

User Guide: New Participation Report

Understanding the Structure and Format of the New Participation Report

- The new report is presented on a financial statement basis.
- Change in Premium Deficiency / (DPAC) is now included in the Operating Results calculation. On the old format, it was shown as a memo item.
- Pre-Insurance Reports line has been removed; all previously stated amounts in the old format are now combined with Driver Record Abstracts.
- Net Operating Results in the old format is now labeled as Funds held by FA/ (Members). The calculation remains the same: Operating Results less Distributed to Member.
- The Operating Results for the Current Month, for Fiscal Year to Date and for All Years to Date are each shown on separate pages, broken down by Private Passenger, Non Private Passenger, and Combined and split by accident years for each jurisdiction.
- Balance Sheet figures are now available by accident year to accommodate regulatory and financial statement requirements. See pages 3, 7, 11, 15, 19 & 23. The 2 month projection figures are provided on page 26.
- Memo items are provided by accident year as additional information for your actuaries, accountants, analysts, and management. See pages 4, 8, 12, 16, 20 & 24 for information on the following:
 - Future Cost on Unearned Premium
 - Undiscounted Premium Deficiency/(DPAC)
 - Undiscounted Future cost on Unearned
 - PFAD Included IBNR Provision
 - Undiscounted IBNR Provision
 - Undiscounted Retro Claims Expense

The User Guide:

To assist readers in understanding the new report layout, the following table sets out a more detailed breakdown of the type of information provided by province for each page and shows whether each income statement item is added or subtracted to calculate the “Operating Result”.

FARM PARTICIPATION REPORT

USER GUIDE

Page Number	❖ Sections	Explanation
1	Private Passenger FARM TOTAL ❖ Current Month <ul style="list-style-type: none"> Presented on a financial statement basis Split by Accident Year 	+ Premiums Written + Change in Unearned Premium = Premiums Earned (A) + Paid Loss + Change in Outstanding Losses + Change in IBNR Provision + O/S Loss Transition Adjustment + Claims Service Fees + Change in Retro Claims Expense = Claims and Adj. Expenses Incurred (B) + Operating and Service Fee + Agents Commissions + Change in Premium Deficiency/(DPAC) <i>*New</i> + Driver Record Abstracts <i>* Incl. Pre-Ins. Reports</i> + Administration Expense + Bad Debts = General Expenses (C) + Premium Finance Fee (D) + Investment Income (E) OPERATING RESULTS= (A) – (B) – (C) + (D) + (E) Distributed to Member Funds Held by FA/(Members) <i>*New label</i> = Operating Results less Distributed to Member
2	Private Passenger FARM TOTAL ❖ Fiscal Year to Date <ul style="list-style-type: none"> Presented on a financial statement basis Split by Accident Year 	+ Premiums Written + Change in Unearned Premium = Premiums Earned (A) + Paid Loss + Change in Outstanding Losses + Change in IBNR Provision + O/S Loss Transition Adjustment + Claims Service Fees + Change in Retro Claims Expense = Claims and Adj. Expenses Incurred (B) + Operating and Service Fee + Agents Commissions + Change in Premium Deficiency/(DPAC) <i>*New</i> + Driver Record Abstracts <i>* Incl. Pre-Ins. Reports</i> + Administration Expense + Bad Debts = General Expenses (C) + Premium Finance Fee (D) + Investment Income (E)

FARM PARTICIPATION REPORT USER GUIDE

		OPERATING RESULTS= (A) – (B) – (C) + (D) + (E) Distributed to Member Funds Held by FA/(Members) *New label = Operating Results less Distributed to Member
Page Number	❖ Sections	Explanation
3	Private Passenger FARM TOTAL ❖ All Years To Date (Cumulative all years since inception) <ul style="list-style-type: none"> Presented on a financial statement basis Split by Accident Year ❖ Balance Sheet Amounts <ul style="list-style-type: none"> Split by Accident Year 	+ Premiums Written + Change in Unearned Premium = Premiums Earned (A) + Paid Loss + Outstanding Losses + IBNR Provision + O/S Loss Transition Adjustment + Claims Service Fees + Retro Claims Expense = Claims and Adj. Expenses Incurred (B) + Operating and Service Fee + Agents Commissions + Premium Deficiency/(DPAC) * <i>New</i> + Driver Record Abstracts * <i>Incl. Pre-Ins. Reports</i> + Administration Expense + Bad Debts = General Expenses (C) + Premium Finance Fee (D) + Investment Income (E) OPERATING RESULTS= (A) – (B) – (C) + (D) + (E) Distributed to Member Funds Held by FA/(Members) *New label = Operating Results less Distributed to Member Unearned Premium Premium Deficiency/(DPAC) + Outstanding Loss + IBNR Provision + Retro Claims Expense Provision = Total Outstanding

FARM PARTICIPATION REPORT

USER GUIDE

4	Private Passenger FARM TOTAL <ul style="list-style-type: none"> ❖ All Years To Date ❖ FARM Total (Memo Items) • Split by Accident Year 	<i>* New</i> Future Cost on Unearned Premium Undiscounted Premium Deficiency/(DPAC) Undiscounted Future cost on Unearned PFAD Included IBNR Provision Undiscounted IBNR Provision Undiscounted Retro Claims Expense
Page Number	❖ Sections	Explanation
5 - 8	Non Private Passenger FARM TOTAL	Same format as Pages 1- 4
9 - 12	Private and Non Private Passenger Combined FARM TOTAL	Total of Private and Non Private Passenger Same format as Pages 1- 4
13 -16	Private Passenger MEMBER SHARE	Same format as Pages 1- 4
17 -20	Non Private Passenger MEMBER SHARE	Same format as Pages 1- 4
21 - 24	Private and Non Private Passenger Combined MEMBER SHARE	Total of Private and Non Private Passenger Same format as Pages 1- 4
25	Private and Non Private Passenger Combined COMBINED SHARE (CALENDAR PERIOD)	Operating Results Projections provided for member use as appropriate *New <ul style="list-style-type: none"> • column [1] shows the actual fiscal YTD results • column [2] is an estimate of the first month beyond the current accounting month • column [3] is an estimate of the second month beyond the current accounting month • column [4] is the current fiscal year's November estimate (remains until end of current fiscal year) • column [5] is the current year's December estimate (remains until end of current fiscal year) • column [6] is the year to date at 2 months beyond the current calendar month

FARM PARTICIPATION REPORT USER GUIDE

		<ul style="list-style-type: none"> • column [7] is the year to date at 1 month beyond the current calendar month (estimated calendar month 2 months beyond the current calendar month) • column [8] is estimated calendar month 2 months beyond the current accounting month
Page Number	❖ Sections	Explanation
26	Private and Non Private Passenger Combined COMBINED SHARE ❖ Balance Sheet Amounts ❖ Memo Items	2 months Balance Sheet and Memo Items Projections provided for member use as appropriate