

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO: F2022-084**

**DATE: October 28, 2022**

**SUBJECT: Newfoundland and Labrador Risk Sharing Pool  
– September 2022 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 September 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 ***September 2022 premium written*** was \$0.3 million, lower than prior year by \$0.4 million. The ***2022 year-to-date premium written*** was \$4.0 million lower than prior year by \$1.4 million; and
- (b) The ***September 2022 operating result*** was a deficit of \$201 thousand and the ***2022 year-to-date operating results*** were a surplus of \$351 thousand; and
- (c) The ***September 2022 combined operating ratio*** was 142.0%, lower than prior year by 38.5 percentage points. The ***year-to-date combined operating ratio*** was 180.5%, lower than prior year by 125.4 percentage points; and

## Summary of Financial Results

### NL RSP Summary of Financial Results

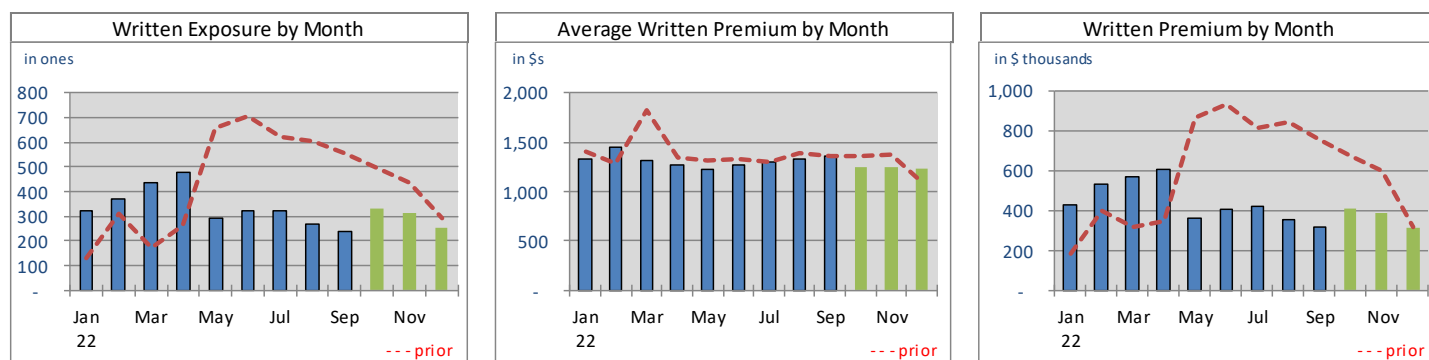
<b>NL RSP 2022 Summary</b>	<b>Actual</b>	<b>Projection</b>	<b>Prior Year</b>	<b>2022 year-to-date</b>	<b>2021 year-to-date</b>	<b>2022 year-end</b>	<b>Outlook*</b>	<b>2021 year-end</b>
<b>Amounts in \$000s</b>	<b>(September 2022)</b>	<b>(September 2022)</b>	<b>(September 2021)</b>	<b>as at 9 months</b>	<b>as at 9 months</b>	<b>Projection</b>	<b>Full year 2022</b>	<b>Actual</b>
Premium Written	320	419	755	4,012	5,461	5,128	11,933	7,057
Premium Earned	481	503	429	5,089	2,041	6,766	9,418	3,563
Incurred Losses	438	455	464	3,705	2,187	5,214	9,970	3,815
Underwriting & Admin Expense	244	168	316	1,231	2,372	1,565	3,987	3,018
Expense allowance	88	116	215	1,107	1,557	1,413	3,294	2,011
Premium Deficiency / (DPAC)	36	37	35	(389)	353	(284)	248	349
Administrative Expenses	120	15	66	513	462	436	445	658
<b>Net Result from Operations</b>	<b>(201)</b>	<b>(120)</b>	<b>(351)</b>	<b>153</b>	<b>(2,519)</b>	<b>(13)</b>	<b>(4,539)</b>	<b>(3,270)</b>
<b>Ratios:</b>								
Loss ratio - Prior Accident Years	0.2%	(0.2%)	0.0%	(18.7%)	(0.1%)	(14.1%)	(0.7%)	(0.1%)
Loss ratio - Current Accident Year	91.1%	90.7%	106.9%	91.5%	106.3%	91.1%	106.6%	107.1%
<b>Total</b>	<b>91.3%</b>	<b>90.5%</b>	<b>106.9%</b>	<b>72.8%</b>	<b>106.2%</b>	<b>77.0%</b>	<b>105.9%</b>	<b>107.0%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>50.7%</b>	<b>33.4%</b>	<b>73.6%</b>	<b>24.2%</b>	<b>116.2%</b>	<b>23.1%</b>	<b>42.3%</b>	<b>84.7%</b>
Expense allowance	18.3%	23.1%	50.1%	21.8%	76.3%	20.9%	35.0%	56.4%
Premium Deficiency / (DPAC)	7.5%	7.4%	8.2%	(7.6%)	17.3%	(4.2%)	2.6%	9.8%
Administrative Expenses	24.9%	3.0%	15.4%	10.1%	22.6%	6.4%	4.7%	18.5%
<b>Combined Operating Ratio</b>	<b>142.0%</b>	<b>123.9%</b>	<b>180.5%</b>	<b>97.0%</b>	<b>222.4%</b>	<b>100.1%</b>	<b>148.2%</b>	<b>191.7%</b>

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 September 2022 was 236 vehicles, which was lower than prior year by 321 vehicles, and 390 vehicles lower than The Outlook for the month.

## Incurred Losses

Incurred losses in September 2022 were \$438 thousand; and loss ratio was at 91.3%, up 0.8 percentage points from our projection and down 15.6 percentage points compared with prior year.

## Underwriting and Admin Expenses

Expenses for September 2022 were \$167 thousand in-line with the projection but lower than prior year.

## Projection for Year-end 2022

Compared with The Outlook, written premium has decreased by \$6.8 million to \$5.1 million.

## Newfoundland and Labrador Risk Sharing Pool – September 2022 Operational Report

The updated year-end 2022 operating result is roughly breakeven and the combined operating ratio is 100.1%; loss ratios are expected to be lower than The Outlook; however, 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](#)

\*09 months ended September 2022 (discounted basis)