

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F16 – 075

DATE: SEPTEMBER 28, 2016

SUBJECT: RISK SHARING POOLS’ FINAL OUTLOOK FOR CALENDAR YEAR 2017 BASED ON AUGUST 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 *final* calendar year 2017 RSP Outlook by pool, based on actual results as found in the August 2016 Operational Reports. Recall that a *preliminary* calendar year 2017 RSP Outlook by pool, based on actual results as found in the May 2016 Operational Reports, was released and posted to the Facility Association website on June 24, 2016 (Bulletin F16-048). Differences between the two projections are summarized in the attached *final* Outlook (section 2.2). In particular, projected 2017 written premium across all of the RSPs in total has decreased by \$32.1 million (4.8%), and the projected net operating deficit improved by \$10.2 million (3.8%).

The attached *final* 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) – this is further evidenced by the 4.8% reduction in the 2017 written premium projection from the *preliminary* Outlook released 3 month prior to this *final* Outlook. (Volume projections are based on projections provided by larger users of the RSPs.) **As such, we stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

The tables on the next page provide a summary of the projections for calendar years 2017 and 2016 and the actuals for calendar year 2015 for reference purposes.

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**RISK SHARING POOLS' FINAL OUTLOOK FOR CALENDAR YEAR 2017
BASED ON AUGUST 2016 OPERATIONAL REPORTS**

Actual and Projected Calendar Year Results						
Ontario RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	342,156	321,926	20,230	6.3%	239,006
	Vehicle Count	179,923	175,838	4,085	2.3%	135,802
Earned	Premium (\$000s)	342,151	267,184	74,967	28.1%	262,567
Net Operating Result (\$000s)		(193,336)	(96,532)	(96,804)	100.3%	47,546
	COR	156.5%	136.2%	20.3%	14.9%	81.9%
Prior Accident Years' incurred claims (\$000s)		(30,099)	(106,571)	76,472	(71.8%)	(188,898)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	178,561	153,180	25,381	16.6%	138,310
	Vehicle Count	74,940	65,075	9,865	15.2%	61,813
Earned	Premium (\$000s)	179,590	133,341	46,249	34.7%	146,209
Net Operating Result (\$000s)		(24,198)	(69,867)	45,669	(65.4%)	(5,360)
	COR	113.5%	152.5%	(39.0%)	(25.6%)	103.7%
Prior Accident Years' incurred claims (\$000s)		(7,061)	34,870	(41,931)	(120.2%)	(9,203)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	96,290	100,033	(3,743)	(3.7%)	85,986
	Vehicle Count	65,497	67,031	(1,534)	(2.3%)	57,845
Earned	Premium (\$000s)	97,853	90,839	7,014	7.7%	89,842
Net Operating Result (\$000s)		(32,148)	(42,671)	10,523	(24.7%)	(21,022)
	COR	132.9%	146.9%	(14.0%)	(9.5%)	123.4%
Prior Accident Years' incurred claims (\$000s)		(4,446)	(2,961)	(1,485)	50.2%	(9,282)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	10,545	9,428	1,117	11.8%	11,164
	Vehicle Count	9,141	8,331	810	9.7%	10,096
Earned	Premium (\$000s)	10,399	10,009	390	3.9%	10,237
Net Operating Result (\$000s)		(1,643)	1,897	(3,540)	(186.6%)	(4,413)
	COR	115.8%	81.0%	34.8%	43.0%	143.2%
Prior Accident Years' incurred claims (\$000s)		(390)	(3,573)	3,183	(89.1%)	917

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	15,943	15,243	700	4.6%	14,501
	Vehicle Count	13,165	12,231	934	7.6%	12,700
Earned	Premium (\$000s)	15,564	14,844	720	4.9%	14,080
Net Operating Result (\$000s)		(5,700)	(4,513)	(1,187)	26.3%	(7,029)
	COR	136.7%	130.4%	6.3%	4.8%	149.9%
Prior Accident Years' incurred claims (\$000s)		(801)	(1,452)	651	(44.8%)	176

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**RISK SHARING POOLS' FINAL OUTLOOK FOR CALENDAR YEAR 2017
BASED ON AUGUST 2016 OPERATIONAL REPORTS**

Questions regarding the Outlook should be directed to Shawn Doherty, SVP, Actuarial and CFO at Facility Association, (416) 644-4968 or 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

SEPTEMBER 2016

BASED ON AUGUST 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

SEPTEMBER 2016

BASED ON AUGUST 2016 OPERATIONAL REPORTS

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- 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

LINKS TO SPECIFIC REFERENCED DOCUMENTS

Actuarial Highlights - Monthly Operational - August 2016

[Ontario RSP August 2016 Operational Report – Actuarial Highlights](#)

[Alberta Grid RSP August 2016 Operational Report - Actuarial Highlights](#)

[Alberta Non-Grid RSP August 2016 Operational Report - Actuarial Highlights](#)

[New Brunswick RSP August 2016 Operational Report – Actuarial Highlights](#)

[Nova Scotia RSP August 2016 Operational Report – Actuarial Highlights](#)

Actuarial Highlights – Quarterly Valuations - 2016 Q2

[Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2016](#)

Outlook

[Risk Sharing Pools' Final Outlook for Calendar Year 2016 - Based on August 2015 Operational Report](#)

[Risk Sharing Pools' Outlook for Calendar Year 2017 - Based on May 2016 Operational Reports](#)

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 June 30, 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.

Projection Summaries – Calendar Year 2017 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
Ontario RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	342,156	321,926	20,230	6.3%	239,006
	Vehicle Count	197,814	180,347	17,467	9.7%	135,802
Earned	Premium (\$000s)	342,151	267,184	74,967	28.1%	262,567
Net Operating Result (\$000s)		(193,336)	(96,532)	(96,804)	100.3%	47,546
	COR	156.5%	136.2%	20.3%	14.9%	81.9%
	Prior Accident Years' incurred claims (\$000s)	(30,099)	(106,571)	76,472	(71.8%)	(188,898)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	178,561	153,180	25,381	16.6%	138,310
	Vehicle Count	79,317	65,044	14,273	21.9%	61,813
Earned	Premium (\$000s)	179,590	133,341	46,249	34.7%	146,209
Net Operating Result (\$000s)		(24,198)	(69,867)	45,669	(65.4%)	(5,360)
	COR	113.5%	152.5%	(39.0%)	(25.6%)	103.7%
	Prior Accident Years' incurred claims (\$000s)	(7,061)	34,870	(41,931)	(120.2%)	(9,203)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	96,290	100,033	(3,743)	(3.7%)	85,986
	Vehicle Count	65,497	67,031	(1,534)	(2.3%)	57,845
Earned	Premium (\$000s)	97,853	90,839	7,014	7.7%	89,842
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	COR	132.9%	146.9%	(14.0%)	(9.5%)	123.4%
	Prior Accident Years' incurred claims (\$000s)	(4,446)	(2,961)	(1,485)	50.2%	(9,282)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	10,545	9,428	1,117	11.8%	11,164
	Vehicle Count	8,948	8,202	746	9.1%	10,096
Earned	Premium (\$000s)	10,399	10,009	390	3.9%	10,237
Net Operating Result (\$000s)		(1,643)	1,897	(3,540)	(186.6%)	(4,413)
	COR	115.8%	81.0%	34.8%	43.0%	143.2%
Prior Accident Years' incurred claims (\$000s)		(390)	(3,573)	3,183	(89.1%)	917

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	15,943	15,243	700	4.6%	14,501
	Vehicle Count	12,210	12,454	(244)	(2.0%)	12,700
Earned	Premium (\$000s)	15,564	14,844	720	4.9%	14,080
Net Operating Result (\$000s)		(5,700)	(4,513)	(1,187)	26.3%	(7,029)
	COR	136.7%	130.4%	6.3%	4.8%	149.9%
Prior Accident Years' incurred claims (\$000s)		(801)	(1,452)	651	(44.8%)	176

2. Introduction

2.1 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 June 30, 2016 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The table below summarizes the calendar year **2017** projection by RSP – greater detail is provided in section 2.3.

Projection Summary – Calendar Year 2017 – Amounts (\$000s)

Calendar Year 2017 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	342,156	178,561	96,290	10,545	15,943	643,495
Earned Premium	342,151	179,590	97,853	10,399	15,564	645,557
Prior Accident Years (PAYs)	(30,099)	(7,061)	(4,446)	(390)	(801)	(42,797)
Current Accident Year (CAY)	453,024	156,274	105,389	8,454	16,313	739,454
Total Claims Incurred	422,925	149,213	100,943	8,064	15,512	696,657
Expense Allowance	100,937	51,605	27,830	3,364	4,944	188,680
Change in Prem. Def / (DPAC)	9,982	1,936	322	77	249	12,566
Underwriting Expenses	110,919	53,541	28,152	3,441	5,193	201,246
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(191,693)	(23,164)	(31,242)	(1,106)	(5,141)	(252,346)
Administrative Expense	1,643	1,034	906	537	559	4,679
2017 Operating Result	(193,336)	(24,198)	(32,148)	(1,643)	(5,700)	(257,025)
attributed to PAYs:	30,099	7,061	4,446	390	801	42,797
attributed to CAY:	(223,435)	(31,259)	(36,594)	(2,033)	(6,501)	(299,822)

This updated calendar year **2017** projection is reasonably aligned with our projection as provided in the 2017 Preliminary Outlook which was posted on June 24, 2016, although written premium overall is down \$32.1 million (4.8%) and the overall operating result has improved \$10.3 million (3.8% - mainly due to reduced writings). A comparison between the Preliminary Outlook and this Outlook is explored in more detail in section 2.2.

As noted in section 2.3, 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 (“*Aug 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 years¹, whereas the current projection for calendar year **2016** (*Aug 31 2016 Projection*)

¹In 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”

includes nominal prior accident year changes as booked during the first eight months of 2016. 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).

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.

2.2 Comparison with Preliminary Outlook

The Preliminary Outlook to Calendar Year 2017, released on June 24, 2016, was based on the valuation as at March 31, 2016 and the May 2016 Operational Reports. The table immediately below shows **the change from that preliminary Outlook** to this (final) update (projected results for 2017 with this Outlook are presented in section 2.3):

Change from 2017 Preliminary Outlook to 2017 Final Outlook – Operating Results (\$000s)

Calendar Year 2017 Projections (\$000s) - Aug 31, 2016 Projection less Preliminary Calendar Year Outlook						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	(12,580)	(7,399)	(14,623)	950	1,528	(32,124)
Earned Premium	(8,051)	(807)	(13,785)	732	1,036	(20,875)
Prior Accident Years (PAYs)	795	(229)	(312)	59	134	447
Current Accident Year (CAY)	(13,478)	5,307	(7,702)	463	1,777	(13,633)
Total Claims Incurred	(12,683)	5,078	(8,014)	522	1,911	(13,186)
Expense Allowance	(5,485)	(4,367)	(5,554)	(14)	(73)	(15,493)
Change in Prem. Def / (DPAC)	(3,065)	1,368	(808)	22	172	(2,311)
Underwriting Expenses	(8,550)	(2,999)	(6,362)	8	99	(17,804)
Net U/Wing gain / (loss)	13,182	(2,886)	591	202	(974)	10,115
Administrative Expense	10	31	(203)	1	25	(136)
Operating Result	13,172	(2,917)	794	201	(999)	10,251
attributed to PAYs:	(795)	229	312	(59)	(134)	(447)
attributed to CAY:	13,967	(3,146)	482	260	(865)	10,698

Premium changes vary by RSP and reflect updated experience and projections provided by some members (please refer to the associated monthly Bulletins for additional information).

For the Ontario RSP, the written premium projection has been decreased \$12.6 million (3.5%) based on updated member projections. The associated earned premium has not decreased at the same

adjustment to reflect the time value of money will unwind and provisions for adverse deviations will be released with liability / obligation settlement.

level, indicating that part of the written premium reduction will be reflected in a lower unearned premium reserve balance projection. As a result, underwriting expenses are showing a larger decrease (both due to the reduced expense allowance on reduced written premium and updated factors², and due to the reduced premium deficiency booked on the implied decrease in the ending unearned premium reserve projected). The Ontario current accident year (2017) loss ratio changes are discussed generally later, but the impact (reduced loss ratios) is favourable to the updated projection. However, prior accident year impacts (due only to releases of actuarial present value adjustments as claims payments are made during 2017) is less favourable than our previous projection for 2017, mainly because of the reduction in the unpaid claims liability (i.e. reserve release) with the 2016 Q2 valuation³. The projected 2017 current accident year loss ratios (including actuarial present value adjustments) improved slightly (by 0.8 points).

For the Alberta Grid RSP, projected 2017 written premium is down \$7.4 million (4.0%), but earned premium as projected has moved only 0.4%. The lower 2017 writings reduce the expense allowance (which was further impacted by the change in the RSP expense allowance) and the projected ending unearned premium, favourably impacting the change in underwriting expenses.

For the Alberta Non-Grid RSP, projected 2017 written premium is down significantly (\$14.6 million or 13.2%), mainly on significant changes in projections provided by a single member group. Reduced writings impact earned premium, unearned premium, and underwriting expenses similar to the impacts discussed related to the Alberta Grid RSP.

In addition, the projected 2017 current accident year loss ratios (including actuarial present value adjustments) deteriorated for each of the Alberta RSPs (by 3.3 points for Grid and 6.4 points for the Non-Grid).

For the two Atlantic RSPs, written premium projections increased (9.9% for the NB RSP and 10.6% for the NS RSP). In addition, while the projected 2017 current accident year loss ratios (including actuarial present value adjustments) improved slightly (by 1.4 points) for the NB RSP, this ratio deteriorated significantly (by 4.7 points) for the NS RSP.

As indicated in the above discussion, the June 30, 2016 valuation also resulted in changes to accident year level ultimate estimates and projections for unpaid claims updated for actual payments as well as projections for future payments. The associated changes in applicable ratios are presented at the top of the next page. Ratio changes are driven by updated valuation assumptions (for additional information on the changes in assumptions related to the latest valuation, please see the August 2016 Actuarial Highlights – links are available on page 3). Please note that the loss ratios indicated in the table include actuarial present value adjustments (whereas the Actuarial Highlights discussions focus on nominal loss ratios). The underlying nominal loss ratios that form the foundation of the 2017 loss ratios are taken directly from the valuation.

Changes in key ratios between 2017 Outlooks are presented in the table at the top of the next page (projected ratios for 2017 with this Outlook are presented in section 2.3):

² The FA Board of Directors approved at its August 25, 2016 meeting, for calendar year 2017, updated RSP expense allowances for the Alberta and Atlantic RSPs, and an updated maximum RSP reimbursable allowance for the Ontario RSP. Please see FA Bulletins F16-065 through F16-068 inclusive available in the Members' Section of the FA website.

³ While margins for adverse deviations of claims development were also updated with this valuation and were generally reduced, the impact at the PAY level for release in a calendar year are insignificant.

Change from 2017 Preliminary Outlook to 2017 Final Outlook – Key Ratios

Calendar Year 2017 Projections (Key Ratios) - Aug 31, 2016 Projection less Preliminary Calendar Year Outlook						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	-	(0.1%)	(0.8%)	0.8%	1.3%	(0.1%)
Current Accident Year (CAY)	(0.8%)	3.3%	6.4%	(1.4%)	4.7%	1.5%
Total Claims Incurred	(0.8%)	3.2%	5.6%	(0.6%)	6.0%	1.4%
Expense Ratios						
Expense Allowance (% WP)	(0.5%)	(1.2%)	(1.2%)	(3.3%)	(3.8%)	(0.9%)
Chg in Prem. Def / (DPAC) (% EP)	(0.8%)	0.8%	(0.7%)	0.1%	1.1%	(0.3%)
Underwriting Expenses (% EP)	(1.7%)	(1.5%)	(2.1%)	(2.5%)	(1.6%)	(1.7%)
Administrative Expense (% EP)	-	-	(0.1%)	(0.3%)	(0.1%)	-
U/Wing & Admin Exp (% EP)	(1.7%)	(1.5%)	(2.2%)	(2.8%)	(1.7%)	(1.7%)
Combined Operating Ratio (% EP)	(2.5%)	1.7%	3.4%	(3.4%)	4.3%	(0.3%)
attributed to PAYs:	-	(0.1%)	(0.8%)	0.8%	1.3%	(0.1%)
attributed to CAY:	(2.5%)	1.8%	4.2%	(4.2%)	3.0%	(0.2%)

With the significant change in the projected written premium, net operating cash flow is also affected, reducing by \$29.7 million (55%) as shown in the table at the top of the next page (projected cashflows for 2017 with this Outlook are presented in section 3.5).

Change from 2017 Preliminary Outlook to 2017 Final Outlook – Cashflow (\$000s)

Calendar Year 2017 Net Operating Cashflow Projections (\$000s) - less Preliminary Calendar Year Outlook						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	(12,580)	(7,399)	(14,623)	950	1,528	(32,124)
PAYs Paid Claims						
paid indemnity	4,055	2,965	3,209	112	270	10,611
paid allowed claims expense	537	259	190	14	5	1,005
PAYs Paid Claims	4,592	3,224	3,399	126	275	11,616
CAYs Paid Claims						
paid indemnity	708	649	257	2	3	1,619
paid allowed claims expense	7	3	1	-	-	11
CAYs Paid Claims	715	652	258	2	3	1,630
All AYs Paid Claims						
paid indemnity	4,763	3,614	3,466	114	273	12,230
paid allowed claims expense	544	262	191	14	5	1,016
All AYs Paid Claims	5,307	3,876	3,657	128	278	13,246
"Cash" Expenses						
Member Expense Allowance	(5,485)	(4,367)	(5,554)	(14)	(73)	(15,493)
Administrative Expenses	10	31	(203)	1	25	(136)
"Cash" Expenses	(5,475)	(4,336)	(5,757)	(13)	(48)	(15,629)
Net Operating Cash Flow	(12,412)	(6,939)	(12,523)	835	1,298	(29,741)

2.3 Summary of Results

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)” 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 *Aug 31 2016 Projection*⁴.

⁴The Aug 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.

Projection Summary – Calendar Year 2017 – Amounts (\$000s)

Calendar Year 2017 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	342,156	178,561	96,290	10,545	15,943	643,495
Earned Premium	342,151	179,590	97,853	10,399	15,564	645,557
Prior Accident Years (PAYs)	(30,099)	(7,061)	(4,446)	(390)	(801)	(42,797)
Current Accident Year (CAY)	453,024	156,274	105,389	8,454	16,313	739,454
Total Claims Incurred	422,925	149,213	100,943	8,064	15,512	696,657
Expense Allowance	100,937	51,605	27,830	3,364	4,944	188,680
Change in Prem. Def / (DPAC)	9,982	1,936	322	77	249	12,566
Underwriting Expenses	110,919	53,541	28,152	3,441	5,193	201,246
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(191,693)	(23,164)	(31,242)	(1,106)	(5,141)	(252,346)
Administrative Expense	1,643	1,034	906	537	559	4,679
2017 Operating Result	(193,336)	(24,198)	(32,148)	(1,643)	(5,700)	(257,025)
attributed to PAYs:	30,099	7,061	4,446	390	801	42,797
attributed to CAY:	(223,435)	(31,259)	(36,594)	(2,033)	(6,501)	(299,822)
2016 Operating Result						
Sep 30, 2015 Outlook	(186,736)	(1,661)	(28,438)	(2,391)	(5,538)	(224,764)
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)
Aug 31, 2016 Projection	(96,532)	(69,867)	(42,671)	1,897	(4,513)	(211,686)
attributed to PAYs:	106,571	(34,870)	2,961	3,573	1,452	79,687
attributed to CAY:	(203,103)	(34,997)	(45,632)	(1,676)	(5,965)	(291,373)

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 **Aug 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 the **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 **Aug 31 2016 Projection** includes actual prior accident year activity included up to the Jun 30, 2016 valuation. In contrast, the updated valuation and more recent discount rate assumptions leads to closer alignment with the **Aug 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	53,282	28,082	3,544	(247)	1,549	86,210
Earned Premium	74,407	37,456	7,115	(275)	1,002	119,705
Prior Accident Years (PAYs)	(8,564)	369	(709)	(13)	(95)	(9,012)
Current Accident Year (CAY)	76,292	46,701	9,794	(650)	981	133,118
Total Claims Incurred	67,728	47,070	9,085	(663)	886	124,106
Expense Allowance	11,965	9,022	1,582	(390)	(24)	22,155
Change in Prem. Def / (DPAC)	1,000	3,678	178	95	275	5,226
Underwriting Expenses	12,965	12,700	1,760	(295)	251	27,381
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(6,286)	(22,314)	(3,730)	683	(135)	(31,782)
Administrative Expense	314	223	(20)	(65)	27	479
Operating Result	(6,600)	(22,537)	(3,710)	748	(162)	(32,261)
attributed to PAYs:	8,564	(369)	709	13	95	9,012
attributed to CAY:	(15,164)	(22,168)	(4,419)	735	(257)	(41,273)

The table above clearly shows the increases in written premium projections 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 booked year-to-date during 2016 at \$69.4 million (favourable) represents 7.8% of the beginning balance. The nominal unpaid claims balance for the Ontario RSP is projected to be \$854.9 million at December 31, 2016 and changes of +/-5% of this balance (\$42.7 million) would not be unusual (see at the top of the next page for actual changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$136.1 million (note: with the latest valuation, margins for adverse deviation have been updated, reducing the margin level in general). The projected nominal unpaid claims balance at December 31, 2017⁵ is \$941.9 million (*nominal* claims development PfAD of \$158.8 million).

⁵ Note: the table provides beginning balances, so the ending balance at December 31, 2017 is NOT shown in the table.

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

ON	nominal unpaid indemnity claims liability (\$ millions)				
	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	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%	(69.4)	(7.8%)
2017	854.9	136.1	15.9%	-	-

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 booked year-to-date during 2016 at \$37.1 million (unfavourable) represents 15.2% of the beginning balance. The nominal unpaid claims balance for the Alberta Grid RSP is projected to be \$278.2 million at December 31, 2016 and changes of +/-5% of this balance (\$13.9 million) would not be unusual (see table below for actual changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$31.6 million. The projected nominal unpaid claims balance at December 31, 2017⁶ is \$310.8 million (*nominal* claims development PfAD of \$35.8 million).

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

AB Grid	nominal unpaid indemnity claims liability (\$ millions)				
	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	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%	37.1	15.2%
2017	278.2	31.6	11.4%	-	-

For the Alberta non-Grid RSP, nominal unpaid claims balances amounted to \$159.5 million as at December 31, 2015 (while it is unusual, the balances at the end of 2014 were the same as the balances at the end of 2015). The nominal prior accident year change booked year-to-date during

⁶ See prior footnote.

2016 at \$0.6 million (unfavourable) represents 0.4% of the beginning balance. The nominal unpaid claims balance for the Alberta non-Grid RSP is projected to be \$172.1 million at December 31, 2016 and changes of +/-5% of this balance (\$8.6 million) would not be unusual (see table at the top of the next page for actual changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$19.5 million. The projected nominal unpaid claims balance at December 31, 2017⁷ is \$185.4 million (*nominal* claims development PfAD of \$21.0 million).

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

AB non-Grid	nominal unpaid indemnity claims liability (\$ millions)				
	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%	0.6	0.4%
2017	172.1	19.5	11.3%	-	-

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 booked year-to-date during 2016 at \$2.6 million (favourable) represents 13.7% of the beginning balance. The nominal unpaid claims balance for the New Brunswick RSP is projected to be \$16.8 million at December 31, 2016 and changes of +/-5% of this balance (\$0.8 million) would not be unusual (see below for actual changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$1.9 million (note: with the latest valuation, margins for adverse deviation have been updated, reducing the margin level in general). The projected nominal unpaid claims balance at December 31, 2017⁸ is \$17.1 million (*nominal* claims development PfAD of \$1.9 million).

⁷ See prior footnote.

⁸ See prior footnote.

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

NB	nominal unpaid indemnity claims liability (\$ millions)				
	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%	(2.6)	(13.7%)
2017	16.8	1.9	11.3%	-	-

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 booked year-to-date during 2016 at \$0.3 million (favourable) represents 1.1% of the beginning balance. The nominal unpaid claims balance for the Nova Scotia RSP is projected to be \$31.8 million at December 31, 2016 and changes of +/-5% of this balance (\$1.6 million) would not be unusual (see table below for actual changes that occurred during the last 3 calendar years). The projected *nominal* claims development provision for adverse deviation (PfAD) is \$3.7 million (note: with the latest valuation, margins for adverse deviation have been updated, reducing the margin level in general). The projected nominal unpaid claims balance at December 31, 2017⁹ is \$34.7 million (*nominal* claims development PfAD of \$4.1 million).

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

NS	nominal unpaid indemnity claims liability (\$ millions)				
	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	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%	(0.3)	(1.1%)
2017	31.8	3.7	11.6%	-	-

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

⁹ See prior footnote.

discount rate of 0.97%, whereas with the *Aug 31 2016 projection* for the Ontario RSP we are now using 0.68%. However, the Jun 30, 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: \$24.4 million (associated interest rate PfAD of \$8.8 million, indicating the net discount impact of approximately \$15.6 million)
- AB Grid RSP: \$6.4 million (associated interest rate PfAD of \$2.7 million, indicating the net discount impact of approximately \$3.7 million)
- AB non-Grid RSP: \$3.9 million (associated interest rate PfAD of \$1.5 million, indicating the net discount impact of approximately \$2.4 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” scenario¹⁰ in relation to adverse changes in the yield curves.

Key Ratios associated with our calendar year **2017** projection are presented in the table at the top of the next page, 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. 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, as can projections (as we can see when comparing the 2017 May 2016 projections used in the 2017 Preliminary Outlook with the 2017 Aug 2016 projections used in this 2017 Final Outlook).

¹⁰That 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.

Projection Summary – Calendar Year 2017 – Key Ratios¹¹

Calendar Year 2017 Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)	-	-	-	-	-	-
Prior Accident Years (PAYs)	(8.8%)	(3.9%)	(4.5%)	(3.8%)	(5.1%)	(6.6%)
Current Accident Year (CAY)	132.4%	87.0%	107.7%	81.3%	104.8%	114.5%
Total Claims Incurred	123.6%	83.1%	103.2%	77.5%	99.7%	107.9%
Expense Ratios	-	-	-	-	-	-
Expense Allowance (% WP)	29.5%	28.9%	28.9%	31.9%	31.0%	29.3%
Chg in Prem. Def / (DPAC) (% EP)	2.9%	1.1%	0.3%	0.7%	1.6%	1.9%
Underwriting Expenses (% EP)	32.4%	29.8%	28.8%	33.1%	33.4%	31.2%
Administrative Expense (% EP)	0.5%	0.6%	0.9%	5.2%	3.6%	0.7%
U/Wing & Admin Exp (% EP)	32.9%	30.4%	29.7%	38.3%	37.0%	31.9%
2017 Combined Operating Ratio (% EP)	156.5%	113.5%	132.9%	115.8%	136.7%	139.8%
attributed to PAYs:	(8.8%)	(3.9%)	(4.5%)	(3.8%)	(5.1%)	(6.6%)
attributed to CAY:	165.3%	117.4%	137.4%	119.6%	141.8%	146.4%
2016 Combined Operating Ratio						
Sep 30, 2015 Outlook	169.8%	101.2%	131.4%	122.4%	138.1%	142.8%
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%
Aug 31, 2016 Projection	136.2%	152.5%	146.9%	81.0%	130.4%	141.0%
attributed to PAYs:	(39.9%)	26.2%	(3.3%)	(35.7%)	(9.8%)	(15.4%)
attributed to CAY:	176.1%	126.3%	150.2%	116.7%	140.2%	156.4%

Net cash flows from operations for the RSPs collectively are projected to be an overall outflow of \$84.0 million for calendar year **2017** as presented in detail in section 3.5. As indicated in the table at the top of the next page, 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.

¹¹RSP 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.

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
Written Premium	53,282	28,082	3,544	(247)	1,549	86,210
PAYs Paid Claims						
paid indemnity	28,415	(11,780)	732	213	1,207	18,787
paid allowed claims expense	3,818	(795)	788	54	252	4,117
PAYs Paid Claims	32,233	(12,575)	1,520	267	1,459	22,904
CAYs Paid Claims						
paid indemnity	22,218	2,115	3,679	263	(436)	27,839
paid allowed claims expense	(289)	(31)	(27)	(3)	4	(346)
CAYs Paid Claims	21,929	2,084	3,652	260	(432)	27,493
All AYs Paid Claims						
paid indemnity	50,633	(9,665)	4,411	476	771	46,626
paid allowed claims expense	3,529	(826)	761	51	256	3,771
All AYs Paid Claims	54,162	(10,491)	5,172	527	1,027	50,397
"Cash" Expenses						
Member Expense Allowance	11,965	9,022	1,582	(390)	(24)	22,155
Administrative Expenses	314	223	(20)	(65)	27	479
"Cash" Expenses	12,279	9,245	1,562	(455)	3	22,634
Net Operating Cash Flow	(13,159)	29,328	(3,190)	(319)	519	13,179

Projections for Calendar Year 2016

As indicated in the table below, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the *Sep 30 2015 Outlook* and the *Aug 31 2016 Projection*, the latter of which includes the implementation of the 2015 Q3, Q4 and 2016 Q1 & Q2 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 Aug 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%	267,184	(96,532)	136.2%
Alberta Grid	142,134	(1,661)	101.2%	133,341	(69,867)	152.5%
Alberta non-Grid	90,738	(28,438)	131.4%	90,839	(42,671)	146.9%
New Brunswick	10,674	(2,391)	122.4%	10,009	1,897	81.0%
Nova Scotia	14,562	(5,538)	138.1%	14,844	(4,513)	130.4%
TOTAL	525,852	(224,764)	142.8%	516,217	(211,686)	141.0%

In the first table on the next page, we attribute the overall **\$13.1 million** operating result **improvement** in our projection for calendar year 2016 to components:

- \$0.5 million deterioration to the change in earned premium (by multiplying the earned premium change by [1 - COR]);
- \$12.6 million improvement attributed to the change in COR (which is driven by changes in nominal prior accident year claims liabilities, current accident year loss ratios, the next future accident year loss ratio impact on premium liabilities, discount rates and margins, 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	(560)	90,204	(33.6%)	(560)	391	89,813	(33.6%)
Alberta Grid	(8,793)	(68,206)	51.3%	(8,793)	106	(68,312)	51.3%
Alberta non-Grid	101	(14,233)	15.5%	101	(32)	(14,201)	15.5%
New Brunswick	(665)	4,288	(41.4%)	(665)	149	4,139	(41.4%)
Nova Scotia	282	1,025	(7.7%)	282	(107)	1,132	(7.7%)
TOTAL	(9,635)	13,078	(1.8%)	(9,635)	507	12,571	(1.8%)

Of the \$13.1 million¹² of operating result increase shown above, \$54.0 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.

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		
	Aug 31 2016 Projection	Sep 30 2015 Outlook	change	Aug 31 2016 Projection	Sep 30 2015 Outlook	change	Aug 31 2016 Projection	Sep 30 2015 Outlook	change
Ontario	250.3	355.2	(104.9)	356.8	376.7	(19.9)	(106.6)	(21.5)	(85.0)
Alberta Grid	151.2	102.1	49.1	116.4	109.6	6.8	34.9	(7.4)	42.3
Alberta Non-Grid	98.8	91.9	6.9	101.7	95.6	6.1	(3.0)	(3.7)	0.8
New Brunswick	4.5	8.7	(4.2)	8.1	9.1	(1.1)	(3.6)	(0.4)	(3.2)
Nova Scotia	13.8	14.6	(0.8)	15.2	15.3	(0.1)	(1.5)	(0.7)	(0.7)
TOTAL	518.6	572.6	(54.0)	598.2	606.3	(8.1)	(79.7)	(33.8)	(45.9)

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. Ontario, Alberta Grid, 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).

¹² 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.

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 valuation¹³. 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), May 2016 (implementation of the 2016 Q1 valuation) and August 2016 (implementation of the 2016 Q2 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 \$20.6 million of unfavourable operating result change overall (see table below). As there have been no changes to margins for adverse deviations (MfADs) for investment return relative to the 2016 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%	0.68%	-\$15.2 million	\$0.0 million
Alberta Grid	0.93%	0.60%	-\$2.9 million	\$0.0 million
Alberta Non-Grid	0.97%	0.61%	-\$2.0 million	\$0.0 million
New Brunswick	0.90%	0.57%	-\$0.2 million	\$0.0 million
Nova Scotia	0.90%	0.56%	-\$0.3 million	\$0.0 million
TOTAL			-\$20.6 million	\$0.0 million

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

*Interest Rate MfADs have not changed and remain at 25 basis points.

While the 2016 Q2 valuation did not result in any MfAD changes for investment returns, claims development MfADs were updated at the RSP/coverage/accident half level, generally resulting in declines in the MfADs selected, resulting in a decrease in the actuarial liabilities and having a favourable impact on the projected operating results for calendar year 2016, accounting for an estimated \$17.7 million of favourable operating result change overall (see table at the top of the next page).

¹³ 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. Changes to margins did occur with the most recent valuation and, in general, had an overall favourable impact.

Estimated 2016 Operating Result Impact from Claims Development MfADs

RSP	Est. Impact MfAD Chg*
Ontario	+\$15.0 million
Alberta Grid	+\$0.8 million
Alberta Non-Grid	+\$0.5 million
New Brunswick	+\$0.5 million
Nova Scotia	+\$0.9 million
TOTAL	+\$17.7 million

Source: As found in the August 2016 Actuarial Highlights

Based on the two preceding tables, overall, the unfavourable impact due to the drop in the risk-free yield curve (generating reduced interest rates used for discounting) is almost entirely offset by the favourable impact of reduced margins for adverse claims development.

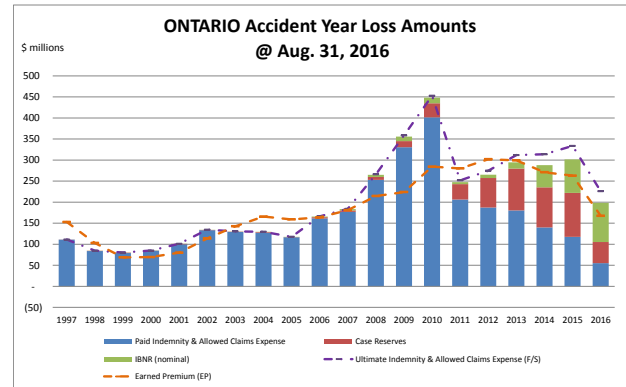
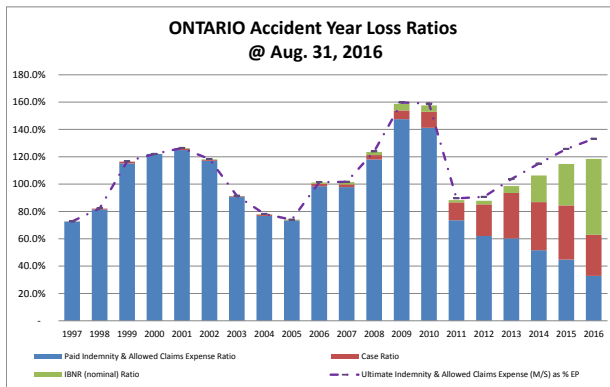
2.4 Outlook Purpose and Projection Uncertainty

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 at the top of the next page) 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 at the top of the next page.



2.5 Definitions and Presentation

Accounting Periods

- Calendar Year 2015: actual results for 12 months ending December 31, 2015.
- Calendar Year 2016: actual results for 8 months ending Aug 31, 2016, plus projected results for 4 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 August 2016. The August 2016 Operational Report reflects the results of recent valuations as at June 30, 2016 as described in the August 2016 Actuarial Highlights.
- Projected results for the months of September 2016 and October 2016 are the projections

reflected in the August 2016 Operational Reports, and are based on assumptions derived for this purpose from the valuations at June 30, 2016 and other information.

- Projected results for the months of November 2016 through December 2017 are also based on assumptions derived for this purpose from the valuations as at June 30, 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

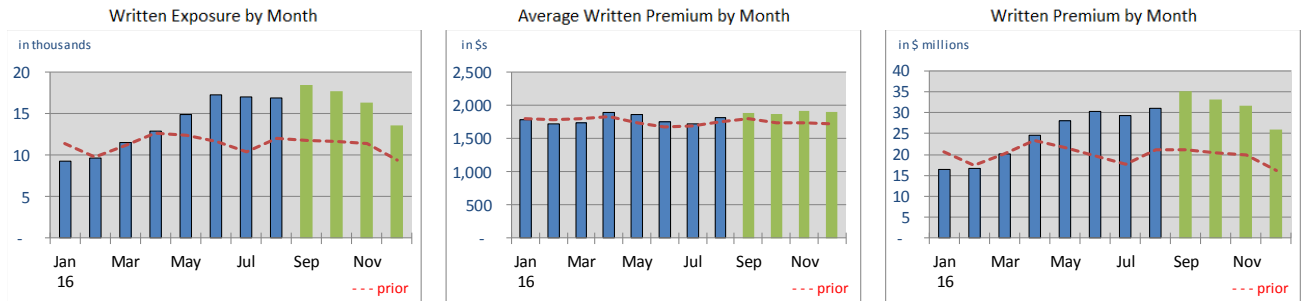
The commentary that follows describes the basis for projecting premiums, claims amounts, and expenses, and provides summaries of key assumptions. Exhibit A in Section 4 provides additional detail regarding these assumptions.

3.1 Premiums

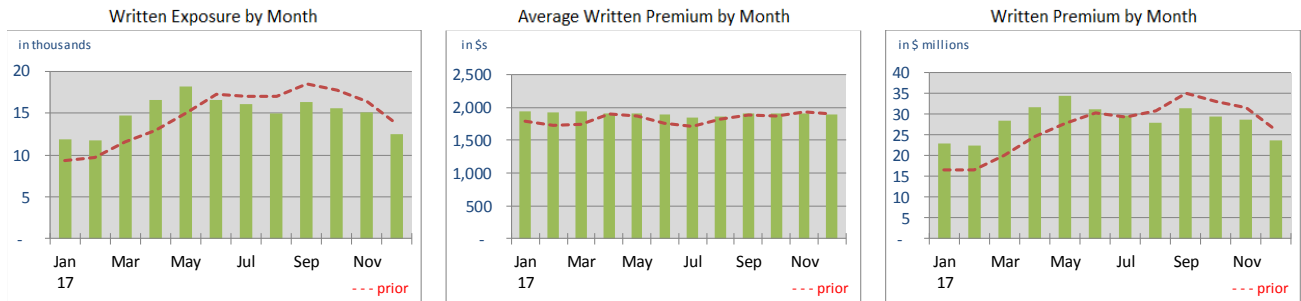
For each RSP, a model has been established to project by month the number of (annualized) vehicles being transferred to the pools and to project the associated average written premium (with projected premium being the product of these two). The projection model for each RSP considers the largest member 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.

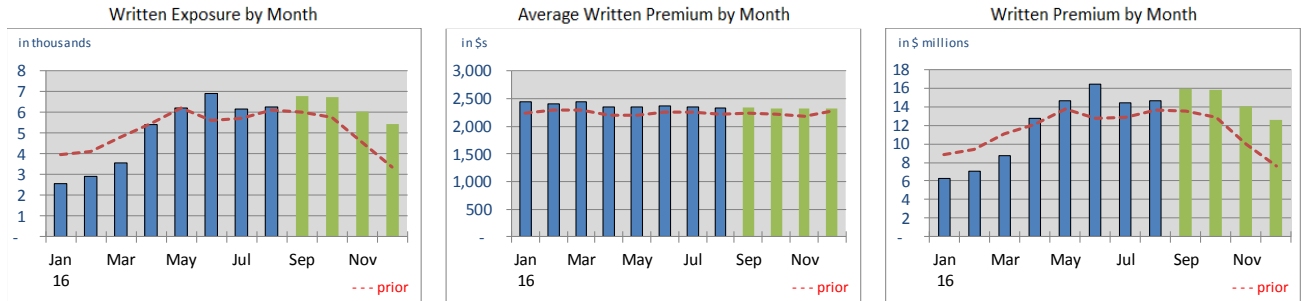
Ontario 2016 projected count 175,838; approximate maximum that could be transferred: 352,000



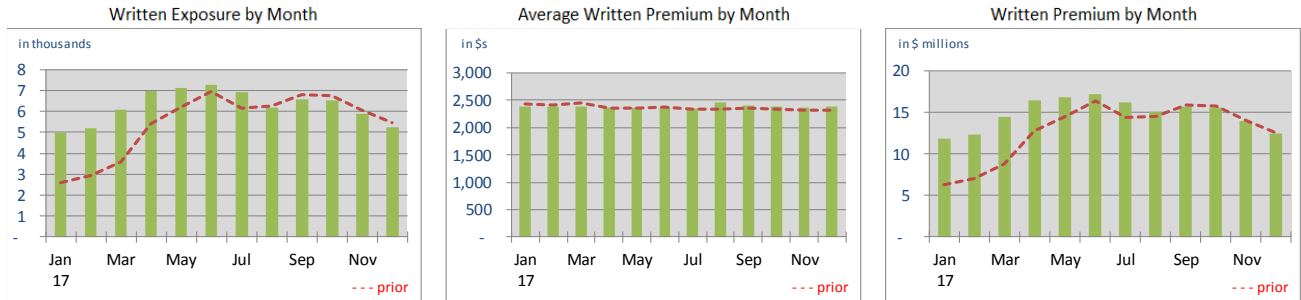
Ontario 2017 projected count 179,923; approximate maximum that could be transferred: 352,000



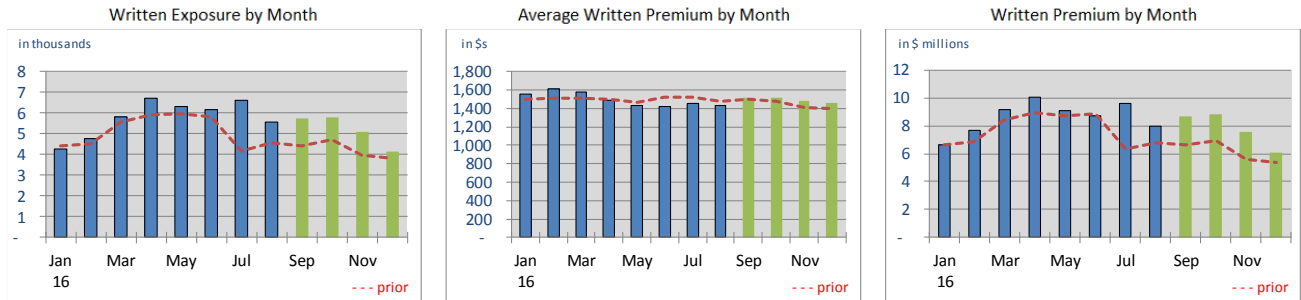
Alberta Grid 2016 *projected count 65,075; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 168,000 in 2014)*



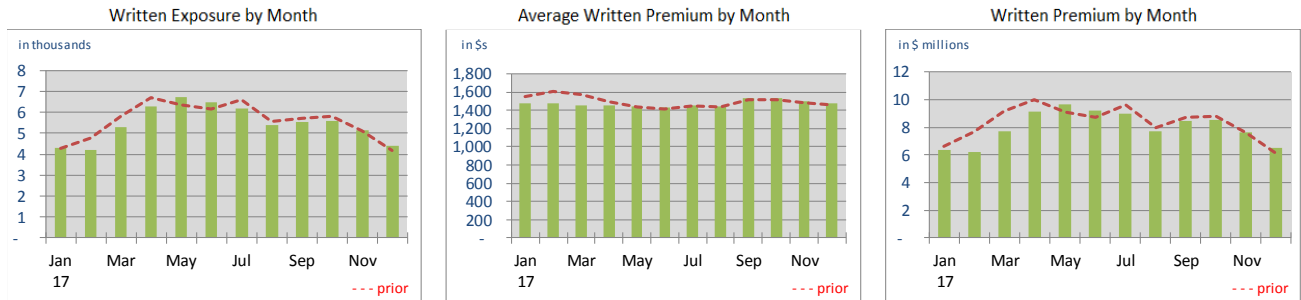
Alberta Grid 2017 *projected count 74,940; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating– approximately 168,000 in 2014)*



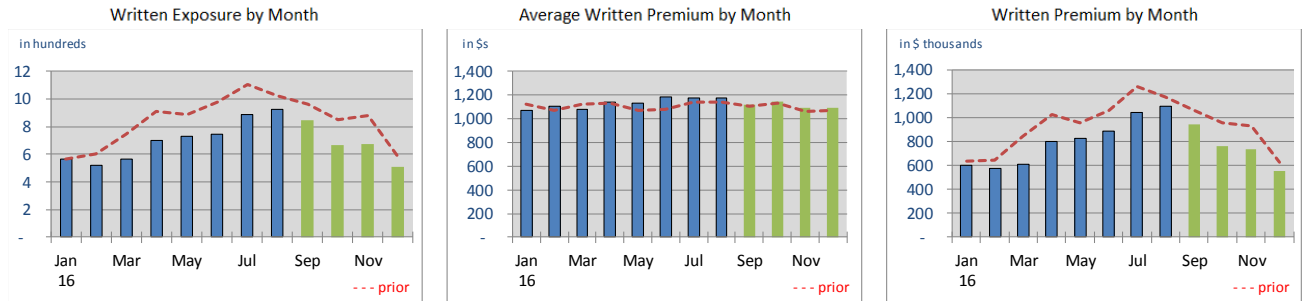
Alberta Non-Grid 2016 *projected count 67,031; approximate maximum that could be transferred: 96,000*



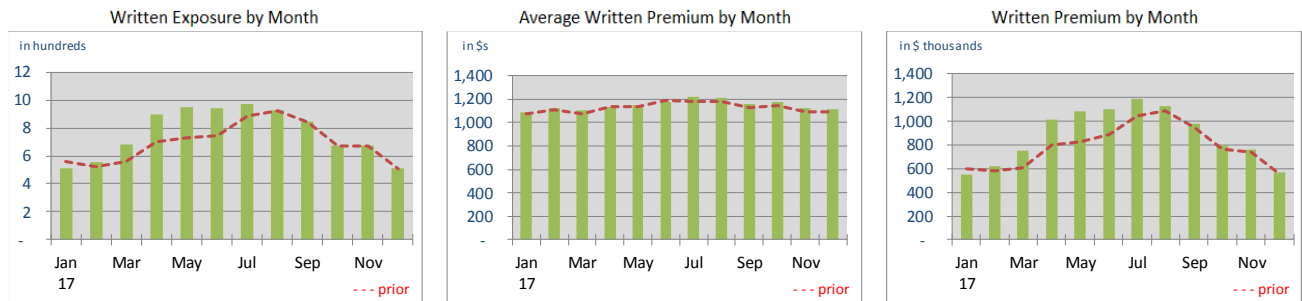
Alberta Non-Grid 2017 *projected count 65,497; approximate maximum that could be transferred: 96,000*



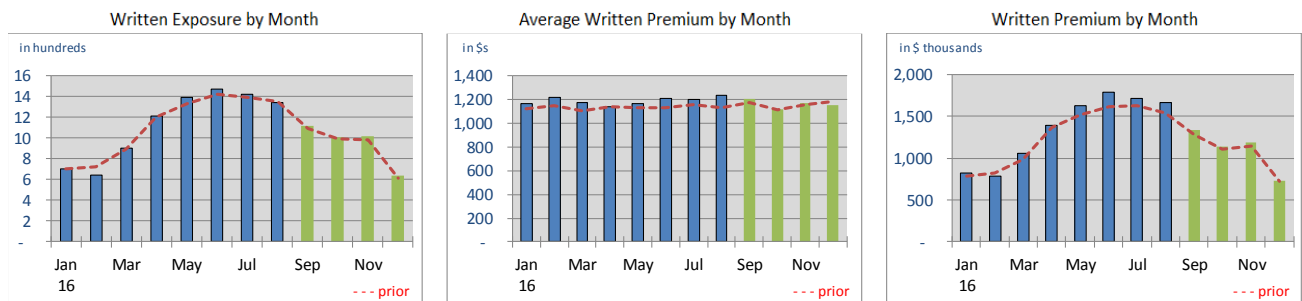
New Brunswick 2016 *projected count 8,331; approximate maximum that could be transferred: 38,000*



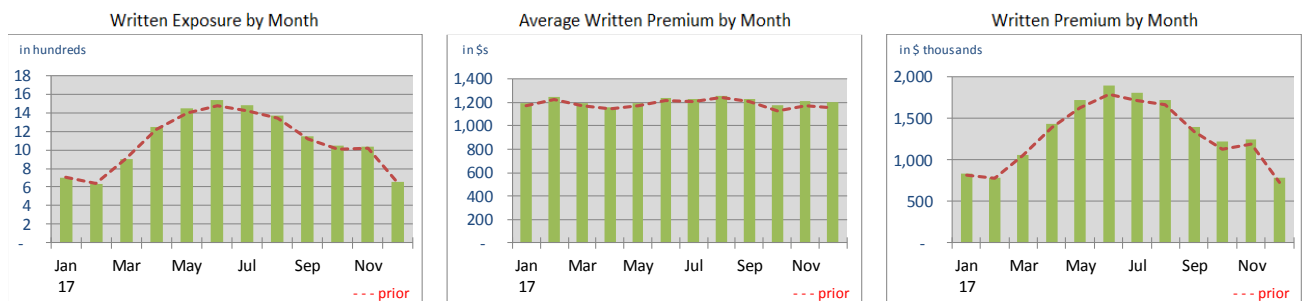
New Brunswick 2017 *projected count 9,141; approximate maximum that could be transferred: 38,000*



Nova Scotia 2016 *projected count 12,867; approximate maximum that could be transferred: unknown (based on number of risks deemed "inexperienced")*



Nova Scotia 2017 *projected count 13,165; 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 table at the top of the next page 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	342,156	178,561	96,290	10,545	15,943	643,495
Change from 2016	20,230	25,381	(3,743)	1,117	700	43,685
% Change from 2016	6.3%	16.6%	(3.7%)	11.8%	4.6%	7.3%
2017 Earned Premium	342,151	179,590	97,853	10,399	15,564	645,557
Change from 2016	74,967	46,249	7,014	390	720	129,340
% Change from 2016	28.1%	34.7%	7.7%	3.9%	4.9%	25.1%

3.2 Claims Amounts

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at June 30, 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 August 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 March 31, 2016¹⁴ 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	115.3%	79.6%	100.2%	76.0%	95.4%	<i>intentionally left blank</i>
divide by ep factor	0.982	1.014	1.017	1.013	1.017	
multiply by clms factor	1.001	1.032	1.033	1.028	1.039	
multiply by rounding correction	1.000	1.000	1.000	1.000	1.000	
Accident Year 2017 a priori LR	117.5%	81.0%	101.8%	77.1%	97.5%	

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).

¹⁴ 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 valuations. Hence, the a priori loss ratios used for the June 30, 2016 valuation reflect selections of ultimate from the March 31, 2016 valuation for all RSPs.

Selected Loss Ratios – table 1

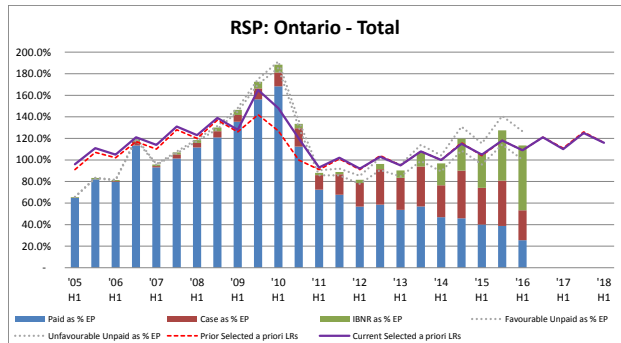
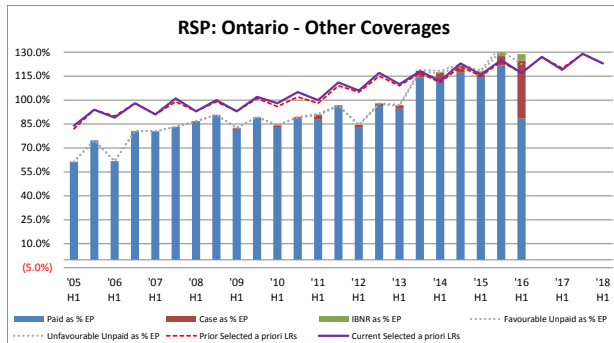
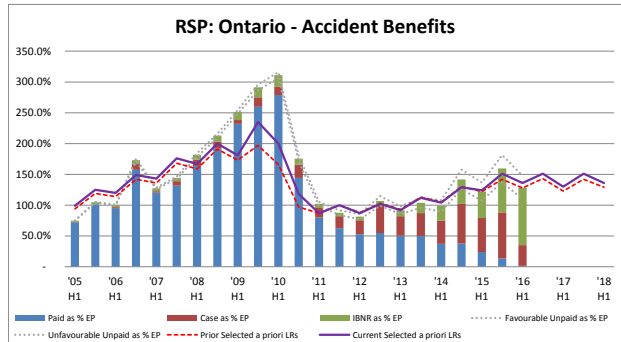
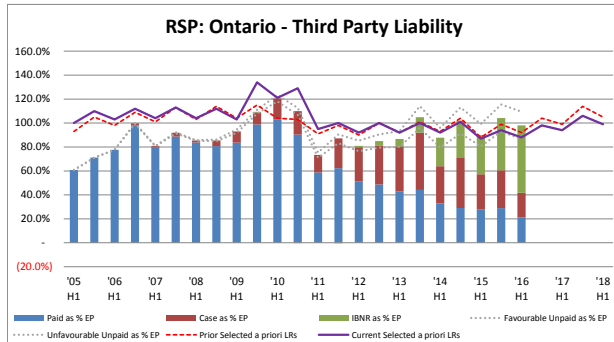
Loss Ratios Accident Year	RSP ON			RSP AB Grid			RSP AB Non-Grid		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
1993	92,972	105,014	113.0%	-	-	-	-	-	-
1994	200,791	210,581	104.9%	-	-	-	-	-	-
1995	235,451	206,726	87.8%	-	-	-	-	-	-
1996	197,412	164,018	83.1%	-	-	-	-	-	-
1997	152,922	111,211	72.7%	-	-	-	-	-	-
1998	103,106	84,646	82.1%	-	-	-	-	-	-
1999	68,831	80,177	116.5%	-	-	-	-	-	-
2000	69,659	85,083	122.1%	-	-	-	-	-	-
2001	80,047	101,091	126.3%	-	-	-	-	-	-
2002	113,770	134,435	118.2%	-	-	-	-	-	-
2003	142,680	130,376	91.4%	-	-	-	-	-	-
2004	165,860	129,580	78.1%	47,289	24,419	51.6%	558	1,948	349.1%
2005	158,965	117,627	74.0%	268,327	158,563	59.1%	24,923	23,600	94.7%
2006	163,889	165,904	101.2%	298,765	198,090	66.3%	73,870	64,431	87.2%
2007	180,957	183,515	101.4%	308,227	215,963	70.1%	70,465	71,612	101.6%
2008	214,486	264,863	123.5%	287,816	193,164	67.1%	76,380	77,852	101.9%
2009	224,096	355,829	158.8%	259,277	157,254	60.7%	71,794	67,789	94.4%
2010	284,366	448,154	157.6%	219,035	134,323	61.3%	72,937	61,539	84.4%
2011	280,095	247,650	88.4%	200,108	133,354	66.6%	78,508	65,145	83.0%
2012	301,957	265,204	87.8%	183,224	136,713	74.6%	77,275	78,864	102.1%
2013	299,214	294,688	98.5%	146,822	113,067	77.0%	81,131	81,019	99.9%
2014	271,016	288,193	106.3%	144,715	123,792	85.5%	84,039	95,427	113.6%
2015	263,106	301,796	114.7%	146,812	130,506	88.9%	89,893	90,846	101.1%
2016			118.4%			81.5%			105.6%
2017			117.5%			81.0%			101.8%
2018			122.5%			83.0%			102.8%
	exp allowance:	future service cost:		exp allowance:	future service cost:		exp allowance:	future service cost:	
prem liab (FY2016)	30.00%	0.23%		30.10%	0.27%		30.10%	0.50%	
prem liab (FY2017)	29.50%	0.24%		28.90%	0.29%		28.90%	0.47%	

Selected Loss Ratios – table 2

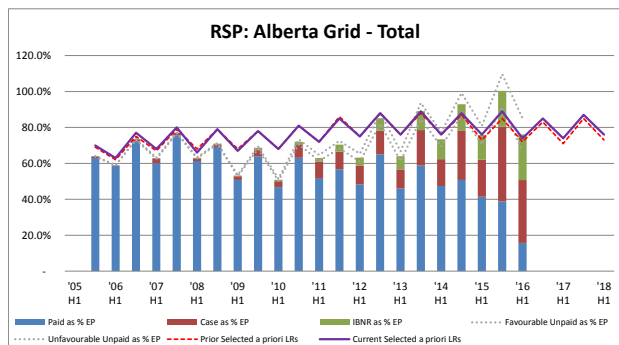
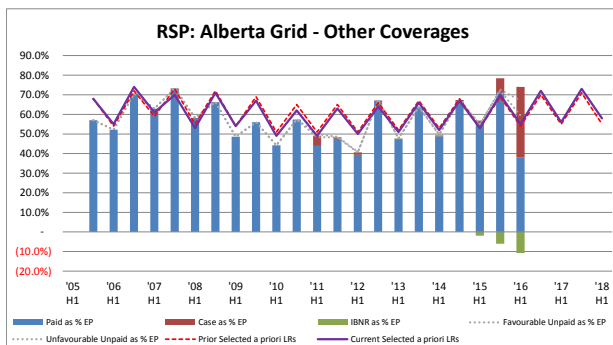
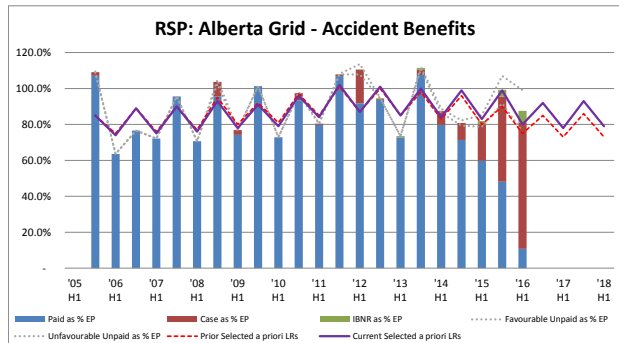
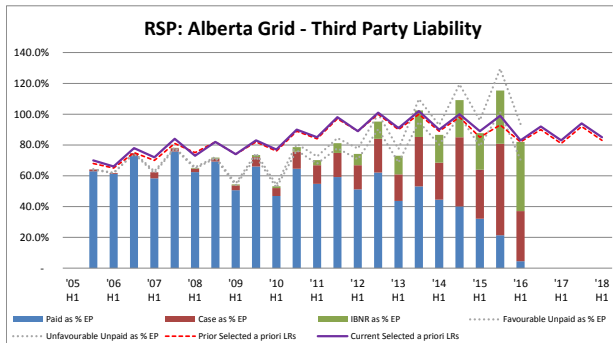
RSP NB			RSP NS		
EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
4,932	4,145	84.0%	-	-	-
11,215	5,975	53.3%	-	-	-
12,451	9,006	72.3%	2,057	1,116	54.3%
12,180	9,123	74.9%	10,620	7,378	69.5%
13,459	10,536	78.3%	14,065	9,006	64.0%
11,901	7,351	61.8%	14,455	10,771	74.5%
10,011	8,675	86.7%	12,313	11,379	92.4%
10,056	4,948	49.2%	13,197	13,492	102.2%
10,416	6,803	65.3%	13,793	12,141	88.0%
9,573	7,089	74.1%	13,192	11,351	86.0%
10,259	7,328	71.4%	14,079	12,266	87.1%
		75.6%			94.8%
		77.1%			97.5%
		79.1%			100.0%

exp allowance:	future service cost:	exp allowance:	future service cost:
35.20%	2.80%	34.80%	1.85%
31.90%	2.55%	31.00%	1.75%

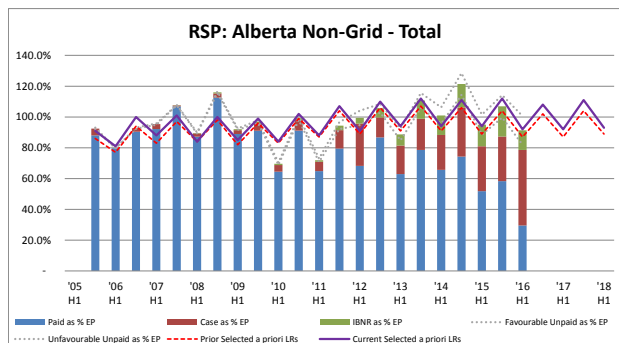
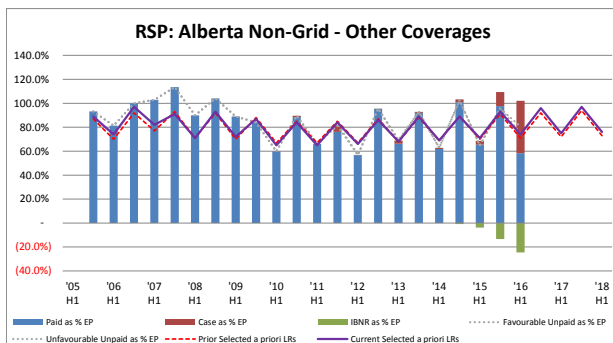
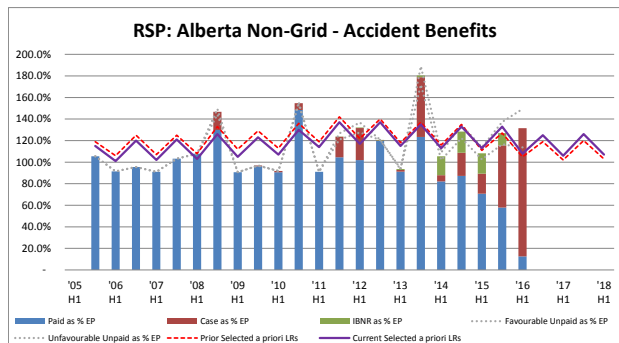
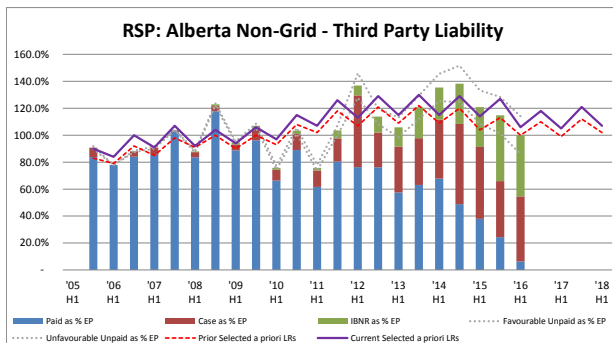
Ontario – Actual and a priori Loss Ratios



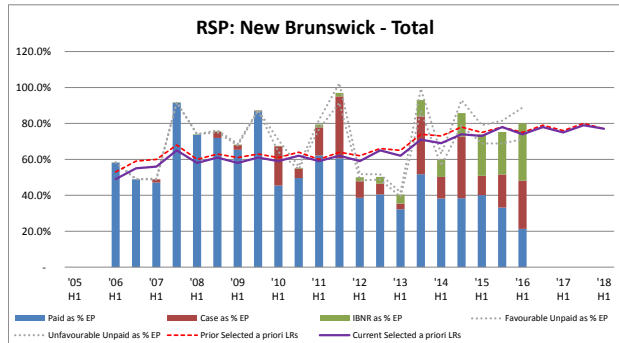
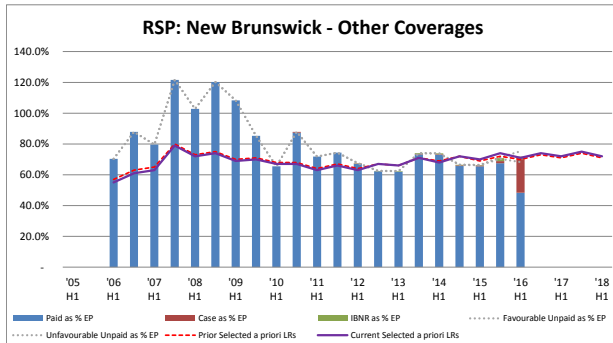
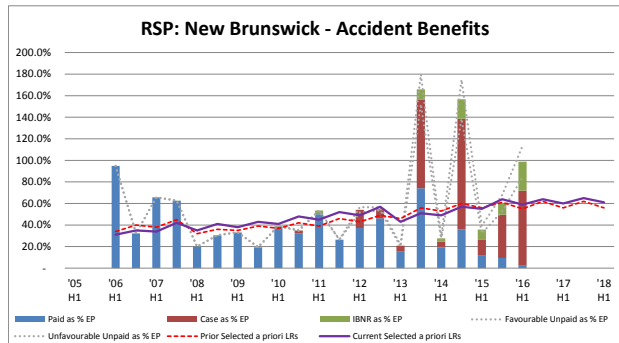
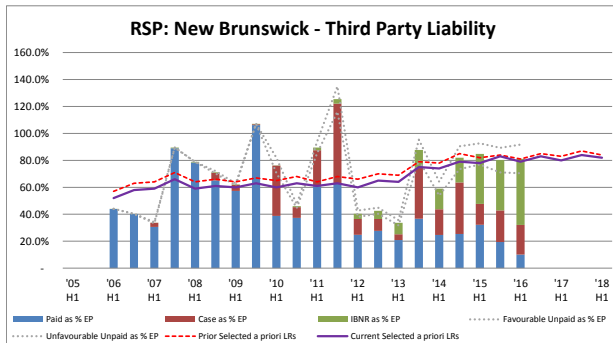
Alberta Grid – Actual and a priori Loss Ratios



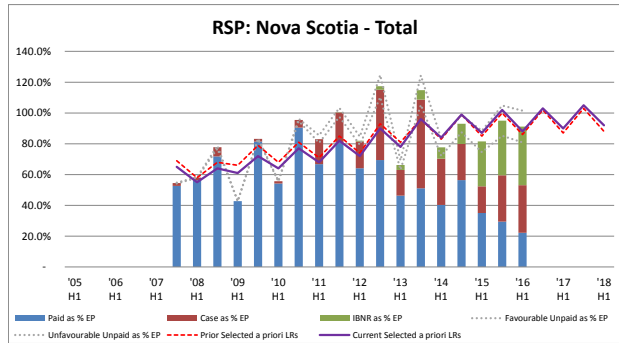
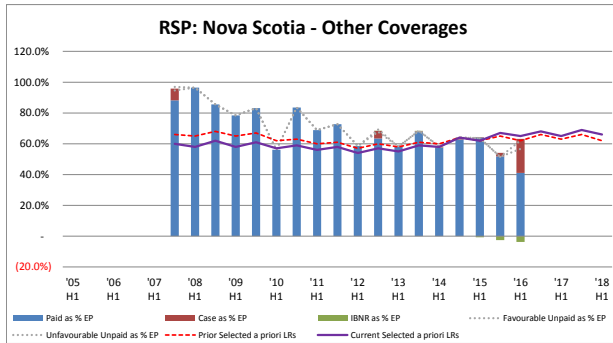
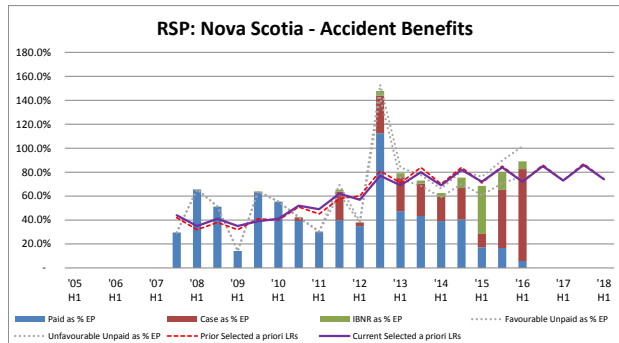
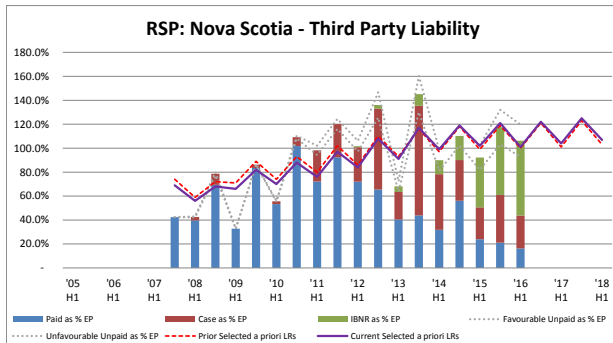
Alberta Non-Grid – Actual and a priori Loss Ratios



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 August 2016. No further nominal development (favourable or unfavourable) is projected for the remainder of the calendar

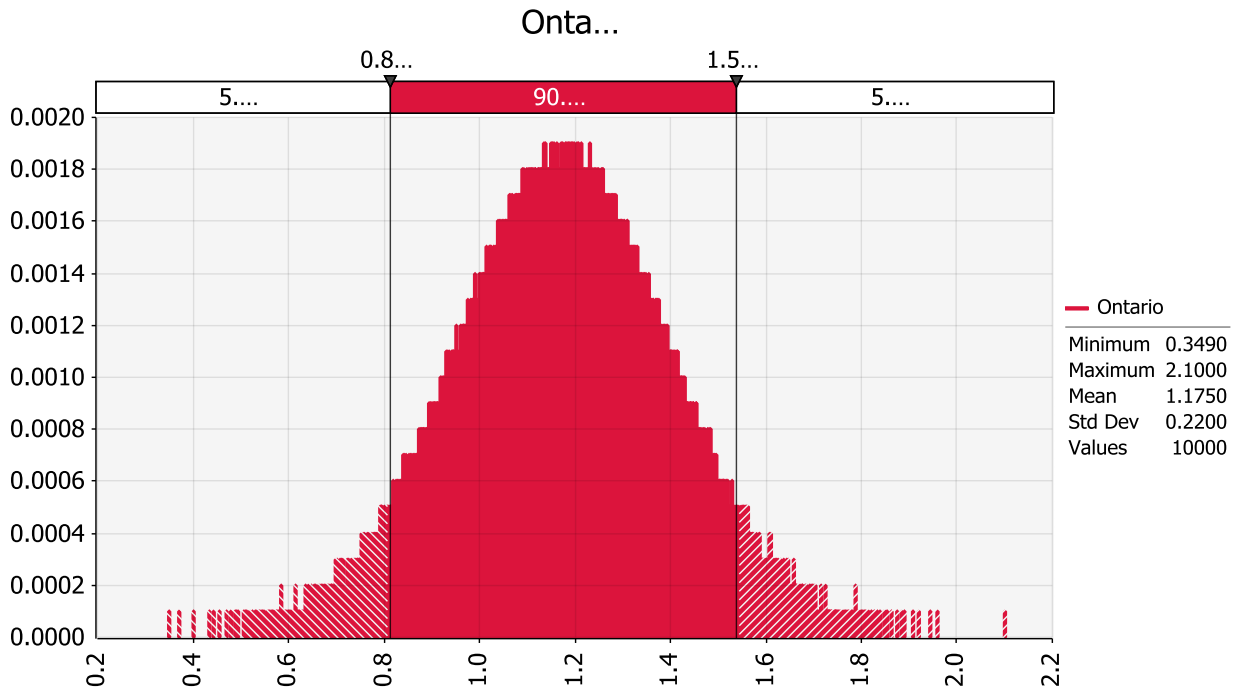
year (actuarial present value adjustments are expected to change as nominal claims liabilities are unwound with claims settlement). Similarly, no nominal prior accident year development is projected during calendar year 2017, but actuarial present value adjustment changes are projected to occur as claims 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 deviations¹⁵ 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.

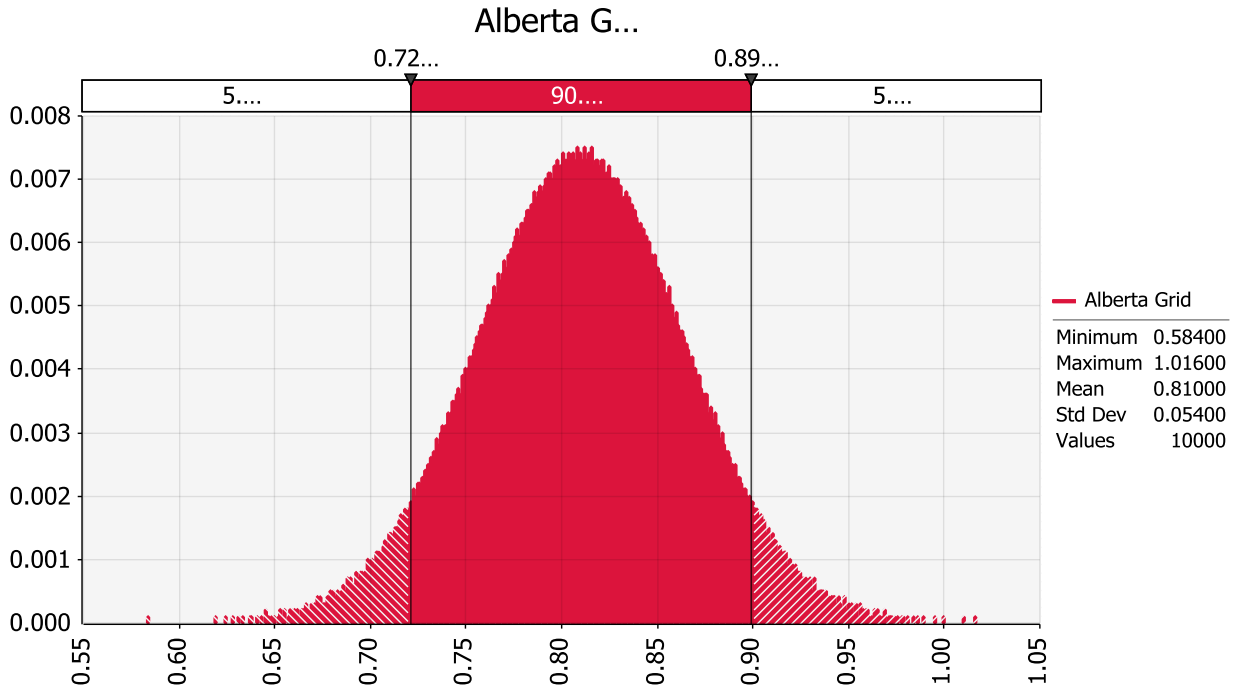
Histograms for the loss ratio modeling by RSP for accident year 2017 is presented below based on latin hypercube sampling (10,000 samples) using @risk simulation software, and, again, assuming loss ratios follow a normal distribution under “non-stressed” scenarios.

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

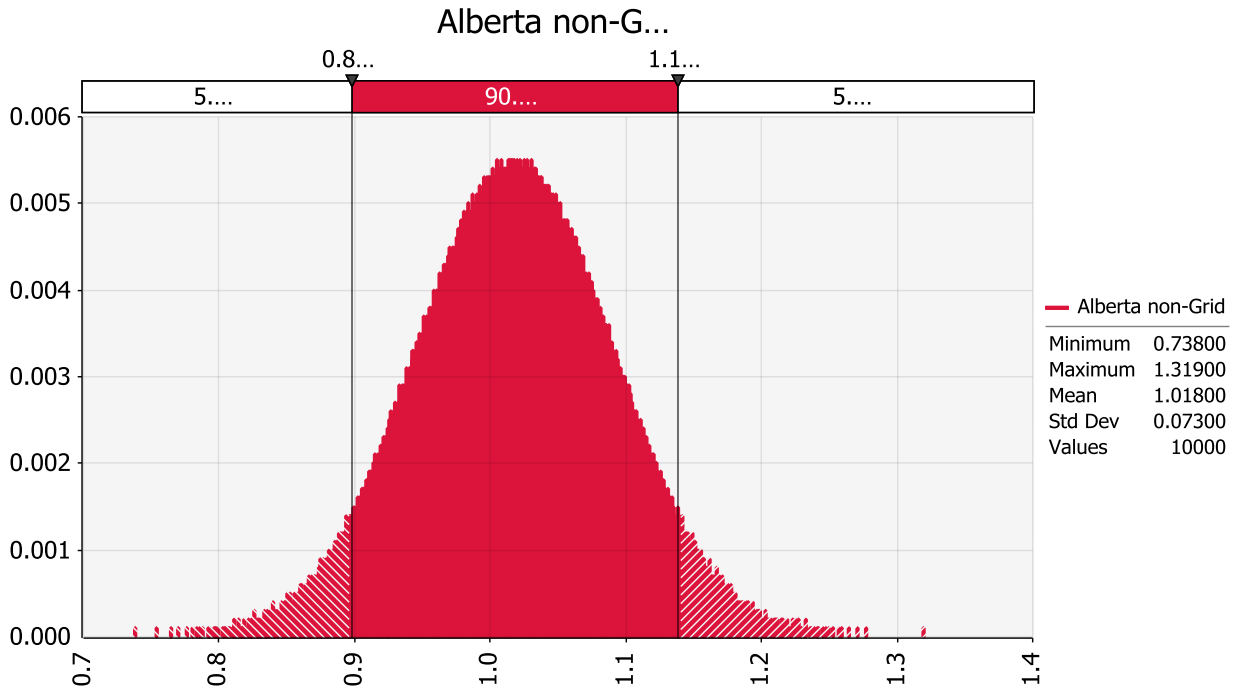


¹⁵These standard deviations are estimated from on-level a priori loss ratios for each RSP under “base line” assumptions – not “stressed” assumptions.

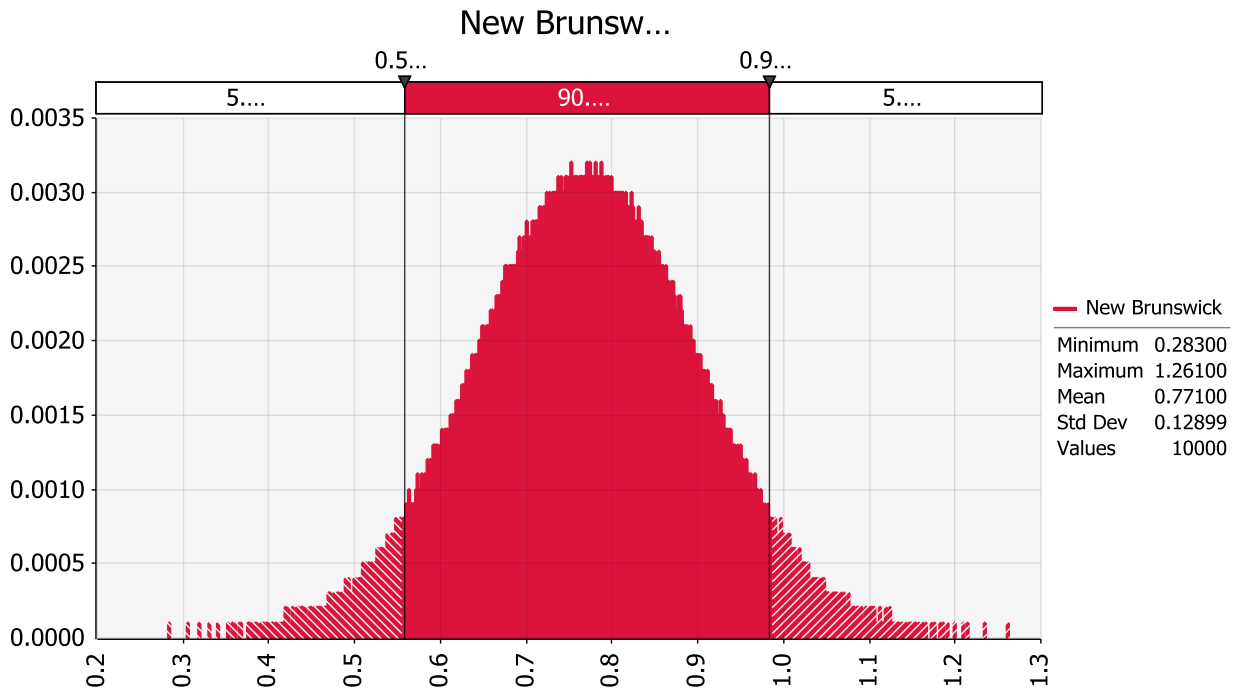
Projection Summary – Alberta Grid RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)



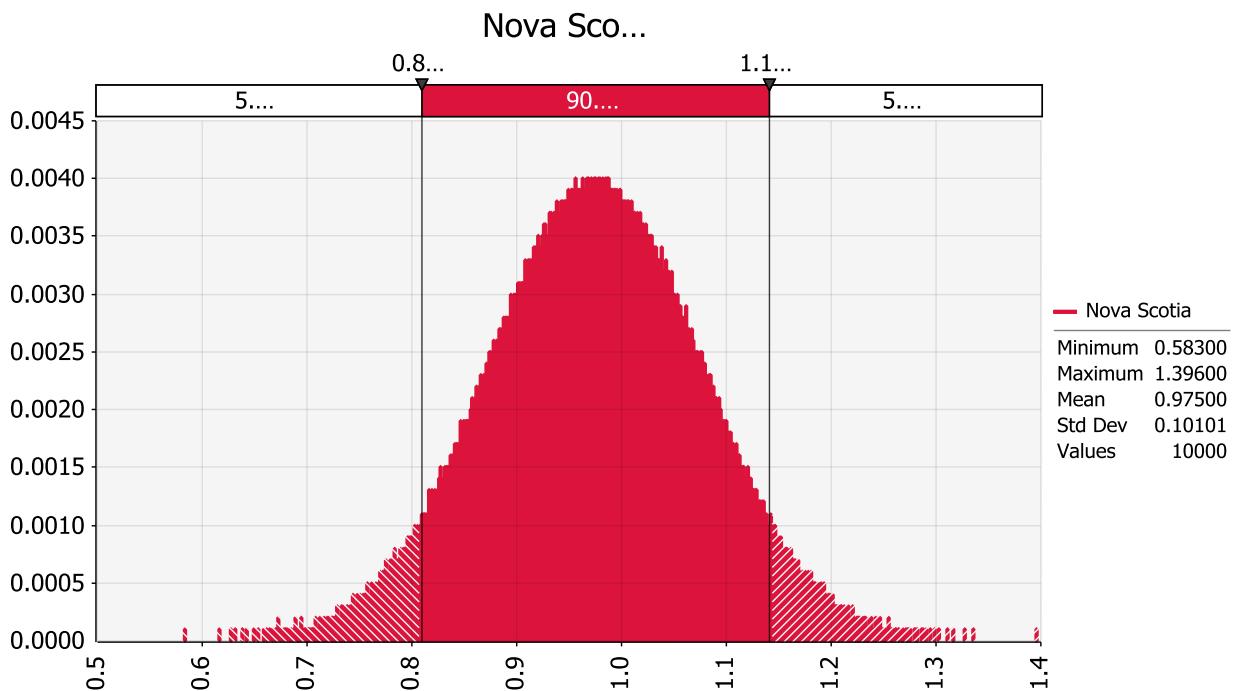
Projection Summary – Alberta Non-Grid RSP Accident Year 2017 Nominal Loss Ratio (non-stressed)



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: **Jun 30, 2016**
 RSP: **ALL**
 Amounts in: \$1,000s

Jurisdiction	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	342,151	117.5%	402,027	18.7%	22.0%	402,027	117.5%
Alberta Grid	179,590	81.0%	145,468	6.7%	5.4%	145,468	81.0%
Alberta non-Grid	97,853	101.8%	99,614	7.2%	7.3%	99,614	101.8%
New Brunswick	10,399	77.1%	8,018	16.7%	12.9%	8,018	77.1%
Nova Scotia	15,564	97.5%	15,175	10.4%	10.1%	15,175	97.5%
ALL	645,557	103.8%	670,302	7.6%	11.8%	670,302	103.8%

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 (as approved annually by the FA Board) with the calendar year 2016 maximum communicated to Members in Bulletin F15-063 and the calendar year 2017 maximum communicated to Members in Bulletin F16-065.
- **Other RSPs.** The expense allowances for each calendar year and RSP are approved annually by the FA Board. The calendar year 2016 ratios are those approved for calendar year 2016, as communicated to Members in Bulletins F15-064 (New Brunswick), F15-065 (Nova Scotia), and Bulletin F15-080 (Alberta). The calendar year 2017 ratios are those approved for calendar year 2017, as communicated to Members in Bulletins F16-066 (Alberta), F16-067 (New Brunswick), and F16-068 (Nova Scotia).

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)	29.5%	28.9%	28.9%	31.9%	31.0%	29.3%
Administrative Expense (% WP)	0.5%	0.6%	0.9%	5.1%	3.5%	0.7%
prem def / (dpac) (% UP)	40.0%	(9.1%)	11.6%	(11.4%)	11.3%	n/a

3.5 Operating Cash Flows

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$84.0 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
Written Premium	342,156	178,561	96,290	10,545	15,943	643,495
PAYs Paid Claims						
paid indemnity	183,774	65,544	41,323	3,665	7,128	301,434
paid allowed claims expense	24,736	5,792	3,119	271	469	34,387
PAYs Paid Claims	208,510	71,336	44,442	3,936	7,597	335,821
CAYs Paid Claims						
paid indemnity	105,472	41,292	41,712	3,801	4,610	196,887
paid allowed claims expense	1,065	166	126	8	19	1,384
CAYs Paid Claims	106,537	41,458	41,838	3,809	4,629	198,271
All AYs Paid Claims						
paid indemnity	289,246	106,836	83,035	7,466	11,738	498,321
paid allowed claims expense	25,801	5,958	3,245	279	488	35,771
All AYs Paid Claims	315,047	112,794	86,280	7,745	12,226	534,092
"Cash" Expenses						
Member Expense Allowance	100,937	51,605	27,830	3,364	4,944	188,680
Administrative Expenses	1,643	1,034	906	537	559	4,679
"Cash" Expenses	102,580	52,639	28,736	3,901	5,503	193,359
2017 Net Operating Cash Flow	(75,471)	13,128	(18,726)	(1,101)	(1,786)	(83,956)
2016 Net Operating Cash Flow						
Sep 30, 2015 Outlook	(62,312)	(16,200)	(15,536)	(782)	(2,305)	(97,135)
Aug 31, 2016 Projection	(57,413)	(5,682)	(15,155)	(1,546)	27	(79,769)

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	(3.9%)	(0.3%)	114.7%
2016	175,838	1,831	321,926	267,184	(0.3%)	2.7%	118.4%
2017	179,923	1,902	342,156	342,151	(1.8%)	0.1%	117.5%
Change	%	%	%	%	pts	pts	pts
2016	29.5%	4.0%	34.7%	1.8%	3.6	3.0	3.7
2017	2.3%	3.9%	6.3%	28.1%	(1.5)	(2.6)	(0.9)

Selected Claims Development MfADs (Jun. 30, 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	8.6%	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%	9.9%	10.0%
2009	10.0%	10.0%	9.9%	10.0%
2010	10.0%	10.0%	9.6%	10.0%
2011	10.0%	10.0%	9.9%	10.0%
2012	12.5%	12.5%	11.5%	12.5%
2013	15.0%	15.0%	14.0%	15.0%
2014	17.4%	17.5%	14.5%	17.4%
2015	17.4%	17.5%	15.2%	17.4%
2016	19.1%	20.0%	7.4%	19.2%
2017	20.0%	20.0%	20.0%	20.0%
prem liab	15.3%	20.0%	5.4%	15.7%

discount rate: 0.68%
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	3.3%	3.1%	88.9%
2016	65,075	2,354	153,180	133,341	7.3%	3.1%	81.5%
2017	74,940	2,383	178,561	179,590	1.4%	3.2%	81.0%
Change	%	%	%	%	pts	pts	pts
2016	5.3%	5.2%	10.8%	(8.8%)	4.0	-	(7.4)
2017	15.2%	1.2%	16.6%	34.7%	(5.9)	0.1	(0.5)

Selected Claims Development MfADs (Jun. 30, 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%	9.7%	10.0%
2009	10.0%	10.0%	5.1%	10.0%
2010	10.0%	10.0%	9.2%	10.0%
2011	10.0%	10.0%	9.9%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	12.5%	10.0%	12.5%	12.5%
2015	12.4%	10.0%	12.5%	12.5%
2016	12.0%	10.0%	6.7%	11.7%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.8%	10.0%	5.1%	10.2%

discount rate: 0.60%
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	2.9%	3.3%	101.1%
2016	67,031	1,492	100,033	90,839	6.0%	3.3%	105.6%
2017	65,497	1,470	96,290	97,853	1.7%	3.3%	101.8%
Change	%	%	%	%	pts	pts	pts
2016	15.9%	0.4%	16.3%	1.1%	3.1	-	4.5
2017	(2.3%)	(1.5%)	(3.7%)	7.7%	(4.3)	(0.0)	(3.8)

Selected Claims Development MfADs (Jun. 30, 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%	5.7%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	9.9%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	12.5%	10.0%	11.3%	12.4%
2015	12.5%	10.0%	12.5%	12.5%
2016	12.1%	10.0%	6.0%	11.3%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.8%	10.0%	5.2%	9.0%

discount rate: 0.61%
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	(1.6%)	2.8%	71.4%
2016	8,331	1,132	9,428	10,009	2.3%	2.7%	75.6%
2017	9,141	1,154	10,545	10,399	1.3%	2.8%	77.1%
Change	%	%	%	%	pts	pts	pts
2016	(17.5%)	2.4%	(15.5%)	(2.2%)	3.9	(0.1)	4.2
2017	9.7%	1.9%	11.8%	3.9%	(1.0)	0.1	1.5

Selected Claims Development MfADs (Jun. 30, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
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%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	6.7%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	12.5%	10.0%	10.8%	12.1%
2015	12.5%	10.0%	12.5%	12.3%
2016	12.4%	10.0%	6.0%	11.7%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	11.9%	10.0%	5.1%	9.7%

discount rate: 0.57%
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	0.3%	3.8%	87.1%
2016	12,231	1,246	15,243	14,844	1.0%	3.8%	94.8%
2017	13,165	1,211	15,943	15,564	1.7%	3.9%	97.5%
Change	%	%	%	%	pts	pts	pts
2016	(3.7%)	9.1%	5.1%	5.4%	0.7	-	7.7
2017	7.6%	(2.8%)	4.6%	4.9%	0.7	0.1	2.7

Selected Claims Development MfADs (Jun. 30, 2016)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	12.5%	10.0%	12.0%	12.4%
2014	12.5%	10.0%	10.7%	12.3%
2015	12.5%	10.0%	12.5%	12.3%
2016	12.4%	10.0%	7.1%	12.0%
2017	12.5%	10.0%	12.5%	12.5%
prem liab	12.0%	10.0%	5.1%	10.7%

discount rate: 0.56%
margin (basis points): 25

Exhibit B-1
 Ontario RSP
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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
Underwriting Revenue												
written premium	22,924	22,443	28,470	31,637	34,554	31,196	29,676	27,939	31,339	29,538	28,778	23,662
decrease / (increase) in unearned	5,110	4,301	976	(2,012)	(4,032)	(1,214)	(99)	801	(3,394)	(2,014)	(1,009)	2,581
earned premium	28,034	26,744	29,446	29,625	30,522	29,982	29,577	28,740	27,945	27,524	27,769	26,243
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(2,767)	(2,373)	(2,528)	(2,650)	(3,312)	(2,497)	(2,115)	(2,076)	(1,860)	(2,309)	(2,858)	(2,754)
Discounted	(2,767)	(2,373)	(2,528)	(2,650)	(3,312)	(2,497)	(2,115)	(2,076)	(1,860)	(2,309)	(2,858)	(2,754)
Current Accident Year												
Undiscounted	32,940	31,425	34,599	34,809	35,864	35,229	34,753	33,769	32,835	32,340	32,628	30,836
effect of discounting	5,230	4,668	4,637	4,535	4,849	4,614	4,427	4,126	3,291	3,738	3,611	3,271
Discounted	38,170	36,093	39,236	39,344	40,713	39,843	39,180	37,895	36,126	36,078	36,239	34,107
Claims Incurred	35,403	33,720	36,708	36,694	37,401	37,346	37,065	35,819	34,266	33,769	33,381	31,353
Underwriting Expenses												
Expense Allowance	6,763	6,620	8,399	9,333	10,194	9,203	8,755	8,242	9,245	8,714	8,489	6,980
% wp	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
Premium Deficiency / (DPAC)												
Undiscounted	(855)	(646)	91	799	1,373	925	878	751	1,741	1,544	1,467	683
effect of discounting	(842)	(695)	(125)	396	761	300	138	(7)	722	502	347	(266)
Discounted	(1,697)	(1,341)	(34)	1,195	2,134	1,225	1,016	744	2,463	2,046	1,814	417
Underwriting Expenses	5,066	5,279	8,365	10,528	12,328	10,428	9,771	8,986	11,708	10,760	10,303	7,397
Net Underwriting Gain (Loss)	(12,435)	(12,255)	(15,627)	(17,597)	(19,207)	(17,792)	(17,259)	(16,065)	(18,029)	(17,005)	(15,915)	(12,507)
Administrative Expenses	110	107	136	152	166	150	143	134	150	142	139	114
Operating Result	(12,545)	(12,362)	(15,763)	(17,749)	(19,373)	(17,942)	(17,402)	(16,199)	(18,179)	(17,147)	(16,054)	(12,621)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(9.9%)	(8.9%)	(8.6%)	(8.9%)	(10.9%)	(8.3%)	(7.2%)	(7.2%)	(6.7%)	(8.4%)	(10.3%)	(10.5%)
Current Accident Year	136.2%	135.0%	133.2%	132.8%	133.4%	132.9%	132.5%	131.9%	129.3%	131.1%	130.5%	130.0%
All Accident Years Combined	126.3%	126.1%	124.6%	123.9%	122.5%	124.6%	125.3%	124.7%	122.6%	122.7%	120.2%	119.5%
Underwriting & Admin Exp (EP)	18.5%	20.1%	28.9%	36.1%	40.9%	35.3%	33.5%	31.7%	42.4%	39.6%	37.6%	28.6%
Combined Operating Ratio	144.8%	146.2%	153.5%	160.0%	163.4%	159.9%	158.8%	156.4%	165.0%	162.3%	157.8%	148.1%

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Ontario ON	100	FULL YEAR					
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	239,006	321,926	342,156	82,920	34.7%	20,230	6.3%
decrease / (increase) in unearned	23,561	(54,742)	(5)	(78,303)	(332.3%)	54,737	(100.0%)
earned premium	262,567	267,184	342,151	4,617	1.8%	74,967	28.1%
Claims Incurred							
Prior Accident Years							
Undiscounted	(146,204)	(69,377)	-	76,827	(52.5%)	69,377	(100.0%)
effect of discounting	(42,694)	(37,194)	(30,099)	5,500	(12.9%)	7,095	(19.1%)
Discounted	(188,898)	(106,571)	(30,099)	82,327	(43.6%)	76,472	(71.8%)
Current Accident Year							
Undiscounted	307,691	316,921	402,027	9,230	3.0%	85,106	26.9%
effect of discounting	34,955	39,928	50,997	4,973	14.2%	11,069	27.7%
Discounted	342,646	356,849	453,024	14,203	4.1%	96,175	27.0%
Claims Incurred	153,748	250,278	422,925	96,530	62.8%	172,647	69.0%
Underwriting Expenses							
Expense Allowance	70,524	95,644	100,937	25,120	35.6%	5,293	5.5%
% wp	29.5%	29.7%	29.5%	0.2%		(0.2%)	
Premium Deficiency / (DPAC)							
Undiscounted	(8,667)	5,967	8,751	14,634	(168.8%)	2,784	46.7%
effect of discounting	(1,893)	10,363	1,231	12,256	(647.4%)	(9,132)	(88.1%)
Discounted	(10,560)	16,330	9,982	26,890	(254.6%)	(6,348)	(38.9%)
Underwriting Expenses	59,964	111,974	110,919	52,010	86.7%	(1,055)	(0.9%)
Net Underwriting Gain (Loss)	48,855	(95,068)	(191,693)	(143,923)	(294.6%)	(96,625)	101.6%
Administrative Expenses	1,309	1,464	1,643	156	11.9%	179	12.2%
Operating Result	47,546	(96,532)	(193,336)	(144,079)	(303.0%)	(96,804)	100.3%
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(71.9%)	(39.9%)	(8.8%)	32.0%		31.1%	
Current Accident Year	130.5%	133.6%	132.4%	3.1%		(1.2%)	
All Accident Years Combined	58.6%	93.7%	123.6%	35.1%		29.9%	
Underwriting & Admin Exp (EP)	23.3%	42.5%	32.9%	19.2%		(9.6%)	
Combined Operating Ratio	81.9%	136.2%	156.5%	54.3%		20.3%	

Exhibit B-2
 Alberta Grid RSP
 Summary of Operations

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
Underwriting Revenue												
written premium	11,858	12,377	14,529	16,510	16,837	17,265	16,290	15,146	15,782	15,556	13,954	12,457
decrease / (increase) in unearned	1,857	732	(152)	(1,958)	(1,715)	(1,993)	(644)	449	(192)	226	1,872	2,547
earned premium	13,715	13,109	14,377	14,552	15,122	15,272	15,646	15,595	15,590	15,782	15,826	15,004
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(601)	(765)	(709)	(663)	(639)	(685)	(523)	(426)	(432)	(406)	(559)	(653)
Discounted	(601)	(765)	(709)	(663)	(639)	(685)	(523)	(426)	(432)	(406)	(559)	(653)
Current Accident Year												
Undiscounted	11,109	10,619	11,645	11,787	12,249	12,371	12,674	12,631	12,628	12,783	12,819	12,153
effect of discounting	1,109	972	939	1,011	1,015	841	957	901	738	831	796	696
Discounted	12,218	11,591	12,584	12,798	13,264	13,212	13,631	13,532	13,366	13,614	13,615	12,849
Claims Incurred	11,617	10,826	11,875	12,135	12,625	12,527	13,108	13,106	12,934	13,208	13,056	12,196
Underwriting Expenses												
Expense Allowance	3,427	3,577	4,199	4,771	4,866	4,990	4,708	4,378	4,561	4,495	4,033	3,600
% wp	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%
Premium Deficiency / (DPAC)												
Undiscounted	366	160	18	(286)	(218)	(240)	33	262	173	276	597	720
effect of discounting	(139)	(52)	16	154	136	160	60	(17)	34	5	(115)	(167)
Discounted	227	108	34	(132)	(82)	(80)	93	245	207	281	482	553
Underwriting Expenses	3,654	3,685	4,233	4,639	4,784	4,910	4,801	4,623	4,768	4,776	4,515	4,153
Net Underwriting Gain (Loss)	(1,556)	(1,402)	(1,731)	(2,222)	(2,287)	(2,165)	(2,263)	(2,134)	(2,112)	(2,202)	(1,745)	(1,345)
Administrative Expenses	68	71	84	96	98	101	95	87	91	90	81	72
Operating Result	(1,624)	(1,473)	(1,815)	(2,318)	(2,385)	(2,266)	(2,358)	(2,221)	(2,203)	(2,292)	(1,826)	(1,417)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(4.4%)	(5.8%)	(4.9%)	(4.6%)	(4.2%)	(4.5%)	(3.3%)	(2.7%)	(2.8%)	(2.6%)	(3.5%)	(4.4%)
Current Accident Year	89.1%	88.4%	87.5%	87.9%	87.7%	86.5%	87.1%	86.8%	85.7%	86.3%	86.0%	85.6%
All Accident Years Combined	84.7%	82.6%	82.6%	83.3%	83.5%	82.0%	83.8%	84.1%	82.9%	83.7%	82.5%	81.2%
Underwriting & Admin Exp (EP)	27.1%	28.7%	30.0%	32.5%	32.3%	32.8%	31.3%	30.2%	31.2%	30.8%	29.0%	28.2%
Combined Operating Ratio	111.8%	111.3%	112.6%	115.8%	115.8%	114.8%	115.1%	114.3%	114.1%	114.5%	111.5%	109.4%

Exhibit B-2
Alberta Grid RSP
Summary of Operations

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Alberta Grid 200 AB Grid	FULL YEAR						
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	138,310	153,180	178,561	14,870	10.8%	25,381	16.6%
decrease / (increase) in unearned	7,899	(19,839)	1,029	(27,738)	(351.2%)	20,868	(105.2%)
earned premium	146,209	133,341	179,590	(12,868)	(8.8%)	46,249	34.7%
Claims Incurred							
Prior Accident Years							
Undiscounted	(4,051)	37,113	-	41,164	(1,016.1%)	(37,113)	(100.0%)
effect of discounting	(5,152)	(2,243)	(7,061)	2,909	(56.5%)	(4,818)	214.8%
Discounted	(9,203)	34,870	(7,061)	44,073	(478.9%)	(41,931)	(120.2%)
Current Accident Year							
Undiscounted	111,518	109,100	145,468	(2,418)	(2.2%)	36,368	33.3%
effect of discounting	6,303	7,255	10,806	952	15.1%	3,551	48.9%
Discounted	117,821	116,355	156,274	(1,466)	(1.2%)	39,919	34.3%
Claims Incurred	108,618	151,225	149,213	42,607	39.2%	(2,012)	(1.3%)
Underwriting Expenses							
Expense Allowance	39,133	46,148	51,605	7,015	17.9%	5,457	11.8%
% wp	28.3%	30.1%	28.9%	1.8%		(1.2%)	
Premium Deficiency / (DPAC)							
Undiscounted	2,087	2,587	1,861	500	24.0%	(726)	(28.1%)
effect of discounting	884	2,366	75	1,482	167.6%	(2,291)	(96.8%)
Discounted	2,971	4,953	1,936	1,982	66.7%	(3,017)	(60.9%)
Underwriting Expenses	42,104	51,101	53,541	8,997	21.4%	2,440	4.8%
Net Underwriting Gain (Loss)	(4,513)	(68,985)	(23,164)	(64,472)	1,428.6%	45,821	(66.4%)
Administrative Expenses	847	882	1,034	34	4.1%	152	17.2%
Operating Result	(5,360)	(69,867)	(24,198)	(64,506)	1,203.4%	45,669	(65.4%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(6.3%)	26.2%	(3.9%)	32.5%		(30.1%)	
Current Accident Year	80.6%	87.3%	87.0%	6.7%		(0.3%)	
All Accident Years Combined	74.3%	113.5%	83.1%	39.2%		(30.4%)	
Underwriting & Admin Exp (EP)	29.4%	39.0%	30.4%	9.6%		(8.6%)	
Combined Operating Ratio	103.7%	152.5%	113.5%	48.8%		(39.0%)	

Exhibit B-3
 Alberta Non-Grid RSP
 Summary of Operations

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
Underwriting Revenue												
written premium	6,377	6,215	7,709	9,161	9,670	9,214	9,007	7,731	8,445	8,567	7,670	6,524
decrease / (increase) in unearned	2,177	1,657	624	(1,043)	(1,444)	(1,072)	(782)	396	(327)	(414)	479	1,312
earned premium	8,554	7,872	8,333	8,118	8,226	8,142	8,225	8,127	8,118	8,153	8,149	7,836
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(605)	(577)	(552)	(359)	(349)	(297)	(290)	(290)	(277)	(276)	(174)	(400)
Discounted	(605)	(577)	(552)	(359)	(349)	(297)	(290)	(290)	(277)	(276)	(174)	(400)
Current Accident Year												
Undiscounted	8,708	8,014	8,483	8,264	8,374	8,288	8,374	8,273	8,264	8,300	8,295	7,977
effect of discounting	813	646	574	610	581	434	488	440	87	400	378	324
Discounted	9,521	8,660	9,057	8,874	8,955	8,722	8,862	8,713	8,351	8,700	8,673	8,301
Claims Incurred	8,916	8,083	8,505	8,515	8,606	8,425	8,572	8,423	8,074	8,424	8,499	7,901
Underwriting Expenses												
Expense Allowance	1,843	1,797	2,228	2,647	2,795	2,663	2,603	2,235	2,441	2,476	2,217	1,885
% wp	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%	28.9%
Premium Deficiency / (DPAC)												
Undiscounted	(63)	(32)	(1)	47	66	63	63	38	66	76	58	32
effect of discounting	(179)	(137)	(49)	88	122	91	68	(31)	32	41	(33)	(104)
Discounted	(242)	(169)	(50)	135	188	154	131	7	98	117	25	(72)
Underwriting Expenses	1,601	1,628	2,178	2,782	2,983	2,817	2,734	2,242	2,539	2,593	2,242	1,813
Net Underwriting Gain (Loss)	(1,963)	(1,839)	(2,350)	(3,179)	(3,363)	(3,100)	(3,081)	(2,538)	(2,495)	(2,864)	(2,592)	(1,878)
Administrative Expenses	60	59	72	86	90	87	85	73	80	81	72	61
Operating Result	(2,023)	(1,898)	(2,422)	(3,265)	(3,453)	(3,187)	(3,166)	(2,611)	(2,575)	(2,945)	(2,664)	(1,939)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(7.1%)	(7.3%)	(6.6%)	(4.4%)	(4.2%)	(3.6%)	(3.5%)	(3.6%)	(3.4%)	(3.4%)	(2.1%)	(5.1%)
Current Accident Year	111.3%	110.0%	108.7%	109.3%	108.9%	107.1%	107.7%	107.2%	102.9%	106.7%	106.4%	105.9%
All Accident Years Combined	104.2%	102.7%	102.1%	104.9%	104.7%	103.5%	104.2%	103.6%	99.5%	103.3%	104.3%	100.8%
Underwriting & Admin Exp (EP)	19.4%	21.4%	27.0%	35.3%	37.4%	35.7%	34.3%	28.5%	32.3%	32.8%	28.4%	23.9%
Combined Operating Ratio	123.6%	124.1%	129.1%	140.2%	142.1%	139.2%	138.5%	132.1%	131.8%	136.1%	132.7%	124.7%

Exhibit B-3
Alberta Non-Grid RSP
Summary of Operations

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Alberta non-Grid 250 AB non-Grid	FULL YEAR						
				Change during 2016		Change during 2017	
	2015	2016	2017	Amount	%	Amount	%
in \$ thousands							
Underwriting Revenue							
written premium	85,986	100,033	96,290	14,047	16.3%	(3,743)	(3.7%)
decrease / (increase) in unearned	3,856	(9,194)	1,563	(13,050)	(338.4%)	10,757	(117.0%)
earned premium	89,842	90,839	97,853	997	1.1%	7,014	7.7%
Claims Incurred							
Prior Accident Years							
Undiscounted	(6,955)	525	-	7,480	(107.5%)	(525)	(100.0%)
effect of discounting	(2,327)	(3,486)	(4,446)	(1,159)	49.8%	(960)	27.5%
Discounted	(9,282)	(2,961)	(4,446)	6,321	(68.1%)	(1,485)	50.2%
Current Accident Year							
Undiscounted	91,354	96,167	99,614	4,813	5.3%	3,447	3.6%
effect of discounting	4,879	5,576	5,775	697	14.3%	199	3.6%
Discounted	96,233	101,743	105,389	5,510	5.7%	3,646	3.6%
Claims Incurred	86,951	98,782	100,943	11,831	13.6%	2,161	2.2%
Underwriting Expenses							
Expense Allowance	24,332	30,123	27,830	5,791	23.8%	(2,293)	(7.6%)
% wp	28.3%	30.1%	28.9%	1.8%		(1.2%)	
Premium Deficiency / (DPAC)							
Undiscounted	(1,441)	2,712	413	4,153	(288.2%)	(2,299)	(84.8%)
effect of discounting	231	979	(91)	748	323.8%	(1,070)	(109.3%)
Discounted	(1,210)	3,691	322	4,901	(405.0%)	(3,369)	(91.3%)
Underwriting Expenses	23,122	33,814	28,152	10,692	46.2%	(5,662)	(16.7%)
Net Underwriting Gain (Loss)	(20,231)	(41,757)	(31,242)	(21,526)	106.4%	10,515	(25.2%)
Administrative Expenses	791	914	906	124	15.6%	(8)	(0.9%)
Operating Result	(21,022)	(42,671)	(32,148)	(21,650)	103.0%	10,523	(24.7%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(10.3%)	(3.3%)	(4.5%)	7.0%		(1.2%)	
Current Accident Year	107.1%	112.0%	107.7%	4.9%		(4.3%)	
All Accident Years Combined	96.8%	108.7%	103.2%	11.9%		(5.5%)	
Underwriting & Admin Exp (EP)	26.6%	38.2%	29.7%	11.6%		(8.5%)	
Combined Operating Ratio	123.4%	146.9%	132.9%	23.5%		(14.0%)	

Exhibit B-4
 New Brunswick RSP
 Summary of Operations

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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
Underwriting Revenue												
written premium	552	623	754	1,011	1,085	1,103	1,191	1,128	980	791	757	570
decrease / (increase) in unearned	259	153	88	(170)	(218)	(229)	(289)	(227)	(84)	102	157	312
earned premium	811	776	842	841	867	874	902	901	896	893	914	882
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(41)	(30)	(36)	(34)	(41)	(31)	(32)	(27)	(28)	(20)	(28)	(42)
Discounted	(41)	(30)	(36)	(34)	(41)	(31)	(32)	(27)	(28)	(20)	(28)	(42)
Current Accident Year												
Undiscounted	625	599	648	649	669	674	695	695	690	689	705	680
effect of discounting	57	36	36	42	40	28	38	36	33	32	32	26
Discounted	682	635	684	691	709	702	733	731	723	721	737	706
Claims Incurred	641	605	648	657	668	671	701	704	695	701	709	664
Underwriting Expenses												
Expense Allowance	176	199	241	323	346	352	380	360	312	252	242	181
% wp	31.9%	31.9%	32.0%	31.9%	31.9%	31.9%	31.9%	31.9%	31.8%	31.9%	32.0%	31.8%
Premium Deficiency / (DPAC)												
Undiscounted	40	33	21	(31)	(37)	(37)	(48)	(31)	(5)	33	45	75
effect of discounting	(18)	(11)	(5)	13	15	16	20	17	7	(6)	(9)	(20)
Discounted	22	22	16	(18)	(22)	(21)	(28)	(14)	2	27	36	55
Underwriting Expenses	198	221	257	305	324	331	352	346	314	279	278	236
Net Underwriting Gain (Loss)	(28)	(50)	(63)	(121)	(125)	(128)	(151)	(149)	(113)	(87)	(73)	(18)
Administrative Expenses	28	32	38	52	56	56	61	57	50	40	38	29
Operating Result	(56)	(82)	(101)	(173)	(181)	(184)	(212)	(206)	(163)	(127)	(111)	(47)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(5.1%)	(3.9%)	(4.3%)	(4.0%)	(4.7%)	(3.5%)	(3.5%)	(3.0%)	(3.1%)	(2.2%)	(3.1%)	(4.8%)
Current Accident Year	84.1%	81.8%	81.2%	82.2%	81.8%	80.3%	81.3%	81.1%	80.7%	80.7%	80.6%	80.0%
All Accident Years Combined	79.0%	77.9%	76.9%	78.2%	77.1%	76.8%	77.8%	78.1%	77.6%	78.5%	77.5%	75.2%
Underwriting & Admin Exp (EP)	27.9%	32.6%	35.0%	42.4%	43.8%	44.3%	45.8%	44.7%	40.6%	35.7%	34.6%	30.0%
Combined Operating Ratio	106.9%	110.5%	111.9%	120.6%	120.9%	121.1%	123.6%	122.8%	118.2%	114.2%	112.1%	105.2%

Exhibit B-4
 New Brunswick RSP
 Summary of Operations

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New Brunswick 300 NB	FULL YEAR						
				Change during 2016		Change during 2017	
	2015	2016	2017	Amount	%	Amount	%
in \$ thousands							
Underwriting Revenue							
written premium	11,164	9,428	10,545	(1,736)	(15.5%)	1,117	11.8%
decrease / (increase) in unearned	(927)	581	(146)	1,508	(162.7%)	(727)	(125.1%)
earned premium	10,237	10,009	10,399	(228)	(2.2%)	390	3.9%
Claims Incurred							
Prior Accident Years							
Undiscounted	874	(2,646)	-	(3,520)	(402.7%)	2,646	(100.0%)
effect of discounting	43	(927)	(390)	(970)	(2,255.8%)	537	(57.9%)
Discounted	917	(3,573)	(390)	(4,490)	(489.6%)	3,183	(89.1%)
Current Accident Year							
Undiscounted	8,625	7,647	8,018	(978)	(11.3%)	371	4.9%
effect of discounting	605	404	436	(201)	(33.2%)	32	7.9%
Discounted	9,230	8,051	8,454	(1,179)	(12.8%)	403	5.0%
Claims Incurred	10,147	4,478	8,064	(5,669)	(55.9%)	3,586	80.1%
Underwriting Expenses							
Expense Allowance	3,889	3,321	3,364	(568)	(14.6%)	43	1.3%
% wp	34.8%	35.2%	31.9%	0.4%		(3.3%)	
Premium Deficiency / (DPAC)							
Undiscounted	(21)	(74)	58	(53)	252.4%	132	(178.4%)
effect of discounting	129	(96)	19	(225)	(174.4%)	115	(119.8%)
Discounted	108	(170)	77	(278)	(257.4%)	247	(145.3%)
Underwriting Expenses	3,997	3,151	3,441	(846)	(21.2%)	290	9.2%
Net Underwriting Gain (Loss)	(3,907)	2,380	(1,106)	6,287	(160.9%)	(3,486)	(146.5%)
Administrative Expenses	506	483	537	(23)	(4.6%)	54	11.3%
Operating Result	(4,413)	1,897	(1,643)	6,310	(143.0%)	(3,540)	(186.6%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	9.0%	(35.7%)	(3.8%)	(44.7%)		31.9%	
Current Accident Year	90.2%	80.4%	81.3%	(9.8%)		0.9%	
All Accident Years Combined	99.2%	44.7%	77.5%	(54.5%)		32.8%	
Underwriting & Admin Exp (EP)	44.0%	36.3%	38.3%	(7.7%)		2.0%	
Combined Operating Ratio	143.2%	81.0%	115.8%	(62.2%)		34.8%	

**Exhibit B-5
Nova Scotia RSP
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in \$ thousands	201701	201702	201703	201704	201705	201706	201707	201708	201709	201710	201711	201712
Underwriting Revenue												
written premium	839	790	1,064	1,439	1,725	1,892	1,815	1,721	1,400	1,221	1,254	783
decrease / (increase) in unearned	428	454	284	(112)	(375)	(560)	(477)	(401)	(116)	56	22	418
earned premium	1,267	1,244	1,348	1,327	1,350	1,332	1,338	1,320	1,284	1,277	1,276	1,201
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(48)	(81)	(75)	(74)	(77)	(69)	(53)	(82)	(44)	(76)	(70)	(52)
Discounted	(48)	(81)	(75)	(74)	(77)	(69)	(53)	(82)	(44)	(76)	(70)	(52)
Current Accident Year												
Undiscounted	1,235	1,213	1,315	1,294	1,316	1,299	1,305	1,287	1,252	1,245	1,244	1,171
effect of discounting	114	110	91	103	104	98	98	94	88	84	81	72
Discounted	1,349	1,323	1,406	1,397	1,420	1,397	1,403	1,381	1,340	1,329	1,325	1,243
Claims Incurred	1,301	1,242	1,331	1,323	1,343	1,328	1,350	1,299	1,296	1,253	1,255	1,191
Underwriting Expenses												
Expense Allowance	261	245	330	446	534	587	563	533	434	379	389	243
% wp	31.1%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
Premium Deficiency / (DPAC)												
Undiscounted	(3)	6	7	10	12	17	22	24	24	26	27	23
effect of discounting	(39)	(45)	(28)	14	37	55	47	39	13	(2)	1	(38)
Discounted	(42)	(39)	(21)	24	49	72	69	63	37	24	28	(15)
Underwriting Expenses	219	206	309	470	583	659	632	596	471	403	417	228
Net Underwriting Gain (Loss)	(253)	(204)	(292)	(466)	(576)	(655)	(644)	(575)	(483)	(379)	(396)	(218)
Administrative Expenses	30	28	38	50	60	66	64	60	49	42	44	28
Operating Result	(283)	(232)	(330)	(516)	(636)	(721)	(708)	(635)	(532)	(421)	(440)	(246)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(3.8%)	(6.5%)	(5.6%)	(5.6%)	(5.7%)	(5.2%)	(4.0%)	(6.2%)	(3.4%)	(6.0%)	(5.5%)	(4.3%)
Current Accident Year	106.5%	106.4%	104.3%	105.3%	105.2%	104.9%	104.9%	104.6%	104.4%	104.1%	103.8%	103.5%
All Accident Years Combined	102.7%	99.9%	98.7%	99.7%	99.5%	99.7%	100.9%	98.4%	101.0%	98.1%	98.3%	99.2%
Underwriting & Admin Exp (EP)	19.7%	18.8%	25.7%	39.2%	47.6%	54.4%	52.0%	49.7%	40.5%	34.8%	36.1%	21.3%
Combined Operating Ratio	122.4%	118.7%	124.4%	138.9%	147.1%	154.1%	152.9%	148.1%	141.5%	132.9%	134.4%	120.5%

Exhibit B-5
 Nova Scotia RSP
 Summary of Operations

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Nova Scotia NS	FULL YEAR						
in \$ thousands	2015	2016	2017	Change during 2016		Change during 2017	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	14,501	15,243	15,943	742	5.1%	700	4.6%
decrease / (increase) in unearned	(421)	(399)	(379)	22	(5.2%)	20	(5.0%)
earned premium	14,080	14,844	15,564	764	5.4%	720	4.9%
Claims Incurred							
Prior Accident Years							
Undiscounted	431	(359)	-	(790)	(183.3%)	359	(100.0%)
effect of discounting	(255)	(1,093)	(801)	(838)	328.6%	292	(26.7%)
Discounted	176	(1,452)	(801)	(1,628)	(925.0%)	651	(44.8%)
Current Accident Year							
Undiscounted	13,504	14,226	15,176	722	5.3%	950	6.7%
effect of discounting	1,187	1,013	1,137	(174)	(14.7%)	124	12.2%
Discounted	14,691	15,239	16,313	548	3.7%	1,074	7.0%
Claims Incurred	14,867	13,787	15,512	(1,080)	(7.3%)	1,725	12.5%
Underwriting Expenses							
Expense Allowance	5,008	5,307	4,944	299	6.0%	(363)	(6.8%)
% wp	34.5%	34.8%	31.0%	0.3%		(3.8%)	
Premium Deficiency / (DPAC)							
Undiscounted	546	(178)	195	(724)	(132.6%)	373	(209.6%)
effect of discounting	181	(37)	54	(218)	(120.4%)	91	(245.9%)
Discounted	727	(215)	249	(942)	(129.6%)	464	(215.8%)
Underwriting Expenses	5,735	5,092	5,193	(643)	(11.2%)	101	2.0%
Net Underwriting Gain (Loss)	(6,522)	(4,035)	(5,141)	2,487	(38.1%)	(1,106)	27.4%
Administrative Expenses	507	478	559	(29)	(5.7%)	81	16.9%
Operating Result	(7,029)	(4,513)	(5,700)	2,516	(35.8%)	(1,187)	26.3%
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	1.3%	(9.8%)	(5.1%)	(11.1%)		4.7%	
Current Accident Year	104.3%	102.7%	104.8%	(1.6%)		2.1%	
All Accident Years Combined	105.6%	92.9%	99.7%	(12.7%)		6.8%	
Underwriting & Admin Exp (EP)	44.3%	37.5%	37.0%	(6.8%)		(0.5%)	
Combined Operating Ratio	149.9%	130.4%	136.7%	(19.5%)		6.3%	

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	12,135	79	12,214	(127)	44	1,209	1,126	13,340
1997	147	(30)	117	(2)	1	12	11	128
1998	663	23	686	(14)	5	68	59	745
1999	835	75	910	(22)	8	89	75	985
2000	11	62	73	(2)	1	7	6	79
2001	813	208	1,021	(32)	11	99	78	1,099
2002	667	447	1,114	(39)	14	107	82	1,196
2003	833	308	1,141	(42)	16	110	84	1,225
2004	1,293	637	1,930	(77)	27	185	135	2,065
2005	228	705	933	(41)	15	89	63	996
2006	2,620	1,489	4,109	(164)	62	395	293	4,402
2007	3,311	2,777	6,088	(183)	67	591	475	6,563
2008	6,381	4,579	10,960	(285)	99	1,068	882	11,842
2009	13,261	10,012	23,273	(559)	209	2,271	1,921	25,194
2010	30,694	12,299	42,993	(1,075)	387	4,192	3,504	46,497
2011	33,447	4,487	37,934	(872)	341	3,706	3,175	41,109
2012	64,618	7,198	71,816	(1,365)	503	8,806	7,944	79,760
2013	92,144	13,867	106,011	(1,802)	636	15,632	14,466	120,477
2014	90,376	45,408	135,784	(2,580)	950	23,177	21,547	157,331
2015	96,761	67,715	164,476	(3,454)	1,316	28,018	25,880	190,356
PAYs (sub-total):	451,238	172,345	623,583	(12,737)	4,712	89,831	81,806	705,389
CAY (2016)	96,661	134,691	231,352	(5,321)	1,851	43,398	39,928	271,280
claims liabilities:	547,899	307,036	854,935	(18,058)	6,563	133,229	121,734	976,669
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	175,685	31,158	206,843	(4,129)	1,445	31,762	29,078	235,921
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			1,061,778	(22,187)	8,008	164,991	150,812	1,212,590

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	9,633	42	9,675	(80)	13	961	894	10,569	
1998	516	23	539	(9)	3	53	47	586	
1999	653	62	715	(14)	5	70	61	776	
2000	11	50	61	(1)	1	6	6	67	
2001	639	163	802	(22)	8	78	64	866	
2002	523	351	874	(27)	10	84	67	941	
2003	654	242	896	(31)	12	87	68	964	
2004	1,013	500	1,513	(56)	21	145	110	1,623	
2005	178	553	731	(29)	10	70	51	782	
2006	2,055	1,169	3,224	(142)	52	308	218	3,442	
2007	2,596	2,181	4,777	(191)	72	459	340	5,117	
2008	5,008	3,593	8,601	(258)	95	834	671	9,272	
2009	10,406	7,858	18,264	(475)	164	1,779	1,468	19,732	
2010	24,085	9,651	33,736	(810)	304	3,293	2,787	36,523	
2011	26,245	3,521	29,766	(744)	268	2,903	2,427	32,193	
2012	50,707	5,648	56,355	(1,296)	507	6,882	6,093	62,448	
2013	72,307	10,881	83,188	(1,581)	582	12,241	11,242	94,430	
2014	70,918	35,633	106,551	(1,811)	639	18,225	17,053	123,604	
2015	83,550	45,516	129,066	(2,452)	903	22,031	20,482	149,548	
2016	100,210	56,881	157,091	(3,299)	1,257	29,528	27,486	184,577	
PAYs (sub-total):	461,907	184,518	646,425	(13,328)	4,926	100,037	91,635	738,060	
CAY (2017)	126,639	168,851	295,490	(6,796)	2,364	55,429	50,997	346,487	
claims liabilities:	588,546	353,369	941,915	(20,124)	7,290	155,466	142,632	1,084,547	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	175,690	39,909	215,599	(4,304)	1,506	33,107	30,309	245,908	
	*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			1,157,514	(24,428)	8,796	188,573	172,941	1,330,455	

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	-	(72)	(72)	-	-	7	7	(65)
2005	2,100	23	2,123	(23)	11	210	198	2,321
2006	1,140	(48)	1,092	(11)	4	108	101	1,193
2007	4,937	161	5,098	(56)	25	504	473	5,571
2008	2,652	739	3,391	(44)	20	335	311	3,702
2009	5,892	1,109	7,001	(98)	42	690	634	7,635
2010	9,087	1,068	10,155	(152)	61	1,001	910	11,065
2011	15,873	3,593	19,466	(292)	136	1,918	1,762	21,228
2012	18,929	7,231	26,160	(366)	157	2,579	2,370	28,530
2013	20,225	10,056	30,281	(484)	212	2,980	2,708	32,989
2014	30,230	14,933	45,163	(813)	361	5,543	5,091	50,254
2015	38,832	19,643	58,475	(1,169)	468	7,163	6,462	64,937
PAYs (sub-total):	149,897	58,436	208,333	(3,508)	1,497	23,038	21,027	229,360
CAY (2016)	37,640	32,185	69,825	(1,257)	489	8,023	7,255	77,080
claims liabilities:	187,537	90,621	278,158	(4,765)	1,986	31,061	28,282	306,440
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	84,145	(15,758)	68,387	(1,090)	477	6,841	6,228	74,615
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			346,545	(5,855)	2,463	37,902	34,510	381,055

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	4	(52)	(48)	-	-	5	5	(43)
2005	1,457	16	1,473	-	-	147	147	1,620
2006	795	(37)	758	(8)	4	75	71	829
2007	3,421	117	3,538	(35)	14	350	329	3,867
2008	1,814	538	2,352	(26)	12	232	218	2,570
2009	4,046	810	4,856	(63)	29	480	446	5,302
2010	6,263	780	7,043	(99)	42	694	637	7,680
2011	10,883	2,623	13,506	(203)	81	1,331	1,209	14,715
2012	13,057	5,281	18,338	(275)	128	1,806	1,659	19,997
2013	14,102	7,344	21,446	(300)	129	2,115	1,944	23,390
2014	21,412	10,904	32,316	(517)	226	3,975	3,684	36,000
2015	33,253	14,051	47,304	(851)	378	5,807	5,334	52,638
2016	33,310	20,630	53,940	(1,079)	432	6,185	5,538	59,478
PAYs (sub-total):	143,817	63,005	206,822	(3,456)	1,475	23,202	21,221	228,043
CAY (2017)	42,186	61,824	104,010	(1,872)	728	11,950	10,806	114,816
claims liabilities:	186,003	124,829	310,832	(5,328)	2,203	35,152	32,027	342,859
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	83,116	(13,897)	69,219	(1,103)	483	6,923	6,303	75,522
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			380,051	(6,431)	2,686	42,075	38,330	418,381

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	26	32	58	-	-	6	6	64
2005	796	(3)	793	(8)	3	78	73	866
2006	1,326	24	1,350	(13)	5	134	126	1,476
2007	785	56	841	(9)	4	83	78	919
2008	1,171	397	1,568	(20)	8	155	143	1,711
2009	2,231	464	2,695	(35)	13	266	244	2,939
2010	3,376	349	3,725	(56)	22	367	333	4,058
2011	6,159	728	6,887	(110)	48	678	616	7,503
2012	11,393	2,685	14,078	(225)	84	1,385	1,244	15,322
2013	14,646	4,716	19,362	(329)	136	1,903	1,710	21,072
2014	21,128	10,129	31,257	(563)	219	3,806	3,462	34,719
2015	21,508	12,189	33,697	(674)	270	4,128	3,724	37,421
PAYs (sub-total):	84,545	31,766	116,311	(2,042)	812	12,989	11,759	128,070
CAY (2016)	33,178	22,599	55,777	(1,004)	390	6,190	5,576	61,353
claims liabilities:	117,723	54,365	172,088	(3,046)	1,202	19,179	17,335	189,423
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	48,102	1,117	49,219	(637)	245	4,352	3,960	53,179
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			221,307	(3,683)	1,447	23,531	21,295	242,602

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	625	(3)	622	-	-	62	62	684
2006	1,036	24	1,060	(11)	4	105	98	1,158
2007	616	44	660	(7)	3	65	61	721
2008	918	312	1,230	(14)	6	122	114	1,344
2009	1,749	364	2,113	(27)	11	208	192	2,305
2010	2,654	268	2,922	(38)	15	288	265	3,187
2011	4,844	560	5,404	(81)	32	532	483	5,887
2012	8,987	2,060	11,047	(177)	77	1,087	987	12,034
2013	11,570	3,625	15,195	(243)	91	1,496	1,344	16,539
2014	17,053	7,472	24,525	(417)	172	2,989	2,744	27,269
2015	17,968	7,407	25,375	(457)	178	3,115	2,836	28,211
2016	25,370	12,077	37,447	(749)	300	4,147	3,698	41,145
PAYs (sub-total):	93,412	34,234	127,646	(2,221)	889	14,221	12,889	140,535
CAY (2017)	33,869	23,907	57,776	(1,040)	404	6,411	5,775	63,551
claims liabilities:	127,281	58,141	185,422	(3,261)	1,293	20,632	18,664	204,086
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	46,539	1,530	48,069	(622)	240	4,251	3,869	51,938
policy liabilities:			233,491	(3,883)	1,533	24,883	22,533	256,024

*Total may not be sum of parts, as apvs apply to future costs within UPR

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	1	10	11	-	-	1	1	12
2007	4	27	31	-	-	3	3	34
2008	196	44	240	(2)	1	24	23	263
2009	197	66	263	(3)	1	26	24	287
2010	1,418	48	1,466	(18)	7	145	134	1,600
2011	1,893	136	2,029	(24)	10	201	187	2,216
2012	614	207	821	(10)	4	81	75	896
2013	1,566	502	2,068	(27)	12	204	189	2,257
2014	2,028	961	2,989	(45)	18	357	330	3,319
2015	1,172	1,798	2,970	(56)	24	358	326	3,296
PAYs (sub-total):	9,089	3,797	12,886	(185)	77	1,400	1,292	14,178
CAY (2016)	1,987	1,912	3,899	(78)	35	447	404	4,303
claims liabilities:	11,076	5,709	16,785	(263)	112	1,847	1,696	18,481
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	4,873	(980)	3,893	(52)	22	360	330	4,223
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			20,678	(315)	134	2,207	2,026	22,704

Exhibit C-4
 New Brunswick RSP
 Projected Policy Liabilities

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New Brunswick		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
2005	-	(2)	(2)	-	-	-	-	(2)
2006	1	10	11	-	-	1	1	12
2007	7	24	31	-	-	3	3	34
2008	184	32	216	(2)	1	22	21	237
2009	180	54	234	(2)	1	23	22	256
2010	1,263	36	1,299	(13)	5	129	121	1,420
2011	1,691	108	1,799	(22)	9	178	165	1,964
2012	570	158	728	(9)	4	72	67	795
2013	1,360	381	1,741	(21)	9	172	160	1,901
2014	1,708	710	2,418	(31)	15	289	273	2,691
2015	1,137	1,122	2,259	(34)	14	274	254	2,513
2016	1,236	879	2,115	(40)	17	242	219	2,334
PAYs (sub-total):	9,337	3,512	12,849	(174)	75	1,405	1,306	14,155
CAY (2017)	2,084	2,125	4,209	(84)	38	482	436	4,645
claims liabilities:	11,421	5,637	17,058	(258)	113	1,887	1,742	18,800
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	5,019	(922)	4,097	(55)	24	380	349	4,446
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			21,155	(313)	137	2,267	2,091	23,246

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	33	1	34	-	-	3	3	37
2008	210	(28)	182	(1)	1	18	18	200
2009	114	(21)	93	(1)	-	9	8	101
2010	255	55	310	(3)	2	31	30	340
2011	2,069	15	2,084	(27)	13	205	191	2,275
2012	4,045	(221)	3,824	(50)	23	377	350	4,174
2013	4,267	332	4,599	(55)	23	563	531	5,130
2014	3,138	1,188	4,326	(56)	26	525	495	4,821
2015	2,812	4,103	6,915	(111)	48	837	774	7,689
PAYs (sub-total):	16,943	5,424	22,367	(304)	136	2,568	2,400	24,767
CAY (2016)	6,189	3,201	9,390	(169)	75	1,107	1,013	10,403
claims liabilities:	23,132	8,625	31,757	(473)	211	3,675	3,413	35,170
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	7,902	(53)	7,849	(123)	54	811	742	8,591
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			39,606	(596)	265	4,486	4,155	43,761

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	33	1	34	-	-	3	3	37
2008	182	(24)	158	(1)	-	16	15	173
2009	102	(21)	81	-	-	8	8	89
2010	231	43	274	(2)	1	27	26	300
2011	1,832	15	1,847	(20)	9	183	172	2,019
2012	3,563	(173)	3,390	(44)	20	335	311	3,701
2013	3,816	260	4,076	(53)	24	498	469	4,545
2014	2,786	933	3,719	(45)	19	452	426	4,145
2015	2,251	2,905	5,156	(67)	31	626	590	5,746
2016	4,116	1,309	5,425	(87)	38	641	592	6,017
PAYs (sub-total):	18,912	5,248	24,160	(319)	142	2,789	2,612	26,772
CAY (2017)	6,298	4,249	10,547	(190)	84	1,243	1,137	11,684
claims liabilities:	25,210	9,497	34,707	(509)	226	4,032	3,749	38,456
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	8,280	142	8,422	(133)	58	871	796	9,218
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			43,129	(642)	284	4,903	4,545	47,674