

**TO: MEMBERS OF THE FACILITY ASSOCIATION**

**ATTENTION: CHIEF EXECUTIVE OFFICER  
ONTARIO RISK SHARING POOL PROJECT MANAGER**

**BULLETIN NO.: F17 – 074**

**DATE: SEPTEMBER 29, 2017**

**SUBJECT: ONTARIO RISK SHARING POOL  
– AUGUST 2017 OPERATIONAL REPORT**

*A copy of this bulletin should be provided to your Chief Financial Officer and Appointed Actuary.*

Please be advised that the August 2017 Ontario Risk Sharing Pool Operational Report is now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

**New This Month**

Valuation

A valuation of the Ontario RSP as at June 30, 2017 has been completed since last month's Operational Report and the results of that valuation have been incorporated into this month's Operational Report. The valuation was completed by the Facility Association's internal staff in conjunction with, and reviewed and approved by, the Appointed Actuary.

The implementation of the new valuation resulted in an estimated overall **\$34.8 million favourable** impact on the month's net result from operations, subtracting an estimated 14.0 points from the year-to-date Combined Operating Ratio (ending at 129.1%). The impact on the month's results is summarized in the table below<sup>1</sup>.

Ontario	unfav / (fav) for the month and ytd						ytd EP 248,462 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % ytd EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	(16,295)	(2,878)	(19,173)	(4,222)	(13,084)	(36,479)	(6.6%)	(1.2%)	(7.7%)	(1.7%)	(5.3%)	(14.7%)
CAY	3,245	515	3,760	(1,533)	-	2,227	1.3%	0.2%	1.5%	(0.6%)	-	0.9%
Prem Def	794	98	892	(1,407)	-	(515)	0.3%	-	0.4%	(0.6%)	-	(0.2%)
<b>TOTAL</b>	<b>(12,256)</b>	<b>(2,265)</b>	<b>(14,521)</b>	<b>(7,162)</b>	<b>(13,084)</b>	<b>(34,767)</b>	<b>(4.9%)</b>	<b>(0.9%)</b>	<b>(5.8%)</b>	<b>(2.9%)</b>	<b>(5.3%)</b>	<b>(14.0%)</b>

<sup>1</sup>In the tables, "ults & payout patterns" refers to the impacts associated with changes in selected ultimates and updated cashflows of claims payments; "dsct rate" refers to the impact of changes in the selected discount rate applied to projected cashflows; and "apv adj." refers to "actuarial present value adjustments".

The valuation result is due to changes generated from updated nominal ultimate selections and projected cash flows (generating a \$14.5 million favourable impact – see column [3] in the left table at the bottom of the previous page), augmented by the impact of a 19 basis point increase in the selected discount rate (from 1.04% to 1.23%, generating a \$7.2 million favourable impact – see column [4] in the left table at the bottom of the previous page). Further, while there was no change in the margin for adverse deviation in investment yield (remains at 25 basis points), the margins for adverse deviation for claims development as selected at the coverage / accident year level were updated with this valuation (generating a \$13.1 million favourable impact – see column [5] in the left table at the bottom of the previous page).

Management has observed favourable *total* valuation impacts over the last 8 valuation implementations, with only the two valuation implementations being unfavourable over that 8-quarter period, as shown in the table below (summarizing the same information as provided in the left table at the bottom of the previous page as relates to the most recent 8 valuation implementations). It should be noted that the impacts in column [4] are largely outside of the control of FA (as being related to macroeconomic factors).

RSP: Ontario, as at: 2017 Q2		unfavourable / (favourable) Valuation Implementation Impact (\$000s)					\$000s	
Valuation	updated LRs & exp [1]	updated LRs & exp [2]	APVs @ prior assumptions [3]	updated dsc't rate [4]	updated margins [5]	Total Impact [6] =sum([1] to [6])	Booked Policy Liabilities [7]	Total Impact as % Book Liabs [8] =[6] / [7]
2015 Q3	Oct	(40,983)	(5,717)	8,493	-	(38,207)	1,185,206	(3.2%)
2015 Q4	Mar	(49,197)	(2,815)	2,623	-	(49,389)	1,116,877	(4.4%)
2016 Q1	May	(5,109)	(214)	3,318	-	(2,005)	1,137,087	(0.2%)
2016 Q2	Aug	(18,614)	(528)	4,692	(14,996)	(29,446)	1,142,149	(2.6%)
2016 Q3	Oct	1,048	(965)	1,885	-	1,968	1,184,757	0.2%
2016 Q4	Mar	(35,665)	(2,640)	(17,825)	-	(56,130)	1,174,423	(4.8%)
2017 Q1	May	6,929	646	3,204	-	10,779	1,224,460	0.9%
2017 Q2	Aug	(12,256)	(2,265)	(7,162)	(13,084)	(34,767)	1,242,002	(2.8%)
8-qtrs		(153,847)	(14,498)	(772)	(28,080)	(197,197)		
% of total		78.0%	7.4%	0.4%	14.2%	100.0%		
Averages								
8-qtrs		(19,231)	(1,812)	(97)	(3,510)	(24,650)	1,175,870	(2.1%)
2015 Q3 to 2016 Q2		(28,476)	(2,319)	4,782	(3,749)	(29,762)	1,145,330	(2.6%)
2016 Q3 to 2017 Q2		(9,986)	(1,306)	(4,975)	(3,271)	(19,538)	1,206,411	(1.6%)

The FA valuation approach is focused on providing best estimates on a nominal basis, and we expect this to manifest itself as a close-to-zero 8-quarter impact for column [2] in the table above. While this objective has not been met, we are encouraged that the average impact over the most recent 4 valuations has been much smaller than the earliest 4 valuations shown.

Please see “Effect of Quarterly Valuation” on page 6 for additional detail.

### Summary of Financial Results

The calendar year-to-date Operating Result is -\$72.4 million and the incurred loss ratio to the end of 8 months is 92.9%, as summarized in the table below.

Amounts in \$000s	August 2017	August 2016	Year to date Aug 2017	Year to Date Aug 2016
Premium Written	29,455	30,955	264,685	196,311
Premium Earned	33,074	23,312	248,462	167,141
Incurred Losses	6,860	(3,494)	230,846	124,463
Underwriting & Admin Expense	8,445	14,100	90,056	67,202
<b>Operating Result</b>	<b>17,769</b>	<b>12,706</b>	<b>(72,440)</b>	<b>(24,524)</b>
<i>Ratios:</i>				
<b>Loss ratio</b>				
- Prior Accident Years	(116.8%)	(165.7%)	(40.6%)	(59.1%)
- Current Accident Year	137.6%	150.7%	133.5%	133.5%
<i>Total</i>	<b>20.8%</b>	<b>(15.0%)</b>	<b>92.9%</b>	<b>74.4%</b>
<i>Underwriting &amp; Admin Expense</i>	<b>25.5%</b>	<b>60.5%</b>	<b>36.2%</b>	<b>40.2%</b>
<i>Combined Operating Ratio</i>	<b>46.3%</b>	<b>45.5%</b>	<b>129.1%</b>	<b>114.6%</b>

*rounding differences may occur*

These results are discussed in some detail in the “Current Month Results” section. For additional numeric detail, please refer to Exhibit 1 “Summary of Operations for Calendar Year 2017” attached to this bulletin.

#### Updated Projection to Year-end 2017

The projected calendar year Operating Result to December 2017 is -\$136.1 million and the estimated combined operating ratio to December 2017 is 136.3%, as summarized in the table at the top of the next page.

<b>ON RSP Yr-end Projection</b>	<b>Current</b>	Prior Mth	<b>Change</b>	Final 2017
<b>Amounts in \$000s</b>	<b>(Aug 2017)</b>	<b>(Jul 2017)</b>		<b>Outlook*</b>
Premium Written	376,652	374,809	1,843	342,156
Premium Earned	374,862	375,836	(974)	342,151
Incurred Losses	389,536	423,533	(33,997)	422,925
Underwriting & Admin Expense	121,448	122,360	(913)	112,562
<b>Net Result from Operations</b>	<b>(136,122)</b>	<b>(170,057)</b>	<b>33,936</b>	<b>(193,336)</b>
<b>Ratios:</b>				
<b>Loss ratio</b> - Prior Accident Years	(28.8%)	(19.4%)	(9.4%)	(8.8%)
- Current Accident Year	132.7%	132.1%	0.6%	132.4%
<i>Total</i>	<b>103.9%</b>	<b>112.7%</b>	<b>(8.8%)</b>	<b>123.6%</b>
<b>Underwriting &amp; Admin Expense</b>	<b>32.4%</b>	<b>32.6%</b>	<b>(0.2%)</b>	<b>32.9%</b>
<b>Combined Operating Ratio</b>	<b>136.3%</b>	<b>145.3%</b>	<b>(9.0%)</b>	<b>156.5%</b>

rounding differences may occur  
as posted to FA's website Sep. 28, 2016

This updated projection to the end of the year has improved by \$34.0 million from the projection provided last month (see table above), mainly due to the impact of the valuation as at June 30, 2017, as summarized in the table below (see more information under “Effect of Quarterly Valuation” on page 6). Variances in written/earned premium and prior accident year impacts (driven by valuation results) are the main drivers of variances from the Final 2017 Outlook (which was based on actuals up to the August 2016 Operational Report).

Ontario	unfav / (fav) projected for full year						year EP 374,862 (projected this month)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % full year EP from changes in:					
	ults & payout patterns			dsct rate	margins		ults & payout patterns			dsct rate	margins	
	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL
	[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]
PAYs	(16,295)	(2,654)	(18,949)	(3,806)	(11,750)	(34,505)	(4.3%)	(0.7%)	(5.1%)	(1.0%)	(3.1%)	(9.2%)
CAY	4,888	885	5,773	(2,207)	-	3,566	1.3%	0.2%	1.5%	(0.6%)	-	1.0%
Prem Def	(1,251)	(153)	(1,404)	(1,321)	-	(2,725)	(0.3%)	-	(0.4%)	(0.4%)	-	(0.7%)
TOTAL	(12,658)	(1,922)	(14,580)	(7,334)	(11,750)	(33,664)	(3.4%)	(0.5%)	(3.9%)	(2.0%)	(3.1%)	(9.0%)

### Current Month Results

The Ontario Risk Sharing Pool produced a \$17.8 million Operating Result in the month of August 2017, a \$5.1 million improvement compared with the same month last year. This improvement is composed of an estimated \$5.3 million favourable impact associated with the \$9.8 million increase in earned premium (at a combined ratio of 45.5%), offset by an approximately \$0.2 million deterioration stemming from the overall increase in the combined ratio (from 45.5% to 46.3% applied to \$33.1 million in earned premium). The primary driver of the difference in combined ratios is the difference in the respective valuation implementation impacts.

This month's results moved the year-to-date combined operating ratio from 141.9% at the end of

7 months to 129.1% at the end of 8 months. The 12.8 percentage point decrease is composed of an 11.7 percentage point decrease in the Prior Accident Year loss ratio and a 1.7 percentage point decrease in the expense ratio, offset by a 0.6 percentage point increase in the Current Accident Year loss ratio.

### Variances from Projections

The table below provides a summary of key components of the operating results as compared to the estimates projected last month.

August 2017	Actual	Projection	Difference	Difference %
Written Premium	29,455	26,126	3,329	12.7%
Earned Premium	33,074	33,135	(61)	(0.2%)
Reported Losses				
Paid Losses	29,040	26,273	2,767	10.5%
Paid Expenses	1,581	1,834	(253)	(13.8%)
Change in Outstanding Losses	2,522	(242)	2,764	<-999.9%
<b>Total Reported Losses</b>	<b>33,143</b>	<b>27,865</b>	<b>5,278</b>	<b>18.9%</b>
Change in IBNR Provision*	(26,283)	13,561	(39,844)	
Change in Premium Deficiency (DPAC)*	(718)	(1,433)	715	

(Amounts in \$000's)

rounding differences may occur

\*Detailed information is included in [Ontario RSP August 2017 Operational Report - Actuarial Highlights](#).

Each month, management reviews the variance between reported premium activity and claims activity (actual reported claims payments and changes in case reserves) and the associated actuarial projections. The projection process involves many assumptions including claims reporting patterns. Actual reporting patterns vary from month-to-month, sometimes considerably. Although variances from our projections are expected, management investigates variances beyond set thresholds and responds as appropriate.

For the month of August 2017, reported losses were \$5.3 million higher than projected. The Current Accident Year had a \$5.1 million unfavourable variance in reported losses, and the Prior Accident Years had a \$0.2 million unfavourable variance. Of the Prior Accident Years, 2016 had the largest variance in reported losses at \$2.7 million favourable, followed by Accident Year 2010 at \$1.2 million unfavourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

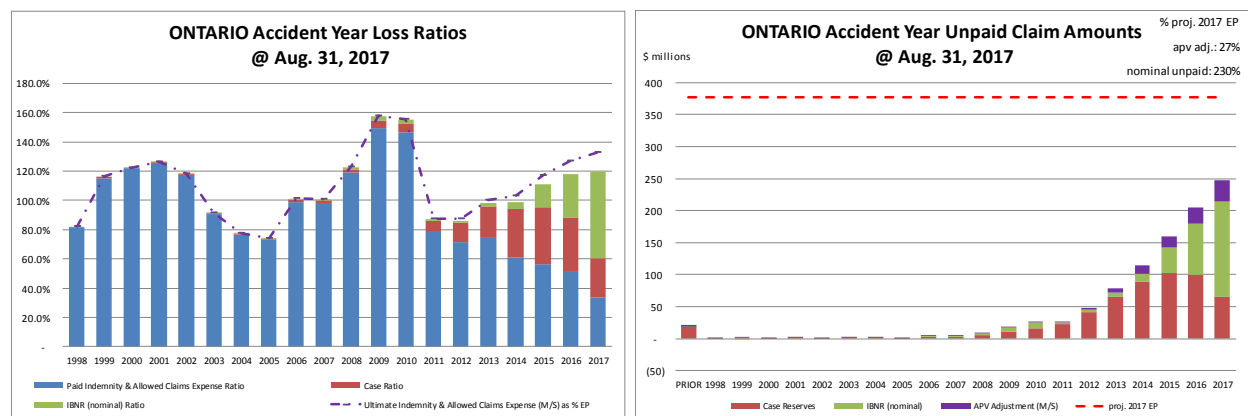
The variances for paid claims activity were beyond the set thresholds for the Prior Accident Years for the month. Management investigated paid claims activity and is satisfied that the variances are appropriately accounted for in our current booking process. All other variances were within the set thresholds for the month.

Effect of Quarterly Valuation

The August 2017 Ontario Risk Sharing Pool Operational Report reflects the results of an updated valuation as at June 30, 2017, with the associated impacts in relation to the results for August 2017 summarized in the table below.

Ontario	unfav / (fav) for the month and ytd						mth EP 33,074 (actual)					
	IMPACT in \$000s from changes in:						IMPACT unfav / (fav) as % mth EP from changes in:					
	ults & payout patterns		dsct rate	margins		TOTAL	ults & payout patterns		dsct rate	margins		TOTAL
Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	Nominal	apv adj.	sub-tot	apv adj.	apv adj.	TOTAL	
[1]	[2]	[3]	[4]	[5]	[6]	[1]	[2]	[3]	[4]	[5]	[6]	
PAYs	(16,295)	(2,878)	(19,173)	(4,222)	(13,084)	(36,479)	(49.3%)	(8.7%)	(58.0%)	(12.8%)	(39.6%)	(110.3%)
CAY	3,245	515	3,760	(1,533)	-	2,227	9.8%	1.6%	11.4%	(4.6%)	-	6.7%
Prem Def	794	98	892	(1,407)	-	(515)	2.4%	0.3%	2.7%	(4.3%)	-	(1.6%)
TOTAL	(12,256)	(2,265)	(14,521)	(7,162)	(13,084)	(34,767)	(37.1%)	(6.8%)	(43.9%)	(21.7%)	(39.6%)	(105.1%)

The charts immediately below summarize the current view of the historical loss ratios (indemnity and allowed claims adjustment expenses on a nominal basis) and the associated claims liabilities.

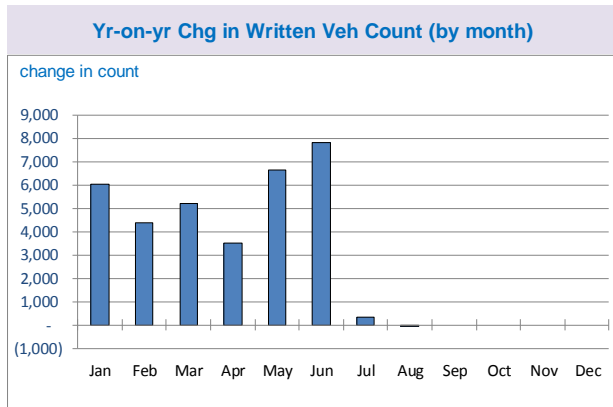


The preceding charts, latest valuation results, and related actuarial present value assumption updates are discussed in more detail in the [Ontario RSP August 2017 Operational Report – Actuarial Highlights](#) and in the [Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#). The actuarial valuation will be updated next as at September 30, 2017 and we anticipate that the results will be reflected in the October 2017 Operational Report.

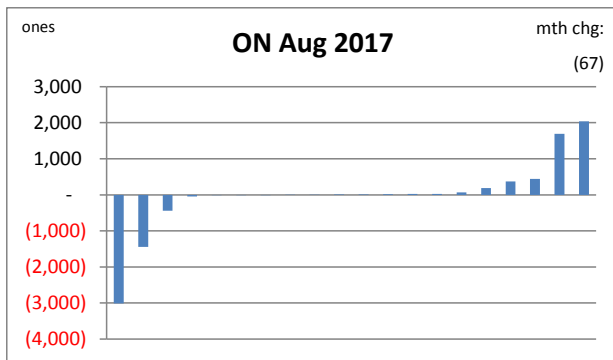
Management Comments

For the Ontario RSP, the transfer limit is 5.0% of exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents member groups from exceeding their transfer limits during a calendar year. However, member groups can transfer their entire limit for a given year at any time throughout the year including, for example, the last day of that year. Our current projection has the 2017 vehicle count up 11.4% from 2016, being 2.7% of the 2016 industry private passenger vehicle count including farmers (as we don't have an industry count yet for 2017, we continue to use the 2016 count as a proxy). There is the potential for the transferred vehicle count to change dramatically

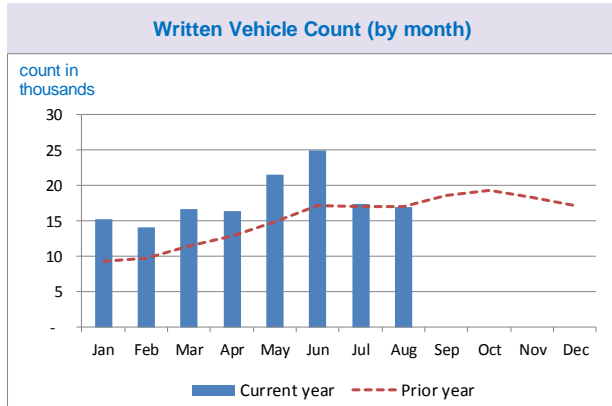
and quickly if member companies choose to take full advantage of their transfer limits.



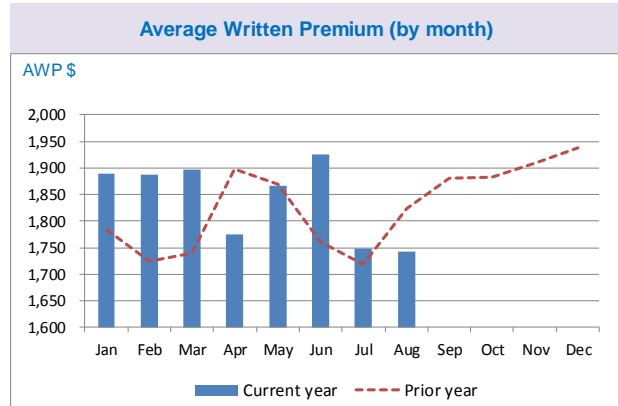
The chart on the left shows the year-on-year change in the vehicles transferred to the pool by month, with August reporting a decrease of 67 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for a decrease of 2,727 vehicles, indicating a variance of 2,660 from the actual transfers. This variance was mainly due to one member company group transferring a greater number of vehicles to the pool in August than projected.



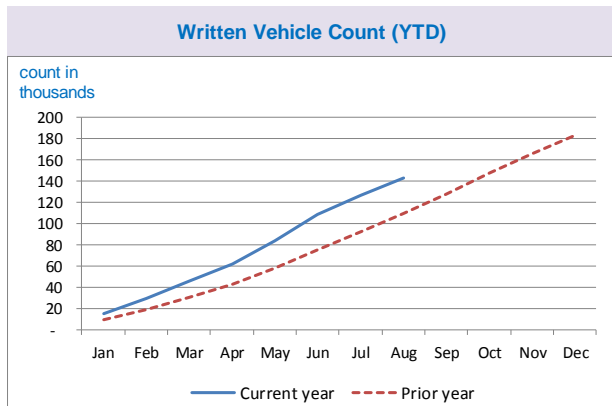
August’s year-on-year change in vehicle count transfers to the pool represents a 0.4% decrease from August 2016, but counts were up 30.9% year-to-date. Average written premium was down 4.4% in August 2017 compared with the same month in 2016, but up 3.0% year-to-date (see charts immediately below).



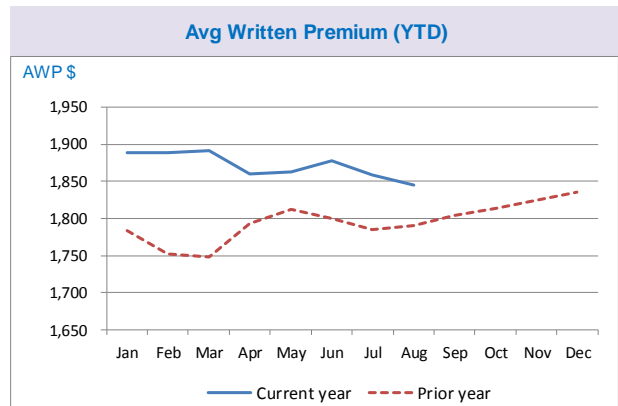
	Aug-17	Aug-16	Amt Chg	% Chg
W. Veh curr mth	16,912	16,979	(67)	-0.4%



	Aug-17	Aug-16	Amt Chg	% Chg
AWP curr mth	1,742	1,823	(81)	-4.4%



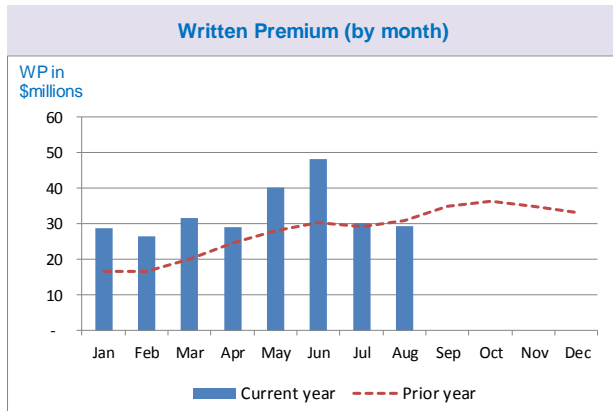
	Aug-17	Aug-16	Amt Chg	% Chg
W. Vehicles YTD	143,456	109,612	33,844	30.9%



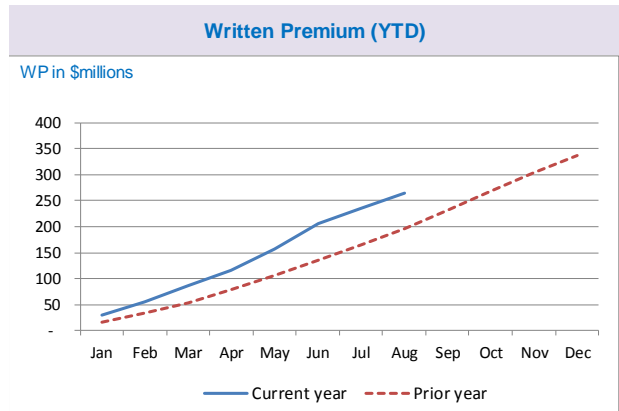
	Aug-17	Aug-16	Amt Chg	% Chg
Avg W. Prem YTD	1,845	1,791	54	3.0%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was down 4.8% for the month compared with the 15.6% decrease we projected last month, but was up 34.8% year-to-date (see charts at the top of the next page).





WP (\$000s) curr mth	Aug-17	Aug-16	Amt Chg	% Chg
	29,455	30,955	(1,500)	-4.8%



WP (\$000s) YTD	Aug-17	Aug-16	Amt Chg	% Chg
	264,685	196,311	68,374	34.8%

Should you require any further information, please call Norm Seeney, Vice President, Finance and Member Services at (416) 644-4914.

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

**Related links:**

[Ontario RSP August 2017 Operational Report – Actuarial Highlights](#)

[Actuarial Quarterly Valuation Highlights Risk Sharing Pools as at June 30, 2017](#)

[Actuarial Quarterly Valuation Highlights Exhibits – Ontario RSP](#)

**SUMMARY OF OPERATIONS - CALENDAR YEAR 2017**  
**Risk Sharing Pool - Ontario**  
**Operating Results for the 8 Months Ended August 31, 2017 (Discounted basis)**  
**Source: Monthly Operational Report**  
(thousands of dollars)

EXHIBIT 1

	January	February	March	April	May	June	July	August	CY2017 YTD	CY2017 12 MONTHS Updated Projection	CY2016 12 MONTHS Actual
Net Premiums Written	\$28,876	\$26,562	\$31,716	\$29,169	\$40,344	\$48,227	\$30,336	\$29,455	\$264,685	\$376,652	\$336,049
Decrease (Increase) in Unearned Premiums	\$1	\$513	(\$833)	\$1,213	(\$8,307)	(\$15,216)	\$2,787	\$3,619	(\$16,223)	(\$1,790)	(\$65,186)
<b>Net Premiums Earned</b>	<b>\$28,877</b>	<b>\$27,075</b>	<b>\$30,883</b>	<b>\$30,382</b>	<b>\$32,037</b>	<b>\$33,011</b>	<b>\$33,123</b>	<b>\$33,074</b>	<b>\$248,462</b>	<b>\$374,862</b>	<b>\$270,863</b>
<b>Claims Incurred:</b>											
Prior Accident Years:											
Undiscounted	(\$57)	(\$181)	(\$36,952)	(\$90)	\$4,559	(\$146)	(\$364)	(\$16,452)	(\$49,683)	(\$49,683)	(\$70,534)
Effect of Discounting	(3,669)	(2,916)	(17,985)	(1,748)	1,150	(2,144)	(1,702)	(22,190)	(51,204)	(58,357)	(36,400)
Discounted	(\$3,726)	(\$3,097)	(\$54,937)	(\$1,838)	\$5,709	(\$2,290)	(\$2,066)	(\$38,642)	(\$100,887)	(\$108,040)	(\$106,934)
Current Accident Year:											
Undiscounted	\$33,991	\$31,994	\$36,797	\$35,910	\$39,022	\$39,296	\$39,643	\$42,625	\$299,278	\$450,832	\$323,543
Effect of Discounting	5,509	4,205	2,857	4,011	4,656	4,255	4,085	2,877	32,455	46,744	38,551
Discounted	\$39,500	\$36,199	\$39,654	\$39,921	\$43,678	\$43,551	\$43,728	\$45,502	\$331,733	\$497,576	\$362,094
<b>Claims Incurred</b>	<b>\$35,774</b>	<b>\$33,102</b>	<b>(\$15,283)</b>	<b>\$38,083</b>	<b>\$49,387</b>	<b>\$41,261</b>	<b>\$41,662</b>	<b>\$6,860</b>	<b>\$230,846</b>	<b>\$389,536</b>	<b>\$255,160</b>
<b>Underwriting Expenses:</b>											
Expense Allowance	\$8,709	\$8,005	\$9,598	\$8,938	\$12,275	\$14,620	\$9,367	\$9,049	\$80,561	\$113,593	\$99,733
Change in UPDR/DPAC:											
Undiscounted	45	48	1,238	279	3,393	3,840	273	1,005	10,121	9,630	7,831
Effect of Discounting	6	(63)	(3,226)	(113)	1,533	2,319	(308)	(1,723)	(1,575)	(3,303)	11,309
Discounted	51	(15)	(1,988)	166	4,926	6,159	(35)	(718)	8,546	6,327	\$19,140
<b>Underwriting Expenses</b>	<b>\$8,760</b>	<b>\$7,990</b>	<b>\$7,610</b>	<b>\$9,104</b>	<b>\$17,201</b>	<b>\$20,779</b>	<b>\$9,332</b>	<b>\$8,331</b>	<b>\$89,107</b>	<b>\$119,920</b>	<b>\$118,873</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(\$15,657)</b>	<b>(\$14,017)</b>	<b>\$38,556</b>	<b>(\$16,805)</b>	<b>(\$34,551)</b>	<b>(\$29,029)</b>	<b>(\$17,871)</b>	<b>\$17,883</b>	<b>(\$71,491)</b>	<b>(\$134,594)</b>	<b>(\$103,170)</b>
<b>Administrative Expenses</b>	<b>\$110</b>	<b>\$121</b>	<b>\$111</b>	<b>\$131</b>	<b>\$142</b>	<b>\$115</b>	<b>\$105</b>	<b>\$114</b>	<b>\$949</b>	<b>\$1,528</b>	<b>\$1,308</b>
<b>Operating Result</b>	<b>(\$15,767)</b>	<b>(\$14,138)</b>	<b>\$38,445</b>	<b>(\$16,936)</b>	<b>(\$34,693)</b>	<b>(\$29,144)</b>	<b>(\$17,976)</b>	<b>\$17,769</b>	<b>(\$72,440)</b>	<b>(\$136,122)</b>	<b>(\$104,478)</b>
<b>Ratios:</b>											
<b>Claims &amp; Expenses Incurred (Earned)</b>											
Prior Accident Years	-12.9%	-11.4%	-177.9%	-6.0%	17.8%	-6.9%	-6.2%	-116.8%	-40.6%	-28.8%	-39.5%
Current Accident Year	136.8%	133.7%	128.4%	131.4%	136.3%	131.9%	132.0%	137.6%	133.5%	132.7%	133.7%
All Accident Years Combined	123.9%	122.3%	-49.5%	125.4%	154.1%	125.0%	125.8%	20.8%	92.9%	103.9%	94.2%
Underwriting & Administrative Expenses (Earned)	30.7%	30.0%	25.0%	30.4%	54.1%	63.3%	28.5%	25.5%	36.2%	32.4%	44.4%
<b>Combined Operating Ratio</b>	<b>154.6%</b>	<b>152.3%</b>	<b>-24.5%</b>	<b>155.8%</b>	<b>208.2%</b>	<b>188.3%</b>	<b>154.3%</b>	<b>46.3%</b>	<b>129.1%</b>	<b>136.3%</b>	<b>138.6%</b>

Note: Amounts shown above do not reflect costs incurred directly by member companies e.g. income and premium taxes, health levies, association dues, cost of capital as a result of their compulsory participation in Facility Association and investment income earned on Facility Association premium dollars invested directly by members.

Rounding difference may apply