

**TO:** MEMBERS OF THE FACILITY ASSOCIATION

**ATTENTION:** CHIEF EXECUTIVE OFFICER

**BULLETIN NO:** F2021-085

**DATE:** October 28, 2021

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

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

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

## Highlights

- The **September 2021 premium written was \$0.8 million**; the **year-to-date net operating deficit was \$2.5 million**, with \$0.4 million of the deficit generated in September, resulting in a **year-to-date COR of 223.5%** on earned premium of \$2.0 million.

## Summary of Financial Results

### NL RSP Summary of Financial Results

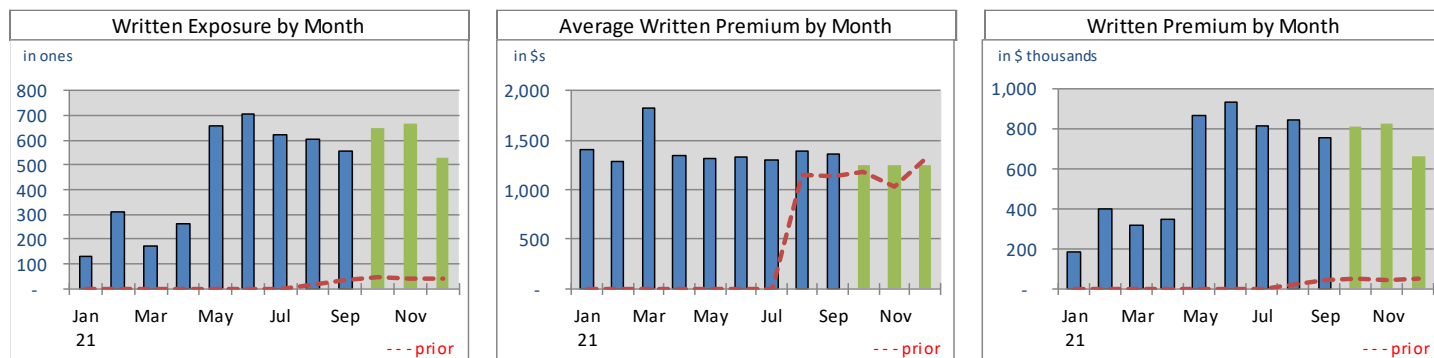
<b>NL RSP 2021 Summary</b> Amounts in \$000s	<b>Actual</b> (September 2021)	<b>Projection</b> (September 2021)	<b>Prior Year</b> (September 2020)	<b>2021 year-to-date</b> as at 9 months	<b>2020 year-to-date</b> as at 9 months	<b>2021 year-end</b> Projection	<b>Outlook*</b> Full year 2021
Premium Written	755	864	40	5,461	57	7,758	8,994
Premium Earned	429	240	6	2,039	6	3,571	6,035
Incurred Losses	465	260	7	2,187	7	3,843	6,509
Underwriting & Admin Expense	316	349	21	2,370	147	3,136	3,384
Expense allowance	215	246	12	1,556	17	2,211	2,679
Premium Deficiency / (DPAC)	35	68	5	353	6	437	348
Administrative Expenses	66	35	4	461	124	488	357
<b>Net Result from Operations</b>	<b>(352)</b>	<b>(369)</b>	<b>(22)</b>	<b>(2,518)</b>	<b>(148)</b>	<b>(3,408)</b>	<b>(3,858)</b>
<b>Ratios:</b>							
<b>Loss ratio</b> - Prior Accident Years	0.0%	0.0%	-	(0.1%)	-	(0.1%)	0.0%
- Current Accident Year	108.4%	108.3%	116.7%	107.4%	116.7%	107.7%	107.9%
<b>Total</b>	<b>108.4%</b>	<b>108.3%</b>	<b>116.7%</b>	<b>107.3%</b>	<b>116.7%</b>	<b>107.6%</b>	<b>107.9%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>73.7%</b>	<b>145.4%</b>	<b>345.9%</b>	<b>116.2%</b>	<b>2,443.6%</b>	<b>87.8%</b>	<b>56.1%</b>
<b>Combined Operating Ratio</b>	<b>182.1%</b>	<b>253.7%</b>	<b>462.6%</b>	<b>223.5%</b>	<b>2,560.3%</b>	<b>195.4%</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:



September's vehicle count transfer was 557 vehicles, and 4,021 vehicles on year-to-date basis; the projection for September from last month anticipated 694 vehicle transfers, however the actual came in 137 lower than projected.

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

## Incurred Losses

Incurred losses in September 2021 were \$0.5 million, \$0.2 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 September 2021 were \$0.3 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 \$1.2 million to \$7.8 million driven by the reduction in transferred 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 \$3.4 million and the combined operating ratio is 195.4%; the improvement of \$0.5 million in operating result and deterioration of 31.9% 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](#)

\*9 months ended September 2021 (discounted basis)