



TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F2020 – 051

DATE: JULY 30, 2020

SUBJECT: FARM – MAY 2020 PARTICIPATION REPORT

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

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

Key Points

- (a) The updated valuation loss ratios include an initial assessment of the incurred impacts associated with the COVID-19 pandemic;
- (b) This month's results include the *implementation of the 2020 Q1 valuation*, resulting in an estimated **\$16 million unfavourable impact** on the operating result; *May 2020 had a net operating deficit* of \$13.0 million, with a COR of 143.6% on earned premium of \$29.7 million
- (c) *May 2020's premium projections have been adjusted* to reflect COVID-19 pandemic impacts; this includes a 20% decrease in **written counts** for the next month (June 2020) and a 5% decrease in written counts for the rest of the 2020 calendar year, following from discussion with FA's underwriting team and Servicing Carriers and being consistent with the adjustment introduced with last month's (April 2020) premium projections.
- (d) The *projected 2020 year-end net operating surplus is now \$32.1 million*, with a COR at 91.7% on earned premium of \$378 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);
- (e) The May 2020 Participation Report reflects the effect of a redistribution of Member Funds with an aggregate adjustment of \$0; and
- (f) We are investigating an issue of linked spreadsheets in the Claim Development Margins selected for NB PPV. At this time our assessment is the error is minor but a full investigation is being undertaken and any adjustments will be made to the June 2020 Participation Report.

New This Month

Redistribution of Member Funds

The May 2020 Participation Report reflects the effect of a redistribution of Member Funds. *Note: All balances due to/from Facility Association, and receivable and payable dates are shown on page 21 of*

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the Participation Report. Please see the “Redistribution of Member Funds” section on page 10 of this bulletin for more details.

Valuation

An actuarial valuation as at March 31, 2020 has been completed since last month’s Participation Report for the FARM private passenger and non-private passenger business segments for all jurisdictions and the results of that valuation have been incorporated into this month’s Participation Report. The valuation was completed by the Facility Association’s internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation resulted in an estimated overall **\$15.9 million unfavorable** impact on the month’s net result from operations, adding an estimated 10.2 points to the year-to-date Combined Operating Ratio (ending at 98.4%). The impact on the month’s results is summarized in the tables below¹.

2020 Q1 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)						ytd EP 156,714 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns		dsct rate		margins		ultimates & payout patterns		dsct rate		margins	
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	6,020	581	6,601	9,751	-	16,352	3.8%	0.4%	4.2%	6.2%	-	10.4%
CAY	(2,157)	(230)	(2,387)	1,947	-	(440)	(1.4%)	(0.1%)	(1.5%)	1.2%	-	(0.3%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,863	351	4,214	11,698	-	15,912	2.5%	0.2%	2.7%	7.5%	-	10.2%

Please see “Effect of Quarterly Valuation” on page 6 for additional detail.

Summary of Financial Results

The calendar year-to-date Operating Result is \$2.7 million and the incurred loss ratio to the end of 5 months is 77.7%, as summarized in the following table.

¹In the tables, “ults & payout patterns” refers to the impacts associated with changes in selected ultimates and updated cash flows of claims payments; “dsct rate” refers to the impact of changes in the selected discount rate applied to projected cash flows; and “apv adj.” refers to “actuarial present value adjustments”.

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

Amounts in \$000s	May 2020	May 2019	Year to date May 2020	Year to Date May 2019
Premium Written	38,359	38,475	157,942	136,625
Premium Earned	29,736	25,862	156,714	115,599
Incurred Losses	35,338	35,254	121,792	98,453
Underwriting & Admin Expense	7,366	6,960	32,188	25,794
Net Result from Operations	(12,968)	(16,352)	2,734	(8,648)
<i>Ratios:</i>				
Loss ratio - Prior Accident Years	53.2%	64.6%	12.4%	15.6%
- Current Accident Year	65.6%	71.7%	65.3%	69.5%
<i>Total</i>	118.8%	136.3%	77.7%	85.1%
<i>Underwriting & Admin Expense</i>	24.8%	27.1%	20.7%	22.6%
<i>Combined Operating Ratio</i>	143.6%	163.4%	98.4%	107.7%

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: May’s projections include the following **adjustments to reflect COVID-19 pandemic impacts**:

- A 20% decrease in **written counts** for the next month (June 2020) and a 5% decrease in written counts for the rest of the 2020 calendar year, following from discussion with FA’s underwriting team and Servicing Carriers and being consistent with the adjustment introduced with last month’s (April 2020) premium projections.
- Updated claims assumptions are derived from the current valuation, as at March 31, 2020, and include an assessment of, and adjustments related to, the COVID-19 pandemic impact. May’s **reported claims** projections include an additional 10% decrease in Current Accident Year reported claims activity - reducing the projected reported activity over the next 2 months and spreading over the remainder of the year, reflecting a shift in Current Accident Year claims reporting and emergence patterns due to the COVID-19 pandemic.

The projected calendar year Net Result from Operations to May 2020 is \$32.1 million and the estimated combined operating ratio to May 2020 is 91.7% as indicated in the following table.

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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)

FARM 2020 Year-end Projection	Current	Prior Mth	Change	Final 2020
Amounts in \$000s	(May 2020)	(Apr 2020)		Outlook*
Premium Written	395,421	393,570	1,850	350,613
Premium Earned	377,771	377,762	10	341,552
Incurred Losses	262,831	249,087	13,744	233,103
Underwriting & Admin Expense	82,830	82,575	256	74,721
Net Result from Operations	32,111	46,100	(13,990)	33,728
Ratios:				
Loss ratio - Prior Accident Years	3.5%	(0.3%)	3.8%	(1.7%)
- Current Accident Year	66.0%	66.3%	(0.3%)	69.9%
<i>Total</i>	69.6%	65.9%	3.7%	68.2%
Underwriting & Admin Expense	22.1%	22.0%	0.1%	22.3%
Combined Operating Ratio	91.7%	87.9%	3.8%	90.5%

rounding differences may occur

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

This updated projection to the end of the year has deteriorated by \$14.0 million from the projection provided last month (see second last column in the preceding table), mainly due to the overall \$13.4 million unfavourable impact of the valuation as at March 31, 2020, as summarized in the following table (see more information under “Effect of Quarterly Valuation” on page 6). Remaining differences were driven by changes in projected premium volumes by jurisdiction and business segment, and the associated impacts on earned premium, claims, and expense projections.

2020 Q1 FARM Valuation Implementation Impact (\$000s) – Impact on Year-end Projected Results

Grand Total	unfav / (fav) projected for full year						year EP 377,771 (current projection)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ultimates & payout patterns		dsct rate	margins		TOTAL	ultimates & payout patterns		dsct rate	margins		TOTAL
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYS	6,020	404	6,424	8,205	-	14,629	1.6%	0.1%	1.7%	2.2%	-	3.9%
CAY	(5,239)	(270)	(5,509)	4,263	-	(1,246)	(1.4%)	(0.1%)	(1.5%)	1.1%	-	(0.3%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	781	134	915	12,468	-	13,383	0.2%	-	0.2%	3.3%	-	3.5%

Current Month Results

The Net Results from Operations in the month of May 2020 was -\$13.0 million, up \$3.4 million from the same month last year. This improvement is composed of an approximately \$5.9 million favourable impact associated with the overall decrease in the combined ratio (from 163.4% to 143.6% applied to \$29.7 million in earned premium), offset by a \$2.5 million unfavourable impact stemming from the \$3.9 million increase in earned premium (at a prior combined ratio of 163.4%).

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This month’s results moved the year-to-date combined operating ratio from 87.9% at the end of 4 months to 98.4% at the end of 5 months. The 10.5 percentage point increase is composed of a 9.5 percentage point increase in the Prior Accident Years loss ratio, coupled with a 0.1 percentage point increase in the Current Accident Year loss ratio, and a 0.9 percentage point increase in the expense ratio.

Variances from Projections

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

FARM Summary of Actual vs Projected variances

May 2020	Actual	Projection	Difference	Difference %
Premium Written	38,359	37,209	1,150	3.1%
Premium Earned	29,736	30,674	(938)	(3.1%)
Reported Losses				
Paid Losses	14,407	15,813	(1,406)	(8.9%)
Change in Outstanding Losses	(61)	3,888	(3,949)	(101.6%)
Total Reported Losses	14,346	19,701	(5,355)	(27.2%)
Change in IBNR*	19,673	794	18,879	
Change in Premium Deficiency (DPAC)*	(641)	(493)	(148)	
Change in Retro Claims Expense*	1,319	(581)	1,900	

(Amounts in \$000's)

rounding differences may occur

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

For the month of May, recorded indemnity amounts were \$4.6 million lower than projected (*allowed claims expenses are included in the table immediately above as part of reported losses, explaining why the variance in Total Reported Losses in the table shows \$5.4 million*). The Current Accident Year had a \$1.1 million favourable variance in recorded indemnity, and the Prior Accident Years had a favourable variance of \$3.5 million. Of all the Prior Accident Years, 2019 had the largest variance of \$4.2 million favourable; 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).

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Effect of Quarterly Valuation

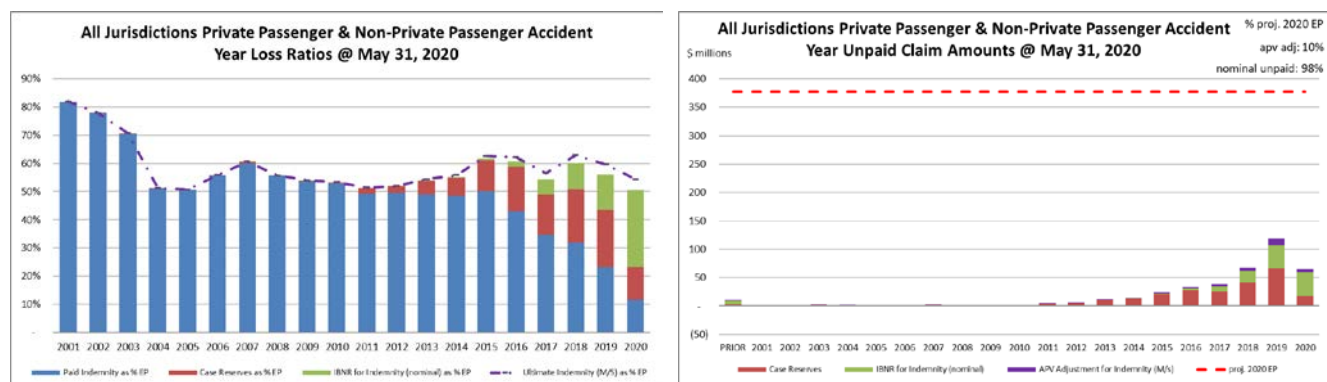
The May 2020 Participation Report reflects the results of an updated valuation as at March 31, 2020, with the associated impacts in relation to the results for May 2020 summarized in the following table.

2020 Q1 FARM Valuation Implementation Impact (\$000s) – Impact on Month’s Results

Grand Total	unfav / (fav)					TOTAL	year EP 377,771 (current projection)					TOTAL		
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:							
	ultimates & payout patterns			dsct rate	margins		ultimates & payout patterns			dsct rate	margins			
	nominal	apv adj.	sub-tot	apv adj.	apv adj.			nominal	apv adj.	sub-tot	apv adj.		apv adj.	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]			
PAYS	6,020	581	6,601	9,751	-	16,352	1.6%	0.1%	1.7%	2.2%	-	3.9%		
CAY	(2,157)	(230)	(2,387)	1,947	-	(440)	(1.4%)	(0.1%)	(1.5%)	1.1%	-	(0.3%)		
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-		
TOTAL	3,863	351	4,214	11,698	-	15,912	0.2%	-	0.2%	3.3%	-	3.5%		

The following charts summarize the current view of the historical loss ratios (indemnity-only on a nominal basis) and the associated claims liabilities.

FARM Indemnity Only Accident Year Ultimate Loss Ratios and Claims Liabilities (% EP)



The valuation included all jurisdictions and business segments and resulted in updated policy liability cash flow estimates for all jurisdictions that, when applied to the updated risk free yield curve, resulted in a decrease in the selected discount rate from 1.64% to 0.66%. The investment return margin for adverse deviation was left unchanged at 25 basis points, and the selected claims development margins² were also left unchanged (per usual practice, investment income margins and claims development margins are reviewed and updated annually with the June 30 valuation).

COVID-19 impact

The current valuation includes a nominal \$7.0 million favourable AY2020 adjustment related to the COVID-19 pandemic impact. This adjustment reflects a 30% reduction in a priori loss ratios for short-tailed physical damage coverages over the mid-March to end-of-June period. Given the uncertainties associated with the current FARM reporting environment, this adjustment will be revisited with the 2020 Q2 valuation.

The **valuation summary** (in relation to **indemnity only**) is provided in the following table. (Please note that in reference to columns [7] to [9] in that table, the estimated impacts are in relation to a full year estimated earned premium, and are not “year-to-date”.)

²Claims development margins are selected by jurisdiction, business segment, coverage, and accident half-year.

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2020 Q1 Valuation Summary (Indemnity Only)

Valuation Summary (Nominal Basis)

unfavourable / (favourable)

Jurisdiction	2019 & Prior Beginning Indemnity Unpaid (000s)	2019 & Prior Accident Year Indemnity Change (000s)	% of Beginning Unpaid	2020 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2020 Earned Prem (000s)	2021 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2021 Proj Earned Prem (000s)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Ontario	110,808	3,369	3.0%	39.8%	(2.3%)	(3,820)	41.3%	(0.6%)	(1,123)
PPV	39,891	1,588	4.0%	51.0%	(0.9%)	(402)	55.6%	1.7%	795
Non-PPV	70,917	1,781	2.5%	35.6%	(2.9%)	(3,418)	36.1%	(1.5%)	(1,918)
Alberta	106,146	4,497	4.2%	56.0%	0.2%	270	57.2%	2.0%	2,715
PPV	10,671	824	7.7%	43.7%	0.4%	41	45.3%	2.6%	303
Non-PPV	95,475	3,673	3.8%	57.1%	0.2%	229	58.3%	1.9%	2,412
Newfoundland & Labrador	50,886	1,323	2.6%	63.0%	(1.6%)	(567)	64.8%	0.8%	281
PPV	38,289	732	1.9%	64.2%	(1.8%)	(462)	66.0%	0.5%	134
Non-PPV	12,597	591	4.7%	59.9%	(1.1%)	(105)	61.5%	1.5%	147
New Brunswick	35,263	(277)	(0.8%)	57.7%	0.2%	72	56.1%	0.6%	195
PPV	20,957	156	0.7%	57.9%	(2.6%)	(434)	56.7%	(0.2%)	(38)
Non-PPV	14,306	(433)	(3.0%)	57.5%	3.7%	506	55.4%	1.6%	232
Nova Scotia	29,609	(1,303)	(4.4%)	55.4%	(3.6%)	(1,466)	57.5%	(2.1%)	(946)
PPV	13,576	(1,226)	(9.0%)	56.1%	(4.4%)	(917)	58.2%	(2.3%)	(547)
Non-PPV	16,033	(77)	(0.5%)	54.7%	(2.8%)	(549)	56.6%	(1.9%)	(399)
Prince Edward Island	7,860	94	1.2%	53.3%	0.3%	17	52.9%	0.4%	23
PPV	3,973	155	3.9%	46.7%	1.3%	40	46.1%	0.7%	23
Non-PPV	3,887	(61)	(1.6%)	60.2%	(0.8%)	(23)	60.0%	0.0%	-
Yukon Territory	2,436	(134)	(5.5%)	49.8%	(2.7%)	(54)	52.4%	(1.8%)	(37)
PPV	1,339	(127)	(9.5%)	60.7%	(1.3%)	(5)	51.1%	(12.8%)	(50)
Non-PPV	1,097	(7)	(0.6%)	47.4%	(3.0%)	(50)	52.7%	0.8%	14
Northwest Territories	3,488	(81)	(2.3%)	44.0%	3.2%	138	42.3%	0.2%	11
PPV	1,783	(7)	(0.4%)	46.3%	1.7%	46	45.0%	(0.6%)	(17)
Non-PPV	1,705	(74)	(4.3%)	40.2%	5.6%	92	37.8%	1.7%	28
Nunavut	1,013	(20)	(2.0%)	29.7%	(0.2%)	(1)	29.5%	(1.7%)	(17)
PPV	242	(1)	(0.4%)	19.2%	(3.2%)	(5)	21.6%	(0.5%)	(1)
Non-PPV	771	(19)	(2.5%)	31.9%	0.5%	4	31.0%	(1.9%)	(16)
Total	347,509	7,468	2.1%	50.0%	(1.3%)	(5,411)	51.2%	0.2%	1,101

There are differences between the changes in valuation estimates (summarized above), and the impact of implementing the valuation into the operating results (summarized on the next page). For example, differences will emerge due to the differences between data available at March 31, 2020 (used for the valuation) and available for implementation (May 31, 2020).

In addition, column [9] of the preceding valuation summary table estimates the impact of the change in selected future accident year indemnity loss ratio against projected full year 2020 earned premium, whereas the current accident year row, second row of column [1] in the following implementation impact table applies the change to 2020 year-to-date earned premium at May 31, 2020.

With this background, the overall **impact of implementing the valuation** on the results of the Month of May 2020 is estimated as **unfavourable by \$15.9 million**, as summarized in the following table. In that table, column [1] shows indemnity only, and is therefore comparable to the valuation summary table above (column [2] in the valuation summary table is comparable to the first row of column [1] in the following table).

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2020 Q1 FARM Valuation Implementation Impact (\$000s) – Impact with expenses

Implementation Impact - relative to projection for month of May 2020 (negative values are favourable)

\$000s	indemnity [1]	retroactive claims fee [2]	allowed claims expenses [3]	nominal total [4]	actuarial present value [5]	Grand Total [6]
prior accident years (1994-2019)	5,786	234	-	6,020	10,332	16,352
current accident year claims incurred	(1,955)	(202)	-	(2,157)	1,717	(440)
premium deficiency / (DPAC)	-	-	-	-	-	-
TOTAL	3,831	32	-	3,863	12,049	15,912

An alternate summary of the valuation implementation impact is presented in the following table, including the impact in relation to year-to-date earned premium. In this table, rows “PAYs” and “CAY” (for “Prior Accident Years” and “Current Accident Year” respectively), include the changes in indemnity, retroactive claims fee adjustment provision and the provision for allowed claims adjustment expenses.

2020 Q1 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)					ytd EP 156,714 (actual)						
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns		dsct rate	margins			ultimates & payout patterns		dsct rate	margins		
	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	6,020	581	6,601	9,751	-	16,352	3.8%	0.4%	4.2%	6.2%	-	10.4%
CAY	(2,157)	(230)	(2,387)	1,947	-	(440)	(1.4%)	(0.1%)	(1.5%)	1.2%	-	(0.3%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	3,863	351	4,214	11,698	-	15,912	2.5%	0.2%	2.7%	7.5%	-	10.2%

The overall impact *prior to* the 98 basis point decrease in the discount rate (from 1.64% to 0.66%) and changes to margins for adverse deviation (of which there were none) was unfavourable by \$4.2 million (Total row, column [3] of the preceding table on the left). This was augmented by the \$11.7 million unfavourable impact of the discount rate change (Total row, column [4] of left table above). Finally, there was no update to the selected margins for investment income, and no updates to the selected margins for adverse claims development deviation, hence there being no margin change impact (Total row, column [5] of the preceding table on the left).

As shown in the following table³, management has observed marginally (on average 0.1% of liabilities) unfavourable total valuation impacts (column [5]) over the last 12 valuation implementations, with 5 valuation implementations being unfavourable over that 12-quarter period. It should be noted that the impacts in column [3] are largely outside of the control of FA (as being related to macroeconomic factors).

³The table summarizes the same information as provided in the columns [1], [2], [4], and [5] for the TOTAL row of the summary table on this page, but does so for the most recent 12 valuation implementations.

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FARM Valuation Implementation Impacts (\$000s) – most recent 12 valuations

FARM juris: ALL, as at: 2020 Q1		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s			
Valuation	period implemented	updated LR& exp	APVs @ prior assumptions	updated dsct rate	updated margins	Total Impact	Booked Policy Liabilities	Total Impact as % Book Liabs	Nominal Impact as % Book Liabs	
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	
						= sum([1] to [5])		= [5] / [6]	= [1] / [6]	
2017 Q2	Aug 2017	(2,319)	(271)	(2,314)	(1,256)	(6,160)	457,027	(1.3%)	(0.5%)	
2017 Q3	Oct 2017	(2,100)	(341)	(5,847)	-	(8,288)	450,704	(1.8%)	(0.5%)	
2017 Q4	Mar 2018	(10,085)	(890)	153	-	(10,822)	419,870	(2.6%)	(2.4%)	
2018 Q1	May 2018	(949)	(1,001)	(1,647)	-	(3,597)	429,713	(0.8%)	(0.2%)	
2018 Q2	Aug 2018	(4,126)	1,450	630	(1,800)	(3,846)	451,385	(0.9%)	(0.9%)	
2018 Q3	Oct 2018	59	465	(3,754)	-	(3,230)	463,838	(0.7%)	-	
2018 Q4	Mar 2019	(1,628)	129	3,105	-	1,606	469,304	0.3%	(0.3%)	
2019 Q1	May 2019	13,044	950	4,632	-	18,626	507,837	3.7%	2.6%	
2019 Q2	Aug 2019	(5,947)	(842)	419	(1,160)	(7,530)	535,467	(1.4%)	(1.1%)	
2019 Q3	Oct 2019	9,607	537	(184)	-	9,960	558,937	1.8%	1.7%	
2019 Q4	Mar 2020	3,604	1,995	(1,772)	-	3,827	597,699	0.6%	0.6%	
2020 Q1	May 2020	3,863	351	11,698	-	15,912	612,063	2.6%	0.6%	
12-qtrs	-	3,023	2,532	5,119	(4,216)	6,458				
% of total		46.8%	39.2%	79.3%	(65.3%)	100.0%				
		5 unfavourable (nominal) valuations						1 impact was outside of 2.5%		
Averages										
12-qtrs		252	211	427	(351)	538	496,154	0.1%	0.1%	
2017 Q2 to 2018 Q3		(3,253)	(98)	(2,130)	(509)	(5,991)	445,423	(1.3%)	(0.7%)	
2018 Q4 to 2020 Q1		3,757	520	2,983	(193)	7,067	546,885	1.3%	0.7%	

The FA valuation approach is focused on providing (i) best estimates on a nominal basis (i.e. the longer term average of nominal changes in column [1] should be close-to-zero); (ii) the nominal changes of any one valuation in relation to policy liabilities⁴, should be “small” (less than 2.5%); and (iii) the valuation results should not indicate bias – that is, we generally anticipate approximately 1/3rd of nominal valuation impacts will be unfavourable, and 2/3rds will be favourable (due to the skewness of the development). On these 3 measures:

- (i) **Best estimate measurement:** This objective has largely been met, as the 12-quarter nominal change in column [1] is \$3.0 million unfavourable. The average impact over the 12 quarters at \$0.3 million unfavourable (nominal only) represents 0.1% of ending policy liabilities per column [8], which we would view as not significant. That said, we note that the latest 6 valuations have been on average more unfavourable than the earlier 6 valuations were favourable.
- (ii) **Nominal size measurement:** This objective has largely been met, as there is only a single individual valuation showing a nominal change in excess of 2.5% of ending policy liabilities per column [8] in the preceding table.

⁴We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

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- (iii) **Bias evidence measurement: This objective has been met**, as 5 of 12 valuations show unfavourable changes (column [1] of the preceding table), in line with our expectation (3-5 of 12).

In summary, our best estimate measurements have been met, or largely met. That said, we continue to look for ways to improve the overall accuracy of the valuation estimates.

The actuarial valuation will be updated next as at June 30, 2020 for all jurisdictions and business segments. The results are anticipated to be reflected in the August 2020 Participation Report.

Redistribution of Member Funds

Facility Association monitors the level of policy liability-related funds attributable to each jurisdiction, business segment, and accident year. Throughout the year, adjustments are made to the fund levels to reflect claims payment activity and policy liability changes since the previous adjustment. Generally, these adjustments will result in the transfer of funds to members in respect of the most recent accident periods, while transfer of funds from Members would be required for the older accident periods. Because Members' share ratios vary by jurisdiction, business segment and accident year, each such review is likely to result in transfers of funds to and from Members, even when the aggregate adjustment is \$0. This process is referred to below as "redistribution" of previously transferred amounts.

The redistribution of previously transferred funds is, in effect, transferring funds to Members in respect of policies written in the last 12 to 24 months, and transferring funds to Facility Association in respect of claims and expenses paid on policies written in prior periods. The aggregate effect of this redistribution is \$0 for Facility Association in total.

The amount due to or from Facility Association for your company as a result of this adjustment will depend on your company's share of the Residual Market in each jurisdiction, as well as differences in share ratios by business segment and accident year, as per the Participation Report attached.

The May 2020 Participation Report reflects the effect of the redistribution of Member Funds. This balance is shown on page 21: Members Combined Accident Year Share Results for all Jurisdictions. ***Note: All balances due to/from Facility Association, and receivable and payable dates are shown on page 21 of the Participation Report: Members Combined Accident Year Share Results for all Jurisdictions.***

The amounts to be settled with Facility Association at this time are the net amounts of the adjustment referred to above, an aggregate summary of which is shown in the following table.

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Amounts (\$000s) to be Transferred to / (from) Members

Summary by Jurisdiction	Private Passenger	Non Private Passenger	Total
Ontario	1,546	(7,350)	(5,804)
Alberta	(642)	6,257	5,615
Newfoundland & Labrador	850	(980)	(130)
New Brunswick	(240)	2,263	2,023
Nova Scotia	330	(1,220)	(890)
Prince Edward Island	307	(472)	(165)
Yukon	(52)	(212)	(265)
Northwest Territories	(177)	(74)	(252)
Nunavut	(49)	(84)	(133)
TOTAL	1,873	(1,873)	(0)

Management Comments

As shown in the following table, the **private passenger** annualized vehicle counts increased by 5.2% overall in May 2020 relative to May 2019. The increase was mainly driven by Ontario and Newfoundland where we continue to see growth, both were up 169 vehicles (26% and 15% respectively), offset by Alberta which had the largest decrease in the month, down 69 vehicles (40%). Changes in other jurisdictions are relatively small.

FARM Private Passenger Written Counts

Business Segment	PPV
Share Month	05

Jurisdiction	2020			2019			2018
	Annualized Vehicle Count	Change from Prior	% Change from Prior	Annualized Vehicle Count	Change from Prior	% Change from Prior	Annualized Vehicle Count
ON	824	169	25.9%	655	342	109.2%	313
AB	103	(69)	(40.2%)	171	27	18.7%	144
NL	1,305	169	14.9%	1,136	76	7.2%	1,059
NB	609	(16)	(2.6%)	625	65	11.7%	560
NS	738	(46)	(5.8%)	784	324	70.6%	460
PE	102	(12)	(10.2%)	114	30	35.7%	84
YT	23	4	21.6%	19	(1)	(3.4%)	20
NT	134	(11)	(7.5%)	145	(7)	(4.9%)	152
NU	14	1	7.9%	13	(11)	(46.3%)	24
Grand Total	3,852	191	5.2%	3,662	846	30.1%	2,815

The **non-private passenger** written premium decreased by 4.4% overall in May 2020 relative to May 2019, as shown in the following table, with 6 out of 9 jurisdictions having decreases. The overall premium decrease was impacted by an influx of endorsement/adjustment and cancellation transactions processed in the month, in particularly for the public vehicle class (taxi and buses).

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FARM Non-Private Passenger Written Premium

Business Segment	non-PPV	
Share Month	05	

Amounts in
\$000s

Jurisdiction	2020			2019			2018
	Total Written Premium	Change from Prior	% Change	Total Written Premium	Change from Prior	% Change	Total Written Premium
ON	10,244	(799)	(7.2%)	11,044	2,056	22.9%	8,988
AB	11,411	16	0.1%	11,395	4,521	65.8%	6,873
NL	838	(122)	(12.7%)	960	127	15.3%	832
NB	1,765	173	10.9%	1,591	92	6.1%	1,500
NS	1,629	(256)	(13.6%)	1,885	291	18.3%	1,593
PE	284	(2)	(0.7%)	286	(18)	(6.0%)	304
YT	201	(152)	(43.1%)	354	(18)	(4.9%)	372
NT	164	(95)	(36.8%)	259	98	60.4%	162
NU	47	2	3.5%	45	12	37.8%	33
Grand Total	26,582	(1,236)	(4.4%)	27,818	7,161	34.7%	20,657

On a rolling 12-month basis to May (as shown in the following table), FARM vehicle counts are up 12.7% across all rating classes (up 23.3% for private passenger, 7.1% 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 39.2%, non-private passenger up 27.5%, for a total increase of 31.0%). The difference in the count and premium increases reflects the more significant increases in counts in Ontario and Alberta for private passenger and changes in mix by rating class and jurisdiction for non-private passenger.

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

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 05			% Change in Amount			Change in Amount			2019 rolling 12 to month 05		
		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)	40,087	124,039,518	3,094	23.3%	39.2%	12.9%	7,578	34,949,199	354	32,509	89,090,319	2,740
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
PPV Total		40,087	124,039,518	3,094	23.3%	39.2%	12.9%	7,578	34,949,199	354	32,509	89,090,319	2,740
non-PPV	Private Passenger (x Farmers)	663	667,166	1,006	(1.1%)	10.8%	12.0%	(7)	65,011	108	670	602,155	898
	Commercial	18,814	100,246,036	5,328	35.3%	59.8%	18.2%	4,907	37,532,011	819	13,907	62,714,025	4,509
	Interurban	7,226	96,854,547	13,403	16.4%	12.7%	(3.2%)	1,018	10,905,008	(442)	6,208	85,949,539	13,845
	Public Bus	1,214	5,326,323	4,387	(28.3%)	(29.3%)	(1.4%)	(479)	(2,208,336)	(63)	1,693	7,534,659	4,450
	Private Bus & Misc Public	1,394	5,576,416	4,000	(4.7%)	14.5%	20.1%	(68)	705,592	669	1,462	4,870,824	3,331
	School Bus	796	1,361,349	1,711	(27.6%)	(21.9%)	7.9%	(304)	(381,129)	126	1,099	1,742,478	1,585
	Hotel & Country Club Bus	570	1,276,259	2,238	(1.7%)	(6.7%)	(5.1%)	(10)	(91,981)	(121)	580	1,368,240	2,359
	Taxi	4,496	28,571,132	6,354	(3.2%)	35.9%	40.4%	(149)	7,551,330	1,829	4,646	21,019,802	4,525
	Funeral	2	3,417	1,709	(60.0%)	(70.6%)	(26.5%)	(3)	(8,207)	(616)	5	11,624	2,325
	Ambulance	37	144,642	3,909	4.7%	(1.2%)	(5.6%)	2	(1,759)	(234)	35	146,401	4,143
	Motorcycle	17,603	12,243,871	696	(4.5%)	4.9%	10.0%	(825)	574,853	63	18,428	11,669,018	633
	All Terrain Vehicle	9,348	4,019,047	430	3.5%	12.0%	8.3%	312	429,287	33	9,035	3,589,760	397
	Snow Vehicle	3,860	1,642,864	426	(2.5%)	0.4%	2.9%	(97)	5,746	12	3,957	1,637,118	414
	Antique	3	5,311	1,593	(23.1%)	(17.6%)	7.1%	(1)	(1,136)	105	4	6,447	1,488
	Motor Home	331	822,538	2,488	32.3%	36.0%	2.9%	81	217,913	69	250	604,625	2,419
	Trailer Home	-	60,669	60,669	-	6,552.3%	6,552.3%	-	59,757	59,757	-	912	912
	Garage	-	10,864,702	10,864,702	-	34.0%	34.0%	-	2,754,205	2,754,205	-	8,110,497	8,110,497
	Non-Owned	-	455,817	455,817	-	60.9%	60.9%	-	172,493	172,493	-	283,324	283,324
	Drivers Policy	79	116,260	1,479	26.9%	62.6%	28.1%	17	44,763	324	62	71,497	1,155
non-PPV Total		66,436	270,258,366	4,068	7.1%	27.5%	19.1%	4,394	58,325,421	652	62,043	211,932,945	3,416
TOTAL		106,523	394,297,884	3,702	12.7%	31.0%	16.3%	11,972	93,274,620	518	94,552	301,023,264	3,184

Should you require any further information, please call Aidan Chen, AVP Data & Analytics at (416) 863-

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FARM – May 2020 Participation Report

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Saskia Matheson
President & CEO

Related link:

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

*For additional details on Actual vs Projected variances, IBNR, and valuation (if applicable)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - ALL JURISDICTIONS BY MONTH
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 05/2020

(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$38,815	\$29,715	\$39,160	\$11,893	\$38,359	\$157,942	\$395,421	\$372,967
CHANGE IN UNEARNED PREMIUMS	(4,450)	364	(5,702)	17,183	(8,623)	(1,228)	(17,649)	(49,022)
NET PREMIUMS EARNED	\$34,365	\$30,079	\$33,458	\$29,076	\$29,736	\$156,714	\$377,772	\$323,945
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	2,394	(3,629)	7,887	(81)	5,957	12,528	12,526	14,991
EFFECT OF DISCOUNTING	(773)	(556)	(856)	(735)	9,863	6,943	816	924
DISCOUNTED	1,621	(4,185)	7,031	(816)	15,820	19,471	13,342	15,915
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	20,592	19,677	19,356	18,671	16,845	95,141	233,051	214,321
EFFECT OF DISCOUNTING	1,488	1,261	830	928	2,673	7,180	16,437	11,261
DISCOUNTED	22,080	20,938	20,186	19,599	19,518	102,321	249,488	225,582
CLAIMS INCURRED	\$23,701	\$16,753	\$27,217	\$18,783	\$35,338	\$121,792	\$262,830	\$241,497
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	3,980	3,082	4,101	1,178	3,954	16,295	40,781	38,519
AGENTS COMMISSIONS	3,082	2,124	2,769	1,284	3,062	12,321	30,644	28,514
DRIVER RECORD ABSTRACTS	286	271	206	372	530	1,665	4,593	3,532
BAD DEBTS	(3)	(2)	(2)	0	(3)	(10)	(6)	(148)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(361)	83	(381)	1,149	(641)	(151)	(1,409)	(3,571)
EFFECT OF DISCOUNTING	2	3	(52)	0	0	(47)	(47)	(460)
DISCOUNTED	(359)	86	(433)	1,149	(641)	(198)	(1,456)	(4,031)
UNDERWRITING EXPENSES	\$6,986	\$5,561	\$6,641	\$3,983	\$6,902	\$30,073	\$74,556	\$66,386
NET UNDERWRITING GAIN (LOSS)	\$3,678	\$7,765	-\$400	\$6,310	-\$12,504	\$4,849	\$40,386	\$16,062
ADMINISTRATIVE EXPENSES	398	623	419	506	482	2,428	8,768	6,286
PREMIUM FINANCE FEE	(13)	(12)	(13)	(12)	(12)	(62)	(52)	(130)
INVESTMENT INCOME	119	121	75	30	30	375	547	1,208
OPERATING RESULTS	\$3,386	\$7,251	-\$757	\$5,822	-\$12,968	\$2,734	\$32,113	\$10,854
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	4.7%	-13.9%	21.0%	-2.8%	53.2%	12.4%	3.5%	4.9%
Current Accident Year	64.3%	69.6%	60.3%	67.4%	65.6%	65.3%	66.0%	69.6%
All Accident Years Combined	69.0%	55.7%	81.3%	64.6%	118.8%	77.7%	69.5%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.6%	21.1%	15.4%	24.8%	20.7%	22.1%	22.4%
COMBINED OPERATING RATIO	90.5%	76.3%	102.4%	80.0%	143.6%	98.4%	91.6%	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 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	Alberta	Ontario	NS	PEI	NB	NFLD & LAB	Yukon	NWT	Nunavut	Total	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:												
PREMIUMS WRITTEN	\$54,847	\$56,574	\$16,743	\$2,313	\$12,063	\$12,399	\$688	\$2,023	\$292	\$157,942	\$395,421	\$372,967
CHANGE IN UNEARNED PREMIUMS	(3,185)	1,985	(1,252)	123	(308)	1,313	120	(151)	127	(1,228)	(17,649)	(49,022)
NET PREMIUMS EARNED	\$51,662	\$58,559	\$15,491	\$2,436	\$11,755	\$13,712	\$808	\$1,872	\$419	\$156,714	\$377,772	\$323,945
CLAIMS INCURRED												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	10,895	3,818	(3,710)	(439)	1,177	1,856	(624)	(282)	(163)	12,528	12,526	14,991
EFFECT OF DISCOUNTING	2,560	2,792	71	122	781	569	10	35	3	6,943	816	924
DISCOUNTED	13,455	6,610	(3,639)	(317)	1,958	2,425	(614)	(247)	(160)	19,471	13,342	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	31,732	31,362	10,411	1,583	8,281	10,151	492	969	160	95,141	233,051	214,321
EFFECT OF DISCOUNTING	2,177	2,771	749	122	585	677	36	50	13	7,180	16,437	11,261
DISCOUNTED	33,909	34,133	11,160	1,705	8,866	10,828	528	1,019	173	102,321	249,488	225,582
CLAIMS INCURRED	\$47,364	\$40,743	\$7,521	\$1,388	\$10,824	\$13,253	-\$86	\$772	\$13	\$121,792	\$262,830	\$241,497
UNDERWRITING EXPENSES												
OPERATING & SERVICE FEES	5,485	6,110	1,674	232	1,207	1,287	69	202	29	16,295	40,781	38,519
AGENTS COMMISSIONS	4,402	3,591	1,476	210	1,136	1,218	63	199	26	12,321	30,644	28,514
DRIVER RECORD ABSTRACTS	332	179	469	93	295	251	6	40	0	1,665	4,593	3,532
BAD DEBTS	2	1	(1)	0	0	(11)	0	(1)	0	(10)	(6)	(148)
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	(270)	127	(106)	14	(32)	110	9	(14)	11	(151)	(1,409)	(3,571)
EFFECT OF DISCOUNTING	0	0	(47)	0	0	0	0	0	0	(47)	(47)	(460)
DISCOUNTED	(270)	127	(153)	14	(32)	110	9	(14)	11	(198)	(1,456)	(4,031)
UNDERWRITING EXPENSES	\$9,951	\$10,008	\$3,465	\$549	\$2,606	\$2,855	\$147	\$426	\$66	\$30,073	\$74,556	\$66,386
NET UNDERWRITING GAIN (LOSS)	-\$5,653	\$7,808	\$4,505	\$499	-\$1,675	-\$2,396	\$747	\$674	\$340	\$4,849	\$40,386	\$16,062
ADMINISTRATIVE EXPENSES	681	891	256	72	190	191	46	59	42	2,428	8,768	6,286
PREMIUM FINANCE FEE	(19)	(28)	(6)	0	(3)	(6)	0	0	0	(62)	(52)	(130)
INVESTMENT INCOME	111	135	40	8	34	41	2	3	1	375	547	1,208
OPERATING RESULTS	-\$6,242	\$7,024	\$4,283	\$435	-\$1,834	-\$2,552	\$703	\$618	\$299	\$2,734	\$32,113	\$10,854
RATIOS:												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	26.0%	11.3%	-23.5%	-13.0%	16.7%	17.7%	-76.0%	-13.2%	-38.2%	12.4%	3.5%	4.9%
Current Accident Year	65.6%	58.3%	72.0%	70.0%	75.4%	79.0%	65.3%	54.4%	41.3%	65.3%	66.0%	69.6%
All Accident Years Combined	91.6%	69.6%	48.5%	57.0%	92.1%	96.7%	-10.7%	41.2%	3.1%	77.7%	69.5%	74.5%
Underwriting & Admin Exp.(Earned)	20.6%	18.6%	24.0%	25.5%	23.8%	22.2%	23.9%	25.9%	25.8%	20.7%	22.1%	22.4%
COMBINED OPERATING RATIO	112.2%	88.2%	72.5%	82.5%	115.9%	118.9%	13.2%	67.1%	28.9%	98.4%	91.6%	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 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$17,167	\$8,069	\$12,538	\$5,102	11,971	\$54,847	\$130,106	\$114,601
CHANGE IN UNEARNED PREMIUMS	(4,415)	1,657	(1,834)	4,256	(2,849)	(3,185)	(8,680)	(8,283)
NET PREMIUMS EARNED	\$12,752	\$9,726	\$10,704	\$9,358	\$9,122	\$51,662	\$121,426	\$106,318
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	1,900	(636)	7,148	(79)	2,562	10,895	10,896	10,587
EFFECT OF DISCOUNTING	(298)	(146)	523	(294)	2,775	2,560	716	873
DISCOUNTED	1,602	(782)	7,671	(373)	5,337	13,455	11,612	11,460
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	6,322	6,016	7,083	6,205	6,106	31,732	77,588	68,811
EFFECT OF DISCOUNTING	414	325	313	264	861	2,177	4,637	2,997
DISCOUNTED	6,736	6,341	7,396	6,469	6,967	33,909	82,225	71,808
CLAIMS INCURRED	\$8,338	\$5,559	\$15,067	6,096	12,304	\$47,364	\$93,837	\$83,268
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	1,717	807	1,255	510	1,196	5,485	13,012	11,461
AGENTS COMMISSIONS	1,410	652	1,009	398	933	4,402	10,585	8,936
DRIVER RECORD ABSTRACTS	39	43	68	89	93	332	1,199	798
BAD DEBTS	1	1	(1)	1	0	2	3	(69)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(365)	111	(143)	346	(219)	(270)	(712)	(484)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	(365)	111	(143)	346	(219)	(270)	(712)	(484)
UNDERWRITING EXPENSES	\$2,802	\$1,614	\$2,188	\$1,344	\$2,003	\$9,951	\$24,087	\$20,642
NET UNDERWRITING GAIN (LOSS)	\$1,612	\$2,553	-\$6,551	\$1,918	-\$5,185	-\$5,653	\$3,502	\$2,408
ADMINISTRATIVE EXPENSES	185	183	119	162	32	681	2,785	1,771
PREMIUM FINANCE FEE	(5)	(3)	(4)	(4)	(3)	(19)	(16)	(36)
INVESTMENT INCOME	32	36	21	11	11	111	169	353
OPERATING RESULTS	\$1,454	\$2,403	-\$6,653	\$1,763	-\$5,209	-\$6,242	\$870	\$954
AVERAGE YTD OPERATING RESULT	\$1,454	\$1,929	-\$932	-\$258	-\$1,248	(1,248)	\$73	\$80
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	12.6%	-8.0%	71.7%	-4.0%	58.5%	26.0%	9.6%	10.8%
Current Accident Year	52.8%	65.2%	69.1%	69.1%	76.4%	65.6%	67.7%	67.5%
All Accident Years Combined	65.4%	57.2%	140.8%	65.1%	134.9%	91.6%	77.3%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	18.5%	21.6%	16.1%	22.3%	20.6%	22.1%	21.1%
COMBINED OPERATING RATIO	88.8%	75.7%	162.4%	81.2%	157.2%	112.2%	99.4%	99.4%

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 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$12,025	\$13,847	\$17,321	-\$1,441	\$14,822	\$56,574	\$148,041	\$146,703
CHANGE IN UNEARNED PREMIUMS	(175)	(2,417)	(4,152)	12,143	(3,414)	1,985	(4,920)	(28,619)
NET PREMIUMS EARNED	\$11,850	\$11,430	\$13,169	\$10,702	\$11,408	\$58,559	\$143,121	\$118,084
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	237	(2,713)	2,317	(2)	3,979	3,818	3,819	4,386
EFFECT OF DISCOUNTING	(277)	(294)	(243)	(151)	3,757	2,792	477	667
DISCOUNTED	(40)	(3,007)	2,074	(153)	7,736	6,610	4,296	5,053
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	7,422	7,182	5,749	6,048	4,961	31,362	77,052	68,258
EFFECT OF DISCOUNTING	628	580	270	389	904	2,771	6,667	4,395
DISCOUNTED	8,050	7,762	6,019	6,437	5,865	34,133	83,719	72,653
CLAIMS INCURRED	\$8,010	\$4,755	\$8,093	\$6,284	\$13,601	\$40,743	\$88,015	\$77,706
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	1,299	1,495	1,869	(154)	1,601	6,110	15,988	15,842
AGENTS COMMISSIONS	803	769	896	79	1,044	3,591	9,142	9,196
DRIVER RECORD ABSTRACTS	26	26	22	40	65	179	646	345
BAD DEBTS	0	0	0	0	1	1	0	(86)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(9)	(149)	(257)	751	(209)	127	(299)	(1,724)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	(9)	(149)	(257)	751	(209)	127	(299)	(1,724)
UNDERWRITING EXPENSES	\$2,119	\$2,141	\$2,530	\$716	\$2,502	\$10,008	\$25,477	\$23,573
NET UNDERWRITING GAIN (LOSS)	\$1,721	\$4,534	\$2,546	\$3,702	-\$4,695	\$7,808	\$29,629	\$16,805
ADMINISTRATIVE EXPENSES	105	285	183	63	255	891	3,273	2,347
PREMIUM FINANCE FEE	(6)	(7)	(7)	(2)	(6)	(28)	(21)	(61)
INVESTMENT INCOME	44	43	29	10	9	135	187	441
OPERATING RESULTS	\$1,654	\$4,285	\$2,385	\$3,647	-\$4,947	\$7,024	\$26,522	\$14,838
AVERAGE YTD OPERATING RESULT	\$1,654	\$2,970	\$2,775	\$2,993	\$1,405	\$1,405	\$2,210	\$1,237
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	-0.3%	-26.3%	15.7%	-1.4%	67.8%	11.3%	3.0%	4.3%
Current Accident Year	67.9%	67.9%	45.7%	60.1%	51.4%	58.3%	58.5%	61.5%
All Accident Years Combined	67.6%	41.6%	61.4%	58.7%	119.2%	69.6%	61.5%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	21.2%	20.6%	7.3%	24.2%	18.6%	20.1%	22.0%
COMBINED OPERATING RATIO	86.4%	62.8%	82.0%	66.0%	143.4%	88.2%	81.6%	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 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$3,617	\$3,146	\$3,291	\$3,253	\$3,436	\$16,743	\$40,226	\$35,559
CHANGE IN UNEARNED PREMIUMS	(432)	(194)	(139)	(151)	(336)	(1,252)	(2,224)	(6,000)
NET PREMIUMS EARNED	\$3,185	\$2,952	\$3,152	\$3,102	\$3,100	\$15,491	\$38,002	\$29,559
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	101	77	(2,424)	(2)	(1,462)	(3,710)	(3,711)	(907)
EFFECT OF DISCOUNTING	(33)	(18)	(427)	(48)	597	71	(317)	(165)
DISCOUNTED	68	59	(2,851)	(50)	(865)	(3,639)	(4,028)	(1,072)
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	2,337	2,252	1,984	2,223	1,615	10,411	25,641	23,331
EFFECT OF DISCOUNTING	160	140	95	87	267	749	1,690	1,211
DISCOUNTED	2,497	2,392	2,079	2,310	1,882	11,160	27,331	24,542
CLAIMS INCURRED	\$2,565	\$2,451	-\$772	\$2,260	\$1,017	\$7,521	\$23,303	\$23,470
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	362	314	329	325	344	1,674	4,021	3,555
AGENTS COMMISSIONS	308	262	290	296	320	1,476	3,624	3,226
DRIVER RECORD ABSTRACTS	96	70	68	100	135	469	1,466	951
BAD DEBTS	0	0	0	0	(1)	(1)	0	(29)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(37)	(6)	(12)	(16)	(35)	(106)	(208)	(790)
EFFECT OF DISCOUNTING	2	3	(52)	0	0	(47)	(47)	(187)
DISCOUNTED	(35)	(3)	(64)	(16)	(35)	(153)	(255)	(977)
UNDERWRITING EXPENSES	\$731	\$643	\$623	\$705	\$763	\$3,465	\$8,856	\$6,726
NET UNDERWRITING GAIN (LOSS)	-\$111	-\$142	\$3,301	\$137	\$1,320	\$4,505	\$5,843	-\$637
ADMINISTRATIVE EXPENSES	35	73	30	87	31	256	910	623
PREMIUM FINANCE FEE	(1)	(1)	(1)	(2)	(1)	(6)	(5)	(12)
INVESTMENT INCOME	13	14	9	2	2	40	55	106
OPERATING RESULTS	-\$134	-\$202	\$3,279	\$50	\$1,290	\$4,283	\$4,983	-\$1,166
AVERAGE YTD OPERATING RESULT	-\$134	-\$168	\$981	\$748	\$857	\$857	\$415	-\$97
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	2.1%	2.0%	-90.5%	-1.6%	-27.9%	-23.5%	-10.6%	-3.6%
Current Accident Year	78.4%	81.0%	66.0%	74.5%	60.7%	72.0%	71.9%	83.0%
All Accident Years Combined	80.5%	83.0%	-24.5%	72.9%	32.8%	48.5%	61.3%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.3%	20.7%	25.5%	25.6%	24.0%	25.7%	24.9%
COMBINED OPERATING RATIO	104.6%	107.3%	-3.8%	98.4%	58.4%	72.5%	87.0%	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 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 - PRINCE EDWARD ISLAND
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$578	\$243	\$480	\$513	\$499	\$2,313	\$6,022	\$5,865
CHANGE IN UNEARNED PREMIUMS	(58)	232	28	(12)	(67)	123	(173)	(650)
NET PREMIUMS EARNED	\$520	\$475	\$508	\$501	\$432	\$2,436	\$5,849	\$5,215
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	14	54	(583)	17	59	(439)	(440)	381
EFFECT OF DISCOUNTING	(5)	3	(129)	(2)	255	122	15	(53)
DISCOUNTED	9	57	(712)	15	314	(317)	(425)	328
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	334	312	322	315	300	1,583	3,829	3,685
EFFECT OF DISCOUNTING	24	17	16	20	45	122	299	215
DISCOUNTED	358	329	338	335	345	1,705	4,128	3,900
CLAIMS INCURRED	\$367	\$386	-\$374	\$350	\$659	\$1,388	\$3,703	\$4,228
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	58	25	48	51	50	232	605	585
AGENTS COMMISSIONS	51	25	43	46	45	210	558	545
DRIVER RECORD ABSTRACTS	15	13	8	21	36	93	203	242
BAD DEBTS	0	0	0	0	0	0	0	41
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(5)	21	3	0	(5)	14	(14)	(60)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	(5)	21	3	0	(5)	14	(14)	(60)
UNDERWRITING EXPENSES	\$119	\$84	\$102	\$118	\$126	\$549	\$1,352	\$1,353
NET UNDERWRITING GAIN (LOSS)	\$34	\$5	\$780	\$33	-\$353	\$499	\$794	-\$366
ADMINISTRATIVE EXPENSES	9	10	9	25	19	72	160	171
PREMIUM FINANCE FEE	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	2	3	2	0	1	8	11	27
OPERATING RESULTS	\$27	-\$2	\$773	\$8	-\$371	\$435	\$644	-\$510
AVERAGE YTD OPERATING RESULT	\$27	\$13	\$266	\$202	\$87	\$87	\$54	-\$43
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	1.7%	12.0%	-140.2%	3.0%	72.7%	-13.0%	-7.3%	6.3%
Current Accident Year	68.8%	69.3%	66.5%	66.9%	79.9%	70.0%	70.6%	74.8%
All Accident Years Combined	70.5%	81.3%	-73.7%	69.9%	152.6%	57.0%	63.3%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	19.8%	21.9%	28.5%	33.6%	25.5%	25.9%	29.2%
COMBINED OPERATING RATIO	95.1%	101.1%	-51.8%	98.4%	186.2%	82.5%	89.2%	110.3%

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 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 - NEW BRUNSWICK
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$2,667	\$1,670	\$2,057	\$2,347	\$3,322	\$12,063	\$30,325	\$28,610
CHANGE IN UNEARNED PREMIUMS	(227)	600	367	(87)	(961)	(308)	(1,448)	(2,307)
NET PREMIUMS EARNED	\$2,440	\$2,270	\$2,424	\$2,260	\$2,361	\$11,755	\$28,877	\$26,303
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	38	(47)	1,523	(3)	(334)	1,177	1,177	(2,973)
EFFECT OF DISCOUNTING	(43)	(62)	(8)	(82)	976	781	217	(422)
DISCOUNTED	(5)	(109)	1,515	(85)	642	1,958	1,394	(3,395)
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	1,710	1,602	1,685	1,595	1,689	8,281	20,357	20,134
EFFECT OF DISCOUNTING	111	78	41	64	291	585	1,345	932
DISCOUNTED	1,821	1,680	1,726	1,659	1,980	8,866	21,702	21,066
CLAIMS INCURRED	\$1,816	\$1,571	\$3,241	\$1,574	\$2,622	\$10,824	\$23,096	\$17,671
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	267	167	206	235	332	1,207	3,034	2,881
AGENTS COMMISSIONS	247	167	207	213	302	1,136	2,852	2,671
DRIVER RECORD ABSTRACTS	56	62	21	64	92	295	549	575
BAD DEBTS	0	0	0	0	0	0	0	(23)
UNDISCOUNTED	(22)	49	27	(5)	(81)	(32)	(146)	(213)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	(22)	49	27	(5)	(81)	(32)	(146)	(213)
UNDERWRITING EXPENSES	\$548	\$445	\$461	\$507	\$645	\$2,606	\$6,289	\$5,891
NET UNDERWRITING GAIN (LOSS)	\$76	\$254	-\$1,278	\$179	-\$906	-\$1,675	-\$508	\$2,741
ADMINISTRATIVE EXPENSES	28	33	21	64	44	190	678	512
PREMIUM FINANCE FEE	0	0	0	(2)	(1)	(3)	(3)	(9)
INVESTMENT INCOME	11	11	6	3	3	34	54	103
OPERATING RESULTS	\$59	\$232	-\$1,293	\$116	-\$948	-\$1,834	-\$1,135	\$2,323
AVERAGE YTD OPERATING RESULT	\$59	\$146	-\$334	-\$222	-\$367	-\$367	-\$95	\$194
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	-0.2%	-4.8%	62.5%	-3.8%	27.2%	16.7%	4.8%	-12.9%
Current Accident Year	74.6%	74.0%	71.2%	73.4%	83.9%	75.4%	75.2%	80.1%
All Accident Years Combined	74.4%	69.2%	133.7%	69.6%	111.1%	92.1%	80.0%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	21.1%	19.9%	25.3%	29.2%	23.8%	24.1%	24.3%
COMBINED OPERATING RATIO	98.0%	90.3%	153.6%	94.9%	140.3%	115.9%	104.1%	91.5%

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 - NEWFOUNDLAND & LABRADOR
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$1,966	\$2,334	\$2,673	\$1,766	\$3,660	\$12,399	\$33,879	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	325	184	824	(919)	1,313	(354)	(3,235)
NET PREMIUMS EARNED	\$2,865	\$2,659	\$2,857	\$2,590	\$2,741	\$13,712	\$33,525	\$31,298
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	23	(169)	556	(3)	1,449	1,856	1,857	4,426
EFFECT OF DISCOUNTING	(114)	(26)	(488)	(153)	1,350	569	(266)	3
DISCOUNTED	(91)	(195)	68	(156)	2,799	2,425	1,591	4,429
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	2,142	2,002	2,202	1,972	1,833	10,151	24,867	25,969
EFFECT OF DISCOUNTING	128	105	88	93	263	677	1,554	1,297
DISCOUNTED	2,270	2,107	2,290	2,065	2,096	10,828	26,421	27,266
CLAIMS INCURRED	\$2,179	\$1,912	\$2,358	\$1,909	\$4,895	\$13,253	\$28,012	\$31,695
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	197	234	314	176	366	1,287	3,438	3,484
AGENTS COMMISSIONS	186	208	252	215	357	1,218	3,240	3,279
DRIVER RECORD ABSTRACTS	48	33	14	54	102	251	426	533
BAD DEBTS	(3)	(3)	(1)	(1)	(3)	(11)	(8)	54
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	83	43	16	54	(86)	110	(42)	(310)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	(273)
DISCOUNTED	83	43	16	54	(86)	110	(42)	(583)
UNDERWRITING EXPENSES	\$511	\$515	\$595	\$498	\$736	\$2,855	\$7,054	\$6,767
NET UNDERWRITING GAIN (LOSS)	\$175	\$232	-\$96	\$183	-\$2,890	-\$2,396	-\$1,541	-\$7,164
ADMINISTRATIVE EXPENSES	17	36	32	55	51	191	759	604
PREMIUM FINANCE FEE	(1)	(1)	(1)	(2)	(1)	(6)	(4)	(12)
INVESTMENT INCOME	14	12	7	4	4	41	62	151
OPERATING RESULTS	\$171	\$207	-\$122	\$130	-\$2,938	-\$2,552	-\$2,242	-\$7,629
AVERAGE YTD OPERATING RESULT	\$171	\$189	\$85	\$97	-\$510	-\$510	-\$187	-\$636
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	-3.2%	-7.3%	2.4%	-6.0%	102.1%	17.7%	4.7%	14.2%
Current Accident Year	79.2%	79.2%	80.2%	79.7%	76.5%	79.0%	78.8%	87.1%
All Accident Years Combined	76.0%	71.9%	82.6%	73.7%	178.6%	96.7%	83.5%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	20.7%	21.9%	21.4%	28.7%	22.2%	23.3%	23.6%
COMBINED OPERATING RATIO	94.4%	92.6%	104.5%	95.1%	207.3%	118.9%	106.8%	124.9%

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 - YUKON
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$118	\$50	\$167	\$103	\$250	\$688	\$1,798	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	94	10	53	(95)	120	43	(79)
NET PREMIUMS EARNED	\$176	\$144	\$177	\$156	\$155	\$808	\$1,841	\$1,972
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	3	22	(508)	(1)	(140)	(624)	(625)	247
EFFECT OF DISCOUNTING	0	(3)	(34)	1	46	10	(19)	36
DISCOUNTED	3	19	(542)	0	(94)	(614)	(644)	283
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	109	100	109	99	75	492	1,124	1,177
EFFECT OF DISCOUNTING	8	7	1	7	13	36	82	68
DISCOUNTED	117	107	110	106	88	528	1,206	1,245
CLAIMS INCURRED	\$120	\$126	-\$432	\$106	-\$6	-\$86	\$562	\$1,528
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	12	5	17	10	25	69	181	205
AGENTS COMMISSIONS	9	6	16	10	22	63	160	182
DRIVER RECORD ABSTRACTS	1	2	1	1	1	6	24	17
BAD DEBTS	0	0	0	0	0	0	(1)	(22)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	5	7	0	6	(9)	9	2	(6)
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	5	7	0	6	(9)	9	2	(6)
UNDERWRITING EXPENSES	\$27	\$20	\$34	\$27	\$39	\$147	\$366	\$376
NET UNDERWRITING GAIN (LOSS)	\$29	-\$2	\$575	\$23	\$122	\$747	\$913	\$68
ADMINISTRATIVE EXPENSES	4	3	7	16	16	46	62	82
PREMIUM FINANCE FEE	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	1	1	0	0	0	2	3	8
OPERATING RESULTS	\$26	-\$4	\$568	\$7	\$106	\$703	\$853	-\$6
AVERAGE YTD OPERATING RESULT	\$26	\$11	\$197	\$149	\$141	\$141	\$71	-\$1
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	1.7%	13.2%	-306.2%	0.0%	-60.6%	-76.0%	-35.0%	14.4%
Current Accident Year	66.5%	74.3%	62.1%	67.9%	56.8%	65.3%	65.5%	63.1%
All Accident Years Combined	68.2%	87.5%	-244.1%	67.9%	-3.8%	-10.7%	30.5%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	16.0%	23.2%	27.6%	35.5%	23.9%	23.2%	23.2%
COMBINED OPERATING RATIO	85.8%	103.5%	-220.9%	95.5%	31.7%	13.2%	53.7%	100.7%

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 - NWT
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$567	\$322	\$579	\$213	\$342	\$2,023	\$4,095	\$4,052
CHANGE IN UNEARNED PREMIUMS	(108)	25	(196)	133	(5)	(151)	80	140
NET PREMIUMS EARNED	\$459	\$347	\$383	\$346	\$337	\$1,872	\$4,175	\$4,192
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	64	(163)	(55)	0	(128)	(282)	(282)	(1,041)
EFFECT OF DISCOUNTING	(2)	(10)	(35)	(4)	86	35	(1)	(21)
DISCOUNTED	62	(173)	(90)	(4)	(42)	(247)	(283)	(1,062)
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	183	178	194	180	234	969	2,223	2,550
EFFECT OF DISCOUNTING	13	7	5	3	22	50	138	124
DISCOUNTED	196	185	199	183	256	1,019	2,361	2,674
CLAIMS INCURRED	\$258	\$12	\$109	\$179	\$214	\$772	\$2,078	\$1,612
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	57	32	58	21	34	202	411	406
AGENTS COMMISSIONS	58	32	51	25	33	199	405	395
DRIVER RECORD ABSTRACTS	5	22	4	3	6	40	71	65
BAD DEBTS	(1)	0	0	0	0	(1)	0	(15)
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	(12)	3	(17)	12	0	(14)	8	15
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	(12)	3	(17)	12	0	(14)	8	15
UNDERWRITING EXPENSES	\$107	\$89	\$96	\$61	\$73	\$426	\$895	\$866
NET UNDERWRITING GAIN (LOSS)	\$94	\$246	\$178	\$106	\$50	\$674	\$1,202	\$1,714
ADMINISTRATIVE EXPENSES	10	(3)	13	19	20	59	97	110
PREMIUM FINANCE FEE	0	0	0	0	0	0	(1)	0
INVESTMENT INCOME	1	1	1	0	0	3	5	15
OPERATING RESULTS	\$85	\$250	\$166	\$87	\$30	\$618	\$1,109	\$1,619
AVERAGE YTD OPERATING RESULT	\$85	\$168	\$167	\$147	\$124	\$124	\$92	\$135
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	13.5%	-49.9%	-23.5%	-1.2%	-12.5%	-13.2%	-6.8%	-25.3%
Current Accident Year	42.7%	53.3%	52.0%	52.9%	76.0%	54.4%	56.6%	63.8%
All Accident Years Combined	56.2%	3.4%	28.5%	51.7%	63.5%	41.2%	49.8%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	24.8%	28.5%	23.1%	27.6%	25.9%	23.8%	23.3%
COMBINED OPERATING RATIO	81.7%	28.2%	57.0%	74.8%	91.1%	67.1%	73.6%	61.8%

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 - NUNAVUT
Operating Results for the 5 months ended May 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 05/2020
(thousands of dollars)

	January	February	March	April	May	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:								
PREMIUMS WRITTEN	\$110	\$34	\$54	\$37	\$57	\$292	\$929	\$993
CHANGE IN UNEARNED PREMIUMS	8	42	30	24	23	127	27	11
NET PREMIUMS EARNED	\$118	\$76	\$84	\$61	\$80	\$419	\$956	\$1,004
CLAIMS INCURRED								
PRIOR ACCIDENT YEARS								
UNDISCOUNTED	14	(54)	(87)	(8)	(28)	(163)	(165)	(115)
EFFECT OF DISCOUNTING	(1)	0	(15)	(2)	21	3	(6)	6
DISCOUNTED	13	(54)	(102)	(10)	(7)	(160)	(171)	(109)
CURRENT ACCIDENT YEAR								
UNDISCOUNTED	33	33	28	34	32	160	370	406
EFFECT OF DISCOUNTING	2	2	1	1	7	13	25	22
DISCOUNTED	35	35	29	35	39	173	395	428
CLAIMS INCURRED	\$48	-\$19	-\$73	\$25	\$32	\$13	\$224	\$319
UNDERWRITING EXPENSES								
OPERATING & SERVICE FEES	11	3	5	4	6	29	91	100
AGENTS COMMISSIONS	10	3	5	2	6	26	78	84
DRIVER RECORD ABSTRACTS	0	0	0	0	0	0	9	6
BAD DEBTS	0	0	0	0	0	0	0	1
PREMIUM DEFICIENCY/(DPAC)								
UNDISCOUNTED	1	4	2	1	3	11	2	1
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0
DISCOUNTED	1	4	2	1	3	11	2	1
UNDERWRITING EXPENSES	\$22	\$10	\$12	\$7	\$15	\$66	\$180	\$192
NET UNDERWRITING GAIN (LOSS)	\$48	\$85	\$145	\$29	\$33	\$340	\$552	\$493
ADMINISTRATIVE EXPENSES	5	3	5	15	14	42	44	66
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	0	0	1	1	4
OPERATING RESULTS	\$44	\$82	\$140	\$14	\$19	\$299	\$509	\$431
AVERAGE YTD OPERATING RESULT	\$44	\$63	\$89	\$70	\$60	\$60	\$42	\$36
RATIOS:								
Claims & Adj Expenses Incurred (Earned)								
Prior Accident Years	11.0%	-71.1%	-121.4%	-16.4%	-8.8%	-38.2%	-17.9%	-10.9%
Current Accident Year	29.7%	46.1%	34.5%	57.4%	48.8%	41.3%	41.3%	42.6%
All Accident Years Combined	40.7%	-25.0%	-86.9%	41.0%	40.0%	3.1%	23.4%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	17.1%	20.2%	36.1%	36.3%	25.8%	23.4%	25.7%
COMBINED OPERATING RATIO	63.6%	-7.9%	-66.7%	77.1%	76.3%	28.9%	46.8%	57.4%

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