

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO: F2024 – 046**

**DATE: November 29, 2024**

**SUBJECT: Risk Sharing Pool – October 2024 Operational Report**

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***A copy of this bulletin should be provided to your Chief Financial Officer and Appointed Actuary.***

Please be advised that the October 2024 Risk Sharing Pool IFRS 17 Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

The results in this report are shown on the IFRS 17 accounting basis. However, please note that for interested members, the RSP operational report on the IFRS 4 basis are available on the FA Portal. The results presented in this bulletin reflect the combined results of the six pools for RSPs unless otherwise specified.

### Highlights

- (a) The **October 2024 received premium** was \$130.2 million, higher than prior year by \$14.2 million. The **projected 2024 year-end received premium** is \$1,298.4 million;
- (b) The **October 2024 insurance revenue** was \$71.1 million, higher than prior year by \$8.7 million. The **projected 2024 year-end insurance revenue** is \$813.5 million;
- (c) The **October 2024 operating result** was a deficit of \$72.3 million, lower than prior year by \$88.3 million. The **projected 2024 year-end operating result** is a deficit of \$881.3 million;
- (d) The **October 2024 combined operating ratio** was 201.6%, higher than prior year by 127.3 percentage points. The **projected year-end combined operating ratio** is 208.3%;
- (e) The implementation of the **2024 Q3 Valuation and Adjustments to the Alberta hailstorm CAT impact** generated **\$17.2 million unfavourable impact** for the month. Projected premiums were received from the FA membership and were also updated this month which generated an additional **\$42.5 million unfavourable impact**. Together these combined changes generated **\$59.7 million unfavourable change** increasing the **year-to-date combined operating ratio by 8.9%**.
- (f) Additional information can be found below:
  - [RSP Financial Insights \(NEW format\)](#)
  - [Supplementary Information including Exhibits](#)
  - [LRC Calculation file](#)
  - [Detailed Valuation Results file](#)

### RSP Summary of IFRS17 Financial Results

| <b>RSP 2024 Summary</b><br>Amounts in \$000s            | Actual<br>(October 2024) | Projection<br>(October 2024) | Prior Year<br>(October 2023) | 2024 year-to-date<br>as at 10 months | 2023 year-to-date<br>as at 10 months | 2024 year-end<br>Projection | Outlook*<br>Full year 2024 | 2023 year-end<br>Actual |
|---|--------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------------------|-----------------------------|----------------------------|-------------------------|
| Written Premium   | 147,332                  | 110,220                      | 118,429                      | 1,080,857                            | 932,854                              | 1,280,965                   | 1,144,373                  | 1,155,412               |
| Received Premium  | 130,165                  | 130,484                      | 115,970                      | 1,049,469                            | 885,904                              | 1,298,406                   | 1,142,793                  | 1,122,400               |
| Earned Premium  | 107,571                  | 107,928                      | 91,497                       | 1,015,824                            | 872,756                              | 1,228,760                   | 1,099,356                  | 1,060,392               |
| Earned Expense Allowance                                | (36,441)                 | (36,420)                     | (29,084)                     | (343,172)                            | (273,153)                            | (415,281)                   | (371,330)                  | (332,276)               |
| <b>Insurance Revenue</b>                                | <b>71,129</b>            | <b>71,507</b>                | <b>62,413</b>                | <b>672,651</b>                       | <b>599,604</b>                       | <b>813,479</b>              | <b>728,026</b>             | <b>728,116</b>          |
| Total Claims Incurred                                   | 76,632                   | 113,872                      | 101,704                      | 1,121,427                            | 953,751                              | 1,349,616                   | 1,164,826                  | 1,159,445               |
| Claims Incurred (CAY)                                   | 72,985                   | 116,856                      | 89,413                       | 1,124,346                            | 939,398                              | 1,358,766                   | 1,206,259                  | 1,137,895               |
| Adjustments to Liabilities for Incurred Claims (PAYs)   | 3,646                    | (2,985)                      | 12,291                       | (2,919)                              | 14,353                               | (9,150)                     | (41,433)                   | 21,550                  |
| Administrative Expense                                  | 795                      | 899                          | 773                          | 7,015                                | 6,479                                | 8,960                       | 10,015                     | 8,240                   |
| Losses on Onerous Contracts                             | 25,108                   | 0                            | 7,359                        | 591,247                              | 508,911                              | 591,247                     | 535,063                    | 544,155                 |
| Reversal of Losses on Onerous Contracts                 | (48,077)                 | (48,077)                     | (35,830)                     | (480,756)                            | (299,900)                            | (569,017)                   | (487,491)                  | (366,883)               |
| <b>Insurance Service Expenses</b>                       | <b>54,458</b>            | <b>66,694</b>                | <b>74,005</b>                | <b>1,238,932</b>                     | <b>1,169,241</b>                     | <b>1,380,806</b>            | <b>1,222,414</b>           | <b>1,344,957</b>        |
| <b>Insurance Service Result</b>                         | <b>16,671</b>            | <b>4,814</b>                 | <b>(11,592)</b>              | <b>(566,281)</b>                     | <b>(569,638)</b>                     | <b>(567,327)</b>            | <b>(494,388)</b>           | <b>(616,840)</b>        |
| Insurance Finance Expense from PV FCF                   | (47,052)                 | (7,639)                      | 11,362                       | (149,826)                            | (50,227)                             | (162,577)                   | (94,121)                   | (65,922)                |
| Insurance Finance Expense from Risk Adjustment          | (3,480)                  | (562)                        | 856                          | (11,517)                             | (4,201)                              | (12,467)                    | (7,126)                    | (5,456)                 |
| Insurance Finance Expense from Loss Component           | (38,594)                 | (2,308)                      | 15,401                       | (135,236)                            | 5,956                                | (139,149)                   | (42,102)                   | 2,108                   |
| <b>Insurance Finance Income (Expense)</b>               | <b>(89,126)</b>          | <b>(10,510)</b>              | <b>27,619</b>                | <b>(296,580)</b>                     | <b>(48,472)</b>                      | <b>(314,193)</b>            | <b>(143,350)</b>           | <b>(69,270)</b>         |
| <b>Operating Result</b>                                 | <b>(72,456)</b>          | <b>(5,696)</b>               | <b>16,027</b>                | <b>(862,861)</b>                     | <b>(618,110)</b>                     | <b>(881,520)</b>            | <b>(637,737)</b>           | <b>(686,110)</b>        |
| <b>Ratios:</b>  |                          |                              |                              |                                      |                                      |                             |                            |                         |
| Loss ratio - Claims Incurred (CAY)                      | 102.6%                   | 163.4%                       | 143.3%                       | 167.2%                               | 156.7%                               | 167.0%                      | 165.7%                     | 156.3%                  |
| - Adjustments to Liabilities for Incurred Claims (PAYs) | 5.1%                     | (4.2%)                       | 19.7%                        | (0.4%)                               | 2.4%                                 | (1.1%)                      | (5.7%)                     | 3.0%                    |
| Total   | 107.7%                   | 159.2%                       | 163.0%                       | 166.7%                               | 159.1%                               | 165.9%                      | 160.0%                     | 159.2%                  |
| Earned Expense allowance                                | 33.9%                    | 33.7%                        | 31.8%                        | 33.8%                                | 31.3%                                | 33.8%                       | 33.8%                      | 31.3%                   |
| Change in Loss Component (excluding IFE)                | (32.3%)                  | (67.2%)                      | (45.6%)                      | 16.4%                                | 34.9%                                | 2.7%                        | 6.5%                       | 24.3%                   |
| Administrative Expenses                                 | 1.1%                     | 1.3%                         | 1.2%                         | 1.0%                                 | 1.1%                                 | 1.1%                        | 1.4%                       | 1.1%                    |
| <b>Insurance Service Ratio</b>                          | <b>76.6%</b>             | <b>93.3%</b>                 | <b>118.6%</b>                | <b>184.2%</b>                        | <b>195.0%</b>                        | <b>169.7%</b>               | <b>167.9%</b>              | <b>184.7%</b>           |
| <b>Combined Operating Ratio</b>                         | <b>201.9%</b>            | <b>108.0%</b>                | <b>74.3%</b>                 | <b>228.3%</b>                        | <b>203.1%</b>                        | <b>208.4%</b>               | <b>187.6%</b>              | <b>194.2%</b>           |

rounding differences may occur

\*as posted to FA's website Dec 22, 2023

| <b>RSP 2024 Summary of Liabilities</b><br>Amounts in \$000s | Actual<br>(October 2024) | Projection<br>(October 2024) | Prior Year<br>(October 2023) | 2024 year-end<br>Projection | Outlook*<br>Full year 2024 | 2023 year-end<br>Actual |
|---|--------------------------|------------------------------|------------------------------|-----------------------------|----------------------------|-------------------------|
| <b>LIC</b>  | <b>1,976,688</b>         | <b>1,980,520</b>             | <b>1,709,004</b>             | <b>1,996,093</b>            | <b>1,955,063</b>           | <b>1,691,580</b>        |
| Undiscounted Case Reserves                                  | 1,188,709                | 1,201,627                    | 1,087,669                    | 1,220,035                   | 1,341,347                  | 1,072,734               |
| Undiscounted IBNR   | 848,542                  | 887,533                      | 746,932                      | 839,552                     | 744,488                    | 736,542                 |
| Discount  | (198,333)                | (244,135)                    | (252,699)                    | (200,983)                   | (264,170)                  | (242,287)               |
| PV FCF  | 1,838,918                | 1,845,025                    | 1,581,902                    | 1,858,605                   | 1,821,666                  | 1,566,989               |
| Risk Adjustment   | 137,769                  | 135,495                      | 127,102                      | 137,488                     | 133,398                    | 124,591                 |
| Risk Adjustment %   | 7.49%                    | 7.34%                        | 8.03%                        | 7.40%                       | 7.32%                      | 7.95%                   |
| <b>LRC</b>  | <b>1,096,090</b>         | <b>1,034,558</b>             | <b>837,119</b>               | <b>1,035,157</b>            | <b>905,887</b>             | <b>837,723</b>          |
| LRC excl. Loss Component                                    | 359,812                  | 359,673                      | 318,675                      | 383,227                     | 352,397                    | 347,171                 |
| Loss Component  | 736,279                  | 674,885                      | 518,444                      | 651,931                     | 553,490                    | 490,552                 |

### Insurance Service Expenses Key Drivers

- **Claims Incurred** - Incurred losses were \$76.6 million, lower than projection by \$37.2 million and \$25.1 million lower compared with the same month last year. Loss ratio was at 102.6%, 60.8 percentage points lower than projected, and 40.7 percentage points lower than prior year.
  - Implementation of 2024 Q3 valuation generated a favorable change in the CAY claims incurred compared to projection. Primarily driven by better than expected experience in Ontario comprehensive and collision claims.
  - We recognized an additional \$13.5 million of losses from the Alberta August 5<sup>th</sup> hailstorm this month. The total CAT impact on a full year basis is \$80.0 million, of which \$72.3 million has already been incurred. We will continue to closely monitor the development of these claims. See below:

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

- Losses on Onerous Contracts** – This represents a change in the loss component during the reporting period arising from initial recognition and subsequent re-estimation of the loss component (due to changes in premium or loss ratio projections, for example). This month the losses on onerous contracts increased by \$25.1 million driven by updated premium projections from the FA membership. Increased premium volumes are projected primarily in Alberta Non-Grid and Ontario pools, partially offset by a reduction in Alberta Grid.

#### Losses on Onerous Contracts

|              | Ontario      | Alberta Grid   | Alberta Non-Grid | New Brunswick | Nova Scotia  | Newfoundland & Labrador | Total         |
|--------------|--------------|----------------|------------------|---------------|--------------|-------------------------|---------------|
| CAY          | (7,401)      | (549)          | 628              | 283           | 43           | 143                     | (6,853)       |
| FtAY         | 10,152       | (7,861)        | 18,251           | 1,184         | 4,285        | 5,950                   | 31,961        |
| <b>Total</b> | <b>2,751</b> | <b>(8,410)</b> | <b>18,879</b>    | <b>1,467</b>  | <b>4,328</b> | <b>6,093</b>            | <b>25,108</b> |

- Reversal of Losses on Onerous Contracts** – This represents changes in the loss component during the reporting period arising from the portion of the opening LRC earned during the period. Excludes the impact of change in discount rates, and completely aligns with projection.

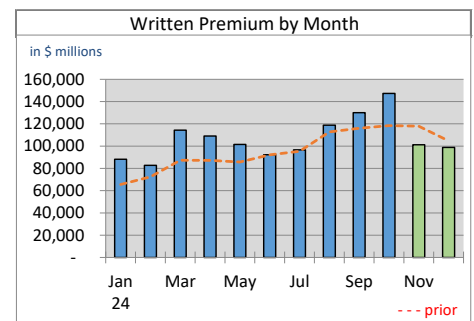
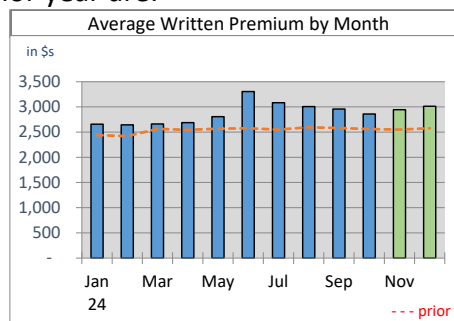
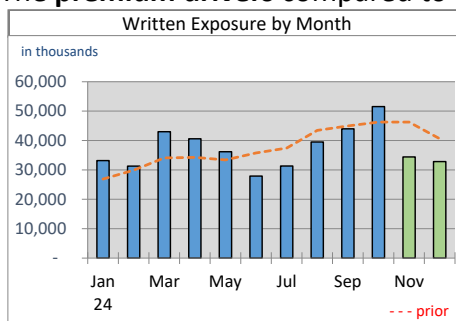
### Insurance Finance Income

Insurance Finance income/ (expense) is comprised of:

- The release of the effect of discounting due to the passage of time (also known as discount unwinding)
- The effect due to changes in discounting assumptions. This change is only reflected in implementation months (March, May, August, and October), when the yield curve is updated. Insurance Finance Expense for the implementation month of October was \$89.1 million, \$78.6 million lower than projected; driven by less discounting due to approximately 87 basis points decrease in the yield curve.

### Premium

The **premium drivers** compared to prior year are:



The vehicle count transfer for the month was 51,550 vehicles, which was higher than prior year by 5,295 vehicles and 6,420 vehicles higher than The Outlook for the month. This is primarily driven by higher cessions to both the Ontario and Alberta Grid pools compared to Outlook. The green bars represent our current projection for the remainder of the year.

**RSP Summary of full year *Vehicle Count***

|                         | January       | February      | March         | April         | May           | June          | July          | August        | September     | October       | November      | December      | CY 2024        |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Jurisdiction            | Actual        | Actual        | Actual        | Actual        | Actual        | Actual        | Actual        | Actual        | Actual        | Actual        | Proj.         | Proj.         | Year-End       |
| Ontario                 | 16,530        | 14,858        | 20,753        | 19,793        | 20,962        | 13,259        | 15,726        | 18,219        | 19,087        | 19,581        | 16,036        | 15,273        | 210,078        |
| Alberta Grid            | 8,181         | 7,782         | 10,325        | 9,886         | 5,306         | 5,872         | 5,706         | 8,299         | 9,116         | 9,659         | 5,985         | 5,326         | 91,444         |
| Alberta Non-Grid        | 6,644         | 6,651         | 9,566         | 8,502         | 7,428         | 6,951         | 7,511         | 9,718         | 12,820        | 17,945        | 8,455         | 9,088         | 111,280        |
| New Brunswick           | 764           | 933           | 1,086         | 974           | 1,056         | 818           | 1,277         | 975           | 539           | 1,420         | 1,510         | 1,310         | 12,662         |
| Nova Scotia             | 920           | 921           | 1,031         | 1,175         | 1,151         | 735           | 740           | 1,637         | 1,798         | 2,289         | 1,562         | 1,095         | 15,055         |
| Newfoundland & Labrador | 145           | 158           | 211           | 250           | 277           | 276           | 378           | 640           | 601           | 655           | 844           | 722           | 5,157          |
| <b>Total</b>            | <b>33,184</b> | <b>31,302</b> | <b>42,973</b> | <b>40,579</b> | <b>36,180</b> | <b>27,912</b> | <b>31,339</b> | <b>39,488</b> | <b>43,962</b> | <b>51,550</b> | <b>34,391</b> | <b>32,815</b> | <b>445,675</b> |

**RSP Summary of full year *Written Premium***

|                         | January       | February      | March          | April          | May            | June          | July          | August         | September      | October        | November       | December      | CY 2024          |
|-------------------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|---------------|------------------|
| Jurisdiction            | Actual        | Actual        | Actual         | Actual         | Actual         | Actual        | Actual        | Actual         | Actual         | Actual         | Proj.          | Proj.         | Year-End         |
| Ontario                 | 48,242        | 44,096        | 61,399         | 58,575         | 62,498         | 52,575        | 54,837        | 62,058         | 65,773         | 70,128         | 51,616         | 49,623        | 681,420          |
| Alberta Grid            | 22,636        | 20,781        | 28,112         | 27,713         | 17,529         | 20,608        | 19,971        | 27,669         | 30,228         | 31,726         | 22,706         | 20,214        | 289,893          |
| Alberta Non-Grid        | 14,128        | 14,354        | 20,855         | 18,646         | 16,971         | 15,665        | 17,421        | 22,761         | 28,446         | 37,479         | 19,355         | 22,915        | 248,998          |
| New Brunswick           | 1,276         | 1,576         | 1,770          | 1,621          | 1,790          | 1,435         | 2,045         | 1,731          | 949            | 2,549          | 2,659          | 2,362         | 21,763           |
| Nova Scotia             | 1,641         | 1,696         | 1,887          | 2,154          | 2,274          | 1,491         | 1,602         | 3,338          | 3,541          | 4,081          | 3,074          | 2,193         | 28,972           |
| Newfoundland & Labrador | 257           | 244           | 322            | 383            | 485            | 445           | 765           | 1,189          | 1,070          | 1,369          | 1,840          | 1,550         | 9,919            |
| <b>Total</b>            | <b>88,181</b> | <b>82,747</b> | <b>114,345</b> | <b>109,092</b> | <b>101,547</b> | <b>92,220</b> | <b>96,641</b> | <b>118,747</b> | <b>130,006</b> | <b>147,332</b> | <b>101,251</b> | <b>98,857</b> | <b>1,280,965</b> |

**RSP Summary of full year *Average Written Premiums***

|                         | January      | February     | March        | April        | May          | June         | July         | August       | September    | October      | November     | December     | CY 2024      |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Jurisdiction            | Actual       | Actual       | Actual       | Actual       | Actual       | Actual       | Actual       | Actual       | Actual       | Actual       | Proj.        | Proj.        | Year-End     |
| Ontario                 | 2,919        | 2,968        | 2,958        | 2,959        | 2,981        | 3,965        | 3,487        | 3,406        | 3,446        | 3,581        | 3,219        | 3,249        | 3,244        |
| Alberta Grid            | 2,767        | 2,670        | 2,723        | 2,803        | 3,304        | 3,509        | 3,500        | 3,334        | 3,316        | 3,285        | 3,794        | 3,795        | 3,170        |
| Alberta Non-Grid        | 2,126        | 2,158        | 2,180        | 2,193        | 2,285        | 2,253        | 2,319        | 2,342        | 2,219        | 2,089        | 2,289        | 2,521        | 2,238        |
| New Brunswick           | 1,671        | 1,688        | 1,630        | 1,664        | 1,696        | 1,754        | 1,602        | 1,776        | 1,760        | 1,795        | 1,761        | 1,803        | 1,719        |
| Nova Scotia             | 1,784        | 1,842        | 1,830        | 1,834        | 1,976        | 2,029        | 2,165        | 2,038        | 1,969        | 1,783        | 1,968        | 2,002        | 1,924        |
| Newfoundland & Labrador | 1,769        | 1,547        | 1,527        | 1,533        | 1,753        | 1,613        | 2,023        | 1,859        | 1,780        | 2,089        | 2,181        | 2,145        | 1,924        |
| <b>Total</b>            | <b>2,657</b> | <b>2,644</b> | <b>2,661</b> | <b>2,688</b> | <b>2,807</b> | <b>3,304</b> | <b>3,084</b> | <b>3,007</b> | <b>2,957</b> | <b>2,858</b> | <b>2,944</b> | <b>3,013</b> | <b>2,874</b> |

**Impact of Quarterly Valuation, CAT Impact from Alberta Hailstorm & Updated Premium Projections**

- A valuation of the RSP as at September 30, 2024 has been completed since last month's Operational Report as the results of the valuation has been incorporated into this month's Operational Report. The implementation of the new valuation and updates to the Alberta CAT adjustment together generated approximately **\$17.2 million unfavorable impact** on the month's net results from operations.
- Updated premium projections were received from the FA membership for the remainder of 2024 and full year 2025. The latest projections indicate overall premium growth in the combined RSPs primarily in Alberta Non-Grid and Ontario, partially offset by a reduction in vehicle cessions to the Alberta Grid pool. Updated premium projections generated approximately **\$42.5 million unfavorable impact** on the month's net results from operations.
- Together, these changes generated **\$59.7 million unfavorable impact** as summarized below:

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

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**RSP Summary of Change in Loss Component during the Month**

| Change in Loss Component                    |                 |                |                |
|---|-----------------|----------------|----------------|
|   | 2024 (CAY)      | 2025 (FtAY)    | TOTAL          |
| <b>Opening Loss Component</b>               | <b>137,145</b>  | <b>583,509</b> | <b>720,654</b> |
| [1] Losses on onerous contracts             | (6,853)         | 31,961         | 25,108         |
| [2] Insurance finance expense/(income)      | 5,323           | 33,270         | 38,594         |
| [a] Discount unwinding                      | 1,068           | 1,241          | 2,308          |
| [b] Yield impact                            | 4,255           | 32,030         | 36,285         |
| [3] Reversal of losses on onerous contracts | (48,077)        | -              | (48,077)       |
| <b>TOTAL [1]+[2]+[3]</b>                    | <b>(49,607)</b> | <b>65,232</b>  | <b>15,625</b>  |
| <b>Ending Loss Component</b>                | <b>87,538</b>   | <b>648,741</b> | <b>736,279</b> |

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## Projected Year-End 2024

Compared with The Outlook released in December 2023, written premium has increased by \$136.6 million driven by higher vehicle count across all pools excluding Alberta Grid, and higher average premium across all pools. Calendar year earned premium is up by \$129.4 million. The projected year-end 2024 operating deficit is \$881.3 million, \$243.6 million deterioration compared with The Outlook.

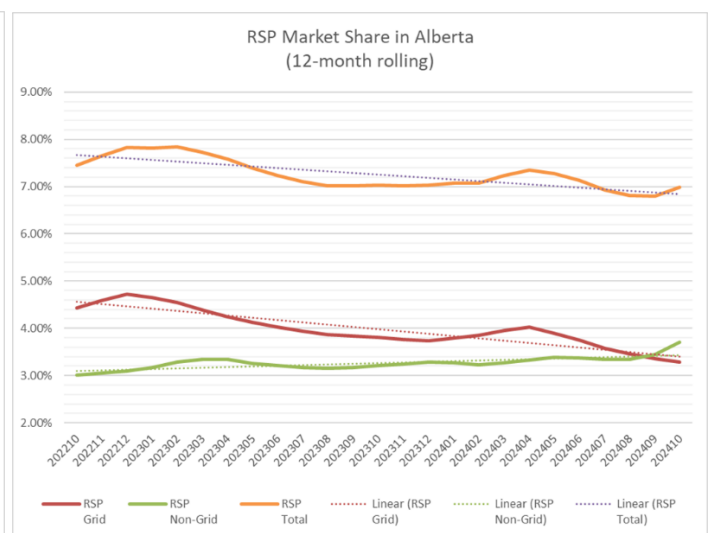
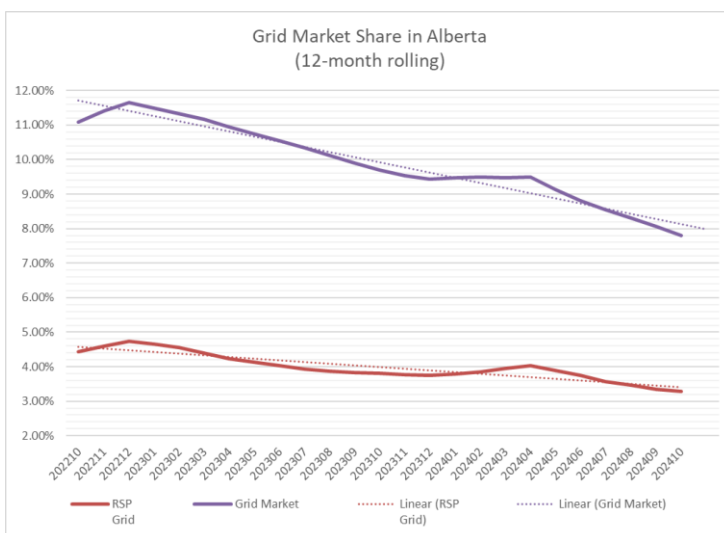
## Alberta Market Share Update

Recent announcements in Alberta include:

- Adjustments to the Grid premiums effective Jan 1, 2025 including a 10% base rate increase outlined in the [AIRB Order 02-2024](#)
- Increasing the differentials for the lowest Grid steps outlined in the [GRID Guidance](#)
- “Good Driver” rate cap of 3.7% which is set to expire at the end of the year will increase to 7.5% effective Jan 1, 2025. See further detail [here](#)
- The Grid system will be formally withdrawn on Jan 1, 2027. At this time, we do not yet know the future structure of the RSPs in Alberta but they may be subject to change. As well, Alberta will introduce a “care-first” accident benefits system to replace the current injury tort liability system with an expected go-live date of Jan 1, 2027. See further detail [here](#)

These measures are expected to result in continued reductions to the Grid RSP vehicle counts and potentially a further increase in the Non-Grid RSP vehicle counts. The bottom left graph below shows the 12-month rolling Grid market share and the bottom right graph shows the 12-month rolling RSP market share in Alberta.

Following more than 2 years of consistent growth in the rolling 12 month market share of the combined Alberta RSPs, RSP volume and market share declined from a high of 7.84% in February 2023 back down to 6.99% in October 2024. Beginning September 2023, the Non-Grid started to see an increase and is sitting at 3.70% in October. The Grid market share has been decreasing in recent months and is sitting at 7.80% in October. We will continue to monitor the market share of these pools closely.



Should you require any further information, please call Philippe Gosselin, VP Actuarial and CRO at (416) 863-1750 x4968.

Saskia Matheson  
President & CEO

**Related links:**

[RSP Summary of Operations - Calendar Year 2024](#)

\*10 month ended October 2024 (discounted basis)