

A modern office interior with large glass walls and a high ceiling. In the foreground, a person in a white shirt and dark pants is walking past the camera. In the background, two people are seated at a wooden table, working on laptops. The office has a clean, minimalist design with exposed ceiling infrastructure and track lighting.

# RSP Financial Insights October 2024 Fiscal Year End Results

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As expected	
Moderately different than expected	
Significantly different than expected	

# RSP Headlines

**2024 Fiscal Year End RSP Operating Deficit: \$930.9 million**

**2024 Fiscal Year End RSP Operating COR: 216.2% (see slide 5)**

**Full Year Alberta Hailstorm CAT Impact: \$80.0 million**

**Alberta Hailstorm Incurred Losses to Date: \$72.3 million (see slide 25)**

**2025 Preliminary CY Outlook Operating Deficit: \$827.4 million**

**2025 Preliminary CY Outlook Operating COR: 195.2% (see slide 12)**

## Financial Highlights

- **The written premium in fiscal year 2024 was \$1.3 billion for the combined 6 RSPs** which represents a 20% increase compared to prior year. Count volumes significantly increased in Ontario and Alberta Non-Grid, this is partially offset by a reduction in Alberta Grid counts following changes to the Grid rating algorithm. Overall, the average written premium is 12% higher compared to prior year, and 18% higher compared to Outlook.
  - The **fiscal year 2024 COR is 216.2%** which represents a 30 percentage point deterioration compared to prior year and 29 percentage point deterioration compared to Outlook. The deterioration is primarily driven by a decline in yields of approximately 183 basis points, significant losses incurred from the Alberta hailstorm (\$80 million total full year impact), and adverse prior year development in both Ontario and Alberta bodily injury claims.
- The implementation of the **2024 Q3 Valuation, Updated Premium Projections, and development in the Alberta hailstorm losses** together generated approximately **\$59.7 million unfavourable** impact for the month of October, increasing the year to date COR by 8.9%. The key changes include:
  - \$17.2 million unfavorable impact from the **2024 Q3 Valuation** primarily driven by a decline in yields of 87 basis points and continued adverse prior year development on bodily injury claims in Ontario and Alberta. In addition, \$15 million CAT adjustment was made this month relating to losses incurred from the Alberta hailstorm during the month of October that are not reflected in the Q3 valuation loss ratios.
  - \$42.5 million unfavorable impact on the liability for remaining coverage purely driven by updates to premium projections from the FA membership. Members are expecting to cede higher premium volumes to the pools for the remainder of 2024 and the full year 2025.

# RSP 2024 Year in Review

Risk Sharing Pools (RSPs) continue to be a vital tool for managing high-risk and unprofitable segments of the Canadian private passenger automobile insurance market. In Fiscal Year 2024 (November 1, 2023, to October 31, 2024), P&C insurers transferred over \$1.3 billion of premium from over 465,000 vehicles (2023: \$1.08 billion; 433,000 vehicles) to the RSPs managed by Facility Association, a record amount, which speaks to the challenges insurers continue to face in the market.

In Ontario, vehicle theft continues to be a significant issue which insurers continue to manage using the RSP. There are signs the industry is addressing this through both risk mitigation and rate, which we illustrate on pages 22-23 of this presentation. However, we continue to see inflationary pressure on the costs associated with bodily injury liability claims.

Bodily injury claims are also an issue in Alberta where we continue to see higher costs in settling these claims. At the same time, inflation on vehicle repair and replacement costs, and natural disasters such as the August 5<sup>th</sup> Calgary hailstorm, continue to increase costs in the province during a period of restriction on automobile insurance rate increases. More members are beginning to turn to the Non-Grid Risk Sharing pool in Alberta to mitigate this pressure on profitability by sharing these losses with the industry, but this can only be part of the solution. We have seen a 25% increase in the premium transferred to the Non-Grid RSP in fiscal year 2024, and our members are projecting a further increase of 15% in 2025.

Facilitating safe, secure and accurate risk sharing mechanisms to provide stability to the auto insurance market will always be the core goal of the RSPs. An important secondary goal is to provide insights and projections to our members to allow them to optimize their use of the pools, understand their financial commitment to the pools, and manage their capital accordingly. This presentation includes valuable exhibits which can help users understand the future loss ratios and liabilities projected for the RSPs, as well as focus areas which offer deeper understanding of some of the material emerging issues such as vehicle theft and bodily injury claims cost inflation.

To further support this goal, we will be publishing our 2025 Calendar Year Outlook in December, which will offer a more comprehensive view of the 2025 results of the RSP. As well, be sure to visit our website at [www.facilityassociation.com](http://www.facilityassociation.com) to view our latest bulletins and FAQs/user guides.

# RSP YTD Operating Results

***Increase in operating deficit compared to both PY and Outlook, driven primarily by higher than projected premium volumes, Claims Incurred and a decline in yields.***

FISCAL YEAR (\$000s)	Actual YTD 12 mths to Oct 2024	Actual YTD 12 mths to Oct 2023	Outlook YTD 12 mths to Oct 2024	Change (PY)		Change (Outlook)	
				\$	%	\$	%
Premium written	1,303,415	1,084,678	1,138,412	218,738	20%	165,004	14%
<b>Premium Earned</b>	<b>1,203,460</b>	<b>1,045,570</b>	<b>1,094,182</b>	<b>157,890</b>	<b>15%</b>	<b>109,278</b>	<b>10%</b>
Earned Expense Allowance	(402,296)	(323,432)	(365,406)	(78,864)	24%	(36,890)	10%
<b>INSURANCE REVENUE</b>	<b>801,164</b>	<b>722,138</b>	<b>728,776</b>	<b>79,026</b>	<b>11%</b>	<b>72,388</b>	<b>10%</b>
Claims incurred	1,322,843	1,100,919	1,195,710	221,924	20%	127,133	11%
Change in loss component	78,750	161,871	59,186	(83,120)	(51%)	19,565	33%
Adjustment to liabilities for incurred claims	4,277	419	(41,405)	3,858	921%	45,683	(110%)
Administration expenses	8,776	7,878	9,780	898	11%	(1,004)	(10%)
<b>INSURANCE SERVICE EXPENSES</b>	<b>1,414,647</b>	<b>1,271,087</b>	<b>1,223,271</b>	<b>143,561</b>	<b>11%</b>	<b>191,377</b>	<b>16%</b>
<b>INSURANCE SERVICE RESULTS</b>	<b>(613,483)</b>	<b>(548,949)</b>	<b>(494,495)</b>	<b>(64,535)</b>	<b>12%</b>	<b>(118,989)</b>	<b>24%</b>
Net finance income/expense from insurance	(317,378)	(73,524)	(140,728)	(243,854)	332%	(176,651)	126%
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(930,862)</b>	<b>(622,473)</b>	<b>(635,222)</b>	<b>(308,389)</b>	<b>50%</b>	<b>(295,639)</b>	<b>47%</b>
<b>KEY PERFORMANCE METRICS</b>							
<b>Growth Indicators</b>							
Vehicle Counts	465,358	432,503	478,373	32,855	8%	(13,014)	(3%)
Average Premium	2,801	2,508	2,380	293	12%	421	18%
<b>Profitability Metrics</b>							
Admin Expense Ratio	1.1%	1.1%	1.3%	-	0.0%	-	(0.2%)
Claims Ratio	165.6%	152.5%	158.4%	-	13.1%	-	7.3%
Onerous Contract Ratio	9.8%	22.4%	8.1%	-	(12.6%)	-	1.7%
Insurance Service Result Ratio	176.6%	176.0%	167.9%	-	0.6%	-	8.7%
Net IFIE Ratio	39.6%	10.2%	19.3%	-	29.4%	-	20.3%
Operating Result (Combined Ratio)	216.2%	186.2%	187.2%	-	30.0%	-	29.0%

## Key Messages:

- Increase in revenue compared to prior year and Outlook primarily driven by the higher count volumes and average premium in Ontario.
- Adjustment to liabilities for incurred claims is unfavourable due to adverse PY development in Ontario and Alberta bodily injury claims.
- Significant losses incurred from the Alberta hailstorm increasing claims incurred (\$80m full accident year impact).
- Change in loss component is favourable due to a reduction in LR projections for 2024 and 2025 Ontario comprehensive claims, resulting from rate and theft reduction initiatives.
- Increase in insurance finance expense compared to prior year and Outlook projection due to more discount unwinding (larger liabilities during the year than the prior year, therefore more unwinding) as well as a decrease in yields of approximately of 183 basis points when compared to prior year.



# RSP Premium Drivers

## Fiscal Year

Written Premium (\$ 000s)	Actual	Prior Year	Outlook	Change			
Jurisdiction				Actual / PY		Actual / Outlook	
				#	%	#	%
Ontario	707,445	549,152	530,197	158,292	29%	177,247	33%
Alberta Grid	298,375	304,001	342,370	(5,626)	-2%	(43,995)	-13%
Alberta Non-Grid	242,182	194,513	202,817	47,669	25%	39,365	19%
New Brunswick	20,343	16,840	22,964	3,502	21%	(2,621)	-11%
Nova Scotia	27,700	16,791	28,589	10,909	65%	(889)	-3%
Newfoundland & Labrador	7,370	3,379	11,473	3,991	118%	(4,103)	-36%
<b>Total</b>	<b>1,303,415</b>	<b>1,084,678</b>	<b>1,138,412</b>	<b>218,738</b>	<b>20%</b>	<b>165,004</b>	<b>14%</b>

## Fiscal Year

Written Vehicle Count	Actual	Prior Year	Outlook	Change			
Jurisdiction				Actual / PY		Actual / Outlook	
				#	%	#	%
Ontario	224,333	201,174	212,993	23,158	12%	11,340	5%
Alberta Grid	98,793	112,239	124,742	(13,446)	-12%	(25,949)	-21%
Alberta Non-Grid	111,468	94,739	104,210	16,729	18%	7,258	7%
New Brunswick	11,921	11,104	14,084	817	7%	(2,163)	-15%
Nova Scotia	14,751	10,659	17,031	4,092	38%	(2,280)	-13%
Newfoundland & Labrador	4,092	2,587	5,312	1,505	58%	(1,220)	-23%
<b>Total</b>	<b>465,358</b>	<b>432,503</b>	<b>478,373</b>	<b>32,855</b>	<b>8%</b>	<b>(13,014)</b>	<b>-3%</b>

## Fiscal Year

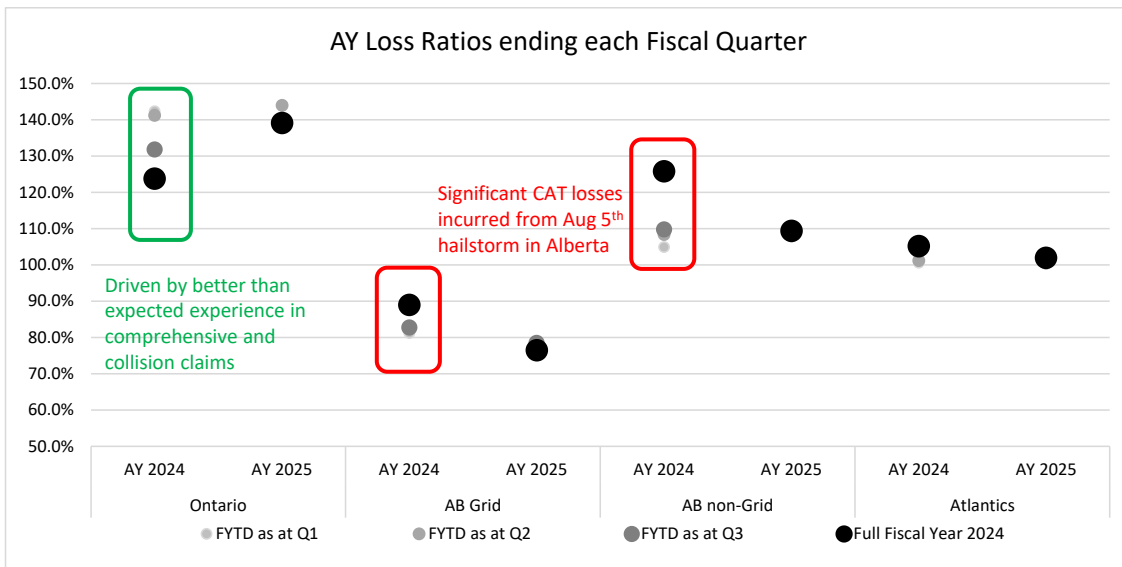
Average Written Premium	Actual	Prior Year	Outlook	Change			
Jurisdiction				Actual / PY		Actual / Outlook	
				#	%	#	%
Ontario	3,154	2,730	2,489	424	16%	664	27%
Alberta Grid	3,020	2,709	2,745	312	12%	276	10%
Alberta Non-Grid	2,173	2,053	1,946	120	6%	226	12%
New Brunswick	1,706	1,517	1,630	190	13%	76	5%
Nova Scotia	1,878	1,575	1,679	303	19%	199	12%
Newfoundland & Labrador	1,801	1,306	2,160	495	38%	(359)	-17%
<b>Total</b>	<b>2,801</b>	<b>2,508</b>	<b>2,380</b>	<b>293</b>	<b>12%</b>	<b>421</b>	<b>18%</b>

### Key Messages:

- The written premiums for fiscal year 2024 is \$1.3bn, or 20% increase compared to prior year and 14% increase compared to Outlook.
- There was significant volume growth in the Ontario pool for fiscal year 2024 driven by both an increase in vehicle counts and average rate. Overall average written premium is up 12% compared to PY, driven by both rate increases and changes in the mix of business ceded to the RSP, with more Ontario high-premium vehicles being transferred. Even despite the rate increases, vehicle count has also seen considerable growth in Ontario as compared to both PY and Outlook.
- Alberta Grid count volumes decreased significantly in 2024 following the increase to the Grid base premium of +12% effective May 1 2024, as well as additional changes to the Grid step rating differentials. As a result of this, we see a significant decrease in the number of vehicles ceded to the Grid RSP since there are fewer eligible Grid-rated vehicles in Alberta. This is offset by higher average premium. The reduction in the Grid volumes is offset by an increase in the Non-Grid pool. *See Focus Area #2 for more detail.*

# RSP Loss Ratios & Combined Operating Ratios

Key financial indicators (\$000s)	FYTD as at Q1	FYTD as at Q2	FYTD as at Q3	Full Fiscal Year 2024
Written Premium	310,739	616,922	907,330	1,303,415
Insurance Revenue	194,335	388,219	594,243	801,164
CAY Loss Ratio	159.8%	166.6%	167.4%	165.1%
PAY Loss Ratio	(0.3%)	(0.9%)	(0.4%)	0.5%
Onerous Contract Ratio	340.0%	119.9%	39.3%	9.8%
Earned Expense Allowance Ratio	32.1%	33.0%	33.3%	33.4%
Admin Expense Ratio	1.5%	1.3%	1.1%	1.1%
Insurance Service Result Ratio	501.1%	286.8%	207.4%	176.6%
IFIE Ratio	19.1%	47.6%	34.7%	39.6%
COR	520.2%	334.4%	242.0%	216.2%
Operating Result	(816,620)	(909,960)	(844,115)	(930,861)



## Fiscal Year to Date Q1

- Initial recognition of entire future accident year loss component generates a significant operating deficit in January 2024. Onerous contract ratio expected to decrease throughout the year as the losses carried in the CAY loss component unwinds into losses in the LIC
- IFIE ratio of 19.1% driven by unwinding of discount on the liabilities during the quarter. No change assumed in yields

## Fiscal Year to Date Q2

- Yields declined on average 108 bps generating \$103.9 million insurance finance expense increasing IFIE ratio to 47.6%
- Growth in AY 2024 losses drive up CAY loss ratio due to higher loss cost trends primarily in physical damage lines

## Fiscal Year to Date Q3

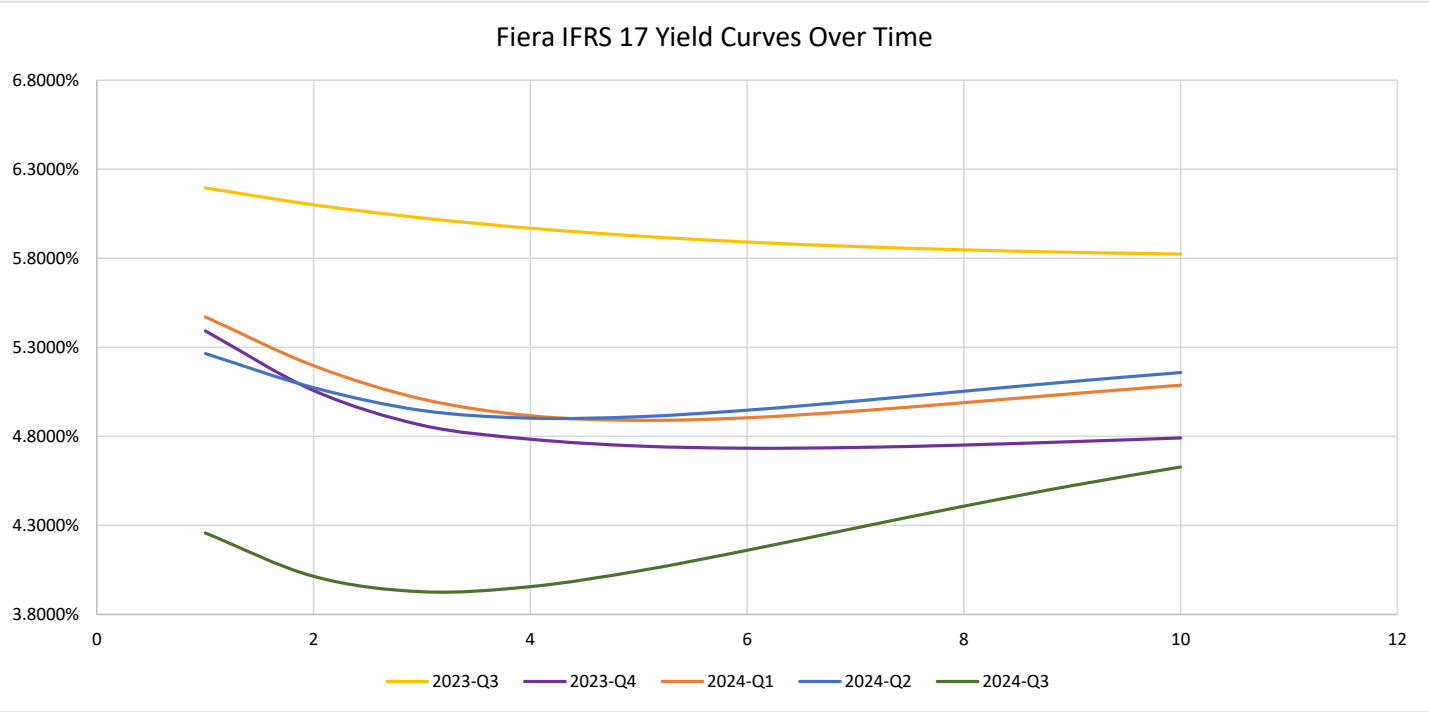
- Yields slightly increased on average 16 bps generating \$13.2 million insurance finance income reducing the IFIE ratio to 34.7%
- Stable loss ratios compared to FYTD Q2

## Fiscal Year to Date Q4

- Yields declined on average 91 bps generating \$78.9 million insurance finance expense increasing IFIE ratio to 39.6%
- CAY loss ratio decreased from 167.4% to 165.1% primarily driven by better than expected experience in Ontario comprehensive and collision claims, partially offset by Alberta hailstorm event
- PAY loss ratio increased to 0.5% driven by continued deterioration in development of Alberta bodily injury claims
- Annual refresh of risk adjustment factors decreased the total weighted risk adjustment compared to prior fiscal quarter by 0.23%

# RSP Discount Rates and Yield Curve Over Time

*Yields have been more volatile since 2022 due to inflation shock. Yields fell significantly in 2024 Q3 which generated an unfavourable impact on liabilities.*



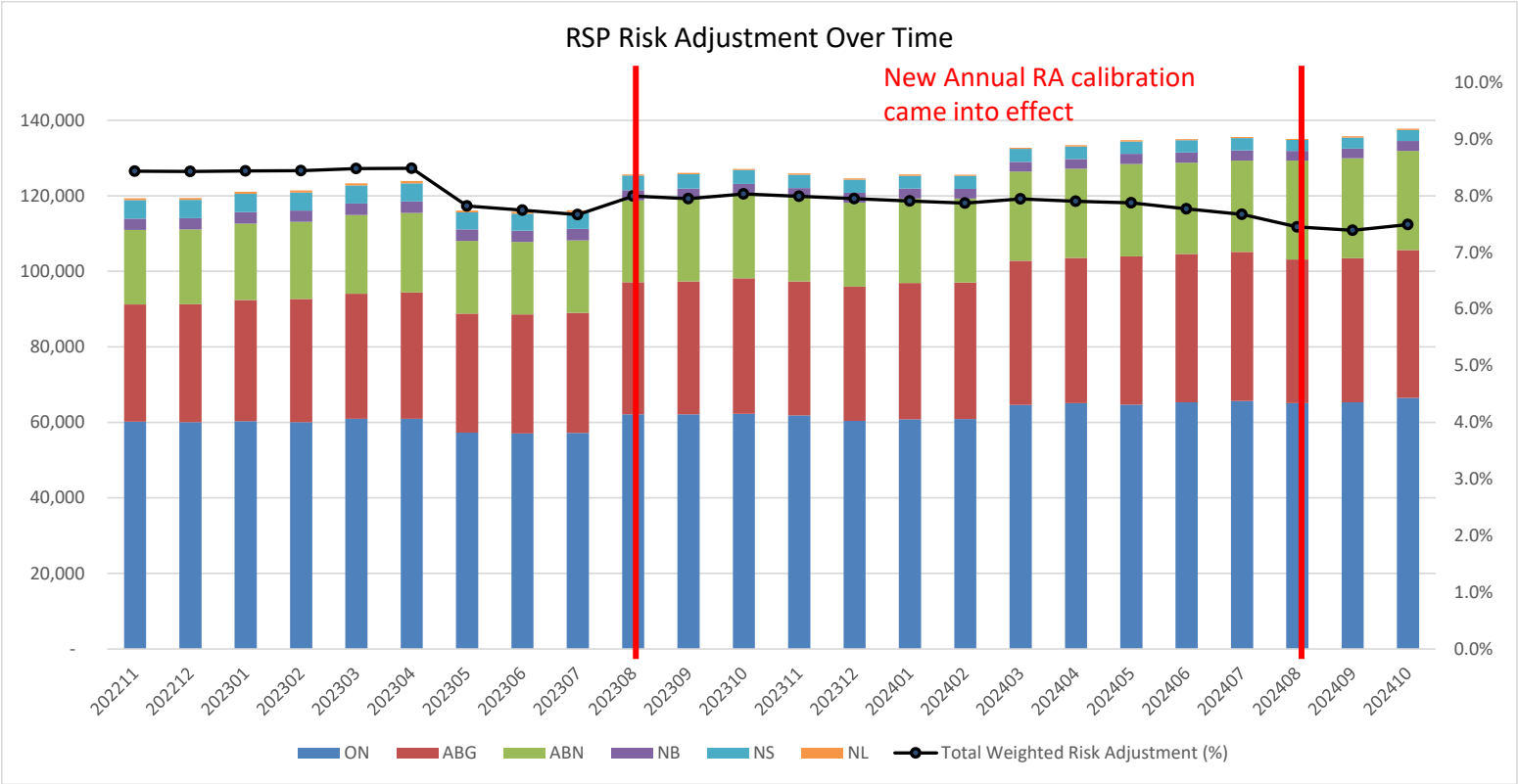
- Key Messages:**
- Table shows the impact of yield curve movements on the RSP liabilities for the most recent implementations.
  - Yields began to decline in late 2023 and continue into 2024, with a slight increase from Q4 to Q1. However, Q3 2024 shows a sharp downward shift in the yield curve, of approximately 87 basis points.
  - The decline in yields generated approximately \$78.6 million loss on the October results which are part of the Insurance Finance Expense presented in the RSP operational reports.

	2023-Q3	2023-Q4	2024-Q1	2024-Q2	2024-Q3
Average RSP discount rate	5.98%	4.90%	5.06%	5.02%	4.15%
Change from prior	0.53%	-1.08%	0.16%	-0.04%	-0.87%
Yield Impact LIC	19,935	(41,106)	5,358	2,818	(42,328)
Yield Impact PV FCF	18,508	(37,999)	4,864	2,667	(39,413)
Yield Impact Risk Adjustment	1,427	(3,107)	494	150	(2,915)
Yield Impact Loss Component	17,350	(62,855)	7,925	(3,085)	(36,285)
Total Yield Impact	37,285	(103,961)	13,283	(267)	(78,613)



# RSP Risk Adjustment Over Time

***The total weighted risk adjustment is 7.5% as at October 2024, versus 8.0% as at October 2023 and versus 7.3% projected in Outlook.***



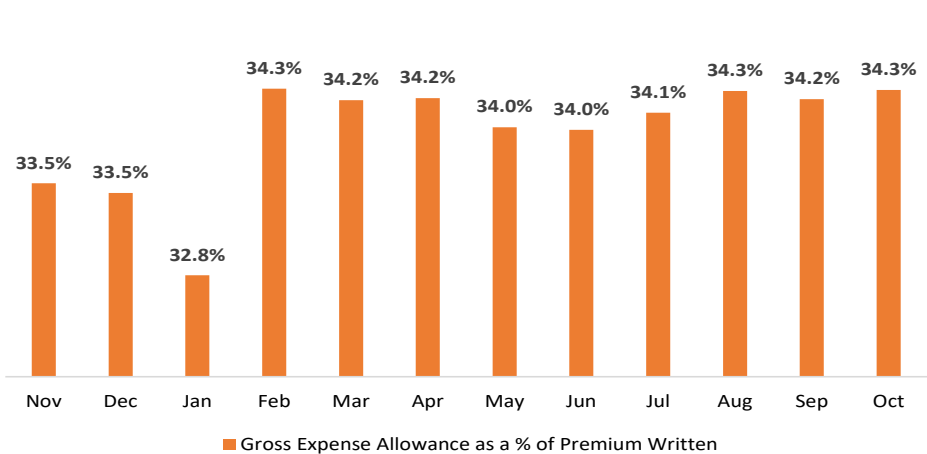
## Key Messages:

- Risk adjustment is calibrated annually at the coverage level and fluctuates throughout the year based on the mix of claim liabilities by coverage.
- Calibration uses cost of capital approach; factors at the time of calibration are carried forward until the next calibration.
- The latest calibration was implemented in August 2024 results.
- The next calibration will be implemented in August 2025 results.

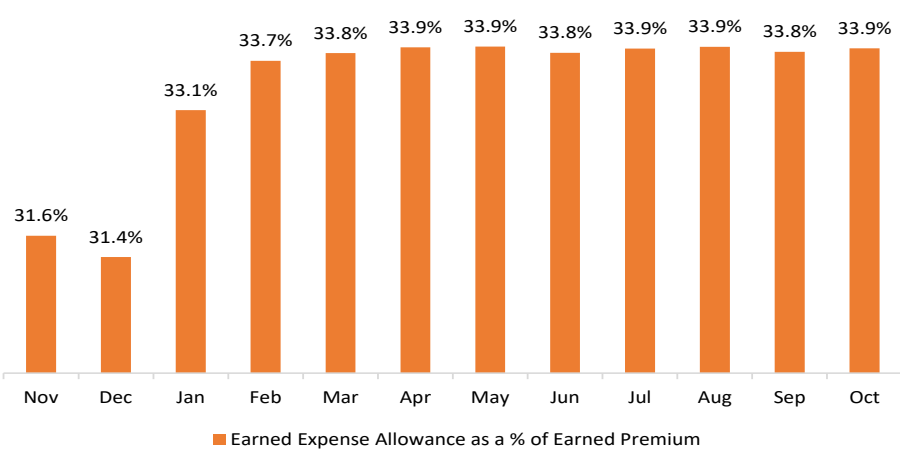
# RSP Expenses

*Low expense ratio averaging 1.1% driven by low operating expenses*

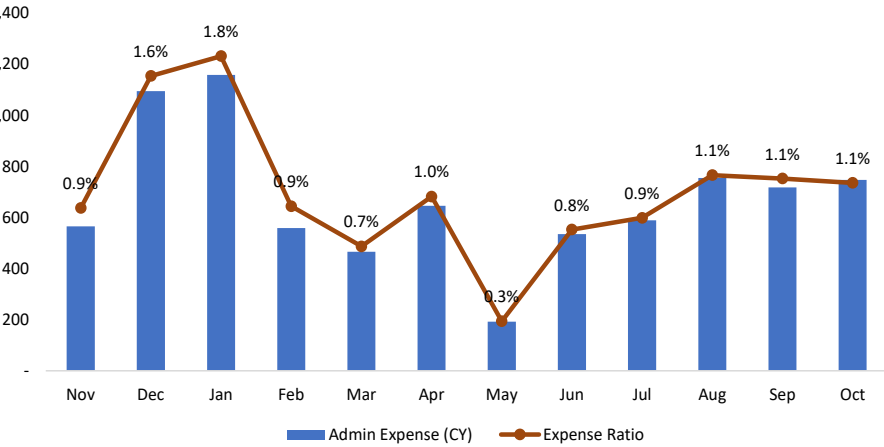
Gross Expense Allowance



Earned Expense allowance



Admin Expense



Impact on Expense Ratio	Actual	Outlook	Variance (\$)	Variance (%)
Written Premium	1,303,415	1,138,412	165,004	14.5%
Earned Premium	1,203,460	1,094,182	109,278	10.0%
Insurance Revenue	801,164	728,776	72,388	9.9%
Total FACO Expenditure	21,434	21,090	344	1.6%
Administrative Expense allocated to Mechanism	9,518	9,780	-262	-2.7%
% Allocatted to RSP	44.4%	46.4%		
Interest Income (Offsets admin expenses)	-745	0	-745	100.0%
Gross Administration Expense Ratio	1.2%	1.3%		
Net Impact to Industry	1.1%	1.3%		

Key Messages:

- Gross Expense Allowance Ratio (also called Expense Factor) calculated as Gross Expense Allowance divided by Premium Written is trending at 34% which is below the approved 2024 maximum of 34.4% - 40.2% for all members across all RSP pools.
- Earned Expense Allowance Ratio calculated as Earned Expense Allowance divided by Earned Premium is trending at 33% across the RSP pools and is in line with the change in Premium.
- The Admin Expense Ratio is calculated as Admin Expense (net of Interest Income) divided by Insurance Revenue, and has been stable and low, trending at an average of 1.1%. The decrease in May is due to reclassification of cost to other Mechanisms.

# RSP Financial Position

***Increase in liabilities driven by volume growth combined with higher loss ratios. Amounts due from members represents the future obligations of members for these liabilities.***

RISK SHARING POOLS - IFRS 17		Change	
(\$000s)	October 31, 2024    October 31, 2023	(\$)	(%)
<b>Assets</b>			
Cash in bank	4,025                      1,576	2,448	155%
Prepaid expense allowance	50,493                      39,894	10,599	27%
Accounts receivable from members	45,148                      38,557	6,591	17%
Amounts due from members	3,169,872                      2,624,757	545,114	21%
<b>Total Assets</b>	<b>3,269,537                      2,704,784</b>	<b>564,753</b>	<b>21%</b>
<b>Liabilities</b>			
Liability for remaining coverage	1,096,330                      837,203	259,127	31%
Liability for incurred claims	1,976,689                      1,709,006	267,683	16%
Premium received	147,332                      118,429	28,903	24%
Accounts payable to members	46,371                      37,333	9,039	24%
Payable to FARM & other pools	2,814                      2,813	1	0%
Other accounts payable	1                      1	0	13%
<b>Total Liabilities</b>	<b>3,269,537                      2,704,784</b>	<b>564,753</b>	<b>21%</b>

## Key Messages:

- The LIC has grown due to volume growth and LR trend for the combined RSPs, so we continue to increase IBNR and case reserves at a faster rate than claims are paid.
- The LRC has increased due to recognition of the loss component for accident year 2025 which has higher projected premium volumes.
- Discounting benefit has decreased due to shift in claims payment pattern and decrease in yields since October 2023.

# RSP Preliminary Calendar Year 2025 Outlook

Calendar Year-End 2025 Proj. (\$000s)							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Written Premium	733,265	235,194	278,353	31,520	43,826	33,426	1,355,583
Received Premium	731,965	238,180	281,711	31,154	42,737	32,665	1,358,411
Earned Premium	707,562	261,337	272,209	26,220	35,473	23,235	1,326,036
Earned Expense Allowance	(232,921)	(94,221)	(98,505)	(10,445)	(12,848)	(8,226)	(457,167)
<b>Insurance Revenue</b>	<b>474,641</b>	<b>167,116</b>	<b>173,704</b>	<b>15,775</b>	<b>22,625</b>	<b>15,009</b>	<b>868,870</b>
Total Claims Incurred	927,816	179,808	279,506	23,693	34,913	22,861	1,468,598
<i>Claims incurred (CAY)</i>	948,745	192,138	288,560	24,556	35,857	23,012	1,512,869
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(20,929)	(12,330)	(9,054)	(863)	(944)	(151)	(44,271)
Administrative Expense	3,372	1,365	2,671	1,826	2,192	5,013	16,439
<i>Losses and Reversals of Losses on Onerous Contracts</i>	536,566	27,805	134,965	13,647	19,290	25,388	757,662
<i>Reversal of Expected Claims and Expenses</i>	(492,902)	(26,923)	(120,011)	(9,794)	(14,917)	(9,831)	(674,379)
Change in Loss Component	43,664	882	14,954	3,853	4,374	15,557	83,284
<b>Insurance Service Expenses</b>	<b>974,852</b>	<b>182,054</b>	<b>297,131</b>	<b>29,372</b>	<b>41,479</b>	<b>43,432</b>	<b>1,568,320</b>
<b>Insurance Service Result</b>	<b>(500,211)</b>	<b>(14,938)</b>	<b>(123,427)</b>	<b>(13,597)</b>	<b>(18,854)</b>	<b>(28,423)</b>	<b>(699,450)</b>
Insurance Finance Expense from PV FCF	(45,852)	(17,603)	(13,486)	(1,374)	(1,699)	(419)	(80,432)
Insurance Finance Expense from Risk Adjustment	(3,022)	(1,440)	(1,028)	(116)	(110)	(25)	(5,741)
Insurance Finance Expense from Loss Component	(29,803)	(1,946)	(7,403)	(643)	(925)	(1,009)	(41,729)
<b>Insurance Finance Income (Expense)</b>	<b>(78,677)</b>	<b>(20,989)</b>	<b>(21,917)</b>	<b>(2,133)</b>	<b>(2,734)</b>	<b>(1,453)</b>	<b>(127,902)</b>
<b>2025 Operating Result</b>	<b>(578,888)</b>	<b>(35,927)</b>	<b>(145,344)</b>	<b>(15,730)</b>	<b>(21,588)</b>	<b>(29,876)</b>	<b>(827,352)</b>
<b>Ratios</b>							
<i>Claims incurred (CAY)</i>	199.9%	115.0%	166.1%	155.7%	158.5%	153.3%	174.1%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(4.4%)	(7.4%)	(5.2%)	(5.5%)	(4.2%)	(1.0%)	(5.1%)
<b>Loss Ratios (% Insurance Revenue)</b>	<b>195.5%</b>	<b>107.6%</b>	<b>160.9%</b>	<b>150.2%</b>	<b>154.3%</b>	<b>152.3%</b>	<b>169.0%</b>
<i>Earned Expense allowance</i>	32.9%	36.1%	36.2%	39.8%	36.2%	35.4%	34.5%
<i>Change in Loss Component (excluding IFE)</i>	9.2%	0.5%	8.6%	24.4%	19.3%	103.7%	9.6%
<i>Administrative Expenses</i>	0.7%	0.8%	1.5%	11.6%	9.7%	33.4%	1.9%
<b>Insurance Service Ratio</b>	<b>205.4%</b>	<b>108.9%</b>	<b>171.1%</b>	<b>186.2%</b>	<b>183.3%</b>	<b>289.4%</b>	<b>180.5%</b>
<b>Combined Operating Ratio</b>	<b>222.0%</b>	<b>121.5%</b>	<b>183.7%</b>	<b>199.7%</b>	<b>195.4%</b>	<b>299.1%</b>	<b>195.2%</b>

Note: This forecast 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. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.** Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook.

# RSP 2025 CY 2025 Outlook Versus CY 2024 Latest Projection

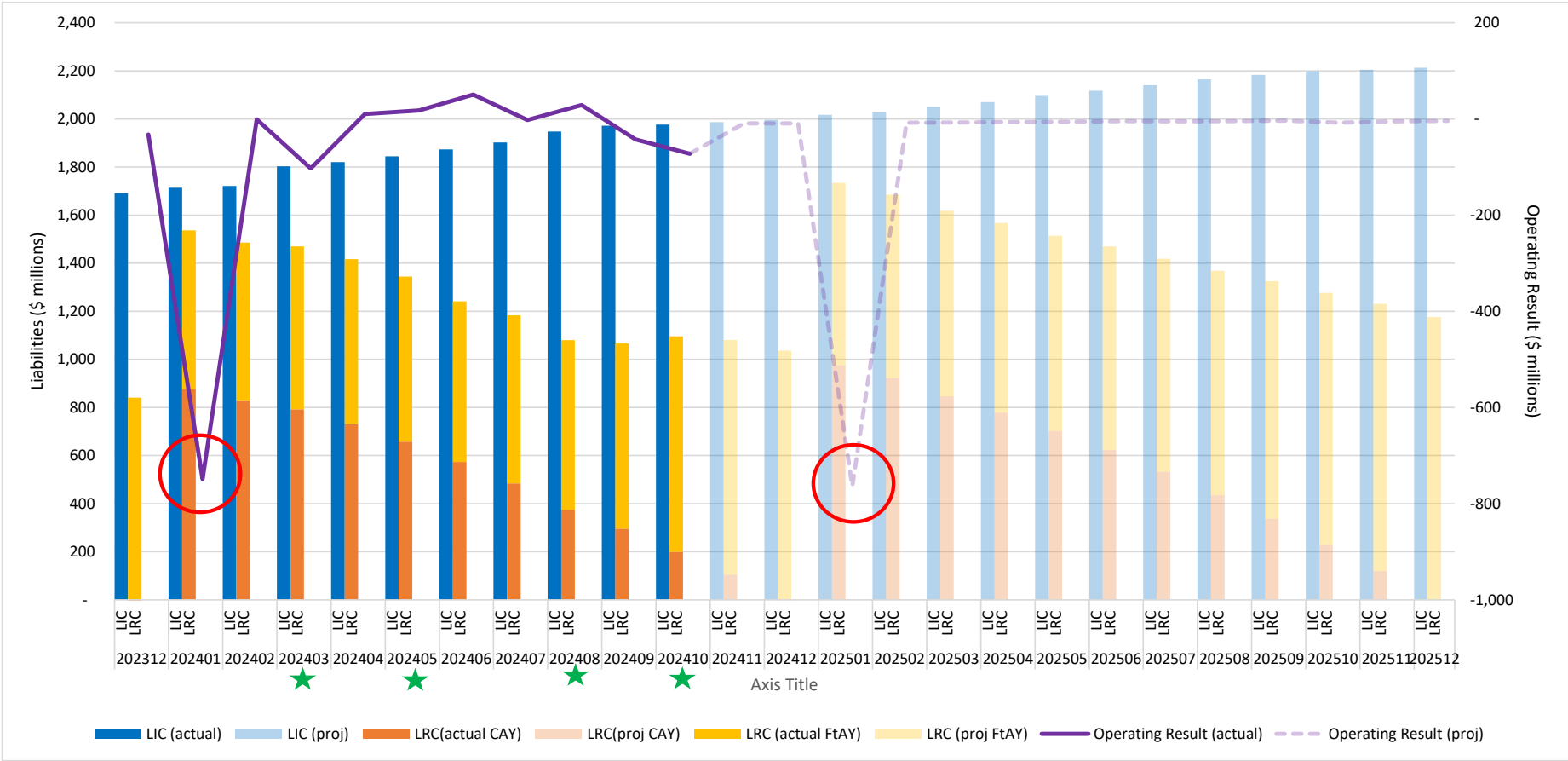
\$000s	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
<i>CY 2024 Written Premiums</i>	681,420	289,893	248,998	21,763	28,972	9,919	1,280,965
<i>CY 2025 Written Premiums</i>	733,265	235,194	278,353	31,520	43,826	33,426	1,355,583
<b>Change (\$)</b>	<b>51,845</b>	<b>(54,700)</b>	<b>29,355</b>	<b>9,756</b>	<b>14,854</b>	<b>23,507</b>	<b>74,618</b>
<b>Change (%)</b>	<b>7.6%</b>	<b>(18.9%)</b>	<b>11.8%</b>	<b>44.8%</b>	<b>51.3%</b>	<b>237.0%</b>	<b>5.8%</b>
<i>Projected CY 2024 Loss Ratio</i>	167.5%	137.4%	207.2%	152.7%	132.1%	128.4%	165.9%
<i>Projected CY 2025 Loss Ratio</i>	195.5%	107.6%	160.9%	150.2%	154.3%	152.3%	169.0%
<b>Change</b>	<b>28.0%</b>	<b>(29.8%)</b>	<b>(46.3%)</b>	<b>(2.5%)</b>	<b>22.2%</b>	<b>23.9%</b>	<b>3.1%</b>
<i>AY 2024 Loss Ratio</i>	173.6%	134.3%	194.0%	171.4%	157.3%	148.8%	167.0%
<i>AY 2025 Loss Ratio</i>	199.9%	115.0%	166.1%	155.7%	158.5%	153.3%	174.1%
<b>Change</b>	<b>26.3%</b>	<b>(19.3%)</b>	<b>(27.8%)</b>	<b>(15.8%)</b>	<b>1.2%</b>	<b>4.6%</b>	<b>7.1%</b>
<i>Projected CY 2024 Earned Expense Allowance Ratio</i>	32.1%	35.5%	35.5%	40.8%	36.0%	35.6%	33.8%
<i>Projected CY 2025 Earned Expense Allowance Ratio</i>	32.9%	36.1%	36.2%	39.8%	36.2%	35.4%	34.5%
<b>Change</b>	<b>0.8%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>(1.0%)</b>	<b>0.2%</b>	<b>(0.2%)</b>	<b>0.7%</b>
<i>Projected CY 2024 Combined Operating Ratio</i>	213.9%	153.3%	264.2%	220.2%	204.9%	354.5%	208.4%
<i>Projected CY 2025 Combined Operating Ratio</i>	222.0%	121.5%	183.7%	199.7%	195.4%	299.1%	195.2%
<b>Change</b>	<b>8.1%</b>	<b>(31.8%)</b>	<b>(80.6%)</b>	<b>(20.5%)</b>	<b>(9.5%)</b>	<b>(55.4%)</b>	<b>(13.1%)</b>
<i>Projected CY 2024 Operating Results</i>	(504,784)	(106,147)	(231,014)	(13,057)	(16,477)	(10,041)	(881,520)
<i>Projected CY 2025 Operating Results</i>	(578,888)	(35,927)	(145,344)	(15,730)	(21,588)	(29,876)	(827,352)
<b>Change</b>	<b>(74,104)</b>	<b>70,220</b>	<b>85,670</b>	<b>(2,672)</b>	<b>(5,111)</b>	<b>(19,835)</b>	<b>54,168</b>

## Key observations:

- The combined 6 RSPs are projected to have an increase in written premiums (5.8% overall increase compared to 2024 projected year end). We are projecting written premium of \$1,355.6 million, primarily driven by Alberta Non-Grid and Ontario, partially offset by a reduction in Grid volumes following recent changes to the Grid rating algorithm.
- The projected calendar year 2024 operating result already recognized the entire future AY 2025 losses in its loss component and since AY 2025 loss ratios are overall higher than AY 2024 loss ratios (7.1%), this drives up the CY 2024 COR. The projected calendar year 2025 COR is lower than the 2024 COR (13.1%) as the higher future loss component was already recognized in the 2024 COR and the AY 2026 loss ratios are not significantly higher than the AY 2025 loss ratios.
- The 2025 preliminary Outlook does not forecast any change in the yield curve for 2025 as our future assumption is always a constant yield curve.
- The calendar year COR is projected to be 195.2%, down by 13.1% compared to the 2024 projected year end. We are projecting the 6 RSPs to generate an operating deficit of \$827.4 million in 2025. 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.



# RSP Actual & Projection of Liabilities and Operating Results



## Key Messages:

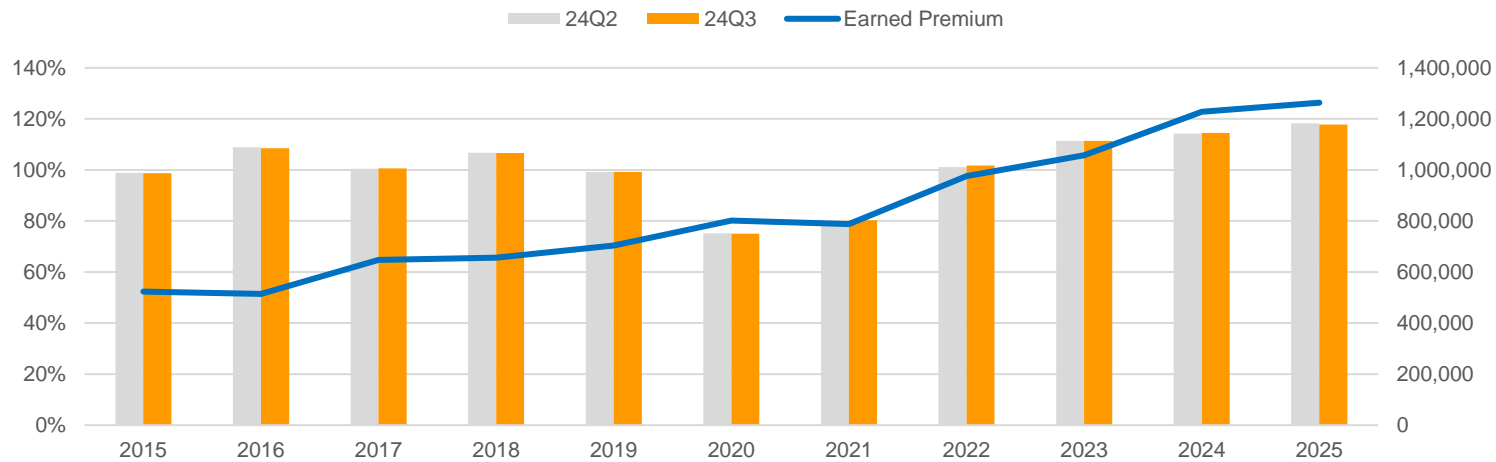
- The liability for incurred claims is projected to grow steadily due to LR trend and premium growth projected for the combined RSPs.
- The LRC experiences a sharp jump in January of each calendar year due to the initial recognition of the future accident year loss component, then gradually decreases for the remainder of the year as losses move into the liability for incurred claims. Initial recognition in January generates a large insurance service operating loss in the month (denoted by the red circle).
- 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 (implementation months are denoted with a green star).
- The CAY loss component will naturally decline each month as the exposure to the remaining coverage of this cohort reduces. Changes to premium projections, loss ratios, and interest rate movements can also affect the CAY loss component.
- Changes in the FtAY loss component are driven by updates to premium projections, re-estimation of loss ratio, or interest rate movements. The members remain exposed to the entire cohort until insurance revenue is generated.

# Focus Area #1: Claims Analysis

# RSP Claims Analysis – New Valuation Impacts

**Loss ratios are stable across all accident years compared to prior valuation with some slight movements at the coverage and province level.**

Ultimate Loss Ratio



Runoff Summary by Accident Year and Coverage

Nominal (\$000s)	2014 & prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
TPL	(151)	(325)	(775)	1,379	161	1,393	1,181	3,682	8,307	2,237	17,090
AB	(2,024)	(534)	(765)	147	(603)	(1,338)	(2,143)	964	(3,095)	(3,315)	(12,708)
Other	10	26	48	5	(33)	(100)	(50)	(161)	203	(1,064)	(1,115)
Total	(2,164)	(833)	(1,492)	1,531	(476)	(45)	(1,012)	4,486	5,415	(2,142)	3,267

Key Messages:

- AYs 2014 & prior favourable development driven by lower-than-expected claims development in Ontario Accident Benefits
- AYs 2021-2022 unfavourable development primarily driven by higher-than-expected claims development for Alberta Third Party Liability – Bodily Injury
- AY 2023 favourable development driven by lower-than-expected claims development on Alberta Grid Accident Benefits and Ontario Collision, partially offset by unfavourable development in Alberta Third Party Liability – Bodily Injury
- We continue to see better than expected results in Ontario Comprehensive for current year as we continue to turn the corner on theft and increase rates. This is offset by significant catastrophe losses from the August Alberta hailstorm.

*\*Results on this slide are on a nominal (undiscounted) basis and include data up to September 30, 2024.*

# RSP Claims Analysis – Key Valuation Changes

*Claims have developed unfavourably for bodily injury, but we are seeing improvement in Ontario comprehensive and accident benefits. Alberta hailstorm catastrophe losses dominate the Q3 results.*

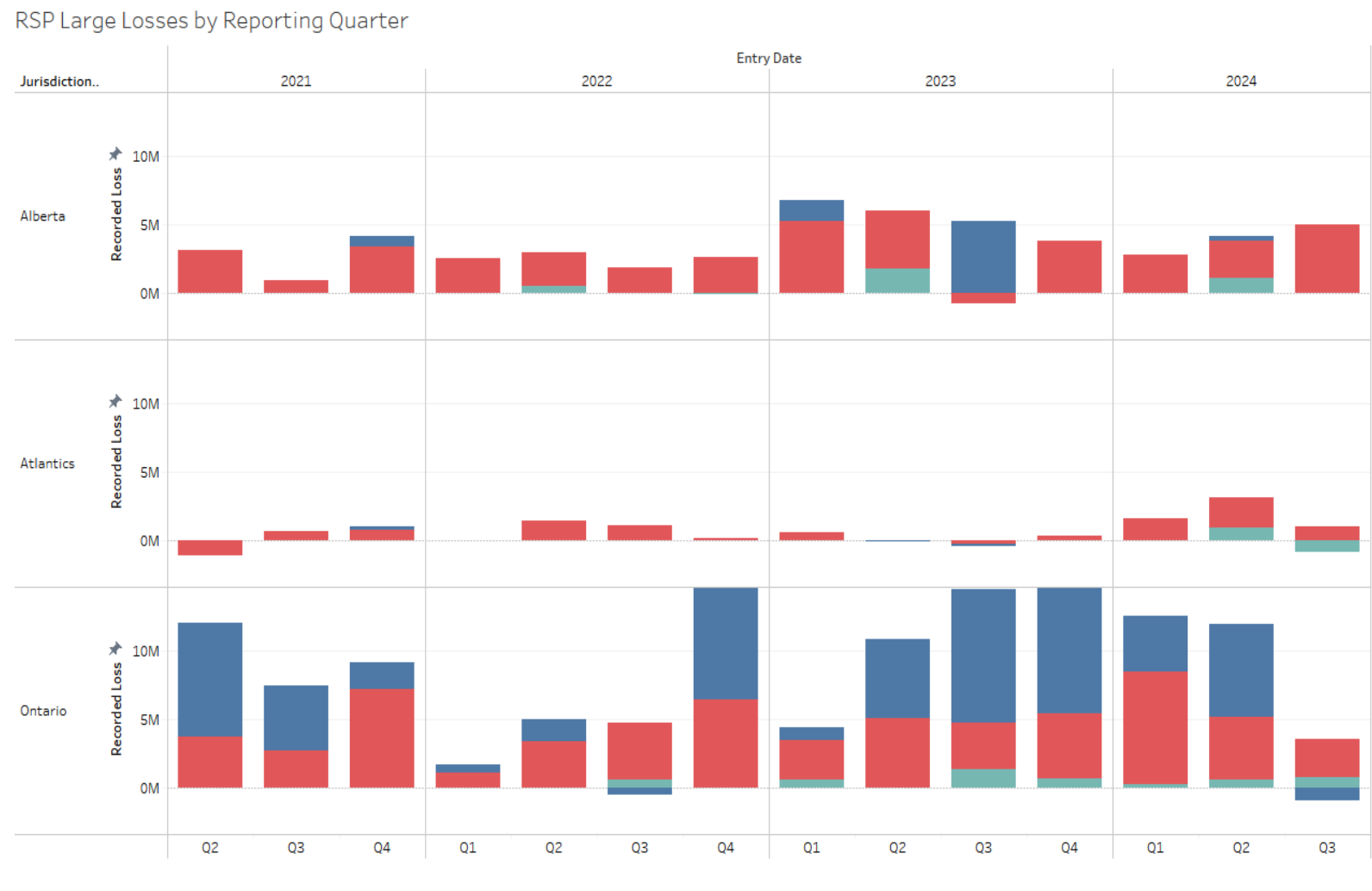
Increasing			
Rank	Province	Coverage	Change in Ultimate
1	AB-N	Comprehensive (w Spec Perils)	\$ 35,495,602
2	AB-G	Comprehensive (w Spec Perils)	\$ 21,138,070
3	AB-G	Bodily Injury	\$ 11,508,897
4	AB-N	Bodily Injury	\$ 5,520,360
5	ON	Bodily Injury	\$ 1,853,222
Decreasing			
Rank	Province	Coverage	Change in Ultimate
37	ON	Direct Comp Property Damage	\$ -3,128,457
38	AB-G	AccBen (indivis)	\$ -3,620,889
39	ON	AccBen (indivis)	\$ -4,527,836
40	ON	Collision (w All Perils)	\$ -25,680,267
41	ON	Comprehensive (w Spec Perils)	\$ -29,120,709

## Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q3 valuation (includes the change in the latest quarter actual compared to the projection from the previous quarter).
- For this quarter, hail losses in Alberta were a significant factor, impacting both Grid and non-Grid results. This remains the highlight of the quarter. Additionally, we continue to see unfavourable development of bodily injury claims from prior years in both Ontario and Alberta. See slides 19-21 for more detail.
- Comprehensive coverage continues to show favorable development this quarter, as the theft issue appears to be leveling off, while significant rate increases for comprehensive are starting to earn through. See slide 22-23 for more detail.

# RSP Claims Analysis – Large Losses Over Time

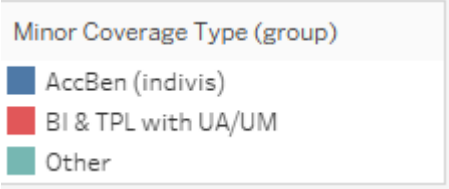
**2024 Q3 saw typical large loss activity in Alberta and Atlantics, and lower than normal large loss activity in Ontario.**



**Key Messages:**

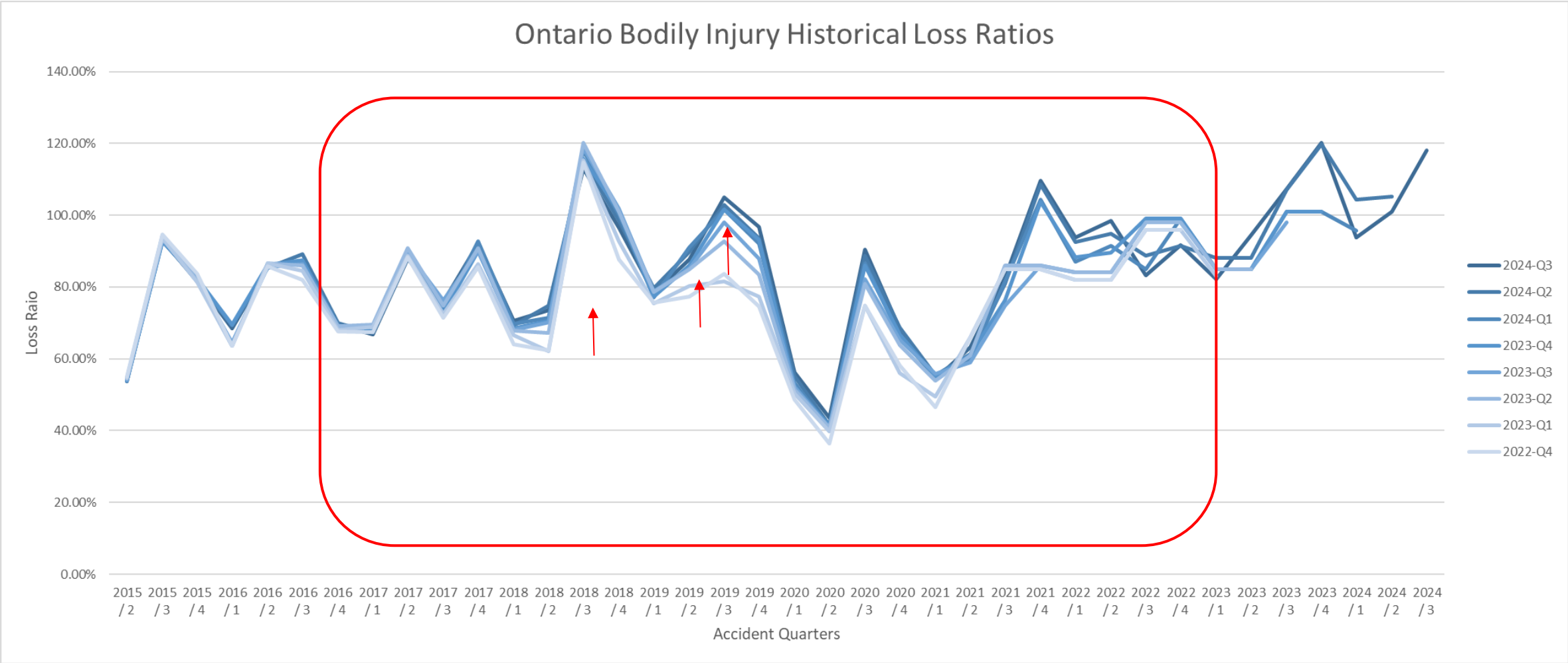
- Ontario valuation may be favourably impacted by lower than usual large losses. It is worth noting that even though the Ontario bodily injury large losses is a bit lower than recent quarters, the overall Ontario bodily injury result is still unfavourable
- Ontario accident benefits overall has favourable movements in large losses this quarter.
- Alberta bodily injury large losses remain high.

*\*LL are defined as >\$500k for ON/AB or >\$250k for other jurisdictions*



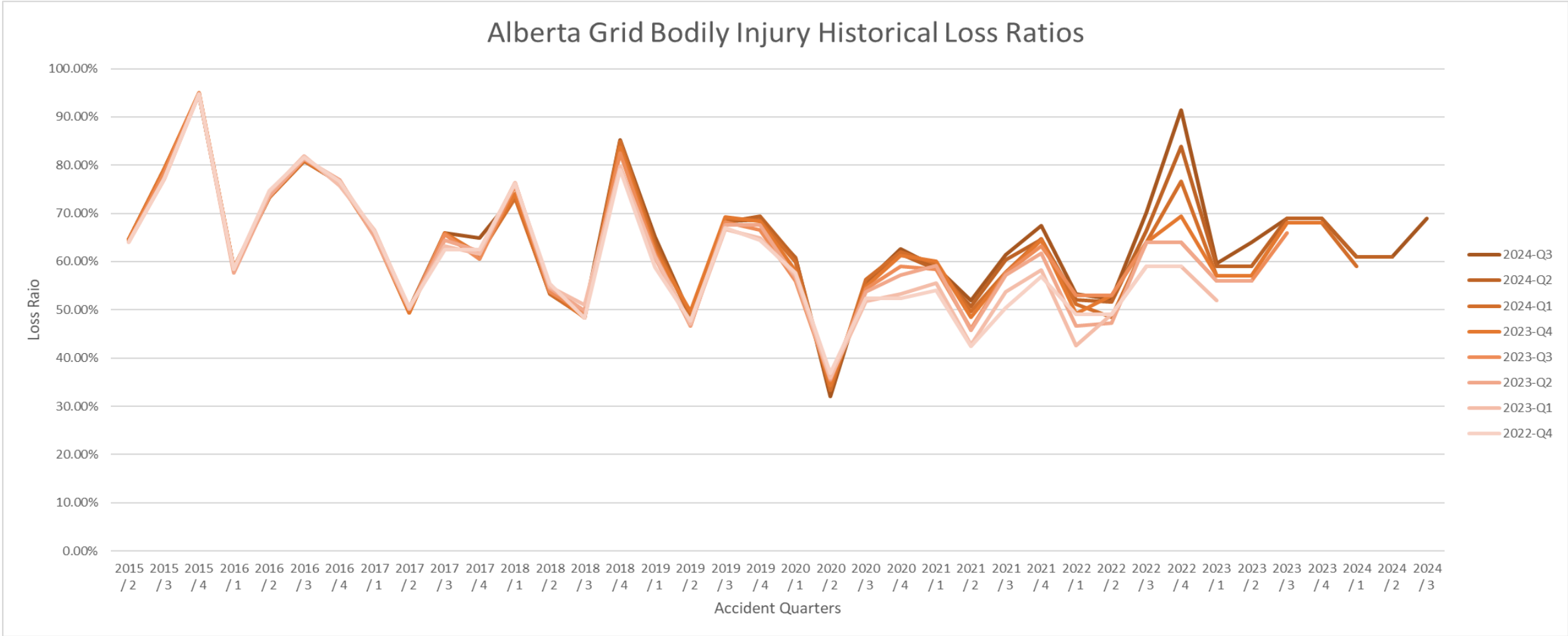


# RSP Ontario Bodily Injury Update



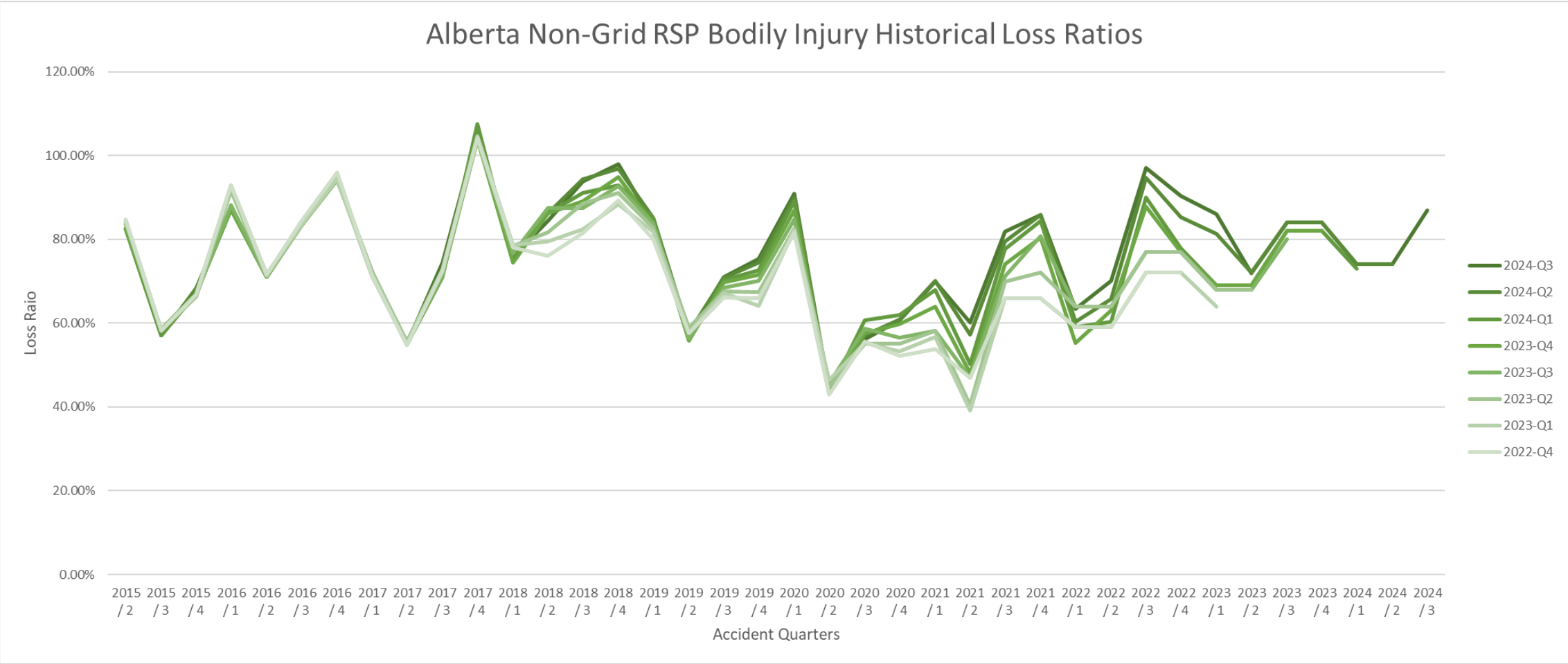
Over the last 7 quarterly valuations, we have continually seen deterioration of bodily injury results in the Ontario RSP, especially from the 2018-2019 period and the 2022 period. This is driven by development in claim severity.

# RSP Alberta Grid Bodily Injury Update



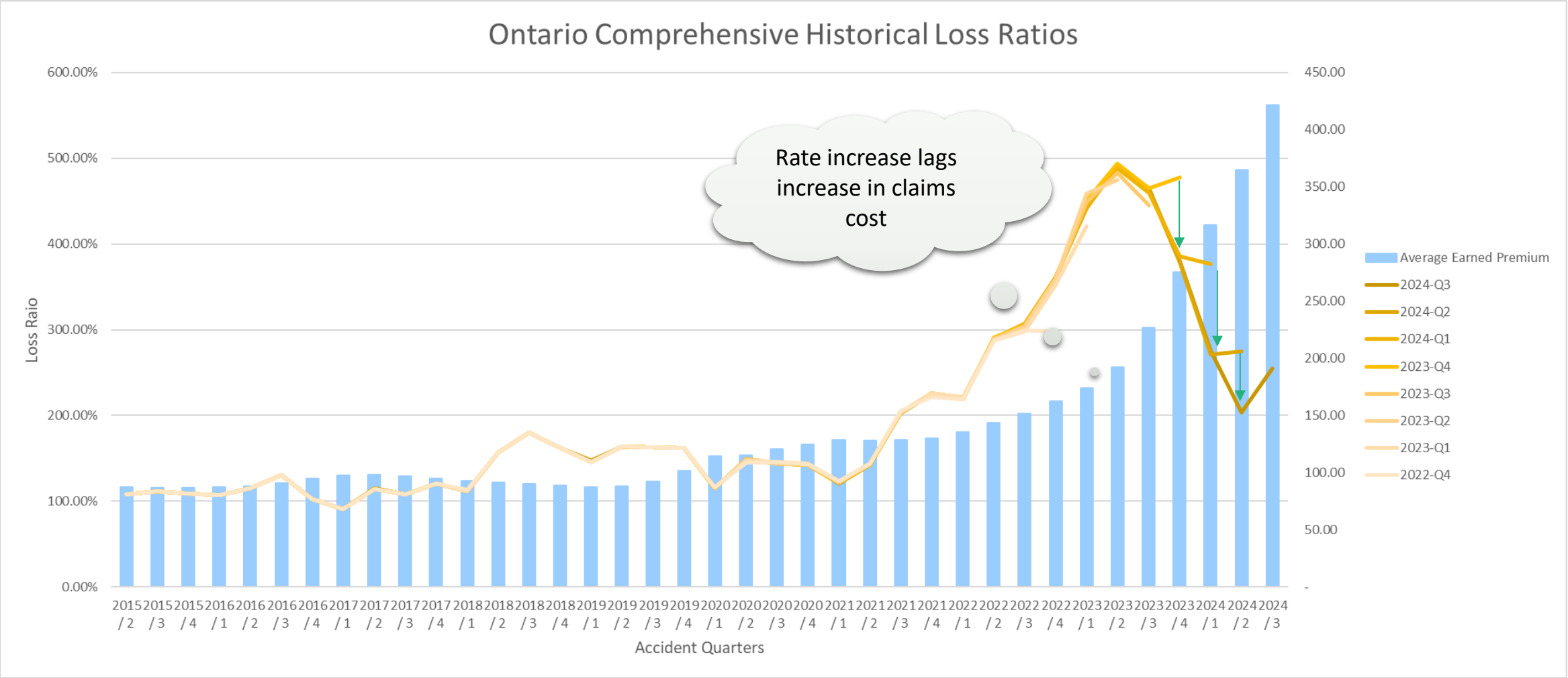
We similarly see significant deterioration in Alberta Grid bodily injury results over the last 7 valuation periods, particularly beginning from 2020 Q4 (Alberta Reform) – initial estimates of the reform included a 20% reduction in loss costs from the reform, but this has since reduced to our current estimate of zero.

# RSP Alberta Non- Grid Bodily Injury Update



Similar observations for Alberta Non-Grid.

# RSP Ontario Comprehensive Update



Ontario Comprehensive has been trending downward since 2023 Q2, as the theft issue has leveled off. Average comprehensive rates in the RSP have soared since the peak loss ratio in mid-2023, with **average earned premium more than doubling since 2023 Q2**. We have consistently seen the latest quarter coming in below our previous projection for the last 3 valuations.

# RSP Ontario Comprehensive Update

Comprehensive Severity – ON RSP

2020-Q2	7,320	6,591	6,397	6,338	6,169	6,153	6,078	6,049	6,026	6,213	6,197	6,323	6,284	6,405	6,378	6,376	6,376	6,389
2020-Q3	5,973	6,049	6,178	5,905	5,893	5,885	5,869	5,882	6,047	6,011	6,010	5,976	5,953	5,941	5,942	5,954	5,954	
2020-Q4	6,927	7,272	7,157	7,068	7,088	6,617	6,588	6,720	6,724	6,727	6,702	6,696	6,695	6,695	6,694	6,695		
2021-Q1	6,506	6,733	6,604	6,541	6,365	6,352	6,430	6,458	6,425	6,431	6,362	6,376	6,376	6,377	6,359			
2021-Q2	5,639	5,992	6,039	6,036	5,988	6,127	6,100	6,121	6,093	6,093	6,082	6,077	6,071	6,044				
2021-Q3	7,149	7,979	8,214	8,185	8,134	7,938	7,831	7,814	7,831	7,833	7,839	7,837	7,838					
2021-Q4	8,323	9,652	9,489	9,470	8,896	9,009	8,943	8,935	8,997	9,000	8,989	8,993						
2022-Q1	8,478	10,392	10,123	10,057	9,989	9,950	9,889	9,839	9,901	9,870	9,862							
2022-Q2	8,595	10,681	10,364	10,222	10,248	10,187	10,181	10,133	10,145	10,152								
2022-Q3	10,947	14,452	13,980	14,150	14,189	14,085	14,090	14,016	13,977									
2022-Q4	11,361	14,933	15,014	14,938	14,756	14,795	14,800	14,731										
2023-Q1	15,692	19,568	18,916	18,824	18,259	18,159	18,177											
2023-Q2	16,371	20,381	20,479	20,266	19,988	19,902												
2023-Q3	14,813	20,750	20,422	20,445	20,262													
2023-Q4	19,431	22,896	22,215	22,234														
2024-Q1	17,951	18,827	18,819															
2024-Q2	15,571	17,311																
2024-Q3	18,209																	

Severity: Data shows some signs of flattening Comprehensive severity in 2024 after rapidly increasing through 2022-2023.

Comprehensive Frequency – ON RSP

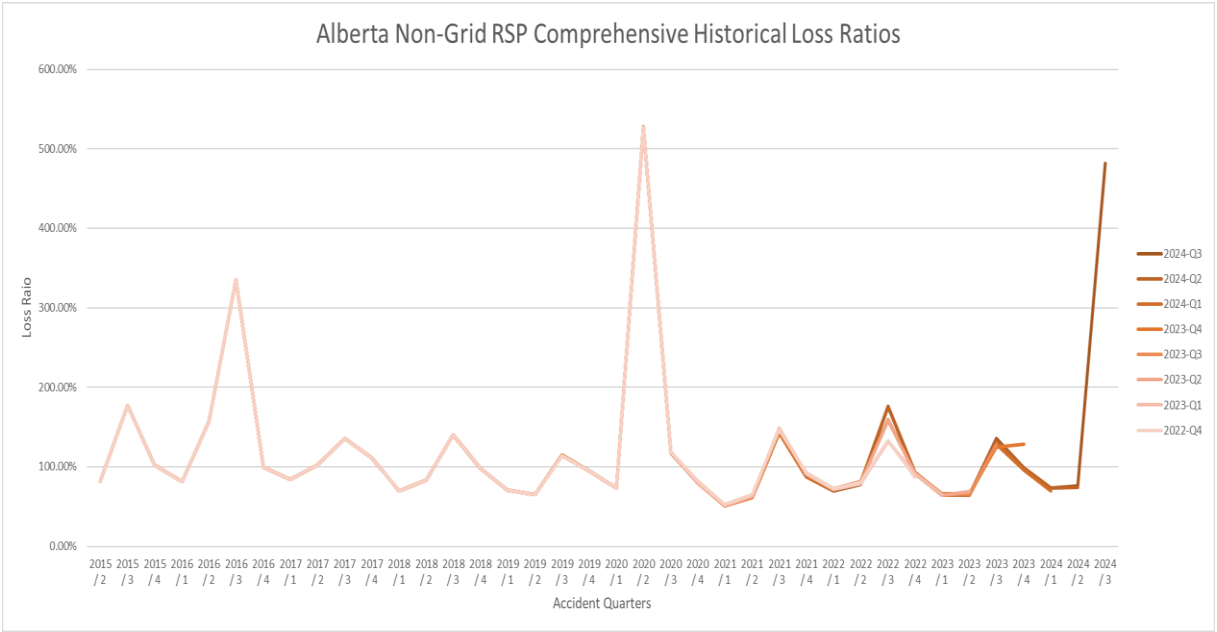
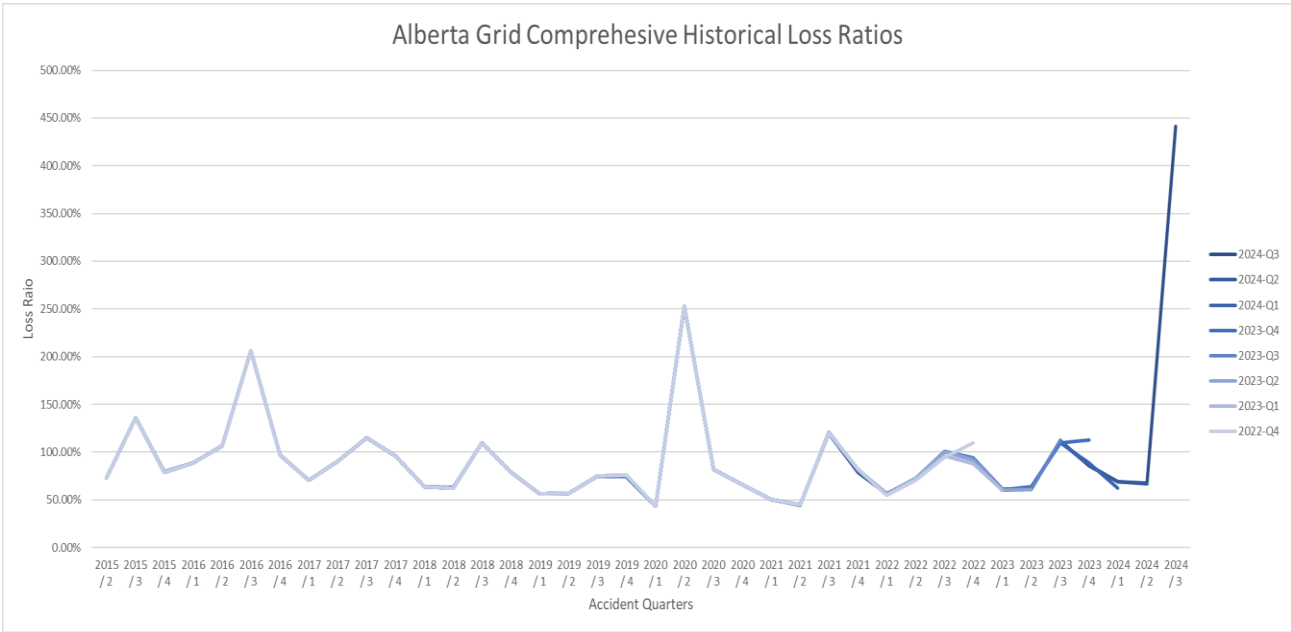
2020-Q2	0.023	0.026	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027	0.027
2020-Q3	0.026	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029
2020-Q4	0.023	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026
2021-Q1	0.021	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024
2021-Q2	0.026	0.029	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
2021-Q3	0.029	0.032	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
2021-Q4	0.028	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032
2022-Q1	0.025	0.029	0.029	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
2022-Q2	0.035	0.040	0.040	0.040	0.040	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041
2022-Q3	0.027	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
2022-Q4	0.033	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039
2023-Q1	0.035	0.041	0.041	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042
2023-Q2	0.040	0.046	0.046	0.046	0.046	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
2023-Q3	0.045	0.051	0.051	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052
2023-Q4	0.040	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
2024-Q1	0.040	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046	0.046
2024-Q2	0.038	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043	0.043
2024-Q3	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040

Frequency is fairly flat in 2024 since the surge of theft claims began in 2022; summer of 2024 appears to be a bit better than the summer of 2023 (4% frequency after 3 months, compared to 4.5% last year)

Bottom line: We see some improvement in loss trends for Ontario Comprehensive in the RSP, but rate is the key driver of improved loss ratios and improved financial results.



# RSP Alberta Comprehensive Update – Grid & Non-Grid



Both Alberta Grid and non-Grid results were significantly impacted by hail losses, leading to a notable deterioration in 2024 Q3. We can see these events occur periodically, with the last major hail event occurring in 2020 Q2.

# RSP Alberta Hailstorm Event

Date	Pool	Paid Loss	Case Reserve	Total Incurred	IBNR load	Additional CAT booking amount (rounded)	Total CAT impact (rounded)
		[1]	[2]	[3] = [1]+[2]	[4]	[5] = [3]*[4]	[6] = [3]+[5]
Change in Aug-2024	Alberta Grid	2,794,627	11,415,049	14,210,306	10%	1,789,694	16,000,000
	Alberta non-Grid	4,063,408	21,022,129	25,085,537	10%	2,914,463	28,000,000
<b>Total change in Aug-2024</b>		<b>6,858,035</b>	<b>32,437,178</b>	<b>39,295,843</b>		<b>4,704,157</b>	<b>44,000,000</b>
Change in Sep-2024	Alberta Grid	7,882,682	(243,525)	7,639,640	10%	360,360	8,000,000
	Alberta non-Grid	12,136,100	(274,241)	11,862,674	10%	1,137,326	13,000,000
<b>Total change in Sep-2024</b>		<b>20,018,782</b>	<b>(517,766)</b>	<b>19,502,314</b>		<b>1,497,686</b>	<b>21,000,000</b>
Change in Oct-2024	Alberta Grid	6,970,261	(2,395,261)	4,594,173	10%	405,827	5,000,000
	Alberta non-Grid	11,695,345	(2,759,744)	8,949,636	10%	1,050,364	10,000,000
<b>Total change in Oct-2024</b>		<b>18,665,606</b>	<b>(5,155,005)</b>	<b>13,543,809</b>		<b>1,456,191</b>	<b>15,000,000</b>
Full Year CAT Impact	Alberta Grid	17,647,570	8,776,263	26,444,119	10%	2,555,881	29,000,000
	Alberta non-Grid	27,894,853	17,988,144	45,897,847	10%	5,102,153	51,000,000
<b>Full Year CAT Impact</b>		<b>45,542,423</b>	<b>26,764,407</b>	<b>72,341,966</b>		<b>7,658,034</b>	<b>80,000,000</b>



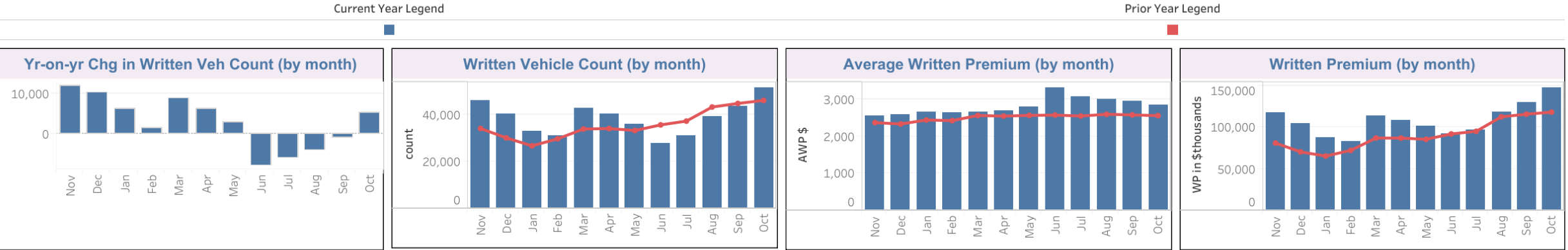
- Generally FA will follow the loss ratio matching method, however this would not have accounted for the CAT losses that developed over the month of October (\$13.5 million), as the loss ratios are based on the Q3 valuation (i.e. data up to Sep 2024).
- The total full year CAT impact is \$80 million which includes 10% IBNR load. \$72.3 million has already been incurred to date. We will continue to closely monitor the development of these claims.

# Focus Area #2: Premium Drivers

# RSP Premium Drivers

## 01 RSP Dashboard: Market Share, WP, Counts | As at 10/31/2024

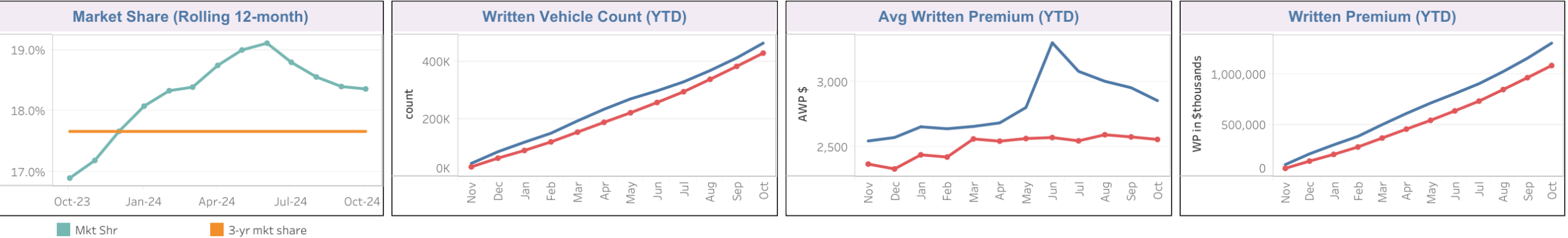
Jurisdiction All	01 dashboard Chart Type Fiscal Year Charts	As at date 10/31/2024
---------------------	-----------------------------------------------	--------------------------



	Oct-23	Oct-24
W. Veh curr mth	46,267	51,561
Amt Chg (curr mth W. Veh)		5,293
% Chg (curr mth W. Veh)		11.4%

	Oct-23	Oct-24
AWP curr mth	2,560	2,857
Amt Chg (AWP curr mth)		298
% Chg (AWP curr mth)		11.6%

	Oct-23	Oct-24
WP (\$000s) curr mth	118,429	147,332
Amt Chg (WP curr mth)		28,903
% Chg (WP curr mth)		24.4%



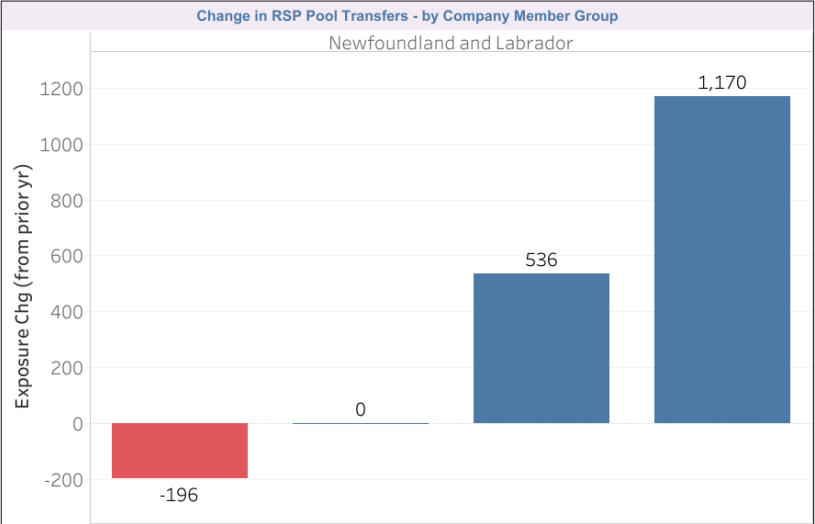
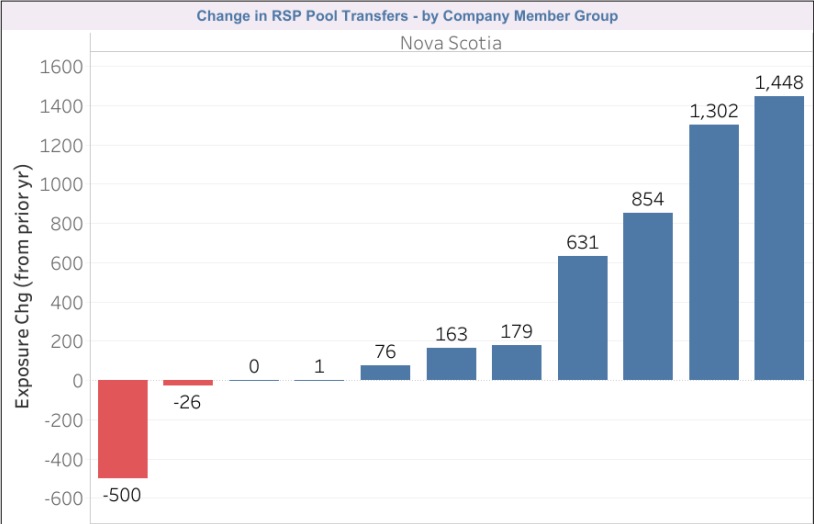
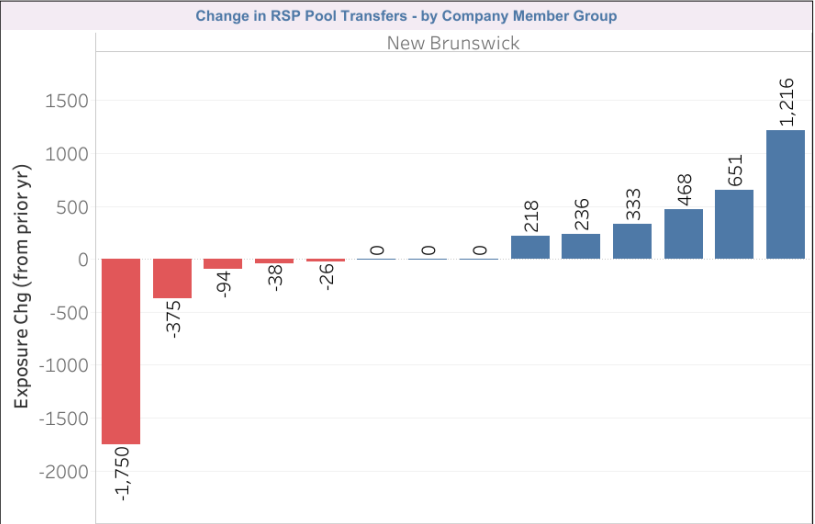
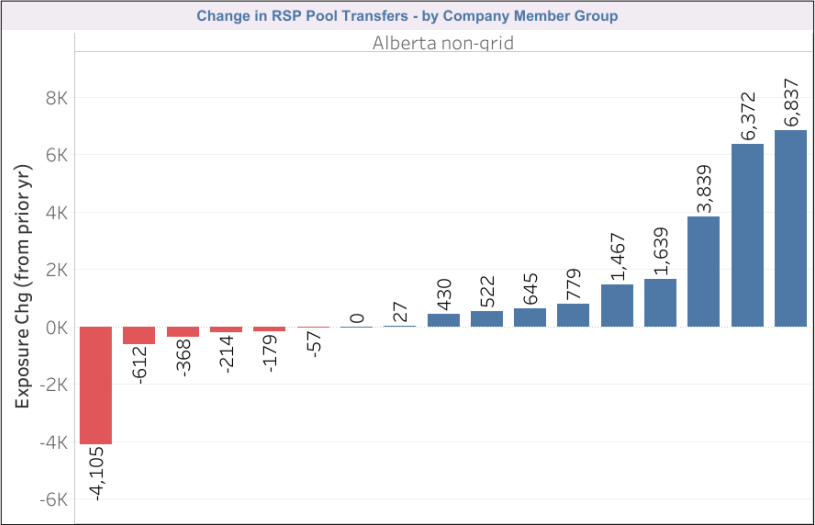
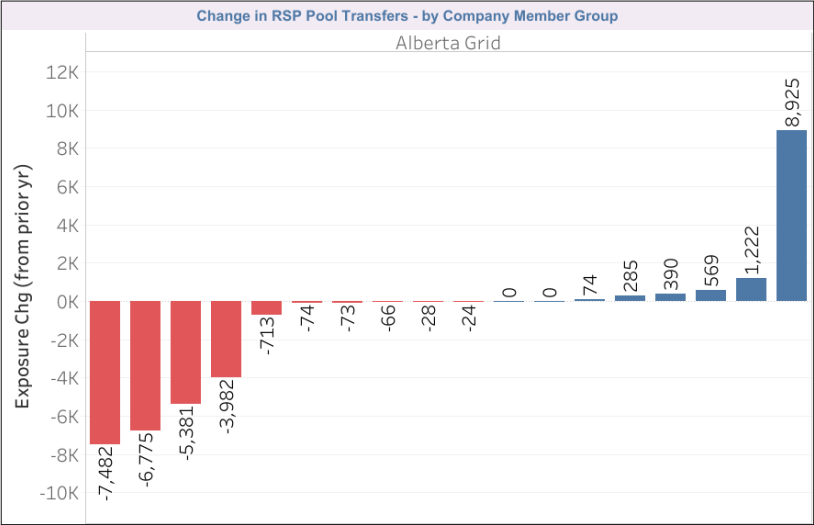
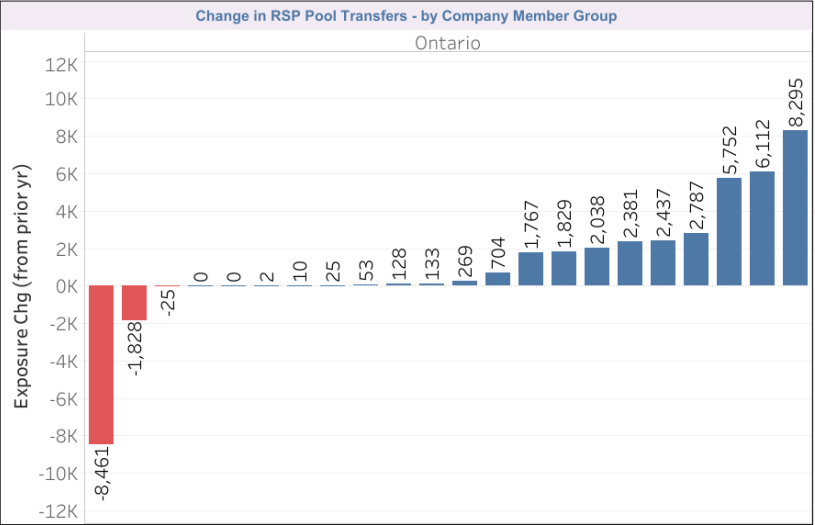
	Oct-23	Oct-24
Mkt Shr	16.9%	18.4%
Amt Chg		1.5%
% Chg		8.7%

	Oct-23	Oct-24
YTD W. Veh	430,793	465,567
Amt Chg (YTD W. Veh)		34,774
% Chg (YTD W. Veh)		8.1%

	Oct-23	Oct-24
AWP W. Prem YTD	2,518	2,800
Amt Chg (AWP W. Prem YTD)		282
% Chg (AWP W. Prem YTD)		11.2%

	Oct-23	Oct-24
WP (\$000s) YTD	1,084,678	1,303,415
Amt Chg (WP YTD)		218,738
% Chg (WP YTD)		20.2%

# RSP Premium Drivers – YTD change in RSP transfers by member



Considerable growth fiscal year to date in Ontario across most member company groups is the main driver of increased RSP usage. Nova Scotia and Alberta Non-Grid pools also seeing growth overall. Most companies have increased use of New Brunswick pool; however one group has decreased use significantly offsetting most of the increase.



# Focus Area #3: Valuation Implementation

# RSP Implementation Impact

***The RSP operating result decreased by \$59.7 million this month of which the Q3 valuation contributed \$17.3 million and the updated premium projections contributed \$42.5 million increase to the LRC.***

RSP	LIC Impact	LRC Impact	Total Impact	Impact on YTD COR
<b>Ontario</b>	<b>(28,385)</b>	<b>26,074</b>	<b>(2,311)</b>	<b>(0.6%)</b>
PAY	6,825	-	6,825	1.9%
CAY	(35,210)	(4,452)	(39,662)	(10.8%)
FtAY	-	30,525	30,525	8.3%
<b>Alberta Grid</b>	<b>16,831</b>	<b>(2,750)</b>	<b>14,081</b>	<b>8.4%</b>
PAY	17,223	-	17,223	10.3%
CAY	(392)	536	144	0.1%
FtAY	-	(3,286)	(3,286)	(2.0%)
<b>Alberta Non-Grid</b>	<b>7,577</b>	<b>26,424</b>	<b>34,002</b>	<b>29.7%</b>
PAY	10,350	-	10,350	9.1%
CAY	(2,773)	1,645	(1,128)	(1.0%)
FtAY	-	24,779	24,779	21.7%
<b>New Brunswick</b>	<b>38</b>	<b>2,070</b>	<b>2,108</b>	<b>24.1%</b>
PAY	(530)	-	(530)	(6.1%)
CAY	568	368	937	10.7%
FtAY	-	1,702	1,702	19.5%
<b>Nova Scotia</b>	<b>(40)</b>	<b>5,284</b>	<b>5,244</b>	<b>43.9%</b>
PAY	(109)	-	(109)	(0.9%)
CAY	69	186	255	2.1%
FtAY	-	5,097	5,097	42.7%
<b>Newfoundland &amp; Labrador</b>	<b>27</b>	<b>6,601</b>	<b>6,628</b>	<b>257.8%</b>
PAY	(11)	-	(11)	(0.4%)
CAY	38	186	224	8.7%
FtAY	-	6,415	6,415	249.5%
<b>TOTAL</b>	<b>(3,951)</b>	<b>63,702</b>	<b>59,751</b>	<b>8.9%</b>
PAY	33,749	-	33,749	5.0%
CAY	(37,700)	(1,530)	(39,230)	(5.8%)
FtAY	-	65,232	65,232	9.7%

## Valuation of Claim Liabilities (see table to the left)

- Worse than expected claims experience for Alberta Bodily Injury for PAY
- There is a reduction to the CAY loss ratios in Ontario driven by better than expected claims experience in Comprehensive and Collision coverages. *See Focus Area #1 for more detail on claims analysis.*
- Discount rates decreased 86-92 basis points. This generated \$42.3 million loss on the LIC and \$36.3 million loss on the LRC.

### Yield Impact Breakdown

	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
LIC	21,138	10,951	8,802	855	502	80	42,328
LRC	21,340	5,664	7,281	932	568	500	36,285
<b>TOTAL</b>	<b>42,478</b>	<b>16,614</b>	<b>16,083</b>	<b>1,787</b>	<b>1,070</b>	<b>581</b>	<b>78,613</b>

## Alberta CAT Hailstorm:

- The total reported losses from the August 5<sup>th</sup> hailstorm are \$72.4 million as of October 31<sup>st</sup>. Including IBNR, our total estimate for this event is \$80 million. More detail can be found on slide 25. In October, the losses have increased approximately \$15 million from our September estimate.

## Premium Projection Refresh:

- Premiums for the remainder of 2024 and the full year 2025 were updated this month. Future premiums increased primarily in Ontario and Alberta Non-Grid, partially offset by lower Alberta Grid volumes. The impact of updated premium projections on the LRC is approximately \$42.5 million. More detail can be found in the appendix.

*See Focus Area #3 for more detail on implementation impact.*

# RSP Implementation Impact: LIC

Change in LIC for Unpaid Claims						
	nominal [1]	apv adj. [2]	sub-total [3]	disc rate [4]	margins [5]	TOTAL [6]
<b>Ontario</b>	<b>(52,787)</b>	<b>3,732</b>	<b>(49,055)</b>	<b>20,670</b>	-	<b>(28,385)</b>
PAY	(9,258)	653	(8,605)	15,430	-	6,825
CAY	(43,529)	3,079	(40,450)	5,239	-	(35,210)
<b>Alberta Grid</b>	<b>5,416</b>	<b>127</b>	<b>5,543</b>	<b>11,288</b>	-	<b>16,831</b>
PAY	10,645	(170)	10,475	6,748	-	17,223
CAY	(5,229)	298	(4,932)	4,540	-	(392)
<b>Alberta Non-Grid</b>	<b>(1,492)</b>	<b>242</b>	<b>(1,250)</b>	<b>8,827</b>	-	<b>7,577</b>
PAY	6,038	(151)	5,888	4,463	-	10,350
CAY	(7,530)	393	(7,137)	4,364	-	(2,773)
<b>New Brunswick</b>	<b>(496)</b>	<b>40</b>	<b>(456)</b>	<b>494</b>	-	<b>38</b>
PAY	(1,151)	88	(1,063)	533	-	(530)
CAY	655	(48)	607	(38)	-	568
<b>Nova Scotia</b>	<b>(952)</b>	<b>49</b>	<b>(903)</b>	<b>863</b>	-	<b>(40)</b>
PAY	(773)	36	(737)	628	-	(109)
CAY	(179)	13	(166)	235	-	69
<b>Newfoundland &amp; Labrador</b>	<b>(59)</b>	<b>0</b>	<b>(58)</b>	<b>85</b>	-	<b>27</b>
PAY	(48)	(0)	(48)	38	-	(11)
CAY	(10)	1	(10)	48	-	38
<b>TOTAL</b>	<b>(50,369)</b>	<b>4,191</b>	<b>(46,178)</b>	<b>42,227</b>	-	<b>(3,951)</b>
PAY	5,453	456	5,909	27,839	-	33,749
CAY	(55,823)	3,735	(52,088)	14,387	-	(37,700)

unfav/ (fav)

Better than expected claims experience in comprehensive and collision claims

Continue to observe adverse development from bodily injury claims in Alberta. See slides 20-21 for further detail.

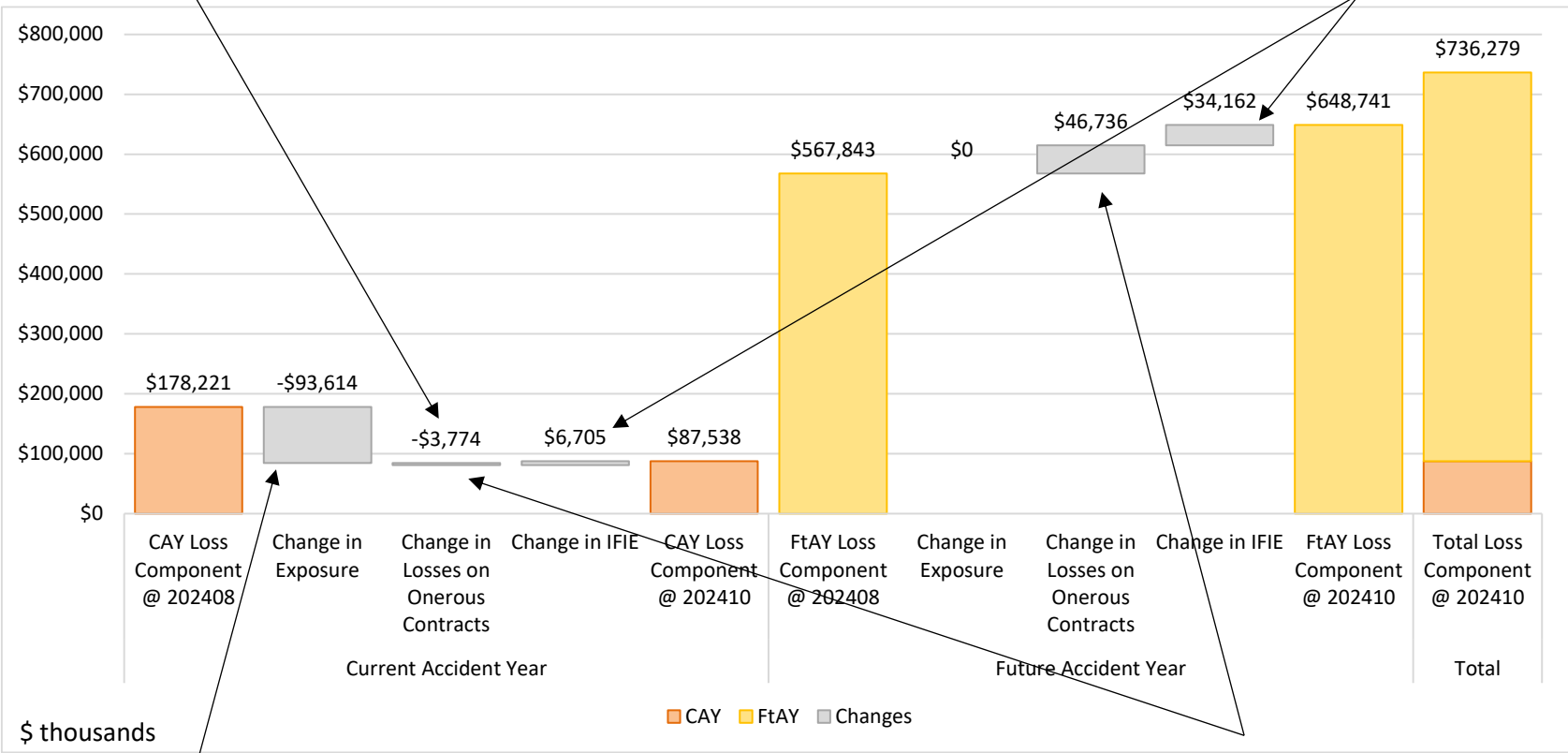
Discount rates decreased 86-92 basis points generating \$42.2 million unfavorable change

Note: "Nominal" refers to changes excluding impact to discounting and risk adjustment, whereas "apv adj." refers to the impact on discounting and risk adjustment caused by change in the amount and timing of undiscounted liabilities. The columns labeled [1] and [2] reflect the impact of changes in the valuation selected ultimates (i.e. based on unchanged selection of discount rates and risk adjustment). The column "disc rate" reflects the impact of the change in the selected discount rate and claims payment patterns, and the column "margins" reflects the impact of any changes in the selected risk adjustment.

# RSP Change in Loss Component Since Prior Implementation

Change in losses on onerous contracts decreased by \$3.7 million driven by reduction to Ontario comprehensive and collision loss ratios in AY 2024, partially offset by an increase in projected premiums received from the FA membership this month

Unfavorable change in IFIE driven by approximately 86-92bps decrease in interest rates



Change in exposure represents the change in the loss component arising from the portion of the LRC earned during the period for the AY 2024 cohort (i.e. from August to October)

Premium projections were received from the FA membership and were updated this month. The latest premium projections shows an **overall increase in premium** for the remainder of 2024 and the full year 2025. **\$46.7 million increase in FtAY losses on onerous contracts** primarily driven by updated premium projections. Although projections increased for the remaining coverage of the 2024 cohort, the change in losses on onerous contracts **decreased by \$3.7 million** as the reduction to comprehensive loss ratios in Ontario dominated the increase in projected premium. Change in projected written premium compared to prior implementation:

\$000s	ON	AB Grid	AB non-Grid	NS	NB	NL	Total
AY 2024 Cohort	2,942	2,056	8,352	519	(554)	955	14,269
AY 2025 Cohort	18,326	(23,726)	50,237	11,653	3,116	16,001	75,609
Total	21,269	(21,670)	58,589	12,172	2,563	16,956	89,878

# RSP Glossary of Acronyms/Legends

Acronyms	Definition
CY	Calendar Year
AY	Accident Year
PY	Prior Year
BI	Bodily Injury
AvP/AvsP	Actual versus Projection
AccBen	Accident Benefits
CAY	Current Accident Year
FtAY	Future Accident Year
CM	Comprehensive
SP	Specified Perils
CAT	Catastrophe
IFIE/IFE	Insurance Finance Income/Expense
LR	Loss Ratio
TX	Taxis/Limos
IU	Interurban Vehicle
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Claims
IBNR	Insured but not Reported
LL	Large Loss

Acronyms	Definition
AB	Alberta
ON	Ontario
Atlantics	New Brunswick, Nova Scotia, Newfoundland & Labrador (combined)
RA	Risk Adjustment
AB-G	Alberta Grid RSP
AB-N	Alberta Non-Grid RSP
YTD	Year to Date
NB	New Brunswick
NS	Nova Scotia
NL	Newfoundland & Labrador

# Supplementary Information

Additional exhibits and data files available in the monthly bulletins:

<https://www.facilityassociation.com/Members/MemberBulletins>