

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-022

DATE: March 30, 2022

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

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

Please be advised that the February 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 **February 2022 premium written was \$534 thousand**; and
- (b) The **year-to-date net operating deficit** was \$396 thousand, resulting in a **year-to-date COR of 137.0%**.

Summary of Financial Results

NL RSP Summary of Financial Results

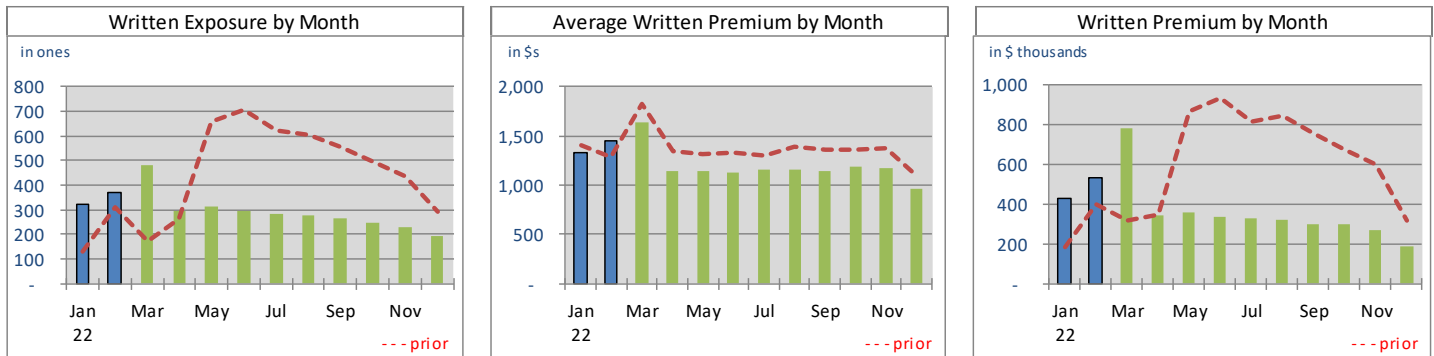
NL RSP 2022 Summary Amounts in \$000s	Actual (February 2022)	Projection (February 2022)	Prior Year (February 2021)	2022 year-to-date as at 2 months	2021 year-to-date as at 2 months	2022 year-end Projection	Outlook* Full year 2022
Premium Written	534	839	397	961	582	4,486	11,933
Premium Earned	522	522	70	1,072	104	6,347	9,418
Incurred Losses	552	564	75	1,133	112	6,759	9,970
Underwriting & Admin Expense	188	293	202	335	321	1,217	3,987
Expense allowance	147	232	113	265	166	1,236	3,294
Premium Deficiency / (DPAC)	0	30	38	(10)	54	(187)	248
Administrative Expenses	41	31	51	80	101	168	445
Net Result from Operations	(218)	(335)	(207)	(396)	(329)	(1,629)	(4,539)
Ratios:							
Loss ratio - Prior Accident Years	(2.7%)	(0.8%)	-	(3.0%)	-	(0.9%)	(0.7%)
- Current Accident Year	108.4%	108.8%	107.1%	108.7%	107.7%	107.4%	106.6%
Total	105.7%	108.0%	107.1%	105.7%	107.7%	106.5%	105.9%
Underwriting & Admin Expense	36.0%	56.1%	288.6%	31.3%	308.7%	19.2%	42.3%
Expense allowance	28.2%	44.4%	161.4%	24.7%	159.6%	19.5%	35.0%
Premium Deficiency / (DPAC)	0.0%	5.7%	54.3%	(0.9%)	51.9%	(2.9%)	2.6%
Administrative Expenses	7.9%	5.9%	72.2%	7.5%	96.7%	2.7%	4.7%
Combined Operating Ratio	141.7%	164.1%	395.7%	137.0%	416.4%	125.7%	148.2%

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:



February's vehicle count transfer was 369 vehicles; the projection for February from last month anticipated 616 vehicle transfers, however the actual came in 247 lower than projected.

Incurred Losses

Incurred losses in February 2022 were \$552 thousand; and loss ratio was at 105.7%, down 2.3 percentage points compared with our projection and down 1.4 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for February 2022 were \$147 thousand, slightly below the projection, but above prior year due to the increase in premium written.

Projection for Year-end 2022

Compared with The Outlook, written premium has decreased by \$7.4 million to \$4.5 million based on updated premium projections received from the main users of the Newfoundland and Labrador Risk Sharing Pool.

The updated year-end 2022 operating deficit is now \$1.6 million and the combined operating ratio is 125.7%; loss ratios are expected to be per The Outlook; however, expense ratio has decrease 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](#)

*02 months ended February 2022 (discounted basis)