

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F19 – 082**

**DATE: NOVEMBER 5, 2019**

**SUBJECT: RSPs FINAL OUTLOOK FOR CALENDAR YEAR 2020  
(BASED ON AUGUST 2019 RSP 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 2020 RSP Outlook based on actual results as found in the August 2019 Operational Reports.

#### Key Takeaways

- **projected 2020 Combined Operating Ratios (CORs)** for all but NS RSP **have improved relative to the 2020 Preliminary Outlook** (posted July 19, 2010) with CORs decreasing between 2.5 and 4.7 points (the NS RSP COR increased by 1.1 points)
- while **projected 2020 written premium and earned premium have increased relative to the 2020 Preliminary Outlook** (by 5.1% and 2.8% respectively), the **projected 2020 net operating deficit improved (decreased) by \$18 million (4.2%) relative to the 2020 Preliminary Outlook**, primarily on reductions in the projected accident year 2020 loss ratios
- across **all 5 RSPs**, we are projecting **written premium** of \$760 million for 2019, increasing to **\$878 million for 2020**, with a **COR** of 132.2% for 2019 (favourably impacted by the 2019 Q2 valuation), increasing to **148.0% for 2020** – these CORs do NOT include all expenses at the member level (for example, excludes premium taxes)
- we are projecting the **5 RSPs** to generate an **operating cash outflow of \$102 million in 2020**, down from a projected outflow of \$104 million for 2019 (both projections are lower than cash outflows in calendar years 2018 and 2017 at \$164 million and \$141 million respectively)

## Bulletin F19 – 082

### RISK SHARING POOL FINAL OUTLOOK FOR CALENDAR YEAR 2020 BASED ON AUGUST 2019 OPERATIONAL REPORTS

Updated projections will be made throughout 2020 and included in the Bulletins and the corresponding Calendar Year Summary of Operations. This will provide members with the most up-to-date projection for the full current calendar year.

The attached *final* 2020 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 the history of premium volumes can be found at the “Provincial Profiles” section of our website). RSP Outlook volume projections are based on projections provided by larger users of the RSPs. Divergence of actual cessions from the company projections will in turn result in divergence from the overall projections.

Future loss cost trend estimates and assumptions related to industry rate level changes are primary influences in our projections. On loss cost trend estimates, our projections leveraged our analyses of industry private passenger, resulting in future loss cost trend estimates as summarized below.

Facility Association  
Industry Trend Analyses

Future LC trend estimates	Ontario	Alberta	New Brunswick	Nova Scotia
data basis:	2018-H2	2018-H2	2018-H2	2018-H2
	PPV	PPV	PPV	PPV
mandatory only	5.0%	4.3%	4.0%	7.7%
all coverages	5.3%	4.1%	4.3%	7.4%

With respect to rate level changes, as per our usual practice for the RSPs, we have assumed rate increases aligned with, but lagging, loss cost trends.

With this as background, we have provided below summaries of our projections for calendar year 2020 and 2019, along with actual results for calendar year 2018 (by RSP). The results are from the perspective of the RSPs, and therefore **do not include all revenue or expenses that may be associated with the underwriting operations at the member level**. For example, premium taxes, health levies for which members are responsible in relation to their share of the result of RSP operations are not included, nor is any investment income earned by member companies on RSP funds held until final claims settlement occurs. **We also wish to stress that it is important to recognize that future Operating Results may deviate from these projections by material amounts.**

# RISK SHARING POOL FINAL OUTLOOK FOR CALENDAR YEAR 2020 BASED ON AUGUST 2019 OPERATIONAL REPORTS

## Executive Summaries – Calendar Year 2020 – Key Amounts (\$000s) and Key Ratios

Actual and Projected Calendar Year Results						
Ontario RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	416,066	370,298	45,768	12.4%	347,754
	Vehicle Count	198,925	192,767	6,158	3.2%	189,718
Earned	Premium (\$000s)	400,999	351,213	49,786	14.2%	352,620
Net Operating Result (\$000s)		(261,363)	(152,399)	(108,964)	71.5%	(165,598)
COR		165.2%	143.4%	21.8%	15.2%	147.0%
Prior Accident Years' incurred claims (\$000s)		(23,839)	(89,236)	65,397	(73.3%)	(72,454)

Actual and Projected Calendar Year Results						
Alberta Grid RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	247,866	208,396	39,470	18.9%	158,556
	Vehicle Count	91,223	80,662	10,561	13.1%	62,955
Earned	Premium (\$000s)	234,333	180,713	53,620	29.7%	161,577
Net Operating Result (\$000s)		(59,268)	(23,542)	(35,726)	151.7%	(32,493)
	COR	125.3%	113.1%	12.2%	10.8%	120.1%
Prior Accident Years' incurred claims (\$000s)		(6,293)	(29,854)	23,561	(78.9%)	(7,587)

Actual and Projected Calendar Year Results						
Alberta Non-Grid RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	159,575	134,103	25,472	19.0%	113,979
	Vehicle Count	89,988	80,721	9,267	11.5%	74,094
Earned	Premium (\$000s)	151,437	118,275	33,162	28.0%	106,705
Net Operating Result (\$000s)		(66,435)	(34,620)	(31,815)	91.9%	(29,816)
	COR	143.8%	129.3%	14.5%	11.2%	127.9%
Prior Accident Years' incurred claims (\$000s)		(3,914)	(25,610)	21,696	(84.7%)	(20,291)

Actual and Projected Calendar Year Results						
New Brunswick RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	16,178	15,638	540	3.5%	14,925
	Vehicle Count	11,395	11,577	(182)	(1.6%)	11,476
Earned	Premium (\$000s)	16,215	15,619	596	3.8%	13,268
Net Operating Result (\$000s)		(1,685)	(1,532)	(153)	10.0%	(1,815)
	COR	110.4%	109.8%	0.6%	0.5%	113.7%
Prior Accident Years' incurred claims (\$000s)		(277)	(369)	92	(24.9%)	207

Actual and Projected Calendar Year Results						
Nova Scotia RSP		2020	2019	Change (to 2020 from 2019)		2018
Written	Premium (\$000s)	38,176	31,560	6,616	21.0%	28,870
	Vehicle Count	22,971	19,434	3,537	18.2%	18,918
Earned	Premium (\$000s)	35,830	29,995	5,835	19.5%	27,657
Net Operating Result (\$000s)		(14,526)	(11,985)	(2,541)	21.2%	(8,321)
	COR	140.5%	139.9%	0.6%	0.4%	130.0%
Prior Accident Years' incurred claims (\$000s)		(765)	(229)	(536)	234.1%	(488)

**Bulletin F19 – 082**

**RISK SHARING POOL FINAL OUTLOOK FOR CALENDAR YEAR 2020  
BASED ON AUGUST 2019 OPERATIONAL REPORTS**

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

Saskia Matheson,  
President & CEO

Attach.

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



# **CALENDAR YEAR 2020 FINAL RSP OUTLOOK**

**(RISK SHARING POOLS)**

**NOVEMBER 2019**

**BASED ON AUGUST 2019 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.

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**CALENDAR YEAR 2020 FINAL RSPS OUTLOOK**

**RISK SHARING POOLS (RSPs)**

**NOVEMBER 2019**

**BASED ON AUGUST 2019 OPERATIONAL REPORTS**

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**LIST OF EXHIBITS**

**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)**

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**LINKS TO SPECIFIC REFERENCED DOCUMENTS**

**Actuarial Highlights - Monthly Operational - August 2019**

- [Ontario RSP August 2019 Operational Report - Actuarial Highlights](#)
- [Alberta Grid RSP August 2019 Operational Report - Actuarial Highlights](#)
- [Alberta Non-Grid RSP August 2019 Operational Report - Actuarial Highlights](#)
- [New Brunswick RSP August 2019 Operational Report - Actuarial Highlights](#)
- [Nova Scotia RSP August 2019 Operational Report - Actuarial Highlights](#)

**Outlook**

- [Risk Sharing Pools' Final Outlook for Calendar Year 2019](#)
- [Risk Sharing Pools' Preliminary Outlook for Calendar Year 2020](#)

## 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, 2019 valuation of the RSP policy liabilities, and to monthly premium projections developed for RSP Monthly Member Operational Reports.

### Key Takeaways

- **projected 2020 Combined Operating Ratios (CORs) for all but NS RSP have improved relative to the 2020 Preliminary Outlook** (posted July 19, 2019) with CORs decreasing between 2.5 and 4.7 points (the NS RSP COR increased by 1.1 points)
- while **projected 2020 written premium and earned premium have increased relative to the 2020 Preliminary Outlook** (by 5.1% and 2.8% respectively), the **projected 2020 net operating deficit improved (decreased) by \$18 million (4.2%) relative to the 2020 Preliminary Outlook**, primarily on reductions in the projected accident year 2020 loss ratios
- across **all 5 RSPs**, we are projecting **written premium** of \$760 million for 2019, increasing to **\$878 million for 2020**, with a **COR** of 132.2% for 2019 (favourably impacted by the 2019 Q2 valuation), increasing to **148.0% for 2020** – these CORs do NOT include all expenses at the member level (for example, excludes premium taxes)
- we are projecting the **5 RSPs** to generate an **operating cash outflow<sup>1</sup> of \$102 million in 2020**, down from a projected outflow of \$104 million for 2019 (both projections are lower than cash outflows in calendar years 2018 and 2017 at \$164 million and \$141 million respectively)

The tables that follow provide a high-level summary of key metrics projected for Calendar Years 2020 and 2019, with actuals for 2018 provided for reference. Supporting details related to the projections are provided in the body of this report.

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<sup>1</sup>An operating cash outflow is generated when premium submitted to / collected for an RSP is less than the RSP’s disbursements for claims and all expenses. Operating cash outflows are funded by the FA membership via monthly cash settlements with members.



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Prior Accident Years' incurred claims (\$000s)		(765)	(229)	(536)	234.1%	(488)

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<sup>2</sup> amounts.**

Annually, two 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 2020** based on the actual results as found in the August 2019 Operational Reports. The Preliminary RSP Outlook for calendar year 2020 was made available to members on July 19, 2019 based on the May 2019 Operational Reports, and we have summarized changes from Preliminary to Final in the 2 tables that follow. In particular, total earned premium has increased by \$23 million (3%), and the total operating *deficit* has decreased \$18 million (4%), mainly driven by changes in the timing of written premium transfers as projected and provided by larger users, and changes to the 2020 accident year indemnity loss ratios.

***Projection CHANGE – Calendar Year 2020 – FROM PRELIMINARY TO FINAL***

2020 Calendar Year Final less Preliminary Outlook Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	5,001	24,619	8,991	(350)	4,718	42,979
Earned Premium	(4,207)	20,748	2,907	15	3,454	22,917
Prior Accident Years (PAYs)	4,548	311	389	51	1	5,300
Current Accident Year (CAY)	(31,367)	15,704	(3,177)	(778)	3,427	(16,191)
Total Claims Incurred	(26,819)	16,015	(2,788)	(727)	3,428	(10,891)
Expense Allowance	3,944	5,919	1,678	(91)	1,728	13,178
Change in Prem. Def / (DPAC)	4,237	(1,419)	69	95	117	3,099
Underwriting Expenses	8,181	4,500	1,747	4	1,845	16,277
	-	-	-	-	-	-
Net U/Wing gain / (loss)	14,431	233	3,948	738	(1,819)	17,531
Administrative Expense	(145)	64	(33)	(26)	(55)	(195)
<b>Operating Result</b>	<b>14,576</b>	<b>169</b>	<b>3,981</b>	<b>764</b>	<b>(1,764)</b>	<b>17,726</b>
attributed to PAYs:	(4,548)	(311)	(389)	(51)	(1)	(5,300)
attributed to CAY:	19,124	480	4,370	815	(1,763)	23,026

<sup>2</sup>Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook.

***Projection CHANGE – Calendar Year 2020 – FROM PRELIMINARY TO FINAL***

<b>2020 Calendar Year Final less Preliminary Outlook Projections (% difference)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	1.2%	11.0%	6.0%	(2.1%)	14.1%	5.1%
Earned Premium	(1.0%)	9.7%	2.0%	0.1%	10.7%	2.8%
Prior Accident Years (PAYs)	(16.0%)	(4.7%)	(9.0%)	(15.5%)	(0.1%)	(13.1%)
Current Accident Year (CAY)	(5.4%)	7.6%	(1.8%)	(6.0%)	10.2%	(1.6%)
Total Claims Incurred	(4.9%)	8.0%	(1.7%)	(5.7%)	10.4%	(1.1%)
Expense Allowance	3.3%	8.5%	3.6%	(1.8%)	16.7%	5.3%
Change in Prem. Def / (DPAC)	44.8%	(48.4%)	2.5%	117.3%	16.3%	19.4%
Underwriting Expenses	6.4%	6.2%	3.5%	0.1%	16.6%	6.1%
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(5.3%)	(0.4%)	(5.7%)	(46.5%)	15.6%	(4.2%)
Administrative Expense	(8.0%)	4.3%	(2.1%)	(3.0%)	(5.1%)	(2.9%)
<b>Operating Result</b>	<b>(5.3%)</b>	<b>(0.3%)</b>	<b>(5.7%)</b>	<b>(31.2%)</b>	<b>13.8%</b>	<b>(4.2%)</b>
attributed to PAYs:	(16.0%)	(4.7%)	(9.0%)	(15.5%)	(0.1%)	(13.1%)
attributed to CAY:	(6.3%)	(0.7%)	(5.8%)	(29.3%)	13.0%	(5.0%)

Updated projections will be made throughout 2020 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 reasonable and appropriate given our current information, **there is significant uncertainty related to these projections**. As usual, our projected vehicle counts and projected written premium is largely provided by significant RSP users. Projection updates are requested quarterly from the larger users. 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).

## 2. Introduction

### 2.1 Introductory Comments

This “Final RSP Outlook” is a projection of Facility Association (FA) Risk Sharing Pools (RSPs) 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, 2019 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 2020 projection by RSP – greater detail is provided in section 2.2 and 3.

#### *Projection Summary – Calendar Year 2020 – Amounts (\$000s)*

Calendar Year 2020 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	416,066	247,866	159,575	16,178	38,176	877,861
Earned Premium	400,999	234,333	151,437	16,215	35,830	838,814
Prior Accident Years (PAYs)	(23,839)	(6,293)	(3,914)	(277)	(765)	(35,088)
Current Accident Year (CAY)	547,679	221,491	168,875	12,281	37,172	987,498
Total Claims Incurred	523,840	215,198	164,961	12,004	36,407	952,410
Expense Allowance	123,154	75,350	48,509	4,885	12,100	263,998
Change in Prem. Def / (DPAC)	13,704	1,515	2,868	176	834	19,097
Underwriting Expenses	136,858	76,865	51,377	5,061	12,934	283,095
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(259,699)	(57,730)	(64,901)	(850)	(13,511)	(396,691)
Administrative Expense	1,664	1,538	1,534	835	1,015	6,586
<b>2020 Operating Result</b>	<b>(261,363)</b>	<b>(59,268)</b>	<b>(66,435)</b>	<b>(1,685)</b>	<b>(14,526)</b>	<b>(403,277)</b>
attributed to PAYs:	23,839	6,293	3,914	277	765	35,088
attributed to CAY:	(285,202)	(65,561)	(70,349)	(1,962)	(15,291)	(438,365)

As noted in section 2.2, there are differences between the overall operating result projected for Calendar Year **2020** in this Final Outlook and two comparable projections for Calendar Year **2019**, being our calendar year projection posted on October 18, 2018 (*Oct 18 2018 Outlook*) and our current projection (*Aug 31 2019 Projections*). These differences are mainly due to current accident year impacts due to changes in premium volume.

Like our *Oct 18 2018 Outlook* for Calendar Year **2019**, this Outlook’s projection for Calendar Year **2020** assumes no nominal changes to our estimates of ultimate for prior accident years<sup>3</sup>, whereas the current projection for Calendar Year **2019** (*Aug 31 2019 Projections*) includes nominal prior accident

<sup>3</sup>In 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.

year changes as booked during the first eight months of **2019**. Given the importance of accident year 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% 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. In fact, we find at times significant variations in member projections and our roll-up of those projections, over time and against actual. As an example, we've summarized some Ontario RSP projections across various Outlooks in the table below.

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

<b>Calendar Year</b>	<b>Final 2018 Outlook</b>	<b>Preliminary 2019 Outlook</b>	<b>Final 2019 Outlook</b>	<b>Preliminary 2020 Outlook</b>	<b>Final 2020 Outlook</b>
2018	\$413.2	\$408.2	\$365.8	\$347.8	\$347.8
2019	not projected	\$430.3	\$424.8	\$347.8	\$347.8
2020	not projected	not projected	not projected	\$411.1	\$416.1

*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 2020 Outlooks were based on actual and projected results as at May 2019 and August 2019 respectively.*

Projected volumes are discussed in section 3.1.

## **2.2 Projected Calendar Year 2020 Operating Results**

The projected Calendar Year **2020** 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 **2019** as per the ***Oct 18 2018 Outlook*** and with the ***Aug 31 2019 Projections***<sup>4</sup>.

<sup>4</sup>The ***Aug 31 2019 Projections*** for Calendar Year 2019 and this Outlook's projections for Calendar Year 2020 were derived at the same time, using consistent assumptions.

**Projection Summary – Calendar Year 2020 – Amounts (\$000s)**

Calendar Year 2020 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	416,066	247,866	159,575	16,178	38,176	877,861
Earned Premium	400,999	234,333	151,437	16,215	35,830	838,814
Prior Accident Years (PAYs)	(23,839)	(6,293)	(3,914)	(277)	(765)	(35,088)
Current Accident Year (CAY)	547,679	221,491	168,875	12,281	37,172	987,498
Total Claims Incurred	523,840	215,198	164,961	12,004	36,407	952,410
Expense Allowance	123,154	75,350	48,509	4,885	12,100	263,998
Change in Prem. Def / (DPAC)	13,704	1,515	2,868	176	834	19,097
Underwriting Expenses	136,858	76,865	51,377	5,061	12,934	283,095
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(259,699)	(57,730)	(64,901)	(850)	(13,511)	(396,691)
Administrative Expense	1,664	1,538	1,534	835	1,015	6,586
<b>2020 Operating Result</b>	<b>(261,363)</b>	<b>(59,268)</b>	<b>(66,435)</b>	<b>(1,685)</b>	<b>(14,526)</b>	<b>(403,277)</b>
attributed to PAYs:	23,839	6,293	3,914	277	765	35,088
attributed to CAY:	(285,202)	(65,561)	(70,349)	(1,962)	(15,291)	(438,365)
<b>2019 Operating Result</b>						
<b>Oct. 18, 2018 Outlook</b>	<b>(266,840)</b>	<b>(38,222)</b>	<b>(63,017)</b>	<b>(2,038)</b>	<b>(10,890)</b>	<b>(381,007)</b>
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)
<b>Aug 31, 2019 Projection</b>	<b>(152,399)</b>	<b>(23,542)</b>	<b>(34,620)</b>	<b>(1,532)</b>	<b>(11,985)</b>	<b>(224,079)</b>
attributed to PAYs:	89,236	29,854	25,610	369	229	145,298
attributed to CAY:	(241,635)	(53,396)	(60,230)	(1,901)	(12,214)	(369,377)

In comparing the Calendar Year **2020** operating result projection against the two projections for Calendar Years **2019**, **2020** has a larger projected operating deficit resulting from the increase in volume, with the current projections showing an increase of 15.5% in written premium and 20.6% in earned premium (see table at the top of the next page). However, the major driver of change from the **Aug 31, 2019 Projections** projection for **2019** and **2020** is the impact of PAYs, being significantly more favourable for **2019**, as a result of the 2019 Q2 valuation (see associated Bulletins and Actuarial Highlights).



***Projection Summary – Calendar Year 2020 – Premium Comparisons (Amounts \$000s)***

<b>Calendar Year 2020 Premium Comparisons (Amounts in \$000s)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2020 Written Premium	416,066	247,866	159,575	16,178	38,176	877,861
Change from 2019	45,768	39,470	25,472	540	6,616	117,866
% Change from 2019	12.4%	18.9%	19.0%	3.5%	21.0%	15.5%
2020 Earned Premium	400,999	234,333	151,437	16,215	35,830	838,814
Change from 2019	49,786	53,620	33,162	596	5,835	142,999
% Change from 2019	14.2%	29.7%	28.0%	3.8%	19.5%	20.6%

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 **2020** vs **2019**, 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 **2020** compared with the same components for the two projections for **2019** show a higher level of similarity with the **Oct 18 2018 Outlook** in relation to the operating result attributed to prior accident years (PAYs) at the RSP level. In contrast, the **2020** attributed CAY components are generally more aligned with the **Aug 31 2019 Projections**. These alignments are expected, as the **2020** projection for the contribution of the PAYs has the same base assumption for the PAYs as found in the **Oct 18 2018 Outlook** (i.e. no nominal changes in claims liabilities, so the PAYs’ impact is driven by releases of actuarial present value adjustments as claims are settled). The **Aug 31 2019 Projections** include actual PAYs activity included up to the Jun 30, 2019 valuation (which, again, resulted in a significant PAYs favourable result). The updated valuation and more recent discount rate assumptions leads to closer alignment with the **Aug 31 2019 Projections** (updated yield curves and updated accident years **2019** and **2020** loss ratios), such that remaining differences are driven by differences in volume and 2019 vs 2020 loss ratios.

The table at the top of the next page provides **the difference between** the Calendar Years **2020** and **2019** results as currently projected (**Aug 31 2019 Projections**).

**Projection Summary –2020 less 2019 Calendar Year Amounts (\$000s) – current projections**

2020 less 2019 Calendar Year Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	45,768	39,470	25,472	540	6,616	117,866
Earned Premium	49,786	53,620	33,162	596	5,835	142,999
Prior Accident Years (PAYs)	65,397	23,561	21,696	92	(536)	110,210
Current Accident Year (CAY)	73,042	54,562	36,458	195	6,358	170,615
Total Claims Incurred	138,439	78,123	58,154	287	5,822	280,825
Expense Allowance	14,917	10,498	6,758	176	2,313	34,662
Change in Prem. Def / (DPAC)	5,210	325	(241)	197	52	5,543
Underwriting Expenses	20,127	10,823	6,517	373	2,365	40,205
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(108,780)	(35,326)	(31,509)	(64)	(2,352)	(178,031)
Administrative Expense	184	400	306	89	189	1,167
<b>Operating Result</b>	<b>(108,964)</b>	<b>(35,726)</b>	<b>(31,815)</b>	<b>(153)</b>	<b>(2,541)</b>	<b>(179,198)</b>
attributed to PAYs:	(65,397)	(23,561)	(21,696)	(92)	536	(110,210)
attributed to CAY:	(43,567)	(12,165)	(10,119)	(61)	(3,077)	(68,988)

The table below summarizes **differences in** key ratios for projections for Calendar Years **2020** vs **2019**.

**Projection Summary –2020 less 2019 Calendar Year (Key Ratios) – current projections**

2020 less 2019 Calendar Year Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	19.5%	13.8%	19.1%	0.7%	(1.3%)	16.7%
Current Accident Year (CAY)	1.5%	2.1%	(0.5%)	(1.7%)	1.0%	0.3%
Total Claims Incurred	21.0%	15.9%	18.6%	(1.0%)	(0.3%)	17.0%
Expense Ratios						
Expense Allowance (% WP)	0.4%	(0.7%)	(0.7%)	0.1%	0.7%	(0.1%)
Chg in Prem. Def / (DPAC) (% EP)	1.0%	(0.1%)	(0.7%)	1.2%	(0.3%)	0.4%
Underwriting Expenses (% EP)	0.8%	(3.8%)	(4.1%)	1.3%	0.9%	(1.2%)
Administrative Expense (% EP)	-	0.1%	-	0.3%	-	-
U/Wing & Admin Exp (% EP)	0.8%	(3.7%)	(4.1%)	1.6%	0.9%	(1.2%)
<b>Combined Operating Ratio (% EP)</b>	<b>21.8%</b>	<b>12.2%</b>	<b>14.5%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>15.8%</b>
attributed to PAYs:	19.5%	13.8%	19.1%	0.7%	(1.3%)	16.7%
attributed to CAY:	2.3%	(1.6%)	(4.6%)	(0.1%)	1.9%	(0.9%)

As a reminder, PAYs for **2020** have no projected nominal (i.e. undiscounted) impact, as we assume our liabilities are best estimates – the **2019** projection includes implemented valuation impacts for **2019**. The effect of discounting for **2019** also reflects valuation impacts (particularly apv changes with nominal ultimate changes) not expected for **2020**.



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 PAYs’ claims liabilities over the ensuing calendar year is discussed below.

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

ON	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid	PfAD for	MfAD for	amount	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
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%)
2018	904.8	142.7	15.8%	(27.7)	(3.1%)
projections					
2019	958.6	146.4	15.3%	(73.3)	(7.6%)
2020	941.5	142.3	15.1%	-	-

For the Ontario RSP, nominal (i.e. excluding actuarial present value adjustments) claims liabilities amounted to \$958.6 million as at December 31, 2018 (representing then the beginning prior accident years’ claims liabilities for calendar year **2019**). The nominal prior accident years’ change booked year-to-date during **2019** at \$73.3 million (favourable) represents 7.6% of the beginning claims liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Ontario RSP are projected to be \$941.5 million at December 31, 2019 (and hence is the projected beginning prior accident years’ claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$47.1 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have all been from 3.1% to 14.5% favourable (average of 8.0% favourable), we do see this as unusual, and not necessarily indicative of future development (ideally, the average would be 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$142.3 million (column [2]) would be more than three times this \$47.1 million level, with the MfAD (column [3]) at 15.1% being more than three times 5%.

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

AB Grid	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid	PfAD for	MfAD for	amount	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
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%
2018	307.0	35.2	11.5%	0.6	0.2%
projections					
2019	320.6	36.9	11.5%	(29.9)	(9.3%)
2020	322.7	37.3	11.6%	-	-

For the Alberta Grid RSP, nominal claims liabilities amounted to \$320.6 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during 2019 at \$29.9 million (favourable) represents 9.3% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Alberta Grid RSP are projected to be \$322.7 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$16.1 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 9.3% favourable to 16.9% unfavourable (average of 4.2% unfavourable), 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 (ideally, the average would be 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$37.3 million (column [2]) would be more than two times this \$16.1 million level, as the MfAD (column [3]) at 11.6% being more than two times 5%. However, it is important to note that two of the calendar years shown had unfavourable changes that exceeded beginning provisions for adverse claims development (2014 and 2016).

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

<b>AB non-Grid</b>	nominal unpaid indemnity claims liability (\$ millions)				
	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning
	[1]	[2]	[3]	[4]	[5]
	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
Cal Yr					
actuals					
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%
2018	181.4	20.8	11.5%	(14.5)	(8.0%)
projections					
2019	185.8	21.5	11.6%	(25.0)	(13.5%)
2020	195.6	22.3	11.4%	-	-

For the Alberta non-Grid RSP, nominal claims liabilities amounted to \$185.8 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$25.0 million (favourable) represents 13.5% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Alberta non-Grid RSP are projected to be \$195.6 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$9.8 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 13.5% favourable to 4.1% unfavourable (average of 2.8% favourable compared to the ideal average of 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$22.3 million (column [2]) would be more than two times this \$9.8 million level, as the MfAD (column [3]) at 11.4% being more than two times 5%.

***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	%
	indemnity	dev'l	dev'l		beginning
	[1]	[2]	[3]	[4]	[5]
Cal Yr	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
actuals					
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%)
2018	18.5	2.0	10.8%	0.6	3.2%
projections					
2019	19.5	2.2	11.3%	(0.5)	(2.6%)
2020	20.8	2.3	11.1%	-	-

For the New Brunswick RSP, nominal claims liabilities amounted to \$19.5 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$0.5 million (favourable) represents 2.6% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the New Brunswick RSP are projected to be \$20.8 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2020**), and **changes of +/-5% (\$1.0 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 11.6% favourable to 8.6% unfavourable (average of 0.2% unfavourable – this is close to the ideal average of 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$2.3 million (column [2]) would be more than two times this \$1.0 million level, as the MfAD (column [3]) at 11.1% being more than two times 5%.

***NS RSP PAYs' Ultimate Changes vs Beginning Liabilities***

*(nominal, indemnity only)*

nominal unpaid indemnity claims liability (\$ millions)					
NS	nominal beginning amounts			chg in PAYs' ultimates	
	unpaid indemnity	PfAD for dev'l	MfAD for dev'l	amount	% beginning unpaid
	[1]	[2]	[3]	[4]	[5]
	mthly calc	mthly calc	=[2]/[1]	mthly calc	=[4]/[1]
Cal Yr					
actuals					
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%)
2018	35.5	4.1	11.5%	0.2	0.6%
projections					
2019	45.0	5.3	11.8%	(0.4)	(0.9%)
2020	52.7	6.2	11.8%	-	-

For the Nova Scotia RSP, nominal claims liabilities amounted to \$45.0 million as at December 31, 2018 (representing then the beginning prior accident years' claims liabilities for calendar year **2019**). The nominal prior accident years' change booked year-to-date during **2019** at \$0.4 million (favourable) represents 0.9% of the beginning liabilities (see columns [4] and [5] for the **2019** row above).

The nominal claims liabilities for the Nova Scotia RSP are projected to be \$52.7 million at December 31, 2019 (and hence is the projected beginning prior accident years' claims liabilities for Calendar Year **2019**), **changes of +/-5% (\$2.6 million)** of these liabilities would not be unusual. As indicated in table above, actual changes that occurred during the last 5 calendar years have varied from 6.4% favourable to 10.6% unfavourable (average of 1.1% unfavourable – this is higher than the ideal average of 0%). In comparison, the projected **2020** beginning *nominal* claims development provision for adverse deviation (PfAD) at \$6.2 million (column [2]) would be more than two times this \$2.6 million level, as the MfAD (column [3]) at 11.8% being more than two times 5%.

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 18 2018 Outlook** for the Ontario RSP used a discount rate of 1.83%, whereas with the **Aug 31 2019 Projections** for the Ontario RSP uses 1.40%. However, the Jun 30, 2019 valuation discount rate *changes* do not have a direct impact on the **2020** projections. As the change occurs in calendar year **2019**, both the beginning and ending claims liabilities for Calendar Year 2020 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 table at the top of the next page summarizes the impact of discounting policy liability cash flows as projected Dec 31, 2020 (excluding the impact of claims development provisions for adverse deviations). Note that discount amounts are shown in the table as negative values, as they act to reduce policy liabilities.

***Projection Summary – Dec 31, 2020 ending Discount Amounts in Policy Liabilities (\$000s)***

Projected Dec 31 2020 Policy Liabilities Discount Amounts (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Discount Amount</b>	<b>(50,952)</b>	<b>(18,847)</b>	<b>(11,545)</b>	<b>(1,096)</b>	<b>(3,008)</b>	<b>(85,448)</b>
investment PfAD Amount	8,602	3,236	1,964	180	495	14,477
<b>Net Discount Amount</b>	<b>(42,350)</b>	<b>(15,611)</b>	<b>(9,581)</b>	<b>(916)</b>	<b>(2,513)</b>	<b>(70,971)</b>

Moving the net discount impacts to \$0 could be considered a “worst case” scenario<sup>5</sup> in relation to adverse changes in the yield curves.

Key Ratios associated with our Calendar Year **2020** projection are presented in the table at the top of the next page, including the Combined Operating Ratios for the two calendar year **2019** projections. For details related to the **2020** 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.

<sup>5</sup>That 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 2020 – Key Ratios<sup>6</sup>***

<b>Calendar Year 2020 Projections (Key Ratios)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)	-	-	-	-	-	-
Prior Accident Years (PAYs)	(5.9%)	(2.7%)	(2.6%)	(1.7%)	(2.1%)	(4.2%)
Current Accident Year (CAY)	136.6%	94.5%	111.5%	75.7%	103.7%	117.7%
Total Claims Incurred	130.7%	91.8%	108.9%	74.0%	101.6%	113.5%
Expense Ratios	-	-	-	-	-	-
Expense Allowance (% WP)	29.6%	30.4%	30.4%	30.2%	31.7%	30.1%
Chg in Prem. Def / (DPAC) (% EP)	3.4%	0.6%	1.9%	1.1%	2.3%	2.3%
Underwriting Expenses (% EP)	34.1%	32.8%	33.9%	31.3%	36.1%	33.7%
Administrative Expense (% EP)	0.4%	0.7%	1.0%	5.1%	2.8%	0.8%
U/Wing & Admin Exp (% EP)	34.5%	33.5%	34.9%	36.4%	38.9%	34.5%
<b>2020 Combined Operating Ratio (% EP)</b>	<b>165.2%</b>	<b>125.3%</b>	<b>143.8%</b>	<b>110.4%</b>	<b>140.5%</b>	<b>148.0%</b>
attributed to PAYs:	(5.9%)	(2.7%)	(2.6%)	(1.7%)	(2.1%)	(4.2%)
attributed to CAY:	171.1%	128.0%	146.4%	112.1%	142.6%	152.2%
<b>2019 Combined Operating Ratio</b>						
<b>Oct. 18, 2018 Outlook</b>	<b>168.0%</b>	<b>124.2%</b>	<b>150.6%</b>	<b>112.4%</b>	<b>136.0%</b>	<b>152.8%</b>
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%
<b>Aug 31, 2019 Projection</b>	<b>143.4%</b>	<b>113.1%</b>	<b>129.3%</b>	<b>109.8%</b>	<b>139.9%</b>	<b>132.2%</b>
attributed to PAYs:	(25.4%)	(16.5%)	(21.7%)	(2.4%)	(0.8%)	(20.9%)
attributed to CAY:	168.8%	129.6%	151.0%	112.2%	140.7%	153.1%

Net cash flows from operations for the RSPs collectively are projected to be an overall outflow of \$102.0 million for Calendar Year 2020 as presented in detail in section 3.5 (we are currently projecting a \$104.0 million operating cash outflow for calendar year **2019**).

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).

<sup>6</sup>RSP 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					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>664.1</b>	<b>658.6</b>	<b>609.1</b>	<b>489.0</b>	<b>545.9</b>	<b>518.0</b>
<b>expense allowance</b>	<b>198.4</b>	<b>197.1</b>	<b>183.2</b>	<b>142.9</b>	<b>164.2</b>	<b>152.8</b>
<b>administration</b>	<b>4.7</b>	<b>4.6</b>	<b>4.1</b>	<b>4.0</b>	<b>3.7</b>	<b>4.0</b>
<b>prem net of expenses</b>	<b>461.0</b>	<b>456.8</b>	<b>421.9</b>	<b>342.1</b>	<b>378.0</b>	<b>361.2</b>
<b>paid claims</b>						
PAYs indemnity	326.7	318.8	296.3	295.3	283.7	293.2
PAY claims expenses	24.5	25.8	33.4	32.4	35.0	33.9
CAY indemnity	272.3	252.5	197.7	182.3	170.9	165.1
CAY clms expenses	1.7	1.0	0.8	0.9	1.4	1.5
all yrs indemnity	599.0	571.3	494.1	477.6	454.6	458.3
all yrs clms expenses	26.2	26.9	34.2	33.2	36.4	35.4
<b>total claims &amp; expenses paid</b>	<b>625.2</b>	<b>598.2</b>	<b>528.2</b>	<b>510.8</b>	<b>491.0</b>	<b>493.8</b>
<b>operating cash flow</b>	<b>(164.2)</b>	<b>(141.3)</b>	<b>(106.4)</b>	<b>(168.7)</b>	<b>(112.9)</b>	<b>(132.6)</b>

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

The current (Aug 31 2019) Calendar Year 2020 **projection** is provided in more detail in the next section, but the table at the top of the next page provides details of projected **changes in** cash flow by RSP between calendar years **2019** and **2020**.



**Projection Summary –2020 less 2019 Calendar Year Cash Flow Projections (\$000s)**

<b>2020 less 2019 Calendar Net Operating Cash Flow Projections (\$000s)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>45,768</b>	<b>39,470</b>	<b>25,472</b>	<b>540</b>	<b>6,616</b>	<b>117,866</b>
<b>PAYs Paid Claims</b>						
paid indemnity	3,292	6,731	7,247	(292)	(774)	16,204
paid allowed claims expense	12,244	4,048	1,900	657	512	19,361
PAYs Paid Claims	15,536	10,779	9,147	365	(262)	35,565
<b>CAYs Paid Claims</b>						
paid indemnity	14,823	10,595	17,209	(394)	1,986	44,219
paid allowed claims expense	149	43	52	(1)	8	251
CAYs Paid Claims	14,972	10,638	17,261	(395)	1,994	44,470
<b>All AYs Paid Claims</b>						
paid indemnity	18,115	17,326	24,456	(686)	1,212	60,423
paid allowed claims expense	12,393	4,091	1,952	656	520	19,612
All AYs Paid Claims	30,508	21,417	26,408	(30)	1,732	80,035
<b>"Cash" Expenses</b>						
Member Expense Allowance	14,917	10,498	6,758	176	2,313	34,662
Administrative Expenses	184	400	306	89	189	1,167
"Cash" Expenses	15,101	10,898	7,064	265	2,502	35,829
<b>Net Operating Cash Flow</b>	<b>159</b>	<b>7,156</b>	<b>(7,999)</b>	<b>305</b>	<b>2,381</b>	<b>2,002</b>

### 2.3 Updated Projections for Calendar Year 2019

The tables on the next page provide summaries for the *Aug 31 2019 Projection* of **Calendar Year 2019**.

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

Calendar Year 2019 Projections (\$000s)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Written Premium	370,298	208,396	134,103	15,638	31,560	759,995
Earned Premium	351,213	180,713	118,275	15,619	29,995	695,815
Prior Accident Years (PAYs)	(89,236)	(29,854)	(25,610)	(369)	(229)	(145,298)
Current Accident Year (CAY)	474,637	166,929	132,417	12,086	30,814	816,883
Total Claims Incurred	385,401	137,075	106,807	11,717	30,585	671,585
Expense Allowance	108,237	64,852	41,751	4,709	9,787	229,336
Change in Prem. Def / (DPAC)	8,494	1,190	3,109	(21)	782	13,554
Underwriting Expenses	116,731	66,042	44,860	4,688	10,569	242,890
	-	-	-	-	-	-
Net U/Wing gain / (loss)	(150,919)	(22,404)	(33,392)	(786)	(11,159)	(218,660)
Administrative Expense	1,480	1,138	1,228	746	826	5,419
<b>2019 Operating Result</b>	<b>(152,399)</b>	<b>(23,542)</b>	<b>(34,620)</b>	<b>(1,532)</b>	<b>(11,985)</b>	<b>(224,079)</b>
attributed to PAYs:	89,236	29,854	25,610	369	229	145,298
attributed to CAY:	(241,635)	(53,396)	(60,230)	(1,901)	(12,214)	(369,377)

***Projection Summary –2019 Calendar Year (Key Ratios) – current projection***

Calendar Year 2019 Projections (Key Ratios)						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Loss Ratios (% EP)						
Prior Accident Years (PAYs)	(25.4%)	(16.5%)	(21.7%)	(2.4%)	(0.8%)	(20.9%)
Current Accident Year (CAY)	135.1%	92.4%	112.0%	77.4%	102.7%	117.4%
Total Claims Incurred	109.7%	75.9%	90.3%	75.0%	101.9%	96.5%
Expense Ratios						
Expense Allowance (% WP)	29.2%	31.1%	31.1%	30.1%	31.0%	30.2%
Chg in Prem. Def / (DPAC) (% EP)	2.4%	0.7%	2.6%	(0.1%)	2.6%	1.9%
Underwriting Expenses (% EP)	33.3%	36.6%	38.0%	30.0%	35.2%	34.9%
Administrative Expense (% EP)	0.4%	0.6%	1.0%	4.8%	2.8%	0.8%
U/Wing & Admin Exp (% EP)	33.7%	37.2%	39.0%	34.8%	38.0%	35.7%
<b>2019 Combined Operating Ratio (% EP)</b>	<b>143.4%</b>	<b>113.1%</b>	<b>129.3%</b>	<b>109.8%</b>	<b>139.9%</b>	<b>132.2%</b>
attributed to PAYs:	(25.4%)	(16.5%)	(21.7%)	(2.4%)	(0.8%)	(20.9%)
attributed to CAY:	168.8%	129.6%	151.0%	112.2%	140.7%	153.1%

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 18 2018 Outlook*** and the ***Aug 31 2019 Projections*** as summarized above. The latter includes the implementation of the 2018 Q3, Q4, and 2019 Q1, Q2 valuations, with the changes in operating result largely driven by the impact of the updated valuations on CORs.

*Calendar Year **2019** Oct 18 2018 Outlook vs current Aug 31 2019 Projection*

	Outlook Posted October 18, 2018			Updated Year-end Projection		
\$000s	Earned Premium	Operating Result	COR	Earned Premium	Operating Result	COR
Ontario	392,210	(266,840)	168.0%	351,213	(152,399)	143.4%
Alberta Grid	158,085	(38,222)	124.2%	180,713	(23,542)	113.1%
Alberta non-Grid	124,625	(63,017)	150.6%	118,275	(34,620)	129.3%
New Brunswick	16,429	(2,038)	112.4%	15,619	(1,532)	109.8%
Nova Scotia	30,272	(10,890)	136.0%	29,995	(11,985)	139.9%
<b>TOTAL</b>	<b>721,621</b>	<b>(381,007)</b>	<b>152.8%</b>	<b>695,815</b>	<b>(224,079)</b>	<b>132.2%</b>

In the table below, we attribute the overall **\$156.9 million** operating result **improvement** in our projection for calendar year **2019** to components:

- \$25.8 million **improvement** attributed to changes in earned premium (by multiplying the earned premium change by [1 - COR]) – in general, lower earned premium improves results as the Outlook's CORs were all above 100%;
- \$131.1 million **improvement** attributed to changes 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 2019***

\$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	(40,997)	114,441	(24.6%)	(40,997)	27,878	86,563	(24.6%)
Alberta Grid	22,628	14,680	(11.1%)	22,628	(5,476)	20,156	(11.1%)
Alberta non-Grid	(6,350)	28,397	(21.3%)	(6,350)	3,213	25,184	(21.3%)
New Brunswick	(810)	506	(2.6%)	(810)	100	406	(2.6%)
Nova Scotia	(277)	(1,095)	3.9%	(277)	100	(1,195)	3.9%
<b>TOTAL</b>	<b>(25,806)</b>	<b>156,928</b>	<b>(20.6%)</b>	<b>(25,806)</b>	<b>25,815</b>	<b>131,113</b>	<b>(20.6%)</b>

Of the \$156.9 million<sup>7</sup> of operating result improvement shown above (of which \$131.1 million in improvement is attributed to 20.6 points of change in CORs), the overall driver is due to changes in the claims incurred ratios (19.8 point change overall) and expense ratios (0.8 point change overall), as indicated in the table at the top of the next page. The claims ratio is heavily influenced by the 2019 Q2 valuation results and the expense ratio is heavily influenced by volume changes and the associated impacts on premium deficiency liabilities.

<sup>7</sup>Changes 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 Calendar Year 2019 Projected COR and key other ratios***

2019 Calendar Yr	Combined Ratio			Claims Incurred Ratio			Expense Ratio		
	Aug 31 2019 Projection	Oct 18 2018 Outlook	point chg	Aug 31 2019 Projection	Oct 18 2018 Outlook	point chg	Aug 31 2019 Projection	Oct 18 2018 Outlook	point chg
Ontario	143.4	168.0	(24.6)	109.7	131.2	(21.5)	33.7	36.8	(3.1)
Alberta Grid	113.1	124.2	(11.1)	75.9	91.3	(15.4)	37.2	32.9	4.3
Alberta Non-Grid	129.3	150.6	(21.3)	90.3	110.4	(20.1)	39.0	40.2	(1.2)
New Brunswick	109.8	112.4	(2.6)	75.0	75.8	(0.8)	34.8	36.6	(1.8)
Nova Scotia	139.9	136.0	3.9	102.0	99.2	2.8	37.9	36.8	1.1
<b>TOTAL</b>	<b>132.2</b>	<b>152.8</b>	<b>(20.6)</b>	<b>96.5</b>	<b>116.3</b>	<b>(19.8)</b>	<b>35.7</b>	<b>36.5</b>	<b>(0.8)</b>

Changes in selected ultimate loss ratios and selected discount rates directly impact the COR and are updated with each valuation<sup>8</sup>, 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 2018 (implementation of the 2018 Q2 valuation), Oct 2018 (implementation of the 2018 Q3 valuation), Mar 2019 (implementation of the 2018 Q4 valuation), May 2019 (implementation of the 2019 Q1 valuation) and Aug 2019 (implementation of the 2019 Q2 valuation).

The selected discount rates have decreased from those selected with the 2018 Q2 valuation (the basis for the **2019** Final Outlook), resulting in an increase in the actuarial claims liabilities and having an unfavourable impact on the projected operating results for Calendar Year **2019**, accounting for an estimated \$20.3 million of unfavourable 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, also left unchanged, are discussed on the next page).

***Estimated 2019 Claims Liabilities Impact from Discount Rate Changes***

<b>RSP</b>	<b>2019 Final Outlook</b>	<b>Aug 31 2019 Projection</b>	<b>Est. Impact Discount Rate</b>	<b>Est. Impact MfAD Chg*</b>
Ontario	1.83%	1.40%	\$12.9 million	\$0.0 million
Alberta Grid	1.87%	1.41%	\$4.2 million	\$0.0 million
Alberta Non-Grid	1.87%	1.43%	\$2.3 million	\$0.0 million
New Brunswick	1.87%	1.41%	\$0.3 million	\$0.0 million
Nova Scotia	1.86%	1.41%	\$0.6 million	\$0.0 million
<b>TOTAL</b>			<b>\$20.3 million</b>	<b>\$0.0 million</b>

Source: Estimated from Interest Rate Sensitivity Tables found in the August 2019 Actuarial Highlights

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

<sup>8</sup>Changes 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.

In addition, as per usual practice for the Q2 valuation, MfADs were reviewed as part of 2019 Q2 valuation (these are generally only reviewed with Q2 valuations). With that valuation, the investment return margins were left unchanged, but the claims development margins were updated. The estimated impact of the 2019 Q2 valuation MfAD changes (re claims development) are indicated in the table below, showing overall favourable impacts of \$15.3 million.

***Estimated 2019 Claims Liabilities  
 Impact from Claims Development  
 2019 Q2 MfADs changes***

<b>RSP</b>	<b>Est. Impact MfAD Chg*</b>
Ontario	-\$13.7 million
Alberta Grid	-\$0.9 million
Alberta Non-Grid	-\$0.5 million
New Brunswick	-\$0.0 million
Nova Scotia	-\$0.1 million
<b>TOTAL</b>	<b>-\$15.3 million</b>

*Source:* FA internal data; rounding differences may exist.

Based on the two preceding tables, overall, there has been a \$5.0 million unfavourable impact due to the decrease in the risk-free yield curve (generating decreased 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 2019 Q2 valuation).

That is to say, **the projected 2019 net operating deficit** of \$224.1 million across all 5 RSPs (being a \$156.9 million improvement relative to the 2019 Final Outlook) **would have been \$5.0 million better** (i.e. \$219.1 million operating deficit) or a \$161.9 million improvement from the 2019 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 the Facility Association to assist them in estimating their share of RSPs 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.

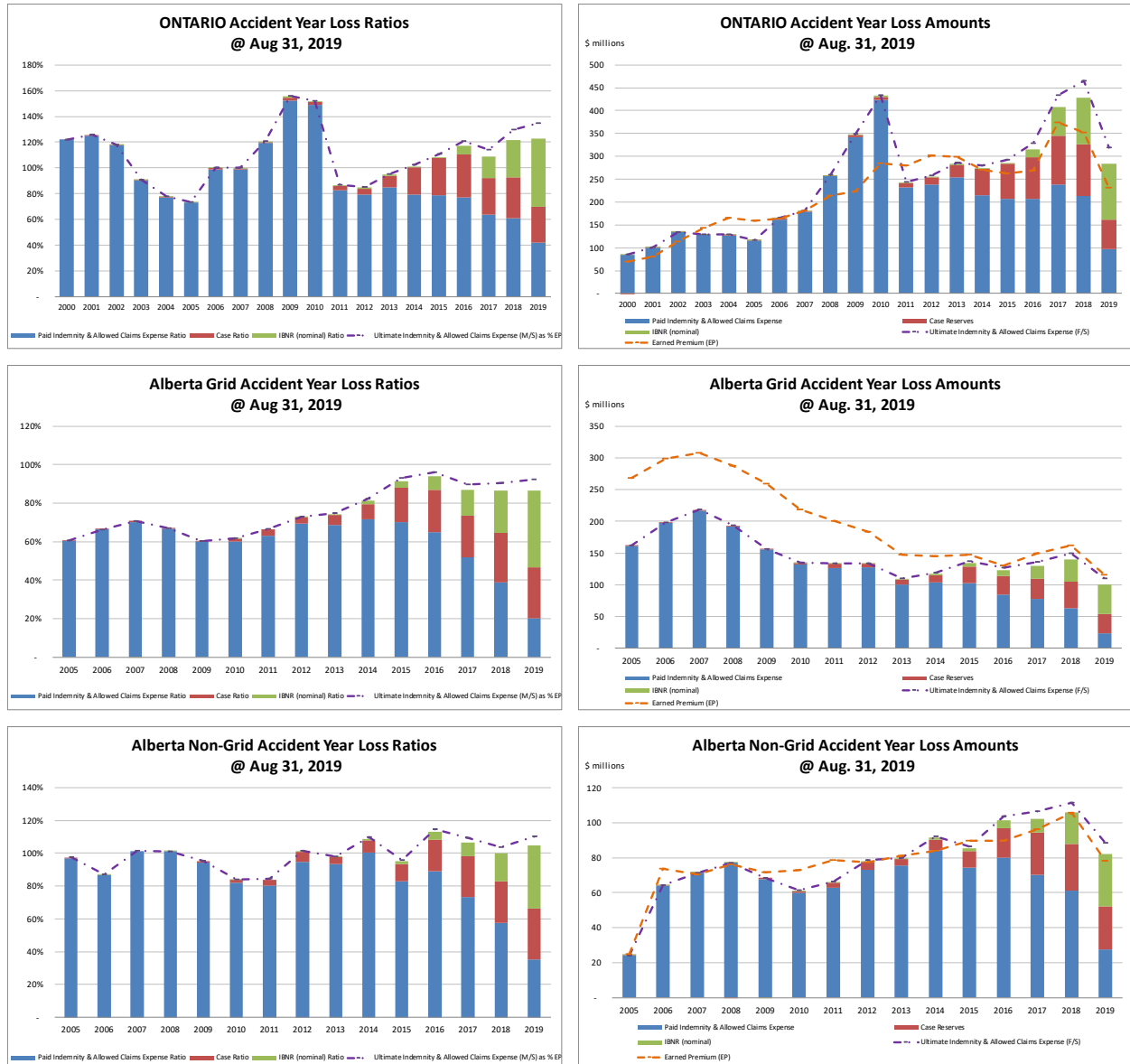
### ***Uncertainty***

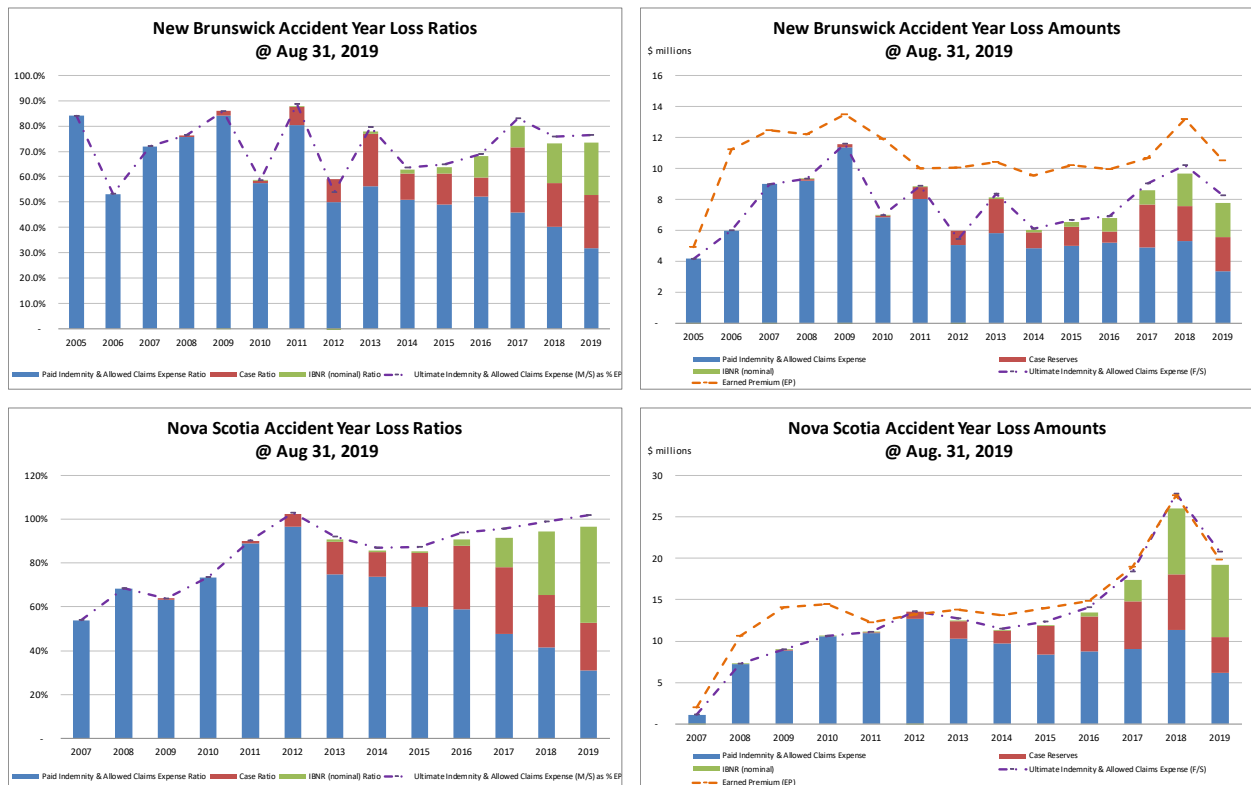
This Outlook is a projection of future events based on models and assumptions believed to be realistic

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.

***Booked Accident Year Claims by RSP (ratios on left; amounts on right)***





### ***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 two 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 targeted for release in June / July) and the Final was moved to be based on August actuals (and targeted for release 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

**\*PROJECTED IS BASED ON PRELIMINARY OUTLOOK**

Risk Sharing Pools (RSPs)

RSP TOTAL

average A less P 2013 to 2018:	100.4	(16.8%)	61.0%
as a % of Projected:	(39.1%)		

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%)		
2018	[a]	Actual	664.1	661.8	(100.6)	(15.2%)	790.3	119.4%	(238.1)	136.0%	
	[b]	Projected*	636.0	640.3	(43.7)	(6.8%)	751.7	117.4%	(270.9)	142.3%	
	[c]=[a]-[b]	A less P	28.1	21.5	(57.0)	(8.4%)	38.6	2.0%	32.9	(6.3%)	173.3%
	[d]=[c]/[b]	% of P	4.4%	3.4%	130.5%		5.1%		(12.1%)		

Over the six calendar year preliminary projections for the RSPs (total basis) shown above, the net operating result has been \$100.4 million (approximately 39.1%) better than projected on average, and the resulting Combined Operating Ratio (COR) has been on average 16.8 points lower than projected. Prior Accident Years' (PAYs) variances have generally accounted for a significant portion of the overall variance (close to a third), with the remainder 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 results 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 are provided in Exhibit D. For completeness, we have also summarized differences between actuals and projections found in the Final Outlooks on the next page.

### *All RSPs – AvsP (Final Outlook projections)*

Facility Association  
 Outlook Actual vs Projected

**\*PROJECTED IS BASED ON FINAL OUTLOOK**

Risk Sharing Pools (RSPs)

RSP TOTAL

average A less P 2013 to 2018: 104.5 (17.3%) (20.3%)

as a % of Projected: (40.1%)

Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result		% variance due to PAYs
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR	
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%)		
2018	[a]	Actual	664.1	661.8	(100.6)	(15.2%)	790.3	119.4%	(238.1)	136.0%	
	[b]	Projected*	761.2	715.1	(41.1)	(5.7%)	849.7	118.8%	(353.6)	149.5%	
	[c]=[a]-[b]	A less P	(97.2)	(53.3)	(59.5)	(9.5%)	(59.5)	0.6%	115.5	(13.5%)	51.5%
	[d]=[c]/[b]	% of P	(12.8%)	(7.5%)	144.9%		(7.0%)		(32.7%)		

One might assume that variances from the Final Outlooks would tend to be smaller than against the Preliminary Outlooks, as actuals are more up-to-date for the former. However, this has not always been the case.

## 2.5 Definitions and Presentation

### *Accounting Periods*

- Calendar Year 2018: actual results for 12 months ending December 31, 2018.

- Calendar Year 2019: actual results for 8 months ending Aug 31, 2019, plus projected results for 4 months ending December 31, 2019.
- Calendar Year 2020: projected results for 12 months ending December 31, 2020.

### ***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 2019. The August 2019 Operational Report reflects the results of recent valuations as at Jun 30, 2019 as described in the August 2019 Actuarial Highlights.
- Projected results for the months of September 2019 and October 2019 are the projections reflected in the August 2019 Operational Reports, and are based on assumptions derived for this purpose from the valuations as at Jun 30, 2019 and other information.
- Projected results for the months of November 2019 through December 2020 are also based on assumptions derived for this purpose from the valuations as at Jun 30, 2019 and other information, extended to encompass Calendar Year 2020.

### ***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 projections<sup>9</sup>. The final projections leverage this detailed projection information, as well as additional insight provided by member company project managers to FA Member Services staff and by FA 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***

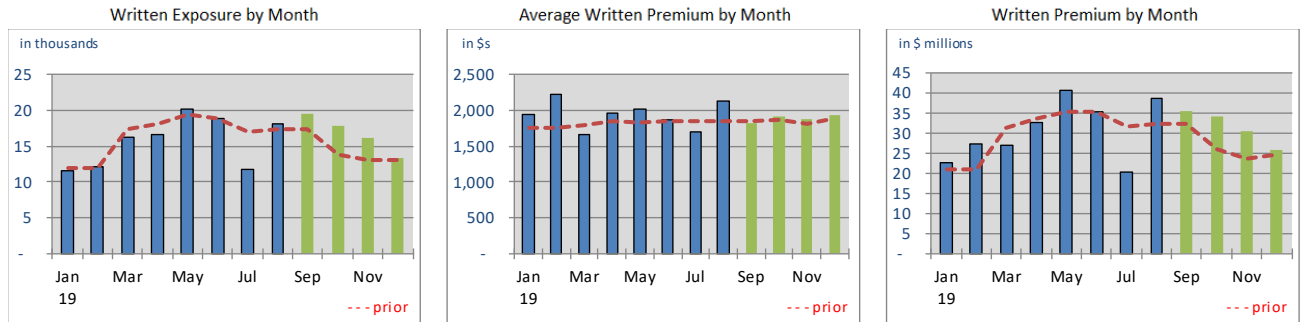
<b>Calendar Year</b>	<b>Final 2018 Outlook</b>	<b>Preliminary 2019 Outlook</b>	<b>Final 2019 Outlook</b>	<b>Preliminary 2020 Outlook</b>	<b>Final 2020 Outlook</b>
2018	\$413.2	\$408.2	\$365.8	\$347.8	\$347.8
2019	not projected	\$430.3	\$424.8	\$347.8	\$347.8
2020	not projected	not projected	not projected	\$411.1	\$416.1

*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 2019 Outlooks were based on actual and projected results as at May 2018 and August 2018 respectively.*

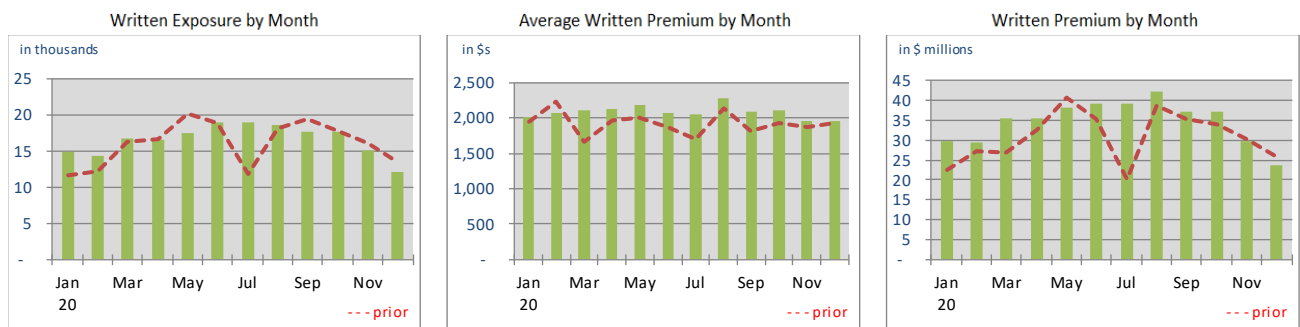
Summaries of the projections are provided at the top of the next page for **2019** and **2020**. In the charts, blue columns are actuals and green are projections. The dotted red line represents the values from the prior year. *Please take careful note of the scale in each chart, as we modify the scale to best fit the information being presented.*

<sup>9</sup>This 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.

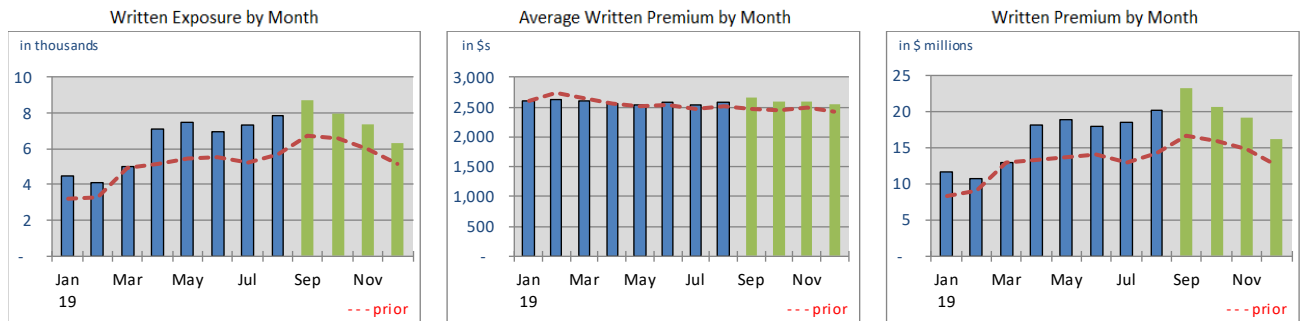
**Ontario 2019**    *projected count 192,767; approximate maximum that could be transferred: 390,000*



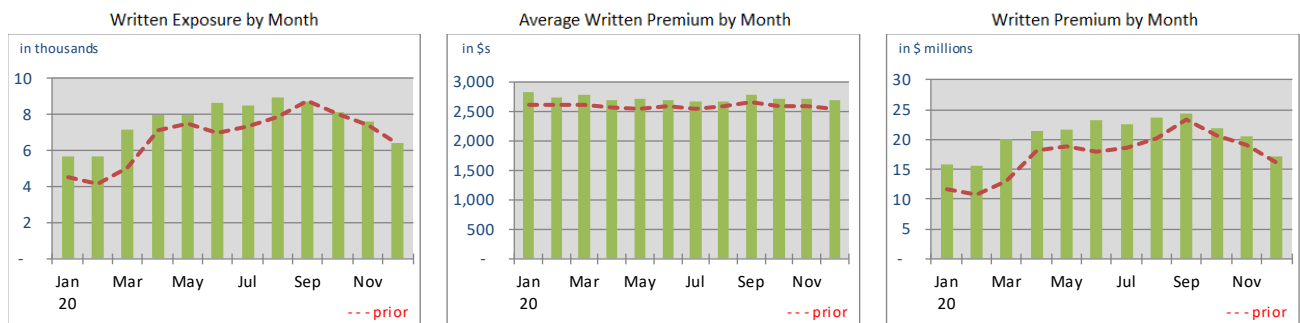
**Ontario 2020**    *projected count 198,925; approximate maximum that could be transferred: 390,000*



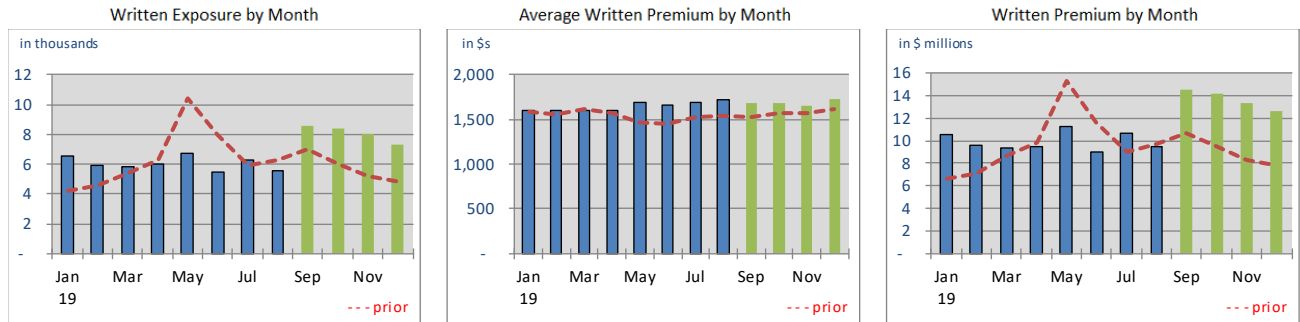
**Alberta Grid 2019**    *projected count 80,662; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)*



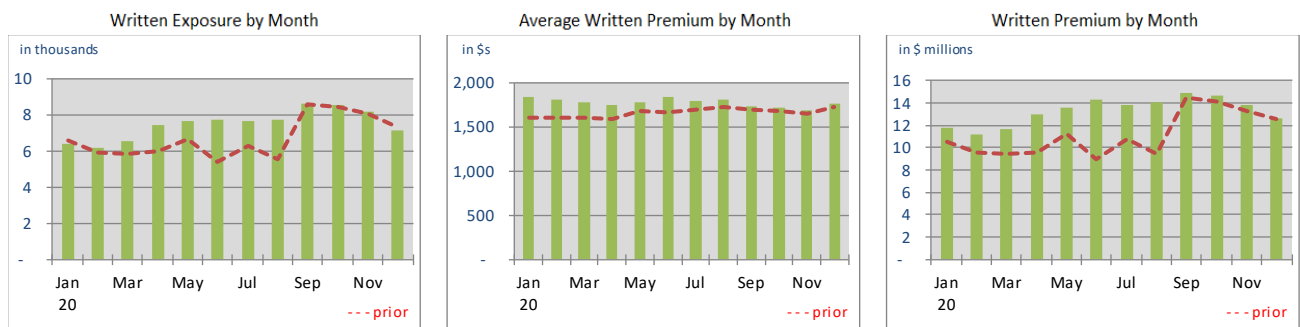
**Alberta Grid 2020**    *projected count 91,223; approximate maximum that could be transferred: unknown (based on number of risks subject to Grid rating – approximately 155,000 in 2017)*



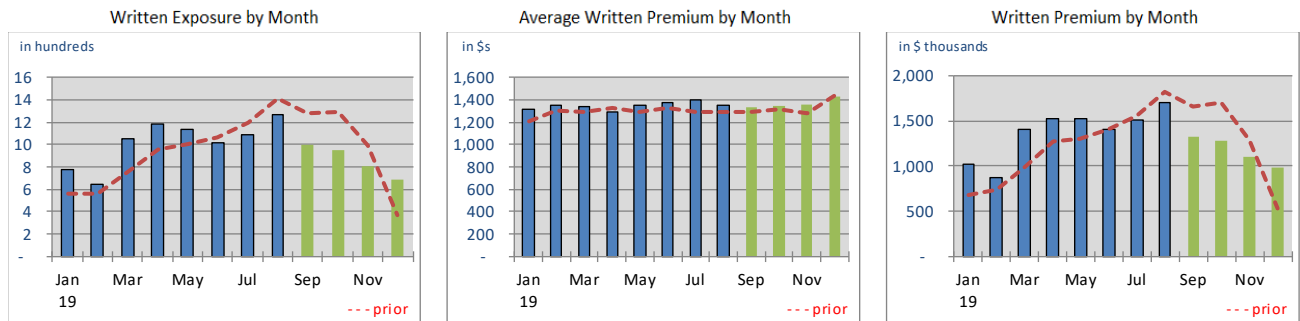
**Alberta Non-Grid 2019**    *projected count 80,721; approximate maximum that could be transferred: 106,000*



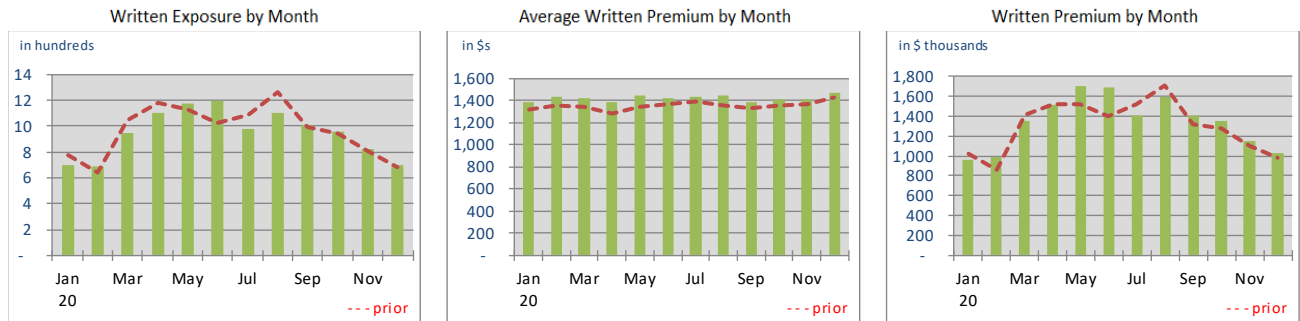
**Alberta Non-Grid 2020**    *projected count 89,988; approximate maximum that could be transferred: 106,000*



**New Brunswick 2019**    *projected count 11,577; approximate maximum that could be transferred: 40,000*

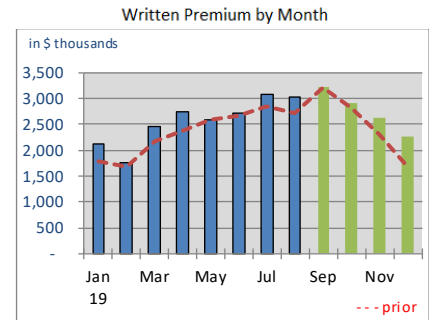
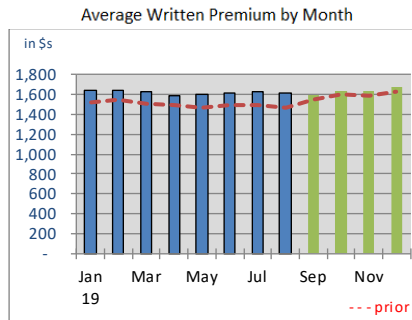
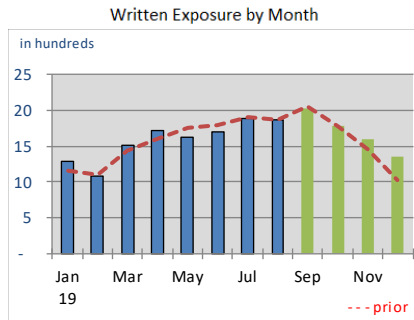


**New Brunswick 2020**    *projected count 11,395; approximate maximum that could be transferred: 40,000*



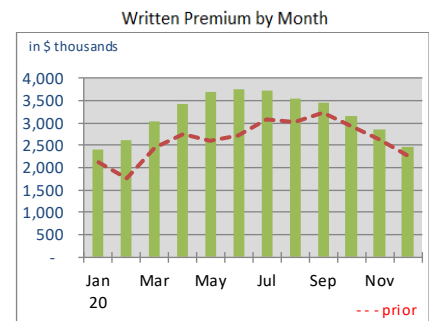
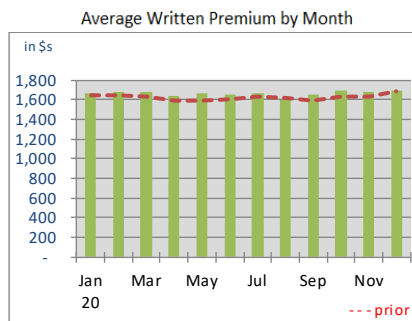
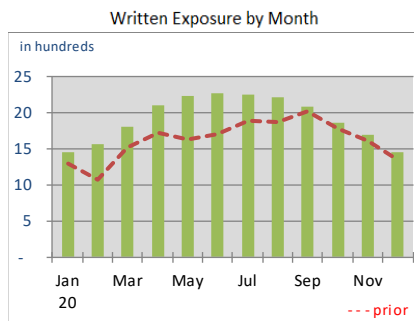
**Nova Scotia 2019**    *projected count 19,434; approximate maximum that could be transferred: unknown (based on*

*number of risks deemed “inexperienced”*



**Nova Scotia 2020**

*projected count 22,971; 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 **2020** projected written and earned premium, and the change in both related to the current projection for **2019**.

***Projection Summary – Calendar Year Premium Comparison (\$000s)***

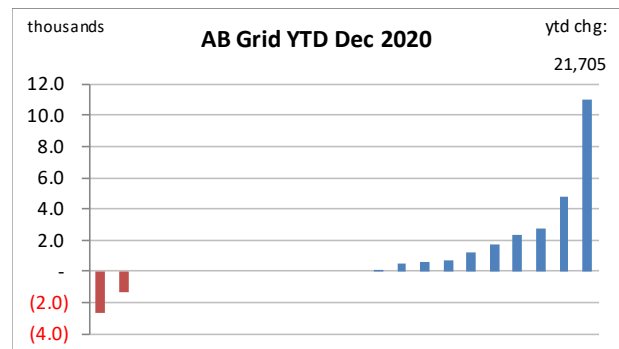
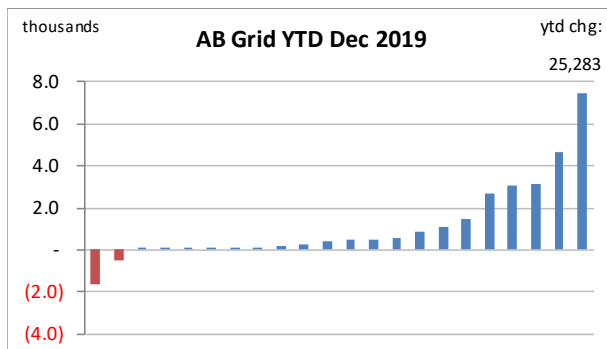
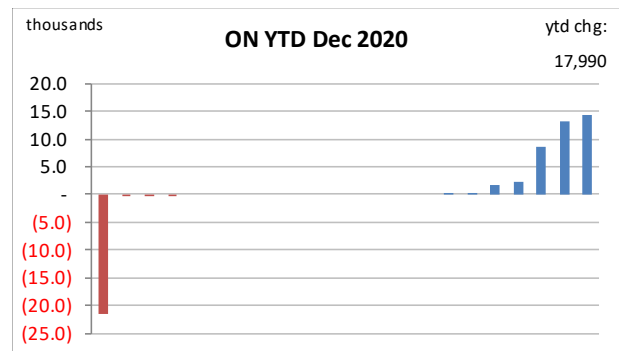
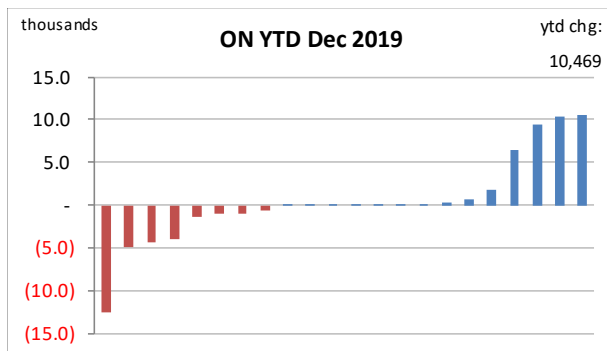
<b>Calendar Year 2020 Premium Comparisons (Amounts in \$000s)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
2020 Written Premium	416,066	247,866	159,575	16,178	38,176	877,861
Change from 2019	45,768	39,470	25,472	540	6,616	117,866
% Change from 2019	12.4%	18.9%	19.0%	3.5%	21.0%	15.5%
2020 Earned Premium	400,999	234,333	151,437	16,215	35,830	838,814
Change from 2019	49,786	53,620	33,162	596	5,835	142,999
% Change from 2019	14.2%	29.7%	28.0%	3.8%	19.5%	20.6%

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).

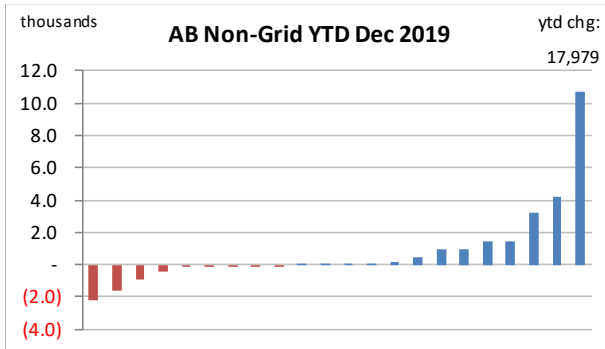


For example, while there were 22 active<sup>10</sup> member groups identified for the Ontario RSP, the 8 member groups providing explicit projections account for 90% of the Ontario RSP vehicle counts transferred for the 12-month period ending August 2019. For the Alberta Grid RSP, while there were 22 active member groups identified, the 10 member groups that provided explicit projections account for 89% of the Alberta Grid RSP vehicle counts transferred for the 12-month period ending August 2019.

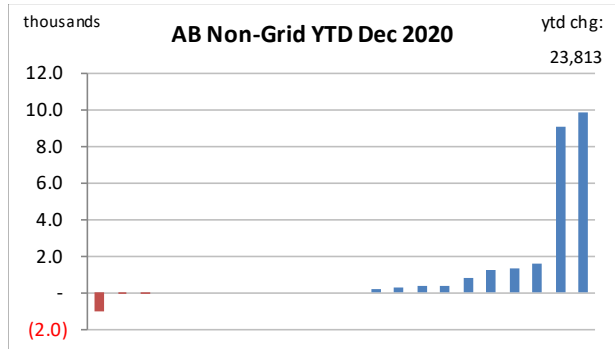
To provide some additional perspective on the projections, we've provided year-end projections summaries of the "decliners / growers" charts akin to those provided monthly in the Actuarial Highlights (red bars are decliners, blue bars are growers.)



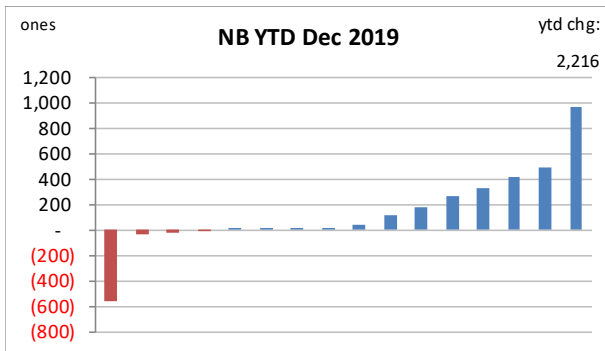
<sup>10</sup>We consider a member group to be "active" if they have non-zero transfer counts in at least 1 month in the current or prior calendar year. Members that are under common management for transfer limit purposes are considered a single "member group".



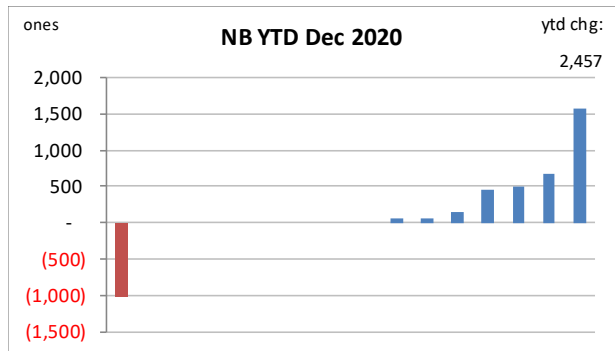
	# grps	chg
decliners:	9	(5,760)
no changers:	-	-
growers:	13	23,739



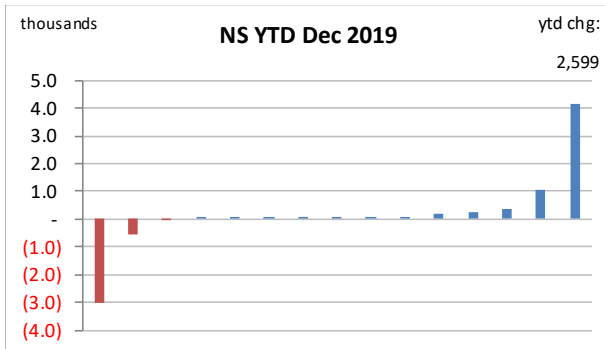
	# grps	chg
decliners:	3	(1,115)
no changers:	9	-
growers:	10	24,928



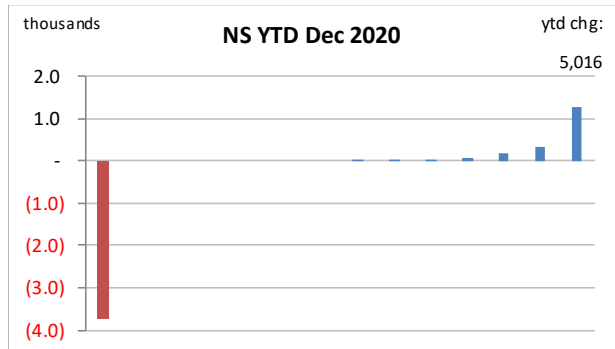
	# grps	chg
decliners:	4	(618)
no changers:	-	-
growers:	12	2,834



	# grps	chg
decliners:	1	(1,024)
no changers:	7	-
growers:	8	3,481



	# grps	chg
decliners:	3	(3,534)
no changers:	-	-
growers:	12	6,132



	# grps	chg
decliners:	1	(3,748)
no changers:	6	-
growers:	8	8,764

### 3.2 Claims Amounts (Indemnity & Allowed Claims Expenses)

The most recent valuation of the policy liabilities of the RSPs was based on RSP experience at Jun 30, 2019. As per the FA'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 2019 Operational Reports and discussed in the associated Actuarial Highlights.

For accident year ("AY") **2020**, the estimated nominal loss ratios reflected in the RSP Outlook are a priori or expected loss ratios modeled based on the Mar 31, 2019<sup>11</sup> 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 **2020** is built from the **2019** a priori loss ratio – **not** from the current selected ultimate loss ratio for accident year **2019**. The a priori loss ratios are estimated at the coverage level and summed to arrive at the all coverages level.

#### *Accident Year 2019 to 2020 a priori Loss Ratio Projections*

a priori (aka "expected") Loss Ratio Comparisons						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Accident Year 2019 a priori LR	122.3%	87.9%	104.9%	72.1%	95.1%	intentionally left blank
divide by ep factor	1.024	1.017	1.020	1.022	1.030	
multiply by clms factor	1.048	1.036	1.037	1.035	1.068	
multiply by rounding correction	1.000	1.000	1.000	1.000	1.000	
Accident Year 2020 a priori LR	125.2%	89.5%	106.7%	73.0%	98.6%	

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).

<sup>11</sup>The 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 LR's are not always updated, but rather brought forward from the prior full valuation. The a priori loss ratios used for the Jun 30, 2019 valuation were updated and reflected selections of ultimate from the Mar 31, 2019 valuation for all RSPs.

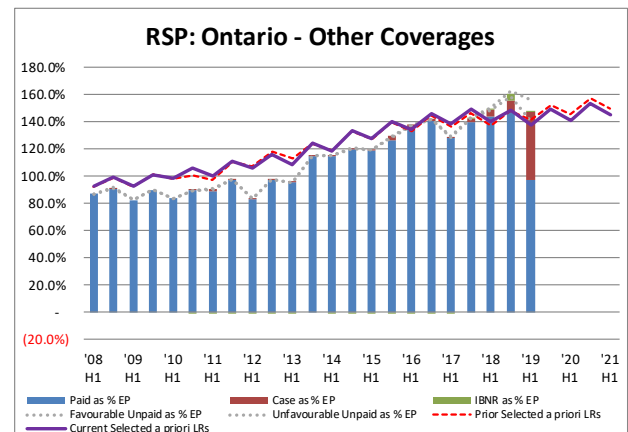
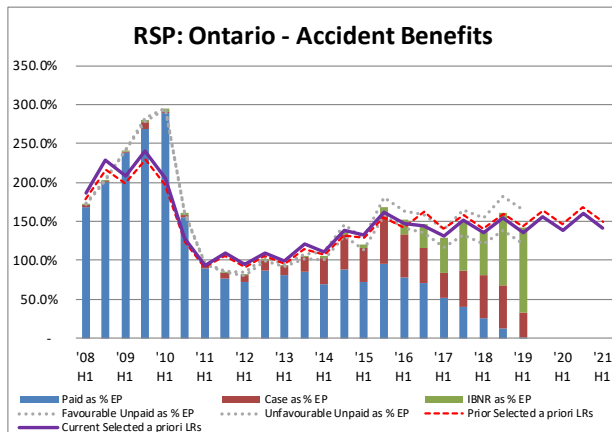
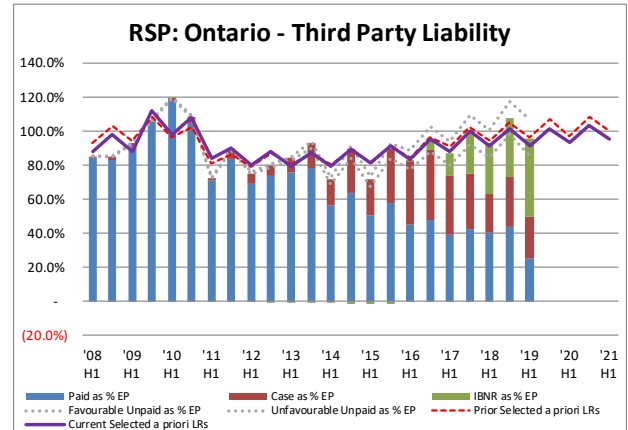
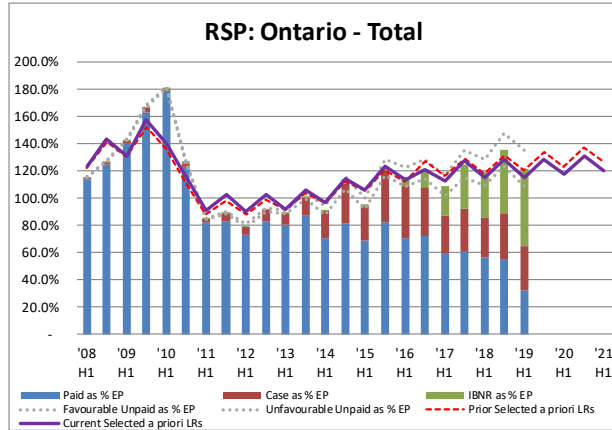
***Selected Loss Ratios – table 1***

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	105,011	112.9%	-	-	-	-	-	-
1994	200,791	212,164	105.7%	-	-	-	-	-	-
1995	235,451	206,284	87.6%	-	-	-	-	-	-
1996	197,412	183,705	93.1%	-	-	-	-	-	-
1997	152,922	111,250	72.7%	-	-	-	-	-	-
1998	103,106	84,630	82.1%	-	-	-	-	-	-
1999	68,831	80,076	116.3%	-	-	-	-	-	-
2000	69,659	84,977	122.0%	-	-	-	-	-	-
2001	80,047	100,708	125.8%	-	-	-	-	-	-
2002	113,770	134,111	117.9%	-	-	-	-	-	-
2003	142,680	129,366	90.7%	-	-	-	-	-	-
2004	165,860	128,832	77.7%	47,289	24,417	51.6%	558	1,948	349.1%
2005	158,965	116,953	73.6%	268,326	162,359	60.5%	24,923	24,269	97.4%
2006	163,889	164,310	100.3%	298,762	198,137	66.3%	73,869	64,236	87.0%
2007	180,957	180,887	100.0%	308,217	218,336	70.8%	70,462	71,430	101.4%
2008	214,486	259,161	120.8%	287,801	193,086	67.1%	76,378	77,213	101.1%
2009	224,096	348,623	155.6%	259,260	156,716	60.4%	71,791	68,449	95.3%
2010	284,367	432,300	152.0%	219,022	134,672	61.5%	72,937	61,134	83.8%
2011	280,097	242,682	86.6%	200,096	132,760	66.3%	78,509	65,978	84.0%
2012	301,957	255,650	84.7%	183,211	133,442	72.8%	77,273	78,079	101.0%
2013	299,209	283,545	94.8%	146,818	109,248	74.4%	81,128	79,354	97.8%
2014	270,932	273,690	101.0%	144,696	117,761	81.4%	84,034	91,583	109.0%
2015	262,594	284,836	108.5%	146,725	134,472	91.6%	89,801	85,390	95.1%
2016	269,158	315,082	117.1%	130,797	123,262	94.2%	89,842	101,399	112.9%
2017	374,164	407,538	108.9%	149,264	129,611	86.8%	96,224	102,372	106.4%
2018	351,566	428,293	121.8%	161,735	139,940	86.5%	105,972	105,946	100.0%
2019			123.0%			86.8%			104.8%
2020			125.2%			89.5%			106.7%
2021			128.7%			91.0%			108.7%

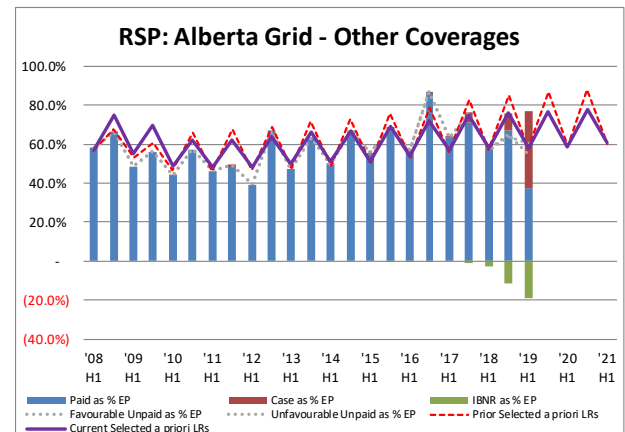
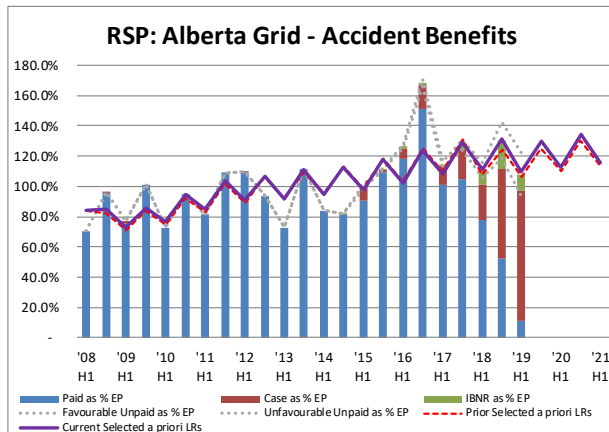
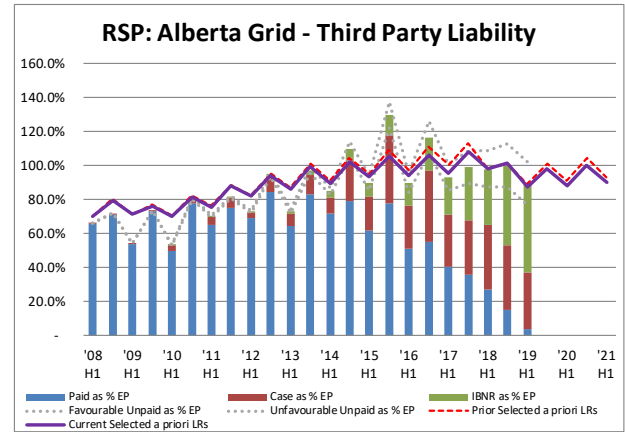
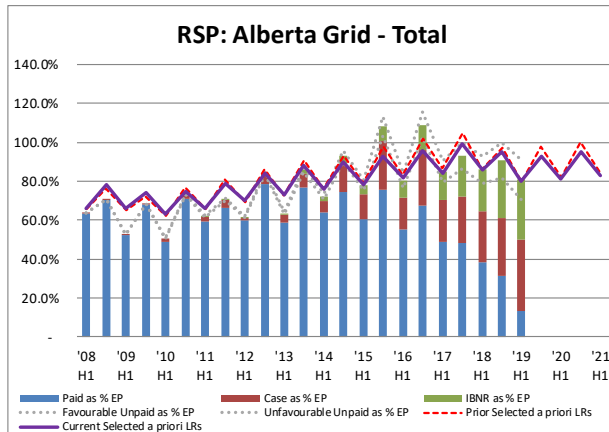
***Selected Loss Ratios – table 2***

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	8,969	72.0%	2,057	1,109	53.9%
2008	12,180	9,290	76.3%	10,620	7,252	68.3%
2009	13,459	11,549	85.8%	14,065	8,968	63.8%
2010	11,900	6,961	58.5%	14,454	10,605	73.4%
2011	10,010	8,807	88.0%	12,312	11,101	90.2%
2012	10,052	5,400	53.7%	13,197	13,531	102.5%
2013	10,403	8,109	77.9%	13,787	12,521	90.8%
2014	9,542	5,992	62.8%	13,172	11,295	85.8%
2015	10,179	6,504	63.9%	14,026	11,962	85.3%
2016	9,945	6,759	68.0%	14,844	13,479	90.8%
2017	10,673	8,564	80.2%	18,965	17,362	91.5%
2018	13,213	9,690	73.3%	27,590	26,022	94.3%
2019			73.6%			96.8%
2020			73.0%			98.6%
2021			75.0%			102.1%

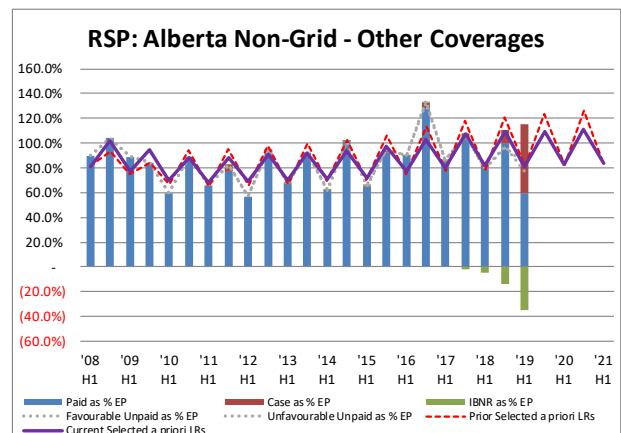
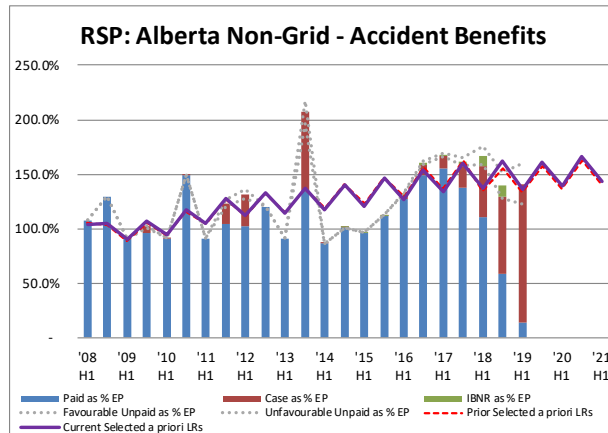
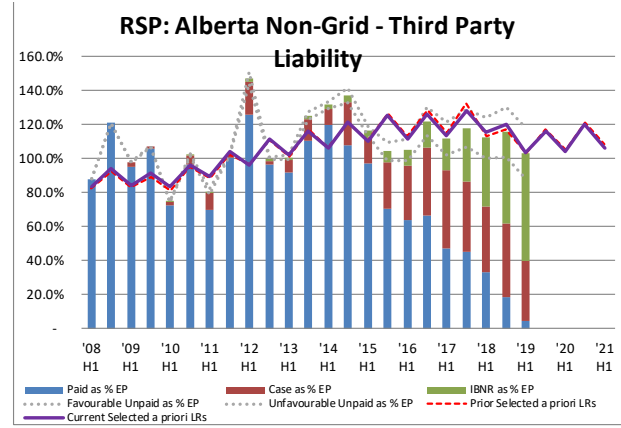
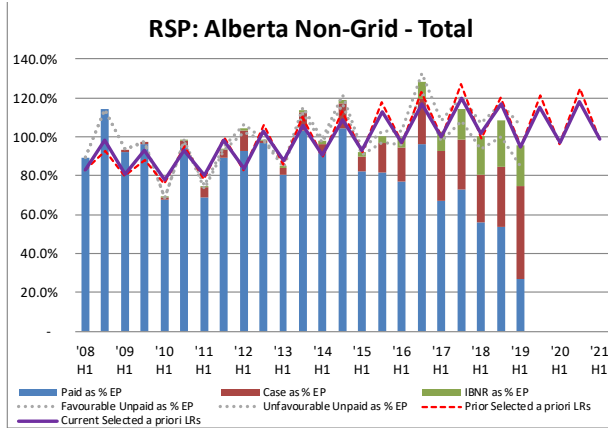
**Ontario – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)**



*Alberta Grid – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)*

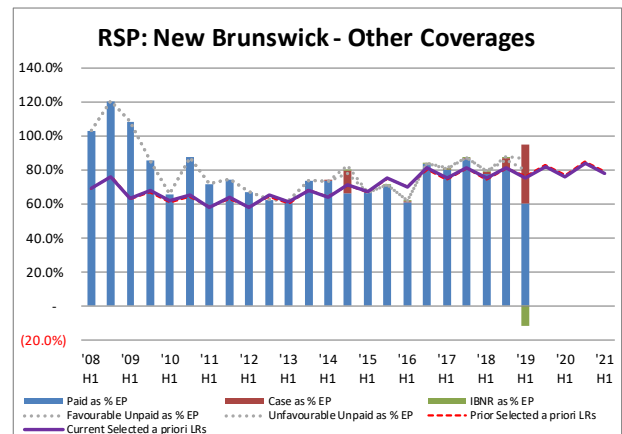
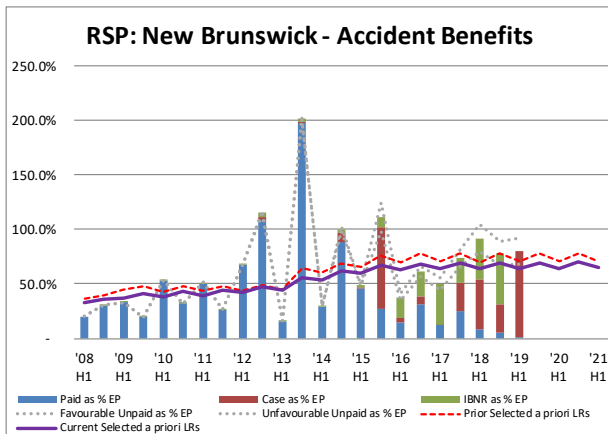
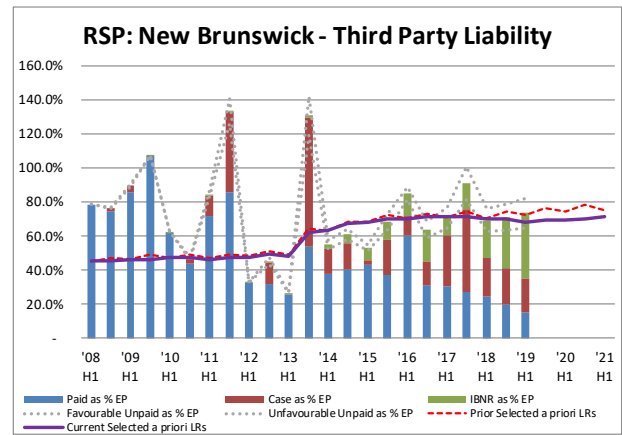
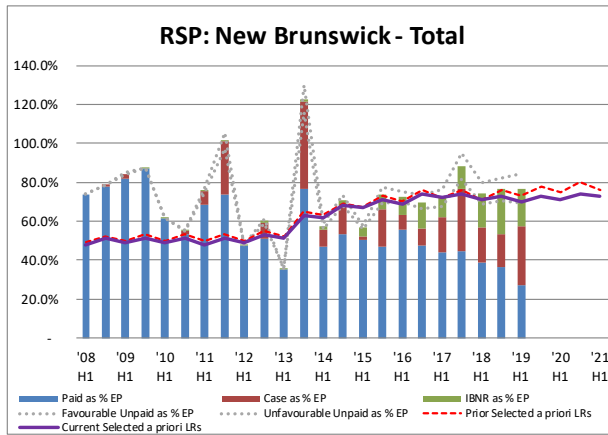


**Alberta Non-Grid – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)**

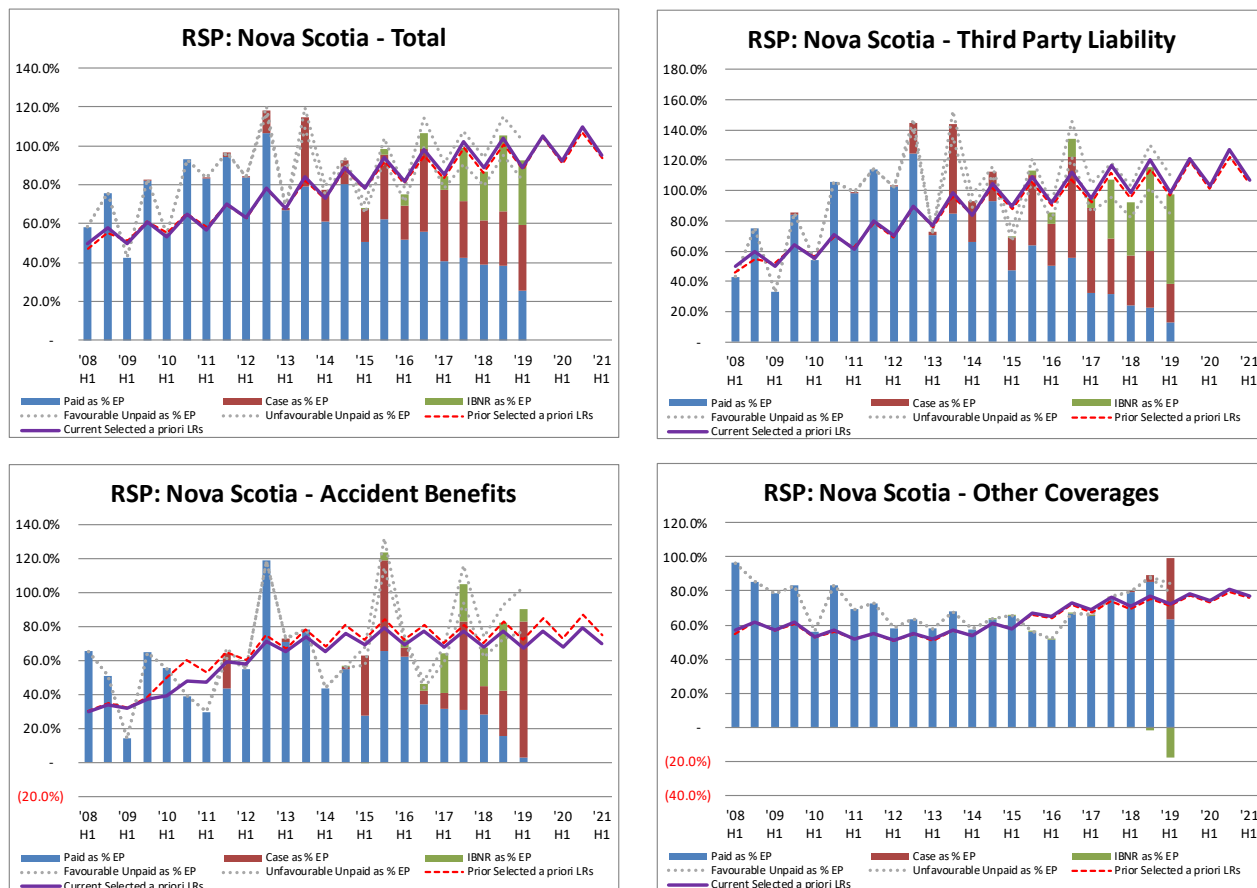




***New Brunswick – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)***



***Nova Scotia – Actual and a priori Loss Ratios (per the 2019 Q1 valuation)***



The operating results for Calendar Year **2019** include actual development on accident years 2018 and prior incurred claims amounts, up to and including activity in the month of August 2019. 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 2020, 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 2020 Accident Year Nominal Loss Ratio**

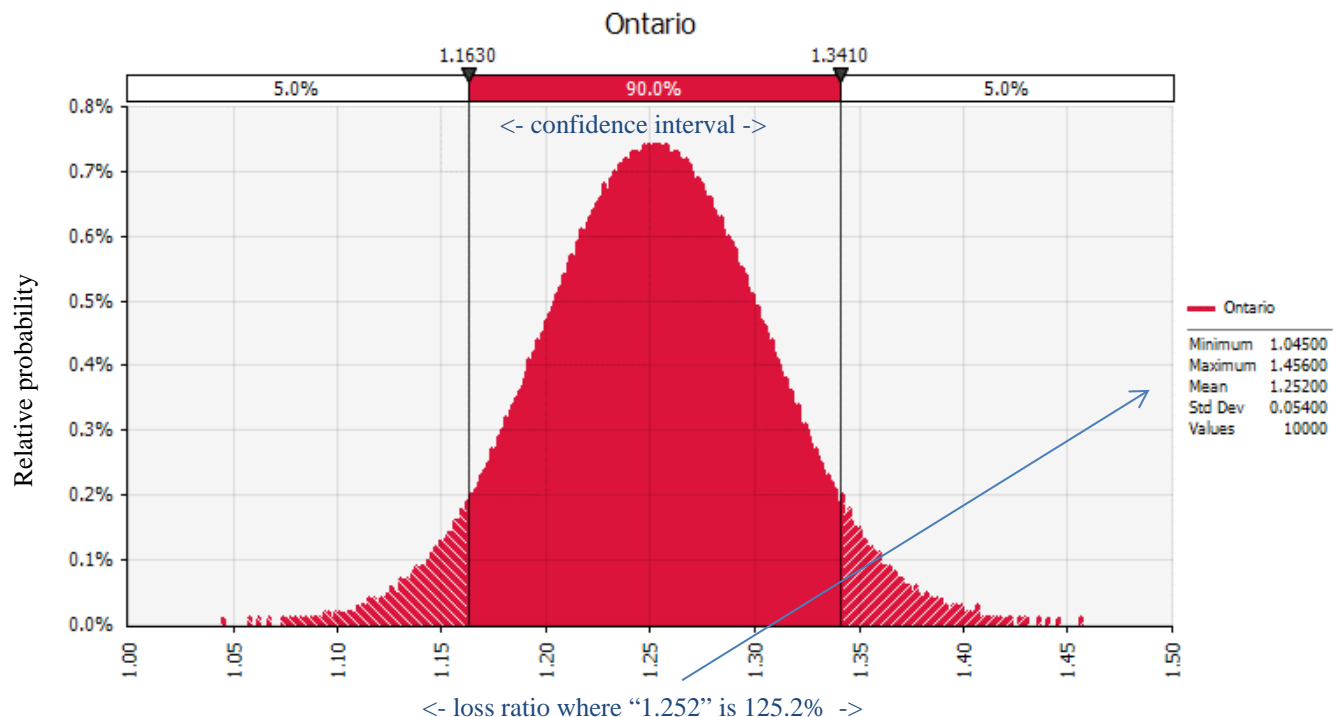
The overall “normal course” nominal loss ratio for accident year **2020** for each RSP could be modelled using a normal distribution with a mean set at the a priori loss ratio and standard deviations<sup>12</sup> based on our a priori loss ratios (indemnity only) by accident half for 2008-2018 put on-level, 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

<sup>12</sup>These standard deviations are estimated from on-level a priori loss ratios for each RSP under “base line” assumptions – not “stressed” assumptions.

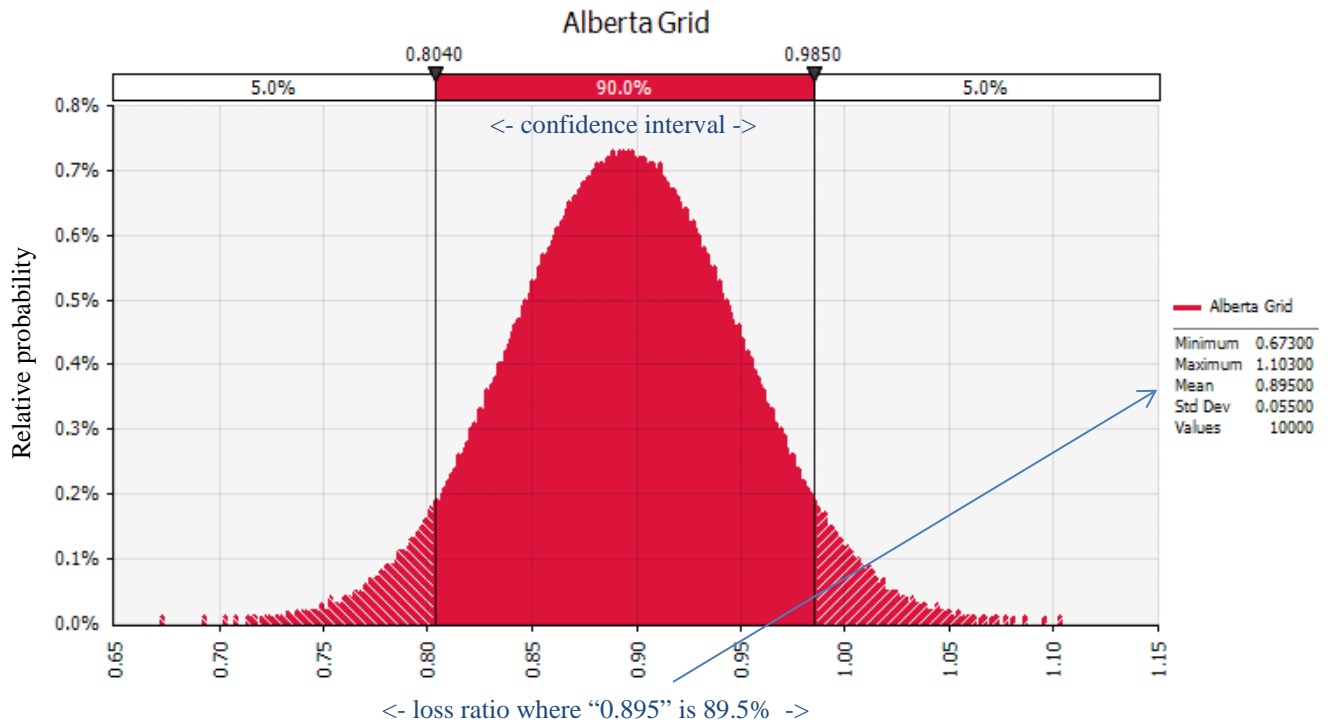
that the baseline a priori estimates will prove to be the “best estimate” loss ratio for accident year **2020** – this estimate may change over time due to modelling differences and changes in historical loss ratios etc. that are used to derive this estimate.

Histograms for the loss ratio modeling by RSP for accident year **2020** 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.

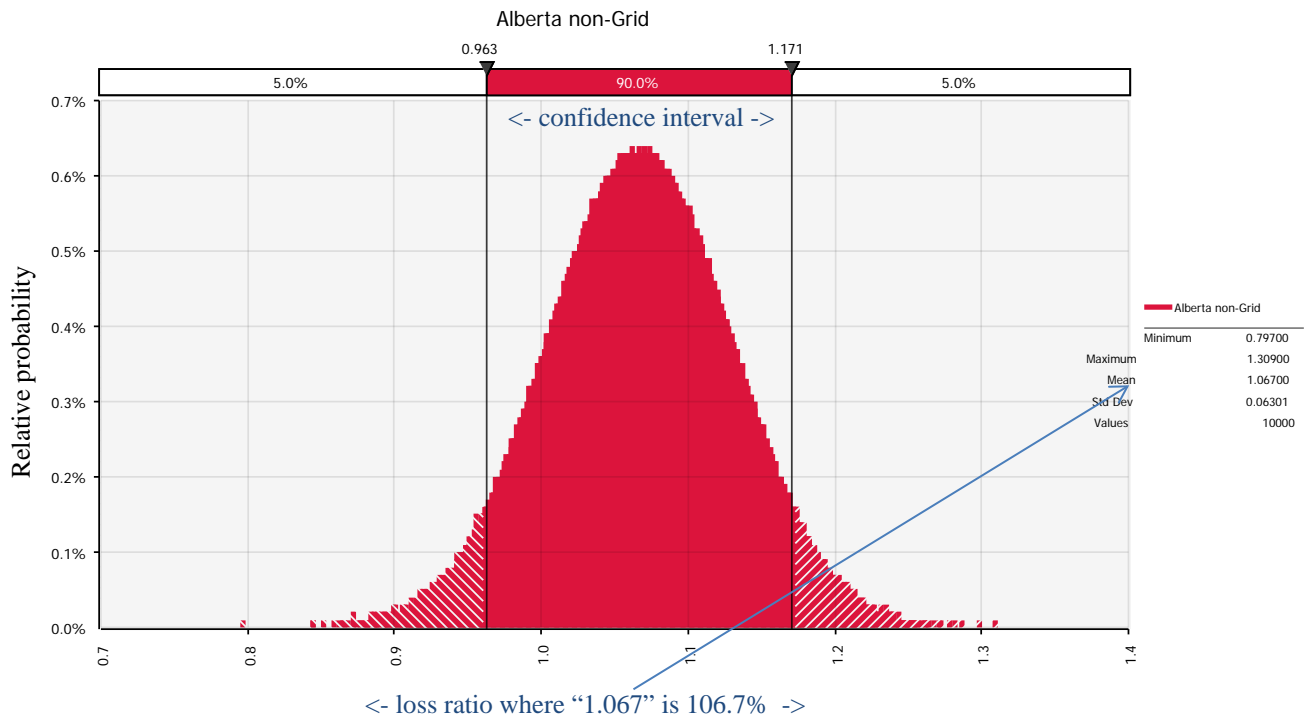
***Projection Summary – Ontario RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



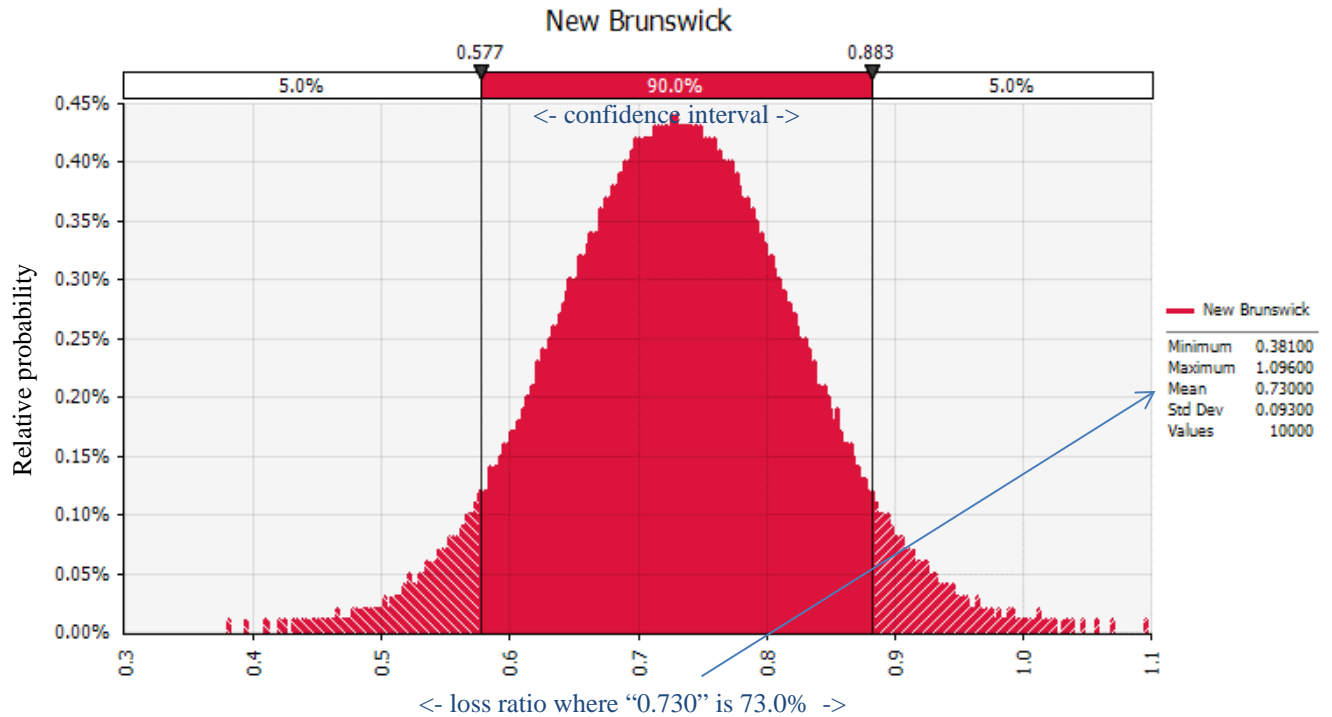
***Projection Summary – Alberta Grid RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



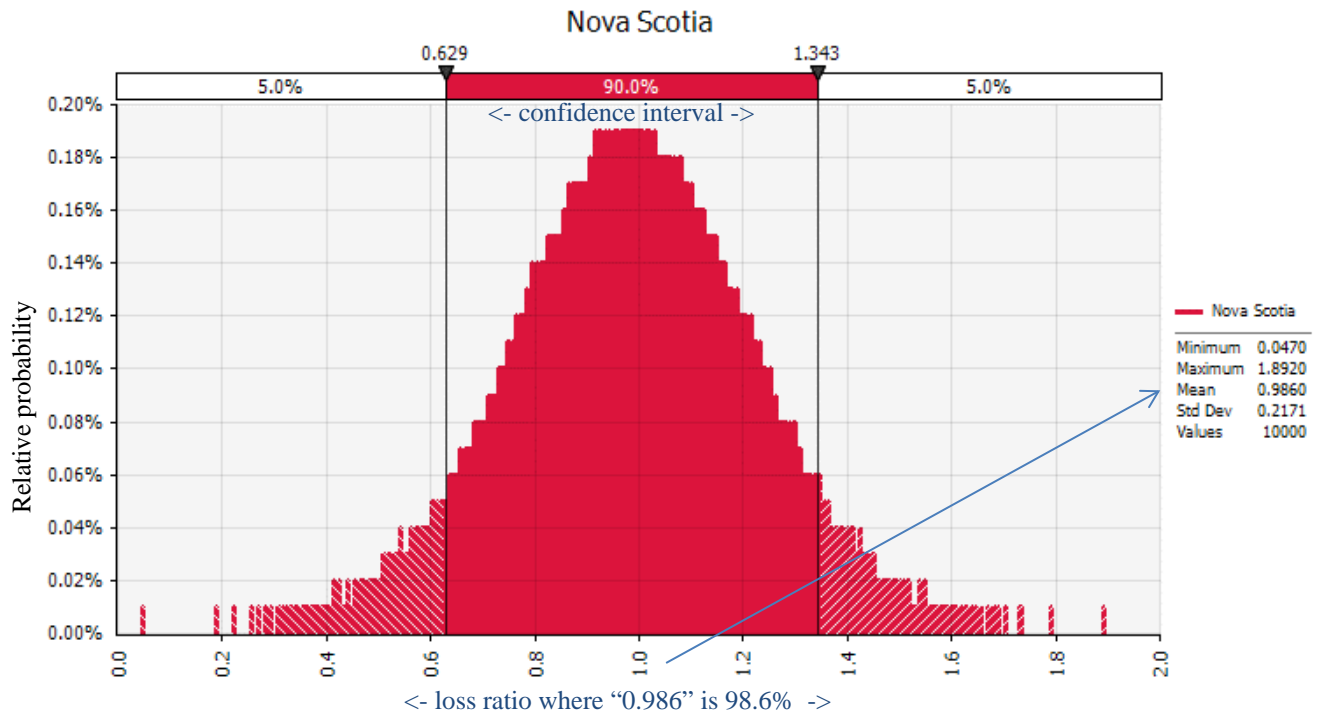
***Projection Summary – Alberta Non-Grid RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



***Projection Summary – New Brunswick RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



***Projection Summary – Nova Scotia RSP Accident Year 2020 Nominal Loss Ratio (non-stressed)***



The preceding histograms of simulated results for the RSPs' 2020 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 2020 Nominal Loss Ratio – Generator Assumptions***

Facility Association

a priori LRs - distribution estimates

for valuation: **Jun 30, 2018**

RSP: **ALL**

Amounts in: **\$1,000s**

Jurisdiction	2020 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	400,999	125.2%	502,051	4.3%	5.4%	502,051	<b>125.2%</b>
Alberta Grid	234,333	89.5%	209,728	6.1%	5.5%	209,728	<b>89.5%</b>
Alberta non-Grid	151,437	106.7%	161,583	5.9%	6.3%	161,583	<b>106.7%</b>
New Brunswick	16,215	73.0%	11,837	12.8%	9.3%	11,837	<b>73.0%</b>
Nova Scotia	35,830	98.6%	35,328	22.0%	21.7%	35,328	<b>98.6%</b>
ALL	838,814	109.7%	920,527	4.2%	4.6%	920,527	<b>109.7%</b>

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

### **3.4 Non-Claims 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 **2020** were selected for this Final Outlook as representing no change from Calendar Year 2019 (updates for Calendar Year 2020 will be presented for approval to the FA Board at its August 2019 meeting).

- **Ontario RSP** The expense allowance ratios vary by Member, subject to a maximum (as approved annually by the FA Board) with the Calendar Year 2019 maximum communicated to Members in Bulletin F18-067 and the Calendar Year 2020 maximum via Bulletin F19-067.
- **Other RSPs** The expense allowances for each calendar year and RSP are approved annually by the FA Board. The Calendar Year 2019 ratios are those as communicated in Bulletins F18-068 (Alberta), F18-069 (New Brunswick), and F18-070 (Nova Scotia). The Calendar Year 2020 ratios are those as communicated in Bulletins F19-068 (Alberta), F19-069 (New Brunswick), and F19-070 (Nova Scotia).

The table below summarizes the approved expense factors by RSP.

RSP / Jurisdiction	Approved Expense Factor CY 2020*	Approved Expense Factor CY 2019	Comments
Ontario (expense cap)	<b>31.5%</b> with prof fee ratio unchanged at 4.0%	31.0% with prof fee ratio increased to 4.0%	increase in cap, but no change in the professional fee at 4.0%  estimated effective expense ratio assumption is 29.0% for CY 2019 and 29.6% for CY 2020
Alberta	<b>30.4%</b>	31.1%	decrease by 0.7 percentage points primarily due to decreases in claims expense ratios
New Brunswick	<b>30.2%</b>	30.1%	increase by 0.1 percentage points due to increase in non-claims expense ratio, partially offset by decrease in claims expense ratios
Nova Scotia	<b>31.7%</b>	31.0%	increase by 0.7 percentage point primarily due to increases in claims expense ratios

*\*approved by FA Board August 2019*

Calendar Year **2020** 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 **2020** were projected as percentages of written premiums based on actual expenses-to-written premium ratios in recent years.

### ***Calendar Year 2020 Expense Ratio Projections***

Calendar Year 2020 Expense Ratio Projections						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
Expense Allowance (% WP)	29.6%	30.4%	30.4%	30.2%	31.7%	30.1%
Administrative Expense (% WP)	0.4%	0.6%	1.0%	5.2%	2.7%	0.8%
prem def / (dpac) (% UP)	42.6%	(2.4%)	16.4%	(17.8%)	10.5%	n/a

## **3.5 Operating Cash Flows**

Net cash flows from operations for the RSPs are projected to be an overall outflow of \$102.0 million for Calendar Year **2020** as presented in the table at the top of the next page. Differences between the



Calendar Year **2020** projection and the Calendar Year **2019** projections generally reflect the expected impacts of volume changes (on premium, expenses, and claims). Should volumes not change during **2020** as anticipated or payments prove higher than expected, net operating cash flows would be adversely impacted.

***Projection Summary – Calendar Year 2020 – Net Operating Cash Flows***

<b>Calendar Year 2020 Net Operating Cash Flow Projections (\$000s)</b>						
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	TOTAL
<b>Written Premium</b>	<b>416,066</b>	<b>247,866</b>	<b>159,575</b>	<b>16,178</b>	<b>38,176</b>	<b>877,861</b>
<b>PAYs Paid Claims</b>						
paid indemnity	197,142	74,891	45,296	3,193	9,896	330,418
paid allowed claims expense	32,704	10,023	4,929	1,216	1,322	50,194
PAYs Paid Claims	229,846	84,914	50,225	4,409	11,218	380,612
<b>CAYs Paid Claims</b>						
paid indemnity	178,932	62,666	67,661	5,434	11,611	326,304
paid allowed claims expense	1,807	252	204	11	47	2,321
CAYs Paid Claims	180,739	62,918	67,865	5,445	11,658	328,625
<b>All AYs Paid Claims</b>						
paid indemnity	376,074	137,557	112,957	8,627	21,507	656,722
paid allowed claims expense	34,511	10,275	5,133	1,227	1,369	52,515
All AYs Paid Claims	410,585	147,832	118,090	9,854	22,876	709,237
<b>"Cash" Expenses</b>						
Member Expense Allowance	123,154	75,350	48,509	4,885	12,100	263,998
Administrative Expenses	1,664	1,538	1,534	835	1,015	6,586
"Cash" Expenses	124,818	76,888	50,043	5,720	13,115	270,584
<b>2020 Net Operating Cash Flow</b>	<b>(119,337)</b>	<b>23,146</b>	<b>(8,558)</b>	<b>604</b>	<b>2,185</b>	<b>(101,960)</b>
<b>2019 Net Operating Cash Flow</b>						
Oct. 18, 2018 Outlook	(114,713)	(29,079)	(17,087)	2,280	1,754	(156,845)
Aug 31, 2019 Projection	(119,496)	15,990	(559)	299	(196)	(103,962)

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***

RSP Ontario	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>347.8</b>	<b>362.5</b>	<b>336.1</b>	<b>239.0</b>	<b>278.6</b>	<b>277.6</b>
<b>expense allowance</b>	<b>104.5</b>	<b>110.8</b>	<b>99.7</b>	<b>70.5</b>	<b>87.0</b>	<b>84.1</b>
<b>administration</b>	<b>1.4</b>	<b>1.4</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.4</b>
<b>prem net of expenses</b>	<b>241.9</b>	<b>250.3</b>	<b>235.0</b>	<b>167.2</b>	<b>190.4</b>	<b>192.1</b>
<b>paid claims</b>						
PAYs indemnity	185.4	174.2	177.7	165.8	155.1	163.6
PAY claims expenses	16.9	18.0	24.3	23.4	25.5	24.5
CAY indemnity	164.1	149.2	101.5	87.7	80.9	80.9
CAY clms expenses	1.2	0.7	0.5	0.5	1.1	1.2
all yrs indemnity	349.5	323.3	279.2	253.5	235.9	244.5
all yrs clms expenses	18.1	18.6	24.8	23.9	26.6	25.7
<b>total claims &amp; expenses paid</b>	<b>367.6</b>	<b>342.0</b>	<b>303.9</b>	<b>277.4</b>	<b>262.5</b>	<b>270.2</b>
<b>operating cash flow</b>	<b>(125.7)</b>	<b>(91.7)</b>	<b>(68.9)</b>	<b>(110.2)</b>	<b>(72.2)</b>	<b>(78.1)</b>

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

***Alberta Grid RSP Historic Operating Cash Flows by Share Year***

RSP Alberta Grid	Share (i.e. Calendar) Year					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>158.5</b>	<b>160.0</b>	<b>148.5</b>	<b>138.3</b>	<b>155.8</b>	<b>135.9</b>
<b>expense allowance</b>	<b>47.1</b>	<b>46.2</b>	<b>44.7</b>	<b>39.1</b>	<b>44.4</b>	<b>38.1</b>
<b>administration</b>	<b>1.0</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>prem net of expenses</b>	<b>110.4</b>	<b>112.8</b>	<b>102.8</b>	<b>98.3</b>	<b>110.6</b>	<b>96.9</b>
<b>paid claims</b>						
PAYs indemnity	82.8	81.0	68.7	79.4	81.3	84.9
PAY claims expenses	4.2	4.8	5.6	5.7	6.1	6.2
CAY indemnity	46.0	45.4	39.5	47.2	42.5	42.7
CAY clms expenses	0.2	0.2	0.1	0.2	0.2	0.2
all yrs indemnity	128.8	126.4	108.3	126.6	123.8	127.6
all yrs clms expenses	4.4	4.9	5.7	5.9	6.3	6.3
<b>total claims &amp; expenses paid</b>	<b>133.3</b>	<b>131.3</b>	<b>114.0</b>	<b>132.5</b>	<b>130.1</b>	<b>133.9</b>
<b>operating cash flow</b>	<b>(22.9)</b>	<b>(18.5)</b>	<b>(11.1)</b>	<b>(34.2)</b>	<b>(19.5)</b>	<b>(37.0)</b>

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					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>114.0</b>	<b>99.0</b>	<b>99.7</b>	<b>86.0</b>	<b>88.4</b>	<b>81.9</b>
<b>expense allowance</b>	<b>33.9</b>	<b>28.6</b>	<b>30.0</b>	<b>24.3</b>	<b>25.2</b>	<b>23.0</b>
<b>administration</b>	<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>
<b>prem net of expenses</b>	<b>79.1</b>	<b>69.4</b>	<b>68.8</b>	<b>60.9</b>	<b>62.5</b>	<b>58.1</b>
<b>paid claims</b>						
PAYs indemnity	46.5	53.7	42.5	41.8	39.0	33.8
PAY claims expenses	2.2	2.2	2.5	2.4	2.5	2.4
CAY indemnity	49.3	48.8	49.7	40.0	40.5	34.2
CAY clms expenses	0.2	0.2	0.1	0.1	0.1	0.1
all yrs indemnity	95.8	102.5	92.1	81.9	79.5	68.1
all yrs clms expenses	2.4	2.4	2.6	2.5	2.6	2.5
<b>total claims &amp; expenses paid</b>	<b>98.2</b>	<b>104.9</b>	<b>94.8</b>	<b>84.4</b>	<b>82.1</b>	<b>70.6</b>
<b>operating cash flow</b>	<b>(19.1)</b>	<b>(35.5)</b>	<b>(26.0)</b>	<b>(23.5)</b>	<b>(19.7)</b>	<b>(12.5)</b>

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					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>14.9</b>	<b>11.8</b>	<b>9.7</b>	<b>11.2</b>	<b>9.5</b>	<b>9.6</b>
<b>expense allowance</b>	<b>4.3</b>	<b>3.7</b>	<b>3.4</b>	<b>3.9</b>	<b>3.1</b>	<b>3.2</b>
<b>administration</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>	<b>0.5</b>
<b>prem net of expenses</b>	<b>10.0</b>	<b>7.4</b>	<b>5.8</b>	<b>6.8</b>	<b>5.9</b>	<b>5.9</b>
<b>paid claims</b>						
PAYs indemnity	4.7	3.3	2.6	2.5	3.1	5.3
PAY claims expenses	0.6	0.4	0.4	0.5	0.5	0.5
CAY indemnity	4.3	3.5	3.2	3.4	3.0	2.9
CAY clms expenses	0.0	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	9.0	6.7	5.8	6.0	6.1	8.2
all yrs clms expenses	0.7	0.4	0.4	0.5	0.5	0.5
<b>total claims &amp; expenses paid</b>	<b>9.6</b>	<b>7.1</b>	<b>6.3</b>	<b>6.5</b>	<b>6.7</b>	<b>8.8</b>
<b>operating cash flow</b>	<b>0.4</b>	<b>0.3</b>	<b>(0.4)</b>	<b>0.2</b>	<b>(0.7)</b>	<b>(2.9)</b>

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					
	2018	2017	2016	2015	2014	2013
<b>written premium</b>	<b>28.9</b>	<b>25.3</b>	<b>15.2</b>	<b>14.5</b>	<b>13.6</b>	<b>13.0</b>
<b>expense allowance</b>	<b>8.7</b>	<b>7.8</b>	<b>5.3</b>	<b>5.0</b>	<b>4.5</b>	<b>4.4</b>
<b>administration</b>	<b>0.6</b>	<b>0.6</b>	<b>0.5</b>	<b>0.5</b>	<b>0.4</b>	<b>0.5</b>
<b>prem net of expenses</b>	<b>19.5</b>	<b>16.9</b>	<b>9.4</b>	<b>9.0</b>	<b>8.7</b>	<b>8.2</b>
<b>paid claims</b>						
PAYs indemnity	7.3	6.8	4.9	5.8	5.2	5.6
PAY claims expenses	0.5	0.5	0.6	0.3	0.3	0.3
CAY indemnity	8.6	5.6	3.8	3.9	4.0	4.4
CAY clms expenses	0.1	0.0	0.0	0.0	0.0	0.0
all yrs indemnity	15.9	12.3	8.7	9.7	9.2	10.0
all yrs clms expenses	0.6	0.5	0.6	0.3	0.3	0.3
<b>total claims &amp; expenses paid</b>	<b>16.5</b>	<b>12.8</b>	<b>9.3</b>	<b>10.0</b>	<b>9.5</b>	<b>10.4</b>
<b>operating cash flow</b>	<b>3.0</b>	<b>4.0</b>	<b>0.1</b>	<b>(1.1)</b>	<b>(0.9)</b>	<b>(2.2)</b>

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

### **3.6 Distributed (Charged) to Member Accounts**

Net operating results for the RSPs are accumulated for the benefit of / (cost to) FA Members, and it is assumed that FA Members are able to reflect this in their own financial statements based on information provided in the monthly Operational Reports.

Separate and “formal” amounts distributed / (charged) to FA Member companies’ accounts have not been projected for the purpose of this Outlook, as it is assumed that such is automatically reflected in the monthly Operational Reports per the regular reporting process.

For financial statement purposes, formal distribution / (charges) to FA Members are reflected via an annual process. This was first initiated with the September 2018 financial statements, resulting in the “distribution” of \$391 million of accumulated operating results (deficit on a total basis<sup>13</sup>) on the financial statement balance sheet for the respective RSPs (**these were non-cash transactions**, netting a change in the “funds provided by members” liability with a corresponding change in the “due from members” asset).

The 2019 annual process occurred with the release of the September 2019 Operational Report (being a balance sheet adjustment, no specific bulletins were set out to communicate this to members).

For information, the RSP financial statement balance sheets (which differ from member statements in

<sup>13</sup>Distributions of accumulated operating deficits of \$696 million (ON RSP) and \$82 million (AB non-Grid RSP) were partially offset by distributions of accumulated operating surpluses of \$361 million (AB Grid RSP), \$10 million (NB RSP), and \$16 million (NS RSP).

that policy liabilities are discounted at a 0.0% rate) as at Jul 31, 2019 (the end of the RSP fiscal 2019 Q3) is provided below.

***Ontario RSP Statement of Financial Position (unaudited) as at July 31, 2019***

RSP ON      ytd @ Q3 F/S Basis (0% discount rate)	\$ millions			
	as at	as at		
(unaudited)	Jul 31, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
Assets				
Cash (held by central office)	7.6	10.2	(2.5)	(25.0%)
Accounts receivable from members	21.1	15.7	5.4	34.5%
Other assets	0.2	0.0	0.2	>999.9%
Due from members	1,626.1	1,474.6	151.5	10.3%
	1,655.0	1,500.5	154.5	10.3%
Liabilities				
Funds provided by members	219.6	113.1	106.6	94.3%
Unearned premium reserve (UPR)	178.1	179.8	(1.6)	(0.9%)
Premium deficiency reserve	83.1	80.8	2.3	2.9%
Claims liabilities	1,145.1	1,101.0	44.2	4.0%
Accounts payable to members	28.2	25.1	3.1	12.4%
Other payables	0.7	0.7	(0.1)	(9.2%)
	1,655.0	1,500.5	154.5	10.3%
<b>Financial Position Metrics</b>				
Policy liabilities	1,406.4	1,361.5	44.9	3.3%
Claims liabs as % pol liabs	81.4%	80.9%	pt chg:	0.5%
Net funds held by members	1,406.4	1,361.5	44.9	3.3%
Assets @ net member position	1,435.3	1,387.4	47.9	3.5%
Net assets as % total	86.7%	92.5%	pt chg:	(5.8%)
net A/R from / (A/P to) members	(7.2)	(9.5)	2.3	(24.3%)
(Premium deficiency) as % UPR	(46.7%)	(45.0%)	pt chg:	(1.7%)

*note: discount rate for financial statement purposes is 0.0%*

**Alberta Grid RSP Statement of Financial Position (unaudited) as at July 31, 2019**

RSP AB Grid ytd @ Q3		\$ millions			
F/S Basis (0% discount rate)		as at	as at		
(unaudited)	Jul 31, 2019	Oct 31, 2018	\$ change	% change	
<b>Statement of Financial Position</b>					
Assets					
Cash (held by central office)	5.6	2.4	3.2	133.8%	
Accounts receivable from members	11.7	7.0	4.7	66.2%	
Deferred policy acquisition costs (DPAC)	-	1.0	(1.0)	(100.0%)	
Other assets	0.0	0.3	(0.3)	(97.0%)	
Due from members	485.9	467.7	18.2	3.9%	
	503.2	478.4	24.8	5.2%	
Liabilities					
Funds provided by members	20.4	27.5	(7.1)	(25.8%)	
Unearned premium reserve (UPR)	99.5	88.1	11.4	13.0%	
Premium deficiency reserve	0.0	-	0.0	100.0%	
Claims liabilities	365.9	353.1	12.9	3.6%	
Accounts payable to members	16.6	9.1	7.4	81.1%	
Other payables	0.8	0.6	0.2	39.2%	
	503.2	478.4	24.8	5.2%	
<b>Financial Position Metrics</b>					
Policy liabilities	465.4	440.2	25.2	5.7%	
Claims liabs as % pol liabs	78.6%	80.2%	pt chg:	(1.6%)	
Net funds held by members	465.5	440.2	25.3	5.7%	
Assets @ net member position	482.8	450.9	31.9	7.1%	
Net assets as % total	95.9%	94.2%	pt chg:	1.7%	
Net A/R from/(A/P to) members	(4.8)	(2.1)	(2.7)	131.0%	
DPAC as % UPR	-	3.5%	pt chg:	(3.5%)	

*note: discount rate for financial statement purposes is 0.0%*

***Alberta Non-Grid RSP Statement of Financial Position (unaudited) as at July 31, 2019***

RSP AB N-G ytd @ Q3	\$ millions			
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Jul 31, 2019	Oct 31, 2018	\$ change	% change
Statement of Financial Position				
Assets				
Cash (held by central office)	2.0	2.0	0.0	0.2%
Accounts receivable from members	5.9	5.1	0.8	15.9%
Other assets	0.3	0.2	0.0	15.7%
Due from members	323.2	295.9	27.4	9.2%
	331.5	303.3	28.2	9.3%
Liabilities				
Funds provided by members	31.6	17.3	14.4	83.2%
Unearned premium reserve (UPR)	61.5	60.5	1.0	1.6%
Premium deficiency reserve	12.3	11.2	1.1	9.8%
Claims liabilities	217.8	206.9	10.9	5.3%
Accounts payable to members	7.7	6.9	0.8	11.9%
Other payables	0.5	0.5	0.0	9.6%
	331.5	303.3	28.2	9.3%
Financial Position Metrics				
Policy liabilities	291.6	278.7	13.0	4.7%
Claims liabs as % pol liabs	74.7%	74.3%	pt chg:	0.4%
Net funds held by members	291.6	278.6	13.0	4.7%
Assets @ net member position	299.9	286.0	13.9	4.8%
Net assets as % total	90.5%	94.3%	pt chg:	(3.8%)
net A/R from / (A/P to) members	(1.7)	(1.7)	-	-
(Premium deficiency) as % UPR	(20.0%)	(18.5%)	pt chg:	(1.5%)

*note: discount rate for financial statement purposes is 0.0%*



***New Brunswick RSP Statement of Financial Position (unaudited) as at July 31, 2019***

RSP NB F/S Basis (0% discount rate) (unaudited)	ytd @ Q3		\$ millions	
	as at	as at		
	Jul 31, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
Assets				
Cash (held by central office)	0.4	0.3	0.1	26.1%
Funds held by members	1.4	1.5	(0.1)	(4.7%)
Accounts receivable from members	1.4	0.7	0.7	94.3%
Deferred policy acquisition costs (DPAC)	1.1	1.4	(0.2)	(18.0%)
Other assets	0.0	-	0.0	100.0%
Due from members	30.1	27.8	2.4	8.5%
	34.5	31.7	2.8	8.9%
Liabilities				
Unearned premium reserve (UPR)	8.4	8.6	(0.2)	(2.8%)
Claims liabilities	24.3	22.0	2.3	10.4%
Accounts payable to members	1.5	0.9	0.6	69.1%
Other payables	0.4	0.2	0.2	102.7%
	34.5	31.7	2.8	8.9%
<b>Financial Position Metrics</b>				
Policy liabilities	31.5	29.3	2.3	7.8%
Claims liabs as % pol liabs	76.9%	75.1%	pt chg:	1.8%
Net funds held by members	31.5	29.3	2.3	7.8%
Assets @ net member position	34.5	31.7	2.8	8.9%
Net assets as % total	100.0%	100.0%	pt chg:	-
Net liquid position	(0.1)	(0.2)	0.1	(42.0%)
DPAC as % UPR	13.3%	15.8%	pt chg:	(2.5%)

*note: discount rate for financial statement purposes is 0.0%*

***Nova Scotia RSP Statement of Financial Position (unaudited) as at July 31, 2019***

RSP NS	ytd @ Q3		\$ millions	
F/S Basis (0% discount rate)	as at	as at		
(unaudited)	Jul 31, 2019	Oct 31, 2018	\$ change	% change
<b>Statement of Financial Position</b>				
Assets				
Cash (held by central office)	0.4	0.8	(0.4)	(45.6%)
Funds held by members	0.4	2.3	(1.9)	(83.1%)
Accounts receivable from members	1.7	1.9	(0.2)	(10.8%)
Other assets	0.1	0.0	0.1	>999.9%
Due from members	71.7	63.8	7.9	12.4%
	74.2	68.8	5.5	8.0%
Liabilities				
Funds provided by members	-	-	-	-
Unearned premium reserve (UPR)	15.9	16.3	(0.4)	(2.2%)
Premium deficiency reserve	1.6	1.1	0.5	43.8%
Claims liabilities	54.6	48.7	5.9	12.1%
Accounts payable to members	1.8	2.5	(0.7)	(27.4%)
Other payables	0.4	0.2	0.2	93.5%
	74.2	68.8	5.5	8.0%
<b>Financial Position Metrics</b>				
Policy liabilities	72.1	66.1	6.0	9.1%
Claims liabs as % pol liabs	75.7%	73.7%	pt chg:	2.0%
Net funds held by members	72.1	66.1	6.0	9.1%
Assets @ net member position	74.2	68.8	5.5	8.0%
Net assets as % total	100.0%	100.0%	pt chg:	-
net A/R from / (A/P to) members	(0.2)	(0.6)	0.5	(75.0%)
(Premium deficiency) as % UPR	(10.0%)	(6.8%)	pt chg:	(3.2%)

*note: discount rate for financial statement purposes is 0.0%*

#### **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							
2018	189,718	1,833	347,754	352,620	2.3%	4.3%	121.8%
2019	192,767	1,921	370,298	351,213	4.3%	4.8%	123.0%
2020	198,925	2,092	416,066	400,999	2.4%	4.8%	125.2%
Change	%	%	%	%	pts	pts	pts
2019	1.6%	4.8%	6.5%	(0.4%)	2.0	0.5	1.2
2020	3.2%	8.9%	12.4%	14.2%	(1.9)	0.0	2.2

Selected Claims Development MfADs (Mar. 31, 2019)

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

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

Exhibit 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							
2018	62,955	2,519	158,556	161,577	4.9%	4.0%	86.5%
2019	80,662	2,584	208,396	180,713	6.7%	2.7%	86.8%
2020	91,223	2,717	247,866	234,333	1.7%	3.6%	89.5%
Change	%	%	%	%	pts	pts	pts
2019	28.1%	2.6%	31.4%	11.8%	1.8	(1.3)	0.3
2020	13.1%	5.1%	18.9%	29.7%	(5.0)	0.9	2.7

Selected Claims Development MfADs (Mar. 31, 2019)

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%	8.8%	10.0%
2013	10.0%	10.0%	9.9%	10.0%
2014	10.0%	10.0%	9.9%	10.0%
2015	10.0%	10.0%	10.0%	10.0%
2016	12.5%	10.0%	12.5%	12.5%
2017	12.5%	10.0%	12.5%	12.5%
2018	12.4%	10.0%	12.5%	12.4%
2019	12.2%	10.0%	7.1%	11.9%
2020	11.9%	10.0%	5.1%	10.4%
prem liab	11.9%	10.0%	5.1%	10.4%

discount rate: 1.44%  
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							
2018	74,094	1,538	113,979	106,705	4.5%	3.8%	100.0%
2019	80,721	1,661	134,103	118,275	6.1%	2.9%	104.8%
2020	89,988	1,773	159,575	151,437	2.0%	3.7%	106.7%
Change	%	%	%	%	pts	pts	pts
2019	8.9%	8.0%	17.7%	10.8%	1.6	(0.9)	4.8
2020	11.5%	6.7%	19.0%	28.0%	(4.1)	0.8	1.9

Selected Claims Development MfADs (Mar. 31, 2019)

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%	5.0%	10.0%
2013	10.0%	10.0%	9.2%	10.0%
2014	10.0%	10.0%	8.5%	10.0%
2015	10.0%	10.0%	8.8%	9.9%
2016	12.5%	10.0%	12.5%	12.5%
2017	12.5%	10.0%	12.5%	12.5%
2018	12.4%	10.0%	12.5%	12.5%
2019	12.1%	10.0%	7.9%	11.7%
2020	11.9%	10.0%	5.2%	9.3%
prem liab	11.9%	10.0%	5.2%	9.3%

discount rate: 1.46%  
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							
2018	11,476	1,301	14,925	13,268	4.9%	3.4%	73.3%
2019	11,577	1,351	15,638	15,619	5.1%	3.4%	73.6%
2020	11,395	1,420	16,178	16,215	2.2%	3.5%	73.0%
Change	%	%	%	%	pts	pts	pts
2019	0.9%	3.8%	4.8%	17.7%	0.2	-	0.3
2020	(1.6%)	5.1%	3.5%	3.8%	(2.9)	0.1	(0.6)

Selected Claims Development MfADs (Mar. 31, 2019)

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%	9.9%	10.0%
2015	10.0%	10.0%	10.0%	10.0%
2016	12.5%	10.0%	10.9%	12.2%
2017	12.5%	10.0%	9.1%	12.2%
2018	12.5%	10.0%	8.9%	12.0%
2019	12.3%	10.0%	5.7%	11.5%
2020	11.8%	10.0%	5.1%	9.4%
prem liab	11.8%	10.0%	5.1%	9.4%

discount rate: 1.44%  
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							
2018	18,918	1,526	28,870	27,657	4.5%	6.7%	94.3%
2019	19,434	1,624	31,560	29,995	7.0%	6.7%	96.8%
2020	22,971	1,662	38,176	35,830	3.0%	6.8%	98.6%
Change	%	%	%	%	pts	pts	pts
2019	2.7%	6.4%	9.3%	8.5%	2.5	-	2.5
2020	18.2%	2.3%	21.0%	19.5%	(4.0)	0.1	1.8

Selected Claims Development MfADs (Mar. 31, 2019)

Accident Year	Third Party Liability Margins	Accident Benefits Margins	Other Coverages Margins	Total 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%	10.0%	10.0%
2015	12.5%	10.0%	12.0%	12.1%
2016	12.5%	10.0%	12.5%	12.4%
2017	12.5%	10.0%	9.4%	12.2%
2018	12.5%	10.0%	9.8%	12.3%
2019	12.4%	10.0%	5.7%	11.9%
2020	12.0%	10.0%	5.1%	10.3%
prem liab	12.0%	10.0%	5.1%	10.3%

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

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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	29,811	29,472	35,367	35,367	38,127	39,220	39,076	42,209	37,149	37,032	29,605	23,631
decrease / (increase) in unearned	2,907	2,005	(1,526)	(1,842)	(3,844)	(5,330)	(5,114)	(8,434)	(4,090)	(3,675)	4,614	9,262
<b>earned premium</b>	<b>32,718</b>	<b>31,477</b>	<b>33,841</b>	<b>33,525</b>	<b>34,283</b>	<b>33,890</b>	<b>33,962</b>	<b>33,775</b>	<b>33,059</b>	<b>33,357</b>	<b>34,219</b>	<b>32,893</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(1,825)	(2,142)	(2,128)	(2,052)	(2,032)	(1,887)	(1,956)	(1,891)	(1,615)	(2,060)	(2,001)	(2,250)
Discounted	(1,825)	(2,142)	(2,128)	(2,052)	(2,032)	(1,887)	(1,956)	(1,891)	(1,615)	(2,060)	(2,001)	(2,250)
<b>Current Accident Year</b>												
Undiscounted	40,962	39,410	42,369	41,974	42,922	42,430	42,521	42,286	41,390	41,763	42,842	41,183
effect of discounting	5,293	4,270	3,945	4,339	4,267	4,057	3,869	3,628	3,307	3,153	2,935	2,564
Discounted	46,255	43,680	46,314	46,313	47,189	46,487	46,390	45,914	44,697	44,916	45,777	43,747
<b>Claims Incurred</b>	<b>44,430</b>	<b>41,538</b>	<b>44,186</b>	<b>44,261</b>	<b>45,157</b>	<b>44,600</b>	<b>44,434</b>	<b>44,023</b>	<b>43,082</b>	<b>42,856</b>	<b>43,776</b>	<b>41,497</b>
<b>Underwriting Expenses</b>												
Expense Allowance	8,824	8,723	10,469	10,468	11,285	11,609	11,567	12,494	10,996	10,961	8,763	6,995
% wp	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%	29.6%
Premium Deficiency / (DPAC)												
Undiscounted	(740)	(380)	579	816	1,450	1,964	2,086	3,071	1,958	1,964	(266)	(1,563)
effect of discounting	(382)	(252)	222	283	561	775	762	1,221	642	598	(517)	(1,148)
Discounted	(1,122)	(632)	801	1,099	2,011	2,739	2,848	4,292	2,600	2,562	(783)	(2,711)
<b>Underwriting Expenses</b>	<b>7,702</b>	<b>8,091</b>	<b>11,270</b>	<b>11,567</b>	<b>13,296</b>	<b>14,348</b>	<b>14,415</b>	<b>16,786</b>	<b>13,596</b>	<b>13,523</b>	<b>7,980</b>	<b>4,284</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(19,414)</b>	<b>(18,152)</b>	<b>(21,615)</b>	<b>(22,303)</b>	<b>(24,170)</b>	<b>(25,058)</b>	<b>(24,887)</b>	<b>(27,034)</b>	<b>(23,619)</b>	<b>(23,022)</b>	<b>(17,537)</b>	<b>(12,888)</b>
Administrative Expenses	119	118	142	142	152	157	156	168	149	148	119	94
<b>Operating Result</b>	<b>(19,533)</b>	<b>(18,270)</b>	<b>(21,757)</b>	<b>(22,445)</b>	<b>(24,322)</b>	<b>(25,215)</b>	<b>(25,043)</b>	<b>(27,202)</b>	<b>(23,768)</b>	<b>(23,170)</b>	<b>(17,656)</b>	<b>(12,982)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(5.6%)	(6.8%)	(6.3%)	(6.1%)	(5.9%)	(5.6%)	(5.8%)	(5.6%)	(4.9%)	(6.2%)	(5.8%)	(6.8%)
Current Accident Year	141.4%	138.8%	136.9%	138.1%	137.6%	137.2%	136.6%	135.9%	135.2%	134.7%	133.8%	133.0%
All Accident Years Combined	135.8%	132.0%	130.6%	132.0%	131.7%	131.6%	130.8%	130.3%	130.3%	128.5%	128.0%	126.2%
Underwriting & Admin Exp (EP)	23.9%	26.1%	33.7%	34.9%	39.2%	42.8%	42.9%	50.2%	41.6%	41.0%	23.7%	13.3%
<b>Combined Operating Ratio</b>	<b>159.7%</b>	<b>158.1%</b>	<b>164.3%</b>	<b>166.9%</b>	<b>170.9%</b>	<b>174.4%</b>	<b>173.7%</b>	<b>180.5%</b>	<b>171.9%</b>	<b>169.5%</b>	<b>151.7%</b>	<b>139.5%</b>

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Ontario	100	FULL YEAR							
ON									
std titles	201710	2018	2019	2020	chg during 2019	% Chg	chg during 2020	% Chg	
					Change during 2019		Change during 2020		
in \$ thousands		2018	2019	2020	Amount	%	Amount	%	
<b>Underwriting Revenue</b>									
written premium		347,754	370,298	416,066	22,544	6.5%	45,768	12.4%	
increase / (increase) in unearned		4,866	(19,085)	(15,067)	(23,951)	(492.2%)	4,018	(21.1%)	
<b>earned premium</b>		<b>352,620</b>	<b>351,213</b>	<b>400,999</b>	<b>(1,407)</b>	<b>(0.4%)</b>	<b>49,786</b>	<b>14.2%</b>	
<b>Claims Incurred</b>									
<b>Prior Accident Years</b>									
Undiscounted		(27,680)	(73,291)	-	(45,611)	164.8%	73,291	(100.0%)	
effect of discounting		(44,774)	(15,945)	(23,839)	28,829	(64.4%)	(7,894)	49.5%	
Discounted		(72,454)	(89,236)	(23,839)	(16,782)	23.2%	65,397	(73.3%)	
<b>Current Accident Year</b>									
Undiscounted		449,105	436,231	502,052	(12,874)	(2.9%)	65,821	15.1%	
effect of discounting		32,229	38,406	45,627	6,177	19.2%	7,221	18.8%	
Discounted		481,334	474,637	547,679	(6,697)	(1.4%)	73,042	15.4%	
<b>Claims Incurred</b>		<b>408,880</b>	<b>385,401</b>	<b>523,840</b>	<b>(23,479)</b>	<b>(5.7%)</b>	<b>138,439</b>	<b>35.9%</b>	
<b>Underwriting Expenses</b>									
Expense Allowance		104,487	108,237	123,154	3,750	3.6%	14,917	13.8%	
% wp		30.0%	29.2%	29.6%	(0.8%)		0.4%		
Premium Deficiency / (DPAC)									
Undiscounted		6,686	1,619	10,939	(5,067)	(75.8%)	9,320	575.7%	
effect of discounting		(3,188)	6,875	2,765	10,063	(315.7%)	(4,110)	(59.8%)	
Discounted		3,498	8,494	13,704	4,996	142.8%	5,210	61.3%	
<b>Underwriting Expenses</b>		<b>107,985</b>	<b>116,731</b>	<b>136,858</b>	<b>8,746</b>	<b>8.1%</b>	<b>20,127</b>	<b>17.2%</b>	
<b>Net Underwriting Gain (Loss)</b>		<b>(164,245)</b>	<b>(150,919)</b>	<b>(259,699)</b>	<b>13,326</b>	<b>(8.1%)</b>	<b>(108,780)</b>	<b>72.1%</b>	
Administrative Expenses		1,353	1,480	1,664	127	9.4%	184	12.4%	
<b>Operating Result</b>		<b>(165,598)</b>	<b>(152,399)</b>	<b>(261,363)</b>	<b>13,199</b>	<b>(8.0%)</b>	<b>(108,964)</b>	<b>71.5%</b>	
<b>Ratios</b>									
<b>Claims &amp; Adj. Expenses to EP</b>									
Prior Accident Year		(20.5%)	(25.4%)	(5.9%)	(4.9%)		19.5%		
Current Accident Year		136.5%	135.1%	136.6%	(1.4%)		1.5%		
All Accident Years Combined		116.0%	109.7%	130.7%	(6.3%)		21.0%		
Underwriting & Admin Exp (EP)		31.0%	33.7%	34.5%	2.7%		0.8%		
<b>Combined Operating Ratio</b>		<b>147.0%</b>	<b>143.4%</b>	<b>165.2%</b>	<b>(3.6%)</b>		<b>21.8%</b>		

Exhibit B-2  
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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	15,909	15,547	20,008	21,360	21,592	23,205	22,595	23,655	24,330	21,917	20,588	17,160
increase / (increase) in unearned	2,864	2,774	(333)	(1,655)	(1,465)	(3,178)	(2,403)	(3,640)	(4,466)	(2,258)	(960)	1,187
<b>earned premium</b>	<b>18,773</b>	<b>18,321</b>	<b>19,675</b>	<b>19,705</b>	<b>20,127</b>	<b>20,027</b>	<b>20,192</b>	<b>20,015</b>	<b>19,864</b>	<b>19,659</b>	<b>19,628</b>	<b>18,347</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(243)	(546)	(628)	(610)	(655)	(551)	(480)	(389)	(431)	(487)	(567)	(706)
Discounted	(243)	(546)	(628)	(610)	(655)	(551)	(480)	(389)	(431)	(487)	(567)	(706)
<b>Current Accident Year</b>												
Undiscounted	16,802	16,397	17,609	17,636	18,013	17,925	18,072	17,913	17,778	17,595	17,568	16,420
effect of discounting	1,265	1,051	981	981	1,063	1,032	1,014	969	930	880	846	751
Discounted	18,067	17,448	18,590	18,617	19,076	18,957	19,086	18,882	18,708	18,475	18,414	17,171
<b>Claims Incurred</b>	<b>17,824</b>	<b>16,902</b>	<b>17,962</b>	<b>18,007</b>	<b>18,421</b>	<b>18,406</b>	<b>18,606</b>	<b>18,493</b>	<b>18,277</b>	<b>17,988</b>	<b>17,847</b>	<b>16,465</b>
<b>Underwriting Expenses</b>												
Expense Allowance	4,836	4,726	6,082	6,494	6,564	7,054	6,869	7,191	7,396	6,662	6,259	5,217
% wp	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%
Premium Deficiency / (DPAC)												
Undiscounted	271	308	29	(79)	(21)	(165)	(55)	(144)	(191)	33	183	374
effect of discounting	(178)	(168)	23	109	99	209	161	242	295	158	78	(56)
Discounted	93	140	52	30	78	44	106	98	104	191	261	318
<b>Underwriting Expenses</b>	<b>4,929</b>	<b>4,866</b>	<b>6,134</b>	<b>6,524</b>	<b>6,642</b>	<b>7,098</b>	<b>6,975</b>	<b>7,289</b>	<b>7,500</b>	<b>6,853</b>	<b>6,520</b>	<b>5,535</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(3,980)</b>	<b>(3,447)</b>	<b>(4,421)</b>	<b>(4,826)</b>	<b>(4,936)</b>	<b>(5,477)</b>	<b>(5,389)</b>	<b>(5,767)</b>	<b>(5,913)</b>	<b>(5,182)</b>	<b>(4,739)</b>	<b>(3,653)</b>
Administrative Expenses	99	96	124	133	134	144	140	147	151	135	128	107
<b>Operating Result</b>	<b>(4,079)</b>	<b>(3,543)</b>	<b>(4,545)</b>	<b>(4,959)</b>	<b>(5,070)</b>	<b>(5,621)</b>	<b>(5,529)</b>	<b>(5,914)</b>	<b>(6,064)</b>	<b>(5,317)</b>	<b>(4,867)</b>	<b>(3,760)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(1.3%)	(3.0%)	(3.2%)	(3.1%)	(3.3%)	(2.8%)	(2.4%)	(1.9%)	(2.2%)	(2.5%)	(2.9%)	(3.8%)
Current Accident Year	96.2%	95.2%	94.5%	94.5%	94.8%	94.7%	94.5%	94.3%	94.2%	94.0%	93.8%	93.6%
All Accident Years Combined	94.9%	92.2%	91.3%	91.4%	91.5%	91.9%	92.1%	92.4%	92.0%	91.5%	90.9%	89.8%
Underwriting & Admin Exp (EP)	26.8%	27.1%	31.8%	33.8%	33.7%	36.2%	35.2%	37.2%	38.5%	35.5%	33.9%	30.8%
<b>Combined Operating Ratio</b>	<b>121.7%</b>	<b>119.3%</b>	<b>123.1%</b>	<b>125.2%</b>	<b>125.2%</b>	<b>128.1%</b>	<b>127.3%</b>	<b>129.6%</b>	<b>130.5%</b>	<b>127.0%</b>	<b>124.8%</b>	<b>120.6%</b>

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Alberta Grid 200		FULL YEAR								
AB Grid										
std titles		201710		2018			2019		2020	
					chg during 2019		% Chg		chg during 2020	
in \$ thousands					Change during 2019		Change during 2020			
					Amount		%		Amount	
									%	
<b>Underwriting Revenue</b>										
written premium										
decrease / (increase) in unearned										
<b>earned premium</b>										
<b>Claims Incurred</b>										
<b>Prior Accident Years</b>										
Undiscounted										
effect of discounting										
Discounted										
<b>Current Accident Year</b>										
Undiscounted										
effect of discounting										
Discounted										
<b>Claims Incurred</b>										
<b>Underwriting Expenses</b>										
Expense Allowance										
% wp										
Premium Deficiency / (DPAC)										
Undiscounted										
effect of discounting										
Discounted										
<b>Underwriting Expenses</b>										
<b>Net Underwriting Gain (Loss)</b>										
Administrative Expenses										
<b>Operating Result</b>										
<b>Ratios</b>										
<b>Claims &amp; Adj. Expenses to EP</b>										
Prior Accident Year										
Current Accident Year										
All Accident Years Combined										
Underwriting & Admin Exp (EP)										
<b>Combined Operating Ratio</b>										

Exhibit B-3  
 Alberta Non-Grid RSP  
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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	11,774	11,193	11,725	12,995	13,594	14,301	13,782	14,083	14,927	14,703	13,855	12,643
decrease / (increase) in unearned	189	395	495	(724)	(979)	(1,602)	(852)	(1,097)	(1,699)	(1,477)	(670)	(117)
<b>earned premium</b>	<b>11,963</b>	<b>11,588</b>	<b>12,220</b>	<b>12,271</b>	<b>12,615</b>	<b>12,699</b>	<b>12,930</b>	<b>12,986</b>	<b>13,228</b>	<b>13,226</b>	<b>13,185</b>	<b>12,526</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	(536)	(427)	(469)	(281)	(316)	(303)	(283)	(153)	(252)	(312)	(277)	(305)
Discounted	(536)	(427)	(469)	(281)	(316)	(303)	(283)	(153)	(252)	(312)	(277)	(305)
<b>Current Accident Year</b>												
Undiscounted	12,765	12,363	13,040	13,093	13,459	13,550	13,797	13,856	14,114	14,112	14,069	13,365
effect of discounting	913	684	605	617	626	642	620	593	566	532	488	406
Discounted	13,678	13,047	13,645	13,710	14,085	14,192	14,417	14,449	14,680	14,644	14,557	13,771
<b>Claims Incurred</b>	<b>13,142</b>	<b>12,620</b>	<b>13,176</b>	<b>13,429</b>	<b>13,769</b>	<b>13,889</b>	<b>14,134</b>	<b>14,296</b>	<b>14,428</b>	<b>14,332</b>	<b>14,280</b>	<b>13,466</b>
<b>Underwriting Expenses</b>												
Expense Allowance	3,579	3,402	3,564	3,951	4,132	4,347	4,189	4,282	4,538	4,470	4,212	3,843
% wp	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%	30.4%
Premium Deficiency / (DPAC)												
Undiscounted	(38)	(3)	10	121	167	240	211	259	331	339	293	254
effect of discounting	(13)	(25)	(33)	56	74	124	70	89	134	120	63	25
Discounted	(51)	(28)	(23)	177	241	364	281	348	465	459	356	279
<b>Underwriting Expenses</b>	<b>3,528</b>	<b>3,374</b>	<b>3,541</b>	<b>4,128</b>	<b>4,373</b>	<b>4,711</b>	<b>4,470</b>	<b>4,630</b>	<b>5,003</b>	<b>4,929</b>	<b>4,568</b>	<b>4,122</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(4,707)</b>	<b>(4,406)</b>	<b>(4,497)</b>	<b>(5,286)</b>	<b>(5,527)</b>	<b>(5,901)</b>	<b>(5,674)</b>	<b>(5,940)</b>	<b>(6,203)</b>	<b>(6,035)</b>	<b>(5,663)</b>	<b>(5,062)</b>
Administrative Expenses	113	107	113	125	131	138	132	135	143	142	133	122
<b>Operating Result</b>	<b>(4,820)</b>	<b>(4,513)</b>	<b>(4,610)</b>	<b>(5,411)</b>	<b>(5,658)</b>	<b>(6,039)</b>	<b>(5,806)</b>	<b>(6,075)</b>	<b>(6,346)</b>	<b>(6,177)</b>	<b>(5,796)</b>	<b>(5,184)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	(4.5%)	(3.7%)	(3.8%)	(2.3%)	(2.5%)	(2.4%)	(2.2%)	(1.2%)	(1.9%)	(2.4%)	(2.1%)	(2.4%)
Current Accident Year	114.3%	112.6%	111.7%	111.7%	111.7%	111.8%	111.5%	111.3%	111.0%	110.7%	110.4%	109.9%
All Accident Years Combined	109.8%	108.9%	107.9%	109.4%	109.2%	109.4%	109.3%	110.1%	109.1%	108.3%	108.3%	107.5%
Underwriting & Admin Exp (EP)	30.4%	30.0%	29.9%	34.7%	35.7%	38.2%	35.6%	36.7%	38.9%	38.3%	35.7%	33.9%
<b>Combined Operating Ratio</b>	<b>140.2%</b>	<b>138.9%</b>	<b>137.8%</b>	<b>144.1%</b>	<b>144.9%</b>	<b>147.6%</b>	<b>144.9%</b>	<b>146.8%</b>	<b>148.0%</b>	<b>146.6%</b>	<b>144.0%</b>	<b>141.4%</b>

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

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Alberta non-Grid 250 AB non-Grid std titles		FULL YEAR							
	2017/10	2018	2019	2020	chg during 2019	% Chg	chg during 2020	% Chg	
in \$ thousands		2018	2019	2020	Change during 2019		Change during 2020		
					Amount	%	Amount	%	
<b>Underwriting Revenue</b>									
written premium		113,979	134,103	159,575	20,124	17.7%	25,472	19.0%	
increase / (increase) in unearned		(7,274)	(15,828)	(8,138)	(8,554)	117.6%	7,690	(48.6%)	
<b>earned premium</b>		<b>106,705</b>	<b>118,275</b>	<b>151,437</b>	<b>11,570</b>	<b>10.8%</b>	<b>33,162</b>	<b>28.0%</b>	
<b>Claims Incurred</b>									
<b>Prior Accident Years</b>									
Undiscounted		(14,505)	(24,973)	-	(10,468)	72.2%	24,973	(100.0%)	
effect of discounting		(5,786)	(637)	(3,914)	5,149	(89.0%)	(3,277)	514.4%	
Discounted		(20,291)	(25,610)	(3,914)	(5,319)	26.2%	21,696	(84.7%)	
<b>Current Accident Year</b>									
Undiscounted		117,038	126,511	161,583	9,473	8.1%	35,072	27.7%	
effect of discounting		3,698	5,906	7,292	2,208	59.7%	1,386	23.5%	
Discounted		120,736	132,417	168,875	11,681	9.7%	36,458	27.5%	
<b>Claims Incurred</b>		<b>100,445</b>	<b>106,807</b>	<b>164,961</b>	<b>6,362</b>	<b>6.3%</b>	<b>58,154</b>	<b>54.4%</b>	
<b>Underwriting Expenses</b>									
Expense Allowance		33,858	41,751	48,509	7,893	23.3%	6,758	16.2%	
% wp		29.7%	31.1%	30.4%	1.4%		(0.7%)		
Premium Deficiency / (DPAC)									
Undiscounted		1,228	911	2,184	(317)	(25.8%)	1,273	139.7%	
effect of discounting		(63)	2,198	684	2,261	(3,588.9%)	(1,514)	(68.9%)	
Discounted		1,165	3,109	2,868	1,944	166.9%	(241)	(7.8%)	
<b>Underwriting Expenses</b>		<b>35,023</b>	<b>44,860</b>	<b>51,377</b>	<b>9,837</b>	<b>28.1%</b>	<b>6,517</b>	<b>14.5%</b>	
<b>Net Underwriting Gain (Loss)</b>		<b>(28,763)</b>	<b>(33,392)</b>	<b>(64,901)</b>	<b>(4,629)</b>	<b>16.1%</b>	<b>(31,509)</b>	<b>94.4%</b>	
Administrative Expenses		1,053	1,228	1,534	175	16.7%	306	24.9%	
<b>Operating Result</b>		<b>(29,816)</b>	<b>(34,620)</b>	<b>(66,435)</b>	<b>(4,804)</b>	<b>16.1%</b>	<b>(31,815)</b>	<b>91.9%</b>	
<b>Ratios</b>									
<b>Claims &amp; Adj. Expenses to EP</b>									
Prior Accident Year		(19.0%)	(21.7%)	(2.6%)	(2.7%)		19.1%		
Current Accident Year		113.1%	112.0%	111.5%	(1.1%)		(0.5%)		
All Accident Years Combined		94.1%	90.3%	108.9%	(3.8%)		18.6%		
Underwriting & Admin Exp (EP)		33.8%	39.0%	34.9%	5.2%		(4.1%)		
<b>Combined Operating Ratio</b>		<b>127.9%</b>	<b>129.3%</b>	<b>143.8%</b>	<b>1.4%</b>		<b>14.5%</b>		

Exhibit B-4  
 New Brunswick RSP  
 Summary of Operations

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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	968	992	1,349	1,520	1,702	1,694	1,403	1,601	1,402	1,359	1,154	1,034
increase / (increase) in unearned	429	335	57	(139)	(296)	(304)	(28)	(265)	(93)	(31)	169	203
<b>earned premium</b>	<b>1,397</b>	<b>1,327</b>	<b>1,406</b>	<b>1,381</b>	<b>1,406</b>	<b>1,390</b>	<b>1,375</b>	<b>1,336</b>	<b>1,309</b>	<b>1,328</b>	<b>1,323</b>	<b>1,237</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	16	(44)	(33)	(32)	(33)	(20)	(25)	(16)	(14)	(13)	(14)	(49)
Discounted	16	(44)	(33)	(32)	(33)	(20)	(25)	(16)	(14)	(13)	(14)	(49)
<b>Current Accident Year</b>												
Undiscounted	1,020	968	1,027	1,008	1,026	1,015	1,004	975	955	970	966	903
effect of discounting	58	42	43	43	43	41	36	34	32	26	26	20
Discounted	1,078	1,010	1,070	1,051	1,069	1,056	1,040	1,009	987	996	992	923
<b>Claims Incurred</b>	<b>1,094</b>	<b>966</b>	<b>1,037</b>	<b>1,019</b>	<b>1,036</b>	<b>1,036</b>	<b>1,015</b>	<b>993</b>	<b>973</b>	<b>983</b>	<b>978</b>	<b>874</b>
<b>Underwriting Expenses</b>												
Expense Allowance	293	299	408	459	514	511	424	484	423	410	348	312
% wp	30.3%	30.1%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%	30.2%
Premium Deficiency / (DPAC)												
Undiscounted	102	85	18	(24)	(60)	(60)	8	(43)	(4)	15	61	70
effect of discounting	(19)	(15)	(4)	7	15	13	6	12	5	3	(7)	(8)
Discounted	83	70	14	(17)	(45)	(47)	14	(31)	1	18	54	62
<b>Underwriting Expenses</b>	<b>376</b>	<b>369</b>	<b>422</b>	<b>442</b>	<b>469</b>	<b>464</b>	<b>438</b>	<b>453</b>	<b>424</b>	<b>428</b>	<b>402</b>	<b>374</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(73)</b>	<b>(8)</b>	<b>(53)</b>	<b>(80)</b>	<b>(99)</b>	<b>(110)</b>	<b>(78)</b>	<b>(110)</b>	<b>(88)</b>	<b>(83)</b>	<b>(57)</b>	<b>(11)</b>
Administrative Expenses	50	51	70	79	88	87	72	83	72	70	60	53
<b>Operating Result</b>	<b>(123)</b>	<b>(59)</b>	<b>(123)</b>	<b>(159)</b>	<b>(187)</b>	<b>(197)</b>	<b>(150)</b>	<b>(193)</b>	<b>(160)</b>	<b>(153)</b>	<b>(117)</b>	<b>(64)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	1.1%	(3.3%)	(2.3%)	(2.3%)	(2.3%)	(1.4%)	(1.8%)	(1.2%)	(1.1%)	(1.0%)	(1.1%)	(4.0%)
Current Accident Year	77.2%	76.1%	76.1%	76.1%	76.0%	76.0%	75.6%	75.5%	75.4%	75.0%	75.0%	74.6%
All Accident Years Combined	78.3%	72.8%	73.8%	73.8%	73.7%	74.6%	73.8%	74.3%	74.3%	74.0%	73.9%	70.6%
Underwriting & Admin Exp (EP)	30.5%	31.7%	35.0%	37.7%	39.6%	39.6%	37.1%	40.1%	37.9%	37.5%	34.9%	34.5%
<b>Combined Operating Ratio</b>	<b>108.8%</b>	<b>104.5%</b>	<b>108.8%</b>	<b>111.5%</b>	<b>113.3%</b>	<b>114.2%</b>	<b>110.9%</b>	<b>114.4%</b>	<b>112.2%</b>	<b>111.5%</b>	<b>108.8%</b>	<b>105.1%</b>



Exhibit B-4  
New Brunswick RSP  
Summary of Operations

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New Brunswick 300 NB		FULL YEAR							
std titles	201710	2018	2019	2020	chg during 2019	% Chg	chg during 2020	% Chg	
in \$ thousands		2018	2019	2020	Change during 2019		Change during 2020		
					Amount	%	Amount	%	
<b>Underwriting Revenue</b>									
written premium		14,925	15,638	16,178	713	4.8%	540	3.5%	
increase / (increase) in unearned		(1,657)	(19)	37	1,638	(98.9%)	56	(294.7%)	
<b>earned premium</b>		<b>13,268</b>	<b>15,619</b>	<b>16,215</b>	<b>2,351</b>	<b>17.7%</b>	<b>596</b>	<b>3.8%</b>	
<b>Claims Incurred</b>									
<b>Prior Accident Years</b>									
Undiscounted		617	(510)	-	(1,127)	(182.7%)	510	(100.0%)	
effect of discounting		(410)	141	(277)	551	(134.4%)	(418)	(296.5%)	
Discounted		207	(369)	(277)	(576)	(278.3%)	92	(24.9%)	
<b>Current Accident Year</b>									
Undiscounted		9,989	11,679	11,837	1,690	16.9%	158	1.4%	
effect of discounting		216	407	444	191	88.4%	37	9.1%	
Discounted		10,205	12,086	12,281	1,881	18.4%	195	1.6%	
<b>Claims Incurred</b>		<b>10,412</b>	<b>11,717</b>	<b>12,004</b>	<b>1,305</b>	<b>12.5%</b>	<b>287</b>	<b>2.4%</b>	
<b>Underwriting Expenses</b>									
Expense Allowance		4,260	4,709	4,885	449	10.5%	176	3.7%	
% wp		28.5%	30.1%	30.2%	1.6%		0.1%		
Premium Deficiency / (DPAC)									
Undiscounted		(214)	(133)	168	81	(37.9%)	301	(226.3%)	
effect of discounting		(2)	112	8	114	(5,700.0%)	(104)	(92.9%)	
Discounted		(216)	(21)	176	195	(90.3%)	197	(938.1%)	
<b>Underwriting Expenses</b>		<b>4,044</b>	<b>4,688</b>	<b>5,061</b>	<b>644</b>	<b>15.9%</b>	<b>373</b>	<b>8.0%</b>	
<b>Net Underwriting Gain (Loss)</b>		<b>(1,188)</b>	<b>(786)</b>	<b>(850)</b>	<b>402</b>	<b>(33.8%)</b>	<b>(64)</b>	<b>8.1%</b>	
Administrative Expenses		627	746	835	119	19.0%	89	11.9%	
<b>Operating Result</b>		<b>(1,815)</b>	<b>(1,532)</b>	<b>(1,685)</b>	<b>283</b>	<b>(15.6%)</b>	<b>(153)</b>	<b>10.0%</b>	
<b>Ratios</b>									
<b>Claims &amp; Adj. Expenses to EP</b>									
Prior Accident Year		1.6%	(2.4%)	(1.7%)	(4.0%)		0.7%		
Current Accident Year		76.9%	77.4%	75.7%	0.5%		(1.7%)		
All Accident Years Combined		78.5%	75.0%	74.0%	(3.5%)		(1.0%)		
Underwriting & Admin Exp (EP)		35.2%	34.8%	36.4%	(0.4%)		1.6%		
<b>Combined Operating Ratio</b>		<b>113.7%</b>	<b>109.8%</b>	<b>110.4%</b>	<b>(3.9%)</b>		<b>0.6%</b>		

Exhibit B-5  
 Nova Scotia RSP  
 Summary of Operations

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in \$ thousands	202001	202002	202003	202004	202005	202006	202007	202008	202009	202010	202011	202012
<b>Underwriting Revenue</b>												
written premium	2,413	2,626	3,030	3,435	3,702	3,761	3,728	3,536	3,462	3,159	2,843	2,481
decrease / (increase) in unearned	433	147	(80)	(481)	(656)	(711)	(632)	(464)	(399)	(68)	167	398
<b>earned premium</b>	<b>2,846</b>	<b>2,773</b>	<b>2,950</b>	<b>2,954</b>	<b>3,046</b>	<b>3,050</b>	<b>3,096</b>	<b>3,072</b>	<b>3,063</b>	<b>3,091</b>	<b>3,010</b>	<b>2,879</b>
<b>Claims Incurred</b>												
<b>Prior Accident Years</b>												
Undiscounted	-	-	-	-	-	-	-	-	-	-	-	-
effect of discounting	70	(83)	(73)	(57)	(65)	(60)	(93)	(77)	(74)	(79)	(87)	(87)
Discounted	70	(83)	(73)	(57)	(65)	(60)	(93)	(77)	(74)	(79)	(87)	(87)
<b>Current Accident Year</b>												
Undiscounted	2,806	2,734	2,908	2,913	3,003	3,007	3,053	3,029	3,020	3,048	2,968	2,839
effect of discounting	196	166	169	163	160	150	143	152	146	144	135	120
Discounted	3,002	2,900	3,077	3,076	3,163	3,157	3,196	3,181	3,166	3,192	3,103	2,959
<b>Claims Incurred</b>	<b>3,072</b>	<b>2,817</b>	<b>3,004</b>	<b>3,019</b>	<b>3,098</b>	<b>3,097</b>	<b>3,103</b>	<b>3,104</b>	<b>3,092</b>	<b>3,113</b>	<b>3,016</b>	<b>2,872</b>
<b>Underwriting Expenses</b>												
Expense Allowance	765	832	960	1,089	1,173	1,192	1,182	1,121	1,097	1,001	901	787
% wp	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%	31.7%
Premium Deficiency / (DPAC)												
Undiscounted	(47)	11	22	33	46	62	70	81	86	91	89	84
effect of discounting	(31)	(9)	8	35	48	53	47	38	33	11	(4)	(23)
Discounted	(78)	2	30	68	94	115	117	119	119	102	85	61
<b>Underwriting Expenses</b>	<b>687</b>	<b>834</b>	<b>990</b>	<b>1,157</b>	<b>1,267</b>	<b>1,307</b>	<b>1,299</b>	<b>1,240</b>	<b>1,216</b>	<b>1,103</b>	<b>986</b>	<b>848</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(913)</b>	<b>(878)</b>	<b>(1,044)</b>	<b>(1,222)</b>	<b>(1,319)</b>	<b>(1,354)</b>	<b>(1,306)</b>	<b>(1,272)</b>	<b>(1,245)</b>	<b>(1,125)</b>	<b>(992)</b>	<b>(841)</b>
Administrative Expenses	64	70	80	91	98	101	99	94	92	84	76	66
<b>Operating Result</b>	<b>(977)</b>	<b>(948)</b>	<b>(1,124)</b>	<b>(1,313)</b>	<b>(1,417)</b>	<b>(1,455)</b>	<b>(1,405)</b>	<b>(1,366)</b>	<b>(1,337)</b>	<b>(1,209)</b>	<b>(1,068)</b>	<b>(907)</b>
<b>Ratios</b>												
<b>Claims &amp; Adj. Expenses to EP</b>												
Prior Accident Year	2.5%	(3.0%)	(2.5%)	(1.9%)	(2.1%)	(2.0%)	(3.0%)	(2.5%)	(2.4%)	(2.6%)	(2.9%)	(3.0%)
Current Accident Year	105.5%	104.6%	104.3%	104.1%	103.8%	103.5%	103.2%	103.5%	103.4%	103.3%	103.1%	102.8%
All Accident Years Combined	108.0%	101.6%	101.8%	102.2%	101.7%	101.5%	100.2%	101.0%	101.0%	100.7%	100.2%	99.8%
Underwriting & Admin Exp (EP)	26.4%	32.6%	36.3%	42.2%	44.8%	46.2%	45.2%	43.4%	42.7%	38.4%	35.3%	31.7%
<b>Combined Operating Ratio</b>	<b>134.4%</b>	<b>134.2%</b>	<b>138.1%</b>	<b>144.4%</b>	<b>146.5%</b>	<b>147.7%</b>	<b>145.4%</b>	<b>144.4%</b>	<b>143.7%</b>	<b>139.1%</b>	<b>135.5%</b>	<b>131.5%</b>

Exhibit B-5  
Nova Scotia RSP  
Summary of Operations

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Nova Scotia NS		400		FULL YEAR						
std titles		201710		2018	2019	2020	chg during 2019	% Chg	chg during 2020	% Chg
							Change during 2019		Change during 2020	
in \$ thousands		2018	2019	2020	Amount	%	Amount	%		
Underwriting Revenue										
written premium		28,870	31,560	38,176	2,690	9.3%	6,616	21.0%		
decrease / (increase) in unearned		(1,213)	(1,565)	(2,346)	(352)	29.0%	(781)	49.9%		
earned premium		27,657	29,995	35,830	2,338	8.5%	5,835	19.5%		
Claims Incurred										
Prior Accident Years										
Undiscounted		195	(403)	-	(598)	(306.7%)	403	(100.0%)		
effect of discounting		(683)	174	(765)	857	(125.5%)	(939)	(539.7%)		
Discounted		(488)	(229)	(765)	259	(53.1%)	(536)	234.1%		
Current Accident Year										
Undiscounted		25,821	29,286	35,328	3,465	13.4%	6,042	20.6%		
effect of discounting		872	1,528	1,844	656	75.2%	316	20.7%		
Discounted		26,693	30,814	37,172	4,121	15.4%	6,358	20.6%		
Claims Incurred		26,205	30,585	36,407	4,380	16.7%	5,822	19.0%		
Underwriting Expenses										
Expense Allowance		8,714	9,787	12,100	1,073	12.3%	2,313	23.6%		
% wp		30.2%	31.0%	31.7%	0.8%		0.7%			
Premium Deficiency / (DPAC)										
Undiscounted		537	328	628	(209)	(38.9%)	300	91.5%		
effect of discounting		(86)	454	206	540	(627.9%)	(248)	(54.6%)		
Discounted		451	782	834	331	73.4%	52	6.6%		
Underwriting Expenses		9,165	10,569	12,934	1,404	15.3%	2,365	22.4%		
Net Underwriting Gain (Loss)		(7,713)	(11,159)	(13,511)	(3,446)	44.7%	(2,352)	21.1%		
Administrative Expenses		608	826	1,015	218	35.8%	189	22.9%		
Operating Result		(8,321)	(11,985)	(14,526)	(3,664)	44.0%	(2,541)	21.2%		
Ratios										
Claims & Adj. Expenses to EP										
Prior Accident Year		(1.8%)	(0.8%)	(2.1%)	1.0%		(1.3%)			
Current Accident Year		96.5%	102.7%	103.7%	6.2%		1.0%			
All Accident Years Combined		94.7%	101.9%	101.6%	7.2%		(0.3%)			
Underwriting & Admin Exp (EP)		35.3%	38.0%	38.9%	2.7%		0.9%			
Combined Operating Ratio		130.0%	139.9%	140.5%	9.9%		0.6%			

Exhibit C-1  
 Ontario RSP  
 Projected Policy Liabilities

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Ontario ending 2019	Projected Balances as at Dec. 31, 2019 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
prior	26,224	(368)	25,856	(1,024)	189	2,490	1,655	27,511
2000	-	12	12	-	-	1	1	13
2001	587	9	596	(26)	5	57	36	632
2002	53	57	110	(5)	1	10	6	116
2003	284	114	398	(22)	4	38	20	418
2004	937	207	1,144	(69)	11	107	49	1,193
2005	31	273	304	(21)	4	28	11	315
2006	1,689	332	2,021	(152)	26	187	61	2,082
2007	1,602	583	2,185	(177)	31	200	54	2,239
2008	1,002	1,291	2,293	(197)	34	209	46	2,339
2009	4,276	1,833	6,109	(538)	92	557	111	6,220
2010	5,008	2,393	7,401	(599)	104	680	185	7,586
2011	7,935	1,555	9,490	(645)	114	884	353	9,843
2012	12,853	2,060	14,913	(895)	149	1,402	656	15,569
2013	23,893	2,517	26,410	(1,321)	211	2,509	1,399	27,809
2014	51,642	788	52,430	(2,045)	367	5,039	3,361	55,791
2015	67,507	1,319	68,826	(2,202)	413	6,663	4,874	73,700
2016	81,885	14,347	96,232	(3,079)	481	11,644	9,046	105,278
2017	103,802	50,515	154,317	(5,555)	926	22,315	17,686	172,003
2018	109,185	90,773	199,958	(8,198)	1,400	33,366	26,568	226,526
PAYs (sub-total):	500,395	170,610	671,005	(26,770)	4,562	88,386	66,178	737,183
CAY (2019)	95,970	174,492	270,462	(11,630)	1,893	48,143	38,406	308,868
claims liabilities:	596,365	345,102	941,467	(38,400)	6,455	136,529	104,584	1,046,051
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	189,197	48,093	237,290	(8,054)	1,421	31,806	25,173	262,463
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			1,178,757	(46,454)	7,876	168,335	129,757	1,308,514

Exhibit C-1  
Ontario RSP  
Projected Policy Liabilities

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Ontario ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
prior	18,971	(267)	18,704	(438)	78	1,834	1,474	20,178
2001	423	8	431	(16)	3	41	28	459
2002	38	41	79	(3)	1	8	6	85
2003	204	84	288	(14)	2	28	16	304
2004	678	150	828	(45)	8	79	42	870
2005	21	199	220	(13)	2	21	10	230
2006	1,218	242	1,460	(99)	18	136	55	1,515
2007	1,157	424	1,581	(119)	21	146	48	1,629
2008	718	941	1,659	(134)	23	153	42	1,701
2009	3,077	1,338	4,415	(380)	66	403	89	4,504
2010	3,607	1,743	5,350	(471)	80	488	97	5,447
2011	5,726	1,134	6,860	(556)	96	630	170	7,030
2012	9,283	1,500	10,783	(733)	129	1,005	401	11,184
2013	17,259	1,833	19,092	(1,146)	191	1,794	839	19,931
2014	37,328	575	37,903	(1,895)	303	3,600	2,008	39,911
2015	48,792	962	49,754	(1,940)	348	4,781	3,189	52,943
2016	60,441	8,409	68,850	(2,203)	413	8,331	6,541	75,391
2017	88,994	28,431	117,425	(3,758)	587	17,050	13,879	131,304
2018	101,523	52,202	153,725	(5,534)	922	25,785	21,173	174,898
2019	104,258	107,956	212,214	(8,701)	1,485	37,854	30,638	242,852
PAYs (sub-total):	503,716	207,905	711,621	(28,198)	4,776	104,167	80,745	792,366
CAY (2020)	120,492	200,821	321,313	(13,816)	2,249	57,194	45,627	366,940
claims liabilities:	624,208	408,726	1,032,934	(42,014)	7,025	161,361	126,372	1,159,306
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	204,263	59,032	263,295	(8,938)	1,577	35,299	27,938	291,233
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			1,296,229	(50,952)	8,602	196,660	154,310	1,450,539

Exhibit C-2  
Alberta Grid RSP  
Projected Policy Liabilities

page 1 of 2

Alberta 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	investment PfAD	development PfAD	Total apvs	TOTAL
2004	(3)	(65)	(68)	-	-	7	7	(61)
2005	562	(28)	534	(5)	1	52	48	582
2006	191	(88)	103	(2)	-	10	8	111
2007	1,528	(143)	1,385	(29)	6	135	112	1,497
2008	595	(10)	585	(13)	2	58	47	632
2009	561	(77)	484	(12)	2	47	37	521
2010	2,521	122	2,643	(63)	11	258	206	2,849
2011	5,576	43	5,619	(140)	22	548	430	6,049
2012	5,002	216	5,218	(120)	21	510	411	5,629
2013	6,715	641	7,356	(191)	37	717	563	7,919
2014	9,389	2,586	11,975	(347)	60	1,163	876	12,851
2015	23,211	4,288	27,499	(880)	165	2,662	1,947	29,446
2016	26,484	8,161	34,645	(1,178)	208	3,346	2,376	37,021
2017	29,735	17,662	47,397	(1,801)	332	5,700	4,231	51,628
2018	39,382	31,845	71,227	(2,920)	499	8,538	6,117	77,344
PAYs (sub-total):	151,449	65,153	216,602	(7,701)	1,366	23,751	17,416	234,018
CAY (2019)	42,775	63,370	106,145	(4,352)	743	12,113	8,504	114,649
claims liabilities:	194,224	128,523	322,747	(12,053)	2,109	35,864	25,920	348,667
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	116,136	(11,811)	104,325	(3,846)	624	10,410	7,188	111,513
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			427,072	(15,899)	2,733	46,274	33,108	460,180

Exhibit C-2  
 Alberta Grid RSP  
 Projected Policy Liabilities

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Alberta Grid ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
2005	377	(18)	359	-	-	36	36	395
2006	127	(57)	70	(1)	-	7	6	76
2007	1,022	(92)	930	(17)	3	91	77	1,007
2008	402	(8)	394	(8)	2	38	32	426
2009	376	(50)	326	(7)	1	32	26	352
2010	1,694	81	1,775	(44)	9	174	139	1,914
2011	3,751	28	3,779	(91)	15	369	293	4,072
2012	3,367	141	3,508	(88)	14	342	268	3,776
2013	4,527	417	4,944	(114)	20	483	389	5,333
2014	6,365	1,683	8,048	(209)	40	784	615	8,663
2015	15,692	2,793	18,485	(536)	92	1,794	1,350	19,835
2016	21,474	4,085	25,559	(818)	153	2,474	1,809	27,368
2017	25,770	11,029	36,799	(1,251)	221	4,444	3,414	40,213
2018	34,726	22,310	57,036	(2,167)	399	6,858	5,090	62,126
2019	29,660	46,207	75,867	(3,111)	531	8,658	6,078	81,945
PAYs (sub-total):	149,327	88,506	237,833	(8,462)	1,500	26,589	19,627	257,460
CAY (2020)	71,308	75,502	146,810	(6,019)	1,028	16,754	11,763	158,573
claims liabilities:	220,635	164,008	384,643	(14,481)	2,528	43,343	31,390	416,033
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	129,669	(11,268)	118,401	(4,366)	708	11,818	8,160	126,561
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			503,044	(18,847)	3,236	55,161	39,550	542,594

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)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
2004	23	32	55	-	-	6	6	61
2005	65	5	70	-	-	7	7	77
2006	1	78	79	(1)	-	8	7	86
2007	20	9	29	(1)	-	3	2	31
2008	(31)	53	22	-	-	2	2	24
2009	704	(24)	680	(18)	3	66	51	731
2010	948	92	1,040	(33)	6	101	74	1,114
2011	2,600	12	2,612	(91)	16	252	177	2,789
2012	3,982	221	4,203	(130)	21	407	298	4,501
2013	3,197	73	3,270	(118)	20	315	217	3,487
2014	5,413	901	6,314	(234)	44	608	418	6,732
2015	8,570	1,380	9,950	(368)	60	949	641	10,591
2016	15,515	3,922	19,437	(719)	117	1,872	1,270	20,707
2017	22,631	7,145	29,776	(1,131)	208	3,581	2,658	32,434
2018	25,539	16,652	42,191	(1,688)	295	5,063	3,670	45,861
PAYs (sub-total):	89,177	30,551	119,728	(4,532)	790	13,240	9,498	129,226
CAY (2019)	32,893	43,014	75,907	(2,809)	455	8,260	5,906	81,813
claims liabilities:	122,070	73,565	195,635	(7,341)	1,245	21,500	15,404	211,039
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	73,294	5,292	78,586	(2,268)	391	7,062	5,185	83,771
policy liabilities:			274,221	(9,609)	1,636	28,562	20,589	294,810

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



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

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Alberta non-Grid ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
2005	44	5	49	-	-	5	5	54
2006	2	54	56	-	-	6	6	62
2007	10	9	19	-	-	2	2	21
2008	(22)	37	15	-	-	2	2	17
2009	486	(15)	471	-	-	47	47	518
2010	658	63	721	(19)	3	70	54	775
2011	1,802	11	1,813	(58)	11	175	128	1,941
2012	2,764	151	2,915	(102)	17	281	196	3,111
2013	2,218	50	2,268	(70)	11	220	161	2,429
2014	3,761	618	4,379	(158)	26	422	290	4,669
2015	5,952	947	6,899	(255)	48	658	451	7,350
2016	11,683	2,954	14,637	(542)	88	1,410	956	15,593
2017	17,878	5,719	23,597	(873)	142	2,841	2,110	25,707
2018	20,931	13,197	34,128	(1,297)	239	4,104	3,046	37,174
2019	23,942	29,463	53,405	(2,136)	374	5,794	4,032	57,437
PAYs (sub-total):	92,127	53,283	145,410	(5,510)	959	16,041	11,490	156,900
CAY (2020)	50,091	43,627	93,718	(3,468)	562	10,198	7,292	101,010
claims liabilities:	142,218	96,910	239,128	(8,978)	1,521	26,239	18,782	257,910
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	81,432	7,476	88,908	(2,567)	443	7,993	5,869	94,777
				*Total may not be sum of parts, as apvs apply to future costs within UPR				
policy liabilities:	328,036			(11,545)	1,964	34,232	24,651	352,687

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)				
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2005	-	(2)	(2)	-	-	-	-	(2)
2006	-	-	-	-	-	-	-	-
2007	-	(4)	(4)	-	-	-	-	(4)
2008	74	4	78	(1)	-	8	7	85
2009	239	(31)	208	(4)	1	21	18	226
2010	89	30	119	(3)	-	12	9	128
2011	710	31	741	(17)	3	72	58	799
2012	851	(499)	352	(8)	1	34	27	379
2013	2,087	96	2,183	(52)	9	213	170	2,353
2014	974	130	1,104	(30)	4	107	81	1,185
2015	1,135	245	1,380	(40)	7	134	101	1,481
2016	722	701	1,423	(54)	9	137	92	1,515
2017	2,528	819	3,347	(147)	23	394	270	3,617
2018	2,161	1,882	4,043	(190)	32	462	304	4,347
PAYs (sub-total):	11,570	3,402	14,972	(546)	89	1,594	1,137	16,109
CAY (2019)	2,920	2,920	5,840	(280)	47	640	407	6,247
claims liabilities:	14,490	6,322	20,812	(826)	136	2,234	1,544	22,356
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	8,057	(1,966)	6,091	(188)	29	524	365	6,456
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			26,903	(1,014)	165	2,758	1,909	28,812

Exhibit C-4  
 New Brunswick RSP  
 Projected Policy Liabilities

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New Brunswick ending 2020	Projected Balances as at Dec. 31, 2020 (\$000s)							
	nominal values			actuarial present value adjustments (apvs)				TOTAL
	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	
Acc Yr								
2006	-	-	-	-	-	-	-	-
2007	-	(4)	(4)	-	-	-	-	(4)
2008	57	4	61	-	-	6	6	67
2009	193	(23)	170	(3)	1	17	15	185
2010	76	23	99	(2)	-	10	8	107
2011	590	23	613	(13)	2	60	49	662
2012	665	(374)	291	(7)	1	28	22	313
2013	1,732	69	1,801	(41)	7	176	142	1,943
2014	812	99	911	(22)	4	89	71	982
2015	954	184	1,138	(31)	5	111	85	1,223
2016	672	456	1,128	(33)	6	110	83	1,211
2017	2,125	554	2,679	(102)	16	317	231	2,910
2018	1,985	1,317	3,302	(145)	23	379	257	3,559
2019	1,996	2,220	4,216	(198)	34	462	298	4,514
PAYs (sub-total):	11,857	4,546	16,403	(597)	99	1,765	1,267	17,670
CAY (2020)	4,025	2,367	6,392	(307)	51	700	444	6,836
claims liabilities:	15,882	6,913	22,795	(904)	150	2,465	1,711	24,506
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	8,020	(1,798)	6,222	(192)	30	535	373	6,595
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			29,017	(1,096)	180	3,000	2,084	31,101

Exhibit C-5  
 Nova Scotia RSP  
 Projected Policy Liabilities

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Nova Scotia		Projected Balances as at Dec. 31, 2019 (\$000s)						
ending 2019		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2007	-	(1)	(1)	-	-	-	-	(1)
2008	-	2	2	-	-	-	-	2
2009	64	5	69	(2)	-	7	5	74
2010	-	4	4	-	-	-	-	4
2011	143	5	148	(5)	1	14	10	158
2012	770	(7)	763	(18)	3	74	59	822
2013	1,951	134	2,085	(44)	8	204	168	2,253
2014	1,434	78	1,512	(29)	5	148	124	1,636
2015	3,038	92	3,130	(69)	13	306	250	3,380
2016	3,872	433	4,305	(116)	22	523	429	4,734
2017	5,173	2,311	7,484	(239)	37	884	682	8,166
2018	6,196	7,415	13,611	(504)	82	1,612	1,190	14,801
PAYs (sub-total):	22,641	10,471	33,112	(1,026)	171	3,772	2,917	36,029
CAY (2019)	6,443	13,179	19,622	(844)	137	2,235	1,528	21,150
claims liabilities:	29,084	23,650	52,734	(1,870)	308	6,007	4,445	57,179
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	16,996	35	17,031	(603)	101	1,664	1,162	18,193
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			69,765	(2,473)	409	7,671	5,607	75,372

Exhibit C-5  
Nova Scotia RSP  
Projected Policy Liabilities

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Nova Scotia		Projected Balances as at Dec. 31, 2020 (\$000s)						
ending 2020		nominal values			actuarial present value adjustments (apvs)			
Acc Yr	Case	IBNR	Total Unpaid	discount	investment PfAD	development PfAD	Total apvs	TOTAL
2008	-	2	2	-	-	-	-	2
2009	50	5	55	-	-	6	6	61
2010	-	4	4	-	-	-	-	4
2011	120	5	125	-	-	12	12	137
2012	637	(7)	630	(23)	4	61	42	672
2013	1,609	112	1,721	(41)	7	168	134	1,855
2014	1,187	62	1,249	(26)	5	122	101	1,350
2015	2,510	74	2,584	(49)	8	253	212	2,796
2016	2,974	282	3,256	(72)	13	398	339	3,595
2017	4,220	1,651	5,871	(159)	29	697	567	6,438
2018	5,541	5,246	10,787	(345)	54	1,285	994	11,781
2019	5,717	9,516	15,233	(564)	91	1,746	1,273	16,506
PAYs (sub-total):	24,565	16,951	41,516	(1,279)	211	4,748	3,680	45,196
CAY (2020)	10,599	13,071	23,670	(1,018)	166	2,696	1,844	25,514
claims liabilities:	35,164	30,022	65,186	(2,297)	377	7,444	5,524	70,710
	Unearned Premium	Premium Deficiency / (DPAC)	Total Provision	discount	investment PfAD	development PfAD	Total apvs	TOTAL*
premium liabilities:	19,343	663	20,006	(711)	118	1,961	1,368	21,374
*Total may not be sum of parts, as apvs apply to future costs within UPR								
policy liabilities:			85,192	(3,008)	495	9,405	6,892	92,084

### 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 2018:				141.1 (47.2%) 66.4%			
			as a % of Projected:				(64.9%)			
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result	
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	% 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%)	
2018	[a]	Actual	347.8	352.6	(72.5)	(20.5%)	481.3	136.5%	(165.6)	147.0%
	[b]	Projected*	413.2	382.1	(28.7)	(7.5%)	516.7	135.2%	(253.4)	166.3%
	[c]=[a]-[b]	A less P	(65.4)	(29.5)	(43.8)	(13.0%)	(35.3)	1.3%	87.8	(19.3%) 49.8%
	[d]=[c]/[b]	% of P	(15.8%)	(7.7%)	152.5%		(6.8%)		(34.6%)	

**Exhibit D**

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

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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 2018:				(27.8) 21.0% 43.7%			
			as a % of Projected:				369.4%			
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result	
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	% 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%
	[d]=[c]/[b]	% of P	(14.8%)	(8.7%)	(307.9%)		(7.8%)		(183.5%)	93.5%
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%
	[d]=[c]/[b]	% of P	15.5%	12.0%	(667.9%)		22.0%		(630.8%)	75.1%
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%
	[d]=[c]/[b]	% of P	(12.6%)	(4.9%)	36.7%		4.7%		(267.8%)	(28.9%)
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%
	[d]=[c]/[b]	% of P	(1.3%)	(7.3%)	(631.1%)		7.8%		>999.9%	64.9%
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%
	[d]=[c]/[b]	% of P	(10.4%)	(16.8%)	(192.6%)		(9.3%)		105.5%	53.2%
2018	[a]	Actual	158.5	161.6	(7.6)	(4.7%)	151.3	93.6%	(32.5)	120.1%
	[b]	Projected*	189.7	184.4	(7.1)	(3.9%)	174.5	94.6%	(42.4)	122.9%
	[c]=[a]-[b]	A less P	(31.1)	(22.8)	(0.4)	(0.8%)	(23.2)	(1.0%)	9.9	(2.8%)
	[d]=[c]/[b]	% of P	(16.4%)	(12.4%)	6.2%		(13.3%)		(23.3%)	4.5%

**Exhibit D**

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

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Facility Association Outlook Actual vs Projected			<b>*PROJECTED IS BASED ON FINAL OUTLOOK</b>							
Risk Sharing Pools (RSPs)			average A less P 2013 to 2018:							
RSP AB Non-Grid			as a % of Projected:							



### Exhibit D

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

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Facility Association Outlook Actual vs Projected Risk Sharing Pools (RSPs) RSP NB			<b>*PROJECTED IS BASED ON FINAL OUTLOOK</b>						average A less P 2013 to 2018: as a % of Projected:			<b>(0.1)</b> <b>(4.3%)</b> <b>64.5%</b>	<b>(0.1)</b> <b>(4.3%)</b> <b>64.5%</b>	<b>64.5%</b>
Cal Year	row id	Data	Premium (\$millions)		PAYs Incurred		CAY Incurred		Net Operating Result			% variance due to PAYs		
			Written	Earned	\$ millions	% EP	\$ millions	% EP	\$ millions	COR				
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%)					
2018	[a]	Actual	14.9	13.3	0.2	1.6%	10.2	76.9%	(1.8)	78.5%				
	[b]	Projected*	17.5	16.0	(0.3)	(1.7%)	12.0	75.1%	(1.5)	109.0%				
	[c]=[a]-[b]	A less P	(2.6)	(2.7)	0.5	3.3%	(1.8)	1.8%	(0.4)	(30.5%)				130.3%
	[d]=[c]/[b]	% of P	(14.6%)	(16.9%)	(178.5%)		(15.0%)		25.0%					

### 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) RSP NS			<b>*PROJECTED IS BASED ON FINAL OUTLOOK</b>				average A less P 2013 to 2018: as a % of Projected:			
								<b>(0.5)</b>	<b>2.0%</b>	<b>14.1%</b>
								<b>8.3%</b>		
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%
	[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%
	[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%
	[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%)
	[d]=[c]/[b]	% of P	5.5%	1.6%	(10.1%)		0.3%		(0.7%)	(181.7%)
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%)
	[d]=[c]/[b]	% of P	58.7%	21.8%	395.9%		14.4%		(39.5%)	140.7%
2018	[a]	Actual	28.9	27.7	(0.5)	(1.8%)	26.7	96.5%	(8.3)	94.7%
	[b]	Projected*	39.6	35.2	(0.6)	(1.6%)	34.5	98.0%	(12.7)	136.0%
	[c]=[a]-[b]	A less P	(10.7)	(7.6)	0.1	(0.2%)	(7.8)	(1.5%)	4.3	(41.3%)
	[d]=[c]/[b]	% of P	(27.1%)	(21.5%)	(15.9%)		(22.7%)		(34.3%)	(2.1%)