

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2026 – 001  
**DATE:** January 30, 2025  
**SUBJECT:** FARM – November 2025 Participation Report

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

Please be advised that the November 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 (November 2025)	Prior Year (November 2024)	% Change	2025 year-end Projection	2024 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	43,836	43,068	1.8%	529,043	522,010	1.3%
Operating Result	3,647	4,644	(21.5%)	9,755	53,599	(81.8%)
Written Vehicle Count	8,355	7,061	18.3%	123,993	119,551	3.7%
Average Written Premium (\$s)	3,826	5,245	(27.1%)	4,288	4,440	(3.4%)
Combined Operating Ratio (%)	91.7%	89.2%	2.5%	98.2%	89.7%	8.4% pts
<b>Balance Sheet Snapshot</b>						
LIC	763,968	692,741	10.3%	762,839	697,516	9.4%
Nominal Unpaid Claims	774,601	709,874	9.1%	773,162	714,673	8.2%
Discount Amount	(71,824)	(72,352)	(0.7%)	(71,237)	(72,821)	(2.2%)
Risk Adjustment	61,191	55,219	10.8%	60,914	55,664	9.4%
LRC	176,561	215,884	(18.2%)	173,229	210,071	(17.5%)

**Related Links:**

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

<b>FARM 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	31,962	37,035	35,362	492,995	494,009	531,629	543,344	530,823
Received Premium	34,096	39,014	36,038	450,503	492,427	490,413	541,789	530,144
Earned Premium	43,836	44,436	43,068	482,848	477,874	529,043	549,509	522,010
<b>Insurance Revenue</b>	<b>43,836</b>	<b>44,436</b>	<b>43,068</b>	<b>482,848</b>	<b>477,874</b>	<b>529,043</b>	<b>549,509</b>	<b>522,010</b>
Total Claims Incurred	30,886	31,239	28,604	351,685	276,522	384,287	363,445	305,563
<i>Claims incurred (CAY)</i>	32,422	32,873	29,849	361,221	326,621	395,550	379,653	357,030
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(1,537)	(1,635)	(1,245)	(9,537)	(50,098)	(11,263)	(16,208)	(51,467)
Administrative Expense	3,729	4,647	4,702	62,020	63,426	66,846	66,947	68,716
Amortization of IACFs	3,769	3,745	3,901	41,266	40,211	45,002	47,394	44,066
Change in Loss Component	0	0	0	0	0	0	0	0
<b>Insurance Service Expenses</b>	<b>38,384</b>	<b>39,631</b>	<b>37,207</b>	<b>454,970</b>	<b>380,159</b>	<b>496,135</b>	<b>477,786</b>	<b>418,344</b>
<b>Insurance Service Result</b>	<b>5,452</b>	<b>4,805</b>	<b>5,861</b>	<b>27,878</b>	<b>97,716</b>	<b>32,909</b>	<b>71,723</b>	<b>103,666</b>
<i>Insurance Finance Expense from PV FCF</i>	(2,482)	(2,482)	(2,302)	(29,417)	(59,055)	(32,025)	(34,934)	(61,400)
<i>Insurance Finance Expense from Risk Adjustment</i>	(214)	(214)	(183)	(2,362)	(4,900)	(2,582)	(2,891)	(5,086)
<i>Insurance Finance Expense from Loss Component</i>	0	0	0	0	0	0	0	0
<b>Insurance Finance Income (Expense)</b>	<b>(2,695)</b>	<b>(2,695)</b>	<b>(2,485)</b>	<b>(31,780)</b>	<b>(63,955)</b>	<b>(34,608)</b>	<b>(37,826)</b>	<b>(66,486)</b>
<b>Investment Income</b>	<b>890</b>	<b>889</b>	<b>1,268</b>	<b>10,551</b>	<b>15,175</b>	<b>11,454</b>	<b>14,518</b>	<b>16,419</b>
<b>Operating Result</b>	<b>3,647</b>	<b>2,999</b>	<b>4,644</b>	<b>6,649</b>	<b>48,936</b>	<b>9,755</b>	<b>48,415</b>	<b>53,599</b>
<b>Key Ratios:</b>								
<b>Loss ratio</b>	<b>70.5%</b>	<b>70.3%</b>	<b>66.4%</b>	<b>72.8%</b>	<b>57.9%</b>	<b>72.6%</b>	<b>66.1%</b>	<b>58.5%</b>
<i>CAY Loss Ratio</i>	74.0%	74.0%	69.3%	74.8%	68.3%	74.8%	69.1%	68.4%
<i>PAY Loss Ratio</i>	(3.5%)	(3.7%)	(2.9%)	(2.0%)	(10.5%)	(2.1%)	(2.9%)	(9.9%)
<b>Underwriting and Admin Expenses</b>	<b>17.1%</b>	<b>18.9%</b>	<b>20.0%</b>	<b>21.4%</b>	<b>21.7%</b>	<b>21.1%</b>	<b>20.8%</b>	<b>21.6%</b>
<i>Administrative Expenses</i>	8.5%	10.5%	10.9%	12.8%	13.3%	12.6%	12.2%	13.2%
<i>ortization of IACFs</i>	8.6%	8.4%	9.1%	8.5%	8.4%	8.5%	8.6%	8.4%
<i>nge in Loss Component</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Insurance Service Ratio</b>	<b>87.6%</b>	<b>89.2%</b>	<b>86.4%</b>	<b>94.2%</b>	<b>79.6%</b>	<b>93.8%</b>	<b>86.9%</b>	<b>80.1%</b>
<b>Insurance Finance Income</b>	<b>6.1%</b>	<b>6.1%</b>	<b>5.8%</b>	<b>6.6%</b>	<b>13.4%</b>	<b>6.5%</b>	<b>6.9%</b>	<b>12.7%</b>
<b>Investment Income Ratio</b>	<b>(2.0%)</b>	<b>(2.0%)</b>	<b>(2.9%)</b>	<b>(2.2%)</b>	<b>(3.2%)</b>	<b>(2.2%)</b>	<b>(2.6%)</b>	<b>(3.1%)</b>
<b>Combined Operating Ratio</b>	<b>91.7%</b>	<b>93.3%</b>	<b>89.2%</b>	<b>98.6%</b>	<b>89.8%</b>	<b>98.2%</b>	<b>91.2%</b>	<b>89.7%</b>

rounding differences may occur

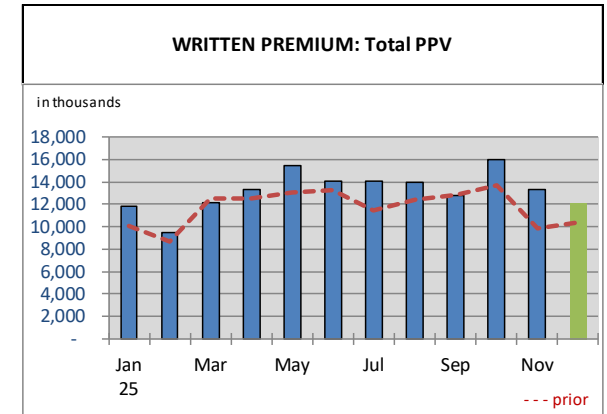
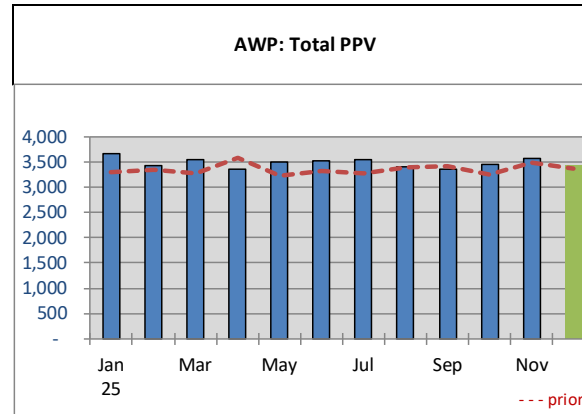
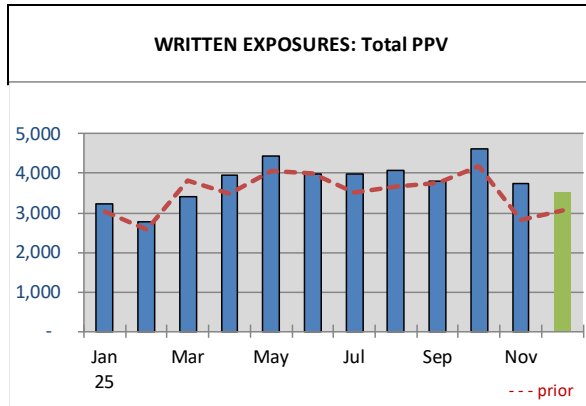
\*as posted to FA's website Dec 23, 2024

- **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. To that effect, management has agreed that Newfoundland & Labrador PPV will be onerous starting in 2026.

- **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.

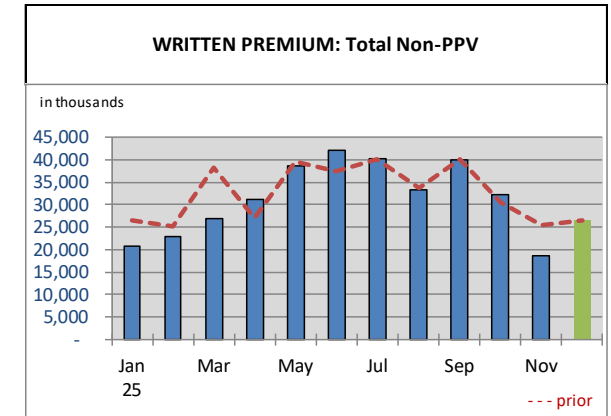
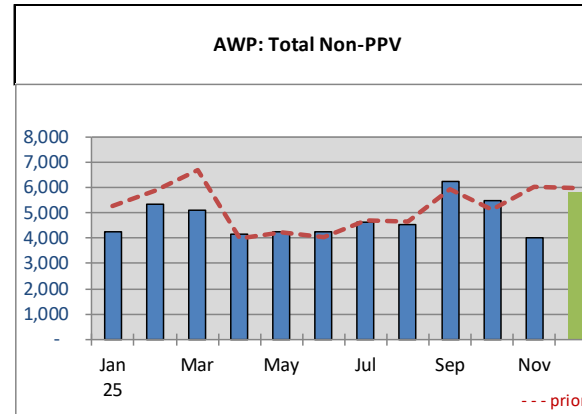
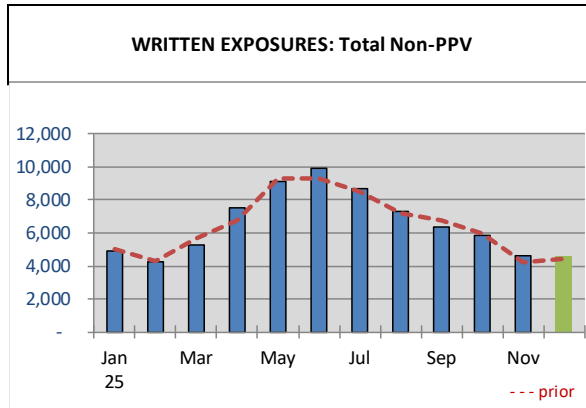
The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the red dotted line represents the prior year metric. **PPV premium drivers** compared to prior year are:



The Private Passenger vehicle count for the month was 3,730 vehicles, and written premium total of \$13.4 million, an increase of 35.7% compared with the prior year. The average premium for PPV was 2.53% higher than the prior year. Below are the jurisdictions with notable PPV changes:

- Nova Scotia PPV premium was \$906.1k higher than the prior year, with vehicle counts up by 302.
- Ontario PPV premium was \$1.4M higher than the prior year, with vehicle counts up by 170.
- Newfoundland and Labrador PPV premium was \$558.7k higher than the prior year, with vehicle counts up by 248.

**Non-PPV premium drivers** compared to prior year are:



The Non-Private Passenger written premium was \$18.6 million, down 27.2% compared with the prior year, while vehicle count was 4,625, which was 9.0% higher than the previous year. Here are the jurisdictions with notable NPPV changes:

- Ontario interurban premium was \$2.2M lower than the prior year, with counts higher by 183, driven by increased uptake of the DCPD Opt-out endorsement.
- Alberta taxi premium was \$6.1M lower than the prior year, with counts lower by 15 due to the cancellation of a fleet policy.

The total average premium was 23.7% lower compared to prior. As a result, the overall month's written premium was \$31.9 million; down \$3.4 million or 9.7% compared with prior year.

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.

**Saskia Matheson**  
President & CEO