



TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER
ALBERTA RISK SHARING POOL PROJECT MANAGER

BULLETIN NO.: F17 – 075

DATE: SEPTEMBER 29, 2017

SUBJECT: ALBERTA RISK SHARING POOLS
– AUGUST 2017 OPERATIONAL REPORT

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

Please be advised that the August 2017 Alberta Risk Sharing Pools Operational Reports are now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

New This Month

Valuation

Valuations of the Alberta Grid Risk Sharing Pool (“RSP”) and Non-Grid RSP as at June 30, 2017 have been completed since last month’s Operational Reports and the results of these valuations have been incorporated into this month’s Operational Reports. The valuations were completed by the Facility Association’s internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

For the **Alberta Grid RSP**, the implementation of the new valuation resulted in an estimated overall **\$8.3 million unfavourable** impact on the month’s net result from operations, adding an estimated 8.6 points to the year-to-date Combined Operating Ratio (ending at 147.5%). The impact is summarized in the tables at the top of the next page¹.

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

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Alberta Risk Sharing Pools – August 2017 Operational Reports

| AB Grid | unfav / (fav) for the month and ytd | | | | | | ytd EP 97,121 (actual) | | | | | |
|----------|-------------------------------------|----------|---------|-----------|----------|-------|---|----------|---------|-----------|----------|-------|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % ytd EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 3,979 | 338 | 4,317 | (1,528) | (941) | 1,848 | 4.1% | 0.3% | 4.4% | (1.6%) | (1.0%) | 1.9% |
| CAY | 3,647 | 275 | 3,922 | (428) | - | 3,494 | 3.8% | 0.3% | 4.0% | (0.4%) | - | 3.6% |
| Prem Def | 3,078 | 301 | 3,379 | (413) | - | 2,966 | 3.2% | 0.3% | 3.5% | (0.4%) | - | 3.1% |
| TOTAL | 10,704 | 914 | 11,618 | (2,369) | (941) | 8,308 | 11.0% | 0.9% | 12.0% | (2.4%) | (1.0%) | 8.6% |

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating an unfavourable impact of \$11.6 million – see column [3] in the left table above), partially offset by the impact due to a 21 basis point increase in the selected discount rate (from 0.98% to 1.19%, generating a \$2.4 million favourable impact – see column [4] in the left table above). Further, while there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points), the margins for adverse deviation for claims development as selected at the coverage / accident year level were updated with this valuation (generating a \$0.9 million favourable impact – see column [5] in the left table above).

Management has observed unfavourable total valuation impacts over the last 8 valuation implementations for the Alberta Grid RSP, with no valuation implementations being favourable over that period, as shown in the table below (summarizing the same information as provided in the left table above as relates to the most recent 8 valuation implementations). It should be noted that the impacts in column [4] are largely outside of the control of FA (as being related to macroeconomic factors).

| RSP: Alberta Grid, as at: 2017 Q2 | | unfavourable / (favourable) Valuation Implementation Impact (\$000s) | | | | | \$000s | |
|--------------------------------------|-------------------|--|--------------------------|-------------------|-----------------|------------------|---------------------------|------------------------------|
| Valuation | updated LRs & exp | updated LRs & exp | APVs @ prior assumptions | updated dsct rate | updated margins | Total Impact | Booked Policy Liabilities | Total Impact as % Book Liabs |
| | [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] |
| | | | | | | =sum([1] to [6]) | | =[6] / [7] |
| 2015 Q3 | Oct | 3,402 | 315 | 1,683 | - | 5,400 | 333,060 | 1.6% |
| 2015 Q4 | Mar | 20,151 | 2,474 | 524 | - | 23,149 | 328,237 | 7.1% |
| 2016 Q1 | May | 17,793 | 1,778 | 509 | - | 20,080 | 349,340 | 5.7% |
| 2016 Q2 | Aug | 11,942 | 1,410 | 556 | (820) | 13,088 | 372,965 | 3.5% |
| 2016 Q3 | Oct | 4,867 | 406 | 603 | - | 5,876 | 384,652 | 1.5% |
| 2016 Q4 | Mar | 19,370 | 2,700 | (5,507) | - | 16,563 | 383,713 | 4.3% |
| 2017 Q1 | May | 7,217 | 455 | 934 | - | 8,606 | 395,177 | 2.2% |
| 2017 Q2 | Aug | 10,704 | 914 | (2,369) | (941) | 8,308 | 410,268 | 2.0% |
| 8-qtrs | | 95,446 | 10,452 | (3,067) | (1,761) | 101,070 | | |
| % of total | | 94.4% | 10.3% | (3.0%) | (1.7%) | 100.0% | | |
| Averages | | | | | | | | |
| 8-qtrs | | 11,931 | 1,307 | (383) | (220) | 12,634 | 369,677 | 3.4% |
| 2015 Q3 to 2016 Q2 | | 13,322 | 1,494 | 818 | (205) | 15,429 | 345,901 | 4.5% |
| 2016 Q3 to 2017 Q2 | | 10,540 | 1,119 | (1,585) | (235) | 9,838 | 393,453 | 2.5% |

The FA valuation approach is focused on providing best estimates on a nominal basis, and we expect this to manifest itself as a close-to-zero 8-quarter impact for column [2] in the table above. This objective has not been met, and we are somewhat discouraged that the average

impact over the most recent 4 valuations has been little different from the earlier 4 valuations shown.

For the **Alberta Non-Grid RSP**, the implementation of the new valuation resulted in an estimated overall **\$5.9 million unfavourable** impact on the month’s net result from operations, adding an estimated 9.1 points to the year-to-date Combined Operating Ratio (ending at 152.7%). The impact is summarized in the tables immediately below.

| AB Non-Grid | unfav / (fav) for the month and ytd | | | | | | ytd EP 64,739 (actual) | | | | | |
|--------------|-------------------------------------|------------|--------------|----------------|--------------|--------------|---|-------------|--------------|---------------|---------------|-------------|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % ytd EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 2,848 | 366 | 3,214 | (856) | (550) | 1,808 | 4.4% | 0.6% | 5.0% | (1.3%) | (0.8%) | 2.8% |
| CAY | 2,285 | 126 | 2,411 | (285) | - | 2,126 | 3.5% | 0.2% | 3.7% | (0.4%) | - | 3.3% |
| Prem Def | 1,967 | 195 | 2,162 | (235) | - | 1,927 | 3.0% | 0.3% | 3.3% | (0.4%) | - | 3.0% |
| TOTAL | 7,100 | 687 | 7,787 | (1,376) | (550) | 5,861 | 11.0% | 1.1% | 12.0% | (2.1%) | (0.8%) | 9.1% |

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating an unfavourable impact of \$7.8 million – see column [3] in the left table above), partially offset by the impact due to a 21 basis point increase in the selected discount rate (from 0.99% to 1.20%, generating a \$1.4 million favourable impact – see column [4] in the left table above). Further, while there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points), the margins for adverse deviation for claims development as selected at the coverage / accident year level were updated with this valuation (generating a \$0.6 million favourable impact – see column [5] in the left table above).

The valuation implementations related to the last 8 quarterly valuations are summarized in the table at the top of the next page. There have been only two favourable implementations over the period, while the overall impact has been unfavourable, with each of the last 6 valuations being unfavourable. Nominal estimate updates (column [2]) drive the overall impacts. As previously noted, the impacts in column [4] are largely outside of the control of FA (as being related to macroeconomic factors).

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Alberta Risk Sharing Pools – August 2017 Operational Reports

| RSP: Alberta Non-Grid, as at: 2017 Q2 | | unfavourable / (favourable) Valuation Implementation Impact (\$000s) | | | | | \$000s | |
|--|----------------------------|--|------------------------------------|-----------------------------|---------------------------|---|-------------------------------------|--|
| Valuation | updated LR & exp [1] | updated LR & exp [2] | APVs @ prior assumptions [3] | updated dsct rate [4] | updated margins [5] | Total Impact [6] =sum([1] to [6]) | Booked Policy Liabilities [7] | Total Impact as % Book Liabs [8] =[6] / [7] |
| 2015 Q3 | Oct | (2,686) | (124) | 1,175 | - | (1,635) | 222,481 | (0.7%) |
| 2015 Q4 | Mar | (980) | 248 | 306 | - | (426) | 212,621 | (0.2%) |
| 2016 Q1 | May | 800 | (49) | 304 | - | 1,055 | 218,423 | 0.5% |
| 2016 Q2 | Aug | 10,902 | 1,022 | 395 | (493) | 11,826 | 235,294 | 5.0% |
| 2016 Q3 | Oct | 7,041 | 888 | 452 | - | 8,381 | 245,539 | 3.4% |
| 2016 Q4 | Mar | 3,188 | 682 | (3,361) | - | 509 | 234,950 | 0.2% |
| 2017 Q1 | May | 5,516 | 280 | 645 | - | 6,441 | 242,689 | 2.7% |
| 2017 Q2 | Aug | 7,100 | 687 | (1,376) | (550) | 5,861 | 251,367 | 2.3% |
| 8-qtrs | - | 30,881 | 3,634 | (1,460) | (1,043) | 32,012 | | |
| % of total | | 96.5% | 11.4% | (4.6%) | (3.3%) | 100.0% | | |
| Averages | | | | | | | | |
| 8-qtrs | | 3,860 | 454 | (183) | (130) | 4,002 | 232,921 | 1.7% |
| 2015 Q3 to 2016 Q2 | | 2,009 | 274 | 545 | (123) | 2,705 | 222,205 | 1.2% |
| 2016 Q3 to 2017 Q2 | | 5,711 | 634 | (910) | (138) | 5,298 | 243,636 | 2.2% |

As previously noted, the FA valuation approach is focused on providing best estimates on a nominal basis, and we expect this to manifest itself as a close-to-zero 8-quarter impact for column [2] in the table above. This objective has not been met, and we are somewhat discouraged that the average impact over the most recent 4 valuations has been higher than the earlier 4 valuations shown, and that all of the most recent 6 valuations have shown unfavourable impacts in column [2].

Please see “Effect of Quarterly Valuation” sections for additional detail (page 7 for Grid and page 11 for Non-Grid)

Alberta Grid RSP - Summary of Financial Results

The calendar year-to-date Operating Result is -\$46.1 million and the incurred loss ratio to the end of 8 months is 108.1%, as summarized in the table at the top of the next page.

| Amounts in \$000s | August 2017 | August 2016 | Year to date Aug 2017 | Year to Date Aug 2016 |
|--|-----------------|-----------------|-----------------------|-----------------------|
| Premium Written | 16,796 | 14,580 | 97,954 | 94,887 |
| Premium Earned | 12,826 | 11,290 | 97,121 | 84,271 |
| Incurred Losses | 16,429 | 19,476 | 104,983 | 111,127 |
| Underwriting & Admin Expense | 7,594 | 6,539 | 38,254 | 35,410 |
| Operating Result | (11,197) | (14,725) | (46,116) | (62,266) |
| Ratios: | | | | |
| Loss ratio - Prior Accident Years | 9.4% | 64.8% | 11.1% | 44.0% |
| - Current Accident Year | 118.7% | 107.7% | 97.0% | 87.9% |
| <i>Total</i> | 128.1% | 172.5% | 108.1% | 131.9% |
| <i>Underwriting & Admin Expense</i> | 59.2% | 57.9% | 39.4% | 42.0% |
| Combined Operating Ratio | 187.3% | 230.4% | 147.5% | 173.9% |

rounding differences may occur

These results are discussed in some detail in the “Current Month Results” section. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2017 for Risk Sharing Pool - Alberta Grid” attached to this bulletin.

Updated Projection to Year-end 2017

The projected calendar year Operating Result to December 2017 is -\$59.3 million and the estimated combined operating ratio to December 2017 is 139.5%, as summarized in the table below.

| AB Grid RSP Yr-end Projection Amounts in \$000s | Current (Aug 2017) | Prior Mth (Jul 2017) | Change | Final 2017 Outlook* |
|---|--------------------|----------------------|-----------------|---------------------|
| Premium Written | 162,164 | 146,773 | 15,391 | 178,561 |
| Premium Earned | 150,412 | 148,547 | 1,865 | 179,590 |
| Incurred Losses | 153,038 | 143,960 | 9,078 | 149,213 |
| Underwriting & Admin Expense | 56,662 | 49,683 | 6,979 | 54,575 |
| Net Result from Operations | (59,288) | (45,096) | (14,192) | (24,198) |
| Ratios: | | | | |
| Loss ratio - Prior Accident Years | 5.8% | 4.7% | 1.1% | (3.9%) |
| - Current Accident Year | 96.0% | 92.2% | 3.8% | 87.0% |
| <i>Total</i> | 101.8% | 96.9% | 4.9% | 83.1% |
| <i>Underwriting & Admin Expense</i> | 37.7% | 33.4% | 4.3% | 30.4% |
| Combined Operating Ratio | 139.5% | 130.3% | 9.2% | 113.5% |

rounding differences may occur

as posted to FA's website Sep. 28, 2016

This updated projection to the end of the year has deteriorated by \$14.2 million from the projection provided last month (see table at the bottom of the previous page), mainly due to the overall unfavourable impact of the valuation as at June 30, 2017, as summarized in the table below (see more information under “Effect of Quarterly Valuation” on page 7). Remaining differences were driven by changes in projected premium volumes, and the associated impacts on claims and expense projections. In particular, the written premium projection has been increased by \$15.4 million, based on updated projections from various member company groups. As this RSP operates at a loss (approximately 34 cents on the dollar), increases in premium written increase the projected operating deficit, resulting in an unfavourable outcome, which, in this case, augments the unfavourable valuation implementation impact. Variances in written/earned premium and prior accident year and current & future accident year loss ratio change impacts (driven by valuation results) are the main drivers of variances from the Final 2017 Outlook (which was based on actuals up to the August 2016 Operational Report).

| AB Grid | unfav / (fav) projected for full year | | | | | | year EP 150,412 (projected this month) | | | | | |
|----------|---------------------------------------|----------|---------|-----------|----------|--------|---|----------|---------|-----------|----------|-------|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % full year EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 3,979 | 292 | 4,271 | (1,365) | (850) | 2,056 | 2.6% | 0.2% | 2.8% | (0.9%) | (0.6%) | 1.4% |
| CAY | 5,618 | 488 | 6,106 | (599) | - | 5,507 | 3.7% | 0.3% | 4.1% | (0.4%) | - | 3.7% |
| Prem Def | 3,521 | 345 | 3,866 | (465) | - | 3,401 | 2.3% | 0.2% | 2.6% | (0.3%) | - | 2.3% |
| TOTAL | 13,118 | 1,125 | 14,243 | (2,429) | (850) | 10,964 | 8.7% | 0.7% | 9.5% | (1.6%) | (0.6%) | 7.3% |

Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$11.2 million Operating Result in the month of August 2017, an improvement of \$3.5 million compared with the same month last year. This improvement is composed of a \$5.5 million improvement stemming from the overall decrease in the combined ratio (from 230.4% to 187.3% applied to \$12.8 million in earned premium), offset by an estimated \$2.0 million unfavourable impact associated with the \$1.5 million increase in earned premium (at a combined ratio of 230.4%). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month’s results moved the year-to-date combined operating ratio from 141.5% at the end of 7 months to 147.5% at the end of 8 months. The 6.0 percentage point increase is composed of a 3.3 percentage point increase in the Current Accident Year loss ratio and a 3.0 percentage point increase in the expense ratio, offset by a 0.3 percentage point decrease in the Prior Accident Years loss ratio.

Variances from Projections

The table at the top of the next page provides a summary of key components of the operating results compared to the estimates projected last month.

| August 2017 | Actual | Projection | Difference | Difference % |
|--------------------------------------|---------------|---------------|------------|--------------|
| Written Premium | 16,796 | 15,360 | 1,436 | 9.3% |
| Earned Premium | 12,826 | 12,831 | (5) | 0.0% |
| Reported Losses | | | | |
| Paid Losses | 11,153 | 8,139 | 3,014 | 37.0% |
| Paid Expenses | 362 | 350 | 12 | 3.4% |
| Change in Outstanding Losses | 251 | 3,262 | (3,011) | (92.3%) |
| Total Reported Losses | 11,766 | 11,751 | 15 | 0.1% |
| Change in IBNR Provision* | 4,663 | (410) | 5,073 | |
| Change in Premium Deficiency (DPAC)* | 2,661 | (207) | 2,868 | |

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Grid RSP August 2017 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.

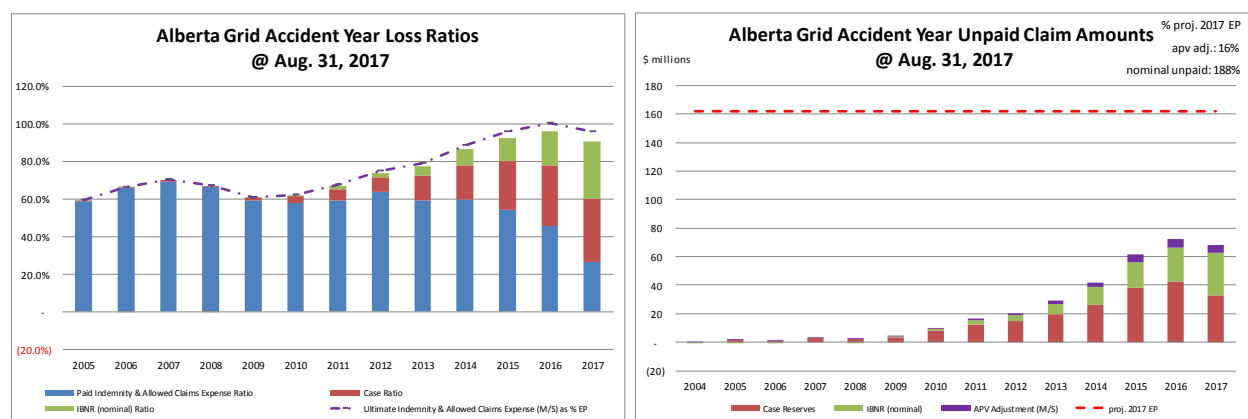
For the month of August 2017, reported losses were \$14 thousand higher than projected. The Current Accident Year reported an unfavourable variance of \$1.4 million, and the Prior Accident Years reported a favourable variance of \$1.4 million. No single Prior Accident Year had a variance in excess of \$1.0 million.

Effect of Quarterly Valuation

The August 2017 Alberta Grid Risk Sharing Pool Operational Report reflects the results of an updated valuation as at June 30, 2017, with the associated impacts in relation to the results for August 2017 summarized in the table immediately below.

| AB Grid | unfav / (fav) for the month and ytd | | | | | | mth EP 12,826 (actual) | | | | | |
|--------------|-------------------------------------|------------|---------------|----------------|--------------|--------------|---|-------------|--------------|----------------|---------------|--------------|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % mth EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | | argins | ults & payout patterns | | | dsct rate | | argins |
| Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | |
| [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] | |
| PAYs | 3,979 | 338 | 4,317 | (1,528) | (941) | 1,848 | 31.0% | 2.6% | 33.7% | (11.9%) | (7.3%) | 14.4% |
| CAY | 3,647 | 275 | 3,922 | (428) | - | 3,494 | 28.4% | 2.1% | 30.6% | (3.3%) | - | 27.2% |
| Prem Def | 3,078 | 301 | 3,379 | (413) | - | 2,966 | 24.0% | 2.3% | 26.3% | (3.2%) | - | 23.1% |
| TOTAL | 10,704 | 914 | 11,618 | (2,369) | (941) | 8,308 | 83.5% | 7.1% | 90.6% | (18.5%) | (7.3%) | 64.8% |

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



The preceding charts, latest valuation results, and related actuarial present value assumptions are discussed in more detail in the [Alberta Grid RSP August 2017 Operational Report - Actuarial Highlights](#) and in the [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#). The actuarial valuation will be updated next as at September 30, 2017 and we anticipate that the results will be reflected in the October 2017 Operational Report.

Alberta Non-Grid RSP - Summary of Financial Results

The calendar year-to-date Operating Result is -\$34.1 million and the incurred loss ratio to the end of 8 months is 114.2%, as summarized in the table immediately below.

| Amounts in \$000s | August 2017 | August 2016 | Year to date Aug 2017 | Year to Date Aug 2016 |
|--|----------------|-----------------|-----------------------|-----------------------|
| Premium Written | 7,704 | 7,968 | 65,289 | 68,867 |
| Premium Earned | 8,186 | 7,793 | 64,739 | 58,587 |
| Incurred Losses | 12,732 | 14,855 | 73,925 | 63,880 |
| Underwriting & Admin Expense | 4,125 | 6,908 | 24,902 | 26,224 |
| Operating Result | (8,671) | (13,970) | (34,088) | (31,517) |
| Ratios: | | | | |
| Loss ratio - Prior Accident Years | 18.9% | 9.6% | (2.1%) | (3.1%) |
| - Current Accident Year | 136.7% | 181.1% | 116.3% | 112.2% |
| <i>Total</i> | 155.6% | 190.7% | 114.2% | 109.1% |
| Underwriting & Admin Expense | 50.4% | 88.6% | 38.5% | 44.8% |
| Combined Operating Ratio | 206.0% | 279.3% | 152.7% | 153.9% |

rounding differences may occur

These results are discussed in some detail in the “Current Month Results” section. For additional numeric details, please refer to Exhibit 2 “Summary of Operations for Calendar Year 2017 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

Updated Projection to Year-end 2017

The projected calendar year Operating Result to December 2017 is -\$45.6 million and the estimated combined operating ratio to December 2017 is 147.3%, as summarized in the table below.

| AB Non-Grid RSP Yr-end Projection Amounts in \$000s | Current (Aug 2017) | Prior Mth (Jul 2017) | Change | Final 2017 Outlook* |
|--|-------------------------------------|-------------------------|----------------|------------------------|
| Premium Written | 94,647 | 100,076 | (5,429) | 96,290 |
| Premium Earned | 96,253 | 98,158 | (1,905) | 97,853 |
| Incurred Losses | 108,404 | 105,785 | 2,619 | 100,943 |
| Underwriting & Admin Expense | 33,418 | 33,360 | 59 | 29,058 |
| Net Result from Operations | (45,569) | (40,987) | (4,583) | (32,148) |
| Ratios: | | | | |
| Loss ratio - Prior Accident Years | (2.8%) | (4.4%) | 1.6% | (4.5%) |
| - Current Accident Year | 115.4% | 112.2% | 3.2% | 107.7% |
| <i>Total</i> | 112.6% | 107.8% | 4.8% | 103.2% |
| Underwriting & Admin Expense | 34.7% | 34.0% | 0.7% | 29.7% |
| Combined Operating Ratio | 147.3% | 141.8% | 5.5% | 132.9% |

rounding differences may occur
as posted to FA's website Sep. 28, 2016

This updated projection to the end of the year has deteriorated by \$4.6 million from the projection provided last month (see table above), mainly due to the overall unfavourable impact of the valuation as at June 30, 2017, as summarized in the table below (see more information under “Effect of Quarterly Valuation” on page 11). Remaining differences were driven by changes in projected premium volumes, and the associated impacts on claims and expense projections. In particular, projected written premium has decreased by \$5.4 million, and, as this RSP operates at a loss (approximately 50 cents on the dollar), the reduced premium projection has a favourable impact on the projected operating result, partially offsetting the unfavourable valuation implementation impact. Variances in prior accident year and current & future accident year loss ratio change impacts (driven by valuation results) are the main drivers of variances from the Final 2017 Outlook (which was based on actuals up to the August 2016 Operational Report).

| AB Non-Grid | unfav / (fav) projected for full year | | | | | | year EP 96,253 (projected this month) | | | | | | | |
|--------------|---------------------------------------|------------|--------------|----------------|--------------|--------------|---|-------------|-------------|---------------|---------------|-------------|-------|--|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % full year EP from changes in: | | | | | | | |
| | ults & payout patterns | | | dsct rate | margins | | ults & payout patterns | | | dsct rate | margins | | TOTAL | |
| Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | | | |
| [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] | | | |
| PAYs | 2,848 | 315 | 3,163 | (761) | (492) | 1,910 | 3.0% | 0.3% | 3.3% | (0.8%) | (0.5%) | 2.0% | | |
| CAY | 3,387 | 244 | 3,631 | (381) | - | 3,250 | 3.5% | 0.3% | 3.8% | (0.4%) | - | 3.4% | | |
| Prem Def | 2,178 | 206 | 2,384 | (224) | - | 2,160 | 2.3% | 0.2% | 2.5% | (0.2%) | - | 2.2% | | |
| TOTAL | 8,413 | 765 | 9,178 | (1,366) | (492) | 7,320 | 8.7% | 0.8% | 9.5% | (1.4%) | (0.5%) | 7.6% | | |

Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$8.7 million Operating Result in the month of August 2017, an improvement of \$5.3 million from the same month last year. This improvement is composed of an estimated \$0.7 million unfavourable impact associated with the \$0.4 million increase in earned premium (at a combined ratio of 279.3%), offset by a \$6.0 million improvement stemming from the overall decrease in the combined ratio (from 279.3% to 206.0% applied to \$8.2 million in earned premium). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month's results moved the year-to-date combined operating ratio from 144.9% at the end of 7 months to 152.7% at the end of 8 months. The 7.8 percentage point increase is composed of a 3.0 percentage point increase in the Prior Accident Years loss ratio, coupled with a 3.0 percentage point increase in the Current Accident Year loss ratio, and a 1.8 percentage point increase in the expense ratio.

Variances from Projections

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

| August 2017 | Actual | Projection | Difference | Difference % |
|--------------------------------------|---------------|--------------|--------------|--------------|
| Written Premium | 7,704 | 9,293 | (1,589) | (17.1%) |
| Earned Premium | 8,186 | 8,314 | (128) | (1.5%) |
| Reported Losses | | | | |
| Paid Losses | 7,549 | 6,764 | 785 | 11.6% |
| Paid Expenses | 260 | 206 | 54 | 26.2% |
| Change in Outstanding Losses | 2,955 | 2,602 | 353 | 13.6% |
| Total Reported Losses | 10,764 | 9,572 | 1,192 | 12.5% |
| Change in IBNR Provision* | 1,968 | (569) | 2,537 | |
| Change in Premium Deficiency (DPAC)* | 1,820 | 100 | 1,720 | |

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Non-Grid RSP August 2017 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.

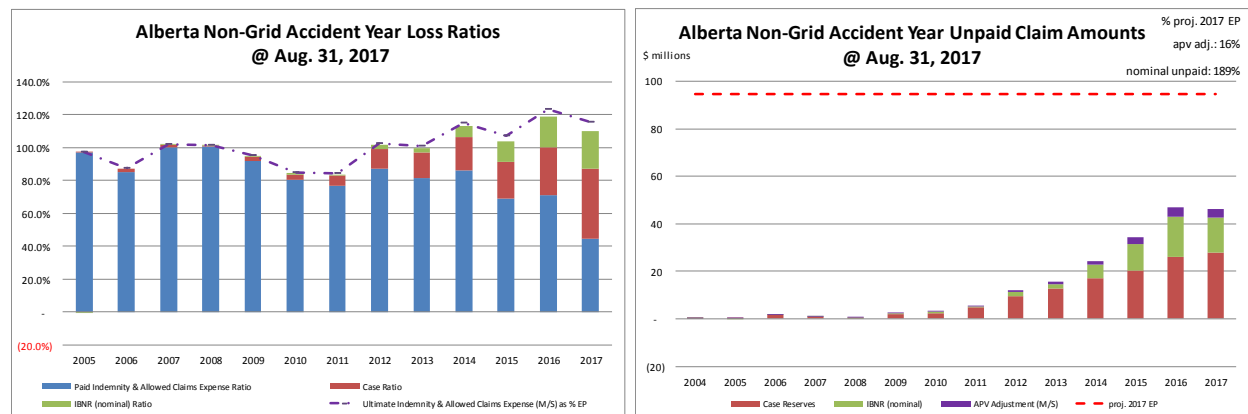
For the month of August 2017, reported losses were \$1.2 million higher than projected. The Current Accident Year had a \$1.4 million unfavourable variance in reported losses, while the Prior Accident Years had a \$0.2 million favourable variance. No single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

Effect of Quarterly Valuation

The August 2017 Alberta Non-Grid Risk Sharing Pool Operational Report reflects the results of an updated valuation as at June 30, 2017, with the associated impacts in relation to the results for August 2017 summarized in the tables immediately below.

| AB Non-Grid | unfav / (fav) for the month and ytd | | | | | | mth EP 8,186 (actual) | | | | | |
|--------------|-------------------------------------|------------|--------------|----------------|--------------|--------------|---|-------------|--------------|----------------|---------------|--------------|
| | IMPACT in \$000s from changes in: | | | | | | IMPACT unfav / (fav) as % mth EP from changes in: | | | | | |
| | ults & payout patterns | | | dsct rate | margins | | ults & payout patterns | | | dsct rate | margins | |
| | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL | Nominal | apv adj. | sub-tot | apv adj. | apv adj. | TOTAL |
| | [1] | [2] | [3] | [4] | [5] | [6] | [1] | [2] | [3] | [4] | [5] | [6] |
| PAYs | 2,848 | 366 | 3,214 | (856) | (550) | 1,808 | 34.8% | 4.5% | 39.3% | (10.5%) | (6.7%) | 22.1% |
| CAY | 2,285 | 126 | 2,411 | (285) | - | 2,126 | 27.9% | 1.5% | 29.5% | (3.5%) | - | 26.0% |
| Prem Def | 1,967 | 195 | 2,162 | (235) | - | 1,927 | 24.0% | 2.4% | 26.4% | (2.9%) | - | 23.5% |
| TOTAL | 7,100 | 687 | 7,787 | (1,376) | (550) | 5,861 | 86.7% | 8.4% | 95.1% | (16.8%) | (6.7%) | 71.6% |

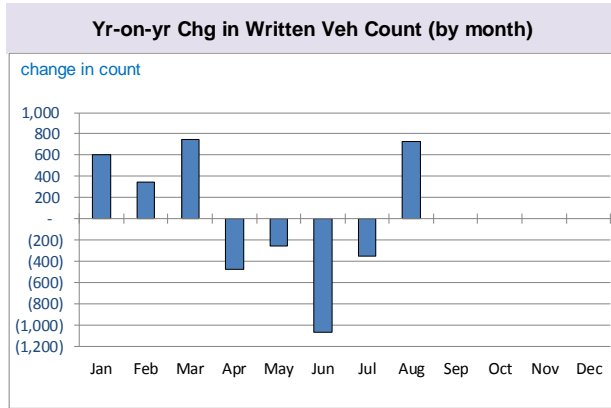
The charts below summarize the current view of the historical loss ratios (indemnity and allowed claims adjustment expenses on a nominal basis) and the associated claims liabilities. We have included the associated claims liabilities in the chart on the right.



The preceding charts, latest valuation results and related discounting assumptions are discussed in more detail in the [Alberta Non-Grid RSP August 2017 Operational Report - Actuarial Highlights](#) and in the [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#). The actuarial valuation will be updated next as at September 30, 2017 and we anticipate that the results will be reflected in the October 2017 Operational Report.

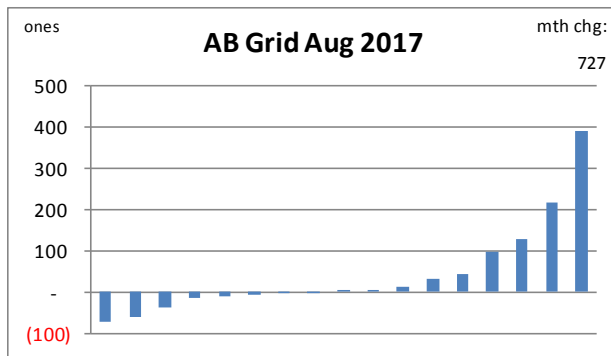
Management Comments

Alberta Grid



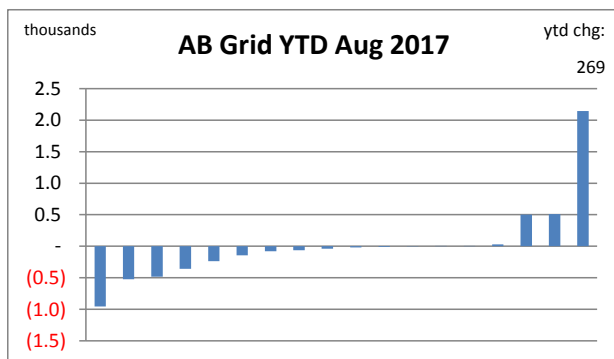
The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with August showing an increase of 727 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for a decrease of 6 vehicles, indicating a variance of 733 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a greater number of vehicles to the pool in August than

projected.



The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eight member company groups transferred fewer vehicles to the pool this month compared with a year ago, while nine transferred more. Of the 8 member company groups transferring fewer vehicles, 3 member company groups accounted for 84% of the total transfer decrease for these “decliner” members.

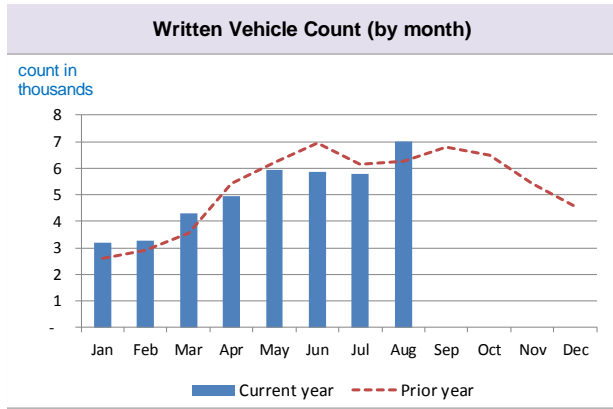
Of the 9 member company groups transferring more vehicles, 2 member company groups accounted for 65% of the total transfer increases for these “grower” members.



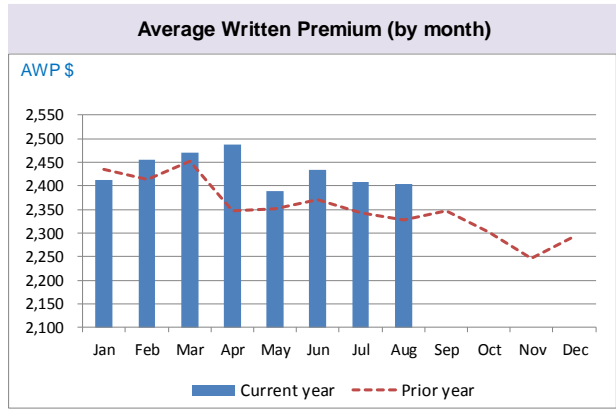
The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

August’s vehicle count transfers to the pool represent an 11.6% increase from August 2016, and counts were up 0.7% year-to-date. Average written premium was up 3.2% in August 2017

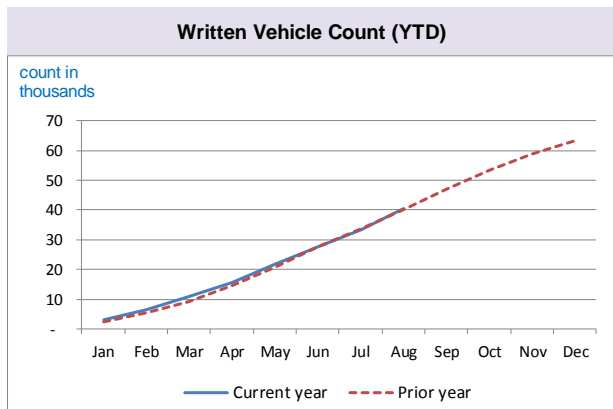
compared with the same month in 2016, and up 2.6% year-to-date (see charts immediately below).



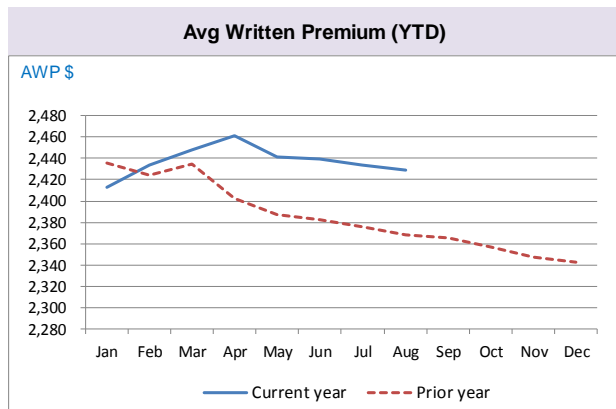
| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| W. Veh curr mth | 6,990 | 6,263 | 727 | 11.6% |



| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|--------------|--------|--------|---------|-------|
| AWP curr mth | 2,403 | 2,328 | 75 | 3.2% |

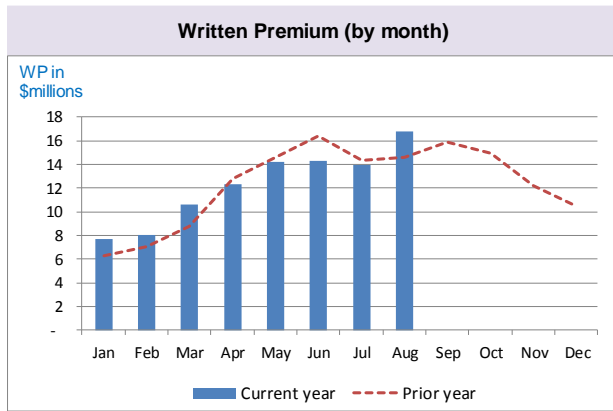


| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| W. Vehicles YTD | 40,335 | 40,066 | 269 | 0.7% |

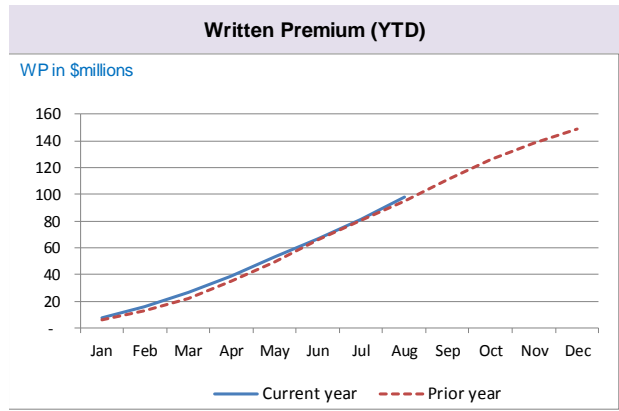


| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| Avg W. Prem YTD | 2,429 | 2,368 | 61 | 2.6% |

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 15.2% for the month compared with the 5.4% increase we projected last month, and was up 3.2% year-to-date (see charts at the top of the next page).

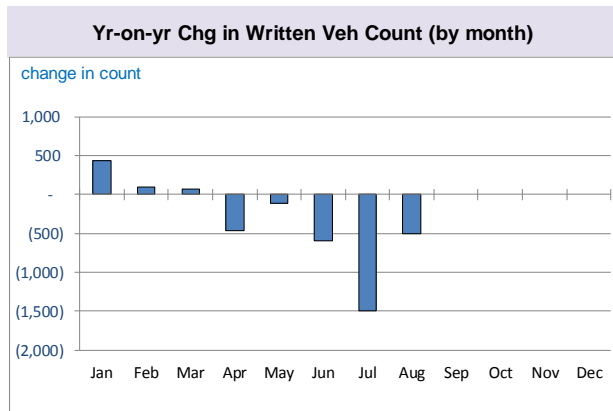


| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|----------------------|--------|--------|---------|-------|
| WP (\$000s) curr mth | 16,796 | 14,580 | 2,216 | 15.2% |



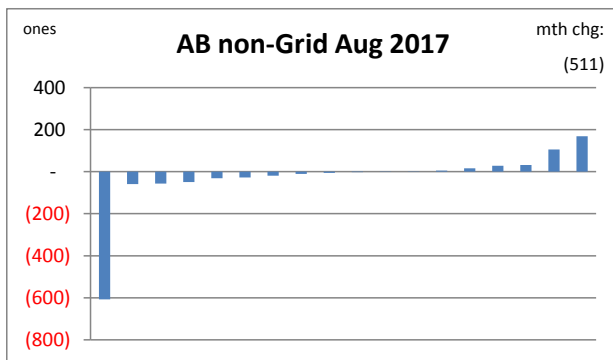
| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| WP (\$000s) YTD | 97,954 | 94,887 | 3,067 | 3.2% |

Alberta Non-Grid



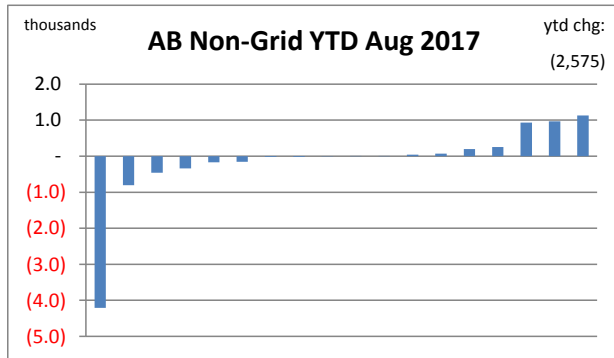
The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with August showing a decrease of 511 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for an increase of 611 vehicles, indicating a variance of 1,122 vehicles from the actual transfers. This variance was mainly due to two member company groups transferring a lower number of vehicles to the pool in August than

projected.



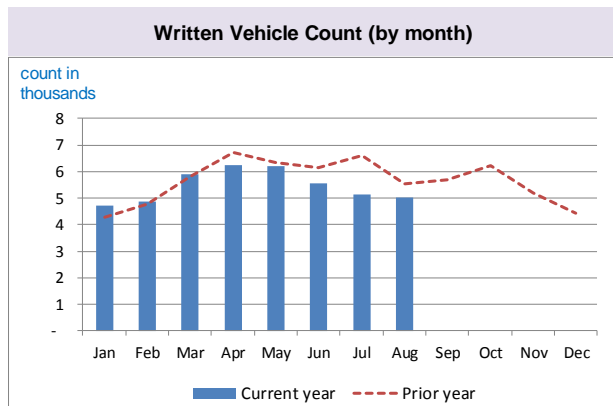
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Ten member company groups transferred fewer vehicles to the pool this month compared to a year ago, while eight transferred more. Of the 10 member company groups transferring fewer vehicles, 1 member company group accounted for 70% of the total transfer decrease for these “decliner” members.

Of the 8 member company groups transferring more vehicles, 2 member company groups accounted for 77% of the total transfers increase for these “grower” members.

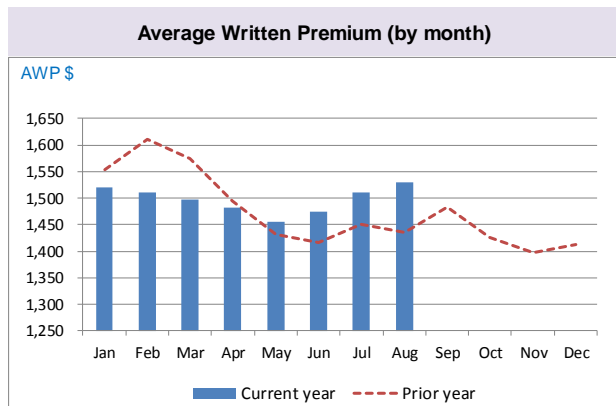


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

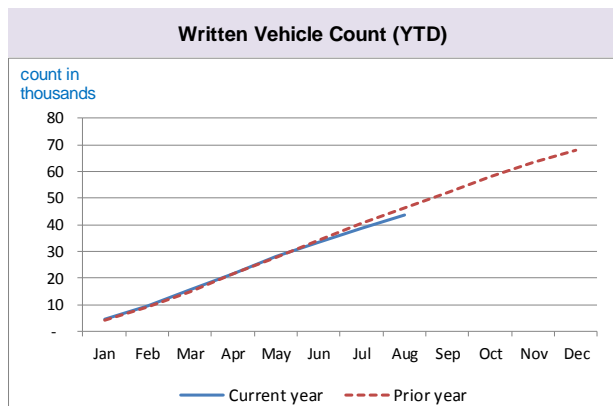
August’s vehicle count transfers to the pool represent a 9.2% decrease from August 2016, and counts were down 5.6% year-to-date. Average written premium was up 6.5% in August 2017 compared with the same month in 2016, and up 0.4% year-to-date (see charts immediately below).



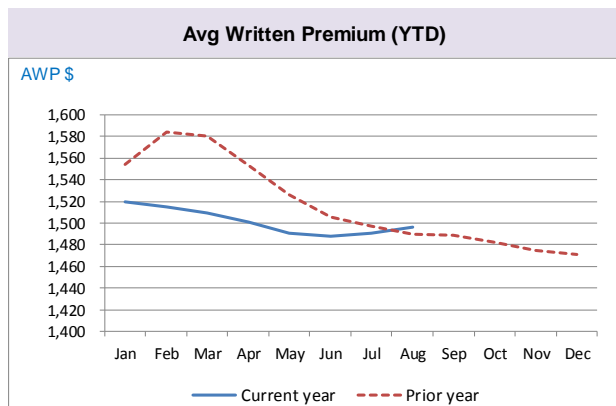
| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| W. Veh curr mth | 5,036 | 5,547 | (511) | -9.2% |



| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|--------------|--------|--------|---------|-------|
| AWP curr mth | 1,530 | 1,436 | 94 | 6.5% |



| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| W. Vehicles YTD | 43,656 | 46,231 | (2,575) | -5.6% |

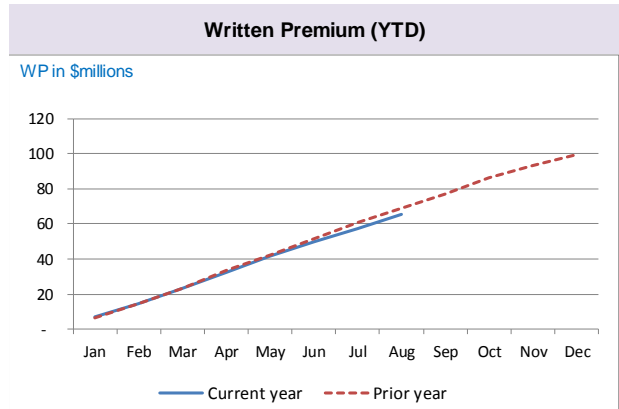
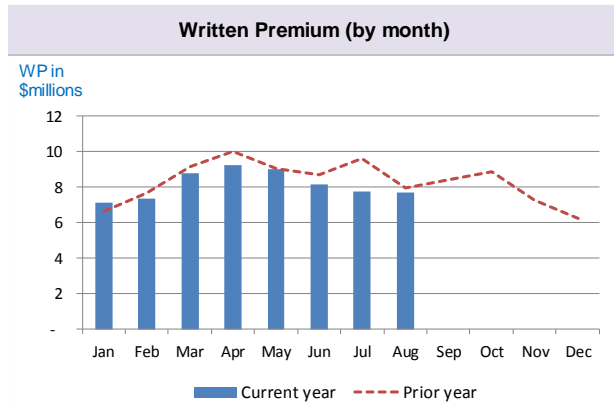


| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| Avg W. Prem YTD | 1,496 | 1,490 | 6 | 0.4% |

Bulletin F17-075

Alberta Risk Sharing Pools – August 2017 Operational Reports

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 3.3% for the month compared with the 16.6% increase we projected last month, and was down 5.2% year-to-date (see charts immediately below).



| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|----------------------|--------|--------|---------|-------|
| WP (\$000s) curr mth | 7,703 | 7,968 | (265) | -3.3% |

| | Aug-17 | Aug-16 | Amt Chg | % Chg |
|-----------------|--------|--------|---------|-------|
| WP (\$000s) YTD | 65,289 | 68,868 | (3,579) | -5.2% |

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

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

Related Links:

Alberta Grid RSP:

- [Alberta Grid RSP August 2017 Operational Report - Actuarial Highlights](#)
- [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#)
- [Actuarial Quarterly Valuation Highlights Exhibits - Alberta Grid RSP](#)

Alberta Non-Grid RSP:

- [Alberta Non-Grid RSP August 2017 Operational Report - Actuarial Highlights](#)
- [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#)
- [Actuarial Quarterly Valuation Highlights Exhibits - Alberta Non-Grid RSP](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2017

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 8 Months Ended August 31, 2017 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

| | January | February | March | April | May | June | July | August | CY2017 YTD | CY2017 12 MONTHS Updated Projection | CY2016 12 MONTHS Actual |
|---|-----------------|-----------------|-------------------|------------------|-------------------|------------------|------------------|-------------------|-------------------|--|-------------------------------|
| Underwriting Revenue: | | | | | | | | | | | |
| Net Premiums Written | \$7,717 | \$8,020 | \$10,642 | \$12,325 | \$14,222 | \$14,275 | \$13,957 | \$16,796 | \$97,954 | \$162,164 | \$148,473 |
| Decrease (Increase) in Unearned Premiums | 4,472 | 3,146 | 1,612 | (298) | (1,967) | (2,465) | (1,363) | (3,970) | (833) | (11,752) | (16,653) |
| Net Premiums Earned | \$12,189 | \$11,166 | \$12,254 | \$12,027 | \$12,255 | \$11,810 | \$12,594 | \$12,826 | \$97,121 | \$150,412 | \$131,820 |
| Claims Incurred: | | | | | | | | | | | |
| Prior Accident Years: | | | | | | | | | | | |
| Undiscounted | (\$396) | (\$174) | \$12,337 | (\$124) | \$4,260 | (\$98) | (\$40) | \$3,919 | \$19,684 | \$19,685 | \$41,142 |
| Effect of Discounting | (744) | (926) | (3,120) | (384) | 251 | (623) | (639) | (2,719) | (\$8,904) | (11,022) | (1,682) |
| Discounted | (\$1,140) | (\$1,100) | \$9,217 | (\$508) | \$4,511 | (\$721) | (\$679) | \$1,200 | \$10,780 | \$8,663 | \$39,460 |
| Current Accident Year: | | | | | | | | | | | |
| Undiscounted | \$9,865 | \$8,860 | \$12,016 | \$10,242 | \$11,874 | \$10,309 | \$10,931 | \$14,800 | \$88,897 | \$136,957 | \$110,558 |
| Effect of Discounting | 992 | 713 | 445 | 567 | 864 | 638 | 658 | 429 | \$5,306 | 7,418 | 7,515 |
| Discounted | \$10,857 | \$9,573 | \$12,461 | \$10,809 | \$12,738 | \$10,947 | \$11,589 | \$15,229 | \$94,203 | \$144,375 | \$118,073 |
| Claims Incurred | \$9,717 | \$8,473 | \$21,678 | \$10,301 | \$17,249 | \$10,226 | \$10,910 | \$16,429 | \$104,983 | \$153,038 | \$157,533 |
| Underwriting Expenses: | | | | | | | | | | | |
| Expense Allowance | \$2,215 | \$2,312 | \$3,069 | \$3,557 | \$4,103 | \$4,121 | \$4,031 | \$4,852 | \$28,260 | \$46,817 | \$44,732 |
| Change in UPDR/DPAC: | | | | | | | | | | | |
| Undiscounted | 979 | 697 | 4,930 | 25 | 1,197 | (353) | (212) | 2,510 | 9,773 | 8,564 | 689 |
| Effect of Discounting | (318) | (224) | (561) | 24 | 269 | 161 | 90 | 151 | (408) | 301 | 1,915 |
| Discounted | 661 | 473 | 4,369 | 49 | 1,466 | (192) | (122) | 2,661 | \$9,365 | 8,865 | \$2,604 |
| Underwriting Expenses | \$2,876 | \$2,785 | \$7,438 | \$3,606 | \$5,569 | \$3,929 | \$3,909 | \$7,513 | \$37,625 | 55,682 | \$47,336 |
| Net Underwriting Gain (Loss) | (\$404) | (\$92) | (\$16,862) | (\$1,880) | (\$10,563) | (\$2,345) | (\$2,225) | (\$11,116) | (\$45,487) | (\$58,308) | (\$73,049) |
| Administrative Expenses | \$73 | \$79 | \$70 | \$83 | \$94 | \$75 | \$74 | \$81 | \$629 | \$980 | \$894 |
| Operating Result | (\$477) | (\$171) | (\$16,932) | (\$1,963) | (\$10,657) | (\$2,420) | (\$2,299) | (\$11,197) | (\$46,116) | (\$59,288) | (\$73,943) |
| Ratios: | | | | | | | | | | | |
| Claims & Expenses Incurred (Earned) | | | | | | | | | | | |
| Prior Accident Years | -9.4% | -9.9% | 75.2% | -4.2% | 36.8% | -6.1% | -5.4% | 9.4% | 11.1% | 5.8% | 29.9% |
| Current Accident Year | 89.1% | 85.7% | 101.7% | 89.9% | 103.9% | 92.7% | 92.0% | 118.7% | 97.0% | 96.0% | 89.6% |
| All Accident Years Combined (Earned) | 79.7% | 75.8% | 176.9% | 85.7% | 140.7% | 86.6% | 86.6% | 128.1% | 108.1% | 101.8% | 119.5% |
| Underwriting & Administrative Expenses (Earned) | 24.2% | 25.6% | 61.3% | 30.7% | 46.2% | 33.9% | 31.6% | 59.2% | 39.4% | 37.7% | 36.6% |
| Combined Operating Ratio | 103.9% | 101.4% | 238.2% | 116.4% | 186.9% | 120.5% | 118.2% | 187.3% | 147.5% | 139.5% | 156.1% |

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 2017

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for the 8 Months Ended August 31, 2017 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

| | January | February | March | April | May | June | July | August | CY2017 YTD | CY2017 12 MONTHS Updated Projection | CY2016 12 MONTHS Actual |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|--|-------------------------------|
| Underwriting Revenue: | | | | | | | | | | | |
| Net Premiums Written | \$7,162 | \$7,368 | \$8,817 | \$9,262 | \$9,048 | \$8,190 | \$7,738 | \$7,704 | \$65,289 | \$94,647 | \$99,667 |
| Decrease (Increase) in Unearned Premiums | 1,014 | 152 | (499) | (1,191) | (721) | (295) | 508 | 482 | (550) | 1,606 | (9,196) |
| Net Premiums Earned | \$8,176 | \$7,520 | \$8,318 | \$8,071 | \$8,327 | \$7,895 | \$8,246 | \$8,186 | \$64,739 | \$96,253 | \$90,471 |
| Claims Incurred: | | | | | | | | | | | |
| Prior Accident Years: | | | | | | | | | | | |
| Undiscounted | (\$209) | (\$89) | (\$538) | (\$42) | \$2,928 | (\$72) | (\$30) | \$2,843 | \$4,791 | \$4,790 | \$2,286 |
| Effect of Discounting | (826) | (520) | (2,601) | (400) | 126 | (336) | (293) | (1,299) | (6,149) | (7,471) | (3,163) |
| Discounted | (\$1,035) | (\$609) | (\$3,139) | (\$442) | \$3,054 | (\$408) | (\$323) | \$1,544 | (\$1,358) | (\$2,681) | (\$877) |
| Current Accident Year: | | | | | | | | | | | |
| Undiscounted | \$8,220 | \$7,472 | \$9,476 | \$8,375 | \$9,927 | \$8,466 | \$8,799 | \$11,000 | \$71,735 | \$106,364 | \$102,363 |
| Effect of Discounting | 764 | 521 | 232 | 418 | 588 | 438 | 399 | 188 | 3,548 | 4,721 | 5,476 |
| Discounted | \$8,984 | \$7,993 | \$9,708 | \$8,793 | \$10,515 | \$8,904 | \$9,198 | \$11,188 | \$75,283 | \$111,085 | \$107,839 |
| Claims Incurred | \$7,949 | \$7,384 | \$6,569 | \$8,351 | \$13,569 | \$8,496 | \$8,875 | \$12,732 | \$73,925 | \$108,404 | \$106,962 |
| Underwriting Expenses: | | | | | | | | | | | |
| Expense Allowance | \$2,066 | \$2,129 | \$2,546 | \$2,675 | \$2,613 | \$2,365 | \$2,235 | \$2,226 | \$18,855 | \$27,341 | \$30,016 |
| Change in UPDR/DPAC: | | | | | | | | | | | |
| Undiscounted | 15 | 10 | 2,424 | 109 | 1,363 | (6) | (65) | 1,900 | 5,750 | 5,644 | 1,003 |
| Effect of Discounting | (83) | (11) | (390) | 94 | 159 | 19 | (40) | (80) | (332) | (484) | 987 |
| Discounted | (68) | (1) | 2,034 | 203 | 1,522 | 13 | (105) | 1,820 | 5,418 | 5,160 | \$1,990 |
| Underwriting Expenses | \$1,998 | \$2,128 | \$4,580 | \$2,878 | \$4,135 | \$2,378 | \$2,130 | \$4,046 | \$24,273 | \$32,501 | \$32,006 |
| Net Underwriting Gain (Loss) | (\$1,771) | (\$1,992) | (\$2,831) | (\$3,158) | (\$9,377) | (\$2,979) | (\$2,759) | (\$8,592) | (\$33,459) | (\$44,652) | (\$48,497) |
| Administrative Expenses | \$73 | \$79 | \$70 | \$83 | \$94 | \$75 | \$76 | \$79 | \$629 | \$917 | \$898 |
| Operating Result | (\$1,844) | (\$2,071) | (\$2,901) | (\$3,241) | (\$9,471) | (\$3,054) | (\$2,835) | (\$8,671) | (\$34,088) | (\$45,569) | (\$49,395) |
| Ratios: | | | | | | | | | | | |
| Claims & Expenses Incurred (Earned) | | | | | | | | | | | |
| Prior Accident Years | -12.7% | -8.1% | -37.7% | -5.5% | 36.7% | -5.2% | -3.9% | 18.9% | -2.1% | -2.8% | -1.0% |
| Current Accident Year | 109.9% | 106.3% | 116.7% | 108.9% | 126.3% | 112.8% | 111.5% | 136.7% | 116.3% | 115.4% | 119.2% |
| All Accident Years Combined | 97.2% | 98.2% | 79.0% | 103.4% | 163.0% | 107.6% | 107.6% | 155.6% | 114.2% | 112.6% | 118.2% |
| Underwriting & Administrative Expenses (Earned) | 25.3% | 29.3% | 55.9% | 36.7% | 50.8% | 31.1% | 26.8% | 50.4% | 38.5% | 34.7% | 36.4% |
| Combined Operating Ratio | 122.5% | 127.5% | 134.9% | 140.1% | 213.8% | 138.7% | 134.4% | 206.0% | 152.7% | 147.3% | 154.6% |

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