

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F16 – 048**

**DATE: JUNE 24, 2016**

**SUBJECT: RISK SHARING POOLS' OUTLOOK FOR CALENDAR YEAR 2017  
 BASED ON MAY 2016 OPERATIONAL REPORTS**

To assist member companies in planning for their share of Risk Sharing Pools' (RSP) results for the next calendar year, Facility Association prepares RSP "Outlook" projections of Net Results from Operations. The Outlook presentation format (Exhibits B1 – B5) is very similar to that of the "Summary of Operations – Calendar Year" exhibits of the monthly Operational Reports Member Bulletins ("Bulletins").

The attached is the *preliminary* calendar year 2017 RSP Outlook by pool, based on actual results as found in the May 2016 Operational Reports. A *final* calendar year 2017 RSP Outlook by pool, based on actual results up to August 2016, is expected to be released during September 2016.

The attached RSP Outlook is derived through a projection process that attempts to model future outcomes based on a set of simplifying assumptions. As with any such process of projecting future outcomes, inherent uncertainty exists. For example, RSP premium volumes have in the past varied in ways that are difficult to model or project (charts showing history of premium volumes can be found at the "Provincial Profiles" section of our website). **As such, we stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

Volume projections are based on projections provided by larger users of the RSPs. The tables below provide a summary of the projections for calendar years 2017 and 2016 and the actuals for calendar year 2015 for reference purposes.

Actual and Projected Calendar Year Results					
Ontario RSP		2017	2016	Change (to 2017 from 2016)	
<b>Written</b>	<b>Premium (\$000s)</b>	<b>354,736</b>	<b>324,920</b>	<b>29,816</b>	<b>9.2%</b>
	Vehicle Count	197,814	180,347	17,467	9.7%
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>350,202</b>	<b>266,874</b>	<b>83,328</b>	<b>31.2%</b>
<b>Net Operating Result (\$000s)</b>		<b>(206,508)</b>	<b>(126,569)</b>	<b>(79,939)</b>	<b>63.2%</b>
	COR	159.0%	147.4%	11.6%	7.9%
	Prior Accident Years' incurred claims (\$000s)	(30,894)	(71,932)	41,038	(57.1%)
					(188,898)

**Bulletin F16-048**  
**RISK SHARING POOLS' OUTLOOK FOR CALENDAR YEAR 2017**  
**BASED ON MAY 2016 OPERATIONAL REPORTS**

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
<b>Written</b>	<b>Premium (\$000s)</b>	<b>185,960</b>	<b>151,510</b>	<b>34,450</b>	<b>22.7%</b>	<b>138,310</b>
	Vehicle Count	79,317	65,044	14,273	21.9%	61,813
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>180,397</b>	<b>136,015</b>	<b>44,382</b>	<b>32.6%</b>	<b>146,209</b>
<b>Net Operating Result (\$000s)</b>		<b>(21,281)</b>	<b>(54,562)</b>	<b>33,281</b>	<b>(61.0%)</b>	<b>(5,360)</b>
	COR	111.8%	140.0%	(28.2%)	(20.1%)	103.7%
Prior Accident Years' incurred claims (\$000s)		(6,832)	27,117	(33,949)	(125.2%)	(9,203)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
<b>Written</b>	<b>Premium (\$000s)</b>	<b>110,913</b>	<b>109,802</b>	<b>1,111</b>	<b>1.0%</b>	<b>85,986</b>
	Vehicle Count	72,775	71,982	793	1.1%	57,845
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>111,638</b>	<b>94,380</b>	<b>17,258</b>	<b>18.3%</b>	<b>89,842</b>
<b>Net Operating Result (\$000s)</b>		<b>(32,942)</b>	<b>(31,747)</b>	<b>(1,195)</b>	<b>3.8%</b>	<b>(21,022)</b>
	COR	129.5%	133.6%	(4.1%)	(3.1%)	123.4%
Prior Accident Years' incurred claims (\$000s)		(4,134)	(4,051)	(83)	2.0%	(9,282)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2017	2016	Change (to 2017 from 2016)		2015
<b>Written</b>	<b>Premium (\$000s)</b>	<b>9,595</b>	<b>8,993</b>	<b>602</b>	<b>6.7%</b>	<b>11,164</b>
	Vehicle Count	8,948	8,202	746	9.1%	10,096
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>9,667</b>	<b>10,067</b>	<b>(400)</b>	<b>(4.0%)</b>	<b>10,237</b>
<b>Net Operating Result (\$000s)</b>		<b>(1,844)</b>	<b>1,072</b>	<b>(2,916)</b>	<b>(272.1%)</b>	<b>(4,413)</b>
	COR	119.2%	89.4%	29.8%	33.3%	143.2%
Prior Accident Years' incurred claims (\$000s)		(449)	(3,084)	2,635	(85.4%)	917

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2017	2016	Change (to 2017 from 2016)		2015
<b>Written</b>	<b>Premium (\$000s)</b>	<b>14,415</b>	<b>14,646</b>	<b>(231)</b>	<b>(1.6%)</b>	<b>14,501</b>
	Vehicle Count	12,210	12,454	(244)	(2.0%)	12,700
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>14,528</b>	<b>14,677</b>	<b>(149)</b>	<b>(1.0%)</b>	<b>14,080</b>
<b>Net Operating Result (\$000s)</b>		<b>(4,701)</b>	<b>(5,045)</b>	<b>344</b>	<b>(6.8%)</b>	<b>(7,029)</b>
	COR	132.4%	134.4%	(2.0%)	(1.5%)	149.9%
Prior Accident Years' incurred claims (\$000s)		(935)	(634)	(301)	47.5%	176

Questions regarding the Outlook should be directed to Shawn Doherty, SVP, Actuarial and CFO at Facility Association, (416) 644-4968 or [sdoherty@facilityassociation.com](mailto:sdoherty@facilityassociation.com)

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

Attach.

*Please forward a copy of this bulletin to your Chief Financial Officer.*



# **OUTLOOK TO CALENDAR YEAR 2017**

## **RISK SHARING POOLS**

**JUNE 2016**

**BASED ON MAY 2016 OPERATIONAL REPORTS**

For your convenience, bookmarks have been added to this document. To view them, please click on the BOOKMARK tab at the left.

Should you require any further information, please call:

Shawn Doherty, FCIA, FCAS  
SVP Actuarial & CFO  
(416) 644-4968.

**OUTLOOK TO CALENDAR YEAR 2017**

**RISK SHARING POOLS**

**JUNE 2016**

**BASED ON MAY 2016 OPERATIONAL REPORTS**

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**LIST OF EXHIBITS**

**EXHIBIT A Key Assumptions (counts, premium, loss ratios)**

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

**EXHIBIT B RSP Outlook – Summary of Operations**

- B-1 Ontario
  - B-2 Alberta Grid
  - B-3 Alberta Non-Grid
  - B-4 New Brunswick
  - B-5 Nova Scotia
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**EXHIBIT C RSP Outlook – Projected Policy Liabilities**

C-1 Ontario

C-2 Alberta Grid

C-3 Alberta Non-Grid

C-4 New Brunswick

C-5 Nova Scotia

## 1. Executive Summary

This “RSP Outlook” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the March 31, 2016 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The tables below provide a high-level summary of key metrics projected for calendar years 2017 and 2016, with actuals for 2015 provided for reference. Supporting details related to the projections are provided in the body of this report.

Actual and Projected Calendar Year Results						
Ontario RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	354,736	324,920	29,816	9.2%	239,006
	Vehicle Count	197,814	180,347	17,467	9.7%	135,802
Earned	Premium (\$000s)	350,202	266,874	83,328	31.2%	262,567
<b>Net Operating Result (\$000s)</b>		<b>(206,508)</b>	<b>(126,569)</b>	<b>(79,939)</b>	<b>63.2%</b>	<b>47,546</b>
	COR	159.0%	147.4%	11.6%	7.9%	81.9%
Prior Accident Years' incurred claims (\$000s)		(30,894)	(71,932)	41,038	(57.1%)	(188,898)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	185,960	151,510	34,450	22.7%	138,310
	Vehicle Count	79,317	65,044	14,273	21.9%	61,813
Earned	Premium (\$000s)	180,397	136,015	44,382	32.6%	146,209
<b>Net Operating Result (\$000s)</b>		<b>(21,281)</b>	<b>(54,562)</b>	<b>33,281</b>	<b>(61.0%)</b>	<b>(5,360)</b>
	COR	111.8%	140.0%	(28.2%)	(20.1%)	103.7%
Prior Accident Years' incurred claims (\$000s)		(6,832)	27,117	(33,949)	(125.2%)	(9,203)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	110,913	109,802	1,111	1.0%	85,986
	Vehicle Count	72,775	71,982	793	1.1%	57,845
Earned	Premium (\$000s)	111,638	94,380	17,258	18.3%	89,842
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	COR	129.5%	133.6%	(4.1%)	(3.1%)	123.4%
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New Brunswick RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	9,595	8,993	602	6.7%	11,164
	Vehicle Count	8,948	8,202	746	9.1%	10,096
Earned	Premium (\$000s)	9,667	10,067	(400)	(4.0%)	10,237
<b>Net Operating Result (\$000s)</b>		<b>(1,844)</b>	<b>1,072</b>	<b>(2,916)</b>	<b>(272.1%)</b>	<b>(4,413)</b>
	COR	119.2%	89.4%	29.8%	33.3%	143.2%
Prior Accident Years' incurred claims (\$000s)		(449)	(3,084)	2,635	(85.4%)	917

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<b>Written</b>	<b>Premium (\$000s)</b>	<b>14,415</b>	<b>14,646</b>	<b>(231)</b>	<b>(1.6%)</b>	<b>14,501</b>
	Vehicle Count	12,210	12,454	(244)	(2.0%)	12,700
<b>Earned</b>	<b>Premium (\$000s)</b>	<b>14,528</b>	<b>14,677</b>	<b>(149)</b>	<b>(1.0%)</b>	<b>14,080</b>
<b>Net Operating Result (\$000s)</b>		<b>(4,701)</b>	<b>(5,045)</b>	<b>344</b>	<b>(6.8%)</b>	<b>(7,029)</b>
	COR	132.4%	134.4%	(2.0%)	(1.5%)	149.9%
Prior Accident Years' incurred claims (\$000s)		(935)	(634)	(301)	47.5%	176

## 2. Introduction

### 2.1 Summary of Results

#### *Introductory Comments*

This “RSP Outlook” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the March 31, 2016 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

As noted in the next section, there are notable differences between the overall operating result projected for calendar year **2017** in this Outlook and two comparable projections for calendar year **2016**, being our calendar year projection posted on September 30, 2015 (“*Sep 30 2015 Outlook*”) and our current projection (“*May 31 2016 Projection*”). These differences are mainly due to prior accident year impacts. In particular, like our *Sep 30 2015 Outlook* for calendar year **2016**, this Outlook’s projection for calendar year **2017** assumes no nominal changes to our estimates of ultimate for prior accident years<sup>1</sup>, whereas the current projection for calendar year **2016** (*May 31 2016 Projection*) includes nominal prior accident year changes as booked during the first five months of **2016**. Differences in the projections are discussed at a high level in the next section. Given the importance of accident year impacts, we have separated the Operating Results summary to show “prior accident years” (PAYs) from the “current accident year” (CAY).

Otherwise, we are projecting calendar year **2017** to be reasonably aligned with our current projection of calendar year **2016**, as shown in the summary of key aspects of the operating results provided in the tables in the next section. Projected volumes are discussed in section 3.1 and the **2017** “current accident year” loss ratios are discussed in section 3.2.

Our projections of the number of vehicles transferred to the RSPs are based on feedback provided by large users of the RSPs. Some of the RSPs have specific limits to the number of risks that can be transferred in a given period. For example, the transfer limit of the Ontario RSP is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. As a result, volumes may change dramatically from those projected here.

#### *Summary of Calendar Year 2017 Operating Results*

The estimated calendar year **2017** Operating Results are summarized at the top of the next page. Policy liabilities and associated changes are presented on an actuarial present value basis as found in the Operational Reports (that is, “Total Claims Incurred” and “Change in Prem. Def / (DPAC)”)

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<sup>1</sup>In our projections, we assume that our liabilities are “best estimates” and therefore project no changes in nominal terms. However, there are prior accident year impacts related to actuarial present value adjustments. Over time, the “discount” adjustment to reflect the time value of money will unwind and provisions for adverse deviations will be released with liability / obligation settlement.



include actuarial present value adjustments, commonly described as “discounted”). We have included at the bottom of the table the projected Operating Results for calendar year **2016** as per the *Sep 30 2015 Outlook* and with the *May 31 2016 Projection*<sup>2</sup>.

**Projection Summary – Calendar Year 2017 – Amounts**

Calendar Year 2017 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	354,736	185,960	110,913	9,595	14,415	675,619
Earned Premium	350,202	180,397	111,638	9,667	14,528	666,432
Prior Accident Years (PAYs)	(30,894)	(6,832)	(4,134)	(449)	(935)	(43,244)
Current Accident Year (CAY)	466,502	150,967	113,091	7,991	14,536	753,087
Total Claims Incurred	435,608	144,135	108,957	7,542	13,601	709,843
Expense Allowance	106,422	55,972	33,384	3,378	5,017	204,173
Change in Prem. Def / (DPAC)	13,047	568	1,130	55	77	14,877
Underwriting Expenses	119,469	56,540	34,514	3,433	5,094	219,050
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(204,875)	(20,278)	(31,833)	(1,308)	(4,167)	(262,461)
Administrative Expense	1,633	1,003	1,109	536	534	4,815
<b>2017 Operating Result</b>	<b>(206,508)</b>	<b>(21,281)</b>	<b>(32,942)</b>	<b>(1,844)</b>	<b>(4,701)</b>	<b>(267,276)</b>
attributed to PAYs:	30,894	6,832	4,134	449	935	43,244
attributed to CAY:	(237,402)	(28,113)	(37,076)	(2,293)	(5,636)	(310,520)
<b>2016 Operating Result</b>						
<b>Sep 30, 2015 Outlook</b>	<b>(186,736)</b>	<b>(1,661)</b>	<b>(28,438)</b>	<b>(2,391)</b>	<b>(5,538)</b>	<b>(224,764)</b>
attributed to PAYs:	21,535	7,430	3,737	377	706	33,785
attributed to CAY:	(208,271)	(9,091)	(32,175)	(2,768)	(6,244)	(258,549)
<b>May 31, 2016 Projection</b>	<b>(126,569)</b>	<b>(54,562)</b>	<b>(31,747)</b>	<b>1,072</b>	<b>(5,045)</b>	<b>(216,850)</b>
attributed to PAYs:	71,932	(27,117)	4,051	3,084	634	52,584
attributed to CAY:	(198,501)	(27,445)	(35,798)	(2,012)	(5,679)	(269,434)

In comparing the calendar year **2017** operating result projection against the two projections for calendar year **2016**, **2017** is largely consistent with both in total, particularly for the 3 smaller RSPs. The components of the projection for **2017** compared with the same components for the two projections for **2016** show a higher level of similarity with the *Sep 30 2015 Outlook* in relation to the operating result attributed to prior accident years (PAYs) at the RSP level, whereas the **2017** “attributed CAY” components are generally more aligned with the *May 31 2016 Projection*. These alignments are to be expected, as the **2017** projection for the contribution of the prior accident years has the same base assumption for the prior accident years as found in *Sep 30 2015 Outlook* (i.e. no “nominal” changes in claims liabilities, so the prior accident years impact is driven by releases of actuarial present value adjustments as claims are settled), whereas the *May 31 2016 Projection* includes actual prior accident year activity included up to the Mar 31, 2016 valuation. In contrast, the updated valuation and more recent discount rate assumptions leads to closer alignment with the

<sup>2</sup>The May 31 2016 Projection for calendar year 2016 and this Outlook’s projection for calendar year 2017 were derived at the same time, using consistent assumptions.

**May 31 2016 Projection** (updated yield curves and updated accident years 2016 and 2017 loss ratios), such that remaining differences are driven by differences in volume and loss ratios.

The table below provides the difference between the 2017 calendar year results and the 2016 results as per the **Sep 30 2015 Outlook**.

**Projection Summary – Calendar Year 2017 less 2016 Calendar Year per final 2016 Outlook**

Calendar Year 2017 Projections (\$000s) less Calendar Year 2016 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	65,862	35,481	18,167	(1,197)	21	118,334
Earned Premium	82,458	38,263	20,900	(1,007)	(34)	140,580
Prior Accident Years (PAYs)	(9,359)	598	(397)	(72)	(229)	(9,459)
Current Accident Year (CAY)	89,770	41,394	17,496	(1,113)	(796)	146,751
Total Claims Incurred	80,411	41,992	17,099	(1,185)	(1,025)	137,292
Expense Allowance	17,450	13,389	7,136	(376)	49	37,648
Change in Prem. Def / (DPAC)	4,065	2,310	986	73	103	7,537
Underwriting Expenses	21,515	15,699	8,122	(303)	152	45,185
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(19,468)	(19,428)	(4,321)	481	839	(41,897)
Administrative Expense	304	192	183	(66)	2	615
<b>Operating Result</b>	<b>(19,772)</b>	<b>(19,620)</b>	<b>(4,504)</b>	<b>547</b>	<b>837</b>	<b>(42,512)</b>
attributed to PAYs:	9,359	(598)	397	72	229	9,459
attributed to CAY:	(29,131)	(19,022)	(4,901)	475	608	(51,971)

The table above clearly shows the increases in written premium for this Outlook for 2017 compared with the final Outlook for 2016. These changes also generate changes for earned premium, expenses, and the current accident year claims. However, volume changes do not impact differences in prior accident years (both projections assume no nominal changes). While we believe our claims liabilities estimates are “best estimates”, potential variances are discussed below.

For the Ontario RSP, nominal unpaid claims balances amounted to \$889.6 million as at December 31, 2015. The nominal prior accident year change in 2016 at \$46.1 million (favourable) represents 5.2% of the beginning balance. The nominal unpaid claims balance for the Ontario RSP is projected to be \$870.6 million at December 31, 2016 and changes of +/-5% of this balance (\$43.5 million) would not be unusual (see at the top of the next page for changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$151.4 million. The projected nominal unpaid claims balance at December 31, 2017 is \$975.8 million (*nominal* claims development PfAD of \$175.0 million).

***ON RSP PAYs' Ultimate Changes vs Beginning Balances (nominal, indemnity only)***

		nominal unpaid indemnity claims liability (\$ millions)				
		nominal beginning amounts			chg in PAYs' ultimates	
ON	Cal Yr	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
		[1]	[2]	[3]	[4]	[5]
		mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals						
	2013	1,009.1	140.2	13.9%	(87.3)	(8.7%)
	2014	1,025.5	179.8	17.5%	(91.0)	(8.9%)
	2015	1,005.5	181.5	18.1%	(146.2)	(14.5%)
projections						
	2016	889.6	147.1	16.5%	(46.1)	(5.2%)
	2017	870.6	151.4	17.4%	-	-

For the Alberta Grid RSP, nominal unpaid claims balances amounted to \$243.8 million as at December 31, 2015. The nominal prior accident year change in 2016 at \$29.9 million (unfavourable) represents 12.3% of the beginning balance. The nominal unpaid claims balance for the Alberta Grid RSP is projected to be \$269.2 million at December 31, 2016 and changes of +/-5% of this balance (\$13.5 million) would not be unusual (see table below for changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$31.1 million. The projected nominal unpaid claims balance at December 31, 2017 is \$301.0 million (*nominal* claims development PfAD of \$34.4 million).

***AB Grid RSP PAYs' Ultimate Changes vs Beginning Balances (nominal, indemnity only)***

		nominal unpaid indemnity claims liability (\$ millions)				
		nominal beginning amounts			chg in PAYs' ultimates	
AB Grid	Cal Yr	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
		[1]	[2]	[3]	[4]	[5]
		mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals						
	2013	278.9	27.2	9.8%	22.3	8.0%
	2014	264.3	25.9	9.8%	30.0	11.4%
	2015	268.8	30.6	11.4%	(4.1)	(1.5%)
projections						
	2016	243.8	27.3	11.2%	29.9	12.3%
	2017	269.2	31.1	11.6%	-	-

For the Alberta non-Grid RSP, nominal unpaid claims balances amounted to \$159.5 million as at December 31, 2015. The nominal prior accident year change in 2016 at \$0.4 million (favourable) represents 0.3% of the beginning balance. The nominal unpaid claims balance for the Alberta non-Grid RSP is projected to be \$164.0 million at December 31, 2016 and changes of +/-5% of this balance (\$8.2 million) would not be unusual (see table at the top of the next page for changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$19.1 million. The projected nominal unpaid claims balance at December 31, 2017 is \$187.9 million (*nominal* claims development PfAD of \$21.4 million).

***AB non-Grid RSP PAYs' Ultimate Changes vs Beginning Balances (nominal, indemnity only)***

nominal unpaid indemnity claims liability (\$ millions)					
<b>AB non-Grid</b>	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	126.4	12.1	9.6%	13.6	10.8%
2014	147.9	14.4	9.7%	5.4	3.7%
2015	159.5	18.2	11.4%	(6.9)	(4.3%)
projections					
2016	159.5	18.2	11.4%	(0.4)	(0.3%)
2017	164.0	19.1	11.6%	-	-

For the New Brunswick RSP, nominal unpaid claims balances amounted to \$19.0 million as at December 31, 2015. The nominal prior accident year change in 2016 at \$2.5 million (favourable) represents 13.2% of the beginning balance. The nominal unpaid claims balance for the New Brunswick RSP is projected to be \$17.3 million at December 31, 2016 and changes of +/-5% of this balance (\$0.9 million) would not be unusual (see below for changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$2.5 million. The projected nominal unpaid claims balance at December 31, 2017 is \$17.2 million (*nominal* claims development PfAD of \$2.3 million).

***NB RSP PAYs' Ultimate Changes vs Beginning Balances (nominal, indemnity only)***

nominal unpaid indemnity claims liability (\$ millions)					
<b>NB</b>	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	15.1	1.8	11.9%	0.4	2.6%
2014	13.9	1.8	12.9%	1.2	8.6%
2015	16.0	2.1	13.1%	0.9	5.6%
projections					
2016	19.0	2.5	13.2%	(2.5)	(13.2%)
2017	17.3	2.4	13.9%	-	-

For the Nova Scotia RSP, nominal unpaid claims balances amounted to \$27.3 million as at December 31, 2015. The nominal prior accident year change in 2016 at \$0.1 million (favourable) represents 0.4% of the beginning balance. The nominal unpaid claims balance for the Nova Scotia RSP is projected to be \$31.5 million at December 31, 2016 and changes of +/-5% of this balance (\$1.6 million) would not be unusual (see table at the top of the next page for changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$4.5 million. The projected nominal unpaid claims balance at December 31, 2017 is \$33.0 million (*nominal* claims development PfAD of \$4.6 million).

***NS RSP PAYs' Ultimate Changes vs Beginning Balances (nominal, indemnity only)***

		nominal unpaid indemnity claims liability (\$ millions)				
		nominal beginning amounts			chg in PAYs' ultimates	
NS	Cal Yr	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
		[1]	[2]	[3]	[4]	[5]
		mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
	actuals					
	2013	16.0	2.2	13.8%	1.7	10.6%
	2014	18.8	2.7	14.4%	1.8	9.6%
	2015	23.4	3.4	14.5%	0.4	1.7%
	projections					
	2016	27.3	3.9	14.3%	(0.1)	(0.4%)
	2017	31.5	4.5	14.3%	-	-

In addition, changes in yield curves used to determine the discount rates used in our projections are subject to change by RSP. For example, the *Sep 30 2015 Outlook* for the Ontario RSP used a discount rate of 0.97% whereas with the *May 31 2016 projection* for the Ontario RSP we are now using 0.81%. However, the Mar 31, 2016 valuation discount rate *changes* do not have a direct impact on the 2017 projections. As the changes occurs in calendar year **2016**, both the beginning and ending claims liabilities for calendar year **2017** are adjusted, so the impact is effectively nullified (that is, a change in discount rate has a significant impact only when it is implemented). The same is true for margin changes (the impact of any changes is significant only when implemented).

The projected December 31, 2017 **policy liability discount amounts** are:

- ON RSP: \$32.6 million (associated interest rate PfAD of \$9.9 million, indicating the net discount impact of approximately \$22.7 million)
- AB Grid RSP: \$6.8 million (associated interest rate PfAD of \$2.6 million, indicating the net discount impact of approximately \$4.2 million)
- AB non-Grid RSP: \$4.5 million (associated interest rate PfAD of \$1.7 million, indicating the net discount impact of approximately \$2.8 million)
- NB RSP: \$0.3 million (associated interest rate PfAD of \$0.1 million, indicating the net discount impact of approximately \$0.2 million)
- NS RSP: \$0.6 million (associated interest rate PfAD of \$0.3 million, indicating the net discount impact of approximately \$0.3 million)

Moving the net discount impacts to \$0 could be considered a “worst case” scenario<sup>3</sup> in relation to

<sup>3</sup>That is, the “worst case” scenario would be if the discount rate moves to 0% - we assume at this level the margin would be moved to 0 as well. In addition to the net discount impact indicated, there would also be an adverse movement in the claims development provision for adverse deviation, as this provision is also carried on a “net present value” or “discounted” basis.

We did consider whether the Canadian risk-free yield curve would move into negative territory (i.e. that the “worst case” scenario would involve a negative discount rate, rather than a 0 discount rate). While this is *possible*, we do not believe it is *plausible* within the next 18-21 months, given the current economic environment in Canada.

adverse changes in the yield curves.

Key Ratios associated with our calendar year **2017** projection are presented in the table below, including the Combined Operating Ratios for the two calendar year **2016** projections. For details related to the **2017** projections, please refer to Exhibits B-1 through B-5. The basis for the projection of premiums, claims amounts and expenses is described in Section 3.

***Projection Summary – Calendar Year 2017 – Key Ratios<sup>4</sup>***

<b>Calendar Year 2017 Projections (Key Ratios)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)	-	-	-	-	-	-
Prior Accident Years (PAYs)	(8.8%)	(3.8%)	(3.7%)	(4.6%)	(6.4%)	(6.5%)
Current Accident Year (CAY)	133.2%	83.7%	101.3%	82.7%	100.1%	113.0%
Total Claims Incurred	124.4%	79.9%	97.6%	78.1%	93.7%	106.5%
Expense Ratios	-	-	-	-	-	-
Expense Allowance (% WP)	30.0%	30.1%	30.1%	35.2%	34.8%	30.2%
Chg in Prem. Def / (DPAC) (% EP)	3.7%	0.3%	1.0%	0.6%	0.5%	2.2%
Underwriting Expenses (% EP)	34.1%	31.3%	30.9%	35.6%	35.0%	32.9%
Administrative Expense (% EP)	0.5%	0.6%	1.0%	5.5%	3.7%	0.7%
U/Wing & Admin Exp (% EP)	34.6%	31.9%	31.9%	41.1%	38.7%	33.6%
<b>2017 Combined Operating Ratio (% EP)</b>	<b>159.0%</b>	<b>111.8%</b>	<b>129.5%</b>	<b>119.2%</b>	<b>132.4%</b>	<b>140.1%</b>
attributed to PAYs:	(8.8%)	(3.8%)	(3.7%)	(4.6%)	(6.4%)	(6.5%)
attributed to CAY:	167.8%	115.6%	133.2%	123.8%	138.8%	146.6%
<b>2016 Combined Operating Ratio</b>						
<b>Sep 30, 2015 Outlook</b>	<b>169.8%</b>	<b>101.2%</b>	<b>131.4%</b>	<b>122.4%</b>	<b>138.1%</b>	<b>142.8%</b>
attributed to PAYs:	(8.0%)	(5.2%)	(4.1%)	(3.5%)	(4.8%)	(6.4%)
attributed to CAY:	177.8%	106.4%	135.5%	125.9%	142.9%	149.2%
<b>May 31, 2016 Projection</b>	<b>147.4%</b>	<b>140.0%</b>	<b>133.6%</b>	<b>89.4%</b>	<b>134.4%</b>	<b>141.5%</b>
attributed to PAYs:	(27.0%)	19.9%	(4.3%)	(30.6%)	(4.3%)	(10.1%)
attributed to CAY:	174.4%	120.1%	137.9%	120.0%	138.7%	151.6%

For details, please refer to Exhibits B-1 through B-5. Detailed information regarding the projections and associated assumptions for calendar year **2017** are discussed in section 3. In particular, premium projections are discussed in section 3.1 and claims projections are discussed in section 3.2.

Our projections of the number of vehicle transfers are based on projections provided by major users of the RSPs. However, RSP volumes can change rapidly in a short period of time, as we have seen in the past.

Net cash flows from operations for the RSPs collectively are projected to be an overall outflow of \$43.0 million for calendar year **2017** as presented in detail in section 3.5. As indicated in the table

<sup>4</sup>RSP operating results do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of RSP written premium or vehicle counts as applicable – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member's own such ratio.



below, higher projected premium is the main driver of cash flow differences between the calendar year **2017 projection** and the calendar year **2016 projection for the Outlook** posted September 30, 2015. Should volumes increase less during 2017 than anticipated or indemnity payments prove higher than expected, net operating cash flows would be adversely impacted.

***Projection Summary – Calendar Year 2017 less 2016 Calendar Year per final 2016 Outlook***

**Calendar Year 2017 Net Operating Cashflow Projections (\$000s) less Calendar Year 2016 Net Operating Cashflow Projections (\$000s)**

	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>65,862</b>	<b>35,481</b>	<b>18,167</b>	<b>(1,197)</b>	<b>21</b>	<b>101,343</b>
<b>PAYs Paid Claims</b>						
paid indemnity	24,360	(14,745)	(2,477)	101	937	9,615
paid allowed claims expense	3,281	(1,054)	598	40	247	2,227
PAYs Paid Claims	27,641	(15,799)	(1,879)	141	1,184	11,842
<b>CAYs Paid Claims</b>						
paid indemnity	21,510	1,466	3,422	261	(439)	22,976
paid allowed claims expense	(296)	(34)	(28)	(3)	4	(330)
CAYs Paid Claims	21,214	1,432	3,394	258	(435)	22,646
<b>All AYs Paid Claims</b>						
paid indemnity	45,870	(13,279)	945	362	498	32,591
paid allowed claims expense	2,985	(1,088)	570	37	251	1,897
All AYs Paid Claims	48,855	(14,367)	1,515	399	749	34,488
<b>"Cash" Expenses</b>						
Member Expense Allowance	17,450	13,389	7,136	(376)	49	30,839
Administrative Expenses	304	192	183	(66)	2	496
"Cash" Expenses	17,754	13,581	7,319	(442)	51	31,335
<b>Net Operating Cash Flow</b>	<b>(747)</b>	<b>36,267</b>	<b>9,333</b>	<b>(1,154)</b>	<b>(779)</b>	<b>35,520</b>

***Projections for Calendar Year 2016***

As indicated in the table at the top of the next page, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the **Sep 30 2015 Outlook** and the **May 31 2016 Projection**, the latter of which includes the implementation of the 2015 Q3, Q4 and 2016 Q1 valuations, with the changes in operating result largely driven by the impact of the updated valuations on CORs.

*Calendar Year **2016** Sep 30 2015 Outlook vs updated May 31 2016 Projection*

\$000s	Outlook Posted September 30, 2015			Updated Year-end Projection		
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	267,744	(186,736)	169.8%	266,874	(126,569)	147.4%
Alberta Grid	142,134	(1,661)	101.2%	136,015	(54,562)	140.0%
Alberta non-Grid	90,738	(28,438)	131.4%	94,380	(31,747)	133.6%
New Brunswick	10,674	(2,391)	122.4%	10,067	1,072	89.4%
Nova Scotia	14,562	(5,538)	138.1%	14,677	(5,045)	134.4%
<b>TOTAL</b>	<b>525,852</b>	<b>(224,764)</b>	<b>142.8%</b>	<b>522,013</b>	<b>(216,850)</b>	<b>141.5%</b>

As indicated above and highlighted in the first section of the next table below, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the Sep 2015 Outlook and the May 2016 updated projection, the latter of which included the implementation of the 2015 Q3 & Q4 and 2016 Q1 valuations, driving the updated CORs.

In the table below, we attribute the overall **\$7.9 million** operating result **improvement** in our projection for calendar year 2016 to components:

- \$0.4 million deterioration to the change in earned premium (by multiplying the earned premium change by [1 - COR]);
- \$8.3 million improvement attributed to the change in COR (which is driven by changes in discount rates and margins, nominal changes in prior accident year claims liabilities, current accident year loss ratios, the next future accident year loss ratio impact on premium liabilities, and expenses).

***Changes in Projections for Calendar Year 2016***

\$000s	Total Change (Updated Year-end Projection less Outlook)			Change Attributed to Earned Premium Change		Change Attributed to COR Change	
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(870)	60,167	(22.4%)	(870)	607	59,560	(22.4%)
Alberta Grid	(6,119)	(52,901)	38.8%	(6,119)	73	(52,974)	38.8%
Alberta non-Grid	3,642	(3,309)	2.2%	3,642	(1,144)	(2,165)	2.2%
New Brunswick	(607)	3,463	(33.0%)	(607)	136	3,327	(33.0%)
Nova Scotia	115	493	(3.7%)	115	(44)	537	(3.7%)
<b>TOTAL</b>	<b>(3,839)</b>	<b>7,914</b>	<b>(1.3%)</b>	<b>(3,839)</b>	<b>(372)</b>	<b>8,286</b>	<b>(1.3%)</b>

Of the \$7.9 million<sup>5</sup> of operating result increase shown above, \$43.3 million is directly related to changes in the projection of claims incurred amounts as indicated in the following table, which is further broken down into the changes in the current and prior accident years.

<sup>5</sup> Changes in the projection of the current accident year incurred are impacted by changes in earned premium, hence the comparison to the overall change in operating result, rather than focusing on that component attributed to COR only.



***Changes in Claims Incurred Projections for Calendar Year 2016***

2016 Calendar Yr	Claims Incurred \$m			Current Accident Year Claims Incurred \$m			Prior Accident Year Claims Incurred \$m		
	May 31 2016 Projection	Sep 30 2015 Outlook	change	May 31 2016 Projection	Sep 30 2015 Outlook	change	May 31 2016 Projection	Sep 30 2015 Outlook	change
Ontario	276.4	355.2	(78.8)	348.3	376.7	(28.4)	(71.9)	(21.5)	(50.4)
Alberta Grid	141.4	102.1	39.3	114.3	109.6	4.7	27.1	(7.4)	34.5
Alberta Non-Grid	91.5	91.9	(0.4)	95.5	95.6	(0.1)	(4.1)	(3.7)	(0.3)
New Brunswick	5.4	8.7	(3.4)	8.4	9.1	(0.7)	(3.1)	(0.4)	(2.7)
Nova Scotia	14.7	14.6	0.0	15.3	15.3	(0.0)	(0.6)	(0.7)	0.1
<b>TOTAL</b>	<b>529.3</b>	<b>572.6</b>	<b>(43.3)</b>	<b>581.9</b>	<b>606.3</b>	<b>(24.5)</b>	<b>(52.6)</b>	<b>(33.8)</b>	<b>(18.8)</b>

Where our original projections of the 2016 CORs were above 100% (true for all RSPs), a lower projected earned premium generates a favourable change in operating result (i.e. all RSPs other than New Brunswick), whereas a higher projected earned premium generates an unfavourable change in operating result (i.e. Alberta Non-Grid and Nova Scotia). While this seems to suggest that “earned premium” drives results, this dynamic really reflects the view of earned premium as a proxy for earned exposure to claims (i.e. it really reflects changes in earned vehicle transfers increasing or decreasing).

What remains after adjusting for changes in earned premium is then due to changes in 2016 CORs. As indicated in the preceding tables, updated projections show improving 2016 CORs in all RSPs other than the two Alberta RSPs.

The key drivers of changes in COR are the selected ultimate loss ratios and the discount rates, updated with each valuation<sup>6</sup>. More information on the results of valuations and the associated impacts are available in the Actuarial Highlights for October 2015 (implementation of the 2015 Q3 valuation), March 2016 (implementation of the 2015 Q4 valuation), and May 2016 (implementation of the 2016 Q1 valuation).

Included in the valuation assumptions were updated selected discount rates, and the impact of any changes are reflected in the claims incurred changes indicated in the table at the bottom of the prior page. The selected discount rates have decreased from those selected with the 2015 Q2 valuation (the basis for the 2016 Final Outlook), resulting in an increase in the actuarial liabilities and having an unfavourable impact on the projected operating results for calendar year 2016, accounting for an estimated \$16.5 million of unfavourable operating result change overall (see table at the top of the next page). As there have been no changes to margins for adverse deviations (MfADs) for either investment return or claims development relative to the 2015 Q2 valuation, there is no associated impact.

***Estimated 2016 Operating Result Impact from Discount Rate Changes***

RSP	2016 Final Outlook	This Outlook	Est. Impact Discount Rate	Est. Impact MfAD Chg
Ontario	1.19%	0.81%	-\$12.2 million	\$0.0 million

<sup>6</sup> Changes to selected margins for adverse deviation at a valuation would also have an impact on the results – however, selected margins do not typically change with each valuation.

RSP	2016 Final Outlook	This Outlook	Est. Impact Discount Rate	Est. Impact MfAD Chg
Alberta Grid	0.93%	0.65%	-\$2.2 million	\$0.0 million
Alberta Non-Grid	0.97%	0.68%	-\$1.6 million	\$0.0 million
New Brunswick	0.90%	0.63%	-\$0.2 million	\$0.0 million
Nova Scotia	0.90%	0.61%	-\$0.3 million	\$0.0 million
<b>TOTAL</b>			<b>-\$16.5 million</b>	<b>\$0.0 million</b>

Source: Estimated from Interest Rate Sensitivity Tables found in the May 2016 Actuarial Highlights

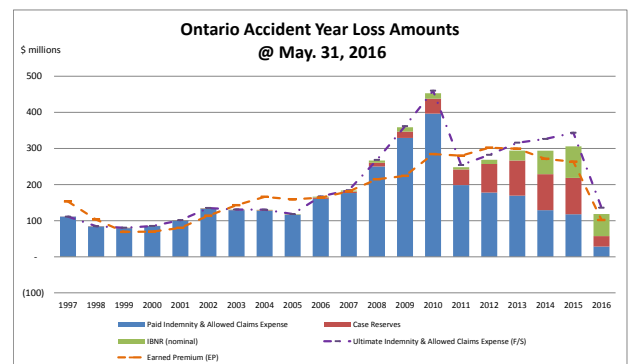
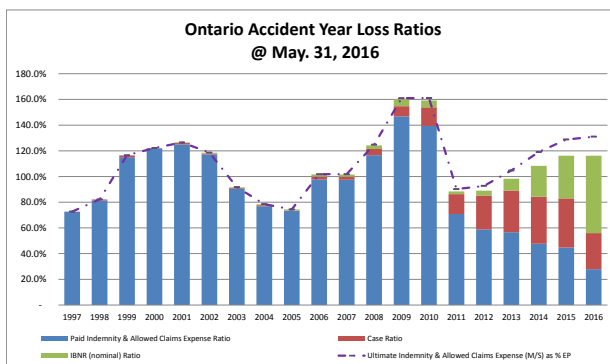
## 2.2 Outlook Purpose and Projection Uncertainty

This Outlook was prepared for the Member companies of Facility Association to assist them in estimating their share of RSP results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

Unless specifically noted in this document, no explicit provision has been made for causes of loss which are not already reflected in the historical data, nor for otherwise unforeseen changes to the legal or economic environment in which claims are settled, including changes in the interpretation of existing legislation or regulation on matters currently before the courts.

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.**

The historical loss ratios for the Ontario RSP (left chart below) provide a good example of the potential cyclical volatility of the RSPs and the speed with which loss ratios can deteriorate or improve between accident years. Dollar amount of volume changes are provided in the right chart below.



## 2.3 Definitions and Presentation

### Accounting Periods

- Calendar Year 2015: actual results for 12 months ending December 31, 2015.

- Calendar Year 2016: actual results for 5 months ending May 31, 2016, plus projected results for 7 months ending December 31, 2016.
- Calendar Year 2017: projected results for 12 months ending December 31, 2017.

### ***Definitions***

- Claim Liabilities are made up of case reserves and provision for Incurred but not Recorded claims amounts (“IBNR”).
- Premium Liabilities are made up of unearned premiums, and Premium Deficiency Reserves or Deferred Policy Acquisition Costs (“DPAC”) as applicable.
- Policy Liabilities are comprised of claim liabilities and premium liabilities.
- Actuarial Present Value Adjustments include the recognition of the time value of money and includes explicit provisions for adverse deviations (“PFAD”) as applicable.
- Actuarial Provisions encompass all claim liabilities other than case reserves, and all premium liabilities other than unearned premiums. As such, they include IBNR, and premium deficiency/(DPAC) as applicable.
- (Calendar Period) Claims Incurred are computed as the sum of calendar period paid claims amounts and calendar period changes in claim liabilities. While the majority of claims adjustment expenses are included in the Expense Allowances paid to member companies, there are allowed amounts in addition to the level included in the allowance. These amounts are shown as “paid expenses” in Monthly Operational Reports and are included with paid indemnity for valuation purposes, and for presentation of Operating Results.

### ***Data Sources & Related Valuations***

- Actual results are taken from Operational Reports up to and including the month of May 2016. The May 2016 Operational Report reflects the results of recent valuations as at March 31, 2016 as described in the May 2016 Actuarial Highlights.
- Projected results for the months of June 2016 and July 2016 are the projections reflected in the May 2016 Operational Reports, and are based on assumptions derived for this purpose from the valuations at March 31, 2016 and other information.
- Projected results for the months of August 2016 through December 2017 are also based on assumptions derived for this purpose from the valuations as at March 31, 2016 and other information, extended to encompass calendar year 2017.

### ***Format***

The Outlook presentation of Operating Results is consistent with the “Summary of Operations” exhibits attached to monthly bulletins to Members.

- “Claims Incurred” are divided between amounts pertaining to prior accident years, and those pertaining to the current accident year.
- “Claims Incurred” are further divided between nominal (i.e. “undiscounted”) incurred claims, and calendar period changes in the effect of actuarial present value adjustments (i.e. “discounting”). As our claims liabilities are estimated on a “best estimate” basis, there are no

nominal incurred amounts projected for prior accident years. The effect of actuarial present value adjustments include the “unwinding” or “release” of the actuarial present value adjustments as claims payments are made, the addition of the actuarial present value adjustments pertaining to increases in claim liabilities, and changes in discount rate and margins for adverse deviations, if any.

- “Change in Premium Deficiency / (Deferred Policy Acquisition Costs)” is divided between the change in the nominal (or “undiscounted”) premium deficiency / (deferred policy acquisition costs), and calendar period changes in the effect actuarial present value adjustments (“discounting”) akin to those in relation to claims liabilities.
- The “Net Result from Operations” excludes costs incurred directly by Members (e.g. premium tax, health levies, association dues), and any investment income that Member companies might earn on assets they hold in support of their RSP liabilities.
- “Ratios” are expressed relative to calendar period earned premiums, unless otherwise indicated.

### 3. Basis for Projections

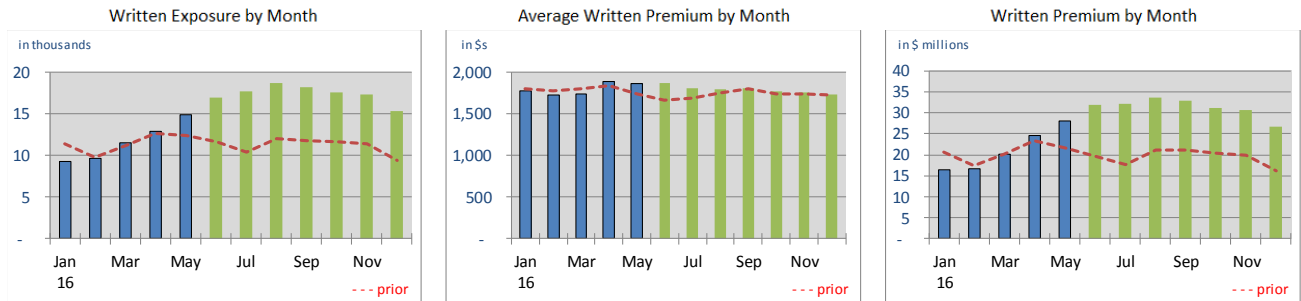
The commentary that follows describes the basis for projecting premiums, claims amounts, and expenses, and provides summaries of key assumptions. Exhibit A in Section 4 provides additional detail regarding these assumptions.

#### 3.1 Premiums

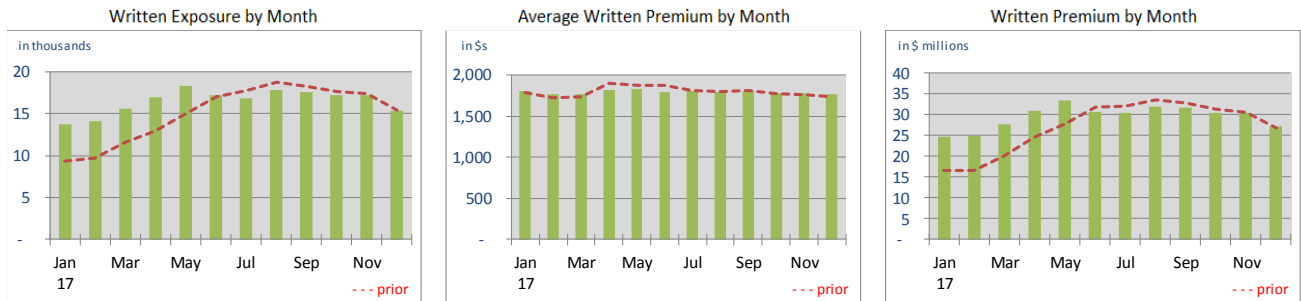
For each RSP, a model has been established to project by month the number of (annualized) vehicles being transferred to the pools and to project the associated average written premium (with projected premium being the product of these two). The projection model for each RSP considers the largest member company groups individually and sums the results of the projections at the member company group level (with an “all other” catch all). Select individual large member company groups were provided with their own results by RSP to populate with their own projections. The final projections leverage this detailed projection information, as well as additional insight provided by member company project managers to Facility Association Member Services Staff and by Facility Association management’s judgment otherwise.

Summaries of the projections are provided below for 2016 and 2017. In the charts, blue columns are actuals and green are projections. The dotted red line represents the values from the prior year. *Please take careful note of the scale in each chart, as we modify the scale to best fit the information being presented.*

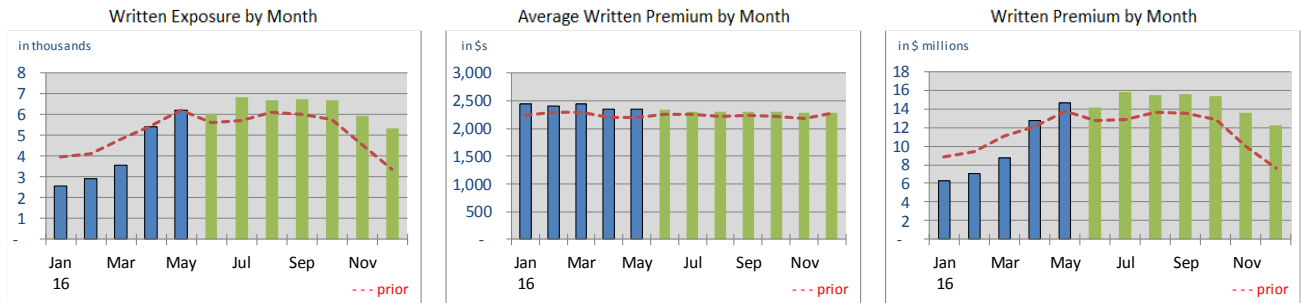
**Ontario 2016**    projected count **180,347**; approximate maximum that could be transferred: 352,000



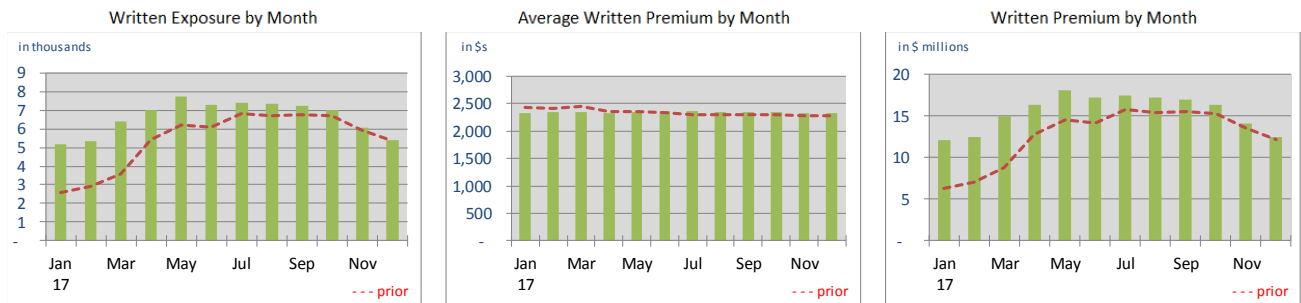
**Ontario 2017**    projected count **197,814**; approximate maximum that could be transferred: 352,000



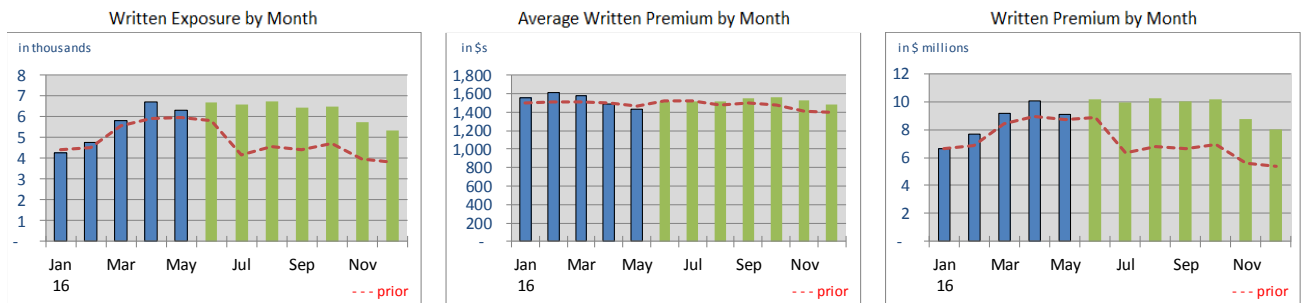
**Alberta Grid 2016**      *projected count 65,044; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 168,000 in 2014)*



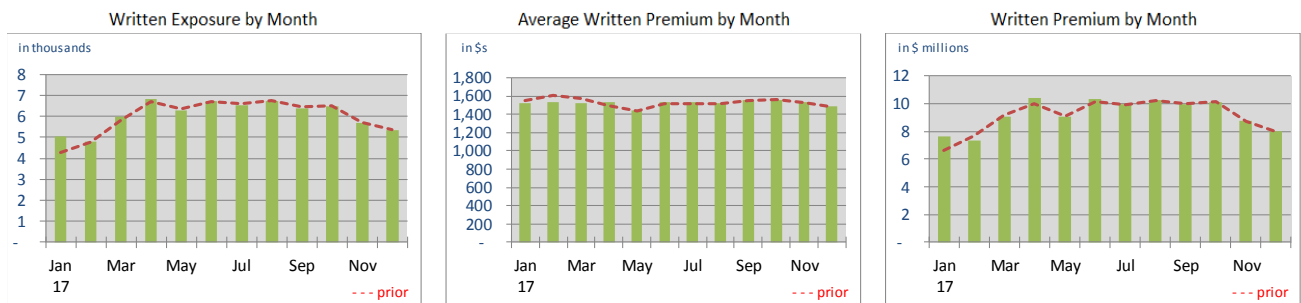
**Alberta Grid 2017**      *projected count 79,317; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating– approximately 168,000 in 2014)*



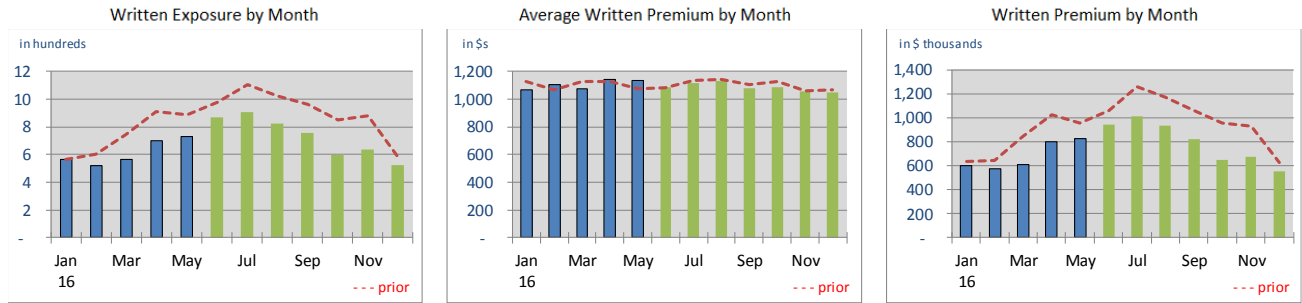
**Alberta Non-Grid 2016**      *projected count 71,982; approximate maximum that could be transferred: 96,000*



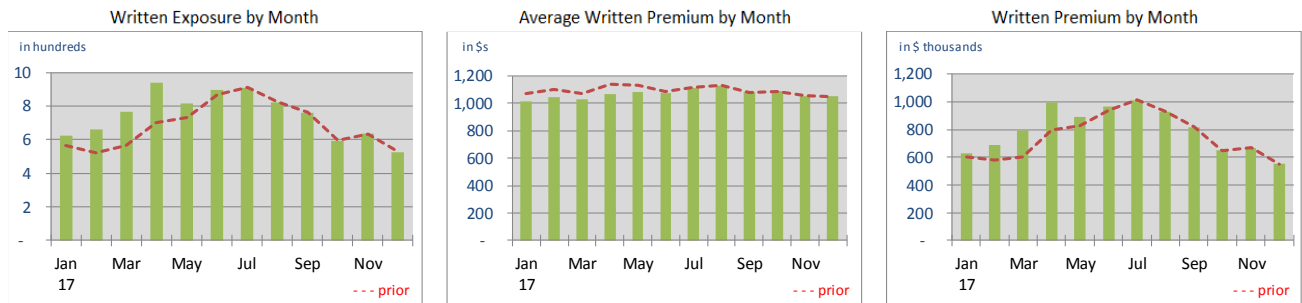
**Alberta Non-Grid 2017**      *projected count 72,775; approximate maximum that could be transferred: 96,000*



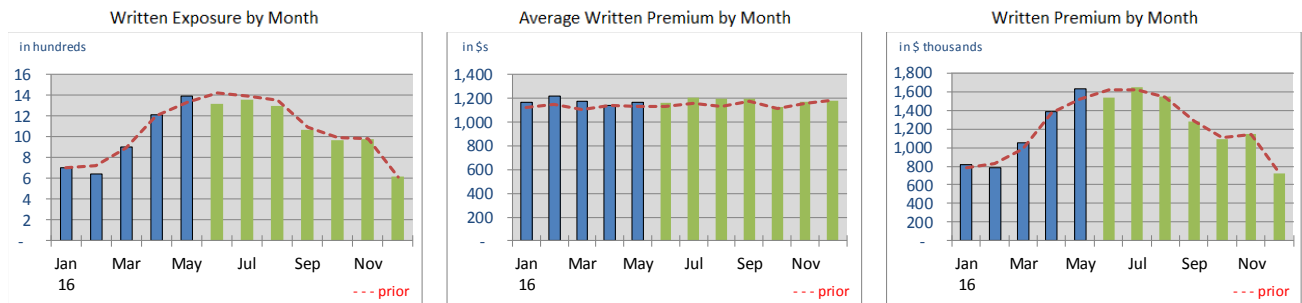
***New Brunswick 2016***      *projected count 8,202; approximate maximum that could be transferred: 38,000*



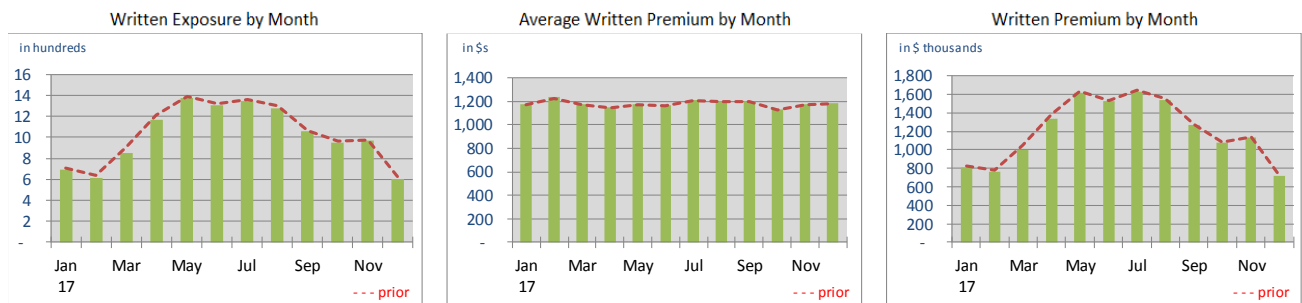
***New Brunswick 2017***      *projected count 8,948; approximate maximum that could be transferred: 38,000*



***Nova Scotia 2016***      *projected count 12,454; approximate maximum that could be transferred: unknown (based on number of risks deemed "inexperienced")*



***Nova Scotia 2017***      *projected count 12,210; approximate maximum that could be transferred: unknown (based on number of risks deemed "inexperienced")*



Monthly earned premium was projected based on the known duration of the current unearned premium and from projected written premium based on the estimated average duration of policies.

The following table summarizes the 2017 projected written and earned premium, and the change in



both related to the current projection for 2016.

Calendar Year 2017 Premium Comparisons (Amounts in \$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2017 Written Premium	354,736	185,960	110,913	9,595	14,415	675,619
Change from 2016	29,816	34,450	1,111	602	(231)	65,748
% Change from 2016	9.2%	22.7%	1.0%	6.7%	(1.6%)	10.8%
2017 Earned Premium	350,202	180,397	111,638	9,667	14,528	666,432
Change from 2016	83,328	44,382	17,258	(400)	(149)	144,419
% Change from 2016	31.2%	32.6%	18.3%	(4.0%)	(1.0%)	27.7%

### 3.2 Claims Amounts

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at March 31, 2016. As per the Facility Association’s regular process, key elements of the valuations were reviewed with the Actuarial Committee, and presented to, and discussed with, the Audit & Risk Committee. The results were reflected in the May 2016 Operational Reports and discussed in the associated Actuarial Highlights.

For accident year (“AY”) 2017, the estimated nominal loss ratios reflected in the RSP Outlook are “a priori” or “expected” loss ratios modeled based on the December 31, 2015<sup>7</sup> valuation selections of ultimate claims incurred, augmented with updated estimated impacts of historical changes in average earned premium (particularly that attributed to rate changes), and historical claims amount levels (including loss cost trends and product reforms). It is important to note that 2017 is built from the 2016 a priori loss ratio – **not** from the current selected ultimate loss ratio for accident year 2016. The a priori loss ratios are estimated at the coverage level and summed to arrive at the all coverages level.

a priori (aka "expected") Loss Ratio Comparisons						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Accident Year 2016 a priori LR	115.0%	77.7%	94.6%	77.1%	93.8%	<i>intentionally left blank</i>
divide by ep factor	0.981	1.024	1.019	1.011	1.038	
multiply by clms factor	1.011	1.028	1.029	1.023	1.021	
multiply by rounding correction	1.000	1.000	1.000	1.000	1.000	
Accident Year 2017 a priori LR	118.5%	78.0%	95.5%	78.0%	92.3%	

For the sake of brevity in presentation, we’ve included a single table displaying the accident year loss ratios used in the projections, as well as charts showing loss ratios by accident half-year, rolled up to the government line and total levels (a priori loss ratio selections are made at the coverage and accident half-year level).

<sup>7</sup> The a priori loss ratios are derived at the start of the valuation process, prior to updating for current actual results. The ultimates used for this process are based on the most recently completed “full” valuations (i.e. ending December 31 and June 30). Hence, the a priori loss ratios used for the March 31, 2016 valuation reflect selections of ultimate from the December 31, 2015 valuation for all RSPs.



*Selected Loss Ratios – table 1*

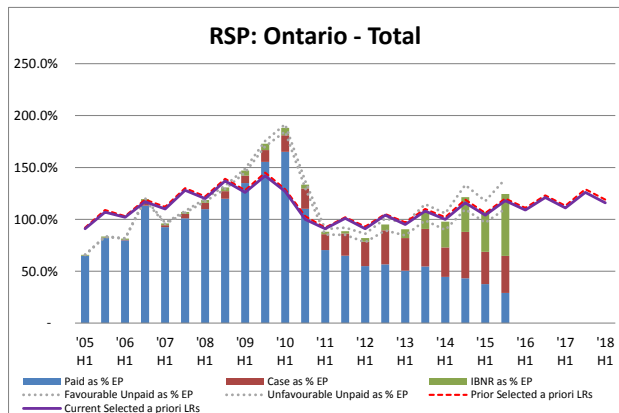
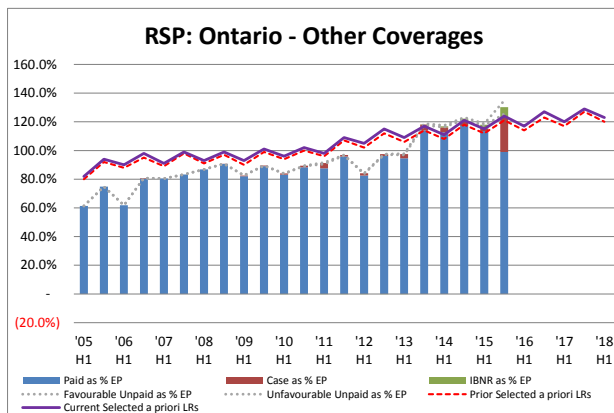
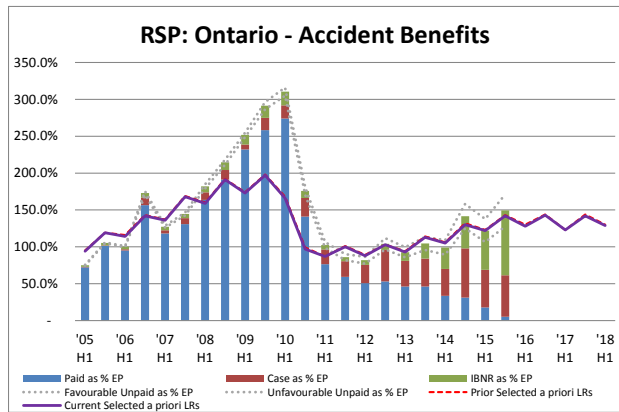
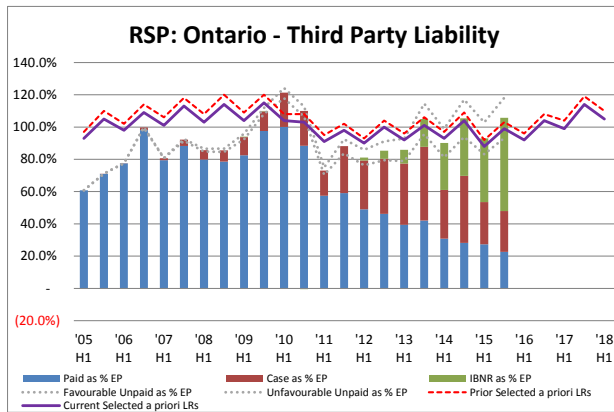
Loss Ratios Accident Year	RSP ON			RSP AB Grid			RSP AB Non-Grid		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
1993	92,972	105,012	113.0%	-	-	-	-	-	-
1994	200,791	207,668	103.4%	-	-	-	-	-	-
1995	235,451	209,024	88.8%	-	-	-	-	-	-
1996	197,412	163,943	83.0%	-	-	-	-	-	-
1997	152,922	111,220	72.7%	-	-	-	-	-	-
1998	103,106	84,660	82.1%	-	-	-	-	-	-
1999	68,831	80,206	116.5%	-	-	-	-	-	-
2000	69,659	85,139	122.2%	-	-	-	-	-	-
2001	80,047	101,202	126.4%	-	-	-	-	-	-
2002	113,770	134,808	118.5%	-	-	-	-	-	-
2003	142,680	130,645	91.6%	-	-	-	-	-	-
2004	165,860	129,983	78.4%	47,289	24,419	51.6%	558	1,948	349.1%
2005	158,965	118,100	74.3%	268,327	158,283	59.0%	24,923	23,561	94.5%
2006	163,889	166,529	101.6%	298,765	197,940	66.3%	73,870	63,778	86.3%
2007	180,957	183,676	101.5%	308,227	215,660	70.0%	70,465	71,974	102.1%
2008	214,486	266,657	124.3%	287,816	192,716	67.0%	76,381	77,924	102.0%
2009	224,095	358,522	160.0%	259,277	157,369	60.7%	71,795	67,937	94.6%
2010	284,366	452,577	159.2%	219,035	133,962	61.2%	72,937	61,943	84.9%
2011	280,095	247,822	88.5%	200,107	133,399	66.7%	78,509	65,583	83.5%
2012	301,959	268,584	88.9%	183,223	135,434	73.9%	77,274	79,296	102.6%
2013	299,219	294,268	98.3%	146,821	111,819	76.2%	81,131	80,982	99.8%
2014	271,048	293,548	108.3%	144,717	121,219	83.8%	84,048	93,726	111.5%
2015	263,202	305,836	116.2%	146,979	129,194	87.9%	89,992	90,812	100.9%
2016			116.3%			78.6%			95.7%
2017			118.5%			78.0%			95.5%
2018			124.0%			79.5%			97.5%
	exp allowance:	future service cost:		exp allowance:	future service cost:		exp allowance:	future service cost:	
prem liab (FY2016)	30.0%	0.23%		30.1%	0.27%		30.1%	0.50%	
prem liab (FY2017)	30.0%	0.23%		30.1%	0.27%		30.1%	0.50%	

*Selected Loss Ratios – table 2*

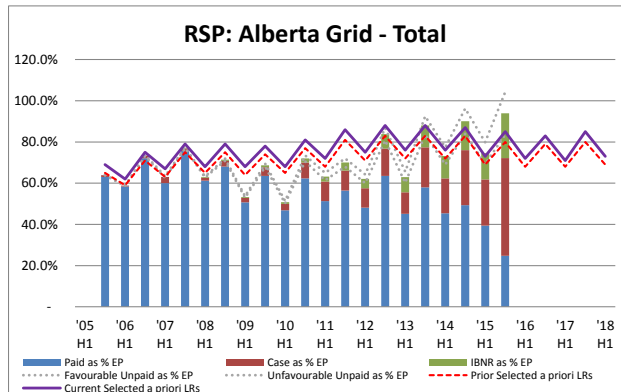
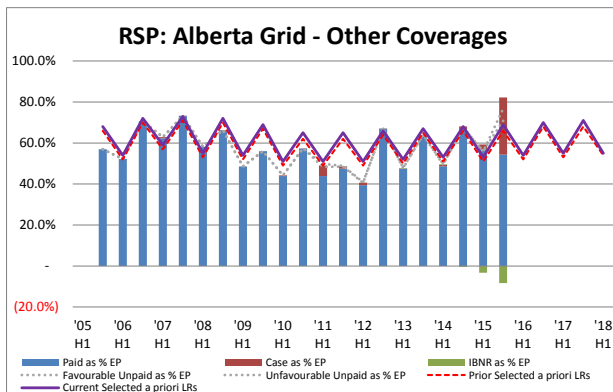
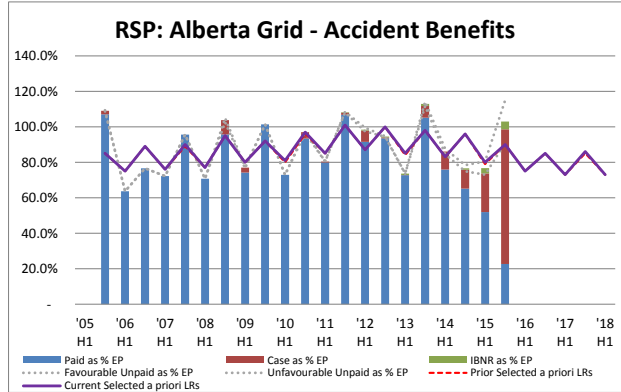
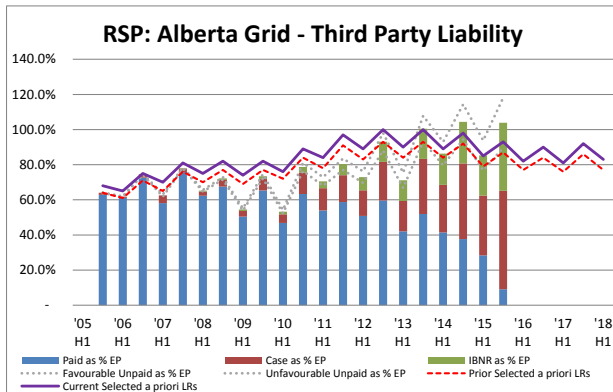
Loss Ratios Accident Year	RSP NB			RSP NS		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
2005	4,932	4,145	84.0%	-	-	-
2006	11,215	5,974	53.3%	-	-	-
2007	12,451	8,750	70.3%	2,057	1,116	54.3%
2008	12,180	9,115	74.8%	10,620	7,377	69.5%
2009	13,459	10,471	77.8%	14,065	9,007	64.0%
2010	11,901	7,341	61.7%	14,455	10,864	75.2%
2011	10,011	8,788	87.8%	12,313	11,262	91.5%
2012	10,056	5,045	50.2%	13,197	13,383	101.4%
2013	10,416	6,864	65.9%	13,793	12,380	89.8%
2014	9,575	6,972	72.8%	13,194	11,284	85.5%
2015	10,290	7,673	74.6%	14,105	12,473	88.4%
2016			78.3%			95.2%
2017			78.0%			92.3%
2018			79.0%			93.3%

	exp allowance:	future service cost:	exp allowance:	future service cost:
prem liab (FY2016)	35.2%	2.80%	34.8%	1.85%
prem liab (FY2017)	35.2%	2.80%	34.8%	1.85%

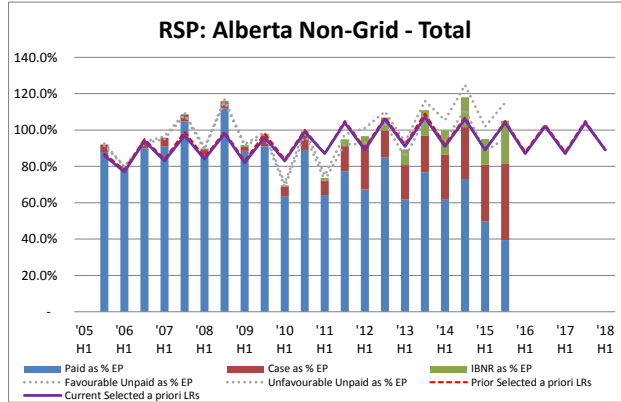
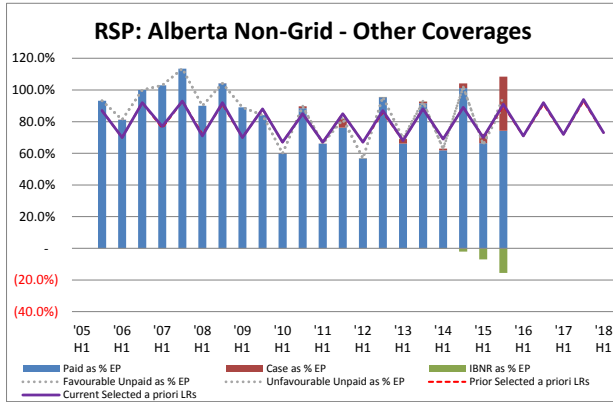
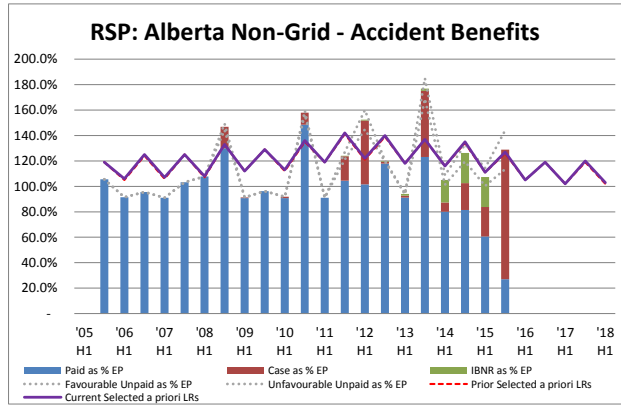
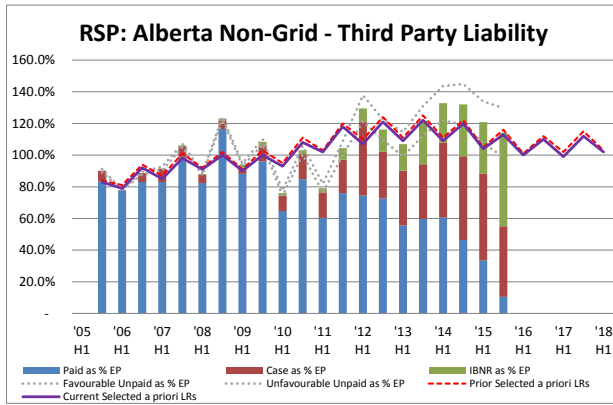
*Ontario – Actual and a priori Loss Ratios*



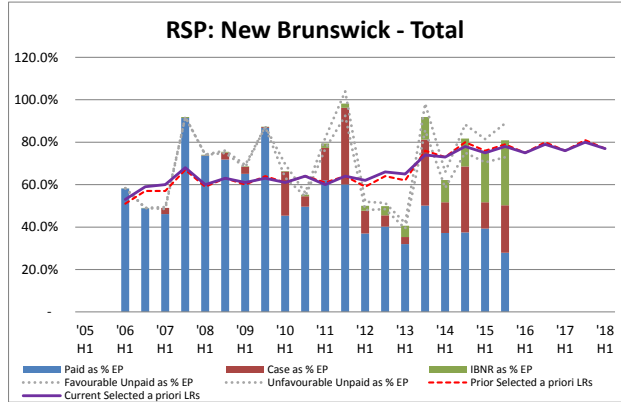
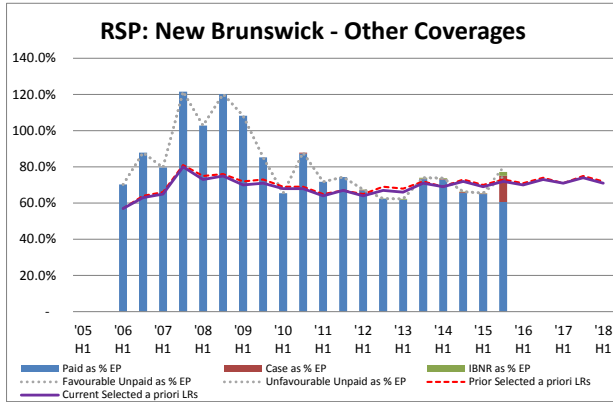
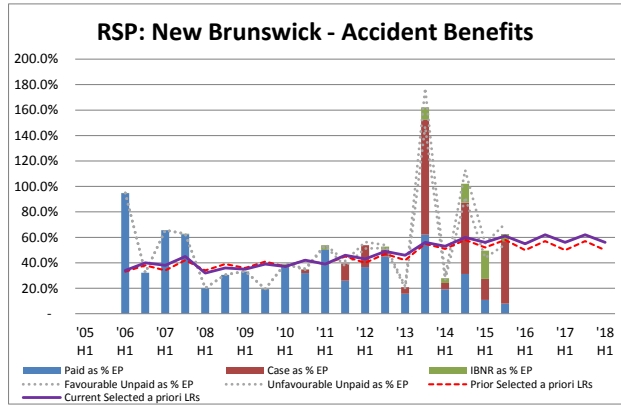
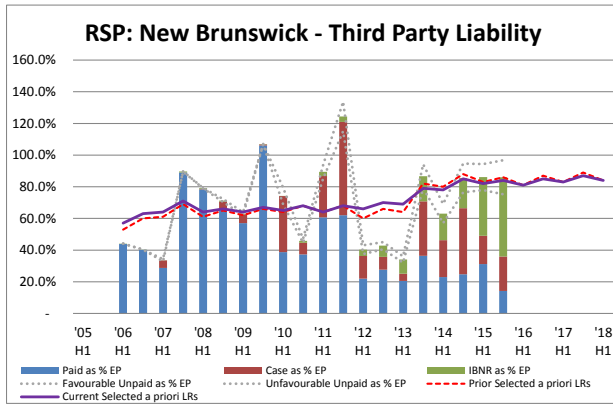
*Alberta Grid – Actual and a priori Loss Ratios*



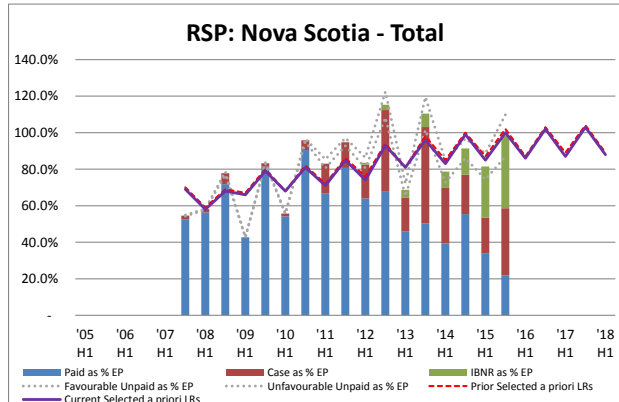
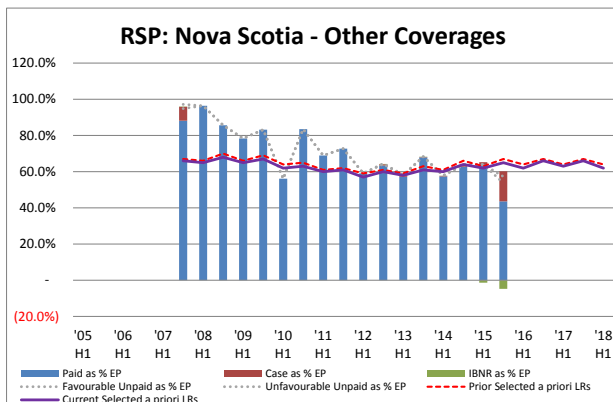
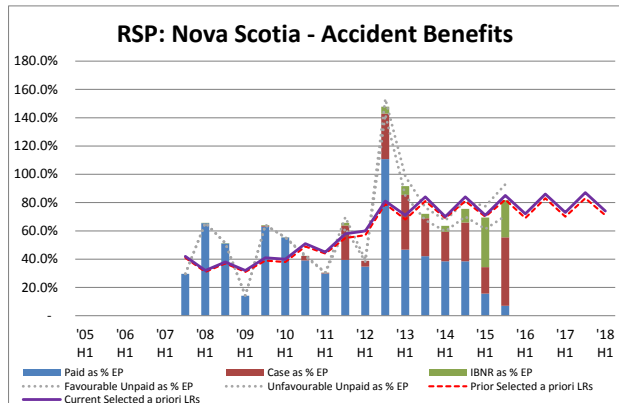
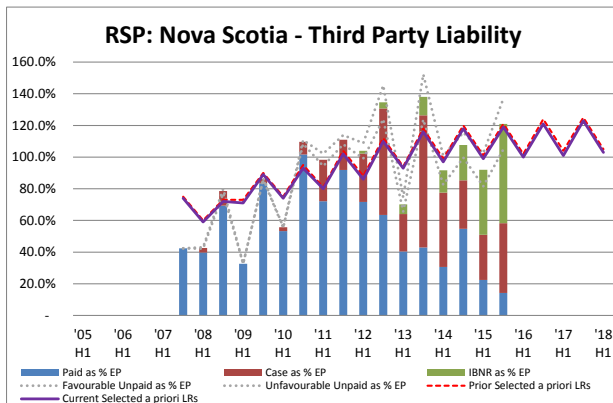
*Alberta Non-Grid – Actual and a priori Loss Ratios*



*New Brunswick – Actual and a priori Loss Ratios*



*Nova Scotia – Actual and a priori Loss Ratios*



The operating results for calendar year 2016 include actual development on accident years 2015 and prior incurred claims amounts, up to and including activity in the month of May 2016. No further nominal development (favourable or unfavourable) is projected for the remainder of the calendar year (actuarial present value adjustments are expected to change as nominal claims liabilities are unwound with claims settlement). Similarly, no nominal prior accident year development is projected during calendar year 2017, but actuarial present value adjustment changes are projected to occur as claims liabilities are unwound. The discount rates and margins for adverse development are unchanged throughout the projection period.

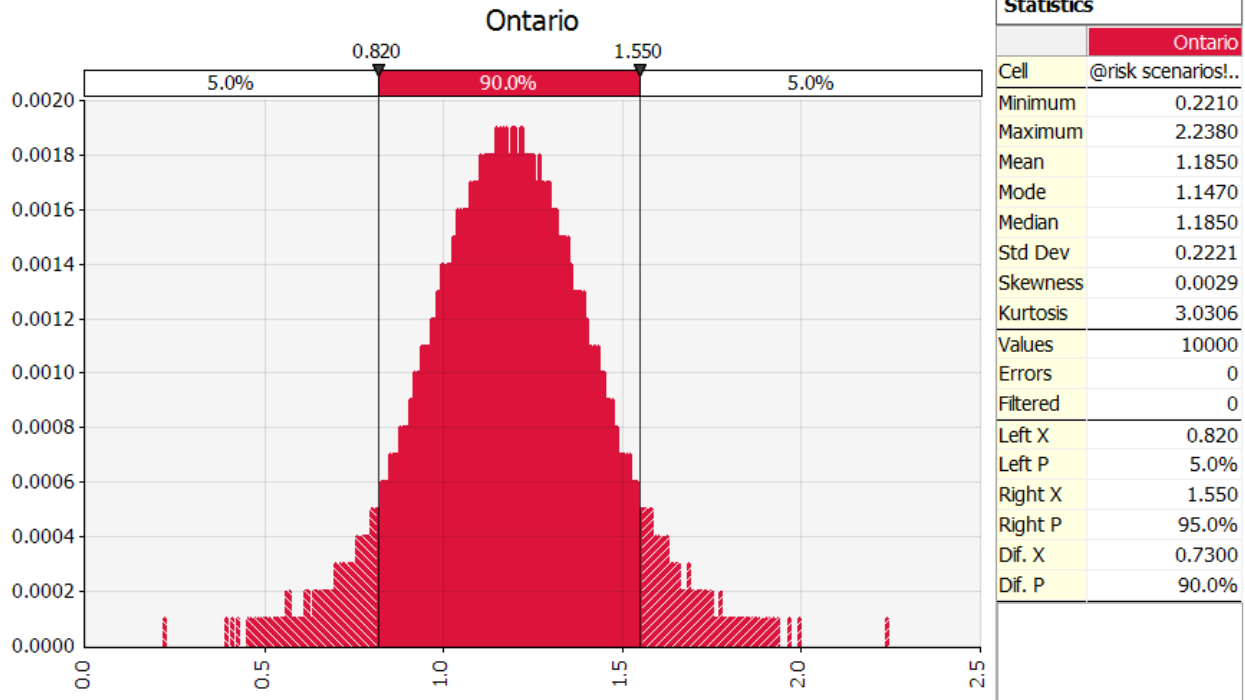
### 3.3 Simulated 2017 Accident Year Nominal Loss Ratio

The overall “normal course” nominal loss ratio for accident year 2017 for each RSP could be modelled using a normal distribution with a mean set at the a priori loss ratio and standard deviations<sup>8</sup> based on our a priori loss ratios (indemnity only) by accident half for 2004-2015 put on-level, and smoothed. This would not necessarily take into account “stress” events and users are strongly urged to consider “stress” scenarios in addition to these “normal course” simulated loss ratios. Further, this assumes that the baseline a priori estimates will prove to be the “best estimate” loss ratio for accident year 2017 – this estimate may change over time due to modelling differences and changes in historical loss ratios etc. that are used to derive this estimate.

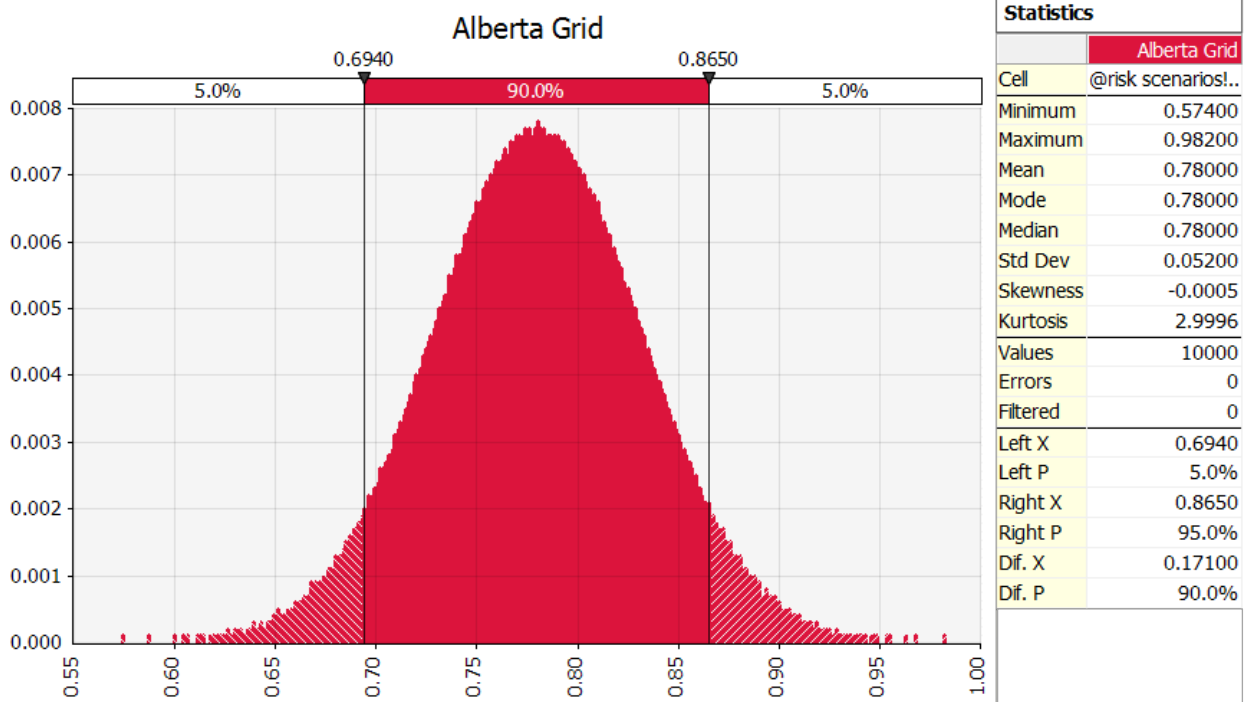
<sup>8</sup>These standard deviations are estimated from on-level a priori loss ratios for each RSP under “base line” assumptions – not “stressed” assumptions.

The loss ratio modeling by RSP for accident year 2017 is presented below based on latin hypercube sampling (10,000 samples) using @risk simulation software.

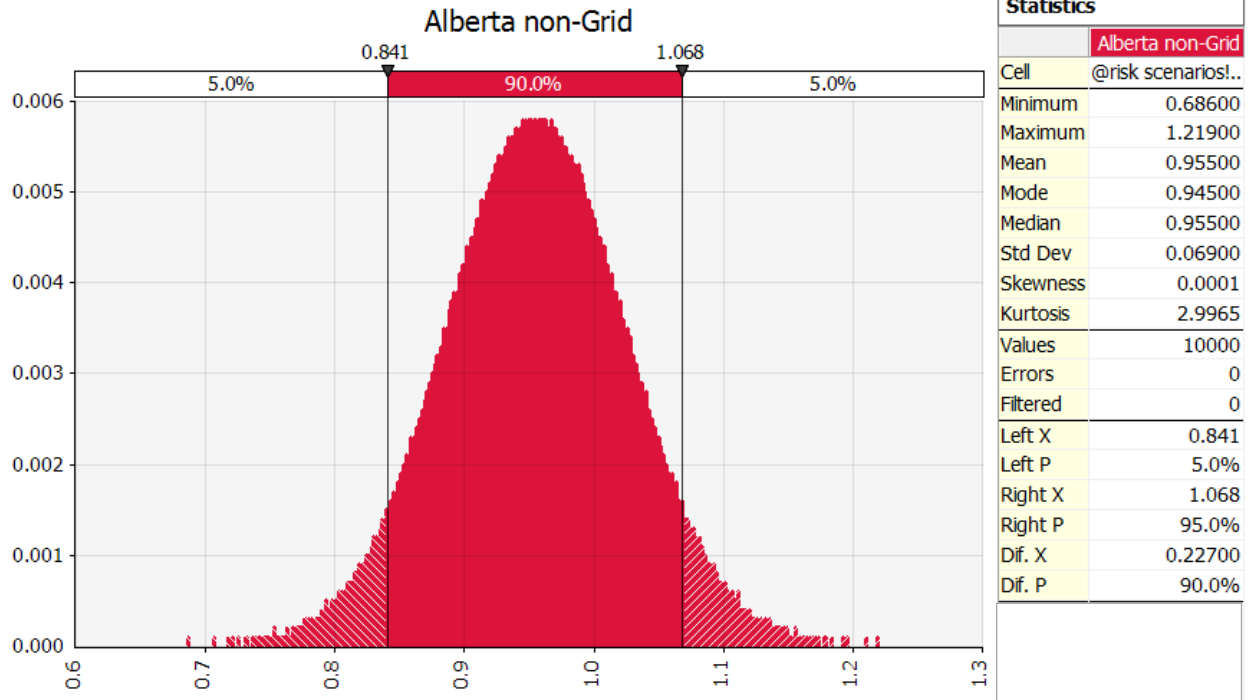
**Projection Summary – Ontario RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)**



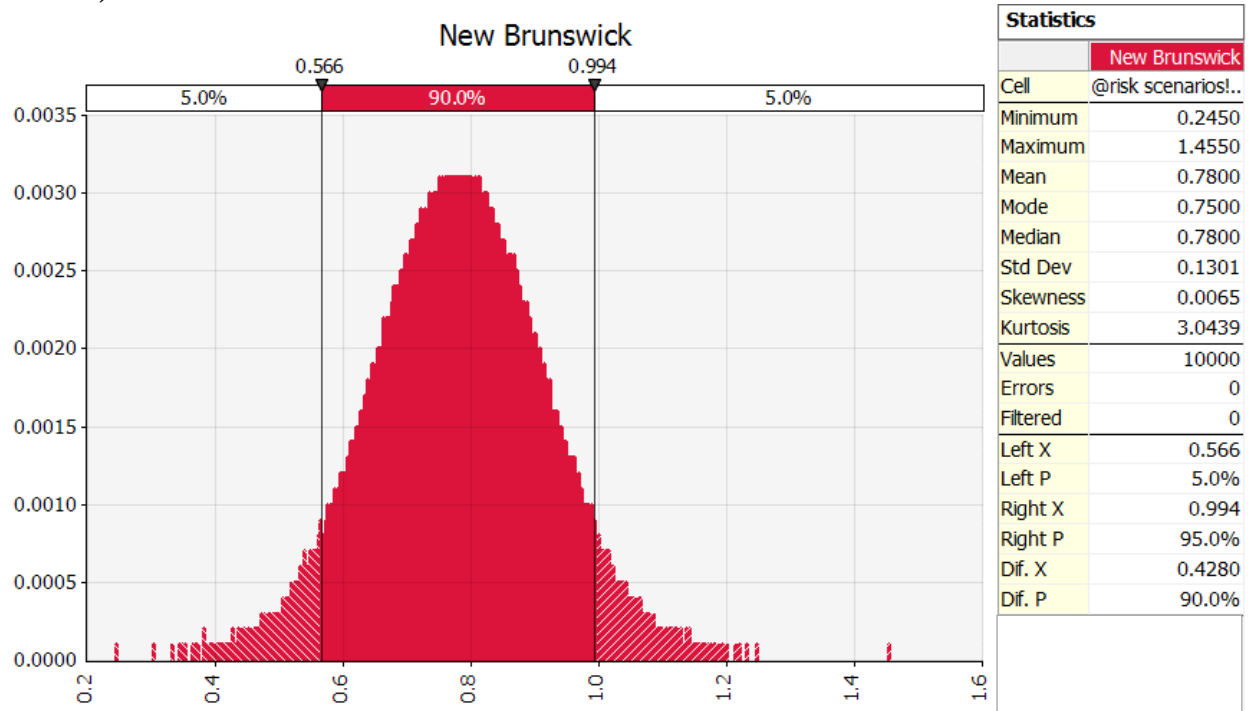
**Projection Summary – Alberta Grid RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)**



**Projection Summary – Alberta Non-Grid RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)**

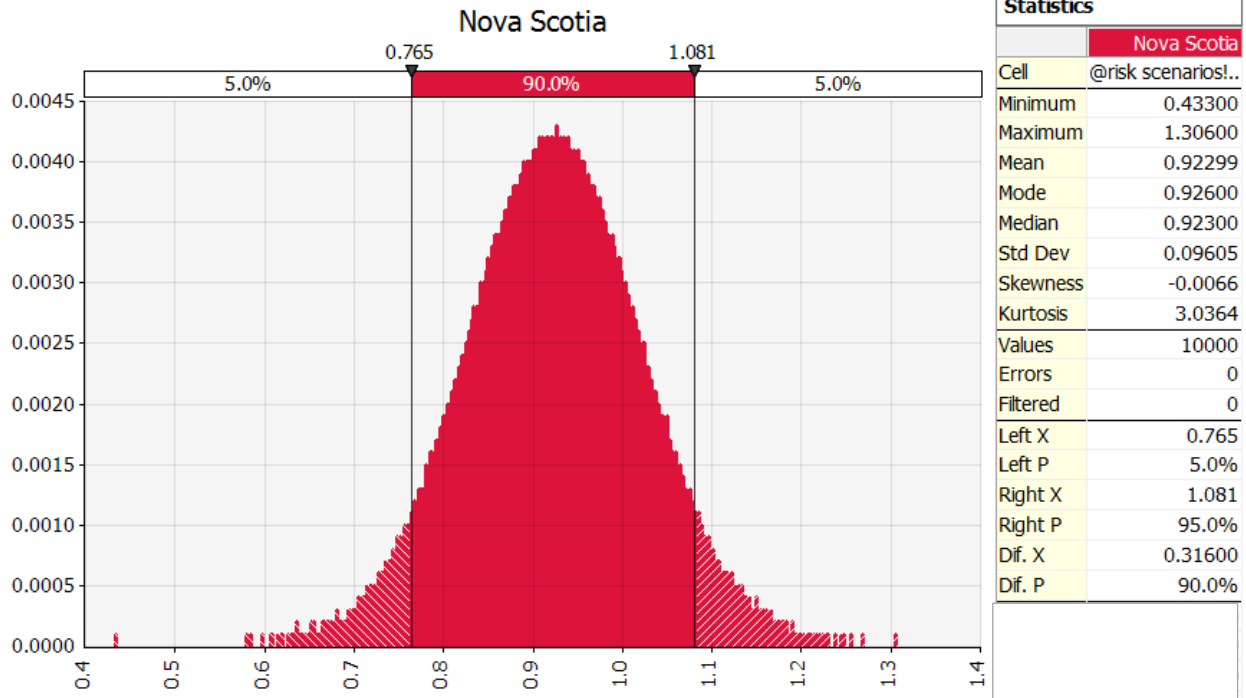


**Projection Summary – New Brunswick RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)**





**Projection Summary – Nova Scotia RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)**



The above histograms of simulated results for the RSPs' 2017 accident year nominal loss ratios were based on simulated (generated) loss ratios assuming the base line loss ratios and associated standard deviations as presented in the next table.

**Projection Summary – Accident Year 2017 Nominal Loss Ratio – Generator Assumptions**

Facility Association

a priori LRs - distribution estimates

for valuation: **Mar 31, 2016**

RSP: **ALL**

Amounts in: **\$1,000s**

Projection:	From Projection			From a priori Model		Scenario Claims	
	EP	CAY Loss Ratios (nominal)	CAY claims	Loss Ratio CV	estimated Loss Ratio std dev	generated claims	generated Claims Ratio
Ontario	325,764	118.5%	386,030	18.7%	22.2%	386,030	118.5%
Alberta Grid	141,392	78.0%	110,286	6.7%	5.2%	110,286	78.0%
Alberta non-Grid	100,259	95.5%	95,747	7.2%	6.9%	95,747	95.5%
New Brunswick	11,284	78.0%	8,802	16.7%	13.0%	8,802	78.0%
Nova Scotia	14,356	92.3%	13,251	10.4%	9.6%	13,251	92.3%

Please see section 3.2 for a priori loss ratios and associated charts by RSP.

### 3.4 Expenses

Expense allowances are the amounts paid to Members as a percentage of (written) premiums transferred to an RSP, in respect of commissions and other underwriting expenses, as well as claims adjustment expenses. The expense allowance ratios applied to the estimated premiums transferred during calendar year 2017 were selected as follows:

- **Ontario RSP.** The expense allowance ratios vary by Member, subject to a maximum, with the calendar year 2016 maximum communicated to Members in Bulletin F15-063 and the calendar year 2017 maximum is assumed to be unchanged from calendar year 2016 for the purposes of this Outlook (the final 2017 maximum will be determined by the FA Board later in 2016).
- **Other RSPs.** The calendar year 2016 ratios are those approved by Facility Association for calendar year 2016, as communicated to Members in Bulletins F15-064 (New Brunswick), F15-065 (Nova Scotia), and Bulletin F15-080 (Alberta). The levels for calendar year 2017 are assumed to be unchanged from calendar year 2016 for the purposes of this Outlook (the final 2017 ratios will be determined by the FA Board later in 2016).

Calendar year 2017 changes in premium deficiency / (deferred policy acquisition costs) are estimated by applying loss ratios and future servicing cost ratios to the starting and ending projected unearned premiums. The underlying premium deficiency ratios were derived on the basis of the expected loss ratios for accident year 2016, 2017, and 2018 as applicable, and expected future servicing costs estimated at the rate of 50% of administration expenses. Where the sum of these ratios was less than 100% (i.e. thus giving rise to an asset rather than a liability), the asset value was capped on the basis of the expense allowance ratio.

Administration Expenses for calendar year 2017 were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years.

Calendar Year 2017 Expense Ratio Projections						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Expense Allowance (% WP)	30.0%	30.1%	30.1%	35.2%	34.8%	30.2%
Administrative Expense (% WP)	0.5%	0.5%	1.0%	5.6%	3.7%	0.7%
prem def / (dpac) (% UP)	41.1%	(13.2%)	5.8%	(10.4%)	5.6%	n/a

### 3.5 Operating Cash Flows

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$43.0 million for calendar year **2017** as presented in the table at the top of the next page. Higher projected premium, partially offset by higher premium-related expenses and higher claims payments are the main drivers of the difference between the calendar year **2017** projection and the calendar year **2016** projections. Should volumes not increase during 2017 as anticipated or indemnity payments prove higher than expected, net operating cash flows would be adversely impacted.

**Projection Summary – Calendar Year 2017 – Operating Cashflow**

Calendar Year 2017 Net Operating Cashflow Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>354,736</b>	<b>185,960</b>	<b>110,913</b>	<b>9,595</b>	<b>14,415</b>	<b>540,696</b>
<b>PAYs Paid Claims</b>						
paid indemnity	179,719	62,579	38,114	3,553	6,858	242,298
paid allowed claims expense	24,199	5,533	2,929	257	464	29,732
PAYs Paid Claims	203,918	68,112	41,043	3,810	7,322	272,030
<b>CAYs Paid Claims</b>						
paid indemnity	104,764	40,643	41,455	3,799	4,607	145,407
paid allowed claims expense	1,058	163	125	8	19	1,221
CAYs Paid Claims	105,822	40,806	41,580	3,807	4,626	146,628
<b>All AYs Paid Claims</b>						
paid indemnity	284,483	103,222	79,569	7,352	11,465	387,705
paid allowed claims expense	25,257	5,696	3,054	265	483	30,953
All AYs Paid Claims	309,740	108,918	82,623	7,617	11,948	418,658
<b>"Cash" Expenses</b>						
Member Expense Allowance	106,422	55,972	33,384	3,378	5,017	162,394
Administrative Expenses	1,633	1,003	1,109	536	534	2,636
"Cash" Expenses	108,055	56,975	34,493	3,914	5,551	165,030
<b>2017 Net Operating Cash Flow</b>	<b>(63,059)</b>	<b>20,067</b>	<b>(6,203)</b>	<b>(1,936)</b>	<b>(3,084)</b>	<b>(42,992)</b>
<b>2016 Net Operating Cash Flow</b>						
Sep 30, 2015 Outlook	(62,312)	(16,200)	(15,536)	(782)	(2,305)	(78,512)
May 31, 2016 Projection	(57,323)	(6,800)	(9,928)	(1,765)	(795)	(64,124)

Operating cash flows are settled with members monthly based on their premium / claims payments transferred to the RSPs and for shares by accident year of the overall cash flows.

#### **4. EXHIBITS**

The exhibits listed below are provided on the pages that follow:

**EXHIBIT A Key Assumptions (counts, premium, loss ratios)**

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

**EXHIBIT B RSP Outlook – Summary of Operations**

- B-1 Ontario
- B-2 Alberta Grid
- B-3 Alberta Non-Grid
- B-4 New Brunswick
- B-5 Nova Scotia

**EXHIBIT C RSP Outlook – Projected Policy Liabilities**

- C-1 Ontario
- C-2 Alberta Grid
- C-3 Alberta Non-Grid
- C-4 New Brunswick
- C-5 Nova Scotia

Exhibit A-1

Key Assumptions - Ontario RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2015	135,802	1,760	239,006	262,567	(2.1%)	0.3%	116.2%
2016	180,347	1,802	324,920	266,874	-	3.4%	116.3%
2017	197,814	1,793	354,736	350,202	(1.9%)	1.1%	118.5%
Change	%	%	%	%	pts	pts	pts
2016	32.8%	2.4%	35.9%	1.6%	2.1	3.1	0.1
2017	9.7%	(0.5%)	9.2%	31.2%	(1.9)	(2.3)	2.2

Selected Claims Development MfADs (Mar. 31, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
1994	10.0%	10.0%	10.0%	10.0%
1995	10.0%	10.0%	10.0%	10.0%
1996	10.0%	10.0%	10.0%	10.0%
1997	10.0%	10.0%	10.0%	10.0%
1998	10.0%	10.0%	10.0%	10.0%
1999	10.0%	10.0%	10.0%	10.0%
2000	10.0%	10.0%	10.0%	10.0%
2001	10.0%	10.0%	10.0%	10.0%
2002	9.0%	10.0%	10.0%	10.0%
2003	10.0%	10.0%	10.0%	10.0%
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	9.3%	10.0%
2009	10.0%	10.0%	7.1%	10.0%
2010	12.5%	12.5%	11.4%	12.5%
2011	12.5%	12.5%	12.2%	12.5%
2012	15.0%	15.0%	13.2%	15.0%
2013	17.5%	17.5%	15.2%	17.4%
2014	19.9%	20.0%	17.2%	19.9%
2015	19.9%	20.0%	16.4%	19.9%
2016	19.2%	20.0%	7.4%	19.2%
2017	20.0%	20.0%	20.0%	20.0%
prem liab	15.6%	20.0%	5.4%	15.7%

discount rate: 0.81%  
margin (basis points): 25

Exhibit A-2

Key Assumptions - Alberta Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2015	61,813	2,238	138,310	146,209	6.6%	2.8%	87.9%
2016	65,044	2,329	151,510	136,015	5.1%	2.8%	78.6%
2017	79,317	2,345	185,960	180,397	2.4%	2.8%	78.0%
Change	%	%	%	%	pts	pts	pts
2016	5.2%	4.1%	9.5%	(7.0%)	(1.5)	-	(9.3)
2017	21.9%	0.7%	22.7%	32.6%	(2.7)	0.0	(0.6)

Selected Claims Development MfADs (Mar. 31, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	9.6%	10.0%
2009	10.0%	10.0%	5.1%	10.0%
2010	10.0%	10.0%	8.8%	10.0%
2011	10.0%	10.0%	8.2%	9.8%
2012	10.0%	10.0%	8.7%	10.0%
2013	12.5%	10.0%	11.5%	12.5%
2014	12.5%	10.0%	11.5%	12.4%
2015	12.4%	10.0%	12.5%	12.4%
2016	12.0%	10.0%	7.2%	11.7%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.8%	10.0%	5.2%	10.1%

discount rate: 0.65%  
margin (basis points): 25

Exhibit A-3

Key Assumptions - Alberta Non-Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2015	57,845	1,486	85,986	89,842	5.9%	2.9%	100.9%
2016	71,982	1,525	109,802	94,380	4.5%	2.9%	95.7%
2017	72,775	1,524	110,913	111,638	1.9%	2.9%	95.5%
Change	%	%	%	%	pts	pts	pts
2016	24.4%	2.6%	27.7%	5.1%	(1.4)	-	(5.2)
2017	1.1%	(0.1%)	1.0%	18.3%	(2.6)	(0.0)	(0.2)

Selected Claims Development MfADs (Mar. 31, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.1%	10.0%
2010	10.0%	10.0%	9.7%	10.0%
2011	10.0%	10.0%	9.9%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	12.5%	10.0%	12.5%	12.4%
2014	12.5%	10.0%	12.3%	12.4%
2015	12.4%	10.0%	12.5%	12.5%
2016	12.1%	10.0%	7.3%	11.5%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.7%	10.0%	5.2%	9.0%

discount rate: 0.68%  
margin (basis points): 25

Exhibit A-4

Key Assumptions - New Brunswick RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2015	10,096	1,106	11,164	10,237	1.4%	2.3%	74.6%
2016	8,202	1,096	8,993	10,067	2.7%	2.3%	78.3%
2017	8,948	1,072	9,595	9,667	1.1%	2.3%	78.0%
Change	%	%	%	%	pts	pts	pts
2016	(18.8%)	(0.9%)	(19.4%)	(1.7%)	1.3	-	3.7
2017	9.1%	(2.2%)	6.7%	(4.0%)	(1.6)	(0.0)	(0.3)

Selected Claims Development MfADs (Mar. 31, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2005	12.5%	10.0%	12.5%	12.5%
2006	12.5%	10.0%	12.5%	12.5%
2007	12.5%	10.0%	12.5%	12.5%
2008	12.5%	10.0%	12.5%	12.5%
2009	12.5%	10.0%	12.5%	12.4%
2010	12.5%	10.0%	5.0%	12.4%
2011	12.5%	10.0%	12.5%	12.5%
2012	12.5%	10.0%	9.3%	12.0%
2013	15.0%	10.0%	12.5%	14.1%
2014	15.0%	10.0%	15.0%	14.3%
2015	15.0%	10.0%	11.9%	14.5%
2016	14.8%	10.0%	6.3%	13.7%
2017	15.0%	10.0%	15.0%	15.0%
prem liab	13.8%	10.0%	5.1%	11.0%

discount rate: 0.63%  
margin (basis points): 25



Exhibit A-5

Key Assumptions - Nova Scotia RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2015	12,700	1,142	14,501	14,080	1.0%	2.2%	88.4%
2016	12,454	1,176	14,646	14,677	1.1%	2.1%	95.2%
2017	12,210	1,181	14,415	14,528	3.8%	2.1%	92.3%
Change	%	%	%	%	pts	pts	pts
2016	(1.9%)	3.0%	1.0%	4.2%	0.1	(0.1)	6.8
2017	(2.0%)	0.4%	(1.6%)	(1.0%)	2.7	(0.0)	(2.9)

Selected Claims Development MfADs (Mar. 31, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2007	12.5%	10.0%	12.5%	12.5%
2008	12.5%	10.0%	12.5%	12.5%
2009	11.7%	10.0%	12.5%	11.6%
2010	12.5%	10.0%	12.5%	12.4%
2011	12.5%	10.0%	12.5%	12.3%
2012	15.0%	10.0%	15.0%	14.8%
2013	15.0%	10.0%	15.0%	14.7%
2014	15.0%	10.0%	13.6%	14.6%
2015	15.0%	10.0%	15.0%	14.6%
2016	14.8%	10.0%	8.3%	14.2%
2017	15.0%	10.0%	15.0%	15.0%
prem liab	14.1%	10.0%	5.2%	12.4%

discount rate: 0.61%  
 margin (basis points): 25

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
<b>Underwriting Revenue</b>												
written premium	24,772	24,866	27,633	30,852	33,562	30,826	30,363	31,918	31,658	30,506	30,579	27,201
decrease / (increase) in unearned	3,096	2,756	1,584	(1,319)	(3,555)	(595)	(166)	(1,369)	(1,573)	(1,091)	(2,074)	(228)
<b>earned premium</b>	<b>27,868</b>	<b>27,622</b>	<b>29,217</b>	<b>29,533</b>	<b>30,007</b>	<b>30,231</b>	<b>30,197</b>	<b>30,549</b>	<b>30,085</b>	<b>29,415</b>	<b>28,505</b>	<b>26,973</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(3,325)	(2,369)	(2,495)	(2,627)	(3,088)	(2,672)	(2,280)	(2,239)	(2,045)	(2,455)	(2,690)	(2,609)
Discounted	(3,325)	(2,369)	(2,495)	(2,627)	(3,088)	(2,672)	(2,280)	(2,239)	(2,045)	(2,455)	(2,690)	(2,609)
<b>Current Accident Year</b>												
Undiscounted	33,024	32,731	34,623	34,996	35,558	35,824	35,783	36,200	35,651	34,857	33,778	31,963
effect of discounting	5,062	4,701	4,470	4,421	4,644	4,573	4,459	4,361	3,646	4,005	3,779	3,393
Discounted	38,086	37,432	39,093	39,417	40,202	40,397	40,242	40,561	39,297	38,862	37,557	35,356
<b>Claims Incurred</b>	<b>34,761</b>	<b>35,063</b>	<b>36,598</b>	<b>36,790</b>	<b>37,114</b>	<b>37,725</b>	<b>37,962</b>	<b>38,322</b>	<b>37,252</b>	<b>36,407</b>	<b>34,867</b>	<b>32,747</b>
<b>Underwriting Expenses</b>												
Expense Allowance	7,432	7,460	8,290	9,256	10,068	9,248	9,109	9,575	9,498	9,152	9,173	8,161
% wp	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
Premium Deficiency / (DPAC)												
Undiscounted	(539)	(374)	(15)	721	1,368	883	1,017	1,389	1,557	1,556	1,893	1,486
effect of discounting	(494)	(424)	(217)	278	667	201	161	376	425	360	540	232
Discounted	(1,033)	(798)	(232)	999	2,035	1,084	1,178	1,765	1,982	1,916	2,433	1,718
<b>Underwriting Expenses</b>	<b>6,399</b>	<b>6,662</b>	<b>8,058</b>	<b>10,255</b>	<b>12,103</b>	<b>10,332</b>	<b>10,287</b>	<b>11,340</b>	<b>11,480</b>	<b>11,068</b>	<b>11,606</b>	<b>9,879</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(13,292)</b>	<b>(14,103)</b>	<b>(15,439)</b>	<b>(17,512)</b>	<b>(19,210)</b>	<b>(17,826)</b>	<b>(18,052)</b>	<b>(19,113)</b>	<b>(18,647)</b>	<b>(18,060)</b>	<b>(17,968)</b>	<b>(15,653)</b>
Administrative Expenses	114	114	128	142	155	142	139	147	146	140	141	125
<b>Operating Result</b>	<b>(13,406)</b>	<b>(14,217)</b>	<b>(15,567)</b>	<b>(17,654)</b>	<b>(19,365)</b>	<b>(17,968)</b>	<b>(18,191)</b>	<b>(19,260)</b>	<b>(18,793)</b>	<b>(18,200)</b>	<b>(18,109)</b>	<b>(15,778)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(11.9%)	(8.6%)	(8.5%)	(8.9%)	(10.3%)	(8.8%)	(7.6%)	(7.3%)	(6.8%)	(8.3%)	(9.4%)	(9.7%)
Current Accident Year	136.7%	135.5%	133.8%	133.5%	134.0%	133.6%	133.3%	132.8%	130.6%	132.1%	131.8%	131.1%
All Accident Years Combined	124.8%	126.9%	125.3%	124.6%	123.7%	124.8%	125.5%	123.8%	123.8%	122.4%	122.4%	121.4%
Underwriting & Admin Exp (EP)	23.4%	24.5%	28.0%	35.2%	40.9%	34.6%	34.5%	37.6%	38.6%	38.1%	41.2%	37.1%
<b>Combined Operating Ratio</b>	<b>148.2%</b>	<b>151.4%</b>	<b>153.3%</b>	<b>159.8%</b>	<b>164.6%</b>	<b>159.4%</b>	<b>160.2%</b>	<b>163.1%</b>	<b>162.4%</b>	<b>161.9%</b>	<b>163.6%</b>	<b>158.5%</b>

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Ontario ON	100	FULL YEAR					
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
<b>Underwriting Revenue</b>							
written premium	239,006	324,920	354,736	85,914	35.9%	29,816	9.2%
decrease / (increase) in unearned	23,561	(58,046)	(4,534)	(81,607)	(346.4%)	53,512	(92.2%)
<b>earned premium</b>	<b>262,567</b>	<b>266,874</b>	<b>350,202</b>	<b>4,307</b>	<b>1.6%</b>	<b>83,328</b>	<b>31.2%</b>
<b>Claims Incurred</b>							
<b>Prior Accident Years</b>							
Undiscounted	(146,204)	(46,145)	-	100,059	(68.4%)	46,145	(100.0%)
effect of discounting	(42,694)	(25,787)	(30,894)	16,907	(39.6%)	(5,107)	19.8%
Discounted	(188,898)	(71,932)	(30,894)	116,966	(61.9%)	41,038	(57.1%)
<b>Current Accident Year</b>							
Undiscounted	307,691	310,762	414,988	3,071	1.0%	104,226	33.5%
effect of discounting	34,955	37,541	51,514	2,586	7.4%	13,973	37.2%
Discounted	342,646	348,303	466,502	5,657	1.7%	118,199	33.9%
<b>Claims Incurred</b>	<b>153,748</b>	<b>276,371</b>	<b>435,608</b>	<b>122,623</b>	<b>79.8%</b>	<b>159,237</b>	<b>57.6%</b>
<b>Underwriting Expenses</b>							
Expense Allowance	70,524	97,032	106,422	26,508	37.6%	9,390	9.7%
% wp	29.5%	29.9%	30.0%	0.4%		0.1%	
Premium Deficiency / (DPAC)							
Undiscounted	(8,667)	8,333	10,942	17,000	(196.1%)	2,609	31.3%
effect of discounting	(1,893)	10,146	2,105	12,039	(636.0%)	(8,041)	(79.3%)
Discounted	(10,560)	18,479	13,047	29,039	(275.0%)	(5,432)	(29.4%)
<b>Underwriting Expenses</b>	<b>59,964</b>	<b>115,511</b>	<b>119,469</b>	<b>55,547</b>	<b>92.6%</b>	<b>3,958</b>	<b>3.4%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>48,855</b>	<b>(125,008)</b>	<b>(204,875)</b>	<b>(173,863)</b>	<b>(355.9%)</b>	<b>(79,867)</b>	<b>63.9%</b>
Administrative Expenses	1,309	1,561	1,633	252	19.3%	72	4.6%
<b>Operating Result</b>	<b>47,546</b>	<b>(126,569)</b>	<b>(206,508)</b>	<b>(174,115)</b>	<b>(366.2%)</b>	<b>(79,939)</b>	<b>63.2%</b>
<b>Ratios</b>							
<b>Claims &amp; Adj. Expenses to EP</b>							
Prior Accident Year	(71.9%)	(27.0%)	(8.8%)	44.9%		18.2%	
Current Accident Year	130.5%	130.5%	133.2%	-		2.7%	
All Accident Years Combined	58.6%	103.5%	124.4%	44.9%		20.9%	
Underwriting & Admin Exp (EP)	23.3%	43.9%	34.6%	20.6%		(9.3%)	
<b>Combined Operating Ratio</b>	<b>81.9%</b>	<b>147.4%</b>	<b>159.0%</b>	<b>65.5%</b>		<b>11.6%</b>	

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
<b>Underwriting Revenue</b>												
written premium	12,058	12,484	14,950	16,352	18,153	17,286	17,518	17,186	16,945	16,394	14,096	12,538
decrease / (increase) in unearned	737	177	(1,299)	(2,383)	(3,671)	(2,409)	(1,898)	(857)	(225)	521	2,506	3,238
<b>earned premium</b>	<b>12,795</b>	<b>12,661</b>	<b>13,651</b>	<b>13,969</b>	<b>14,482</b>	<b>14,877</b>	<b>15,620</b>	<b>16,329</b>	<b>16,720</b>	<b>16,915</b>	<b>16,602</b>	<b>15,776</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(605)	(677)	(662)	(612)	(620)	(616)	(563)	(425)	(445)	(420)	(544)	(643)
Discounted	(605)	(677)	(662)	(612)	(620)	(616)	(563)	(425)	(445)	(420)	(544)	(643)
<b>Current Accident Year</b>												
Undiscounted	9,980	9,875	10,648	10,896	11,296	11,604	12,184	12,737	13,042	13,194	12,949	12,306
effect of discounting	984	895	849	923	926	776	905	905	773	859	776	685
Discounted	10,964	10,770	11,497	11,819	12,222	12,380	13,089	13,642	13,815	14,053	13,725	12,991
<b>Claims Incurred</b>	<b>10,359</b>	<b>10,093</b>	<b>10,835</b>	<b>11,207</b>	<b>11,602</b>	<b>11,764</b>	<b>12,526</b>	<b>13,217</b>	<b>13,370</b>	<b>13,633</b>	<b>13,181</b>	<b>12,348</b>
<b>Underwriting Expenses</b>												
Expense Allowance	3,629	3,757	4,500	4,922	5,464	5,203	5,273	5,173	5,100	4,934	4,243	3,774
% wp	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%
<b>Premium Deficiency / (DPAC)</b>												
Undiscounted	161	55	(244)	(460)	(715)	(425)	(295)	(40)	118	299	730	888
effect of discounting	(51)	(10)	92	171	259	173	142	72	29	(20)	(154)	(207)
Discounted	110	45	(152)	(289)	(456)	(252)	(153)	32	147	279	576	681
<b>Underwriting Expenses</b>	<b>3,739</b>	<b>3,802</b>	<b>4,348</b>	<b>4,633</b>	<b>5,008</b>	<b>4,951</b>	<b>5,120</b>	<b>5,205</b>	<b>5,247</b>	<b>5,213</b>	<b>4,819</b>	<b>4,455</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(1,303)</b>	<b>(1,234)</b>	<b>(1,532)</b>	<b>(1,871)</b>	<b>(2,128)</b>	<b>(1,838)</b>	<b>(2,026)</b>	<b>(2,093)</b>	<b>(1,897)</b>	<b>(1,931)</b>	<b>(1,398)</b>	<b>(1,027)</b>
Administrative Expenses	65	67	80	88	98	94	95	93	91	89	76	67
<b>Operating Result</b>	<b>(1,368)</b>	<b>(1,301)</b>	<b>(1,612)</b>	<b>(1,959)</b>	<b>(2,226)</b>	<b>(1,932)</b>	<b>(2,121)</b>	<b>(2,186)</b>	<b>(1,988)</b>	<b>(2,020)</b>	<b>(1,474)</b>	<b>(1,094)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(4.7%)	(5.3%)	(4.8%)	(4.4%)	(4.3%)	(4.1%)	(3.6%)	(2.6%)	(2.7%)	(2.5%)	(3.3%)	(4.1%)
Current Accident Year	85.7%	85.1%	84.2%	84.6%	84.4%	83.2%	83.8%	83.5%	82.6%	83.1%	82.7%	82.3%
All Accident Years Combined	81.0%	79.8%	79.4%	80.2%	80.1%	79.1%	80.2%	80.9%	79.9%	80.6%	79.4%	78.2%
Underwriting & Admin Exp (EP)	29.7%	30.6%	32.4%	33.8%	35.3%	33.9%	33.4%	32.4%	31.9%	31.3%	29.5%	28.7%
<b>Combined Operating Ratio</b>	<b>110.7%</b>	<b>110.4%</b>	<b>111.8%</b>	<b>114.0%</b>	<b>115.4%</b>	<b>113.0%</b>	<b>113.6%</b>	<b>113.3%</b>	<b>111.8%</b>	<b>111.9%</b>	<b>108.9%</b>	<b>106.9%</b>

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Alberta Grid 200 AB Grid	FULL YEAR						
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
<b>Underwriting Revenue</b>							
written premium	138,310	151,510	185,960	13,200	9.5%	34,450	22.7%
decrease / (increase) in unearned premium	7,899	(15,495)	(5,563)	(23,394)	(296.2%)	9,932	(64.1%)
<b>earned premium</b>	<b>146,209</b>	<b>136,015</b>	<b>180,397</b>	<b>(10,194)</b>	<b>(7.0%)</b>	<b>44,382</b>	<b>32.6%</b>
<b>Claims Incurred</b>							
<b>Prior Accident Years</b>							
Undiscounted	(4,051)	29,918	-	33,969	(838.5%)	(29,918)	(100.0%)
effect of discounting	(5,152)	(2,801)	(6,832)	2,351	(45.6%)	(4,031)	143.9%
Discounted	(9,203)	27,117	(6,832)	36,320	(394.7%)	(33,949)	(125.2%)
<b>Current Accident Year</b>							
Undiscounted	111,518	107,259	140,711	(4,259)	(3.8%)	33,452	31.2%
effect of discounting	6,303	7,047	10,256	744	11.8%	3,209	45.5%
Discounted	117,821	114,306	150,967	(3,515)	(3.0%)	36,661	32.1%
<b>Claims Incurred</b>	<b>108,618</b>	<b>141,423</b>	<b>144,135</b>	<b>32,805</b>	<b>30.2%</b>	<b>2,712</b>	<b>1.9%</b>
<b>Underwriting Expenses</b>							
Expense Allowance	39,133	45,638	55,972	6,505	16.6%	10,334	22.6%
% wp	28.3%	30.1%	30.1%	1.8%		-	
Premium Deficiency / (DPAC)							
Undiscounted	2,087	1,004	72	(1,083)	(51.9%)	(932)	(92.8%)
effect of discounting	884	1,633	496	749	84.7%	(1,137)	(69.6%)
Discounted	2,971	2,637	568	(334)	(11.2%)	(2,069)	(78.5%)
<b>Underwriting Expenses</b>	<b>42,104</b>	<b>48,275</b>	<b>56,540</b>	<b>6,171</b>	<b>14.7%</b>	<b>8,265</b>	<b>17.1%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(4,513)</b>	<b>(53,683)</b>	<b>(20,278)</b>	<b>(49,170)</b>	<b>1,089.5%</b>	<b>33,405</b>	<b>(62.2%)</b>
Administrative Expenses	847	879	1,003	31	3.7%	124	14.1%
<b>Operating Result</b>	<b>(5,360)</b>	<b>(54,562)</b>	<b>(21,281)</b>	<b>(49,201)</b>	<b>917.9%</b>	<b>33,281</b>	<b>(61.0%)</b>
<b>Ratios</b>							
<b>Claims &amp; Adj. Expenses to EP</b>							
Prior Accident Year	(6.3%)	19.9%	(3.8%)	26.2%		(23.7%)	
Current Accident Year	80.6%	84.0%	83.7%	3.4%		(0.3%)	
All Accident Years Combined	74.3%	103.9%	79.9%	29.6%		(24.0%)	
Underwriting & Admin Exp (EP)	29.4%	36.1%	31.9%	6.7%		(4.2%)	
<b>Combined Operating Ratio</b>	<b>103.7%</b>	<b>140.0%</b>	<b>111.8%</b>	<b>36.3%</b>		<b>(28.2%)</b>	

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
<b>Underwriting Revenue</b>												
written premium	7,658	7,371	9,100	10,427	9,068	10,313	9,998	10,230	9,936	10,102	8,728	7,982
decrease / (increase) in unearned	1,357	1,303	(34)	(1,346)	50	(980)	(512)	(485)	(158)	(349)	756	1,123
<b>earned premium</b>	<b>9,015</b>	<b>8,674</b>	<b>9,066</b>	<b>9,081</b>	<b>9,118</b>	<b>9,333</b>	<b>9,486</b>	<b>9,745</b>	<b>9,778</b>	<b>9,753</b>	<b>9,484</b>	<b>9,105</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(546)	(525)	(473)	(348)	(340)	(286)	(282)	(277)	(273)	(266)	(172)	(346)
Discounted	(546)	(525)	(473)	(348)	(340)	(286)	(282)	(277)	(273)	(266)	(172)	(346)
<b>Current Accident Year</b>												
Undiscounted	8,609	8,284	8,659	8,672	8,708	8,913	9,059	9,306	9,338	9,314	9,057	8,696
effect of discounting	802	668	588	644	616	492	557	534	169	505	471	430
Discounted	9,411	8,952	9,247	9,316	9,324	9,405	9,616	9,840	9,507	9,819	9,528	9,126
<b>Claims Incurred</b>	<b>8,865</b>	<b>8,427</b>	<b>8,774</b>	<b>8,968</b>	<b>8,984</b>	<b>9,119</b>	<b>9,334</b>	<b>9,563</b>	<b>9,234</b>	<b>9,553</b>	<b>9,356</b>	<b>8,780</b>
<b>Underwriting Expenses</b>												
Expense Allowance	2,305	2,219	2,739	3,138	2,729	3,104	3,009	3,079	2,991	3,041	2,627	2,403
% wp	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%
<b>Premium Deficiency / (DPAC)</b>												
Undiscounted	56	67	29	(1)	63	44	84	102	132	143	184	198
effect of discounting	(105)	(96)	5	105	2	82	47	46	23	40	(47)	(73)
Discounted	(49)	(29)	34	104	65	126	131	148	155	183	137	125
<b>Underwriting Expenses</b>	<b>2,256</b>	<b>2,190</b>	<b>2,773</b>	<b>3,242</b>	<b>2,794</b>	<b>3,230</b>	<b>3,140</b>	<b>3,227</b>	<b>3,146</b>	<b>3,224</b>	<b>2,764</b>	<b>2,528</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(2,106)</b>	<b>(1,943)</b>	<b>(2,481)</b>	<b>(3,129)</b>	<b>(2,660)</b>	<b>(3,016)</b>	<b>(2,988)</b>	<b>(3,045)</b>	<b>(2,602)</b>	<b>(3,024)</b>	<b>(2,636)</b>	<b>(2,203)</b>
Administrative Expenses	76	74	91	105	90	103	100	102	100	101	87	80
<b>Operating Result</b>	<b>(2,182)</b>	<b>(2,017)</b>	<b>(2,572)</b>	<b>(3,234)</b>	<b>(2,750)</b>	<b>(3,119)</b>	<b>(3,088)</b>	<b>(3,147)</b>	<b>(2,702)</b>	<b>(3,125)</b>	<b>(2,723)</b>	<b>(2,283)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(6.1%)	(6.1%)	(5.2%)	(3.8%)	(3.7%)	(3.1%)	(3.0%)	(2.8%)	(2.8%)	(2.7%)	(1.8%)	(3.8%)
Current Accident Year	104.4%	103.2%	102.0%	102.6%	102.3%	100.8%	101.4%	101.0%	97.2%	100.7%	100.5%	100.2%
All Accident Years Combined	98.3%	97.1%	96.8%	98.8%	98.6%	97.7%	98.4%	98.2%	94.4%	98.0%	98.7%	96.4%
Underwriting & Admin Exp (EP)	25.9%	26.1%	31.6%	36.9%	31.6%	35.7%	34.2%	34.2%	33.2%	34.1%	30.1%	28.6%
<b>Combined Operating Ratio</b>	<b>124.2%</b>	<b>123.2%</b>	<b>128.4%</b>	<b>135.7%</b>	<b>130.2%</b>	<b>133.4%</b>	<b>132.6%</b>	<b>132.4%</b>	<b>127.6%</b>	<b>132.1%</b>	<b>128.8%</b>	<b>125.0%</b>

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Alberta non-Grid 250 AB non-Grid	FULL YEAR						
				Change during 2016		Change during 2017	
	2015	2016	2017	Amount	%	Amount	%
<b>in \$ thousands</b>							
<b>Underwriting Revenue</b>							
written premium	85,986	109,802	110,913	23,816	27.7%	1,111	1.0%
decrease / (increase) in unearned	3,856	(15,422)	725	(19,278)	(499.9%)	16,147	(104.7%)
<b>earned premium</b>	<b>89,842</b>	<b>94,380</b>	<b>111,638</b>	<b>4,538</b>	<b>5.1%</b>	<b>17,258</b>	<b>18.3%</b>
<b>Claims Incurred</b>							
<b>Prior Accident Years</b>							
Undiscounted	(6,955)	(460)	-	6,495	(93.4%)	460	(100.0%)
effect of discounting	(2,327)	(3,591)	(4,134)	(1,264)	54.3%	(543)	15.1%
Discounted	(9,282)	(4,051)	(4,134)	5,231	(56.4%)	(83)	2.0%
<b>Current Accident Year</b>							
Undiscounted	91,354	90,501	106,615	(853)	(0.9%)	16,114	17.8%
effect of discounting	4,879	5,002	6,476	123	2.5%	1,474	29.5%
Discounted	96,233	95,503	113,091	(730)	(0.8%)	17,588	18.4%
<b>Claims Incurred</b>	<b>86,951</b>	<b>91,452</b>	<b>108,957</b>	<b>4,501</b>	<b>5.2%</b>	<b>17,505</b>	<b>19.1%</b>
<b>Underwriting Expenses</b>							
Expense Allowance	24,332	33,060	33,384	8,728	35.9%	324	1.0%
% wp	28.3%	30.1%	30.1%	1.8%		-	
Premium Deficiency / (DPAC)							
Undiscounted	(1,441)	(578)	1,101	863	(59.9%)	1,679	(290.5%)
effect of discounting	231	1,157	29	926	400.9%	(1,128)	(97.5%)
Discounted	(1,210)	579	1,130	1,789	(147.9%)	551	95.2%
<b>Underwriting Expenses</b>	<b>23,122</b>	<b>33,639</b>	<b>34,514</b>	<b>10,517</b>	<b>45.5%</b>	<b>875</b>	<b>2.6%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(20,231)</b>	<b>(30,711)</b>	<b>(31,833)</b>	<b>(10,480)</b>	<b>51.8%</b>	<b>(1,122)</b>	<b>3.7%</b>
Administrative Expenses	791	1,036	1,109	245	31.0%	73	7.1%
<b>Operating Result</b>	<b>(21,022)</b>	<b>(31,747)</b>	<b>(32,942)</b>	<b>(10,725)</b>	<b>51.0%</b>	<b>(1,195)</b>	<b>3.8%</b>
<b>Ratios</b>							
<b>Claims &amp; Adj. Expenses to EP</b>							
Prior Accident Year	(10.3%)	(4.3%)	(3.7%)	6.0%		0.6%	
Current Accident Year	107.1%	101.2%	101.3%	(5.9%)		0.1%	
All Accident Years Combined	96.8%	96.9%	97.6%	0.1%		0.7%	
Underwriting & Admin Exp (EP)	26.6%	36.7%	31.9%	10.1%		(4.8%)	
<b>Combined Operating Ratio</b>	<b>123.4%</b>	<b>133.6%</b>	<b>129.5%</b>	<b>10.2%</b>		<b>(4.1%)</b>	

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
<b>Underwriting Revenue</b>												
written premium	632	688	791	1,000	889	964	1,009	930	820	649	670	553
decrease / (increase) in unearned	92	38	(20)	(215)	(99)	(156)	(171)	(69)	41	199	173	259
<b>earned premium</b>	<b>724</b>	<b>726</b>	<b>771</b>	<b>785</b>	<b>790</b>	<b>808</b>	<b>838</b>	<b>861</b>	<b>861</b>	<b>848</b>	<b>843</b>	<b>812</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(43)	(42)	(39)	(46)	(37)	(38)	(37)	(32)	(30)	(29)	(35)	(41)
Discounted	(43)	(42)	(39)	(46)	(37)	(38)	(37)	(32)	(30)	(29)	(35)	(41)
<b>Current Accident Year</b>												
Undiscounted	565	566	601	612	616	630	654	672	671	662	657	633
effect of discounting	60	41	39	45	43	28	39	38	35	32	27	25
Discounted	625	607	640	657	659	658	693	710	706	694	684	658
<b>Claims Incurred</b>	<b>582</b>	<b>565</b>	<b>601</b>	<b>611</b>	<b>622</b>	<b>620</b>	<b>656</b>	<b>678</b>	<b>676</b>	<b>665</b>	<b>649</b>	<b>617</b>
<b>Underwriting Expenses</b>												
Expense Allowance	223	242	279	352	313	339	356	327	288	228	236	195
% wp	35.3%	35.2%	35.3%	35.2%	35.2%	35.2%	35.3%	35.2%	35.1%	35.1%	35.2%	35.3%
<b>Premium Deficiency / (DPAC)</b>												
Undiscounted	19	6	(1)	(40)	(16)	(25)	(29)	(8)	13	43	39	56
effect of discounting	(7)	(4)	1	17	10	12	14	5	(2)	(14)	(14)	(20)
Discounted	12	2	-	(23)	(6)	(13)	(15)	(3)	11	29	25	36
<b>Underwriting Expenses</b>	<b>235</b>	<b>244</b>	<b>279</b>	<b>329</b>	<b>307</b>	<b>326</b>	<b>341</b>	<b>324</b>	<b>299</b>	<b>257</b>	<b>261</b>	<b>231</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(93)</b>	<b>(83)</b>	<b>(109)</b>	<b>(155)</b>	<b>(139)</b>	<b>(138)</b>	<b>(159)</b>	<b>(141)</b>	<b>(114)</b>	<b>(74)</b>	<b>(67)</b>	<b>(36)</b>
Administrative Expenses	35	38	44	56	50	54	57	52	46	36	37	31
<b>Operating Result</b>	<b>(128)</b>	<b>(121)</b>	<b>(153)</b>	<b>(211)</b>	<b>(189)</b>	<b>(192)</b>	<b>(216)</b>	<b>(193)</b>	<b>(160)</b>	<b>(110)</b>	<b>(104)</b>	<b>(67)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(5.9%)	(5.8%)	(5.1%)	(5.9%)	(4.7%)	(4.7%)	(4.4%)	(3.7%)	(3.5%)	(3.4%)	(4.2%)	(5.0%)
Current Accident Year	86.3%	83.6%	83.0%	83.7%	83.4%	81.4%	82.7%	82.5%	82.0%	81.8%	81.1%	81.0%
All Accident Years Combined	80.4%	77.8%	77.9%	77.8%	78.7%	76.7%	78.3%	78.8%	78.5%	78.4%	76.9%	76.0%
Underwriting & Admin Exp (EP)	37.3%	38.8%	41.9%	49.0%	45.2%	47.0%	47.5%	43.7%	40.1%	34.6%	35.3%	32.3%
<b>Combined Operating Ratio</b>	<b>117.7%</b>	<b>116.6%</b>	<b>119.8%</b>	<b>126.8%</b>	<b>123.9%</b>	<b>123.7%</b>	<b>125.8%</b>	<b>122.5%</b>	<b>118.6%</b>	<b>113.0%</b>	<b>112.2%</b>	<b>108.3%</b>



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New Brunswick 300 NB	FULL YEAR						
				Change during 2016		Change during 2017	
	2015	2016	2017	Amount	%	Amount	%
<b>in \$ thousands</b>							
<b>Underwriting Revenue</b>							
written premium	11,164	8,993	9,595	(2,171)	(19.4%)	602	6.7%
decrease / (increase) in unearned	(927)	1,074	72	2,001	(215.9%)	(1,002)	(93.3%)
<b>earned premium</b>	<b>10,237</b>	<b>10,067</b>	<b>9,667</b>	<b>(170)</b>	<b>(1.7%)</b>	<b>(400)</b>	<b>(4.0%)</b>
<b>Claims Incurred</b>							
<b>Prior Accident Years</b>							
Undiscounted	874	(2,486)	-	(3,360)	(384.4%)	2,486	(100.0%)
effect of discounting	43	(598)	(449)	(641)	(1,490.7%)	149	(24.9%)
Discounted	917	(3,084)	(449)	(4,001)	(436.3%)	2,635	(85.4%)
<b>Current Accident Year</b>							
Undiscounted	8,625	7,935	7,539	(690)	(8.0%)	(396)	(5.0%)
effect of discounting	605	503	452	(102)	(16.9%)	(51)	(10.1%)
Discounted	9,230	8,438	7,991	(792)	(8.6%)	(447)	(5.3%)
<b>Claims Incurred</b>	<b>10,147</b>	<b>5,354</b>	<b>7,542</b>	<b>(4,793)</b>	<b>(47.2%)</b>	<b>2,188</b>	<b>40.9%</b>
<b>Underwriting Expenses</b>							
Expense Allowance	3,889	3,167	3,378	(722)	(18.6%)	211	6.7%
% wp	34.8%	35.2%	35.2%	0.4%		-	
Premium Deficiency / (DPAC)							
Undiscounted	(21)	63	57	84	(400.0%)	(6)	(9.5%)
effect of discounting	129	(90)	(2)	(219)	(169.8%)	88	(97.8%)
Discounted	108	(27)	55	(135)	(125.0%)	82	(303.7%)
<b>Underwriting Expenses</b>	<b>3,997</b>	<b>3,140</b>	<b>3,433</b>	<b>(857)</b>	<b>(21.4%)</b>	<b>293</b>	<b>9.3%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(3,907)</b>	<b>1,573</b>	<b>(1,308)</b>	<b>5,480</b>	<b>(140.3%)</b>	<b>(2,881)</b>	<b>(183.2%)</b>
Administrative Expenses	506	501	536	(4)	(0.9%)	35	6.9%
<b>Operating Result</b>	<b>(4,413)</b>	<b>1,072</b>	<b>(1,844)</b>	<b>5,484</b>	<b>(124.3%)</b>	<b>(2,916)</b>	<b>(272.1%)</b>
<b>Ratios</b>							
<b>Claims &amp; Adj. Expenses to EP</b>							
Prior Accident Year	9.0%	(30.6%)	(4.6%)	(39.6%)		26.0%	
Current Accident Year	90.2%	83.8%	82.7%	(6.4%)		(1.1%)	
All Accident Years Combined	99.2%	53.2%	78.1%	(46.0%)		24.9%	
Underwriting & Admin Exp (EP)	44.0%	36.2%	41.1%	(7.8%)		4.9%	
<b>Combined Operating Ratio</b>	<b>143.2%</b>	<b>89.4%</b>	<b>119.2%</b>	<b>(53.8%)</b>		<b>29.8%</b>	

Exhibit B-5  
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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
<b>Underwriting Revenue</b>												
written premium	811	759	1,004	1,338	1,618	1,523	1,629	1,537	1,267	1,073	1,135	721
decrease / (increase) in unearned	369	433	243	(105)	(385)	(294)	(376)	(273)	(33)	127	35	372
<b>earned premium</b>	<b>1,180</b>	<b>1,192</b>	<b>1,247</b>	<b>1,233</b>	<b>1,233</b>	<b>1,229</b>	<b>1,253</b>	<b>1,264</b>	<b>1,234</b>	<b>1,200</b>	<b>1,170</b>	<b>1,093</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(69)	(92)	(89)	(86)	(80)	(81)	(66)	(82)	(54)	(88)	(90)	(58)
Discounted	(69)	(92)	(89)	(86)	(80)	(81)	(66)	(82)	(54)	(88)	(90)	(58)
<b>Current Accident Year</b>												
Undiscounted	1,089	1,100	1,151	1,138	1,139	1,134	1,156	1,168	1,139	1,107	1,080	1,009
effect of discounting	119	120	93	107	105	98	96	95	86	77	73	57
Discounted	1,208	1,220	1,244	1,245	1,244	1,232	1,252	1,263	1,225	1,184	1,153	1,066
<b>Claims Incurred</b>	<b>1,139</b>	<b>1,128</b>	<b>1,155</b>	<b>1,159</b>	<b>1,164</b>	<b>1,151</b>	<b>1,186</b>	<b>1,181</b>	<b>1,171</b>	<b>1,096</b>	<b>1,063</b>	<b>1,008</b>
<b>Underwriting Expenses</b>												
Expense Allowance	282	264	349	466	563	530	567	535	441	374	395	251
% wp	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.9%	34.8%	34.8%
<b>Premium Deficiency / (DPAC)</b>												
Undiscounted	22	27	15	(2)	(17)	(9)	(15)	(6)	8	16	12	29
effect of discounting	(38)	(44)	(26)	14	38	32	39	29	5	(10)	(5)	(37)
Discounted	(16)	(17)	(11)	12	21	23	24	23	13	6	7	(8)
<b>Underwriting Expenses</b>	<b>266</b>	<b>247</b>	<b>338</b>	<b>478</b>	<b>584</b>	<b>553</b>	<b>591</b>	<b>558</b>	<b>454</b>	<b>380</b>	<b>402</b>	<b>243</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(225)</b>	<b>(183)</b>	<b>(246)</b>	<b>(404)</b>	<b>(515)</b>	<b>(475)</b>	<b>(524)</b>	<b>(475)</b>	<b>(391)</b>	<b>(276)</b>	<b>(295)</b>	<b>(158)</b>
Administrative Expenses	30	28	37	50	60	56	60	57	47	40	42	27
<b>Operating Result</b>	<b>(255)</b>	<b>(211)</b>	<b>(283)</b>	<b>(454)</b>	<b>(575)</b>	<b>(531)</b>	<b>(584)</b>	<b>(532)</b>	<b>(438)</b>	<b>(316)</b>	<b>(337)</b>	<b>(185)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(5.8%)	(7.7%)	(7.1%)	(7.0%)	(6.5%)	(6.6%)	(5.3%)	(6.5%)	(4.4%)	(7.3%)	(7.7%)	(5.3%)
Current Accident Year	102.4%	102.3%	99.8%	101.0%	100.9%	100.2%	99.9%	99.9%	99.3%	98.7%	98.5%	97.5%
All Accident Years Combined	96.6%	94.6%	92.7%	94.0%	94.4%	93.6%	94.6%	93.4%	94.9%	91.4%	90.8%	92.2%
Underwriting & Admin Exp (EP)	25.1%	23.1%	30.1%	42.8%	52.2%	49.6%	52.0%	48.7%	40.6%	35.0%	37.9%	24.7%
<b>Combined Operating Ratio</b>	<b>121.7%</b>	<b>117.7%</b>	<b>122.8%</b>	<b>136.8%</b>	<b>146.6%</b>	<b>143.2%</b>	<b>146.6%</b>	<b>142.1%</b>	<b>135.5%</b>	<b>126.4%</b>	<b>128.7%</b>	<b>116.9%</b>

**Exhibit B-5  
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Nova Scotia NS	FULL YEAR						
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
<b>Underwriting Revenue</b>							
written premium	14,501	14,646	14,415	145	1.0%	(231)	(1.6%)
decrease / (increase) in unearned	(421)	31	113	452	(107.4%)	82	264.5%
<b>earned premium</b>	<b>14,080</b>	<b>14,677</b>	<b>14,528</b>	<b>597</b>	<b>4.2%</b>	<b>(149)</b>	<b>(1.0%)</b>
<b>Claims Incurred</b>							
<b>Prior Accident Years</b>							
Undiscounted	431	(92)	-	(523)	(121.3%)	92	(100.0%)
effect of discounting	(255)	(542)	(935)	(287)	112.5%	(393)	72.5%
Discounted	176	(634)	(935)	(810)	(460.2%)	(301)	47.5%
<b>Current Accident Year</b>							
Undiscounted	13,504	14,111	13,410	607	4.5%	(701)	(5.0%)
effect of discounting	1,187	1,196	1,126	9	0.8%	(70)	(5.9%)
Discounted	14,691	15,307	14,536	616	4.2%	(771)	(5.0%)
<b>Claims Incurred</b>	<b>14,867</b>	<b>14,673</b>	<b>13,601</b>	<b>(194)</b>	<b>(1.3%)</b>	<b>(1,072)</b>	<b>(7.3%)</b>
<b>Underwriting Expenses</b>							
Expense Allowance	5,008	5,100	5,017	92	1.8%	(83)	(1.6%)
% wp	34.5%	34.8%	34.8%	0.3%		-	
Premium Deficiency / (DPAC)							
Undiscounted	546	(562)	80	(1,108)	(202.9%)	642	(114.2%)
effect of discounting	181	(8)	(3)	(189)	(104.4%)	5	(62.5%)
Discounted	727	(570)	77	(1,297)	(178.4%)	647	(113.5%)
<b>Underwriting Expenses</b>	<b>5,735</b>	<b>4,530</b>	<b>5,094</b>	<b>(1,205)</b>	<b>(21.0%)</b>	<b>564</b>	<b>12.5%</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(6,522)</b>	<b>(4,526)</b>	<b>(4,167)</b>	<b>1,996</b>	<b>(30.6%)</b>	<b>359</b>	<b>(7.9%)</b>
Administrative Expenses	507	519	534	12	2.3%	15	3.0%
<b>Operating Result</b>	<b>(7,029)</b>	<b>(5,045)</b>	<b>(4,701)</b>	<b>1,984</b>	<b>(28.2%)</b>	<b>344</b>	<b>(6.8%)</b>
<b>Ratios</b>							
<b>Claims &amp; Adj. Expenses to EP</b>							
Prior Accident Year	1.3%	(4.3%)	(6.4%)	(5.6%)		(2.1%)	
Current Accident Year	104.3%	104.3%	100.1%	-		(4.2%)	
All Accident Years Combined	105.6%	100.0%	93.7%	(5.6%)		(6.3%)	
Underwriting & Admin Exp (EP)	44.3%	34.4%	38.7%	(9.9%)		4.3%	
<b>Combined Operating Ratio</b>	<b>149.9%</b>	<b>134.4%</b>	<b>132.4%</b>	<b>(15.5%)</b>		<b>(2.0%)</b>	

Exhibit C-1  
 Ontario RSP  
 Projected Policy Liabilities

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Ontario	Projected Balances as at Dec. 31, 2016 (\$000s)							
ending 2016	nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	8,968	1,971	10,939	(145)	42	1,079	976	11,915
1997	139	(31)	108	(2)	1	11	10	118
1998	635	20	655	(16)	5	64	53	708
1999	798	71	869	(24)	8	85	69	938
2000	12	118	130	(4)	1	13	10	140
2001	771	264	1,035	(38)	11	100	73	1,108
2002	651	696	1,347	(55)	18	129	92	1,439
2003	824	722	1,546	(68)	20	148	100	1,646
2004	1,241	1,100	2,341	(110)	33	223	146	2,487
2005	246	1,259	1,505	(78)	24	143	89	1,594
2006	2,817	2,280	5,097	(265)	82	483	300	5,397
2007	3,867	2,663	6,530	(300)	91	623	414	6,944
2008	8,053	5,937	13,990	(532)	154	1,346	968	14,958
2009	14,572	11,624	26,196	(864)	262	2,534	1,932	28,128
2010	32,990	15,029	48,019	(1,585)	480	5,804	4,699	52,718
2011	37,951	4,436	42,387	(1,314)	381	5,134	4,201	46,588
2012	66,942	9,868	76,810	(2,151)	691	11,198	9,738	86,548
2013	91,685	16,696	108,381	(2,493)	759	18,424	16,690	125,071
2014	91,858	48,165	140,023	(3,221)	980	27,223	24,982	165,005
2015	97,744	59,635	157,379	(4,092)	1,259	30,504	27,671	185,050
<b>PAYs (sub-total):</b>	<b>462,764</b>	<b>182,523</b>	<b>645,287</b>	<b>(17,357)</b>	<b>5,302</b>	<b>105,268</b>	<b>93,213</b>	<b>738,500</b>
<b>CAY (2016)</b>	<b>97,890</b>	<b>127,412</b>	<b>225,302</b>	<b>(6,308)</b>	<b>1,802</b>	<b>42,047</b>	<b>37,541</b>	<b>262,843</b>
<b>claims liabilities:</b>	<b>560,654</b>	<b>309,935</b>	<b>870,589</b>	<b>(23,665)</b>	<b>7,104</b>	<b>147,315</b>	<b>130,754</b>	<b>1,001,343</b>
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	<b>178,987</b>	<b>33,525</b>	<b>212,512</b>	<b>(5,303)</b>	<b>1,697</b>	<b>32,467</b>	<b>28,861</b>	<b>241,373</b>
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			<b>1,083,101</b>	<b>(28,968)</b>	<b>8,801</b>	<b>179,782</b>	<b>159,615</b>	<b>1,242,716</b>

Exhibit C-1  
 Ontario RSP  
 Projected Policy Liabilities

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Ontario		Projected Balances as at Dec. 31, 2017 (\$000s)							
ending 2017		nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL	
prior	7,147	1,518	8,665	(68)	17	859	808	9,473	
1998	494	20	514	(10)	3	50	43	557	
1999	623	59	682	(16)	5	66	55	737	
2000	10	94	104	(3)	1	10	8	112	
2001	604	208	812	(26)	7	78	59	871	
2002	512	546	1,058	(39)	12	102	75	1,133	
2003	647	566	1,213	(50)	16	116	82	1,295	
2004	975	863	1,838	(81)	24	176	119	1,957	
2005	192	988	1,180	(55)	17	112	74	1,254	
2006	2,212	1,788	4,000	(208)	64	379	235	4,235	
2007	3,033	2,091	5,124	(266)	82	485	301	5,425	
2008	6,319	4,659	10,978	(505)	154	1,047	696	11,674	
2009	11,434	9,122	20,556	(781)	226	1,978	1,423	21,979	
2010	25,890	11,791	37,681	(1,243)	377	4,555	3,689	41,370	
2011	29,780	3,481	33,261	(1,098)	333	4,021	3,256	36,517	
2012	52,530	7,744	60,274	(1,868)	542	8,761	7,435	67,709	
2013	71,947	13,102	85,049	(2,381)	765	14,385	12,769	97,818	
2014	72,083	37,796	109,879	(2,527)	769	21,363	19,605	129,484	
2015	83,414	40,084	123,498	(2,840)	864	24,011	22,035	145,533	
2016	99,140	61,165	160,305	(4,168)	1,282	29,979	27,093	187,398	
<b>PAYs (sub-total):</b>	<b>468,986</b>	<b>197,685</b>	<b>666,671</b>	<b>(18,233)</b>	<b>5,560</b>	<b>112,533</b>	<b>99,860</b>	<b>766,531</b>	
<b>CAY (2017)</b>	<b>126,571</b>	<b>182,595</b>	<b>309,166</b>	<b>(8,657)</b>	<b>2,473</b>	<b>57,698</b>	<b>51,514</b>	<b>360,680</b>	
<b>claims liabilities:</b>	<b>595,557</b>	<b>380,280</b>	<b>975,837</b>	<b>(26,890)</b>	<b>8,033</b>	<b>170,231</b>	<b>151,374</b>	<b>1,127,211</b>	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
<b>premium liabilities:</b>	<b>183,522</b>	<b>44,467</b>	<b>227,989</b>	<b>(5,689)</b>	<b>1,820</b>	<b>34,835</b>	<b>30,966</b>	<b>258,955</b>	
				*Total may not be sum of parts, as apvs apply to future costs within UPR					
<b>policy liabilities:</b>			<b>1,203,826</b>	<b>(32,579)</b>	<b>9,853</b>	<b>205,066</b>	<b>182,340</b>	<b>1,386,166</b>	

Exhibit C-2  
 Alberta Grid RSP  
 Projected Policy Liabilities

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Alberta Grid ending 2016	Projected Balances as at Dec. 31, 2016 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2004	(1)	(66)	(67)	-	-	7	7	(60)
2005	1,989	(212)	1,777	(20)	7	176	163	1,940
2006	1,240	(63)	1,177	(13)	5	117	109	1,286
2007	4,903	210	5,113	(61)	26	505	470	5,583
2008	3,269	644	3,913	(55)	23	386	354	4,267
2009	5,679	1,302	6,981	(105)	42	688	625	7,606
2010	8,526	2,008	10,534	(179)	74	1,035	930	11,464
2011	15,598	4,283	19,881	(318)	119	1,917	1,718	21,599
2012	17,188	6,819	24,007	(384)	144	2,363	2,123	26,130
2013	19,086	9,577	28,663	(487)	201	3,522	3,236	31,899
2014	28,435	12,942	41,377	(786)	290	5,034	4,538	45,915
2015	38,776	18,384	57,160	(1,200)	457	6,939	6,196	63,356
PAYs (sub-total):	144,688	55,828	200,516	(3,608)	1,388	22,689	20,469	220,985
CAY (2016)	38,077	30,569	68,646	(1,373)	549	7,871	7,047	75,693
<b>claims liabilities:</b>	182,765	86,397	269,162	(4,981)	1,937	30,560	27,516	296,678
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	79,799	(17,341)	62,458	(1,058)	373	6,180	5,495	67,953
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>	<b>331,620</b>			<b>(6,039)</b>	<b>2,310</b>	<b>36,740</b>	<b>33,011</b>	<b>364,631</b>

Exhibit C-2  
 Alberta Grid RSP  
 Projected Policy Liabilities

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Alberta Grid		Projected Balances as at Dec. 31, 2017 (\$000s)						
ending 2017		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2004	1	(47)	(46)	-	-	5	5	(41)
2005	1,388	(155)	1,233	-	-	123	123	1,356
2006	864	(46)	818	(9)	3	81	75	893
2007	3,394	153	3,547	(39)	14	351	326	3,873
2008	2,245	470	2,715	(33)	14	268	249	2,964
2009	3,895	951	4,846	(68)	29	478	439	5,285
2010	5,844	1,466	7,310	(110)	44	720	654	7,964
2011	10,668	3,127	13,795	(235)	97	1,329	1,191	14,986
2012	11,849	4,980	16,829	(269)	101	1,656	1,488	18,317
2013	13,307	6,994	20,301	(325)	122	2,497	2,294	22,595
2014	20,155	9,451	29,606	(503)	207	3,609	3,313	32,919
2015	31,424	13,426	44,850	(852)	314	5,455	4,917	49,767
2016	34,055	21,191	55,246	(1,160)	442	6,328	5,610	60,856
PAYs (sub-total):	139,089	61,961	201,050	(3,603)	1,387	22,900	20,684	221,734
CAY (2017)	42,917	56,988	99,905	(1,998)	799	11,455	10,256	110,161
<b>claims liabilities:</b>	182,006	118,949	300,955	(5,601)	2,186	34,355	30,940	331,895
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	85,361	(17,269)	68,092	(1,154)	407	6,738	5,991	74,083
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			369,047	(6,755)	2,593	41,093	36,931	405,978

Exhibit C-3  
 Alberta Non-Grid RSP  
 Projected Policy Liabilities

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Alberta non-Grid ending 2016	Projected Balances as at Dec. 31, 2016 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2004	29	29	58	-	-	6	6	64
2005	747	(15)	732	(8)	3	72	67	799
2006	697	3	700	(8)	3	69	64	764
2007	853	344	1,197	(14)	5	119	110	1,307
2008	1,258	399	1,657	(25)	10	164	149	1,806
2009	2,159	553	2,712	(38)	14	267	243	2,955
2010	2,989	949	3,938	(59)	20	388	349	4,287
2011	6,180	990	7,170	(122)	43	705	626	7,796
2012	10,964	3,303	14,267	(243)	86	1,403	1,246	15,513
2013	14,128	6,135	20,263	(405)	162	2,463	2,220	22,483
2014	20,222	8,999	29,221	(614)	234	3,547	3,167	32,388
2015	19,435	12,375	31,810	(732)	254	3,885	3,407	35,217
<b>PAYs (sub-total):</b>	79,661	34,064	113,725	(2,268)	834	13,088	11,654	125,379
<b>CAY (2016)</b>	33,034	17,195	50,229	(1,055)	402	5,655	5,002	55,231
<b>claims liabilities:</b>	112,695	51,259	163,954	(3,323)	1,236	18,743	16,656	180,610
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	54,330	(2,173)	52,157	(726)	259	4,605	4,138	56,295
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			216,111	(4,049)	1,495	23,348	20,794	236,905



Exhibit C-3  
 Alberta Non-Grid RSP  
 Projected Policy Liabilities

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Alberta non-Grid ending 2017	Projected Balances as at Dec. 31, 2017 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2004	22	24	46	-	-	5	5	51
2005	589	(15)	574	-	-	57	57	631
2006	547	3	550	(6)	2	54	50	600
2007	670	269	939	(10)	4	93	87	1,026
2008	988	312	1,300	(16)	5	128	117	1,417
2009	1,696	434	2,130	(32)	13	210	191	2,321
2010	2,361	729	3,090	(43)	15	305	277	3,367
2011	4,866	760	5,626	(84)	28	555	499	6,125
2012	8,656	2,539	11,195	(190)	67	1,100	977	12,172
2013	11,184	4,717	15,901	(270)	95	1,938	1,763	17,664
2014	16,290	6,639	22,929	(459)	183	2,786	2,510	25,439
2015	14,881	8,577	23,458	(493)	188	2,870	2,565	26,023
2016	24,454	10,719	35,173	(809)	281	3,952	3,424	38,597
<b>PAYs (sub-total):</b>	<b>87,204</b>	<b>35,707</b>	<b>122,911</b>	<b>(2,412)</b>	<b>881</b>	<b>14,053</b>	<b>12,522</b>	<b>135,433</b>
<b>CAY (2017)</b>	<b>34,117</b>	<b>30,918</b>	<b>65,035</b>	<b>(1,366)</b>	<b>520</b>	<b>7,322</b>	<b>6,476</b>	<b>71,511</b>
<b>claims liabilities:</b>	<b>121,321</b>	<b>66,625</b>	<b>187,946</b>	<b>(3,778)</b>	<b>1,401</b>	<b>21,375</b>	<b>18,998</b>	<b>206,944</b>
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	<b>53,605</b>	<b>(1,072)</b>	<b>52,533</b>	<b>(732)</b>	<b>261</b>	<b>4,638</b>	<b>4,167</b>	<b>56,700</b>
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			<b>240,479</b>	<b>(4,510)</b>	<b>1,662</b>	<b>26,013</b>	<b>23,165</b>	<b>263,644</b>

Exhibit C-4  
 New Brunswick RSP  
 Projected Policy Liabilities

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New Brunswick		Projected Balances as at Dec. 31, 2016 (\$000s)						
ending 2016		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2005	-	(2)	(2)	-	-	-	-	(2)
2006	2	9	11	-	-	1	1	12
2007	382	(249)	133	(1)	-	17	16	149
2008	199	28	227	(2)	1	28	27	254
2009	201	9	210	(2)	1	26	25	235
2010	1,385	38	1,423	(19)	7	174	162	1,585
2011	1,903	221	2,124	(30)	11	261	242	2,366
2012	649	263	912	(13)	5	107	99	1,011
2013	1,604	544	2,148	(34)	15	298	279	2,427
2014	2,021	792	2,813	(48)	17	395	364	3,177
2015	1,241	1,910	3,151	(66)	25	447	406	3,557
PAYs (sub-total):	9,587	3,563	13,150	(215)	82	1,754	1,621	14,771
CAY (2016)	1,944	2,222	4,166	(92)	37	558	503	4,669
<b>claims liabilities:</b>	11,531	5,785	17,316	(307)	119	2,312	2,124	19,440
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	4,381	(841)	3,540	(55)	21	370	336	3,876
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			20,856	(362)	140	2,682	2,460	23,316

Exhibit C-4  
 New Brunswick RSP  
 Projected Policy Liabilities

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New Brunswick ending 2017	Projected Balances as at Dec. 31, 2017 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
2005	-	(2)	(2)	-	-	-	-	(2)
2006	2	9	11	-	-	1	1	12
2007	317	(196)	121	(1)	-	15	14	135
2008	179	24	203	(2)	1	25	24	227
2009	177	9	186	(2)	1	23	22	208
2010	1,235	26	1,261	(14)	5	154	145	1,406
2011	1,710	173	1,883	(24)	9	232	217	2,100
2012	608	201	809	(11)	4	96	89	898
2013	1,395	415	1,810	(25)	11	251	237	2,047
2014	1,693	585	2,278	(36)	16	321	301	2,579
2015	1,242	1,205	2,447	(42)	15	349	322	2,769
2016	1,363	1,136	2,499	(52)	20	335	303	2,802
PAYs (sub-total):	9,921	3,585	13,506	(209)	82	1,802	1,675	15,181
CAY (2017)	2,073	1,659	3,732	(82)	34	500	452	4,184
<b>claims liabilities:</b>	11,994	5,244	17,238	(291)	116	2,302	2,127	19,365
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	4,310	(784)	3,526	(54)	20	368	334	3,860
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>	<b>20,764</b>			<b>(345)</b>	<b>136</b>	<b>2,670</b>	<b>2,461</b>	<b>23,225</b>

Exhibit C-5  
 Nova Scotia RSP  
 Projected Policy Liabilities

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Nova Scotia		Projected Balances as at Dec. 31, 2016 (\$000s)						
ending 2016		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2007	30	1	31	-	-	4	4	35
2008	390	6	396	(2)	1	49	48	444
2009	110	(2)	108	(1)	-	12	11	119
2010	391	9	400	(4)	2	49	47	447
2011	2,012	(93)	1,919	(27)	12	233	218	2,137
2012	4,004	(38)	3,966	(56)	24	579	547	4,513
2013	4,251	650	4,901	(69)	29	710	670	5,571
2014	2,904	1,196	4,100	(61)	25	590	554	4,654
2015	2,755	3,628	6,383	(109)	45	916	852	7,235
PAYs (sub-total):	16,847	5,357	22,204	(329)	138	3,142	2,951	25,155
CAY (2016)	6,209	3,105	9,314	(177)	75	1,298	1,196	10,510
<b>claims liabilities:</b>	<b>23,056</b>	<b>8,462</b>	<b>31,518</b>	<b>(506)</b>	<b>213</b>	<b>4,440</b>	<b>4,147</b>	<b>35,665</b>
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
<b>premium liabilities:</b>	7,471	(437)	7,034	(117)	48	840	771	7,805
*Total may not be sum of parts, as apvs apply to future costs within UPR								
<b>policy liabilities:</b>			<b>38,552</b>	<b>(623)</b>	<b>261</b>	<b>5,280</b>	<b>4,918</b>	<b>43,470</b>

Exhibit C-5  
Nova Scotia RSP  
Projected Policy Liabilities

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Nova Scotia		Projected Balances as at Dec. 31, 2017 (\$000s)							
ending 2017		nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL	
2007	30	1	31	-	-	4	4	35	
2008	342	6	348	(2)	1	43	42	390	
2009	98	(2)	96	(1)	-	11	10	106	
2010	343	9	352	(3)	1	44	42	394	
2011	1,772	(71)	1,701	(19)	7	207	195	1,896	
2012	3,541	(26)	3,515	(49)	21	513	485	4,000	
2013	3,833	510	4,343	(61)	26	629	594	4,937	
2014	2,587	938	3,525	(49)	21	508	480	4,005	
2015	2,189	2,570	4,759	(71)	29	685	643	5,402	
2016	3,987	1,539	5,526	(94)	39	772	717	6,243	
PAYs (sub-total):	18,722	5,474	24,196	(349)	145	3,416	3,212	27,408	
CAY (2017)	6,303	2,481	8,784	(167)	70	1,223	1,126	9,910	
<b>claims liabilities:</b>	<b>25,025</b>	<b>7,955</b>	<b>32,980</b>	<b>(516)</b>	<b>215</b>	<b>4,639</b>	<b>4,338</b>	<b>37,318</b>	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
<b>premium liabilities:</b>	7,357	(357)	7,000	(117)	48	837	768	7,768	
*Total may not be sum of parts, as apvs apply to future costs within UPR									
<b>policy liabilities:</b>			<b>39,980</b>	<b>(633)</b>	<b>263</b>	<b>5,476</b>	<b>5,106</b>	<b>45,086</b>	