



FACILITY
Association

777 Bay Street, Suite 2400
P.O. Box 121
Toronto, Ontario
M5G 2C8

T: 416 863 1750
F: 416 868 0894
E: mail@facilityassociation.com

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F17 – 048

DATE: JUNE 29, 2017

**SUBJECT: FACILITY ASSOCIATION RESIDUAL MARKET
ANNUAL UPDATE OF MEMBER SHARING RATIOS
APRIL 2017 PARTICIPATION REPORT**

With the recent availability of industry Automobile Statistical Plan (ASP) data for 2016, the share ratios for FARM monthly participation reporting have been updated.

The April 2017 Participation Report reflects a retroactive adjustment in respect of Accident Years 2015, 2016, 2017, and 2018 (used to share the portion of premium written in 2017 that will earn in 2018) where the participation ratios are determined on the basis of Accident Year 2015 Earned Car Years developed to 24 months and Accident Year 2016 Earned Car Years developed to 12 months. The 2016 Earned Car Years developed to 12 months is used for the participation ratios for Accident Years 2017 and 2018. The share ratios for accident years 2017 and 2018 will next be updated in June 2018 at which time both will be based upon accident year 2017 developed to 12 months.

The Facility Association Plan of Operation contains provisions where a member's share of a loss in an accident year is reduced to the extent they write youthful drivers. Members' 2013 and 2014 accident year share ratios may be affected this calendar year by the application of the young driver credits resulting from the use of a 5 year look back period which determines whether the accident year being reviewed is in a loss position at the time of review. 2013 is the first accident year to which the look back period applies. The look-back period is necessary to ensure that the share ratios of those members accumulating young driver credits are reduced only for unprofitable accident years. The look-back period is necessary since a given accident year can swing from profitable to unprofitable or alternatively from unprofitable to profitable over successive calendar years.

Additional details maybe found by referencing Article V of the Plan of Operation which can be found on our website:

[Facility Association Plan of Operation, Effective January 1, 2017](#)

Bulletin F17-048

FARM - Annual Update of Member Sharing Ratio April 2017 Participation Report

Should you require any further information, please call Norm Seeney, Vice President, Finance and Member Services at (416) 644-4914 or Angela El Dewy, Accounting Manager, at (416) 644-4971.

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