

A blurred background image of a modern office interior with glass walls. A person in a white shirt is walking in the foreground, and two people are seated at a table in the background. The image has a green tint.

# RSP Financial Insights Fiscal Year End 2025

For the fiscal year ending October 31, 2025

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As expected	
Moderately different than expected	
Significantly different than expected	

# RSP Headlines

**2025 Fiscal Year-End RSP Operating Deficit: \$621.0 million**  
**2025 Fiscal Year-End RSP Operating COR: 169.8% (see slide 4)**

**2026 Latest Projected Fiscal Year-End Operating Deficit: \$716.3 million**  
**2026 Latest Projected Fiscal Year-End Operating COR: 175.4% (see slide 16)**

## Financial Highlights

- **The fiscal year-end written premium was \$1.44 bn for the combined 6 RSPs** which represents a 10% increase compared to prior year, and 6% increase compared to The Outlook. The average written premium is 12% higher compared to prior year, and 7% higher compared to Outlook. The overall counts are lower compared to prior year, mainly driven by decrease in Alberta Grid and lower than expect counts in Ontario pool. When compared with the Outlook, counts came in lower coming from all jurisdiction expect for the Alberta pools where counts came in higher.
- Vehicle theft has been a prominent issue across Canada particularly over 2022-2023, and has shown a decline in 2024 and 2025 attributed to collaborative efforts within government, the insurance industry, 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 seen much lower than expected losses in Ontario in 2025, resulting in a large improvement to the Ontario operating result. **Ontario RSP's 2025 Accident Year loss ratio (as a percentage of insurance revenue) has fallen from our Outlook estimate of 196% to current estimate of 160%.**
- Throughout 2025, we continued to face challenges in both prior year development and current year losses and loss trends in Alberta Bodily Injury, resulting in considerable deterioration of the Alberta operating result. **Alberta Grid and Non-Grid's 2025 accident year loss ratios (as a percentage of insurance revenue) has risen from our Outlook estimates of 118% and 169% to 132% and 180%, respectively.** Our estimate of the year-over-year increase in Alberta bodily injury loss costs has rise to 12.0%, a rate unsustainable at the current rate levels. In 2027, Alberta will introduce the Care First injury compensation system which aims to reduce the bodily injury claim costs and stabilize the trend, by introducing comprehensive first-party accident benefits. As more information becomes available, we will continue to update our financial projections to reflect the coming changes.
- Adjustments to the Alberta Grid premiums effective Jan 01, 2026 including a 20% base rate increase outlined in the [AIRB Order 01-2025](#). We expect this to considerably improve the operating result of the Grid risk sharing pool in 2026, and also decrease the number of Grid-rated vehicles in the province of Alberta and in the Grid risk sharing pool.

# RSP YTD Operating Results

***YTD operating deficit is below Outlook, driven by favorable changes in the Ontario RSP loss ratios for the current and future periods reflected in the incurred losses and the LRC.***

FISCAL YEAR (\$000s)	Actual RSP	Actual RSP	Change Q4 2025 - Q4 2024		Actual RSP	Actual RSP	Outlook RSP	Change 2025 - 2024		Change from Outlook	
	Q4 Oct 2025	Q4 Oct 2024	\$	%	YTD 12 mths to Oct 2025	YTD 12 mths to Oct 2024	YTD 12 mths to Oct 2025	\$	%	\$	%
Premium written	404,769	396,085	8,684	2%	1,436,398	1,303,415	1,350,239	132,982	10%	86,159	6%
Premium Earned	355,849	312,902	42,947	14%	1,354,576	1,203,460	1,319,282	151,116	13%	35,293	3%
Earned Expense Allowance	(122,800)	(105,981)	(16,818)	16%	(464,962)	(402,296)	(453,456)	(62,666)	16%	(11,506)	3%
<b>INSURANCE REVENUE</b>	<b>233,049</b>	<b>206,921</b>	<b>26,128</b>	<b>13%</b>	<b>889,614</b>	<b>801,164</b>	<b>865,826</b>	<b>88,450</b>	<b>11%</b>	<b>23,788</b>	<b>3%</b>
Claims incurred	291,692	327,925	(36,233)	(11%)	1,398,733	1,322,843	1,497,417	75,890	6%	(98,684)	(7%)
Adjustment to liabilities for incurred claims	(16,773)	6,861	(23,635)	(344%)	(56,276)	4,277	(44,639)	(60,553)	(1,416%)	(11,637)	26%
Change in loss component	(227,302)	(154,856)	(72,446)	47%	2,928	78,750	108,393	(75,822)	(96%)	(105,465)	(97%)
Administration expenses	2,432	2,381	51	2%	9,203	8,776	15,835	426	5%	(6,632)	(42%)
<b>INSURANCE SERVICE EXPENSES</b>	<b>50,049</b>	<b>182,312</b>	<b>(132,262)</b>	<b>(73%)</b>	<b>1,354,588</b>	<b>1,414,647</b>	<b>1,577,007</b>	<b>(60,059)</b>	<b>(4%)</b>	<b>(222,419)</b>	<b>(14%)</b>
<b>INSURANCE SERVICE RESULTS</b>	<b>183,000</b>	<b>24,609</b>	<b>158,391</b>	<b>644%</b>	<b>(464,974)</b>	<b>(613,483)</b>	<b>(711,180)</b>	<b>148,509</b>	<b>(24%)</b>	<b>246,207</b>	<b>(35%)</b>
Finance income/expense - Discount Unwind	(28,239)	(32,475)	4,236	(13%)	(123,503)	(147,820)	(125,474)	24,317	(16%)	1,971	(2%)
Finance income/expense - Yield Impact	(1,755)	(78,880)	77,125	(98%)	(32,476)	(169,558)	-	137,082	(81%)	(32,476)	0%
Net finance income/expense from insurance	(29,994)	(111,355)	81,361	(73%)	(155,979)	(317,378)	(125,474)	161,399	(51%)	(30,505)	24%
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>153,006</b>	<b>(86,746)</b>	<b>239,752</b>	<b>(276%)</b>	<b>(620,953)</b>	<b>(930,862)</b>	<b>(836,654)</b>	<b>309,909</b>	<b>(33%)</b>	<b>215,701</b>	<b>(26%)</b>
<b>KEY PERFORMANCE METRICS</b>											
<b>Growth Indicators</b>											
Vehicle Counts	125,893	134,999	(9,107)	(7%)	459,066	465,358	461,782	(6,292)	(1%)	(2,715)	(1%)
Average Premium	3,215	2,934	281	10%	3,129	2,801	2,924	328	12%	205	7%
<b>Profitability Metrics</b>											
Claims Ratio (CY)	125.2%	158.5%	-	(33.3%)	157.2%	165.1%	172.9%	-	(7.9%)	-	(15.7%)
Claims Ratio (PY)	-7.2%	3.3%	-	(10.5%)	-6.3%	0.5%	-5.2%	-	(6.9%)	-	(1.2%)
Total Claims Ratio (CY+PY)	118.0%	161.8%	-	(43.8%)	150.9%	165.6%	167.8%	-	(14.7%)	-	(16.9%)
Onerous Contract Ratio	-97.5%	-74.8%	-	(22.7%)	0.3%	9.8%	12.5%	-	(9.5%)	-	(12.2%)
Admin Expense Ratio	1.0%	1.2%	-	(0.1%)	1.0%	1.1%	1.8%	-	(0.1%)	-	(0.8%)
Insurance Service Result Ratio	21.5%	88.1%	-	(66.6%)	152.3%	176.6%	182.1%	-	(24.3%)	-	(29.9%)
Net Insurance Finance Income/Expense - Discount Unwind Ratio	12.1%	15.7%	-	(3.6%)	13.9%	18.5%	14.5%	-	(4.6%)	-	(0.6%)
Net Insurance Finance Income/Expense - Yield Impact Ratio	0.8%	38.1%	-	(37.4%)	3.7%	21.2%	0.0%	-	(17.5%)	-	3.7%
Net Insurance Finance Income/Expense Ratio	12.9%	53.8%	-	(40.9%)	17.5%	39.6%	14.5%	-	(22.1%)	-	3.0%
Combined Ratio	34.3%	141.9%	-	(107.6%)	169.8%	216.2%	196.6%	-	(46.4%)	-	(26.8%)

## Key Messages:

- Increase in revenue compared to prior year and Outlook primarily driven by higher average premiums in Ontario and Alberta Grid, the latter due to increases in the Grid rate over the 2025 fiscal year.
- YTD revenue is up 11% and claims incurred is up by 6% compared to the prior year. **Claims Ratio is down 15%** compared to the prior year.
- YTD **onerous contract ratio improved** (0.3% versus prior year 9.8%), driven by lower projected premium volumes for the future year 2026, particularly for Alberta Grid RSP, as well as better than expected loss ratios (LR) for Ontario. Decrease in LR for Ontario is driven by continued improvement in the Comprehensive loss ratio. This is partially offset by higher expected loss ratios in Alberta.
- Decrease in insurance finance expense compared to prior year is due:
  - Less discount unwinding: Opening yields are lower in 2025 than 2024, so there is less discount being unwound.
  - Yield curve impact is less: Rates decreased in 2025, but not as much as in 2024, which results in less yield curve impact.
- The following 2 pages provide a breakdown by pool.



# RSP Fiscal Year-End 2025

Fiscal Year-End 2025 (\$000s)								FY2025 Outlook
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total	Total
Written Premium	779,368	296,365	280,744	28,126	37,351	14,443	1,436,398	1,350,239
Received Premium	786,593	291,477	286,016	27,851	37,634	14,130	1,443,701	1,374,807
Earned Premium	737,246	283,770	266,097	24,553	32,291	10,620	1,354,576	1,319,282
Earned Expense Allowance	(241,562)	(102,138)	(95,996)	(9,813)	(11,684)	(3,768)	(464,962)	(453,456)
<b>Insurance Revenue</b>	<b>495,684</b>	<b>181,632</b>	<b>170,101</b>	<b>14,739</b>	<b>20,606</b>	<b>6,851</b>	<b>889,614</b>	<b>865,826</b>
Total Claims Incurred	698,936	262,302	332,372	21,424	17,756	9,668	1,342,457	1,452,778
<i>Claims incurred (CAY)</i>	793,765	239,532	306,403	20,769	27,704	10,561	1,398,733	1,497,417
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(94,829)	22,770	25,969	655	(9,948)	(893)	(56,276)	(44,639)
Administrative Expense	2,542	1,737	1,733	1,134	1,136	921	9,203	15,835
<i>Losses and Reversals of Losses on Onerous Contracts</i>	351,544	61,065	217,415	6,938	8,861	3,192	649,014	757,662
<i>Reversal of Expected Claims and Expenses</i>	(437,048)	(46,968)	(137,610)	(8,032)	(12,140)	(4,288)	(646,086)	(649,269)
Change in Loss Component	(85,504)	14,097	79,805	(1,095)	(3,279)	(1,096)	2,928	108,393
<b>Insurance Service Expenses</b>	<b>615,974</b>	<b>278,136</b>	<b>413,909</b>	<b>21,463</b>	<b>15,613</b>	<b>9,493</b>	<b>1,354,588</b>	<b>1,577,007</b>
<b>Insurance Service Result</b>	<b>(120,290)</b>	<b>(96,504)</b>	<b>(243,808)</b>	<b>(6,724)</b>	<b>4,994</b>	<b>(2,642)</b>	<b>(464,974)</b>	<b>(711,180)</b>
Insurance Finance Expense from PV FCF	(49,842)	(19,454)	(12,412)	(1,560)	(2,269)	(355)	(85,892)	(79,398)
Insurance Finance Expense from Risk Adjustment	(3,275)	(1,653)	(1,036)	(129)	(145)	(21)	(6,259)	(5,742)
Insurance Finance Expense from Loss Component	(40,739)	(5,356)	(14,816)	(849)	(1,396)	(673)	(63,828)	(40,334)
<b>Insurance Finance Income (Expense)</b>	<b>(93,856)</b>	<b>(26,463)</b>	<b>(28,263)</b>	<b>(2,538)</b>	<b>(3,810)</b>	<b>(1,049)</b>	<b>(155,979)</b>	<b>(125,474)</b>
<b>2025 Operating Result</b>	<b>(214,146)</b>	<b>(122,967)</b>	<b>(272,072)</b>	<b>(9,262)</b>	<b>1,184</b>	<b>(3,690)</b>	<b>(620,953)</b>	<b>(836,654)</b>
<b>Ratios</b>								
<i>Claims incurred (CAY)</i>	160.1%	131.9%	180.1%	140.9%	134.4%	154.1%	157.2%	172.9%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(19.1%)	12.5%	15.3%	4.4%	(48.3%)	(13.0%)	(6.3%)	(5.2%)
<b>Loss Ratios (% Insurance Revenue)</b>	<b>141.0%</b>	<b>144.4%</b>	<b>195.4%</b>	<b>145.4%</b>	<b>86.2%</b>	<b>141.1%</b>	<b>150.9%</b>	<b>167.8%</b>
<i>Earned Expense allowance</i>	32.8%	36.0%	36.1%	40.0%	36.2%	35.5%	34.3%	34.4%
<i>Change in Loss Component (excluding IFE)</i>	(17.2%)	7.8%	46.9%	(7.4%)	(15.9%)	(16.0%)	0.3%	12.5%
<i>Administrative Expenses</i>	0.5%	1.0%	1.0%	7.7%	5.5%	13.4%	1.0%	1.8%
<b>Insurance Service Ratio</b>	<b>124.3%</b>	<b>153.1%</b>	<b>243.3%</b>	<b>145.6%</b>	<b>75.8%</b>	<b>138.6%</b>	<b>152.3%</b>	<b>182.1%</b>
<b>Combined Operating Ratio</b>	<b>143.2%</b>	<b>167.7%</b>	<b>259.9%</b>	<b>162.8%</b>	<b>94.3%</b>	<b>153.9%</b>	<b>169.8%</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.

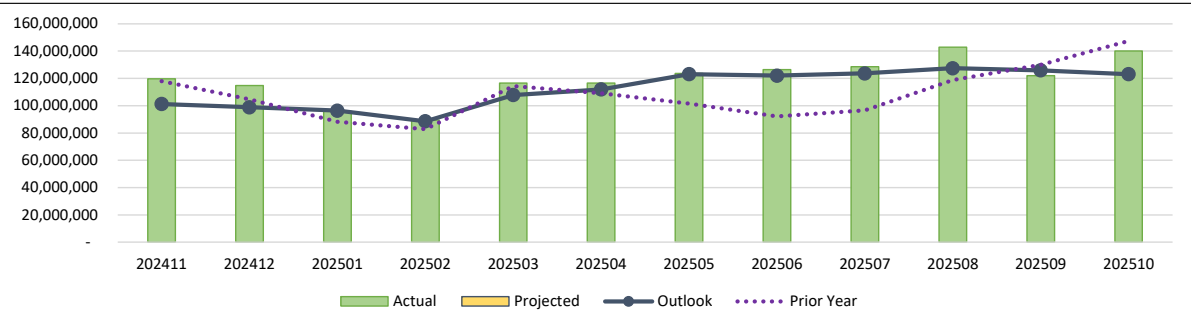
# RSP FY 2025 Outlook Versus FY 2025 Year-End

	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
FY Year-End	779,368	296,365	280,744	28,126	37,351	14,443	1,436,398
<b>Change (\$)</b>	<b>54,585</b>	<b>55,157</b>	<b>1,036</b>	<b>(2,461)</b>	<b>(4,738)</b>	<b>(17,422)</b>	<b>86,159</b>
<b>Change (%)</b>	<b>7.5%</b>	<b>22.9%</b>	<b>0.4%</b>	<b>(8.0%)</b>	<b>(11.3%)</b>	<b>(54.7%)</b>	<b>6.4%</b>
<b>WRITTEN VEHICLE COUNT</b>							
The Outlook	222,789	69,252	118,168	18,036	21,237	12,299	461,782
FY Year-End	215,485	78,494	120,718	16,853	19,518	7,998	459,066
<b>Change (%)</b>	<b>(3.3%)</b>	<b>13.3%</b>	<b>2.2%</b>	<b>(6.6%)</b>	<b>(8.1%)</b>	<b>(35.0%)</b>	<b>(0.6%)</b>
<b>LOSS RATIOS (%)</b>							
The Outlook CAY Loss Ratio	196.1%	118.2%	169.7%	157.9%	158.7%	153.2%	172.9%
FY Year-End CAY Loss Ratio	160.1%	131.9%	180.1%	140.9%	134.4%	154.1%	157.2%
<b>Change</b>	<b>(36.0%)</b>	<b>13.7%</b>	<b>10.4%</b>	<b>(17.0%)</b>	<b>(24.3%)</b>	<b>0.9%</b>	<b>(15.7%)</b>
The Outlook PAY Loss Ratio	(4.4%)	(7.1%)	(5.3%)	(5.7%)	(5.1%)	(1.2%)	(5.2%)
FY Year-End PAY Loss Ratio	(19.1%)	12.5%	15.3%	4.4%	(48.3%)	(13.0%)	(6.3%)
<b>Change</b>	<b>(14.7%)</b>	<b>19.7%</b>	<b>20.6%</b>	<b>10.2%</b>	<b>(43.2%)</b>	<b>(11.8%)</b>	<b>(1.2%)</b>
<b>EARNED EXPENSE ALLOWANCE RATIO (%)</b>							
The Outlook	32.8%	35.9%	36.1%	40.0%	36.2%	35.4%	34.4%
FY Year-End	32.8%	36.0%	36.1%	40.0%	36.2%	35.5%	34.3%
<b>Change</b>	<b>(0.0%)</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>COMBINED OPERATING RATIO (%)</b>							
The Outlook	222.6%	122.6%	188.9%	203.3%	203.6%	350.1%	196.6%
FY Year-End	143.2%	167.7%	259.9%	162.8%	94.3%	153.9%	169.8%
<b>Change</b>	<b>(79.4%)</b>	<b>45.1%</b>	<b>71.0%</b>	<b>(40.5%)</b>	<b>(109.3%)</b>	<b>(196.3%)</b>	<b>(26.8%)</b>
<b>OPERATING RESULT (\$000s)</b>							
The Outlook	(577,988)	(39,554)	(152,372)	(15,644)	(21,367)	(29,729)	(836,654)
FY Year-End	(214,146)	(122,967)	(272,072)	(9,262)	1,184	(3,690)	(620,953)
<b>Change (\$)</b>	<b>363,842</b>	<b>(83,413)</b>	<b>(119,700)</b>	<b>6,383</b>	<b>22,551</b>	<b>26,038</b>	<b>215,701</b>

# RSP Premium Drivers

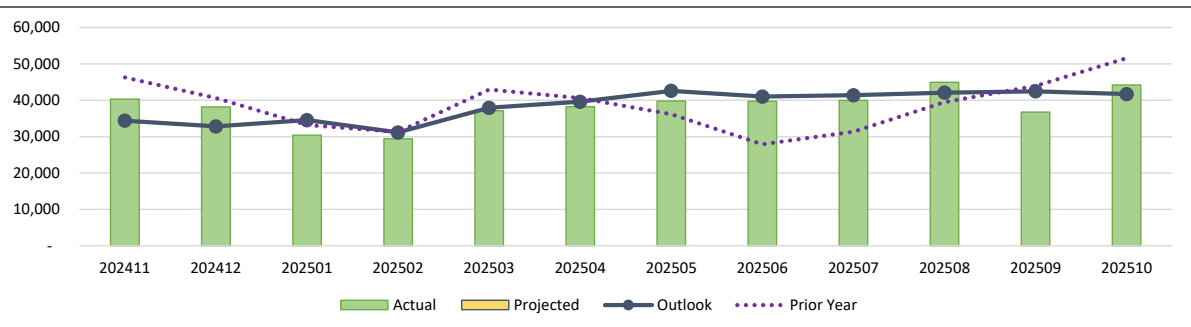
Written Premium (\$000s)		Fiscal Year to Date		
Jurisdiction	Current Year	Prior Year	The Outlook	
Ontario	779,368	707,445	724,783	
Alberta Grid	296,365	298,375	241,207	
Alberta Non-Grid	280,744	242,182	279,708	
New Brunswick	28,126	20,343	30,587	
Nova Scotia	37,351	27,700	42,089	
Newfoundland	14,443	7,370	31,865	
Total	1,436,398	1,303,415	1,350,239	

Fiscal Year to Date Change			
Current vs. Prior		Current vs. Outlook	
71,923	10%	54,585	8%
(2,010)	(1%)	55,157	23%
38,561	16%	1,036	0%
7,783	38%	(2,461)	(8%)
9,651	35%	(4,738)	(11%)
7,073	96%	(17,422)	(55%)
132,982	10%	86,159	6%



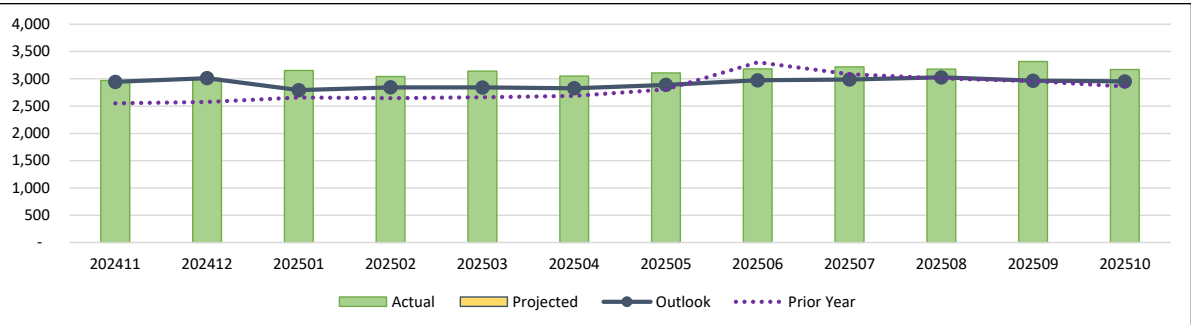
Written Vehicle Count		Fiscal Year to Date		
Jurisdiction	Current Year	Prior Year	The Outlook	
Ontario	215,485	224,333	222,789	
Alberta Grid	78,494	98,793	69,252	
Alberta Non-Grid	120,718	111,468	118,168	
New Brunswick	16,853	11,921	18,036	
Nova Scotia	19,518	14,751	21,237	
Newfoundland	7,998	4,092	12,299	
Total	459,066	465,358	461,782	

Fiscal Year to Date Change			
Current vs. Prior		Current vs. Outlook	
(8,847)	(4%)	(7,303)	(3%)
(20,299)	(21%)	9,242	13%
9,250	8%	2,550	2%
4,933	41%	(1,182)	(7%)
4,766	32%	(1,720)	(8%)
3,906	95%	(4,301)	(35%)
(6,292)	(1%)	(2,715)	(1%)



AWP		Fiscal Year to Date		
Jurisdiction	Current Year	Prior Year	The Outlook	
Ontario	3,617	3,154	3,253	
Alberta Grid	3,776	3,020	3,483	
Alberta Non-Grid	2,326	2,173	2,367	
New Brunswick	1,669	1,706	1,696	
Nova Scotia	1,914	1,878	1,982	
Newfoundland	1,806	1,801	2,591	
Total	3,129	2,801	2,924	

Fiscal Year to Date Change			
Current vs. Prior		Current vs. Outlook	
463	15%	364	11%
755	25%	293	8%
153	7%	(41)	(2%)
(38)	(2%)	(27)	(2%)
36	2%	(68)	(3%)
5	0%	(785)	(30%)
328	12%	205	7%

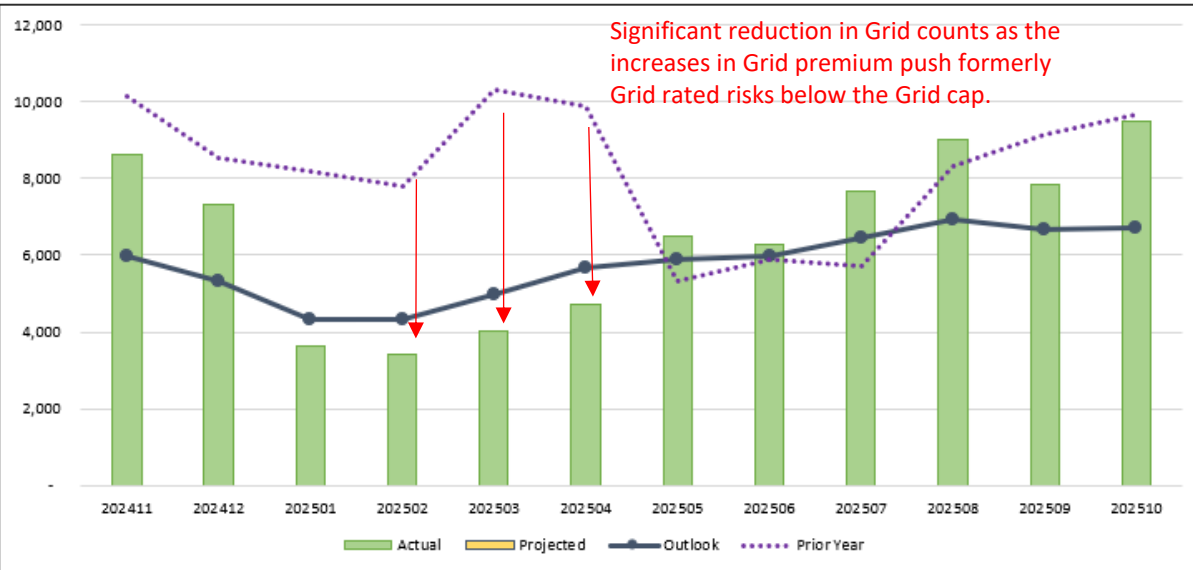


## Key Messages:

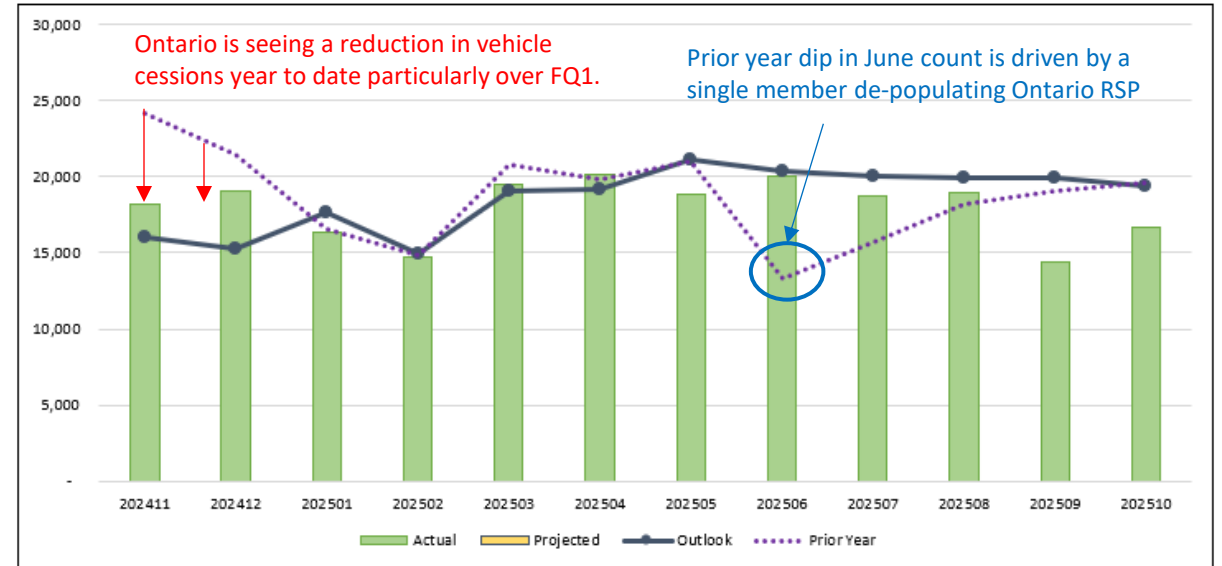
- The written premiums for Fiscal Year-End 2025 is \$1.44bn, or **10% increase** compared to prior year and **6% increase** compared to Outlook.
- Fiscal Year-End, there has been significant **premium volume growth in Ontario and Alberta Non-Grid** primarily driven by increases to average written premium (and increased counts in Alberta Non-Grid). Overall **average written premium is up 12%** compared to PY, driven by both rate increases and changes in the mix of business ceded to the RSP.
- Alberta Grid volumes have dropped significantly** due to premium hikes (+10% in Jan 2025 and +20% in Jan 2026), rating differential changes, and the upcoming Grid withdrawal on Jan 1, 2027. This has led to fewer eligible vehicles, reducing cessions to the Grid RSP. However, this decline is partially offset by higher average premiums and increased volumes 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

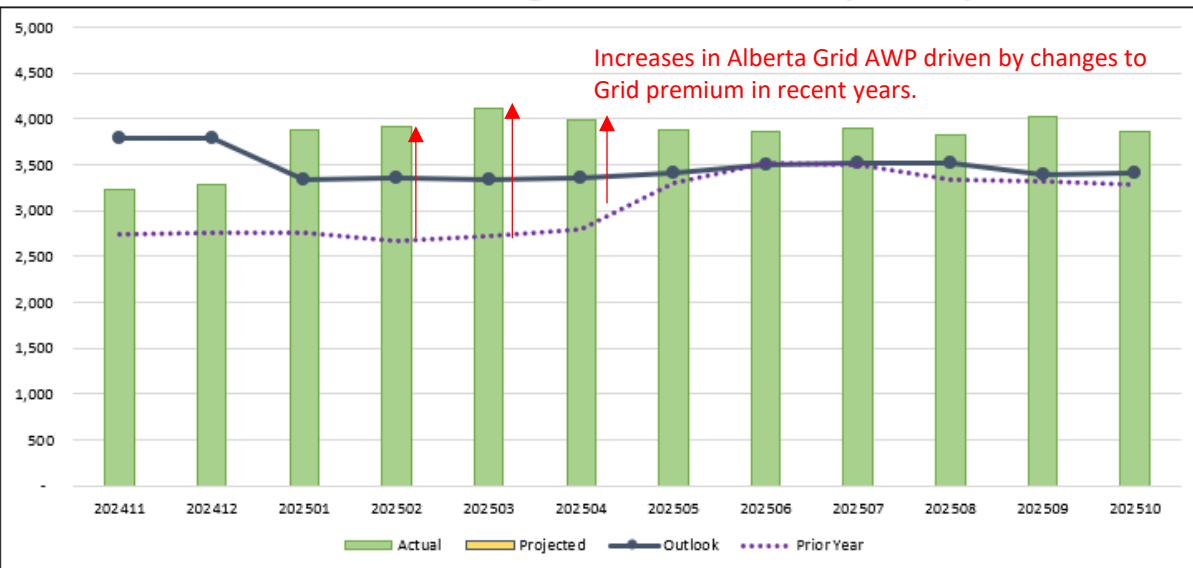
Fiscal Alberta Grid - Written Count Comparison by Month



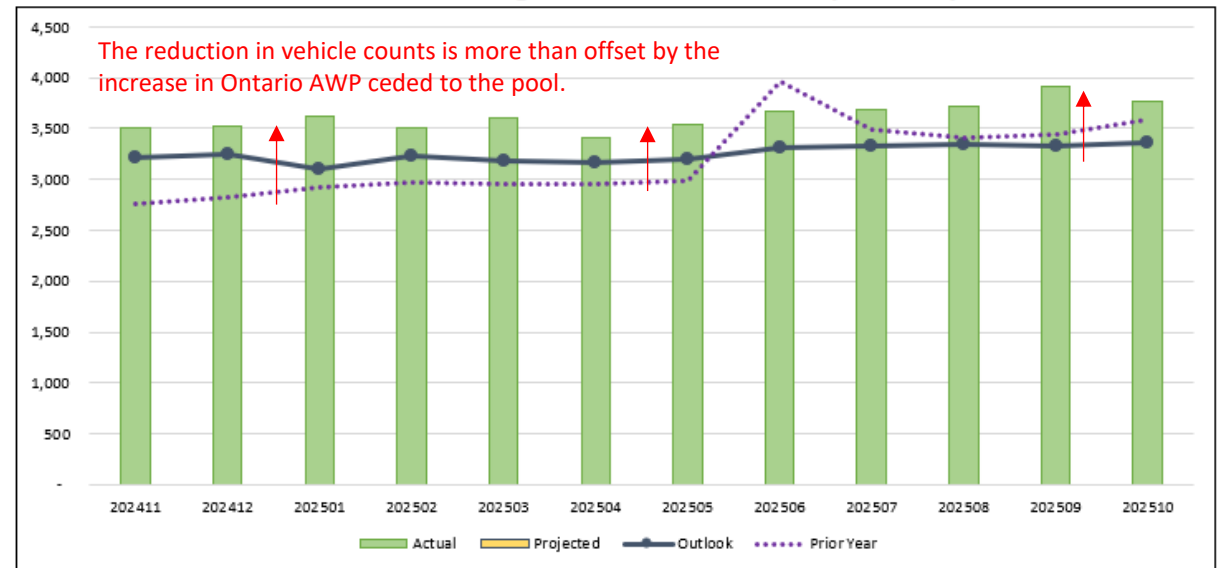
Fiscal Ontario - Written Count Comparison by Month



Fiscal Alberta Grid - Average Written Premium Comparison by Month

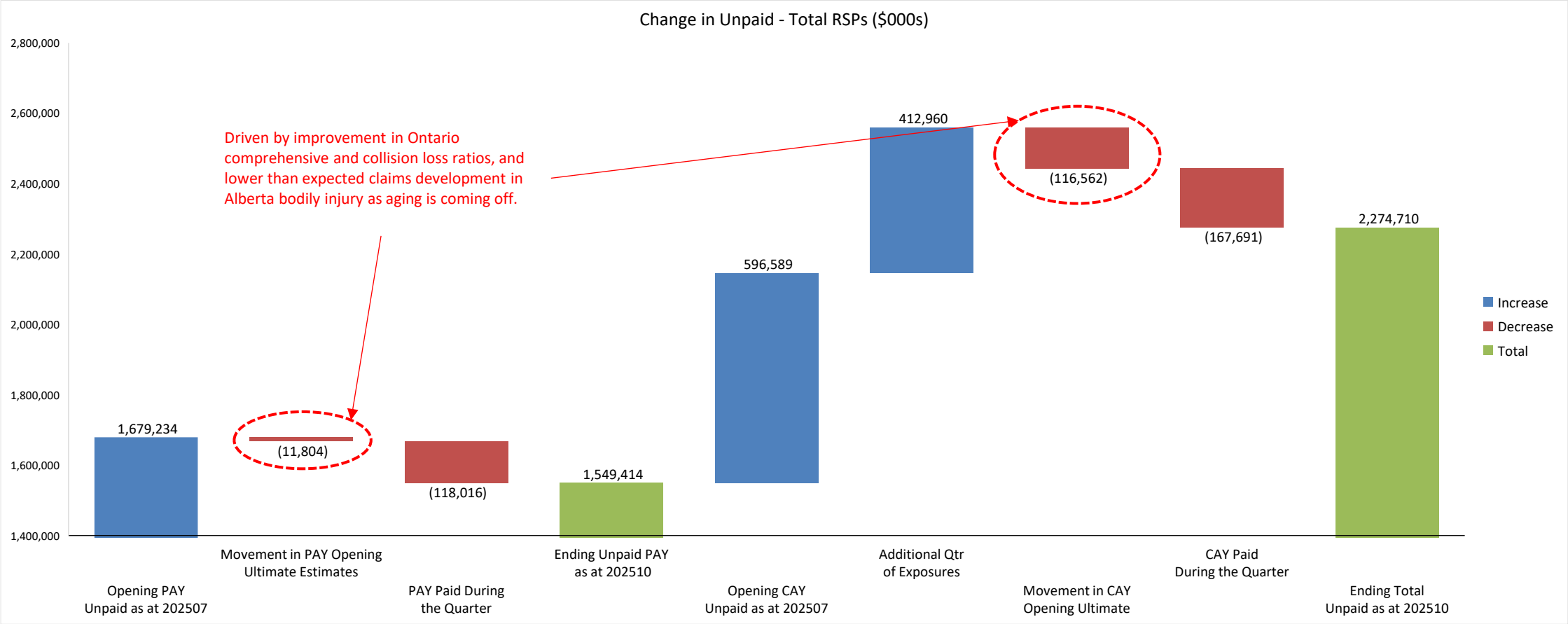


Fiscal Ontario - Average Written Premium Comparison by Month





# RSP Movement in Unpaid Loss During the Quarter



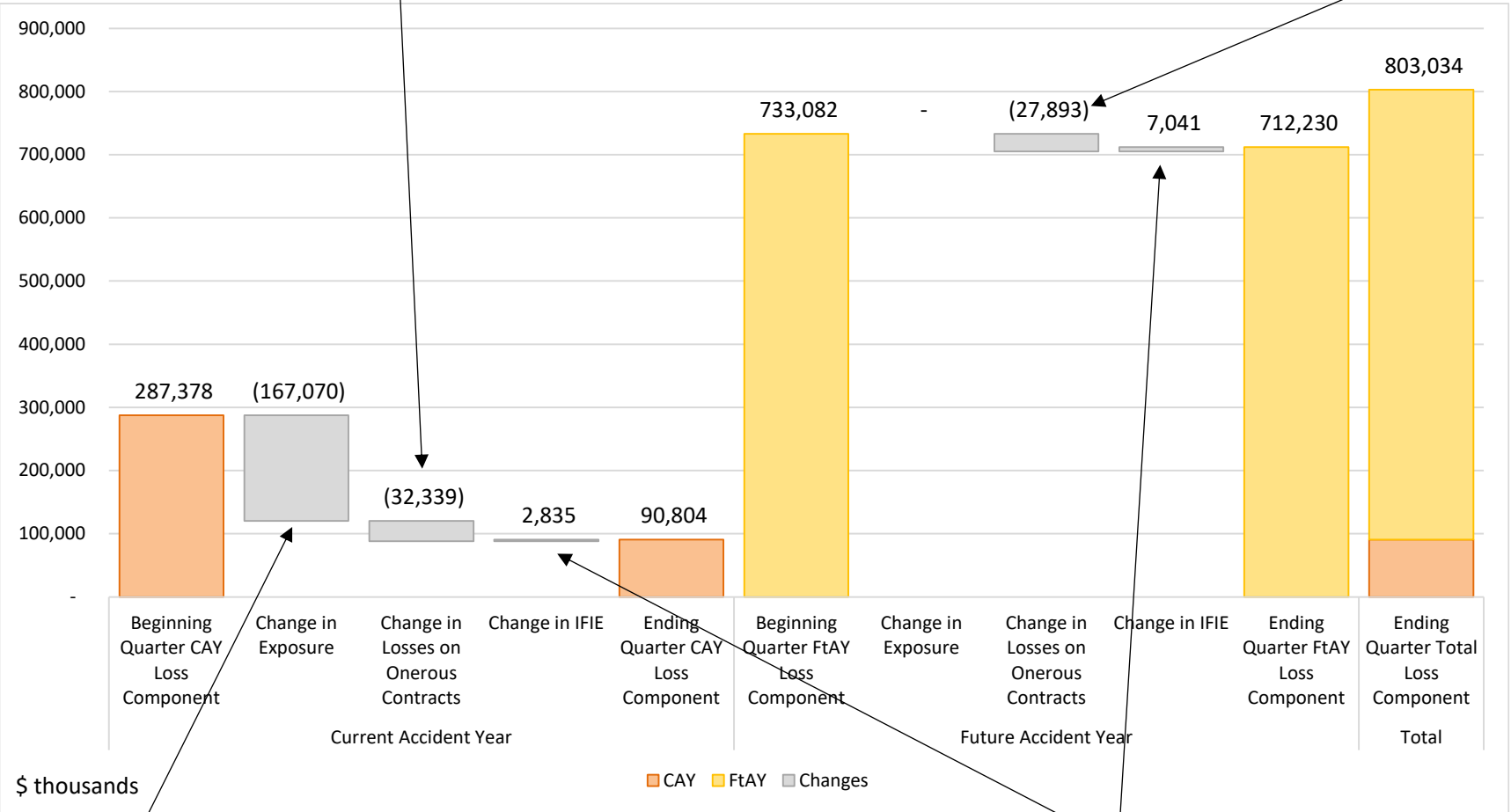
**Key Messages:**

- Unpaid losses **decreased** slightly from \$2.28B to \$2.27B (0.1%). Improvement was due to **favorable Ontario comprehensive/collision ratios and favorable Alberta bodily injury trends** for this quarter.

# RSP Change in Loss Component During the Quarter

Change in losses on onerous contracts **decreased** by \$32.3 million driven by reduction to Ontario comprehensive and collision loss ratios in AY 2025.

For AY 2026, change in losses on onerous contracts **decreased by \$27.9 million**; of which a decrease of **\$31.3 million** in Ontario offset by an increase of **\$4.4 million in Alberta Non-Grid**. In addition, an update on Alberta premium projection was made by members.

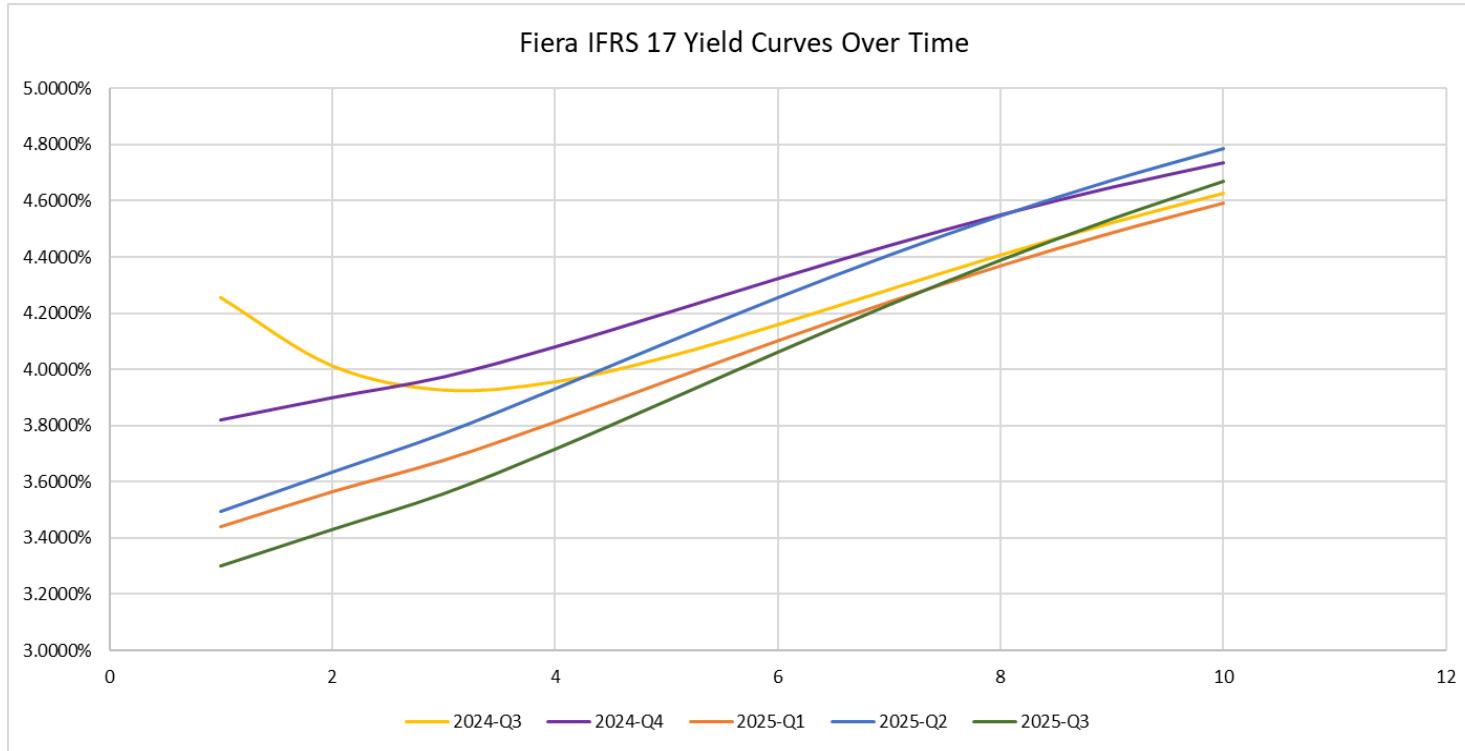


Change in exposure represents the change in the loss component arising from the portion of the LRC earned during the period for the AY 2025 cohort during the fiscal quarter.

Unfavorable change in IFIE primarily driven by discount unwinding of liabilities during the quarter as well as approximately \$9.9M impact of yield curve update (see next slide for more information).

# RSP Discount Rates and Yield Curve Over Time

***Yields have been more volatile since 2022 due to inflation shock. Yields have fallen from an average of 4.16% to 3.65% in the last year which reduced the discounting benefit and caused insurance finance expenses to be incurred.***



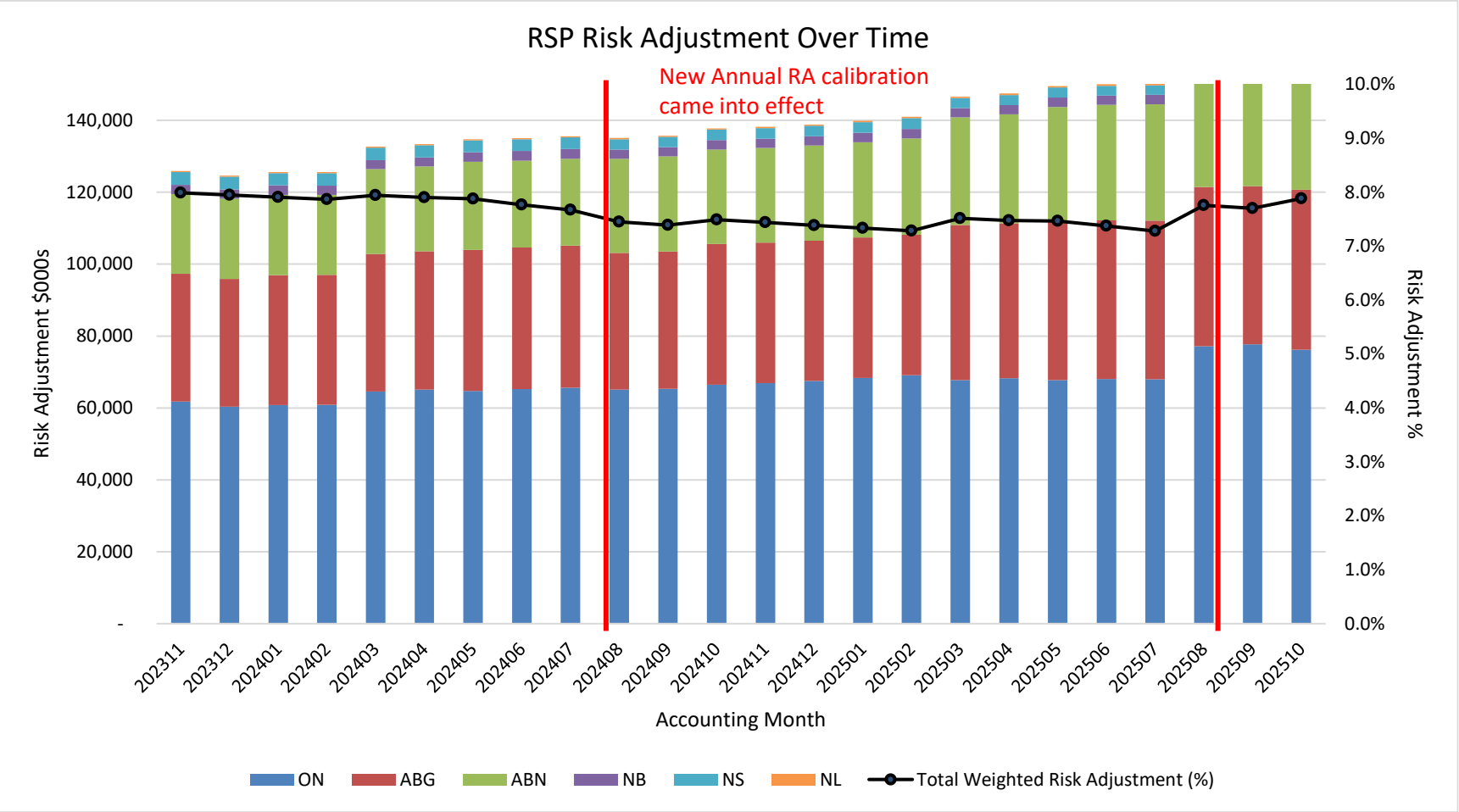
## Key Messages:

- 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 and 2025.
- Decrease in yield curve from 2025-Q2 to 2025-Q3 is recognized in the fiscal quarter 3 result, resulting in a \$17.8 million insurance finance expense (similar with \$78.6 million insurance finance expense in fiscal quarter 3 of 2024 from the 2024-Q3 yield impact).

	2024-Q3	2024-Q4	2025-Q1	2025-Q2	2025-Q3
Average RSP discount rate	4.15%	4.16%	3.71%	3.83%	3.65%
Change from prior	-0.87%	0.01%	-0.45%	0.12%	-0.18%
Yield Impact LIC	(42,328)	5,980	(11,967)	10,288	(9,143)
Yield Impact PV FCF	(39,413)	5,556	(11,295)	9,611	(8,480)
Yield Impact Risk Adjustment	(2,915)	424	(671)	677	(662)
Yield Impact Loss Component	(36,285)	(6,959)	(17,775)	5,761	(8,662)
Total Yield Impact	(78,613)	(979)	(29,742)	16,049	(17,804)

# RSP Risk Adjustment Over Time

**The total weighted risk adjustment is 7.9% as at October 2025, versus 7.5% as at October 2024 and versus 7.0% 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 2025 Operational Report.
- The next calibration will be reflected in the August 2026 Operational Report.

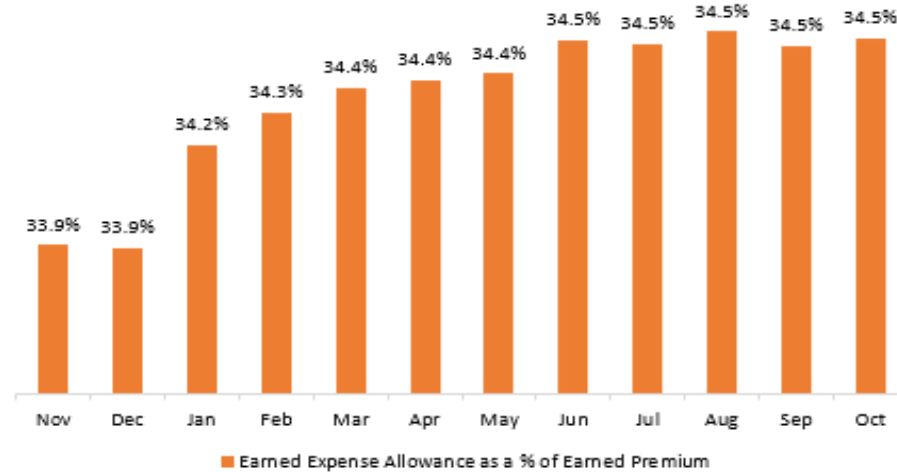
# RSP Expenses

*Low expense ratio averaging 1% driven by low administration expenses in relation to Insurance Revenue*

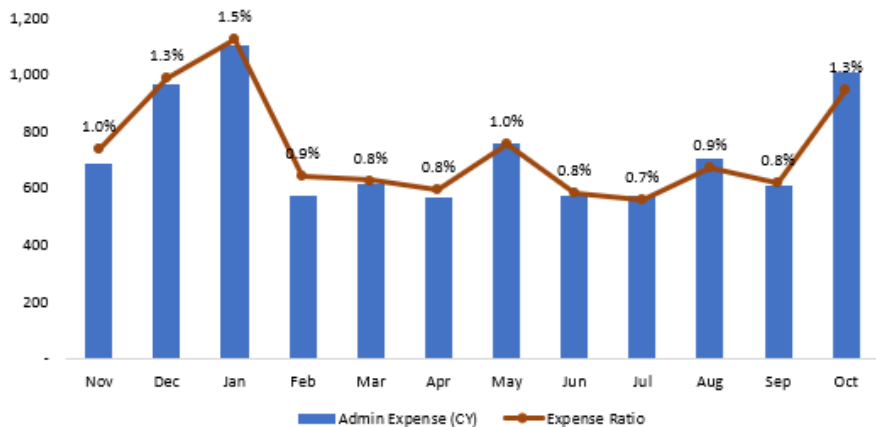
Gross Expense Allowance



Earned Expense allowance



Admin Expense



Impact on Expense Ratio	Actual YTD 2025	Actual YTD 2024	Variance (\$)	Variance (%)
Written Premium	1,436,398	1,303,415	132,982	10.2%
Earned Premium	1,354,576	1,203,460	151,116	12.6%
Insurance Revenue	889,614	801,164	88,450	11.0%
Total FACO Expenditure	24,220	23,625	595	2.5%
Administration Expense allocated to Mechanism	9,671	9,518	153	1.6%
% Allocated to RSP	39.9%	40.3%		
Interest Income (Offsets admin expenses)	-468	-740	273	-36.8%
Gross Administration Expense Ratio	1.1%	1.2%		
Net Impact to Industry	1.0%	1.1%		

## Key Messages:

- Gross Expense Allowance Ratio (also called Expense Factor) calculated as Gross Expense Allowance divided by Premium Written is trending at 35% 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 34.5% 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%.



# RSP Financial Position

***Increase in liabilities driven by recognition of the future accident year loss component combined with volume growth. Amounts due from members represents the future obligations of members for these liabilities.***

RISK SHARING POOLS - IFRS 17			Change	
(\$000s)	October 31, 2025	October 31, 2024	(\$)	(%)
<b>Assets</b>				
Cash in bank	5,138	4,024	1,114	28%
Prepaid expense allowance	49,098	50,493	(1,395)	(3%)
Accounts receivable from members	39,230	45,147	(5,917)	(13%)
Amounts due from members	3,531,655	3,169,873	361,782	11%
<b>Total Assets</b>	<b>3,625,121</b>	<b>3,269,537</b>	<b>355,584</b>	<b>11%</b>
<b>Liabilities</b>				
Liability for remaining coverage	1,217,575	1,096,330	121,245	11%
Liability for incurred claims	2,223,124	1,976,689	246,435	12%
Premium received	140,039	147,331	(7,292)	(5%)
Accounts payable to members	41,327	46,373	(5,046)	(11%)
Payable to FARM & other pools	3,056	2,814	242	9%
<b>Total Liabilities</b>	<b>3,625,121</b>	<b>3,269,537</b>	<b>355,584</b>	<b>11%</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 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 2026 Outlook

Fiscal Year 2026 Latest Projection (\$000s) as at 202510								FY 2025 Year-End
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total	Total
Written Premium	793,768	215,698	317,021	31,767	43,073	25,093	1,426,420	1,436,398
Received Premium	780,700	232,935	323,907	31,394	42,524	24,511	1,435,971	1,443,701
Earned Premium	772,369	284,459	307,105	28,773	38,257	19,047	1,450,009	1,354,576
Earned Expense Allowance	(252,918)	(103,984)	(111,810)	(11,358)	(13,710)	(6,629)	(500,409)	(464,962)
<b>Insurance Revenue</b>	<b>519,450</b>	<b>180,474</b>	<b>195,296</b>	<b>17,415</b>	<b>24,547</b>	<b>12,417</b>	<b>949,600</b>	<b>889,614</b>
Total Claims Incurred	903,046	212,123	369,382	25,322	33,617	18,557	1,562,048	1,342,457
<i>Claims incurred (CAY)</i>	926,450	225,840	383,184	26,195	34,615	18,799	1,615,083	1,398,733
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(23,404)	(13,716)	(13,802)	(873)	(998)	(243)	(53,035)	(56,276)
Administrative Expense	3,286	2,022	2,022	1,264	1,264	1,011	10,870	9,203
<i>Losses and Reversals of Losses on Onerous Contracts</i>	466,666	-	166,390	11,872	15,673	10,602	671,202	649,014
<i>Reversal of Expected Claims and Expenses</i>	(429,022)	(46,929)	(198,126)	(9,588)	(12,245)	(7,908)	(703,818)	(646,086)
Change in Loss Component	37,644	(46,929)	(31,736)	2,284	3,428	2,694	(32,616)	2,928
<b>Insurance Service Expenses</b>	<b>943,977</b>	<b>167,216</b>	<b>339,668</b>	<b>28,871</b>	<b>38,308</b>	<b>22,262</b>	<b>1,540,302</b>	<b>1,354,588</b>
<b>Insurance Service Result</b>	<b>(424,526)</b>	<b>13,258</b>	<b>(144,373)</b>	<b>(11,456)</b>	<b>(13,761)</b>	<b>(9,844)</b>	<b>(590,702)</b>	<b>(464,974)</b>
Insurance Finance Expense from PV FCF	(42,932)	(19,615)	(20,896)	(1,266)	(1,412)	(434)	(86,555)	(85,892)
Insurance Finance Expense from Risk Adjustment	(3,148)	(1,624)	(1,697)	(109)	(85)	(27)	(6,690)	(6,259)
Insurance Finance Expense from Loss Component	(21,342)	(1,081)	(8,466)	(483)	(619)	(388)	(32,380)	(63,828)
<b>Insurance Finance Income (Expense)</b>	<b>(67,422)</b>	<b>(22,319)</b>	<b>(31,059)</b>	<b>(1,859)</b>	<b>(2,117)</b>	<b>(849)</b>	<b>(125,625)</b>	<b>(155,979)</b>
<b>2026 Operating Result</b>	<b>(491,949)</b>	<b>(9,061)</b>	<b>(175,432)</b>	<b>(13,314)</b>	<b>(15,878)</b>	<b>(10,694)</b>	<b>(716,327)</b>	<b>(620,953)</b>
<b>Ratios</b>								
<i>Claims incurred (CAY)</i>	178.4%	125.1%	196.2%	150.4%	141.0%	151.4%	170.1%	157.2%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(4.5%)	(7.6%)	(7.1%)	(5.0%)	(4.1%)	(2.0%)	(5.6%)	(6.3%)
<b>Loss Ratios (% Insurance Revenue)</b>	<b>173.8%</b>	<b>117.5%</b>	<b>189.1%</b>	<b>145.4%</b>	<b>136.9%</b>	<b>149.4%</b>	<b>164.5%</b>	<b>150.9%</b>
<i>Earned Expense allowance</i>	32.7%	36.6%	36.4%	39.5%	35.8%	34.8%	34.5%	34.3%
<i>Change in Loss Component (excluding IFE)</i>	7.2%	(26.0%)	(16.3%)	13.1%	14.0%	21.7%	(3.4%)	0.3%
<i>Administrative Expenses</i>	0.6%	1.1%	1.0%	7.3%	5.1%	8.1%	1.1%	1.0%
<b>Insurance Service Ratio</b>	<b>181.7%</b>	<b>92.7%</b>	<b>173.9%</b>	<b>165.8%</b>	<b>156.1%</b>	<b>179.3%</b>	<b>162.2%</b>	<b>152.3%</b>
<b>Combined Operating Ratio</b>	<b>194.7%</b>	<b>105.0%</b>	<b>189.8%</b>	<b>176.5%</b>	<b>164.7%</b>	<b>186.1%</b>	<b>175.4%</b>	<b>169.8%</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.

# RSP FY 2026 Outlook Versus FY 2025 Latest Projection

	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
WRITTEN PREMIUM (\$000s)							
FY 2025	779,368	296,365	280,744	28,126	37,351	14,443	1,436,398
FY 2026	793,768	215,698	317,021	31,767	43,073	25,093	1,426,420
Change (\$)	14,400	(80,667)	36,277	3,641	5,722	10,649	(9,977)
Change (%)	1.8%	(27.2%)	12.9%	12.9%	15.3%	73.7%	(0.7%)
WRITTEN VEHICLE COUNT							
FY 2025	215,485	78,494	120,718	16,853	19,518	7,998	459,066
FY 2026	214,015	53,582	126,179	17,825	21,474	12,827	445,903
Change (%)	(0.7%)	(31.7%)	4.5%	5.8%	10.0%	60.4%	(2.9%)
LOSS RATIOS (%)							
FY 2025 CAY Loss Ratio	160.1%	131.9%	180.1%	140.9%	134.4%	154.1%	157.2%
FY 2026 CAY Loss Ratio	178.4%	125.1%	196.2%	150.4%	141.0%	151.4%	170.1%
Change	18.2%	(6.7%)	16.1%	9.5%	6.6%	(2.7%)	12.9%
FY 2025 PAY Loss Ratio	(19.1%)	12.5%	15.3%	4.4%	(48.3%)	(13.0%)	(6.3%)
FY 2026 PAY Loss Ratio	(4.5%)	(7.6%)	(7.1%)	(5.0%)	(4.1%)	(2.0%)	(5.6%)
Change	14.6%	(20.1%)	(22.3%)	(9.5%)	44.2%	11.1%	0.7%
EARNED EXPENSE ALLOWANCE RATIO (%)							
FY 2025	32.8%	36.0%	36.1%	40.0%	36.2%	35.5%	34.3%
FY 2026	32.7%	36.6%	36.4%	39.5%	35.8%	34.8%	34.5%
Change	(0.0%)	0.6%	0.3%	(0.5%)	(0.3%)	(0.7%)	0.2%
COMBINED OPERATING RATIO (%)							
FY 2025	143.2%	167.7%	259.9%	162.8%	94.3%	153.9%	169.8%
FY 2026	194.7%	105.0%	189.8%	176.5%	164.7%	186.1%	175.4%
Change	51.5%	(62.7%)	(70.1%)	13.6%	70.4%	32.3%	5.6%
OPERATING RESULT (\$000s)							
FY 2025	(214,146)	(122,967)	(272,072)	(9,262)	1,184	(3,690)	(620,953)
FY 2026	(491,949)	(9,061)	(175,432)	(13,314)	(15,878)	(10,694)	(716,327)
Change (\$)	(277,803)	113,906	96,640	(4,052)	(17,061)	(7,003)	(95,374)

## Key observations:

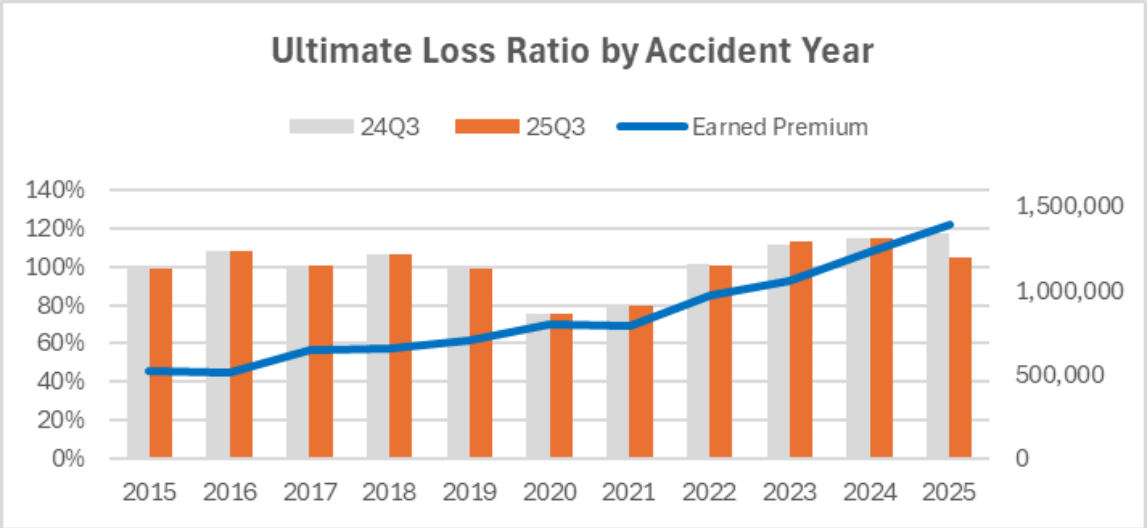
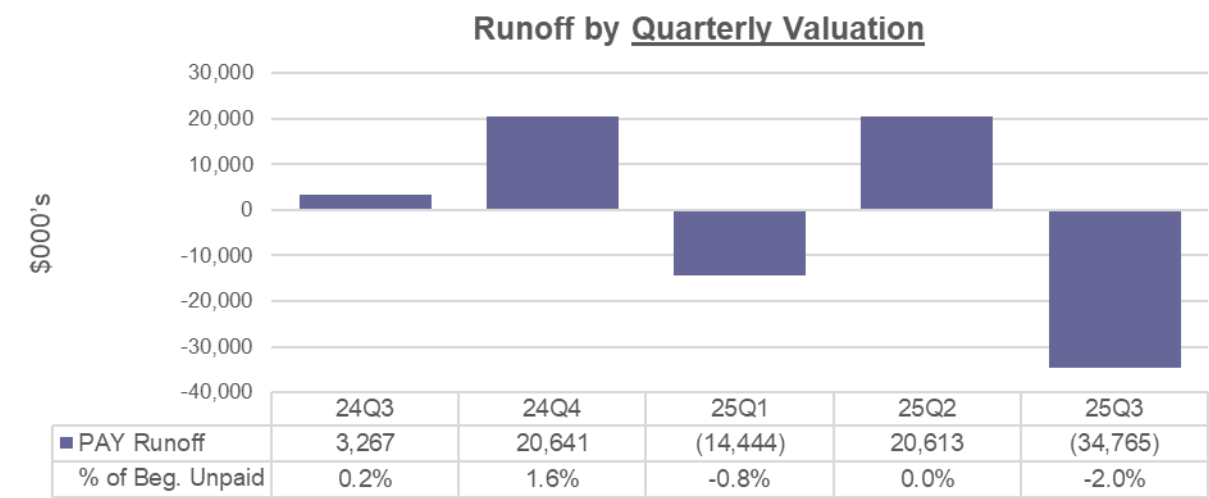
- The combined 6 RSPs are projected to have a decrease in written premiums (0.7% overall decrease compared to fiscal year-end 2025). We are projecting written premium of \$1.43 bn, primarily driven by decrease in the Alberta Grid pool, while we are seeing an increase in Ontario, Alberta Non-Grid, and Atlantic pools.
- Alberta Grid system will be formally withdrawn by Jan 01, 2027, and major reforms to the injury compensation system will come into effect. This has significant impacts to the 2027 loss component booked in 2026:
  - We are projecting no business transferred to the Grid RSP after 2026; this means the 2027 exposure and loss component for Grid RSP are significantly reduced and so the COR is reduced.
  - We are projecting more business transferred to the Non-Grid RSP in 2027 after the closure of the Grid RSP, but we are also projecting lower loss ratios due to the implementation of Care First (especially related to policies written at 2026 rates and earning during 2027). These two changes have a net favourable impact on the loss component, reducing the projected 2026 COR.
- Ontario's COR is up compared to 2025 because we don't expect the same amount of favourable development as we have seen in 2025. Atlantic COR projections are up primarily due to the growth projections translating into larger 2027 loss component projections.

**Disclaimer:** the members' assumed COR for the RSPs may not align with these figures due to differences such as investment income on assets held by the members. In addition, note that the The Outlook for 2026 does not forecast any change in the yield curve for 2026 as our future assumption is always a constant yield curve. The actual yields are updated throughout the year in line with the implementation schedule. **Finally, there is an unusually high level of uncertainty in the projected Alberta results as a result of the potential range of outcomes of the 2027 reform on the loss component to be booked in 2026. Use caution when interpreting these estimates.**

# Focus Area #1: Claims Analysis

Based on September 30<sup>th</sup>, 2025 valuation

# Risk Sharing Pool – Valuation Results Fiscal Year 2025



**Key observations:**

Runoff (prior year development)

- Total prior accidents years runoff is flat over the last year, but there are offsetting increases and decreases.
- Ontario prior years have developed favorably, particularly for Accident Benefits claims and for physical damage claims from 2024 settling lower than expected.
- Alberta prior years have developed unfavorably due to development on Bodily Injury claims.

Performance over Time

- 2025 premium is up due to rate increase in Ontario and Alberta
- 2025 loss ratio is considerably improved compared with 2024, due to significant loss ratio improvement in Ontario. Higher rates in Ontario, combined with flattening Comprehensive frequency and severity, have pushed the RSP loss ratio (as a percentage of earned premium) down from 115% in 2024 accident year to 104.5% in 2025 accident year.



# RSP Claims Analysis – Key Valuation Changes

## Increasing

Rank	Province	Coverage	Change in Ultimate
1	AB-N	Bodily Injury	\$ 23,855,892
2	AB-G	Bodily Injury	\$ 12,208,415
3	ON	Uninsured Automobile	\$ 3,402,837
4	AB-N	AccBen (indivis)	\$ 2,124,797
5	AB-G	AccBen (indivis)	\$ 903,090

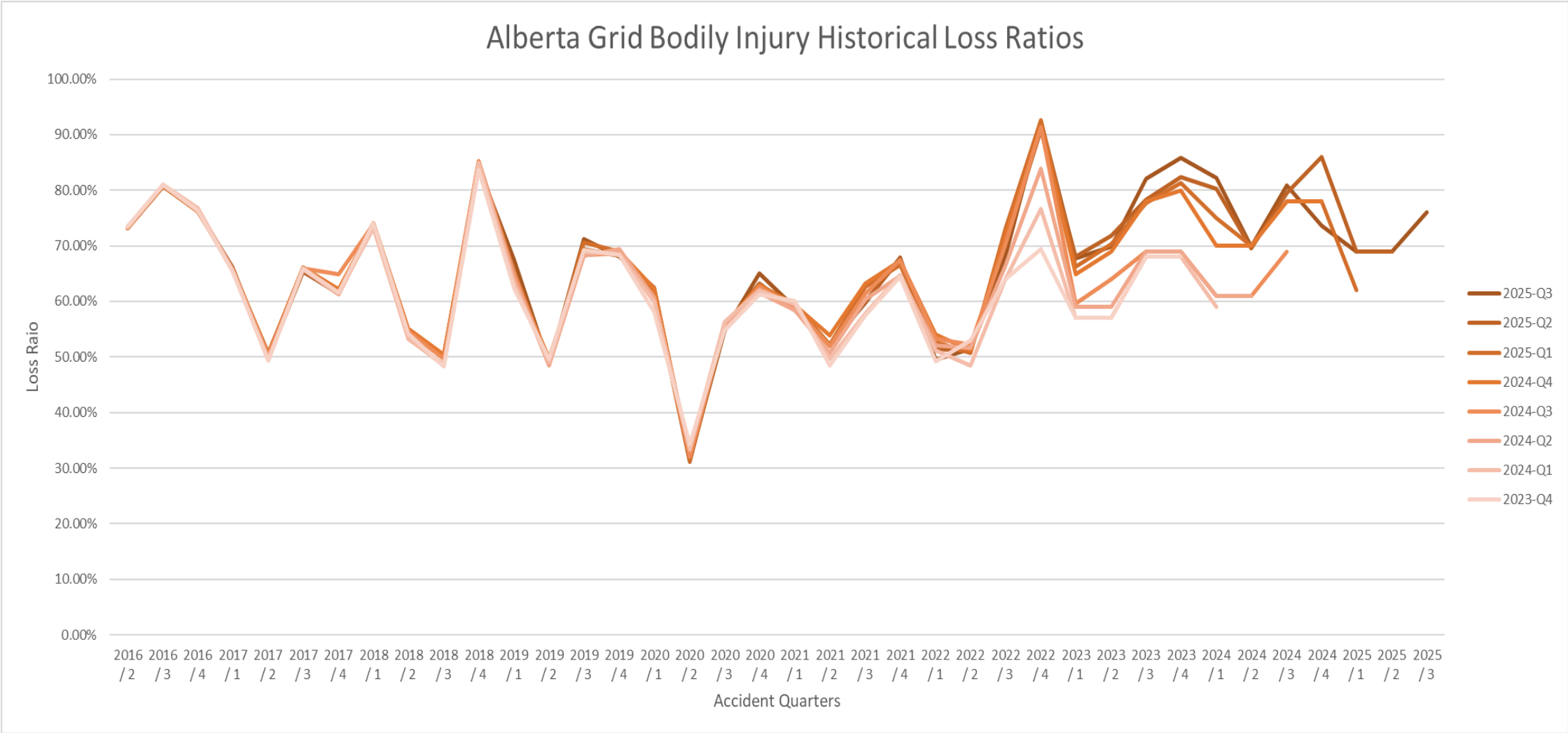
## Decreasing

Rank	Province	Coverage	Change in Ultimate
37	AB-N	Comprehensive (w Spec Perils)	\$ -12,131,475
38	ON	Direct Comp Property Damage	\$ -14,664,403
39	ON	Bodily Injury	\$ -19,957,331
40	ON	Comprehensive (w Spec Perils)	\$ -56,298,683
41	ON	Collision (w All Perils)	\$ -57,524,466

### Key Messages:

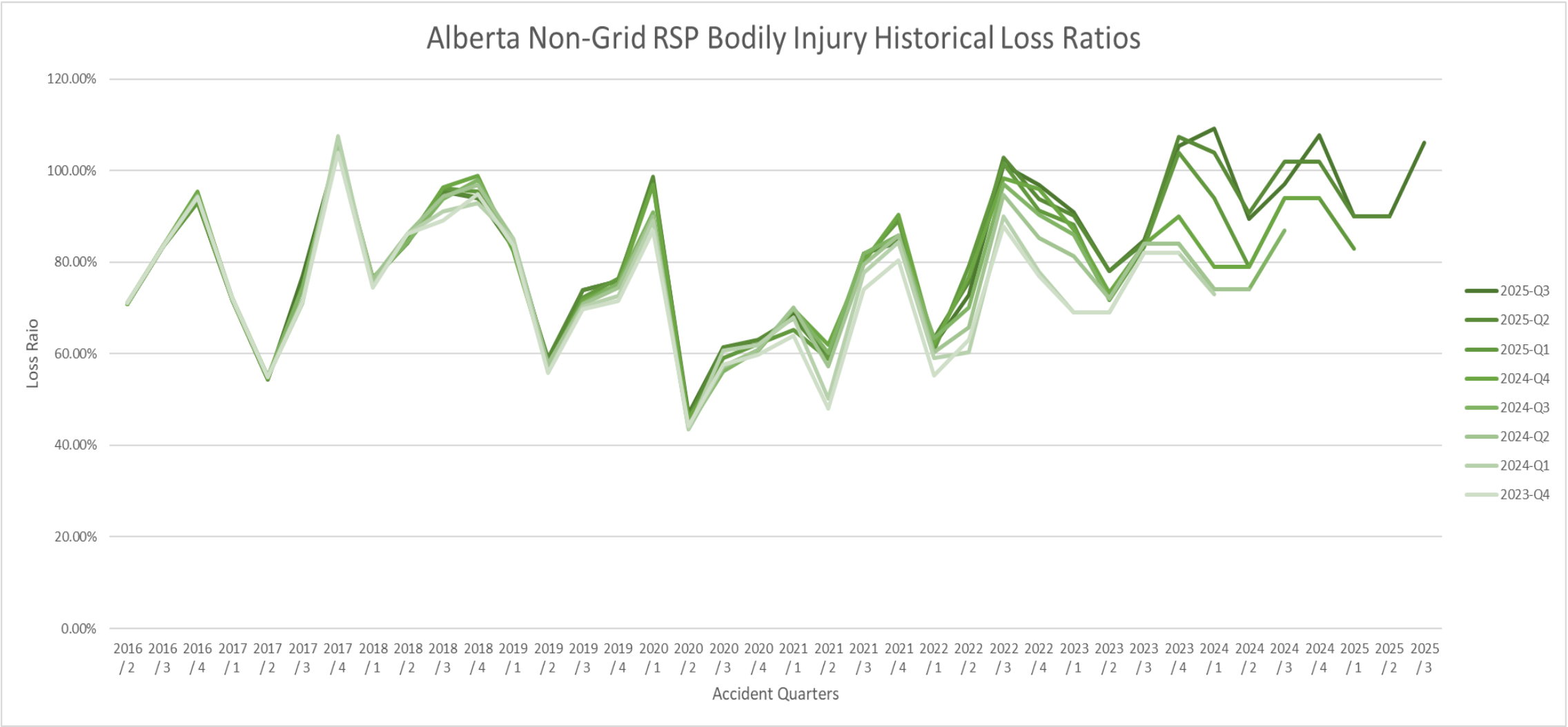
- These tables show the coverages with the largest change in ultimate losses from last two valuation quarters, including change in the latest 2 accident quarter's actual compared to the projection
- Third Party Liability – Bodily Injury in Alberta saw the biggest increase in ultimate losses, particularly for accident year 2024, driven by the a priori LR update, reflecting the latest loss cost trend.
- Ontario Comprehensive and Collision (with all perils) coverages continue to show favorable development, primarily coming from accident year 2025. This is related to significant improvements in the actual results compared with the initial loss ratios we had projected for these coverages.

# RSP Alberta Grid Bodily Injury Update



2025 Q2 valuation had reserves strengthening in bodily injury over 2023-2025 accident periods. We have continued to see minor deterioration in the accident year of 2025, mainly on the 2023-2024 losses.

# RSP Alberta Non- Grid Bodily Injury Update



2025 Q2 valuation had reserves strengthening in bodily injury over 2023-2025 accident periods. We have continued to see moderate deterioration in the accident year of 2025, especially for 2023-2024 losses.

# RSP Ontario Comprehensive Update

## Comprehensive Severity – ON RSP

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	5,996	5,996	5,996
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	7,859	7,854	7,873	
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	9,032	8,952	8,952		
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	10,013	10,022	10,036			
2022-Q2	8,595	10,681	10,364	10,222	10,248	10,187	10,181	10,133	10,145	10,152	10,131	10,129	10,124	10,122				
2022-Q3	10,947	14,452	13,980	14,150	14,189	14,085	14,090	14,016	13,977	13,978	14,228	14,238	14,185					
2022-Q4	11,361	14,933	15,014	14,938	14,756	14,795	14,800	14,731	14,678	14,639	14,602	14,568						
2023-Q1	15,692	19,568	18,916	18,824	18,259	18,159	18,177	18,162	18,107	18,100	18,114							
2023-Q2	16,371	20,381	20,479	20,266	19,988	19,902	19,862	19,836	19,827	19,828								
2023-Q3	14,813	20,750	20,422	20,445	20,262	20,090	20,049	20,110	20,046									
2023-Q4	19,431	22,896	22,215	22,234	22,090	22,072	22,092	22,096										
2024-Q1	17,951	18,827	18,819	18,559	18,562	18,513	18,672											
2024-Q2	15,571	17,311	16,735	16,596	16,746	16,698												
2024-Q3	18,209	19,349	18,300	17,894	17,782													
2024-Q4	16,639	18,448	18,287	17,957														
2025-Q1	16,956	17,976	17,014															
2025-Q2	15,805	17,055																
2025-Q3	16,953																	

Severity: Data continues to show signs of flattening Comprehensive severity in 2025 after rapidly increasing through 2022-2023.

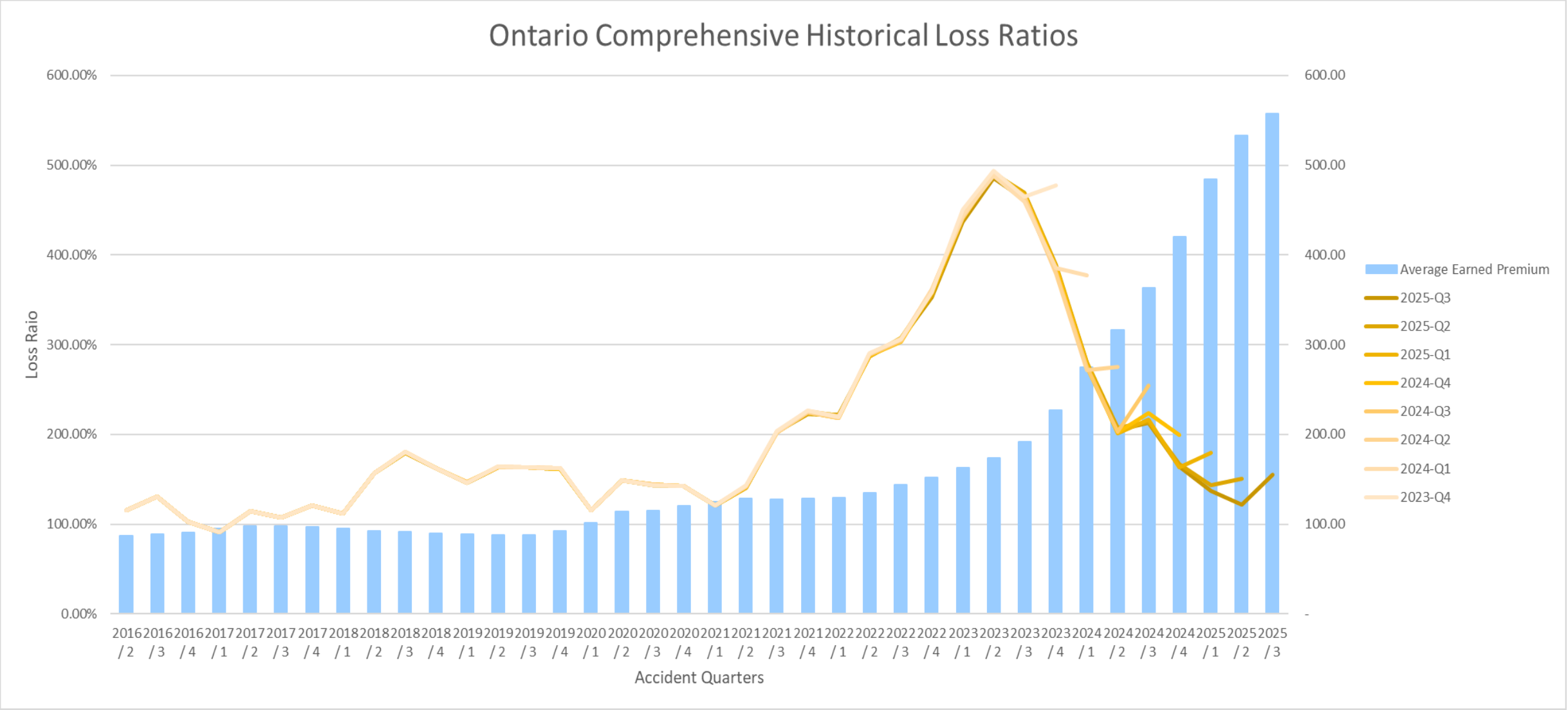
## Comprehensive Frequency – ON RSP

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			
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			
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					
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						
2023-Q1	0.035	0.041	0.041	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								
2023-Q3	0.045	0.051	0.051	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										
2024-Q1	0.040	0.046	0.047	0.047	0.047	0.047	0.047											
2024-Q2	0.038	0.043	0.044	0.044	0.044	0.044												
2024-Q3	0.041	0.049	0.050	0.050	0.050													
2024-Q4	0.039	0.044	0.044	0.044														
2025-Q1	0.037	0.043	0.044															
2025-Q2	0.035	0.041																
2025-Q3	0.036																	

Frequency exhibits a favorable improvement in 2025 since the surge of theft claims began in 2022; 2025 frequencies are coming in slightly lower than 2024

Continued stabilizing of the claim frequency and severity for Ontario RSP comprehensive losses...

# RSP Ontario Comprehensive Update



... but, at the same time, average rates for comprehensive have risen dramatically. This has driven a dramatic decline in the loss ratio back down to the typical historic level for RSP.



# Focus Area #2: Premium Drivers

# RSP Premium Drivers

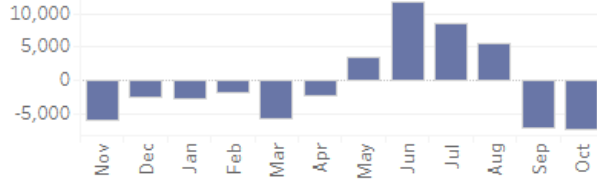
Current Year Legend



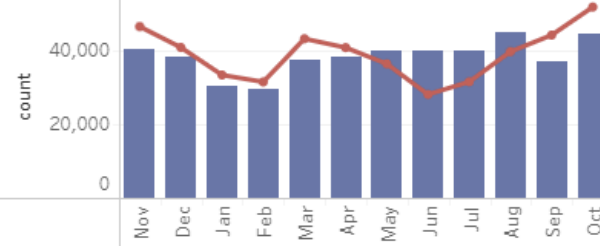
Prior Year Legend



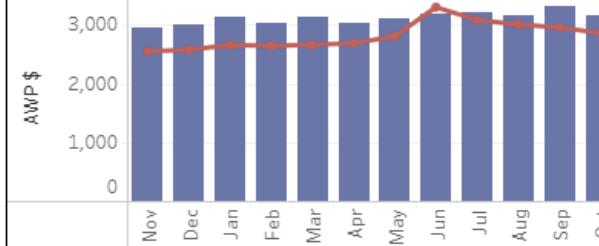
Yr-on-yr Chg in Written Veh Count (by month)



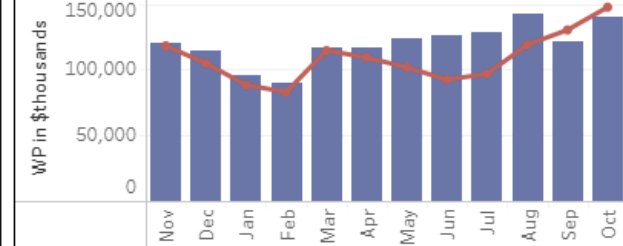
Written Vehicle Count (by month)



Average Written Premium (by month)



Written Premium (by month)

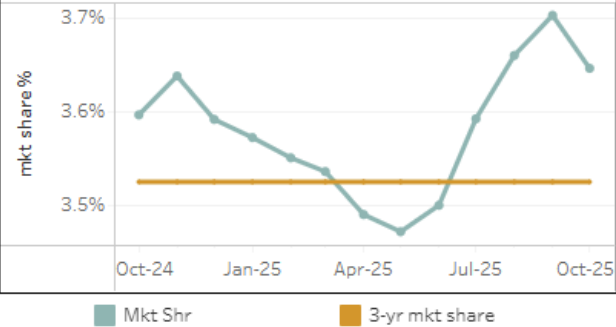


	Oct-24	Oct-25
W. Veh curr mth	51,560	44,195
Amt Chg (curr mth W. Veh)		-7,365
% Chg (curr mth W. Veh)		-14.3%

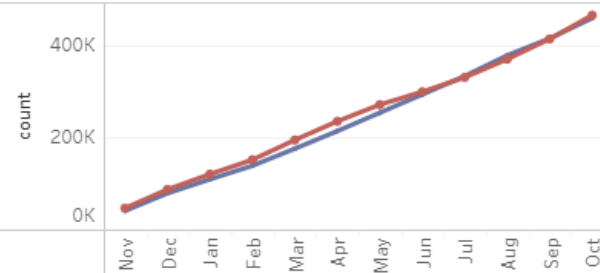
	Oct-24	Oct-25
AWP curr mth	2,857	3,169
Amt Chg (AWP curr mth)		311
% Chg (AWP curr mth)		10.9%

	Oct-24	Oct-25
WP (\$000s) curr mth	147,332	140,039
Amt Chg (WP curr mth)		-7,293
% Chg (WP curr mth)		-4.9%

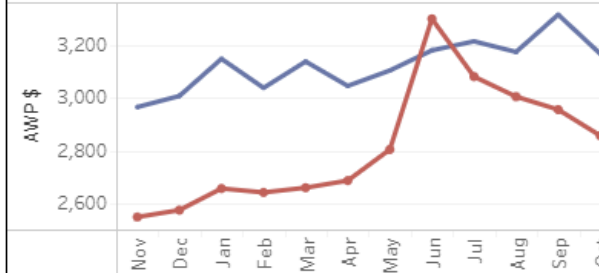
Market Share (Rolling 12-month)



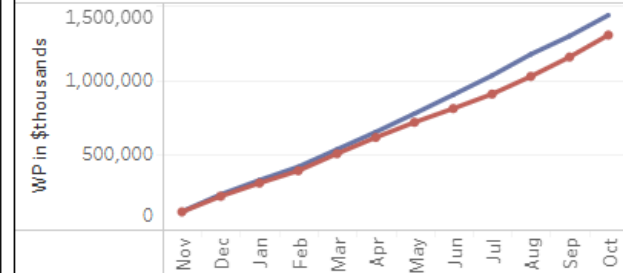
Written Vehicle Count (YTD)



Avg Written Premium (YTD)



Written Premium (YTD)



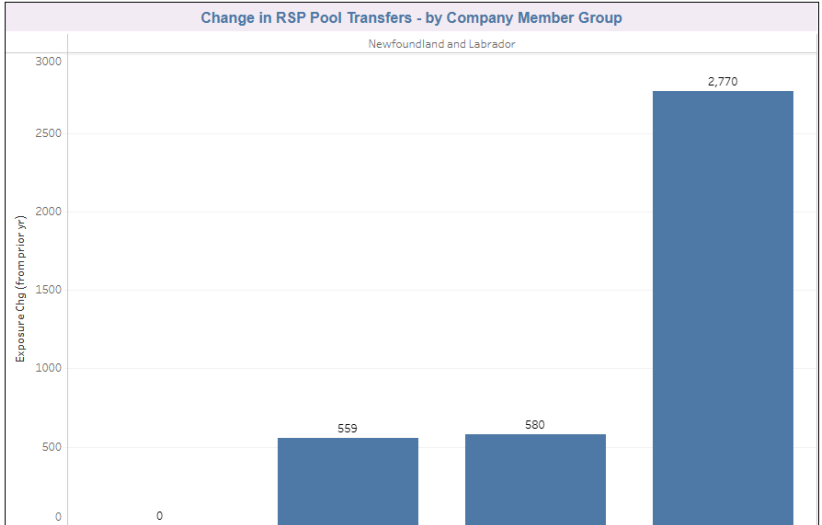
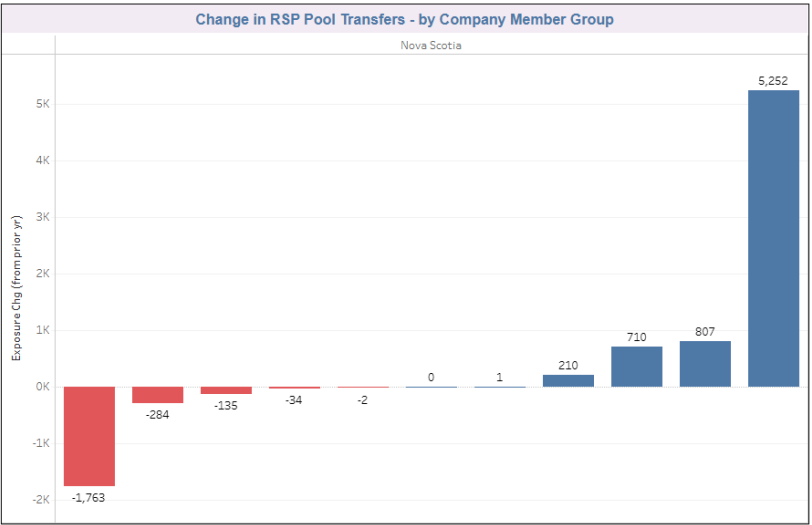
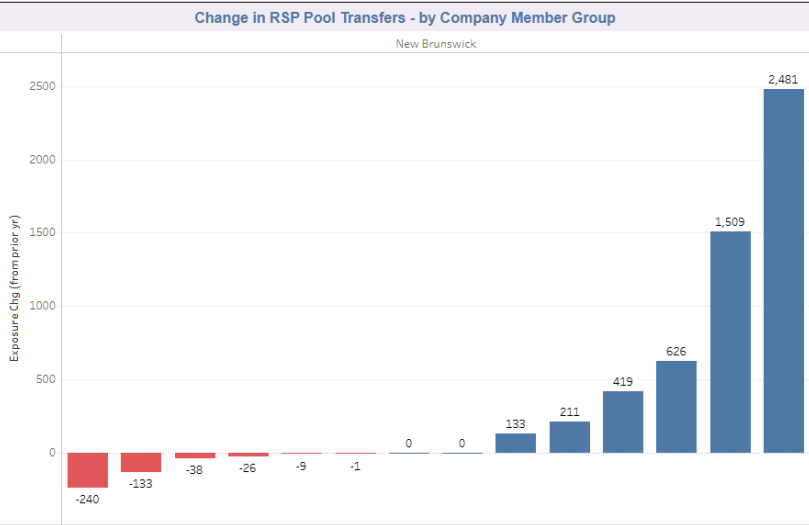
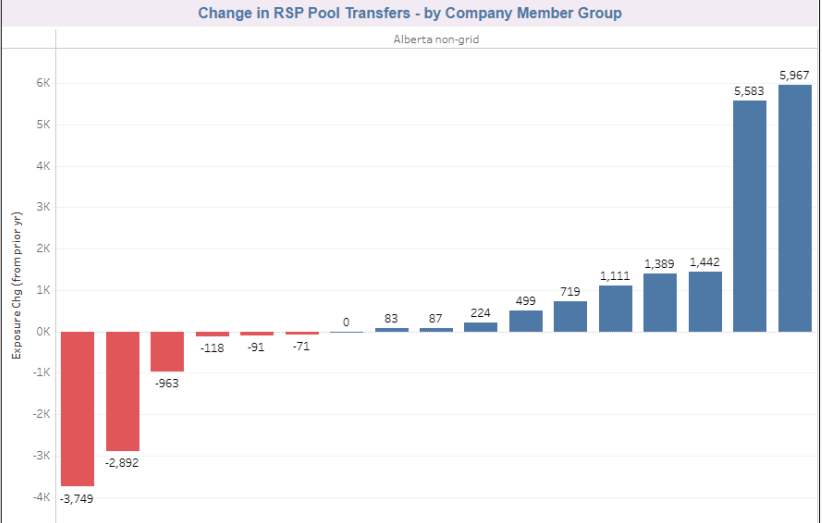
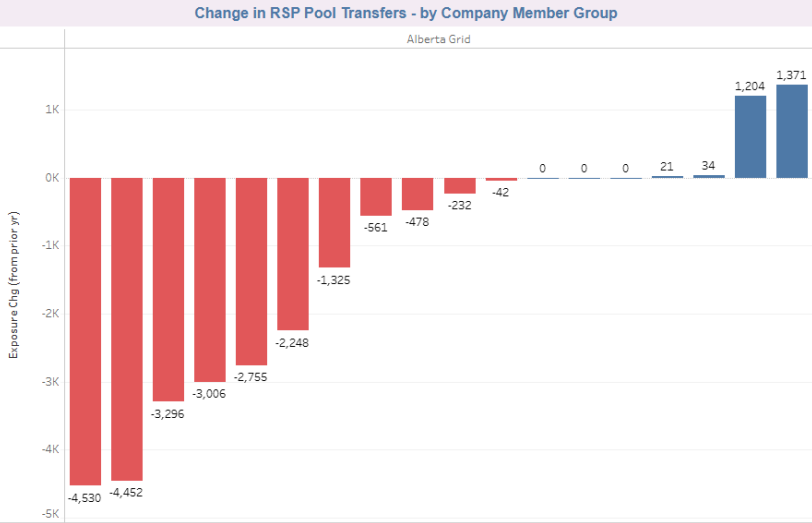
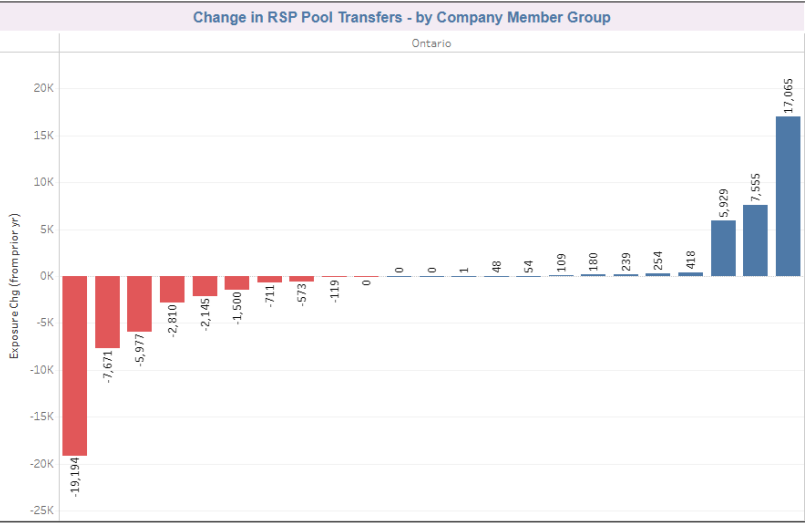
	Oct-24	Oct-25
Mkt Shr	3.6%	3.6%
Amt Chg		0.0%
% Chg		1.4%

	Oct-24	Oct-25
YTD W. Veh	465,566	459,245
Amt Chg (YTD W. Veh)		-6,320
% Chg (YTD W. Veh)		-1.4%

	Oct-24	Oct-25
AWP W. Prem YTD	2,800	3,128
Amt Chg (AWP W. Prem YTD)		328
% Chg (AWP W. Prem YTD)		11.7%

	Oct-24	Oct-25
WP (\$000s) YTD	1,303,415	1,436,398
Amt Chg (WP YTD)		132,982
% Chg (WP YTD)		10.2%

# RSP Premium Drivers – YTD change in RSP transfers by member



Considerable decline fiscal year-to-date in 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. Ontario has decreased slightly in counts year to date.

# Focus Area #3: Industry Grid Capped Vehicles

# Alberta Market Update

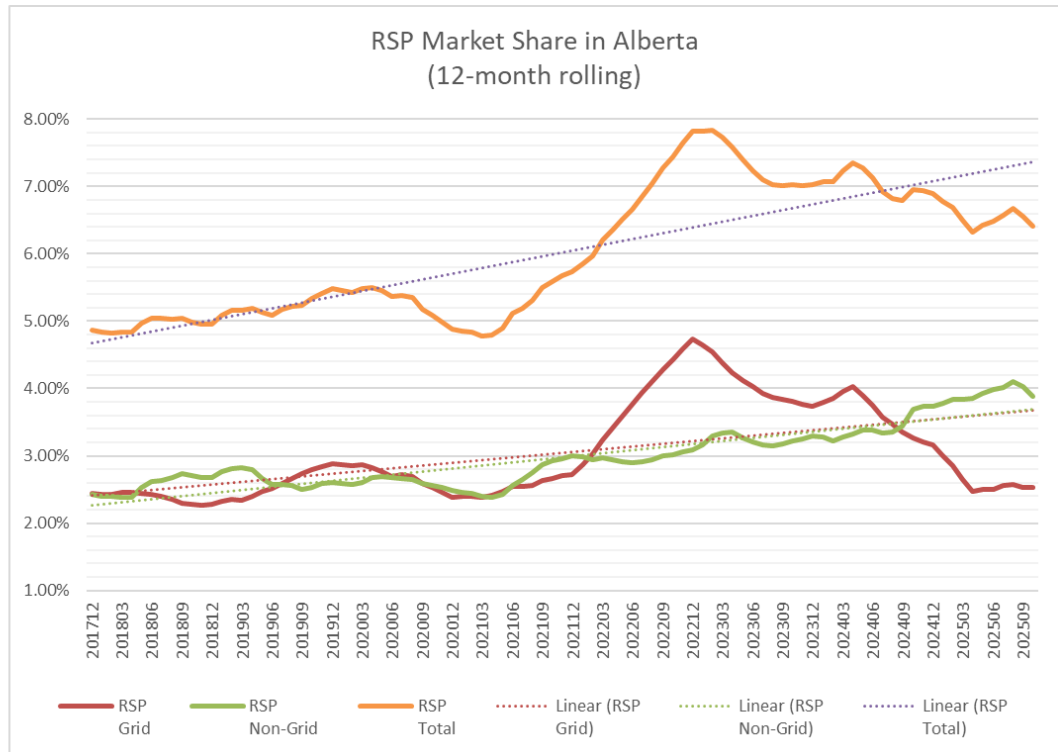
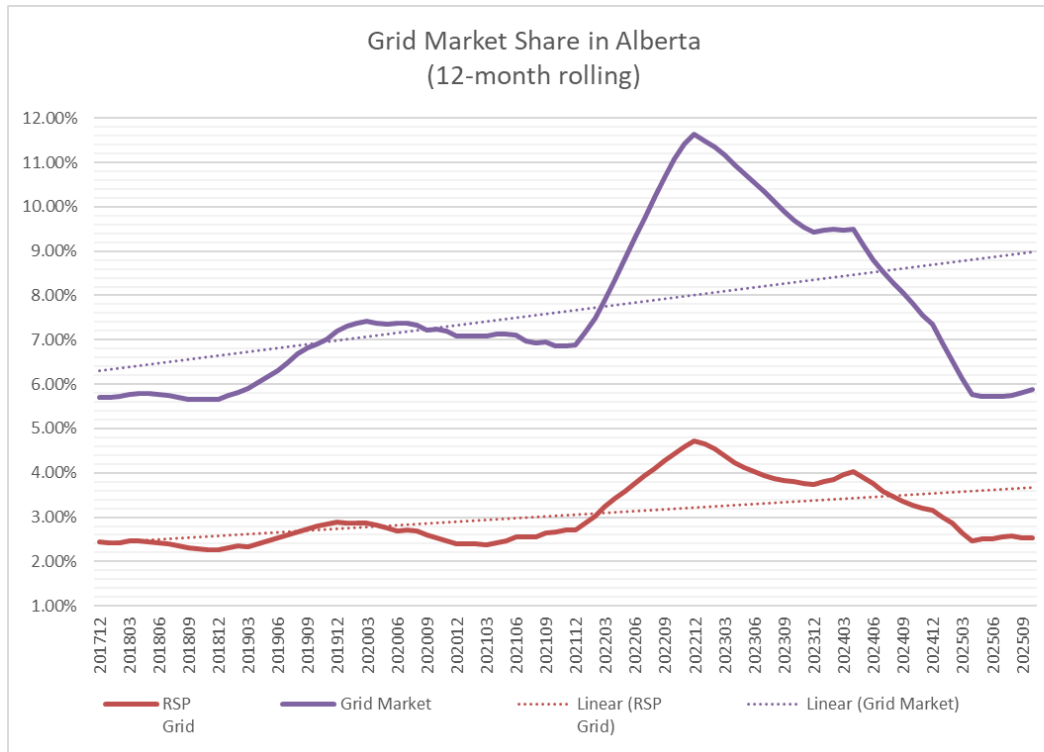
Recent announcements in Alberta include:

- **UPDATE:** Adjustments to the Grid premiums effective Jan 01, 2026 including a 20% base rate increase outlined in the [AIRB Order 01-2025](#)
- Adjustments to the Grid premiums effective Jan 01, 2025 including a 10% base rate increase outlined in the [AIRB Order 02-2024](#) and an increase to the differentials for the lowest Grid steps outlined in the [GRID Guidance](#)
- Auto insurance rate hikes capped: 7.5% limit for good drivers in 2025–2026, with an overall average cap of 12.5% for all policyholders—up from 10%. See further detail [here](#)
- The Grid system will be formally withdrawn on Jan 01, 2027. As well, Alberta will introduce a “care-first” accident benefits system to replace the current injury tort liability system with an expected go-live date of Jan 01, 2027. See further detail [here](#)

These measures are expected to result in continued reductions to the Grid RSP vehicle counts and potentially a further increase in the Non-Grid RSP vehicle counts. The graphs on the following slides show the market shares of Grid and the RSPs over time.



# Current Results – Industry Grid Capped Vehicles



## Key Messages:

- Given the high growth observed in 2022 in the Grid RSP, we have been tracking Industry data on the proportion of Grid-capped vehicles.
- Since the beginning of 2023, we have seen a decrease in the proportion of written vehicles in Alberta capped to Grid rates, most likely due to the increase in Grid rates effective January 2023 which reduces the proportion of vehicles capped at the maximum rate.
- The Grid market share was level at the beginning of 2024, but since the Grid rate change in May 2024, the market share has begun to decrease further.
- In Jan 2025, further changes to Grid rates became effective. Our expectation was that this will further reduce the Grid RSP market share, and may cause more growth in the non-Grid pool, but this growth is unlikely to exceed the declines in Grid as there is a limited number of risks which can be ceded to the non-Grid RSP.
- With the Grid changes effective on May 1<sup>st</sup> 2024 and January 1<sup>st</sup> 2025, the Grid Market has been significantly decreasing (i.e. from a starting point of **9.49% in April 2024 to 5.89% in October 2025**), however the Grid market has not shrunk at all since May 2025 and in fact, has been slightly increasing (from 5.73% to 5.89%). The RSP Grid has also been decreasing but at a lower rate (i.e. **from 4.03% in April 2024 to 2.53% in October 2025**). The RSP Non-Grid continues to increase at a steady pace going from **3.32% in April 2024 to 3.88% in October 2025**, however it has been slightly decreasing since August 2025 (from 4.10% to 3.88%). Overall, the total RSP footprint in Alberta decreased in October 2025 (from 6.56% to 6.641%). We will continue to monitor the market share of these pools closely.

# Glossary

# 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
FACO	Facility Association Central Office
FtAY	Future Accident Year
IBNR	Insured but not Reported
IFIE/IFE	Insurance Finance Income/Expense
Insurance Revenue	(Earned Premium – Earned Expense Allowance). This is the denominator of the loss ratios/operating ratios shown in this presentation unless otherwise noted.
IU	Interurban Vehicle
LIC	Liability for Incurred Claims

Acronyms	Definition
LL	Large Loss
LR	Loss Ratio
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>