

FACILITY ASSOCIATION

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TO: ALL MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: Chief Executive Officer

BULLETIN NO.: F06-015

DATE: April 28, 2006

SUBJECT: February 2006 (Accident Year) Participation Report

Enclosed please find the February 2006 Participation Report and a Summary of Operations presented on a calendar year basis.

If you have any questions on these reports, please direct them to Norman Seeney, Vice President, Finance & Chief Financial Officer, Facility Association at (416) 644-4914.

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

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

Note: A copy of this bulletin has been attached to your February 2006 Accident Year Participation Report.

SUMMARY OF OPERATIONS - CALENDAR YEAR 2006

FACILITY ASSOCIATION RESIDUAL MARKET

Operating Results for the 2 months ended February 28, 2006 - Unaudited

Source: Monthly (Accident Year) Member Participation Report as at 2/2006

(thousands of dollars)

	ALBERTA	ONTARIO	N.S.	P.E.I.	N.B.	NFLD. & LABR.	YUKON	N.W.T.	NUNAVUT	As at 2/2006	As at 2/2005
UNDERWRITING REVENUE:											
PREMIUMS WRITTEN	\$11,139	\$25,784	\$7,381	\$681	\$4,851	\$1,537	\$336	\$956	\$85	\$52,750	\$73,242
CHANGE IN UNEARNED PREMIUMS	8,106	12,891	2,933	649	1,937	1,897	144	168	108	28,833	\$48,073
NET PREMIUMS EARNED	\$19,245	\$38,675	\$10,314	\$1,330	\$6,788	\$3,434	\$480	\$1,124	\$193	\$81,583	\$121,315
UNDERWRITING EXPENSES:											
CLAIMS INCURRED	\$10,520	\$19,420	\$8,512	\$282	\$3,605	\$2,838	\$696	\$618	\$114	\$46,605	\$61,386
CLAIMS ADJUSTING EXPENSE	\$2,174	\$6,083	\$1,204	\$129	\$765	\$390	\$24	\$51	\$22	\$10,842	\$14,618
OPERATING AND SERVICE FEES	\$1,165	\$2,935	\$760	\$68	\$485	\$225	\$24	\$54	\$8	\$5,724	\$7,810
COMMISSIONS	\$986	\$1,861	\$763	\$69	\$451	\$143	\$21	\$54	\$9	\$4,357	\$5,718
MOTOR VEHICLE REPORTS	\$149	\$323	\$250	\$21	\$37	\$38	\$3	\$9	\$0	\$830	\$966
COLLECTION FEES AND BAD DEBTS	\$0	(\$50)	\$1	\$0	\$0	(\$4)	\$0	\$0	\$0	(\$53)	\$18
TOTAL UNDERWRITING EXPENSES	\$14,994	\$30,572	\$11,490	\$569	\$5,343	\$3,630	\$768	\$786	\$153	\$68,305	\$90,516
NET UNDERWRITING GAIN (LOSS)	\$4,251	\$8,103	(\$1,176)	\$761	\$1,445	(\$196)	(\$288)	\$338	\$40	\$13,278	\$30,799
ADMINISTRATIVE EXPENSES	\$67	\$163	\$45	\$12	\$33	\$16	\$10	\$11	\$9	\$366	\$461
PREMIUM FINANCE FEE	(\$2)	(\$7)	\$0	\$0	\$0	(\$2)	\$0	\$0	\$0	(\$11)	\$11
INVESTMENT INCOME	\$144	\$480	\$73	\$11	\$57	\$29	\$4	\$8	\$1	\$807	\$9,014
OPERATING RESULTS - Participation Report	\$4,326	\$8,413	(\$1,148)	\$760	\$1,469	(\$185)	(\$294)	\$335	\$32	\$13,708	\$39,363
CHANGE IN UEP DEFICIENCY/DPAC - MEMO	\$779	\$783	\$365	\$59	\$369	\$166	\$23	\$41	\$17	\$2,602	\$3,646
NET RESULT FROM OPERATION	\$3,547	\$7,630	(\$1,513)	\$701	\$1,100	(\$351)	(\$317)	\$294	\$15	\$11,106	\$35,717
RATIOS:											
Claims Incurred & Related Exp.(Earned)	66.0%	65.9%	94.2%	30.9%	64.4%	94.0%	150.0%	59.5%	70.5%	70.4%	62.7%
Underwriting & Administrative Exp.(Earned)	12.3%	13.5%	17.6%	12.8%	14.8%	12.2%	12.1%	11.4%	13.5%	13.8%	12.3%
COMBINED OPERATING RATIO Feb. 2006	78.3%	79.4%	111.8%	43.7%	79.2%	106.2%	162.1%	70.9%	84.0%	84.2%	75.0%
COMBINED OPERATING RATIO Feb. 2005	78.1%	75.5%	70.9%	67.0%	60.0%	93.5%	114.8%	53.8%	37.4%	75.0%	
Underwriting & Administrative Exp.(Written)	21.2%	20.3%	24.6%	25.0%	20.7%	27.2%	17.3%	13.4%	30.6%	21.3%	

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.