

TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2026 – 012
DATE: March 31, 2026
SUBJECT: Risk Sharing Pool – February 2026 Operational Report

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

Please be advised that the February 2026 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 (February 2026)	Prior Year (February 2025)	% Change	2026 year-end Projection	2025 year-end Actual	% Change
Income Statement Highlights						
Insurance Revenue	73,938	67,046	10.3%	975,609	905,847	7.7%
Operating Result	(29,462)	26,060	(213.1%)	(734,040)	(590,594)	24.3%
Written Vehicle Counts	34,320	29,437	16.6%	443,037	458,609	(3.4%)
Average Written Premium (\$s)	3,270	3,040	7.6%	3,296	3,156	4.4%
Combined Operating Ratio (%)	139.8%	61.1%	78.7% pts	175.2%	165.2%	10.0%
Balance Sheet Snapshot						
LIC	2,335,917	2,076,605	12.5%	2,529,886	2,255,709	12.2%
Nominal Unpaid Claims	2,379,313	2,142,356	11.1%	2,599,476	2,310,111	12.5%
Discount Amount	(210,628)	(206,735)	1.9%	(243,515)	(217,631)	11.9%
Risk Adjustment	167,232	140,985	18.6%	173,925	163,229	6.6%
LRC	1,715,489	1,683,050	1.9%	1,117,152	1,148,267	(2.7%)
LRC Excluding Loss Component	416,308	389,909	6.8%	424,219	431,835	(1.8%)
Loss Component	1,299,182	1,293,141	0.5%	692,933	716,432	(3.3%)

Related Links:

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

RSP Summary of Financial Results

RSP Summary of IFRS17 Financial Results	Actual	Projection	Prior Year	2026 year-to-date	2025 year-to-date	2026 year-end	Outlook*	2025 year-end
Amounts in \$000s	(February 2026)	(February 2026)	(February 2025)	as at 2 months	as at 2 months	Projection	Full year 2026	Actual
Written Premium	112,239	100,264	89,495	212,742	185,352	1,460,299	1,419,853	1,447,483
Received Premium	100,790	101,612	97,208	212,555	210,280	1,466,774	1,423,462	1,449,542
Earned Premium	113,103	115,375	102,012	236,888	213,326	1,488,145	1,439,709	1,381,500
Earned Expense Allowance	(39,165)	(39,610)	(34,966)	(82,190)	(73,009)	(512,536)	(496,499)	(475,653)
Insurance Revenue	73,938	75,765	67,046	154,698	140,317	975,609	943,210	905,847
Total Claims Incurred	125,071	129,855	110,574	269,144	232,956	1,637,156	1,582,611	1,347,854
<i>Claims incurred (CAY)</i>	<i>132,464</i>	<i>134,256</i>	<i>117,680</i>	<i>281,088</i>	<i>246,918</i>	<i>1,686,484</i>	<i>1,636,493</i>	<i>1,404,124</i>
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	<i>(7,393)</i>	<i>(4,401)</i>	<i>(7,106)</i>	<i>(11,943)</i>	<i>(13,962)</i>	<i>(49,328)</i>	<i>(53,883)</i>	<i>(56,270)</i>
Administrative Expense	718	733	617	2,218	1,762	10,813	10,719	9,458
Losses on Onerous Contracts	23,985	0	(32,356)	696,164	723,403	696,164	671,202	631,836
Reversal of Losses on Onerous Contracts	(56,912)	(56,912)	(51,743)	(120,126)	(107,926)	(753,933)	(733,857)	(648,639)
Insurance Service Expenses	92,862	73,676	27,092	847,400	850,195	1,590,201	1,530,675	1,340,508
Insurance Service Result	(18,924)	2,089	39,955	(692,702)	(709,878)	(614,592)	(587,464)	(434,661)
Insurance Finance Expense from PV FCF	(5,968)	(5,968)	(8,078)	(14,874)	(15,769)	(79,062)	(88,386)	(85,765)
<i>Discount Unwind Loss Component</i>	<i>(5,968)</i>	<i>(5,968)</i>	<i>(8,078)</i>	<i>(14,874)</i>	<i>(15,769)</i>	<i>(79,062)</i>	<i>(88,386)</i>	<i>(81,155)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(4,609)</i>
Insurance Finance Expense from Risk Adjustment	(476)	(476)	(563)	(1,148)	(1,103)	(6,117)	(6,779)	(6,309)
<i>Discount Unwind Loss Component</i>	<i>(476)</i>	<i>(476)</i>	<i>(563)</i>	<i>(1,148)</i>	<i>(1,103)</i>	<i>(6,117)</i>	<i>(6,779)</i>	<i>(6,076)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(232)</i>
Insurance Finance Expense from Loss Component	(4,085)	(4,085)	(5,254)	(6,712)	(8,288)	(34,270)	(33,685)	(63,860)
<i>Discount Unwind Loss Component</i>	<i>(4,085)</i>	<i>(4,085)</i>	<i>(5,254)</i>	<i>(6,712)</i>	<i>(8,288)</i>	<i>(34,270)</i>	<i>(33,685)</i>	<i>(36,225)</i>
<i>Yield Impact Loss Component</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>(27,635)</i>
Insurance Finance Income (Expense)	(10,530)	(10,530)	(13,895)	(22,734)	(25,160)	(119,448)	(128,850)	(155,933)
Operating Result	(29,454)	(8,441)	26,060	(715,436)	(735,038)	(734,040)	(716,314)	(590,594)
Key Ratios:								
Loss Ratio	169.2%	171.4%	164.9%	174.0%	166.0%	167.8%	167.8%	148.8%
<i>CAY Loss Ratio</i>	<i>179.2%</i>	<i>177.2%</i>	<i>175.5%</i>	<i>181.7%</i>	<i>176.0%</i>	<i>172.9%</i>	<i>173.5%</i>	<i>155.0%</i>
<i>PAY Loss Ratio</i>	<i>(10.0%)</i>	<i>(5.8%)</i>	<i>(10.6%)</i>	<i>(7.7%)</i>	<i>(10.0%)</i>	<i>(5.1%)</i>	<i>(5.7%)</i>	<i>(6.2%)</i>
Onerous Contract Ratio (excluding IFIE)	(44.5%)	(75.1%)	(125.4%)	372.4%	438.6%	(5.9%)	(6.6%)	(1.9%)
<i>Earned Expense allowance</i>	<i>34.6%</i>	<i>34.3%</i>	<i>34.3%</i>	<i>34.7%</i>	<i>34.2%</i>	<i>34.4%</i>	<i>34.5%</i>	<i>34.4%</i>
Administrative Expenses	1.0%	1.0%	0.9%	1.4%	1.3%	1.1%	1.1%	1.0%
Insurance Service Ratio	125.6%	97.2%	40.4%	547.8%	605.9%	163.0%	162.3%	148.0%
Combined Operating Ratio	139.8%	111.1%	61.1%	562.5%	623.8%	175.2%	175.9%	165.2%

rounding differences may occur

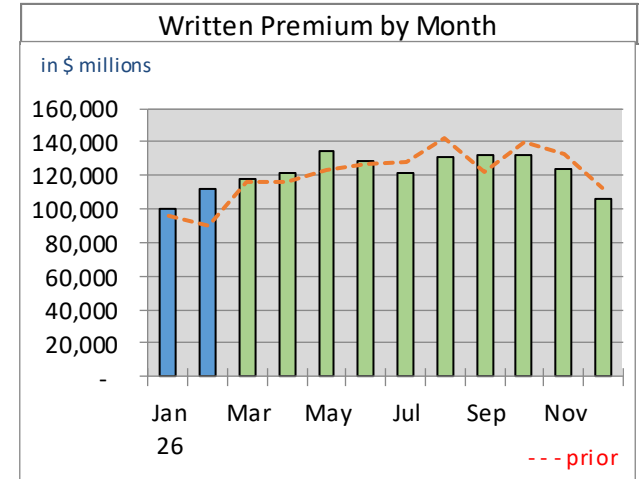
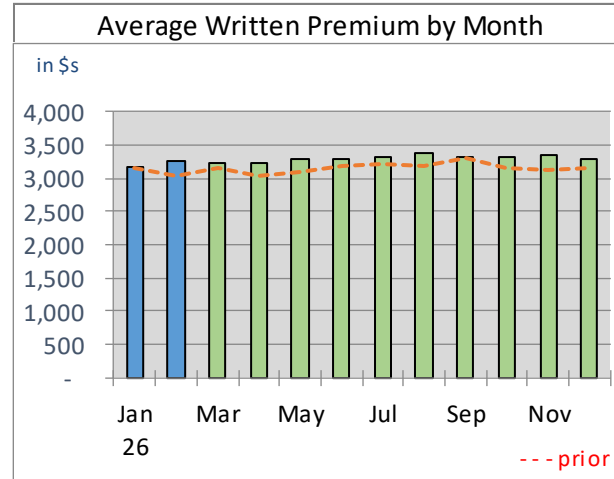
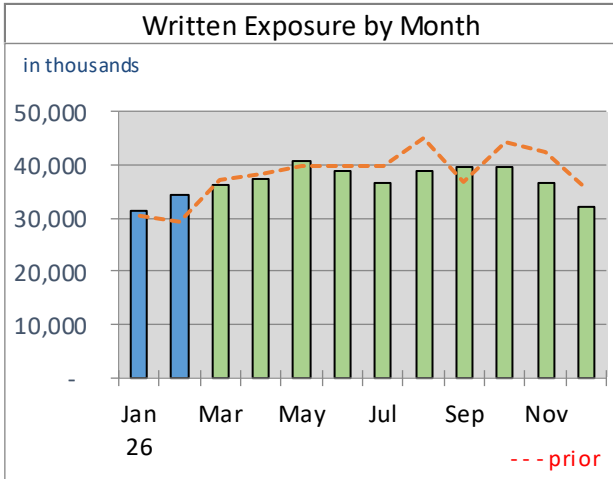
*as posted to FA's website Dec 23, 2025

- **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 for the current month, while year-end we are in line with the Outlook.
- **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 \$24.0 million** driven by **higher than expected written premium for the month compared to projected**.
- **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 34,320 vehicles, which was higher than prior year by 4,883 vehicles and 2,798 vehicles higher than The Outlook for the month. This is primarily driven by an increase in the Ontario and Alberta Grid pool and offset by a decrease in the Alberta Non-Grid pool. Average Written Premiums for the month are up by 6% primarily driven by increase in the Alberta Grid RSP.

Should you require any further information, please contact Philippe Gosselin, VP Actuarial and CRO at pgosselin@facilityassociation.com or at (416) 863-1750 x4968.

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