



TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO.: F2020 – 093
DATE: DECEMBER 23, 2020
SUBJECT: FARM – OCTOBER 2020 PARTICIPATION REPORT

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

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

Key Points

- (a) This month's results include the *implementation of the 2020 Q3 valuation*, resulting in an estimated *\$4.7 million favourable impact* on the operating result; *October 2020 had a net operating surplus* of \$10.6 million, with a COR of 71.4% on earned premium of \$37.0 million;
- (b) The updated valuation loss ratios include a review and updated assessment of the incurred impacts associated with the COVID-19 pandemic;
- (c) The *projected 2020 year-end net operating surplus is now \$23.8 million*, with a COR at 94.1% on earned premium of \$396 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);
- (d) The October 2020 Participation Report reflects the effect of a redistribution of Member Funds with an aggregate adjustment of \$0; and
- (e) We are investigating an issue with updated earned rate change factors in projected accident year 2021 indemnity loss ratios for all jurisdictions. At this time, our assessment is the error is minor with respect to policy liabilities, but a full investigation is being undertaken and any adjustments will be made to the November 2020 Participation Report.

New This Month

Redistribution of Member Funds

The October 2020 Participation Report reflects the effect of a redistribution of Member Funds. **Note: All balances due to/from Facility Association, and receivable and payable dates are shown on page 21 of the Participation Report.** Please see the "Redistribution of Member Funds" section on page 10 of this bulletin for more details.

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Valuation

An actuarial valuation as at September 30, 2020 has been completed since last month’s Participation Report for the FARM private passenger and non-private passenger business segments for all jurisdictions and the results of that valuation have been incorporated into this month’s Participation Report. The valuation was completed by the Facility Association’s internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation resulted in an estimated overall **\$4.7 million favorable** impact on the month’s net result from operations, subtracting an estimated 1.5 points to the year-to-date Combined Operating Ratio (ending at 96.9%). The impact on the month’s results is summarized in the following tables¹.

2020 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)						ytd EP 324,792 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ultimates & payout patterns		dsct rate	margins		TOTAL	ultimates & payout patterns		dsct rate	margins		TOTAL
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(4,572)	174	(4,398)	217	-	(4,181)	(1.4%)	0.1%	(1.4%)	0.1%	-	(1.3%)
CAY	(530)	(158)	(688)	120	-	(568)	(0.2%)	-	(0.2%)	-	-	(0.2%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	(5,102)	16	(5,086)	337	-	(4,749)	(1.6%)	-	(1.6%)	0.1%	-	(1.5%)

Please see “Effect of Quarterly Valuation” on page 5 for additional detail.

Summary of Financial Results

The calendar year-to-date Operating Result is \$10.2 million and the incurred loss ratio to the end of 10 months is 74.9%, as summarized in the following table.

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

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

Amounts in \$000s	October 2020	October 2019	Year to date Oct 2020	Year to Date Oct 2019
Premium Written	48,084	31,891	369,951	308,409
Premium Earned	37,040	31,110	324,792	260,779
Incurred Losses	17,701	30,805	243,445	199,044
Underwriting & Admin Expense	8,739	7,004	71,105	58,837
Net Result from Operations	10,600	(6,699)	10,242	2,898
<i>Ratios:</i>				
Loss ratio - Prior Accident Years	(12.7%)	28.5%	12.8%	6.6%
- Current Accident Year	60.5%	70.5%	62.1%	69.8%
<i>Total</i>	47.8%	99.0%	74.9%	76.4%
<i>Underwriting & Admin Expense</i>	23.6%	23.0%	22.0%	22.9%
<i>Combined Operating Ratio</i>	71.4%	122.0%	96.9%	99.3%

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: October’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 discussions 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 December 2020 is \$23.8 million and the estimated combined operating ratio to December 2020 is 94.1% as indicated in the following table.

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

FARM 2020 Year-end Projection	Current	Prior Mth	Change	Final 2020
Amounts in \$000s	(Oct 2020)	(Sep 2020)		Outlook*
Premium Written	438,758	426,348	12,410	350,613
Premium Earned	395,727	391,472	4,255	341,552
Incurred Losses	285,158	288,208	(3,050)	233,103
Underwriting & Admin Expense	86,758	85,782	975	74,721
Net Result from Operations	23,812	17,482	6,330	33,728
Ratios:				
Loss ratio - Prior Accident Years	10.0%	11.1%	(1.1%)	(1.7%)
- Current Accident Year	62.0%	62.5%	(0.5%)	69.9%
<i>Total</i>	72.1%	73.6%	(1.5%)	68.2%
Underwriting & Admin Expense	22.0%	22.0%	0.0%	22.3%
Combined Operating Ratio	94.1%	95.6%	(1.5%)	90.5%

rounding differences may occur

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

This updated projection to the end of the year has improved by \$6.3 million from the projection provided last month (see second last column in the preceding table), mainly due to the overall \$4.9 million favourable impact of the valuation as at September 30, 2020, as summarized in the following table (see more information under “Effect of Quarterly Valuation” on page 5). Remaining differences were driven by changes in projected premium volumes by jurisdiction and business segment, and the associated impacts on earned premium, claims, and expense projections.

2020 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-end Projected Results

Grand Total	unfav / (fav) projected for full year						year EP 395,727 (current projection)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ultimates & payout patterns		dsct rate	margins		TOTAL	ultimates & payout patterns		dsct rate	margins		TOTAL
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYS	(4,572)	194	(4,378)	205	-	(4,173)	(1.2%)	-	(1.1%)	0.1%	-	(1.1%)
CAY	(648)	(201)	(849)	131	-	(718)	(0.2%)	(0.1%)	(0.2%)	-	-	(0.2%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	(5,220)	(7)	(5,227)	336	-	(4,891)	(1.3%)	-	(1.3%)	0.1%	-	(1.2%)

Current Month Results

The Net Results from Operations in the month of October 2020 was \$10.6 million, up \$17.3 million from the same month last year. This improvement is composed of an \$18.7 million favourable impact stemming from the overall decrease in the combined ratio (from 122.0% to 71.4% applied to \$37.0 million in earned premium), offset by an approximately \$1.4 million unfavourable impact associated with the \$5.9 million increase in earned premium (at a prior combined ratio of 122.0%).

This month’s results moved the year-to-date combined operating ratio from 100.2% at the end of 9 months to 96.9% at the end of 10 months. The 3.3 percentage point decrease is composed of a 3.3 percentage

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point decrease in the Prior Accident Years loss ratio and a 0.2 percentage point decrease in the Current Accident Year loss ratio, offset by a 0.2 percentage point increase in the expense ratio.

Variances from Projections

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

FARM Summary of Actual vs Projected variances

October 2020	Actual	Projection	Difference	Difference %
Premium Written	48,084	34,973	13,111	37.5%
Premium Earned	37,040	34,335	2,705	7.9%
Reported Losses				
Paid Losses	15,721	18,697	(2,976)	(15.9%)
Change in Outstanding Losses	1,893	5,913	(4,020)	(68.0%)
Total Reported Losses	17,614	24,610	(6,996)	(28.4%)
Change in IBNR*	174	(3,466)	3,640	
Change in Premium Deficiency (DPAC)*	(814)	(52)	(762)	
Change in Retro Claims Expense*	(87)	(704)	617	

(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 October, recorded indemnity amounts were \$6.6 million lower than projected (*allowed claims expenses are included in the table immediately above as part of reported losses, explaining why the variance in Total Reported Losses in the table shows \$7.0 million*). The Current Accident Year had a \$2.4 million favourable variance in recorded indemnity, and the Prior Accident Years had a favourable variance of \$4.2 million. Of all the Prior Accident Years, 2019 had the largest variance of \$4.4 million favourable; no other single Prior Accident Year had a reported indemnity variance in excess of \$1.0 million.

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

Effect of Quarterly Valuation

The October 2020 Participation Report reflects the results of an updated valuation as at September 30, 2020, with the associated impacts in relation to the results for October 2020 summarized in the following

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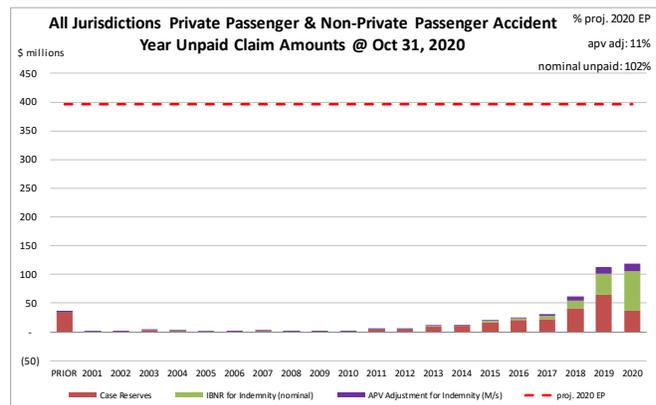
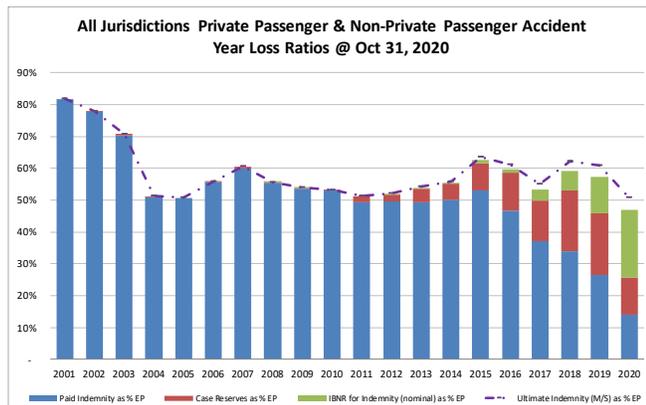
table.

2020 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Month’s Results

Grand Total	unfav / (fav)					mth EP 37,040 (actual)						
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ultimates & payout patterns		dsct rate	margins			ultimates & payout patterns		dsct rate	margins		
	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(4,572)	174	(4,398)	217	-	(4,181)	(12.3%)	0.5%	(11.9%)	0.6%	-	(11.3%)
CAY	(530)	(158)	(688)	120	-	(568)	(1.4%)	(0.4%)	(1.9%)	0.3%	-	(1.5%)
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	(5,102)	16	(5,086)	337	-	(4,749)	(13.8%)	-	(13.7%)	0.9%	-	(12.8%)

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

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



The valuation included all jurisdictions and business segments and resulted in updated policy liability cash flow estimates for all jurisdictions that, when applied to the updated risk free yield curve, resulted in a decrease in the selected discount rate from 0.27% to 0.23%. The investment return margin for adverse deviation was left unchanged at 25 basis points, and the selected claims development margins² were also left unchanged (per usual practice, investment income margins and claims development margins are reviewed and updated annually with the June 30 valuation).

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

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

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2020 Q3 Valuation Summary (Indemnity Only)

Valuation Summary (Nominal Basis)

unfavourable / (favourable)

Jurisdiction	2019 & Prior Beginning Indemnity Unpaid (000s)	2019 & Prior Accident Year Indemnity Change (000s)	% of Beginning Unpaid	2020 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2020 Earned Prem (000s)	2021 Indemnity Loss Ratio	Change from Prior Valuation	Change against 2021 Proj Earned Prem (000s)
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]
Ontario	124,086	679	0.5%	36.0%	(1.1%)	(1,682)	36.9%	0.1%	184
PPV	62,729	1,801	2.9%	48.3%	(0.3%)	(137)	56.0%	1.5%	761
Non-PPV	61,357	(1,122)	(1.8%)	30.5%	(1.5%)	(1,545)	28.5%	(0.5%)	(577)
Alberta	91,330	(1,026)	(1.1%)	53.4%	(1.4%)	(1,625)	54.8%	1.3%	1,665
PPV	9,553	(242)	(2.5%)	42.9%	(0.9%)	(84)	44.7%	3.1%	323
Non-PPV	81,777	(784)	(1.0%)	54.3%	(1.4%)	(1,541)	55.7%	1.1%	1,342
Newfoundland & Labrador	44,366	(1,587)	(3.6%)	59.8%	0.7%	234	64.6%	1.1%	404
PPV	33,092	(1,091)	(3.3%)	60.4%	0.7%	182	65.0%	1.5%	404
Non-PPV	11,274	(496)	(4.4%)	58.0%	0.6%	52	63.5%	0.0%	-
New Brunswick	29,482	(1,134)	(3.8%)	54.5%	0.7%	207	51.5%	0.4%	139
PPV	17,980	(483)	(2.7%)	54.4%	0.5%	84	51.1%	(0.5%)	(92)
Non-PPV	11,502	(651)	(5.7%)	54.7%	0.9%	124	51.9%	1.6%	232
Nova Scotia	24,493	202	0.8%	52.2%	0.7%	297	56.0%	1.0%	430
PPV	10,190	237	2.3%	50.1%	(0.2%)	(38)	57.6%	1.5%	316
Non-PPV	14,303	(35)	(0.2%)	54.2%	1.6%	335	54.5%	0.5%	115
Prince Edward Island	7,490	(262)	(3.5%)	56.1%	4.6%	278	51.4%	0.0%	2
PPV	4,043	(7)	(0.2%)	43.1%	0.8%	25	45.7%	1.1%	34
Non-PPV	3,447	(255)	(7.4%)	69.5%	8.5%	253	57.4%	(1.1%)	(32)
Yukon Territory	2,084	(174)	(8.3%)	43.6%	0.0%	(0)	52.1%	2.0%	41
PPV	1,125	(92)	(8.2%)	55.1%	0.4%	2	47.1%	1.0%	4
Non-PPV	959	(82)	(8.6%)	41.0%	(0.1%)	(2)	53.3%	2.2%	37
Northwest Territories	3,015	(383)	(12.7%)	42.4%	0.6%	25	41.7%	1.6%	75
PPV	1,335	(236)	(17.7%)	44.7%	0.1%	3	45.0%	2.3%	65
Non-PPV	1,680	(147)	(8.8%)	38.9%	1.3%	23	36.7%	0.5%	9
Nunavut	972	(251)	(25.8%)	27.0%	1.8%	17	29.1%	1.3%	13
PPV	218	(27)	(12.4%)	23.2%	4.3%	8	21.6%	0.6%	1
Non-PPV	754	(224)	(29.7%)	27.9%	1.2%	10	30.6%	1.5%	12
Total	327,318	(3,936)	(1.2%)	47.0%	(0.6%)	(2,248)	48.2%	0.7%	2,955

There are differences between the changes in valuation estimates³ (summarized above), and the impact of implementing the valuation into the operating results (summarized in the following table). For example, differences will emerge due to the differences between data available at September 30, 2020 (used for the valuation) and available for implementation (October 31, 2020).

In addition, column [6] of the preceding valuation summary table estimates the impact of the change in selected *current* accident year indemnity loss ratio against projected full year 2020 earned premium, whereas the *current* accident year row, second row of column [1] in the following implementation impact table applies the change to 2020 year-to-date earned premium at October 31, 2020.

With this background, the overall **impact of implementing the valuation** on the results of the Month of October 2020 is estimated as **favourable by \$4.7 million**, as summarized in the following table. In that table, column [1] shows indemnity only, and is therefore comparable to the preceding valuation summary table (column [2] in the valuation summary table is comparable to the first row of column [1] in the following table).

³We are investigating an issue with updated earned rate change factors in projected accident year 2021 indemnity loss ratios for all jurisdictions. At this time, our assessment is the error is minor with respect to policy liabilities, but a full investigation is being undertaken and any adjustments will be made to the November 2020 Participation Report.

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2020 Q3 FARM Valuation Implementation Impact (\$000s) – Impact with expenses

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

\$000s	indemnity [1]	retroactive claims fee [2]	allowed claims expenses [3]	nominal total [4]	actuarial present value [5]	Grand Total [6]
prior accident years (1994-2019)	(4,064)	(508)	-	(4,572)	391	(4,181)
current accident year claims incurred	(613)	83	-	(530)	(38)	(568)
premium deficiency / (DPAC)	-	-	-	-	-	-
TOTAL	(4,677)	(425)	-	(5,102)	353	(4,749)

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

2020 Q3 FARM Valuation Implementation Impact (\$000s) – Impact on Year-to-date Results

Grand Total	unfav / (fav)						ytd EP 324,792 (actual)						
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:						
	ultimates & payout patterns			dsct rate	margins		ultimates & payout patterns			dsct rate	margins		TOTAL
nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL		
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]		
PAYs	(4,572)	174	(4,398)	217	-	(4,181)	(1.4%)	0.1%	(1.4%)	0.1%	-	(1.3%)	
CAY	(530)	(158)	(688)	120	-	(568)	(0.2%)	-	(0.2%)	-	-	(0.2%)	
Prem Def	-	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	(5,102)	16	(5,086)	337	-	(4,749)	(1.6%)	-	(1.6%)	0.1%	-	(1.5%)	

The overall impact *prior to* the 4 basis point decrease in the discount rate (from 0.27% to 0.23%) and changes to margins for adverse deviation was favourable by \$5.1 million (Total row, column [3] of the preceding table on the left). This was partially offset by the \$0.3 million unfavourable impact of the discount rate change (Total row, column [4] of left table above). Finally, there was no update to the selected margins for investment income, and no updates to the selected margins for adverse claims development deviation, hence there being no margin change impact (Total row, column [5] of the preceding table on the left).

As shown in the following table⁴, management has observed marginally (on average 0.6% of liabilities) unfavourable total valuation impacts (column [5]) over the last 12 valuation implementations, with 6 valuation implementations being unfavourable over that 12-quarter period. It should be noted that the impacts in column [3] are largely outside of the control of FA (as being related to macroeconomic factors).

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

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

FARM juris: ALL,
as at: 2020 Q3

Valuation	period implemented	unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s		
		updated LR& exp [1]	APVs @ prior assumptions [2]	updated dsct rate [3]	updated margins [4]	Total Impact [5] = sum([1] to [5])	Booked Policy Liabilities [6]	Total Impact as % Book Liabs [7] = [5] / [6]	Nominal Impact as % Book Liabs [8] = [1] / [6]
2017 Q4	Mar 2018	(10,085)	(890)	153	-	(10,822)	419,870	(2.6%)	(2.4%)
2018 Q1	May 2018	(949)	(1,001)	(1,647)	-	(3,597)	429,713	(0.8%)	(0.2%)
2018 Q2	Aug 2018	(4,126)	1,450	630	(1,800)	(3,846)	451,385	(0.9%)	(0.9%)
2018 Q3	Oct 2018	59	465	(3,754)	-	(3,230)	463,838	(0.7%)	-
2018 Q4	Mar 2019	(1,628)	129	3,105	-	1,606	469,304	0.3%	(0.3%)
2019 Q1	May 2019	13,044	950	4,632	-	18,626	507,837	3.7%	2.6%
2019 Q2	Aug 2019	(5,947)	(842)	419	(1,160)	(7,530)	535,467	(1.4%)	(1.1%)
2019 Q3	Oct 2019	9,607	537	(184)	-	9,960	558,937	1.8%	1.7%
2019 Q4	Mar 2020	3,604	1,995	(1,772)	-	3,827	597,699	0.6%	0.6%
2020 Q1	May 2020	3,863	351	11,698	-	15,912	612,063	2.6%	0.6%
2020 Q2	Aug 2020	17,494	1,109	4,950	(1,584)	21,969	666,907	3.3%	2.6%
2020 Q3	Oct 2020	(5,102)	16	337	-	(4,749)	689,679	(0.7%)	(0.7%)
12-qtrs	-	19,834	4,269	18,567	(4,544)	38,126			
% of total		52.0%	11.2%	48.7%	(11.9%)	100.0%			
		6 unfavourable (nominal) valuations					2 impacts were outside of 2.5%		
Averages									
12-qtrs		1,653	356	1,547	(379)	3,177	533,558	0.6%	0.3%
2017 Q4 to 2019 Q1		(614)	184	520	(300)	(211)	456,991	-	(0.1%)
2019 Q2 to 2020 Q3		3,920	528	2,575	(457)	6,565	610,125	1.1%	0.6%

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 liabilities⁵, 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 2/3^{rds} 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 \$19.8 million unfavourable. However, the average impact over the 12 quarters at \$1.7 million unfavourable (nominal only) represents 0.3% of ending policy liabilities per column [8], which we would view as not significant. That said, we note that the latest 6 valuations have been on average more unfavourable than the earlier 6 valuations were favourable.
- (ii) **Nominal size measurement: This objective has not been met**, as there are two individual valuation showing a nominal change in excess of 2.5% of ending policy liabilities per column [8] in the preceding table.

⁵We also consider changes in nominal estimates relative to beginning claims liabilities, with this metric also ideally being small, but in this case, less than 5.0%. Over time, our view of “small” for each of these metrics may change.

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- (iii) **Bias evidence measurement:** This objective has **not been met**, as 6 of 12 valuations show unfavourable changes (column [1] of the preceding table), higher than our expectation (3 to 5 of 12).

In summary, while we believe the nominal valuation impacts are generally consistent with our target impacts (long term zero impact; individual valuation impact of no more than 2.5% of policy liabilities; no bias evident), the more recent (latest 6) valuation impacts being worse than the preceding 6 valuation impacts suggests some reflection on our processes is warranted, and we are taking action in response.

The actuarial valuation will be updated next as at December 31, 2020 for all jurisdictions and business segments. The results are anticipated to be reflected in the March 2021 Participation Report.

Redistribution of Member Funds

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

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

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

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

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

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

Summary by Jurisdiction	Private Passenger	Non Private Passenger	Total
Ontario	(321)	4,111	3,790
Alberta	(576)	(1,167)	(1,743)
Newfoundland & Labrador	(694)	(399)	(1,093)
New Brunswick	(315)	(1,609)	(1,924)
Nova Scotia	769	792	1,561
Prince Edward Island	(12)	146	133
Yukon	(72)	(154)	(226)
Northwest Territories	(175)	(140)	(315)
Nunavut	(2)	(181)	(182)
TOTAL	(1,398)	1,398	(0)

Management Comments

As shown in the following table, the **private passenger** annualized vehicle count represents an overall increase of 19.1% in October 2020 relative to October 2019, with increases in all jurisdictions except for New Brunswick.

FARM Private Passenger Written Counts (October 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	900	244	37.2%	656	380	137.6%	276
AB	159	1	0.5%	158	(22)	(12.0%)	180
NL	1,254	155	14.1%	1,099	136	14.2%	963
NB	602	(28)	(4.4%)	630	49	8.4%	581
NS	815	179	28.1%	636	(19)	(2.9%)	655
PE	145	4	3.0%	141	7	5.4%	133
YT	13	1	11.6%	12	3	34.0%	9
NT	188	89	90.6%	99	(82)	(45.3%)	180
NU	19	10	104.5%	9	(10)	(50.9%)	19
Grand Total	4,096	656	19.1%	3,440	444	14.8%	2,996

On a year-to-date basis, the private passenger annualized vehicle counts was up by 12.0%, with increases in all jurisdictions. Ontario had the largest increase, up 1,983 vehicles (35%) and accounting for more than half of the overall increase, shown in the following table.

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FARM Private Passenger Written Counts (Year-to-date to October 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	7,634	1,983	35.1%	5,650	3,014	114.3%	2,636
AB	1,623	162	11.1%	1,461	36	2.5%	1,425
NL	10,442	627	6.4%	9,814	951	10.7%	8,863
NB	5,757	334	6.2%	5,422	265	5.1%	5,157
NS	6,787	283	4.4%	6,504	2,087	47.3%	4,416
PE	1,302	115	9.7%	1,186	139	13.3%	1,047
YT	137	15	11.9%	123	(12)	(9.2%)	135
NT	1,668	254	18.0%	1,414	(315)	(18.2%)	1,729
NU	128	26	25.1%	102	(10)	(8.8%)	112
Grand Total	35,476	3,799	12.0%	31,677	6,156	24.1%	25,521

On a rolling 12-month basis to October (as shown in the following table), FARM vehicle counts are up 16.4% across all rating classes (up 17.4% for private passenger, 15.8% for non-private passenger). In particular, the non-private passenger increase in vehicle counts is mainly driven by increases in commercial vehicles, interurban vehicles, and personal use recreational vehicles (motorcycles and ATVs). Note that the rapid growth in interurban vehicle counts across jurisdictions, observed over the last few years has slowed down due to a recent decrease in Ontario, with the majority of the decrease from fleet business; overall, interurban counts are still up for the rest of the jurisdictions.

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

Business Segment	FA Minor Rating Class Desc	2020 rolling 12 to month 10			% Change in Amount			Change in Amount			2019 rolling 12 to month 10		
		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)	41,742	131,988,361	3,162	17.4%	26.4%	7.7%	6,187	27,549,128	225	35,555	104,439,233	2,937
	Farmer	-	81	81	-	100.0%	100.0%	-	81	81	-	-	-
PPV Total		41,742	131,988,442	3,162	17.4%	26.4%	7.7%	6,187	27,549,209	225	35,555	104,439,233	2,937
non-PPV	Private Passenger (x Farmers)	655	669,832	1,023	(8.2%)	(5.3%)	3.2%	(59)	(37,295)	32	714	707,127	991
	Commercial	20,924	117,643,900	5,622	33.5%	47.2%	10.3%	5,246	37,728,506	525	15,678	79,915,394	5,097
	Interurban	8,358	98,229,492	11,752	27.3%	3.2%	(19.0%)	1,794	3,010,223	(2,754)	6,564	95,219,269	14,506
	Public Bus	814	2,812,668	3,453	(52.6%)	(63.4%)	(22.7%)	(903)	(4,862,631)	(1,015)	1,718	7,675,299	4,468
	Private Bus & Misc Public	1,433	5,826,720	4,067	(7.7%)	0.6%	9.0%	(120)	35,169	337	1,553	5,791,551	3,730
	School Bus	1,090	1,623,400	1,489	3.3%	(1.2%)	(4.3%)	34	(19,543)	(67)	1,056	1,642,943	1,556
	Hotel & Country Club Bus	527	1,227,692	2,332	(19.7%)	(17.5%)	2.7%	(129)	(261,125)	62	656	1,488,817	2,270
	Taxi	5,449	40,539,425	7,440	19.4%	90.5%	59.6%	885	19,262,980	2,779	4,564	21,276,445	4,661
	Funeral	2	4,466	2,061	(56.7%)	(61.6%)	(11.4%)	(3)	(7,167)	(266)	5	11,633	2,327
	Ambulance	45	182,012	4,045	12.3%	3.6%	(7.7%)	5	6,375	(337)	40	175,637	4,382
	Motorcycle	19,206	14,256,578	742	12.2%	19.4%	6.3%	2,093	2,317,591	44	17,113	11,938,987	698
	All Terrain Vehicle	9,929	4,385,544	442	11.7%	18.5%	6.3%	1,038	683,194	26	8,892	3,702,350	416
	Snow Vehicle	3,843	1,649,332	429	(1.6%)	1.0%	2.6%	(63)	16,086	11	3,906	1,633,246	418
	Antique	5	12,587	2,517	(9.1%)	44.2%	58.6%	(0)	3,858	930	5	8,729	1,587
	Motor Home	363	878,566	2,420	38.2%	32.3%	(4.3%)	100	214,670	(108)	263	663,896	2,528
	Trailer Home	-	70,956	70,956	-	262.0%	262.0%	-	51,357	51,357	-	19,599	19,599
	Garage	-	11,015,074	11,015,074	-	23.2%	23.2%	-	2,071,194	2,071,194	-	8,943,880	8,943,880
	Non-Owned	-	464,536	464,536	-	28.7%	28.7%	-	103,709	103,709	-	360,827	360,827
	Drivers Policy	92	137,304	1,501	43.5%	85.3%	29.2%	28	63,219	339	64	74,085	1,162
non-PPV Total		72,736	301,630,084	4,147	15.8%	25.0%	7.9%	9,946	60,380,370	305	62,791	241,249,714	3,842
TOTAL		114,478	433,618,526	3,788	16.4%	25.4%	7.8%	16,132	87,929,579	273	98,345	345,688,947	3,515

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

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FARM – October 2020 Participation Report

Saskia Matheson
President & CEO

Related link:

[FARM October 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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(Thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$38,815	\$29,715	\$39,160	\$11,893	\$38,359	\$42,287	\$40,788	\$40,020	\$40,830	\$48,084	\$369,951	\$438,757	\$372,967
CHANGE IN UNEARNED PREMIUMS	-4,450	364	-5,702	17,183	-8,623	-12,344	-7,951	-5,900	-6,692	-11,044	-45,159	-43,030	-49,022
NET PREMIUMS EARNED	\$34,365	\$30,079	\$33,458	\$29,076	\$29,736	\$29,943	\$32,837	\$34,120	\$34,138	\$37,040	\$324,792	\$395,727	\$323,945
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	2,394	-3,629	7,887	-81	5,957	-33	-58	26,336	9	-4,561	34,221	34,222	14,991
EFFECT OF DISCOUNTING	-773	-556	-856	-735	9,863	-1,392	-1,008	3,772	-681	-145	7,489	5,391	924
DISCOUNTED	1,621	-4,185	7,031	-816	15,820	-1,425	-1,066	30,108	-672	-4,706	41,710	39,613	15,915
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	20,592	19,677	19,356	18,671	16,845	18,719	20,467	12,463	19,998	21,040	187,828	229,064	214,321
EFFECT OF DISCOUNTING	1,488	1,261	830	928	2,673	1,164	1,383	1,638	1,175	1,367	13,907	16,482	11,261
DISCOUNTED	22,080	20,938	20,186	19,599	19,518	19,883	21,850	14,101	21,173	22,407	201,735	245,546	225,582
CLAIMS INCURRED	\$23,701	\$16,753	\$27,217	\$18,783	\$35,338	\$18,458	\$20,784	\$44,209	\$20,501	\$17,701	\$243,445	\$285,159	\$241,497
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	3,980	3,082	4,101	1,178	3,954	4,354	4,205	4,139	4,230	4,971	38,194	45,325	38,519
AGENTS COMMISSIONS	3,082	2,124	2,769	1,284	3,062	3,335	3,232	3,018	2,888	3,615	28,409	33,837	28,514
DRIVER RECORD ABSTRACTS	286	271	206	372	530	318	472	328	129	438	3,350	4,385	3,532
BAD DEBTS	-3	-2	-2	0	-3	-2	0	6	-6	-147	-159	-13	-148
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-361	83	-381	1,149	-641	-930	-581	-443	-443	-814	-3,362	-3,155	-3,571
EFFECT OF DISCOUNTING	2	3	-52	0	0	0	0	0	0	0	-47	-47	-460
DISCOUNTED	-359	86	-433	1,149	-641	-930	-581	-443	-443	-814	-3,409	-3,202	-4,031
UNDERWRITING EXPENSES	\$6,986	\$5,561	\$6,641	\$3,983	\$6,902	\$7,075	\$7,328	\$7,048	\$6,798	\$8,063	\$66,385	\$80,332	\$66,386
NET UNDERWRITING GAIN (LOSS)	\$3,678	\$7,765	-\$400	\$6,310	-\$12,504	\$4,410	\$4,725	-\$17,137	\$6,839	\$11,276	\$14,962	\$30,236	\$16,062
ADMINISTRATIVE EXPENSES	398	623	419	506	482	518	485	458	531	691	5,111	6,891	6,286
PREMIUM FINANCE FEE	-13	-12	-13	-12	-12	-11	-12	-12	-13	-13	-123	-114	-130
INVESTMENT INCOME	119	121	75	30	30	27	23	30	31	28	514	579	1,208
OPERATING RESULTS	\$3,386	\$7,251	-\$757	\$5,822	-\$12,968	\$3,908	\$4,251	-\$17,577	\$6,326	\$10,600	\$10,242	\$23,810	\$10,854
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	4.7%	-13.9%	21.0%	-2.8%	53.2%	-4.8%	-3.2%	88.2%	-2.0%	-12.7%	12.8%	10.0%	4.9%
Current Accident Year	64.3%	69.6%	60.3%	67.4%	65.6%	66.4%	66.5%	41.3%	62.0%	60.5%	62.1%	62.0%	69.6%
All Accident Years Combined	69.0%	55.7%	81.3%	64.6%	118.8%	61.6%	63.3%	129.5%	60.0%	47.8%	74.9%	72.0%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.6%	21.1%	15.4%	24.8%	25.4%	23.8%	22.0%	21.5%	23.6%	22.0%	22.0%	22.4%
COMBINED OPERATING RATIO	90.5%	76.3%	102.4%	80.0%	143.6%	87.0%	87.1%	151.5%	81.5%	71.4%	96.9%	94.0%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	Alberta	Ontario	NS	PEI	NB	NFLD & LAB	Yukon	NWT	Nunavut	Total	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:												
PREMIUMS WRITTEN	\$114,631	\$144,122	\$39,466	\$5,479	\$27,693	\$31,629	\$1,953	\$4,091	\$887	\$369,951	\$438,757	\$372,967
CHANGE IN UNEARNED PREMIUMS	-12,540	-20,186	-6,051	-378	-2,645	-2,787	-207	-323	-42	-45,159	-43,030	-49,022
NET PREMIUMS EARNED	\$102,091	\$123,936	\$33,415	\$5,101	\$25,048	\$28,842	\$1,746	\$3,768	\$845	\$324,792	\$395,727	\$323,945
CLAIMS INCURRED												
PRIOR ACCIDENT YEARS												
UNDISCOUNTED	15,106	28,847	-3,900	-909	-957	-1,756	-988	-791	-431	34,221	34,222	14,991
EFFECT OF DISCOUNTING	2,154	4,518	40	135	342	381	-38	-20	-23	7,489	5,391	924
DISCOUNTED	17,260	33,365	-3,860	-774	-615	-1,375	-1,026	-811	-454	41,710	39,613	15,915
CURRENT ACCIDENT YEAR												
UNDISCOUNTED	62,186	60,545	21,396	3,486	16,754	20,251	953	1,950	307	187,828	229,064	214,321
EFFECT OF DISCOUNTING	4,103	5,083	1,575	282	1,189	1,452	76	123	24	13,907	16,482	11,261
DISCOUNTED	66,289	65,628	22,971	3,768	17,943	21,703	1,029	2,073	331	201,735	245,546	225,582
CLAIMS INCURRED	\$83,549	\$98,993	\$19,111	\$2,994	\$17,328	\$20,328	\$3	\$1,262	-\$123	\$243,445	\$285,159	\$241,497
UNDERWRITING EXPENSES												
OPERATING & SERVICE FEES	11,462	15,565	3,946	551	2,766	3,210	196	409	89	38,194	45,325	38,519
AGENTS COMMISSIONS	9,198	9,047	3,413	499	2,570	3,037	173	399	73	28,409	33,837	28,514
DRIVER RECORD ABSTRACTS	704	373	922	182	605	500	8	55	1	3,350	4,385	3,532
BAD DEBTS	125	-155	-50	165	-55	-244	45	20	-10	-159	-13	-148
PREMIUM DEFICIENCY/(DPAC)												
UNDISCOUNTED	-889	-1,355	-505	-30	-238	-291	-19	-32	-3	-3,362	-3,155	-3,571
EFFECT OF DISCOUNTING	0	0	-47	0	0	0	0	0	0	-47	-47	-460
DISCOUNTED	-889	-1,355	-552	-30	-238	-291	-19	-32	-3	-3,409	-3,202	-4,031
UNDERWRITING EXPENSES	\$20,600	\$23,475	\$7,679	\$1,367	\$5,648	\$6,212	\$403	\$851	\$150	\$66,385	\$80,332	\$66,386
NET UNDERWRITING GAIN (LOSS)	-\$2,058	\$1,468	\$6,625	\$740	\$2,072	\$2,302	\$1,340	\$1,655	\$818	\$14,962	\$30,236	\$16,062
ADMINISTRATIVE EXPENSES	1,376	1,807	563	167	411	457	108	127	95	5,111	6,891	6,286
PREMIUM FINANCE FEE	-35	-59	-11	0	-7	-11	0	0	0	-123	-114	-130
INVESTMENT INCOME	150	190	52	12	46	55	3	5	1	514	579	1,208
OPERATING RESULTS	-\$3,319	-\$208	\$6,103	\$585	\$1,700	\$1,889	\$1,235	\$1,533	\$724	\$10,242	\$23,810	\$10,854
RATIOS:												
Claims & Adj Expenses Incurred (Earned)												
Prior Accident Years	16.9%	26.9%	-11.6%	-15.2%	-2.5%	-4.8%	-58.8%	-21.5%	-53.7%	12.8%	10.0%	4.9%
Current Accident Year	64.9%	53.0%	68.7%	73.9%	71.6%	75.2%	58.9%	55.0%	39.2%	62.1%	62.0%	69.6%
All Accident Years Combined	81.8%	79.9%	57.1%	58.7%	69.1%	70.4%	0.1%	33.5%	-14.5%	74.9%	72.0%	74.5%
Underwriting & Admin Exp.(Earned)	21.5%	20.4%	24.7%	30.1%	24.2%	23.1%	29.3%	26.0%	29.0%	22.0%	22.0%	22.4%
COMBINED OPERATING RATIO	103.3%	100.3%	81.8%	88.8%	93.3%	93.5%	29.4%	59.5%	14.5%	96.9%	94.0%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$17,167	\$8,069	\$12,538	\$5,102	\$11,971	\$12,086	\$12,086	\$11,386	\$10,563	\$13,663	\$114,631	\$133,193	\$114,601
CHANGE IN UNEARNED PREMIUMS	-4,415	1,657	-1,834	4,256	-2,849	-3,043	-1,962	-964	-537	-2,849	-12,540	-10,067	-8,283
NET PREMIUMS EARNED	\$12,752	\$9,726	\$10,704	\$9,358	\$9,122	\$9,043	\$10,124	\$10,422	\$10,026	\$10,814	\$102,091	\$123,126	\$106,318
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	1,900	-636	7,148	-79	2,562	-11	-4	5,659	-2	-1,431	15,106	15,106	10,587
EFFECT OF DISCOUNTING	-298	-146	523	-294	2,775	-769	-462	724	-125	226	2,154	1,561	873
DISCOUNTED	1,602	-782	7,671	-373	5,337	-780	-466	6,383	-127	-1,205	17,260	16,667	11,460
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	6,322	6,016	7,083	6,205	6,106	5,933	6,647	5,784	6,470	5,620	62,186	75,495	68,811
EFFECT OF DISCOUNTING	414	325	313	264	861	318	326	699	360	223	4,103	4,716	2,997
DISCOUNTED	6,736	6,341	7,396	6,469	6,967	6,251	6,973	6,483	6,830	5,843	66,289	80,211	71,808
CLAIMS INCURRED	\$8,338	\$5,559	\$15,067	6,096	12,304	5,471	6,507	12,866	6,703	4,638	\$83,549	\$96,878	\$83,268
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	1,717	807	1,255	510	1,196	1,208	1,208	1,140	1,056	1,365	11,462	13,319	11,461
AGENTS COMMISSIONS	1,410	652	1,009	398	933	988	987	923	819	1,079	9,198	10,750	8,936
DRIVER RECORD ABSTRACTS	39	43	68	89	93	69	54	107	55	87	704	972	798
BAD DEBTS	1	1	-1	1	0	0	0	-1	1	123	125	2	-69
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-365	111	-143	346	-219	-240	-155	33	-35	-222	-889	-702	-484
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-365	111	-143	346	-219	-240	-155	33	-35	-222	-889	-702	-484
UNDERWRITING EXPENSES	\$2,802	\$1,614	\$2,188	\$1,344	\$2,003	\$2,025	\$2,094	\$2,202	\$1,896	\$2,432	\$20,600	\$24,341	\$20,642
NET UNDERWRITING GAIN (LOSS)	\$1,612	\$2,553	-\$6,551	\$1,918	-\$5,185	\$1,547	\$1,523	-\$4,646	\$1,427	\$3,744	-\$2,058	\$1,907	\$2,408
ADMINISTRATIVE EXPENSES	185	183	119	162	32	151	127	122	103	192	1,376	1,845	1,771
PREMIUM FINANCE FEE	-5	-3	-4	-4	-3	-3	-3	-3	-3	-4	-35	-33	-36
INVESTMENT INCOME	32	36	21	11	11	8	7	7	9	8	150	167	353
OPERATING RESULTS	\$1,454	\$2,403	-\$6,653	\$1,763	-\$5,209	\$1,401	\$1,400	-\$4,764	\$1,330	\$3,556	-\$3,319	\$196	\$954
AVERAGE YTD OPERATING RESULT	\$1,454	\$1,929	-\$932	-\$258	-\$1,248	-\$807	-\$492	-\$1,026	-\$764	-\$332	-\$332	\$16	\$80
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	12.6%	-8.0%	71.7%	-4.0%	58.5%	-8.6%	-4.6%	61.2%	-1.3%	-11.1%	16.9%	13.5%	10.8%
Current Accident Year	52.8%	65.2%	69.1%	69.1%	76.4%	69.1%	68.9%	62.2%	68.1%	54.0%	64.9%	65.1%	67.5%
All Accident Years Combined	65.4%	57.2%	140.8%	65.1%	134.9%	60.5%	64.3%	123.4%	66.8%	42.9%	81.8%	78.6%	78.3%
Underwriting & Admin Exp.(Earned)	23.4%	18.5%	21.6%	16.1%	22.3%	24.1%	21.9%	22.3%	19.9%	24.3%	21.5%	21.3%	21.1%
COMBINED OPERATING RATIO	88.8%	75.7%	162.4%	81.2%	157.2%	84.6%	86.2%	145.7%	86.7%	67.2%	103.3%	99.9%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$12,025	\$13,847	\$17,321	-\$1,441	\$14,822	\$15,837	\$15,773	\$16,819	\$18,494	\$20,625	\$144,122	\$174,645	\$146,703
CHANGE IN UNEARNED PREMIUMS	-175	-2,417	-4,152	12,143	-3,414	-4,516	-3,322	-3,634	-4,982	-5,717	-20,186	-22,284	-28,619
NET PREMIUMS EARNED	\$11,850	\$11,430	\$13,169	\$10,702	\$11,408	\$11,321	\$12,451	\$13,185	\$13,512	\$14,908	\$123,936	\$152,361	\$118,084
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	237	-2,713	2,317	-2	3,979	-11	-55	24,306	11	778	28,847	28,848	4,386
EFFECT OF DISCOUNTING	-277	-294	-243	-151	3,757	-343	-256	2,557	-276	44	4,518	3,716	667
DISCOUNTED	-40	-3,007	2,074	-153	7,736	-354	-311	26,863	-265	822	33,365	32,564	5,053
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	7,422	7,182	5,749	6,048	4,961	6,126	6,707	2,635	6,623	7,092	60,545	74,289	68,258
EFFECT OF DISCOUNTING	628	580	270	389	904	458	539	447	321	547	5,083	6,157	4,395
DISCOUNTED	8,050	7,762	6,019	6,437	5,865	6,584	7,246	3,082	6,944	7,639	65,628	80,446	72,653
CLAIMS INCURRED	\$8,010	\$4,755	\$8,093	\$6,284	\$13,601	\$6,230	\$6,935	\$29,945	\$6,679	\$8,461	\$98,993	\$113,010	\$77,706
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	1,299	1,495	1,869	-154	1,601	1,710	1,703	1,817	1,997	2,228	15,565	18,862	15,842
AGENTS COMMISSIONS	803	769	896	79	1,044	1,062	1,088	1,023	1,000	1,283	9,047	11,087	9,196
DRIVER RECORD ABSTRACTS	26	26	22	40	65	23	52	34	29	56	373	572	345
BAD DEBTS	0	0	0	0	1	-1	0	0	-1	-154	-155	-2	-86
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-9	-149	-257	751	-209	-276	-204	-330	-313	-359	-1,355	-1,485	-1,724
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-9	-149	-257	751	-209	-276	-204	-330	-313	-359	-1,355	-1,485	-1,724
UNDERWRITING EXPENSES	\$2,119	\$2,141	\$2,530	\$716	\$2,502	\$2,518	\$2,639	\$2,544	\$2,712	\$3,054	\$23,475	\$29,034	\$23,573
NET UNDERWRITING GAIN (LOSS)	\$1,721	\$4,534	\$2,546	\$3,702	-\$4,695	\$2,573	\$2,877	-\$19,304	\$4,121	\$3,393	\$1,468	\$10,317	\$16,805
ADMINISTRATIVE EXPENSES	105	285	183	63	255	80	169	163	218	286	1,807	2,595	2,347
PREMIUM FINANCE FEE	-6	-7	-7	-2	-6	-5	-6	-6	-7	-7	-59	-51	-61
INVESTMENT INCOME	44	43	29	10	9	10	9	13	12	11	190	215	441
OPERATING RESULTS	\$1,654	\$4,285	\$2,385	\$3,647	-\$4,947	\$2,498	\$2,711	-\$19,460	\$3,908	\$3,111	-\$208	\$7,886	\$14,838
AVERAGE YTD OPERATING RESULT	\$1,654	\$2,970	\$2,775	\$2,993	\$1,405	\$1,587	\$1,748	-\$903	-\$369	-\$21	-\$21	\$657	\$1,237
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-0.3%	-26.3%	15.7%	-1.4%	67.8%	-3.1%	-2.5%	203.7%	-2.0%	5.5%	26.9%	21.4%	4.3%
Current Accident Year	67.9%	67.9%	45.7%	60.1%	51.4%	58.2%	58.2%	23.4%	51.4%	51.2%	53.0%	52.8%	61.5%
All Accident Years Combined	67.6%	41.6%	61.4%	58.7%	119.2%	55.1%	55.7%	227.1%	49.4%	56.7%	79.9%	74.2%	65.8%
Underwriting & Admin Exp.(Earned)	18.8%	21.2%	20.6%	7.3%	24.2%	22.9%	22.6%	20.5%	21.7%	22.4%	20.4%	20.8%	22.0%
COMBINED OPERATING RATIO	86.4%	62.8%	82.0%	66.0%	143.4%	78.0%	78.3%	247.6%	71.1%	79.1%	100.3%	95.0%	87.8%

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

Rounding Difference may apply

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NOVA SCOTIA
Operating Results for the 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$3,617	\$3,146	\$3,291	\$3,253	\$3,436	\$4,317	\$4,618	\$4,053	\$4,273	\$5,462	\$39,466	\$46,350	\$35,559
CHANGE IN UNEARNED PREMIUMS	-432	-194	-139	-151	-336	-1,161	-1,140	-494	-574	-1,430	-6,051	-5,350	-6,000
NET PREMIUMS EARNED	\$3,185	\$2,952	\$3,152	\$3,102	\$3,100	\$3,156	\$3,478	\$3,559	\$3,699	\$4,032	\$33,415	\$41,000	\$29,559
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	101	77	-2,424	-2	-1,462	-4	0	-376	-1	191	-3,900	-3,899	-907
EFFECT OF DISCOUNTING	-33	-18	-427	-48	597	-66	-55	195	-107	2	40	-132	-165
DISCOUNTED	68	59	-2,851	-50	-865	-70	-55	-181	-108	193	-3,860	-4,031	-1,072
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	2,337	2,252	1,984	2,223	1,615	2,135	2,352	1,310	2,346	2,842	21,396	26,271	23,331
EFFECT OF DISCOUNTING	160	140	95	87	267	130	165	157	177	197	1,575	1,873	1,211
DISCOUNTED	2,497	2,392	2,079	2,310	1,882	2,265	2,517	1,467	2,523	3,039	22,971	28,144	24,542
CLAIMS INCURRED	\$2,565	\$2,451	-\$772	\$2,260	\$1,017	\$2,195	\$2,462	\$1,286	\$2,415	\$3,232	\$19,111	\$24,113	\$23,470
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	362	314	329	325	344	432	462	405	427	546	3,946	4,636	3,555
AGENTS COMMISSIONS	308	262	290	296	320	382	388	349	366	452	3,413	4,061	3,226
DRIVER RECORD ABSTRACTS	96	70	68	100	135	108	152	57	10	126	922	1,315	951
BAD DEBTS	0	0	0	0	-1	0	0	0	-1	-48	-50	-1	-29
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-37	-6	-12	-16	-35	-103	-89	-39	-45	-123	-505	-452	-790
EFFECT OF DISCOUNTING	2	3	-52	0	0	0	0	0	0	0	-47	-47	-187
DISCOUNTED	-35	-3	-64	-16	-35	-103	-89	-39	-45	-123	-552	-499	-977
UNDERWRITING EXPENSES	\$731	\$643	\$623	\$705	\$763	\$819	\$913	\$772	\$757	\$953	\$7,679	\$9,512	\$6,726
NET UNDERWRITING GAIN (LOSS)	-\$111	-\$142	\$3,301	\$137	\$1,320	\$142	\$103	\$1,501	\$527	-\$153	\$6,625	\$7,375	-\$637
ADMINISTRATIVE EXPENSES	35	73	30	87	31	74	54	42	59	78	563	749	623
PREMIUM FINANCE FEE	-1	-1	-1	-2	-1	-1	-1	-1	-1	-1	-11	-10	-12
INVESTMENT INCOME	13	14	9	2	2	2	2	3	3	2	52	59	106
OPERATING RESULTS	-\$134	-\$202	\$3,279	\$50	\$1,290	\$69	\$50	\$1,461	\$470	-\$230	\$6,103	\$6,675	-\$1,166
AVERAGE YTD OPERATING RESULT	-\$134	-\$168	\$981	\$748	\$857	\$725	\$629	\$733	\$704	\$610	\$610	\$556	-\$97
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	2.1%	2.0%	-90.5%	-1.6%	-27.9%	-2.2%	-1.6%	-5.1%	-2.9%	4.8%	-11.6%	-9.8%	-3.6%
Current Accident Year	78.4%	81.0%	66.0%	74.5%	60.7%	71.8%	72.4%	41.2%	68.2%	75.4%	68.7%	68.6%	83.0%
All Accident Years Combined	80.5%	83.0%	-24.5%	72.9%	32.8%	69.6%	70.8%	36.1%	65.3%	80.2%	57.1%	58.8%	79.4%
Underwriting & Admin Exp.(Earned)	24.1%	24.3%	20.7%	25.5%	25.6%	28.3%	27.8%	22.9%	22.1%	25.6%	24.7%	25.0%	24.9%
COMBINED OPERATING RATIO	104.6%	107.3%	-3.8%	98.4%	58.4%	97.9%	98.6%	59.0%	87.4%	105.8%	81.8%	83.8%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$578	\$243	\$480	\$513	\$499	\$631	\$668	\$572	\$650	\$645	\$5,479	\$7,739	\$5,865
CHANGE IN UNEARNED PREMIUMS	-58	232	28	-12	-67	-143	-135	-37	-97	-89	-378	-1,570	-650
NET PREMIUMS EARNED	\$520	\$475	\$508	\$501	\$432	\$488	\$533	\$535	\$553	\$556	\$5,101	\$6,169	\$5,215
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	14	54	-583	17	59	1	0	-188	1	-284	-909	-910	381
EFFECT OF DISCOUNTING	-5	3	-129	-2	255	17	-6	18	-3	-13	135	95	-53
DISCOUNTED	9	57	-712	15	314	18	-6	-170	-2	-297	-774	-815	328
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	334	312	322	315	300	320	351	263	354	615	3,486	4,219	3,685
EFFECT OF DISCOUNTING	24	17	16	20	45	6	32	38	32	52	282	334	215
DISCOUNTED	358	329	338	335	345	326	383	301	386	667	3,768	4,553	3,900
CLAIMS INCURRED	\$367	\$386	-\$374	\$350	\$659	\$344	\$377	\$131	\$384	\$370	\$2,994	\$3,738	\$4,228
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	58	25	48	51	50	63	67	57	65	67	551	774	585
AGENTS COMMISSIONS	51	25	43	46	45	58	61	53	58	59	499	688	545
DRIVER RECORD ABSTRACTS	15	13	8	21	36	14	27	18	5	25	182	259	242
BAD DEBTS	0	0	0	0	0	0	0	0	-1	166	165	-1	41
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-5	21	3	0	-5	-12	-13	-3	-10	-6	-30	-121	-60
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-5	21	3	0	-5	-12	-13	-3	-10	-6	-30	-121	-60
UNDERWRITING EXPENSES	\$119	\$84	\$102	\$118	\$126	\$123	\$142	\$125	\$117	\$311	\$1,367	\$1,599	\$1,353
NET UNDERWRITING GAIN (LOSS)	\$34	\$5	\$780	\$33	-\$353	\$21	\$14	\$279	\$52	-\$125	\$740	\$832	-\$366
ADMINISTRATIVE EXPENSES	9	10	9	25	19	26	22	16	19	12	167	225	171
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	2	3	2	0	1	1	0	1	1	1	12	12	27
OPERATING RESULTS	\$27	-\$2	\$773	\$8	-\$371	-\$4	-\$8	\$264	\$34	-\$136	\$585	\$618	-\$510
AVERAGE YTD OPERATING RESULT	\$27	\$13	\$266	\$202	\$87	\$72	\$60	\$86	\$80	\$59	\$59	\$52	-\$43
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	1.7%	12.0%	-140.2%	3.0%	72.7%	3.7%	-1.1%	-31.8%	-0.4%	-53.4%	-15.2%	-13.2%	6.3%
Current Accident Year	68.8%	69.3%	66.5%	66.9%	79.9%	66.8%	71.9%	56.3%	69.8%	120.0%	73.9%	73.8%	74.8%
All Accident Years Combined	70.5%	81.3%	-73.7%	69.9%	152.6%	70.5%	70.8%	24.5%	69.4%	66.6%	58.7%	60.6%	81.1%
Underwriting & Admin Exp.(Earned)	24.6%	19.8%	21.9%	28.5%	33.6%	30.5%	30.8%	26.4%	24.6%	58.1%	30.1%	29.6%	29.2%
COMBINED OPERATING RATIO	95.1%	101.1%	-51.8%	98.4%	186.2%	101.0%	101.6%	50.9%	94.0%	124.7%	88.8%	90.2%	110.3%

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

Rounding Difference may apply

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NEW BRUNSWICK
Operating Results for the 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$2,667	\$1,670	\$2,057	\$2,347	\$3,322	\$3,977	\$3,227	\$2,989	\$2,616	\$2,821	\$27,693	\$31,522	\$28,610
CHANGE IN UNEARNED PREMIUMS	-227	600	367	-87	-961	-1,503	-590	-267	62	-39	-2,645	-1,137	-2,307
NET PREMIUMS EARNED	\$2,440	\$2,270	\$2,424	\$2,260	\$2,361	\$2,474	\$2,637	\$2,722	\$2,678	\$2,782	\$25,048	\$30,385	\$26,303
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	38	-47	1,523	-3	-334	-5	2	-922	1	-1,210	-957	-958	-2,973
EFFECT OF DISCOUNTING	-43	-62	-8	-82	976	-168	-76	54	-53	-196	342	164	-422
DISCOUNTED	-5	-109	1,515	-85	642	-173	-74	-868	-52	-1,406	-615	-794	-3,395
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	1,710	1,602	1,685	1,595	1,689	1,747	1,859	1,063	1,771	2,033	16,754	20,330	20,134
EFFECT OF DISCOUNTING	111	78	41	64	291	90	142	133	129	110	1,189	1,422	932
DISCOUNTED	1,821	1,680	1,726	1,659	1,980	1,837	2,001	1,196	1,900	2,143	17,943	21,752	21,066
CLAIMS INCURRED	\$1,816	\$1,571	\$3,241	\$1,574	\$2,622	\$1,664	\$1,927	\$328	\$1,848	\$737	\$17,328	\$20,958	\$17,671
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	267	167	206	235	332	397	323	299	261	279	2,766	3,154	2,881
AGENTS COMMISSIONS	247	167	207	213	302	349	291	272	245	277	2,570	2,924	2,671
DRIVER RECORD ABSTRACTS	56	62	21	64	92	58	104	46	11	91	605	620	575
BAD DEBTS	0	0	0	0	0	0	0	0	0	-55	-55	-1	-23
UNDISCOUNTED	-22	49	27	-5	-81	-129	-48	-25	6	-10	-238	-112	-213
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-22	49	27	-5	-81	-129	-48	-25	6	-10	-238	-112	-213
UNDERWRITING EXPENSES	\$548	\$445	\$461	\$507	\$645	\$675	\$670	\$592	\$523	\$582	\$5,648	\$6,585	\$5,891
NET UNDERWRITING GAIN (LOSS)	\$76	\$254	-\$1,278	\$179	-\$906	\$135	\$40	\$1,802	\$307	\$1,463	\$2,072	\$2,842	\$2,741
ADMINISTRATIVE EXPENSES	28	33	21	64	44	64	40	35	39	43	411	526	512
PREMIUM FINANCE FEE	0	0	0	-2	-1	-1	-1	-1	-1	0	-7	-7	-9
INVESTMENT INCOME	11	11	6	3	3	2	2	3	3	2	46	51	103
OPERATING RESULTS	\$59	\$232	-\$1,293	\$116	-\$948	\$72	\$1	\$1,769	\$270	\$1,422	\$1,700	\$2,360	\$2,323
AVERAGE YTD OPERATING RESULT	\$59	\$146	-\$334	-\$222	-\$367	-\$294	-\$252	\$1	\$31	\$170	\$170	\$197	\$194
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-0.2%	-4.8%	62.5%	-3.8%	27.2%	-7.0%	-2.8%	-31.9%	-1.9%	-50.5%	-2.5%	-2.6%	-12.9%
Current Accident Year	74.6%	74.0%	71.2%	73.4%	83.9%	74.3%	75.9%	43.9%	70.9%	77.0%	71.6%	71.6%	80.1%
All Accident Years Combined	74.4%	69.2%	133.7%	69.6%	111.1%	67.3%	73.1%	12.0%	69.0%	26.5%	69.1%	69.0%	67.2%
Underwriting & Admin Exp.(Earned)	23.6%	21.1%	19.9%	25.3%	29.2%	29.9%	26.9%	23.0%	21.0%	22.5%	24.2%	23.4%	24.3%
COMBINED OPERATING RATIO	98.0%	90.3%	153.6%	94.9%	140.3%	97.2%	100.0%	35.0%	90.0%	49.0%	93.3%	92.4%	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 & LABRADOR
Operating Results for the 10 months ended October 31, 2020 (Discounted Basis)

Source: Monthly (Accident Year) Member Participation Report as at 10/2020

(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$1,966	\$2,334	\$2,673	\$1,766	\$3,660	\$4,279	\$3,580	\$3,579	\$3,641	\$4,151	\$31,629	\$37,327	\$34,533
CHANGE IN UNEARNED PREMIUMS	899	325	184	824	-919	-1,496	-593	-531	-613	-867	-2,787	-2,277	-3,235
NET PREMIUMS EARNED	\$2,865	\$2,659	\$2,857	\$2,590	\$2,741	\$2,783	\$2,987	\$3,048	\$3,028	\$3,284	\$28,842	\$35,050	\$31,298
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	23	-169	556	-3	1,449	-1	0	-1,840	-1	-1,770	-1,756	-1,754	4,426
EFFECT OF DISCOUNTING	-114	-26	-488	-153	1,350	-61	-148	272	-114	-137	381	88	3
DISCOUNTED	-91	-195	68	-156	2,799	-62	-148	-1,568	-115	-1,907	-1,375	-1,666	4,429
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	2,142	2,002	2,202	1,972	1,833	2,062	2,212	1,245	2,107	2,474	20,251	24,626	25,969
EFFECT OF DISCOUNTING	128	105	88	93	263	134	151	140	133	217	1,452	1,716	1,297
DISCOUNTED	2,270	2,107	2,290	2,065	2,096	2,196	2,363	1,385	2,240	2,691	21,703	26,342	27,266
CLAIMS INCURRED	\$2,179	\$1,912	\$2,358	\$1,909	\$4,895	\$2,134	\$2,215	-\$183	\$2,125	\$784	\$20,328	\$24,676	\$31,695
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	197	234	314	176	366	428	358	358	364	415	3,210	3,780	3,484
AGENTS COMMISSIONS	186	208	252	215	357	402	342	340	338	397	3,037	3,581	3,279
DRIVER RECORD ABSTRACTS	48	33	14	54	102	41	83	62	19	44	500	564	533
BAD DEBTS	-3	-3	-1	-1	-3	-1	0	7	-2	-237	-244	-7	54
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	83	43	16	54	-86	-129	-54	-81	-49	-88	-291	-246	-310
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	-273
DISCOUNTED	83	43	16	54	-86	-129	-54	-81	-49	-88	-291	-246	-583
UNDERWRITING EXPENSES	\$511	\$515	\$595	\$498	\$736	\$741	\$729	\$686	\$670	\$531	\$6,212	\$7,672	\$6,767
NET UNDERWRITING GAIN (LOSS)	\$175	\$232	-\$96	\$183	-\$2,890	-\$92	\$43	\$2,545	\$233	\$1,969	\$2,302	\$2,702	-\$7,164
ADMINISTRATIVE EXPENSES	17	36	32	55	51	68	44	42	52	60	457	605	604
PREMIUM FINANCE FEE	-1	-1	-1	-2	-1	-1	-1	-1	-1	-1	-11	-10	-12
INVESTMENT INCOME	14	12	7	4	4	4	3	1	3	3	55	63	151
OPERATING RESULTS	\$171	\$207	-\$122	\$130	-\$2,938	-\$157	\$1	\$2,503	\$183	\$1,911	\$1,889	\$2,150	-\$7,629
AVERAGE YTD OPERATING RESULT	\$171	\$189	\$85	\$97	-\$510	-\$452	-\$387	-\$26	-\$2	\$189	\$189	\$179	-\$636
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	-3.2%	-7.3%	2.4%	-6.0%	102.1%	-2.2%	-5.0%	-51.4%	-3.8%	-58.1%	-4.8%	-4.8%	14.2%
Current Accident Year	79.2%	79.2%	80.2%	79.7%	76.5%	78.9%	79.1%	45.4%	74.0%	81.9%	75.2%	75.2%	87.1%
All Accident Years Combined	76.0%	71.9%	82.6%	73.7%	178.6%	76.7%	74.1%	-6.0%	70.2%	23.8%	70.4%	70.4%	101.3%
Underwriting & Admin Exp.(Earned)	18.4%	20.7%	21.9%	21.4%	28.7%	29.1%	25.9%	23.9%	23.8%	18.0%	23.1%	23.6%	23.6%
COMBINED OPERATING RATIO	94.4%	92.6%	104.5%	95.1%	207.3%	105.8%	100.0%	17.9%	94.0%	41.8%	93.5%	94.0%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$118	\$50	\$167	\$103	\$250	\$432	\$316	\$209	\$95	\$213	\$1,953	\$2,246	\$2,051
CHANGE IN UNEARNED PREMIUMS	58	94	10	53	-95	-258	-125	-16	89	-17	-207	-135	-79
NET PREMIUMS EARNED	\$176	\$144	\$177	\$156	\$155	\$174	\$191	\$193	\$184	\$196	\$1,746	\$2,111	\$1,972
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	3	22	-508	-1	-140	-2	0	-169	0	-193	-988	-988	247
EFFECT OF DISCOUNTING	0	-3	-34	1	46	0	-2	-20	0	-26	-38	-45	36
DISCOUNTED	3	19	-542	0	-94	-2	-2	-189	0	-219	-1,026	-1,033	283
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	109	100	109	99	75	113	118	24	102	104	953	1,143	1,177
EFFECT OF DISCOUNTING	8	7	1	7	13	6	12	5	10	7	76	87	68
DISCOUNTED	117	107	110	106	88	119	130	29	112	111	1,029	1,230	1,245
CLAIMS INCURRED	\$120	\$126	-\$432	\$106	-\$6	\$117	\$128	-\$160	\$112	-\$108	\$3	\$197	\$1,528
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	12	5	17	10	25	43	32	21	10	21	196	225	205
AGENTS COMMISSIONS	9	6	16	10	22	36	25	19	11	19	173	198	182
DRIVER RECORD ABSTRACTS	1	2	1	1	1	1	0	0	0	1	8	15	17
BAD DEBTS	0	0	0	0	0	0	0	0	-1	46	45	-2	-22
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	5	7	0	6	-9	-21	-11	-2	8	-2	-19	-14	-6
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	5	7	0	6	-9	-21	-11	-2	8	-2	-19	-14	-6
UNDERWRITING EXPENSES	\$27	\$20	\$34	\$27	\$39	\$59	\$46	\$38	\$28	\$85	\$403	\$422	\$376
NET UNDERWRITING GAIN (LOSS)	\$29	-\$2	\$575	\$23	\$122	-\$2	\$17	\$315	\$44	\$219	\$1,340	\$1,492	\$68
ADMINISTRATIVE EXPENSES	4	3	7	16	16	20	11	13	12	6	108	113	82
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	1	1	0	0	0	0	0	1	0	0	3	4	8
OPERATING RESULTS	\$26	-\$4	\$568	\$7	\$106	-\$22	\$6	\$303	\$32	\$213	\$1,235	\$1,382	-\$6
AVERAGE YTD OPERATING RESULT	\$26	\$11	\$197	\$149	\$141	\$114	\$98	\$124	\$114	\$124	\$124	\$115	-\$1
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	1.7%	13.2%	-306.2%	0.0%	-60.6%	-1.1%	-1.0%	-97.9%	0.0%	-111.7%	-58.8%	-48.9%	14.4%
Current Accident Year	66.5%	74.3%	62.1%	67.9%	56.8%	68.4%	68.1%	15.0%	60.9%	56.6%	58.9%	58.3%	63.1%
All Accident Years Combined	68.2%	87.5%	-244.1%	67.9%	-3.8%	67.3%	67.1%	-82.9%	60.9%	-55.1%	0.1%	9.4%	77.5%
Underwriting & Admin Exp.(Earned)	17.6%	16.0%	23.2%	27.6%	35.5%	45.4%	29.8%	26.4%	21.7%	46.4%	29.3%	25.3%	23.2%
COMBINED OPERATING RATIO	85.8%	103.5%	-220.9%	95.5%	31.7%	112.7%	96.9%	-56.5%	82.6%	-8.7%	29.4%	34.7%	100.7%

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

Rounding Difference may apply

SUMMARY OF OPERATIONS - CALENDAR YEAR 2020
FACILITY ASSOCIATION RESIDUAL MARKET - NWT
Operating Results for the 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$567	\$322	\$579	\$213	\$342	\$670	\$291	\$346	\$372	\$389	\$4,091	\$4,731	\$4,052
CHANGE IN UNEARNED PREMIUMS	-108	25	-196	133	-5	-245	62	27	-2	-14	-323	-225	140
NET PREMIUMS EARNED	\$459	\$347	\$383	\$346	\$337	\$425	\$353	\$373	\$370	\$375	\$3,768	\$4,506	\$4,192
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	64	-163	-55	0	-128	-1	-1	-116	1	-392	-791	-790	-1,041
EFFECT OF DISCOUNTING	-2	-10	-35	-4	86	-3	-3	-16	0	-33	-20	-30	-21
DISCOUNTED	62	-173	-90	-4	-42	-4	-4	-132	1	-425	-811	-820	-1,062
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	183	178	194	180	234	252	187	135	194	213	1,950	2,323	2,550
EFFECT OF DISCOUNTING	13	7	5	3	22	21	13	18	10	11	123	148	124
DISCOUNTED	196	185	199	183	256	273	200	153	204	224	2,073	2,471	2,674
CLAIMS INCURRED	\$258	\$12	\$109	\$179	\$214	\$269	\$196	\$21	\$205	-\$201	\$1,262	\$1,651	\$1,612
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	57	32	58	21	34	67	29	35	37	39	409	473	406
AGENTS COMMISSIONS	58	32	51	25	33	54	31	35	39	41	399	461	395
DRIVER RECORD ABSTRACTS	5	22	4	3	6	4	0	4	0	7	55	64	65
BAD DEBTS	-1	0	0	0	0	0	0	0	-1	22	20	-1	-15
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	-12	3	-17	12	0	-21	5	2	-2	-2	-32	-24	15
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	-12	3	-17	12	0	-21	5	2	-2	-2	-32	-24	15
UNDERWRITING EXPENSES	\$107	\$89	\$96	\$61	\$73	\$104	\$65	\$76	\$73	\$107	\$851	\$973	\$866
NET UNDERWRITING GAIN (LOSS)	\$94	\$246	\$178	\$106	\$50	\$52	\$92	\$276	\$92	\$469	\$1,655	\$1,882	\$1,714
ADMINISTRATIVE EXPENSES	10	-3	13	19	20	20	9	14	16	9	127	139	110
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	-1	0
INVESTMENT INCOME	1	1	1	0	0	0	0	1	0	1	5	6	15
OPERATING RESULTS	\$85	\$250	\$166	\$87	\$30	\$32	\$83	\$263	\$76	\$461	\$1,533	\$1,748	\$1,619
AVERAGE YTD OPERATING RESULT	\$85	\$168	\$167	\$147	\$124	\$108	\$105	\$125	\$119	\$153	\$153	\$146	\$135
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	13.5%	-49.9%	-23.5%	-1.2%	-12.5%	-0.9%	-1.1%	-35.4%	0.3%	-113.3%	-21.5%	-18.2%	-25.3%
Current Accident Year	42.7%	53.3%	52.0%	52.9%	76.0%	64.2%	56.7%	41.0%	55.1%	59.7%	55.0%	54.8%	63.8%
All Accident Years Combined	56.2%	3.4%	28.5%	51.7%	63.5%	63.3%	55.6%	5.6%	55.4%	-53.6%	33.5%	36.6%	38.5%
Underwriting & Admin Exp.(Earned)	25.5%	24.8%	28.5%	23.1%	27.6%	29.2%	21.0%	24.1%	24.1%	30.9%	26.0%	24.7%	23.3%
COMBINED OPERATING RATIO	81.7%	28.2%	57.0%	74.8%	91.1%	92.5%	76.6%	29.7%	79.5%	-22.7%	59.5%	61.3%	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 10 months ended October 31, 2020 (Discounted Basis)
Source: Monthly (Accident Year) Member Participation Report as at 10/2020
(thousands of dollars)

	January	February	March	April	May	June	July	August	September	October	CY2020 YTD	CY2020 12 Months Updated Projections	CY2019 12 Months Actual
UNDERWRITING REVENUE:													
PREMIUMS WRITTEN	\$110	\$34	\$54	\$37	\$57	\$58	\$229	\$67	\$126	\$115	\$887	\$1,004	\$993
CHANGE IN UNEARNED PREMIUMS	8	42	30	24	23	21	-146	16	-38	-22	-42	15	11
NET PREMIUMS EARNED	\$118	\$76	\$84	\$61	\$80	\$79	\$83	\$83	\$88	\$93	\$845	\$1,019	\$1,004
CLAIMS INCURRED													
PRIOR ACCIDENT YEARS													
UNDISCOUNTED	14	-54	-87	-8	-28	1	0	-18	-1	-250	-431	-433	-115
EFFECT OF DISCOUNTING	-1	0	-15	-2	21	1	0	-12	-3	-12	-23	-26	6
DISCOUNTED	13	-54	-102	-10	-7	2	0	-30	-4	-262	-454	-459	-109
CURRENT ACCIDENT YEAR													
UNDISCOUNTED	33	33	28	34	32	31	34	4	31	47	307	368	406
EFFECT OF DISCOUNTING	2	2	1	1	7	1	3	1	3	3	24	29	22
DISCOUNTED	35	35	29	35	39	32	37	5	34	50	331	397	428
CLAIMS INCURRED	\$48	-\$19	-\$73	\$25	\$32	\$34	\$37	-\$25	\$30	-\$212	-\$123	-\$62	\$319
UNDERWRITING EXPENSES													
OPERATING & SERVICE FEES	11	3	5	4	6	6	23	7	13	11	89	102	100
AGENTS COMMISSIONS	10	3	5	2	6	4	19	4	12	8	73	87	84
DRIVER RECORD ABSTRACTS	0	0	0	0	0	0	0	0	0	1	1	4	6
BAD DEBTS	0	0	0	0	0	0	0	0	0	-10	-10	0	1
PREMIUM DEFICIENCY/(DPAC)													
UNDISCOUNTED	1	4	2	1	3	1	-12	2	-3	-2	-3	1	1
EFFECT OF DISCOUNTING	0	0	0	0	0	0	0	0	0	0	0	0	0
DISCOUNTED	1	4	2	1	3	1	-12	2	-3	-2	-3	1	1
UNDERWRITING EXPENSES	\$22	\$10	\$12	\$7	\$15	\$11	\$30	\$13	\$22	\$8	\$150	\$194	\$192
NET UNDERWRITING GAIN (LOSS)	\$48	\$85	\$145	\$29	\$33	\$34	\$16	\$95	\$36	\$297	\$818	\$887	\$493
ADMINISTRATIVE EXPENSES	5	3	5	15	14	15	9	11	13	5	95	94	66
PREMIUM FINANCE FEE	0	0	0	0	0	0	0	0	0	0	0	0	0
INVESTMENT INCOME	1	0	0	0	0	0	0	0	0	0	1	2	4
OPERATING RESULTS	\$44	\$82	\$140	\$14	\$19	\$19	\$7	\$84	\$23	\$292	\$724	\$795	\$431
AVERAGE YTD OPERATING RESULT	\$44	\$63	\$89	\$70	\$60	\$53	\$46	\$51	\$48	\$72	\$72	\$66	\$36
RATIOS:													
Claims & Adj Expenses Incurred (Earned)													
Prior Accident Years	11.0%	-71.1%	-121.4%	-16.4%	-8.8%	2.5%	0.0%	-36.1%	-4.5%	-281.7%	-53.7%	-45.0%	-10.9%
Current Accident Year	29.7%	46.1%	34.5%	57.4%	48.8%	40.5%	44.6%	6.0%	38.6%	53.8%	39.2%	39.0%	42.6%
All Accident Years Combined	40.7%	-25.0%	-86.9%	41.0%	40.0%	43.0%	44.6%	-30.1%	34.1%	-227.9%	-14.5%	-6.0%	31.7%
Underwriting & Admin Exp.(Earned)	22.9%	17.1%	20.2%	36.1%	36.3%	32.9%	47.0%	28.9%	39.8%	14.0%	29.0%	28.3%	25.7%
COMBINED OPERATING RATIO	63.6%	-7.9%	-66.7%	77.1%	76.3%	75.9%	91.6%	-1.2%	73.9%	-213.9%	14.5%	22.3%	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