

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER  
NEW BRUNSWICK RISK SHARING POOL PROJECT MANAGER**

**BULLETIN NO.: F2020 – 072**

**DATE: SEPTEMBER 29, 2020**

**SUBJECT: NEW BRUNSWICK 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 New Brunswick 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 ***\$2.1 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 deficit was \$2.5 million***, with a COR of 122.0% on earned premium of \$11.4 million; and
- (d) The ***projected 2020 year-end net operating deficit is now \$3.2 million***, with a COR at 118.1% on earned premium of \$17.9 million, (our Outlook for 2020 was \$1.7 million of net operating deficit with a COR of 110.4% on earned premium of \$16.2 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 New Brunswick 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 **\$2.1 million favourable** impact on the month's net result from operations, subtracting an estimated 18.1 points from the year-to-date Combined Operating Ratio (ending at 122.0%). The impact on the month's results is summarized in the following tables.

NB	unfav / (fav) for the month and ytd						ytd EP 11,394 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	argins		ults & payout patterns			dsct rate	argins	
	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	(458)	(48)	(506)	228	(90)	(368)	(4.0%)	(0.4%)	(4.4%)	2.0%	(0.8%)	(3.2%)
CAY	(1,064)	(104)	(1,168)	78	-	(1,090)	(9.3%)	(0.9%)	(10.3%)	0.7%	-	(9.6%)
Prem Def	(632)	(46)	(678)	71	-	(607)	(5.5%)	(0.4%)	(6.0%)	0.6%	-	(5.3%)
TOTAL	(2,154)	(198)	(2,352)	377	(90)	(2,065)	(18.9%)	(1.7%)	(20.6%)	3.3%	(0.8%)	(18.1%)

### Summary of Financial Results

The calendar year-to-date Operating Result is -\$2.5 million and the incurred loss ratio to the end of eight months is 85.9% as summarized in the following table.

#### NB 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	2,456	1,707	12,821	10,961
Premium Earned	1,534	1,363	11,394	10,262
Incurred Losses	(259)	(413)	9,788	7,761
Underwriting & Admin Expense	124	180	4,117	3,649
<b>Operating Result</b>	<b>1,669</b>	<b>1,596</b>	<b>(2,511)</b>	<b>(1,148)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(26.7%)	(87.0%)	14.6%	(2.7%)
- Current Accident Year	9.8%	56.7%	71.3%	78.4%
<b>Total</b>	<b>(16.9%)</b>	<b>(30.3%)</b>	<b>85.9%</b>	<b>75.7%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>8.1%</b>	<b>13.2%</b>	<b>36.1%</b>	<b>35.6%</b>
<b>Combined Operating Ratio</b>	<b>(8.8%)</b>	<b>(17.1%)</b>	<b>122.0%</b>	<b>111.3%</b>

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 -\$3.2 million and the estimated combined operating ratio to December 2020 is 118.1%, as summarized in the following table.

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

<b>NB RSP 2020 Yr-end Projection</b> Amounts in \$000s	<b>Current</b> (Aug 2020)	Prior Mth (Jul 2020)	<b>Change</b>	Final 2020 Outlook*
Premium Written	19,263	17,823	1,440	16,178
Premium Earned	17,884	17,312	572	16,215
Incurred Losses	14,041	15,614	(1,573)	12,004
Underwriting & Admin Expense	7,074	6,951	124	5,896
<b>Net Result from Operations</b>	<b>(3,231)</b>	<b>(5,253)</b>	<b>2,021</b>	<b>(1,685)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	8.4%	10.9%	(2.5%)	(1.7%)
- Current Accident Year	70.1%	79.3%	(9.2%)	75.7%
<i>Total</i>	<b>78.5%</b>	<b>90.2%</b>	<b>(11.7%)</b>	<b>74.0%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>39.6%</b>	<b>40.1%</b>	<b>(0.5%)</b>	<b>36.4%</b>
<b>Combined Operating Ratio</b>	<b>118.1%</b>	<b>130.3%</b>	<b>(12.2%)</b>	<b>110.4%</b>

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 \$2.0 million from the projection provided last month (see the second and third columns in the table). The updated projection includes the overall \$2.3 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). The remaining difference was driven by the overall increase in projected written premium and the associated impacts on earned premium, claims, and expense projections.

NB	unfav / (fav) projected for full year						year EP 17,884 (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 [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	(458)	(43)	(501)	206	(83)	(378)	(2.6%)	(0.2%)	(2.8%)	1.2%	(0.5%)	(2.1%)
CAY	(1,661)	(92)	(1,753)	103	-	(1,650)	(9.3%)	(0.5%)	(9.8%)	0.6%	-	(9.2%)
Prem Def	(294)	(17)	(311)	77	-	(234)	(1.6%)	(0.1%)	(1.7%)	0.4%	-	(1.3%)
TOTAL	(2,413)	(152)	(2,565)	386	(83)	(2,262)	(13.5%)	(0.8%)	(14.3%)	2.2%	(0.5%)	(12.6%)

### Current Month Results

The New Brunswick Risk Sharing Pool produced a \$1.7 million Operating Result in the month of August 2020, a \$0.1 million improvement from the same month last year. This improvement is composed of a \$0.2 million favourable impact associated with the \$0.2 million increase in earned premium (at a prior combined ratio of -17.1%), offset by a \$0.1 million unfavourable impact stemming from the overall increase in the combined ratio (from -17.1% to -8.8% applied to \$1.5 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 142.4% at the end of seven months to 122.0% at the end of eight months. The 20.4 percentage point decrease is

composed of a 6.4 percentage point decrease in Prior Accident Years Loss ratio, coupled with a 9.6 percentage point decrease in the Current Accident Year loss ratio, and a 4.4 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.

#### *NB RSP Summary of Actual vs Projected variances*

August 2020	Actual	Projection	Difference	Difference %
Written Premium	2,456	1,631	825	50.6%
Earned Premium	1,534	1,528	6	0.4%
Reported Losses				
Paid Losses	500	748	(248)	(33.2%)
Paid Expenses	48	71	(23)	(32.4%)
Change in Outstanding Losses	165	90	75	83.3%
<b>Total Reported Losses</b>	<b>713</b>	<b>909</b>	<b>(196)</b>	<b>(21.6%)</b>
Change in IBNR Provision*	(972)	262	(1,234)	
Change in Premium Deficiency (DPAC)*	(681)	38	(719)	

(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 \$0.2 million lower than projected. The Current Accident Year had a \$0.3 million favourable variance, while the Prior Accident Years had a \$0.2 million unfavourable variance. No 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 paid claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. All other variances were within the set thresholds for the month.

### **Effect of Quarterly Valuation**

The August 2020 New Brunswick 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 table below.

NB	unfav / (fav) for the month and ytd						mth EP 1,534 (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	(458)	(48)	(506)	228	(90)	(368)	(29.9%)	(3.1%)	(33.0%)	14.9%	(5.9%)	(24.0%)
CAY	(1,064)	(104)	(1,168)	78	-	(1,090)	(69.4%)	(6.8%)	(76.1%)	5.1%	-	(71.1%)
Prem Def	(632)	(46)	(678)	71	-	(607)	(41.2%)	(3.0%)	(44.2%)	4.6%	-	(39.6%)
TOTAL	(2,154)	(198)	(2,352)	377	(90)	(2,065)	(140.4%)	(12.9%)	(153.3%)	24.6%	(5.9%)	(134.6%)

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a \$2.4 million favourable impact – see column [3] in the preceding table on the left), partially offset by the impact due to a 39 basis point decrease in the selected discount rate (from 0.64% to 0.25 generating a \$0.4 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 \$0.1 million favourable impact – see column [5] in the left table above).

Management has observed unfavourable *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).

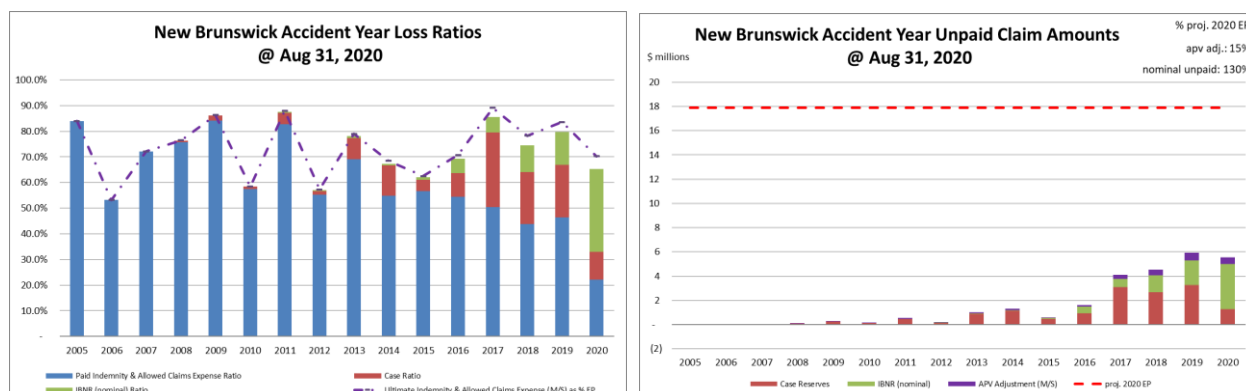
RSP: New Brunswick, as at: 2020 Q2		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
Valuation	period implemented	updated LRs & exp	APVs @ prior assumptions	updated dsct rate	updated margins	Total Impact	Booked Policy Liabilities	Total Impact as % Book Liabs	Nominal Impact as % Book Liabs
		[1]	[2]	[3]	[4]	[5] = sum([1] to [4])	[6]	[7] = [5] / [6]	[8] = [1] / [6]
2017 Q3	Oct 2017	1,415	101	(354)	-	1,162	24,385	4.8%	5.8%
2017 Q4	Mar 2018	55	37	(6)	-	86	23,228	0.4%	0.2%
2018 Q1	May 2018	(320)	(50)	(110)	-	(480)	23,274	(2.1%)	(1.4%)
2018 Q2	Aug 2018	1,463	53	45	(31)	1,530	26,690	5.7%	5.5%
2018 Q3	Oct 2018	(205)	34	(300)	-	(471)	27,694	(1.7%)	(0.7%)
2018 Q4	Mar 2019	814	32	250	-	1,096	28,364	3.9%	2.9%
2019 Q1	May 2019	122	2	369	-	493	30,123	1.6%	0.4%
2019 Q2	Aug 2019	(1,644)	(133)	9	(34)	(1,802)	29,088	(6.2%)	(5.7%)
2019 Q3	Oct 2019	1,030	86	(21)	-	1,095	30,985	3.5%	3.3%
2019 Q4	Mar 2020	1,203	126	(148)	-	1,181	30,178	3.9%	4.0%
2020 Q1	May 2020	795	60	873	-	1,728	32,985	5.2%	2.4%
2020 Q2	Aug 2020	(2,154)	(198)	377	(90)	(2,065)	34,033	(6.1%)	(6.3%)
12-qtrs	-	2,574	150	984	(155)	3,553			
% of total		72.4%	4.2%	27.7%	(4.4%)	100.0%			
8 unfavourable (nominal) valuations							7 impacts were outside of 2.5%		
Averages									
12-qtrs		215	13	82	(13)	296	28,419	1.0%	0.8%
2017 Q3 to 2019 Q2		213	10	(12)	(8)	202	26,606	0.8%	0.8%
2019 Q3 to 2020 Q2		219	19	270	(23)	485	32,045	1.5%	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 liabilities<sup>1</sup>, should be “small” (less than 2.5%); and (iii) the valuation results should not indicate bias – that is, we generally anticipate approximately 1/3<sup>rd</sup> of nominal valuation impacts will be unfavourable, and 2/3<sup>rd</sup>s 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 \$2.6 million unfavourable. That said, the average unfavourable impact over the 12 quarters at \$215 thousand (nominal only) represents 0.8% of ending policy liabilities per column [8], which we do not view as significant.
- (ii) **Nominal size measurement:** This objective has not been met, with 7 individual valuations showing nominal changes in excess of 2.5% of ending policy liabilities per column [8] in the preceding table, being higher than our expectation (0). 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 not been met, as 8 of 12 valuations show unfavourable changes (column [1] of the preceding table), being higher than our expectation (3 to 5 of 12).

In summary, while challenging as a small RSP, we believe the nominal valuation impacts are moving toward our target impacts (long term zero impact; individual valuation impact of no more than 2.5% of policy liabilities; no bias evident). However, the latest valuation suggests 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.

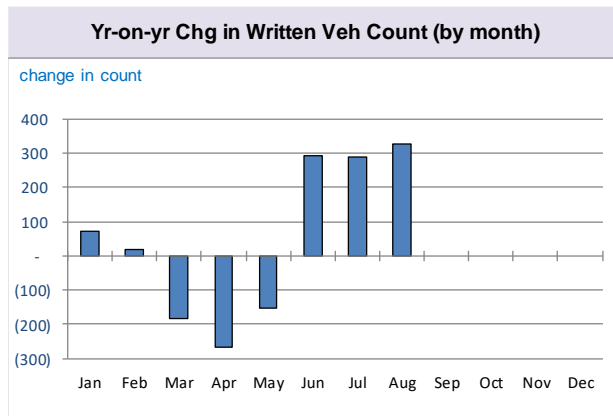


The actuarial valuation will be updated next as at September 30, 2020 and we anticipate that the

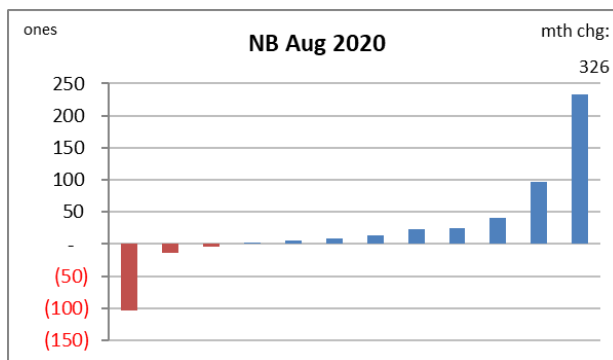
<sup>1</sup>We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

results will be reflected in the October 2020 Operational Report

## Management Comments

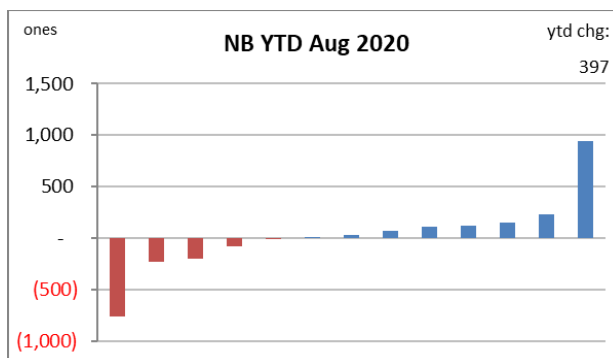


The chart on the left shows the year-on-year change in the vehicles transferred to the RSP by month, with August showing an increase of 326 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for a decrease of 120 vehicles, indicating a variance of 446 from the actual transfers. This variance was mainly due to one member company group transferring a higher 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. Three member company groups transferred fewer vehicles to the RSP this month compared with a year ago, while nine transferred more. Of the 3 member company groups transferring fewer vehicles, 1 member

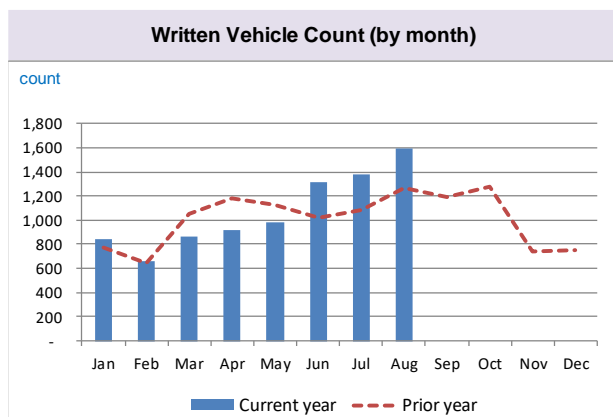
company group accounted for 85% of the total transfer decrease for the “decliner” members. Of the 9 member company groups transferring more vehicles, 1 member company group accounted for 52% of the total transfer increase for the “grower” members.



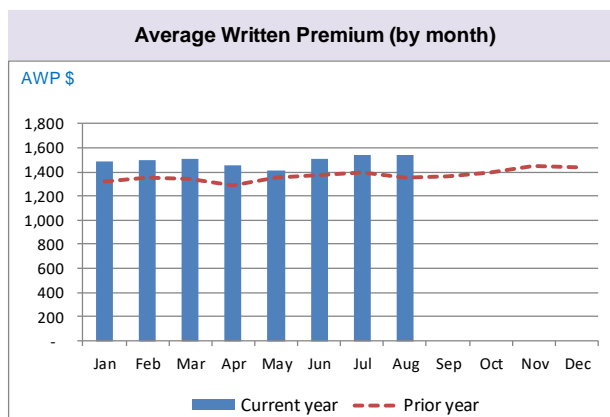
The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue or red bar represents the change for a single member company group),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

August’s vehicle count transfers to the RSP represent a 25.8% increase from August 2019, and counts were up 4.9% year-to-date. Average written premium was up 14.4% in August 2020, and up 11.5% year-to-date (see the following charts).

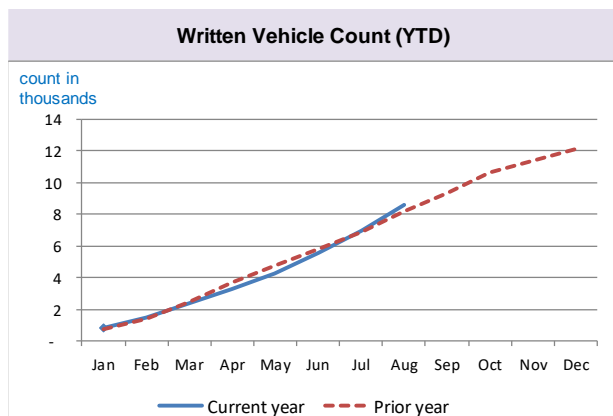




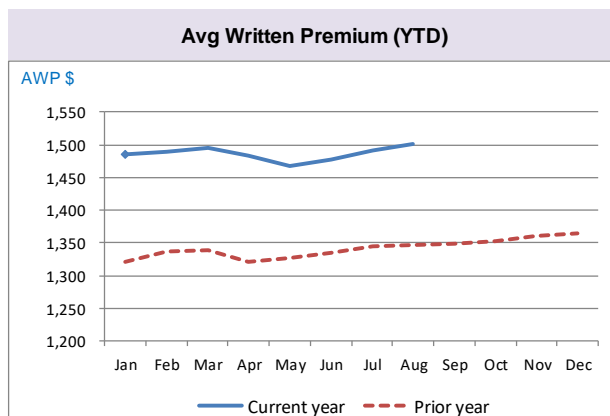
	Aug-20	Aug-19	Amt Chg	% Chg
W. Veh curr mth	1,590	1,264	326	25.8%



	Aug-20	Aug-19	Amt Chg	% Chg
AWP curr mth	1,545	1,350	195	14.4%

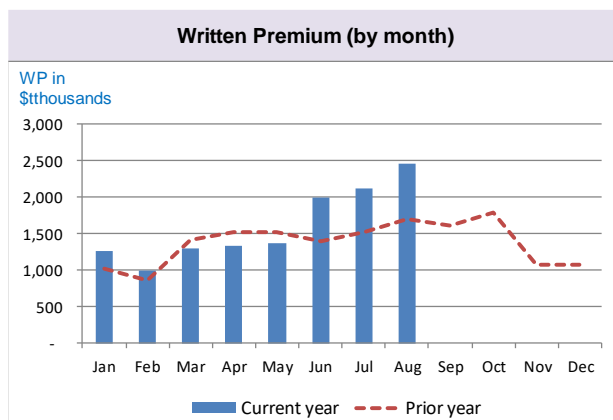


	Aug-20	Aug-19	Amt Chg	% Chg
W. Vehicles YTD	8,544	8,147	397	4.9%

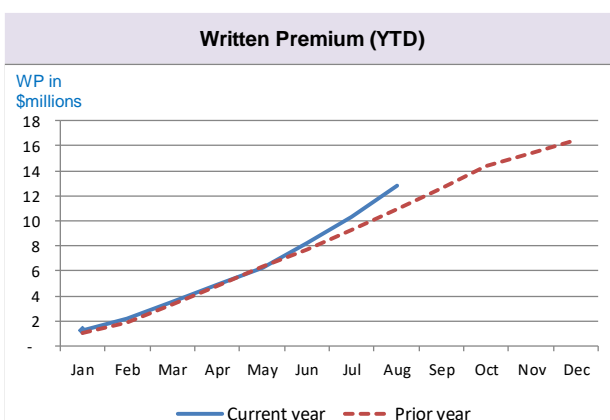


	Aug-20	Aug-19	Amt Chg	% Chg
Avg W. Prem YTD	1,501	1,346	155	11.5%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 43.9% for the month compared with the 4.4% decrease we projected last month, and was up 17.0% year-to-date (see the following charts below).



	Aug-20	Aug-19	Amt Chg	% Chg
WP (\$000s) curr mth	2,456	1,707	749	43.9%



	Aug-20	Aug-19	Amt Chg	% Chg
WP (\$000s) YTD	12,822	10,962	1,860	17.0%



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

Saskia Matheson  
President & CEO

**Related links:**

[New Brunswick 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 - New Brunswick

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
<b>Underwriting Revenue:</b>											
Net Premiums Written	\$1,255	\$986	\$1,304	\$1,333	\$1,377	\$1,988	\$2,122	\$2,456	\$12,821	\$19,263	\$16,518
Decrease (Increase) in Unearned Premiums	177	339	109	51	53	(600)	(634)	(922)	(1,427)	(1,379)	(735)
<b>Net Premiums Earned</b>	<b>\$1,432</b>	<b>\$1,325</b>	<b>\$1,413</b>	<b>\$1,384</b>	<b>\$1,430</b>	<b>\$1,388</b>	<b>\$1,488</b>	<b>\$1,534</b>	<b>\$11,394</b>	<b>\$17,884</b>	<b>\$15,783</b>
<b>Claims Incurred:</b>											
Prior Accident Years:											
Undiscounted	(\$14)	(\$30)	\$878	(\$11)	\$886	(\$14)	(\$18)	(\$473)	\$1,204	\$1,205	\$435
Effect of Discounting	(31)	(61)	(24)	(19)	623	(73)	(17)	64	462	293	173
Discounted	(\$45)	(\$91)	\$854	(\$30)	\$1,509	(\$87)	(\$35)	(\$409)	\$1,666	\$1,498	\$608
Current Accident Year:											
Undiscounted	\$1,057	\$997	\$1,159	\$1,054	\$1,021	\$1,046	\$1,127	\$93	\$7,554	\$11,791	\$11,886
Effect of Discounting	58	45	32	52	194	69	61	57	568	752	392
Discounted	\$1,115	\$1,042	\$1,191	\$1,106	\$1,215	\$1,115	\$1,188	\$150	\$8,122	\$12,543	\$12,278
<b>Claims Incurred</b>	<b>\$1,070</b>	<b>\$951</b>	<b>\$2,045</b>	<b>\$1,076</b>	<b>\$2,724</b>	<b>\$1,028</b>	<b>\$1,153</b>	<b>(\$259)</b>	<b>\$9,788</b>	<b>\$14,041</b>	<b>\$12,886</b>
<b>Underwriting Expenses:</b>											
Expense Allowance	\$379	\$298	\$393	\$403	\$416	\$601	\$641	\$742	\$3,873	\$5,819	\$4,974
Change in UPDR/DPAC:											
Undiscounted	45	85	229	20	(11)	(94)	(86)	(770)	(582)	30	(309)
Effect of Discounting	(8)	(13)	(19)	(5)	148	42	43	89	277	330	144
Discounted	37	72	210	15	137	(52)	(43)	(681)	(305)	360	(165)
<b>Underwriting Expenses</b>	<b>\$416</b>	<b>\$370</b>	<b>\$603</b>	<b>\$418</b>	<b>\$553</b>	<b>\$549</b>	<b>\$598</b>	<b>\$61</b>	<b>\$3,568</b>	<b>\$6,179</b>	<b>\$4,809</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$54)</b>	<b>\$4</b>	<b>(\$1,235)</b>	<b>(\$110)</b>	<b>(\$1,847)</b>	<b>(\$189)</b>	<b>(\$263)</b>	<b>\$1,732</b>	<b>(\$1,962)</b>	<b>(\$2,336)</b>	<b>(\$1,912)</b>
<b>Administrative Expenses</b>	<b>\$59</b>	<b>\$85</b>	<b>\$61</b>	<b>\$70</b>	<b>\$68</b>	<b>\$68</b>	<b>\$75</b>	<b>\$63</b>	<b>\$549</b>	<b>\$895</b>	<b>\$849</b>
<b>Operating Result</b>	<b>(\$113)</b>	<b>(\$81)</b>	<b>(\$1,296)</b>	<b>(\$180)</b>	<b>(\$1,915)</b>	<b>(\$257)</b>	<b>(\$338)</b>	<b>\$1,669</b>	<b>(\$2,511)</b>	<b>(\$3,231)</b>	<b>(\$2,761)</b>
<b>Ratios:</b>											
<b>Claims &amp; Expenses Incurred (Earned)</b>											
Prior Accident Years	-3.1%	-6.9%	60.4%	-2.2%	105.5%	-6.3%	-2.4%	-26.7%	14.6%	8.4%	3.9%
Current Accident Year	77.9%	78.6%	84.3%	79.9%	85.0%	80.3%	79.8%	9.8%	71.3%	70.1%	77.8%
All Accident Years Combined	74.8%	71.7%	144.7%	77.7%	190.5%	74.0%	77.4%	-16.9%	85.9%	78.5%	81.7%
Underwriting & Administrative Expenses (Earned)	33.2%	34.3%	47.0%	35.3%	43.4%	44.5%	45.2%	8.1%	36.1%	39.6%	35.8%
<b>Combined Operating Ratio</b>	<b>108.0%</b>	<b>106.0%</b>	<b>191.7%</b>	<b>113.0%</b>	<b>233.9%</b>	<b>118.5%</b>	<b>122.6%</b>	<b>-8.8%</b>	<b>122.0%</b>	<b>118.1%</b>	<b>117.5%</b>

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

Rounding difference may apply