

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2021-104

DATE: December 24, 2021

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

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

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

Highlights

- (a) The **November 2021 premium written was \$0.6 million**; the **year-to-date net operating deficit was \$3.0 million**, with \$0.3 million of the deficit generated in November, resulting in a **year-to-date COR of 200.3%** on earned premium of \$3.0 million

Summary of Financial Results

NL RSP Summary of Financial Results

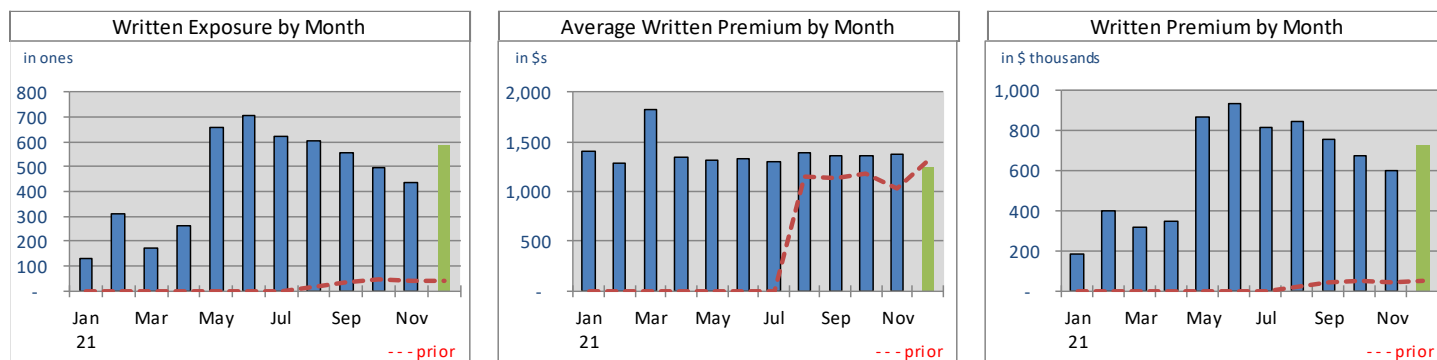
NL RSP 2021 Summary Amounts in \$000s	Actual (November 2021)	Projection (November 2021)	Prior Year (November 2020)	2021 year-to-date as at 11 months	2020 year-to-date as at 11 months	2021 year-end Projection	Outlook* Full year 2021
Premium Written	602	591	41	6,736	150	7,465	8,994
Premium Earned	505	409	16	3,024	33	3,577	6,035
Incurred Losses	545	444	18	3,237	37	3,837	6,509
Underwriting & Admin Expense	245	216	51	2,818	239	3,082	3,384
Expense allowance	170	169	11	1,919	45	2,128	2,679
Premium Deficiency / (DPAC)	7	24	5	370	14	394	348
Administrative Expenses	68	23	35	529	180	560	357
Net Result from Operations	(285)	(251)	(53)	(3,031)	(242)	(3,342)	(3,858)
Ratios:							
Loss ratio - Prior Accident Years	0.0%	0.0%	-	(0.1%)	-	(0.1%)	0.0%
- Current Accident Year	107.9%	108.6%	112.5%	107.2%	112.1%	107.3%	107.9%
Total	107.9%	108.6%	112.5%	107.1%	112.1%	107.2%	107.9%
Underwriting & Admin Expense	48.5%	52.8%	315.4%	93.2%	719.6%	86.2%	56.1%
Combined Operating Ratio	156.4%	161.4%	427.9%	200.3%	831.7%	193.4%	164.0%

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:



November's vehicle count transfer was 436 vehicles, and 4,953 vehicles on year-to-date basis; the projection for November from last month anticipated 475 vehicle transfers, however the actual came in 39 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 November 2021 were \$0.5 million, \$0.1 million higher than our projection last month. Reported losses were \$0.1 million higher than projected, primarily driven by the Current Accident Year.

Underwriting and Admin Expenses

Expenses for November 2021 were \$0.25 million, in line with our projection from prior month.

Projection to year-end 2021

Compared with the Outlook released in November 2020, written premium has reduced by \$1.5 million to \$7.5 million driven by the reduction in premium year to date as well as the updated premium projections received from the main users of the Newfoundland and Labrador Risk Sharing Pool. As a result of the change in projected written premium, earned premium is also reduced by \$2.5 million to \$3.6 million.

The updated year-end 2021 operating deficit is now \$3.3 million and the combined operating ratio is 193.4%; the improvement of \$0.5 million in operating result and deterioration of 29.4% in combined operating ratio compared with 2021 Outlook reflects the premium reduction for the calendar year and the associated impact on earned 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 2021](#)

*11 months ended November 2021 (discounted basis)