

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-100

DATE: December 23, 2022

SUBJECT: New Brunswick 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 New Brunswick 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 \$1.0 million, lower than prior year by \$0.2 million. The **2022 year-to-date premium written** was \$14.2 million, lower than prior year by \$5.5 million; and
- (b) The **November 2022 operating results** were a *deficit* of \$0.2 million, and the **2022 year-to-date operating result** a *deficit* of 0.7 million; and
- (c) The **November 2022 combined operating ratio** was 119.7%, higher than prior year by 6.4 percentage points. The **2022 year-to-date combined operating ratio** was 104.2%, above prior years by 6.5 percentage points.

Summary of Financial Results

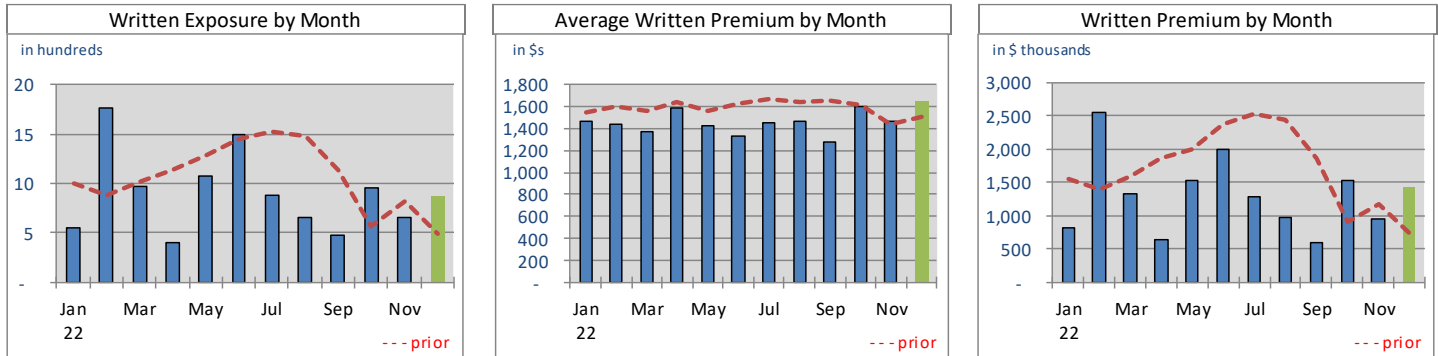
NB RSP Summary of Financial Results

NB 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	952	1,745	1,171	14,212	19,701	15,651	30,074	20,438
Premium Earned	1,144	1,208	1,701	17,103	18,592	18,281	26,023	20,409
Incurred Losses	855	929	1,166	12,265	10,977	13,168	22,620	12,227
Underwriting & Admin Expense	515	791	761	5,566	7,197	6,297	11,672	7,985
Expense allowance	279	510	358	4,142	6,031	4,563	8,783	6,256
Premium Deficiency / (DPAC)	202	192	333	469	257	685	1,365	673
Administrative Expenses	34	89	70	955	908	1,049	1,524	1,056
Net Result from Operations	(226)	(512)	(226)	(728)	418	(1,184)	(8,269)	197
Ratios:								
Loss ratio								
- Prior Accident Years	(2.8%)	(0.7%)	(1.6%)	(7.9%)	(12.2%)	(7.4%)	(2.1%)	(11.2%)
- Current Accident Year	77.5%	77.6%	70.1%	79.6%	71.2%	79.5%	89.0%	71.1%
Total	74.7%	76.9%	68.5%	71.7%	59.0%	72.1%	86.9%	59.9%
Underwriting & Admin Expense	45.0%	65.5%	44.8%	32.5%	38.7%	34.4%	44.9%	39.1%
Expense allowance	24.4%	42.2%	21.0%	24.2%	32.4%	25.0%	33.8%	30.7%
Premium Deficiency / (DPAC)	17.7%	15.9%	19.6%	2.7%	1.4%	3.7%	5.2%	3.3%
Administrative Expenses	3.0%	7.4%	4.1%	5.6%	4.9%	5.7%	5.9%	5.2%
Combined Operating Ratio	119.7%	142.4%	113.3%	104.2%	97.7%	106.5%	131.8%	99.0%

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 649 vehicles, which was lower than prior year by 168 vehicles and The Outlook for the month by 393 vehicles.

With a decrease of 18.7%, the premium written dropped significantly compared with the prior year and average premium showed a small increase of 2.2% compared with prior year.

Incurred Losses

Incurred losses in November 2022 were \$0.9 million, in line with projection and \$0.3 million lower compared with the same month from last year; and loss ratio was at 74.7%, down 2.2 percentage points compared with our projection and up 6.2 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for November 2022 include,

- Expense Allowance– this is based on written premium. The allowance ratio is approximately 29% of written premium and fairly consistent across actual and The Outlook for both current month and year-to-date.
- Change in Premium Deficiency / (DPAC): Premium deficiency of \$202 thousand for November 2022 compared to projected premium deficiency of \$192 thousand and prior year premium deficiency of \$333 thousand.
- Administrative Expenses are consistent with projection and prior year.

Projection to year-end 2022

Compared with The Outlook, written premium has decreased from \$30.1 million to \$15.7 million.

The updated year-end 2022 operating deficit is now \$1.2 million, a decrease from The Outlook and the combined operating ratio is 106.5%, 25.3 percentage points below The Outlook.

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:

[New Brunswick RSP Summary of Operations - Calendar Year 2022](#)

*11 month ended November 2022 (discounted basis)