

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2022-015

DATE: February 25, 2022

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

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

Please be advised that the January 2021 Newfoundland and Labrador Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Highlights

The **January 2022 premium written was \$427 thousand**; the **net operating deficit was \$257 thousand**, resulting in a **COR of 146.7%**.

Summary of Financial Results

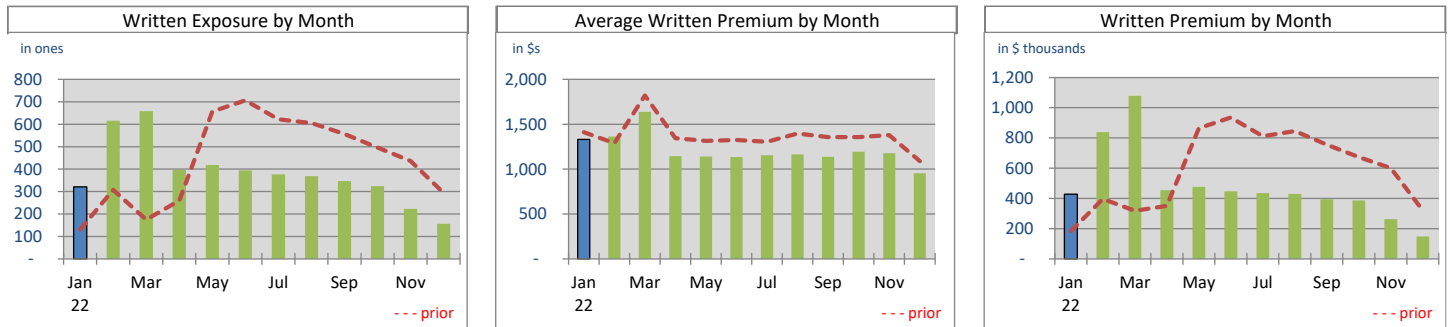
NL RSP Summary of Financial Results

NL RSP 2022 Summary Amounts in \$000s	Actual (January 2022)	Projection (January 2022)	Prior Year (January 2021)	2022 year-to-date as at 1 month	2021 year-to-date as at 1 month	2022 year-end Projection	Outlook* Full year 2022
Premium Written	427	636	185	427	185	5,781	11,933
Premium Earned	550	550	34	550	34	7,182	9,418
Incurred Losses	581	587	37	581	37	7,662	9,970
Underwriting & Admin Expense	226	209	118	226	119	1,656	3,987
Expense allowance	118	176	52	118	53	1,596	3,294
Premium Deficiency / (DPAC)	(10)	9	16	(10)	16	(141)	248
Administrative Expenses	118	24	50	118	50	201	445
Net Result from Operations	(257)	(246)	(121)	(257)	(121)	(2,136)	(4,539)
Ratios:							
Loss ratio - Prior Accident Years	(3.3%)	(0.5%)	0.0%	(3.3%)	0.0%	(0.7%)	(0.7%)
- Current Accident Year	108.9%	107.3%	108.8%	108.9%	108.8%	107.4%	106.6%
<i>Total</i>	105.6%	106.8%	108.8%	105.6%	108.8%	106.7%	105.9%
Underwriting & Admin Expense	41.1%	38.0%	339.9%	41.1%	346.2%	23.1%	42.3%
Combined Operating Ratio	146.7%	144.8%	448.7%	146.7%	455.0%	129.8%	148.2%

rounding differences may occur
*as posted to FA's website Dec. 24, 2021

Premium

The **premium drivers** compared to prior year and outlook to year end are:



January's vehicle count transfer was 321 vehicles; the projection for January anticipated 494 vehicle transfers, lower than projected.

Incurred Losses

Incurred losses in January 2022 were \$581 thousand; and loss ratio was at 105.6%, down 1.2 percentage points compared with our projection and down 3.2 percentage points compared with prior year.

Underwriting and Admin Expenses

Expenses for January 2022 were \$118 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 \$6.2 million to \$5.8 million based on updated premium projections received from the main user of the Newfoundland and Labrador Risk Sharing Pool.

The updated year-end 2022 operating deficit is now \$2.1 million and the combined operating ratio is 129.8%; 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 Sheetal Savani, VP Finance, Compliance and CFO at (416) 863-1750 x5626.

Saskia Matheson
President & CEO

Related links

[Newfoundland and Labrador RSP Summary of Operations - Calendar Year 2022](#)

*1 months ended December 2022 (discounted basis)