

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-062

DATE: August 30, 2022

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

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

Please be advised that the July 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 **July 2022 premium written** was \$0.4 million, lower than prior year by \$0.4 million. The **2022 year-to-date premium written** was \$3.3 million lower than prior year by \$0.5 million: and
- (b) The **July 2022 operating result** was a deficit of \$164 thousand and the **2022 year-to-date operating results** were a deficit of \$524 thousand: and
- (c) The **July 2022 combined operating ratio** was 128.8% lower than prior year by 75.0 percentage points. The **year-to-date combined operating ratio** was 112.8% lower than prior year by 133.4 percentage points

Summary of Financial Results

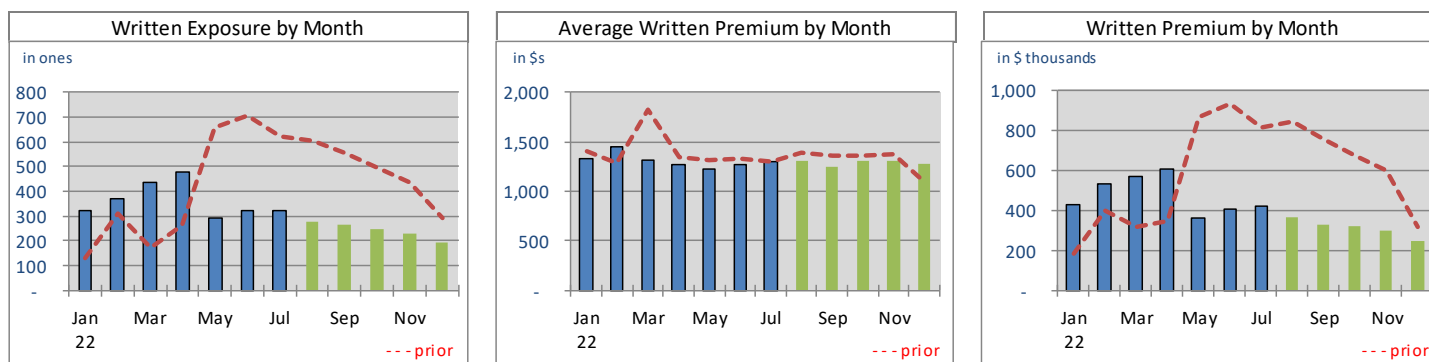
NL RSP Summary of Financial Results

NL RSP 2022 Summary Amounts in \$000s	Actual (July 2022)	Projection (July 2022)	Prior Year (July 2021)	2022 year-to-date as at 7 months	2021 year-to-date as at 7 months	2022 year-end Projection	Outlook* Full year 2022	2021 year-end Actual
Premium Written	420	356	812	3,334	3,861	4,902	11,933	7,057
Premium Earned	568	582	336	4,075	1,226	6,649	9,418	3,563
Incurred Losses	566	572	350	3,595	1,305	6,086	9,970	3,815
Underwriting & Admin Expense	166	116	336	1,004	1,719	1,468	3,987	3,018
Expense allowance	116	99	231	920	1,101	1,354	3,294	2,011
Premium Deficiency / (DPAC)	6	4	49	(266)	272	(251)	248	349
Administrative Expenses	44	13	56	350	346	365	445	658
Net Result from Operations	(164)	(106)	(350)	(524)	(1,799)	(905)	(4,539)	(3,270)
Ratios:								
Loss ratio - Prior Accident Years	(0.2%)	(1.2%)	0.0%	(12.0%)	(0.2%)	(7.8%)	(0.7%)	(0.1%)
- Current Accident Year	99.8%	99.5%	103.0%	100.2%	105.7%	99.3%	106.6%	107.1%
Total	99.6%	98.3%	103.0%	88.2%	105.5%	91.5%	105.9%	107.0%
Underwriting & Admin Expense	29.2%	19.9%	100.8%	24.6%	140.7%	22.1%	42.3%	84.7%
Expense allowance	20.4%	17.0%	68.8%	22.6%	89.8%	20.4%	35.0%	56.4%
Premium Deficiency / (DPAC)	1.1%	0.7%	14.6%	(6.5%)	22.2%	(3.8%)	2.6%	9.8%
Administrative Expenses	7.7%	2.2%	16.8%	8.6%	28.2%	5.5%	4.7%	18.5%
Combined Operating Ratio	128.8%	118.2%	203.8%	112.8%	246.2%	113.6%	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 July 2022 was 323 vehicles, which was lower than prior year by 299 vehicles, and 536 vehicles lower than The Outlook for the month.

Incurred Losses

Incurred losses in July 2022 were \$566 thousand; and loss ratio was at 99.6%, up 1.3 percentage points from our projection and down 3.4 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for July 2022 were \$166 thousand, above the projection but below prior year.

Projection for Year-end 2022

Compared with The Outlook, written premium has decreased by \$7.0 million to \$4.9 million.

The updated year-end 2022 operating deficit is now \$0.9 million and the combined operating ratio is 113.6%; 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](#)

*07 months ended July 2022 (discounted basis)