

TO: MEMBERS OF THE FACILITY ASSOCIATION

ATTENTION: CHIEF EXECUTIVE OFFICER

BULLETIN NO: F2026 – 003

DATE: February 06, 2026

**SUBJECT: FARM Final Outlook for Calendar Year 2026
Based on November 2025 Participation Reports**

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

Key Takeaways

- The projected **2026 Premium Written** is **\$553 million**, an increase of \$21 million from the current updated full-year 2025 estimate of \$532 million; the projected **Combined Operating Ratio (COR)** is **97.5% for 2026**, a decrease of 0.5% pts from 2025 estimate of 98.0%.
- The projected **2026 Operating Result** is **\$13 million**, an increase of \$3 million from the latest 2025 estimate of \$10 million. The 2025 estimate includes unfavorable changes in prior year development as booked during the first nine months of 2025 whereas the 2026 forecast assumes no changes in nominal prior year development.
- **Operating cash inflows^[1] of \$62 million in 2026**, similar to the latest estimated inflow of **\$76 million for 2025**

Regional Highlights:

- **Ontario:**
 - Growth led by PPV and interurban vehicles, partly offset by lower AWP following DCPD opt-out.
 - Elevated loss costs persist, but PPV rate increases effective Jan 1, 2026 support improved 2026 results.
 - Accident Benefits optionality (July 1, 2026) introduces uncertainty in costs and premium adequacy.
- **Alberta:**
 - Significant approved rate increases, including 20% Grid base rate (Jan 1, 2026), materially improve pricing adequacy. In addition, rate actions were taken to directly address elevated severity trends, particularly in bodily injury and physical damage.
 - Commercial growth continues while interurban volumes decline under higher rates and tighter underwriting.
 - Ongoing reforms (rate caps, Grid withdrawal, Care-First system) create elevated volatility in the outlook.

^[1]Operating cashflows are estimated based on assumptions related to collection of premium, and payment of expenses and claims.



The calendar year 2026 FARM Outlook based on actual results as found in the September 2024 Participation Reports can be found on our website: [FARM Outlook CY 2026](#)

Questions regarding the Outlook should be directed to Philippe Gosselin, VP Actuarial, 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.