

A blurred background image of a modern office interior with glass walls. In the foreground, a person in a white shirt and dark pants is walking. In the background, two people are sitting at a wooden table, working. The office has a high ceiling with exposed pipes and modern lighting.

FARM Financial Insights

Fiscal Q2 2025

For the quarter ending April 30, 2025

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As expected	
Moderately different than expected	
Significantly different than expected	

FARM Headlines

2025 Fiscal YTD FARM Operating Surplus: \$28.9 million
2025 Fiscal Year End FARM Operating COR: 88.6% (see slide 4)

2025 Fiscal Outlook Operating Surplus: \$44.7 million
2025 Fiscal Outlook Operating COR: 91.4% (see slide 13)

Financial Highlights

- **The fiscal year to date written premium was \$220.6 million for FARM** which is fairly consistent with the prior year to date volume despite counts being 2% higher and average written premium being 6% lower compared to prior year. In particular, high premium segments such as taxi has decreased in exposure in both Ontario and Atlantic, commercial exposure has also decreased by 8.5% in Ontario, and interurban exposure in Alberta has decreased by 10.6%. PPV exposure continues to grow at 5.4% year to date.
- Newfoundland & Labrador remain an area of uncertainty following the introduction of Bill 47 which prohibits FA from including a profit provision in all lines of business. This raises a concern over the profitability of all segments and possibly rising market share in the province.
- The **fiscal year to date COR is 88.6%** which represents a 5.1 percentage point improvement compared to prior year and a 0.6 percentage point improvement compared to Outlook. Overall, there is a positive upward impact expected in 2025 driven by approved rate changes that are expected to earn through. Ontario PPV, Alberta Non-PPV, and Newfoundland Non-PPV all have a residual indication of either red or amber. See focus area 1 for more detail.

FARM Fiscal YTD Operating Results

	Actual FARM	Actual FARM	Change Q2 2025 - Q2 2024		Actual FARM YTD 6 mths to Apr 2025	Actual FARM YTD 6 mths to Apr 2024	Outlook FARM YTD 6 mths to Apr 2025	Change 2025 - 2024		Change from Outlook	
FISCAL YEAR (\$000s)	Q2 Apr 2025	Q2 Apr 2024	\$	%				\$	%	\$	%
Premium written	117,564	124,094	(6,530)	(5%)	220,638	230,848	235,671	(10,210)	(4%)	(15,033)	(6%)
Change in unearned premium	7,231	1,402	5,830	416%	33,790	22,784	28,114	11,006	48%	5,676	20%
INSURANCE REVENUE	124,796	125,496	(701)	(1%)	254,429	253,633	263,786	796	0%	(9,357)	(4%)
Claims incurred	90,804	82,921	7,882	10%	183,106	169,799	182,170	13,307	8%	936	1%
Adjustments to Liabilities for incurred claims	(13,009)	(4,967)	(8,042)	162%	(18,085)	(10,471)	(9,116)	(7,614)	73%	(8,969)	98%
Insurance acquisition cash flows	10,396	10,018	378	4%	21,440	19,493	23,816	1,947	10%	(2,376)	(10%)
Administration expense	15,158	15,422	(264)	(2%)	30,015	30,277	28,928	(262)	(1%)	1,087	4%
INSURANCE SERVICE EXPENSES	103,348	103,394	(46)	(0%)	216,476	209,098	225,798	7,378	4%	(9,322)	(4%)
INSURANCE SERVICE RESULTS	21,447	22,102	(655)	(3%)	37,952	44,534	37,988	(6,582)	(15%)	(36)	(0%)
Investment Income	2,721	3,849	(1,128)	(29%)	6,402	8,684	7,259	(2,282)	(26%)	(857)	(12%)
Finance income/expense - Discount Unwind	(7,787)	(8,653)	867	(10%)	(15,299)	(18,320)	(16,864)	3,021	(16%)	1,565	(9%)
Finance income/expense - Yield Impact	(127)	(18,871)	18,745	(99%)	(127)	(18,871)	-	18,745	(99%)	(127)	-
Net finance income/expense from insurance	(7,913)	(27,525)	19,611	(71%)	(15,426)	(37,191)	(16,864)	21,765	(59%)	1,438	(9%)
OPERATING SURPLUS (DEFICIT)	16,255	(1,574)	17,829	(1,133%)	28,928	16,026	28,383	12,901	80%	545	2%
KEY PERFORMANCE METRICS - FARM											
Growth Indicators											
Vehicle Counts	27,155	26,619	536	2%	49,835	48,713	49,550	1,122	2%	285	1%
Average Premium	4,329	4,662	(332)	(7%)	4,427	4,739	4,756	(312)	(7%)	(329)	(7%)
Profitability Metrics											
CY Claim Ratio	72.8%	66.1%	-	6.7%	72.0%	66.9%	69.1%	-	5.0%	-	2.9%
PY Claim Ratio	(10.4%)	(4.0%)	-	(6.5%)	(7.1%)	(4.1%)	(3.5%)	-	(3.0%)	-	(3.7%)
Total Claim Ratio (CY+PY)	62.3%	62.1%	-	0.2%	64.9%	62.8%	65.6%	-	2.0%	-	(0.7%)
Admin Expense Ratio	20.5%	20.3%	-	0.2%	20.2%	19.6%	20.0%	-	0.6%	-	0.2%
Insurance Service Result Ratio	82.8%	82.4%	-	0.4%	85.1%	82.4%	85.6%	-	2.6%	-	(0.5%)
Investment Income Ratio	(2.2%)	(3.1%)	-	0.9%	(2.5%)	(3.4%)	(2.8%)	-	0.9%	-	0.2%
Net Finance Income/Expense from Insurance Discount Unwind (Ratio)	3.1%	3.4%	-	(0.4%)	6.0%	7.2%	6.4%	-	(1.2%)	-	(0.4%)
Net Finance Income/Expense from Insurance Yield Impact (Ratio)	0.0%	7.4%	-	(7.4%)	0.0%	7.4%	0.0%	-	(7.4%)	-	0.0%
Net Finance Income/Expense from Insurance (Ratio)	3.1%	10.9%	-	(7.7%)	6.1%	14.7%	6.4%	-	(8.6%)	-	(0.3%)
Combined Ratio	87.0%	101.3%	-	(14.3%)	88.6%	93.7%	89.2%	-	(5.1%)	-	(0.6%)

Key Messages:

- Premium written decreased \$10M from prior year mainly due to the DCPD opt out and the depopulation of Ontario Taxi and Commercial Vehicle into the voluntary market. \$14M decrease in Ontario (\$8M TX, \$6M CV and \$2M IU, offset by increase of \$2M PPV) and offset by \$2M increase in Alberta TX and \$2M increase in Nova Scotia PPV.
- PY claim ratio has improved compared to both prior year and Outlook, driven by favorable development of Ontario accident benefits and Alberta Non-PPV bodily injury (including the unwinding of additional provisions for interurban trucking growth in 2020-2023)
- Net finance income/expense from insurance was (\$15M) fairly in line with Outlook. Yields decreased on average 1 basis point which generated a minor YTD impact. Prior YTD net finance income/expense (\$37M) reflected the decline in yields during that period of 108 basis points.

FARM Premium Drivers

Written Premium	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	85,143	99,175	99,068	194,017	210,415	216,584
Alberta	67,151	65,260	70,074	164,477	164,205	175,123
Atlantic	63,819	61,994	62,127	143,415	144,058	140,230
Territories	4,551	4,395	4,403	9,349	10,207	10,365
Total	220,665	230,823	235,671	511,258	528,885	542,303

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(14,032)	(14.1%)	(13,925)	(14.1%)	(16,398)	(7.8%)	(22,567)	(10.4%)
1,892	2.9%	(2,923)	(4.2%)	272	0.2%	(10,646)	(6.1%)
1,825	2.9%	1,692	2.7%	(643)	(0.4%)	3,184	2.3%
156	3.6%	148	3.4%	(858)	(8.4%)	(1,016)	(9.8%)
(10,159)	(4.4%)	(15,007)	(6.4%)	(17,627)	(3.3%)	(31,045)	(5.7%)

Written Vehicle Count	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	10,759	10,725	10,569	23,535	23,425	23,147
Alberta	12,665	12,665	13,206	33,427	33,008	34,371
Atlantic	23,599	23,031	23,124	56,291	56,759	55,558
Territories	2,811	2,665	2,651	5,789	6,138	6,099
Total	49,835	49,086	49,550	119,042	119,329	119,175

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
34	0.3%	191	1.8%	111	0.5%	388	1.7%
0	0.0%	(541)	(4.1%)	419	1.3%	(944)	(2.7%)
568	2.5%	475	2.1%	(468)	(0.8%)	733	1.3%
146	5.5%	160	6.0%	(349)	(5.7%)	(310)	(5.1%)
749	1.5%	285	0.6%	(287)	(0.2%)	(133)	(0.1%)

AWP	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	7,913	9,247	9,374	8,244	8,983	9,357
Alberta	5,302	5,153	5,306	4,921	4,975	5,095
Atlantic	2,704	2,692	2,687	2,548	2,538	2,524
Territories	1,619	1,649	1,661	1,615	1,663	1,699
Total	4,428	4,702	4,756	4,295	4,432	4,550

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(1,333)	(14.4%)	(1,460)	(15.6%)	(739)	(8.2%)	(1,113)	(11.9%)
149	2.9%	(4)	(0.1%)	(54)	(1.1%)	(175)	(3.4%)
13	0.5%	18	0.7%	10	0.4%	24	0.9%
(30)	(1.8%)	(42)	(2.5%)	(48)	(2.9%)	(85)	(5.0%)
(274)	(5.8%)	(328)	(6.9%)	(137)	(3.1%)	(256)	(5.6%)

Key Messages:

- The 2025 fiscal YTD written premiums is \$220.7 million, or 4.4% decrease compared to prior year and 6.4% lower than Outlook. Ontario AWP has decreased sharply (14.4%) since the introduction of the DCPD Opt-Out endorsement in January 2024, due to high uptake of the endorsement in our interurban book. In addition, high premium segments such as commercial and taxi exposure have decreased whereas lower premium segments such as PPV has increased – also contributing to lower AWP compared to prior year.
- Overall, written premium is down 4.4% compared to prior year driven by \$4.2 million decrease in commercial, \$6.7 million decrease in interurban, and \$6.1 million decrease in taxi. This is partially offset by an increase in PPV (primarily in Ontario and Atlantic). See next slide for further detail.
- It is important to note that volumes can change rapidly in FARM and mix of business changes can create significant changes in AWP even where vehicle count changes are minor.

*Note: small differences exist when comparing premium across different slides due to timing of different data sources

Business Segment		2025 Fiscal Year-to-date			Change in Amount		
		Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP
PPV	Private Passenger (x Farmers	19,210	66,809,401	3,478	988	5,640,764	121
PPV Total		19,210	66,809,401	3,478	988	5,640,764	121
non-PPV	Private Passenger (x Farmers	413	268,781	650	48	113,636	225
	Commercial	11,450	67,584,922	5,903	(235)	(4,242,391)	(244)
	Interurban	5,049	46,042,256	9,119	259	(6,682,239)	(1,888)
	Taxi	2,366	15,992,110	6,759	(634)	(6,094,079)	(603)
	Recreational	8,788	5,187,152	590	202	143,551	3
	Other	2,558	18,449,333	7,212	132	631,256	(8,596)
non-PPV Total		30,625	153,524,554	5,013	(228)	(16,130,266)	(728)
TOTAL		49,835	220,333,955	4,421	749	(10,489,502)	(281)

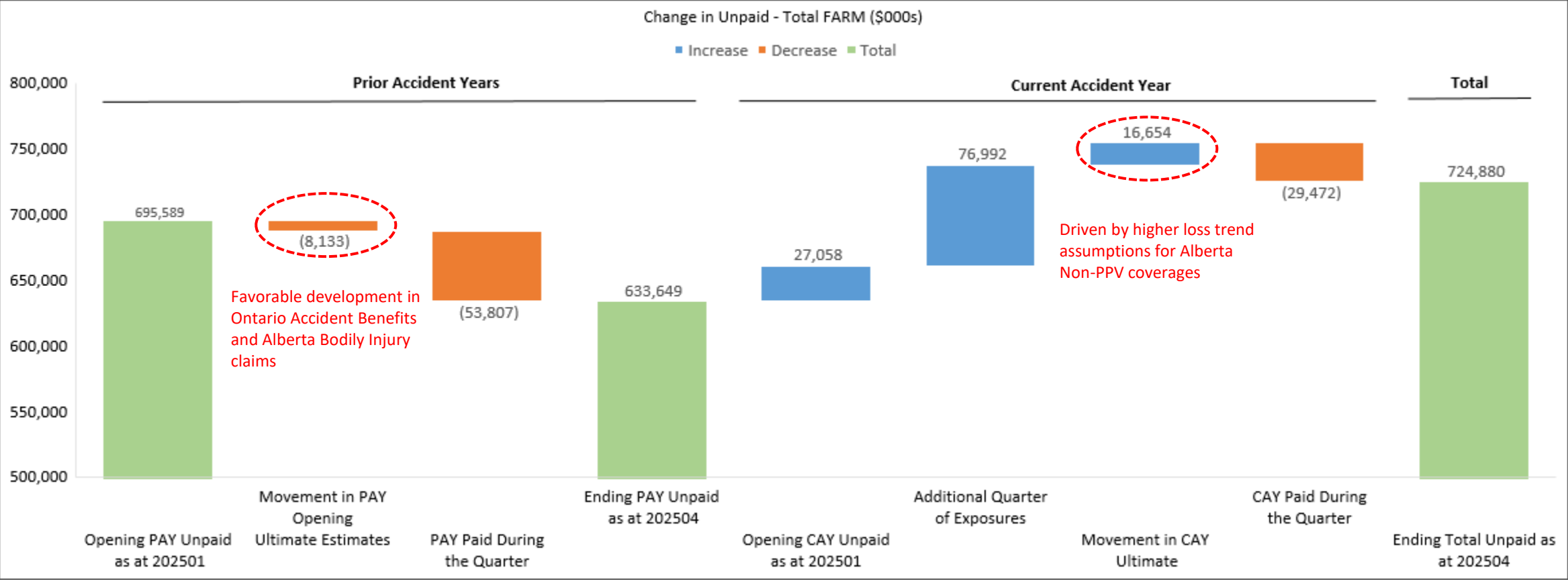
FARM Premium Drivers Fiscal YTD

Jurisdiction	Business Segment	FA Minor Rating Class Desc	2025 Fiscal Year-to-date			Change in Amount			2024 Fiscal Year-to-date		
			Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP
Ontario	PPV	Private Passenger (x Farmers)	3,719	23,563,800	6,336	318	2,208,127	57	3,401	21,355,673	6,279
		PPV Total	3,719	23,563,800	6,336	318	2,208,127	57	3,401	21,355,673	6,279
	non-PPV	Private Passenger (x Farmers)	5	52,155	9,629	(1)	1,369	2,105	7	50,786	7,524
		Commercial	3,691	35,391,559	9,590	(345)	(5,862,796)	(633)	4,035	41,254,355	10,223
		Interurban	1,380	11,955,096	8,664	702	(2,320,806)	(12,392)	678	14,275,902	21,056
		Taxi	455	4,439,492	9,748	(545)	(8,266,633)	(2,956)	1,000	12,706,125	12,704
		Recreational	860	1,242,766	1,445	(89)	(288,551)	(169)	949	1,531,317	1,614
		Other	650	8,173,486	12,584	6	172,745	24,791	(655)	8,000,741	(12,207)
		non-PPV Total	7,041	61,254,554	8,700	(284)	(16,564,672)	(1,925)	7,324	77,819,226	10,625
	Ontario TOTAL		10,759	84,818,354	7,883	34	(14,356,545)	(1,364)	10,725	99,174,899	9,247
Alberta	PPV	Private Passenger (x Farmers)	527	4,026,298	7,638	(32)	607,230	1,518	559	3,419,068	6,120
		PPV Total	527	4,026,298	7,638	(32)	607,230	1,518	559	3,419,068	6,120
	non-PPV	Private Passenger (x Farmers)	356	185,811	522	81	137,448	346	274	48,363	176
		Commercial	4,162	23,355,609	5,612	(43)	1,101,579	320	4,205	22,254,030	5,292
		Interurban	3,009	28,502,060	9,471	(356)	(2,391,743)	290	3,365	30,893,803	9,181
		Taxi	537	3,107,037	5,785	34	2,088,349	3,758	503	1,018,688	2,027
		Recreational	3,086	1,290,678	418	222	194,025	35	2,864	1,096,653	383
		Other	988	6,684,130	6,763	92	154,920	(524)	896	6,529,210	7,287
	non-PPV Total		12,138	63,125,325	5,201	32	1,284,578	93	12,106	61,840,747	5,108
Alberta TOTAL			12,665	67,151,623	5,302	0	1,891,808	149	12,665	65,259,815	5,153
Atlantics	PPV	Private Passenger (x Farmers)	14,044	37,586,125	2,676	668	2,919,318	84	13,376	34,666,807	2,592
		PPV Total	14,044	37,586,125	2,676	668	2,919,318	84	13,376	34,666,807	2,592
	non-PPV	Private Passenger (x Farmers)	(1)	(11,874)	15,832	(20)	(41,240)	14,320	19	29,366	1,512
		Commercial	2,487	7,476,805	3,007	(25)	321,468	158	2,511	7,155,337	2,849
		Interurban	612	5,161,971	8,432	(107)	(2,188,068)	(1,791)	719	7,350,039	10,223
		Taxi	1,239	8,123,941	6,557	(32)	310,030	411	1,271	7,813,911	6,146
		Recreational	4,571	2,547,653	557	67	240,818	45	4,505	2,306,835	512
		Other	646	2,928,331	4,532	17	256,657	283	629	2,671,674	4,249
	non-PPV Total		9,555	26,226,827	2,745	(100)	(1,100,335)	(85)	9,655	27,327,162	2,830
Atlantics TOTAL			23,599	63,812,952	2,704	568	1,818,983	12	23,031	61,993,969	2,692
Territories	PPV	Private Passenger (x Farmers)	920	1,633,178	1,776	34	(93,911)	(173)	886	1,727,089	1,949
		PPV Total	920	1,633,178	1,776	34	(93,911)	(173)	886	1,727,089	1,949
	non-PPV	Private Passenger (x Farmers)	53	42,689	808	(12)	16,059	395	64	26,630	413
		Commercial	1,111	1,360,949	1,225	178	197,358	(22)	933	1,163,591	1,247
		Interurban	48	423,129	8,846	20	218,378	1,619	28	204,751	7,227
		Taxi	135	321,640	2,390	(91)	(225,825)	(34)	226	547,465	2,424
		Recreational	271	106,055	391	2	(2,741)	(13)	269	108,796	404
		Other	274	663,386	2,418	17	46,934	26	258	616,452	2,392
	non-PPV Total		1,891	2,917,848	1,543	112	250,163	43	1,779	2,667,685	1,500
Territories TOTAL			2,811	4,551,026	1,619	146	156,252	(30)	2,665	4,394,774	1,649
GRAND TOTAL			49,835	220,333,955	4,421	749	(10,489,502)	(281)	49,086	230,823,457	4,702

Key Messages:

- Ontario interurban WP change has decreased \$2.3 million year-to-date, however AWP has drastically decreased offset by a spike in vehicle counts to date. See focus area #2 for further detail.
- Significant count reductions in high-premium segments: Ontario commercial and taxi, Alberta & Atlantics interurban and commercial are the key drivers for the FARM's overall reductions compared to prior year.
- Year-to-date counts in Alberta remain unchanged relative to prior year. However, AWP's for both taxi and commercial are up which is driving the year-to-date increase. Alberta premiums are up \$1.9 million, driven by an increase in taxi by \$2.0 million in premium, commercial by \$1.0 million in premium and offset by decrease in Interurban by \$2.4 million in premium (of 356 vehicles).
- Growth observed in PPV across all provinces excluding Alberta and Yukon.

FARM Movement in Unpaid Loss During the Quarter

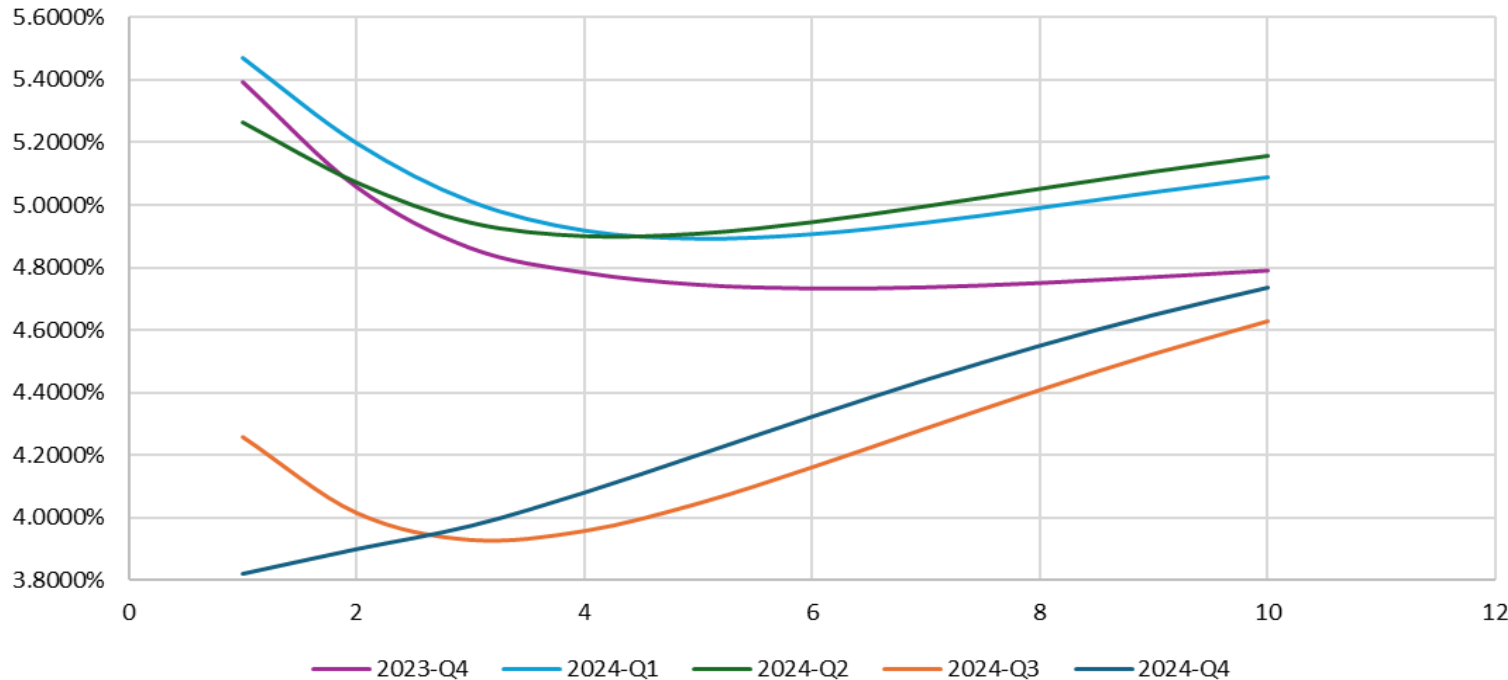


Key Messages:

- Payments on prior years during the fiscal quarter was \$54 million (which represents 8% of the PAY opening unpaid balance). Prior year reserve provisions were reduced by \$8 million (see focus area #3 for more detail) for a net incurred loss on prior years of approximately \$62 million dollars. For the current year, \$64 million has been incurred over the quarter at an average loss ratio of 62%.
- Current year obligations naturally increase as an additional quarter of new exposures are added.
- Note: The chart above includes both indemnity and claims expense. Claims expense refers to both legal and professional fees, and compensation provided to servicing carriers for claims management.

FARM Discount Rates and Yield Curve Over Time

Fiera IFRS 17 Yield Curves Over Time



Key Messages:

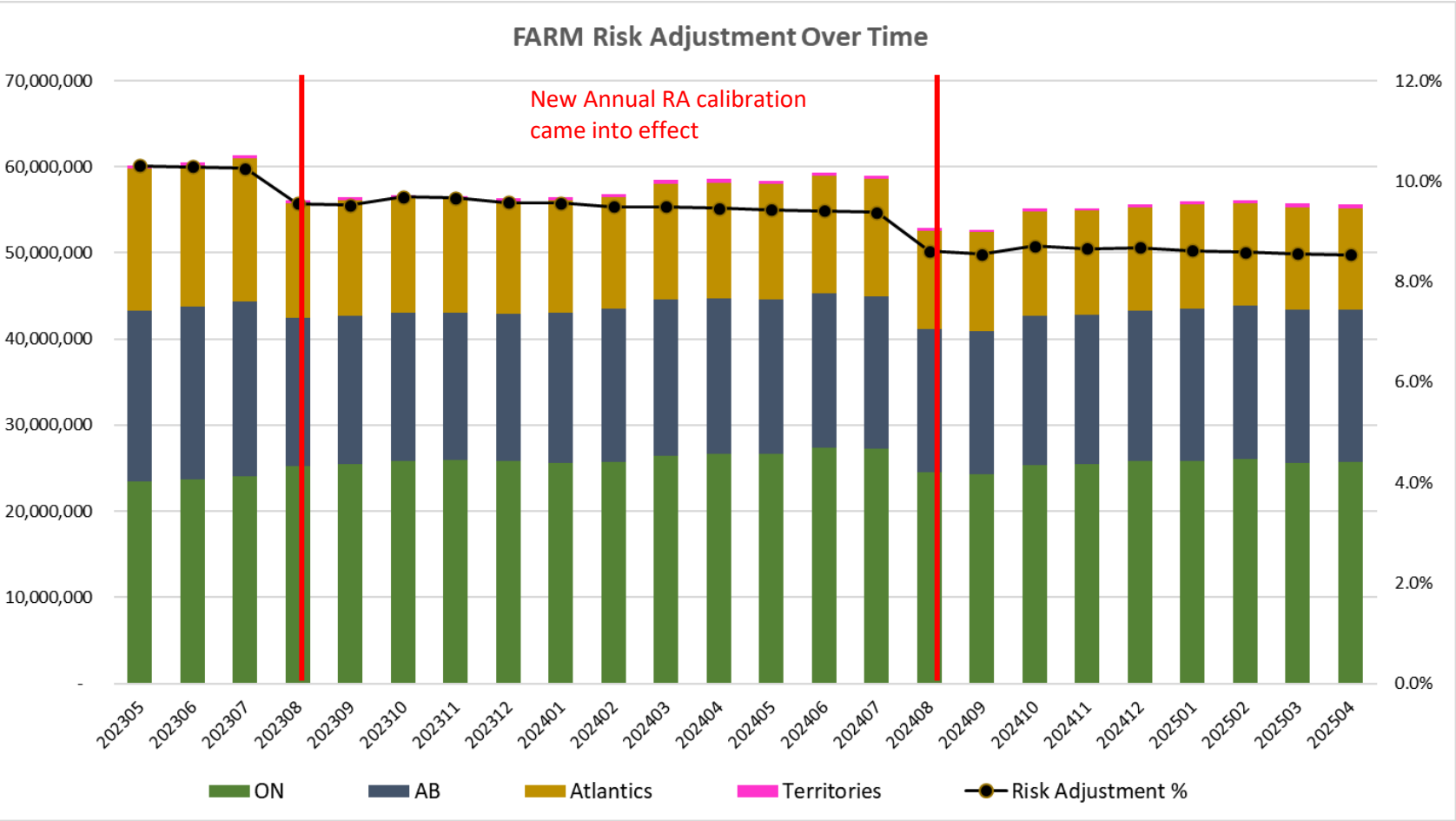
- Table shows the impact of yield curve movements on the FARM liabilities for the most recent implementations.
- Yields have been more volatile since 2022 due to inflation shock. Yields began to decline in late 2023 and continued into 2024. The fiscal year to date yield impact is small with a 22 basis point decline.
- Note that the yield impact presented in the table below includes the impact of the new payment pattern selected in 2024 Q4. This pattern is selected annually.

Impact on Liabilities due to Historical Yield Changes

	2023-Q4	2024-Q1	2024-Q2	2024-Q3	2024-Q4
Average FARM discount rate	4.92%	5.07%	5.07%	4.13%	3.91%
Change from prior	-1.08%	0.15%	0.00%	-0.94%	-0.22%
Yield Impact LIC	(18,871)	1,331	(1,166)	(14,080)	127
Yield Impact PV FCF	(17,444)	1,264	(1,079)	(13,023)	104
Yield Impact Risk Adjustment	(1,428)	67	(87)	(1,057)	22
Yield Impact Loss Component	-	-	-	-	-
Total Yield Impact	(18,871)	1,331	(1,166)	(14,080)	127

FARM Risk Adjustment Over Time

The total weighted risk adjustment is 8.5% as at April 2025, versus 9.5% as at April 2024.

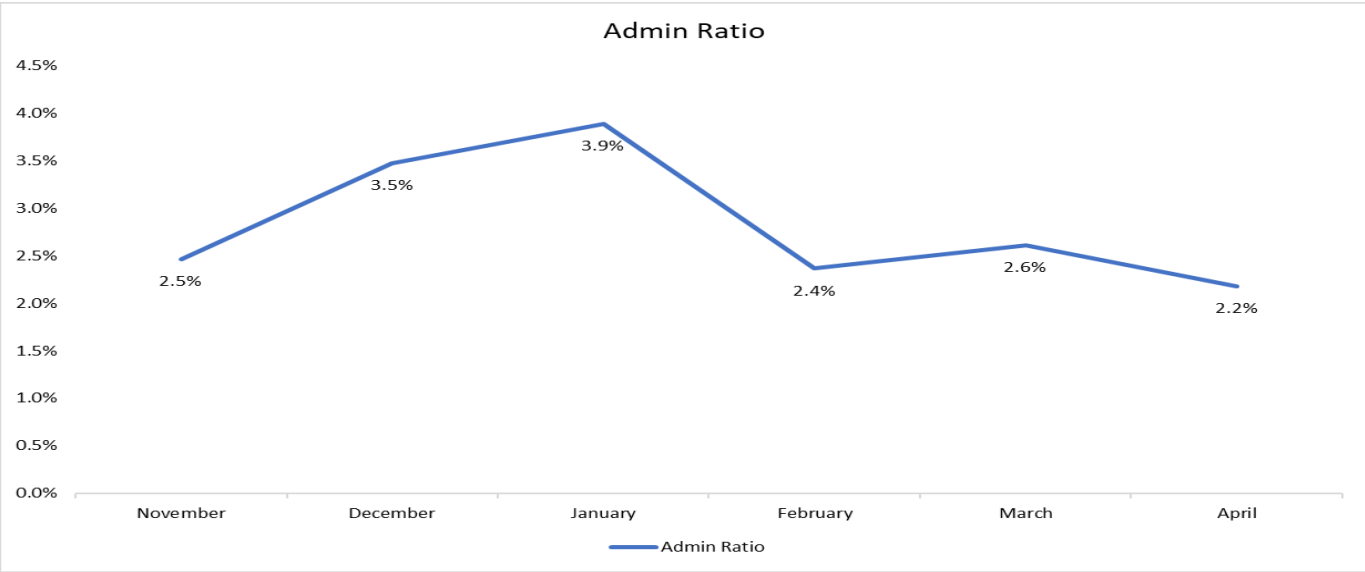
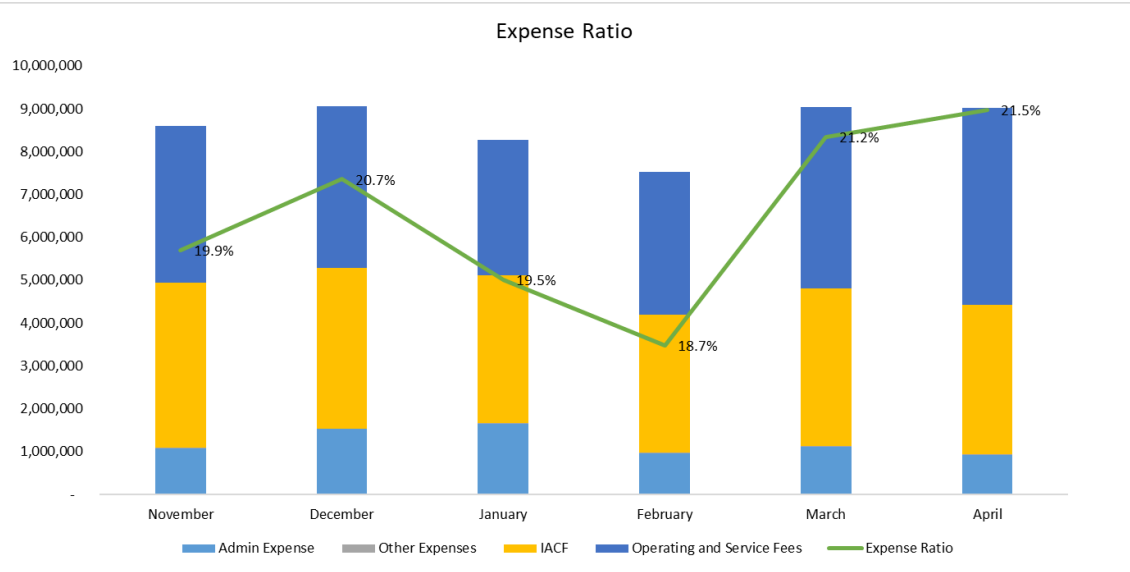


Key Messages:

- Risk adjustment is calibrated annually at the coverage level and fluctuates throughout the year based on the mix of claim liabilities by coverage.
- Calibration uses cost of capital approach; factors at the time of calibration are carried forward until the next calibration.
- Risk adjustment has remained stable, hovering between 8-10%. The total weighted average varies depending on the mix of business.
- The latest calibration was implemented in August 2024 Participation Report.
- The next calibration will be implemented in the August 2025 Participation Report.

FARM Expenses

The YTD expense ratio is 20%, showing an increase in admin expenses but a decrease in operating and service fees compared to the prior year. Operating and services fees decreased in line with reduction in premiums written. The increase in admin expense ratio is largely due to a 17% rise in employee-related costs, which resulted from a 12% increase in headcount directly related to FA’s strategic initiatives.



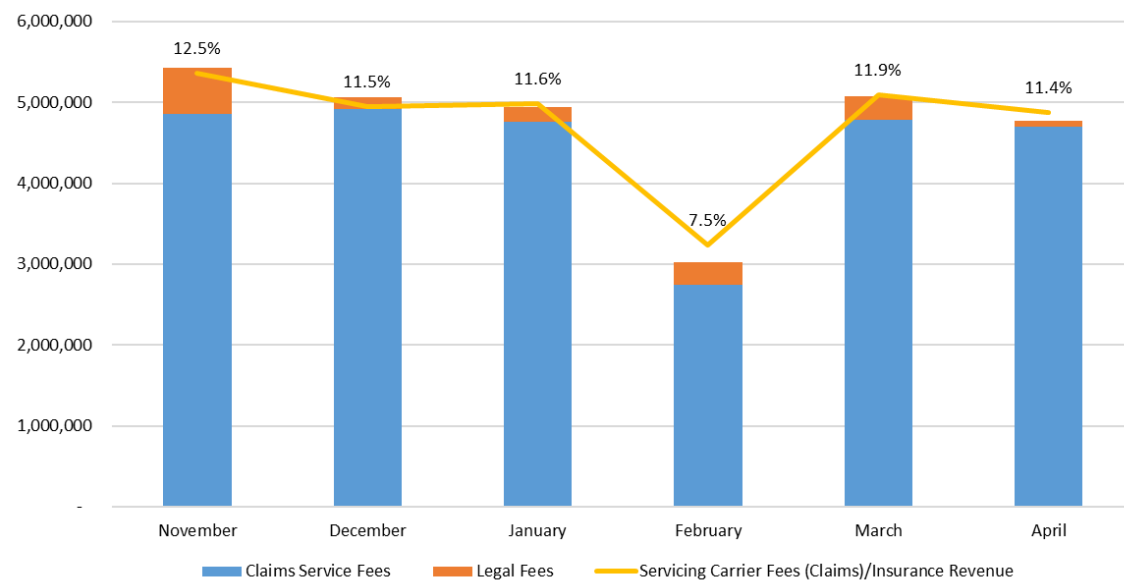
Impact on Expense Ratio	Current Year	Prior Year	Change (\$)	Change (%)
Premium Written	220,638,399	230,848,303	- 10,209,904	-4.4%
Insurance Revenue	254,428,633	253,632,510	796,123	0.3%
Total FACO Expenditure	12,578,861	10,735,546	1,843,315	17.2%
Administrative Expense allocated to Mechanism	7,220,068	6,241,760	978,308	15.7%
% Allocated to FARM	57%	58%		
FACO Admin Expense Ratio	2.8%	2.5%		

Key Messages:

- The overall expense ratio, calculated as the sum of Admin Expenses, IACF, Operating & Service Fees, and other miscellaneous costs divided by insurance revenue, is averaging 20.0%. This is driven by the following components:
 - Acquisition Costs:** 8.4% of the expense ratio
 - Operating Expenses from Servicing Carrier(s):** 8.9% of the expense ratio reflects the operating fees for managing the FARM business by the servicing carrier, in line with the Board-approved allowance (further details are outlined in the Plan of Operation).
 - Admin Expense Ratio:** The admin expense ratio, which is admin expenses divided by insurance revenue, has increased by 0.3% from the prior year, now trending at an average of 2.8%, primarily driven by Increase in headcount and is in line with strategic initiatives approved by the Board.

FARM Expenses

Servicing Carrier Fees - Claims



Servicing Carrier Fees	Current Year	Prior Year	Change (\$)	Change (%)
Premium Written	220,638,399	230,848,303	- 10,209,904	-4.4%
Insurance Revenue	254,428,633	253,632,510	796,123	0.3%
Claims Service Fees	26,755,787	24,871,641	1,884,146	7.6%
Legal Fees	1,549,453	1,350,966	198,487	14.7%
Total Claims Service & Legal Fees	28,305,240	26,222,607	2,082,634	7.9%
Claims Service Fee Ratio	11.1%	10.3%		
Operating Service Fees	22,744,859	23,878,138	- 1,133,278	-4.7%
Operating Service Fees Ratio	8.9%	9.4%		

Key Messages:

- Servicing Carriers are reimbursed for servicing FA's business based on the guidelines set out in the Plan of Operation. The operating and service fee and claims expense allowance paid to the Servicing Carrier is in-line with the Board approved allowance
- Operating Cost (excluding claims expenses)
 - Over the last six months, the average operating cost (excluding claims expenses) has been 10.3% of the premiums written.
 - As a ratio of Insurance Revenue, operating cost (excluding claims expenses) has reduced by 0.5%, now standing at 8.9%
- Claims expenses: The claims expenses, expressed as a percentage of Insurance Revenue, have increased slightly from 10.3% to 11.1%
- In February 2025 there was a recovery from the servicing carrier on the claims fees indicated by the sharp decrease in the chart above. This is an annual process that occurs in February to retroactively settle the claims fees with the servicing carrier.

FARM Financial Position

LRC has decreased consistent with the change in unearned premium. LIC has increased primarily due to growth of the case reserves. Payables and receivables have decreased because of fund transfer settlements between FA and Member accounts.

FARM - IFRS 17			
(\$000s)	April 30, 2025	October 31, 2024	
Assets			
Cash and cash equivalents	346,186	373,295	(27,109) (7%)
Other receivables	615	10,178	(9,563) (94%)
Accounts receivable from other pools	2,550	2,594	(44) (2%)
Accrued investment income	890	1,365	(475) (35%)
Total Funds held by members	570,190	606,696	(36,506) (6%)
Total Assets	920,431	994,127	(73,697) (7%)
Liabilities			
Liability for remaining coverage	189,168	218,514	(29,345) (13%)
Liability for incurred claims	707,746	687,915	19,831 3%
Accounts payable and other liabilities	8,749	69,346	(60,597) (87%)
Servicing carrier operating fees payable	14,768	18,353	(3,585) (20%)
Total Liabilities	920,431	994,127	(73,697) (7%)

Key Messages:

- **Cash and cash equivalents** – FARM decrease is driven by funds paid out for settlements with members.
- **Other receivables** – In October 2024, available funds held were rebalanced between members which generated a \$10M receivable. The receivables generated from this process have already been settled as of today.
- **Total funds held by members** – This represents the movement of funds with the Service Carriers and the YTD operating results of \$29M.
- **Liability for remaining coverage** – Decrease of \$29M represents the change in unearned premium received over time.
- **Liability for incurred claims** – Total LIC increase primarily driven by changes of \$24M increase in case reserves, \$4M increase in retroactive fees adjustments, decrease in IBNR (\$9M).
- **Accounts payable and other liabilities** – \$64M has been paid in January 2025 to settle the net payables to individual members.

FARM Latest FY 2025 Projection

Latest 2025 FY Projection \$000s (as at 202504)						FY 2025 Outlook
FY 2025 Latest Projection (\$000s)	Ontario	Alberta	Atlantics	Territories	Total	Total
Written Premium	194,017	164,477	143,415	9,349	511,258	542,303
Received Premium	191,359	164,490	143,330	9,351	508,530	540,726
Earned Premium	201,277	165,934	143,700	9,759	520,670	542,445
Insurance Revenue	201,277	165,934	143,700	9,759	520,670	542,445
Total Claims Incurred	128,015	119,598	97,603	4,836	350,051	357,507
<i>Claims incurred (CAY)</i>	142,576	130,134	98,573	4,746	376,028	374,281
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(14,561)	(10,536)	(970)	90	(25,977)	(16,774)
Administrative Expense	25,791	20,523	18,012	1,194	65,519	66,816
Amortization of IACFs	13,524	13,528	15,651	975	43,677	47,192
Change in Loss Component	0	0	0	0	0	0
Insurance Service Expenses	167,330	153,648	131,265	7,005	459,248	471,515
Insurance Service Result	33,947	12,286	12,435	2,755	61,423	70,930
<i>Insurance Finance Expense from PV FCF</i>	(10,658)	(8,197)	(7,451)	(221)	(26,528)	(34,830)
<i>Insurance Finance Expense from Risk Adjustment</i>	(970)	(600)	(520)	(15)	(2,105)	(2,908)
<i>Insurance Finance Expense from Loss Component</i>	0	0	0	0	0	0
Insurance Finance Income (Expense)	(11,629)	(8,797)	(7,971)	(236)	(28,632)	(37,738)
Investment Income	4,820	3,959	2,956	133	11,868	14,518
Operating Result	27,138	7,448	7,420	2,652	44,658	47,709
Ratios (as a % of insurance revenue)						
Loss ratios	63.6%	72.1%	67.9%	49.6%	67.2%	65.9%
<i>Claims incurred (CAY)</i>	70.8%	78.4%	68.6%	48.6%	72.2%	69.0%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(7.2%)	(6.3%)	(0.7%)	0.9%	(5.0%)	(3.1%)
Underwriting and Admin Expenses	19.5%	20.5%	23.4%	22.2%	21.0%	21.0%
<i>Administrative Expenses</i>	12.8%	12.4%	12.5%	12.2%	12.6%	12.3%
<i>Amortization of IACFs</i>	6.7%	8.2%	10.9%	10.0%	8.4%	8.7%
<i>Change in Loss Component</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance Service Ratio	83.1%	92.6%	91.3%	71.8%	88.2%	86.9%
Insurance Finance Income	5.8%	5.3%	5.5%	2.4%	5.5%	7.0%
Investment Income Ratio	(2.4%)	(2.4%)	(2.1%)	(1.4%)	(2.3%)	(2.7%)
Combined Operating Ratio	86.5%	95.5%	94.8%	72.8%	91.4%	91.2%

Note: This forecast is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.** Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook.

Updated FY 2025 Projection

	Ontario	Alberta	Atlantic	Territories	Total
WRITTEN PREMIUM (\$000s)					
The Outlook	216,584	175,123	140,230	10,365	542,303
Latest Projection	194,017	164,477	143,415	9,349	511,258
Change (\$)	(22,567)	(10,646)	3,184	(1,016)	(31,045)
Change (%)	(10.4%)	(6.1%)	2.3%	(9.8%)	(5.7%)
WRITTEN VEHICLE COUNT					
The Outlook	23,147	34,371	55,558	6,099	119,175
Latest Projection	23,535	33,427	56,291	5,789	119,042
Change (%)	1.7%	(2.7%)	1.3%	(5.1%)	(0.1%)
LOSS RATIOS (%)					
The Outlook CAY Loss Ratio	67.4%	72.1%	69.3%	47.0%	69.0%
Latest Projection CAY Loss Ratio	70.8%	78.4%	68.6%	48.6%	72.2%
Change	3.5%	6.4%	(0.8%)	1.6%	3.2%
The Outlook PAY Loss Ratio	(3.2%)	(3.0%)	(3.2%)	(1.2%)	(3.1%)
Latest Projection PAY Loss Ratio	(7.2%)	(6.3%)	(0.7%)	0.9%	(5.0%)
Change	(4.1%)	(3.3%)	2.5%	2.1%	(1.9%)
UNDERWRITING AND ADMIN EXPENSES (% INSURANCE REVENUE)					
The Outlook	19.5%	20.8%	23.6%	23.0%	21.0%
Latest Projection	19.5%	20.5%	23.4%	22.2%	21.0%
Change	0.1%	(0.3%)	(0.2%)	(0.8%)	(0.0%)
COMBINED OPERATING RATIO (%)					
The Outlook	89.3%	93.2%	93.3%	69.9%	91.2%
Latest Projection	86.5%	95.5%	94.8%	72.8%	91.4%
Change	(2.8%)	2.4%	1.5%	2.9%	0.2%
OPERATING RESULT (\$000s)					
The Outlook	23,572	11,796	9,323	3,018	47,709
Latest Projection	27,138	7,448	7,420	2,652	44,658
Change (\$)	3,566	(4,348)	(1,903)	(367)	(3,052)

Key observations:

- FARM is projected to have a decrease in written premiums driven (5.7% overall decrease compared to The Outlook). We are projecting written premium of \$511 million, primarily driven by decreased Non-PPV counts and average premium. This is partly offset by PPV counts, which have increased in almost all jurisdictions.
- CAY loss ratio has increased in Alberta driven by higher loss trends assumptions for Non-PPV coverages, whereas PAY loss ratio decreased driven by favorable development in Ontario accident benefits and Alberta bodily injury claims. See focus area #3 for more detail.
- The 2025 Outlook does not forecast any future change in the yield curve for 2025 as our future assumption is always a constant yield curve.

Focus Area #1: FARM Rate Changes and Indications

FARM Rate Activity & Indications

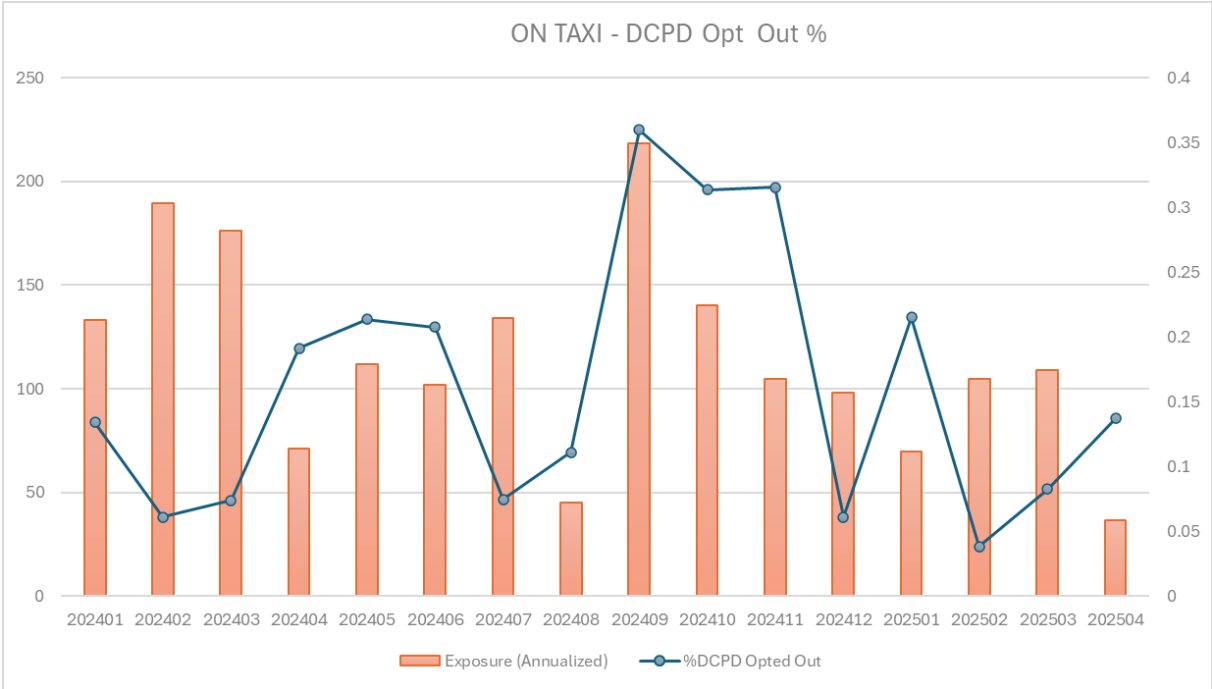
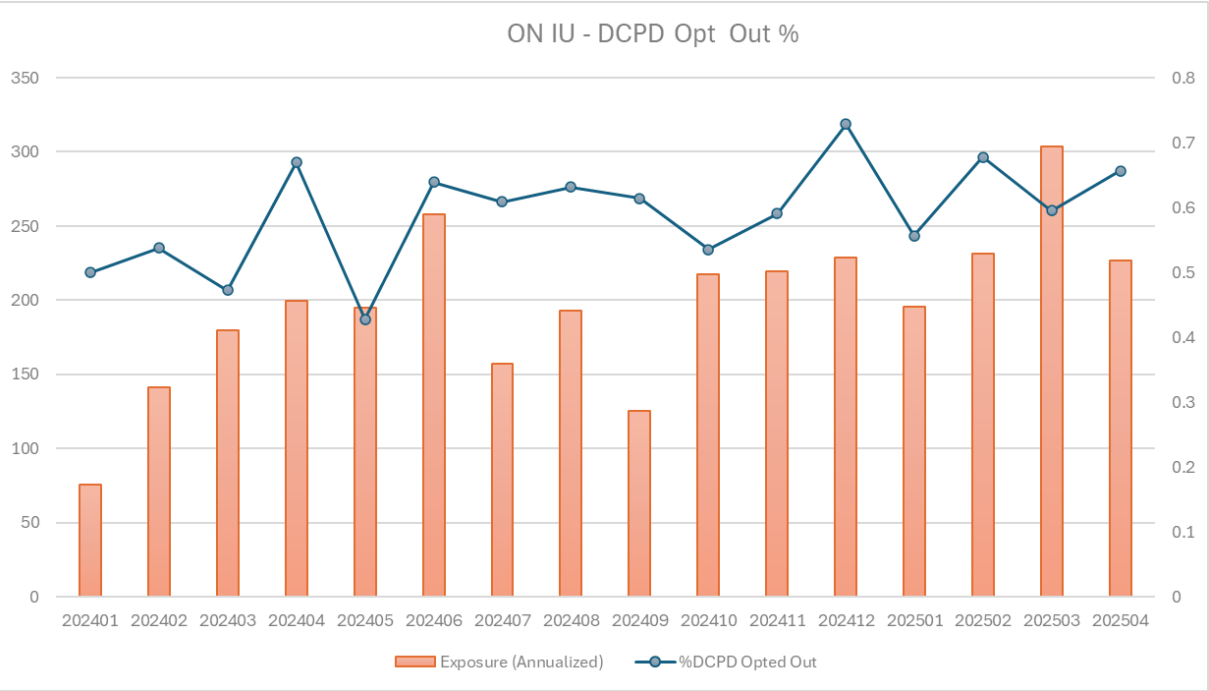
	Total	PPV	Non-PPV
Jurisdiction	Cred-Weighted Indication	Cred-Weighted Indication	Cred-Weighted Indication
ON			
AB			
NL			
NB			
NS			
PE			
YT			
NT			
NU			
Grand Total			

Key Messages:

- This table presents the red/green status of current credibility-weighted indications by province and segment.
 - Red indicates that the indication is below our internal target range for adequacy
 - Green indicates that the indication is rate adequate
- Filed and approved rate increase include:
 - ON PPV +6.2% effective March 1, 2025
 - NS ATV +8.0% effective May 1, 2025
 - NL PPV -8.4% effective Oct 1, 2025
 - NL CV -5.0% effective Oct 1, 2025
 - NL IU -4.4% effective Oct 1, 2025
 - YT TX +4.8% effective Jun 1, 2025
- Other notes:
 - Alberta PPV rate change is driven by Grid rates, as the majority of FARM PPV book is Grid-rated.
 - Based on current trends, more rate may be required in Ontario PPV to achieve rate adequacy. In Atlantic, there is some concern on rate adequacy as we have filed for decreases mandated by Newfoundland & Labrador Bill 47 which prohibits inclusion of a provision for return on capital in FARM's rates. In addition, the Alberta Non-PPV indication has deteriorated due to worsening loss trends particularly for bodily injury claims.

Focus Area #2: FARM Vehicle Segment Analysis

FARM OPCF 49 Uptake



Ontario Opted Out % Interurban (IU) and Taxi (TX)

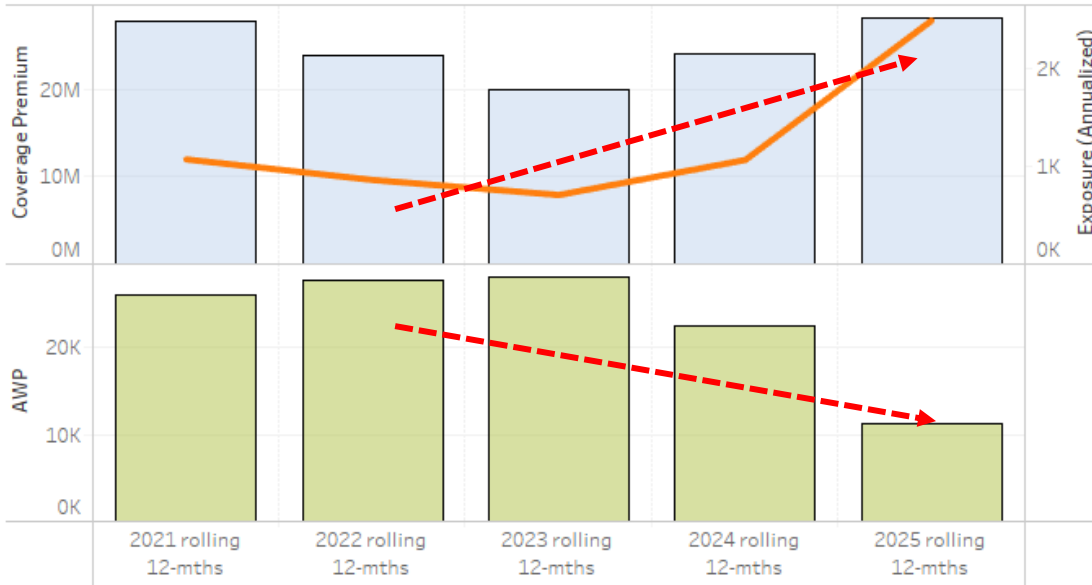
Policy Effective Year	Vehicle Minor Rating Class	DCPD Opted Out			
		Exposure (Annualized)		% of Total Exposure (Annualized)	
		Opted Out	Others	Opted Out	Others
2024	IU	1,288	903	58.8%	41.2%
	TX	277	1,247	18.2%	81.8%
2025	IU	595	362	62.2%	37.8%
	TX	33	287	10.3%	89.7%
Grand Total		2,194	2,798	43.9%	56.1%

DCPD Opted Out
■ Opted Out
■ Others

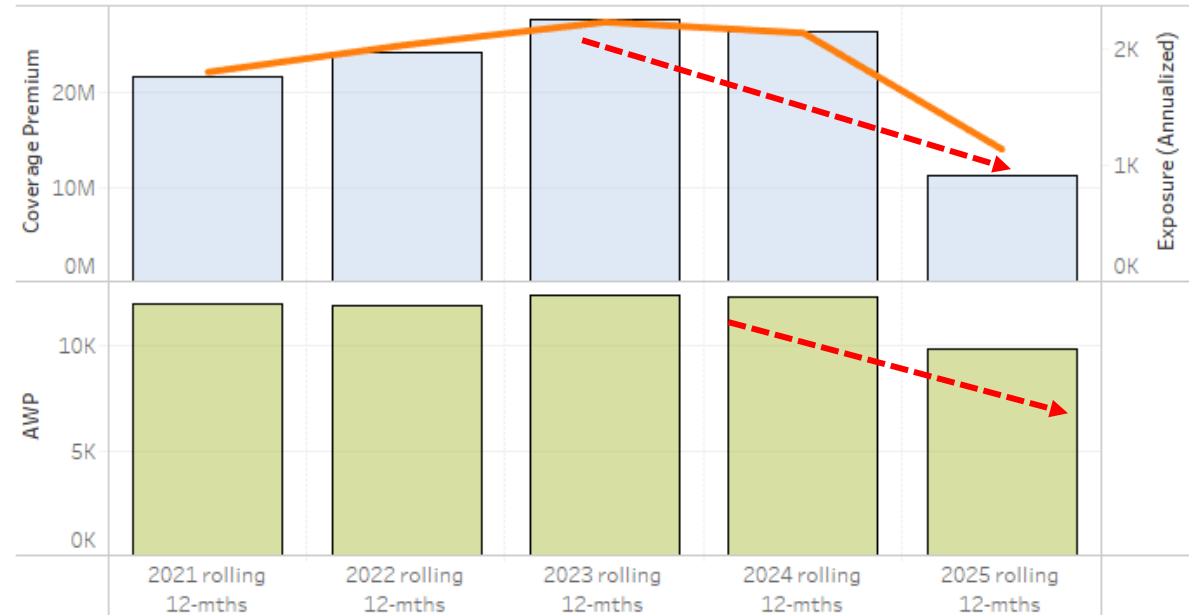
- **Ontario DCPD Opt out Endorsement:** Ontario has introduced OPCF 49 endorsement effective January 1st, 2024 which allows policyholders to decline DCPD coverage on their vehicle.
- The table on the left shows the uptake rate of the endorsement in full year of 2024 and YTD 2025 (as at April 2025), split out between interurban and taxi segments (remaining segments have quite small uptake rate in comparison).
- The YTD 2025 uptake rate is 62.2% in interurban and 10.3% in taxi.

FARM Vehicle Segment Analysis

FARM Ontario IU Transactional data - Premium & Exposure
As at 4/30/2025



FARM Ontario Taxi Transactional data - Premium & Exposure
As at 4/30/2025



Ontario Interurban (top left):

- AWP for interurban trucks has decreased sharply in Ontario since the introduction of mandatory DCPD Opt-Out endorsement (OPCF 49) in 2024 and into 2025. The vehicle counts have increased significantly between 2023 and 2025 from 709 to 2501 (253% increase); more than half of the vehicle volume opted out of DCPD coverage.
- The change in regulation permitting customers to decline DCPD exposed a difference between FA's rating structure and the industry's as regards to the distribution of liability premium between BI, PD and DCPD. This created an unintended competitive advantage for FA since the premium distribution of FARM rates between BI, PD and DCPD is quite different than the industry. FA is currently conducting a rate review to ensure all Ontario interurban coverages remain rate adequate.

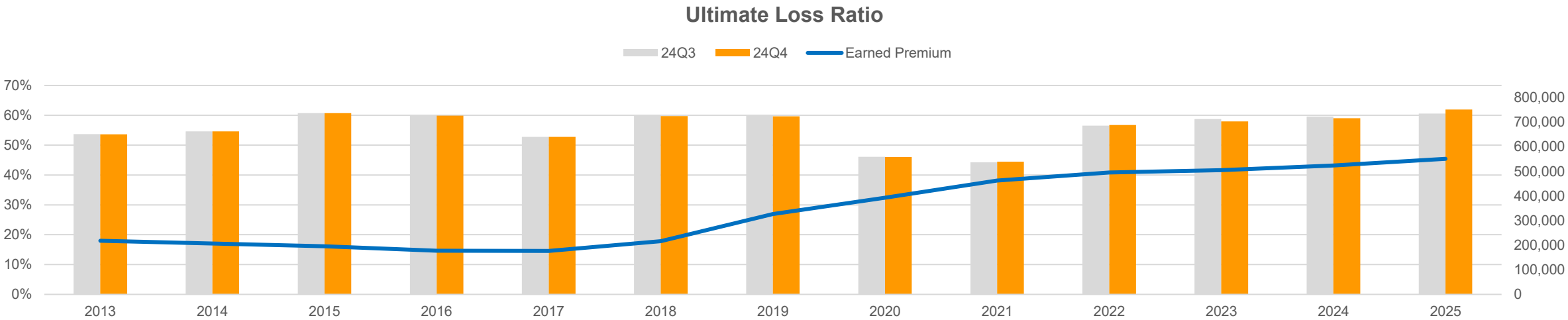
Ontario Taxi (top right):

- Taxi count volume has decreased in rolling year 2025 as a result of higher appetite in the voluntary market to write taxi business. AWP for taxi has decreased as result of higher OPCF 49 uptake.

**Note: these charts are rolling 12 month as at Apr-2025.*

Focus Area #3: Results of the 2024-Q4 Claims Analysis

FARM Claims Analysis



Runoff Summary by Accident Year and Coverage												
Nominal (\$000s)	2013 & prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
TPL	(36)	27	(70)	30	47	(198)	(300)	(806)	627	1,607	(1,878)	(950)
AB	(1,511)	(1)	(3)	(10)	24	4	(1,517)	645	28	(356)	(1,372)	(4,068)
Other	1	(0)	(0)	(0)	-	0	(10)	(59)	568	(256)	(536)	(291)
Total	(1,547)	27	(74)	20	71	(193)	(1,826)	(220)	1,224	995	(3,786)	(5,309)

Key Messages:

- Claims development for prior accident years during Q4 is favorable \$5.3 million decrease to the ultimate loss estimates.
- Improvement in loss ratios was mainly driven by favourable claim development for Ontario Accident Benefits and Alberta Non-PPV Bodily Injury claims (including unwinding of additional provisions for inter-urban growth in 2020-2023).

**Results on this slide are on a nominal (undiscounted) basis and include data up to December 31, 2024.*

FARM Claims Analysis – PPV Key Valuation Changes

The impact of the 2024-Q4 claims analysis on ultimate claims estimates overall minor.

Increasing



Rank	Province	Coverage	Change in Ultimate
1	Nova Scotia	Bodily Injury	\$ 2,593,995
2	Ontario	Collision	\$ 1,140,963
3	New Brunswick	Bodily Injury	\$ 821,085
4	Alberta	Bodily Injury	\$ 390,199
5	Ontario	Underinsured Motorist	\$ 139,396

Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q4 valuation (includes the change in the latest quarter actual compared to the projection from the previous quarter).
- Overall, the changes are minor however we continue to see familiar themes: improvement in Accident Benefits results, and unfavourable Ontario physical damage claim results. The Nova Scotia Bodily injury result was driven by a few large losses.

Decreasing

Rank	Province	Coverage	Change in Ultimate
75	New Brunswick	AccBen (indivis)	\$ -344,013
76	Ontario	Direct Comp Property Damage	\$ -680,489
77	Ontario	Bodily Injury	\$ -1,039,508
78	Ontario	AccBen (indivis)	\$ -1,282,073
79	Ontario	Comprehensive	\$ -1,443,174

FARM Claims Analysis – non-PPV Key Valuation Changes

The Non-PPV Q4 valuation results are favourable overall. Ontario Accident Benefits continues to develop favourably, similar to the PPV side. Alberta Bodily Injury is favourable due to release of bulk IBNR provision to offset expected losses.

Increasing



Rank	Province	Coverage	Change in Ultimate
1	Newfoundland & Labrador	Property Damage (w DCPD)	\$ 4,724,523
2	Ontario	Bodily Injury	\$ 1,506,715
3	Nova Scotia	Bodily Injury	\$ 1,326,144
4	Alberta	Underinsured Motorist	\$ 694,678
5	Nova Scotia	AccBen (indivis)	\$ 644,015

Decreasing

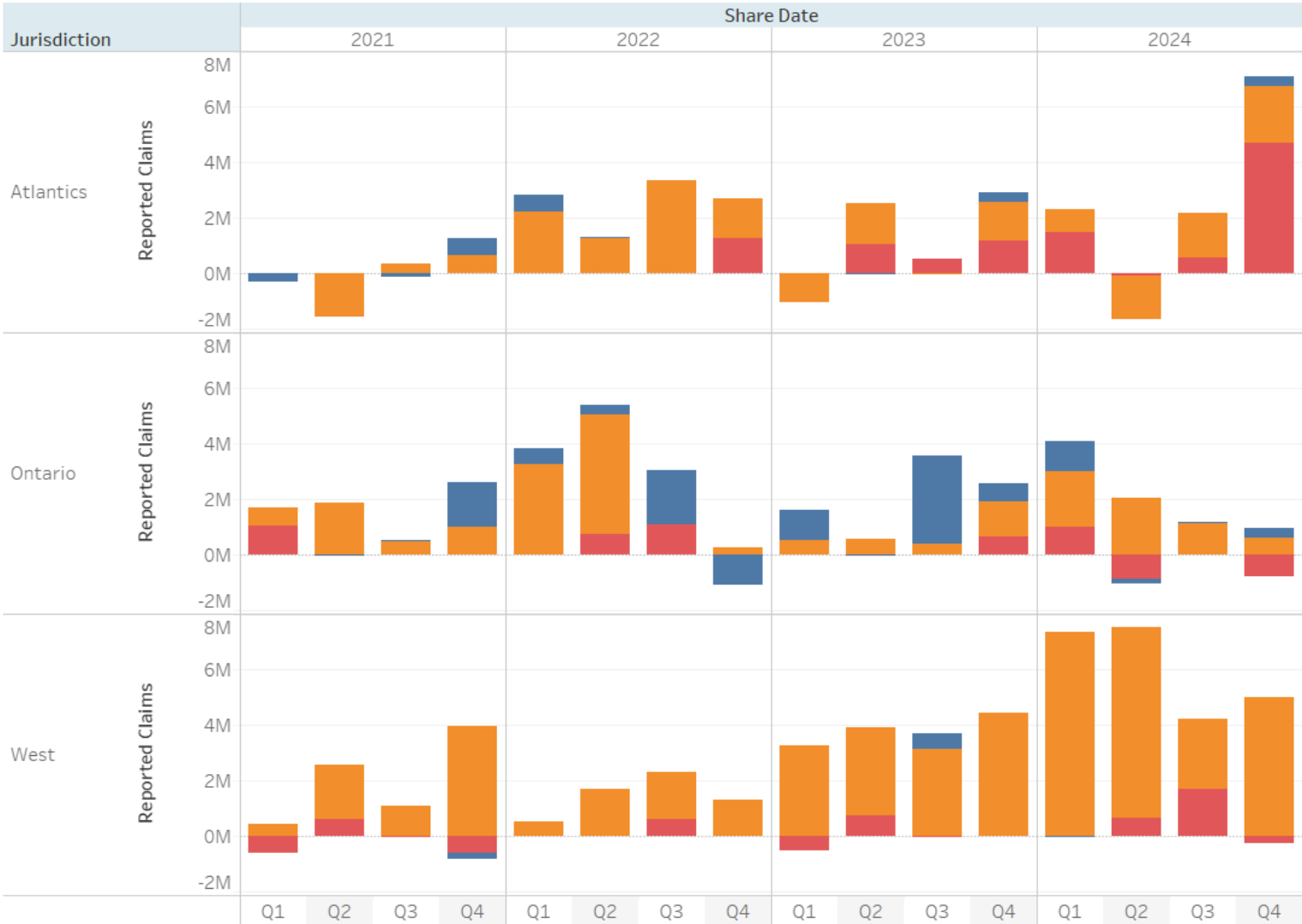
Rank	Province	Coverage	Change in Ultimate
75	Alberta	Collision	\$ -1,333,444
76	New Brunswick	Bodily Injury	\$ -1,677,600
77	Ontario	AccBen (indivis)	\$ -1,775,407
78	Alberta	Property Damage (w DCPD)	\$ -3,535,319
79	Alberta	Bodily Injury	\$ -5,009,681

Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q4 valuation (includes the change in the latest quarter actual compared to the projection from the previous quarter).
- Ontario Accident Benefits has consistently developed better than our expectations for several quarters. We adjusted the ultimate loss selection to recognize the emerged claim experience.
- In 2022-2023, large provisions for Alberta Interurban bodily injury claims were created to recognize the rapid growth of this line of business from 2020-2023, and the higher expected loss ratio of this sub-set of the portfolio. We have been reducing this provision over time to smooth the emerging experience.
- A single large loss in Newfoundland & Labrador is driving the unfavorable change in the ultimate for Property Damage (w DCPD) involving oil spill.

FARM Claims Analysis – Large Losses Over Time

2024 Q4 saw lower-than-average large loss activity in Atlantics, lower than average TPL large losses in Alberta, and slightly above average large loss activity in the Atlantic provinces.



Key Messages:

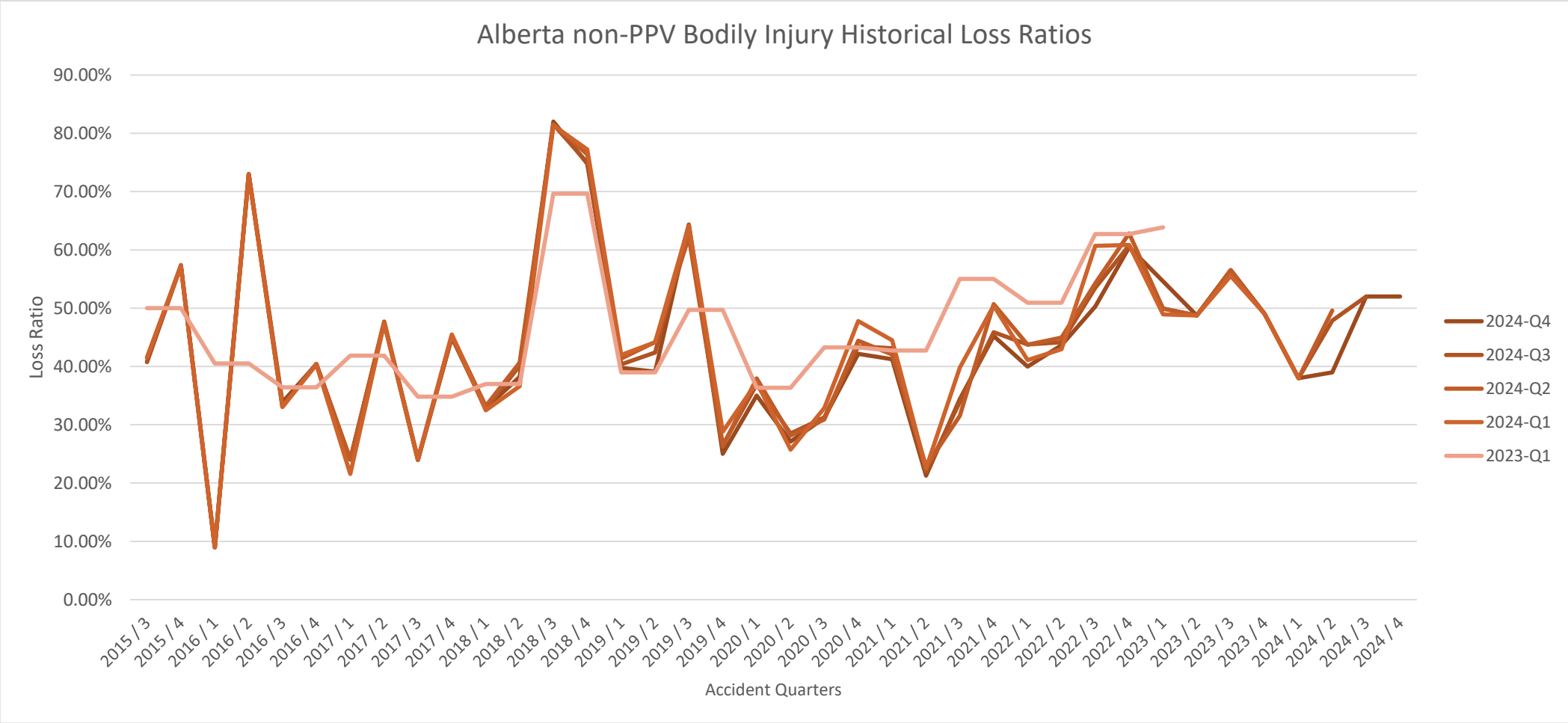
- Atlantics regions had significantly higher large losses compared to prior quarters, mostly due to one large loss in Newfoundland & Labrador involving an oil spill.
- Large losses in the Ontario and West regions are fairly in line with prior quarters.

**LL are defined as >\$500k for ON/AB or >\$250k for other jurisdictions*

Coverage Type (group)

- AccBen (indivis)
- BI & TPL
- Other

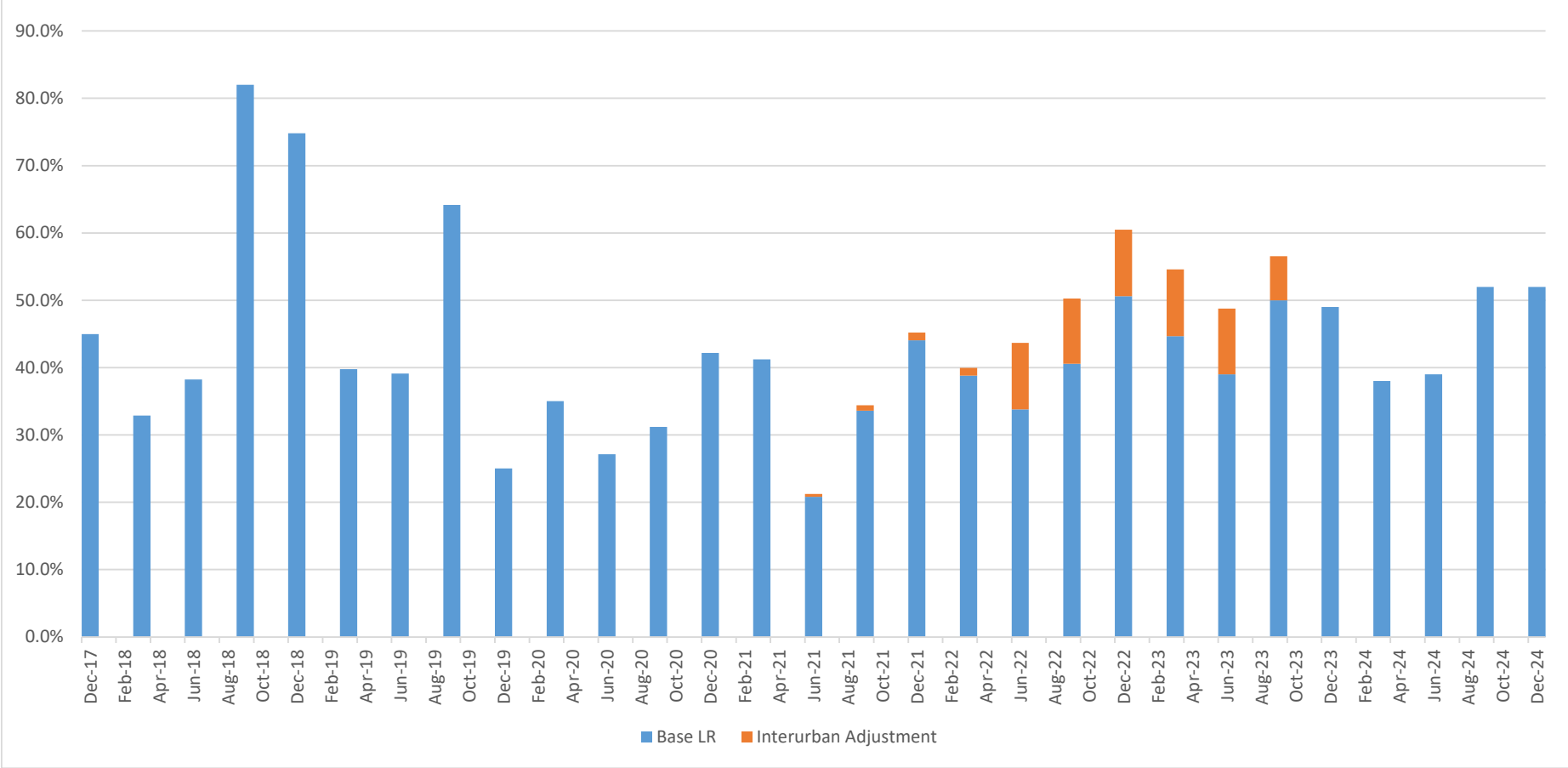
FARM Alberta Non-PPV Bodily Injury Update



In 2023-Q1, we added additional IBNR for the 2021-2023 period to account for the rapid unprofitable growth of the Interurban trucking portfolio in Alberta. Since then, we have switched to more experience-based methods for selecting reserves while slowly removing the additional IBNR adjustment to help smooth out the emerging experience (see next slide for further details).

FARM Alberta Non-PPV Bodily Injury IBNR Adjustment

Current Valuation - Alberta Non-PPV BI Ultimate Loss Ratios



Key observations:

- Starting in 2020, we had significant growth of Inter-urban trucking business in Alberta
- Around 2021-2022, rate indications showed this book was unprofitable compared to the rest of Alberta Non-PPV, but because it was new, this was not yet reflected fully through the reserving model => Additional IBNR needed to cover future development of large BI claims from this book
- The chart shows the Alberta Non-PPV BI loss ratios from the latest valuation with and without the adjustment
- The initial adjustment booked in 2023 Q1 was \$31.5 million, which has then decreased over time as claims emerge (see table below). Currently holding \$17.1M of additional IBNR (orange bars).

Valuation quarter	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
IBNR bulk adjustment	31,500,000	28,700,000	27,600,000	25,900,000	24,100,000	21,900,000	19,600,000	17,100,000

FARM Glossary of Acronyms/Legends

Acronyms	Definition
AY	Accident Year
AvP/AvsP	Actual versus Projection
AccBen	Accident Benefits
AB	Alberta
Atlantics	New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador (combined)
BI	Bodily Injury
CAY	Current Accident Year
CM	Comprehensive
CAT	Catastrophe
CV	Commercial Vehicles
FtAY	Future Accident Year
IU	Interurban Vehicle
IFIE/IFE	Insurance Finance Income/Expense
IFIE/IFE	Insurance Finance Income/Expense
IBNR	Incurred but not Reported
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
LL	Large Loss
LR	Loss Ratio

Acronyms	Definition
ON	Ontario
NB	New Brunswick
NS	Nova Scotia
NL	Newfoundland & Labrador
Non-PPV	Non-Private Passenger Vehicles – all vehicles insured by FARM that are not PPV
PPV	Personal Passenger Vehicles (automobiles)
PY	Prior Year
PAY	Prior Accident Year
RA	Risk Adjustment
Rec	Recreational vehicles: Motorcycles, Snowmobiles and ATVs
SP	Specified Perils
TX	Taxis/Limos
Territories	Yukon, Northwest Territories, Nunavut (combined)
YTD	Year to Date

Supplementary Information

Additional exhibits and data files available in the monthly bulletins:

<https://www.facilityassociation.com/Members/MemberBulletins>