

TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2025 – 046
DATE: November 28, 2025
SUBJECT: Risk Sharing Pool – October 2025 Operational Report

A copy of this bulletin should be provided to your Chief Financial Officer and Appointed Actuary.

Please be advised that the October 2025 Risk Sharing Pool IFRS 17 Operational Report is available on the Facility Association (FA) Portal at <https://portal.facilityassociation.com>. The results in this report are shown on the IFRS 17 accounting basis. However, please note that for interested members, the RSP operational report on the IFRS 4 basis is available on The FA Portal. The results presented in this bulletin reflect the combined results of the six pools unless otherwise specified.

Amounts in \$000s	Actual (October 2025)	Prior Year (October 2024)	% Change	2025 year-end Projection	2024 year-end Actual	% Change
Income Statement Highlights						
Insurance Revenue	80,111	71,129	12.6%	902,881	816,454	10.6%
Operating Result	116,906	(72,456)	(261.3%)	(589,297)	(900,312)	(34.5%)
Written Vehicle Counts	44,195	51,550	(14.3%)	453,912	456,985	(0.7%)
Average Written Premium (\$s)	3,169	2,858	10.9%	3,161	2,878	9.8%
Combined Operating Ratio (%)	(45.9%)	201.9%	(247.8%) pts	165.3%	210.3%	(45.0%) pts
Balance Sheet Snapshot						
LIC	2,223,122	1,976,688	12.5%	2,223,262	2,019,012	10.1%
Nominal Unpaid Claims	2,274,710	2,037,251	11.7%	2,276,356	2,083,500	9.3%
Discount Amount	(214,037)	(198,333)	7.9%	(214,363)	(203,327)	5.4%
Risk Adjustment	162,449	137,769	17.9%	161,269	138,838	16.2%
LRC	1,217,409	1,096,090	11.1%	1,144,545	1,061,478	7.8%
LRC Excluding Loss Component	414,375	359,812	15.2%	429,071	392,102	9.4%
Loss Component	803,034	736,279	9.1%	715,474	669,376	6.9%

Related Links:

- [LRC Calculation File](#)
- [RSP Summary of Operations - Calendar Year 2025](#)
- [Detailed Valuation Results file](#)
- [Supplementary Information Including Exhibits](#)
- [RSP Quarterly Financial Insights](#)

RSP Summary of Financial Results

RSP Summary of IFRS17 Financial Results	Actual	Projection	Prior Year	2025 year-to-date	2024 year-to-date	2025 year-end	Outlook*	2024 year-end
Amounts in \$000s	(October 2025)	(October 2025)	(October 2024)	as at 10 months	as at 10 months	Projection	Full year 2025	Actual
Written Premium	140,039	138,245	147,332	1,201,836	1,080,857	1,434,714	1,355,583	1,315,419
Received Premium	123,430	125,831	130,165	1,176,382	1,049,469	1,441,004	1,358,411	1,316,788
Earned Premium	122,322	124,169	107,571	1,137,154	1,015,824	1,377,029	1,326,036	1,233,246
Earned Expense Allowance	(42,212)	(42,885)	(36,441)	(391,342)	(343,172)	(474,147)	(457,167)	(416,791)
Insurance Revenue	80,111	81,284	71,129	745,811	672,651	902,881	868,870	816,454
Total Claims Incurred	32,174	128,789	76,632	1,109,768	1,121,427	1,344,558	1,468,598	1,354,116
<i>Claims incurred (CAY)</i>	63,729	132,054	72,985	1,159,560	1,124,346	1,401,097	1,512,869	1,363,519
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(31,555)	(3,265)	3,646	(49,792)	(2,919)	(56,540)	(44,271)	(9,403)
Administrative Expense	1,040	1,471	795	7,475	7,015	9,493	16,439	8,742
Losses on Onerous Contracts	(42,469)	0	25,108	630,487	591,247	630,487	757,662	609,773
Reversal of Losses on Onerous Contracts	(54,758)	(54,758)	(48,077)	(556,938)	(480,756)	(648,319)	(674,379)	(569,905)
Insurance Service Expenses	(64,013)	75,501	54,458	1,190,792	1,238,932	1,336,219	1,568,320	1,402,727
Insurance Service Result	144,124	5,783	16,671	(444,981)	(566,280)	(433,338)	(699,450)	(586,273)
Insurance Finance Expense from PV FCF	(15,186)	(6,706)	(47,052)	(73,104)	(149,826)	(85,724)	(80,432)	(162,615)
<i>Discount Unwind Loss Component</i>	(6,706)	(6,706)	(7,639)	(68,494)	(79,946)	(81,115)	(80,432)	(92,734)
<i>Yield Impact Loss Component</i>	(8,480)	0	(39,413)	(4,609)	(69,881)	(4,609)	0	(69,881)
Insurance Finance Expense from Risk Adjustment	(1,189)	(519)	(3,480)	(5,307)	(11,517)	(6,306)	(5,741)	(12,469)
<i>Discount Unwind Loss Component</i>	(527)	(519)	(566)	(5,075)	(6,140)	(6,074)	(5,741)	(7,092)
<i>Yield Impact Loss Component</i>	(662)	0	(2,915)	(232)	(5,377)	(232)	0	(5,377)
Insurance Finance Expense from Loss Component	(10,842)	(2,181)	(38,594)	(60,109)	(135,236)	(63,929)	(41,729)	(138,955)
<i>Discount Unwind Loss Component</i>	(2,181)	(2,181)	(2,308)	(32,474)	(40,936)	(36,295)	(41,729)	(44,655)
<i>Yield Impact Loss Component</i>	(8,662)	0	(36,285)	(27,635)	(94,301)	(27,635)	0	(94,301)
Insurance Finance Income (Expense)	(27,217)	(9,405)	(89,126)	(138,520)	(296,580)	(155,960)	(127,902)	(314,039)
Operating Result	116,906	(3,622)	(72,456)	(583,501)	(862,861)	(589,297)	(827,352)	(900,312)
Key Ratios:								
Loss Ratio	40.2%	158.4%	107.7%	148.8%	166.7%	148.9%	169.0%	165.9%
<i>CAY Loss Ratio</i>	79.6%	162.5%	102.6%	155.5%	167.2%	155.2%	174.1%	167.0%
<i>PAY Loss Ratio</i>	(39.4%)	(4.0%)	5.1%	(6.7%)	(0.4%)	(6.3%)	(5.1%)	(1.2%)
Onerous Contract Ratio (excluding IFIE)	(121.4%)	(67.4%)	(32.3%)	9.9%	16.4%	(2.0%)	9.6%	4.9%
<i>Earned Expense allowance</i>	34.5%	34.5%	33.9%	34.4%	33.8%	34.4%	34.5%	33.8%
Administrative Expenses	1.3%	1.8%	1.1%	1.0%	1.0%	1.1%	1.9%	1.1%
Insurance Service Ratio	-79.9%	92.9%	76.6%	159.7%	184.2%	148.0%	180.5%	171.8%
Combined Operating Ratio	(45.9%)	104.5%	201.9%	178.2%	228.3%	165.3%	195.2%	210.3%

rounding differences may occur
*as posted to FA's website Dec 23, 2024

- **Claims Incurred:** The liabilities are assumed to be a best estimate, which means the view of ultimate losses remains fixed until the next quarterly valuation is implemented. Overall, the total loss ratio is lower than the projected loss ratio. The loss ratio projected for 2025 has improved compared to the 2024 actual position driven by better than expected comprehensive claims experience in Ontario, and Bodily Injury in Alberta.
- **Losses on Onerous Contracts:** This represents a change in the loss component during the reporting period arising from initial recognition and subsequent re-estimation of the loss component (due to changes in premium or loss ratio projections, for example). This month the losses on onerous contracts decreased by \$42.5 million driven by a reduction in Ontario AY 2025 Comprehensive and Collision loss ratio, reduction in

Alberta AY 2026 Bodily Injury, and of the \$42.5 million \$10.1 million impact is coming for AY 2026 decrease in premium projection in Alberta.

Losses on Onerous Contracts							
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
Total CAY (2025)	(11,183)	(136)	(2,951)	(161)	(661)	(232)	(15,324)
Valuation Impact	(10,622)	(785)	(2,672)	(221)	(295)	87	(14,508)
Change in Projection	(561)	649	(279)	60	(367)	(319)	(816)
Total FtAY (2026)	(4,052)	(11,900)	(11,820)	(125)	496	256	(27,145)
Valuation Impact	(1,623)	(13,689)	112	16	8	34	(15,141)
Change in Projection	(2,430)	1,789	(11,932)	(141)	488	222	(12,004)
Total	(15,235)	(12,036)	(14,771)	(285)	(166)	24	(42,469)
Valuation Impact	(12,245)	(14,473)	(2,559)	(205)	(287)	121	(29,649)
Change in Projection	(2,991)	2,438	(12,212)	(81)	121	(96)	(12,820)

- **Reversal of Losses on Onerous Contracts:** This represents changes in the loss component during the reporting period arising from the portion of the opening LRC earned during the period. Excludes the impact of change in discount rates and completely aligns with projection.
- **Insurance Finance income/(expense):** This is comprised of both the release of the effect of discounting due to the passage of time (also known as discount unwinding) and the effect due to changes in discounting assumptions. The latter is only reflected in implementation months (March, May, September, and November), when the yield curve is updated. The combined yield impact on the LIC and LR is unfavorable change of approximately \$17.8 million driven by a decrease in yield of approximately 18 to 19 basis points across all pools.

Impact of 2025 Q3 Valuation

A valuation of the RSP as at September 30, 2025, has been completed since last month's Operational Report and the results of the valuation have been incorporated into this month's Operational Report. The implementation of the new valuation resulted in an estimated **\$119.6 million overall favorable impact** on the month's net results from operations. The favorable impact primarily coming from Ontario due to better-than-expected experience in both Comprehensive and Collision claims, as well as both Alberta pools for Bodily Injury.

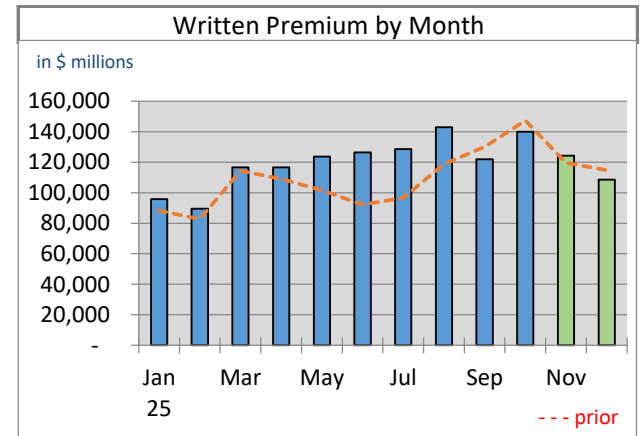
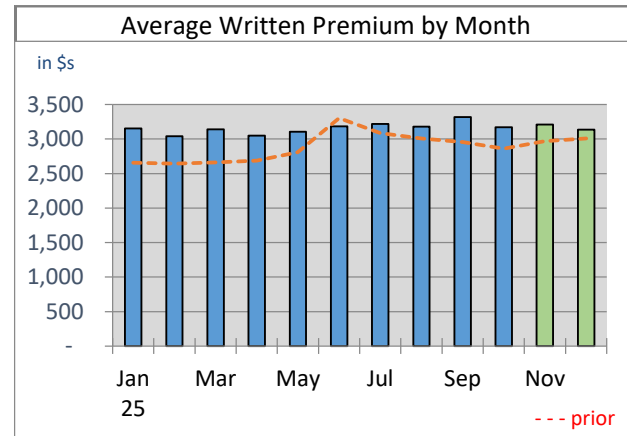
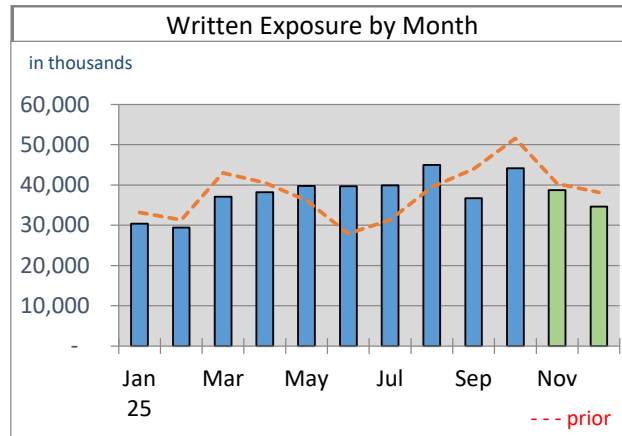
	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
LIC Impact	(70,554)	(2,792)	(12,774)	(1,769)	(285)	196	(87,978)
PAY	(20,577)	282	(1,394)	(723)	697	(64)	(21,778)
CAY	(49,977)	(3,074)	(11,380)	(1,047)	(982)	260	(66,200)
LRC Impact	(9,055)	(10,649)	(12,042)	75	(112)	155	(31,627)
CAY	(10,196)	188	(2,550)	(616)	(132)	(210)	(13,515)
FtAY	1,140	(10,837)	(9,492)	692	20	365	(18,111)
Total	(79,609)	(13,441)	(24,816)	(1,694)	(397)	352	(119,605)
Impact on YTD COR	(19.0%)	(9.1%)	(17.3%)	(9.6%)	(3.2%)	5.9%	(16.0%)

The table below shows the yield impact on the liability this month which reflects a Yield decrease of 18 to 19 basis points. These amounts are included in the LIC and LRC impacts shown above.

Yield Impact Breakdown							
	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
LIC	5,414	2,349	982	197	146	53	9,143
LRC	4,746	1,355	2,106	200	148	108	8,662
TOTAL	10,160	3,704	3,088	397	294	161	17,804

Premium

The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the orange dotted line represents the prior year metric.



The vehicle count transfer for the month was 44,195 vehicles, which was lower than prior year by 7,355 vehicles and 2,489 vehicles higher than The Outlook for the month, primarily driven by a slight increase in the Alberta RSP. Average Written Premiums for the month are up by 7% primarily driven by increase in the Ontario and Alberta RSP.

Should you require any further information, please contact Philippe Gosselin, VP Actuarial and CRO at pgosselin@facilityassociation.com or at (416) 863-1750 x4968.

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