

TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2022-033
DATE: May 30, 2022
SUBJECT: New Brunswick Risk Sharing Pool – April 2022 Operational Report

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

Please be advised that the April 2022 New Brunswick Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Highlights

- (a) The **April 2022 premium written** was \$0.6 million, lower than prior year by \$1.2 million. The **2022 year-to-date premium written** was \$5.4 million lower than prior year by \$1.1 million; and
- (b) The **April 2022 operating results** were a deficit of \$0.2 million and the **2022 year-to-date operating results** were a deficit of \$1.6 million; and
- (c) The **April 2022 combined operating ratio** was 110.1%, lower than prior year by 2.7 percentage points. The **2022 year-to-date combined operating ratio** was 122.8%, above prior years by 37.3 percentage points.

Summary of Financial Results

NB RSP Summary of Financial Results

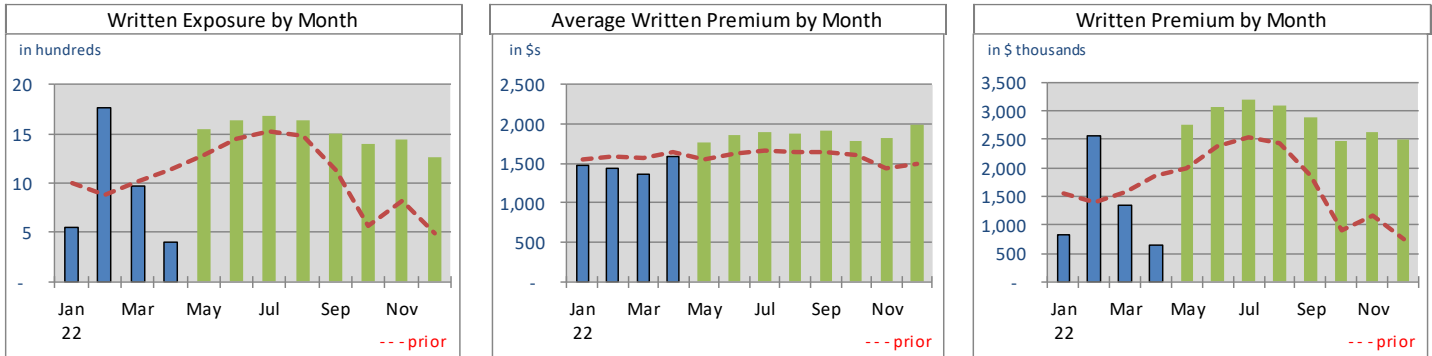
NB RSP 2022 Summary Amounts in \$000s	Actual (April 2022)	Projection (April 2022)	Prior Year (April 2021)	2022 year-to-date as at 4 months	2021 year-to-date as at 4 months	2022 year-end Projection	Outlook* Full year 2022
Premium Written	640	2,760	1,874	5,350	6,403	27,934	30,074
Premium Earned	1,833	1,695	1,702	7,174	6,501	22,150	26,023
Incurred Losses	1,610	1,474	1,259	6,766	3,922	19,907	22,620
Underwriting & Admin Expense	409	957	660	2,047	1,637	10,901	11,672
Expense allowance	187	806	574	1,562	1,960	8,156	8,783
Premium Deficiency / (DPAC)	114	11	3	164	(618)	1,304	1,365
Administrative Expenses	108	140	83	321	294	1,441	1,524
Net Result from Operations	(186)	(736)	(217)	(1,639)	942	(8,658)	(8,269)
Ratios:							
Loss ratio - Prior Accident Years	(1.4%)	(2.1%)	(1.5%)	4.8%	(17.8%)	0.7%	(2.1%)
- Current Accident Year	89.2%	89.1%	75.5%	89.5%	78.1%	89.2%	89.0%
Total	87.8%	87.0%	74.0%	94.3%	60.3%	89.9%	86.9%
Underwriting & Admin Expense	22.3%	56.5%	38.8%	28.5%	25.2%	49.2%	44.9%
Expense allowance	10.2%	47.6%	33.7%	21.8%	30.1%	36.8%	33.8%
Premium Deficiency / (DPAC)	6.2%	0.6%	0.2%	2.3%	(9.5%)	5.9%	5.2%
Administrative Expenses	5.9%	8.3%	4.9%	4.5%	4.5%	6.5%	5.9%
Combined Operating Ratio	110.1%	143.5%	112.8%	122.8%	85.5%	139.1%	131.8%

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 April 2022 was 403 vehicles, which was lower than prior year by 739 and significantly lower than The Outlook for the month by 1,933.

With a decrease of 65.9%, premium written dropped significantly compared with the prior year and average premium also showed a slight decrease of 3.2% compared with prior year.

Incurred Losses

Incurred losses in April 2022 were \$1.6 million; and loss ratio was at 87.8%, in line compared with our projection and up 13.8 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for April 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.
- Premium Deficiency / (DPAC): Premium Deficiency of \$0.2 million for April 2022 compared to projection Premium deficiency of \$0.01 million
- Administrative Expenses are consistent with projection and prior year.

Projection to year-end 2022

Compared with The Outlook, written premium is slightly below projection.

The updated year-end 2022 operating deficit is now \$8.7 million, a slight increase from The Outlook and the combined operating ratio is 139.1%; 7.4 percentage points above 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](#)

*04 month ended April 2022 (discounted basis)