



NEW BRUNSWICK RISK SHARING POOL

DECEMBER 2020 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

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ACTUARIAL HIGHLIGHTS
RSP NEW BRUNSWICK
OPERATIONAL REPORT
DECEMBER 2020

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1 Summary

1.1 Valuation Schedule (Fiscal Year 2021)

The December 2020 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 decreased 0.1 points to 65.2%; discount rate decreased 3 basis points; no change to selected margins for adverse deviations
Dec. 31, 2020	% mfad -- bp	Mar. 2021	update valuation:
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 Pantaleo as the Appointed Actuary at its meeting on February 20, 2020

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 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%.

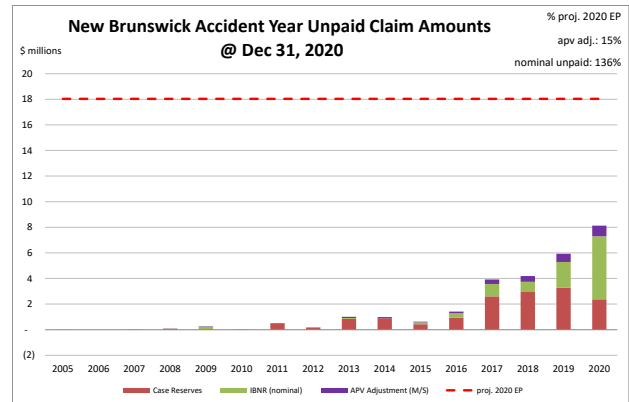
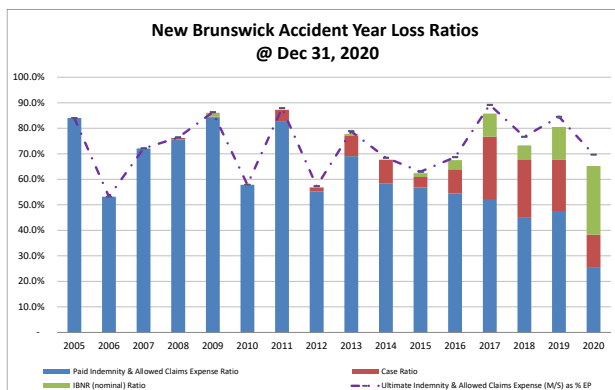
1.3 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation²

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 liabilities³ 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 2020 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 (\$2.7 million – see the following table) represents 15% of the earned premium projected for the full year 2020 (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.

claim liabilities (\$000s)	amt	%
case	15,032	55.1%
ibnr	9,501	34.8%
M/S apv adjust.	2,738	10.0%
M/S total	27,271	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 73% of the IBNR balance relates to accident years 2019 and 2020 (see Exhibit B). Approximately 87% of the M/S total claim

liabilities are related to accident years 2016-2020 inclusive (i.e. the most recent 5 accident years), and approximately 1% is related to accident years 2010 and prior (i.e. prior to the most recent 10 accident

²This 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>.

³Claim 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.

years).

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

premium liabilities (\$000s)			policy liabilities (\$000s)		
	amt	%		amt	%
unearned prem	10,042	115.7%	claim	24,533	68.2%
prem def/(dpac)	(2,091)	(24.1%)	premium	7,951	22.1%
M/S apv adjust.	727	8.4%	M/S apv adjust.	3,465	9.6%
M/S total	8,678	100.0%	M/S total	35,949	100.0%

2 Activity During the Month of December 2020

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 Report⁴.

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

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	-	-	31	(198)	(50)	122	(18)	(75)
2018	(2)	(2)	29	(122)	87	203	116	81
2019	(9)	(9)	25	(188)	73	195	98	7
2020	1,669	(7)	655	86	554	112	1,208	197
TOTAL	1,658	(18)	740	(422)	664	632	1,404	210

(Recorded transaction amounts exclude IBNR & other actuarial provisions)

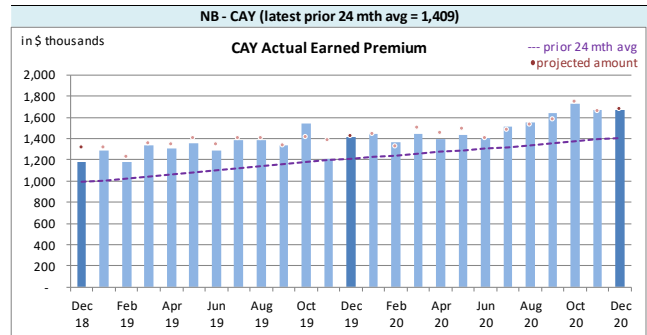
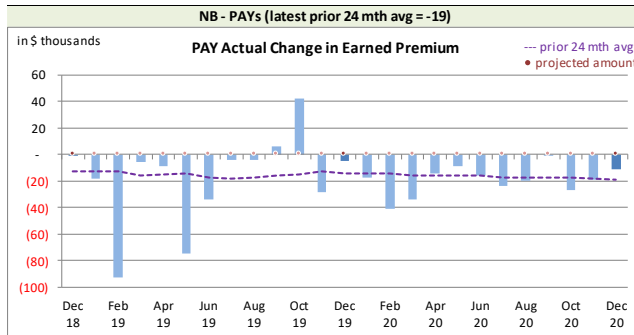
Claims transaction activity is generally volatile and changes from one month to the next are anticipated due to this natural “process variance” (i.e. random variation), and this is particularly true where volumes are low as found in this RSP. Each month, the projection variances are reviewed for signs 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.

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

The following charts show actual **earned premium**⁵ 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.

⁴There may be rounding differences in values in this document compared with the associated Bulletin and/or Operational Report.

⁵Premium 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.

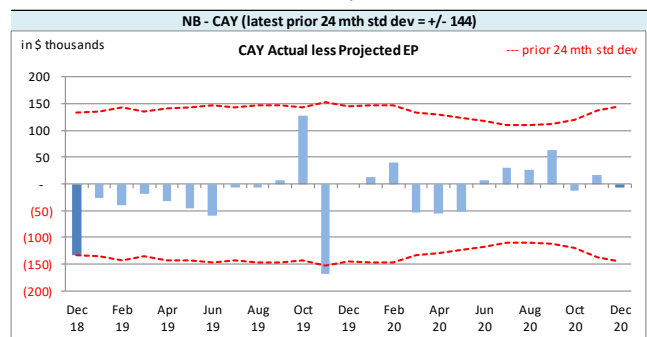
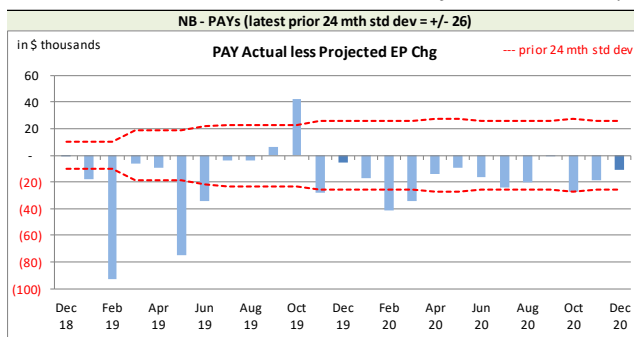
New Brunswick RSP Actual Earned Premium by Calendar Month


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)	(19)	1,409
std dev	26	144
A-P <> std dev	8	1
% <> std dev	32.0%	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 written premium levels, but upload the total projections as current accident year (CAY). This process has generated prior accident years' (PAYs) bias⁶, with actuals generally lower than our projections, although the magnitude is not high relative to monthly premium. However, for the CAY, bias⁷ 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

⁶The PAYs' variances will show bias as the projection upload forces all earned premium projections to be attributed to the CAY.

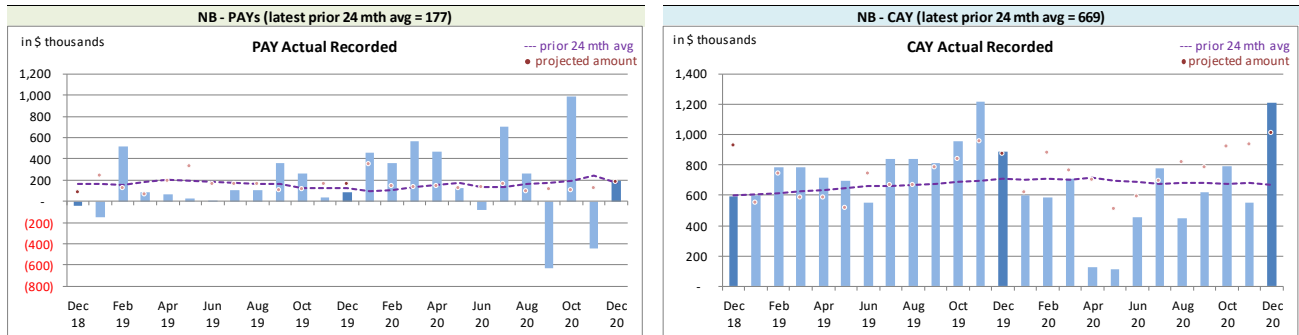
⁷For the binomial distribution with 25 trials and an assumed 50% success probability, the 95% confidence range is 8 to 17 successes. That is, favourable or unfavourable counts of 0 to 7 or 18 to 25 out of 25 outcomes would suggest bias.

volume increases and the impact as those increases are earned.

2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

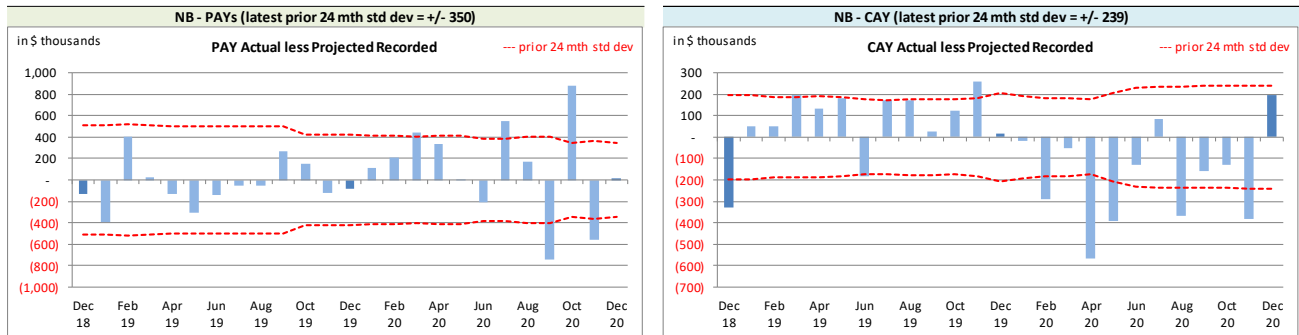
The following charts show actual **recorded** activity (**paid** and case reserve changes), in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

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



On Latest \$ thousands		
Recorded	PAYs	CAY
Mthly Avg Recorded (prior 24 mths)	177	669
std dev	350	239
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

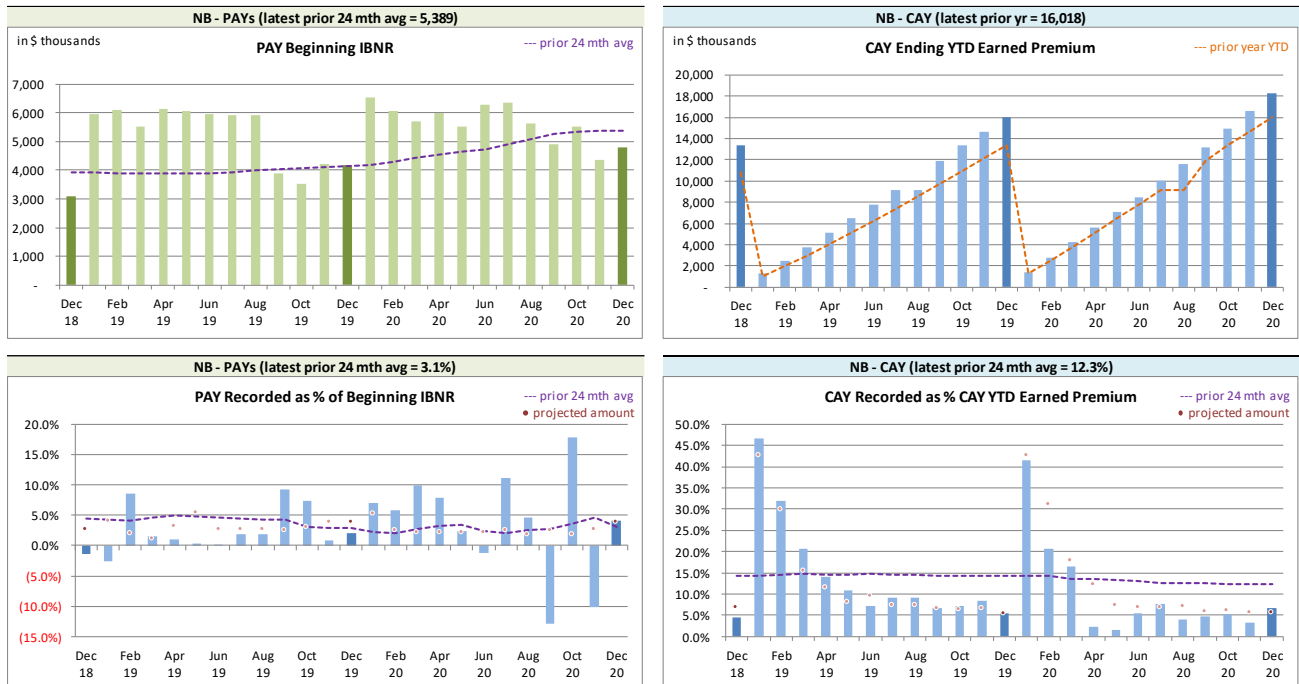
years’ (PAYs) **recorded** variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **recorded** amounts (see preceding table to the left), suggesting the projection process has performed better than simply projecting the prior 24-month average amount (assuming 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 (13 of 25 variances are positive). Through 2020, our CAY recorded projections have been consistently higher than actual activity; 2020 has been a challenging year to project loss estimates, particularly with changes in RSP volumes and portfolio mix driven by Member transfer activity. We are working with our Appointed Actuary to adjust and refine our 2020 and 2021 accident year estimates to reflect the impact of COVID-19 and Member transfer activity.

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 influence⁸ 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);

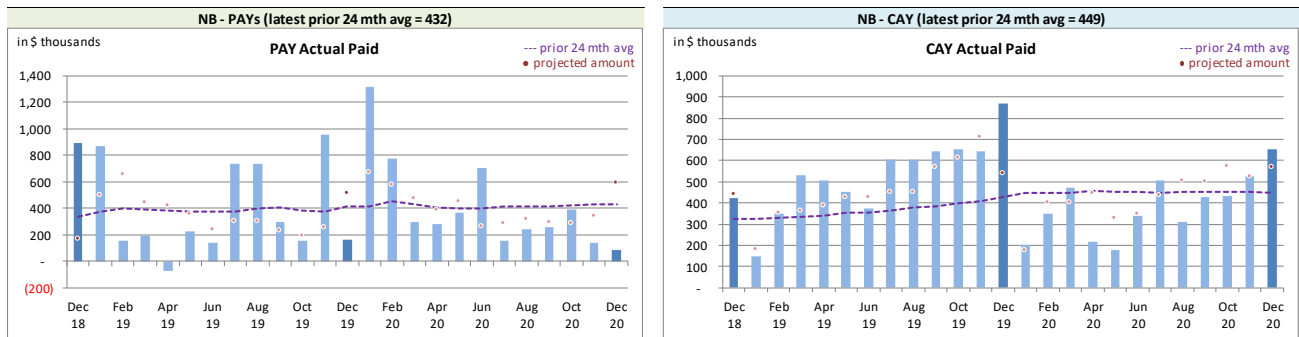
⁸Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned 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.

- 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

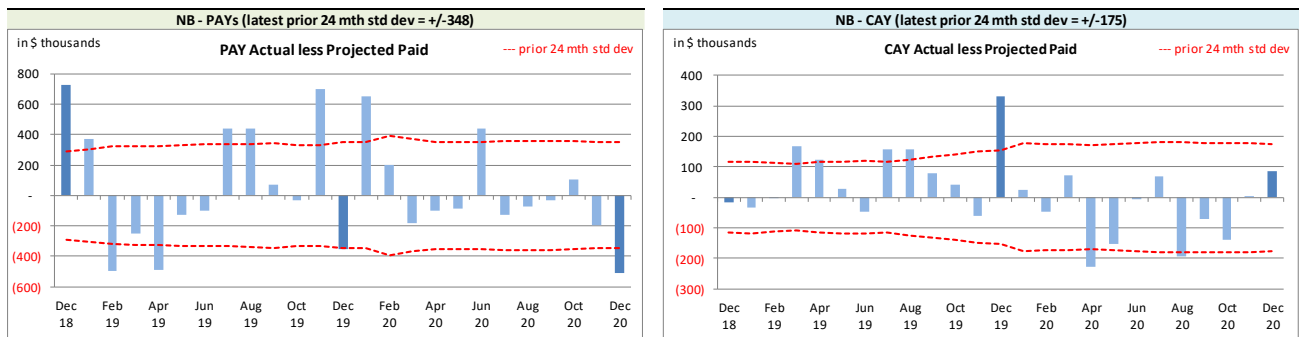
The following charts show actual **paid** activity in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month’s actual compares with the average amount of the preceding 24 calendar months.

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)		432	449
std dev		348	175
A-P <> std dev		11	7
% <> std dev		44.0%	28.0%
norm <> std dev		31.7%	31.7%
performance vs 24-mth avg:		worse	no 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, 44% 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 worse

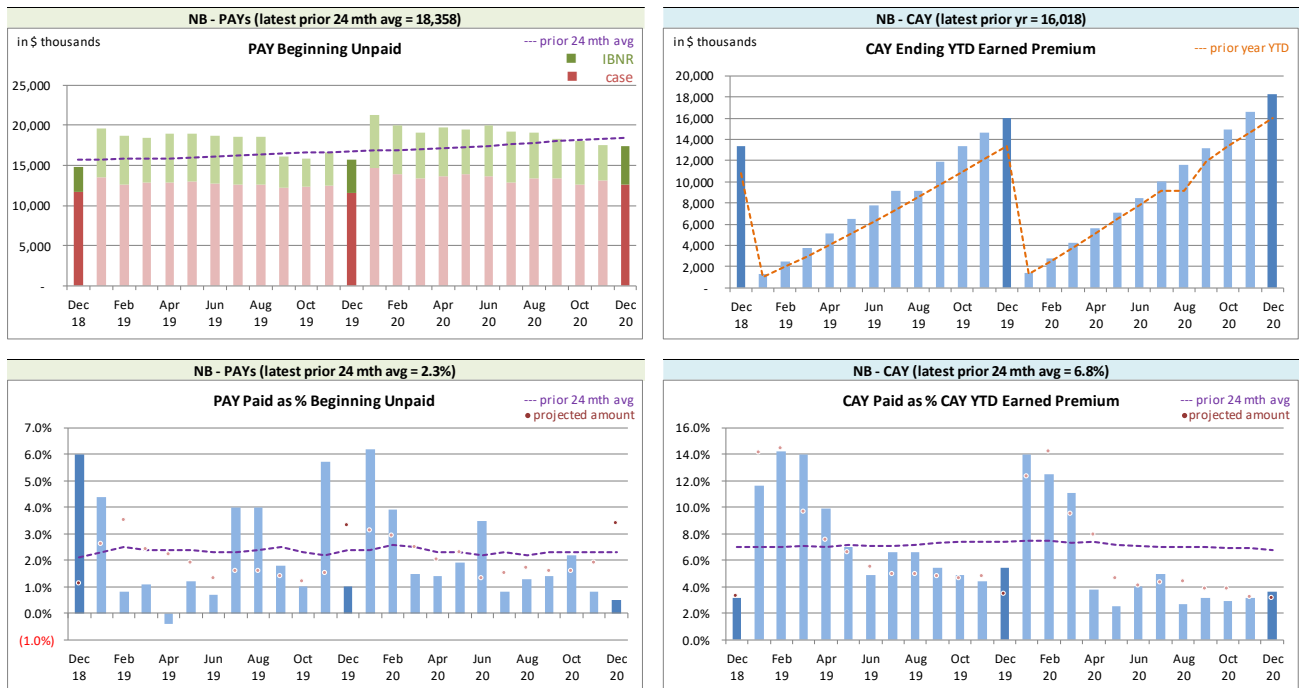
than simply projecting the prior 24-month average amount (assuming a normal distribution). Bias has not been indicated at a 95% confidence level on a rolling 25-month basis (10 of 25 variances are positive).

The PAY **paid** variance was outside the one standard deviation band this month (see preceding chart on the left) the lower than projected recorded activity was reviewed and attributed to process variance.

The current accident year (CAY) **paid** variances fell outside of one standard deviation 28% of the time over the last 25 calendar months (see preceding table on the left), suggesting that 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 (13 of 25 variances are positive).

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

New Brunswick RSP Levels that influence⁹ 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

⁹Our 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.

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 IBNR¹⁰, 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.

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	
	Actual	Actual less Projected	Discount Amount		Provisions for Adverse Deviations		Actual	Actual less Projected
			Actual	Actual less Projected	Actual	Actual less Projected		
Prior	1,816	75	(41)	(1)	860	22	2,635	96
2018	748	(82)	(26)	(1)	479	16	1,201	(67)
2019	2,014	(15)	(42)	(1)	683	23	2,655	7
2020	4,923	(201)	(58)	1	883	(11)	5,748	(211)
TOTAL	9,501	(223)	(167)	(2)	2,905	50	12,239	(175)

The IBNR provision is \$0.2 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

¹⁰For ease of discussion, “IBNR” is used in place of “provisions for incurred but not recorded (IBNR) and development”.

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:	(2,091)	4	727	(1)	(1,364)	3
balance as % unearned premium:	(20.8%)	-	7.2%	-	(13.6%)	-
actual unearned premium:	10,042					
less projected:	(22)					

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 loss¹¹ 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 expenses¹², 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 66.0% rather than 65.2% (the valuation ultimate ratio for accident year 2020), 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.)

¹¹“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).

¹²Allowed 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	1,007	5.6%	352	2.0%	1,359	7.5%	(20)	(0.9%)
CAY	11,913	66.0%	825	4.6%	12,738	70.6%	1,136	(0.2%)
TOTAL	12,920	71.6%	1,177	6.5%	14,097	78.2%	1,116	(1.1%)

(“% EP” based on 2020 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

		Amounts in \$000s				
IBNR + M/S actuarial present value adjustments	Accident Year	Actual Nov. 2020	Actual Dec. 2020	Projected Jan. 2021	Projected Feb. 2021	Projected Dec. 2021
	2005	(2)	(2)	(2)	(2)	(2)
	2006	-	-	-	-	-
	2007	6	6	6	6	6
	2008	12	12	12	12	10
	2009	244	244	236	234	190
	2010	11	11	11	11	11
	2011	57	57	56	54	47
	2012	51	50	48	48	41
	2013	157	157	152	149	122
	2014	86	84	82	80	67
discount rate	2015	188	208	202	200	165
0.22%	2016	485	484	469	463	377
	2017	1,325	1,324	1,282	1,246	984
interest rate margin	2018	1,322	1,201	1,181	1,131	911
25 basis pts	2019	2,765	2,655	2,489	2,415	1,832
	2020	5,820	5,748	5,351	5,235	4,200
	2021	-	-	659	939	4,882
	TOTAL	12,527	12,239	12,234	12,221	13,843
	Change		(288)	(5)	(13)	

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 Nov. 2020	Actual Dec. 2020	Projected Jan. 2021	Projected Feb. 2021	Projected Dec. 2021
	84.0%	2005	(2)	(2)	(2)	(2)	(2)
	53.2%	2006	-	-	-	-	-
	72.1%	2007	5	5	5	5	5
	76.3%	2008	4	4	4	4	4
	86.1%	2009	219	219	212	210	170
	57.9%	2010	10	10	10	10	10
	87.4%	2011	11	11	11	11	10
	57.1%	2012	33	32	31	31	27
	77.9%	2013	66	66	64	63	49
	67.6%	2014	(3)	(5)	(5)	(5)	(5)
	62.4%	2015	129	151	146	145	119
	67.4%	2016	357	356	344	341	275
	85.9%	2017	969	969	931	909	696
	73.3%	2018	865	748	733	701	544
	80.5%	2019	2,120	2,014	1,873	1,824	1,325
	65.2%	2020	5,043	4,923	4,578	4,482	3,644
	76.6%	2021	-	-	542	740	3,659
		TOTAL	9,826	9,501	9,477	9,469	10,530
		Change		(325)	(24)	(8)	

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

EXHIBIT C

Premium Liabilities

TABLE EXHIBIT C	Amounts in \$000s				
	Actual Nov. 2020	Actual Dec. 2020	Projected Jan. 2021	Projected Feb. 2021	Projected Dec. 2021
Premium Liabilities					
(1) unearned premium (UP)	10,941	10,042	9,831	9,684	11,631
FOR MEMBER SHARING					
(2) expected future costs ratio {% of (1)}	84.5%	86.4%	86.4%	86.4%	87.5%
(3) expected future costs {(1) x (2)}	9,245	8,678	8,497	8,371	10,178
(4) premium deficiency / (deferred policy acquisition cost)	(1,696)	(1,364)	(1,334)	(1,313)	(1,453)
Excluding Actuarial Present Value Adjustments					
(5) expected future costs ratio {% of (1)}	77.4%	79.2%	79.2%	79.2%	80.2%
(6) expected future costs {(1) x (5)}	8,472	7,951	7,786	7,670	9,326
(7) premium deficiency / (deferred policy acquisition cost)	(2,469)	(2,091)	(2,045)	(2,014)	(2,305)

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 ending 2021		Projected Balances as at Dec. 31, 2021 (\$000s)									
		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	
2005	-	(2)	(2)	-	-	-	-	-	-	(2)	
2006	-	-	-	-	-	-	-	-	-	-	
2007	-	5	5	-	-	1	-	1	1	6	
2008	60	4	64	-	-	6	-	6	6	70	
2009	28	170	198	-	-	20	-	20	20	218	
2010	-	10	10	-	-	1	-	1	1	11	
2011	355	10	365	(1)	1	37	-	37	37	402	
2012	116	27	143	-	-	14	-	14	14	157	
2013	684	49	733	(4)	4	73	-	73	73	806	
2014	722	(5)	717	(2)	2	72	-	72	72	789	
2015	339	119	458	(2)	2	46	-	46	46	504	
2016	756	275	1,031	(5)	5	103	(1)	102	102	1,133	
2017	2,207	696	2,903	(17)	17	290	(2)	288	288	3,191	
2018	2,482	544	3,026	(18)	18	369	(2)	367	367	3,393	
2019	2,863	1,325	4,188	(29)	29	511	(4)	507	507	4,695	
2020	1,267	3,644	4,911	(39)	39	560	(4)	556	556	5,467	
PAYs (sub-total):	11,879	6,871	18,750	(117)	117	2,103	(13)	2,090	2,090	20,840	
CAY (2021)	7,158	3,659	10,817	(87)	87	1,233	(10)	1,223	1,223	12,040	
claims liabilities:	19,037	10,530	29,567	(204)	204	3,336	(23)	3,313	3,313	32,880	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	nominal development PfAD	development PfAD discount	development PfAD	Total apvs	TOTAL*	
premium liabilities:	11,631	(2,305)	9,326	(54)	54	857	(5)	852	852	10,178	
policy liabilities:			38,893	(258)	258	4,193	(28)	4,165	4,165	43,058	

*Total may not be sum of parts, as apvs apply to future costs within UPR

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, 2020 from the valuation), followed by the selected discount rate and the associated margin for investment income.

Selected Claims Development MfADs (Sep. 30,
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%	6.1%	10.0%
2017	10.0%	10.0%	7.7%	10.0%
2018	12.5%	10.0%	11.1%	12.2%
2019	12.5%	10.0%	12.5%	12.2%
2020	12.3%	10.0%	5.4%	11.4%
2021	11.9%	10.0%	5.1%	9.5%
<u>prem liab</u>	<u>11.9%</u>	<u>10.0%</u>	<u>5.1%</u>	<u>9.5%</u>

discount rate: 0.22%
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, 2020 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2020, and are based on more up-to-date information). We have included the most recent valuation selection (0.22%), the prior valuation assumption (0.25%) and the prior fiscal year end valuation assumption (1.43%) 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, 2020 projected Unpaid							
	0.00%	0.00%	0.22%	0.72%	1.22%	1.72%	0.25%	1.43%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	74	74	74	73	73	73	74	73
2009	242	242	242	241	240	238	242	239
2010	5	5	5	5	5	5	5	5
2011	442	442	442	439	435	432	442	434
2012	185	185	185	182	180	178	185	179
2013	855	855	855	848	842	835	855	839
2014	1,202	1,202	1,201	1,192	1,182	1,172	1,201	1,177
2015	613	613	613	607	600	594	613	598
2016	1,319	1,319	1,318	1,303	1,287	1,271	1,318	1,280
2017	3,864	3,864	3,862	3,810	3,755	3,703	3,862	3,733
2018	4,041	4,041	4,038	3,977	3,914	3,854	4,037	3,889
2019	5,862	5,862	5,857	5,761	5,663	5,568	5,856	5,622
2020	7,622	7,622	7,616	7,488	7,356	7,230	7,615	7,303
Total	26,326	26,326	26,308	25,926	25,532	25,153	26,305	25,371
	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%	0.22%	0.72%	1.22%	1.72%	0.25%	1.43%
Total	18	18	-	(382)	(776)	(1,155)	(3)	(937)
	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%	0.22%	0.72%	1.22%	1.72%	0.25%	1.43%
2005	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	(1.4%)	(1.4%)	(1.4%)	-	(1.4%)
2009	-	-	-	(0.4%)	(0.8%)	(1.7%)	-	(1.2%)
2010	-	-	-	-	-	-	-	-
2011	-	-	-	(0.7%)	(1.6%)	(2.3%)	-	(1.8%)
2012	-	-	-	(1.6%)	(2.7%)	(3.8%)	-	(3.2%)
2013	-	-	-	(0.8%)	(1.5%)	(2.3%)	-	(1.9%)
2014	0.1%	0.1%	-	(0.7%)	(1.6%)	(2.4%)	-	(2.0%)
2015	-	-	-	(1.0%)	(2.1%)	(3.1%)	-	(2.4%)
2016	0.1%	0.1%	-	(1.1%)	(2.4%)	(3.6%)	-	(2.9%)
2017	0.1%	0.1%	-	(1.3%)	(2.8%)	(4.1%)	-	(3.3%)
2018	0.1%	0.1%	-	(1.5%)	(3.1%)	(4.6%)	(0.0%)	(3.7%)
2019	0.1%	0.1%	-	(1.6%)	(3.3%)	(4.9%)	(0.0%)	(4.0%)
2020	0.1%	0.1%	-	(1.7%)	(3.4%)	(5.1%)	(0.0%)	(4.1%)
Total	0.1%	0.1%	-	(1.5%)	(2.9%)	(4.4%)	(0.0%)	(3.6%)
	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 During Month

RSP **New Brunswick**
AccountCode Desc **IBNR - Discounted**

M/S IBNR - in \$000s

AccYear	Values						
	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
2005	(2)	-	-	-	-	-	(2)
2006	-	-	-	-	-	-	-
2007	6	-	-	-	-	-	6
2008	12	-	-	-	-	-	12
2009	244	(2)	2	-	-	-	244
2010	11	-	-	-	-	-	11
2011	57	(1)	1	-	-	-	57
2012	51	(1)	-	-	(1)	(2.0%)	50
2013	157	(2)	2	-	-	-	157
2014	86	(1)	(1)	-	(2)	(2.3%)	84
2015	188	(2)	22	-	20	10.6%	208
2016	485	(19)	18	-	(1)	(0.2%)	484
2017	1,325	(53)	52	-	(1)	(0.1%)	1,324
2018	1,322	(54)	(67)	-	(121)	(9.2%)	1,201
2019	2,765	(117)	7	-	(110)	(4.0%)	2,655
2020	5,820	139	(211)	-	(72)	(1.2%)	5,748
Grand Total	12,527	(113)	(175)	-	(288)	(2.3%)	12,239

EXHIBIT G

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

RSP		New Brunswick						IBNR - in \$000s
AccountCode Desc		IBNR - Undiscounted						
AccYear	Values							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	Sum of Total Change	Sum of % Total Change		
2005	(2)	-	-	-	-	-	(2)	
2006	-	-	-	-	-	-	-	
2007	5	-	-	-	-	-	5	
2008	4	-	-	-	-	-	4	
2009	219	(2)	2	-	-	-	219	
2010	10	-	-	-	-	-	10	
2011	11	-	-	-	-	-	11	
2012	33	-	(1)	-	(1)	(3.0%)	32	
2013	66	(1)	1	-	-	-	66	
2014	(3)	-	(2)	-	(2)	66.7%	(5)	
2015	129	(1)	23	-	22	17.1%	151	
2016	357	(14)	13	-	(1)	(0.3%)	356	
2017	969	(39)	39	-	-	-	969	
2018	865	(35)	(82)	-	(117)	(13.5%)	748	
2019	2,120	(91)	(15)	-	(106)	(5.0%)	2,014	
2020	5,043	81	(201)	-	(120)	(2.4%)	4,923	
Grand Total	9,826	(102)	(223)	-	(325)	(3.3%)	9,501	