

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-054

DATE: July 28, 2022

SUBJECT: New Brunswick 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 New Brunswick 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 \$2.0 million, lower than prior year by \$0.4 million. The **2022 year-to-date premium written** was \$8.9 million, lower than prior year by \$1.9 million; and
- (b) The **June 2022 operating results** were a deficit of \$0.5 million and the **2022 year-to-date operating results** were a deficit of \$1.5 million; and
- (c) The **June 2022 combined operating ratio** was 127.8%, higher than prior year by 11.6 percentage points. The **2022 year-to-date combined operating ratio** was 114.1%, above prior years by 25.5 percentage points.

Summary of Financial Results

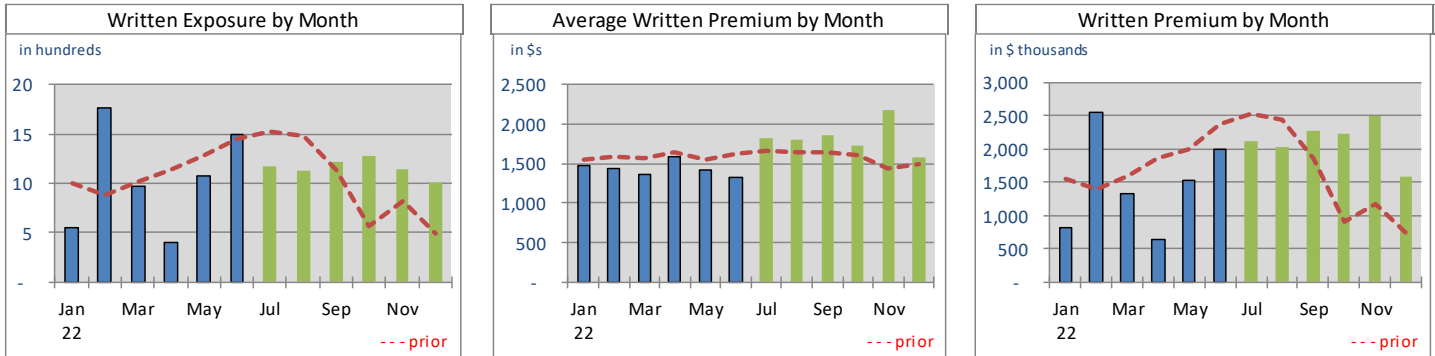
NB RSP Summary of Financial Results

NB 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	1,997	2,792	2,371	8,877	10,771	21,607	30,074	20,438
Premium Earned	1,731	1,318	1,738	10,715	9,991	20,121	26,023	20,409
Incurred Losses	1,472	1,117	1,275	9,057	5,935	17,048	22,620	12,227
Underwriting & Admin Expense	741	951	744	3,171	2,915	8,243	11,672	7,985
Expense allowance	584	815	726	2,592	3,297	6,309	8,783	6,256
Premium Deficiency / (DPAC)	46	(5)	(60)	68	(829)	807	1,365	673
Administrative Expenses	111	141	78	511	446	1,127	1,524	1,056
Net Result from Operations	(482)	(750)	(281)	(1,513)	1,141	(5,170)	(8,269)	197
Ratios:								
Loss ratio								
- Prior Accident Years	(1.1%)	(1.7%)	(1.2%)	(2.3%)	(16.5%)	(1.7%)	(2.1%)	(11.2%)
- Current Accident Year	86.1%	86.4%	74.6%	86.8%	75.9%	86.4%	89.0%	71.1%
Total	85.0%	84.7%	73.4%	84.5%	59.4%	84.7%	86.9%	59.9%
Underwriting & Admin Expense	42.8%	72.2%	42.8%	29.6%	29.2%	41.0%	44.9%	39.1%
Expense allowance	33.7%	61.8%	41.8%	24.2%	33.0%	31.4%	33.8%	30.7%
Premium Deficiency / (DPAC)	2.7%	(0.4%)	(3.5%)	0.6%	(8.3%)	4.0%	5.2%	3.3%
Administrative Expenses	6.4%	10.7%	4.5%	4.8%	4.5%	5.6%	5.9%	5.2%
Combined Operating Ratio	127.8%	156.9%	116.2%	114.1%	88.6%	125.7%	131.8%	99.0%

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 1,501 vehicles, which was slightly higher than prior year by 50 and in line with The Outlook for the month.

With a decrease of 15.8%, premium written dropped significantly compared with the prior year and average premium also showed a significant decrease of 18.6% compared with prior year.

Incurred Losses

Incurred losses in June 2022 were \$1.5 million, \$0.4 million higher than projection and slightly higher compared with the same month from last year; and loss ratio was at 85.0%, up 0.3 percentage points compared with our projection and up 11.6 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for June 2022 include,

- Expense Allowance– this is based on written premium. The allowance ratio is approximately 29% of written premium and consistent across actual and The Outlook for both current month and year-to-date.
- Change in Premium Deficiency / (DPAC): Change in premium deficiency of \$46 thousand for June 2022 compared to projected change in DPAC of \$5 thousand and prior year change in DPAC of \$60 thousand.
- Administrative Expenses are fairly 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 \$5.2 million, a decrease from The Outlook and the combined operating ratio is 125.7%, 6.1 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](#)

*06 month ended June 2022 (discounted basis)