

TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2026 – 015
DATE: April 30, 2026
SUBJECT: Risk Sharing Pool – March 2026 Operational Report

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

Please be advised that the March 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 (March 2026)	Prior Year (March 2025)	% Change	2026 year-end Projection	2025 year-end Actual	% Change
Income Statement Highlights						
Insurance Revenue	82,465	73,916	11.6%	985,164	905,847	8.8%
Operating Result	372,305	47,991	675.8%	(378,434)	(590,594)	(35.9%)
Written Vehicle Counts	34,825	37,115	(6.2%)	440,795	458,609	(3.9%)
Average Written Premium (\$s)	3,409	3,142	8.5%	3,396	3,156	7.6%
Combined Operating Ratio (%)	(351.5%)	35.1%	(386.5%) pts	138.4%	165.2%	(26.8%) pts
Balance Sheet Snapshot						
LIC	2,262,945	2,096,986	7.9%	2,466,379	2,255,709	9.3%
Nominal Unpaid Claims	2,321,168	2,163,688	7.3%	2,535,819	2,310,111	9.8%
Discount Amount	(223,203)	(213,257)	4.7%	(242,671)	(217,631)	11.5%
Risk Adjustment	164,979	146,556	12.6%	173,231	163,229	6.1%
LRC	1,374,662	1,564,978	(12.2%)	981,871	1,148,267	(14.5%)
LRC Excluding Loss Component	407,741	374,049	9.0%	439,708	431,835	1.8%
Loss Component	966,921	1,190,929	(18.8%)	542,163	716,432	(24.3%)

Related Links:

- [LRC Calculation File](#)
- [RSP Catastrophe Report](#)
- [RSP Summary of Operations - Calendar Year 2026](#)
- [Detailed Valuation Results file](#)
- [Supplementary Information Including Exhibits](#)

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	(March 2026)	(March 2026)	(March 2025)	as at 3 months	as at 3 months	Projection	Full year 2026	Actual
Written Premium	118,725	117,931	116,601	331,467	301,952	1,497,106	1,419,853	1,447,483
Received Premium	111,825	113,121	89,152	324,380	299,432	1,505,310	1,423,462	1,449,542
Earned Premium	125,763	129,429	112,600	362,651	325,926	1,502,480	1,439,709	1,381,500
Earned Expense Allowance	(43,298)	(44,691)	(38,684)	(125,487)	(111,694)	(517,316)	(496,499)	(475,653)
Insurance Revenue	82,465	84,738	73,916	237,163	214,232	985,164	943,210	905,847
Total Claims Incurred	41,263	144,480	124,268	310,407	357,224	1,448,778	1,582,611	1,347,854
<i>Claims incurred (CAY)</i>	92,171	148,820	123,925	373,258	370,842	1,544,505	1,636,493	1,404,124
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(50,908)	(4,340)	344	(62,851)	(13,618)	(95,726)	(53,883)	(56,270)
Administrative Expense	882	766	652	3,100	2,413	10,947	10,719	9,458
Losses on Onerous Contracts	(262,767)	0	(55,660)	433,397	667,743	433,397	671,202	631,836
Reversal of Losses on Onerous Contracts	(64,160)	(64,160)	(58,075)	(184,286)	(166,001)	(627,535)	(733,857)	(648,639)
Insurance Service Expenses	(284,782)	81,085	11,185	562,618	861,380	1,265,588	1,530,675	1,340,508
Insurance Service Result	367,247	3,653	62,730	(325,455)	(647,148)	(280,423)	(587,464)	(434,661)
Insurance Finance Expense from PV FCF	(248)	(6,162)	(3,030)	(15,122)	(18,799)	(72,479)	(88,386)	(85,765)
<i>Discount Unwind Loss Component</i>	(6,158)	(6,162)	(8,586)	(21,032)	(24,355)	(78,389)	(88,386)	(81,155)
<i>Yield Impact Loss Component</i>	5,910	0	5,556	5,910	5,556	5,910	0	(4,609)
Insurance Finance Expense from Risk Adjustment	(28)	(488)	(186)	(1,176)	(1,289)	(5,662)	(6,779)	(6,309)
<i>Discount Unwind Loss Component</i>	(487)	(488)	(610)	(1,635)	(1,713)	(6,121)	(6,779)	(6,076)
<i>Yield Impact Loss Component</i>	459	0	424	459	424	459	0	(232)
Insurance Finance Expense from Loss Component	5,333	(4,216)	(11,522)	(1,378)	(19,810)	(19,869)	(33,685)	(63,860)
<i>Discount Unwind Loss Component</i>	(4,216)	(4,216)	(4,564)	(10,927)	(12,852)	(29,418)	(33,685)	(36,225)
<i>Yield Impact Loss Component</i>	9,549	0	(6,959)	9,549	(6,959)	9,549	0	(27,635)
Insurance Finance Income (Expense)	5,057	(10,865)	(14,739)	(17,676)	(39,899)	(98,010)	(128,850)	(155,933)
Operating Result	372,305	(7,212)	47,991	(343,131)	(687,047)	(378,434)	(716,314)	(590,594)
Key Ratios:								
Loss Ratio	50.0%	170.5%	168.1%	130.9%	166.7%	147.1%	167.8%	148.8%
<i>CAY Loss Ratio</i>	111.8%	175.6%	167.7%	157.4%	173.1%	156.8%	173.5%	155.0%
<i>PAY Loss Ratio</i>	(61.7%)	(5.1%)	0.5%	(26.5%)	(6.4%)	(9.7%)	(5.7%)	(6.2%)
Onerous Contract Ratio (excluding IFIE)	(396.4%)	(75.7%)	(153.9%)	105.0%	234.2%	(19.7%)	(6.6%)	(1.9%)
<i>Earned Expense allowance</i>	34.4%	34.5%	34.4%	34.6%	34.3%	34.4%	34.5%	34.4%
Administrative Expenses	1.1%	0.9%	0.9%	1.3%	1.1%	1.1%	1.1%	1.0%
Insurance Service Ratio	-345.3%	95.7%	15.1%	237.2%	402.1%	128.5%	162.3%	148.0%
Combined Operating Ratio	(351.5%)	108.5%	35.1%	244.7%	420.7%	138.4%	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, as well as year-end compared to 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 **decreased** by **\$262.8 million** driven by:
 - A reduction in Ontario's projected 2026 and 2027 Comprehensive and All Perils loss ratio, with a close to \$260 million favourable impact;
 - A slight improvement in the expected 2026 loss ratio for Alberta Grid (\$14 million impact).

These favourable changes are partially offset by:

- Updated member premium projections; members plan to transfer slightly more vehicles than previously expected over the next 2 years, increasing the loss component by \$10.7M;
- Updated auto reform impact assumptions for Alberta Non-Grid pool has a slightly unfavourable impact on the 2027 loss component; our previous estimate had assumed a greater favourable impact than our current one, which is now based on the most updated Care First costing model released by the Alberta Insurance Rate Board and Oliver Wyman.

Losses on Onerous Contracts Breakdown							
	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
Total CAY (2026)	(104,560)	(12,070)	818	(2,097)	192	(2,579)	(120,295)
<i>Valuation Impact</i>	<i>(107,305)</i>	<i>(14,371)</i>	<i>(2,937)</i>	<i>(700)</i>	<i>(65)</i>	<i>(870)</i>	<i>(126,248)</i>
<i>Change in Projections</i>	<i>2,745</i>	<i>2,301</i>	<i>3,755</i>	<i>(1,396)</i>	<i>257</i>	<i>(1,709)</i>	<i>5,953</i>
Total FtAY (2027)	(142,698)	-	8,612	(4,781)	1,157	(4,763)	(142,472)
<i>Valuation Impact</i>	<i>(155,227)</i>	<i>-</i>	<i>9,953</i>	<i>(876)</i>	<i>(77)</i>	<i>(1,009)</i>	<i>(147,237)</i>
<i>Change in Projections</i>	<i>12,530</i>	<i>-</i>	<i>(1,341)</i>	<i>(3,905)</i>	<i>1,234</i>	<i>(3,753)</i>	<i>4,764</i>
Total	(247,258)	(12,070)	9,431	(6,878)	1,349	(7,342)	(262,767)
<i>Valuation Impact</i>	<i>(262,532)</i>	<i>(14,371)</i>	<i>7,016</i>	<i>(1,576)</i>	<i>(143)</i>	<i>(1,879)</i>	<i>(273,485)</i>
<i>Change in Projections</i>	<i>15,274</i>	<i>2,301</i>	<i>2,415</i>	<i>(5,302)</i>	<i>1,491</i>	<i>(5,463)</i>	<i>10,717</i>

- **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. The combined yield impact on the LIC and LRC is favorable change of approximately \$15.9 million driven by an increase in yield of approximately 17 to 19 basis points across all pools.

Impact of 2025 Q4 Valuation

A valuation of the RSP as at December 31, 2025, has been completed since last month's Operational Report and the results of the valuation have been incorporated into this month's Operational Report. The implementation of the new valuation resulted in an estimated **\$378.2 million overall favorable impact** on the month's net results from operations. The favorable impact primarily comes from Ontario due to better-than-expected experience in both Comprehensive and All Perils claims, where we have seen a reversal in the increasing loss ratio trend due to declining frequency and severity of theft losses, offset by the Alberta Non-Grid pool which saw a slightly unfavorable impact on the LRC from updated 2027 Auto Reform assumptions

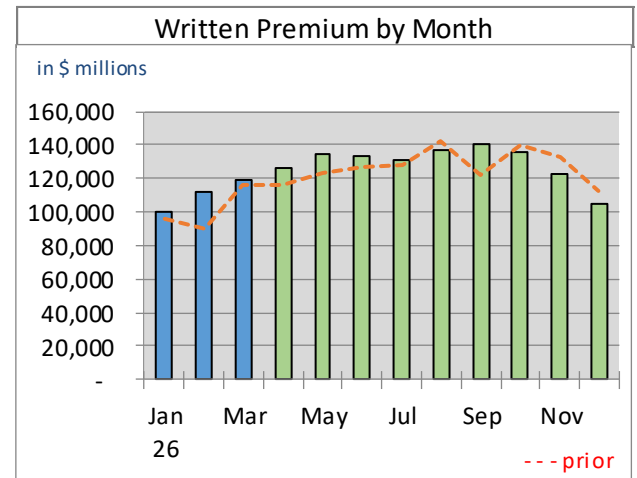
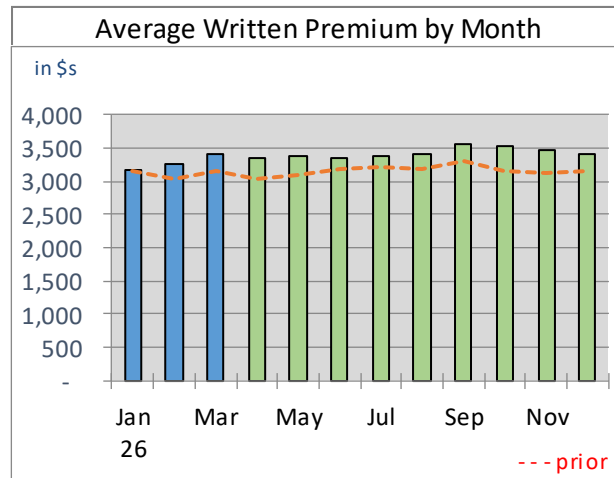
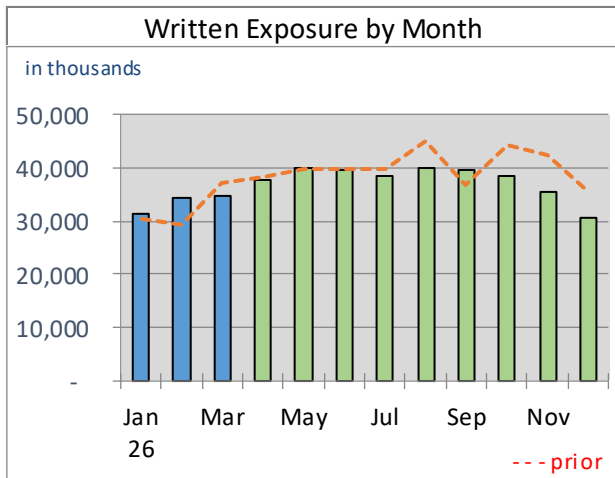
	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
LIC Impact	(102,295)	(4,221)	971	(3,707)	557	(1,370)	(110,065)
PAY	(58,265)	4,431	5,257	(3,087)	969	(959)	(51,655)
CAY	(44,030)	(8,652)	(4,287)	(619)	(412)	(411)	(58,410)
LRC Impact	(249,521)	(12,616)	7,098	(6,937)	1,240	(7,366)	(268,101)
CAY	(105,129)	(12,616)	(43)	(2,113)	166	(2,586)	(122,321)
FtAY	(144,392)	-	7,142	(4,824)	1,074	(4,780)	(145,780)
Total	(351,816)	(16,837)	8,069	(10,644)	1,797	(8,736)	(378,166)
Impact on YTD COR	(277.0%)	(33.8%)	17.2%	(171.5%)	39.2%	(329.3%)	(159.5%)

The table below shows the yield impact on the liability this month which reflects a Yield increase of 17 to 19 basis points. These amounts are included in the LIC and LRC impacts shown above.

Yield Impact Breakdown							
	ON	AB Grid	AB non-Grid	NS	NB	NL	TOTAL
LIC	(5,121)	(1,237)	123	89	(201)	(21)	(6,369)
LRC	(4,921)	(871)	(3,353)	(145)	(179)	(80)	(9,549)
TOTAL	(10,042)	(2,108)	(3,230)	(56)	(380)	(101)	(15,918)

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 34,825 vehicles, which was lower than prior year by 2,290 vehicles and 1,638 vehicles lower than The Outlook for the month. This is primarily driven by a decrease in the Ontario pool. Average Written Premiums for the month are up by 8% primarily driven by increase in the Ontario and 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.

Saskia Matheson
President & CEO