



ONTARIO RISK SHARING POOL

MAY 2019 OPERATIONAL REPORT

ACTUARIAL HIGHLIGHTS

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ACTUARIAL HIGHLIGHTS**RSP ONTARIO****OPERATIONAL REPORT****MAY 2019**

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1 Summary

1.1 Valuation Schedule (Fiscal Year 2019)

The May 2019 Operational Report incorporates the results of an updated valuation (as at March 31, 2019) – the impact of the implementation of the valuation is discussed in section 1.2. The table immediately below summarizes the implemented valuations and future scheduled valuations for fiscal year 2019.

ONTARIO RISK SHARING POOL FISCAL YEAR 2019 – SCHEDULE OF VALUATIONS			
Valuation Date	Discount Rate (per annum)	Operational Report	Description of Changes
Sep. 30, 2018 (completed)	2.22% mfad 25 bp	Oct. 2018	updated valuation (roll forward): accident year 2018 loss ratio <u>increased</u> 0.5 points to 127.0%; discount rate <u>increased</u> by 39 basis points; selected margins for adverse deviations were updated
Dec. 31, 2018 (completed)	1.88% mfad 25 bp	Mar. 2019	updated valuation: accident year 2019 loss ratio 127.1%; discount rate <u>decreased</u> by 34 basis points; no change to selected margins for adverse deviations
Mar. 31, 2019 (completed)	1.43% mfad 25 bp	May 2019	updated valuation (roll forward): accident year 2019 loss ratio <u>increased</u> 0.5 points to 127.6%; discount rate <u>decreased</u> by 45 basis points; no change to selected margins for adverse deviations
Jun. 30, 2019		Aug. 2019	update valuation
Sep. 30, 2019		Oct. 2019	update valuation (roll forward)

Under the proposed schedule for fiscal year 2019, the “off-half” valuation quarters ending March 31, 2019 and September 30, 2019 would not reflect a full valuation update of assumptions, but would rather “roll-forward” key assumptions from the previous valuation.

1.2 New Valuation

A valuation of the Ontario Risk Sharing Pool (“RSP”) as at March 31, 2019 has been completed since last month’s Operational Report and the results of that valuation have been incorporated into this month’s Report. The valuation was completed by the Facility Association’s internal actuarial group in conjunction with, and approved by, the Appointed Actuary, under the hybrid model for actuarial services. Additional detail will be provided in an “Actuarial Highlights – Quarterly Valuation” report which we anticipate will be posted to the FA website in July 2019.

The valuation implementation impact is summarized in the tables on the next page.

Summary of Impact (\$000s) of Implementing Result of Valuation as at March 31, 2019¹

Ontario	unfav / (fav) for the month and ytd					
	IMPACT in \$000s from changes in:					
	ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	5,042	624	5,666	11,722	-	17,388
CAY	712	90	802	1,970	-	2,772
Prem Def	727	256	983	2,888	-	3,871
TOTAL	6,481	970	7,451	16,580	-	24,031

As indicated in the table above, the incorporation of the new valuation had an estimated **\$24.0 million unfavourable impact** on the month's net result from operations, adding an estimated 29.0 points (see table immediately below) to the **year-to-date Combined Operating Ratio** to end at **182.5%**.

Summary of Impact (% YTD EP) of Implementing Result of Valuation as at March 31, 2019

Ontario	ytd EP 82,850 (actual)					
	IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	6.1%	0.8%	6.8%	14.1%	-	21.0%
CAY	0.9%	0.1%	1.0%	2.4%	-	3.3%
Prem Def	0.9%	0.3%	1.2%	3.5%	-	4.7%
TOTAL	7.8%	1.2%	9.0%	20.0%	-	29.0%

The impact of the nominal changes is shown in column [1] of the two preceding summary tables. The change in the selected nominal ultimates was unfavourable by \$6.5 million overall. This reflects the impact attributable to the changes in the selected ultimate loss ratios (i.e. for each accident year, it is the product of life-to-date earned premium for the accident year and the change in the selected ultimate loss ratio).

The prior accident years overall showed a \$5.0 million unfavourable nominal variance, driven by unfavourable claims development, particularly related to unfavourable physical damage reported claim experience during the quarter. This overall unfavourable prior accident years impact is 0.6% of the prior accident years' nominal unpaid balance of \$857.3 million determined at the end of last month (April 2019).

The current accident year and premium deficiency impacts are a result of the change in the selected

¹In these tables, "PAYs" refers to prior accident years, "CAY" refers to the current accident year, and "Prem Def" refers to the provision for premium deficiency or the deferred policy acquisition asset (as applicable). "Nominal" refers to changes excluding any actuarial present value adjustments, whereas "apv adj." refers to actuarial present value adjustments.

The columns under the heading "ults & payout patterns" reflect the impact of changes in the valuation selected ultimates and claims payment patterns (i.e. based on unchanged selection of discount rates and margins for adverse deviation). The column "dsct rate" reflects the impact of the change in the selected discount rate and the column "margins" reflects the impact of any changes in selected margins for adverse deviations.

loss ratios for accident year **2019** (up 0.5 points to **127.6%**), and **2020** (no change at **130.0%**).

The impacts related to actuarial present value (“apv”) adjustments are split into the impact prior to any change in the selected discount rate and selected margins for adverse deviations or “MfADs” (at the level they were selected i.e. coverage and accident half-year), the impact of then updating the discount rate, and finally the impact of any changes to the MfADs (at the level they were selected). The changes in actuarial present value adjustments are shown in the summary tables in columns [2], [4], and [5].

Column [2] recognizes that changing the nominal selections also changed the unpaid estimates (including changes to the relative mix by government line, which had an impact on the weighted-average MfADs). It also reflects the fact that we updated the projected emergence of claims payments, resulting in a change in the projected cash flows. These changes generated an unfavourable change of \$1.0 million in the actuarial present value adjustments, prior to any changes in the selected discount rate and/or MfADs.

Updated projected cash flows were reviewed against the selected risk-free yield curve, derived from Government of Canada benchmark bond yields monthly series using values for March 2019. Column [4] accounts for the change in the **discount rate** selected (decreased 45 basis points to **1.43%**), indicating an unfavourable impact of \$16.6 million. The impact *related only to claims liabilities* (i.e. PAYs plus CAY) was \$13.7 million at May 2019 (projected \$14.7 million impact at December 31, 2019) – this compares to the \$14.7 million change one would estimate as the impact by interpolation using the interest rate sensitivity table provided in last month’s Actuarial Highlights.

Column [5] accounts for any changes to selected MfADs. The selected **investment rate MfAD** was **left unchanged at 25 basis points** and the selected **claims development MfADs** at the coverage and accident year level were **left unchanged** as well.

Consideration was given to recent legal decisions and changes in legislation / regulation as noted above and outlined in section 1.4.

1.3 Appointed Actuary and Hybrid Actuarial Services Model

Liam McFarlane of Ernst & Young LLP is Facility Association’s Appointed Actuary (effective as of June 1, 2013).

Facility Association operates under a “hybrid” model in relation to the management and provision of actuarial services. Under this model, actuarial services are performed by both Facility Association’s internal staff and its external actuarial consulting firm. The hybrid model approach maximizes the efficiency of resource allocation while providing access to additional expertise and capacity as needed.

1.4 Consideration of Recent Legal Decisions and Changes in Legislation / Regulation²

There have been no changes in these descriptions since last month’s Highlights, other than updated current valuation date references.

Consideration and assessment of potential impacts of legal decisions and changes in legislation / regulation constitutes a regular part of the valuation process. Descriptions of some of the more recent

²This link is to a helpful guide on how bills become laws: <http://www.ontla.on.ca/lao/en/media/laointernet/pdf/bills-and-lawmaking-background-documents/how-bills-become-law-en.pdf>.

changes are provided below.

Ontario Bill 15 (Fighting Fraud and Reducing Automobile Insurance Rates Act, 2014) was introduced into the Legislature by the Minister of Finance on July 15, 2014 and **received Royal Assent on November 20, 2014**. Bill 15 includes various amendments and provisions such as moving the Ontario Automobile Dispute Resolution System (DRS) for statutory accident benefits from the Financial Services Commission of Ontario to the Ministry of the Attorney General (Licence Appeal Tribunal), regulation of the Tow and Storage Industry (amendments to the Consumer Protection Act and Repair and Storage Liens Act), regulations related to licensing of insurance agents and adjusters, changes the applicable interest rate applied to overdue payments in the Statutory Accident Benefits Schedule (SABS), and changes to the prejudgment interest rate on general damages for non-pecuniary loss from the rate as set out in the Courts of Justice Act to rates linked to market conditions.

Ontario Bill 91 (Building Ontario Up Act (Budget Measures), 2015) was introduced into the Legislature by the Minister of Finance on April 23, 2015 and **received Royal Assent on June 4, 2015**. Bill 91 announced a number of amendments to regulations made under the Insurance Act, including: updating the Catastrophic Impairment Definition and changes to the standard benefit level under the Statutory Accident Benefits Schedule (SABS); restrictions on insurance premium increases and lowering of the maximum interest rate charged on monthly auto insurance premium payments; and adjustments to the monetary threshold beyond which the tort deductible does not apply to reflect inflation (adjustments to reflect inflation in the associated tort deductible were undertaken via an update to regulation 461/96). On August 26, 2015, the Ontario government filed Ontario regulations 250/15 and 251/15 implementing reforms set out in Bill 91. With the most recent valuation (March 31, 2019), reform adjustments (originally introduced with the September 30, 2015 valuation) specifically related to changes to the SABS impacting the bodily injury and accident benefits coverages, were included with the updated industry trend analysis (completed using industry data as at June 30, 2018), impacting the selection of ultimates.

1.5 Harmonized Sales Tax Class Action - Ontario

There have been no changes in these descriptions since last month's Highlights.

Since the end of October 2018, class action lawsuits have been brought against multiple insurers related to HST and limits / sub-limits of benefits per the Statutory Accident Benefits Schedule and FSCO's Professional Services Guideline as part of claims settlement practices in Ontario.

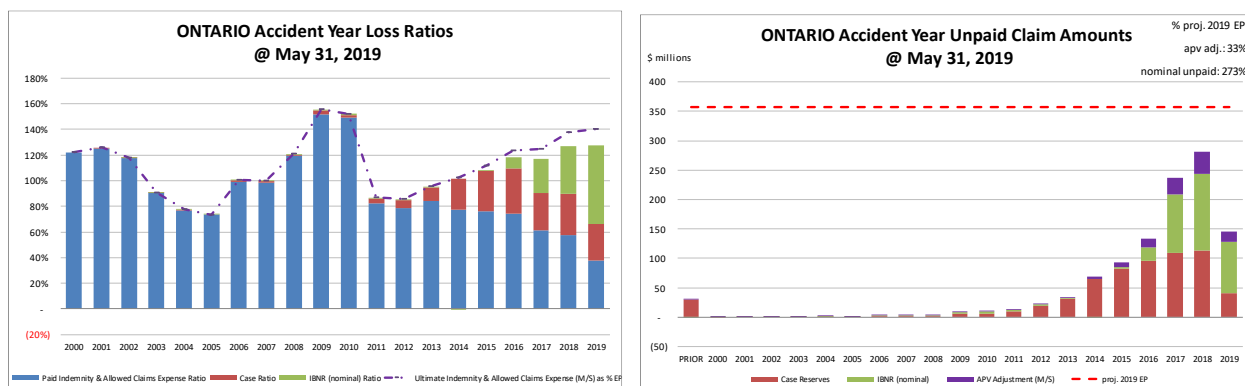
At the current time, no adjustments have been made to our valuation estimates, but in conjunction with FA's Appointed Actuary, FA management continues to review and consider the implications of the potential outcomes related to the class action lawsuits. Please contact Shawn Doherty at sdoherty@facilityassociation.com if you need further information.

1.6 Current Provision Summary

The charts at the top of the next page show the current levels of claim liabilities³ booked by accident

³Claim liabilities refer to provision for unpaid indemnity and allowed claims expenses. Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this discussion.

year⁴. The left chart displays life-to-date payments, case reserves, IBNR, and the total including actuarial present value adjustments against accident year earned premium. The right chart shows the associated dollar amounts for the components of the claim liabilities and the current projected amount of 2019 full year earned premium (the red hash-mark line) to provide some perspective.



"M/S" refers to "Member Statement" values – that is, actuarial present value adjustments at the selected discount rate.

The current actuarial present value adjustments provision for claims liabilities (\$116.3 million – see table immediately below) represents 33% of the earned premium projected for the full year 2019 (see the upper right corner of the right chart above). If our current estimates of the nominal unpaid amounts prove to match actual claims payments, the actuarial present value adjustments will be released into the net operating result over future periods.

claim liabilities (\$000s)

	amt	%
case	616,910	56.7%
ibnr	355,631	32.7%
M/S apv adjust.	116,267	10.7%
M/S total	1,088,808	100.0%

liabilities are related to accident years 2015-2019 inclusive (i.e. the most recent 5 accident years), and approximately 5% is related to accident years 2009 and prior (i.e. prior to the most recent 10 accident years).

The tables immediately below summarize the premium liabilities and the total policy liabilities.

premium liabilities (\$000s)

	amt	%
unearned prem	179,820	70.5%
prem def/(dpac)	50,848	19.9%
M/S apv adjust.	24,433	9.6%
M/S total	255,101	100.0%

policy liabilities (\$000s)

	amt	%
claim	972,541	72.4%
premium	230,668	17.2%
M/S apv adjust.	140,700	10.5%
M/S total	1,343,909	100.0%

⁴The loss ratio chart has been limited to show the most recent 20 accident years; the unpaid provision chart has been limited to show the most recent 20 accident years, and show all accident years older than 20 years collectively as "PRIOR".

2 Activity During the Month of May 2019

2.1 Recorded Premium and Claims Activity

The table immediately below summarizes the extent to which premiums and claims amounts recorded during the month differ from projections reflected in the prior month's Operational Report⁵.

Ontario RSP Actual vs Projected Summary: Recorded Transaction Amounts (\$ thousands)

Table 01 Accident Year	Earned Premium		Paid Indemnity & Allowed Claims Expense		Case increase / (decrease)		Recorded increase / (decrease)	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	(80)	(80)	10,213	3,117	(7,431)	(1,983)	2,782	1,134
2017	(77)	(77)	3,018	(145)	(536)	(1,425)	2,481	(1,571)
2018	(71)	(71)	4,007	(873)	1,178	788	5,185	(85)
2019	29,888	222	13,766	(67)	7,364	(807)	21,130	(874)
TOTAL	29,660	(5)	31,002	2,031	575	(3,427)	31,578	(1,396)

(Recorded transaction amounts exclude IBNR & other actuarial provisions)

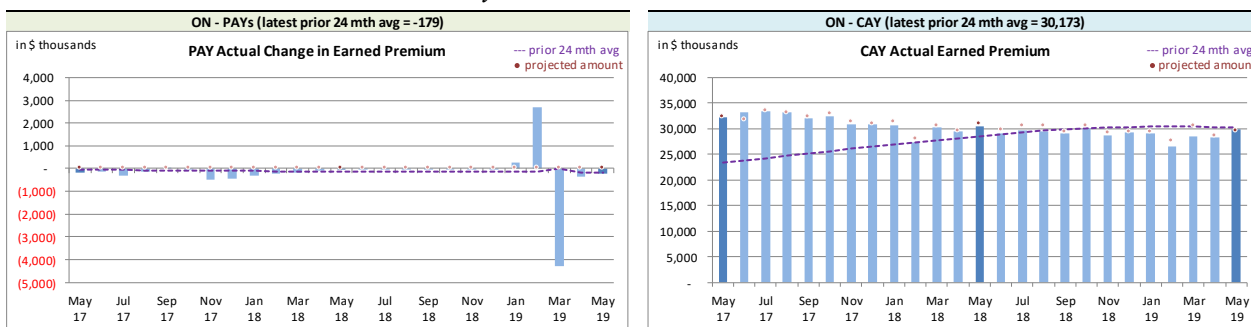
It is typically unusual to see actual earned premium transactions affecting accident years older than the first prior accident year – the changes in 2017 and prior accident years reflect activity undertaken by a member to remove risks from the RSP, reflecting recent audit findings.

Claims transaction activity is generally volatile and changes from one month to the next are anticipated due to this natural “process variance” (i.e. random variation). Each month, the projection variances are reviewed for signs of projection bias and to identify potential ways to reduce the level of the variance. Commentary from our review is provided in the sub-sections that follow.

2.1.a Actual vs. Projected (AvsP): Earned Premium

The charts immediately below show actual **earned premium**⁶ activity in each of the most recent 25 calendar months, along with a “prior 24-month average” to show how each month's actual compares with the average amount of the preceding 24 calendar months.

Ontario RSP Actual Earned Premium by Calendar Month



Earned premium changes during a given calendar month in relation to prior accident years tend to

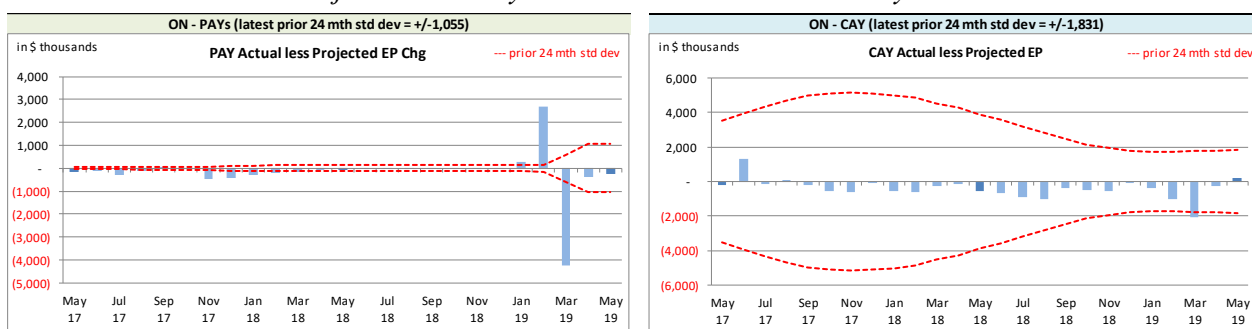
⁵There may be rounding differences in values in this document compared with the associated Bulletin and/or Operational Report.

⁶Premium is earned on a daily basis based on the transaction term measured in days. As a result, months with 31 days earned relatively more than those with 30 days, and February earns the least.

be at modest levels (note the different scales in the charts above), although relatively high levels generally occur at the beginning of each year. As commented on earlier, this month's variances are related to a member's activity in relation to recent audit findings.

The associated variance between the actual changes and the projections from the previous month are shown in the charts immediately below. **Earned premium** change projections are all attributed to the current accident year as the projection upload does not accept **earned premium** changes for other accident years. We do not see this limitation as being significant for our purposes, but it does mean that the actual less projection variance will equal the actual **earned premium** change in relation to prior accident years.

*Ontario RSP Actual vs. Projected Summary: **Earned Premium** Variances by Calendar Month*



On Latest \$ thousands		
	Earned Premium	
	PAYs	CAY
Mthly Avg EP Chg (prior 24 mths)	(179)	30,173
std dev	1,055	1,831
A-P <> std dev	12	1
% <> std dev	48.0%	4.0%
norm <> std dev	31.7%	31.7%

We project **earned premium** changes from known unearned premium and projected written premium levels, but upload the total projections as current accident year (CAY). This process has generated prior accident years' (PAYs) bias⁷, with actuals generally lower than projected, although the magnitude is not high relative to monthly

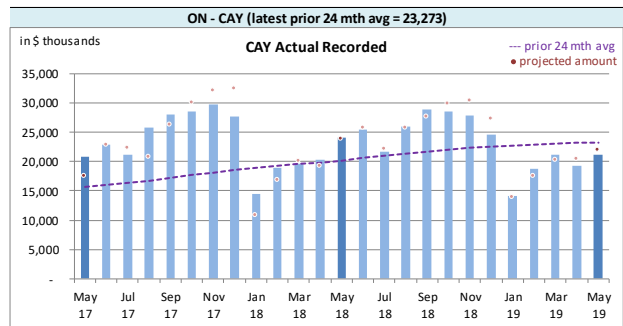
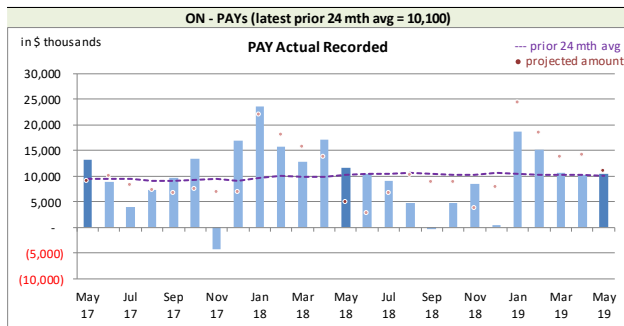
premium. Over time, we may consider other projection approaches to narrow monthly variance levels further, but it is not currently deemed a priority. Readers will also note the significant widening then tapering of the CAY standard deviation band, reflecting significant volume changes and the impact as those changes were earned.

2.1.b AvsP: Recorded Indemnity & Allowed Claims Expense

The charts immediately below show actual **recorded** activity (**paid** and **case reserve** changes), in each of the most recent 25 calendar months, along with a "prior 24-month average" to show how each month's actual compares with the average amount of the preceding 24 calendar months.

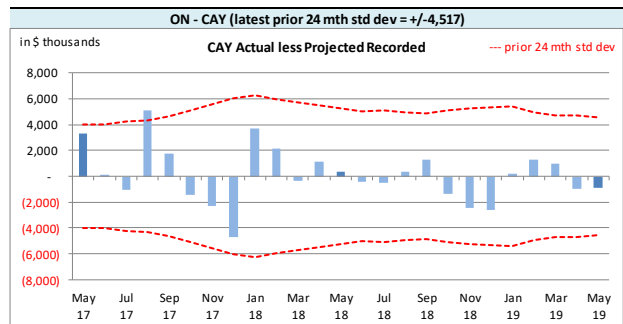
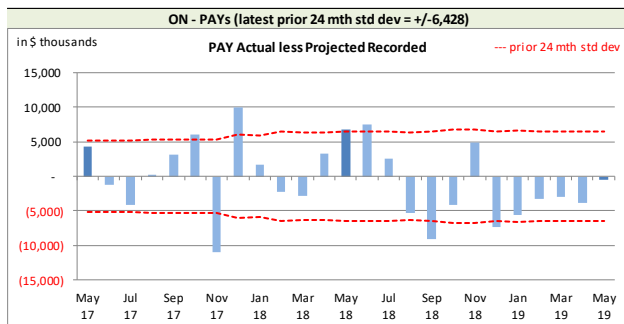
⁷The PAYs' variances will show bias as the projection upload forces all earned premium projections to be attributed to the CAY.

Ontario RSP Actual Recorded by Calendar Month



Recorded activity variances from the previous month's projections are shown in the charts immediately below, including the "prior 24-month standard deviation" levels to show how the variances from projection compare with historical standard deviations.

Ontario RSP Actual vs Projected Summary: Recorded Variances by Calendar Month



On Latest \$ thousands			
	Recorded	PAYS	CAY
Mthly Avg Recorded (prior 24 mths)	10,100	23,273	
std dev	6,428	4,517	
A-P <> std dev	7	1	
% <> std dev	28.0%	4.0%	
norm <> std dev	31.7%	31.7%	

With respect to **recorded** indemnity & allowed claims expense, 28% of the prior accident years' (PAYS) variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **recorded** amounts (see table on left), suggesting the projection process has performed no better than simply projecting the prior 24-

month average amount (assuming it follows a normal distribution). Bias has not been indicated at a 95% confidence level on a lagging 24-month basis.

The current accident year (CAY) **recorded** variances (right chart above) fell outside of one standard deviation 4% of the time over the last 25 calendar months suggesting that the projection process has performed better than simply projecting the prior 24-month average amount.

The averages of monthly ratios for **recorded** and **paid** to year-to-date earned premium have been on the rise generally since 2012, as is evident in the tables on the next page. These tables show, in each row, the average monthly ratio for each calendar year. That is, each row in the *left* table (as at Dec) provides the average of the 12 monthly-ratios (i.e. Jan, Feb, ... Dec) for that row's calendar year, whereas each row in the *right* table (as at May) provides the May ratios.

Per the *left* table at the top of the next page (showing average monthly ratios for each calendar year), the 2018 average **recorded** ratio at 17.3% was the highest ratio since 2010, and the 2018 **paid** ratio at

9.0% was the highest ratio over the last 10 years. That is, both ratios remained at “elevated” levels compared with the ratios for the 3 calendar years immediately following the 2010 reforms.

As can be seen in the *right* table at the top of the next page, five months into 2019 has the second highest **recorded** ratio over the last 11 years (May 2010 had the highest **recorded** ratio) while the **paid** ratio is the highest in the last 11 years.

CAY avg of mthly ratios for yr

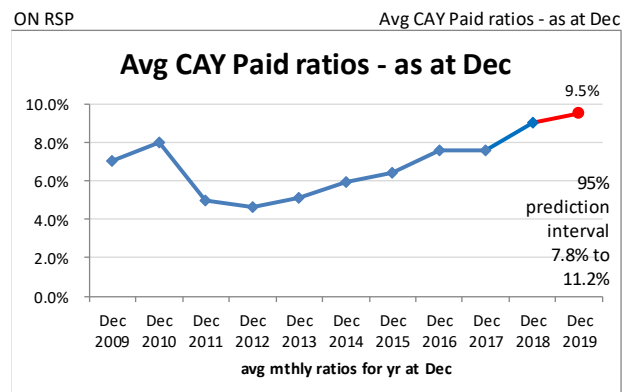
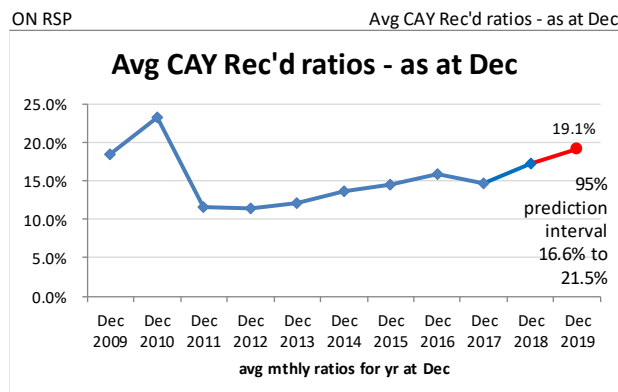
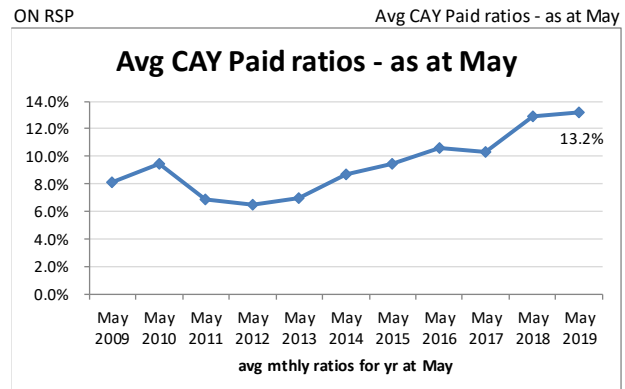
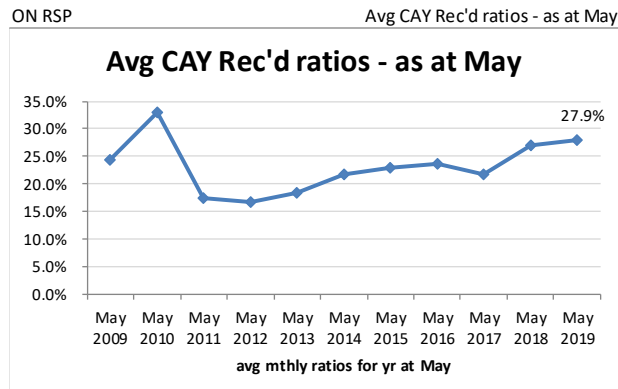
as at	Rec'd	yr-on-yr chg	Paid	yr-on-yr chg
Dec 2009	18.5%		7.0%	
Dec 2010	23.2%	4.7%	8.0%	1.0%
Dec 2011	11.5%	(11.7%)	5.0%	(3.0%)
Dec 2012	11.4%	(0.1%)	4.6%	(0.4%)
Dec 2013	12.0%	0.6%	5.1%	0.5%
Dec 2014	13.7%	1.7%	5.9%	0.8%
Dec 2015	14.4%	0.7%	6.4%	0.5%
Dec 2016	15.8%	1.4%	7.6%	1.2%
Dec 2017	14.7%	(1.1%)	7.6%	0.0%
Dec 2018	17.3%	2.6%	9.0%	1.4%

CAY avg of mthly ratios for yr

as at	Rec'd	yr-on-yr chg	Paid	yr-on-yr chg
May 2009	24.4%		8.1%	
May 2010	32.9%	8.5%	9.5%	1.4%
May 2011	17.5%	(15.4%)	6.9%	(2.6%)
May 2012	16.7%	(0.8%)	6.5%	(0.4%)
May 2013	18.3%	1.6%	7.0%	0.5%
May 2014	21.8%	3.5%	8.7%	1.7%
May 2015	22.9%	1.1%	9.5%	0.8%
May 2016	23.6%	0.7%	10.6%	1.1%
May 2017	21.7%	(1.9%)	10.3%	(0.3%)
May 2018	27.1%	5.4%	12.9%	2.6%
May 2019	27.9%	0.8%	13.2%	0.3%

There has been very strong (97%) correlation between the ytd monthly average **recorded** ratios and very strong (94%) correlation between the ytd monthly average **paid** ratios at May each year and the corresponding ytd monthly average ratios at December, suggesting the May **recorded** ratio is predictive of where the 2019 ytd monthly average **recorded** ratios will be at year-end (that is, the 12 monthly ratios Jan 2019 – Dec 2019), and May ytd monthly **paid** ratios would likewise be predictive of December ytd monthly paid ratios. Using simple regression, we forecast the average of the 12 monthly ratios for calendar year 2019 (i.e. the average of the monthly ratios for Jan 2019 – Dec 2019) will be 19.1% (95% prediction interval of 16.6% to 21.5%) for **recorded** and 9.5% (95% prediction interval of 7.8% to 11.2%) for **paid**. The results are presented in charts at the top of the next page.

Ontario RSP average of monthly CAY claims activity ratios to EP



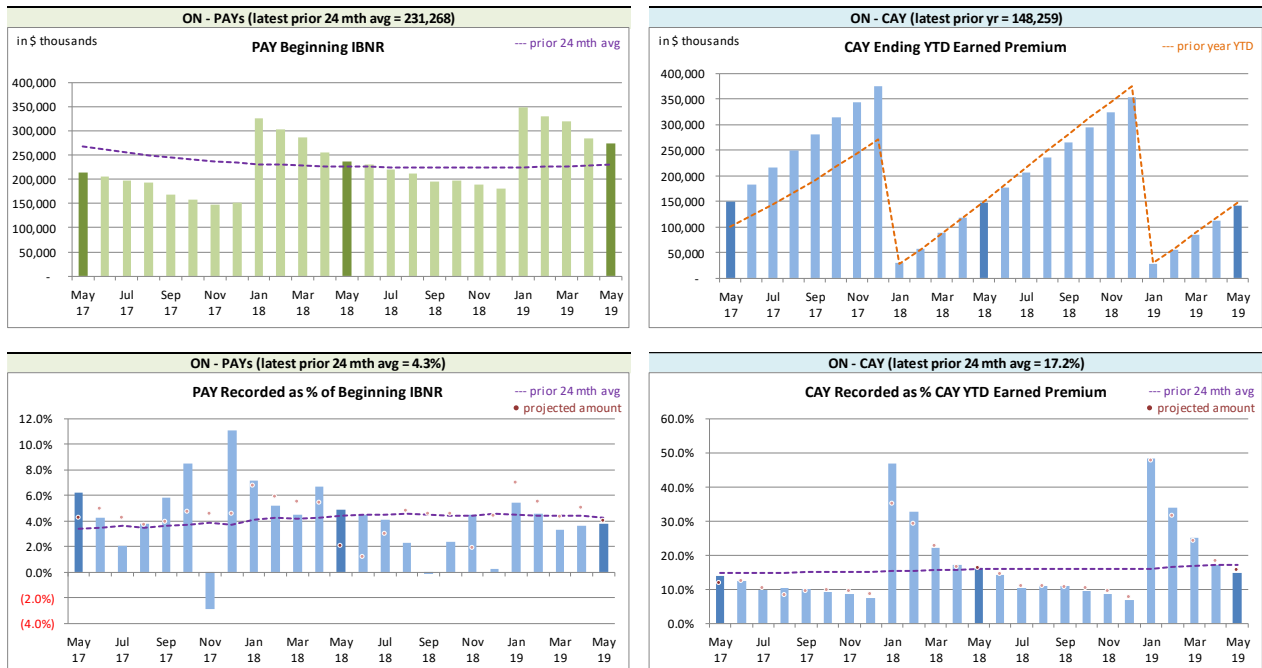
We are taking this information into consideration as part of our projection process.

These monthly-average ratios may be signalling an actual increase in relative claim amounts generally, signaling a change in the pattern of **recorded** / **paid** activity, or signaling belated impacts of rate decreases (reducing **earned premium** level per loss cost level). The CAY **recorded** activity will be monitored to determine if this is an ongoing trend.

The method for establishing IBNR adjusts automatically for changes in **earned premium** and **recorded** claims activity level (see sections 2.2 and 3).

We have included, for reference, additional charts at the top of the next page related to levels influencing **recorded** activity. Note in particular the reduction in the level of PAY beginning IBNR over the months, as a response to valuations and showing up as a beginning IBNR change one month after the valuation is implemented (i.e. April, June, September, and November).

Ontario RSP Levels that influence⁸ Recorded activity by Calendar Month



We track beginning prior accident years' IBNR as **recorded** activity "comes out of" IBNR. Changes in the prior accident years' beginning IBNR (see upper left chart above) occur for several possible reasons:

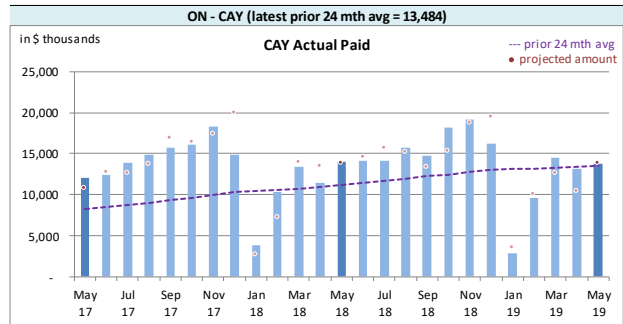
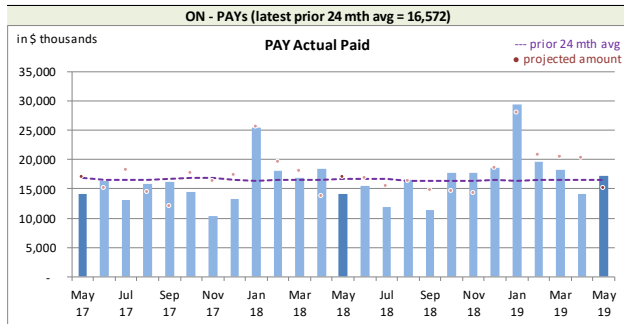
- to offset actual **recorded** activity (through loss ratio matching);
- the annual switchover as a current accident year becomes a prior accident year (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of prior accident years' ultimate (will show up as a beginning IBNR change one month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

2.1.c AvsP: Paid Indemnity & Allowed Claims Expense

The charts at the top of the next page show actual **paid** activity in each of the most recent 25 calendar months, along with a "prior 24-month average" to show how each month's actual compares with the average amount of the preceding 24 calendar months.

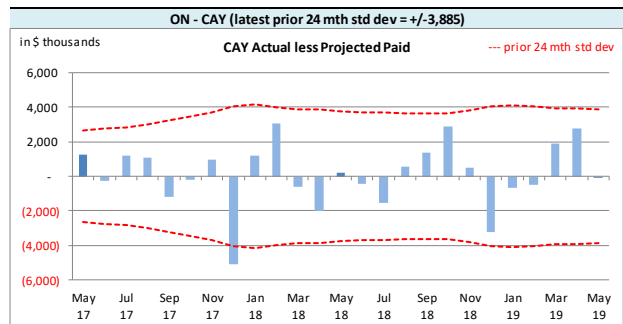
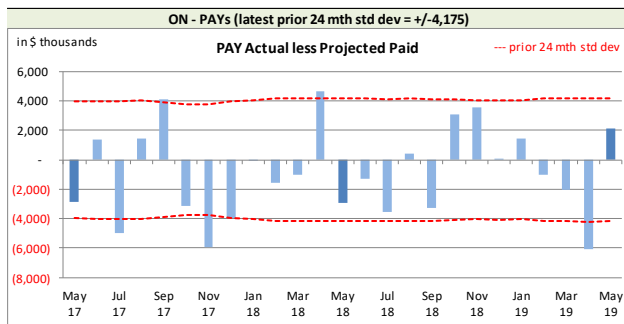
⁸Our recorded activity projections for the prior accident years are based on selected ratios of recorded activity to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date IBNR to year-to-date selected ultimate (i.e. selected LR x earned premium), deriving year-to-date recorded as selected ultimate less IBNR. In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

*Ontario RSP Actual **Paid** activity by Calendar Month*



Paid activity variances from the previous month's projections are shown in the charts immediately below, including the "prior 24-month standard deviation" levels to show how the variances from projection compare with historical standard deviations.

*Ontario RSP Actual vs Projected Summary: **Paid** Variances by Calendar Month*



On Latest \$ thousands			
	Paid	PAYS	CAY
Mthly Avg Paid (prior 24 mths)		16,572	13,484
std dev		4,175	3,885
A-P <> std dev		5	1
% <> std dev		20.0%	4.0%
norm <> std dev		31.7%	31.7%

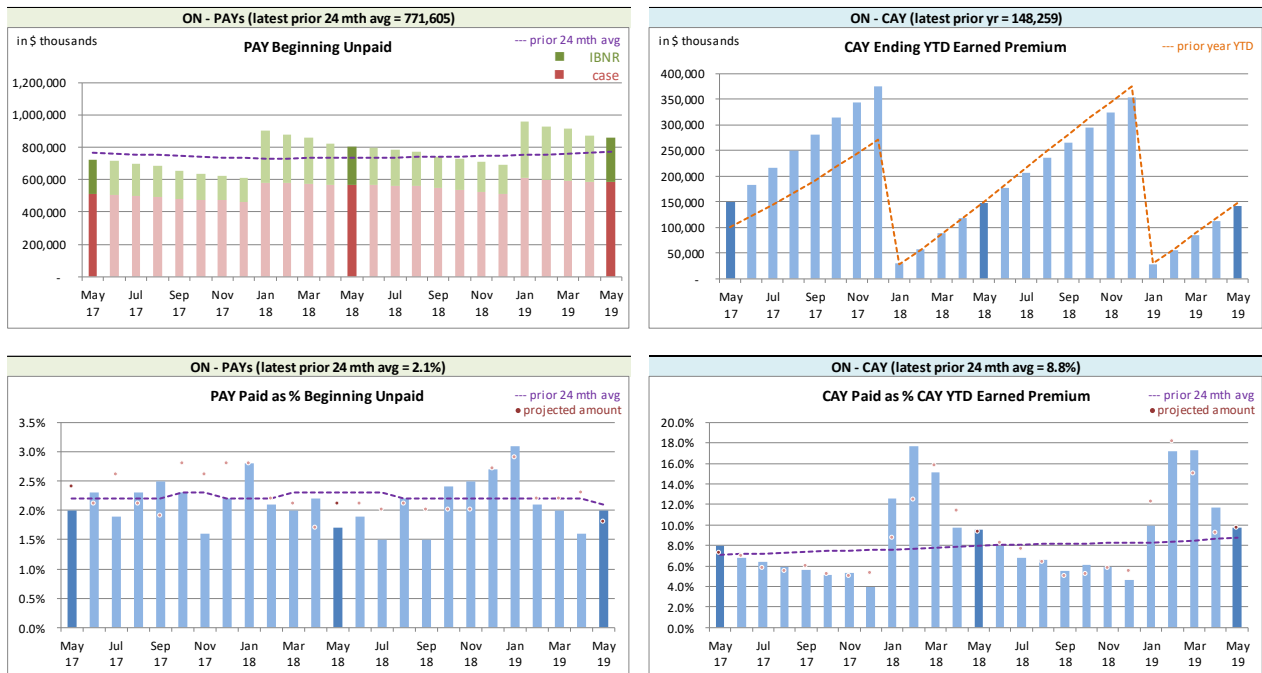
With respect to **paid** indemnity & allowed claims expense, 20% of the prior accident years' (PAYS) variances over the last 25 calendar months have fallen outside of one standard deviation of the actual **paid** amounts (see table on left), suggesting the projection process has performed better than simply projecting the prior 24-month average

amount (assuming it follows a normal distribution). Bias has not been indicated at a 95% confidence level on a lagging 24-month basis.

The current accident year (CAY) **paid** variances fell outside of one standard deviation 4% of the time over the last 25 calendar months (see table above), suggesting the projection process has performed better than simply projecting the prior 24-month average amount. Bias has not been indicated at a 95% confidence level on a lagging 24-month basis.

We have included, for reference, additional charts at the top of the next page related to levels influencing **paid** activity.

Ontario RSP Levels that influence⁹ Paid activity by Calendar Month



We track beginning prior accident years' unpaid balance (case and IBNR) as **paid** activity "comes out of" the unpaid balance. Changes in the prior accident years' beginning unpaid balance (see upper left chart above) occur for several possible reasons:

- to offset actual **paid** activity (may reduce case or IBNR or both);
- the annual switchover as a current accident year becomes a prior accident year (occurs in January); and
- when a new valuation is implemented, where the valuation resulted in changes to the selection of prior accident years' ultimate (will show up as a beginning unpaid balance change one month after the valuation is implemented, i.e. the change will generally show in April, June, September, and November).

2.2 Actuarial Provisions

An "ultimate loss ratio matching method" (described in section 3) is used to determine the month's IBNR¹⁰, and factors are applied to the nominal unpaid claims liability (case plus IBNR) to determine the discount amount (shown as a negative value to indicate its impact of reducing the liability) and the Provisions for Adverse Deviations. The loss ratios and the factors used to determine the projections and actuals were based on the applicable valuation. The table at the top of the next page summarizes variances in provisions included in this month's Operational Report and the associated one-month

⁹Our paid projections for the prior accident years are based on selected ratios of paid to beginning unpaid balances, whereas the current accident year projections are based on selected ratios of year-to-date paid to year-to-date selected ultimate indemnity (i.e. selected LR x earned premium). In both cases, the ratio selection is based on our review of the more recent recorded activity and recent AvsP analyses.

¹⁰For ease of discussion, "IBNR" is used in place of "provisions for incurred but not recorded (IBNR) and development".

projections from last month's Report.

Ontario RSP Actual vs Projected Summary: IBNR and APV Amounts (\$ thousands)

Table 02

Accident Year	actuarial present value adjustments							
	IBNR		Discount Amount		Provisions for Adverse Deviations		IBNR + actuarial present value adjustments	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
Prior	38,708	(791)	(16,626)	5,196	48,357	320	70,439	4,725
2017	99,095	1,855	(7,492)	2,269	36,157	472	127,760	4,596
2018	130,697	4,227	(10,254)	2,660	48,022	1,329	168,465	8,216
2019	87,131	1,868	(5,618)	1,600	23,721	505	105,234	3,973
TOTAL	355,631	7,159	(39,990)	11,725	156,257	2,626	471,898	21,510

The IBNR provision is \$7.2 million higher than projected from last month, counterbalancing the recorded claims activity and adjusting for the earned premium variance impacts indicated in section 2.1, and due to the valuation implementation.

Exhibit G shows the accident year IBNR amount change from last month to this month broken down into:

- (i) the change projected last month;
- (ii) the additional change due to variances in earned premium (because we apply a loss ratio to earned premium in determining ultimate level) and/or recorded claims (as IBNR is calculated as ultimate less recorded) differences; and
- (iii) the additional change due to valuation implementation impacts (as applicable)

The variances associated with (ii) above are discussed in sections 2.1.a and 2.1.b.

The table at the top of the next page summarizes the variances in the provisions for premium deficiency liability / (deferred policy acquisition cost asset) included in this month's Operational Report and the one-month projections from last month's Report. This RSP is in a premium deficiency position (shown as a positive amount) prior to and after actuarial present value adjustments. Actuarial present value adjustments increase the liability value as the adjustments increase the expected future policy obligations (costs) associated with the unearned premium. The variances noted are mainly driven by the unearned premium variance, and due to the valuation implementation.

Ontario RSP Actual vs Projected Summary: Premium Deficiency / (DPAC) Amounts (\$ thousands)

Table 03

	Premium Deficiency / (Deferred Policy Acquisition Costs)		actuarial present value adjustments		Premium Deficiency / (DPAC) including actuarial present value adjustments	
	Actual	Actual less Projected	Actual	Actual less Projected	Actual	Actual less Projected
balance:	50,848	2,525	24,433	3,892	75,281	6,417
balance as % unearned premium:	28.3%	0.5%	13.6%	1.7%	41.9%	2.2%
actual unearned premium:	179,820					
less projected:	6,278					

3 Ultimate Loss Ratio Matching Method

An “ultimate loss ratio matching method” continues to be applied to the current month and two projected months shown in the Operational Reports, with IBNR determined by accident year as follows:

- (a) Earned premium to-date
- (b) Ultimate loss¹¹ ratio per latest valuation
- (c) Estimated ultimate incurred = (a) x (b)
- (d) Recorded indemnity & allowed claims expense to-date
- (e) IBNR = (c) – (d)

4 Calendar Year-to-Date Results

The table at the top of the next page summarizes the calendar year-to-date results for indemnity & allowed claims expenses¹², including IBNR.

In calculating the amounts as percentages of earned premium, the calendar year-to-date earned premium has been used, which includes earned premium associated with the current accident year but also earned premium adjustments related to prior accident years. Specifically, the current accident year (CAY) ratio in the table is 129.3% rather than 127.6% (the valuation ultimate ratio for accident year 2019), as the calendar year-to-date earned premium includes prior accident year earned premium adjustments. (Note that the ratios in this table may differ slightly from those shown in the Ontario RSP Summary of Operations due to rounding.)

¹¹“Loss” here refers to indemnity and allowed claims expenses, but does not include the claims expense allowance included in member company overall expense allowances (“Expense Allowance” in the Operational Report).

¹²Allowed claims expenses are first party legal and other expenses as listed in the RSP Claims Guide. Claims expenses paid through the member company expense allowance are NOT included in this analysis.

Ontario RSP Calendar Year-to-Date Indemnity & Allowed Claims Expense Summary (\$ thousands)

Table 04	YTD Nominal Values		YTD actuarial present value adjustment		YTD Total		Change from Prior Month YTD	
	Amount	% EP	Amount	% EP	Amount	% EP	Amount	LR pts
PAYs	(14,975)	(10.7%)	16,041	11.4%	1,066	0.8%	15,431	13.8%
CAY	181,637	129.3%	18,103	12.9%	199,740	142.2%	43,819	1.5%
TOTAL	166,662	118.7%	34,144	24.3%	200,806	143.0%	59,250	15.2%

(*“% EP” based on 2019 calendar year-to-date earned premium; ratios may not total due to rounding)

In general, prior accident years (PAYs) changes from last month are due to the release of the actuarial present value adjustments with claims payments, except when valuations are implemented. The loss ratio change year-to-date in Table 04 reflects not only changes in the prior accident year levels, but also the increase in the calendar year-to-date earned premium with an additional month’s earned premium, and due to the valuation implementation.

For the current accident year (CAY), changes in the year-to-date total reflects the additional month’s exposure and regular changes to actuarial present value adjustments as the year ages, and due to the valuation implementation.

5 Current Operational Report – Additional Exhibits

Section 6 provides exhibits pertaining to the actuarial provisions reflected in the current month’s Operational Report.

IBNR (including actuarial present value adjustments) presented in section 6, Exhibit A, were derived on a discounted basis, and therefore reflect the time value of money and include an explicit provision for adverse deviations in accordance with accepted actuarial practice in Canada.

IBNR presented in section 6, Exhibit B, does NOT include any actuarial present value adjustments. The “Total IBNR” from this exhibit is shown in the Operational Report as “Undiscounted IBNR”.

The ultimate loss ratios presented in section 6, Exhibit B, refer to the estimates derived on the basis of various actuarial methodologies applied to the experience of the Ontario Risk Sharing Pool for the purposes of the most recent quarterly valuation. As discussed in section 3, IBNR in the current month’s Operational Report was derived as the difference between the estimated ultimate for the claims amount (i.e. earned premium x ultimate loss ratio) and the associated current recorded amounts (life-to-date payments plus current case reserves).

6 EXHIBITS

The exhibits listed below are provided on the pages that follow:

- EXHIBIT A IBNR for Member Sharing – includes Actuarial Present Value Adjustments
- EXHIBIT B IBNR
- EXHIBIT C Premium Liabilities
- EXHIBIT D Projected Year-end Policy Liabilities
- EXHIBIT E Discount Rate & Margins for Adverse Deviations
- EXHIBIT F Interest Rate Sensitivity
- EXHIBIT G Components of IBNR Change During Month

EXHIBIT A
IBNR for Member Sharing – includes Actuarial Present Value Adjustments
TABLE EXHIBIT A

 IBNR + M/S actuarial present
 value adjustments

 discount rate
 1.43%

 interest rate margin
 25 basis pts

Amounts in \$000s					
Accident Year	Actual Apr. 2019	Actual May. 2019	Projected Jun. 2019	Projected Jul. 2019	Projected Dec. 2019
prior	984	1,007	976	954	805
2000	13	14	14	13	12
2001	40	49	47	46	41
2002	68	70	68	66	58
2003	140	148	146	141	122
2004	257	285	281	270	237
2005	447	312	309	297	259
2006	712	773	765	734	641
2007	812	880	869	836	731
2008	2,297	1,551	1,535	1,474	1,291
2009	2,772	1,698	1,680	1,613	1,411
2010	4,029	3,697	3,658	3,514	3,075
2011	2,019	2,044	2,020	1,942	1,695
2012	2,022	3,414	3,370	3,245	2,827
2013	(18)	2,932	2,886	2,787	2,414
2014	2,138	3,523	3,447	3,348	2,865
2015	9,883	10,578	10,316	10,061	8,507
2016	39,246	37,464	36,247	35,073	28,683
2017	127,611	127,760	123,366	118,997	93,926
2018	166,209	168,465	162,481	157,091	137,222
2019	82,545	105,234	120,623	141,436	249,335
TOTAL	444,226	471,898	475,104	483,938	536,157
Change		27,672	3,206	8,834	

Please see Exhibit G, page 1 for Components of Change during Current Month

EXHIBIT B
IBNR
TABLE EXHIBIT B

TABLE EXHIBIT B		Amounts in \$000s					
IBNR	Ultimate	Accident	Actual	Actual	Projected	Projected	Projected
	Loss Ratio	Year	Apr. 2019	May. 2019	Jun. 2019	Jul. 2019	
	-	prior	(428)	(804)	(797)	(765)	(671)
	122.0%	2000	13	13	13	12	11
	125.8%	2001	9	9	9	9	9
	117.9%	2002	63	63	62	60	52
	90.7%	2003	125	125	124	119	104
	77.7%	2004	227	227	225	216	189
	73.6%	2005	440	299	296	284	249
	100.4%	2006	702	700	693	665	582
	100.1%	2007	822	815	807	775	679
	121.0%	2008	2,341	1,489	1,474	1,415	1,240
	155.5%	2009	2,893	1,589	1,573	1,510	1,323
	152.2%	2010	4,089	3,508	3,473	3,334	2,921
	86.9%	2011	1,814	1,585	1,569	1,506	1,320
	85.5%	2012	1,482	2,448	2,424	2,327	2,038
	95.0%	2013	(1,129)	1,249	1,237	1,188	1,040
	101.1%	2014	(1,048)	(561)	(555)	(533)	(467)
	108.5%	2015	2,909	2,563	2,460	2,362	1,964
	118.5%	2016	25,823	23,391	22,455	21,557	16,837
	117.0%	2017	101,292	99,095	95,131	91,326	69,171
	126.9%	2018	131,740	130,697	125,469	120,450	103,422
	127.6%	2019	69,562	87,131	99,648	117,190	206,415
		TOTAL	343,741	355,631	357,790	365,007	408,428
		Change		11,890	2,159	7,217	

Please see Exhibit G, page 2 for Components of Change during Current Month

EXHIBIT C
Premium Liabilities
TABLE EXHIBIT C

	Amounts in \$000s				
	Actual Apr. 2019	Actual May. 2019	Projected Jun. 2019	Projected Jul. 2019	Projected Dec. 2019
Premium Liabilities					
(1) unearned premium (UP)	168,873	179,820	181,493	184,810	201,781
FOR MEMBER SHARING					
(2) expected future costs ratio {% of (1)}	139.5%	141.9%	142.1%	142.3%	144.0%
(3) expected future costs {(1) x (2)}	235,529	255,101	257,825	262,994	290,592
(4) premium deficiency / (deferred policy acquisition cost)	66,656	75,281	76,332	78,184	88,811
Excluding Actuarial Present Value Adjustments					
(5) expected future costs ratio {% of (1)}	127.7%	128.3%	128.5%	128.7%	130.2%
(6) expected future costs {(1) x (5)}	215,570	230,668	233,133	237,806	262,760
(7) premium deficiency / (deferred policy acquisition cost)	46,697	50,848	51,640	52,996	60,979

EXHIBIT D

Projected Year-end Policy Liabilities

The table below presents the projected policy liabilities as at December 31, 2019, broken down by component.

Ontario		Projected Balances as at Dec. 31, 2019 (\$000s)							
ending 2019		nominal values			actuarial present value adjustments (apvs)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	nominal development PfAD	development PfAD discount	development PfAD	Total apvs
prior	24,144	(671)	23,473	(954)	170	2,355	(95)	2,260	1,476
2000	1	11	12	-	-	1	-	1	1
2001	542	9	551	(25)	4	55	(2)	53	32
2002	50	52	102	(5)	1	10	-	10	6
2003	263	104	367	(20)	3	37	(2)	35	18
2004	878	189	1,067	(64)	11	107	(6)	101	48
2005	31	249	280	(19)	3	28	(2)	26	10
2006	1,441	582	2,023	(152)	24	202	(15)	187	59
2007	1,516	679	2,195	(180)	31	219	(18)	201	52
2008	1,515	1,240	2,755	(242)	41	276	(24)	252	51
2009	5,109	1,323	6,432	(592)	96	643	(59)	584	88
2010	4,606	2,921	7,527	(640)	105	753	(64)	689	154
2011	8,447	1,320	9,767	(645)	107	977	(64)	913	375
2012	15,439	2,038	17,477	(1,031)	175	1,748	(103)	1,645	789
2013	25,480	1,040	26,520	(1,379)	239	2,652	(138)	2,514	1,374
2014	53,369	(467)	52,902	(2,116)	370	5,290	(212)	5,078	3,332
2015	67,730	1,964	69,694	(2,300)	418	8,712	(287)	8,425	6,543
2016	83,517	16,837	100,354	(3,312)	602	15,053	(497)	14,556	11,846
2017	110,567	69,171	179,738	(6,471)	1,078	31,274	(1,126)	30,148	24,755
2018	115,090	103,422	218,512	(9,178)	1,530	43,265	(1,817)	41,448	33,800
PAYs (sub-total):	519,735	202,013	721,748	(29,325)	5,008	113,657	(4,531)	109,126	84,809
CAY (2019)	96,328	206,415	302,743	(13,321)	2,119	56,613	(2,491)	54,122	42,920
claims liabilities:	616,063	408,428	1,024,491	(42,646)	7,127	170,270	(7,022)	163,248	127,729
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	nominal development PfAD	development PfAD discount	development PfAD	Total apvs
premium liabilities:	201,781	60,979	262,760	(9,181)	1,574	36,724	(1,285)	35,439	27,832
*Total may not be sum of parts, as apvs apply to future costs within UPR									
policy liabilities:			1,287,251	(51,827)	8,701	206,994	(8,307)	198,687	155,561

EXHIBIT E

Discount Rate & Margins for Adverse Deviations

The tables below present selected margins for adverse development by coverage (the total is a weighted average, based on the unpaid claims projection for December 31, 2019 from the valuation), followed by the selected discount rate and the associated margin for investment income.

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
1993	10.0%	10.0%	10.0%	10.0%
1994	10.0%	10.0%	10.0%	10.0%
1995	10.0%	10.0%	10.0%	10.0%
1996	10.0%	10.0%	10.0%	10.0%
1997	10.0%	10.0%	10.0%	10.0%
1998	10.0%	10.0%	10.0%	10.0%
1999	10.0%	10.0%	10.0%	10.0%
2000	10.0%	10.0%	10.0%	10.0%
2001	10.0%	10.0%	10.0%	10.0%
2002	8.8%	10.0%	10.0%	10.0%
2003	10.0%	10.0%	10.0%	10.0%
2004	10.0%	10.0%	10.0%	10.0%
2005	10.0%	10.0%	10.0%	10.0%
2006	10.0%	10.0%	10.0%	10.0%
2007	10.0%	10.0%	10.0%	10.0%
2008	10.0%	10.0%	10.0%	10.0%
2009	10.0%	10.0%	10.0%	10.0%
2010	10.0%	10.0%	10.0%	10.0%
2011	10.0%	10.0%	10.0%	10.0%
2012	10.0%	10.0%	8.6%	10.0%
2013	10.0%	10.0%	8.2%	10.0%
2014	10.0%	10.0%	9.4%	10.0%
2015	12.5%	12.5%	11.9%	12.5%
2016	15.0%	15.0%	13.7%	15.0%
2017	17.4%	17.5%	11.8%	17.4%
2018	19.8%	20.0%	13.9%	19.8%
2019	18.4%	20.0%	6.2%	18.7%
2020	13.5%	20.0%	5.2%	14.0%
prem liab	13.5%	20.0%	5.2%	14.0%

discount rate: 1.43%
margin (basis points): 25

EXHIBIT F

Interest Rate Sensitivity

The tables below present sensitivity to the member statement claims liability as projected to Dec. 31, 2019 from the latest valuation date (projections in exhibits A to D are to Dec. 31, 2019, and are based on more up-to-date information). We have included the most recent valuation selection (1.43%), the prior valuation assumption (1.88%) and the prior fiscal year end valuation assumption (2.22%) for comparative purposes. A 25 basis point margin for investment return adverse deviation is used in all scenarios presented.

\$ Format: \$000s

Actuarial Present Value of Provisions at Various Discount Rates - Dec. 31, 2019 projected Unpaid								
AY	0.43%	0.93%	1.43%	1.93%	2.43%	2.93%	1.88%	2.22%
2002 & prior	28,662	28,244	27,837	27,446	27,056	26,679	27,484	27,221
2003	463	454	445	437	429	421	438	432
2004	1,350	1,320	1,292	1,265	1,239	1,213	1,268	1,250
2005	423	413	403	393	384	375	394	387
2006	2,506	2,437	2,372	2,310	2,250	2,193	2,316	2,275
2007	2,749	2,667	2,590	2,516	2,444	2,376	2,523	2,474
2008	3,724	3,605	3,492	3,385	3,281	3,184	3,395	3,324
2009	7,432	7,184	6,948	6,726	6,512	6,312	6,747	6,601
2010	7,561	7,326	7,104	6,894	6,693	6,505	6,914	6,776
2011	10,045	9,803	9,575	9,359	9,152	8,958	9,379	9,237
2012	19,880	19,453	19,051	18,669	18,305	17,962	18,706	18,456
2013	24,762	24,299	23,859	23,445	23,047	22,671	23,486	23,211
2014	46,540	45,869	45,234	44,627	44,044	43,494	44,689	44,286
2015	70,062	69,237	68,454	67,709	66,982	66,288	67,781	67,283
2016	113,441	112,100	110,821	109,600	108,387	107,237	109,718	108,898
2017	211,762	208,998	206,354	203,794	201,277	198,884	204,035	202,324
2018	257,922	254,044	250,329	246,770	243,229	239,858	247,102	244,710
2019	337,510	332,176	327,014	322,016	317,159	312,536	322,527	319,188
Total	1,146,794	1,129,629	1,113,174	1,097,361	1,081,870	1,067,146	1,098,902	1,088,333
	curr - 100 bp	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	prior val assumption	prior fyr end assumption

Dollar Impact Relative to Valuation Assumption								
AY	0.43%	0.93%	1.43%	1.93%	2.43%	2.93%	1.88%	2.22%
Total	33,620	16,455	-	(15,813)	(31,304)	(46,028)	(14,272)	(24,841)
	curr - 100 bp	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	prior val assumption	prior fyr end assumption

Percentage Impact Relative to Valuation Assumption								
AY	0.43%	0.93%	1.43%	1.93%	2.43%	2.93%	1.88%	2.22%
2002 & prior	3.0%	1.5%	-	(1.4%)	(2.8%)	(4.2%)	(1.3%)	(2.2%)
2003	4.0%	2.0%	-	(1.8%)	(3.6%)	(5.4%)	(1.6%)	(2.9%)
2004	4.5%	2.2%	-	(2.1%)	(4.1%)	(6.1%)	(1.9%)	(3.3%)
2005	5.0%	2.5%	-	(2.5%)	(4.7%)	(6.9%)	(2.2%)	(4.0%)
2006	5.6%	2.7%	-	(2.6%)	(5.1%)	(7.5%)	(2.4%)	(4.1%)
2007	6.1%	3.0%	-	(2.9%)	(5.6%)	(8.3%)	(2.6%)	(4.5%)
2008	6.6%	3.2%	-	(3.1%)	(6.0%)	(8.8%)	(2.8%)	(4.8%)
2009	7.0%	3.4%	-	(3.2%)	(6.3%)	(9.2%)	(2.9%)	(5.0%)
2010	6.4%	3.1%	-	(3.0%)	(5.8%)	(8.4%)	(2.7%)	(4.6%)
2011	4.9%	2.4%	-	(2.3%)	(4.4%)	(6.4%)	(2.0%)	(3.5%)
2012	4.4%	2.1%	-	(2.0%)	(3.9%)	(5.7%)	(1.8%)	(3.1%)
2013	3.8%	1.8%	-	(1.7%)	(3.4%)	(5.0%)	(1.6%)	(2.7%)
2014	2.9%	1.4%	-	(1.3%)	(2.6%)	(3.8%)	(1.2%)	(2.1%)
2015	2.3%	1.1%	-	(1.1%)	(2.2%)	(3.2%)	(1.0%)	(1.7%)
2016	2.4%	1.2%	-	(1.1%)	(2.2%)	(3.2%)	(1.0%)	(1.7%)
2017	2.6%	1.3%	-	(1.2%)	(2.5%)	(3.6%)	(1.1%)	(2.0%)
2018	3.0%	1.5%	-	(1.4%)	(2.8%)	(4.2%)	(1.3%)	(2.2%)
2019	3.2%	1.6%	-	(1.5%)	(3.0%)	(4.4%)	(1.4%)	(2.4%)
Total	3.0%	1.5%	-	(1.4%)	(2.8%)	(4.1%)	(1.3%)	(2.2%)
	curr - 100 bp	curr - 50 bp	curr val assumption	curr + 50bp	curr + 100bp	curr + 150bp	prior val assumption	prior fyr end assumption

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Components of Member Statement IBNR (i.e. “Discounted”) Change During Month

RSP **Ontario**
AccountCode Desc **IBNR - Discou**

M/S IBNR - in \$000s

AccYear	Values				Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances	Sum of Change Due to Valuation Implementation			
prior	984	(7)	(570)	600	23	2.3%	1,007
2000	13	(1)	1	1	1	7.7%	14
2001	40	-	-	9	9	22.5%	49
2002	68	(4)	4	2	2	2.9%	70
2003	140	(6)	6	8	8	5.7%	148
2004	257	(9)	10	27	28	10.9%	285
2005	447	(19)	37	(153)	(135)	(30.2%)	312
2006	712	(27)	26	62	61	8.6%	773
2007	812	(32)	25	75	68	8.4%	880
2008	2,297	(92)	(114)	(540)	(746)	(32.5%)	1,551
2009	2,772	(113)	(966)	5	(1,074)	(38.7%)	1,698
2010	4,029	(162)	153	(323)	(332)	(8.2%)	3,697
2011	2,019	(75)	122	(22)	25	1.2%	2,044
2012	2,022	(67)	394	1,065	1,392	68.8%	3,414
2013	(18)	29	529	2,392	2,950	(16,388.9%)	2,932
2014	2,138	(5)	(390)	1,780	1,385	64.8%	3,523
2015	9,883	(255)	(948)	1,898	695	7.0%	10,578
2016	39,246	(1,302)	236	(716)	(1,782)	(4.5%)	37,464
2017	127,611	(4,447)	1,487	3,109	149	0.1%	127,760
2018	166,209	(5,960)	107	8,109	2,256	1.4%	168,465
2019	82,545	18,716	1,201	2,772	22,689	27.5%	105,234
Grand Total	444,226	6,162	1,350	20,160	27,672	6.2%	471,898

EXHIBIT G

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Components of IBNR (i.e. “Undiscounted”) Change During Month

 RSP **Ontario**
 AccountCode Desc **IBNR - Undiscounted**

IBNR - in \$000s

AccYear	Values				Sum of Total Change	Sum of % Total Change	Sum of Current Month Final Amount
	Sum of Prior Month Actual Amount	Sum of Projected Change	Sum of Change Due to AvsP Variances	Sum of Change Due to Valuation Implementation			
prior	(428)	17	(591)	198	(376)	87.9%	(804)
2000	13	(1)	1	-	-	-	13
2001	9	-	-	-	-	-	9
2002	63	(3)	3	-	-	-	63
2003	125	(5)	5	-	-	-	125
2004	227	(9)	9	-	-	-	227
2005	440	(18)	36	(159)	(141)	(32.0%)	299
2006	702	(28)	26	-	(2)	(0.3%)	700
2007	822	(33)	26	-	(7)	(0.9%)	815
2008	2,341	(94)	(115)	(643)	(852)	(36.4%)	1,489
2009	2,893	(116)	(964)	(224)	(1,304)	(45.1%)	1,589
2010	4,089	(164)	152	(569)	(581)	(14.2%)	3,508
2011	1,814	(73)	124	(280)	(229)	(12.6%)	1,585
2012	1,482	(59)	421	604	966	65.2%	2,448
2013	(1,129)	45	538	1,795	2,378	(210.6%)	1,249
2014	(1,048)	42	(367)	812	487	(46.5%)	(561)
2015	2,909	(116)	(1,018)	788	(346)	(11.9%)	2,563
2016	25,823	(1,033)	486	(1,885)	(2,432)	(9.4%)	23,391
2017	101,292	(4,052)	1,481	374	(2,197)	(2.2%)	99,095
2018	131,740	(5,270)	(4)	4,231	(1,043)	(0.8%)	130,697
2019	69,562	15,701	1,156	712	17,569	25.3%	87,131
Grand Total	343,741	4,731	1,405	5,754	11,890	3.5%	355,631