



**FACILITY**  
Association

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**TO: MEMBERS OF THE FACILITY ASSOCIATION SHARING IN THE NS UAF**

**ATTENTION: CHIEF EXECUTIVE OFFICER**

**BULLETIN NO.: F2020– 017**

**DATE: MARCH 16, 2020**

**SUBJECT: JUDGMENT RECOVERY NOVA SCOTIA LTD. TRANSFER AND ASSUMPTION**

Members are advised that **Judgment Recovery (N.S.) Ltd. (JRNS)** and **Facility Association** have entered into a Transfer and Assumption Agreement as at January 1, 2020, in anticipation of legislation related to the winding up of JRNS being enacted in the near future. Members will recall that JRNS was essentially replaced by the creation on July 1, 1996 of the Nova Scotia Uninsured Automobile Fund (NS UAF) administered by Facility Association, although JRNS continued as a legal entity.

It is anticipated that under winding-up legislation, any rights of a judgment creditor and all outstanding liabilities of JRNS will be assigned to, or assumed by, the Facility Association. This will be effective as directed by the legislation, and is anticipated to align with the date the legislation receives Royal Assent. Until that time, JRNS continues as the legal entity, however, through the Transfer and Assumption Agreement, JRNS is no longer responsible for administering the mechanism, and administration has been moved to Facility Association.

Because the members who funded the costs related to JRNS are the same members who share in the costs of the NS UAF, the rights and obligations of Facility Association's members remain substantially unchanged.

Judgments involved for JRNS are greater than 20 years old and at this point statute barred. As a result, along with the fact that the mechanism has been in run-off through the period, no new costs are expected related to JRNS. Therefore, management expects that any additional costs to Facility Association's members will be minor. (marginal increases to operational costs for Facility Association to administer the NS UAF). Facility Association acquired \$528 thousand in funds from JRNS as amounts collected from debtors over time. These funds will be distributed to NS UAF members. Additional funds were held back by JRNS as part of the agreement.

Should you require any further information, please see the accompanying communication from IBC / JRNS, or call Colin George, Vice President, Underwriting & Claims, Facility Association at (416) 644-4912.

Saskia Matheson,  
President & CEO

March 13, 2020

Members of Judgment Recovery (N.S.) Ltd.

Dear Member(s):

**Re: Wind-Up of Judgment Recovery (N.S.) Ltd.**

In 1996, revisions were made to the Uninsured Automobile Coverage of the standard automobile policies in Nova Scotia. These changes resulted in Judgment Recovery (N.S.) Ltd. not having to pay unsatisfied judgments against uninsured motorists that arose out of automobile collisions occurring after those changes were made. Since that time, Judgment Recovery (N.S.) Ltd. has continued in operation, but only to collect, from the uninsured motorists, amounts Judgment Recovery (N.S.) Ltd. had paid in respect of the unsatisfied judgments against those motorists.

Members will recall that at the time the changes were made to the uninsured automobile coverage, Facility Association has been required to operate the Uninsured Automobile Fund, from which victims of uninsured motorists are paid, when those victims are not covered under the Uninsured Automobile Coverage of an automobile policy.

The Board of Judgment Recovery (N.S.) Ltd. has determined that, going forward, it will be more efficient for Facility Association to collect the payments from the uninsured motorists, and that Judgment Recovery (N.S.) Ltd. should be wound-up. In accordance with the provisions of the Judgment Recovery (N.S.) Ltd. Act, the Nova Scotia Attorney General has been notified of Judgment Recovery (N.S.) Ltd.'s intention to cease operations as of December 31, 2019. The Board of Judgment Recovery (N.S.) Ltd. has passed a resolution authorizing the company to transfer all of its assets and liabilities to Facility Association.

As the funding for Judgment Recovery (N.S.) Ltd. was provided by automobile insurers in Nova Scotia and because all automobile insurers are required to be members of Facility Association, this approach seemed the most appropriate – particularly in light of the fact that the Judgment Recovery (N.S.) Ltd. Act has no provisions regarding what to do with the company's assets and liabilities in the event it is wound-up. Members may recall that the approach being used to wind up Judgment Recovery (N.S.) Ltd. was used when Judgment Recovery (P.E.I.) Ltd. was wound-up.

When the transfer of assets and liabilities is completed, the Nova Scotia government will be requested to repeal the Judgment Recovery (N.S.) Ltd. Act and the company will cease to be in existence.

We understand that Facility Association will be attributing the assets received from Judgment Recovery (N.S.) Ltd. to the members of Facility Association based upon the records that were kept by Judgment Recovery (N.S.) Ltd.

Yours truly,

Donald W. J. Forgeron  
President, Judgment Recovery (N.S.) Ltd.