

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO: F2022-082**

**DATE: October 28, 2022**

**SUBJECT: New Brunswick Risk Sharing Pool – September 2022 Operational Report**

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

Please be advised that the September 2022 New Brunswick 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 \$0.6 million, lower than prior year by \$1.3 million. The **2022 year-to-date premium written** was \$11.7 million, lower than prior year by \$5.9 million; and
- (b) The **September 2022 operating results** were a deficit of \$0.3 million, and the **2022 year-to-date operating result deficit** of 0.4 million; and
- (c) The **September 2022 combined operating ratio** was 142.0%, higher than prior year by 25.2 percentage points. The **2022 year-to-date combined operating ratio** was 102.4%, above prior years by 7.8 percentage points; and

### Summary of Financial Results

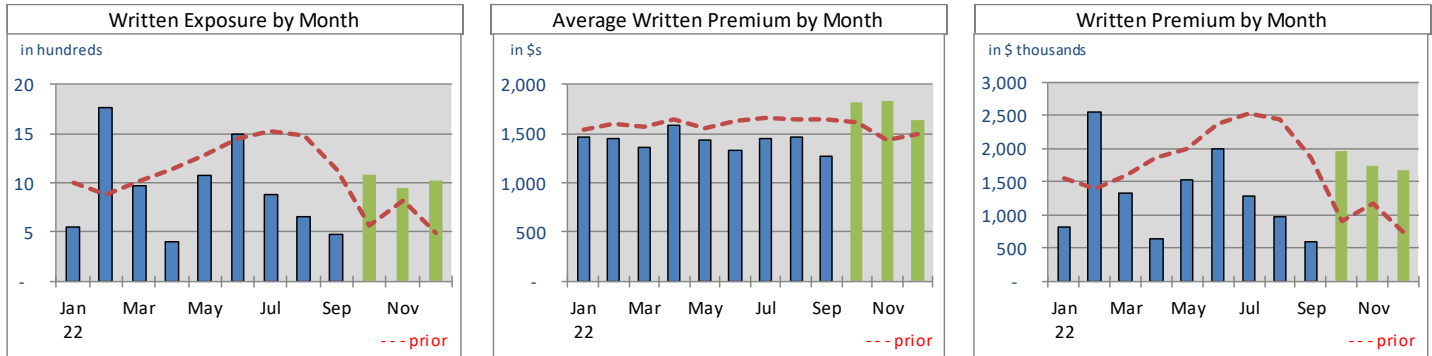
#### *NB RSP Summary of Financial Results*

<b>NB RSP 2022 Summary</b> Amounts in \$000s	Actual (September 2022)	Projection (September 2022)	Prior Year (September 2021)	2022 year-to-date as at 9 months	2021 year-to-date as at 9 months	2022 year-end Projection	Outlook* Full year 2022	2021 year-end Actual
Premium Written	598	2,171	1,867	11,720	17,621	17,108	30,074	20,438
Premium Earned	826	966	1,807	14,681	15,422	18,318	26,023	20,409
Incurred Losses	670	755	1,177	10,649	8,937	13,499	22,620	12,227
Underwriting & Admin Expense	503	809	934	4,395	5,673	6,700	11,672	7,985
Expense allowance	169	634	572	3,414	5,394	4,989	8,783	6,256
Premium Deficiency / (DPAC)	175	65	260	165	(450)	741	1,365	673
Administrative Expenses	159	110	102	816	728	970	1,524	1,056
<b>Net Result from Operations</b>	<b>(347)</b>	<b>(598)</b>	<b>(304)</b>	<b>(363)</b>	<b>812</b>	<b>(1,881)</b>	<b>(8,269)</b>	<b>197</b>
<b>Ratios:</b>								
<b>Loss ratio</b>								
- Prior Accident Years	(31.9%)	(0.6%)	(2.0%)	(9.0%)	(12.2%)	(7.3%)	(2.1%)	(11.2%)
- Current Accident Year	113.0%	78.8%	67.1%	81.5%	70.1%	81.0%	89.0%	71.1%
<b>Total</b>	<b>81.1%</b>	<b>78.2%</b>	<b>65.1%</b>	<b>72.5%</b>	<b>57.9%</b>	<b>73.7%</b>	<b>86.9%</b>	<b>59.9%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>60.9%</b>	<b>83.7%</b>	<b>51.7%</b>	<b>29.9%</b>	<b>36.8%</b>	<b>36.6%</b>	<b>44.9%</b>	<b>39.1%</b>
Expense allowance	20.5%	65.6%	31.7%	23.3%	35.0%	27.2%	33.8%	30.7%
Premium Deficiency / (DPAC)	21.2%	6.7%	14.4%	1.1%	(2.9%)	4.0%	5.2%	3.3%
Administrative Expenses	19.2%	11.4%	5.6%	5.6%	4.7%	5.3%	5.9%	5.2%
<b>Combined Operating Ratio</b>	<b>142.0%</b>	<b>161.9%</b>	<b>116.8%</b>	<b>102.4%</b>	<b>94.7%</b>	<b>110.3%</b>	<b>131.8%</b>	<b>99.0%</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 only 470 vehicles, which was significantly lower than prior year by 662 vehicles and The Outlook for the month by 960 vehicles.

With a decrease of 68.0%, premium written dropped significantly compared with the prior year and average premium also showed a significant decrease of 22.9% compared with prior year.

## Incurred Losses

Incurred losses in September 2022 were \$0.7 million, \$0.1 million lower than projection and \$0.5 million lower compared with the same month from last year; and loss ratio was at 81.1%, up 2.9 percentage points compared with our projection and up 16.0 percentage points compared with prior year.

## Underwriting and Admin Expenses

Expenses for September 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 \$175 thousand for September 2022 compared to projected premium deficiency of \$65 thousand and prior year premium deficiency of \$260 thousand.
- Administrative Expenses are consistent with projection and prior year.

## Projection to year-end 2022

Compared with The Outlook, written premium is below projection.

The updated year-end 2022 operating deficit is now \$1.9 million, a decrease from The Outlook and the combined operating ratio is 110.3%, 21.5 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](#)

\*09 month ended September 2022 (discounted basis)