

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
 NEWFOUNDLAND AND LABRADOR RISK SHARING POOL PROJECT MANAGER  
**BULLETIN NO.:** F2021 – 016  
**DATE:** FEBRUARY 25, 2021  
**SUBJECT:** NEWFOUNDLAND AND LABRADOR RISK SHARING POOL  
 – JANUARY 2021 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 (NL) Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

## Highlights

- (a) *Written premium* transferred in January 2021 was \$185 thousand and the *net operating deficit was \$122 thousand*, with a COR of 458.8% on earned premium of \$34 thousand; and
- (b) Note that there are changes in the format of this bulletin compared to previous months, as we review our reporting and ensure we continue to meet member needs.

## Summary of Financial Results

### NL RSP Summary of Financial Results

<b>NL RSP 2021 Summary</b> <b>Amounts in \$000s</b>	<b>Actual</b> <b>January 2021</b>	<b>Projection</b> <b>January 2021</b>	<b>Prior Year</b> <b>January 2020</b>	<b>Outlook*</b> <b>Full year 2021</b>
Premium Written	185	268	-	8,994
Premium Earned	34	27	-	6,035
Incurred Losses	37	29	-	6,509
Underwriting & Admin Expense	119	113	-	3,384
<b>Net Result from Operations</b>	<b>(122)</b>	<b>(115)</b>	<b>-</b>	<b>(3,858)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	0.0%	(3.7%)	-	0.0%
- Current Accident Year	108.8%	111.1%	-	107.9%
<i>Total</i>	<b>108.8%</b>	<b>107.4%</b>	<b>-</b>	<b>107.9%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>350.0%</b>	<b>418.5%</b>	<b>-</b>	<b>56.1%</b>
<i>Combined Operating Ratio</i>	<b>458.8%</b>	<b>525.9%</b>	<b>-</b>	<b>164.0%</b>

*rounding differences may occur*

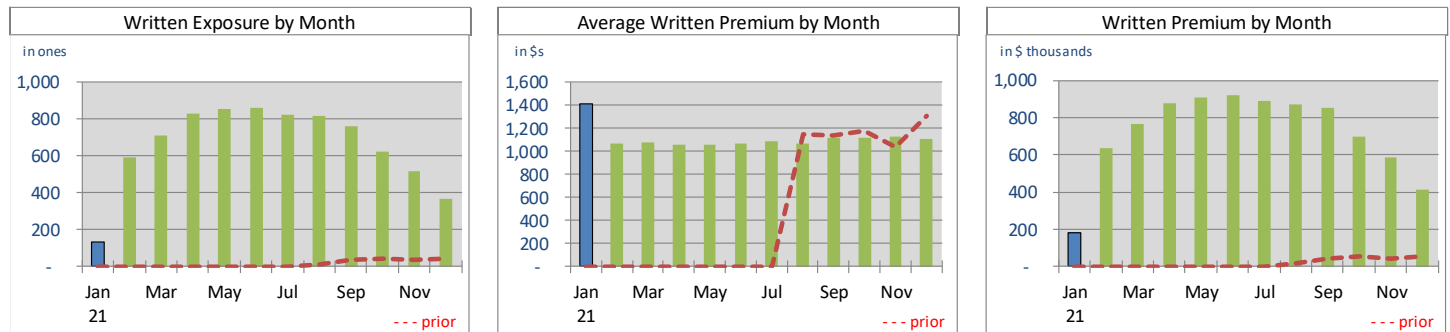
\*as posted to FA's website Nov. 18, 2020

The Newfoundland and Labrador Risk Sharing Pool produced a \$122 thousand operating deficit in the month of January 2021 and calendar year-to-date. The year-to-date combined operating ratio at the end of one month was 458.8%.

### Premium

As shown in the preceding table, written premium transferred in January 2021 was \$185 thousand, \$83 thousand lower than our projection last month.

The following graphs shows the **premium drivers** compared to prior year and outlook to year end



January's vehicle count transfer was 131 vehicles, representing a variance of 71 vehicles from our projection of from last month.

### Incurred Losses

Incurred losses in January 2021 was \$37 thousand, fairly consistent with our projection from last month, Reported losses were \$7 thousand higher than projected, mainly driven by the Current Accident Year.

### Underwriting and Admin Expenses

Expenses for January 2021 were \$119 thousand, consistent with our projection from last month.

Should you require any further information, please call Sheetal Savani, VP Finance, Audit and CFO at (416) 863-1750 x5626.

Saskia Matheson  
President & CEO

# SUMMARY OF OPERATIONS - CALENDAR YEAR 2021

Risk Sharing Pool - Newfoundland and Labrador

Operating Results for the 1 Month Ended January 31, 2021 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	CY2021 YTD	CY2021 12 MONTHS Updated Projection	CY2020 6 MONTHS Actual
<b>Underwriting Revenue:</b>				
Net Premiums Written	\$185	\$185	\$8,610	\$203
Decrease (Increase) in Unearned Premiums	(151)	(151)	(4,303)	(149)
<b>Net Premiums Earned</b>	<b>\$34</b>	<b>\$34</b>	<b>\$4,307</b>	<b>\$54</b>
<b>Claims Incurred:</b>				
Prior Accident Years:				
Undiscounted	\$0	\$0	\$0	\$0
Effect of Discounting	-	-	(2)	-
Discounted	\$0	\$0	(\$2)	\$0
Current Accident Year:				
Undiscounted	\$34	\$34	\$4,308	\$55
Effect of Discounting	3	3	387	6
Discounted	\$37	\$37	\$4,695	\$61
<b>Claims Incurred</b>	<b>\$37</b>	<b>\$37</b>	<b>\$4,693</b>	<b>\$61</b>
<b>Underwriting Expenses:</b>				
Expense Allowance	\$53	\$53	\$2,453	\$60
Change in UPDR/DPAC:				
Undiscounted	2	2	84	3
Effect of Discounting	14	14	419	15
Discounted	16	16	503	18
<b>Underwriting Expenses</b>	<b>\$69</b>	<b>\$69</b>	<b>\$2,956</b>	<b>\$78</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$72)</b>	<b>(\$72)</b>	<b>(\$3,342)</b>	<b>(\$85)</b>
<b>Administrative Expenses</b>	<b>\$50</b>	<b>\$50</b>	<b>\$330</b>	<b>\$234</b>
<b>Operating Result</b>	<b>(\$122)</b>	<b>(\$122)</b>	<b>(\$3,672)</b>	<b>(\$319)</b>
<b>Ratios:</b>				
<b>Claims &amp; Expenses Incurred (Earned)</b>				
Prior Accident Years	0.0%	0.0%	0.0%	0.0%
Current Accident Year	108.8%	108.8%	109.0%	113.0%
All Accident Years Combined	108.8%	108.8%	109.0%	113.0%
Underwriting & Administrative Expenses (Earned)	350.0%	350.0%	76.3%	577.8%
<b>Combined Operating Ratio</b>	<b>458.8%</b>	<b>458.8%</b>	<b>185.3%</b>	<b>690.8%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium tax health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association investment income earned on Facility Association premium dollars invested directly by members.

Rounding difference may apply