

**FROM:** Director, Worldwide Markets  
**LOCATION:** G12  
**EXTENSION:** 6677  
**DATE:** 25 May 2004  
**REFERENCE:** Y3321  
**SUBJECT:** CANADIAN AUTOMOBILE POOL BUSINESS  
**SUBJECT AREA(S):**  
**ATTACHMENTS:** No attachments  
**ACTION POINTS:**  
**DEADLINE:** **No deadline**

The purpose of this market bulletin is to inform underwriters that there will be a further cash call in respect of Facility Association business to meet the anticipated solvency requirement in respect of the underwriters' liabilities for the 2002 and 2003 years of account.

The earlier cash call (see market bulletin Y3301, dated 26 April 2004) was based on a projection for the first quarter. This projection proved inadequate due to the Facility Association subsequently reporting a sharp deterioration in results. A second cash call will therefore be made in the May Scheme Canada settlement from underwriters of Canadian automobile business for the 2002 and 2003 years of account.

It should be noted that the Facility Association's allocation of liabilities to Lloyd's is based on Lloyd's 2002 market share. This will be updated later in the year when the 2003 allocation is known. Should this result in a reduction of the funding required for this year of account, the excess will be returned to underwriters.

If you have any queries regarding this matter, please contact:

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This bulletin has been sent to all active underwriters and the Compliance Officer of each Managing Agent.

Julian James

Director, Worldwide Markets