

# FACILITY ASSOCIATION

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**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F04 – 055**

**DATE: NOVEMBER 26, 2004**

**SUBJECT: FARM OUTLOOK FOR CALENDAR YEARS 2004 AND 2005**

Please find attached Facility Association's "Outlook", projecting Net Operating Results by jurisdiction for calendar years 2004 and 2005.

This Outlook will be updated periodically throughout the year. The Outlook may also be found on our website, [www.facilityassociation.com](http://www.facilityassociation.com).

The Outlook for fiscal years 2004 and 2005 may be found on the website as well. Questions regarding the Outlook should be directed to Facility Association's Vice President of Finance and Operations, Georgette Chan at 416-644-4914.

## Limitations

Because this Outlook anticipates the combined outcome of events that are yet to occur, there is a limitation upon the accuracy of the Outlook to the extent that there is uncertainty inherent in any such estimation process. Business volumes, especially, are subject to significant volatility. Therefore, it should be recognized that future operating results may deviate from these estimates by material amounts. No explicit provision has been made for otherwise unforeseen changes to the legal or economic environment in which policies are written and claims are settled.

Members are reminded that the "Explanatory Notes" form an integral part of the Outlook.

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

Attach.

## FACILITY ASSOCIATION

### OUTLOOK AT 30 JUNE 2004 2004 (REVISED) AND 2005 FORECAST

#### EXPLANATORY NOTES

#### INTRODUCTION

This “Outlook” is a forward-looking exercise to project Facility Association’s Net Result of Operations for a future complete calendar year using actual experience available up to a specific point in time, and based on assumptions developed for the specific purposes of this exercise. Consideration has been given to recent experience of Facility Association, to the results of the latest valuation of the policy liabilities of Facility Association, and to monthly premium projections developed for Facility Association Monthly Member Participation Reports.

Please be advised that these exhibits were prepared at the request of Facility Association for a specific audience, that being the members of Facility Association. It was prepared for the express purpose of assisting member companies to estimate their share of Facility Association results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

Because this Outlook anticipates the combined outcome of events that are yet to occur, there is a limitation upon the accuracy of the outlook to the extent that there is uncertainty inherent in any such estimation process. Therefore, it should be recognized that future operating results may deviate from these estimates by material amounts. No explicit provision has been made for otherwise unforeseen changes to the legal or economic environment in which policies are written and claims are settled.

#### GENERAL

- **Accounting Periods**

- Fiscal Year 2004: Actual results for 8 months ending 30/Jun/04, plus projected results for 4 months ending 31/Oct/04.
- Calendar Year 2004: Actual results for 6 months ending 30/Jun/04, plus projected results for 6 months ending 31/ Dec/04.
- Fiscal Year 2005: Projected results for 12 months ending 31/Oct/05.
- Calendar Year 2005: Projected results for 12 months ending 31/ Dec/05.

- **Data Source**

- Actual amounts are taken from Participation Reports up to and including June 2004.
- Where appropriate, projected amounts are based on assumptions that are consistent with the 2-month projections presented in recent Participation Reports.

- The underlying loss ratio estimates are based on the most recent quarterly valuation of Facility Association’s claims liabilities (i.e. at 30/Jun/04 for Ontario and at 31/Mar/04 for all other jurisdictions).
- **Revisions to 2004 Outlook**
  - The previous version of the 2004 Outlook was also based on actual Participation Report data up to and including June 2004. The 2004 Outlook has been revised as follows:
    - Atlantic Provinces – Revisions to the expected loss ratios to reflect the final results of the analysis at 31/Mar/04
    - Ontario – Premium projections and expected loss ratios updated to reflect our analysis at 30/Jun/04.
    - Alberta Reforms (Private Passenger) – “Reforms” include product changes, implementation of a premium grid, and introduction of a Risk Sharing Pool, all of which were effective 1 October 2004.
- **Format**
  - The Outlook is generally structured along the lines of Participation Reports.
  - The “Operating Result” in the Outlook is comparable to the “Operating Result” in Participation Reports.
  - The “Net Result from Operations”, however, includes the actual/estimated change in premium deficiency reserves, which is a presentation consistent with Facility Association’s financial statements. [Premium Deficiency is shown in Participation Reports as a memo item]
  - Amounts “Charged To (From) Members’ Accounts” are shown in the Outlook as memo items.
- **Future Updates**
  - This Outlook is based on information and assumptions available at a certain point in time.
  - The Outlook will be updated following each quarterly valuation of the claims liabilities, to ensure that the Outlook is consistent with the 2-month projections in future Participation Reports.
  - The next update is expected to be available at the end of December.
  - As noted in the introduction, above, the actual experience may differ significantly from our estimates. Furthermore, the Outlook may change significantly from quarter to quarter, as estimates are updated or replaced by actual amounts.

#### **BASIS FOR PROJECTIONS**

- **Alberta Changes (Effective 1/Oct/04)**
  - The effect of “Alberta Reforms” (product changes, premium grid system, Risk Sharing Pool) have been addressed through scenario testing, with varying levels of written exposures, average written premiums and expected loss ratios. For simplicity, the scenarios assumed an effective date of 1 November 2004, thereby

leaving fiscal year 2004 unchanged. Although the changes to calendar year 2004 are relatively minor, a more significant effect is evident in the 2005 Outlook.

- Each of the scenarios we tested is based on what we consider to be a reasonable set of assumptions. Together, they provide an indication of the sensitivity of the results to changes in the key assumptions. They do not, however, encompass all possible outcomes. The Alberta private passenger estimates reflected in this Outlook represent approximately the midpoint of the scenarios we tested. For example, the Net Result from Operations for fiscal year 2005 ranged from +\$2.3 million to -\$7.4 million, from which we selected a scenario with a Net Result from Operations of -\$2.5 million. It is possible that the actual results will fall outside this range, perhaps by a meaningful amount.

- **Premiums**

- Monthly written premiums were selected, with consideration given to seasonal patterns in written premiums and year-over-year changes to reflect the effect of rate level changes approved as of approximately September 2004.
- For private passenger vehicles, explicit consideration was given to monthly written exposures and average written premiums, to the extent that suitable data was available.
- Monthly earned premiums were calculated from the written, based on the estimated average duration of policies in each jurisdiction.

- **Losses**

- The estimated loss ratios for the province of Ontario are based on an analysis of Facility Association's claims experience, based on data at 30/Jun/04. The analysis was reviewed with the Actuarial Committee on October 26<sup>th</sup>. For jurisdictions other than Ontario, the estimated loss ratios are based on an analysis of claims experience at 31/Mar/04.
- The estimated loss ratios for accident years 2004 and 2005 reflect the effect of rate changes approved and effective prior to the valuation at 1/Apr/04, as outlined in the attached table.
- Except as specifically indicated by jurisdiction, no consideration was given to rate level indications that have not been filed, or to rate filings that were not approved at the time of the valuation.
- The estimated effects of applicable product changes have been reflected in the selected loss ratios, consistent with estimates derived for pricing purposes.
- The accident year 2005 loss ratios have been estimated by trending the accident 2004 loss ratios, and adjusting for the expected change in average rate level, as well as the effect of product reforms where applicable.
- Estimates of calendar year 2004 development on prior years were derived on a basis consistent with the loss ratios referred to above. No prior years' development has been forecast in calendar year 2005.

- **Loss Adjustment Expenses (LAE)**
  - The LAE is comprised of Claims Fees and Excess Legal & Other Professional Fees.
  - The Claims Fees in each jurisdiction are determined on a formula basis, using the loss ratio in that jurisdiction.
  - The Excess Legal & Other Professional Fees are based on the prior valuation, at 31/Mar/04.
- **Other Expenses**
  - Operating & Service Fees, Commissions and Motor Vehicle Reports are all projected as percentages of written premiums, based on the projected expense ratios for 2004 and 2005
  - Facility Association Operating Expenses are projected as flat amounts, independent of the volume of business in Facility Association.
- **Investment Income**
  - Investment Income is projected as a flat amount in each jurisdiction..
- **Premium Deficiency Reserve**
  - The Premium Deficiency Reserve is estimated as a percentage of the projected unearned premium (i.e. starting unearned premium + projected written premium – projected earned premium)
  - The premium deficiency ratios were derived on the basis of the expected loss ratios for accident years 2004 and 2005 as applicable, with an adjustment to Ontario private passenger to reflect the relationship between the average rate level underlying accident year 2004, and the significantly higher average rate level underlying the estimated unearned premium at 31/Dec/04.
- **Charged To (From) Members' Accounts**
  - These amounts are determined by Facility Association's Board of Directors, generally on an annual basis, with reference to the "Net Operating Result" in a given Participation Report. The "Net Operating Result" is the "Operating Result" after consideration of amounts already charged to members' accounts.
  - For purposes of the 2004 Outlook, the charges to (from) members were estimated on the basis of the Net Operating Result for accident years 2003 and prior, as presented in the June 2004 Participation Report.
  - For the 2005 Outlook, the charges to (from) members was estimated on the basis of the June 2004 Net Operating Result for accident year 2004, adjusted to incorporate a projected result for the remainder of the accident year.
- **Costs Incurred Directly by Members**
  - The Outlook does not reflect costs incurred directly by members as a result of their compulsory participation in Facility Association.
  - Examples of such costs are premium taxes, health levies and the cost of capital.

ADDITIONAL INFORMATION BY JURISDICTION											
	Type of Vehicle	Product Change	Estimated Loss Ratios <sup>(Note 2)</sup> (Before Discounting)			Latest Rate Change Considered <sup>(#)</sup>		Estimated Change in Written Premiums		Estimated Change in Earned Premiums	
			AY 2003	AY 2004	AY 2005	% Change	Eff. Date	CY 2003 to CY 2004	CY 2004 to CY 2005	CY 2003 to CY 2004	CY 2004 to CY 2005
<b>Newfoundland &amp; Labrador</b>	PPV NPP	Aug/04 <sup>(1)</sup>	80% 84%	81% 95%	88% 96%	+28.8% +56.7%	1/Sep/03 1/Sep/03	-1% +25%	+1% +25%	+11% +35%	+0% +27%
<b>New Brunswick</b>	PPV NPP	Jul/03 <sup>(1)</sup>	55% 79%	62% 99%	68% 102%	-15.9% -23.2 %	1/Jul/03 1/Jul/03	-51% -4%	+5% +6%	-45% +0%	+4% +17%
<b>Nova Scotia</b>	PPV NPP	Nov/03 <sup>(1)</sup>	61% 70%	69% 89%	78% 93%	-20.0% -20.0%	1/Nov/03 1/Nov/03	+0% +15%	+6% +5%	+10% +19%	+8% +13%
<b>P.E.I.</b>	PPV NPP	Apr/04 <sup>(1)</sup>	54% 47%	59% 85%	63% 86%	-2.5% +0.4%	1/Apr/04 1/Sep/04	-1% +11%	+7% +11%	+9% +17%	+6% +11%
<b>Ontario</b>	PPV NPP	Oct/03 <sup>(1)</sup> and later	115% 99%	91% 101%	75% 104%	+28.5% +17.8%	23/Mar/04 1/Dec/03	-38% +2%	-4% +2%	+22% +36%	-23% +1%
<b>Alberta</b>	PPV NPP	Oct/04 <sup>(1)</sup>	59% 55%	64% <sup>(3)</sup> 63%	76% 65%	+7.5% +6.8%	1/May/03 <sup>(4)</sup> 1/Jul/02	-12% +6%	-58% +6%	+30% +24%	-44% +4%
<b>Yukon</b>	PPV NPP		62% 24%	73% 27%	76% 27%	+2.0% -8.5%	1/Oct/02 1/Oct/02	+4% +15%	+4% +17%	+12% +28%	+3% +13%
<b>NWT</b>	PPV NPP		32% 18%	78% 28%	82% 28%	-6.7% -4.0%	1/Aug/03 1/Mar/02	+7% +4%	+6% -2%	+11% +21%	+11% +3%
<b>Nunavut</b>	PPV NPP		32% 18%	78% 28%	82% 28%	-6.7% -4.0%	1/Aug/03 1/Mar/02	+0% -19%	+6% +21%	+8% +4%	+7% -1%
<b>TOTAL</b>	<b>All</b>							<b>-25%</b>	<b>-10%</b>	<b>+19%</b>	<b>-18%</b>

PPV = Private Passenger  
NPP = Non Private Passenger

<sup>(#)</sup> The NPP rate changes pertain to Commercial Vehicles only.

- Note
- (1) The effect of product changes were based on IBC costings.
  - (2) The loss ratios for Ontario are based on an analysis at 30/Jun/04. The loss ratios for all other jurisdictions are based on an analysis at 31/Mar/04.
  - (3) The expected loss ratio for the last 2 months of accident year 2004 is estimated to be 72% (i.e. after implmentation of product changes, grid premiums, and a Risk Sharing Pool)
  - (4) This is the latest rate change prior to the Oct/04 implementation of Alberta Reforms.

**Facility Association Residual Market  
Summary - All Jurisdictions  
Calendar Year 2004  
Outlook at June 2004**

(Amounts in \$000's)	All Vehicles Combined										All Vehicles Total CY 2003 (11)
	Newfoundland & Labrador (1)	New Brunswick (2)	Nova Scotia (3)	Prince Edward Island (4)	Ontario (5)	Alberta <sup>(1)</sup> (6)	Yukon Territory (7)	Northwest Territories (8)	Nunavut (9)	All Jurisdictions (10)	
<b>Underwriting Revenue</b>											
Written Premium	31,853	42,728	77,686	11,697	497,423	226,292	2,975	6,278	748	897,680	1,189,973
Change in Unearned Premium	-693	1,394	-2,205	-53	104,880	9,860	-60	-475	15	112,664	-338,599
Earned Premium	31,160	44,122	75,481	11,644	602,303	236,152	2,915	5,803	763	1,010,344	851,374
<b>Underwriting Expenses</b>											
Claims Incurred	21,764	23,503	47,330	5,586	417,172	141,730	1,709	2,883	796	662,475	935,790
Claims Adjusting Expenses	4,529	5,440	10,785	1,082	128,433	25,394	287	421	67	176,438	168,641
Operating & Service Fee	3,226	4,453	7,843	1,187	54,454	23,170	261	506	73	95,172	126,457
Commissions	3,254	4,065	7,895	1,180	33,340	22,608	255	508	71	73,177	115,877
Motor Vehicle Reports	368	519	1,966	171	3,512	1,831	15	12	7	8,401	9,159
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0	17
Collection Fees & Bad Debts	0	0	-3	0	-24	-9	0	0	0	-37	-581
F.A. Operating Expenses	34	2,648	239	69	-25,234	2,589	42	45	38	-19,527	-21,911
Total Underwriting Expenses	33,175	40,628	76,055	9,275	611,653	217,313	2,569	4,375	1,052	996,099	1,333,449
<b>Net U/W Gain (Loss)</b>	-2,015	3,494	-574	2,369	-9,350	18,839	346	1,428	-289	14,245	-482,075
Premium Finance Fee	0	0	0	0	85	-218	0	0	0	-133	380
Investment Income	2,305	5,017	4,762	774	34,535	10,454	170	395	36	58,448	43,493
<b>Operating Results</b>	290	8,511	4,188	3,143	25,270	29,075	516	1,823	-253	72,560	-438,202
Change in UEP Deficiency	-1,628	-1,880	-5,390	43	-146,137	1,808	-11	-79	0	-153,274	115,354
<b>Net Result From Operations</b>	1,918	10,391	9,578	3,100	171,407	27,267	527	1,902	-253	225,834	-553,556
<b>Charged To (From) Members Acct</b>	-5,365	6,887	1,082	1,843	-349,820	7,663	395	2,318	375	-334,623	-125,022
<b>RATIOS (To Earned)</b>											
Claims Incurred & Related Expenses	84.4%	65.6%	77.0%	57.3%	90.6%	70.8%	68.5%	56.9%	113.1%	83.0%	129.7%
Underwriting & Admin. Expense	22.1%	26.5%	23.8%	22.4%	11.0%	21.2%	19.6%	18.5%	24.8%	15.6%	26.9%
<b>Combined Operating Ratio</b>	106.5%	92.1%	100.8%	79.7%	101.6%	92.0%	88.1%	75.4%	137.9%	98.6%	156.6%

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital) as a result of their compulsory participation in Facility Association.

(1) These estimates for Nov. and Dec. 2004 represent the mid-point scenario for Alberta, i.e. with level of monthly written exposures reduced by 50% by the end of 2004, and mandatory coverage premium reduced by 30%.

**Facility Association Residual Market  
Newfoundland & Labrador  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	25,507,650	2,890,000	3,207,973	25,189,677	6,396,603	1,073,749	807,330	6,663,022	31,852,699	30,857,399
Change in Unearned Premium	-349,536	1,484,000	982,990	151,474	-832,109	57,251	68,925	-843,783	-692,309	-3,650,765
Earned Premium	25,158,114	4,374,000	4,190,963	25,341,151	5,564,494	1,131,000	876,255	5,819,239	31,160,390	27,206,634
<b>Underwriting Expenses</b>										
Claims Incurred	19,191,981	2,933,678	3,536,374	18,589,285	3,967,941	139,935	933,000	3,174,876	21,764,161	24,475,128
Claims Adjusting Expenses	4,249,522	586,116	1,181,132	3,654,506	951,562	173,043	250,611	873,994	4,528,500	4,820,865
Operating & Service Fee	2,632,674	297,670	326,632	2,603,712	583,792	97,711	59,588	621,915	3,225,627	3,677,768
Commissions	2,721,860	309,230	322,582	2,708,508	525,294	88,047	67,416	545,925	3,254,433	3,159,303
Motor Vehicle Reports	334,035	37,570	77,742	293,863	75,390	12,885	14,329	73,946	367,809	376,021
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	-304	0	0	-304	-68	0	0	-68	-372	-1,078
F.A. Operating Expenses	36,329	23,667	24,418	35,578	-2,468	5,500	4,341	-1,309	34,269	112,284
Total Underwriting Expenses	29,166,097	4,187,931	5,468,880	27,885,148	6,101,443	517,121	1,329,285	5,289,279	33,174,427	36,620,291
<b>Net U/W Gain (Loss)</b>	-4,007,983	186,069	-1,277,917	-2,543,997	-536,949	613,879	-453,030	529,960	-2,014,037	-9,413,657
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	2,015,575	333,333	466,078	1,882,830	449,830	75,000	102,631	422,199	2,305,029	2,136,620
<b>Operating Results</b>	-1,992,408	519,402	-811,839	-661,167	-87,119	688,879	-350,399	952,159	290,992	-7,277,037
Change in UEP Deficiency	-984,185	72,716	-29,100	-882,369	-753,907	-6,985	-15,100	-745,792	-1,628,161	-956,900
<b>Net Result From Operations</b>	-1,008,223	446,686	-782,739	221,202	666,788	695,864	-335,299	1,697,951	1,919,153	-6,320,137
Charged To (From) Members Acct	-3,178,610	0	0	-3,178,610	-2,186,832	0	0	-2,186,832	-5,365,442	-2,514,383

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.2%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	10.3%	9.1%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	1.3%	1.2%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	142,000	33,000	FY 2003 Actual Expenses x 1.05
Investment Income (Annual)	Projected Amount	2,000,000	450,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	2,890,000	1,073,749	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	4,374,000	1,131,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	11,919,773	3,399,247	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-4.9%	12.2%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	298,300	1,160,500	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-622,384	-962,790	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	81.3%	97.5%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	13.4%	15.3%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
New Brunswick  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	25,455,722	4,831,400	5,260,881	25,026,241	17,576,813	2,614,016	2,489,539	17,701,290	42,727,531	69,624,958
Change in Unearned Premium	7,028,563	-555,400	3,134,767	3,338,396	-1,573,570	188,984	558,866	-1,943,452	1,394,944	-2,290,365
Earned Premium	32,484,285	4,276,000	8,395,648	28,364,637	16,003,243	2,803,000	3,048,405	15,757,838	44,122,475	67,334,593
<b>Underwriting Expenses</b>										
Claims Incurred	12,473,988	133,926	2,759,146	9,848,768	14,153,477	3,164,816	3,663,833	13,654,460	23,503,228	44,942,439
Claims Adjusting Expenses	4,710,260	461,808	1,676,195	3,495,873	2,108,749	428,859	593,498	1,944,110	5,439,983	9,234,826
Operating & Service Fee	3,290,375	623,251	544,679	3,368,947	1,140,767	169,911	226,382	1,084,296	4,453,243	7,030,738
Commissions	3,287,545	623,251	627,403	3,283,393	793,691	117,631	129,794	781,528	4,064,921	6,347,879
Motor Vehicle Reports	376,911	72,471	53,110	396,272	127,065	18,298	22,612	122,751	519,023	511,178
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	-45	0	2	-47	-22	0	1	-23	-70	-44,429
F.A. Operating Expenses	1,812,675	27,333	19,534	1,820,474	825,190	11,333	8,535	827,988	2,648,462	190,226
Total Underwriting Expenses	25,951,709	1,942,040	5,680,069	22,213,680	19,148,917	3,910,848	4,644,655	18,415,110	40,628,790	68,212,857
<b>Net U/W Gain (Loss)</b>	6,532,576	2,333,960	2,715,579	6,150,957	-3,145,674	-1,107,848	-1,596,250	-2,657,272	3,493,685	-878,264
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	3,751,106	633,333	862,061	3,522,378	1,582,057	266,667	354,377	1,494,347	5,016,725	4,225,602
<b>Operating Results</b>	10,283,682	2,967,293	3,577,640	9,673,335	-1,563,617	-841,181	-1,241,873	-1,162,925	8,510,410	3,347,338
Change in UEP Deficiency	-1,189,784	-71,647	117,900	-1,379,331	-636,020	-27,780	-163,600	-500,200	-1,879,531	-6,320,000
<b>Net Result From Operations</b>	11,473,466	3,038,940	3,459,740	11,052,666	-927,597	-813,401	-1,078,273	-662,725	10,389,941	9,667,338
Charged To (From) Members Acct	7,462,324	0	0	7,462,324	-575,684	0	0	-575,684	6,886,640	-17,159,596

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	12.9%	4.5%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	12.9%	6.5%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	1.5%	0.7%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	164,000	68,000	FY 2003 Actual Expenses x 1.05
Investment Income (Annual)	Projected Amount	3,800,000	1,600,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	4,831,400	2,614,016	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	4,276,000	2,803,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	16,331,245	10,099,998	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-12.9%	14.7%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-727,400	1,984,900	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-2,551,402	347,801	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	62.8%	100.5%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	10.8%	15.3%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Nova Scotia  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	59,207,375	8,232,000	4,163,636	63,275,739	13,213,422	2,007,797	811,062	14,410,157	77,685,896	75,900,121
Change in Unearned Premium	2,281,668	2,772,000	5,860,969	-807,301	-614,413	367,203	1,150,476	-1,397,686	-2,204,987	-8,353,211
Earned Premium	61,489,043	11,004,000	10,024,605	62,468,438	12,599,009	2,375,000	1,961,538	13,012,471	75,480,909	67,546,910
<b>Underwriting Expenses</b>										
Claims Incurred	37,706,063	7,289,988	6,438,336	38,557,715	9,682,686	1,535,070	2,445,007	8,772,749	47,330,464	51,217,768
Claims Adjusting Expenses	10,523,488	1,540,560	3,296,408	8,767,640	2,395,526	389,500	767,984	2,017,042	10,784,682	13,628,075
Operating & Service Fee	5,867,275	814,968	399,410	6,282,833	1,440,008	218,850	98,197	1,560,661	7,843,494	7,650,500
Commissions	6,401,266	889,056	450,702	6,839,620	968,340	146,569	59,912	1,054,997	7,894,617	7,837,516
Motor Vehicle Reports	1,596,731	222,264	249,372	1,569,623	397,361	60,234	61,618	395,977	1,965,600	1,715,620
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	-2,615	0	-16	-2,599	-789	0	-5	-784	-3,383	174,580
F.A. Operating Expenses	170,681	32,833	12,501	191,013	42,658	8,833	3,089	48,402	239,415	202,119
Total Underwriting Expenses	62,262,889	10,789,669	10,846,713	62,205,845	14,925,790	2,359,056	3,435,802	13,849,044	76,054,889	82,426,178
<b>Net U/W Gain (Loss)</b>	-773,846	214,331	-822,108	262,593	-2,326,781	15,944	-1,474,264	-836,573	-573,980	-14,879,268
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	3,906,852	650,000	912,712	3,644,140	1,196,685	200,000	278,606	1,118,079	4,762,219	3,964,979
<b>Operating Results</b>	3,133,006	864,331	90,604	3,906,733	-1,130,096	215,944	-1,195,658	281,506	4,188,239	-10,914,289
Change in UEP Deficiency	-4,389,775	299,376	-191,400	-3,898,999	-1,820,415	-18,727	-347,800	-1,491,342	-5,390,341	-1,457,800
<b>Net Result From Operations</b>	7,522,781	564,955	282,004	7,805,732	690,319	234,671	-847,858	1,772,848	9,578,580	-9,456,489
Charged To (From) Members Acct	3,254,008	0	0	3,254,008	-2,172,214	0	0	-2,172,214	1,081,794	-15,817,829

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.8%	7.3%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	9.9%	10.9%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	2.7%	3.0%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	197,000	53,000	FY 2003 Actual Expenses x 1.05
Investment Income (Annual)	Projected Amount	3,900,000	1,200,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	8,232,000	2,007,797	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	11,004,000	2,375,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	27,550,913	6,916,824	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-10.8%	5.1%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	923,500	1,844,100	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-390,804	-583,430	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	69.8%	89.2%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	14.0%	16.4%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Prince Edward Island  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	9,787,570	1,159,785	1,189,722	9,757,633	1,917,597	241,672	219,702	1,939,567	11,697,200	11,637,675
Change in Unearned Premium	-99,279	580,215	437,010	43,926	-123,590	98,328	71,842	-97,104	-53,178	98,328
Earned Premium	9,688,291	1,740,000	1,626,732	9,801,559	1,794,007	340,000	291,544	1,842,463	11,644,022	10,546,218
<b>Underwriting Expenses</b>										
Claims Incurred	5,472,792	905,326	1,925,598	4,452,520	1,446,966	120,370	433,621	1,133,715	5,586,235	6,523,497
Claims Adjusting Expenses	912,388	182,700	221,793	873,295	202,376	46,580	40,278	208,678	1,081,973	1,197,339
Operating & Service Fee	1,000,178	118,298	122,199	996,277	185,441	23,442	18,588	190,295	1,186,572	1,170,327
Commissions	1,084,775	128,736	126,310	1,087,201	95,993	12,084	15,003	93,074	1,180,275	1,182,991
Motor Vehicle Reports	156,554	18,557	30,910	144,201	28,289	3,625	4,671	27,243	171,444	185,559
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	-8	0	0	-8	-2	0	0	-2	-10	3
F.A. Operating Expenses	54,476	9,500	6,544	57,432	11,015	1,833	987	11,861	69,293	62,023
Total Underwriting Expenses	8,681,155	1,363,117	2,433,354	7,610,918	1,970,078	207,934	513,148	1,664,864	9,275,782	10,321,739
<b>Net U/W Gain (Loss)</b>	1,007,136	376,883	-806,622	2,190,641	-176,071	132,066	-221,604	177,599	2,368,240	224,479
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	691,825	115,333	153,626	653,532	127,227	21,167	27,936	120,458	773,990	612,648
<b>Operating Results</b>	1,698,961	492,216	-652,996	2,844,173	-48,844	153,233	-193,668	298,057	3,142,230	837,127
Change in UEP Deficiency	-38,766	64,404	52,200	-26,562	76,320	-689	6,100	69,531	42,969	-189,300
<b>Net Result From Operations</b>	1,737,727	427,812	-705,196	2,870,735	-125,164	153,922	-199,768	228,526	3,099,261	1,026,427
Charged To (From) Members Acct	2,079,590	0	0	2,079,590	-236,866	0	0	-236,866	1,842,724	-1,465,865

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	11.1%	5.0%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	10.2%	9.7%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	1.6%	1.5%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	57,000	11,000	FY 2003 Actual Expenses x 1.05
Investment Income (Annual)	Projected Amount	692,000	127,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	1,159,785	241,672	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	1,740,000	340,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	4,100,563	875,912	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-11.1%	0.7%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-428,600	-63,400	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-135,194	-172,710	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	59.8%	86.2%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	10.5%	13.7%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Ontario  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	482,740,313	55,324,940	123,146,666	414,918,587	87,184,074	12,093,121	16,772,706	82,504,489	497,423,076	748,849,176
Change in Unearned Premium	78,290,765	10,198,273	-18,702,660	107,191,698	-6,202,999	409,879	-3,481,683	-2,311,437	104,880,261	-262,390,280
Earned Premium	561,031,078	65,523,213	104,444,006	522,110,285	80,981,075	12,503,000	13,291,023	80,193,052	602,303,337	486,458,896
<b>Underwriting Expenses</b>										
Claims Incurred	481,413,599	13,374,919	156,386,726	338,401,792	82,114,190	12,639,737	15,983,449	78,770,478	417,172,270	691,828,408
Claims Adjusting Expenses	133,224,377	11,859,702	34,096,398	110,987,681	19,451,264	2,438,085	4,444,002	17,445,347	128,433,028	118,500,109
Operating & Service Fee	53,493,497	6,141,068	13,384,117	46,250,448	8,834,828	1,221,405	1,852,770	8,203,463	54,453,911	81,524,726
Commissions	33,469,345	3,817,421	7,712,365	29,574,401	3,907,595	544,190	685,817	3,765,968	33,340,369	72,311,658
Motor Vehicle Reports	3,525,154	387,275	951,670	2,960,759	601,436	84,652	134,523	551,565	3,512,324	4,557,952
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	16,745
Collection Fees & Bad Debts	-23,897	0	-4,062	-19,835	-4,372	0	-527	-3,845	-23,680	-940,531
F.A. Operating Expenses	-24,106,216	308,833	-4,051,135	-19,746,248	-6,070,658	53,833	-529,504	-5,487,321	-25,233,569	-23,134,695
Total Underwriting Expenses	680,995,859	35,889,218	208,476,079	508,408,998	108,834,283	16,981,902	22,570,530	103,245,655	611,654,653	944,664,372
<b>Net U/W Gain (Loss)</b>	-119,964,781	29,633,995	-104,032,073	13,701,287	-27,853,208	-4,478,902	-9,279,507	-23,052,603	-9,351,316	-458,205,476
Premium Finance Fee	99,258	0	24,995	74,263	13,971	0	3,443	10,528	84,791	-11,812
Investment Income	31,511,662	5,250,000	7,054,475	29,707,187	5,124,488	850,000	1,146,388	4,828,100	34,535,287	23,981,278
<b>Operating Results</b>	-88,353,861	34,883,995	-96,952,603	43,482,737	-22,714,749	-3,628,902	-8,129,676	-18,213,975	25,268,762	-434,236,010
Change in UEP Deficiency	-114,946,727	-23,453,073	6,152,900	-144,552,700	-3,709,383	-85,665	-2,211,100	-1,583,948	-146,136,648	131,474,200
<b>Net Result From Operations</b>	26,592,866	58,337,068	-103,105,503	188,035,437	-19,005,366	-3,543,237	-5,918,576	-16,630,027	171,405,410	-565,710,210
Charged To (From) Members Acct	-327,348,677	0	0	-327,348,677	-22,470,836	0	0	-22,470,836	-349,819,513	-91,337,484

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	6.9%	4.5%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	11.1%	10.1%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	0.7%	0.7%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	1,853,000	323,000	FY 2004 YTD (adjusted) - annualized
Investment Income (Annual)	Projected Amount	31,500,000	5,100,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	55,324,940	12,093,121	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	65,523,213	12,503,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	206,959,807	36,636,612	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	0.0%	20.9%	Claims Runoff Analysis at 30/Jun/04
Beginning Premium Deficiency	Actual Amount	144,552,700	9,241,000	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-47,496,146	-413,395	Claims Runoff Analysis at 30/Jun/04
Current Year Loss Ratio	% of Earned Premiums	92.9%	104.4%	Claims Runoff Analysis at 30/Jun/04
Current Year LAE Ratio	% of Earned Premiums	18.1%	19.5%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Alberta  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	199,105,893	4,291,932	45,666,669	157,731,156	68,561,278	10,114,063	10,114,063	68,561,278	226,292,434	243,624,530
Change in Unearned Premium	-14,174,179	10,115,330	-14,185,108	10,126,259	-1,611,894	1,880,937	535,864	-266,821	9,859,438	-59,703,576
Earned Premium	184,931,714	14,407,262	31,481,561	167,857,415	66,949,384	11,995,000	10,649,927	68,294,457	236,151,872	183,920,954
<b>Underwriting Expenses</b>										
Claims Incurred	114,430,634	7,353,505	20,322,757	101,461,382	40,468,793	6,533,248	6,733,162	40,268,879	141,730,261	113,249,472
Claims Adjusting Expenses	19,904,737	1,743,279	3,580,357	18,067,659	7,278,599	1,307,455	1,259,782	7,326,272	25,393,931	20,920,249
Operating & Service Fee	19,159,259	412,025	4,281,175	15,290,109	8,083,953	1,193,459	1,397,862	7,879,550	23,169,659	24,792,996
Commissions	21,440,885	459,237	4,858,077	17,042,045	5,638,301	819,239	891,569	5,565,971	22,608,016	24,180,741
Motor Vehicle Reports	1,454,082	30,044	280,899	1,203,227	632,888	91,027	95,943	627,972	1,831,199	1,776,787
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	-2,168	0	3,211	-5,379	-2,467	0	1,247	-3,714	-9,093	230,276
F.A. Operating Expenses	1,767,974	66,667	98,317	1,736,324	855,829	31,667	34,937	852,559	2,588,883	558,539
Total Underwriting Expenses	178,155,403	10,064,757	33,424,793	154,795,367	62,955,896	9,976,095	10,414,502	62,517,489	217,312,856	185,709,060
<b>Net U/W Gain (Loss)</b>	6,776,311	4,342,505	-1,943,232	13,062,048	3,993,488	2,018,905	235,425	5,776,968	18,839,016	-1,788,106
Premium Finance Fee	-11,671	0	148,567	-160,238	-4,734	0	52,588	-57,322	-217,560	391,546
Investment Income	7,665,103	833,333	1,636,381	6,862,055	3,793,167	633,333	834,513	3,591,987	10,454,042	8,068,922
<b>Operating Results</b>	14,429,743	5,175,838	-158,284	19,763,865	7,781,921	2,652,238	1,122,526	9,311,633	29,075,498	6,672,362
Change in UEP Deficiency	-1,331,845	1,870,241	-1,256,200	1,794,596	46,551	154,237	187,600	13,188	1,807,784	-7,102,500
<b>Net Result From Operations</b>	15,761,588	3,305,597	1,097,916	17,969,269	7,735,370	2,498,001	934,926	9,298,445	27,267,714	13,774,862
Charged To (From) Members Acct	637,892	0	0	637,892	7,025,576	0	0	7,025,576	7,663,468	2,766,153

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 YTD ratio (for Alb. And Terr.)
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	0.7%	0.9%	FY 2004 YTD ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	400,000	190,000	FY 2004 YTD (adjusted) - annualized
Investment Income (Annual)	Projected Amount	5,000,000	3,800,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	4,291,932	10,114,063	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	14,407,262	11,995,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	65,297,182	27,389,167	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-10.5%	-8.2%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-8,650,800	-2,259,100	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-3,178,204	-1,047,592	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	73.1%	63.2%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	12.1%	10.9%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Yukon Territory  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	2,065,319	398,688	380,427	2,083,580	892,138	92,123	92,400	891,861	2,975,441	2,789,169
Change in Unearned Premium	-49,810	-23,688	-23,242	-50,256	-50,018	61,877	22,347	-10,488	-60,744	-286,772
Earned Premium	2,015,509	375,000	357,185	2,033,324	842,120	154,000	114,747	881,373	2,914,697	2,502,397
<b>Underwriting Expenses</b>										
Claims Incurred	1,981,285	210,651	657,245	1,534,691	186,056	21,003	32,539	174,520	1,709,211	1,473,636
Claims Adjusting Expenses	172,002	52,500	4,834	219,668	49,246	14,630	-3,745	67,621	287,289	74,544
Operating & Service Fee	162,484	38,274	16,896	183,862	70,737	10,871	4,337	77,271	261,133	184,620
Commissions	172,353	42,660	17,429	197,584	53,546	7,462	3,740	57,268	254,852	249,354
Motor Vehicle Reports	9,546	1,993	934	10,605	3,827	461	256	4,032	14,637	13,664
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	27,235	4,500	3,483	28,252	12,803	2,167	950	14,020	42,272	32,347
Total Underwriting Expenses	2,524,905	350,578	700,821	2,174,662	376,215	56,594	38,077	394,732	2,569,394	2,028,165
<b>Net U/W Gain (Loss)</b>	-509,396	24,422	-343,636	-141,338	465,905	97,406	76,670	486,641	345,303	474,232
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	121,129	20,167	27,227	114,069	58,839	9,833	12,572	56,100	170,169	166,978
<b>Operating Results</b>	-388,267	44,589	-316,409	-27,269	524,744	107,239	89,242	542,741	515,472	641,210
Change in UEP Deficiency	-5,181	-2,321	-300	-7,202	-3,261	5,321	6,200	-4,140	-11,342	-21,300
<b>Net Result From Operations</b>	-383,086	46,910	-316,109	-20,067	528,005	101,918	83,042	546,881	526,814	662,510
Charged To (From) Members Acct	-159,866	0	0	-159,866	554,438	0	0	554,438	394,572	591,332

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 YTD ratio (for Alb. And Terr.)
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 YTD ratio (Alberta)
Driver Record Abstracts	% of Written Premiums	0.5%	0.5%	FY 2003 ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	27,000	13,000	FY 2004 YTD - annualized
Investment Income (Annual)	Projected Amount	121,000	59,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	398,688	92,123	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	375,000	154,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	893,899	316,741	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-9.8%	-8.6%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-80,400	-23,100	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-65,724	-20,731	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	73.7%	27.1%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	14.0%	9.5%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Northwest Territories  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	4,823,353	800,870	769,318	4,854,904	1,417,421	184,131	178,726	1,422,826	6,277,730	5,896,496
Change in Unearned Premium	-376,138	-7,970	7,082	-391,189	-108,959	55,569	29,654	-83,044	-474,233	-755,544
Earned Premium	4,447,215	792,900	776,400	4,463,715	1,308,462	239,700	208,380	1,339,782	5,803,497	5,140,952
<b>Underwriting Expenses</b>										
Claims Incurred	2,633,082	274,499	269,003	2,638,578	223,338	30,548	9,246	244,640	2,883,218	1,993,436
Claims Adjusting Expenses	282,347	114,971	43,948	353,370	51,320	22,532	6,376	67,476	420,846	183,523
Operating & Service Fee	340,886	76,883	31,905	385,864	103,679	21,727	5,174	120,232	506,096	350,916
Commissions	377,861	85,693	35,410	428,144	68,197	14,915	2,788	80,324	508,468	530,505
Motor Vehicle Reports	7,188	3,203	0	10,391	1,499	552	0	2,051	12,442	22,502
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	34,100	5,667	4,256	35,511	8,933	1,500	540	9,893	45,404	35,725
Total Underwriting Expenses	3,675,464	560,916	384,522	3,851,858	456,966	91,774	24,124	524,616	4,376,474	3,116,607
<b>Net U/W Gain (Loss)</b>	771,751	231,984	391,878	611,857	851,496	147,926	184,256	815,166	1,427,023	2,024,345
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	302,909	50,500	65,994	287,415	112,878	18,833	24,089	107,622	395,037	305,445
<b>Operating Results</b>	1,074,660	282,484	457,872	899,272	964,374	166,759	208,345	922,788	1,822,060	2,329,790
Change in UEP Deficiency	-55,918	-845	7,800	-64,563	-17,079	4,835	1,700	-13,944	-78,507	-66,200
<b>Net Result From Operations</b>	1,130,578	283,329	450,072	963,835	981,453	161,924	206,645	936,732	1,900,567	2,395,990
Charged To (From) Members Acct	1,459,687	0	0	1,459,687	858,660	0	0	858,660	2,318,347	-320,406

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 YTD ratio (for Alb. And Terr.)
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 YTD ratio (Alberta)
Driver Record Abstracts	% of Written Premiums	0.4%	0.3%	FY 2003 ratio of expenses to WP
F.A. Operating Expenses (Annual)	Projected Amount	34,000	9,000	FY 2004 YTD - annualized
Investment Income (Annual)	Projected Amount	303,000	113,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	800,870	184,131	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	792,900	239,700	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	2,062,860	631,546	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-10.6%	-8.7%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-154,100	-41,000	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	-350,306	-35,609	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	78.8%	27.6%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	14.5%	9.4%	Formula applied to loss ratio (& Excess Legal)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Nunavut  
Calendar Year 2004  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	533,241	88,986	78,163	544,063	198,988	32,494	27,584	203,898	747,961	793,065
Change in Unearned Premium	-17,704	-886	9,363	-27,952	47,223	9,806	14,189	42,840	14,888	-76,896
Earned Premium	515,537	88,100	87,526	516,111	246,211	42,300	41,773	246,738	762,849	716,169
<b>Underwriting Expenses</b>										
Claims Incurred	528,927	176,902	25,029	680,800	80,749	33,026	-1,851	115,626	796,426	86,149
Claims Adjusting Expenses	47,135	12,775	11,350	48,560	19,553	3,976	4,622	18,907	67,467	81,805
Operating & Service Fee	45,737	8,543	6,029	48,251	24,750	3,834	4,207	24,377	72,628	74,810
Commissions	54,855	9,521	8,006	56,370	14,254	2,632	1,829	15,057	71,427	77,332
Motor Vehicle Reports	4,667	356	0	5,023	1,397	97	0	1,494	6,517	0
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	22,124	3,667	2,395	23,396	14,313	2,333	1,789	14,857	38,253	30,300
Total Underwriting Expenses	703,445	211,764	52,809	862,400	155,016	45,898	10,596	190,318	1,052,718	350,396
<b>Net U/W Gain (Loss)</b>	-187,908	-123,664	34,717	-346,289	91,195	-3,598	31,177	56,420	-289,869	365,773
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	24,978	4,167	5,587	23,558	12,654	2,167	2,793	12,028	35,586	30,773
<b>Operating Results</b>	-162,930	-119,497	40,304	-322,731	103,849	-1,431	33,970	68,448	-254,283	396,546
Change in UEP Deficiency	-1,895	-94	1,900	-3,889	3,769	853	1,200	3,422	-467	-6,400
<b>Net Result From Operations</b>	-161,035	-119,403	38,404	-318,842	100,080	-2,284	32,770	65,026	-253,816	402,946
Charged To (From) Members Acct	202,529	0	0	202,529	172,309	0	0	172,309	374,838	236,455

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 YTD ratio of commission to WP
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 YTD ratio of fees to WP
Driver Record Abstracts	% of Written Premiums	0.4%	0.3%	Ratio selected for NWT
F.A. Operating Expenses (Annual)	Projected Amount	22,000	14,000	FY 2004 YTD - annualized
Investment Income (Annual)	Projected Amount	25,000	13,000	FY 2004 YTD - annualized
Written Premiums	Projected Amount	88,986	32,494	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	88,100	42,300	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	247,064	73,310	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-10.6%	-8.7%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Beginning Premium Deficiency	Actual Amount	-22,300	-9,800	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	107,479	21,351	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year Loss Ratio	% of Earned Premiums	78.8%	27.6%	Claims Runoff Analysis at 30/Mar/04 (Prelim)
Current Year LAE Ratio	% of Earned Premiums	14.5%	9.4%	Formula applied to loss ratio (& Excess Legal)
Charged to Members Accounts	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

Facility Association Residual Market  
All Jurisdictions  
Calendar Year 2004  
Outlook at June 2004

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2004 (1)	Estimated Nov-Dec/04 (2)	Actual Nov-Dec/03 (3)	Projected CY 2004 (4)=(1)+(2)-(3)	Projected FY 2004 (5)	Estimated Nov-Dec/04 (6)	Actual Nov-Dec/03 (7)	Projected CY 2004 (8)=(5)+(6)-(7)	Total CY 2004 (9)=(4)+(8)	Total CY 2003 (10)
<b>Underwriting Revenue</b>										
Written Premium	809,226,435	78,018,600	183,863,455	703,381,580	197,358,334	28,453,166	31,513,112	194,298,388	897,679,968	1,189,972,589
Change in Unearned Premium	72,534,351	24,561,875	-22,478,829	119,575,055	-11,070,329	3,129,834	-1,029,520	-6,910,975	112,664,080	-338,598,866
Earned Premium	881,760,786	102,580,475	161,384,626	822,956,635	186,288,005	31,583,000	30,483,592	187,387,413	1,010,344,048	851,373,723
<b>Underwriting Expenses</b>										
Claims Incurred	675,832,351	32,653,394	192,320,214	516,165,531	152,324,196	24,217,753	30,232,006	146,309,943	662,475,474	935,789,933
Claims Adjusting Expenses	174,026,256	16,554,411	44,112,415	146,468,252	32,508,195	4,824,660	7,363,408	29,969,447	176,437,699	168,641,335
Operating & Service Fee	85,992,365	8,530,980	19,113,042	75,410,303	20,467,955	2,961,210	3,667,105	19,762,060	95,172,363	126,457,401
Commissions	69,010,745	6,364,805	14,158,284	61,217,266	12,065,211	1,752,769	1,857,868	11,960,112	73,177,378	115,877,279
Motor Vehicle Reports	7,464,868	773,733	1,644,637	6,593,964	1,869,152	271,831	333,952	1,807,031	8,400,995	9,159,283
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	16,745
Collection Fees & Bad Debts	-29,037	0	-865	-28,172	-7,720	0	716	-8,436	-36,608	-581,179
F.A. Operating Expenses	-20,180,622	482,667	-3,879,687	-15,818,268	-4,302,385	118,999	-474,336	-3,709,050	-19,527,318	-21,911,132
Total Underwriting Expenses	992,116,926	65,359,990	267,468,040	790,008,876	214,924,604	34,147,222	42,980,719	206,091,107	996,099,983	1,333,449,665
<b>Net U/W Gain (Loss)</b>	-110,356,140	37,220,485	-106,083,414	32,947,759	-28,636,599	-2,564,222	-12,497,127	-18,703,694	14,244,065	-482,075,942
Premium Finance Fee	87,587	0	173,562	-85,975	9,237	0	56,031	-46,794	-132,769	379,734
Investment Income	49,991,139	7,890,166	11,184,141	46,697,164	12,457,825	2,077,000	2,783,905	11,750,920	58,448,084	43,493,245
<b>Operating Results</b>	-60,277,414	45,110,651	-94,725,711	79,558,948	-16,169,537	-487,222	-9,657,191	-6,999,568	72,559,380	-438,202,963
Change in UEP Deficiency	-122,944,076	-21,221,243	4,855,700	-149,021,019	-6,813,425	25,400	-2,534,800	-4,253,225	-153,274,244	115,353,800
<b>Net Result From Operations</b>	62,666,662	66,331,894	-99,581,411	228,579,967	-9,356,112	-512,622	-7,122,391	-2,746,343	225,833,624	-553,556,763
Charged To (From) Members Acct	-315,591,123	0	0	-315,591,123	-19,031,449	0	0	-19,031,449	-334,622,572	-125,021,623

Note: Amounts shown above do not reflect costs incurred directly by member companies (i.e. premium taxes, health levies, cost of capital) as a result of their compulsory participation in Facility Association.

**Facility Association Residual Market  
Summary - All Jurisdictions  
Calendar Year 2005  
Outlook at June 2004**

(Amounts in \$000's)	All Vehicles Combined										All Vehicles
	Newfoundland & Labrador	New Brunswick	Nova Scotia	Prince Edward Island	Ontario	Alberta (1)	Yukon Territory	Northwest Territories	Nunavut	All Jurisdictions	Total CY 2004
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Underwriting Revenue</b>											
Written Premium	33,700	45,043	82,216	12,631	481,247	139,383	3,205	6,564	820	804,810	897,680
Change in Unearned Premium	-1,083	3,016	-162	-196	-539	26,330	-119	-203	-23	27,020	112,664
Earned Premium	32,617	48,059	82,054	12,435	480,708	165,713	3,086	6,361	797	831,830	1,010,344
<b>Underwriting Expenses</b>											
Claims Incurred	29,585	39,453	67,004	8,430	394,434	119,234	1,886	4,528	528	665,082	662,475
Claims Adjusting Expenses	4,738	6,304	12,670	1,425	79,740	19,722	396	877	106	125,977	176,438
Operating & Service Fee	3,371	4,612	8,291	1,278	52,577	14,979	331	661	84	86,184	95,172
Commissions	3,398	4,238	8,348	1,271	31,186	13,025	316	666	81	62,528	73,177
Motor Vehicle Reports	430	526	2,265	200	3,369	1,121	16	25	3	7,955	8,401
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0	-37
F.A. Operating Expenses	175	232	250	69	2,176	590	42	45	38	3,617	-19,527
Total Underwriting Expenses	41,697	55,365	98,828	12,673	563,482	168,671	2,987	6,802	840	951,343	996,099
<b>Net U/W Gain (Loss)</b>	-9,080	-7,306	-16,774	-238	-82,774	-2,958	99	-441	-43	-119,513	14,245
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0	-133
Investment Income	2,450	5,400	5,100	819	36,600	8,800	180	416	38	59,803	58,448
<b>Operating Results</b>	-6,630	-1,906	-11,674	581	-46,174	5,842	279	-25	-5	-59,710	72,560
Change in UEP Deficiency	1,039	810	1,681	1	-9,986	3,239	22	244	29	-2,923	-153,274
<b>Net Result From Operations</b>	-7,669	-2,716	-13,355	580	-36,188	2,603	257	-269	-34	-56,787	225,834
<b>Charged To (From) Members Acct</b>	-482	6,546	-414	2,286	-18,529	30,672	787	1,876	-287	22,453	-334,623
<b>RATIOS (To Earned)</b>											
Claims Incurred & Related Expenses	105.2%	95.2%	97.1%	79.3%	98.6%	83.9%	73.9%	85.0%	79.5%	95.1%	83.0%
Underwriting & Admin. Expense	22.6%	20.0%	23.3%	22.6%	18.6%	17.9%	22.9%	21.9%	25.9%	19.3%	15.6%
<b>Combined Operating Ratio</b>	127.8%	115.2%	120.4%	101.9%	117.2%	101.8%	96.8%	106.9%	105.4%	114.4%	98.6%

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital) as a result of their compulsory participation in Facility Association.

(1) These estimates represent the mid-point scenario for Alberta, i.e. with level of monthly written exposures reduced by 50% by the end of 2004, and mandatory coverage premium reduced by 30%. For reference, the estimate of 'Net Results from Operations' using a 'Business as usual' scenario is \$12,200,000.

**Facility Association Residual Market  
Newfoundland & Labrador  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	25,450,000	2,805,000	2,890,000	25,365,000	8,065,749	1,343,000	1,073,749	8,335,000	33,700,000	31,852,699
Change in Unearned Premium	-190,000	1,546,000	1,484,000	-128,000	-968,749	71,000	57,251	-955,000	-1,083,000	-692,309
Earned Premium	25,260,000	4,351,000	4,374,000	25,237,000	7,097,000	1,414,000	1,131,000	7,380,000	32,617,000	31,160,390
<b>Underwriting Expenses</b>										
Claims Incurred	21,438,674	3,854,986	2,933,678	22,359,982	5,980,649	1,384,306	139,935	7,225,020	29,585,002	21,764,161
Claims Adjusting Expenses	3,572,814	622,193	586,116	3,608,891	1,085,841	216,342	173,043	1,129,140	4,738,031	4,528,500
Operating & Service Fee	2,621,350	288,915	297,670	2,612,595	733,983	122,213	97,711	758,485	3,371,080	3,225,627
Commissions	2,723,150	300,135	309,230	2,714,055	661,391	110,126	88,047	683,470	3,397,525	3,254,433
Motor Vehicle Reports	330,850	36,465	37,570	329,745	96,789	16,116	12,885	100,020	429,765	367,809
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-372
F.A. Operating Expenses	142,000	23,667	23,667	142,000	33,000	5,500	5,500	33,000	175,000	34,269
Total Underwriting Expenses	30,828,838	5,126,361	4,187,931	31,767,268	8,591,653	1,854,603	517,121	9,929,135	41,696,403	33,174,427
<b>Net U/W Gain (Loss)</b>	-5,568,838	-775,361	186,069	-6,530,268	-1,494,653	-440,603	613,879	-2,549,135	-9,079,403	-2,014,037
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	2,000,000	333,333	333,333	2,000,000	450,000	75,000	75,000	450,000	2,450,000	2,305,029
<b>Operating Results</b>	-3,568,838	-442,028	519,402	-4,530,268	-1,044,653	-365,603	688,879	-2,099,135	-6,629,403	290,992
Change in UEP Deficiency	1,023,817	-41,742	72,716	909,359	131,463	-8,875	-6,985	129,573	1,038,932	-1,628,161
<b>Net Result From Operations</b>	-4,592,655	-400,286	446,686	-5,439,627	-1,176,116	-356,728	695,864	-2,228,708	-7,668,335	1,919,153
Charged To (From) Members Acct	-1,301,585	0	0	-1,301,585	819,844	0	0	819,844	-481,741	-5,365,442

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.2%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	10.3%	9.1%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	1.3%	1.2%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	142,000	33,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	2,000,000	450,000	FY 2004 Selected
Written Premiums	Projected Amount	2,805,000	1,343,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	4,351,000	1,414,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	12,047,773	4,354,247	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	2.7%	12.5%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-584,069	414,708	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	88.6%	97.9%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	14.3%	15.3%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
New Brunswick  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	28,687,400	2,464,000	4,831,400	26,320,000	18,821,016	2,516,000	2,614,016	18,723,000	45,043,000	42,727,531
Change in Unearned Premium	548,600	2,128,000	-555,400	3,232,000	-690,016	663,000	188,984	-216,000	3,016,000	1,394,944
Earned Premium	29,236,000	4,592,000	4,276,000	29,552,000	18,131,000	3,179,000	2,803,000	18,507,000	48,059,000	44,122,475
<b>Underwriting Expenses</b>										
Claims Incurred	17,231,526	3,145,520	133,926	20,243,120	19,075,280	3,299,802	3,164,816	19,210,266	39,453,386	23,503,228
Claims Adjusting Expenses	3,332,208	528,080	461,808	3,398,480	2,835,355	499,103	428,859	2,905,599	6,304,079	5,439,983
Operating & Service Fee	3,700,675	317,856	623,251	3,395,280	1,223,366	163,540	169,911	1,216,995	4,612,275	4,453,243
Commissions	3,700,675	317,856	623,251	3,395,280	846,946	113,220	117,631	842,535	4,237,815	4,064,921
Motor Vehicle Reports	430,311	36,960	72,471	394,800	131,747	17,612	18,298	131,061	525,861	519,023
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-70
F.A. Operating Expenses	164,000	27,333	27,333	164,000	68,000	11,333	11,333	68,000	232,000	2,648,462
Total Underwriting Expenses	28,559,395	4,373,605	1,942,040	30,990,960	24,180,694	4,104,610	3,910,848	24,374,456	55,365,416	40,628,790
<b>Net U/W Gain (Loss)</b>	676,605	218,395	2,333,960	-1,438,960	-6,049,694	-925,610	-1,107,848	-5,867,456	-7,306,416	3,493,685
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	3,800,000	633,333	633,333	3,800,000	1,600,000	266,667	266,667	1,600,000	5,400,000	5,016,725
<b>Operating Results</b>	4,476,605	851,728	2,967,293	2,361,040	-4,449,694	-658,943	-841,181	-4,267,456	-1,906,416	8,510,410
Change in UEP Deficiency	70,769	274,512	-71,647	416,928	485,698	-120,666	-27,780	392,812	809,740	-1,879,531
<b>Net Result From Operations</b>	4,405,836	577,216	3,038,940	1,944,112	-4,935,392	-538,277	-813,401	-4,660,268	-2,716,156	10,389,941
Charged To (From) Members Acct	10,185,127	0	0	10,185,127	-3,639,436	0	0	-3,639,436	6,545,691	6,886,640

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	12.9%	4.5%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	12.9%	6.5%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	1.5%	0.7%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	164,000	68,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	3,800,000	1,600,000	FY 2004 Selected
Written Premiums	Projected Amount	2,464,000	2,516,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	4,592,000	3,179,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	13,099,245	10,315,998	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-12.9%	18.2%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-2,106,731	1,484,700	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	68.5%	103.8%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	11.5%	15.7%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Nova Scotia  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	66,867,356	8,400,000	8,232,000	67,035,356	15,072,797	2,116,000	2,007,797	15,181,000	82,216,356	77,685,896
Change in Unearned Premium	22,644	3,030,000	2,772,000	280,644	-534,797	459,000	367,203	-443,000	-162,356	-2,204,987
Earned Premium	66,890,000	11,430,000	11,004,000	67,316,000	14,538,000	2,575,000	2,375,000	14,738,000	82,054,000	75,480,909
<b>Underwriting Expenses</b>										
Claims Incurred	51,439,928	9,029,700	7,289,988	53,179,640	12,943,964	2,415,350	1,535,070	13,824,244	67,003,884	47,330,464
Claims Adjusting Expenses	9,979,346	1,725,930	1,540,560	10,164,716	2,457,210	437,750	389,500	2,505,460	12,670,176	10,784,682
Operating & Service Fee	6,619,868	831,600	814,968	6,636,500	1,642,935	230,644	218,850	1,654,729	8,291,229	7,843,494
Commissions	7,221,674	907,200	889,056	7,239,818	1,100,314	154,468	146,569	1,108,213	8,348,031	7,894,617
Motor Vehicle Reports	1,805,419	226,800	222,264	1,809,955	452,184	63,480	60,234	455,430	2,265,385	1,965,600
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-3,383
F.A. Operating Expenses	197,000	32,833	32,833	197,000	53,000	8,833	8,833	53,000	250,000	239,415
Total Underwriting Expenses	77,263,235	12,754,063	10,789,669	79,227,629	18,649,607	3,310,525	2,359,056	19,601,076	98,828,705	76,054,889
<b>Net U/W Gain (Loss)</b>	-10,373,235	-1,324,063	214,331	-11,911,629	-4,111,607	-735,525	15,944	-4,863,076	-16,774,705	-573,980
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	3,900,000	650,000	650,000	3,900,000	1,200,000	200,000	200,000	1,200,000	5,100,000	4,762,219
<b>Operating Results</b>	-6,473,235	-674,063	864,331	-8,011,629	-2,911,607	-535,525	215,944	-3,663,076	-11,674,705	4,188,239
Change in UEP Deficiency	1,426,559	184,830	299,376	1,312,013	394,760	-44,982	-18,727	368,505	1,680,518	-5,390,341
<b>Net Result From Operations</b>	-7,899,794	-858,893	564,955	-9,323,642	-3,306,367	-490,543	234,671	-4,031,581	-13,355,223	9,578,580
Charged To (From) Members Acct	587,813	0	0	587,813	-1,002,295	0	0	-1,002,295	-414,482	1,081,794

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.8%	7.3%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	9.9%	10.9%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	2.7%	3.0%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	197,000	53,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	3,900,000	1,200,000	FY 2004 Selected
Written Premiums	Projected Amount	8,400,000	2,116,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	11,430,000	2,575,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	27,270,269	7,359,824	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-6.1%	9.8%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-2,975,499	352,758	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	79.0%	93.8%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	15.1%	17.0%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Prince Edward Island  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	10,472,387	1,171,500	1,159,785	10,484,102	2,120,672	268,000	241,672	2,147,000	12,631,102	11,697,200
Change in Unearned Premium	-196,387	686,500	580,215	-90,102	-123,672	116,000	98,328	-106,000	-196,102	116,000
Earned Premium	10,276,000	1,858,000	1,740,000	10,394,000	1,997,000	384,000	340,000	2,041,000	12,435,000	11,644,022
<b>Underwriting Expenses</b>										
Claims Incurred	6,368,366	1,189,120	905,326	6,652,160	1,563,617	334,464	120,370	1,777,711	8,429,871	5,586,235
Claims Adjusting Expenses	1,121,660	204,380	182,700	1,143,340	275,246	52,992	46,580	281,658	1,424,998	1,081,973
Operating & Service Fee	1,068,183	119,493	118,298	1,069,378	205,705	25,996	23,442	208,259	1,277,637	1,186,572
Commissions	1,162,435	130,037	128,736	1,163,736	106,034	13,400	12,084	107,350	1,271,086	1,180,275
Motor Vehicle Reports	167,559	18,744	18,557	167,746	31,810	4,020	3,625	32,205	199,951	171,444
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-10
F.A. Operating Expenses	57,000	9,500	9,500	57,000	11,833	2,000	1,833	12,000	69,000	69,293
Total Underwriting Expenses	9,945,203	1,671,274	1,363,117	10,253,360	2,194,245	432,872	207,934	2,419,183	12,672,543	9,275,782
<b>Net U/W Gain (Loss)</b>	330,797	186,726	376,883	140,640	-197,245	-48,872	132,066	-378,183	-237,543	2,368,240
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	692,000	115,333	115,333	692,000	127,000	21,167	21,167	127,000	819,000	773,990
<b>Operating Results</b>	1,022,797	302,059	492,216	832,640	-70,245	-27,705	153,233	-251,183	581,457	3,142,230
Change in UEP Deficiency	-21,799	76,201	64,404	-10,002	11,845	-1,972	-689	10,562	560	42,969
<b>Net Result From Operations</b>	1,044,596	225,858	427,812	842,642	-82,090	-25,733	153,922	-261,745	580,897	3,099,261
Charged To (From) Members Acct	1,901,895	0	0	1,901,895	383,865	0	0	383,865	2,285,760	1,842,724

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	11.1%	5.0%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	10.2%	9.7%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	1.6%	1.5%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	57,000	12,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	692,000	127,000	FY 2004 Selected
Written Premiums	Projected Amount	1,171,500	268,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	1,858,000	384,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	4,190,665	981,912	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-11.1%	1.7%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-455,162	6,131	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	64.0%	87.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	11.0%	13.8%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Ontario  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	397,971,501	54,439,741	55,324,940	397,086,302	83,918,121	12,336,000	12,093,121	84,161,000	481,247,302	497,423,076
Change in Unearned Premium	1,335,765	11,812,988	10,198,273	2,950,480	-4,752,121	1,672,000	409,879	-3,490,000	-539,520	104,880,261
Earned Premium	399,307,266	66,252,729	65,523,213	400,036,782	79,166,000	14,008,000	12,503,000	80,671,000	480,707,782	602,303,337
<b>Underwriting Expenses</b>										
Claims Incurred	269,721,072	50,882,096	13,374,919	307,228,249	84,702,440	15,142,648	12,639,737	87,205,351	394,433,600	417,172,270
Claims Adjusting Expenses	64,931,366	10,534,184	11,859,702	63,605,848	15,770,685	2,801,600	2,438,085	16,134,200	79,740,048	128,433,028
Operating & Service Fee	44,174,836	6,042,811	6,141,068	44,076,579	8,475,730	1,245,936	1,221,405	8,500,261	52,576,840	54,453,911
Commissions	27,460,034	3,756,342	3,817,421	27,398,955	3,776,315	555,120	544,190	3,787,245	31,186,200	33,340,369
Motor Vehicle Reports	2,785,801	381,078	387,275	2,779,604	587,427	86,352	84,652	589,127	3,368,731	3,512,324
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-23,680
F.A. Operating Expenses	1,853,000	308,833	308,833	1,853,000	323,000	53,833	53,833	323,000	2,176,000	-25,233,569
Total Underwriting Expenses	410,926,109	71,905,344	35,889,218	446,942,235	113,635,597	19,885,489	16,981,902	116,539,184	563,481,419	611,654,653
<b>Net U/W Gain (Loss)</b>	-11,618,843	-5,652,615	29,633,995	-46,905,453	-34,469,597	-5,877,489	-4,478,902	-35,868,184	-82,773,637	-9,351,316
Premium Finance Fee	0	0	0	0	0	0	0	0	0	84,791
Investment Income	31,500,000	5,250,000	5,250,000	31,500,000	5,100,000	850,000	850,000	5,100,000	36,600,000	34,535,287
<b>Operating Results</b>	19,881,157	-402,615	34,883,995	-15,405,453	-29,369,597	-5,027,489	-3,628,902	-30,768,184	-46,173,637	25,268,762
Change in UEP Deficiency	-36,402,412	708,779	-23,453,073	-12,240,560	2,581,540	-412,984	-85,665	2,254,221	-9,986,339	-146,136,648
<b>Net Result From Operations</b>	56,283,569	-1,111,394	58,337,068	-3,164,893	-31,951,137	-4,614,505	-3,543,237	-33,022,405	-36,187,298	171,405,410
Charged To (From) Members Acct	1,696,449	0	0	1,696,449	-20,225,785	0	0	-20,225,785	-18,529,336	-349,819,513

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	6.9%	4.5%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	11.1%	10.1%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	0.7%	0.7%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	1,853,000	323,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	31,500,000	5,100,000	FY 2004 Selected
Written Premiums	Projected Amount	54,439,741	12,336,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	66,252,729	14,008,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	204,009,327	40,126,612	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-6.0%	24.7%	Claims Runoff Analysis at 31/Jun/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	0	7,657,052	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	76.8%	108.1%	Claims Runoff Analysis at 31/Jun/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	15.9%	20.0%	Claims Runoff Analysis at 31/Jun/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Alberta (Post Reform)  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	57,083,650	13,925,250	4,291,932	66,716,968	72,060,063	10,720,000	10,114,063	72,666,000	139,382,968	226,292,434
Change in Unearned Premium	40,931,198	-2,712,620	10,115,330	28,103,248	-1,415,063	1,523,000	1,880,937	-1,773,000	26,330,248	9,859,438
Earned Premium	98,014,848	11,212,630	14,407,262	94,820,216	70,645,000	12,243,000	11,995,000	70,893,000	165,713,216	236,151,872
<b>Underwriting Expenses</b>										
Claims Incurred	71,731,346	8,633,725	7,353,505	73,011,566	44,773,048	7,982,436	6,533,248	46,222,236	119,233,802	141,730,261
Claims Adjusting Expenses	12,194,227	1,401,579	1,743,279	11,852,527	7,817,605	1,358,973	1,307,455	7,869,123	19,721,650	25,393,931
Operating & Service Fee	5,480,030	1,336,824	412,025	6,404,829	8,503,087	1,264,960	1,193,459	8,574,588	14,979,417	23,169,659
Commissions	6,107,951	1,490,002	459,237	7,138,716	5,836,865	868,320	819,239	5,885,946	13,024,662	22,608,016
Motor Vehicle Reports	399,586	97,477	30,044	467,019	648,541	96,480	91,027	653,994	1,121,013	1,831,199
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-9,093
F.A. Operating Expenses	400,000	66,667	66,667	400,000	190,000	31,667	31,667	190,000	590,000	2,588,883
Total Underwriting Expenses	96,313,140	13,026,274	10,064,757	99,274,657	67,769,146	11,602,836	9,976,095	69,395,887	168,670,544	217,312,856
<b>Net U/W Gain (Loss)</b>	1,701,708	-1,813,644	4,342,505	-4,454,441	2,875,854	640,164	2,018,905	1,497,113	-2,957,328	18,839,016
Premium Finance Fee	0	0	0	0	0	0	0	0	0	-217,560
Investment Income	5,000,000	833,333	833,333	5,000,000	3,800,000	633,333	633,333	3,800,000	8,800,000	10,454,042
<b>Operating Results</b>	6,701,708	-980,311	5,175,838	545,559	6,675,854	1,273,497	2,652,238	5,297,113	5,842,672	29,075,498
Change in UEP Deficiency	5,436,577	-211,585	1,870,241	3,354,751	-85,350	123,363	154,237	-116,224	3,238,527	1,807,784
<b>Net Result From Operations</b>	1,265,131	-768,726	3,305,597	-2,809,192	6,761,204	1,150,134	2,498,001	5,413,337	2,604,145	27,267,714
Charged To (From) Members Acct	21,002,037	0	0	21,002,037	9,669,576	0	0	9,669,576	30,671,613	7,663,468

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	0.7%	0.9%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	400,000	190,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	5,000,000	3,800,000	FY 2004 Selected
Written Premiums	Projected Amount	13,925,250	10,720,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	11,212,630	12,243,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	44,890,420	29,162,167	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-7.8%	-8.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-6,856,204	-2,245,912	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	77.0%	65.2%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	12.5%	11.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Yukon Territory  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	2,143,688	413,000	398,688	2,158,000	1,032,123	107,000	92,123	1,047,000	3,205,000	2,975,441
Change in Unearned Premium	-51,688	-41,000	-23,688	-69,000	-68,123	80,000	61,877	-50,000	-119,000	-60,744
Earned Premium	2,092,000	372,000	375,000	2,089,000	964,000	187,000	154,000	997,000	3,086,000	2,914,697
<b>Underwriting Expenses</b>										
Claims Incurred	1,536,175	287,184	210,651	1,612,708	242,943	51,238	21,003	273,178	1,885,886	1,709,211
Claims Adjusting Expenses	299,748	53,568	52,500	300,816	91,580	17,765	14,630	94,715	395,531	287,289
Operating & Service Fee	205,794	39,648	38,274	207,168	121,791	12,626	10,871	123,546	330,714	261,133
Commissions	229,375	44,191	42,660	230,906	83,602	8,667	7,462	84,807	315,713	254,852
Motor Vehicle Reports	10,718	2,065	1,993	10,790	5,161	535	461	5,235	16,025	14,637
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	28,667	4,833	4,500	29,000	13,000	2,167	2,167	13,000	42,000	42,272
Total Underwriting Expenses	2,310,477	431,489	350,578	2,391,388	558,077	92,998	56,594	594,481	2,985,869	2,569,394
<b>Net U/W Gain (Loss)</b>	-218,477	-59,489	24,422	-302,388	405,923	94,002	97,406	402,519	100,131	345,303
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	121,000	20,167	20,167	121,000	59,000	9,833	9,833	59,000	180,000	170,169
<b>Operating Results</b>	-97,477	-39,322	44,589	-181,388	464,923	103,835	107,239	461,519	280,131	515,472
Change in UEP Deficiency	24,436	-2,706	-2,321	24,051	-3,625	6,480	5,321	-2,466	21,585	-11,342
<b>Net Result From Operations</b>	-121,913	-36,616	46,910	-205,439	468,548	97,355	101,918	463,985	258,546	526,814
Charged To (From) Members Acct	203,325	0	0	203,325	583,913	0	0	583,913	787,238	394,572

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	0.5%	0.5%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	29,000	13,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	121,000	59,000	FY 2004 Selected
Written Premiums	Projected Amount	413,000	107,000	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	372,000	187,000	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	962,899	366,741	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	-6.6%	-8.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-87,602	-27,240	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	77.2%	27.4%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	14.4%	9.5%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market  
Northwest Territories  
Calendar Year 2005  
Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	5,118,170	851,400	800,870	5,168,700	1,392,831	186,150	184,131	1,394,850	6,563,550	6,277,730
Change in Unearned Premium	-241,070	40,500	-7,970	-192,600	-14,981	60,350	55,569	-10,200	-202,800	-474,233
Earned Premium	4,877,100	891,900	792,900	4,976,100	1,377,850	246,500	239,700	1,384,650	6,360,750	5,803,497
<b>Underwriting Expenses</b>										
Claims Incurred	3,672,553	742,061	274,499	4,140,115	349,230	69,020	30,548	387,702	4,527,817	2,883,218
Claims Adjusting Expenses	727,601	133,785	114,971	746,415	129,518	23,171	22,532	130,157	876,572	420,846
Operating & Service Fee	491,344	81,734	76,883	496,195	164,354	21,966	21,727	164,593	660,788	506,096
Commissions	547,644	91,100	85,693	553,051	112,820	15,078	14,915	112,983	666,034	508,468
Motor Vehicle Reports	20,472	3,406	3,203	20,675	4,178	558	552	4,184	24,859	12,442
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	35,667	6,000	5,667	36,000	9,000	1,500	1,500	9,000	45,000	45,404
Total Underwriting Expenses	5,495,281	1,058,086	560,916	5,992,451	769,100	131,293	91,774	808,619	6,801,070	4,376,474
<b>Net U/W Gain (Loss)</b>	-618,181	-166,186	231,984	-1,016,351	608,750	115,207	147,926	576,031	-440,320	1,427,023
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	303,000	50,500	50,500	303,000	113,000	18,833	18,833	113,000	416,000	395,037
<b>Operating Results</b>	-315,181	-115,686	282,484	-713,351	721,750	134,040	166,759	689,031	-24,320	1,822,060
Change in UEP Deficiency	240,778	-405	-845	241,218	2,909	4,889	4,835	2,963	244,181	-78,507
<b>Net Result From Operations</b>	-555,959	-115,281	283,329	-954,569	718,841	129,151	161,924	686,068	-268,501	1,900,567
Charged To (From) Members Acct	936,507	0	0	936,507	939,034	0	0	939,034	1,875,541	2,318,347

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	0.4%	0.3%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	36,000	9,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	303,000	113,000	FY 2004 Selected
Written Premiums	Projected Amount	851,400	186,150	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	891,900	246,500	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	2,255,460	641,746	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	1.0%	-8.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-218,663	-54,944	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	83.2%	28.0%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	15.0%	9.4%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Balance Due To (From) Members	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market**  
**Nunavut**  
**Calendar Year 2005**  
**Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	568,686	94,600	88,986	574,300	245,794	32,850	32,494	246,150	820,450	747,961
Change in Unearned Premium	-26,786	4,500	-886	-21,400	-2,644	10,650	9,806	-1,800	-23,200	14,888
Earned Premium	541,900	99,100	88,100	552,900	243,150	43,500	42,300	244,350	797,250	762,849
<b>Underwriting Expenses</b>										
Claims Incurred	554,464	82,451	176,902	460,013	89,264	12,180	33,026	68,418	528,431	796,426
Claims Adjusting Expenses	80,845	14,865	12,775	82,935	22,856	4,089	3,976	22,969	105,904	67,467
Operating & Service Fee	54,594	9,082	8,543	55,133	29,003	3,876	3,834	29,045	84,178	72,628
Commissions	60,849	10,122	9,521	61,450	19,909	2,661	2,632	19,938	81,388	71,427
Motor Vehicle Reports	2,275	378	356	2,297	737	99	97	739	3,036	6,517
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	0
F.A. Operating Expenses	22,834	3,833	3,667	23,000	14,833	2,500	2,333	15,000	38,000	38,253
Total Underwriting Expenses	775,861	120,731	211,764	684,828	176,602	25,405	45,898	156,109	840,937	1,052,718
<b>Net U/W Gain (Loss)</b>	-233,961	-21,631	-123,664	-131,928	66,548	18,095	-3,598	88,241	-43,687	-289,869
Premium Finance Fee	0	0	0	0	0	0	0	0	0	0
Investment Income	25,000	4,167	4,167	25,000	13,000	2,167	2,167	13,000	38,000	35,586
<b>Operating Results</b>	-208,961	-17,464	-119,497	-106,928	79,548	20,262	-1,431	101,241	-5,687	-254,283
Change in UEP Deficiency	28,825	-45	-94	28,874	284	863	853	294	29,168	-467
<b>Net Result From Operations</b>	-237,786	-17,419	-119,403	-135,802	79,264	19,399	-2,284	100,947	-34,855	-253,816
Charged To (From) Members Acct	-350,432	0	0	-350,432	63,430	0	0	63,430	-287,002	374,838

	Calculation Basis	Assumptions		Basis For Selection of Assumptions
		PPV	NPP	
Premium/Finance Fee	% of Written Premiums	0.0%	0.0%	Based on F.A. policy effective 1/Nov/02.
Commission	% of Written Premiums	10.7%	8.1%	FY 2004 Selected
Operating & Service Fee	% of Written Premiums	9.6%	11.8%	FY 2004 Selected
Driver Record Abstracts	% of Written Premiums	0.4%	0.3%	FY 2004 Selected
F.A. Operating Expenses (Annual)	Projected Amount	23,000	15,000	FY 2004 Selected
Investment Income (Annual)	Projected Amount	25,000	13,000	FY 2004 Selected
Written Premiums	Projected Amount	94,600	32,850	Based on Monthly Premium Projections
Earned Premiums	Projected Amount	99,100	43,500	Based on Monthly Premium Projections
Ending Unearned Premium	Projected Amount	268,464	75,110	Based on projected Written and Earned
Premium Deficiency %	% of Unearned Premium	1.0%	-8.1%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Beginning Premium Deficiency	Actual Amount	-26,189	-6,378	Based on Monthly Premium Projections
Development on Prior Years Losses	Projected Amount	0	0	
Current Year Loss Ratio	% of Earned Premiums	83.2%	28.0%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Current Year LAE Ratio	% of Earned Premiums	15.0%	9.4%	Claims Runoff Analysis at 31/Mar/04 (Trended to 2005)
Charged to Members Accounts	Projected Amount	0	0	
Number of Actual/Proj. Months		10	10	As per FY 2005 Outlook
Number of Estimated Months		2	2	

Note: Amounts shown above do not reflect costs incurred directly by member companies (e.g. premium taxes, health levies, cost of capital).

**Facility Association Residual Market**  
**All Jurisdictions**  
**Calendar Year 2005**  
**Outlook at June 2004**

	Private Passenger				Non Private Passenger				All Vehicles	All Vehicles
	Projected FY 2005 (1)	Estimated Nov-Dec/05 (2)	Actual Nov-Dec/04 (3)	Projected CY 2005 (4)=(1)+(2)-(3)	Projected FY 2005 (5)	Estimated Nov-Dec/05 (6)	Actual Nov-Dec/04 (7)	Projected CY 2005 (8)=(5)+(6)-(7)	Total CY 2005 (9)=(4)+(8)	Total CY 2004 (10)
<b>Underwriting Revenue</b>										
Written Premium	594,362,837	84,564,491	78,018,600	600,908,728	202,729,166	29,625,000	28,453,166	203,901,000	804,809,728	897,679,968
Change in Unearned Premium	42,132,277	16,494,868	24,561,875	34,065,270	-8,570,166	4,655,000	3,129,834	-7,045,000	27,020,270	112,664,080
Earned Premium	636,495,114	101,059,359	102,580,475	634,973,998	194,159,000	34,280,000	31,583,000	196,856,000	831,829,998	1,010,344,048
<b>Underwriting Expenses</b>										
Claims Incurred	443,694,104	77,846,843	32,653,394	488,887,553	169,720,435	30,691,444	24,217,753	176,194,126	665,081,679	662,475,474
Claims Adjusting Expenses	96,239,815	15,218,564	16,554,411	94,903,968	30,485,896	5,411,785	4,824,660	31,073,021	125,976,989	176,437,699
Operating & Service Fee	64,416,674	9,067,963	8,530,980	64,953,657	21,099,954	3,091,757	2,961,210	21,230,501	86,184,158	95,172,363
Commissions	49,213,787	7,046,985	6,364,805	49,895,967	12,544,196	1,841,060	1,752,769	12,632,487	62,528,454	73,177,378
Motor Vehicle Reports	5,952,991	803,373	773,733	5,982,631	1,958,574	285,252	271,831	1,971,995	7,954,626	8,400,995
Pre-Insurance Reports	0	0	0	0	0	0	0	0	0	0
Collection Fees & Bad Debts	0	0	0	0	0	0	0	0	0	-36,608
F.A. Operating Expenses	2,900,168	483,499	482,667	2,901,000	715,666	119,333	118,999	716,000	3,617,000	-19,527,318
Total Underwriting Expenses	662,417,539	110,467,227	65,359,990	707,524,776	236,524,721	41,440,631	34,147,222	243,818,130	951,342,906	996,099,983
<b>Net U/W Gain (Loss)</b>	-25,922,425	-9,407,868	37,220,485	-72,550,778	-42,365,721	-7,160,631	-2,564,222	-46,962,130	-119,512,908	14,244,065
Premium Finance Fee	0	0	0	0	0	0	0	0	0	-132,769
Investment Income	47,341,000	7,890,166	7,890,166	47,341,000	12,462,000	2,077,000	2,077,000	12,462,000	59,803,000	58,448,084
<b>Operating Results</b>	21,418,575	-1,517,702	45,110,651	-25,209,778	-29,903,721	-5,083,631	-487,222	-34,500,130	-59,709,908	72,559,380
Change in UEP Deficiency	-28,172,450	987,839	-21,221,243	-5,963,368	3,519,524	-453,884	25,400	3,040,240	-2,923,128	-153,274,244
<b>Net Result From Operations</b>	49,591,025	-2,505,541	66,331,894	-19,246,410	-33,423,245	-4,629,747	-512,622	-37,540,370	-56,786,780	225,833,624
Charged To (From) Members Acct	34,861,136	0	0	34,861,136	-12,407,854	0	0	-12,407,854	22,453,282	-334,622,572

Note: Amounts shown above do not reflect costs incurred directly by member companies (i.e. premium taxes, health levies, cost of capital) as a result of their compulsory participation in Facility Association.