

TO: MEMBERS OF THE FACILITY ASSOCIATION

**ATTENTION: CHIEF EXECUTIVE OFFICER
ALBERTA RISK SHARING POOL PROJECT MANAGER**

BULLETIN NO.: F16 – 006

DATE: JANUARY 28, 2016

**SUBJECT: ALBERTA RISK SHARING POOLS
– DECEMBER 2015 OPERATIONAL REPORT**

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

Please be advised that the December 2015 Alberta Risk Sharing Pools Operational Reports are now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Alberta Grid RSP - Summary of Financial Results

The calendar year-to-date Net Result from Operations is -\$5.4 million and the incurred loss ratio to the end of 12 months is 74.3%, as summarized in the table below.

	December 2015	December 2014	Year to date December 2015	Year to Date December 2014
Written Premiums	\$7,620	\$10,817	\$138,309	\$155,765
Earned Premiums	\$11,679	\$13,455	\$146,208	\$144,912
Incurred Losses	\$8,368	\$9,227	\$108,619	\$140,003
Underwriting Expenses and Others	\$2,590	\$3,641	\$42,952	\$44,947
Net Result from Operations	\$721	\$587	(\$5,363)	(\$40,038)
Ratios:				
Loss ratio % - Prior Accident Years	(7.2%)	(5.8%)	(6.3%)	21.0%
- Current Accident Year	78.8%	74.4%	80.6%	75.7%
	71.6%	68.6%	74.3%	96.7%
Underwriting & Admin Exp.%	22.2%	27.1%	29.4%	31.0%
Combined Operating Ratio	93.8%	95.7%	103.7%	127.7%

(Amounts in \$000's)

Rounding differences may occur.

These results are discussed in some detail in the “Current Month Results” section below. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2015 for Risk Sharing Pool - Alberta Grid” attached to this bulletin.

Updated Projection to Year-end 2016

An Outlook had been prepared to provide members with an estimate of Alberta Grid RSP operating results for calendar year 2016 based on the actuarial valuation at June 30, 2015, and reflecting actual experience to date as detailed in the August 2015 Operational Report. This Outlook was posted on September 30, 2015 (please refer to Bulletin [F15-072](#)), and projected a Net Result from Operations for 2016 of -\$1.7 million, and a combined operating ratio of 101.2%.

This month, the updated calendar year Net Result from Operations to December 2016 is now -\$1.3 million (a \$0.4 million improvement relative to the Outlook) and the estimated combined operating ratio to December 2016 is 100.8% (a 0.4 point improvement relative to the Outlook).

Current Month Results

The Alberta Grid Risk Sharing Pool produced a \$0.7 million Net Result from Operations in the month of December 2015, an improvement of \$0.1 million compared with the same month last year. This improvement is composed of a \$0.2 million associated with the overall decrease in the combined ratio (from 95.7% to 93.8% applied to \$11.7 million in earned premium), offset by a \$0.1 million unfavourable impact as a result of \$1.8 million decrease in earned premium (at a combined ratio of 95.7%).

This month’s results moved the year-to-date combined operating ratio from 104.5% at the end of 11 months to 103.7% at the end of 12 months. The 0.8 percentage point decrease is composed of a 0.1 percentage point decrease in the Prior Accident Year loss ratio, coupled with a 0.1 percentage point decrease in the Current Accident Year loss ratio and a 0.6 percentage point decrease in the expense ratio.

Variances from Projections

The table at the top of the next page provides a summary of key components of the operating results compared to the estimates projected last month.

December 2015	Actual	Projection	Difference	Difference %
Written Premiums	\$7,620	\$8,629	(\$1,009)	(11.7%)
Earned Premiums	\$11,679	\$11,915	(\$236)	(2.0%)
Reported Losses				
Paid Losses	\$13,664	\$13,087	\$577	4.4%
Loss Expenses Paid	\$618	\$748	(\$130)	(17.4%)
Increase (decrease) in Outstanding Losses	(\$1,330)	(\$553)	(\$777)	(140.5%)
Total Reported Losses	\$12,952	\$13,282	(\$330)	(2.5%)
Increase (decrease) in IBNR *	(\$4,584)	(\$4,711)	\$127	
Decrease (increase) in DPAC *	\$353	\$158	\$195	

(Amounts in \$000's)

Rounding differences may occur.

* Detailed information is included in [Alberta Grid RSP December 2015 Operational Report - Actuarial Highlights](#).

Each month, management reviews the variance between reported premium activity and claims activity (actual reported claims payments and changes in case reserves) and the associated actuarial projections. The projection process involves many assumptions including claims reporting patterns. Actual reporting patterns vary from month-to-month, sometimes considerably. Although variances from our projections are expected, management investigates variances above set thresholds and responds as appropriate. For this month, all variances were within threshold levels associated with normal monthly reporting volatility.

For the month of December 2015, reported losses were \$0.3 million lower than projected. The Current Accident Year reported an unfavourable variance of \$0.2 million, while the Prior Accident Years reported a favourable variance of approximately \$0.5 million. Of the Prior Accident Years, 2014 had the largest variance in reported losses at \$1.4 million favourable. No other single Prior Accident Year had a variance in excess of \$1.0 million.

Booking IBNR

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Grid RSP December 2015 Operational Report – Actuarial Highlights](#).

Effect of Quarterly Valuation

The December 2015 Alberta Grid Risk Sharing Pool Operational Report does not reflect the results of an updated valuation (the most recent valuation is as at September 30, 2015). The

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actuarial valuation will be updated next as at December 31, 2015 and we anticipate that the results will be reflected in the March 2016 Operational Report.

Alberta Non-Grid RSP - Summary of Financial Results

The calendar year-to-date Net Result from Operations is -\$21.0 million and the incurred loss ratio to the end of 12 months is 96.8%, as summarized in the table below.

	December 2015	December 2014	Year to date December 2015	Year to Date December 2014
Written Premiums	\$5,344	\$5,816	\$85,987	\$88,403
Earned Premiums	\$7,231	\$7,465	\$89,843	\$83,736
Incurred Losses	\$6,987	\$7,816	\$86,951	\$97,208
Underwriting Expenses and Others	\$1,067	\$1,204	\$23,913	\$27,474
Net Result from Operations	(\$823)	(\$1,555)	(\$21,021)	(\$40,946)
Ratios:				
Loss ratio % - Prior Accident Years	(8.3%)	(3.3%)	(10.3%)	6.3%
- Current Accident Year	105.0%	108.0%	107.1%	109.8%
	96.7%	104.7%	96.8%	116.1%
Underwriting & Admin Exp.%	14.8%	16.1%	26.6%	32.8%
Combined Operating Ratio	111.5%	120.8%	123.4%	148.9%

(Amounts in \$000's)

Rounding differences may occur.

These results are discussed in some detail in the “Current Month Results” section below. For additional numeric details, please refer to Exhibit 2 “Summary of Operations for Calendar Year 2015 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

Updated Projection to Year-end 2016

An Outlook had been prepared to provide members with an estimate of Alberta Non-Grid RSP operating results for calendar year 2016 based on the actuarial valuation at June 30, 2015, and reflecting actual experience to date as detailed in the August 2015 Operational Report. This Outlook was posted on September 30, 2015 (please refer to Bulletin [F15-072](#)), and projected a Net Result from Operations for 2016 of -\$28.4 million, and a combined operating ratio of 131.4%.

The projected calendar year Net Result from Operations to December 2016 is now -\$27.6 million and the estimated combined operating ratio to December 2016 is 130.8%, neither metrics being significantly different from the projection provided in Outlook.

Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$0.8 million Net Result from Operations in the month of December 2015, an improvement of \$0.7 million from the same month last year. This improvement mainly stems from the overall decrease in the combined ratio (from 120.8% to 111.5% applied to \$7.2 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 124.5% at the end of 11 months to 123.4% at the end of 12 months. The 1.1 percentage point decrease is the result of the 1.1 percentage point decrease in expense ratio.

Variations from Projections

The table below provides a summary of key components of the operating results as compared to the estimates projected last month.

December 2015	Actual	Projection	Difference	Difference %
Written Premiums	\$5,344	\$4,600	\$744	16.2%
Earned Premiums	\$7,231	\$7,237	(\$6)	(0.1%)
Reported Losses				
Paid Losses	\$11,103	\$6,661	\$4,442	66.7%
Loss Expenses Paid	\$249	\$188	\$61	32.4%
Increase (decrease) in Outstanding Losses	(\$1,395)	\$1,016	(\$2,411)	(237.3%)
Total Reported Losses	\$9,957	\$7,865	\$2,092	26.6%
Increase (decrease) in IBNR *	(\$2,970)	(\$489)	(\$2,481)	
Increase (decrease) in Premium Deficiency *	(\$526)	(\$539)	\$13	

(Amounts in \$000's)

Rounding differences may occur.

* Detailed information is included in [Alberta Non-Grid RSP December 2015 Operational Report - Actuarial Highlights](#).

As discussed in relation to the Alberta Grid pool, each month management reviews the variance between reported premium activity and claims activity (actual reported claims payments and changes in case reserves) and the associated actuarial projections. The projection process involves many assumptions including claims reporting patterns. Actual reporting patterns vary from month-to-month, sometimes considerably. Although variances from our projections are expected, management investigates variances above set thresholds and responds as appropriate. For this month, all variances were within the threshold levels associated with monthly reporting volatility.

For the month of December 2015, reported losses were \$2.1 million higher than projected. The Current Accident Year had an approximately \$0.2 million unfavourable variance in reported losses, and the Prior Accident Years had a \$1.9 million unfavourable variance. No single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

Booking IBNR

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random

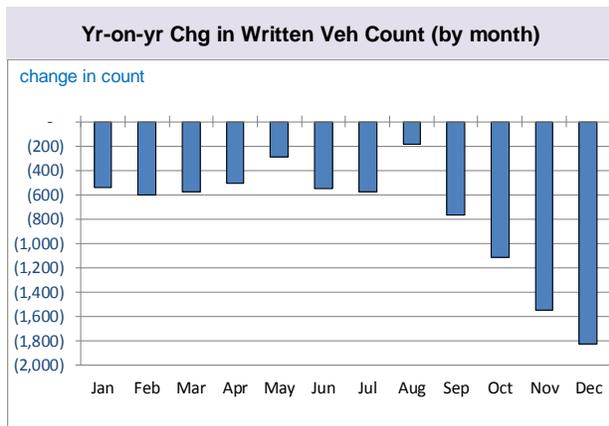
and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Non-Grid RSP December 2015 Operational Report – Actuarial Highlights](#).

Effect of Quarterly Valuation

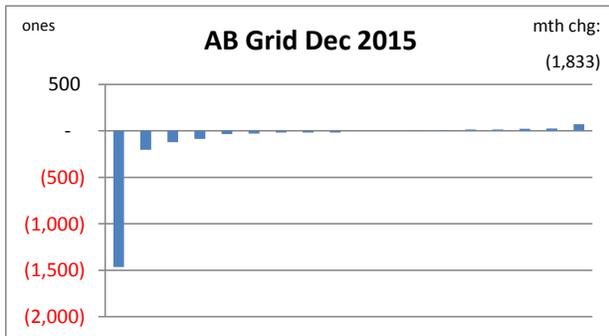
The December 2015 Alberta Non-Grid Risk Sharing Pool Operational Report does not reflect the results of an updated valuation (the most recent valuation is as at September 30, 2015). The actuarial valuation will be updated next as at December 31, 2015 and we anticipate that the results will be reflected in the March 2016 Operational Report.

Management Comments

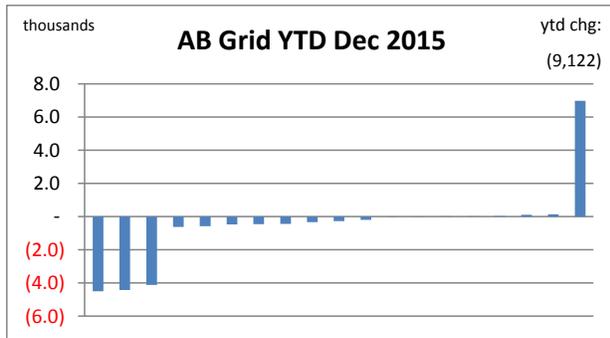
Alberta Grid



The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with December showing a decrease of 1,833 written vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for a decrease of 1,214 vehicles, indicating a variance of 619 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a lower number of vehicles to the pool in December than projected.



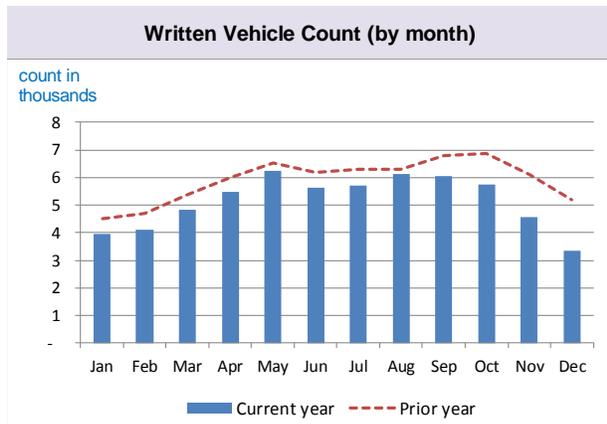
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Nine member company groups transferred fewer vehicles to the pool this month compared with a year ago, while 7 transferred more and 2 remained the same. Of the 9 member company groups transferring fewer vehicles, 2 member company groups accounted for 84% of the total transfer decrease for these “decliner” members. Of the 7 member company groups transferring more vehicles, 3 member company groups accounted for 75% of the total transfer increases for these “grower” members.



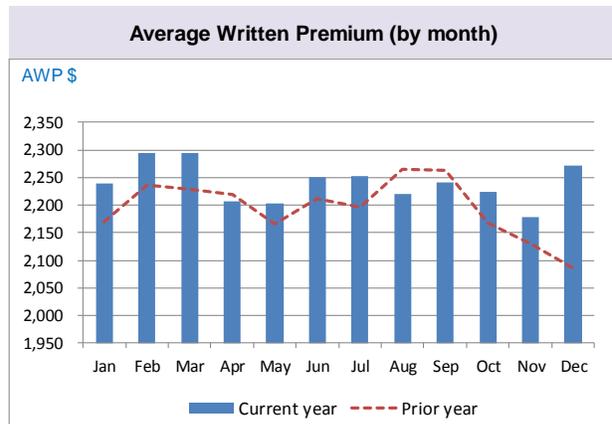
The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. 2015 ended with more members decreasing their transfers (13) than those increasing (6) – note that of these 19

members, 1 member’s change moved their transfer count in 2015 to 0. Further, while only 1 member increased their transfers by more than 4,000 vehicles, 3 members decreased their transfers by more than 4,000 vehicles (by comparison, we project that the FARM will write approximately 2,500 non-fleet private passenger vehicles in Alberta in total during 2015, a decrease of approximately 900 vehicles, or 26%, and over 90% of those vehicles will be grid rated). Of the 18 members with non-zero transfers in 2015, 4 transferred more than 2,500 vehicles (and on average transferring approximately 12,500).

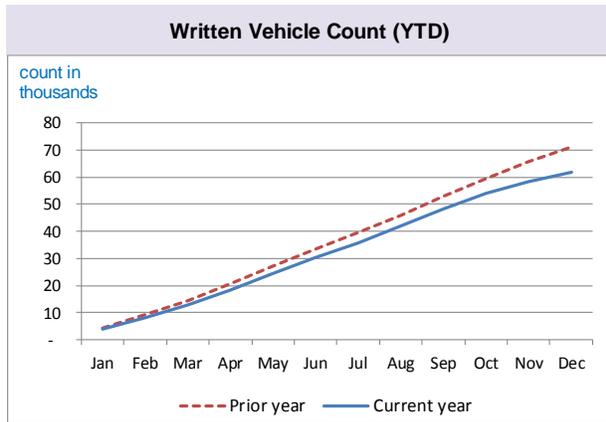
December’s vehicle count transfers to the pool represent a 35.3% decrease from December 2014, and counts were down 12.9% year-to-date. Average written premium was up 8.9% in December compared with the same month in 2014, and up 1.9% year-to-date (see charts immediately below and at the top of the next page).



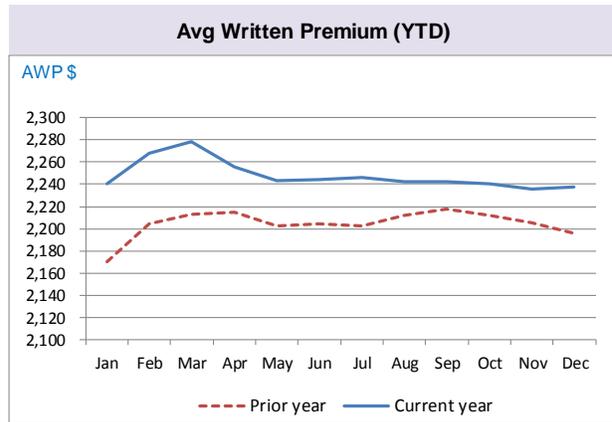
	Dec-15	Dec-14	Amt Chg	% Chg
W. Veh curr mth	3,353	5,187	(1,833)	-35.3%



	Dec-15	Dec-14	Amt Chg	% Chg
AWP curr mth	2,272	2,086	186	8.9%



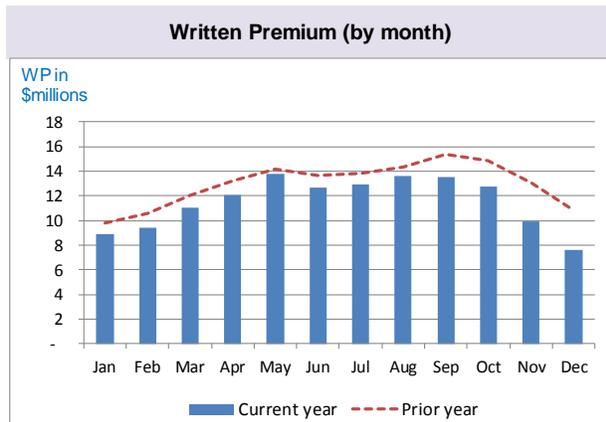
	Dec-15	Dec-14	Amt Chg	% Chg
W. Vehicles YTD	61,813	70,934	(9,122)	-12.9%



	Dec-15	Dec-14	Amt Chg	% Chg
Avg W. Prem YTD	2,238	2,196	42	1.9%

Total transfers for the full year at 61,813 were 10,033 (14.0%) lower than the 71,846 transfers projected for the 2015 Outlook (see Bulletin [F14-068](#)), reflecting individual member variations in transfers relative to the projections provided and used in the Outlook projection process. The total transfers for the year can be compared with the approximate 2,500 non-fleet private passenger vehicles we project will be written in the FARM for Alberta in 2015.

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 29.6% for the month compared with the 20.2% decrease we projected last month, and was down 11.2% year-to-date (see charts immediately below).

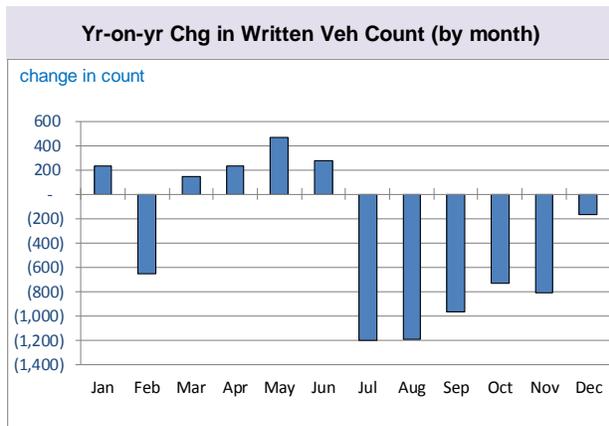


	Dec-15	Dec-14	Amt Chg	% Chg
WP (\$000s) curr mth	7,620	10,817	(3,197)	-29.6%

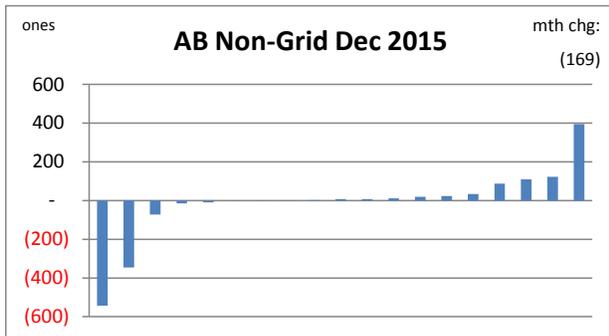


	Dec-15	Dec-14	Amt Chg	% Chg
WP (\$000s) YTD	138,309	155,765	(17,457)	-11.2%

Alberta Non-Grid

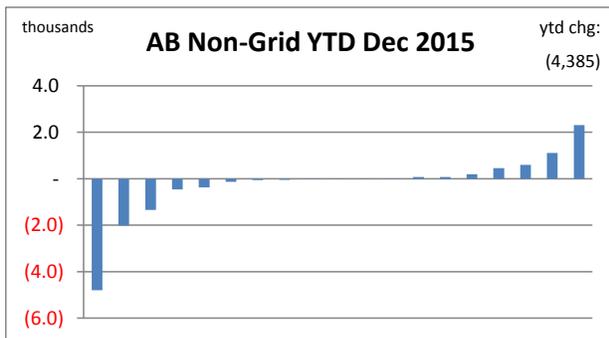


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with December showing a decrease of 169 written vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for a decrease of 787 written vehicles, indicating a variance of 618 written vehicles from the actual transfers. This variance was mainly due to one member company group transferring a greater number of vehicles to the pool in December than projected.



The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Seven member company groups transferred fewer vehicles to the pool this month compared to a year ago, while 12 transferred more. Of the 7 member company groups transferring fewer vehicles, 1 member company group accounted for 55% of the total transfer decrease for these “decliner” members.

Of the 12 member company groups transferring more vehicles, 1 member company group accounted for 48% of the total transfers increase for these “grower” members.

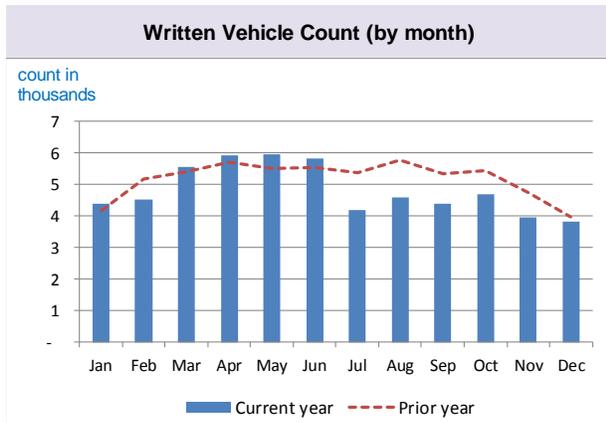


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. 2015 ended with more members decreasing their transfers (10) than those increasing (9). Of the 19 members

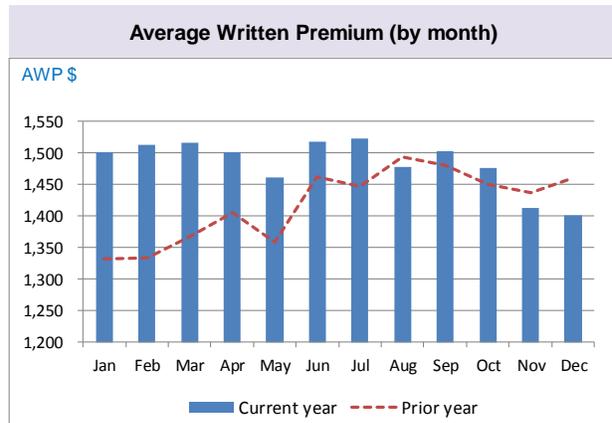
with non-zero transfers in 2015, 6 transferred more than 2,500 vehicles (and on average transferred approximately 7,900).

December’s vehicle count transfers to the pool represent a 4.2% decrease from December 2014, and vehicle counts were down 7.0% year-to-date. Average written premium was down 4.0% in

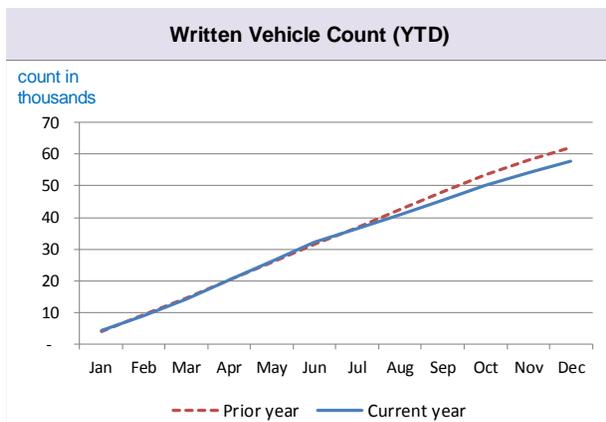
December compared with the same month in 2014, but up 4.6% year-to-date (see charts immediately below).



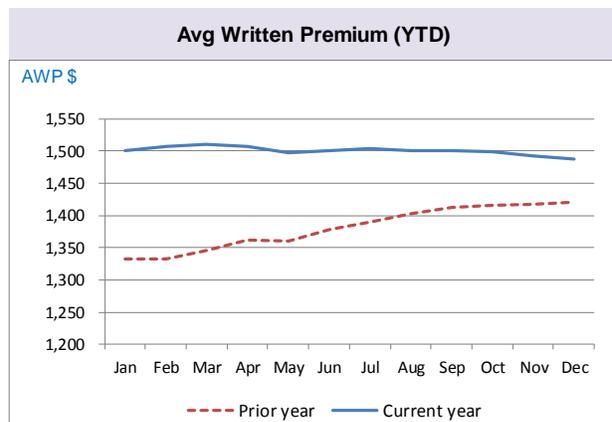
	Dec-15	Dec-14	Amt Chg	% Chg
W. Veh curr mth	3,813	3,981	(169)	-4.2%



	Dec-15	Dec-14	Amt Chg	% Chg
AWP curr mth	1,402	1,461	(59)	-4.0%



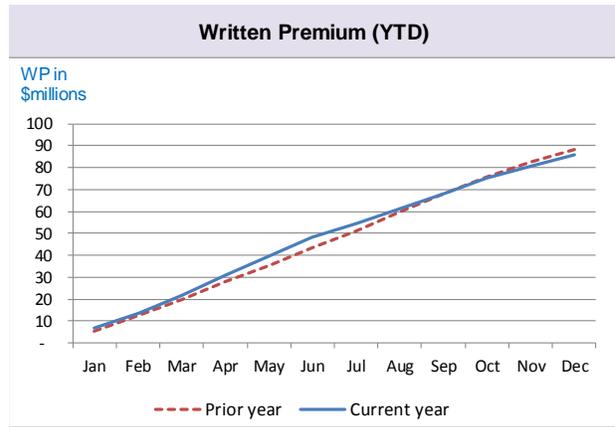
	Dec-15	Dec-14	Amt Chg	% Chg
W. Vehicles YTD	57,845	62,230	(4,385)	-7.0%



	Dec-15	Dec-14	Amt Chg	% Chg
Avg W. Prem YTD	1,487	1,421	66	4.6%

Total transfers for the full year at 57,845 were 2,044 (3.4%) lower than the 59,889 transfers projected for the 2015 Outlook (see Bulletin [F14-068](#)), reflecting individual member variations in transfers relative to the projections provided and used in the Outlook projection process. The total transfers for the year can be compared with the approximate 2,500 non-fleet private passenger vehicles we project will be written in the FARM for Alberta in 2015.

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 8.1% for the month compared with the 20.9% decrease we projected last month, and was down 2.7% year-to-date (see charts at the top of the next page).



	Dec-15	Dec-14	Amt Chg	% Chg
WP (\$000s) curr mth	5,344	5,816	(472)	-8.1%

	Dec-15	Dec-14	Amt Chg	% Chg
WP (\$000s) YTD	85,988	88,403	(2,415)	-2.7%

Should you require any further information, please call Norm Seeney, Vice President, Finance and Member Services at (416) 644-4914.

David J. Simpson, M.B.A., FCIP, C. Dir.
President & CEO

Related Links:

Alberta Grid RSP:

[Alberta Grid RSP December 2015 Operational Report - Actuarial Highlights](#)

Alberta Non-Grid RSP:

[Alberta Non-Grid RSP December 2015 Operational Report - Actuarial Highlights](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2015

Risk Sharing Pool - Alberta (Grid)

Operating Results for 12 Months ended December 31, 2015 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	October	November	December	CY2015 YTD	CY2016 12 MONTHS Updated Projection	CY2014 12 MONTHS Actual
Underwriting Revenue:															
Net Premiums Written	\$8,887	\$9,433	\$11,050	\$12,067	\$13,751	\$12,688	\$12,891	\$13,623	\$13,536	\$12,798	\$9,965	\$7,620	\$138,309	\$147,471	\$155,765
Decrease (Increase) in Unearned Premiums	4,348	2,429	1,819	251	(1,182)	(682)	(605)	(1,321)	(1,805)	(603)	1,191	4,059	7,899	(3,659)	(10,853)
Net Premiums Earned	\$13,235	\$11,862	\$12,869	\$12,318	\$12,569	\$12,006	\$12,286	\$12,302	\$11,731	\$12,195	\$11,156	\$11,679	\$146,208	\$143,812	\$144,912
Claims Incurred:															
Prior Accident Years:															
Undiscounted	(\$264)	(\$117)	(\$5,888)	(\$12)	\$9,536	(\$27)	(\$11)	(\$8,160)	\$3	\$1,117	(\$205)	(\$22)	(\$4,050)	\$0	\$29,963
Effect of Discounting	(399)	(787)	1,013	(694)	2,577	(808)	(547)	(4,170)	(473)	733	(782)	(815)	(\$5,152)	(7,724)	414
Discounted	(\$663)	(\$904)	(\$4,875)	(\$706)	\$12,113	(\$835)	(\$558)	(\$12,330)	(\$470)	\$1,850	(\$987)	(\$837)	(\$9,202)	(\$7,724)	\$30,377
Current Accident Year:															
Undiscounted	\$9,602	\$8,491	\$8,352	\$8,437	\$9,071	\$8,319	\$8,499	\$13,009	\$8,631	\$11,605	\$8,641	\$8,861	\$111,518	\$102,394	\$104,670
Effect of Discounting	738	492	570	368	822	344	429	564	350	901	381	344	\$6,303	6,092	4,956
Discounted	\$10,340	\$8,983	\$8,922	\$8,805	\$9,893	\$8,663	\$8,928	\$13,573	\$8,981	\$12,506	\$9,022	\$9,205	\$117,821	\$108,486	\$109,626
Claims Incurred	\$9,677	\$8,079	\$4,047	\$8,099	\$22,006	\$7,828	\$8,370	\$1,243	\$8,511	\$14,356	\$8,035	\$8,368	\$108,619	\$100,762	\$140,003
Underwriting Expenses:															
Expense Allowance	\$2,512	\$2,668	\$3,126	\$3,414	\$3,891	\$3,591	\$3,648	\$3,855	\$3,830	\$3,622	\$2,820	\$2,156	\$39,133	\$44,390	\$44,402
Change in UPDR/DPAC:															
Undiscounted	1,230	688	514	71	(334)	(193)	(172)	874	(535)	(570)	(125)	639	2,087	(1,044)	(3,194)
Effect of Discounting	(179)	(101)	(1,313)	(37)	758	(45)	(63)	1,884	100	279	(113)	(286)	884	218	2,978
Discounted	1,051	587	(799)	34	424	(238)	(235)	2,758	(435)	(291)	(238)	353	\$2,971	(826)	(\$216)
Underwriting Expenses	\$3,563	\$3,255	\$2,327	\$3,448	\$4,315	\$3,353	\$3,413	\$6,613	\$3,395	\$3,331	\$2,582	\$2,509	\$42,104	43,564	\$44,186
Net Underwriting Gain (Loss)	(\$5)	\$528	\$6,495	\$771	(\$13,752)	\$825	\$503	\$4,446	(\$175)	(\$5,492)	\$539	\$802	(\$4,515)	(\$514)	(\$39,277)
Administrative Expenses	\$58	\$50	\$61	\$87	\$74	\$81	\$70	\$71	\$63	\$77	\$75	\$81	\$848	\$795	\$761
Net Result from Operations	(\$63)	\$478	\$6,434	\$684	(\$13,826)	\$744	\$433	\$4,375	(\$238)	(\$5,569)	\$464	\$721	(\$5,363)	(\$1,309)	(\$40,038)
Ratios:															
Claims & Expenses Incurred (Earned)															
Prior Accident Years	-5.0%	-7.6%	-37.9%	-5.7%	96.4%	-7.0%	-4.5%	-100.2%	-4.0%	15.2%	-8.8%	-7.2%	-6.3%	-5.4%	21.0%
Current Accident Year	78.1%	75.7%	69.3%	71.5%	78.7%	72.2%	72.7%	110.3%	76.6%	102.6%	80.9%	78.8%	80.6%	75.4%	75.7%
All Accident Years Combined (Earned)	73.1%	68.1%	31.4%	65.8%	175.1%	65.2%	68.2%	10.1%	72.6%	117.8%	72.1%	71.6%	74.3%	70.0%	96.7%
Underwriting & Administrative Expenses (Earned)	27.4%	27.9%	18.6%	28.7%	34.9%	28.6%	28.3%	54.3%	29.5%	27.9%	23.8%	22.2%	29.4%	30.8%	31.0%
Combined Operating Ratio	100.5%	96.0%	50.0%	94.5%	210.0%	93.8%	96.5%	64.4%	102.1%	145.7%	95.9%	93.8%	103.7%	100.8%	127.7%

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

Rounding difference may apply

SUMMARY OF OPERATIONS - CALENDAR YEAR 2015

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for 12 Months ended December 31, 2015 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

	January	February	March	April	May	June	July	August	September	October	November	December	CY2015 YTD	CY2016 12 MONTHS Updated Projection	CY2014 12 MONTHS Actual
Underwriting Revenue:															
Net Premiums Written	\$6,615	\$6,835	\$8,426	\$8,900	\$8,741	\$8,853	\$6,373	\$6,770	\$6,607	\$6,946	\$5,577	\$5,344	\$85,987	\$97,952	\$88,403
Decrease (Increase) in Unearned Premiums	817	(29)	(829)	(1,377)	(932)	(1,106)	1,609	1,023	735	531	1,527	1,887	3,856	(8,419)	(4,667)
Net Premiums Earned	\$7,432	\$6,806	\$7,597	\$7,523	\$7,809	\$7,747	\$7,982	\$7,793	\$7,342	\$7,477	\$7,104	\$7,231	\$89,843	\$89,533	\$83,736
Claims Incurred:															
Prior Accident Years:															
Undiscounted	(\$92)	(\$39)	\$2,295	(\$2)	(\$220)	(\$13)	(\$5)	(\$6,235)	(\$2)	(\$2,638)	\$0	(\$4)	(\$6,955)	\$0	\$5,421
Effect of Discounting	(266)	(398)	1,521	(257)	1,233	(529)	(233)	(2,521)	(211)	96	(164)	(598)	(2,327)	(3,730)	(155)
Discounted	(\$358)	(\$437)	\$3,816	(\$259)	\$1,013	(\$542)	(\$238)	(\$8,756)	(\$213)	(\$2,542)	(\$164)	(\$602)	(\$9,282)	(\$3,730)	\$5,266
Current Accident Year:															
Undiscounted	\$7,449	\$6,782	\$7,341	\$7,374	\$7,849	\$7,635	\$7,859	\$8,581	\$7,336	\$8,608	\$7,204	\$7,336	\$91,354	\$85,414	\$88,363
Effect of Discounting	530	360	514	352	657	375	484	165	217	684	288	253	4,879	4,638	3,579
Discounted	\$7,979	\$7,142	\$7,855	\$7,726	\$8,506	\$8,010	\$8,343	\$8,746	\$7,553	\$9,292	\$7,492	\$7,589	\$96,233	\$90,052	\$91,942
Claims Incurred	\$7,621	\$6,705	\$11,671	\$7,467	\$9,519	\$7,468	\$8,105	(\$10)	\$7,340	\$6,750	\$7,328	\$6,987	\$86,951	\$86,322	\$97,208
Underwriting Expenses:															
Expense Allowance	\$1,872	\$1,934	\$2,384	\$2,519	\$2,473	\$2,505	\$1,803	\$1,916	\$1,870	\$1,966	\$1,578	\$1,512	\$24,332	\$29,484	\$25,200
Change in UPDR/DPAC:															
Undiscounted	2	-	(497)	(46)	130	(53)	(18)	877	9	(1,173)	(325)	(347)	(1,441)	(345)	587
Effect of Discounting	(52)	1	365	96	238	79	(123)	(162)	(53)	168	(147)	(179)	231	644	935
Discounted	(\$50)	1	(132)	50	368	26	(141)	715	(44)	(1,005)	(472)	(526)	(1,210)	299	\$1,522
Underwriting Expenses	\$1,822	\$1,935	\$2,252	\$2,569	\$2,841	\$2,531	\$1,662	\$2,631	\$1,826	\$961	\$1,106	\$986	\$23,122	\$29,783	\$26,722
Net Underwriting Gain (Loss)	(\$2,011)	(\$1,834)	(\$6,326)	(\$2,513)	(\$4,551)	(\$2,252)	(\$1,785)	\$5,172	(\$1,824)	(\$234)	(\$1,330)	(\$742)	(\$20,230)	(\$26,572)	(\$40,194)
Administrative Expenses	\$54	\$43	\$54	\$80	\$68	\$77	\$65	\$65	\$57	\$72	\$75	\$81	\$791	\$978	\$752
Net Result from Operations	(\$2,065)	(\$1,877)	(\$6,380)	(\$2,593)	(\$4,619)	(\$2,329)	(\$1,850)	\$5,107	(\$1,881)	(\$306)	(\$1,405)	(\$823)	(\$21,021)	(\$27,550)	(\$40,946)
Ratios:															
Claims & Expenses Incurred (Earned)															
Prior Accident Years	-4.8%	-6.4%	50.2%	-3.4%	13.0%	-7.0%	-3.0%	-112.4%	-2.9%	-34.0%	-2.3%	-8.3%	-10.3%	-4.2%	6.3%
Current Accident Year	107.4%	104.9%	103.4%	102.7%	108.9%	103.4%	104.5%	112.2%	102.9%	124.3%	105.5%	105.0%	107.1%	100.6%	109.8%
All Accident Years Combined (Earned)	102.6%	98.5%	153.6%	99.3%	121.9%	96.4%	101.5%	-0.2%	100.0%	90.3%	103.2%	96.7%	96.8%	96.4%	116.1%
Combined Operating Ratio	127.8%	127.6%	184.0%	134.5%	159.2%	130.1%	123.1%	34.4%	125.6%	104.1%	119.8%	111.5%	123.4%	130.8%	148.9%

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

Rounding difference may apply