

TO: MEMBERS OF THE FACILITY ASSOCIATION

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

BULLETIN NO.: F19 – 022

DATE: MARCH 28, 2019

**SUBJECT: ALBERTA RISK SHARING POOLS
– FEBRUARY 2019 OPERATIONAL REPORT**

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

Please be advised that the February 2019 Alberta Risk Sharing Pools Operational Reports are now available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>.

Alberta Grid RSP - Summary of Financial Results

The calendar year-to-date Operating Result is -\$6.1 million and the incurred loss ratio to the end of 2 months is 95.0%, as summarized below.

Amounts in \$000s	February 2019	February 2018	Year to date Feb 2019	Year to Date Feb 2018
Premium Written	10,771	8,986	22,471	17,365
Premium Earned	12,253	12,199	25,888	25,789
Incurred Losses	11,082	10,366	24,600	22,690
Underwriting & Admin Expense	3,569	3,067	7,419	6,101
Operating Result	(2,398)	(1,234)	(6,131)	(3,002)
Ratios:				
Loss ratio - Prior Accident Years	(6.3%)	(7.5%)	(1.3%)	(5.1%)
- Current Accident Year	96.7%	92.5%	96.3%	93.1%
<i>Total</i>	90.4%	85.0%	95.0%	88.0%
Underwriting & Admin Expense	29.1%	25.1%	28.7%	23.7%
Combined Operating Ratio	119.5%	110.1%	123.7%	111.7%

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 2019 for Risk

Sharing Pool - Alberta Grid” attached to this bulletin.

Updated Projection to Year-end 2019

The projected calendar year Operating Result to December 2019 is -\$47.1 million and the estimated combined operating ratio to December 2019 is 125.6%, as summarized in the table below. This updated projection to the end of the year has deteriorated by \$5.9 million from the projection provided last month (-\$41.2 million and 123.7%). This deterioration is driven by a \$22.4 million increase in the projected written premium for the year, based on updated projections provided by members.

AB Grid RSP 2019 Yr-end Projection Amounts in \$000s	Current (Feb 2019)	Prior Mth (Jan 2019)	Change	Final 2019 Outlook*
Premium Written	203,273	180,880	22,393	158,031
Premium Earned	183,747	173,543	10,204	158,085
Incurred Losses	165,737	156,138	9,599	144,374
Underwriting & Admin Expense	65,074	58,556	6,518	51,933
Net Result from Operations	(47,064)	(41,151)	(5,913)	(38,222)
Ratios:				
Loss ratio - Prior Accident Years	(2.3%)	(2.3%)	0.0%	(3.1%)
- Current Accident Year	92.5%	92.3%	0.2%	94.4%
Total	90.2%	90.0%	0.2%	91.3%
Underwriting & Admin Expense	35.4%	33.7%	1.7%	32.9%
Combined Operating Ratio	125.6%	123.7%	1.9%	124.2%

rounding differences may occur

*as posted to FA's website Oct. 18, 2018

Current Month Results

The Alberta Grid Risk Sharing Pool produced a -\$2.4 million Operating Result in the month of February 2019, a deterioration of \$1.2 million compared with the same month last year. This deterioration mainly stems from the overall increase in the combined ratio (from 110.1% to 119.5% applied to \$12.3 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 127.3% at the end of 1 month to 119.5% at the end of 2 months. The 7.8 percentage point decrease is composed of a 9.5 percentage point decrease in the Prior Accident Years loss ratio, offset by a 0.8 percentage point increase in the Current Accident Year loss ratio, further offset by a 0.9 percentage point increase in the expense ratio.

Variances from Projections

The table at the top of the next page provides a summary of key components of the operating results compared to the estimates projected last month.

February 2019	Actual	Projection	Difference	Difference %
Written Premium	10,771	10,880	(109)	(1.0%)
Earned Premium	12,253	12,686	(433)	(3.4%)
Reported Losses				
Paid Losses	6,546	10,673	(4,127)	(38.7%)
Paid Expenses	260	931	(671)	(72.1%)
Change in Outstanding Losses	4,928	(431)	5,359	<-999.9%
Total Reported Losses	11,734	11,173	561	5.0%
Change in IBNR Provision*	(652)	59	(711)	
Change in Premium Deficiency (DPAC)*	117	136	(19)	

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Grid RSP February 2019 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 February 2019, reported losses were \$0.6 million higher than projected. The Current Accident Year reported an unfavourable variance of approximately \$0.4 million, and the Prior Accident Years reported an unfavourable variance of \$0.2 million. Of the Prior Accident Years, 2005 had the largest variance in reported losses at \$2.6 million unfavourable, followed by Accident Year 2018 at \$1.3 million favourable. No other single Prior Accident Year had a variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for some specific individual Prior Accident Years for the month. Management investigated 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.

Booking IBNR

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Grid RSP February 2019 Operational Report – Actuarial Highlights](#).

Effect of Quarterly Valuation

The February 2019 Alberta Grid Risk Sharing Pool Operational Report does not reflect the results

of an updated valuation (the most recent valuation is as at September 30, 2018). The actuarial valuation will be updated next as at December 31, 2018 and we anticipate that the results will be reflected in the March 2019 Operational Report.

Alberta Non-Grid RSP - Summary of Financial Results

The calendar year-to-date Operating Result is -\$8.2 million and the incurred loss ratio to the end of 2 months is 108.6%, as summarized in the table below.

Amounts in \$000s	February 2019	February 2018	Year to date Feb 2019	Year to Date Feb 2018
Premium Written	9,549	7,087	20,118	13,714
Premium Earned	9,072	7,476	18,912	15,767
Incurred Losses	9,753	7,966	20,539	17,131
Underwriting & Admin Expense	3,155	2,178	6,613	4,022
Operating Result	(3,836)	(2,668)	(8,240)	(5,386)
Ratios:				
Loss ratio				
- Prior Accident Years	(5.0%)	(5.5%)	(4.5%)	(4.2%)
- Current Accident Year	112.5%	112.0%	113.1%	112.9%
<i>Total</i>	107.5%	106.5%	108.6%	108.7%
<i>Underwriting & Admin Expense</i>	34.8%	29.1%	35.0%	25.5%
Combined Operating Ratio	142.3%	135.6%	143.6%	134.2%

rounding differences may occur

These results are discussed in some detail in the “Current Month Results” section. For additional numeric details, please refer to Exhibit 2 “Summary of Operations for Calendar Year 2019 for Risk Sharing Pool - Alberta Non-Grid” attached to this bulletin.

Updated Projection to Year-end 2019

The projected calendar year Operating Result to December 2019 is -\$61.0 million and the estimated combined operating ratio to December 2019 is 147.3%, as summarized in the table at the top of the next page. This updated projection to the end of the year has improved by \$3.8 million from the projection provided last month (-\$64.8 million and 148.7%). This improvement is driven by a \$7.8 million decrease in the projected written premium for the year, based on updated projections provided by members.

AB Non-Grid RSP 2019 Yr-end Proj. Amounts in \$000s	Current (Feb 2019)	Prior Mth (Jan 2019)	Change	Final 2019 Outlook*
Premium Written	144,757	152,556	(7,799)	141,592
Premium Earned	129,247	133,229	(3,982)	124,625
Incurred Losses	139,884	144,515	(4,631)	137,538
Underwriting & Admin Expense	50,387	53,521	(3,134)	50,104
Net Result from Operations	(61,024)	(64,807)	3,783	(63,017)
Ratios:				
Loss ratio - Prior Accident Years	(2.3%)	(2.0%)	(0.3%)	(2.6%)
- Current Accident Year	110.6%	110.5%	0.1%	113.0%
<i>Total</i>	108.3%	108.5%	(0.2%)	110.4%
<i>Underwriting & Admin Expense</i>	39.0%	40.2%	(1.2%)	40.2%
<i>Combined Operating Ratio</i>	147.3%	148.7%	(1.4%)	150.6%

rounding differences may occur

*as posted to FA's website Oct. 18, 2018

Current month results

The Alberta Non-Grid Risk Sharing Pool produced a -\$3.8 million Operating Result in the month of February 2019, a deterioration of \$1.2 million from the same month last year. This deterioration is composed of a \$0.6 million unfavourable impact associated with the \$1.6 million increase in earned premium (at a combined ratio of 135.6%), with the remaining \$0.6 million deterioration stemming from the overall increase in the combined ratio (from 135.6% to 142.3% applied to \$9.1 million in earned premium).

This month's results moved the year-to-date combined operating ratio from 144.7% at the end of 1 month to 142.3% at the end of 2 months. The 2.4 percentage point decrease is composed of a 1.0 percentage point decrease in the Prior Accident Years loss ratio, coupled with a 1.1 percentage point decrease in the Current Accident Year loss ratio, and a 0.3 percentage point decrease in the expense ratio.

Variances from Projections

The table at the top of the next page provides a summary of key components of the operating results as compared to the estimates projected last month.

February 2019	Actual	Projection	Difference	Difference %
Written Premium	9,549	10,412	(863)	(8.3%)
Earned Premium	9,072	9,218	(146)	(1.6%)
Reported Losses				
Paid Losses	9,051	8,280	771	9.3%
Paid Expenses	163	479	(316)	(66.0%)
Change in Outstanding Losses	(355)	848	(1,203)	(141.9%)
Total Reported Losses	8,859	9,607	(748)	(7.8%)
Change in IBNR Provision*	894	341	553	
Change in Premium Deficiency (DPAC)*	93	185	(92)	

(Amounts in \$000's)

rounding differences may occur

*Detailed information is included in [Alberta Non-Grid RSP February 2019 Operational Report - Actuarial Highlights](#).

As discussed in relation to the Alberta Grid RSP, 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 February 2019, reported losses were \$0.7 million lower than projected. The Current Accident Year had a \$1.8 million unfavourable variance in reported losses, while the Prior Accident Years had a \$2.5 million favourable variance. Of the Prior Accident Years, 2018 had the largest variance in reported losses at \$1.9 million favourable. No other single Prior Accident Year had a reported loss variance in excess of \$1.0 million.

The variances for claims activity were beyond the set thresholds for some specific individual Accident Years for the month. Management investigated 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.

Booking IBNR

The IBNR booking process this month allowed the nominal IBNR (i.e. before the impact of discounting and changes in provisions for adverse deviation) to vary from projected in order to offset the Prior Accident Years and Current Accident Year variances from projected, including the impact of earned premium variances (as IBNR is based on loss ratios). This is consistent with management's investigation into reported claims variances, concluding they were random and not necessarily indicative of a trend. IBNR is discussed in more detail in the [Alberta Non-Grid RSP February 2019 Operational Report – Actuarial Highlights](#).

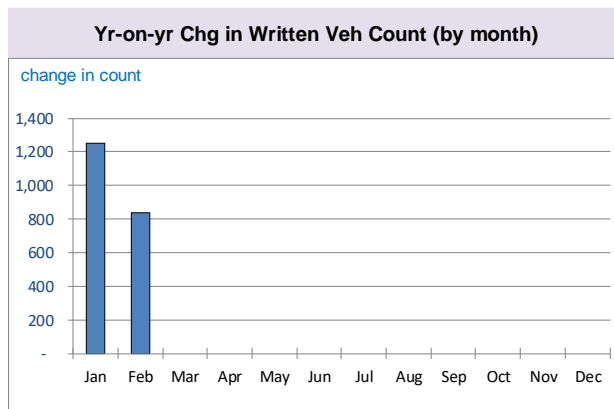
Effect of Quarterly Valuation

The February 2019 Alberta Non-Grid Risk Sharing Pool Operational Report does not reflect the results of an updated valuation (the most recent valuation is as at September 30, 2018). The

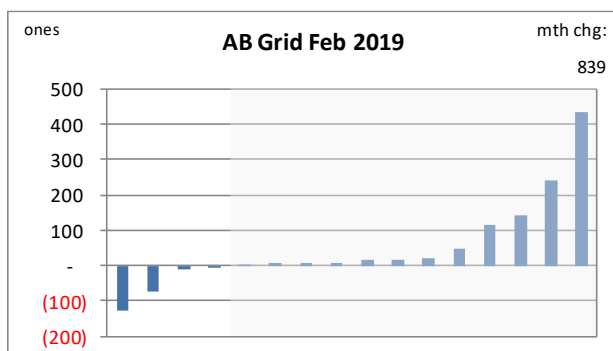
actuarial valuation will be updated next as at December 31, 2018 and we anticipate that the results will be reflected in the March 2019 Operational Report.

Management Comments

Alberta Grid

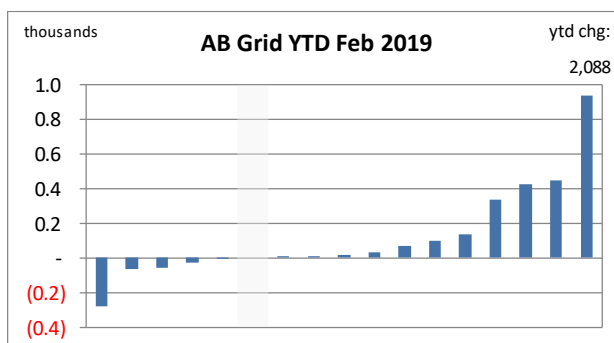


The chart on the left shows the year-on-year change in the vehicles transferred to the Alberta Grid pool by month, with February showing an increase of 839 vehicles. Our projection last month (in part based on previous projections provided by select member company groups) was for an increase of 659 vehicles, indicating a variance of 180 vehicles from the actual transfers. This variance was mainly due to two member company groups transferring a greater number of vehicles to the pool in February than projected.



The chart on the left shows the overall change in the month, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Four member company groups transferred fewer vehicles to the pool this month compared with a year ago, while twelve transferred more, and one remained the same. Of the 4 member company groups transferring

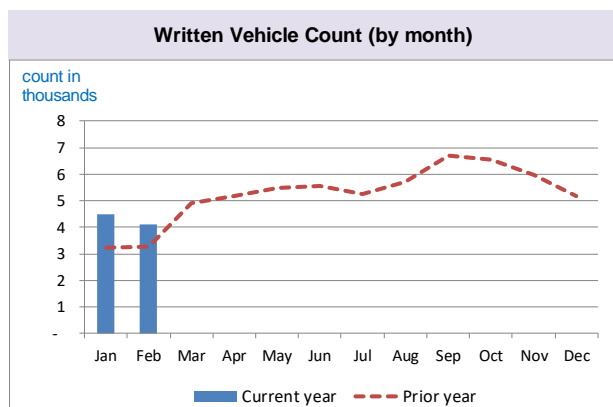
fewer vehicles, 2 member company groups accounted for 93% of the total transfer decrease for these “decliner” members. Of the 12 member company groups transferring more vehicles, 2 member company groups accounted for 64% of the total transfer increases for these “grower” members.



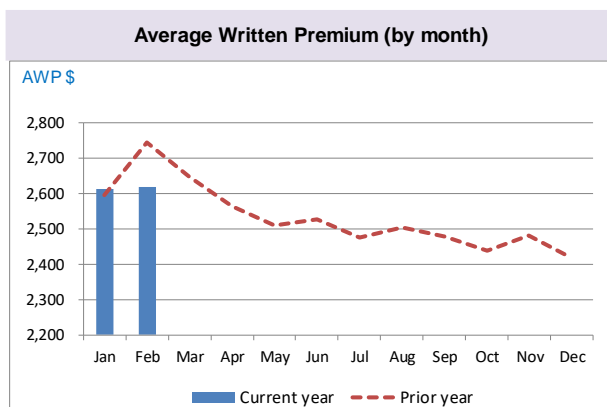
The chart on the left presents the same information as the previous chart, but on a year-to-date basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change.

February’s vehicle count transfers to the pool represent a 25.6% increase from February 2018, and counts were up 32.1% year-to-date. Average written premium was down 4.6% in February 2019

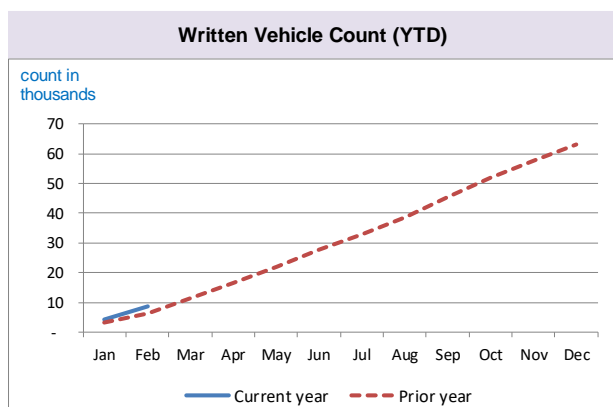
compared with the same month in 2018, and down 2.1% year-to-date (see charts immediately below).



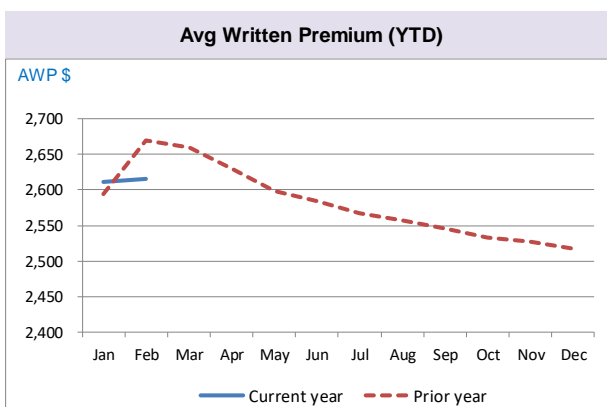
	Feb-19	Feb-18	Amt Chg	% Chg
W. Veh curr mth	4,113	3,274	839	25.6%



	Feb-19	Feb-18	Amt Chg	% Chg
AWP curr mth	2,619	2,745	(126)	-4.6%

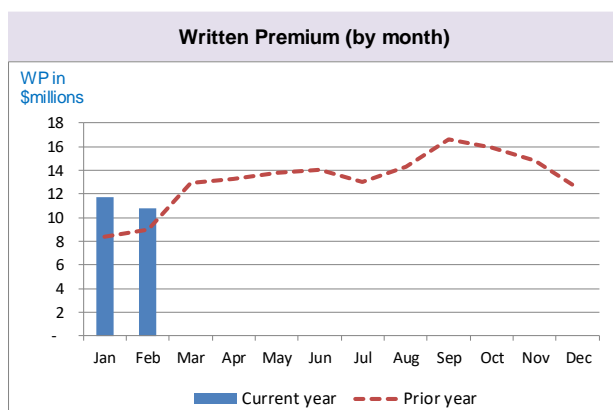


	Feb-19	Feb-18	Amt Chg	% Chg
W. Vehicles YTD	8,592	6,504	2,088	32.1%

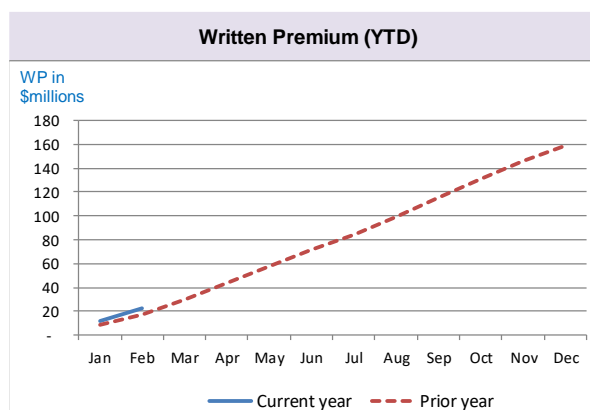


	Feb-19	Feb-18	Amt Chg	% Chg
Avg W. Prem YTD	2,615	2,670	(55)	-2.1%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 19.9% for the month compared with the 21.1% increase we projected last month, and was up 29.4% year-to-date (see charts at the top of the next page).



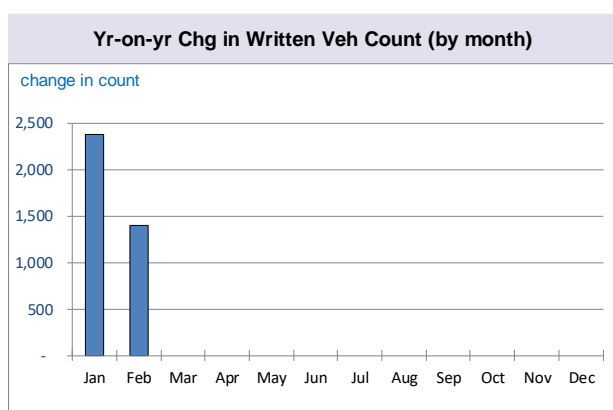
	Feb-19	Feb-18	Amt Chg	% Chg
WP (\$000s) curr mth	10,771	8,986	1,785	19.9%



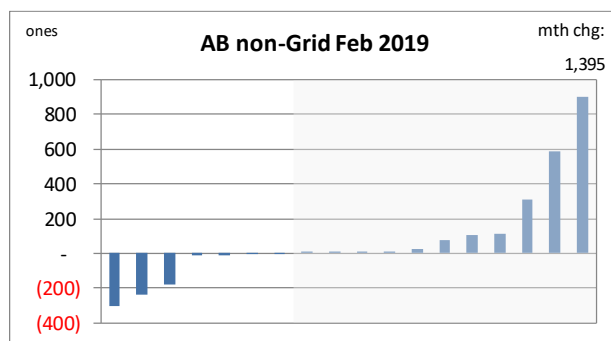
	Feb-19	Feb-18	Amt Chg	% Chg
WP (\$000s) YTD	22,470	17,365	5,106	29.4%

Alberta Non-Grid

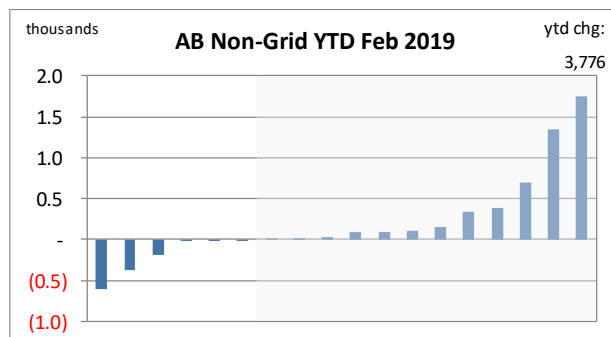
For the Alberta Non-Grid RSP, the transfer limit is 4.0% of Non-Grid exposures written in the prior year at the member company group level (that is, within a group under common management or ownership, a single member can transfer the entire transfer limit for the group). System programming prevents 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 2019 vehicle count up 22.5% from 2018**, being 3.3% of the 2017 industry private passenger vehicle count (excluding farmers) and industry farmers private passenger vehicle count (as we don't have an industry count yet for 2018, we continue to use the 2017 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 Alberta Non-Grid pool by month, with February showing an increase of 1,395 vehicles. Our projection last month (in part based on previous projections provided by select large pool participants) was for an increase of 1,809 vehicles, indicating a variance of 414 vehicles from the actual transfers. This variance was mainly due to one member company group transferring a lower number of vehicles to the pool in February than projected.



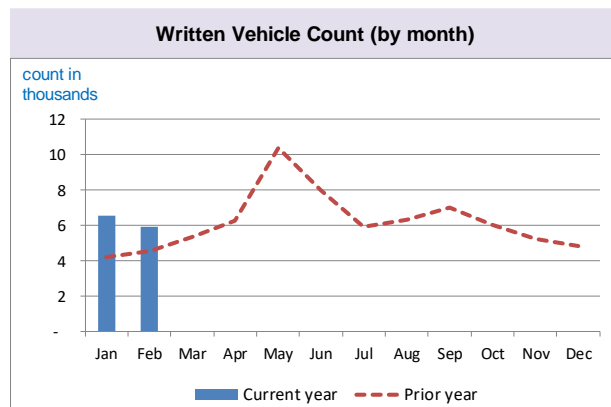
the total transfer decrease for these “decliner” members. Of the 11 member company groups transferring more vehicles, 2 member company groups accounted for 70% of the total transfers increase for these “grower” members.



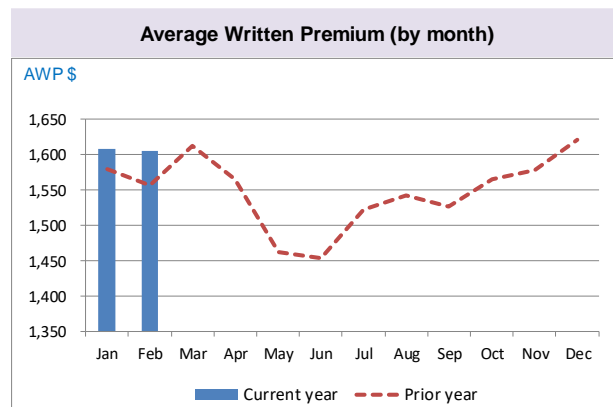
The chart on the left shows the overall change in the **month**, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change. Seven member company groups transferred fewer vehicles to the pool this month compared to a year ago, while eleven transferred more. Of the 7 member company groups transferring fewer vehicles, 2 member company groups accounted for 72% of

The chart on the left presents the same information as the previous chart, but on a **year-to-date** basis. That is, it shows the overall change in transfer counts year-to-date, broken down by member company group changes (each blue bar represents the change for a single member company group), sorted by magnitude of change.

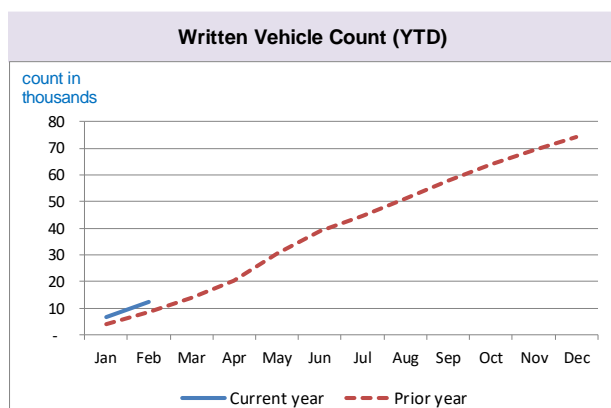
February’s vehicle count transfers to the pool represent a 30.6% increase from February 2018, and counts were up 43.2% year-to-date. Average written premium was up 3.1% in February 2019 compared with the same month in 2018, and counts were up 2.5% year-to-date (see charts immediately below and at the top of the next page).



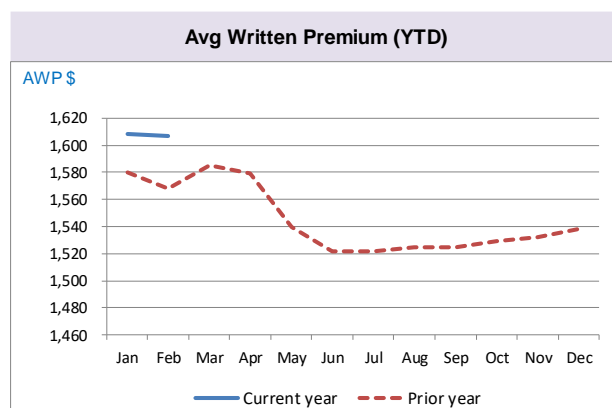
	Feb-19	Feb-18	Amt Chg	% Chg
W. Veh curr mth	5,946	4,552	1,395	30.6%



	Feb-19	Feb-18	Amt Chg	% Chg
AWP curr mth	1,606	1,557	49	3.1%

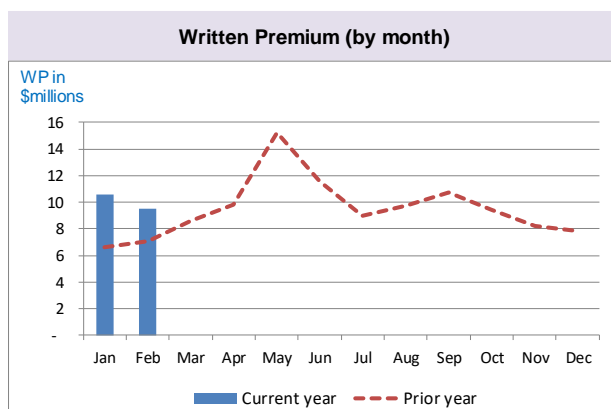


	Feb-19	Feb-18	Amt Chg	% Chg
W. Vehicles YTD	12,521	8,745	3,776	43.2%

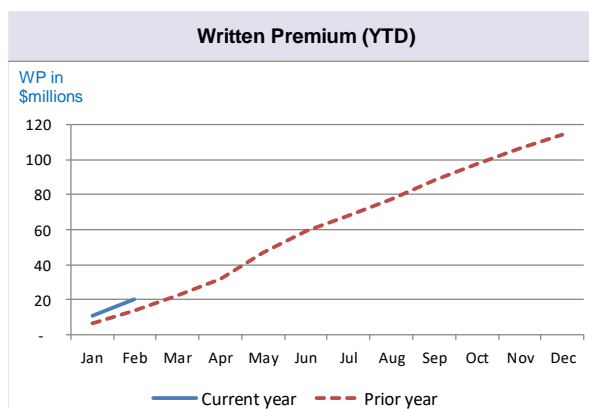


	Feb-19	Feb-18	Amt Chg	% Chg
Avg W. Prem YTD	1,607	1,568	39	2.5%

As a result of the movements in transfer vehicle counts and average written premium, the transferred premium was up 34.7% for the month compared with the 46.9% increase we projected last month, and was up 46.7% year-to-date (see charts immediately below).



	Feb-19	Feb-18	Amt Chg	% Chg
WP (\$000s) curr mth	9,549	7,087	2,461	34.7%



	Feb-19	Feb-18	Amt Chg	% Chg
WP (\$000s) YTD	20,118	13,714	6,404	46.7%

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

Saskia Matheson
President & CEO

Related Links:

Alberta Grid RSP:

[Alberta Grid RSP February 2019 Operational Report - Actuarial Highlights](#)

Alberta Non-Grid RSP:

[Alberta Non-Grid RSP February 2019 Operational Report - Actuarial Highlights](#)

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019

Risk Sharing Pool - Alberta (Grid)

EXHIBIT 1

Operating Results for the 2 Months Ended February 28, 2019 (Discounted basis)

Source: Monthly Operational Report

(thousands of dollars)

	January	February	CY2019 YTD	CY2019 12 MONTHS Updated Projection	CY2018 12 MONTHS Actual
Underwriting Revenue:					
Net Premiums Written	\$11,700	\$10,771	\$22,471	\$203,273	\$158,547
Decrease (Increase) in Unearned Premiums	1,935	1,482	3,417	(19,526)	3,021
Net Premiums Earned	\$13,635	\$12,253	\$25,888	\$183,747	\$161,568
Claims Incurred:					
Prior Accident Years:					
Undiscounted	(\$336)	(\$453)	(\$789)	(\$789)	\$555
Effect of Discounting	779	(315)	\$464	(3,432)	(8,142)
Discounted	\$443	(\$768)	(\$325)	(\$4,221)	(\$7,587)
Current Accident Year:					
Undiscounted	\$12,482	\$11,366	\$23,848	\$164,498	\$146,295
Effect of Discounting	593	484	\$1,077	5,460	4,993
Discounted	\$13,075	\$11,850	\$24,925	\$169,958	\$151,288
Claims Incurred	\$13,518	\$11,082	\$24,600	\$165,737	\$143,701
Underwriting Expenses:					
Expense Allowance	\$3,644	\$3,360	\$7,004	\$63,235	\$47,116
Change in UPDR/DPAC:					
Undiscounted	213	178	391	(337)	3,348
Effect of Discounting	(76)	(61)	(137)	859	(1,135)
Discounted	137	117	254	522	2,213
Underwriting Expenses	\$3,781	\$3,477	\$7,258	63,757	\$49,329
Net Underwriting Gain (Loss)	(\$3,664)	(\$2,306)	(\$5,970)	(\$45,747)	(\$31,462)
Administrative Expenses	\$69	\$92	\$161	\$1,317	\$1,039
Operating Result	(\$3,733)	(\$2,398)	(\$6,131)	(\$47,064)	(\$32,501)
Ratios:					
Claims & Expenses Incurred (Earned)					
Prior Accident Years	3.2%	-6.3%	-1.3%	-2.3%	-4.7%
Current Accident Year	95.9%	96.7%	96.3%	92.5%	93.6%
All Accident Years Combined (Earned)	99.1%	90.4%	95.0%	90.2%	88.9%
Underwriting & Administrative Expenses (Earned)	28.2%	29.1%	28.7%	35.4%	31.2%
Combined Operating Ratio	127.3%	119.5%	123.7%	125.6%	120.1%

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

SUMMARY OF OPERATIONS - CALENDAR YEAR 2019

Risk Sharing Pool - Alberta (Non-Grid)

Operating Results for the 2 Months Ended February 28, 2019 (Discounted basis)

EXHIBIT 2

Source: Monthly Operational Report

(thousands of dollars)

	January	February	CY2019 YTD	CY2019 12 MONTHS Updated Projection	CY2018 12 MONTHS Actual
Underwriting Revenue:					
Net Premiums Written	\$10,569	\$9,549	\$20,118	\$144,757	\$113,977
Decrease (Increase) in Unearned Premiums	(729)	(477)	(1,206)	(15,510)	(7,273)
Net Premiums Earned	\$9,840	\$9,072	\$18,912	\$129,247	\$106,704
Claims Incurred:					
Prior Accident Years:					
Undiscounted	(\$92)	(\$79)	(\$171)	(\$171)	(\$14,506)
Effect of Discounting	(301)	(372)	(673)	(2,865)	(5,786)
Discounted	(\$393)	(\$451)	(\$844)	(\$3,036)	(\$20,292)
Current Accident Year:					
Undiscounted	\$10,631	\$9,795	\$20,426	\$138,595	\$117,039
Effect of Discounting	548	409	957	4,325	3,698
Discounted	\$11,179	\$10,204	\$21,383	\$142,920	120,737
Claims Incurred	\$10,786	\$9,753	\$20,539	\$139,884	\$100,445
Underwriting Expenses:					
Expense Allowance	\$3,286	\$2,970	\$6,256	\$45,020	\$33,858
Change in UPDR/DPAC:					
Undiscounted	65	66	131	3,006	1,227
Effect of Discounting	38	27	65	895	(63)
Discounted	103	93	196	3,901	1,164
Underwriting Expenses	\$3,389	\$3,063	\$6,452	\$48,921	\$35,022
Net Underwriting Gain (Loss)	(\$4,335)	(\$3,744)	(\$8,079)	(\$59,558)	(\$28,763)
Administrative Expenses	\$69	\$92	\$161	\$1,466	\$1,054
Operating Result	(\$4,404)	(\$3,836)	(\$8,240)	(\$61,024)	(\$29,817)
Ratios:					
Claims & Expenses Incurred (Earned)					
Prior Accident Years	-4.0%	-5.0%	-4.5%	-2.3%	-19.0%
Current Accident Year	113.6%	112.5%	113.1%	110.6%	113.2%
All Accident Years Combined	109.6%	107.5%	108.6%	108.3%	94.2%
Underwriting & Administrative Expenses (Earned)	35.1%	34.8%	35.0%	39.0%	33.8%
Combined Operating Ratio	144.7%	142.3%	143.6%	147.3%	128.0%

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