

# FACILITY ASSOCIATION

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**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F03-001**

**DATE: January 7, 2003**

**SUBJECT: FACILITY ASSOCIATION RESIDUAL MARKET (FARM) YEAR-END REPORT - DISCOUNTED IN ACCORDANCE WITH ACCEPTED ACTUARIAL PRACTICE**

Attached is a special run of the Year-End Report in which the IBNR and Development reflects the time value of money and includes a provision for adverse deviations, in accordance with Accepted Actuarial Practice.

In the regular Year-End Report, and in the monthly Participation Reports, only the Accident Benefits portion of the IBNR and Development is computed on this basis, while the remaining portion of the IBNR and Development is computed on an undiscounted basis, in accordance with the instructions of the Office of the Superintendent of Financial Institutions.

The Special Year-End Report includes only the pages that are affected by actuarial discounting.

Attached to the Special Year-End Report is a letter from Eckler Partners Ltd. outlining the discounting assumptions. **Please ensure that a copy of the letter is provided to your appointed or valuation Actuary.**

David J. Simpson, M.B.A., FCIP  
President & C.E.O.

Attach.

**Note: A copy of this bulletin is attached to your FARM Special Year-End Report.**