



**TO:** MEMBERS OF THE FACILITY ASSOCIATION

**ATTENTION:** CHIEF EXECUTIVE OFFICER

**BULLETIN NO.:** F2020 – 019

**DATE:** MARCH 30, 2020

**SUBJECT:** FARM – JANUARY 2020 PARTICIPATION REPORT

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

Please be advised that the January 2020 FARM Participation Report is available on the Facility Association Portal at <https://portal.facilityassociation.com>.

### Key Points

- (a) The **January 2020 net operating surplus** was \$3.4 million, with a COR of 90.5% on earned premium of \$34 million;
- (b) The **projected 2020 year-end net operating surplus is now \$36.1 million**, with a COR at 91.2% on earned premium of \$397 million (our Outlook for 2020 was \$33.7 million of net operating surplus with a COR of 90.5% on earned premium of \$342 million). However, our projections do NOT taken into account any specific impacts that might arise due to the COVID-19 pandemic (FA is still in the process of considering impacts);
- (c) We continue to see increases in both vehicle counts and written premiums across rating classes on a **rolling 12-month basis**, with overall counts up 16 thousand (18%) and **premium up \$123 million (46%)**, with premium growth driven primarily by private passenger vehicles, commercial vehicles, and interurban vehicles (long haul trucks);
- (d) The release of unprocessed business from the Servicing Carriers continues to have an impact on January's written premium; the estimated impact was for \$8.2 million mainly from Alberta individually-rated new/renewal business. Feedback from the Servicing Carriers suggests the unprocessed level is now down to approximately \$5 million;
- (e) During the month of February 2020, FA received an enquiry related to the written premium projections provided for the November and December 2019 share reports. The member making the enquiry uses the 2-month projection, and written premium they would book based on the December 2019 share report actuals and projections was negative, prompting their enquiry.

FA investigated and determined that the November 2019 share reports' projections for December 2019 and January 2020 included the projections for those months from the November 2019 projection, but also included the projections for those months from the October 2019 projections (in a sense, close to doubling the projections for each of December 2019 and January 2020).

This error would have also impacted members using the 1-month projections, but to a lesser extent

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(the written premium overstatement would have been just under 2 times). Such members may not have identified an issue, as their booked premium using the December projections would not have resulted in negative written premium (other than YT and NU).

Additional controls have been added at FA to reduce the likelihood of a similar error occurring in the future. More detail on this issue is provided later in this bulletin, starting on page 5.

**Summary of Financial Results**

The calendar year-to-date Operating Result is \$3.4 million and the incurred loss ratio to the end of 1 month is 69.0%, as summarized in the table below.

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

<b>Amounts in \$000s</b>	<b>January 2020</b>	January 2019	<b>Year to date Jan 2020</b>	Year to Date Jan 2019
Premium Written	38,815	24,756	38,815	24,756
Premium Earned	34,365	22,469	34,365	22,469
Incurred Losses	23,701	15,673	23,701	15,673
Underwriting & Admin Expense	7,278	4,685	7,278	4,685
<b>Net Result from Operations</b>	<b>3,386</b>	<b>2,111</b>	<b>3,386</b>	<b>2,111</b>
<i>Ratios:</i>				
<b>Loss ratio</b> - Prior Accident Years	4.7%	1.4%	4.7%	1.4%
- Current Accident Year	64.3%	68.4%	64.3%	68.4%
<i>Total</i>	<b>69.0%</b>	<b>69.8%</b>	<b>69.0%</b>	<b>69.8%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>21.5%</b>	<b>21.3%</b>	<b>21.5%</b>	<b>21.3%</b>
<b>Combined Operating Ratio</b>	<b>90.5%</b>	<b>91.1%</b>	<b>90.5%</b>	<b>91.1%</b>

*rounding differences may occur*

These results are discussed in some detail in the “Current Month Results” section. For additional numeric details, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2020 - All jurisdictions by month”. A comparable summary by jurisdiction is included in Exhibit 2. Detailed exhibits by jurisdiction are included in the [Summary of Operations](#) folder on our website.

*Updated Projection to Year-end 2020*

PLEASE NOTE: our projections have NOT been adjusted in any way to reflect COVID-19 pandemic impacts. Such impacts are under investigation and will be reflected in future projections as deemed appropriate.

The projected calendar year Net Result from Operations to January 2020 is \$36.1 million and the estimated combined operating ratio to January 2020 is 91.2% as indicated in the table at the top of the next page. This updated projection to the end of the year has improved by \$2.0 million from the projection provided last month (see the second and third columns in the table). This improvement is driven by a \$16.7 million increase in the projected written premium for the year which includes the unprocessed business estimates from October 31, 2019 and its associated impacts on earned premium, claims, and expense projections.

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

<b>FARM 2020 Year-end Projection</b> Amounts in \$000s	<b>Current</b> <b>(Jan 2020)</b>	Prior Mth (Dec 2019)	<b>Change</b>	Final 2020 Outlook*
Premium Written	427,323	410,575	16,748	350,613
Premium Earned	397,171	379,692	17,479	341,552
Incurred Losses	270,985	259,358	11,627	233,103
Underwriting & Admin Expense	90,065	86,252	3,813	74,721
<b>Net Result from Operations</b>	<b>36,121</b>	<b>34,083</b>	<b>2,038</b>	<b>33,728</b>
<i>Ratios:</i>				
<b>Loss ratio</b> - Prior Accident Years	(1.3%)	(1.7%)	0.4%	(1.7%)
- Current Accident Year	69.5%	70.0%	(0.5%)	69.9%
<i>Total</i>	<b>68.2%</b>	<b>68.3%</b>	<b>(0.1%)</b>	<b>68.2%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>23.0%</b>	<b>23.1%</b>	<b>(0.1%)</b>	<b>22.3%</b>
<i>Combined Operating Ratio</i>	<b>91.2%</b>	<b>91.4%</b>	<b>(0.2%)</b>	<b>90.5%</b>

*rounding differences may occur*

\*as posted to FA's website Nov. 20, 2019

Current Month Results

The Net Results from Operations in the month of January 2020 was \$3.4 million, up \$1.3 million from the same month last year. This improvement is composed of an approximately \$1.1 million favourable impact associated with the \$11.9 million increase in earned premium (at a prior combined ratio of 91.1%) and a \$0.2 million favourable impact stemming from the overall decrease in the combined ratio (from 91.1% to 90.5% applied to \$34.4 million in earned premium). Written premium again had a significant increase, for \$14.0 million (56.8%) with increases in both private passenger and non-private passenger vehicles in the month. We estimate that \$8.2 million of this increase is related to the release of unprocessed new/renewal business from October 31, 2019.

Variances from Projections

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

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*FARM Summary of Actual vs Projected variances*

<b>January 2020</b>	<b>Actual</b>	<b>Projection</b>	<b>Difference</b>	<b>Difference %</b>
Premium Written	38,815	29,590	9,225	31.2%
Premium Earned	34,365	31,363	3,002	9.6%
<b>Reported Losses</b>				
Paid Losses	16,273	14,780	1,493	10.1%
Change in Outstanding Losses	4,655	276	4,379	1,586.6%
<b>Total Reported Losses</b>	<b>20,928</b>	<b>15,056</b>	<b>5,872</b>	<b>39.0%</b>
Change in IBNR*	2,444	7,300	(4,856)	
Change in Premium Deficiency (DPAC)*	(359)	81	(440)	
Change in Retro Claims Expense*	329	(100)	429	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [FARM January 2020 Participation Report - Actuarial Highlights](#).

Each month, management reviews the variance between reported premium activity and claims activity (actual reported claims payments and changes in case reserves) and the associated projections. The projection process involves many assumptions including claims reporting patterns. Actual reporting patterns vary from month-to-month, sometimes considerably. Although variances from our projections are expected, management investigates variances beyond set thresholds and responds as appropriate.

For the month of January, recorded indemnity amounts were \$5.9 million higher than projected. The Current Accident Year had a \$1.0 million unfavourable variance in recorded indemnity, and the Prior Accident Years had an unfavourable variance of \$4.9 million. Accident Year 2019 had the largest unfavourable variance of \$4.9 million. No other single Prior Accident Year had a reported indemnity variance in excess of \$1.0 million.

The variances for claims activity that were beyond the set thresholds at the jurisdiction, business segment level, and accident year group (i.e. Prior Accident Years vs. Current Accident Year) were investigated by management. Management is satisfied that the variances are appropriately accounted for in our current booking process (variances were spread across jurisdictions, business segments, and accident years).

**Booking IBNR**

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected for the most recent accident years back to 1994 (for accident years 1993 and earlier, IBNR is held at \$0). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend.

**Effect of Quarterly Valuation**

The January 2020 Participation Report does not reflect the results of an actuarial valuation update. The most recent valuation was as at September 30, 2019 for all jurisdictions and business segments. The

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actuarial valuation will be updated next as at December 31, 2019 for all jurisdictions and business segments, and the results of that valuation are anticipated to be reflected in the March 2020 Participation Report.

**Control Failure Event**

During the month of February 2020, FA received an enquiry related to the written premium projections provided for the November and December 2019 share reports. The member making the enquiry uses the 2-month projection, and the enquiry resulted from their use of the FARM December 2019 share report actuals and projections.

For members using the 2-month FARM projections for booking, with the release of the FARM December 2019 share report, the booked written premium for the month would be:

- [1] [dec actual] less [dec as projected from nov] plus
- [2] [jan as projected from dec] less [jan as projected from nov] plus
- [3] [feb as projected from dec].

Item [1] above trues up the December 2019 share month premium by accounting for the difference between the actual for December 2019 and the prior month projection (i.e. November 2019 projection) for December 2019.

Item [2] above is similar to item [1], in that it trues up or updates a previous estimate (i.e. books the difference between the December 2019 projection for January 2020 and the November 2019 projection for January 2020).

Item [3] above adds the new month.

If FA is perfectly accurate in its projections (i.e. actuals always turn out to equal projections), the values for items [1] and [2] above would be \$0.

In the case of the member’s enquiry, their application of the above resulted in a total for the 3 items that was a negative premium amount, and correctly sought clarification from FA on why this would be.

FA investigated and determined that the November 2019 share reports’ projections for December 2019 and January 2020 included the projections for those months from the October 2019 projections (in a sense, close to doubling the projections for each of December 2019 and January 2020). For such members, their written premium bookings would have been approximately 2.7 times as much as they should have been. In the following month, where the erroneous November projections were replaced by December projections, the over-booking reversed itself, which would result in negative written premium for the month in most jurisdictions (NS, PE, and NU would stayed positive).

The written premium table at the top of the next page provides some detail to provide a total level view of how the impact would apply to members using the 2-month projections. In the table, the rows reflect the share months / accounting months and the associated jurisdiction level (we didn’t go down to the business segment level – if this is needed, members can request the information from FA).

Column [A] in the table reflects projections in the FARM October Participation Reports (while the report provides only 2 months of projections, and so would only show 201911 and 201912 share months, FA projected by month to the end of 2020).

Column [B] in the table reflects the projection that was intended for inclusion in the FARM November

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Participation Reports (note that the rows in the table for share month 201911 under column [B] and column [D] are actuals for November 2019).

Column [C] in the table reflects the projection that was actually included in the FARM November Participation Reports – as you see, it reflects the sum of the October and November projections for each share month. This is the error that we uncovered.

Column [D] in the table reflects the projection that was included in the FARM December Participation Reports (in that column, the rows related to share months 201911 and 201912 are actuals).

[A]				[B]	[C]	[D]				[E]	[F]	[G]
Sum of Written Premium				Projected From YYYYYM		Sum of Written Premium		Projected From YYYYYM		Impact on members using 2 mth projection		
Share YYYYYM for Projection	Jurisdiction Desc	201910	201911	Grand Total	Share YYYYYM for Projection	Jurisdiction Desc	201912		booked as Premium*	booked on correct projection	Impact	
201911	Alberta	14,809,000	11,144,935	25,953,935	201911	Alberta	11,144,935		23,051,935	4,717,935	18,334,000	
	New Brunswick	1,896,000	2,265,508	4,161,508		New Brunswick	2,265,508		6,385,508	2,536,508	3,849,000	
	Newfoundland & Labrador	2,538,000	2,285,742	5,323,742		Newfoundland & Labrador	2,285,742		6,541,742	2,853,742	3,688,000	
	Northwest Territories	399,000	294,610	693,610		Northwest Territories	294,610		862,610	245,610	617,000	
	Nova Scotia	2,513,000	3,117,551	5,630,551		Nova Scotia	3,117,551		7,566,551	3,738,551	3,848,000	
	Nunavut	75,000	109,433	184,433		Nunavut	109,433		177,433	76,433	101,000	
	Ontario	7,640,000	11,639,304	19,279,304		Ontario	11,595,688		31,154,304	14,087,304	17,067,000	
	Prince Edward Island	403,000	497,330	900,330		Prince Edward Island	497,330		1,039,330	506,330	533,000	
	Yukon	155,000	110,621	265,621		Yukon	110,621		319,621	60,621	259,000	
201911 Total		30,428,000	31,965,034	62,393,034	201911 Total		31,921,418		77,099,034	28,803,034	48,296,000	
201912	Alberta	9,523,000	9,094,000	18,617,000	201912	Alberta	9,475,519		(9,210,481)	9,123,519	(18,334,000)	
	New Brunswick	1,722,000	1,741,000	3,513,000		New Brunswick	2,636,054		(1,237,986)	2,511,054	(3,849,000)	
	Newfoundland & Labrador	1,593,000	1,636,000	3,229,000		Newfoundland & Labrador	2,348,885		(57,115)	3,630,885	(3,688,000)	
	Northwest Territories	261,000	255,000	516,000		Northwest Territories	299,039		(207,961)	409,039	(617,000)	
	Nova Scotia	1,460,000	1,860,000	3,320,000		Nova Scotia	4,389,472		1,022,472	4,870,472	(3,848,000)	
	Nunavut	64,000	53,000	117,000		Nunavut	56,911		2,911	103,911	(101,000)	
	Ontario	7,710,000	6,509,000	14,219,000		Ontario	13,020,250		(2,330,250)	14,736,250	(17,067,000)	
	Prince Edward Island	196,000	219,000	415,000		Prince Edward Island	430,894		52,894	583,894	(533,000)	
	Yukon	154,000	154,000	308,000		Yukon	189,124		(141,876)	117,124	(259,000)	
201912 Total		22,733,000	21,521,000	44,254,000	201912 Total		32,646,148		(12,207,852)	36,088,148	(48,296,000)	
202001	Alberta	8,811,000	8,811,000	17,622,000	202001	Alberta	10,813,000					
	New Brunswick	2,077,000	2,198,000	4,275,000		New Brunswick	2,257,000		column [C] used for nov proj, not column [B]	uses column [B] for nov proj		
	Newfoundland & Labrador	2,065,000	2,363,000	4,658,000		Newfoundland & Labrador	2,655,000					
	Northwest Territories	366,000	366,000	732,000		Northwest Territories	427,000					
	Nova Scotia	2,388,000	2,714,000	5,102,000		Nova Scotia	2,795,000					
	Nunavut	37,000	53,000	90,000		Nunavut	53,000					
	Ontario	9,357,000	11,289,000	20,646,000		Ontario	10,055,000					
	Prince Edward Island	337,000	389,000	726,000		Prince Edward Island	424,000					
	Yukon	105,000	105,000	210,000		Yukon	111,000					
202001 Total		25,563,000	28,478,000	54,041,000	202001 Total		29,590,000					
202002	Alberta	4,430,000	4,430,000	8,860,000	202002	Alberta	6,740,000					
	New Brunswick	1,341,000	1,341,000	2,682,000		New Brunswick	1,557,000					
	Newfoundland & Labrador	2,286,000	2,286,000	4,572,000		Newfoundland & Labrador	2,826,000					
	Northwest Territories	239,000	239,000	478,000		Northwest Territories	294,000					
	Nova Scotia	1,564,000	1,564,000	3,108,000		Nova Scotia	2,460,000					
	Nunavut	85,000	85,000	170,000		Nunavut	100,000					
	Ontario	7,158,000	7,181,000	14,339,000		Ontario	9,459,000					
	Prince Edward Island	225,000	225,000	450,000		Prince Edward Island	339,000					
	Yukon	60,000	60,000	120,000		Yukon	76,000					
202002 Total		17,778,000	17,801,000	35,579,000	202002 Total		23,851,000					

correct Nov 2019 projection  
 Nov 2019 projection loaded to FA portal

Column [E] above calculates the booked premium using the itemized list on the previous page, where the November projection amounts are taken from column [C]. This shows the negative written premium as calculated for almost all jurisdictions (rows) related to rows for share month 201912 (triggering the member enquiry).

Column [F] does the same, but instead of using column [C], it uses column [B]. This is what would have been booked, had the November 2019 projections not erroneously also included the October 2019 projections.

Column [G] reflects the impact (showing that the impact related to share month 201911 rows gets unwound the next month).

This error would have also impacted members using the 1-month projections, but to a lesser extent (the written premium overstatement would have been just under 2 times). For such members with the release of the FARM December 2019 share report, the booked written premium for the month would be:

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[1] [dec actual] less [dec as projected from nov] plus

[2] [jan as projected from dec].

Such members may not have identified an issue, as their booked premium using the December projections would not have resulted in negative written premium (other than YT and NU). The table for such members is provided below.

[A]				[B]	[C]	[D]				[E]	[F]	[G]
Sum of Written Premium				Projected From		Sum of Written Premium				Impact on members using 1.mth projection		
YYYYMM				YYYYMM	YYYYMM	Projected From				booked as	booked on	Impact
Share	YYYYMM for	Jurisdiction Desc	201910	201911	Grand Total	Share	YYYYMM for	Jurisdiction Desc	201912	Projection	correct	projection
	201911	Alberta	14,809,000	11,144,935	25,953,935		201911	Alberta	11,144,935	14,952,935	5,429,935	9,523,000
		New Brunswick	1,896,000	2,265,508	4,161,508			New Brunswick	2,265,508	3,882,508	2,110,508	1,772,000
		Newfoundland & Labrador	2,538,000	2,785,742	5,323,742			Newfoundland & Labrador	2,785,742	3,476,742	1,883,742	1,593,000
		Northwest Territories	399,000	294,610	693,610			Northwest Territories	294,610	413,610	159,000	261,000
		Nova Scotia	2,513,000	3,117,551	5,630,551			Nova Scotia	3,117,551	3,924,551	2,464,551	1,460,000
		Nunavut	75,000	109,433	184,433			Nunavut	109,433	151,433	87,433	64,000
		Ontario	7,640,000	11,629,304	19,279,304			Ontario	11,565,688	18,218,304	10,508,304	7,710,000
		Prince Edward Island	403,000	497,330	900,330			Prince Edward Island	497,330	509,330	313,330	196,000
		Yukon	155,000	110,621	265,621			Yukon	110,621	263,621	109,621	154,000
	201911 Total		30,428,000	31,965,034	62,393,034		201911 Total		31,921,418	45,791,034	23,058,034	22,733,000
	201912	Alberta	9,523,000	9,094,000	18,617,000		201912	Alberta	9,475,519	1,671,519	11,194,519	(9,523,000)
		New Brunswick	1,772,000	1,741,000	3,513,000			New Brunswick	2,636,054	1,380,054	3,152,054	(1,772,000)
		Newfoundland & Labrador	1,593,000	1,626,000	3,229,000			Newfoundland & Labrador	2,348,885	1,774,885	3,367,885	(1,593,000)
		Northwest Territories	261,000	255,000	516,000			Northwest Territories	299,039	210,039	471,039	(261,000)
		Nova Scotia	1,460,000	1,860,000	3,320,000			Nova Scotia	4,189,472	3,664,472	5,124,472	(1,460,000)
		Nunavut	64,000	53,000	117,000			Nunavut	56,911	(7,089)	56,911	(64,000)
		Ontario	7,710,000	6,309,000	14,219,000			Ontario	13,020,250	8,356,250	16,566,250	(7,710,000)
		Prince Edward Island	196,000	219,000	415,000			Prince Edward Island	430,894	439,894	633,894	(196,000)
		Yukon	154,000	154,000	308,000			Yukon	189,124	(7,876)	146,124	(154,000)
	201912 Total		22,733,000	21,521,000	44,254,000		201912 Total		32,646,148	17,982,148	40,715,148	(22,733,000)
	202001	Alberta	8,811,000	8,811,000	17,622,000		202001	Alberta	10,813,000			
		New Brunswick	2,077,000	2,198,000	4,275,000			New Brunswick	2,257,000			
		Newfoundland & Labrador	2,025,000	2,563,000	4,588,000			Newfoundland & Labrador	2,635,000			
		Northwest Territories	366,000	366,000	712,000			Northwest Territories	427,000			
		Nova Scotia	2,388,000	2,714,000	5,102,000			Nova Scotia	2,795,000			
		Nunavut	37,000	53,000	90,000			Nunavut	53,000			
		Ontario	9,357,000	11,289,000	20,646,000			Ontario	10,025,000			
		Prince Edward Island	337,000	389,000	726,000			Prince Edward Island	424,000			
		Yukon	105,000	105,000	210,000			Yukon	111,000			
	202001 Total		25,563,000	28,478,000	54,041,000		202001 Total		29,590,000			

↑ correct Nov 2019 projection  
↑ Nov 2019 projection loaded to FA portal  
↑

Additional controls have been added at FA to reduce the likelihood of a similar error occurring in the future.

**Management Comments**

As shown in the table at the top of the next page, the private passenger annualized vehicle counts increased by 35.6% overall in January 2020 relative to January 2019, resulting in counts that are almost double that of January 2018 on an all jurisdiction basis. The increases are across all jurisdictions except for Newfoundland & Labrador and Yukon. Nunavut, Ontario and Alberta all more than doubled in counts.

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*FARM Private Passenger Written Counts*

Business Segment PPV  
 Share Month 01 ytd to January 31

Jurisdiction	Share Year Values			2019			2018
	2020			Annualized Vehicle Count	Change from Prior	% Change from Prior	Annualized Vehicle Count
	Annualized Vehicle Count	Change from Prior	% Change from Prior				
ON	678	361	113.8%	317	164	106.5%	154
AB	368	195	112.5%	173	68	65.3%	105
NL	672	(18)	(2.7%)	691	110	19.0%	580
NB	609	121	24.8%	488	67	16.0%	421
NS	670	65	10.8%	604	322	114.5%	282
PE	129	38	41.2%	91	11	13.9%	80
YT	7	(2)	(25.7%)	9	0	4.6%	9
NT	272	129	89.4%	144	(7)	(4.5%)	151
NU	16	12	278.4%	4	2	142.8%	2
<b>Grand Total</b>	<b>3,421</b>	<b>899</b>	<b>35.6%</b>	<b>2,522</b>	<b>739</b>	<b>41.4%</b>	<b>1,783</b>

The release of unprocessed business from the Servicing Carriers (unprocessed business and its impact were briefly mentioned in our October 2019 FARM Participation Report bulletin) continues to have an impact on written premium. Based on the FARM January data, the released unprocessed businesses (new business and renewals) are concentrated in Alberta for a total of approximately 1,600 policies with a premium impact of approximately \$8.2 million. To better interpret the financial impact in comparison to the estimates previously provided, we reached out to the Servicing Carriers for an update on remaining unprocessed business, and have received feedback that the level is now at approximately \$5 million.

On a rolling 12-month basis to January (see table at the top of the next page), FARM vehicle counts are up 17.9% across all rating classes (up 29.5% for private passenger, 12.1% for non-private passenger). In particular, the non-private passenger increase in vehicle counts is mainly driven by the increases in commercial vehicles and interurban vehicles (long haul trucks). Rolling 12-month premium changes are much more significant than the changes in counts (private passenger up 51.0%, non-private passenger up 44.4%, for a total increase of 46.3%). The difference in the count and premium increases for non-private passenger reflects changes in mix by rating class and jurisdiction.

**Bulletin F2020-019**  
**FARM – January 2020 Participation Report**

*FARM Vehicle Counts and Written Premium – Rolling 12-months to January 2020*

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 01			% Change in Amount			Change in Amount			2019 rolling 12 to month 01		
		Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP
PPV	Private Passenger (x Farmers)	39,021	118,449,745	3,036	29.5%	51.0%	16.6%	8,883	39,981,768	432	30,138	78,467,977	2,604
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
<b>PPV Total</b>		<b>39,021</b>	<b>118,449,745</b>	<b>3,036</b>	<b>29.5%</b>	<b>51.0%</b>	<b>16.6%</b>	<b>8,883</b>	<b>39,981,768</b>	<b>432</b>	<b>30,138</b>	<b>78,467,977</b>	<b>2,604</b>
non-PPV	Private Passenger (x Farmers)	729	728,287	999	12.7%	42.3%	26.1%	82	216,348	207	647	511,939	792
	Commercial	18,097	94,840,590	5,241	41.8%	74.9%	23.3%	5,334	40,617,050	992	12,763	54,223,540	4,249
	Interurban	7,286	101,783,546	13,969	42.5%	45.9%	2.4%	2,172	32,033,470	331	5,114	69,750,076	13,638
	Public Bus	1,806	8,143,292	4,508	4.4%	9.5%	4.9%	76	704,041	209	1,730	7,439,251	4,299
	Private Bus & Misc Public	1,569	6,037,133	3,848	10.5%	21.5%	10.0%	149	1,069,824	349	1,420	4,967,309	3,499
	School Bus	1,159	1,890,288	1,631	6.8%	11.7%	4.6%	74	198,100	72	1,085	1,692,188	1,559
	Hotel & Country Club Bus	712	1,666,378	2,339	24.9%	25.7%	0.7%	142	340,646	16	571	1,325,732	2,323
	Taxi	4,880	24,693,205	5,060	6.1%	21.0%	14.0%	280	4,279,939	623	4,601	20,413,266	4,437
	Funeral	2	3,599	1,800	(60.0%)	(68.5%)	(21.3%)	(3)	(7,843)	(488)	5	11,442	2,288
	Ambulance	38	153,866	4,014	3.8%	9.7%	5.7%	1	13,601	215	37	140,265	3,799
	Motorcycle	18,016	12,285,787	682	(6.3%)	5.3%	12.4%	(1,212)	614,168	75	19,228	11,671,619	607
	All Terrain Vehicle	9,387	3,944,513	420	1.7%	8.1%	6.3%	158	295,857	25	9,230	3,648,656	395
	Snow Vehicle	3,863	1,663,727	431	(0.1%)	6.0%	6.2%	(2)	93,462	25	3,865	1,570,265	406
	Antique	5	7,825	1,565	(24.1%)	(6.2%)	23.5%	(2)	(514)	298	7	8,339	1,267
	Motor Home	323	856,634	2,656	30.2%	51.8%	16.6%	75	292,356	378	248	564,278	2,278
	Trailer Home	-	29,455	29,455	-	3,129.7%	3,129.7%	-	28,543	28,543	-	912	912
	Garage	-	9,335,971	9,335,971	-	20.2%	20.2%	-	1,568,908	1,568,908	-	7,767,063	7,767,063
	Non-Owned	-	400,921	400,921	-	52.3%	52.3%	-	137,708	137,708	-	263,213	263,213
	Drivers Policy	89	117,586	1,316	52.3%	58.4%	4.0%	31	43,358	51	59	74,228	1,265
<b>non-PPV Total</b>		<b>67,962</b>	<b>268,582,603</b>	<b>3,952</b>	<b>12.1%</b>	<b>44.4%</b>	<b>28.7%</b>	<b>7,354</b>	<b>82,539,022</b>	<b>882</b>	<b>60,608</b>	<b>186,043,581</b>	<b>3,070</b>
<b>TOTAL</b>		<b>106,983</b>	<b>387,032,348</b>	<b>3,618</b>	<b>17.9%</b>	<b>46.3%</b>	<b>24.1%</b>	<b>16,238</b>	<b>122,520,790</b>	<b>703</b>	<b>90,746</b>	<b>264,511,558</b>	<b>2,915</b>

Should you require any further information, please call Shawn Doherty, Senior Vice President Actuarial & CFO at (416) 644-4968.

Saskia Matheson  
 President & CEO

**Related link:**

[FARM January 2020 Participation Report – Actuarial Highlights](#)

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS BY MONTH**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$38,815	\$38,815	\$427,323	\$372,967
CHANGE IN UNEARNED PREMIUMS	(4,450)	(4,450)	(30,150)	(49,022)
<b>NET PREMIUMS EARNED</b>	<b>\$34,365</b>	<b>\$34,365</b>	<b>\$397,173</b>	<b>\$323,945</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	2,394	2,394	2,398	14,991
EFFECT OF DISCOUNTING	(773)	(773)	(7,501)	924
DISCOUNTED	1,621	1,621	(5,103)	15,915
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	20,592	20,592	261,237	214,321
EFFECT OF DISCOUNTING	1,488	1,488	14,852	11,261
DISCOUNTED	22,080	22,080	276,089	225,582
<b>CLAIMS INCURRED</b>	<b>\$23,701</b>	<b>\$23,701</b>	<b>\$270,986</b>	<b>\$241,497</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	3,980	3,980	44,077	38,519
AGENTS COMMISSIONS	3,082	3,082	32,997	28,514
DRIVER RECORD ABSTRACTS	286	286	5,321	3,532
BAD DEBTS	(3)	(3)	0	(148)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	(361)	(361)	(2,338)	(3,571)
EFFECT OF DISCOUNTING	2	2	289	(460)
DISCOUNTED	(359)	(359)	(2,049)	(4,031)
<b>UNDERWRITING EXPENSES</b>	<b>\$6,986</b>	<b>\$6,986</b>	<b>\$80,346</b>	<b>\$66,386</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$3,678</b>	<b>\$3,678</b>	<b>\$45,841</b>	<b>\$16,062</b>
ADMINISTRATIVE EXPENSES	398	398	10,844	6,286
PREMIUM FINANCE FEE	(13)	(13)	0	(130)
INVESTMENT INCOME	119	119	1,121	1,208
<b>OPERATING RESULTS</b>	<b>\$3,386</b>	<b>\$3,386</b>	<b>\$36,118</b>	<b>\$10,854</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	4.7%	4.7%	-1.3%	4.9%
Current Accident Year	64.3%	64.3%	69.5%	69.6%
All Accident Years Combined	69.0%	69.0%	68.2%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	21.5%	23.0%	22.4%
COMBINED OPERATING RATIO	90.5%	90.5%	91.2%	96.9%

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	Alberta	Ontario	NS	PEI	NB	NFLD & LAB	Yukon	NWT	Nunavut	Total	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>												
PREMIUMS WRITTEN	\$17,167	\$12,025	\$3,617	\$578	\$2,667	\$1,966	\$118	\$567	\$110	\$38,815	\$427,323	\$372,967
CHANGE IN UNEARNED PREMIUMS	(4,415)	(175)	(432)	(58)	(227)	899	58	(108)	8	(4,450)	(30,150)	(49,022)
<b>NET PREMIUMS EARNED</b>	<b>\$12,752</b>	<b>\$11,850</b>	<b>\$3,185</b>	<b>\$520</b>	<b>\$2,440</b>	<b>\$2,865</b>	<b>\$176</b>	<b>\$459</b>	<b>\$118</b>	<b>\$34,365</b>	<b>\$397,173</b>	<b>\$323,945</b>
<b>CLAIMS INCURRED</b>												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	1,900	237	101	14	38	23	3	64	14	2,394	2,398	14,991
EFFECT OF DISCOUNTING	(298)	(277)	(33)	(5)	(43)	(114)	0	(2)	(1)	(773)	(7,501)	924
DISCOUNTED	1,602	(40)	68	9	(5)	(91)	3	62	13	1,621	(5,103)	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	6,322	7,422	2,337	334	1,710	2,142	109	183	33	20,592	261,237	214,321
EFFECT OF DISCOUNTING	414	628	160	24	111	128	8	13	2	1,488	14,852	11,261
DISCOUNTED	6,736	8,050	2,497	358	1,821	2,270	117	196	35	22,080	276,089	225,582
<b>CLAIMS INCURRED</b>	<b>\$8,338</b>	<b>\$8,010</b>	<b>\$2,565</b>	<b>\$367</b>	<b>\$1,816</b>	<b>\$2,179</b>	<b>\$120</b>	<b>\$258</b>	<b>\$48</b>	<b>\$23,701</b>	<b>\$270,986</b>	<b>\$241,497</b>
<b>UNDERWRITING EXPENSES</b>												
OPERATING & SERVICE FEES	1,717	1,299	362	58	267	197	12	57	11	3,980	44,077	38,519
AGENTS COMMISSIONS	1,410	803	308	51	247	186	9	58	10	3,082	32,997	28,514
DRIVER RECORD ABSTRACTS	39	26	96	15	56	48	1	5	0	286	5,321	3,532
BAD DEBTS	1	0	0	0	0	(3)	0	(1)	0	(3)	0	(148)
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	(365)	(9)	(37)	(5)	(22)	83	5	(12)	1	(361)	(2,338)	(3,571)
EFFECT OF DISCOUNTING	0	0	2	0	0	0	0	0	0	2	289	(460)
DISCOUNTED	(365)	(9)	(35)	(5)	(22)	83	5	(12)	1	(359)	(2,049)	(4,031)
<b>UNDERWRITING EXPENSES</b>	<b>\$2,802</b>	<b>\$2,119</b>	<b>\$731</b>	<b>\$119</b>	<b>\$548</b>	<b>\$511</b>	<b>\$27</b>	<b>\$107</b>	<b>\$22</b>	<b>\$6,986</b>	<b>\$80,346</b>	<b>\$66,386</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$1,612</b>	<b>\$1,721</b>	<b>-\$111</b>	<b>\$34</b>	<b>\$76</b>	<b>\$175</b>	<b>\$29</b>	<b>\$94</b>	<b>\$48</b>	<b>\$3,678</b>	<b>\$45,841</b>	<b>\$16,062</b>
ADMINISTRATIVE EXPENSES	185	105	35	9	28	17	4	10	5	398	10,844	6,286
PREMIUM FINANCE FEE	(5)	(6)	(1)	0	0	(1)	0	0	0	(13)	0	(130)
INVESTMENT INCOME	32	44	13	2	11	14	1	1	1	119	1,121	1,208
<b>OPERATING RESULTS</b>	<b>\$1,454</b>	<b>\$1,654</b>	<b>-\$134</b>	<b>\$27</b>	<b>\$59</b>	<b>\$171</b>	<b>\$26</b>	<b>\$85</b>	<b>\$44</b>	<b>\$3,386</b>	<b>\$36,118</b>	<b>\$10,854</b>
<b>RATIOS:</b>												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	12.6%	-0.3%	2.1%	1.7%	-0.2%	-3.2%	1.7%	13.5%	11.0%	4.7%	-1.3%	4.9%
Current Accident Year	52.8%	67.9%	78.4%	68.8%	74.6%	79.2%	66.5%	42.7%	29.7%	64.3%	69.5%	69.6%
All Accident Years Combined	65.4%	67.6%	80.5%	70.5%	74.4%	76.0%	68.2%	56.2%	40.7%	69.0%	68.2%	74.5%
Underwriting & Admin Exp.(Earned)	23.4%	18.8%	24.1%	24.6%	23.6%	18.4%	17.6%	25.5%	22.9%	21.5%	23.0%	22.4%
COMBINED OPERATING RATIO	88.8%	86.4%	104.6%	95.1%	98.0%	94.4%	85.8%	81.7%	63.6%	90.5%	91.2%	96.9%

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - ALBERTA**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$17,167	\$17,167	\$137,222	\$114,601
CHANGE IN UNEARNED PREMIUMS	(4,415)	(4,415)	(12,066)	(8,283)
<b>NET PREMIUMS EARNED</b>	<b>\$12,752</b>	<b>\$12,752</b>	<b>\$125,156</b>	<b>\$106,318</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	1,900	1,900	1,904	10,587
EFFECT OF DISCOUNTING	(298)	(298)	(2,253)	873
DISCOUNTED	1,602	1,602	(349)	11,460
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	6,322	6,322	78,996	68,811
EFFECT OF DISCOUNTING	414	414	3,573	2,997
DISCOUNTED	6,736	6,736	82,569	71,808
<b>CLAIMS INCURRED</b>	<b>\$8,338</b>	<b>\$8,338</b>	<b>\$82,220</b>	<b>\$83,268</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES				
OPERATING & SERVICE FEES	1,717	1,717	13,720	11,461
AGENTS COMMISSIONS	1,410	1,410	11,220	8,936
DRIVER RECORD ABSTRACTS	39	39	1,509	798
BAD DEBTS	1	1		(69)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	(365)	(365)	(989)	(484)
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	(365)	(365)	(989)	(484)
<b>UNDERWRITING EXPENSES</b>	<b>\$2,802</b>	<b>\$2,802</b>	<b>\$25,460</b>	<b>\$20,642</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$1,612</b>	<b>\$1,612</b>	<b>\$17,476</b>	<b>\$2,408</b>
ADMINISTRATIVE EXPENSES				
ADMINISTRATIVE EXPENSES	185	185	3,379	1,771
PREMIUM FINANCE FEE	(5)	(5)	0	(36)
INVESTMENT INCOME	32	32	326	353
<b>OPERATING RESULTS</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>\$14,423</b>	<b>\$954</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$1,454</b>	<b>\$1,454</b>	<b>\$1,202</b>	<b>\$80</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	12.6%	12.6%	-0.3%	10.8%
Current Accident Year	52.8%	52.8%	66.0%	67.5%
All Accident Years Combined	65.4%	65.4%	65.7%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	23.4%	23.0%	21.1%
<b>COMBINED OPERATING RATIO</b>	<b>88.8%</b>	<b>88.8%</b>	<b>88.7%</b>	<b>99.4%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - ONTARIO**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
*Source: Monthly (Accident Year) Member Participation Report as at 01/2020*  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$12,025	\$12,025	\$166,840	\$146,703
CHANGE IN UNEARNED PREMIUMS	(175)	(175)	(11,267)	(28,619)
<b>NET PREMIUMS EARNED</b>	<b>\$11,850</b>	<b>\$11,850</b>	<b>\$155,573</b>	<b>\$118,084</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	237	237	238	4,386
EFFECT OF DISCOUNTING	(277)	(277)	(2,572)	667
DISCOUNTED	(40)	(40)	(2,334)	5,053
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	7,422	7,422	97,830	68,258
EFFECT OF DISCOUNTING	628	628	6,958	4,395
DISCOUNTED	8,050	8,050	104,788	72,653
<b>CLAIMS INCURRED</b>	<b>\$8,010</b>	<b>\$8,010</b>	<b>\$102,454</b>	<b>\$77,706</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	1,299	1,299	18,019	15,842
AGENTS COMMISSIONS	803	803	10,291	9,196
DRIVER RECORD ABSTRACTS	26	26	833	345
BAD DEBTS	0	0	0	(86)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	(9)	(9)	(694)	(1,724)
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	(9)	(9)	(694)	(1,724)
<b>UNDERWRITING EXPENSES</b>	<b>\$2,119</b>	<b>\$2,119</b>	<b>\$28,449</b>	<b>\$23,573</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$1,721</b>	<b>\$1,721</b>	<b>\$24,670</b>	<b>\$16,805</b>
ADMINISTRATIVE EXPENSES	105	105	4,300	2,347
PREMIUM FINANCE FEE	(6)	(6)	0	(61)
INVESTMENT INCOME	44	44	402	441
<b>OPERATING RESULTS</b>	<b>\$1,654</b>	<b>\$1,654</b>	<b>\$20,772</b>	<b>\$14,838</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$1,654</b>	<b>\$1,654</b>	<b>\$1,731</b>	<b>\$1,237</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	-0.3%	-0.3%	-1.5%	4.3%
Current Accident Year	67.9%	67.9%	67.4%	61.5%
All Accident Years Combined	67.6%	67.6%	65.9%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	18.8%	21.1%	22.0%
COMBINED OPERATING RATIO	86.4%	86.4%	87.0%	87.8%

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020  
FACILITY ASSOCIATION RESIDUAL MARKET - NOVA SCOTIA  
Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)  
Source: Monthly (Accident Year) Member Participation Report as at 01/2020  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$3,617	\$3,617	\$41,057	\$35,559
CHANGE IN UNEARNED PREMIUMS	(432)	(432)	(3,015)	(6,000)
<b>NET PREMIUMS EARNED</b>	<b>\$3,185</b>	<b>\$3,185</b>	<b>\$38,042</b>	<b>\$29,559</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	101	101	101	(907)
EFFECT OF DISCOUNTING	(33)	(33)	(636)	(165)
DISCOUNTED	68	68	(535)	(1,072)
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	2,337	2,337	29,070	23,331
EFFECT OF DISCOUNTING	160	160	1,493	1,211
DISCOUNTED	2,497	2,497	30,563	24,542
<b>CLAIMS INCURRED</b>	<b>\$2,565</b>	<b>\$2,565</b>	<b>\$30,028</b>	<b>\$23,470</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	362	362	4,109	3,555
AGENTS COMMISSIONS	308	308	3,764	3,226
DRIVER RECORD ABSTRACTS	96	96	1,727	951
BAD DEBTS	0	0	0	(29)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	(37)	(37)	(289)	(790)
EFFECT OF DISCOUNTING	2	2	289	(187)
DISCOUNTED	(35)	(35)	0	(977)
<b>UNDERWRITING EXPENSES</b>	<b>\$731</b>	<b>\$731</b>	<b>\$9,600</b>	<b>\$6,726</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>-\$111</b>	<b>-\$111</b>	<b>-\$1,586</b>	<b>-\$637</b>
ADMINISTRATIVE EXPENSES	35	35	1,049	623
PREMIUM FINANCE FEE	(1)	(1)	0	(12)
INVESTMENT INCOME	13	13	128	106
<b>OPERATING RESULTS</b>	<b>-\$134</b>	<b>-\$134</b>	<b>-\$2,507</b>	<b>-\$1,166</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>-\$134</b>	<b>-\$134</b>	<b>-\$209</b>	<b>-\$97</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	2.1%	2.1%	-1.4%	-3.6%
Current Accident Year	78.4%	78.4%	80.3%	83.0%
All Accident Years Combined	80.5%	80.5%	78.9%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.1%	28.0%	24.9%
COMBINED OPERATING RATIO	104.6%	104.6%	106.9%	104.3%

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - PRINCE EDWARD ISLAND**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$578	\$578	\$6,362	\$5,865
CHANGE IN UNEARNED PREMIUMS	(58)	(58)	(346)	(650)
<b>NET PREMIUMS EARNED</b>	<b>\$520</b>	<b>\$520</b>	<b>\$6,016</b>	<b>\$5,215</b>
<b>CLAIMS INCURRED</b>				
<b>PRIOR ACCIDENT YEARS</b>				
UNDISCOUNTED	14	14	15	381
EFFECT OF DISCOUNTING	(5)	(5)	(150)	(53)
DISCOUNTED	9	9	(135)	328
<b>CURRENT ACCIDENT YEAR</b>				
UNDISCOUNTED	334	334	3,965	3,685
EFFECT OF DISCOUNTING	24	24	252	215
DISCOUNTED	358	358	4,217	3,900
<b>CLAIMS INCURRED</b>	<b>\$367</b>	<b>\$367</b>	<b>\$4,082</b>	<b>\$4,228</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	58	58	639	585
AGENTS COMMISSIONS	51	51	590	545
DRIVER RECORD ABSTRACTS	15	15	222	242
BAD DEBTS	0	0	0	41
<b>PREMIUM DEFICIENCY/(DPAC)</b>				
UNDISCOUNTED	(5)	(5)	(31)	(60)
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	(5)	(5)	(31)	(60)
<b>UNDERWRITING EXPENSES</b>	<b>\$119</b>	<b>\$119</b>	<b>\$1,420</b>	<b>\$1,353</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$34</b>	<b>\$34</b>	<b>\$514</b>	<b>-\$366</b>
ADMINISTRATIVE EXPENSES	9	9	163	171
PREMIUM FINANCE FEE	0	0	0	0
INVESTMENT INCOME	2	2	25	27
<b>OPERATING RESULTS</b>	<b>\$27</b>	<b>\$27</b>	<b>\$376</b>	<b>-\$510</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$27</b>	<b>\$27</b>	<b>\$31</b>	<b>-\$43</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	1.7%	1.7%	-2.2%	6.3%
Current Accident Year	68.8%	68.8%	70.1%	74.8%
All Accident Years Combined	70.5%	70.5%	67.9%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	24.6%	26.3%	29.2%
<b>COMBINED OPERATING RATIO</b>	<b>95.1%</b>	<b>95.1%</b>	<b>94.2%</b>	<b>110.3%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - NEW BRUNSWICK**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$2,667	\$2,667	\$32,202	\$28,610
CHANGE IN UNEARNED PREMIUMS	(227)	(227)	(2,314)	(2,307)
<b>NET PREMIUMS EARNED</b>	<b>\$2,440</b>	<b>\$2,440</b>	<b>\$29,888</b>	<b>\$26,303</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	38	38	38	(2,973)
EFFECT OF DISCOUNTING	(43)	(43)	(568)	(422)
DISCOUNTED	(5)	(5)	(530)	(3,395)
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	1,710	1,710	21,153	20,134
EFFECT OF DISCOUNTING	111	111	1,008	932
DISCOUNTED	1,821	1,821	22,161	21,066
<b>CLAIMS INCURRED</b>	<b>\$1,816</b>	<b>\$1,816</b>	<b>\$21,631</b>	<b>\$17,671</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	267	267	3,222	2,881
AGENTS COMMISSIONS	247	247	3,023	2,671
DRIVER RECORD ABSTRACTS	56	56	520	575
BAD DEBTS	0	0	0	(23)
UNDISCOUNTED	(22)	(22)	(226)	(213)
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	(22)	(22)	(226)	(213)
<b>UNDERWRITING EXPENSES</b>	<b>\$548</b>	<b>\$548</b>	<b>\$6,539</b>	<b>\$5,891</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$76</b>	<b>\$76</b>	<b>\$1,718</b>	<b>\$2,741</b>
ADMINISTRATIVE EXPENSES	28	28	821	512
PREMIUM FINANCE FEE	0	0	0	(9)
INVESTMENT INCOME	11	11	103	103
<b>OPERATING RESULTS</b>	<b>\$59</b>	<b>\$59</b>	<b>\$1,000</b>	<b>\$2,323</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$59</b>	<b>\$59</b>	<b>\$83</b>	<b>\$194</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	-0.2%	-0.2%	-1.8%	-12.9%
Current Accident Year	74.6%	74.6%	74.1%	80.1%
All Accident Years Combined	74.4%	74.4%	72.3%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	23.6%	24.6%	24.3%
<b>COMBINED OPERATING RATIO</b>	<b>98.0%</b>	<b>98.0%</b>	<b>96.9%</b>	<b>91.5%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - NEWFOUNDLAND & LABRADOR**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$1,966	\$1,966	\$36,105	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	899	(997)	(3,235)
<b>NET PREMIUMS EARNED</b>	<b>\$2,865</b>	<b>\$2,865</b>	<b>\$35,108</b>	<b>\$31,298</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	23	23	23	4,426
EFFECT OF DISCOUNTING	(114)	(114)	(1,223)	3
DISCOUNTED	(91)	(91)	(1,200)	4,429
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	2,142	2,142	26,368	25,969
EFFECT OF DISCOUNTING	128	128	1,367	1,297
DISCOUNTED	2,270	2,270	27,735	27,266
<b>CLAIMS INCURRED</b>	<b>\$2,179</b>	<b>\$2,179</b>	<b>\$26,535</b>	<b>\$31,695</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	197	197	3,610	3,484
AGENTS COMMISSIONS	186	186	3,402	3,279
DRIVER RECORD ABSTRACTS	48	48	398	533
BAD DEBTS	(3)	(3)	0	54
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	83	83	(96)	(310)
EFFECT OF DISCOUNTING	0	0	0	(273)
DISCOUNTED	83	83	(96)	(583)
<b>UNDERWRITING EXPENSES</b>	<b>\$511</b>	<b>\$511</b>	<b>\$7,314</b>	<b>\$6,767</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$175</b>	<b>\$175</b>	<b>\$1,259</b>	<b>-\$7,164</b>
ADMINISTRATIVE EXPENSES	17	17	950	604
PREMIUM FINANCE FEE	(1)	(1)	0	(12)
INVESTMENT INCOME	14	14	114	151
<b>OPERATING RESULTS</b>	<b>\$171</b>	<b>\$171</b>	<b>\$423</b>	<b>-\$7,629</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$171</b>	<b>\$171</b>	<b>\$35</b>	<b>-\$636</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	-3.2%	-3.2%	-3.4%	14.2%
Current Accident Year	79.2%	79.2%	79.0%	87.1%
All Accident Years Combined	76.0%	76.0%	75.6%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	18.4%	23.5%	23.6%
<b>COMBINED OPERATING RATIO</b>	<b>94.4%</b>	<b>94.4%</b>	<b>99.1%</b>	<b>124.9%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - YUKON**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$118	\$118	\$2,091	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	58	(90)	(79)
<b>NET PREMIUMS EARNED</b>	<b>\$176</b>	<b>\$176</b>	<b>\$2,001</b>	<b>\$1,972</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	3	3	2	247
EFFECT OF DISCOUNTING	0	0	(32)	36
DISCOUNTED	3	3	(30)	283
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	109	109	1,301	1,177
EFFECT OF DISCOUNTING	8	8	75	68
DISCOUNTED	117	117	1,376	1,245
<b>CLAIMS INCURRED</b>	<b>\$120</b>	<b>\$120</b>	<b>\$1,346</b>	<b>\$1,528</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	12	12	210	205
AGENTS COMMISSIONS	9	9	183	182
DRIVER RECORD ABSTRACTS	1	1	30	17
BAD DEBTS	0	0	0	(22)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	5	5	(9)	(6)
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	5	5	(9)	(6)
<b>UNDERWRITING EXPENSES</b>	<b>\$27</b>	<b>\$27</b>	<b>\$414</b>	<b>\$376</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$29</b>	<b>\$29</b>	<b>\$241</b>	<b>\$68</b>
ADMINISTRATIVE EXPENSES	4	4	54	82
PREMIUM FINANCE FEE	0	0	0	0
INVESTMENT INCOME	1	1	8	8
<b>OPERATING RESULTS</b>	<b>\$26</b>	<b>\$26</b>	<b>\$195</b>	<b>-\$6</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$26</b>	<b>\$26</b>	<b>\$16</b>	<b>-\$1</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	1.7%	1.7%	-1.5%	14.4%
Current Accident Year	66.5%	66.5%	68.8%	63.1%
All Accident Years Combined	68.2%	68.2%	67.3%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	17.6%	23.4%	23.2%
<b>COMBINED OPERATING RATIO</b>	<b>85.8%</b>	<b>85.8%</b>	<b>90.7%</b>	<b>100.7%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - NWT**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 01/2020**  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$567	\$567	\$4,377	\$4,052
CHANGE IN UNEARNED PREMIUMS	(108)	(108)	(9)	140
<b>NET PREMIUMS EARNED</b>	<b>\$459</b>	<b>\$459</b>	<b>\$4,368</b>	<b>\$4,192</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	64	64	63	(1,041)
EFFECT OF DISCOUNTING	(2)	(2)	(51)	(21)
DISCOUNTED	62	62	12	(1,062)
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	183	183	2,148	2,550
EFFECT OF DISCOUNTING	13	13	104	124
DISCOUNTED	196	196	2,252	2,674
<b>CLAIMS INCURRED</b>	<b>\$258</b>	<b>\$258</b>	<b>\$2,264</b>	<b>\$1,612</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	57	57	441	406
AGENTS COMMISSIONS	58	58	434	395
DRIVER RECORD ABSTRACTS	5	5	71	65
BAD DEBTS	(1)	(1)	0	(15)
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	(12)	(12)	0	15
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	(12)	(12)	0	15
<b>UNDERWRITING EXPENSES</b>	<b>\$107</b>	<b>\$107</b>	<b>\$946</b>	<b>\$866</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$94</b>	<b>\$94</b>	<b>\$1,158</b>	<b>\$1,714</b>
ADMINISTRATIVE EXPENSES	10	10	105	110
PREMIUM FINANCE FEE	0	0	0	0
INVESTMENT INCOME	1	1	12	15
<b>OPERATING RESULTS</b>	<b>\$85</b>	<b>\$85</b>	<b>\$1,065</b>	<b>\$1,619</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$85</b>	<b>\$85</b>	<b>\$89</b>	<b>\$135</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	13.5%	13.5%	0.3%	-25.3%
Current Accident Year	42.7%	42.7%	51.6%	63.8%
All Accident Years Combined	56.2%	56.2%	51.9%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	25.5%	24.1%	23.3%
<b>COMBINED OPERATING RATIO</b>	<b>81.7%</b>	<b>81.7%</b>	<b>76.0%</b>	<b>61.8%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply

of their

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2020**  
**FACILITY ASSOCIATION RESIDUAL MARKET - NUNAVUT**  
**Operating Results for the 1 month ended January 31, 2020 (Discounted Basis)**  
*Source: Monthly (Accident Year) Member Participation Report as at 01/2020*  
(thousands of dollars)

	January	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>				
PREMIUMS WRITTEN	\$110	\$110	\$1,067	\$993
CHANGE IN UNEARNED PREMIUMS	8	8	(46)	11
<b>NET PREMIUMS EARNED</b>	<b>\$118</b>	<b>\$118</b>	<b>\$1,021</b>	<b>\$1,004</b>
<b>CLAIMS INCURRED</b>				
PRIOR ACCIDENT YEARS				
UNDISCOUNTED	14	14	14	(115)
EFFECT OF DISCOUNTING	(1)	(1)	(16)	6
DISCOUNTED	13	13	(2)	(109)
CURRENT ACCIDENT YEAR				
UNDISCOUNTED	33	33	406	406
EFFECT OF DISCOUNTING	2	2	22	22
DISCOUNTED	35	35	428	428
<b>CLAIMS INCURRED</b>	<b>\$48</b>	<b>\$48</b>	<b>\$426</b>	<b>\$319</b>
<b>UNDERWRITING EXPENSES</b>				
OPERATING & SERVICE FEES	11	11	107	100
AGENTS COMMISSIONS	10	10	90	84
DRIVER RECORD ABSTRACTS	0	0	11	6
BAD DEBTS	0	0	0	1
PREMIUM DEFICIENCY/(DPAC)				
UNDISCOUNTED	1	1	(4)	1
EFFECT OF DISCOUNTING	0	0	0	0
DISCOUNTED	1	1	(4)	1
<b>UNDERWRITING EXPENSES</b>	<b>\$22</b>	<b>\$22</b>	<b>\$204</b>	<b>\$192</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$48</b>	<b>\$48</b>	<b>\$391</b>	<b>\$493</b>
ADMINISTRATIVE EXPENSES	5	5	23	66
PREMIUM FINANCE FEE	0	0	0	0
INVESTMENT INCOME	1	1	3	4
<b>OPERATING RESULTS</b>	<b>\$44</b>	<b>\$44</b>	<b>\$371</b>	<b>\$431</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$44</b>	<b>\$44</b>	<b>\$31</b>	<b>\$36</b>
<b>RATIOS:</b>				
Claims & Adj Expenses Incurred (Earned)				
Prior Accident Years	11.0%	11.0%	-0.2%	-10.9%
Current Accident Year	29.7%	29.7%	41.9%	42.6%
All Accident Years Combined	40.7%	40.7%	41.7%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	22.9%	22.2%	25.7%
<b>COMBINED OPERATING RATIO</b>	<b>63.6%</b>	<b>63.6%</b>	<b>63.9%</b>	<b>57.4%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding Difference may apply