

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

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

**BULLETIN NO.: F17 – 099**

**DATE: DECEMBER 21, 2017**

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

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

Please be advised that the November 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 -\$48.0 million and the incurred loss ratio to the end of 11 months is 100.1%, as summarized in the table below.

<b>Amounts in \$000s</b>	<b>November 2017</b>	November 2016	<b>Year to date Nov 2017</b>	Year to Date Nov 2016
Premium Written	14,233	12,224	148,114	138,020
Premium Earned	12,901	11,608	136,001	119,455
Incurred Losses	11,527	9,517	136,136	147,215
Underwriting & Admin Expense	3,569	3,011	47,909	45,458
<b>Operating Result</b>	<b>(2,195)</b>	<b>(920)</b>	<b>(48,044)</b>	<b>(73,218)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - <i>Prior Accident Years</i>	<b>(4.3%)</b>	<b>(5.5%)</b>	5.1%	33.6%
- <i>Current Accident Year</i>	93.7%	87.5%	95.0%	89.7%
<i>Total</i>	<b>89.4%</b>	<b>82.0%</b>	<b>100.1%</b>	<b>123.3%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>27.7%</b>	<b>25.9%</b>	<b>35.2%</b>	<b>38.1%</b>
<b>Combined Operating Ratio</b>	<b>117.1%</b>	<b>107.9%</b>	<b>135.3%</b>	<b>161.4%</b>

*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 -\$49.8 million and the estimated combined operating ratio to December 2017 is 133.2%, 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 (-\$49.9 million and 133.2%).

<b>AB Grid RSP Yr-end Projection</b>	<b>Current</b>	Prior Mth	<b>Change</b>	Final 2017
<b>Amounts in \$000s</b>	<b>(Nov 2017)</b>	<b>(Oct 2017)</b>		<b>Outlook*</b>
Premium Written	160,651	160,824	(173)	178,561
Premium Earned	149,777	150,316	(539)	179,590
Incurred Losses	148,461	149,011	(550)	149,213
Underwriting & Admin Expense	51,097	51,190	(92)	54,575
<b>Net Result from Operations</b>	<b>(49,781)</b>	<b>(49,885)</b>	<b>103</b>	<b>(24,198)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	4.3%	4.4%	(0.1%)	(3.9%)
- Current Accident Year	94.8%	94.7%	0.1%	87.0%
<i>Total</i>	<b>99.1%</b>	<b>99.1%</b>	<b>0.0%</b>	<b>83.1%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>34.1%</b>	<b>34.1%</b>	<b>0.0%</b>	<b>30.4%</b>
<b>Combined Operating Ratio</b>	<b>133.2%</b>	<b>133.2%</b>	<b>0.0%</b>	<b>113.5%</b>

*rounding differences may occur*

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

### Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$2.2 million Operating Result in the month of November 2017, a deterioration of \$1.3 million compared with the same month last year. This deterioration is composed of an estimated \$0.1 million unfavourable impact associated with the \$1.3 million increase in earned premium (at a combined ratio of 107.9%), with the remaining \$1.2 million deterioration stemming from the overall increase in the combined ratio (from 107.9% to 117.1% applied to \$12.9 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 137.2% at the end of 10 months to 135.3% at the end of 11 months. The 1.9 percentage point decrease is composed of a 1.0 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 0.8 percentage point decrease in the expense ratio.

**Bulletin F17-099**  
**Alberta Risk Sharing Pools – November 2017 Operational Reports**

---

*Variances from Projections*

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

<b>November 2017</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Written Premium	14,233	14,758	(525)	(3.6%)
Earned Premium	12,901	13,305	(404)	(3.0%)
Reported Losses				
Paid Losses	12,206	11,506	700	6.1%
Paid Expenses	450	608	(158)	(26.0%)
Change in Outstanding Losses	(1,517)	(442)	(1,075)	243.2%
<b>Total Reported Losses</b>	<b>11,139</b>	<b>11,672</b>	<b>(533)</b>	<b>(4.6%)</b>
Change in IBNR Provision*	388	281	107	
Change in Premium Deficiency (DPAC)*	(621)	(646)	25	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Alberta Grid RSP November 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 November 2017, reported losses were \$0.5 million lower than projected. The Current Accident Year reported a favourable variance of \$0.1 million, and the Prior Accident Years reported a favourable variance of \$0.4 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.

*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 November 2017 Operational Report – Actuarial Highlights](#).

**Effect of Quarterly Valuation**

The November 2017 Alberta Grid Risk Sharing Pool Operational Report does not reflect the results of an updated valuation (the most recent valuation is as at September 30, 2017). The actuarial valuation will be updated next as at December 31, 2017 and we anticipate that the results will be reflected in the March 2018 Operational Report.

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

The calendar year-to-date Operating Result is -\$44.6 million and the incurred loss ratio to the end of 11 months is 115.4%, as summarized in the table immediately below.

<b>Amounts in \$000s</b>	<b>November 2017</b>	November 2016	<b>Year to date Nov 2017</b>	Year to Date Nov 2016
Premium Written	8,900	7,253	91,790	93,410
Premium Earned	7,981	7,871	88,703	82,314
Incurred Losses	9,035	8,514	102,350	97,576
Underwriting & Admin Expense	2,246	1,084	30,920	32,330
<b>Operating Result</b>	<b>(3,300)</b>	<b>(1,727)</b>	<b>(44,567)</b>	<b>(47,592)</b>
<b>Ratios:</b>				
<b>Loss ratio</b>				
- Prior Accident Years	(2.9%)	(7.6%)	(2.4%)	(0.8%)
- Current Accident Year	116.1%	115.8%	117.8%	119.4%
<i>Total</i>	<b>113.2%</b>	<b>108.2%</b>	<b>115.4%</b>	<b>118.6%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>28.1%</b>	<b>13.8%</b>	<b>34.9%</b>	<b>39.3%</b>
<b>Combined Operating Ratio</b>	<b>141.3%</b>	<b>122.0%</b>	<b>150.3%</b>	<b>157.9%</b>

*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 -\$47.4 million and the estimated combined operating ratio to December 2017 is 148.8%, as summarized in the table at the top of the next page. This updated projection to the end of the year has deteriorated by \$0.3 million from the projection provided last month (-\$47.1 million and 148.4%). This deterioration is driven by a \$0.4 million increase in the projected written premium for the year, based on updated projections provided by members.

<b>AB Non-Grid RSP Yr-end Projection</b>	<b>Current</b>	<b>Prior Mth</b>	<b>Change</b>	<b>Final 2017</b>
<b>Amounts in \$000s</b>	<b>(Nov 2017)</b>	<b>(Oct 2017)</b>		<b>Outlook*</b>
Premium Written	99,951	99,591	360	96,290
Premium Earned	97,102	97,183	(81)	97,853
Incurred Losses	111,796	111,680	116	100,943
Underwriting & Admin Expense	32,741	32,589	152	29,058
<b>Net Result from Operations</b>	<b>(47,435)</b>	<b>(47,086)</b>	<b>(349)</b>	<b>(32,148)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(2.5%)	(2.6%)	0.1%	(4.5%)
- Current Accident Year	117.6%	117.5%	0.1%	107.7%
<i>Total</i>	<b>115.1%</b>	<b>114.9%</b>	<b>0.2%</b>	<b>103.2%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>33.7%</b>	<b>33.5%</b>	<b>0.2%</b>	<b>29.7%</b>
<i>Combined Operating Ratio</i>	<b>148.8%</b>	<b>148.4%</b>	<b>0.4%</b>	<b>132.9%</b>

*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 -\$3.3 million Operating Result in the month of November 2017, a deterioration of \$1.6 million from the same month last year. This deterioration mainly stems from the overall increase in the combined ratio (from 122.0% to 141.3% applied to \$8.0 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 151.1% at the end of 10 months to 150.3% at the end of 11 months. The 0.8 percentage point decrease is composed of a 0.2 percentage point decrease in the Current Accident Year loss ratio, and a 0.6 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.

November 2017	Actual	Projection	Difference	Difference %
Written Premium	8,900	8,674	226	2.6%
Earned Premium	7,981	8,031	(50)	(0.6%)
Reported Losses				
Paid Losses	8,516	10,062	(1,546)	(15.4%)
Paid Expenses	170	323	(153)	(47.4%)
Change in Outstanding Losses	1,420	(1,412)	2,832	(200.6%)
<b>Total Reported Losses</b>	<b>10,106</b>	<b>8,973</b>	<b>1,133</b>	<b>12.6%</b>
Change in IBNR Provision*	(1,071)	(6)	(1,065)	
Change in Premium Deficiency (DPAC)*	(404)	(440)	36	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Alberta Non-Grid RSP November 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 November 2017, reported losses were \$1.1 million higher than projected. The Current Accident Year had an approximately \$0.9 million unfavourable variance in reported losses, and the Prior Accident Years had a \$0.2 million unfavourable variance. No single Prior Accident Year had a reported loss 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.

### Booking IBNR

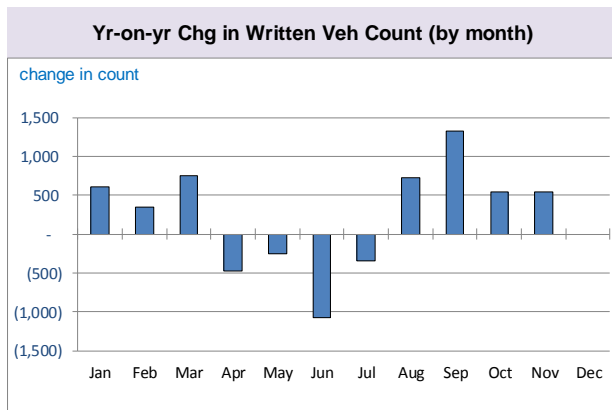
The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium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

### Effect of Quarterly Valuation

The November 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 September 30, 2017). The actuarial valuation will be updated next as at December 31, 2017 and we anticipate that the results will be reflected in the March 2018 Operational Report.

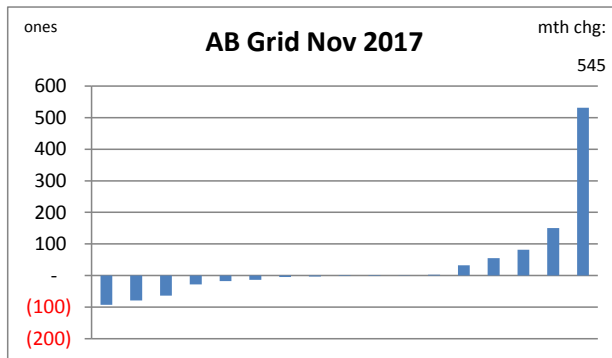
### Management Comments

#### Alberta Grid

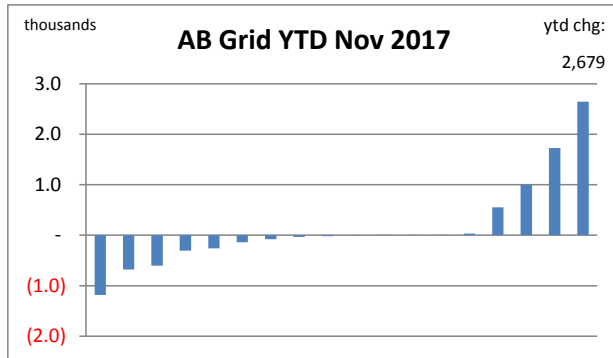


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with November showing an increase of 545 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 780 vehicles, indicating a variance of 235 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 November than

projected.

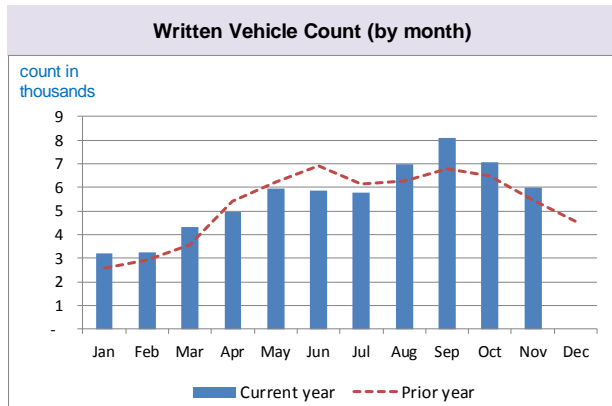


The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eleven member company groups transferred fewer vehicles to the pool this month compared with a year ago, while six transferred more. Of the 11 member company groups transferring fewer vehicles, 3 member company groups accounted for 77% of the total transfer decrease for these “decliner” members. Of the 6 member company groups transferring more vehicles, 1 member company group accounted for 62% of the total transfer increases for these “grower” members.

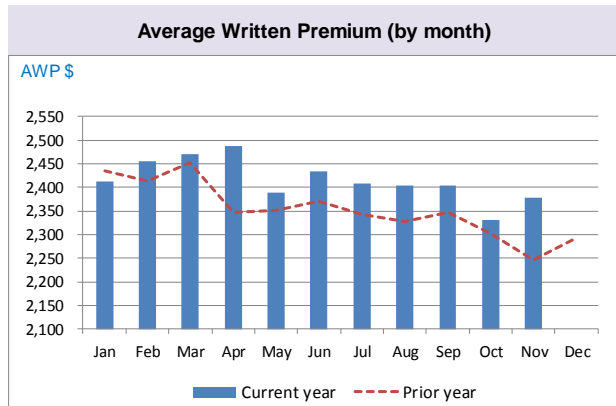


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

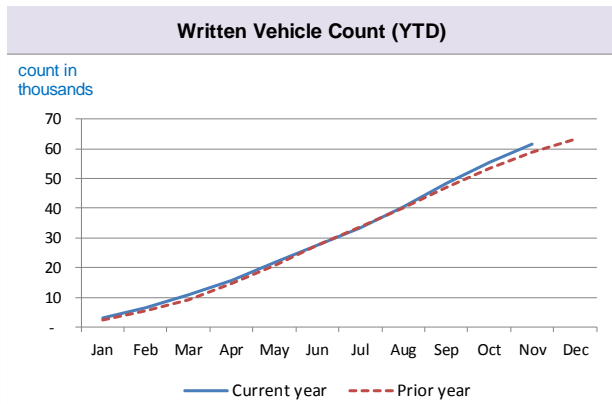
November’s vehicle count transfers to the pool represent a 10.0% increase from November 2016, and counts were up 4.6% year-to-date. Average written premium was up 5.8% in November 2017 compared with the same month in 2016, and up 2.6% year-to-date (see charts immediately below).



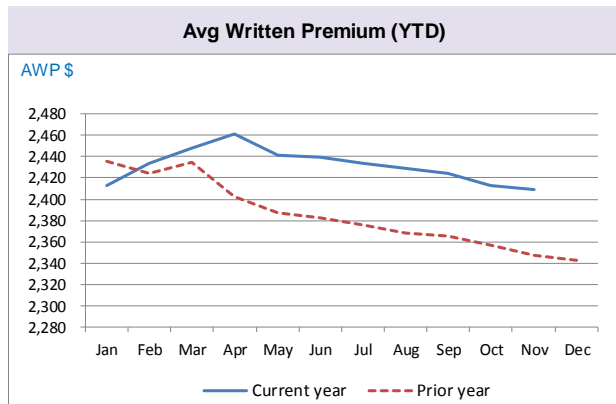
	Nov-17	Nov-16	Amt Chg	% Chg
W. Veh curr mth	5,986	5,441	545	10.0%



	Nov-17	Nov-16	Amt Chg	% Chg
AWP curr mth	2,378	2,247	131	5.8%



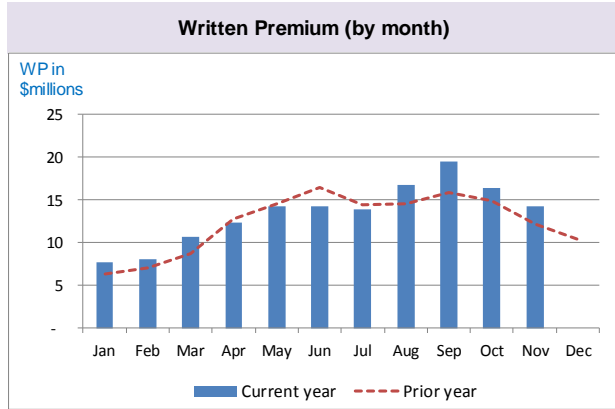
	Nov-17	Nov-16	Amt Chg	% Chg
W. Vehicles YTD	61,479	58,801	2,679	4.6%



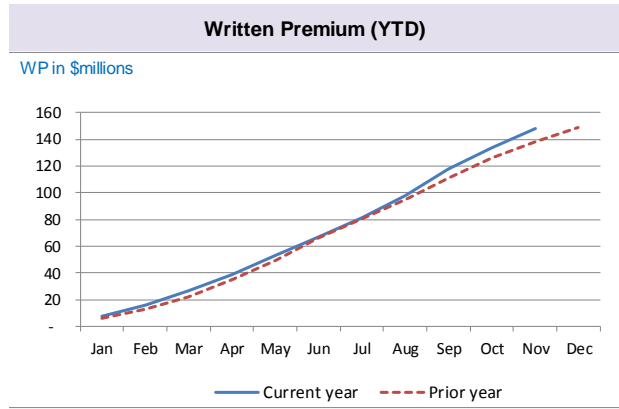
	Nov-17	Nov-16	Amt Chg	% Chg
Avg W. Prem YTD	2,409	2,347	62	2.6%



As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 16.4% for the month compared with the 20.7% increase we projected last month, and was up 7.3% year-to-date (see charts immediately below).

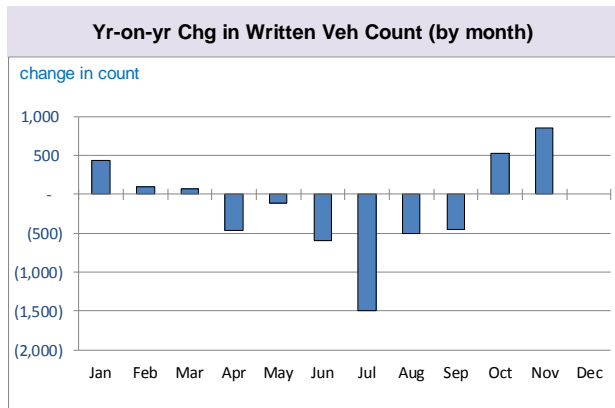


	Nov-17	Nov-16	Amt Chg	% Chg
WP (\$000s) curr mth	14,233	12,224	2,009	16.4%



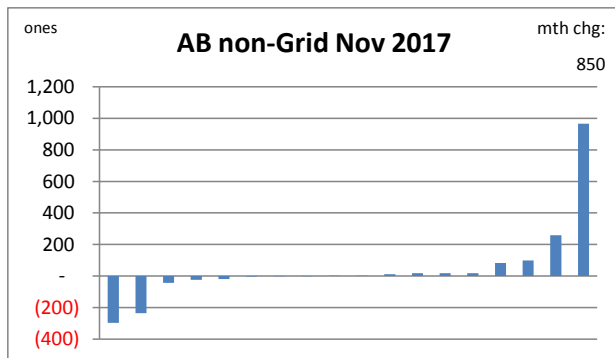
	Nov-17	Nov-16	Amt Chg	% Chg
WP (\$000s) YTD	148,114	138,020	10,095	7.3%

**Alberta Non-Grid**



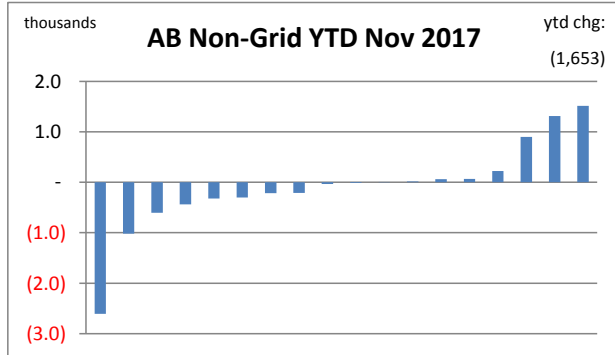
projected.

The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Non-Grid pool by month, with November showing an increase of 850 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for an increase of 895 vehicles, indicating a variance of 45 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 November than



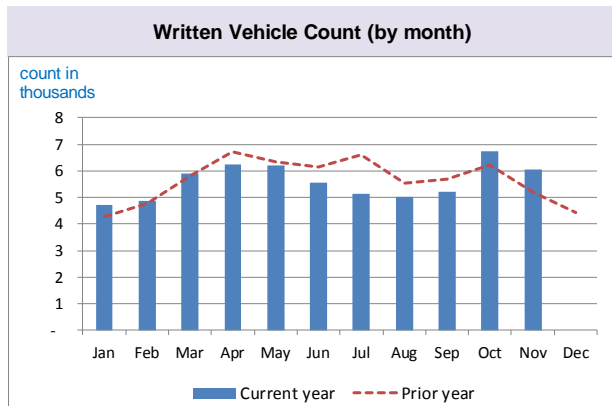
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eight member company groups transferred fewer vehicles to the pool this month compared to a year ago, while ten transferred more. Of the 8 member company groups transferring fewer vehicles, 2 member

company groups accounted for 86% of the total transfer decrease for these “decliner” members. Of the 10 member company groups transferring more vehicles, 1 member company group accounted for 66% of the total transfers increase for these “grower” members.

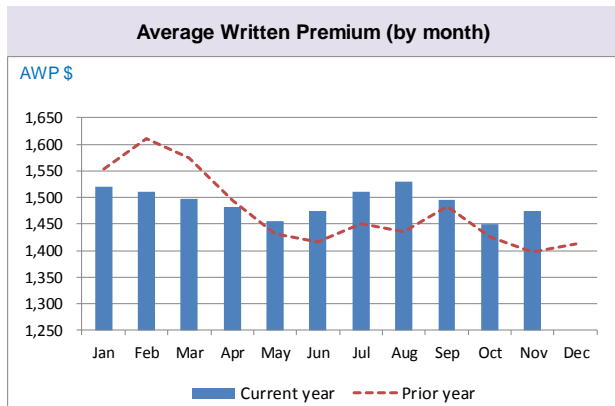


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

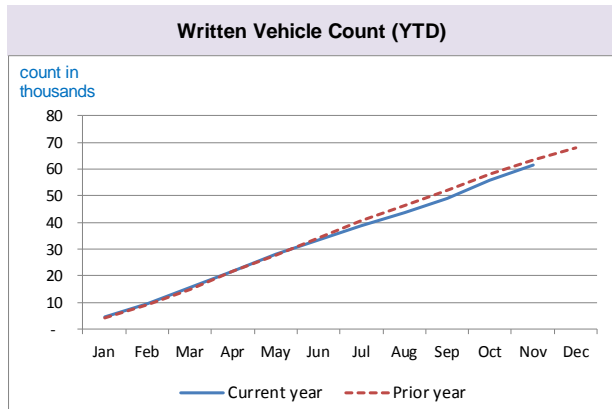
November’s vehicle count transfers to the pool represent a 16.4% increase from November 2016, but counts were down 2.6% year-to-date. Average written premium was up 5.4% in November 2017 compared with the same month in 2016, and up 0.9% year-to-date (see charts immediately below and at the top of the next page).



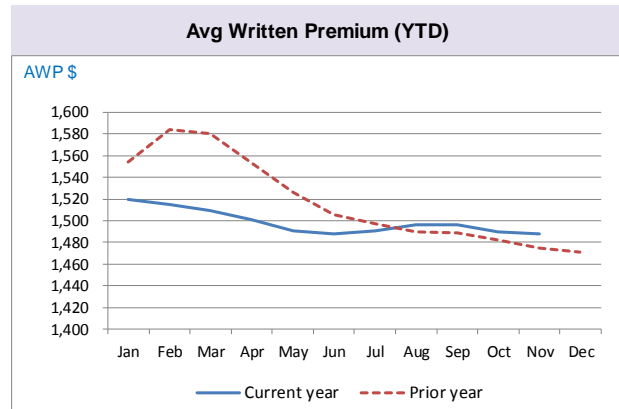
	Nov-17	Nov-16	Amt Chg	% Chg
W. Veh curr mth	6,037	5,187	850	16.4%



	Nov-17	Nov-16	Amt Chg	% Chg
AWP curr mth	1,474	1,398	76	5.4%

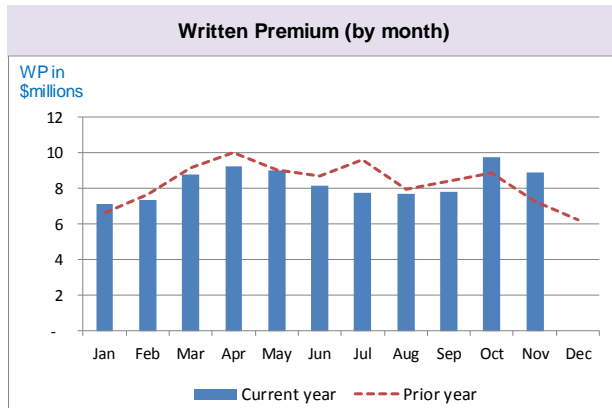


	Nov-17	Nov-16	Amt Chg	% Chg
W. Vehicles YTD	61,668	63,321	(1,653)	-2.6%

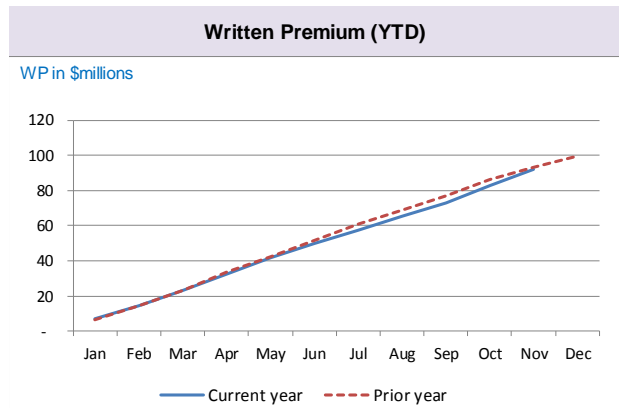


	Nov-17	Nov-16	Amt Chg	% Chg
Avg W. Prem YTD	1,488	1,475	13	0.9%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 22.7% for the month compared with the 19.6% increase we projected last month, but was down 1.7% year-to-date (see charts immediately below).



	Nov-17	Nov-16	Amt Chg	% Chg
WP (\$000s) curr mth	8,900	7,253	1,647	22.7%



	Nov-17	Nov-16	Amt Chg	% Chg
WP (\$000s) YTD	91,790	93,410	(1,620)	-1.7%

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 November 2017 Operational Report - Actuarial Highlights](#)

Alberta Non-Grid RSP:

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

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2017**

Risk Sharing Pool - Alberta (Grid)

Operating Results for the 11 Months Ended November 30, 2017 (Discounted basis)

Source: *Monthly Operational Report*

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	September	October	November	CY2017 YTD	CY2017 12 MONTHS Updated Projection	CY2016 12 MONTHS Actual
<b>Underwriting Revenue:</b>														
Net Premiums Written	\$7,717	\$8,020	\$10,642	\$12,325	\$14,222	\$14,275	\$13,957	\$16,796	\$19,499	\$16,428	\$14,233	\$148,114	\$160,651	\$148,473
Decrease (Increase) in Unearned Premiums	4,472	3,146	1,612	(298)	(1,967)	(2,465)	(1,363)	(3,970)	(6,701)	(3,247)	(1,332)	(12,113)	(10,874)	(16,653)
<b>Net Premiums Earned</b>	<b>\$12,189</b>	<b>\$11,166</b>	<b>\$12,254</b>	<b>\$12,027</b>	<b>\$12,255</b>	<b>\$11,810</b>	<b>\$12,594</b>	<b>\$12,826</b>	<b>\$12,798</b>	<b>\$13,181</b>	<b>\$12,901</b>	<b>\$136,001</b>	<b>\$149,777</b>	<b>\$131,820</b>
<b>Claims Incurred:</b>														
Prior Accident Years:														
Undiscounted	(\$396)	(\$174)	\$12,337	(\$124)	\$4,260	(\$98)	(\$40)	\$3,919	(\$31)	\$1,433	(\$44)	\$21,042	\$21,043	\$41,142
Effect of Discounting	(744)	(926)	(3,120)	(384)	251	(623)	(639)	(2,719)	(612)	(4,051)	(511)	(\$14,078)	(14,537)	(1,682)
Discounted	(\$1,140)	(\$1,100)	\$9,217	(\$508)	\$4,511	(\$721)	(\$679)	\$1,200	(\$643)	(\$2,618)	(\$555)	\$6,964	\$6,506	\$39,460
Current Accident Year:														
Undiscounted	\$9,865	\$8,860	\$12,016	\$10,242	\$11,874	\$10,309	\$10,931	\$14,800	\$11,582	\$11,578	\$11,642	\$123,699	\$136,051	\$110,558
Effect of Discounting	992	713	445	567	864	638	658	429	629	(902)	440	\$5,473	5,904	7,515
Discounted	\$10,857	\$9,573	\$12,461	\$10,809	\$12,738	\$10,947	\$11,589	\$15,229	\$12,211	\$10,676	\$12,082	\$129,172	\$141,955	\$118,073
<b>Claims Incurred</b>	<b>\$9,717</b>	<b>\$8,473</b>	<b>\$21,678</b>	<b>\$10,301</b>	<b>\$17,249</b>	<b>\$10,226</b>	<b>\$10,910</b>	<b>\$16,429</b>	<b>\$11,568</b>	<b>\$8,058</b>	<b>\$11,527</b>	<b>\$136,136</b>	<b>\$148,461</b>	<b>\$157,533</b>
<b>Underwriting Expenses:</b>														
Expense Allowance	\$2,215	\$2,312	\$3,069	\$3,557	\$4,103	\$4,121	\$4,031	\$4,852	\$5,635	\$4,747	\$4,113	\$42,755	\$46,379	\$44,732
Change in UPDR/DPAC:														
Undiscounted	979	697	4,930	25	1,197	(353)	(212)	2,510	(676)	(3,149)	(662)	5,286	4,892	689
Effect of Discounting	(318)	(224)	(561)	24	269	161	90	151	437	(1,059)	41	(989)	(1,088)	1,915
Discounted	661	473	4,369	49	1,466	(192)	(122)	2,661	(239)	(4,208)	(621)	\$4,297	3,804	\$2,604
<b>Underwriting Expenses</b>	<b>\$2,876</b>	<b>\$2,785</b>	<b>\$7,438</b>	<b>\$3,606</b>	<b>\$5,569</b>	<b>\$3,929</b>	<b>\$3,909</b>	<b>\$7,513</b>	<b>\$5,396</b>	<b>\$539</b>	<b>\$3,492</b>	<b>\$47,052</b>	<b>50,183</b>	<b>\$47,336</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$404)</b>	<b>(\$92)</b>	<b>(\$16,862)</b>	<b>(\$1,880)</b>	<b>(\$10,563)</b>	<b>(\$2,345)</b>	<b>(\$2,225)</b>	<b>(\$11,116)</b>	<b>(\$4,166)</b>	<b>\$4,584</b>	<b>(\$2,118)</b>	<b>(\$47,187)</b>	<b>(\$48,867)</b>	<b>(\$73,049)</b>
<b>Administrative Expenses</b>	<b>\$73</b>	<b>\$79</b>	<b>\$70</b>	<b>\$83</b>	<b>\$94</b>	<b>\$75</b>	<b>\$74</b>	<b>\$81</b>	<b>\$69</b>	<b>\$82</b>	<b>\$77</b>	<b>\$857</b>	<b>\$914</b>	<b>\$894</b>
<b>Operating Result</b>	<b>(\$477)</b>	<b>(\$171)</b>	<b>(\$16,932)</b>	<b>(\$1,963)</b>	<b>(\$10,657)</b>	<b>(\$2,420)</b>	<b>(\$2,299)</b>	<b>(\$11,197)</b>	<b>(\$4,235)</b>	<b>\$4,502</b>	<b>(\$2,195)</b>	<b>(\$48,044)</b>	<b>(\$49,781)</b>	<b>(\$73,943)</b>
<b>Ratios:</b>														
<b>Claims &amp; Expenses Incurred (Earned)</b>														
Prior Accident Years	-9.4%	-9.9%	75.2%	-4.2%	36.8%	-6.1%	-5.4%	9.4%	-5.0%	-19.9%	-4.3%	5.1%	4.3%	29.9%
Current Accident Year	89.1%	85.7%	101.7%	89.9%	103.9%	92.7%	92.0%	118.7%	95.4%	81.0%	93.7%	95.0%	94.8%	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%	61.1%	89.4%	100.1%	99.1%	119.5%
Underwriting & Administrative Expenses (Earned)	24.2%	25.6%	61.3%	30.7%	46.2%	33.9%	31.6%	59.2%	42.7%	4.7%	27.7%	35.2%	34.1%	36.6%
<b>Combined Operating Ratio</b>	<b>103.9%</b>	<b>101.4%</b>	<b>238.2%</b>	<b>116.4%</b>	<b>186.9%</b>	<b>120.5%</b>	<b>118.2%</b>	<b>187.3%</b>	<b>133.1%</b>	<b>65.8%</b>	<b>117.1%</b>	<b>135.3%</b>	<b>133.2%</b>	<b>156.1%</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 2017**

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for the 11 Months Ended November 30, 2017 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 2

	January	February	March	April	May	June	July	August	September	October	November	CY2017 YTD	CY2017 12 MONTHS Updated Projection	CY2016 12 MONTHS Actual
<b>Underwriting Revenue:</b>														
Net Premiums Written	\$7,162	\$7,368	\$8,817	\$9,262	\$9,048	\$8,190	\$7,738	\$7,704	\$7,811	\$9,790	\$8,900	\$91,790	\$99,951	\$99,667
Decrease (Increase) in Unearned Premiums	1,014	152	(499)	(1,191)	(721)	(295)	508	482	31	(1,649)	(919)	(3,087)	(2,849)	(9,196)
<b>Net Premiums Earned</b>	<b>\$8,176</b>	<b>\$7,520</b>	<b>\$8,318</b>	<b>\$8,071</b>	<b>\$8,327</b>	<b>\$7,895</b>	<b>\$8,246</b>	<b>\$8,186</b>	<b>\$7,842</b>	<b>\$8,141</b>	<b>\$7,981</b>	<b>\$88,703</b>	<b>\$97,102</b>	<b>\$90,471</b>
<b>Claims Incurred:</b>														
Prior Accident Years:														
Undiscounted	(\$209)	(\$89)	(\$538)	(\$42)	\$2,928	(\$72)	(\$30)	\$2,843	(\$19)	\$2,183	(\$6)	\$6,949	\$6,949	\$2,286
Effect of Discounting	(826)	(520)	(2,601)	(400)	126	(336)	(293)	(1,299)	(333)	(2,381)	(225)	(9,088)	(9,363)	(3,163)
Discounted	(\$1,035)	(\$609)	(\$3,139)	(\$442)	\$3,054	(\$408)	(\$323)	\$1,544	(\$352)	(\$198)	(\$231)	(\$2,139)	(\$2,414)	(\$877)
Current Accident Year:														
Undiscounted	\$8,220	\$7,472	\$9,476	\$8,375	\$9,927	\$8,466	\$8,799	\$11,000	\$8,639	\$11,299	\$9,010	\$100,683	\$110,149	\$102,363
Effect of Discounting	764	521	232	418	588	438	399	188	292	(290)	256	3,806	4,061	5,476
Discounted	\$8,984	\$7,993	\$9,708	\$8,793	\$10,515	\$8,904	\$9,198	\$11,188	\$8,931	\$11,009	\$9,266	\$104,489	\$114,210	\$107,839
<b>Claims Incurred</b>	<b>\$7,949</b>	<b>\$7,384</b>	<b>\$6,569</b>	<b>\$8,351</b>	<b>\$13,569</b>	<b>\$8,496</b>	<b>\$8,875</b>	<b>\$12,732</b>	<b>\$8,579</b>	<b>\$10,811</b>	<b>\$9,035</b>	<b>\$102,350</b>	<b>\$111,796</b>	<b>\$106,962</b>
<b>Underwriting Expenses:</b>														
Expense Allowance	\$2,066	\$2,129	\$2,546	\$2,675	\$2,613	\$2,365	\$2,235	\$2,226	\$2,257	\$2,829	\$2,572	\$26,513	\$28,873	\$30,016
Change in UPDR/DPAC:														
Undiscounted	15	10	2,424	109	1,363	(6)	(65)	1,900	26	(970)	(431)	4,375	3,793	1,003
Effect of Discounting	(83)	(11)	(390)	94	159	19	(40)	(80)	(2)	(519)	27	(826)	(872)	987
Discounted	(68)	(1)	2,034	203	1,522	13	(105)	1,820	24	(1,489)	(404)	3,549	2,921	\$1,990
<b>Underwriting Expenses</b>	<b>\$1,998</b>	<b>\$2,128</b>	<b>\$4,580</b>	<b>\$2,878</b>	<b>\$4,135</b>	<b>\$2,378</b>	<b>\$2,130</b>	<b>\$4,046</b>	<b>\$2,281</b>	<b>\$1,340</b>	<b>\$2,168</b>	<b>\$30,062</b>	<b>\$31,794</b>	<b>\$32,006</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$1,771)</b>	<b>(\$1,992)</b>	<b>(\$2,831)</b>	<b>(\$3,158)</b>	<b>(\$9,377)</b>	<b>(\$2,979)</b>	<b>(\$2,759)</b>	<b>(\$8,592)</b>	<b>(\$3,018)</b>	<b>(\$4,010)</b>	<b>(\$3,222)</b>	<b>(\$43,709)</b>	<b>(\$46,488)</b>	<b>(\$48,497)</b>
<b>Administrative Expenses</b>	<b>\$73</b>	<b>\$79</b>	<b>\$70</b>	<b>\$83</b>	<b>\$94</b>	<b>\$75</b>	<b>\$76</b>	<b>\$79</b>	<b>\$69</b>	<b>\$82</b>	<b>\$78</b>	<b>\$858</b>	<b>\$947</b>	<b>\$898</b>
<b>Operating Result</b>	<b>(\$1,844)</b>	<b>(\$2,071)</b>	<b>(\$2,901)</b>	<b>(\$3,241)</b>	<b>(\$9,471)</b>	<b>(\$3,054)</b>	<b>(\$2,835)</b>	<b>(\$8,671)</b>	<b>(\$3,087)</b>	<b>(\$4,092)</b>	<b>(\$3,300)</b>	<b>(\$44,567)</b>	<b>(\$47,435)</b>	<b>(\$49,395)</b>
<b>Ratios:</b>														
<b>Claims &amp; Expenses Incurred (Earned)</b>														
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%	-2.4%	-2.5%	-1.0%
Current Accident Year	109.9%	106.3%	116.7%	108.9%	126.3%	112.8%	111.5%	136.7%	113.9%	135.2%	116.1%	117.8%	117.6%	119.2%
All Accident Years Combined	97.2%	98.2%	79.0%	103.4%	163.0%	107.6%	107.6%	155.6%	109.4%	132.8%	113.2%	115.4%	115.1%	118.2%
(Earned)	25.3%	29.3%	55.9%	36.7%	50.8%	31.1%	26.8%	50.4%	30.0%	17.5%	28.1%	34.9%	33.7%	36.4%
<b>Combined Operating Ratio</b>	<b>122.5%</b>	<b>127.5%</b>	<b>134.9%</b>	<b>140.1%</b>	<b>213.8%</b>	<b>138.7%</b>	<b>134.4%</b>	<b>206.0%</b>	<b>139.4%</b>	<b>150.3%</b>	<b>141.3%</b>	<b>150.3%</b>	<b>148.8%</b>	<b>154.6%</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