

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-020

DATE: March 30, 2022

SUBJECT: New Brunswick 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 New Brunswick 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 \$2.6 million**, higher than prior year by \$1.2 million. The **2022 year-to-date premium written** was \$0.4 million higher than prior year; and
- (b) The **February 2022 operating results** were a *deficit* of \$0.5 million and the **2022 year-to-date operating results** were a *deficit* of \$0.7 million; and
- (c) The **February 2022 combined operating ratio** was 134.4%, higher than prior year by 18.0 percentage points. The **2022 year-to-date combined operating ratio** was 120.7%, above prior years by 5.7 percentage points.

Summary of Financial Results

NB RSP Summary of Financial Results

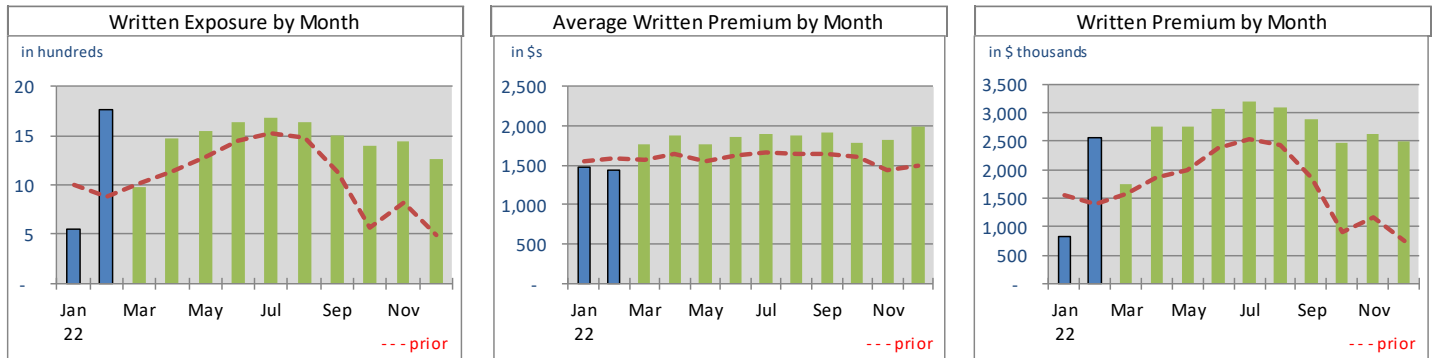
NB RSP 2022 Summary Amounts in \$000s	Actual (February 2022)	Projection (February 2022)	Prior Year (February 2021)	2022 year-to-date as at 2 months	2021 year-to-date as at 2 months	2022 year-end Projection	Outlook* Full year 2022
Premium Written	2,561	1,428	1,395	3,376	2,942	30,461	30,074
Premium Earned	1,580	1,545	1,503	3,355	3,120	23,984	26,023
Incurred Losses	1,367	1,352	1,220	2,914	2,527	21,065	22,620
Underwriting & Admin Expense	757	514	529	1,134	1,060	11,836	11,672
Expense allowance	749	417	427	987	900	8,895	8,783
Premium Deficiency / (DPAC)	(58)	25	18	13	28	1,429	1,365
Administrative Expenses	66	72	84	134	131	1,512	1,524
Net Result from Operations	(544)	(321)	(246)	(693)	(467)	(8,917)	(8,269)
Ratios:							
Loss ratio - Prior Accident Years	(2.9%)	(2.4%)	(4.7%)	(3.5%)	(6.4%)	(1.7%)	(2.1%)
- Current Accident Year	89.4%	89.9%	85.9%	90.4%	87.4%	89.5%	89.0%
Total	86.5%	87.5%	81.2%	86.9%	81.0%	87.8%	86.9%
Underwriting & Admin Expense	47.9%	33.3%	35.2%	33.8%	34.0%	49.3%	44.9%
Expense allowance	47.4%	27.0%	28.4%	29.4%	28.8%	37.1%	33.8%
Premium Deficiency / (DPAC)	(3.7%)	1.6%	1.2%	0.4%	0.9%	6.0%	5.2%
Administrative Expenses	4.2%	4.7%	5.6%	4.0%	4.2%	6.3%	5.9%
Combined Operating Ratio	134.4%	120.8%	116.4%	120.7%	115.0%	137.1%	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 February 2022 was 1,772 vehicles, which was significantly higher than prior year and projected driven by a timing difference in usage by one member of the pool.

Average premium showed a decrease compared with prior year. Premium written was above prior year driven by the increase in vehicles transferred to the pool.

Incurred Losses

Incurred losses in February 2022 were \$1.4 million; and loss ratio was at 86.5%, down 1.0 percentage point compared with our projection and up 5.3 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for February 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): DPAC of \$0.06 million for February 2022 compared to projection Premium deficiency of \$0.03 million and prior year premium deficiency at \$0.08 million
- Administrative Expenses are consistent with projection and prior year.

Projection to year-end 2022

Compared with The Outlook, written premium is in line with projection.

The updated year-end 2022 operating deficit is now \$8.9 million, a slight decrease from The Outlook and the combined operating ratio is 137.1%.

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](#)

*02 month ended February 2022 (discounted basis)