

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2026 – 002  
**DATE:** January 30, 2026  
**SUBJECT:** Risk Sharing Pool – December 2025 Operational Report

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

Please be advised that the December 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 (December 2025)	Prior Year (December 2024)	% Change	2025 year-end Actual	2024 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	81,506	73,559	10.8%	905,847	816,454	10.9%
Operating Result	(2,675)	(18,097)	(85.2%)	(590,594)	(900,312)	(34.4%)
Written Vehicle Counts	35,674	38,158	(6.5%)	458,609	456,985	0.4%
Average Written Premium (\$s)	3,159	3,009	5.0%	3,156	2,878	9.6%
Combined Operating Ratio (%)	103.3%	124.6%	(21.3%) pts	165.2%	210.3%	(45.1%) pts
<b>Balance Sheet Snapshot</b>						
LIC	2,255,709	2,019,012	11.7%	2,255,709	2,019,012	11.7%
Nominal Unpaid Claims	2,310,111	2,083,500	10.9%	2,310,111	2,083,500	10.9%
Discount Amount	(217,631)	(203,327)	7.0%	(217,631)	(203,327)	7.0%
Risk Adjustment	163,229	138,838	17.6%	163,229	138,838	17.6%
LRC	1,148,267	1,061,478	8.2%	1,148,267	1,061,478	8.2%
LRC Excluding Loss Component	431,835	392,102	10.1%	431,835	392,102	10.1%
Loss Component	716,432	669,376	7.0%	716,432	669,376	7.0%

#### Related Links:

- [LRC Calculation File](#)
- [RSP Catastrophe Report](#)
- [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-end</b>	<b>Outlook*</b>	<b>2024 year-end</b>
<b>Amounts in \$000s</b>	<b>(December 2025)</b>	<b>(December 2025)</b>	<b>(December 2024)</b>	<b>Actual</b>	<b>Full year 2025</b>	<b>Actual</b>
Written Premium	112,695	108,610	114,816	1,447,483	1,355,583	1,315,419
Received Premium	132,996	133,093	119,800	1,449,542	1,358,411	1,316,788
Earned Premium	124,455	121,522	111,209	1,381,500	1,326,036	1,233,246
Earned Expense Allowance	(42,949)	(41,938)	(37,650)	(475,653)	(457,167)	(416,791)
<b>Insurance Revenue</b>	<b>81,506</b>	<b>79,584</b>	<b>73,559</b>	<b>905,847</b>	<b>868,870</b>	<b>816,454</b>
Total Claims Incurred	121,238	118,762	118,878	1,347,854	1,468,598	1,354,116
<i>Claims incurred (CAY)</i>	124,452	122,274	122,143	1,404,124	1,512,869	1,363,519
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(3,214)	(3,512)	(3,265)	(56,270)	(44,271)	(9,403)
Administrative Expense	1,302	1,255	1,001	9,458	16,439	8,742
Losses on Onerous Contracts	(1,034)	0	7,948	631,836	757,662	609,773
Reversal of Losses on Onerous Contracts	(46,218)	(46,218)	(45,027)	(648,639)	(674,379)	(569,905)
<b>Insurance Service Expenses</b>	<b>75,288</b>	<b>73,799</b>	<b>82,800</b>	<b>1,340,508</b>	<b>1,568,320</b>	<b>1,402,727</b>
<b>Insurance Service Result</b>	<b>6,218</b>	<b>5,785</b>	<b>(9,241)</b>	<b>(434,661)</b>	<b>(699,450)</b>	<b>(586,273)</b>
Insurance Finance Expense from PV FCF	(6,386)	(6,386)	(6,474)	(85,765)	(80,432)	(162,615)
<i>Discount Unwind Loss Component</i>	(6,386)	(6,386)	(6,474)	(81,155)	(80,432)	(92,734)
<i>Yield Impact Loss Component</i>	0	0	0	(4,609)	0	(69,881)
Insurance Finance Expense from Risk Adjustment	(504)	(504)	(481)	(6,309)	(5,741)	(12,469)
<i>Discount Unwind Loss Component</i>	(504)	(504)	(481)	(6,076)	(5,741)	(7,092)
<i>Yield Impact Loss Component</i>	0	0	0	(232)	0	(5,377)
Insurance Finance Expense from Loss Component	(2,002)	(2,002)	(1,902)	(63,860)	(41,729)	(138,955)
<i>Discount Unwind Loss Component</i>	(2,002)	(2,002)	(1,902)	(36,225)	(41,729)	(44,655)
<i>Yield Impact Loss Component</i>	0	0	0	(27,635)	0	(94,301)
<b>Insurance Finance Income (Expense)</b>	<b>(8,893)</b>	<b>(8,893)</b>	<b>(8,857)</b>	<b>(155,933)</b>	<b>(127,902)</b>	<b>(314,039)</b>
<b>Operating Result</b>	<b>(2,675)</b>	<b>(3,108)</b>	<b>(18,097)</b>	<b>(590,594)</b>	<b>(827,352)</b>	<b>(900,312)</b>
<b>Key Ratios:</b>						
<b>Loss Ratio</b>	148.7%	149.2%	161.6%	148.8%	169.0%	165.9%
<i>CAY Loss Ratio</i>	152.7%	153.6%	166.0%	155.0%	174.1%	167.0%
<i>PAY Loss Ratio</i>	(3.9%)	(4.4%)	(4.4%)	(6.2%)	(5.1%)	(1.2%)
<b>Onerous Contract Ratio (excluding IFIE)</b>	(58.0%)	(58.1%)	(50.4%)	(1.9%)	9.6%	4.9%
<i>Earned Expense allowance</i>	34.5%	34.5%	33.9%	34.4%	34.5%	33.8%
<b>Administrative Expenses</b>	1.6%	1.6%	1.4%	1.0%	1.9%	1.1%
<b>Insurance Service Ratio</b>	<b>92.4%</b>	<b>92.7%</b>	<b>112.6%</b>	<b>148.0%</b>	<b>180.5%</b>	<b>171.8%</b>
<b>Combined Operating Ratio</b>	<b>103.3%</b>	<b>103.9%</b>	<b>124.6%</b>	<b>165.2%</b>	<b>195.2%</b>	<b>210.3%</b>

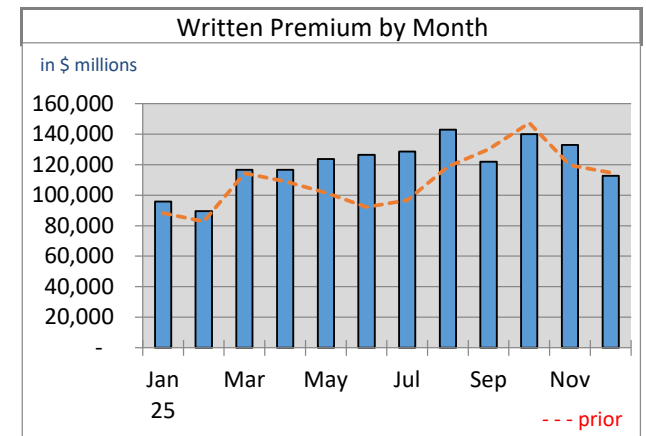
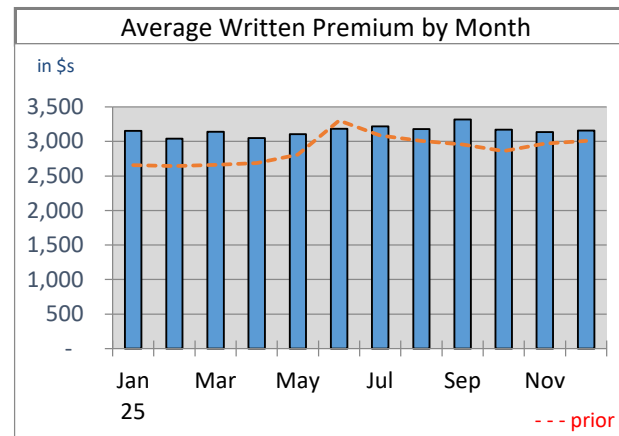
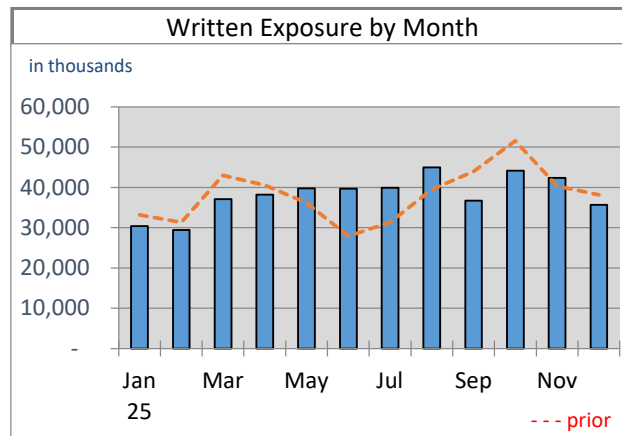
rounding differences may occur

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

- **Claims Incurred:** The liabilities are assumed to be the 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 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 decreased by \$1.0 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 35,674 vehicles, which was lower than prior year by 2,483 vehicles and 1,047 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 7% 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.

**Saskia Matheson**  
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