

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-056

DATE: July 28, 2022

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

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

Please be advised that the June 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 ***June 2022 premium written*** was \$409 thousand; and
- (b) The ***year-to-date net operating deficit*** was \$360 thousand, resulting in a ***year-to-date COR of 110.3%***.

Summary of Financial Results

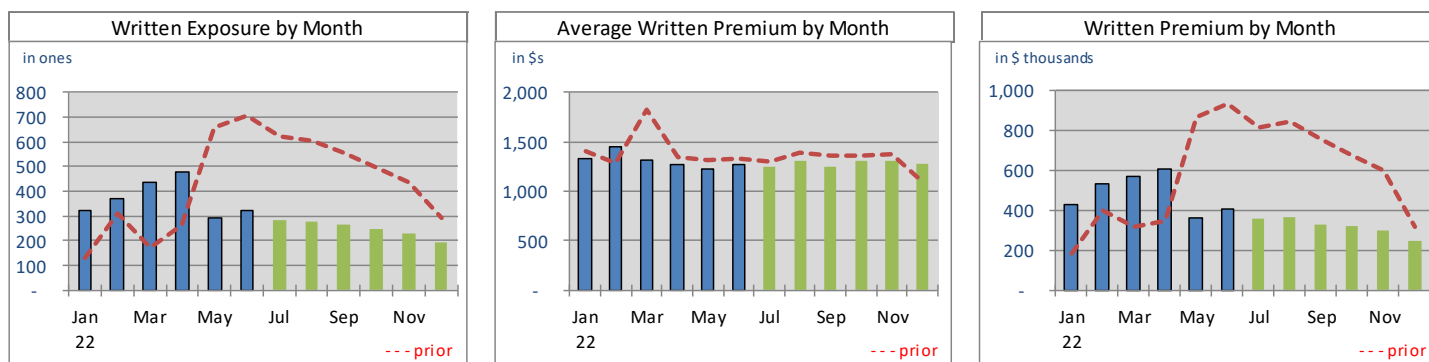
NL RSP Summary of Financial Results

NL RSP 2022 Summary Amounts in \$000s	Actual (June 2022)	Projection (June 2022)	Prior Year (June 2021)	2022 year-to-date as at 6 months	2021 year-to-date as at 6 months	2022 year-end Projection	Outlook* Full year 2022	2021 year-end Actual
Premium Written	409	359	935	2,914	3,049	4,838	11,933	7,057
Premium Earned	575	589	276	3,507	890	6,601	9,418	3,563
Incurred Losses	561	583	295	3,029	954	6,034	9,970	3,815
Underwriting & Admin Expense	182	112	380	838	1,383	1,398	3,987	3,018
Expense allowance	113	99	267	804	870	1,337	3,294	2,011
Premium Deficiency / (DPAC)	3	(1)	68	(272)	223	(251)	248	349
Administrative Expenses	66	14	45	306	290	312	445	658
Net Result from Operations	(168)	(106)	(399)	(360)	(1,447)	(831)	(4,539)	(3,270)
Ratios:								
Loss ratio - Prior Accident Years	(1.0%)	(1.2%)	0.0%	(13.9%)	(0.2%)	(7.9%)	(0.7%)	(0.1%)
- Current Accident Year	98.6%	100.2%	105.7%	100.3%	106.5%	99.3%	106.6%	107.1%
Total	97.6%	99.0%	105.7%	86.4%	106.3%	91.4%	105.9%	107.0%
Underwriting & Admin Expense	31.7%	19.0%	138.3%	23.9%	155.8%	21.2%	42.3%	84.7%
Expense allowance	19.7%	16.8%	96.7%	22.9%	97.8%	20.3%	35.0%	56.4%
Premium Deficiency / (DPAC)	0.5%	(0.2%)	24.6%	(7.8%)	25.1%	(3.8%)	2.6%	9.8%
Administrative Expenses	11.5%	2.4%	16.2%	8.7%	32.5%	4.7%	4.7%	18.5%
Combined Operating Ratio	129.3%	118.0%	244.0%	110.3%	262.1%	112.6%	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 June 2022 was 321 vehicles; the projection for June from last month anticipated 296 vehicle transfers, however the actual came in 25 more than projected.

Incurred Losses

Incurred losses in June 2022 were \$0.6 million; and loss ratio was at 97.6%, down from both our projection and prior year by 1.4 percentage points and 8.1 percentage points respectively.

Underwriting and Admin Expenses

Expenses for June 2022 were \$182 thousand, above the projection but below prior year.

Projection for Year-end 2022

Compared with The Outlook, written premium has decreased by \$7.1 million to \$4.8 million.

The updated year-end 2022 operating deficit is now \$0.8 million and the combined operating ratio is 112.6%; 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](#)

*06 months ended June 2022 (discounted basis)