

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-102

DATE: December 23, 2022

**SUBJECT: Newfoundland and Labrador Risk Sharing Pool
– November 2022 Operational Report**

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

Please be advised that the November 2022 Newfoundland and Labrador Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Highlights

- (a) The **November 2022 premium written** was \$0.3 million, lower than prior year by \$0.3 million. The **2022 year-to-date premium written** was \$4.5 million lower than prior year by \$2.2 million; and
- (b) The **November 2022 operating result** was a deficit of \$91 thousand and the **2022 year-to-date operating results** were a surplus of \$233 thousand; and
- (c) The **November 2022 combined operating ratio** was 121.7%, lower than prior year by 29.7 percentage points. The **year-to-date combined operating ratio** was 96.1%, lower than prior year by 105.5 percentage points and;

Summary of Financial Results

NL RSP Summary of Financial Results

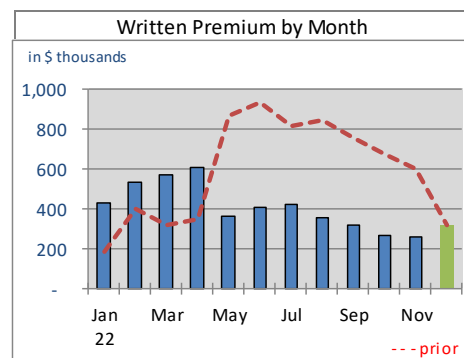
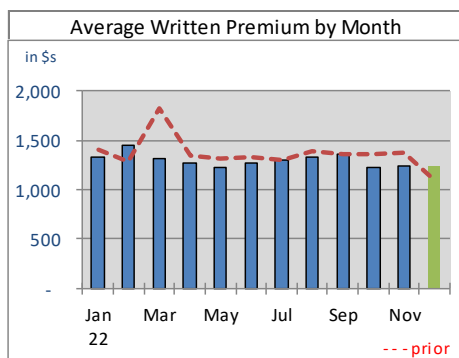
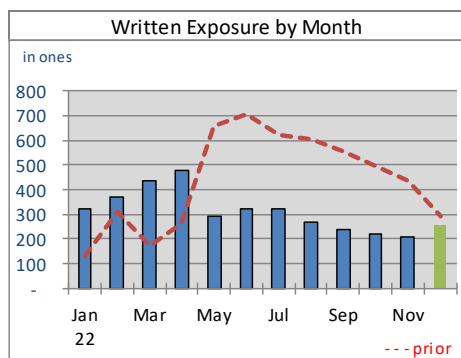
NL RSP 2022 Summary Amounts in \$000s	Actual (November 2022)	Projection (November 2022)	Prior Year (November 2021)	2022 year-to-date as at 11 months	2021 year-to-date as at 11 months	2022 year-end Projection	Outlook* Full year 2022	2021 year-end Actual
Premium Written	257	391	602	4,536	6,736	4,849	11,933	7,057
Premium Earned	420	473	506	5,973	3,026	6,378	9,418	3,563
Incurred Losses	365	408	545	4,234	3,237	4,583	9,970	3,815
Underwriting & Admin Expense	146	155	220	1,506	2,862	1,630	3,987	3,018
Expense allowance	71	107	171	1,252	1,920	1,338	3,294	2,011
Premium Deficiency / (DPAC)	47	33	7	(349)	370	(296)	248	349
Administrative Expenses	28	15	42	603	572	588	445	658
Net Result from Operations	(91)	(90)	(259)	233	(3,073)	165	(4,539)	(3,270)
Ratios:								
Loss ratio - Prior Accident Years	(0.2%)	(0.2%)	0.0%	(16.6%)	(0.1%)	(15.6%)	(0.7%)	(0.1%)
Loss ratio - Current Accident Year	87.1%	86.5%	107.7%	87.5%	107.1%	87.5%	106.6%	107.1%
Total	86.9%	86.3%	107.7%	70.9%	107.0%	71.9%	105.9%	107.0%
Underwriting & Admin Expense	34.8%	32.8%	43.4%	25.2%	94.6%	25.6%	42.3%	84.7%
Expense allowance	16.9%	22.6%	33.8%	21.0%	63.5%	21.0%	35.0%	56.4%
Premium Deficiency / (DPAC)	11.2%	7.0%	1.4%	(5.8%)	12.2%	(4.6%)	2.6%	9.8%
Administrative Expenses	6.7%	3.2%	8.3%	10.1%	18.9%	9.2%	4.7%	18.5%
Combined Operating Ratio	121.7%	119.1%	151.4%	96.1%	201.6%	97.5%	148.2%	191.7%

rounding differences may occur

*as posted to FA's website Dec. 24, 2021

Premium

The **premium drivers** compared to prior year and The Outlook to year-end are:



The vehicle count transfer for November 2022 was 209 vehicles, which was lower than prior year by 227 vehicles, and 558 vehicles lower than The Outlook for the month.

Incurred Losses

Incurred losses in November 2022 were \$365 thousand; and loss ratio was at 86.9%, up 0.6 percentage points from our projection and down 20.8 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for November 2022 were \$146 thousand lower than projection and prior year.

Projection for Year-end 2022

Compared with The Outlook, written premium has decreased by \$7.1 million to \$4.8 million.

The updated year-end 2022 operating result is a surplus of 0.2 million and the combined operating ratio is 97.5%; loss ratios are expected to be lower than The Outlook; expense ratio too has decreased due to decrease in written premium.

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

[Newfoundland and Labrador RSP Summary of Operations - Calendar Year 2022](#)

*11 months ended November 2022 (discounted basis)