

FACILITY ASSOCIATION

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TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F04 – 019

DATE: June 8, 2004

**SUBJECT: FUNDING OF MARKHAM GENERAL INSURANCE COMPANY
SABS CLAIMS – UPDATE (ONTARIO MEMBERS ONLY)**

Members are reminded that at a special meeting held on September 9 2002, member companies authorized the Facility Association to:

“...operate a risk sharing plan or catastrophic claims fund to facilitate the due payment of Ontario statutory accident benefits to persons entitled thereto from Markham General Insurance Company, an insolvent insurer subject to a winding-up order.”

Members are advised that the ultimate cost of SABS claims in this insolvency is estimated by the liquidator to approximate \$16 million. Net of estimated recoveries, Facility Association’s total liability in respect of SABS claims may fall in the range of \$8 million to \$11 million in the Markham General estate.

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