

TO: MEMBERS OF THE FACILITY ASSOCIATION

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

BULLETIN NO.: F17 – 081

DATE: OCTOBER 30, 2017

**SUBJECT: ALBERTA RISK SHARING POOLS
– SEPTEMBER 2017 OPERATIONAL REPORT**

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

Please be advised that the September 2017 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 -\$50.4 million and the incurred loss ratio to the end of 9 months is 106.0%, as summarized in the table below.

Amounts in \$000s	September 2017	September 2016	Year to date Sep 2017	Year to Date Sep 2016
Premium Written	19,499	15,930	117,453	110,817
Premium Earned	12,798	11,449	109,919	95,720
Incurring Losses	11,568	9,272	116,551	120,399
Underwriting & Admin Expense	5,465	4,321	43,719	39,731
Operating Result	(4,235)	(2,144)	(50,351)	(64,410)
Ratios:				
Loss ratio - Prior Accident Years	(5.0%)	(5.9%)	9.2%	38.0%
- Current Accident Year	95.4%	86.9%	96.8%	87.8%
<i>Total</i>	90.4%	81.0%	106.0%	125.8%
Underwriting & Admin Expense	42.7%	37.7%	39.8%	41.5%
Combined Operating Ratio	133.1%	118.7%	145.8%	167.3%

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 -\$59.4 million and the estimated combined operating ratio to December 2017 is 139.3%, as summarized in the table below. This updated projection to the end of the year has not changed significantly from the projection provided last month (-\$59.3 million and 139.5%).

AB Grid RSP Yr-end Projection	Current	Prior Mth		Final 2017
Amounts in \$000s	(Sep 2017)	(Aug 2017)	Change	Outlook*
Premium Written	162,390	162,164	226	178,561
Premium Earned	151,134	150,412	722	179,590
Incurred Losses	153,796	153,038	758	149,213
Underwriting & Admin Expense	56,710	56,662	48	54,575
Net Result from Operations	(59,372)	(59,288)	(84)	(24,198)
Ratios:				
Loss ratio - Prior Accident Years	5.6%	5.8%	(0.2%)	(3.9%)
- Current Accident Year	96.2%	96.0%	0.2%	87.0%
<i>Total</i>	101.8%	101.8%	0.0%	83.1%
Underwriting & Admin Expense	37.5%	37.7%	(0.2%)	30.4%
Combined Operating Ratio	139.3%	139.5%	(0.2%)	113.5%

rounding differences may occur

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

Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$4.2 million Operating Result in the month of September 2017, a deterioration of \$2.1 million compared with the same month last year. This deterioration is composed of an estimated \$0.3 million unfavourable impact associated with the \$1.3 million increase in earned premium (at a combined ratio of 118.7%), with the remaining \$1.8 million deterioration stemming from the overall increase in the combined ratio (from 118.7% to 133.1% applied to \$12.8 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 147.5% at the end of 8 months to 145.8% at the end of 9 months. The 1.7 percentage point decrease is composed of a 1.9 percentage point decrease in the Prior Accident Years loss ratio, coupled with a 0.2 percentage point decrease in the Current Accident Year loss ratio, offset by a 0.4 percentage point increase in the expense ratio.

Variations from Projections

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

September 2017	Actual	Projection	Difference	Difference %
Written Premium	19,499	19,301	198	1.0%
Earned Premium	12,798	12,997	(199)	(1.5%)
Reported Losses				
Paid Losses	11,401	10,090	1,311	13.0%
Paid Expenses	383	460	(77)	(16.7%)
Change in Outstanding Losses	(2,254)	859	(3,113)	(362.4%)
Total Reported Losses	9,530	11,409	(1,879)	(16.5%)
Change in IBNR Provision*	2,038	421	1,617	
Change in Premium Deficiency (DPAC)*	(239)	(239)	0	

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Grid RSP September 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 September 2017, reported losses were \$1.9 million lower than projected. The Current Accident Year reported a favourable variance of \$0.5 million, and the Prior Accident Years reported a favourable variance of approximately \$1.4 million. No single Prior Accident Year had a variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for the Prior Accident Years for the month. Management investigated claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. All other variances were within the set thresholds for the month.

Through 2016 and 2017, a member has been conducting a comprehensive review of their open claims transactions as reported to the FA RSP system with correcting transactions posted in the current month (September 2017), and included in the above results. The correcting transaction amounts were not high relative to unpaid balances, however, the corrections are being reviewed and discussed with the member, in conjunction with the FA internal audit team, to ensure our records are accurate in relation to the member's own records on their RSP claims' portfolio.

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 2017 Operational Report – Actuarial Highlights](#).

Effect of Quarterly Valuation

The September 2017 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, 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 -\$37.2 million and the incurred loss ratio to the end of 9 months is 113.6%, as summarized in the table immediately below.

Amounts in \$000s	September 2017	September 2016	Year to date Sep 2017	Year to Date Sep 2016
Premium Written	7,811	8,419	73,100	77,286
Premium Earned	7,842	7,704	72,581	66,291
Incurred Losses	8,579	8,111	82,504	71,991
Underwriting & Admin Expense	2,350	2,461	27,252	28,685
Operating Result	(3,087)	(2,868)	(37,175)	(34,385)
Ratios:				
Loss ratio				
- Prior Accident Years	(4.5%)	(3.9%)	(2.4%)	(3.2%)
- Current Accident Year	113.9%	109.2%	116.0%	111.8%
<i>Total</i>	109.4%	105.3%	113.6%	108.6%
<i>Underwriting & Admin Expense</i>	30.0%	31.9%	37.5%	43.3%
Combined Operating Ratio	139.4%	137.2%	151.1%	151.9%

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 -\$47.6 million and the estimated combined operating ratio to December 2017 is 148.9%, as summarized in the table below. This updated projection to the end of the year has deteriorated by approximately \$2.0 million from the projection provided last month (-\$45.6 million and 147.3%). This deterioration is driven by a \$4.7 million increase in the projected written premium for the year, based on updated projections provided by members.

AB Non-Grid RSP Yr-end Projection	Current	Prior Mth		Final 2017
Amounts in \$000s	(Sep 2017)	(Aug 2017)	Change	Outlook*
Premium Written	99,374	94,647	4,727	96,290
Premium Earned	97,213	96,253	960	97,853
Incurred Losses	109,325	108,404	921	100,943
Underwriting & Admin Expense	35,528	33,418	2,110	29,058
Net Result from Operations	(47,640)	(45,569)	(2,071)	(32,148)
<i>Ratios:</i>				
Loss ratio - Prior Accident Years	(2.9%)	(2.8%)	(0.1%)	(4.5%)
- Current Accident Year	115.3%	115.4%	(0.1%)	107.7%
<i>Total</i>	112.4%	112.6%	(0.2%)	103.2%
Underwriting & Admin Expense	36.5%	34.7%	1.8%	29.7%
Combined Operating Ratio	148.9%	147.3%	1.6%	132.9%

rounding differences may occur

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

Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$3.1 million Operating Result in the month of September 2017, a deterioration of \$0.2 million from the same month last year. This deterioration mainly stems from the overall increase in the combined ratio (from 137.20% to 139.4% applied to \$7.8 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 152.7% at the end of 8 months to 151.1% at the end of 9 months. The 1.6 percentage point decrease is composed of a 0.3 percentage point decrease in the Prior Accident Years loss ratio, coupled with a 0.3 percentage point decrease in the Current Accident Year loss ratio, and a 1.0 percentage point decrease in the expense ratio.

Variances from Projections

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

September 2017	Actual	Projection	Difference	Difference %
Written Premium	7,811	8,062	(251)	(3.1%)
Earned Premium	7,842	7,952	(110)	(1.4%)
Reported Losses				
Paid Losses	8,857	8,388	469	5.6%
Paid Expenses	86	229	(143)	(62.4%)
Change in Outstanding Losses	2,110	1,582	528	33.4%
Total Reported Losses	11,053	10,199	854	8.4%
Change in IBNR Provision*	(2,474)	(1,457)	(1,017)	
Change in Premium Deficiency (DPAC)*	24	47	(23)	

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Non-Grid RSP September 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 September 2017, reported losses were \$0.9 million higher than projected. The Current Accident Year had an approximately \$1.2 million favourable variance in reported losses, while the Prior Accident Years had a \$2.1 million unfavourable variance. Of the Prior Accident Years, 2016 had the largest variance in reported losses at \$1.4 million unfavourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

Through 2016 and 2017, a member has been conducting a comprehensive review of their open claims transactions as reported to the FA RSP system with correcting transactions posted in the current month (September 2017), and included in the above results. The correcting transaction amounts were not high relative to unpaid balances, however, the corrections are being reviewed and discussed with the member, in conjunction with the FA internal audit team, to ensure our records are accurate in relation to the member's own records on their RSP claims' portfolio.

Booking IBNR

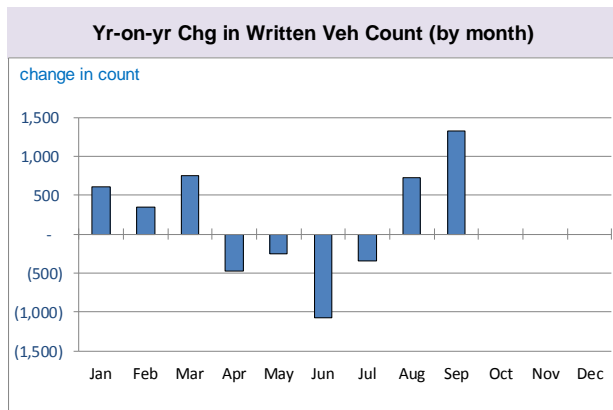
The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium 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 2017 Operational Report – Actuarial Highlights](#).

Effect of Quarterly Valuation

The September 2017 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, 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.

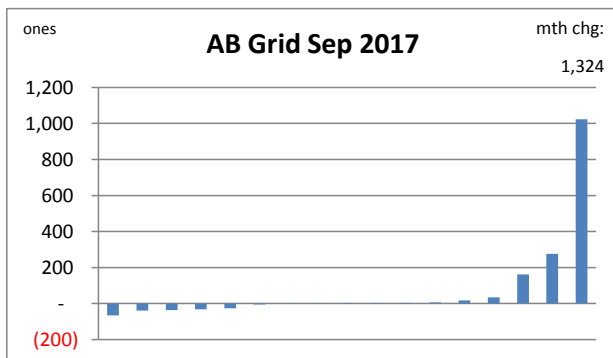
Management Comments

Alberta Grid



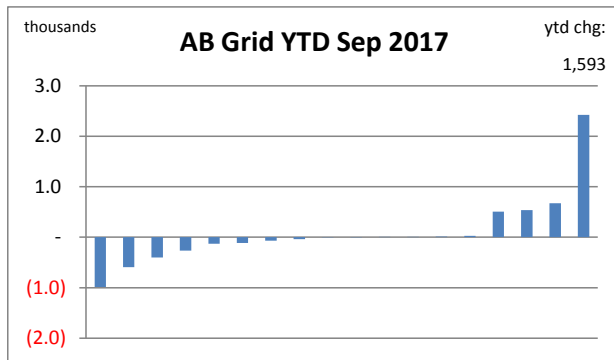
The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with September showing an increase of 1,324 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 1,286 vehicles, indicating a variance of 38 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 September than

projected.



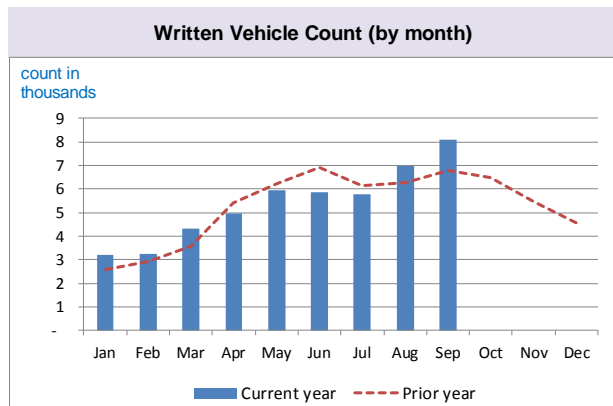
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Six member company groups transferred fewer vehicles to the pool this month compared with a year ago, while eleven transferred more. Of the 6 member company groups transferring fewer vehicles, 3 member company groups accounted for 69% of the total transfer decrease for these “decliner” members.

Of the 11 member company groups transferring more vehicles, 1 member company group accounted for 67% of the total transfer increases for these “grower” members.

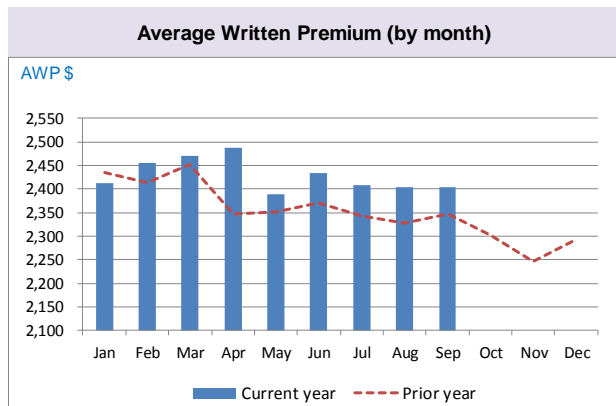


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

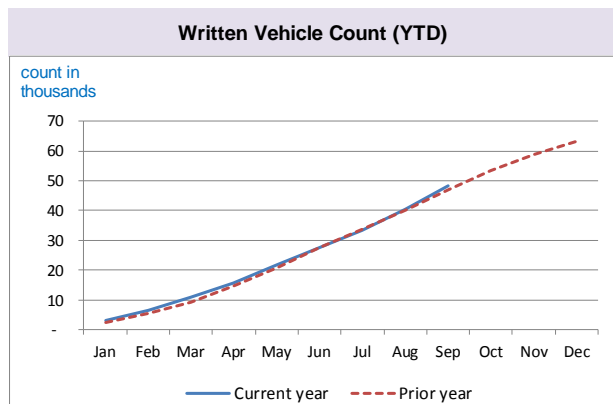
September’s vehicle count transfers to the pool represent a 19.5% increase from September 2016, and counts were up 3.4% year-to-date. Average written premium was up 2.4% in September 2017 compared with the same month in 2016, and up 2.5% year-to-date (see charts immediately below).



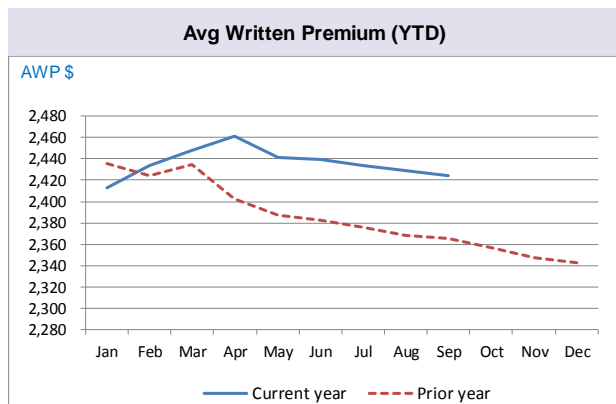
	Sep-17	Sep-16	Amt Chg	% Chg
W. Veh curr mth	8,112	6,788	1,324	19.5%



	Sep-17	Sep-16	Amt Chg	% Chg
AWP curr mth	2,404	2,347	57	2.4%

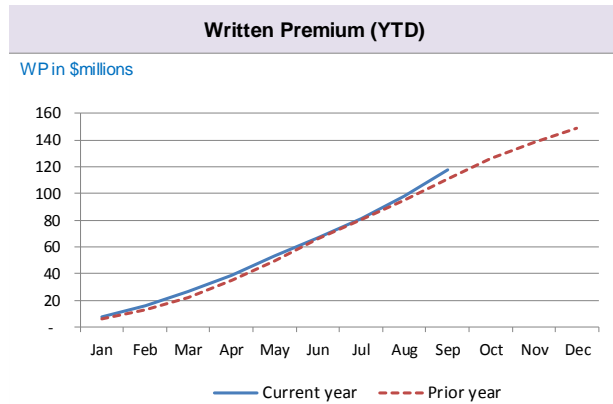
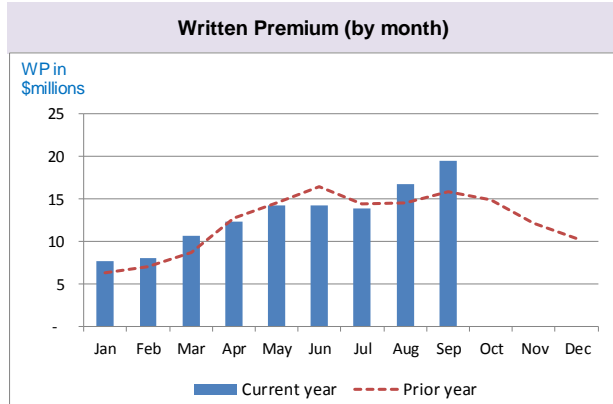


	Sep-17	Sep-16	Amt Chg	% Chg
W. Vehicles YTD	48,447	46,853	1,593	3.4%



	Sep-17	Sep-16	Amt Chg	% Chg
Avg W. Prem YTD	2,424	2,365	59	2.5%

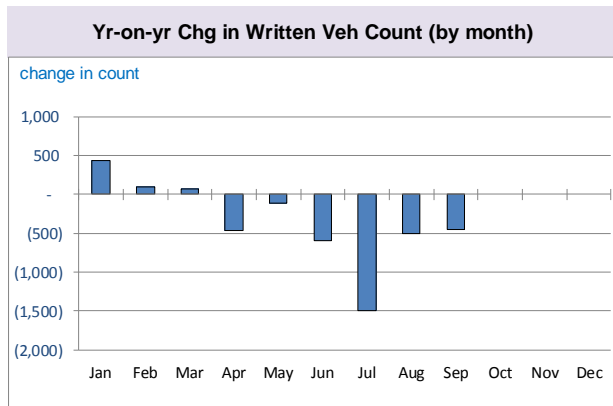
As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 22.4% for the month compared with the 21.2% increase we projected last month, and was up 6.0% year-to-date (see charts immediately below).



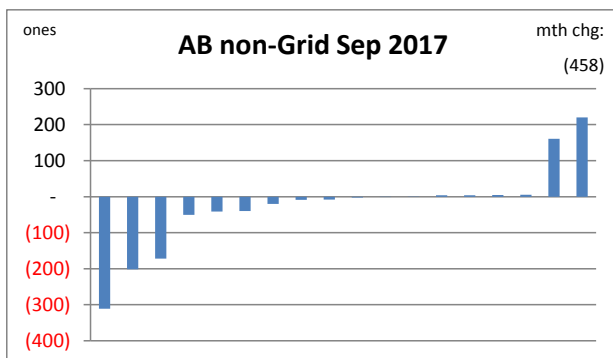
	Sep-17	Sep-16	Amt Chg	% Chg
WP (\$000s) curr mth	19,499	15,930	3,570	22.4%

	Sep-17	Sep-16	Amt Chg	% Chg
WP (\$000s) YTD	117,453	110,817	6,637	6.0%

Alberta Non-Grid

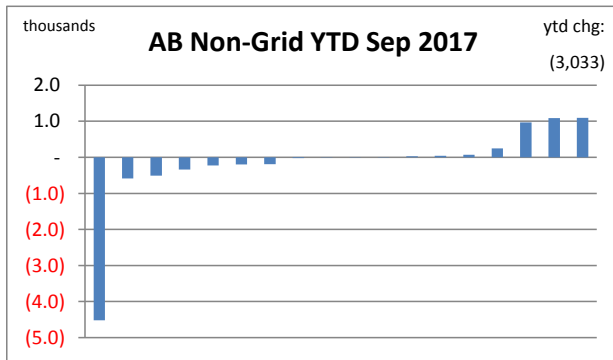


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with September showing a decrease of 458 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for a decrease of 411 vehicles, indicating a variance of 47 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 than projected.



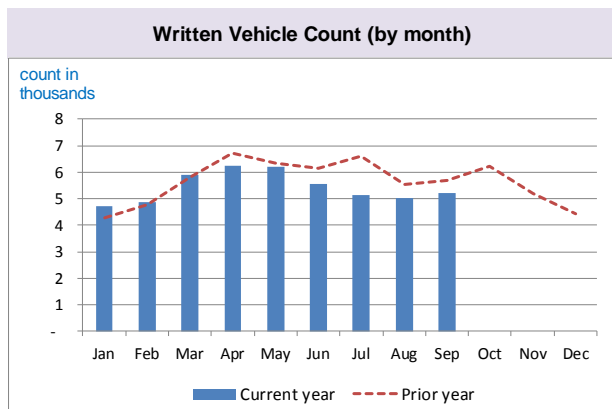
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eleven member company groups transferred fewer vehicles to the pool this month compared to a year ago, while seven transferred more. Of the 11 member company groups transferring fewer vehicles, 3 member company groups accounted for 80% of the total transfer decrease for these “decliner” members.

Of the 7 member company groups transferring more vehicles, 2 member company groups accounted for 96% of the total transfers increase for these “grower” members.

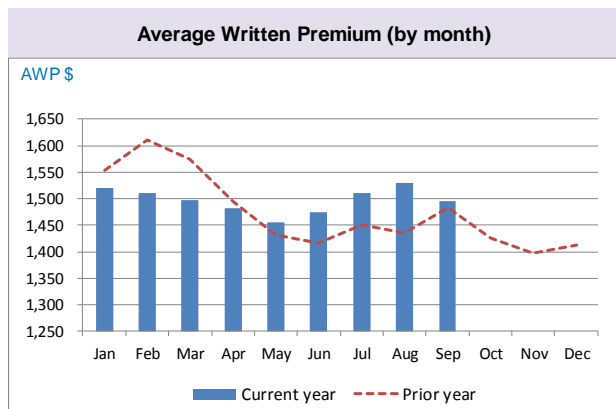


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

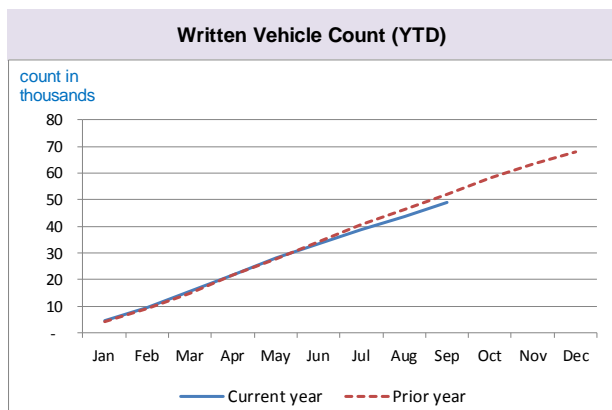
September's vehicle count transfers to the pool represent an 8.1% decrease from September 2016, and counts were down 5.8% year-to-date. Average written premium was up 0.9% in September 2017 compared with the same month in 2016, and up 0.5% year-to-date (see charts immediately below).



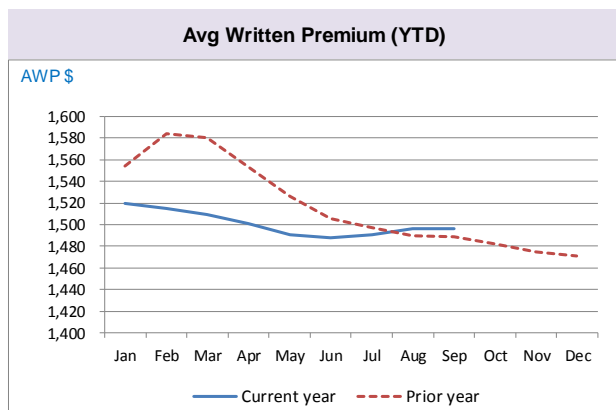
	Sep-17	Sep-16	Amt Chg	% Chg
W. Veh curr mth	5,219	5,677	(458)	-8.1%



	Sep-17	Sep-16	Amt Chg	% Chg
AWP curr mth	1,496	1,483	13	0.9%



	Sep-17	Sep-16	Amt Chg	% Chg
W. Vehicles YTD	48,875	51,908	(3,033)	-5.8%

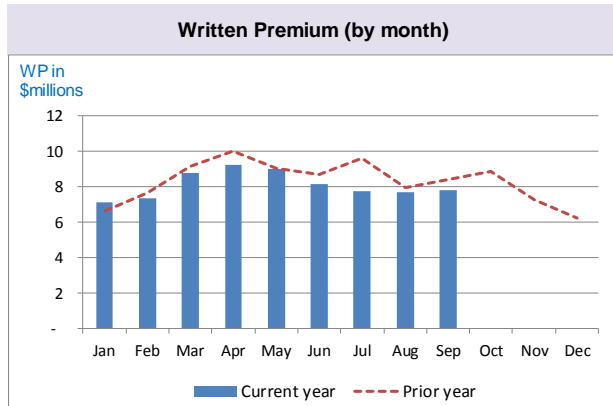


	Sep-17	Sep-16	Amt Chg	% Chg
Avg W. Prem YTD	1,496	1,489	7	0.5%

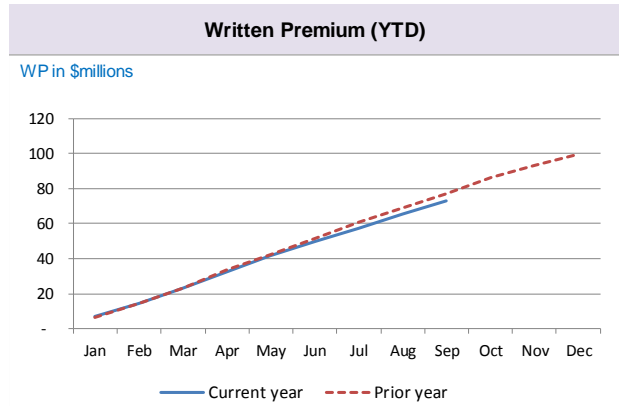
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Alberta Risk Sharing Pools – September 2017 Operational Reports

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 7.2% for the month compared with the 4.2% decrease we projected last month, and was down 5.4% year-to-date (see charts immediately below).



	Sep-17	Sep-16	Amt Chg	% Chg
WP (\$000s) curr mth	7,811	8,419	(608)	-7.2%



	Sep-17	Sep-16	Amt Chg	% Chg
WP (\$000s) YTD	73,099	77,286	(4,187)	-5.4%

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 September 2017 Operational Report - Actuarial Highlights](#)

Alberta Non-Grid RSP:

[Alberta Non-Grid RSP September 2017 Operational Report - Actuarial Highlights](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2017

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 9 Months Ended September 30, 2017 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	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	\$19,499	\$117,453	\$162,390	\$148,473
Decrease (Increase) in Unearned Premiums	4,472	3,146	1,612	(298)	(1,967)	(2,465)	(1,363)	(3,970)	(6,701)	(7,534)	(11,256)	(16,653)
Net Premiums Earned	\$12,189	\$11,166	\$12,254	\$12,027	\$12,255	\$11,810	\$12,594	\$12,826	\$12,798	\$109,919	\$151,134	\$131,820
Claims Incurred:												
Prior Accident Years:												
Undiscounted	(\$396)	(\$174)	\$12,337	(\$124)	\$4,260	(\$98)	(\$40)	\$3,919	(\$31)	\$19,653	\$19,654	\$41,142
Effect of Discounting	(744)	(926)	(3,120)	(384)	251	(623)	(639)	(2,719)	(612)	(\$9,516)	(11,177)	(1,682)
Discounted	(\$1,140)	(\$1,100)	\$9,217	(\$508)	\$4,511	(\$721)	(\$679)	\$1,200	(\$643)	\$10,137	\$8,477	\$39,460
Current Accident Year:												
Undiscounted	\$9,865	\$8,860	\$12,016	\$10,242	\$11,874	\$10,309	\$10,931	\$14,800	\$11,582	\$100,479	\$137,631	\$110,558
Effect of Discounting	992	713	445	567	864	638	658	429	629	\$5,935	7,688	7,515
Discounted	\$10,857	\$9,573	\$12,461	\$10,809	\$12,738	\$10,947	\$11,589	\$15,229	\$12,211	\$106,414	\$145,319	\$118,073
Claims Incurred	\$9,717	\$8,473	\$21,678	\$10,301	\$17,249	\$10,226	\$10,910	\$16,429	\$11,568	\$116,551	\$153,796	\$157,533
Underwriting Expenses:												
Expense Allowance	\$2,215	\$2,312	\$3,069	\$3,557	\$4,103	\$4,121	\$4,031	\$4,852	\$5,635	\$33,895	\$46,882	\$44,732
Change in UPDR/DPAC:												
Undiscounted	979	697	4,930	25	1,197	(353)	(212)	2,510	(676)	9,097	8,611	689
Effect of Discounting	(318)	(224)	(561)	24	269	161	90	151	437	29	267	1,915
Discounted	661	473	4,369	49	1,466	(192)	(122)	2,661	(239)	\$9,126	8,878	\$2,604
Underwriting Expenses	\$2,876	\$2,785	\$7,438	\$3,606	\$5,569	\$3,929	\$3,909	\$7,513	\$5,396	\$43,021	55,760	\$47,336
Net Underwriting Gain (Loss)	(\$404)	(\$92)	(\$16,862)	(\$1,880)	(\$10,563)	(\$2,345)	(\$2,225)	(\$11,116)	(\$4,166)	(\$49,653)	(\$58,422)	(\$73,049)
Administrative Expenses	\$73	\$79	\$70	\$83	\$94	\$75	\$74	\$81	\$69	\$698	\$950	\$894
Operating Result	(\$477)	(\$171)	(\$16,932)	(\$1,963)	(\$10,657)	(\$2,420)	(\$2,299)	(\$11,197)	(\$4,235)	(\$50,351)	(\$59,372)	(\$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%	-5.0%	9.2%	5.6%	29.9%
Current Accident Year	89.1%	85.7%	101.7%	89.9%	103.9%	92.7%	92.0%	118.7%	95.4%	96.8%	96.2%	89.6%
All Accident Years Combined (Earned)	79.7%	75.8%	176.9%	85.7%	140.7%	86.6%	86.6%	128.1%	90.4%	106.0%	101.8%	119.5%
Underwriting & Administrative Expenses (Earned)	24.2%	25.6%	61.3%	30.7%	46.2%	33.9%	31.6%	59.2%	42.7%	39.8%	37.5%	36.6%
Combined Operating Ratio	103.9%	101.4%	238.2%	116.4%	186.9%	120.5%	118.2%	187.3%	133.1%	145.8%	139.3%	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 9 Months Ended September 30, 2017 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

	January	February	March	April	May	June	July	August	September	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	\$7,811	\$73,100	\$99,374	\$99,667
Decrease (Increase) in Unearned Premiums	1,014	152	(499)	(1,191)	(721)	(295)	508	482	31	(519)	(2,161)	(9,196)
Net Premiums Earned	\$8,176	\$7,520	\$8,318	\$8,071	\$8,327	\$7,895	\$8,246	\$8,186	\$7,842	\$72,581	\$97,213	\$90,471
Claims Incurred:												
Prior Accident Years:												
Undiscounted	(\$209)	(\$89)	(\$538)	(\$42)	\$2,928	(\$72)	(\$30)	\$2,843	(\$19)	\$4,772	\$4,771	\$2,286
Effect of Discounting	(826)	(520)	(2,601)	(400)	126	(336)	(293)	(1,299)	(333)	(6,482)	(7,564)	(3,163)
Discounted	(\$1,035)	(\$609)	(\$3,139)	(\$442)	\$3,054	(\$408)	(\$323)	\$1,544	(\$352)	(\$1,710)	(\$2,793)	(\$877)
Current Accident Year:												
Undiscounted	\$8,220	\$7,472	\$9,476	\$8,375	\$9,927	\$8,466	\$8,799	\$11,000	\$8,639	\$80,374	\$107,437	\$102,363
Effect of Discounting	764	521	232	418	588	438	399	188	292	3,840	4,681	5,476
Discounted	\$8,984	\$7,993	\$9,708	\$8,793	\$10,515	\$8,904	\$9,198	\$11,188	\$8,931	\$84,214	\$112,118	\$107,839
Claims Incurred	\$7,949	\$7,384	\$6,569	\$8,351	\$13,569	\$8,496	\$8,875	\$12,732	\$8,579	\$82,504	\$109,325	\$106,962
Underwriting Expenses:												
Expense Allowance	\$2,066	\$2,129	\$2,546	\$2,675	\$2,613	\$2,365	\$2,235	\$2,226	\$2,257	\$21,112	\$28,707	\$30,016
Change in UPDR/DPAC:												
Undiscounted	15	10	2,424	109	1,363	(6)	(65)	1,900	26	5,776	6,056	1,003
Effect of Discounting	(83)	(11)	(390)	94	159	19	(40)	(80)	(2)	(334)	(200)	987
Discounted	(68)	(1)	2,034	203	1,522	13	(105)	1,820	24	5,442	5,856	\$1,990
Underwriting Expenses	\$1,998	\$2,128	\$4,580	\$2,878	\$4,135	\$2,378	\$2,130	\$4,046	\$2,281	\$26,554	\$34,563	\$32,006
Net Underwriting Gain (Loss)	(\$1,771)	(\$1,992)	(\$2,831)	(\$3,158)	(\$9,377)	(\$2,979)	(\$2,759)	(\$8,592)	(\$3,018)	(\$36,477)	(\$46,675)	(\$48,497)
Administrative Expenses	\$73	\$79	\$70	\$83	\$94	\$75	\$76	\$79	\$69	\$698	\$965	\$898
Operating Result	(\$1,844)	(\$2,071)	(\$2,901)	(\$3,241)	(\$9,471)	(\$3,054)	(\$2,835)	(\$8,671)	(\$3,087)	(\$37,175)	(\$47,640)	(\$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%	-4.5%	-2.4%	-2.9%	-1.0%
Current Accident Year	109.9%	106.3%	116.7%	108.9%	126.3%	112.8%	111.5%	136.7%	113.9%	116.0%	115.3%	119.2%
All Accident Years Combined	97.2%	98.2%	79.0%	103.4%	163.0%	107.6%	107.6%	155.6%	109.4%	113.6%	112.4%	118.2%
Underwriting & Administrative Expenses (Earned)	25.3%	29.3%	55.9%	36.7%	50.8%	31.1%	26.8%	50.4%	30.0%	37.5%	36.5%	36.4%
Combined Operating Ratio	122.5%	127.5%	134.9%	140.1%	213.8%	138.7%	134.4%	206.0%	139.4%	151.1%	148.9%	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