

# FACILITY ASSOCIATION

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**TO:** **ALL MEMBERS OF THE FACILITY ASSOCIATION**  
**Province of Ontario**

**ATTENTION:** **Chief Executive Officer**  
**Pool Project Managers**

**BULLETIN NO.:** **F03-031**

**DATE:** **December 24, 2003**

**SUBJECT:** **Risk Sharing Pool**  
**– Restated Provision for IBNR and Development**

Subsequent to the release of the October 2003 Operational Report, we became aware of a significant volume of unprocessed loss transactions arising from policies ceded to the Risk Sharing Pool by one of its member companies.

After discussions with Facility Association's external auditor and its appointed actuary, it was agreed that adjustments should be made to the provision for IBNR and Development previously recorded in the October 2003 Operational Report. The additional provision shown below is intended to encompass both the unreported loss amounts, and expected development on those losses.

<b>FACILITY ASSOCIATION RISK SHARING POOL</b>			
<b>PROVISION FOR IBNR AND DEVELOPMENT</b>			
<b>For the Month of</b>	<b>Operational Report Released Nov/03</b>	<b>Additional IBNR Provision Required</b>	<b>Restated IBNR Provision</b>
Oct. 2003	115,483	+9,063	124,546
Nov. 2003	117,567	+9,063	126,630
Dec. 2003	119,651	+9,063	128,714

(Amounts in \$000's)

The additional IBNR provisions do not affect member company account reconciliations (i.e. there is no change to the "NET DUE TO RISK SHARING POOL" shown in the original report released by Facility Association on 26 November 2003). They affect member company shares of the provision for IBNR and Development.

We apologize for any inconvenience this may cause.

A copy of this bulletin should be provided to your appointed actuary.

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