

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

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

**BULLETIN NO.: F19 – 044**

**DATE: JUNE 27, 2019**

**SUBJECT: ONTARIO RISK SHARING POOL  
– MAY 2019 OPERATIONAL REPORT**

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

Please be advised that the May 2019 Ontario Risk Sharing Pool Operational Report is now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

## New This Month

### Valuation

A valuation of the Ontario RSP as at March 31, 2019 has been completed since last month’s Operational Report and the results of that valuation have been incorporated into this month’s Operational Report. The valuation was completed by the Facility Association’s internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation of the new valuation resulted in an estimated overall **\$24.0 million unfavourable** impact on the month’s net result from operations, adding an estimated 17.1 points from the year-to-date Combined Operating Ratio (ending at 182.5%). The impact on the month’s results is summarized in the tables below<sup>1</sup>.

Ontario	unfav / (fav) for the month and ytd						ytd EP 140,454 (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	5,042	624	5,666	11,722	-	17,388	3.6%	0.4%	4.0%	8.3%	-	12.4%
CAY	712	90	802	1,970	-	2,772	0.5%	0.1%	0.6%	1.4%	-	2.0%
Prem Def	727	256	983	2,888	-	3,871	0.5%	0.2%	0.7%	2.1%	-	2.8%
<b>TOTAL</b>	<b>6,481</b>	<b>970</b>	<b>7,451</b>	<b>16,580</b>	<b>-</b>	<b>24,031</b>	<b>4.6%</b>	<b>0.7%</b>	<b>5.3%</b>	<b>11.8%</b>	<b>-</b>	<b>17.1%</b>

Please see “Effect of Quarterly Valuation” on page 4 for additional valuation result detail.

<sup>1</sup>In 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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**Summary of Financial Results**

The calendar year-to-date Operating Result is -\$115.8 million and the incurred loss ratio to the end of 5 months is 143.0%, as summarized in the table below.

*ON RSP Summary of Financial Results (for month and year-to-date)*

<b>Amounts in \$000s</b>	<b>May 2019</b>	May 2018	<b>Year to date May 2019</b>	Year to Date May 2018
Premium Written	40,607	35,308	150,162	142,350
Premium Earned	29,660	30,389	140,454	147,425
Incurred Losses	59,250	38,270	200,808	177,319
Underwriting & Admin Expense	20,777	10,521	55,491	46,990
<b>Operating Result</b>	<b>(50,367)</b>	<b>(18,402)</b>	<b>(115,845)</b>	<b>(76,884)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	52.0%	(6.7%)	0.8%	(17.5%)
- Current Accident Year	147.7%	132.6%	142.2%	137.8%
<i>Total</i>	<b>199.7%</b>	<b>125.9%</b>	<b>143.0%</b>	<b>120.3%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>70.1%</b>	<b>34.6%</b>	<b>39.5%</b>	<b>31.9%</b>
<b>Combined Operating Ratio</b>	<b>269.8%</b>	<b>160.5%</b>	<b>182.5%</b>	<b>152.2%</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 2019” attached to this bulletin.

*Updated Projection to Year-end 2019*

The projected calendar year Operating Result to December 2019 is -\$271.2 million and the estimated combined operating ratio to December 2019 is 175.9%, as summarized in the table at the top of the next page.

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*ON RSP Summary of **Projected Year-end Financial Results** (current month's projection, prior month's projection, and Outlook posted last fall)*

<b>ON RSP 2019 Yr-end Projection</b> Amounts in \$000s	<b>Current</b> (May 2019)	Prior Mth (Apr 2019)	<b>Change</b>	Final 2019 Outlook*
Premium Written	389,258	396,931	(7,673)	424,778
Premium Earned	357,588	357,700	(112)	392,210
Incurred Losses	489,333	466,631	22,702	514,677
Underwriting & Admin Expense	139,437	141,187	(1,750)	144,373
<b>Net Result from Operations</b>	<b>(271,182)</b>	<b>(250,118)</b>	<b>(21,064)</b>	<b>(266,840)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(3.4%)	(7.7%)	4.3%	(4.6%)
- Current Accident Year	140.3%	138.2%	2.1%	135.8%
<i>Total</i>	<b>136.9%</b>	<b>130.5%</b>	<b>6.4%</b>	<b>131.2%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>39.0%</b>	<b>39.5%</b>	<b>(0.5%)</b>	<b>36.8%</b>
<b>Combined Operating Ratio</b>	<b>175.9%</b>	<b>170.0%</b>	<b>5.9%</b>	<b>168.0%</b>

*rounding differences may occur*

\*as posted to FA's website Oct. 18, 2018

This updated projection to the end of the year has deteriorated by \$21.1 million from the projection provided last month (see the second and third columns in the table), and included the overall \$26.3 million unfavourable impact of the valuation as at March 31, 2019, as summarized in the table below (see more information under “Effect of Quarterly Valuation” on page 4). Remaining differences were driven by changes in projected premium volumes, and the associated impacts on claims and expense projections.

Ontario	unfav / (fav) projected for full year						year EP 357,588 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year 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	5,042	539	5,581	10,004	-	15,585	1.4%	0.2%	1.6%	2.8%	-	4.4%
CAY	1,798	727	2,525	4,671	-	7,196	0.5%	0.2%	0.7%	1.3%	-	2.0%
Prem Def	-	213	213	3,290	-	3,503	-	0.1%	0.1%	0.9%	-	1.0%
<b>TOTAL</b>	<b>6,840</b>	<b>1,479</b>	<b>8,319</b>	<b>17,965</b>	<b>-</b>	<b>26,284</b>	<b>1.9%</b>	<b>0.4%</b>	<b>2.3%</b>	<b>5.0%</b>	<b>-</b>	<b>7.4%</b>

**Current Month Results**

The Ontario Risk Sharing Pool produced a -\$50.4 million Operating Result in the month of May 2019, a \$32.0 million deterioration compared with the same month last year. This deterioration is composed of a \$32.4 million deterioration stemming from the overall increase in the combined ratio (from 160.5% to 269.8% applied to \$29.7 million in earned premium), partially offset by a \$0.4 million favourable impact associated with the \$0.7 million decrease in earned premium (at a combined ratio of 160.5%). 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 159.0% at the end of 4 months to 182.5% at the end of 5 months. The 23.5 percentage point increase is composed of a 13.8 percentage point increase in the Prior Accident Year loss ratio, coupled with a 1.5 percentage

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point increase in the Current Accident Year loss ratio, and an 8.2 percentage point increase in the expense ratio.

*Variances from Projections*

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

*ON RSP Summary of Actual vs Projected variances*

<b>May 2019</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Written Premium	40,607	34,334	6,273	18.3%
Earned Premium	29,660	29,665	(5)	0.0%
Reported Losses				
Paid Losses	29,645	26,937	2,708	10.1%
Paid Expenses	1,358	2,034	(676)	(33.2%)
Change in Outstanding Losses	575	4,002	(3,427)	(85.6%)
<b>Total Reported Losses</b>	<b>31,578</b>	<b>32,973</b>	<b>(1,395)</b>	<b>(4.2%)</b>
Change in IBNR Provision*	27,672	6,162	21,510	
Change in Premium Deficiency (DPAC)*	8,625	2,208	6,417	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Ontario RSP May 2019 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 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 May 2019, reported losses were \$1.4 million lower than projected. The Current Accident Year had a \$0.9 million favourable variance in reported losses, and the Prior Accident Years had a \$0.5 million favourable variance. Of the Prior Accident Years, 2017 had the largest variance in reported losses at \$1.6 million favourable, followed by Accident Year 2015 at \$1.0 million unfavourable. No other 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 some specific individual Prior Accident Years for the month. Management investigated paid 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.

**Effect of Quarterly Valuation**

The May 2019 Ontario Risk Sharing Pool Operational Report reflects the results of an updated valuation as at March 31, 2019, with the associated impacts in relation to the results for May 2019 summarized in the table at the top of the next page.

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Ontario	unfav / (fav) for the month and ytd						mth EP 29,660 (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	5,042	624	5,666	11,722	-	17,388	17.0%	2.1%	19.1%	39.5%	-	58.6%
CAY	712	90	802	1,970	-	2,772	2.4%	0.3%	2.7%	6.6%	-	9.3%
Prem Def	727	256	983	2,888	-	3,871	2.5%	0.9%	3.3%	9.7%	-	13.1%
<b>TOTAL</b>	<b>6,481</b>	<b>970</b>	<b>7,451</b>	<b>16,580</b>	<b>-</b>	<b>24,031</b>	<b>21.9%</b>	<b>3.3%</b>	<b>25.1%</b>	<b>55.9%</b>	<b>-</b>	<b>81.0%</b>

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a \$7.5 million unfavourable impact – see column [3] in the left table above), augmented by the impact due to a 45 basis point decrease in the selected discount rate (from 1.88% to 1.43% generating a \$16.6 million unfavourable impact – see column [4] in the left table above). There was no change in the margin for adverse deviation in investment yield (remains at 25 basis points) and no changes to margins for adverse deviation for claims development<sup>2</sup> (hence \$0 in column [5] in the left table above).

Management has observed favourable total valuation impacts over the last 12 valuation implementations as shown in column [5] of the table below (summarizing the same information as provided in the left table above as relates to the most recent 12 valuation implementations). It should be noted that the impacts in column [3] are largely outside of the control of FA (as being related to macroeconomic factors).

RSP: Ontario, as at 2019 Q1		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s			
Valuation	period implemented	updated LR& exp	APVs @ prior assumptions	updated dsct rate	updated margins	Total Impact	Booked Policy Liabilities	Total Impact as % Book Liabs	Nominal Impact as % Book Liabs	
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
						= sum([1] to [4])		= [5] / [6]	= [1] / [6]	
2016 Q2	Aug 2016	(18,614)	(528)	4,692	(14,996)	(29,446)	1,142,149	(2.6%)	(1.6%)	
2016 Q3	Oct 2016	1,048	(965)	1,885	-	1,968	1,184,757	0.2%	0.1%	
2016 Q4	Mar 2017	(35,665)	(2,640)	(17,825)	-	(56,130)	1,174,423	(4.8%)	(3.0%)	
2017 Q1	May 2017	6,929	646	3,204	-	10,779	1,224,460	0.9%	0.6%	
2017 Q2	Aug 2017	(12,256)	(2,265)	(7,162)	(13,084)	(34,767)	1,242,002	(2.8%)	(1.0%)	
2017 Q3	Oct 2017	8,279	882	(19,050)	-	(9,889)	1,235,584	(0.8%)	0.7%	
2017 Q4	Mar 2018	(10,194)	3,623	1,101	-	(5,470)	1,235,959	(0.4%)	(0.8%)	
2018 Q1	May 2018	3,936	(2,730)	(5,846)	-	(4,640)	1,265,737	(0.4%)	0.3%	
2018 Q2	Aug 2018	(8,275)	463	2,024	(30,423)	(36,211)	1,272,626	(2.8%)	(0.7%)	
2018 Q3	Oct 2018	(1,047)	(374)	(13,794)	13,943	(1,272)	1,285,282	(0.1%)	(0.1%)	
2018 Q4	Mar 2019	(17,697)	2,445	11,612	-	(3,640)	1,279,486	(0.3%)	(1.4%)	
2019 Q1	May 2019	6,481	970	16,580	-	24,031	1,343,909	1.8%	0.5%	
12-qtrs		(77,075)	(473)	(22,579)	(44,560)	(144,687)				
% of total		53.3%	0.3%	15.6%	30.8%	100.0%				
		5 unfavourable (nominal) valuations						1 impact was outside of 2.5%		
Averages										
12-qtrs		(6,423)	(39)	(1,882)	(3,713)	(12,057)	1,240,531	(1.0%)	(0.5%)	
2016 Q2 to 2018 Q1		(7,067)	(497)	(4,875)	(3,510)	(15,949)	1,213,134	(1.3%)	(0.6%)	
2018 Q2 to 2019 Q1		(5,135)	876	4,106	(4,120)	(4,273)	1,295,326	(0.3%)	(0.4%)	

The FA valuation approach is focused on providing (i) best estimates on a nominal basis (i.e. the

<sup>2</sup>Our usual practice is to only update margins for adverse deviation for claims development (selected at the coverage / accident year level) at the June 30 valuation.

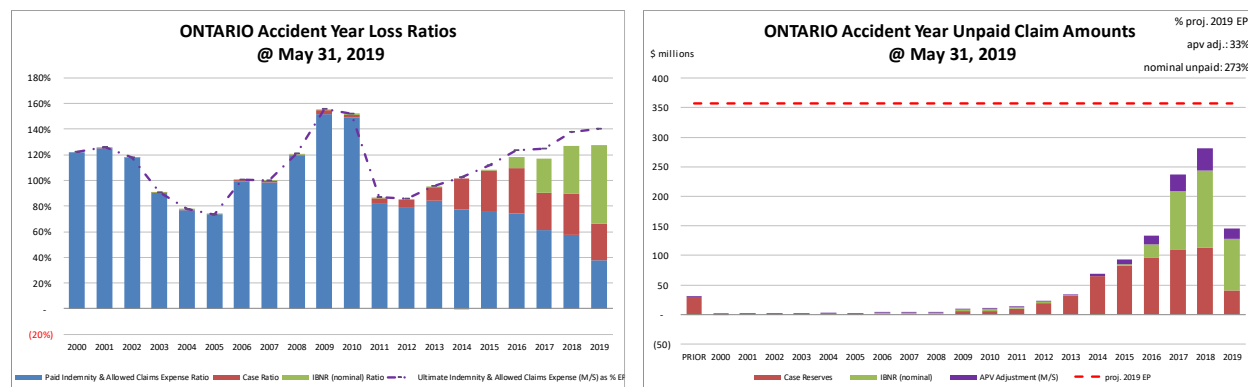
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longer term average of nominal changes in column [1] should be close-to-zero); (ii) the nominal changes of any one valuation in relation to policy liabilities<sup>3</sup>, should be “small” (less than 2.5%); and (iii) the valuation results should not indicate bias – that is, we generally anticipate approximately 1/3<sup>rd</sup> of nominal valuation impacts will be unfavourable, and 2/3<sup>rd</sup>s will be favourable (due to the skewness of the development). On these 3 measures:

- (i) **Best estimate measurement: This objective has not been met**, as the 12-quarter nominal change in column [1] is \$77.1 million favourable. That said, the average favourable impact over the 12 quarters at \$6.4 million (nominal only) represents 0.5% of ending policy liabilities per column [8], which we would view as not significant. We do note that the latest 4 valuations have been on average less favourable than the earlier 8 valuations.
- (ii) **Nominal size measurement: This objective has been met**, with 1 individual valuation showing nominal changes in excess of 2.5% of ending policy liabilities per column [8] in the table above, in line with our expectation (0).
- (iii) **Bias evidence measurement: This objective has been met**, as 5 of 12 valuations show unfavourable changes (column [1] of the table above), in line with our expectation (3 to 5 of 12).

In summary, we believe the nominal valuation impacts are moving toward our target impacts (long term zero impact; individual valuation impact of no more than 2.5% of policy liabilities; no bias evident).

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.

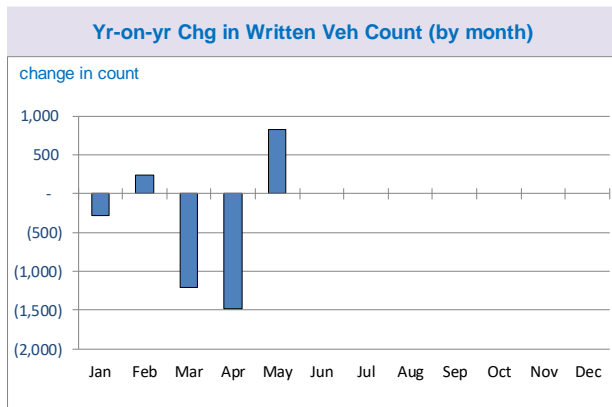


The preceding charts, latest valuation results, and related actuarial present value assumption updates are discussed in more detail in the [Ontario RSP May 2019 Operational Report – Actuarial Highlights](#). The Actuarial Quarterly Valuation Highlights for Risk Sharing Pools as at March 31, 2019 is expected to be posted in July 2019. The actuarial valuation will be updated next as at June 30, 2019 and we anticipate that the results will be reflected in the August 2019 Operational Report.

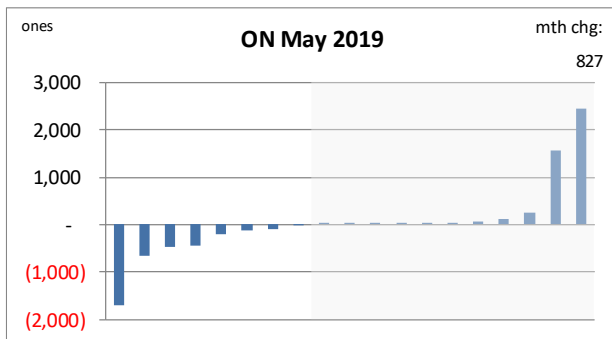
<sup>3</sup>We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

**Management Comments**

For the Ontario RSP, the transfer limit is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits during a calendar year. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. Our current projection has the 2019 vehicle count up 4.5% from 2018, being 2.6% of the 2017 industry private passenger vehicle count (excluding farmers) and industry farmers private passenger vehicle count (as we don't have an industry count yet for 2018, we continue to use the 2017 count as a proxy). There is the potential for the transferred vehicle count to change dramatically and quickly if member companies choose to take full advantage of their transfer limits.



The chart on the left shows the year-on-year change in the vehicles transferred to the RSP by month, with May reporting an increase of 827 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for a decrease of 1,768 vehicles, indicating a variance of 2,595 from the actual transfers. This variance was mainly due to two member company groups transferring a greater number of vehicles to the RSP in May than projected.

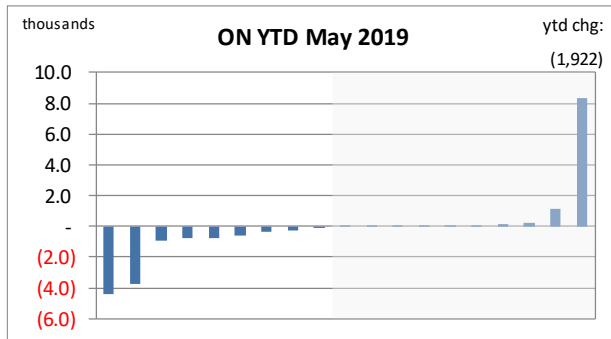


The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Eight member company groups transferred fewer vehicles to the RSP this month compared to a year ago, while eleven transferred more<sup>4</sup>. Of the 8 member company groups transferring fewer vehicles, 1 member company group accounted

for 46% of the total transfer decrease for the “decliner” members. Of the 11 member company groups transferring more vehicles, 1 member company group accounted for 54% of the total transfer increases for the “grower” members.

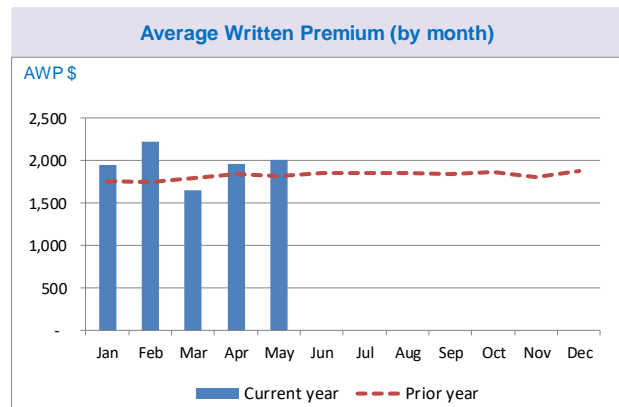
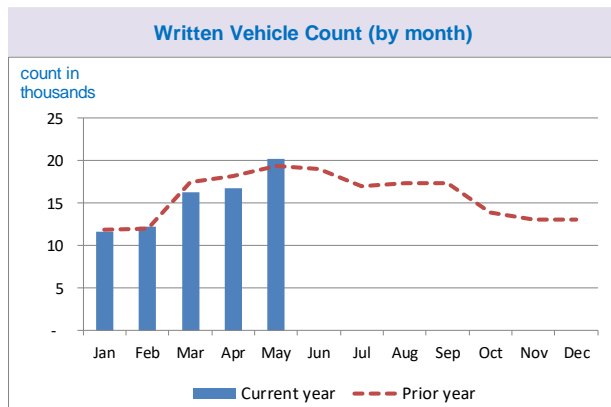
<sup>4</sup>For the purposes of discussion here, we only include those member company groups that transferred at least one vehicle in either 2018 or 2019. Groups that have not transferred vehicles in these two periods are ignored.

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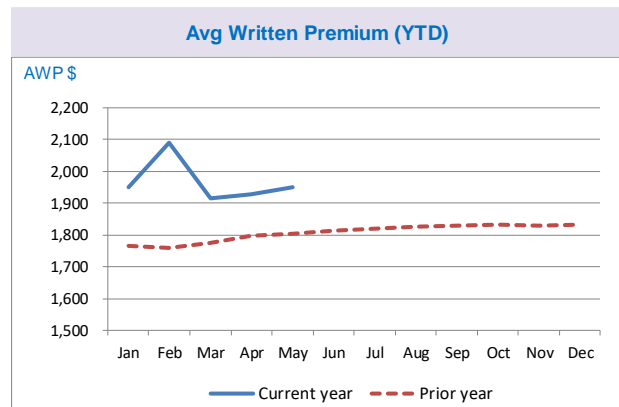
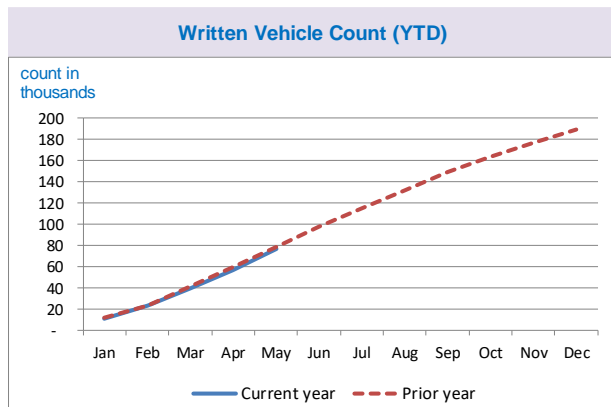
The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted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

May’s year-on-year change in vehicle count transfers to the RSP represents a 4.3% increase from May 2018, but counts were down 2.4% year-to-date. Average written premium was up 10.3% in May 2019 compared with the same month in 2018, and up 8.2% year-to-date (see charts below).



	May-19	May-18	Amt Chg	% Chg
W. Veh curr mth	20,187	19,360	827	4.3%

	May-19	May-18	Amt Chg	% Chg
AWP curr mth	2,012	1,824	188	10.3%



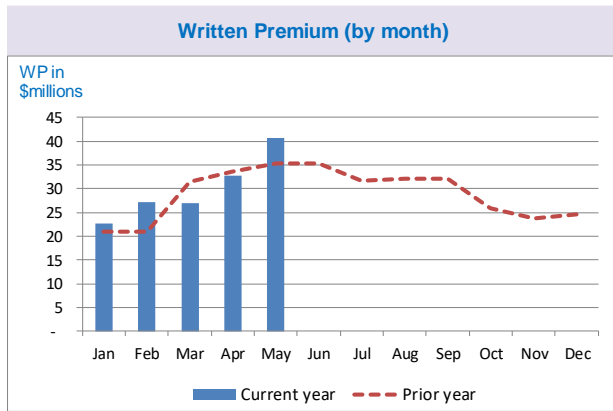
	May-19	May-18	Amt Chg	% Chg
W. Vehicles YTD	77,019	78,941	(1,922)	-2.4%

	May-19	May-18	Amt Chg	% Chg
Avg W. Prem YTD	1,950	1,803	147	8.2%

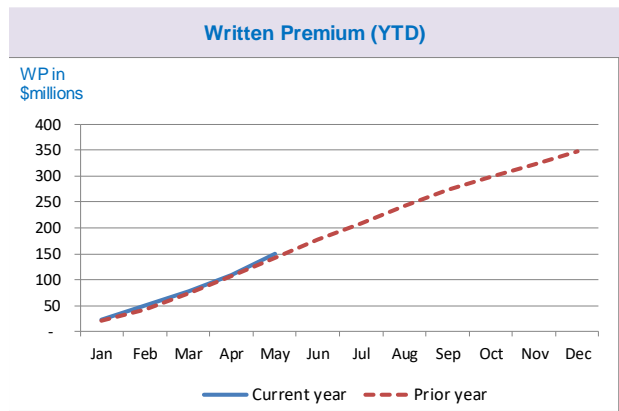
As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 15.0% for the month compared with the 2.8% decrease we projected last month, and was up 5.5% year-to-date (see charts at the top of the next page).



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	May-19	May-18	Amt Chg	% Chg
WP (\$000s) curr mth	40,607	35,308	5,300	15.0%



	May-19	May-18	Amt Chg	% Chg
WP (\$000s) YTD	150,161	142,350	7,811	5.5%

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

Saskia Matheson  
 President & CEO

**Related links:**

[Ontario RSP May 2019 Operational Report – Actuarial Highlights](#)

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2019**
**Risk Sharing Pool - Ontario**
**Operating Results for the 5 Months Ended May 31, 2019 (Discounted basis)**

EXHIBIT 1

 Source: *Monthly Operational Report*  
 (thousands of dollars)

	January	February	March	April	May	CY2019 YTD	CY2019 12 MONTHS Updated Projection	CY2018 12 MONTHS Actual
Net Premiums Written	\$22,666	\$27,186	\$26,913	\$32,790	\$40,607	\$150,162	\$389,258	\$347,756
Decrease (Increase) in Unearned Premiums	6,641	2,079	(2,630)	(\$4,851)	(\$10,947)	(9,708)	(31,670)	4,866
<b>Net Premiums Earned</b>	<b>\$29,307</b>	<b>\$29,265</b>	<b>\$24,283</b>	<b>\$27,939</b>	<b>\$29,660</b>	<b>\$140,454</b>	<b>\$357,588</b>	<b>\$352,622</b>
<b>Claims Incurred:</b>								
Prior Accident Years:								
Undiscounted	\$346	\$3,446	(\$23,095)	(\$441)	\$4,769	(\$14,975)	(\$14,975)	(\$27,680)
Effect of Discounting	(1,015)	(1,367)	9,238	(1,477)	10,662	16,041	2,686	(44,774)
Discounted	(\$669)	\$2,079	(\$13,857)	(\$1,918)	\$15,431	\$1,066	(\$12,289)	(\$72,454)
Current Accident Year:								
Undiscounted	\$36,918	\$33,768	\$36,284	\$35,970	\$38,699	\$181,639	\$458,702	\$449,107
Effect of Discounting	3,864	2,750	3,491	2,878	5,120	18,103	42,920	32,229
Discounted	\$40,782	\$36,518	\$39,775	\$38,848	\$43,819	\$199,742	\$501,622	\$481,336
<b>Claims Incurred</b>	<b>\$40,113</b>	<b>\$38,597</b>	<b>\$25,918</b>	<b>\$36,930</b>	<b>\$59,250</b>	<b>\$200,808</b>	<b>\$489,333</b>	<b>\$408,882</b>
<b>Underwriting Expenses:</b>								
Expense Allowance	\$6,664	\$7,928	\$8,089	\$9,715	\$12,040	\$44,436	\$113,774	\$104,488
Change in UPDR/DPAC:								
Undiscounted	(1,786)	(485)	896	1,598	4,151	4,374	14,505	6,686
Effect of Discounting	(711)	(215)	1,989	598	4,474	6,135	9,534	(3,188)
Discounted	(2,497)	(700)	2,885	2,196	8,625	10,509	24,039	3,498
<b>Underwriting Expenses</b>	<b>\$4,167</b>	<b>\$7,228</b>	<b>\$10,974</b>	<b>\$11,911</b>	<b>\$20,665</b>	<b>\$54,945</b>	<b>\$137,813</b>	<b>\$107,986</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$14,973)</b>	<b>(\$16,560)</b>	<b>(\$12,609)</b>	<b>(\$20,902)</b>	<b>(\$50,255)</b>	<b>(\$115,299)</b>	<b>(\$269,558)</b>	<b>(\$164,246)</b>
<b>Administrative Expenses</b>	<b>\$104</b>	<b>\$131</b>	<b>\$90</b>	<b>\$109</b>	<b>\$112</b>	<b>\$546</b>	<b>\$1,624</b>	<b>\$1,354</b>
<b>Operating Result</b>	<b>(\$15,077)</b>	<b>(\$16,691)</b>	<b>(\$12,699)</b>	<b>(\$21,011)</b>	<b>(\$50,367)</b>	<b>(\$115,845)</b>	<b>(\$271,182)</b>	<b>(\$165,600)</b>
<b>Ratios:</b>								
<b>Claims &amp; Expenses Incurred (Earned)</b>								
Prior Accident Years	-2.3%	7.1%	-57.1%	-6.9%	52.0%	0.8%	-3.4%	-20.5%
Current Accident Year	139.2%	124.8%	163.8%	139.0%	147.7%	142.2%	140.3%	136.5%
All Accident Years Combined	136.9%	131.9%	106.7%	132.1%	199.7%	143.0%	136.9%	116.0%
Underwriting & Administrative Expenses (Earned)	14.6%	25.1%	45.6%	43.0%	70.1%	39.5%	39.0%	31.0%
<b>Combined Operating Ratio</b>	<b>151.5%</b>	<b>157.0%</b>	<b>152.3%</b>	<b>175.1%</b>	<b>269.8%</b>	<b>182.5%</b>	<b>175.9%</b>	<b>147.0%</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