

A blurred photograph 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 seated at a wooden table, working. The office has a high ceiling with exposed pipes and modern lighting.

RSP 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	

RSP Headlines

2025 Fiscal YTD RSP Operating Deficit: \$732.1 million
2025 Fiscal YTD RSP Operating COR: 270.3% (see slide 4)

2025 Latest Projected Fiscal Year-End Operating Deficit: \$760.3 million
2025 Latest Projected Fiscal Year-End Operating COR: 185.1% (see slide 13)

Financial Highlights

- Premium volumes across all pools (excluding Grid) have reached record levels. **The fiscal year to date written premium was \$653.1 million for the combined 6 RSPs** which represents a 6% increase compared to prior year. The average written premium is 16% higher compared to prior year, and 6% higher compared to Outlook. Overall count volumes to date continue to decrease in Ontario and Alberta Grid, this is partially offset by an increase in Alberta Non-Grid counts following changes to the Grid rating algorithm.
- For the combined RSPs, the prior year and current year claims ratio is relatively in line with Outlook despite offsetting dynamics across individual pools. In particular, some losses occurred this quarter due to reserve strengthening in Alberta bodily injury claims across the 2023-2025 period, which should pre-emptively safeguard against future adverse development.
- Vehicle theft has been a prominent issue across Canada particularly over 2022-2023, and has shown a decline in 2024 attributed to collaborative efforts within government, law enforcement, and implementation of auto technologies to prevent and detect theft. This, combined with favorable rate adjustments has significantly improved Ontario comprehensive coverage results compared to Outlook. Because of this, we have lowered our projected loss ratios for Ontario leading to improvement in the onerous contract ratio.

RSP YTD Operating Results

YTD operating deficit is in line with The Outlook, and shows an improvement compared to prior year primarily driven by the larger increase in loss component recognized in the prior year result.

FISCAL YEAR (\$000s)	Actual RSP Q2 Apr 2025	Actual RSP Q2 Apr 2024	Change Q2 2025 - Q2 2024		Actual RSP YTD 6 mths to Apr 2025	Actual RSP YTD 6 mths to Apr 2024	Outlook RSP YTD 6 mths to Apr 2025	Change 2025 - 2024		Change from Outlook	
			\$	%				\$	%	\$	%
Premium written	322,680	306,183	16,497	5%	653,099	616,922	604,965	36,177	6%	48,134	8%
Premium Earned	324,130	292,945	31,186	11%	652,865	579,030	644,436	73,836	13%	8,430	1%
Earned Expense Allowance	(111,301)	(99,060)	(12,241)	12%	(222,963)	(190,810)	(220,161)	(32,153)	17%	(2,802)	1%
INSURANCE REVENUE	212,829	193,884	18,945	10%	429,902	388,219	424,275	41,683	11%	5,628	1%
Claims incurred	366,001	336,135	29,865	9%	734,411	646,773	727,175	87,639	14%	7,237	1%
Adjustment to liabilities for incurred claims	(11,350)	(2,915)	(8,434)	289%	(24,690)	(3,550)	(25,605)	(21,139)	595%	916	(4%)
Change in loss component	(248,527)	(195,363)	(53,164)	27%	380,427	465,448	454,079	(85,021)	(18%)	(73,652)	(16%)
Administration expenses	1,873	1,922	(49)	(3%)	4,746	4,892	6,754	(145)	(3%)	(2,008)	(30%)
INSURANCE SERVICE EXPENSES	107,997	139,779	(31,782)	(23%)	1,094,896	1,113,563	1,162,402	(18,667)	(2%)	(67,507)	(6%)
INSURANCE SERVICE RESULTS	104,832	54,105	50,727	94%	(664,993)	(725,343)	(738,128)	60,350	(8%)	73,134	(10%)
Finance income/expense - Discount Unwind	(37,379)	(43,485)	6,106	(14%)	(66,104)	(80,656)	(66,144)	14,553	(18%)	40	(0%)
Finance income/expense - Yield Impact	(979)	(103,961)	102,982	(99%)	(979)	(103,961)	-	102,982	(99%)	(979)	0%
Net finance income/expense from insurance	(38,358)	(147,446)	109,088	(74%)	(67,083)	(184,617)	(66,144)	117,535	(64%)	(938)	1%
OPERATING SURPLUS (DEFICIT)	66,474	(93,341)	159,815	(171%)	(732,076)	(909,960)	(804,272)	177,885	(20%)	72,196	(9%)
KEY PERFORMANCE METRICS											
Growth Indicators											
Vehicle Counts	104,792	114,855	(10,063)	(9%)	213,729	234,928	210,469	(21,199)	(9%)	3,259	2%
Average Premium	3,079	2,666	413	16%	3,056	2,626	2,874	430	16%	181	6%
Profitability Metrics											
Admin Expense Ratio	0.9%	1.0%	-	(0.1%)	1.1%	1.3%	1.6%	-	(0.2%)	-	(0.5%)
Claims Ratio (CY)	172.0%	173.4%	-	(1.4%)	170.8%	166.6%	171.4%	-	4.1%	-	(0.6%)
Claims Ratio (PY)	-5.3%	-1.5%	-	(3.8%)	-5.7%	-0.9%	-6.0%	-	(4.8%)	-	0.3%
Claims Ratio	166.6%	171.9%	-	(5.2%)	165.1%	165.7%	165.4%	-	(0.6%)	-	(0.3%)
Onerous Contract Ratio	-116.8%	-100.8%	-	(16.0%)	88.5%	119.9%	107.0%	-	(31.4%)	-	(18.5%)
Insurance Service Result Ratio	50.7%	72.1%	-	(21.4%)	254.7%	286.8%	274.0%	-	(32.2%)	-	(19.3%)
Net Insurance Finance Income/Expense - Discount Unwind Ratio	17.6%	22.4%	-	(4.9%)	15.4%	20.8%	15.6%	-	(5.4%)	-	(0.2%)
Net Insurance Finance Income/Expense - Yield Impact Ratio	0.5%	53.6%	-	(53.2%)	0.2%	26.8%	0.0%	-	(26.6%)	-	0.2%
Net Insurance Finance Income/Expense Ratio	18.0%	76.0%	-	(58.0%)	15.6%	47.6%	15.6%	-	(32.0%)	-	0.0%
Combined Ratio	68.8%	148.1%	-	(79.4%)	270.3%	334.4%	289.6%	-	(64.1%)	-	(19.3%)

Key Messages:

- Increase in revenue compared to prior year primarily driven by higher average premiums in Ontario and Alberta Grid, the latter due to increases in the Grid rate over 2024 and 2025.
- YTD revenue is up 11% compared to prior year, and claims incurred is also up by a similar margin of 14%. Claims ratios compared to prior year and outlook remained stable.
- YTD onerous contract ratio improved (88.5% versus prior year 119.9%), primarily driven by lower projected premium volumes for the future year 2026 and better than expected comprehensive loss ratios for Ontario. This is slightly offset by Alberta Grid and Non-Grid due to worse than expected development in bodily injury claims experience.
- Decrease in insurance finance expense compared to prior year due to lower discounting benefit from declined yields observed in prior year.

RSP Premium Drivers

Written Premium (\$000s)	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	380,586	339,576	325,449	783,000	707,445	724,783
Alberta Grid	114,689	150,644	107,438	254,342	298,375	241,207
Alberta Non-Grid	124,414	103,439	127,719	298,069	242,182	279,708
New Brunswick	12,324	9,844	13,398	30,088	20,343	30,587
Nova Scotia	15,986	11,373	17,725	40,158	27,700	42,089
Newfoundland	5,100	2,047	13,236	16,323	7,370	31,865
Total	653,099	616,922	604,965	1,421,979	1,303,415	1,350,239

Written Vehicle Count	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	107,944	117,498	102,144	222,496	224,333	222,789
Alberta Grid	31,746	54,834	30,583	71,915	98,793	69,252
Alberta Non-Grid	55,390	49,094	55,425	125,734	111,468	118,168
New Brunswick	7,505	5,836	7,992	17,991	11,921	18,036
Nova Scotia	8,363	6,400	8,926	20,625	14,751	21,237
Newfoundland	2,780	1,265	5,399	7,196	4,092	12,299
Total	213,729	234,928	210,469	465,957	465,358	461,782

AWP	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	3,526	2,890	3,186	3,519	3,154	3,253
Alberta Grid	3,613	2,747	3,513	3,537	3,020	3,483
Alberta Non-Grid	2,246	2,107	2,304	2,371	2,173	2,367
New Brunswick	1,642	1,687	1,676	1,672	1,706	1,696
Nova Scotia	1,911	1,777	1,986	1,947	1,878	1,982
Newfoundland	1,834	1,618	2,452	2,268	1,801	2,591
Total	3,056	2,626	2,874	3,052	2,801	2,924

Fiscal Year to Date Change				Projected Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
41,011	12%	55,137	17%	75,555	11%	58,217	8%
(35,955)	(24%)	7,250	7%	(44,033)	(15%)	13,134	5%
20,975	20%	(3,305)	(3%)	55,886	23%	18,361	7%
2,480	25%	(1,074)	(8%)	9,745	48%	(500)	(2%)
4,613	41%	(1,739)	(10%)	12,457	45%	(1,931)	(5%)
3,052	149%	(8,136)	(61%)	8,953	121%	(15,542)	(49%)
36,177	6%	48,134	8%	118,564	9%	71,740	5%

Fiscal Year to Date Change				Projected Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(9,553)	(8%)	5,800	6%	(1,837)	(1%)	(293)	(0%)
(23,088)	(42%)	1,163	4%	(26,878)	(27%)	2,663	4%
6,295	13%	(35)	(0%)	14,266	13%	7,565	6%
1,668	29%	(488)	(6%)	6,070	51%	(45)	(0%)
1,963	31%	(563)	(6%)	5,874	40%	(612)	(3%)
1,515	120%	(2,618)	(48%)	3,104	76%	(5,103)	(41%)
(21,199)	(9%)	3,259	2%	599	0%	4,175	1%

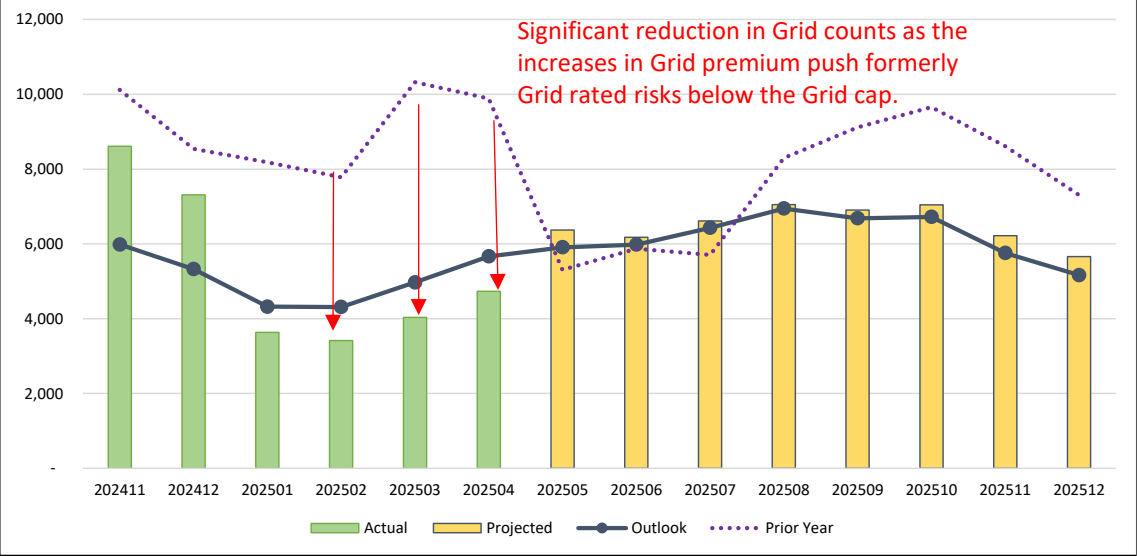
Fiscal Year to Date Change				Projected Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
636	22%	340	11%	366	12%	266	8%
865	32%	100	3%	516	17%	54	2%
139	7%	(58)	(3%)	198	9%	4	0%
(45)	(3%)	(34)	(2%)	(34)	(2%)	(24)	(1%)
134	8%	(74)	(4%)	69	4%	(35)	(2%)
216	13%	(618)	(25%)	467	26%	(322)	(12%)
430	16%	181	6%	251	9%	128	4%

Key Messages:

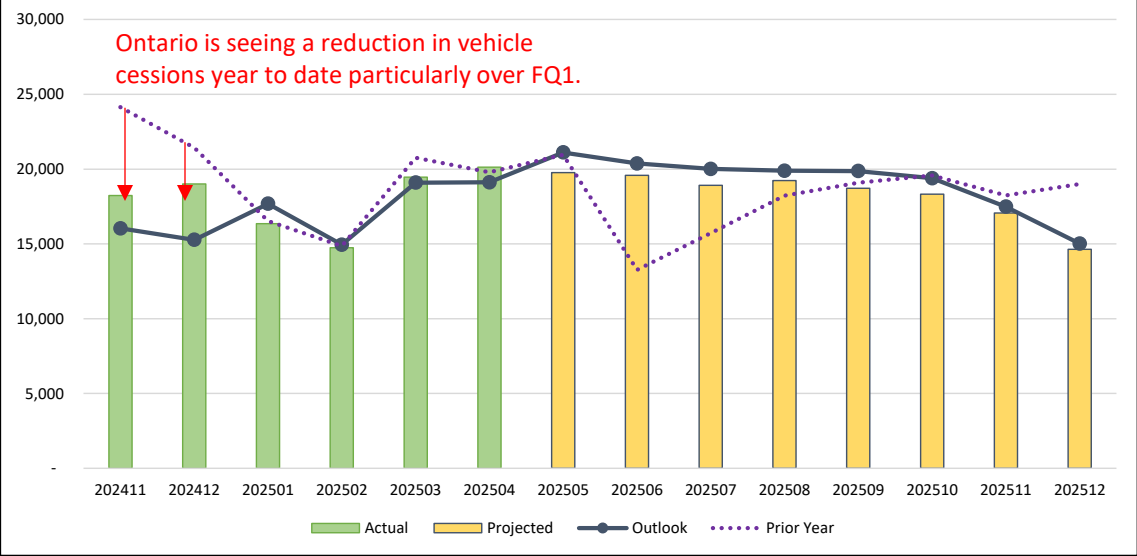
- The written premiums projected for fiscal year-end 2025 is \$1.42bn, or 9% increase compared to prior year and 5% increase compared to Outlook.
- To date, there has been significant premium volume growth in Ontario and Alberta Non-Grid primarily driven by increases to average written premium (and increased counts in Alberta Non-Grid). Overall average written premium is up 16% compared to PY, driven by both rate increases and changes in the mix of business ceded to the RSP.
- Alberta Grid count volumes decreased significantly following the rate increases in recent years to the Grid base premium (most recently of +10% effective Jan 1 2025), as well as additional changes to the Grid step rating differentials. As a result of this, we see a significant decrease in the number of vehicles ceded to the Grid RSP since there are fewer eligible Grid-rated vehicles in Alberta. This is offset by higher average premium. The reduction in the Grid volumes is offset by an increase in the Non-Grid pool.
- Volume growth is also observed across all Atlantic pools, in particular Newfoundland has seen large count growth compared to prior year as more members make use of the pool. *See Focus Area #2 for more detail.*

RSP Alberta Grid and Ontario Premiums

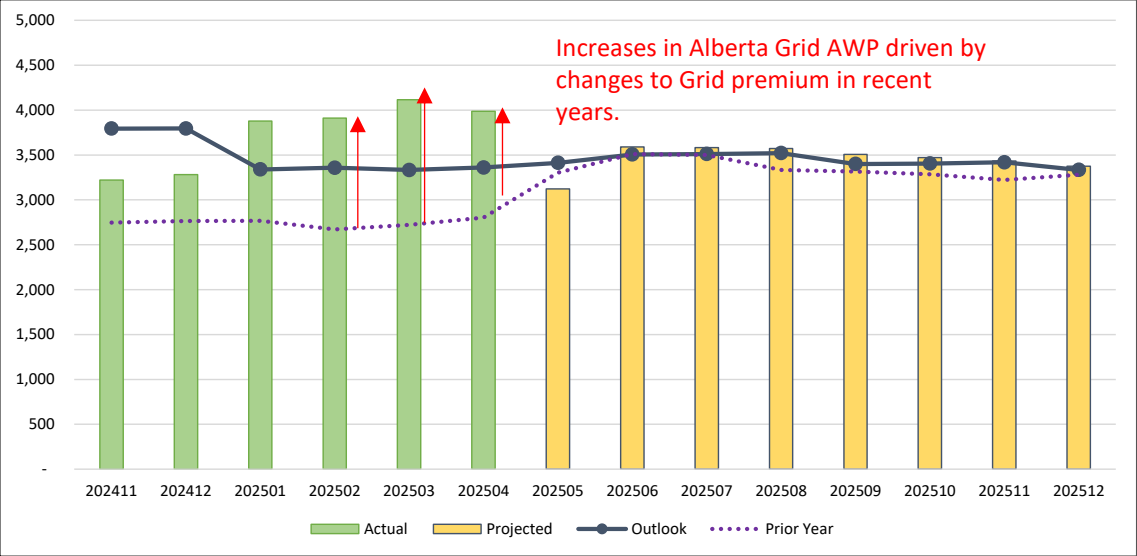
Alberta Grid - Written Count Comparison by Month



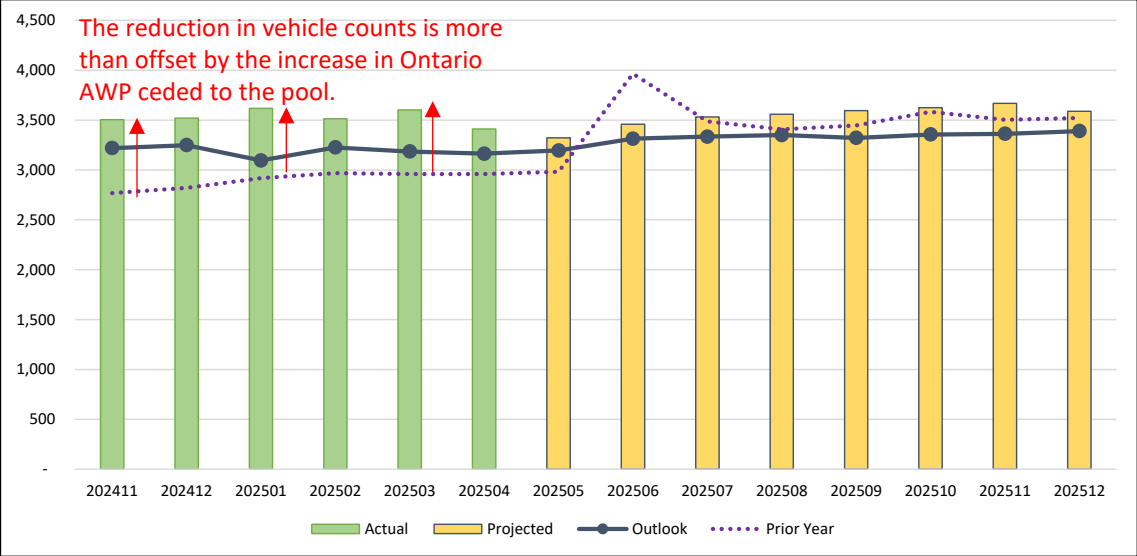
Ontario - Written Count Comparison by Month



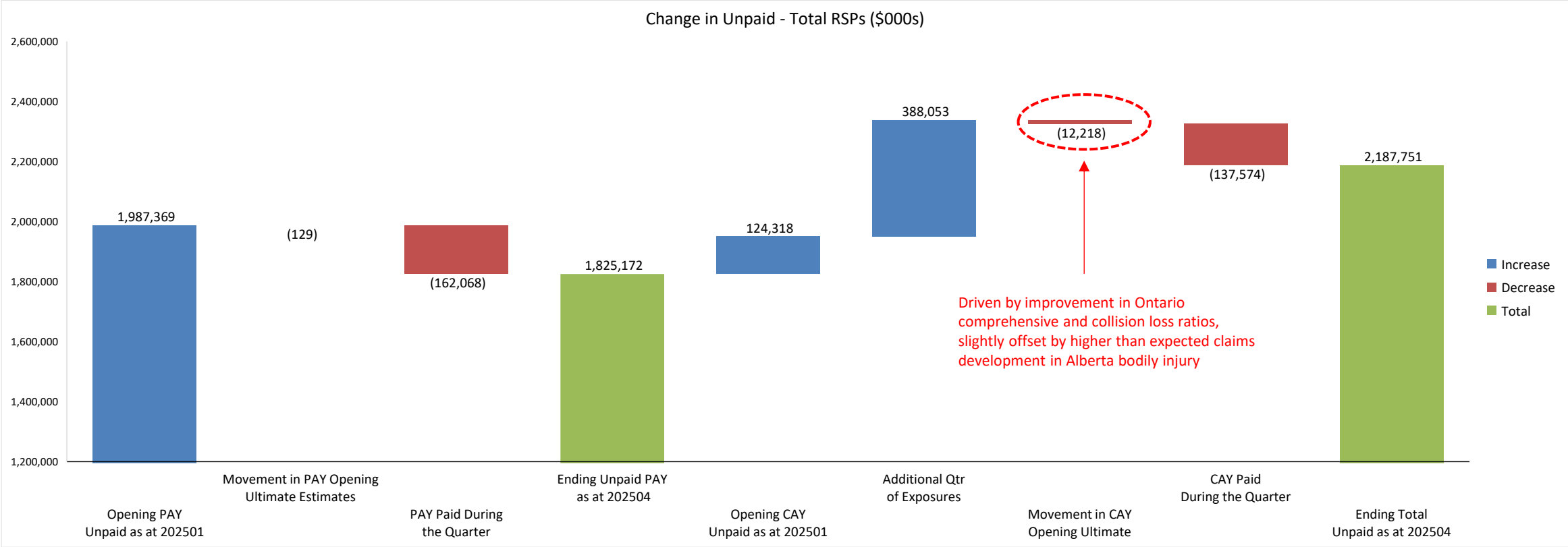
Alberta Grid - Average Written Premium Comparison by Month



Ontario - Average Written Premium Comparison by Month



RSP Movement in Unpaid Loss During the Quarter



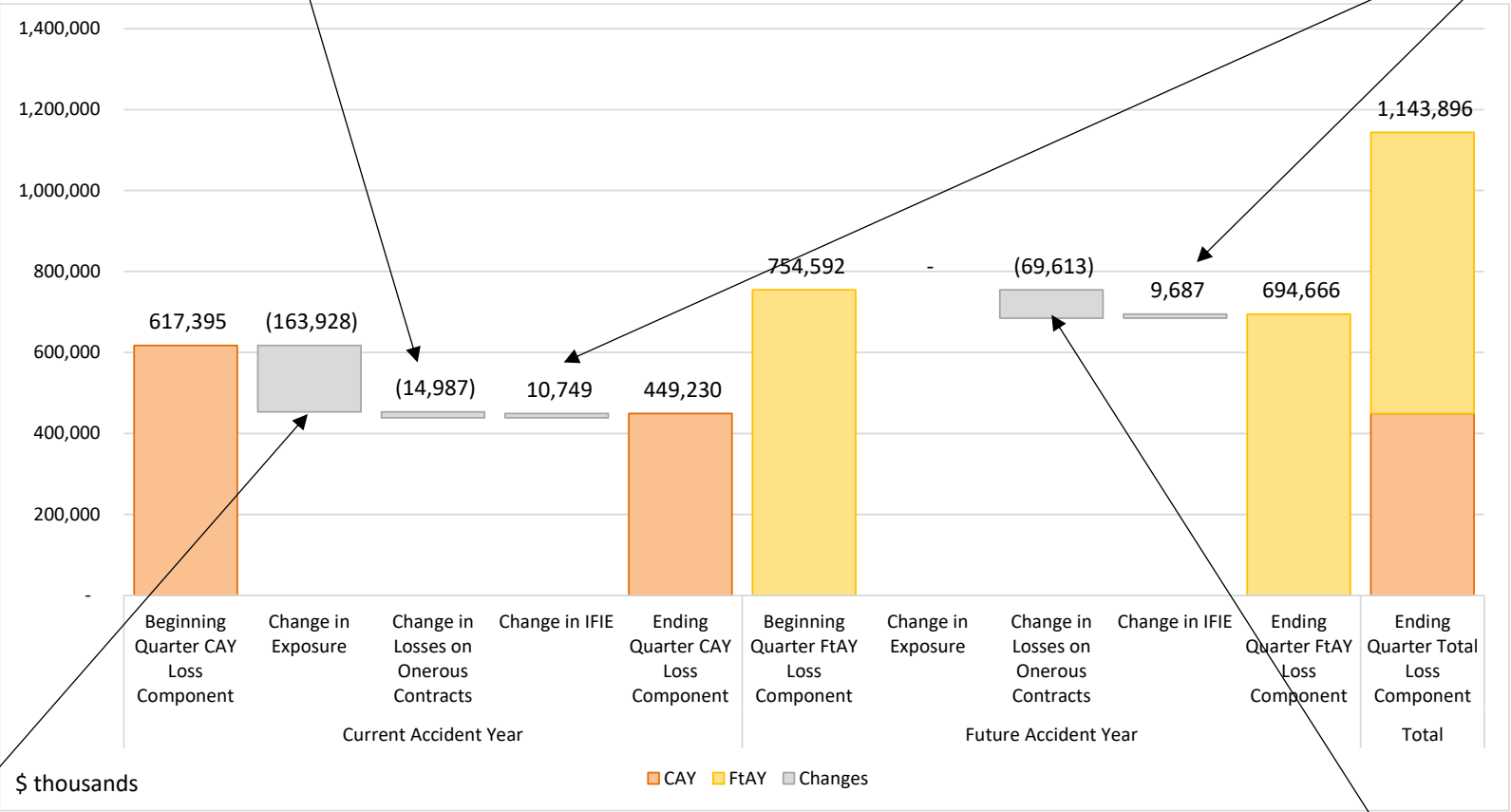
Key Messages:

- The table above shows the change in unpaid losses for PAY and CAY beginning with the opening unpaid as at January 2025 valued at \$2.11 bn and ending at April 2025 at \$2.19 bn. This represents a 3.6% increase in unpaid losses over the quarter. Please see [focus area 1](#) for further detail.

RSP Change in Loss Component During the Quarter

Change in losses on onerous contracts decreased by \$15.0 million driven by reduction to Ontario comprehensive and collision loss ratios in AY 2025.

Unfavorable change in IFIE primarily driven by discount unwinding of liabilities during the quarter. Overall, minor change in yields during the quarter (ranging from -3 to +2 bps).

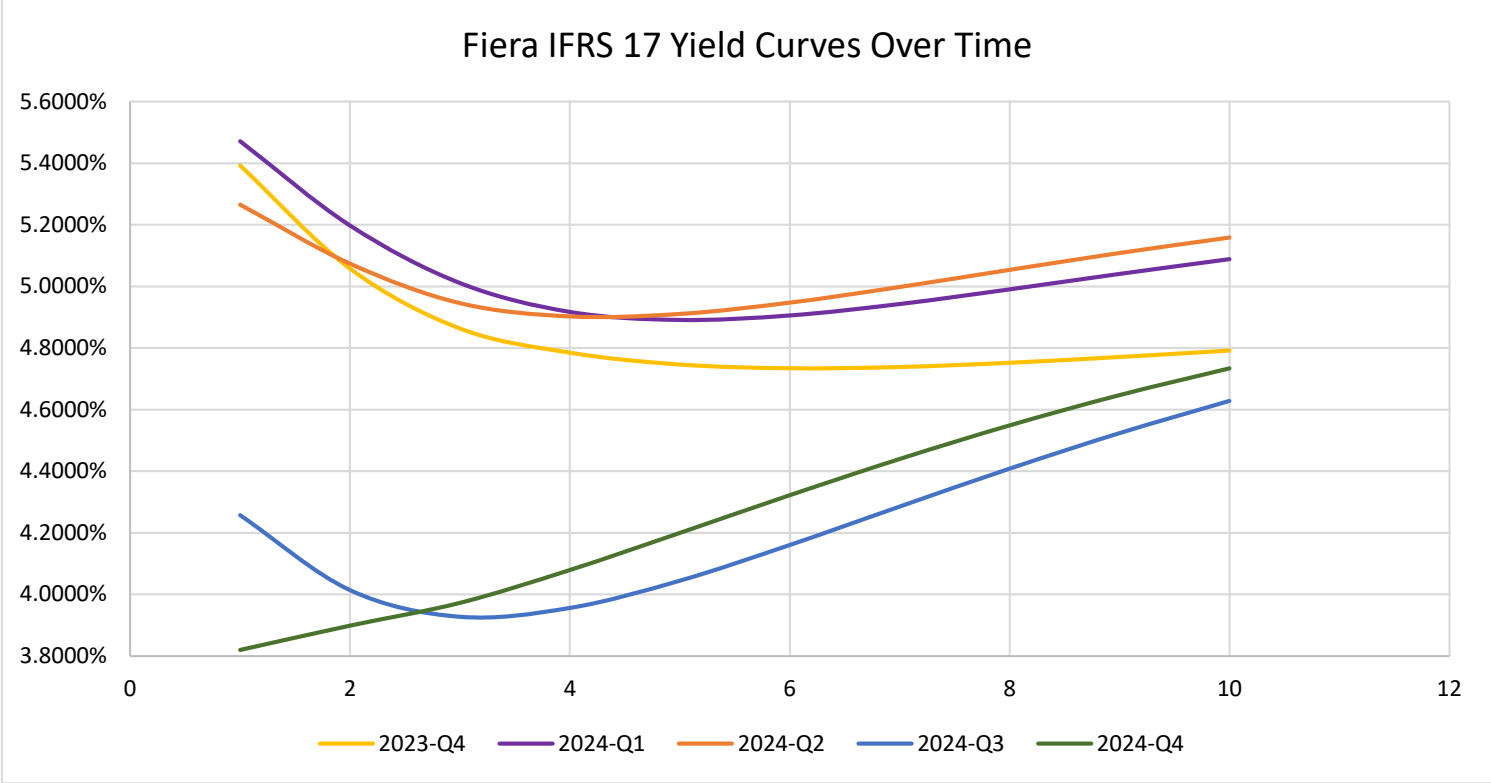


Change in exposure represents the change in the loss component arising from the portion of the LRC earned during the period for the AY 2025 cohort during the fiscal quarter.

Change in losses on onerous contacts **decreased by \$69.6 million**; of which **\$44.1 million** is primarily driven by better-than-expected experience in Ontario Comprehensive and Collision claims. The remainder of the difference is driven by lower than initially projected premium volumes across the RSPs, particularly for AY 2026 cohort.

RSP Discount Rates and Yield Curve Over Time

Yields have been more volatile since 2022 due to inflation shock. Yields fell significantly over 2024 which reduced the discounting benefit.

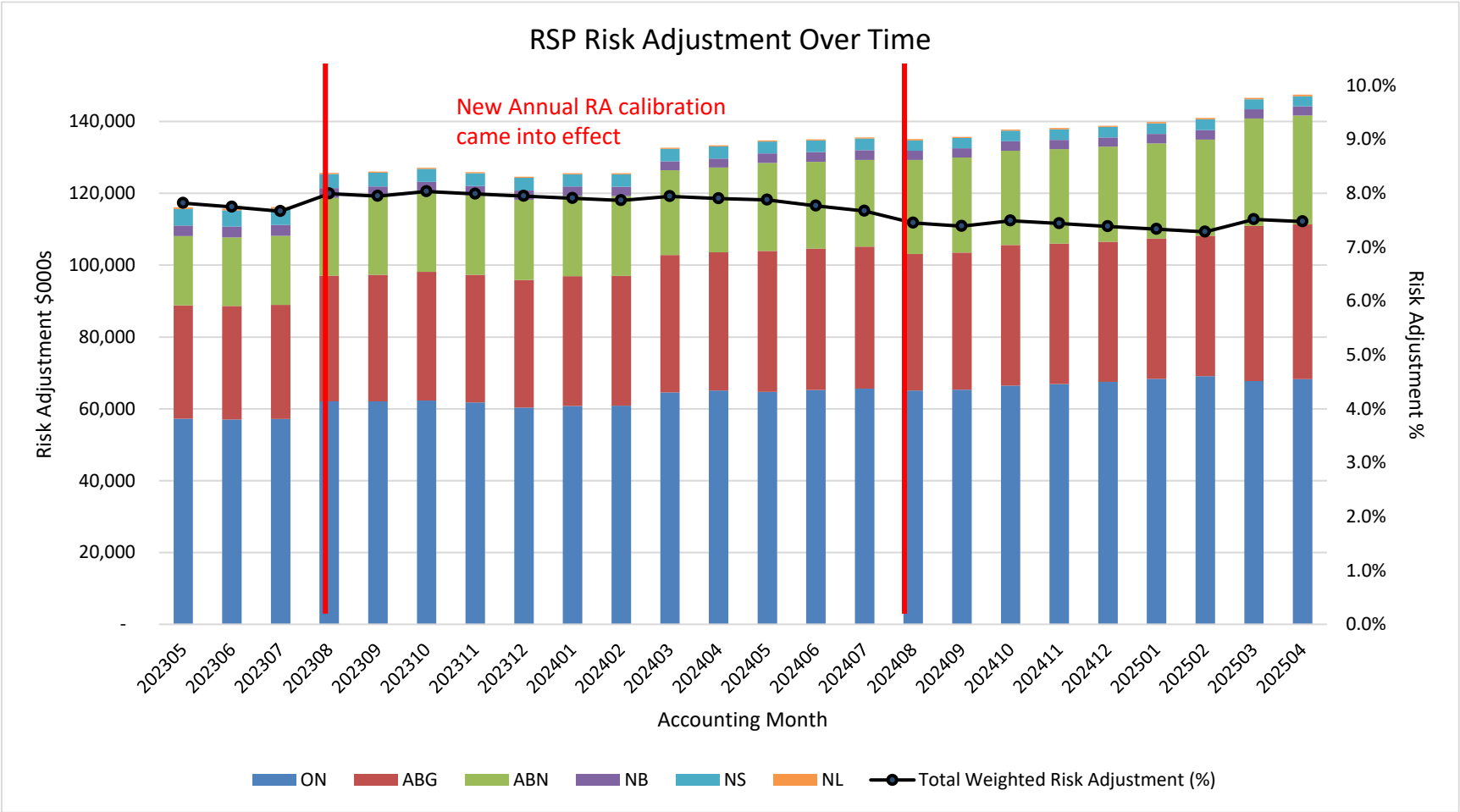


- Key Messages:**
- Table shows the impact of yield curve movements on the RSP liabilities for the most recent implementations.
 - Yields began to decline in late 2023 and continued into 2024, with a relatively minor change in 2024 Q4.
 - Note that the yield impact presented in the table below includes the impact of the new payment pattern selected in 2024 Q4. This pattern is selected annually.

	2023-Q4	2024-Q1	2024-Q2	2024-Q3	2024-Q4
Average RSP discount rate	4.90%	5.06%	5.02%	4.15%	4.16%
Change from prior	-1.08%	0.16%	-0.04%	-0.87%	0.01%
Yield Impact LIC	(41,106)	5,358	2,818	(42,328)	5,980
Yield Impact PV FCF	(37,999)	4,864	2,667	(39,413)	5,556
Yield Impact Risk Adjustment	(3,107)	494	150	(2,915)	424
Yield Impact Loss Component	(62,855)	7,925	(3,085)	(36,285)	(6,959)
Total Yield Impact	(103,961)	13,283	(267)	(78,613)	(979)

RSP Risk Adjustment Over Time

The total weighted risk adjustment is 7.5% as at April 2025, versus 7.9% as at April 2024 and versus 7.2% projected in The Outlook.



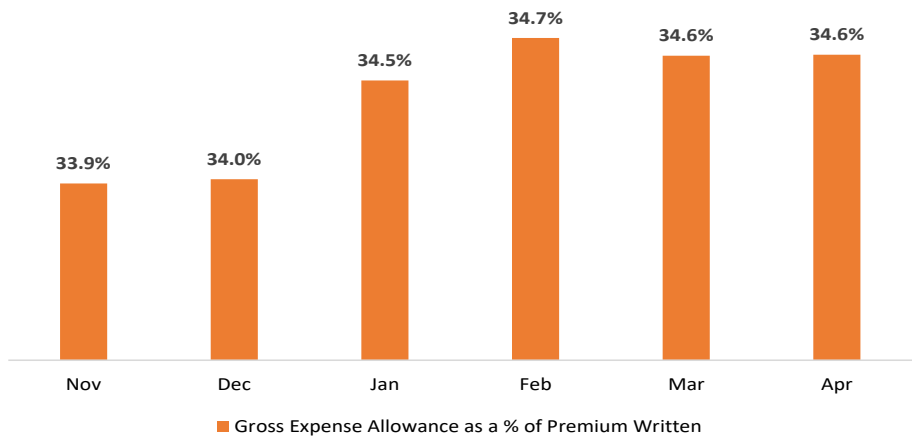
Key Messages:

- 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.
- The latest calibration was reflected in the August 2024 Operational Report.
- The next calibration will be reflected in the August 2025 Operational Report.

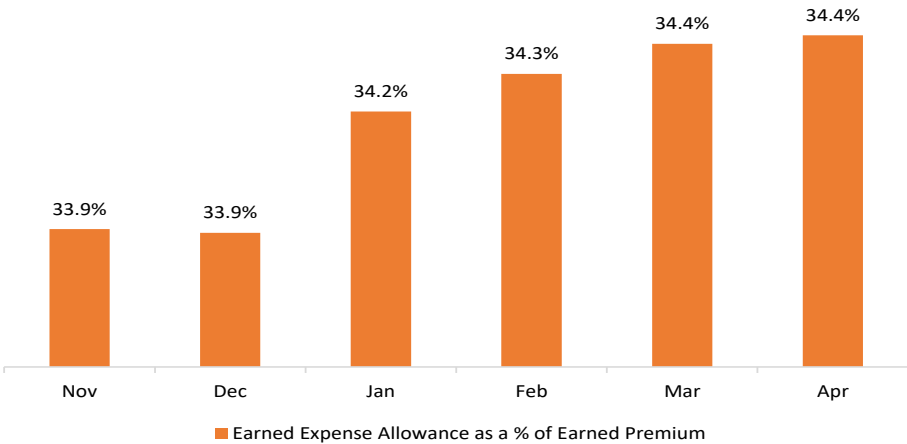
RSP Expenses

Low expense ratio averaging 1.1% driven by low administration expenses in relation to Insurance Revenue

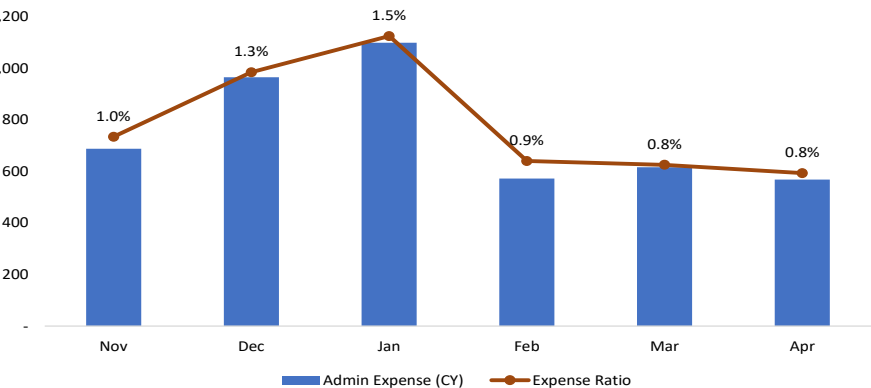
Gross Expense Allowance



Earned Expense allowance



Admin Expense



Impact on Expense Ratio	Actual YTD 2025	Actual YTD 2024	Variance (\$)	Variance (%)
Written Premium	653,099	616,922	36,177	5.9%
Earned Premium	652,865	579,030	73,836	12.8%
Insurance Revenue	429,902	388,219	41,683	10.7%
Total FACO Expenditure	12,579	11,985	594	5.0%
Administration Expense allocated to Mechanism	4,982	5,290	-308	-5.8%
% Allocated to RSP	39.6%	44.1%		
Interest Income (Offsets admin expenses)	-236	-398	162	-40.7%
Gross Administration Expense Ratio	1.2%	1.4%		
Net Impact to Industry	1.1%	1.3%		

Key Messages:

- Gross Expense Allowance Ratio (also called Expense Factor) calculated as Gross Expense Allowance divided by Premium Written is trending at 34% which is below the approved 2025 maximum of 35.3% - 39.5% for all members across all RSP pools.
- Earned Expense Allowance Ratio (calculated as Earned Expense Allowance divided by Earned Premium) is trending at 34% across the RSP pools and is in line with the change in Premium.
- The Admin Expense Ratio is calculated as Admin Expense (net of Interest Income) divided by Insurance Revenue, and has been stable and low, trending at an average of 1.1%.

RSP Financial Position

Increase in liabilities primarily driven by the initial recognition of the future accident year loss component in January 2025, compounded with volume growth combined with higher loss ratios compared to prior year. Amounts due from members represents the future obligations of members for these liabilities.

RISK SHARING POOLS - IFRS 17			Change	
(\$000s)	April 30, 2025	October 31, 2024	(\$)	(%)
Assets				
Cash in bank	1,826	4,025	(2,199)	(55%)
Prepaid expense allowance	40,358	50,493	(10,135)	(20%)
Accounts receivable from members	49,771	45,148	4,623	10%
Amounts due from members	3,719,500	3,169,872	549,628	17%
Total Assets	3,811,455	3,269,537	541,918	17%
Liabilities				
Liability for remaining coverage	1,523,305	1,096,330	426,975	39%
Liability for incurred claims	2,119,955	1,976,689	143,265	7%
Premium received	116,584	147,332	(30,747)	(21%)
Accounts payable to members	48,996	46,372	2,624	6%
Payable to FARM & other pools	2,615	2,814	(199)	(7%)
Total Liabilities	3,811,455	3,269,537	541,918	17%

Key Messages:

- The LIC has grown due to volume growth and loss ratio trend for the combined RSPs, so we continue to increase IBNR and case reserves at a faster rate than claims are paid.
- The LRC has increased due to recognition of the loss component of \$756 million for accident year 2026 which has higher projected premium volumes.
- Discounting benefit has decreased due to shift in claims payment pattern and decrease in yields since October 2024.

RSP Latest Fiscal Year 2025 Outlook

Fiscal Year 2025 Latest Projection (\$000s) as at 202504								FY 2025 Outlook
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total	Total
Written Premium	783,000	254,342	298,069	30,088	40,158	16,323	1,421,979	1,350,239
Received Premium	787,352	261,934	306,590	29,361	40,208	15,959	1,441,403	1,374,807
Earned Premium	742,309	280,101	270,493	24,435	32,770	11,255	1,361,363	1,319,282
Earned Expense Allowance	(243,711)	(100,609)	(97,608)	(9,770)	(11,859)	(3,993)	(467,551)	(453,456)
Insurance Revenue	498,597	179,492	172,885	14,666	20,910	7,262	893,812	865,826
Total Claims Incurred	847,670	250,978	329,688	20,644	26,040	10,071	1,485,091	1,452,778
<i>Claims incurred (CAY)</i>	913,545	232,564	319,984	21,737	31,134	10,283	1,529,247	1,497,417
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(65,875)	18,413	9,704	(1,093)	(5,094)	(212)	(44,156)	(44,639)
Administrative Expense	3,211	1,751	2,604	1,632	1,813	2,178	13,188	16,025
<i>Losses and Reversals of Losses on Onerous Contracts</i>	404,436	59,681	204,008	7,428	13,522	612	689,686	757,662
<i>Reversal of Expected Claims and Expenses</i>	(449,537)	(44,246)	(137,492)	(8,056)	(12,373)	(4,120)	(655,824)	(649,269)
Change in Loss Component	(45,100)	15,434	66,516	(628)	1,149	(3,508)	33,862	108,393
Insurance Service Expenses	805,780	268,163	398,808	21,648	29,002	8,741	1,532,141	1,577,197
Insurance Service Result	(307,183)	(88,671)	(225,923)	(6,982)	(8,092)	(1,479)	(638,329)	(711,371)
Insurance Finance Expense from PV FCF	(41,094)	(16,328)	(11,737)	(1,261)	(1,891)	(319)	(72,631)	(79,398)
Insurance Finance Expense from Risk Adjustment	(2,749)	(1,384)	(956)	(106)	(124)	(20)	(5,339)	(5,742)
Insurance Finance Expense from Loss Component	(29,774)	(2,676)	(9,722)	(505)	(886)	(422)	(43,986)	(40,334)
Insurance Finance Income (Expense)	(73,617)	(20,389)	(22,415)	(1,872)	(2,901)	(761)	(121,956)	(125,474)
2025 Operating Result	(380,800)	(109,059)	(248,339)	(8,854)	(10,993)	(2,239)	(760,285)	(836,844)
Ratios								
<i>Claims incurred (CAY)</i>	183.2%	129.6%	185.1%	148.2%	148.9%	141.6%	171.1%	172.9%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(13.2%)	10.3%	5.6%	(7.5%)	(24.4%)	(2.9%)	(4.9%)	(5.2%)
Loss Ratios (% Insurance Revenue)	170.0%	139.8%	190.7%	140.8%	124.5%	138.7%	166.2%	167.8%
<i>Earned Expense allowance</i>	32.8%	35.9%	36.1%	40.0%	36.2%	35.5%	34.3%	34.4%
<i>Change in Loss Component (excluding IFE)</i>	(9.0%)	8.6%	38.5%	(4.3%)	5.5%	(48.3%)	3.8%	12.5%
<i>Administrative Expenses</i>	0.6%	1.0%	1.5%	11.1%	8.7%	30.0%	1.5%	1.9%
Insurance Service Ratio	161.6%	149.4%	230.7%	147.6%	138.7%	120.4%	171.4%	182.2%
Combined Operating Ratio	176.4%	160.8%	243.6%	160.4%	152.6%	130.8%	185.1%	196.7%

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. The initial Outlook published in Dec 2024 for Calendar Year 2025 can be found [here](#) for your reference.

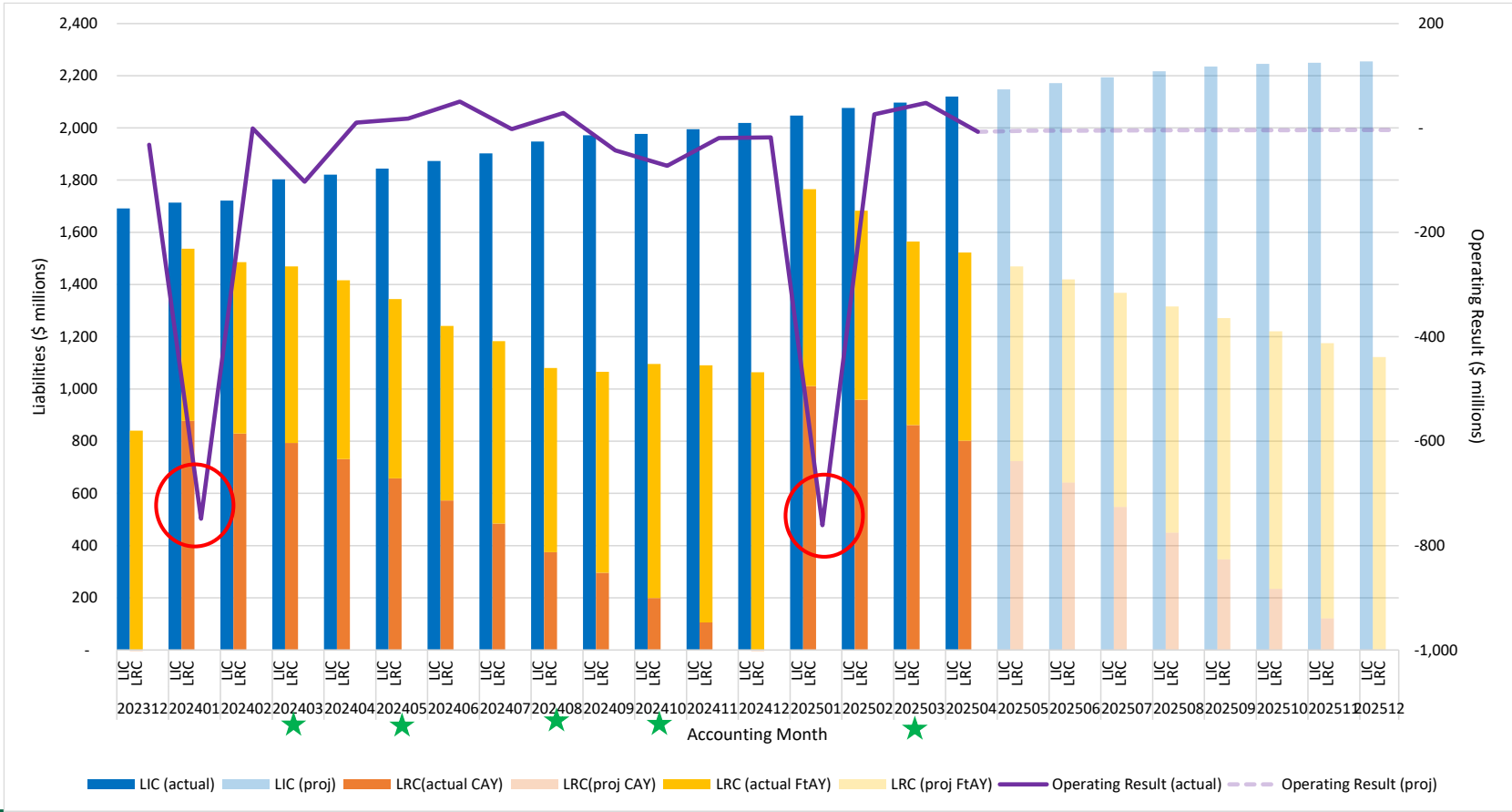
RSP FY 2025 Outlook Versus FY 2025 Latest Projection

	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
WRITTEN PREMIUM (\$000s)							
The Outlook	724,783	241,207	279,708	30,587	42,089	31,865	1,350,239
Latest Projection	783,000	254,342	298,069	30,088	40,158	16,323	1,421,979
Change (\$)	58,217	13,134	18,361	(500)	(1,931)	(15,542)	71,740
Change (%)	8.0%	5.4%	6.6%	(1.6%)	(4.6%)	(48.8%)	5.3%
WRITTEN VEHICLE COUNT							
The Outlook	222,789	69,252	118,168	18,036	21,237	12,299	461,782
Latest Projection	222,496	71,915	125,734	17,991	20,625	7,196	465,957
Change (%)	(0.1%)	3.8%	6.4%	(0.3%)	(2.9%)	(41.5%)	0.9%
LOSS RATIOS (%)							
The Outlook CAY Loss Ratio	196.1%	118.2%	169.7%	157.9%	158.7%	153.2%	172.9%
Latest Projection CAY Loss Ratio	183.2%	129.6%	185.1%	148.2%	148.9%	141.6%	171.1%
Change	(12.9%)	11.4%	15.4%	(9.7%)	(9.8%)	(11.6%)	(1.9%)
The Outlook PAY Loss Ratio	(4.4%)	(7.1%)	(5.3%)	(5.7%)	(5.1%)	(1.2%)	(5.2%)
Latest Projection PAY Loss Ratio	(13.2%)	10.3%	5.6%	(7.5%)	(24.4%)	(2.9%)	(4.9%)
Change	(8.8%)	17.4%	11.0%	(1.7%)	(19.2%)	(1.7%)	0.2%
EARNED EXPENSE ALLOWANCE RATIO (%)							
The Outlook	32.8%	35.9%	36.1%	40.0%	36.2%	35.4%	34.4%
Latest Projection	32.8%	35.9%	36.1%	40.0%	36.2%	35.5%	34.3%
Change	0.0%	(0.0%)	0.0%	0.0%	0.0%	0.0%	(0.0%)
COMBINED OPERATING RATIO (%)							
The Outlook	222.6%	122.6%	189.0%	203.4%	203.6%	350.3%	196.7%
Latest Projection	176.4%	160.8%	243.6%	160.4%	152.6%	130.8%	185.1%
Change	(46.2%)	38.2%	54.7%	(43.0%)	(51.1%)	(219.4%)	(11.6%)
OPERATING RESULT (\$000s)							
The Outlook	(578,035)	(39,597)	(152,421)	(15,662)	(21,384)	(29,745)	(836,844)
Latest Projection	(380,800)	(109,059)	(248,339)	(8,854)	(10,993)	(2,239)	(760,285)
Change (\$)	197,235	(69,462)	(95,918)	6,807	10,392	27,505	76,559

Key observations:

- The combined 6 RSPs are projected to have an increase in written premiums (5.3% overall increase compared to Outlook). We are projecting written premium of \$1.42 bn, primarily driven by Ontario and both Alberta pools, offset by a reduction in the remaining pools.
- Alberta Grid and Non-Grid COR have changed unfavorably due to **worse than expected** development in bodily injury claims experience and projection.
- Ontario COR has changed favorably due to updated view of **lower** comprehensive loss ratios for AY2025 & 2026 compared to projected.
- The fiscal year COR is projected to be 185.1%, down by 11.6% compared to Outlook. We are projecting the 6 RSPs to generate an operating deficit of \$760.3 million in 2025.
- Please note, the members' assumed COR for the pool may not align with these figures due to differences such as investment income on assets held by the members. In addition, note that the 2025 Outlook does not forecast any change in the yield curve for 2025 as our future assumption is always a constant yield curve. The actual yields are updated throughout the year in line with the implementation schedule.

RSP Actual & Projection of Liabilities and Operating Results

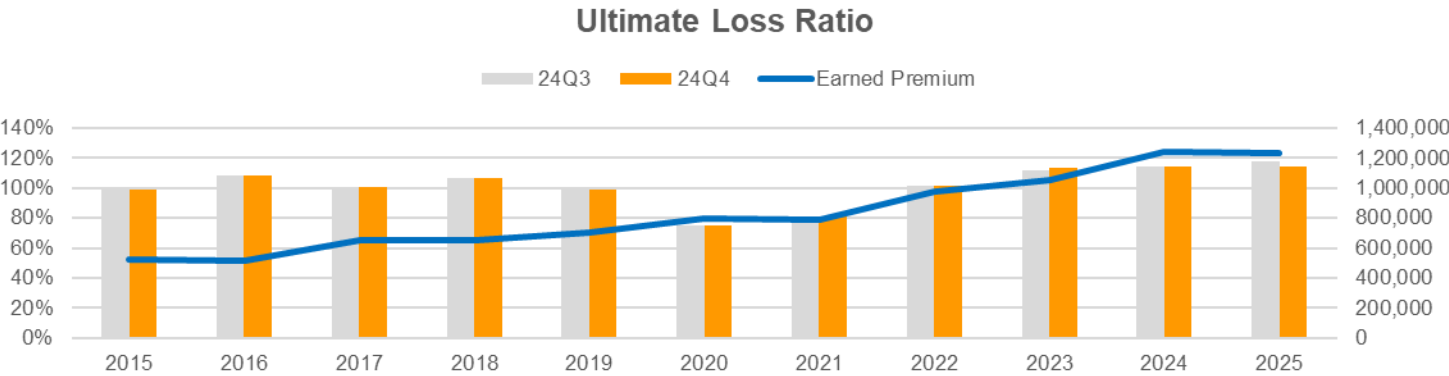


Key Messages:

- The liability for incurred claims is projected to grow steadily due to LR trend and premium growth projected for the combined RSPs.
- The LRC experiences a sharp jump in January of each calendar year due to the initial recognition of the future accident year loss component, then gradually decreases for the remainder of the year as losses move into the incurred claims. Initial recognition in January generates a large insurance service operating loss in the month (denoted by the red circle).
- The actual insurance service result presented in the graph reflects the implementation of valuation results and updates to the discount rates throughout the year. These valuation impacts typically generate income or losses due to reserve increases/releases and changes in present value adjustments (implementation months are denoted with a green star).
- The CAY loss component will naturally decline each month as the exposure to the remaining coverage of this cohort reduces. Changes to premium projections, loss ratios, and interest rate movements can also affect the CAY loss component.
- Changes in the FtAY loss component are driven by updates to premium projections, re-estimation of loss ratio, or interest rate movements. The members remain exposed to the entire cohort until insurance revenue is generated.

Focus Area #1: Claims Analysis

RSP Claims Analysis



Runoff Summary by Accident Year and Coverage											
Nominal (\$000s)	2014 & prior	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
TPL	(5)	936	(211)	(1,172)	1,120	(141)	2,905	4,568	5,478	22,372	35,851
AB	204	(251)	(187)	(1,083)	(497)	(1,406)	(1,210)	(158)	(9,020)	(2,051)	(15,658)
Other	6	47	(12)	0	461	(298)	(58)	191	(306)	416	448
Total	206	732	(410)	(2,254)	1,084	(1,845)	1,637	4,601	(3,847)	20,737	20,641

Key observations:

- AY 2021 unfavourable development driven by higher-than-expected claims development in Alberta Third-Party Liability – Bodily Injury, and large losses in New Brunswick Third-Party Liability – Bodily Injury
- AY 2022 favourable development driven by rolling off ELR method to experience based methods for Ontario Accident Benefits
- AY 2023 unfavourable development driven primarily by updated a priori assumptions for Alberta Third Party Liability – Bodily Injury, as well as higher-than-expected claims development for Third Party Liability – Bodily Injury in Ontario and Alberta Non-Grid

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

RSP Claims Analysis – Key Valuation Changes

Increasing

Rank	Province	Coverage	Change in Ultimate
1	AB-G	Bodily Injury	\$ 32,809,409
2	ON	Bodily Injury	\$ 17,216,171
3	AB-N	Bodily Injury	\$ 12,031,519
4	AB-N	Comprehensive (w Spec Perils)	\$ 5,013,060
5	AB-G	Comprehensive (w Spec Perils)	\$ 2,740,366

Decreasing

Rank	Province	Coverage	Change in Ultimate
37	NS	Bodily Injury	\$ -4,003,265
38	AB-G	AccBen (indivis)	\$ -5,275,661
39	ON	Collision (w All Perils)	\$ -12,753,088
40	ON	AccBen (indivis)	\$ -13,741,092
41	ON	Comprehensive (w Spec Perils)	\$ -14,064,276

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).
- For this quarter, bodily injury losses in Alberta and Ontario were a significant factor impacting results. This remains the highlight of the quarter.
- Comprehensive coverage continues to show favorable development this quarter, as the theft issue appears to be leveling off, while significant rate increases for comprehensive are earning through. As well as favorable development in accident benefits and collision for Ontario.

RSP Claims Analysis – Large Losses Over Time

RSP Large Losses by Reporting Quarter



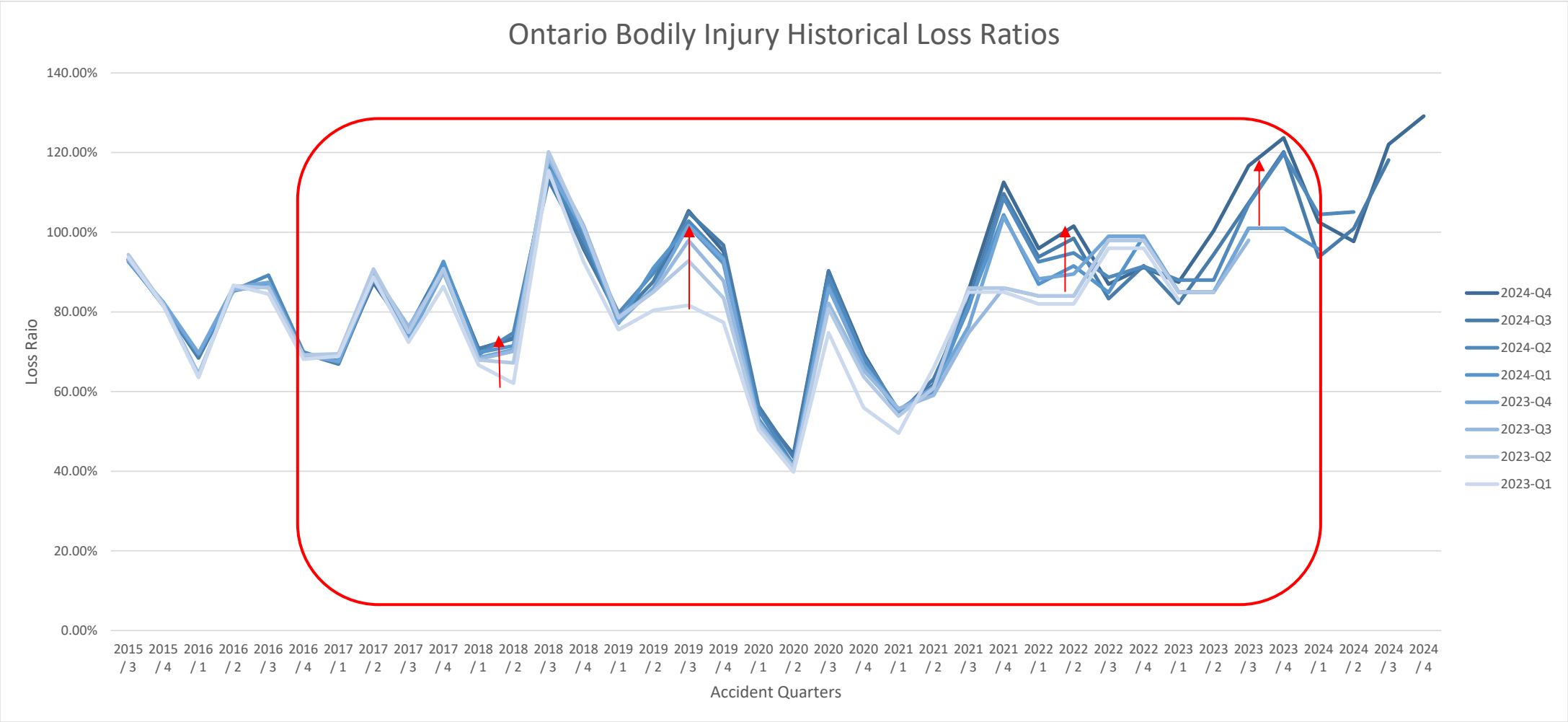
Key Messages:

- Ontario 2024Q4 valuation may be unfavorably impacted by higher than usual bodily injury large losses. This is consistent with the overall unfavorable Ontario bodily injury results presented on the previous slide.
- Alberta bodily injury large losses remain high, consistent with prior quarters.

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

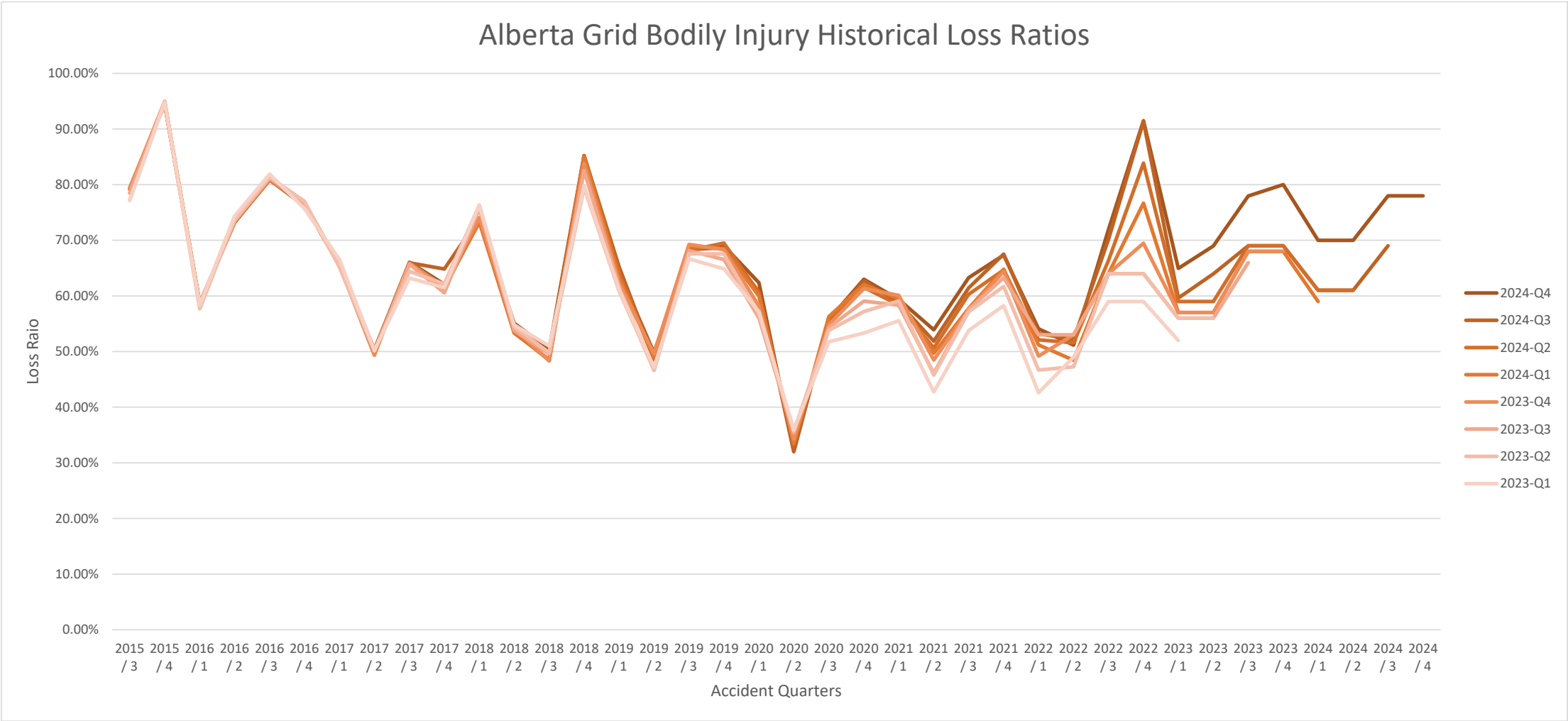
**This exhibit has data available up to and including March 2025.*

RSP Ontario Bodily Injury Update



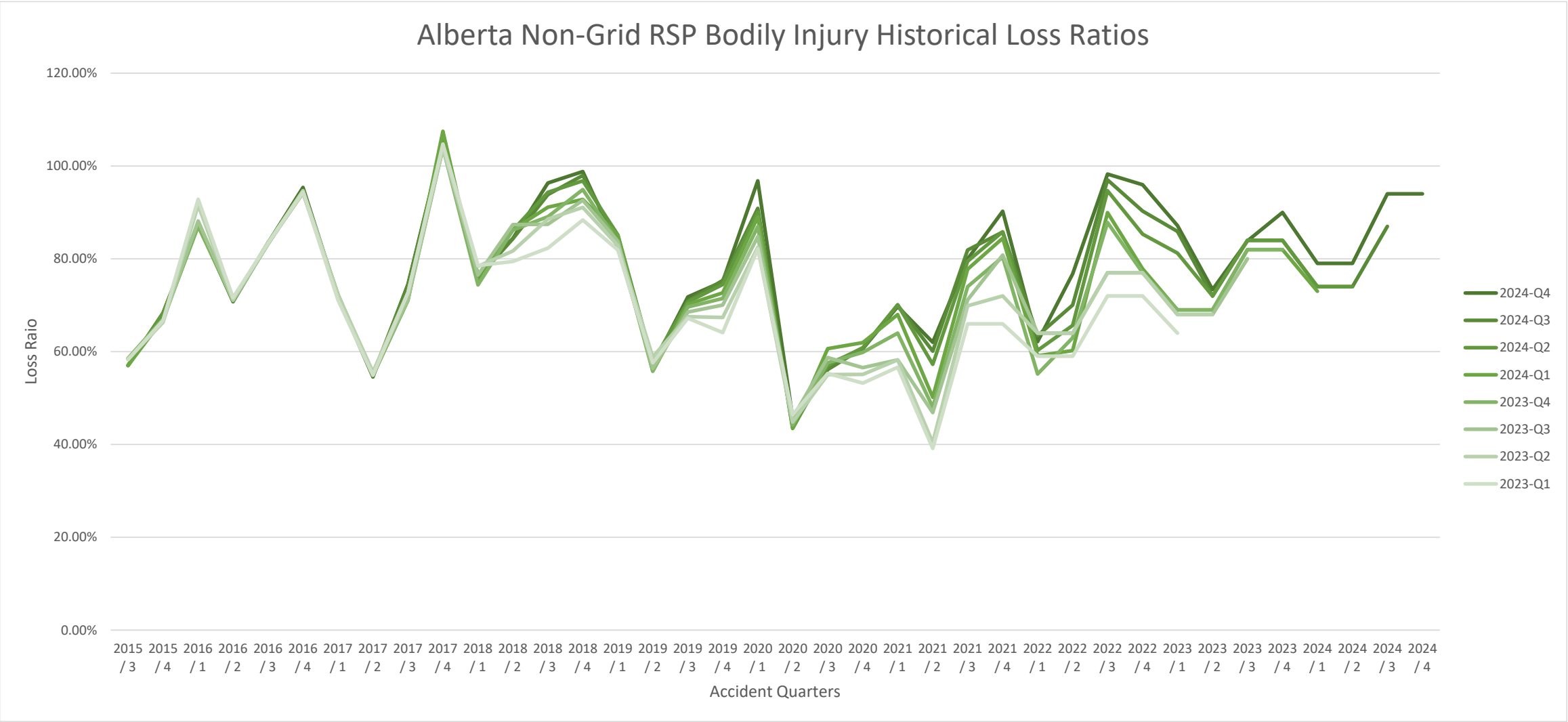
Over the last 8 quarterly valuations, we have continually seen deterioration of bodily injury results in the Ontario RSP, especially from the 2018-2019 period and the 2022-2023 period. This is driven by development in claim severity.

RSP Alberta Grid Bodily Injury Update



2024 Q4 valuation had reserves strengthening in bodily injury over 2023-2025 accident periods.

RSP Alberta Non- Grid Bodily Injury Update



Similar to prior slide, 2024 Q4 valuation had reserves strengthening in bodily injury over 2023-2025 accident periods.

RSP Ontario Comprehensive Update

Comprehensive Severity – ON RSP

2020-Q3	5,973	6,049	6,178	5,905	5,893	5,885	5,869	5,882	6,047	6,011	6,010	5,976	5,953	5,941	5,942	5,954	5,954	5,954
2020-Q4	6,927	7,272	7,157	7,068	7,088	6,617	6,588	6,720	6,724	6,727	6,702	6,696	6,695	6,695	6,694	6,695	6,702	
2021-Q1	6,506	6,733	6,604	6,541	6,365	6,352	6,430	6,458	6,425	6,431	6,362	6,376	6,376	6,377	6,359	6,357		
2021-Q2	5,639	5,992	6,039	6,036	5,988	6,127	6,100	6,121	6,093	6,093	6,082	6,077	6,071	6,044	6,014			
2021-Q3	7,149	7,979	8,214	8,185	8,134	7,938	7,831	7,814	7,831	7,833	7,839	7,837	7,838	7,838				
2021-Q4	8,323	9,652	9,489	9,470	8,896	9,009	8,943	8,935	8,997	9,000	8,989	8,993	9,001					
2022-Q1	8,478	10,392	10,123	10,057	9,989	9,950	9,889	9,839	9,901	9,870	9,862	9,872						
2022-Q2	8,595	10,681	10,364	10,222	10,248	10,187	10,181	10,133	10,145	10,152	10,131							
2022-Q3	10,947	14,452	13,980	14,150	14,189	14,085	14,090	14,016	13,977	13,978								
2022-Q4	11,361	14,933	15,014	14,938	14,756	14,795	14,800	14,731	14,678									
2023-Q1	15,692	19,568	18,916	18,824	18,259	18,159	18,177	18,162										
2023-Q2	16,371	20,381	20,479	20,266	19,988	19,902	19,862											
2023-Q3	14,813	20,750	20,422	20,445	20,262	20,090												
2023-Q4	19,431	22,896	22,215	22,234	22,090													
2024-Q1	17,951	18,827	18,819	18,559														
2024-Q2	15,571	17,311	16,735															
2024-Q3	18,209	19,349																
2024-Q4	16,639																	

Severity: Data continues to show signs of flattening Comprehensive severity in 2024 after rapidly increasing through 2022-2023.

Comprehensive Frequency – ON RSP

2020-Q3	0.026	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029	0.029
2020-Q4	0.023	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026	0.026
2021-Q1	0.021	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024	0.024
2021-Q2	0.026	0.029	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
2021-Q3	0.029	0.032	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
2021-Q4	0.028	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032	0.032
2022-Q1	0.025	0.029	0.029	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030	0.030
2022-Q2	0.035	0.040	0.040	0.040	0.040	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041
2022-Q3	0.027	0.032	0.032	0.032	0.032	0.032	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033	0.033
2022-Q4	0.033	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039	0.039
2023-Q1	0.035	0.041	0.041	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042	0.042
2023-Q2	0.040	0.046	0.046	0.046	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
2023-Q3	0.045	0.051	0.051	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052	0.052
2023-Q4	0.040	0.047	0.047	0.047	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048
2024-Q1	0.040	0.046	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047	0.047
2024-Q2	0.038	0.043	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044	0.044
2024-Q3	0.040	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048	0.048
2024-Q4	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038	0.038

Frequency is remains flat in 2024 since the surge of theft claims began in 2022; 2nd half of of 2024 appears to be a bit better than the 2nd half of 2023

Bottom line: We continue to see improvement in loss trends for Ontario Comprehensive in the RSP, but rate is the key driver of improved loss ratios and improved financial results.

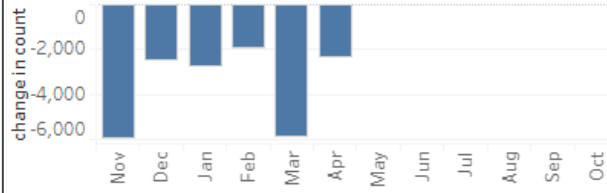
Focus Area #2: Premium Drivers

RSP Premium Drivers

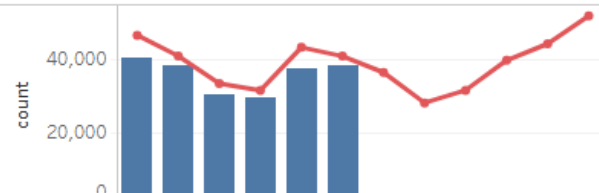
Current Year Legend

Prior Year Legend

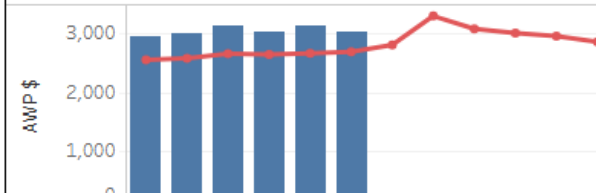
Yr-on-yr Chg in Written Veh Count (by month)



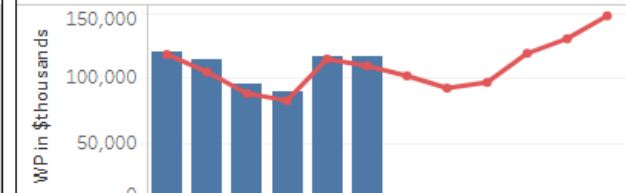
Written Vehicle Count (by month)



Average Written Premium (by month)



Written Premium (by month)

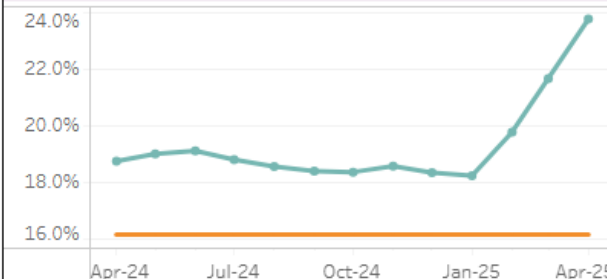


	Apr-24	Apr-25
W. Veh curr mth	40,604	38,268
Amt Chg (curr mth W. Veh)		-2,336
% Chg (curr mth W. Veh)		-5.8%

	Apr-24	Apr-25
AWP curr mth	2,687	3,046
Amt Chg (AWP curr mth)		360
% Chg (AWP curr mth)		13.4%

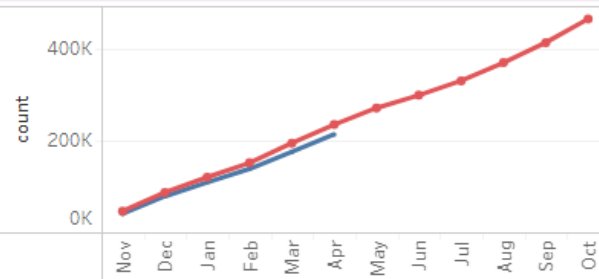
	Apr-24	Apr-25
WP (\$000s) curr mth	109,092	116,584
Amt Chg (WP curr mth)		7,493
% Chg (WP curr mth)		6.9%

Market Share (Rolling 12-month)

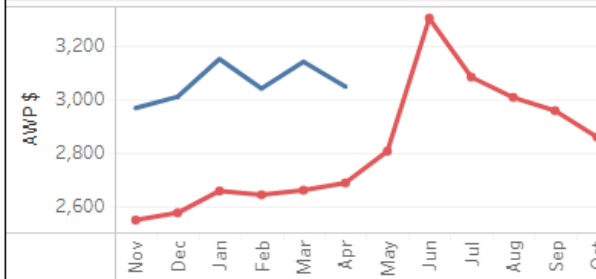


Mkt Shr 3-yr mkt share

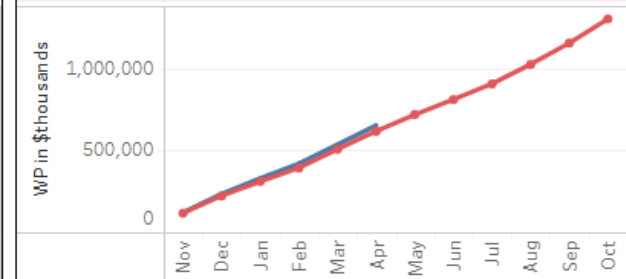
Written Vehicle Count (YTD)



Avg Written Premium (YTD)



Written Premium (YTD)



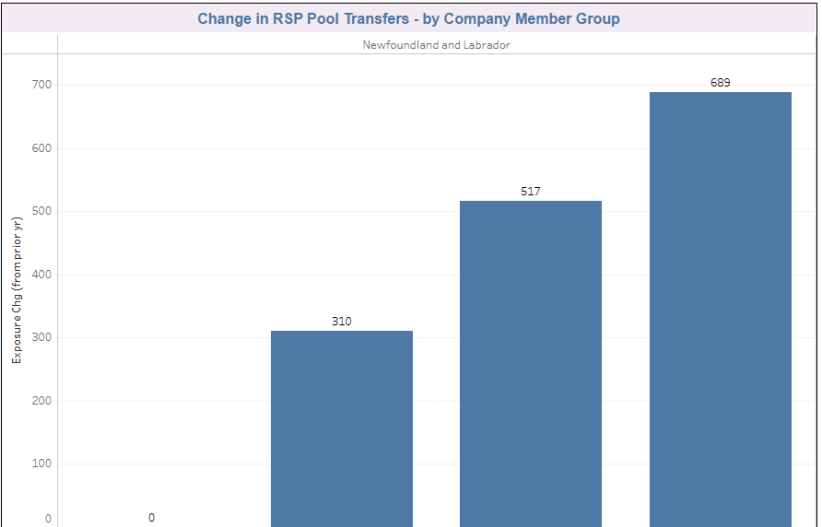
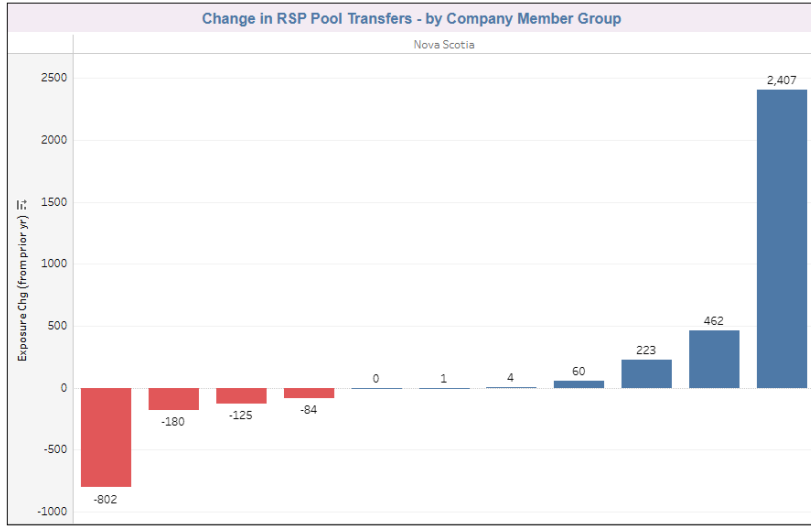
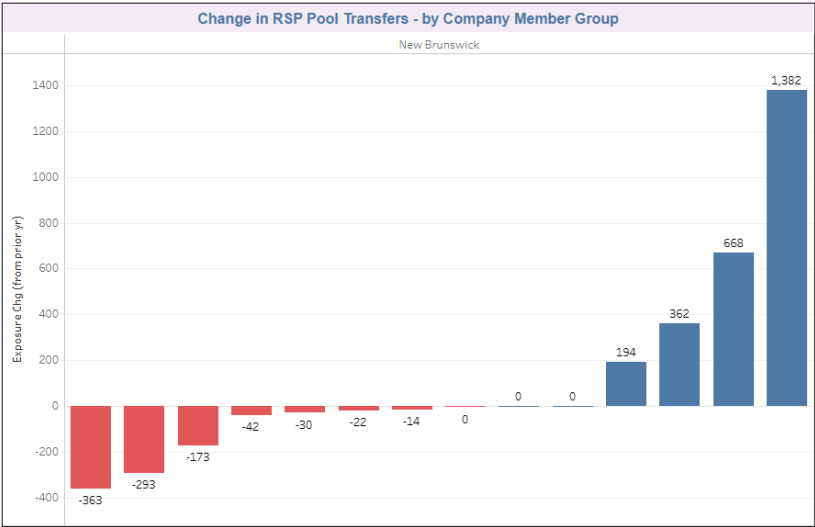
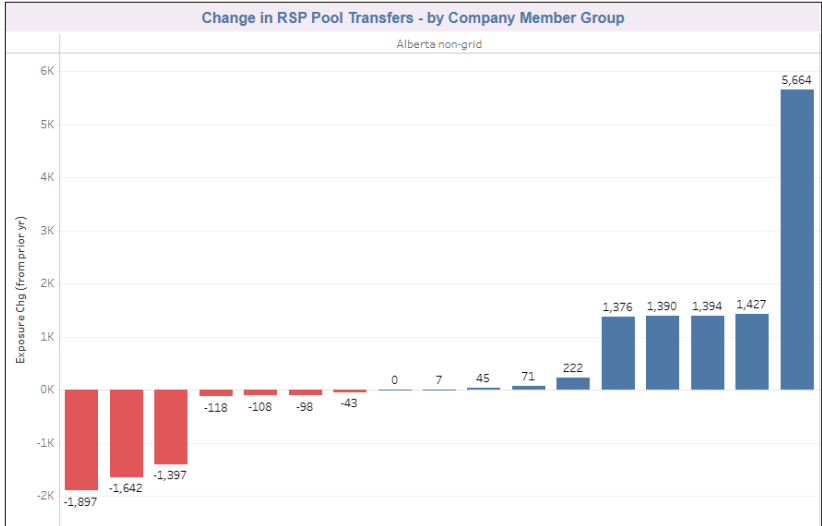
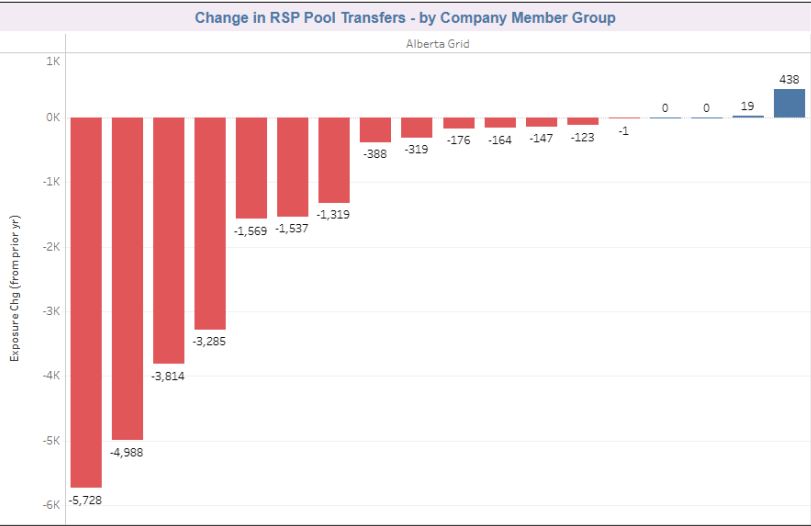
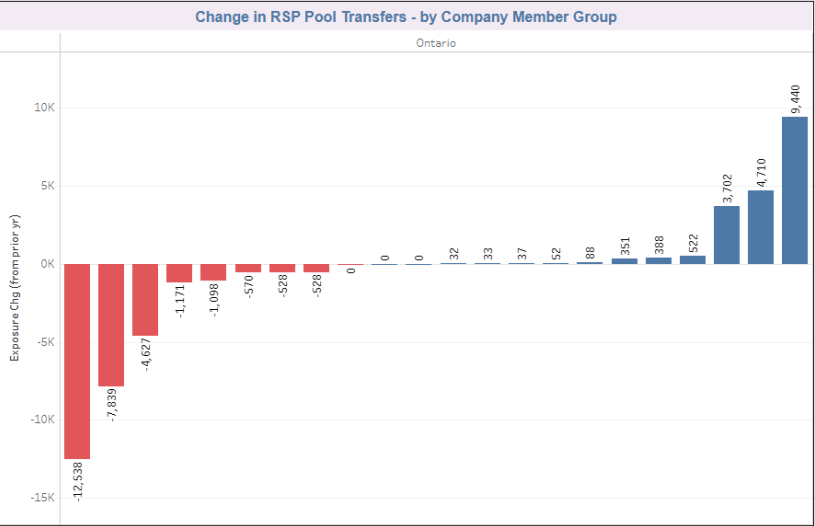
	Apr-24	Apr-25
Mkt Shr	18.7%	23.8%
Amt Chg		5.0%
% Chg		26.7%

	Apr-24	Apr-25
YTD W. Veh	235,032	213,831
Amt Chg (YTD W. Veh)		-21,201
% Chg (YTD W. Veh)		-9.0%

	Apr-24	Apr-25
AWP W. Prem YTD	2,625	3,054
Amt Chg (AWP W. Prem YTD)		429
% Chg (AWP W. Prem YTD)		16.4%

	Apr-24	Apr-25
WP (\$000s) YTD	616,922	653,099
Amt Chg (WP YTD)		36,177
% Chg (WP YTD)		5.9%

RSP Premium Drivers – YTD change in RSP transfers by member



Considerable decline fiscal year-to-date in Ontario and Alberta Grid across most member company groups is the main driver of decreased RSP usage. Nova Scotia, New Brunswick, and Alberta Non-Grid pools also seeing growth overall.

RSP Glossary of Acronyms/Legends

Acronyms	Definition
AB	Alberta
AccBen	Accident Benefits
AB-G	Alberta Grid RSP
AB-N	Alberta Non-Grid RSP
Atlantics	New Brunswick, Nova Scotia, Newfoundland & Labrador (combined)
AvP/AvsP	Actual versus Projection
AY	Accident Year
BI	Bodily Injury
CAT	Catastrophe
CAY	Current Accident Year
CM	Comprehensive
CY	Calendar Year
ELR	Expected Loss Ratio
FtAY	Future Accident Year
IBNR	Insured but not Reported
IFIE/IFE	Insurance Finance Income/Expense
IU	Interurban Vehicle
LIC	Liability for Incurred Claims
LL	Large Loss
LR	Loss Ratio

Acronyms	Definition
LRC	Liability for Remaining Coverage
NB	New Brunswick
NL	Newfoundland & Labrador
NS	Nova Scotia
ON	Ontario
PY	Prior Year
RA	Risk Adjustment
SP	Specified Perils
TX	Taxis/Limos
YTD	Year to Date

Supplementary Information

Additional exhibits and data files available in the monthly bulletins:

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