

TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2025 – 45
DATE: November 28, 2025
SUBJECT: FARM – September 2025 Participation Report

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

Please be advised that the September 2025 FARM Participation Report is available on the Facility Association 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 FARM participation report on the IFRS 4 basis is available on the FA Portal.

Amounts in \$000s	Actual (September 2025)	Prior Year (September 2024)	% Change	2025 year-end Projection	2024 year-end Actual	% Change
Income Statement Highlights						
Insurance Revenue	45,311	44,872	1.0%	531,509	522,010	1.8%
Operating Result	978	3,541	(72.4%)	8,872	53,599	(83.4%)
Written Vehicle Count	10,168	10,503	(3.2%)	123,006	119,551	2.9%
Average Written Premium (\$s)	5,240	5,044	3.9%	4,345	4,440	(2.1%)
Combined Operating Ratio (%)	97.8%	92.1%	5.7%	98.3%	89.7%	8.6% pts
Balance Sheet Snapshot						
LIC	762,844	669,505	13.9%	772,536	697,516	10.8%
Nominal Unpaid Claims	776,461	701,319	10.7%	785,775	714,673	9.9%
Discount Amount	(74,561)	(84,524)	(11.8%)	(74,435)	(72,821)	2.2%
Risk Adjustment	60,943	52,710	15.6%	61,196	55,664	9.9%
LRC	225,541	223,421	0.9%	218,663	210,071	4.1%

Related Links:

- [LRC Calculation file](#)
- [FARM Summary of Operations – Calendar Year 2025](#)

FARM 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	(September 2025)	(September 2025)	(September 2024)	as at 9 months	as at 9 months	Projection	Full year 2025	Actual
Written Premium	53,274	52,974	52,999	412,844	414,414	534,478	543,344	530,823
Received Premium	53,418	52,380	52,476	409,484	414,452	532,132	541,789	530,144
Earned Premium	45,311	44,631	44,872	392,023	389,853	531,509	549,509	522,010
Insurance Revenue	45,311	44,631	44,872	392,023	389,853	531,509	549,509	522,010
Total Claims Incurred	32,190	31,624	29,521	288,407	220,508	388,477	363,445	305,563
<i>Claims incurred (CAY)</i>	33,767	33,189	30,663	297,470	267,376	401,488	379,653	357,030
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(1,578)	(1,565)	(1,143)	(9,063)	(46,868)	(13,010)	(16,208)	(51,467)
Administrative Expense	6,363	6,618	6,684	52,106	53,060	68,362	66,947	68,716
Amortization of IACFs	3,803	3,663	3,691	33,941	32,247	45,036	47,394	44,066
Change in Loss Component	0	0	0	0	0	0	0	0
Insurance Service Expenses	42,355	41,905	39,895	374,454	305,815	501,875	477,786	418,344
Insurance Service Result	2,956	2,726	4,977	17,569	84,038	29,634	71,723	103,666
<i>Insurance Finance Expense from PV FCF</i>	(2,726)	(2,726)	(2,597)	(22,014)	(41,109)	(29,625)	(34,934)	(61,400)
<i>Insurance Finance Expense from Risk Adjustment</i>	(232)	(232)	(205)	(1,777)	(3,451)	(2,435)	(2,891)	(5,086)
<i>Insurance Finance Expense from Loss Component</i>	0	0	0	0	0	0	0	0
Insurance Finance Income (Expense)	(2,958)	(2,958)	(2,802)	(23,791)	(44,560)	(32,061)	(37,826)	(66,486)
Investment Income	979	930	1,366	8,689	12,542	11,298	14,518	16,419
Operating Result	978	698	3,541	2,467	52,020	8,872	48,415	53,599
Key Ratios:								
Loss ratio	71.0%	70.9%	65.8%	73.6%	56.6%	73.1%	66.1%	58.5%
<i>CAY Loss Ratio</i>	74.5%	74.4%	68.3%	75.9%	68.6%	75.5%	69.1%	68.4%
<i>PAY Loss Ratio</i>	(3.5%)	(3.5%)	(2.5%)	(2.3%)	(12.0%)	(2.4%)	(2.9%)	(9.9%)
Underwriting and Admin Expenses	22.4%	23.0%	23.1%	21.9%	21.9%	21.3%	20.8%	21.6%
<i>Administrative Expenses</i>	14.0%	14.8%	14.9%	13.3%	13.6%	12.9%	12.2%	13.2%
<i>Amortization of IACFs</i>	8.4%	8.2%	8.2%	8.7%	8.3%	8.5%	8.6%	8.4%
<i>Change in Loss Component</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Insurance Service Ratio	93.5%	93.9%	88.9%	95.5%	78.4%	94.4%	86.9%	80.1%
Insurance Finance Income	6.5%	6.6%	6.2%	6.1%	11.4%	6.0%	6.9%	12.7%
Investment Income Ratio	(2.2%)	(2.1%)	(3.0%)	(2.2%)	(3.2%)	(2.1%)	(2.6%)	(3.1%)
Combined Operating Ratio	97.8%	98.4%	92.1%	99.4%	86.7%	98.3%	91.2%	89.7%

rounding differences may occur

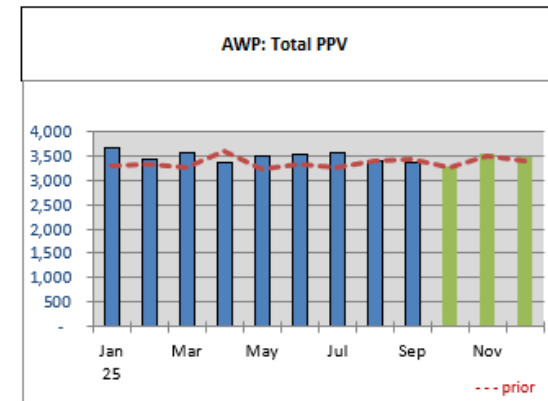
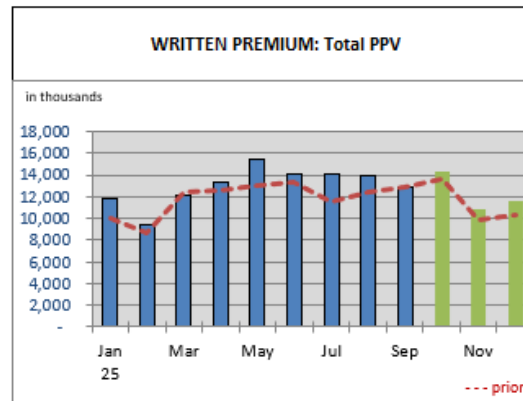
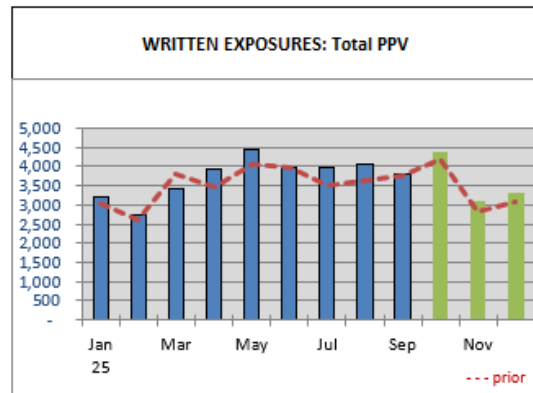
*as posted to FA's website Dec 23, 2024

- **Claims Incurred:** Current AY loss ratio and Prior AY loss ratio are fairly in line with the projected.
- **Change in Loss Component:** FARM business is priced with a fair return on Members' capital and targets a 12% ROE on members' supporting capital (based on a 2.0 premium to surplus ratio assumption). Based on current indications, none of our FARM segments are expected to be onerous in 2025. We will continue to monitor these indications on an ongoing basis to determine if any segments become onerous and require a loss component.

Note: Bill 47 prohibits FA from including a profit provision in all lines of business in Newfoundland & Labrador. This raises concern over the profitability of all Newfoundland & Labrador segments and possibly rising market share in this province.

- **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, August, and October), when the yield curve is updated.

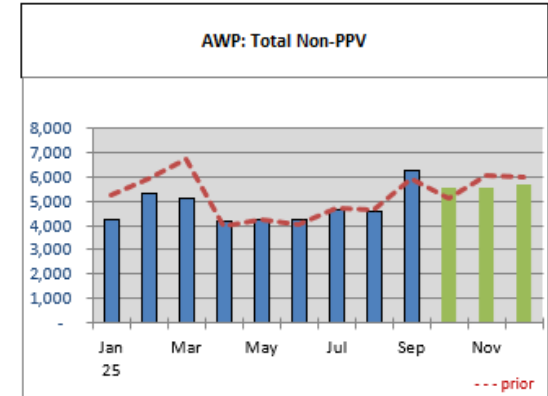
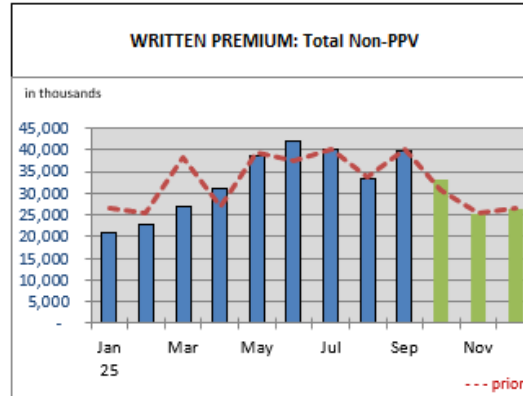
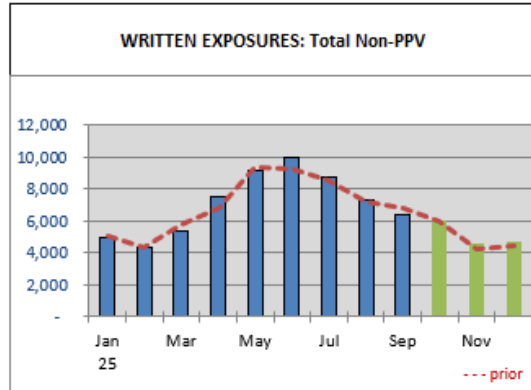
The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the red dotted line represents the prior year metric. **PPV premium drivers** compared to prior year are:



The Private Passenger vehicle count for the month was 3,810 vehicles; written premium was \$12.8 million, down by 0.12% compared with prior year. The average premium for PPV was 1.74% lower compared to prior year:

- Nova Scotia PPV premium increased by 16.3% and counts by 5.3%.
- Ontario PPV premium decreased by 9.1% and counts by 6.9%.
- Alberta PPV premium decreased by 10.7% and counts by 7.5%.

Non-PPV premium drivers compared to prior year are:



The Non-Private Passenger written premium was \$39.8 million, down 0.83% compared with prior year; vehicle count was 6,357 vehicles 5.9% lower compared to the previous year:

- Ontario interurban premium increased 9.8% and counts by 30.5% driven by a high uptake of the DCPD Opt-out endorsement.
- Alberta interurban premium decreased by 23.4% and counts by 27.3%.
- Ontario taxi premium decreased by 18.8% and counts by 12.8%.
- Ontario commercial premium decreased by 30.0% and counts by 19.5%.
- Alberta taxi premium increased by 94.3% and counts by 2.5%.

The total average premium was 2.6% lower compared to prior. As a result, the overall month's written premium was \$52.6 million; down \$0.35 million or 0.7% compared with prior year.



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

Saskia Matheson
President & CEO