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TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F18 – 077

DATE: OCTOBER 18, 2018

SUBJECT: RISK SHARING POOLS’ FINAL OUTLOOK FOR CALENDAR YEAR 2019 BASED ON AUGUST 2018 OPERATIONAL REPORTS

To assist member companies in planning for their share of Risk Sharing Pools’ (RSP) results for the next calendar year, Facility Association prepares RSP “Outlook” projections of Net Results from Operations. The Outlook presentation format (Exhibits B1 – B5) is very similar to that of the “Summary of Operations – Calendar Year” exhibits of the monthly Operational Reports Member Bulletins (“Bulletins”).

The attached is the *final* calendar year 2019 RSP Outlook by pool, based on actual results as found in the August 2018 Operational Reports. Recall that a *preliminary* calendar year 2019 RSP Outlook by pool, based on actual results as found in the May 2018 Operational Reports, was released and posted to the Facility Association website on July 19, 2018 (Bulletin F18-053). Differences between the two projections are summarized in the attached *final* Outlook (section 2.2). In particular, **projected 2019 earned premium** across all of the RSPs in total has **decreased by \$48.0 million (6.2%)** to \$721.6 million across all RSPs, and the **projected net operating deficit improved by \$14.0 million (3.6%)** to \$381.0 million. Changes provided by members between the Preliminary 2019 Outlook and the preparation of this Final 2019 Outlook have driven these changes. Preliminary Outlook variances against the actual at the RSP level were provided as Exhibit D in the Preliminary Outlook. We have also summarized differences between actuals and projections found in the Final Outlooks by RSP and included as Exhibit D of this Outlook.

The attached *final* RSP Outlook is derived through a projection process that attempts to model future outcomes based on a set of simplifying assumptions. As with any such process of projecting future outcomes, inherent uncertainty exists. For example, RSP premium volumes have in the past varied in ways that are difficult to model or project (charts showing history of premium volumes can be found at the “Provincial Profiles” section of our website) – this is further evidenced by the 1.1% decrease in the 2019 written premium projection from the *preliminary* Outlook released 3 months prior to this *final* Outlook. (Volume projections are based on projections provided by larger users of the RSPs.) **As such, we stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

Bulletin F18-77

**RISK SHARING POOLS' FINAL OUTLOOK FOR CALENDAR YEAR 2019
BASED ON AUGUST 2018 OPERATIONAL REPORTS**

The tables that follow provide a summary of the projections for calendar years 2019 and 2018 and the actuals for calendar year 2017 for reference purposes.

Projection Summaries – Calendar Year 2019 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
Ontario RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	424,778	365,795	58,983	16.1%	362,505
	Vehicle Count	221,112	197,592	23,520	11.9%	199,082
Earned	Premium (\$000s)	392,210	355,415	36,795	10.4%	373,658
Net Operating Result (\$000s)		(266,840)	(179,880)	(86,960)	48.3%	(118,336)
	COR	168.0%	150.6%	17.4%	11.6%	131.8%
Prior Accident Years' incurred claims (\$000s)		(17,881)	(67,074)	49,193	(73.3%)	(114,104)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	158,031	152,024	6,007	4.0%	160,018
	Vehicle Count	61,672	59,927	1,745	2.9%	66,524
Earned	Premium (\$000s)	158,085	161,547	(3,462)	(2.1%)	149,501
Net Operating Result (\$000s)		(38,222)	(44,742)	6,520	(14.6%)	(49,783)
	COR	124.2%	127.7%	(3.5%)	(2.7%)	133.3%
Prior Accident Years' incurred claims (\$000s)		(4,914)	(659)	(4,255)	645.7%	6,535

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	141,592	109,754	31,838	29.0%	99,014
	Vehicle Count	86,841	71,185	15,656	22.0%	66,417
Earned	Premium (\$000s)	124,625	106,280	18,345	17.3%	96,926
Net Operating Result (\$000s)		(63,017)	(39,265)	(23,752)	60.5%	(47,049)
	COR	150.6%	136.9%	13.7%	10.0%	148.5%
Prior Accident Years' incurred claims (\$000s)		(3,237)	(14,348)	11,111	(77.4%)	(2,482)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	17,463	14,452	3,011	20.8%	11,775
	Vehicle Count	12,937	11,053	1,884	17.0%	9,402
Earned	Premium (\$000s)	16,429	13,243	3,186	24.1%	10,613
Net Operating Result (\$000s)		(2,038)	(2,250)	212	(9.4%)	(30)
	COR	112.4%	116.9%	(4.5%)	(3.8%)	100.3%
Prior Accident Years' incurred claims (\$000s)		(195)	601	(796)	(132.4%)	(1,254)

Bulletin F18-77**RISK SHARING POOLS' FINAL OUTLOOK FOR CALENDAR YEAR 2019
BASED ON AUGUST 2018 OPERATIONAL REPORTS**

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	31,089	28,715	2,374	8.3%	25,298
	Vehicle Count	20,004	18,999	1,005	5.3%	17,388
Earned	Premium (\$000s)	30,272	27,612	2,660	9.6%	18,963
Net Operating Result (\$000s)		(10,890)	(8,142)	(2,748)	33.8%	(3,412)
	COR	136.0%	129.5%	6.5%	5.0%	118.1%
Prior Accident Years' incurred claims (\$000s)		(459)	(1,367)	908	(66.4%)	(3,972)

Questions regarding the Outlook should be directed to Shawn Doherty, SVP, Actuarial and CFO at Facility Association, (416) 644-4968 or sdoherty@facilityassociation.com

David J. Simpson, M.B.A., FCIP, C. Dir.
President & CEO

Attach.

Please forward a copy of this bulletin to your Chief Financial Officer.



CALENDAR YEAR 2019 FINAL RSP OUTLOOK

(RISK SHARING POOLS)

OCTOBER 2018

BASED ON AUGUST 2018 OPERATIONAL REPORTS

For your convenience, bookmarks have been added to this document. To view them, please click on the BOOKMARK tab at the left.

Should you require any further information, please call:

Shawn Doherty, FCIA, FCAS
SVP Actuarial & CFO
(416) 644-4968.

CALENDAR YEAR 2019 FINAL RSPS OUTLOOK

RISK SHARING POOLS (RSPs)

OCTOBER 2018

BASED ON AUGUST 2018 OPERATIONAL REPORTS

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EXHIBIT A Key Assumptions (counts, premium, loss ratios)

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

Continued...

EXHIBIT B RSP Outlook – Summary of Operations

- B-1 Ontario
- B-2 Alberta Grid
- B-3 Alberta Non-Grid
- B-4 New Brunswick
- B-5 Nova Scotia

EXHIBIT C RSP Outlook – Projected Policy Liabilities

- C-1 Ontario
- C-2 Alberta Grid
- C-3 Alberta Non-Grid
- C-4 New Brunswick
- C-5 Nova Scotia

EXHIBIT D Actual vs Projected based on Final Outlooks (by RSP)

LINKS TO SPECIFIC REFERENCED DOCUMENTS

Actuarial Highlights - Monthly Operational - August 2018

[Ontario RSP August 2018 Operational Report - Actuarial Highlights](#)

[Alberta Grid RSP August 2018 Operational Report - Actuarial Highlights](#)

[Alberta Non-Grid RSP August 2018 Operational Report - Actuarial Highlights](#)

[New Brunswick RSP August 2018 Operational Report - Actuarial Highlights](#)

[Nova Scotia RSP August 2018 Operational Report - Actuarial Highlights](#)

Outlook

[Risk Sharing Pools' Preliminary Outlook for Calendar Year 2019](#)

1. Executive Summary

This “**Final RSP Outlook**” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the Jun 30, 2018 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The tables that follow provide a high-level summary of key metrics projected for calendar years 2019 and 2018, with actuals for 2017 provided for reference. Supporting details related to the projections are provided in the body of this report.

Projection Summaries – Calendar Year 2019 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
Ontario RSP		2019	2018	Change (to 2019 from 2018)		2017
Written	Premium (\$000s)	424,778	365,795	58,983	16.1%	362,505
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	COR	136.0%	129.5%	6.5%	5.0%	118.1%
Prior Accident Years' incurred claims (\$000s)		(459)	(1,367)	908	(66.4%)	(3,972)

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.**

Annually, 2 RSP Outlooks are released for members, being “Preliminary” and “Final” versions in relation to the next calendar year. The former is released earlier in the current year to allow members to consider the projected results early on in their planning process, but necessarily includes significant projection error, as almost two full calendar years require projecting. The latter is released in the fall of the current year.

This release is the **Final** RSP Outlook for **Calendar Year 2019** based on the actual results as found in the August 2018 Operational Reports. The Preliminary RSP Outlook for calendar year 2019 was made available to members on July 19, 2018 based on the May 2018 Operational Reports, and we have summarized changes from Preliminary to Final in the 2 tables that follow. In particular, total earned premium has decreased by \$48 million (6%), and the total operating *deficit* has decreased \$14 million (4%), mainly driven by changes in the timing of written premium transfers as projected and provided by larger users.

Projection CHANGE – Calendar Year 2019 – FROM PRELIMINARY TO FINAL

2019 Calendar Year Final less Preliminary Outlook Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	(5,558)	(1,052)	(53)	(494)	(1,380)	(8,537)
Earned Premium	(35,064)	(878)	(9,976)	(612)	(1,437)	(47,967)
Prior Accident Years (PAYs)	7,375	68	(94)	(35)	(130)	7,184
Current Accident Year (CAY)	(61,578)	(3,112)	(13,476)	(442)	(1,025)	(79,633)
Total Claims Incurred	(54,203)	(3,044)	(13,570)	(477)	(1,155)	(72,449)
Expense Allowance	(5,487)	1,900	1,963	117	(169)	(1,676)
Change in Prem. Def / (DPAC)	12,130	(358)	709	(111)	(32)	12,338
Underwriting Expenses	6,643	1,542	2,672	6	(201)	10,662
	-	-	-	-	-	-
Net U/Wing gain / (loss)	12,496	624	922	(141)	(81)	13,820
Administrative Expense	(200)	26	116	(7)	(143)	(208)
Operating Result	12,696	598	806	(134)	62	14,028
attributed to PAYs:	(7,375)	(68)	94	35	130	(7,184)
attributed to CAY:	20,071	666	712	(169)	(68)	21,212

Projection CHANGE – Calendar Year 2019 – FROM PRELIMINARY TO FINAL

2019 Calendar Year Final less Preliminary Outlook Projections (% difference)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	(1.3%)	(0.7%)	-	(2.8%)	(4.3%)	(1.1%)
Earned Premium	(8.2%)	(0.6%)	(7.4%)	(3.6%)	(4.5%)	(6.2%)
Prior Accident Years (PAYs)	(29.2%)	(1.4%)	3.0%	21.9%	39.5%	(21.2%)
Current Accident Year (CAY)	(10.4%)	(2.0%)	(8.7%)	(3.4%)	(3.3%)	(8.4%)
Total Claims Incurred	(9.5%)	(2.1%)	(9.0%)	(3.7%)	(3.7%)	(7.9%)
Expense Allowance	(4.3%)	4.0%	4.7%	2.3%	(1.7%)	(0.7%)
Change in Prem. Def / (DPAC)	168.6%	(17.1%)	18.2%	277.5%	(5.8%)	90.1%
Underwriting Expenses	4.9%	3.1%	5.8%	0.1%	(1.9%)	4.3%
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(4.5%)	(1.7%)	(1.5%)	14.3%	0.8%	(3.6%)
Administrative Expense	(9.7%)	2.6%	8.6%	(0.8%)	(12.6%)	(3.2%)
Operating Result	(4.5%)	(1.5%)	(1.3%)	7.0%	(0.6%)	(3.6%)
attributed to PAYs:	(29.2%)	(1.4%)	3.0%	21.9%	39.5%	(21.2%)
attributed to CAY:	(6.6%)	(1.5%)	(1.1%)	8.2%	0.6%	(4.9%)

Updated projections will be made throughout 2019 and included in the Bulletins and the corresponding Calendar Year Summary of Operations included with the Bulletins. This will provide members with the most up-to-date projection for the full current calendar year.

Readers are reminded that RSP operating results do not include all expenses incurred by members to support this business – for example, premium taxes and health levies are applied at member companies based on their share of RSP written premium or vehicle counts as applicable – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member’s own

such ratio. Similarly, investment income is not included in these results – that is, any investment income earned by members on RSP related funds held by members is not included in these results.

Readers are also reminded that, while we work hard to ensure the projections are based on assumptions we feel are solid given our current information, **there is significant uncertainty related to these projections**. For example, one additional source of uncertainty is related to how the 5.0% cap on rate changes imposed starting in December 2017 by the Alberta Government has / will impact insurers RSP usage. As usual, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested from the larger users quarterly, and FA management follows-up for confirmation of projected amounts where significant changes in a member's projections occur (FA does not ask for, nor receive, information on the "why" of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable). Another example of additional uncertainty relates to the May 2018 "MIR clarification" regulation released by the Alberta Government – we have included an estimated impact for this in our Alberta trend analysis, based on industry data as at December 31, 2017, the results of which are considered in this Final Outlook.

2. Introduction

2.1 Introductory Comments

This “Final RSP Outlook” is a projection of Facility Association Risk Sharing Pools (“RSP”) Operating Results for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for this specific purpose. Consideration has been given to recent RSP experience, to the results of the June 30, 2018 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

The table below summarizes the Calendar Year **2019** projection by RSP – greater detail is provided in section 2.2 and 3.

Projection Summary – Calendar Year 2019 – Amounts (\$000s)

Calendar Year 2019 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	424,778	158,031	141,592	17,463	31,089	772,953
Earned Premium	392,210	158,085	124,625	16,429	30,272	721,621
Prior Accident Years (PAYs)	(17,881)	(4,914)	(3,237)	(195)	(459)	(26,686)
Current Accident Year (CAY)	532,558	149,288	140,775	12,652	30,473	865,746
Total Claims Incurred	514,677	144,374	137,538	12,457	30,014	839,060
Expense Allowance	123,184	49,149	44,032	5,253	9,636	231,254
Change in Prem. Def / (DPAC)	19,324	1,741	4,600	(151)	518	26,032
Underwriting Expenses	142,508	50,890	48,632	5,102	10,154	257,286
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(264,975)	(37,179)	(61,545)	(1,130)	(9,896)	(374,725)
Administrative Expense	1,865	1,043	1,472	908	994	6,282
2019 Operating Result	(266,840)	(38,222)	(63,017)	(2,038)	(10,890)	(381,007)
attributed to PAYs:	17,881	4,914	3,237	195	459	26,686
attributed to CAY:	(284,721)	(43,136)	(66,254)	(2,233)	(11,349)	(407,693)

As noted in section 2.2, there are differences between the overall operating result projected for Calendar Year **2019** in this Final Outlook and two comparable projections for calendar year **2018**, being our calendar year projection posted on October 3, 2017 (“**Oct 3 2017 Outlook**”) and our current projection (“**August 31 2018 Projections**”). These differences are mainly due to current accident year impacts due to changes in premium volume.

Like our **Oct 3 2017 Outlook** for calendar year **2018**, this Outlook’s projection for Calendar Year **2019** assumes no nominal changes to our estimates of ultimate for prior accident years¹, whereas the current projection for calendar year **2018** (**August 31 2018 Projections**) includes nominal prior accident year changes as booked during the first eight months of **2018**. Given the importance of accident year

¹In our projections, we assume that our liabilities are “best estimates” and therefore project no changes in nominal terms. However, there are prior accident year impacts related to actuarial present value adjustments. Over time, the “discount” adjustment to reflect the time value of money will unwind and provisions for adverse deviations will be released with liability / obligation settlement.

impacts, we have separated the Operating Results summary to show “prior accident years” (PAYs) from the “current accident year” (CAY).

Our projections of the number of vehicles transferred to the RSPs are based on feedback provided by large users of the RSPs. Some of the RSPs have specific limits to the number of risks that can be transferred in a given period. For example, the transfer limit of the Ontario RSP is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. As a result, volumes may change dramatically from those projected here. This potential for these variances are highlighted in the table below, comparing different projections for calendar year written premium amounts.

Ontario RSP Calendar Year Written Premium Projections (millions) over time

Calendar Year	Preliminary 2018 Outlook	Final 2018 Outlook	Preliminary 2019 Outlook	Final 2019 Outlook
2017	\$353.8	\$376.7	\$362.5	\$362.5
2018	\$327.6	\$413.2	\$408.2	\$365.8
2019	not projected	not projected	\$430.3	\$424.8

*Source: FA Outlooks. **Preliminary** Outlooks are based on data as at May of the preceding year, whereas the **Final** Outlook is based on August data from the preceding year. For example, the Preliminary and Final 2018 Outlooks were based on actual and projected results as at May 2017 and August 2017 respectively.*

Projected volumes are discussed in section 3.1.

2.2 Summary of Results

*Summary of Calendar Year **2019** Operating Results*

The estimated Calendar Year **2019** Operating Results are summarized at the top of the next page. Policy liabilities and associated changes are presented on an actuarial present value basis as found in the Operational Reports (that is, “Total Claims Incurred” and “Change in Prem. Def/ (DPAC)” include actuarial present value adjustments, commonly described as “discounted”). We have included at the bottom of the table the projected Operating Results for calendar year **2018** as per the *Oct 3 2017 Outlook* and with the *August 31 2018 Projections*².

²The *August 31 2018 Projections* for calendar year 2018 and this Outlook’s projections for Calendar Year 2019 were derived at the same time, using consistent assumptions.

Projection Summary – Calendar Year 2019 – Amounts (\$000s)

Calendar Year 2019 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	424,778	158,031	141,592	17,463	31,089	772,953
Earned Premium	392,210	158,085	124,625	16,429	30,272	721,621
Prior Accident Years (PAYs)	(17,881)	(4,914)	(3,237)	(195)	(459)	(26,686)
Current Accident Year (CAY)	532,558	149,288	140,775	12,652	30,473	865,746
Total Claims Incurred	514,677	144,374	137,538	12,457	30,014	839,060
Expense Allowance	123,184	49,149	44,032	5,253	9,636	231,254
Change in Prem. Def / (DPAC)	19,324	1,741	4,600	(151)	518	26,032
Underwriting Expenses	142,508	50,890	48,632	5,102	10,154	257,286
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(264,975)	(37,179)	(61,545)	(1,130)	(9,896)	(374,725)
Administrative Expense	1,865	1,043	1,472	908	994	6,282
2019 Operating Result	(266,840)	(38,222)	(63,017)	(2,038)	(10,890)	(381,007)
attributed to PAYs:	17,881	4,914	3,237	195	459	26,686
attributed to CAY:	(284,721)	(43,136)	(66,254)	(2,233)	(11,349)	(407,693)
2018 Operating Result						
Oct. 3, 2017 Outlook	(253,404)	(42,351)	(43,686)	(1,453)	(12,656)	(353,550)
attributed to PAYs:	28,700	7,147	4,392	265	580	41,084
attributed to CAY:	(282,104)	(49,498)	(48,078)	(1,718)	(13,236)	(394,634)
Aug 31, 2018 Projection	(179,880)	(44,742)	(39,265)	(2,250)	(8,142)	(274,278)
attributed to PAYs:	67,074	659	14,348	(601)	1,367	82,847
attributed to CAY:	(246,954)	(45,401)	(53,613)	(1,649)	(9,509)	(357,125)

In comparing the Calendar Year **2019** operating result projection against the two projections for calendar year **2018**, **2019** has a larger projected operating deficit resulting from the increase in volume, with the current projections showing an increase of 15.2% in written premium and 8.7% increase in earned premium (see table below).

Calendar Year 2019 Premium Comparisons (Amounts in \$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2019 Written Premium	424,778	158,031	141,592	17,463	31,089	772,953
Change from 2018	58,983	6,007	31,838	3,011	2,374	102,213
% Change from 2018	16.1%	4.0%	29.0%	20.8%	8.3%	15.2%
2019 Earned Premium	392,210	158,085	124,625	16,429	30,272	721,621
Change from 2018	36,795	(3,462)	18,345	3,186	2,660	57,524
% Change from 2018	10.4%	(2.1%)	17.3%	24.1%	9.6%	8.7%

As a result, projection comparisons related to the operating result attributed to current accident year is better achieved through key ratio comparisons as will be discussed later in this section.

The table above shows variations in the current written premium projections for calendar years **2019**

vs **2018**, with **all RSPs showing increases**. The written changes also generate changes for earned premium, expenses, and the current accident year claims. However, volume changes do not impact differences in prior accident years (both projections assume no nominal changes). While we believe our claims liabilities estimates are “best estimates”, potential variances are discussed below.

The components of the projection for **2019** compared with the same components for the two projections for **2018** show a higher level of similarity with the **Oct 3 2017 Outlook** in relation to the operating result attributed to prior accident years (PAYs) at the RSP level, whereas the **2019** “attributed CAY” components are generally more aligned with the **August 31 2018 Projections**. These alignments are to be expected, as the **2019** projection for the contribution of the prior accident years has the same base assumption for the prior accident years as found in the **Oct 3 2017 Outlook** (i.e. no “nominal” changes in claims liabilities, so the prior accident years impact is driven by releases of actuarial present value adjustments as claims are settled), whereas the **August 31 2018 Projections** includes actual prior accident year activity included up to the Jun 30, 2018 valuation. In contrast, the updated valuation and more recent discount rate assumptions leads to closer alignment with the **August 31 2018 Projections** (updated yield curves and updated accident years **2018** and **2019** loss ratios), such that remaining differences are driven by differences in volume and loss ratios.

The table below provides the difference between the **2019** calendar year results and the **2018** results as currently projected (**August 31 2018 Projections**).

Projection Summary –2019 less 2018 Calendar Year Amounts (\$000s) – current projections

2019 less 2018 Calendar Year Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	58,983	6,007	31,838	3,011	2,374	102,213
Earned Premium	36,795	(3,462)	18,345	3,186	2,660	57,524
Prior Accident Years (PAYs)	49,193	(4,255)	11,111	(796)	908	56,161
Current Accident Year (CAY)	50,020	(6,643)	16,638	2,449	3,424	65,888
Total Claims Incurred	99,213	(10,898)	27,749	1,653	4,332	122,049
Expense Allowance	13,561	3,972	11,428	1,128	969	31,058
Change in Prem. Def / (DPAC)	10,617	(3,093)	2,470	(54)	(93)	9,847
Underwriting Expenses	24,178	879	13,898	1,074	876	40,905
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(86,596)	6,557	(23,302)	459	(2,548)	(105,430)
Administrative Expense	364	37	450	247	200	1,299
Operating Result	(86,960)	6,520	(23,752)	212	(2,748)	(106,729)
attributed to PAYs:	(49,193)	4,255	(11,111)	796	(908)	(56,161)
attributed to CAY:	(37,767)	2,265	(12,641)	(584)	(1,840)	(50,568)

The table at the top of the next page summarizes differences in key ratios for projections for Calendar Year **2019** vs **2018**.

Projection Summary –2019 less 2018 Calendar Year (Key Ratios) – current projections

2019 less 2018 Calendar Year Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	14.3%	(2.7%)	10.9%	(5.7%)	3.5%	8.8%
Current Accident Year (CAY)	-	(2.1%)	(3.8%)	-	2.7%	(0.4%)
Total Claims Incurred	14.3%	(4.8%)	7.1%	(5.7%)	6.2%	8.3%
Expense Ratios						
Expense Allowance (% WP)	(1.0%)	1.4%	1.4%	1.6%	0.8%	0.1%
Chg in Prem. Def / (DPAC) (% EP)	2.5%	(1.9%)	1.7%	(0.2%)	(0.5%)	1.2%
Underwriting Expenses (% EP)	3.0%	1.2%	6.4%	0.7%	(0.1%)	3.1%
Administrative Expense (% EP)	0.1%	0.1%	0.2%	0.5%	0.4%	0.1%
U/Wing & Admin Exp (% EP)	3.1%	1.3%	6.6%	1.2%	0.3%	3.2%
Combined Operating Ratio (% EP)	17.4%	(3.5%)	13.7%	(4.5%)	6.5%	11.5%
attributed to PAYs:	14.3%	(2.7%)	10.9%	(5.7%)	3.5%	8.8%
attributed to CAY:	3.1%	(0.8%)	2.8%	1.2%	3.0%	2.7%

As a reminder, PAYs for **2019** have no projected “undiscounted” impact, as we assume our liabilities are best estimates – the **2018** projection includes implemented valuation impacts for **2018**. The “effect of discounting” for **2018** also reflects valuation impacts (particularly apv releases with nominal releases) not expected for **2019**.

It is also important to keep in mind when considering the operating results for the RSPs as shown in the two preceding tables that they do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of RSPs’ written premium – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member’s own such ratio. Similarly, operating cash flows are shared immediately among members – as such, there is no investment income included in the RSP operating results, although members may generate such income on RSP generated operating cash flows for their own accounts.

Policy liabilities (made up of claims liabilities and premium liabilities) are carried on an actuarial present value basis (that is, adjusted for the time value of money, and include provisions for adverse deviation). It is informative to consider how claims liabilities fare during a calendar year relative to their beginning provisions for adverse development. To provide some historical context, the development of prior accident years’ claims liabilities over the ensuing calendar year is discussed below.

For the Ontario RSP, nominal (i.e. excluding actuarial present value adjustments) claims liabilities amounted to \$904.8 million as at December 31, 2017 (representing then the beginning prior accident years’ claims liabilities for calendar year **2018**). The nominal prior accident years’ change booked year-to-date during **2018** at \$24.8 million (favourable) represents 2.7% of the beginning claims liabilities. The nominal claims liabilities for the Ontario RSP are projected to be \$972.4 million at December 31, 2018 (and hence is the projected beginning prior accident years’ claims liabilities for Calendar Year **2019**), and **changes of +/-5% (\$48.6 million)** of these liabilities would not be unusual (see table below for actual changes that occurred during the last 5 calendar years – while these

historical changes have all been more than 5% and all favourable, we do see this as unusual, and not necessarily indicative of future development), whereas carried *nominal* claims development provision for adverse deviation (PfAD) are roughly three times this level (MfAD is over 14%).

ON RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal, indemnity only)

nominal unpaid indemnity claims liability (\$ millions)					
ON	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity [1]	PfAD for dev'l [2]	MfAD for dev'l [3]	amount [4]	% beginning [5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	1,009.1	140.2	13.9%	(87.3)	(8.7%)
2014	1,025.5	179.8	17.5%	(91.0)	(8.9%)
2015	1,005.5	181.5	18.1%	(146.2)	(14.5%)
2016	889.6	147.1	16.5%	(70.5)	(7.9%)
2017	838.7	133.7	15.9%	(47.6)	(5.7%)
projections					
2018	904.8	142.7	15.8%	(24.8)	(2.7%)
2019	972.4	136.7	14.1%	-	-

For the Alberta Grid RSP, nominal claims liabilities amounted to \$307.0 million as at December 31, 2017 (representing then the beginning prior accident years' claims liabilities for calendar year **2018**). The nominal prior accident years' change booked year-to-date during 2018 at \$5.0 million (unfavourable) represents 1.6% of the beginning liabilities. The nominal claims liabilities for the Alberta Grid RSP are projected to be \$324.9 million at December 31, 2018 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), and **changes of +/-5% (\$16.2 million)** of these liabilities would not be unusual (see table at the top of the next page for actual changes that occurred during the last 5 calendar years – while these historical changes have largely been more than 5% and unfavourable, we do see this as unusual, and not necessarily indicative of future development), whereas carried *nominal* claims development provision for adverse deviation (PfAD) are roughly two times this level (MfAD is over 11%).

AB Grid RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal, indemnity only)

		nominal unpaid indemnity claims liability (\$ millions)				
		nominal beginning amounts			chg in PAYs' ultimates	
AB Grid	Cal Yr	unpaid indemnity [1]	PfAD for dev'l [2]	MfAD for dev'l [3]	amount [4]	% beginning [5]
		mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals						
	2013	278.9	27.2	9.8%	22.3	8.0%
	2014	264.3	25.9	9.8%	30.0	11.4%
	2015	268.8	30.6	11.4%	(4.1)	(1.5%)
	2016	243.8	27.3	11.2%	41.2	16.9%
	2017	281.5	32.0	11.4%	21.1	7.5%
projections						
	2018	307.0	35.2	11.5%	5.0	1.6%
	2019	324.9	37.2	11.4%	-	-

For the Alberta non-Grid RSP, nominal claims liabilities amounted to \$181.4 million as at December 31, 2017 (representing then the beginning prior accident years' claims liabilities for calendar year **2018**). The nominal prior accident years' change booked year-to-date during **2018** at \$10.2 million (favourable) represents 5.6% of the beginning liabilities. The nominal claims liabilities for the Alberta non-Grid RSP are projected to be \$196.8 million at December 31, 2018 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), and **changes of +/-5% (\$9.8 million)** of these liabilities would not be unusual (see table at the top of the next page for actual changes that occurred during the last 5 calendar years), whereas carried *nominal* claims development provision for adverse deviation (PfAD) are roughly two times this level (MfAD is almost 11%).

AB non-Grid RSP PAYs' Ultimate Changes vs Beginning Liabilities (nominal, indemnity)

only)

AB non- Grid	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYS' ultimates	
	unpaid	PfAD for	MfAD for	amount	% beginning
	indemnity	dev'l	dev'l		
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	126.4	12.1	9.6%	13.6	10.8%
2014	147.9	14.4	9.7%	5.4	3.7%
2015	159.5	18.2	11.4%	(6.9)	(4.3%)
2016	159.5	18.2	11.4%	2.3	1.4%
2017	169.4	19.4	11.5%	6.9	4.1%
projections					
2018	181.4	20.8	11.5%	(10.2)	(5.6%)
2019	196.8	22.3	11.3%	-	-

For the New Brunswick RSP, nominal claims liabilities amounted to \$18.5 million as at December 31, 2017 (representing then the beginning prior accident years' claims liabilities for calendar year **2018**). The nominal prior accident years' change booked year-to-date during **2018** at \$0.9 million (unfavourable) represents 4.9% of the beginning liabilities. The nominal claims liabilities for the New Brunswick RSP are projected to be \$20.4 million at December 31, 2018 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), and **changes of +/-5% (\$1.0 million)** of these liabilities would not be unusual (see table below for actual changes that occurred during the last 5 calendar years), whereas carried *nominal* claims development provision for adverse deviation (PfAD) are roughly two times this level (MfAD is almost 11%).

NB RSP PAYS' Ultimate Changes vs Beginning Liabilities (nominal, indemnity only)

NB	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYS' ultimates	
	unpaid	PfAD for	MfAD for	amount	% beginning
	indemnity	dev'l	dev'l		
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	15.1	1.8	11.9%	0.4	2.6%
2014	13.9	1.8	12.9%	1.2	8.6%
2015	16.0	2.1	13.1%	0.9	5.6%
2016	19.0	2.5	13.2%	(2.2)	(11.6%)
2017	18.0	2.0	11.1%	(0.4)	(2.2%)
projections					
2018	18.5	2.0	10.8%	0.9	4.9%
2019	20.4	2.2	10.8%	-	-

For the Nova Scotia RSP, nominal claims liabilities amounted to \$35.5 million as at

December 31, 2017 (representing then the beginning prior accident years' claims liabilities for calendar year **2018**). The nominal prior accident years' change booked year-to-date during **2018** at \$0.9 million (favourable) represents 2.5% of the beginning liabilities. The nominal claims liabilities for the Nova Scotia RSP are projected to be \$44.3 million at December 31, 2018 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), **changes of +/- 5% (\$2.2 million)** of these liabilities would not be unusual (see table below for actual changes that occurred during the last 5 calendar years), whereas carried *nominal* claims development provision for adverse deviation (PfAD) are roughly two times this level (MfAD is almost 12%).

NS RSP PAYS' Ultimate Changes vs Beginning Liabilities (nominal, indemnity only)

nominal unpaid indemnity claims liability (\$ millions)					
nominal beginning amounts				chg in PAYS' ultimates	
NS	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
2013	16.0	2.2	13.8%	1.7	10.6%
2014	18.8	2.7	14.4%	1.8	9.6%
2015	23.4	3.4	14.5%	0.4	1.7%
2016	27.3	3.9	14.3%	0.5	1.8%
2017	32.7	3.9	11.9%	(2.1)	(6.4%)
projections					
2018	35.5	4.1	11.5%	(0.9)	(2.5%)
2019	44.3	5.2	11.7%	-	-

In addition, **changes in yield curves** used to determine the discount rates used in our projections are subject to change by RSP. For example, the **Oct 3 2017 Outlook** for the Ontario RSP used a discount rate of 1.23%, whereas with the **August 31 2018 Projections** for the Ontario RSP we are now using 1.83%. However, the Jun 30, 2018 valuation discount rate *changes* do not have a direct impact on the **2019** projections. As the change occurs in calendar year **2018**, both the beginning and ending claims liabilities for Calendar Year **2019** are adjusted, so the impact is effectively nullified (that is, a change in discount rate has a significant impact only when it is implemented). The same is true for margin changes (the impact of any changes is significant only when implemented).

The projected December 31, 2019 **policy liability discount amounts** are:

- ON RSP: \$69.1 million (associated interest rate PfAD of \$8.7 million, indicating the net discount impact of approximately \$60.3 million)
- AB Grid RSP: \$20.0 million (associated interest rate PfAD of \$2.5 million, indicating the net discount impact of approximately \$17.4 million)
- AB non-Grid RSP: \$13.8 million (associated interest rate PfAD of \$1.6 million, indicating the net discount impact of approximately \$12.2 million)

- NB RSP: \$1.6 million (associated interest rate PfAD of \$0.2 million, indicating the net discount impact of approximately \$1.4 million)
- NS RSP: \$3.3 million (associated interest rate PfAD of \$0.4 million, indicating the net discount impact of approximately \$2.9 million)

Moving the net discount impacts to \$0 could be considered a “worst case” scenario³ in relation to adverse changes in the yield curves.

Key Ratios associated with our Calendar Year **2019** projection are presented in the table at the top of the next page, including the Combined Operating Ratios for the two calendar year **2018** projections. For details related to the **2019** projections, please refer to Exhibits B-1 through B-5. The basis for the projection of premiums, claims amounts and expenses is described in Section 3. In particular, premium projections are discussed in section 3.1 and claims projections are discussed in section 3.2. Our projections of the number of vehicle transfers are based on projections provided by major users of the RSPs. However, RSP volumes can change rapidly in a short period of time, as we have seen in the past, as member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. As a result, volumes may change dramatically from those projected here.

³That is, the “worst case” scenario would be if the discount rate moves to 0% - we assume at this level the margin would be moved to 0 as well. In addition to the net discount impact indicated, there would also be an adverse movement in the claims development provision for adverse deviation, as this provision is also carried on a “net present value” or “discounted” basis.

We did consider whether the Canadian risk-free yield curve would move into negative territory (i.e. that the “worst case” scenario would involve a negative discount rate, rather than a 0 discount rate). While this is *possible*, we do not believe it is *plausible* within the next 18-21 months, given the current economic environment in Canada.

Projection Summary – Calendar Year 2019 – Key Ratios⁴

Calendar Year 2019 Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)	-	-	-	-	-	-
Prior Accident Years (PAYs)	(4.6%)	(3.1%)	(2.6%)	(1.2%)	(1.5%)	(3.7%)
Current Accident Year (CAY)	135.8%	94.4%	113.0%	77.0%	100.7%	120.0%
Total Claims Incurred	131.2%	91.3%	110.4%	75.8%	99.2%	116.3%
Expense Ratios	-	-	-	-	-	-
Expense Allowance (% WP)	29.0%	31.1%	31.1%	30.1%	31.0%	29.9%
Chg in Prem. Def / (DPAC) (% EP)	4.9%	1.1%	3.7%	(0.9%)	1.7%	3.6%
Underwriting Expenses (% EP)	36.3%	32.2%	39.0%	31.1%	33.5%	35.6%
Administrative Expense (% EP)	0.5%	0.7%	1.2%	5.5%	3.3%	0.9%
U/Wing & Admin Exp (% EP)	36.8%	32.9%	40.2%	36.6%	36.8%	36.5%
2019 Combined Operating Ratio (% EP)	168.0%	124.2%	150.6%	112.4%	136.0%	152.8%
attributed to PAYs:	(4.6%)	(3.1%)	(2.6%)	(1.2%)	(1.5%)	(3.7%)
attributed to CAY:	172.6%	127.3%	153.2%	113.6%	137.5%	156.5%
2018 Combined Operating Ratio						
Oct. 3, 2017 Outlook	166.3%	122.9%	144.9%	109.0%	136.0%	149.5%
attributed to PAYs:	(7.5%)	(3.9%)	(4.5%)	(1.7%)	(1.6%)	(5.7%)
attributed to CAY:	173.8%	126.8%	149.4%	110.7%	137.6%	155.2%
Aug 31, 2018 Projection	150.6%	127.7%	136.9%	116.9%	129.5%	141.3%
attributed to PAYs:	(18.9%)	(0.4%)	(13.5%)	4.5%	(5.0%)	(12.5%)
attributed to CAY:	169.5%	128.1%	150.4%	112.4%	134.5%	153.8%

Net cash flows from operations for the RSPs collectively are projected to be an overall outflow of \$156.8 million for Calendar Year **2019** as presented in detail in section 3.5 (we are currently projecting a \$148.6 million operating cash outflow for calendar year **2018**).

Operating cash outflows are funded by members, and the primary drivers of operating cash are premium collection and claims payments. The tables at the top of the next page summarize RSP operating cash flows over the last 6 calendar years (historic operating cash flows by RSP can be found in section 3.5).

⁴RSP operating results do not include all expenses – for example, premium taxes and health levies are applied at member companies based on their share of RSP written premium or vehicle counts as applicable – these expenses are not included here. As such, the Combined Operating Ratio may not be comparable to a member’s own such ratio.

ALL RSPs Historic Operating Cash Flows by Share Year

\$millions	RSP All RSPs					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	658.6	609.1	489.0	545.9	518.0	576.1
expense allowance	197.1	183.2	142.9	164.2	152.8	170.6
administration	4.6	4.1	4.0	3.7	4.0	4.0
prem net of expenses	456.8	421.9	342.1	378.0	361.2	401.4
paid claims						
PAYs indemnity	318.8	296.3	295.3	283.7	293.2	277.4
PAY claims expenses	25.8	33.4	32.4	35.0	33.9	30.9
CAY indemnity	252.5	197.7	182.3	170.9	165.1	161.0
CAY clms expenses	1.0	0.8	0.9	1.4	1.5	1.6
all yrs indemnity	571.3	494.1	477.6	454.6	458.3	438.4
all yrs clms expenses	26.9	34.2	33.2	36.4	35.4	32.6
total claims & expenses paid	598.2	528.2	510.8	491.0	493.8	470.9
operating cash flow	(141.3)	(106.4)	(168.7)	(112.9)	(132.6)	(69.5)

values are carried in table to 3 decimals - rounding differences may result

The current (August 31 2018) calendar year **2019 projection** is provided in more detail in the next section, but the table at the top of the next page provides details of changes in cash flow projections by RSP between calendar years **2018** and **2019**.

Projection Summary –2019 less 2018 Calendar Year Cash Flow Projections (\$000s)

2019 less 2018 Calendar Net Operating Cash Flow Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	58,983	6,007	31,838	3,011	2,374	102,213
PAYs Paid Claims						
paid indemnity	17,452	(6,657)	3,530	(1,083)	1,436	14,679
paid allowed claims expense	12,483	4,582	2,333	500	396	20,295
PAYs Paid Claims	29,935	(2,075)	5,863	(582)	1,833	34,973
CAYs Paid Claims						
paid indemnity	25,933	2,396	13,334	637	519	42,819
paid allowed claims expense	262	10	41	1	2	316
CAYs Paid Claims	26,195	2,406	13,375	638	521	43,135
All AYs Paid Claims						
paid indemnity	43,385	(4,261)	16,864	(446)	1,955	57,498
paid allowed claims expense	12,745	4,592	2,374	501	398	20,611
All AYs Paid Claims	56,130	331	19,238	56	2,354	78,108
"Cash" Expenses						
Member Expense Allowance	13,561	3,972	11,428	1,128	969	31,058
Administrative Expenses	364	37	450	247	200	1,299
"Cash" Expenses	13,925	4,009	11,878	1,375	1,169	32,357
Net Operating Cash Flow	(11,072)	1,667	721	1,580	(1,149)	(8,253)

2.3 Projections for Calendar Year 2018

The tables on the next page provide summaries for the *August 31 2018 Projection* of calendar year 2018.

Projection Summary –2018 Calendar Year Amounts (\$000s) – current projection

Calendar Year 2018 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	365,795	152,024	109,754	14,452	28,715	670,740
Earned Premium	355,415	161,547	106,280	13,243	27,612	664,097
Prior Accident Years (PAYs)	(67,074)	(659)	(14,348)	601	(1,367)	(82,847)
Current Accident Year (CAY)	482,538	155,931	124,137	10,203	27,049	799,858
Total Claims Incurred	415,464	155,272	109,789	10,804	25,682	717,011
Expense Allowance	109,623	45,177	32,604	4,125	8,667	200,196
Change in Prem. Def / (DPAC)	8,707	4,834	2,130	(97)	611	16,185
Underwriting Expenses	118,330	50,011	34,734	4,028	9,278	216,381
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(178,379)	(43,736)	(38,243)	(1,589)	(7,348)	(269,295)
Administrative Expense	1,501	1,006	1,022	661	794	4,983
2018 Operating Result	(179,880)	(44,742)	(39,265)	(2,250)	(8,142)	(274,278)
attributed to PAYs:	67,074	659	14,348	(601)	1,367	82,847
attributed to CAY:	(246,954)	(45,401)	(53,613)	(1,649)	(9,509)	(357,125)

Projection Summary –2018 Calendar Year (Key Ratios) – current projection

Calendar Year 2018 Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	(18.9%)	(0.4%)	(13.5%)	4.5%	(5.0%)	(12.5%)
Current Accident Year (CAY)	135.8%	96.5%	116.8%	77.0%	98.0%	120.4%
Total Claims Incurred	116.9%	96.1%	103.3%	81.5%	93.0%	108.0%
Expense Ratios						
Expense Allowance (% WP)	30.0%	29.7%	29.7%	28.5%	30.2%	29.8%
Chg in Prem. Def / (DPAC) (% EP)	2.4%	3.0%	2.0%	(0.7%)	2.2%	2.4%
Underwriting Expenses (% EP)	33.3%	31.0%	32.6%	30.4%	33.6%	32.5%
Administrative Expense (% EP)	0.4%	0.6%	1.0%	5.0%	2.9%	0.8%
U/Wing & Admin Exp (% EP)	33.7%	31.6%	33.6%	35.4%	36.5%	33.3%
2018 Combined Operating Ratio (% EP)	150.6%	127.7%	136.9%	116.9%	129.5%	141.3%
attributed to PAYs:	(18.9%)	(0.4%)	(13.5%)	4.5%	(5.0%)	(12.5%)
attributed to CAY:	169.5%	128.1%	150.4%	112.4%	134.5%	153.8%

As indicated in the tables at the top of the next page, there have been changes both to earned premium and the Combined Operating Ratios (COR) between the *Oct 3 2017 Outlook* and the *August 31 2018 Projections* as summarized above, the latter of which includes the implementation of the 2017 Q3, Q4, 2018 Q1 and Q2 valuations, with the changes in operating result largely driven by the impact of the updated valuations on CORs.

Calendar Year 2018 Oct 3 2017 Outlook vs current August 31 2018 Projection

\$000s	Outlook Posted October 3, 2017			Updated Year-end Projection		
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	382,147	(253,404)	166.3%	355,415	(179,880)	150.6%
Alberta Grid	184,393	(42,351)	122.9%	161,547	(44,742)	127.7%
Alberta non-Grid	97,354	(43,686)	144.9%	106,280	(39,265)	136.9%
New Brunswick	15,974	(1,453)	109.0%	13,243	(2,250)	116.9%
Nova Scotia	35,242	(12,656)	136.0%	27,612	(8,142)	129.5%
TOTAL	715,110	(353,550)	149.5%	664,097	(274,278)	141.3%

In the table below, we attribute the overall **\$79.3 million** operating result **improvement** in our projection for calendar year **2018** to components:

- \$21.9 million **improvement** to the change in earned premium (by multiplying the earned premium change by [1 - COR]);
- \$57.3 million **improvement** attributed to the change in COR (which is driven by changes in nominal prior accident year claims liabilities, current accident year loss ratios, the next future accident year loss ratio impact on premium liabilities, discount rates and margins, and expenses).

Changes in Projections for Calendar Year 2018

\$000s	Total Change (Updated Year-end Projection less Outlook)			Change Attributed to Earned Premium Change		Change Attributed to COR Change	
	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	Operating Result	COR
Ontario	(26,732)	73,524	(15.7%)	(26,732)	17,723	55,801	(15.7%)
Alberta Grid	(22,846)	(2,391)	4.8%	(22,846)	5,232	(7,623)	4.8%
Alberta non-Grid	8,926	4,421	(8.0%)	8,926	(4,008)	8,429	(8.0%)
New Brunswick	(2,731)	(797)	7.9%	(2,731)	246	(1,043)	7.9%
Nova Scotia	(7,630)	4,514	(6.5%)	(7,630)	2,747	1,767	(6.5%)
TOTAL	(51,013)	79,272	(8.2%)	(51,013)	21,940	57,332	(8.2%)

Of the \$79.3 million⁵ of operating result improvement shown above (of which \$57.3 million in improvement is attributed to 8.2 points of change in COR), the overall driver is due to changes in the claims incurred ratios (5.1 point improvement overall) and expense ratios (3.1 point improvement overall), as indicated in the table at the top of the next page. The expense ratio is heavily influenced by volume changes and the associated impacts on premium deficiency liabilities.

⁵Changes in the projection of the current accident year incurred are impacted by changes in earned premium, hence the comparison to the overall change in operating result, rather than focusing on the component attributed to COR only.

Changes in COR Projections for Calendar Year 2018

2018 Calendar Yr	Combined Ratio			Claims Incurred Ratio			Expense Ratio		
	Aug 31 2018 Projection	Oct 3 2017 Outlook	point chg	Aug 31 2018 Projection	Oct 3 2017 Outlook	point chg	Aug 31 2018 Projection	Oct 3 2017 Outlook	point chg
Ontario	150.6	166.3	(15.7)	116.9	127.7	(10.8)	33.7	38.6	(4.9)
Alberta Grid	127.7	122.9	4.8	96.1	90.7	5.4	31.6	32.2	(0.6)
Alberta Non-Grid	136.9	144.9	(8.0)	103.3	110.6	(7.3)	33.6	34.3	(0.7)
New Brunswick	116.9	109.0	7.9	81.6	73.4	8.2	35.3	35.6	(0.3)
Nova Scotia	129.5	136.0	(6.5)	93.0	96.4	(3.4)	36.5	39.6	(3.1)
TOTAL	141.3	149.5	(8.2)	108.0	113.1	(5.1)	33.3	36.4	(3.1)

Changes in selected ultimate loss ratios and selected discount rates directly impact the COR and are updated with each valuation⁶, so that implemented valuations after the Final Outlook was posted impact the above indicated changes. More information on the results of valuations and the associated impacts are available in the Actuarial Highlights for Aug 2017 (implementation of the 2017 Q2 valuation), Oct 2017 (implementation of the 2017 Q3 valuation), Mar 2018 (implementation of the 2017 Q4 valuation), May 2018 (implementation of the 2018 Q1 valuation), and Aug 2018 (implementation of the 2018 Q2 valuation).

The selected discount rates have increased from those selected with the 2017 Q2 valuation (the basis for the **2018** Final Outlook), resulting in a decrease in the actuarial liabilities and having a favourable impact on the projected operating results for Calendar Year **2018**, accounting for an estimated \$30.5 million of favourable operating result change overall in relation to claims liabilities (see table below). Margins for adverse deviations (MfADs) for investment return margins were left unchanged (claims development margins are discussed on the next page).

Estimated 2018 Claims Liabilities Impact from Discount Rate Changes

RSP	2018 Final Outlook	Aug 31 2018 Projection	Est. Impact Discount Rate	Est. Impact MfAD Chg*
Ontario	1.23%	1.83%	-\$19.0 million	\$0.0 million
Alberta Grid	1.19%	1.87%	-\$6.4 million	\$0.0 million
Alberta Non-Grid	1.20%	1.87%	-\$3.8 million	\$0.0 million
New Brunswick	1.17%	1.87%	-\$0.4 million	\$0.0 million
Nova Scotia	1.17%	1.86%	-\$0.9 million	\$0.0 million
TOTAL			-\$30.5 million	\$0.0 million

Source: Estimated from Interest Rate Sensitivity Tables found in the August 2018 Actuarial Highlights

*Interest Rate MfADs have not changed and remain at 25 basis points.

In addition, as per usual practice for the Q2 valuation, MfADs were reviewed as part of 2018 Q2

⁶Changes to selected margins for adverse deviation at a valuation would also have an impact on the results – however, selected margins do not typically change with each valuation.

valuation – while the investment return margins were left unchanged as previously indicated, claims development margins were updated, with estimated impacts resulting in a decrease of \$28.6 million in claims liabilities as indicated below.

*Estimated 2018 Claims Liabilities
 Impact from Claims Development
 MfADs changes*

RSP	Est. Impact MfAD Chg*
Ontario	-\$26.9 million
Alberta Grid	-\$1.1 million
Alberta Non-Grid	-\$0.5 million
New Brunswick	-\$0.0 million
Nova Scotia	-\$0.1 million
TOTAL	-\$28.6 million

Source: FA internal data.

Based on the two preceding tables, overall, there has been a \$59.1 million favourable impact due to the increase in the risk-free yield curve (generating increased interest rates used for discounting) and changes in margins for adverse deviations (which varied by RSP, accident year, and coverage, and were updated with the 2018 Q2 valuation).

That is to say, **the projected 2018 net operating deficit** of \$274.3 million (being a \$79.3 million improvement relative to the 2018 Final Outlook) **would have been \$59.1 million worse** (i.e. \$333.4 million) or a \$20.2 million improvement from the 2018 Final Outlook, **if not for the change in the yield curve and changes in selected MfADs.**

2.4 Outlook Purpose and Projection Uncertainty, Historical AvsP Variances

Purpose

This Outlook was prepared for the member companies of Facility Association to assist them in estimating their share of RSP results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

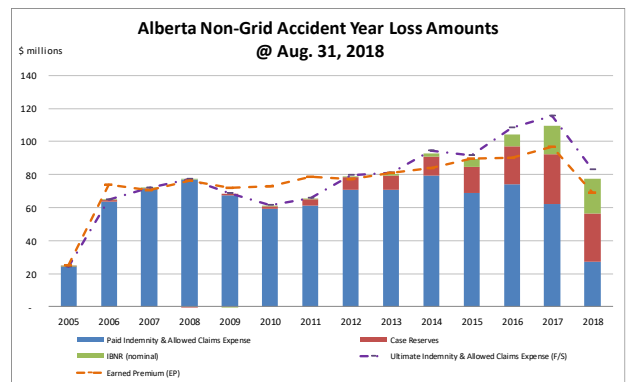
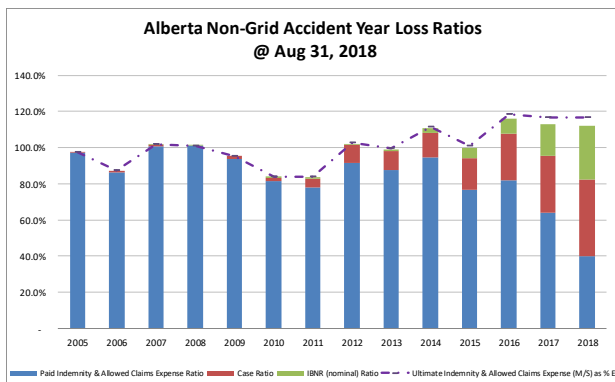
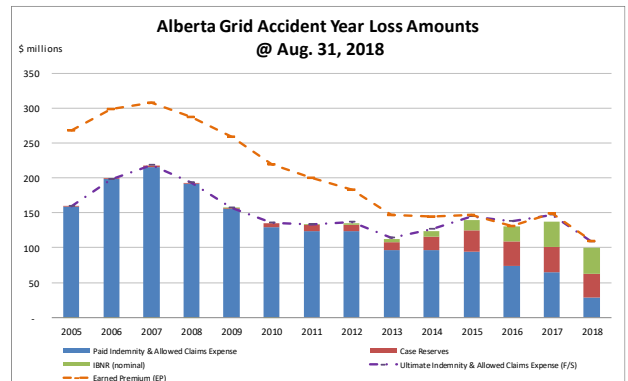
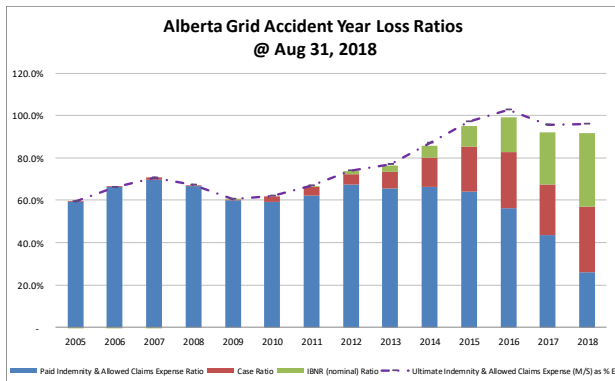
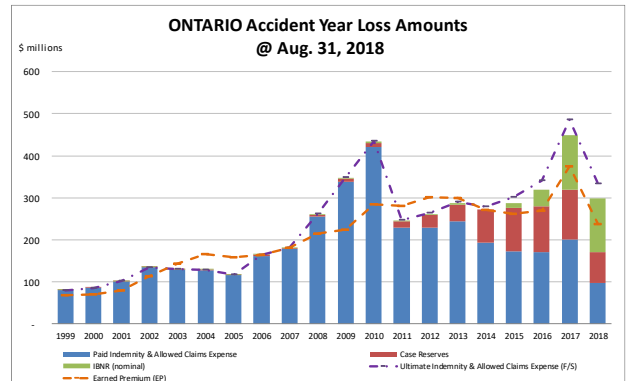
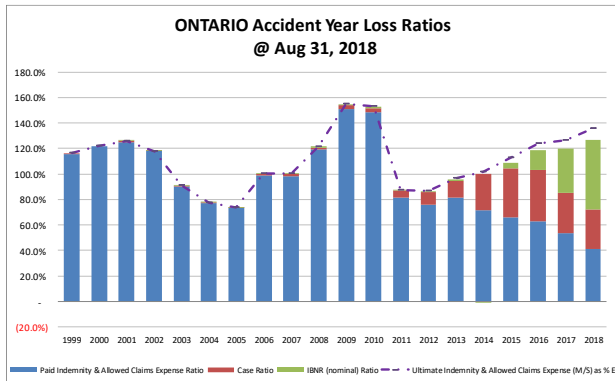
Unless specifically noted in this document, no explicit provision has been made for causes of loss which are not already reflected in the historical data, nor for otherwise unforeseen changes to the legal or economic environment in which claims are settled, including changes in the interpretation of existing legislation or regulation on matters currently before the courts.

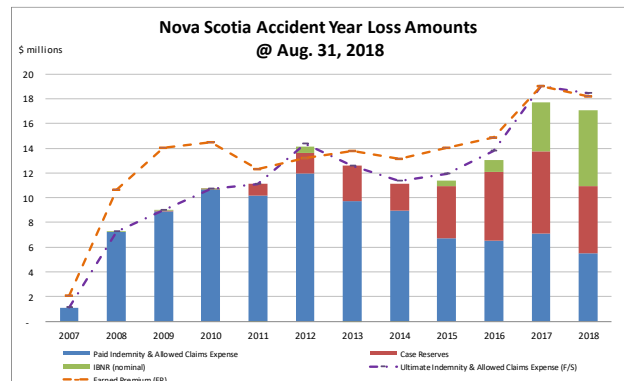
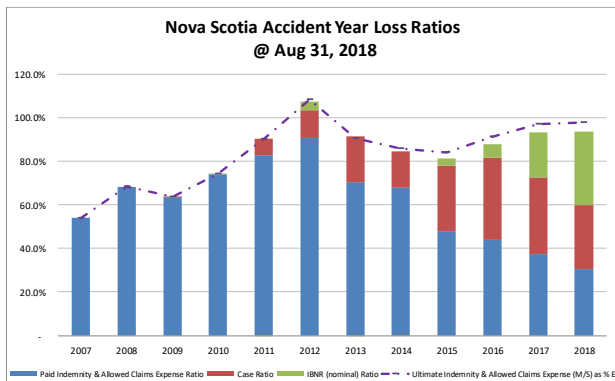
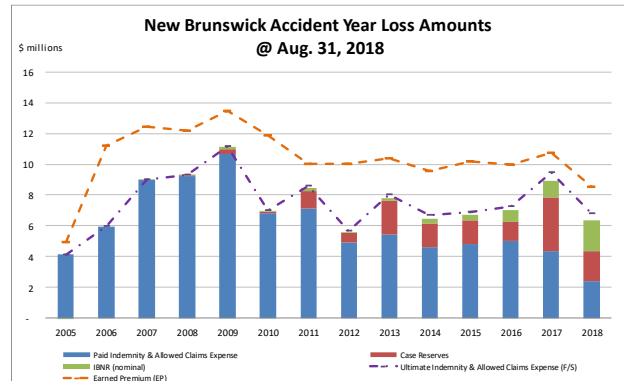
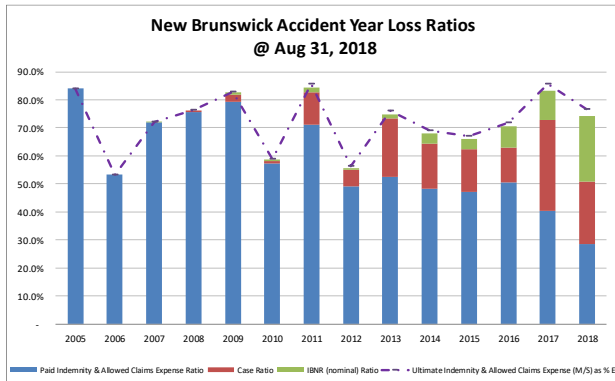
Uncertainty

This Outlook is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize**

that future Operating Results may deviate from these projections by material amounts.

The historical loss ratios for the RSPs (left charts) and dollar amount of volume changes (right charts) for the RSPs are provided below to provide some historical context. Note that the scales differ by chart.





Historical Actual vs. Projected (AvsP) Variances

As discussed earlier, the purpose of providing members with Outlooks is to aid in their planning processes. An important question, then, is to what extent have the RSP Outlooks provided reliable and reasonably accurate projections for the next calendar year? As we produce 2 Outlooks annually, we believe the question applies to both.

One challenge (or at least a consideration) is that the basis of the “actuals” for the Preliminary and Final Outlooks have changed over time, as have the months of release. In particular, up until the release of the 2015 Outlooks, the general approach was to base the Preliminary Outlook on actuals as at August of the preceding year (releasing the Preliminary Outlook generally in October) and to base the Final Outlook on actuals as at October of the preceding year (releasing the Final Outlook generally in December).

In preparation of the 2015 Outlooks, management changed the basis of the actuals and release dates on the view that the previous release pattern made the Outlook releases too late for serious use in members’ planning processes. Based on this, the Preliminary was moved to be based on May actuals (and released in June/July) and the Final was moved to be based on August actuals (and released in September / October).

Management’s view is that the Preliminary Outlooks were probably (and continue to be) more applicable for member planning purposes with its earlier release date. The table at the top of the next page summarizes variances between the actual results and the Preliminary Outlook projections by calendar year.

All RSPs – AvsP (Preliminary Outlook projections)

 Facility Association
 Outlook Actual vs Projected
 Risk Sharing Pools (RSPs)

***PROJECTED IS BASED ON PRELIMINARY OUTLOOK**

RSP TOTAL			average A less P 2013 to 2017:							113.9	(18.9%)	38.5%
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result			
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs	
2013	[a]	Actual	518.0	551.8	(90.6)	(16.4%)	612.6	111.0%	(101.6)	118.4%		
	[b]	Projected*	566.5	560.6	(29.2)	(5.2%)	665.1	118.6%	(271.8)	148.5%		
	[c]=[a]-[b]	A less P	(48.5)	(8.8)	(61.4)	(11.2%)	(52.5)	(7.6%)	170.2	(30.1%)	36.1%	
	[d]=[c]/[b]	% of P	(8.6%)	(1.6%)	210.3%		(7.9%)		(62.6%)			
2014	[a]	Actual	545.9	521.9	(71.3)	(13.7%)	591.0	113.2%	(157.5)	130.2%		
	[b]	Projected*	586.1	579.6	(24.2)	(4.2%)	696.9	120.3%	(282.8)	148.8%		
	[c]=[a]-[b]	A less P	(40.2)	(57.6)	(47.1)	(9.5%)	(106.0)	(7.1%)	125.3	(18.6%)	37.6%	
	[d]=[c]/[b]	% of P	(6.9%)	(9.9%)	194.9%		(15.2%)		(44.3%)			
2015	[a]	Actual	489.0	522.9	(206.3)	(39.4%)	580.6	111.0%	9.7	98.2%		
	[b]	Projected*	553.2	547.3	(33.4)	(6.1%)	649.1	118.6%	(246.9)	145.1%		
	[c]=[a]-[b]	A less P	(64.2)	(24.4)	(172.9)	(33.3%)	(68.5)	(7.6%)	256.6	(46.9%)	67.4%	
	[d]=[c]/[b]	% of P	(11.6%)	(4.5%)	517.9%		(10.6%)		(103.9%)			
2016	[a]	Actual	609.1	517.9	(72.0)	(13.9%)	611.4	118.0%	(232.0)	144.7%		
	[b]	Projected*	537.7	536.3	(41.6)	(7.8%)	613.9	114.5%	(200.4)	137.4%		
	[c]=[a]-[b]	A less P	71.5	(18.4)	(30.4)	(6.1%)	(2.6)	3.5%	(31.5)	7.3%	(96.4%)	
	[d]=[c]/[b]	% of P	13.3%	(3.4%)	73.0%		(0.4%)		15.7%			
2017	[a]	Actual	658.6	649.6	(115.3)	(17.7%)	778.3	119.8%	(218.5)	133.7%		
	[b]	Projected*	675.6	666.4	(43.2)	(6.5%)	753.1	113.0%	(267.3)	140.1%		
	[c]=[a]-[b]	A less P	(17.0)	(16.8)	(72.0)	(11.2%)	25.2	6.8%	48.7	(6.4%)	147.8%	
	[d]=[c]/[b]	% of P	(2.5%)	(2.5%)	166.6%		3.3%		(18.2%)			

Over the 5 calendar year preliminary projections for the RSPs (total basis), the net operating result has been \$113.9 million (approximately 6.2%) better than projected on average, and the resulting Combined Operating Ratio (COR) has been on average 18.9 points lower than projected. Prior Accident Years' (PAYs) variances have generally accounted for a significant portion of the overall variance more than a third), but the bulk of the variances are driven by volume and current accident year (CAY) loss ratio variances.

For volumes, we rely on projections by members, but variances will arise as the business environment changes.

For the CAY loss ratios, this depends primarily on projections of claims trends and rate changes, as well as the mix of business among members using the RSPs, all of which makes the projection of CAY loss ratios difficult to project. For example, we do not have direct access to information on rate changes that apply to transferred business, relative to previously transferred business. With respect to

claims trends, we apply our view of industry wide trends, but trends applicable to transferred business may not follow those overall trends.

For the PAYs, the projected result reflects the projected unwinding of the discount and the projected release of provisions for adverse deviations, so the PAYs' variances in general reflect changes in the selections of ultimates. Our valuation goal, over the long term, is that PAYs' ultimate changes average to \$0 on a nominal basis (that is, excluding actuarial present value adjustments). Valuation result are discussed in detail in various other communication media provided by FA (for example, valuation implementation impacts are discussed in the monthly bulletins, and valuation results are discussed in the monthly Actuarial Operational Highlights and quarterly Actuarial Valuation Highlights).

Preliminary Outlook variances against the actual at the RSP level were provided as Exhibit D in the Preliminary Outlook. For completeness, we have also summarized differences between actuals and projections found in the Final Outlooks on the next page, and include as Exhibit D of this Outlook comparisons against Final Outlook by RSP.

All RSPs – AvsP (Final Outlook projections)

Facility Association
 Outlook Actual vs Projected
 Risk Sharing Pools (RSPs)

***PROJECTED IS BASED ON FINAL OUTLOOK**

RSP TOTAL			average A less P 2013 to 2017:								
			102.3		(18.1%)		(34.7%)				
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2013	[a]	Actual	518.0	551.8	(90.6)	(16.4%)	612.6	111.0%	(101.6)	118.4%	
	[b]	Projected*	587.3	574.2	(31.0)	(5.4%)	689.1	120.0%	(285.6)	149.7%	
	[c]=[a]-[b]	A less P	(69.3)	(22.4)	(59.6)	(11.0%)	(76.5)	(9.0%)	184.0	(31.3%)	32.4%
	[d]=[c]/[b]	% of P	(11.8%)	(3.9%)	192.7%		(11.1%)		(64.4%)		
2014	[a]	Actual	545.9	521.9	(71.3)	(13.7%)	591.0	113.2%	(157.5)	130.2%	
	[b]	Projected*	535.3	520.8	(27.3)	(5.3%)	606.7	116.5%	(232.3)	144.6%	
	[c]=[a]-[b]	A less P	10.6	1.1	(44.0)	(8.4%)	(15.7)	(3.3%)	74.8	(14.4%)	58.8%
	[d]=[c]/[b]	% of P	2.0%	0.2%	160.9%		(2.6%)		(32.2%)		
2015	[a]	Actual	489.0	522.9	(206.3)	(39.4%)	580.6	111.0%	9.7	98.2%	
	[b]	Projected*	550.6	547.9	(34.7)	(6.3%)	620.0	113.2%	(211.5)	138.6%	
	[c]=[a]-[b]	A less P	(61.6)	(24.9)	(171.6)	(33.1%)	(39.4)	(2.2%)	221.3	(40.4%)	77.6%
	[d]=[c]/[b]	% of P	(11.2%)	(4.6%)	495.1%		(6.4%)		(104.6%)		
2016	[a]	Actual	609.1	517.9	(72.0)	(13.9%)	611.4	118.0%	(232.0)	144.7%	
	[b]	Projected*	557.3	525.9	(33.8)	(6.4%)	606.3	115.3%	(224.8)	142.8%	
	[c]=[a]-[b]	A less P	51.8	(7.9)	(38.2)	(7.5%)	5.0	2.7%	(7.2)	1.9%	(530.5%)
	[d]=[c]/[b]	% of P	9.3%	(1.5%)	113.1%		0.8%		3.2%		
2017	[a]	Actual	658.6	649.6	(115.3)	(17.7%)	778.3	119.8%	(218.5)	133.7%	
	[b]	Projected*	643.5	645.6	(42.8)	(6.6%)	739.5	114.5%	(257.0)	139.8%	
	[c]=[a]-[b]	A less P	15.1	4.1	(72.5)	(11.1%)	38.9	5.3%	38.5	(6.1%)	188.3%
	[d]=[c]/[b]	% of P	2.3%	0.6%	169.4%		5.3%		(15.0%)		

As one might assume, variances from the Final Outlooks tend to be smaller than against the Preliminary Outlooks, as actuals are more up-to-date for the former.

2.5 Definitions and Presentation

Accounting Periods

- Calendar Year 2017: actual results for 12 months ending December 31, 2017.
- Calendar Year 2018: actual results for 8 months ending August 31, 2018, plus projected results for 4 months ending December 31, 2018.
- Calendar Year 2019: projected results for 12 months ending December 31, 2019.

Definitions

- Claim Liabilities are made up of case reserves and provision for Incurred but not Recorded claims amounts (“IBNR”).
- Premium Liabilities are made up of unearned premiums, and Premium Deficiency Reserves or Deferred Policy Acquisition Costs (“DPAC”) as applicable.
- Policy Liabilities are comprised of claim liabilities and premium liabilities.
- Actuarial Present Value Adjustments include the recognition of the time value of money and includes explicit provisions for adverse deviations (“PFAD”) as applicable.
- Actuarial Provisions encompass all claim liabilities other than case reserves, and all premium liabilities other than unearned premiums. As such, they include IBNR, and premium deficiency/(DPAC) as applicable.
- (Calendar Period) Claims Incurred are computed as the sum of calendar period paid claims amounts and calendar period changes in claim liabilities. While the majority of claims adjustment expenses are included in the Expense Allowances paid to member companies, there are allowed amounts in addition to the level included in the allowance. These amounts are shown as “paid expenses” in Monthly Operational Reports and are included with paid indemnity for valuation purposes, and for presentation of Operating Results.

Data Sources & Related Valuations

- Actual results are taken from Operational Reports up to and including the month of August 2018. The August 2018 Operational Report reflects the results of recent valuations as at Jun 30, 2018 as described in the August 2018 Actuarial Highlights.
- Projected results for the months of September 2018 and October 2018 are the projections reflected in the August 2018 Operational Reports, and are based on assumptions derived for this purpose from the valuations as at Jun 30, 2018 and other information.
- Projected results for the months of November 2018 through December 2019 are also based on assumptions derived for this purpose from the valuations as at Jun 30, 2018 and other information, extended to encompass Calendar Year **2019**.

Format

The Outlook presentation of Operating Results is consistent with the “Summary of Operations” exhibits attached to monthly bulletins to Members.

- “Claims Incurred” are divided between amounts pertaining to prior accident years, and those pertaining to the current accident year.
- “Claims Incurred” are further divided between nominal (i.e. “undiscounted”) incurred claims, and calendar period changes in the effect of actuarial present value adjustments (i.e. “discounting”). As our claims liabilities are estimated on a “best estimate” basis, there are no nominal incurred amounts projected for prior accident years. The effect of actuarial present value adjustments include the “unwinding” or “release” of the actuarial present value adjustments as claims payments are made, the addition of the actuarial present value adjustments pertaining to increases in claim liabilities, and changes in discount rate and

margins for adverse deviations, if any.

- “Change in Premium Deficiency / (Deferred Policy Acquisition Costs)” is divided between the change in the nominal (or “undiscounted”) premium deficiency / (deferred policy acquisition costs), and calendar period changes in the effect actuarial present value adjustments (“discounting”) akin to those in relation to claims liabilities.
- The “Net Result from Operations” excludes costs incurred directly by Members (e.g. premium tax, health levies, association dues), and any investment income that Member companies might earn on assets they hold in support of their RSP liabilities.
- “Ratios” are expressed relative to calendar period earned premiums, unless otherwise indicated.

3. Basis for Projections

The commentary that follows describes the basis for projecting premiums, claims amounts, and expenses, and provides summaries of key assumptions. Exhibit A in Section 4 provides additional detail regarding these assumptions.

3.1 Premiums

For each RSP, a model has been established to project by month the number of (annualized) vehicles being transferred to the pools and to project the associated average written premium (with projected premium being the product of these two). The projection model for each RSP considers the largest member company groups individually and sums the results of the projections at the member company group level (with an “all other” catch all). Select individual large member company groups were provided with their own results by RSP to populate with their own projections⁷. The final projections leverage this detailed projection information, as well as additional insight provided by member company project managers to Facility Association Member Services staff and by Facility Association management’s judgment otherwise.

Written premium projection volatility is highlighted in the table below in relation to the Ontario RSP to provide an example of how aggregate written premium projections can change over a relatively short period of time.

Ontario RSP Calendar Year Written Premium Projections (millions) over time

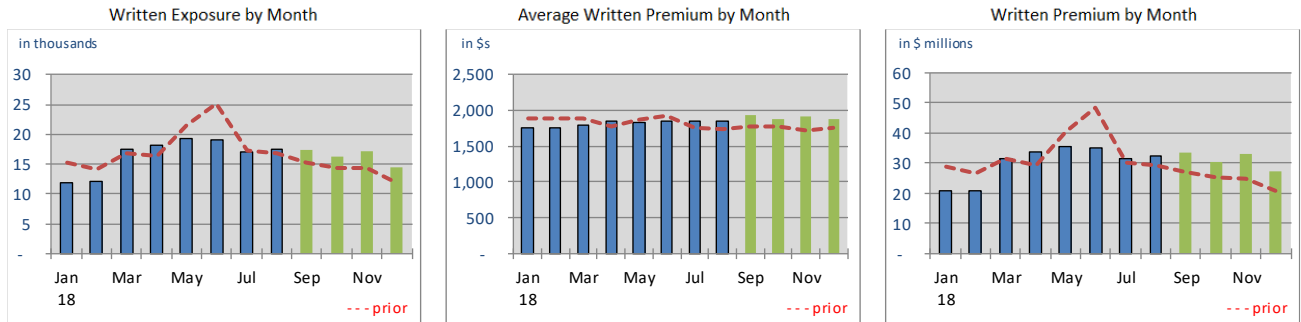
Calendar Year	Preliminary 2018 Outlook	Final 2018 Outlook	Preliminary 2019 Outlook	Final 2019 Outlook
2017	\$353.8	\$376.7	\$362.5	\$362.5
2018	\$327.6	\$413.2	\$408.2	\$365.8
2019	not projected	not projected	\$430.3	\$424.8

*Source: FA Outlooks. **Preliminary** Outlooks are based on data as at May of the preceding year, whereas the **Final** Outlook is based on August data from the preceding year. For example, the Preliminary and Final 2018 Outlooks were based on actual and projected results as at May 2017 and August 2017 respectively.*

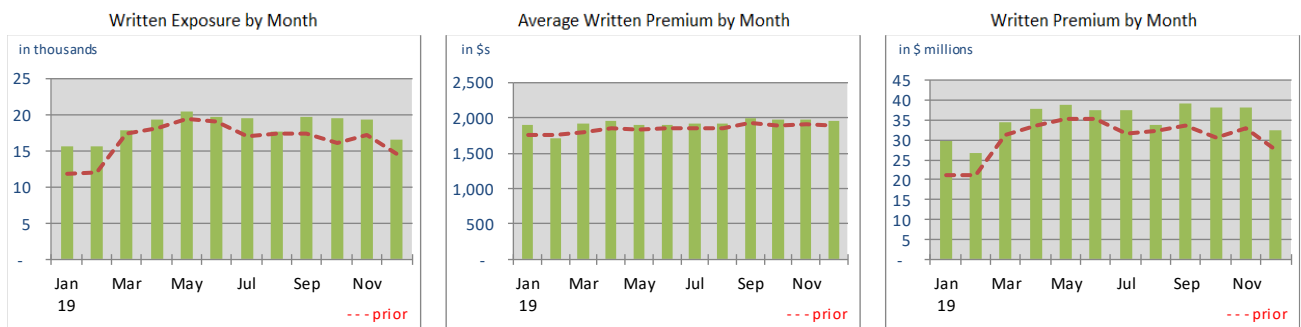
Summaries of the projections are provided at the top of the next page for **2018** and **2019**. In the charts, blue columns are actuals and green are projections. The dotted red line represents the values from the prior year. *Please take careful note of the scale in each chart, as we modify the scale to best fit the information being presented.*

⁷This process is updated quarterly – where a member changes their projection significantly from the previous quarter, FA management will ask the member to provide confirmation of the accuracy and reasonableness of the projection, but FA does not ask for, nor receive, information from members related to the “why” of their projections or changes of their projections, as this is deemed confidential.

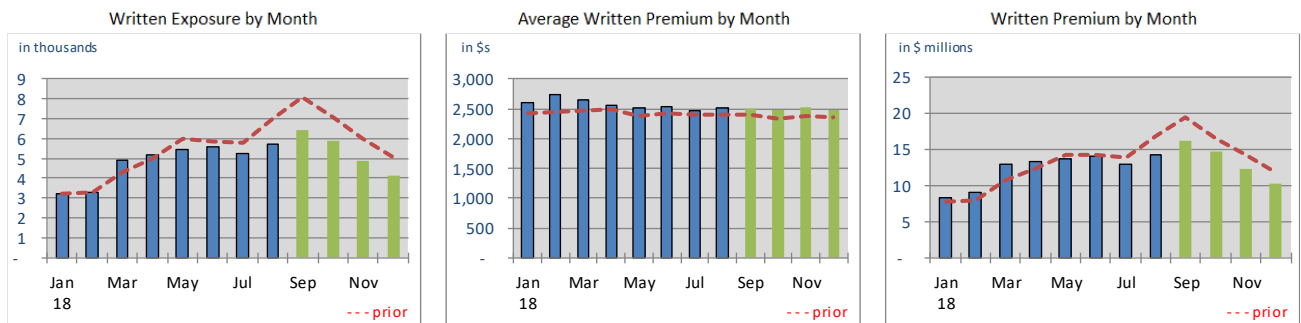
Ontario 2018 *projected count 197,592; approximate maximum that could be transferred: 380,000*



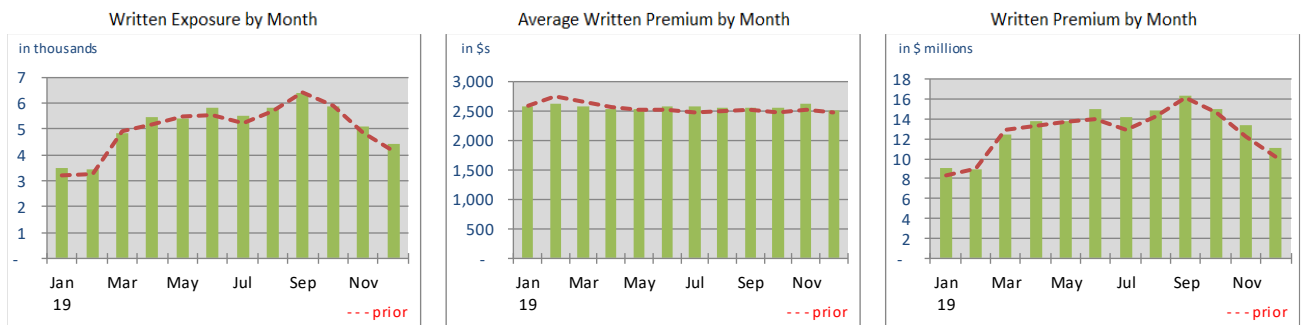
Ontario 2019 *projected count 221,112; approximate maximum that could be transferred: 380,000*



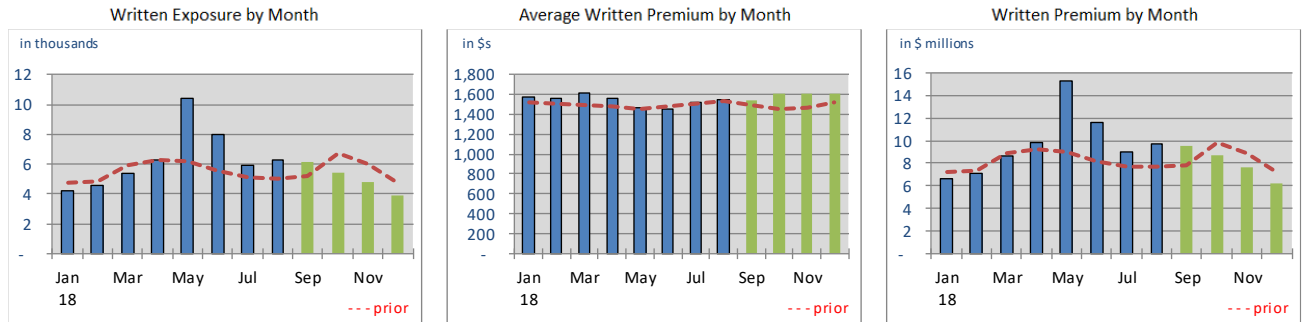
Alberta Grid 2018 *projected count 59,927; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)*



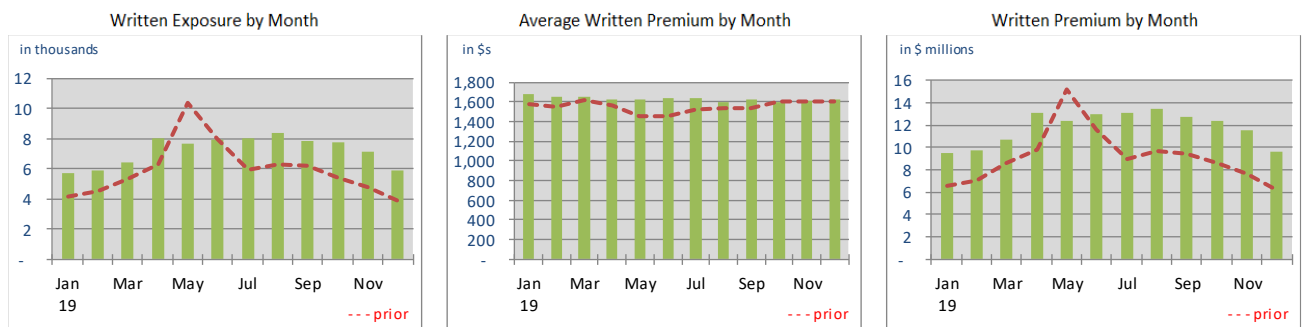
Alberta Grid 2019 *projected count 61,672; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)*



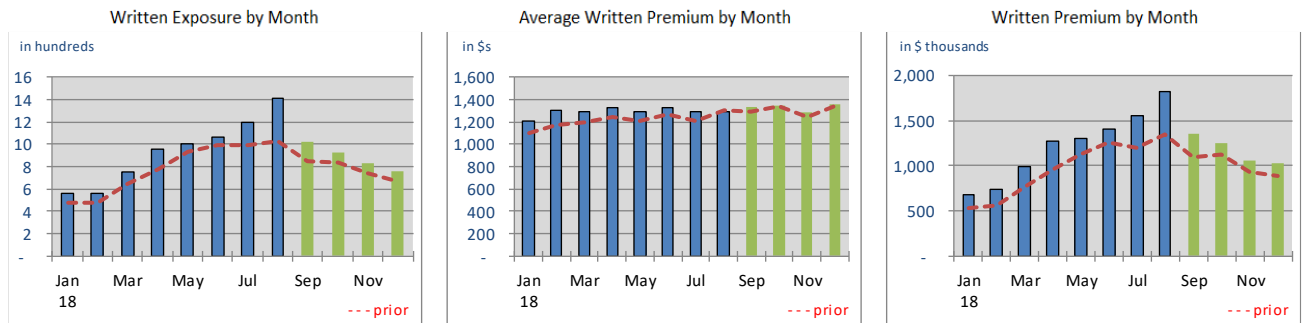
Alberta Non-Grid 2018 projected count **71,185**; approximate maximum that could be transferred: **105,000**



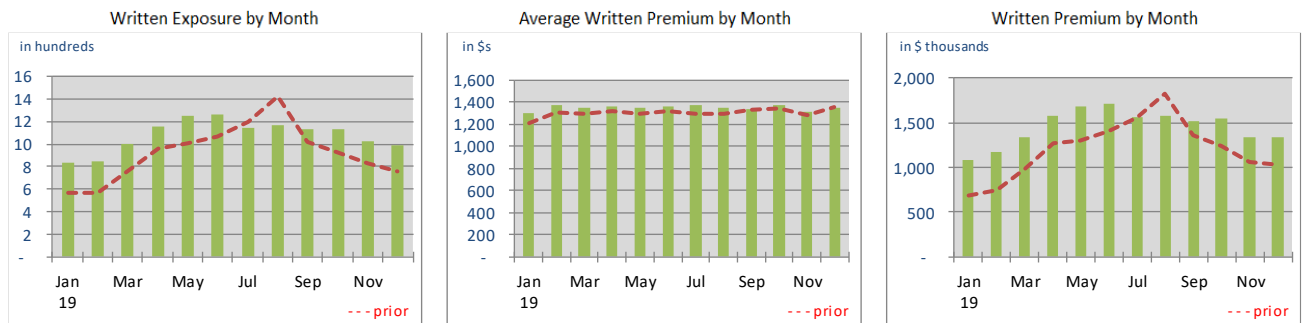
Alberta Non-Grid 2019 projected count **86,841**; approximate maximum that could be transferred: **105,000**



New Brunswick 2018 projected count **11,053**; approximate maximum that could be transferred: **40,000**

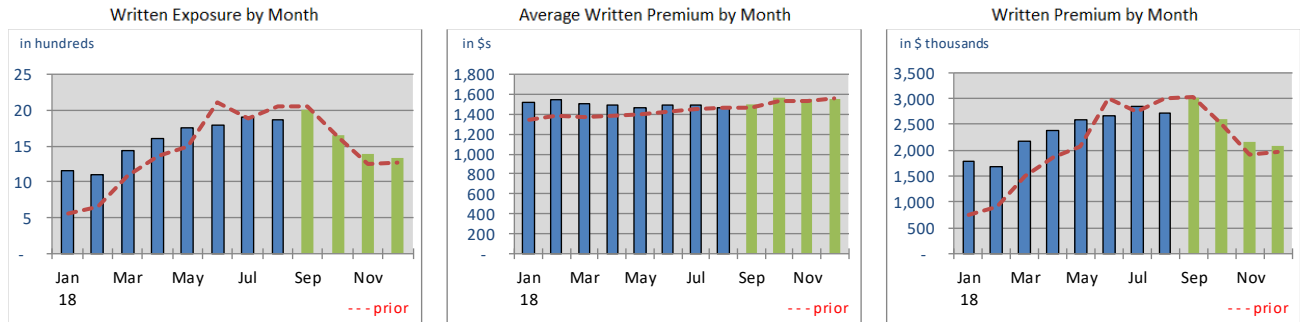


New Brunswick 2019 projected count **12,937**; approximate maximum that could be transferred: **40,000**

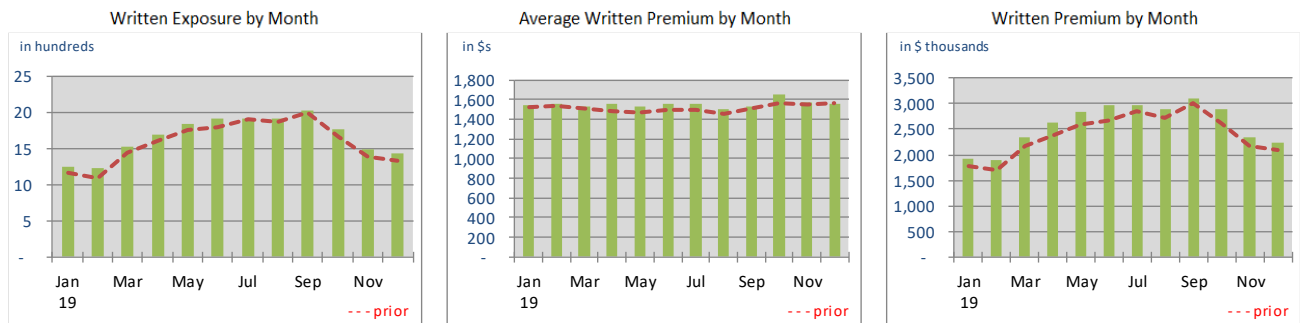


Nova Scotia 2018 projected count **18,999**; approximate maximum that could be transferred: **unknown (based on**

number of risks deemed “inexperienced”



Nova Scotia 2019 *projected count 20,004; approximate maximum that could be transferred: unknown (based on number of risks deemed “inexperienced”)*



Monthly earned premium was projected based on the known duration of the current unearned premium and from projected written premium based on the estimated average duration of policies.

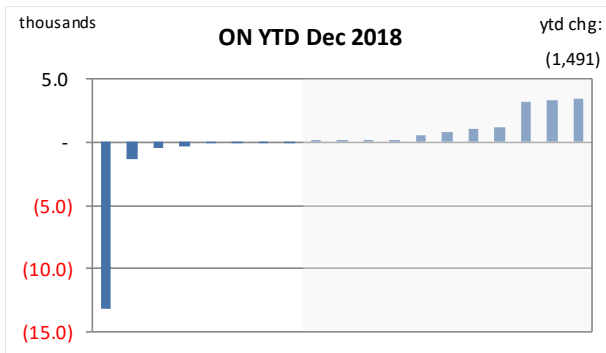
The table below summarizes the **2019** projected written and earned premium, and the change in both related to the current projection for **2018**.

Calendar Year 2019 Premium Comparisons (Amounts in \$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2019 Written Premium	424,778	158,031	141,592	17,463	31,089	772,953
Change from 2018	58,983	6,007	31,838	3,011	2,374	102,213
% Change from 2018	16.1%	4.0%	29.0%	20.8%	8.3%	15.2%
2019 Earned Premium	392,210	158,085	124,625	16,429	30,272	721,621
Change from 2018	36,795	(3,462)	18,345	3,186	2,660	57,524
% Change from 2018	10.4%	(2.1%)	17.3%	24.1%	9.6%	8.7%

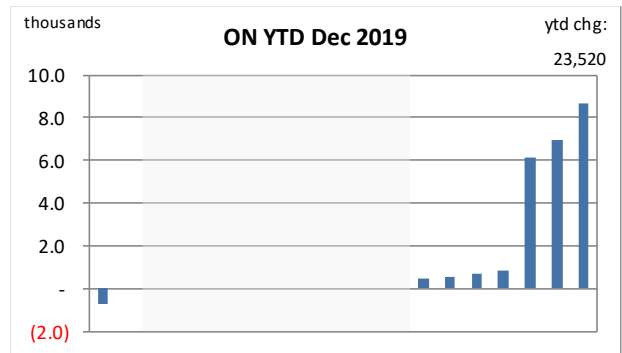
As usual, and as discussed in the opening, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested from the larger users quarterly, and FA management follows-up for confirmation of projected amounts where significant changes in a member’s projections occur (FA does not ask for, nor receive, information on the “why” of a member projection, as this is viewed as confidential – management simply asks for confirmation that the member themselves believe the projection to be reasonable).

For example, while there were 19 active⁸ member groups identified for the Ontario RSP, the 9 member groups providing explicit projections account for 96% of the Ontario RSP vehicle counts transferred for the 12-month period ending August 2018. For the Alberta Grid RSP, while there were 17 active member groups identified, the 7 member groups that provided explicit projections account for 86% of the Alberta Grid RSP vehicle counts transferred for the 12-month period ending August 2018.

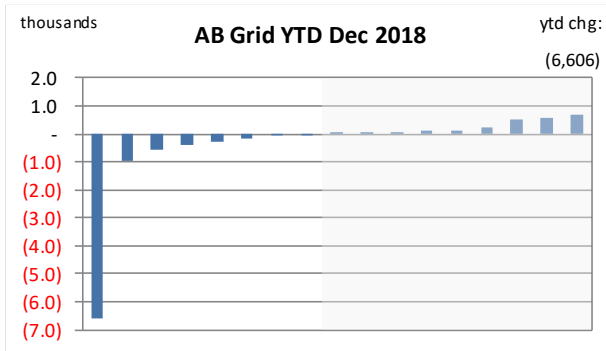
To provide some additional perspective on the projections, we've provided year-end projections summaries of the "decliners / growers" charts akin to those provided monthly in the Actuarial Highlights (changes in the background shading indicate a change among "decliners", "no changes" or "growers".)



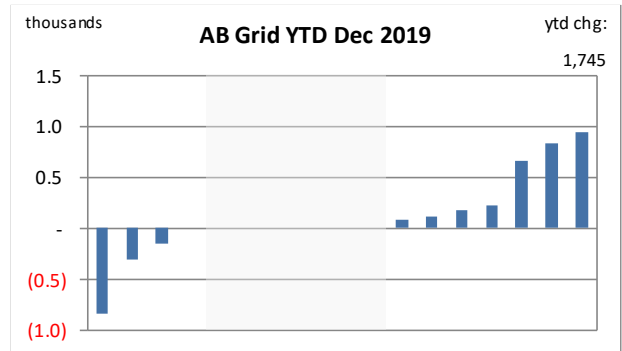
	# grps	chg
decliners:	8	(15,439)
no changers:	-	-
growers:	11	13,948



	# grps	chg
decliners:	2	(732)
no changers:	10	-
growers:	7	24,252

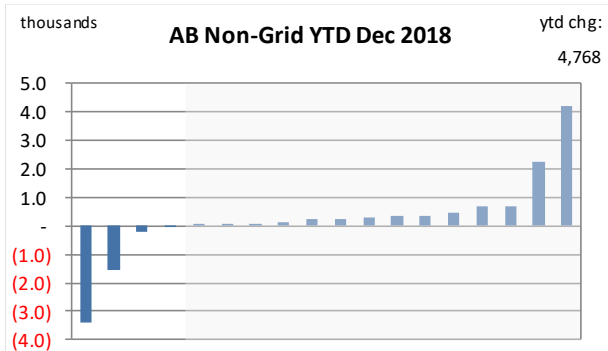


	# grps	chg
decliners:	8	(8,995)
no changers:	-	-
growers:	9	2,390

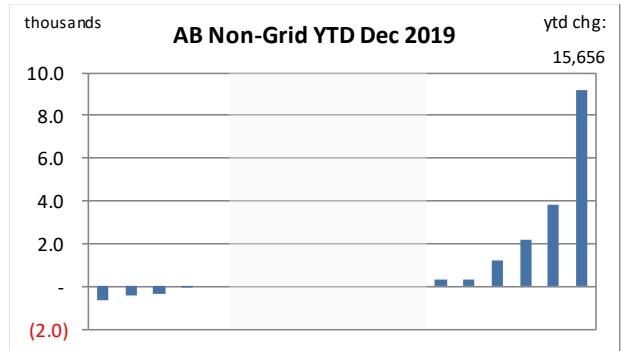


	# grps	chg
decliners:	4	(1,298)
no changers:	6	-
growers:	7	3,042

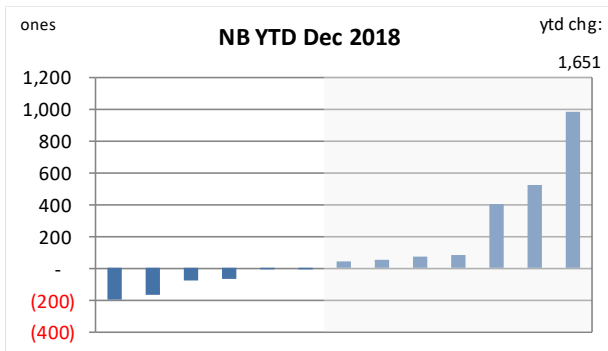
⁸We consider a member group to be "active" if they have non-zero transfer counts in at least 1 month in the current or prior calendar year. Members that are under common management for transfer limit purposes are considered a single "member group".



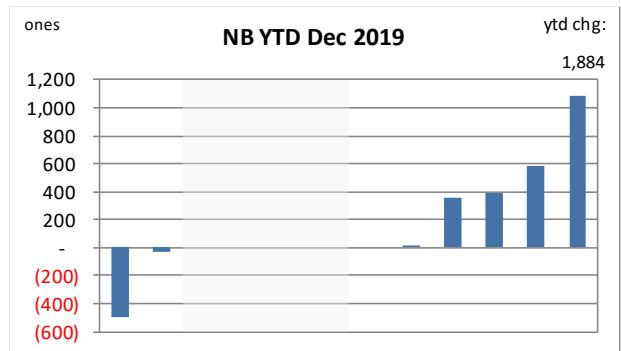
	# grps	chg
decliners:	4	(5,184)
no changers:	-	-
growers:	14	9,952



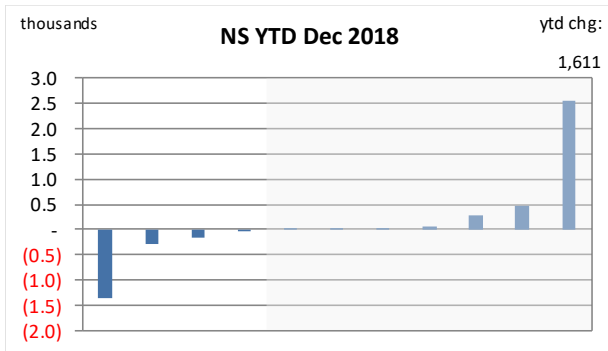
	# grps	chg
decliners:	5	(1,467)
no changers:	7	-
growers:	6	17,123



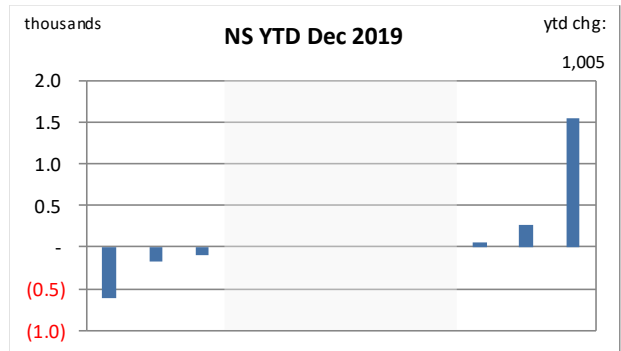
	# grps	chg
decliners:	6	(517)
no changers:	-	-
growers:	7	2,168



	# grps	chg
decliners:	2	(524)
no changers:	4	-
growers:	6	2,408



	# grps	chg
decliners:	4	(1,790)
no changers:	-	-
growers:	7	3,400



	# grps	chg
decliners:	3	(881)
no changers:	5	-
growers:	3	1,886

3.2 Claims Amounts

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at Jun 30, 2018. As per the Facility Association’s regular process, key elements of the valuations were reviewed with the Actuarial Committee, and presented to, and discussed with, the Audit & Risk Committee. The results were reflected in the August 2018 Operational Reports and discussed in the associated Actuarial Highlights.

For accident year (“AY”) **2019**, the estimated nominal loss ratios reflected in the RSP Outlook are “a priori” or “expected” loss ratios modeled based on the Mar 31, 2018⁹ valuation selections of ultimate claims incurred, augmented with updated estimated impacts of historical changes in average earned premium (particularly that attributed to rate changes), and historical claims amount levels (including loss cost trends and product reforms). It is important to note that **2019** is built from the **2018** a priori loss ratio – **not** from the current selected ultimate loss ratio for accident year **2018**. The a priori loss ratios are estimated at the coverage level and summed to arrive at the all coverages level.

a priori (aka "expected") Loss Ratio Comparisons						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Accident Year 2018 a priori LR	124.3%	91.2%	109.4%	73.1%	93.3%	<i>intentionally left blank</i>
divide by ep factor	1.023	1.037	1.035	1.003	1.021	
multiply by clms factor	1.046	1.031	1.032	1.024	1.056	
multiply by rounding correction	1.000	1.000	1.000	1.000	1.000	
Accident Year 2019 a priori LR	127.1%	90.7%	109.1%	74.6%	96.5%	

For the sake of brevity in presentation, we’ve included a single table displaying the accident year loss ratios used in the projections, as well as charts showing loss ratios by accident half-year, rolled up to the government line and total levels (a priori loss ratio selections are made at the coverage and accident half-year level).

⁹The a priori loss ratios are derived at the start of the valuation process, prior to updating for current actual results. The ultimates used for this process are based on the most recently completed valuations. For roll-forward valuations, a priori LRs are not always updated, but rather brought forward from the prior full valuation. Hence, the a priori loss ratios used for the Jun 30, 2018 valuation reflected selections of ultimate from the Mar 31, 2018 valuation for all RSPs.

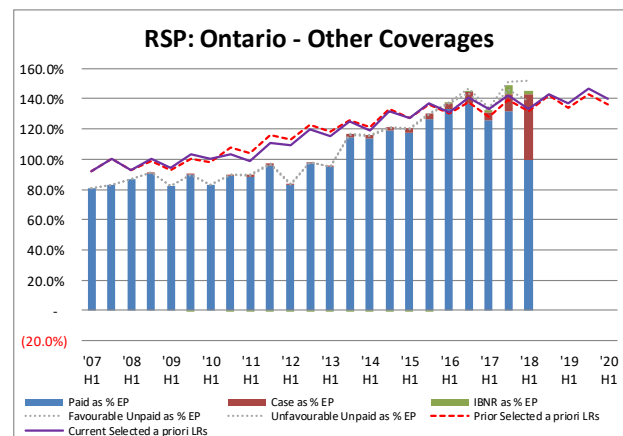
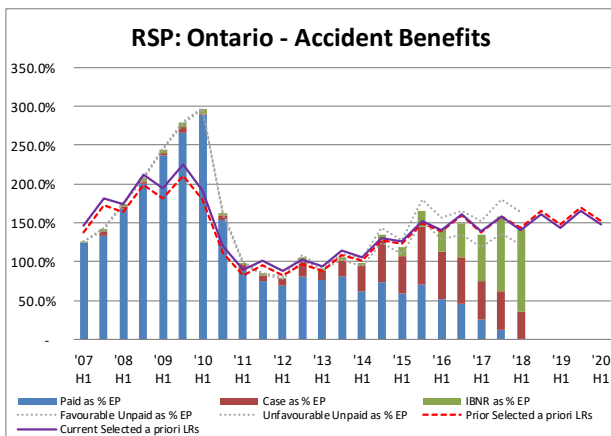
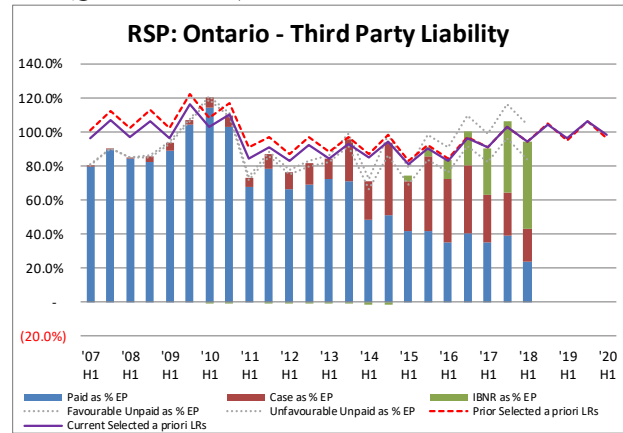
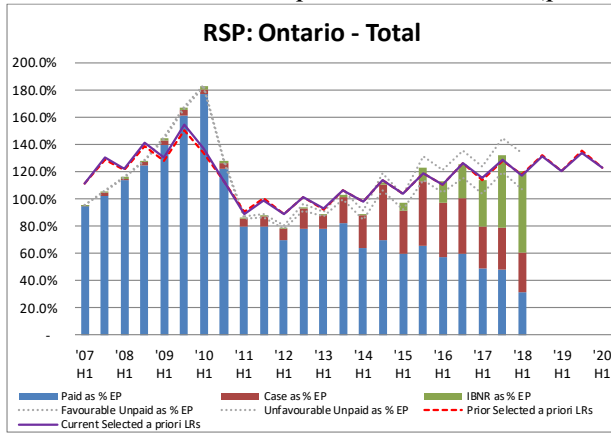
Selected Loss Ratios – table 1

Loss Ratios Accident Year	RSP ON			RSP AB Grid			RSP AB Non-Grid		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
1993	92,972	105,012	113.0%	-	-	-	-	-	-
1994	200,791	211,511	105.3%	-	-	-	-	-	-
1995	235,451	206,286	87.6%	-	-	-	-	-	-
1996	197,412	181,613	92.0%	-	-	-	-	-	-
1997	152,922	111,259	72.8%	-	-	-	-	-	-
1998	103,106	84,630	82.1%	-	-	-	-	-	-
1999	68,831	80,032	116.3%	-	-	-	-	-	-
2000	69,659	84,990	122.0%	-	-	-	-	-	-
2001	80,047	100,903	126.1%	-	-	-	-	-	-
2002	113,770	134,164	117.9%	-	-	-	-	-	-
2003	142,680	129,990	91.1%	-	-	-	-	-	-
2004	165,860	128,950	77.7%	47,289	24,418	51.6%	558	1,948	349.1%
2005	158,965	117,185	73.7%	268,326	159,149	59.3%	24,923	24,269	97.4%
2006	163,889	164,751	100.4%	298,762	198,159	66.3%	73,869	64,594	87.4%
2007	180,957	181,488	100.2%	308,216	217,701	70.6%	70,461	71,696	101.8%
2008	214,486	260,828	121.5%	287,800	193,053	67.1%	76,378	77,227	101.1%
2009	224,096	348,077	154.8%	259,258	156,497	60.4%	71,791	68,446	95.3%
2010	284,367	434,232	152.7%	219,022	135,206	61.7%	72,936	61,046	83.9%
2011	280,097	244,501	87.3%	200,097	132,803	66.4%	78,509	65,314	83.5%
2012	301,958	260,851	86.2%	183,212	135,116	73.7%	77,274	79,012	102.2%
2013	299,210	286,056	95.7%	146,820	111,982	76.3%	81,130	80,173	98.9%
2014	270,934	271,517	100.0%	144,701	123,980	85.7%	84,035	92,980	110.7%
2015	262,720	287,698	109.1%	146,737	139,708	95.2%	89,819	90,171	99.8%
2016	269,606	320,849	118.4%	130,988	130,225	99.4%	90,249	107,050	115.8%
2017	374,888	452,691	120.0%	149,736	137,775	92.0%	97,114	112,259	113.0%
2018			126.5%			91.8%			112.1%
2019			127.1%			90.7%			109.1%
2020			130.1%			92.7%			111.7%
	exp allowance:	future service cost:		exp allowance:	future service cost:		exp allowance:	future service cost:	
prem liab (FY2018)	29.90%	0.24%		29.70%	0.32%		29.70%	0.48%	
prem liab (FY2019)	29.00%	0.22%		31.10%	0.33%		31.10%	0.52%	

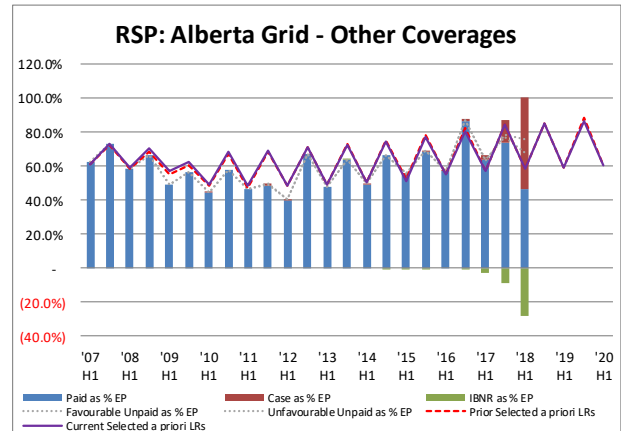
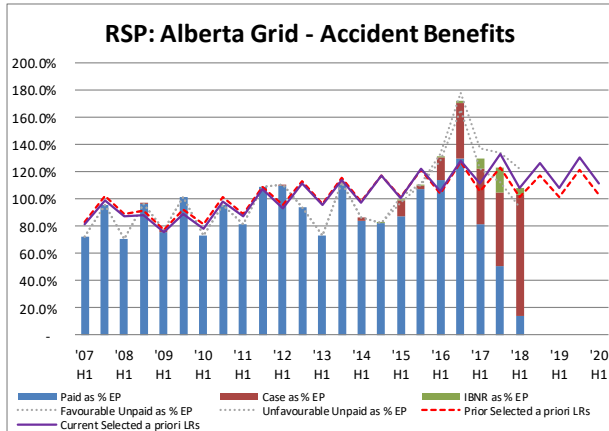
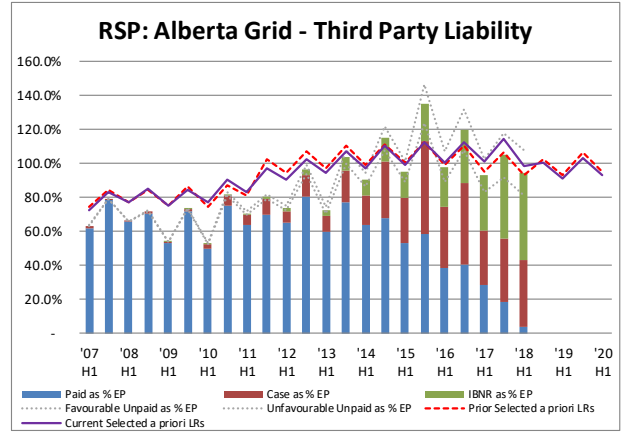
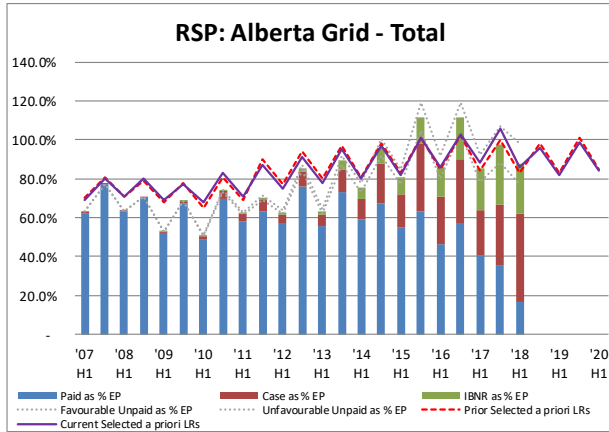
Selected Loss Ratios – table 2

Loss Ratios Accident Year	RSP NB			RSP NS		
	EP in \$000s	Sel Ult in \$000s	Selected LR	EP in \$000s	Sel Ult in \$000s	Selected LR
2005	4,932	4,145	84.0%	-	-	-
2006	11,215	5,966	53.2%	-	-	-
2007	12,451	8,974	72.1%	2,057	1,109	53.9%
2008	12,180	9,297	76.3%	10,620	7,252	68.3%
2009	13,459	11,134	82.7%	14,065	8,970	63.8%
2010	11,900	6,989	58.7%	14,454	10,697	74.0%
2011	10,010	8,343	84.5%	12,312	11,016	89.5%
2012	10,052	5,628	55.8%	13,197	14,196	107.3%
2013	10,403	7,791	74.7%	13,787	12,502	89.2%
2014	9,542	6,490	67.9%	13,172	11,161	84.4%
2015	10,180	7,174	66.0%	14,026	11,461	81.1%
2016	9,958	7,531	70.5%	14,853	13,601	87.7%
2017	10,774	9,060	83.1%	19,079	18,097	93.1%
2018			74.2%			93.6%
2019			74.6%			96.5%
2020			75.1%			99.5%
	exp allowance:	future service cost:		exp allowance:	future service cost:	
prem liab (FY2018)	28.60%		2.55%	30.20%		1.75%
prem liab (FY2019)	30.10%		2.60%	31.00%		1.60%

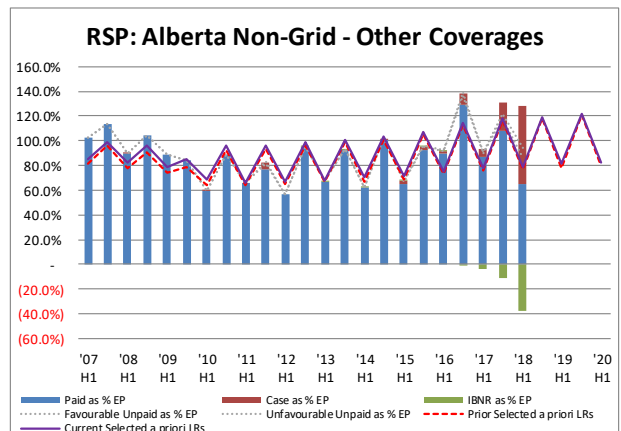
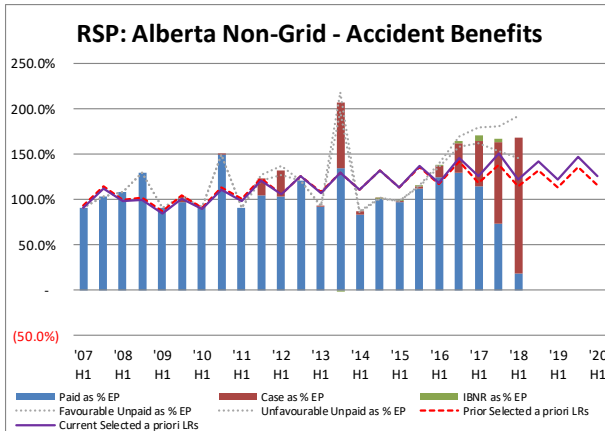
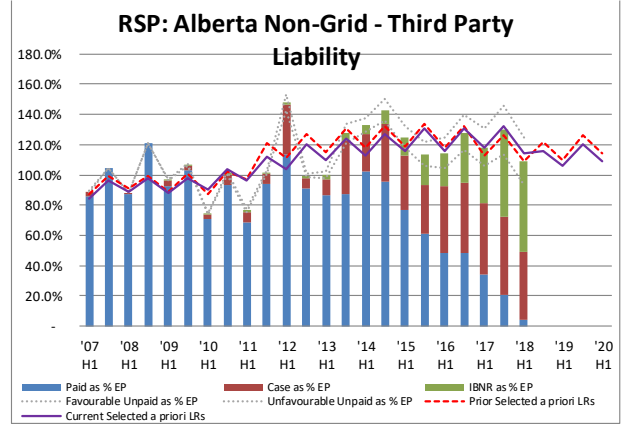
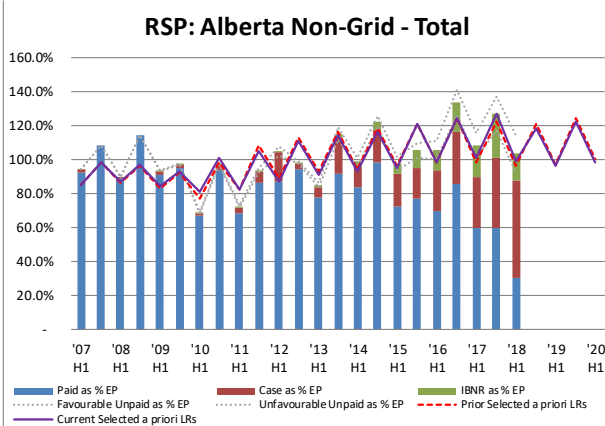
Ontario – Actual and a priori Loss Ratios (per the 2018 Q2 valuation)



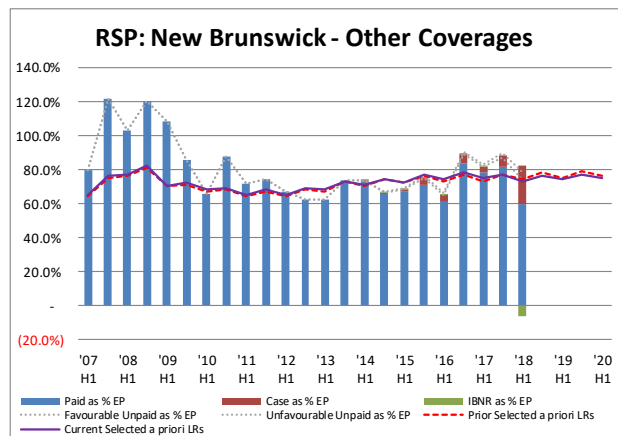
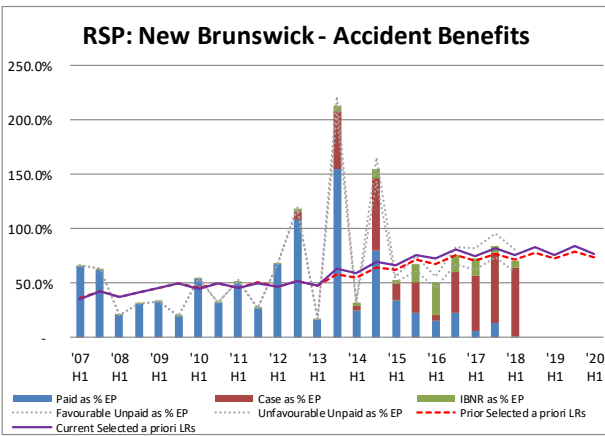
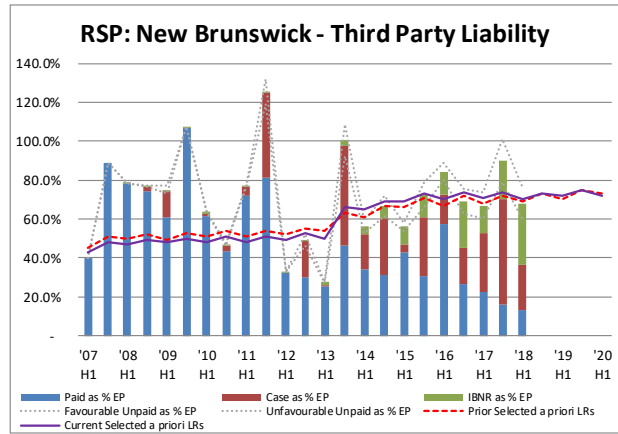
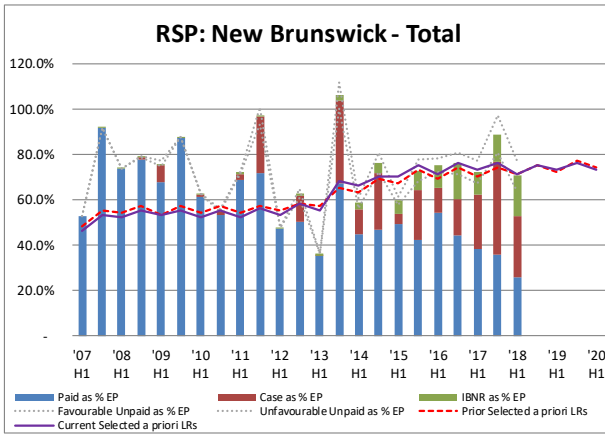
Alberta Grid – Actual and a priori Loss Ratios (per the 2018 Q2 valuation)



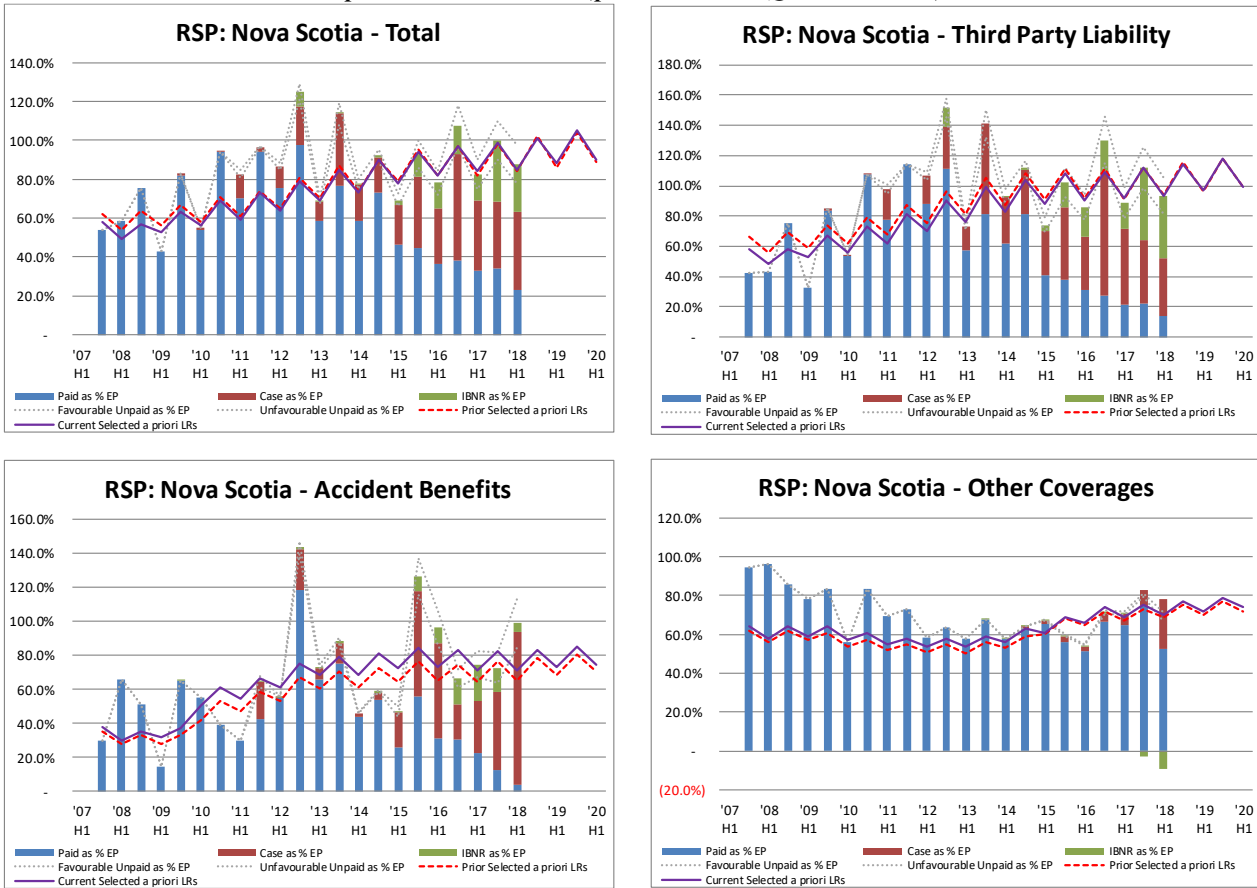
Alberta Non-Grid – Actual and a priori Loss Ratios (per the 2018 Q2 valuation)



New Brunswick – Actual and a priori Loss Ratios (per the 2018 Q2 valuation)



Nova Scotia – Actual and a priori Loss Ratios (per the 2018 Q2 valuation)



The operating results for calendar year **2018** include actual development on accident years 2018 and prior incurred claims amounts, up to and including activity in the month of August 2018. No further nominal development (favourable or unfavourable) is projected for the remainder of the calendar year (actuarial present value adjustments are expected to change as nominal claims liabilities are unwound with claims settlement). Similarly, no nominal prior accident year development is projected during Calendar Year **2019**, but actuarial present value adjustment changes are projected to occur as claims liabilities are unwound. The discount rates and margins for adverse development are unchanged throughout the projection period.

3.3 Simulated 2019 Accident Year Nominal Loss Ratio

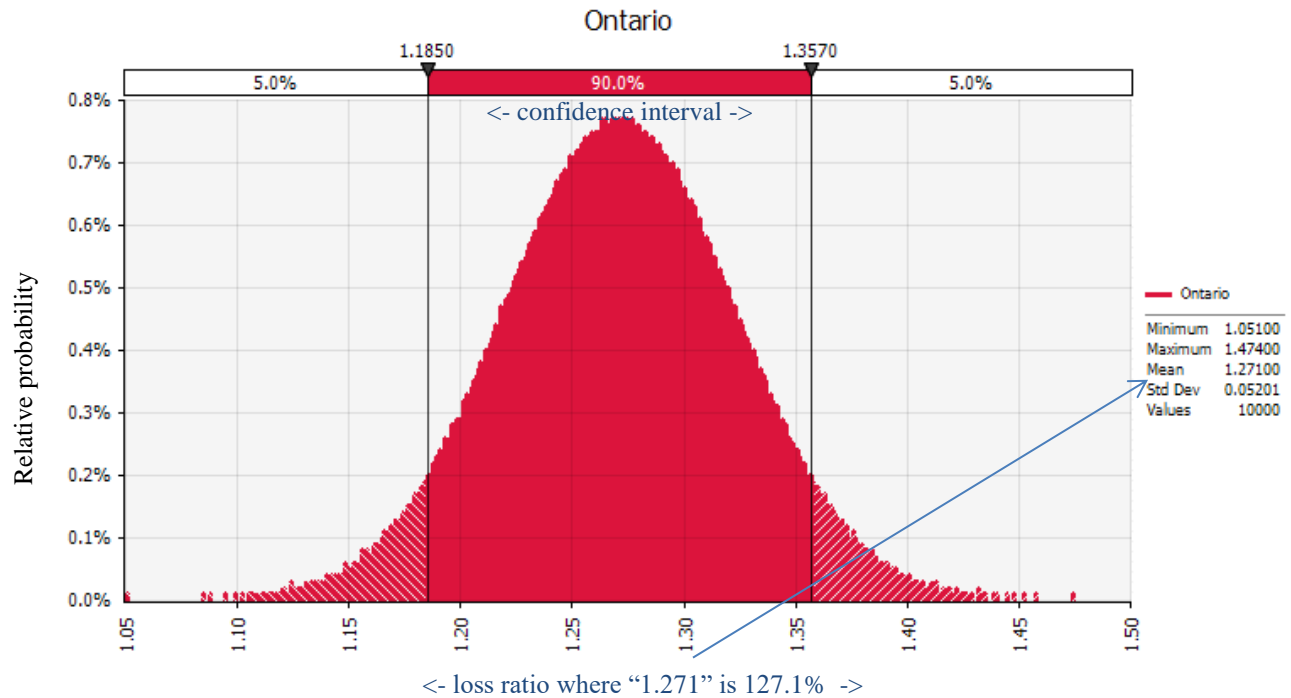
The overall “normal course” nominal loss ratio for accident year **2019** for each RSP could be modelled using a normal distribution with a mean set at the a priori loss ratio and standard deviations¹⁰ based on our a priori loss ratios (indemnity only) by accident half for 2007-2016 put on-level, and smoothed. This would not necessarily take into account “stress” events and users are strongly urged to consider “stress” scenarios in addition to these “normal course” simulated loss ratios. Further, this assumes

¹⁰These standard deviations are estimated from on-level a priori loss ratios for each RSP under “base line” assumptions – not “stressed” assumptions.

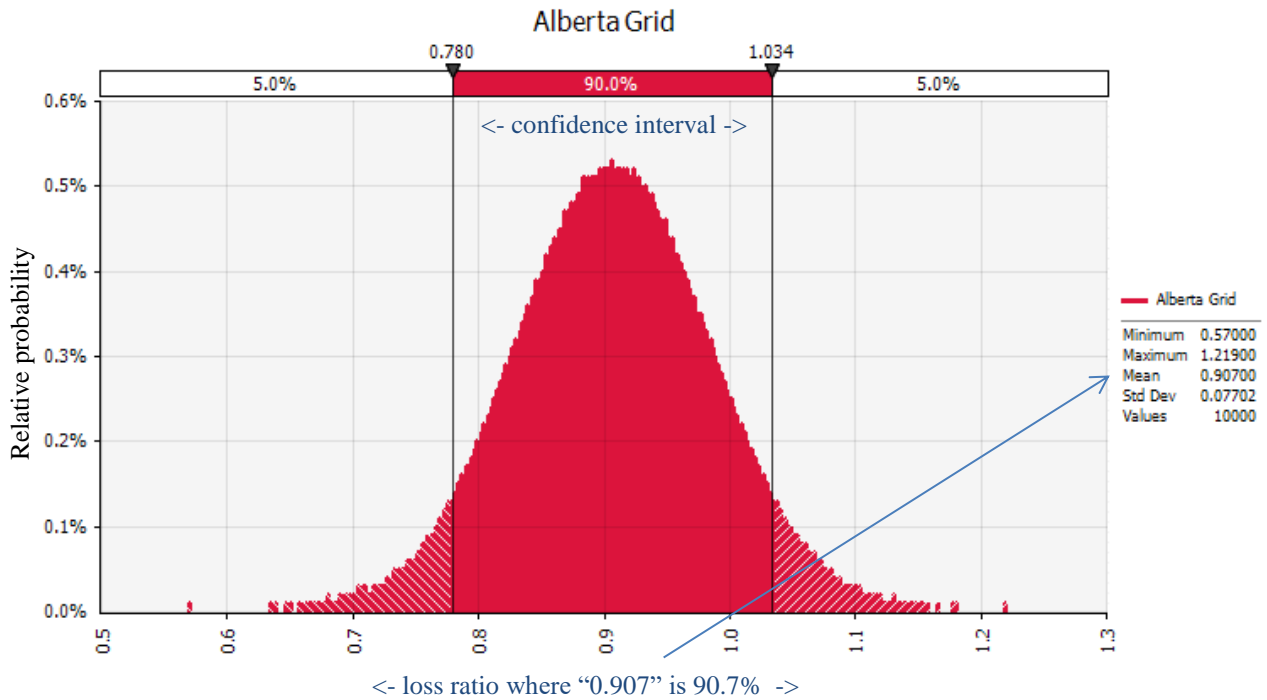
that the baseline a priori estimates will prove to be the “best estimate” loss ratio for accident year **2019** – this estimate may change over time due to modelling differences and changes in historical loss ratios etc. that are used to derive this estimate.

Histograms for the loss ratio modeling by RSP for accident year **2019** is presented below based on latin hypercube sampling (10,000 samples) using @risk simulation software, and again, assuming loss ratios follow a normal distribution under “non-stressed” scenarios.

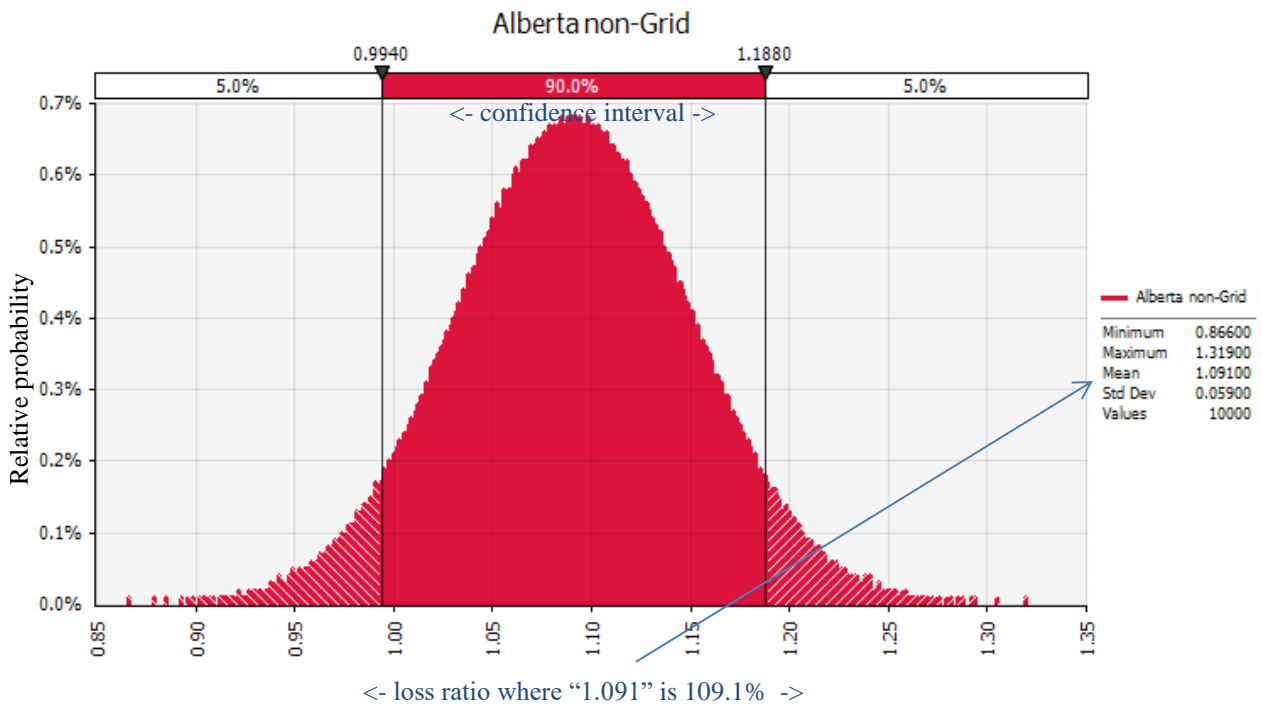
Projection Summary – Ontario RSP Accident Year 2019 Nominal Loss Ratio (non-stressed)



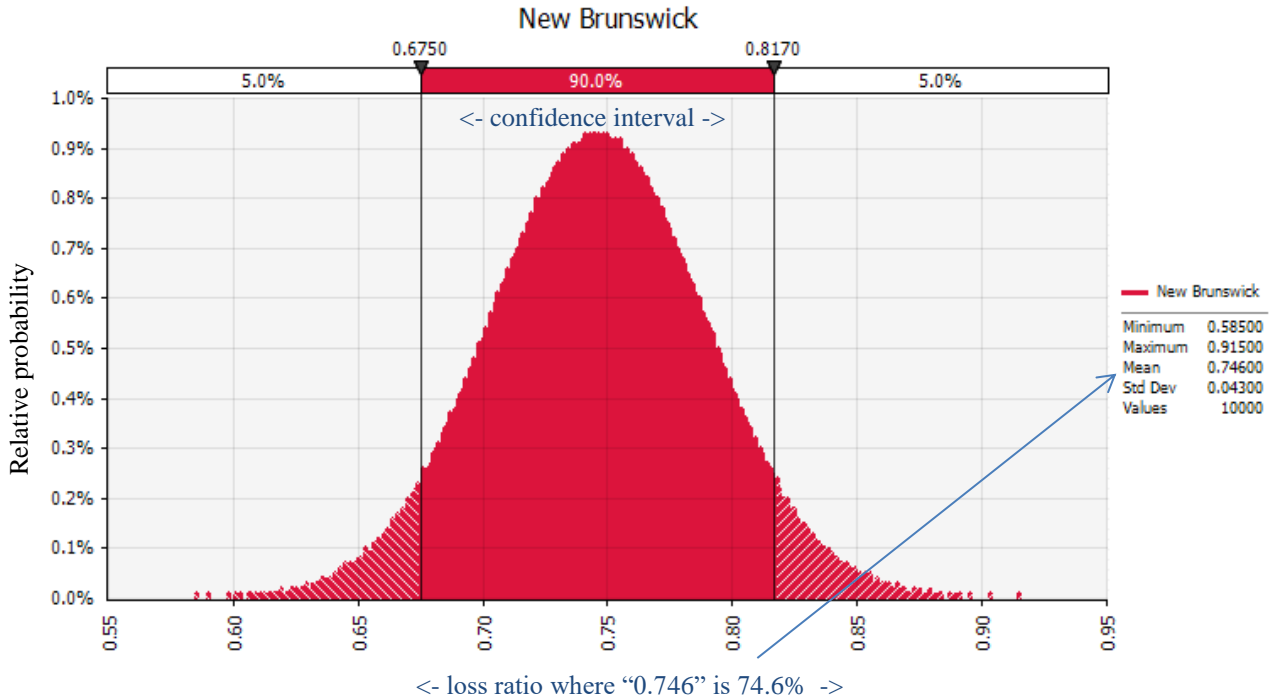
Projection Summary – Alberta Grid RSP Accident Year 2019 Nominal Loss Ratio (non-stressed)



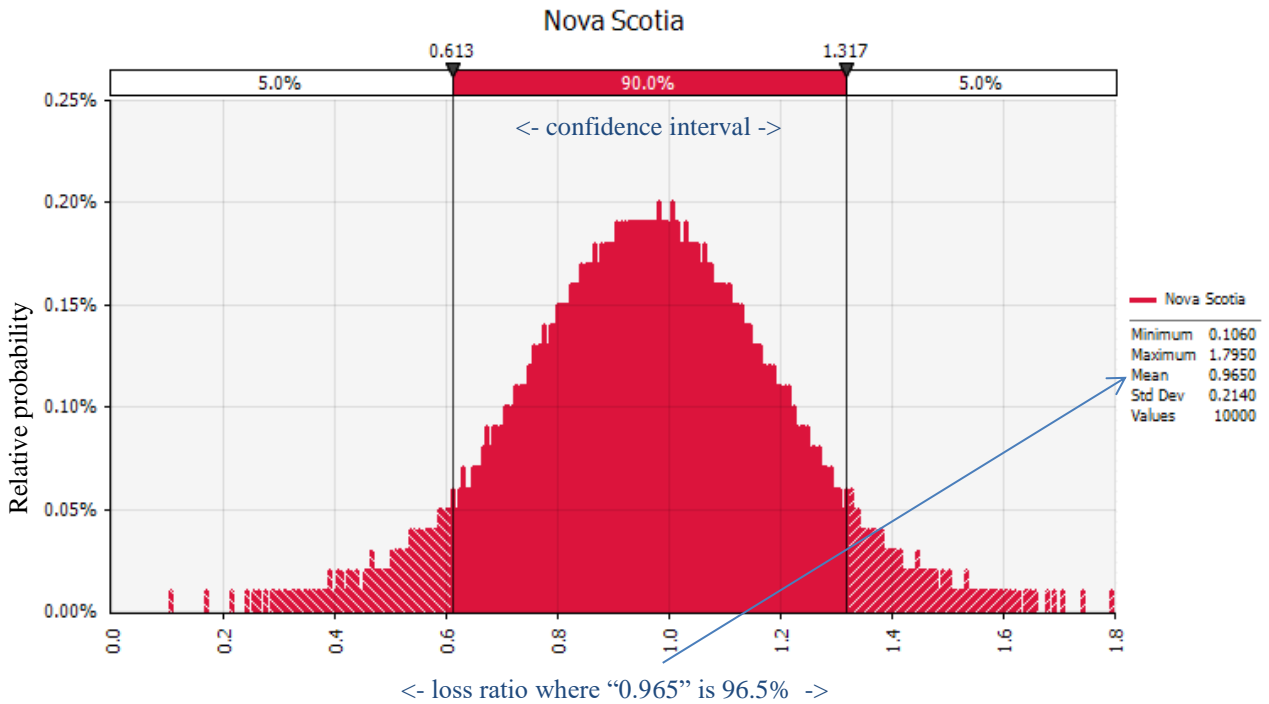
Projection Summary – Alberta Non-Grid RSP Accident Year 2019 Nominal Loss Ratio (non-stressed)



Projection Summary – New Brunswick RSP Accident Year 2019 Nominal Loss Ratio (non-stressed)



Projection Summary – Nova Scotia RSP Accident Year 2019 Nominal Loss Ratio (non-stressed)



The preceding histograms of simulated results for the RSPs' 2019 accident year nominal loss ratios

were based on simulated (generated) loss ratios assuming the base line loss ratios and associated standard deviations as presented in the next table.

Projection Summary – Accident Year 2019 Nominal Loss Ratio – Generator Assumptions

Facility Association
 a priori LRs - distribution estimates
 for valuation: **Jun 30, 2018**
 RSP: **ALL**
 Amounts in: \$1,000s

Jurisdiction	2019 From Projection			From a priori Model		Scenario Claims	
	EP	CAY Loss Ratios (nominal)	CAY claims	Loss Ratio coefficient of variation	estimated Loss Ratio std dev	generated claims	generated Claims Ratio
Ontario	392,210	127.1%	498,499	4.1%	5.2%	498,499	127.1%
Alberta Grid	158,085	90.7%	143,383	8.5%	7.7%	143,383	90.7%
Alberta non-Grid	124,625	109.1%	135,966	5.4%	5.9%	135,966	109.1%
New Brunswick	16,429	74.6%	12,256	5.7%	4.3%	12,256	74.6%
Nova Scotia	30,272	96.5%	29,212	22.2%	21.4%	29,212	96.5%
ALL	721,621	113.5%	819,316	5.3%	6.0%	819,316	113.5%

Please see section 3.2 for a priori loss ratios and associated charts by RSP.

3.4 Expenses

Expense allowances are the amounts paid to Members as a percentage of (written) premiums transferred to an RSP, in respect of commissions and other underwriting expenses, as well as claims adjustment expenses. The expense allowance ratios applied to the estimated premiums transferred during Calendar Year **2019** were selected as follows:

- **Ontario RSP.** The expense allowance ratios vary by Member, subject to a maximum (as approved annually by the FA Board) with the calendar year 2018 maximum communicated to Members in Bulletin F17-068 and the Calendar Year 2019 maximum via Bulletin F18-067.
- **Other RSPs.** The expense allowances for each calendar year and RSP are approved annually by the FA Board. The calendar year 2018 ratios are those approved as communicated to Members in Bulletins F17-069 (Alberta), F17-070 (New Brunswick), and F17-071 (Nova Scotia). The Calendar Year 2019 ratios are those as communicated in Bulletins F18-068 (Alberta), F18-069 (New Brunswick), and F18-070 (Nova Scotia).

The table at the top of the next page summarizes the approved expense factors by RSP.

RSP / Jurisdiction	Approved Expense Factor CY 2019*	Approved Expense Factor CY 2018	Comments
Ontario (expense cap)	31.0% with prof fee ratio increased to 4.0%	32.0% with prof fee ratio increased to 3.0%	<u>d</u> ecrease in cap, but <u>i</u> ncrease the professional fee offset by 1 point to 4.0% estimated effective expense ratio assumption is 30.0% for CY 2018 and 29.0% for CY 2019
Alberta	31.1%	29.7%	<u>i</u> ncrease by 1.4 percentage points due to increases in both non-claims and claims expense ratios
New Brunswick	30.1%	28.6%	<u>i</u> ncrease by 1.5 percentage points due to increases in both non-claims and claims expense ratios
Nova Scotia	31.0%	30.2%	<u>i</u> ncrease by 0.8 percentage point due to increases in both non-claims and claims expense ratios

**approved by FA Board August 2018*

Calendar Year **2019** changes in premium deficiency / (deferred policy acquisition costs) are estimated by applying loss ratios and future servicing cost ratios to the starting and ending projected unearned premiums. The underlying premium deficiency ratios were derived on the basis of the expected loss ratios for accident year **2019** and **2020** as applicable, and expected future servicing costs estimated at the rate of 50% of administration expenses. Where the sum of these ratios was less than 100% (i.e. thus giving rise to an asset rather than a liability), the asset value was capped on the basis of the expense allowance ratio.

Administration Expenses for Calendar Year **2019** were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years.

Calendar Year 2019 Expense Ratio Projections						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Expense Allowance (% WP)	29.0%	31.1%	31.1%	30.1%	31.0%	29.9%
Administrative Expense (% WP)	0.4%	0.7%	1.0%	5.2%	3.2%	0.8%
prem def / (dpac) (% UP)	41.0%	(1.8%)	18.3%	(18.7%)	6.8%	n/a

3.5 Operating Cash Flows

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$156.8 million for Calendar Year **2019** as presented in the table at the top of the next page. Differences between the Calendar Year **2019** projection and the calendar year **2018** projections are minor, notwithstanding the increase in premium for **2019** over **2018**, largely as claims payments are also expected to increase in **2019** over **2018**. Should volumes not change during **2019** as anticipated or payments prove higher

than expected, net operating cash flows would be adversely impacted.

Projection Summary – Calendar Year 2019 – Net Operating Cash Flows

Calendar Year 2019 Net Operating Cash Flow Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	424,778	158,031	141,592	17,463	31,089	772,953
PAYs Paid Claims						
paid indemnity	201,670	76,999	46,757	3,106	8,280	336,812
paid allowed claims expense	33,313	11,169	5,233	1,320	1,077	52,112
PAYs Paid Claims	234,983	88,168	51,990	4,426	9,357	388,924
CAYs Paid Claims						
paid indemnity	177,664	48,555	61,001	4,587	9,311	301,118
paid allowed claims expense	1,795	195	184	9	37	2,220
CAYs Paid Claims	179,459	48,750	61,185	4,596	9,348	303,338
All AYs Paid Claims						
paid indemnity	379,334	125,554	107,758	7,693	17,591	637,930
paid allowed claims expense	35,108	11,364	5,417	1,329	1,114	54,332
All AYs Paid Claims	414,442	136,918	113,175	9,022	18,705	692,262
"Cash" Expenses						
Member Expense Allowance	123,184	49,149	44,032	5,253	9,636	231,254
Administrative Expenses	1,865	1,043	1,472	908	994	6,282
"Cash" Expenses	125,049	50,192	45,504	6,161	10,630	237,536
2019 Net Operating Cash Flow	(114,713)	(29,079)	(17,087)	2,280	1,754	(156,845)
2018 Net Operating Cash Flow						
Oct. 3, 2017 Outlook	(89,802)	(20,233)	(35,538)	2,635	8,969	(133,969)
Aug 31, 2018 Projection	(103,641)	(30,746)	(17,808)	700	2,903	(148,592)

Net operating cash flows are settled with members monthly based on their premium / claims payments transferred to the RSPs and for shares by accident year of the overall cash flows.

Historic net operating cash flows by RSP are presented in the tables that follow for reference.

Ontario RSP Historic Operating Cash Flows by Share Year

\$millions	RSP Ontario					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	362.5	336.1	239.0	278.6	277.6	308.7
expense allowance	110.8	99.7	70.5	87.0	84.1	90.9
administration	1.4	1.3	1.3	1.2	1.4	1.4
prem net of expenses	250.3	235.0	167.2	190.4	192.1	216.4
paid claims						
PAYs indemnity	174.2	177.7	165.8	155.1	163.6	163.1
PAY claims expenses	18.0	24.3	23.4	25.5	24.5	21.3
CAY indemnity	149.2	101.5	87.7	80.9	80.9	71.2
CAY clms expenses	0.7	0.5	0.5	1.1	1.2	1.2
all yrs indemnity	323.3	279.2	253.5	235.9	244.5	234.3
all yrs clms expenses	18.6	24.8	23.9	26.6	25.7	22.5
total claims & expenses paid	342.0	303.9	277.4	262.5	270.2	256.9
operating cash flow	(91.7)	(68.9)	(110.2)	(72.2)	(78.1)	(40.4)

values are carried in table to 3 decimals - rounding differences may result

Alberta Grid RSP Historic Operating Cash Flows by Share Year

\$millions	RSP Alberta Grid					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	160.0	148.5	138.3	155.8	135.9	160.3
expense allowance	46.2	44.7	39.1	44.4	38.1	47.0
administration	1.0	0.9	0.8	0.8	0.8	0.8
prem net of expenses	112.8	102.8	98.3	110.6	96.9	112.5
paid claims						
PAYs indemnity	81.0	68.7	79.4	81.3	84.9	74.8
PAY claims expenses	4.8	5.6	5.7	6.1	6.2	6.8
CAY indemnity	45.4	39.5	47.2	42.5	42.7	51.8
CAY clms expenses	0.2	0.1	0.2	0.2	0.2	0.3
all yrs indemnity	126.4	108.3	126.6	123.8	127.6	126.5
all yrs clms expenses	4.9	5.7	5.9	6.3	6.3	7.1
total claims & expenses paid	131.3	114.0	132.5	130.1	133.9	133.6
operating cash flow	(18.5)	(11.1)	(34.2)	(19.5)	(37.0)	(21.2)

values are carried in table to 3 decimals - rounding differences may result

Alberta Non-Grid RSP Historic Operating Cash Flows by Share Year

\$millions	RSP Alberta Non-Grid					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	99.0	99.7	86.0	88.4	81.9	80.8
expense allowance	28.6	30.0	24.3	25.2	23.0	23.7
administration	1.0	0.9	0.8	0.8	0.8	0.8
prem net of expenses	69.4	68.8	60.9	62.5	58.1	56.3
paid claims						
PAYs indemnity	53.7	42.5	41.8	39.0	33.8	31.4
PAY claims expenses	2.2	2.5	2.4	2.5	2.4	2.1
CAY indemnity	48.8	49.7	40.0	40.5	34.2	31.0
CAY clms expenses	0.2	0.1	0.1	0.1	0.1	0.1
all yrs indemnity	102.5	92.1	81.9	79.5	68.1	62.4
all yrs clms expenses	2.4	2.6	2.5	2.6	2.5	2.3
total claims & expenses paid	104.9	94.8	84.4	82.1	70.6	64.7
operating cash flow	(35.5)	(26.0)	(23.5)	(19.7)	(12.5)	(8.4)

values are carried in table to 3 decimals - rounding differences may result

New Brunswick RSP Historic Operating Cash Flows by Share Year

\$millions	RSP New Brunswick					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	11.8	9.7	11.2	9.5	9.6	11.3
expense allowance	3.7	3.4	3.9	3.1	3.2	3.9
administration	0.6	0.5	0.5	0.5	0.5	0.6
prem net of expenses	7.4	5.8	6.8	5.9	5.9	6.9
paid claims						
PAYs indemnity	3.3	2.6	2.5	3.1	5.3	3.2
PAY claims expenses	0.4	0.4	0.5	0.5	0.5	0.5
CAY indemnity	3.5	3.2	3.4	3.0	2.9	2.7
CAY clms expenses	0.0	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	6.7	5.8	6.0	6.1	8.2	5.9
all yrs clms expenses	0.4	0.4	0.5	0.5	0.5	0.5
total claims & expenses paid	7.1	6.3	6.5	6.7	8.8	6.4
operating cash flow	0.3	(0.4)	0.2	(0.7)	(2.9)	0.5

values are carried in table to 3 decimals - rounding differences may result

Nova Scotia RSP Historic Operating Cash Flows by Share Year

\$millions	RSP Nova Scotia					
	Share (i.e. Calendar) Year					
	2017	2016	2015	2014	2013	2012
written premium	25.3	15.2	14.5	13.6	13.0	15.0
expense allowance	7.8	5.3	5.0	4.5	4.4	5.1
administration	0.6	0.5	0.5	0.4	0.5	0.5
prem net of expenses	16.9	9.4	9.0	8.7	8.2	9.4
paid claims						
PAYs indemnity	6.8	4.9	5.8	5.2	5.6	5.0
PAY claims expenses	0.5	0.6	0.3	0.3	0.3	0.2
CAY indemnity	5.6	3.8	3.9	4.0	4.4	4.2
CAY clms expenses	0.0	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	12.3	8.7	9.7	9.2	10.0	9.2
all yrs clms expenses	0.5	0.6	0.3	0.3	0.3	0.2
total claims & expenses paid	12.8	9.3	10.0	9.5	10.4	9.4
operating cash flow	4.0	0.1	(1.1)	(0.9)	(2.2)	(0.1)

values are carried in table to 3 decimals - rounding differences may result

4. EXHIBITS

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

EXHIBIT A Key Assumptions (counts, premium, loss ratios)

- A-1 Ontario
- A-2 Alberta Grid
- A-3 Alberta Non-Grid
- A-4 New Brunswick
- A-5 Nova Scotia

EXHIBIT B RSP Outlook – Summary of Operations

- B-1 Ontario
- B-2 Alberta Grid
- B-3 Alberta Non-Grid
- B-4 New Brunswick
- B-5 Nova Scotia

EXHIBIT C RSP Outlook – Projected Policy Liabilities

- C-1 Ontario
- C-2 Alberta Grid
- C-3 Alberta Non-Grid
- C-4 New Brunswick
- C-5 Nova Scotia

EXHIBIT D Actual vs Projected based on Final Outlooks (by RSP)

Exhibit A-1

Key Assumptions - Ontario RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2017	199,082	1,821	362,505	373,658	(0.9%)	1.3%	120.0%
2018	197,592	1,851	365,795	355,415	2.4%	4.2%	126.5%
2019	221,112	1,921	424,778	392,210	2.3%	4.6%	127.1%
Change	%	%	%	%	pts	pts	pts
2018	(0.7%)	1.6%	0.9%	(4.9%)	3.3	2.9	6.5
2019	11.9%	3.8%	16.1%	10.4%	(0.1)	0.4	0.6

Selected Claims Development MfADs (Jun. 30, 2018)

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	8.6%	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%	9.8%	10.0%
2012	10.0%	10.0%	9.0%	10.0%
2013	10.0%	10.0%	9.7%	10.0%
2014	10.0%	10.0%	8.4%	10.0%
2015	12.4%	12.5%	9.8%	12.4%
2016	14.9%	15.0%	9.9%	14.8%
2017	14.8%	15.0%	7.9%	14.8%
2018	16.4%	17.5%	6.0%	16.5%
2019	12.5%	17.5%	5.1%	12.9%
prem liab	12.5%	17.5%	5.1%	12.9%

discount rate: 1.83%
margin (basis points): 25

Exhibit A-2

Key Assumptions - Alberta Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2017	66,524	2,405	160,018	149,501	4.3%	6.4%	92.0%
2018	59,927	2,537	152,024	161,547	8.8%	3.7%	91.8%
2019	61,672	2,562	158,031	158,085	3.7%	3.1%	90.7%
Change	%	%	%	%	pts	pts	pts
2018	(9.9%)	5.5%	(5.0%)	8.1%	4.5	(2.7)	(0.2)
2019	2.9%	1.0%	4.0%	(2.1%)	(5.1)	(0.6)	(1.1)

Selected Claims Development MfADs (Jun. 30, 2018)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
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%	9.9%	10.0%
2013	10.0%	10.0%	9.9%	10.0%
2014	10.0%	10.0%	10.0%	10.0%
2015	10.0%	10.0%	10.0%	10.0%
2016	12.5%	10.0%	12.5%	12.5%
2017	12.4%	10.0%	12.5%	12.4%
2018	12.1%	10.0%	5.6%	11.8%
2019	11.8%	10.0%	5.5%	10.3%
prem liab	11.8%	10.0%	5.5%	10.3%

discount rate: 1.87%
margin (basis points): 25

Exhibit A-3

Key Assumptions - Alberta Non-Grid RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2017	66,417	1,491	99,014	96,926	3.4%	5.8%	113.0%
2018	71,185	1,542	109,754	106,280	7.7%	3.7%	112.1%
2019	86,841	1,630	141,592	124,625	3.5%	3.2%	109.1%
Change	%	%	%	%	pts	pts	pts
2018	7.2%	3.4%	10.8%	9.7%	4.3	(2.1)	(0.9)
2019	22.0%	5.7%	29.0%	17.3%	(4.2)	(0.5)	(3.0)

Selected Claims Development MfADs (Jun. 30, 2018)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total Margins
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%	10.0%	10.0%
2013	10.0%	10.0%	8.8%	10.0%
2014	10.0%	10.0%	8.2%	10.0%
2015	10.0%	10.0%	8.6%	9.9%
2016	12.5%	10.0%	8.4%	12.2%
2017	12.4%	10.0%	12.5%	12.4%
2018	12.1%	10.0%	6.1%	11.4%
2019	11.8%	10.0%	5.3%	9.2%
prem liab	11.8%	10.0%	5.3%	9.2%

discount rate: 1.87%
margin (basis points): 25

Exhibit A-4

Key Assumptions - New Brunswick RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2017	9,402	1,252	11,775	10,613	3.7%	3.0%	83.1%
2018	11,053	1,308	14,452	13,243	4.2%	2.4%	74.2%
2019	12,937	1,350	17,463	16,429	0.3%	2.4%	74.6%
Change	%	%	%	%	pts	pts	pts
2018	17.6%	4.5%	22.7%	24.8%	0.5	(0.6)	(8.9)
2019	17.0%	3.2%	20.8%	24.1%	(3.9)	0.0	0.4

Selected Claims Development MfADs (Jun. 30, 2018)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
	Margins	Margins	Margins	Margins
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%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	10.0%	10.0%	8.8%	10.0%
2015	10.0%	10.0%	5.5%	9.8%
2016	12.4%	10.0%	5.8%	11.6%
2017	12.5%	10.0%	6.3%	11.9%
2018	12.2%	10.0%	5.6%	11.4%
2019	12.0%	10.0%	5.1%	9.7%
prem liab	12.0%	10.0%	5.1%	9.7%

discount rate: 1.87%
margin (basis points): 25

Exhibit A-5

Key Assumptions - Nova Scotia RSP							
	Written Exposures	Average Written Premium	Written Premium (\$000s)	Earned Premium (\$000s)	earned rate change	claims trend	Ultimate Loss Ratio (nominal)
Amounts							
2017	17,388	1,455	25,298	18,963	3.8%	5.6%	93.1%
2018	18,999	1,511	28,715	27,612	4.4%	5.6%	93.6%
2019	20,004	1,554	31,089	30,272	2.1%	5.6%	96.5%
Change	%	%	%	%	pts	pts	pts
2018	9.3%	3.8%	13.5%	45.6%	0.6	-	0.5
2019	5.3%	2.8%	8.3%	9.6%	(2.3)	0.0	2.9

Selected Claims Development MfADs (Jun. 30, 2018)

Accident Year	Third Party Liability	Accident Benefits	Other Coverages	Total
	Margins	Margins	Margins	Margins
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%	10.0%	10.0%
2013	10.0%	10.0%	10.0%	10.0%
2014	10.0%	10.0%	5.8%	10.0%
2015	12.4%	10.0%	5.8%	12.0%
2016	12.4%	10.0%	6.3%	12.1%
2017	12.5%	10.0%	6.5%	12.1%
2018	12.4%	10.0%	5.6%	11.9%
2019	12.0%	10.0%	5.1%	10.4%
prem liab	12.0%	10.0%	5.1%	10.4%

discount rate: 1.86%
margin (basis points): 25

Exhibit B-1
Ontario RSP
Summary of Operations

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in \$ thousands	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912
Underwriting Revenue												
written premium	29,648	26,603	34,409	37,919	38,916	37,687	37,404	33,934	39,162	38,332	38,302	32,462
decrease / (increase) in unearned	2,256	3,339	(1,972)	(5,550)	(5,718)	(4,769)	(4,271)	(1,152)	(6,052)	(4,852)	(4,303)	476
earned premium	31,904	29,942	32,437	32,369	33,198	32,918	33,133	32,782	33,110	33,480	33,999	32,938
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(412)	(1,518)	(1,716)	(1,752)	(1,717)	(1,321)	(1,432)	(1,400)	(1,298)	(1,795)	(1,624)	(1,896)
Discounted	(412)	(1,518)	(1,716)	(1,752)	(1,717)	(1,321)	(1,432)	(1,400)	(1,298)	(1,795)	(1,624)	(1,896)
Current Accident Year												
Undiscounted	40,550	38,056	41,227	41,141	42,195	41,838	42,113	41,666	42,082	42,553	43,213	41,864
effect of discounting	4,048	3,202	3,112	3,317	3,261	3,070	2,918	2,661	2,483	2,295	2,052	1,641
Discounted	44,598	41,258	44,339	44,458	45,456	44,908	45,031	44,327	44,565	44,848	45,265	43,505
Claims Incurred	44,186	39,740	42,623	42,706	43,739	43,587	43,599	42,927	43,267	43,053	43,641	41,609
Underwriting Expenses												
Expense Allowance	8,598	7,715	9,978	10,996	11,285	10,929	10,847	9,841	11,357	11,116	11,108	9,414
% wp	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%	29.0%
Premium Deficiency / (DPAC)												
Undiscounted	(631)	(828)	729	1,840	1,989	1,819	1,794	961	2,494	2,244	2,187	800
effect of discounting	(233)	(341)	221	604	632	536	498	173	698	581	532	25
Discounted	(864)	(1,169)	950	2,444	2,621	2,355	2,292	1,134	3,192	2,825	2,719	825
Underwriting Expenses	7,734	6,546	10,928	13,440	13,906	13,284	13,139	10,975	14,549	13,941	13,827	10,239
Net Underwriting Gain (Loss)	(20,016)	(16,344)	(21,114)	(23,777)	(24,447)	(23,953)	(23,605)	(21,120)	(24,706)	(23,514)	(23,469)	(18,910)
Administrative Expenses	130	117	151	167	171	165	164	149	172	169	168	142
Operating Result	(20,146)	(16,461)	(21,265)	(23,944)	(24,618)	(24,118)	(23,769)	(21,269)	(24,878)	(23,683)	(23,637)	(19,052)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(1.3%)	(5.1%)	(5.3%)	(5.4%)	(5.2%)	(4.0%)	(4.3%)	(4.3%)	(3.9%)	(5.4%)	(4.8%)	(5.8%)
Current Accident Year	139.8%	137.8%	136.7%	137.3%	136.9%	136.4%	135.9%	135.2%	134.6%	134.0%	133.1%	132.1%
All Accident Years Combined	138.5%	132.7%	131.4%	131.9%	131.7%	132.4%	131.6%	130.9%	130.7%	128.6%	128.3%	126.3%
Underwriting & Admin Exp (EP)	24.6%	22.3%	34.2%	42.0%	42.4%	40.9%	40.2%	33.9%	44.5%	42.1%	41.2%	31.5%
Combined Operating Ratio	163.1%	155.0%	165.6%	173.9%	174.1%	173.3%	171.8%	164.8%	175.2%	170.7%	169.5%	157.8%

Exhibit B-1
Ontario RSP
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Ontario ON	100	FULL YEAR					
in \$ thousands	2017	2018	2019	Change during 2018		Change during 2019	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	362,505	365,795	424,778	3,290	0.9%	58,983	16.1%
decrease / (increase) in unearned	11,153	(10,380)	(32,568)	(21,533)	(193.1%)	(22,188)	213.8%
earned premium	373,658	355,415	392,210	(18,243)	(4.9%)	36,795	10.4%
Claims Incurred							
Prior Accident Years							
Undiscounted	(47,673)	(24,794)	-	22,879	(48.0%)	24,794	(100.0%)
effect of discounting	(66,431)	(42,280)	(17,881)	24,151	(36.4%)	24,399	(57.7%)
Discounted	(114,104)	(67,074)	(17,881)	47,030	(41.2%)	49,193	(73.3%)
Current Accident Year							
Undiscounted	455,723	450,776	498,498	(4,947)	(1.1%)	47,722	10.6%
effect of discounting	39,948	31,762	34,060	(8,186)	(20.5%)	2,298	7.2%
Discounted	495,671	482,538	532,558	(13,133)	(2.6%)	50,020	10.4%
Claims Incurred	381,567	415,464	514,677	33,897	8.9%	99,213	23.9%
Underwriting Expenses							
Expense Allowance	110,765	109,623	123,184	(1,142)	(1.0%)	13,561	12.4%
% wp	30.6%	30.0%	29.0%	(0.6%)		(1.0%)	
Premium Deficiency / (DPAC)							
Undiscounted	6,769	10,889	15,398	4,120	60.9%	4,509	41.4%
effect of discounting	(8,538)	(2,182)	3,926	6,356	(74.4%)	6,108	(279.9%)
Discounted	(1,769)	8,707	19,324	10,476	(592.2%)	10,617	121.9%
Underwriting Expenses	108,996	118,330	142,508	9,334	8.6%	24,178	20.4%
Net Underwriting Gain (Loss)	(116,905)	(178,379)	(264,975)	(61,474)	52.6%	(86,596)	48.5%
Administrative Expenses	1,431	1,501	1,865	70	4.9%	364	24.2%
Operating Result	(118,336)	(179,880)	(266,840)	(61,544)	52.0%	(86,960)	48.3%
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(30.5%)	(18.9%)	(4.6%)	11.6%		14.3%	
Current Accident Year	132.7%	135.8%	135.8%	3.1%		-	
All Accident Years Combined	102.2%	116.9%	131.2%	14.7%		14.3%	
Underwriting & Admin Exp (EP)	29.6%	33.7%	36.8%	4.1%		3.1%	
Combined Operating Ratio	131.8%	150.6%	168.0%	18.8%		17.4%	

Exhibit B-2
Alberta Grid RSP
Summary of Operations

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in \$ thousands	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912
Underwriting Revenue												
written premium	9,032	8,995	12,418	13,790	13,776	15,000	14,152	14,926	16,409	15,033	13,380	11,120
decrease / (increase) in unearned	4,772	3,773	1,350	(270)	(174)	(1,685)	(854)	(1,825)	(3,384)	(2,088)	(483)	922
earned premium	13,804	12,768	13,768	13,520	13,602	13,315	13,298	13,101	13,025	12,945	12,897	12,042
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	400	(679)	(633)	(456)	(537)	(416)	(404)	(328)	(364)	(406)	(544)	(547)
Discounted	400	(679)	(633)	(456)	(537)	(416)	(404)	(328)	(364)	(406)	(544)	(547)
Current Accident Year												
Undiscounted	12,520	11,581	12,488	12,263	12,336	12,077	12,061	11,883	11,814	11,741	11,697	10,922
effect of discounting	746	601	555	503	557	522	493	463	430	390	361	284
Discounted	13,266	12,182	13,043	12,766	12,893	12,599	12,554	12,346	12,244	12,131	12,058	11,206
Claims Incurred	13,666	11,503	12,410	12,310	12,356	12,183	12,150	12,018	11,880	11,725	11,514	10,659
Underwriting Expenses												
Expense Allowance	2,809	2,798	3,862	4,289	4,285	4,665	4,401	4,642	5,103	4,675	4,161	3,459
% wp	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Premium Deficiency / (DPAC)												
Undiscounted	438	355	169	50	84	(19)	74	24	(75)	50	197	304
effect of discounting	(243)	(192)	(65)	17	16	93	51	102	187	119	38	(33)
Discounted	195	163	104	67	100	74	125	126	112	169	235	271
Underwriting Expenses	3,004	2,961	3,966	4,356	4,385	4,739	4,526	4,768	5,215	4,844	4,396	3,730
Net Underwriting Gain (Loss)	(2,866)	(1,696)	(2,608)	(3,146)	(3,139)	(3,607)	(3,378)	(3,685)	(4,070)	(3,624)	(3,013)	(2,347)
Administrative Expenses	59	59	82	91	91	99	94	99	108	99	88	74
Operating Result	(2,925)	(1,755)	(2,690)	(3,237)	(3,230)	(3,706)	(3,472)	(3,784)	(4,178)	(3,723)	(3,101)	(2,421)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	2.9%	(5.3%)	(4.6%)	(3.4%)	(3.9%)	(3.1%)	(3.0%)	(2.5%)	(2.8%)	(3.1%)	(4.2%)	(4.5%)
Current Accident Year	96.1%	95.4%	94.7%	94.4%	94.8%	94.6%	94.4%	94.2%	94.0%	93.7%	93.5%	93.1%
All Accident Years Combined	99.0%	90.1%	90.1%	91.0%	90.9%	91.5%	91.4%	91.7%	91.2%	90.6%	89.3%	88.6%
Underwriting & Admin Exp (EP)	22.2%	23.7%	29.4%	32.9%	32.9%	36.3%	34.7%	37.1%	40.9%	38.2%	34.8%	31.6%
Combined Operating Ratio	121.2%	113.8%	119.5%	123.9%	123.8%	127.8%	126.1%	128.8%	132.1%	128.8%	124.1%	120.2%

Exhibit B-2
Alberta Grid RSP
Summary of Operations

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Alberta Grid 200 AB Grid	FULL YEAR						
in \$ thousands	2017	2018	2019	Change during 2018		Change during 2019	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	160,018	152,024	158,031	(7,994)	(5.0%)	6,007	4.0%
decrease / (increase) in unearned	(10,517)	9,523	54	20,040	(190.5%)	(9,469)	(99.4%)
earned premium	149,501	161,547	158,085	12,046	8.1%	(3,462)	(2.1%)
Claims Incurred							
Prior Accident Years							
Undiscounted	21,038	4,981	-	(16,057)	(76.3%)	(4,981)	(100.0%)
effect of discounting	(14,503)	(5,640)	(4,914)	8,863	(61.1%)	726	(12.9%)
Discounted	6,535	(659)	(4,914)	(7,194)	(110.1%)	(4,255)	645.7%
Current Accident Year							
Undiscounted	135,790	149,496	143,383	13,706	10.1%	(6,113)	(4.1%)
effect of discounting	5,930	6,435	5,905	505	8.5%	(530)	(8.2%)
Discounted	141,720	155,931	149,288	14,211	10.0%	(6,643)	(4.3%)
Claims Incurred	148,255	155,272	144,374	7,017	4.7%	(10,898)	(7.0%)
Underwriting Expenses							
Expense Allowance	46,196	45,177	49,149	(1,019)	(2.2%)	3,972	8.8%
% wp	28.9%	29.7%	31.1%	0.8%		1.4%	
Premium Deficiency / (DPAC)							
Undiscounted	4,959	5,338	1,651	379	7.6%	(3,687)	(69.1%)
effect of discounting	(1,106)	(504)	90	602	(54.4%)	594	(117.9%)
Discounted	3,853	4,834	1,741	981	25.5%	(3,093)	(64.0%)
Underwriting Expenses	50,049	50,011	50,890	(38)	(0.1%)	879	1.8%
Net Underwriting Gain (Loss)	(48,803)	(43,736)	(37,179)	5,067	(10.4%)	6,557	(15.0%)
Administrative Expenses	980	1,006	1,043	25	2.6%	37	3.7%
Operating Result	(49,783)	(44,742)	(38,222)	5,042	(10.1%)	6,520	(14.6%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	4.4%	(0.4%)	(3.1%)	(4.8%)		(2.7%)	
Current Accident Year	94.8%	96.5%	94.4%	1.7%		(2.1%)	
All Accident Years Combined	99.2%	96.1%	91.3%	(3.1%)		(4.8%)	
Underwriting & Admin Exp (EP)	34.1%	31.6%	32.9%	(2.5%)		1.3%	
Combined Operating Ratio	133.3%	127.7%	124.2%	(5.6%)		(3.5%)	

Exhibit B-3
Alberta Non-Grid RSP
Summary of Operations

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in \$ thousands	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912
Underwriting Revenue												
written premium	9,561	9,746	10,674	13,066	12,419	13,036	13,151	13,517	12,805	12,436	11,509	9,672
decrease / (increase) in unearned	301	(433)	(548)	(2,893)	(2,101)	(2,864)	(2,755)	(2,964)	(2,091)	(1,497)	(340)	1,218
earned premium	9,862	9,313	10,126	10,173	10,318	10,172	10,396	10,553	10,714	10,939	11,169	10,890
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(423)	(417)	(351)	(209)	(227)	(271)	(287)	(132)	(222)	(230)	(200)	(268)
Discounted	(423)	(417)	(351)	(209)	(227)	(271)	(287)	(132)	(222)	(230)	(200)	(268)
Current Accident Year												
Undiscounted	10,760	10,160	11,047	11,099	11,257	11,098	11,342	11,513	11,689	11,935	12,185	11,881
effect of discounting	654	468	453	495	477	436	407	373	338	294	248	166
Discounted	11,414	10,628	11,500	11,594	11,734	11,534	11,749	11,886	12,027	12,229	12,433	12,047
Claims Incurred	10,991	10,211	11,149	11,385	11,507	11,263	11,462	11,754	11,805	11,999	12,233	11,779
Underwriting Expenses												
Expense Allowance	2,973	3,031	3,319	4,063	3,862	4,054	4,090	4,203	3,982	3,867	3,580	3,008
% wp	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%	31.1%
Premium Deficiency / (DPAC)												
Undiscounted	(2)	67	105	370	317	425	447	503	435	399	297	127
effect of discounting	(17)	25	38	175	132	178	175	188	136	103	36	(59)
Discounted	(19)	92	143	545	449	603	622	691	571	502	333	68
Underwriting Expenses	2,954	3,123	3,462	4,608	4,311	4,657	4,712	4,894	4,553	4,369	3,913	3,076
Net Underwriting Gain (Loss)	(4,083)	(4,021)	(4,485)	(5,820)	(5,500)	(5,748)	(5,778)	(6,095)	(5,644)	(5,429)	(4,977)	(3,965)
Administrative Expenses	99	101	111	136	129	136	137	140	133	129	120	101
Operating Result	(4,182)	(4,122)	(4,596)	(5,956)	(5,629)	(5,884)	(5,915)	(6,235)	(5,777)	(5,558)	(5,097)	(4,066)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	(4.3%)	(4.5%)	(3.5%)	(2.1%)	(2.2%)	(2.7%)	(2.8%)	(1.3%)	(2.1%)	(2.1%)	(1.8%)	(2.5%)
Current Accident Year	115.7%	114.1%	113.6%	114.0%	113.7%	113.4%	113.0%	112.6%	112.3%	111.8%	111.3%	110.6%
All Accident Years Combined	111.4%	109.6%	110.1%	111.9%	111.5%	110.7%	110.2%	111.3%	110.2%	109.7%	109.5%	108.1%
Underwriting & Admin Exp (EP)	31.0%	34.6%	35.3%	46.6%	43.0%	47.1%	46.6%	47.7%	43.7%	41.1%	36.1%	29.2%
Combined Operating Ratio	142.4%	144.2%	145.4%	158.5%	154.5%	157.8%	156.8%	159.0%	153.9%	150.8%	145.6%	137.3%

Exhibit B-3
Alberta Non-Grid RSP
Summary of Operations

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Alberta non-Grid 250 AB non-Grid	FULL YEAR						
in \$ thousands	2017	2018	2019	Change during 2018		Change during 2019	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	99,014	109,754	141,592	10,740	10.8%	31,838	29.0%
decrease / (increase) in unearned	(2,088)	(3,474)	(16,967)	(1,386)	66.4%	(13,493)	388.4%
earned premium	96,926	106,280	124,625	9,354	9.7%	18,345	17.3%
Claims Incurred							
Prior Accident Years							
Undiscounted	6,939	(10,185)	-	(17,124)	(246.8%)	10,185	(100.0%)
effect of discounting	(9,421)	(4,163)	(3,237)	5,258	(55.8%)	926	(22.2%)
Discounted	(2,482)	(14,348)	(3,237)	(11,866)	478.1%	11,111	(77.4%)
Current Accident Year							
Undiscounted	109,960	119,526	135,966	9,566	8.7%	16,440	13.8%
effect of discounting	4,086	4,611	4,809	525	12.8%	198	4.3%
Discounted	114,046	124,137	140,775	10,091	8.8%	16,638	13.4%
Claims Incurred	111,564	109,789	137,538	(1,775)	(1.6%)	27,749	25.3%
Underwriting Expenses							
Expense Allowance	28,602	32,604	44,032	4,002	14.0%	11,428	35.1%
% wp	28.9%	29.7%	31.1%	0.8%		1.4%	
Premium Deficiency / (DPAC)							
Undiscounted	3,745	1,989	3,490	(1,756)	(46.9%)	1,501	75.5%
effect of discounting	(918)	141	1,110	1,059	(115.4%)	969	687.2%
Discounted	2,827	2,130	4,600	(697)	(24.7%)	2,470	116.0%
Underwriting Expenses	31,429	34,734	48,632	3,305	10.5%	13,898	40.0%
Net Underwriting Gain (Loss)	(46,067)	(38,243)	(61,545)	7,824	(17.0%)	(23,302)	60.9%
Administrative Expenses	982	1,022	1,472	40	4.0%	450	44.1%
Operating Result	(47,049)	(39,265)	(63,017)	7,784	(16.5%)	(23,752)	60.5%
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(2.6%)	(13.5%)	(2.6%)	(10.9%)		10.9%	
Current Accident Year	117.7%	116.8%	113.0%	(0.9%)		(3.8%)	
All Accident Years Combined	115.1%	103.3%	110.4%	(11.8%)		7.1%	
Underwriting & Admin Exp (EP)	33.4%	33.6%	40.2%	0.2%		6.6%	
Combined Operating Ratio	148.5%	136.9%	150.6%	(11.6%)		13.7%	

Exhibit B-4
New Brunswick RSP
Summary of Operations

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in \$ thousands	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912
Underwriting Revenue												
written premium	1,082	1,166	1,342	1,573	1,677	1,720	1,565	1,582	1,523	1,555	1,338	1,340
decrease / (increase) in unearned	199	61	8	(220)	(280)	(313)	(141)	(194)	(144)	(146)	82	54
earned premium	1,281	1,227	1,350	1,353	1,397	1,407	1,424	1,388	1,379	1,409	1,420	1,394
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	33	(41)	(28)	(24)	(30)	(15)	(17)	(13)	(20)	(10)	(12)	(18)
Discounted	33	(41)	(28)	(24)	(30)	(15)	(17)	(13)	(20)	(10)	(12)	(18)
Current Accident Year												
Undiscounted	956	915	1,007	1,009	1,043	1,050	1,062	1,035	1,029	1,050	1,060	1,040
effect of discounting	40	30	32	34	36	34	35	31	33	31	31	29
Discounted	996	945	1,039	1,043	1,079	1,084	1,097	1,066	1,062	1,081	1,091	1,069
Claims Incurred	1,029	904	1,011	1,019	1,049	1,069	1,080	1,053	1,042	1,071	1,079	1,051
Underwriting Expenses												
Expense Allowance	325	351	404	473	504	518	471	476	458	468	402	403
% wp	30.0%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.0%	30.1%
Premium Deficiency / (DPAC)												
Undiscounted	49	15	3	(49)	(60)	(70)	(26)	(40)	(28)	(28)	26	18
effect of discounting	(7)	(2)	-	5	13	9	6	8	5	7	(4)	(1)
Discounted	42	13	3	(44)	(47)	(61)	(20)	(32)	(23)	(21)	22	17
Underwriting Expenses	367	364	407	429	457	457	451	444	435	447	424	420
Net Underwriting Gain (Loss)	(115)	(41)	(68)	(95)	(109)	(119)	(107)	(109)	(98)	(109)	(83)	(77)
Administrative Expenses	57	60	70	82	87	89	82	82	79	81	69	70
Operating Result	(172)	(101)	(138)	(177)	(196)	(208)	(189)	(191)	(177)	(190)	(152)	(147)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	2.6%	(3.3%)	(2.1%)	(1.8%)	(2.1%)	(1.1%)	(1.2%)	(0.9%)	(1.5%)	(0.7%)	(0.8%)	(1.3%)
Current Accident Year	77.8%	77.0%	77.0%	77.1%	77.2%	77.0%	77.0%	76.8%	77.0%	76.7%	76.8%	76.7%
All Accident Years Combined	80.4%	73.7%	74.9%	75.3%	75.1%	75.9%	75.8%	75.9%	75.5%	76.0%	76.0%	75.4%
Underwriting & Admin Exp (EP)	33.1%	34.6%	35.3%	37.8%	38.9%	38.8%	37.4%	37.9%	37.3%	37.5%	34.7%	35.2%
Combined Operating Ratio	113.5%	108.3%	110.2%	113.1%	114.0%	114.7%	113.2%	113.8%	112.8%	113.5%	110.7%	110.6%

Exhibit B-4
New Brunswick RSP
Summary of Operations

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New Brunswick 300 NB	FULL YEAR						
in \$ thousands	2017	2018	2019	Change during 2018		Change during 2019	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	11,775	14,452	17,463	2,677	22.7%	3,011	20.8%
decrease / (increase) in unearned	(1,162)	(1,209)	(1,034)	(47)	4.0%	175	(14.5%)
earned premium	10,613	13,243	16,429	2,630	24.8%	3,186	24.1%
Claims Incurred							
Prior Accident Years							
Undiscounted	(339)	896	-	1,235	(364.3%)	(896)	(100.0%)
effect of discounting	(915)	(295)	(195)	620	(67.8%)	100	(33.9%)
Discounted	(1,254)	601	(195)	1,855	(147.9%)	(796)	(132.4%)
Current Accident Year							
Undiscounted	7,958	9,896	12,256	1,938	24.4%	2,360	23.8%
effect of discounting	256	307	396	51	19.9%	89	29.0%
Discounted	8,214	10,203	12,652	1,989	24.2%	2,449	24.0%
Claims Incurred	6,960	10,804	12,457	3,844	55.2%	1,653	15.3%
Underwriting Expenses							
Expense Allowance	3,745	4,125	5,253	380	10.1%	1,128	27.3%
% wp	31.8%	28.5%	30.1%	(3.3%)		1.6%	
Premium Deficiency / (DPAC)							
Undiscounted	(556)	(115)	(190)	441	(79.3%)	(75)	65.2%
effect of discounting	(109)	18	39	127	(116.5%)	21	116.7%
Discounted	(665)	(97)	(151)	568	(85.4%)	(54)	55.7%
Underwriting Expenses	3,080	4,028	5,102	948	30.8%	1,074	26.7%
Net Underwriting Gain (Loss)	573	(1,589)	(1,130)	(2,162)	(377.3%)	459	(28.9%)
Administrative Expenses	603	661	908	58	9.5%	247	37.5%
Operating Result	(30)	(2,250)	(2,038)	(2,220)	7,394.3%	212	(9.4%)
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(11.8%)	4.5%	(1.2%)	16.3%		(5.7%)	
Current Accident Year	77.4%	77.0%	77.0%	(0.4%)		-	
All Accident Years Combined	65.6%	81.5%	75.8%	15.9%		(5.7%)	
Underwriting & Admin Exp (EP)	34.7%	35.4%	36.6%	0.7%		1.2%	
Combined Operating Ratio	100.3%	116.9%	112.4%	16.6%		(4.5%)	

Exhibit B-5
Nova Scotia RSP
Summary of Operations

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in \$ thousands	201901	201902	201903	201904	201905	201906	201907	201908	201909	201910	201911	201912
Underwriting Revenue												
written premium	1,933	1,908	2,334	2,637	2,835	2,978	2,982	2,888	3,114	2,906	2,340	2,234
decrease / (increase) in unearned	638	509	264	(72)	(241)	(413)	(412)	(367)	(597)	(370)	116	128
earned premium	2,571	2,417	2,598	2,565	2,594	2,565	2,570	2,521	2,517	2,536	2,456	2,362
Claims Incurred												
Prior Accident Years												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	131	(82)	(51)	(42)	(49)	(43)	(45)	(27)	(49)	(37)	(66)	(99)
Discounted	131	(82)	(51)	(42)	(49)	(43)	(45)	(27)	(49)	(37)	(66)	(99)
Current Accident Year												
Undiscounted	2,481	2,333	2,508	2,474	2,504	2,475	2,481	2,432	2,430	2,447	2,370	2,279
effect of discounting	134	109	112	116	112	108	107	100	97	96	88	80
Discounted	2,615	2,442	2,620	2,590	2,616	2,583	2,588	2,532	2,527	2,543	2,458	2,359
Claims Incurred	2,746	2,360	2,569	2,548	2,567	2,540	2,543	2,505	2,478	2,506	2,392	2,260
Underwriting Expenses												
Expense Allowance	599	591	724	817	879	923	924	895	965	901	725	693
% wp	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%	31.0%
Premium Deficiency / (DPAC)												
Undiscounted	(10)	15	18	21	28	33	39	51	54	65	66	66
effect of discounting	(31)	(32)	(14)	6	15	26	24	24	37	23	(2)	(4)
Discounted	(41)	(17)	4	27	43	59	63	75	91	88	64	62
Underwriting Expenses	558	574	728	844	922	982	987	970	1,056	989	789	755
Net Underwriting Gain (Loss)	(733)	(517)	(699)	(827)	(895)	(957)	(960)	(954)	(1,017)	(959)	(725)	(653)
Administrative Expenses	61	61	75	84	91	95	96	92	99	93	75	72
Operating Result	(794)	(578)	(774)	(911)	(986)	(1,052)	(1,056)	(1,046)	(1,116)	(1,052)	(800)	(725)
Ratios												
Claims & Adj. Expenses to EP												
Prior Accident Year	5.1%	(3.4%)	(2.0%)	(1.6%)	(1.9%)	(1.7%)	(1.8%)	(1.1%)	(1.9%)	(1.5%)	(2.7%)	(4.2%)
Current Accident Year	101.7%	101.0%	100.8%	101.0%	100.8%	100.7%	100.7%	100.4%	100.4%	100.3%	100.1%	99.9%
All Accident Years Combined	106.8%	97.6%	98.8%	99.4%	98.9%	99.0%	98.9%	99.3%	98.5%	98.8%	97.4%	95.7%
Underwriting & Admin Exp (EP)	24.1%	26.3%	30.9%	36.2%	39.1%	42.0%	42.1%	42.1%	45.9%	42.7%	35.2%	35.0%
Combined Operating Ratio	130.9%	123.9%	129.7%	135.6%	138.0%	141.0%	141.0%	141.4%	144.4%	141.5%	132.6%	130.7%

**Exhibit B-5
Nova Scotia RSP
Summary of Operations**

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Nova Scotia NS	400	FULL YEAR					
in \$ thousands	2017	2018	2019	Change during 2018		Change during 2019	
				Amount	%	Amount	%
Underwriting Revenue							
written premium	25,298	28,715	31,089	3,417	13.5%	2,374	8.3%
decrease / (increase) in unearned	(6,335)	(1,103)	(817)	5,232	(82.6%)	286	(25.9%)
earned premium	18,963	27,612	30,272	8,649	45.6%	2,660	9.6%
Claims Incurred							
Prior Accident Years							
Undiscounted	(2,136)	(859)	-	1,277	(59.8%)	859	(100.0%)
effect of discounting	(1,836)	(508)	(459)	1,328	(72.3%)	49	(9.6%)
Discounted	(3,972)	(1,367)	(459)	2,605	(65.6%)	908	(66.4%)
Current Accident Year							
Undiscounted	17,838	25,964	29,214	8,126	45.6%	3,250	12.5%
effect of discounting	817	1,085	1,259	268	32.8%	174	16.0%
Discounted	18,655	27,049	30,473	8,394	45.0%	3,424	12.7%
Claims Incurred	14,683	25,682	30,014	10,999	74.9%	4,332	16.9%
Underwriting Expenses							
Expense Allowance	7,828	8,667	9,636	839	10.7%	969	11.2%
% wp	30.9%	30.2%	31.0%	(0.7%)		0.8%	
Premium Deficiency / (DPAC)							
Undiscounted	(773)	562	446	1,335	(172.7%)	(116)	(20.6%)
effect of discounting	37	49	72	12	32.4%	23	46.9%
Discounted	(736)	611	518	1,347	(183.0%)	(93)	(15.2%)
Underwriting Expenses	7,092	9,278	10,154	2,186	30.8%	876	9.4%
Net Underwriting Gain (Loss)	(2,812)	(7,348)	(9,896)	(4,536)	161.3%	(2,548)	34.7%
Administrative Expenses	600	794	994	194	32.3%	200	25.3%
Operating Result	(3,412)	(8,142)	(10,890)	(4,730)	138.6%	(2,748)	33.8%
Ratios							
Claims & Adj. Expenses to EP							
Prior Accident Year	(20.9%)	(5.0%)	(1.5%)	15.9%		3.5%	
Current Accident Year	98.4%	98.0%	100.7%	(0.4%)		2.7%	
All Accident Years Combined	77.5%	93.0%	99.2%	15.5%		6.2%	
Underwriting & Admin Exp (EP)	40.6%	36.5%	36.8%	(4.1%)		0.3%	
Combined Operating Ratio	118.1%	129.5%	136.0%	11.4%		6.5%	

Exhibit C-1
Ontario RSP
Projected Policy Liabilities

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Ontario		Projected Balances as at Dec. 31, 2018 (\$000s)						
ending 2018		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL	
prior	24,425	5	24,430	(1,397)	2,302	1,083	25,513	
1999	606	17	623	(27)	59	36	659	
2000	15	(4)	11	(1)	1	-	11	
2001	759	60	819	(52)	77	32	851	
2002	54	56	110	(8)	10	3	113	
2003	268	634	902	(69)	83	22	924	
2004	1,012	197	1,209	(104)	111	20	1,229	
2005	157	308	465	(45)	42	3	468	
2006	1,860	393	2,253	(239)	201	(9)	2,244	
2007	2,073	635	2,708	(309)	240	(28)	2,680	
2008	3,002	1,512	4,514	(519)	399	(57)	4,457	
2009	6,282	1,156	7,438	(788)	665	(26)	7,412	
2010	8,171	3,172	11,343	(896)	1,044	261	11,604	
2011	13,806	747	14,553	(1,019)	1,353	465	15,018	
2012	25,394	1,617	27,011	(1,891)	2,512	864	27,875	
2013	35,197	2,843	38,040	(1,902)	3,614	1,940	39,980	
2014	68,227	(676)	67,551	(2,905)	6,465	3,898	71,449	
2015	95,868	6,582	102,450	(4,303)	12,170	8,379	110,829	
2016	108,315	28,277	136,592	(6,420)	19,266	13,666	150,258	
2017	116,284	115,626	231,910	(12,291)	32,504	21,836	253,746	
PAYs (sub-total):	511,775	163,157	674,932	(35,185)	83,118	52,388	727,320	
CAY (2018)	135,233	162,279	297,512	(16,661)	46,340	31,762	329,274	
claims liabilities:	647,008	325,436	972,444	(51,846)	129,458	84,150	1,056,594	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*	
premium liabilities:	185,358	50,677	236,035	(11,073)	28,963	19,304	255,339	
policy liabilities:			1,208,479	(62,919)	158,421	103,454	1,311,933	

*Total may not be sum of parts, as apvs apply to future costs within UPR

Exhibit C-1
Ontario RSP
Projected Policy Liabilities

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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	development PfAD	Total apvs	TOTAL	
prior	17,542	20	17,562	(616)	1,695	1,163	18,725	
2000	15	(4)	11	-	1	1	12	
2001	528	46	574	(30)	54	28	602	
2002	32	45	77	(5)	7	3	80	
2003	124	508	632	(44)	59	21	653	
2004	691	156	847	(65)	78	21	868	
2005	81	245	326	(28)	30	6	332	
2006	1,263	315	1,578	(151)	143	11	1,589	
2007	1,390	509	1,899	(201)	170	(6)	1,893	
2008	1,954	1,210	3,164	(361)	280	(34)	3,130	
2009	4,288	926	5,214	(600)	461	(66)	5,148	
2010	5,416	2,536	7,952	(843)	711	(29)	7,923	
2011	9,603	599	10,202	(806)	939	235	10,437	
2012	17,641	1,293	18,934	(1,325)	1,760	605	19,539	
2013	24,390	2,275	26,665	(1,867)	2,479	852	27,517	
2014	47,892	(540)	47,352	(2,368)	4,498	2,414	49,766	
2015	68,658	947	69,605	(2,993)	8,260	5,615	75,220	
2016	94,312	8,555	102,867	(4,320)	14,585	10,779	113,646	
2017	132,851	50,971	183,822	(8,640)	25,927	18,390	202,212	
2018	144,959	93,219	238,178	(12,623)	37,216	26,260	264,438	
PAYs (sub-total):	573,630	163,831	737,461	(37,886)	99,353	66,269	803,730	
CAY (2019)	154,535	164,504	319,039	(17,866)	49,693	34,060	353,099	
claims liabilities:	728,165	328,335	1,056,500	(55,752)	149,046	100,329	1,156,829	
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*	
premium liabilities:	217,927	66,075	284,002	(13,326)	34,855	23,230	307,232	
policy liabilities:			1,340,502	(69,078)	183,901	123,559	1,464,061	

*Total may not be sum of parts, as apvs apply to future costs within UPR

Exhibit C-2
Alberta Grid RSP
Projected Policy Liabilities

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Alberta Grid ending 2018	Projected Balances as at Dec. 31, 2018 (\$000s)						
Acc Yr	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
2004	-	(79)	(79)	-	8	8	(71)
2005	654	(263)	391	(9)	38	30	421
2006	216	(124)	92	(3)	9	6	98
2007	2,239	(124)	2,115	(59)	206	155	2,270
2008	1,128	(73)	1,055	(32)	102	74	1,129
2009	606	279	885	(29)	85	60	945
2010	4,809	(6)	4,803	(158)	464	325	5,128
2011	7,053	253	7,306	(248)	706	495	7,801
2012	7,448	1,878	9,326	(298)	903	642	9,968
2013	9,517	3,546	13,063	(444)	1,262	870	13,933
2014	17,138	6,845	23,983	(959)	2,302	1,463	25,446
2015	28,244	12,672	40,916	(1,800)	3,912	2,317	43,233
2016	32,456	19,187	51,643	(2,582)	6,132	3,860	55,503
2017	33,140	33,132	66,272	(3,645)	7,766	4,585	70,857
PAYs (sub-total):	144,648	77,123	221,771	(10,266)	23,895	14,890	236,661
CAY (2018)	53,818	49,334	103,152	(5,777)	11,490	6,435	109,587
claims liabilities:	198,466	126,457	324,923	(16,043)	35,385	21,325	346,248
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	81,951	(7,359)	74,592	(3,568)	7,289	4,167	78,759
<small>*Total may not be sum of parts, as apvs apply to future costs within UPR</small>							
policy liabilities:			399,515	(19,611)	42,674	25,492	425,007

Exhibit C-2
Alberta Grid RSP
Projected Policy Liabilities

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Alberta Grid ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
Acc Yr	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
2004	-	(79)	(79)	-	8	8	(71)
2005	402	(150)	252	-	25	25	277
2006	130	(71)	59	(1)	6	5	64
2007	1,435	(71)	1,364	(42)	132	95	1,459
2008	723	(42)	681	(19)	66	50	731
2009	414	157	571	(17)	55	40	611
2010	3,103	(6)	3,097	(102)	300	210	3,307
2011	4,568	144	4,712	(155)	455	319	5,031
2012	4,947	1,066	6,013	(204)	581	407	6,420
2013	6,407	2,015	8,422	(270)	815	579	9,001
2014	11,575	3,888	15,463	(526)	1,493	1,029	16,492
2015	22,723	7,138	29,861	(1,194)	2,867	1,822	31,683
2016	28,437	12,494	40,931	(1,801)	4,891	3,295	44,226
2017	30,274	24,439	54,713	(2,736)	6,445	4,037	58,750
2018	36,660	34,035	70,695	(3,888)	7,883	4,490	75,185
PAYs (sub-total):	151,798	84,957	236,755	(10,955)	26,022	16,411	253,166
CAY (2019)	55,920	38,713	94,633	(5,299)	10,542	5,905	100,538
claims liabilities:	207,718	123,670	331,388	(16,254)	36,564	22,316	353,704
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	81,897	(5,708)	76,189	(3,644)	7,445	4,257	80,446
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			407,577	(19,898)	44,009	26,573	434,150

Exhibit C-3
Alberta Non-Grid RSP
Projected Policy Liabilities

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Alberta non-Grid ending 2018	Projected Balances as at Dec. 31, 2018 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
2004	26	36	62	-	6	6	68
2005	65	5	70	-	7	7	77
2006	667	13	680	(20)	66	49	729
2007	516	75	591	(20)	57	39	630
2008	(22)	41	19	(1)	2	1	20
2009	1,050	(26)	1,024	(39)	98	64	1,088
2010	1,083	348	1,431	(67)	136	78	1,509
2011	3,321	512	3,833	(180)	365	208	4,041
2012	6,628	474	7,102	(313)	679	409	7,511
2013	7,387	640	8,027	(393)	764	419	8,446
2014	10,430	1,771	12,201	(537)	1,166	702	12,903
2015	14,809	4,136	18,945	(890)	1,788	1,012	19,957
2016	20,770	6,456	27,226	(1,389)	3,153	1,927	29,153
2017	28,546	15,334	43,880	(2,282)	5,158	3,139	47,019
PAYs (sub-total):	95,276	29,815	125,091	(6,131)	13,445	8,060	133,151
CAY (2018)	41,237	30,479	71,716	(3,586)	7,767	4,611	76,327
claims liabilities:	136,513	60,294	196,807	(9,717)	21,212	12,671	209,478
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	53,666	5,141	58,807	(2,225)	5,182	3,191	61,998
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			255,614	(11,942)	26,394	15,862	271,476

Exhibit C-3
Alberta Non-Grid RSP
Projected Policy Liabilities

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Alberta non-Grid ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
2004	26	36	62	-	6	6	68
2005	44	5	49	-	5	5	54
2006	471	10	481	-	48	48	529
2007	366	53	419	(13)	41	30	449
2008	(16)	30	14	-	1	1	15
2009	747	(20)	727	(22)	71	52	779
2010	766	247	1,013	(38)	97	64	1,077
2011	2,354	361	2,715	(128)	259	147	2,862
2012	4,694	334	5,028	(236)	479	273	5,301
2013	5,230	453	5,683	(250)	543	327	6,010
2014	7,391	1,249	8,640	(423)	822	451	9,091
2015	12,456	1,957	14,413	(634)	1,364	816	15,229
2016	18,806	3,440	22,246	(1,046)	2,586	1,673	23,919
2017	23,704	11,070	34,774	(1,773)	4,092	2,528	37,302
2018	27,250	21,303	48,553	(2,525)	5,247	3,013	51,566
PAYs (sub-total):	104,289	40,528	144,817	(7,088)	15,661	9,434	154,251
CAY (2019)	44,868	29,913	74,781	(3,739)	8,099	4,809	79,590
claims liabilities:	149,157	70,441	219,598	(10,827)	23,760	14,243	233,841
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	70,633	8,631	79,264	(2,998)	6,983	4,301	83,565
policy liabilities:			298,862	(13,825)	30,743	18,544	317,406

*Total may not be sum of parts, as apvs apply to future costs within UPR

Exhibit C-4
New Brunswick RSP
Projected Policy Liabilities

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New Brunswick ending 2018	Projected Balances as at Dec. 31, 2018 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
2005	-	(2)	(2)	-	-	-	(2)
2006	-	-	-	-	-	-	-
2007	1	7	8	-	1	1	9
2008	74	4	78	(2)	8	6	84
2009	339	112	451	(12)	44	33	484
2010	104	41	145	(4)	14	11	156
2011	1,138	163	1,301	(38)	126	92	1,393
2012	581	61	642	(20)	62	45	687
2013	2,114	110	2,224	(82)	214	143	2,367
2014	1,390	268	1,658	(65)	160	103	1,761
2015	1,482	281	1,763	(78)	165	98	1,861
2016	1,282	591	1,873	(101)	205	117	1,990
2017	3,440	841	4,281	(265)	477	246	4,527
PAYs (sub-total):	11,945	2,477	14,422	(667)	1,476	895	15,317
CAY (2018)	3,364	2,573	5,937	(374)	634	307	6,244
claims liabilities:	15,309	5,050	20,359	(1,041)	2,110	1,202	21,561
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	7,591	(1,734)	5,857	(283)	522	273	6,130
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			26,216	(1,324)	2,632	1,475	27,691

Exhibit C-4
New Brunswick RSP
Projected Policy Liabilities

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New Brunswick ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			TOTAL
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
2005	-	(2)	(2)	-	-	-	(2)
2006	-	-	-	-	-	-	-
2007	4	4	8	-	1	1	9
2008	52	3	55	(1)	5	4	59
2009	289	47	336	(9)	33	25	361
2010	92	17	109	(3)	11	8	117
2011	901	68	969	(30)	94	68	1,037
2012	452	25	477	(14)	47	34	511
2013	1,608	47	1,655	(51)	160	116	1,771
2014	1,119	114	1,233	(46)	118	78	1,311
2015	1,238	157	1,395	(54)	132	85	1,480
2016	1,136	426	1,562	(69)	173	113	1,675
2017	2,900	634	3,534	(191)	397	231	3,765
2018	3,001	1,601	4,602	(285)	492	244	4,846
PAYs (sub-total):	12,792	3,141	15,933	(753)	1,663	1,007	16,940
CAY (2019)	5,209	2,451	7,660	(483)	818	396	8,056
claims liabilities:	18,001	5,592	23,593	(1,236)	2,481	1,403	24,996
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	8,625	(1,924)	6,701	(324)	597	312	7,013
*Total may not be sum of parts, as apvs apply to future costs within UPR							
policy liabilities:			30,294	(1,560)	3,078	1,715	32,009

Exhibit C-5
Nova Scotia RSP
Projected Policy Liabilities

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Nova Scotia ending 2018	Projected Balances as at Dec. 31, 2018 (\$000s)						
Acc Yr	nominal values			actuarial present value adjustments (apvs)			TOTAL
	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	
2007	-	(1)	(1)	-	-	-	(1)
2008	1	1	2	-	-	-	2
2009	65	4	69	(2)	7	5	74
2010	9	16	25	(1)	3	2	27
2011	865	(59)	806	(27)	78	54	860
2012	1,746	361	2,107	(70)	204	142	2,249
2013	2,690	(230)	2,460	(59)	240	188	2,648
2014	1,881	(15)	1,866	(45)	183	144	2,010
2015	4,005	374	4,379	(153)	507	372	4,751
2016	5,184	753	5,937	(255)	687	468	6,405
2017	6,214	3,272	9,486	(484)	1,089	671	10,157
PAYs (sub-total):	22,660	4,476	27,136	(1,096)	2,998	2,046	29,182
CAY (2018)	8,309	8,827	17,136	(960)	1,925	1,085	18,221
claims liabilities:	30,969	13,303	44,272	(2,056)	4,923	3,131	47,403
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	15,324	(269)	15,055	(710)	1,464	843	15,898
policy liabilities:			59,327	(2,766)	6,387	3,974	63,301

*Total may not be sum of parts, as apvs apply to future costs within UPR

Exhibit C-5
Nova Scotia RSP
Projected Policy Liabilities

page 2 of 2

Nova Scotia ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)						
	nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	development PfAD	Total apvs	TOTAL
2007	-	(1)	(1)	-	-	-	(1)
2008	1	1	2	-	-	-	2
2009	52	3	55	-	6	6	61
2010	11	12	23	(1)	2	1	24
2011	707	(36)	671	(21)	65	47	718
2012	1,526	230	1,756	(60)	170	117	1,873
2013	2,197	(147)	2,050	(68)	198	138	2,188
2014	1,566	(11)	1,555	(37)	152	120	1,675
2015	3,226	162	3,388	(81)	397	326	3,714
2016	4,669	436	5,105	(179)	596	437	5,542
2017	6,072	2,001	8,073	(347)	935	636	8,709
2018	7,059	5,179	12,238	(624)	1,382	844	13,082
PAYs (sub-total):	27,086	7,829	34,915	(1,418)	3,903	2,672	37,587
CAY (2019)	11,686	8,180	19,866	(1,112)	2,232	1,259	21,125
claims liabilities:	38,772	16,009	54,781	(2,530)	6,135	3,931	58,712
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	development PfAD	Total apvs	TOTAL*
premium liabilities:	16,139	177	16,316	(771)	1,590	915	17,231
				*Total may not be sum of parts, as apvs apply to future costs within UPR			
policy liabilities:	71,097			(3,301)	7,725	4,846	75,943

Exhibit D

Actual vs Projected based on **Final** Outlooks – RSP ON

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Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs) RSP ON			*PROJECTED IS BASED ON FINAL OUTLOOK								
			average A less P 2013 to 2017:				151.8	(52.7%)	69.7%		
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2013	[a]	Actual	277.6	299.6	(19.4)	(38.9%)	383.3	137.5%	(50.3)	116.7%	
	[b]	Projected*	313.4	300.5	(20.9)	(6.9%)	476.1	158.4%	(274.0)	191.2%	
	[c]=[a]-[b]	A less P	(35.8)	(0.9)	1.5	(32.0%)	(92.7)	(20.9%)	223.7	(74.5%)	(0.7%)
	[d]=[c]/[b]	% of P	(11.4%)	(0.3%)	(7.0%)		(19.5%)		(81.7%)		
2014	[a]	Actual	278.6	270.5	(109.6)	(40.5%)	368.1	136.1%	(66.0)	124.4%	
	[b]	Projected*	291.6	285.2	(18.7)	(6.6%)	414.1	145.2%	(212.9)	174.6%	
	[c]=[a]-[b]	A less P	(13.0)	(14.7)	(90.9)	(33.9%)	(46.0)	(9.1%)	146.9	(50.2%)	61.9%
	[d]=[c]/[b]	% of P	(4.5%)	(5.2%)	486.1%		(11.1%)		(69.0%)		
2015	[a]	Actual	239.0	262.6	(188.9)	(71.9%)	342.6	130.5%	47.5	81.9%	
	[b]	Projected*	285.0	282.7	(24.0)	(8.5%)	394.3	139.5%	(183.4)	164.9%	
	[c]=[a]-[b]	A less P	(46.0)	(20.1)	(164.9)	(63.4%)	(51.6)	(9.0%)	230.9	(83.0%)	71.4%
	[d]=[c]/[b]	% of P	(16.1%)	(7.1%)	686.7%		(13.1%)		(125.9%)		
2016	[a]	Actual	336.0	270.9	(106.9)	(39.5%)	362.1	133.7%	(104.5)	138.6%	
	[b]	Projected*	288.9	267.7	(21.5)	(8.0%)	376.7	140.7%	(186.7)	169.8%	
	[c]=[a]-[b]	A less P	47.2	3.1	(85.4)	(31.5%)	(14.6)	(7.0%)	82.3	(31.2%)	103.8%
	[d]=[c]/[b]	% of P	16.3%	1.2%	396.6%		(3.9%)		(44.1%)		
2017	[a]	Actual	362.5	373.7	(114.1)	(30.5%)	495.7	132.7%	(118.3)	131.7%	
	[b]	Projected*	342.2	342.2	(30.1)	(8.8%)	453.0	132.4%	(193.3)	156.5%	
	[c]=[a]-[b]	A less P	20.3	31.5	(84.0)	(21.7%)	42.6	0.3%	75.0	(24.8%)	112.0%
	[d]=[c]/[b]	% of P	5.9%	9.2%	279.1%		9.4%		(38.8%)		

Exhibit D

Actual vs Projected based on **Final** Outlooks – RSP AB-Grid

Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs) RSP AB Grid			*PROJECTED IS BASED ON FINAL OUTLOOK										
			average A less P 2013 to 2017:								(35.3)	25.7%	51.6%
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result				
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs		
2013	[a]	Actual	135.9	146.8	14.3	9.7%	99.9	68.1%	(10.3)	107.0%			
	[b]	Projected*	159.5	160.7	(6.9)	(4.3%)	108.4	67.4%	12.3	92.4%			
	[c]=[a]-[b]	A less P	(23.6)	(13.9)	21.2	14.0%	(8.5)	0.7%	(22.6)	14.6%	93.5%		
	[d]=[c]/[b]	% of P	(14.8%)	(8.7%)	(307.9%)		(7.8%)		(183.5%)				
2014	[a]	Actual	155.8	144.9	30.4	21.0%	109.6	75.7%	(40.0)	127.7%			
	[b]	Projected*	134.9	129.4	(5.3)	(4.1%)	89.9	69.5%	7.5	94.2%			
	[c]=[a]-[b]	A less P	20.9	15.6	35.7	25.1%	19.7	6.2%	(47.6)	33.5%	75.1%		
	[d]=[c]/[b]	% of P	15.5%	12.0%	(667.9%)		22.0%		(630.8%)				
2015	[a]	Actual	138.3	146.2	(9.2)	(6.3%)	117.8	80.6%	(5.4)	103.7%			
	[b]	Projected*	158.3	153.7	(6.7)	(4.4%)	112.5	73.2%	3.2	97.9%			
	[c]=[a]-[b]	A less P	(20.0)	(7.5)	(2.5)	(1.9%)	5.3	7.4%	(8.6)	5.8%	(28.9%)		
	[d]=[c]/[b]	% of P	(12.6%)	(4.9%)	36.7%		4.7%		(267.8%)				
2016	[a]	Actual	148.5	131.8	39.5	29.9%	118.1	89.6%	(73.9)	156.1%			
	[b]	Projected*	150.5	142.1	(7.4)	(5.2%)	109.6	77.1%	(1.7)	101.2%			
	[c]=[a]-[b]	A less P	(2.0)	(10.3)	46.9	35.1%	8.5	12.5%	(72.3)	54.9%	64.9%		
	[d]=[c]/[b]	% of P	(1.3%)	(7.3%)	(631.1%)		7.8%		>999.9%				
2017	[a]	Actual	160.0	149.5	6.5	4.4%	141.7	94.8%	(49.7)	133.3%			
	[b]	Projected*	178.6	179.6	(7.1)	(3.9%)	156.3	87.0%	(24.2)	113.5%			
	[c]=[a]-[b]	A less P	(18.6)	(30.1)	13.6	8.3%	(14.6)	7.8%	(25.5)	19.8%	53.2%		
	[d]=[c]/[b]	% of P	(10.4%)	(16.8%)	(192.6%)		(9.3%)		105.5%				

Exhibit D

Actual vs Projected based on **Final** Outlooks – RSP AB non-Grid

Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs) RSP AB Non-Grid			*PROJECTED IS BASED ON FINAL OUTLOOK										
			average A less P 2013 to 2017:								(12.7)	14.7%	61.2%
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result				
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs		
2013	[a]	Actual	81.9	81.2	10.8	13.3%	80.9	99.6%	(35.0)	143.2%			
	[b]	Projected*	87.5	86.0	(2.6)	(3.0%)	84.2	98.0%	(20.9)	124.2%			
	[c]=[a]-[b]	A less P	(5.6)	(4.8)	13.4	16.3%	(3.4)	1.6%	(14.2)	19.0%	94.2%		
	[d]=[c]/[b]	% of P	(6.4%)	(5.6%)	(513.0%)		(4.0%)			68.0%			
2014	[a]	Actual	88.4	83.7	5.3	6.3%	91.9	109.8%	(40.9)	148.9%			
	[b]	Projected*	85.0	83.1	(2.4)	(2.9%)	83.5	100.5%	(22.9)	127.5%			
	[c]=[a]-[b]	A less P	3.4	0.7	7.7	9.2%	8.4	9.3%	(18.1)	21.4%	42.6%		
	[d]=[c]/[b]	% of P	4.0%	0.8%	(317.5%)		10.1%			78.9%			
2015	[a]	Actual	86.0	89.8	(9.3)	(10.3%)	96.2	107.1%	(21.0)	123.4%			
	[b]	Projected*	82.6	87.0	(3.0)	(3.5%)	91.6	105.2%	(25.4)	129.2%			
	[c]=[a]-[b]	A less P	3.4	2.8	(6.3)	(6.8%)	4.7	1.9%	4.4	(5.8%)	142.5%		
	[d]=[c]/[b]	% of P	4.1%	3.2%	207.5%		5.1%			(17.3%)			
2016	[a]	Actual	99.7	90.5	(0.9)	(1.0%)	107.8	119.2%	(49.4)	154.6%			
	[b]	Projected*	92.7	90.7	(3.7)	(4.1%)	95.6	105.4%	(28.4)	131.4%			
	[c]=[a]-[b]	A less P	6.9	(0.3)	2.9	3.1%	12.2	13.8%	(21.0)	23.2%	13.6%		
	[d]=[c]/[b]	% of P	7.5%	(0.3%)	(76.5%)		12.8%			73.7%			
2017	[a]	Actual	99.0	96.9	(2.5)	(2.6%)	114.0	117.7%	(47.0)	148.5%			
	[b]	Projected*	96.3	97.9	(4.4)	(4.5%)	105.4	107.7%	(32.1)	132.9%			
	[c]=[a]-[b]	A less P	2.7	(0.9)	2.0	1.9%	8.7	10.0%	(14.9)	15.6%	13.2%		
	[d]=[c]/[b]	% of P	2.8%	(0.9%)	(44.2%)		8.2%			46.3%			

Exhibit D

Actual vs Projected based on **Final** Outlooks – RSP NB

Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs) RSP NB			*PROJECTED IS BASED ON FINAL OUTLOOK										
			average A less P 2013 to 2017:								(0.0)	0.9%	51.4%
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result				
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs		
2013	[a]	Actual	9.6	10.4	(0.2)	(2.2%)	7.5	72.0%	(0.9)	109.0%			
	[b]	Projected*	11.8	11.8	(0.3)	(2.2%)	8.3	70.4%	(0.9)	107.4%			
	[c]=[a]-[b]	A less P	(2.2)	(1.4)	0.0	-	(0.8)	1.6%	(0.1)	1.6%	35.2%		
	[d]=[c]/[b]	% of P	(18.7%)	(12.1%)	(10.2%)		(10.1%)		8.5%				
2014	[a]	Actual	9.5	9.6	1.0	10.7%	8.1	84.5%	(3.5)	136.3%			
	[b]	Projected*	10.0	9.7	(0.3)	(3.2%)	7.2	74.5%	(1.0)	110.0%			
	[c]=[a]-[b]	A less P	(0.5)	(0.1)	1.3	13.9%	0.9	10.0%	(2.5)	26.3%	53.4%		
	[d]=[c]/[b]	% of P	(5.0%)	(1.5%)	(435.3%)		11.8%		257.4%				
2015	[a]	Actual	11.2	10.2	0.9	9.0%	9.2	90.2%	(4.4)	143.2%			
	[b]	Projected*	9.5	9.5	(0.4)	(4.0%)	7.6	79.8%	(1.5)	115.5%			
	[c]=[a]-[b]	A less P	1.7	0.8	1.3	13.0%	1.7	10.4%	(2.9)	27.7%	43.9%		
	[d]=[c]/[b]	% of P	18.0%	8.0%	(343.9%)		22.0%		200.1%				
2016	[a]	Actual	9.7	10.0	(3.0)	(30.1%)	8.0	80.1%	1.3	87.0%			
	[b]	Projected*	10.8	10.7	(0.4)	(3.5%)	9.1	85.3%	(2.4)	122.4%			
	[c]=[a]-[b]	A less P	(1.1)	(0.7)	(2.6)	(26.6%)	(1.1)	(5.2%)	3.7	(35.4%)	71.0%		
	[d]=[c]/[b]	% of P	(9.7%)	(6.5%)	696.0%		(12.2%)		(154.5%)				
2017	[a]	Actual	11.8	10.6	(1.3)	(11.8%)	8.2	77.4%	(0.0)	100.2%			
	[b]	Projected*	10.5	10.4	(0.4)	(3.8%)	8.5	81.3%	(1.6)	115.8%			
	[c]=[a]-[b]	A less P	1.2	0.2	(0.9)	(8.0%)	(0.2)	(3.9%)	1.6	(15.6%)	53.4%		
	[d]=[c]/[b]	% of P	11.7%	2.1%	221.5%		(2.8%)		(98.5%)				

Exhibit D

Actual vs Projected based on **Final** Outlooks – RSP NS

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Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs)			*PROJECTED IS BASED ON FINAL OUTLOOK								
RSP NS			average A less P 2013 to 2017: (1.4) 10.7% 17.3%								
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	% variance due to PAYs
2013	[a]	Actual	13.0	13.7	1.0	7.1%	12.3	89.4%	(5.1)	136.7%	
	[b]	Projected*	15.1	15.1	(0.3)	(2.2%)	12.1	80.0%	(2.2)	114.6%	
	[c]=[a]-[b]	A less P	(2.0)	(1.3)	1.3	9.3%	0.2	9.4%	(2.9)	22.1%	46.0%
	[d]=[c]/[b]	% of P	(13.5%)	(8.8%)	(391.4%)		1.9%		130.1%		
2014	[a]	Actual	13.6	13.3	1.6	12.1%	13.2	99.6%	(7.1)	153.7%	
	[b]	Projected*	13.7	13.5	(0.6)	(4.2%)	12.0	88.9%	(3.1)	123.2%	
	[c]=[a]-[b]	A less P	(0.1)	(0.2)	2.2	16.3%	1.2	10.7%	(4.0)	30.5%	54.4%
	[d]=[c]/[b]	% of P	(0.8%)	(1.7%)	(382.5%)		10.1%		127.0%		
2015	[a]	Actual	14.5	14.1	0.2	1.3%	14.7	104.3%	(7.0)	149.9%	
	[b]	Projected*	15.2	15.0	(0.5)	(3.5%)	14.0	93.8%	(4.4)	129.6%	
	[c]=[a]-[b]	A less P	(0.7)	(0.9)	0.7	4.8%	0.6	10.5%	(2.6)	20.3%	27.0%
	[d]=[c]/[b]	% of P	(4.6%)	(6.0%)	(133.6%)		4.6%		58.5%		
2016	[a]	Actual	15.2	14.8	(0.6)	(4.3%)	15.4	103.9%	(5.5)	137.1%	
	[b]	Projected*	14.4	14.6	(0.7)	(4.8%)	15.3	105.3%	(5.5)	138.1%	
	[c]=[a]-[b]	A less P	0.8	0.2	0.1	0.5%	0.0	(1.4%)	0.0	(1.0%)	(181.7%)
	[d]=[c]/[b]	% of P	5.5%	1.6%	(10.1%)		0.3%		(0.7%)		
2017	[a]	Actual	25.3	19.0	(4.0)	(20.9%)	18.7	98.4%	(3.4)	118.2%	
	[b]	Projected*	15.9	15.6	(0.8)	(5.1%)	16.3	104.8%	(5.7)	136.7%	
	[c]=[a]-[b]	A less P	9.4	3.4	(3.2)	(15.8%)	2.3	(6.4%)	2.3	(18.5%)	140.7%
	[d]=[c]/[b]	% of P	58.7%	21.8%	395.9%		14.4%		(39.5%)		