

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2026 – 014  
**DATE:** April 30, 2026  
**SUBJECT:** FARM – February 2026 Participation Report

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

Please be advised that the February 2026 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 (February 2026)	Prior Year (February 2025)	% Change	2026 year-end Projection	2025 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	39,306	39,066	0.6%	536,395	527,644	1.7%
Operating Result	597	2,406	(75.2%)	12,303	8,599	43.1%
Written Vehicle Count	7,355	7,038	4.5%	124,623	123,285	1.1%
Average Written Premium (\$s)	4,676	4,618	1.3%	4,322	4,253	1.6%
Combined Operating Ratio (%)	98.5%	93.8%	4.6%	97.7%	98.4%	(0.7%) pts
<b>Balance Sheet Snapshot</b>						
LIC	759,510	710,235	6.9%	792,951	763,713	3.8%
Nominal Unpaid Claims	769,095	727,606	5.7%	802,774	774,210	3.7%
Discount Amount	(70,330)	(73,511)	(4.3%)	(70,711)	(71,663)	(1.3%)
Risk Adjustment	60,744	56,140	8.2%	60,888	61,167	(0.5%)
LRC	157,868	194,957	(19.0%)	195,159	166,942	16.9%
LRC Excluding Loss Component	157,249	194,957	(19.3%)	191,858	166,942	14.9%
Loss Component	619	0		3,300	0	

A loss component was recognized for NL PPV which was deemed onerous for 2026. No other segments are currently deemed onerous.

Related Links:

- [LRC Calculation file](#)
- [FARM Catastrophe Report](#)
- [FARM Summary of Operations – Calendar Year 2026](#)

<b>FARM Summary of IFRS17 Financial Results</b>	<b>Actual</b>	<b>Projection</b>	<b>Prior Year</b>	<b>2026 year-to-date</b>	<b>2025 year-to-date</b>	<b>2026 year-end</b>	<b>Outlook*</b>
<b>Amounts in \$000s</b>	<b>(February 2026)</b>	<b>(February 2026)</b>	<b>(February 2025)</b>	<b>as at 2 months</b>	<b>as at 2 months</b>	<b>Projection</b>	<b>Full year 2026</b>
Written Premium	34,392	32,501	32,269	67,002	64,880	533,816	552,764
Received Premium	36,638	35,396	33,460	71,870	66,045	530,506	328,991
Earned Premium	39,306	39,308	39,066	82,803	82,230	536,395	549,810
<b>Insurance Revenue</b>	<b>39,306</b>	<b>39,308</b>	<b>39,066</b>	<b>82,803</b>	<b>82,230</b>	<b>536,395</b>	<b>549,810</b>
Total Claims Incurred	28,097	27,682	27,392	59,792	56,078	385,632	395,476
<i>Claims incurred (CAY)</i>	30,255	29,720	28,064	63,688	59,210	404,873	414,508
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(2,158)	(2,038)	(672)	(3,896)	(3,132)	(19,241)	(19,032)
Administrative Expense	4,722	4,077	4,232	10,161	8,984	69,387	70,962
Amortization of IACFs	3,449	3,605	3,273	7,035	6,885	43,265	46,528
Change in Loss Component	291	283	0	619	0	3,300	3,470
<b>Insurance Service Expenses</b>	<b>36,559</b>	<b>35,648</b>	<b>34,897</b>	<b>77,607</b>	<b>71,946</b>	<b>501,584</b>	<b>516,436</b>
<b>Insurance Service Result</b>	<b>2,747</b>	<b>3,660</b>	<b>4,170</b>	<b>5,196</b>	<b>10,284</b>	<b>34,811</b>	<b>33,375</b>
<i>Insurance Finance Expense from PV FCF</i>	(2,651)	(2,651)	(2,455)	(5,239)	(4,766)	(28,145)	(28,288)
<i>Insurance Finance Expense from Risk Adjustment</i>	(226)	(226)	(196)	(448)	(381)	(2,364)	(2,377)
<i>Insurance Finance Expense from Loss Component</i>	(1)	(1)	0	(1)	0	(55)	(57)
<b>Insurance Finance Income (Expense)</b>	<b>(2,877)</b>	<b>(2,877)</b>	<b>(2,651)</b>	<b>(5,688)</b>	<b>(5,147)</b>	<b>(30,564)</b>	<b>(30,722)</b>
<b>Investment Income</b>	<b>728</b>	<b>727</b>	<b>887</b>	<b>1,628</b>	<b>2,056</b>	<b>8,056</b>	<b>10,825</b>
<b>Operating Result</b>	<b>597</b>	<b>1,510</b>	<b>2,406</b>	<b>1,136</b>	<b>7,193</b>	<b>12,303</b>	<b>13,477</b>
<b>Key Ratios:</b>							
<b>Loss ratio</b>	<b>71.5%</b>	<b>70.4%</b>	<b>70.1%</b>	<b>72.2%</b>	<b>68.2%</b>	<b>71.9%</b>	<b>71.9%</b>
<i>CAY Loss Ratio</i>	77.0%	75.6%	71.8%	76.9%	72.0%	75.5%	75.4%
<i>PAY Loss Ratio</i>	(5.5%)	(5.2%)	(1.7%)	(4.7%)	(3.8%)	(3.6%)	(3.5%)
<b>Underwriting and Admin Expenses</b>	<b>21.5%</b>	<b>20.3%</b>	<b>19.2%</b>	<b>21.5%</b>	<b>19.3%</b>	<b>21.6%</b>	<b>22.0%</b>
<i>Administrative Expenses</i>	12.0%	10.4%	10.8%	12.3%	10.9%	12.9%	12.9%
<i>Amortization of IACFs</i>	8.8%	9.2%	8.4%	8.5%	8.4%	8.1%	8.5%
<i>Change in Loss Component</i>	0.7%	0.7%	0.0%	0.7%	0.0%	0.6%	0.6%
<b>Insurance Service Ratio</b>	<b>93.0%</b>	<b>90.7%</b>	<b>89.3%</b>	<b>93.7%</b>	<b>87.5%</b>	<b>93.5%</b>	<b>93.9%</b>
<b>Insurance Finance Income</b>	<b>7.3%</b>	<b>7.3%</b>	<b>6.8%</b>	<b>6.9%</b>	<b>6.3%</b>	<b>5.7%</b>	<b>5.6%</b>
<b>Investment Income Ratio</b>	<b>(1.9%)</b>	<b>(1.9%)</b>	<b>(2.3%)</b>	<b>(2.0%)</b>	<b>(2.5%)</b>	<b>(1.5%)</b>	<b>(2.0%)</b>
<b>Combined Operating Ratio</b>	<b>98.5%</b>	<b>96.2%</b>	<b>93.8%</b>	<b>98.6%</b>	<b>91.3%</b>	<b>97.7%</b>	<b>97.5%</b>

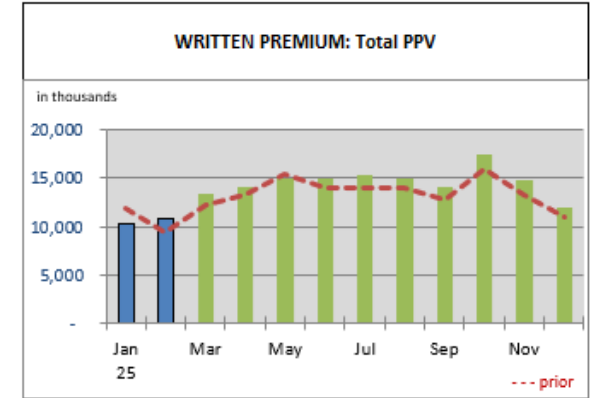
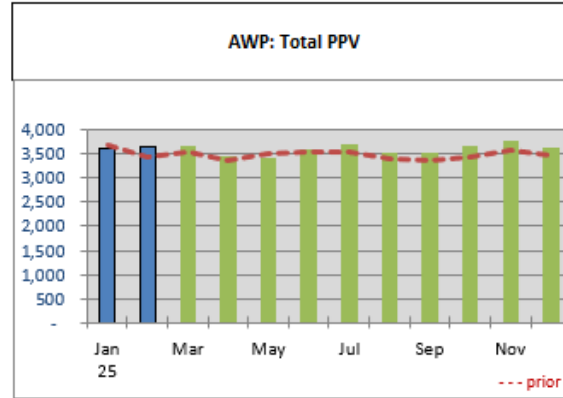
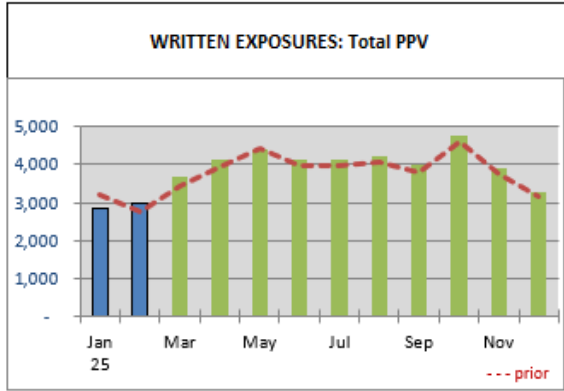
rounding differences may occur

\*as posted to FA's website Feb 06, 2026

- **Claims Incurred:** Incurred losses were \$28.1 million, higher than projection by \$0.4 million and \$0.7 million higher compared with the same month last year. Loss ratio was at 71.5%, 1.1 percentage points higher than projected, and 1.4 percentage points higher compared with prior year.
- **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, only Newfoundland & Labrador PPV is expected to be onerous in 2026. We will continue to monitor these indications on an ongoing basis to determine if any other segments become onerous and require a loss component.

- 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.

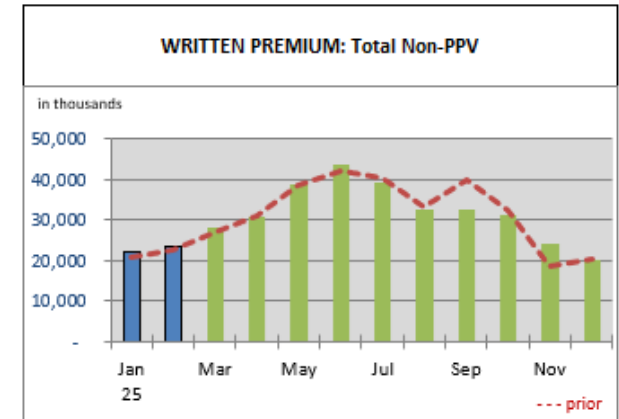
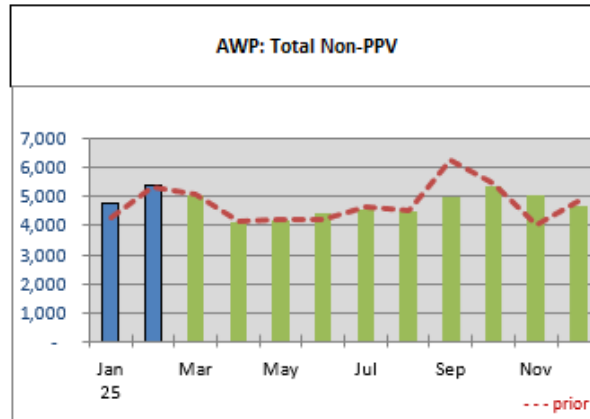
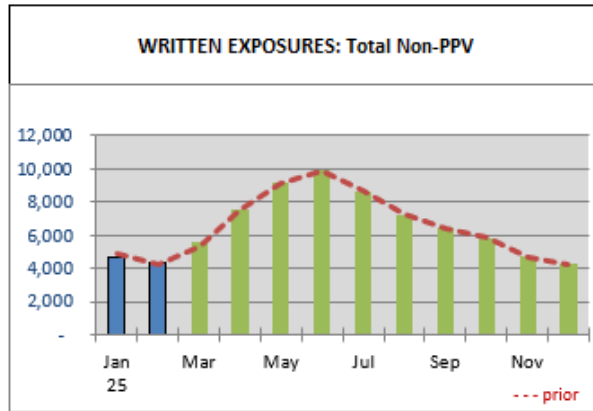
The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the red dotted line represents the prior year metric. **PPV premium activity** compared to prior year is below:



The Private Passenger vehicle count for the month was 2,979 vehicles, and written premium total of \$10.9 million, an increase of 15.16% compared with the prior year. The average premium for PPV was 6.65% higher than the prior year. Below are the jurisdictions with notable PPV changes:

- Nova Scotia PPV premium was \$456k higher than the prior year, with vehicle counts are higher by 121.
- Ontario PPV premium was \$661k higher than the prior year, with vehicle counts are up by 45.

Non-PPV premium activity compared to prior year is below:



The Non-Private Passenger written premium was \$23.5 million, up 2.8% compared with the prior year, while vehicle count was 4,376, which was 2.24% higher than the previous year. Here are the jurisdictions with notable NPPV changes:

- Ontario commercial premium was \$0.7M lower than the prior year, with counts lower by 144.
- Alberta commercial premium was \$1.2M higher than the prior year, with counts higher by 182.
- Nova Scotia interurban premium was \$0.6M higher than the prior year, with counts higher by 38.
- Alberta interurban premium was \$0.5M lower than the prior year, with counts lower by 86.

The total average premium for PPV and Non-PPV combined was 1.9% higher compared to prior. The overall month's written premium was \$34.3 million; up \$2.0M or 6.4% 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