



**TO: MEMBERS OF THE FACILITY ASSOCIATION**

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

**BULLETIN NO.: F16 – 025**

**DATE: APRIL 28, 2016**

**SUBJECT: ALBERTA RISK SHARING POOLS  
– MARCH 2016 OPERATIONAL REPORT**

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

Please be advised that the March 2016 Alberta Risk Sharing Pools Operational Reports are now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

## **New This Month**

### Valuation

Valuations of the Alberta Grid Risk Sharing Pool (“RSP”) and Non-Grid RSP as at December 31, 2015 have been completed since last month’s Operational Report and the results of these valuations have been incorporated into this month’s Operational Report. The valuations were completed by the Facility Association’s internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

For the Alberta Grid RSP, the implementation of the new valuation resulted in an estimated overall **\$23.1 million unfavourable** impact on the month’s net result from operations, adding an estimated 73.2 points from the year-to-date Combined Operating Ratio (ending at 172.2%). The impact is summarized in the tables at the top of the next page<sup>1</sup>.

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<sup>1</sup> In the tables, “ults & payout patterns” refers to the impacts associated with changes in selected ultimates and updated cashflows of claims payments; “dsct rate” refers to the impact of changes in the selected discount rate applied to projected cashflows; and “apv adj.” refers to “actuarial present value adjustments”.

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### Alberta Risk Sharing Pools – March 2016 Operational Reports

AB Grid	unfav / (fav) for the month and ytd						ytd EP 31,631 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	17,973	2,286	20,259	399	-	20,658	56.8%	7.2%	64.0%	1.3%	-	65.3%
CAY	799	81	880	39	-	919	2.5%	0.3%	2.8%	0.1%	-	2.9%
Prem Def	1,364	116	1,480	83	-	1,563	4.3%	0.4%	4.7%	0.3%	-	4.9%
TOTAL	20,136	2,483	22,619	521	-	23,140	63.7%	7.8%	71.5%	1.6%	-	73.2%

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating an unfavourable impact of \$22.6 million – see column [3] in the left table above), and due to a 5 basis point decrease in the selected discount rate (from 0.75% to 0.70%, generating a \$0.5 million unfavourable impact – see column [4] in the left table above). Finally, there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points) and no changes to the margins for adverse deviation for claims development as selected at the coverage / accident year level (hence zeros in all rows of column [5] in the left table above).

For the Alberta Non-Grid RSP, the implementation of the new valuation resulted in an estimated overall **\$0.4 million favourable** impact on the month's net result from operations, subtracting an estimated 2.0 points to the year-to-date Combined Operating Ratio (ending at 127.1%). The impact is summarized in the tables immediately below.

AB Non-Grid	unfav / (fav) for the month and ytd						ytd EP 21,292 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(1,082)	196	(886)	229	-	(657)	(5.1%)	0.9%	(4.2%)	1.1%	-	(3.1%)
CAY	42	18	60	29	-	89	0.2%	0.1%	0.3%	0.1%	-	0.4%
Prem Def	60	40	100	46	-	146	0.3%	0.2%	0.5%	0.2%	-	0.7%
TOTAL	(980)	254	(726)	304	-	(422)	(4.6%)	1.2%	(3.4%)	1.4%	-	(2.0%)

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a favourable impact of \$0.7 million – see column [3] in the left table above), and due to a 5 basis point decrease in the selected discount rate (from 0.78% to 0.73%, generating a \$0.3 million unfavourable impact – see column [4] in the left table above). Finally, there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points) and no changes to the margins for adverse deviation for claims development as selected at the coverage / accident year level (hence zeros in all rows of column [5] in the left table above).

Please see “Effect of Quarterly Valuation” further in this bulletin for additional details on the impacts of the updated valuation.

### **Alberta Grid RSP - Summary of Financial Results**

The calendar year-to-date Net Result from Operations is -\$22.8 million and the incurred loss ratio to the end of 3 months is 138.7%, as summarized in the table at the top of the next page.

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**Alberta Risk Sharing Pools – March 2016 Operational Reports**

Amounts in \$000s	March 2016	March 2015	Year to date Mar 2016	Year to Date Mar 2015
Written Premiums	8,735	11,050	22,100	29,370
Earned Premiums	10,270	12,869	31,631	37,966
Incurred Losses	28,679	4,047	43,864	21,803
Underwriting Expenses and Others	4,624	2,388	10,609	9,314
<b>Net Result from Operations</b>	<b>(23,033)</b>	<b>6,434</b>	<b>(22,842)</b>	<b>6,849</b>
<b>Ratios:</b>				
<b>Loss ratio % - Prior Accident Year</b>	193.8%	(37.9%)	58.3%	(17.0%)
- Current Accident Years	85.4%	69.3%	80.4%	74.4%
<i>Total</i>	<b>279.2%</b>	<b>31.4%</b>	<b>138.7%</b>	<b>57.4%</b>
<b>Underwriting &amp; Admin Exp.%</b>	<b>45.0%</b>	<b>18.6%</b>	<b>33.5%</b>	<b>24.5%</b>
<b>Combined Operating Ratio</b>	<b>324.2%</b>	<b>50.0%</b>	<b>172.2%</b>	<b>81.9%</b>

*Rounding differences may apply.*

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

The projected calendar year Net Result from Operations to December 2016 is -\$26.1 million and the estimated combined operating ratio to December 2016 is 120.8%. This updated projection to the end of the year has deteriorated by \$25.9 million from the projection provided last month (-\$0.3 million and 100.3%), mainly due to the impact of the valuation as at December 31, 2015, as summarized in the table below (see more information under “Effect of Quarterly Valuation”). Remaining differences were driven by changes in projected premium volumes, and the associated impacts on claims and expense projections.

AB Grid	unfav / (fav) projected for full year						year EP 125,477 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	17,973	1,804	19,777	304	-	20,081	14.3%	1.4%	15.8%	0.2%	-	16.0%
CAY	3,145	422	3,567	123	-	3,690	2.5%	0.3%	2.8%	0.1%	-	2.9%
Prem Def	1,439	121	1,560	97	-	1,657	1.1%	0.1%	1.2%	0.1%	-	1.3%
TOTAL	22,557	2,347	24,904	524	-	25,428	18.0%	1.9%	19.8%	0.4%	-	20.3%

Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$23.0 million Net Result from Operations in the month of March 2016, a deterioration of \$29.5 million compared with the same month last year. This deterioration is composed of a \$1.3 million unfavourable impact associated with the \$2.6 million decrease in earned premium (at a combined ratio of 50.0%), with the remaining

\$28.2 million deterioration stemming from the overall increase in the combined ratio (from 50.0% to 324.2% applied to \$10.3 million in earned premium). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month's results moved the year-to-date combined operating ratio from 99.1% at the end of 2 months to 172.2% at the end of 3 months. The 73.1 percentage point increase is composed of a 65.1 percentage point increase in the Prior Accident Year loss ratio, coupled with a 2.5 percentage point increase in the Current Accident Year loss ratio, and a 5.5 percentage point increase in the expense ratio.

### Variances from Projections

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

March 2016	Actual	Projection	Difference	Difference %
Written Premiums	8,735	9,110	(375)	(4.1%)
Earned Premiums	10,270	10,589	(319)	(3.0%)
Reported Losses				
Paid Losses	9,103	10,483	(1,380)	(13.2%)
Loss Expenses Paid	544	662	(118)	(17.8%)
Change in Outstanding Losses	(717)	(1,718)	1,001	58.3%
<b>Total Reported Losses</b>	<b>8,930</b>	<b>9,427</b>	<b>(497)</b>	<b>(5.3%)</b>
Change in IBNR *	19,749	(2,217)	21,966	
Change in Premium Deficiency (DPAC) *	1,915	339	1,576	

(Amounts in \$000's)

Rounding differences may apply.

\* Detailed information is included in [Alberta Grid RSP March 2016 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.

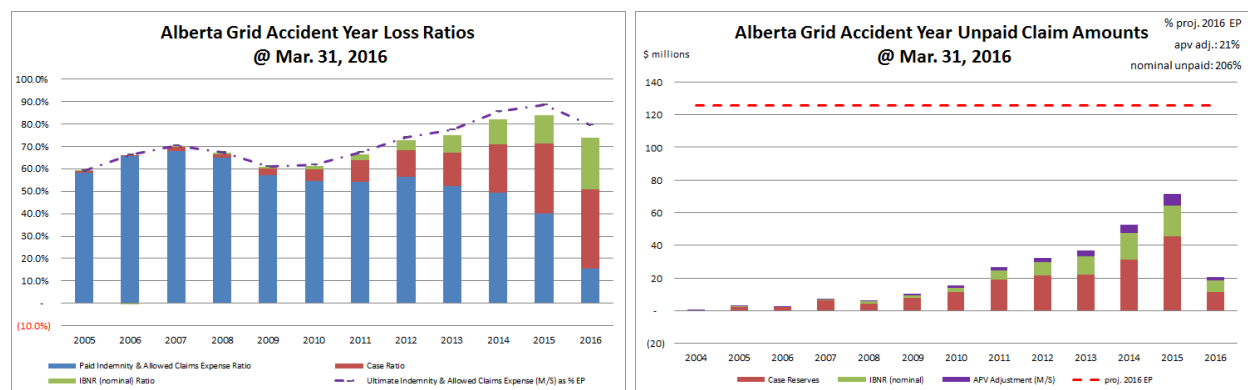
For the month of March 2016, reported losses were \$0.5 million lower than projected. The Current Accident Year reported a favourable variance of \$1.4 million, while the Prior Accident Years reported an unfavourable variance of \$0.9 million. No single Prior Accident Year had a variance in excess of \$1.0 million.

Effect of Quarterly Valuation

The March 2016 Alberta Grid Risk Sharing Pool Operational Report reflects the results of an updated valuation as at December 31, 2015, with the associated impacts in relation to the results for March 2016 summarized in the table immediately below.

AB Grid	unfav / (fav) for the month and ytd						mth EP 10,270 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	17,973	2,286	20,259	399	-	20,658	175.0%	22.3%	197.3%	3.9%	-	201.1%
CAY	799	81	880	39	-	919	7.8%	0.8%	8.6%	0.4%	-	8.9%
Prem Def	1,364	116	1,480	83	-	1,563	13.3%	1.1%	14.4%	0.8%	-	15.2%
TOTAL	20,136	2,483	22,619	521	-	23,140	196.1%	24.2%	220.2%	5.1%	-	225.3%

The charts immediately below summarize the current view of the historical loss ratios (indemnity and allowed claims adjustment expenses on a nominal basis) and the associated claims liabilities. We have included the associated claims liabilities in the chart on the right.



The preceding charts, latest valuation results, and related actuarial present value assumptions are discussed in more detail in the [Alberta Grid RSP March 2016 Operational Report - Actuarial Highlights](#) and in the [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at December 31, 2015](#). The actuarial valuation will be updated next as at March 31, 2016 and we anticipate that the results will be reflected in the May 2016 Operational Report.

**Alberta Non-Grid RSP - Summary of Financial Results**

The calendar year-to-date Net Result from Operations is -\$5.8 million and the incurred loss ratio to the end of 3 months is 91.5%, as summarized in the table at the top of the next page.

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**Alberta Risk Sharing Pools – March 2016 Operational Reports**

Amounts in \$000s	March 2016	March 2015	Year to date Mar 2016	Year to Date Mar 2015
Written Premiums	9,171	8,426	23,507	21,876
Earned Premiums	7,302	7,597	21,292	21,835
Incurred Losses	6,253	11,671	19,475	25,997
Underwriting Expenses and Others	3,081	2,306	7,570	6,160
<b>Net Result from Operations</b>	<b>(2,032)</b>	<b>(6,380)</b>	<b>(5,753)</b>	<b>(10,322)</b>
<b>Ratios:</b>				
<b>Loss ratio % - Prior Accident Year</b>	<b>(16.3%)</b>	50.2%	<b>(11.1%)</b>	13.8%
- Current Accident Years	102.0%	103.4%	102.6%	105.2%
<i>Total</i>	<b>85.7%</b>	<b>153.6%</b>	<b>91.5%</b>	<b>119.0%</b>
<b>Underwriting &amp; Admin Exp.%</b>	<b>42.2%</b>	<b>30.4%</b>	<b>35.6%</b>	<b>28.2%</b>
<b>Combined Operating Ratio</b>	<b>127.9%</b>	<b>184.0%</b>	<b>127.1%</b>	<b>147.2%</b>

*Rounding differences may apply.*

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 2016 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

Updated Projection to Year-end 2016

The projected calendar year Net Result from Operations to December 2016 is -\$27.0 million and the estimated combined operating ratio to December 2016 is 130.0%. This updated projection to the end of the year has improved by \$2.9 million from the projection provided last month (-\$29.9 million and 132.6%), partly due to the impact of the implementation of the valuation as at December 31, 2015, as summarized in the table immediately below (see more information under “Effect of Quarterly Valuation”), but more due to a reduction in projected premium volumes, and the associated impacts on claims and expense projections.

AB Non-Grid	unfav / (fav) projected for full year						year EP 89,836 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	(1,082)	152	(930)	190	-	(740)	(1.2%)	0.2%	(1.0%)	0.2%	-	(0.8%)
CAY	180	59	239	103	-	342	0.2%	0.1%	0.3%	0.1%	-	0.4%
Prem Def	(273)	16	(257)	52	-	(205)	(0.3%)	-	(0.3%)	0.1%	-	(0.2%)
<b>TOTAL</b>	<b>(1,175)</b>	<b>227</b>	<b>(948)</b>	<b>345</b>	<b>-</b>	<b>(603)</b>	<b>(1.3%)</b>	<b>0.3%</b>	<b>(1.1%)</b>	<b>0.4%</b>	<b>-</b>	<b>(0.7%)</b>

Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$2.0 million Net Result from Operations in the month of March 2016, an improvement of \$4.3 million compared with the same month last year. This improvement is composed of a \$0.2 million favourable impact associated with the \$0.3 million decrease in earned premium (at a combined ratio of 184.0%), with the remaining

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\$4.1 million improvement stemming from the overall decrease in the combined ratio (from 184.0% to 127.9% applied to \$7.3 million in earned premium). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month's results moved the year-to-date combined operating ratio from 126.6% at the end of 2 months to 127.1% at the end of 3 months. The 0.5 percentage point increase is composed of a 3.5 percentage point increase in the expense ratio, offset by a 2.7 percentage point decrease in the Prior Accident Year loss ratio and a 0.3 percentage point decrease in the Current Accident Year loss ratio.

*Variances from Projections*

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

<b>March 2016</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Written Premiums	9,171	8,030	1,141	14.2%
Earned Premiums	7,302	7,371	(69)	(0.9%)
<b>Reported Losses</b>				
Paid Losses	8,296	7,215	1,081	15.0%
Loss Expenses Paid	245	261	(16)	(6.1%)
Change in Outstanding Losses	(2,228)	(398)	(1,830)	(459.8%)
<b>Total Reported Losses</b>	<b>6,313</b>	<b>7,078</b>	<b>(765)</b>	<b>(10.8%)</b>
Change in IBNR *	(60)	(89)	29	
Change in Premium Deficiency (DPAC) *	245	51	194	

(Amounts in \$000's)

Rounding differences may occur.

\* Detailed information is included in [Alberta Non-Grid RSP March 2016 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.

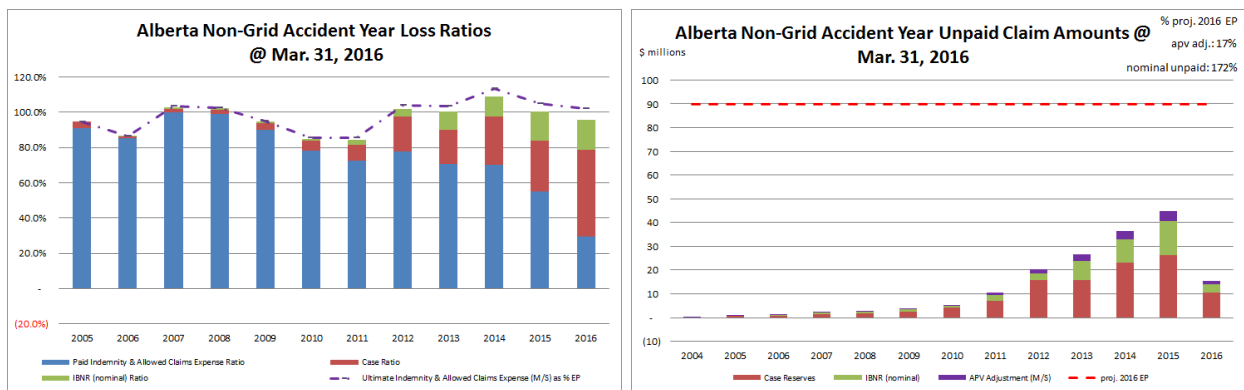
For the month of March 2016, reported losses were \$0.8 million lower than projected. The Current Accident Year had a \$0.9 million unfavourable variance in reported losses, while the Prior Accident Years had an approximately \$1.7 million favourable variance. Of the Prior Accident Years, 2015 had the largest variance in reported losses at \$1.1 million favourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

Effect of Quarterly Valuation

The March 2016 Alberta Non-Grid Risk Sharing Pool Operational Report reflects the results of an updated valuation as at December 31, 2015, with the associated impacts in relation to the results for March 2016 summarized in the table immediately below.

AB Non-Grid	unfav / (fav) for the month and ytd						mth EP 7,302 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(1,082)	196	(886)	229	-	(657)	(14.8%)	2.7%	(12.1%)	3.1%	-	(9.0%)
CAY	42	18	60	29	-	89	0.6%	0.2%	0.8%	0.4%	-	1.2%
Prem Def	60	40	100	46	-	146	0.8%	0.5%	1.4%	0.6%	-	2.0%
TOTAL	(980)	254	(726)	304	-	(422)	(13.4%)	3.5%	(9.9%)	4.2%	-	(5.8%)

The charts immediately below summarize the current view of the historical loss ratios (indemnity and allowed claims adjustment expenses on a nominal basis) and the associated claims liabilities. We have included the associated claims liabilities in the chart on the right.

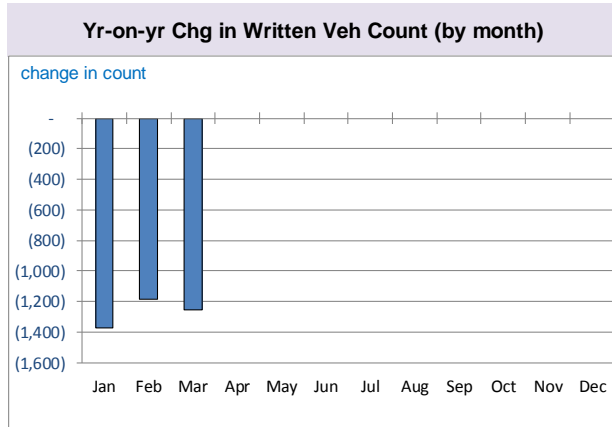


The preceding charts, latest valuation results and related discounting assumptions are discussed in more detail in the [Alberta Non-Grid RSP March 2016 Operational Report - Actuarial Highlights](#) and in the [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at December 31, 2015](#). The actuarial valuation will be updated next as at March 31, 2016 and we anticipate that the results will be reflected in the May 2016 Operational Report.

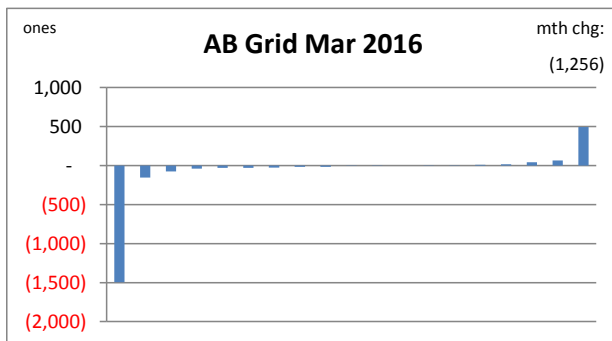


## Management Comments

### Alberta Grid

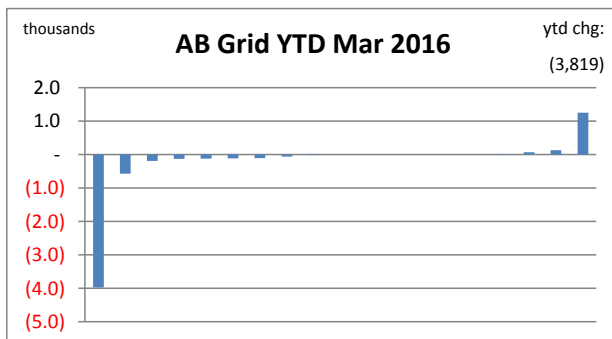


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with March showing a decrease of 1,256 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for a decrease of 1,108 vehicles, indicating a variance of 148 vehicles from the actual transfers. This variance was mainly due to one member company transferring a lower number of vehicles to the pool in March than projected.



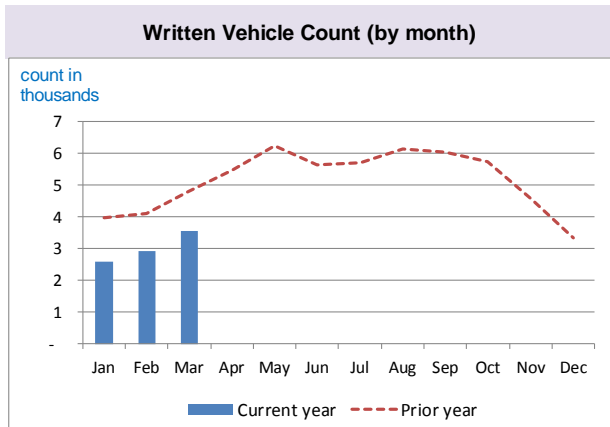
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eleven member company groups transferred fewer vehicles to the pool this month compared with a year ago, while 7 transferred more and 1 remained the same. Of the 11 member company groups transferring

fewer vehicles, 1 member company group accounted for 79% of the total transfer decrease for these “decliner” members. Of the 7 member company groups transferring more vehicles, 1 member company group accounted for 78% of the total transfer increases for these “grower” members.

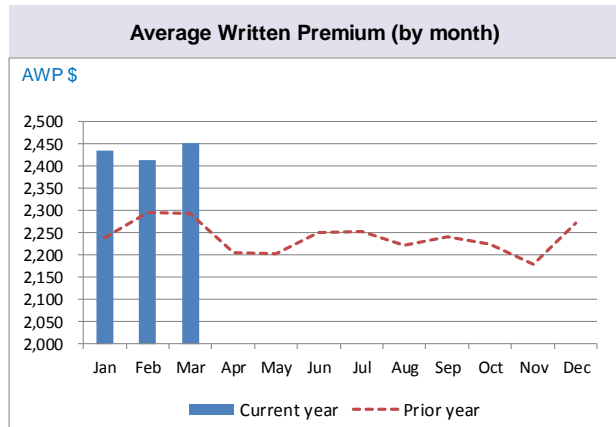


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change.

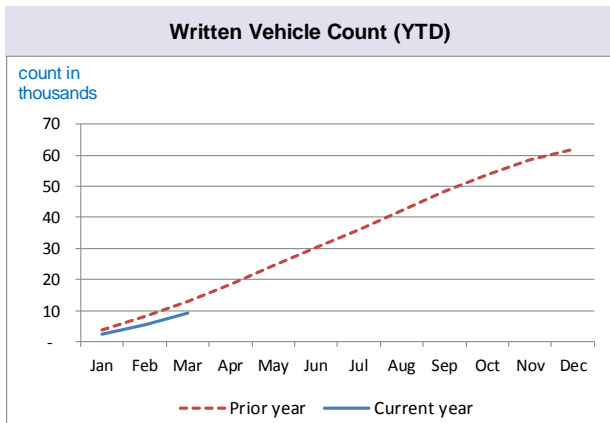
March’s vehicle count transfers to the pool represent a 26.1% decrease from March 2015, and vehicle counts were down 29.6% year-to-date. Average written premium was up 6.9% in March 2016 compared with the same month in 2015, and up 6.9% year-to-date (see charts immediately at the top of the next page).



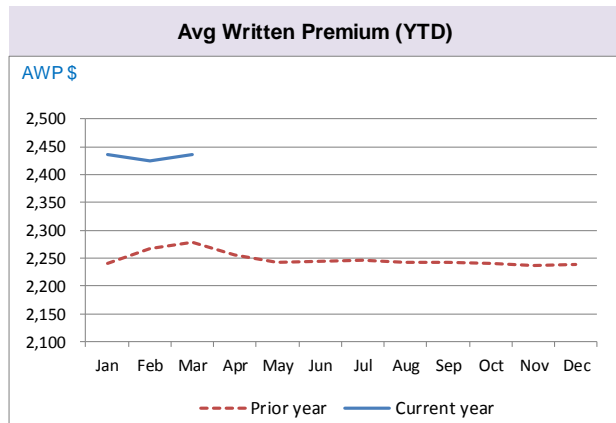
	Mar-16	Mar-15	Amt Chg	% Chg
W. Veh curr mth	3,562	4,817	(1,256)	-26.1%



	Mar-16	Mar-15	Amt Chg	% Chg
AWP curr mth	2,453	2,294	159	6.9%

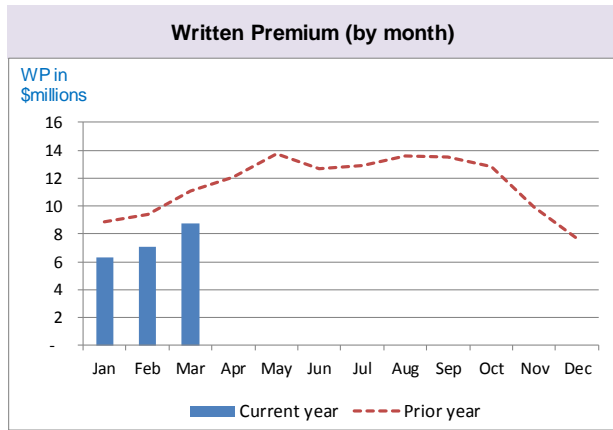


	Mar-16	Mar-15	Amt Chg	% Chg
W. Vehicles YTD	9,076	12,895	(3,819)	-29.6%

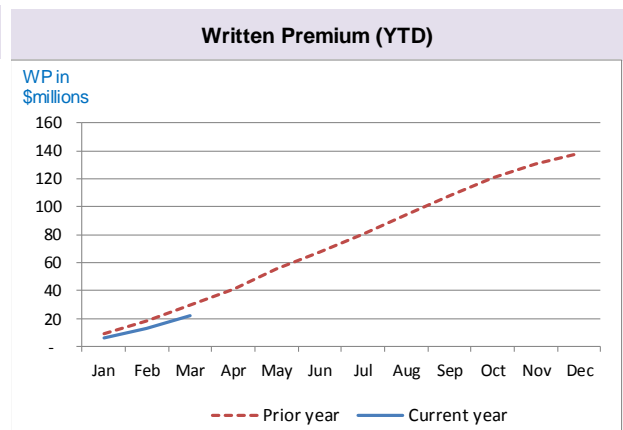


	Mar-16	Mar-15	Amt Chg	% Chg
Avg W. Prem YTD	2,435	2,278	157	6.9%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 21.0% for the month compared with the 17.6% decrease we projected last month, and was down 24.8% year-to-date (see charts at the top of the next page).

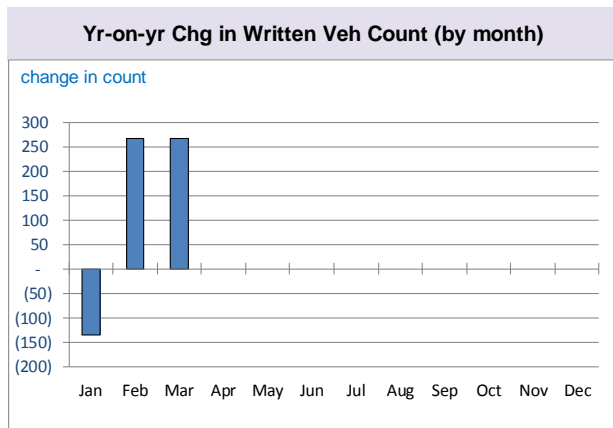


	Mar-16	Mar-15	Amt Chg	% Chg
WP (\$000s) curr mth	8,735	11,050	(2,316)	-21.0%

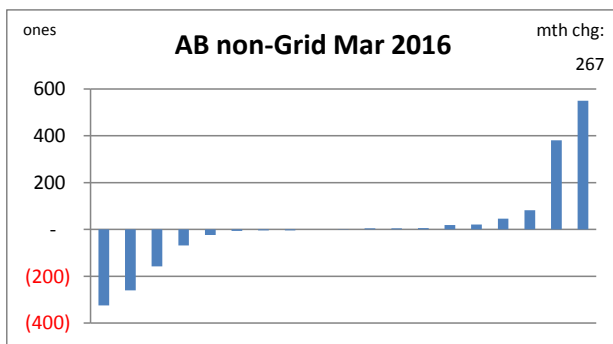


	Mar-16	Mar-15	Amt Chg	% Chg
WP (\$000s) YTD	22,101	29,370	(7,269)	-24.8%

**Alberta Non-Grid**

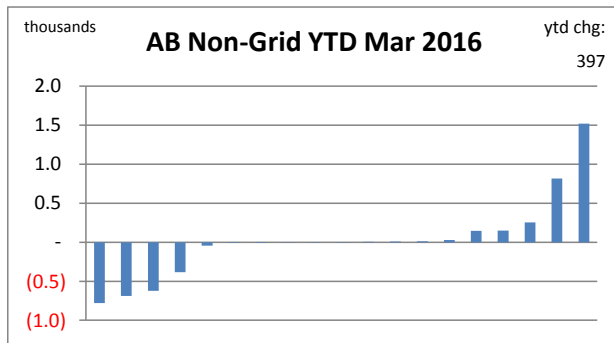


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with March showing an increase of 267 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for a decrease of 462 vehicles, indicating a variance of 729 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a higher number of vehicles to the pool in March than projected.



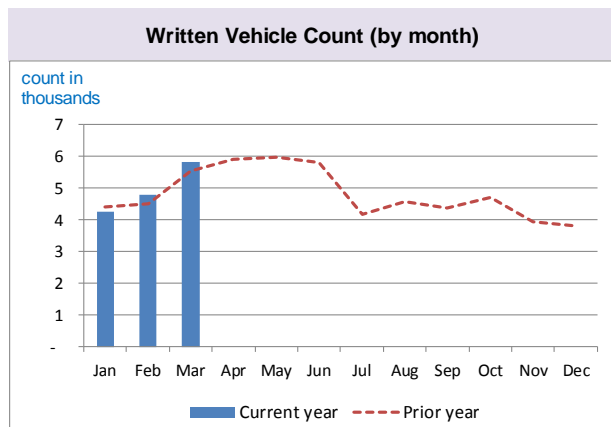
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eight member company groups transferred fewer vehicles to the pool this month compared to a year ago, while 10 transferred more and 1 remained the same. Of the 8 member company groups transferring fewer vehicles, 2 member company groups accounted for 69% of the total transfer decrease for these “decliner” members. Of the 10 member company groups transferring more vehicles, 2 member company groups accounted for 84% of the total transfers increase for these “grower” members.

fewer vehicles, 2 member company groups accounted for 69% of the total transfer decrease for these “decliner” members. Of the 10 member company groups transferring more vehicles, 2 member company groups accounted for 84% of the total transfers increase for these “grower” members.

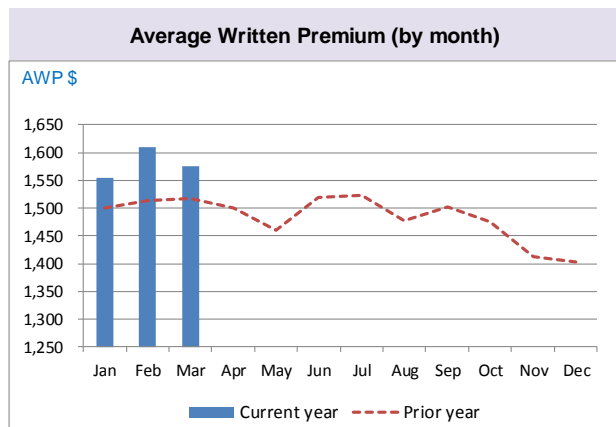


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change.

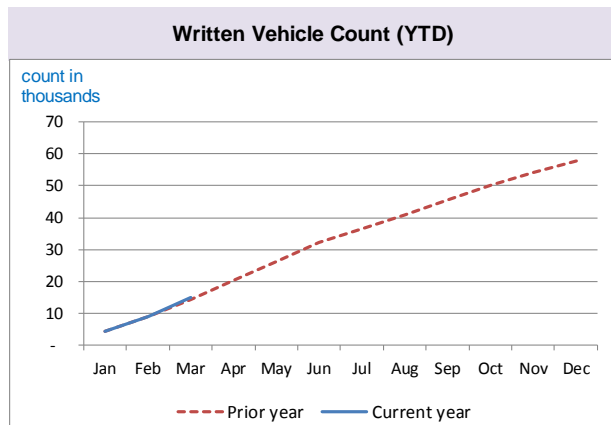
March's vehicle count transfers to the pool represent a 4.8% increase from March 2015, and vehicle counts were up 2.7% year-to-date. Average written premium was up 3.8% in March 2016 compared with the same month in 2015, and up 4.6% year-to-date (see charts immediately below).



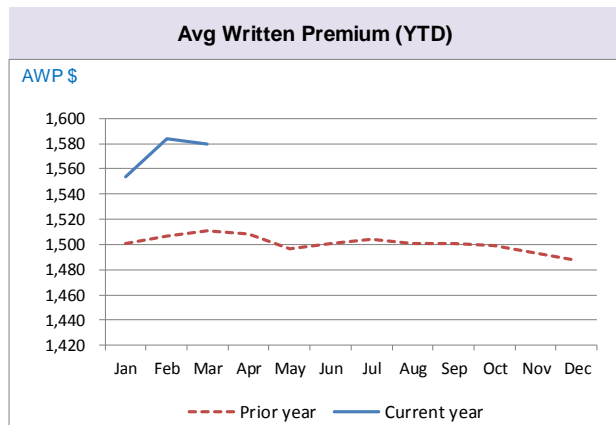
	Mar-16	Mar-15	Amt Chg	% Chg
W. Veh curr mth	5,822	5,555	267	4.8%



	Mar-16	Mar-15	Amt Chg	% Chg
AWP curr mth	1,575	1,517	58	3.8%



	Mar-16	Mar-15	Amt Chg	% Chg
W. Vehicles YTD	14,875	14,478	397	2.7%

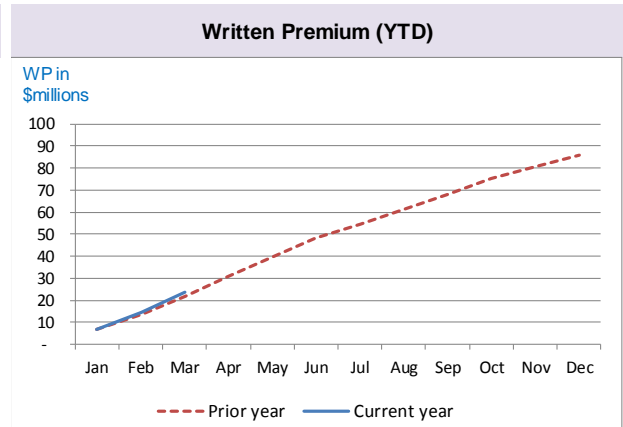
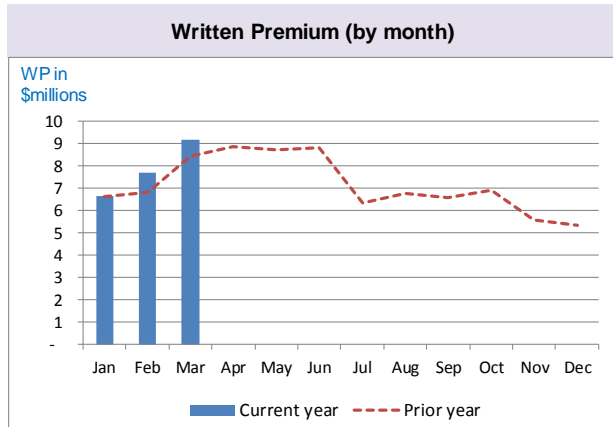


	Mar-16	Mar-15	Amt Chg	% Chg
Avg W. Prem YTD	1,580	1,511	69	4.6%

**Bulletin F16-025**

**Alberta Risk Sharing Pools – March 2016 Operational Reports**

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 8.8% for the month compared with the 4.7% decrease we projected last month, and was up 7.5% year-to-date (see charts immediately below).



	Mar-16	Mar-15	Amt Chg	% Chg
WP (\$000s) curr mth	9,171	8,426	745	8.8%

	Mar-16	Mar-15	Amt Chg	% Chg
WP (\$000s) YTD	23,507	21,876	1,631	7.5%

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 March 2016 Operational Report - Actuarial Highlights](#)
- [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at December 31, 2015](#)
- [Actuarial Quarterly Valuation Highlights - Alberta Grid RSP Exhibit A](#)

Alberta Non-Grid RSP:

- [Alberta Non-Grid RSP March 2016 Operational Report - Actuarial Highlights](#)
- [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at December 31, 2015](#)
- [Actuarial Quarterly Valuation Highlights - Alberta Non-Grid RSP Exhibit A](#)

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2016**

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 3 Months ended March 31, 2016 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	CY2016 YTD	CY2016 12 MONTHS Updated Projection	CY2015 12 MONTHS Actual
<b>Underwriting Revenue:</b>						
Net Premiums Written	\$6,311	\$7,054	\$8,735	\$22,100	\$123,731	\$138,309
Decrease (Increase) in Unearned Premiums	5,002	2,994	1,535	9,531	1,746	7,899
<b>Net Premiums Earned</b>	<b>\$11,313</b>	<b>\$10,048</b>	<b>\$10,270</b>	<b>\$31,631</b>	<b>\$125,477</b>	<b>\$146,208</b>
<b>Claims Incurred:</b>						
Prior Accident Years:						
Undiscounted	(\$83)	(\$80)	\$17,887	\$17,724	\$17,724	(\$4,050)
Effect of Discounting	(598)	(700)	2,020	\$722	(5,030)	(5,152)
Discounted	(\$681)	(\$780)	\$19,907	\$18,446	\$12,694	(\$9,202)
Current Accident Year:						
Undiscounted	\$8,133	\$7,229	\$8,191	\$23,553	\$92,717	\$111,518
Effect of Discounting	755	529	581	\$1,865	5,874	6,303
Discounted	\$8,888	\$7,758	\$8,772	\$25,418	\$98,591	\$117,821
<b>Claims Incurred</b>	<b>\$8,207</b>	<b>\$6,978</b>	<b>\$28,679</b>	<b>\$43,864</b>	<b>\$111,285</b>	<b>\$108,619</b>
<b>Underwriting Expenses:</b>						
Expense Allowance	\$1,911	\$2,131	\$2,636	\$6,678	\$37,269	\$39,133
Change in UPDR/DPAC:						
Undiscounted	1,558	728	1,808	4,094	2,187	2,087
Effect of Discounting	(449)	(31)	107	(373)	134	884
Discounted	1,109	697	1,915	\$3,721	2,321	\$2,971
<b>Underwriting Expenses</b>	<b>\$3,020</b>	<b>\$2,828</b>	<b>\$4,551</b>	<b>\$10,399</b>	<b>39,590</b>	<b>\$42,104</b>
<b>Net Underwriting Gain (Loss)</b>	<b>\$86</b>	<b>\$242</b>	<b>(\$22,960)</b>	<b>(\$22,632)</b>	<b>(\$25,398)</b>	<b>(\$4,515)</b>
<b>Administrative Expenses</b>	<b>\$57</b>	<b>\$80</b>	<b>\$73</b>	<b>\$210</b>	<b>\$734</b>	<b>\$848</b>
<b>Net Result from Operations</b>	<b>\$29</b>	<b>\$162</b>	<b>(\$23,033)</b>	<b>(\$22,842)</b>	<b>(\$26,132)</b>	<b>(\$5,363)</b>
<b>Ratios:</b>						
<b>Claims &amp; Expenses Incurred (Earned)</b>						
Prior Accident Years	-6.0%	-7.8%	193.8%	58.3%	10.1%	-6.3%
Current Accident Year	78.6%	77.2%	85.4%	80.4%	78.6%	80.6%
All Accident Years Combined (Earned)	72.6%	69.4%	279.2%	138.7%	88.7%	74.3%
Underwriting & Administrative Expenses (Earned)	27.2%	28.9%	45.0%	33.5%	32.1%	29.4%
<b>Combined Operating Ratio</b>	<b>99.8%</b>	<b>98.3%</b>	<b>324.2%</b>	<b>172.2%</b>	<b>120.8%</b>	<b>103.7%</b>

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 2016**
**Risk Sharing Pool - Alberta (Non-Grid)**
**Operating Results for the 3 Months ended March 31, 2016 (Discounted basis)**

EXHIBIT 2

**Source: Monthly Operational Report**
**(thousands of dollars)**

	January	February	March	CY2016 YTD	CY2016 12 MONTHS Updated Projection	CY2015 12 MONTHS Actual
<b>Underwriting Revenue:</b>						
Net Premiums Written	\$6,638	\$7,698	\$9,171	\$23,507	\$96,367	\$85,987
Decrease (Increase) in Unearned Premiums	578	(924)	(1,869)	(2,215)	(6,531)	3,856
<b>Net Premiums Earned</b>	<b>\$7,216</b>	<b>\$6,774</b>	<b>\$7,302</b>	<b>\$21,292</b>	<b>\$89,836</b>	<b>\$89,843</b>
<b>Claims Incurred:</b>						
Prior Accident Years:						
Undiscounted	(\$38)	(\$25)	(\$1,121)	(\$1,184)	(\$1,184)	(\$6,955)
Effect of Discounting	(502)	(609)	(72)	(1,183)	(3,646)	(2,327)
Discounted	(\$540)	(\$634)	(\$1,193)	(\$2,367)	(\$4,830)	(\$9,282)
Current Accident Year:						
Undiscounted	\$6,919	\$6,487	\$7,046	\$20,452	\$85,980	\$91,354
Effect of Discounting	604	386	400	1,390	4,819	4,879
Discounted	\$7,523	\$6,873	\$7,446	\$21,842	\$90,799	\$96,233
<b>Claims Incurred</b>	<b>\$6,983</b>	<b>\$6,239</b>	<b>\$6,253</b>	<b>\$19,475</b>	<b>\$85,969</b>	<b>\$86,951</b>
<b>Underwriting Expenses:</b>						
Expense Allowance	\$2,001	\$2,319	\$2,763	\$7,083	\$29,014	\$24,332
Change in UPDR/DPAC:						
Undiscounted	42	(38)	13	17	232	(1,441)
Effect of Discounting	(44)	71	232	259	630	231
Discounted	(2)	33	245	276	862	(\$1,210)
<b>Underwriting Expenses</b>	<b>\$1,999</b>	<b>\$2,352</b>	<b>\$3,008</b>	<b>\$7,359</b>	<b>\$29,876</b>	<b>\$23,122</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$1,766)</b>	<b>(\$1,817)</b>	<b>(\$1,959)</b>	<b>(\$5,542)</b>	<b>(\$26,009)</b>	<b>(\$20,230)</b>
<b>Administrative Expenses</b>	<b>\$58</b>	<b>\$80</b>	<b>\$73</b>	<b>\$211</b>	<b>\$951</b>	<b>\$791</b>
<b>Net Result from Operations</b>	<b>(\$1,824)</b>	<b>(\$1,897)</b>	<b>(\$2,032)</b>	<b>(\$5,753)</b>	<b>(\$26,960)</b>	<b>(\$21,021)</b>
<b>Ratios:</b>						
<b>Claims &amp; Expenses Incurred (Earned)</b>						
Prior Accident Years	-7.5%	-9.4%	-16.3%	-11.1%	-5.4%	-10.3%
Current Accident Year	104.3%	101.5%	102.0%	102.6%	101.1%	107.1%
All Accident Years Combined	96.8%	92.1%	85.7%	91.5%	95.7%	96.8%
Underwriting & Administrative Expenses (Earned)	28.5%	35.9%	42.2%	35.6%	34.3%	26.6%
<b>Combined Operating Ratio</b>	<b>125.3%</b>	<b>128.0%</b>	<b>127.9%</b>	<b>127.1%</b>	<b>130.0%</b>	<b>123.4%</b>

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