

TO: MEMBERS OF THE FACILITY ASSOCIATION

**ATTENTION: CHIEF EXECUTIVE OFFICER
NOVA SCOTIA RISK SHARING POOL PROJECT MANAGER**

BULLETIN NO: F2022-068

DATE: September 7, 2022

SUBJECT: NOVA SCOTIA RISK SHARING POOL – EXPENSE FACTOR

Please forward a copy of this bulletin to your Chief Financial Officer.

This is to inform you that the Facility Association Plan of Operation, Article XI.4, Section 5(b) requires that every member of the Nova Scotia Risk Sharing Pool be entitled to an expense allowance.

Members are advised that the expense allowance for the calendar year 2023 is 35.9% for all members of the Nova Scotia Risk Sharing Pool.

Methodology Changes for 2023: Premium Tax and Health Levies

Beginning in 2023 with the adoption of IFRS 17, please note that policies transferred to the RSPs will no longer be classified as negative direct written instead will be classified as reinsurance ceded. As a result, there are methodology changes on the expense allowance factor with regard to premium tax and health levies:

- Use of the RSPs no longer reduces member premium tax and healthy levy amounts.
- As members are ceding the full policy premium to the RSP, the premium tax and health levies will be reimbursed through the RSP expense allowance. The aggregate cost of these reimbursements will be passed back to the members through share of the RSP results.

Saskia Matheson
President & CEO