

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO: F2022-007**

**DATE: January 28, 2022**

**SUBJECT: Newfoundland and Labrador Risk Sharing Pool  
– December 2021 Operational Report**

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

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

## Highlights

The **December 2021 premium written was \$0.3 million**; the **year-to-date net operating deficit was \$3.3 million**, resulting in a **year-to-date COR of 191.8%**. This is the first full year of operations.

## Summary of Financial Results

### NL RSP Summary of Financial Results

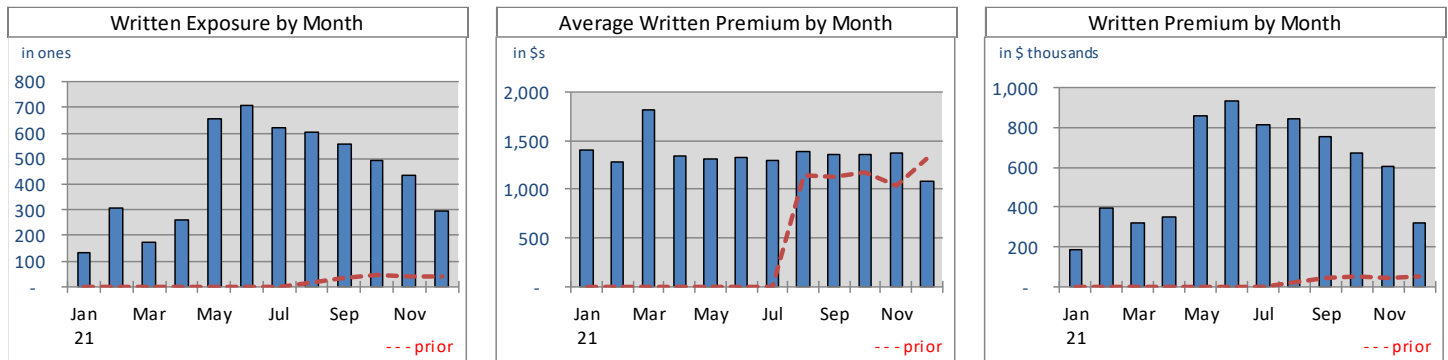
<b>NL RSP 2022 Summary</b> Amounts in \$000s	<b>Actual</b> (December 2021)	<b>Projection</b> (December 2021)	<b>Prior Year</b> (December 2020)	<b>2021 year-to-date</b> as at 12 months	<b>2020 year-to-date</b> as at 12 months	<b>Outlook*</b> Full year 2021
Premium Written	320	729	53	7,056	203	8,994
Premium Earned	536	551	21	3,559	54	6,035
Incurred Losses	577	599	24	3,814	61	6,509
Underwriting & Admin Expense	155	261	74	3,015	313	3,384
Expense allowance	91	208	16	2,010	61	2,679
Premium Deficiency / (DPAC)	(21)	24	4	349	18	348
Administrative Expenses	85	29	54	656	234	357
<b>Net Result from Operations</b>	<b>(196)</b>	<b>(309)</b>	<b>(77)</b>	<b>(3,270)</b>	<b>(319)</b>	<b>(3,858)</b>
<b>Ratios:</b>						
<b>Loss ratio</b> - Prior Accident Years	0.0%	0.0%	-	(0.1%)	-	0.0%
- Current Accident Year	107.6%	108.7%	114.3%	107.2%	113.0%	107.9%
<b>Total</b>	<b>107.6%</b>	<b>108.7%</b>	<b>114.3%</b>	<b>107.1%</b>	<b>113.0%</b>	<b>107.9%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>28.9%</b>	<b>47.4%</b>	<b>352.4%</b>	<b>84.7%</b>	<b>577.8%</b>	<b>56.1%</b>
<b>Combined Operating Ratio</b>	<b>136.5%</b>	<b>156.1%</b>	<b>466.7%</b>	<b>191.8%</b>	<b>690.8%</b>	<b>164.0%</b>

*rounding differences may occur*

*\*as posted to FA's website Nov. 18, 2020*

## Premium

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



December's vehicle count transfer was 294 vehicles, and 5,248 vehicles on year-to-date basis; the projection for December from last month anticipated 587 vehicle transfers, however the actual came in 293 lower than projected.

Vehicle count and written premium are expected to be more in line with recent three months' transfers over the remainder of the year.

## Incurred Losses

Incurred losses in December 2021 were \$0.6 million; and loss ratio was at 107.6%, down 1.1 percentage points compared with out projection and down 6.7 percentage points compared with prior year.

## Underwriting and Admin Expenses

Expenses for December 2021 were \$0.2 million, in line with the projection, but above prior year due to the increase in premium written.

## Year-end 2021

The 2021 year-to-date written premium is below the Outlook by \$1.9 million and earned premium is below Outlook by \$2.5 million.

The year-to-date loss ratio of 107.1% is in line with the outlook. The year-to-date expense ratio, driven mostly by premium written rather than premium earned is above the Outlook by 28.6%.

The year-to-date operating deficit was \$3.2 million compared the Outlook which had an expected a deficit of \$3.9 million.

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 2021](#)

\*12 months ended December 2021 (discounted basis)