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TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN No.: F19 - 026

DATE: APRIL 5, 2019

SUBJECT: DRAFT MINUTES OF THE ANNUAL GENERAL MEETING

Please find attached, for your information, the draft minutes, Chairman's remarks and President's remarks from the Facility Association Annual General Meeting held February 21, 2019.

Saskia Matheson
President & CEO

Attach.

Facility Association

DRAFT MINUTES OF THE ANNUAL GENERAL MEETING HELD AT THE COURTYARD TORONTO DOWNTOWN TORONTO, ONTARIO ON FEBRUARY 21ST, 2019

1. The President read the notice of meeting dated January 15, 2019 (Bulletin F19-001) and confirmed the presence of a quorum.

Residual Market	1457	Votes represented in person
Residual Market	833	Votes represented by proxy
Residual Market	2290	Total represented (out of 2714 votes)

Ontario RSP	1054	Votes represented in person
Ontario RSP	632	Votes represented by proxy
Ontario RSP	1686	Total represented (out of 2033 votes)

Alberta RSP	282	Votes represented in person
Alberta RSP	164	Votes represented by proxy
Alberta RSP	446	Total represented (out of 506 votes)

New Brunswick RSP	31	Votes represented in person
New Brunswick RSP	25	Votes represented by proxy
New Brunswick RSP	56	Total represented (out of 82 votes)

Nova Scotia RSP	47	Votes represented in person
Nova Scotia RSP	19	Votes represented by proxy
Nova Scotia RSP	66	Total represented (out of 93 votes)

2. On **MOTION** made by Mr. Patrick Barbeau, **SECONDED** by Mr. Chris Cooney and **CARRIED**, the Minutes of the Facility Association Annual General Meeting held on February 22nd 2018, as previously circulated, were approved.

3. **THE CHAIRMAN'S REMARKS – ATTACHED**

4. **THE PRESIDENT'S REMARKS – ATTACHED**

5. **REPORTS OF THE PROVINCIAL OPERATING COMMITTEES**

The written reports were attached to the Agenda. The Chairman noted that not all of the Chairpersons were present, however, the President or the Committee staff liaison would be responding to questions on their behalf.

On **MOTION** made by Ms. Dawn Anderson, **SECONDED** by Mr. Patrick Barbeau and **CARRIED**, the reports were adopted.

6. **REPORTS OF THE ADVISORY COMMITTEES**

The reports of the Advisory Committees were circulated with the Agenda. The Chairman asked if there were any questions arising from these reports and indicated that the President or the Committee staff liaison were present to answer any questions.

On **MOTION** made by Mr. Chris Cooney, **SECONDED** by Ms. Dawn Anderson and **CARRIED**, the reports were adopted.

7. **NOMINATING REPORT**

Mr. Patrick Barbeau presented the Nominating Report on behalf of the Governance and Human Resources Committee.

Nominated for election to the Board of Directors for a two-year term expiring in the year 2021:

Chris Cooney, TD Insurance
Michel Dionne, Aviva Canada
Bob Hillman, Alberta Motor Association
Cara Low, Wawanesa
Penny-Lynn McPherson
Jay Kimball, GotoInsure St. John inc., IBAC Atlantic
Ryan Wallace, Cambrian Thunder Bay Insurance, IBAC Ontario

Nominated for election to the Board of Directors for a period of one year ending at the Annual General Meeting in 2020:

Dawn Anderson, RSA Group
Laura Doddington, Desjardins

Mr. Patrick Barbeau noted that the President is a member of the Board by virtue of his office.

8. ELECTION OF DIRECTORS

The Chair asked if there were any nominations from members in attendance. There being none, on **MOTION** by Ms. Dawn Anderson, **SECONDED** by Mr. Chris Cooney and **CARRIED, IT WAS RESOLVED** that nominations be closed. As there were no further nominations, the Chairman directed that a single ballot be cast in favour of those nominated.

9. INDEPENDENT DIRECTOR REMUNERATION

On **MOTION** made by Mr. Patrick Barbeau, **SECONDED** by Mr. Chris Cooney and **CARRIED, IT WAS RESOLVED** that the independent director remuneration is established as follows:

- 1) An annual stipend of \$15,000 plus meeting fees of \$1,500 per meeting of the Board or a Board Committee, with reimbursement of travel expenses on the basis for industry directors; plus
- 2) \$600 for each ad-hoc conference call; plus
- 3) A further \$4,000 annual stipend for those who Chair the Board or a Committee of the Board.

AND IT WAS FURTHER RESOLVED that industry directors receive no remuneration other than reimbursement of travel expenses in accordance with existing policy.

10. FINANCIAL STATEMENTS

Mr. Ratan Ralliarum from the firm of Deloitte LLP advised that they were presenting an unqualified opinion with respect to the Financial Statements of the Facility Association Residual Market Segment as at October 31st, 2018, and the Risk Sharing Pools as at October 31st, 2018.

On **MOTION** made by Ms. Dawn Anderson, **SECONDED** by Mr. Patrick Barbeau and **CARRIED**, all of the above Financial Statements for the fiscal year 2018 as approved by the Board were accepted.

11. APPOINTMENT OF AUDITORS

Upon **MOTION** made by Mr. Chris Cooney, **SECONDED** by Ms. Dawn Anderson and **CARRIED**, the firm of Deloitte LLP was appointed as the auditors for Facility Association for the fiscal year 2019, with terms to be negotiated with the Audit and Risk Committee of the Board of Directors.

12. APPOINTMENT OF THE ACTUARY

Upon **MOTION** made by Mr. Patrick Barbeau, **SECONDED** by Mr. Chris Cooney and **CARRIED**, Mr. Liam McFarlane, Limited Partner with Ernst & Young LLP, was appointed as Actuary for Facility Association for the fiscal year 2019, with terms to be negotiated with the Audit & Risk Committee of the Board of Directors.

13. OTHER BUSINESS

No other business was brought before the meeting.

14. TERMINATION OF MEETING

There being no further business, on **MOTION** made by Ms. Dawn Anderson, **SECONDED** by Mr. Patrick Barbeau and **CARRIED, IT WAS RESOLVED** that the meeting be terminated.

George Hardy
Chairman

Before I present my formal report, I would like to introduce to you someone you have already heard from briefly and that is, of course, our new President and CEO, Saskia Matheson. Saskia replaced our outgoing CEO, Dave Simpson, on February 11th. Her appointment is something of a homecoming for Saskia, as she was employed at Facility Association for seven years in the very early stages of her career. In the intervening years, she has served at member companies in positions of increasing responsibility, most recently with the Allstate Canada group. Saskia brings to her new role a sound knowledge of the automobile insurance regulatory and business environments in Canada, automobile underwriting and pricing, and residual market mechanisms. Saskia attended her first Board meeting as CEO earlier this morning and I can tell you that the Board is unanimously excited about working with Saskia in the years ahead. Please join me in welcoming Saskia (leads applause).

Saskia comes to us following an extensive executive search process led by a national search firm and an interview and selection process led by the Governance and Human Resources Committee. Although I Chair the Committee, much of the work was done by the other Committee members and I want to thank them individually:

- Patrick Barbeau,
- Rhonda Lawson,
- Janis Riven, and
- Don Sollows.

Because of the time commitments demanded of the Committee, not everyone was able to attend every interview, conference call, etc., and so I extend a special thank you to Audit and Risk Committee Chair, Chris Cooney, for filling in when necessary. Thank you Chris.

Last year at this podium, then Chair Patrick Barbeau brought to your attention the cost and pricing pressures being experienced in private passenger vehicle insurance across the jurisdictions we serve, and those continue to manifest themselves, with three of the five private passenger risk sharing pools we administer seeing market share increases in 2018. We have also seen meaningful FARM private passenger volume increases in Ontario and Nova Scotia.

Although these volume increases have not proven to be disruptive to the marketplace for consumers, we are continuing to detect, through our Enterprise Risk Management framework, activities companies are undertaking to address profitability issues, such as re-underwriting

books of business in multiple jurisdictions. In September, *Thompson's* quoted Insurance Brokers Association of Alberta CEO George Hodgson as saying: "the situation is bad and if it escalates it could turn dire." So, although Facility Association continues to fulfill its mandate of providing the guarantee of availability for automobile insurance to Canadian consumers, we remain vigilant and alert to the fact that availability problems could arise at any time.

Two classes of business where we do see FARM volumes increasing in most jurisdictions are commercial and interurban. Our analysis shows that the renewal business is coming to the FARM from multiple carriers, and about half of our new business applications are for enterprises with no prior commercial insurance experience. Both of these indicate a widespread reduction in market appetite for these classes of business. The President will have more detail on business volumes in each jurisdiction in her remarks.

In support of market stability, we continue to be active in making sure our own rates are adequate. We review the rates for all classes each year, with the exception of some classes in the northern territories. Last year that review process led to us submitting 19 major rate applications, and participating in five Hearings, and I can assure you that your Board

of Directors will continue to maintain our stringent discipline with respect to pricing.

Organizationally, we are in year two of our three year strategic plan for 2018-2020. The plan features the following five priorities:

1. The Underwriting Information Plan (UIP);
2. A Comprehensive Risk Sharing Pool (RSP) Review;
3. Operational Efficiency and Effectiveness;
4. Regulatory Outreach; and
5. Enterprise Risk Management

Some of you will recall that, at the request of the Canadian Council of Insurance Regulators, and with the support of our member companies, the Facility Association Board of Directors took on the governance responsibility for the Underwriting Information Plan formerly known as the Underwriting Information Tracking System, or UITs, effective December first 2017.

The Board of Directors, supported by management, has spent a significant amount of time in 2018 learning about the UIP and considering the role of the FA Board over UIP governance in the best service of our industry. Ultimately, the Board decided to approach the membership with Plan of Operation amendments to place the accountability for the “end to end process” of collecting underwriting data from members to providing underwriting information squarely with the FA Board. Right now, that accountability is somewhat diverse. A mail vote seeking membership approval of the Plan amendments is being organized and will follow the Annual General Meeting. Please be on the lookout for that communication. I remind everyone that there are no plans to change member company data reporting requirements at present.

Our second priority, the Comprehensive RSP Review, led by Underwriting and Claims Vice-President Colin George, continues. Colin has been working with an industry advisory working group to review the eligibility requirements, parameters, and the technical interactions required of the Risk Sharing Pools to be sure that they are meeting the members’ needs in the best way possible. The Board looks

forward to receiving and considering the recommendations of the working group later this year.

The President will give you a brief overview of the other three strategic priorities in her remarks.

Before leaving the subject of the risk sharing pools entirely, though, I am pleased to advise you that, in 2018, the membership overwhelmingly approved Plan of Operation amendments to allow private passenger vehicles used in Transportation Network Companies (TNC) to be allowed to be transferred to the Risk Sharing Pools in Ontario, Nova Scotia, and New Brunswick. Effective January 1st of this year, TNC vehicles are allowed to be transferred to the RSPs, as long as the premiums and claims associated with the transportation network activity itself are not transferred to an RSP. We believe this will enhance the availability of insurance for private passenger vehicles while at the same time preserving the RSPs for private passenger vehicles only. Please note that this change is not applicable to the Alberta Risk Sharing Pools, because in that province, vehicles used in Transportation Network Companies are not defined as private passenger vehicles.

I would now like to thank our departing Directors for their service.

Bob Tisdale, of the Allstate Canada Group, is leaving the Board after 19 years of service, having served as Board chair for a total of five years. Bob has been consistent in articulating the view that competitive market solutions and risk based pricing are always in the best interests of consumers, and that in the interest of market stability, the residual market should always be the market of last resort, not a market of choice.

Don Sollows is leaving the Board after five years. Don served as Chair of the Audit and Risk Committee for three years and has served as Deputy Chair and a member of the Governance and Human Resources Committee for the past year.

Louis Durocher left the Board mid-term when he took on the CEO role at a member company and quite rightly determined that he needed to devote all of his time and energies to his new responsibilities.

Janis Riven, one of our first two independent Directors, is leaving after six years on the Board, the maximum amount of time an Independent Director may sit on the Board. Janis is an expert on governance, and is

viewed by all of us on the Board as a director's director. She has always been thoughtful, constructive, supportive and insightful.

Our broker representatives from Ontario and Atlantic Canada, Brian Purcell and Adam Nolan respectively, are leaving the Board and we thank them for bringing the voices of the broker community and their policyholders to the Board.

Please join me in thanking our departing Directors. *(Leads applause)*

Someone else we are, regrettably, saying goodbye to is our longtime legal counsel, Robin Cumine, Q.C., who is retiring after nearly 60 years in the legal profession. Robin has been affiliated with Facility Association since its inception. As a matter of fact, he wrote the first Plan of Operation, and has been responsible for the wording of its many amendments ever since. In addition to handling a variety of legal matters for Facility Association over these many years, Robin has been present at every Board meeting and at every AGM, providing wisdom, counsel, and guidance to the Board and the membership at large. Robin, on behalf of current and past Directors and management of Facility Association both past and present, we thank you for your service and wish you all the very best for the future .

Last year the Board Chair highlighted the many achievements of our retiring President and CEO, David Simpson. I won't recap that here, but I do want to express the Board's appreciation for Dave's willingness to stay on beyond his initial retirement date of December 31st of last year to ensure a successful leadership transition. Once again, we wish Dave all the very best in his retirement.

I will now turn the podium over to our new President and CEO, Saskia Matheson, for her remarks.

Thank you.

Thank you Mr. Chairman.

First, let me say how excited I am to be back at the Facility Association. It was almost 25 years ago that I left Facility and so much has changed in that time. It does not look like the same place I left. David Simpson and the Board have done a tremendous job in establishing both robust governance and operational efficiency. The Facility Association team runs the organization like clockwork - and I am grateful.

I look forward to working with the Board, management, the team and our industry and government stakeholders as we serve consumers across the country. Together, we will continue the ongoing evolution of FA and execute on the Strategic Plan to build for the future. I especially want to acknowledge outgoing President and CEO Dave Simpson for his support throughout the transition process.

I will now provide the annual roundup of market share and financial results by jurisdiction and, as our Board Chair indicated, follow that up with a brief overview of our other three Strategic Priorities.

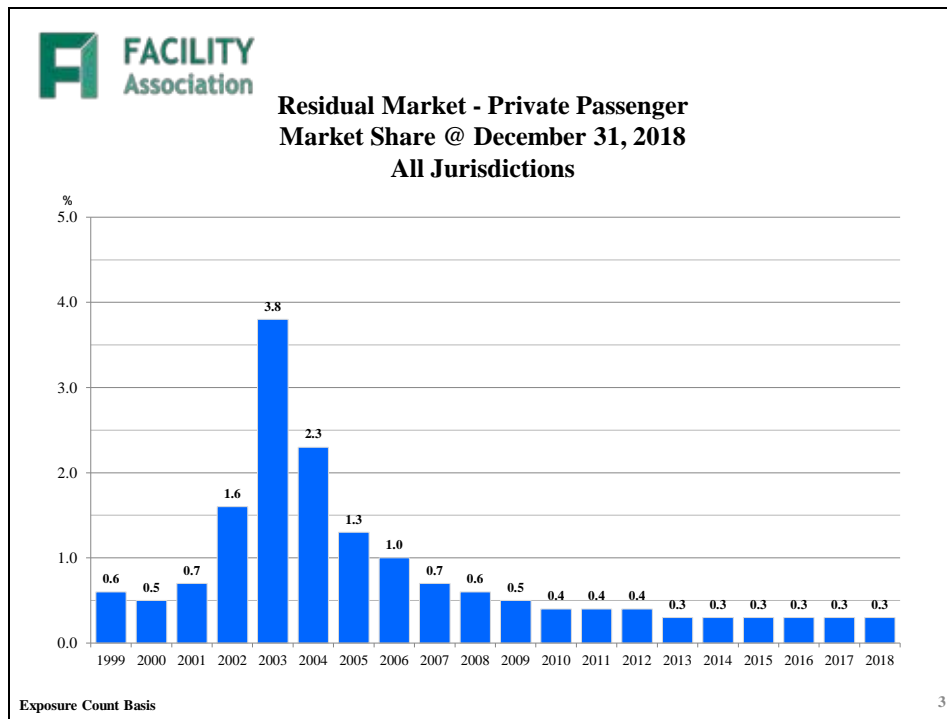
I will begin by showing the market share by jurisdiction for Private Passenger vehicles (or PPV) only. They are presented on a preliminary basis in that we currently only have 2017 industry data available to us for use in our calculations. Final market share figures will be posted on our website when they become available. Following a review of private passenger, we will then take a look at commercial and interurban classes of business where we are seeing some relatively significant changes.

The financial results are based on our audited financial statements for fiscal year 2018, which ended October 31st. Accounting standards do not make it feasible to show the impact of our results on the industry in our statements; however charts illustrating the impact of our results on our member companies are available on the “provincial profiles” section of our website. Costs incurred by our members as a result of their compulsory participation in Facility Association are outlined in Note 2 of our Financial Statements.

I would remind everyone that the fiscal year results are essentially the results of all accident years divided by the current year's premium. Many of you know that residual market volumes have been volatile over the years. Because of that volatility, relatively minor changes in loss ratio estimates on older accident years, where volumes were much higher, can have a disproportionate impact on the current fiscal year, where volumes are much lower. Throughout my presentation, I will also provide an overview of loss ratios by accident year to give you a better sense of how the business is actually performing through time. As with market share, the loss ratios are for private passenger vehicles only.

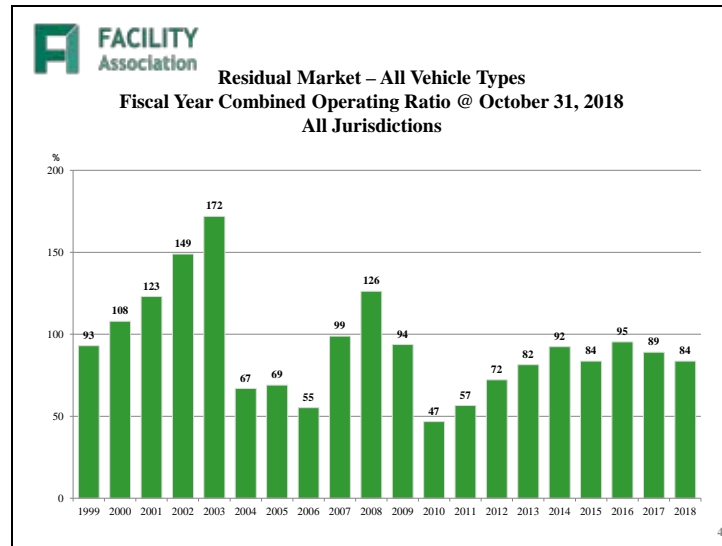
Lastly, I need to point out that the vertical axes on the graphs change from jurisdiction to jurisdiction to make it easier to see the year-to-year changes. Please be aware of that as I review each jurisdiction.

Slide 3



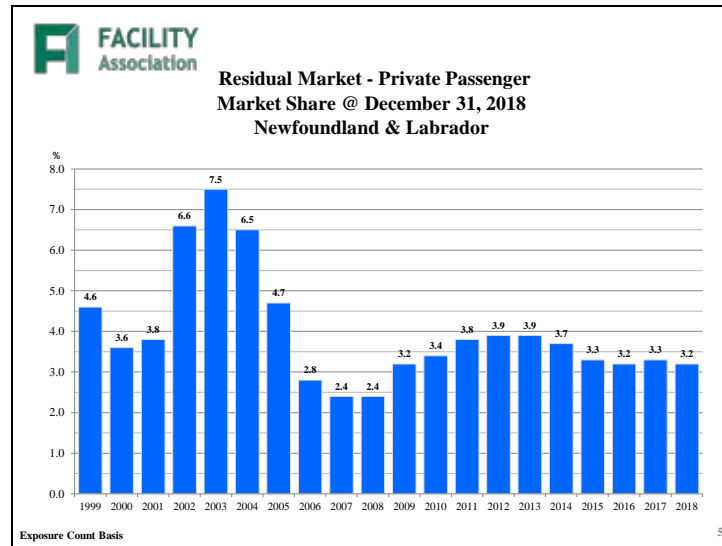
On an all jurisdictions basis, the residual market private passenger market share was 3 tenths of one percent, for the sixth year in a row.

Slide 4



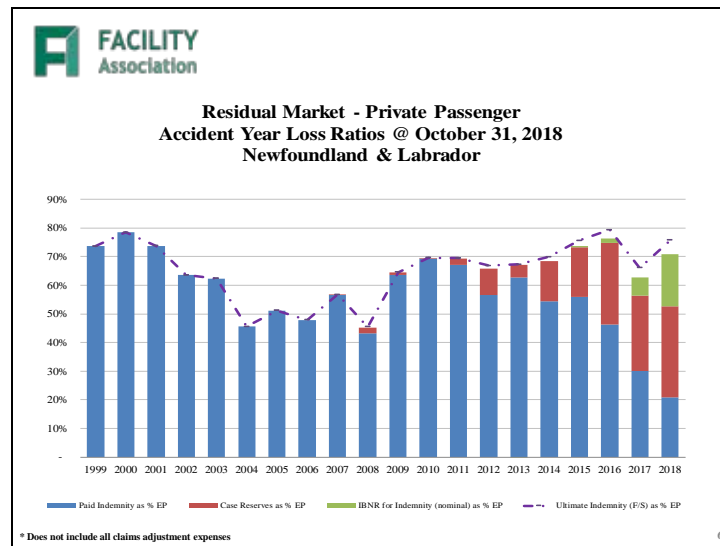
The combined ratio for all jurisdictions and all vehicle types ended the year at 84%. Again, this is from the perspective of the Facility Association. It does not include all costs from the Membership perspective and the policy liabilities have been valued using a 0% discount rate.

Slide 5



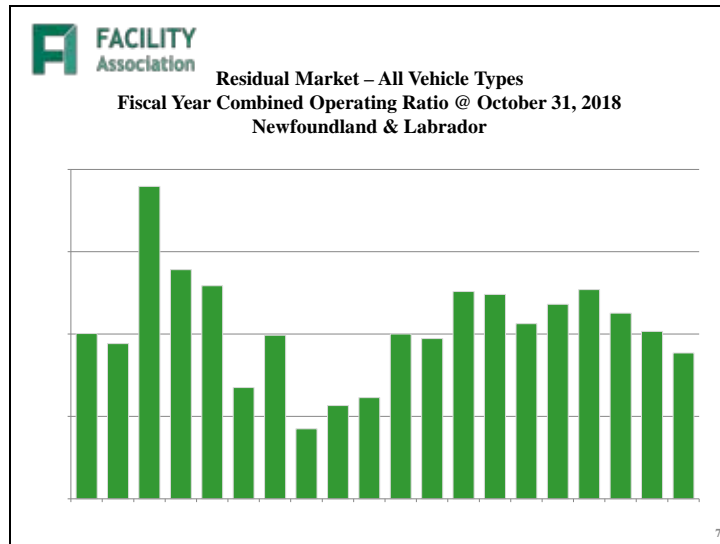
I will now take you through the summaries of the jurisdictions we serve from east to west. Our private passenger market share in Newfoundland & Labrador again moved down slightly to 3.2%.

Slide 6



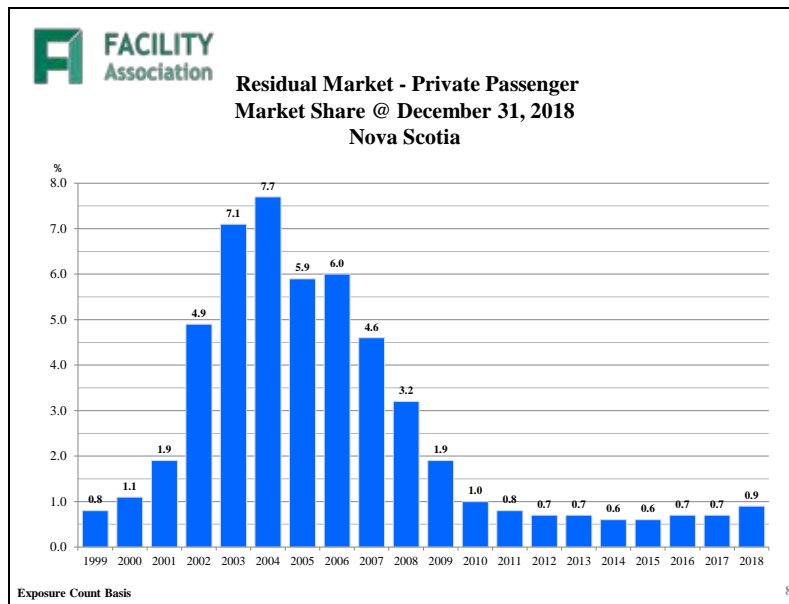
This chart shows Newfoundland & Labrador's private passenger loss ratios by accident year. If you cannot see the legend, the blue represents paid indemnity, the red represents case reserves, and the green represents IBNR. The dotted line indicates our current estimate of the ultimate indemnity amount that will be paid out plus a provision for adverse deviation. Please note that not all loss adjustment expenses are included in the loss ratio figures. You can see that for Newfoundland and Labrador, the loss ratio moved up last year but remains within the range we've been seeing over the last few years.

Slide 7



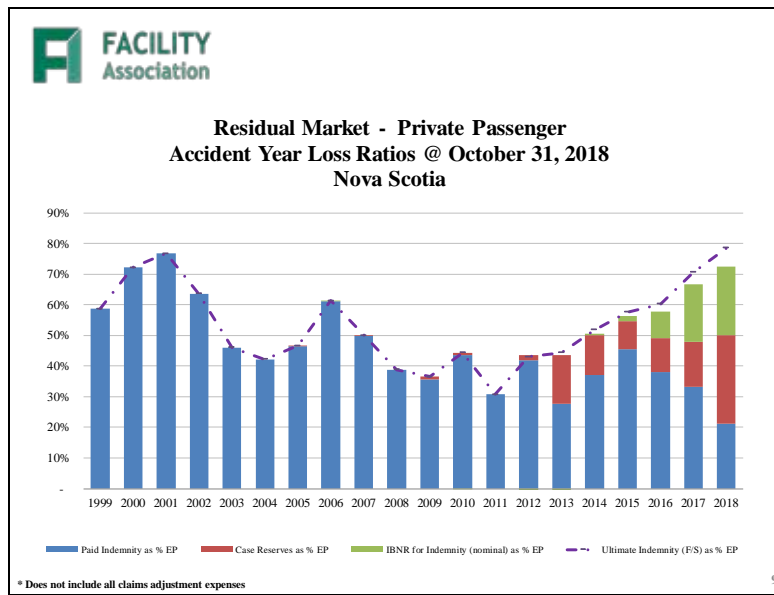
Newfoundland & Labrador's combined ratio for the year, for all vehicle types, was 89.

Slide 8



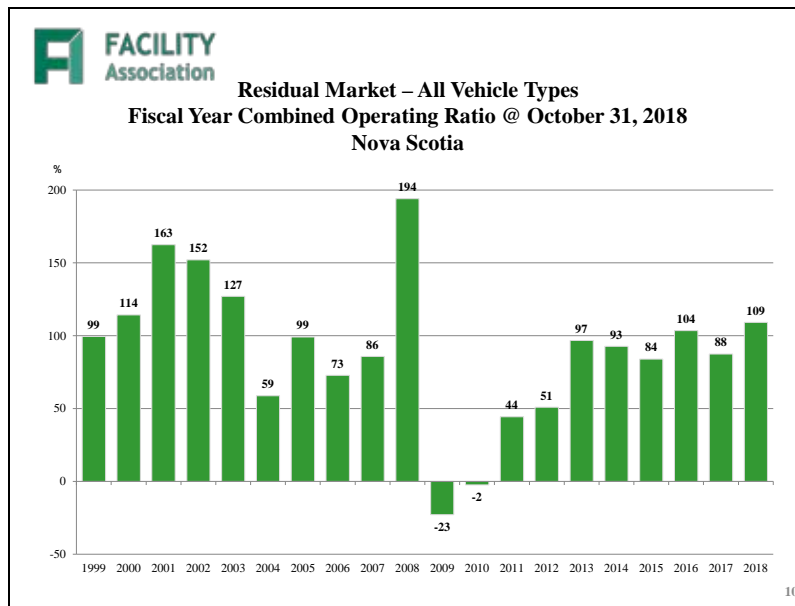
Our PPV application counts in Nova Scotia increased last year, and our PPV market share there moved up to 9 tenths of one percent.

Slide 9



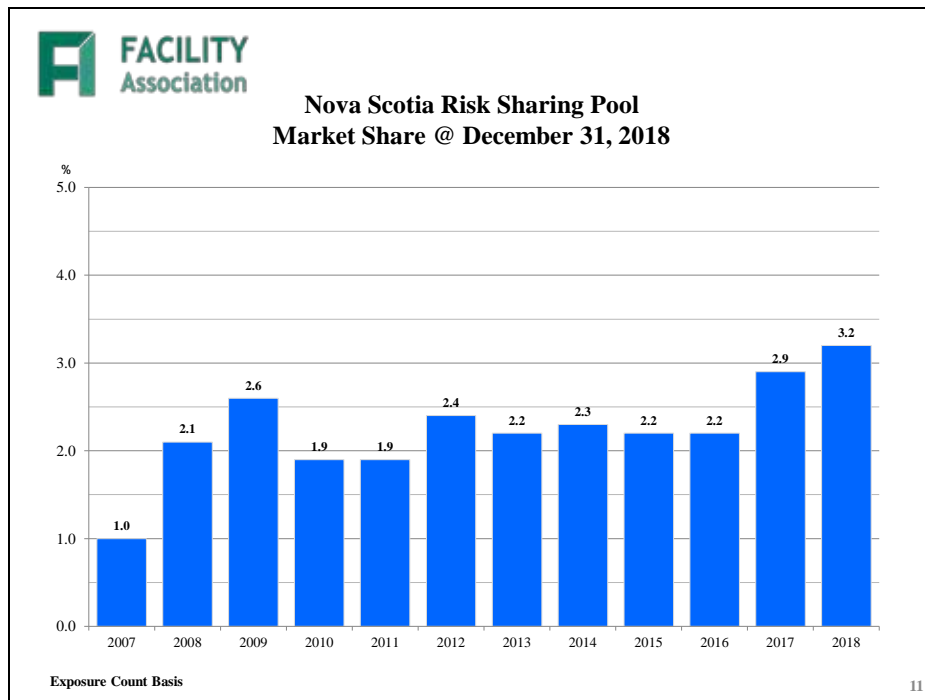
Nova Scotia's residual market private passenger accident year loss ratios continue to increase, and we continue to actively pursue rate adequacy there.

Slide 10



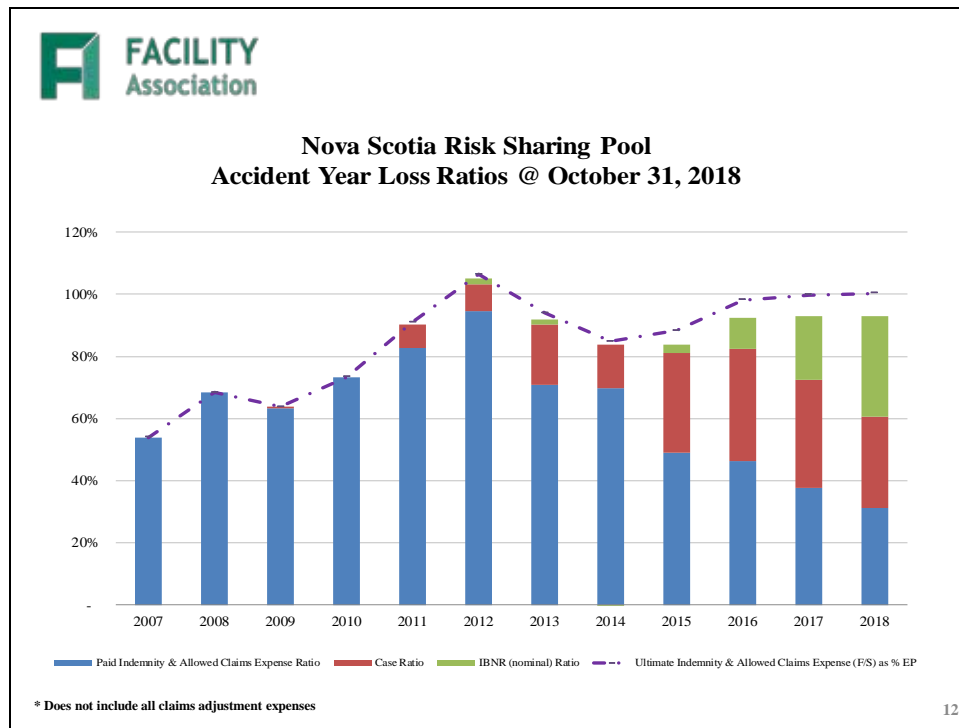
Nova Scotia's residual market combined ratio for all vehicle types deteriorated to 109% for the year.

Slide 11



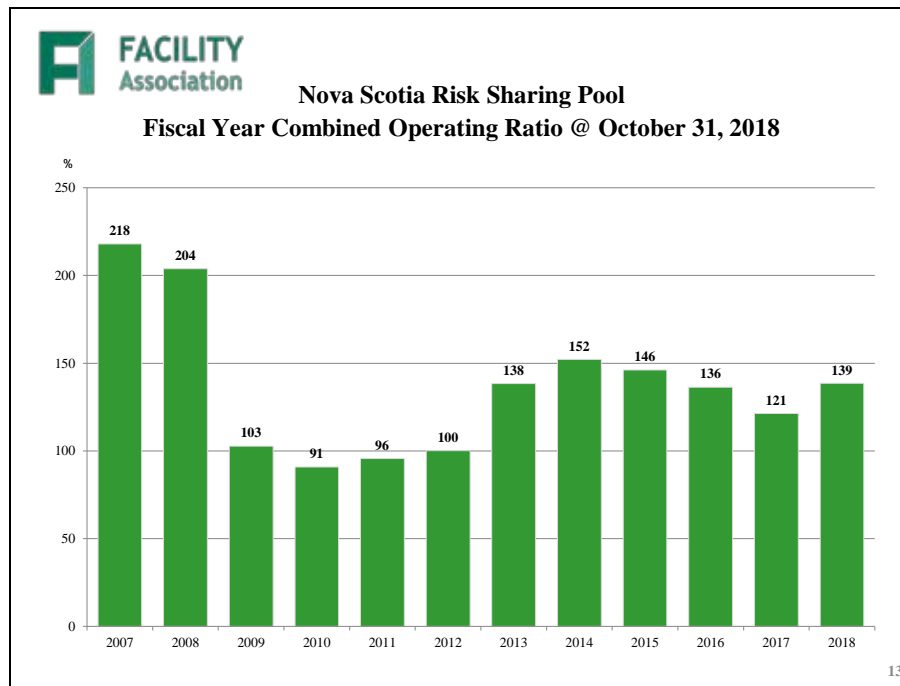
The Nova Scotia Risk Sharing Pool is for inexperienced drivers with clean records and, like all of our Risk Sharing Pools, is for private passenger vehicles only. Volumes in this Pool increased in 2018, although not as dramatically as the year before, taking the market share from 2.9% to 3.2%.

Slide 12



The loss ratios for the Nova Scotia RSP have been remarkably stable over the last six years—much more so than one might expect from a pool with relatively small premium volumes and with a very specific target class (that being inexperienced drivers with clean driving records).

Slide 13

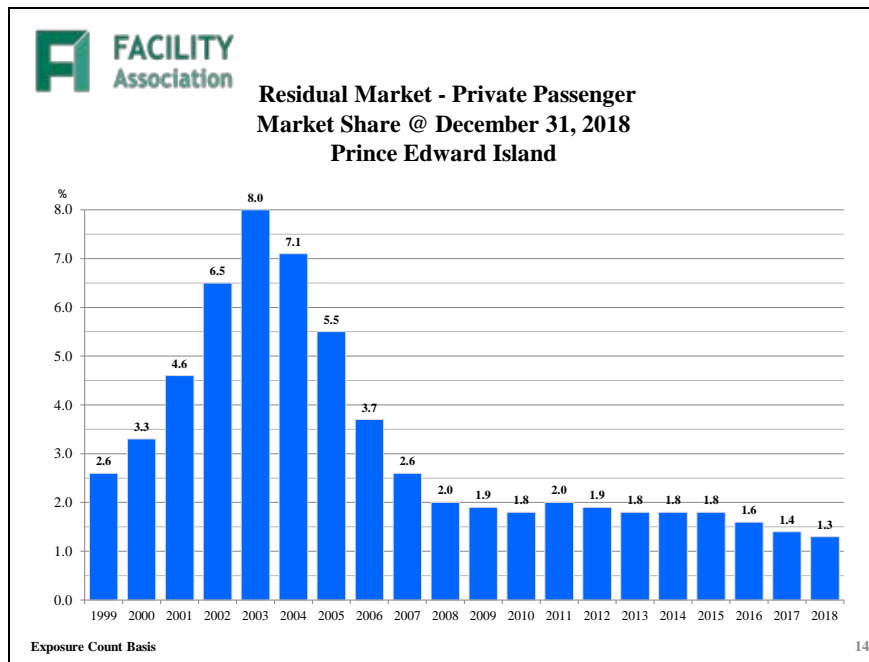


The combined operating ratio of the Nova Scotia RSP moved up last year, after declining for four years straight, ending the year at 139.

For those of you not familiar with risk sharing pools, RSP risks are written at member company rates, in contrast to the FARM, where risks are written at our rates (subject to regulatory approval).

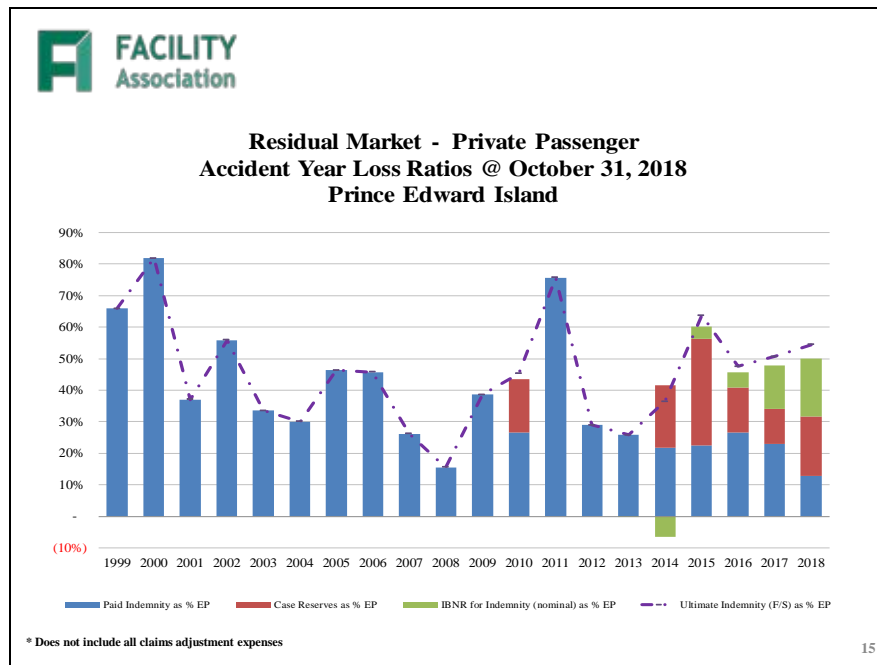
RSPs are designed to allow member companies to pool risks that, as the Chair mentioned in his remarks, they believe to be underpriced. Because of that, over time, we expect to see loss ratios and combined ratios in the RSPs that are relatively high.

Slide 14



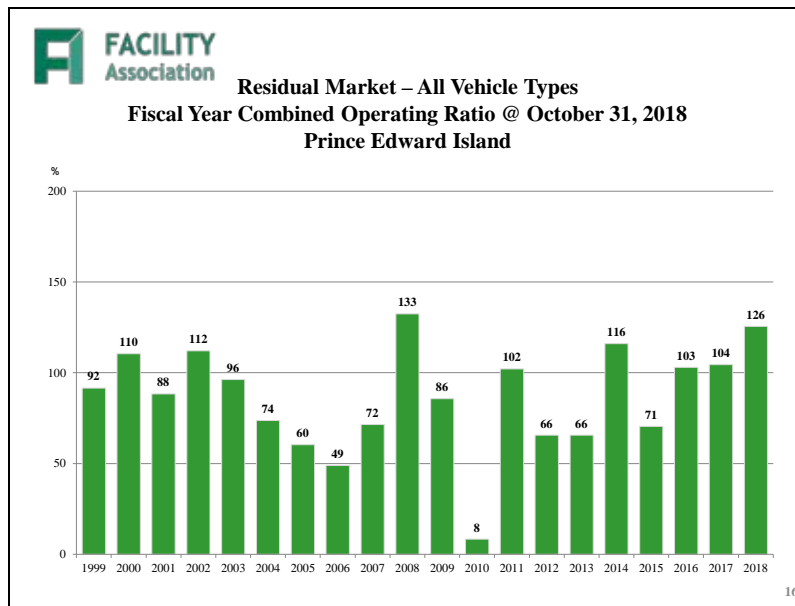
The market share for PEI's Private Passenger residual market moved down marginally to 1.3%, another record low for this jurisdiction.

Slide 15



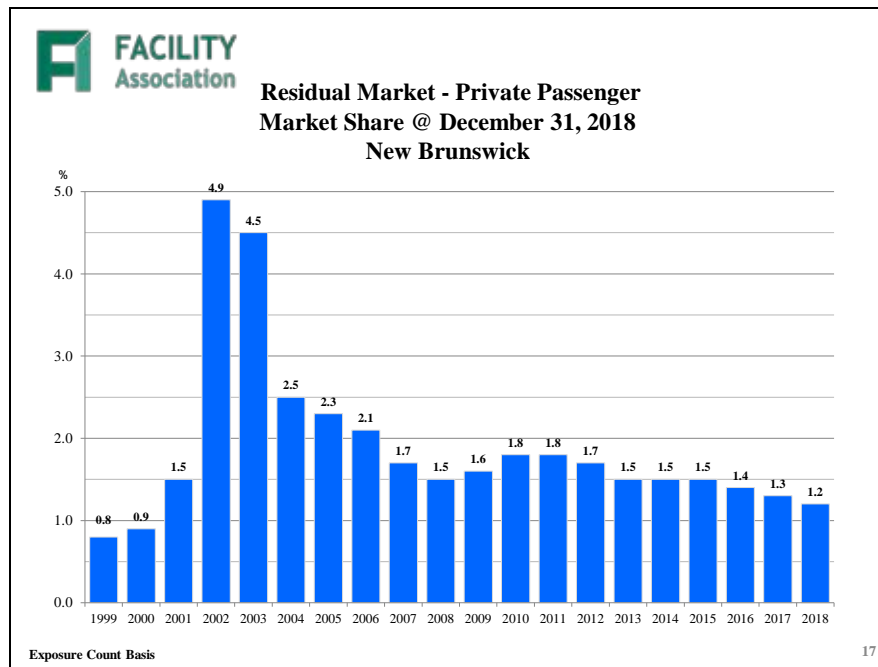
The PEI residual market private passenger accident year loss ratio moved up slightly in 2018.

Slide 16



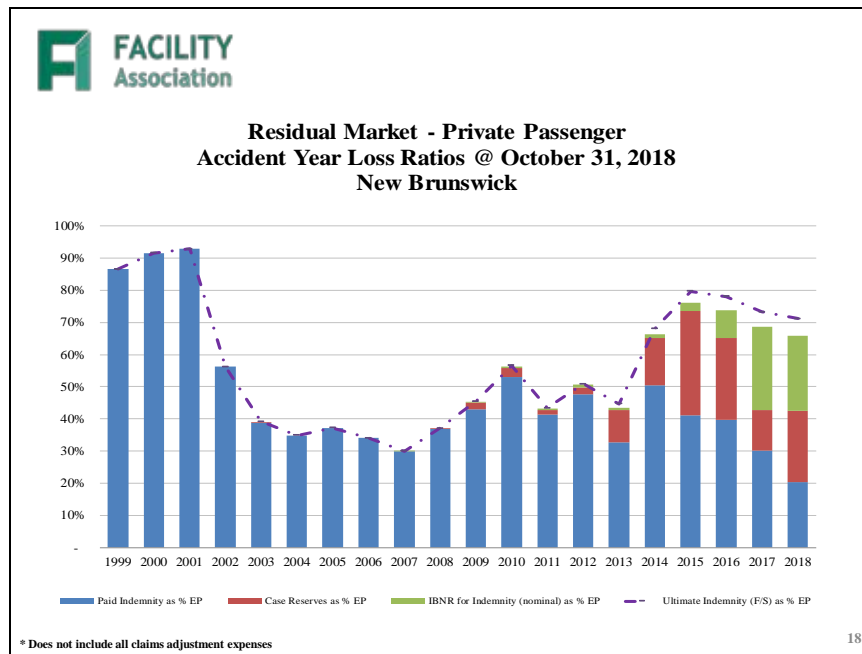
The PEI combined ratio moved up 22 points to 126. In jurisdictions like PEI, where the premium volumes are quite small, one or two large losses in a year can have a dramatic impact on the loss and combined ratios. Because of our focus on our mission to keep our market share as small as possible, many classes of business in the FARM in the jurisdictions we serve either are, or are becoming, very small in absolute terms so increasing loss ratio volatility is by no means unusual.

Slide 17



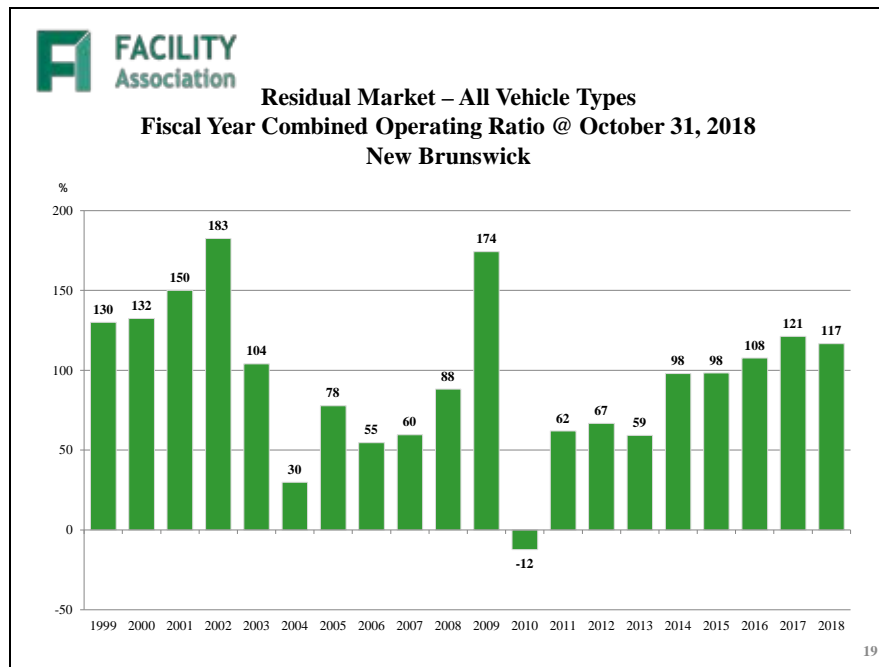
The residual market private passenger market share in New Brunswick moved down slightly to 1.2%.

Slide 18



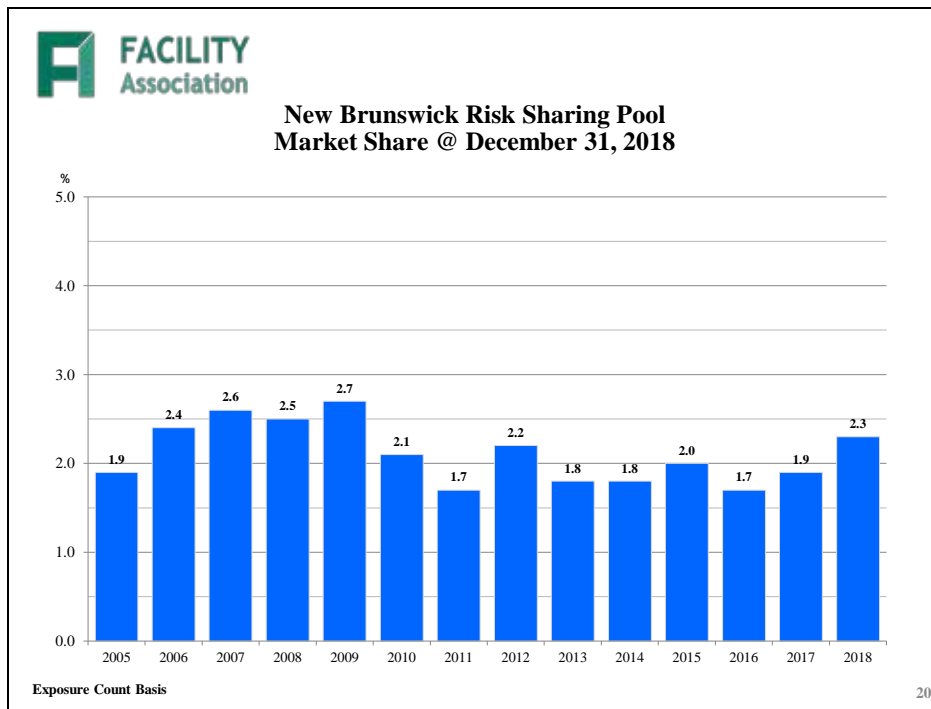
The New Brunswick Private Passenger accident year loss ratio moved down slightly last year and has been relatively stable over the last five years, especially given the small volumes there.

Slide 19



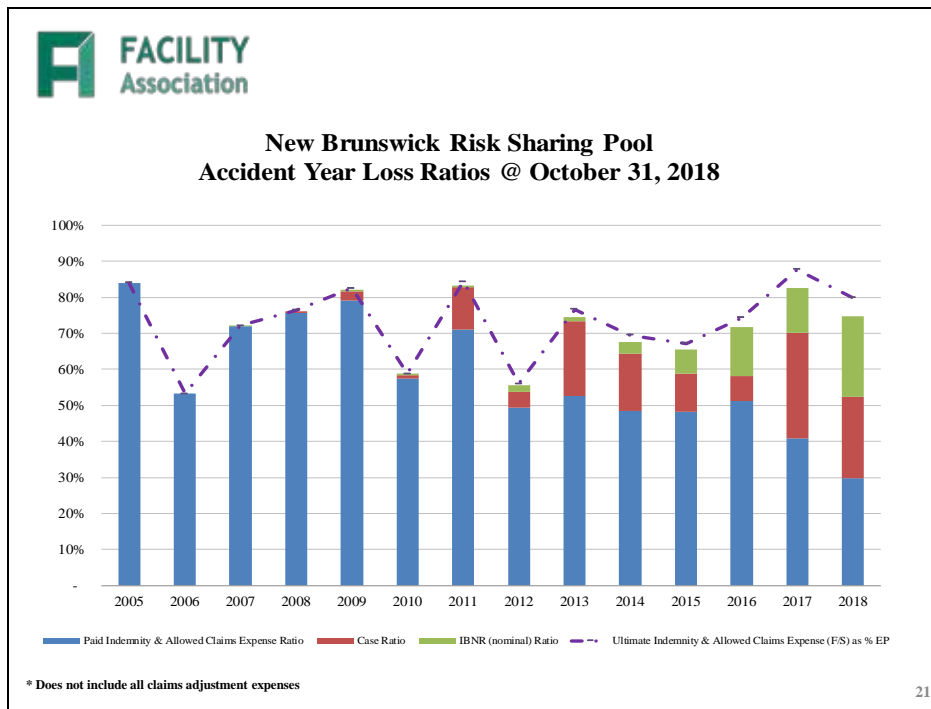
The New Brunswick combined ratio for all vehicle types ended the year at 117 and we continue to actively pursue rate adequacy in this jurisdiction.

Slide 20



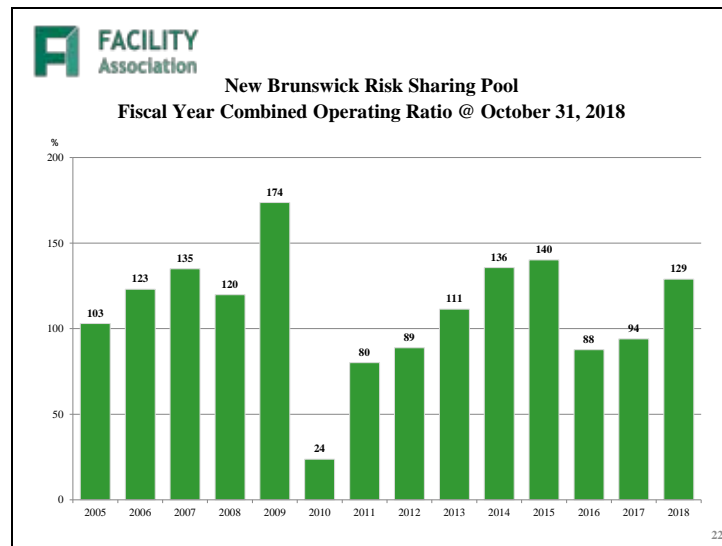
The New Brunswick RSP market share increased to 2.3%, the highest level we've seen in nearly a decade.

Slide 21



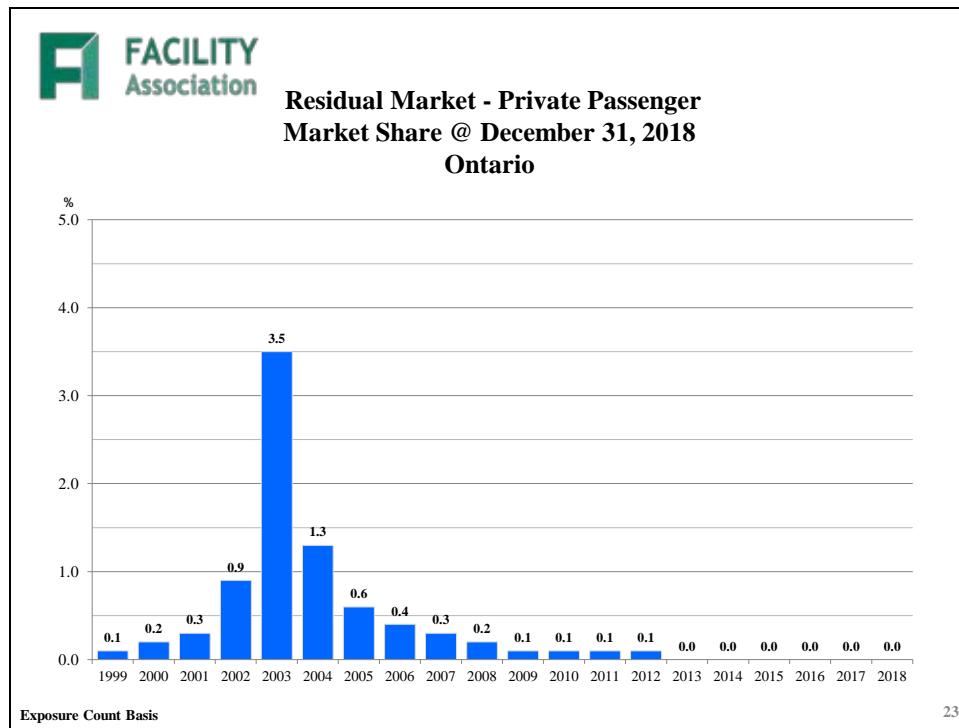
The loss ratios for the last few accident years for the New Brunswick Risk Sharing Pool continue to show an almost remarkable stability.

Slide 22



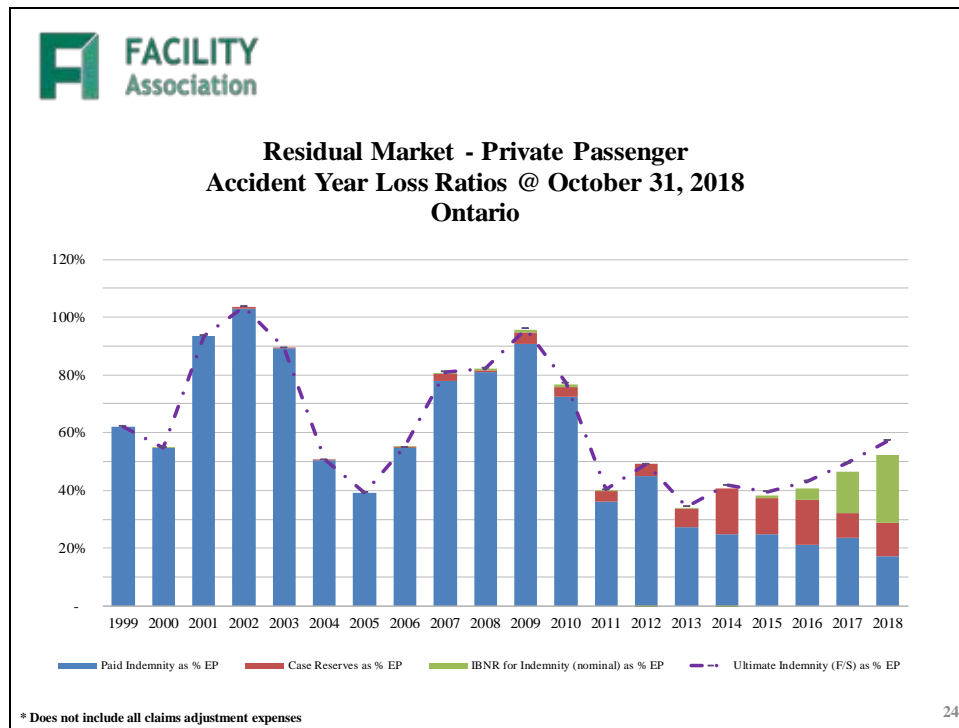
The combined ratio for the New Brunswick Risk Sharing Pool ended the year at 129.

Slide 23



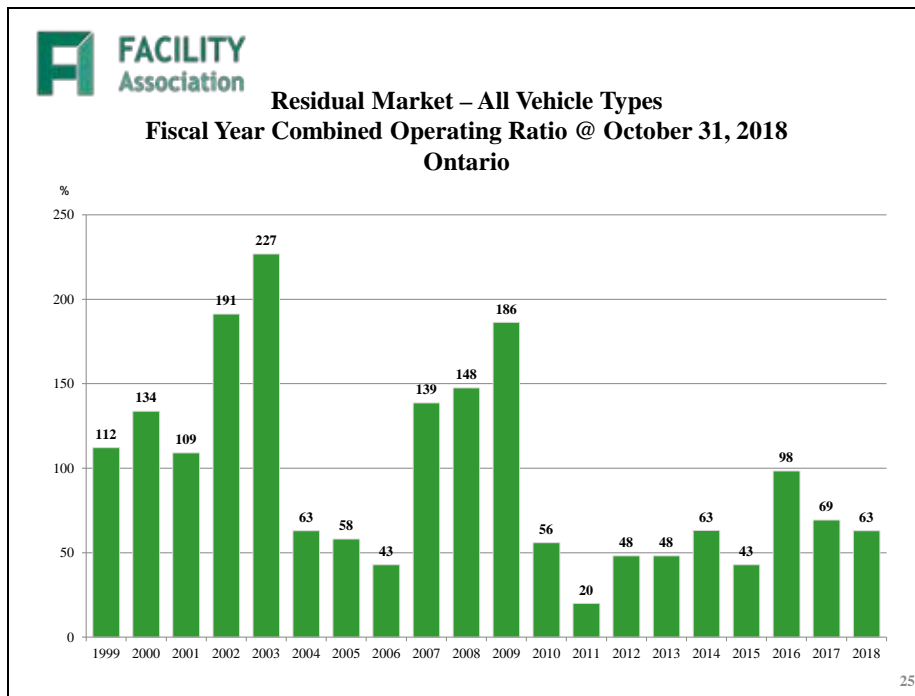
In Ontario, the residual market private passenger market share remains less than one tenth of 1%.

Slide 24



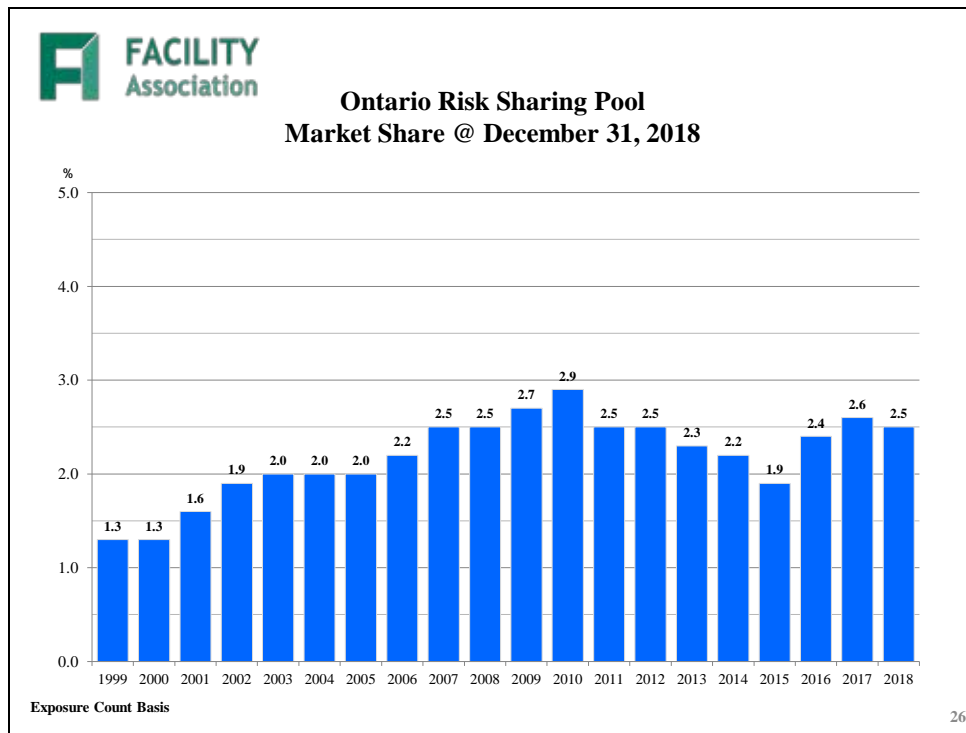
The Ontario residual market private passenger accident year loss ratio rose again last year but remains at an acceptable level.

Slide 25



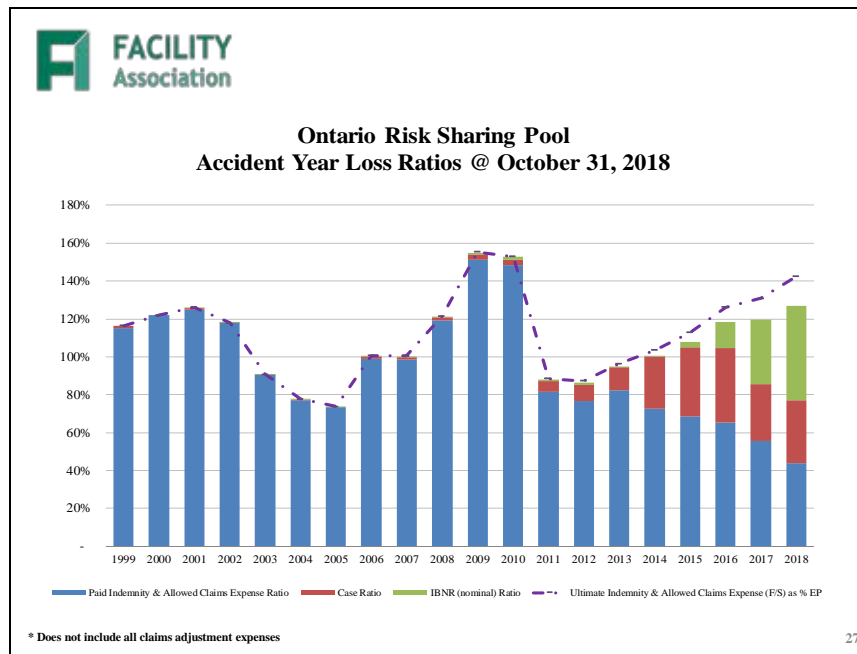
The combined operating ratio for all vehicle types in the Ontario residual market was 63%.

Slide 26



Ontario Risk Sharing Pool market share declined slightly to 2.5%.

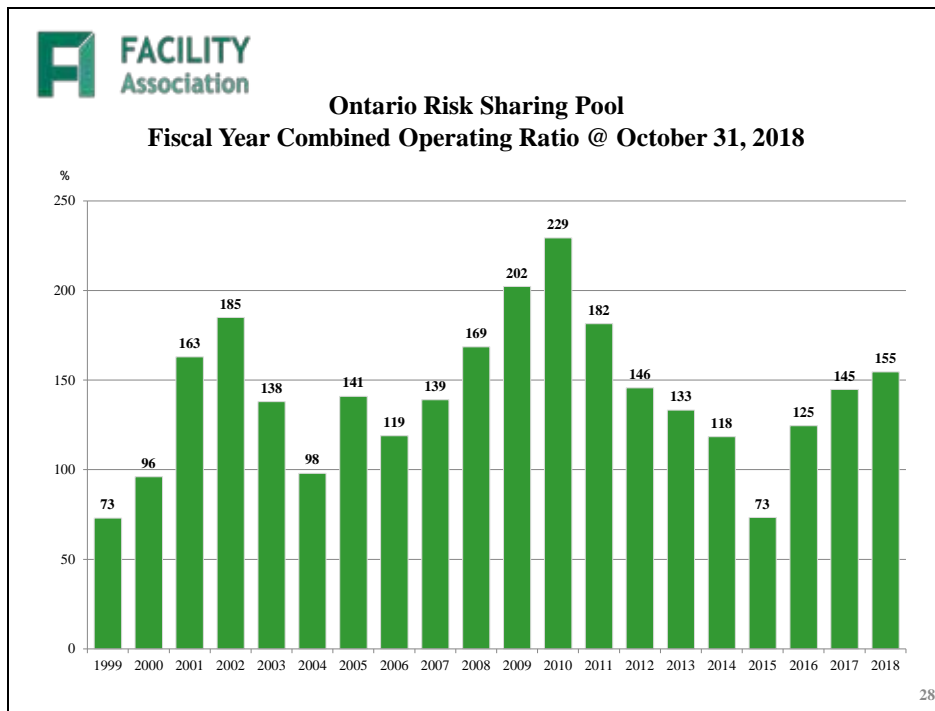
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The Ontario risk sharing pool loss ratios continue to be relatively high, indicating that ceding companies are accurately assessing the risks to be ceded to the pool.

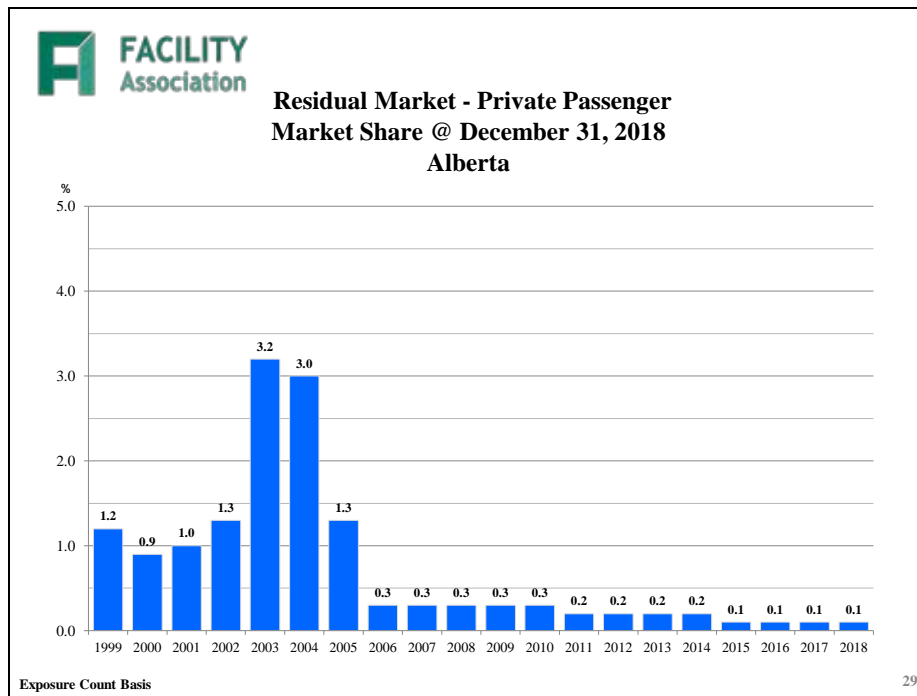
Again, the business in the RSPs is written at member companies' own rates.

Slide 28



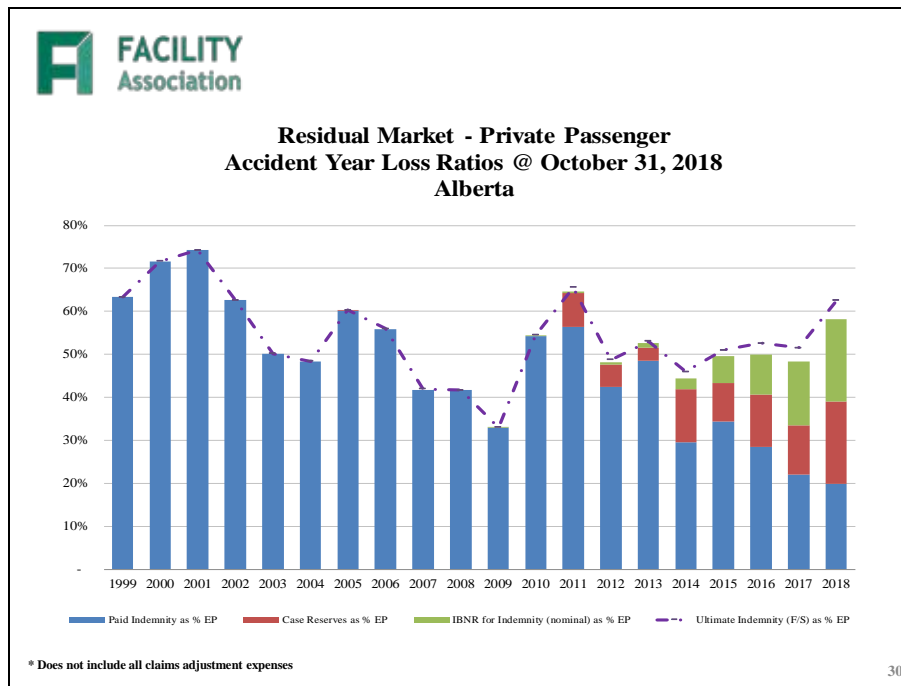
The combined operating ratio for the Ontario Risk Sharing Pool was 155.

Slide 29



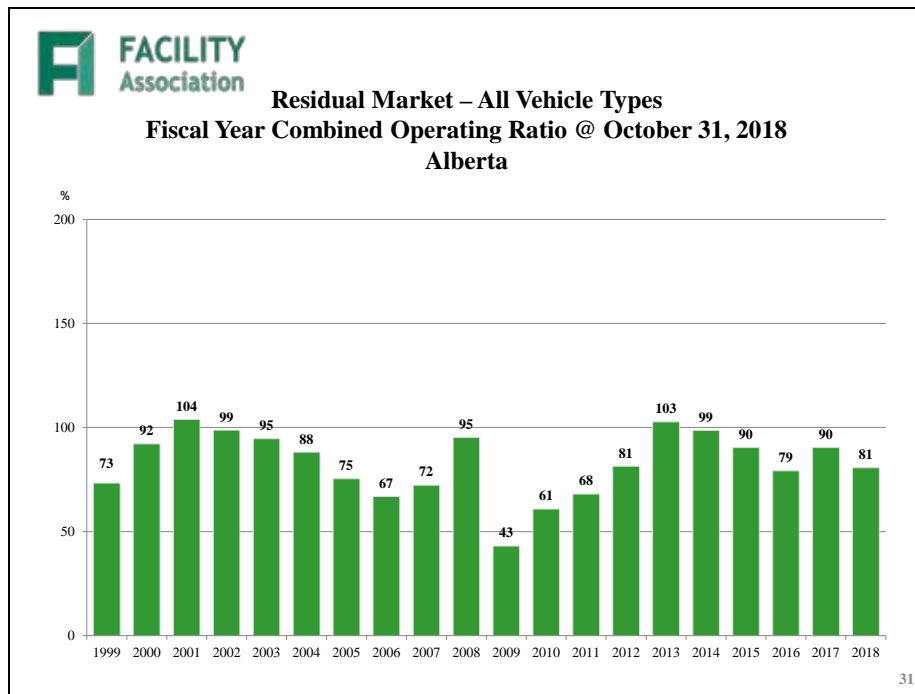
The residual market's private passenger market share in Alberta remained at 1 tenth of 1% for the fourth year in a row. Alberta has a very stringent "take all comers" market for private passenger vehicles.

Slide 30



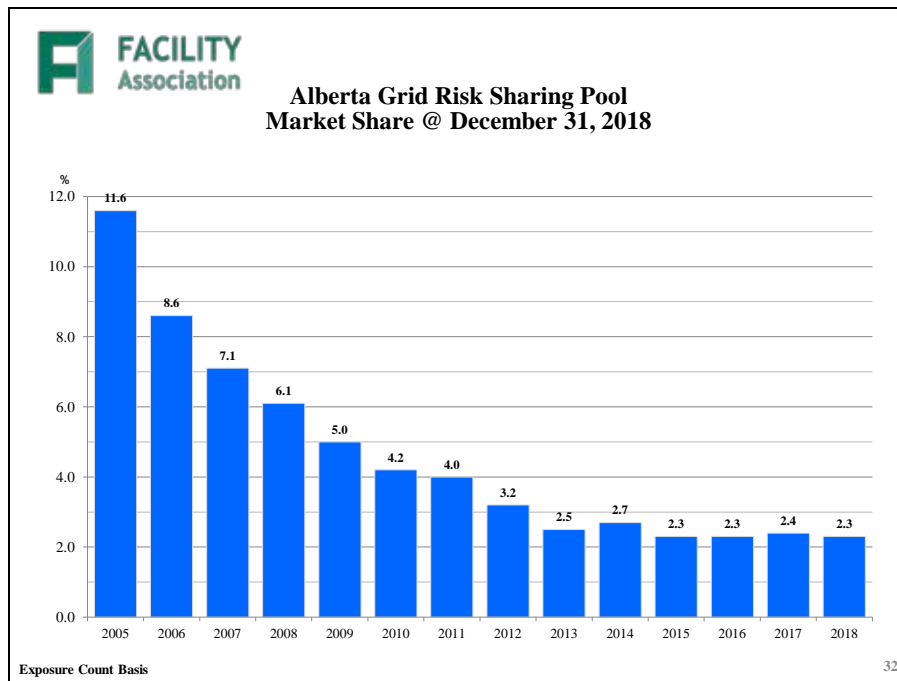
The PPV accident year loss ratios for the residual market in Alberta have been relatively moderate and stable in recent years. More than 90% of the FARM PPV business in the province is written at rates capped by the premium regulation there.

Slide 31



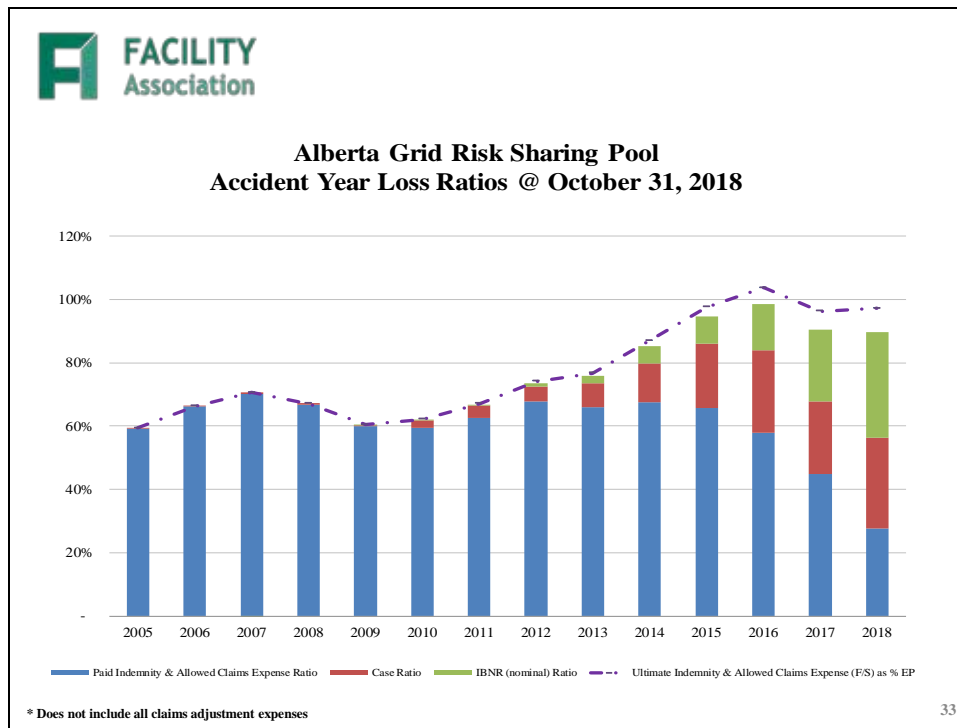
The Alberta residual market combined operating ratio for all types of vehicles improved to 81.

Slide 32



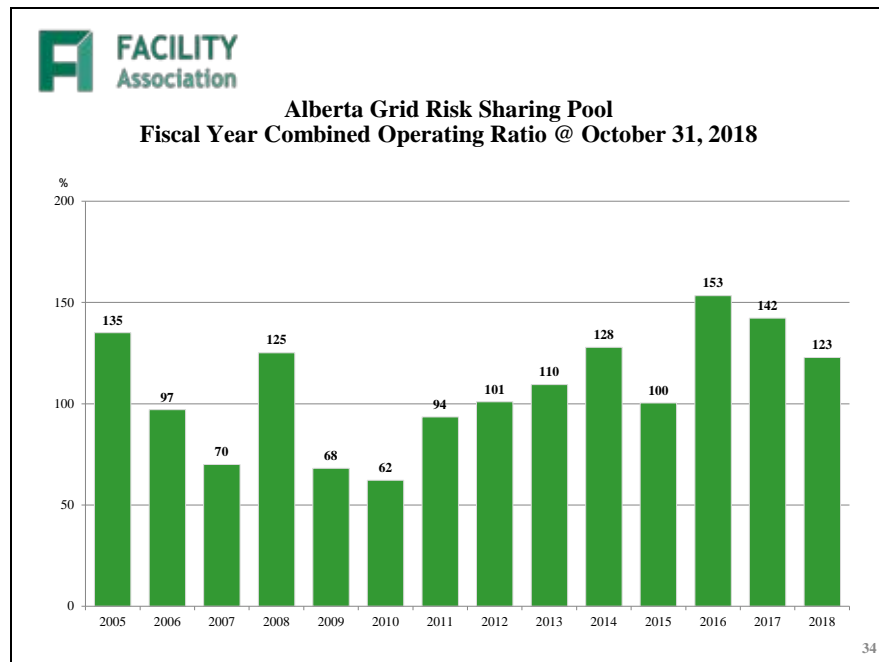
The market share of the Alberta Grid Risk Sharing Pool, a risk sharing pool for private passenger vehicles subject to the regulated maximum premium in the province, ended the year slightly lower at 2.3%.

Slide 33



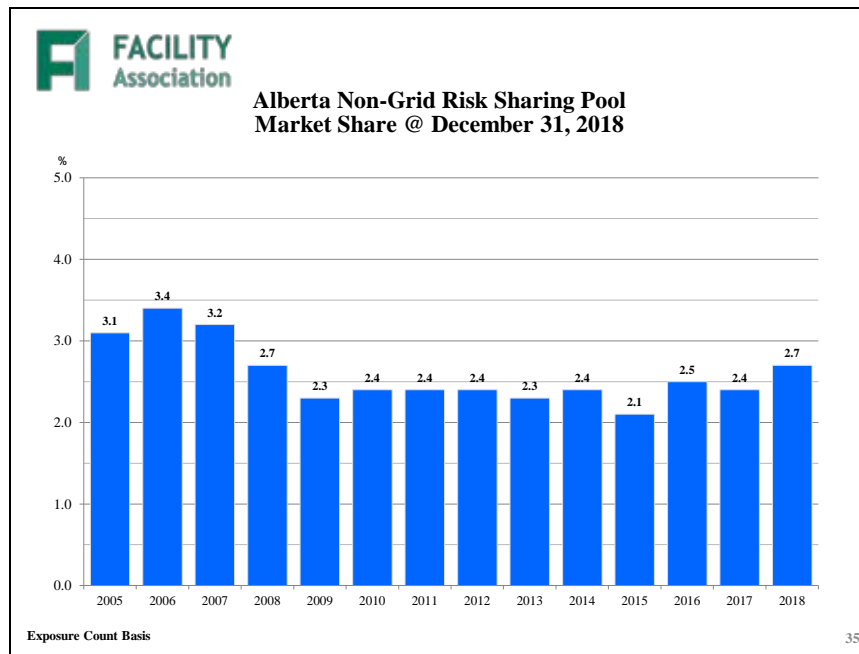
The accident year loss ratio for the Alberta Grid Risk Sharing Pool remained stable last year.

Slide 34



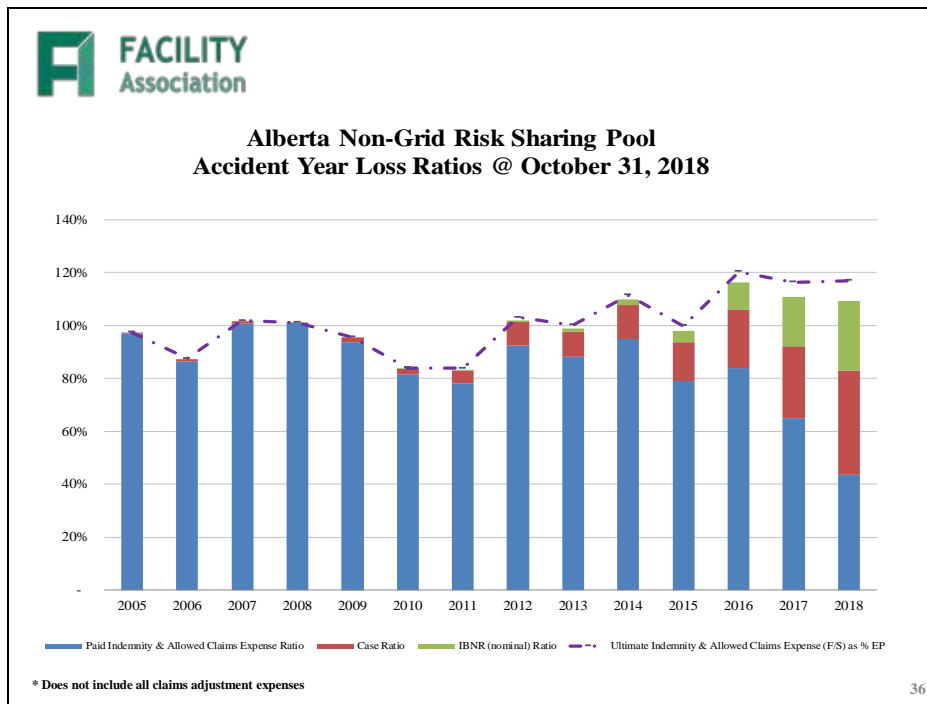
The Alberta Grid Risk Sharing Pool combined operating ratio improved last year to 123 from 142 in 2017, but it remains at a relatively high level from an historical perspective.

Slide 35



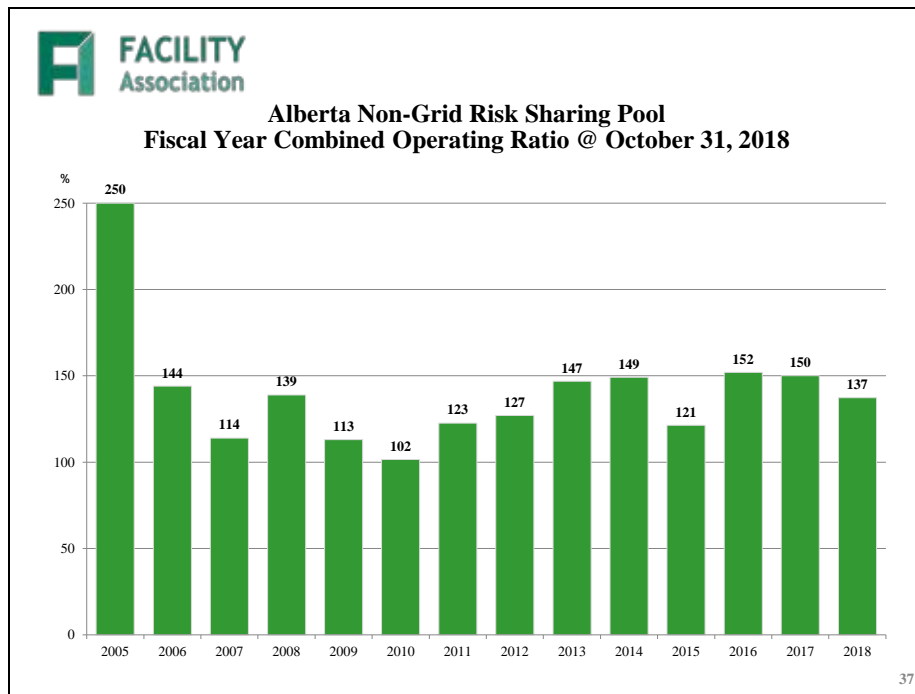
The market share of the Alberta Non-Grid Risk Sharing Pool (a pool for private passenger risks which are not subject to the regulated maximum premium but which insurance companies are required to accept under the “take all comers” rules in the province) moved up to 2.7%, which is the highest level since 2008.

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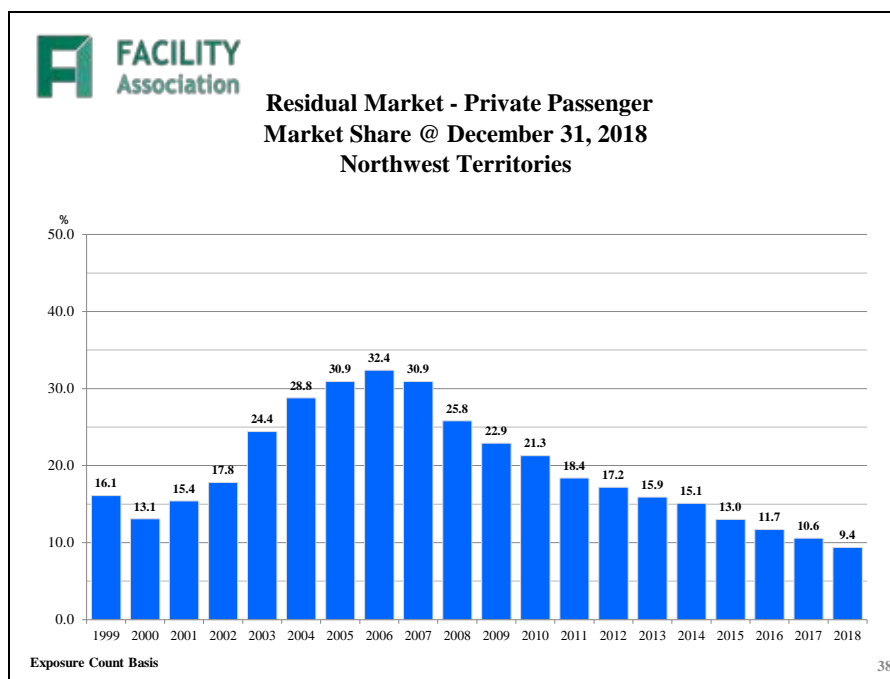
The Alberta Non-Grid Risk Sharing Pool accident year loss ratio has been relatively stable over the last five years.

Slide 37



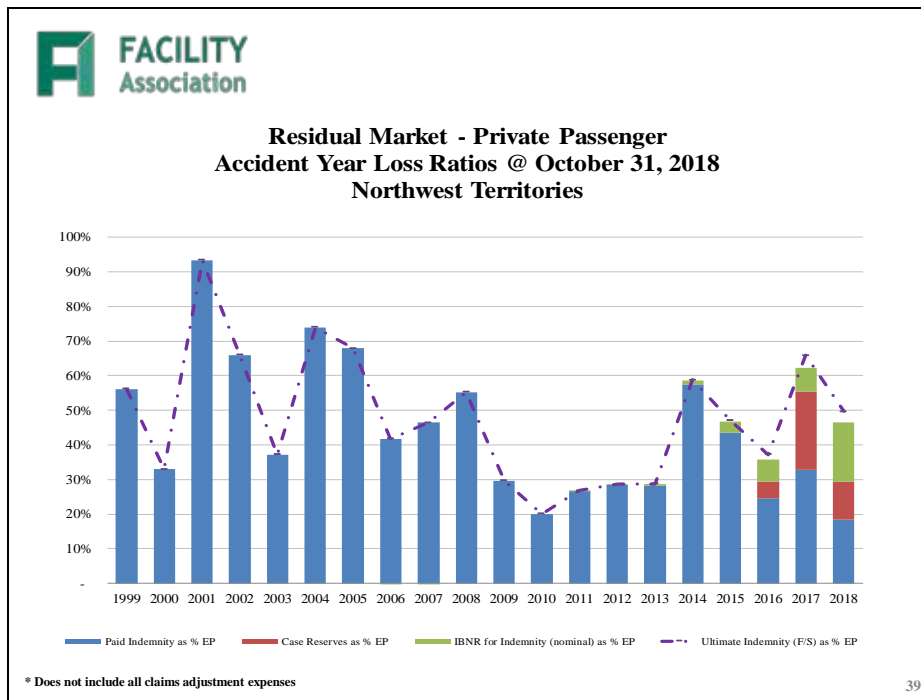
The combined ratio for the Alberta Non-Grid Risk Sharing Pool improved to 137 from 150.

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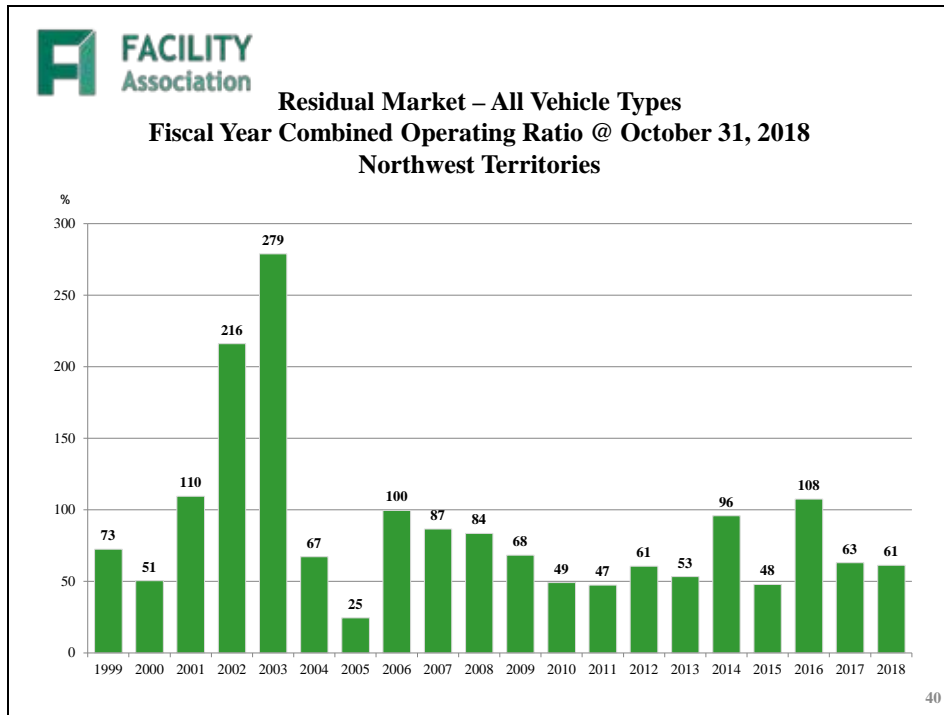


With regard to the northern territories, I will not comment on each one individually other than to say the volumes here are very small and the results are somewhat volatile. That said, we continue to see positive, declining market share trends for private passenger vehicles in all three Territories in recent years. The Territories are unique in that their financial results are shared by all automobile insurers in the six provinces that we serve. That's in contrast to the provinces, where results are shared within each individual jurisdiction.

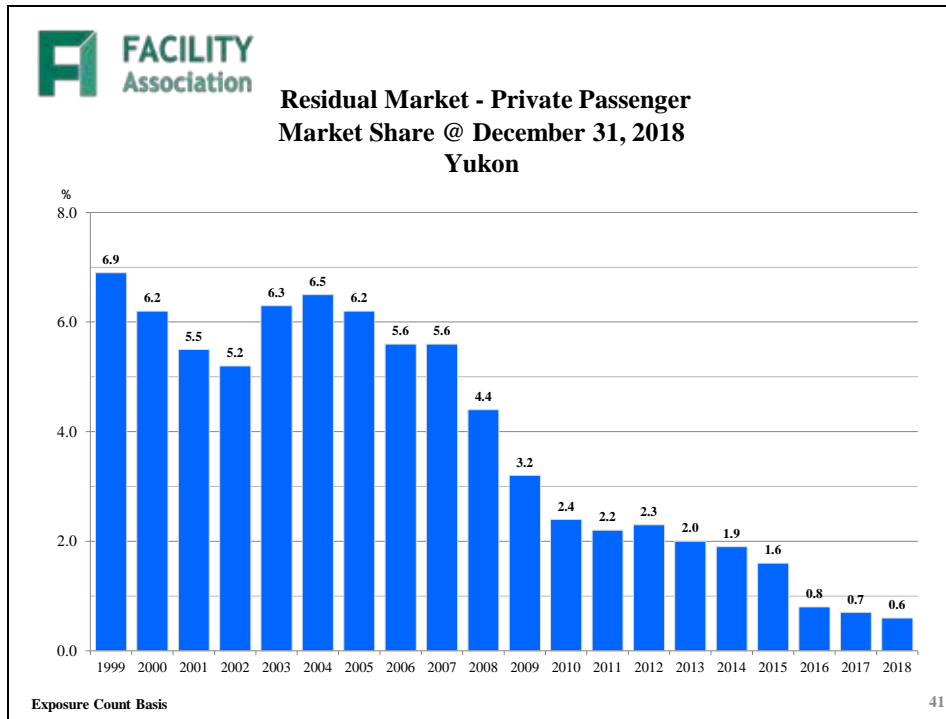
Slide 39



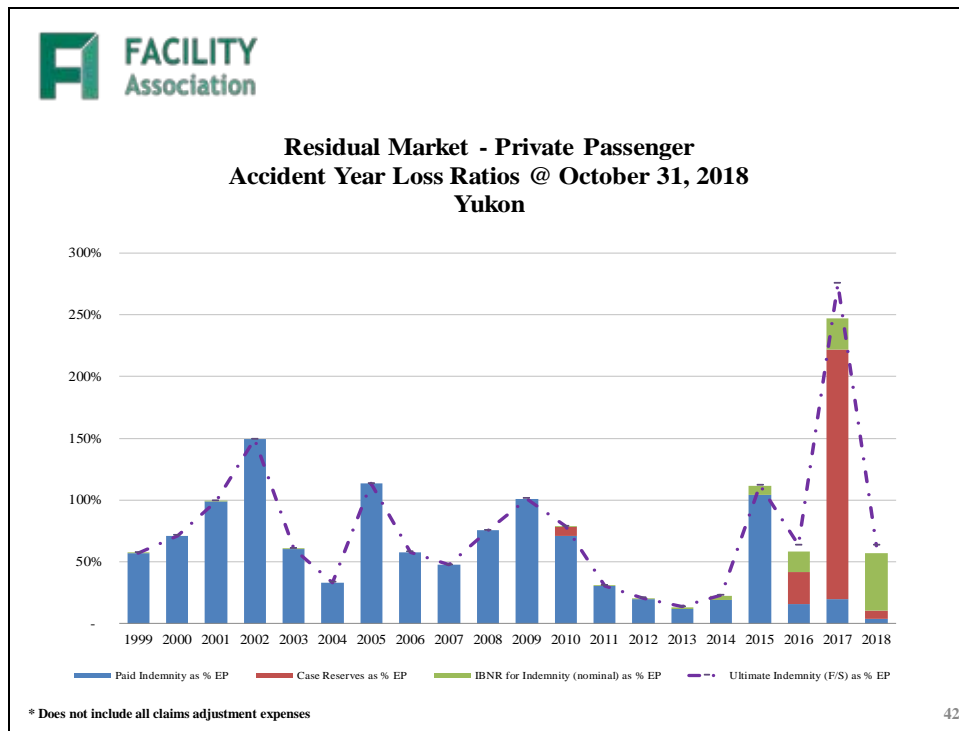
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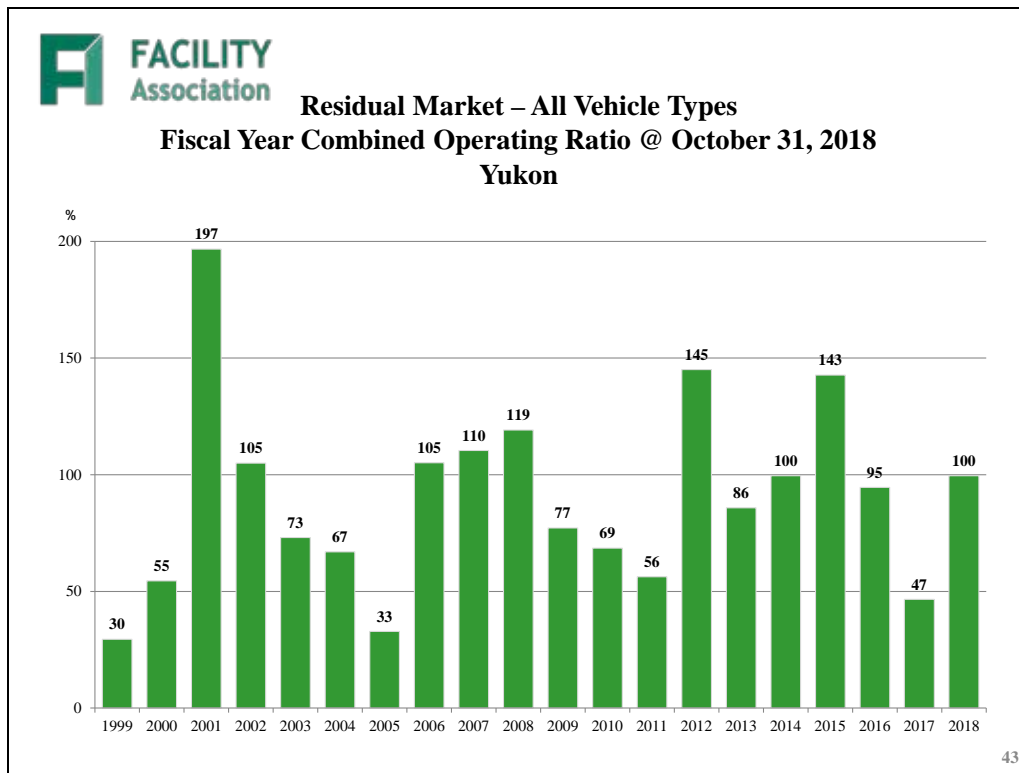
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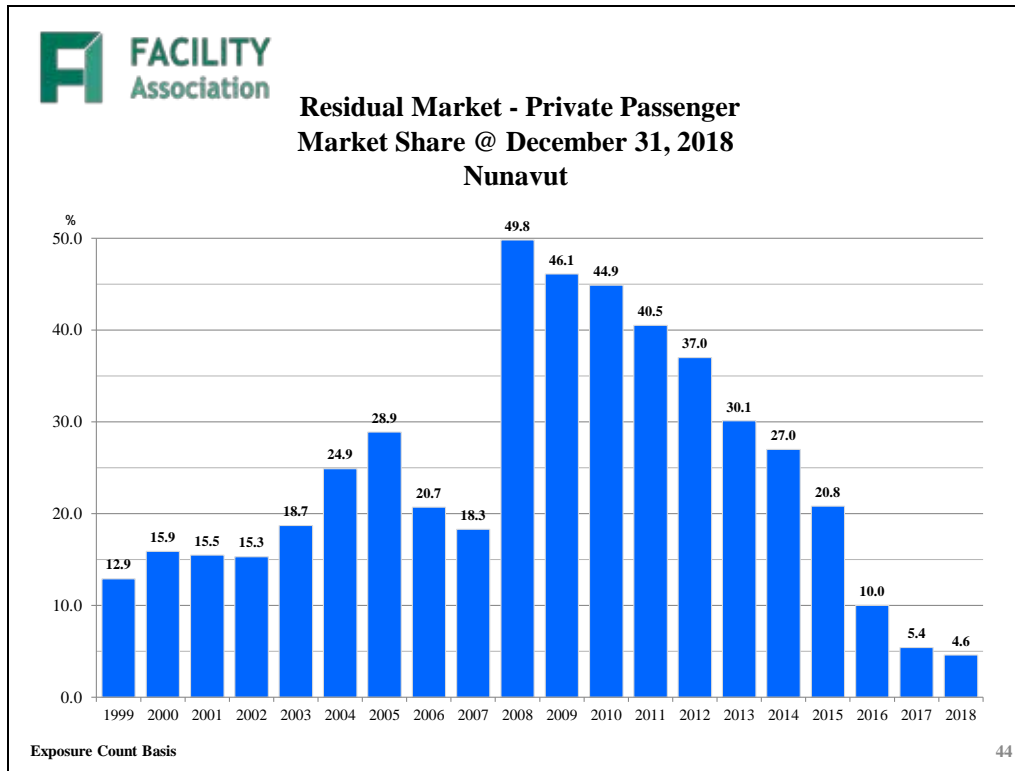
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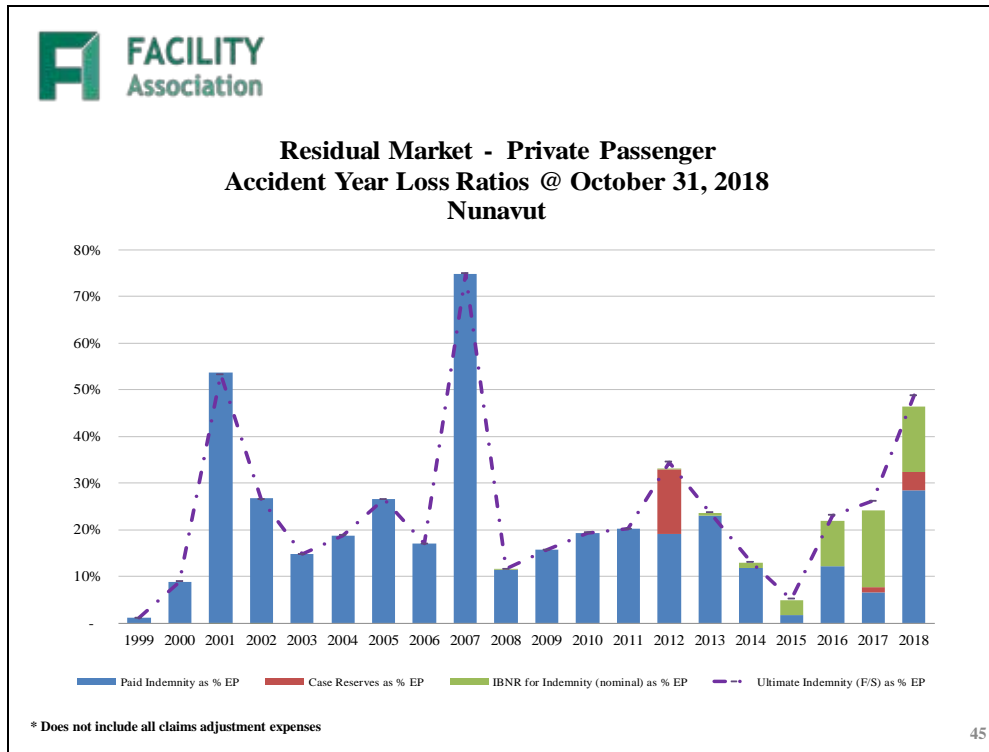
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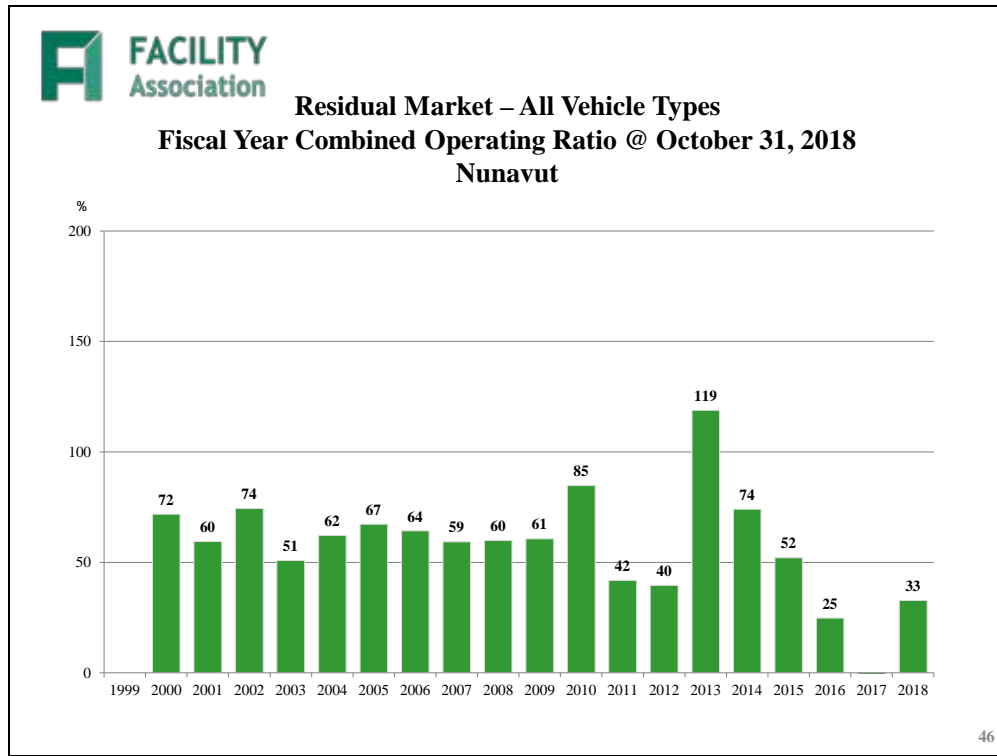
Slide 44



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Slide 46



We are seeing increases in counts in some jurisdictions for private passenger, and in all jurisdictions for commercial, and interurban vehicles. We do have some classes of business where the loss ratios suggest to us that what we are writing might not necessarily be residual market business. Because of that, I encourage member companies and intermediaries to contact us to find out where there might be opportunities for depopulation of the FARM.

The Chair highlighted the first two of our five priorities in our 2018 – 2020 strategic plan.

With respect to our third priority, Operational Efficiency and Effectiveness, in 2018 under David's leadership Facility Association:

- implemented the refreshed methodology for prioritization, selection, frequency, and conduct of audits
- Continued the work towards the future implementation of IFRS 17
- Conducted a review to ensure that all of the activities we require our Servicing Carriers to perform are truly needed.

Going forward in 2019 we will be:

- Conducting a comprehensive review of all internal activities
- Conducting an external provider review,
- Engaging virtually all employees on individually tailored software skills development programs

In terms of our fourth priority, Regulatory Outreach, I am looking forward to personally meeting with regulators in the jurisdictions we serve just as soon as I can. I believe it is vitally important that we maintain open lines of communication and positive working relationships with the regulatory community.

With respect to our fifth priority: the Enterprise Risk Management Framework, we will continue to work on risk tolerance quantification and tying risks more closely to our business objectives.

On behalf of the Board and staff I would like to recognize the following volunteer committee members who are moving on to other things:

From our Accounting Committee:

- Dean Coleta of Allstate has left after 4 terms of service having served 3 terms as Chair
- David Forestell of Co-operators has left after 4 terms of service, having served one term as Deputy Chair

Their leadership and commitment during their tenure is much appreciated.

- Maude Choquette of Intact has also left the Accounting Committee after 2 terms of service

Three other volunteers have retired from our industry and have thus left their committees:

- Deb Blewett of the Cooperators left the Rates & Rules Committee & the Alberta & Territories Provincial Operating Committee
- John Berriault of Intact left the Claims Committee
- Meleta Collins of Novex Insurance left the Newfoundland & Labrador Provincial Operating Committee

Please join me in thanking our departing committee members. (*leads applause*)

When FA was formed it met its mandate to ensure availability by offering insurance policies through the FARM. Then in the 90's and 2000's, when the nature of the availability challenge in our industry shifted, the industry and FA stepped up and shifted in turn to providing capacity through the introduction of the various Risk Share Pools. Now, in 2019, the industry and the world has evolved again, to a place where data - its security, its availability and perhaps most of all its accuracy have become central to our ability as an industry to meet the needs of the public for insurance based on their experience. We have moved from guaranteeing availability of coverage, to guaranteeing the availability of regular market coverage with Risk Share Pools, and now to guaranteeing availability of accurate information for that coverage with the Underwriting Information Plan.

Facility Association has changed over the decades - but its mandate, and its critical role in the health of the industry and economy remains. As the nature and challenges of ensuring a healthy insurance sector for the

benefit of all stakeholders' evolves, so do the specifics of Facility's mandate.

David hands to us a small, dedicated and professional team that efficiently leverages extensive member--company expertise to safeguard our industry, and a vital segment of the Canadian economy. If that sounds dramatic, it should: Facility Association is a unique organization - created by statute, guided by regulation, and run with the cooperation of an extremely competitive industry... all this, to serve consumers who likely don't even know it exists. Which, by the way, is exactly how it is supposed to be.

But make no mistake, low profile is not low energy. This is an exciting time, with a new world of challenges here and on the horizon that the Facility is uniquely designed to take on, and I am looking forward to leading this next phase.

Thank you, Mr. Chairman, that concludes my remarks.