

TO: MEMBERS OF THE FACILITY ASSOCIATION

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

BULLETIN NO.: F2020 – 070

DATE: SEPTEMBER 29, 2020

**SUBJECT: ONTARIO RISK SHARING POOL
– AUGUST 2020 OPERATIONAL REPORT**

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

Please be advised that the August 2020 Ontario Risk Sharing Pool Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Key Points

- (a) The updated valuation loss ratios include a review and assessment of the incurred impacts associated with the COVID-19 pandemic;
- (b) This month's results include the **implementation of the 2020 Q2 valuation**, resulting in an estimated **\$135 million favourable impact**, FA Management in conjunction with FA's Appointed Actuary will be scheduling a member call mid-October to provide further discussion of the 2020 Q2 valuation impact;
- (c) The **2020 year-to-date net operating surplus was \$67 million**, with a COR of 76.7% on earned premium of \$289 million; and
- (d) The **projected 2020 year-end net operating deficit is now \$13.8 million**, with a COR of 103.1% on earned premium of \$439 million (our Outlook for 2020 was \$261 million of net operating deficit with a COR of 165.2% on earned premium of \$401 million); this update reflects current assumptions under the 2020 Q2 valuation as well as updated written premium projections received from certain members.

New This Month

Valuation

A valuation of the Ontario RSP as at June 30, 2020 has been completed since last month's Operational Report and the results of that valuation have been incorporated into this month's Operational Report. The valuation was completed by the Facility Association's internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation of the new valuation resulted in an estimated overall **\$135.4 million**

favourable impact on the month's net result from operations, subtracting an estimated 46.9 points from the year-to-date Combined Operating Ratio (ending at 76.7%). The impact on the month's results is summarized in the following tables¹.

Ontario	unfav / (fav) for the month and ytd						ytd EP 288,626 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns		dsct rate	margins			ults & payout patterns		dsct rate	margins		
	Nominal [1]	apv adj. [2]	sub-tot [3]	apv adj. [4]	apv adj. [5]	TOTAL [6]	Nominal [1]	apv adj. [2]	sub-tot [3]	apv adj. [4]	apv adj. [5]	TOTAL [6]
PAYS	(45,134)	(5,954)	(51,088)	8,394	(13,223)	(55,917)	(15.6%)	(2.1%)	(17.7%)	2.9%	(4.6%)	(19.4%)
CAY	(47,333)	(8,112)	(55,445)	2,533	-	(52,912)	(16.4%)	(2.8%)	(19.2%)	0.9%	-	(18.3%)
Prem Def	(25,364)	(3,294)	(28,658)	2,040	-	(26,618)	(8.8%)	(1.1%)	(9.9%)	0.7%	-	(9.2%)
TOTAL	(117,831)	(17,360)	(135,191)	12,967	(13,223)	(135,447)	(40.8%)	(6.0%)	(46.8%)	4.5%	(4.6%)	(46.9%)

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

Summary of Financial Results

The calendar year-to-date Operating Result is \$67.2 million and the incurred loss ratio to the end of eight months is 66.0% as summarized in the following table.

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

Amounts in \$000s	August 2020	August 2019	Year to date Aug 2020	Year to Date Aug 2019
Premium Written	38,314	38,779	276,109	244,459
Premium Earned	36,000	30,019	288,626	227,665
Incurred Losses	(65,262)	(48,744)	190,495	228,063
Underwriting & Admin Expense	(12,907)	6,018	30,972	77,819
Operating Result	114,169	72,745	67,159	(78,217)
Ratios:				
Loss ratio - Prior Accident Years	(160.6%)	(260.8%)	(42.1%)	(36.4%)
- Current Accident Year	(20.6%)	98.4%	108.1%	136.5%
Total	(181.2%)	(162.4%)	66.0%	100.1%
Underwriting & Admin Expense	(35.9%)	20.0%	10.7%	34.2%
Combined Operating Ratio	(217.1%)	(142.4%)	76.7%	134.3%

rounding differences may occur

These results are discussed in some detail in the “Current Month Results” section. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2020” attached to this bulletin.

Updated Projection to Year-end 2020

The projected calendar year Operating Result to December 2020 is -\$13.8 million and the estimated combined operating ratio to December 2020 is 103.1%, as summarized in the following

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”.

table.

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

ON RSP 2020 Yr-end Projection Amounts in \$000s	Current (Aug 2020)	Prior Mth (Jul 2020)	Change	Final 2020 Outlook*
Premium Written	452,481	452,564	(83)	416,066
Premium Earned	438,607	440,630	(2,023)	400,999
Incurred Losses	336,599	469,890	(133,291)	523,840
Underwriting & Admin Expense	115,837	129,845	(14,008)	138,522
Net Result from Operations	(13,829)	(159,105)	145,276	(261,363)
Ratios:				
Loss ratio - Prior Accident Years	(29.7%)	(17.1%)	(12.6%)	(5.9%)
- Current Accident Year	106.4%	123.7%	(17.3%)	136.6%
<i>Total</i>	76.7%	106.6%	(29.9%)	130.7%
Underwriting & Admin Expense	26.4%	29.5%	(3.1%)	34.5%
Combined Operating Ratio	103.1%	136.1%	(33.0%)	165.2%

rounding differences may occur

*as posted to FA's website Nov. 5, 2019

This updated projection in Net Result from Operations to the end of the year has improved by \$145.3 million from the projection provided last month (see the second and third columns in the table). The updated projection includes the overall \$145.4 million favourable impact of the valuation, as at June 30, 2020, as summarized in the following table (see more information under "Effect of Quarterly Valuation" on page 4).

Ontario	unfav / (fav) projected for full year						year EP 438,607 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ults & payout patterns			dsct rate		margins	ults & payout patterns			dsct rate		margins
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYS	(45,134)	(5,629)	(50,763)	7,585	(11,969)	(55,147)	(10.3%)	(1.3%)	(11.6%)	1.7%	(2.7%)	(12.6%)
CAY	(71,780)	(7,703)	(79,483)	3,386	-	(76,097)	(16.4%)	(1.8%)	(18.1%)	0.8%	-	(17.3%)
Prem Def	(14,641)	(2,045)	(16,686)	2,505	-	(14,181)	(3.3%)	(0.5%)	(3.8%)	0.6%	-	(3.2%)
TOTAL	(131,555)	(15,377)	(146,932)	13,476	(11,969)	(145,425)	(30.0%)	(3.5%)	(33.5%)	3.1%	(2.7%)	(33.2%)

Current Month Results

The Ontario Risk Sharing Pool produced a \$114.2 million Operating Result in the month of August 2020, a \$41.4 million improvement compared with the same month last year. This improvement is composed of a \$14.5 million favourable impact associated with the \$6.0 million increase in earned premium (at a prior combined ratio of 142.4%) and a \$26.9 million favourable impact stemming from the overall decrease in the combined ratio (from -142.4% to -217.1% applied to \$36.0 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 118.6% at the end of seven months to 76.7% at the end of eight months. The 41.9 percentage point decrease is composed of a 16.9 percentage point decrease in the Prior Accident Years loss ratio, an 18.3

percentage point decrease in the Current Accident Year loss ratio, and a 6.7 percentage point decrease 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.

ON RSP Summary of Actual vs Projected variances

August 2020	Actual	Projection	Difference	Difference %
Written Premium	38,314	44,123	(5,809)	(13.2%)
Earned Premium	36,000	37,848	(1,848)	(4.9%)
Reported Losses				
Paid Losses	21,352	24,741	(3,389)	(13.7%)
Paid Expenses	1,279	2,544	(1,265)	(49.7%)
Change in Outstanding Losses	1,214	3,526	(2,312)	(65.6%)
Total Reported Losses	23,845	30,811	(6,966)	(22.6%)
Change in IBNR Provision*	(89,107)	14,524	(103,631)	
Change in Premium Deficiency (DPAC)*	(23,909)	4,034	(27,943)	

(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 actuarial 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 August 2020, reported losses were \$7.0 million lower than projected. The Current Accident Year had an approximately \$9.1 million favourable variance in reported losses, while the Prior Accident Years had an approximately \$2.1 million unfavourable variance. Of all the Prior Accident Years, 2018 had the largest variance in reported losses at \$2.9 million unfavourable, followed by 2019 at \$2.7 million favourable and 2017 at \$1.2 million unfavourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for some specific individual Accident Years for the month. Management investigated the claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. With respect to the Current Accident Year, we attribute the lower than projected reported losses to a reduction in written premium and physical damage claims experience in relation to the COVID-19 pandemic impact. All other variances were within the set thresholds for the month.

Effect of Quarterly Valuation

The August 2020 Ontario Risk Sharing Pool Operational Report reflects the results of an updated valuation as at June 30, 2020, with the associated impacts in relation to the results for August 2020 summarized in the following tables.

Bulletin F2020-070
Ontario Risk Sharing Pool – August 2020 Operational Report

Ontario	unfav / (fav) for the month and ytd						mth EP 36,000 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ults & payout patterns			dsct rate		margins	ults & payout patterns			dsct rate		margins
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	(45,134)	(5,954)	(51,088)	8,394	(13,223)	(55,917)	(125.4%)	(16.5%)	(141.9%)	23.3%	(36.7%)	(155.3%)
CAY	(47,333)	(8,112)	(55,445)	2,533	-	(52,912)	(131.5%)	(22.5%)	(154.0%)	7.0%	-	(147.0%)
Prem Def	(25,364)	(3,294)	(28,658)	2,040	-	(26,618)	(70.5%)	(9.2%)	(79.6%)	5.7%	-	(73.9%)
TOTAL	(117,831)	(17,360)	(135,191)	12,967	(13,223)	(135,447)	(327.3%)	(48.2%)	(375.5%)	36.0%	(36.7%)	(376.2%)

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a \$135.2 million favourable impact – see column [3] in the preceding table on the left), partially offset by the impact due to a 37 basis point decrease in the selected discount rate from 0.66% to 0.29% (generating a \$13.0 million unfavourable impact – see column [4] in the preceding table on the left).

While there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points), as per our usual practice with the June 30 valuations, the margins for adverse deviation for claims development as selected at the coverage / accident year level were updated with this valuation (generating a \$13.2 million favourable impact – see column [5] in the left table above).

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

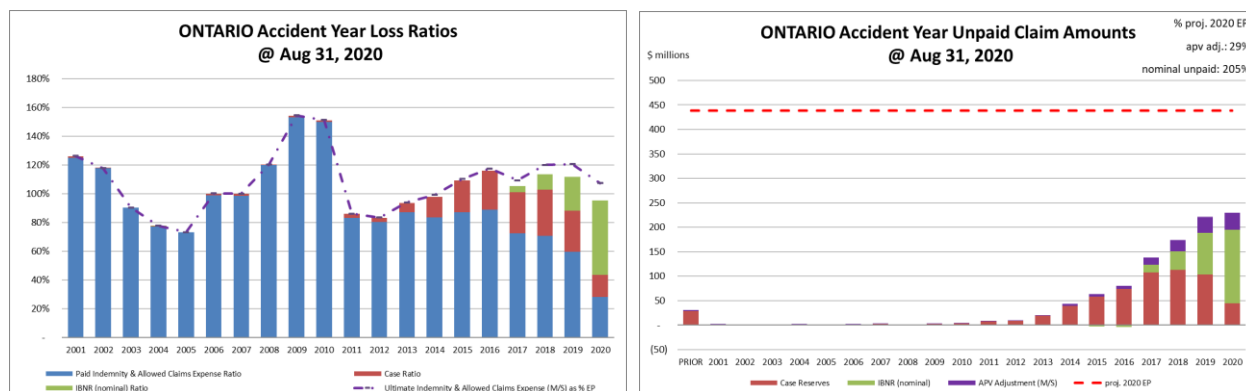
RSP: Ontario, as at: 2020 Q2		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
Valuation	period implemented	updated LR & exp	APVs @ prior assumptions	updated dsct rate	updated margins	Total Impact	Booked Policy Liabilities	Total Impact as % Book Liabs	Nominal Impact as % Book Liabs
		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
						= sum([1] to [4])		= [5] / [6]	= [1] / [6]
2017 Q3	Oct 2017	8,279	882	(19,050)	-	(9,889)	1,235,584	(0.8%)	0.7%
2017 Q4	Mar 2018	(10,194)	3,623	1,101	-	(5,470)	1,235,959	(0.4%)	(0.8%)
2018 Q1	May 2018	3,936	(2,730)	(5,846)	-	(4,640)	1,265,737	(0.4%)	0.3%
2018 Q2	Aug 2018	(8,275)	463	2,024	(30,423)	(36,211)	1,272,626	(2.8%)	(0.7%)
2018 Q3	Oct 2018	(1,047)	(374)	(13,794)	13,943	(1,272)	1,285,282	(0.1%)	(0.1%)
2018 Q4	Mar 2019	(17,697)	2,445	11,612	-	(3,640)	1,279,486	(0.3%)	(1.4%)
2019 Q1	May 2019	6,481	970	16,580	-	24,031	1,343,909	1.8%	0.5%
2019 Q2	Aug 2019	(75,808)	(10,073)	1,073	(13,723)	(98,531)	1,284,531	(7.7%)	(5.9%)
2019 Q3	Oct 2019	(7,899)	(1,480)	(388)	-	(9,767)	1,335,488	(0.7%)	(0.6%)
2019 Q4	Mar 2020	(64,285)	(4,061)	(5,874)	-	(74,220)	1,346,373	(5.5%)	(4.8%)
2020 Q1	May 2020	(47,472)	(5,559)	33,472	-	(19,559)	1,358,679	(1.4%)	(3.5%)
2020 Q2	Aug 2020	(117,831)	(17,360)	12,967	(13,223)	(135,447)	1,282,045	(10.6%)	(9.2%)
12-qtrs		(331,812)	(33,254)	33,877	(43,426)	(374,615)			
% of total		88.6%	8.9%	(9.0%)	11.6%	100.0%			
3 unfavourable (nominal) valuations							4 impacts were outside of 2.5%		
Averages									
12-qtrs		(27,651)	(2,771)	2,823	(3,619)	(31,218)	1,293,808	(2.4%)	(2.1%)
2017 Q3 to 2019 Q2		(11,791)	(599)	(788)	(3,775)	(16,953)	1,275,389	(1.3%)	(0.9%)
2019 Q3 to 2020 Q2		(59,372)	(7,115)	10,044	(3,306)	(59,748)	1,330,646	(4.5%)	(4.5%)

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 liabilities², 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 not been met**, as the 12-quarter nominal change in column [1] is \$331.8 million favourable. We note that the average impact of the most recent 6 valuations is significantly more favourable than the earlier 6 valuations.
- (ii) **Nominal size measurement: This objective has not been met**, with 4 individual valuations showing nominal changes in excess of 2.5% of ending policy liabilities per column [8] in the preceding table, above our expectation (0). As indicated in the previous quarter, we are currently in the process of reviewing the valuation process (including how assumptions are struck, the accuracy of various valuation methodologies, and our default selections), impacting the current 2020 Q2 valuation result. We expect this review to continue over the next 2-5 months.
- (iii) **Bias evidence measurement: This objective has been met**, as 3 of 12 valuations show unfavourable changes (column [1] of the preceding table), in line with our expectation (3 to 5 of 12).

In summary, we believe the nominal valuation impacts had been moving toward our target impacts (long term zero impact; individual valuation impact of no more than 2.5% of policy liabilities; no bias evident), the recent valuations suggest some reflection on our processes is warranted, so we are taking action in response.

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

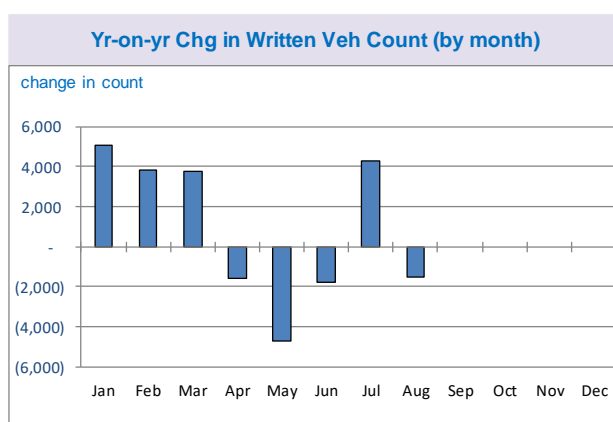


The actuarial valuation will be updated next as at September 30, 2020 and we anticipate that the results will be reflected in the October 2020 Operational Report.

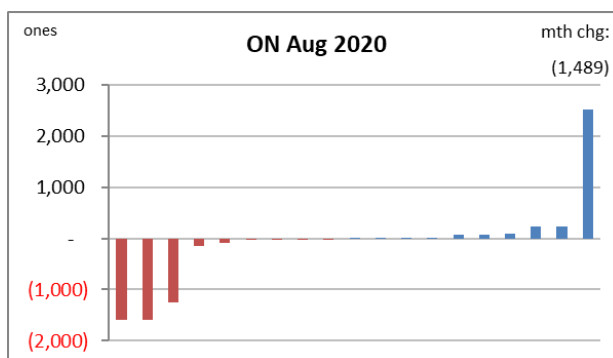
²We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

Management Comments

For the Ontario RSP, the transfer limit is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits during a calendar year. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. Our current projection has the 2020 vehicle count up 0.7% from 2019, being 2.7% of the 2019 industry private passenger vehicle count (including farmers) (as we don't have an industry farmers private passenger count yet for 2019, we continue to use the 2018 farmer count as a proxy). There is the potential for the transferred vehicle count to change dramatically and quickly if member companies choose to take full advantage of their transfer limits.



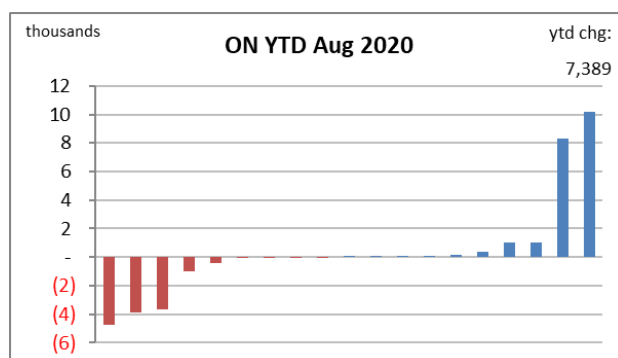
The chart on the left shows the year-on-year change in the vehicles transferred to the pool by month, with August reporting a decrease of 1,489 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 1,004 vehicles, indicating a variance of 2,493 vehicles from the actual transfers. This variance was mainly due to three member company groups transferring a lower number of vehicles to the RSP in August than projected.



The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue or red bar represents the change for a single member company group), sorted by magnitude of change. Nine member company groups transferred fewer vehicles to the pool this month compared to a year ago, while ten transferred more³. Of the 9 member company groups transferring fewer vehicles, 3 member company groups accounted

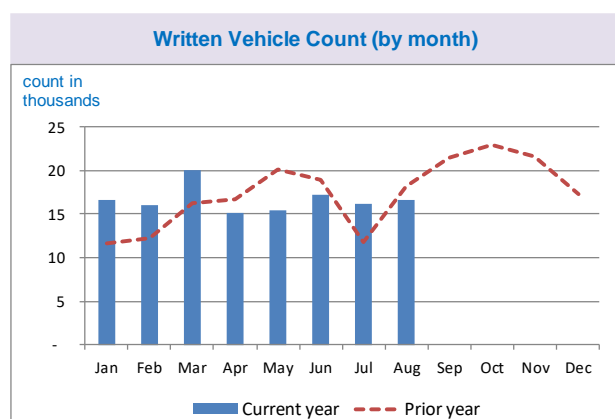
for 95% of the total transfer decrease for the “decliner” members. Of the 10 member company groups transferring more vehicles, 1 member company group accounted for 78% of the total transfer increases for the “grower” members.

³For the purposes of discussion here, we only include those member company groups that transferred at least one vehicle in either 2019 or 2020. Groups that have not transferred vehicles in these two periods are ignored.

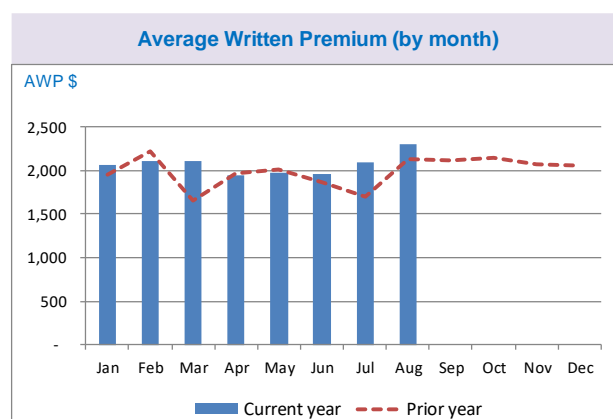


The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue or red bar represents the change for a single member company group),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

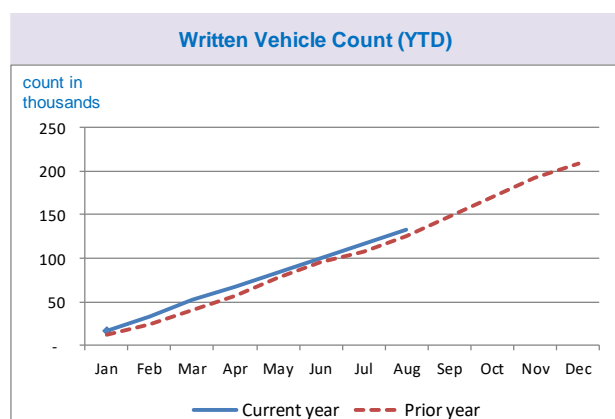
August's vehicle count transfers to the pool represents an 8.2% decrease from August 2019, however, counts were up 5.9% year-to-date. Average written premium was up 7.6% in August 2020 compared with the same month in 2019, and was up 6.7% year-to-date (see the following charts).



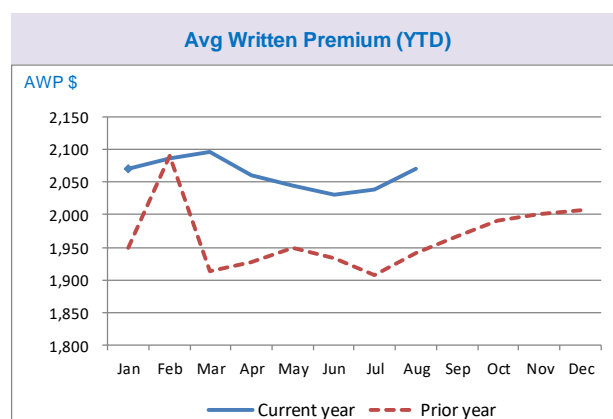
	Aug-20	Aug-19	Amt Chg	% Chg
W. Veh curr mth	16,659	18,148	(1,489)	-8.2%



	Aug-20	Aug-19	Amt Chg	% Chg
AWP curr mth	2,300	2,137	163	7.6%

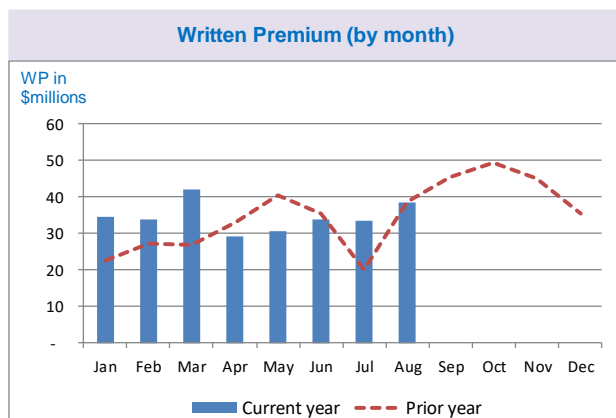


	Aug-20	Aug-19	Amt Chg	% Chg
W. Vehicles YTD	133,310	125,920	7,389	5.9%

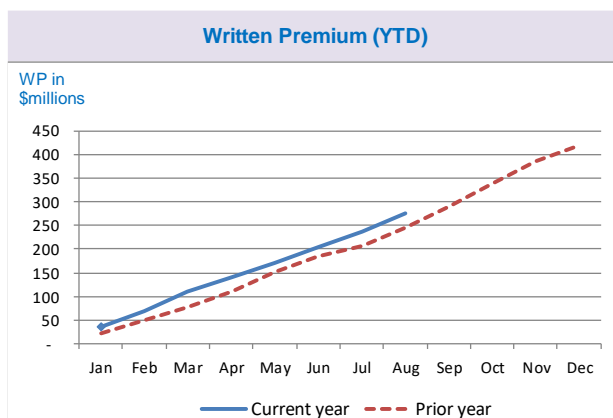


	Aug-20	Aug-19	Amt Chg	% Chg
Avg W. Prem YTD	2,071	1,941	130	6.7%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 1.2% for the month compared with the 13.8% increase we projected last month, but was still up 12.9% year-to-date (see the following charts).



	Aug-20	Aug-19	Amt Chg	% Chg
WP (\$000s) curr mth	38,314	38,779	(465)	-1.2%



	Aug-20	Aug-19	Amt Chg	% Chg
WP (\$000s) YTD	276,107	244,458	31,650	12.9%

Should you require any further information, please call Aidan Chen, AVP Data & Analytics at (416) 863-1750 x 4804.

Saskia Matheson
President & CEO

Related links:

[Ontario RSP August 2020 Operational Report – Actuarial Highlights](#)

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020

Risk Sharing Pool - Ontario

Operating Results for the 8 Months Ended August 31, 2020 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	CY2020 YTD	CY2020 12 MONTHS Updated Projection	CY2019 12 MONTHS Actual
Net Premiums Written	\$34,572	\$33,748	\$42,191	\$29,308	\$30,705	\$33,656	\$33,615	\$38,314	\$276,109	\$452,481	\$419,790
Decrease (Increase) in Unearned Premiums	1,929	923	(3,646)	\$8,114	\$6,486	(\$5)	\$1,030	(\$2,314)	12,517	(13,874)	(60,036)
Net Premiums Earned	\$36,501	\$34,671	\$38,545	\$37,422	\$37,191	\$33,651	\$34,645	\$36,000	\$288,626	\$438,607	\$359,754
Claims Incurred:											
Prior Accident Years:											
Undiscounted	\$102	(\$383)	(\$45,015)	(\$101)	(\$18,176)	(\$219)	(\$755)	(\$45,434)	(\$109,981)	(\$109,980)	(\$78,927)
Effect of Discounting	(2,874)	(2,208)	(7,525)	(1,594)	19,237	(2,230)	(1,911)	(12,399)	(11,504)	(20,248)	(16,000)
Discounted	(\$2,772)	(\$2,591)	(\$52,540)	(\$1,695)	\$1,061	(\$2,449)	(\$2,666)	(\$57,833)	(\$121,485)	(\$130,228)	(\$94,927)
Current Accident Year:											
Undiscounted	\$45,573	\$43,809	\$42,285	\$44,818	\$30,138	\$37,803	\$39,430	(\$6,828)	\$277,028	\$420,109	\$444,417
Effect of Discounting	5,911	4,511	2,979	4,538	8,154	4,625	4,835	(601)	34,952	46,718	38,828
Discounted	\$51,484	\$48,320	\$45,264	\$49,356	\$38,292	\$42,428	\$44,265	(\$7,429)	\$311,980	\$466,827	\$483,245
Claims Incurred	\$48,712	\$45,729	(\$7,276)	\$47,661	\$39,353	\$39,979	\$41,599	(\$65,262)	\$190,495	\$336,599	\$388,318
Underwriting Expenses:											
Expense Allowance	\$10,247	\$10,010	\$12,548	\$8,855	\$9,120	\$9,753	\$9,572	\$10,889	\$80,994	\$133,199	\$123,090
Change in UPDR/DPAC:											
Undiscounted	(447)	(108)	(12,094)	(1,349)	(15,938)	1,450	1,406	(23,196)	(50,276)	(25,027)	11,983
Effect of Discounting	(247)	(106)	(2,349)	(927)	3,374	176	47	(713)	(745)	5,915	11,538
Discounted	(694)	(214)	(14,443)	(2,276)	(12,564)	1,626	1,453	(23,909)	(51,021)	(19,112)	23,521
Underwriting Expenses	\$9,553	\$9,796	(\$1,895)	\$6,579	(\$3,444)	\$11,379	\$11,025	(\$13,020)	\$29,973	\$114,087	\$146,611
Net Underwriting Gain (Loss)	(\$21,764)	(\$20,854)	\$47,716	(\$16,818)	\$1,282	(\$17,707)	(\$17,979)	\$114,282	\$68,158	(\$12,079)	(\$175,175)
Administrative Expenses	\$111	\$166	\$112	\$127	\$113	\$123	\$134	\$113	\$999	\$1,750	\$1,624
Operating Result	(\$21,875)	(\$21,020)	\$47,604	(\$16,945)	\$1,169	(\$17,830)	(\$18,113)	\$114,169	\$67,159	(\$13,829)	(\$176,799)
Ratios:											
Claims & Expenses Incurred (Earned)											
Prior Accident Years	-7.6%	-7.5%	-136.3%	-4.5%	2.9%	-7.3%	-7.7%	-160.6%	-42.1%	-29.7%	-26.4%
Current Accident Year	141.0%	139.4%	117.4%	131.9%	103.0%	126.1%	127.8%	-20.6%	108.1%	106.4%	134.3%
All Accident Years Combined	133.4%	131.9%	-18.9%	127.4%	105.9%	118.8%	120.1%	-181.2%	66.0%	76.7%	107.9%
Underwriting & Administrative Expenses (Earned)	26.5%	28.7%	-4.6%	17.9%	-9.0%	34.2%	32.2%	-35.9%	10.7%	26.4%	41.2%
Combined Operating Ratio	159.9%	160.6%	-23.5%	145.3%	96.9%	153.0%	152.3%	-217.1%	76.7%	103.1%	149.1%

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