

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2025 – 052

DATE: December 23, 2025

SUBJECT: Risk Sharing Pool Outlook for Calendar Year 2026
Based on October 2025 Operational Reports

This Outlook was prepared for the Member companies of Facility Association to assist Member companies in estimating their share of RSP results for planning purposes. It is not intended, nor is it necessarily suitable, for any other purpose.

Key Takeaways

- **The combined 6 RSPs** are projected to have **small reduction in written premium** (-1% overall for 2026) based on member projections as of October 2025. Growth is observed in Ontario and Atlantic pools, while Alberta Grid continues to decline sharply (-\$105 million vs 2025).
- Across **all 6 RSPs**, we are projecting **written premium** of \$1,435 million for 2025, decreasing to **\$1,420 million for 2026**, with a **COR** of 165.3% for 2025, increasing to **175.9% for 2026** – 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.
- We are projecting the **6 RSPs** to generate an **operating cash outflow¹ of \$572.4 million in 2026**, compared to a projected outflow of **\$307.5 million for 2025** (compared with cash outflow of \$342.8 million in calendar year 2024 and a cash outflow of \$317.7 million in 2023). Premium growth is expected to be stable in 2026 compared to 2025 but loss ratios will be higher as favorable PYD in Ontario is not expected in 2026.

Jurisdictional Highlights

- **Ontario RSP:** Premium rises to **\$811 million in 2026** (+\$43 million vs 2025). COR increases to **194.5%**, and the net operating deficit worsens by **\$298 million vs 2025**, reflecting continued adverse claim trends and less favorable prior-year development compared to 2025.
- **Alberta Grid RSP:** Premium declines sharply to **\$194 million in 2026** (-\$105 million vs 2025). COR improves dramatically from **165.4% to 105.3%**, reducing the operating deficit by **\$109 million**.
Key Driver: Base Rate increase of 20% effective Jan 01, 2026, will lead to considerable improvement in operating results. Also, Alberta Grid will be formally **withdrawn on January 1, 2027**, leading to **no loss component being booked for 2027**, lowering overall loss component for 2026 and lowering COR.
- **Alberta Non-Grid RSP:** Premium grows to **\$312 million in 2026** (+\$27 million vs 2025). COR improves from **252.2% to 189.0%**, reducing the deficit by **\$89 million**.
Key Driver: Closure of Grid RSP will shift more business to Non-Grid, but the implementation of **Care-First reforms will reduce loss ratios** for policies written at 2026 rates and earning during 2027, creating a net favorable impact on the 2026 COR.

¹An operating cash outflow is generated when premium submitted to / collected for an RSP is less than the RSP's disbursements for claims and all expenses. Operating cash outflows are funded by the FA membership via monthly cash settlements with members.

The calendar year 2026 RSP Outlook based on actual results as found in the October 2025 Operational Reports can be found on our website: [RSP Outlook CY 2026](#)

Questions regarding the Outlook should be directed to Philippe Gosselin, VP Actuarial and CRO at Facility Association, 416-644-4968, PGosselin@facilityassociation.com

Saskia Matheson,
President & CEO

Please forward a copy of this bulletin to your Chief Financial Officer.