



**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F2020 – 069**

**DATE: SEPTEMBER 29, 2020**

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

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

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

### Key Points

- (a) The loss ratios currently being used include an initial assessment of the incurred impacts associated with the COVID-19 pandemic, with a further review and assessment to be included with the FARM 2020 Q2 actuarial valuation update (as at June 2020), which will be reflected in the August 2020 Participation Report;
- (b) The **projected 2020 year-end net operating surplus is now \$33.7 million**, with a COR at 91.4% on earned premium of \$386 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);
- (c) The **July 2020 Participation Report reflects the distribution of Operating Results** for all Prior Accident Years as accrued to July 2020; and
- (d) We have investigated a **Servicing Carrier case reserve claims reporting difference** between trial balance and automobile statistical plan reporting with last month's (June 2020) and the current month's Participation Report (July 2020). Based on our review, **the current month's case reserves were under-reported by \$66.8 million**, due to a rejected outstanding loss file. Because Facility Association uses an ultimate loss ratio matching (IBNR booking) approach with the monthly participation results calculations (recorded activity is assumed to be offset by changes in IBNR), **there is no impact on this month's Operating Results**. We have confirmed with IBC and the Servicing Carrier that the issue has been resolved for next month's (August 2020) Participation Report.

### New This Month

#### Operating Results Distributed to Members

Please be advised that the "Operating Results Distributed" to Members, regularly updated on an annual basis (or more often if needed), has been updated with the July 2020 FARM Participation Report, reflecting distributions as summarized in the table below.

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*Net Results from Operations (\$000s) to be Distributed to Members*

Summary by Jurisdiction	Private Passenger	Non Private Passenger	Total
Ontario	(5,999)	20,515	14,516
Alberta	2,074	(554)	1,519
Newfoundland & Labrador	(7,759)	316	(7,444)
New Brunswick	977	(412)	565
Nova Scotia	1,395	3,613	5,008
Prince Edward Island	321	1,305	1,627
Yukon	325	722	1,047
Northwest Territories	981	502	1,483
Nunavut	147	659	806
TOTAL	(7,539)	26,666	19,127

As shown on page 23 of the Participation Report (All Years to Date basis), the amount in the line item “Operating Results Distributed” shows your share of FARM operating results for all Prior Accident Years as accrued to July 2020. Similarly, the amount shown under “Available Funds Distributed” represents the reserve-related funds (cash) transferred to you that is not yet required to meet FA’s short term cash flow needs. This latter amount (“Available Funds Distributed”) represents the liability of you (as a member) to FA, which you must return to FA upon request (subject to 30 day settlement period). Such requests will be driven by FA’s need to pay claims, return unearned FARM premiums to policyholders and distribute operating results to its Members. This is consistent with the requirements under the Plan of Operation Article V (Participation Ratios and Sharing) which states:

*“Profit shall be credited or distributed to each member and loss shall be charged against or collected from each member in accordance with the member’s appropriate participation ratio determined in the manner hereinafter set forth in this Article V.”*

Members are reminded that as advised in Bulletin [F16-084](#), any amount shown in the “Total Distributed to Member” line for the month on page 21 is due to rounding, and therefore **settlement (from or to Members) of these amounts is not required**.

**Summary of Financial Results**

The calendar year-to-date Operating Result is \$10.9 million and the incurred loss ratio to the end of 7 months is 73.3%, as summarized in the following table.

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

Amounts in \$000s	July 2020	July 2019	Year to date Jul 2020	Year to Date Jul 2019
Premium Written	40,788	33,417	241,017	207,694
Premium Earned	32,837	28,283	219,494	170,324
Incurred Losses	20,784	19,205	161,034	135,691
Underwriting & Admin Expense	7,802	6,496	47,567	38,823
<b>Net Result from Operations</b>	<b>4,251</b>	<b>2,582</b>	<b>10,893</b>	<b>(4,190)</b>
<i><b>Ratios:</b></i>				
<b>Loss ratio</b> - Prior Accident Years	(3.2%)	(1.5%)	7.7%	10.2%
- Current Accident Year	66.5%	69.4%	65.6%	69.5%
<i>Total</i>	<b>63.3%</b>	<b>67.9%</b>	<b>73.3%</b>	<b>79.7%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>23.8%</b>	<b>23.3%</b>	<b>21.8%</b>	<b>23.1%</b>
<b>Combined Operating Ratio</b>	<b>87.1%</b>	<b>91.2%</b>	<b>95.1%</b>	<b>102.8%</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: July’s projections include the following **adjustments to reflect COVID-19 pandemic impacts**:

- 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 originally introduced with April 2020’s premium projections.

The projected calendar year Net Result from Operations to July 2020 is \$33.7 million and the estimated combined operating ratio to July 2020 is 91.4% 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)*

<b>FARM 2020 Year-end Projection</b> Amounts in \$000s	<b>Current</b> (Jul 2020)	Prior Mth (Jun 2020)	<b>Change</b>	Final 2020 Outlook*
Premium Written	409,493	407,018	2,475	350,613
Premium Earned	385,629	384,351	1,278	341,552
Incurred Losses	267,516	266,869	647	233,103
Underwriting & Admin Expense	84,445	84,579	(134)	74,721
<b>Net Result from Operations</b>	<b>33,668</b>	<b>32,903</b>	<b>765</b>	<b>33,728</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	3.3%	3.4%	(0.1%)	(1.7%)
- Current Accident Year	66.1%	66.1%	0.0%	69.9%
<i>Total</i>	<b>69.4%</b>	<b>69.4%</b>	<b>0.0%</b>	<b>68.2%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>22.0%</b>	<b>22.1%</b>	<b>(0.1%)</b>	<b>22.3%</b>
<b>Combined Operating Ratio</b>	<b>91.4%</b>	<b>91.5%</b>	<b>(0.1%)</b>	<b>90.5%</b>

*rounding differences may occur*

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

This updated projection to the end of the year has improved by \$0.8 million from the projection provided last month (see second last column in the preceding table). This improvement is driven by a \$2.5 million increase in the projected written premium for the year, and its associated impacts on earned premium, claims, and expense projections.

**Current Month Results**

The Net Results from Operations in the month of July 2020 was \$4.3 million, up \$1.7 million from the same month last year. This improvement is composed of a \$0.4 million favourable impact associated with the \$4.6 million increase in earned premium (at a prior combined ratio of 91.2%), and an approximately \$1.3 million favourable impact stemming from the overall decrease in the combined ratio (from 91.2% to 87.1% applied to \$32.8 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 96.7% at the end of 6 months to 95.1% at the end of 7 months. The 1.6 percentage point decrease is composed of a 2.0 percentage point decrease in the Prior Accident Years loss ratio, offset by a 0.1 percentage point increase in the Current Accident Year loss ratio, and a 0.3 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.

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*FARM Summary of Actual vs Projected variances*

July 2020	Actual	Projection	Difference	Difference %
Premium Written	40,788	38,313	2,475	6.5%
Premium Earned	32,837	32,052	785	2.4%
Reported Losses				
Paid Losses	18,570	15,731	2,839	18.0%
Change in Outstanding Losses	(52,732)	3,966	(56,698)	(1,429.6%)
<b>Total Reported Losses</b>	<b>(34,162)</b>	<b>19,697</b>	<b>(53,859)</b>	<b>(273.4%)</b>
Change in IBNR*	54,782	1,487	53,295	
Change in Premium Deficiency (DPAC)*	(581)	(447)	(134)	
Change in Retro Claims Expense*	164	(647)	811	

(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 July, recorded indemnity amounts were \$53.1 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 \$53.9 million*), mainly from the Prior Accident Years with a favourable variance of \$52.3 million. We have investigated a **Servicing Carrier case reserve claims reporting difference** between trial balance and automobile statistical plan reporting with last month's (June 2020) and the current month's Participation Report (July 2020). Based on our review, **the current month's case reserves were under-reported by \$66.8 million**, due to a rejected outstanding loss file. Because Facility Association uses an ultimate loss ratio matching (IBNR booking) approach with the monthly participation results calculations (recorded activity is assumed to be offset by changes in IBNR), **there is no impact on this month's Operating Results**. We have confirmed with IBC and the Servicing Carrier that the issue has been resolved for next month's (August 2020) Participation Report.

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 July 2020 Participation Report does not reflect the results of an actuarial valuation update. The most

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recent valuation was as at March 31, 2020 for all jurisdictions and business segments. The actuarial valuation will be updated next as at June 30, 2020 for all jurisdictions and business segments, and the results of that valuation are anticipated to be reflected in the August 2020 Participation Report.

**Management Comments**

As shown in the following table, the **private passenger** annualized vehicle counts was fairly consistent with the previous year, increasing by 4.8% overall in July 2020 relative to July 2019, with increases in most jurisdictions.

*FARM Private Passenger Written Counts (July 2020)*

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	828	37	4.7%	791	454	134.5%	337
AB	143	15	11.9%	128	(95)	(42.6%)	223
NL	1,199	73	6.5%	1,126	101	9.8%	1,025
NB	573	70	13.8%	503	(26)	(5.0%)	530
NS	686	(66)	(8.7%)	751	233	45.0%	518
PE	162	9	5.8%	153	(7)	(4.4%)	160
YT	11	(1)	(9.5%)	12	(6)	(32.7%)	18
NT	168	38	29.3%	130	(74)	(36.4%)	204
NU	12	(1)	(5.8%)	13	(4)	(24.4%)	17
<b>Grand Total</b>	<b>3,782</b>	<b>175</b>	<b>4.8%</b>	<b>3,607</b>	<b>575</b>	<b>19.0%</b>	<b>3,032</b>

On a year-to-date basis, the private passenger annualized vehicle counts increased by 13.8%, largely driven by the increase in Ontario, up 1,415 vehicles (38%) and accounting for almost half of the overall increase.

*FARM Private Passenger Written Counts (Year-to-date to July 2020)*

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	5,137	1,415	38.0%	3,722	1,953	110.4%	1,769
AB	1,224	294	31.6%	930	(44)	(4.5%)	974
NL	7,017	496	7.6%	6,521	473	7.8%	6,048
NB	4,031	351	9.5%	3,680	155	4.4%	3,525
NS	4,648	100	2.2%	4,547	1,777	64.1%	2,770
PE	863	93	12.1%	770	52	7.3%	718
YT	89	6	7.0%	84	(21)	(20.5%)	105
NT	1,158	172	17.5%	986	(211)	(17.6%)	1,197
NU	75	8	12.1%	67	(10)	(13.1%)	77
<b>Grand Total</b>	<b>24,242</b>	<b>2,937</b>	<b>13.8%</b>	<b>21,305</b>	<b>4,123</b>	<b>24.0%</b>	<b>17,182</b>

On a rolling 12-month basis to July (as shown in the following table), FARM vehicle counts are up 16.8% across all rating classes (up 22.5% for private passenger, 13.6% for non-private passenger). In particular, the non-private passenger increase in vehicle counts is mainly driven by increases in commercial vehicles, interurban vehicles (long haul trucks), and motorcycles. The increase for interurban vehicle counts has gone down due to the recent decrease in Ontario, with the majority of the decrease from fleet business.

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We have also noted the recent increase in motorcycle business (primarily in Alberta) which we are actively monitoring.

Rolling 12-month premium changes are more significant than the changes in counts (private passenger up 36.8%, non-private passenger up 23.5%, for a total increase of 27.4%). 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 July 2020*

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 07			% Change in Amount			Change in Amount			2019 rolling 12 to month 07		
		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)	41,059	128,616,567	3,133	22.5%	36.8%	11.7%	7,537	34,598,929	328	33,522	94,017,638	2,805
	Farmer	-	-	-	-	-	-	-	-	-	-	-	-
PPV Total		41,059	128,616,567	3,133	22.5%	36.8%	11.7%	7,537	34,598,929	328	33,522	94,017,638	2,805
non-PPV	Private Passenger (x Farmers)	649	600,952	926	(6.7%)	(13.4%)	(7.1%)	(47)	(92,871)	(71)	696	693,823	997
	Commercial	19,897	109,056,729	5,481	36.6%	55.9%	14.1%	5,336	39,084,760	676	14,561	69,971,969	4,805
	Interurban	7,576	95,623,579	12,623	19.9%	4.8%	(12.6%)	1,259	4,406,144	(1,819)	6,316	91,217,435	14,442
	Public Bus	1,022	4,348,185	4,255	(38.2%)	(42.3%)	(6.5%)	(632)	(3,182,301)	(298)	1,654	7,530,486	4,553
	Private Bus & Misc Public	1,416	5,692,273	4,021	(0.3%)	16.3%	16.6%	(4)	795,788	571	1,419	4,896,485	3,450
	School Bus	899	1,363,528	1,516	(16.4%)	(22.4%)	(7.2%)	(176)	(393,081)	(118)	1,075	1,756,609	1,634
	Hotel & Country Club Bus	570	1,288,207	2,260	0.8%	(3.9%)	(4.7%)	5	(52,846)	(112)	565	1,341,053	2,372
	Taxi	4,590	28,203,068	6,145	(1.2%)	32.8%	34.4%	(53)	6,967,394	1,572	4,643	21,235,674	4,573
	Funeral	2	3,417	1,709	(60.0%)	(70.6%)	(26.5%)	(3)	(8,207)	(616)	5	11,624	2,325
	Ambulance	42	176,344	4,149	27.5%	31.6%	3.2%	9	42,311	128	33	134,033	4,021
	Motorcycle	18,681	13,163,407	705	10.7%	16.4%	5.2%	1,801	1,850,690	35	16,880	11,312,717	670
	All Terrain Vehicle	9,709	4,217,305	434	9.1%	16.5%	6.6%	810	596,098	27	8,899	3,621,207	407
	Snow Vehicle	3,858	1,653,833	429	(2.9%)	0.5%	3.6%	(114)	8,001	15	3,972	1,645,832	414
	Antique	2	5,671	2,430	(44.0%)	(11.8%)	57.4%	(2)	(761)	886	4	6,432	1,544
	Motor Home	345	870,533	2,525	38.5%	45.6%	5.1%	96	272,501	123	249	598,032	2,402
	Trailer Home	-	70,847	70,847	-	850.1%	850.1%	-	63,390	63,390	-	7,457	7,457
	Garage	-	10,773,335	10,773,335	-	26.0%	26.0%	-	2,221,638	2,221,638	-	8,551,697	8,551,697
	Non-Owned	-	446,763	446,763	-	44.4%	44.4%	-	137,281	137,281	-	309,482	309,482
	Drivers Policy	88	128,148	1,452	34.6%	58.4%	17.7%	23	47,248	218	66	80,900	1,234
non-PPV Total		69,346	277,686,124	4,004	13.6%	23.5%	8.7%	8,308	52,763,177	319	61,039	224,922,947	3,685
TOTAL		110,405	406,302,691	3,680	16.8%	27.4%	9.1%	15,844	87,362,106	307	94,561	318,940,585	3,373

Should you require any further information, please call Aidan Chen, AVP Data & Analytics at (416) 863-1750 x4804.

Saskia Matheson  
President & CEO

#### Related link:

[FARM July 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 7 months ended July 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 07/2020**  
**(thousands of dollars)**

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$38,815	\$29,715	\$39,160	\$11,893	\$38,359	\$42,287	\$40,788	\$241,017	\$409,495	\$372,967
CHANGE IN UNEARNED PREMIUMS	-4,450	364	-5,702	17,183	-8,623	-12,344	-7,951	-21,523	-23,864	-49,022
<b>NET PREMIUMS EARNED</b>	<b>\$34,365</b>	<b>\$30,079</b>	<b>\$33,458</b>	<b>\$29,076</b>	<b>\$29,736</b>	<b>\$29,943</b>	<b>\$32,837</b>	<b>\$219,494</b>	<b>\$385,631</b>	<b>\$323,945</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	2,394	-3,629	7,887	-81	5,957	-33	-58	12,437	12,436	14,991
EFFECT OF DISCOUNTING	-773	-556	-856	-735	9,863	-1,392	-1,008	4,543	246	924
DISCOUNTED	1,621	-4,185	7,031	-816	15,820	-1,425	-1,066	16,980	12,682	15,915
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	20,592	19,677	19,356	18,671	16,845	18,719	20,467	134,327	238,155	214,321
EFFECT OF DISCOUNTING	1,488	1,261	830	928	2,673	1,164	1,383	9,727	16,679	11,261
DISCOUNTED	22,080	20,938	20,186	19,599	19,518	19,883	21,850	144,054	254,834	225,582
<b>CLAIMS INCURRED</b>	<b>\$23,701</b>	<b>\$16,753</b>	<b>\$27,217</b>	<b>\$18,783</b>	<b>\$35,338</b>	<b>\$18,458</b>	<b>\$20,784</b>	<b>\$161,034</b>	<b>\$267,516</b>	<b>\$241,497</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	3,980	3,082	4,101	1,178	3,954	4,354	4,205	24,854	42,204	38,519
AGENTS COMMISSIONS	3,082	2,124	2,769	1,284	3,062	3,335	3,232	18,888	31,979	28,514
DRIVER RECORD ABSTRACTS	286	271	206	372	530	318	472	2,455	4,671	3,532
BAD DEBTS	-3	-2	-2	0	-3	-2	0	-12	-10	-148
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-361	83	-381	1,149	-641	-930	-581	-1,662	-1,901	-3,571
EFFECT OF DISCOUNTING	2	3	-52	0	0	0	0	-47	-47	-460
DISCOUNTED	-359	86	-433	1,149	-641	-930	-581	-1,709	-1,948	-4,031
<b>UNDERWRITING EXPENSES</b>	<b>\$6,986</b>	<b>\$5,561</b>	<b>\$6,641</b>	<b>\$3,983</b>	<b>\$6,902</b>	<b>\$7,075</b>	<b>\$7,328</b>	<b>\$44,476</b>	<b>\$76,896</b>	<b>\$66,386</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$3,678</b>	<b>\$7,765</b>	<b>-\$400</b>	<b>\$6,310</b>	<b>-\$12,504</b>	<b>\$4,410</b>	<b>\$4,725</b>	<b>\$13,984</b>	<b>\$41,219</b>	<b>\$16,062</b>
ADMINISTRATIVE EXPENSES	398	623	419	506	482	518	485	3,431	8,042	6,286
PREMIUM FINANCE FEE	-13	-12	-13	-12	-12	-11	-12	-85	-77	-130
INVESTMENT INCOME	119	121	75	30	30	27	23	425	570	1,208
<b>OPERATING RESULTS</b>	<b>\$3,386</b>	<b>\$7,251</b>	<b>-\$757</b>	<b>\$5,822</b>	<b>-\$12,968</b>	<b>\$3,908</b>	<b>\$4,251</b>	<b>\$10,893</b>	<b>\$33,670</b>	<b>\$10,854</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	4.7%	-13.9%	21.0%	-2.8%	53.2%	-4.8%	-3.2%	7.7%	3.3%	4.9%
Current Accident Year	64.3%	69.6%	60.3%	67.4%	65.6%	66.4%	66.5%	65.6%	66.1%	69.6%
All Accident Years Combined	69.0%	55.7%	81.3%	64.6%	118.8%	61.6%	63.3%	73.3%	69.4%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.6%	21.1%	15.4%	24.8%	25.4%	23.8%	21.8%	22.0%	22.4%
COMBINED OPERATING RATIO	90.5%	76.3%	102.4%	80.0%	143.6%	87.0%	87.1%	95.1%	91.4%	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 7 months ended July 31, 2020 (Discounted Basis)**  
**Source: Monthly (Accident Year) Member Participation Report as at 07/2020**  
(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	\$79,019	\$88,184	\$25,678	\$3,612	\$19,267	\$20,258	\$1,436	\$2,984	\$579	\$241,017	\$409,495	\$372,967
CHANGE IN UNEARNED PREMIUMS	-8,190	-5,853	-3,553	-155	-2,401	-776	-263	-334	2	-21,523	-23,864	-49,022
<b>NET PREMIUMS EARNED</b>	<b>\$70,829</b>	<b>\$82,331</b>	<b>\$22,125</b>	<b>\$3,457</b>	<b>\$16,866</b>	<b>\$19,482</b>	<b>\$1,173</b>	<b>\$2,650</b>	<b>\$581</b>	<b>\$219,494</b>	<b>\$385,631</b>	<b>\$323,945</b>
<b>CLAIMS INCURRED</b>												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	10,880	3,752	-3,714	-438	1,174	1,855	-626	-284	-162	12,437	12,436	14,991
EFFECT OF DISCOUNTING	1,329	2,193	-50	133	537	360	8	29	4	4,543	246	924
DISCOUNTED	12,209	5,945	-3,764	-305	1,711	2,215	-618	-255	-158	16,980	12,682	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	44,312	44,195	14,898	2,254	11,887	14,425	723	1,408	225	134,327	238,155	214,321
EFFECT OF DISCOUNTING	2,821	3,768	1,044	160	817	962	54	84	17	9,727	16,679	11,261
DISCOUNTED	47,133	47,963	15,942	2,414	12,704	15,387	777	1,492	242	144,054	254,834	225,582
<b>CLAIMS INCURRED</b>	<b>\$59,342</b>	<b>\$53,908</b>	<b>\$12,178</b>	<b>\$2,109</b>	<b>\$14,415</b>	<b>\$17,602</b>	<b>\$159</b>	<b>\$1,237</b>	<b>\$84</b>	<b>\$161,034</b>	<b>\$267,516</b>	<b>\$241,497</b>
<b>UNDERWRITING EXPENSES</b>												
OPERATING & SERVICE FEES	7,901	9,523	2,568	362	1,927	2,073	144	298	58	24,854	42,204	38,519
AGENTS COMMISSIONS	6,377	5,741	2,246	329	1,776	1,962	124	284	49	18,888	31,979	28,514
DRIVER RECORD ABSTRACTS	455	254	729	134	457	375	7	44	0	2,455	4,671	3,532
BAD DEBTS	2	0	-1	0	0	-12	0	-1	0	-12	-10	-148
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	-665	-353	-298	-11	-209	-73	-23	-30	0	-1,662	-1,901	-3,571
EFFECT OF DISCOUNTING	0	0	-47	0	0	0	0	0	0	-47	-47	-460
DISCOUNTED	-665	-353	-345	-11	-209	-73	-23	-30	0	-1,709	-1,948	-4,031
<b>UNDERWRITING EXPENSES</b>	<b>\$14,070</b>	<b>\$15,165</b>	<b>\$5,197</b>	<b>\$814</b>	<b>\$3,951</b>	<b>\$4,325</b>	<b>\$252</b>	<b>\$595</b>	<b>\$107</b>	<b>\$44,476</b>	<b>\$76,896</b>	<b>\$66,386</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>-\$2,583</b>	<b>\$13,258</b>	<b>\$4,750</b>	<b>\$534</b>	<b>-\$1,500</b>	<b>-\$2,445</b>	<b>\$762</b>	<b>\$818</b>	<b>\$390</b>	<b>\$13,984</b>	<b>\$41,219</b>	<b>\$16,062</b>
ADMINISTRATIVE EXPENSES	959	1,140	384	120	294	303	77	88	66	3,431	8,042	6,286
PREMIUM FINANCE FEE	-25	-39	-8	0	-5	-8	0	0	0	-85	-77	-130
INVESTMENT INCOME	126	154	44	9	38	48	2	3	1	425	570	1,208
<b>OPERATING RESULTS</b>	<b>-\$3,441</b>	<b>\$12,233</b>	<b>\$4,402</b>	<b>\$423</b>	<b>-\$1,761</b>	<b>-\$2,708</b>	<b>\$687</b>	<b>\$733</b>	<b>\$325</b>	<b>\$10,893</b>	<b>\$33,670</b>	<b>\$10,854</b>
<b>RATIOS:</b>												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	17.2%	7.2%	-17.0%	-8.8%	10.1%	11.4%	-52.7%	-9.6%	-27.2%	7.7%	3.3%	4.9%
Current Accident Year	66.5%	58.3%	72.1%	69.8%	75.3%	79.0%	66.2%	56.3%	41.7%	65.6%	66.1%	69.6%
All Accident Years Combined	83.7%	65.5%	55.1%	61.0%	85.4%	90.4%	13.5%	46.7%	14.5%	73.3%	69.4%	74.5%
Underwriting & Admin Exp.(Earned)	21.2%	19.8%	25.2%	27.0%	25.2%	23.8%	28.0%	25.8%	29.8%	21.8%	22.0%	22.4%
COMBINED OPERATING RATIO	104.9%	85.3%	80.3%	88.0%	110.6%	114.2%	41.5%	72.5%	44.3%	95.1%	91.4%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$17,167	\$8,069	\$12,538	\$5,102	\$11,971	\$12,086	\$12,086	\$79,019	\$134,058	\$114,601
CHANGE IN UNEARNED PREMIUMS	-4,415	1,657	-1,834	4,256	-2,849	-3,043	-1,962	-8,190	-10,829	-8,283
<b>NET PREMIUMS EARNED</b>	<b>\$12,752</b>	<b>\$9,726</b>	<b>\$10,704</b>	<b>\$9,358</b>	<b>\$9,122</b>	<b>\$9,043</b>	<b>\$10,124</b>	<b>\$70,829</b>	<b>\$123,229</b>	<b>\$106,318</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	1,900	-636	7,148	-79	2,562	-11	-4	10,880	10,880	10,587
EFFECT OF DISCOUNTING	-298	-146	523	-294	2,775	-769	-462	1,329	177	873
DISCOUNTED	1,602	-782	7,671	-373	5,337	-780	-466	12,209	11,057	11,460
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	6,322	6,016	7,083	6,205	6,106	5,933	6,647	44,312	78,780	68,811
EFFECT OF DISCOUNTING	414	325	313	264	861	318	326	2,821	4,706	2,997
DISCOUNTED	6,736	6,341	7,396	6,469	6,967	6,251	6,973	47,133	83,486	71,808
<b>CLAIMS INCURRED</b>	<b>\$8,338</b>	<b>\$5,559</b>	<b>\$15,067</b>	<b>6,096</b>	<b>12,304</b>	<b>5,471</b>	<b>6,507</b>	<b>\$59,342</b>	<b>\$94,543</b>	<b>\$83,268</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	1,717	807	1,255	510	1,196	1,208	1,208	7,901	13,404	11,461
AGENTS COMMISSIONS	1,410	652	1,009	398	933	988	987	6,377	10,888	8,936
DRIVER RECORD ABSTRACTS	39	43	68	89	93	69	54	455	1,140	798
BAD DEBTS	1	1	-1	1	0	0	0	2	3	-69
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-365	111	-143	346	-219	-240	-155	-665	-885	-484
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-365	111	-143	346	-219	-240	-155	-665	-885	-484
<b>UNDERWRITING EXPENSES</b>	<b>\$2,802</b>	<b>\$1,614</b>	<b>\$2,188</b>	<b>\$1,344</b>	<b>\$2,003</b>	<b>\$2,025</b>	<b>\$2,094</b>	<b>\$14,070</b>	<b>\$24,550</b>	<b>\$20,642</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$1,612</b>	<b>\$2,553</b>	<b>-\$6,551</b>	<b>\$1,918</b>	<b>-\$5,185</b>	<b>\$1,547</b>	<b>\$1,523</b>	<b>-\$2,583</b>	<b>\$4,136</b>	<b>\$2,408</b>
ADMINISTRATIVE EXPENSES	185	183	119	162	32	151	127	959	2,463	1,771
PREMIUM FINANCE FEE	-5	-3	-4	-4	-3	-3	-3	-25	-23	-36
INVESTMENT INCOME	32	36	21	11	11	8	7	126	165	353
<b>OPERATING RESULTS</b>	<b>\$1,454</b>	<b>\$2,403</b>	<b>-\$6,653</b>	<b>\$1,763</b>	<b>-\$5,209</b>	<b>\$1,401</b>	<b>\$1,400</b>	<b>-\$3,441</b>	<b>\$1,815</b>	<b>\$954</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$1,454</b>	<b>\$1,929</b>	<b>-\$932</b>	<b>-\$258</b>	<b>-\$1,248</b>	<b>-\$807</b>	<b>-\$492</b>	<b>-\$492</b>	<b>\$151</b>	<b>\$80</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	12.6%	-8.0%	71.7%	-4.0%	58.5%	-8.6%	-4.6%	17.2%	9.0%	10.8%
Current Accident Year	52.8%	65.2%	69.1%	69.1%	76.4%	69.1%	68.9%	66.5%	67.7%	67.5%
All Accident Years Combined	65.4%	57.2%	140.8%	65.1%	134.9%	60.5%	64.3%	83.7%	76.7%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	18.5%	21.6%	16.1%	22.3%	24.1%	21.9%	21.2%	21.9%	21.1%
COMBINED OPERATING RATIO	88.8%	75.7%	162.4%	81.2%	157.2%	84.6%	86.2%	104.9%	98.6%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$12,025	\$13,847	\$17,321	-\$1,441	\$14,822	\$15,837	\$15,773	\$88,184	\$150,617	\$146,703
CHANGE IN UNEARNED PREMIUMS	-175	-2,417	-4,152	12,143	-3,414	-4,516	-3,322	-5,853	-5,918	-28,619
<b>NET PREMIUMS EARNED</b>	<b>\$11,850</b>	<b>\$11,430</b>	<b>\$13,169</b>	<b>\$10,702</b>	<b>\$11,408</b>	<b>\$11,321</b>	<b>\$12,451</b>	<b>\$82,331</b>	<b>\$144,699</b>	<b>\$118,084</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	237	-2,713	2,317	-2	3,979	-11	-55	3,752	3,754	4,386
EFFECT OF DISCOUNTING	-277	-294	-243	-151	3,757	-343	-256	2,193	527	667
DISCOUNTED	-40	-3,007	2,074	-153	7,736	-354	-311	5,945	4,281	5,053
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	7,422	7,182	5,749	6,048	4,961	6,126	6,707	44,195	77,923	68,258
EFFECT OF DISCOUNTING	628	580	270	389	904	458	539	3,768	6,742	4,395
DISCOUNTED	8,050	7,762	6,019	6,437	5,865	6,584	7,246	47,963	84,665	72,653
<b>CLAIMS INCURRED</b>	<b>\$8,010</b>	<b>\$4,755</b>	<b>\$8,093</b>	<b>\$6,284</b>	<b>\$13,601</b>	<b>\$6,230</b>	<b>\$6,935</b>	<b>\$53,908</b>	<b>\$88,946</b>	<b>\$77,706</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	1,299	1,495	1,869	-154	1,601	1,710	1,703	9,523	16,266	15,842
AGENTS COMMISSIONS	803	769	896	79	1,044	1,062	1,088	5,741	9,541	9,196
DRIVER RECORD ABSTRACTS	26	26	22	40	65	23	52	254	593	345
BAD DEBTS	0	0	0	0	1	-1	0	0	0	-86
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-9	-149	-257	751	-209	-276	-204	-353	-357	-1,724
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-9	-149	-257	751	-209	-276	-204	-353	-357	-1,724
<b>UNDERWRITING EXPENSES</b>	<b>\$2,119</b>	<b>\$2,141</b>	<b>\$2,530</b>	<b>\$716</b>	<b>\$2,502</b>	<b>\$2,518</b>	<b>\$2,639</b>	<b>\$15,165</b>	<b>\$26,043</b>	<b>\$23,573</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$1,721</b>	<b>\$4,534</b>	<b>\$2,546</b>	<b>\$3,702</b>	<b>-\$4,695</b>	<b>\$2,573</b>	<b>\$2,877</b>	<b>\$13,258</b>	<b>\$29,710</b>	<b>\$16,805</b>
ADMINISTRATIVE EXPENSES	105	285	183	63	255	80	169	1,140	2,877	2,347
PREMIUM FINANCE FEE	-6	-7	-7	-2	-6	-5	-6	-39	-32	-61
INVESTMENT INCOME	44	43	29	10	9	10	9	154	207	441
<b>OPERATING RESULTS</b>	<b>\$1,654</b>	<b>\$4,285</b>	<b>\$2,385</b>	<b>\$3,647</b>	<b>-\$4,947</b>	<b>\$2,498</b>	<b>\$2,711</b>	<b>\$12,233</b>	<b>\$27,008</b>	<b>\$14,838</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$1,654</b>	<b>\$2,970</b>	<b>\$2,775</b>	<b>\$2,993</b>	<b>\$1,405</b>	<b>\$1,587</b>	<b>\$1,748</b>	<b>\$1,748</b>	<b>\$2,251</b>	<b>\$1,237</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	-0.3%	-26.3%	15.7%	-1.4%	67.8%	-3.1%	-2.5%	7.2%	3.0%	4.3%
Current Accident Year	67.9%	67.9%	45.7%	60.1%	51.4%	58.2%	58.2%	58.3%	58.5%	61.5%
All Accident Years Combined	67.6%	41.6%	61.4%	58.7%	119.2%	55.1%	55.7%	65.5%	61.5%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	21.2%	20.6%	7.3%	24.2%	22.9%	22.6%	19.8%	20.0%	22.0%
COMBINED OPERATING RATIO	86.4%	62.8%	82.0%	66.0%	143.4%	78.0%	78.3%	85.3%	81.5%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$3,617	\$3,146	\$3,291	\$3,253	\$3,436	\$4,317	\$4,618	\$25,678	\$42,837	\$35,559
CHANGE IN UNEARNED PREMIUMS	-432	-194	-139	-151	-336	-1,161	-1,140	-3,553	-3,401	-6,000
<b>NET PREMIUMS EARNED</b>	<b>\$3,185</b>	<b>\$2,952</b>	<b>\$3,152</b>	<b>\$3,102</b>	<b>\$3,100</b>	<b>\$3,156</b>	<b>\$3,478</b>	<b>\$22,125</b>	<b>\$39,436</b>	<b>\$29,559</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	101	77	-2,424	-2	-1,462	-4	0	-3,714	-3,715	-907
EFFECT OF DISCOUNTING	-33	-18	-427	-48	597	-66	-55	-50	-315	-165
DISCOUNTED	68	59	-2,851	-50	-865	-70	-55	-3,764	-4,030	-1,072
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	2,337	2,252	1,984	2,223	1,615	2,135	2,352	14,898	26,603	23,331
EFFECT OF DISCOUNTING	160	140	95	87	267	130	165	1,044	1,753	1,211
DISCOUNTED	2,497	2,392	2,079	2,310	1,882	2,265	2,517	15,942	28,356	24,542
<b>CLAIMS INCURRED</b>	<b>\$2,565</b>	<b>\$2,451</b>	<b>-\$772</b>	<b>\$2,260</b>	<b>\$1,017</b>	<b>\$2,195</b>	<b>\$2,462</b>	<b>\$12,178</b>	<b>\$24,326</b>	<b>\$23,470</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	362	314	329	325	344	432	462	2,568	4,282	3,555
AGENTS COMMISSIONS	308	262	290	296	320	382	388	2,246	3,820	3,226
DRIVER RECORD ABSTRACTS	96	70	68	100	135	108	152	729	1,492	951
BAD DEBTS	0	0	0	0	-1	0	0	-1	-1	-29
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-37	-6	-12	-16	-35	-103	-89	-298	-298	-790
EFFECT OF DISCOUNTING	2	3	-52	0	0	0	0	-47	-47	-187
DISCOUNTED	-35	-3	-64	-16	-35	-103	-89	-345	-345	-977
<b>UNDERWRITING EXPENSES</b>	<b>\$731</b>	<b>\$643</b>	<b>\$623</b>	<b>\$705</b>	<b>\$763</b>	<b>\$819</b>	<b>\$913</b>	<b>\$5,197</b>	<b>\$9,248</b>	<b>\$6,726</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>-\$111</b>	<b>-\$142</b>	<b>\$3,301</b>	<b>\$137</b>	<b>\$1,320</b>	<b>\$142</b>	<b>\$103</b>	<b>\$4,750</b>	<b>\$5,862</b>	<b>-\$637</b>
ADMINISTRATIVE EXPENSES	35	73	30	87	31	74	54	384	859	623
PREMIUM FINANCE FEE	-1	-1	-1	-2	-1	-1	-1	-8	-7	-12
INVESTMENT INCOME	13	14	9	2	2	2	2	44	59	106
<b>OPERATING RESULTS</b>	<b>-\$134</b>	<b>-\$202</b>	<b>\$3,279</b>	<b>\$50</b>	<b>\$1,290</b>	<b>\$69</b>	<b>\$50</b>	<b>\$4,402</b>	<b>\$5,055</b>	<b>-\$1,166</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>-\$134</b>	<b>-\$168</b>	<b>\$981</b>	<b>\$748</b>	<b>\$857</b>	<b>\$725</b>	<b>\$629</b>	<b>\$629</b>	<b>\$421</b>	<b>-\$97</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	2.1%	2.0%	-90.5%	-1.6%	-27.9%	-2.2%	-1.6%	-17.0%	-10.2%	-3.6%
Current Accident Year	78.4%	81.0%	66.0%	74.5%	60.7%	71.8%	72.4%	72.1%	71.9%	83.0%
All Accident Years Combined	80.5%	83.0%	-24.5%	72.9%	32.8%	69.6%	70.8%	55.1%	61.7%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.3%	20.7%	25.5%	25.6%	28.3%	27.8%	25.2%	25.6%	24.9%
COMBINED OPERATING RATIO	104.6%	107.3%	-3.8%	98.4%	58.4%	97.9%	98.6%	80.3%	87.3%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$578	\$243	\$480	\$513	\$499	\$631	\$668	\$3,612	\$6,473	\$5,865
CHANGE IN UNEARNED PREMIUMS	-58	232	28	-12	-67	-143	-135	-155	-352	-650
<b>NET PREMIUMS EARNED</b>	<b>\$520</b>	<b>\$475</b>	<b>\$508</b>	<b>\$501</b>	<b>\$432</b>	<b>\$488</b>	<b>\$533</b>	<b>\$3,457</b>	<b>\$6,121</b>	<b>\$5,215</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	14	54	-583	17	59	1	0	-438	-440	381
EFFECT OF DISCOUNTING	-5	3	-129	-2	255	17	-6	133	46	-53
DISCOUNTED	9	57	-712	15	314	18	-6	-305	-394	328
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	334	312	322	315	300	320	351	2,254	4,010	3,685
EFFECT OF DISCOUNTING	24	17	16	20	45	6	32	160	313	215
DISCOUNTED	358	329	338	335	345	326	383	2,414	4,323	3,900
<b>CLAIMS INCURRED</b>	<b>\$367</b>	<b>\$386</b>	<b>-\$374</b>	<b>\$350</b>	<b>\$659</b>	<b>\$344</b>	<b>\$377</b>	<b>\$2,109</b>	<b>\$3,929</b>	<b>\$4,228</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	58	25	48	51	50	63	67	362	650	585
AGENTS COMMISSIONS	51	25	43	46	45	58	61	329	596	545
DRIVER RECORD ABSTRACTS	15	13	8	21	36	14	27	134	228	242
BAD DEBTS	0	0	0	0	0	0	0	0	0	41
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-5	21	3	0	-5	-12	-13	-11	-30	-60
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-5	21	3	0	-5	-12	-13	-11	-30	-60
<b>UNDERWRITING EXPENSES</b>	<b>\$119</b>	<b>\$84</b>	<b>\$102</b>	<b>\$118</b>	<b>\$126</b>	<b>\$123</b>	<b>\$142</b>	<b>\$814</b>	<b>\$1,444</b>	<b>\$1,353</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$34</b>	<b>\$5</b>	<b>\$780</b>	<b>\$33</b>	<b>-\$353</b>	<b>\$21</b>	<b>\$14</b>	<b>\$534</b>	<b>\$748</b>	<b>-\$366</b>
ADMINISTRATIVE EXPENSES	9	10	9	25	19	26	22	120	187	171
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	2	3	2	0	1	1	0	9	12	27
<b>OPERATING RESULTS</b>	<b>\$27</b>	<b>-\$2</b>	<b>\$773</b>	<b>\$8</b>	<b>-\$371</b>	<b>-\$4</b>	<b>-\$8</b>	<b>\$423</b>	<b>\$572</b>	<b>-\$510</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$27</b>	<b>\$13</b>	<b>\$266</b>	<b>\$202</b>	<b>\$87</b>	<b>\$72</b>	<b>\$60</b>	<b>\$60</b>	<b>\$48</b>	<b>-\$43</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	1.7%	12.0%	-140.2%	3.0%	72.7%	3.7%	-1.1%	-8.8%	-6.4%	6.3%
Current Accident Year	68.8%	69.3%	66.5%	66.9%	79.9%	66.8%	71.9%	69.8%	70.6%	74.8%
All Accident Years Combined	70.5%	81.3%	-73.7%	69.9%	152.6%	70.5%	70.8%	61.0%	64.2%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	19.8%	21.9%	28.5%	33.6%	30.5%	30.8%	27.0%	26.6%	29.2%
COMBINED OPERATING RATIO	95.1%	101.1%	-51.8%	98.4%	186.2%	101.0%	101.6%	88.0%	90.8%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$2,667	\$1,670	\$2,057	\$2,347	\$3,322	\$3,977	\$3,227	\$19,267	\$32,756	\$28,610
CHANGE IN UNEARNED PREMIUMS	-227	600	367	-87	-961	-1,503	-590	-2,401	-2,415	-2,307
<b>NET PREMIUMS EARNED</b>	<b>\$2,440</b>	<b>\$2,270</b>	<b>\$2,424</b>	<b>\$2,260</b>	<b>\$2,361</b>	<b>\$2,474</b>	<b>\$2,637</b>	<b>\$16,866</b>	<b>\$30,341</b>	<b>\$26,303</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	38	-47	1,523	-3	-334	-5	2	1,174	1,173	-2,973
EFFECT OF DISCOUNTING	-43	-62	-8	-82	976	-168	-76	537	71	-422
DISCOUNTED	-5	-109	1,515	-85	642	-173	-74	1,711	1,244	-3,395
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	1,710	1,602	1,685	1,595	1,689	1,747	1,859	11,887	21,392	20,134
EFFECT OF DISCOUNTING	111	78	41	64	291	90	142	817	1,325	932
DISCOUNTED	1,821	1,680	1,726	1,659	1,980	1,837	2,001	12,704	22,717	21,066
<b>CLAIMS INCURRED</b>	<b>\$1,816</b>	<b>\$1,571</b>	<b>\$3,241</b>	<b>\$1,574</b>	<b>\$2,622</b>	<b>\$1,664</b>	<b>\$1,927</b>	<b>\$14,415</b>	<b>\$23,961</b>	<b>\$17,671</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	267	167	206	235	332	397	323	1,927	3,278	2,881
AGENTS COMMISSIONS	247	167	207	213	302	349	291	1,776	3,053	2,671
DRIVER RECORD ABSTRACTS	56	62	21	64	92	58	104	457	622	575
BAD DEBTS	0	0	0	0	0	0	0	0	0	-23
UNDISCOUNTED	-22	49	27	-5	-81	-129	-48	-209	-232	-213
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-22	49	27	-5	-81	-129	-48	-209	-232	-213
<b>UNDERWRITING EXPENSES</b>	<b>\$548</b>	<b>\$445</b>	<b>\$461</b>	<b>\$507</b>	<b>\$645</b>	<b>\$675</b>	<b>\$670</b>	<b>\$3,951</b>	<b>\$6,721</b>	<b>\$5,891</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$76</b>	<b>\$254</b>	<b>-\$1,278</b>	<b>\$179</b>	<b>-\$906</b>	<b>\$135</b>	<b>\$40</b>	<b>-\$1,500</b>	<b>-\$341</b>	<b>\$2,741</b>
ADMINISTRATIVE EXPENSES	28	33	21	64	44	64	40	294	668	512
PREMIUM FINANCE FEE	0	0	0	-2	-1	-1	-1	-5	-5	-9
INVESTMENT INCOME	11	11	6	3	3	2	2	38	52	103
<b>OPERATING RESULTS</b>	<b>\$59</b>	<b>\$232</b>	<b>-\$1,293</b>	<b>\$116</b>	<b>-\$948</b>	<b>\$72</b>	<b>\$1</b>	<b>-\$1,761</b>	<b>-\$962</b>	<b>\$2,323</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$59</b>	<b>\$146</b>	<b>-\$334</b>	<b>-\$222</b>	<b>-\$367</b>	<b>-\$294</b>	<b>-\$252</b>	<b>-\$252</b>	<b>-\$80</b>	<b>\$194</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	-0.2%	-4.8%	62.5%	-3.8%	27.2%	-7.0%	-2.8%	10.1%	4.1%	-12.9%
Current Accident Year	74.6%	74.0%	71.2%	73.4%	83.9%	74.3%	75.9%	75.3%	74.9%	80.1%
All Accident Years Combined	74.4%	69.2%	133.7%	69.6%	111.1%	67.3%	73.1%	85.4%	79.0%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	21.1%	19.9%	25.3%	29.2%	29.9%	26.9%	25.2%	24.4%	24.3%
COMBINED OPERATING RATIO	98.0%	90.3%	153.6%	94.9%	140.3%	97.2%	100.0%	110.6%	103.4%	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 &amp; LABRADOR

Operating Results for the 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$1,966	\$2,334	\$2,673	\$1,766	\$3,660	\$4,279	\$3,580	\$20,258	\$35,073	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	325	184	824	-919	-1,496	-593	-776	-776	-3,235
<b>NET PREMIUMS EARNED</b>	<b>\$2,865</b>	<b>\$2,659</b>	<b>\$2,857</b>	<b>\$2,590</b>	<b>\$2,741</b>	<b>\$2,783</b>	<b>\$2,987</b>	<b>\$19,482</b>	<b>\$34,297</b>	<b>\$31,298</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	23	-169	556	-3	1,449	-1	0	1,855	1,857	4,426
EFFECT OF DISCOUNTING	-114	-26	-488	-153	1,350	-61	-148	360	-247	3
DISCOUNTED	-91	-195	68	-156	2,799	-62	-148	2,215	1,610	4,429
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	2,142	2,002	2,202	1,972	1,833	2,062	2,212	14,425	25,439	25,969
EFFECT OF DISCOUNTING	128	105	88	93	263	134	151	962	1,589	1,297
DISCOUNTED	2,270	2,107	2,290	2,065	2,096	2,196	2,363	15,387	27,028	27,266
<b>CLAIMS INCURRED</b>	<b>\$2,179</b>	<b>\$1,912</b>	<b>\$2,358</b>	<b>\$1,909</b>	<b>\$4,895</b>	<b>\$2,134</b>	<b>\$2,215</b>	<b>\$17,602</b>	<b>\$28,638</b>	<b>\$31,695</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	197	234	314	176	366	428	358	2,073	3,556	3,484
AGENTS COMMISSIONS	186	208	252	215	357	402	342	1,962	3,371	3,279
DRIVER RECORD ABSTRACTS	48	33	14	54	102	41	83	375	494	533
BAD DEBTS	-3	-3	-1	-1	-3	-1	0	-12	-11	54
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	83	43	16	54	-86	-129	-54	-73	-82	-310
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	-273
DISCOUNTED	83	43	16	54	-86	-129	-54	-73	-82	-583
<b>UNDERWRITING EXPENSES</b>	<b>\$511</b>	<b>\$515</b>	<b>\$595</b>	<b>\$498</b>	<b>\$736</b>	<b>\$741</b>	<b>\$729</b>	<b>\$4,325</b>	<b>\$7,328</b>	<b>\$6,767</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$175</b>	<b>\$232</b>	<b>-\$96</b>	<b>\$183</b>	<b>-\$2,890</b>	<b>-\$92</b>	<b>\$43</b>	<b>-\$2,445</b>	<b>-\$1,669</b>	<b>-\$7,164</b>
ADMINISTRATIVE EXPENSES	17	36	32	55	51	68	44	303	708	604
PREMIUM FINANCE FEE	-1	-1	-1	-2	-1	-1	-1	-8	-7	-12
INVESTMENT INCOME	14	12	7	4	4	4	3	48	64	151
<b>OPERATING RESULTS</b>	<b>\$171</b>	<b>\$207</b>	<b>-\$122</b>	<b>\$130</b>	<b>-\$2,938</b>	<b>-\$157</b>	<b>\$1</b>	<b>-\$2,708</b>	<b>-\$2,320</b>	<b>-\$7,629</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$171</b>	<b>\$189</b>	<b>\$85</b>	<b>\$97</b>	<b>-\$510</b>	<b>-\$452</b>	<b>-\$387</b>	<b>-\$387</b>	<b>-\$193</b>	<b>-\$636</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	-3.2%	-7.3%	2.4%	-6.0%	102.1%	-2.2%	-5.0%	11.4%	4.7%	14.2%
Current Accident Year	79.2%	79.2%	80.2%	79.7%	76.5%	78.9%	79.1%	79.0%	78.8%	87.1%
All Accident Years Combined	76.0%	71.9%	82.6%	73.7%	178.6%	76.7%	74.1%	90.4%	83.5%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	20.7%	21.9%	21.4%	28.7%	29.1%	25.9%	23.8%	23.4%	23.6%
COMBINED OPERATING RATIO	94.4%	92.6%	104.5%	95.1%	207.3%	105.8%	100.0%	114.2%	106.9%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$118	\$50	\$167	\$103	\$250	\$432	\$316	\$1,436	\$2,156	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	94	10	53	-95	-258	-125	-263	-98	-79
<b>NET PREMIUMS EARNED</b>	<b>\$176</b>	<b>\$144</b>	<b>\$177</b>	<b>\$156</b>	<b>\$155</b>	<b>\$174</b>	<b>\$191</b>	<b>\$1,173</b>	<b>\$2,058</b>	<b>\$1,972</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	3	22	-508	-1	-140	-2	0	-626	-626	247
EFFECT OF DISCOUNTING	0	-3	-34	1	46	0	-2	8	-12	36
DISCOUNTED	3	19	-542	0	-94	-2	-2	-618	-638	283
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	109	100	109	99	75	113	118	723	1,255	1,177
EFFECT OF DISCOUNTING	8	7	1	7	13	6	12	54	81	68
DISCOUNTED	117	107	110	106	88	119	130	777	1,336	1,245
<b>CLAIMS INCURRED</b>	<b>\$120</b>	<b>\$126</b>	<b>-\$432</b>	<b>\$106</b>	<b>-\$6</b>	<b>\$117</b>	<b>\$128</b>	<b>\$159</b>	<b>\$698</b>	<b>\$1,528</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	12	5	17	10	25	43	32	144	216	205
AGENTS COMMISSIONS	9	6	16	10	22	36	25	124	191	182
DRIVER RECORD ABSTRACTS	1	2	1	1	1	1	0	7	21	17
BAD DEBTS	0	0	0	0	0	0	0	0	-1	-22
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	5	7	0	6	-9	-21	-11	-23	-10	-6
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	5	7	0	6	-9	-21	-11	-23	-10	-6
<b>UNDERWRITING EXPENSES</b>	<b>\$27</b>	<b>\$20</b>	<b>\$34</b>	<b>\$27</b>	<b>\$39</b>	<b>\$59</b>	<b>\$46</b>	<b>\$252</b>	<b>\$417</b>	<b>\$376</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$29</b>	<b>-\$2</b>	<b>\$575</b>	<b>\$23</b>	<b>\$122</b>	<b>-\$2</b>	<b>\$17</b>	<b>\$762</b>	<b>\$943</b>	<b>\$68</b>
ADMINISTRATIVE EXPENSES	4	3	7	16	16	20	11	77	89	82
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	1	1	0	0	0	0	0	2	4	8
<b>OPERATING RESULTS</b>	<b>\$26</b>	<b>-\$4</b>	<b>\$568</b>	<b>\$7</b>	<b>\$106</b>	<b>-\$22</b>	<b>\$6</b>	<b>\$687</b>	<b>\$857</b>	<b>-\$6</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$26</b>	<b>\$11</b>	<b>\$197</b>	<b>\$149</b>	<b>\$141</b>	<b>\$114</b>	<b>\$98</b>	<b>\$98</b>	<b>\$71</b>	<b>-\$1</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	1.7%	13.2%	-306.2%	0.0%	-60.6%	-1.1%	-1.0%	-52.7%	-31.0%	14.4%
Current Accident Year	66.5%	74.3%	62.1%	67.9%	56.8%	68.4%	68.1%	66.2%	64.9%	63.1%
All Accident Years Combined	68.2%	87.5%	-244.1%	67.9%	-3.8%	67.3%	67.1%	13.5%	33.9%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	16.0%	23.2%	27.6%	35.5%	45.4%	29.8%	28.0%	24.6%	23.2%
COMBINED OPERATING RATIO	85.8%	103.5%	-220.9%	95.5%	31.7%	112.7%	96.9%	41.5%	58.5%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$567	\$322	\$579	\$213	\$342	\$670	\$291	\$2,984	\$4,492	\$4,052
CHANGE IN UNEARNED PREMIUMS	-108	25	-196	133	-5	-245	62	-334	-52	140
<b>NET PREMIUMS EARNED</b>	<b>\$459</b>	<b>\$347</b>	<b>\$383</b>	<b>\$346</b>	<b>\$337</b>	<b>\$425</b>	<b>\$353</b>	<b>\$2,650</b>	<b>\$4,440</b>	<b>\$4,192</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	64	-163	-55	0	-128	-1	-1	-284	-283	-1,041
EFFECT OF DISCOUNTING	-2	-10	-35	-4	86	-3	-3	29	1	-21
DISCOUNTED	62	-173	-90	-4	-42	-4	-4	-255	-282	-1,062
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	183	178	194	180	234	252	187	1,408	2,361	2,550
EFFECT OF DISCOUNTING	13	7	5	3	22	21	13	84	144	124
DISCOUNTED	196	185	199	183	256	273	200	1,492	2,505	2,674
<b>CLAIMS INCURRED</b>	<b>\$258</b>	<b>\$12</b>	<b>\$109</b>	<b>\$179</b>	<b>\$214</b>	<b>\$269</b>	<b>\$196</b>	<b>\$1,237</b>	<b>\$2,223</b>	<b>\$1,612</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	57	32	58	21	34	67	29	298	449	406
AGENTS COMMISSIONS	58	32	51	25	33	54	31	284	432	395
DRIVER RECORD ABSTRACTS	5	22	4	3	6	4	0	44	72	65
BAD DEBTS	-1	0	0	0	0	0	0	-1	0	-15
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	-12	3	-17	12	0	-21	5	-30	-5	15
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-12	3	-17	12	0	-21	5	-30	-5	15
<b>UNDERWRITING EXPENSES</b>	<b>\$107</b>	<b>\$89</b>	<b>\$96</b>	<b>\$61</b>	<b>\$73</b>	<b>\$104</b>	<b>\$65</b>	<b>\$595</b>	<b>\$948</b>	<b>\$866</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$94</b>	<b>\$246</b>	<b>\$178</b>	<b>\$106</b>	<b>\$50</b>	<b>\$52</b>	<b>\$92</b>	<b>\$818</b>	<b>\$1,269</b>	<b>\$1,714</b>
ADMINISTRATIVE EXPENSES	10	-3	13	19	20	20	9	88	121	110
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	1	1	1	0	0	0	0	3	5	15
<b>OPERATING RESULTS</b>	<b>\$85</b>	<b>\$250</b>	<b>\$166</b>	<b>\$87</b>	<b>\$30</b>	<b>\$32</b>	<b>\$83</b>	<b>\$733</b>	<b>\$1,152</b>	<b>\$1,619</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$85</b>	<b>\$168</b>	<b>\$167</b>	<b>\$147</b>	<b>\$124</b>	<b>\$108</b>	<b>\$105</b>	<b>\$105</b>	<b>\$96</b>	<b>\$135</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	13.5%	-49.9%	-23.5%	-1.2%	-12.5%	-0.9%	-1.1%	-9.6%	-6.4%	-25.3%
Current Accident Year	42.7%	53.3%	52.0%	52.9%	76.0%	64.2%	56.7%	56.3%	56.4%	63.8%
All Accident Years Combined	56.2%	3.4%	28.5%	51.7%	63.5%	63.3%	55.6%	46.7%	50.0%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	24.8%	28.5%	23.1%	27.6%	29.2%	21.0%	25.8%	24.1%	23.3%
COMBINED OPERATING RATIO	81.7%	28.2%	57.0%	74.8%	91.1%	92.5%	76.6%	72.5%	74.1%	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 7 months ended July 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 07/2020

(thousands of dollars)

	January	February	March	April	May	June	July	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
<b>UNDERWRITING REVENUE:</b>										
PREMIUMS WRITTEN	\$110	\$34	\$54	\$37	\$57	\$58	\$229	\$579	\$1,033	\$993
CHANGE IN UNEARNED PREMIUMS	8	42	30	24	23	21	-146	2	-23	11
<b>NET PREMIUMS EARNED</b>	<b>\$118</b>	<b>\$76</b>	<b>\$84</b>	<b>\$61</b>	<b>\$80</b>	<b>\$79</b>	<b>\$83</b>	<b>\$581</b>	<b>\$1,010</b>	<b>\$1,004</b>
<b>CLAIMS INCURRED</b>										
PRIOR ACCIDENT YEARS										
UNDISCOUNTED	14	-54	-87	-8	-28	1	0	-162	-164	-115
EFFECT OF DISCOUNTING	-1	0	-15	-2	21	1	0	4	-2	6
DISCOUNTED	13	-54	-102	-10	-7	2	0	-158	-166	-109
CURRENT ACCIDENT YEAR										
UNDISCOUNTED	33	33	28	34	32	31	34	225	392	406
EFFECT OF DISCOUNTING	2	2	1	1	7	1	3	17	26	22
DISCOUNTED	35	35	29	35	39	32	37	242	418	428
<b>CLAIMS INCURRED</b>	<b>\$48</b>	<b>-\$19</b>	<b>-\$73</b>	<b>\$25</b>	<b>\$32</b>	<b>\$34</b>	<b>\$37</b>	<b>\$84</b>	<b>\$252</b>	<b>\$319</b>
<b>UNDERWRITING EXPENSES</b>										
OPERATING & SERVICE FEES	11	3	5	4	6	6	23	58	103	100
AGENTS COMMISSIONS	10	3	5	2	6	4	19	49	87	84
DRIVER RECORD ABSTRACTS	0	0	0	0	0	0	0	0	9	6
BAD DEBTS	0	0	0	0	0	0	0	0	0	1
PREMIUM DEFICIENCY/(DPAC)										
UNDISCOUNTED	1	4	2	1	3	1	-12	0	-2	1
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	1	4	2	1	3	1	-12	0	-2	1
<b>UNDERWRITING EXPENSES</b>	<b>\$22</b>	<b>\$10</b>	<b>\$12</b>	<b>\$7</b>	<b>\$15</b>	<b>\$11</b>	<b>\$30</b>	<b>\$107</b>	<b>\$197</b>	<b>\$192</b>
<b>NET UNDERWRITING GAIN (LOSS)</b>	<b>\$48</b>	<b>\$85</b>	<b>\$145</b>	<b>\$29</b>	<b>\$33</b>	<b>\$34</b>	<b>\$16</b>	<b>\$390</b>	<b>\$561</b>	<b>\$493</b>
ADMINISTRATIVE EXPENSES	5	3	5	15	14	15	9	66	70	66
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	0	0	0	0	1	2	4
<b>OPERATING RESULTS</b>	<b>\$44</b>	<b>\$82</b>	<b>\$140</b>	<b>\$14</b>	<b>\$19</b>	<b>\$19</b>	<b>\$7</b>	<b>\$325</b>	<b>\$493</b>	<b>\$431</b>
<b>AVERAGE YTD OPERATING RESULT</b>	<b>\$44</b>	<b>\$63</b>	<b>\$89</b>	<b>\$70</b>	<b>\$60</b>	<b>\$53</b>	<b>\$46</b>	<b>\$46</b>	<b>\$41</b>	<b>\$36</b>
<b>RATIOS:</b>										
Claims & Adj Expenses Incurred (Earned)										
Prior Accident Years	11.0%	-71.1%	-121.4%	-16.4%	-8.8%	2.5%	0.0%	-27.2%	-16.4%	-10.9%
Current Accident Year	29.7%	46.1%	34.5%	57.4%	48.8%	40.5%	44.6%	41.7%	41.4%	42.6%
All Accident Years Combined	40.7%	-25.0%	-86.9%	41.0%	40.0%	43.0%	44.6%	14.5%	25.0%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	17.1%	20.2%	36.1%	36.3%	32.9%	47.0%	29.8%	26.4%	25.7%
COMBINED OPERATING RATIO	63.6%	-7.9%	-66.7%	77.1%	76.3%	75.9%	91.6%	44.3%	51.4%	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