

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F16 – 077

DATE: OCTOBER 27, 2016

**SUBJECT: FARM FINAL OUTLOOK FOR CALENDAR YEAR 2017
BASED ON AUGUST 2016 PARTICIPATION REPORT**

To assist member companies in planning for their share of the Facility Association Residual Market (FARM) results for the next calendar year, Facility Association prepares FARM “Outlook” projections of Net Results from Operations. The Outlook presentation format (Exhibits B-1 to B-3) is very similar to that of the “Participation Report– Calendar Year” exhibits of the monthly Participation Reports Member Bulletins (“Bulletins”).

The attached is the *final* calendar year 2017 FARM Outlook based on actual results as found in the August 2016 Participation Report. Recall that a *preliminary* calendar year 2017 FARM Outlook, based on the actual results as found in the March 2016 Participation Reports, was released to the membership May 27, 2016 (see Bulletin F16-037)¹. Differences between the two projections are summarized in the attached final Outlook (section 2.2) but we would not characterize the overall differences as significant given the inherent variability of results (for instance, the projected net operating result has decreased \$0.5 million or 3.2% to \$15.8 million).

The attached *final* 2017 FARM 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, FARM premium volumes have in the past varied in ways that are difficult to model or project (charts showing history of premium volumes can be found at the “Provincial Profiles” section of our website). **As such, we stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

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.

¹At that time, we anticipated that the *final* 2017 FARM Outlook would be made available to members in August 2016 based on the May 2016 Participation Report, which would include the implementation of the FARM 2016 Q1 valuation. However, as discussed in Bulletin F16-057 released on July 28, 2016, the implementation of the FARM 2016 Q1 valuation with the May 2016 results had a minimum impact, and our projections for calendar year 2017 were little changed from our *preliminary* 2017 FARM Outlook. As such, we postponed the release of the *final* 2017 FARM Outlook until completion and implementation of the FARM 2016 Q2 valuation with the August 2016 Participation Report.

FARM FINAL OUTLOOK FOR CALENDAR YEAR 2017 BASED ON AUGUST 2016 PARTICIPATION REPORT

Projection Summaries – Calendar Years 2017 & 2016 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
FARM (PPV & Non-PPV)		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	183,890	175,830	8,060	4.6%	189,851
	Vehicle Count	96,807	96,143	664	0.7%	108,386
Earned	Premium (\$000s)	179,643	177,881	1,762	1.0%	195,930
Net Operating Result (\$000s)		15,797	21,787	(5,990)	(27.5%)	25,615
	COR	91.4%	87.9%	3.5%	4.0%	87.0%
Prior Accident Years' incurred claims (\$000s)		(8,179)	(15,107)	6,928	(45.9%)	(19,534)

Actual and Projected Calendar Year Results						
FARM (PPV)		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	74,898	69,375	5,523	8.0%	73,491
	Vehicle Count	32,169	30,023	2,146	7.1%	31,631
Earned	Premium (\$000s)	71,847	70,610	1,237	1.8%	76,454
Net Operating Result (\$000s)		3,862	9,287	(5,425)	(58.4%)	13,365
	COR	94.8%	87.0%	7.8%	9.0%	82.6%
Prior Accident Years' incurred claims (\$000s)		(3,376)	(8,579)	5,203	(60.6%)	(12,719)

Actual and Projected Calendar Year Results						
FARM (Non-PPV)		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	108,992	106,455	2,537	2.4%	116,360
	Vehicle Count	64,638	66,120	(1,482)	(2.2%)	76,755
Earned	Premium (\$000s)	107,796	107,270	526	0.5%	119,476
Net Operating Result (\$000s)		11,935	12,500	(564)	(4.5%)	12,249
	COR	89.1%	88.4%	0.7%	0.8%	89.8%
Prior Accident Years' incurred claims (\$000s)		(4,803)	(6,528)	1,725	(26.4%)	(6,815)

It is important to bear in mind when considering the above results that the Net Operating Result and associated Combined Operating Ratio (COR) are from the perspective of the Facility Association and hence do not include investment income on funds held by members on behalf of Facility Association (i.e. the majority of the assets supporting the liabilities) and do not include all expenses that will ultimately be incurred by members (for example, premium tax is not included). As such, these results are not directly comparable to member company results.

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

FACILITY ASSOCIATION RESIDUAL MARKET

(FARM)

OCTOBER 2016

BASED ON AUGUST 2016 PARTICIPATION REPORT

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
FACILITY ASSOCIATION RESIDUAL MARKET (FARM)
OCTOBER 2016
BASED ON AUGUST 2016 PARTICIPATION REPORT

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY	4
2. INTRODUCTION.....	5
2.1 Summary of Results	5
2.2 Comparison with 2017 Preliminary Outlook	6
2.3 Summary of Results	9
2.4 Outlook Purpose and Projection Uncertainty	17
2.5 Definitions and Presentation	19
3. BASIS FOR PROJECTIONS	21
3.1 Premiums	21
3.2 Claims Amounts (for Indemnity).....	24
3.3 Claims Expenses	25
3.4 Simulated 2017 Accident Year Nominal Claims Ratio	26
3.5 Expenses	28
3.6 Investment Income.....	29
3.7 Operating Cash Flows.....	29
3.8 Distributed (Charged) To Member Companies' Accounts.....	31
3.9 De-population Efforts	32
4. EXHIBITS & APPENDIX	33

LIST OF EXHIBITS

EXHIBIT A Accident Year 2017 Loss Ratio for Indemnity (assumptions)

- A-1 Ontario
- A-2 Alberta
- A-3 Newfoundland & Labrador
- A-4 New Brunswick
- A-5 Nova Scotia
- A-6 Prince Edward Island
- A-7 Yukon

A-8 Northwest Territories

A-5 Nunavut

EXHIBIT B 2017 Projected Summary of Operations (by Jurisdiction)

B-1 Private Passenger

B-2 Non-Private Passenger

B-3 Private Passenger & Non-Private Passenger

EXHIBIT C Projected Policy Liabilities

C-1 Ontario

C-2 Alberta

C-3 Newfoundland & Labrador

C-4 New Brunswick

C-5 Nova Scotia

C-6 Prince Edward Island

C-7 Yukon

C-8 Northwest Territories

C-9 Nunavut

C-10 ALL JURISDICTIONS COMBINED

APPENDIX a priori loss ratios and associated charts
(by jurisdiction and business segment)

LINKS TO SPECIFIC REFERENCED DOCUMENTS

Actuarial Highlights - Monthly Participation - August 2016

[FARM August 2016 Participation Report – Actuarial Highlights](#)

Actuarial Highlights – Quarterly Valuations - 2016 Q2

[Actuarial Quarterly Valuation Highlights FARM as at June 30, 2016](#)

Outlook

[FARM Outlook for Calendar Year 2016](#)

[FARM Outlook for Calendar Year 2017](#)

1. Executive Summary

This “FARM Outlook” is a projection of Facility Association Residual Market (“FARM”) 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 FARM experience, to the results of the June 30, 2016 valuation of the FARM policy liabilities, and to monthly premium projections developed for FARM Monthly Member Participation 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 Years 2017 & 2016 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
FARM (PPV & Non-PPV)		2017	2016	Change (to 2017 from 2016)		2015
Written	Premium (\$000s)	183,890	175,830	8,060	4.6%	189,851
	Vehicle Count	96,807	96,143	664	0.7%	108,386
Earned	Premium (\$000s)	179,643	177,881	1,762	1.0%	195,930
Net Operating Result (\$000s)		15,797	21,787	(5,990)	(27.5%)	25,615
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Prior Accident Years' incurred claims (\$000s)		(8,179)	(15,107)	6,928	(45.9%)	(19,534)

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FARM (PPV)		2017	2016	Change (to 2017 from 2016)		2015
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Earned	Premium (\$000s)	107,796	107,270	526	0.5%	119,476
Net Operating Result (\$000s)		11,935	12,500	(564)	(4.5%)	12,249
	COR	89.1%	88.4%	0.7%	0.8%	89.8%
Prior Accident Years' incurred claims (\$000s)		(4,803)	(6,528)	1,725	(26.4%)	(6,815)

2. Introduction

2.1 Summary of Results

Introductory Comments

This “FARM Outlook” is a projection of the Facility Association Residual Market (“FARM”) 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 FARM experience, to the results of the June 30, 2016 valuation of the FARM policy liabilities, and to monthly premium projections developed for the FARM Monthly Member Participation Reports.

The table below summarizes the calendar year **2017** projection for all jurisdictions by business segment – greater detail is provided in section 2.3.

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

Calendar Year 2017 Projections (\$000s)			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
Written Premium	74,898	108,992	183,890
Earned Premium	71,847	107,796	179,643
Prior Accident Years	(3,376)	(4,803)	(8,179)
Current Accident Year	53,748	77,246	130,994
Total Claims Incurred	50,372	72,443	122,815
Operating & Service Fees	7,589	11,112	18,701
Agent's Commissions	7,249	8,292	15,541
Driver Record Abstracts	1,150	1,469	2,619
Bad Debts	-	-	-
Change in Prem. Def / (DPAC)	(127)	(19)	(146)
Underwriting Expenses	15,861	20,854	36,715
Net U/Wing gain / (loss)	5,614	14,499	20,113
Administrative Expenses	1,874	2,724	4,598
Miscellaneous income	-	-	-
Investment Income	122	160	282
2017 Projected Operating Result	3,862	11,935	15,797
misc. & investment income:	122	160	282
attributed to PAYs:	3,376	4,803	8,179
attributed to CAY:	364	6,972	7,336

This updated calendar year **2017** projection is reasonably aligned with our projection as provided in the 2017 Preliminary Outlook which was posted on May 27, 2016 (written premium overall is down \$1.9 million (1.0%) and the overall operating result has deteriorated \$0.5 million (3.2% - mainly due to changes in mix of business and updated assumptions). A comparison between the Preliminary Outlook and this Outlook is explored in more detail in section 2.2.

As will be 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 October 28, 2015 (the “*Oct 28 2015 Outlook*”)

and our current projection (“**Aug 31 2016 Projection**”). These differences are mainly due to prior accident year impacts. In particular, like our **Oct 28 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**) includes nominal prior accident year changes as booked during the first eight months of **2016**. Differences in the projections are discussed at a high level in the next section. Given the importance of accident year impacts, we have separated the Operating Results summary to show “prior accident years” (PAYs) from the “current accident year” (CAY).

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

Our projections of the number of vehicles insured through the FARM generally assume a continuation of decreases experienced by the FARM over the last several years, albeit at a slower rate. Given the nature of the FARM (as a market of last resort), volumes can change rapidly in response to external events, so Members should bear in mind that volumes may change dramatically from those projected here. This is discussed in more detail in section 2.4.

2.2 Comparison with 2017 Preliminary Outlook

The Preliminary Outlook to Calendar Year 2017, posted on May 27, 2016, was based on the valuation as at December 31, 2015 and the March 2016 Participation Reports. The next set of tables show the change from that preliminary Outlook to this (final) update:

Calendar Year 2017 Outlook Comparisons – Final vs Preliminary - Summary

2017 Calendar Year	Net Operating Result \$m				Earned Premium \$m				Net Underwriting Gain (Loss) \$m			
	Final Outlook	Preliminary Outlook	change	% chg	Final Outlook	Preliminary Outlook	change	% chg	Final Outlook	Preliminary Outlook	change	% chg
Ontario	6.8	5.9	0.9	15.0	38.5	38.3	0.1	0.3	7.7	6.8	0.9	13.2
Alberta	7.0	7.8	(0.7)	(9.6)	59.1	64.0	(4.8)	(7.6)	8.5	9.3	(0.8)	(8.8)
NFLD & Labrador	(2.7)	(2.7)	(0.0)	0.1	30.5	28.5	2.0	6.9	(1.9)	(2.0)	0.1	(6.3)
New Brunswick	1.9	1.6	0.3	19.1	20.7	21.2	(0.6)	(2.7)	2.4	2.1	0.3	14.6
Nova Scotia	0.2	1.0	(0.9)	(83.1)	18.1	18.3	(0.2)	(1.1)	0.6	1.5	(0.9)	(58.6)
Prince Edward Is.	0.8	0.7	0.1	14.1	5.0	5.0	(0.0)	(0.2)	0.9	0.8	0.1	12.6
Yukon	0.2	0.2	(0.0)	(1.7)	2.0	2.2	(0.2)	(10.5)	0.3	0.3	(0.0)	(3.2)
Northwest Terr.	1.1	1.2	(0.2)	(14.5)	4.6	4.8	(0.3)	(5.2)	1.2	1.3	(0.2)	(13.3)
Nunavut	0.4	0.5	(0.0)	(8.7)	1.3	1.6	(0.2)	(15.4)	0.5	0.5	(0.0)	(9.2)
TOTAL	15.8	16.3	(0.5)	(3.2)	179.6	183.9	(4.3)	(2.3)	20.1	20.6	(0.5)	(2.3)

As indicated above, there has been a \$0.5 million deterioration in the overall projected net operating result, driven by adverse changes in the projected net operating surpluses for Nova Scotia and Alberta. While the Alberta decrease was driven by a decrease in projected written premium, the Nova Scotia decrease was driven by an increase in the projected accident year loss ratio for 2017 (by

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

5 points on an actuarial present value basis), generated by the updated selected 2017 accident year loss ratio with the June 30, 2016 valuation, where FA's updated trend analysis of industry results have resulted in a deterioration in our view of claims trends (particularly with respect to bodily injury).

Newfoundland & Labrador continues to be the one jurisdiction with a projected underwriting loss. Associated changes in key ratios are presented in the tables below.

Calendar Year 2017 Outlook Comparisons – Final vs Preliminary - COR

2017 Calendar Year	Combined Ratio			Claims Incurred Ratio			Expense Ratio		
	Final Outlook	Preliminary Outlook	point chg	Final Outlook	Preliminary Outlook	point chg	Final Outlook	Preliminary Outlook	point chg
Ontario	82.5	84.7	(2.2)	62.8	64.9	(2.1)	19.7	19.8	(0.1)
Alberta	88.3	88.0	0.3	65.7	65.6	0.1	22.6	22.4	0.2
NFLD & Labrador	109.0	109.5	(0.5)	84.0	86.1	(2.1)	25.0	23.4	1.6
New Brunswick	90.8	92.5	(1.7)	67.0	68.8	(1.8)	23.8	23.7	0.1
Nova Scotia	99.2	94.5	4.7	73.2	68.6	4.6	26.0	25.9	0.1
Prince Edward Is.	83.5	85.5	(2.0)	58.1	60.1	(2.0)	25.4	25.4	-
Yukon	88.5	89.5	(1.0)	65.4	66.7	(1.3)	23.1	22.8	0.3
Northwest Terr.	77.1	74.5	2.6	52.8	50.4	2.4	24.3	24.1	0.2
Nunavut	67.2	69.6	(2.4)	44.4	46.5	(2.1)	22.8	23.1	(0.3)
TOTAL	91.4	91.2	0.2	68.4	68.6	(0.2)	23.0	22.6	0.4

The claims incurred ratio (middle section of above table) is broken down into component parts below (these ratios include actuarial present value adjustments):

Calendar Year 2017 Outlook Comparisons – Final vs Preliminary – LR

2017 Calendar Year	Claims Incurred Ratio			Current Accident Year LR			Prior Accident Year LR		
	Final Outlook	Preliminary Outlook	point chg	Final Outlook	Preliminary Outlook	point chg	Final Outlook	Preliminary Outlook	point chg
Ontario	62.8	64.9	(2.1)	70.1	71.6	(1.5)	(7.3)	(6.7)	(0.6)
Alberta	65.7	65.6	0.1	69.3	69.3	-	(3.6)	(3.7)	0.1
NFLD & Labrador	84.0	86.1	(2.1)	88.5	90.7	(2.2)	(4.5)	(4.6)	0.1
New Brunswick	67.0	68.8	(1.8)	70.7	71.7	(1.0)	(3.7)	(2.9)	(0.8)
Nova Scotia	73.2	68.6	4.6	76.7	71.7	5.0	(3.5)	(3.1)	(0.4)
Prince Edward Is.	58.1	60.1	(2.0)	61.9	62.5	(0.6)	(3.8)	(2.4)	(1.4)
Yukon	65.4	66.7	(1.3)	69.8	70.5	(0.7)	(4.4)	(3.8)	(0.6)
Northwest Terr.	52.8	50.4	2.4	55.7	53.0	2.7	(2.9)	(2.6)	(0.3)
Nunavut	44.4	46.5	(2.1)	46.6	48.4	(1.8)	(2.2)	(1.9)	(0.3)
TOTAL	68.4	68.6	(0.2)	72.9	72.8	0.1	(4.5)	(4.2)	(0.3)

A more complete table of changes in line items between the two 2017 Outlooks is presented on the next page (all jurisdictions, private passenger & non-private passenger combined).

Projection Summary – Calendar Year 2017 Final Outlook vs Preliminary Outlook

Final Outlook		summary from 2017 Preliminary Outlook		
in \$ thousands	TOTAL	amts	curr - Outlook	% change
Underwriting Revenue				
written premium	183,890	185,768	(1,878)	(1.0%)
decrease / (increase) in unearned	(4,247)	(1,868)	(2,379)	127.4%
earned premium	179,643	183,900	(4,257)	(2.3%)
Claims Incurred				
Prior Accident Years				
Undiscounted	-	-	-	-
effect of discounting	(8,179)	(7,823)	(356)	4.6%
Discounted	(8,179)	(7,823)	(356)	4.6%
Current Accident Year				
Undiscounted	123,757	126,793	(3,036)	(2.4%)
effect of discounting	7,237	7,158	79	1.1%
Discounted	130,994	133,951	(2,957)	(2.2%)
Claims Incurred	122,815	126,128	(3,313)	(2.6%)
Underwriting Expenses				
Operating & Service Fees	18,701	18,903	(202)	(1.1%)
Agent's Commissions	15,541	15,629	(88)	(0.6%)
Driver Record Abstracts	2,619	2,663	(44)	(1.7%)
Bad Debts	-	-	-	-
Premium Deficiency / (DPAC)				
Undiscounted	(340)	(55)	(285)	518.2%
effect of discounting	194	45	149	331.1%
Discounted	(146)	(10)	(136)	1,360.0%
Underwriting Expenses	36,715	37,185	(470)	(1.3%)
Net Underwriting Gain (Loss)	20,113	20,587	(474)	(2.3%)
Administrative Expenses	4,598	4,455	143	3.2%
Miscellaneous income / (expense)	-	-	-	-
Investment Income	282	194	89	45.8%
Operating Result	15,797	16,326	(528)	(3.2%)
Ratios				
Claims & Adj. Expenses to EP				
Prior Accident Year	(4.6%)	(4.3%)	(0.3%)	7.0%
Current Accident Year	72.9%	72.8%	0.1%	0.1%
All Accident Years Combined	68.4%	68.6%	(0.2%)	(0.3%)
Underwriting & Admin Exp (EP)	23.0%	22.6%	0.4%	1.8%
Combined Operating Ratio	91.4%	91.2%	0.2%	0.2%
Current Accident Year only*	7,336	8,309	(973)	(11.7%)

2.3 Summary of Results

Summary of Calendar Year 2017 Operating Results

The estimated calendar year **2017** Operating Results are summarized in the table below. Policy liabilities and associated changes are presented on an actuarial present value basis as found in the Participation 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 *Oct 28 2015 Outlook* and with the *Aug 31 2016 Projection*².

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

Calendar Year 2017 Projections (\$000s)			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
Written Premium	74,898	108,992	183,890
Earned Premium	71,847	107,796	179,643
Prior Accident Years	(3,376)	(4,803)	(8,179)
Current Accident Year	53,748	77,246	130,994
Total Claims Incurred	50,372	72,443	122,815
Operating & Service Fees	7,589	11,112	18,701
Agent's Commissions	7,249	8,292	15,541
Driver Record Abstracts	1,150	1,469	2,619
Bad Debts	-	-	-
Change in Prem. Def / (DPAC)	(127)	(19)	(146)
Underwriting Expenses	15,861	20,854	36,715
Net U/Wing gain / (loss)	5,614	14,499	20,113
Administrative Expenses	1,874	2,724	4,598
Miscellaneous income	-	-	-
Investment Income	122	160	282
2017 Projected Operating Result	3,862	11,935	15,797
misc. & investment income:	122	160	282
attributed to PAYs:	3,376	4,803	8,179
attributed to CAY:	364	6,972	7,336
2016 Projected Operating Result			
Oct 28 2015 Outlook	4,672	7,760	12,432
misc. & investment income:	127	151	278
attributed to PAYs:	2,635	3,877	6,512
attributed to CAY:	1,910	3,732	5,642
Aug 31, 2016 Projection	9,287	12,500	21,787
misc. & investment income:	82	91	174
attributed to PAYs:	8,579	6,528	15,107
attributed to CAY:	626	5,880	6,506

²The 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.

In comparing the calendar year **2017** operating result projection against the two projections for calendar year **2016**, **2017** is showing an improvement relative to the **Oct 28 2015 Outlook projection for 2016**, but a deterioration from the **Aug 31 2016 Projection** for **2016**. 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 **Oct 28 2015 Outlook**, in relation to the operating result attributed to prior accident years (PAYs), whereas the 2017 “misc. & investment income” and “attributed CAY” components are 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 **Oct 28 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 June 30, 2016 valuation. In contrast, the updated valuation and more recent investment assumptions leads to closer alignment with the **Aug 31 2016 Projection** (updated investment yields and updated accident years 2016 and 2017 loss ratios).

Operating Result Projection Summary – Calendar Year 2017 vs 2016

in \$ thousands	2017 TOTAL	2016 TOTAL	2017 less 2016	% change
Underwriting Revenue				
written premium	183,890	175,830	8,060	4.6%
decrease / (increase) in unearned	(4,247)	2,050	(6,297)	(307.1%)
earned premium	179,643	177,881	1,762	1.0%
Claims Incurred				
Prior Accident Years				
Undiscounted	-	(7,775)	7,775	(100.0%)
effect of discounting	(8,179)	(7,332)	(847)	11.6%
Discounted	(8,179)	(15,107)	6,928	(45.9%)
Current Accident Year				
Undiscounted	123,757	124,142	(385)	(0.3%)
effect of discounting	7,237	7,055	182	2.6%
Discounted	130,994	131,197	(203)	(0.2%)
Claims Incurred	122,815	116,090	6,725	5.8%
Underwriting Expenses	36,715	35,548	1,167	3.3%
Net Underwriting Gain (Loss)	20,113	26,242	(6,129)	(23.4%)
Administrative Expenses	4,598	4,629	(31)	(0.7%)
Miscellaneous income / (expense)	-	(64)	64	(100.0%)
Investment Income	282	238	44	18.6%
Operating Result	15,797	21,787	(5,990)	(27.5%)
Ratios				
Claims & Adj. Expenses to EP				
Prior Accident Year	(4.6%)	(8.5%)	3.9%	(45.9%)
Current Accident Year	72.9%	73.8%	(0.9%)	(1.2%)
All Accident Years Combined	68.4%	65.3%	3.1%	4.7%
Underwriting & Admin Exp (EP)	23.0%	22.6%	0.4%	1.8%
Combined Operating Ratio	91.4%	87.9%	3.5%	4.0%
Current Accident Year only*	7,336	6,506	830	12.7%

*excluding miscellaneous income/(expense) and investment income

Note: FARM operating results do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of FARM 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.

Similarly, investment income here relates only to investment income earned on funds held by FA – it does NOT include any investment income earned by members on FARM related funds held by members.

As at December 31, 2015, *nominal* unpaid **indemnity only** claims liability balance for the FARM

amounted to \$334.8 million³, with this then being the beginning balance for calendar year 2016. The nominal prior accident year change in **2016** at \$7.6 million (favourable) represents 2.3% of the beginning balance. The nominal unpaid indemnity only balance for the FARM at December 31, 2016 is projected to be \$314.7 million and changes of +/-5% of this balance (\$15.7 million) would not be unusual (see table below for changes that occurred during the last 3 calendar years). The projected *nominal*⁴ claims development provision for adverse deviation (PfAD) is \$35.3 million. The projected nominal unpaid indemnity balance at December 31, 2017 (not shown in the table below) is \$300.7 million (*nominal* claims development PfAD of \$33.9 million). As evident in the table below (column [1]) and the projected unpaid indemnity balance for December 31, 2017 (\$300.7 million), the nominal indemnity liability continues to decrease overall, reflecting the general decline in the FARM volumes.

FARM PAYS' Ultimate Changes vs Beginning Balances (nominal, indemnity only)

Cal Yr	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]
	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	389.8	40.6	10.4%	(16.0)	(4.1%)
2014	360.4	40.8	11.3%	5.2	1.4%
2015	349.3	40.2	11.5%	(15.1)	(4.3%)
projections					
2016	334.8	38.1	11.4%	(7.6)	(2.3%)
2017	314.7	35.3	11.2%	-	-

In addition to changes in estimates of ultimate discussed above, changes in yield curves used to determine the discount rates used in our projections are subject to change. For example, the **Oct 28 2015 Outlook** used a discount rate of 1.07% whereas with the **Aug 31 2016 projection** we are now using 0.69% (i.e. this is the Jun 30, 2016 valuation discount rate). However, the *change* in the selected discount rate with the Jun 30, 2016 valuation does not have a direct impact on the 2017 projection. As the change 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 Dec 31, 2017 **claims liability** discount amount is \$5.8 million, with an associated interest rate PfAD of \$2.1 million, indicating the net discount impact of approximately \$3.7 million – moving this to \$0 could be considered a “worst case” scenario⁵ in relation to adverse changes in

³See the December 2015 Actuarial Highlights claims liability table found on page 8 at \$250.7 million in case reserves plus \$84.1 million in nominal IBNR.

⁴Claims development PfADs are displayed in Exhibit C on a discounted basis, whereas the values here are presented on a nominal basis to remove the impact of varying discount rates. The discount amounts associated with the claims development PfADs in Exhibit C are \$0.7 million for calendar year 2016 and \$0.6 million for calendar year 2017.

⁵That 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

the yield curves.

Key Ratios associated with our calendar year **2017** projections are presented in the table immediately below, including the Combined Operating Ratios (COR) for the two calendar year **2016** projections.

Projection Summary – Calendar Year 2017 – Key Ratios

Calendar Year 2017 Projections (Key Ratios)			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
Claims Incurred Ratios (% EP)			
Prior Accident Years	(4.7%)	(4.5%)	(4.6%)
Current Accident Year	74.8%	71.7%	72.9%
Total Claims Incurred	70.1%	67.2%	68.4%
Expense Ratios			
General Expenses (% WP)	21.3%	19.2%	20.0%
Chg in Prem. Def / (DPAC) (% EP)	(0.2%)	-	(0.1%)
Underwriting Expenses (% EP)	22.1%	19.4%	20.4%
Administrative Expense (% EP)	2.6%	2.5%	2.6%
U/Wing & Admin Exp (% EP)	24.7%	21.9%	23.0%
2017 Combined Operating Ratio (% EP)	94.8%	89.1%	91.4%
attributed to PAYS:	(4.7%)	(4.5%)	(4.6%)
attributed to CAY:	99.5%	93.6%	96.0%
2016 Combined Operating Ratio			
Oct 28 2015 Outlook	94.0%	93.7%	93.7%
attributed to PAYS:	(3.5%)	(3.2%)	(3.3%)
attributed to CAY:	97.5%	96.9%	97.0%
Aug 31, 2016 Projection	87.0%	88.4%	87.9%
attributed to PAYS:	(12.1%)	(6.1%)	(8.5%)
attributed to CAY:	99.1%	94.5%	96.4%

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

Our projections of the number of vehicles written are based on management’s view of writings, taking into account recent volume changes, rate changes, and anticipated policyholder and member company behaviours in reaction to rate increases. However, FARM volumes can change rapidly in a short period of time, as we have seen in the past. The table at the top of the next page shows the FARM private passenger market share at Aug 2016 (rolling twelve month basis) compared with 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.

most recent peak levels.

FARM

August 2016

Market Share - Developed by Month (Non-cumulative)

Written Private Passenger Vehicles (Excluding Farmers)

Province	July 2016	August 2016			Recent Peak		
	Market Share	Written Vehicle Count	Market Share	Change	Written Vehicle Count	Mth. / Yr.	Market Share
Alberta	0.1%	2,389	0.1%	0.0	74,658	Sept. 2004	4.2%
Nova Scotia	0.7%	3,714	0.7%	0.0	37,157	Sept. 2004	7.9%
New Brunswick	1.5%	7,253	1.5%	0.0	25,327	April 2003	6.8%
Newfoundland & Labrador	3.2%	10,471	3.2%	0.0	17,569	Sept. 2003	8.0%
Prince Edward Island	1.7%	1,607	1.7%	0.0	6,307	April 2004	8.4%
Ontario	0.0%	1,824	0.0%	0.0	226,108	March 2004	3.8%
Nunavut	15.3%	436	14.5%	-0.8	1,113	Dec 2008	50.0%
N.W.T	12.4%	2,432	12.2%	-0.2	4,844	Nov 2005	32.7%
Yukon	1.1%	285	1.0%	-0.1	1,416	Jun 2005	7.3%

* July 2016 market share percentages may have been adjusted based on revised figures received from Actuarial Dept.

- Market Share based on 2015 Industry Data (AIX - AUTO1005/1010)

- Vehicle Count based on report from Data Analyst of Actuarial Dept. (Rolling 12 Months)

Net cash flows from operations for the FARM are projected to be an overall inflow of \$1.0 million for calendar year **2017** as presented in detail in section 3.7. Lower projected premium is the main driver of the difference between the calendar year **2017** net cash flows from operations projection and the \$12.7 million calendar year **2016** net cash flows from operations projection for the Outlook posted Oct 28, 2015 (the updated projection for 2016 reflects premium and claims payments updates). Should volumes decline during 2017 more than anticipated or indemnity payments prove higher than expected, net operating cash flows would be negatively impacted. For example, should written premium be 0.7% less than projected, the cash inflow would move to a cash outflow position.

Projections for Calendar Year 2016

As indicated in the table at the top of the next page, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the **Oct 28 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 Oct 28 2015 Outlook vs updated Aug 31 2016 Projection

\$000s	Outlook Posted October 28, 2015			Updated Year-end Projection		
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	45,033	2,790	94.0%	39,658	8,406	79.0%
Alberta	70,498	7,300	89.8%	59,955	13,782	77.1%
Newfoundland & Labrador	28,662	(3,666)	112.9%	28,008	(1,846)	106.7%
New Brunswick	20,601	2,010	90.4%	20,351	108	99.6%
Nova Scotia	16,312	1,584	90.4%	16,968	(447)	102.7%
Prince Edward Island	4,520	307	93.3%	4,778	564	88.2%
Yukon	2,163	221	89.9%	1,996	272	86.5%
Northwest Territories	5,159	1,430	72.3%	4,714	(85)	101.9%
Nunavut	1,631	457	72.1%	1,452	1,033	28.9%
TOTAL	194,579	12,432	93.7%	177,881	21,787	87.9%

In the table at the top of the next page, we attributed the overall \$9.4 million operating result improvement (from \$12.4 million to \$21.8 million) to the change in earned premium (by multiplying the earned premium change by [1 – COR]), with the remaining difference attributed to the change in COR (which is driven by changes in discount rates and margins, nominal changes in prior accident year claims liabilities, current accident year loss ratios, the next future accident year loss ratio impact on premium liabilities, and expenses). Earned premium changes have had an estimated overall \$1.4 million unfavourable impact on the projected Operating Result⁶, offset by a \$10.8 million favourable change in operating result due to changes in CORs and changes in projected miscellaneous/investment income⁷.

⁶In attributing changes in operating result to changes in earned premium and changes in COR, we assume that earned premium reductions are due to reductions in exposures (i.e. vehicles insured) – as the 2016 Final Outlook had a COR of 93.7%, there was an implied operating surplus associated with insured vehicles, so a reduction in earned premium (i.e. reduction in earned vehicle count) would result in a reduction in operating result under the assumption that the COR has not changed. Any remaining change in operating result is then attributed to the change in COR and miscellaneous / investment income.

⁷Investment income reflects income on cash and cash equivalents held and invested at Facility Association to accommodate current cash flow needs. The vast majority of funds supporting the FARM are held by members. As per the FARM financial statements for fiscal year-end 2015, cash and cash equivalents were \$37.1 million compared with funds held by members at \$1,149.8 million.

Calendar Year 2016 Change Oct 28 2015 Outlook vs updated Aug 31 2016 Projection

\$000s	Total Change (Update less Outlook)			Change Attributed to Earned Premium Change		Change Attributed to misc/investment income & COR Changes	
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(5,375)	5,616	(15.0%)	(5,375)	(323)	5,939	(15.0%)
Alberta	(10,543)	6,482	(12.7%)	(10,543)	(1,075)	7,557	(12.7%)
Newfoundland & Labrador	(654)	1,820	(6.2%)	(654)	84	1,736	(6.2%)
New Brunswick	(250)	(1,902)	9.2%	(250)	(24)	(1,878)	9.2%
Nova Scotia	656	(2,031)	12.3%	656	63	(2,094)	12.3%
Prince Edward Island	258	257	(5.1%)	258	17	240	(5.1%)
Yukon	(167)	51	(3.4%)	(167)	(17)	68	(3.4%)
Northwest Territories	(445)	(1,515)	29.6%	(445)	(123)	(1,392)	29.6%
Nunavut	(179)	576	(43.2%)	(179)	(50)	626	(43.2%)
TOTAL	(16,698)	9,355	(5.8%)	(16,698)	(1,448)	10,803	(5.8%)

The key drivers of changes in COR are changes in selected ultimate loss ratios and the discount rate, updated with each valuation⁸. More information on the results of valuations and the associated impacts are available in the Actuarial Highlights for Oct 2015 (implementation of the 2015 Q3 valuation), Mar 2016 (implementation of the 2015 Q4 valuation), May 2016 (implementation of the 2016 Q1 valuation), and Aug 2016 (implementation of the 2016 Q2 valuation).

Of the \$10.8 million improvement in operating result attributed to COR changes and changes in miscellaneous/investment income, all of the change was driven by the former. The main driver of the 4.9 percentage point decrease in COR is the 6.1 percentage point decrease in incurred claims ratio (on an “actuarial present value” basis) as shown in the table below. As evident in that table, the prior accident years’ impacts have generally been more favourable than expected, and the current accident year has been better than expected (with the latter driven by Ontario).

Calendar Year 2016 Oct 28 2015 Outlook Loss Ratios vs updated Aug 31 2016 Projection

2016 Calendar Year	Claims Incurred Ratio			Current Accident Year LR			Prior Accident Year LR		
	Aug 31 2016 Projection	Oct 28 2015 Outlook	point chg	Aug 31 2016 Projection	Oct 28 2015 Outlook	point chg	Aug 31 2016 Projection	Oct 28 2015 Outlook	point chg
Ontario	58.8	74.3	(15.5)	67.0	79.2	(12.2)	(8.2)	(4.9)	(3.3)
Alberta	55.1	67.7	(12.6)	71.9	70.8	1.1	(16.8)	(3.1)	(13.7)
NFLD & Labrador	84.1	89.4	(5.3)	93.1	92.8	0.3	(9.0)	(3.4)	(5.6)
New Brunswick	75.5	66.9	8.6	70.7	68.6	2.1	4.8	(1.7)	6.5
Nova Scotia	76.7	64.9	11.8	77.0	68.5	8.5	(0.3)	(3.6)	3.3
Prince Edward Is.	61.7	67.9	(6.2)	70.1	69.6	0.5	(8.4)	(1.7)	(6.7)
Yukon	61.3	66.6	(5.3)	65.9	68.7	(2.8)	(4.6)	(2.1)	(2.5)
Northwest Terr.	76.1	48.2	27.9	54.3	50.1	4.2	21.8	(1.9)	23.7
Nunavut	3.4	48.6	(45.2)	52.3	51.3	1.0	(48.9)	(2.7)	(46.2)
TOTAL	65.3	71.4	(6.1)	73.8	74.8	(1.0)	(8.5)	(3.4)	(5.1)

Again, the ratios in the above table include actuarial present value adjustments, so changes to discount rates and margins (blended rate) have also had impacts that are included in the changes in

⁸Changes 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.

those claims ratios.

In particular, the **Oct 28 2015 Outlook** discount rate was 1.07% compared with 0.69% used in the **Aug 31 2016 Projection** (the investment return margin for adverse deviation was left unchanged at 25 basis points). Discount rate changes mid-year will result in an immediate adjustment when the change occurs but if we consider the overall change from 1.07% to 0.69%, it is estimated to have had an approximate unfavourable impact of \$3.7 million *overall*, due to an increase in the ending unpaid claims liabilities, based on the interest rate sensitivity Table F for all jurisdictions in the August 2016 Actuarial Highlights – as shown in the table below.

Estimated Unpaid Claims Liabilities Impact from Discount Rate and associated Margin Changes (2016)

	2016 Outlook	This Outlook	Est. Impact
dsct rate	1.07%	0.69%	+\$3.7 million
margin	25 basis pts	25 basis pts	\$0.0 million
TOTAL			+\$3.7 million

Source: Estimated from Interest Rate Sensitivity Tables

A comparison of the claims incurred (including actuarial present value adjustments, as well as the impact of retroactive claims adjustments and allowed claims expenses) is provided in the table below. The current accident year change in this table shows a reduction of \$14.3 million in total. However, part of this change is due to the \$16.7 million decrease in earned premium relative to the 2016 Outlook. Had this earned premium decrease not occurred, the current accident year incurred would have shown a decrease of \$2.6 million, rather than the \$14.3 million decrease shown (applying the current accident year loss ratio changes to the **Oct 28 2015 Outlook** earned premium at the jurisdiction level). Of this \$11.7 million difference, Alberta accounts for the majority (\$7.5 million) due to its significant (\$10.5 million) decrease in earned premium. Obviously, earned premium projection variances do not have an impact on prior accident year claims liabilities levels.

*Calendar Year **2016** Oct 28 2015 Outlook Claims Incurred vs updated Aug 31 2016 Projection*

2016 Calendar Year	Claims Incurred \$m				Current Accident Year Claims Incurred \$m				Prior Accident Year Claims Incurred \$m		
	Aug 31 2016 Projection	Oct 28 2015 Outlook	change	% chg	Aug 31 2016 Projection	Oct 28 2015 Outlook	change	% chg	Aug 31 2016 Projection	Oct 28 2015 Outlook	change
Ontario	23.3	33.5	(10.2)	(30.3)	26.6	35.7	(9.1)	(25.5)	(3.2)	(2.2)	(1.1)
Alberta	33.0	47.7	(14.7)	(30.8)	43.1	49.9	(6.8)	(13.6)	(10.1)	(2.2)	(7.9)
NFLD & Labrador	23.6	25.6	(2.1)	(8.1)	26.1	26.6	(0.5)	(1.9)	(2.5)	(1.0)	(1.6)
New Brunswick	15.4	13.8	1.6	11.5	14.4	14.1	0.3	1.8	1.0	(0.3)	1.3
Nova Scotia	13.0	10.6	2.4	23.0	13.1	11.2	1.9	17.0	(0.0)	(0.6)	0.5
Prince Edward Is.	3.0	3.1	(0.1)	(3.9)	3.4	3.1	0.2	6.5	(0.4)	(0.1)	(0.3)
Yukon	1.2	1.4	(0.2)	(15.0)	1.3	1.5	(0.2)	(11.6)	(0.1)	(0.0)	(0.0)
Northwest Terr.	3.6	2.5	1.1	44.0	2.6	2.6	(0.0)	(1.0)	1.0	(0.1)	1.1
Nunavut	0.1	0.8	(0.7)	(93.7)	0.8	0.8	(0.1)	(9.3)	(0.7)	(0.0)	(0.7)
TOTAL	116.1	139.0	(22.9)	(16.5)	131.2	145.5	(14.3)	(9.8)	(15.1)	(6.5)	(8.6)

chg using Oct 28 2015 Outlook EP: (2.6)

2.4 Outlook Purpose and Projection Uncertainty

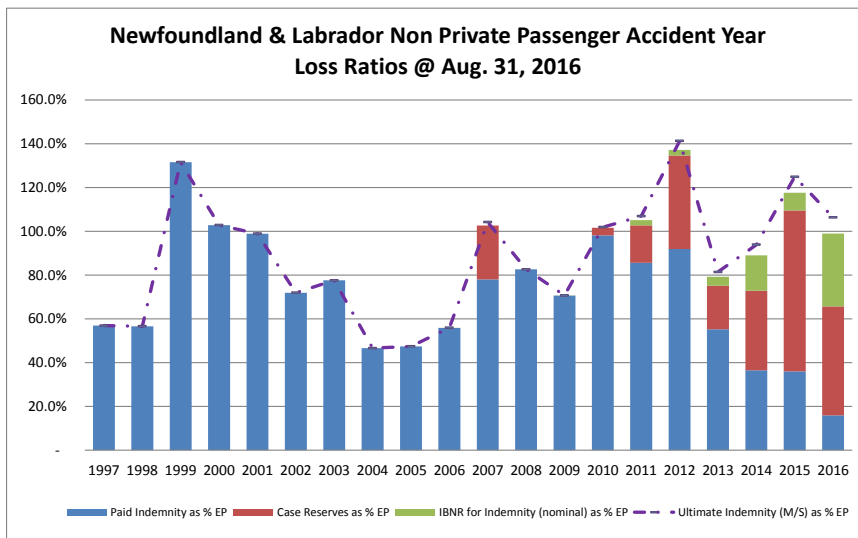
This Outlook was prepared for the Member companies of Facility Association to assist Member companies in estimating their share of FARM results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

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.**

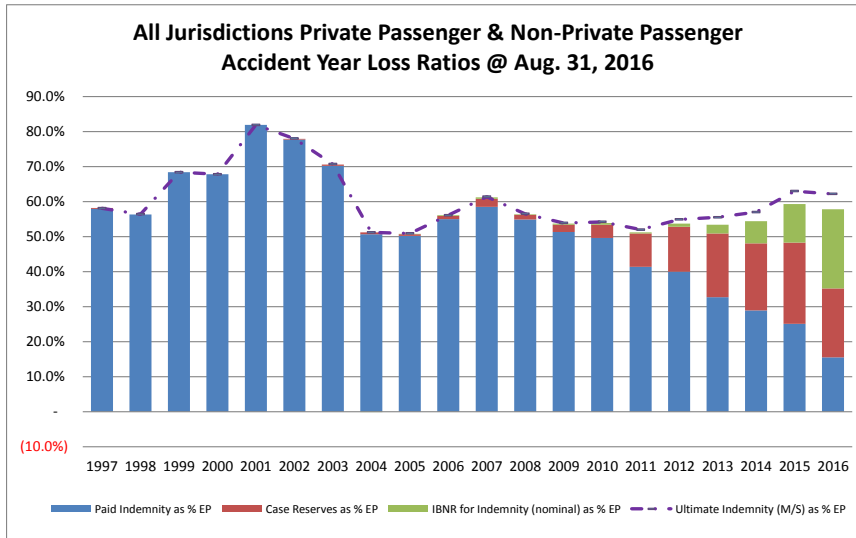
The historical loss ratios for Newfoundland & Labrador Non-Passenger vehicles provide a good example of the potential volatility of the FARM results within a jurisdiction / business segment, and the speed with which loss ratios can deteriorate or improve between accident years.

FARM Newfoundland & Labrador Non-Passenger Indemnity Loss Ratios



While each individual member is exposed to differing shares of FARM results at the jurisdiction, business segment, and accident year level, the loss ratios of the FARM overall have benefited from diversification across jurisdictions and rating classes to the extent that the FARM loss ratio volatility over time is lower than that at the jurisdiction / business segment level (see chart at the top of the next page).

FARM All Jurisdictions, All Business Segments Ultimate Indemnity Loss Ratios



Our annual rate review cycle encompasses the six provinces (the northern territories are reviewed tri-annually), all rating classes, and includes individually-rated vs fleet-rated experience where such is warranted (generally on volume). In general, under the current investment environment (we assume risk-free investment yields) target indemnity only loss ratios fall in the range of 50% to 55%. This suggests accident years 2011 to 2016 inclusive have performed overall slightly worse than target, but still generate a positive return on capital.

For our projections, we have only included the impact of approved rate changes – we have not included projections of future approved rate changes, notwithstanding that at the time of writing, FA had 11 rate filings submissions made to regulators (1 in ON, 2 in AB, 3 in NL, 5 in NB) where regulatory approvals have not yet been issued. Further, it is anticipated that rate submissions will be made in those jurisdictions where warranted during the latter part of 2016 and into 2017. However, as noted, potential outcomes of such submissions have not been included in our projections.

As previously discussed, we have assumed no prior accident year development in our projection for calendar year 2017. This assumes that the unpaid claims liabilities as booked at Dec 31, 2016 will be the exact provision as needed throughout calendar year 2017 for accident years 2016 and prior. As the provision that will be booked at Dec 31, 2016 will be an estimate and that estimate will be updated as valuations are conducted throughout 2017, a non-zero prior accident year development may arise.

Projections for cash flows from operations are dependent upon other projections and assumptions which may not materialize as projected, creating uncertainty around the projected net cash flows from operations. The most significant assumptions relate to written premium volumes (see sections 3.1) and claims payments (claims projections are discussed in sections 3.2 through 3.4) during calendar year 2017, both of which are subject to considerable projection uncertainty.

2.5 Definitions and Presentation

Accounting Periods

- Calendar Year 2015: actual results for 12 months ending Dec 31, 2015.
- Calendar Year 2016: actual results for 8 months ending Aug 31, 2016, plus projected results for 4 months ending Dec 31, 2016.
- Calendar Year 2017: projected results for 12 months ending Dec 31, 2017.

Definitions

- Claim Liabilities are made up of case reserves, provision for Incurred but not Recorded claims amounts (“IBNR”), related provisions for retroactive claims service fees and for allowed claims expenses (the latter two provisions collectively referred to as “Retro Claims Expense”⁹), and applicable actuarial present value adjustments.
- Premium Liabilities are made up of unearned premiums, Premium Deficiency Reserves or Deferred Policy Acquisition Costs (“DPAC”) as applicable, and applicable actuarial present value adjustments.
- 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, provisions for Retro Claims Expense, and premium deficiency/(DPAC) as applicable.
- (Calendar Period) Claims Incurred are computed as the sum of calendar period paid claims amounts, calendar period paid claims fees, and calendar period changes in claim liabilities. Claims fees paid to Servicing Carriers include an amount determined in relation to earned premium, retroactive adjustments to prior fees paid, and payments for reimbursement of specific allowed claims expenses (more detail is available in the Facility Association “Claims Guide”).

Data Sources & Related Valuations

- Actual results are taken from Participation Reports up to and including the month of Aug 2016. The Aug 2016 Participation Report reflects assumptions derived from the valuation as at Jun 30, 2016 as described in the Aug 2016 Actuarial Highlights.
- Projected results for the months of Sep and Oct 2016 are the projections reflected in the

⁹Servicing Carriers for the Residual Market are compensated via an initial claims fee paid as a percentage of earned premium. This fee is retroactively adjusted and settled at age 72 months for each accident year based on the formula as laid out in the Facility Association’s “Plan of Operation”. The claims fee is meant to cover Servicing Carrier costs for claims management and adjudication except for certain categories of claims expenses (first party legal and professional consulting fees as described in the Facility Association’s “Claims Guide” manual under the “Litigation” section). These latter expenses are directly reimbursable upon final settlement of the claim. We refer to these fees/expenses collectively as “claims fees and allowed claims expense” or alternately as “retro claims expenses”.

Aug 2016 Participation Reports, and are based on assumptions derived for this purpose from the valuation as at Jun 30, 2016, and other information.

- Projected results for the months of Nov 2016 through Dec 2017 inclusive are also based on assumptions derived for this purpose from the valuation as at Jun 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 of 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 cost of capital), and any investment income that Member companies might earn on assets held by Member companies in support of their FARM liabilities.
- “Ratios” are expressed relative to calendar period earned premiums, unless otherwise indicated.

3. Basis for Projections

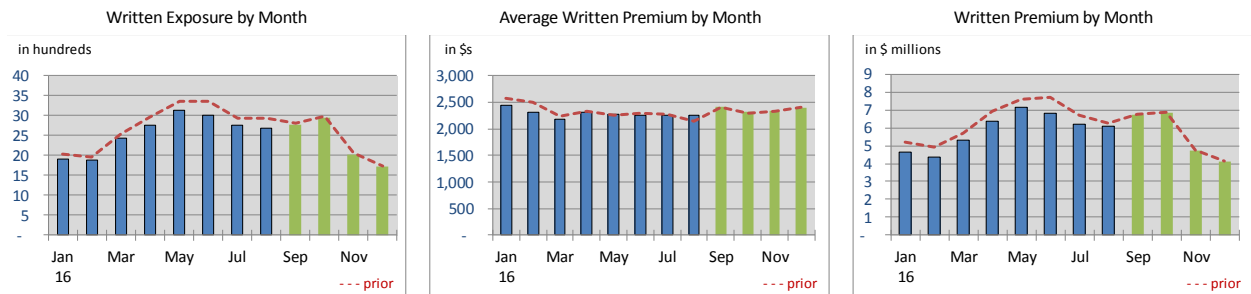
The commentary that follows describes the basis for projecting premiums, claims and claims expense amounts and other expenses, and provides summaries of key assumptions. Exhibit A in Section 4 provides additional detail regarding these assumptions.

3.1 Premiums

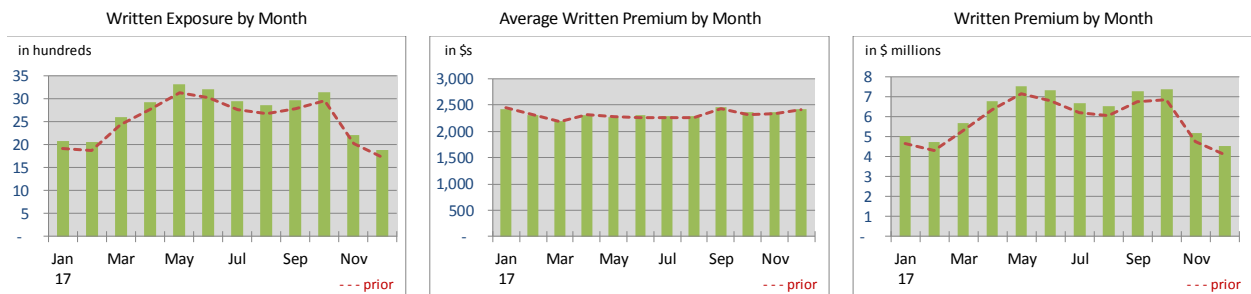
A model has been established to project by month the number of (annualized) vehicles underwritten and to project the associated average written premium (with projected premium being the product of these two). The vehicle counts used are derived from transaction histories and are part of the FARM operational data. Earned premium was estimated from written.

Summaries of the projections are provided for 2016 and 2017 in the tables that follow. 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.*

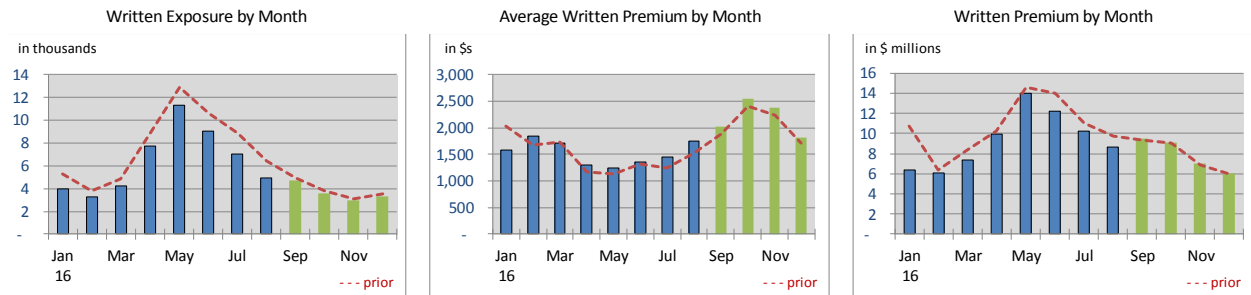
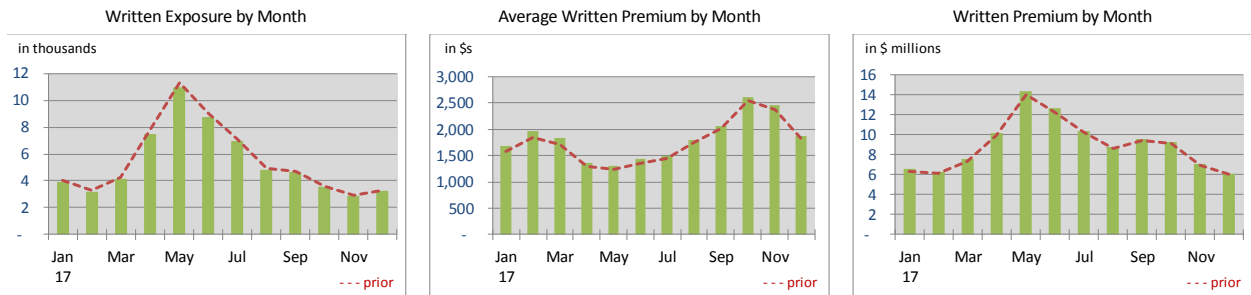
Private Passenger 2016 projected count **30,023**; projected premium: **\$69.4 million**



Private Passenger 2017 projected count **32,169**; projected premium: **\$74.9 million**



As indicated above, we are now projecting an overall 7.1% increase in private passenger counts during 2017, driven by our understanding of market activity in NL which we believe will result in a substantial increase in FARM counts (over 2,000 vehicles or an increase of over 21%). We are projecting either no growth or overall decreases for counts in all other jurisdictions.

Non-Private Passenger 2016
projected count 66,120; projected premium: \$106.5 million

Non-Private Passenger 2017
projected count 64,638; projected premium: \$109.0 million


The seasonality exhibited for non-private passenger mainly reflects FA’s motorcycle writings, with almost 90% of motorcycles written during the 5-month April to August period. As indicated in the table at the top of the next page, motorcycle counts account for a significant portion (38%) of FA’s non-private passenger count (although only accounting for 12% of non-private passenger premium).

FARM Vehicle Counts and Premium Levels by Rating Class – 12-month rolling to Aug 31, 2016

Jurisdiction	Business Segment	FA Minor Rating Class Desc	2016 rolling 12 to month 08		
			Annualize Vehicle Count	Sum of Written Premium	AWP
Grand Total	PPV	Private Passenger (x Farmers)	30,102	69,440,199	2,307
		Farmer	3	4,608	1,349
	PPV Total		30,105	69,444,807	2,307
(includes fleet rated PPV)	non-PPV	Private Passenger (x Farmers)	600	446,659	744
		Commercial	11,512	36,347,479	3,157
		Interurban	1,691	12,626,984	7,465
		Public Bus	1,529	6,210,209	4,062
		Private Bus & Misc Public	1,356	4,061,963	2,995
		School Bus	966	1,363,268	1,412
		Hotel & Country Club Bus	442	835,362	1,890
		Taxi	5,119	18,401,674	3,595
		Funeral	4	18,614	4,964
		Ambulance	36	144,077	3,993
		Motorcycle	25,409	12,555,927	494
		All Terrain Vehicle	12,240	4,117,952	336
		Snow Vehicle	5,703	1,825,919	320
		Antique	4	10,668	2,560
		Motor Home	180	375,808	2,087
		Trailer Home	-	2,036	2,036
		Garage	-	6,355,664	6,355,664
		Non-Owned	-	276,926	276,926
		Drivers Policy	70	89,615	1,276
	non-PPV Total		66,862	106,066,804	1,586
Grand Total	TOTAL		96,967	175,511,611	1,810

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

The next table compares the written and earned premium projections for calendar year 2017 in this Outlook compared with the projections for calendar year 2016.

Projection Summary – Calendar Year 2017 – Premium

Premium Comparisons (Amounts in \$000s)			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
2017 Written Premium	74,898	108,992	183,890
2016 Written Premium			
2016 Oct 28 2015 Outlook	75,120	119,017	194,137
2016 Aug 31, 2016 Projection	69,375	106,455	175,830
2017 Earned Premium	71,847	107,796	179,643
2016 Earned Premium			
2016 Oct 28 2015 Outlook	75,255	119,324	194,579
2016 Aug 31, 2016 Projection	70,610	107,270	177,881

It is possible for FARM volumes to grow quickly and that the projections above prove to be well off

the mark. For example, earned premium increased from \$308 million for accident year 2002 to \$841 million for accident year 2003 and to over \$1 billion for accident year 2004. In Alberta, restrictions on access to the FARM for private passenger vehicles will act as a limiter in that province, but otherwise, swift and significant volume increases may occur.

Jurisdictions where management believe availability pressures might build in the near to medium term include Ontario, Newfoundland & Labrador, New Brunswick and Nova Scotia. In Ontario, reforms announced / implemented throughout 2015 and 2016 have resulted in a regulatory view that the reforms will have a meaningful impact on reducing claims costs and that those reductions should be reflected in lower rates for consumers. In that context, it is possible that the reforms and the associated rate review processes creates sufficient uncertainty to alter insurer appetite for automobile insurance for a period, potentially resulting in availability issues and increased FARM volumes. This projection does not anticipate this outcome, but users should bear this in mind in assessing this projection and uncertainties surrounding it.

In Newfoundland & Labrador, New Brunswick, and Nova Scotia, it appears that approved rate increases are not keeping pace with rising industry claims costs. While our projection has not made any explicit adjustments for this for New Brunswick and Nova Scotia, we have made an explicit adjustment for this in Newfoundland & Labrador, where we have projected a 2017 private passenger count increase of approximately 21% due to anticipated voluntary market contraction.

If a sudden written premium volume increase occurs during 2017 over and above our projections, the actual impact on the operating results will depend upon the timing of the increase to some extent, with some of the writings flowing to earned premium, with the remainder flowing to the unearned premium liability, to be earned then in calendar year 2018.

3.2 Claims Amounts (for Indemnity)

The most recent valuation of the policy liabilities of the FARM was based on FARM experience as at Jun 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 Aug 2016 Participation Reports and discussed in the associated Actuarial Highlights.

For accident year 2017, the estimated nominal loss ratios for indemnity amounts reflected in the FARM Outlook are "a priori" or "expected" loss ratios modelled based on the Mar 31, 2016¹⁰ valuation, including estimates of causes and 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 accident half and coverage level, and summed to arrive at the accident year and all coverages level. A priori loss ratios are summarized in the Appendix. The "ep factor" is the adjustment applied for drivers of changes in earned premium per exposure (rate change, rate group drift, product reform etc.) while "clms factor" accounts for changes in loss cost levels.

¹⁰The 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 recent 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.

Summarized assumptions for the a priori loss ratios are available in Exhibit A.

Please note that in determining the rate change impact for the earned premium factors, only rate changes that have been approved by applicable regulatory bodies have been included. In particular, we have NOT made any adjustments in our projections to take into account potential outcomes related to rate filings currently submitted but not yet approved, nor for future rate filings / changes. (In contrast, we do take into account future regulatory reform impacts on claims to the degree we have estimated for such in our trend structure models.)

The operating results for calendar year **2016** include actual development on accident years 2016 and prior incurred claims amounts, up to and including activity in the month of Aug 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 deviation are unchanged throughout the projection period.

3.3 Claims Expenses

Claims expenses paid to Servicing Carriers for administering and adjudicating claims settlement on behalf of the Facility Association are comprised of “Claims Fees” and “Excess Legal & Other Professional Fees” (we also refer to the latter as “allowed claims expenses”).

The Claims Fees in each jurisdiction are determined on a formula basis, using the (indemnity) loss ratio in that jurisdiction.

The Excess Legal & Other Professional Fees are based on the Jun 30, 2016 valuation¹¹, the results of which were fully reflected initially in the Aug 2016 Participation Report.

Accepted Actuarial Practice requires all policy liabilities recognize both the time value of money and provisions for adverse deviations. For member statement and financial statement reporting purposes, we have historically applied actuarial present value adjustments to the indemnity only portion of the claims and premium liabilities. Specifically, we have NOT applied actuarial present value adjustments to policy liabilities related to Claims Fees and Excess Legal & Other Professional Fees, having assessed and deemed actuarial present value adjustments related to these policy liabilities as being not material.

FA management is currently reviewing this practice with the FA Appointed Actuary and may begin to include actuarial present value adjustments for Excess Legal & Other Professional Fees as part of the next FARM valuation, as at Sep 30, 2016 (2016 Q3). If this action is taken, detail will be provided with the FARM 2016 Q3 valuation highlights and FARM Oct 2016 participation reports and associated bulletins.

We have not included this potential action in our Outlook. As actuarial present value adjustments will be “timing differences” should our best estimates prove reasonably accurate, the adjustments will be released in future operating results as claims are settled, but these releases will at least partially be offset by “new” adjustments added for “new” policies as issued. As a result, while the

¹¹Assumptions for these fees are reviewed annually with the June 30 valuations.

size of the balance sheet will be impacted by this potential action, it should have minimal impact on the operating results, other than the one-time impact when initially introduced.

3.4 Simulated 2017 Accident Year Nominal Claims Ratio

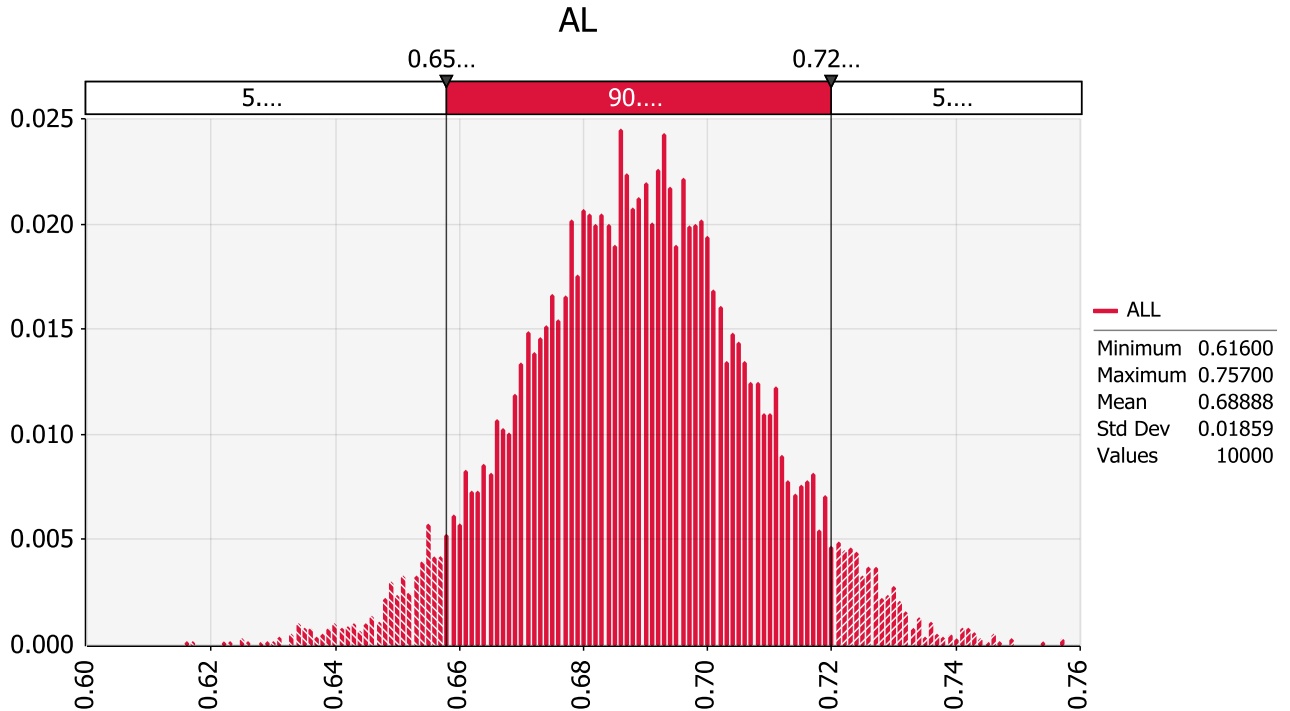
Bringing together the claims related costs discussed in sections 3.2 and 3.3, for “normal course” for accident year 2017, assuming no correlation among jurisdictions and business segments (i.e. private passenger vs non-private passenger), the overall nominal claims¹² ratio (**including indemnity, Servicing Carrier claims fees, and allowed claims expenses**) at 68.9% could be modelled using a normal distribution with a mean 68.9% and standard deviation of 3.0%¹³, based on our a priori loss ratios (indemnity only) by accident half for 2004-2015 put on-level, and smoothed. This would put the 95th percentile claims ratio at 72.0% (again, under “normal course” assumptions – this would not take into account “stress” events like the rapid claims ratio increases experienced in Ontario from 2008 to 2010). Further, this assumes that the “68.9%” as a baseline a priori estimate will prove to be the “best estimate” claims ratio for accident year 2017 – this estimate may change over time due to modelling differences, changes in historical loss ratios etc. that are used to derive this estimate.

The claims ratio modelling result for the total jurisdictions, all business segments for accident year 2017 is presented at the top of the next page based on latin hypercube sampling (10,000 samples) using @risk simulation software.

¹²We use “claims ratio” (where claims include indemnity, Servicing Carrier claims fees, and allowed claims expenses) to distinguish this ratio from the “loss ratio” which would include indemnity only. In the narrative, we will sometimes make these differences explicit. Note that in the Participation Report and the Statements of Operating Results provided for this Outlook, “claims incurred” follows this definition (i.e. includes indemnity plus fees and expenses).

¹³This standard deviation is estimated from on-level a priori loss ratios across all jurisdictions. When modelled at the individual jurisdiction and business segment level using coefficients of variations for loss ratios from the a priori loss ratio process, the total standard deviation decreased to 1.9%, again under “base line” assumptions – not “stressed” assumptions and under the assumption that results are independent. Given the difference in the modelled standard deviation of 1.9% under the independence assumption the underlying standard deviation for all the loss ratios of all jurisdictions/all business segments of 3.0%, the independence assumption is not valid (this is confirmed via a correlation review).

Projection Summary – Accident Year 2017 Nominal Claims Ratio (non-stressed, assuming independence of LRs by jurisdiction and business segment)



The above histogram of simulated results for the 2017 accident year nominal claims ratio was based on simulated (generated) claims ratios by jurisdiction and business segment assuming the base line loss ratios, associated standard deviations as presented in the next table, and the assumption of independence. It should be noted that the latter assumption does not appear to be valid, with historical experience suggesting a standard deviation for all lines closer to 3.0%, rather than the 1.9% modelled above. (While the above claims ratio includes Servicing Carrier claims fees and allowed claims adjustment expense in addition to indemnity, the “all jurisdictions, all business segments” indemnity only loss ratios shown in the chart in section 2.4 exhibited a standard deviation of 3.1% over the 2004-2016 period).

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

Facility Association

a priori LR's - distribution estimates

for valuation: **Jun 30, 2016**

FARM: **TOTAL**

Bus. Segment: **Private Passenger & Non-Private Passenger**

Amounts in: \$1,000s

Claims Ratios include indemnity, SC fees, and clms expenses

Projection: 2017 Preliminary Outlook		From Projection			From a priori Model		Scenario Claims	
Jurisdiction	Business Segment	EP	CAY Claims		Claims Ratio CV	estimated Claims Ratio std dev	generated claims	generated Claims Ratio
			Ratios (nominal)	CAY claims				
Ontario	Private Passenger	11,654	61.8%	7,202	4.1%	2.5%	7,202	61.8%
	Non-Private Passenger	26,806	66.3%	17,772	9.5%	6.3%	17,772	66.3%
	Total	38,460	64.9%	24,974		4.5%	24,974	64.9%
Alberta	Private Passenger	9,429	69.9%	6,591	8.8%	6.2%	6,591	69.9%
	Non-Private Passenger	49,715	65.3%	32,464	4.3%	2.8%	32,464	65.3%
	Total	59,144	66.0%	39,055		2.6%	39,055	66.0%
Newfoundland & Labrador	Private Passenger	22,953	78.3%	17,972	6.9%	5.4%	17,972	78.3%
	Non-Private Passenger	7,518	100.4%	7,548	19.8%	19.9%	7,548	100.4%
	Total	30,471	83.8%	25,520		6.4%	25,520	83.8%
New Brunswick	Private Passenger	12,764	71.7%	9,152	6.4%	4.6%	9,152	71.7%
	Non-Private Passenger	7,893	59.6%	4,704	7.3%	4.4%	4,704	59.6%
	Total	20,657	67.1%	13,856		3.3%	13,856	67.1%
Nova Scotia	Private Passenger	7,599	76.0%	5,775	17.3%	13.1%	5,775	76.0%
	Non-Private Passenger	10,488	70.4%	7,384	7.3%	5.1%	7,384	70.4%
	Total	18,087	72.8%	13,159		6.2%	13,159	72.8%
Prince Edward Island	Private Passenger	2,957	53.8%	1,591	16.7%	9.0%	1,591	53.8%
	Non-Private Passenger	1,997	65.7%	1,312	23.6%	15.5%	1,312	65.7%
	Total	4,954	58.6%	2,903		8.3%	2,903	58.6%
Yukon	Private Passenger	645	74.6%	481	45.7%	34.1%	481	74.6%
	Non-Private Passenger	1,309	61.5%	805	22.6%	13.9%	805	61.5%
	Total	1,954	65.8%	1,286		14.6%	1,286	65.8%
Northwest Territories	Private Passenger	3,287	55.8%	1,834	14.7%	8.2%	1,834	55.8%
	Non-Private Passenger	1,297	44.7%	580	24.1%	10.8%	580	44.7%
	Total	4,584	52.7%	2,414		6.6%	2,414	52.7%
Nunavut	Private Passenger	559	36.3%	203	18.1%	6.6%	203	36.3%
	Non-Private Passenger	773	49.4%	382	33.7%	16.6%	382	49.4%
	Total	1,332	43.9%	585		10.0%	585	43.9%
ALL	Private Passenger	71,847	70.7%	50,801		2.6%	50,801	70.7%
	Non-Private Passenger	107,796	67.7%	72,951		2.6%	72,951	67.7%
	Total	179,643	68.9%	123,752		1.9%	123,752	68.9%

Please see the Appendix for a priori loss ratios (indemnity only) and associated charts by jurisdiction and business segment.

3.5 Expenses

Operating & Service Fees, Agents' Commissions, Driver Record Abstracts expenses, Bad Debts and

Miscellaneous income / (expense) are all projected as percentages of written premiums, based on the projected expense ratios for 2017.

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

Administrative Expenses for calendar year 2017 were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years (see table immediately below).

Projection Summary – Calendar Year 2017 Expense Ratios

Expense Ratio Projections			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
General Expenses (% WP)	21.3%	19.2%	20.0%
Administrative Expense (% WP)	2.5%	2.5%	2.5%

The Outlook does not reflect costs incurred directly by Member companies as a result of their compulsory participation in the FARM. Examples of such costs are premium taxes, health levies and income taxes.

3.6 Investment Income

The investment income reflected in the Outlook for calendar year **2017** represents the income expected to be earned on the portion of FARM assets that are held and invested by Facility Association. Most of the assets related to FARM business are held directly by Member companies. FARM investment income amounts are projected as flat amounts, based on recent actual reported levels.

3.7 Operating Cash Flows

Net cash flows from operations for the FARM are projected to be an overall inflow of \$1.0 million for calendar year **2017** as presented in the table at the top of the next page. Lower projected premium is the main driver of the difference between the calendar year **2017** projection and the calendar year **2016** projection for the Outlook posted Oct 28, 2015 (the updated projection for 2016 reflects premium and claims payments updates). Should volumes decline during 2017 more than anticipated or indemnity payments prove higher than expected, net operating cash flows would be negatively impacted – that is, as discussed on the next page, a relatively small (0.7%) reduction in written premium relative to our projection would move the projected cash inflow to a cash outflow.

Projection Summary – Calendar Year 2017 – Operating Cashflow

Calendar Year 2017 Net Operating Cashflow Projections (\$000s)			
All Jurisdictions	Private Passenger	Non-Private Passenger	TOTAL
Written Premium	74,898	108,992	183,890
PAYs Paid Claims			
paid indemnity	36,866	48,101	84,967
paid Clms Fee & Allowed Clms Exp.	4,174	1,118	5,292
PAYs Paid Claims	41,040	49,219	90,259
CAYs Paid Claims			
paid indemnity	12,581	19,079	31,660
paid Clms Fee & Allowed Clms Exp.	7,975	11,786	19,761
CAYs Paid Claims	20,556	30,865	51,421
All AYs Paid Claims			
paid indemnity	49,447	67,180	116,627
paid Clms Fee & Allowed Clms Exp.	12,149	12,904	25,053
All AYs Paid Claims	61,596	80,084	141,680
"Cash" Expenses			
Operating & Service Fees	7,589	11,112	18,701
Agent's Commissions	7,249	8,292	15,541
Driver Record Abstracts	1,150	1,469	2,619
Administrative Expenses	1,874	2,724	4,598
"Cash" Expenses	17,862	23,597	41,459
Investment Income	122	160	282
2017 Net Operating Cash Flow	(4,438)	5,471	1,033
2016 Net Operating Cash Flow			
2016 Oct 28 2015 Outlook	(2,226)	14,928	12,702
2016 Aug 31, 2016 Projection	(8,443)	6,451	(1,993)

Operating cash flows are held by FA as “cash” at target levels designed to ensure liquidity of operating cash over an 8 to 12 month period. Excess cash is distributed to members or required cash provided from members throughout the year as needed. “True-ups” among members (based on jurisdiction, business segment, and accident year needs) will occur throughout the year (typically aligned with valuation implementations in the March, May, August and October Participation months) that are generally a “zero” sum transfer overall. As indicated above, the current projection for calendar year 2017 suggests that some cash may be distributed to members at some point during the calendar year. However, the \$1.0 million of net operating cash flow is only 0.7% of the \$149.6 million projected written premium net of Servicing Carrier costs and Agent’s Commissions. Specifically, a small reduction in projected written premium would move the cash available to a cash need.

3.8 Distributed (Charged) To Member Companies' Accounts

Amounts distributed (charged) to Member companies' accounts have not been projected for the purpose of this Outlook. Net operating results for the FARM are accumulated for the benefit of members, and it is assumed that members are able to reflect this in their own financial statements based on information provided in the monthly Participation Reports.

In an effort to clarify the distinction between "Funds held by members" (that is, cash generated through operations over cash requirements to date which have been distributed to members until such time as it is required for operations) and amounts "Due to members" (which represents the accumulated results of operations that have not formally been "distributed" to members from a financial statement perspective), an additional reporting line has been added to the Participation Report to show these two distinct amounts. This distinction currently exists in the FARM financial statements (which differ from member statements in that policy liabilities are discounted at a 0.0% rate) as indicated in the April 30, 2016 statement presentation below.

FARM Statement of Financial Position (unaudited) as at Apr. 30, 2016

FARM ONLY ytd @ Q2	\$ millions			
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Apr 30, 2016	Oct 31, 2015	\$ change	% change
Statement of Financial Position				
Assets				
Cash & short term deposits	21.3	37.1	(15.8)	(42.5%)
Funds held by members	1,149.8	1,149.8	(0.0)	-
Transfer of funds due from members	2.4	0.1	2.3	>999.9%
Premium receivable	39.3	44.6	(5.3)	(11.9%)
Accrued investment income	0.0	0.0	(0.0)	(35.0%)
Deferred policy acquisition costs (DPAC)	5.9	6.8	(0.9)	(12.8%)
Other assets	2.5	1.6	0.9	55.6%
	1,221.3	1,240.1	(18.8)	(1.5%)
Liabilities				
Accounts payable	2.8	2.8	0.0	1.3%
Transfer of funds due to members	2.4	0.0	2.4	>999.9%
Servicing Carrier fees payable	1.7	5.2	(3.5)	(67.0%)
Unearned premium reserve (UPR)	80.6	99.1	(18.4)	(18.6%)
Claims liabilities	398.3	411.0	(12.7)	(3.1%)
Due to members	735.4	722.0	13.5	1.9%
	1,221.3	1,240.1	(18.8)	(1.5%)
Financial Position Metrics				
Policy liabilities	473.0	503.3	(30.3)	(6.0%)
Claims liabs as % pol liabs	84.2%	81.7%	pt chg:	2.5%
Net funds held by members	414.3	427.9	(13.5)	(3.2%)
Assets @ net member position	485.9	518.2	(32.3)	(6.2%)
Net assets as % total	39.8%	41.8%	pt chg:	(2.0%)
net fund transfers from/(to) members	(0.0)	0.1	(0.1)	(131.4%)
DPAC as % UPR	7.4%	6.9%	pt chg:	0.5%
Premium receivable as % UPR	48.8%	45.0%	pt chg:	3.8%

note: discount rate for financial statement purposes is 0.0%

During calendar year 2016, it is anticipated that a significant portion of the \$735 million "Due to

members” will be formally “distributed” to members via reduction of the “Funds held by members” asset, reducing the overall FARM balance sheet. It is not anticipated that this will impact the membership through the Participation Report, as “ownership” rights to the “Due to members” is assumed to have been recognized in members financial statements as operating results are incurred each month.

3.9 De-population Efforts

As part of the annual rate review cycle, FA management is able to identify certain classes of business in certain jurisdictions that are projected to generate loss ratios that would support de-population. Bulletins are regularly circulated to membership reminding them that there may be opportunities for FARM de-population to their benefit. Members are encouraged to reach out to FA at any time in support of the de-population efforts. Specific de-population, other than a continuation of the general decline in FARM risks in some jurisdictions, has not been included in the current projection for 2017.

4. EXHIBITS & APPENDIX

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

EXHIBIT A Key Assumptions

- A-1 Ontario
- A-2 Alberta
- A-3 Newfoundland & Labrador
- A-4 New Brunswick
- A-5 Nova Scotia
- A-6 Prince Edward Island
- A-7 Yukon
- A-8 Northwest Territories
- A-9 Nunavut

EXHIBIT B 2017 Projected Summary of Operations (by Jurisdiction)

- B-1 Private Passenger
- B-2 Non-Private Passenger
- B-3 Private Passenger & Non-Private Passenger

EXHIBIT C Projected Policy Liabilities

- C-1 Ontario
- C-2 Alberta
- C-3 Newfoundland & Labrador
- C-4 New Brunswick
- C-5 Nova Scotia
- C-6 Prince Edward Island
- C-7 Yukon
- C-8 Northwest Territories
- C-9 Nunavut
- C-10 All Jurisdictions

APPENDIX a priori loss ratios and associated charts
(by jurisdiction and business segment)

Exhibit A-1 – Key Assumptions – Ontario

Key Assumptions - Ontario - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	1,970	6,470	12,746	14,073			46.5%
2016	1,859	6,357	11,817	12,150			45.5%
2017	1,859	6,267	11,651	11,654	(5.5%)	0.1%	47.5%
Change	%	%	%	%	pts	pts	pts
2016	(5.6%)	(1.7%)	(7.3%)	(13.7%)	-	-	(1.0)
2017	-	(1.4%)	(1.4%)	(4.1%)	(5.5)	0.1	2.0

Key Assumptions - Ontario - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	5,970	5,209	31,099	31,459			53.6%
2016	5,191	5,222	27,108	27,508			49.0%
2017	5,037	5,275	26,568	26,806	(2.1%)	0.9%	52.0%
Change	%	%	%	%	pts	pts	pts
2016	(13.0%)	0.2%	(12.8%)	(12.6%)	-	-	(4.6)
2017	(3.0%)	1.0%	(2.0%)	(2.6%)	(2.1)	0.9	3.0

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
1997	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
1998	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
1999	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2000	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2001	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2002	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2003	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2004	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2011	9.9%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	9.7%		10.0%	10.0%	10.0%	10.0%	10.0%
2013	12.1%	12.5%	5.0%		12.3%	12.4%	12.5%	7.1%	12.4%
2014	12.5%	12.5%	8.3%		12.5%	12.5%	12.5%	12.3%	12.5%
2015	14.7%	15.0%	8.8%		14.8%	14.9%	15.0%	15.0%	15.0%
2016	14.6%	15.0%	6.4%		14.4%	14.4%	15.0%	7.7%	14.5%
2017	14.6%	15.0%	6.4%		14.4%	14.4%	15.0%	7.7%	14.5%
prem liab	11.6%	15.0%	5.1%		11.5%	13.7%	15.0%	6.3%	13.8%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-2 – Key Assumptions – Alberta

Key Assumptions - Alberta - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	2,543	4,487	11,410	12,658			58.8%
2016	1,907	4,779	9,114	9,739			59.4%
2017	1,869	5,279	9,866	9,429	2.5%	3.7%	60.2%
Change	%	%	%	%	pts	pts	pts
2016	(25.0%)	6.5%	(20.1%)	(23.1%)	-	-	0.6
2017	(2.0%)	10.5%	8.3%	(3.2%)	2.5	3.7	0.8

Key Assumptions - Alberta - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	37,521	1,495	56,096	59,094			56.3%
2016	29,536	1,651	48,761	50,216			58.7%
2017	28,398	1,783	50,624	49,715	4.7%	3.9%	55.6%
Change	%	%	%	%	pts	pts	pts
2016	(21.3%)	10.4%	(13.1%)	(15.0%)	-	-	2.4
2017	(3.9%)	8.0%	3.8%	(1.0%)	4.7	3.9	(3.1)

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2014	12.5%	10.6%	5.0%		12.4%	12.5%	11.1%	5.0%	12.5%
2015	12.5%	10.5%	5.0%		12.4%	12.4%	10.8%	5.0%	12.4%
2016	12.2%	10.3%	5.0%		12.0%	11.8%	10.5%	5.0%	10.8%
2017	12.2%	10.3%	5.0%		12.0%	11.8%	10.5%	5.0%	10.8%
prem liab	12.0%	10.1%	5.0%		10.5%	11.7%	10.2%	5.0%	9.0%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-3 – Key Assumptions – Newfoundland & Labrador

Key Assumptions - Newfoundland & Labrador - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	10,679	1,997	21,324	21,818			72.1%
2016	10,550	1,973	20,813	21,061			68.5%
2017	12,771	1,987	25,377	22,953	3.2%	4.7%	66.5%
Change	%	%	%	%	pts	pts	pts
2016	(1.2%)	(1.2%)	(2.4%)	(3.5%)	-	-	(3.6)
2017	21.1%	0.7%	21.9%	9.0%	3.2	4.7	(2.0)

Key Assumptions - Newfoundland & Labrador - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	5,935	1,127	6,687	6,565			115.9%
2016	5,726	1,272	7,286	6,948			99.0%
2017	5,726	1,331	7,619	7,518	12.8%	2.9%	88.6%
Change	%	%	%	%	pts	pts	pts
2016	(3.5%)	12.9%	9.0%	5.8%	-	-	(16.9)
2017	-	4.6%	4.6%	8.2%	12.8	2.9	(10.4)

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2014	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2015	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2016	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2017	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
prem liab	10.0%	10.0%	5.0%		9.0%	10.0%	10.0%	5.0%	9.4%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-4 – Key Assumptions – New Brunswick

Key Assumptions - New Brunswick - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	7,587	1,710	12,971	12,630			58.4%
2016	7,275	1,738	12,641	12,759			58.3%
2017	7,275	1,774	12,905	12,764	0.7%	3.4%	59.1%
Change	%	%	%	%	pts	pts	pts
2016	(4.1%)	1.6%	(2.5%)	1.0%	-	-	(0.1)
2017	-	2.1%	2.1%	-	0.7	3.4	0.8

Key Assumptions - New Brunswick - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	6,967	1,103	7,684	7,773			51.9%
2016	6,607	1,180	7,798	7,592			48.1%
2017	6,541	1,218	7,968	7,893	1.1%	1.2%	47.0%
Change	%	%	%	%	pts	pts	pts
2016	(5.2%)	7.0%	1.5%	(2.3%)	-	-	(3.8)
2017	(1.0%)	3.2%	2.2%	4.0%	1.1	1.2	(1.1)

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2014	12.4%	10.4%	5.0%		12.1%	12.5%	10.1%	5.0%	11.8%
2015	12.5%	10.0%	5.0%		11.6%	12.4%	10.2%	5.0%	11.5%
2016	12.4%	10.1%	5.0%		11.6%	12.2%	10.2%	5.0%	11.2%
2017	12.4%	10.1%	5.0%		11.6%	12.2%	10.2%	5.0%	11.2%
prem liab	11.9%	10.0%	5.0%		10.0%	11.6%	10.1%	5.0%	10.3%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-5 – Key Assumptions – Nova Scotia

Key Assumptions - Nova Scotia - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	3,619	1,906	6,898	6,960			54.7%
2016	3,770	1,989	7,498	7,196			63.7%
2017	3,770	2,046	7,714	7,599	2.2%	3.9%	63.1%
Change	%	%	%	%	pts	pts	pts
2016	4.2%	4.4%	8.7%	3.4%	-	-	9.0
2017	-	2.9%	2.9%	5.6%	2.2	3.9	(0.6)

Key Assumptions - Nova Scotia - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	13,515	713	9,630	9,497			57.8%
2016	12,442	816	10,155	9,773			57.4%
2017	12,318	877	10,806	10,488	2.8%	3.7%	57.5%
Change	%	%	%	%	pts	pts	pts
2016	(7.9%)	14.4%	5.5%	2.9%	-	-	(0.4)
2017	(1.0%)	7.5%	6.4%	7.3%	2.8	3.7	0.1

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	12.5%	10.0%	5.0%		12.2%	12.5%	10.1%	5.0%	12.0%
2014	12.5%	10.0%	5.0%		11.9%	12.5%	10.1%	5.0%	11.6%
2015	12.5%	10.1%	5.0%		12.0%	12.5%	10.2%	5.0%	11.8%
2016	12.3%	10.1%	5.0%		11.7%	12.2%	10.2%	5.0%	11.4%
2017	12.3%	10.1%	5.0%		11.7%	12.2%	10.2%	5.0%	11.4%
prem liab	11.9%	10.0%	5.0%		10.1%	11.5%	10.1%	5.0%	10.3%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-6 – Key Assumptions – Prince Edward Island

Key Assumptions - Prince Edward Island - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	1,603	1,772	2,840	2,733			50.6%
2016	1,569	1,902	2,984	2,894			52.6%
2017	1,569	1,864	2,924	2,957	5.7%	0.8%	42.0%
Change	%	%	%	%	pts	pts	pts
2016	(2.1%)	7.3%	5.0%	5.9%	-	-	2.0
2017	-	(2.0%)	(2.0%)	2.2%	5.7	0.8	(10.6)

Key Assumptions - Prince Edward Island - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	2,457	755	1,854	1,807			58.3%
2016	2,391	824	1,969	1,884			55.3%
2017	2,391	848	2,028	1,997	1.9%	0.9%	54.0%
Change	%	%	%	%	pts	pts	pts
2016	(2.7%)	9.1%	6.2%	4.2%	-	-	(3.0)
2017	-	2.9%	3.0%	6.0%	1.9	0.9	(1.3)

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2014	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2015	12.5%	10.1%	5.0%		12.2%	12.5%	10.3%	5.0%	11.4%
2016	12.3%	10.2%	5.0%		12.4%	12.2%	10.3%	5.0%	11.3%
2017	12.3%	10.2%	5.0%		12.4%	12.2%	10.3%	5.0%	11.3%
prem liab	12.1%	10.0%	5.0%		11.2%	11.7%	10.2%	5.0%	10.7%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-7 – Key Assumptions – Yukon

Key Assumptions - Yukon - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	430	1,945	836	898			138.7%
2016	283	2,267	642	707			67.2%
2017	280	2,286	640	645	9.5%	3.8%	63.1%
Change	%	%	%	%	pts	pts	pts
2016	(34.2%)	16.6%	(23.3%)	(21.3%)	-	-	(71.5)
2017	(1.1%)	0.8%	(0.2%)	(8.8%)	9.5	3.8	(4.1)

Key Assumptions - Yukon - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	1,617	782	1,265	1,260			79.4%
2016	1,540	849	1,308	1,289			42.0%
2017	1,540	851	1,310	1,309	0.2%	3.3%	50.0%
Change	%	%	%	%	pts	pts	pts
2016	(4.8%)	8.6%	3.4%	2.3%	-	-	(37.4)
2017	-	0.2%	0.2%	1.6%	0.2	3.3	8.0

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development			TOTAL
	Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%	10.0%
2014	12.5%	11.1%	5.0%	12.5%
2015	12.5%	10.8%	5.0%	12.4%
2016	12.3%	10.6%	5.0%	12.3%
2017	12.3%	10.6%	5.0%	12.3%
prem liab	12.2%	10.5%	5.0%	11.3%

Accident Year	Selected Margins for Adverse Development			TOTAL
	Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%	10.0%
2014	12.4%	11.8%	5.0%	12.4%
2015	12.4%	12.4%	5.0%	12.4%
2016	11.5%	11.2%	5.0%	11.0%
2017	11.5%	11.2%	5.0%	11.0%
prem liab	11.1%	10.6%	5.0%	10.0%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-8 – Key Assumptions – Northwest Territories

Key Assumptions - Northwest Territories - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	2,590	1,421	3,681	3,832			37.9%
2016	2,421	1,365	3,304	3,439			45.7%
2017	2,395	1,365	3,268	3,287	(1.1%)	3.5%	45.5%
Change	%	%	%	%	pts	pts	pts
2016	(6.5%)	(3.9%)	(10.3%)	(10.2%)	-	-	7.8
2017	(1.1%)	-	(1.1%)	(4.4%)	(1.1)	3.5	(0.2)

Key Assumptions - Northwest Territories - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	1,560	823	1,284	1,274			29.3%
2016	1,570	826	1,298	1,274			30.3%
2017	1,570	826	1,297	1,297	(2.0%)	4.0%	34.4%
Change	%	%	%	%	pts	pts	pts
2016	0.6%	0.4%	1.1%	-	-	-	1.0
2017	-	-	-	1.8%	(2.0)	4.0	4.1

Private Passenger

Non-Private Passenger

Accident Year	Selected Margins for Adverse Development				TOTAL	Selected Margins for Adverse Development			
	Third Party Liability	Accident Benefits	Other Coverages			Third Party Liability	Accident Benefits	Other Coverages	
1996	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1997	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1998	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
1999	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2007	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2008	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%		10.0%	10.0%	10.0%	5.0%	10.0%
2014	12.5%	11.7%	5.0%		12.5%	12.5%	11.1%	5.0%	12.3%
2015	12.5%	11.4%	5.0%		12.4%	12.3%	11.2%	5.0%	11.0%
2016	12.1%	11.2%	5.0%		11.9%	12.1%	11.2%	5.0%	11.2%
2017	12.1%	11.2%	5.0%		11.9%	12.1%	11.2%	5.0%	11.2%
prem liab	12.2%	10.3%	5.0%		10.8%	11.9%	10.9%	5.0%	9.1%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit A-9 – Key Assumptions – Nunavut

Key Assumptions - Nunavut - Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	610	1,284	783	851			31.0%
2016	389	1,451	564	665			31.2%
2017	381	1,451	553	559	3.0%	3.5%	26.7%
Change	%	%	%	%	pts	pts	pts
2016	(36.2%)	13.0%	(28.0%)	(21.8%)	-	-	0.2
2017	(2.1%)	-	(2.0%)	(16.0%)	3.0	3.5	(4.5)

Key Assumptions - Nunavut - Non Private Passenger (indemnity only)							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned premium adjustments	claims adjustments	Ultimate CAY Loss Ratio (nominal)
Amounts							
2015	1,214	627	761	746			40.5%
2016	1,118	689	771	787			46.8%
2017	1,118	691	772	773	1.8%	4.3%	39.7%
Change	%	%	%	%	pts	pts	pts
2016	(7.9%)	9.9%	1.3%	5.5%	-	-	6.3
2017	-	0.3%	0.2%	(1.8%)	1.8	4.3	(7.1)

Private Passenger

Non-Private Passenger

Selected Margins for Adverse Development

Accident Year	Third Party	Accident	Other	TOTAL
	Liability	Benefits	Coverages	
1999	10.0%	10.0%	5.0%	10.0%
2000	10.0%	10.0%	5.0%	10.0%
2001	10.0%	10.0%	5.0%	10.0%
2002	10.0%	10.0%	5.0%	10.0%
2003	10.0%	10.0%	5.0%	10.0%
2004	10.0%	10.0%	5.0%	10.0%
2005	10.0%	10.0%	5.0%	10.0%
2006	10.0%	10.0%	5.0%	10.0%
2007	9.9%	10.0%	5.0%	9.9%
2008	10.0%	10.0%	5.0%	10.0%
2009	10.0%	10.0%	5.0%	10.0%
2010	10.0%	10.0%	5.0%	10.0%
2011	10.0%	10.0%	5.0%	10.0%
2012	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	5.0%	10.0%
2014	12.5%	11.6%	5.0%	12.4%
2015	12.3%	11.6%	5.0%	10.8%
2016	12.2%	11.4%	5.0%	12.0%
2017	12.2%	11.4%	5.0%	12.0%
prem liab	11.9%	11.3%	5.0%	10.2%

Selected Margins for Adverse Development

Third Party	Accident	Other	TOTAL
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.0%	10.0%	5.0%	10.0%
10.1%	10.9%	5.0%	10.2%
12.4%	11.2%	5.0%	11.3%
12.2%	10.9%	5.0%	11.8%
12.2%	10.9%	5.0%	11.8%
12.3%	10.8%	5.0%	10.3%

discount rate: 0.69%
margin (basis points): 25

discount rate: 0.69%
margin (basis points): 25

Exhibit B-1

2017 Projected Summary of Operations - Private Passenger

in \$ thousands	Alberta	Ontario	Nova Scotia	Prince Edward Island	New Brunswick	Newfoundland & Labrador	Yukon	Northwest Territories	Nunavut	2017 TOTAL
Underwriting Revenue										
written premium	9,866	11,651	7,714	2,924	12,905	25,377	640	3,268	553	74,898
decrease / (increase) in unearned	(437)	3	(115)	33	(141)	(2,424)	5	19	6	(3,051)
earned premium	9,429	11,654	7,599	2,957	12,764	22,953	645	3,287	559	71,847
Claims Incurred										
Prior Accident Years										
Undiscounted	-	-	-	-	-	-	-	-	-	-
effect of discounting	(454)	(991)	(287)	(106)	(475)	(918)	(50)	(86)	(9)	(3,376)
Discounted	(454)	(991)	(287)	(106)	(475)	(918)	(50)	(86)	(9)	(3,376)
Current Accident Year										
Undiscounted	6,589	7,203	5,777	1,590	9,151	17,980	481	1,834	203	50,808
effect of discounting	418	490	321	93	531	938	34	104	11	2,940
Discounted	7,007	7,693	6,098	1,683	9,682	18,918	515	1,938	214	53,748
Claims Incurred	6,553	6,702	5,811	1,577	9,207	18,000	465	1,852	205	50,372
Underwriting Expenses										
Operating & Service Fees	987	1,259	774	293	1,289	2,539	64	329	55	7,589
Agent's Commissions	1,056	617	833	312	1,380	2,565	70	357	59	7,249
Driver Record Abstracts	109	60	327	100	209	277	10	54	4	1,150
Bad Debts	-	-	-	-	-	-	-	-	-	-
Premium Deficiency / (DPAC)										
Undiscounted	(48)	-	(12)	4	(15)	(244)	1	3	1	(310)
effect of discounting	-	-	-	-	-	183	-	-	-	183
Discounted	(48)	-	(12)	4	(15)	(61)	1	3	1	(127)
Underwriting Expenses	2,104	1,936	1,922	709	2,863	5,320	145	743	119	15,861
Net Underwriting Gain (Loss)	772	3,016	(134)	671	694	(367)	35	692	235	5,614
Administrative Expenses	247	289	192	72	325	636	16	82	15	1,874
Miscellaneous income / (expense)	-	-	-	-	-	-	-	-	-	-
Investment Income	17	38	12	4	14	30	2	4	0	122
Operating Result	542	2,765	(314)	603	383	(973)	21	614	220	3,862
Ratios										
Claims & Adj. Expenses to EP										
Prior Accident Year	(4.8%)	(8.5%)	(3.8%)	(3.6%)	(3.7%)	(4.0%)	(7.8%)	(2.6%)	(1.6%)	(4.7%)
Current Accident Year	74.3%	66.0%	80.2%	56.9%	75.9%	82.4%	79.8%	59.0%	38.3%	74.8%
All Accident Years Combined	69.5%	57.5%	76.5%	53.3%	72.1%	78.4%	72.1%	56.3%	36.7%	70.1%
Underwriting & Admin Exp (EP)	24.9%	19.1%	27.8%	26.4%	25.0%	25.9%	25.0%	25.1%	24.0%	24.7%
Combined Operating Ratio	94.4%	76.6%	104.3%	79.7%	97.1%	104.3%	97.1%	81.4%	60.7%	94.8%
Current Accident Year only*	71	1,736	(613)	493	(106)	(1,921)	(31)	524	211	364

*excluding miscellaneous income/(expense) and investment income

Exhibit B-2

2017 Projected Summary of Operations - Non-Private Passenger

in \$ thousands	Alberta	Ontario	Nova Scotia	Prince Edward Island	New Brunswick	Newfoundland & Labrador	Yukon	Northwest Territories	Nunavut	2017 TOTAL
Underwriting Revenue										
written premium	50,624	26,568	10,806	2,028	7,968	7,619	1,310	1,297	772	108,992
decrease / (increase) in unearned	(909)	238	(318)	(31)	(75)	(101)	(1)	0	1	(1,196)
earned premium	49,715	26,806	10,488	1,997	7,893	7,518	1,309	1,297	773	107,796
Claims Incurred										
Prior Accident Years										
Undiscounted	-	-	-	-	-	-	-	-	-	-
effect of discounting	(1,702)	(1,825)	(343)	(84)	(294)	(451)	(36)	(47)	(21)	(4,803)
Discounted	(1,702)	(1,825)	(343)	(84)	(294)	(451)	(36)	(47)	(21)	(4,803)
Current Accident Year										
Undiscounted	32,454	17,775	7,386	1,313	4,703	7,551	805	580	382	72,949
effect of discounting	1,537	1,488	387	73	223	485	44	35	25	4,297
Discounted	33,991	19,263	7,773	1,386	4,926	8,036	849	615	407	77,246
Claims Incurred	32,289	17,438	7,430	1,302	4,632	7,585	813	568	386	72,443
Underwriting Expenses										
Operating & Service Fees	5,064	2,869	1,082	203	799	761	130	129	75	11,112
Agent's Commissions	4,203	1,674	803	155	613	565	109	106	64	8,292
Driver Record Abstracts	555	130	454	69	126	84	20	20	11	1,469
Bad Debts	-	-	-	-	-	-	-	-	-	-
Premium Deficiency / (DPAC)										
Undiscounted	(76)	15	(24)	(2)	(6)	62	-	1	-	(30)
effect of discounting	-	-	-	-	-	11	-	-	-	11
Discounted	(76)	15	(24)	(2)	(6)	73	-	1	-	(19)
Underwriting Expenses	9,746	4,688	2,315	425	1,532	1,483	259	256	150	20,854
Net Underwriting Gain (Loss)	7,680	4,680	743	270	1,729	(1,550)	237	473	237	14,499
Administrative Expenses	1,264	665	270	50	197	191	32	35	20	2,724
Miscellaneous income / (expense)	-	-	-	-	-	-	-	-	-	-
Investment Income	55	53	16	2	13	16	2	2	2	160
Operating Result	6,471	4,068	489	222	1,545	(1,725)	207	440	219	11,935
Ratios										
Claims & Adj. Expenses to EP										
Prior Accident Year	(3.4%)	(6.8%)	(3.3%)	(4.2%)	(3.7%)	(6.0%)	(2.8%)	(3.6%)	(2.7%)	(4.5%)
Current Accident Year	68.4%	71.9%	74.1%	69.4%	62.4%	106.9%	64.9%	47.4%	52.7%	71.7%
All Accident Years Combined	64.9%	65.1%	70.8%	65.2%	58.7%	100.9%	62.1%	43.8%	49.9%	67.2%
Underwriting & Admin Exp (EP)	22.1%	20.0%	24.6%	23.8%	21.9%	22.3%	22.2%	22.4%	22.0%	21.9%
Combined Operating Ratio	87.0%	85.1%	95.4%	89.0%	80.6%	123.2%	84.3%	66.2%	71.9%	89.1%
Current Accident Year only*	4,714	2,190	130	136	1,238	(2,192)	169	391	196	6,972

*excluding miscellaneous income/(expense) and investment income

Exhibit B-3

2017 Projected Summary of Operations - Private Passenger & Non-Private Passenger

in \$ thousands	Alberta	Ontario	Nova Scotia	Prince Edward Island	New Brunswick	Newfoundland & Labrador	Yukon	Northwest Territories	Nunavut	2017 TOTAL
Underwriting Revenue										
written premium	60,490	38,219	18,520	4,952	20,873	32,996	1,950	4,565	1,325	183,890
decrease / (increase) in unearned	(1,346)	241	(433)	2	(216)	(2,525)	4	19	7	(4,247)
earned premium	59,144	38,460	18,087	4,954	20,657	30,471	1,954	4,584	1,332	179,643
Claims Incurred										
Prior Accident Years										
Undiscounted	-	-	-	-	-	-	-	-	-	-
effect of discounting	(2,156)	(2,816)	(630)	(190)	(769)	(1,369)	(86)	(133)	(30)	(8,179)
Discounted	(2,156)	(2,816)	(630)	(190)	(769)	(1,369)	(86)	(133)	(30)	(8,179)
Current Accident Year										
Undiscounted	39,043	24,978	13,163	2,903	13,854	25,531	1,286	2,414	585	123,757
effect of discounting	1,955	1,978	708	166	754	1,423	78	139	36	7,237
Discounted	40,998	26,956	13,871	3,069	14,608	26,954	1,364	2,553	621	130,994
Claims Incurred	38,842	24,140	13,241	2,879	13,839	25,585	1,278	2,420	591	122,815
Underwriting Expenses										
Operating & Service Fees	6,051	4,128	1,856	496	2,088	3,300	194	458	130	18,701
Agent's Commissions	5,259	2,291	1,636	467	1,993	3,130	179	463	123	15,541
Driver Record Abstracts	664	190	781	169	335	361	30	74	15	2,619
Bad Debts	-	-	-	-	-	-	-	-	-	-
Premium Deficiency / (DPAC)										
Undiscounted	(124)	15	(36)	2	(21)	(182)	1	4	1	(340)
effect of discounting	-	-	-	-	-	194	-	-	-	194
Discounted	(124)	15	(36)	2	(21)	12	1	4	1	(146)
Underwriting Expenses	11,850	6,624	4,237	1,134	4,395	6,803	404	999	269	36,715
Net Underwriting Gain (Loss)	8,452	7,696	609	941	2,423	(1,917)	272	1,165	472	20,113
Administrative Expenses	1,511	954	462	122	522	827	48	117	35	4,598
Miscellaneous income / (expense)	-	-	-	-	-	-	-	-	-	-
Investment Income	72	91	28	6	28	46	4	7	2	282
Operating Result	7,013	6,833	175	825	1,929	(2,698)	228	1,055	439	15,797
Ratios										
Claims & Adj. Expenses to EP										
Prior Accident Year	(3.6%)	(7.3%)	(3.5%)	(3.8%)	(3.7%)	(4.5%)	(4.4%)	(2.9%)	(2.3%)	(4.6%)
Current Accident Year	69.3%	70.1%	76.7%	61.9%	70.7%	88.5%	69.8%	55.7%	46.6%	72.9%
All Accident Years Combined	65.7%	62.8%	73.2%	58.1%	67.0%	84.0%	65.4%	52.8%	44.4%	68.4%
Underwriting & Admin Exp (EP)	22.6%	19.7%	26.0%	25.4%	23.8%	25.0%	23.1%	24.3%	22.8%	23.0%
Combined Operating Ratio	88.3%	82.5%	99.2%	83.5%	90.8%	109.0%	88.5%	77.1%	67.2%	91.4%
Current Accident Year only*	4,785	3,926	(483)	629	1,132	(4,113)	138	915	407	7,336

*excluding miscellaneous income/(expense) and investment income

Exhibit C-1

Projected Policy Liabilities – Ontario

page 1 of 3

Private Passenger ending 2017	Ontario - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	6,285	(1,036)	30	5,279	(9)	3	532	526	5,805	
1998	-	13	16	29	-	-	1	1	30	
1999	-	-	-	-	-	-	-	-	-	
2000	-	14	14	28	-	-	1	1	29	
2001	-	6	(39)	(33)	-	-	1	1	(32)	
2002	543	(15)	141	669	-	-	53	53	722	
2003	2,300	(16)	365	2,649	(78)	27	220	169	2,818	
2004	1,992	(373)	815	2,434	(62)	23	156	117	2,551	
2005	844	116	607	1,567	(40)	14	92	66	1,633	
2006	1,720	471	655	2,846	(101)	35	209	143	2,989	
2007	3,031	781	930	4,742	(164)	57	365	258	5,000	
2008	274	300	714	1,288	(26)	9	54	37	1,325	
2009	1,453	238	533	2,224	(73)	25	162	114	2,338	
2010	2,279	84	519	2,882	(80)	28	228	176	3,058	
2011	1,672	(24)	615	2,263	(51)	18	160	127	2,390	
2012	3,792	(191)	742	4,343	(119)	40	348	269	4,612	
2013	2,361	185	448	2,994	(69)	23	305	259	3,253	
2014	2,566	308	381	3,255	(57)	20	352	315	3,570	
2015	871	635	291	1,797	(26)	9	219	202	1,999	
2016	881	524	312	1,717	(25)	8	198	181	1,898	
PAYs (sub-total):	32,864	2,020	8,089	42,973	(980)	339	3,656	3,015	45,988	
CAY (2017)	1,716	2,104	269	4,089	(76)	27	539	490	4,579	
claims liabilities:	34,580	4,124	8,358	47,062	(1,056)	366	4,195	3,505	50,567	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	5,752	(305)		5,447	(52)	19	340	307	5,447	
policy liabilities:				52,509	(1,108)	385	4,535	3,812	56,014	

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

Exhibit C-1

Projected Policy Liabilities – Ontario

page 2 of 3

Non Private Passenger ending 2017	Ontario - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	288	15	6	309	-	-	33	33	342
1998	-	(2)	3	1	-	-	-	-	1
1999	-	1	-	1	-	-	-	-	1
2000	-	(1)	5	4	-	-	-	-	4
2001	-	(6)	(18)	(24)	-	-	1	1	(23)
2002	-	7	42	49	-	-	1	1	50
2003	-	(13)	61	48	-	-	1	1	49
2004	930	6	152	1,088	-	-	94	94	1,182
2005	885	91	222	1,198	(39)	14	94	69	1,267
2006	105	85	334	524	(9)	3	18	12	536
2007	1,269	60	509	1,838	(50)	17	128	95	1,933
2008	434	92	388	914	(25)	8	51	34	948
2009	787	147	355	1,289	(24)	8	91	75	1,364
2010	215	204	458	877	(9)	3	41	35	912
2011	3,624	(465)	574	3,733	(66)	25	309	268	4,001
2012	4,877	188	779	5,844	(106)	35	495	424	6,268
2013	8,690	1,588	810	11,088	(175)	62	1,253	1,140	12,228
2014	4,859	2,621	840	8,320	(112)	45	921	854	9,174
2015	5,719	1,709	777	8,205	(111)	37	1,097	1,023	9,228
2016	4,484	1,678	804	6,966	(117)	43	876	802	7,768
PAYs (sub-total):	37,166	8,005	7,101	52,272	(843)	300	5,504	4,961	57,233
CAY (2017)	4,042	7,597	619	12,258	(256)	93	1,651	1,488	13,746
claims liabilities:	41,208	15,602	7,720	64,530	(1,099)	393	7,155	6,449	70,979
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	12,781	(805)		11,976	(172)	62	927	817	11,976
policy liabilities:				76,506	(1,271)	455	8,082	7,266	82,955

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

Exhibit C-1

Projected Policy Liabilities – Ontario

page 3 of 3

PPV & non-PPV ending 2017	Ontario - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	6,573	(1,021)	36	5,588	(9)	3	565	559	6,147
1998	-	11	19	30	-	-	1	1	31
1999	-	1	-	1	-	-	-	-	1
2000	-	13	19	32	-	-	1	1	33
2001	-	-	(57)	(57)	-	-	2	2	(55)
2002	543	(8)	183	718	-	-	54	54	772
2003	2,300	(29)	426	2,697	(78)	27	221	170	2,867
2004	2,922	(367)	967	3,522	(62)	23	250	211	3,733
2005	1,729	207	829	2,765	(79)	28	186	135	2,900
2006	1,825	556	989	3,370	(110)	38	227	155	3,525
2007	4,300	841	1,439	6,580	(214)	74	493	353	6,933
2008	708	392	1,102	2,202	(51)	17	105	71	2,273
2009	2,240	385	888	3,513	(97)	33	253	189	3,702
2010	2,494	288	977	3,759	(89)	31	269	211	3,970
2011	5,296	(489)	1,189	5,996	(117)	43	469	395	6,391
2012	8,669	(3)	1,521	10,187	(225)	75	843	693	10,880
2013	11,051	1,773	1,258	14,082	(244)	85	1,558	1,399	15,481
2014	7,425	2,929	1,221	11,575	(169)	65	1,273	1,169	12,744
2015	6,590	2,344	1,068	10,002	(137)	46	1,316	1,225	11,227
2016	5,365	2,202	1,116	8,683	(142)	51	1,074	983	9,666
PAYs (sub-total):	70,030	10,025	15,190	95,245	(1,823)	639	9,160	7,976	103,221
CAY (2017)	5,758	9,701	888	16,347	(332)	120	2,190	1,978	18,325
claims liabilities:	75,788	19,726	16,078	111,592	(2,155)	759	11,350	9,954	121,546
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	18,533	(1,110)		17,423	(224)	81	1,267	1,124	17,423
*Total may not be sum of parts, as apvs apply to future costs within UPR									
policy liabilities:				129,015	(2,379)	840	12,617	11,078	138,969

Exhibit C-2

Projected Policy Liabilities – Alberta

page 1 of 3

Private Passenger ending 2017	Alberta - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	71	(77)	15	9	-	-	8	8	17	
1998	-	2	(2)	-	-	-	-	-	-	
1999	-	11	9	20	-	-	1	1	21	
2000	-	(16)	14	(2)	-	-	2	2	-	
2001	-	12	19	31	-	-	1	1	32	
2002	-	(15)	24	9	-	-	2	2	11	
2003	20	(24)	48	44	-	-	-	-	44	
2004	90	(24)	24	90	(3)	1	7	5	95	
2005	168	14	(62)	120	(7)	3	17	13	133	
2006	34	(15)	37	56	(1)	-	2	1	57	
2007	(1)	29	72	100	(1)	-	3	2	102	
2008	97	28	90	215	(4)	1	13	10	225	
2009	-	33	72	105	(1)	-	3	2	107	
2010	1,356	142	61	1,559	(24)	9	148	133	1,692	
2011	1,220	263	70	1,553	(22)	7	146	131	1,684	
2012	1,133	442	73	1,648	(22)	8	155	141	1,789	
2013	1,179	738	72	1,989	(29)	10	189	170	2,159	
2014	1,997	1,159	68	3,224	(57)	19	384	346	3,570	
2015	1,941	1,077	64	3,082	(63)	21	366	324	3,406	
2016	2,120	757	54	2,931	(69)	26	337	294	3,225	
PAYs (sub-total):	11,425	4,536	822	16,783	(303)	105	1,784	1,586	18,369	
CAY (2017)	1,759	2,384	(30)	4,113	(104)	37	485	418	4,531	
claims liabilities:	13,184	6,920	792	20,896	(407)	142	2,269	2,004	22,900	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	5,356	(574)		4,782	(73)	26	340	293	4,782	
policy liabilities:				25,678	(480)	168	2,609	2,297	27,682	

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

Exhibit C-2

Projected Policy Liabilities – Alberta

page 2 of 3

Non Private Passenger ending 2017	Alberta - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	2	5	7	-	-	4	4	11	
1998	-	12	(1)	11	-	-	1	1	12	
1999	-	-	4	4	-	-	-	-	4	
2000	-	-	7	7	-	-	-	-	7	
2001	-	12	10	22	-	-	1	1	23	
2002	-	3	22	25	-	-	-	-	25	
2003	22	19	27	68	-	-	4	4	72	
2004	106	(67)	12	51	(2)	1	4	3	54	
2005	123	(15)	(62)	46	(5)	2	11	8	54	
2006	105	(10)	99	194	(4)	2	10	8	202	
2007	507	5	283	795	(25)	9	49	33	828	
2008	812	4	362	1,178	(27)	10	79	62	1,240	
2009	152	21	312	485	(5)	2	17	14	499	
2010	742	67	240	1,049	(12)	5	80	73	1,122	
2011	3,035	127	282	3,444	(44)	16	312	284	3,728	
2012	2,735	97	326	3,158	(45)	17	278	250	3,408	
2013	5,046	302	341	5,689	(80)	27	527	474	6,163	
2014	4,689	1,170	348	6,207	(100)	35	720	655	6,862	
2015	7,302	2,659	339	10,300	(189)	70	1,212	1,093	11,393	
2016	7,483	3,873	306	11,662	(238)	79	1,200	1,041	12,703	
PAYs (sub-total):	32,859	8,281	3,262	44,402	(776)	275	4,509	4,008	48,410	
CAY (2017)	9,260	6,911	(160)	16,011	(291)	113	1,715	1,537	17,548	
claims liabilities:	42,119	15,192	3,102	60,413	(1,067)	388	6,224	5,545	65,958	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	25,713	(2,134)		23,579	(222)	74	1,312	1,164	23,579	
policy liabilities:				83,992	(1,289)	462	7,536	6,709	89,537	

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

Exhibit C-2

Projected Policy Liabilities – Alberta

page 3 of 3

PPV & non-PPV ending 2017	Alberta - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	71	(75)	20	16	-	-	12	12	28
1998	-	14	(3)	11	-	-	1	1	12
1999	-	11	13	24	-	-	1	1	25
2000	-	(16)	21	5	-	-	2	2	7
2001	-	24	29	53	-	-	2	2	55
2002	-	(12)	46	34	-	-	2	2	36
2003	42	(5)	75	112	-	-	4	4	116
2004	196	(91)	36	141	(5)	2	11	8	149
2005	291	(1)	(124)	166	(12)	5	28	21	187
2006	139	(25)	136	250	(5)	2	12	9	259
2007	506	34	355	895	(26)	9	52	35	930
2008	909	32	452	1,393	(31)	11	92	72	1,465
2009	152	54	384	590	(6)	2	20	16	606
2010	2,098	209	301	2,608	(36)	14	228	206	2,814
2011	4,255	390	352	4,997	(66)	23	458	415	5,412
2012	3,868	539	399	4,806	(67)	25	433	391	5,197
2013	6,225	1,040	413	7,678	(109)	37	716	644	8,322
2014	6,686	2,329	416	9,431	(157)	54	1,104	1,001	10,432
2015	9,243	3,736	403	13,382	(252)	91	1,578	1,417	14,799
2016	9,603	4,630	360	14,593	(307)	105	1,537	1,335	15,928
PAYs (sub-total):	44,284	12,817	4,084	61,185	(1,079)	380	6,293	5,594	66,779
CAY (2017)	11,019	9,295	(190)	20,124	(395)	150	2,200	1,955	22,079
claims liabilities:	55,303	22,112	3,894	81,309	(1,474)	530	8,493	7,549	88,858
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	31,069	(2,708)		28,361	(295)	100	1,652	1,457	28,361
policy liabilities:				109,670	(1,769)	630	10,145	9,006	117,219

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

Exhibit C-3

Projected Policy Liabilities – Newfoundland & Labrador

page 1 of 3

Private Passenger ending 2017	Newfoundland & Labrador - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	(12)	-	(12)	-	-	1	1	(11)	
1998	-	5	-	5	-	-	1	1	6	
1999	-	4	(47)	(43)	-	-	-	-	(43)	
2000	-	(3)	(9)	(12)	-	-	-	-	(12)	
2001	-	(4)	7	3	-	-	-	-	3	
2002	-	-	28	28	-	-	-	-	28	
2003	-	1	56	57	-	-	-	-	57	
2004	503	(9)	79	573	-	-	49	49	622	
2005	-	3	26	29	-	-	-	-	29	
2006	-	1	55	56	-	-	-	-	56	
2007	168	(3)	85	250	-	-	16	16	266	
2008	157	2	33	192	(3)	1	16	14	206	
2009	243	56	76	375	(2)	1	30	29	404	
2010	158	29	125	312	(2)	1	19	18	330	
2011	1,463	5	164	1,632	(19)	6	145	132	1,764	
2012	2,156	(43)	278	2,391	(32)	13	208	189	2,580	
2013	3,234	113	204	3,551	(44)	13	331	300	3,851	
2014	5,195	362	254	5,811	(78)	28	548	498	6,309	
2015	4,800	361	236	5,397	(72)	26	509	463	5,860	
2016	4,524	683	243	5,450	(83)	31	513	461	5,911	
PAYs (sub-total):	22,601	1,551	1,893	26,045	(335)	120	2,386	2,171	28,216	
CAY (2017)	7,708	3,053	420	11,181	(194)	75	1,057	938	12,119	
claims liabilities:	30,309	4,604	2,313	37,226	(529)	195	3,443	3,109	40,335	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	13,040	(1,316)		11,724	(142)	44	786	688	11,907	
policy liabilities:				48,950	(671)	239	4,229	3,797	52,242	

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

Exhibit C-3

Projected Policy Liabilities – Newfoundland & Labrador

page 2 of 3

Non Private Passenger ending 2017	Newfoundland & Labrador - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	(2)	-	(2)	-	-	-	-	-	(2)
1998	-	-	-	-	-	-	-	-	-	-
1999	-	1	(12)	(11)	-	-	-	-	-	(11)
2000	-	-	(2)	(2)	-	-	-	-	-	(2)
2001	-	1	2	3	-	-	-	-	-	3
2002	-	1	6	7	-	-	-	-	-	7
2003	-	(1)	14	13	-	-	-	-	-	13
2004	-	(1)	22	21	-	-	-	-	-	21
2005	-	2	7	9	-	-	-	-	-	9
2006	-	3	25	28	-	-	-	-	-	28
2007	751	(2)	33	782	-	-	75	75	-	857
2008	-	-	20	20	-	-	-	-	-	20
2009	-	3	33	36	-	-	-	-	-	36
2010	135	-	34	169	-	-	14	14	-	183
2011	677	96	45	818	(5)	2	76	73	-	891
2012	1,759	101	69	1,929	(19)	7	184	172	-	2,101
2013	889	148	52	1,089	(12)	4	103	95	-	1,184
2014	1,845	518	73	2,436	(28)	9	233	214	-	2,650
2015	2,779	176	74	3,029	(35)	12	291	268	-	3,297
2016	2,902	313	84	3,299	(42)	13	318	289	-	3,588
PAYs (sub-total):	11,737	1,357	579	13,673	(141)	47	1,294	1,200	-	14,873
CAY (2017)	3,730	1,832	138	5,700	(95)	33	547	485	-	6,185
claims liabilities:	15,467	3,189	717	19,373	(236)	80	1,841	1,685	-	21,058
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	3,731	313		4,044	(58)	20	312	274		4,318
					*Total may not be sum of parts, as apvs apply to future costs within UPR					
policy liabilities:				23,417	(294)	100	2,153	1,959		25,376

Exhibit C-3

Projected Policy Liabilities – Newfoundland & Labrador

page 3 of 3

PPV & non-PPV ending 2017	Newfoundland & Labrador - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	-	(14)	-	(14)	-	-	1	1	(13)
1998	-	5	-	5	-	-	1	1	6
1999	-	5	(59)	(54)	-	-	-	-	(54)
2000	-	(3)	(11)	(14)	-	-	-	-	(14)
2001	-	(3)	9	6	-	-	-	-	6
2002	-	1	34	35	-	-	-	-	35
2003	-	-	70	70	-	-	-	-	70
2004	503	(10)	101	594	-	-	49	49	643
2005	-	5	33	38	-	-	-	-	38
2006	-	4	80	84	-	-	-	-	84
2007	919	(5)	118	1,032	-	-	91	91	1,123
2008	157	2	53	212	(3)	1	16	14	226
2009	243	59	109	411	(2)	1	30	29	440
2010	293	29	159	481	(2)	1	33	32	513
2011	2,140	101	209	2,450	(24)	8	221	205	2,655
2012	3,915	58	347	4,320	(51)	20	392	361	4,681
2013	4,123	261	256	4,640	(56)	17	434	395	5,035
2014	7,040	880	327	8,247	(106)	37	781	712	8,959
2015	7,579	537	310	8,426	(107)	38	800	731	9,157
2016	7,426	996	327	8,749	(125)	44	831	750	9,499
PAYs (sub-total):	34,338	2,908	2,472	39,718	(476)	167	3,680	3,371	43,089
CAY (2017)	11,438	4,885	558	16,881	(289)	108	1,604	1,423	18,304
claims liabilities:	45,776	7,793	3,030	56,599	(765)	275	5,284	4,794	61,393
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	16,771	(1,003)		15,768	(200)	64	1,098	962	16,225
policy liabilities:				72,367	(965)	339	6,382	5,756	77,618

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

Exhibit C-4

Projected Policy Liabilities – New Brunswick

page 1 of 3

Private Passenger ending 2017	New Brunswick - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	11	5	16	-	-	2	2	18	
1998	-	1	3	4	-	-	-	-	4	
1999	-	3	3	6	-	-	-	-	6	
2000	-	3	2	5	-	-	-	-	5	
2001	-	(1)	9	8	-	-	-	-	8	
2002	-	(5)	29	24	-	-	1	1	25	
2003	204	(13)	(8)	183	-	-	19	19	202	
2004	-	8	(16)	(8)	-	-	1	1	(7)	
2005	92	12	(51)	53	-	-	10	10	63	
2006	-	13	45	58	(1)	-	1	-	58	
2007	-	9	79	88	-	-	1	1	89	
2008	501	8	86	595	(11)	4	50	43	638	
2009	176	4	97	277	(5)	2	18	15	292	
2010	254	61	80	395	(9)	3	31	25	420	
2011	1,246	60	114	1,420	(24)	9	129	114	1,534	
2012	1,275	58	215	1,548	(20)	7	131	118	1,666	
2013	1,863	178	157	2,198	(27)	10	201	184	2,382	
2014	2,744	142	125	3,011	(35)	12	345	322	3,333	
2015	2,755	185	147	3,087	(41)	15	336	310	3,397	
2016	2,035	183	141	2,359	(40)	16	252	228	2,587	
PAYs (sub-total):	13,145	920	1,262	15,327	(213)	78	1,528	1,393	16,720	
CAY (2017)	3,206	2,075	75	5,356	(111)	42	600	531	5,887	
claims liabilities:	16,351	2,995	1,337	20,683	(324)	120	2,128	1,924	22,607	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	6,374	(681)		5,693	(65)	23	374	332	5,693	
*Total may not be sum of parts, as apvs apply to future costs within UPR										
policy liabilities:				26,376	(389)	143	2,502	2,256	28,300	

Exhibit C-4

Projected Policy Liabilities – New Brunswick

page 2 of 3

Non Private Passenger ending 2017	New Brunswick - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	(3)	1	(2)	-	-	-	-	(2)	
1998	-	1	1	2	-	-	-	-	2	
1999	-	(2)	2	-	-	-	-	-	-	
2000	-	(2)	2	-	-	-	-	-	-	
2001	-	-	6	6	-	-	-	-	6	
2002	1	4	16	21	-	-	1	1	22	
2003	-	4	(2)	2	-	-	-	-	2	
2004	-	-	(18)	(18)	-	-	-	-	(18)	
2005	74	4	(44)	34	-	-	8	8	42	
2006	174	-	40	214	(7)	3	16	12	226	
2007	30	7	76	113	(1)	-	4	3	116	
2008	38	4	85	127	(2)	1	4	3	130	
2009	391	4	96	491	(10)	4	39	33	524	
2010	172	4	77	253	(3)	1	18	16	269	
2011	692	4	102	798	(9)	3	69	63	861	
2012	1,100	22	175	1,297	(11)	3	111	103	1,400	
2013	2,965	20	127	3,112	(36)	12	295	271	3,383	
2014	1,110	3	97	1,210	(16)	6	129	119	1,329	
2015	1,467	(517)	106	1,056	(15)	5	107	97	1,153	
2016	729	82	97	908	(16)	6	89	79	987	
PAYs (sub-total):	8,943	(361)	1,042	9,624	(126)	44	890	808	10,432	
CAY (2017)	1,224	1,076	46	2,346	(48)	18	253	223	2,569	
claims liabilities:	10,167	715	1,088	11,970	(174)	62	1,143	1,031	13,001	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	3,903	(300)		3,603	(33)	11	188	166	3,603	
policy liabilities:				15,573	(207)	73	1,331	1,197	16,604	

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

Exhibit C-4

Projected Policy Liabilities – New Brunswick

page 3 of 3

PPV & non-PPV ending 2017	New Brunswick - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	-	8	6	14	-	-	2	2	16
1998	-	2	4	6	-	-	-	-	6
1999	-	1	5	6	-	-	-	-	6
2000	-	1	4	5	-	-	-	-	5
2001	-	(1)	15	14	-	-	-	-	14
2002	1	(1)	45	45	-	-	2	2	47
2003	204	(9)	(10)	185	-	-	19	19	204
2004	-	8	(34)	(26)	-	-	1	1	(25)
2005	166	16	(95)	87	-	-	18	18	105
2006	174	13	85	272	(8)	3	17	12	284
2007	30	16	155	201	(1)	-	5	4	205
2008	539	12	171	722	(13)	5	54	46	768
2009	567	8	193	768	(15)	6	57	48	816
2010	426	65	157	648	(12)	4	49	41	689
2011	1,938	64	216	2,218	(33)	12	198	177	2,395
2012	2,375	80	390	2,845	(31)	10	242	221	3,066
2013	4,828	198	284	5,310	(63)	22	496	455	5,765
2014	3,854	145	222	4,221	(51)	18	474	441	4,662
2015	4,222	(332)	253	4,143	(56)	20	443	407	4,550
2016	2,764	265	238	3,267	(56)	22	341	307	3,574
PAYs (sub-total):	22,088	559	2,304	24,951	(339)	122	2,418	2,201	27,152
CAY (2017)	4,430	3,151	121	7,702	(159)	60	853	754	8,456
claims liabilities:	26,518	3,710	2,425	32,653	(498)	182	3,271	2,955	35,608
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	10,277	(981)		9,296	(98)	34	562	498	9,296
policy liabilities:				41,949	(596)	216	3,833	3,453	44,904

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

Exhibit C-5

Projected Policy Liabilities – Nova Scotia

page 1 of 3

Private Passenger ending 2017	Nova Scotia - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
prior	-	1	(31)	(30)	-	-	2	2	(28)	
1998	-	4	3	7	-	-	-	-	7	
1999	-	(2)	2	-	-	-	-	-	-	
2000	-	-	4	4	-	-	-	-	4	
2001	-	3	11	14	-	-	-	-	14	
2002	-	12	1	13	-	-	1	1	14	
2003	-	(16)	40	24	-	-	2	2	26	
2004	348	24	85	457	-	-	37	37	494	
2005	31	275	13	319	(13)	5	30	22	341	
2006	699	78	240	1,017	(35)	12	74	51	1,068	
2007	141	141	201	483	(12)	4	27	19	502	
2008	270	(24)	273	519	(10)	3	24	17	536	
2009	671	48	200	919	(15)	5	70	60	979	
2010	651	(22)	94	723	(11)	4	62	55	778	
2011	223	(5)	96	314	(4)	1	22	19	333	
2012	717	228	117	1,062	(17)	6	93	82	1,144	
2013	1,057	6	74	1,137	(21)	7	127	113	1,250	
2014	871	354	73	1,298	(26)	10	143	127	1,425	
2015	1,294	427	84	1,805	(38)	14	202	178	1,983	
2016	1,493	419	78	1,990	(44)	15	219	190	2,180	
PAYs (sub-total):	8,466	1,951	1,658	12,075	(246)	86	1,135	975	13,050	
CAY (2017)	1,822	1,367	70	3,259	(70)	26	365	321	3,580	
claims liabilities:	10,288	3,318	1,728	15,334	(316)	112	1,500	1,296	16,630	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	3,776	(408)		3,368	(43)	17	250	224	3,368	
policy liabilities:				18,702	(359)	129	1,750	1,520	19,998	

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

Exhibit C-5

Projected Policy Liabilities – Nova Scotia

page 2 of 3

Non Private Passenger ending 2017	Nova Scotia - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
prior	-	2	(7)	(5)	-	-	-	-	(5)	
1998	-	2	1	3	-	-	-	-	3	
1999	-	1	1	2	-	-	-	-	2	
2000	-	1	2	3	-	-	-	-	3	
2001	-	1	4	5	-	-	-	-	5	
2002	-	2	-	2	-	-	-	-	2	
2003	-	(5)	11	6	-	-	1	1	7	
2004	-	5	24	29	-	-	1	1	30	
2005	-	3	3	6	-	-	-	-	6	
2006	64	(13)	58	109	-	-	5	5	114	
2007	-	(4)	47	43	-	-	-	-	43	
2008	147	4	80	231	-	-	15	15	246	
2009	-	(6)	80	74	-	-	1	1	75	
2010	269	(2)	64	331	-	-	27	27	358	
2011	903	(2)	94	995	(32)	11	87	66	1,061	
2012	639	49	130	818	(24)	8	67	51	869	
2013	1,706	(330)	92	1,468	(26)	8	162	144	1,612	
2014	1,848	25	101	1,974	(37)	13	213	189	2,163	
2015	1,410	474	118	2,002	(38)	13	218	193	2,195	
2016	1,786	293	110	2,189	(44)	17	232	205	2,394	
PAYs (sub-total):	8,772	500	1,013	10,285	(201)	70	1,029	898	11,183	
CAY (2017)	2,261	1,659	97	4,017	(82)	31	438	387	4,404	
claims liabilities:	11,033	2,159	1,110	14,302	(283)	101	1,467	1,285	15,587	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	5,338	(396)		4,942	(51)	16	321	286	4,942	
policy liabilities:				19,244	(334)	117	1,788	1,571	20,529	

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

Exhibit C-5

Projected Policy Liabilities – Nova Scotia

page 3 of 3

PPV & non-PPV ending 2017	Nova Scotia - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	3	(38)	(35)	-	-	2	2	(33)	
1998	-	6	4	10	-	-	-	-	10	
1999	-	(1)	3	2	-	-	-	-	2	
2000	-	1	6	7	-	-	-	-	7	
2001	-	4	15	19	-	-	-	-	19	
2002	-	14	1	15	-	-	1	1	16	
2003	-	(21)	51	30	-	-	3	3	33	
2004	348	29	109	486	-	-	38	38	524	
2005	31	278	16	325	(13)	5	30	22	347	
2006	763	65	298	1,126	(35)	12	79	56	1,182	
2007	141	137	248	526	(12)	4	27	19	545	
2008	417	(20)	353	750	(10)	3	39	32	782	
2009	671	42	280	993	(15)	5	71	61	1,054	
2010	920	(24)	158	1,054	(11)	4	89	82	1,136	
2011	1,126	(7)	190	1,309	(36)	12	109	85	1,394	
2012	1,356	277	247	1,880	(41)	14	160	133	2,013	
2013	2,763	(324)	166	2,605	(47)	15	289	257	2,862	
2014	2,719	379	174	3,272	(63)	23	356	316	3,588	
2015	2,704	901	202	3,807	(76)	27	420	371	4,178	
2016	3,279	712	188	4,179	(88)	32	451	395	4,574	
PAYs (sub-total):	17,238	2,451	2,671	22,360	(447)	156	2,164	1,873	24,233	
CAY (2017)	4,083	3,026	167	7,276	(152)	57	803	708	7,984	
claims liabilities:	21,321	5,477	2,838	29,636	(599)	213	2,967	2,581	32,217	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	9,114	(804)		8,310	(94)	33	571	510	8,310	
policy liabilities:				37,946	(693)	246	3,538	3,091	40,527	

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

Exhibit C-6

Projected Policy Liabilities – Prince Edward Island

page 1 of 3

Private Passenger ending 2017	Prince Edward Island - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	-	1	1	-	-	-	-	-	1
1998	-	-	1	1	-	-	-	-	-	1
1999	-	(1)	1	-	-	-	-	-	-	-
2000	-	(1)	2	1	-	-	-	-	-	1
2001	-	(1)	2	1	-	-	-	-	-	1
2002	-	1	10	11	-	-	-	-	-	11
2003	-	(1)	14	13	-	-	-	-	-	13
2004	-	4	14	18	-	-	-	-	-	18
2005	172	-	49	221	-	-	17	17	-	238
2006	-	-	(114)	(114)	-	-	-	-	-	(114)
2007	-	(1)	20	19	-	-	-	-	-	19
2008	-	(1)	24	23	-	-	-	-	-	23
2009	-	-	24	24	-	-	-	-	-	24
2010	259	(1)	11	269	-	-	26	26	-	295
2011	556	3	24	583	(8)	3	55	50	-	633
2012	25	52	15	92	(1)	-	8	7	-	99
2013	70	45	25	140	(2)	1	12	11	-	151
2014	379	27	25	431	(7)	2	40	35	-	466
2015	616	44	32	692	(12)	5	80	73	-	765
2016	419	24	31	474	(8)	3	54	49	-	523
PAYs (sub-total):	2,496	193	211	2,900	(38)	14	292	268	-	3,168
CAY (2017)	509	348	(7)	850	(17)	6	104	93	-	943
claims liabilities:	3,005	541	204	3,750	(55)	20	396	361	-	4,111
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	1,424	(152)		1,272	(12)	4	68	60		1,272
policy liabilities:				5,022	(67)	24	464	421		5,383

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

Exhibit C-6

Projected Policy Liabilities – Prince Edward Island

page 2 of 3

Non Private Passenger ending 2017	Prince Edward Island - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)				TOTAL	
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD		Total apvs
prior	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	1	-	-	1	-	-	-	-	1
2002	-	(1)	2	1	1	-	-	-	-	1
2003	-	(1)	2	1	1	-	-	-	-	1
2004	-	-	3	3	3	-	-	-	-	3
2005	-	-	14	14	14	-	-	-	-	14
2006	-	-	(29)	(29)	(29)	-	-	-	-	(29)
2007	-	-	8	8	8	-	-	-	-	8
2008	-	(2)	19	17	17	-	-	-	-	17
2009	-	-	19	19	19	-	-	-	-	19
2010	-	-	9	9	9	-	-	-	-	9
2011	208	3	21	232	232	-	-	21	21	253
2012	703	49	18	770	770	(24)	8	73	57	827
2013	3	49	24	76	76	(2)	1	5	4	80
2014	74	159	24	257	257	(5)	2	23	20	277
2015	71	159	29	259	259	(5)	2	25	22	281
2016	105	117	24	246	246	(4)	1	25	22	268
PAYs (sub-total):	1,164	533	187	1,884	1,884	(40)	14	172	146	2,030
CAY (2017)	350	367	(3)	714	714	(11)	4	80	73	787
claims liabilities:	1,514	900	184	2,598	2,598	(51)	18	252	219	2,817
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision		discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	993	(77)		916		(8)	3	57	52	916
policy liabilities:				3,514		(59)	21	309	271	3,733

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

Exhibit C-6

Projected Policy Liabilities – Prince Edward Island

page 3 of 3

PPV & non-PPV ending 2017	Prince Edward Island - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	-	1	1	-	-	-	-	-	1
1998	-	-	1	1	-	-	-	-	-	1
1999	-	(1)	1	-	-	-	-	-	-	-
2000	-	(1)	2	1	-	-	-	-	-	1
2001	-	-	2	2	-	-	-	-	-	2
2002	-	-	12	12	-	-	-	-	-	12
2003	-	(2)	16	14	-	-	-	-	-	14
2004	-	4	17	21	-	-	-	-	-	21
2005	172	-	63	235	-	-	17	17	-	252
2006	-	-	(143)	(143)	-	-	-	-	-	(143)
2007	-	(1)	28	27	-	-	-	-	-	27
2008	-	(3)	43	40	-	-	-	-	-	40
2009	-	-	43	43	-	-	-	-	-	43
2010	259	(1)	20	278	-	-	26	26	-	304
2011	764	6	45	815	(8)	3	76	71	-	886
2012	728	101	33	862	(25)	8	81	64	-	926
2013	73	94	49	216	(4)	2	17	15	-	231
2014	453	186	49	688	(12)	4	63	55	-	743
2015	687	203	61	951	(17)	7	105	95	-	1,046
2016	524	141	55	720	(12)	4	79	71	-	791
PAYs (sub-total):	3,660	726	398	4,784	(78)	28	464	414	-	5,198
CAY (2017)	859	715	(10)	1,564	(28)	10	184	166	-	1,730
claims liabilities:	4,519	1,441	388	6,348	(106)	38	648	580	-	6,928
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	2,417	(229)		2,188	(20)	7	125	112		2,188
policy liabilities:				8,536	(126)	45	773	692		9,116

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

Exhibit C-7

Projected Policy Liabilities – Yukon

page 1 of 3

Private Passenger ending 2017	Yukon - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	-	2	-	2	-	-	-	-	2
1998	-	-	-	-	-	-	-	-	-
1999	-	1	-	1	-	-	-	-	1
2000	-	-	-	-	-	-	-	-	-
2001	-	1	-	1	-	-	-	-	1
2002	-	-	-	-	-	-	-	-	-
2003	-	1	-	1	-	-	-	-	1
2004	-	-	-	-	-	-	-	-	-
2005	-	-	(37)	(37)	-	-	-	-	(37)
2006	-	-	11	11	-	-	-	-	11
2007	-	-	12	12	-	-	-	-	12
2008	-	14	12	26	-	-	1	1	27
2009	-	14	8	22	-	-	1	1	23
2010	139	16	3	158	(2)	1	16	15	173
2011	211	28	6	245	(4)	1	24	21	266
2012	(9)	49	7	47	(1)	-	4	3	50
2013	(8)	75	(1)	66	(1)	-	7	6	72
2014	(3)	138	6	141	(3)	1	17	15	156
2015	924	89	10	1,023	(21)	7	123	109	1,132
2016	252	48	5	305	(7)	2	36	31	336
PAYs (sub-total):	1,506	476	42	2,024	(39)	12	229	202	2,226
CAY (2017)	216	118	(3)	331	(9)	3	40	34	365
claims liabilities:	1,722	594	39	2,355	(48)	15	269	236	2,591
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	332	(35)		297	(5)	2	23	20	297
policy liabilities:				2,652	(53)	17	292	256	2,888

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

Exhibit C-7

Projected Policy Liabilities – Yukon

page 2 of 3

Non Private Passenger ending 2017	Yukon - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)				TOTAL	
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD		Total apvs
prior	-	-	-	-	-	-	-	-	-	-
1998	-	1	-	-	1	-	-	-	-	1
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	(24)	(24)	(24)	-	-	-	-	(24)
2006	-	-	6	6	6	-	-	-	-	6
2007	-	-	7	7	7	-	-	-	-	7
2008	-	1	7	8	8	-	-	-	-	8
2009	-	-	7	7	7	-	-	-	-	7
2010	-	2	4	6	6	-	-	-	-	6
2011	-	5	7	12	12	-	-	1	1	13
2012	88	(39)	8	57	57	(1)	-	5	4	61
2013	-	46	(2)	44	44	(1)	-	5	4	48
2014	58	50	9	117	117	(2)	1	13	12	129
2015	383	44	14	441	441	(8)	3	52	47	488
2016	129	55	9	193	193	(4)	1	20	17	210
PAYs (sub-total):	658	165	52	875	875	(16)	5	96	85	960
CAY (2017)	265	193	(5)	453	453	(8)	3	49	44	497
claims liabilities:	923	358	47	1,328	1,328	(24)	8	145	129	1,457
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision		discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	614	(50)		564		(5)	2	32	29	564
policy liabilities:				1,892		(29)	10	177	158	2,021

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

Exhibit C-7

Projected Policy Liabilities – Yukon

page 3 of 3

PPV & non-PPV ending 2017	Yukon - Projected Balances as at Dec. 31, 2017 (\$000s)								
	nominal values				actuarial present value adjustments (apvs)				TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	
prior	-	2	-	2	-	-	-	-	2
1998	-	1	-	1	-	-	-	-	1
1999	-	1	-	1	-	-	-	-	1
2000	-	-	-	-	-	-	-	-	-
2001	-	1	-	1	-	-	-	-	1
2002	-	-	-	-	-	-	-	-	-
2003	-	1	-	1	-	-	-	-	1
2004	-	-	-	-	-	-	-	-	-
2005	-	-	(61)	(61)	-	-	-	-	(61)
2006	-	-	17	17	-	-	-	-	17
2007	-	-	19	19	-	-	-	-	19
2008	-	15	19	34	-	-	1	1	35
2009	-	14	15	29	-	-	1	1	30
2010	139	18	7	164	(2)	1	16	15	179
2011	211	33	13	257	(4)	1	25	22	279
2012	79	10	15	104	(2)	-	9	7	111
2013	(8)	121	(3)	110	(2)	-	12	10	120
2014	55	188	15	258	(5)	2	30	27	285
2015	1,307	133	24	1,464	(29)	10	175	156	1,620
2016	381	103	14	498	(11)	3	56	48	546
PAYs (sub-total):	2,164	641	94	2,899	(55)	17	325	287	3,186
CAY (2017)	481	311	(8)	784	(17)	6	89	78	862
claims liabilities:	2,645	952	86	3,683	(72)	23	414	365	4,048
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	946	(85)		861	(10)	4	55	49	861
policy liabilities:				4,544	(82)	27	469	414	4,909

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

Exhibit C-8

Projected Policy Liabilities – Northwest Territories

page 1 of 3

Private Passenger ending 2017	Northwest Territories - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
prior	-	(1)	-	(1)	-	-	-	-	-	(1)
1998	-	1	-	1	-	-	-	-	-	1
1999	-	1	-	1	-	-	-	-	-	1
2000	-	(1)	-	(1)	-	-	-	-	-	(1)
2001	-	1	-	1	-	-	-	-	-	1
2002	-	1	-	1	-	-	-	-	-	1
2003	-	1	-	1	-	-	-	-	-	1
2004	-	(2)	-	(2)	-	-	-	-	-	(2)
2005	-	-	13	13	-	-	-	-	-	13
2006	-	(3)	15	12	-	-	-	-	-	12
2007	-	3	24	27	-	-	-	-	-	27
2008	-	21	34	55	(1)	-	2	1	56	
2009	119	(19)	31	131	(2)	1	10	9	140	
2010	-	3	24	27	-	-	-	-	27	
2011	64	36	27	127	(2)	1	10	9	136	
2012	80	66	28	174	(2)	1	15	14	188	
2013	113	61	27	201	(3)	1	17	15	216	
2014	793	43	27	863	(15)	5	103	93	956	
2015	950	166	87	1,203	(25)	9	135	119	1,322	
2016	434	217	23	674	(16)	5	75	64	738	
PAYs (sub-total):	2,553	595	360	3,508	(66)	23	367	324	3,832	
CAY (2017)	613	419	(57)	975	(24)	8	120	104	1,079	
claims liabilities:	3,166	1,014	303	4,483	(90)	31	487	428	4,911	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	1,216	(132)		1,084	(13)	5	59	51	1,084	
policy liabilities:				5,567	(103)	36	546	479	5,995	

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

Exhibit C-8

Projected Policy Liabilities – Northwest Territories

page 2 of 3

Non Private Passenger ending 2017	Northwest Territories - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					TOTAL
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
prior	-	1	-	1	-	-	-	-	-	1
1998	-	-	-	-	-	-	-	-	-	-
1999	-	1	-	1	-	-	-	-	-	1
2000	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-
2003	-	(1)	-	(1)	-	-	-	-	-	(1)
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	4	4	-	-	-	-	-	4
2006	-	1	4	5	-	-	-	-	-	5
2007	-	-	7	7	-	-	-	-	-	7
2008	-	-	10	10	-	-	-	-	-	10
2009	-	-	9	9	-	-	-	-	-	9
2010	-	1	8	9	-	-	-	-	-	9
2011	-	-	9	9	-	-	-	-	-	9
2012	-	8	10	18	-	-	1	1	-	19
2013	387	28	10	425	(7)	2	41	36	-	461
2014	701	51	9	761	(14)	5	91	82	-	843
2015	81	73	28	182	(3)	1	17	15	-	197
2016	103	44	9	156	(3)	1	16	14	-	170
PAYs (sub-total):	1,272	207	117	1,596	(27)	9	166	148	-	1,744
CAY (2017)	187	181	(20)	348	(8)	3	40	35	-	383
claims liabilities:	1,459	388	97	1,944	(35)	12	206	183	-	2,127
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	583	(47)		536	(3)	1	19	17		536
*Total may not be sum of parts, as apvs apply to future costs within UPR										
policy liabilities:				2,480	(38)	13	225	200		2,663

Exhibit C-8

Projected Policy Liabilities – Northwest Territories

page 3 of 3

PPV & non-PPV ending 2017	Northwest Territories - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)				TOTAL	
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD		Total apvs
prior	-	-	-	-	-	-	-	-	-	-
1998	-	1	-	-	1	-	-	-	-	1
1999	-	2	-	-	2	-	-	-	-	2
2000	-	(1)	-	-	(1)	-	-	-	-	(1)
2001	-	1	-	-	1	-	-	-	-	1
2002	-	1	-	-	1	-	-	-	-	1
2003	-	-	-	-	-	-	-	-	-	-
2004	-	(2)	-	-	(2)	-	-	-	-	(2)
2005	-	-	-	17	17	-	-	-	-	17
2006	-	(2)	-	19	17	-	-	-	-	17
2007	-	3	-	31	34	-	-	-	-	34
2008	-	21	-	44	65	(1)	-	2	1	66
2009	119	(19)	-	40	140	(2)	1	10	9	149
2010	-	4	-	32	36	-	-	-	-	36
2011	64	36	-	36	136	(2)	1	10	9	145
2012	80	74	-	38	192	(2)	1	16	15	207
2013	500	89	-	37	626	(10)	3	58	51	677
2014	1,494	94	-	36	1,624	(29)	10	194	175	1,799
2015	1,031	239	-	115	1,385	(28)	10	152	134	1,519
2016	537	261	-	32	830	(19)	6	91	78	908
PAYs (sub-total):	3,825	802	-	477	5,104	(93)	32	533	472	5,576
CAY (2017)	800	600	-	(77)	1,323	(32)	11	160	139	1,462
claims liabilities:	4,625	1,402	-	400	6,427	(125)	43	693	611	7,038
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision		discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	1,799	(179)	-	1,620		(16)	6	78	68	1,620
policy liabilities:				8,047		(141)	49	771	679	8,658

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

Exhibit C-9

Projected Policy Liabilities – Nunavut

page 1 of 3

Private Passenger ending 2017	Nunavut - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	(1)	-	(1)	-	-	-	-	-	(1)
2002	-	(1)	-	(1)	-	-	-	-	-	(1)
2003	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	1	3	4	-	-	-	-	-	4
2008	-	1	5	6	-	-	-	-	-	6
2009	-	-	6	6	-	-	-	-	-	6
2010	-	5	6	11	-	-	1	1	1	12
2011	-	13	7	20	-	-	1	1	1	21
2012	45	20	8	73	(1)	-	7	6	6	79
2013	(6)	30	(9)	15	-	-	2	2	2	17
2014	(12)	47	6	41	(1)	-	4	3	3	44
2015	68	76	6	150	(3)	1	16	14	14	164
2016	71	12	4	87	(2)	1	10	9	9	96
PAYs (sub-total):	166	203	42	411	(7)	2	41	36	36	447
CAY (2017)	25	86	(13)	98	(3)	1	13	11	11	109
claims liabilities:	191	289	29	509	(10)	3	54	47	47	556
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	304	(33)		271	(2)	1	8	7		271
policy liabilities:				780	(12)	4	62	54		827

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

Exhibit C-9

Projected Policy Liabilities – Nunavut

page 2 of 3

Non Private Passenger ending 2017	Nunavut - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)				TOTAL	
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD		Total apvs
prior	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-
2003	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	2	2	-	-	-	-	2
2008	-	-	-	2	2	-	-	-	-	2
2009	-	-	-	4	4	-	-	-	-	4
2010	-	-	-	4	4	-	-	-	-	4
2011	-	-	-	5	5	-	-	-	-	5
2012	-	-	6	5	11	-	-	1	1	12
2013	-	-	21	(7)	14	-	-	2	2	16
2014	413	36	5	5	454	(8)	3	45	40	494
2015	27	104	5	5	136	(2)	1	15	14	150
2016	190	34	5	5	229	(4)	2	25	23	252
PAYs (sub-total):	630	201	30	861	861	(14)	6	88	80	941
CAY (2017)	154	101	(18)	237	237	(6)	2	29	25	262
claims liabilities:	784	302	12	1,098	1,098	(20)	8	117	105	1,203
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision		discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	402	(33)		369	369	(4)	1	18	15	369
*Total may not be sum of parts, as apvs apply to future costs within UPR										
policy liabilities:				1,467	1,467	(24)	9	135	120	1,572

Exhibit C-9

Projected Policy Liabilities – Nunavut

page 3 of 3

PPV & non-PPV ending 2017	Nunavut - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)				TOTAL	
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD		Total apvs
prior	-	-	-	-	-	-	-	-	-	-
1998	-	-	-	-	-	-	-	-	-	-
1999	-	-	-	-	-	-	-	-	-	-
2000	-	-	-	-	-	-	-	-	-	-
2001	-	(1)	-	-	(1)	-	-	-	-	(1)
2002	-	(1)	-	-	(1)	-	-	-	-	(1)
2003	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2007	-	1	5	6	-	-	-	-	-	6
2008	-	1	7	8	-	-	-	-	-	8
2009	-	-	10	10	-	-	-	-	-	10
2010	-	5	10	15	-	-	1	1	-	16
2011	-	13	12	25	-	-	1	1	-	26
2012	45	26	13	84	(1)	-	8	7	-	91
2013	(6)	51	(16)	29	-	-	4	4	-	33
2014	401	83	11	495	(9)	3	49	43	-	538
2015	95	180	11	286	(5)	2	31	28	-	314
2016	261	46	9	316	(6)	3	35	32	-	348
PAYs (sub-total):	796	404	72	1,272	(21)	8	129	116	-	1,388
CAY (2017)	179	187	(31)	335	(9)	3	42	36	-	371
claims liabilities:	975	591	41	1,607	(30)	11	171	152	-	1,759
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs		TOTAL*
premium liabilities:	706	(66)		640	(6)	2	26	22		640
policy liabilities:				2,247	(36)	13	197	174		2,399

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

Exhibit C-10

Projected Policy Liabilities – ALL JURISDICTIONS COMBINED

page 1 of 3

Private Passenger ending 2017	ALL JURISDICTIONS - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	6,356	(1,112)	20	5,264	(9)	3	545	539	5,803	
1998	-	26	21	47	-	-	2	2	49	
1999	-	17	(32)	(15)	-	-	1	1	(14)	
2000	-	(4)	27	23	-	-	3	3	26	
2001	-	16	9	25	-	-	2	2	27	
2002	543	(22)	233	754	-	-	57	57	811	
2003	2,524	(67)	515	2,972	(78)	27	241	190	3,162	
2004	2,933	(372)	1,001	3,562	(65)	24	250	209	3,771	
2005	1,307	420	558	2,285	(60)	22	166	128	2,413	
2006	2,453	545	944	3,942	(138)	47	286	195	4,137	
2007	3,339	960	1,426	5,725	(177)	61	412	296	6,021	
2008	1,299	349	1,271	2,919	(55)	18	160	123	3,042	
2009	2,662	374	1,047	4,083	(98)	34	294	230	4,313	
2010	5,096	317	923	6,336	(128)	46	531	449	6,785	
2011	6,655	379	1,123	8,157	(134)	46	692	604	8,761	
2012	9,214	681	1,483	11,378	(215)	75	969	829	12,207	
2013	9,863	1,431	997	12,291	(196)	65	1,191	1,060	13,351	
2014	14,530	2,580	965	18,075	(279)	97	1,936	1,754	19,829	
2015	14,219	3,060	957	18,236	(301)	107	1,986	1,792	20,028	
2016	12,229	2,867	891	15,987	(294)	107	1,694	1,507	17,494	
PAYs (sub-total):	95,222	12,445	14,379	122,046	(2,227)	779	11,418	9,970	132,016	
CAY (2017)	17,574	11,954	724	30,252	(608)	225	3,323	2,940	33,192	
claims liabilities:	112,796	24,399	15,103	152,298	(2,835)	1,004	14,741	12,910	165,208	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	37,574	(3,636)		33,938	(407)	141	2,248	1,982	34,121	
policy liabilities:				186,236	(3,242)	1,145	16,989	14,892	199,329	

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

Exhibit C-10

Projected Policy Liabilities – ALL JURISDICTIONS COMBINED

page 2 of 3

Non Private Passenger ending 2017	ALL JURISDICTIONS - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values				actuarial present value adjustments (apvs)					
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	288	15	5	308	-	-	37	37	345	
1998	-	14	4	18	-	-	1	1	19	
1999	-	2	(5)	(3)	-	-	-	-	(3)	
2000	-	(2)	14	12	-	-	-	-	12	
2001	-	9	4	13	-	-	2	2	15	
2002	1	16	88	105	-	-	2	2	107	
2003	22	2	113	137	-	-	6	6	143	
2004	1,036	(57)	195	1,174	(2)	1	99	98	1,272	
2005	1,082	85	120	1,287	(44)	16	113	85	1,372	
2006	448	66	537	1,051	(20)	8	49	37	1,088	
2007	2,557	66	972	3,595	(76)	26	256	206	3,801	
2008	1,431	103	973	2,507	(54)	19	149	114	2,621	
2009	1,330	169	915	2,414	(39)	14	148	123	2,537	
2010	1,533	276	898	2,707	(24)	9	180	165	2,872	
2011	9,139	(232)	1,139	10,046	(156)	57	875	776	10,822	
2012	11,901	481	1,520	13,902	(230)	78	1,215	1,063	14,965	
2013	19,686	1,872	1,447	23,005	(339)	116	2,393	2,170	25,175	
2014	15,597	4,633	1,506	21,736	(322)	119	2,388	2,185	23,921	
2015	19,239	4,881	1,490	25,610	(406)	144	3,034	2,772	28,382	
2016	17,911	6,489	1,448	25,848	(472)	163	2,801	2,492	28,340	
PAYs (sub-total):	103,201	18,888	13,383	135,472	(2,184)	770	13,748	12,334	147,806	
CAY (2017)	21,473	19,917	694	42,084	(805)	300	4,802	4,297	46,381	
claims liabilities:	124,674	38,805	14,077	177,556	(2,989)	1,070	18,550	16,631	194,187	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	54,058	(3,529)		50,529	(556)	190	3,186	2,820	50,803	
policy liabilities:				228,085	(3,545)	1,260	21,736	19,451	244,990	

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

Exhibit C-10

Projected Policy Liabilities – ALL JURISDICTIONS COMBINED

page 3 of 3

PPV & non-PPV ending 2017	ALL JURISDICTIONS - Projected Balances as at Dec. 31, 2017 (\$000s)									
	nominal values					actuarial present value adjustments (apvs)				
	Acc Yr	Case	IBNR	Retro Claims Fee & Expense	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
prior	6,644	(1,097)	25	5,572	(9)	3	582	576	6,148	
1998	-	40	25	65	-	-	3	3	68	
1999	-	19	(37)	(18)	-	-	1	1	(17)	
2000	-	(6)	41	35	-	-	3	3	38	
2001	-	25	13	38	-	-	4	4	42	
2002	544	(6)	321	859	-	-	59	59	918	
2003	2,546	(65)	628	3,109	(78)	27	247	196	3,305	
2004	3,969	(429)	1,196	4,736	(67)	25	349	307	5,043	
2005	2,389	505	678	3,572	(104)	38	279	213	3,785	
2006	2,901	611	1,481	4,993	(158)	55	335	232	5,225	
2007	5,896	1,026	2,398	9,320	(253)	87	668	502	9,822	
2008	2,730	452	2,244	5,426	(109)	37	309	237	5,663	
2009	3,992	543	1,962	6,497	(137)	48	442	353	6,850	
2010	6,629	593	1,821	9,043	(152)	55	711	614	9,657	
2011	15,794	147	2,262	18,203	(290)	103	1,567	1,380	19,583	
2012	21,115	1,162	3,003	25,280	(445)	153	2,184	1,892	27,172	
2013	29,549	3,303	2,444	35,296	(535)	181	3,584	3,230	38,526	
2014	30,127	7,213	2,471	39,811	(601)	216	4,324	3,939	43,750	
2015	33,458	7,941	2,447	43,846	(707)	251	5,020	4,564	48,410	
2016	30,140	9,356	2,339	41,835	(766)	270	4,495	3,999	45,834	
PAYs (sub-total):	198,423	31,333	27,762	257,518	(4,411)	1,549	25,166	22,304	279,822	
CAY (2017)	39,047	31,871	1,418	72,336	(1,413)	525	8,125	7,237	79,573	
claims liabilities:	237,470	63,204	29,180	329,854	(5,824)	2,074	33,291	29,541	359,395	
	Unearned Premium	Premium Deficiency / (DPAC)		Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*	
premium liabilities:	91,632	(7,165)		84,467	(963)	331	5,434	4,802	84,924	
policy liabilities:				414,321	(6,787)	2,405	38,725	34,343	444,319	

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