

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

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

**BULLETIN NO.: F16 – 081**

**DATE: OCTOBER 27, 2016**

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

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

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

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

The calendar year-to-date Operating Result is -\$64.4 million and the incurred loss ratio to the end of 9 months is 125.8%, as summarized in the table immediately below.

<b>Amounts in \$000s</b>	<b>September 2016</b>	September 2015	<b>Year to date Sep 2016</b>	Year to Date Sep 2015
Premiums Written	15,930	13,536	110,817	107,926
Premiums Earned	11,449	11,731	95,720	111,178
Claims Incurred	9,272	8,511	120,399	77,860
General Expenses	4,321	3,458	39,731	34,297
<b>Operating Result</b>	<b>(2,144)</b>	<b>(238)</b>	<b>(64,410)</b>	<b>(979)</b>
<b>Ratios:</b>				
<b>Loss ratio % - Prior Accident Years</b>	<b>(5.9%)</b>	<b>(4.0%)</b>	38.0%	<b>(8.3%)</b>
- Current Accident Year	86.9%	76.6%	87.8%	78.3%
<i>Total</i>	<b>81.0%</b>	<b>72.6%</b>	<b>125.8%</b>	<b>70.0%</b>
<b>General Expenses %</b>	<b>37.7%</b>	<b>29.5%</b>	<b>41.5%</b>	<b>30.8%</b>
<b>Combined Operating Ratio</b>	<b>118.7%</b>	<b>102.1%</b>	<b>167.3%</b>	<b>100.8%</b>

*Rounding differences may apply.*

**Bulletin F16-081****Alberta Risk Sharing Pools – September 2016 Operational Reports**

These results are discussed in some detail in the “Current Month Results” section below. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2016 for Risk Sharing Pool - Alberta Grid” attached to this bulletin.

Updated Projection to Year-end 2016

The projected calendar year Operating Result to December 2016 is -\$69.6 million and the estimated combined operating ratio to December 2016 is 152.4%. This updated projection to the end of the year has not changed significantly from the projection provided last month (-\$69.9 million and 152.5%).

Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$2.1 million Operating Result in the month of September 2016, a deterioration of \$1.9 million compared with the same month last year. This deterioration mainly stems from the overall increase in the combined ratio (from 102.1% to 118.7% applied to \$11.4 million in earned premium).

This month’s results moved the year-to-date combined operating ratio from 173.9% at the end of 8 months to 167.3% at the end of 9 months. The 6.6 percentage point decrease is composed of a 6.0 percentage point decrease in the Prior Accident Years loss ratio, coupled with a 0.1 percentage point decrease in the Current Accident Year loss ratio, and a 0.5 percentage point decrease in the expense ratio.

Variances from Projections

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

<b>September 2016</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Premiums Written	15,930	15,904	26	0.2%
Premiums Earned	11,449	11,531	(82)	(0.7%)
<b>Reported Losses</b>				
Paid Losses	9,776	7,958	1,818	22.8%
Paid Expenses	494	320	174	54.4%
Change in Outstanding Losses	674	1,241	(567)	(45.7%)
<b>Total Reported Losses</b>	<b>10,944</b>	<b>9,519</b>	<b>1,425</b>	<b>15.0%</b>
Change in IBNR Provision*	(1,672)	10	(1,682)	
Change in Premium Deficiency (DPAC) *	(541)	(536)	(5)	

(Amounts in \$000's)

Rounding differences may apply.

\* Detailed information is included in [Alberta Grid RSP September 2016 Operational Report - Actuarial Highlights](#).

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

For the month of September 2016, reported losses were \$1.4 million higher than projected. The Current Accident Year reported an unfavourable variance of \$0.3 million, and the Prior Accident Years reported an unfavourable variance of \$1.1 million. Of the Prior Accident Years, 2014 had the largest variance in reported losses at \$1.1 million unfavourable. No other single Prior Accident Year had a variance in excess of \$1.0 million.

The variances for claims activity (both reported and paid) were within the set thresholds for both the Prior Accident Years and the Current Accident Year for the month.

#### Booking IBNR

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Grid RSP September 2016 Operational Report – Actuarial Highlights](#).

#### **Effect of Quarterly Valuation**

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

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

The calendar year-to-date Operating Result is -\$34.4 million and the incurred loss ratio to the end of 9 months is 108.6%, as summarized in the table at the top of the next page.

<b>Amounts in \$000s</b>	<b>September 2016</b>	September 2015	<b>Year to date Sep 2016</b>	Year to Date Sep 2015
Premiums Written	8,419	6,607	77,286	68,120
Premiums Earned	7,704	7,342	66,291	68,031
Claims Incurred	8,111	7,340	71,991	65,886
General Expenses	2,461	1,883	28,685	20,632
<b>Operating Results</b>	<b>(2,868)</b>	<b>(1,881)</b>	<b>(34,385)</b>	<b>(18,487)</b>
<b>Ratios:</b>				
<b>Loss ratio % - Prior Accident Years</b>	<b>(3.9%)</b>	<b>(2.9%)</b>	<b>(3.2%)</b>	<b>(8.8%)</b>
- Current Accident Year	109.2%	102.9%	111.8%	105.6%
<i>Total</i>	<b>105.3%</b>	<b>100.0%</b>	<b>108.6%</b>	<b>96.8%</b>
<b>General Expenses %</b>	<b>31.9%</b>	<b>25.6%</b>	<b>43.3%</b>	<b>30.3%</b>
<b>Combined Operating Ratio</b>	<b>137.2%</b>	<b>125.6%</b>	<b>151.9%</b>	<b>127.1%</b>

*Rounding differences may apply.*

These results are discussed in some detail in the “Current Month Results” section below. For additional numeric details, please refer to Exhibit 2 “Summary of Operations for Calendar Year 2016 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

#### Updated Projection to Year-end 2016

The projected calendar year Operating Result to December 2016 is -\$41.0 million and the estimated combined operating ratio to December 2016 is 145.4%. This updated projection to the end of the year has improved by \$1.7 million from the projection provided last month (-\$42.7 million and 146.9%). This improvement is driven by a \$0.6 million reduction in projected written premium (and associated assumption updates), resulting in a lower projected net operating loss.

#### Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$2.9 million Operating Result in the month of September 2016, a deterioration of \$1.0 million compared with the same month last year. This deterioration is composed of a \$0.1 million unfavourable impact associated with the \$0.4 million increase in earned premium (at a combined ratio of 125.6%), with the remaining \$0.9 million deterioration stemming from the overall increase in the combined ratio (from 125.6% to 137.2% applied to \$7.7 million in earned premium).

This month’s results moved the year-to-date combined operating ratio from 153.9% at the end of 8 months to 151.9% at the end of 9 months. The 2.0 percentage point decrease is composed of a 0.1 percentage point decrease in the Prior Accident Years loss ratio, coupled with a 0.4 percentage point decrease in the Current Accident Year loss ratio, and a 1.5 percentage point decrease in the expense ratio.

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

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*Variances from Projections*

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

<b>September 2016</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Premiums Written	8,419	8,697	(278)	(3.2%)
Premiums Earned	7,704	7,728	(24)	(0.3%)
<b>Reported Losses</b>				
Paid Losses	7,967	7,680	287	3.7%
Paid Expenses	236	220	16	7.3%
Change in Outstanding Losses	888	950	(62)	(6.5%)
<b>Total Reported Losses</b>	<b>9,091</b>	<b>8,850</b>	<b>241</b>	<b>2.7%</b>
Change in IBNR Provision *	(980)	(673)	(307)	
Change in Premium Deficiency (DPAC) *	(141)	(101)	(40)	

(Amounts in \$000's)

Rounding differences may occur.

\* Detailed information is included in [Alberta Non-Grid RSP September 2016 Operational Report - Actuarial Highlights](#).

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

For the month of September 2016, reported losses were \$0.2 million higher than projected. The Current Accident Year had a \$0.1 million favourable variance in reported losses, while the Prior Accident Years had a \$0.3 million unfavourable variance. No single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

The variances for reported claims activity were within the set thresholds for both the Prior Accident Years and the Current Accident Year for the month. However, large case reserve activity for a particular accident year was identified, investigated, and confirmed as recorded correctly. The variances for paid claims activity were outside the set thresholds for both the Prior Accident Years and the Current Accident Year for the month. Management investigated paid claims activity and is satisfied that the variances are appropriately accounted for in our current booking process.

*Booking IBNR*

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to

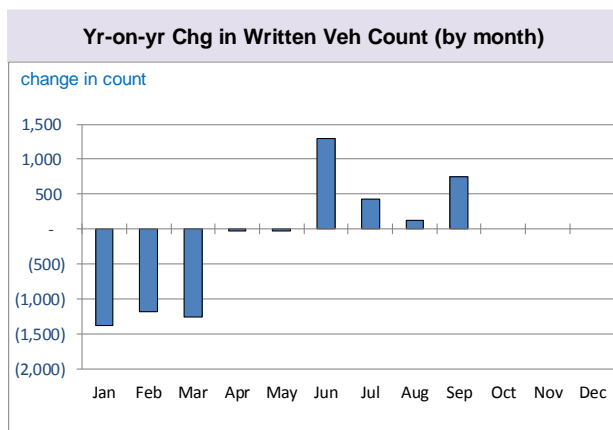
offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management’s investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Non-Grid RSP September 2016 Operational Report – Actuarial Highlights](#).

**Effect of Quarterly Valuation**

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

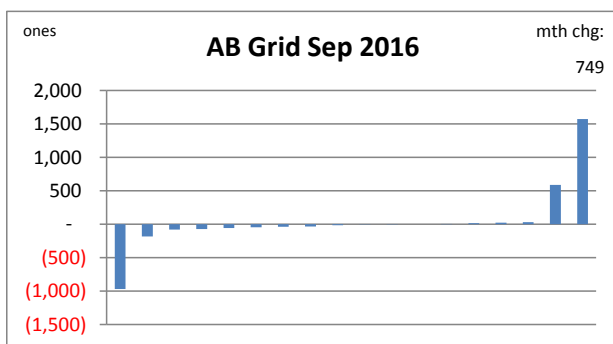
**Management Comments**

**Alberta Grid**



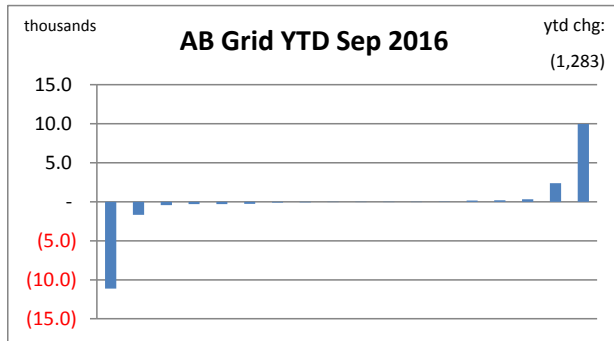
The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with September showing an increase of 749 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 736 vehicles, indicating a variance of 13 vehicles from the actual transfers. This variance was mainly due to one member company transferring a greater number of vehicles to the pool in September than

projected.



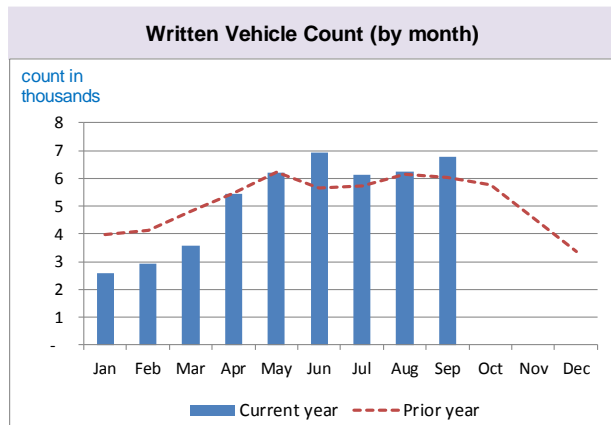
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eleven member company groups transferred fewer vehicles to the pool this month compared with a year ago, while 6 transferred more and 1 remained the same. Of the 11 member company groups transferring

fewer vehicles, 1 member company group accounted for 65% of the total transfer decrease for these “decliner” members. Of the 6 member company groups transferring more vehicles, 1 member company group accounted for 70% of the total transfer increases for these “grower” members.

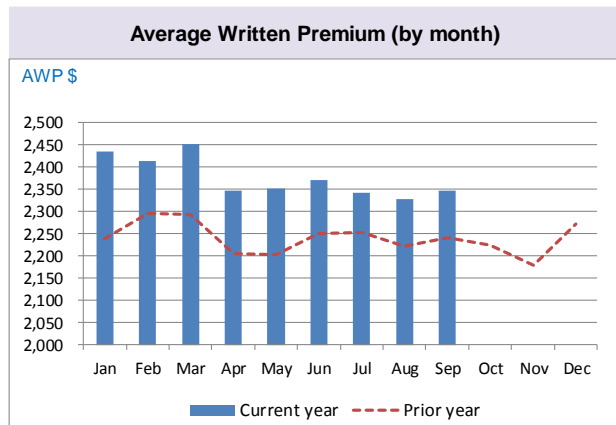


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

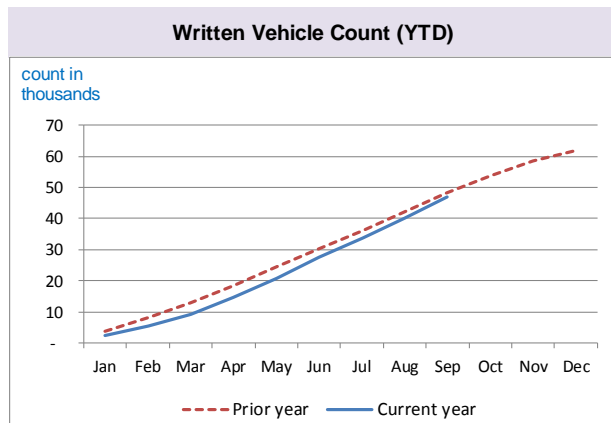
September's vehicle count transfers to the pool represent a 12.4% increase from September 2015, but vehicle counts were down 2.7% year-to-date. Average written premium was up 4.7% in September 2016 compared with the same month in 2015, and up 5.5% year-to-date (see charts immediately below).



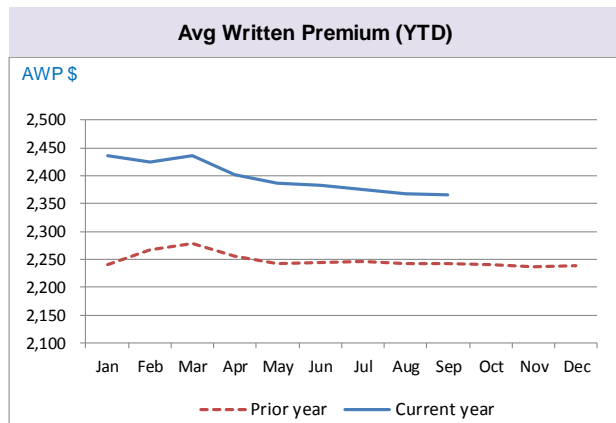
	Sep-16	Sep-15	Amt Chg	% Chg
W. Veh curr mth	6,788	6,039	749	12.4%



	Sep-16	Sep-15	Amt Chg	% Chg
AWP curr mth	2,347	2,242	105	4.7%

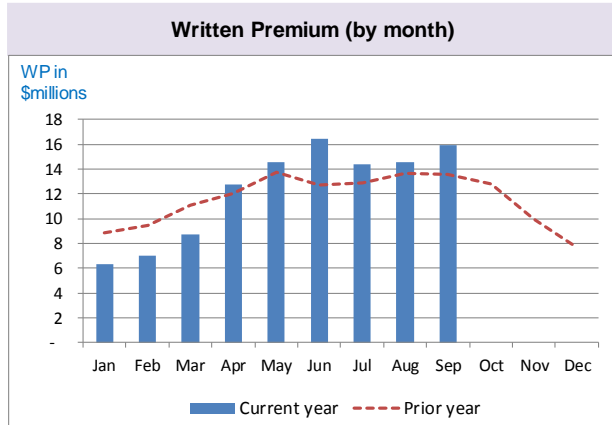


	Sep-16	Sep-15	Amt Chg	% Chg
W. Vehicles YTD	46,853	48,136	(1,283)	-2.7%

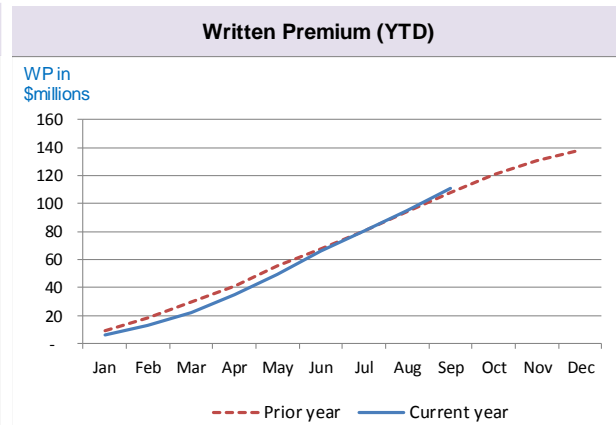


	Sep-16	Sep-15	Amt Chg	% Chg
Avg W. Prem YTD	2,365	2,242	123	5.5%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 17.7% for the month compared with the 17.5% increase we projected last month, and was up 2.7% year-to-date (see charts immediately below).

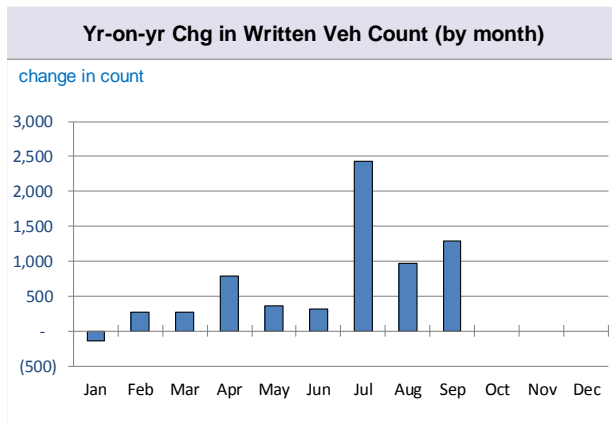


	Sep-16	Sep-15	Amt Chg	% Chg
WP (\$000s) curr mth	15,930	13,536	2,394	17.7%



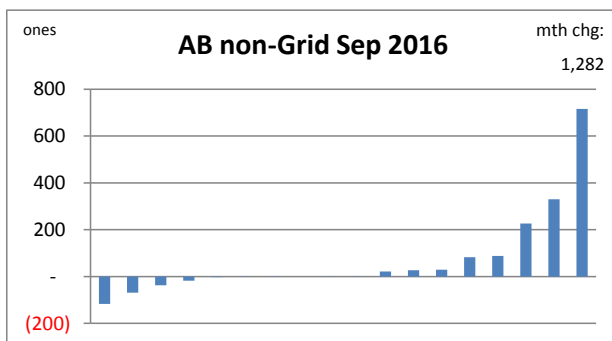
	Sep-16	Sep-15	Amt Chg	% Chg
WP (\$000s) YTD	110,817	107,926	2,891	2.7%

**Alberta Non-Grid**



than projected.

The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with September showing an increase of 1,282 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for an increase of 1,323 vehicles, indicating a variance of 41 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a lower number of vehicles to the pool in September



fewer vehicles, 1 member company groups accounted for 48% of the total transfer decrease for

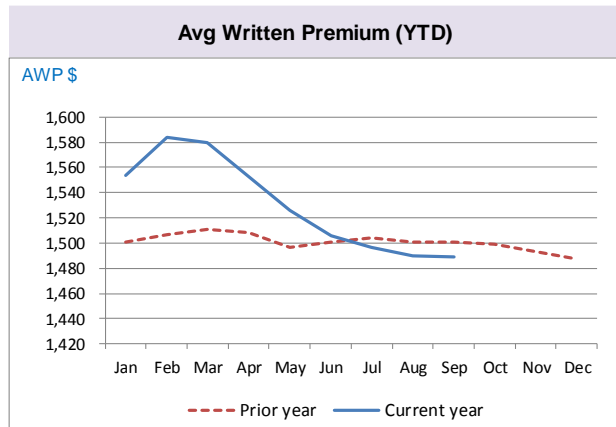
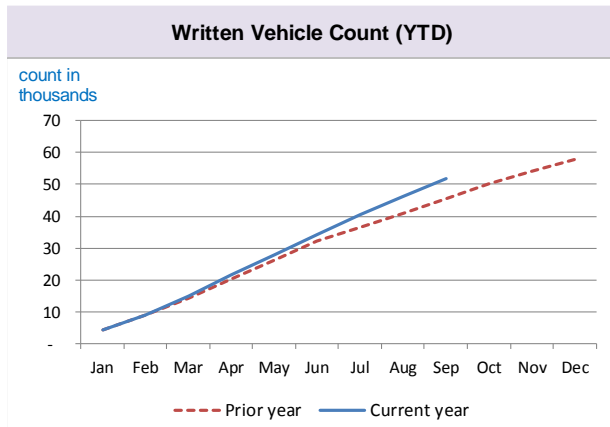
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Seven member company groups transferred fewer vehicles to the pool this month compared to a year ago, while 10 transferred more and 1 remained the same. Of the 7 member company groups transferring





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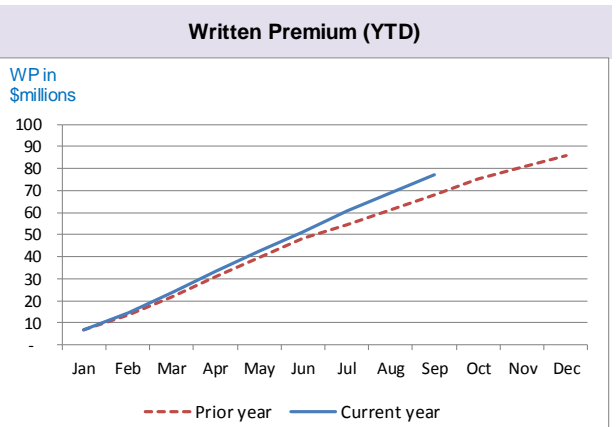
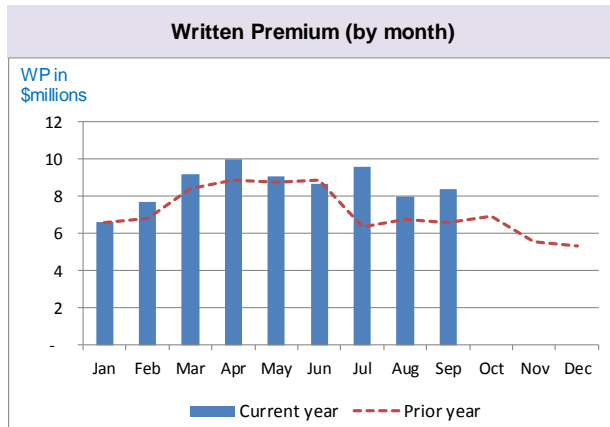
**Alberta Risk Sharing Pools – September 2016 Operational Reports**



	Sep-16	Sep-15	Amt Chg	% Chg
W. Vehicles YTD	51,908	45,378	6,530	14.4%

	Sep-16	Sep-15	Amt Chg	% Chg
Avg W. Prem YTD	1,489	1,501	(12)	-0.8%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 27.4% for the month compared with the 31.6% increase we projected last month, and was up 13.5% year-to-date (see charts immediately below).



	Sep-16	Sep-15	Amt Chg	% Chg
WP (\$000s) curr mth	8,419	6,607	1,811	27.4%

	Sep-16	Sep-15	Amt Chg	% Chg
WP (\$000s) YTD	77,286	68,121	9,166	13.5%

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

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

**Related Links:**

Alberta Grid RSP:

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

Alberta Non-Grid RSP:

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

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2016**

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 9 Months Ended September 30, 2016 (Discounted basis)

Source: Monthly Operational Report  
(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	CY2016 YTD	CY2016 12 MONTHS Updated Projection	CY2015 12 MONTHS Actual
<b>Underwriting Revenue:</b>												
Net Premiums Written	\$6,311	\$7,054	\$8,735	\$12,762	\$14,607	\$16,446	\$14,392	\$14,580	\$15,930	\$110,817	\$153,239	\$138,309
Decrease (Increase) in Unearned Premiums	5,002	2,994	1,535	(2,943)	(4,410)	(6,267)	(3,237)	(3,290)	(4,481)	(15,097)	(20,284)	7,899
<b>Net Premiums Earned</b>	<b>\$11,313</b>	<b>\$10,048</b>	<b>\$10,270</b>	<b>\$9,819</b>	<b>\$10,197</b>	<b>\$10,179</b>	<b>\$11,155</b>	<b>\$11,290</b>	<b>\$11,449</b>	<b>\$95,720</b>	<b>\$132,955</b>	<b>\$146,208</b>
<b>Claims Incurred:</b>												
Prior Accident Years:												
Undiscounted	(\$83)	(\$80)	\$17,887	(\$62)	\$12,256	(\$40)	(\$18)	\$7,254	(\$12)	\$37,102	\$37,101	(\$4,050)
Effect of Discounting	(598)	(700)	2,020	(612)	941	(656)	(494)	59	(664)	(\$704)	(2,539)	(5,152)
Discounted	(\$681)	(\$780)	\$19,907	(\$674)	\$13,197	(\$696)	(\$512)	\$7,313	(\$676)	\$36,398	\$34,562	(\$9,202)
Current Accident Year:												
Undiscounted	\$8,133	\$7,229	\$8,191	\$7,292	\$10,101	\$8,036	\$8,782	\$11,345	\$9,342	\$78,451	\$108,796	\$111,518
Effect of Discounting	755	529	581	412	781	490	578	818	606	\$5,550	7,234	6,303
Discounted	\$8,888	\$7,758	\$8,772	\$7,704	\$10,882	\$8,526	\$9,360	\$12,163	\$9,948	\$84,001	\$116,030	\$117,821
<b>Claims Incurred</b>	<b>\$8,207</b>	<b>\$6,978</b>	<b>\$28,679</b>	<b>\$7,030</b>	<b>\$24,079</b>	<b>\$7,830</b>	<b>\$8,848</b>	<b>\$19,476</b>	<b>\$9,272</b>	<b>\$120,399</b>	<b>\$150,592</b>	<b>\$108,619</b>
<b>Underwriting Expenses:</b>												
Expense Allowance	\$1,911	\$2,131	\$2,636	\$3,845	\$4,401	\$4,954	\$4,333	\$4,389	\$4,796	\$33,396	\$46,166	\$39,133
Change in UPDR/DPAC:												
Undiscounted	1,558	728	1,808	(759)	1,811	(1,365)	(730)	1,463	(870)	3,644	2,503	2,087
Effect of Discounting	(449)	(31)	107	189	627	431	220	605	329	2,028	2,399	884
Discounted	1,109	697	1,915	(570)	2,438	(934)	(510)	2,068	(541)	\$5,672	4,902	\$2,971
<b>Underwriting Expenses</b>	<b>\$3,020</b>	<b>\$2,828</b>	<b>\$4,551</b>	<b>\$3,275</b>	<b>\$6,839</b>	<b>\$4,020</b>	<b>\$3,823</b>	<b>\$6,457</b>	<b>\$4,255</b>	<b>\$39,068</b>	<b>51,068</b>	<b>\$42,104</b>
<b>Net Underwriting Gain (Loss)</b>	<b>\$86</b>	<b>\$242</b>	<b>(\$22,960)</b>	<b>(\$486)</b>	<b>(\$20,721)</b>	<b>(\$1,671)</b>	<b>(\$1,516)</b>	<b>(\$14,643)</b>	<b>(\$2,078)</b>	<b>(\$63,747)</b>	<b>(\$68,705)</b>	<b>(\$4,515)</b>
<b>Administrative Expenses</b>	<b>\$57</b>	<b>\$80</b>	<b>\$73</b>	<b>\$68</b>	<b>\$83</b>	<b>\$77</b>	<b>\$77</b>	<b>\$82</b>	<b>\$66</b>	<b>\$663</b>	<b>\$879</b>	<b>\$848</b>
<b>Operating Result</b>	<b>\$29</b>	<b>\$162</b>	<b>(\$23,033)</b>	<b>(\$554)</b>	<b>(\$20,804)</b>	<b>(\$1,748)</b>	<b>(\$1,593)</b>	<b>(\$14,725)</b>	<b>(\$2,144)</b>	<b>(\$64,410)</b>	<b>(\$69,584)</b>	<b>(\$5,363)</b>
<b>Ratios:</b>												
<b>Claims &amp; Expenses Incurred (Earned)</b>												
Prior Accident Years	-6.0%	-7.8%	193.8%	-6.9%	129.4%	-6.8%	-4.6%	64.8%	-5.9%	38.0%	26.0%	-6.3%
Current Accident Year	78.6%	77.2%	85.4%	78.5%	106.7%	83.8%	83.9%	107.7%	86.9%	87.8%	87.3%	80.6%
All Accident Years Combined (Earned)	72.6%	69.4%	279.2%	71.6%	236.1%	77.0%	79.3%	172.5%	81.0%	125.8%	113.3%	74.3%
Underwriting & Administrative Expenses (Earned)	27.2%	28.9%	45.0%	34.0%	67.9%	40.2%	35.0%	57.9%	37.7%	41.5%	39.1%	29.4%
<b>Combined Operating Ratio</b>	<b>99.8%</b>	<b>98.3%</b>	<b>324.2%</b>	<b>105.6%</b>	<b>304.0%</b>	<b>117.2%</b>	<b>114.3%</b>	<b>230.4%</b>	<b>118.7%</b>	<b>167.3%</b>	<b>152.4%</b>	<b>103.7%</b>

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

Rounding difference may apply

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2016**

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for the 9 Months Ended September 30, 2016 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

	January	February	March	April	May	June	July	August	September	CY2016 YTD	CY2016 12 MONTHS Updated Projection	CY2015 12 MONTHS Actual
<b>Underwriting Revenue:</b>												
Net Premiums Written	\$6,638	\$7,698	\$9,171	\$10,023	\$9,071	\$8,700	\$9,598	\$7,968	\$8,419	\$77,286	\$96,052	\$85,987
Decrease (Increase) in Unearned Premiums	578	(924)	(1,869)	(2,877)	(1,634)	(1,448)	(1,931)	(175)	(715)	(10,995)	(5,851)	3,856
<b>Net Premiums Earned</b>	<b>\$7,216</b>	<b>\$6,774</b>	<b>\$7,302</b>	<b>\$7,146</b>	<b>\$7,437</b>	<b>\$7,252</b>	<b>\$7,667</b>	<b>\$7,793</b>	<b>\$7,704</b>	<b>\$66,291</b>	<b>\$90,201</b>	<b>\$89,843</b>
<b>Claims Incurred:</b>												
Prior Accident Years:												
Undiscounted	(\$38)	(\$25)	(\$1,121)	(\$52)	\$776	(\$25)	(\$7)	\$1,017	(\$8)	\$517	\$517	(\$6,955)
Effect of Discounting	(502)	(609)	(72)	(348)	23	(247)	(327)	(272)	(296)	(2,650)	(3,483)	(2,327)
Discounted	(\$540)	(\$634)	(\$1,193)	(\$400)	\$799	(\$272)	(\$334)	\$745	(\$304)	(\$2,133)	(\$2,966)	(\$9,282)
Current Accident Year:												
Undiscounted	\$6,919	\$6,487	\$7,046	\$6,878	\$7,184	\$6,963	\$7,344	\$13,290	\$8,140	\$70,251	\$95,501	\$91,354
Effect of Discounting	604	386	400	346	379	234	429	820	275	3,873	5,537	4,879
Discounted	\$7,523	\$6,873	\$7,446	\$7,224	\$7,563	\$7,197	\$7,773	\$14,110	\$8,415	\$74,124	\$101,038	\$96,233
<b>Claims Incurred</b>	<b>\$6,983</b>	<b>\$6,239</b>	<b>\$6,253</b>	<b>\$6,824</b>	<b>\$8,362</b>	<b>\$6,925</b>	<b>\$7,439</b>	<b>\$14,855</b>	<b>\$8,111</b>	<b>\$71,991</b>	<b>\$98,072</b>	<b>\$86,951</b>
<b>Underwriting Expenses:</b>												
Expense Allowance	\$2,001	\$2,319	\$2,763	\$3,019	\$2,732	\$2,620	\$2,890	\$2,399	\$2,535	\$23,278	\$28,926	\$24,332
Change in UPDR/DPAC:												
Undiscounted	42	(38)	13	(88)	(86)	(61)	(83)	4,035	(183)	3,551	2,635	(1,441)
Effect of Discounting	(44)	71	232	227	15	109	147	392	42	1,191	704	231
Discounted	(2)	33	245	139	(71)	48	64	4,427	(141)	4,742	3,339	(\$1,210)
<b>Underwriting Expenses</b>	<b>\$1,999</b>	<b>\$2,352</b>	<b>\$3,008</b>	<b>\$3,158</b>	<b>\$2,661</b>	<b>\$2,668</b>	<b>\$2,954</b>	<b>\$6,826</b>	<b>\$2,394</b>	<b>\$28,020</b>	<b>\$32,265</b>	<b>\$23,122</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$1,766)</b>	<b>(\$1,817)</b>	<b>(\$1,959)</b>	<b>(\$2,836)</b>	<b>(\$3,586)</b>	<b>(\$2,341)</b>	<b>(\$2,726)</b>	<b>(\$13,888)</b>	<b>(\$2,801)</b>	<b>(\$33,720)</b>	<b>(\$40,136)</b>	<b>(\$20,230)</b>
<b>Administrative Expenses</b>	<b>\$58</b>	<b>\$80</b>	<b>\$73</b>	<b>\$68</b>	<b>\$83</b>	<b>\$77</b>	<b>\$77</b>	<b>\$82</b>	<b>\$67</b>	<b>\$665</b>	<b>\$874</b>	<b>\$791</b>
<b>Operating Result</b>	<b>(\$1,824)</b>	<b>(\$1,897)</b>	<b>(\$2,032)</b>	<b>(\$2,904)</b>	<b>(\$3,669)</b>	<b>(\$2,418)</b>	<b>(\$2,803)</b>	<b>(\$13,970)</b>	<b>(\$2,868)</b>	<b>(\$34,385)</b>	<b>(\$41,010)</b>	<b>(\$21,021)</b>
<b>Ratios:</b>												
<b>Claims &amp; Expenses Incurred (Earned)</b>												
Prior Accident Years	-7.5%	-9.4%	-16.3%	-5.6%	10.7%	-3.8%	-4.4%	9.6%	-3.9%	-3.2%	-3.3%	-10.3%
Current Accident Year	104.3%	101.5%	102.0%	101.1%	101.7%	99.2%	101.4%	181.1%	109.2%	111.8%	112.0%	107.1%
All Accident Years Combined	96.8%	92.1%	85.7%	95.5%	112.4%	95.4%	97.0%	190.7%	105.3%	108.6%	108.7%	96.8%
Underwriting & Administrative Expenses (Earned)	28.5%	35.9%	42.2%	45.1%	36.9%	37.9%	39.5%	88.6%	31.9%	43.3%	36.7%	26.6%
<b>Combined Operating Ratio</b>	<b>125.3%</b>	<b>128.0%</b>	<b>127.9%</b>	<b>140.6%</b>	<b>149.3%</b>	<b>133.3%</b>	<b>136.5%</b>	<b>279.3%</b>	<b>137.2%</b>	<b>151.9%</b>	<b>145.4%</b>	<b>123.4%</b>

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