



FACILITY
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TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO.: F19 - 050

DATE: July 18, 2019

SUBJECT: RISK SHARING POOL IN NEWFOUNDLAND & LABRADOR

On July 8th we received formal notification of the upcoming changes to the Insurance Companies Act in Newfoundland and Labrador (NL) which will come into force on August 1, 2019.

Section 98 of the Act is amended by the addition of the following:

“(2.1) The association shall include in its plan a provision with respect to the establishment and operation of a risk sharing pool for members of the association.”

Members are advised that the Facility Association Plan of Operation Article XI Section 1, second paragraph states:

“A risk sharing pool or pools may be operated in any jurisdiction where authorized or required by law and authorized by the affirmative majority vote of members operating in such jurisdiction.”

At the direction of the Facility Association (FA) Board of Directors, FA management is in consultation with regulators in NL to discuss the details of implementation of a Risk Sharing Pool in the province. FA Management is drafting the appropriate Plan of Operation details and rules of operation for the proposed NL Risk Sharing Pool. The Board will seek majority vote of members for the Plan amendments to establish a risk sharing pool in NL.

It is our current expectation the NL Risk Sharing Pool will be launched in mid- 2020.

Should you have any questions, please contact me directly at 416-644-4915 or at smatheson@facilityassociation.com.

Saskia Matheson
President & CEO