impact of the change in the selected discount rate and the column "margins" reflects the impact of any changes in selected margins for adverse deviations.

The impacts related to actuarial present value adjustments are split into the impact prior to any change in the selected discount rate and margin changes (at the level they were selected i.e. coverage and accident half-year), the impact of then updating the discount rate, and finally the impact of any changes to the margins (at the level they were selected). The changes in actuarial present value adjustments are shown in the summary tables in columns [2], [4], and [5].

Column [2] recognizes that changing the nominal selections also changed the unpaid estimates (including changes to the relative mix by government line, which had an impact on the weighted-average margins for adverse deviations or “MfADs”). It also reflects the fact that we updated the projected emergence of claims payments, resulting in a change in the projected cash flows. These changes generated a favourable change of \$0.2 million in the actuarial present value adjustments, prior to any changes in the selected discount rate and/or MfADs.

Claims payment emergence patterns were updated and cash flows were reviewed against the selected risk-free yield curve, derived from Government of Canada benchmark bond yields monthly series using values for March 2016. Column [4] accounts for the change in the **discount rate** selected (decreased 9 basis points to **0.81%**), indicating an unfavourable impact of \$3.3 million. The impact *related only to claims liabilities* (i.e. PAYs plus CAY) was \$2.8 million at May 2016 (projected \$3.0 million impact at December 31, 2016) – this compares to the \$3.1 million change one would estimate as the impact by interpolation using the interest rate sensitivity table provided in last month’s Actuarial Highlights.

Column [5] accounts for any changes to selected MfADs. The selected **investment rate MfAD** was **left unchanged at 25 basis points** and the selected **claims development MfADs** at the coverage and accident year level were **left unchanged** as well.

Consideration was given to recent legal decisions and changes in legislation / regulation as noted above and outlined in section 1.4.

1.3 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.

1.4 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation²

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.

Ontario Bill 15 (Fighting Fraud and Reducing Automobile Insurance Rates Act, 2014) was

²How bills become laws in Ontario is described in detail in the publication: <http://www.ontla.on.ca/lao/en/media/laointernet/pdf/bills-and-lawmaking-background-documents/how-bills-become-law-en.pdf>.

introduced into the Legislature by the Minister of Finance on July 15, 2014 and received Royal Assent on November 20, 2014. Bill 15 includes various amendments and provisions such as, moving the Ontario Automobile Dispute Resolution System (DRS) for statutory accident benefits from the Financial Services Commission of Ontario to the Ministry of the Attorney General (Licence Appeal Tribunal), regulation of the Tow and Storage Industry (amendments to the Consumer Protection Act and Repair and Storage Liens Act), regulations related to licensing of insurance agents and adjusters, changes the applicable interest rate applied to overdue payments in the Statutory Accident Benefits Schedule (SABS), and changes to the prejudgment interest rate on general damages for non-pecuniary loss from the rate as set out in the Courts of Justice Act to rates linked to market conditions. At the September 30, 2015 valuation, reform adjustments specifically related to changes in the non-pecuniary prejudgment interest provision calculation impacting the bodily injury coverage and the applicable interest rate applied to overdue payments in the SABS impacting the accident benefits coverage, were included with the updated industry trend analysis (completed using industry data as at December 31, 2014), impacting the selection of ultimates.

Ontario Bill 91 (Building Ontario Up Act (Budget Measures), 2015) was introduced into the Legislature by the Minister of Finance on April 23, 2015 and received Royal Assent on June 4, 2015. Bill 91 announced a number of amendments to regulations made under the Insurance Act, including: updating the Catastrophic Impairment Definition and changes to the standard benefit level under the Statutory Accident Benefits Schedule (SABS); restrictions on insurance premium increases and lowering of the maximum interest rate charged on monthly auto insurance premium payments; and adjustments to the monetary threshold beyond which the tort deductible does not apply to reflect inflation (adjustments to reflect inflation in the associated tort deductible were undertaken via an update to regulation 461/96). On August 26, 2015, the Ontario government filed Ontario regulations 250/15 and 251/15 implementing reforms set out in Bill 91. At the September 30, 2015 valuation, reform adjustments specifically related to changes in the tort threshold and deductibles impacting the bodily injury coverage and changes to the SABS impacting the bodily injury and accident benefits coverages, were included with the updated industry trend analysis (completed using industry data as at December 31, 2014) and nominal valuation estimates, impacting the selection of ultimates.

1.5 Ontario RSP Bodily Injury Case Reserve summary

As indicated in the previous section, reform adjustments, specifically related to changes in the non-pecuniary prejudgment interest provisions in **Ontario Bill 15** and the changes in the tort threshold and deductibles in **Ontario Bill 91** impacting the third party liability - bodily injury coverage for accident year 2015 and subsequent, was included with the updated Ontario Private Passenger Vehicle industry trend analysis (completed using industry data as at June 30, 2015).

There have been two conflicting Ontario Superior Court decisions in relation to the application of prejudgment interest provisions: *Carillo v. Rizzo* (April 15, 2015) and *El-Khodr v. Lackie et al* (July 28, 2015). In the first, the judge ruled that the change to prejudgment interest for non-pecuniary losses³ from a set level of 5% to the level that applies to pecuniary losses applies retroactively (i.e.

³**Pecuniary** awards are defined on the Ontario Attorney General's website as "Damages that can be measured in money (i.e., special damages)" with special damages further defined as "Damages intended to compensate a plaintiff for a quantifiable monetary loss. Examples of such losses include: lost earnings, medical bills, and repair costs." In contrast, **non-pecuniary** awards defined as "Damages that cannot be measured in money, but nevertheless are compensated for with money (i.e., general damages)" with general

applies to all open claims), whereas in the second, the judge ruled that the change applies only to claims where notification was provided to the insurer on or after January 1, 2015. FA's current view is that the second judgment supersedes the first, and no adjustments have been made to the provisions for accident years 2014 and prior as a result.

In addition to the above, there have also been multiple conflicting Ontario Superior Court decisions in relation to the application of the changes in the tort threshold and deductibles: *Cobb v. Long Estates* (November 13, 2015), *Vickers v. Palacios* (December 8, 2015) and *Corbett v. Odorico* (March 22, 2016). In the first, the judge ruled that the changes to the tort threshold and deductibles were substantive in nature such that the defendant was not entitled to apply the higher deductible, whereas in the second and third, the judges concluded the deductible change is procedural on the grounds that the cap on damages and the statutory deductible were implemented to achieve particular policy objectives and therefore applied retroactively (i.e. applies to all open claims). FA's current view, consistent with the latter two judgments, is that the changes to the applicable tort threshold and deductibles are applied on a settlement date basis. We've included a -1.50%⁴ retroactive adjustment to Ontario third party liability - bodily injury unpaid amounts (outstanding case and selected IBNR) using negative IBNR, impacting AY2014/2 and prior. We have applied a 50% tempering factor to the AY2015/1 selected adjustment factor as these are settlements that are negotiated globally and hence there may be erosion of the deductible.

Recognizing that individual members may interpret these results differently, we have included a table at the top of the next page displaying the current levels of Ontario RSP Third Party Liability – Bodily Injury Case Reserves (as at December 31, 2015) by accident year as well as projected average duration, from accident date to projected settlement date, from the December 31, 2015 valuation paid emergence projection model. No attempt has been made to distinguish case reserves held for pecuniary versus non-pecuniary losses, nor in estimating the amount of prejudgment interest, if any, is included in the case reserve estimates.

damages further defined as “Damages for non-monetary losses suffered by a plaintiff. These damages are not capable of exact quantification. Examples of such losses suffered include pain, suffering, and disfigurement.”

⁴The original adjustment with the 2015 Q3 valuation was -3.00%, with the intent to reduce this by 0.75 points with each subsequent valuation, reaching 0.00% with the 2016 Q3 valuation.

ON RSP (Amounts in \$000s; as at Dec. 31, 2015)

AY	Curr BI Case	avg yrs to Dec 2015	projected avg # yrs to settlement	projected avg duration
1993	-	22.5	-	-
1994	-	21.5	-	-
1995	-	20.5	-	-
1996	168	19.5	2.6	22.1
1997	-	18.5	-	-
1998	-	17.5	-	-
1999	-	16.5	-	-
2000	-	15.5	-	-
2001	-	14.5	-	-
2002	-	13.5	-	-
2003	38	12.5	6.4	18.9
2004	-	11.5	6.9	18.4
2005	70	10.5	7.4	17.9
2006	640	9.5	4.8	14.3
2007	2,012	8.5	3.1	11.6
2008	5,983	7.5	2.6	10.1
2009	11,116	6.5	2.4	8.9
2010	24,857	5.5	2.5	8.0
2011	26,424	4.5	2.3	6.8
2012	40,771	3.5	2.4	5.9
2013	54,426	2.5	2.7	5.2
2014	45,063	1.5	3.3	4.8
2015	29,944	0.5	4.1	4.6
TOTAL	241,512	3.2	2.9	6.0

In the above table, the column “projected avg duration” is an estimate of the number of years from claim occurrence⁵ to claim settlement, via summing the average number of years from claim occurrence to December 31, 2015 (3rd column) and from December 31, 2015 to settlement (4th column).

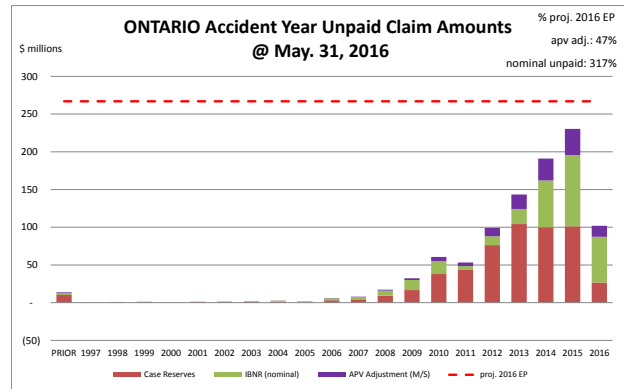
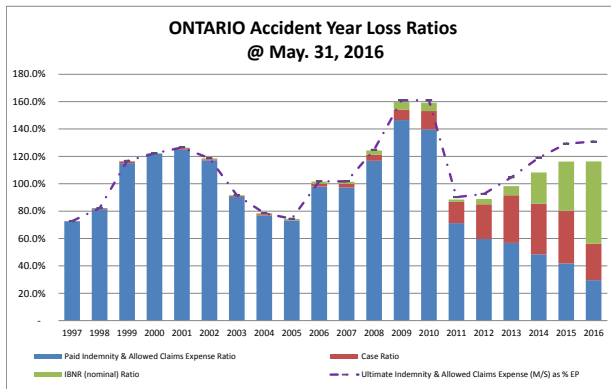
1.6 Current Provision Summary

The charts at the top of the next page show the current levels of claim liabilities⁶ booked by accident year⁷. 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.

⁵Prejudgment interest in Ontario applies to the period from the date the claim is reported, not from the time of occurrence. We have provided the latter to allow actuarial judgment to be applied in estimating the lag between occurrence and reporting.

⁶Claim 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.

⁷The loss ratio chart has been limited to show the most recent 20 accident years; the unpaid provision chart has been limited to show the most recent 20 accident years, and show all accident years older than 20 years collectively as “PRIOR”.



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

The current actuarial present value adjustments provision for claims liabilities (\$124.5 million – see table below) represents 47% 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	540,388	55.7%
ibnr	304,507	31.4%
M/S apv adjust.	124,485	12.8%
M/S total	969,380	100.0%

The table to the left breaks down the Member Statement (M/S) claim liabilities total into component parts, indicating case reserves represent the largest portion. Approximately 51% of the IBNR balance relates to accident years 2015 and 2016 (see Exhibit B). Approximately 79% of the M/S total claim

liabilities are related to accident years 2012-2016 inclusive (i.e. the most recent 5 accident years), and approximately 3% is related to accident years 2006 and prior (i.e. prior to the most recent 10 accident years).

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

premium liabilities (\$000s)			policy liabilities (\$000s)		
	amt	%		amt	%
unearned prem	126,275	75.3%	claim	844,895	74.3%
prem def/(dpac)	21,380	12.7%	premium	147,655	13.0%
M/S apv adjust.	20,052	12.0%	M/S apv adjust.	144,537	12.7%
M/S total	167,707	100.0%	M/S total	1,137,087	100.0%

2 Activity During the Month of May 2016

2.1 Recorded Premium and Claims Activity

The table at the top of the next page summarizes the extent to which premiums and claims amounts recorded during the month differ from projections reflected in the prior month’s Operational Report⁸.

⁸There may be rounding differences in values in this document compared with the associated Bulletin and/or Operational Report.

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

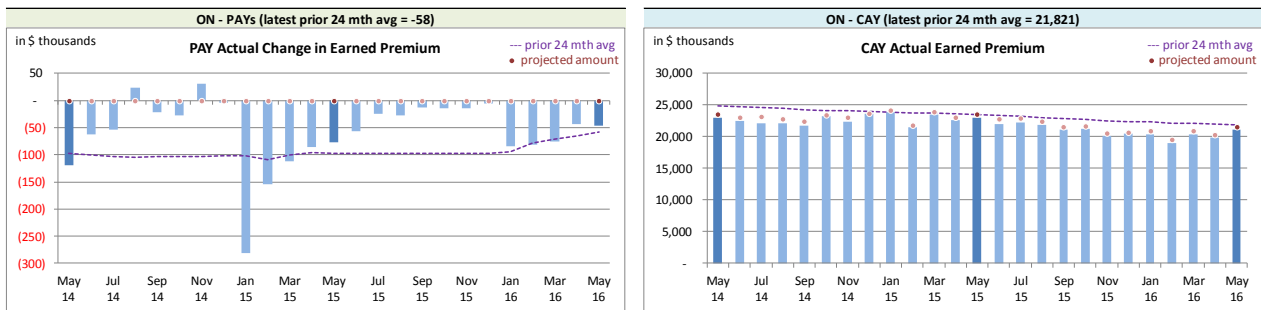
Table 01 Accident Year	Earned Premium		Paid Indemnity & Allowed Claims Expense		Case increase / (decrease)		Recorded increase / (decrease)	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	(2)	(2)	9,917	2,314	(12,095)	(6,222)	(2,179)	(3,909)
2014	(13)	(13)	2,736	210	157	1,312	2,893	1,522
2015	(31)	(31)	3,017	(2,896)	1,951	1,022	4,968	(1,874)
2016	21,092	(443)	7,240	1,131	5,622	(30)	12,862	1,102
TOTAL	21,046	(490)	22,909	759	(4,366)	(3,918)	18,544	(3,159)

(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”. 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 immediately below show actual **earned premium**⁹ 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.

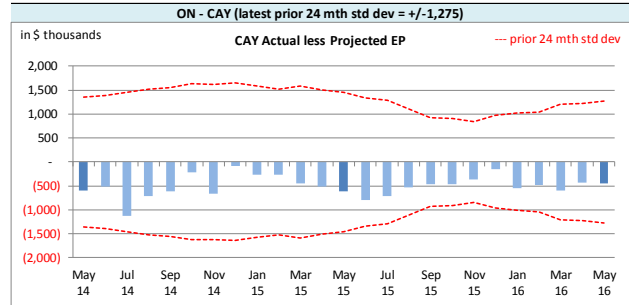
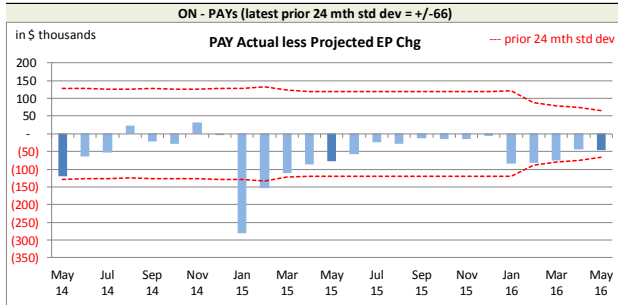
Ontario RSP Actual Earned Premium by Calendar Month


Earned premium changes during a given calendar month in relation to prior accident years tend to be at modest levels (note the different scales in the charts above), although relatively high levels generally occur at the beginning of each year.

The associated variance between the actual changes and the projections from the previous month are shown in the charts at the top of the next page. **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.

⁹Premium 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.

Ontario 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)	(58)	21,821	
std dev	66	1,275	
A-P <> std dev	2	-	
% <> std dev	8.0%	0.0%	
norm <> std dev	31.7%	31.7%	

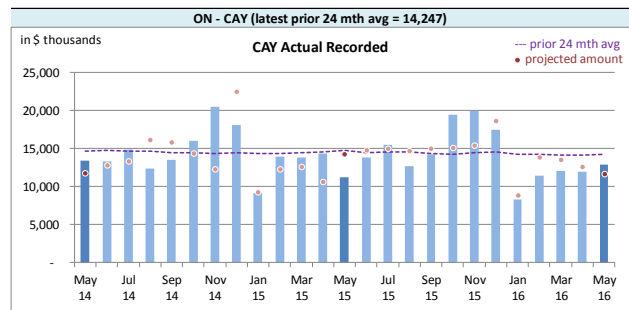
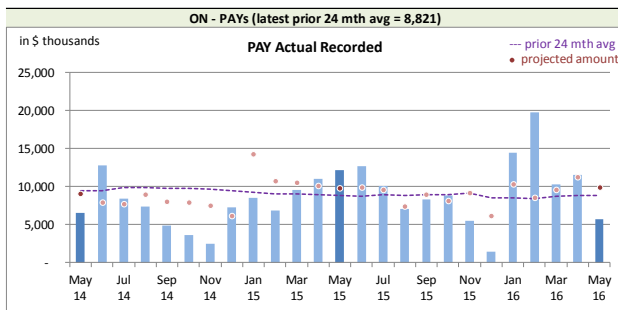
We project **earned premium** changes from known unearned premium and projected written premium levels, but upload the total projections as current accident year (CAY). This process has generated bias¹⁰, with actuals generally lower than projected. However, the magnitude is not high relative to monthly premium, and the

variances are within the prior 24-month standard deviation for monthly earned premium more often than indicated by a normal distribution (see table 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 is shown in the charts immediately below, including the “prior 24-month average” level.

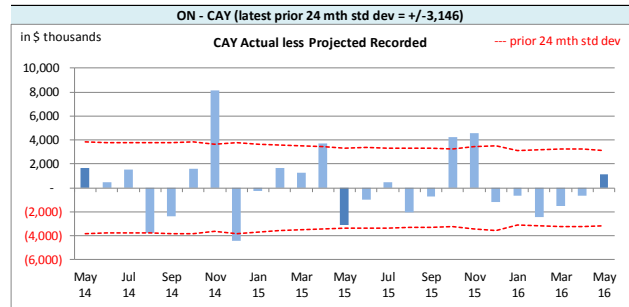
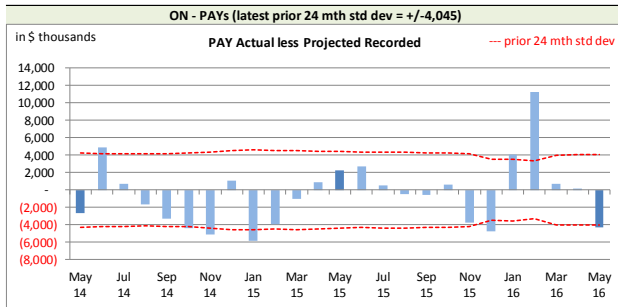
Ontario RSP Actual Recorded by Calendar Month



Recorded activity variances from the previous month’s projections are shown in the charts at the top of the next page, including the “prior 24-month standard deviation” levels.

¹⁰The 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.

Ontario RSP Actual vs Projected Summary: Recorded Variances by Calendar Month



On Latest \$ thousands			
	Recorded	PAYs	CAY
Mthly Avg Recorded (prior 24 mths)	8,821	8,821	14,247
std dev	4,045	4,045	3,146
A-P <> std dev	8	8	5
% <> std dev	32.0%	32.0%	20.0%
norm <> std dev	31.7%	31.7%	31.7%

With respect to **recorded** indemnity & allowed claims expense, 32% of the prior accident years' (PAYs) variances (left chart above) were outside of one standard deviation over the period, suggesting the projection process has performed no better than simply projecting the prior 24-month average amount. In addition, there was

evidence that bias may have been creeping in at the end of 2014 and into the start of 2015 (where actuals tended to be lower than our projections), although adjustments made to our projections seem to have been successful in reducing this bias. We also note that the ratio of PAYs' **recorded** activity relative to beginning IBNR has been below the average of the preceding 24-months for those months where our projections have been too high (see bottom left chart at top of the next page). We continue to investigate to understand the implications to our projections and make adjustments accordingly.

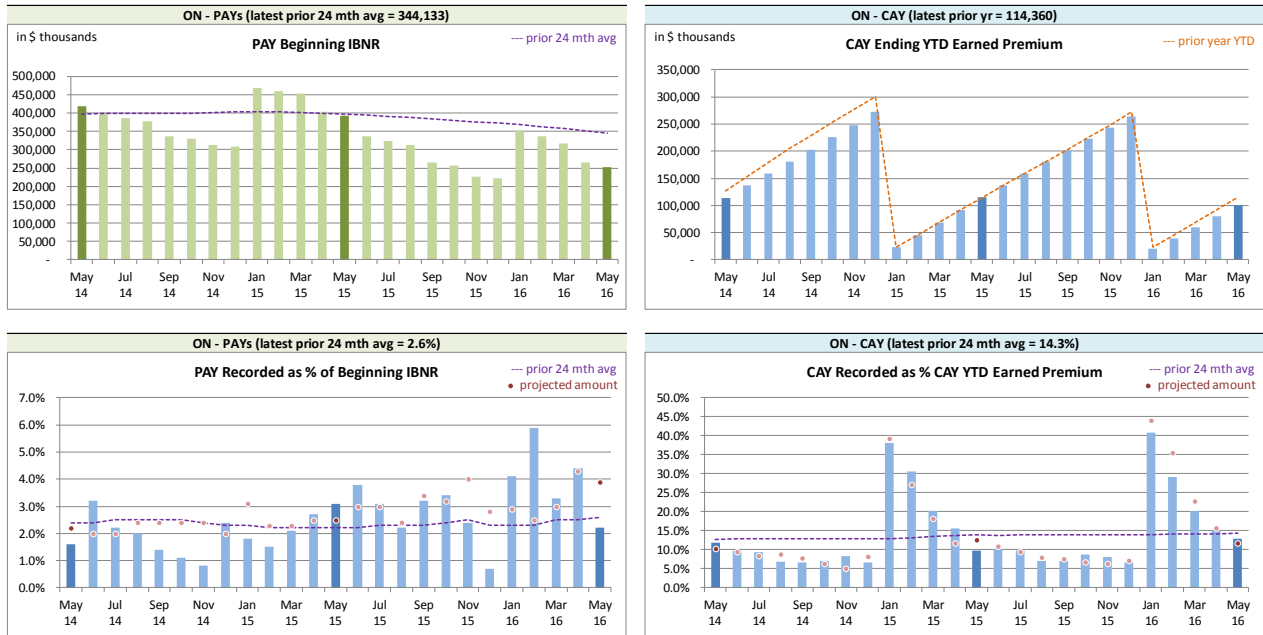
The PAY **recorded** variance for the current month was outside the one standard deviation band. Our review suggested that, in hind sight, our projected activity level was high as a ratio of beginning IBNR.

The current accident year (CAY) **recorded** variances (right chart above) fell outside of one standard deviation 20% of the time over the entire period, suggesting that the projection process performs somewhat better than simply projecting the prior 24-month average amount. We see no evidence of systemic bias in the variances.

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 at the top of the next page related to levels influencing **recorded** activity. Note in particular the reduction in the level of PAY beginning IBNR over the months, 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).

Ontario RSP Levels that influence¹¹ 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:

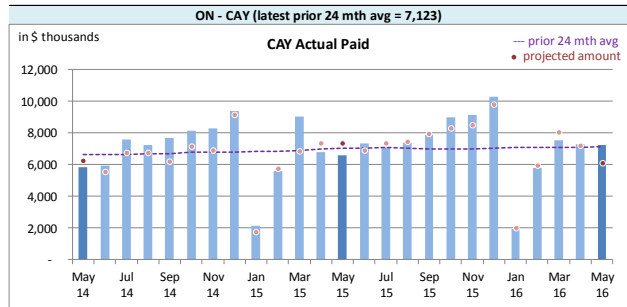
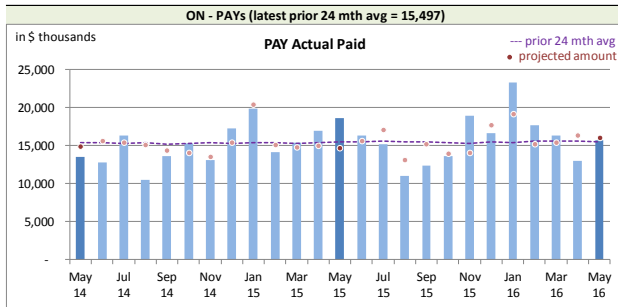
- to offset actual **recorded** activity (through loss ratio matching);
- the annual switchover as a current accident year becomes a prior accident year (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of prior accident years’ ultimate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

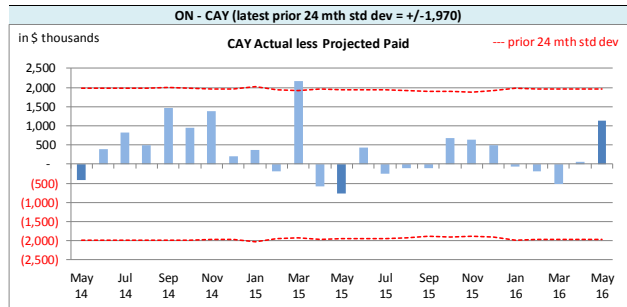
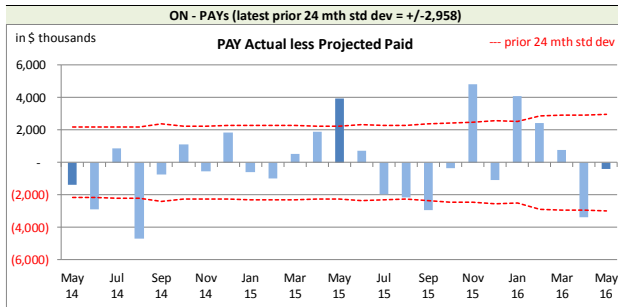
¹¹Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned 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.

*Ontario 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.

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



On Latest \$ thousands		
Paid	PAYs	CAY
Mthly Avg Paid (prior 24 mths)	15,497	7,123
std dev	2,958	1,970
A-P <> std dev	7	1
% <> std dev	28.0%	4.0%
norm <> std dev	31.7%	31.7%

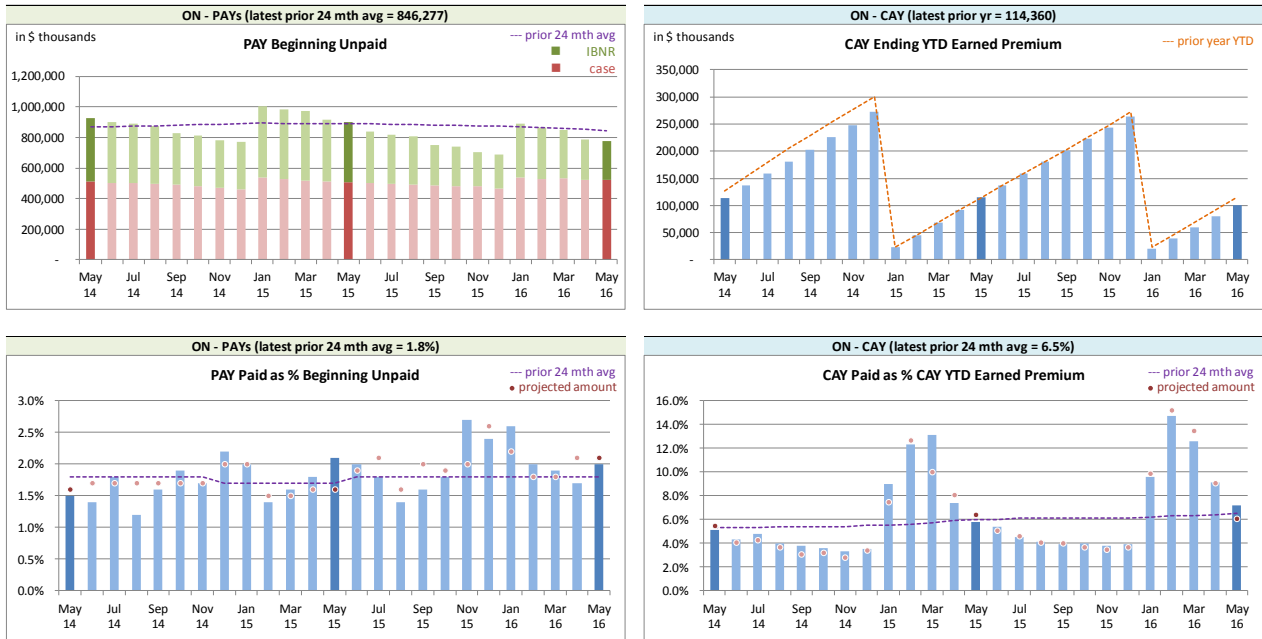
With respect to **paid** indemnity & allowed claims expense, 28% of the prior accident years’ (PAYs) variances (left chart above) over the last 25 calendar months have fallen outside of one standard deviation, suggesting the projection process has performed little better than projecting simply based on the preceding 24-

month average. There does not appear to be evidence of bias.

The current accident year (CAY) **paid** variances (right chart above) do not raise concerns over our projection process with respect to magnitudes projected, although there is evidence of bias (actuals tended to be higher than our projections). We have implemented adjustments to address this and they seem to be working.

We have included, for reference, additional charts at the top of the next page related to levels influencing **paid** activity.

Ontario RSP Levels that influence¹² 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) is used to determine the month’s IBNR¹³, and factors are 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 projections and actuals were based on the applicable valuation. The table at the top of the next page summarizes variances in provisions included in the May 2016 Operational Report and the associated one-month projections from last month’s Report.

¹²Our 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.

¹³For ease of discussion, “IBNR” is used in place of “provisions for incurred but not recorded (IBNR) and development”.

Ontario 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	87,226	2,507	(11,537)	1,385	58,088	(297)	133,777	3,595
2014	62,139	(5,060)	(3,729)	584	32,658	(655)	91,068	(5,131)
2015	94,585	3,680	(5,093)	451	39,533	1,064	129,025	5,195
2016	60,557	(2,326)	(2,447)	336	17,012	(494)	75,122	(2,484)
TOTAL	304,507	(1,199)	(22,806)	2,756	147,291	(382)	428,992	1,175

The IBNR provision is \$1.2 million lower than projected, counterbalancing the recorded claims activity and adjusting for the earned premium variance impacts indicated in section 2.1, and due to the valuation implementation.

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 immediately below summarizes the variances in the provisions for the premium deficiency amounts included in the May 2016 Operational Report and the one-month projections from last month's Report. This RSP is in a premium deficiency position (shown as a positive amount) prior to and after actuarial present value adjustments. Actuarial present value adjustments increase the liability value as the adjustments increase the expected future policy obligations (costs) associated with the unearned premium. Variances are mainly driven by the unearned premium variance and due to the valuation implementation.

Ontario 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:	21,380	(1,235)	20,052	675	41,432	(560)
balance as % unearned premium:	16.9%	(1.1%)	15.9%	0.5%	32.8%	(0.6%)
actual unearned premium:	126,275					
less projected:	484					

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 loss¹⁴ 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 expenses¹⁵, including IBNR.

In calculating the amounts as percentages of earned premium, the calendar year-to-date earned premium has been used, which includes 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 116.7% rather than 116.3% (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 Ontario RSP Summary of Operations due to rounding.)

Ontario 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	(46,144)	(45.9%)	(9,080)	(9.0%)	(55,224)	(55.0%)	(2,901)	10.9%
CAY	117,199	116.7%	14,565	14.5%	131,764	131.2%	26,946	(0.8%)
TOTAL	71,054	70.7%	5,485	5.5%	76,539	76.2%	24,045	10.1%

(“% EP” based on 2016 calendar year-to-date earned premium; ratios may not total due to rounding)

The prior accident years (PAYs) changes from last month are due to the release of the actuarial present value adjustments with claims payments and due to the valuation implementation. 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 and due to the valuation implementation.

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 and due to the valuation implementation.

5 Current Operational Report – Additional Exhibits

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

¹⁴“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).

¹⁵Allowed 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.

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 presented in section 6, Exhibit B, refer to the estimates derived on the basis of various actuarial methodologies applied to the experience of the Ontario Risk Sharing Pool for the purposes of the most recent quarterly valuation. As discussed in section 3, IBNR 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 Apr. 2016	Actual May. 2016	Projected Jun. 2016	Projected Jul. 2016	Projected Dec. 2016
prior			857	3,393	3,323	3,260	2,947
1997			(28)	(27)	(26)	(25)	(21)
1998			78	81	79	79	73
1999			158	161	158	154	140
2000			146	147	144	141	128
2001			468	388	381	374	337
2002			706	906	889	870	788
2003			933	947	928	909	822
2004			1,345	1,434	1,406	1,377	1,246
2005			1,706	1,552	1,521	1,491	1,348
2006			2,854	2,971	2,911	2,854	2,580
2007			3,772	3,543	3,473	3,404	3,077
2008			8,420	7,954	7,795	7,639	6,905
2009			15,533	15,613	15,300	14,995	13,556
2010			21,773	22,726	22,271	21,826	19,728
discount rate 0.81%		2011	9,215	9,924	9,726	9,532	8,637
		2012	21,849	22,891	22,314	21,751	19,606
		2013	42,964	39,173	38,190	37,231	33,386
interest rate margin 25 basis pts		2014	98,012	91,068	88,480	86,108	73,147
		2015	131,692	129,025	120,468	114,597	87,306
		2016	61,038	75,122	90,267	106,204	164,953
TOTAL			423,491	428,992	429,998	434,771	440,689
Change				5,501	1,006	4,773	

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 Apr. 2016	Actual May. 2016	Projected Jun. 2016	Projected Jul. 2016	Projected Dec. 2016
	-	prior	(53)	2,267	2,222	2,178	1,971
	72.7%	1997	(38)	(38)	(37)	(36)	(31)
	82.1%	1998	20	20	20	20	20
	116.5%	1999	83	83	81	79	71
	122.2%	2000	136	136	133	130	118
	126.4%	2001	384	304	298	292	264
	118.5%	2002	609	801	785	769	696
	91.6%	2003	828	832	815	799	722
	78.4%	2004	1,194	1,266	1,241	1,216	1,100
	74.3%	2005	1,608	1,450	1,421	1,393	1,259
	101.6%	2006	2,531	2,626	2,573	2,522	2,280
	101.5%	2007	3,326	3,067	3,006	2,946	2,663
	124.3%	2008	7,221	6,839	6,702	6,568	5,937
	160.0%	2009	13,317	13,389	13,121	12,859	11,624
	159.2%	2010	16,393	17,312	16,966	16,627	15,029
	88.5%	2011	4,504	5,109	5,007	4,907	4,436
	88.9%	2012	10,687	11,723	11,371	11,030	9,868
	98.3%	2013	23,699	20,040	19,439	18,856	16,696
	108.3%	2014	68,570	62,139	60,275	58,467	48,165
	116.2%	2015	97,747	94,585	86,545	81,352	59,635
	116.3%	2016	49,446	60,557	72,635	85,148	127,412
		TOTAL	302,212	304,507	304,619	308,122	309,935
		Change		2,295	112	3,503	

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

EXHIBIT C

Premium Liabilities

TABLE EXHIBIT C

	Amounts in \$000s				
	Actual Apr. 2016	Actual May. 2016	Projected Jun. 2016	Projected Jul. 2016	Projected Dec. 2016
Premium Liabilities					
(1) unearned premium (UP)	119,368	126,275	136,426	145,099	178,987
FOR MEMBER SHARING					
(2) expected future costs ratio {% of (1)}	133.0%	132.8%	133.0%	133.3%	134.9%
(3) expected future costs {(1) x (2)}	158,806	167,707	181,497	193,424	241,373
(4) premium deficiency / (deferred policy acquisition cost)	39,438	41,432	45,071	48,325	62,386
Excluding Actuarial Present Value Adjustments					
(5) expected future costs ratio {% of (1)}	117.7%	116.9%	117.1%	117.4%	118.7%
(6) expected future costs {(1) x (5)}	140,467	147,655	159,796	170,296	212,512
(7) premium deficiency / (deferred policy acquisition cost)	21,099	21,380	23,370	25,197	33,525

EXHIBIT D
Projected Year-end Policy Liabilities

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

Ontario ending 2016		Projected Balances as at Dec. 31, 2016 (\$000s)							TOTAL
		nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL	
prior	8,968	1,971	10,939	(145)	42	1,079	976	11,915	
1997	139	(31)	108	(2)	1	11	10	118	
1998	635	20	655	(16)	5	64	53	708	
1999	798	71	869	(24)	8	85	69	938	
2000	12	118	130	(4)	1	13	10	140	
2001	771	264	1,035	(38)	11	100	73	1,108	
2002	651	696	1,347	(55)	18	129	92	1,439	
2003	824	722	1,546	(68)	20	148	100	1,646	
2004	1,241	1,100	2,341	(110)	33	223	146	2,487	
2005	246	1,259	1,505	(78)	24	143	89	1,594	
2006	2,817	2,280	5,097	(265)	82	483	300	5,397	
2007	3,867	2,663	6,530	(300)	91	623	414	6,944	
2008	8,053	5,937	13,990	(532)	154	1,346	968	14,958	
2009	14,572	11,624	26,196	(864)	262	2,534	1,932	28,128	
2010	32,990	15,029	48,019	(1,585)	480	5,804	4,699	52,718	
2011	37,951	4,436	42,387	(1,314)	381	5,134	4,201	46,588	
2012	66,942	9,868	76,810	(2,151)	691	11,198	9,738	86,548	
2013	91,685	16,696	108,381	(2,493)	759	18,424	16,690	125,071	
2014	91,858	48,165	140,023	(3,221)	980	27,223	24,982	165,005	
2015	97,744	59,635	157,379	(4,092)	1,259	30,504	27,671	185,050	
PAYs (sub-total):	462,764	182,523	645,287	(17,357)	5,302	105,268	93,213	738,500	
CAY (2016)	97,890	127,412	225,302	(6,308)	1,802	42,047	37,541	262,843	
claims liabilities:	560,654	309,935	870,589	(23,665)	7,104	147,315	130,754	1,001,343	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	178,987	33,525	212,512	(5,303)	1,697	32,467	28,861	241,373	
policy liabilities:			1,083,101	(28,968)	8,801	179,782	159,615	1,242,716	

*Total may not be sum of parts, as apvs apply to future costs within UPR

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.

Accident Year	Selected Claims Development MfADs (Mar. 31, 2016)			Total
	Third Party Liability	Accident Benefits	Other Coverages	
1994	10.0%	10.0%	10.0%	10.0%
1995	10.0%	10.0%	10.0%	10.0%
1996	10.0%	10.0%	10.0%	10.0%
1997	10.0%	10.0%	10.0%	10.0%
1998	10.0%	10.0%	10.0%	10.0%
1999	10.0%	10.0%	10.0%	10.0%
2000	10.0%	10.0%	10.0%	10.0%
2001	10.0%	10.0%	10.0%	10.0%
2002	9.0%	10.0%	10.0%	10.0%
2003	10.0%	10.0%	10.0%	10.0%
2004	10.0%	10.0%	10.0%	10.0%
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%	9.3%	10.0%
2009	10.0%	10.0%	7.1%	10.0%
2010	12.5%	12.5%	11.4%	12.5%
2011	12.5%	12.5%	12.2%	12.5%
2012	15.0%	15.0%	13.2%	15.0%
2013	17.5%	17.5%	15.2%	17.4%
2014	19.9%	20.0%	17.2%	19.9%
2015	19.9%	20.0%	16.4%	19.9%
2016	19.2%	20.0%	7.4%	19.2%
2017	20.0%	20.0%	20.0%	20.0%
prem liab	15.6%	20.0%	5.4%	15.7%

discount rate: 0.81%
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, 2016 and based on more up-to-date information). We have included both the current valuation selection (0.81%), the prior valuation assumption (0.90%) and the prior fiscal year end valuation assumption (0.98%) 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, 2016 projected Unpaid								
AY	0.31%	0.81%	1.31%	1.81%	2.31%	2.81%	0.90%	0.98%
2001 & prior	12,589	12,449	12,310	12,177	12,046	11,918	12,423	12,401
2002	1,571	1,531	1,493	1,456	1,421	1,387	1,524	1,518
2003	1,772	1,724	1,678	1,633	1,591	1,550	1,716	1,708
2004	2,792	2,709	2,630	2,554	2,482	2,413	2,695	2,682
2005	1,733	1,676	1,623	1,572	1,523	1,477	1,667	1,658
2006	5,802	5,613	5,435	5,265	5,104	4,951	5,581	5,552
2007	6,168	5,992	5,825	5,667	5,517	5,375	5,962	5,934
2008	13,924	13,591	13,277	12,978	12,696	12,429	13,534	13,482
2009	28,558	27,976	27,428	26,905	26,409	25,937	27,877	27,788
2010	53,689	52,593	51,562	50,573	49,636	48,736	52,408	52,239
2011	43,995	43,137	42,325	41,549	40,808	40,099	42,992	42,859
2012	74,081	72,797	71,580	70,417	69,303	68,238	72,576	72,384
2013	115,217	113,588	112,039	110,539	109,110	107,724	113,315	113,065
2014	167,448	165,024	162,687	160,444	158,278	156,199	164,590	164,217
2015	211,133	207,736	204,494	201,376	198,328	195,430	207,178	206,630
2016	257,324	252,824	248,482	244,343	240,304	236,412	252,045	251,329
Total	997,796	980,960	964,868	949,448	934,556	920,275	978,083	975,446
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

Dollar Impact Relative to Valuation Assumption								
AY	0.31%	0.81%	1.31%	1.81%	2.31%	2.81%	0.90%	0.98%
Total	16,836	-	(16,092)	(31,512)	(46,404)	(60,685)	(2,877)	(5,514)
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

Percentage Impact Relative to Valuation Assumption								
AY	0.31%	0.81%	1.31%	1.81%	2.31%	2.81%	0.90%	0.98%
2001 & prior	1.1%	-	(1.1%)	(2.2%)	(3.2%)	(4.3%)	(0.2%)	(0.4%)
2002	2.6%	-	(2.5%)	(4.9%)	(7.2%)	(9.4%)	(0.5%)	(0.8%)
2003	2.8%	-	(2.7%)	(5.3%)	(7.7%)	(10.1%)	(0.5%)	(0.9%)
2004	3.1%	-	(2.9%)	(5.7%)	(8.4%)	(10.9%)	(0.5%)	(1.0%)
2005	3.4%	-	(3.2%)	(6.2%)	(9.1%)	(11.9%)	(0.5%)	(1.1%)
2006	3.4%	-	(3.2%)	(6.2%)	(9.1%)	(11.8%)	(0.6%)	(1.1%)
2007	2.9%	-	(2.8%)	(5.4%)	(7.9%)	(10.3%)	(0.5%)	(1.0%)
2008	2.5%	-	(2.3%)	(4.5%)	(6.6%)	(8.5%)	(0.4%)	(0.8%)
2009	2.1%	-	(2.0%)	(3.8%)	(5.6%)	(7.3%)	(0.4%)	(0.7%)
2010	2.1%	-	(2.0%)	(3.8%)	(5.6%)	(7.3%)	(0.4%)	(0.7%)
2011	2.0%	-	(1.9%)	(3.7%)	(5.4%)	(7.0%)	(0.3%)	(0.6%)
2012	1.8%	-	(1.7%)	(3.3%)	(4.8%)	(6.3%)	(0.3%)	(0.6%)
2013	1.4%	-	(1.4%)	(2.7%)	(3.9%)	(5.2%)	(0.2%)	(0.5%)
2014	1.5%	-	(1.4%)	(2.8%)	(4.1%)	(5.3%)	(0.3%)	(0.5%)
2015	1.6%	-	(1.6%)	(3.1%)	(4.5%)	(5.9%)	(0.3%)	(0.5%)
2016	1.8%	-	(1.7%)	(3.4%)	(5.0%)	(6.5%)	(0.3%)	(0.6%)
Total	1.7%	-	(1.6%)	(3.2%)	(4.7%)	(6.2%)	(0.3%)	(0.6%)
	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	curr + 200bp	prior val assumption	prior fyr end assumption

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

RSP		Ontario						
AccountCode Desc		IBNR - Discour		M/S IBNR - in \$000s				
AccYear	Values			Sum of Change Due to AvsP Variances	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						
prior	857	(20)	2,536	20	2,536	295.9%	3,393	
1997	(28)	1	(1)	1	1	(3.6%)	(27)	
1998	78	-	1	2	3	3.8%	81	
1999	158	(4)	3	4	3	1.9%	161	
2000	146	(3)	3	1	1	0.7%	147	
2001	468	(9)	9	(80)	(80)	(17.1%)	388	
2002	706	(14)	206	8	200	28.3%	906	
2003	933	(19)	23	10	14	1.5%	947	
2004	1,345	(27)	99	17	89	6.6%	1,434	
2005	1,706	(34)	35	(155)	(154)	(9.0%)	1,552	
2006	2,854	(57)	308	(134)	117	4.1%	2,971	
2007	3,772	(76)	(2)	(151)	(229)	(6.1%)	3,543	
2008	8,420	(169)	796	(1,093)	(466)	(5.5%)	7,954	
2009	15,533	(311)	1,250	(859)	80	0.5%	15,613	
2010	21,773	(435)	827	561	953	4.4%	22,726	
2011	9,215	(185)	62	832	709	7.7%	9,924	
2012	21,849	(442)	75	1,409	1,042	4.8%	22,891	
2013	42,964	(763)	(2,634)	(394)	(3,791)	(8.8%)	39,173	
2014	98,012	(1,813)	(1,575)	(3,556)	(6,944)	(7.1%)	91,068	
2015	131,692	(7,862)	2,331	2,864	(2,667)	(2.0%)	129,025	
2016	61,038	16,568	(1,891)	(593)	14,084	23.1%	75,122	
Grand Total	423,491	4,326	2,461	(1,286)	5,501	1.3%	428,992	

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

RSP **Ontario**
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			
prior	(53)	1	2,319	-	2,320	(4,377.4%)	2,267
1997	(38)	1	(1)	-	-	-	(38)
1998	20	-	-	-	-	-	20
1999	83	(2)	2	-	-	-	83
2000	136	(3)	3	-	-	-	136
2001	384	(8)	8	(80)	(80)	(20.8%)	304
2002	609	(12)	204	-	192	31.5%	801
2003	828	(17)	21	-	4	0.5%	832
2004	1,194	(24)	96	-	72	6.0%	1,266
2005	1,608	(32)	33	(159)	(158)	(9.8%)	1,450
2006	2,531	(51)	310	(164)	95	3.8%	2,626
2007	3,326	(67)	(11)	(181)	(259)	(7.8%)	3,067
2008	7,221	(144)	835	(1,073)	(382)	(5.3%)	6,839
2009	13,317	(266)	1,234	(896)	72	0.5%	13,389
2010	16,393	(328)	962	285	919	5.6%	17,312
2011	4,504	(90)	135	560	605	13.4%	5,109
2012	10,687	(214)	344	906	1,036	9.7%	11,723
2013	23,699	(474)	(2,587)	(598)	(3,659)	(15.4%)	20,040
2014	68,570	(1,371)	(1,537)	(3,523)	(6,431)	(9.4%)	62,139
2015	97,747	(6,842)	1,839	1,841	(3,162)	(3.2%)	94,585
2016	49,446	13,437	(1,620)	(706)	11,111	22.5%	60,557
Grand Total	302,212	3,494	2,589	(3,788)	2,295	0.8%	304,507