

NEW BRUNSWICK RISK SHARING POOL

APRIL 2021 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

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ACTUARIAL HIGHLIGHTS

RSP NEW BRUNSWICK

OPERATIONAL REPORT

APRIL 2021

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1 Summary

Note to members: we are currently reviewing our member reporting requirements and intend to provide the **Actuarial Highlights quarterly instead of the current monthly reporting**, starting with the May 2021 operational reporting and aligned with the valuation schedule; please contact us with any questions or concerns in regards to this matter.

1.1 Valuation Schedule (Fiscal Year 2021)

The April 2021 Operational Report leverages actuarial assumptions consistent with last month (that is, it does not reflect the results of an updated valuation). The following table summarizes the valuation implementations scheduled for fiscal year 2021.

NEW BRUNSWICK RISK SHARING POOL FISCAL YEAR 2021 – SCHEDULE OF VALUATIONS			
Valuation Date	Discount Rate (per annum)	Operational Report	Description of Changes
Sep 30, 2020 (completed)	0.22% mfad ¹ 25 bp	Oct. 2020	update valuation (roll-forward):): accident year 2020 loss ratio <u>decreased</u> 0.1 points to 65.2%; discount rate <u>decreased</u> 3 basis points; no change to selected margins for adverse deviations
Dec. 31, 2020 (completed)	0.26% mfad 25 bp	Mar. 2021	update valuation: accident year 2020 loss ratio <u>decreased</u> 6.0 points to 59.2% and accident year 2021 loss ratio <u>decreased</u> 6.5 points to 70.1%;; discount rate <u>increased</u> 4 basis points; no change to selected margins for adverse deviations
Mar. 31, 2021	% mfad -- bp	May 2021	update valuation (roll-forward):
Jun. 30, 2021	% mfad -- bp	Aug. 2021	update valuation:
Sep. 30, 2021	% mfad -- bp	Oct. 2021	update valuation (roll-forward):

Under the proposed schedule for fiscal year 2021, the off-half valuation quarters ending March 31, 2021 and September 30, 2021 would not reflect a full valuation update of assumptions, but would rather roll-forward key assumptions from the previous valuation.

1.2 Appointed Actuary and Hybrid Actuarial Services Model

The Annual General Meeting of the members of Facility Association (“FA”) appointed Mr. Cosimo

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%.

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.

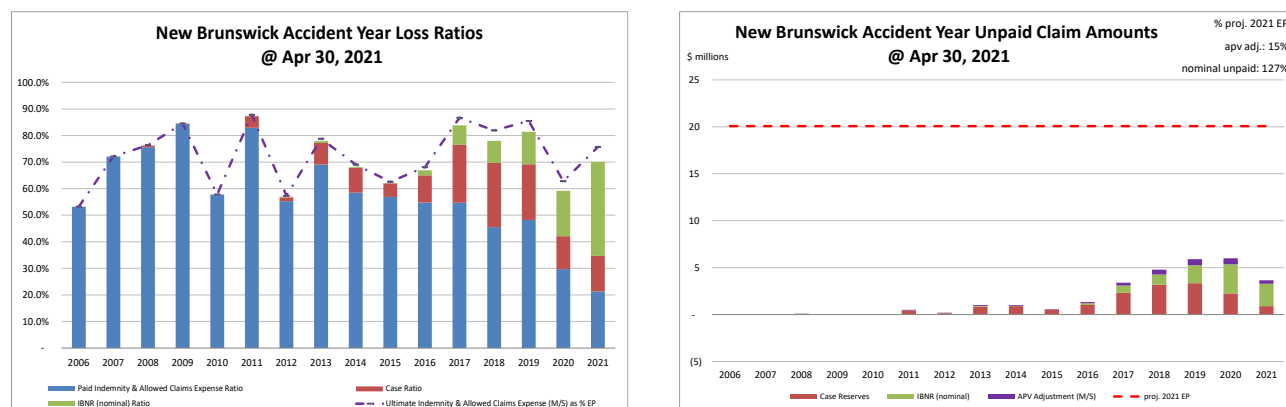
1.3 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation

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

Consideration and assessment of potential impacts of legal decisions and changes in legislation / regulation constitutes a regular part of the valuation process. At the current time, there are no specific recent (i.e. within the last five years) decisions or changes for inclusion here.

1.4 Current Provision Summary

The following charts show the current levels of claim liabilities² booked by accident year. 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 2021 full year earned premium (the red hash-mark line) to provide some perspective.



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

The current actuarial present value adjustments balance (\$2.9 million – see the following table) represents 15% of the earned premium projected for the full year 2021 (see the upper right corner of the right chart above). If our current estimates of the nominal unpaid amounts prove to match actual claims payments, the actuarial present value adjustments will be released into the net operating result over future periods.

²Claim 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.

claim liabilities (\$000s)

	amt	%
case	15,920	55.9%
ibnr	9,622	33.8%
M/S apv adjust.	2,930	10.3%
M/S total	28,472	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 57% of the IBNR balance relates to accident years 2020 and 2021 (see Exhibit B). Approximately 83% of the M/S

total claim liabilities are related to accident years 2017-2021 inclusive (i.e. the most recent 5 accident years), and approximately 2% is related to accident years 2011 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	9,944	124.9%
prem def/(dpac)	(2,646)	(33.2%)
M/S apv adjust.	664	8.3%
M/S total	7,962	100.0%

policy liabilities (\$000s)

	amt	%
claim	25,542	70.1%
premium	7,298	20.0%
M/S apv adjust.	3,594	9.9%
M/S total	36,434	100.0%

2 Activity During the Month of April 2021

2.1 Recorded Premium and Claims Activity

The following table summarizes the extent to which premiums and claims amounts recorded during the month differ from projections reflected in the prior month's Operational Report³.

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

Table 01 Accident Year	Earned Premium		Paid Indemnity & Allowed Claims Expense		Case increase / (decrease)		Recorded increase / (decrease)	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	(3)	(3)	47	(162)	279	412	326	250
2019	(3)	(3)	36	(17)	34	37	70	20
2020	(5)	(5)	48	(114)	57	187	104	72
2021	1,715	108	493	29	225	(54)	718	(25)
TOTAL	1,705	98	623	(265)	594	582	1,218	317

(Recorded transaction amounts exclude IBNR & other actuarial provisions)

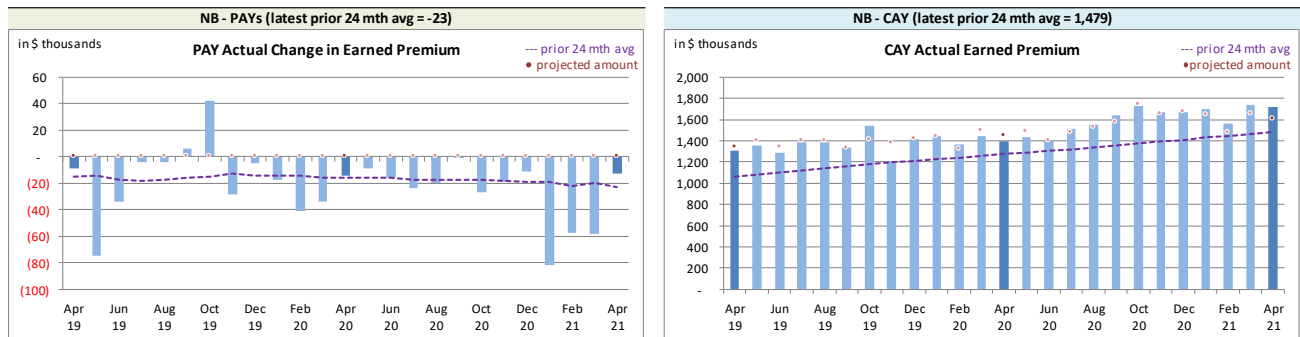
Claims transaction activity is generally volatile and changes from one month to the next are anticipated due to this natural "process variance" (i.e. random variation), and this is particularly true where volumes are low as found in this RSP. Each month, the projection variances are reviewed for signs of projection bias and to identify potential ways to reduce the level of the variance. Commentary from our review is provided in the sub-sections that follow.

³There may be rounding differences in values in this document compared with the associated Bulletin and/or Operational Report.

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

The following charts show actual **earned premium**⁴ 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.

New Brunswick RSP Actual **Earned Premium** by Calendar Month



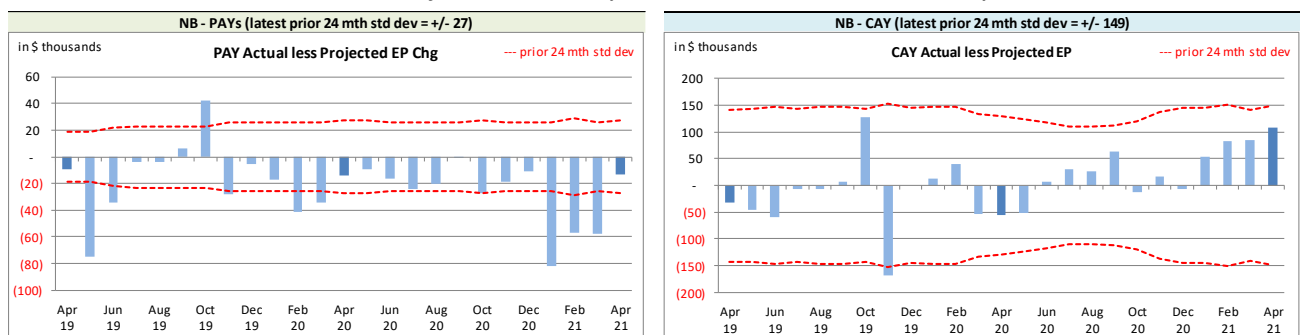
Earned premium changes during a given calendar month in relation to prior accident years tend to be at modest levels, although relatively high levels generally occur at the beginning of each year.

On Latest \$ thousands		
	Earned Premium	PAYs CAY
Mthly Avg EP Chg (prior 24 mths)	(23)	1,479
std dev	27	149
A-P <> std dev	9	1
% <> std dev	36.0%	4.0%
norm <> std dev	31.7%	31.7%
performance vs 24-mth avg:	no better	better

The associated variance between the actual changes and the projections from the previous month are shown in following charts. **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.

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



We project **earned premium** changes from known unearned premium balances and projected

⁴Premium 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.

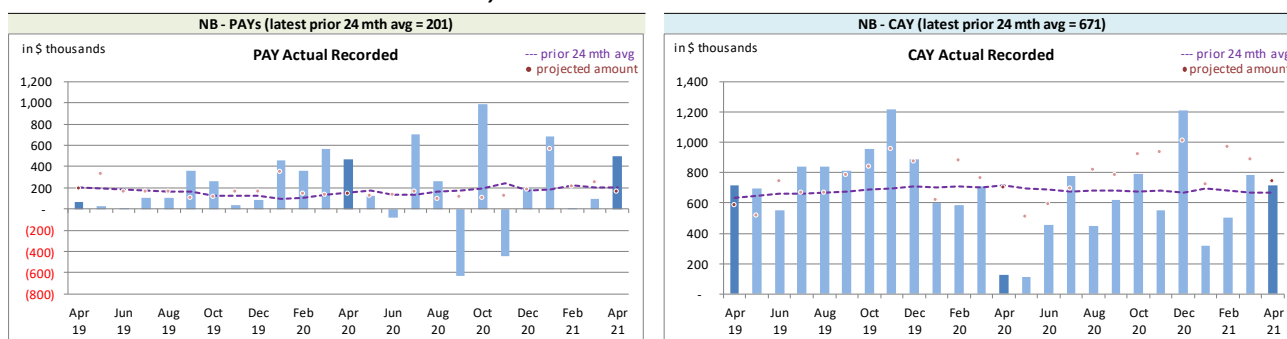
written premium levels, but upload the total projections as current accident year (CAY). This process has generated prior accident years' (PAYs) bias⁵, with actuals generally lower than our projections, although the magnitude is not high relative to monthly premium. However, for the CAY, bias⁶ has not been indicated. Over time, we may consider other projection approaches to address the bias issue, but it is not currently deemed as priority.

Readers will note the widening of the CAY standard deviation band, reflecting the recent and sustained volume increases and the impact as those increases are earned.

2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

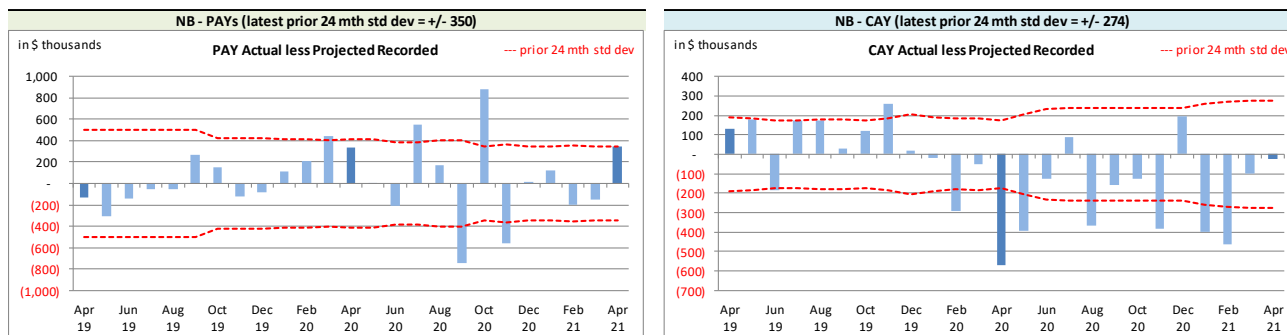
The following charts show actual **recorded** activity (**paid** and case reserve changes), in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

*New Brunswick 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.

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



⁵The PAYs’ variances will show bias as the projection upload forces all earned premium projections to be attributed to the CAY.

⁶For 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.

On Latest \$ thousands		
Recorded	PAYs	CAY
Mthly Avg Recorded (prior 24 mths)	201	671
std dev	350	274
A-P <> std dev	5	9
% <> std dev	20.0%	36.0%
norm <> std dev	31.7%	31.7%
performance vs 24-mth avg:	better	no better

With respect to **recorded** indemnity & allowed claims expense activity, caution must be exercised in reviewing the variances as this is a small pool and single claim transactions that are normal course for the business may look unusual and generate relatively significant variances that in nominal value terms are not that significant in

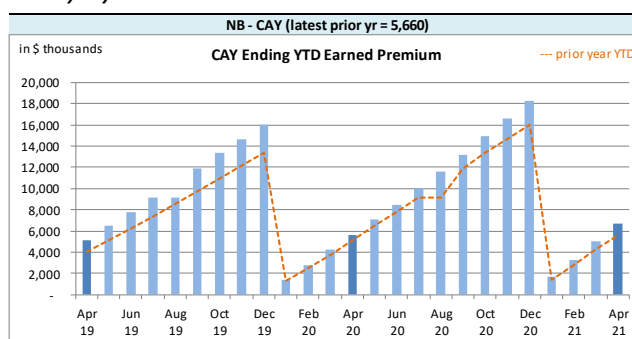
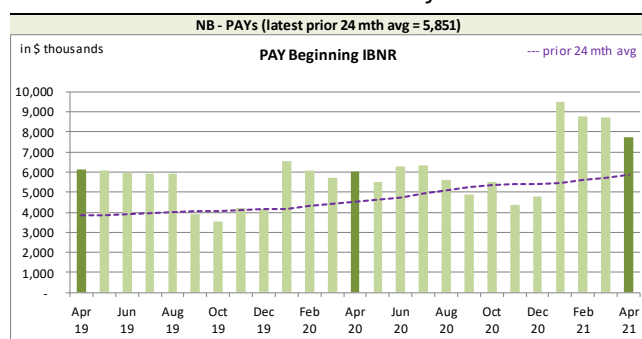
relative or overall terms. That said, 20% of the prior accident years' (PAYs) **recorded** variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **recorded** amounts (see preceding table to the left), suggesting the projection process has performed better 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 (13 of 25 variances are positive).

The current accident year (CAY) **recorded** variances fell outside of one standard deviation 36% of the time over the last 25 calendar months (see preceding table on the left), suggesting the projection process has performed no 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).

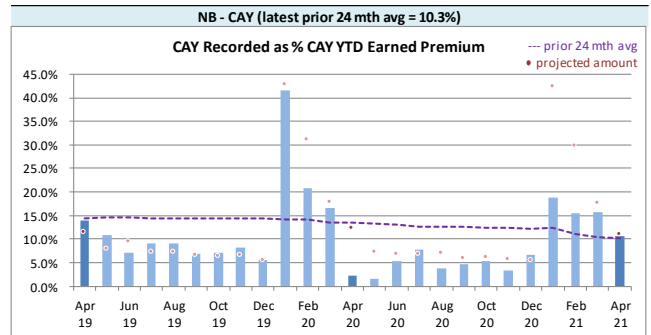
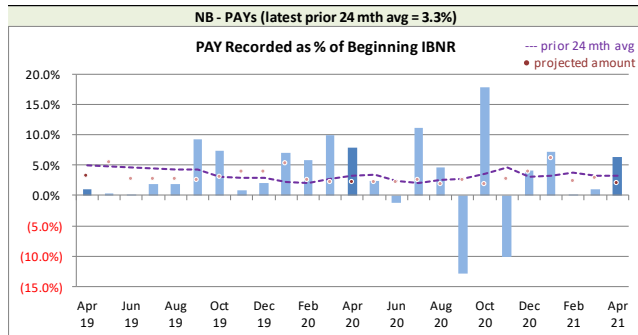
The method for establishing IBNR adjusts automatically for changes in **earned premium** and **recorded** claims activity level (see sections 2.2 and 3).

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

New Brunswick RSP Levels that influence⁷ Recorded activity by Calendar Month



⁷Our 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.



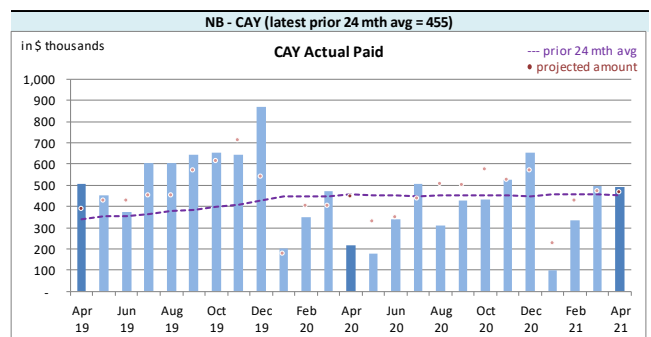
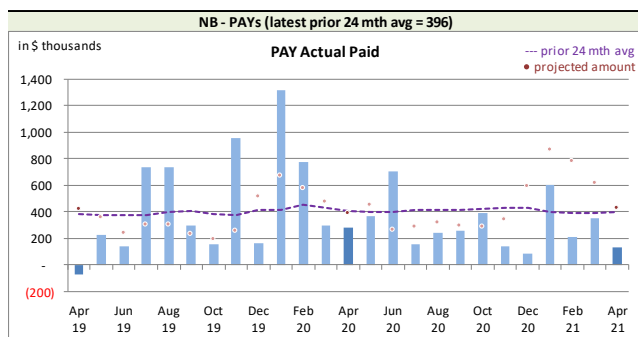
We track PAY beginning IBNR as **recorded** activity comes out of IBNR. Changes in the PAY beginning IBNR (see upper left of the preceding group of charts) occur for several possible reasons:

- 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).

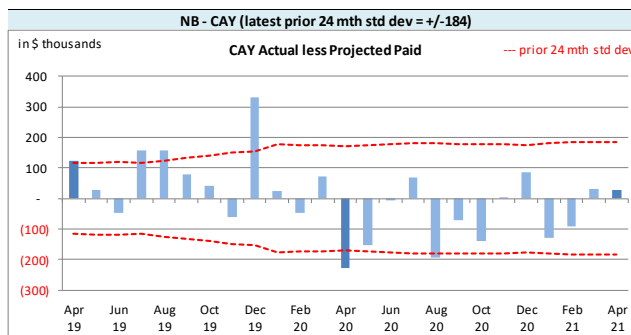
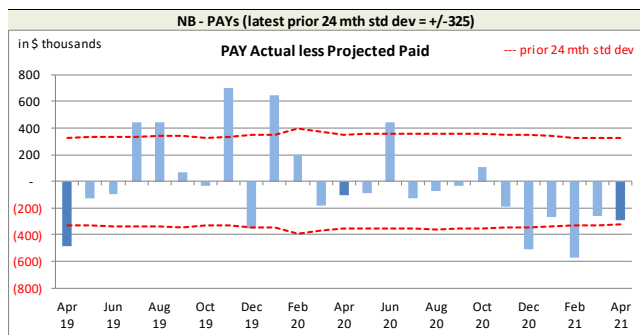
2.1.c AvsP: Paid Indemnity & Allowed Claims Expense

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 amount of the preceding 24 calendar months.

*New Brunswick 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.

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


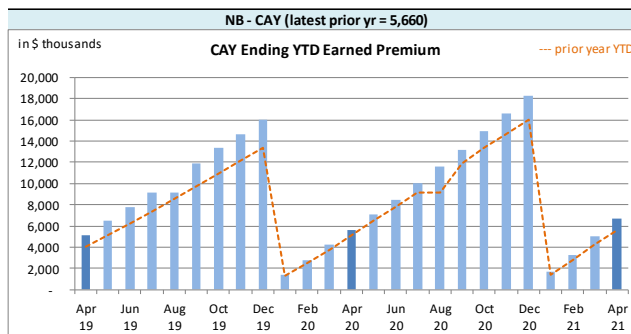
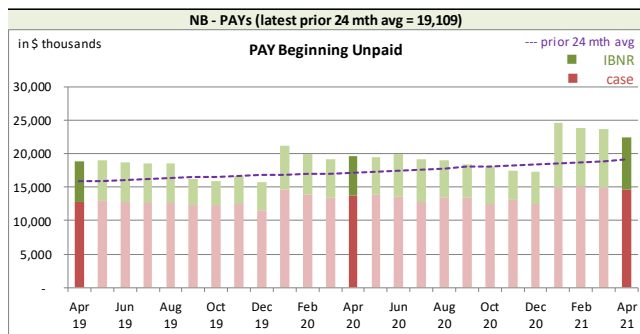
On Latest \$ thousands		
	Paid	PAYs CAY
Mthly Avg Paid (prior 24 mths)	396	455
std dev	325	184
A-P <> std dev	9	6
% <> std dev	36.0%	24.0%
norm <> std dev	31.7%	31.7%
performance vs 24-mth avg:	no better	better

With respect to **paid** indemnity & allowed claims expense, caution must be exercised in reviewing the variances as this is a small pool, and single claim transactions that are normal course for the business may look unusual and generate relatively significant variances that in nominal value terms are not that significant in relative or overall terms.

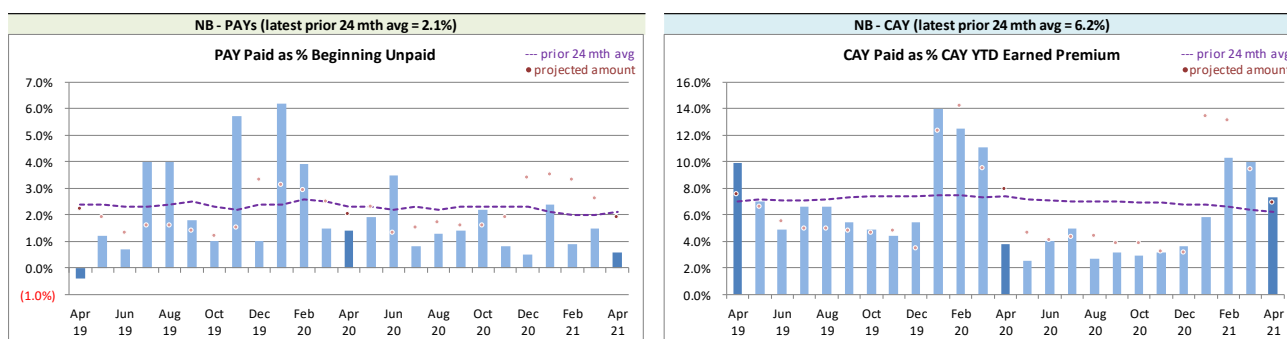
That said, 36% of the prior accident years' (PAYs) variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **paid** amounts (see preceding table on the left), suggesting the projection process has performed no better than simply projecting the prior 24-month average amount (assuming a normal distribution). Bias has not been indicated at a 95% confidence level on a rolling 25-month basis (8 of 25 variances are positive).

The current accident year (CAY) **paid** variances fell outside of one standard deviation 24% of the time over the last 25 calendar months (see preceding table on the left), suggesting that 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 (14 of 25 variances are positive).

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

New Brunswick RSP Levels that influence⁸ *Paid* activity by Calendar Month


⁸Our 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.



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) was used to determine the month's IBNR⁹, and factors were 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 current month's provisions and projections were based on the applicable valuation.

The following table summarizes variances in provisions included in this month's Operational Report and the associated one-month projections from last month's Report.

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.

⁹For ease of discussion, "IBNR" is used in place of "provisions for incurred but not recorded (IBNR) and development".

New Brunswick RSP Actual vs Projected Summary: IBNR and APV Amounts (\$ thousands)

Table 02

Accident Year	IBNR		actuarial present value adjustments				IBNR + actuarial present value adjustments	
			Discount Amount		Provisions for Adverse Deviations			
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	2,214	(254)	(71)	(2)	1,334	20	3,477	(236)
2019	1,924	(22)	(42)	-	688	2	2,570	(20)
2020	3,106	(75)	(48)	(1)	695	15	3,753	(61)
2021	2,378	101	(29)	-	403	6	2,752	107
TOTAL	9,622	(250)	(190)	(3)	3,120	43	12,552	(210)

The IBNR provision is \$0.3 million lower than projected from last month, counterbalancing the recorded claims activity and adjusting for the earned premium variance impacts indicated in section 2.1, .

Exhibit G shows the accident year IBNR amount change from last month to this month broken down into:

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

The variances associated with (ii) above are discussed in sections 2.1.a and 2.1.b.

The following table summarizes the variances in the provisions for premium deficiency liability / (deferred policy acquisition cost asset) included in this month's Operational Report and the one-month projections from last month's Report. This RSP is in a deferred policy acquisition cost asset position (shown as a negative amount) prior to and after actuarial present value adjustments. Actuarial present value adjustments decrease the asset value as the adjustments increase the expected future policy obligations (costs) associated with the unearned premium. The variances noted are mainly driven by the unearned premium variance.

New Brunswick RSP Actual vs Projected Summary: Premium Deficiency / (DPAC) Amounts (\$ thousands)

Table 03

	Premium Deficiency / (Deferred Policy Acquisition Costs)		actuarial present value adjustments		Premium Deficiency / (DPAC) including actuarial present value adjustments	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
balance:	(2,646)	(34)	664	10	(1,982)	(24)
balance as % unearned premium:	(26.6%)	-	6.7%	0.1%	(19.9%)	0.1%
actual unearned premium:	9,944					
less projected:	142					

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 loss¹⁰ 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 expenses¹¹, including IBNR.

In calculating the amounts as percentages of earned premium, the calendar year-to-date earned premium has been used, which includes not only the 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 72.4% rather than 70.1% (the valuation ultimate ratio for accident year 2021), 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 New Brunswick RSP Summary of Operations due to rounding.)

¹⁰“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).

¹¹Allowed 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.

New Brunswick 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	(976)	(15.0%)	(182)	(2.8%)	(1,158)	(17.8%)	(26)	5.8%
CAY	4,704	72.4%	374	5.8%	5,078	78.1%	1,285	(1.0%)
TOTAL	3,728	57.4%	192	3.0%	3,920	60.3%	1,259	4.8%

(" % 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.

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.

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 detailed in section 6, Exhibit B, refer to the estimates derived on the basis of various actuarial methodologies applied to the experience of the New Brunswick Risk Sharing Pool for the purposes of the most recent quarterly valuation. As discussed in section 3, IBNR reflected 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

IBNR + M/S actuarial present
value adjustments

discount rate
0.26%

interest rate margin
25 basis pts

Amounts in \$000s								
Accident Year	Actual Mar. 2021	Actual Apr. 2021	Projected May. 2021	Projected Jun. 2021	Projected Jul. 2021	Projected Aug. 2021	Projected Sep. 2021	Projected Dec. 2021
2006	-	-	-	-	-	-	-	-
2007	6	6	6	6	6	6	6	6
2008	12	12	12	12	12	11	11	11
2009	6	6	6	6	6	6	6	6
2010	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
2011	57	56	53	53	52	50	50	48
2012	50	50	47	46	44	42	42	40
2013	167	167	158	155	153	146	144	137
2014	118	116	110	108	107	102	102	98
2015	171	66	63	63	62	60	59	58
2016	305	310	292	284	280	264	261	249
2017	1,112	1,081	1,054	1,043	997	987	974	885
2018	1,813	1,611	1,573	1,557	1,527	1,512	1,498	1,363
2019	2,647	2,570	2,506	2,408	2,366	2,343	2,319	2,118
2020	3,866	3,753	3,702	3,640	3,568	3,437	3,373	3,091
2021	2,185	2,752	3,399	4,015	4,252	4,394	4,453	4,372
TOTAL	12,511	12,552	12,977	13,392	13,428	13,356	13,294	12,478
Change		41	425	415	36	(72)	(62)	

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

EXHIBIT B

IBNR

TABLE EXHIBIT B

	Amounts in \$000s								
Ultimate Loss Ratio	Accident Year	Actual Mar. 2021	Actual Apr. 2021	Projected May. 2021	Projected Jun. 2021	Projected Jul. 2021	Projected Aug. 2021	Projected Sep. 2021	Projected Dec. 2021
53.2%	2006	-	-	-	-	-	-	-	-
72.1%	2007	5	5	5	5	5	5	5	5
76.3%	2008	4	4	4	4	4	4	4	4
84.5%	2009	3	3	3	3	3	3	3	3
57.8%	2010	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
87.4%	2011	11	11	10	10	10	9	9	9
57.1%	2012	32	32	30	29	28	26	26	25
77.9%	2013	75	75	70	68	67	62	61	57
68.1%	2014	26	24	22	21	21	19	19	18
62.1%	2015	117	13	12	12	12	11	11	11
66.9%	2016	185	190	177	171	168	155	153	145
83.8%	2017	803	774	751	743	700	693	683	611
77.9%	2018	1,287	1,087	1,054	1,043	1,022	1,012	1,002	897
81.4%	2019	1,996	1,924	1,866	1,775	1,739	1,722	1,705	1,540
59.2%	2020	3,213	3,106	3,075	3,026	2,965	2,852	2,806	2,585
70.1%	2021	1,893	2,378	2,942	3,467	3,606	3,651	3,619	3,270
	TOTAL	9,646	9,622	10,017	10,373	10,346	10,220	10,102	9,176
	Change		(24)	395	356	(27)	(126)	(118)	

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 Mar. 2021	Actual Apr. 2021	Projected May. 2021	Projected Jun. 2021	Projected Jul. 2021	Projected Aug. 2021	Projected Sep. 2021	Projected Dec. 2021
(1) unearned premium (UP)	9,772	9,944	9,946	10,030	10,480	10,611	10,806	9,797
FOR MEMBER SHARING								
(2) expected future costs ratio {% of (1)}	79.7%	80.1%	80.5%	81.1%	81.9%	82.6%	83.4%	86.3%
(3) expected future costs {(1) x (2)}	7,787	7,962	8,008	8,135	8,578	8,766	9,014	8,455
(4) premium deficiency / (deferred policy acquisition cost)	(1,985)	(1,982)	(1,938)	(1,895)	(1,902)	(1,845)	(1,792)	(1,342)
Excluding Actuarial Present Value Adjustments								
(5) expected future costs ratio {% of (1)}	73.0%	73.4%	73.8%	74.3%	75.0%	75.7%	76.5%	79.1%
(6) expected future costs {(1) x (5)}	7,137	7,298	7,340	7,455	7,862	8,035	8,261	7,748
(7) premium deficiency / (deferred policy acquisition cost)	(2,635)	(2,646)	(2,606)	(2,575)	(2,618)	(2,576)	(2,545)	(2,049)

EXHIBIT D

Projected Year-end Policy Liabilities

The table below presents the projected policy liabilities as at December 31, 2021, broken down by component.

New Brunswick		Projected Balances as at Dec. 31, 2021 (\$000s)									
ending 2021		nominal values			actuarial present value adjustments (apvs)						
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	nominal development PfAD	development PfAD discount	development PfAD	Total apvs	TOTAL	
2006	-	-	-	-	-	-	-	-	-	-	
2007	-	5	5	-	-	1	-	1	1	6	
2008	67	4	71	-	-	7	-	7	7	78	
2009	26	3	29	-	-	3	-	3	3	32	
2010	-	(2)	(2)	-	-	-	-	-	-	(2)	
2011	385	9	394	(2)	2	39	-	39	39	433	
2012	127	25	152	(1)	1	15	-	15	15	167	
2013	746	57	803	(3)	3	80	-	80	80	883	
2014	784	18	802	(4)	4	80	-	80	80	882	
2015	454	11	465	(2)	2	47	-	47	47	512	
2016	907	145	1,052	(6)	6	105	(1)	104	104	1,156	
2017	2,148	611	2,759	(17)	17	276	(2)	274	274	3,033	
2018	2,886	897	3,783	(26)	26	469	(3)	466	466	4,249	
2019	3,161	1,540	4,701	(38)	38	583	(5)	578	578	5,279	
2020	1,606	2,585	4,191	(38)	38	511	(5)	506	506	4,697	
PAYs (sub-total):	13,297	5,906	19,203	(137)	137	2,216	(16)	2,200	2,200	21,403	
CAY (2021)	6,398	3,270	9,668	(87)	87	1,112	(10)	1,102	1,102	10,770	
claims liabilities:	19,695	9,176	28,871	(224)	224	3,328	(26)	3,302	3,302	32,173	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	nominal development PfAD	development PfAD discount	development PfAD	Total apvs	TOTAL*	
premium liabilities:	9,797	(2,049)	7,748	(52)	52	712	(5)	707	707	8,455	
*Total may not be sum of parts, as apvs apply to future costs within UPR											
policy liabilities:			36,619	(276)	276	4,040	(31)	4,009	4,009	40,628	

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, 2021 from the valuation), followed by the selected discount rate and the associated margin for investment income.

Selected Claims Development MfADs (Dec. 31,
2020)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total 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%	10.0%	10.0%
2017	10.0%	10.0%	10.0%	10.0%
2018	12.5%	10.0%	10.9%	12.4%
2019	12.5%	10.0%	12.5%	12.4%
2020	12.5%	10.0%	10.6%	12.2%
2021	12.3%	10.0%	5.5%	11.5%
prem liab	11.8%	10.0%	5.1%	9.5%

discount rate: 0.26%
margin (basis points): 25

EXHIBIT F

Interest Rate Sensitivity

The tables below present sensitivity to the member statement claims liability as projected to Dec. 31, 2021 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2021, and are based on more up-to-date information). We have included the most recent valuation selection (0.26%), the prior valuation assumption (0.22%) and the prior fiscal year end valuation assumption (0.22%) for comparative purposes. A 25 basis point margin for investment return adverse deviation is used in all scenarios presented.

\$ Format: \$000s

AY	Actuarial Present Value of Provisions at Various Discount Rates - Dec. 31, 2021 projected Unpaid							
	0.00%	0.00%	0.26%	0.76%	1.26%	1.76%	0.22%	0.22%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	28	28	28	28	28	28	28	28
2009	15	15	15	15	15	15	15	15
2010	1	1	1	1	1	1	1	1
2011	267	267	266	265	263	261	266	266
2012	153	153	152	151	149	148	152	152
2013	585	585	584	580	575	571	584	584
2014	679	679	678	673	667	661	679	679
2015	423	423	423	419	415	411	423	423
2016	971	971	971	960	950	940	971	971
2017	2,847	2,847	2,845	2,810	2,776	2,744	2,846	2,846
2018	3,947	3,947	3,943	3,889	3,836	3,785	3,944	3,944
2019	5,084	5,084	5,078	5,000	4,923	4,849	5,080	5,080
2020	5,631	5,631	5,624	5,527	5,432	5,341	5,626	5,626
Total	20,631	20,631	20,608	20,318	20,030	19,755	20,615	20,615
	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							
	0.00%	0.00%	0.26%	0.76%	1.26%	1.76%	0.22%	0.22%
Total	23	23	-	(290)	(578)	(853)	7	7
	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							
	0.00%	0.00%	0.26%	0.76%	1.26%	1.76%	0.22%	0.22%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-
2010	-	-	-	-	-	-	-	-
2011	0.4%	0.4%	-	(0.4%)	(1.1%)	(1.9%)	-	-
2012	0.7%	0.7%	-	(0.7%)	(2.0%)	(2.6%)	-	-
2013	0.2%	0.2%	-	(0.7%)	(1.5%)	(2.2%)	-	-
2014	0.1%	0.1%	-	(0.7%)	(1.6%)	(2.5%)	0.1%	0.1%
2015	-	-	-	(0.9%)	(1.9%)	(2.8%)	-	-
2016	-	-	-	(1.1%)	(2.2%)	(3.2%)	-	-
2017	0.1%	0.1%	-	(1.2%)	(2.4%)	(3.6%)	0.0%	0.0%
2018	0.1%	0.1%	-	(1.4%)	(2.7%)	(4.0%)	0.0%	0.0%
2019	0.1%	0.1%	-	(1.5%)	(3.1%)	(4.5%)	0.0%	0.0%
2020	0.1%	0.1%	-	(1.7%)	(3.4%)	(5.0%)	0.0%	0.0%
Total	0.1%	0.1%	-	(1.4%)	(2.8%)	(4.1%)	0.0%	0.0%
	curr - 100 bp	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	prior val assumption	prior fyr end assumption

EXHIBIT G

Page 1 of 2

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

RSP
AccountCode Desc

New Brunswick
IBNR - Discounted

M/S IBNR - in \$000s

AccYear	Values				Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances	Sum of Change Due to Valuation Implementation			
2006	-	-	-	-	-	-	-
2007	6	-	-	-	-	-	6
2008	12	-	-	-	-	-	12
2009	6	-	-	-	-	-	6
2010	(2)	-	-	-	-	-	(2)
2011	57	(2)	1	-	(1)	(1.8%)	56
2012	50	(2)	2	-	-	-	50
2013	167	(6)	6	-	-	-	167
2014	118	(4)	2	-	(2)	(1.7%)	116
2015	171	(7)	(98)	-	(105)	(61.4%)	66
2016	305	(11)	16	-	5	1.6%	310
2017	1,112	(12)	(19)	-	(31)	(2.8%)	1,081
2018	1,813	(56)	(146)	-	(202)	(11.1%)	1,611
2019	2,647	(57)	(20)	-	(77)	(2.9%)	2,570
2020	3,866	(52)	(61)	-	(113)	(2.9%)	3,753
2021	2,185	460	107	-	567	25.9%	2,752
Grand Total	12,511	251	(210)	-	41	0.3%	12,552

EXHIBIT G

Page 2 of 2

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

RSP New Brunswick
AccountCode Desc IBNR - Undiscounted

M/S IBNR - in \$000s

AccYear	Values				Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances	Sum of Change Due to Valuation Implementation			
2006	-	-	-	-	-	-	-
2007	5	-	-	-	-	-	5
2008	4	-	-	-	-	-	4
2009	3	-	-	-	-	-	3
2010	(2)	-	-	-	-	-	(2)
2011	11	-	-	-	-	-	11
2012	32	(1)	1	-	-	-	32
2013	75	(3)	3	-	-	-	75
2014	26	(1)	(1)	-	(2)	(7.7%)	24
2015	117	(5)	(99)	-	(104)	(88.9%)	13
2016	185	(7)	12	-	5	2.7%	190
2017	803	(8)	(21)	-	(29)	(3.6%)	774
2018	1,287	(51)	(149)	-	(200)	(15.5%)	1,087
2019	1,996	(50)	(22)	-	(72)	(3.6%)	1,924
2020	3,213	(32)	(75)	-	(107)	(3.3%)	3,106
2021	1,893	384	101	-	485	25.6%	2,378
Grand Total	9,646	226	(250)	-	(24)	(0.2%)	9,622