

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F19 – 051**

**DATE: JULY 19, 2019**

**SUBJECT: RSPs PRELIMINARY OUTLOOK FOR CALENDAR YEAR 2020  
(BASED ON MAY 2019 RSP OPERATIONAL REPORTS)**

To assist member companies in planning for their share of Risk Sharing Pools' (RSP) results for the next calendar year, Facility Association prepares RSP "Outlook" projections of Net Results from Operations. The Outlook presentation format (Exhibits B1 – B5) is very similar to that of the "Summary of Operations – Calendar Year" exhibits of the monthly Operational Reports Member Bulletins ("Bulletins").

The attached is the *preliminary* calendar year 2020 RSP Outlook based on actual results as found in the May 2019 Operational Reports.

#### **Key Takeaways**

- **all 5 RSPs** are projected to have **continued growth in written premium** (8% overall)
- while only 2 RSPs (the 2 Alberta RSPs) are projected to have a deterioration in the Combined Operating Ratio (COR) **all 5 RSPs** are projected to have a **higher net operating deficit for 2020 over 2019** (as a result of the continued premium increase)
- across **all 5 RSPs**, we are projecting **written premium** of \$775 million for 2019, increasing to **\$835 million for 2020**, with a COR of 155.1% for 2019, decreasing to **151.6% for 2020** (reflecting a lower impact of premium deficiency changes in 2020) – these CORs do NOT include all expenses at the member level (for example, excludes premium taxes)
- we are projecting the **5 RSPs** to generate an **operating cash outflow<sup>1</sup> of \$121 million in 2020**, up from a projection of \$96 million for 2019 (both projections are lower than cash outflows in calendar years 2018 and 2017 at \$164 million and \$141 million respectively)

We anticipate that a *final* calendar year 2020 RSP Outlook, based on the actual results as found in the August 2019 Operational Reports, will be released to the membership in October 2019. In addition, updated projections will be made throughout 2019 and included in the Bulletins and the corresponding

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<sup>1</sup>An operating cash outflow is generated when premium submitted to / collected for an RSP is less than the RSP's disbursements for claims and all expenses. Operating cash outflows are funded by the FA membership via monthly cash settlements with members.

## Bulletin F19 – 051

### RISK SHARING POOL PRELIMINARY OUTLOOK FOR CALENDAR YEAR 2020 BASED ON MAY 2019 OPERATIONAL REPORTS

Calendar Year Summary of Operations included with the Bulletins. This will provide members with the most up-to-date projection for the full current calendar year.

The attached *preliminary* 2020 RSP Outlook is derived through a projection process that attempts to model future outcomes based on a set of simplifying assumptions. As with any such process of projecting future outcomes, inherent uncertainty exists. For example, RSP premium volumes have in the past varied in ways that are difficult to model or project (charts showing history of premium volumes can be found at the “Provincial Profiles” section of our website) – this is further evidenced by the 1.1% decrease in the 2019 written premium projection from the *preliminary* Outlook released 3 months prior to this *final* Outlook. (Volume projections are based on projections provided by larger users of the RSPs.)

Future loss cost trend estimates and assumptions related to industry rate level changes are primary influences in our projections. On loss cost trend estimates, our projections leveraged our analyses of industry private passenger, resulting in future loss cost trend estimates as summarized below.

Facility Association  
Industry Trend Analyses

Future LC trend estimates	Ontario	Alberta	New Brunswick	Nova Scotia
data basis:	2018-H1	2018-H1	2018-H1	2018-H1
	PPV	PPV	PPV	PPV
mandatory only	4.3%	5.1%	4.2%	7.1%
all coverages	4.6%	4.7%	4.4%	6.8%

With respect to rate level changes, as per our usual practice for the RSPs, we have assumed rate increases aligned with, but lagging, loss cost trends.

With this as background, we have provided, on the next page, summaries of our projections for calendar year 2020 and 2019, along with actual results for calendar year 2018 (by RSP). The results are from the perspective of the RSPs, and therefore **does not include all revenue or expenses that may be associated with the underwriting operations at the member level** (for example, it does not include premium taxes, health levies that members would be responsible for in relation to their share of the result of RSP operations, nor does it include any investment income earned by member companies on RSP funds members hold until final claims settlement occurs). **We also wish to stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

# RISK SHARING POOL PRELIMINARY OUTLOOK FOR CALENDAR YEAR 2020 BASED ON MAY 2019 OPERATIONAL REPORTS

## Executive Summaries – Calendar Year 2020 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
Ontario RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	411,065	389,258	21,807	5.6%	347,754
	Vehicle Count	201,271	198,230	3,041	1.5%	189,718
Earned	Premium (\$000s)	405,206	357,588	47,618	13.3%	352,620
Net Operating Result (\$000s)		(275,939)	(271,182)	(4,757)	1.8%	(165,598)
COR		168.1%	175.9%	(7.8%)	(4.4%)	147.0%
Prior Accident Years' incurred claims (\$000s)		(28,387)	(12,289)	(16,098)	131.0%	(72,454)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	223,247	200,368	22,879	11.4%	158,556
	Vehicle Count	83,268	76,753	6,515	8.5%	62,955
Earned	Premium (\$000s)	213,585	180,850	32,735	18.1%	161,577
Net Operating Result (\$000s)		(59,437)	(43,972)	(15,465)	35.2%	(32,493)
	COR	127.8%	124.3%	3.5%	2.8%	120.1%
Prior Accident Years' incurred claims (\$000s)		(6,604)	(14,456)	7,852	(54.3%)	(7,587)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	150,584	139,230	11,354	8.2%	113,979
	Vehicle Count	88,087	84,342	3,745	4.4%	74,094
Earned	Premium (\$000s)	148,530	122,827	25,703	20.9%	106,705
Net Operating Result (\$000s)		(70,416)	(58,110)	(12,306)	21.2%	(29,816)
	COR	147.4%	147.3%	0.1%	0.1%	127.9%
Prior Accident Years' incurred claims (\$000s)		(4,303)	(10,790)	6,487	(60.1%)	(20,291)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	16,528	15,562	966	6.2%	14,925
	Vehicle Count	11,805	11,637	168	1.4%	11,476
Earned	Premium (\$000s)	16,200	15,761	439	2.8%	13,268
Net Operating Result (\$000s)		(2,449)	(3,669)	1,220	(33.2%)	(1,815)
	COR	115.1%	123.3%	(8.2%)	(6.7%)	113.7%
Prior Accident Years' incurred claims (\$000s)		(328)	856	(1,184)	(138.3%)	207

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	33,458	30,517	2,941	9.6%	28,870
	Vehicle Count	19,883	18,758	1,125	6.0%	18,918
Earned	Premium (\$000s)	32,376	29,980	2,396	8.0%	27,657
Net Operating Result (\$000s)		(12,762)	(12,564)	(198)	1.6%	(8,321)
	COR	139.4%	141.9%	(2.5%)	(1.8%)	130.0%
Prior Accident Years' incurred claims (\$000s)		(766)	404	(1,170)	(289.6%)	(488)

**Bulletin F19 – 051**

**RISK SHARING POOL PRELIMINARY OUTLOOK FOR CALENDAR YEAR 2020  
BASED ON MAY 2019 OPERATIONAL REPORTS**

Questions regarding the Outlook should be directed to Shawn Doherty, SVP, Actuarial and CFO at Facility Association, (416) 644-4968 or [sdoherty@facilityassociation.com](mailto:sdoherty@facilityassociation.com).

Saskia Matheson,  
President & CEO

Attach.

*Please forward a copy of this bulletin to your Chief Financial Officer.*



# **CALENDAR YEAR 2020 PRELIMINARY RSP OUTLOOK**

**(RISK SHARING POOLS)**

**JULY 2019**

**BASED ON MAY 2019 OPERATIONAL REPORTS**

For your convenience, bookmarks have been added to this document. To view them, please click on the BOOKMARK tab at the left.

Should you require any further information, please call:

Shawn Doherty, FCIA, FCAS  
SVP Actuarial & CFO  
(416) 644-4968.

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**CALENDAR YEAR 2020 FINAL RSPS OUTLOOK**

**RISK SHARING POOLS (RSPs)**

**JULY 2019**

**BASED ON MAY 2019 OPERATIONAL REPORTS**

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**EXHIBIT A Key Assumptions (counts, premium, loss ratios)**

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

Continued...

**EXHIBIT B RSP Outlook – Summary of Operations**

- B-1 Ontario
- B-2 Alberta Grid
- B-3 Alberta Non-Grid
- B-4 New Brunswick
- B-5 Nova Scotia

**EXHIBIT C RSP Outlook – Projected Policy Liabilities**

- C-1 Ontario
- C-2 Alberta Grid
- C-3 Alberta Non-Grid
- C-4 New Brunswick
- C-5 Nova Scotia

**EXHIBIT D Actual vs Projected based on Final Outlooks (by RSP)**

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**LINKS TO SPECIFIC REFERENCED DOCUMENTS**

**Actuarial Highlights - Monthly Operational - May 2019**

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

[Alberta Grid RSP May 2019 Operational Report - Actuarial Highlights](#)

[Alberta Non-Grid RSP May 2019 Operational Report - Actuarial Highlights](#)

[New Brunswick RSP May 2019 Operational Report - Actuarial Highlights](#)

[Nova Scotia RSP May 2019 Operational Report - Actuarial Highlights](#)

**Outlook**

[Risk Sharing Pools' Final Outlook for Calendar Year 2019](#)

## 1. Executive Summary

This “**Preliminary RSP Outlook**” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the Mar 31, 2019 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The tables that follow provide a high-level summary of key metrics projected for Calendar Years 2020 and 2019, with actuals for 2018 provided for reference. Supporting details related to the projections are provided in the body of this report.

### *Executive Summaries – Calendar Year 2020 – Key Amounts (\$000s) and Key Ratios*

Actual and Projected Calendar Year Results						
Ontario RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	411,065	389,258	21,807	5.6%	347,754
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	COR	139.4%	141.9%	(2.5%)	(1.8%)
Prior Accident Years' incurred claims (\$000s)		(766)	404	(1,170)	(289.6%)
					(488)

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material<sup>1</sup> amounts.**

Annually, two RSP Outlooks are released for members, being “Preliminary” and “Final” versions in relation to the next calendar year. The former is released earlier in the current year to allow members to consider the projected results early on in their planning process, but necessarily includes significant projection error, as almost two full calendar years require projecting. The latter is released in the fall of the current year.

This release is the **Preliminary RSP Outlook for Calendar Year 2020** based on the actual results as found in the May 2019 Operational Reports. The Final RSP Outlook for Calendar Year 2020 is expected to be made available to members in October 2019.

Updated projections will be made throughout 2019 and 2020 and included in the Bulletins and the corresponding Calendar Year Summary of Operations included with the Bulletins. This will provide members with the most up-to-date projection for the full current calendar year.

Readers are reminded that RSP operating results do not include all expenses incurred by members to support this business – for example, premium taxes and health levies are applied at member companies based on their share of RSP written premium or vehicle counts as applicable – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member’s own such ratio. Similarly, investment income is not included in these results – that is, any investment income earned by members on RSP related funds held by members is not included in these results.

Readers are also reminded that, while we work hard to ensure the projections are based on assumptions we feel are solid given our current information, **there is significant uncertainty related to these**

<sup>1</sup>Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook.

**projections.** For example, one additional source of uncertainty is related to how the 5.0% cap on rate changes imposed starting in December 2017 by the Alberta Government has / will impact insurers RSP usage. As usual, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested from the larger users quarterly, and FA management follows-up for confirmation of projected amounts where significant changes in a member's projections occur (FA does not ask for, nor receive, information on the "why" of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable). Another example of additional uncertainty relates to the May 2018 "MIR clarification" regulation released by the Alberta Government – we have included an estimated impact for this in our Alberta trend analysis, based on industry data as at June 30, 2018, the results of which are considered in this Preliminary Outlook.

## 2. Introduction

### 2.1 Introductory Comments

This “Preliminary RSP Outlook” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the Mar 31, 2019 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The table below summarizes the Calendar Year 2020 projection by RSP – greater detail is provided in section 2.2 and 3.

#### ***Projection Summary – Calendar Year 2020 – Amounts (\$000s)***

<b>Calendar Year 2020 Projections (\$000s)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	411,065	223,247	150,584	16,528	33,458	834,882
Earned Premium	405,206	213,585	148,530	16,200	32,376	815,897
Prior Accident Years (PAYs)	(28,387)	(6,604)	(4,303)	(328)	(766)	(40,388)
Current Accident Year (CAY)	579,046	205,787	172,052	13,059	33,745	1,003,689
Total Claims Incurred	550,659	199,183	167,749	12,731	32,979	963,301
Expense Allowance	119,210	69,431	46,831	4,976	10,372	250,820
Change in Prem. Def / (DPAC)	9,467	2,934	2,799	81	717	15,998
Underwriting Expenses	128,677	72,365	49,630	5,057	11,089	266,818
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(274,130)	(57,963)	(68,849)	(1,588)	(11,692)	(414,222)
Administrative Expense	1,809	1,474	1,567	861	1,070	6,781
<b>2020 Operating Result</b>	<b>(275,939)</b>	<b>(59,437)</b>	<b>(70,416)</b>	<b>(2,449)</b>	<b>(12,762)</b>	<b>(421,003)</b>
attributed to PAYs:	28,387	6,604	4,303	328	766	40,388
attributed to CAY:	(304,326)	(66,041)	(74,719)	(2,777)	(13,528)	(461,391)

As noted in section 2.2, there are differences between the overall operating result projected for Calendar Year **2020** in this Preliminary Outlook and two comparable projections for Calendar Year **2019**, being our calendar year projection posted on October 18, 2018 (“**Oct 18 2018 Outlook**”) and our current projection (“**May 31 2019 Projections**”). These differences are mainly due to current accident year impacts due to changes in premium volume.

Like our **Oct 18 2018 Outlook** for Calendar Year **2019**, this Outlook’s projection for Calendar Year **2020** assumes no nominal changes to our estimates of ultimate for prior accident years<sup>2</sup>, whereas the current projection for Calendar Year **2019** (**May 31 2019 Projections**) includes nominal prior accident year changes as booked during the first five months of **2019**. Given the importance of accident year

<sup>2</sup>In our projections, we assume that our liabilities are “best estimates” and therefore project no changes in nominal terms. However, there are prior accident year impacts related to actuarial present value adjustments. Over time, the “discount” adjustment to reflect the time value of money will unwind and provisions for adverse deviations will be released with liability / obligation settlement.

impacts, we have separated the Operating Results summary to show “prior accident years” (PAYs) from the “current accident year” (CAY).

Our projections of the number of vehicles transferred to the RSPs are based on feedback provided by large users of the RSPs. Some of the RSPs have specific limits to the number of risks that can be transferred in a given period. For example, the transfer limit of the Ontario RSP 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. 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. As a result, volumes may change dramatically from those projected here. In fact, we find at times significant variations in member projections and our roll-up of those projections, over time and against actual. As an example, we’ve summarized some Ontario RSP projections across various Outlooks in the table below.

***Ontario RSP Calendar Year Written Premium Projections (millions) over time***

<b>Calendar Year</b>	<b>Final 2018 Outlook</b>	<b>Preliminary 2019 Outlook</b>	<b>Final 2019 Outlook</b>	<b>Preliminary 2020 Outlook</b>
2018	\$413.2	\$408.2	\$365.8	\$347.8
2019	not projected	\$430.3	\$424.8	\$347.8
2020	not projected	not projected	not projected	\$411.1

*Source: FA Outlooks. **Preliminary Outlooks** are based on data as at May of the preceding year, whereas the **Final Outlook** is based on August data from the preceding year. For example, the Preliminary and Final 2019 Outlooks were based on actual and projected results as at May 2018 and August 2018 respectively.*

Projected volumes are discussed in section 3.1.

## **2.2 Projected Calendar Year 2020 Operating Results**

The projected Calendar Year **2020** Operating Results are summarized at the top of the next page. Policy liabilities and associated changes are presented on an actuarial present value basis as found in the Operational Reports (that is, “Total Claims Incurred” and “Change in Prem. Def / (DPAC)” include actuarial present value adjustments, commonly described as “discounted”). We have included at the bottom of the table the projected Operating Results for Calendar Year **2019** as per the **Oct 18 2018 Outlook** and with the **May 31 2019 Projections**<sup>3</sup>.

<sup>3</sup>The **May 31 2019 Projections** for Calendar Year 2019 and this Outlook’s projections for Calendar Year 2020 were derived at the same time, using consistent assumptions.

**Projection Summary – Calendar Year 2020 – Amounts (\$000s)**

Calendar Year 2020 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	411,065	223,247	150,584	16,528	33,458	834,882
Earned Premium	405,206	213,585	148,530	16,200	32,376	815,897
Prior Accident Years (PAYs)	(28,387)	(6,604)	(4,303)	(328)	(766)	(40,388)
Current Accident Year (CAY)	579,046	205,787	172,052	13,059	33,745	1,003,689
Total Claims Incurred	550,659	199,183	167,749	12,731	32,979	963,301
Expense Allowance	119,210	69,431	46,831	4,976	10,372	250,820
Change in Prem. Def / (DPAC)	9,467	2,934	2,799	81	717	15,998
Underwriting Expenses	128,677	72,365	49,630	5,057	11,089	266,818
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(274,130)	(57,963)	(68,849)	(1,588)	(11,692)	(414,222)
Administrative Expense	1,809	1,474	1,567	861	1,070	6,781
<b>2020 Operating Result</b>	<b>(275,939)</b>	<b>(59,437)</b>	<b>(70,416)</b>	<b>(2,449)</b>	<b>(12,762)</b>	<b>(421,003)</b>
attributed to PAYs:	28,387	6,604	4,303	328	766	40,388
attributed to CAY:	(304,326)	(66,041)	(74,719)	(2,777)	(13,528)	(461,391)
<b>2019 Operating Result</b>						
<b>Oct. 18, 2018 Outlook</b>	<b>(266,840)</b>	<b>(38,222)</b>	<b>(63,017)</b>	<b>(2,038)</b>	<b>(10,890)</b>	<b>(381,007)</b>
attributed to PAYs:	17,881	4,914	3,237	195	459	26,686
attributed to CAY:	(284,721)	(43,136)	(66,254)	(2,233)	(11,349)	(407,693)
<b>May 31, 2019 Projection</b>	<b>(271,182)</b>	<b>(43,972)</b>	<b>(58,110)</b>	<b>(3,669)</b>	<b>(12,564)</b>	<b>(389,497)</b>
attributed to PAYs:	12,289	14,456	10,790	(856)	(404)	36,275
attributed to CAY:	(283,471)	(58,428)	(68,900)	(2,813)	(12,160)	(425,772)

In comparing the Calendar Year **2020** operating result projection against the two projections for Calendar Years **2019**, **2020** has a larger projected operating deficit resulting from the increase in volume, with the current projections showing an increase of 7.7% in written premium and 15.4% in earned premium (see table below).

Calendar Year 2020 Premium Comparisons (Amounts in \$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2020 Written Premium	411,065	223,247	150,584	16,528	33,458	834,882
Change from 2019	21,807	22,879	11,354	966	2,941	59,947
% Change from 2019	5.6%	11.4%	8.2%	6.2%	9.6%	7.7%
2020 Earned Premium	405,206	213,585	148,530	16,200	32,376	815,897
Change from 2019	47,618	32,735	25,703	439	2,396	108,891
% Change from 2019	13.3%	18.1%	20.9%	2.8%	8.0%	15.4%

As a result, projection comparisons related to the operating result attributed to current accident year is better achieved through key ratio comparisons as will be discussed later in this section.

The table above shows variations in the current written premium projections for Calendar Years **2020**

vs **2019**, with **all RSPs showing increases**. The written changes also generate changes for earned premium, expenses, and the current accident year claims. However, volume changes do not impact differences in prior accident years (both projections assume no nominal changes). While we believe our claims liabilities estimates are “best estimates”, potential variances are discussed below.

The components of the projection for **2020** compared with the same components for the two projections for **2019** show a higher level of similarity with the **Oct 18 2018 Outlook** in relation to the operating result attributed to prior accident years (PAYs) at the RSP level, whereas the **2020** “attributed CAY” components are generally more aligned with the **May 31 2019 Projections**. These alignments are to be expected, as the **2020** projection for the contribution of the prior accident years has the same base assumption for the prior accident years as found in the **Oct 18 2018 Outlook** (i.e. no “nominal” changes in claims liabilities, so the prior accident years impact is driven by releases of actuarial present value adjustments as claims are settled), whereas the **May 31 2019 Projections** includes actual prior accident year activity included up to the Mar 31, 2019 valuation. In contrast, the updated valuation and more recent discount rate assumptions leads to closer alignment with the **May 31 2019 Projections** (updated yield curves and updated accident years **2019** and **2020** loss ratios), such that remaining differences are driven by differences in volume and loss ratios.

The table below provides **the difference between** the Calendar Years **2020** and **2019** results as currently projected (**May 31 2019 Projections**).

**Projection Summary –2020 less 2019 Calendar Year Amounts (\$000s) – current projections**

	<b>2020 less 2019 Calendar Year Projections (\$000s)</b>					
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	21,807	22,879	11,354	966	2,941	59,947
Earned Premium	47,618	32,735	25,703	439	2,396	108,891
Prior Accident Years (PAYs)	(16,098)	7,852	6,487	(1,184)	(1,170)	(4,113)
Current Accident Year (CAY)	77,424	33,548	30,996	358	2,758	145,084
Total Claims Incurred	61,326	41,400	37,483	(826)	1,588	140,971
Expense Allowance	5,436	7,090	3,516	293	909	17,244
Change in Prem. Def / (DPAC)	(14,572)	(549)	(3,218)	(321)	(76)	(18,736)
Underwriting Expenses	(9,136)	6,541	298	(28)	833	(1,492)
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(4,572)	(15,206)	(12,078)	1,293	(25)	(30,588)
Administrative Expense	185	259	228	73	173	918
<b>Operating Result</b>	<b>(4,757)</b>	<b>(15,465)</b>	<b>(12,306)</b>	<b>1,220</b>	<b>(198)</b>	<b>(31,506)</b>
attributed to PAYs:	16,098	(7,852)	(6,487)	1,184	1,170	4,113
attributed to CAY:	(20,855)	(7,613)	(5,819)	36	(1,368)	(35,619)

The table at the top of the next page summarizes **differences in** key ratios for projections for Calendar Years **2020** vs **2019**.

**Projection Summary –2020 *less* 2019 Calendar Year (Key Ratios) – current projections**

<b>2020 less 2019 Calendar Year Projections (Key Ratios)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	(3.6%)	4.9%	5.9%	(7.4%)	(3.7%)	0.1%
Current Accident Year (CAY)	2.6%	1.1%	1.0%	-	0.8%	1.6%
Total Claims Incurred	(1.0%)	6.0%	6.9%	(7.4%)	(2.9%)	1.8%
Expense Ratios						
Expense Allowance (% WP)	(0.2%)	-	-	-	-	(0.1%)
Chg in Prem. Def / (DPAC) (% EP)	(4.4%)	(0.5%)	(3.0%)	(2.1%)	(0.4%)	(2.9%)
Underwriting Expenses (% EP)	(6.7%)	(2.5%)	(6.8%)	(1.1%)	0.1%	(5.3%)
Administrative Expense (% EP)	(0.1%)	-	-	0.3%	0.3%	-
U/Wing & Admin Exp (% EP)	(6.8%)	(2.5%)	(6.8%)	(0.8%)	0.4%	(5.3%)
<b>Combined Operating Ratio (% EP)</b>	<b>(7.8%)</b>	<b>3.5%</b>	<b>0.1%</b>	<b>(8.2%)</b>	<b>(2.5%)</b>	<b>(3.5%)</b>
attributed to PAYs:	(3.6%)	4.9%	5.9%	(7.4%)	(3.7%)	0.1%
attributed to CAY:	(4.2%)	(1.4%)	(5.8%)	(0.8%)	1.2%	(3.6%)

As a reminder, PAYs for **2020** have no projected “undiscounted” impact, as we assume our liabilities are best estimates – the **2019** projection includes implemented valuation impacts for **2019**. The “effect of discounting” for **2019** also reflects valuation impacts (particularly apv releases with nominal releases) not expected for **2020**.

It is also important to keep in mind when considering the operating results for the RSPs as shown in the two preceding tables that they do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of RSPs’ written premium – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member’s own such ratio. Similarly, operating cash flows are shared immediately among members – as such, there is no investment income included in the RSP operating results, although members may generate such income on RSP generated operating cash flows for their own accounts.

Policy liabilities (made up of claims liabilities and premium liabilities) are carried on an actuarial present value basis (that is, adjusted for the time value of money, and include provisions for adverse deviation). It is informative to consider how claims liabilities fare during a calendar year relative to their beginning provisions for adverse development. To provide some historical context, the development of prior accident years’ claims liabilities over the ensuing calendar year is discussed below.



**ON RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal, indemnity only)**

ON	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid	PfAD for	MfAD for	amount	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2014	1,025.5	179.8	17.5%	(91.0)	(8.9%)
2015	1,005.5	181.5	18.1%	(146.2)	(14.5%)
2016	889.6	147.1	16.5%	(70.5)	(7.9%)
2017	838.7	133.7	15.9%	(47.6)	(5.7%)
2018	904.8	142.7	15.8%	(27.7)	(3.1%)
projections					
2019	958.6	146.4	15.3%	(15.0)	(1.6%)
2020	1,024.5	170.3	16.6%	-	-

For the Ontario RSP, nominal (i.e. excluding actuarial present value adjustments) claims liabilities amounted to \$958.6 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$15.0 million (favourable) represents 1.6% of the beginning claims liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Ontario RSP are projected to be \$1,024.5 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$51.2 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have all been from 3.1% to 14.5% favourable (average of 8.0% favourable), we do see this as unusual, and not necessarily indicative of future development (ideally, the average would be 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$170.3 million (column [2]) would be three times this \$51.2 million level, with the MfAD (column [3]) at 16.6% being more than three times 5%.

**AB Grid RSP PAYs' Ultimate Changes vs Beginning Liabilities**



(nominal, indemnity only)

AB Grid	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid	PfAD for	MfAD for	amount	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	278.9	27.2	9.8%	22.3	8.0%
2014	264.3	25.9	9.8%	30.0	11.4%
2015	268.8	30.6	11.4%	(4.1)	(1.5%)
2016	243.8	27.3	11.2%	41.2	16.9%
2017	281.5	32.0	11.4%	21.1	7.5%
2018	307.0	35.2	11.5%	0.6	0.2%
projections					
2019	320.6	36.9	11.5%	(15.9)	(5.0%)
2020	341.9	40.3	11.8%	-	-

For the Alberta Grid RSP, nominal claims liabilities amounted to \$320.6 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during 2019 at \$15.9 million (favourable) represents 5.0% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Alberta Grid RSP are projected to be \$341.9 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$17.1 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 1.5% favourable to 16.9% unfavourable (average of 6.9% unfavourable), while these historical changes have largely been more than 5% and unfavourable, we do see this as unusual, and not necessarily indicative of future development (ideally, the average would be 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$40.3 million (column [2]) would be more than two times this \$17.1 million level, as the MfAD (column [3]) at 11.8% being more than two times 5%.

***AB non-Grid RSP PAYs' Ultimate Changes vs Beginning Liabilities  
(nominal, indemnity only)***

AB non-Grid	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning
	[1]	[2]	[3]	[4]	[5]
	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
Cal Yr					
actuals					
2013	126.4	12.1	9.6%	13.6	10.8%
2014	147.9	14.4	9.7%	5.4	3.7%
2015	159.5	18.2	11.4%	(6.9)	(4.3%)
2016	159.5	18.2	11.4%	2.3	1.4%
2017	169.4	19.4	11.5%	6.9	4.1%
2018	181.4	20.8	11.5%	(14.5)	(8.0%)
projections					
2019	185.8	21.5	11.6%	(11.2)	(6.0%)
2020	211.8	25.0	11.8%	-	-

For the Alberta non-Grid RSP, nominal claims liabilities amounted to \$185.8 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$11.2 million (favourable) represents 6.0% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Alberta non-Grid RSP are projected to be \$211.8 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$10.6 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 8.0% favourable to 10.8% unfavourable (average of 0.6% favourable – this is close to the ideal average of 0%, albeit with a wide range over the 5 calendar years shown). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$25.0 million (column [2]) would be more than two times this \$10.6 million level, as the MfAD (column [3]) at 11.8% being more than two times 5%.

***NB RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal,***

*indemnity only)*

NB	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid	PfAD for	MfAD for	amount	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	15.1	1.8	11.9%	0.4	2.6%
2014	13.9	1.8	12.9%	1.2	8.6%
2015	16.0	2.1	13.1%	0.9	5.6%
2016	19.0	2.5	13.2%	(2.2)	(11.6%)
2017	18.0	2.0	11.1%	(0.4)	(2.2%)
2018	18.5	2.0	10.8%	0.6	3.2%
projections					
2019	19.5	2.2	11.3%	0.5	2.6%
2020	23.8	2.7	11.3%	-	-

For the New Brunswick RSP, nominal claims liabilities amounted to \$19.5 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$0.5 million (unfavourable) represents 2.6% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the New Brunswick RSP are projected to be \$23.8 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$1.2 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 11.6% favourable to 8.6% unfavourable (average of 0.7% unfavourable – this is close to the ideal average of 0%, albeit with a wide range over the 5 calendar years shown). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$2.7 million (column [2]) would be more than two times this \$1.2 million level, as the MfAD (column [3]) at 11.3% being more than two times 5%.

***NS RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal,***

*indemnity only)*

nominal unpaid indemnity claims liability (\$ millions)					
NS	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
	[1]	[2]	[3]	[4]	[5]
	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
	Cal Yr				
actuals					
2013	16.0	2.2	13.8%	1.7	10.6%
2014	18.8	2.7	14.4%	1.8	9.6%
2015	23.4	3.4	14.5%	0.4	1.7%
2016	27.3	3.9	14.3%	0.5	1.8%
2017	32.7	3.9	11.9%	(2.1)	(6.4%)
2018	35.5	4.1	11.5%	0.2	0.6%
projections					
2019	45.0	5.3	11.8%	0.1	0.2%
2020	53.0	6.3	11.9%	-	-

For the Nova Scotia RSP, nominal claims liabilities amounted to \$45.0 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$0.1 million (unfavourable) represents 0.2% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Nova Scotia RSP are projected to be \$53.0 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), **changes of +/-5% (\$2.7 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 6.4% favourable to 10.6% unfavourable (average of 1.5% unfavourable – this is higher than the ideal average of 0%, and there is a wide range over the 5 calendar years shown). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$6.3 million (column [2]) would be more than two times this \$2.7 million level, as the MfAD (column [3]) at 11.9% being more than two times 5%.

In addition, **changes in yield curves** used to determine the discount rates used in our projections are subject to change by RSP. For example, the **Oct 18 2018 Outlook** for the Ontario RSP used a discount rate of 1.83%, whereas with the **May 31 2019 Projections** for the Ontario RSP we are now using 1.43%. However, the Mar 31, 2019 valuation discount rate *changes* do not have a direct impact on the **2020** projections. As the change occurs in calendar year **2019**, both the beginning and ending claims liabilities for Calendar Year 2020 are adjusted, so the impact is effectively nullified (that is, a change in discount rate has a significant impact only when it is implemented). The same is true for margin changes (the impact of any changes is significant only when implemented).

The projected December 31, 2020 **policy liability discount amounts** are:

- ON RSP: \$57.4 million (associated interest rate PfAD of \$9.6 million, indicating the net discount impact of approximately \$47.7 million)
- AB Grid RSP: \$19.2 million (associated interest rate PfAD of \$3.2 million, indicating the net discount impact of approximately \$16.0 million)
- AB non-Grid RSP: \$12.6 million (associated interest rate PfAD of \$2.0 million, indicating the net discount impact of approximately \$10.6 million)
- NB RSP: \$1.3 million (associated interest rate PfAD of \$0.2 million, indicating the net discount impact of approximately \$1.0 million)
- NS RSP: \$2.9 million (associated interest rate PfAD of \$0.5 million, indicating the net discount impact of approximately \$2.4 million)

Moving the net discount impacts to \$0 could be considered a “worst case” scenario<sup>4</sup> in relation to adverse changes in the yield curves.

Key Ratios associated with our Calendar Year **2020** projection are presented in the table at the top of the next page, including the Combined Operating Ratios for the two calendar year **2019** projections. For details related to the **2020** projections, please refer to Exhibits B-1 through B-5. The basis for the projection of premiums, claims amounts and expenses is described in Section 3. In particular, premium projections are discussed in section 3.1 and claims projections are discussed in section 3.2. Our projections of the number of vehicle transfers are based on projections provided by major users of the RSPs. However, RSP volumes can change rapidly in a short period of time, as we have seen in the past, as 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. As a result, volumes may change dramatically from those projected here.

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<sup>4</sup>That is, the “worst case” scenario would be if the discount rate moves to 0% - we assume at this level the margin would be moved to 0 as well. In addition to the net discount impact indicated, there would also be an adverse movement in the claims development provision for adverse deviation, as this provision is also carried on a “net present value” or “discounted” basis.

We did consider whether the Canadian risk-free yield curve would move into negative territory (i.e. that the “worst case” scenario would involve a negative discount rate, rather than a 0 discount rate). While this is *possible*, we do not believe it is *plausible* within the next 18-21 months, given the current economic environment in Canada.

**Projection Summary – Calendar Year 2020 – Key Ratios<sup>5</sup>**

<b>Calendar Year 2020 Projections (Key Ratios)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)	-	-	-	-	-	-
Prior Accident Years (PAYs)	(7.0%)	(3.1%)	(2.9%)	(2.0%)	(2.4%)	(5.0%)
Current Accident Year (CAY)	142.9%	96.3%	115.8%	80.6%	104.2%	123.0%
Total Claims Incurred	135.9%	93.2%	112.9%	78.6%	101.8%	118.1%
Expense Ratios	-	-	-	-	-	-
Expense Allowance (% WP)	29.0%	31.1%	31.1%	30.1%	31.0%	30.0%
Chg in Prem. Def / (DPAC) (% EP)	2.3%	1.4%	1.9%	0.5%	2.2%	2.0%
Underwriting Expenses (% EP)	31.8%	33.9%	33.4%	31.2%	34.3%	32.7%
Administrative Expense (% EP)	0.4%	0.7%	1.1%	5.3%	3.3%	0.8%
U/Wing & Admin Exp (% EP)	32.2%	34.6%	34.5%	36.5%	37.6%	33.5%
<b>2020 Combined Operating Ratio (% EP)</b>	<b>168.1%</b>	<b>127.8%</b>	<b>147.4%</b>	<b>115.1%</b>	<b>139.4%</b>	<b>151.6%</b>
attributed to PAYs:	(7.0%)	(3.1%)	(2.9%)	(2.0%)	(2.4%)	(5.0%)
attributed to CAY:	175.1%	130.9%	150.3%	117.1%	141.8%	156.6%
<b>2019 Combined Operating Ratio</b>						
<b>Oct. 18, 2018 Outlook</b>	<b>168.0%</b>	<b>124.2%</b>	<b>150.6%</b>	<b>112.4%</b>	<b>136.0%</b>	<b>152.8%</b>
attributed to PAYs:	(4.6%)	(3.1%)	(2.6%)	(1.2%)	(1.5%)	(3.7%)
attributed to CAY:	172.6%	127.3%	153.2%	113.6%	137.5%	156.5%
<b>May 31, 2019 Projection</b>	<b>175.9%</b>	<b>124.3%</b>	<b>147.3%</b>	<b>123.3%</b>	<b>141.9%</b>	<b>155.1%</b>
attributed to PAYs:	(3.4%)	(8.0%)	(8.8%)	5.4%	1.3%	(5.1%)
attributed to CAY:	179.3%	132.3%	156.1%	117.9%	140.6%	160.2%

Net cash flows from operations for the RSPs collectively are projected to be an overall outflow of \$120.8 million for Calendar Year 2020 as presented in detail in section 3.5 (we are currently projecting a \$95.8 million operating cash outflow for calendar year **2019**).

Operating cash outflows are funded by members, and the primary drivers of operating cash are premium collection and claims payments. The tables at the top of the next page summarize RSP operating cash flows over the last 6 calendar years (historic operating cash flows by RSP can be found in section 0).

<sup>5</sup>RSP operating results do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of RSP written premium or vehicle counts as applicable – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member's own such ratio.

***ALL RSPs Historic Operating Cash Flows by Share Year***

RSP All RSPs	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>664.1</b>	<b>658.6</b>	<b>609.1</b>	<b>489.0</b>	<b>545.9</b>	<b>518.0</b>
<b>expense allowance</b>	<b>198.4</b>	<b>197.1</b>	<b>183.2</b>	<b>142.9</b>	<b>164.2</b>	<b>152.8</b>
<b>administration</b>	<b>4.7</b>	<b>4.6</b>	<b>4.1</b>	<b>4.0</b>	<b>3.7</b>	<b>4.0</b>
<b>prem net of expenses</b>	<b>461.0</b>	<b>456.8</b>	<b>421.9</b>	<b>342.1</b>	<b>378.0</b>	<b>361.2</b>
<b>paid claims</b>						
PAYs indemnity	326.7	318.8	296.3	295.3	283.7	293.2
PAY claims expenses	24.5	25.8	33.4	32.4	35.0	33.9
CAY indemnity	272.3	252.5	197.7	182.3	170.9	165.1
CAY clms expenses	1.7	1.0	0.8	0.9	1.4	1.5
all yrs indemnity	599.0	571.3	494.1	477.6	454.6	458.3
all yrs clms expenses	26.2	26.9	34.2	33.2	36.4	35.4
<b>total claims &amp; expenses paid</b>	<b>625.2</b>	<b>598.2</b>	<b>528.2</b>	<b>510.8</b>	<b>491.0</b>	<b>493.8</b>
<b>operating cash flow</b>	<b>(164.2)</b>	<b>(141.3)</b>	<b>(106.4)</b>	<b>(168.7)</b>	<b>(112.9)</b>	<b>(132.6)</b>

values are carried in table to 3 decimals - rounding differences may result

The current (May 31 2019) Calendar Year 2020 **projection** is provided in more detail in the next section, but the table at the top of the next page provides details of projected **changes in** cash flow by RSP between calendar years **2019** and **2020**.

**Projection Summary –2020 less 2019 Calendar Year Cash Flow Projections (\$000s)**

2020 less 2019 Calendar Net Operating Cash Flow Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>21,807</b>	<b>22,879</b>	<b>11,354</b>	<b>966</b>	<b>2,941</b>	<b>59,947</b>
<b>PAYs Paid Claims</b>						
paid indemnity	11,716	8,010	6,510	1,000	(716)	26,519
paid allowed claims expense	10,601	3,086	1,821	720	452	16,682
PAYs Paid Claims	22,318	11,096	8,331	1,720	(264)	43,201
<b>CAYs Paid Claims</b>						
paid indemnity	2,053	9,182	11,192	143	888	23,458
paid allowed claims expense	20	37	34	1	4	96
CAYs Paid Claims	2,073	9,219	11,226	144	892	23,554
<b>All AYs Paid Claims</b>						
paid indemnity	13,769	17,192	17,702	1,143	172	49,977
paid allowed claims expense	10,621	3,123	1,855	721	456	16,778
All AYs Paid Claims	24,391	20,315	19,557	1,864	628	66,755
<b>"Cash" Expenses</b>						
Member Expense Allowance	5,436	7,090	3,516	293	909	17,244
Administrative Expenses	185	259	228	73	173	918
"Cash" Expenses	5,621	7,349	3,744	366	1,082	18,162
<b>Net Operating Cash Flow</b>	<b>(8,204)</b>	<b>(4,785)</b>	<b>(11,947)</b>	<b>(1,264)</b>	<b>1,231</b>	<b>(24,969)</b>

### 2.3 Updated Projections for Calendar Year 2019

The tables on the next page provide summaries for the *May 31 2019 Projection* of Calendar Year 2019.



***Projection Summary –2019 Calendar Year Amounts (\$000s) – current projection***

Calendar Year 2019 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	389,258	200,368	139,230	15,562	30,517	774,935
Earned Premium	357,588	180,850	122,827	15,761	29,980	707,006
Prior Accident Years (PAYs)	(12,289)	(14,456)	(10,790)	856	404	(36,275)
Current Accident Year (CAY)	501,622	172,239	141,056	12,701	30,987	858,605
Total Claims Incurred	489,333	157,783	130,266	13,557	31,391	822,330
Expense Allowance	113,774	62,341	43,315	4,683	9,463	233,576
Change in Prem. Def / (DPAC)	24,039	3,483	6,017	402	793	34,734
Underwriting Expenses	137,813	65,824	49,332	5,085	10,256	268,310
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(269,558)	(42,757)	(56,771)	(2,881)	(11,667)	(383,634)
Administrative Expense	1,624	1,215	1,339	788	897	5,863
<b>2019 Operating Result</b>	<b>(271,182)</b>	<b>(43,972)</b>	<b>(58,110)</b>	<b>(3,669)</b>	<b>(12,564)</b>	<b>(389,497)</b>
attributed to PAYs:	12,289	14,456	10,790	(856)	(404)	36,275
attributed to CAY:	(283,471)	(58,428)	(68,900)	(2,813)	(12,160)	(425,772)

***Projection Summary –2019 Calendar Year (Key Ratios) – current projection***

Calendar Year 2019 Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	(3.4%)	(8.0%)	(8.8%)	5.4%	1.3%	(5.1%)
Current Accident Year (CAY)	140.3%	95.2%	114.8%	80.6%	103.4%	121.4%
Total Claims Incurred	136.9%	87.2%	106.0%	86.0%	104.7%	116.3%
Expense Ratios						
Expense Allowance (% WP)	29.2%	31.1%	31.1%	30.1%	31.0%	30.1%
Chg in Prem. Def / (DPAC) (% EP)	6.7%	1.9%	4.9%	2.6%	2.6%	4.9%
Underwriting Expenses (% EP)	38.5%	36.4%	40.2%	32.3%	34.2%	38.0%
Administrative Expense (% EP)	0.5%	0.7%	1.1%	5.0%	3.0%	0.8%
U/Wing & Admin Exp (% EP)	39.0%	37.1%	41.3%	37.3%	37.2%	38.8%
<b>2019 Combined Operating Ratio (% EP)</b>	<b>175.9%</b>	<b>124.3%</b>	<b>147.3%</b>	<b>123.3%</b>	<b>141.9%</b>	<b>155.1%</b>
attributed to PAYs:	(3.4%)	(8.0%)	(8.8%)	5.4%	1.3%	(5.1%)
attributed to CAY:	179.3%	132.3%	156.1%	117.9%	140.6%	160.2%

As indicated in the tables at the top of the next page, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the ***Oct 18 2018 Outlook*** and the ***May 31 2019 Projections*** as summarized above, the latter of which includes the implementation of the 2018 Q3, Q4, and 2019 Q1 valuations, with the changes in operating result largely driven by the impact of the updated valuations on CORs.

*Calendar Year **2019** Oct 18 2018 Outlook vs current May 31 2019 Projection*

	Outlook Posted October 18, 2018			Updated Year-end Projection		
\$000s	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	392,210	(266,840)	168.0%	357,588	(271,182)	175.9%
Alberta Grid	158,085	(38,222)	124.2%	180,850	(43,972)	124.3%
Alberta non-Grid	124,625	(63,017)	150.6%	122,827	(58,110)	147.3%
New Brunswick	16,429	(2,038)	112.4%	15,761	(3,669)	123.3%
Nova Scotia	30,272	(10,890)	136.0%	29,980	(12,564)	141.9%
<b>TOTAL</b>	<b>721,621</b>	<b>(381,007)</b>	<b>152.8%</b>	<b>707,006</b>	<b>(389,497)</b>	<b>155.1%</b>

In the table below, we attribute the overall **\$8.5 million** operating result **deterioration** in our projection for calendar year **2019** to components:

- \$19.1 million **improvement** attributed to the change in earned premium (by multiplying the earned premium change by [1 - COR]);
- \$27.6 million **deterioration** attributed to the change in COR (which is driven by changes in nominal prior accident year claims liabilities, current accident year loss ratios, the next future accident year loss ratio impact on premium liabilities, discount rates and margins, and expenses).

***Changes in Projections for Calendar Year 2019***

	Total Change (Updated Year-end Projection less Outlook)			Change Attributed to Earned Premium Change		Change Attributed to COR Change	
\$000s	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(34,622)	(4,342)	7.9%	(34,622)	23,543	(27,885)	7.9%
Alberta Grid	22,765	(5,750)	0.1%	22,765	(5,509)	(241)	0.1%
Alberta non-Grid	(1,798)	4,907	(3.3%)	(1,798)	910	3,997	(3.3%)
New Brunswick	(668)	(1,631)	10.9%	(668)	83	(1,714)	10.9%
Nova Scotia	(292)	(1,674)	5.9%	(292)	105	(1,779)	5.9%
<b>TOTAL</b>	<b>(14,615)</b>	<b>(8,490)</b>	<b>2.3%</b>	<b>(14,615)</b>	<b>19,132</b>	<b>(27,622)</b>	<b>2.3%</b>

Of the \$8.5 million<sup>6</sup> of operating result deterioration shown above (of which \$27.6 million in deterioration is attributed to 2.3 points of change in COR), the overall driver is due to changes in the claims incurred ratios (0.0 point change overall, but non-zero changes at the RSP level) and expense ratios (2.3 point improvement overall, but varying by RSP), as indicated in the table at the top of the next page. The expense ratio is heavily influenced by volume changes and the associated impacts on premium deficiency liabilities.

<sup>6</sup>Changes in the projection of the current accident year incurred are impacted by changes in earned premium, hence the comparison to the overall change in operating result, rather than focusing on the component attributed to COR only.

***Changes in Calendar Year 2019 Projected COR and key other ratios***

2019 Calendar Yr	Combined Ratio			Claims Incurred Ratio			Expense Ratio		
	May 31 2019 Projection	Oct 18 2018 Outlook	point chg	May 31 2019 Projection	Oct 18 2018 Outlook	point chg	May 31 2019 Projection	Oct 18 2018 Outlook	point chg
Risk Sharing Pool									
Ontario	175.9	168.0	7.9	136.8	131.2	5.6	39.1	36.8	2.3
Alberta Grid	124.3	124.2	0.1	87.2	91.3	(4.1)	37.1	32.9	4.2
Alberta Non-Grid	147.3	150.6	(3.3)	106.1	110.4	(4.3)	41.2	40.2	1.0
New Brunswick	123.3	112.4	10.9	86.0	75.8	10.2	37.3	36.6	0.7
Nova Scotia	141.9	136.0	5.9	104.7	99.2	5.5	37.2	36.8	0.4
<b>TOTAL</b>	<b>155.1</b>	<b>152.8</b>	<b>2.3</b>	<b>116.3</b>	<b>116.3</b>	<b>-</b>	<b>38.8</b>	<b>36.5</b>	<b>2.3</b>

Changes in selected ultimate loss ratios and selected discount rates directly impact the COR and are updated with each valuation<sup>7</sup>, so that implemented valuations after the Final Outlook was posted impact the above indicated changes. More information on the results of valuations and the associated impacts are available in the Actuarial Highlights for Aug 2018 (implementation of the 2018 Q2 valuation), Oct 2018 (implementation of the 2018 Q3 valuation), Mar 2019 (implementation of the 2018 Q4 valuation), and May 2019 (implementation of the 2019 Q1 valuation).

The selected discount rates have decreased from those selected with the 2018 Q2 valuation (the basis for the **2019** Final Outlook), resulting in an increase in the actuarial claims liabilities and having an unfavourable impact on the projected operating results for Calendar Year **2019**, accounting for an estimated \$19.7 million of unfavourable operating result change overall in relation to claims liabilities (see table below). Margins for adverse deviations (MfADs) for investment return margins were left unchanged (claims development margins, also left unchanged, are discussed on the next page).

***Estimated 2019 Claims Liabilities Impact from Discount Rate Changes***

RSP	2019 Final Outlook	May 31 2019 Projection	Est. Impact Discount Rate	Est. Impact MfAD Chg*
Ontario	1.83%	1.43%	\$12.7 million	\$0.0 million
Alberta Grid	1.87%	1.44%	\$3.8 million	\$0.0 million
Alberta Non-Grid	1.87%	1.46%	\$2.3 million	\$0.0 million
New Brunswick	1.87%	1.44%	\$0.3 million	\$0.0 million
Nova Scotia	1.86%	1.43%	\$0.6 million	\$0.0 million
<b>TOTAL</b>			<b>\$19.7 million</b>	<b>\$0.0 million</b>

Source: Estimated from Interest Rate Sensitivity Tables found in the May 2019 Actuarial Highlights

\*Interest Rate MfADs have not changed and remain at 25 basis points.

In addition, as per usual practice for the Q1 valuation, MfADs were not reviewed, but were last

<sup>7</sup>Changes to selected margins for adverse deviation at a valuation would also have an impact on the results – however, selected margins do not typically change with each valuation.

reviewed as part of 2018 Q2 valuation (these are generally only reviewed with Q2 valuations). With that valuation, the investment return margins were left unchanged, but the claims development margins were updated. However, as the 2019 Q1 valuation did not involve MfAD changes, no changes are indicated per the table below.

***Estimated 2019 Claims Liabilities  
 Impact from Claims Development  
 2019 Q1 MfADs changes***

<b>RSP</b>	<b>Est. Impact MfAD Chg*</b>
Ontario	\$0.0 million
Alberta Grid	\$0.0 million
Alberta Non-Grid	\$0.0 million
New Brunswick	\$0.0 million
Nova Scotia	\$0.0 million
<b>TOTAL</b>	<b>\$0.0 million</b>

*Source:* FA internal data.

Based on the two preceding tables, overall, there has been a \$19.7 million unfavourable impact due to the increase in the risk-free yield curve (generating increased interest rates used for discounting) and changes in margins for adverse deviations (which varied by RSP, accident year, and coverage, and were updated with the 2019 Q1 valuation).

That is to say, **the projected 2019 net operating deficit** of \$389.5 million across all 5 RSPs (being an \$8.5 million deterioration relative to the 2019 Final Outlook) **would have been \$19.7 million better** (i.e. \$369.8 million operating deficit) or an \$11.2 million improvement from the 2019 Final Outlook, **if not for the change in the yield curve and changes in selected MfADs**.

## **2.4 Outlook Purpose and Projection Uncertainty, Historical AvsP Variances**

### ***Purpose***

This Outlook was prepared for the member companies of Facility Association to assist them in estimating their share of RSP results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

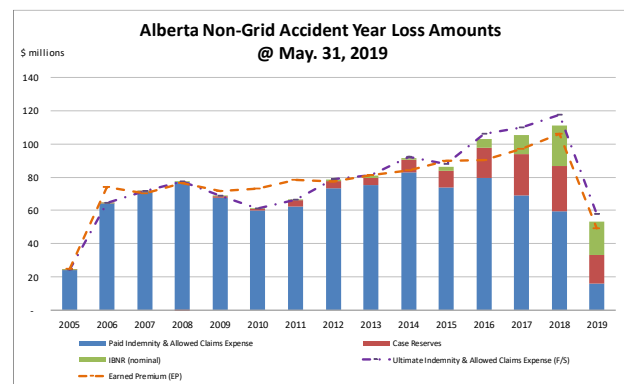
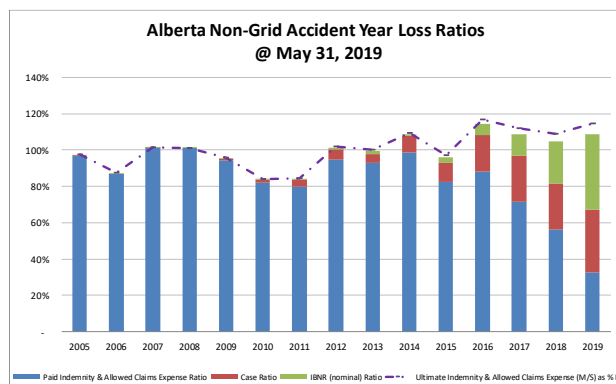
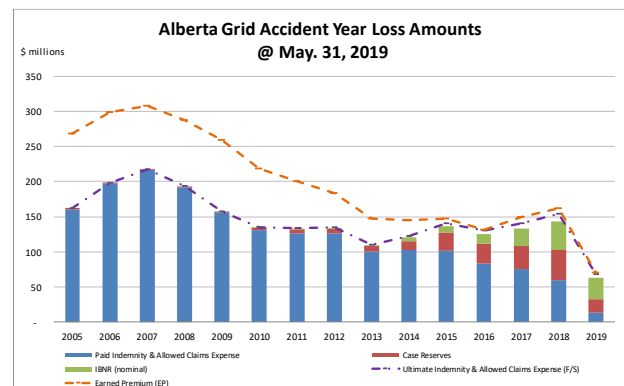
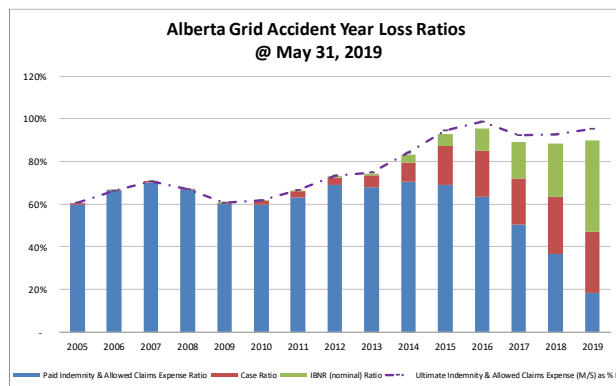
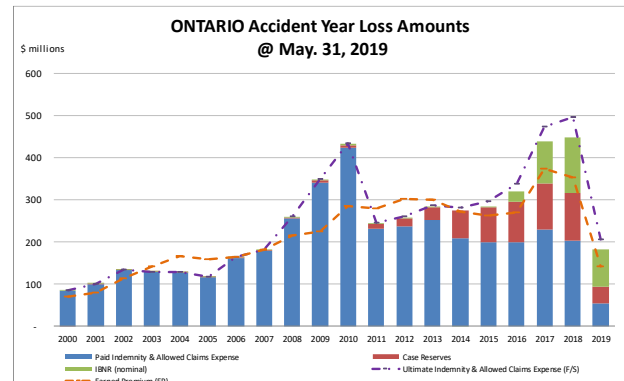
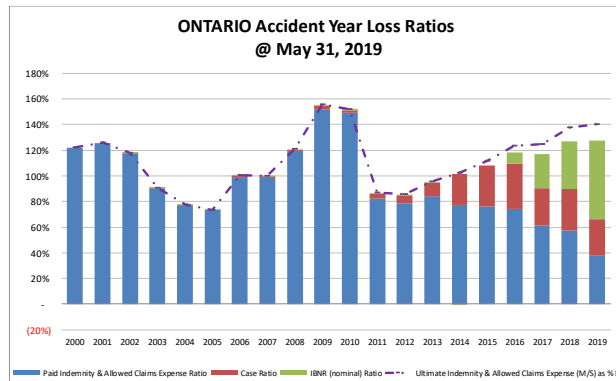
Unless specifically noted in this document, no explicit provision has been made for causes of loss which are not already reflected in the historical data, nor for otherwise unforeseen changes to the legal or economic environment in which claims are settled, including changes in the interpretation of existing legislation or regulation on matters currently before the courts.

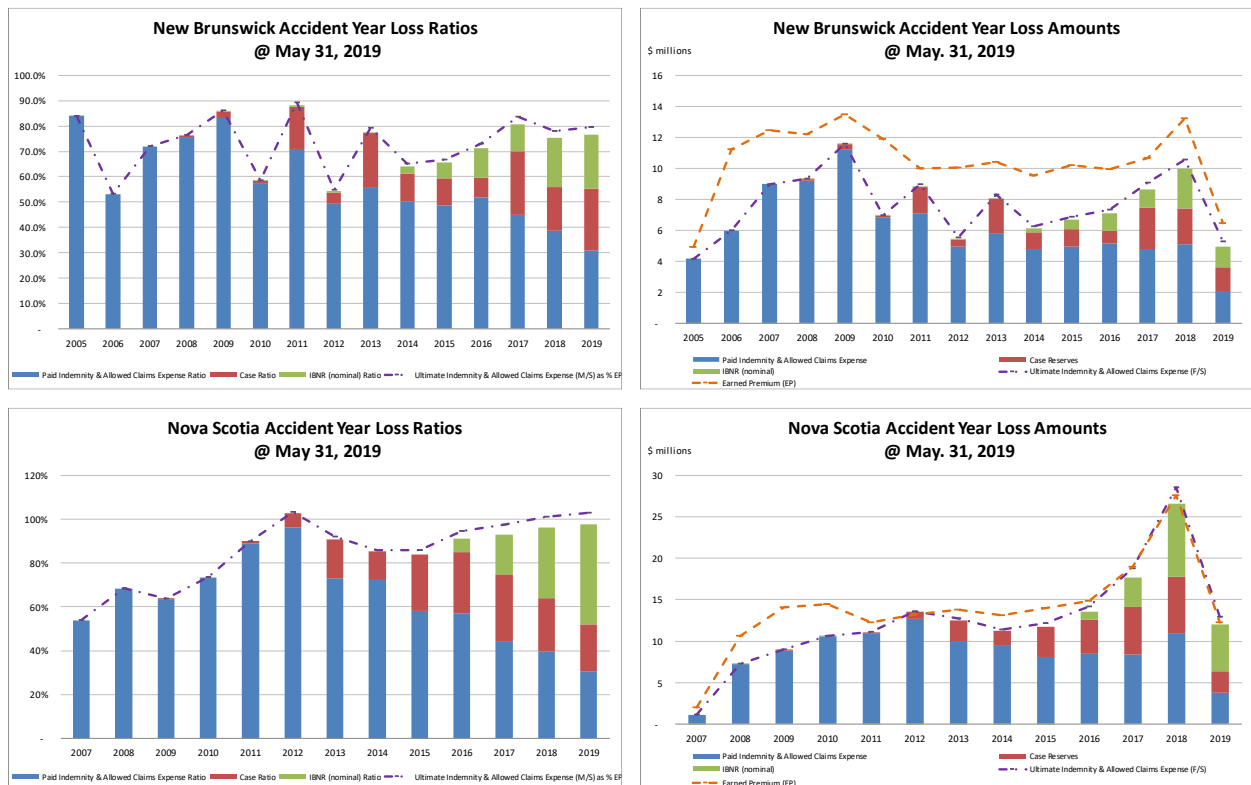
### ***Uncertainty***

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how

actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.**

The historical loss ratios for the RSPs (left charts) and dollar amount of volume changes (right charts) for the RSPs are provided below to provide some historical context. Note that the scales differ by chart.





### ***Historical Actual vs. Projected (AvsP) Variances***

As discussed earlier, the purpose of providing members with Outlooks is to aid in their planning processes. An important question, then, is to what extent have the RSP Outlooks provided reliable and reasonably accurate projections for the next calendar year? As we produce two Outlooks annually, we believe the question applies to both.

One challenge (or at least a consideration) is that the basis of the “actuals” for the Preliminary and Final Outlooks have changed over time, as have the months of release. In particular, up until the release of the 2015 Outlooks, the general approach was to base the Preliminary Outlook on actuals as at August of the preceding year (releasing the Preliminary Outlook generally in October) and to base the Final Outlook on actuals as at October of the preceding year (releasing the Final Outlook generally in December).

In preparation of the 2015 Outlooks, management changed the basis of the actuals and release dates on the view that the previous release pattern made the Outlook releases too late for serious use in members’ planning processes. Based on this, the Preliminary was moved to be based on May actuals (and released in June/July) and the Final was moved to be based on August actuals (and released in September / October).

Management’s view is that the Preliminary Outlooks were probably (and continue to be) more applicable for member planning purposes with its earlier release date. The table at the top of the next page summarizes variances between the actual results and the Preliminary Outlook projections by calendar year.

***All RSPs – AvsP (Preliminary Outlook projections)***

Facility Association

Outlook Actual vs Projected

**\*PROJECTED IS BASED ON PRELIMINARY OUTLOOK**

Risk Sharing Pools (RSPs)

RSP TOTAL

average A less P 2013 to 2018:	100.4	(16.8%)	61.0%
as a % of Projected:	(39.1%)		

Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2013	[a]	Actual	518.0	551.8	(90.6)	(16.4%)	612.6	111.0%	(101.6)	118.4%	
	[b]	Projected*	566.5	560.6	(29.2)	(5.2%)	665.1	118.6%	(271.8)	148.5%	
	[c]=[a]-[b]	A less P	(48.5)	(8.8)	(61.4)	(11.2%)	(52.5)	(7.6%)	170.2	(30.1%)	36.1%
	[d]=[c]/[b]	% of P	(8.6%)	(1.6%)	210.3%		(7.9%)		(62.6%)		
2014	[a]	Actual	545.9	521.9	(71.3)	(13.7%)	591.0	113.2%	(157.5)	130.2%	
	[b]	Projected*	586.1	579.6	(24.2)	(4.2%)	696.9	120.3%	(282.8)	148.8%	
	[c]=[a]-[b]	A less P	(40.2)	(57.6)	(47.1)	(9.5%)	(106.0)	(7.1%)	125.3	(18.6%)	37.6%
	[d]=[c]/[b]	% of P	(6.9%)	(9.9%)	194.9%		(15.2%)		(44.3%)		
2015	[a]	Actual	489.0	522.9	(206.3)	(39.4%)	580.6	111.0%	9.7	98.2%	
	[b]	Projected*	553.2	547.3	(33.4)	(6.1%)	649.1	118.6%	(246.9)	145.1%	
	[c]=[a]-[b]	A less P	(64.2)	(24.4)	(172.9)	(33.3%)	(68.5)	(7.6%)	256.6	(46.9%)	67.4%
	[d]=[c]/[b]	% of P	(11.6%)	(4.5%)	517.9%		(10.6%)		(103.9%)		
2016	[a]	Actual	609.1	517.9	(72.0)	(13.9%)	611.4	118.0%	(232.0)	144.7%	
	[b]	Projected*	537.7	536.3	(41.6)	(7.8%)	613.9	114.5%	(200.4)	137.4%	
	[c]=[a]-[b]	A less P	71.5	(18.4)	(30.4)	(6.1%)	(2.6)	3.5%	(31.5)	7.3%	(96.4%)
	[d]=[c]/[b]	% of P	13.3%	(3.4%)	73.0%		(0.4%)		15.7%		
2017	[a]	Actual	658.6	649.6	(115.3)	(17.7%)	778.3	119.8%	(218.5)	133.7%	
	[b]	Projected*	675.6	666.4	(43.2)	(6.5%)	753.1	113.0%	(267.3)	140.1%	
	[c]=[a]-[b]	A less P	(17.0)	(16.8)	(72.0)	(11.2%)	25.2	6.8%	48.7	(6.4%)	147.8%
	[d]=[c]/[b]	% of P	(2.5%)	(2.5%)	166.6%		3.3%		(18.2%)		
2018	[a]	Actual	664.1	661.8	(100.6)	(15.2%)	790.3	119.4%	(238.1)	136.0%	
	[b]	Projected*	636.0	640.3	(43.7)	(6.8%)	751.7	117.4%	(270.9)	142.3%	
	[c]=[a]-[b]	A less P	28.1	21.5	(57.0)	(8.4%)	38.6	2.0%	32.9	(6.3%)	173.3%
	[d]=[c]/[b]	% of P	4.4%	3.4%	130.5%		5.1%		(12.1%)		

Over the six calendar year preliminary projections for the RSPs (total basis) shown above, the net operating result has been \$100.4 million (approximately 39.1%) better than projected on average, and the resulting Combined Operating Ratio (COR) has been on average 16.8 points lower than projected. Prior Accident Years' (PAYs) variances have generally accounted for a significant portion of the overall variance (close to a third), with the remainder driven by volume and current accident year (CAY) loss ratio variances.

For volumes, we rely on projections by members, but variances will arise as the business environment



changes.

For the CAY loss ratios, this depends primarily on projections of claims trends and rate changes, as well as the mix of business among members using the RSPs, all of which makes the projection of CAY loss ratios difficult to project. For example, we do not have direct access to information on rate changes that apply to transferred business, relative to previously transferred business. With respect to claims trends, we apply our view of industry wide trends, but trends applicable to transferred business may not follow those overall trends.

For the PAYs, the projected result reflects the projected unwinding of the discount and the projected release of provisions for adverse deviations, so the PAYs' variances in general reflect changes in the selections of ultimates. Our valuation goal, over the long term, is that PAYs' ultimate changes average to \$0 on a nominal basis (that is, excluding actuarial present value adjustments). Valuation results are discussed in detail in various other communication media provided by FA (for example, valuation implementation impacts are discussed in the monthly bulletins, and valuation results are discussed in the monthly Actuarial Operational Highlights and quarterly Actuarial Valuation Highlights).

Preliminary Outlook variances against the actual at the RSP level are provided in Exhibit D. For completeness, we have also summarized differences between actuals and projections found in the Final Outlooks on the next page.



### *All RSPs – AvsP (Final Outlook projections)*

Facility Association

Outlook Actual vs Projected

**\*PROJECTED IS BASED ON FINAL OUTLOOK**

Risk Sharing Pools (RSPs)

RSP TOTAL

average A less P 2013 to 2018:	104.5	(17.3%)	(20.3%)
as a % of Projected:	(40.1%)		

Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2013	[a]	Actual	518.0	551.8	(90.6)	(16.4%)	612.6	111.0%	(101.6)	118.4%	
	[b]	Projected*	587.3	574.2	(31.0)	(5.4%)	689.1	120.0%	(285.6)	149.7%	
	[c]=[a]-[b]	A less P	(69.3)	(22.4)	(59.6)	(11.0%)	(76.5)	(9.0%)	184.0	(31.3%)	32.4%
	[d]=[c]/[b]	% of P	(11.8%)	(3.9%)	192.7%		(11.1%)		(64.4%)		
2014	[a]	Actual	545.9	521.9	(71.3)	(13.7%)	591.0	113.2%	(157.5)	130.2%	
	[b]	Projected*	535.3	520.8	(27.3)	(5.3%)	606.7	116.5%	(232.3)	144.6%	
	[c]=[a]-[b]	A less P	10.6	1.1	(44.0)	(8.4%)	(15.7)	(3.3%)	74.8	(14.4%)	58.8%
	[d]=[c]/[b]	% of P	2.0%	0.2%	160.9%		(2.6%)		(32.2%)		
2015	[a]	Actual	489.0	522.9	(206.3)	(39.4%)	580.6	111.0%	9.7	98.2%	
	[b]	Projected*	550.6	547.9	(34.7)	(6.3%)	620.0	113.2%	(211.5)	138.6%	
	[c]=[a]-[b]	A less P	(61.6)	(24.9)	(171.6)	(33.1%)	(39.4)	(2.2%)	221.3	(40.4%)	77.6%
	[d]=[c]/[b]	% of P	(11.2%)	(4.6%)	495.1%		(6.4%)		(104.6%)		
2016	[a]	Actual	609.1	517.9	(72.0)	(13.9%)	611.4	118.0%	(232.0)	144.7%	
	[b]	Projected*	557.3	525.9	(33.8)	(6.4%)	606.3	115.3%	(224.8)	142.8%	
	[c]=[a]-[b]	A less P	51.8	(7.9)	(38.2)	(7.5%)	5.0	2.7%	(7.2)	1.9%	(530.5%)
	[d]=[c]/[b]	% of P	9.3%	(1.5%)	113.1%		0.8%		3.2%		
2017	[a]	Actual	658.6	649.6	(115.3)	(17.7%)	778.3	119.8%	(218.5)	133.7%	
	[b]	Projected*	643.5	645.6	(42.8)	(6.6%)	739.5	114.5%	(257.0)	139.8%	
	[c]=[a]-[b]	A less P	15.1	4.1	(72.5)	(11.1%)	38.9	5.3%	38.5	(6.1%)	188.3%
	[d]=[c]/[b]	% of P	2.3%	0.6%	169.4%		5.3%		(15.0%)		
2018	[a]	Actual	664.1	661.8	(100.6)	(15.2%)	790.3	119.4%	(238.1)	136.0%	
	[b]	Projected*	761.2	715.1	(41.1)	(5.7%)	849.7	118.8%	(353.6)	149.5%	
	[c]=[a]-[b]	A less P	(97.2)	(53.3)	(59.5)	(9.5%)	(59.5)	0.6%	115.5	(13.5%)	51.5%
	[d]=[c]/[b]	% of P	(12.8%)	(7.5%)	144.9%		(7.0%)		(32.7%)		

One might assume that variances from the Final Outlooks would tend to be smaller than against the Preliminary Outlooks, as actuals are more up-to-date for the former. However, this has not always been the case.

## 2.5 Definitions and Presentation

### *Accounting Periods*

- Calendar Year 2018: actual results for 12 months ending December 31, 2018.

- Calendar Year 2019: actual results for 5 months ending May 31, 2019, plus projected results for 7 months ending December 31, 2019.
- Calendar Year 2020: projected results for 12 months ending December 31, 2020.

### ***Definitions***

- Claim Liabilities are made up of case reserves and provision for Incurred but not Recorded claims amounts (“IBNR”).
- Premium Liabilities are made up of unearned premiums, and Premium Deficiency Reserves or Deferred Policy Acquisition Costs (“DPAC”) as applicable.
- Policy Liabilities are comprised of claim liabilities and premium liabilities.
- Actuarial Present Value Adjustments include the recognition of the time value of money and includes explicit provisions for adverse deviations (“PFAD”) as applicable.
- Actuarial Provisions encompass all claim liabilities other than case reserves, and all premium liabilities other than unearned premiums. As such, they include IBNR, and premium deficiency/(DPAC) as applicable.
- (Calendar Period) Claims Incurred are computed as the sum of calendar period paid claims amounts and calendar period changes in claim liabilities. While the majority of claims adjustment expenses are included in the Expense Allowances paid to member companies, there are allowed amounts in addition to the level included in the allowance. These amounts are shown as “paid expenses” in Monthly Operational Reports and are included with paid indemnity for valuation purposes, and for presentation of Operating Results.

### ***Data Sources & Related Valuations***

- Actual results are taken from Operational Reports up to and including the month of May 2019. The May 2019 Operational Report reflects the results of recent valuations as at Mar 31, 2019 as described in the May 2019 Actuarial Highlights.
- Projected results for the months of June 2019 and July 2019 are the projections reflected in the May 2019 Operational Reports, and are based on assumptions derived for this purpose from the valuations as at Mar 31, 2019 and other information.
- Projected results for the months of August 2019 through December 2020 are also based on assumptions derived for this purpose from the valuations as at Mar 31, 2019 and other information, extended to encompass Calendar Year 2020.

### ***Format***

The Outlook presentation of Operating Results is consistent with the “Summary of Operations” exhibits attached to monthly bulletins to Members.

- “Claims Incurred” are divided between amounts pertaining to prior accident years, and those pertaining to the current accident year.
- “Claims Incurred” are further divided between nominal (i.e. “undiscounted”) incurred claims, and calendar period changes in the effect of actuarial present value adjustments (i.e. “discounting”). As our claims liabilities are estimated on a “best estimate” basis, there are no

nominal incurred amounts projected for prior accident years. The effect of actuarial present value adjustments include the “unwinding” or “release” of the actuarial present value adjustments as claims payments are made, the addition of the actuarial present value adjustments pertaining to increases in claim liabilities, and changes in discount rate and margins for adverse deviations, if any.

- “Change in Premium Deficiency / (Deferred Policy Acquisition Costs)” is divided between the change in the nominal (or “undiscounted”) premium deficiency / (deferred policy acquisition costs), and calendar period changes in the effect actuarial present value adjustments (“discounting”) akin to those in relation to claims liabilities.
- The “Net Result from Operations” excludes costs incurred directly by Members (e.g. premium tax, health levies, association dues), and any investment income that Member companies might earn on assets they hold in support of their RSP liabilities.
- “Ratios” are expressed relative to calendar period earned premiums, unless otherwise indicated.

### 3. Basis for Projections

The commentary that follows describes the basis for projecting premiums, claims amounts, and expenses, and provides summaries of key assumptions. Exhibit A in Section 4 provides additional detail regarding these assumptions.

#### 3.1 Premiums

For each RSP, a model has been established to project by month the number of (annualized) vehicles being transferred to the pools and to project the associated average written premium (with projected premium being the product of these two). The projection model for each RSP considers the largest member company groups individually and sums the results of the projections at the member company group level (with an “all other” catch all). Select individual large member company groups were provided with their own results by RSP to populate with their own projections<sup>8</sup>. The final projections leverage this detailed projection information, as well as additional insight provided by member company project managers to Facility Association Member Services staff and by Facility Association management’s judgment otherwise.

Written premium projection volatility is highlighted in the table below in relation to the Ontario RSP to provide an example of how aggregate written premium projections can change over a relatively short period of time.

***Ontario RSP Calendar Year Written Premium Projections (millions) over time***

<b>Calendar Year</b>	<b>Final 2018 Outlook</b>	<b>Preliminary 2019 Outlook</b>	<b>Final 2019 Outlook</b>	<b>Preliminary 2020 Outlook</b>
2018	\$413.2	\$408.2	\$365.8	\$347.8
2019	not projected	\$430.3	\$424.8	\$347.8
2020	not projected	not projected	not projected	\$411.1

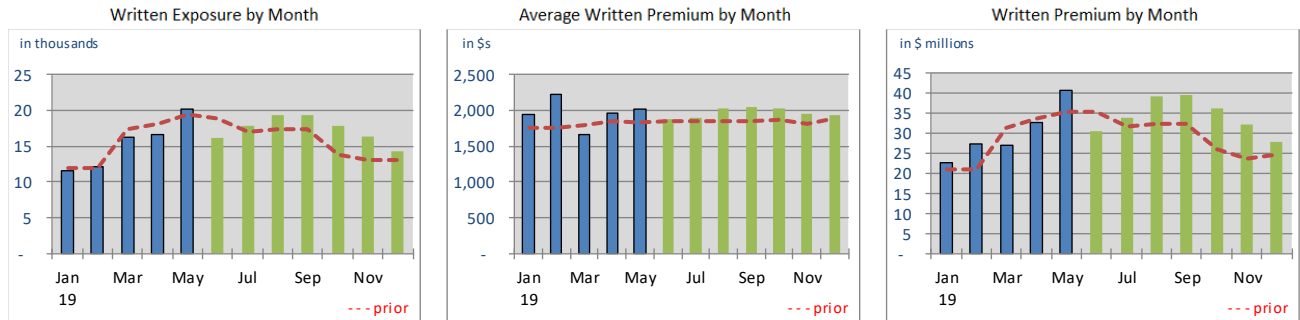
*Source: FA Outlooks. **Preliminary** Outlooks are based on data as at May of the preceding year, whereas the **Final** Outlook is based on August data from the preceding year. For example, the Preliminary and Final 2019 Outlooks were based on actual and projected results as at May 2018 and August 2018 respectively.*

Summaries of the projections are provided at the top of the next page for **2019** and **2020**. In the charts, blue columns are actuals and green are projections. The dotted red line represents the values from the prior year. *Please take careful note of the scale in each chart, as we modify the scale to best fit the information being presented.*

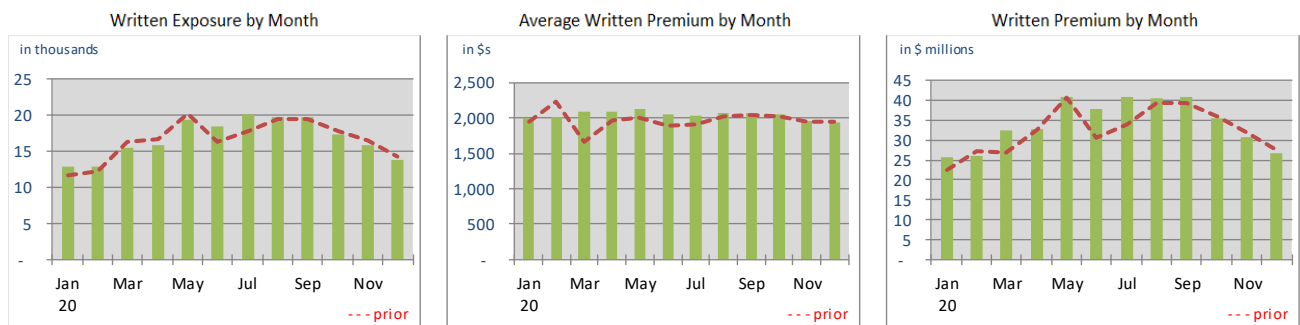
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<sup>8</sup>This process is updated quarterly – where a member changes their projection significantly from the previous quarter, FA management will ask the member to provide confirmation of the accuracy and reasonableness of the projection, but FA does not ask for, nor receive, information from members related to the “why” of their projections or changes of their projections, as this is deemed confidential.

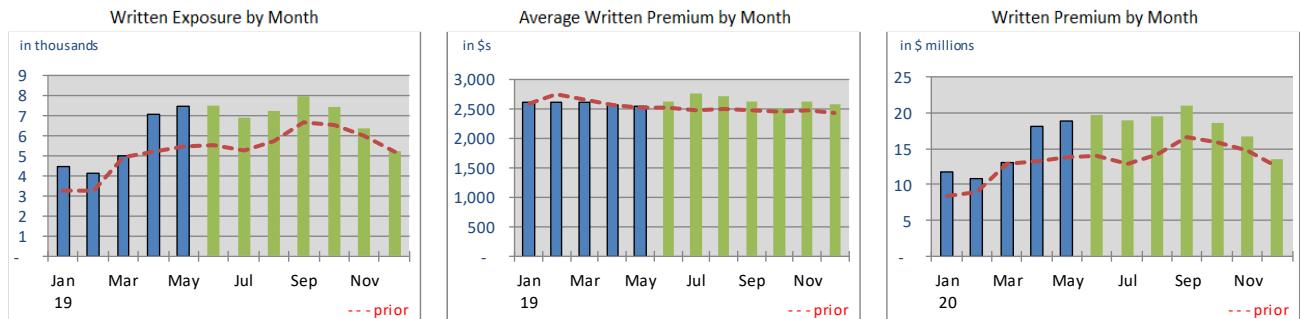
**Ontario 2019** projected count **198,230**; approximate maximum that could be transferred: 380,000



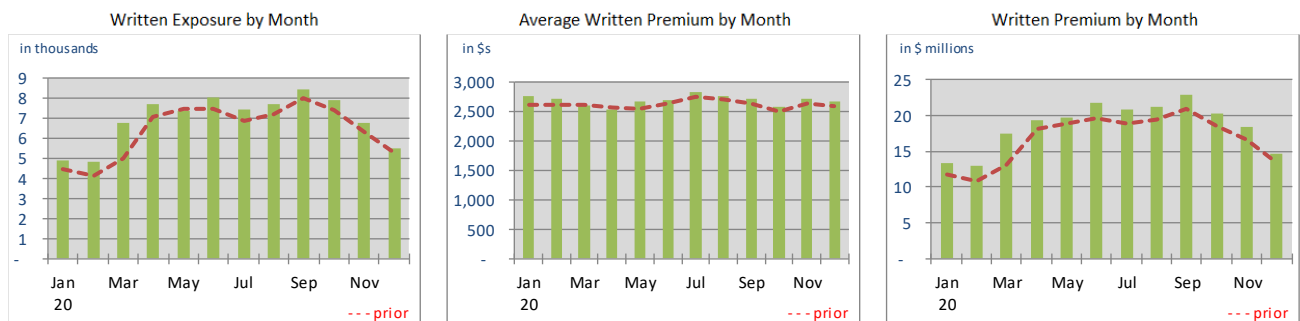
**Ontario 2020** projected count **201,271**; approximate maximum that could be transferred: 380,000



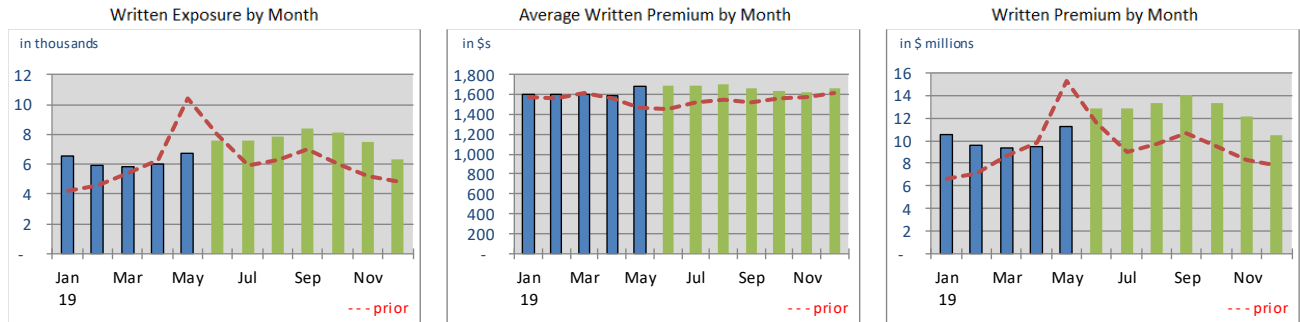
**Alberta Grid 2019** projected count **76,753**; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)



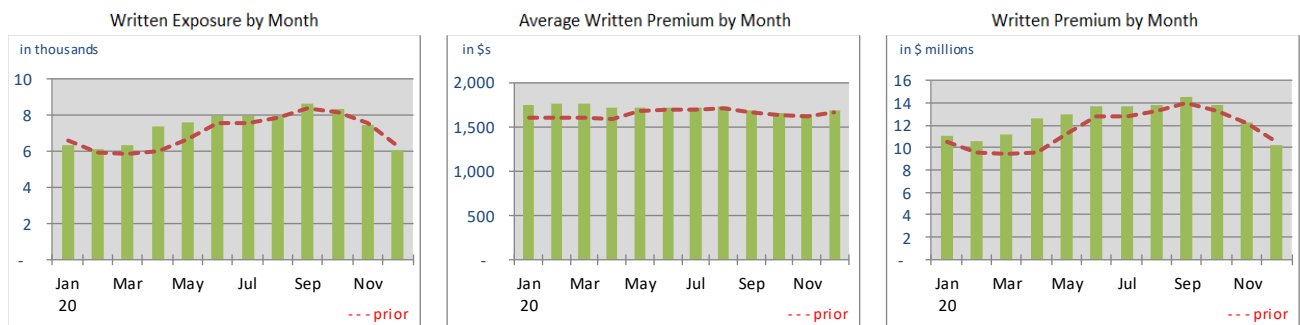
**Alberta Grid 2020** projected count **83,268**; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)



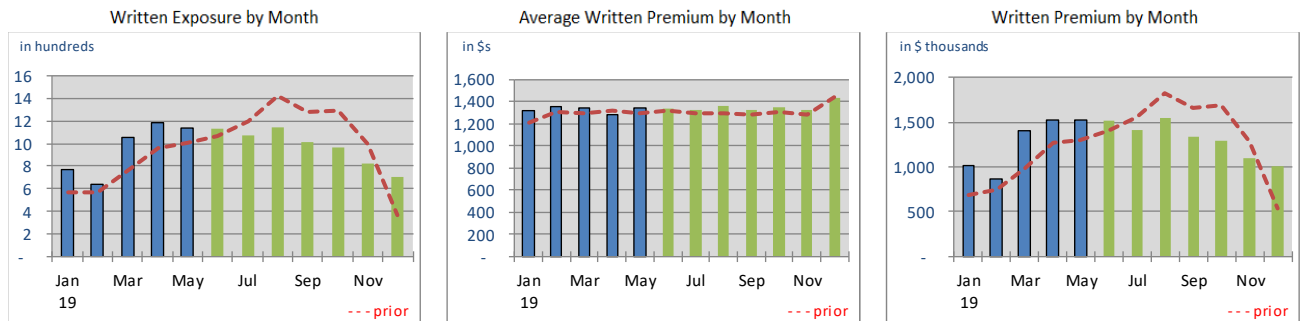
**Alberta Non-Grid 2019**    *projected count 84,342; approximate maximum that could be transferred: 105,000*



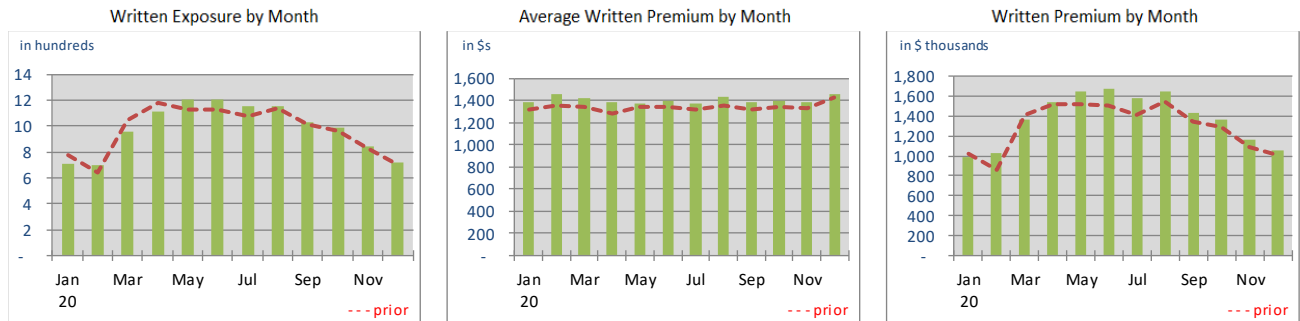
**Alberta Non-Grid 2020**    *projected count 88,087; approximate maximum that could be transferred: 105,000*



**New Brunswick 2019**    *projected count 11,637; approximate maximum that could be transferred: 40,000*

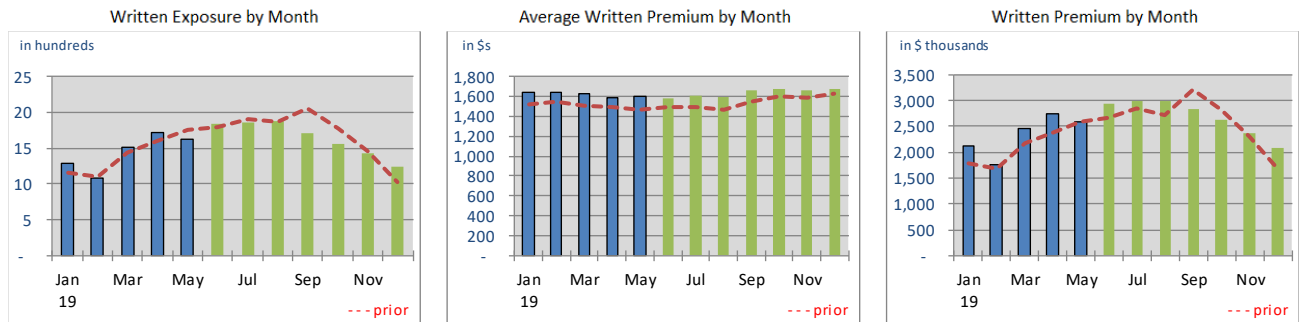


**New Brunswick 2020**    *projected count 11,805; approximate maximum that could be transferred: 40,000*



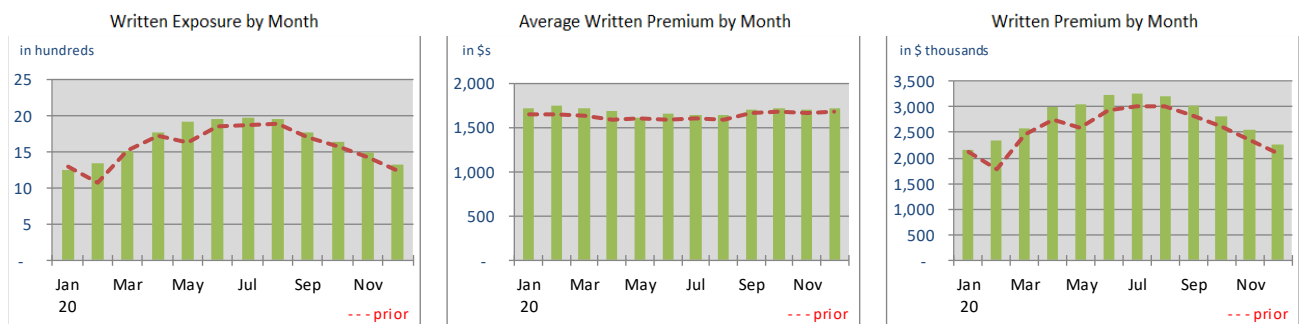
**Nova Scotia 2019**    *projected count 18,758; approximate maximum that could be transferred: unknown (based on*

*number of risks deemed “inexperienced”*



**Nova Scotia 2020**

*projected count 19,883; approximate maximum that could be transferred: unknown (based on number of risks deemed “inexperienced”)*



Monthly earned premium was projected based on the known duration of the current unearned premium and from projected written premium based on the estimated average duration of policies.

The table below summarizes the 2020 projected written and earned premium, and the change in both related to the current projection for 2019.

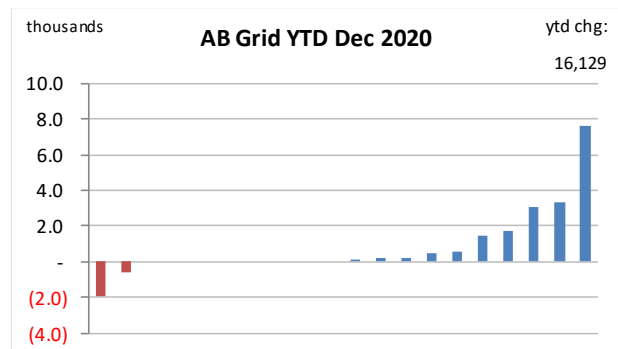
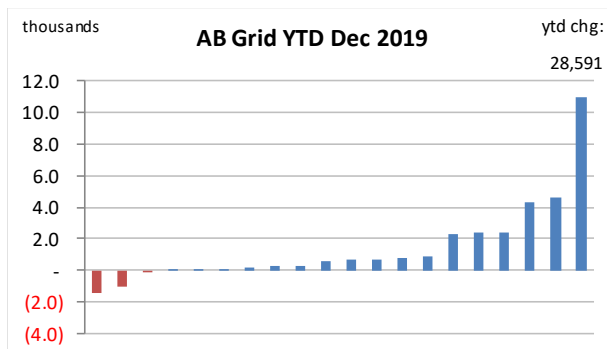
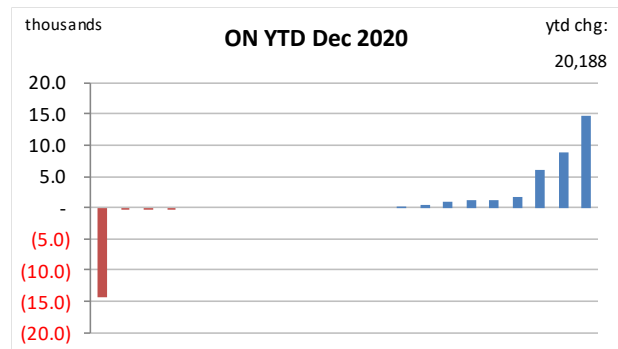
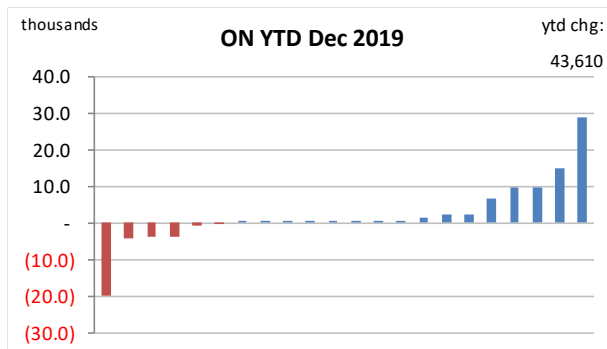
**Projection Summary – Calendar Year Premium Comparison (\$000s)**

Calendar Year 2020 Premium Comparisons (Amounts in \$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2020 Written Premium	411,065	223,247	150,584	16,528	33,458	834,882
Change from 2019	21,807	22,879	11,354	966	2,941	59,947
% Change from 2019	5.6%	11.4%	8.2%	6.2%	9.6%	7.7%
2020 Earned Premium	405,206	213,585	148,530	16,200	32,376	815,897
Change from 2019	47,618	32,735	25,703	439	2,396	108,891
% Change from 2019	13.3%	18.1%	20.9%	2.8%	8.0%	15.4%

As usual, and as discussed in the opening, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested from the larger users quarterly, and FA management follows-up for confirmation of projected amounts where significant changes in a member’s projections occur (FA does not ask for, nor receive, information on the “why” of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable).

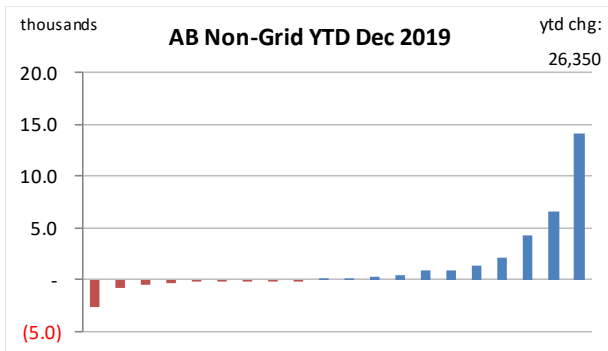
For example, while there were 22 active<sup>9</sup> member groups identified for the Ontario RSP, the 8 member groups providing explicit projections account for 90% of the Ontario RSP vehicle counts transferred for the 12-month period ending May 2019. For the Alberta Grid RSP, while there were 20 active member groups identified, the 10 member groups that provided explicit projections account for 89% of the Alberta Grid RSP vehicle counts transferred for the 12-month period ending May 2019.

To provide some additional perspective on the projections, we've provided year-end projections summaries of the "decliners / growers" charts akin to those provided monthly in the Actuarial Highlights (red bars are decliners, blue bars are growers.)

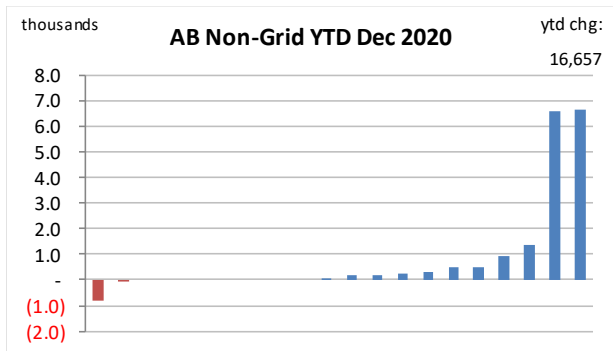


<sup>9</sup>We consider a member group to be "active" if they have non-zero transfer counts in at least 1 month in the current or prior calendar year. Members that are under common management for transfer limit purposes are considered a single "member group".

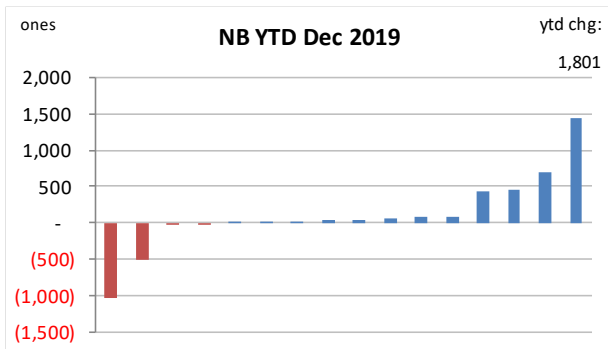




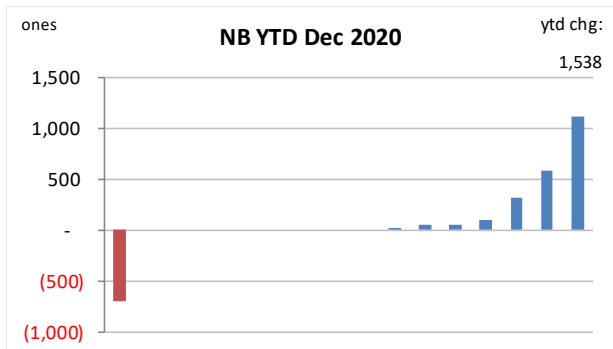
	# grps	chg
decliners:	9	(4,636)
no changers:	-	-
growers:	11	30,986



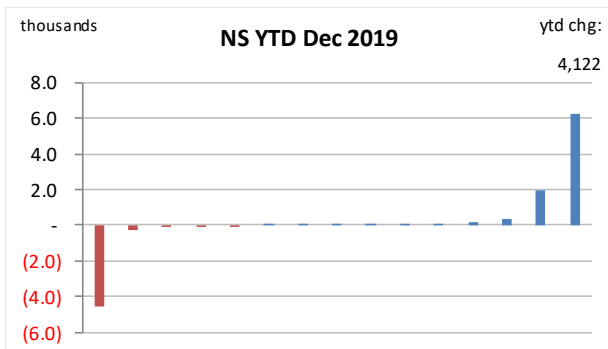
	# grps	chg
decliners:	2	(830)
no changers:	7	-
growers:	11	17,486



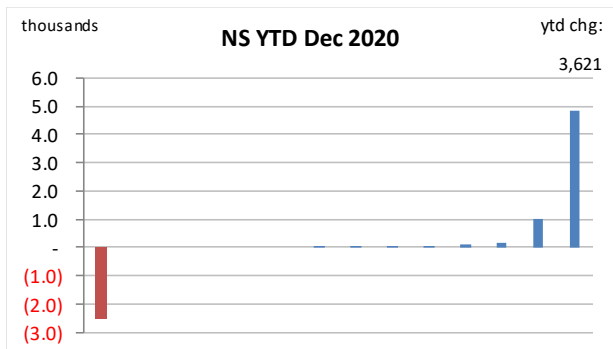
	# grps	chg
decliners:	4	(1,541)
no changers:	-	-
growers:	12	3,342



	# grps	chg
decliners:	1	(698)
no changers:	8	-
growers:	7	2,236



	# grps	chg
decliners:	5	(4,815)
no changers:	-	-
growers:	10	8,937



	# grps	chg
decliners:	1	(2,565)
no changers:	5	-
growers:	8	6,185

### 3.2 Claims Amounts (Indemnity & Allowed Claims Expenses)

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at Mar 31, 2019. As per the Facility Association's regular process, key elements of the valuations were reviewed with the Actuarial Committee, and presented to, and discussed with, the Audit & Risk Committee. The results were reflected in the May 2019 Operational Reports and discussed in the associated Actuarial Highlights.

For accident year ("AY") **2020**, the estimated nominal loss ratios reflected in the RSP Outlook are "a priori" or "expected" loss ratios modeled based on the Sep 30, 2018<sup>10</sup> valuation selections of ultimate claims incurred, augmented with updated estimated impacts of historical changes in average earned premium (particularly that attributed to rate changes), and historical claims amount levels (including loss cost trends and product reforms). It is important to note that **2020** is built from the **2019** a priori loss ratio – **not** from the current selected ultimate loss ratio for accident year **2019**. The a priori loss ratios are estimated at the coverage level and summed to arrive at the all coverages level.

#### *Accident Year 2019 to 2020 a priori Loss Ratio Projections*

a priori (aka "expected") Loss Ratio Comparisons						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Accident Year 2019 a priori LR	127.1%	88.8%	108.5%	75.5%	96.3%	<i>intentionally left blank</i>
divide by ep factor	1.022	1.014	1.024	1.008	1.030	
multiply by clms factor	1.045	1.043	1.042	1.035	1.061	
multiply by rounding correction	1.000	1.000	1.000	1.000	1.000	
Accident Year 2020 a priori LR	130.0%	91.3%	110.4%	77.5%	99.2%	

For the sake of brevity in presentation, we've included a single table displaying the accident year loss ratios used in the projections, as well as charts showing loss ratios by accident half-year, rolled up to the government line and total levels (a priori loss ratio selections are made at the coverage and accident half-year level).

<sup>10</sup>The a priori loss ratios are derived at the start of the valuation process, prior to updating for current actual results. The ultimates used for this process are based on the most recently completed valuations. For roll-forward valuations, a priori LR's are not always updated, but rather brought forward from the prior full valuation. Hence, the a priori loss ratios used for the Mar 31, 2019 valuation were the same as used for the Dec 31, 2018 valuation and reflected selections of ultimate from the Sep 30, 2018 valuation for all RSPs.

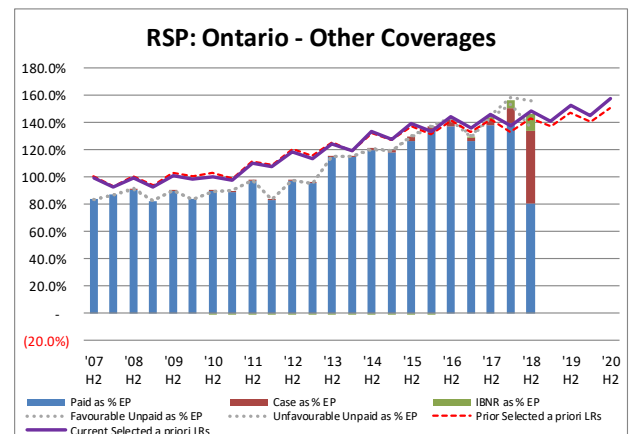
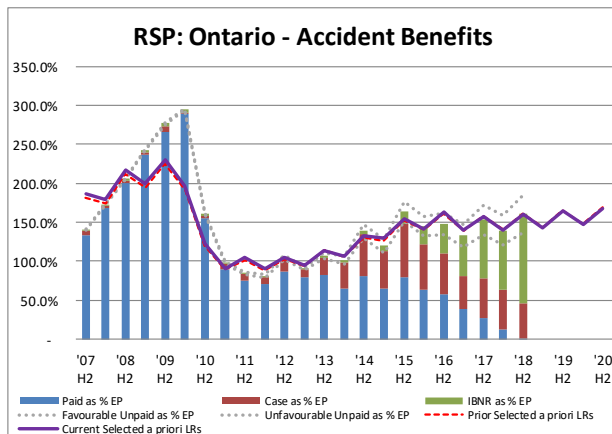
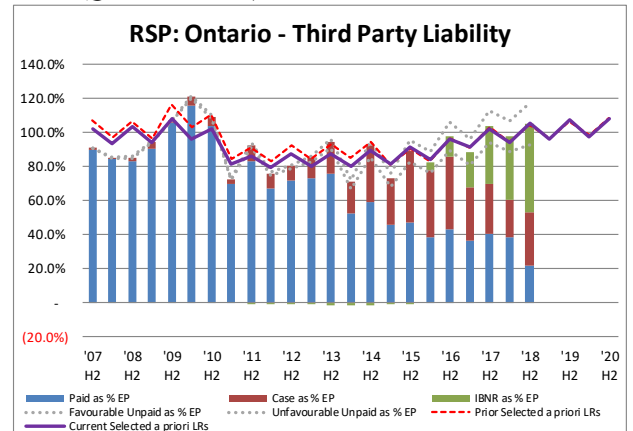
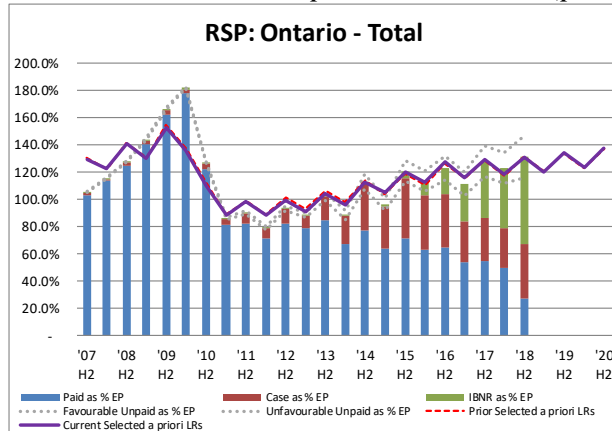
*Selected Loss Ratios – table 1*

Loss Ratios Accident Year	RSP ON			RSP AB Grid			RSP AB Non-Grid		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
1993	92,972	105,011	112.9%	-	-	-	-	-	-
1994	200,791	211,517	105.3%	-	-	-	-	-	-
1995	235,451	206,284	87.6%	-	-	-	-	-	-
1996	197,412	183,623	93.0%	-	-	-	-	-	-
1997	152,922	111,253	72.8%	-	-	-	-	-	-
1998	103,106	84,630	82.1%	-	-	-	-	-	-
1999	68,831	80,080	116.3%	-	-	-	-	-	-
2000	69,659	84,988	122.0%	-	-	-	-	-	-
2001	80,047	100,720	125.8%	-	-	-	-	-	-
2002	113,770	134,158	117.9%	-	-	-	-	-	-
2003	142,680	129,429	90.7%	-	-	-	-	-	-
2004	165,860	128,909	77.7%	47,289	24,417	51.6%	558	1,948	349.1%
2005	158,965	117,073	73.6%	268,326	162,162	60.4%	24,923	24,269	97.4%
2006	163,889	164,498	100.4%	298,762	198,134	66.3%	73,869	64,604	87.5%
2007	180,957	181,053	100.1%	308,216	217,817	70.7%	70,461	71,431	101.4%
2008	214,486	259,498	121.0%	287,800	193,235	67.1%	76,378	77,214	101.1%
2009	224,096	348,408	155.5%	259,259	156,748	60.5%	71,791	68,563	95.5%
2010	284,367	432,834	152.2%	219,023	135,024	61.6%	72,937	61,150	83.8%
2011	280,097	243,326	86.9%	200,099	132,746	66.3%	78,509	66,180	84.3%
2012	301,957	258,160	85.5%	183,215	133,678	73.0%	77,274	78,418	101.5%
2013	299,209	284,340	95.0%	146,824	109,241	74.4%	81,130	80,784	99.6%
2014	270,934	274,011	101.1%	144,704	120,428	83.2%	84,037	91,460	108.8%
2015	262,680	285,052	108.5%	146,743	136,410	93.0%	89,811	86,458	96.3%
2016	269,436	319,221	118.5%	130,984	125,372	95.7%	90,251	103,221	114.4%
2017	374,444	438,245	117.0%	149,522	133,264	89.1%	97,060	105,507	108.7%
2018	352,837	447,708	126.9%	162,063	143,262	88.4%	106,888	111,870	104.7%
2019			127.6%			89.7%			108.7%
2020			130.0%			91.3%			110.4%
2021			133.0%			93.8%			113.4%

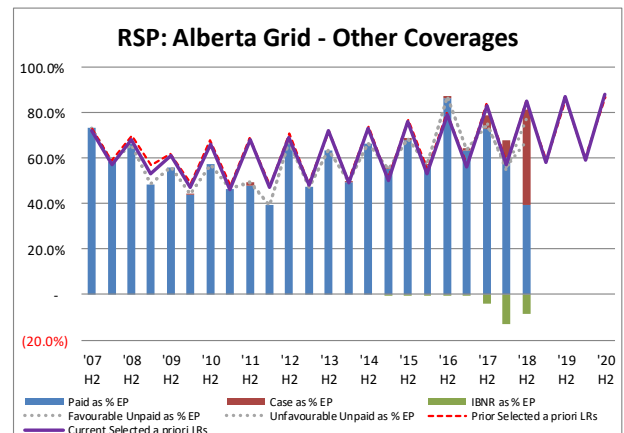
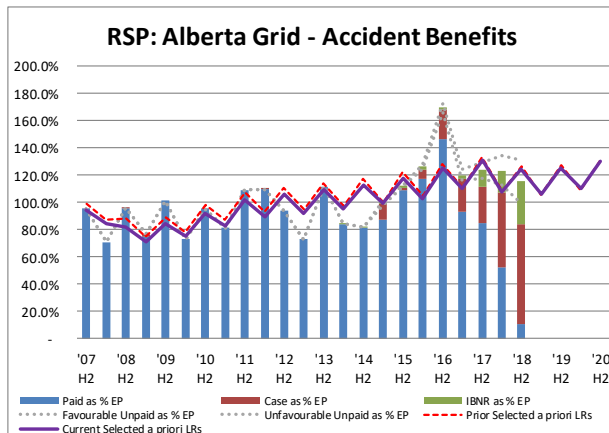
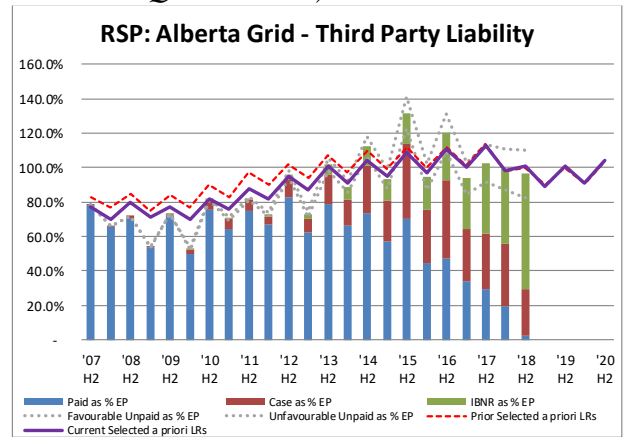
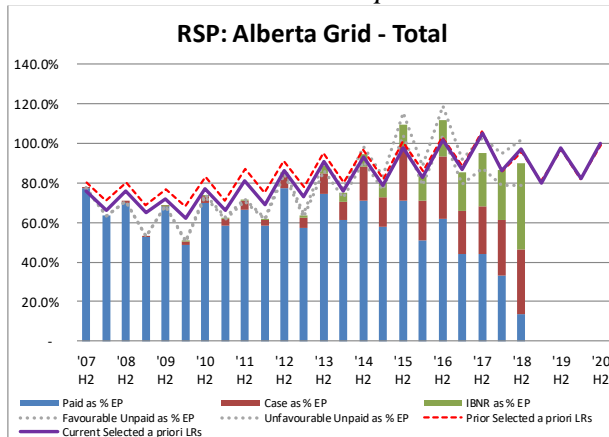
*Selected Loss Ratios – table 2*

Loss Ratios Accident Year	RSP NB			RSP NS		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
2005	4,932	4,145	84.0%	-	-	-
2006	11,215	5,966	53.2%	-	-	-
2007	12,451	8,970	72.0%	2,057	1,109	53.9%
2008	12,180	9,290	76.3%	10,620	7,252	68.3%
2009	13,459	11,567	85.9%	14,065	8,969	63.8%
2010	11,900	6,972	58.6%	14,454	10,605	73.4%
2011	10,010	8,818	88.1%	12,312	11,071	89.9%
2012	10,052	5,461	54.3%	13,197	13,572	102.8%
2013	10,403	8,081	77.7%	13,787	12,496	90.6%
2014	9,542	6,122	64.2%	13,172	11,192	85.0%
2015	10,179	6,665	65.5%	14,026	11,709	83.5%
2016	9,947	7,091	71.3%	14,845	13,538	91.2%
2017	10,696	8,630	80.7%	19,014	17,679	93.0%
2018	13,307	10,025	75.3%	27,753	26,716	96.3%
2019			76.5%			97.7%
2020			77.5%			99.2%
2021			79.0%			102.7%

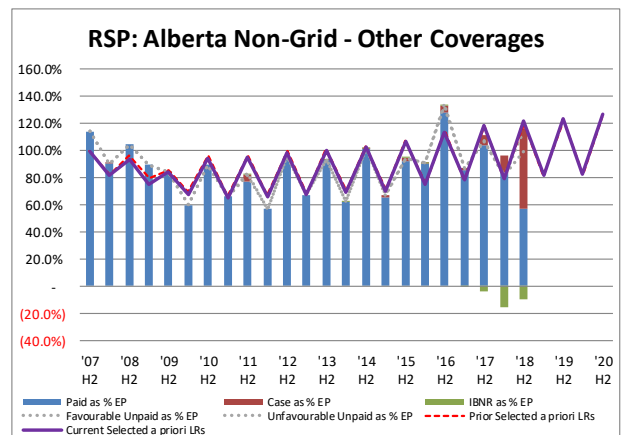
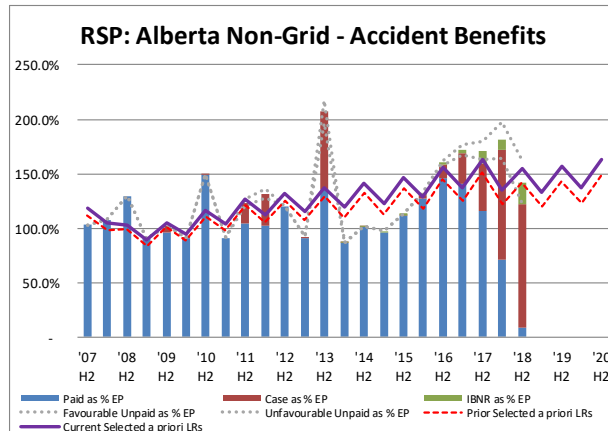
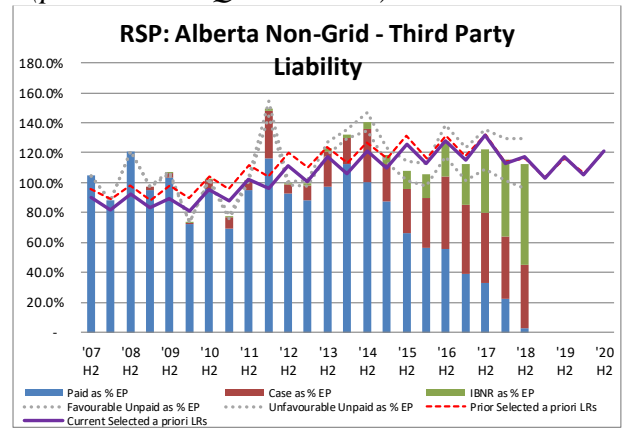
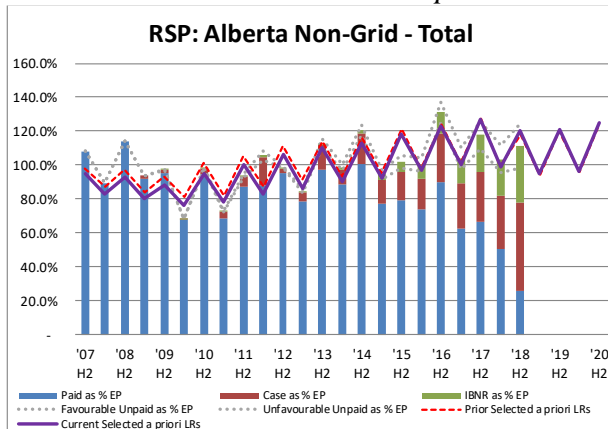
*Ontario – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*



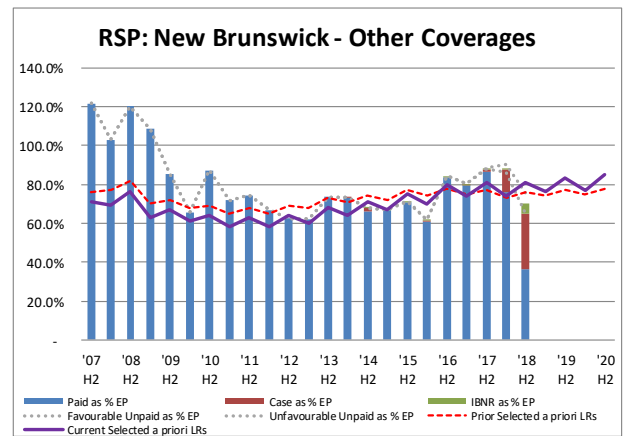
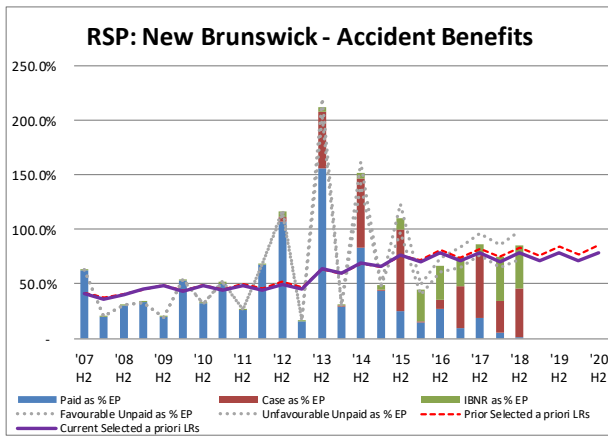
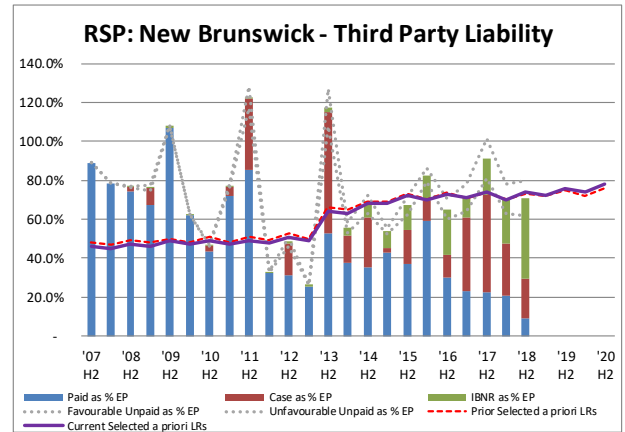
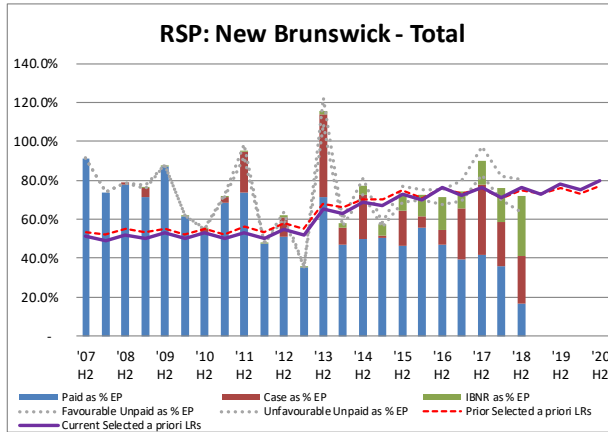
*Alberta Grid – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*



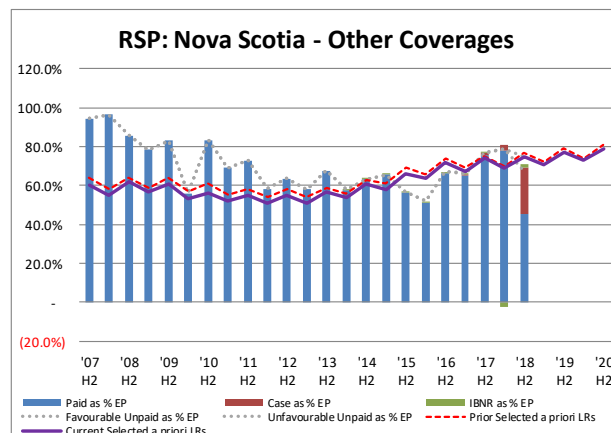
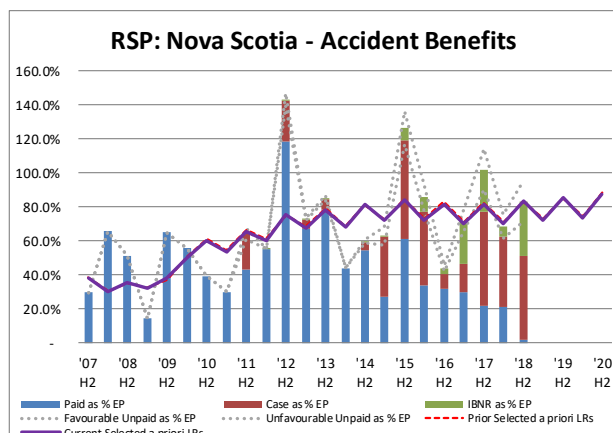
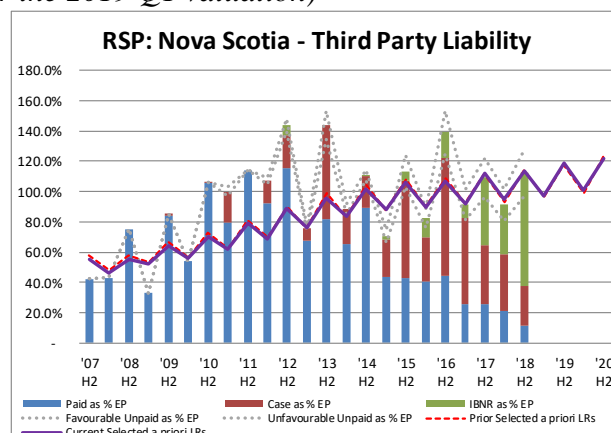
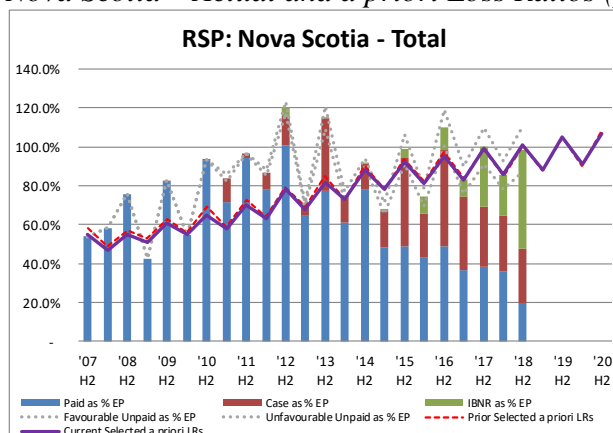
*Alberta Non-Grid – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*



*New Brunswick – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*



*Nova Scotia – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*



The operating results for Calendar Year **2019** include actual development on accident years 2018 and prior incurred claims amounts, up to and including activity in the month of May 2019. No further nominal development (favourable or unfavourable) is projected for the remainder of the Calendar Year (actuarial present value adjustments are expected to change as nominal claims liabilities are unwound with claims settlement). Similarly, no nominal prior accident year development is projected during Calendar Year 2020, but actuarial present value adjustment changes are projected to occur as claims liabilities are unwound. The discount rates and margins for adverse development are unchanged throughout the projection period.

### 3.3 Simulated 2020 Accident Year Nominal Loss Ratio

The overall “normal course” nominal loss ratio for accident year **2020** for each RSP could be modelled using a normal distribution with a mean set at the a priori loss ratio and standard deviations<sup>11</sup> based on our a priori loss ratios (indemnity only) by accident half for 2008-2017 put on-level, and smoothed. This would not necessarily take into account “stress” events and users are strongly urged to consider “stress” scenarios in addition to these “normal course” simulated loss ratios. Further, this assumes

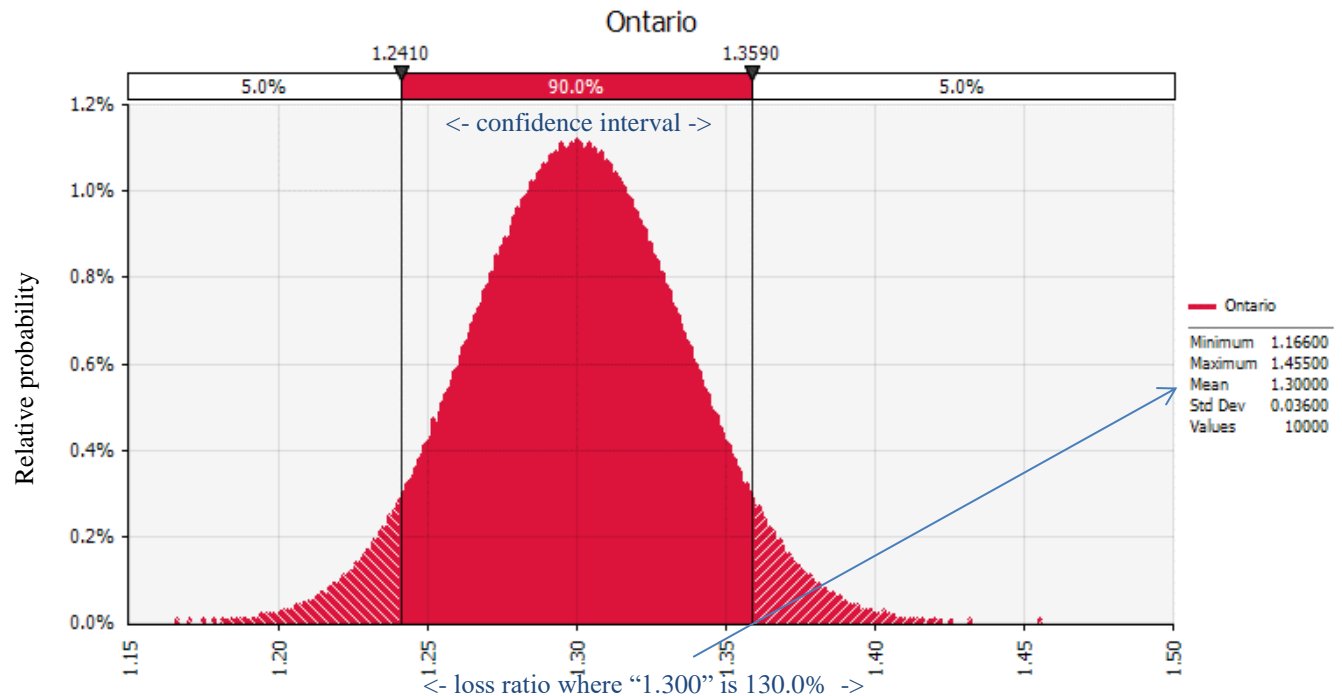
<sup>11</sup>These standard deviations are estimated from on-level a priori loss ratios for each RSP under “base line” assumptions – not “stressed” assumptions.



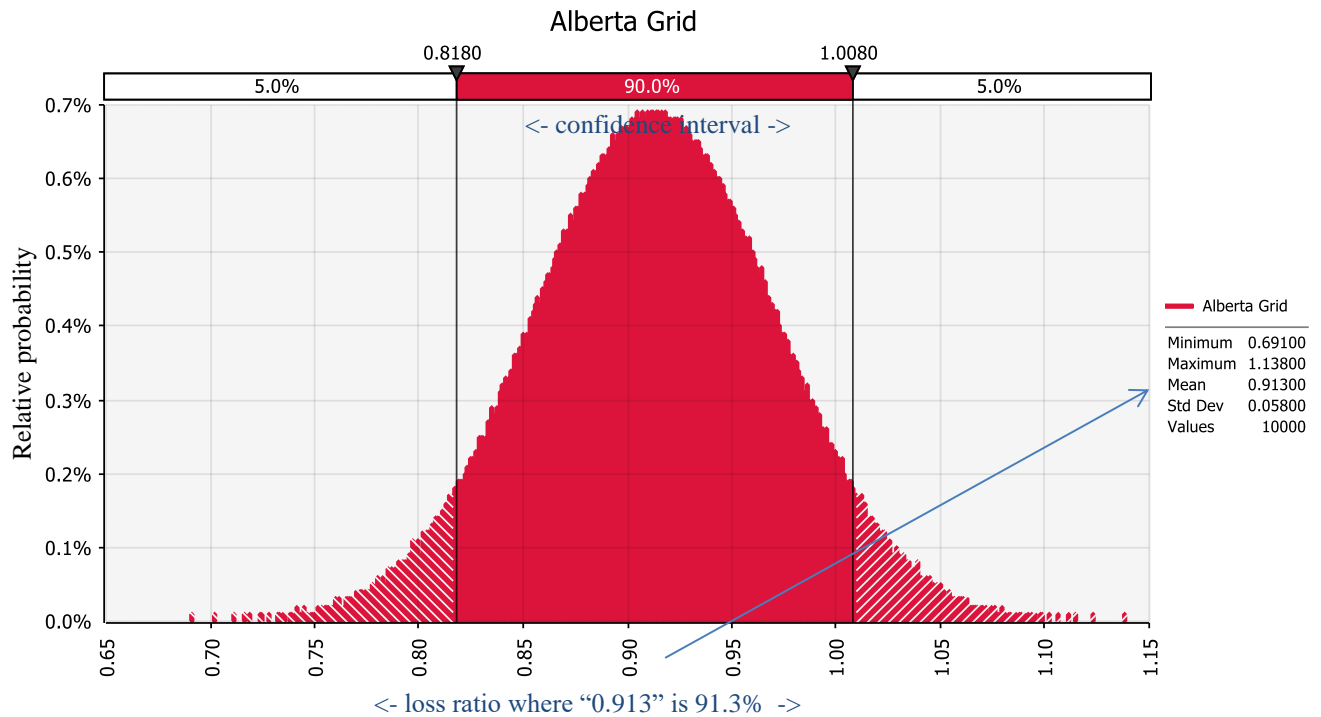
that the baseline a priori estimates will prove to be the “best estimate” loss ratio for accident year **2020** – this estimate may change over time due to modelling differences and changes in historical loss ratios etc. that are used to derive this estimate.

Histograms for the loss ratio modeling by RSP for accident year **2020** is presented below based on latin hypercube sampling (10,000 samples) using @risk simulation software, and again, assuming loss ratios follow a normal distribution under “non-stressed” scenarios.

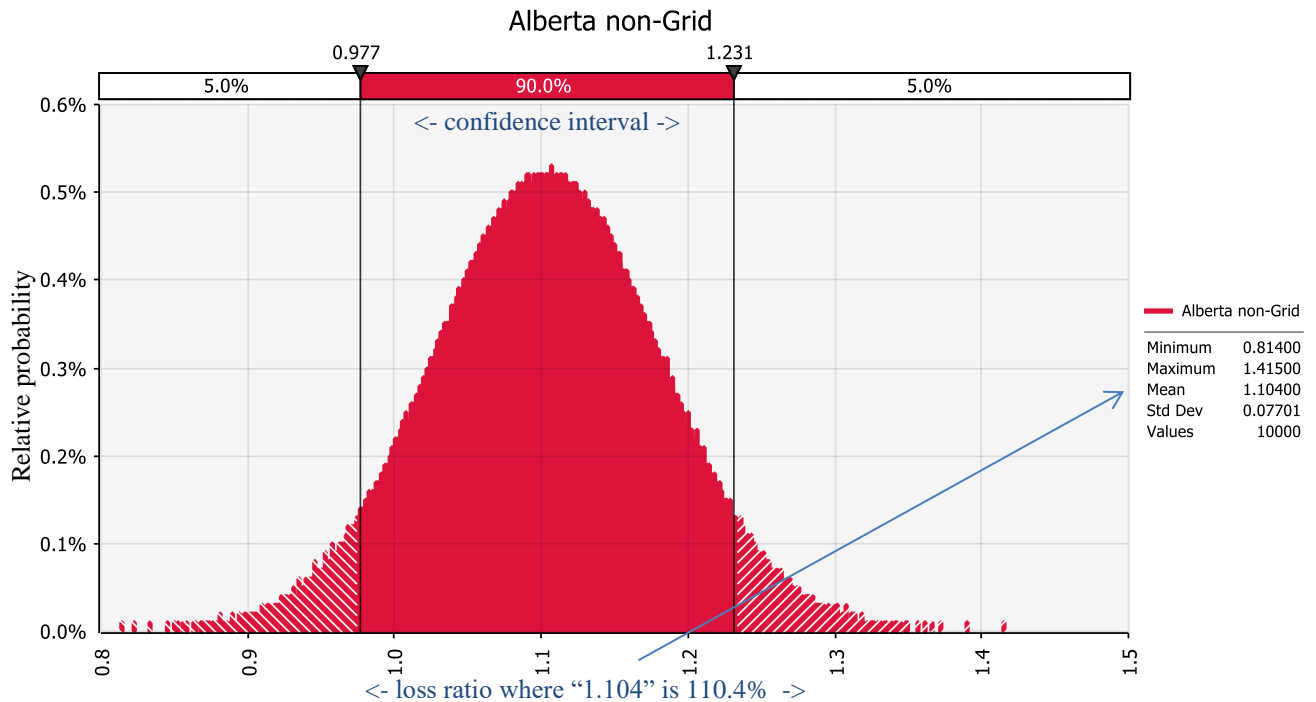
***Projection Summary – Ontario RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



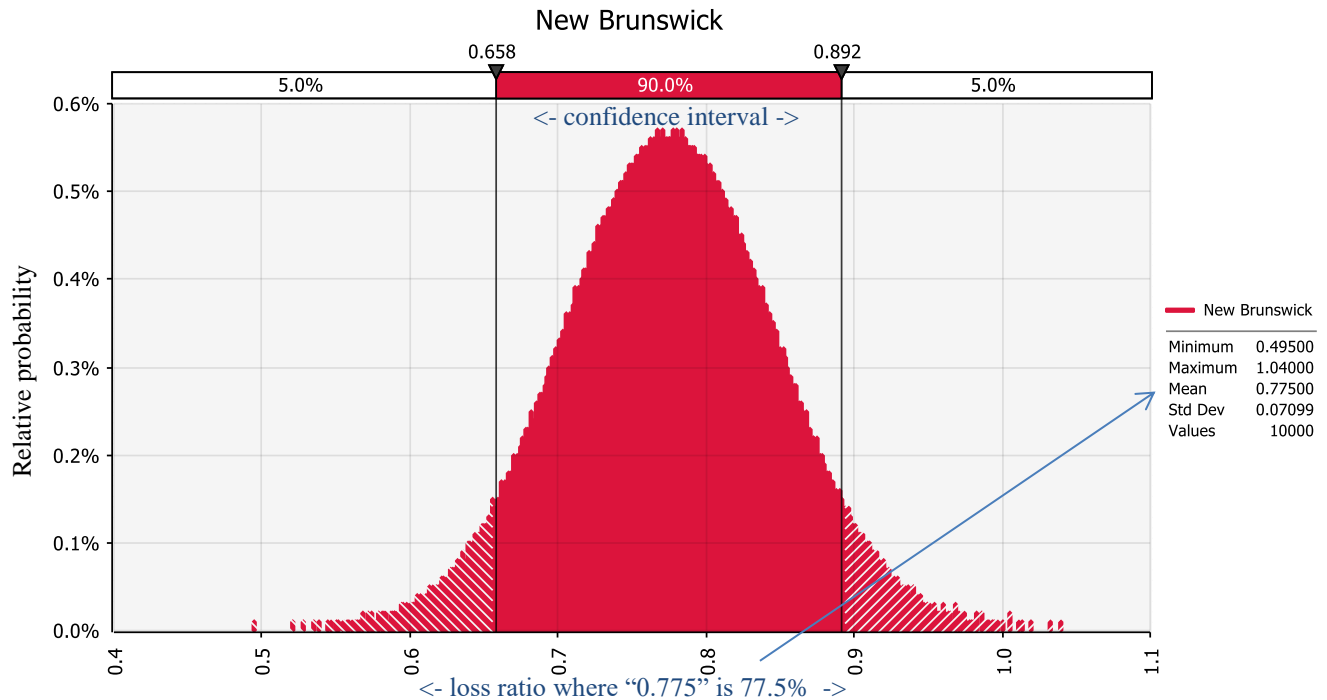
**Projection Summary – Alberta Grid RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)**



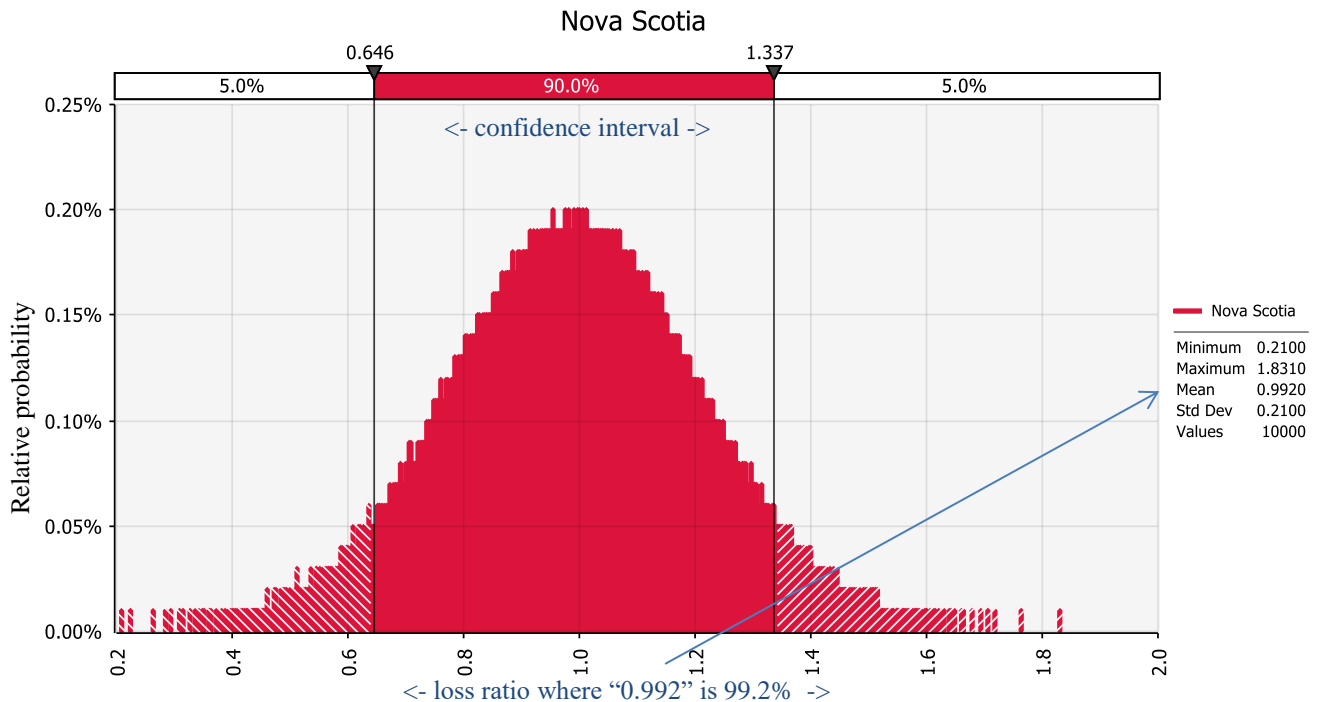
**Projection Summary – Alberta Non-Grid RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)**



***Projection Summary – New Brunswick RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



***Projection Summary – Nova Scotia RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



The preceding histograms of simulated results for the RSPs' 2020 accident year nominal loss ratios

were based on simulated (generated) loss ratios assuming the base line loss ratios and associated standard deviations as presented in the next table.

***Projection Summary – Accident Year 2020 Nominal Loss Ratio – Generator Assumptions***

Facility Association

a priori LR's - distribution estimates

for valuation: **Dec 31, 2018**

RSP: **ALL**

Amounts in: **\$1,000s**

Jurisdiction	2020 From Projection			From a priori Model		Scenario Claims	
	EP	CAY Loss Ratios (nominal)	CAY claims	Loss Ratio coefficient of variation	estimated Loss Ratio std dev	generated claims	generated Claims Ratio
Ontario	405,206	130.0%	526,768	2.8%	3.6%	526,768	<b>130.0%</b>
Alberta Grid	213,585	91.3%	195,003	6.4%	5.8%	195,003	<b>91.3%</b>
Alberta non-Grid	148,530	110.4%	163,977	7.0%	7.7%	163,977	<b>110.4%</b>
New Brunswick	16,200	77.5%	12,555	9.2%	7.1%	12,555	<b>77.5%</b>
Nova Scotia	32,376	99.2%	32,117	21.2%	21.0%	32,117	<b>99.2%</b>
ALL	815,897	114.0%	930,420	3.5%	4.0%	930,420	<b>114.0%</b>

Please see section 3.2 for a priori loss ratios and associated charts by RSP.

### **3.4 Non-Claims Expenses**

Expense allowances are the amounts paid to Members as a percentage of (written) premiums transferred to an RSP, in respect of commissions and other underwriting expenses, as well as claims adjustment expenses. The expense allowance ratios applied to the estimated premiums transferred during Calendar Year **2020** were selected for this Preliminary Outlook as representing no change from Calendar Year 2019 (updates for Calendar Year 2020 will be presented for approval to the FA Board at its August 2019 meeting).

- **Ontario RSP** The expense allowance ratios vary by Member, subject to a maximum (as approved annually by the FA Board) with the Calendar Year 2018 maximum communicated to Members in Bulletin F17-068 and the Calendar Year 2019 maximum via Bulletin F18-067.
- **Other RSPs** The expense allowances for each calendar year and RSP are approved annually by the FA Board. The Calendar Year 2018 ratios are those approved as communicated to Members in Bulletins F17-069 (Alberta), F17-070 (New Brunswick), and F17-071 (Nova Scotia). The Calendar Year 2019 ratios are those as communicated in Bulletins F18-068 (Alberta), F18-069 (New Brunswick), and F18-070 (Nova Scotia).

The table below summarizes the approved expense factors by RSP.

RSP / Jurisdiction	Approved Expense Factor CY 2019*	Approved Expense Factor CY 2018	Comments
Ontario (expense cap)	<b>31.0%</b> with prof fee ratio increased to 4.0%	32.0% with prof fee ratio increased to 3.0%	<u>d</u> ecrease in cap, but <u>i</u> ncrease in the professional fee offset by 1 point to 4.0%  estimated effective expense ratio assumption is 30.0% for CY 2018 and 29.0% for CY 2019
Alberta	<b>31.1%</b>	29.7%	<u>i</u> ncrease by 1.4 percentage points due to increases in both non-claims and claims expense ratios
New Brunswick	<b>30.1%</b>	28.6%	<u>i</u> ncrease by 1.5 percentage points due to increases in both non-claims and claims expense ratios
Nova Scotia	<b>31.0%</b>	30.2%	<u>i</u> ncrease by 0.8 percentage point due to increases in both non-claims and claims expense ratios

*\*approved by FA Board August 2019*

Calendar Year **2020** changes in premium deficiency / (deferred policy acquisition costs) are estimated by applying loss ratios and future servicing cost ratios to the starting and ending projected unearned premiums. The underlying premium deficiency ratios were derived on the basis of the expected loss ratios for accident year **2019** and **2020** as applicable, and expected future servicing costs estimated at the rate of 50% of administration expenses. Where the sum of these ratios was less than 100% (i.e. thus giving rise to an asset rather than a liability), the asset value was capped on the basis of the expense allowance ratio.

Administration Expenses for Calendar Year **2020** were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years.

### ***Calendar Year 2020 Expense Ratio Projections***

Calendar Year 2020 Expense Ratio Projections						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Expense Allowance (% WP)	29.0%	31.1%	31.1%	30.1%	31.0%	30.0%
Administrative Expense (% WP)	0.4%	0.7%	1.0%	5.2%	3.2%	0.8%
prem def / (dpac) (% UP)	47.3%	0.5%	21.3%	(13.4%)	11.3%	n/a

## **3.5 Operating Cash Flows**

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$120.8 million for Calendar Year **2020** as presented in the table at the top of the next page. Differences between the Calendar Year **2020** projection and the Calendar Year **2019** projections generally reflect the expected impacts of volume changes (on premium, expenses, and claims). Should volumes not change during

2019 as anticipated or payments prove higher than expected, net operating cash flows would be adversely impacted.

***Projection Summary – Calendar Year 2020 – Net Operating Cash Flows***

Calendar Year 2020 Net Operating Cash Flow Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>411,065</b>	<b>223,247</b>	<b>150,584</b>	<b>16,528</b>	<b>33,458</b>	<b>834,882</b>
<b>PAYs Paid Claims</b>						
paid indemnity	209,295	79,567	49,053	3,642	10,037	351,594
paid allowed claims expense	34,905	10,255	5,456	1,386	1,349	53,351
PAYs Paid Claims	244,200	89,822	54,509	5,028	11,386	404,945
<b>CAYs Paid Claims</b>						
paid indemnity	156,451	56,325	62,124	5,262	10,876	291,038
paid allowed claims expense	1,580	226	187	11	44	2,048
CAYs Paid Claims	158,031	56,551	62,311	5,273	10,920	293,086
<b>All AYs Paid Claims</b>						
paid indemnity	365,746	135,892	111,177	8,904	20,913	642,632
paid allowed claims expense	36,485	10,481	5,643	1,397	1,393	55,399
All AYs Paid Claims	402,231	146,373	116,820	10,301	22,306	698,031
<b>"Cash" Expenses</b>						
Member Expense Allowance	119,210	69,431	46,831	4,976	10,372	250,820
Administrative Expenses	1,809	1,474	1,567	861	1,070	6,781
"Cash" Expenses	121,019	70,905	48,398	5,837	11,442	257,601
<b>2020 Net Operating Cash Flow</b>	<b>(112,185)</b>	<b>5,969</b>	<b>(14,634)</b>	<b>390</b>	<b>(290)</b>	<b>(120,750)</b>
<b>2019 Net Operating Cash Flow</b>						
Oct. 18, 2018 Outlook	(114,713)	(29,079)	(17,087)	2,280	1,754	(156,845)
May 31, 2019 Projection	(103,981)	10,754	(2,687)	1,654	(1,521)	(95,781)

Net operating cash flows are settled with members monthly based on their premium / claims payments transferred to the RSPs and for shares by accident year of the overall cash flows.

Historic net operating cash flows by RSP are presented in the tables that follow for reference.

***Ontario RSP Historic Operating Cash Flows by Share Year***

RSP Ontario	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>347.8</b>	<b>362.5</b>	<b>336.1</b>	<b>239.0</b>	<b>278.6</b>	<b>277.6</b>
<b>expense allowance</b>	<b>104.5</b>	<b>110.8</b>	<b>99.7</b>	<b>70.5</b>	<b>87.0</b>	<b>84.1</b>
<b>administration</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.4</b>
<b>prem net of expenses</b>	<b>241.9</b>	<b>250.3</b>	<b>235.0</b>	<b>167.2</b>	<b>190.4</b>	<b>192.1</b>
<b>paid claims</b>						
PAYs indemnity	185.4	174.2	177.7	165.8	155.1	163.6
PAY claims expenses	16.9	18.0	24.3	23.4	25.5	24.5
CAY indemnity	164.1	149.2	101.5	87.7	80.9	80.9
CAY clms expenses	1.2	0.7	0.5	0.5	1.1	1.2
all yrs indemnity	349.5	323.3	279.2	253.5	235.9	244.5
all yrs clms expenses	18.1	18.6	24.8	23.9	26.6	25.7
<b>total claims &amp; expenses paid</b>	<b>367.6</b>	<b>342.0</b>	<b>303.9</b>	<b>277.4</b>	<b>262.5</b>	<b>270.2</b>
<b>operating cash flow</b>	<b>(125.7)</b>	<b>(91.7)</b>	<b>(68.9)</b>	<b>(110.2)</b>	<b>(72.2)</b>	<b>(78.1)</b>

values are carried in table to 3 decimals - rounding differences may result

***Alberta Grid RSP Historic Operating Cash Flows by Share Year***

RSP Alberta Grid	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>158.5</b>	<b>160.0</b>	<b>148.5</b>	<b>138.3</b>	<b>155.8</b>	<b>135.9</b>
<b>expense allowance</b>	<b>47.1</b>	<b>46.2</b>	<b>44.7</b>	<b>39.1</b>	<b>44.4</b>	<b>38.1</b>
<b>administration</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>prem net of expenses</b>	<b>110.4</b>	<b>112.8</b>	<b>102.8</b>	<b>98.3</b>	<b>110.6</b>	<b>96.9</b>
<b>paid claims</b>						
PAYs indemnity	82.8	81.0	68.7	79.4	81.3	84.9
PAY claims expenses	4.2	4.8	5.6	5.7	6.1	6.2
CAY indemnity	46.0	45.4	39.5	47.2	42.5	42.7
CAY clms expenses	0.2	0.2	0.1	0.2	0.2	0.2
all yrs indemnity	128.8	126.4	108.3	126.6	123.8	127.6
all yrs clms expenses	4.4	4.9	5.7	5.9	6.3	6.3
<b>total claims &amp; expenses paid</b>	<b>133.3</b>	<b>131.3</b>	<b>114.0</b>	<b>132.5</b>	<b>130.1</b>	<b>133.9</b>
<b>operating cash flow</b>	<b>(22.9)</b>	<b>(18.5)</b>	<b>(11.1)</b>	<b>(34.2)</b>	<b>(19.5)</b>	<b>(37.0)</b>

values are carried in table to 3 decimals - rounding differences may result

***Alberta Non-Grid RSP Historic Operating Cash Flows by Share Year***

\$millions RSP Alberta Non-Grid	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>114.0</b>	<b>99.0</b>	<b>99.7</b>	<b>86.0</b>	<b>88.4</b>	<b>81.9</b>
<b>expense allowance</b>	<b>33.9</b>	<b>28.6</b>	<b>30.0</b>	<b>24.3</b>	<b>25.2</b>	<b>23.0</b>
<b>administration</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>prem net of expenses</b>	<b>79.1</b>	<b>69.4</b>	<b>68.8</b>	<b>60.9</b>	<b>62.5</b>	<b>58.1</b>
<b>paid claims</b>						
PAYs indemnity	46.5	53.7	42.5	41.8	39.0	33.8
PAY claims expenses	2.2	2.2	2.5	2.4	2.5	2.4
CAY indemnity	49.3	48.8	49.7	40.0	40.5	34.2
CAY clms expenses	0.2	0.2	0.1	0.1	0.1	0.1
all yrs indemnity	95.8	102.5	92.1	81.9	79.5	68.1
all yrs clms expenses	2.4	2.4	2.6	2.5	2.6	2.5
<b>total claims &amp; expenses paid</b>	<b>98.2</b>	<b>104.9</b>	<b>94.8</b>	<b>84.4</b>	<b>82.1</b>	<b>70.6</b>
<b>operating cash flow</b>	<b>(19.1)</b>	<b>(35.5)</b>	<b>(26.0)</b>	<b>(23.5)</b>	<b>(19.7)</b>	<b>(12.5)</b>

values are carried in table to 3 decimals - rounding differences may result

***New Brunswick RSP Historic Operating Cash Flows by Share Year***

\$millions RSP New Brunswick	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>14.9</b>	<b>11.8</b>	<b>9.7</b>	<b>11.2</b>	<b>9.5</b>	<b>9.6</b>
<b>expense allowance</b>	<b>4.3</b>	<b>3.7</b>	<b>3.4</b>	<b>3.9</b>	<b>3.1</b>	<b>3.2</b>
<b>administration</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>prem net of expenses</b>	<b>10.0</b>	<b>7.4</b>	<b>5.8</b>	<b>6.8</b>	<b>5.9</b>	<b>5.9</b>
<b>paid claims</b>						
PAYs indemnity	4.7	3.3	2.6	2.5	3.1	5.3
PAY claims expenses	0.6	0.4	0.4	0.5	0.5	0.5
CAY indemnity	4.3	3.5	3.2	3.4	3.0	2.9
CAY clms expenses	0.0	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	9.0	6.7	5.8	6.0	6.1	8.2
all yrs clms expenses	0.7	0.4	0.4	0.5	0.5	0.5
<b>total claims &amp; expenses paid</b>	<b>9.6</b>	<b>7.1</b>	<b>6.3</b>	<b>6.5</b>	<b>6.7</b>	<b>8.8</b>
<b>operating cash flow</b>	<b>0.4</b>	<b>0.3</b>	<b>(0.4)</b>	<b>0.2</b>	<b>(0.7)</b>	<b>(2.9)</b>

values are carried in table to 3 decimals - rounding differences may result



***Nova Scotia RSP Historic Operating Cash Flows by Share Year***

RSP Nova Scotia \$millions	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>28.9</b>	<b>25.3</b>	<b>15.2</b>	<b>14.5</b>	<b>13.6</b>	<b>13.0</b>
<b>expense allowance</b>	<b>8.7</b>	<b>7.8</b>	<b>5.3</b>	<b>5.0</b>	<b>4.5</b>	<b>4.4</b>
<b>administration</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>
<b>prem net of expenses</b>	<b>19.5</b>	<b>16.9</b>	<b>9.4</b>	<b>9.0</b>	<b>8.7</b>	<b>8.2</b>
<b>paid claims</b>						
PAYs indemnity	7.3	6.8	4.9	5.8	5.2	5.6
PAY claims expenses	0.5	0.5	0.6	0.3	0.3	0.3
CAY indemnity	8.6	5.6	3.8	3.9	4.0	4.4
CAY clms expenses	0.1	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	15.9	12.3	8.7	9.7	9.2	10.0
all yrs clms expenses	0.6	0.5	0.6	0.3	0.3	0.3
<b>total claims &amp; expenses paid</b>	<b>16.5</b>	<b>12.8</b>	<b>9.3</b>	<b>10.0</b>	<b>9.5</b>	<b>10.4</b>
<b>operating cash flow</b>	<b>3.0</b>	<b>4.0</b>	<b>0.1</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>(2.2)</b>

values are carried in table to 3 decimals - rounding differences may result

### **3.6 Distributed (Charged) to Member Accounts**

Net operating results for the RSPs are accumulated for the benefit of / (cost to) FA Members, and it is assumed that FA Members are able to reflect this in their own financial statements based on information provided in the monthly Operational Reports.

Separate and “formal” amounts distributed / (charged) to FA Member companies’ accounts have not been projected for the purpose of this Outlook, as it is assumed that such is automatically reflected in the monthly Operational Reports per the regular reporting process.

For financial statement purposes, formal distribution / (charges) to FA Members are reflected via an annual process. This was first initiated with the September 2018 financial statements, resulting in the “distribution” of \$391 million of accumulated operating results (deficit on a total basis<sup>12</sup>) on the financial statement balance sheet for the respective RSPs (**these were non-cash transactions**, netting a change in the “funds provided by members” liability with a corresponding change in the “due from members” asset).

We anticipate the 2019 annual process will occur with the September 2019 Operational Report.

For information, the RSP financial statement balance sheets (which differ from member statements in that policy liabilities are discounted at a 0.0% rate) as at Apr 30, 2019 (the end of the RSP fiscal

<sup>12</sup>Distributions of accumulated operating deficits of \$696 million (ON RSP) and \$82 million (AB non-Grid RSP) were partially offset by distributions of accumulated operating surpluses of \$361 million (AB Grid RSP), \$10 million (NB RSP), and \$16 million (NS RSP).

2019 Q2) is provided below.

***Ontario RSP Statement of Financial Position (unaudited) as at April 30, 2019***

RSP ON ytd @ Q2	\$ millions			
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Apr 30, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Cash (held by central office)	8.6	10.2	(1.6)	(15.7%)
Accounts receivable from members	16.8	15.7	1.2	7.4%
Other assets	0.0	0.0	-	-
Due from members	1,555.2	1,474.6	80.6	5.5%
	1,580.6	1,500.5	80.1	5.3%
<b>Liabilities</b>				
Funds provided by members	196.4	113.1	83.4	73.7%
Unearned premium reserve (UPR)	168.9	179.8	(10.9)	(6.1%)
Premium deficiency reserve	76.6	80.8	(4.2)	(5.2%)
Claims liabilities	1,113.2	1,101.0	12.3	1.1%
Accounts payable to members	24.0	25.1	(1.1)	(4.4%)
Other payables	1.4	0.7	0.7	94.8%
	1,580.6	1,500.5	80.1	5.3%
<b>Financial Position Metrics</b>				
Policy liabilities	1,358.7	1,361.5	(2.8)	(0.2%)
Claims liabs as % pol liabs	81.9%	80.9%	pt chg:	1.0%
Net funds held by members	1,358.7	1,361.5	(2.8)	(0.2%)
Assets @ net member position	1,384.1	1,387.4	(3.2)	(0.2%)
Net assets as % total	87.6%	92.5%	pt chg:	(4.9%)
net A/R from / (A/P to) members	(7.2)	(9.5)	2.3	(24.1%)
(Premium deficiency) as % UPR	(45.4%)	(45.0%)	pt chg:	(0.4%)

*note: discount rate for financial statement purposes is 0.0%*

**Alberta Grid RSP Statement of Financial Position (unaudited) as at April 30, 2019**

RSP AB Grid ytd @ Q2

F/S Basis (0% discount rate)

\$ millions

	as at	as at		
(unaudited)	Apr 30, 2019	Oct 31, 2018	\$ change	% change

**Statement of Financial Position**

**Assets**

Cash (held by central office)	2.3	2.4	(0.1)	(3.7%)
Accounts receivable from members	5.7	7.0	(1.4)	(19.8%)
Deferred policy acquisition costs (DPAC)	1.2	1.0	0.2	21.4%
Other assets	0.0	0.3	(0.3)	(98.1%)
Due from members	469.2	467.7	1.4	0.3%
	478.3	478.4	(0.1)	-

**Liabilities**

Funds provided by members	29.4	27.5	1.9	6.8%
Unearned premium reserve (UPR)	88.4	88.1	0.3	0.3%
Claims liabilities	352.5	353.1	(0.5)	(0.2%)
Accounts payable to members	6.9	9.1	(2.2)	(24.1%)
Other payables	1.0	0.6	0.5	82.7%
	478.3	478.4	(0.1)	-

**Financial Position Metrics**

Policy liabilities	439.8	440.2	(0.4)	(0.1%)
Claims liabs as % pol liabs	80.2%	80.2%	pt chg:	-
Net funds held by members	439.8	440.2	(0.4)	(0.1%)
Assets @ net member position	448.9	450.9	(2.0)	(0.4%)
Net assets as % total	93.9%	94.2%	pt chg:	(0.3%)
Net A/R from/(A/P to) members	(1.3)	(2.1)	0.8	(38.7%)
DPAC as % UPR	4.0%	3.5%	pt chg:	0.5%

*note: discount rate for financial statement purposes is 0.0%*

**Alberta Non-Grid RSP Statement of Financial Position (unaudited) as at April 30, 2019**

RSP AB N-G ytd @ Q2

F/S Basis (0% discount rate)

\$ millions

	as at	as at		
(unaudited)	Apr 30, 2019	Oct 31, 2018	\$ change	% change

**Statement of Financial Position**

**Assets**

Cash (held by central office)	2.6	2.0	0.6	28.6%
Accounts receivable from members	3.8	5.1	(1.3)	(25.0%)
Other assets	0.5	0.2	0.3	108.1%
Due from members	308.4	295.9	12.5	4.2%
	315.3	303.3	12.0	4.0%

**Liabilities**

Funds provided by members	34.6	17.3	17.4	100.7%
Unearned premium reserve (UPR)	58.3	60.5	(2.3)	(3.8%)
Premium deficiency reserve	11.4	11.2	0.2	1.8%
Claims liabilities	204.1	206.9	(2.8)	(1.4%)
Accounts payable to members	6.3	6.9	(0.6)	(8.7%)
Other payables	0.6	0.5	0.2	30.7%
	315.3	303.3	12.0	4.0%

**Financial Position Metrics**

Policy liabilities	273.8	278.7	(4.9)	(1.8%)
Claims liabs as % pol liabs	74.6%	74.3%	pt chg:	0.3%
Net funds held by members	273.8	278.6	(4.9)	(1.8%)
Assets @ net member position	280.7	286.0	(5.3)	(1.9%)
Net assets as % total	89.0%	94.3%	pt chg:	(5.3%)
net A/R from / (A/P to) members	(2.4)	(1.7)	(0.7)	39.3%
(Premium deficiency) as % UPR	(19.6%)	(18.5%)	pt chg:	(1.1%)

*note: discount rate for financial statement purposes is 0.0%*

***New Brunswick RSP Statement of Financial Position (unaudited) as at April 30, 2019***

RSP NB	\$ millions			
ytd @ Q2				
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Apr 30, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Cash (held by central office)	0.1	0.3	(0.2)	(59.5%)
Funds held by members	1.0	1.5	(0.4)	(30.3%)
Accounts receivable from members	0.6	0.7	(0.1)	(16.2%)
Deferred policy acquisition costs (DPAC)	1.1	1.4	(0.2)	(15.9%)
Other assets	0.0	-	0.0	100.0%
Due from members	29.4	27.8	1.6	5.8%
	32.3	31.7	0.7	2.1%
<b>Liabilities</b>				
Unearned premium reserve (UPR)	7.9	8.6	(0.8)	(8.8%)
Claims liabilities	23.7	22.0	1.7	7.8%
Accounts payable to members	0.6	0.9	(0.3)	(33.2%)
Other payables	0.2	0.2	(0.0)	(0.5%)
	32.3	31.7	0.7	2.1%
<b>Financial Position Metrics</b>				
Policy liabilities	30.4	29.3	1.2	4.0%
Claims liabs as % pol liabs	77.9%	75.1%	pt chg:	2.8%
Net funds held by members	30.4	29.3	1.2	4.0%
Assets @ net member position	32.3	31.7	0.7	2.1%
Net assets as % total	100.0%	100.0%	pt chg:	-
Net liquid position	0.0	(0.2)	0.2	(108.0%)
DPAC as % UPR	14.5%	15.8%	pt chg:	(1.3%)

*note: discount rate for financial statement purposes is 0.0%*

***Nova Scotia RSP Statement of Financial Position (unaudited) as at April 30, 2019***

RSP NS	\$ millions			
ytd @ Q2				
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Apr 30, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
<b>Assets</b>				
Cash (held by central office)	0.3	0.8	(0.5)	(59.9%)
Funds held by members	-	2.3	(2.3)	(100.0%)
Accounts receivable from members	0.9	1.9	(1.0)	(51.8%)
Other assets	0.1	0.0	0.1	>999.9%
Due from members	66.9	63.8	3.1	4.9%
	68.2	68.8	(0.5)	(0.8%)
<b>Liabilities</b>				
Funds provided by members	0.4	-	0.4	100.0%
Unearned premium reserve (UPR)	14.8	16.3	(1.5)	(9.1%)
Premium deficiency reserve	1.2	1.1	0.1	6.9%
Claims liabilities	50.6	48.7	1.9	3.8%
Accounts payable to members	1.1	2.5	(1.4)	(55.7%)
Other payables	0.2	0.2	0.0	1.6%
	68.2	68.8	(0.5)	(0.8%)
<b>Financial Position Metrics</b>				
Policy liabilities	66.5	66.1	0.5	0.7%
Claims liabs as % pol liabs	76.0%	73.7%	pt chg:	2.3%
Net funds held by members	66.5	66.1	0.5	0.7%
Assets @ net member position	67.8	68.8	(0.9)	(1.3%)
Net assets as % total	99.4%	100.0%	pt chg:	(0.6%)
net A/R from / (A/P to) members	(0.2)	(0.6)	0.4	(67.0%)
(Premium deficiency) as % UPR	(8.0%)	(6.8%)	pt chg:	(1.2%)

*note: discount rate for financial statement purposes is 0.0%*

#### **4. EXHIBITS**

The exhibits listed below are provided on the pages that follow:

**EXHIBIT A Key Assumptions (counts, premium, loss ratios)**

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

**EXHIBIT B RSP Outlook – Summary of Operations**

- B-1 Ontario
- B-2 Alberta Grid
- B-3 Alberta Non-Grid
- B-4 New Brunswick
- B-5 Nova Scotia

**EXHIBIT C RSP Outlook – Projected Policy Liabilities**

- C-1 Ontario
- C-2 Alberta Grid
- C-3 Alberta Non-Grid
- C-4 New Brunswick
- C-5 Nova Scotia

**EXHIBIT D Actual vs Projected based on Preliminary Outlooks (by RSP)**

Exhibit A-1

Key Assumptions - Ontario RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2018	189,718	1,833	347,754	352,620	2.4%	4.1%	126.9%
2019	198,230	1,964	389,258	357,588	2.0%	4.5%	127.6%
2020	201,271	2,042	411,065	405,206	2.2%	4.5%	130.0%
Change	%	%	%	%	pts	pts	pts
2019	4.5%	7.1%	11.9%	1.4%	(0.4)	0.4	0.7
2020	1.5%	4.0%	5.6%	13.3%	0.2	(0.0)	2.4

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
1993	10.0%	10.0%	10.0%	10.0%
1994	10.0%	10.0%	10.0%	10.0%
1995	10.0%	10.0%	10.0%	10.0%
1996	10.0%	10.0%	10.0%	10.0%
1997	10.0%	10.0%	10.0%	10.0%
1998	10.0%	10.0%	10.0%	10.0%
1999	10.0%	10.0%	10.0%	10.0%
2000	10.0%	10.0%	10.0%	10.0%
2001	10.0%	10.0%	10.0%	10.0%
2002	8.8%	10.0%	10.0%	10.0%
2003	10.0%	10.0%	10.0%	10.0%
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	8.6%	10.0%
2013	10.0%	10.0%	8.2%	10.0%
2014	10.0%	10.0%	9.4%	10.0%
2015	12.5%	12.5%	11.9%	12.5%
2016	15.0%	15.0%	13.7%	15.0%
2017	17.4%	17.5%	11.8%	17.4%
2018	19.8%	20.0%	13.9%	19.8%
2019	18.4%	20.0%	6.2%	18.7%
2020	13.5%	20.0%	5.2%	14.0%
prem liab	13.5%	20.0%	5.2%	14.0%

discount rate: 1.43%  
margin (basis points): 25



Exhibit A-2

Key Assumptions - Alberta Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2018	62,955	2,519	158,556	161,577	8.8%	4.3%	88.4%
2019	76,753	2,611	200,368	180,850	5.0%	3.1%	89.7%
2020	83,268	2,681	223,247	213,585	1.4%	4.3%	91.3%
Change	%	%	%	%	pts	pts	pts
2019	21.9%	3.7%	26.4%	11.9%	(3.8)	(1.2)	1.3
2020	8.5%	2.7%	11.4%	18.1%	(3.6)	1.2	1.6

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	8.8%	10.0%
2013	10.0%	10.0%	9.9%	10.0%
2014	10.0%	10.0%	9.9%	10.0%
2015	10.0%	10.0%	10.0%	10.0%
2016	12.5%	10.0%	12.5%	12.5%
2017	12.5%	10.0%	12.5%	12.5%
2018	12.4%	10.0%	12.5%	12.4%
2019	12.2%	10.0%	7.1%	11.9%
2020	11.9%	10.0%	5.1%	10.4%
prem liab	11.9%	10.0%	5.1%	10.4%

discount rate: 1.44%  
margin (basis points): 25

Exhibit A-3

Key Assumptions - Alberta Non-Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2018	74,094	1,538	113,979	106,705	7.6%	4.2%	104.7%
2019	84,342	1,651	139,230	122,827	4.3%	3.4%	108.7%
2020	88,087	1,709	150,584	148,530	2.4%	4.2%	110.4%
Change	%	%	%	%	pts	pts	pts
2019	13.8%	7.3%	22.2%	15.1%	(3.3)	(0.8)	4.0
2020	4.4%	3.5%	8.2%	20.9%	(1.9)	0.8	1.7

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	5.0%	10.0%
2013	10.0%	10.0%	9.2%	10.0%
2014	10.0%	10.0%	8.5%	10.0%
2015	10.0%	10.0%	8.8%	9.9%
2016	12.5%	10.0%	12.5%	12.5%
2017	12.5%	10.0%	12.5%	12.5%
2018	12.4%	10.0%	12.5%	12.5%
2019	12.1%	10.0%	7.9%	11.7%
2020	11.9%	10.0%	5.2%	9.3%
prem liab	11.9%	10.0%	5.2%	9.3%

discount rate: 1.46%  
margin (basis points): 25

**Calendar Year 2020 Preliminary RSP Outlook**  
**Risk Sharing Pools (RSPs)**  
**Based on May 2019 Operational Reports**

Exhibit A-4

Key Assumptions - New Brunswick RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2018	11,476	1,301	14,925	13,268	4.5%	3.6%	75.3%
2019	11,637	1,337	15,562	15,761	2.2%	3.6%	76.5%
2020	11,805	1,400	16,528	16,200	0.8%	3.5%	77.5%
Change	%	%	%	%	pts	pts	pts
2019	1.4%	2.8%	4.3%	18.8%	(2.3)	-	1.2
2020	1.4%	4.7%	6.2%	2.8%	(1.4)	(0.1)	1.0

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	10.0%	10.0%	9.9%	10.0%
2015	10.0%	10.0%	10.0%	10.0%
2016	12.5%	10.0%	10.9%	12.2%
2017	12.5%	10.0%	9.1%	12.2%
2018	12.5%	10.0%	8.9%	12.0%
2019	12.3%	10.0%	5.7%	11.5%
2020	11.8%	10.0%	5.1%	9.4%
prem liab	11.8%	10.0%	5.1%	9.4%

discount rate: 1.44%  
 margin (basis points): 25

Exhibit A-5

Key Assumptions - Nova Scotia RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2018	18,918	1,526	28,870	27,657	4.6%	6.0%	96.3%
2019	18,758	1,627	30,517	29,980	3.5%	6.1%	97.7%
2020	19,883	1,683	33,458	32,376	3.0%	6.1%	99.2%
Change	%	%	%	%	pts	pts	pts
2019	(0.8%)	6.6%	5.7%	8.4%	(1.1)	0.1	1.4
2020	6.0%	3.4%	9.6%	8.0%	(0.5)	(0.0)	1.5

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	10.0%	10.0%	10.0%	10.0%
2015	12.5%	10.0%	12.0%	12.1%
2016	12.5%	10.0%	12.5%	12.4%
2017	12.5%	10.0%	9.4%	12.2%
2018	12.5%	10.0%	9.8%	12.3%
2019	12.4%	10.0%	5.7%	11.9%
2020	12.0%	10.0%	5.1%	10.3%
prem liab	12.0%	10.0%	5.1%	10.3%

discount rate: 1.43%  
margin (basis points): 25

Exhibit B-1  
 Ontario RSP  
 Summary of Operations

page 1 of 2

in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	25,673	25,998	32,452	32,925	41,011	37,734	40,829	40,660	40,860	35,401	30,906	26,616
increase / (increase) in unearned	7,678	6,227	1,047	114	(7,757)	(4,708)	(6,469)	(5,099)	(5,325)	(544)	3,010	5,967
<b>earned premium</b>	<b>33,351</b>	<b>32,225</b>	<b>33,499</b>	<b>33,039</b>	<b>33,254</b>	<b>33,026</b>	<b>34,360</b>	<b>35,561</b>	<b>35,535</b>	<b>34,857</b>	<b>33,916</b>	<b>32,583</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(2,083)	(2,630)	(2,589)	(2,512)	(2,361)	(2,312)	(1,999)	(2,151)	(2,014)	(2,552)	(2,482)	(2,702)
Discounted	(2,083)	(2,630)	(2,589)	(2,512)	(2,361)	(2,312)	(1,999)	(2,151)	(2,014)	(2,552)	(2,482)	(2,702)
<b>Current Accident Year</b>												
Undiscounted	43,357	41,892	43,549	42,951	43,231	42,933	44,668	46,230	46,195	45,314	44,091	42,359
effect of discounting	5,839	4,808	4,308	4,744	4,623	4,418	4,462	4,430	4,200	3,863	3,477	3,104
Discounted	49,196	46,700	47,857	47,695	47,854	47,351	49,130	50,660	50,395	49,177	47,568	45,463
<b>Claims Incurred</b>	<b>47,113</b>	<b>44,070</b>	<b>45,268</b>	<b>45,183</b>	<b>45,493</b>	<b>45,039</b>	<b>47,131</b>	<b>48,509</b>	<b>48,381</b>	<b>46,625</b>	<b>45,086</b>	<b>42,761</b>
<b>Underwriting Expenses</b>												
Expense Allowance	7,445	7,540	9,411	9,549	11,893	10,943	11,840	11,792	11,850	10,267	8,962	7,718
% wp	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Premium Deficiency / (DPAC)												
Undiscounted	(2,293)	(1,786)	(165)	241	2,783	1,925	2,635	2,316	2,473	1,009	(98)	(1,041)
effect of discounting	(1,058)	(847)	(129)	16	1,115	702	965	785	828	163	(329)	(743)
Discounted	(3,351)	(2,633)	(294)	257	3,898	2,627	3,600	3,101	3,301	1,172	(427)	(1,784)
<b>Underwriting Expenses</b>	<b>4,094</b>	<b>4,907</b>	<b>9,117</b>	<b>9,806</b>	<b>15,791</b>	<b>13,570</b>	<b>15,440</b>	<b>14,893</b>	<b>15,151</b>	<b>11,439</b>	<b>8,535</b>	<b>5,934</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(17,856)</b>	<b>(16,752)</b>	<b>(20,886)</b>	<b>(21,950)</b>	<b>(28,030)</b>	<b>(25,583)</b>	<b>(28,211)</b>	<b>(27,841)</b>	<b>(27,997)</b>	<b>(23,207)</b>	<b>(19,705)</b>	<b>(16,112)</b>
Administrative Expenses	113	114	143	145	180	166	180	179	180	156	136	117
<b>Operating Result</b>	<b>(17,969)</b>	<b>(16,866)</b>	<b>(21,029)</b>	<b>(22,095)</b>	<b>(28,210)</b>	<b>(25,749)</b>	<b>(28,391)</b>	<b>(28,020)</b>	<b>(28,177)</b>	<b>(23,363)</b>	<b>(19,841)</b>	<b>(16,229)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(6.2%)	(8.2%)	(7.7%)	(7.6%)	(7.1%)	(7.0%)	(5.8%)	(6.0%)	(5.7%)	(7.3%)	(7.3%)	(8.3%)
Current Accident Year	147.5%	144.9%	142.9%	144.4%	143.9%	143.4%	143.0%	142.5%	141.8%	141.1%	140.3%	139.5%
All Accident Years Combined	141.3%	136.7%	135.2%	136.8%	136.8%	136.4%	137.2%	136.5%	136.1%	133.8%	133.0%	131.2%
Underwriting & Admin Exp (EP)	12.6%	15.6%	27.6%	30.1%	48.0%	41.6%	45.5%	42.4%	43.1%	33.3%	25.6%	18.6%
<b>Combined Operating Ratio</b>	<b>153.9%</b>	<b>152.3%</b>	<b>162.8%</b>	<b>166.9%</b>	<b>184.8%</b>	<b>178.0%</b>	<b>182.7%</b>	<b>178.9%</b>	<b>179.2%</b>	<b>167.1%</b>	<b>158.6%</b>	<b>149.8%</b>

Exhibit B-1  
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Ontario ON	100	FULL YEAR						
in \$ thousands		2018	2019	2020	Change during 2019		Change during 2020	
					Amount	%	Amount	%
<b>Underwriting Revenue</b>								
	written premium	347,754	389,258	411,065	41,504	11.9%	21,807	5.6%
	decrease / (increase) in unearned	4,866	(31,670)	(5,859)	(36,536)	(750.8%)	25,811	(81.5%)
	<b>earned premium</b>	<b>352,620</b>	<b>357,588</b>	<b>405,206</b>	<b>4,968</b>	<b>1.4%</b>	<b>47,618</b>	<b>13.3%</b>
<b>Claims Incurred</b>								
<b>Prior Accident Years</b>								
	Undiscounted	(27,680)	(14,975)	-	12,705	(45.9%)	14,975	(100.0%)
	effect of discounting	(44,774)	2,686	(28,387)	47,460	(106.0%)	(31,073)	(1,156.9%)
	Discounted	(72,454)	(12,289)	(28,387)	60,165	(83.0%)	(16,098)	131.0%
<b>Current Accident Year</b>								
	Undiscounted	449,105	458,702	526,770	9,597	2.1%	68,068	14.8%
	effect of discounting	32,229	42,920	52,276	10,691	33.2%	9,356	21.8%
	Discounted	481,334	501,622	579,046	20,288	4.2%	77,424	15.4%
	<b>Claims Incurred</b>	<b>408,880</b>	<b>489,333</b>	<b>550,659</b>	<b>80,453</b>	<b>19.7%</b>	<b>61,326</b>	<b>12.5%</b>
<b>Underwriting Expenses</b>								
	Expense Allowance	104,487	113,774	119,210	9,287	8.9%	5,436	4.8%
	% wp	30.0%	29.2%	29.0%	(0.8%)		(0.2%)	
<b>Premium Deficiency / (DPAC)</b>								
	Undiscounted	6,686	14,505	7,999	7,819	116.9%	(6,506)	(44.9%)
	effect of discounting	(3,188)	9,534	1,468	12,722	(399.1%)	(8,066)	(84.6%)
	Discounted	3,498	24,039	9,467	20,541	587.2%	(14,572)	(60.6%)
	<b>Underwriting Expenses</b>	<b>107,985</b>	<b>137,813</b>	<b>128,677</b>	<b>29,828</b>	<b>27.6%</b>	<b>(9,136)</b>	<b>(6.6%)</b>
	<b>Net Underwriting Gain (Loss)</b>	<b>(164,245)</b>	<b>(269,558)</b>	<b>(274,130)</b>	<b>(105,313)</b>	<b>64.1%</b>	<b>(4,572)</b>	<b>1.7%</b>
<b>Administrative Expenses</b>								
		1,353	1,624	1,809	271	20.0%	185	11.4%
	<b>Operating Result</b>	<b>(165,598)</b>	<b>(271,182)</b>	<b>(275,939)</b>	<b>(105,584)</b>	<b>63.8%</b>	<b>(4,757)</b>	<b>1.8%</b>
<b>Ratios</b>								
<b>Claims &amp; Adj. Expenses to EP</b>								
	Prior Accident Year	(20.5%)	(3.4%)	(7.0%)	17.1%		(3.6%)	
	Current Accident Year	136.5%	140.3%	142.9%	3.8%		2.6%	
	All Accident Years Combined	116.0%	136.9%	135.9%	20.9%		(1.0%)	
	Underwriting & Admin Exp (EP)	31.0%	39.0%	32.2%	8.0%		(6.8%)	
	<b>Combined Operating Ratio</b>	<b>147.0%</b>	<b>175.9%</b>	<b>168.1%</b>	<b>28.9%</b>		<b>(7.8%)</b>	

Exhibit B-2  
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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	13,377	13,056	17,550	19,434	19,649	21,731	20,933	21,282	22,849	20,360	18,373	14,653
decrease / (increase) in unearned	4,245	4,168	388	(1,605)	(1,921)	(3,971)	(2,880)	(2,747)	(4,263)	(2,128)	(760)	1,812
<b>earned premium</b>	<b>17,622</b>	<b>17,224</b>	<b>17,938</b>	<b>17,829</b>	<b>17,728</b>	<b>17,760</b>	<b>18,053</b>	<b>18,535</b>	<b>18,586</b>	<b>18,232</b>	<b>17,613</b>	<b>16,465</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(81)	(587)	(673)	(651)	(691)	(591)	(641)	(420)	(464)	(523)	(612)	(670)
Discounted	(81)	(587)	(673)	(651)	(691)	(591)	(641)	(420)	(464)	(523)	(612)	(670)
<b>Current Accident Year</b>												
Undiscounted	16,089	15,726	16,377	16,278	16,185	16,215	16,482	16,923	16,969	16,646	16,080	15,033
effect of discounting	1,196	1,003	901	896	948	918	910	908	875	827	752	650
Discounted	17,285	16,729	17,278	17,174	17,133	17,133	17,392	17,831	17,844	17,473	16,832	15,683
<b>Claims Incurred</b>	<b>17,204</b>	<b>16,142</b>	<b>16,605</b>	<b>16,523</b>	<b>16,442</b>	<b>16,542</b>	<b>16,751</b>	<b>17,411</b>	<b>17,380</b>	<b>16,950</b>	<b>16,220</b>	<b>15,013</b>
<b>Underwriting Expenses</b>												
Expense Allowance	4,161	4,060	5,458	6,044	6,111	6,759	6,510	6,619	7,106	6,332	5,714	4,557
% wp	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Premium Deficiency / (DPAC)												
Undiscounted	359	383	124	3	33	(83)	49	113	55	231	352	513
effect of discounting	(263)	(258)	(16)	109	133	264	198	195	292	159	75	(86)
Discounted	96	125	108	112	166	181	247	308	347	390	427	427
<b>Underwriting Expenses</b>	<b>4,257</b>	<b>4,185</b>	<b>5,566</b>	<b>6,156</b>	<b>6,277</b>	<b>6,940</b>	<b>6,757</b>	<b>6,927</b>	<b>7,453</b>	<b>6,722</b>	<b>6,141</b>	<b>4,984</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(3,839)</b>	<b>(3,103)</b>	<b>(4,233)</b>	<b>(4,850)</b>	<b>(4,991)</b>	<b>(5,722)</b>	<b>(5,455)</b>	<b>(5,803)</b>	<b>(6,247)</b>	<b>(5,440)</b>	<b>(4,748)</b>	<b>(3,532)</b>
Administrative Expenses	88	86	116	129	130	143	138	141	151	134	122	96
<b>Operating Result</b>	<b>(3,927)</b>	<b>(3,189)</b>	<b>(4,349)</b>	<b>(4,979)</b>	<b>(5,121)</b>	<b>(5,865)</b>	<b>(5,593)</b>	<b>(5,944)</b>	<b>(6,398)</b>	<b>(5,574)</b>	<b>(4,870)</b>	<b>(3,628)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(0.5%)	(3.4%)	(3.8%)	(3.7%)	(3.9%)	(3.3%)	(3.6%)	(2.3%)	(2.5%)	(2.9%)	(3.5%)	(4.1%)
Current Accident Year	98.1%	97.1%	96.3%	96.3%	96.6%	96.5%	96.3%	96.2%	96.0%	95.8%	95.6%	95.3%
All Accident Years Combined	97.6%	93.7%	92.5%	92.6%	92.7%	93.2%	92.7%	93.9%	93.5%	92.9%	92.1%	91.2%
Underwriting & Admin Exp (EP)	24.7%	24.8%	31.7%	35.3%	36.1%	39.9%	38.2%	38.1%	40.9%	37.6%	35.6%	30.9%
<b>Combined Operating Ratio</b>	<b>122.3%</b>	<b>118.5%</b>	<b>124.2%</b>	<b>127.9%</b>	<b>128.8%</b>	<b>133.1%</b>	<b>130.9%</b>	<b>132.0%</b>	<b>134.4%</b>	<b>130.5%</b>	<b>127.7%</b>	<b>122.1%</b>

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Alberta Grid 200 AB Grid		FULL YEAR						
					Change during 2019		Change during 2020	
in \$ thousands		2018	2019	2020	Amount	%	Amount	%
<b>Underwriting Revenue</b>								
	written premium	158,556	200,368	223,247	41,812	26.4%	22,879	11.4%
	decrease / (increase) in unearned	3,021	(19,518)	(9,662)	(22,539)	(746.1%)	9,856	(50.5%)
	<b>earned premium</b>	<b>161,577</b>	<b>180,850</b>	<b>213,585</b>	<b>19,273</b>	<b>11.9%</b>	<b>32,735</b>	<b>18.1%</b>
<b>Claims Incurred</b>								
<b>Prior Accident Years</b>								
	Undiscounted	555	(15,869)	-	(16,424)	(2,959.3%)	15,869	(100.0%)
	effect of discounting	(8,142)	1,413	(6,604)	9,555	(117.4%)	(8,017)	(567.4%)
	Discounted	(7,587)	(14,456)	(6,604)	(6,869)	90.5%	7,852	(54.3%)
<b>Current Accident Year</b>								
	Undiscounted	146,296	163,214	195,003	16,918	11.6%	31,789	19.5%
	effect of discounting	4,993	9,025	10,784	4,032	80.8%	1,759	19.5%
	Discounted	151,289	172,239	205,787	20,950	13.8%	33,548	19.5%
	<b>Claims Incurred</b>	<b>143,702</b>	<b>157,783</b>	<b>199,183</b>	<b>14,081</b>	<b>9.8%</b>	<b>41,400</b>	<b>26.2%</b>
<b>Underwriting Expenses</b>								
	Expense Allowance	47,118	62,341	69,431	15,223	32.3%	7,090	11.4%
	% wp	29.7%	31.1%	31.1%	1.4%		-	
	Premium Deficiency / (DPAC)							
	Undiscounted	3,348	312	2,132	(3,036)	(90.7%)	1,820	583.3%
	effect of discounting	(1,135)	3,171	802	4,306	(379.4%)	(2,369)	(74.7%)
	Discounted	2,213	3,483	2,934	1,270	57.4%	(549)	(15.8%)
	<b>Underwriting Expenses</b>	<b>49,331</b>	<b>65,824</b>	<b>72,365</b>	<b>16,493</b>	<b>33.4%</b>	<b>6,541</b>	<b>9.9%</b>
	<b>Net Underwriting Gain (Loss)</b>	<b>(31,456)</b>	<b>(42,757)</b>	<b>(57,963)</b>	<b>(11,301)</b>	<b>35.9%</b>	<b>(15,206)</b>	<b>35.6%</b>
Administrative Expenses		1,037	1,215	1,474	178	17.1%	259	21.3%
	<b>Operating Result</b>	<b>(32,493)</b>	<b>(43,972)</b>	<b>(59,437)</b>	<b>(11,479)</b>	<b>35.3%</b>	<b>(15,465)</b>	<b>35.2%</b>
<b>Ratios</b>								
<b>Claims &amp; Adj. Expenses to EP</b>								
	Prior Accident Year	(4.7%)	(8.0%)	(3.1%)	(3.3%)		4.9%	
	Current Accident Year	93.6%	95.2%	96.3%	1.6%		1.1%	
	All Accident Years Combined	88.9%	87.2%	93.2%	(1.7%)		6.0%	
	Underwriting & Admin Exp (EP)	31.2%	37.1%	34.6%	5.9%		(2.5%)	
	<b>Combined Operating Ratio</b>	<b>120.1%</b>	<b>124.3%</b>	<b>127.8%</b>	<b>4.2%</b>		<b>3.5%</b>	



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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	11,066	10,644	11,219	12,653	12,973	13,682	13,661	13,844	14,540	13,881	12,219	10,202
decrease / (increase) in unearned	998	1,133	931	(436)	(597)	(1,166)	(1,021)	(967)	(1,629)	(1,094)	223	1,571
<b>earned premium</b>	<b>12,064</b>	<b>11,777</b>	<b>12,150</b>	<b>12,217</b>	<b>12,376</b>	<b>12,516</b>	<b>12,640</b>	<b>12,877</b>	<b>12,911</b>	<b>12,787</b>	<b>12,442</b>	<b>11,773</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(503)	(474)	(536)	(325)	(352)	(341)	(313)	(177)	(280)	(346)	(311)	(345)
Discounted	(503)	(474)	(536)	(325)	(352)	(341)	(313)	(177)	(280)	(346)	(311)	(345)
<b>Current Accident Year</b>												
Undiscounted	13,319	13,002	13,413	13,487	13,663	13,817	13,955	14,216	14,254	14,117	13,736	12,997
effect of discounting	995	759	660	681	677	709	684	673	637	600	541	460
Discounted	14,314	13,761	14,073	14,168	14,340	14,526	14,639	14,889	14,891	14,717	14,277	13,457
<b>Claims Incurred</b>	<b>13,811</b>	<b>13,287</b>	<b>13,537</b>	<b>13,843</b>	<b>13,988</b>	<b>14,185</b>	<b>14,326</b>	<b>14,712</b>	<b>14,611</b>	<b>14,371</b>	<b>13,966</b>	<b>13,112</b>
<b>Underwriting Expenses</b>												
Expense Allowance	3,441	3,311	3,489	3,935	4,035	4,255	4,248	4,305	4,522	4,317	3,800	3,173
% wp	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Premium Deficiency / (DPAC)												
Undiscounted	(102)	(89)	(35)	146	209	312	332	369	485	450	300	125
effect of discounting	(70)	(80)	(62)	37	53	95	90	84	139	101	3	(93)
Discounted	(172)	(169)	(97)	183	262	407	422	453	624	551	303	32
<b>Underwriting Expenses</b>	<b>3,269</b>	<b>3,142</b>	<b>3,392</b>	<b>4,118</b>	<b>4,297</b>	<b>4,662</b>	<b>4,670</b>	<b>4,758</b>	<b>5,146</b>	<b>4,868</b>	<b>4,103</b>	<b>3,205</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(5,016)</b>	<b>(4,652)</b>	<b>(4,779)</b>	<b>(5,744)</b>	<b>(5,909)</b>	<b>(6,331)</b>	<b>(6,356)</b>	<b>(6,593)</b>	<b>(6,846)</b>	<b>(6,452)</b>	<b>(5,627)</b>	<b>(4,544)</b>
Administrative Expenses	115	111	117	132	135	142	142	144	152	144	127	106
<b>Operating Result</b>	<b>(5,131)</b>	<b>(4,763)</b>	<b>(4,896)</b>	<b>(5,876)</b>	<b>(6,044)</b>	<b>(6,473)</b>	<b>(6,498)</b>	<b>(6,737)</b>	<b>(6,998)</b>	<b>(6,596)</b>	<b>(5,754)</b>	<b>(4,650)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(4.2%)	(4.0%)	(4.4%)	(2.7%)	(2.8%)	(2.7%)	(2.5%)	(1.4%)	(2.2%)	(2.7%)	(2.5%)	(2.9%)
Current Accident Year	118.7%	116.8%	115.8%	116.0%	115.9%	116.1%	115.8%	115.6%	115.3%	115.1%	114.7%	114.3%
All Accident Years Combined	114.5%	112.8%	111.4%	113.3%	113.1%	113.4%	113.3%	114.2%	113.1%	112.4%	112.2%	111.4%
Underwriting & Admin Exp (EP)	28.1%	27.6%	28.9%	34.8%	35.8%	38.4%	38.1%	38.1%	41.0%	39.2%	34.0%	28.1%
<b>Combined Operating Ratio</b>	<b>142.6%</b>	<b>140.4%</b>	<b>140.3%</b>	<b>148.1%</b>	<b>148.9%</b>	<b>151.8%</b>	<b>151.4%</b>	<b>152.3%</b>	<b>154.1%</b>	<b>151.6%</b>	<b>146.2%</b>	<b>139.5%</b>

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Alberta non-Grid250 AB non-Grid		FULL YEAR						
in \$ thousands		2018	2019	2020	Change during 2019		Change during 2020	
					Amount	%	Amount	%
<b>Underwriting Revenue</b>								
	written premium	113,979	139,230	150,584	25,251	22.2%	11,354	8.2%
	decrease / (increase) in unearned	(7,274)	(16,403)	(2,054)	(9,129)	125.5%	14,349	(87.5%)
	<b>earned premium</b>	<b>106,705</b>	<b>122,827</b>	<b>148,530</b>	<b>16,122</b>	<b>15.1%</b>	<b>25,703</b>	<b>20.9%</b>
<b>Claims Incurred</b>								
<b>Prior Accident Years</b>								
	Undiscounted	(14,505)	(11,192)	-	3,313	(22.8%)	11,192	(100.0%)
	effect of discounting	(5,786)	402	(4,303)	6,188	(106.9%)	(4,705)	(1,170.4%)
	Discounted	(20,291)	(10,790)	(4,303)	9,501	(46.8%)	6,487	(60.1%)
<b>Current Accident Year</b>								
	Undiscounted	117,038	134,435	163,976	17,397	14.9%	29,541	22.0%
	effect of discounting	3,698	6,621	8,076	2,923	79.0%	1,455	22.0%
	Discounted	120,736	141,056	172,052	20,320	16.8%	30,996	22.0%
	<b>Claims Incurred</b>	<b>100,445</b>	<b>130,266</b>	<b>167,749</b>	<b>29,821</b>	<b>29.7%</b>	<b>37,483</b>	<b>28.8%</b>
<b>Underwriting Expenses</b>								
	Expense Allowance	33,858	43,315	46,831	9,457	27.9%	3,516	8.1%
	% wp	29.7%	31.1%	31.1%	1.4%		-	
	Premium Deficiency / (DPAC)							
	Undiscounted	1,228	3,687	2,502	2,459	200.2%	(1,185)	(32.1%)
	effect of discounting	(63)	2,330	297	2,393	(3,798.4%)	(2,033)	(87.3%)
	Discounted	1,165	6,017	2,799	4,852	416.5%	(3,218)	(53.5%)
	<b>Underwriting Expenses</b>	<b>35,023</b>	<b>49,332</b>	<b>49,630</b>	<b>14,309</b>	<b>40.9%</b>	<b>298</b>	<b>0.6%</b>
	<b>Net Underwriting Gain (Loss)</b>	<b>(28,763)</b>	<b>(56,771)</b>	<b>(68,849)</b>	<b>(28,008)</b>	<b>97.4%</b>	<b>(12,078)</b>	<b>21.3%</b>
	Administrative Expenses	1,053	1,339	1,567	287	27.2%	228	17.0%
	<b>Operating Result</b>	<b>(29,816)</b>	<b>(58,110)</b>	<b>(70,416)</b>	<b>(28,295)</b>	<b>94.9%</b>	<b>(12,306)</b>	<b>21.2%</b>
<b>Ratios</b>								
<b>Claims &amp; Adj. Expenses to EP</b>								
	Prior Accident Year	(19.0%)	(8.8%)	(2.9%)	10.2%		5.9%	
	Current Accident Year	113.1%	114.8%	115.8%	1.7%		1.0%	
	All Accident Years Combined	94.1%	106.0%	112.9%	11.9%		6.9%	
	Underwriting & Admin Exp (EP)	33.8%	41.3%	34.5%	7.5%		(6.8%)	
	<b>Combined Operating Ratio</b>	<b>127.9%</b>	<b>147.3%</b>	<b>147.4%</b>	<b>19.4%</b>		<b>0.1%</b>	

Exhibit B-4  
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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	987	1,025	1,370	1,541	1,655	1,678	1,587	1,655	1,433	1,373	1,170	1,054
increase / (increase) in unearned	355	270	(26)	(210)	(324)	(336)	(213)	(236)	(29)	19	187	215
<b>earned premium</b>	<b>1,342</b>	<b>1,295</b>	<b>1,344</b>	<b>1,331</b>	<b>1,331</b>	<b>1,342</b>	<b>1,374</b>	<b>1,419</b>	<b>1,404</b>	<b>1,392</b>	<b>1,357</b>	<b>1,269</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	11	(40)	(41)	(36)	(48)	(20)	(30)	(15)	(21)	(17)	(14)	(57)
Discounted	11	(40)	(41)	(36)	(48)	(20)	(30)	(15)	(21)	(17)	(14)	(57)
<b>Current Accident Year</b>												
Undiscounted	1,040	1,004	1,041	1,032	1,031	1,040	1,065	1,100	1,088	1,079	1,051	983
effect of discounting	60	42	44	46	45	42	44	41	41	37	34	29
Discounted	1,100	1,046	1,085	1,078	1,076	1,082	1,109	1,141	1,129	1,116	1,085	1,012
<b>Claims Incurred</b>	<b>1,111</b>	<b>1,006</b>	<b>1,044</b>	<b>1,042</b>	<b>1,028</b>	<b>1,062</b>	<b>1,079</b>	<b>1,126</b>	<b>1,108</b>	<b>1,099</b>	<b>1,071</b>	<b>955</b>
<b>Underwriting Expenses</b>												
Expense Allowance	298	308	412	464	498	505	478	498	431	414	353	317
% wp	30.2%	30.0%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.2%	30.2%	30.1%
Premium Deficiency / (DPAC)												
Undiscounted	70	55	(1)	(34)	(58)	(54)	(30)	(34)	11	20	53	58
effect of discounting	(16)	(14)	2	10	18	16	12	11	2	2	(9)	(9)
Discounted	54	41	1	(24)	(40)	(38)	(18)	(23)	13	22	44	49
<b>Underwriting Expenses</b>	<b>352</b>	<b>349</b>	<b>413</b>	<b>440</b>	<b>458</b>	<b>467</b>	<b>460</b>	<b>475</b>	<b>444</b>	<b>436</b>	<b>397</b>	<b>366</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(121)</b>	<b>(60)</b>	<b>(113)</b>	<b>(151)</b>	<b>(155)</b>	<b>(187)</b>	<b>(165)</b>	<b>(182)</b>	<b>(148)</b>	<b>(143)</b>	<b>(111)</b>	<b>(52)</b>
Administrative Expenses	52	53	71	80	86	87	83	86	75	72	61	55
<b>Operating Result</b>	<b>(173)</b>	<b>(113)</b>	<b>(184)</b>	<b>(231)</b>	<b>(241)</b>	<b>(274)</b>	<b>(248)</b>	<b>(268)</b>	<b>(223)</b>	<b>(215)</b>	<b>(172)</b>	<b>(107)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	0.8%	(3.1%)	(3.1%)	(2.7%)	(3.6%)	(1.5%)	(2.2%)	(1.1%)	(1.5%)	(1.2%)	(1.0%)	(4.5%)
Current Accident Year	82.0%	80.8%	80.7%	81.0%	80.8%	80.6%	80.7%	80.4%	80.4%	80.2%	80.0%	79.7%
All Accident Years Combined	82.8%	77.7%	77.6%	78.3%	77.2%	79.1%	78.5%	79.3%	78.9%	79.0%	79.0%	75.2%
Underwriting & Admin Exp (EP)	30.1%	31.0%	36.0%	39.1%	40.9%	41.3%	39.5%	39.5%	37.0%	36.5%	33.8%	33.2%
<b>Combined Operating Ratio</b>	<b>112.9%</b>	<b>108.7%</b>	<b>113.6%</b>	<b>117.4%</b>	<b>118.1%</b>	<b>120.4%</b>	<b>118.0%</b>	<b>118.8%</b>	<b>115.9%</b>	<b>115.5%</b>	<b>112.8%</b>	<b>108.4%</b>

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New Brunswick 300 NB				FULL YEAR			
in \$ thousands	2018	2019	2020	Change during 2019		Change during 2020	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	14,925	15,562	16,528	637	4.3%	966	6.2%
decrease / (increase) in unearned	(1,657)	199	(328)	1,856	(112.0%)	(527)	(264.8%)
<b>earned premium</b>	<b>13,268</b>	<b>15,761</b>	<b>16,200</b>	<b>2,493</b>	<b>18.8%</b>	<b>439</b>	<b>2.8%</b>
Claims Incurred							
Prior Accident Years							
Undiscounted	617	542	-	(75)	(12.2%)	(542)	(100.0%)
effect of discounting	(410)	314	(328)	724	(176.6%)	(642)	(204.5%)
Discounted	207	856	(328)	649	313.5%	(1,184)	(138.3%)
Current Accident Year							
Undiscounted	9,989	12,210	12,554	2,221	22.2%	344	2.8%
effect of discounting	216	491	505	275	127.3%	14	2.9%
Discounted	10,205	12,701	13,059	2,496	24.5%	358	2.8%
Claims Incurred	10,412	13,557	12,731	3,145	30.2%	(826)	(6.1%)
Underwriting Expenses							
Expense Allowance	4,260	4,683	4,976	423	9.9%	293	6.3%
% wp	28.5%	30.1%	30.1%	1.6%		-	
Premium Deficiency / (DPAC)							
Undiscounted	(214)	274	56	488	(228.0%)	(218)	(79.6%)
effect of discounting	(2)	128	25	130	(6,500.0%)	(103)	(80.5%)
Discounted	(216)	402	81	618	(286.1%)	(321)	(79.9%)
Underwriting Expenses	4,044	5,085	5,057	1,041	25.7%	(28)	(0.6%)
Net Underwriting Gain (Loss)	(1,188)	(2,881)	(1,588)	(1,693)	142.5%	1,293	(44.9%)
Administrative Expenses	627	788	861	161	25.6%	73	9.3%
Operating Result	(1,815)	(3,669)	(2,449)	(1,854)	102.1%	1,220	(33.2%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	1.6%	5.4%	(2.0%)	3.8%		(7.4%)	
Current Accident Year	76.9%	80.6%	80.6%	3.7%		-	
All Accident Years Combined	78.5%	86.0%	78.6%	7.5%		(7.4%)	
Underwriting & Admin Exp (EP)	35.2%	37.3%	36.5%	2.1%		(0.8%)	
Combined Operating Ratio	113.7%	123.3%	115.1%	9.6%		(8.2%)	

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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	2,148	2,339	2,577	2,999	3,063	3,225	3,256	3,198	3,020	2,812	2,552	2,269
increase / (increase) in unearned	525	276	116	(322)	(381)	(500)	(462)	(379)	(232)	(72)	91	258
<b>earned premium</b>	<b>2,673</b>	<b>2,615</b>	<b>2,693</b>	<b>2,677</b>	<b>2,682</b>	<b>2,725</b>	<b>2,794</b>	<b>2,819</b>	<b>2,788</b>	<b>2,740</b>	<b>2,643</b>	<b>2,527</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	89	(87)	(68)	(63)	(65)	(59)	(92)	(75)	(96)	(75)	(87)	(88)
Discounted	89	(87)	(68)	(63)	(65)	(59)	(92)	(75)	(96)	(75)	(87)	(88)
<b>Current Accident Year</b>												
Undiscounted	2,652	2,594	2,672	2,655	2,661	2,703	2,772	2,797	2,765	2,718	2,622	2,507
effect of discounting	175	146	146	139	133	128	123	139	134	129	122	113
Discounted	2,827	2,740	2,818	2,794	2,794	2,831	2,895	2,936	2,899	2,847	2,744	2,620
<b>Claims Incurred</b>	<b>2,916</b>	<b>2,653</b>	<b>2,750</b>	<b>2,731</b>	<b>2,729</b>	<b>2,772</b>	<b>2,803</b>	<b>2,861</b>	<b>2,803</b>	<b>2,772</b>	<b>2,657</b>	<b>2,532</b>
<b>Underwriting Expenses</b>												
Expense Allowance	666	725	799	930	949	1,000	1,009	992	936	872	791	703
% wp	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
Premium Deficiency / (DPAC)												
Undiscounted	(4)	7	17	32	43	56	66	74	79	80	81	74
effect of discounting	(36)	(17)	(8)	25	26	38	37	30	20	12	(1)	(14)
Discounted	(40)	(10)	9	57	69	94	103	104	99	92	80	60
<b>Underwriting Expenses</b>	<b>626</b>	<b>715</b>	<b>808</b>	<b>987</b>	<b>1,018</b>	<b>1,094</b>	<b>1,112</b>	<b>1,096</b>	<b>1,035</b>	<b>964</b>	<b>871</b>	<b>763</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(869)</b>	<b>(753)</b>	<b>(865)</b>	<b>(1,041)</b>	<b>(1,065)</b>	<b>(1,141)</b>	<b>(1,121)</b>	<b>(1,138)</b>	<b>(1,050)</b>	<b>(996)</b>	<b>(885)</b>	<b>(768)</b>
Administrative Expenses	69	75	82	96	98	103	104	102	97	90	81	73
<b>Operating Result</b>	<b>(938)</b>	<b>(828)</b>	<b>(947)</b>	<b>(1,137)</b>	<b>(1,163)</b>	<b>(1,244)</b>	<b>(1,225)</b>	<b>(1,240)</b>	<b>(1,147)</b>	<b>(1,086)</b>	<b>(966)</b>	<b>(841)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	3.3%	(3.3%)	(2.5%)	(2.4%)	(2.4%)	(2.2%)	(3.3%)	(2.7%)	(3.4%)	(2.7%)	(3.3%)	(3.5%)
Current Accident Year	105.8%	104.8%	104.6%	104.4%	104.2%	103.9%	103.6%	104.2%	104.0%	103.9%	103.8%	103.7%
All Accident Years Combined	109.1%	101.5%	102.1%	102.0%	101.8%	101.7%	100.3%	101.5%	100.6%	101.2%	100.5%	100.2%
Underwriting & Admin Exp (EP)	26.0%	30.2%	33.0%	40.5%	41.6%	43.9%	43.5%	42.5%	40.6%	38.5%	36.0%	33.1%
<b>Combined Operating Ratio</b>	<b>135.1%</b>	<b>131.7%</b>	<b>135.1%</b>	<b>142.5%</b>	<b>143.4%</b>	<b>145.6%</b>	<b>143.8%</b>	<b>144.0%</b>	<b>141.2%</b>	<b>139.7%</b>	<b>136.5%</b>	<b>133.3%</b>

Exhibit B-5  
 Nova Scotia RSP  
 Summary of Operations

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Nova Scotia NS		400		FULL YEAR					
in \$ thousands		2018	2019	2020	Change during 2019		Change during 2020		
					Amount	%	Amount	%	
<b>Underwriting Revenue</b>									
written premium		28,870	30,517	33,458	1,647	5.7%	2,941	9.6%	
decrease / (increase) in unearned		(1,213)	(537)	(1,082)	676	(55.7%)	(545)	101.5%	
<b>earned premium</b>		<b>27,657</b>	<b>29,980</b>	<b>32,376</b>	<b>2,323</b>	<b>8.4%</b>	<b>2,396</b>	<b>8.0%</b>	
<b>Claims Incurred</b>									
<b>Prior Accident Years</b>									
Undiscounted		195	160	-	(35)	(17.9%)	(160)	(100.0%)	
effect of discounting		(683)	244	(766)	927	(135.7%)	(1,010)	(413.9%)	
Discounted		(488)	404	(766)	892	(182.8%)	(1,170)	(289.6%)	
<b>Current Accident Year</b>									
Undiscounted		25,821	29,494	32,118	3,673	14.2%	2,624	8.9%	
effect of discounting		872	1,493	1,627	621	71.2%	134	9.0%	
Discounted		26,693	30,987	33,745	4,294	16.1%	2,758	8.9%	
<b>Claims Incurred</b>		<b>26,205</b>	<b>31,391</b>	<b>32,979</b>	<b>5,186</b>	<b>19.8%</b>	<b>1,588</b>	<b>5.1%</b>	
<b>Underwriting Expenses</b>									
Expense Allowance		8,714	9,463	10,372	749	8.6%	909	9.6%	
% wp		30.2%	31.0%	31.0%	0.8%		-		
Premium Deficiency / (DPAC)									
Undiscounted		537	420	605	(117)	(21.8%)	185	44.0%	
effect of discounting		(86)	373	112	459	(533.7%)	(261)	(70.0%)	
Discounted		451	793	717	342	75.8%	(76)	(9.6%)	
<b>Underwriting Expenses</b>		<b>9,165</b>	<b>10,256</b>	<b>11,089</b>	<b>1,091</b>	<b>11.9%</b>	<b>833</b>	<b>8.1%</b>	
<b>Net Underwriting Gain (Loss)</b>		<b>(7,713)</b>	<b>(11,667)</b>	<b>(11,692)</b>	<b>(3,954)</b>	<b>51.3%</b>	<b>(25)</b>	<b>0.2%</b>	
Administrative Expenses		608	897	1,070	289	47.5%	173	19.3%	
<b>Operating Result</b>		<b>(8,321)</b>	<b>(12,564)</b>	<b>(12,762)</b>	<b>(4,243)</b>	<b>51.0%</b>	<b>(198)</b>	<b>1.6%</b>	
<b>Ratios</b>									
<b>Claims &amp; Adj. Expenses to EP</b>									
Prior Accident Year		(1.8%)	1.3%	(2.4%)	3.1%		(3.7%)		
Current Accident Year		96.5%	103.4%	104.2%	6.9%		0.8%		
All Accident Years Combined		94.7%	104.7%	101.8%	10.0%		(2.9%)		
Underwriting & Admin Exp (EP)		35.3%	37.2%	37.6%	1.9%		0.4%		
<b>Combined Operating Ratio</b>		<b>130.0%</b>	<b>141.9%</b>	<b>139.4%</b>	<b>11.9%</b>		<b>(2.5%)</b>		

Exhibit C-1  
Ontario RSP  
Projected Policy Liabilities

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Ontario		Projected Balances as at Dec. 31, 2019 (\$000s)						
ending 2019		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL	
prior	24,144	(671)	23,473	(954)	2,260	1,476	24,949	
2000	1	11	12	-	1	1	13	
2001	542	9	551	(25)	53	32	583	
2002	50	52	102	(5)	10	6	108	
2003	263	104	367	(20)	35	18	385	
2004	878	189	1,067	(64)	101	48	1,115	
2005	31	249	280	(19)	26	10	290	
2006	1,441	582	2,023	(152)	187	59	2,082	
2007	1,516	679	2,195	(180)	201	52	2,247	
2008	1,515	1,240	2,755	(242)	252	51	2,806	
2009	5,109	1,323	6,432	(592)	584	88	6,520	
2010	4,606	2,921	7,527	(640)	689	154	7,681	
2011	8,447	1,320	9,767	(645)	913	375	10,142	
2012	15,439	2,038	17,477	(1,031)	1,645	789	18,266	
2013	25,480	1,040	26,520	(1,379)	2,514	1,374	27,894	
2014	53,369	(467)	52,902	(2,116)	5,078	3,332	56,234	
2015	67,730	1,964	69,694	(2,300)	8,425	6,543	76,237	
2016	83,517	16,837	100,354	(3,312)	14,556	11,846	112,200	
2017	110,567	69,171	179,738	(6,471)	30,148	24,755	204,493	
2018	115,090	103,422	218,512	(9,178)	41,448	33,800	252,312	
PAYs (sub-total):	519,735	202,013	721,748	(29,325)	109,126	84,809	806,557	
CAY (2019)	96,328	206,415	302,743	(13,321)	54,122	42,920	345,663	
claims liabilities:	616,063	408,428	1,024,491	(42,646)	163,248	127,729	1,152,220	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*	
premium liabilities:	201,781	60,979	262,760	(9,181)	35,439	27,832	290,592	
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			1,287,251	(51,827)	198,687	155,561	1,442,812	

Exhibit C-1  
 Ontario RSP  
 Projected Policy Liabilities

page 2 of 2

Ontario		Projected Balances as at Dec. 31, 2020 (\$000s)					
ending 2020		nominal values			actuarial present value adjustments (apvs)		
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
prior	17,459	(477)	16,982	(420)	1,662	1,314	18,296
2001	390	8	398	(14)	39	27	425
2002	36	38	74	(3)	7	5	79
2003	191	74	265	(13)	26	15	280
2004	633	138	771	(42)	73	38	809
2005	24	180	204	(12)	19	9	213
2006	1,041	420	1,461	(99)	136	53	1,514
2007	1,096	490	1,586	(119)	147	47	1,633
2008	1,098	893	1,991	(163)	183	48	2,039
2009	3,694	956	4,650	(409)	424	85	4,735
2010	3,333	2,109	5,442	(501)	494	75	5,517
2011	6,108	953	7,061	(600)	646	145	7,206
2012	11,165	1,470	12,635	(834)	1,180	485	13,120
2013	18,422	750	19,172	(1,131)	1,804	865	20,037
2014	38,580	(337)	38,243	(1,989)	3,625	1,980	40,223
2015	48,965	1,417	50,382	(2,015)	6,046	4,384	54,766
2016	61,975	9,824	71,799	(2,369)	10,415	8,477	80,276
2017	98,061	38,709	136,770	(4,513)	23,013	19,321	156,091
2018	109,133	58,856	167,989	(6,048)	32,065	27,025	195,014
2019	114,038	128,378	242,416	(10,181)	43,428	34,944	277,360
PAYs (sub-total):	535,442	244,849	780,291	(31,475)	125,432	99,342	879,633
CAY (2020)	31,606	337,133	368,739	(16,225)	65,920	52,276	421,015
claims liabilities:	567,048	581,982	1,149,030	(47,700)	191,352	151,618	1,300,648
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	207,639	68,978	276,617	(9,666)	37,309	29,300	305,917
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			1,425,647	(57,366)	228,661	180,918	1,606,565



Exhibit C-2

Alberta Grid RSP

Projected Policy Liabilities

page 1 of 2

Alberta Grid ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2004	-	(79)	(79)	-	8	8	(71)
2005	1,684	(107)	1,577	(19)	156	140	1,717
2006	175	(78)	97	(2)	10	8	105
2007	1,129	(101)	1,028	(22)	101	83	1,111
2008	565	(22)	543	(12)	53	43	586
2009	583	105	688	(17)	67	53	741
2010	2,802	335	3,137	(75)	306	244	3,381
2011	4,858	326	5,184	(135)	505	391	5,575
2012	5,021	648	5,669	(136)	553	440	6,109
2013	6,092	1,068	7,160	(179)	698	548	7,708
2014	10,054	4,218	14,272	(400)	1,387	1,058	15,330
2015	23,369	5,805	29,174	(934)	2,824	2,036	31,210
2016	25,123	10,834	35,957	(1,223)	4,342	3,335	39,292
2017	29,301	20,751	50,052	(1,952)	6,012	4,410	54,462
2018	37,440	34,134	71,574	(3,006)	8,502	5,997	77,571
PAYs (sub-total):	148,196	77,837	226,033	(8,112)	25,524	18,794	244,827
CAY (2019)	61,205	54,676	115,881	(4,983)	13,197	9,025	124,906
claims liabilities:	209,401	132,513	341,914	(13,095)	38,721	27,819	369,733
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	107,972	(9,037)	98,935	(3,746)	9,862	6,707	105,642
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			440,849	(16,841)	48,583	34,526	475,375

Exhibit C-2  
 Alberta Grid RSP  
 Projected Policy Liabilities

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Alberta Grid ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2005	1,684	(107)	1,577	-	158	158	1,735
2006	118	(51)	67	(1)	7	6	73
2007	769	(65)	704	(13)	69	58	762
2008	386	(14)	372	(8)	36	29	401
2009	406	67	473	(11)	46	37	510
2010	1,936	217	2,153	(52)	210	167	2,320
2011	3,346	212	3,558	(85)	347	276	3,834
2012	3,470	423	3,893	(101)	379	294	4,187
2013	4,220	696	4,916	(118)	480	382	5,298
2014	7,050	2,747	9,797	(245)	955	749	10,546
2015	16,246	3,779	20,025	(561)	1,946	1,485	21,510
2016	20,555	5,971	26,526	(849)	3,210	2,494	29,020
2017	25,892	13,372	39,264	(1,335)	4,741	3,642	42,906
2018	32,280	24,163	56,443	(2,201)	6,726	4,920	61,363
2019	43,384	39,019	82,403	(3,461)	9,394	6,510	88,913
PAYs (sub-total):	161,742	90,350	252,092	(9,041)	28,712	21,215	273,307
CAY (2020)	71,176	67,276	138,452	(5,953)	15,768	10,784	149,236
claims liabilities:	232,918	157,626	390,544	(14,994)	44,480	31,999	422,543
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	117,635	(6,905)	110,730	(4,193)	11,040	7,509	118,239
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			501,274	(19,187)	55,520	39,508	540,782

Exhibit C-3  
Alberta Non-Grid RSP  
Projected Policy Liabilities

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Alberta non-Grid ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2004	26	36	62	-	6	6	68
2005	75	5	80	-	8	8	88
2006	17	355	372	(7)	36	30	402
2007	75	56	131	(3)	13	11	142
2008	(26)	47	21	-	2	2	23
2009	658	90	748	(20)	73	57	805
2010	1,071	46	1,117	(38)	108	77	1,194
2011	2,717	195	2,912	(111)	280	189	3,101
2012	3,644	576	4,220	(131)	409	299	4,519
2013	3,296	1,166	4,462	(165)	429	291	4,753
2014	6,296	657	6,953	(250)	670	462	7,415
2015	8,439	2,163	10,602	(392)	1,011	683	11,285
2016	16,172	4,099	20,271	(770)	2,438	1,810	22,081
2017	21,385	9,989	31,374	(1,224)	3,769	2,733	34,107
2018	22,567	22,519	45,086	(1,803)	5,411	3,879	48,965
PAYs (sub-total):	86,412	41,999	128,411	(4,914)	14,663	10,537	138,948
CAY (2019)	43,019	40,330	83,349	(3,251)	9,372	6,621	89,970
claims liabilities:	129,431	82,329	211,760	(8,165)	24,035	17,158	228,918
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	73,868	8,067	81,935	(2,447)	7,356	5,317	87,252
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			293,695	(10,612)	31,391	22,475	316,170

Exhibit C-3  
 Alberta Non-Grid RSP  
 Projected Policy Liabilities

page 2 of 2

Alberta non-Grid ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2005	75	5	80	-	8	8	88
2006	4	254	258	-	26	26	284
2007	52	40	92	(2)	9	7	99
2008	(21)	35	14	-	1	1	15
2009	454	63	517	-	52	52	569
2010	740	34	774	(21)	75	58	832
2011	1,881	139	2,020	(69)	195	138	2,158
2012	2,518	409	2,927	(111)	282	191	3,118
2013	2,263	831	3,094	(96)	299	218	3,312
2014	4,351	470	4,821	(178)	464	315	5,136
2015	5,810	1,543	7,353	(265)	702	481	7,834
2016	12,842	2,422	15,264	(565)	1,837	1,364	16,628
2017	19,130	5,733	24,863	(945)	2,990	2,219	27,082
2018	20,204	16,267	36,471	(1,422)	4,381	3,178	39,649
2019	26,427	32,214	58,641	(2,346)	6,587	4,593	63,234
PAYs (sub-total):	96,756	60,495	157,251	(6,020)	17,914	12,855	170,106
CAY (2020)	54,112	47,553	101,665	(3,965)	11,431	8,076	109,741
claims liabilities:	150,868	108,048	258,916	(9,985)	29,345	20,931	279,847
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	75,923	10,569	86,492	(2,583)	7,767	5,614	92,106
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			345,408	(12,568)	37,112	26,545	371,953

Exhibit C-4  
 New Brunswick RSP  
 Projected Policy Liabilities

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New Brunswick		Projected Balances as at Dec. 31, 2019 (\$000s)					
ending 2019		nominal values			actuarial present value adjustments (apvs)		
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
2005	-	(2)	(2)	-	-	-	(2)
2006	-	-	-	-	-	-	-
2007	-	(4)	(4)	-	-	-	(4)
2008	71	4	75	(1)	7	6	81
2009	313	11	324	(7)	31	25	349
2010	92	36	128	(3)	13	11	139
2011	1,558	28	1,586	(36)	155	125	1,711
2012	411	51	462	(12)	45	35	497
2013	2,099	42	2,141	(54)	209	164	2,305
2014	1,027	209	1,236	(33)	121	93	1,329
2015	1,013	467	1,480	(44)	144	107	1,587
2016	728	978	1,706	(61)	201	150	1,856
2017	2,416	989	3,405	(146)	397	275	3,680
2018	2,070	2,152	4,222	(198)	483	319	4,541
PAYs (sub-total):	11,798	4,961	16,759	(595)	1,806	1,310	18,069
CAY (2019)	3,663	3,419	7,082	(347)	774	491	7,573
claims liabilities:	15,461	8,380	23,841	(942)	2,580	1,801	25,642
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	7,841	(1,560)	6,281	(207)	552	381	6,662
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			30,122	(1,149)	3,132	2,182	32,304

Exhibit C-4  
 New Brunswick RSP  
 Projected Policy Liabilities

page 2 of 2

New Brunswick ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2006	-	-	-	-	-	-	-
2007	-	(4)	(4)	-	-	-	(4)
2008	56	4	60	(1)	6	5	65
2009	259	8	267	(5)	27	23	290
2010	82	24	106	(2)	11	9	115
2011	1,289	20	1,309	(29)	128	104	1,413
2012	345	36	381	(9)	37	30	411
2013	1,738	28	1,766	(46)	172	133	1,899
2014	877	143	1,020	(25)	99	78	1,098
2015	904	317	1,221	(33)	119	91	1,312
2016	734	617	1,351	(41)	160	126	1,477
2017	2,041	684	2,725	(98)	320	238	2,963
2018	1,896	1,552	3,448	(148)	396	272	3,720
2019	2,565	2,600	5,165	(243)	566	364	5,529
PAYs (sub-total):	12,786	6,027	18,813	(680)	2,041	1,473	20,286
CAY (2020)	4,394	2,887	7,281	(357)	796	505	7,786
claims liabilities:	17,180	8,914	26,094	(1,037)	2,837	1,978	28,072
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	8,170	(1,504)	6,666	(219)	586	406	7,072
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			32,760	(1,256)	3,423	2,384	35,144

Exhibit C-5  
Nova Scotia RSP  
Projected Policy Liabilities

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Nova Scotia ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
Acc Yr							
2007	-	(1)	(1)	-	-	-	(1)
2008	-	2	2	-	-	-	2
2009	60	4	64	(2)	6	4	68
2010	-	4	4	-	-	-	4
2011	138	(28)	110	(4)	11	8	118
2012	773	(4)	769	(18)	75	60	829
2013	2,199	(10)	2,189	(50)	214	173	2,362
2014	1,519	(34)	1,485	(30)	145	121	1,606
2015	2,855	(29)	2,826	(62)	334	283	3,109
2016	3,662	706	4,368	(114)	528	431	4,799
2017	5,266	2,575	7,841	(259)	925	713	8,554
2018	6,898	6,950	13,848	(540)	1,637	1,194	15,042
PAYs (sub-total):	23,370	10,135	33,505	(1,079)	3,875	2,987	36,492
CAY (2019)	8,848	10,618	19,466	(857)	2,214	1,493	20,959
claims liabilities:	32,218	20,753	52,971	(1,936)	6,089	4,480	57,451
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	15,968	128	16,096	(586)	1,572	1,081	17,177
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			69,067	(2,522)	7,661	5,561	74,628

Exhibit C-5  
 Nova Scotia RSP  
 Projected Policy Liabilities

page 2 of 2

Nova Scotia		Projected Balances as at Dec. 31, 2020 (\$000s)					
ending 2020		nominal values			actuarial present value adjustments (apvs)		
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
2008	-	2	2	-	-	-	2
2009	46	4	50	-	5	5	55
2010	-	4	4	-	-	-	4
2011	114	(23)	91	-	9	9	100
2012	640	(4)	636	(23)	62	43	679
2013	1,816	(9)	1,807	(43)	177	141	1,948
2014	1,255	(29)	1,226	(28)	120	97	1,323
2015	2,354	(24)	2,330	(47)	276	238	2,568
2016	2,812	389	3,201	(70)	388	331	3,532
2017	4,613	1,540	6,153	(160)	731	596	6,749
2018	6,791	4,184	10,975	(362)	1,305	1,009	11,984
2019	8,385	6,726	15,111	(589)	1,728	1,245	16,356
PAYs (sub-total):	28,826	12,759	41,585	(1,322)	4,801	3,714	45,299
CAY (2020)	9,957	11,241	21,198	(933)	2,412	1,627	22,825
claims liabilities:	38,783	24,000	62,783	(2,255)	7,213	5,341	68,124
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	17,049	733	17,782	(648)	1,736	1,193	18,975
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			80,565	(2,903)	8,949	6,534	87,099



**Exhibit D**

**Actual vs Projected based on Preliminary Outlooks – RSP ON**

page 1 of 5

Facility Association Outlook Actual vs Projected			*PROJECTED IS BASED ON PRELIMINARY OUTLOOK								
Risk Sharing Pools (RSPs)			average A less P 2013 to 2018:						143.1	(48.1%)	81.6%
RSP ON			as a % of Projected:						(65.3%)		
			Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
Cal Year	row id	Data	Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2014	[a]	Actual	278.6	270.5	(109.6)	(40.5%)	368.1	136.1%	(66.0)	124.4%	
	[b]	Projected*	321.6	318.4	(15.8)	(5.0%)	487.9	153.2%	(266.2)	183.5%	
	[c]=[a]-[b]	A less P	(43.0)	(47.9)	(93.8)	(35.5%)	(119.8)	(17.1%)	200.2	(59.1%)	46.8%
	[d]=[c]/[b]	% of P	(13.4%)	(15.1%)	592.7%		(24.5%)		(75.2%)		
2015	[a]	Actual	239.0	262.6	(188.9)	(71.9%)	342.6	130.5%	47.5	81.9%	
	[b]	Projected*	291.3	287.6	(24.6)	(8.5%)	430.6	149.7%	(217.8)	175.8%	
	[c]=[a]-[b]	A less P	(52.3)	(25.1)	(164.3)	(63.4%)	(87.9)	(19.2%)	265.4	(93.9%)	61.9%
	[d]=[c]/[b]	% of P	(18.0%)	(8.7%)	668.4%		(20.4%)		(121.8%)		
2016	[a]	Actual	336.0	270.9	(106.9)	(39.5%)	362.1	133.7%	(104.5)	138.6%	
	[b]	Projected*	268.5	268.7	(28.1)	(10.5%)	388.8	144.7%	(175.9)	165.4%	
	[c]=[a]-[b]	A less P	67.6	2.2	(78.9)	(29.0%)	(26.8)	(11.0%)	71.4	(26.8%)	110.4%
	[d]=[c]/[b]	% of P	25.2%	0.8%	280.8%		(6.9%)		(40.6%)		
2017	[a]	Actual	362.5	373.7	(114.1)	(30.5%)	495.7	132.7%	(118.3)	131.7%	
	[b]	Projected*	354.7	350.2	(30.9)	(8.8%)	466.5	133.2%	(206.5)	159.0%	
	[c]=[a]-[b]	A less P	7.8	23.5	(83.2)	(21.7%)	29.2	(0.5%)	88.2	(27.3%)	94.3%
	[d]=[c]/[b]	% of P	2.2%	6.7%	269.3%		6.3%		(42.7%)		
2018	[a]	Actual	347.8	352.6	(72.5)	(20.5%)	481.3	136.5%	(165.6)	147.0%	
	[b]	Projected*	327.6	330.7	(31.0)	(9.4%)	446.1	134.9%	(189.1)	157.1%	
	[c]=[a]-[b]	A less P	20.2	22.0	(41.5)	(11.1%)	35.2	1.6%	23.5	(10.1%)	176.6%
	[d]=[c]/[b]	% of P	6.2%	6.6%	134.0%		7.9%		(12.4%)		

**Exhibit D**
**Actual vs Projected based on Preliminary Outlooks – RSP AB-Grid**

page 2 of 5

Facility Association Outlook Actual vs Projected			*PROJECTED IS BASED ON PRELIMINARY OUTLOOK							
Risk Sharing Pools (RSPs)			average A less P 2013 to 2018: (32.9) 23.5% 38.0%							
RSP AB Grid			as a % of Projected: 1,361.9%							
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result	
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	% variance due to PAYs
2014	[a]	Actual	155.8	144.9	30.4	21.0%	109.6	75.7%	(40.0)	127.7%
	[b]	Projected*	151.1	148.6	(4.7)	(3.2%)	101.4	68.2%	9.5	93.6%
	[c]=[a]-[b]	A less P	4.7	(3.7)	35.1	24.2%	8.2	7.5%	(49.5)	34.1% 70.9%
	[d]=[c]/[b]	% of P	3.1%	(2.5%)	(741.4%)		8.1%		(523.4%)	
2015	[a]	Actual	138.3	146.2	(9.2)	(6.3%)	117.8	80.6%	(5.4)	103.7%
	[b]	Projected*	146.9	145.1	(5.4)	(3.7%)	103.2	71.1%	5.0	96.6%
	[c]=[a]-[b]	A less P	(8.6)	1.1	(3.8)	(2.6%)	14.6	9.5%	(10.4)	7.1% (36.6%)
	[d]=[c]/[b]	% of P	(5.9%)	0.8%	70.3%		14.2%		(207.2%)	
2016	[a]	Actual	148.5	131.8	39.5	29.9%	118.1	89.6%	(73.9)	156.1%
	[b]	Projected*	153.0	152.9	(8.0)	(5.2%)	110.1	72.0%	6.8	95.6%
	[c]=[a]-[b]	A less P	(4.5)	(21.1)	47.4	35.1%	8.0	17.6%	(80.7)	60.5% 58.7%
	[d]=[c]/[b]	% of P	(2.9%)	(13.8%)	(595.6%)		7.3%		<(999.9%)	
2017	[a]	Actual	160.0	149.5	6.5	4.4%	141.7	94.8%	(49.7)	133.3%
	[b]	Projected*	186.0	180.4	(6.8)	(3.8%)	151.0	83.7%	(21.3)	111.8%
	[c]=[a]-[b]	A less P	(26.0)	(30.9)	13.4	8.2%	(9.2)	11.1%	(28.5)	21.5% 47.0%
	[d]=[c]/[b]	% of P	(14.0%)	(17.1%)	(195.7%)		(6.1%)		133.7%	
2018	[a]	Actual	158.5	161.6	(7.6)	(4.7%)	151.3	93.6%	(32.5)	120.1%
	[b]	Projected*	150.9	154.6	(7.1)	(4.6%)	140.8	91.0%	(25.4)	116.4%
	[c]=[a]-[b]	A less P	7.7	6.9	(0.5)	(0.1%)	10.5	2.6%	(7.1)	3.7% (7.0%)
	[d]=[c]/[b]	% of P	5.1%	4.5%	7.0%		7.5%		28.0%	

**Exhibit D**

**Actual vs Projected based on Preliminary Outlooks – RSP AB non-Grid**

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Facility Association  
 Outlook Actual vs Projected  
 Risk Sharing Pools (RSPs)  
 RSP AB Non-Grid

**\*PROJECTED IS BASED ON PRELIMINARY OUTLOOK**

average A less P 2013 to 2018:	(9.0)	11.8%	64.4%
as a % of Projected:	32.0%		

Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2014	[a]	Actual	88.4	83.7	5.3	6.3%	91.9	109.8%	(40.9)	148.9%	
	[b]	Projected*	89.3	88.4	(2.5)	(2.9%)	87.8	99.3%	(22.6)	125.5%	
	[c]=[a]-[b]	A less P	(0.9)	(4.7)	7.8	9.2%	4.1	10.5%	(18.4)	23.4%	42.4%
	[d]=[c]/[b]	% of P	(1.0%)	(5.3%)	(308.2%)		4.7%		81.3%		
2015	[a]	Actual	86.0	89.8	(9.3)	(10.3%)	96.2	107.1%	(21.0)	123.4%	
	[b]	Projected*	90.1	89.7	(2.5)	(2.8%)	93.5	104.2%	(28.5)	131.8%	
	[c]=[a]-[b]	A less P	(4.1)	0.1	(6.8)	(7.5%)	2.8	2.9%	7.5	(8.4%)	90.5%
	[d]=[c]/[b]	% of P	(4.6%)	0.1%	267.5%		3.0%		(26.2%)		
2016	[a]	Actual	99.7	90.5	(0.9)	(1.0%)	107.8	119.2%	(49.4)	154.6%	
	[b]	Projected*	93.0	91.2	(4.3)	(4.7%)	93.7	102.7%	(25.7)	128.1%	
	[c]=[a]-[b]	A less P	6.7	(0.7)	3.4	3.7%	14.1	16.5%	(23.7)	26.5%	14.2%
	[d]=[c]/[b]	% of P	7.2%	(0.8%)	(79.4%)		15.1%		92.4%		
2017	[a]	Actual	99.0	96.9	(2.5)	(2.6%)	114.0	117.7%	(47.0)	148.5%	
	[b]	Projected*	110.9	111.6	(4.1)	(3.7%)	113.1	101.3%	(32.9)	129.5%	
	[c]=[a]-[b]	A less P	(11.9)	(14.7)	1.7	1.1%	1.0	16.4%	(14.1)	19.0%	11.7%
	[d]=[c]/[b]	% of P	(10.7%)	(13.2%)	(40.0%)		0.8%		42.7%		
2018	[a]	Actual	114.0	106.7	(20.3)	(19.0%)	120.7	113.2%	(29.8)	128.0%	
	[b]	Projected*	106.6	105.2	(4.5)	(4.3%)	116.7	110.9%	(40.6)	138.6%	
	[c]=[a]-[b]	A less P	7.4	1.5	(15.8)	(14.7%)	4.0	2.3%	10.8	(10.6%)	146.0%
	[d]=[c]/[b]	% of P	7.0%	1.4%	350.3%		3.5%		(26.6%)		

**Exhibit D**

**Actual vs Projected based on Preliminary Outlooks – RSP NB**

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Facility Association Outlook Actual vs Projected			<b>*PROJECTED IS BASED ON PRELIMINARY OUTLOOK</b>							
Risk Sharing Pools (RSPs)			average A less P 2013 to 2018:							
RSP NB			as a % of Projected:							
			Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result	
Cal Year	row id	Data	Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR
									% variance due to PAYs	
<b>2014</b>	[a]	Actual	9.5	9.6	1.0	10.7%	8.1	84.5%	(3.5)	136.3%
	[b]	Projected*	10.3	10.2	(0.5)	(5.1%)	8.4	81.7%	(1.5)	114.4%
	[c]=[a]-[b]	A less P	(0.8)	(0.7)	1.5	15.8%	(0.3)	2.8%	(2.0)	21.9%
	[d]=[c]/[b]	% of P	(7.4%)	(6.5%)	(296.2%)		(3.4%)		134.9%	77.8%
<b>2015</b>	[a]	Actual	11.2	10.2	0.9	9.0%	9.2	90.2%	(4.4)	143.2%
	[b]	Projected*	9.6	9.7	(0.4)	(3.8%)	7.4	76.6%	(1.0)	110.8%
	[c]=[a]-[b]	A less P	1.6	0.6	1.3	12.8%	1.8	13.6%	(3.4)	32.4%
	[d]=[c]/[b]	% of P	16.2%	6.0%	(352.6%)		24.8%		325.3%	37.9%
<b>2016</b>	[a]	Actual	9.7	10.0	(3.0)	(30.1%)	8.0	80.1%	1.3	87.0%
	[b]	Projected*	9.9	10.0	(0.6)	(5.6%)	7.8	77.9%	(1.3)	112.8%
	[c]=[a]-[b]	A less P	(0.2)	(0.0)	(2.4)	(24.5%)	0.2	2.2%	2.6	(25.8%)
	[d]=[c]/[b]	% of P	(1.9%)	(0.4%)	433.0%		2.4%		(202.3%)	94.5%
<b>2017</b>	[a]	Actual	11.8	10.6	(1.3)	(11.8%)	8.2	77.4%	(0.0)	100.2%
	[b]	Projected*	9.6	9.7	(0.4)	(4.6%)	8.0	82.7%	(1.8)	119.2%
	[c]=[a]-[b]	A less P	2.2	0.9	(0.8)	(7.2%)	0.2	(5.3%)	1.8	(19.0%)
	[d]=[c]/[b]	% of P	22.7%	9.8%	179.3%		2.8%		(98.7%)	44.2%
<b>2018</b>	[a]	Actual	14.9	13.3	0.2	1.6%	10.2	76.9%	(1.8)	78.5%
	[b]	Projected*	15.1	15.1	(0.3)	(2.2%)	11.8	78.6%	(2.1)	113.7%
	[c]=[a]-[b]	A less P	(0.2)	(1.8)	0.5	3.8%	(1.6)	(1.7%)	0.2	(35.2%)
	[d]=[c]/[b]	% of P	(1.3%)	(12.0%)	(161.7%)		(13.9%)		(11.8%)	(223.4%)

**Exhibit D**

**Actual vs Projected based on Preliminary Outlooks – RSP NS**

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Facility Association  
 Outlook Actual vs Projected

**\*PROJECTED IS BASED ON PRELIMINARY OUTLOOK**

Risk Sharing Pools (RSPs)

RSP NS

average A less P 2013 to 2018:	(0.8)	3.7%	60.7%
as a % of Projected:	14.5%		

Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2014	[a]	Actual	13.6	13.3	1.6	12.1%	13.2	99.6%	(7.1)	153.7%	
	[b]	Projected*	13.9	13.9	(0.6)	(4.1%)	11.5	82.6%	(2.0)	114.6%	
	[c]=[a]-[b]	A less P	(0.3)	(0.6)	2.2	16.2%	1.7	17.0%	(5.1)	39.1%	42.7%
	[d]=[c]/[b]	% of P	(2.1%)	(4.5%)	(378.1%)		15.2%		253.3%		
2015	[a]	Actual	14.5	14.1	0.2	1.3%	14.7	104.3%	(7.0)	149.9%	
	[b]	Projected*	15.2	15.2	(0.5)	(3.3%)	14.5	95.1%	(4.6)	130.0%	
	[c]=[a]-[b]	A less P	(0.7)	(1.1)	0.7	4.6%	0.2	9.2%	(2.5)	19.9%	27.6%
	[d]=[c]/[b]	% of P	(4.5%)	(7.4%)	(134.9%)		1.6%		54.2%		
2016	[a]	Actual	15.2	14.8	(0.6)	(4.3%)	15.4	103.9%	(5.5)	137.1%	
	[b]	Projected*	13.2	13.5	(0.7)	(5.5%)	13.5	100.2%	(4.4)	132.4%	
	[c]=[a]-[b]	A less P	1.9	1.3	0.1	1.2%	1.9	3.7%	(1.1)	4.7%	10.0%
	[d]=[c]/[b]	% of P	14.7%	9.7%	(15.1%)		13.8%		25.9%		
2017	[a]	Actual	25.3	19.0	(4.0)	(20.9%)	18.7	98.4%	(3.4)	118.2%	
	[b]	Projected*	14.4	14.5	(0.9)	(6.4%)	14.5	100.1%	(4.7)	132.4%	
	[c]=[a]-[b]	A less P	10.9	4.4	(3.0)	(14.5%)	4.1	(1.7%)	1.3	(14.2%)	242.2%
	[d]=[c]/[b]	% of P	75.5%	30.5%	324.8%		28.3%		(26.7%)		
2018	[a]	Actual	28.9	27.7	(0.5)	(1.8%)	26.7	96.5%	(8.3)	94.7%	
	[b]	Projected*	35.8	34.7	(0.8)	(2.2%)	36.2	104.5%	(13.7)	139.6%	
	[c]=[a]-[b]	A less P	(6.9)	(7.0)	0.3	0.4%	(9.6)	(8.0%)	5.4	(44.9%)	(5.0%)
	[d]=[c]/[b]	% of P	(19.4%)	(20.3%)	(36.0%)		(26.4%)		(39.5%)		