

A modern office interior with large glass walls and a high ceiling. In the foreground, a person in a white shirt and dark pants is walking past the camera. In the background, two people are seated at a wooden table, engaged in a meeting. The office has a clean, minimalist aesthetic with exposed ceiling infrastructure and track lighting.

# RSP Financial Insights Fiscal Q1 2025

For the quarter ending January 31, 2025

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As expected	
Moderately different than expected	
Significantly different than expected	

# RSP Headlines

**2025 Fiscal YTD RSP Operating Deficit: \$798.5 million**  
**2025 Fiscal YTD RSP Operating COR: 467.9% (see slide 4)**

**Full Year Alberta Hailstorm CAT Impact: \$80.0 million**  
**Alberta Hailstorm Incurred Losses to Date: \$77.0 million (see slide 15)**

**2025 Fiscal Outlook Operating Deficit: \$853.0 million**  
**2025 Fiscal Outlook Operating COR: 196.3% (see slide 12)**

## Financial Highlights

- **The fiscal year to date written premium was \$330.4 million for the combined 6 RSPs** which represents a 6.3% increase compared to prior year. The average written premium is 17% higher compared to prior year, and 4% higher compared to Outlook. Overall count volumes to date significantly decreased in Ontario and Alberta Grid, this is partially offset by a reduction in Alberta Non-Grid counts following changes to the Grid rating algorithm.
  - The **fiscal year year to date COR is 467.9%** which represents a 52 percentage point improvement compared to prior year and is fairly in line with the Outlook. The improvement compared to prior year is driven by significantly higher onerous contracts initially recognized in prior year results.

# RSP YTD Operating Results

**Operating deficit 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 YTD 3 mths to Jan 2025	Actual RSP YTD 3 mths to Jan 2024	Outlook RSP YTD 3 mths to Jan 2025	Change 2025 - 2024		Change from Outlook	
				\$	%	\$	%
Premium written	330,419	310,739	296,545	19,680	6%	33,874	11%
<b>Premium Earned</b>	<b>328,735</b>	<b>286,085</b>	<b>323,998</b>	<b>42,650</b>	<b>15%</b>	<b>4,737</b>	<b>1%</b>
Earned Expense Allowance	(111,662)	(91,750)	(109,995)	(19,912)	22%	(1,667)	2%
<b>INSURANCE REVENUE</b>	<b>217,073</b>	<b>194,335</b>	<b>214,003</b>	<b>22,738</b>	<b>12%</b>	<b>3,070</b>	<b>1%</b>
Claims incurred	368,411	310,638	361,142	57,773	19%	7,268	2%
Change in loss component	628,955	660,812	614,927	(31,857)	(5%)	14,028	2%
Adjustment to liabilities for incurred claims	(13,340)	(635)	(11,545)	(12,705)	2,001%	(1,795)	16%
Administration expenses	2,873	2,969	3,036	(96)	(3%)	(163)	(5%)
<b>INSURANCE SERVICE EXPENSES</b>	<b>986,898</b>	<b>973,783</b>	<b>967,560</b>	<b>13,115</b>	<b>1%</b>	<b>19,338</b>	<b>2%</b>
<b>INSURANCE SERVICE RESULTS</b>	<b>(769,825)</b>	<b>(779,449)</b>	<b>(753,558)</b>	<b>9,623</b>	<b>(1%)</b>	<b>(16,268)</b>	<b>2%</b>
Net finance income/expense from insurance	(28,725)	(37,171)	(28,789)	8,447	(23%)	64	(0%)
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(798,550)</b>	<b>(816,620)</b>	<b>(782,346)</b>	<b>18,070</b>	<b>(2%)</b>	<b>(16,204)</b>	<b>2%</b>
<b>KEY PERFORMANCE METRICS</b>							
<b>Growth Indicators</b>							
Vehicle Counts	108,937	120,074	101,747	(11,137)	(9%)	7,190	7%
Average Premium	3,033	2,588	2,915	445	17%	119	4%
<b>Profitability Metrics</b>							
Admin Expense Ratio	1.3%	1.5%	1.4%	-	(0.2%)	-	(0.1%)
Claims Ratio (CAY)	169.7%	159.8%	168.8%	-	9.9%	-	0.9%
Claims Ratio (PAY)	-6.1%	-0.3%	-5.4%	-	(5.8%)	-	(0.7%)
Claims Ratio	163.6%	159.5%	163.4%	-	4.1%	-	0.2%
Onerous Contract Ratio	289.7%	340.0%	287.3%	-	(50.3%)	-	2.4%
Insurance Service Result Ratio	454.6%	501.1%	452.1%	-	(46.4%)	-	2.5%
Net Insurance Finance Income/Expense - Discount Unwind Ratio	13.2%	19.1%	13.5%	-	(5.9%)	-	(0.2%)
Net Insurance Finance Income/Expense - Yield Impact Ratio	0.0%	0.0%	0.0%	-	0.0%	-	0.0%
Net Insurance Finance Income/Expense Ratio	13.2%	19.1%	13.5%	-	(5.9%)	-	(0.2%)
Combined Ratio	467.9%	520.2%	465.6%	-	(52.3%)	-	2.3%

## 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.
- Loss ratios remained constant across FQ1, and thus the adjustment to liabilities for incurred claims is favourable as the risk adjustment is released with the settlement of liabilities. In other words, the prior nominal ultimate loss remained fixed. Of note, FQ1 2024 had relatively flat change in the adjustment to liabilities as the favourable unwinding of risk adjustment was offset by latent accident benefits claims activity (Ontario Bill 164) during December 2023 accounting month.
- Claims incurred is higher than prior year as a result of higher than usual record of loss activity reported, driven by theft and bodily injuries, especially in Ontario and Alberta.
- Change in loss component is lower than prior year but higher than Outlook. The loss component varies based on the premium volume and expected loss ratio of the unexpired business.
- Decrease in insurance finance expense compared to prior year due to less discount unwinding driven by lower yields (discount rate is approximately 183 basis points lower compared to 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	189,949	175,506	155,967	758,604	707,445	724,783
Alberta Grid	65,826	74,038	57,347	250,673	298,375	241,207
Alberta Non-Grid	60,060	49,583	62,920	276,580	242,182	279,708
New Brunswick	5,902	4,877	6,869	29,303	20,343	30,587
Nova Scotia	6,346	5,636	7,938	40,600	27,700	42,089
Newfoundland	2,337	1,099	5,504	28,475	7,370	31,865
<b>Total</b>	<b>330,419</b>	<b>310,739</b>	<b>296,545</b>	<b>1,384,235</b>	<b>1,303,415</b>	<b>1,350,239</b>

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	53,594	62,093	48,992	227,164	224,333	222,789
Alberta Grid	19,556	26,841	15,632	73,156	98,793	69,252
Alberta Non-Grid	27,708	24,375	26,791	118,418	111,468	118,168
New Brunswick	3,562	2,843	3,973	17,441	11,921	18,036
Nova Scotia	3,249	3,274	3,985	20,488	14,751	21,237
Newfoundland	1,267	647	2,374	11,098	4,092	12,299
<b>Total</b>	<b>108,937</b>	<b>120,074</b>	<b>101,747</b>	<b>467,766</b>	<b>465,358</b>	<b>461,782</b>

AWP	Fiscal Year to Date			Projected Fiscal Year End		
Jurisdiction	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	3,544	2,826	3,184	3,339	3,154	3,253
Alberta Grid	3,366	2,758	3,669	3,427	3,020	3,483
Alberta Non-Grid	2,168	2,034	2,349	2,336	2,173	2,367
New Brunswick	1,657	1,716	1,729	1,680	1,706	1,696
Nova Scotia	1,953	1,722	1,992	1,982	1,878	1,982
Newfoundland	1,844	1,697	2,319	2,566	1,801	2,591
<b>Total</b>	<b>3,033</b>	<b>2,588</b>	<b>2,915</b>	<b>2,959</b>	<b>2,801</b>	<b>2,924</b>

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
14,443	8%	33,982	22%	51,159	7%	33,821	5%
(8,212)	(11%)	8,479	15%	(47,702)	(16%)	9,465	4%
10,477	21%	(2,860)	(5%)	34,397	14%	(3,128)	(1%)
1,025	21%	(967)	(14%)	8,960	44%	(1,285)	(4%)
709	13%	(1,593)	(20%)	12,900	47%	(1,489)	(4%)
1,238	113%	(3,167)	(58%)	21,105	286%	(3,389)	(11%)
<b>19,680</b>	<b>6%</b>	<b>33,874</b>	<b>11%</b>	<b>80,819</b>	<b>6%</b>	<b>33,996</b>	<b>3%</b>

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(8,499)	(14%)	4,602	9%	2,831	1%	4,375	2%
(7,285)	(27%)	3,924	25%	(25,636)	(26%)	3,904	6%
3,333	14%	917	3%	6,950	6%	250	0%
719	25%	(411)	(10%)	5,520	46%	(595)	(3%)
(24)	(1%)	(736)	(18%)	5,737	39%	(749)	(4%)
620	96%	(1,106)	(47%)	7,006	171%	(1,201)	(10%)
<b>(11,137)</b>	<b>(9%)</b>	<b>7,190</b>	<b>7%</b>	<b>2,408</b>	<b>1%</b>	<b>5,985</b>	<b>1%</b>

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
718	25%	361	11%	186	6%	86	3%
608	22%	(303)	(8%)	406	13%	(57)	(2%)
133	7%	(181)	(8%)	163	7%	(31)	(1%)
(59)	(3%)	(72)	(4%)	(26)	(2%)	(16)	(1%)
231	13%	(39)	(2%)	104	6%	(0)	(0%)
146	9%	(475)	(20%)	765	42%	(25)	(1%)
<b>445</b>	<b>17%</b>	<b>119</b>	<b>4%</b>	<b>158</b>	<b>6%</b>	<b>35</b>	<b>1%</b>

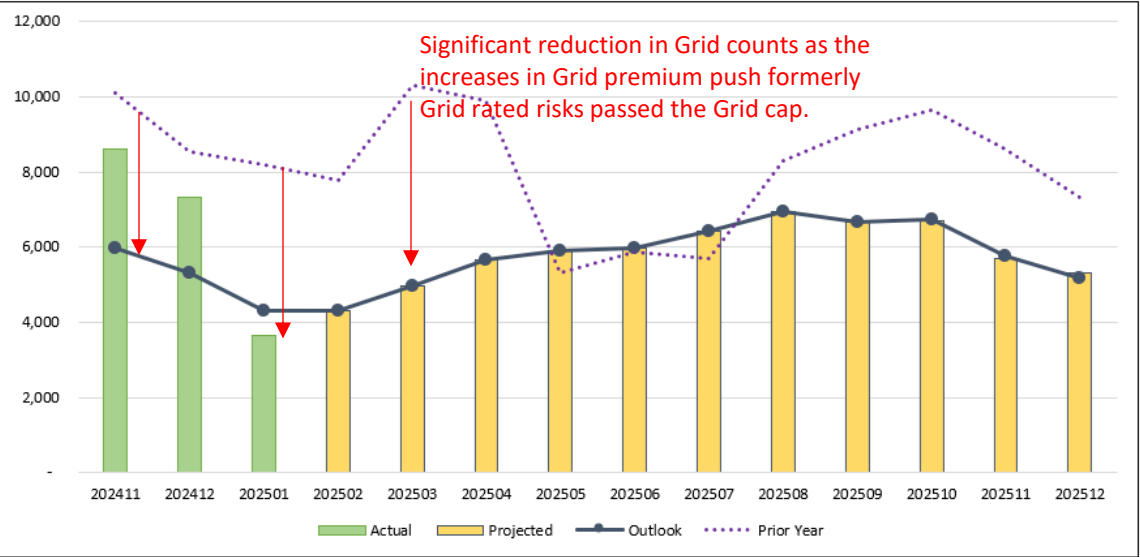
## Key Messages:

- The written premiums projected for fiscal year-end 2025 is \$1.38bn, or 6% increase compared to prior year and 3% 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. Overall average written premium is up 17% compared to PY, driven by both rate increases and changes in the mix of business ceded to the RSP, with more Ontario high-premium vehicles being transferred.
- 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.
- Newfoundland has also seen large count growth compared to prior year as more members make use of the pool. *See Focus Area #2 for more detail.*

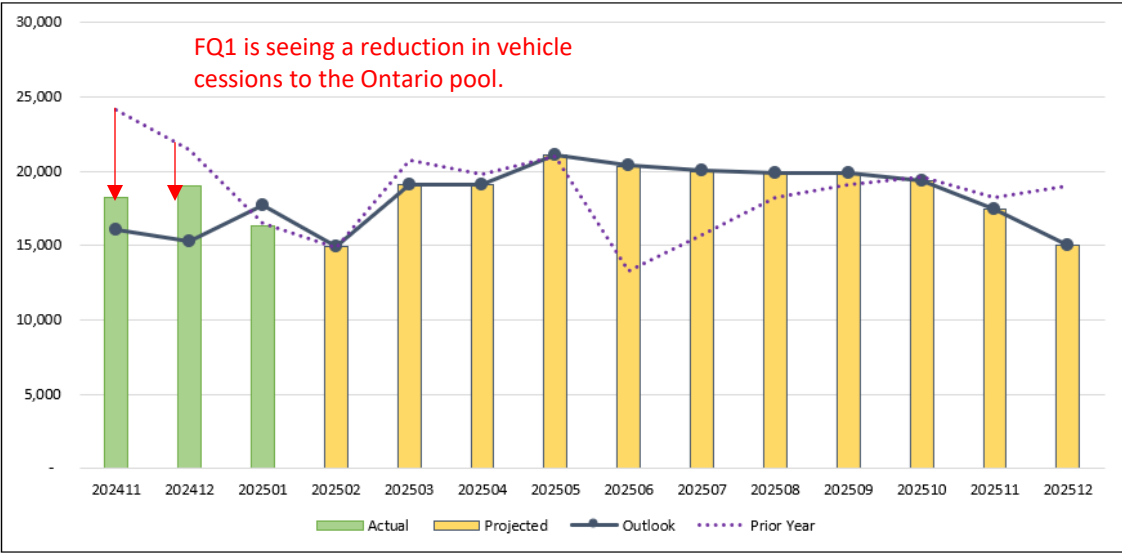


# RSP Alberta Grid and Ontario Premiums

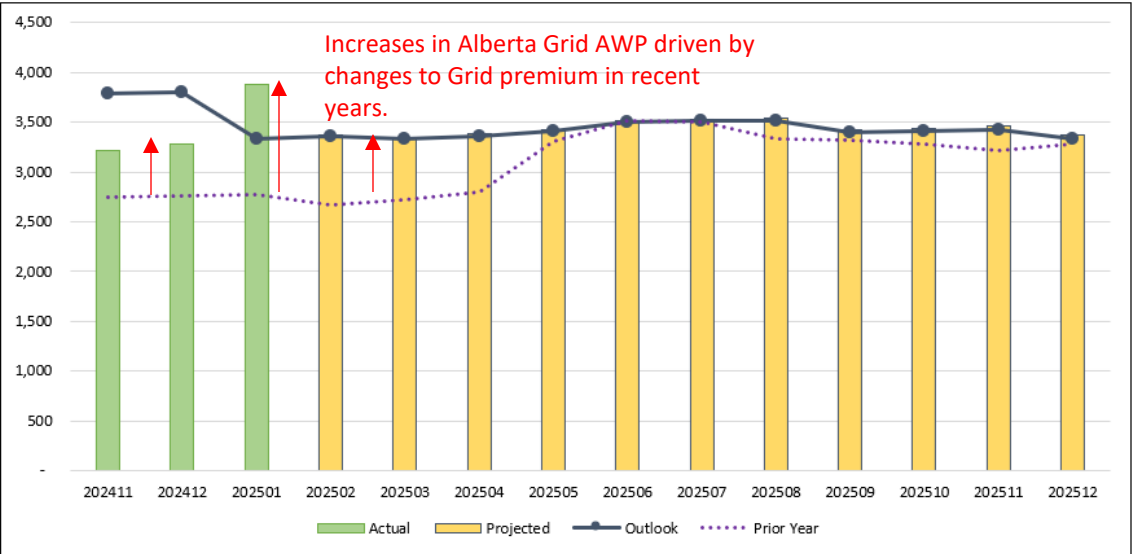
Alberta Grid - Written Count Comparison by Month



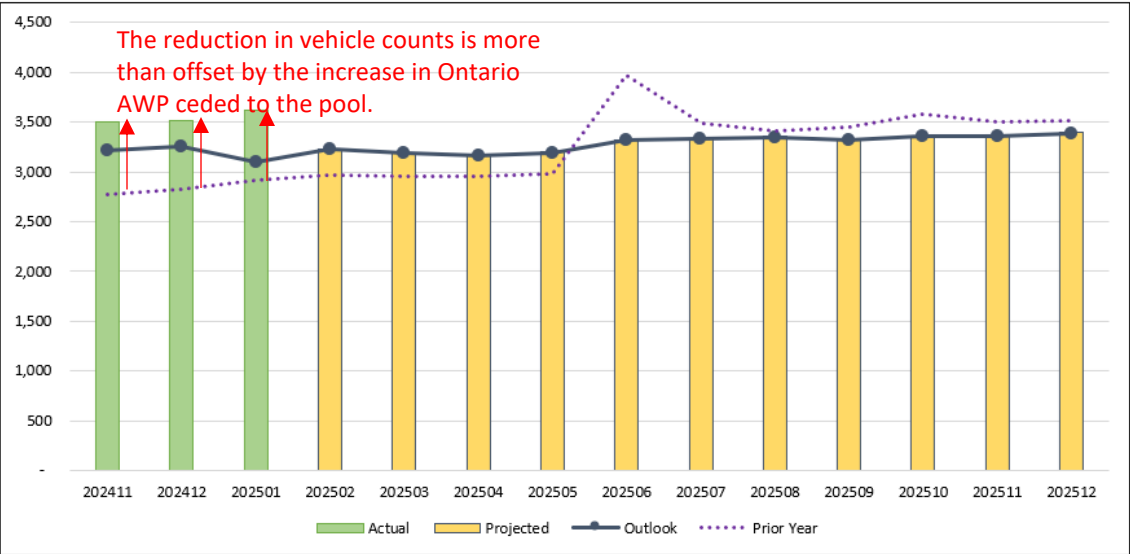
Ontario - Written Count Comparison by Month



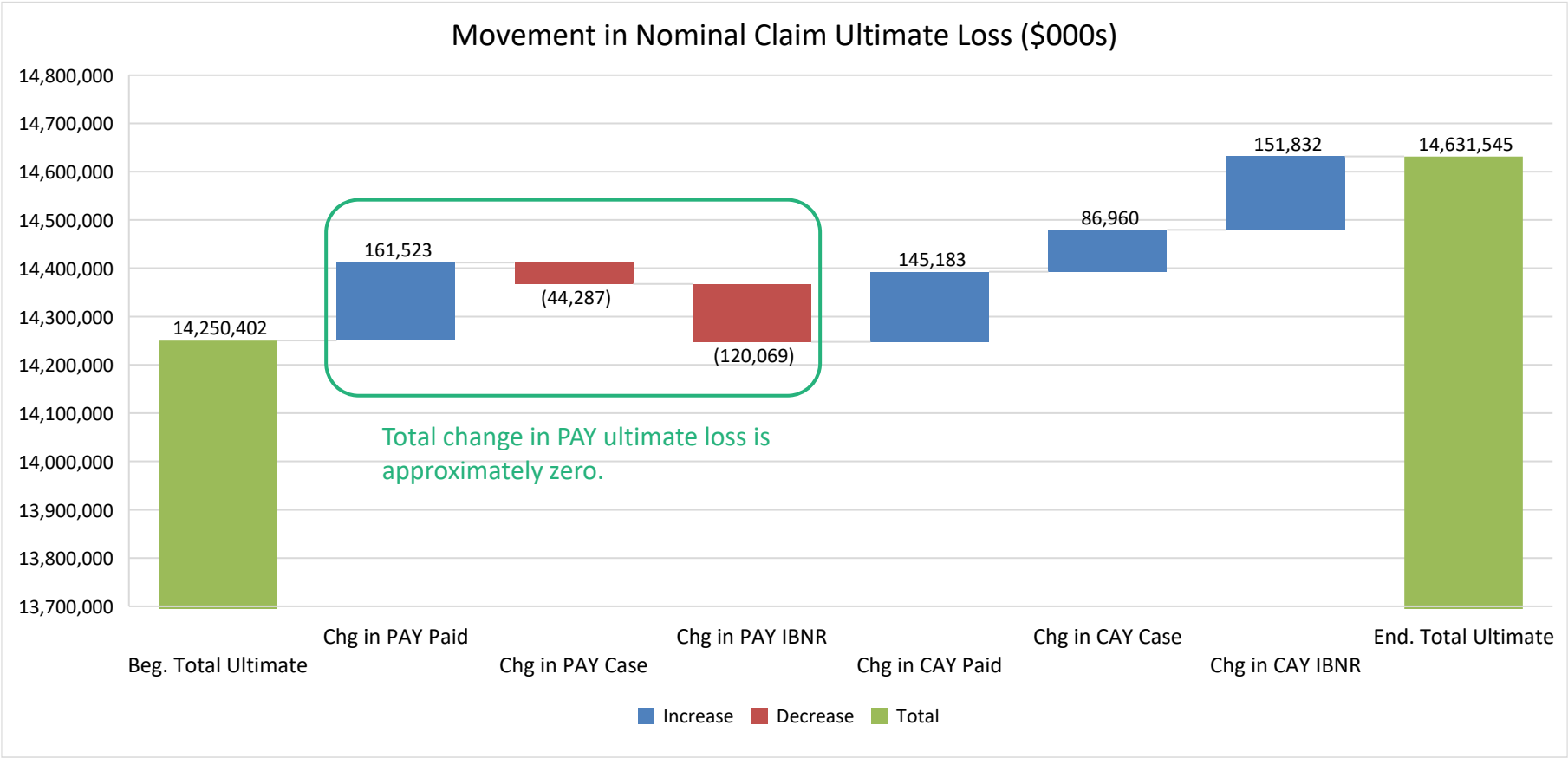
Alberta Grid - Average Written Premium Comparison by Month



Ontario - Average Written Premium Comparison by Month



# RSP Movement in Nominal Ultimate Loss



**Key Messages:**

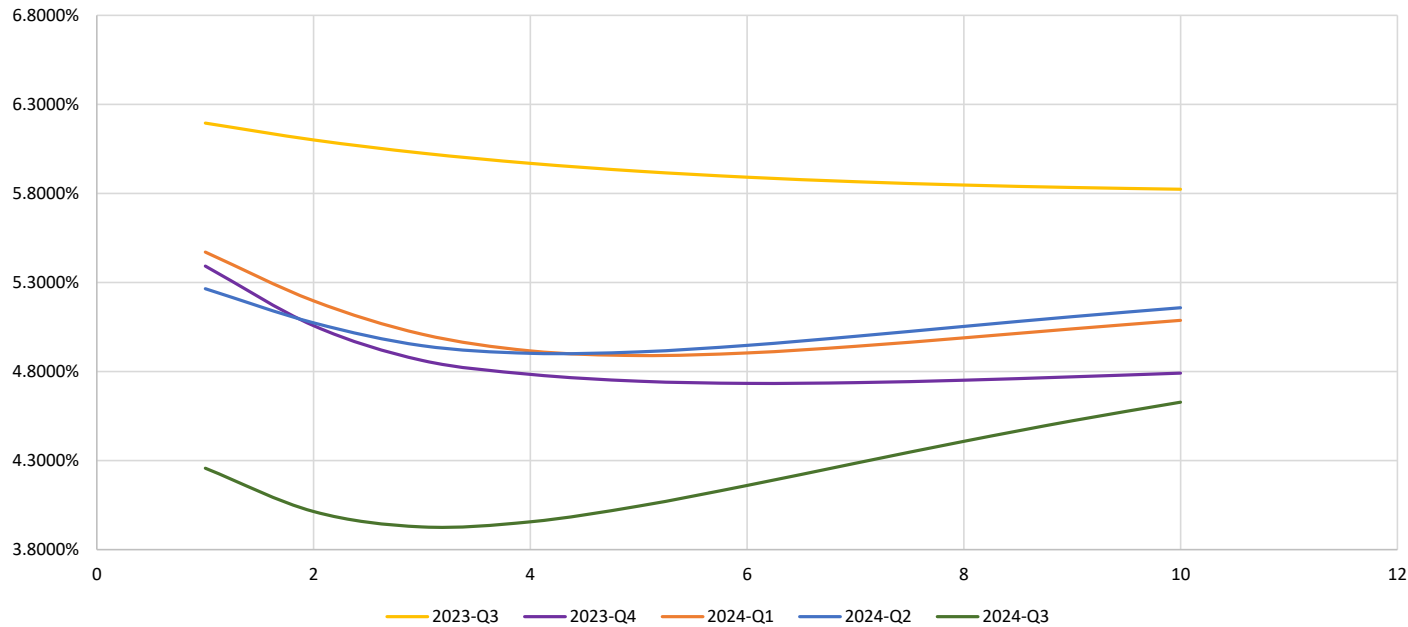
- The table above shows the change in ultimate loss for all accident years beginning with the opening ultimate as at Oct 2024 valued at \$14.25 bn and ending at Jan 2025 valued at \$14.63 bn. This represents a 2.7% increase in ultimate losses over the quarter.
- The prior year accident change in ultimate loss is approximately zero. We assume that the prior year ultimate loss is a best estimate until the next implementation date. In other words, any increase in incurred loss made on prior year obligations is exactly offset by IBNR.
- Current year obligations naturally increase as an additional quarter of new exposures are added.

# RSP Discount Rates and Yield Curve Over Time

This slide **has not been updated** since the previous presentation and will be updated in FQ2 report.

***Yields have been more volatile since 2022 due to inflation shock. Yields fell significantly in 2024 Q3 which generated an unfavourable impact on liabilities.***

Fiera IFRS 17 Yield Curves Over Time



Key Messages:

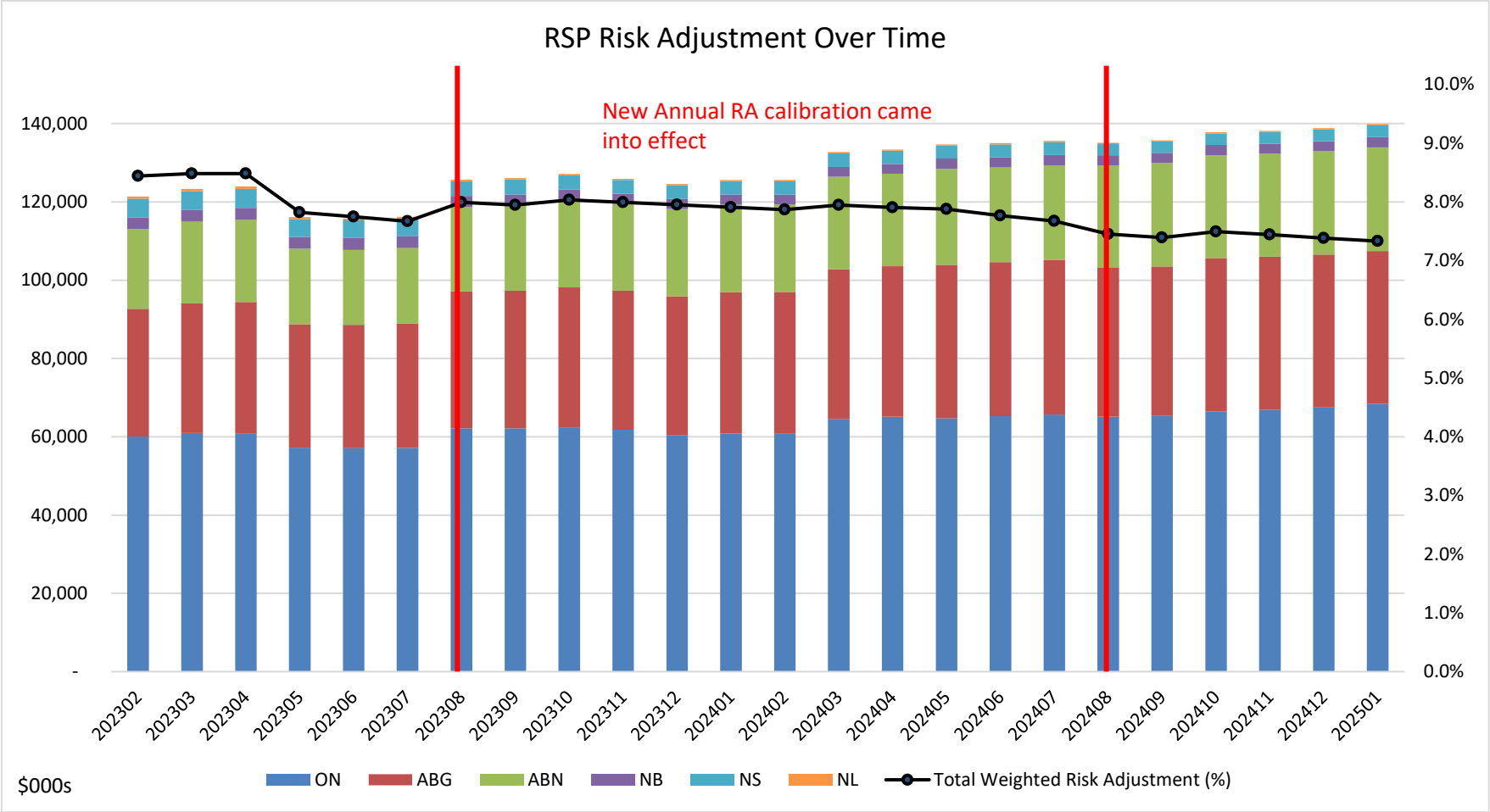
- Table shows the impact of yield curve movements on the RSP liabilities for the most recent implementations.
- Yields began to decline in late 2023 and continue into 2024, with a slight increase from Q4 to Q1. However, Q3 2024 shows a sharp downward shift in the yield curve, of approximately 87 basis points.
- The decline in yields generated approximately \$78.6 million loss on the October results which are part of the Insurance Finance Expense presented in the RSP operational reports.

	2023-Q3	2023-Q4	2024-Q1	2024-Q2	2024-Q3
Average RSP discount rate	5.98%	4.90%	5.06%	5.02%	4.15%
Change from prior	0.53%	-1.08%	0.16%	-0.04%	-0.87%
Yield Impact LIC	19,935	(41,106)	5,358	2,818	(42,328)
Yield Impact PV FCF	18,508	(37,999)	4,864	2,667	(39,413)
Yield Impact Risk Adjustment	1,427	(3,107)	494	150	(2,915)
Yield Impact Loss Component	17,350	(62,855)	7,925	(3,085)	(36,285)
Total Yield Impact	37,285	(103,961)	13,283	(267)	(78,613)



# RSP Risk Adjustment Over Time

*The total weighted risk adjustment is 7.3% as at January 2025, versus 7.9% as at January 2024 and versus 7.3% projected in The Outlook.*



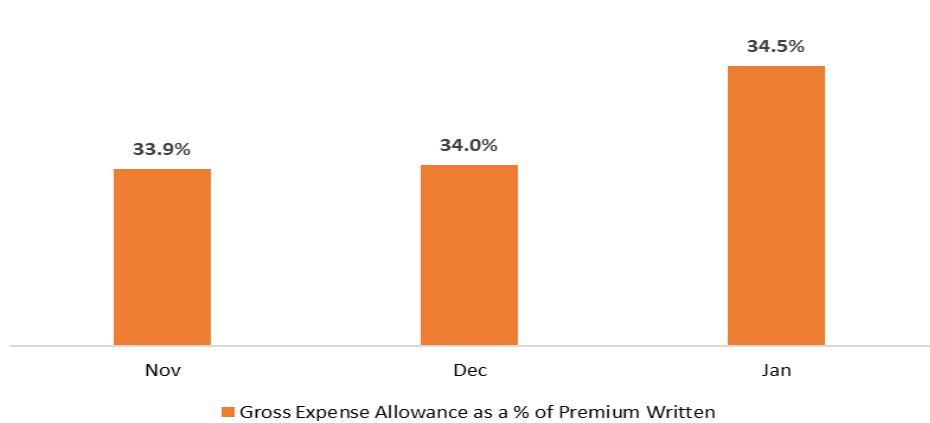
Key Messages:

- 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.

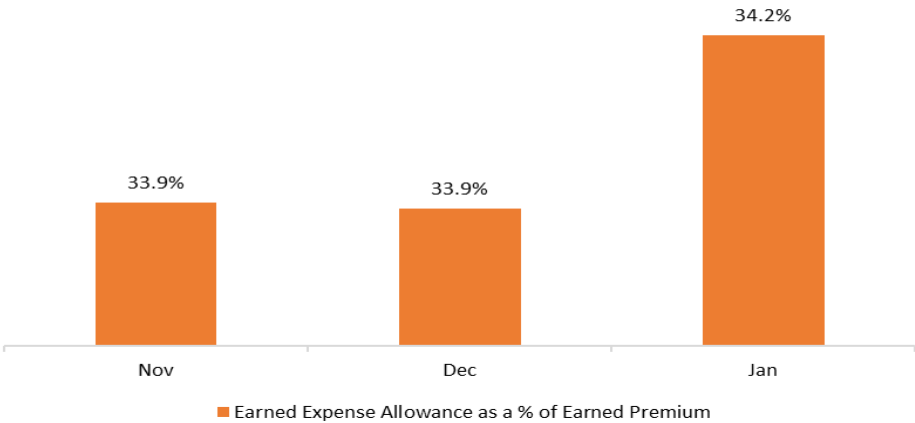
# RSP Expenses

*Low expense ratio averaging 1.3% driven by low administration expenses in relation to Insurance Revenue*

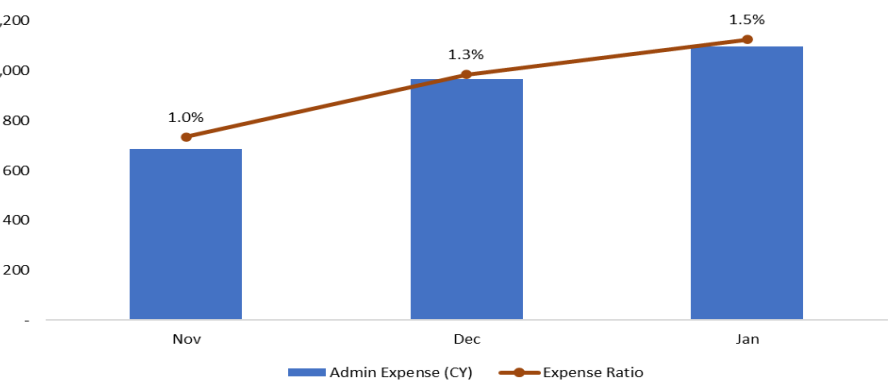
Gross Expense Allowance



Earned Expense allowance



Admin Expense



Impact on Expense Ratio	Actual YTD 2025	Actual YTD 2024	Variance (\$)	Variance (%)
Written Premium	330,419	310,739	19,680	6.3%
Earned Premium	328,735	286,085	42,650	14.9%
Insurance Revenue	217,073	194,335	22,738	11.7%
Total FACO Expenditure	7,468	7,077	391	5.5%
Administration Expense allocated to Mechanism	2,993	3,118	-125	-4.0%
% Allocated to RSP	40.1%	44.1%		
Interest Income (Offsets admin expenses)	-120	-149	29	-19.5%
Gross Administration Expense Ratio	1.4%	1.6%		
Net Impact to Industry	1.3%	1.5%		

Key Messages:

- Gross Expense Allowance Ratio (also called Expense Factor) calculated as Gross Expense Allowance divided by Premium Written is trending at 34.5% 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 1.3%.

# 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. Amounts due from members represents the future obligations of members for these liabilities.***

RISK SHARING POOLS - IFRS 17				
(\$000s)	January 31, 2025	October 31, 2024	Change (\$)	(%)
<b>Assets</b>				
Cash in bank	2,021	4,025	(2,004)	(50%)
Prepaid expense allowance	33,052	50,493	(17,441)	(35%)
Accounts receivable from members	42,785	45,148	(2,363)	(5%)
Amounts due from members	3,876,583	3,169,872	706,712	22%
<b>Total Assets</b>	<b>3,954,441</b>	<b>3,269,537</b>	<b>684,904</b>	<b>21%</b>
<b>Liabilities</b>				
Liability for remaining coverage	1,766,740	1,096,330	670,410	61%
Liability for incurred claims	2,047,024	1,976,689	70,335	4%
Premium received	95,857	147,332	(51,475)	(35%)
Accounts payable to members	41,654	46,372	(4,719)	(10%)
Payable to FARM & other pools	3,166	2,814	352	12%
<b>Total Liabilities</b>	<b>3,954,441</b>	<b>3,269,537</b>	<b>684,904</b>	<b>21%</b>

## 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 \$756m for accident year 2026 which has higher projected premium volumes.

# RSP Latest Fiscal Year 2025 Outlook

Fiscal Year 2025 Latest Projection (\$'000s) as at 202501								FY 2025 Outlook
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total	Total
Written Premium	758,604	250,673	276,580	29,303	40,600	28,475	1,384,235	1,350,239
Received Premium	764,001	259,559	289,164	28,759	40,510	26,939	1,408,932	1,374,807
Earned Premium	732,135	281,411	266,458	24,194	31,066	14,602	1,349,867	1,319,282
Earned Expense Allowance	(240,730)	(101,061)	(96,087)	(9,673)	(11,241)	(5,173)	(463,966)	(453,456)
<b>Insurance Revenue</b>	<b>491,405</b>	<b>180,350</b>	<b>170,371</b>	<b>14,521</b>	<b>19,825</b>	<b>9,429</b>	<b>885,901</b>	<b>865,826</b>
Total Claims Incurred	942,009	200,695	280,523	22,032	30,473	14,323	1,490,056	1,452,778
<i>Claims incurred (CAY)</i>	964,908	213,567	289,491	22,875	31,424	14,454	1,536,720	1,497,417
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(22,898)	(12,873)	(8,968)	(843)	(950)	(132)	(46,664)	(44,639)
Administrative Expense	3,310	1,556	2,563	1,660	2,016	4,168	15,273	15,485
<i>Losses and Reversals of Losses on Onerous Contracts</i>	554,879	28,758	133,965	13,040	19,198	24,446	774,286	757,662
<i>Reversal of Expected Claims and Expenses</i>	(492,280)	(31,034)	(115,901)	(9,222)	(13,199)	(6,205)	(667,841)	(649,269)
Change in Loss Component	62,599	(2,276)	18,064	3,818	5,999	18,241	106,445	108,393
<b>Insurance Service Expenses</b>	<b>1,007,918</b>	<b>199,974</b>	<b>301,150</b>	<b>27,511</b>	<b>38,488</b>	<b>36,732</b>	<b>1,611,773</b>	<b>1,576,657</b>
<b>Insurance Service Result</b>	<b>(516,513)</b>	<b>(19,624)</b>	<b>(130,779)</b>	<b>(12,990)</b>	<b>(18,663)</b>	<b>(27,303)</b>	<b>(725,872)</b>	<b>(710,831)</b>
Insurance Finance Expense from PV FCF	(46,439)	(17,851)	(13,065)	(1,348)	(1,658)	(317)	(80,678)	(79,398)
Insurance Finance Expense from Risk Adjustment	(3,083)	(1,474)	(1,018)	(114)	(109)	(20)	(5,818)	(5,742)
Insurance Finance Expense from Loss Component	(29,468)	(1,896)	(7,048)	(591)	(839)	(824)	(40,666)	(40,334)
<b>Insurance Finance Income (Expense)</b>	<b>(78,990)</b>	<b>(21,221)</b>	<b>(21,131)</b>	<b>(2,053)</b>	<b>(2,605)</b>	<b>(1,160)</b>	<b>(127,161)</b>	<b>(125,474)</b>
<b>2025 Operating Result</b>	<b>(595,503)</b>	<b>(40,846)</b>	<b>(151,911)</b>	<b>(15,042)</b>	<b>(21,268)</b>	<b>(28,463)</b>	<b>(853,033)</b>	<b>(836,304)</b>
<b>Ratios</b>								-
<i>Claims incurred (CAY)</i>	196.4%	118.4%	169.9%	157.5%	158.5%	153.3%	173.5%	172.9%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(4.7%)	(7.1%)	(5.3%)	(5.8%)	(4.8%)	(1.4%)	(5.3%)	(5.2%)
<b>Loss Ratios (% Insurance Revenue)</b>	<b>191.7%</b>	<b>111.3%</b>	<b>164.7%</b>	<b>151.7%</b>	<b>153.7%</b>	<b>151.9%</b>	<b>168.2%</b>	<b>167.8%</b>
<i>Earned Expense allowance</i>	32.9%	35.9%	36.1%	40.0%	36.2%	35.4%	34.4%	34.4%
<i>Change in Loss Component (excluding IFE)</i>	12.7%	(1.3%)	10.6%	26.3%	30.3%	193.4%	12.0%	12.5%
<i>Administrative Expenses</i>	0.7%	0.9%	1.5%	11.4%	10.2%	44.2%	1.7%	1.8%
<b>Insurance Service Ratio</b>	<b>205.1%</b>	<b>110.9%</b>	<b>176.8%</b>	<b>189.5%</b>	<b>194.1%</b>	<b>389.5%</b>	<b>181.9%</b>	<b>182.1%</b>
<b>Combined Operating Ratio</b>	<b>221.2%</b>	<b>122.6%</b>	<b>189.2%</b>	<b>203.6%</b>	<b>207.3%</b>	<b>401.9%</b>	<b>196.3%</b>	<b>196.6%</b>

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.

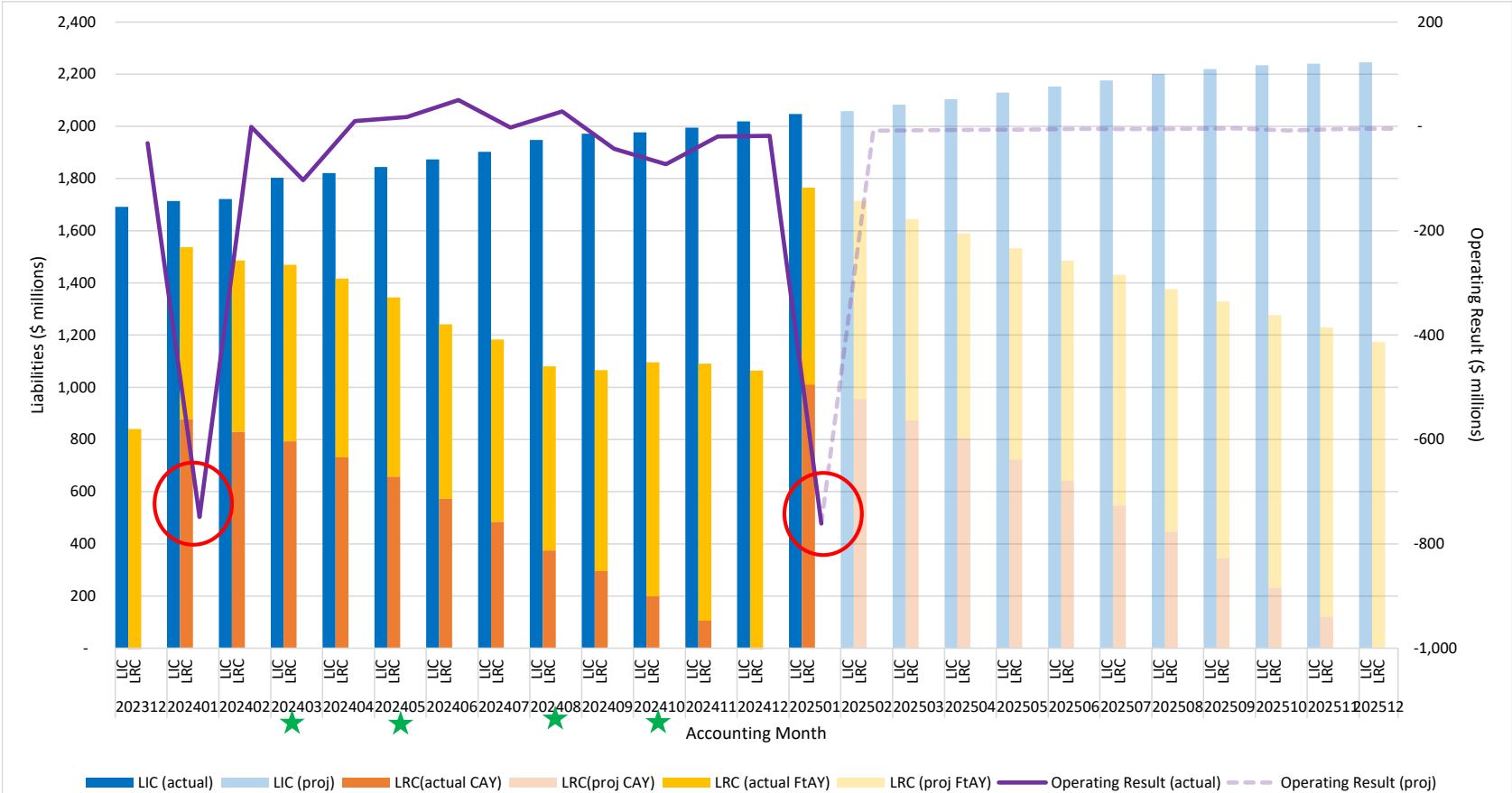
# RSP FY 2025 Outlook Versus FY 2025 Latest Projection

	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
<b>WRITTEN PREMIUM (\$000s)</b>							
The Outlook	724,783	241,207	279,708	30,587	42,089	31,865	1,350,239
Latest Projection	758,604	250,673	276,580	29,303	40,600	28,475	1,384,235
<b>Change (\$)</b>	<b>33,821</b>	<b>9,465</b>	<b>(3,128)</b>	<b>(1,285)</b>	<b>(1,489)</b>	<b>(3,389)</b>	<b>33,996</b>
<b>Change (%)</b>	<b>4.7%</b>	<b>3.9%</b>	<b>(1.1%)</b>	<b>(4.2%)</b>	<b>(3.5%)</b>	<b>(10.6%)</b>	<b>2.5%</b>
<b>WRITTEN VEHICLE COUNT</b>							
The Outlook	222,789	69,252	118,168	18,036	21,237	12,299	461,782
Latest Projection	227,164	73,156	118,418	17,441	20,488	11,098	467,766
<b>Change (%)</b>	<b>2.0%</b>	<b>5.6%</b>	<b>0.2%</b>	<b>(3.3%)</b>	<b>(3.5%)</b>	<b>(9.8%)</b>	<b>1.3%</b>
<b>LOSS RATIOS (%)</b>							
The Outlook CAY Loss Ratio	196.1%	118.2%	169.7%	157.9%	158.7%	153.2%	172.9%
Latest Projection CAY Loss Ratio	196.4%	118.4%	169.9%	157.5%	158.5%	153.3%	173.5%
<b>Change</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>(0.4%)</b>	<b>(0.2%)</b>	<b>0.1%</b>	<b>0.5%</b>
The Outlook PAY Loss Ratio	(4.4%)	(7.1%)	(5.3%)	(5.7%)	(5.1%)	(1.2%)	(5.2%)
Latest Projection PAY Loss Ratio	(4.7%)	(7.1%)	(5.3%)	(5.8%)	(4.8%)	(1.4%)	(5.3%)
<b>Change</b>	<b>(0.2%)</b>	<b>(0.0%)</b>	<b>0.1%</b>	<b>(0.1%)</b>	<b>0.3%</b>	<b>(0.2%)</b>	<b>(0.1%)</b>
<b>EARNED EXPENSE ALLOWANCE RATIO (%)</b>							
The Outlook	32.8%	35.9%	36.1%	40.0%	36.2%	35.4%	34.4%
Latest Projection	32.9%	35.9%	36.1%	40.0%	36.2%	35.4%	34.4%
<b>Change</b>	<b>0.1%</b>	<b>(0.0%)</b>	<b>(0.0%)</b>	<b>0.0%</b>	<b>0.0%</b>	<b>(0.0%)</b>	<b>(0.0%)</b>
<b>COMBINED OPERATING RATIO (%)</b>							
The Outlook	222.6%	122.5%	188.9%	203.0%	203.3%	349.8%	196.6%
Latest Projection	221.2%	122.6%	189.2%	203.6%	207.3%	401.9%	196.3%
<b>Change</b>	<b>(1.4%)</b>	<b>0.1%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>4.0%</b>	<b>52.0%</b>	<b>(0.3%)</b>
<b>OPERATING RESULT (\$000s)</b>							
The Outlook	(577,882)	(39,495)	(152,319)	(15,597)	(21,320)	(29,692)	(836,304)
Latest Projection	(595,503)	(40,846)	(151,911)	(15,042)	(21,268)	(28,463)	(853,033)
<b>Change (\$)</b>	<b>(17,622)</b>	<b>(1,351)</b>	<b>408</b>	<b>555</b>	<b>52</b>	<b>1,229</b>	<b>(16,729)</b>

## Key observations:

- The combined 6 RSPs are projected to have an increase in written premiums (2.5% overall increase compared to The Outlook). We are projecting written premium of \$1,384 million, primarily driven by Ontario and Alberta Grid, offset by a reduction in the remaining pools.
- The CAY and PAY loss ratios remain in line with Outlook as loss ratio assumptions remain constant until the next implementation date (May Operational Report).
- 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 yield curve will be updated in the FQ2 report.
- The fiscal year COR is projected to be 196.3%, slightly down by 0.3% compared to The Outlook. We are projecting the 6 RSPs to generate an operating deficit of \$853.0 million in 2025. The latest projected operating result deteriorated by \$16.7m primarily driven by higher premium volumes compared to the Outlook. Since RSP generally operates at a deficit, higher premium volumes generate higher deficits.
- 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.

# 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 liability for 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: Alberta August Hailstorm Update

# RSP Alberta Hailstorm Event as at Jan-2025

Date	Pool	Paid Loss	Case Reserve	Total Incurred	Approximate Additional CAT booking amount	Approximate Total CAT impact (rounded)
		[1]	[2]	[3] = [1]+[2]	[5]	[6] = [3]+[5]
Change in Aug-2024	Alberta Grid	2,794,627	11,415,049	14,210,306		
	Alberta non-Grid	4,063,408	21,022,129	25,085,537		
<b>Total change in Aug-2024</b>		<b>6,858,035</b>	<b>32,437,178</b>	<b>39,295,843</b>		
Change in Sep-2024	Alberta Grid	7,882,682	(243,525)	7,639,640		
	Alberta non-Grid	12,136,100	(274,241)	11,862,674		
<b>Total change in Sep-2024</b>		<b>20,018,782</b>	<b>(517,766)</b>	<b>19,502,314</b>		
Change in Oct-2024	Alberta Grid	6,970,261	(2,395,261)	4,594,173		
	Alberta non-Grid	11,695,345	(2,759,744)	8,949,636		
<b>Total change in Oct-2024</b>		<b>18,665,606</b>	<b>(5,155,005)</b>	<b>13,543,809</b>		
Change in Nov-2024	Alberta Grid	3,875,965	(2,287,751)	1,610,046		
	Alberta non-Grid	6,658,280	(3,340,283)	3,342,205		
<b>Total change in Nov-2024</b>		<b>10,534,245</b>	<b>(5,628,034)</b>	<b>4,952,251</b>		
Change in Dec-2024	Alberta Grid	1,257,070	(1,869,656)	(585,660)		
	Alberta non-Grid	4,485,698	(4,259,197)	239,786		
<b>Total change in Dec-2024</b>		<b>5,742,768</b>	<b>(6,128,853)</b>	<b>(345,874)</b>		
Change in Jan-2025	Alberta Grid	730,183	(1,281,067)	(539,609)		
	Alberta non-Grid	3,105,241	(2,487,263)	622,918		
<b>Total change in Jan-2025</b>		<b>3,835,424</b>	<b>(3,768,330)</b>	<b>83,309</b>		
Total CAT Impact	Alberta Grid	23,510,788	3,337,789	26,928,896	2,071,104	29,000,000
	Alberta non-Grid	42,144,072	7,901,401	50,102,756	897,244	51,000,000
<b>Total CAT Impact</b>		<b>65,654,860</b>	<b>11,239,190</b>	<b>77,031,652</b>	<b>2,968,348</b>	<b>80,000,000</b>

- The total full year CAT impact is \$80 million, of which \$77 million has already been incurred to date. We will continue to closely monitor the development of these claims.

# Focus Area #2: Premium Drivers

# RSP Premium Drivers

Current Year Legend



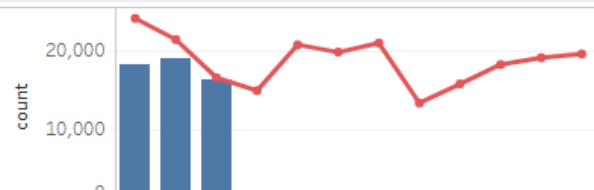
Prior Year Legend



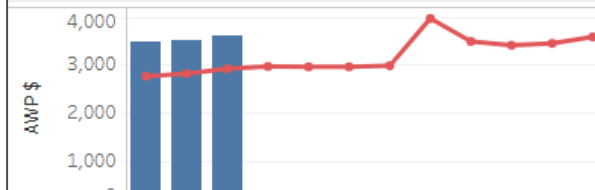
Yr-on-yr Chg in Written Veh Count (by month)



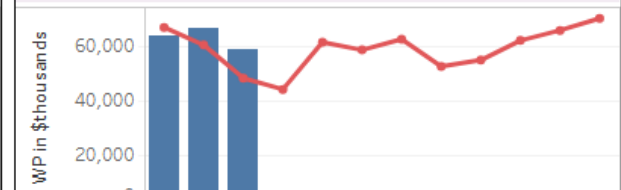
Written Vehicle Count (by month)



Average Written Premium (by month)



Written Premium (by month)

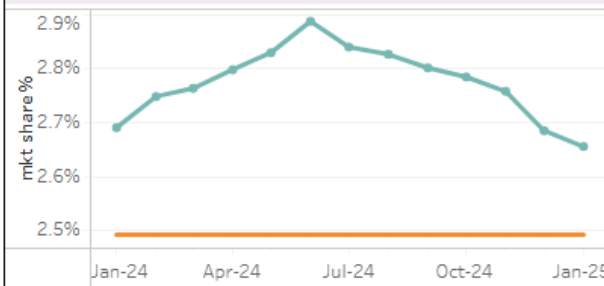


	Jan-24	Jan-25
W. Veh curr mth	16,532	16,362
Amt Chg (curr mth W. Veh)		-170
% Chg (curr mth W. Veh)		-1.0%

	Jan-24	Jan-25
AWP curr mth	2,918	3,617
Amt Chg (AWP curr mth)		699
% Chg (AWP curr mth)		24.0%

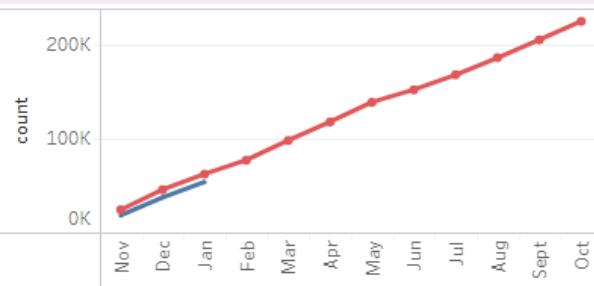
	Jan-24	Jan-25
WP (\$000s) curr mth	48,242	59,182
Amt Chg (WP curr mth)		10,939
% Chg (WP curr mth)		22.7%

Market Share (Rolling 12-month)

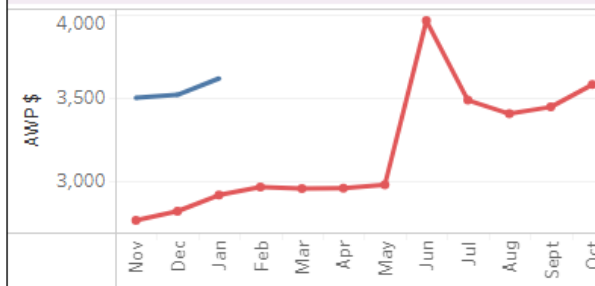


Mkt Shr 3-yr mkt share

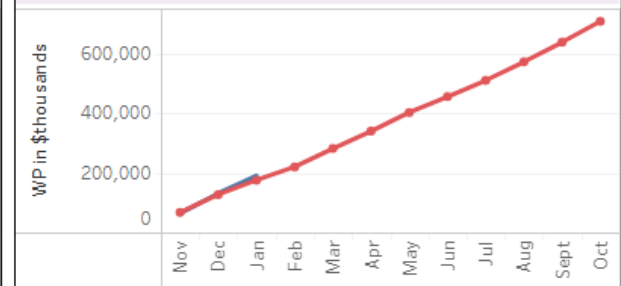
Written Vehicle Count (YTD)



Avg Written Premium (YTD)



Written Premium (YTD)



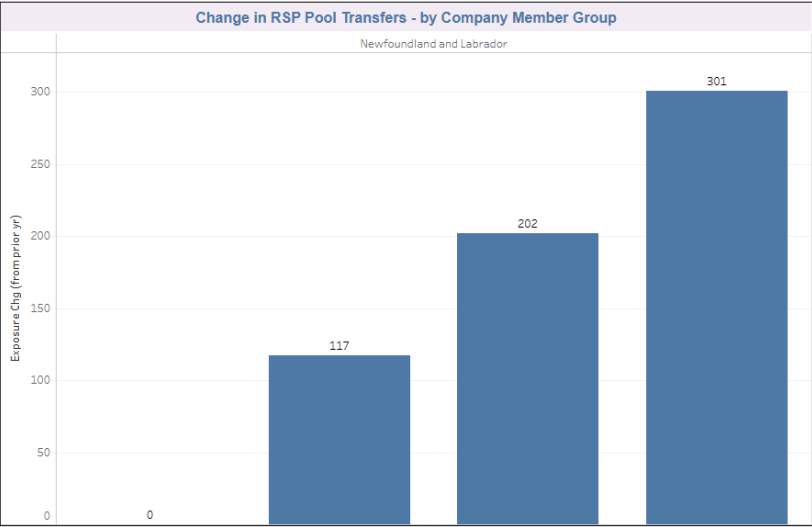
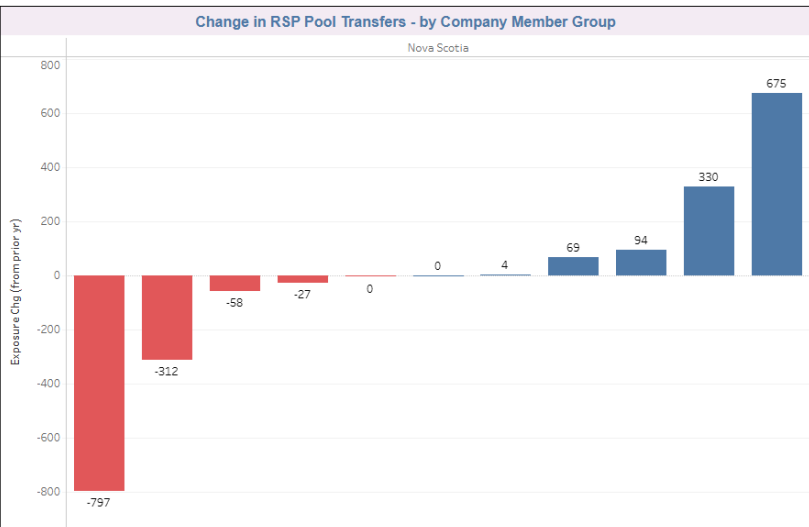
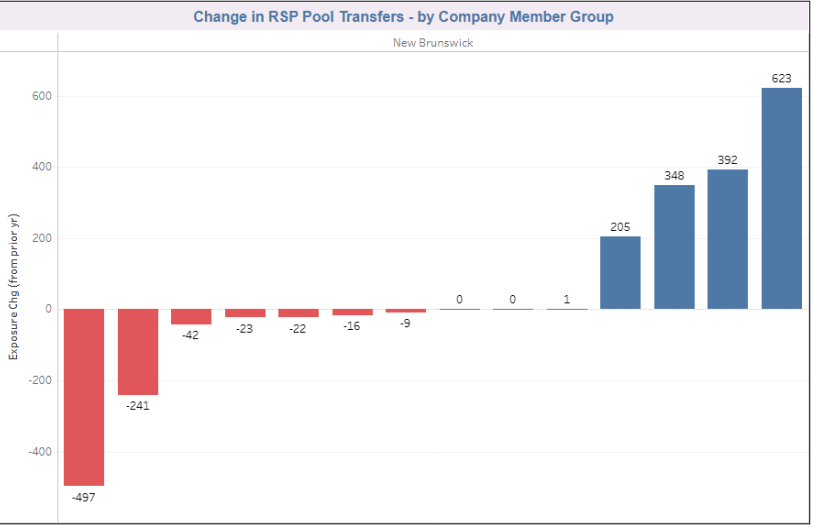
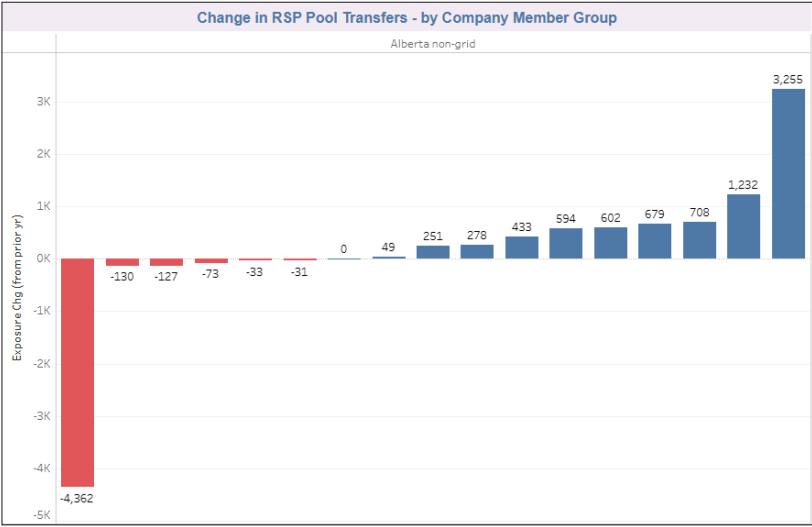
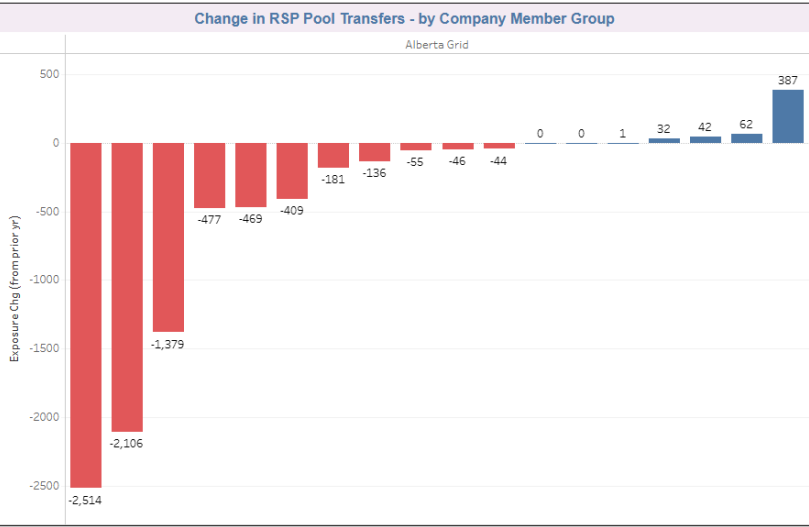
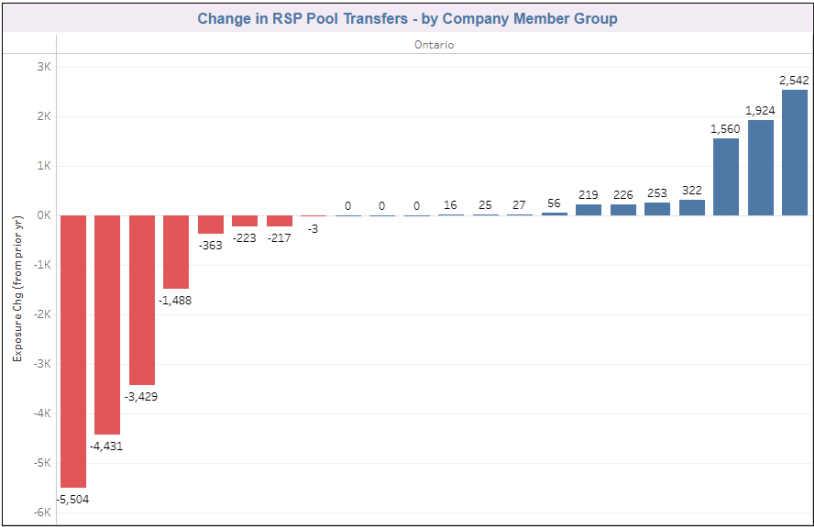
	Jan-24	Jan-25
Mkt Shr	2.7%	2.7%
Amt Chg		0.0%
% Chg		-1.3%

	Jan-24	Jan-25
YTD W. Veh	62,104	53,616
Amt Chg (YTD W. Veh)		-8,489
% Chg (YTD W. Veh)		-13.7%

	Jan-24	Jan-25
AWP W. Prem YTD	2,826	3,543
Amt Chg (AWP W. Prem YTD)		717
% Chg (AWP W. Prem YTD)		25.4%

	Jan-24	Jan-25
WP (\$000s) YTD	175,506	189,949
Amt Chg (WP YTD)		14,443
% Chg (WP YTD)		8.2%

# 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
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
LRC	Liability for Remaining Coverage

Acronyms	Definition
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>