

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2025 – 051  
**DATE:** December 23, 2025  
**SUBJECT:** Risk Sharing Pool – November 2025 Operational Report

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

Please be advised that the November 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 (November 2025)	Prior Year (November 2024)	% Change	2025 year-end Projection	2024 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	78,529	70,244	11.8%	903,925	816,454	10.7%
Operating Result	(4,418)	(19,355)	(77.2%)	(591,027)	(900,312)	(34.4%)
Written Vehicle Counts	42,384	40,358	5.0%	457,562	456,985	0.1%
Average Written Premium (\$s)	3,137	2,967	5.7%	3,155	2,878	9.6%
Combined Operating Ratio (%)	105.6%	127.6%	(21.9%) pts	165.4%	210.3%	(44.9%) pts
<b>Balance Sheet Snapshot</b>						
LIC	2,239,570	1,995,184	12.2%	2,237,147	2,019,012	10.8%
Nominal Unpaid Claims	2,292,519	2,057,419	11.4%	2,291,040	2,083,500	10.0%
Discount Amount	(215,778)	(200,413)	7.7%	(215,951)	(203,327)	6.2%
Risk Adjustment	162,830	138,177	17.8%	162,057	138,838	16.7%
LRC	1,188,543	1,091,074	8.9%	1,151,290	1,061,478	8.5%
LRC Excluding Loss Component	426,861	386,520	10.4%	433,824	392,102	10.6%
Loss Component	761,682	704,553	8.1%	717,466	669,376	7.2%

Related Links:

- [LRC Calculation File](#)
- [RSP Summary of Operations - Calendar Year 2025](#)

## RSP Summary of Financial Results

<b>RSP Summary of IFRS17 Financial Results</b>	<b>Actual</b>	<b>Projection</b>	<b>Prior Year</b>	<b>2025 year-to-date</b>	<b>2024 year-to-date</b>	<b>2025 year-end</b>	<b>Outlook*</b>	<b>2024 year-end</b>
<b>Amounts in \$000s</b>	<b>(November 2025)</b>	<b>(November 2025)</b>	<b>(November 2024)</b>	<b>as at 11 months</b>	<b>as at 11 months</b>	<b>Projection</b>	<b>Full year 2025</b>	<b>Actual</b>
Written Premium	132,953	124,328	119,746	1,334,788	1,200,603	1,443,399	1,355,583	1,315,419
Received Premium	140,163	140,293	147,518	1,316,546	1,196,988	1,449,639	1,358,411	1,316,788
Earned Premium	119,891	119,244	106,213	1,257,044	1,122,037	1,378,567	1,326,036	1,233,246
Earned Expense Allowance	(41,362)	(41,161)	(35,969)	(432,704)	(379,142)	(474,642)	(457,167)	(416,791)
<b>Insurance Revenue</b>	<b>78,529</b>	<b>78,083</b>	<b>70,244</b>	<b>824,341</b>	<b>742,895</b>	<b>903,925</b>	<b>868,870</b>	<b>816,454</b>
Total Claims Incurred	116,847	116,838	113,811	1,226,615	1,235,238	1,345,377	1,468,598	1,354,116
<i>Claims incurred (CAY)</i>	<i>120,112</i>	<i>120,217</i>	<i>117,030</i>	<i>1,279,672</i>	<i>1,241,376</i>	<i>1,401,946</i>	<i>1,512,869</i>	<i>1,363,519</i>
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	<i>(3,265)</i>	<i>(3,379)</i>	<i>(3,219)</i>	<i>(53,057)</i>	<i>(6,138)</i>	<i>(56,569)</i>	<i>(44,271)</i>	<i>(9,403)</i>
Administrative Expense	681	763	726	8,156	7,741	9,411	16,439	8,742
Losses on Onerous Contracts	2,383	0	10,579	632,870	601,826	632,870	757,662	609,773
Reversal of Losses on Onerous Contracts	(45,484)	(45,484)	(44,121)	(602,422)	(524,877)	(648,639)	(674,379)	(569,905)
<b>Insurance Service Expenses</b>	<b>74,427</b>	<b>72,118</b>	<b>80,996</b>	<b>1,265,219</b>	<b>1,319,928</b>	<b>1,339,018</b>	<b>1,568,320</b>	<b>1,402,727</b>
<b>Insurance Service Result</b>	<b>4,102</b>	<b>5,965</b>	<b>(10,752)</b>	<b>(440,879)</b>	<b>(577,033)</b>	<b>(435,094)</b>	<b>(699,450)</b>	<b>(586,273)</b>
Insurance Finance Expense from PV FCF	(6,274)	(6,274)	(6,315)	(79,378)	(156,141)	(85,765)	(80,432)	(162,615)
<i>Discount Unwind Loss Component</i>	<i>(6,274)</i>	<i>(6,274)</i>	<i>(6,315)</i>	<i>(74,769)</i>	<i>(86,261)</i>	<i>(81,155)</i>	<i>(80,432)</i>	<i>(92,734)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(4,609)</i>	<i>(69,881)</i>	<i>(4,609)</i>	<i>0</i>	<i>(69,881)</i>
Insurance Finance Expense from Risk Adjustment	(497)	(497)	(471)	(5,805)	(11,989)	(6,309)	(5,741)	(12,469)
<i>Discount Unwind Loss Component</i>	<i>(497)</i>	<i>(497)</i>	<i>(471)</i>	<i>(5,572)</i>	<i>(6,612)</i>	<i>(6,076)</i>	<i>(5,741)</i>	<i>(7,092)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(232)</i>	<i>(5,377)</i>	<i>(232)</i>	<i>0</i>	<i>(5,377)</i>
Insurance Finance Expense from Loss Component	(1,748)	(1,748)	(1,816)	(61,857)	(137,053)	(63,860)	(41,729)	(138,955)
<i>Discount Unwind Loss Component</i>	<i>(1,748)</i>	<i>(1,748)</i>	<i>(1,816)</i>	<i>(34,223)</i>	<i>(42,752)</i>	<i>(36,225)</i>	<i>(41,729)</i>	<i>(44,655)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(27,635)</i>	<i>(94,301)</i>	<i>(27,635)</i>	<i>0</i>	<i>(94,301)</i>
<b>Insurance Finance Income (Expense)</b>	<b>(8,520)</b>	<b>(8,520)</b>	<b>(8,603)</b>	<b>(147,040)</b>	<b>(305,183)</b>	<b>(155,933)</b>	<b>(127,902)</b>	<b>(314,039)</b>
<b>Operating Result</b>	<b>(4,418)</b>	<b>(2,555)</b>	<b>(19,355)</b>	<b>(587,919)</b>	<b>(882,215)</b>	<b>(591,027)</b>	<b>(827,352)</b>	<b>(900,312)</b>
<b>Key Ratios:</b>								
<b>Loss Ratio</b>	148.8%	149.6%	162.0%	148.8%	166.3%	148.8%	169.0%	165.9%
<i>CAY Loss Ratio</i>	153.0%	154.0%	166.6%	155.2%	167.1%	155.1%	174.1%	167.0%
<i>PAY Loss Ratio</i>	(4.2%)	(4.3%)	(4.6%)	(6.4%)	(0.8%)	(6.3%)	(5.1%)	(1.2%)
<b>Onerous Contract Ratio (excluding IFIE)</b>	(54.9%)	(58.3%)	(47.8%)	3.7%	10.4%	(1.7%)	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%
<b>Administrative Expenses</b>	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.9%	1.1%
<b>Insurance Service Ratio</b>	<b>94.8%</b>	<b>92.4%</b>	<b>115.3%</b>	<b>153.5%</b>	<b>177.7%</b>	<b>148.1%</b>	<b>180.5%</b>	<b>171.8%</b>
<b>Combined Operating Ratio</b>	<b>105.6%</b>	<b>103.3%</b>	<b>127.6%</b>	<b>171.3%</b>	<b>218.8%</b>	<b>165.4%</b>	<b>195.2%</b>	<b>210.3%</b>

rounding differences may occur

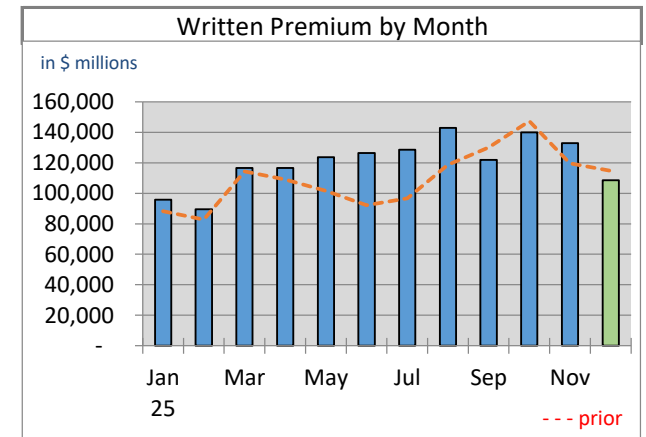
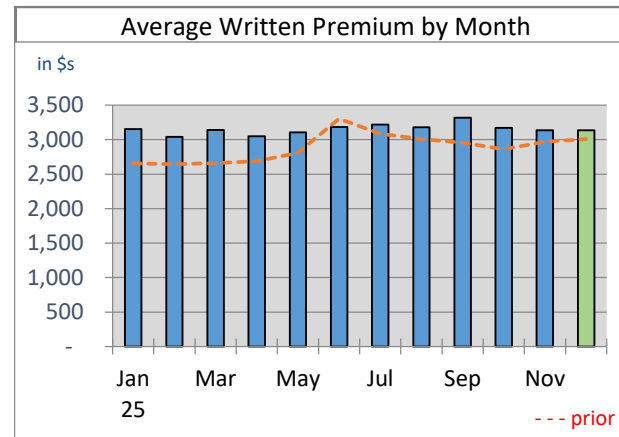
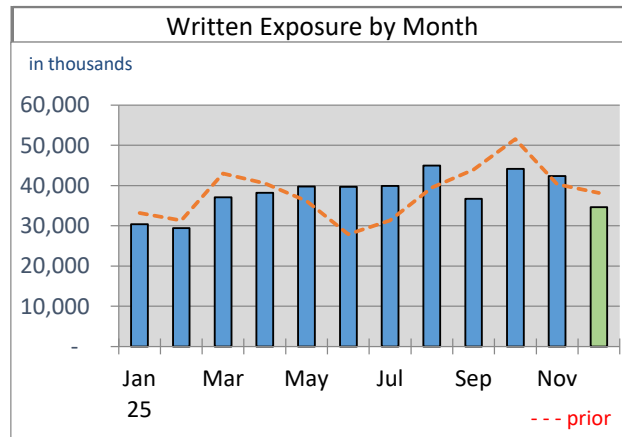
\*as posted to FA's website Dec 23, 2024

- **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 increased by \$2.4 million.
- **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.

## 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 42,384 vehicles, which was higher than prior year by 2,026 vehicles and 3,659 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 6% 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](mailto:pgosselin@facilityassociation.com) or at (416) 863-1750 x4968.

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