

ONTARIO RISK SHARING POOL

MAY 2022 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

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ACTUARIAL HIGHLIGHTS

RSP ONTARIO

OPERATIONAL REPORT

MAY 2022

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1 Summary

Note to members: this is the quarterly Actuarial Highlights we will release going forward to replace the monthly Actuarial Highlights. The next report will be available for reporting month May 2022 in July 2022, in line with the valuation implementation schedule. Please contact us with any questions or concerns in regards to this matter.

1.1 Valuation Schedule (Fiscal Year 2022)

The May 2022 Operational Report incorporates the results of an updated valuation (as at December 31, 2021) – the impact of the implementation of the valuation is discussed in section 1.2. The following table summarizes the valuation implementations scheduled for fiscal year 2022.

| ONTARIO RISK SHARING POOL FISCAL YEAR 2021 – SCHEDULE OF VALUATIONS | | | |
|--|----------------------------------|--------------------|---|
| Valuation Date | Discount Rate (per annum) | Operational Report | Description of Changes |
| Sep. 30, 2021 (completed) | 0.88% mfad ¹ 25 bp | Oct. 2021 | update valuation (roll-forward): accident year 2021 loss ratio <u>d</u> ecreased 2.5 points to 90.6%; discount rate <u>i</u> ncreased 9 basis points; no change to selected margins for adverse deviations |
| Dec. 31, 2021 (completed) | 1.11% mfad 25 bp | Mar. 2022 | update valuation: accident year 2021 loss ratio <u>d</u> ecreased 4.0 points to 86.6 % and accident year 2022 loss ratio <u>i</u> ncreased 9.3 points to 122.0 %; discount rate <u>i</u> ncreased 23 basis points; no change to selected margins for adverse deviations |
| Mar. 31, 2022 (completed) | 2.25% mfad 25 bp | May. 2022 | update valuation (roll-forward): accident year 2022 loss ratio remained unchanged at 122.0%; discount rate <u>i</u> ncreased 114 basis points; no change to selected margins for adverse deviations |
| Jun. 30, 2022 | % mfad -- bp | Aug. 2022 | update valuation: |
| Sep. 30, 2022 | % mfad -- bp | Oct. 2022 | update valuation (roll-forward): |

Under the proposed schedule for fiscal year 2022, the off-half valuation quarters ending March 31, 2022 and September 30, 2022 would not reflect a full valuation update of assumptions, but would rather roll-forward key assumptions from the previous valuation.

¹ The selected interest rate margin is limited to reducing the selected discount rate to 0%; the approach is that if the net impact is negative, the discount rate will be capped at 0%.

1.2 New Valuation

A valuation of the Ontario Risk Sharing Pool (“RSP”) as at March 31, 2022 has been completed since last month’s Operational Report and the results of that valuation have been incorporated into this month’s Report. The valuation was completed by the Facility Association’s internal actuarial group in conjunction with, and approved by, the Appointed Actuary, under the hybrid model for actuarial services.

The valuation implementation impact is summarized in the following two tables, where the abbreviations PAYS refers to prior accident years, CAY refers to the current accident year (2022), and “Prem Def” refers to premium deficiency / deferred acquisition costs impacts.

Summary of Impact (\$000s) of Implementing Result of Valuation as at Mar.31, 2022²

| Ontario | unfav / (fav) for the month and ytd | | | | | |
|----------|-------------------------------------|----------|---------|-----------|----------|----------|
| | IMPACT in \$000s from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 1,925 | 694 | 2,619 | (26,884) | - | (24,265) |
| CAY | - | (35) | (35) | (5,978) | - | (6,013) |
| Prem Def | - | (2,588) | (2,588) | (8,190) | - | (10,778) |
| TOTAL | 1,925 | (1,929) | (4) | (41,052) | - | (41,056) |

As indicated in the preceding table, the incorporation of the new valuation had an estimated **\$41.1 million favourable impact** on the month’s net result from operations, subtracting an estimated 10.3 points (see following table) to the **year-to-date Combined Operating Ratio** to end at **140.7%**. The favourable impact is due to the increase in discounting.

Summary of Impact (% YTD EP) of Implementing Result of Valuation as at Mar. 31, 2022

| Ontario | ytd EP 397,371 (actual) | | | | | |
|----------|---|----------|---------|-----------|----------|---------|
| | IMPACT unfav / (fav) as % ytd EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 0.5% | 0.2% | 0.7% | (6.8%) | - | (6.1%) |
| CAY | - | - | - | (1.5%) | - | (1.5%) |
| Prem Def | - | (0.7%) | (0.7%) | (2.1%) | - | (2.7%) |
| TOTAL | 0.5% | (0.5%) | - | (10.3%) | - | (10.3%) |

The impact of the **nominal changes** is shown in column [1] of the two preceding summary tables.

²In these tables, “PAYS” refers to prior accident years, “CAY” refers to the current accident year, and “Prem Def” refers to the provision for premium deficiency or the deferred policy acquisition asset (as applicable). “Nominal” refers to changes excluding any actuarial present value adjustments, whereas “apv adj.” refers to actuarial present value adjustments.

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

The change in the selected nominal ultimates was **unfavourable by \$1.9 million** overall. This reflects the impact attributable to the changes in the selected ultimate loss ratios (i.e. for each accident year, it is the product of life-to-date earned premium for the accident year and the change in the selected ultimate loss ratio). As this quarter is a roll-forward valuation, the impacts are mainly driven by claims development on short-tailed lines of business and on older accident years. Since the impact is relatively small, this indicates that claims are developing more or less as expected.

The **PAYs** overall showed a **\$1.9 million unfavourable** nominal variance or 0.2% of the PAYs nominal unpaid balance of \$768.8 million determined at the end of last month (April 2022), due to favourable valuation impacts. The unfavourable development was caused by higher than usual claims development on short-tailed (physical damage) coverages from the most recent prior accident year (2021). This unfavourable development was partially offset by other adjustments.

The **CAY** and premium deficiency impacts are unchanged due to the selected loss ratios for accident year 2022 remaining unchanged from last quarter. These loss ratios were kept unchanged as a result of a data issue regarding AY 2022 losses. This data issue has since been corrected and the AY 2022 loss ratios will be updated following the 2022Q2 valuation.

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

Column [2] recognizes that changing the nominal selections also changed the unpaid estimates (including changes to the relative mix by coverage, which had an impact on the weighted-average MfADs). It also reflects the fact that we updated the projected emergence of claims payments, resulting in a change in the projected cash flows. These changes generated an favourable change of \$1.9 million in the actuarial present value adjustments, prior to any changes in the selected discount rate and/or MfADs.

Updated projected cash flows were reviewed against the selected risk-free yield curve, derived from Government of Canada benchmark bond yields monthly series using values for March 2022. Column [4] accounts for the change in the **discount rate** selected (increased 114 basis points to **2.25%**), indicating a favourable impact of \$41.1 million. The impact *related only to claims liabilities* (i.e. PAYs plus CAY) was \$32.9 million at May 2022 – this compares to the \$33.7 million change one would estimate as the impact by interpolation using the interest rate sensitivity table provided in last quarter’s Actuarial Highlights.

Column [5] accounts for any changes to selected MfADs. The selected **investment rate MfAD** was **left unchanged at 25 basis points** and the selected **claims development MfADs** at the coverage and accident year level were also left unchanged (as per our usual practice, development margins are reviewed with the June 30 valuation).

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

1.3 Appointed Actuary and Hybrid Actuarial Services Model

The Annual General Meeting of the members of Facility Association (“FA”) appointed Mr. Cosimo Pantaleo as the Appointed Actuary at its meeting on March 4, 2021.

Facility Association operates under a hybrid model in relation to the management and provision of actuarial services. Under this model, actuarial services are performed by both Facility Association’s internal staff and its external actuarial consulting firm. The hybrid model approach maximizes the efficiency of resource allocation while providing access to additional expertise and capacity as needed.

1.4 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation³

There have been no changes in these descriptions since last Highlights.

Consideration and assessment of potential impacts of legal decisions and changes in legislation / regulation constitutes a regular part of the valuation process. Descriptions of some of the more recent changes (i.e. within the last five years) are provided below.

In **Tomec v Economical Mutual Insurance Company (2019 ONCA 882)**, the Ontario Court of Appeal set aside the Divisional Court judicial review and decision of the Licence and Appeal Tribunal to deny enhanced housekeeping and attendant care benefits. The unanimous panel concluded that the rule of discoverability applied to s. 281.1(1) of the Insurance Act and to s. 51(1) of the old Statutory Accident Benefits Schedule such that the two-year limitation period to dispute benefits could not run before an insured was determined to be catastrophically impaired (CAT). On June 4th, 2020, the Supreme Court of Canada dismissed the insurer's application to appeal the Ontario Court of Appeal's decision in this matter. At the current time, no adjustments have been made to our valuation estimates as a result of this decision, however, we will continue to monitor and reassess with the next valuation.

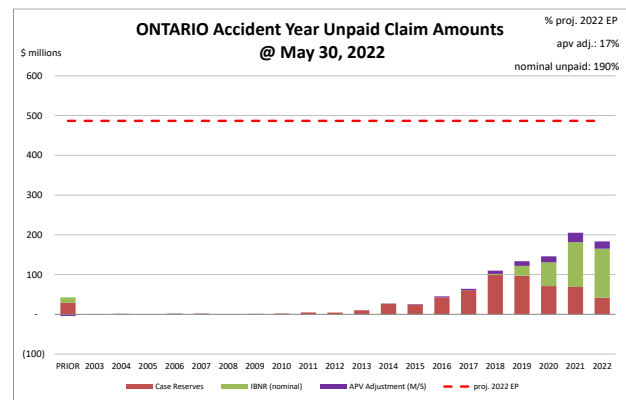
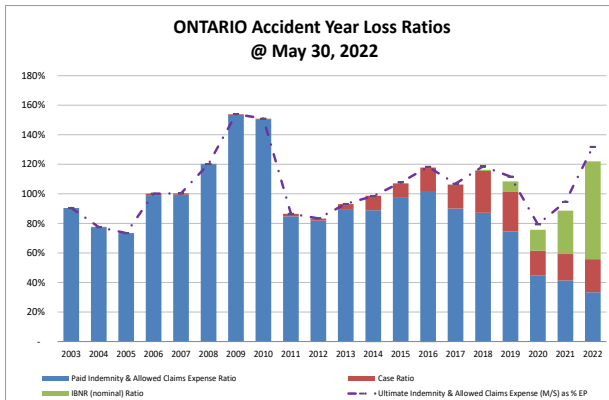
1.5 Current Provision Summary

The following charts show the current levels of claim liabilities⁴ booked by accident year⁵. The left chart displays life-to-date payments, case reserves, IBNR, and the total including actuarial present value adjustments against accident year earned premium. The right chart shows the associated dollar amounts for the components of the claim liabilities and the current projected amount of 2022 full year earned premium (the red hash-mark line) to provide some perspective.

³This url to a pdf is to a helpful guide on how bills become laws: <https://www.ola.org/sites/default/files/common/how-bills-become-law-en.pdf>.

⁴Claim liabilities refer to provision for unpaid indemnity and allowed claims expenses. Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this discussion.

⁵The loss ratio chart has been limited to show the most recent 20 accident years; the unpaid provision chart has been limited to show the most recent 20 accident years, and show all accident years older than 20 years collectively as “PRIOR”.



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

The current actuarial present value adjustments provision for claims liabilities (\$80.7 million – see the following table) represents 17% of the earned premium projected for the full year 2022 (see the upper right corner of the preceding chart on the right). If our current estimates of the nominal unpaid amounts prove to match actual claims payments, the actuarial present value adjustments will be released into the net operating result over future periods.

claim liabilities (\$000s)

| | amt | % |
|------------------|------------------|---------------|
| case | 588,425 | 58.6% |
| ibnr | 334,687 | 33.3% |
| M/S apv adjust. | 80,679 | 8.0% |
| M/S total | 1,003,791 | 100.0% |

The table to the left breaks down the Member Statement (M/S) claim liabilities total into component parts, showing that the majority of the claim liabilities for this RSP is in case reserves. Approximately 71% of the IBNR balance relates to accident years 2021 and 2022 (see Exhibit B).

Approximately 77% of the M/S total claim liabilities are related to accident years 2018-2022 inclusive (i.e. the most recent 5 accident years), and approximately 6% is related to accident years 2012 and prior (i.e. prior to the most recent 10 accident years).

The following tables summarize the premium liabilities and the total policy liabilities.

premium liabilities (\$000s)

| | amt | % |
|------------------|----------------|---------------|
| unearned prem | 253,295 | 75.5% |
| prem def/(dpac) | 57,330 | 17.1% |
| M/S apv adjust. | 24,790 | 7.4% |
| M/S total | 335,415 | 100.0% |

policy liabilities (\$000s)

| | amt | % |
|------------------|------------------|---------------|
| claim | 923,112 | 68.9% |
| premium | 310,625 | 23.2% |
| M/S apv adjust. | 105,469 | 7.9% |
| M/S total | 1,339,206 | 100.0% |

2 Activity since previous valuation implementation

2.1 Recorded Premium and Claims Activity

The following table summarizes the extent to which premiums and claims amounts recorded since the prior implementation differ from the prior projection.

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

| AY Group | Share Year | Share Month | Actual Earned Premium (000s) | Actual minus Projected Earned Premium (000s) | Actual Paid Claims (000s) | Actual minus Projected Paid Claims (000s) | Actual Recorded Claims (000s) | Actual minus Projected Recorded Claims (000s) |
|--------------------|------------|-------------|------------------------------|--|---------------------------|---|-------------------------------|---|
| PAY | 2022 | April | (55) | (55) | 12,990 | (4,502) | 10,055 | 348 |
| | | May | (84) | (84) | 12,806 | (387) | 7,131 | (2,834) |
| PAY Total | | | (139) | (139) | 25,796 | (4,889) | 17,186 | (2,486) |
| CAY | 2022 | April | 38,563 | 1,714 | 16,114 | 3,265 | 23,030 | 6,123 |
| | | May | 41,093 | 1,893 | 18,219 | 3,320 | 25,143 | 7,171 |
| CAY Total | | | 79,656 | 3,607 | 34,333 | 6,585 | 48,173 | 13,294 |
| Grand Total | | | 79,517 | 3,468 | 60,129 | 1,696 | 65,359 | 10,808 |

(Recorded transaction amounts exclude IBNR & other actuarial provisions)

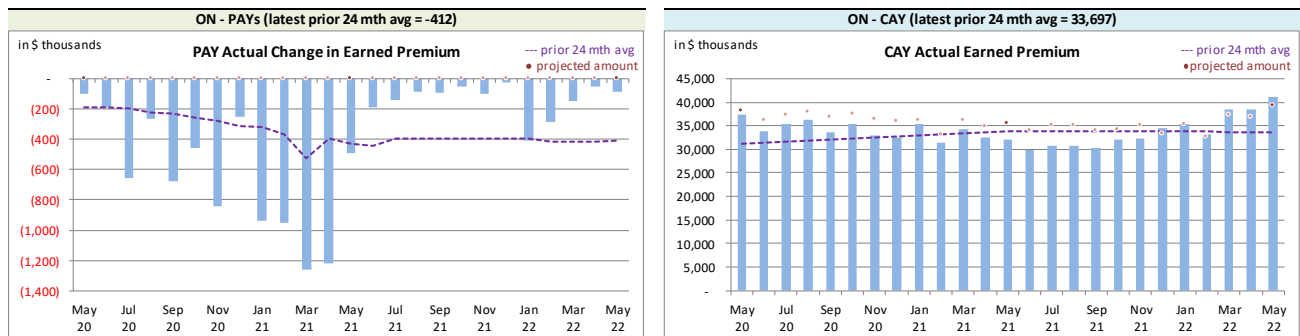
Note that claims transaction activity is generally volatile and changes from one month to the next are anticipated due to this natural “process variance” (i.e. random variation). Each month, the projection variances are reviewed for signs of projection bias and to identify potential ways to reduce the level of the variance. The variances are also reviewed as part of the quarterly valuation process, as an indicator of changes in the claims development process or potential bias in ultimate claims estimates.

More detailed analysis and commentary on actual vs. projected for the most recent reporting months is provided below.

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

The following charts show actual **earned premium**⁶ activity in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

Ontario RSP Actual **Earned Premium** by Calendar Month



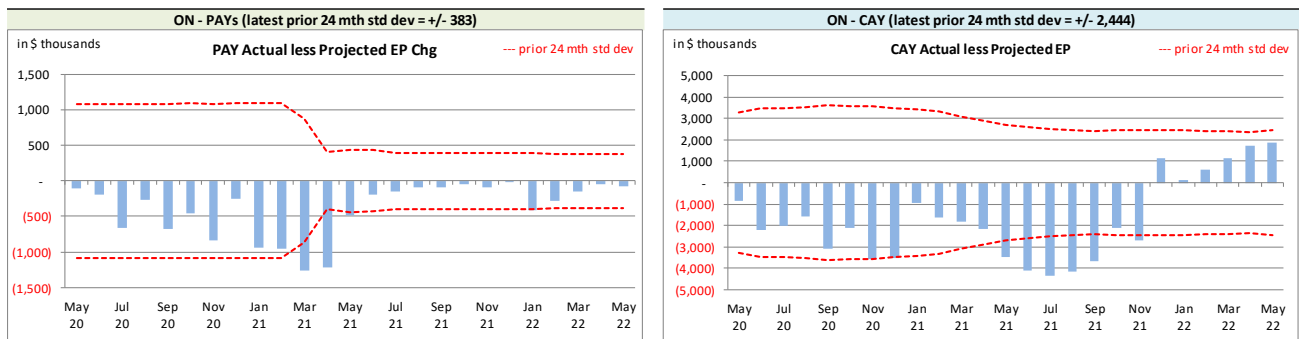
Earned premium changes during a given calendar month in relation to prior accident years tend to be at modest levels (note the different scales in the preceding charts), although relatively high levels generally occur at the beginning of each year.

⁶Premium is earned on a daily basis based on the transaction term measured in days. As a result, months with 31 days earned relatively more than those with 30 days, and February earns the least.

| On Latest \$ thousands | | |
|----------------------------------|--------|-----------|
| Earned Premium | PAYs | CAY |
| Mthly Avg EP Chg (prior 24 mths) | (412) | 33,697 |
| std dev | 383 | 2,444 |
| A-P <> std dev | 4 | 7 |
| % <> std dev | 16.0% | 28.0% |
| norm <> std dev | 31.7% | 31.7% |
| performance vs 24-mth avg: | better | no better |

The associated variance between the actual changes and the projections from the previous month are shown in the charts below. **Earned premium** change projections are all attributed to the current accident year as the projection upload does not accept **earned premium** changes for other accident years. We do not see this limitation as being significant for our purposes, but it does mean that the actual less projection variance will equal the actual **earned premium** change in relation to prior accident years.

Ontario RSP Actual vs. Projected Summary: **Earned Premium** Variances by Calendar Month



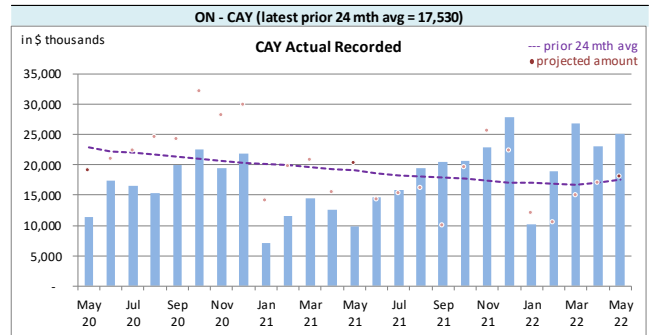
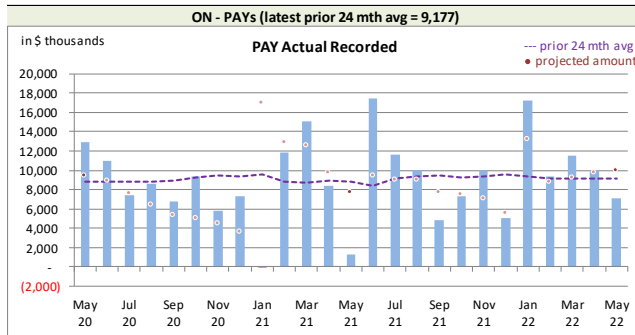
We project **earned premium** changes from known unearned premium balances and projected written premium levels, but upload the total projections as current accident year (CAY). This process has generated prior accident years’ (PAYs) bias⁷, with actuals generally lower than projected, although the magnitude is not high relative to monthly premium. Readers will also note the significant fluctuations in the CAY standard deviation band, reflecting significant volume changes and the impact as those changes were earned.

2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

The following charts show actual **recorded** activity (**paid** and **case reserve** changes), in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

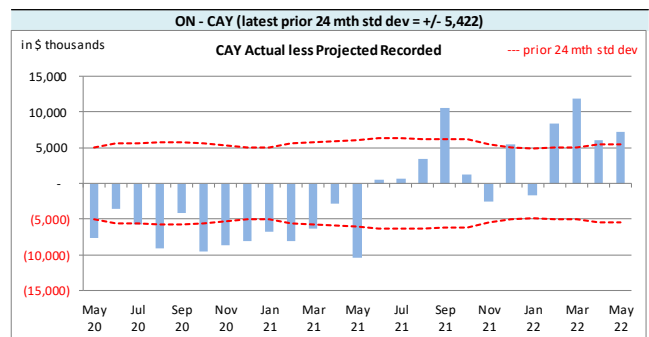
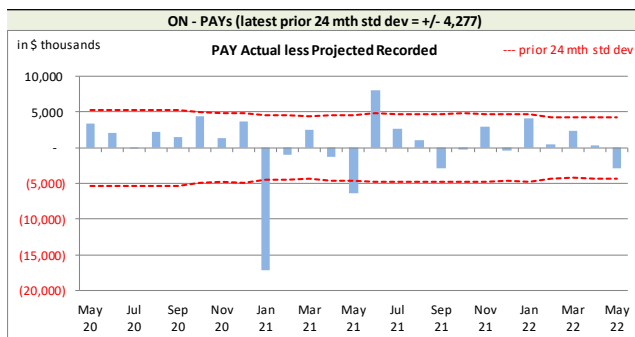
⁷The PAYs’ variances will show bias as the projection upload forces all earned premium projections to be attributed to the CAY.

Ontario RSP Actual **Recorded** by Calendar Month



Recorded activity variances from the previous month’s projections are shown in the following charts, including the “prior 24-month standard deviation” levels to show how the variances from projection compare with historical standard deviations.

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



| On Latest \$ thousands | | | |
|------------------------------------|--------|--------|--|
| Recorded | PAYs | CAY | |
| Mthly Avg Recorded (prior 24 mths) | 9,177 | 17,530 | |
| std dev | 4,277 | 5,422 | |
| A-P <> std dev | 3 | 16 | |
| % <> std dev | 12.0% | 64.0% | |
| norm <> std dev | 31.7% | 31.7% | |
| performance vs 24-mth avg: | better | worse | |

With respect to **recorded** indemnity & allowed claims expense, 12% of the prior accident years’ (PAYs) variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **recorded** amounts (see table on left), suggesting the projection process has performed better than simply projecting the prior 24-month average amount (assuming it follows a normal distribution). Bias⁸ has not been indicated at a 95% confidence level on a rolling 25-month basis (14 of 25 variances were positive).

The current accident year (CAY) **recorded** variances (preceding table on the left) fell outside of one standard deviation 64% of the time over the last 25 calendar months suggesting that the projection process has performed worse than simply projecting the prior 24-month average amount. Bias has been indicated at a 95% confidence level on a rolling 25-month basis (10 of 25 variances were positive).

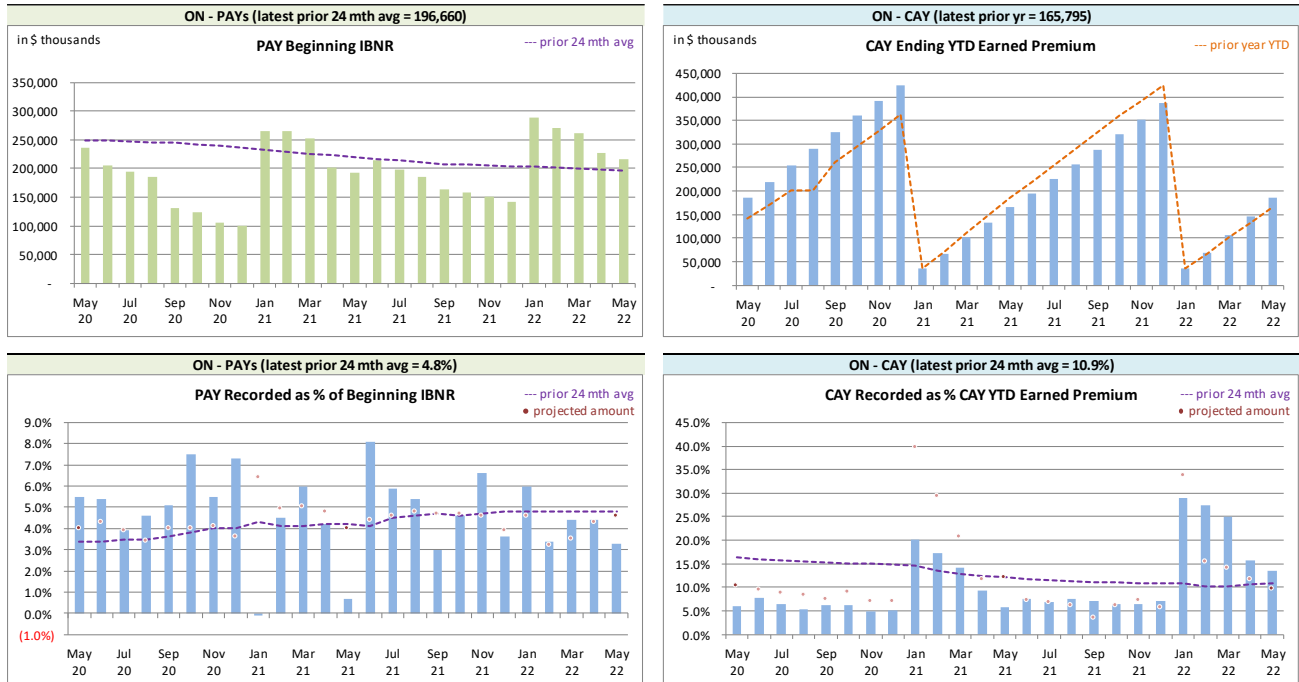
The method for establishing IBNR adjusts automatically for changes in **earned premium** and **recorded**

⁸ For the binomial distribution with 25 trials and an assumed 50% success probability, the 95% confidence range is 8 to 17 successes. That is, favourable or unfavourable counts of 0 to 7 or 18 to 25 out of 25 outcomes would suggest bias.

claims activity level (see sections 2.2 and 3).

We have included, for reference, the following additional charts related to levels influencing **recorded** activity. Note in particular the reduction in the level of PAY beginning IBNR over the months, as a response to valuations and showing up as a beginning IBNR change one month after a valuation is implemented (i.e. April, June, September, and November).

Ontario RSP Levels that influence⁹ Recorded activity by Calendar Month



We track PAY beginning IBNR as **recorded** activity comes out of IBNR. Changes in the PAY beginning IBNR (see upper left of the preceding group of charts) occur for several possible reasons:

- to offset actual **recorded** activity (through loss ratio matching);
- the annual switchover as a CAY becomes a PAY (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of PAYS’ ultimates (will show up as a beginning IBNR change one month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

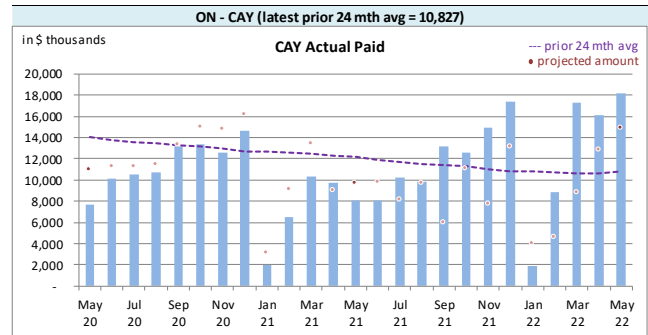
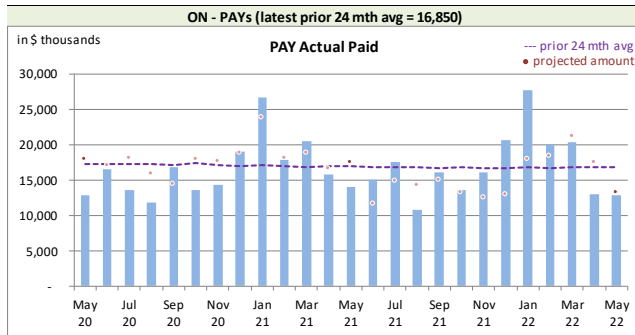
2.1.c AvsP: Paid Indemnity & Allowed Claims Expense

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

⁹Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned premium), deriving year-to-date recorded as selected ultimate less IBNR. In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

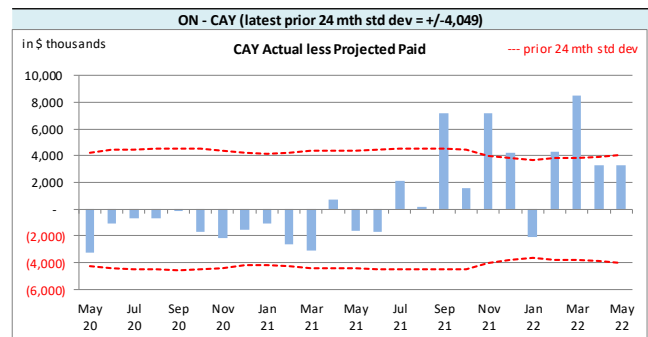
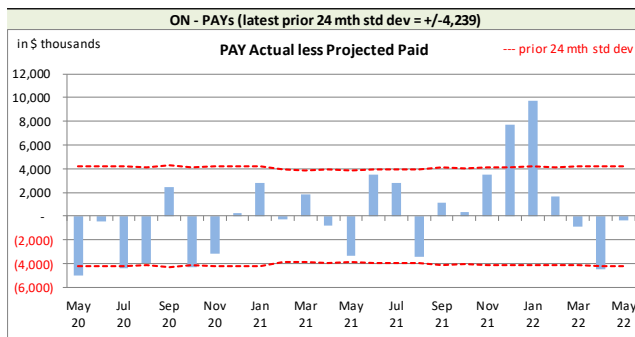
amount of the preceding 24 calendar months.

Ontario RSP Actual **Paid** activity by Calendar Month



Paid activity variances from the previous month’s projections are shown in the following charts, including the “prior 24-month standard deviation” levels to show how the variances from projection compare with historical standard deviations.

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



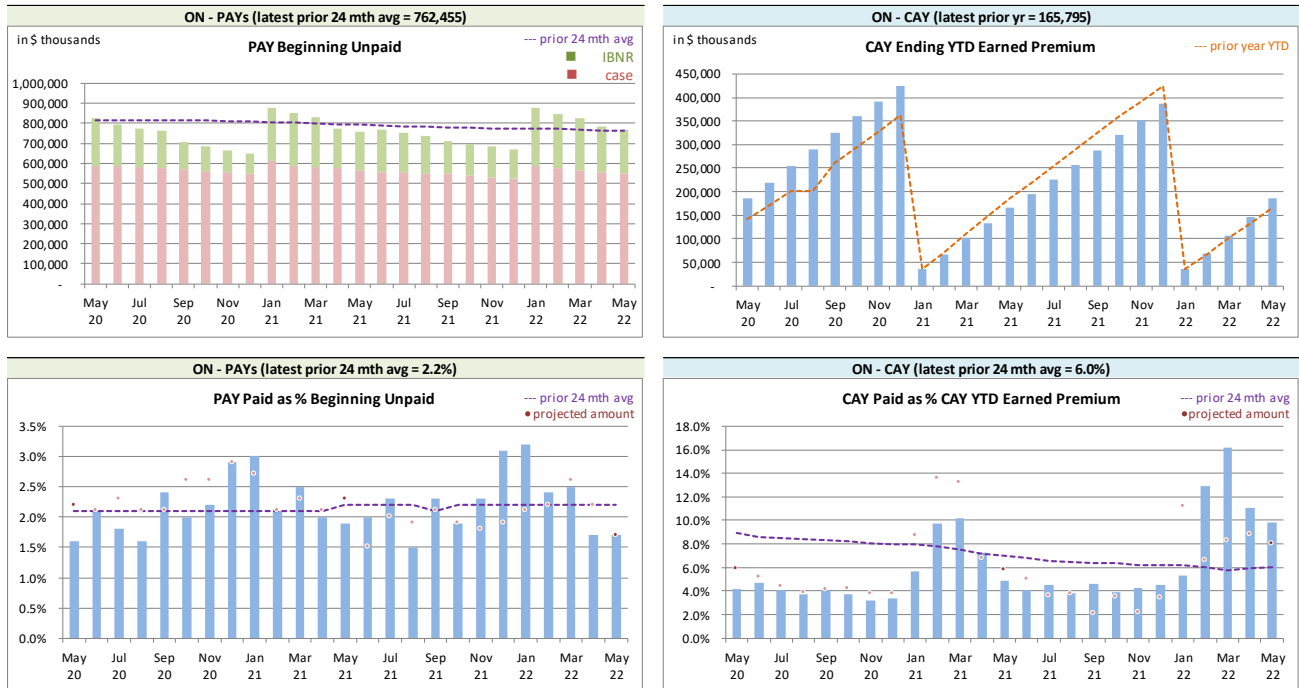
| On Latest \$ thousands | | | |
|--------------------------------|--------|--------|--|
| Paid | PAYS | CAY | |
| Mthly Avg Paid (prior 24 mths) | 16,850 | 10,827 | |
| std dev | 4,239 | 4,049 | |
| A-P <> std dev | 6 | 5 | |
| % <> std dev | 24.0% | 20.0% | |
| norm <> std dev | 31.7% | 31.7% | |
| performance vs 24-mth avg: | better | better | |

With respect to **paid** indemnity & allowed claims expense, 24% of the prior accident years’ (PAYS) variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **paid** amounts (see table on left), suggesting the projection process has performed better than simply projecting the prior 24-month average amount (assuming it follows a normal distribution). Bias has not been indicated at a 95% confidence level on a rolling 25-month basis (12 of 25 variances are positive).

The current accident year (CAY) **paid** variances fell outside of one standard deviation 20% of the time over the last 25 calendar months (preceding table on the left), suggesting the projection process has performed better than simply projecting the prior 24-month average amount. Bias has not been indicated at a 95% confidence level on a rolling 25-month basis (10 of 25 variances are positive).

We have included, for reference, the following charts related to levels influencing **paid** activity.

Ontario RSP Levels that influence¹⁰ Paid activity by Calendar Month



We track the PAY beginning unpaid balance (case and IBNR) as **paid** activity comes out of the unpaid balance. Changes in the PAY beginning unpaid balance (see upper left of the preceding group of charts) occur for several possible reasons:

- to offset actual **paid** activity (May reduce case or IBNR or both);
- the annual switchover as a CAY becomes a PAY (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of PAYS’ ultimates (will show up as a beginning unpaid balance change one month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

2.2 Actuarial Provisions

An ultimate loss ratio matching method (described in section 3) is used to determine each month’s IBNR¹¹, and factors are applied to the nominal unpaid claims liability (case plus IBNR) to determine the discount amount (shown as a negative value to indicate its impact of reducing the liability) and the Provisions for Adverse Deviations. The loss ratios and the factors used to determine the projections and actuals were based on the applicable valuation.

¹⁰Our paid projections for the prior accident years are based on selected ratios of paid to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date paid to year-to-date selected ultimate indemnity (i.e. selected LR x earned premium). In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

¹¹For ease of discussion, “IBNR” is used in place of “provisions for incurred but not recorded (IBNR) and development”.

Exhibit G shows the accident year IBNR amount change from the prior valuation implementation month broken down into:

- (i) the change in projections;
- (ii) the additional change due to variances in earned premium (because we apply a loss ratio to earned premium in determining ultimate level) and/or recorded claims (as IBNR is calculated as ultimate less recorded) differences; and
- (iii) the additional change due to valuation implementation impacts (as applicable)

3 Ultimate Loss Ratio Matching Method

An “ultimate loss ratio matching method” continues to be applied to the current month and two projected months shown in the Operational Reports, with IBNR determined by accident year as follows:

- (a) Earned premium to-date
- (b) Ultimate loss¹² ratio per latest valuation
- (c) Estimated ultimate incurred = (a) x (b)
- (d) Recorded indemnity & allowed claims expense to-date
- (e) IBNR = (c) – (d)

4 Calendar Year-to-Date Results

The following table summarizes the calendar year-to-date results for indemnity & allowed claims expenses¹³, including IBNR.

In calculating the amounts as percentages of earned premium, the calendar year-to-date earned premium has been used, which includes earned premium associated with the current accident year but also earned premium adjustments related to prior accident years. Specifically, the current accident year (CAY) ratio in the table is 122.6% rather than 122.0% (the valuation ultimate ratio for accident year 2022), as the calendar year-to-date earned premium includes prior accident year earned premium adjustments. (Note that the ratios in this table may differ slightly from those shown in the Ontario RSP Summary of Operations due to rounding.)

¹²“Loss” here refers to indemnity and allowed claims expenses, but does not include the claims expense allowance included in member company overall expense allowances (“Expense Allowance” in the Operational Report).

¹³Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this analysis.

Ontario RSP Calendar Year-to-Date Indemnity & Allowed Claims Expense Summary (\$ thousands)

| Table 04 | YTD Nominal Values | | YTD actuarial present value adjustment | | YTD Total | | Change from Prior Month YTD | |
|----------|--------------------|---------|--|---------|-----------|---------|-----------------------------|---------|
| | Amount | % EP | Amount | % EP | Amount | % EP | Amount | LR pts |
| PAYs | (22,667) | (12.2%) | (44,744) | (24.1%) | (67,411) | (36.3%) | (25,899) | (7.6%) |
| CAY | 227,640 | 122.6% | 18,217 | 9.8% | 245,857 | 132.5% | 48,799 | (3.8%) |
| TOTAL | 204,972 | 110.4% | (26,527) | (14.3%) | 178,445 | 96.1% | 22,900 | (11.5%) |

(" % EP " based on 2021 calendar year-to-date earned premium; ratios may not total due to rounding)

In general, prior accident years (PAYs) changes from last month are due to the release of the actuarial present value adjustments with claims payments, except when valuations are implemented. The loss ratio change year-to-date in Table 04 reflects not only changes in the prior accident year levels, but also the increase in the calendar year-to-date earned premium with an additional month’s earned premium, and the impact of valuation implementation.

For the current accident year (CAY), changes in the year-to-date total reflects the additional month’s exposure and regular changes to actuarial present value adjustments as the year ages, and the impact of valuation implementation.

5 Current Operational Report – Additional Exhibits

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

IBNR (including actuarial present value adjustments) presented in section 6, Exhibit A, were derived on a discounted basis, and therefore reflect the time value of money and include an explicit provision for adverse deviations in accordance with accepted actuarial practice in Canada.

IBNR presented in section 6, Exhibit B, does NOT include any actuarial present value adjustments. The “Total IBNR” from this exhibit is shown in the Operational Report as “Undiscounted IBNR”.

The ultimate loss ratios presented in section 6, Exhibit B, refer to the estimates derived on the basis of various actuarial methodologies applied to the experience of the Ontario Risk Sharing Pool for the purposes of the most recent quarterly valuation. As discussed in section 3, IBNR in the current month’s Operational Report was derived as the difference between the estimated ultimate for the claims amount (i.e. earned premium x ultimate loss ratio) and the associated current recorded amounts (life-to-date payments plus current case reserves).

6 EXHIBITS

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

| | |
|-----------|--|
| EXHIBIT A | IBNR for Member Sharing – includes Actuarial Present Value Adjustments |
| EXHIBIT B | IBNR |
| EXHIBIT C | Premium Liabilities |
| EXHIBIT D | Projected Year-end Policy Liabilities |
| EXHIBIT E | Discount Rate & Margins for Adverse Deviations |
| EXHIBIT F | Interest Rate Sensitivity |
| EXHIBIT G | Components of IBNR Change During Month |

EXHIBIT A

IBNR for Member Sharing – includes Actuarial Present Value Adjustments

TABLE EXHIBIT A

| | | Amounts in \$000s | | | | | | | | |
|--|--|-------------------|------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| IBNR + M/S actuarial present value adjustments | | Accident Year | Actual Apr. 2022 | Actual May. 2022 | Projected Jun. 2022 | Projected Jul. 2022 | Projected Aug. 2022 | Projected Sep. 2022 | Projected Oct. 2022 | Projected Dec. 2022 |
| prior | | | 14,188 | 9,719 | 9,352 | 9,325 | 8,920 | 8,891 | 8,716 | 8,652 |
| 2003 | | | 24 | 24 | 23 | 23 | 22 | 22 | 22 | 22 |
| 2004 | | | (20) | (52) | (50) | (48) | (46) | (47) | (45) | (45) |
| 2005 | | | (43) | (43) | (42) | (42) | (40) | (40) | (39) | (39) |
| 2006 | | | 58 | (23) | (23) | (24) | (21) | (23) | (21) | (23) |
| 2007 | | | 130 | 27 | 27 | 26 | 24 | 26 | 25 | 26 |
| 2008 | | | 65 | (172) | (166) | (164) | (158) | (156) | (153) | (149) |
| 2009 | | | 609 | 74 | 70 | 71 | 69 | 67 | 66 | 64 |
| 2010 | | | 874 | 180 | 174 | 172 | 165 | 165 | 161 | 159 |
| 2011 | | | 390 | 119 | 115 | 114 | 109 | 109 | 107 | 104 |
| 2012 | | | 666 | 34 | 32 | 34 | 32 | 33 | 32 | 36 |
| 2013 | | | 1,053 | 180 | 176 | 172 | 168 | 164 | 160 | 153 |
| 2014 | | | 95 | (301) | (283) | (294) | (269) | (280) | (277) | (297) |
| 2015 | | | 1,889 | 1,559 | 1,521 | 1,485 | 1,449 | 1,416 | 1,382 | 1,318 |
| 2016 | | | 2,282 | 1,282 | 1,265 | 1,213 | 1,204 | 1,158 | 1,127 | 1,041 |
| discount rate 2.25% | | | 3,323 | 2,547 | 2,500 | 2,418 | 2,382 | 2,306 | 2,249 | 2,110 |
| 2018 | | | 16,337 | 11,001 | 10,775 | 10,411 | 9,992 | 9,734 | 9,417 | 8,317 |
| 2019 | | | 42,249 | 36,337 | 34,997 | 34,007 | 33,113 | 31,564 | 29,914 | 27,343 |
| interest rate margin 25 basis pts | | | 83,828 | 74,671 | 71,404 | 69,454 | 65,580 | 60,733 | 56,716 | 49,278 |
| 2021 | | | 138,606 | 136,410 | 130,890 | 125,567 | 121,299 | 118,319 | 114,578 | 106,794 |
| 2022 | | | 118,137 | 141,793 | 170,230 | 202,071 | 240,407 | 280,189 | 323,036 | 409,408 |
| TOTAL | | | 424,740 | 415,366 | 432,987 | 455,991 | 484,401 | 514,350 | 547,173 | 614,272 |
| Change | | | | (9,374) | 17,621 | 23,004 | 28,410 | 29,949 | 32,823 | |

Please see Exhibit G, page 1 for Components of Change during Current Month

EXHIBIT B

IBNR

TABLE EXHIBIT B

Amounts in \$000s

| IBNR | Ultimate Loss Ratio | Accident Year | Actual Apr. 2022 | Actual May. 2022 | Projected Jun. 2022 | Projected Jul. 2022 | Projected Aug. 2022 | Projected Sep. 2022 | Projected Oct. 2022 | Projected Dec. 2022 |
|------|---------------------|---------------|------------------|------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | - | prior | 13,777 | 13,758 | 13,305 | 13,171 | 12,685 | 12,557 | 12,294 | 12,047 |
| | 90.4% | 2003 | 23 | 23 | 22 | 22 | 21 | 21 | 21 | 21 |
| | 77.5% | 2004 | (83) | (84) | (81) | (80) | (77) | (76) | (74) | (72) |
| | 73.4% | 2005 | (43) | (43) | (42) | (42) | (40) | (40) | (39) | (39) |
| | 100.1% | 2006 | (41) | (43) | (42) | (42) | (40) | (40) | (39) | (39) |
| | 100.3% | 2007 | 26 | 25 | 24 | 24 | 23 | 23 | 23 | 23 |
| | 120.2% | 2008 | 33 | (171) | (165) | (163) | (157) | (155) | (152) | (148) |
| | 154.0% | 2009 | 539 | 92 | 89 | 88 | 85 | 84 | 82 | 80 |
| | 150.9% | 2010 | 754 | 237 | 229 | 227 | 219 | 217 | 212 | 208 |
| | 86.5% | 2011 | 133 | 131 | 127 | 126 | 121 | 120 | 117 | 115 |
| | 83.4% | 2012 | 441 | 150 | 145 | 144 | 139 | 138 | 135 | 133 |
| | 93.1% | 2013 | 404 | 25 | 24 | 24 | 23 | 23 | 23 | 23 |
| | 98.2% | 2014 | (1,658) | (1,165) | (1,127) | (1,116) | (1,075) | (1,064) | (1,042) | (1,022) |
| | 107.2% | 2015 | (33) | 300 | 290 | 287 | 276 | 273 | 267 | 261 |
| | 117.4% | 2016 | (1,091) | (1,035) | (1,001) | (991) | (954) | (944) | (924) | (906) |
| | 106.0% | 2017 | (1,696) | (862) | (834) | (826) | (795) | (787) | (770) | (754) |
| | 116.3% | 2018 | 5,456 | 2,908 | 2,763 | 2,680 | 2,492 | 2,467 | 2,376 | 1,813 |
| | 108.4% | 2019 | 26,542 | 24,436 | 23,214 | 22,518 | 21,842 | 20,531 | 19,299 | 17,417 |
| | 75.7% | 2020 | 63,960 | 59,630 | 56,648 | 54,949 | 51,322 | 46,703 | 42,967 | 36,208 |
| | 88.5% | 2021 | 108,946 | 112,799 | 107,610 | 102,660 | 98,759 | 96,093 | 92,730 | 85,726 |
| | 122.0% | 2022 | 98,586 | 123,576 | 148,771 | 176,936 | 210,142 | 244,609 | 281,772 | 356,951 |
| | | TOTAL | 314,975 | 334,687 | 349,969 | 370,596 | 395,011 | 420,753 | 449,278 | 508,046 |
| | | Change | | 19,712 | 15,282 | 20,627 | 24,415 | 25,742 | 28,525 | |

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

EXHIBIT C

Premium Liabilities

TABLE EXHIBIT C

Amounts in \$000s

| Premium Liabilities | Actual Apr. 2022 | Actual May. 2022 | Projected Jun. 2022 | Projected Jul. 2022 | Projected Aug. 2022 | Projected Sep. 2022 | Projected Oct. 2022 | Projected Dec. 2022 |
|---|---------------------|---------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| (1) unearned premium (UP) | 248,526 | 253,295 | 258,532 | 261,867 | 271,655 | 280,566 | 285,699 | 283,347 |
| FOR MEMBER SHARING | | | | | | | | |
| (2) expected future costs ratio {% of (1)} | 136.5% | 132.4% | 132.6% | 132.9% | 133.2% | 133.5% | 133.8% | 134.6% |
| (3) expected future costs {(1) x (2)} | 339,239 | 335,415 | 342,870 | 347,970 | 361,774 | 374,507 | 382,331 | 381,288 |
| (4) premium deficiency / (deferred policy acquisition cost) | 90,713 | 82,120 | 84,338 | 86,103 | 90,119 | 93,941 | 96,632 | 97,941 |
| Excluding Actuarial Present Value Adjustments | | | | | | | | |
| (5) expected future costs ratio {% of (1)} | 122.5% | 122.6% | 122.8% | 123.1% | 123.3% | 123.6% | 123.9% | 124.6% |
| (6) expected future costs {(1) x (5)} | 304,385 | 310,625 | 317,529 | 322,253 | 335,036 | 346,828 | 354,073 | 353,107 |
| (7) premium deficiency / (deferred policy acquisition cost) | 55,859 | 57,330 | 58,997 | 60,386 | 63,381 | 66,262 | 68,374 | 69,760 |

EXHIBIT D

Projected Year-end Policy Liabilities

The table below presents the projected policy liabilities as at December 31, 2022, broken down by component.

| Ontario | | Projected Balances as at Dec. 31, 2022 (\$000s) | | | | | | | | | |
|--|------------------|---|-----------------|----------|--|--------------------------|---------------------------|------------------|------------|-----------|-------|
| ending 2022 | | nominal values | | | actuarial present value adjustments (apvs) | | | | | | TOTAL |
| Acc Yr | Case | IBNR | Total Unpaid | discount | investment PfAD | nominal development PfAD | development PfAD discount | development PfAD | Total apvs | TOTAL | |
| prior | 23,791 | 12,047 | 35,838 | (6,978) | 689 | 3,591 | (697) | 2,894 | (3,395) | 32,443 | |
| 2003 | (2) | 21 | 19 | (1) | - | 2 | - | 2 | 1 | 20 | |
| 2004 | 819 | (72) | 747 | (48) | 5 | 75 | (5) | 70 | 27 | 774 | |
| 2005 | 37 | (39) | (2) | - | - | - | - | - | - | (2) | |
| 2006 | 1,401 | (39) | 1,362 | (120) | 12 | 136 | (12) | 124 | 16 | 1,378 | |
| 2007 | 1,316 | 23 | 1,339 | (132) | 14 | 134 | (13) | 121 | 3 | 1,342 | |
| 2008 | 408 | (148) | 260 | (27) | 3 | 26 | (3) | 23 | (1) | 259 | |
| 2009 | 792 | 80 | 872 | (103) | 10 | 87 | (10) | 77 | (16) | 856 | |
| 2010 | 1,662 | 208 | 1,870 | (236) | 24 | 187 | (24) | 163 | (49) | 1,821 | |
| 2011 | 3,989 | 115 | 4,104 | (421) | 42 | 410 | (42) | 368 | (11) | 4,093 | |
| 2012 | 3,902 | 133 | 4,035 | (501) | 50 | 404 | (50) | 354 | (97) | 3,938 | |
| 2013 | 8,437 | 23 | 8,460 | (716) | 72 | 846 | (72) | 774 | 130 | 8,590 | |
| 2014 | 22,285 | (1,022) | 21,263 | (1,402) | 141 | 2,126 | (140) | 1,986 | 725 | 21,988 | |
| 2015 | 20,561 | 261 | 20,822 | (1,027) | 105 | 2,082 | (103) | 1,979 | 1,057 | 21,879 | |
| 2016 | 36,018 | (906) | 35,112 | (1,567) | 163 | 3,507 | (156) | 3,351 | 1,947 | 37,059 | |
| 2017 | 51,031 | (754) | 50,277 | (2,163) | 226 | 5,017 | (216) | 4,801 | 2,864 | 53,141 | |
| 2018 | 79,947 | 1,813 | 81,760 | (3,630) | 382 | 10,205 | (453) | 9,752 | 6,504 | 88,264 | |
| 2019 | 84,154 | 17,417 | 101,571 | (5,027) | 528 | 15,176 | (751) | 14,425 | 9,926 | 111,497 | |
| 2020 | 77,448 | 36,208 | 113,656 | (6,269) | 658 | 19,772 | (1,091) | 18,681 | 13,070 | 126,726 | |
| 2021 | 76,366 | 85,726 | 162,092 | (10,203) | 1,069 | 32,231 | (2,029) | 30,202 | 21,068 | 183,160 | |
| PAYs (sub-total): | 494,362 | 151,095 | 645,457 | (40,571) | 4,193 | 96,014 | (5,867) | 90,147 | 53,769 | 699,226 | |
| CAY (2022) | 118,984 | 356,951 | 475,935 | (29,509) | 3,082 | 84,098 | (5,214) | 78,884 | 52,457 | 528,392 | |
| claims liabilities: | 613,346 | 508,046 | 1,121,392 | (70,080) | 7,275 | 180,112 | (11,081) | 169,031 | 106,226 | 1,227,618 | |
| | Unearned Premium | Premium Deficiency / (DPAC) | Total Provision | discount | investment PfAD | nominal development PfAD | development PfAD discount | development PfAD | Total apvs | TOTAL* | |
| premium liabilities: | 283,347 | 69,760 | 353,107 | (16,637) | 1,738 | 45,214 | (2,134) | 43,080 | 28,181 | 381,288 | |
| *Total may not be sum of parts, as apvs apply to future costs within UPR | | | | | | | | | | | |
| policy liabilities: | | | 1,474,499 | (86,717) | 9,013 | 225,326 | (13,215) | 212,111 | 134,407 | 1,608,906 | |

EXHIBIT E

Discount Rate & Margins for Adverse Deviations

The tables below present selected margins for adverse development by coverage (the total is a weighted average, based on the unpaid claims projection for December 31, 2022 from the valuation), followed by the selected discount rate and the associated margin for investment income.

| Accident Year | Selected Claims Development MfADs | | | |
|---------------|-----------------------------------|-------------------|-----------------|---------|
| | Third Party Liability | Accident Benefits | Other Coverages | Total |
| | Margins | Margins | Margins | Margins |
| 2005 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2006 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2007 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2008 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2009 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2010 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2011 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2012 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2013 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2014 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2015 | 10.0% | 10.0% | 10.0% | 10.0% |
| 2016 | 10.0% | 10.0% | 8.8% | 10.0% |
| 2017 | 10.0% | 10.0% | 6.9% | 10.0% |
| 2018 | 12.5% | 12.5% | 11.9% | 12.5% |
| 2019 | 14.9% | 15.0% | 11.6% | 14.9% |
| 2020 | 17.4% | 17.5% | 13.4% | 17.4% |
| 2021 | 19.9% | 20.0% | 14.2% | 19.9% |
| 2022 | 17.4% | 20.0% | 5.8% | 17.7% |
| 2023 | 13.0% | 20.0% | 5.1% | 12.8% |
| prem liab | 13.0% | 20.0% | 5.1% | 12.8% |

discount rate: 2.25%

margin (basis points): 25

*prem liabilities as at 2022m03

EXHIBIT F

Interest Rate Sensitivity

The tables below present sensitivity to the member statement claims liability as projected to Dec. 31, 2022 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2022, and are based on more up-to-date information). We have included the most recent valuation selection (2.25%), the prior valuation assumption (1.11%) and the prior fiscal year end valuation assumption (0.26%) for comparative purposes. A 25 basis point margin for investment return adverse deviation is used in all scenarios presented.

| AY | Actuarial Present Value of Provisions at Various Discount Rates - Dec. 31, 2022 projected Unpaid | | | | | | | |
|--------------|--|------------------|---------------------|----------------|----------------|----------------|----------------------|--------------------------|
| | 1.25% | 1.75% | 2.25% | 2.75% | 3.25% | 3.75% | 1.11% | 0.26% |
| 2005 & prior | 42,870 | 40,865 | 38,971 | 37,182 | 35,491 | 33,892 | 43,452 | 47,197 |
| 2005 | 40 | 39 | 39 | 38 | 37 | 37 | 40 | 41 |
| 2006 | 1,637 | 1,604 | 1,572 | 1,541 | 1,511 | 1,482 | 1,646 | 1,706 |
| 2007 | 1,765 | 1,725 | 1,686 | 1,649 | 1,613 | 1,578 | 1,777 | 1,849 |
| 2008 | 350 | 342 | 334 | 326 | 319 | 311 | 353 | 368 |
| 2009 | 965 | 939 | 913 | 889 | 866 | 844 | 973 | 1,021 |
| 2010 | 1,682 | 1,633 | 1,585 | 1,540 | 1,497 | 1,456 | 1,696 | 1,787 |
| 2011 | 4,314 | 4,212 | 4,115 | 4,023 | 3,934 | 3,850 | 4,343 | 4,530 |
| 2012 | 4,718 | 4,582 | 4,452 | 4,329 | 4,212 | 4,100 | 4,757 | 5,008 |
| 2013 | 6,705 | 6,576 | 6,452 | 6,334 | 6,222 | 6,114 | 6,742 | 6,980 |
| 2014 | 17,418 | 17,159 | 16,912 | 16,676 | 16,451 | 16,236 | 17,493 | 17,970 |
| 2015 | 16,679 | 16,494 | 16,316 | 16,145 | 15,980 | 15,821 | 16,732 | 17,067 |
| 2016 | 31,077 | 30,765 | 30,464 | 30,172 | 29,890 | 29,615 | 31,166 | 31,725 |
| 2017 | 48,626 | 48,157 | 47,701 | 47,258 | 46,828 | 46,409 | 48,760 | 49,600 |
| 2018 | 88,646 | 87,761 | 86,900 | 86,062 | 85,245 | 84,449 | 88,898 | 90,473 |
| 2019 | 111,076 | 109,837 | 108,632 | 107,458 | 106,316 | 105,202 | 111,429 | 113,636 |
| 2020 | 129,055 | 127,447 | 125,883 | 124,362 | 122,881 | 121,439 | 129,514 | 132,381 |
| 2021 | 178,043 | 175,501 | 173,032 | 170,633 | 168,300 | 166,031 | 178,768 | 183,304 |
| 2022 | 346,647 | 341,693 | 336,888 | 332,225 | 327,698 | 323,301 | 348,062 | 356,921 |
| Total | 1,032,272 | 1,017,290 | 1,002,809 | 988,805 | 975,253 | 962,131 | 1,036,560 | 1,063,521 |
| | curr - 100 bp | curr - 50 bp | curr val assumption | curr + 50bp | curr + 100bp | curr + 150bp | prior val assumption | prior fyr end assumption |

| AY | Dollar Impact Relative to Valuation Assumption | | | | | | | |
|--------------|--|--------------|---------------------|-------------|--------------|--------------|----------------------|--------------------------|
| | 1.25% | 1.75% | 2.25% | 2.75% | 3.25% | 3.75% | 1.11% | 0.26% |
| Total | 29,462 | 14,481 | - | (14,005) | (27,557) | (40,678) | 33,751 | 60,711 |
| | curr - 100 bp | curr - 50 bp | curr val assumption | curr + 50bp | curr + 100bp | curr + 150bp | prior val assumption | prior fyr end assumption |

| AY | Percentage Impact Relative to Valuation Assumption | | | | | | | |
|--------------|--|--------------|---------------------|--------------|--------------|--------------|----------------------|--------------------------|
| | 1.23% | 1.73% | 2.23% | 2.73% | 3.23% | 3.73% | 1.05% | 0.22% |
| 2005 & prior | 10.0% | 4.9% | 0.0% | -4.6% | -8.9% | -13.0% | 11.5% | 21.1% |
| 2005 | 3.5% | 1.7% | 0.0% | -1.7% | -3.3% | -4.8% | 4.0% | 7.1% |
| 2006 | 4.1% | 2.0% | 0.0% | -2.0% | -3.9% | -5.7% | 4.7% | 8.5% |
| 2007 | 4.7% | 2.3% | 0.0% | -2.2% | -4.4% | -6.4% | 5.4% | 9.7% |
| 2008 | 4.9% | 2.4% | 0.0% | -2.3% | -4.6% | -6.7% | 5.6% | 10.1% |
| 2009 | 5.7% | 2.8% | 0.0% | -2.7% | -5.2% | -7.7% | 6.5% | 11.8% |
| 2010 | 6.1% | 3.0% | 0.0% | -2.8% | -5.6% | -8.2% | 7.0% | 12.7% |
| 2011 | 4.8% | 2.4% | 0.0% | -2.2% | -4.4% | -6.4% | 5.5% | 10.1% |
| 2012 | 6.0% | 2.9% | 0.0% | -2.8% | -5.4% | -7.9% | 6.8% | 12.5% |
| 2013 | 3.9% | 1.9% | 0.0% | -1.8% | -3.6% | -5.2% | 4.5% | 8.2% |
| 2014 | 3.0% | 1.5% | 0.0% | -1.4% | -2.7% | -4.0% | 3.4% | 6.3% |
| 2015 | 2.2% | 1.1% | 0.0% | -1.0% | -2.1% | -3.0% | 2.5% | 4.6% |
| 2016 | 2.0% | 1.0% | 0.0% | -1.0% | -1.9% | -2.8% | 2.3% | 4.1% |
| 2017 | 1.9% | 1.0% | 0.0% | -0.9% | -1.8% | -2.7% | 2.2% | 4.0% |
| 2018 | 2.0% | 1.0% | 0.0% | -1.0% | -1.9% | -2.8% | 2.3% | 4.1% |
| 2019 | 2.3% | 1.1% | 0.0% | -1.1% | -2.1% | -3.2% | 2.6% | 4.6% |
| 2020 | 2.5% | 1.2% | 0.0% | -1.2% | -2.4% | -3.5% | 2.9% | 5.2% |
| 2021 | 2.9% | 1.4% | 0.0% | -1.4% | -2.7% | -4.0% | 3.3% | 5.9% |
| 2022 | 2.9% | 1.4% | 0.0% | -1.4% | -2.7% | -4.0% | 3.3% | 5.9% |
| Total | 2.9% | 1.4% | 0.0% | -1.4% | -2.7% | -4.1% | 3.4% | 6.1% |
| | curr - 100 bp | curr - 50 bp | curr val assumption | curr + 50bp | curr + 100bp | curr + 150bp | prior val assumption | prior fyr end assumption |

EXHIBIT G

Components of Member Statement IBNR (i.e. “Discounted”) Change
(April 2022 to May 2022)

RSP Ontario

AccountCode Desc IBNR - Discounted

M/S IBNR - in \$000s

| AccYear | Sum of Prior Month Actual Amount | Sum of Projected Change | Sum of Change Due to AvsP Variances | Sum of Change Due to Valuation Implementation | Sum of Total Change | Sum of % Total Change | Sum of Current Month Final Amount |
|--------------------|----------------------------------|-------------------------|-------------------------------------|---|---------------------|-----------------------|-----------------------------------|
| prior | 14,212 | (1,386) | 1,348 | (4,455) | (4,493) | (31.6%) | 9,719 |
| 2003 | 15 | (2) | 11 | - | 9 | 60.0% | 24 |
| 2004 | (19) | 6 | (8) | (31) | (33) | 173.7% | (52) |
| 2005 | (43) | 5 | (5) | - | - | - | (43) |
| 2006 | 60 | - | (5) | (78) | (83) | (138.3%) | (23) |
| 2007 | 140 | (9) | (18) | (86) | (113) | (80.7%) | 27 |
| 2008 | 64 | (6) | 12 | (242) | (236) | (368.8%) | (172) |
| 2009 | 609 | (56) | 57 | (536) | (535) | (87.8%) | 74 |
| 2010 | 851 | (79) | 153 | (745) | (671) | (78.8%) | 180 |
| 2011 | 343 | (22) | 66 | (268) | (224) | (65.3%) | 119 |
| 2012 | 557 | (54) | 167 | (636) | (523) | (93.9%) | 34 |
| 2013 | 966 | (68) | 69 | (787) | (786) | (81.4%) | 180 |
| 2014 | 934 | 70 | (973) | (332) | (1,235) | (132.2%) | (301) |
| 2015 | 2,147 | (90) | 1,006 | (1,504) | (588) | (27.4%) | 1,559 |
| 2016 | 2,224 | (43) | (179) | (720) | (942) | (42.4%) | 1,282 |
| 2017 | 3,176 | (55) | 831 | (1,405) | (629) | (19.8%) | 2,547 |
| 2018 | 18,584 | (892) | (3,397) | (3,294) | (7,583) | (40.8%) | 11,001 |
| 2019 | 44,721 | (2,332) | (2,205) | (3,847) | (8,384) | (18.7%) | 36,337 |
| 2020 | 86,438 | (6,671) | 1,994 | (7,090) | (11,767) | (13.6%) | 74,671 |
| 2021 | 142,337 | (11,483) | 3,765 | 1,791 | (5,927) | (4.2%) | 136,410 |
| 2022 | 89,586 | 67,435 | (9,215) | (6,013) | 52,207 | 58.3% | 141,793 |
| Grand Total | 407,902 | 44,268 | (6,526) | (30,278) | 7,464 | 1.8% | 415,366 |

EXHIBIT G

Components of IBNR (i.e. “Undiscounted”) Change
(April 2022 to May 2022)

RSP Ontario
AccountCode Desc IBNR - Undiscounted

IBNR - in \$000s

| AccYear | Sum of Prior Month Actual Amount | Sum of Projected Change | Sum of Change Due to AvsP Variances | Sum of Change Due to Valuation Implementation | Sum of Total Change | Sum of % Total Change | Sum of Current Month Final Amount |
|--------------------|----------------------------------|-------------------------|-------------------------------------|---|---------------------|-----------------------|-----------------------------------|
| prior | 13,799 | (1,362) | 1,325 | (4) | (41) | (0.3%) | 13,758 |
| 2003 | 14 | (2) | 11 | - | 9 | 64.3% | 23 |
| 2004 | (82) | 8 | (10) | - | (2) | 2.4% | (84) |
| 2005 | (43) | 5 | (5) | - | - | - | (43) |
| 2006 | (39) | 4 | (8) | - | (4) | 10.3% | (43) |
| 2007 | 36 | (3) | (8) | - | (11) | (30.6%) | 25 |
| 2008 | 33 | (4) | 14 | (214) | (204) | (618.2%) | (171) |
| 2009 | 539 | (53) | 54 | (448) | (447) | (82.9%) | 92 |
| 2010 | 729 | (74) | 151 | (569) | (492) | (67.5%) | 237 |
| 2011 | 86 | (12) | 57 | - | 45 | 52.3% | 131 |
| 2012 | 330 | (42) | 164 | (302) | (180) | (54.5%) | 150 |
| 2013 | 311 | (38) | 52 | (300) | (286) | (92.0%) | 25 |
| 2014 | (832) | 150 | (1,025) | 542 | (333) | 40.0% | (1,165) |
| 2015 | 219 | (1) | 870 | (788) | 81 | 37.0% | 300 |
| 2016 | (1,192) | 109 | (221) | 269 | 157 | (13.2%) | (1,035) |
| 2017 | (1,984) | 173 | 949 | - | 1,122 | (56.6%) | (862) |
| 2018 | 7,398 | (413) | (3,378) | (699) | (4,490) | (60.7%) | 2,908 |
| 2019 | 28,774 | (1,792) | (2,186) | (360) | (4,338) | (15.1%) | 24,436 |
| 2020 | 66,286 | (5,951) | 1,820 | (2,525) | (6,656) | (10.0%) | 59,630 |
| 2021 | 112,108 | (10,374) | 3,742 | 7,323 | 691 | 0.6% | 112,799 |
| 2022 | 74,569 | 57,901 | (8,894) | - | 49,007 | 65.7% | 123,576 |
| Grand Total | 301,059 | 38,229 | (6,526) | 1,925 | 33,628 | 11.2% | 334,687 |