

CALENDAR YEAR 2023 RSP OUTLOOK

(RISK SHARING POOLS)

JANUARY 2023

BASED ON OCTOBER 2022 OPERATIONAL REPORTS

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LINKS TO SPECIFIC REFERENCED DOCUMENTS

Actuarial Highlights - Monthly Operational – October 2022

[Ontario RSP October 2022 Operational Report - Actuarial Highlights](#)

[Alberta Grid RSP October 2022 Operational Report - Actuarial Highlights](#)

[Alberta Non-Grid RSP October 2022 Operational Report - Actuarial Highlights](#)

[New Brunswick RSP October 2022 Operational Report - Actuarial Highlights](#)

[Nova Scotia RSP October 2022 Operational Report - Actuarial Highlights](#)

Outlook

[Risk Sharing Pools' Outlook for Calendar Year 2022](#)

1. Executive Summary

This “**RSP Outlook**” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the September 30, 2022 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

Key Takeaways

- **The combined 6 RSPs** are projected to have **continued growth in written premium** (6% overall for 2023). This is partially offset by lower premium volume in Alberta Grid due to the expected impact of the 2023 Alberta Grid rate change (10% rate increase effective Jan. 1, 2023).
- Across **all 6 RSPs**, we are projecting **written premium** of \$1,069 million for 2022, increasing to **\$1,136 million for 2023**, with a **COR** of 111.3% for 2022, increasing to **147.2% for 2023** – please note, the members’ assumed COR for the pool may not align with these figures due to differences such as investment income on assets held by the members;
- We are projecting the **6 RSPs** to generate an **operating cash outflow¹ of \$225 million in 2023**, down from a projected inflow of \$14 million for 2022 (compared with cash inflow of \$20 million in calendar year 2021 and a cash outflow of \$78 million in 2020, due to the projected written premium growth of the RSPs and the higher expected loss ratios for the current and future accident years;
- Facility Association has adopted the IFRS 17 accounting standards effective Nov. 1, 2022, and the 2022-2023 financial projections in this paper have been prepared on the IFRS 17 basis. IFRS 17 has significant impact on the liabilities and operating statements of the RSPs;
- Higher expense allowance in Calendar Year 2023 following the adoption of IFRS 17 as the use of RSPs will no longer be classified as negative direct written premium for insurance carriers, but instead will be classified as reinsurance ceded. This results in higher expense allowance as FA must reimburse Members Companies for premium tax and health levies that were previously not incurred on business ceded to the RSPs;
- The improvement in 2023 loss ratios in Alberta Grid pool is due to the Alberta Insurance Rate Board’s announcement of a 10% rate increase to Grid rates effective Jan. 1, 2023.

¹An operating cash outflow is generated when premium submitted to / collected for an RSP is less than the RSP’s disbursements for claims and all expenses. Operating cash outflows are funded by the FA membership via monthly cash settlements with members.

The tables that follow provide a high-level summary of key metrics projected for Calendar Years 2023 and 2022, with actuals for 2021 provided for reference. Supporting details related to the projections are provided in the body of this report.

Historically, two versions of Outlooks were prepared throughout the year. However, only one Outlook has been published in recent years due to resource constraint. Going forward, it is planned to publish only one Outlook and enhance actuarial highlights to provide additional detail pertaining to the updated Outlook at each point in time.

Executive Summaries – Calendar Year 2023 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results					
Ontario RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	573,507	517,829	55,678	10.8%	396,076
Vehicle Count	211,219	196,525	14,694	7.5%	184,779
Earned Premium (\$000s)	537,369	482,706	54,662	11.3%	380,748
Net Operating Result (\$000s)	(350,264)	(132,902)	(217,363)	163.6%	(34,753)
COR	165.2%	127.5%	37.6%	29.5%	109.1%
Prior Accident Years' incurred claims (\$000s)	39,396	(45,738)	85,134	(186.1%)	(82,600)

Note: 2021 is based on IFRS4 net operating result

Actual and Projected Calendar Year Results					
Alberta Grid RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	311,241	342,527	(31,286)	(9.1%)	220,613
Vehicle Count	119,846	134,966	(15,120)	(11.2%)	76,803
Earned Premium (\$000s)	325,030	280,686	44,344	15.8%	200,881
Net Operating Result (\$000s)	(61,216)	39,173	(100,389)	(256.3%)	37,746
COR	118.8%	86.0%	32.8%	38.1%	81.2%
Prior Accident Years' incurred claims (\$000s)	11,201	(21,329)	32,530	(152.5%)	(41,476)

Note: 2021 is based on IFRS4 net operating result

Actual and Projected Calendar Year Results					
Alberta Non-Grid RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	191,006	168,106	22,900	13.6%	164,174
Vehicle Count	97,528	88,752	8,776	9.9%	84,817
Earned Premium (\$000s)	184,239	161,518	22,721	14.1%	139,519
Net Operating Result (\$000s)	(79,035)	(18,249)	(60,787)	333.1%	(10,123)
COR	142.9%	111.3%	31.6%	28.4%	107.3%
Prior Accident Years' incurred claims (\$000s)	7,230	4,644	2,585	55.7%	(25,028)

Note: 2021 is based on IFRS4 net operating result

Actual and Projected Calendar Year Results					
New Brunswick RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	24,058	16,687	7,371	44.2%	20,436
Vehicle Count	15,164	11,222	3,942	35.1%	12,779
Earned Premium (\$000s)	19,743	18,376	1,367	7.4%	20,408
Net Operating Result (\$000s)	(11,950)	(2,857)	(9,093)	318.3%	(546)
COR	160.5%	115.5%	45.0%	38.9%	102.7%
Prior Accident Years' incurred claims (\$000s)	1,044	1,216	(172)	(14.1%)	(2,277)

Note: 2021 is based on IFRS4 net operating result

Actual and Projected Calendar Year Results					
Nova Scotia RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	31,984	18,462	13,522	73.2%	30,440
Vehicle Count	16,659	11,181	5,479	49.0%	16,371
Earned Premium (\$000s)	25,799	25,309	490	1.9%	41,021
Net Operating Result (\$000s)	(13,427)	4,114	(17,541)	(426.4%)	11,981
COR	152.0%	83.7%	68.3%	81.6%	70.8%
Prior Accident Years' incurred claims (\$000s)	2,122	(4,287)	6,409	(149.5%)	(12,609)

Note: 2021 is based on IFRS4 net operating result

Actual and Projected Calendar Year Results					
Newfoundland & Labrador RSP	2023	2022	Change (to 2023 from 2022)		2021
Written Premium (\$000s)	4,090	4,982	(892)	(17.9%)	7,056
Vehicle Count	3,504	3,838	(334)	(8.7%)	5,248
Earned Premium (\$000s)	4,339	6,550	(2,210)	(33.7%)	3,562
Net Operating Result (\$000s)	(1,770)	616	(2,387)	(387.2%)	(3,335)
COR	140.8%	90.6%	50.2%	55.4%	193.6%
Prior Accident Years' incurred claims (\$000s)	71	(682)	753	(110.4%)	(2)

Note: 2021 is based on IFRS4 net operating result

Updated projections will be made throughout 2023 and will be included in the Bulletins and the Calendar Year Summary of Operations posted on the FA website on a monthly basis. This will provide members with the most up-to-date projection for the full current calendar year.

It is important to note that RSP Harmonization came into effect January 1st, 2022 and **this Outlook for Calendar year 2022 and 2023 has incorporated the RSP Harmonization changes**. For additional details on the Plan of Operation Amendments, please refer to Bulletin [F2020-050](#) that was provided to the membership last year.

Readers are reminded that RSP operating results do not include all expenses incurred by members to support this business – for example, association dues or expenses pertaining to any investments members hold in relation to their share of RSP written premium or vehicle counts are not included here. As such, the Combined Operating Ratio may not be comparable to a member's own such ratio. Similarly, investment income is not included in these results – that is, any investment income earned by members on RSP related funds held by members is not included in these results.

2. Financial Projections

2.1 Introductory Comments

IFRS 17 Reporting & Key Assumptions

Facility Association has adopted the IFRS 17 accounting standards effective Nov. 1, 2022, and the 2022-2023 financial projections in this paper have been prepared for the IFRS 17 basis. IFRS 17 has a

significant impact on the liabilities and operating statements of the RSPs.

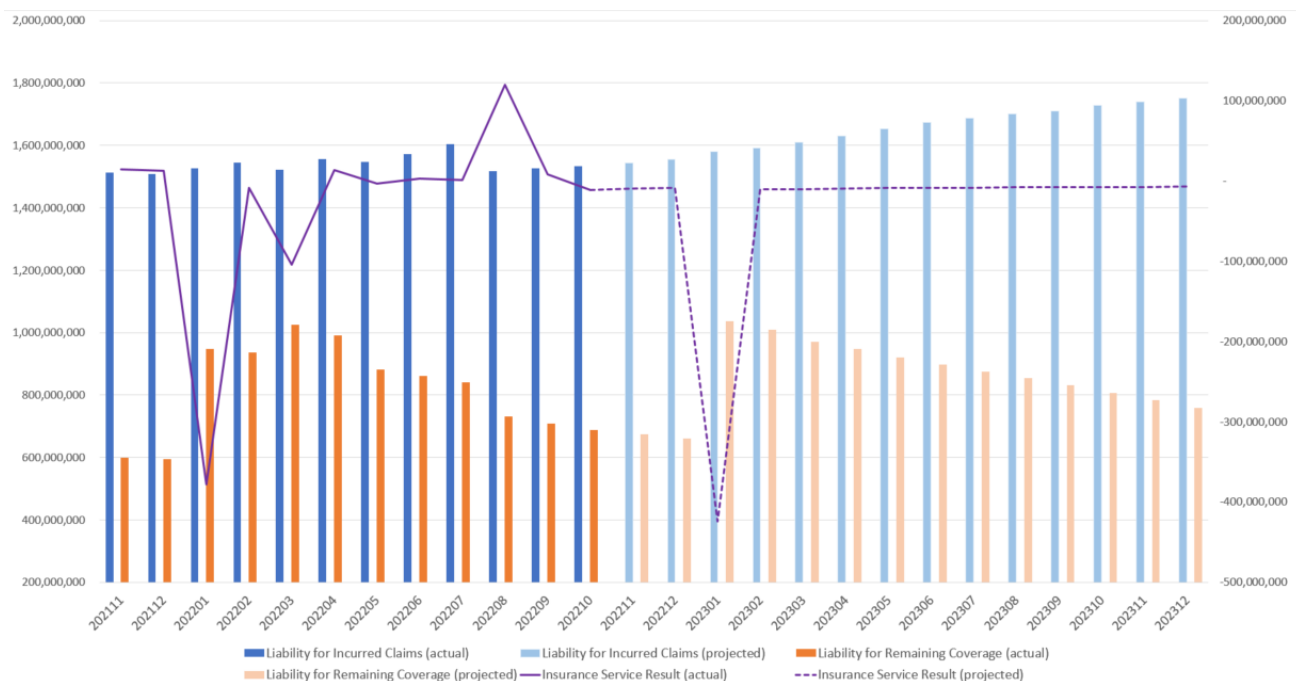
Key assumptions include:

- **Reinsurance Contract:** Risk Sharing Pools are a reinsurance mechanism. As well, participation in the Accident Year result of the RSPs is mandatory for companies who write business in each jurisdiction as soon as they write business exposed to that accident year. This has implications on the recognition of onerous contracts. For example, the liability for remaining coverage is expected to demonstrate a sharp increase in January of each calendar year due to the initial recognition of the **future accident year** loss component.
- **Onerous:** Risk Sharing Pools are onerous by design, as RSPs are designed for systematic underpricing, which is expected to be unprofitable. We are assuming all RSPs are groups of onerous contracts. This means that the losses on these onerous contracts are recognized through a loss component upon initial recognition of the business.
- **Illiquid:** It is assumed that the risk sharing pool cash flows are relatively illiquid. This means a yield curve with a higher liquidity premium is selected for the discounting calculation.
- **Risk Adjustment:** The risk adjustment is based on a discounted cost of capital methodology. Capital factors are derived from MCT risk factors. Cost of capital is determined from target return on equity and P/S ratio assumptions from pricing. Capital requirement is determined from a target MCT ratio based on industry data.

For further detail regarding definitions of items in the operating statement referenced to throughout

this report, please see [Glossary of Terms](#).

Actual & Projection of IFRS 17 Results for the Total RSPs (by calendar month)



The above graph presents the actual liabilities and insurance service result reported beginning Nov. 30, 2021 up to Oct. 31, 2022. This graph also include the projection for the last two months of 2022 and for the full Calendar Year 2023. The liability for incurred claims is projected to steadily grow due to loss ratio trend and premium growth projected for the combined RSPs. The liability for remaining coverage demonstrates a sharp jump in January of each calendar year due to the initial recognition of the future accident year loss component, then gradually decreases for the remainder of the year as losses move into the liability for incurred claims. Initial recognition in January generates a large insurance service result loss in the January result.

The insurance service result is insurance revenue (net earned premium) less incurred claims and expenses incurred, changes to the loss component, and adjustments to liabilities for incurred claims. Following initial recognition of the loss component, the projection of insurance service result is a stable deficit.

The actual insurance service result presented in the graph reflects the implementation of valuation results and updates to the discount rates throughout the year. These valuation impacts typically generate income or losses due to reserve increases/releases and changes in present value adjustments. This is the first year the Outlook is reported on an IFRS 17 basis. It is strongly encouraged for Member Companies to kindly reach out to FA if something is required but not included in this report in which case, the FA team will be able to amend future reports to accommodate their requirements.

This “RSP Outlook” is a projection of Facility Association (FA) Risk Sharing Pools (RSPs) Operating

Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the September 30, 2022 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports. The following table summarizes the Calendar Year 2023 projection by RSP.

Projection Summary – Calendar Year 2023 – Amounts (\$'000s)

Calendar Year 2023 Projections (\$'000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	573,507	311,241	191,006	24,058	31,984	4,090	1,135,886
Received Premium	567,045	314,752	192,218	23,559	31,742	4,149	1,133,465
Earned Premium	537,369	325,030	184,239	19,743	25,799	4,339	1,096,519
Earned Expense Allowance	(160,591)	(104,928)	(60,115)	(7,163)	(8,675)	(1,371)	(342,844)
Insurance Revenue	376,778	220,101	124,124	12,580	17,124	2,968	753,675
Total Claims Incurred	669,716	260,891	184,580	19,369	27,487	4,390	1,166,434
<i>Claims incurred (CAY)</i>	630,320	249,691	177,350	18,325	25,365	4,319	1,105,370
<i>Adjustments to Liabilities for Incurred Claims</i>	39,396	11,201	7,230	1,044	2,122	71	61,064
Administrative Expense	2,637	1,990	1,874	1,239	862	162	8,764
Change in Loss Component	54,689	18,436	16,705	3,922	2,202	187	96,141
Insurance Service Expenses	727,042	281,317	203,159	24,531	30,551	4,739	1,271,338
Insurance Service Result	(350,264)	(61,216)	(79,035)	(11,950)	(13,427)	(1,770)	(517,664)
Insurance Finance Expense from PV FCF	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustmen	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Componen	-	-	-	-	-	-	-
Insurance Finance Income (Expense)	-	-	-	-	-	-	-
2023 Operating Result	(350,264)	(61,216)	(79,035)	(11,950)	(13,427)	(1,770)	(517,664)
attributed to PAYs:	(39,396)	(11,201)	(7,230)	(1,044)	(2,122)	(71)	(61,064)
attributed to CAY & FtAY:	(310,868)	(50,015)	(71,805)	(10,906)	(11,305)	(1,700)	(456,600)
2022 Operating Result							
Dec. 24, 2021 Outlook (under IFRS 4 standards)	(260,572)	(43,498)	(78,428)	(8,269)	(10,758)	(4,539)	(406,064)
attributed to PAYs:	23,376	7,734	5,249	543	1,199	70	38,171
attributed to CAY & FtAY:	(283,948)	(51,232)	(83,677)	(8,812)	(11,957)	(4,609)	(444,235)
Projections as at Oct. 31, 2022	(132,902)	39,173	(18,249)	(2,857)	4,114	616	(110,104)
attributed to PAYs:	100,513	39,320	7,058	870	8,291	792	156,845
attributed to CAY & FtAY:	(233,414)	(147)	(25,307)	(3,727)	(4,177)	(176)	(266,949)

Similar to the **Dec. 24, 2021 Outlook** for Calendar Year **2022**, this Outlook's projection for Calendar Year **2023** assumes no nominal changes to our estimates of ultimate for prior accident years², whereas the current projection for Calendar Year **2022 (Oct 31, 2022 Projections)** includes nominal prior accident year changes as booked during the first ten months of **2022**. Given the importance of accident year impacts, we have separated the Operating Results summary to show prior accident years (PAYs) from the current accident year (CAY) and future accident year (FtAY).

²In our projections, we assume that our liabilities are "best estimates" and therefore project no changes in nominal terms. However, there are prior accident year impacts related to actuarial present value adjustments. Over time, the "discount" adjustment to reflect the time value of money will unwind and risk adjustment will be released with liability / obligation settlement.

2.2 Projected Calendar Year 2023 Operating Results

As shown in the preceding table, policy liabilities and associated changes are presented on an actuarial present value basis as found in the Operational Reports (that is, “Total Claims Incurred” and “Change in Loss Component” include actuarial present value adjustments, commonly described as “discounted”). We have included at the bottom of the table the projected Operating Results for Calendar Year **2022** as per the **Dec. 24, 2021 Outlook** and with the **Oct. 31, 2022 Projections**³.

As the Dec. 24th, 2021 Outlook for 2022 was completed on the IFRS 4 basis, it is less directly comparable with the current 2022 and 2023 projections as at Oct. 31, 2022; we therefore focus on comparison between the current projected full year 2022 and 2023 results.

In comparing the Calendar Year **2023** operating result projection against the most recent projection for Calendar Year **2022 as at October 31, 2022**, 2023 has a significant increase in projected operating deficit resulting from the following:

- **Higher loss ratios for the future accident year** given the uncertainty in the external environment driven by factors such as high inflation and continued supply chain disruptions following the pandemic which have contributed to increased claim costs. In Calendar Year 2022, the loss component will recognize future losses from 2022 and 2023. In Calendar Year 2023, the loss component will recognize future losses from 2023 and 2024 and will give more weight to the higher loss ratio in 2024. The higher expected loss ratio compounded with increased premium volume contributes to a deterioration in operating profit. A similar concept applies to the liability for incurred claims for the most recent accident period.
- **Insurance finance expense is projected as zero for Calendar Year 2023** since no change in yield curve is projected. However, Calendar Year 2022 recognizes the favourable impact of increased interest rates over the course of the year which has a favourable contribution to 2022 operating result.
- **Increase in Calendar Year 2023 projected premium volume**, with the current projections showing an increase of 6.3% in written premium and 12.5% in earned premium (premium increase and premium comparisons are discussed in detail under section 3.1), including the impact of Ontario RSP Harmonization, which continues to earn through in 2023. Since the RSPs generally operate on a loss basis, increase in premium would lower the operating result.
- **Higher expense allowance in Calendar Year 2023** following the adoption of IFRS 17 as the use of RSPs will no longer be classified as negative direct written premium for insurance carriers, but instead will be classified as reinsurance ceded. Previously, members reduced their premium tax and health levy amounts by ceding to the RSPs and increased their premium tax and health levy amounts in proportion to the amount of premium assumed from the RSPs. Now, use of the RSPs does not impact member premium tax and health levy amounts. As a result of this, since members are ceding the full policy premium to the RSP, they must also be reimbursed for the premium tax and health levy via the RSP expense allowance. The net

³The **Oct 31 2022 Projections** for Calendar Year 2022 and this Outlook’s projections for Calendar Year 2023 were derived at the same time, using consistent assumptions.

impact of this to members' financial results should be zero or negligible.

Projection comparisons related to the operating result attributed to current accident year is better achieved through key ratio comparisons and will be discussed later in this section.

2023 Operating Results Summary – Attribution to PAYs and CAY/FtAY

- In terms of the attribution of operating results to PAYs, it is important to make note of two important changes relating to IFRS 17 reporting: discounting and risk adjustment. During 2022, risk-free yields have risen considerably – over 300 basis points since the 2021 Q3 valuation. Under IFRS 17 a yield curve with an illiquidity premium was selected for the discounting calculation as it is assumed that the risk sharing pool cash flows are relatively illiquid. This results in significantly higher discounting of liabilities compared to recent years. Furthermore under IFRS 17, the risk adjustment is relatively lower than the IFRS 4 provisions for adverse deviation which it replaces.

As a result, the projected unwinding of actuarial present value adjustments on prior accident years in 2023 is unfavourable, as the unwinding of discounting is greater than the unwinding of risk adjustment.

- In terms of the CAY/FtAY component, we note that the projected 2023 CAY/FtAY operating result is considerably lower than the 2022 result. A key difference, however, is that the 2022 calendar year result recognizes the favourable discounting impact driven by increased interest rates over the course of 2022. Changes in yields are not projected for 2023, as we take a neutral view of the future yield curve. Remaining differences are driven by differences in premium volume, loss ratios and expenses.
- Note that the **Oct. 31, 2022 projections** includes actual prior accident year activities included up to the September 30, 2022 valuation (with favourable PAYs impact).

The following table provides **the difference between** the Calendar Years **2023** and **2022** results as currently projected (**Oct 31, 2022 Projections**).

Projection Summary –2023 less 2022 Calendar Year Amounts (\$000s) – current projections

2023 less 2022 Calendar Year Projections (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	55,678	(31,286)	22,900	7,371	13,522	(892)	67,293
Received Premium	57,547	(15,677)	27,119	8,019	15,207	(833)	91,383
Earned Premium	54,662	44,344	22,721	1,367	490	(2,210)	121,373
Earned Expense Allowance	(24,579)	(20,687)	(11,558)	(1,662)	(950)	468	(58,969)
Insurance Revenue	30,083	23,657	11,162	(295)	(460)	(1,742)	62,404
Total Claims Incurred	155,200	69,958	26,381	3,507	9,009	(736)	263,319
Claims incurred (CAY)	70,066	37,429	23,795	3,679	2,600	(1,489)	136,080
Adjustments to Liabilities for Incurred Claims (PAYs)	85,134	32,530	2,585	(172)	6,409	753	127,239
Administrative Expense	503	463	437	188	(96)	(379)	1,115
Change in Loss Component	(57,904)	(8,878)	5,836	1	(468)	939	(60,474)
Insurance Service Expenses	97,798	61,543	32,654	3,696	8,445	(176)	203,960
Insurance Service Result	(67,716)	(37,886)	(21,492)	(3,992)	(8,905)	(1,565)	(141,556)
Insurance Finance Expense from PV FCF	(66,257)	(22,689)	(14,561)	(2,389)	(4,507)	(262)	(110,665)
Insurance Finance Expense from Risk Adj	(4,817)	(2,190)	(1,364)	(265)	(406)	(28)	(9,070)
Insurance Finance Expense from Loss Co	(78,572)	(37,624)	(23,371)	(2,448)	(3,722)	(531)	(146,268)
Insurance Finance Income (Expense)	(149,647)	(62,503)	(39,295)	(5,101)	(8,636)	(821)	(266,003)
2023 Operating Result	(217,363)	(100,389)	(60,787)	(9,093)	(17,541)	(2,387)	(407,559)
attributed to PAYs:	(139,909)	(50,521)	(14,288)	(1,914)	(10,413)	(863)	(217,909)
attributed to CAY & FtAY:	(77,454)	(49,868)	(46,498)	(7,179)	(7,128)	(1,523)	(189,650)

In addition, the following table summarizes **differences in** key ratios for projections for Calendar Years **2023** vs **2022**.

Projection Summary –2023 less 2022 Calendar Year (Key Ratios) – current projections

2023 less 2022 Calendar Year Projections (Key Ratios)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Expense Allowance Ratio (Earned)	1.7%	2.3%	2.6%	6.3%	3.1%	3.5%	2.2%
Loss Ratios (% EP):							
Claims incurred (CAY)	1.2%	1.2%	1.2%	13.1%	8.4%	10.9%	1.4%
Adjustments to Liabilities for Incurred Claims (PAYs)	16.8%	11.0%	1.0%	(1.3%)	25.2%	12.0%	12.4%
Total Claims Incurred	18.0%	12.2%	2.2%	11.8%	33.5%	22.9%	13.8%
Administrative Expense (%EP)	0.0%	0.1%	0.1%	0.6%	(0.4%)	(4.5%)	0.0%
Change in Loss Component (% EP)	(13.1%)	(4.1%)	2.3%	(1.5%)	(2.0%)	15.8%	(7.3%)
Insurance Service Ratio	6.6%	10.5%	7.3%	17.2%	34.2%	37.7%	8.6%
2023 Combined Operating Ratio	37.6%	32.8%	31.6%	45.0%	68.3%	50.2%	35.9%

As a reminder, PAYs for **2023** have no projected nominal (i.e. undiscounted) impact, as we assume our liabilities are best estimates – the **2022** projection includes implemented valuation impacts for **2022**. The effect of discounting for **2022** also reflects valuation impacts (particularly apv changes with nominal ultimate changes) not expected for **2023**.

It is also important to keep in mind when considering the operating results for the RSPs as shown in the two preceding tables that they do not include all expenses – for example, association dues or expenses pertaining to any investments members hold in relation to their share of RSP written premium or vehicle counts are not included here. As such, the Combined Operating Ratio may not be comparable to a member's own such ratio. Similarly, operating cash flows are shared immediately

among members – as such, there is no investment income included in the RSP operating results, although members may generate such income on RSP generated operating cash flows for their own accounts.

Key Ratios associated with our Calendar Year **2023** projection are presented in the following table, including the Combined Operating Ratios for the two calendar year **2022** projections. For details related to the **2023** projections, please refer to Exhibits B-1 through B-5. The basis for the projection of premiums, claims amounts and expenses is described in Section 3. In particular, premium projections are discussed in section 3.1 and claims projections are discussed in section 3.2. Our projections of the number of vehicle transfers are based on projections provided by major users of the RSPs. However, RSP volumes can change rapidly in a short period, as we have seen in the past, as member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. As a result, volumes may change dramatically from those projected here.

Projection Summary – Calendar Year 2023 – Key Ratios⁴

Calendar Year 2023 Projections (Key Ratios)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Expense Allowance Ratio (Earned)	29.9%	32.3%	32.6%	36.3%	33.6%	31.6%	31.3%
Loss Ratios (% EP):							
<i>Claims incurred (CAY)</i>	117.3%	76.8%	96.3%	92.8%	98.3%	99.5%	100.8%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	7.3%	3.4%	3.9%	5.3%	8.2%	1.6%	5.6%
Total Claims Incurred	124.6%	80.3%	100.2%	98.1%	106.5%	101.2%	106.4%
Administrative Expense (%EP)	0.5%	0.6%	1.0%	6.3%	3.3%	3.7%	0.8%
Change in Loss Component (% EP)	10.2%	5.7%	9.1%	19.9%	8.5%	4.3%	8.8%
Insurance Service Ratio	165.2%	118.8%	142.9%	160.5%	152.0%	140.8%	147.2%
2023 Combined Operating Ratio	165.2%	118.8%	142.9%	160.5%	152.0%	140.8%	147.2%
attributed to PAYs:	7.3%	3.4%	3.9%	5.3%	8.2%	1.6%	5.6%
attributed to CAY & FtAY:	157.9%	115.4%	139.0%	155.2%	143.8%	139.2%	141.6%
2022 Combined Operating Ratio							
Dec.24, 2021 Outlook (under IFRS 4 standards)	154.5%	116.5%	139.6%	131.8%	131.5%	148.2%	140.3%
attributed to PAYs:	(4.9%)	(2.9%)	(2.6%)	(2.1%)	(3.5%)	(0.7%)	(3.8%)
attributed to CAY & FtAY:	159.4%	119.4%	142.2%	133.9%	135.0%	148.9%	144.1%
Projections as at Oct.31, 2022	127.5%	86.0%	111.3%	115.5%	83.7%	90.6%	111.3%
attributed to PAYs:	(9.5%)	(7.6%)	2.9%	6.6%	(16.9%)	(10.4%)	(6.8%)
attributed to CAY & FtAY:	137.0%	93.6%	108.4%	108.9%	100.7%	101.0%	118.1%

Net cash flows from operations for the RSPs collectively are projected to be an overall **outflow of \$224.9 million** for Calendar Year **2023** as presented in detail in section 3.4 (we are currently projecting a \$14.0 million operating cash inflow for calendar year **2022**).

Operating cash outflows are funded by members, and the primary drivers of operating cash are premium collection and claims payments. The following table summarizes RSP operating cash flows over the last 6 calendar years (historic operating cash flows by RSP can be found in section 3.4). The large outflow projected in 2023 is driven by higher expected loss ratios for the current and future accident year. The cash inflow for 2022 is driven by rapid growth in projected written premium at the

⁴RSP operating results do not include all expenses and income associated with business assumed from the RSP, such as association dues or expenses and income related to investments of RSP-related funds. As such, the Combined Operating Ratio may not be comparable to a member's own such ratio.

same time as reduced cash outflows following the reduction in claims frequency during and after the COVID-19 pandemic (additional details on claims payment projection methodology are provided in section 3.4).

ALL RSPs Historic Operating Cash Flows by Share Year

Total RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	838.8	770.7	798.9	664.1	658.6	609.1
Expense Allowance	246.2	230.4	240.9	198.4	197.1	183.2
Administration Expense	7.5	6.2	5.5	4.7	4.6	4.1
Premium net of expenses	585.1	534.1	552.5	461.0	456.8	421.9
Paid Claims						
PAY indemnity	318.6	328.2	322.7	326.7	318.8	296.3
PAY claims expenses	29.3	29.7	23.7	24.5	25.8	33.4
CAY indemnity	215.8	252.3	273.7	272.3	252.5	197.7
CAY claims expenses	1.4	1.6	1.6	1.7	1.0	0.8
All years indemnity	534.3	580.5	596.4	599.0	571.3	494.1
All years claims expenses	30.7	31.2	25.3	26.2	26.9	34.2
Total Claims & Expenses Paid	565.1	611.7	621.7	625.2	598.2	528.2
Operating Cash Flow	20.1	(77.6)	(69.2)	(164.2)	(141.3)	(106.4)

The current (October 31, 2022) Calendar Year 2022 **projection** is provided in more details in the next section, but the following table provides details of projected **changes in** cash flow by RSP between calendar years **2023** and **2022**.

Projection Summary –2023 less 2022 Calendar Year Cash Flow Projections (\$000s)

2023 Less 2022 Net Operating Cash Flow Projections (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	55,678	(31,286)	22,900	7,371	13,522	(892)	67,293
PAY Paid Claims							
paid indemnity	53,936	22,589	10,209	2,382	2,623	1,178	92,917
paid allowed claims expense	7,580	719	(376)	182	522	0	8,626
PAYs Paid Claims	61,516	23,308	9,832	2,564	3,144	1,178	101,544
CAY Paid Claims							
paid indemnity	73,519	28,220	21,306	2,828	1,907	(103)	127,678
paid allowed claims expense	1,011	373	239	21	21	(0)	1,665
CAYs Paid Claims	74,530	28,593	21,545	2,849	1,929	(103)	129,343
All AYs Paid Claims							
paid indemnity	127,456	50,809	31,515	5,210	4,530	1,076	220,595
paid allowed claims expense	8,590	1,091	(137)	204	543	0	10,292
All AYs Paid Claims	136,046	51,900	31,378	5,413	5,073	1,076	230,887
"Cash Expenses"							
Member Expense Allowance	36,842	8,428	17,719	5,117	6,077	69	74,253
Administrative Expenses	503	463	437	188	(96)	(379)	1,115
"Cash Expenses"	37,344	8,891	18,156	5,305	5,981	(309)	75,368
Net Operating Cash Flow	(117,713)	(92,077)	(26,633)	(3,347)	2,467	(1,658)	(238,961)

Insurance Contract Liabilities (made up of Liability for Incurred Claims (LIC) and Liability for Remaining Coverage (LRC)) are carried on an actuarial present value basis (that is, adjusted for the time value of money, and includes risk adjustment). It is informative to consider how claims liabilities fare during a calendar year relative to their beginning provisions for adverse development. To provide some historical context, the development of PAYs' claims liabilities over the ensuing calendar year is provided in Exhibit D.

In addition, **changes in yield curves** used to determine the discount rates and the **risk adjustment** used in our projections are subject to change by RSP; the impact of any changes is significant only when they are implemented.

The following summarizes the impact of discounting insurance contract liability cash flows as projected to December 31, 2023 (excluding the impact of risk adjustment). Note that discount amounts are shown in the table as negative values, as they act to reduce policy liabilities.

Projection Summary – Dec 31, 2023 ending Discount Amounts in Policy Liabilities (\$000s)

Projected Dec. 31, 2023 Policy Liabilities Discount Amounts (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
PV FCF - Discount Amount	(117,526)	(43,543)	(24,678)	(3,689)	(5,671)	(587)	(195,695)
Loss Component - Discount Amount	(103,190)	(43,032)	(28,334)	(3,867)	(5,077)	(512)	(184,012)
Total Discount Amount	(220,716)	(86,575)	(53,012)	(7,556)	(10,748)	(1,100)	(379,707)

Interest rate sensitivity tables are provided in quarterly actuarial highlights available on Facility Association website.

2.3 Updated Projections for Calendar Year **2022**

Updated projections for **Calendar Year 2022** (as at Oct 31, 2022) are provided in the following tables.

Projection Summary –2022 Calendar Year Amounts (\$000s) – current projection

Calendar Year 2022 Projections as at Oct.31, 2022 (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	517,829	342,527	168,106	16,687	18,462	4,982	1,068,593
Received Premium	509,498	330,429	165,099	15,540	16,535	4,982	1,042,082
Earned Premium	482,706	280,686	161,518	18,376	25,309	6,550	975,145
Earned Expense Allowance	(136,012)	(84,241)	(48,557)	(5,500)	(7,725)	(1,840)	(283,875)
Insurance Revenue	346,695	196,445	112,961	12,876	17,584	4,710	691,270
Total Claims Incurred	514,516	190,933	158,200	15,862	18,478	5,126	903,115
<i>Claims incurred (CAY)</i>	560,254	212,262	153,555	14,646	22,766	5,808	969,290
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(45,738)	(21,329)	4,644	1,216	(4,287)	(682)	(66,175)
Administrative Expense	2,134	1,527	1,437	1,051	958	541	7,649
Change in Loss Component	112,593	27,314	10,868	3,921	2,670	(752)	156,615
Insurance Service Expenses	629,244	219,774	170,505	20,834	22,106	4,915	1,067,378
Insurance Service Result	(282,549)	(23,330)	(57,544)	(7,959)	(4,522)	(205)	(376,108)
Insurance Finance Expense from PV FCF	66,257	22,689	14,561	2,389	4,507	262	110,665
Insurance Finance Expense from Risk Adjustment	4,817	2,190	1,364	265	406	28	9,070
Insurance Finance Expense from Loss Component	78,572	37,624	23,371	2,448	3,722	531	146,268
Insurance Finance Income (Expense)	149,647	62,503	39,295	5,101	8,636	821	266,003
2022 Operating Result	(132,902)	39,173	(18,249)	(2,857)	4,114	616	(110,104)
attributed to PAYs:	100,513	39,320	7,058	870	8,291	792	156,845
attributed to CAY & FtAY:	(233,414)	(147)	(25,307)	(3,727)	(4,177)	(176)	(266,949)

Projection Summary –2022 Calendar Year (Key Ratios) – current projection

Calendar Year 2022 Projections (Key Ratios)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Expense Allowance Ratio (Earned)	28.2%	30.0%	30.1%	29.9%	30.5%	28.1%	29.1%
Loss Ratios (% EP):							
Claims incurred (CAY)	116.1%	75.6%	95.1%	79.7%	89.9%	88.7%	99.4%
Adjustments to Liabilities for Incurred Claims (PAYs)	(9.5%)	(7.6%)	2.9%	6.6%	(16.9%)	(10.4%)	(6.8%)
Total Claims Incurred	106.6%	68.0%	97.9%	86.3%	73.0%	78.3%	92.6%
Administrative Expense (%EP)	0.4%	0.5%	0.9%	5.7%	3.8%	8.3%	0.8%
Change in Loss Component (% EP)	23.3%	9.7%	6.7%	21.3%	10.5%	(11.5%)	16.1%
Insurance Service Ratio	158.5%	108.3%	135.6%	143.3%	117.9%	103.1%	138.6%
2022 Combined Operating Ratio	127.5%	86.0%	111.3%	115.5%	83.7%	90.6%	111.3%
attributed to PAYs:	(20.8%)	(14.0%)	(4.4%)	(4.7%)	(32.8%)	(12.1%)	(16.1%)
attributed to CAY & FtAY:	148.4%	100.1%	115.7%	120.3%	116.5%	102.7%	127.4%

As indicated in the following tables, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the **Dec. 24, 2021 Outlook** and the **Oct 31, 2022 Projections** as summarized in the preceding tables. The latter includes the implementation of the 2021 Q4, and 2022 Q1, Q2, Q3 valuations, and the changes in operating result is mainly driven by the change in COR.

Calendar Year 2022 Dec. 24, 2021 Outlook (under IFRS 4 Standards) vs current Oct. 31, 2022 Projection (under IFRS 17 Standards)

The Outlook posted on Dec.24, 2021 reflects the operating result under IFRS 4 standards. However, the updated year-end projection below reflects the operating result under IFRS 17 standards.

\$000s	Outlook Posted December 24, 2021			Updated Year-end Projection		
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	516,439	(260,572)	154.5%	482,706	(132,902)	127.5%
Alberta Grid	296,273	(43,498)	116.5%	280,686	39,173	86.0%
Alberta Non-Grid	223,687	(78,428)	139.6%	161,518	(18,249)	111.3%
New Brunswick	30,074	(8,269)	131.8%	18,376	(2,857)	115.5%
Nova Scotia	33,322	(10,758)	131.5%	25,309	4,114	83.7%
Newfoundland & Labrador	11,933	(4,539)	145.2%	6,550	616	90.6%
Total	1,111,728	(406,064)	136.5%	975,145	(110,104)	111.3%

To support the transition to IFRS 17, there are two tables provided below to support the bridging between the two accounting standards.

Changes in Projections for Calendar Year 2022

Prior Outlook (IFRS 4) versus Updated Year-end Projection (IFRS 4)							
\$000s	Total Change (Updated Year-end Projection less Outlook)			Change Attributed to Earned Premium		Change Attributed to COR Change	
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(33,732)	129,268	(27.4%)	(33,732)	18,384	110,884	(27.4%)
Alberta Grid	(15,591)	71,414	(26.5%)	(15,591)	2,573	68,841	(26.5%)
Alberta Non-Grid	(62,170)	50,267	(22.1%)	(62,170)	24,619	25,648	(22.1%)
New Brunswick	(11,696)	6,769	(23.7%)	(11,696)	3,719	3,050	(23.7%)
Nova Scotia	(8,012)	16,651	(54.8%)	(8,012)	2,524	14,127	(54.8%)
Newfoundland & Labrador	(5,382)	4,742	(48.3%)	(5,382)	2,433	2,309	(48.3%)
Total	(136,583)	279,110	(23.5%)	(136,583)	54,252	224,858	(23.5%)

Prior Outlook (IFRS 4) versus Updated Year-end Projection (IFRS 17)							
\$000s	Total Change (Updated Year-end Projection less Outlook)			Earned Premium Change		Change Attributed to COR Change	
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(33,733)	127,670	(27.0%)	(33,733)	18,384	109,286	(27.0%)
Alberta Grid	(15,587)	82,671	(30.5%)	(15,587)	2,573	80,098	(30.5%)
Alberta Non-Grid	(62,169)	60,179	(28.3%)	(62,169)	24,619	35,560	(28.3%)
New Brunswick	(11,698)	5,412	(16.3%)	(11,698)	3,719	1,693	(16.3%)
Nova Scotia	(8,013)	14,872	(47.8%)	(8,013)	2,524	12,348	(47.8%)
Newfoundland & Labrador	(5,383)	5,155	(54.6%)	(5,383)	2,433	2,722	(54.6%)
Total	(136,583)	295,960	(25.2%)	(136,583)	54,252	241,708	(25.2%)

Given that the initial Outlook posted on Dec. 24, 2021 reflected operating results under IFRS 4

standard, the table above illustrates the **change in the Calendar Year 2022 Projection** under IFRS 4 and the analogous change under IFRS 17. Under IFRS 4, the total change in the updated 2022 Projection versus the initial Outlook is \$279.1 million, part of this is driven by changes to earned premium and the remainder is driven by changes in COR. Similarly under IFRS 17, the total change in the updated 2022 Projection versus the initial Outlook is \$295.9 million. The change attributed to earned premium is the same under both accounting standards, however the change attributed to COR is different. The difference is driven by changes relating to discounting (illiquid interest rates versus risk free interest rates), risk adjustment factors (versus provision for adverse deviation), and differences in the recognition and measurement of the LRC compared to the IFRS 4 premium liabilities.

Changes in selected ultimate loss ratios and selected discount rates directly impact the COR are updated with each valuation⁵. More information on the results of valuations and the associated impacts are available in the Actuarial Highlights for March 2022 (implementation of the 2021 Q4 valuation), May 2022 (implementation of the 2022 Q1 valuation), August 2022 (implementation of the 2022 Q2 valuation), and October 2022 (implementation of the 2022 Q3 valuation).

2.4 Outlook Purpose, Projection Uncertainty

Purpose

This Outlook was prepared for the Member companies of Facility Association to assist Member companies in estimating their share of RSP results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

Unless specifically noted in this document, no explicit provision has been made for causes of loss which are not already reflected in the historical data, nor for otherwise unforeseen changes to the legal or economic environment in which claims are settled, including changes in the interpretation of existing legislation or regulation on matters currently before the courts. It is important to note that changes in the regulatory environment may affect ceding strategies by Member Companies which in turn may have a ripple effect on the market share of the RSP.

Uncertainty

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. In particular, with the recent COVID-19 environment and higher levels of economic inflation, there is an increased level of uncertainty in loss ratio projections, and **the user of this Outlook should recognize that future Operating Results may deviate from these projections by material⁶ amounts.**

While we work hard to ensure the projections are based on assumptions we feel are reasonable and appropriate given our current information, **there is significant uncertainty related to these**

⁵Changes to selected risk adjustment factors at a valuation would also have an impact on the results – however, selected factors do not typically change with each valuation.

⁶Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook.

projections primarily due to the following reasons,

- Changes in the amount of business ceded to the RSPs

Our projected vehicle counts and projected written premium is provided by the main RSP users. FA management validates projected amounts with the members where significant changes in a member's projections occur (FA does not ask for, nor receive, information on the "why" of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable)

- Randomness in claim experience
- Changes in claims trends due to external events
- Differences in actual rate changes compared to expected/planned rate changes
- Changes in the amount and timing of claim payments

3. Basis for Projections

The commentary that follows describes the basis for projecting premiums, claims amounts, and expenses, and provides summaries of key assumptions. Exhibit A provides additional detail regarding these assumptions.

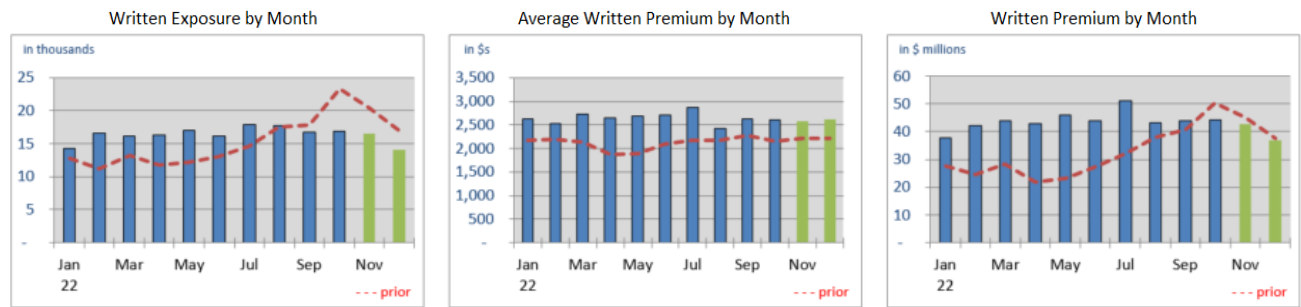
3.1 Premiums

For each RSP, a model has been established to project by month the number of (annualized) vehicles being transferred to the pools and to project the associated average written premium (with projected premium being the product of these two). The projection model for each RSP considers the largest member company groups individually and sums the results of the projections at the member company group level (with an all other catch all). Select individual large member company groups were provided with their own results by RSP to populate with their own projections⁷. The final projections leverage this detailed projection information, as well as additional insight provided by member company project managers to FA Member Services staff and by FA management's judgment otherwise.

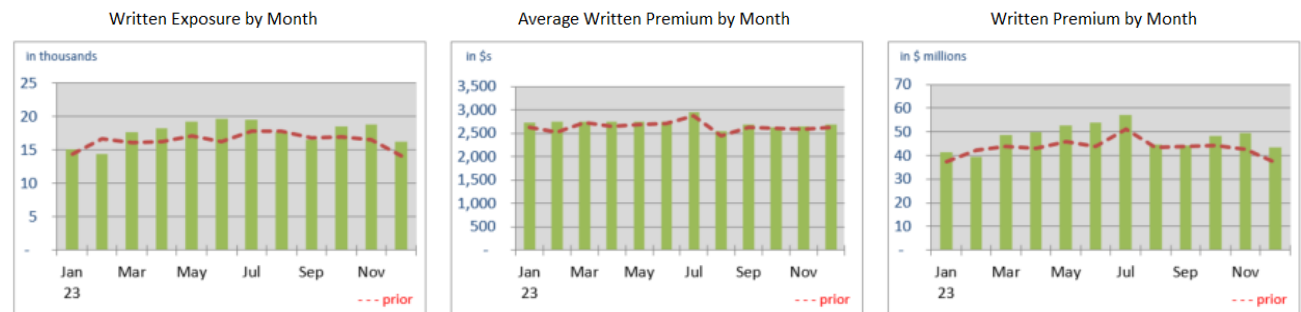
Summaries of the projections by RSP are provided in the following charts for **2022** and **2023**. In these charts, blue columns are actuals and green are projections. The dotted red line represents the values from the prior year. *Please take careful note of the scale in each chart, as we modify the scale to best fit the information being presented.*

⁷This process is updated quarterly – where a member changes their projection significantly from the previous quarter, FA management will ask the member to provide confirmation of the accuracy and reasonableness of the projection, but FA does not ask for, nor receive, information from members related to the "why" of their projections or changes of their projections, as this is deemed confidential.

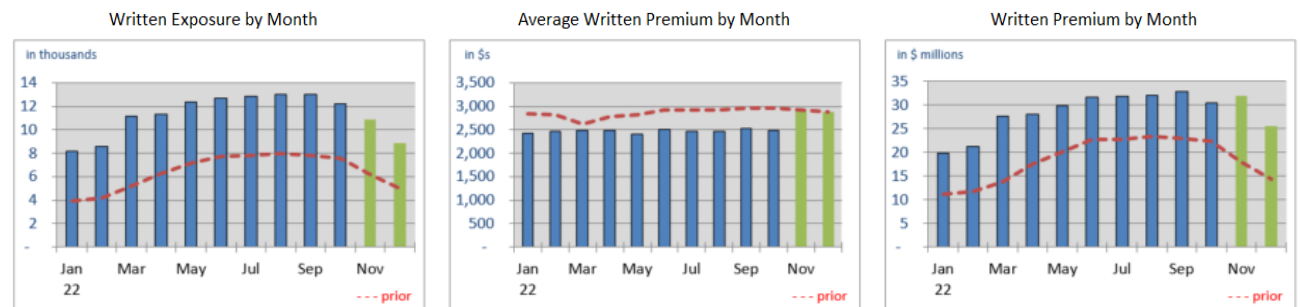
Ontario 2022 *projected count 196,525; approximate maximum that could be transferred: 401,317*



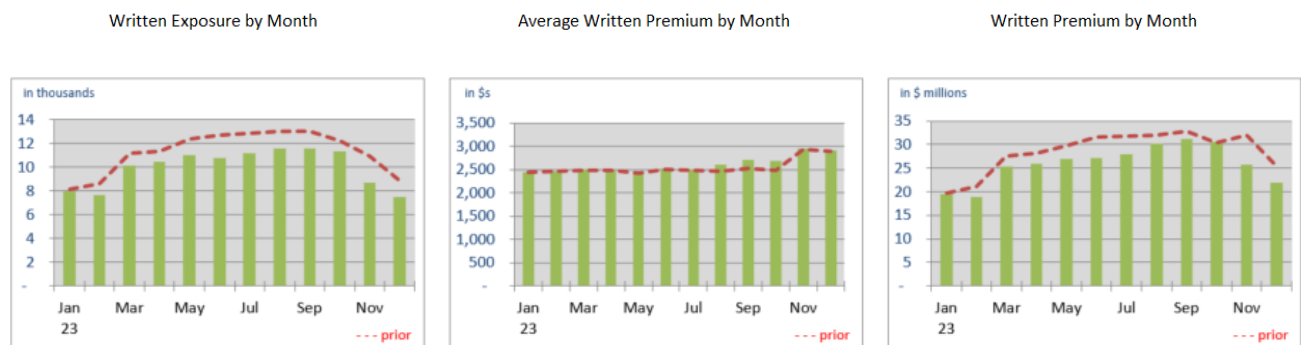
Ontario 2023 *projected count 211,219; approximate maximum that could be transferred: 401,317*



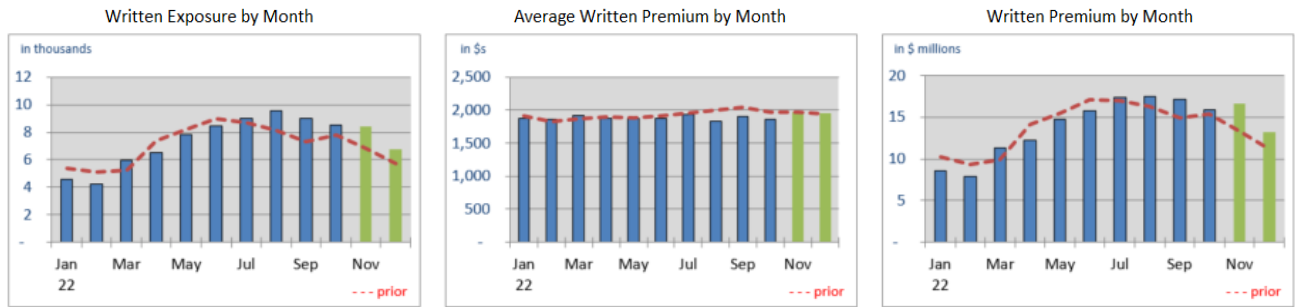
Alberta Grid 2022 *projected count 134,966; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 76,803 in 2021)*



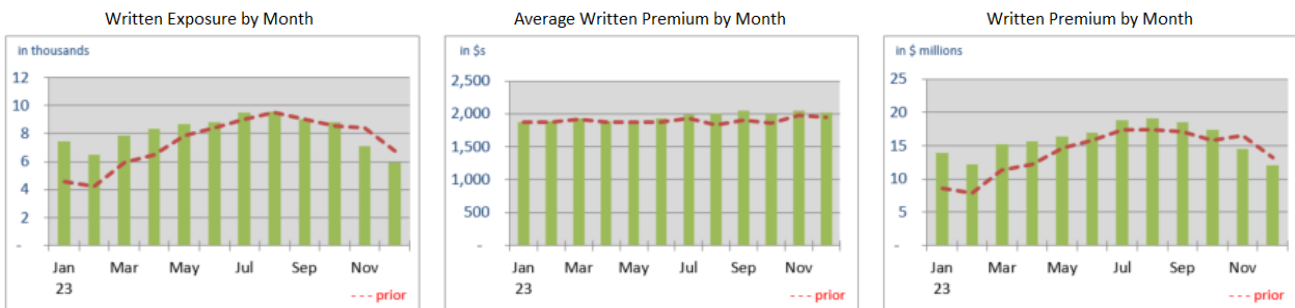
Alberta Grid 2023 *projected count 119,846; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 76,803 in 2021)*



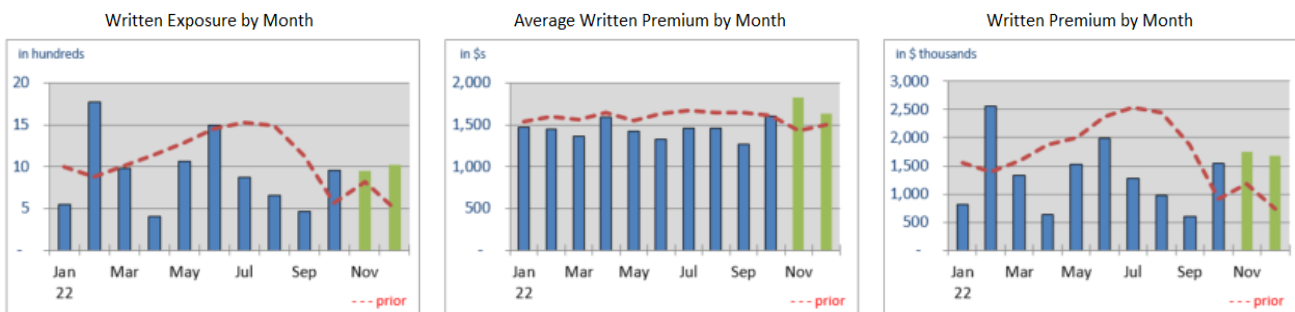
Alberta Non-Grid 2022 projected count **88,752**; approximate maximum that could be transferred: 139,239



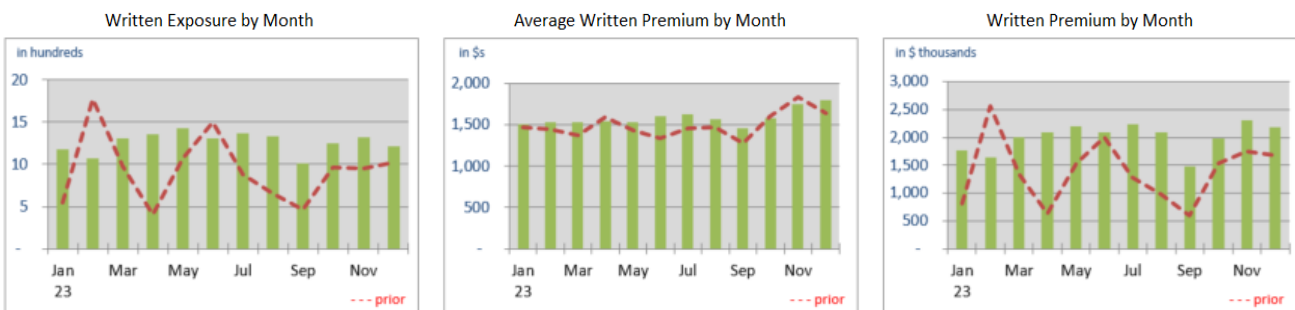
Alberta Non-Grid 2023 projected count **97,528**; approximate maximum that could be transferred: 139,239



New Brunswick 2022 projected count **11,222**; approximate maximum that could be transferred: 26,257

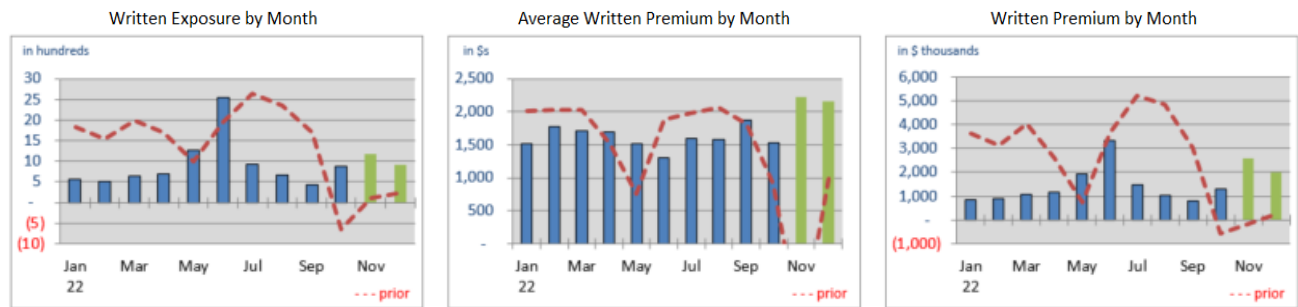


New Brunswick 2023 projected count **15,164**; approximate maximum that could be transferred: 26,257



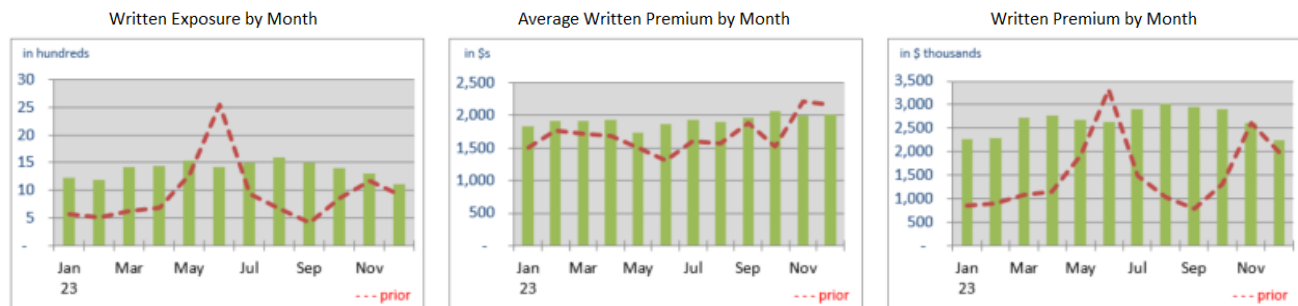
Nova Scotia **2022**

projected count **11,181**; approximate maximum that could be transferred: 31,320

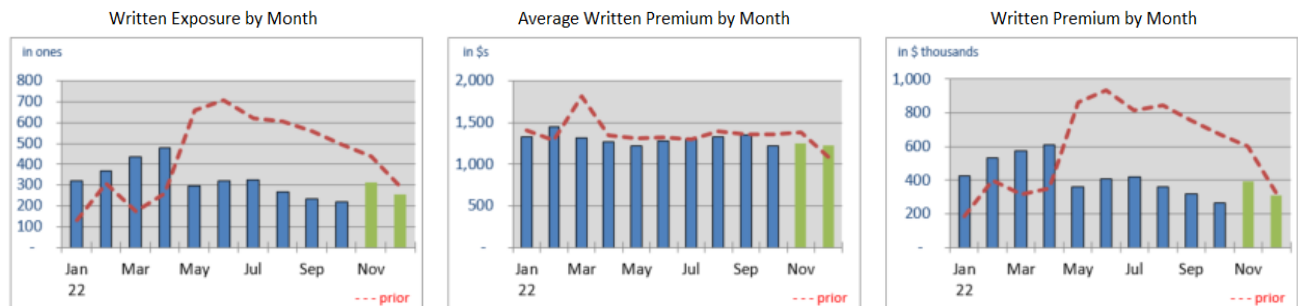


Nova Scotia **2023**

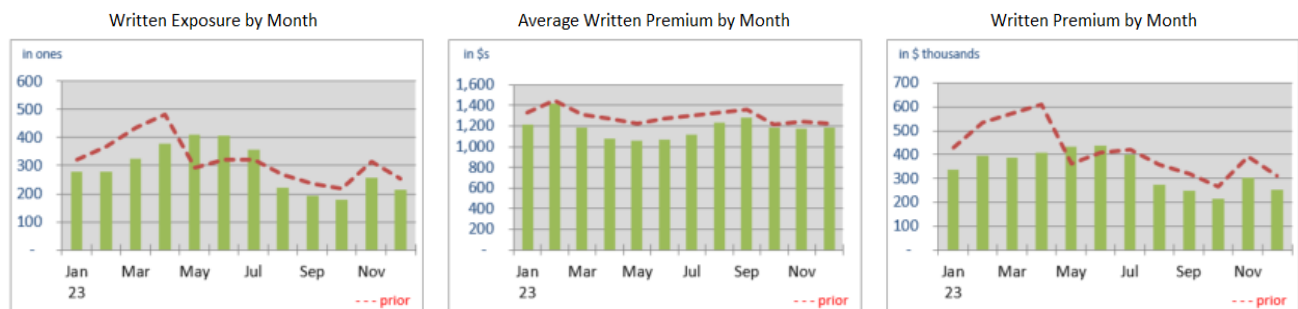
projected count **16,659**; approximate maximum that could be transferred: 31,320



Newfoundland and Labrador **2022** projected count **3,838**; approximate maximum that could be transferred: 15,599



Newfoundland and Labrador **2023** projected count **3,504**; approximate maximum that could be transferred: 15,599



Monthly earned premium was projected based on the known duration of the current unearned premium and from projected written premium based on the estimated average duration of policies.

Projection Summary – Calendar Year Premium Comparison (\$000s)

Calendar Year 2023 Premium Comparisons (Amounts in \$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
2023 Written Premium	573,507	311,241	191,006	24,058	31,984	4,090	1,135,886
Change from 2022	55,678	(31,286)	22,900	7,371	13,522	(892)	67,293
% Change from 2022	10.8%	-9.1%	13.6%	44.2%	73.2%	-17.9%	6.3%
2023 Earned Premium	537,369	325,030	184,239	19,743	25,799	4,339	1,096,519
Change from 2022	54,662	44,344	22,721	1,367	490	(2,210)	121,373
% Change from 2022	11.3%	15.8%	14.1%	7.4%	1.9%	-33.7%	12.4%

The preceding table shows variations in the current written premium projections for Calendar Year **2023** vs **2022**, with **all of RSPs showing increases except for Alberta Grid and Newfoundland & Labrador**. The decrease in written premium in Alberta Grid is expected following the announcement of a 10% grid rate increase effective Jan. 1st, 2023. The earned premium growth is higher than the written premium growth as the Calendar Year 2022 had approximately 24% written premium growth. This sharp increase in premium volume is continuing to earn through Calendar Year 2023.

As usual, and as discussed in the opening, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested from the larger users quarterly, and FA management follows-up for confirmation of projected amounts where significant changes in a member's projections occur (FA does not ask for, nor receive, information on the "why" of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable).

For example, while there were 18 active⁸ member groups identified for the Ontario RSP, the 9 member groups providing explicit projections account for 93% of the Ontario RSP vehicle counts transferred for the 12-month period ending October 2022.

To provide some additional perspective on the projections, we've provided year-end projections summaries of the "decliners / growers" charts akin to those provided monthly in the Actuarial Highlights (red bars are decliners, blue bars are growers), we have excluded the charting for the Newfoundland & Labrador RSP due to limited historical data (introduced July 1, 2020).

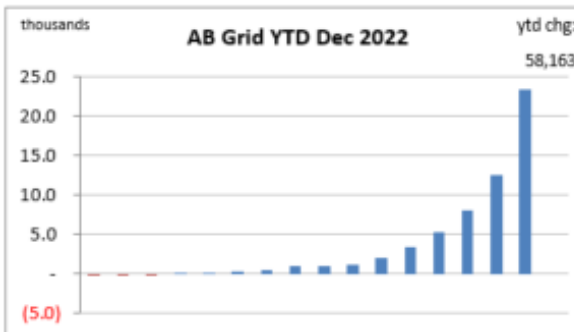
⁸We consider a member group to be "active" if they have non-zero transfer counts in at least 1 month in the current or prior calendar year. Members that are under common management for transfer limit purposes are considered a single "member group".



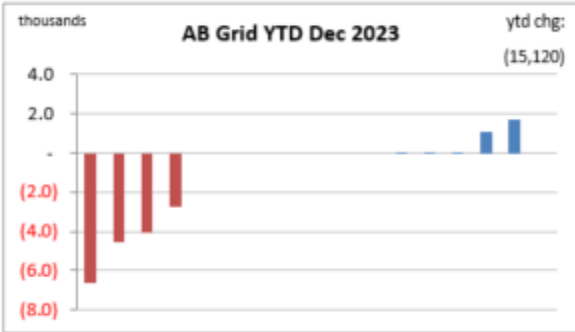
	# grps	chg
decliners:	8	(2,321)
no changers:	-	-
growers:	10	14,068



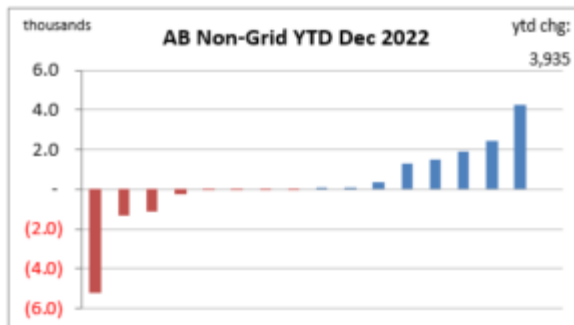
	# grps	chg
decliners:	4	(4,893)
no changers:	8	-
growers:	6	19,587



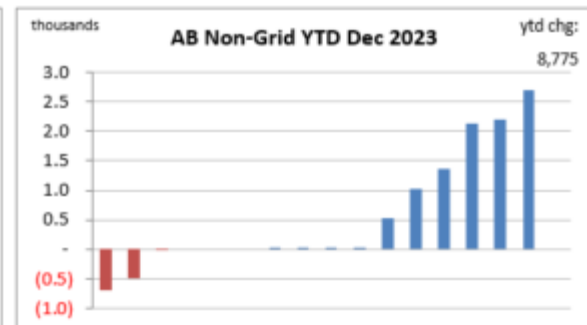
	# grps	chg
decliners:	3	(291)
no changers:	-	-
growers:	13	58,454



	# grps	chg
decliners:	4	(18,041)
no changers:	7	-
growers:	5	2,922



	# grps	chg
decliners:	8	(7,999)
no changers:	-	-
growers:	8	11,933



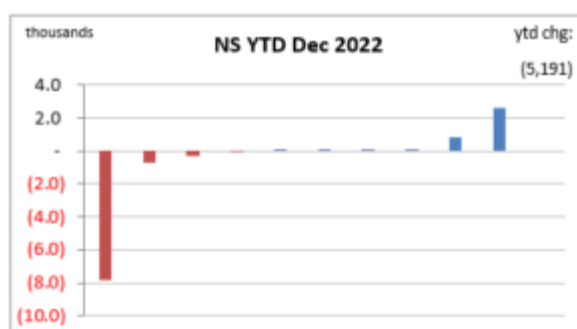
	# grps	chg
decliners:	3	(1,175)
no changers:	3	-
growers:	10	9,950



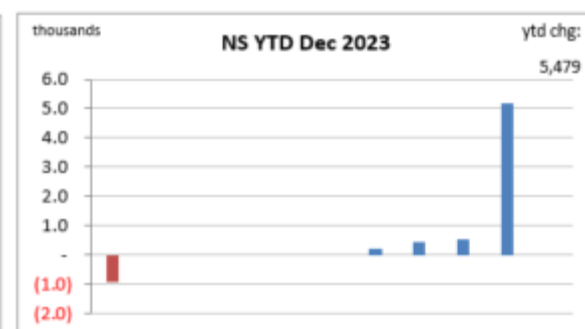
	# grps	chg
decliners:	7	(5,605)
no changers:	-	-
growers:	5	4,048



	# grps	chg
decliners:	1	(412)
no changers:	6	-
growers:	4	4,354



	# grps	chg
decliners:	4	(8,876)
no changers:	-	-
growers:	6	3,685



	# grps	chg
decliners:	1	(907)
no changers:	4	-
growers:	5	6,386

3.2 Nominal Claims Amounts (Indemnity & Allowed Claims Expenses)

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at September 30, 2022. As per the FA's regular process, key elements of the valuations were reviewed with the Actuarial Advisory Committee, and presented to, and discussed with, the Audit & Risk Committee. The results were reflected in the October 2022 Operational Reports and discussed in the associated Actuarial Highlights.

For accident year ("AY") **2023**, the estimated nominal loss ratios reflected in the RSP Outlook are "a priori" or expected loss ratios modeled based on the Sep 30, 2022⁹ valuation selections of ultimate claims incurred, augmented with updated estimated impacts of historical changes in average earned

⁹The a priori loss ratios are derived at the start of the valuation process, prior to updating for current actual results. The ultimates used for this process are based on the most recently completed valuations. For roll-forward valuations, a priori LR are not always updated, but rather brought forward from the prior full valuation. The a priori loss ratios used for the Oct. 31, 2022 valuation were based on an analysis as at June 30, 2022 valuation for all RSPs with the exception of Alberta this year, which was updated only for future years following the announced Alberta Grid rate increase on Jan. 1, 2023.

premium (particularly that attributed to rate changes), and historical claims amount levels (including loss cost trends and product reforms). It is important to note that **2023** is built from the **2022 a priori loss ratio – not** from the current selected ultimate loss ratio for accident year **2022**. The a priori loss ratios are estimated at the coverage level and summed to arrive at the all coverages level.

Accident Year 2022 to 2023 a priori Loss Ratio Projections

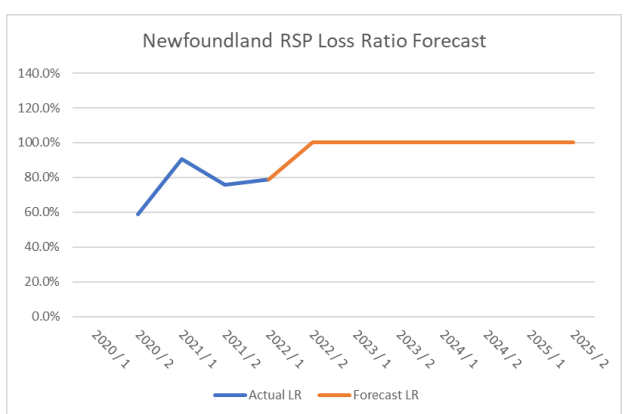
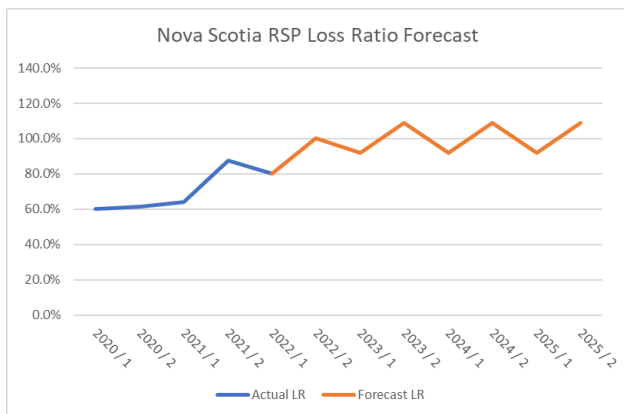
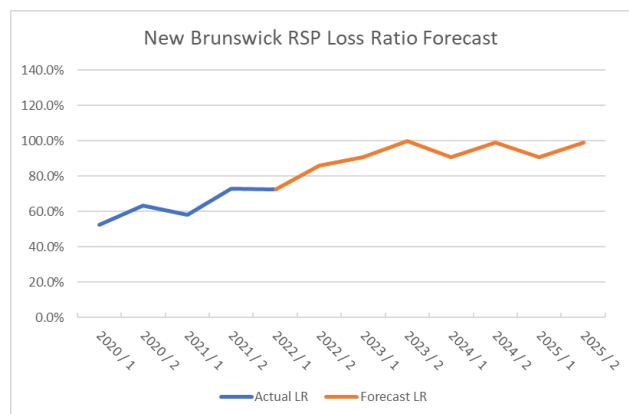
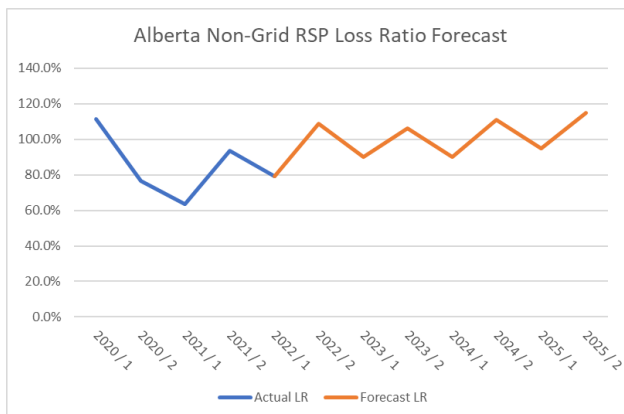
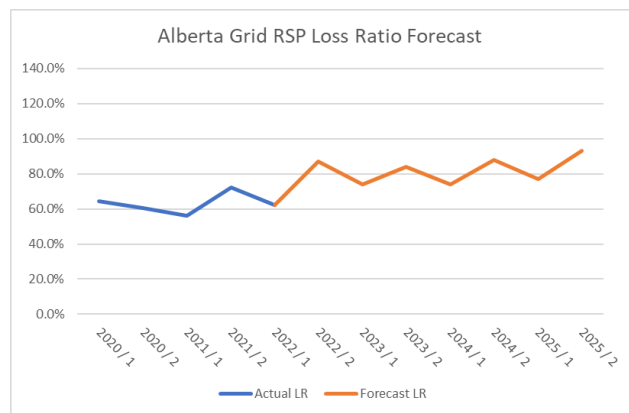
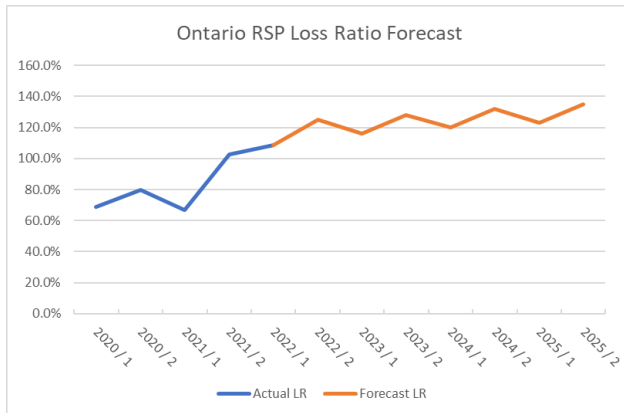
a priori (aka "expected") Loss Ratio Comparison - current year vs. future year						
	Ontario	Alberta Grid	Alberta Non Grid	New Brunswick*	Nova Scotia*	Newfoundland & Labrador
AY 2022 a priori LR	119.4%	79.1%	98.1%	82.3%	92.2%	100.0%
Divide by EP factor	1.033	1.044	1.034	1.014	1.017	1.012
Multiply by claims factor	1.055	1.040	1.035	1.183	1.127	1.012
AY 2023 a priori LR	122.0%	78.9%	98.2%	95.9%	102.1%	100.0%

Key drivers of the loss ratio projections:

- **In all jurisdictions**, COVID-19 has reduced loss ratios for 2020-2021. Loss ratios have been rising throughout 2022 compared to the COVID-19 period, and are expected to continue rising throughout 2023.
- In 2022, there has been considerable general economic inflation and this is also true for some costs related to auto insurance claims, particularly in terms of vehicle parts and vehicles. This has led to an increase in the loss ratio for AY 2022, particularly for Ontario which seems to be the most affected by this thus far. We have not explicitly adjusted our 2023 projected loss ratios for additional inflation at this time, as we do have some degree of inflation captured by our trends (there has been an upward trend in auto physical damage severity since before 2022). This will continue to be monitored closely.
- In **Alberta**, the Jan-2021 insurance reform had a significant effect on loss ratios. We have assumed a loss ratio reduction as a result of the reform starting in 2021. Grid rates were decreased by approximately 11% to reflect the benefit of reforms as of Jan. 1, 2022, but this reduction in the Grid rate was not also seen in the voluntary market rates, driving a surge of volume in the Grid RSP. A new Grid rate increase of 10% is planned for Jan. 1, 2023, and this impact has been reflected into our projection as a reduction of the loss ratio for 2023.
- For **New Brunswick** and **Nova Scotia**, the RSP Harmonization rules effective January 2022 will result in an entirely new risk profile of the pools by the end of 2022. To account for this, a new a priori loss ratio has been selected for business written in 2022 and beyond based on the average industry loss ratio for those provinces plus an additional uplift factor derived from comparison of Ontario and Alberta industry loss ratios with the pool loss ratios. This results in a higher forecasted loss ratio for 2023, as the entire portfolio will now be based on the new post-harmonization rules. It is notable that the volume of risks ceded to these pools has dropped significantly in 2022, perhaps as insurers re-evaluate their ceding strategy under the new rules; it is unclear when exactly this trend will reverse.
- We have commenced valuation of **Newfoundland & Labrador** RSP in 2022, beginning with

the 2021Q4 valuation. We will continue to refine our future LR projection as more data becomes available to construct a more accurate A Priori loss ratio estimate. The volume of the Newfoundland & Labrador RSP remains small. The projected future loss ratio remains at our initial estimate of 100%.

The following charts illustrate the actual loss ratios as well as the forecasted (“a priori”) loss ratios over the coming 3 years.



For completeness, we have also provided the complete tables of accident year loss ratios used in the projections as of the **2022-Q3** valuation implementation. Please note, these are full accident year loss ratios; **2022** is a combination of actuals and projection, and **2023-2024** are pure projections.

Selected Loss Ratios – table 1

Loss Ratios	RSP ON			RSP AB Grid			RSP AB Non-Grid		
Accident Year	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
1993	92,972	105,010	112.9%	-	-	-	-	-	-
1994	200,791	217,663	108.4%	-	-	-	-	-	-
1995	235,451	206,295	87.6%	-	-	-	-	-	-
1996	197,412	195,176	98.9%	-	-	-	-	-	-
1997	152,922	111,264	72.8%	-	-	-	-	-	-
1998	103,106	84,639	82.1%	-	-	-	-	-	-
1999	68,831	80,095	116.4%	-	-	-	-	-	-
2000	69,659	84,971	122.0%	-	-	-	-	-	-
2001	80,047	100,991	126.2%	-	-	-	-	-	-
2002	113,770	134,072	117.8%	-	-	-	-	-	-
2003	142,680	128,960	90.4%	-	-	-	-	-	-
2004	165,860	128,708	77.6%	47,289	24,416	51.6%	558	1,948	349.1%
2005	158,965	116,723	73.4%	268,327	162,214	60.5%	24,923	24,269	97.4%
2006	163,889	164,161	100.2%	298,763	198,415	66.4%	73,869	64,235	87.0%
2007	180,957	180,851	99.9%	308,219	218,941	71.0%	70,463	71,790	101.9%
2008	214,486	257,925	120.3%	287,804	192,977	67.1%	76,379	77,205	101.1%
2009	224,096	345,058	154.0%	259,264	157,128	60.6%	71,791	67,943	94.6%
2010	284,367	429,207	150.9%	219,026	135,162	61.7%	72,937	62,040	85.1%
2011	280,097	242,620	86.6%	200,100	132,478	66.2%	78,509	66,295	84.4%
2012	301,957	251,007	83.1%	183,214	134,600	73.5%	77,273	78,211	101.2%
2013	299,210	278,125	93.0%	146,817	108,481	73.9%	81,128	80,222	98.9%
2014	270,934	267,015	98.6%	144,691	115,640	79.9%	84,035	88,982	105.9%
2015	262,586	280,129	106.7%	146,720	131,159	89.4%	89,794	84,709	94.3%
2016	268,896	311,353	115.8%	130,783	121,686	93.0%	89,825	104,297	116.1%
2017	373,323	394,470	105.7%	149,056	123,605	82.9%	96,150	101,184	105.2%
2018	349,415	407,052	116.5%	160,934	128,555	79.9%	105,292	109,208	103.7%
2019	360,340	388,337	107.8%	180,666	132,007	73.1%	116,707	108,779	93.2%
2020	425,427	314,488	73.9%	196,255	122,889	62.6%	124,772	117,407	94.1%
2021	381,758	323,150	84.6%	201,608	130,846	64.9%	140,134	112,286	80.1%
2022	-	-	117.7%	-	-	75.0%	-	-	94.1%
2023	-	-	122.0%	-	-	78.9%	-	-	98.2%
2024	-	-	126.0%	-	-	80.8%	-	-	100.8%

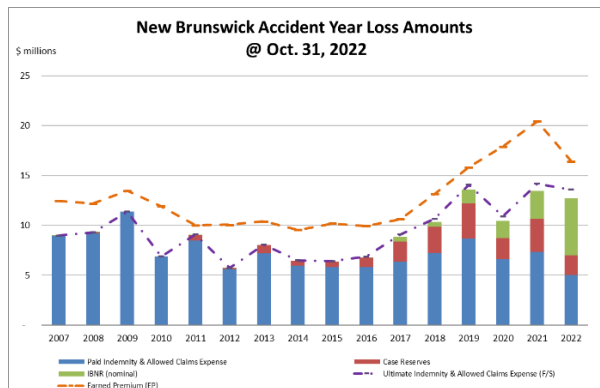
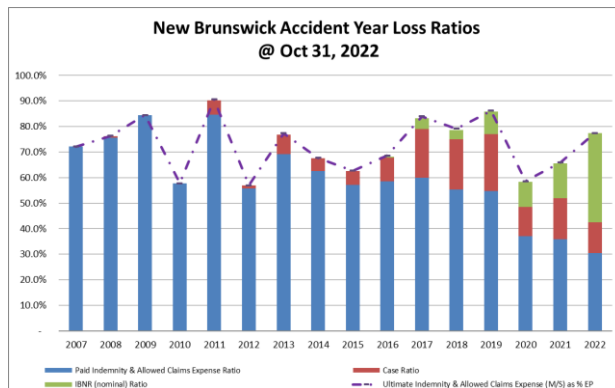
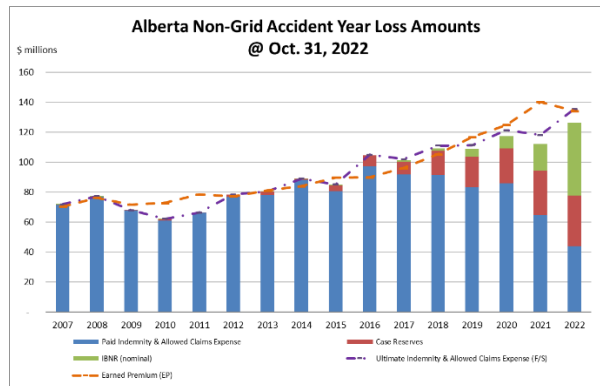
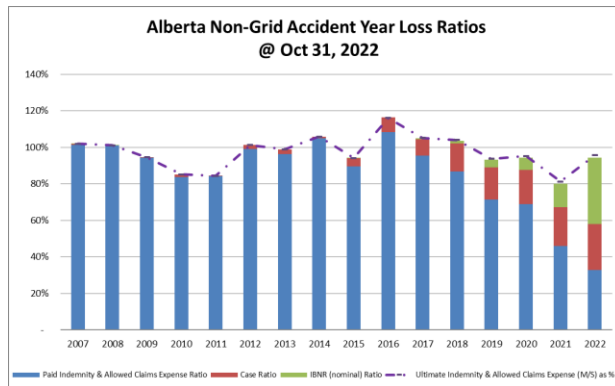
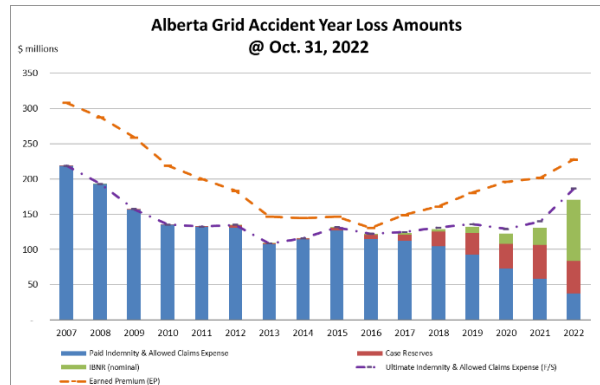
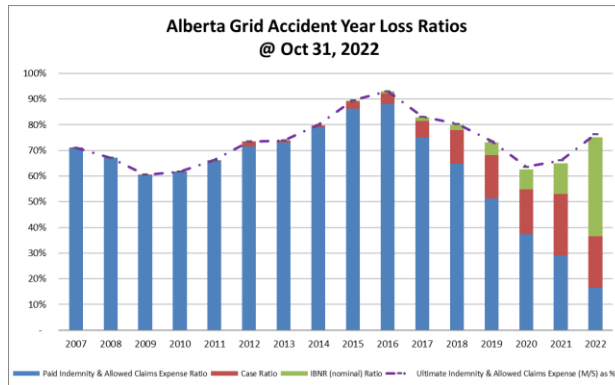
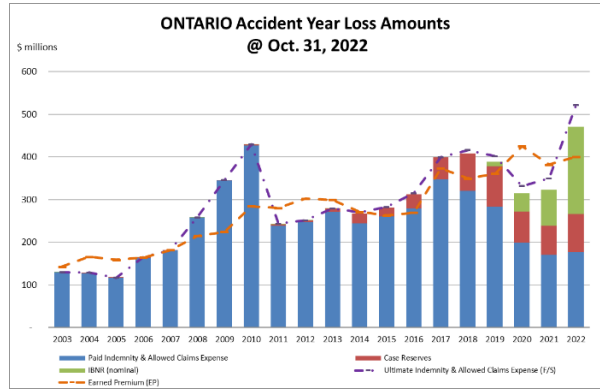
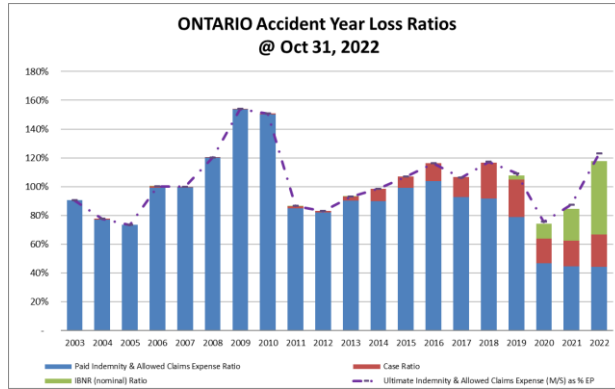
Selected Loss Ratios – table 2

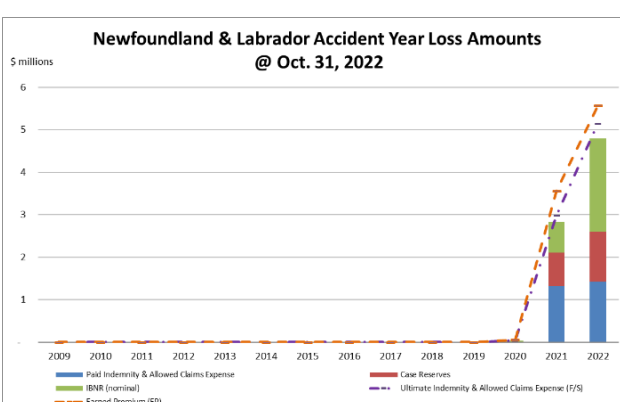
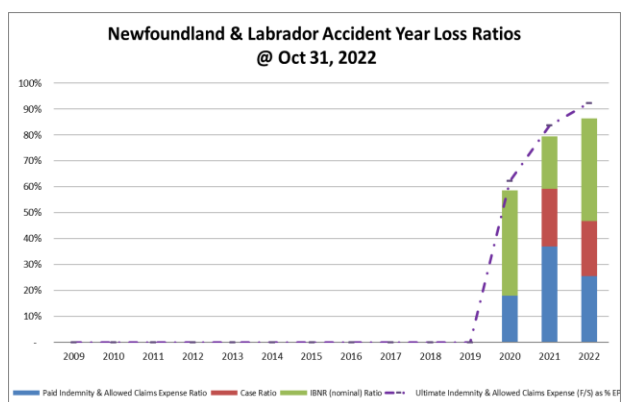
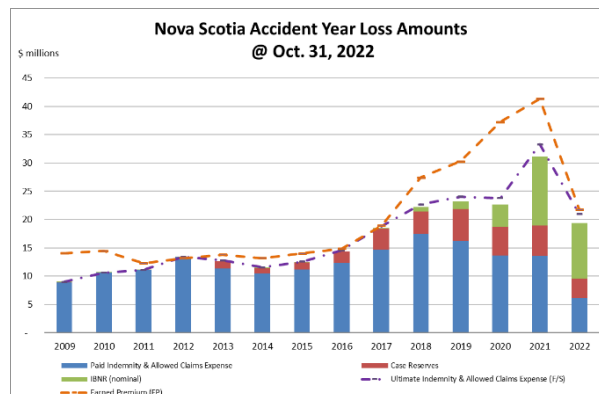
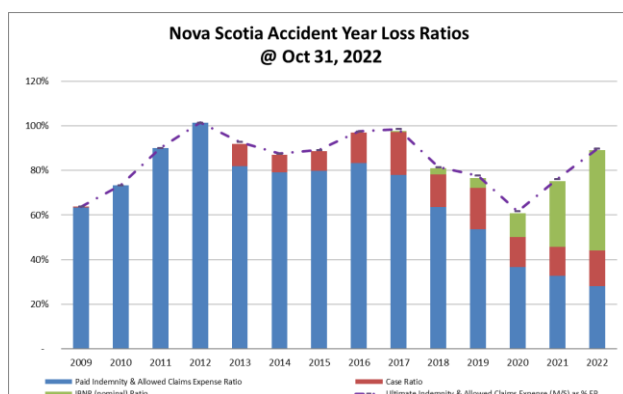
Loss Ratios	RSP NB			RSP NS			RSP NL		
	EP in	Sel Ult in	Selected	EP in	Sel Ult in	Selected	EP in	Sel Ult in	Selected
Accident Year	\$000s	\$000s	LR	\$000s	\$000s	LR	\$000s	\$000s	LR
2005	4,932	4,145	84.0%	-	-	-	-	-	-
2006	11,215	5,966	53.2%	-	-	-	-	-	-
2007	12,451	8,972	72.1%	2,057	1,109	53.9%	-	-	-
2008	12,180	9,289	76.3%	10,620	7,246	68.2%	-	-	-
2009	13,459	11,375	84.5%	14,065	8,968	63.8%	-	-	-
2010	11,900	6,880	57.8%	14,454	10,605	73.4%	-	-	-
2011	10,010	9,036	90.3%	12,312	11,090	90.1%	-	-	-
2012	10,052	5,715	56.9%	13,197	13,390	101.5%	-	-	-
2013	10,403	7,993	76.8%	13,787	12,677	91.9%	-	-	-
2014	9,542	6,431	67.4%	13,172	11,443	86.9%	-	-	-
2015	10,176	6,347	62.4%	14,026	12,438	88.7%	-	-	-
2016	9,935	6,762	68.1%	14,840	14,362	96.8%	-	-	-
2017	10,626	8,846	83.2%	18,917	18,483	97.7%	-	-	-
2018	13,133	10,334	78.7%	27,471	22,235	80.9%	-	-	-
2019	15,826	13,595	85.9%	30,270	23,190	76.6%	-	-	-
2020	17,894	10,431	58.3%	37,259	22,660	60.8%	54	32	59.3%
2021	20,435	13,427	65.7%	41,384	31,113	75.2%	3,555	2,827	79.5%
2022	-	-	77.5%	-	-	89.1%	-	-	86.3%
2023	-	-	95.9%	-	-	102.1%	-	-	100.0%
2024	-	-	95.4%	-	-	102.1%	-	-	100.0%

The operating results for Calendar Year **2022** include actual development on accident years 2021 and prior incurred claims amounts, up to and including activity in the month of October 2022. No further nominal development is projected for the remainder of the Calendar Year (discounting and risk adjustments are expected to change as nominal claims liabilities unwind with claims settlement). Similarly, no nominal prior accident year development is projected during Calendar Year 2023, but discounting and risk adjustment changes are projected to occur as claims liabilities unwind. The discount rates and risk adjustment factors are unchanged throughout the projection period.

The historical loss ratios (as a percentage of earned premium) for the RSPs (left charts) and loss amounts (right charts) for the RSPs are also provided below to provide some historical context. Note that the scales differ by chart. Note that the actuarial present values (represented as dashed purple lines) in the charts below are still presented on the IFRS 4 basis, in accordance with FA's October 31, 2022 financials. Starting in November 2022, FA will begin reporting our financial results on the IFRS 17 basis.

Booked Accident Year Claims by RSP (ratios on left; amounts on right)





3.3 Non-Claims Expenses

Expense allowances are the amounts paid to Members as a percentage of (written) premiums transferred to an RSP, in respect of commissions and other underwriting expenses, as well as claims adjustment expenses. The expense allowance ratios applied to the estimated premiums transferred during Calendar Year **2023** were presented to the FA Board and approved at its August 2022 meeting; updates were included in the 2022 Q3 valuation assumptions and reflected in the October 2022 Operational Reports for all RSP jurisdictions.

- **Ontario RSP** The expense allowance ratios vary by Member, subject to a maximum (as approved annually by the FA Board) with the Calendar Year 2022 maximum communicated to Members in Bulletin F2021-072 and the Calendar Year 2023 maximum via Bulletin F2022-065.
- **Other RSPs** The expense allowances for each calendar year and RSP are approved annually by the FA Board. The Calendar Year 2022 ratios are those as communicated in Bulletins F2021-068 (Alberta), F2021-069 (New Brunswick), F2021-070 (Nova Scotia), and F2021-071 (Newfoundland & Labrador). The Calendar Year 2023 ratios are those as communicated in Bulletins F2022-066 (Alberta), F2022-067 (New Brunswick), F2022-068 (Nova Scotia), and F2022-069 (Newfoundland & Labrador).

The following table summarizes the approved expense factors by RSP.

RSP / Jurisdiction	Approved Expense Factor CY 2023*	Approved Expense Factor CY 2022	Comments
Ontario (expense cap)	34.9% with prof fee ratio unchanged at 4.0%	31.0% with prof fee ratio unchanged at 4.0%	<u>No change</u> to the underlying cap of 31.0% based on updated analysis of expense cap using 2021 data. <u>Increase</u> of 3.0% for premium tax and 0.9% for health levy.
Alberta	35.5%	29.8%	<u>Underlying ratio decreased</u> by 0.6% <u>Increase</u> of 4.0% for premium tax and 2.3% for health levy
New Brunswick	41.5%	29.2%	<u>Underlying ratio increased</u> by 2.5% <u>Increase</u> of 3.0% for premium tax and 6.8% for health levy
Nova Scotia	35.9%	29.3%	<u>Underlying ratio increased</u> by 0.3% <u>Increase</u> of 4.0% for premium tax and 2.3% for health levy
Newfoundland & Labrador	35.3%	27.6%	<u>Underlying ratio increased</u> by 0.4% <u>Increase</u> of 5.0% for premium tax and 2.3% for health levy

**approved by FA Board August 2022*

The table below illustrates the projected expense ratios during Calendar Year 2023. The expense allowance ratio is higher than the previous year following the expense allowance update approved by the Board in August 2022. Administration Expenses for Calendar Year **2023** were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years.

Calendar Year 2023 Expense Ratio Projections

Calendar Year 2023 Expense Ratio Projections							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Expense Allowance (% WP)	31.7%	35.5%	35.5%	41.5%	35.9%	35.3%	33.7%
Administrative Expense (% WP)	0.5%	0.6%	1.0%	5.2%	2.7%	4.0%	0.8%

3.4 Operating Cash Flows

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$225 million for Calendar Year **2023** as presented in the following table. Differences between the Calendar Year **2023** projection and the Calendar Year **2022** projections generally reflect the expected impacts of volume changes (on premium, expenses, and claims). Should volumes not change during **2022** as anticipated or payments prove higher than expected, net operating cash flows would be adversely impacted.

Projection Summary – Calendar Year 2023 – Net Operating Cash Flows

Calendar Year 2023 Net Operating Cash Flow Projections (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	573,507	311,241	191,006	24,058	31,984	4,090	1,135,886
PAY Paid Claims							
paid indemnity	242,032	98,057	71,289	7,097	14,836	1,684	434,994
paid allowed claims expense	23,956	4,507	2,736	759	1,523	0	33,481
PAYs Paid Claims	265,988	102,564	74,024	7,856	16,359	1,684	468,475
CAY Paid Claims							
paid indemnity	309,443	81,901	81,636	9,392	9,808	1,888	494,068
paid allowed claims expense	4,253	1,082	917	71	110	2	6,435
CAYs Paid Claims	313,697	82,983	82,553	9,463	9,918	1,890	500,503
All AYs Paid Claims							
paid indemnity	551,475	179,957	152,925	16,488	24,644	3,572	929,061
paid allowed claims expense	28,209	5,589	3,653	830	1,632	2	39,916
All AYs Paid Claims	579,685	185,547	156,578	17,318	26,276	3,574	968,978
"Cash Expenses"							
Member Expense Allowance	181,860	110,490	67,809	9,984	11,482	1,443	383,068
Administrative Expenses	2,637	1,990	1,874	1,239	862	162	8,764
"Cash Expenses"	184,497	112,480	69,683	11,223	12,344	1,605	391,832
2023 Net Operating Cash Flow	(190,675)	13,214	(35,255)	(4,483)	(6,636)	(1,089)	(224,924)
2022 Net Operating Cash Flow							
Dec.24, 2021 Outlook	15,437	37,306	16,348	5,805	973	4,599	80,468
Projections as at Oct.31, 2022	(72,962)	105,292	(8,621)	(1,136)	(9,104)	569	14,038

Net operating cash flows are settled with members monthly based on their premium / claims payments transferred to the RSPs and for shares by accident year of the overall cash flows.

Historic net operating cash flows by RSP are presented in the tables that follow for reference.

Variances in cash inflow related to written premium is mitigated by the fact that most non-claims related cash outflows tend to move in sync with written premium (i.e. variances in inflows are offset partially by variances in outflows).

The major cash outflow that does not move in sync with written premium is related to indemnity payments for claims, as these payments are generally for settlements on portions of policies already expired, creating a lag between premium collected for coverage provision, and actual payments for coverage provided. The large outflow projected in 2023 is driven by higher expected loss ratios for the current and future accident year. The following tables illustrate the operating cash flows by calendar year. With the adoption of IFRS 17, historical data for items such as premium received or expense allowance received are unavailable for share years prior to 2022.

Ontario RSP Historic Operating Cash Flows by Share Year

Ontario RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	396.1	401.8	419.8	347.8	362.5	336.0
Expense Allowance	111.8	117.7	123.1	104.5	110.8	99.7
Administration Expense	2.1	1.7	1.6	1.4	1.4	1.3
Premium net of expenses	282.2	282.4	295.1	241.9	250.3	235.0
Paid Claims						
PAY indemnity	186.0	178.4	191.3	185.4	174.2	177.7
PAY claims expenses	18.6	19.1	16.0	16.9	18.0	24.3
CAY indemnity	122.1	134.9	168.1	164.1	149.2	101.5
CAY claims expenses	0.7	1.0	1.1	1.2	0.7	0.5
All years indemnity	308.2	313.3	359.5	349.5	323.3	279.2
All years claims expenses	19.3	20.1	17.1	18.1	18.6	24.8
Total Claims & Expenses Paid	327.4	333.4	376.6	367.6	342.0	303.9
Operating Cash Flow	(45.3)	(51.0)	(81.5)	(125.7)	(91.7)	(68.9)

Alberta Grid RSP Historic Operating Cash Flows by Share Year

Alberta Grid RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	220.6	182.4	207.2	158.5	160.0	148.5
Expense Allowance	66.8	55.5	64.5	47.1	46.2	44.7
Administration Expense	1.3	1.3	1.1	1.0	1.0	0.9
Premium net of expenses	152.5	125.7	141.6	110.4	112.8	102.8
Paid Claims						
PAY indemnity	74.7	82.9	76.9	82.8	81.0	68.7
PAY claims expenses	5.9	5.8	4.0	4.2	4.8	5.6
CAY indemnity	35.2	43.4	41.0	46.0	45.4	39.5
CAY claims expenses	0.3	0.2	0.2	0.2	0.2	0.1
All years indemnity	109.9	126.3	117.9	128.8	126.4	108.3
All years claims expenses	6.2	6.0	4.3	4.4	4.9	5.7
Total Claims & Expenses Paid	116.1	132.3	122.2	133.3	131.3	114.0
Operating Cash Flow	36.4	(6.6)	19.4	(22.9)	(18.5)	(11.1)

Alberta Non-Grid RSP Historic Operating Cash Flows by Share Year

Alberta Non-Grid RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	164.2	121.4	122.4	114.0	99.0	99.7
Expense Allowance	49.7	36.9	38.1	33.9	28.6	30.0
Administration Expense	1.3	1.3	1.2	1.1	1.0	0.9
Premium net of expenses	113.1	83.2	83.1	79.1	69.4	68.8
Paid Claims						
PAY indemnity	44.9	52.6	40.3	46.5	53.7	42.5
PAY claims expenses	3.4	3.1	2.5	2.2	2.2	2.5
CAY indemnity	41.9	60.1	48.3	49.3	48.8	49.7
CAY claims expenses	0.3	0.3	0.2	0.2	0.2	0.1
All years indemnity	86.8	112.7	88.6	95.8	102.5	92.1
All years claims expenses	3.7	3.4	2.7	2.4	2.4	2.6
Total Claims & Expenses Paid	90.4	116.1	91.3	98.2	104.9	94.8
Operating Cash Flow	22.7	(32.9)	(8.2)	(19.1)	(35.5)	(26.0)

New Brunswick RSP Historic Operating Cash Flows by Share Year

New Brunswick RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	20.4	19.3	16.5	14.9	11.8	9.7
Expense Allowance	6.3	5.8	5.0	4.3	3.7	3.4
Administration Expense	1.1	0.9	0.9	0.6	0.6	0.5
Premium net of expenses	13.1	12.6	10.7	10.0	7.4	5.8
Paid Claims						
PAY indemnity	3.5	4.3	4.0	4.7	3.3	2.6
PAY claims expenses	0.5	0.7	0.4	0.6	0.4	0.4
CAY indemnity	5.6	4.6	6.1	4.3	3.5	3.2
CAY claims expenses	0.0	0.0	0.0	0.0	0.0	0.0
All years indemnity	9.1	8.9	10.2	9.0	6.7	5.8
All years claims expenses	0.5	0.7	0.4	0.7	0.4	0.4
Total Claims & Expenses Paid	9.6	9.6	10.6	9.6	7.1	6.3
Operating Cash Flow	3.6	3.0	0.1	0.4	0.3	(0.4)

Nova Scotia RSP Historic Operating Cash Flows by Share Year

Nova Scotia RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	30.4	45.5	33.0	28.9	25.3	15.2
Expense Allowance	9.5	14.4	10.2	8.7	7.8	5.3
Administration Expense	1.1	0.9	0.8	0.6	0.6	0.5
Premium net of expenses	19.9	30.2	22.0	19.5	16.9	9.4
Paid Claims						
PAY indemnity	9.5	10.0	10.1	7.3	6.8	4.9
PAY claims expenses	1.0	0.9	0.7	0.5	0.5	0.6
CAY indemnity	10.1	9.3	10.2	8.6	5.6	3.8
CAY claims expenses	0.1	0.1	0.1	0.1	0.0	0.0
All years indemnity	19.6	19.3	20.3	15.9	12.3	8.7
All years claims expenses	1.1	1.0	0.7	0.6	0.5	0.6
Total Claims & Expenses Paid	20.7	20.3	21.0	16.5	12.8	9.3
Operating Cash Flow	(0.8)	9.9	1.0	3.0	4.0	0.1

Newfoundland & Labrador RSP Historic Operating Cash Flows by Share Year

Newfoundland & Labrador RSP	Share (i.e. Calendar) Year					
\$millions						
	2021	2020	2019	2018	2017	2016
Written Premium	7.1	0.2	-	-	-	-
Expense Allowance	2.0	0.1	-	-	-	-
Administration Expense	0.7	0.2	-	-	-	-
Premium net of expenses	4.4	(0.1)	-	-	-	-
Paid Claims						
PAY indemnity	0.0	-	-	-	-	-
PAY claims expenses	-	-	-	-	-	-
CAY indemnity	0.9	0.0	-	-	-	-
CAY claims expenses	0.0	-	-	-	-	-
All years indemnity	0.9	0.0	-	-	-	-
All years claims expenses	0.0	-	-	-	-	-
Total Claims & Expenses Paid	0.9	0.0	-	-	-	-
Operating Cash Flow	3.5	(0.1)	-	-	-	-

3.5 Distributed (Charged) to Member Accounts

Net operating results for the RSPs are accumulated for the benefit of / (cost to) FA Members, and it is assumed that FA Members are able to reflect this in their own financial statements based on information provided in the monthly Operational Reports.

Separate and “formal” amounts distributed / (charged) to FA Member companies’ accounts have not been projected for the purpose of this Outlook, as it is assumed that such is automatically reflected in the monthly Operational Reports per the regular reporting process.

For financial statement purposes, formal distribution / (charges) to FA Members of accumulated operating results (deficit on a total basis) are reflected via an annual process that was first initiated with the September 2018 financial statements for the respective RSPs (**these were non-cash transactions**, netting a change in the “funds provided by members” liability with a corresponding change in the “due from members” asset). The 2022 annual process occurred with the release of the October 2022 Operational Report (being a balance sheet adjustment, no specific bulletins were set out to communicate this to members).

4. APPENDIX

Definitions and Presentation

1.1.1 Accounting Periods

- Calendar Year 2021: actual results for 12 months ending December 31, 2021.
- Calendar Year 2022: actual results for 10 months ending October 31, 2022, plus projected results for 2 months ending December 31, 2022.
- Calendar Year 2023: projected results for 12 months ending December 31, 2023.

2.1.1 Definitions

- Liability for Incurred Claims represents the discounted value of unpaid claims and claim adjustment expenses and risk adjustment.
- Risk Adjustment reflects the compensation the entity requires for bearing the uncertainty associated with nonfinancial risks.
- Liability for Remaining Coverage (excluding Loss Component) represents the present value of the liability for unexpired portion of the coverage period (including the contract boundary), excluding the loss component arising from onerous contracts. Also referred to as the “Premium Allocation Approach (PAA) LRC”.
- Loss Component exists for onerous contracts, and represents the present value of the difference between the future cash flows relating to remaining coverage and the PAA LRC. In other words, the present value of the expected shortfall in revenue vs. claims cost in the remaining coverage (including the contract boundary).
- Insurance Contract Liabilities comprised of liability for incurred claims and liability for remaining coverage.

- Actuarial Present Value Adjustments include the recognition of the time value of money and includes explicit provisions for risk adjustment as applicable.
- Actuarial Provisions encompass all policy liabilities other than case reserves. As such, they include IBNR, and liability for remaining coverage as applicable.
- (Calendar Period) Claims Incurred are computed as the sum of calendar period paid claims amounts and calendar period changes in claim liabilities. While the majority of claims adjustment expenses are included in the Expense Allowances paid to member companies, there are allowed amounts in addition to the level included in the allowance. These amounts are shown as “paid expenses” in Monthly Operational Reports and are included with paid indemnity for valuation purposes, and for presentation of Operating Results.
- Insurance Service Expense represents the sum of the following:
 - Paid Claims: Claim payments made during the reporting period
 - Paid Expenses: Claims adjustment expenses paid during the reporting period
 - Change in PV FCF: Change in the present value of future cash flows during the reporting period (change in the discounted unpaid claims liabilities, excluding risk adjustment and excluding impact of change in discount rates)
 - Change in Risk Adjustment: Change in the present value of the risk adjustment during the reporting period (excluding impact of change in discount rates)
- Insurance Finance Expense represents the change in present value of future cash flows on unpaid claims, risk adjustment, and the loss component during the reporting period due to a change in the discount rate.

3.1.1 Data Sources & Related Valuations

- Actual results are taken from Operational Reports up to and including the month of October 2022.
- The October 2022 Operational Report reflects the results of recent valuations as at September 30, 2022 as described in the October 2022 Actuarial Highlights.
- Projected results from October 2022 for the months of November 2022 through December 2023 are based on assumptions derived for this purpose from the valuations as at September 30, 2022 and other information, extended to encompass Calendar Year 2023.

4.1.1 Format

The Outlook presentation of Operating Results is consistent with the “Summary of Operations” exhibits attached to monthly bulletins to Members.

- “Claims Incurred” are divided between amounts pertaining to prior accident years, and those pertaining to the current accident year.
- “Claims Incurred” are further divided between nominal (i.e. “undiscounted”) incurred claims, and calendar period changes in the effect of actuarial present value adjustments (i.e. “discounting”). As our claims liabilities are estimated on a “best estimate” basis, there are no

nominal incurred amounts projected for prior accident years. The effect of actuarial present value adjustments include the “unwinding” or “release” of the actuarial present value adjustments as claims payments are made, the addition of the actuarial present value adjustments pertaining to increases in claim liabilities, and changes in discount rate and margins for risk adjustment, if any.

- The “Operating Result” excludes costs incurred directly by Members which are not reimbursed via the expense allowance (e.g., association dues), and any investment income that Member companies might earn on assets they hold in support of their RSP liabilities.
- “Ratios” are expressed relative to calendar period earned premiums, unless otherwise indicated.

5. EXHIBITS

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

EXHIBIT A Key Assumptions (counts, premium, loss ratios, risk adjustment factors)

A-1 Ontario

A-2 Alberta Grid

A-3 Alberta Non-Grid

A-4 New Brunswick

A-5 Nova Scotia

A-6 Newfoundland & Labrador

EXHIBIT B RSP Outlook – Summary of Operations

B-1 Ontario

B-2 Alberta Grid

B-3 Alberta Non-Grid

B-4 New Brunswick

B-5 Nova Scotia

B-6 Newfoundland & Labrador

EXHIBIT C RSP Outlook – Projected Policy Liabilities

C-1 Ontario

C-2 Alberta Grid

C-3 Alberta Non-Grid

C-4 New Brunswick

C-5 Nova Scotia

C-6 Newfoundland & Labrador

EXHIBIT D PAYs' Claims Liabilities Development

Exhibit A
Exhibit A-1

Key Assumptions - Ontario RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	184,779	2,144	396,076	N/A	380,748	1.5%	11.9%	84.6%
2022	196,525	2,635	517,829	509,498	482,706	3.1%	20.8%	117.7%
2023	211,219	2,715	573,507	567,045	537,369	3.3%	5.5%	122.0%
Change	%	%	%	%	%	pts	pts	pts
2022	6.4%	22.9%	30.7%	N/A	21.1%	1.6%	8.9%	33.1%
2023	7.5%	3.0%	10.8%	11.3%	11.3%	0.2%	(15.2%)	4.3%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	Ontario
Bodily Injury	Third Party Liability	7.57%
Property Damage	Third Party Liability	2.87%
Direct Comp Property Damage	Third Party Liability	1.64%
Property Damage (w DCPD)	Third Party Liability	0.00%
AccBen (indivis)	Accident Benefits	7.44%
Uninsured Automobile	Accident Benefits	6.62%
Underinsured Motorist	Other Coverages	7.83%
Collision w AP	Other Coverages	1.33%
Comprehensive w SP	Other Coverages	2.10%
Total	Total	7.21%

Exhibit A-2

Key Assumptions - Alberta Grid RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	76,803	2,872	220,613	N/A	200,881	7.5%	7.2%	64.9%
2022	134,966	2,538	342,527	330,429	280,686	(4.1%)	14.6%	75.0%
2023	119,846	2,597	311,241	314,752	325,030	4.4%	4.0%	78.9%
Change								
	%	%	%	%	%	pts	pts	pts
2022	75.7%	(11.6%)	55.3%	N/A	28.4%	(11.6%)	7.4%	10.1%
2023	(11.2%)	2.3%	(9.1%)	(4.7%)	15.8%	8.4%	(10.5%)	3.9%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	Alberta Grid
Bodily Injury	Third Party Liability	10.25%
Property Damage	Third Party Liability	3.23%
Direct Comp Property Damage	Third Party Liability	0.00%
Property Damage (w DCPD)	Third Party Liability	0.00%
AccBen (indivis)	Accident Benefits	6.44%
Uninsured Automobile	Accident Benefits	0.00%
Underinsured Motorist	Other Coverages	9.33%
Collision w AP	Other Coverages	0.00%
Comprehensive w SP	Other Coverages	1.94%
Total	Total	9.79%

Exhibit A-3

Key Assumptions - Alberta Non-Grid RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	84,817	1,936	164,174	N/A	139,519	5.8%	8.3%	80.1%
2022	88,752	1,894	168,106	165,099	161,518	0.7%	14.8%	94.1%
2023	97,528	1,958	191,006	192,218	184,239	3.4%	3.5%	98.2%
Change	%	%	%	%	%	pts	pts	pts
2022	4.6%	(2.1%)	2.4%	N/A	13.6%	(5.1%)	6.5%	14.0%
2023	9.9%	3.4%	13.6%	16.4%	14.1%	2.7%	(11.3%)	4.1%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	Alberta Non-Grid
Bodily Injury	Third Party Liability	10.26%
Property Damage	Third Party Liability	3.09%
Direct Comp Property Damage	Third Party Liability	0.00%
Property Damage (w DCPD)	Third Party Liability	0.00%
AccBen (indivis)	Accident Benefits	6.00%
Uninsured Automobile	Accident Benefits	0.00%
Underinsured Motorist	Other Coverages	10.68%
Collision w AP	Other Coverages	0.15%
Comprehensive w SP	Other Coverages	2.58%
Total	Total	9.50%

Exhibit A-4

Key Assumptions - New Brunswick RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	12,779	1,599	20,436	N/A	20,408	2.9%	9.5%	65.7%
2022	11,222	1,487	16,687	15,540	18,376	(5.6%)	17.3%	77.5%
2023	15,164	1,587	24,058	23,559	19,743	1.4%	18.3%	95.9%
Change								
	%	%	%	%	%	pts	pts	pts
2022	(12.2%)	(7.0%)	(18.3%)	N/A	(11.1%)	(8.5%)	7.7%	11.8%
2023	35.1%	6.7%	44.2%	51.6%	7.4%	7.0%	1.0%	18.4%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	New Brunswick
Bodily Injury	Third Party Liability	11.70%
Property Damage	Third Party Liability	0.00%
Direct Comp Property Damage	Third Party Liability	0.00%
Property Damage (w DCPD)	Third Party Liability	2.58%
AccBen (indivis)	Accident Benefits	8.59%
Uninsured Automobile	Accident Benefits	8.14%
Underinsured Motorist	Other Coverages	10.19%
Collision w AP	Other Coverages	1.66%
Comprehensive w SP	Other Coverages	2.24%
Total	Total	11.00%

Exhibit A-5

Key Assumptions - Nova Scotia RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	16,371	1,859	30,440	N/A	41,021	2.7%	10.8%	75.2%
2022	11,181	1,651	18,462	16,535	25,309	(0.4%)	17.2%	89.1%
2023	16,659	1,920	31,984	31,742	25,799	1.7%	12.7%	102.1%
Change								
	%	%	%	%	%	pts	pts	pts
2022	(31.7%)	(11.2%)	(39.3%)	N/A	(62.1%)	(3.1%)	6.4%	13.9%
2023	49.0%	16.3%	73.2%	92.0%	1.9%	2.1%	(4.5%)	13.0%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	Nova Scotia
Bodily Injury	Third Party Liability	9.27%
Property Damage	Third Party Liability	0.00%
Direct Comp Property Damage	Third Party Liability	0.00%
Property Damage (w DCPD)	Third Party Liability	2.94%
AccBen (indivis)	Accident Benefits	7.52%
Uninsured Automobile	Accident Benefits	7.30%
Underinsured Motorist	Other Coverages	9.23%
Collision w AP	Other Coverages	1.89%
Comprehensive w SP	Other Coverages	1.77%
Total	Total	8.84%

Exhibit A-6

Key Assumptions - Newfoundland & Labrador RSP								
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Premium Received (\$000s)	Earned Premium (\$000s)	Earned Rate Change	Claims Trend	Ultimate Loss Ratio (nominal)
Amounts								
2021	5,248	1,345	7,056	N/A	3,562	8.6%	8.6%	79.5%
2022	3,838	1,298	4,982	4,982	6,550	17.4%	17.4%	86.3%
2023	3,504	1,167	4,090	4,149	4,339	1.2%	1.2%	100.0%
Change	%	%	%	%	%	pts	pts	pts
2022	(26.9%)	(3.5%)	(29.4%)	N/A	45.6%	8.8%	8.8%	6.8%
2023	(8.7%)	(10.1%)	(17.9%)	(16.7%)	(33.7%)	(16.2%)	(16.2%)	13.7%

Note: Premium received is available beginning in calendar year 2022 as a comparative. 2021 calendar year premium received is not available.

Risk Adjustment Factors		
Coverage	Government Line	Newfoundland & Labrador
Bodily Injury	Third Party Liability	12.83%
Property Damage	Third Party Liability	0.00%
Direct Comp Property Damage	Third Party Liability	0.00%
Property Damage (w DCPD)	Third Party Liability	1.96%
AccBen (indivis)	Accident Benefits	7.06%
Uninsured Automobile	Accident Benefits	7.08%
Underinsured Motorist	Other Coverages	12.72%
Collision w AP	Other Coverages	1.61%
Comprehensive w SP	Other Coverages	1.25%
Total	Total	7.33%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B

Exhibit B-1

Ontario RSP - Summary of Operations

page 1 of 2

Ontario in \$ thousands		202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue													
Written Premium		41,268	39,216	48,806	49,938	52,747	53,964	57,187	44,678	44,353	48,448	49,514	43,388
Decrease / (Increase) in Unearned		2,648	820	(3,993)	(6,158)	(6,821)	(9,247)	(10,275)	2,114	567	(1,882)	(4,943)	1,030
Earned Premium		43,916	40,036	44,813	43,780	45,926	44,717	46,912	46,792	44,920	46,566	44,571	44,418
Earned Expense Allowance		(12,497)	(11,677)	(13,295)	(13,116)	(13,843)	(13,539)	(14,211)	(14,136)	(13,566)	(14,048)	(13,385)	(13,279)
% of EP		28.5%	29.2%	29.7%	30.0%	30.1%	30.3%	30.3%	30.2%	30.2%	30.2%	30.0%	29.9%
Insurance Revenue		31,419	28,359	31,519	30,663	32,083	31,178	32,701	32,657	31,355	32,518	31,187	31,139
Claims Incurred													
Prior Accident Years													
Undiscounted		(0)	(0)	0	(0)	(0)	0	0	(0)	(0)	-	-	0
Effect of Discounting		9,124	3,567	3,443	3,286	3,177	3,066	2,561	2,450	2,337	2,238	2,124	2,023
Discounted		9,124	3,567	3,443	3,286	3,177	3,066	2,561	2,450	2,337	2,238	2,124	2,024
Current Accident Year													
Undiscounted		53,577	48,844	54,672	53,411	56,030	54,555	57,233	57,087	54,803	56,811	54,377	54,190
Effect of Discounting		(2,488)	(2,138)	(2,569)	(2,476)	(2,669)	(2,560)	(1,838)	(1,827)	(1,658)	(1,807)	(1,627)	(1,613)
Discounted		51,089	46,706	52,103	50,936	53,360	51,994	55,395	55,260	53,145	55,004	52,750	52,577
Total Claims Incurred		60,213	50,273	55,546	54,222	56,537	55,061	57,956	57,710	55,482	57,242	54,874	54,601
Administrative Expenses		190	181	225	230	242	248	263	205	204	223	227	199
Loss Component													
Change in Discounted Loss Component		263,497	(15,718)	(18,184)	(18,134)	(19,375)	(19,082)	(20,210)	(20,303)	(19,319)	(20,069)	(19,231)	(19,181)
Insurance Service Expenses		323,900	34,736	37,586	36,318	37,404	36,226	38,009	37,611	36,367	37,396	35,870	35,618
Insurance Service Result		(292,481)	(6,377)	(6,068)	(5,654)	(5,321)	(5,048)	(5,308)	(4,955)	(5,013)	(4,878)	(4,683)	(4,479)
Insurance Finance Expense from PV FCF		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustment		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Component		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Income (Expense)		-	-	-	-	-	-	-	-	-	-	-	-
Operating Result		(292,481)	(6,377)	(6,068)	(5,654)	(5,321)	(5,048)	(5,308)	(4,955)	(5,013)	(4,878)	(4,683)	(4,479)
Ratios													
Claims & Adj. Expenses to EP													
Prior Accident Year		20.8%	8.9%	7.7%	7.5%	6.9%	6.9%	5.5%	5.2%	5.2%	4.8%	4.8%	4.6%
Current Accident Year		116.3%	116.7%	116.3%	116.3%	116.2%	116.3%	118.1%	118.1%	118.3%	118.1%	118.4%	118.4%
All Accident Years Combined		137.1%	125.6%	123.9%	123.9%	123.1%	123.1%	123.5%	123.3%	123.5%	122.9%	123.1%	122.9%
Earned Expense Allowance & Admin Exp (EP)		28.9%	29.6%	30.2%	30.5%	30.7%	30.8%	30.9%	30.6%	30.7%	30.6%	30.5%	30.3%
Combined Operating Ratio		766.0%	115.9%	113.5%	112.9%	111.6%	111.3%	111.3%	110.6%	111.2%	110.5%	110.5%	110.1%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-1
Ontario RSP
Summary of Operations

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FULL YEAR									
Ontario									
in \$ thousands									
Underwriting Revenue									
	Written Premium	396,076	517,829	573,507	121,753	30.7%	55,678	10.8%	
	Decrease / (Increase) in Unearned	(15,328)	(35,123)	(36,138)	(19,795)	129.1%	(1,016)	2.9%	
	Earned Premium	380,748	482,706	537,369	101,959	26.8%	54,662	11.3%	
	Earned Expense Allowance		(136,012)	(160,591)			(24,579)	18.1%	
	Insurance Revenue		346,695	376,778			30,083	8.7%	
Claims Incurred									
Prior Accident Years									
	Undiscounted	(25,923)	3,062	-	28,985	(111.8%)	(3,062)	(100.0%)	
	Effect of Discounting		(48,800)	39,396			88,196	(180.7%)	
	Discounted		(45,738)	39,396			85,134	(186.1%)	
Current Accident Year									
	Undiscounted	349,989	584,579	655,590	234,590	67.0%	71,010	12.1%	
	Effect of Discounting		(24,326)	(25,270)			(945)	3.9%	
	Discounted		560,254	630,320			70,066	12.5%	
	Total Claims Incurred		549,913	639,543			155,200	30.2%	
	Administrative Expenses	2,126	2,134	2,637	8	0.4%	503	23.6%	
Loss Component									
	Change in Loss Component		112,593	54,689			(57,904)	(51.4%)	
	Insurance Service Expenses		629,244	727,042			97,798	15.5%	
	Insurance Service Result		(282,549)	(350,264)			(67,716)	24.0%	
	Insurance Finance Expense from PV FCF		66,257	-			(66,257)	(100.0%)	
	Insurance Finance Expense from Risk Adjustment		4,817	-			(4,817)	(100.0%)	
	Insurance Finance Expense from Loss Component		78,572	-			(78,572)	(100.0%)	
	Insurance Finance Income (Expense)		149,647	-			(149,647)	(100.0%)	
	Operating Result		(132,902)	(350,264)			(217,363)	163.6%	
Ratios									
Claims & Adj. Expenses to EP									
	Prior Accident Year		(9.5%)	7.3%				16.8%	
	Current Accident Year		116.1%	117.3%				1.2%	
	All Accident Years Combined		106.6%	124.6%				18.0%	
	Earned Expense Allowance & Admin Exp (EP)		28.6%	30.4%				1.8%	
	Change in Loss Component		23.3%	10.2%				(13.1%)	
	Insurance Service Ratio		158.5%	165.2%				6.6%	
	Combined Operating Ratio		127.5%	165.2%				37.6%	

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-2

Alberta Grid RSP - Summary of Operations

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Alberta Grid in \$ thousands	202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue												
Written Premium	19,446	18,837	25,381	25,966	26,899	27,162	27,882	30,258	31,226	30,548	25,706	21,930
Decrease / (Increase) in Unearned	10,370	7,879	3,914	2,002	1,695	(95)	(366)	(3,275)	(5,500)	(4,161)	(1,037)	2,363
Earned Premium	29,816	26,716	29,295	27,968	28,594	27,067	27,516	26,983	25,726	26,387	24,669	24,293
Earned Expense Allowance	(9,041)	(8,320)	(9,335)	(9,048)	(9,324)	(8,869)	(9,054)	(8,906)	(8,491)	(8,660)	(8,024)	(7,857)
% of EP	30.3%	31.1%	31.9%	32.4%	32.6%	32.8%	32.9%	33.0%	33.0%	32.8%	32.5%	32.3%
Insurance Revenue	20,775	18,396	19,960	18,920	19,269	18,198	18,462	18,077	17,235	17,727	16,645	16,436
Claims Incurred												
Prior Accident Years												
Undiscounted	0	(0)	0	-	0	(0)	(0)	0	(0)	0	(0)	0
Effect of Discounting	2,857	997	952	911	870	829	724	682	640	620	577	540
Discounted	2,857	997	952	911	870	829	724	682	640	620	577	540
Current Accident Year												
Undiscounted	23,525	21,079	23,113	22,066	22,560	21,356	21,710	21,289	20,298	20,820	19,464	19,167
Effect of Discounting	(741)	(646)	(725)	(684)	(703)	(657)	(482)	(466)	(427)	(448)	(395)	(383)
Discounted	22,784	20,433	22,388	21,382	21,857	20,699	21,228	20,823	19,870	20,372	19,069	18,784
Total Claims Incurred	25,641	21,431	23,340	22,293	22,727	21,528	21,952	21,506	20,511	20,992	19,647	19,323
Administrative Expenses	124	121	162	166	172	174	179	194	199	195	164	140
Loss Component												
Change in Discounted Loss Component	38,617	(1,121)	(1,534)	(1,774)	(1,957)	(1,966)	(2,093)	(2,098)	(2,067)	(2,067)	(1,834)	(1,669)
Insurance Service Expenses	64,382	20,431	21,968	20,685	20,942	19,736	20,039	19,602	18,642	19,120	17,976	17,794
Insurance Service Result	(43,607)	(2,034)	(2,008)	(1,765)	(1,673)	(1,537)	(1,577)	(1,525)	(1,407)	(1,393)	(1,331)	(1,358)
Insurance Finance Expense from PV FCF	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Component	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Income (Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Operating Result	(43,607)	(2,034)	(2,008)	(1,765)	(1,673)	(1,537)	(1,577)	(1,525)	(1,407)	(1,393)	(1,331)	(1,358)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	9.6%	3.7%	3.2%	3.3%	3.0%	3.1%	2.6%	2.5%	2.5%	2.3%	2.3%	2.2%
Current Accident Year	76.4%	76.5%	76.4%	76.5%	76.4%	76.5%	77.1%	77.2%	77.2%	77.2%	77.3%	77.3%
All Accident Years Combined	86.0%	80.2%	79.7%	79.7%	79.5%	79.5%	79.8%	79.7%	79.7%	79.6%	79.6%	79.5%
Earned Expense Allowance & Admin Exp (EP)	30.7%	31.6%	32.4%	32.9%	33.2%	33.4%	33.6%	33.7%	33.8%	33.6%	33.2%	32.9%
Combined Operating Ratio	246.3%	107.6%	106.9%	106.3%	105.8%	105.7%	105.7%	105.7%	105.5%	105.3%	105.4%	105.6%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-2
Alberta Grid RSP
Summary of Operations

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		FULL YEAR					
Alberta Grid							
in \$ thousands		2021	2022	2023	Change during 2022		Change during 2023
					Amount	%	Amount %
Underwriting Revenue							
	Written Premium	220,613	342,527	311,241	121,914	55.3%	(31,286) (9.1%)
	Decrease / (Increase) in Unearned	(19,732)	(61,841)	13,789	(42,110)	213.4%	75,630 (122.3%)
	Earned Premium	200,881	280,686	325,030	79,805	39.7%	44,344 15.8%
	Earned Expense Allowance		(84,241)	(104,928)			(20,687) 24.6%
	Insurance Revenue		196,445	220,101			23,657 12.0%
Claims Incurred							
Prior Accident Years							
	Undiscounted	(25,622)	(4,934)	0	20,688	(80.7%)	4,934 (100.0%)
	Effect of Discounting		(16,395)	11,201			27,595 (168.3%)
	Discounted		(21,329)	11,201			32,530 (152.5%)
Current Accident Year							
	Undiscounted	132,830	218,382	256,448	85,553	64.4%	38,066 17.4%
	Effect of Discounting		(6,120)	(6,758)			(637) 10.4%
	Discounted		212,262	249,691			37,429 17.6%
	Total Claims Incurred		549,913	639,543			69,958 36.6%
	Administrative Expenses	1,304	1,527	1,990	223	17.1%	463 30.3%
Loss Component							
	Change in Loss Component		27,314	18,436			(8,878) (32.5%)
	Insurance Service Expenses		219,774	281,317			61,543 28.0%
	Insurance Service Result		(23,330)	(61,216)			(37,886) 162.4%
	Insurance Finance Expense from PV FCF		22,689	-			(22,689) (100.0%)
	Insurance Finance Expense from Risk Adjustment		2,190	-			(2,190) (100.0%)
	Insurance Finance Expense from Loss Component		37,624	-			(37,624) (100.0%)
	Insurance Finance Income (Expense)		62,503	-			(62,503) (100.0%)
	Operating Result		39,173	(61,216)			(100,389) (256.3%)
Ratios							
Claims & Adj. Expenses to EP							
	Prior Accident Year		(7.6%)	3.4%			11.0%
	Current Accident Year			76.8%			1.2%
	All Accident Years Combined			80.3%			12.2%
	Earned Expense Allowance & Admin Exp (EP)			32.9%			2.3%
	Change in Loss Component			5.7%			(4.1%)
	Insurance Service Ratio		108.3%	118.8%			10.5%
	Combined Operating Ratio		86.0%	118.8%			32.8%

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-3

Alberta Non-Grid RSP - Summary of Operations

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Alberta Non-Grid in \$ thousands	202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue												
Written Premium	13,992	12,237	15,238	15,649	16,411	16,999	18,823	19,115	18,495	17,458	14,569	12,020
Decrease / (Increase) in Unearned	748	1,400	158	(520)	(539)	(1,657)	(2,865)	(3,149)	(3,055)	(1,426)	746	3,393
Earned Premium	14,740	13,637	15,396	15,129	15,872	15,342	15,958	15,966	15,440	16,032	15,315	15,413
Earned Expense Allowance	(4,499)	(4,292)	(4,955)	(4,942)	(5,227)	(5,072)	(5,310)	(5,312)	(5,130)	(5,305)	(5,036)	(5,036)
% of EP	30.5%	31.5%	32.2%	32.7%	32.9%	33.1%	33.3%	33.3%	33.2%	33.1%	32.9%	32.7%
Insurance Revenue	10,241	9,344	10,441	10,188	10,645	10,271	10,648	10,653	10,310	10,727	10,279	10,376
Claims Incurred												
Prior Accident Years												
Undiscounted	0	0	(0)	0	(0)	(0)	0	(0)	(0)	0	(0)	(0)
Effect of Discounting	1,468	703	669	647	616	585	492	460	429	417	386	358
Discounted	1,468	703	669	647	616	585	492	460	429	417	386	358
Current Accident Year												
Undiscounted	14,475	13,391	15,119	14,857	15,586	15,066	15,671	15,678	15,162	15,743	15,039	15,135
Effect of Discounting	(352)	(313)	(376)	(366)	(393)	(374)	(247)	(247)	(228)	(242)	(216)	(220)
Discounted	14,123	13,078	14,743	14,491	15,194	14,693	15,424	15,431	14,934	15,501	14,823	14,916
Total Claims Incurred	15,590	13,782	15,412	15,138	15,809	15,278	15,916	15,892	15,362	15,918	15,209	15,274
Administrative Expenses	137	120	149	154	161	167	185	187	182	171	143	118
Loss Component												
Change in Discounted Loss Component	61,291	(3,170)	(3,762)	(3,847)	(4,141)	(4,068)	(4,337)	(4,380)	(4,261)	(4,390)	(4,137)	(4,094)
Insurance Service Expenses	77,019	10,731	11,800	11,444	11,829	11,377	11,764	11,699	11,284	11,699	11,215	11,298
Insurance Service Result	(66,778)	(1,387)	(1,359)	(1,257)	(1,185)	(1,106)	(1,116)	(1,046)	(974)	(972)	(935)	(921)
Insurance Finance Expense from PV FCF	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Component	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Income (Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Operating Result	(66,778)	(1,387)	(1,359)	(1,257)	(1,185)	(1,106)	(1,116)	(1,046)	(974)	(972)	(935)	(921)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	10.0%	5.2%	4.3%	4.3%	3.9%	3.8%	3.1%	2.9%	2.8%	2.6%	2.5%	2.3%
Current Accident Year	95.8%	95.9%	95.8%	95.8%	95.7%	95.8%	96.7%	96.7%	96.7%	96.7%	96.8%	96.8%
All Accident Years Combined	105.8%	101.1%	100.1%	100.1%	99.6%	99.6%	99.7%	99.5%	99.5%	99.3%	99.3%	99.1%
Earned Expense Allowance & Admin Exp (EP)	31.4%	32.4%	33.2%	33.7%	33.9%	34.1%	34.4%	34.4%	34.4%	34.2%	33.8%	33.4%
Combined Operating Ratio	553.0%	110.2%	108.8%	108.3%	107.5%	107.2%	107.0%	106.6%	106.3%	106.1%	106.1%	106.0%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-3
 Alberta Non-Grid RSP
 Summary of Operations

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Alberta Non-Grid		FULL YEAR							
		2021	2022	2023	Change during 2022		Change during 2023		
in \$ thousands					Amount	%	Amount	%	
<u>Underwriting Revenue</u>									
	Written Premium	164,174	168,106	191,006	3,932	2.4%	22,900	13.6%	
	Decrease / (Increase) in Unearned	(24,655)	(6,587)	(6,767)	18,067	(73.3%)	(180)	2.7%	
	Earned Premium	139,519	161,518	184,239	21,999	15.8%	22,721	14.1%	
	Earned Expense Allowance		(48,557)	(60,115)			(11,558)	23.8%	
<u>Insurance Revenue</u>			112,961	124,124			11,162	9.9%	
<u>Claims Incurred</u>									
<u>Prior Accident Years</u>									
	Undiscounted	(15,555)	15,605	-	31,160	(200.3%)	(15,605)	(100.0%)	
	Effect of Discounting		(10,960)	7,230			18,190	(166.0%)	
	Discounted		4,644	7,230			2,585	55.7%	
<u>Current Accident Year</u>									
	Undiscounted	114,036	156,884	180,923	42,847	37.6%	24,039	15.3%	
	Effect of Discounting		(3,329)	(3,572)			(244)	7.3%	
	Discounted		153,555	177,350			23,795	15.5%	
<u>Total Claims Incurred</u>			549,913	639,543			26,381	16.7%	
<u>Administrative Expenses</u>		1,311	1,437	1,874	126	9.6%	437	30.4%	
<u>Loss Component</u>									
	Change in Loss Component		10,868	16,705			5,836	53.7%	
<u>Insurance Service Expenses</u>			170,505	203,159			32,654	19.2%	
<u>Insurance Service Result</u>			(57,544)	(79,035)			(21,492)	37.3%	
<u>Insurance Finance Expense from PV FCF</u>			14,561	-			(14,561)	(100.0%)	
<u>Insurance Finance Expense from Risk Adjustment</u>			1,364	-			(1,364)	(100.0%)	
<u>Insurance Finance Expense from Loss Component</u>			23,371	-			(23,371)	(100.0%)	
<u>Insurance Finance Income (Expense)</u>			39,295	-			(39,295)	(100.0%)	
<u>Operating Result</u>			(18,249)	(79,035)			(60,787)	333.1%	
<u>Ratios</u>									
<u>Claims & Adj. Expenses to EP</u>									
	Prior Accident Year		2.9%	3.9%				1.0%	
	Current Accident Year		95.1%	96.3%				1.2%	
	All Accident Years Combined		97.9%	100.2%				2.2%	
	Earned Expense Allowance & Admin Exp (EP)		31.0%	33.6%				2.7%	
	Change in Loss Component		6.7%	9.1%				2.3%	
<u>Insurance Service Ratio</u>			135.6%	142.9%				7.3%	
<u>Combined Operating Ratio</u>			111.3%	142.9%				31.6%	

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-4

New Brunswick RSP - Summary of Operations

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New Brunswick in \$ thousands		202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue													
	Written Premium	1,765	1,640	2,004	2,087	2,191	2,087	2,229	2,094	1,485	1,983	2,312	2,181
	Decrease / (Increase) in Unearned	(469)	(397)	(547)	(590)	(550)	(442)	(455)	(252)	344	(82)	(495)	(378)
	Earned Premium	1,296	1,243	1,457	1,497	1,641	1,645	1,774	1,842	1,829	1,901	1,817	1,803
	Earned Expense Allowance	(405)	(421)	(518)	(547)	(608)	(614)	(664)	(688)	(676)	(699)	(668)	(654)
	% of EP	31.3%	33.9%	35.5%	36.6%	37.1%	37.3%	37.4%	37.3%	37.0%	36.8%	36.7%	36.3%
Insurance Revenue		891	822	939	950	1,033	1,031	1,110	1,154	1,153	1,201	1,149	1,148
Claims Incurred													
Prior Accident Years													
	Undiscounted	(0)	0	0	-	0	(0)	0	(0)	0	(0)	0	(0)
	Effect of Discounting	194	97	92	93	89	85	72	68	64	68	64	60
	Discounted	194	97	92	93	89	85	72	68	64	68	64	60
Current Accident Year													
	Undiscounted	1,243	1,192	1,397	1,435	1,573	1,578	1,702	1,766	1,754	1,823	1,742	1,729
	Effect of Discounting	(40)	(37)	(50)	(52)	(61)	(61)	(48)	(52)	(51)	(56)	(51)	(50)
	Discounted	1,203	1,156	1,347	1,383	1,512	1,516	1,654	1,714	1,703	1,767	1,692	1,679
Total Claims Incurred		1,397	1,252	1,439	1,476	1,601	1,601	1,726	1,782	1,766	1,835	1,755	1,739
Administrative Expenses		91	84	103	107	113	108	115	108	77	102	119	112
Loss Component													
	Change in Discounted Loss Component	9,377	(306)	(394)	(429)	(487)	(498)	(543)	(569)	(560)	(570)	(555)	(546)
Insurance Service Expenses		10,865	1,031	1,148	1,155	1,227	1,211	1,298	1,321	1,283	1,366	1,320	1,305
Insurance Service Result		(9,974)	(209)	(209)	(205)	(195)	(180)	(188)	(167)	(131)	(165)	(170)	(157)
Insurance Finance Expense from PV FCF		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustment		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Component		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Income (Expense)		-	-	-	-	-	-	-	-	-	-	-	-
Operating Result		(9,974)	(209)	(209)	(205)	(195)	(180)	(188)	(167)	(131)	(165)	(170)	(157)
Ratios													
Claims & Adj. Expenses to EP													
	Prior Accident Year	14.9%	7.8%	6.3%	6.2%	5.4%	5.2%	4.1%	3.7%	3.5%	3.6%	3.5%	3.3%
	Current Accident Year	92.8%	93.0%	92.5%	92.4%	92.2%	92.2%	93.2%	93.1%	93.1%	93.0%	93.1%	93.1%
	All Accident Years Combined	107.8%	100.7%	98.8%	98.6%	97.6%	97.3%	97.2%	96.7%	96.6%	96.5%	96.6%	96.5%
	Earned Expense Allowance & Admin Exp (EP)	38.3%	40.6%	42.6%	43.7%	43.9%	43.9%	43.9%	43.2%	41.2%	42.2%	43.3%	42.5%
Combined Operating Ratio		869.6%	116.8%	114.4%	113.7%	111.9%	110.9%	110.6%	109.1%	107.1%	108.7%	109.4%	108.7%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-4
New Brunswick RSP
Summary of Operations page 2 of 2

FULL YEAR									
New Brunswick									
in \$ thousands									
Underwriting Revenue									
	2021	2022	2023	Change during 2022		Change during 2023			
				Amount	%	Amount	%		
Written Premium	20,436	16,687	24,058	(3,750)	(18.3%)	7,371	44.2%		
Decrease / (Increase) in Unearned	(29)	1,689	(4,315)	1,718	(6,015.9%)	(6,004)	(355.4%)		
Earned Premium	20,408	18,376	19,743	(2,032)	(10.0%)	1,367	7.4%		
Earned Expense Allowance		(5,500)	(7,163)			(1,662)	30.2%		
Insurance Revenue		12,876	12,580			(295)	(2.3%)		
Claims Incurred									
Prior Accident Years									
Undiscounted	(1,352)	2,785	(0)	4,137	(306.0%)	(2,785)	(100.0%)		
Effect of Discounting		(1,569)	1,044			2,613	(166.5%)		
Discounted		1,216	1,044			(172)	(14.1%)		
Current Accident Year									
Undiscounted	13,765	15,158	18,934	1,394	10.1%	3,775	24.9%		
Effect of Discounting		(513)	(608)			(96)	18.7%		
Discounted		14,646	18,325			3,679	25.1%		
Total Claims Incurred		549,913	639,543			3,507	22.1%		
Administrative Expenses	1,056	1,051	1,239	(4)	(0.4%)	188	17.8%		
Loss Component									
Change in Loss Component		3,921	3,922			1	0.0%		
Insurance Service Expenses		20,834	24,531			3,696	17.7%		
Insurance Service Result		(7,959)	(11,950)			(3,992)	50.2%		
Insurance Finance Expense from PV FCF		2,389	-			(2,389)	(100.0%)		
Insurance Finance Expense from Risk Adjustment		265	-			(265)	(100.0%)		
Insurance Finance Expense from Loss Component		2,448	-			(2,448)	(100.0%)		
Insurance Finance Income (Expense)		5,101	-			(5,101)	(100.0%)		
Operating Result		(2,857)	(11,950)			(9,093)	318.3%		
Ratios									
Claims & Adj. Expenses to EP									
Prior Accident Year		6.6%	5.3%				(1.3%)		
Current Accident Year		79.7%	92.8%				13.1%		
All Accident Years Combined		86.3%	98.1%				11.8%		
Earned Expense Allowance & Admin Exp (EP)		35.7%	42.6%				6.9%		
Change in Loss Component		21.3%	19.9%				(1.5%)		
Insurance Service Ratio		143.3%	160.5%				17.2%		
Combined Operating Ratio		115.5%	160.5%				45.0%		

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-5

Nova Scotia RSP - Summary of Operations

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Nova Scotia in \$ thousands		202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue													
	Written Premium	2,263	2,285	2,728	2,776	2,670	2,639	2,902	3,013	2,942	2,909	2,617	2,240
	Decrease / (Increase) in Unearned	(810)	(870)	(1,039)	(1,025)	(791)	(799)	(909)	(915)	(787)	(269)	610	1,418
	Earned Premium	1,453	1,415	1,689	1,751	1,879	1,840	1,993	2,098	2,155	2,640	3,227	3,658
	Earned Expense Allowance	(445)	(456)	(560)	(587)	(625)	(624)	(678)	(713)	(731)	(917)	(1,109)	(1,230)
	% of EP	30.6%	32.2%	33.1%	33.6%	33.3%	33.9%	34.0%	34.0%	33.9%	34.7%	34.4%	33.6%
Insurance Revenue		1,008	959	1,130	1,163	1,254	1,217	1,315	1,385	1,424	1,723	2,119	2,428
Claims Incurred													
Prior Accident Years													
	Undiscounted	-	0	(0)	0	0	(0)	(0)	0	(0)	0	0	(0)
	Effect of Discounting	489	185	175	176	167	158	142	133	124	132	124	116
	Discounted	489	185	175	176	167	158	142	133	124	132	124	116
Current Accident Year													
	Undiscounted	1,483	1,444	1,725	1,787	1,918	1,879	2,035	2,142	2,201	2,695	3,295	3,735
	Effect of Discounting	(52)	(50)	(66)	(70)	(78)	(76)	(59)	(65)	(69)	(98)	(134)	(160)
	Discounted	1,431	1,395	1,658	1,717	1,840	1,804	1,976	2,077	2,132	2,597	3,162	3,576
Total Claims Incurred		1,920	1,580	1,833	1,894	2,008	1,962	2,118	2,210	2,256	2,730	3,285	3,691
Administrative Expenses		61	62	74	75	72	71	78	81	80	78	70	60
Loss Component													
	Change in Discounted Loss Component	9,193	(353)	(451)	(485)	(525)	(540)	(574)	(612)	(634)	(800)	(951)	(1,067)
Insurance Service Expenses		11,174	1,289	1,457	1,484	1,555	1,493	1,622	1,679	1,702	2,008	2,404	2,684
Insurance Service Result		(10,166)	(330)	(327)	(320)	(302)	(276)	(307)	(294)	(278)	(285)	(285)	(256)
Insurance Finance Expense from PV FCF		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Risk Adjustment		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Expense from Loss Component		-	-	-	-	-	-	-	-	-	-	-	-
Insurance Finance Income (Expense)		-	-	-	-	-	-	-	-	-	-	-	-
Operating Result		(10,166)	(330)	(327)	(320)	(302)	(276)	(307)	(294)	(278)	(285)	(285)	(256)
Ratios													
Claims & Adj. Expenses to EP													
	Prior Accident Year	33.7%	13.1%	10.4%	10.1%	8.9%	8.6%	7.1%	6.3%	5.7%	5.0%	3.8%	3.2%
	Current Accident Year	98.5%	98.6%	98.2%	98.1%	98.0%	98.0%	99.2%	99.0%	98.9%	98.4%	98.0%	97.7%
	All Accident Years Combined	132.2%	111.7%	108.5%	108.2%	106.9%	106.6%	106.3%	105.3%	104.7%	103.4%	101.8%	100.9%
	Earned Expense Allowance & Admin Exp (EP)	34.8%	36.6%	37.5%	37.8%	37.1%	37.7%	37.9%	37.9%	37.6%	37.7%	36.5%	35.3%
Combined Operating Ratio		799.8%	123.4%	119.4%	118.3%	116.0%	115.0%	115.4%	114.0%	112.9%	110.8%	108.8%	107.0%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-5
Nova Scotia RSP
Summary of Operations

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		FULL YEAR						
Nova Scotia								
in \$ thousands								
Underwriting Revenue		2021	2022	2023	Change during 2022		Change during 2023	
					Amount	%	Amount	%
	Written Premium	30,440	18,462	31,984	(11,978)	(39.3%)	13,522	73.2%
	Decrease / (Increase) in Unearned	10,580	6,847	(6,185)	(3,733)	(35.3%)	(13,032)	(190.3%)
	Earned Premium	41,021	25,309	25,799	(15,712)	(38.3%)	490	1.9%
	Earned Expense Allowance		(7,725)	(8,675)			(950)	12.3%
Insurance Revenue			17,584	17,124			(460)	(2.6%)
Claims Incurred								
Prior Accident Years								
	Undiscounted	(9,706)	(953)	(0)	8,753	(90.2%)	953	(100.0%)
	Effect of Discounting		(3,335)	2,122			5,457	(163.6%)
	Discounted		(4,287)	2,122			6,409	(149.5%)
Current Accident Year								
	Undiscounted	32,168	23,641	26,340	(8,527)	(26.5%)	2,699	11.4%
	Effect of Discounting		(876)	(975)			(100)	11.4%
	Discounted		22,766	25,365			2,600	11.4%
Total Claims Incurred			549,913	639,543			9,009	48.8%
Administrative Expenses		1,052	958	862	(93)	(8.9%)	(96)	(10.0%)
Loss Component								
	Change in Loss Component		2,670	2,202			(468)	(17.5%)
Insurance Service Expenses			22,106	30,551			8,445	38.2%
Insurance Service Result			(4,522)	(13,427)			(8,905)	196.9%
Insurance Finance Expense from PV FCF			4,507	-			(4,507)	(100.0%)
Insurance Finance Expense from Risk Adjustment			406	-			(406)	(100.0%)
Insurance Finance Expense from Loss Component			3,722	-			(3,722)	(100.0%)
Insurance Finance Income (Expense)			8,636	-			(8,636)	(100.0%)
Operating Result			4,114	(13,427)			(17,541)	(426.4%)
Ratios								
Claims & Adj. Expenses to EP								
	Prior Accident Year		(16.9%)	8.2%				25.2%
	Current Accident Year		89.9%	98.3%				8.4%
	All Accident Years Combined		73.0%	106.5%				33.5%
	Earned Expense Allowance & Admin Exp (EP)		34.3%	37.0%				2.7%
	Change in Loss Component		10.5%	8.5%				(2.0%)
Insurance Service Ratio			117.9%	152.0%				34.2%
Combined Operating Ratio			83.7%	152.0%				68.3%

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-6

Newfoundland and Labrador RSP - Summary of Operations

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Newfoundland & Labrador in \$ thousands		202301	202302	202303	202304	202305	202306	202307	202308	202309	202310	202311	202312
Underwriting Revenue													
	Written Premium	337	395	387	410	433	437	399	272	249	213	304	254
	Decrease / (Increase) in Unearned	66	(38)	(5)	(60)	(85)	(105)	(54)	66	70	130	85	180
	Earned Premium	403	357	382	350	348	332	345	338	319	343	389	434
	Earned Expense Allowance	(115)	(109)	(119)	(111)	(110)	(108)	(112)	(108)	(102)	(112)	(128)	(137)
	% of EP	28.6%	30.4%	31.2%	31.9%	31.6%	32.5%	32.5%	32.0%	31.9%	32.7%	32.8%	31.5%
Insurance Revenue		288	248	263	238	238	224	233	230	217	231	261	297
Claims Incurred													
Prior Accident Years													
	Undiscounted	-	0	(0)	(0)	-	-	(0)	0	-	(0)	(0)	0
	Effect of Discounting	24	6	6	5	5	5	4	4	3	3	3	3
	Discounted	24	6	6	5	5	5	4	4	3	3	3	3
Current Accident Year													
	Undiscounted	403	357	382	350	348	332	345	338	319	343	389	434
	Effect of Discounting	(2)	(2)	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(2)	(2)
	Discounted	401	355	380	348	346	330	344	337	318	342	387	432
Total Claims Incurred		424	361	386	353	351	335	348	341	321	345	390	434
Administrative Expenses		14	16	15	16	17	17	16	11	10	8	12	10
Loss Component													
	Change in Discounted Loss Component	1,251	(87)	(99)	(93)	(94)	(95)	(97)	(93)	(86)	(95)	(108)	(118)
Insurance Service Expenses		1,689	290	302	276	275	257	267	259	245	258	294	326
Insurance Service Result		(1,402)	(42)	(39)	(38)	(37)	(33)	(34)	(29)	(28)	(27)	(33)	(29)
Insurance Finance Income (Expense)		-	-	-	-	-	-	-	-	-	-	-	-
Operating Result		(1,402)	(42)	(39)	(38)	(37)	(33)	(34)	(29)	(28)	(27)	(33)	(29)
Ratios													
Claims & Adj. Expenses to EP													
	Prior Accident Year	5.8%	1.7%	1.5%	1.6%	1.5%	1.4%	1.2%	1.1%	1.1%	0.9%	0.7%	0.6%
	Current Accident Year	99.4%	99.5%	99.4%	99.5%	99.5%	99.5%	99.6%	99.6%	99.7%	99.6%	99.6%	99.5%
	All Accident Years Combined	105.3%	101.2%	100.9%	101.0%	100.9%	100.9%	100.8%	100.8%	100.8%	100.6%	100.3%	100.1%
	Earned Expense Allowance & Admin Exp (EP)	32.1%	34.9%	35.2%	36.4%	36.5%	37.6%	37.1%	35.2%	35.1%	35.0%	35.9%	33.8%
Combined Operating Ratio		447.8%	111.8%	110.2%	110.9%	110.6%	109.8%	109.8%	108.5%	108.9%	107.8%	108.5%	106.8%

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit B-6

Newfoundland and Labrador RSP

Summary of Operations

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				FULL YEAR									
Newfoundland & Labrador													
in \$ thousands													
Underwriting Revenue				2021		2022		2023		Change during 2022		Change during 2023	
				Amount		%				Amount		%	
Written Premium				7,056		4,982		4,090		(2,075)		(29.4%)	
Decrease / (Increase) in Unearned				(3,494)		1,568		249		5,062		(144.9%)	
Earned Premium				3,562		6,550		4,339		2,987		83.9%	
Earned Expense Allowance						(1,840)		(1,371)					
Insurance Revenue						4,710		2,968				(1,742)	
Claims Incurred													
Prior Accident Years													
Undiscounted				(0)		(648)		-		(647)		153,702.4%	
Effect of Discounting						(34)		71				648	
Discounted						(682)		71				105	
												753	
Current Accident Year													
Undiscounted				3,563		5,839		4,339		2,276		63.9%	
Effect of Discounting						(31)		(21)				(1,499)	
Discounted						5,808		4,319				10	
Total Claims Incurred						549,913		639,543				(1,489)	
												(736)	
Administrative Expenses				658		541		162		(117)		(17.8%)	
												(379)	
Loss Component													
Change in Loss Component						(752)		187				939	
Insurance Service Expenses						4,915		4,739				(176)	
												(3.6%)	
Insurance Service Result						(205)		(1,770)				(1,565)	
												763.8%	
Insurance Finance Expense from PV FCF						262		-				(262)	
Insurance Finance Expense from Risk Adjustment						28		-				(28)	
Insurance Finance Expense from Loss Component						531		-				(531)	
Insurance Finance Income (Expense)						821		-				(821)	
												(100.0%)	
												(100.0%)	
												(100.0%)	
Operating Result						616		(1,770)				(2,387)	
												(387.2%)	
Ratios													
Claims & Adj. Expenses to EP													
Prior Accident Year						(10.4%)		1.6%				12.0%	
Current Accident Year						88.7%		99.5%				10.9%	
All Accident Years Combined						78.3%		101.2%				22.9%	
Earned Expense Allowance & Admin Exp (EP)						36.3%		35.3%				(1.0%)	
Change in Loss Component						(11.5%)		4.3%				15.8%	
Insurance Service Ratio						103.1%		140.8%				37.7%	
Combined Operating Ratio						90.6%		140.8%				50.2%	

Note: 2022 was the first comparative year for IFRS17 results. 2021 results are not available.

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C
Exhibit C-1
Ontario RSP
Projected Policy Liabilities

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Ontario		Projected Balances as at Dec.31, 2022 (\$'000s)										
Ending 2022		nominal values			actuarial present value adjustments (apvs)							
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (UC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	29,507	14,209	43,715	(16,436)	1,880	29,160	-	-	-	-	-	29,160
2002	59	0	59	(5)	4	58	-	-	-	-	-	58
2003	(1)	(0)	(1)	0	0	(1)	-	-	-	-	-	(1)
2004	1,023	(1)	1,022	(138)	66	950	-	-	-	-	-	950
2005	40	(0)	40	(6)	3	36	-	-	-	-	-	36
2006	1,604	17	1,622	(297)	99	1,424	-	-	-	-	-	1,424
2007	855	35	890	(181)	53	762	-	-	-	-	-	762
2008	410	(30)	380	(73)	28	335	-	-	-	-	-	335
2009	540	388	928	(222)	53	759	-	-	-	-	-	759
2010	1,919	111	2,030	(510)	114	1,634	-	-	-	-	-	1,634
2011	3,756	694	4,450	(839)	273	3,884	-	-	-	-	-	3,884
2012	3,505	122	3,626	(920)	205	2,912	-	-	-	-	-	2,912
2013	7,543	65	7,608	(1,285)	475	6,798	-	-	-	-	-	6,798
2014	21,170	(173)	20,997	(2,501)	1,383	19,879	-	-	-	-	-	19,879
2015	18,646	(912)	17,734	(1,604)	1,215	17,345	-	-	-	-	-	17,345
2016	31,116	(1,104)	30,012	(2,631)	2,049	29,430	-	-	-	-	-	29,430
2017	48,408	(4,271)	44,137	(3,700)	3,019	43,456	-	-	-	-	-	43,456
2018	83,596	(2,047)	81,549	(7,286)	5,550	79,814	-	-	-	-	-	79,814
2019	93,677	5,435	99,112	(9,926)	6,660	95,846	-	-	-	-	-	95,846
2020	75,336	35,451	110,787	(12,680)	7,325	105,432	-	-	-	-	-	105,432
2021	72,010	75,505	147,515	(19,172)	9,440	137,783	-	-	-	-	-	137,783
PAYs subtotal	494,719	123,493	618,211	(80,412)	39,893	577,692	-	-	-	-	-	577,692
CAY (2022)	132,215	196,898	329,113	(45,207)	20,881	304,787	-	-	-	(191)	(191)	304,596
FtAY (2023)	-	-	-	-	-	-	235,842	327,346	(91,504)	398,051	162,210	398,051
Total	626,933	320,390	947,324	(125,618)	60,774	882,479	235,842	327,346	(91,504)	397,860	162,019	1,280,339

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-1
Ontario RSP
Projected Policy Liabilities

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Ontario													
Projected Balances as at Dec.31, 2023 (\$000s)													
Ending 2023	nominal values			actuarial present value adjustments (apvs)									
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (UC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities	
prior	28,811	14,074	42,885	(14,870)	1,928	29,942	-	-	-	-	-	29,942	
2003	(1)	(0)	(1)	0	0	(1)	-	-	-	-	-	(1)	
2004	853	(1)	852	(77)	58	833	-	-	-	-	-	833	
2005	34	(0)	34	(4)	2	33	-	-	-	-	-	33	
2006	1,429	-	1,429	(200)	92	1,321	-	-	-	-	-	1,321	
2007	787	9	797	(129)	50	718	-	-	-	-	-	718	
2008	323	2	325	(49)	25	301	-	-	-	-	-	301	
2009	348	500	848	(169)	51	730	-	-	-	-	-	730	
2010	1,926	(72)	1,854	(393)	109	1,570	-	-	-	-	-	1,570	
2011	2,389	683	3,072	(448)	198	2,822	-	-	-	-	-	2,822	
2012	2,951	139	3,090	(663)	184	2,612	-	-	-	-	-	2,612	
2013	5,564	51	5,615	(703)	369	5,280	-	-	-	-	-	5,280	
2014	11,234	(182)	11,052	(806)	766	11,012	-	-	-	-	-	11,012	
2015	9,976	(64)	9,912	(423)	715	10,204	-	-	-	-	-	10,204	
2016	17,821	(484)	17,336	(690)	1,246	17,892	-	-	-	-	-	17,892	
2017	29,167	(2,850)	26,317	(941)	1,894	27,270	-	-	-	-	-	27,270	
2018	53,817	(2,018)	51,799	(2,153)	3,711	53,356	-	-	-	-	-	53,356	
2019	75,149	(6,139)	69,010	(3,653)	4,880	70,237	-	-	-	-	-	70,237	
2020	79,185	3,089	82,274	(5,594)	5,725	82,405	-	-	-	-	-	82,405	
2021	91,203	26,681	117,884	(9,939)	7,939	115,885	-	-	-	-	-	115,885	
2022	138,526	96,427	234,953	(28,660)	15,173	221,465	-	-	-	-	-	221,465	
PAYs subtotal	551,491	129,845	681,336	(70,564)	45,116	655,887	-	-	-	-	-	655,887	
CAY (2023)	165,145	176,748	341,893	(46,962)	21,692	316,623	-	-	-	(208)	(208)	316,415	
FTAY (2024)	-	-	-	-	-	-	290,531	393,720	(103,190)	464,547	174,016	464,547	
Total	716,636	306,593	1,023,229	(117,526)	66,808	972,510	290,531	393,720	(103,190)	464,339	173,808	1,436,849	

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-2
Alberta Grid RSP
Projected Policy Liabilities

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Alberta Grid		Projected Balances as at Dec.31, 2022 (\$000s)										
Ending 2022	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	(63)	(63)	(1)	-	(63)	-	-	-	-	-	(63)
2005	(27)	(12)	(39)	0	(3)	(42)	-	-	-	-	-	(42)
2006	93	(45)	48	(1)	5	53	-	-	-	-	-	53
2007	391	(53)	338	(8)	34	363	-	-	-	-	-	363
2008	58	(62)	(4)	0	(0)	(4)	-	-	-	-	-	(4)
2009	193	0	193	(14)	18	198	-	-	-	-	-	198
2010	326	(1)	325	(34)	30	321	-	-	-	-	-	321
2011	467	8	474	(59)	39	454	-	-	-	-	-	454
2012	3,574	(4)	3,570	(518)	312	3,364	-	-	-	-	-	3,364
2013	1,094	(9)	1,084	(139)	97	1,042	-	-	-	-	-	1,042
2014	1,075	22	1,097	(91)	102	1,107	-	-	-	-	-	1,107
2015	4,197	57	4,254	(394)	390	4,251	-	-	-	-	-	4,251
2016	5,288	966	6,253	(618)	568	6,204	-	-	-	-	-	6,204
2017	9,100	1,786	10,886	(1,057)	997	10,826	-	-	-	-	-	10,826
2018	19,663	2,976	22,639	(2,119)	2,092	22,612	-	-	-	-	-	22,612
2019	29,474	7,669	37,143	(3,703)	3,419	36,860	-	-	-	-	-	36,860
2020	33,384	13,564	46,948	(4,991)	4,260	46,217	-	-	-	-	-	46,217
2021	47,705	21,769	69,474	(8,123)	5,989	67,340	-	-	-	-	-	67,340
PAYs subtotal	156,055	48,566	204,621	(21,869)	18,349	201,101	-	-	-	-	-	201,101
CAY (2022)	72,912	84,194	157,106	(19,549)	13,429	150,985	-	-	-	(400)	(400)	150,585
FtAY (2023)	-	-	-	-	-	-	20,905	62,506	(41,601)	132,254	111,348	132,254
Total	228,967	132,760	361,727	(41,418)	31,778	352,087	20,905	62,506	(41,601)	131,854	110,948	483,940

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-2
Alberta Grid RSP
Projected Policy Liabilities

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Alberta Grid		Projected Balances as at Dec.31, 2023 (\$'000s)										
Ending 2023		nominal values			actuarial present value adjustments (apvs)							
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	(63)	(63)	(4)	-	(67)	-	-	-	-	-	(67)
2005	12	(12)	-	-	-	-	-	-	-	-	-	-
2006	45	(45)	-	-	-	-	-	-	-	-	-	-
2007	96	(53)	42	1	4	48	-	-	-	-	-	48
2008	62	(62)	-	-	-	-	-	-	-	-	-	-
2009	129	0	129	(3)	13	139	-	-	-	-	-	139
2010	254	(1)	253	(14)	24	263	-	-	-	-	-	263
2011	380	8	388	(30)	33	391	-	-	-	-	-	391
2012	3,026	(4)	3,022	(303)	278	2,997	-	-	-	-	-	2,997
2013	824	-	824	(68)	77	833	-	-	-	-	-	833
2014	497	-	497	(17)	49	528	-	-	-	-	-	528
2015	2,535	205	2,740	(123)	265	2,882	-	-	-	-	-	2,882
2016	4,002	273	4,275	(220)	409	4,464	-	-	-	-	-	4,464
2017	6,594	685	7,279	(362)	701	7,618	-	-	-	-	-	7,618
2018	12,451	1,498	13,949	(642)	1,357	14,663	-	-	-	-	-	14,663
2019	21,283	3,696	24,979	(1,310)	2,420	26,090	-	-	-	-	-	26,090
2020	26,749	6,214	32,962	(1,959)	3,148	34,152	-	-	-	-	-	34,152
2021	39,356	11,916	51,272	(3,619)	4,652	52,305	-	-	-	-	-	52,305
2022	61,640	54,974	116,613	(13,283)	10,088	113,418	-	-	-	-	-	113,418
PAYs subtotal	179,936	79,227	259,163	(21,958)	23,519	260,723	-	-	-	-	-	260,723
CAY (2023)	102,807	70,658	173,466	(21,585)	14,827	166,708	-	-	-	(311)	(311)	166,397
FtAY (2024)	-	-	-	-	-	-	39,341	82,373	(43,032)	134,964	95,623	134,964
Total	282,743	149,885	432,628	(43,543)	38,346	427,431	39,341	82,373	(43,032)	134,653	95,312	562,085

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-3
Alberta Non-Grid RSP
Projected Policy Liabilities

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Alberta Non-Grid		Projected Balances as at Dec.31, 2022 (\$000s)										
Ending 2022		nominal values			actuarial present value adjustments (apvs)							
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	26	37	63	1	-	63	-	-	-	-	-	63
2005	75	(1)	74	1	-	75	-	-	-	-	-	75
2006	-	45	45	0	-	45	-	-	-	-	-	45
2007	213	53	266	(3)	27	290	-	-	-	-	-	290
2008	(43)	56	13	(0)	0	13	-	-	-	-	-	13
2009	146	(0)	146	(10)	11	147	-	-	-	-	-	147
2010	1,035	0	1,035	(85)	97	1,047	-	-	-	-	-	1,047
2011	65	(0)	65	(7)	6	64	-	-	-	-	-	64
2012	1,484	(0)	1,483	(173)	134	1,444	-	-	-	-	-	1,444
2013	2,143	(3)	2,140	(296)	189	2,033	-	-	-	-	-	2,033
2014	657	3	660	(108)	56	608	-	-	-	-	-	608
2015	3,971	(19)	3,952	(628)	331	3,655	-	-	-	-	-	3,655
2016	7,237	(223)	7,014	(974)	613	6,653	-	-	-	-	-	6,653
2017	7,812	741	8,552	(978)	773	8,348	-	-	-	-	-	8,348
2018	14,847	1,533	16,380	(1,661)	1,493	16,211	-	-	-	-	-	16,211
2019	19,425	4,472	23,897	(2,280)	2,186	23,803	-	-	-	-	-	23,803
2020	22,620	7,164	29,784	(3,079)	2,715	29,419	-	-	-	-	-	29,419
2021	29,127	16,314	45,440	(5,033)	3,758	44,165	-	-	-	-	-	44,165
PAYs subtotal	110,838	30,171	141,009	(15,314)	12,390	138,085	-	-	-	-	-	138,085
CAY (2022)	47,157	44,497	91,654	(10,844)	7,515	88,325	-	-	-	(218)	(218)	88,107
FtAY (2023)	-	-	-	-	-	-	49,779	74,890	(25,110)	105,866	56,087	105,866
Total	157,995	74,668	232,663	(26,157)	19,905	226,411	49,779	74,890	(25,110)	105,648	55,869	332,058

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-3
Alberta Non-Grid RSP
Projected Policy Liabilities

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Alberta Non-Grid		Projected Balances as at Dec.31, 2023 (\$000s)										
Ending 2023	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (UC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	26	37	63	4	-	67	-	-	-	-	-	67
2005	75	(1)	74	5	-	79	-	-	-	-	-	79
2006	-	45	45	3	-	48	-	-	-	-	-	48
2007	(53)	53	-	-	-	-	-	-	-	-	-	-
2008	(56)	56	-	-	-	-	-	-	-	-	-	-
2009	93	(0)	93	(2)	7	99	-	-	-	-	-	99
2010	741	0	741	(25)	73	790	-	-	-	-	-	790
2011	51	(0)	51	(3)	5	53	-	-	-	-	-	53
2012	1,196	(0)	1,196	(84)	114	1,226	-	-	-	-	-	1,226
2013	1,795	-	1,795	(167)	167	1,795	-	-	-	-	-	1,795
2014	570	-	570	(68)	51	552	-	-	-	-	-	552
2015	3,135	103	3,237	(371)	285	3,151	-	-	-	-	-	3,151
2016	4,890	(36)	4,854	(454)	446	4,846	-	-	-	-	-	4,846
2017	4,881	638	5,519	(374)	525	5,670	-	-	-	-	-	5,670
2018	8,989	651	9,640	(523)	925	10,042	-	-	-	-	-	10,042
2019	12,597	1,835	14,433	(692)	1,390	15,130	-	-	-	-	-	15,130
2020	17,894	2,557	20,451	(1,152)	1,962	21,261	-	-	-	-	-	21,261
2021	24,254	7,931	32,184	(2,063)	2,801	32,923	-	-	-	-	-	32,923
2022	35,841	27,851	63,691	(7,071)	5,266	61,886	-	-	-	-	-	61,886
PAYs subtotal	116,920	41,719	158,638	(13,040)	14,018	159,616	-	-	-	-	-	159,616
CAY (2023)	57,978	40,391	98,369	(11,638)	8,066	94,797	-	-	-	(178)	(178)	94,619
FtAY (2024)	-	-	-	-	-	-	66,484	94,818	(28,334)	123,140	56,656	123,140
Total	174,898	82,110	257,008	(24,678)	22,083	254,413	66,484	94,818	(28,334)	122,962	56,478	377,375

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-4
New Brunswick RSP
Projected Policy Liabilities

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New Brunswick												
Projected Balances as at Dec.31, 2022 (\$000s)												
Ending 2022	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2006	-	0	0	-	-	0	-	-	-	-	-	0
2007	-	0	0	-	-	0	-	-	-	-	-	0
2008	47	0	47	(0)	5	52	-	-	-	-	-	52
2009	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2010	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2011	533	0	533	(32)	59	560	-	-	-	-	-	560
2012	107	(6)	102	(3)	9	108	-	-	-	-	-	108
2013	654	(17)	637	(17)	73	692	-	-	-	-	-	692
2014	365	46	411	(15)	44	440	-	-	-	-	-	440
2015	519	(29)	490	(28)	53	516	-	-	-	-	-	516
2016	859	35	894	(63)	96	928	-	-	-	-	-	928
2017	2,012	362	2,374	(216)	251	2,409	-	-	-	-	-	2,409
2018	2,502	437	2,939	(313)	303	2,929	-	-	-	-	-	2,929
2019	3,494	1,272	4,767	(585)	487	4,669	-	-	-	-	-	4,669
2020	2,117	1,586	3,703	(518)	364	3,549	-	-	-	-	-	3,549
2021	3,279	2,628	5,906	(888)	556	5,574	-	-	-	-	-	5,574
PAYs subtotal	16,489	6,314	22,803	(2,678)	2,301	22,426	-	-	-	-	-	22,426
CAY (2022)	2,890	5,088	7,977	(1,257)	745	7,465	-	-	-	(1)	(1)	7,464
FtAY (2023)	-	-	-	-	-	-	6,089	8,945	(2,856)	10,833	4,744	10,833
Total	19,379	11,402	30,781	(3,936)	3,045	29,890	6,089	8,945	(2,856)	10,832	4,743	40,723

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-4
New Brunswick RSP
Projected Policy Liabilities

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New Brunswick		Projected Balances as at Dec.31, 2023 (\$000s)										
Ending 2023	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2006	-	0	0	-	-	0	-	-	-	-	-	0
2007	-	0	0	0	-	0	-	-	-	-	-	0
2008	(0)	0	-	-	-	-	-	-	-	-	-	-
2009	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2010	-	(0)	(0)	-	-	(0)	-	-	-	-	-	(0)
2011	320	-	320	(3)	37	354	-	-	-	-	-	354
2012	25	(9)	16	0	1	18	-	-	-	-	-	18
2013	86	1	87	2	10	99	-	-	-	-	-	99
2014	182	(72)	110	2	13	124	-	-	-	-	-	124
2015	240	(2)	239	(2)	27	265	-	-	-	-	-	265
2016	589	(15)	574	(13)	65	626	-	-	-	-	-	626
2017	1,895	(189)	1,706	(74)	190	1,822	-	-	-	-	-	1,822
2018	2,073	144	2,217	(132)	241	2,325	-	-	-	-	-	2,325
2019	3,105	595	3,700	(284)	398	3,814	-	-	-	-	-	3,814
2020	2,091	986	3,077	(291)	318	3,104	-	-	-	-	-	3,104
2021	3,140	1,671	4,810	(509)	477	4,778	-	-	-	-	-	4,778
2022	2,527	3,541	6,069	(893)	573	5,749	-	-	-	-	-	5,749
PAYs subtotal	16,274	6,651	22,925	(2,197)	2,351	23,079	-	-	-	-	-	23,079
CAY (2023)	4,193	5,278	9,471	(1,493)	884	8,863	-	-	-	(1)	(1)	8,862
FLAY (2024)	-	-	-	-	-	-	10,011	13,878	(3,867)	16,163	6,152	16,163
Total	20,467	11,929	32,396	(3,689)	3,235	31,941	10,011	13,878	(3,867)	16,162	6,151	48,103

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-5
Nova Scotia RSP
Projected Policy Liabilities

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Nova Scotia		Projected Balances as at Dec.31, 2022 (\$000s)										
Ending 2022	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	41	-	41	(0)	4	45	-	-	-	-	-	45
2010	-	0	0	-	-	0	-	-	-	-	-	0
2011	-	0	0	-	-	0	-	-	-	-	-	0
2012	4	-	4	(0)	0	4	-	-	-	-	-	4
2013	1,090	(1)	1,088	(17)	99	1,171	-	-	-	-	-	1,171
2014	791	(0)	790	(15)	72	847	-	-	-	-	-	847
2015	1,143	4	1,147	(65)	95	1,178	-	-	-	-	-	1,178
2016	1,863	(12)	1,851	(118)	156	1,890	-	-	-	-	-	1,890
2017	3,404	114	3,519	(269)	294	3,544	-	-	-	-	-	3,544
2018	3,793	674	4,467	(385)	374	4,456	-	-	-	-	-	4,456
2019	5,506	1,105	6,612	(639)	544	6,517	-	-	-	-	-	6,517
2020	5,225	3,448	8,674	(969)	701	8,406	-	-	-	-	-	8,406
2021	5,620	11,420	17,040	(2,217)	1,343	16,165	-	-	-	-	-	16,165
PAYs subtotal	28,480	16,753	45,232	(4,694)	3,684	44,222	-	-	-	-	-	44,222
CAY (2022)	5,657	9,085	14,742	(2,027)	1,152	13,867	-	-	-	(6)	(6)	13,861
FtAY (2023)	-	-	-	-	-	-	7,613	11,893	(4,281)	12,505	4,892	12,505
Total	34,137	25,838	59,975	(6,721)	4,836	58,089	7,613	11,893	(4,281)	12,499	4,886	70,588

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-5
Nova Scotia RSP
Projected Policy Liabilities

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Nova Scotia												
Projected Balances as at Dec.31, 2023 (\$000s)												
Ending 2023	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	0	0	-	-	0	-	-	-	-	-	0
2011	-	0	0	-	-	0	-	-	-	-	-	0
2012	0	-	0	0	0	0	-	-	-	-	-	0
2013	(0)	-	(0)	(0)	(0)	(0)	-	-	-	-	-	(0)
2014	101	0	101	3	10	114	-	-	-	-	-	114
2015	467	(50)	417	(3)	37	451	-	-	-	-	-	451
2016	1,194	3	1,197	(17)	106	1,286	-	-	-	-	-	1,286
2017	2,217	30	2,246	(63)	198	2,381	-	-	-	-	-	2,381
2018	3,051	57	3,108	(119)	274	3,263	-	-	-	-	-	3,263
2019	4,229	240	4,469	(220)	387	4,636	-	-	-	-	-	4,636
2020	5,475	1,081	6,556	(427)	558	6,687	-	-	-	-	-	6,687
2021	7,612	6,099	13,711	(1,158)	1,137	13,690	-	-	-	-	-	13,690
2022	5,791	6,020	11,811	(1,408)	942	11,345	-	-	-	-	-	11,345
PAYs subtotal	30,137	13,479	43,616	(3,412)	3,649	43,852	-	-	-	-	-	43,852
CAY (2023)	8,226	8,197	16,423	(2,258)	1,283	15,447	-	-	-	(7)	(7)	15,440
PLAY (2024)	-	-	-	-	-	-	9,815	14,892	(5,077)	18,062	8,247	18,062
Total	38,362	21,676	60,039	(5,671)	4,932	59,300	9,815	14,892	(5,077)	18,055	8,240	77,355

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-6

Newfoundland and Labrador RSP

Projected Policy Liabilities

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Newfoundland & Labrador												
Projected Balances as at Dec.31, 2022 (\$000s)												
Ending 2022	nominal values			actuarial present value adjustments (apvs)								
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	4	16	20	(2)	2	20	-	-	-	-	-	20
2021	824	602	1,426	(147)	147	1,426	-	-	-	-	-	1,426
PAYs subtotal	828	618	1,446	(149)	149	1,446	-	-	-	-	-	1,446
CAY (2022)	1,604	2,062	3,666	(405)	374	3,635	-	-	-	(1)	(1)	3,634
FtAY (2023)	-	-	-	-	-	-	1,199	1,774	(576)	2,476	1,277	2,476
Total	2,432	2,680	5,112	(554)	523	5,082	1,199	1,774	(576)	2,475	1,276	7,556

Calendar Year 2023 RSP Outlook
Risk Sharing Pools (RSPs)
Based on October 2022 Operational Reports

Exhibit C-6

Newfoundland and Labrador RSP

Projected Policy Liabilities

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Newfoundland & Labrador		Projected Balances as at Dec.31, 2023 (\$000s)										
Ending 2023		nominal values			actuarial present value adjustments (apvs)							
Accident Year	Case	IBNR	Total Unpaid	Discount Amount	Risk Adjustment	Liability for Incurred Claims (LIC)	Loss Component	Undiscounted Loss Component	Discount Amount	Liability for Remaining Coverage (LRC)	PAA excluding Loss Component	Total Insurance Contract Liabilities
prior	-	-	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-	-	-	-	979
2009	-	-	-	-	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	16	(3)	13	(1)	1	14	-	-	-	-	-	14
2021	815	115	930	(52)	101	979	-	-	-	-	-	979
2022	1,068	1,417	2,485	(264)	255	2,476	-	-	-	-	-	2,476
PAYs subtotal	1,899	1,529	3,428	(317)	357	3,468	-	-	-	-	-	3,468
CAY (2023)	1,251	1,198	2,450	(271)	250	2,429	-	-	-	(1)	(1)	2,428
FtAY (2024)	-	-	-	-	-	-	1,385	1,898	(512)	2,403	1,018	2,403
Total	3,150	2,727	5,877	(587)	607	5,897	1,385	1,898	(512)	2,402	1,017	8,300

Exhibit D

PAYS' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 1 of 6

RSP ON

RSP Ontario Nominal Unpaid (\$ millions)			
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
Cal Yr			
<u>actuals</u>			
2017	838.7	(47.7)	(5.7%)
2018	904.8	(27.7)	(3.1%)
2019	958.6	(78.9)	(8.2%)
2020	947.5	(120.2)	(12.7%)
2021	877.8	(25.9)	(3.0%)
<u>projections</u>			
2022	874.4	(84.3)	(9.6%)
2023	947.3	-	-

PAYs' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 2 of 6

RSP AB Grid

	RSP Alberta Grid Nominal Unpaid (\$ millions)		
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
Cal Yr <u>actuals</u>			
2017	281.5	21.0	7.5%
2018	307.0	0.6	0.2%
2019	320.6	(29.2)	(9.1%)
2020	323.1	(14.9)	(4.6%)
2021	315.7	(25.6)	(8.1%)
<u>projections</u>			
2022	306.8	(34.5)	(11.2%)
2023	361.7	-	-

PAYs' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 3 of 6

RSP AB Non-Grid

RSP Alberta Non-Grid Nominal Unpaid (\$ millions)			
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
Cal Yr <u>actuals</u>			
2017	169.4	6.9	4.1%
2018	181.4	(14.5)	(8.0%)
2019	185.8	(24.1)	(13.0%)
2020	191.3	(5.3)	(2.7%)
2021	193.3	(15.6)	(8.0%)
<u>projections</u>			
2022	201.3	(4.7)	(2.3%)
2023	232.7	-	-

PAYs' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 4 of 6

RSP NB

	RSP New Brunswick Nominal Unpaid (\$ millions)		
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
Cal Yr			
<u>actuals</u>			
2017	18.0	(0.3)	(1.9%)
2018	18.5	0.6	3.3%
2019	19.5	0.4	2.2%
2020	21.2	1.0	4.7%
2021	24.5	(1.4)	(5.5%)
<u>projections</u>			
2022	27.4	(0.4)	(1.5%)
2023	30.8	-	-

PAYs' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 5 of 6

RSP NS

	RSP Nova Scotia Nominal Unpaid (\$ millions)		
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
Cal Yr <u>actuals</u>			
2017	32.7	(2.1)	(6.5%)
2018	35.5	0.2	0.5%
2019	45.0	0.1	0.2%
2020	53.9	(5.2)	(9.6%)
2021	61.6	(9.7)	(15.8%)
<u>projections</u>			
2022	63.4	(7.5)	(11.8%)
2023	60.0	-	-

PAYs' Ultimate Changes vs Beginning Liabilities (undiscounted nominal) page 6 of 6

RSP NL

RSP Newfoundland & Labrador Nominal Unpaid (\$ millions)			
	Beginning Nominal Unpaid	Change in PAY Ultimate	% of Beginning Unpaid
	[1]	[2]	[2] / [1]
<u>Cal Yr actuals</u>			
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021	0.0	(0.0)	(0.9%)
<u>projections</u>			
2022	2.7	(0.8)	(31.2%)
2023	5.1	-	-