






RSP Financial Insights Fiscal Q2 2026

For the fiscal quarter April 30, 2026

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As expected	
Moderately different than expected	
Significantly different than expected	

RSP Headlines

Projected 2026 Fiscal Year-End RSP Operating Deficit: \$ 378.5 million
Projected 2026 Fiscal Year-End RSP Operating COR: 138.6% (see slide 5)

2026 Fiscal Outlook Operating Deficit: \$716.3 million
2026 Fiscal Outlook Operating COR: 175.4%

Financial Highlights

- We have updated the **full-year 2026 fiscal year business projections** as at the end of the fiscal quarter:
 - **Written premium is \$1.52 billion for the combined 6 RSPs** which represents a 7.0% increase (or \$45.8 million increase) compared to prior year, and 6.3% increase (or \$89.2 million increase) compared to The Outlook.
 - **Average written premium** is 7.2% higher compared to prior year, and 6.3% higher compared to Outlook.
 - **Vehicle counts** are lower compared to prior year, mainly driven by decrease in Alberta Grid while all other RSPs are higher than prior year. When compared with the Outlook, counts came in slightly higher coming from all jurisdiction expect for the Nova Scotia and Newfoundland pools where counts came in lower due to updated projections.
- Adjustments to the Alberta Grid premiums effective Jan 01, 2026 including a 20% base rate increase outlined in the [AIRB Order 01-2025](#). We expect this to considerably improve the operating result of the Grid risk sharing pool in 2026, and decrease the number of Grid-rated vehicles in the province of Alberta and in the Grid risk sharing pool.
- The fiscal year-to-date COR is 174.5% which represents a 95.8 percentage point improvement compared to prior year and 71.8 percentage point improvement compared the Outlook. The improvement compared to prior year is driven by Alberta Grid since no Loss Component as been booked for AY 2027 as no further vehicles will be eligible for transfer to the Grid RSP as of Jan 01, 2027, as well as a reduction in the loss ratio in Ontario RSP for the remainder of 2026 – largely due to improvements in Comprehensive coverage.

RSP YTD Operating Results

YTD operating deficit shows a significant improvement compared to the prior year and Outlook primarily driven by reduction in the Loss Component related to future claims in Ontario RSP, especially Comprehensive claims

FISCAL YEAR (\$000s)	Actual RSP	Actual RSP	Change Q2 2026 - Q2 2025		Actual RSP	Actual RSP	Outlook RSP	Change 2026 - 2025		Change from Outlook	
	Q2 Apr 2026	Q2 Apr 2025	\$	%	YTD 6 mths to Apr 2026	YTD 6 mths to Apr 2025	YTD 6 mths to Apr 2026	\$	%	\$	%
Premium written	357,447	322,680	34,768	11%	703,598	653,099	657,759	50,499	8%	45,839	7%
Premium Earned	359,995	324,130	35,865	11%	728,126	652,865	727,520	75,261	12%	606	0%
Earned Expense Allowance	(124,037)	(111,301)	(12,736)	11%	(251,372)	(222,963)	(251,710)	(28,409)	13%	338	(0%)
INSURANCE REVENUE	235,959	212,829	23,129	11%	476,754	429,902	475,810	46,851	11%	944	0%
Claims incurred	350,298	366,001	(15,703)	(4%)	743,485	734,411	793,165	9,074	1%	(49,680)	(6%)
Adjustment to liabilities for incurred claims	(63,515)	(11,350)	(52,166)	460%	(74,544)	(24,690)	(29,892)	(49,854)	202%	(44,652)	149%
Change in loss component	(405,729)	(248,527)	(157,201)	63%	112,882	380,427	335,808	(267,545)	(70%)	(222,926)	(66%)
Administration expenses	2,298	1,873	425	23%	5,781	4,746	5,710	1,035	22%	70	1%
INSURANCE SERVICE EXPENSES	(116,648)	107,997	(224,645)	(208%)	787,605	1,094,896	1,104,792	(307,291)	(28%)	(317,188)	(29%)
INSURANCE SERVICE RESULTS	352,607	104,832	247,775	236%	(310,851)	(664,993)	(628,983)	354,142	(53%)	318,132	(51%)
Finance income/expense - Discount Unwind	(30,801)	41,501	(72,302)	(174%)	(60,410)	(66,104)	(67,091)	5,694	(9%)	6,681	(10%)
Finance income/expense - Yield Impact	15,918	(78,880)	94,798	(120%)	15,918	(979)	-	16,897	0%	15,918	0%
Net finance income/expense from insurance	(14,883)	(37,379)	22,496	(60%)	(44,492)	(67,083)	(67,091)	22,591	(34%)	22,600	(34%)
OPERATING SURPLUS (DEFICIT)	337,724	67,453	270,271	401%	(355,343)	(732,076)	(696,074)	376,733	(51%)	340,731	(49%)
KEY PERFORMANCE METRICS											
Growth Indicators											
Vehicle Counts	105,674	104,792	882	1%	215,297	213,729	210,816	1,568	1%	4,481	2%
Average Premium	3,383	3,079	303	10%	3,268	3,056	3,120	212	7%	148	5%
Profitability Metrics											
Claims Ratio (CY)	148.5%	172.0%	-	(23.5%)	155.9%	170.8%	166.7%	-	(14.9%)	-	(10.8%)
Claims Ratio (PY)	-26.9%	-5.3%	-	(21.6%)	-15.6%	-5.7%	-6.3%	-	(9.9%)	-	(9.4%)
Total Claims Ratio (CY+PY)	121.5%	166.6%	-	(45.1%)	140.3%	165.1%	160.4%	-	(24.8%)	-	(20.1%)
Onerous Contract Ratio	-171.9%	-116.8%	-	(55.2%)	23.7%	88.5%	70.6%	-	(64.8%)	-	(46.9%)
Admin Expense Ratio	1.0%	0.9%	-	0.1%	1.2%	1.1%	1.2%	-	0.1%	-	0.0%
Insurance Service Result Ratio	-49.4%	50.7%	-	(100.2%)	165.2%	254.7%	232.2%	-	(89.5%)	-	(67.0%)
Net Insurance Finance Income/Expense - Discount Unwind Ratio	13.1%	-19.5%	-	32.6%	12.7%	15.4%	14.1%	-	(2.7%)	-	(1.4%)
Net Insurance Finance Income/Expense - Yield Impact Ratio	-6.7%	37.1%	-	(43.8%)	-3.3%	0.2%	0.0%	-	(3.6%)	-	(3.3%)
Net Insurance Finance Income/Expense Ratio	6.3%	17.6%	-	(11.3%)	9.3%	15.6%	14.1%	-	(6.3%)	-	(4.8%)
Combined Ratio	-43.1%	68.3%	-	(111.4%)	174.5%	270.3%	246.3%	-	(95.8%)	-	(71.8%)

Key Messages:

- Increase in revenue compared to prior year and Outlook primarily driven by higher average premiums in most pools, notably Alberta Grid, due to increases in the rates over the fiscal year.
- Total claims ratio is lower than Outlook and the prior year mainly driven by the increase in insurance revenue and the decrease in loss component. Onerous contract ratio improved dramatically from prior year and change in loss component decreased \$268M from prior year, driven by better-than-expected nominal loss ratios for Ontario (18% reduction from prior valuation) in Comprehensive and Collision coverage on current and future years. There were also lower projected premium volumes for the future accident year 2027, particularly for Alberta Grid RSP.
- Overall, the combined operating ratio improved relative to both prior year and Outlook, driven by a lower ultimate loss ratio trend. This reduced the current year loss ratio, largely due to the decrease in the loss component following the March 2026 valuation update.

RSP Latest Fiscal Year-End 2026

Fiscal Year 2026 Latest Projection (\$'000s) as at 202604

Fiscal Year-End 2026 (\$'000s)								FY2026 Outlook
	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total	Total
Written Premium	822,785	271,424	334,436	35,145	36,141	16,110	1,516,041	1,426,420
Received Premium	809,904	284,076	338,786	34,454	37,412	16,489	1,521,120	1,435,971
Earned Premium	785,735	310,179	314,227	30,714	38,605	16,229	1,495,690	1,450,009
Earned Expense Allowance	(255,886)	(113,283)	(114,387)	(12,120)	(13,834)	(5,665)	(515,174)	(500,409)
Insurance Revenue	529,849	196,897	199,840	18,594	24,772	10,564	980,516	949,600
Total Claims Incurred	753,058	222,122	387,119	28,161	30,138	13,909	1,434,506	1,562,048
<i>Claims incurred (CAY)</i>	<i>827,516</i>	<i>232,671</i>	<i>394,287</i>	<i>27,661</i>	<i>33,953</i>	<i>15,050</i>	<i>1,531,138</i>	<i>1,615,083</i>
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	<i>(74,458)</i>	<i>(10,549)</i>	<i>(7,168)</i>	<i>500</i>	<i>(3,815)</i>	<i>(1,141)</i>	<i>(96,631)</i>	<i>(53,035)</i>
Administrative Expense	3,329	1,977	2,002	1,259	1,264	940	10,770	10,870
<i>Losses and Reversals of Losses on Onerous Contracts</i>	<i>241,163</i>	<i>(8,402)</i>	<i>178,495</i>	<i>13,859</i>	<i>9,190</i>	<i>2,025</i>	<i>436,331</i>	<i>671,202</i>
<i>Reversal of Expected Claims and Expenses</i>	<i>(354,296)</i>	<i>(40,076)</i>	<i>(198,148)</i>	<i>(9,984)</i>	<i>(11,967)</i>	<i>(6,144)</i>	<i>(620,617)</i>	<i>(705,009)</i>
Change in Loss Component	(113,133)	(48,478)	(19,653)	3,875	(2,778)	(4,119)	(184,286)	(33,807)
Insurance Service Expenses	643,253	175,621	369,467	33,296	28,624	10,729	1,260,990	1,539,111
Insurance Service Result	(113,404)	21,276	(169,627)	(14,702)	(3,852)	(165)	(280,474)	(589,511)
Insurance Finance Expense from PV FCF	(31,793)	(18,613)	(18,922)	(996)	(1,359)	(347)	(72,030)	(86,555)
Insurance Finance Expense from Risk Adjustment	(2,376)	(1,551)	(1,532)	(86)	(82)	(22)	(5,649)	(6,690)
Insurance Finance Expense from Loss Component	(12,829)	(1,271)	(5,272)	(334)	(434)	(225)	(20,366)	(33,570)
Insurance Finance Income (Expense)	(46,998)	(21,435)	(25,727)	(1,416)	(1,875)	(594)	(98,045)	(126,816)
2026 Operating Result	(160,402)	(160)	(195,353)	(16,118)	(5,727)	(759)	(378,519)	(716,327)
Ratios								
<i>Claims incurred (CAY)</i>	156.2%	118.2%	197.3%	148.8%	137.1%	142.5%	156.2%	170.1%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(14.1%)	(5.4%)	(3.6%)	2.7%	(15.4%)	(10.8%)	(9.9%)	(5.6%)
Loss Ratios (% Insurance Revenue)	142.1%	112.8%	193.7%	151.5%	121.7%	131.7%	146.3%	164.5%
<i>Earned Expense allowance</i>	32.6%	36.5%	36.4%	39.5%	35.8%	34.9%	34.4%	34.5%
<i>Change in Loss Component (excluding IFE)</i>	(21.4%)	(24.6%)	(9.8%)	20.8%	(11.2%)	(39.0%)	(18.8%)	(3.6%)
<i>Administrative Expenses</i>	0.6%	1.0%	1.0%	6.8%	5.1%	8.9%	1.1%	1.1%
Insurance Service Ratio	121.4%	89.2%	184.9%	179.1%	115.6%	101.6%	128.6%	162.1%
Combined Operating Ratio	130.3%	100.1%	197.8%	186.7%	123.1%	107.2%	138.6%	175.4%

Note: This forecast is a projection of future events based on models and assumptions believed to be realistic simplifications of the real world, but as simplifications, inherent uncertainty exists in relation to how actual events will unfold relative to these projections. **The user of this Outlook should recognize that future Operating Results may deviate from these projections by material amounts.** Materiality is a relative concept. As used here, material deviations are those that could reasonably be expected to influence decisions by users of this Outlook. The initial Outlook published in Dec 2025 for Calendar Year 2026 can be found [here](#) for your reference.

RSP FY 2026 Outlook Versus FY 2026 Latest Projection

	Ontario	Alberta Grid	Alberta Non-Grid	New Brunswick	Nova Scotia	Newfoundland & Labrador	Total
WRITTEN PREMIUM (\$000s)							
The Outlook	793,768	215,698	317,021	31,767	43,073	25,093	1,426,420
Latest Projection	822,785	271,424	334,436	35,145	36,141	16,110	1,516,041
Change (\$)	29,017	55,725	17,415	3,378	(6,932)	(8,983)	89,620
Change (%)	3.7%	25.8%	5.5%	10.6%	(16.1%)	(35.8%)	6.3%
WRITTEN VEHICLE COUNT							
The Outlook	214,015	53,582	126,179	17,825	21,474	12,827	445,903
Latest Projection	217,179	59,337	127,095	19,578	19,954	9,025	452,167
Change (%)	1.5%	10.7%	0.7%	9.8%	(7.1%)	(29.6%)	1.4%
LOSS RATIOS (%)							
The Outlook CAY Loss Ratio	178.4%	125.1%	196.2%	150.4%	141.0%	151.4%	170.1%
Latest Projection CAY Loss Ratio	156.2%	118.2%	197.3%	148.8%	137.1%	142.5%	156.2%
Change	(22.2%)	(7.0%)	1.1%	(1.7%)	(3.9%)	(8.9%)	(13.9%)
The Outlook PAY Loss Ratio	(4.5%)	(7.6%)	(7.1%)	(5.0%)	(4.1%)	(2.0%)	(5.6%)
Latest Projection PAY Loss Ratio	(14.1%)	(5.4%)	(3.6%)	2.7%	(15.4%)	(10.8%)	(9.9%)
Change	(9.5%)	2.2%	3.5%	7.7%	(11.3%)	(8.8%)	(4.3%)
EARNED EXPENSE ALLOWANCE RATIO (%)							
The Outlook	32.7%	36.6%	36.4%	39.5%	35.8%	34.8%	34.5%
Latest Projection	32.6%	36.5%	36.4%	39.5%	35.8%	34.9%	34.4%
Change	(0.2%)	(0.0%)	(0.0%)	(0.0%)	(0.0%)	0.1%	(0.1%)
COMBINED OPERATING RATIO (%)							
The Outlook	194.7%	105.0%	189.8%	176.5%	164.7%	186.1%	175.4%
Latest Projection	130.3%	100.1%	197.8%	186.7%	123.1%	107.2%	138.6%
Change	(64.4%)	(4.9%)	7.9%	10.2%	(41.6%)	(78.9%)	(36.8%)
OPERATING RESULT (\$000s)							
The Outlook	(491,949)	(9,061)	(175,432)	(13,314)	(15,878)	(10,694)	(716,327)
Latest Projection	(160,402)	(160)	(195,353)	(16,118)	(5,727)	(759)	(378,519)
Change (\$)	331,546	8,901	(19,922)	(2,804)	10,151	9,935	337,808

RSP Premium Drivers

Written Premium (\$000s)	Fiscal Year to Date			Projected Fiscal Year End		
	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	366,882	321,684	348,316	822,785	737,776	793,768
Alberta Grid	136,986	108,763	110,179	271,424	245,460	215,698
Alberta Non-Grid	157,488	130,428	155,399	334,436	309,592	317,021
New Brunswick	15,454	13,014	13,389	35,145	30,560	31,767
Nova Scotia	19,375	17,272	19,208	36,141	40,354	43,073
Newfoundland	7,413	11,077	11,268	16,110	23,120	25,093
Total	703,598	602,238	657,759	1,516,040	1,386,863	1,426,420

Written Vehicle Count	Fiscal Year to Date			Projected Fiscal Year End		
	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	99,024	100,013	96,544	217,179	216,455	214,015
Alberta Grid	31,157	31,013	28,341	59,337	71,000	53,582
Alberta Non-Grid	61,622	56,071	62,684	127,095	126,065	126,179
New Brunswick	8,940	7,696	7,738	19,578	17,983	17,825
Nova Scotia	10,100	8,692	9,711	19,954	20,249	21,474
Newfoundland	4,453	4,672	5,798	9,025	10,314	12,827
Total	215,297	208,157	210,816	452,167	462,066	445,903

AWP	Fiscal Year to Date			Projected Fiscal Year End		
	Current Year	Prior Year	The Outlook	Current Year	Prior Year	The Outlook
Ontario	3,705	3,216	3,608	3,789	3,408	3,709
Alberta Grid	4,397	3,507	3,888	4,574	3,457	4,026
Alberta Non-Grid	2,556	2,326	2,479	2,631	2,456	2,512
New Brunswick	1,729	1,691	1,730	1,795	1,699	1,782
Nova Scotia	1,918	1,987	1,978	1,811	1,993	2,006
Newfoundland	1,665	2,371	1,943	1,785	2,242	1,956
Total	3,268	2,893	3,120	3,353	3,001	3,199

Fiscal Year to Date Change				Projected Fiscal Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
45,198	14%	18,566	5%	85,009	12%	29,017	4%
28,223	26%	26,807	24%	25,964	11%	55,725	26%
27,061	21%	2,089	1%	24,844	8%	17,415	5%
2,440	19%	2,064	15%	4,585	15%	3,378	11%
2,103	12%	167	1%	(4,213)	(10%)	(6,932)	(16%)
(3,664)	(33%)	(3,855)	(34%)	(7,011)	(30%)	(8,983)	(36%)
101,360	17%	45,839	7%	129,178	9%	89,620	6%

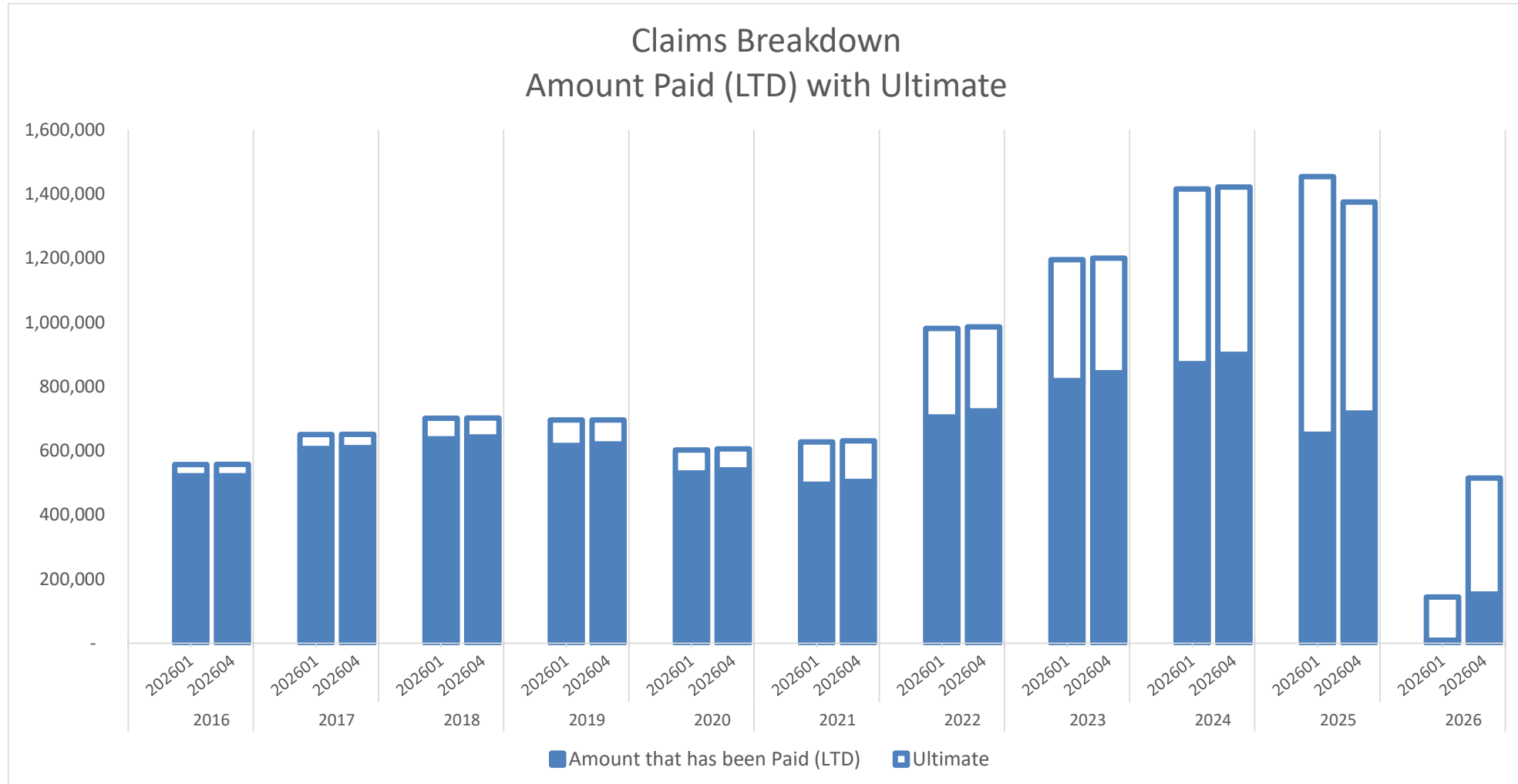
Fiscal Year to Date Change				Projected Fiscal Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(989)	(1%)	2,480	3%	724	0%	3,163	1%
144	0%	2,816	10%	(11,663)	(16%)	5,755	11%
5,551	10%	(1,062)	(2%)	1,031	1%	916	1%
1,244	16%	1,202	16%	1,594	9%	1,752	10%
1,408	16%	389	4%	(295)	(1%)	(1,519)	(7%)
(218)	(5%)	(1,345)	(23%)	(1,289)	(13%)	(3,803)	(30%)
7,140	3%	4,481	2%	(9,898)	(2%)	6,265	1%

Fiscal Year to Date Change				Projected Fiscal Year-End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
489	15%	97	3%	380	11%	80	2%
890	25%	509	13%	1,117	32%	549	14%
230	10%	77	3%	176	7%	119	5%
38	2%	(2)	(0%)	96	6%	13	1%
(69)	(3%)	(60)	(3%)	(182)	(9%)	(195)	(10%)
(707)	(30%)	(279)	(14%)	(457)	(20%)	(171)	(9%)
375	13%	148	5%	351	12%	154	5%

Key Messages:

- The written premiums for **Fiscal Year-End 2026** is **\$1.52bn**, or **9% increase** compared to prior year and **6% increase** compared to Outlook.
- Fiscal year-to-date, there has been **premium volume growth in Alberta** primarily driven by increases to average written premium and counts in Alberta Non-Grid. Overall **average written premium** is up **13%** compared to PY, driven by both rate increases and changes in the mix of business ceded to the RSP
- Alberta Grid average written premium increased significantly** due to the annual Grid rate adjustment (20% in Jan 2026). This has led to fewer eligible vehicles, reducing projected cessions to the Grid RSP through the remainder of 2026. However, on a YTD basis, we have seen 10% more vehicles transferred to the Grid pool than we anticipated in Outlook.
- Volume growth is also observed Atlantic pools (excluding Newfoundland), has seen count growth compared to prior year as more members make use of the pool. *See Focus Area #1 and #2 for more detail.*

RSP Movement in Unpaid Loss During the Quarter



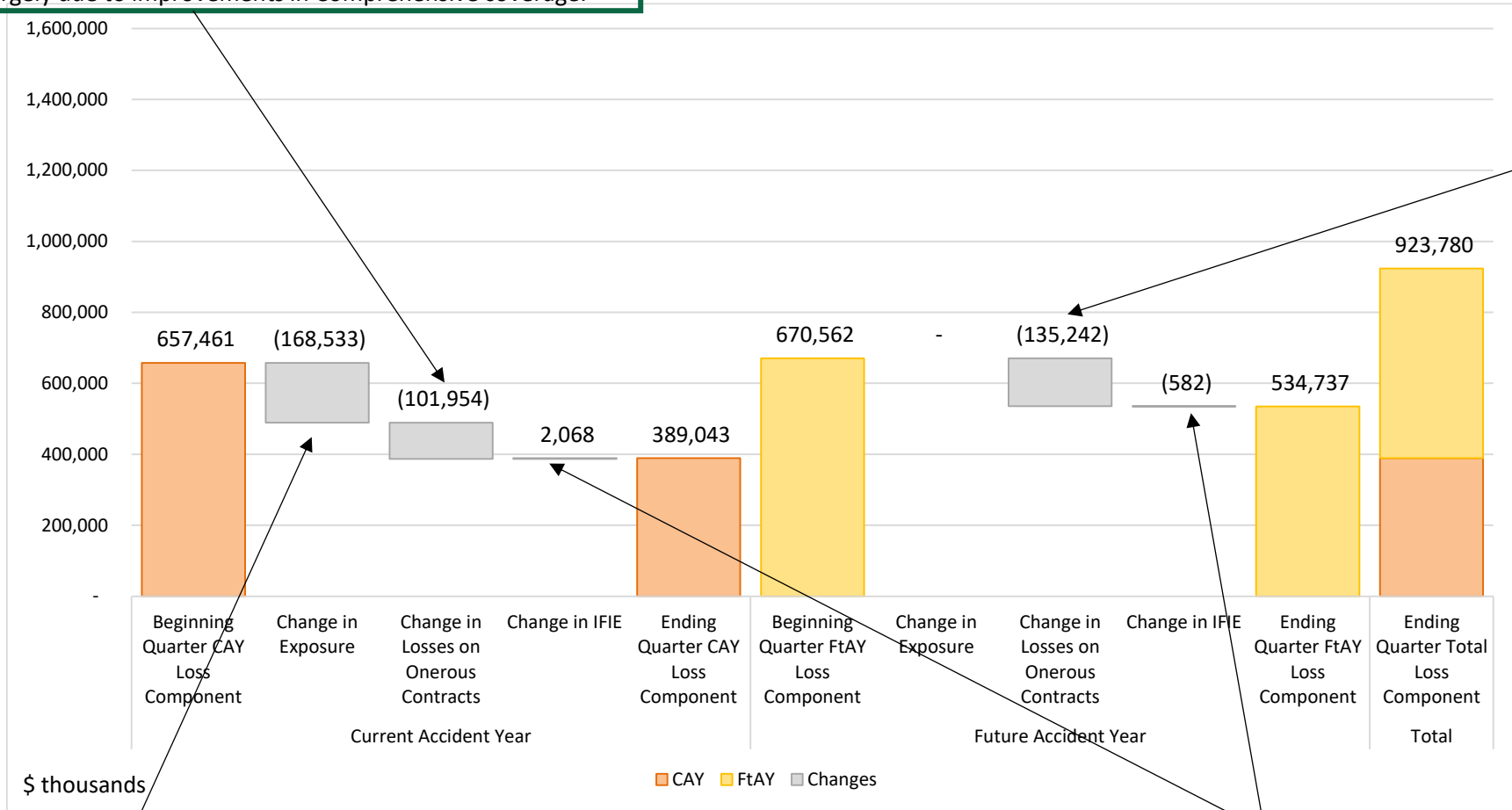
Key Messages:

- Unpaid losses **decreased** slightly from \$2.36B to \$2.34B (\$16.4 million or 0.7%). This occurred because we have favourably adjusted our view of the 2025 accident year ultimate losses.
- This quarter the total paid amount is \$316.5 million compared to \$276.7 million projected in Jan 2026
- This slide shows the change in the incurred claims and paid claims during the quarter for claims from the last 10 accident years; there is a minimal amount of unpaid claims and claims payments related to years before 2016.

RSP Change in Loss Component During the Quarter

Change in losses on onerous contracts **decreased** by \$102.0 million for AY 2026, driven by changes in projected written premiums for Accident Year 2026 during the quarter as well as a reduction in the expected Ontario RSP loss ratio for the remainder of 2026 – largely due to improvements in Comprehensive coverage.

For AY 2027, change in losses on onerous contacts **decreased** by \$135.2 million; of which \$142.8 million in Ontario and \$15.4 million in Alberta Non-Grid while Alberta Grid booked no loss component for AY 2027. The large reduction in the Ontario AY 2027 loss component is related to favourable change in the projected comprehensive and all perils loss ratios for this cohort.



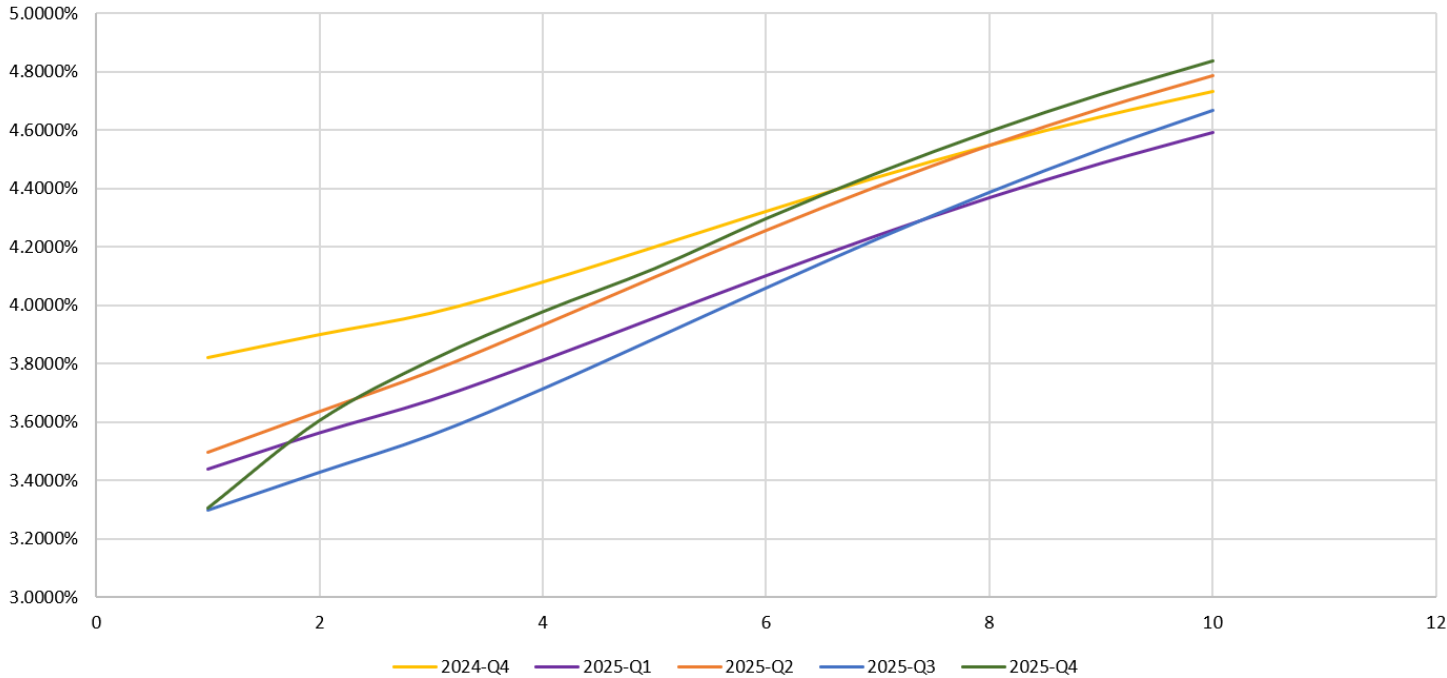
Change in exposure represents the change in the loss component arising from the portion of the LRC earned during the period for the AY 2026 cohort during the fiscal quarter.

Unfavorable change in IFIE by \$1.5 M primarily driven by discount unwinding of liabilities during the quarter (see next slide for more information on discount rates).

RSP Discount Rates and Yield Curve Over Time

Yields have been more volatile since 2022 due to inflation shock. Yields have fallen from an average of 4.16% to 3.84% in the last year which reduced the discounting benefit and caused insurance finance expenses to be incurred.

Fiera IFRS 17 Yield Curves Over Time



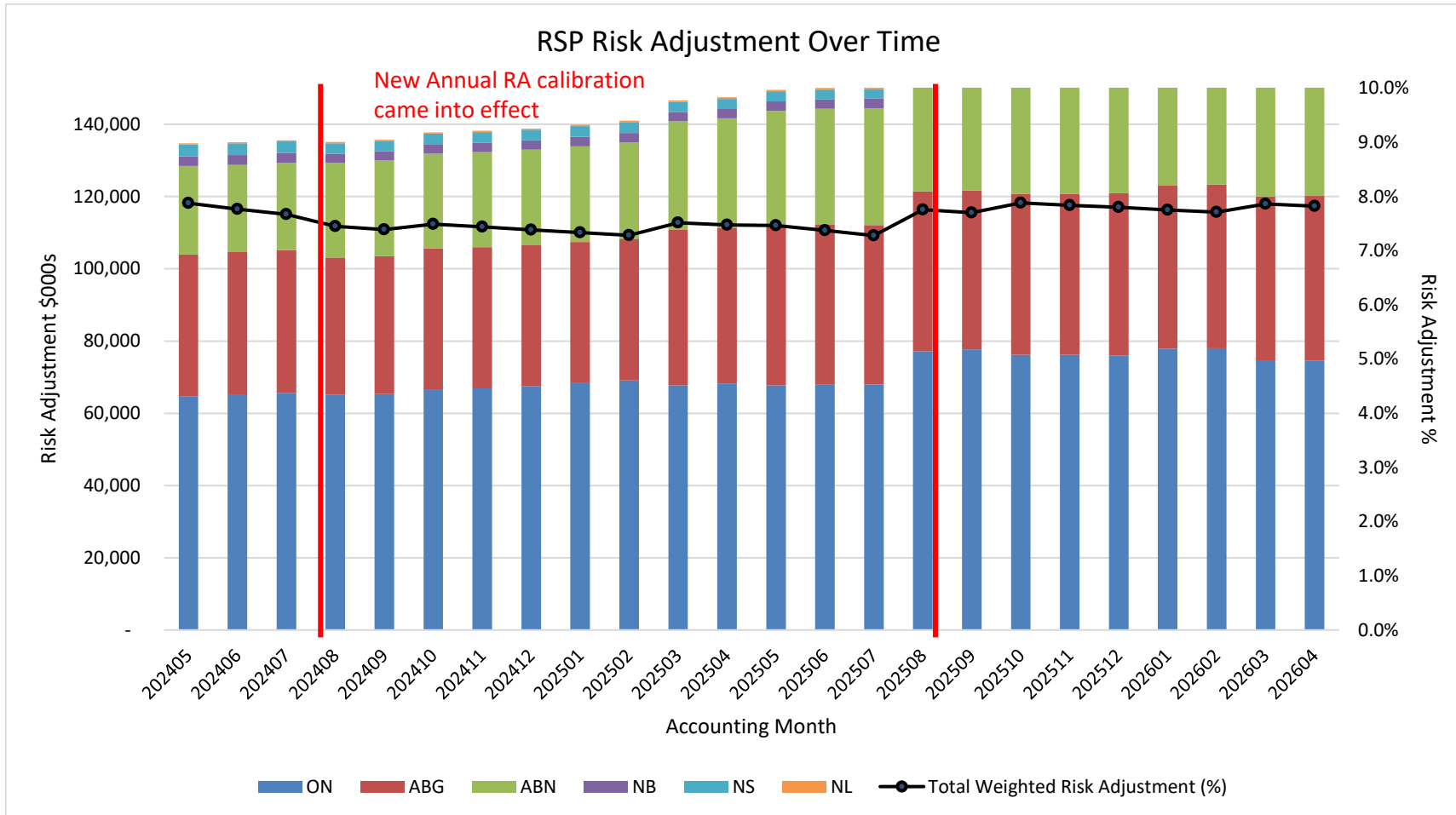
Key Messages:

- Table shows the impact of yield curve movements on the RSP liabilities for the most recent implementations.
- Yields began to decline in late 2023 and continued into 2024 and 2025.
- Slight increase in yield curve from 2025-Q3 to 2025-Q4 is recognized in the fiscal quarter 2 result, resulting in about \$15.9 million insurance finance expense.

	2024-Q4	2025-Q1	2025-Q2	2025-Q3	2025-Q4
Average RSP discount rate	4.16%	3.71%	3.83%	3.65%	3.84%
Change from prior	0.01%	-0.45%	0.12%	-0.18%	0.19%
Yield Impact LIC	5,980	(11,967)	10,288	(9,143)	6,369
Yield Impact PV FCF	5,556	(11,295)	9,611	(8,480)	5,910
Yield Impact Risk Adjustment	424	(671)	677	(662)	459
Yield Impact Loss Component	(6,959)	(17,775)	5,761	(8,662)	9,549
Total Yield Impact	(979)	(29,742)	16,049	(17,804)	15,918

RSP Risk Adjustment Over Time

The total weighted risk adjustment is 7.8% as at April 2026, versus 7.5% as at April 2025 and versus 7.7% projected in The Outlook.



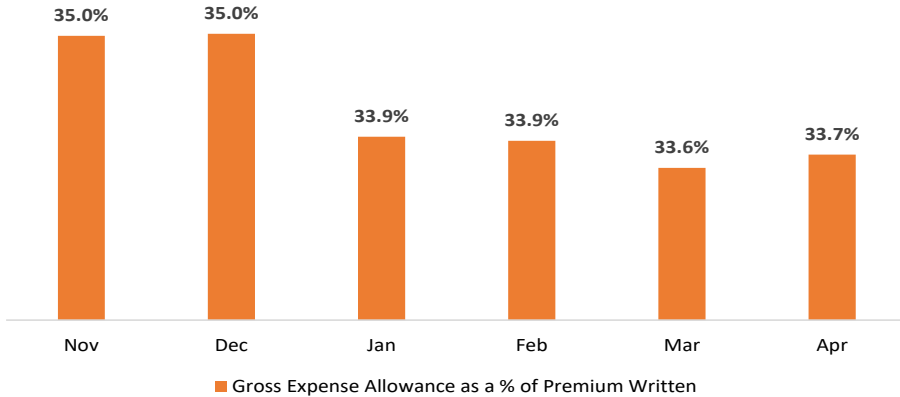
Key Messages:

- Risk adjustment is calibrated annually at the coverage level and fluctuates throughout the year based on the mix of claim liabilities by coverage.
- Calibration uses cost of capital approach; factors at the time of calibration are carried forward until the next calibration.
- The latest calibration was reflected in the August 2025 Operational Report.
- The next calibration will be reflected in the August 2026 Operational Report.

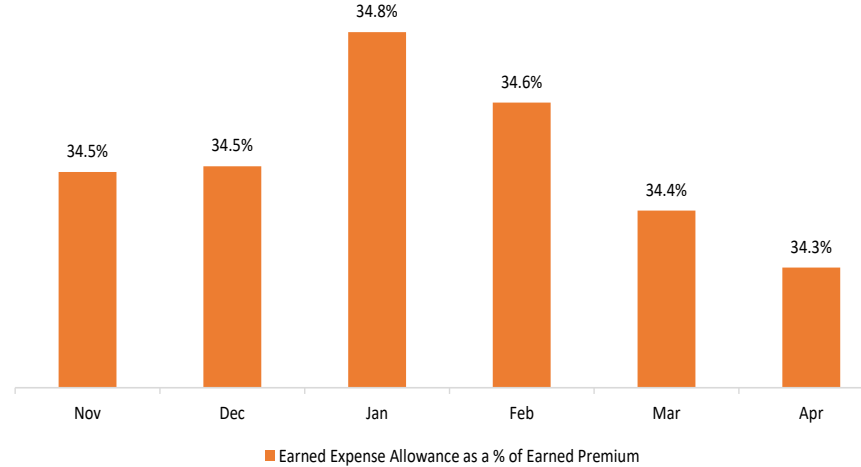
RSP Expenses

Low expense ratio averaging 1.2% driven by low administration expenses in relation to Insurance Revenue

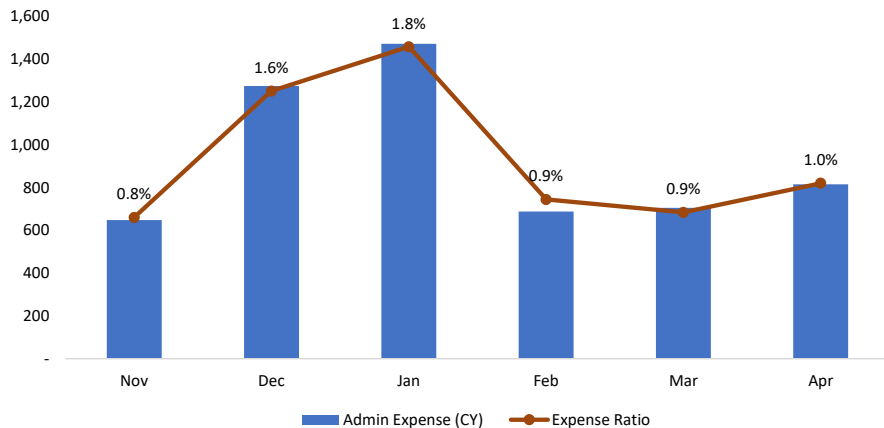
Gross Expense Allowance



Earned Expense allowance



Admin Expense



Impact on Expense Ratio	Actual YTD 2026	Actual YTD 2025	Variance (\$)	Variance (%)
Written Premium	703,598	653,099	50,499	7.7%
Earned Premium	728,126	652,865	75,261	11.5%
Insurance Revenue	476,754	429,902	46,851	10.9%
Total FACO Expenditure	14,522	12,578	1,944	15.5%
Administration Expense allocated to Mechanism	5,957	4,982	975	19.6%
% Allocated to RSP	41.0%	39.6%		
Interest Income (Offsets admin expenses)	-176	-236	60	-25.6%
Gross Administration Expense Ratio	1.2%	1.2%		
Net Impact to Industry	1.2%	1.1%		

Key Messages:

- Gross Expense Allowance Ratio (also called Expense Factor) calculated as Gross Expense Allowance divided by Premium Written is trending at 34.2% which is within the approved 2026 maximum of 34.2% - 39.3% for all members across all RSP pools.
- Earned Expense Allowance Ratio (calculated as Earned Expense Allowance divided by Earned Premium) is trending at 34.5% across the RSP pools and is in line with the change in Premium.
- The Admin Expense Ratio is calculated as Admin Expense (net of Interest Income) divided by Insurance Revenue, and has been rising, trending at an average of 1.2%.

RSP Financial Position

Increase in liabilities driven by recognition of the future accident year loss component combined with volume growth. Amounts due from members represents the future obligations of members for these liabilities.

RISK SHARING POOLS - IFRS 17 (\$000s)	April 30, 2026	October 31, 2025	Change	
			(\$)	(%)
Assets				
Cash in bank	1,881	5,138	(3,257)	(63%)
Prepaid expense allowance	42,665	49,099	(6,434)	(13%)
Accounts receivable from members	47,741	39,229	8,512	22%
Amounts due from members	3,697,058	3,531,654	165,404	5%
Total Assets	3,789,346	3,625,120	164,226	5%
Liabilities				
Liability for remaining coverage	1,331,697	1,217,575	114,122	9%
Liability for incurred claims	2,281,527	2,223,123	58,404	3%
Premium received	126,484	140,039	(13,555)	(10%)
Accounts payable to members	46,776	41,327	5,449	13%
Payable to FARM & other pools	2,861	3,056	(195)	(6%)
Total Liabilities	3,789,346	3,625,120	164,226	5%

Key Messages:

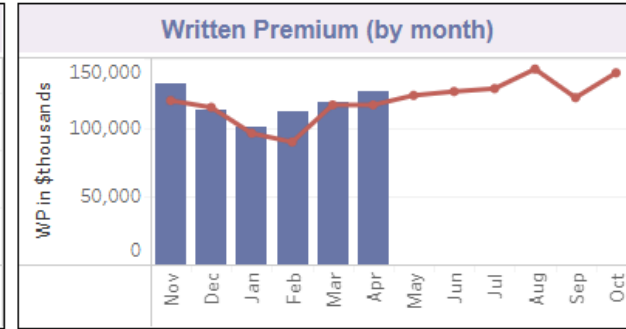
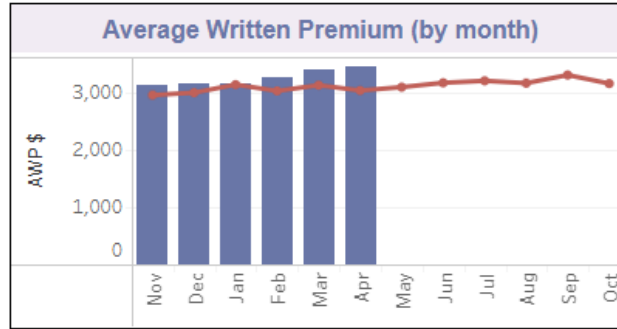
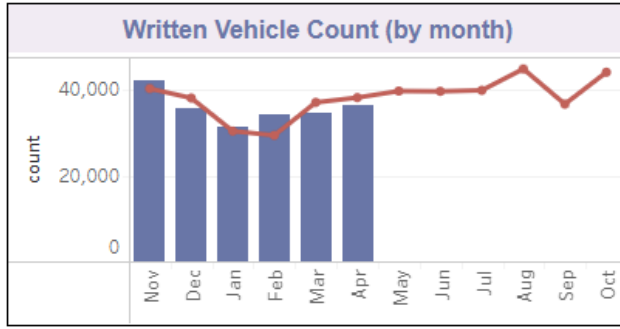
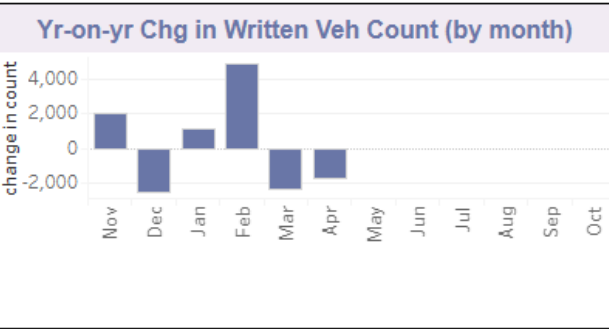
- Cash in bank decreased significantly due to early payments by several member companies, reflecting a timing difference with amounts due after year-end.
- Prepaid expense allowance represents the current month of expense allowance which can fluctuate from month-to-month depending on member activity and premium received.
- The LRC increased following recognition of the loss component of \$672M for accident year 2027 in January, partially offset by a \$263M loss component reduction in both current and future accident years in March resulting from lower-than-expected development in Comprehensive and Collision coverage in Ontario. The portion related to AY 2026 will unwind over the remainder of the year as the losses are recognized through incurred claims.
- The LIC has grown due to volume growth and loss ratio trend for the combined RSPs, so we continue to increase IBNR and case reserves at a faster rate than claims are paid.
- Premium received decreased from year-end driven by lower premiums in the current month \$126M vs \$140M as at October 2025 mainly in Alberta Grid.

Focus Area #1: Premium Drivers

RSP Premium Drivers

Current Year Legend

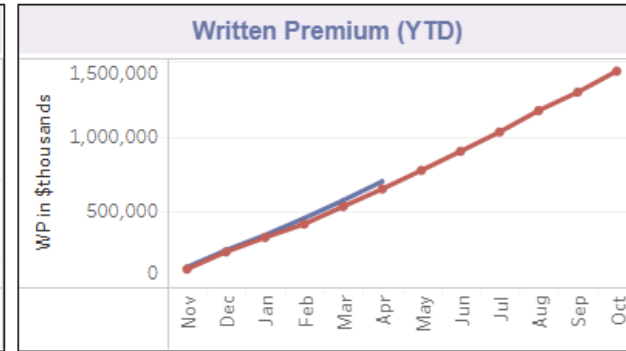
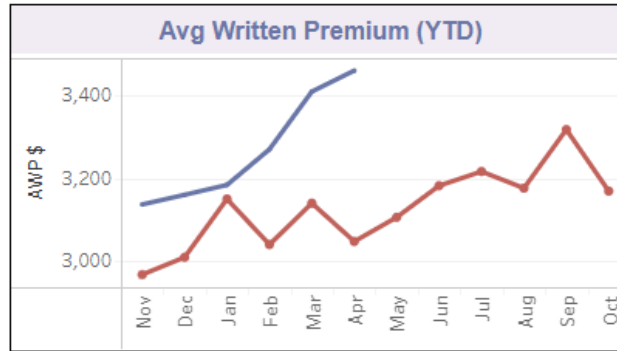
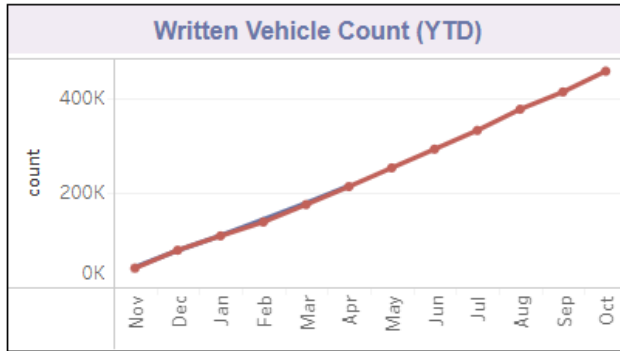
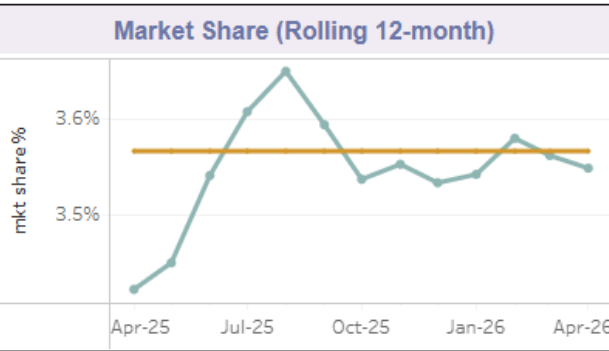
Prior Year Legend



	Apr-25	Apr-26
W. Veh curr mth	38,268	36,551
Amt Chg (curr mth W. Veh)		-1,718
% Chg (curr mth W. Veh)		-4.5%

	Apr-25	Apr-26
AWP curr mth	3,047	3,461
Amt Chg (AWP curr mth)		414
% Chg (AWP curr mth)		13.6%

	Apr-25	Apr-26
WP (\$000s) curr mth	116,584	126,484
Amt Chg (WP curr mth)		9,899
% Chg (WP curr mth)		8.5%



Mkt Shr 3-yr mkt share

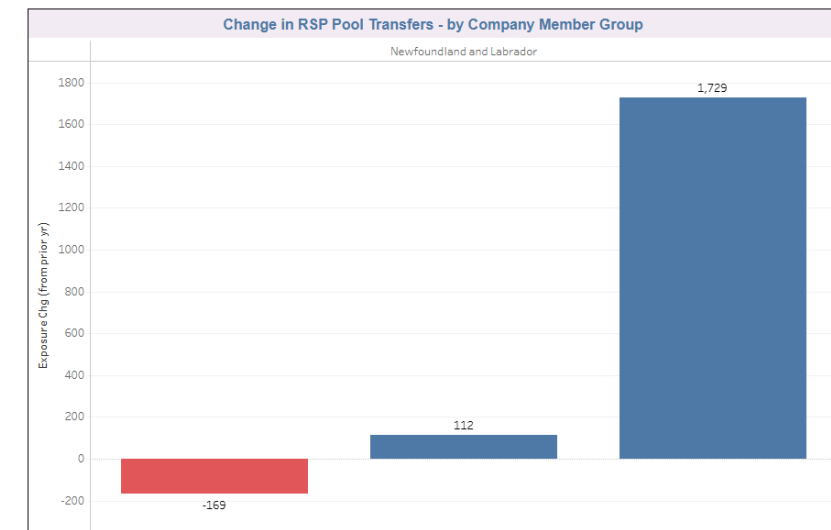
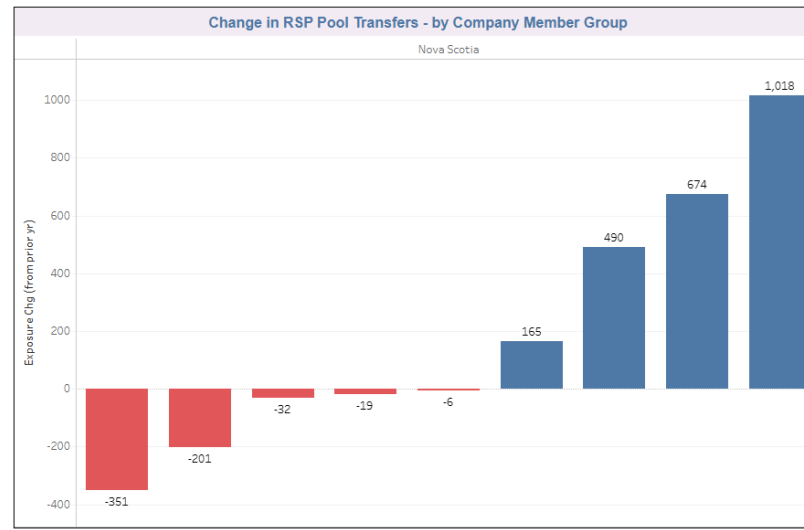
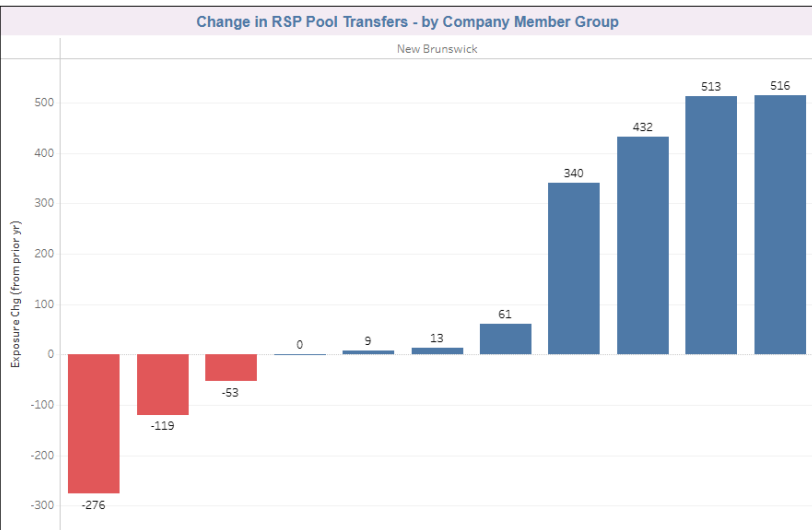
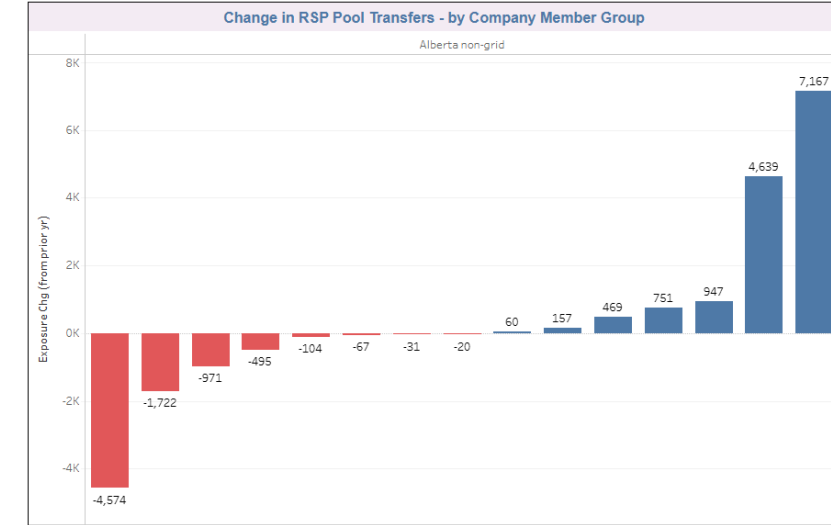
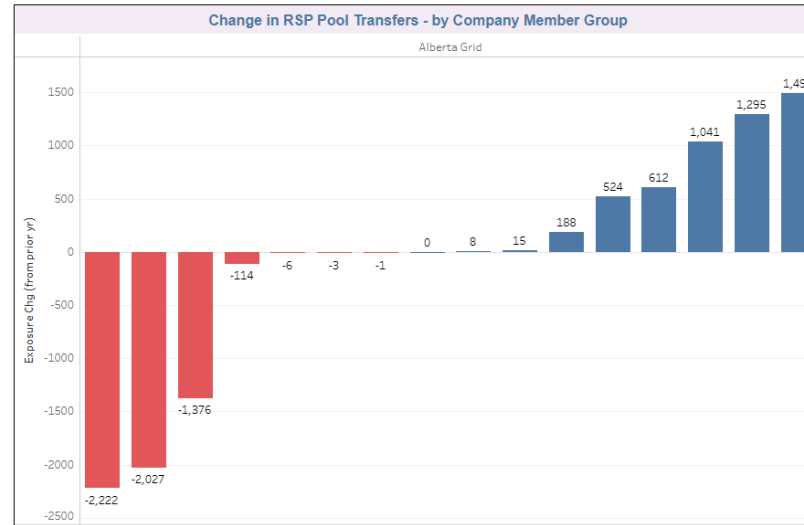
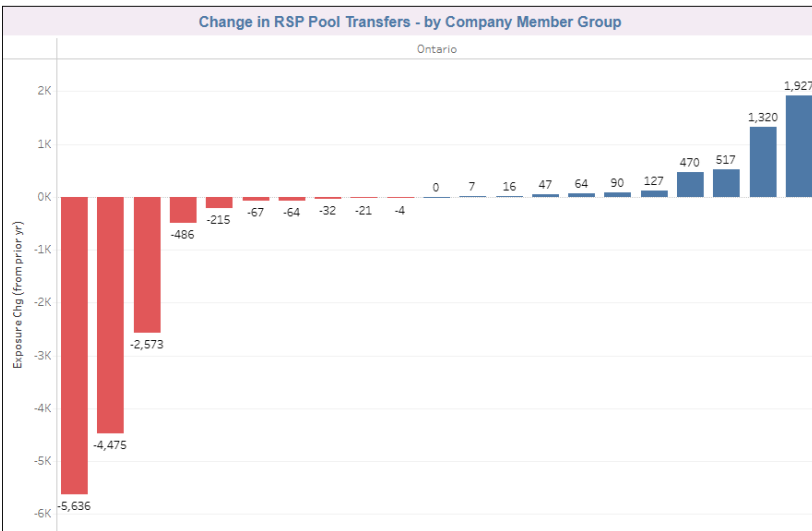
	Apr-25	Apr-26
Mkt Shr	3.4%	3.5%
Amt Chg		0.1%
% Chg		3.7%

	Apr-25	Apr-26
YTD W. Veh	213,832	215,328
Amt Chg (YTD W. Veh)		1,496
% Chg (YTD W. Veh)		0.7%

	Apr-25	Apr-26
AWP W. Prem YTD	3,054	3,268
Amt Chg (AWP W. Prem YTD)		213
% Chg (AWP W. Prem YTD)		7.0%

	Apr-25	Apr-26
WP (\$000s) YTD	653,099	703,598
Amt Chg (WP YTD)		50,499
% Chg (WP YTD)		7.7%

RSP Premium Drivers – FY YTD change in RSP transfers by member



Considerable decline fiscal year-to-date in Ontario across most member company groups. Nova Scotia, New Brunswick, Newfoundland and Labrador, and Alberta Non-Grid pools also seeing growth overall. Alberta Grid has decreased slightly in counts year to date.

RSP Premium - Total

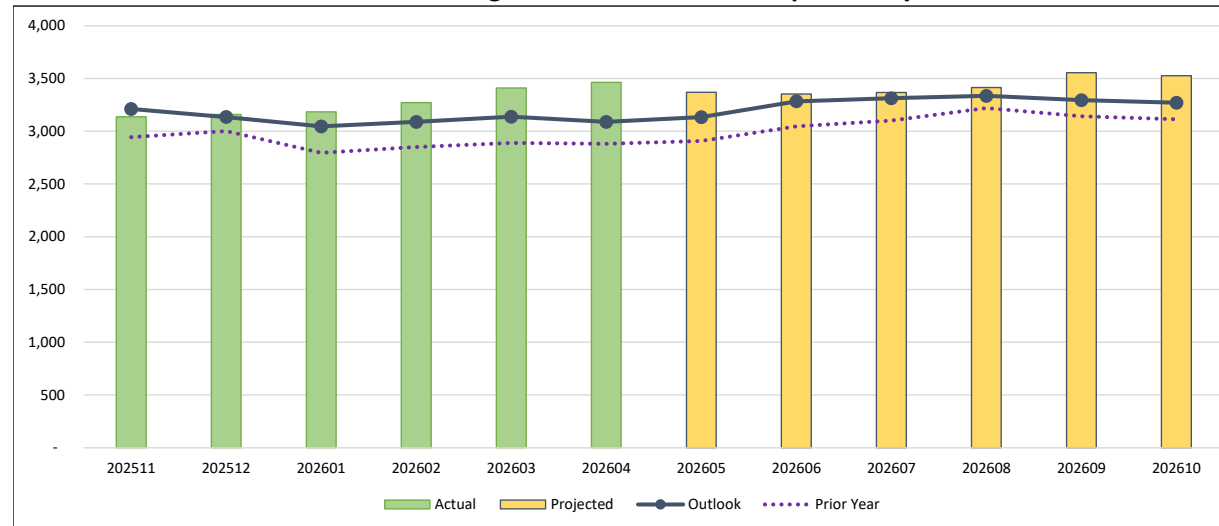
Fiscal Total - Written Premium Comparison by Month



Fiscal Total - Written Count Comparison by Month

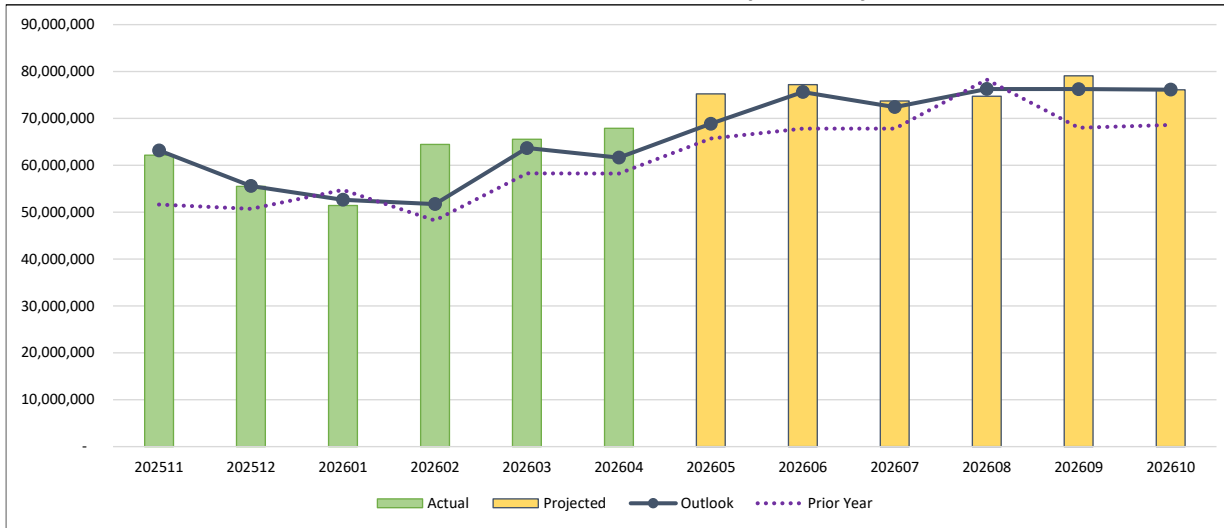


Fiscal Total - Average Written Premium Comparison by Month



RSP Premium - Ontario

Fiscal Ontario - Written Premium Comparison by Month



Fiscal Ontario - Written Count Comparison by Month

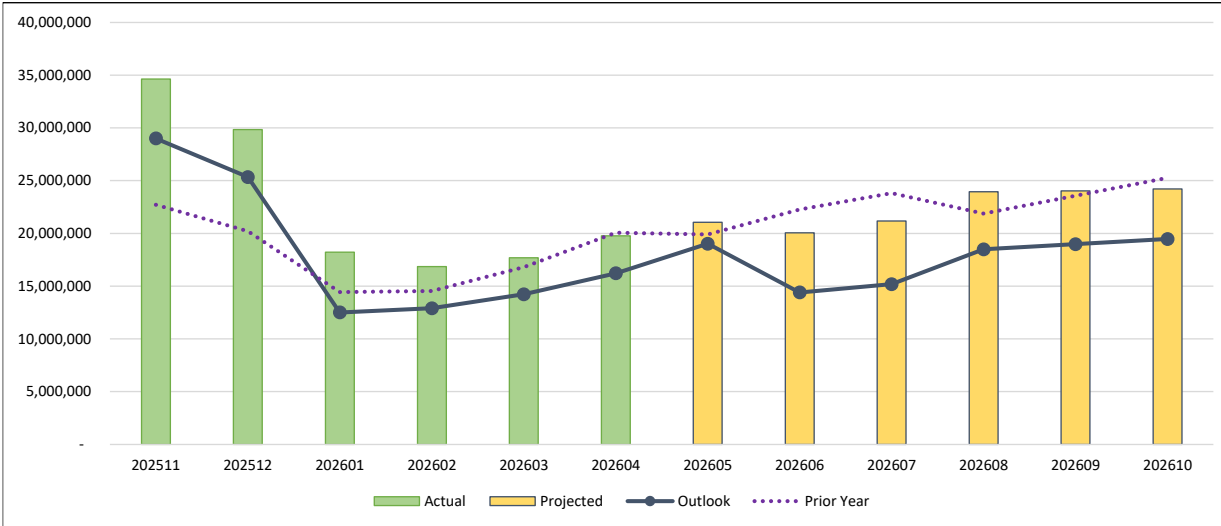


Fiscal Ontario - Average Written Premium Comparison by Month

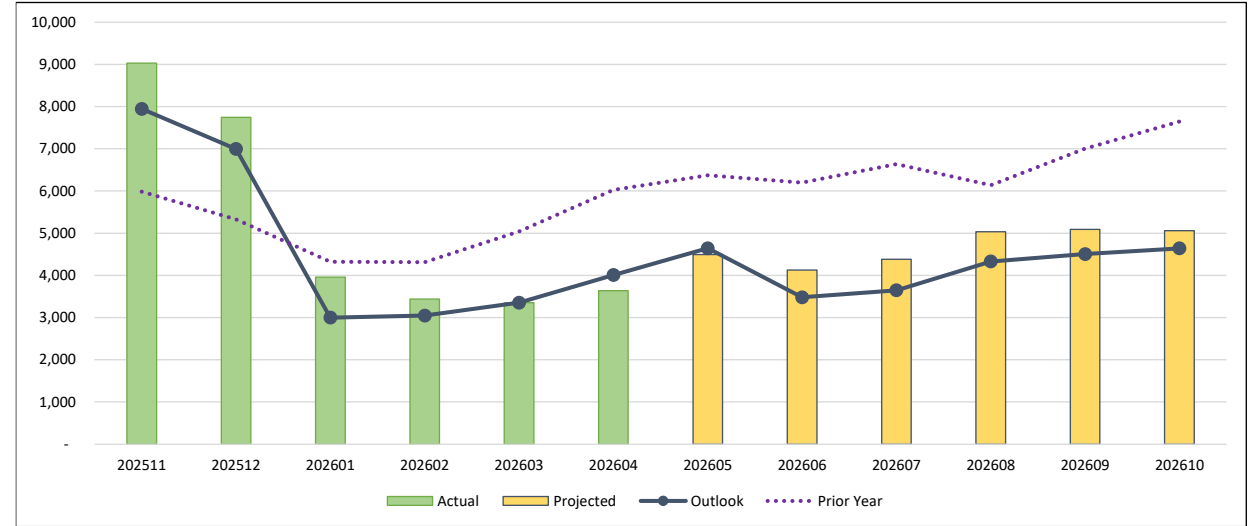


RSP Premium – Alberta Grid

Fiscal Alberta Grid - Written Premium Comparison by Month



Fiscal Alberta Grid - Written Count Comparison by Month

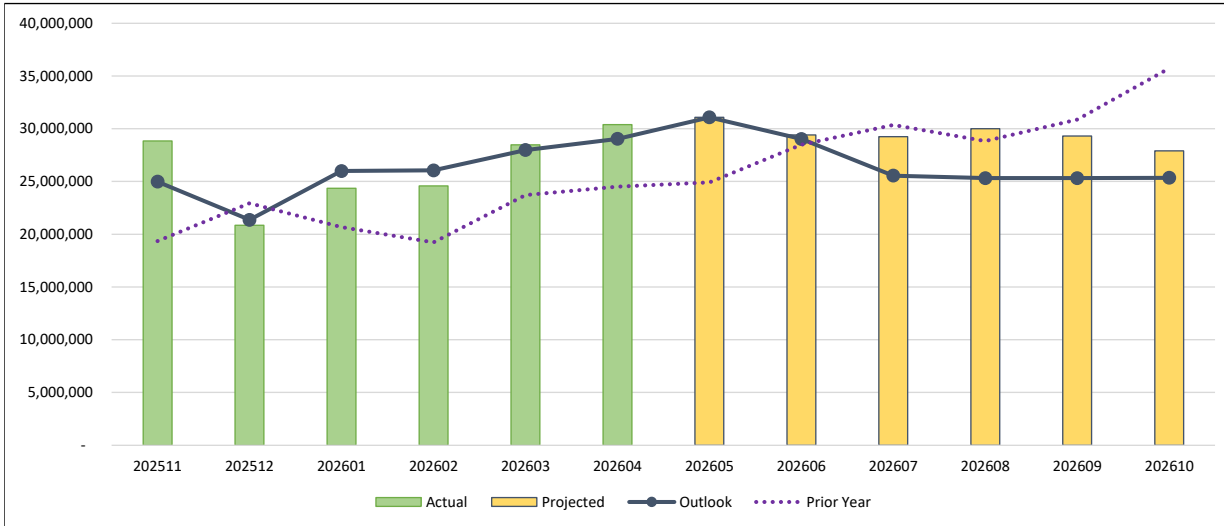


Fiscal Alberta Grid - Average Written Premium Comparison by Month



RSP Premium – Alberta Non-Grid

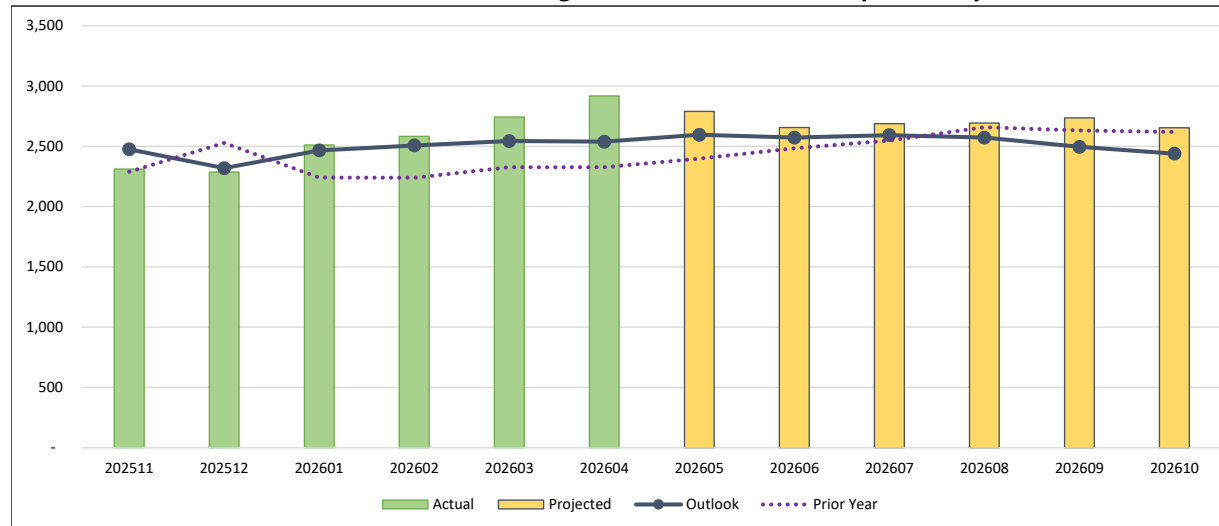
Fiscal Alberta Non-Grid - Written Premium Comparison by Month



Fiscal Alberta Non-Grid - Written Count Comparison by Month



Fiscal Alberta Non-Grid - Average Written Premium Comparison by Month



RSP Premium – New Brunswick

Fiscal New Brunswick - Written Premium Comparison by Month



Fiscal New Brunswick - Written Count Comparison by Month

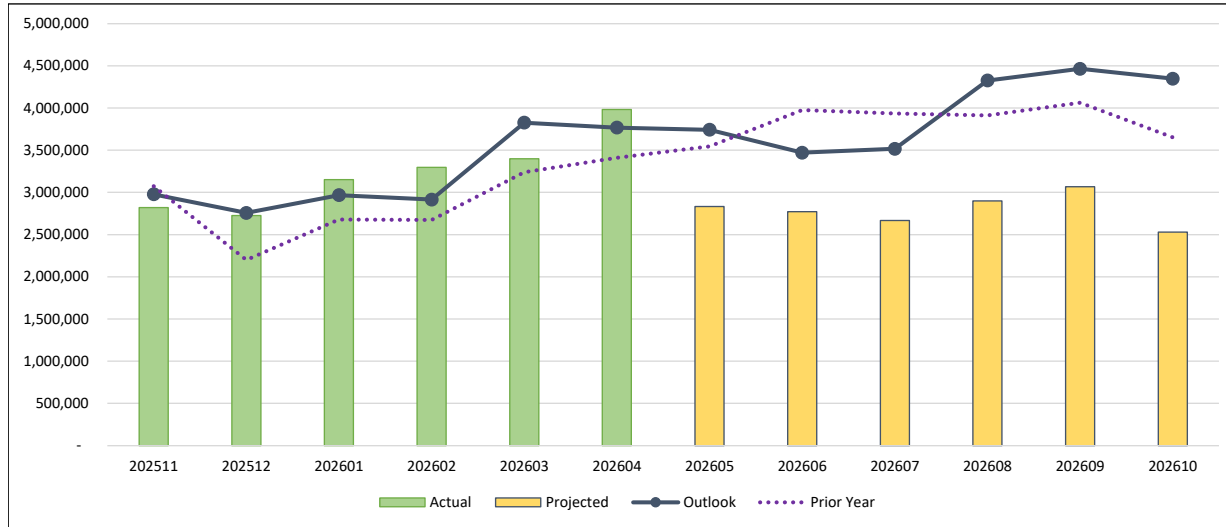


Fiscal New Brunswick - Average Written Premium Comparison by Month

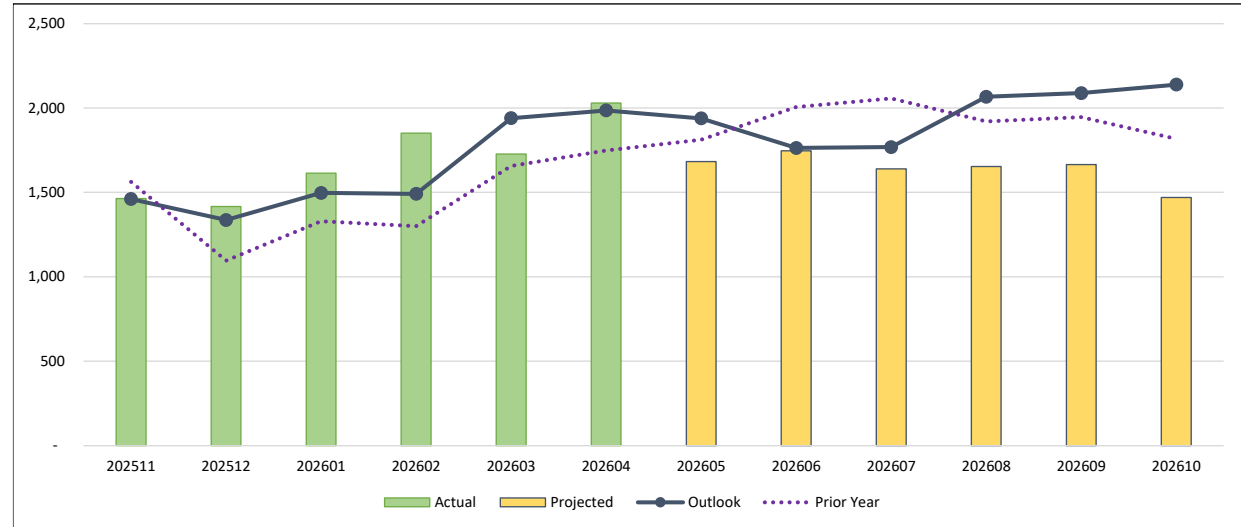


RSP Premium – Nova Scotia

Fiscal Nova Scotia - Written Premium Comparison by Month



Fiscal Nova Scotia - Written Count Comparison by Month



Fiscal Nova Scotia - Average Written Premium Comparison by Month



RSP Premium – Newfoundland and Labrador

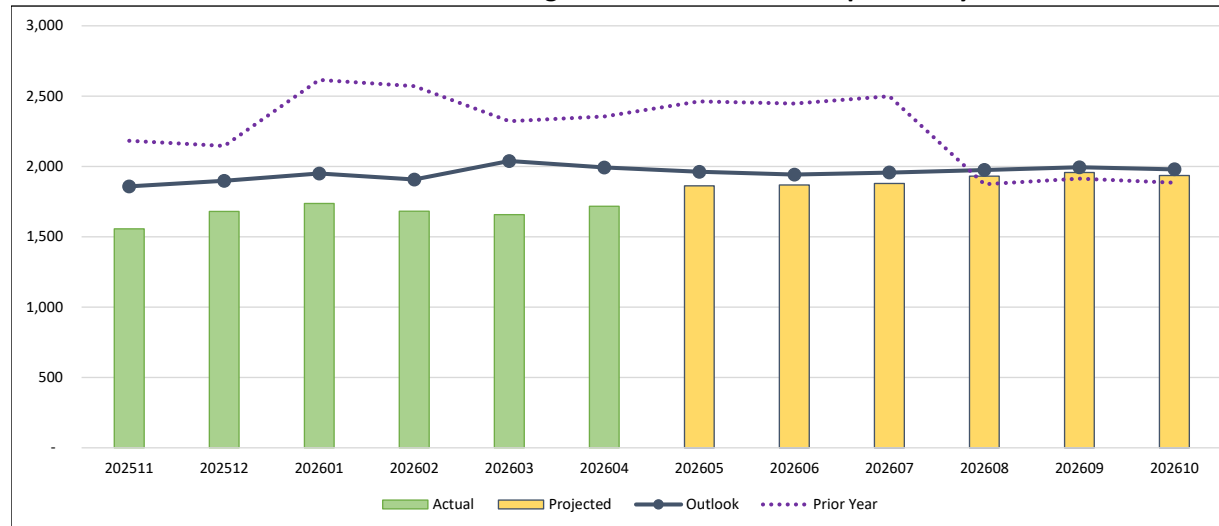
Fiscal Newfoundland - Written Premium Comparison by Month



Fiscal Newfoundland - Written Count Comparison by Month



Fiscal Newfoundland - Average Written Premium Comparison by Month



Focus Area #2: Industry Grid Capped Vehicles

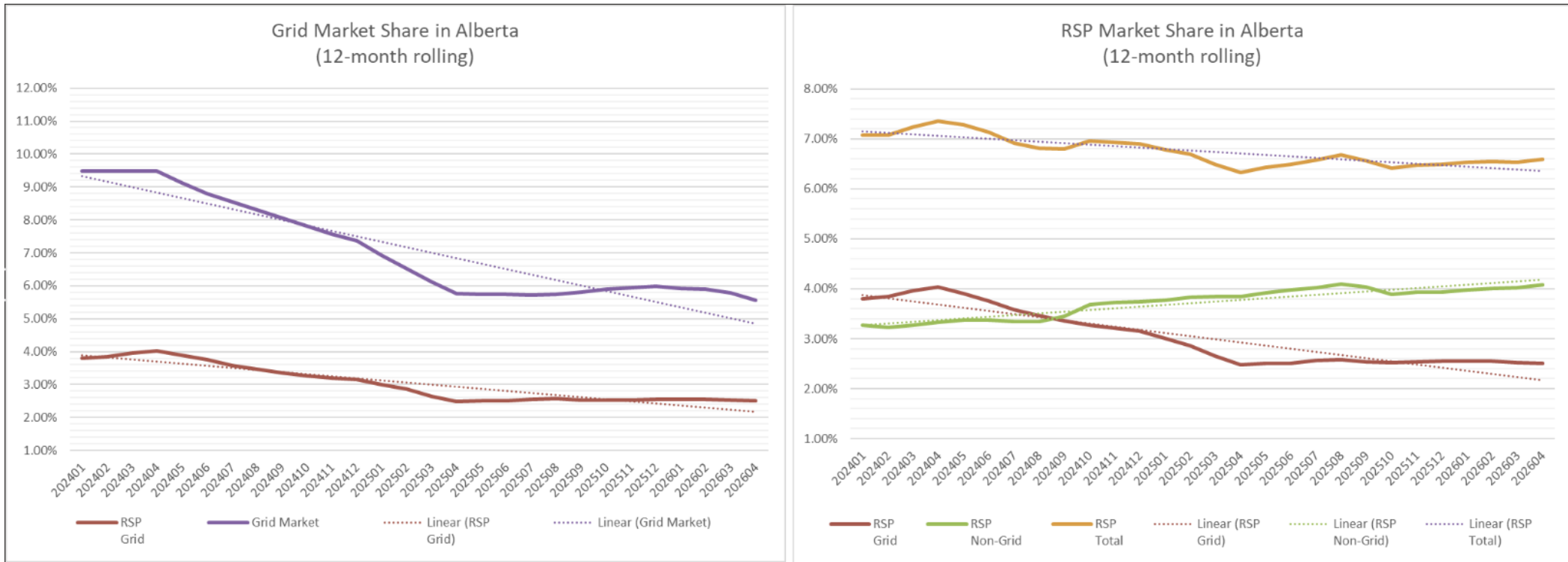
Alberta Market Update

Recent announcements in Alberta include:

- **UPDATE:** Adjustments to the Grid premiums effective Jan 01, 2026 including a 20% base rate increase outlined in the [AIRB Order 01-2025](#)
- Auto insurance rate hikes capped: 7.5% limit for good drivers in 2025–2026, with an overall average cap of 12.5% for all policyholders—up from 10%. See further detail [here](#)
- The Grid system will be formally withdrawn on Jan 01, 2027. As well, Alberta will introduce a “care-first” accident benefits system to replace the current injury tort liability system with an expected go-live date of Jan 01, 2027. See further detail [here](#)

These measures are expected to result in continued reductions to the Grid RSP vehicle counts and potentially a further increase in the Non-Grid RSP vehicle counts. The graphs on the following slides show the market shares of Grid and the RSPs over time.

Current Results – Industry Grid Capped Vehicles



Key Messages:

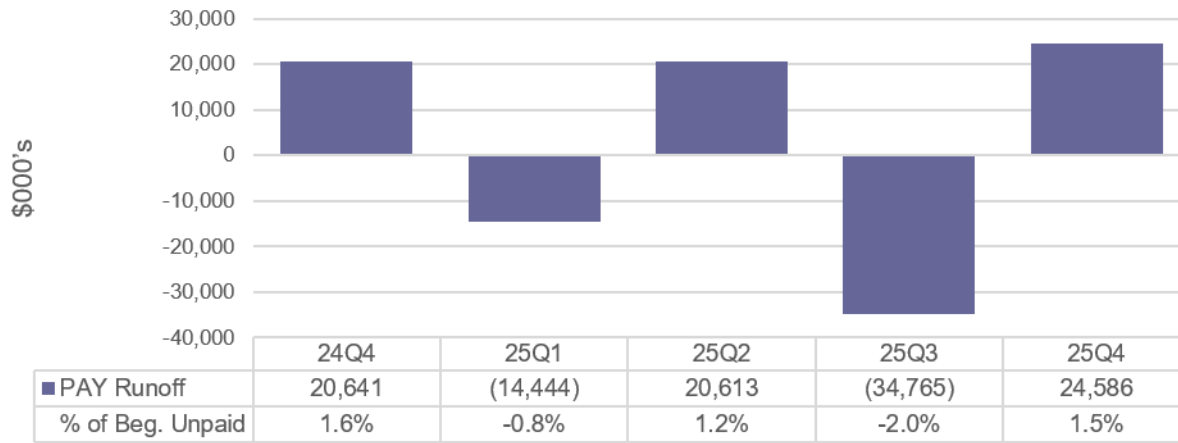
- Given the high growth observed in 2022 in the Grid RSP, we have been tracking Industry data on the proportion of Grid-capped vehicles.
- Since the beginning of 2023, we have seen a decrease in the proportion of written vehicles in Alberta capped to Grid rates, most likely due to the increase in Grid rates effective January 2023 which reduces the proportion of vehicles capped at the maximum rate.
- The Grid market share was level at the beginning of 2024, but since the Grid rate change in May 2024, the market share has begun to decrease further.
- In Jan 2026, further changes to Grid rates became effective. Our expectation was that this will further reduce the Grid RSP market share, and may cause more growth in the non-Grid pool, but this growth is unlikely to exceed the declines in Grid as there is a limited number of risks which can be ceded to the non-Grid RSP.
- Since the Grid changes effective on May 1st 2024, the Grid Market has significantly decreased i.e. from a market share starting point of **9.49% in April 2024** to **5.57% in April 2026** (Peak of **11.65% in December 2022**). Since the 20% increase in the Grid Premium effective January 1st 2026, the Grid market has **decreased from 5.79% in March to 5.57% in April**. The RSP Grid has been also decreasing but at a lower rate i.e. **from 4.03% in April 2024 to 2.50% in April 2026**. April (2.50%) is lower than January (2.56%). You will notice that Grid RSP has been hovering between **2.50-2.60% since May 2025**. On the other side, the RSP Non-Grid has been increasing at a steady pace going from **3.32% in April 2024 to 4.08% in April 2026**. Overall, the total RPS footprint in Alberta has been increasing in April 2026 (from 6.54% to 6.58%)

Focus Area #3: Claims Analysis

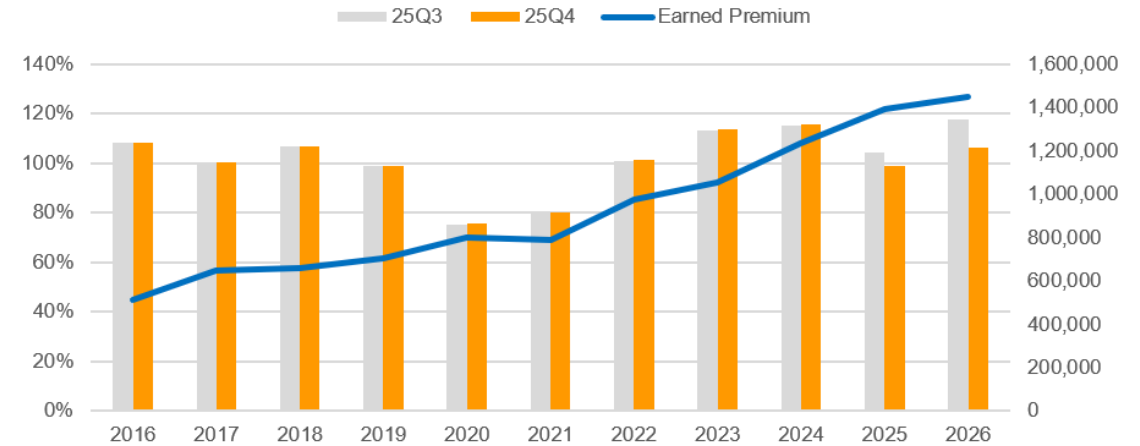
Based on December 31, 2025 valuation

Risk Sharing Pool – Valuation Results at December 31, 2025

Runoff by Quarterly Valuation



Ultimate Loss Ratio by Accident Year



Key observations:

Runoff (prior year development)

- Total prior accidents years runoff is flat over the last year, but there are offsetting increases and decreases.
- Ontario prior years have developed favorably, particularly for Accident Benefits claims and for physical damage claims from 2024 settling lower than expected.
- Alberta prior years have developed unfavorably due to development on Bodily Injury claims.

Performance over Time

- RSP Premium projected to continue to grow modestly through 2026, still driven mainly by increase in rate.
- Updated 2025 and 2026 loss ratios have declined driven by improvements in Ontario Comprehensive and All Perils; specifically, reversal of theft trend. 2025 and 2026 loss ratios are significantly lower than 2023 (theft problem in Ontario) and 2024 (hail catastrophe losses in Alberta). These lower loss ratios for 2025 and 2026 are more in line with the historical average loss ratio for RSP.

RSP Claims Analysis – Key Valuation Changes

Increasing

Rank	Province	Coverage	Change in Ultimate
1	AB-N	Bodily Injury	\$ 13,821,510
2	AB-G	Bodily Injury	\$ 9,024,563
3	ON	AccBen (indivis)	\$ 6,021,646
4	ON	Bodily Injury	\$ 5,024,954
5	AB-N	AccBen (indivis)	\$ 4,088,305

Decreasing

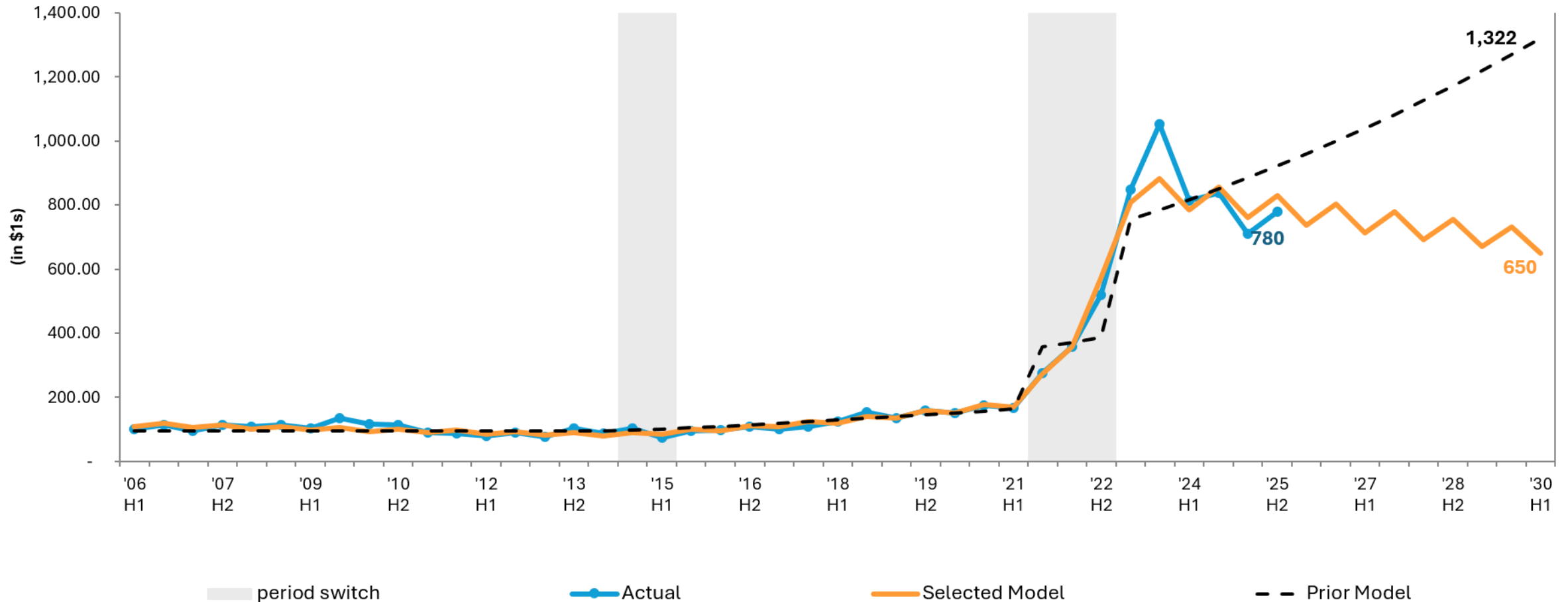
Rank	Province	Coverage	Change in Ultimate
37	AB-G	Comprehensive (w Spec Perils)	\$ -3,242,285
38	ON	Direct Comp Property Damage	\$ -7,402,726
39	ON	Comprehensive (w Spec Perils)	\$ -12,359,605
40	AB-N	Comprehensive (w Spec Perils)	\$ -14,263,601
41	ON	Collision (w All Perils)	\$ -18,085,497

Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q3 valuation, including change in the latest quarter's actual compared to the projection from previous quarter
- Alberta Grid & Non-Grid Bodily Injury saw the biggest increase in ultimate losses, mostly driven by updating the ELR assumption in latest quarter for Third Party Liability – Bodily Injury
- Ontario Comprehensive and Collision coverages continue to show favorable development, primarily coming from accident years 2025; Alberta Non-Grid Comprehensive saw the second largest favorable movement driven by lower-than-expected levels of claim development in current accident quarter

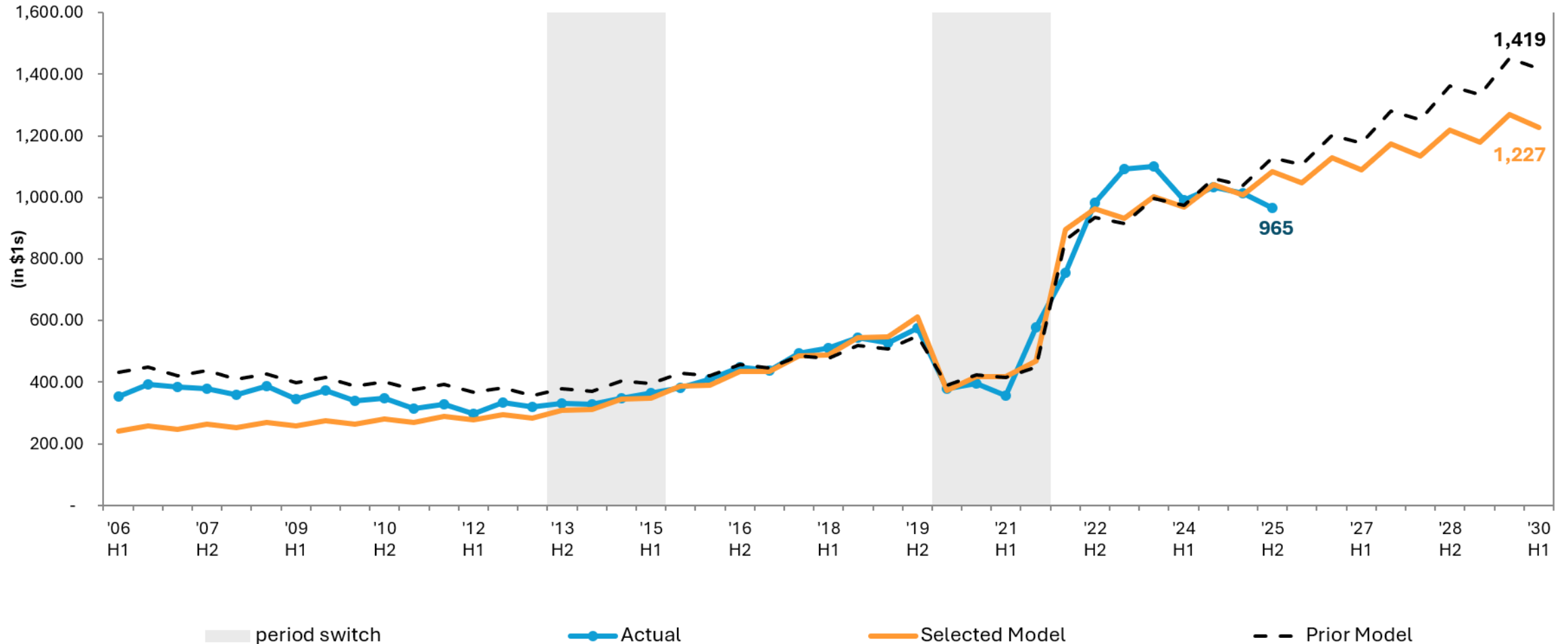
RSP Ontario Comprehensive Update

Loss Cost



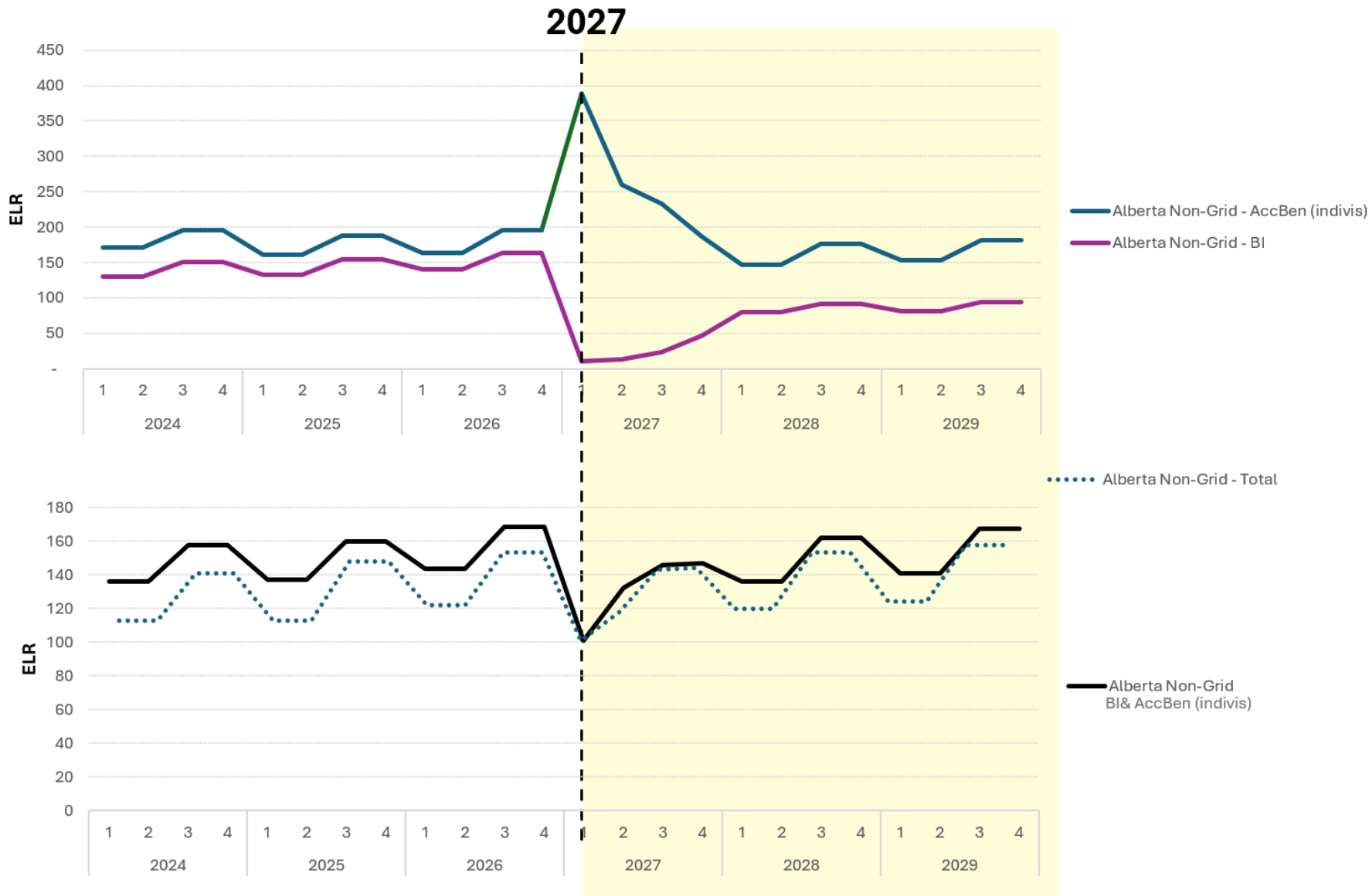
We updated our loss cost trend projection model for RSP Comprehensive coverage to reflect the reality of improving vehicle theft trends. This will be re-examined after the Q2 valuation to ensure we are not over-projecting the decrease through 2027.

RSP Ontario Collision and All Perils Update



We likewise updated our trends for Collision+All Perils coverage. We also see this one improving from the previous trend, also due to the improving theft loss component of the All Perils coverage.

Alberta Reform loss ratio assumption – Non-Grid RSP



- Using estimates published by AIRB, we adjusted our projected loss ratios for 2027 onwards in Alberta Non-Grid risk sharing pool.
- There is a lot of uncertainty in these estimates with regards to:
 - Member risk sharing pool strategy post-reform
 - Premium refunds/policy reissuance after the start of Care First benefits on January 1st (we have currently assumed none which is why we see “spikes” in 2027 Q1 loss ratios)
 - Ultimate Loss cost of both BI and Accident Benefits under the new system.
- Grid RSP is not shown here, but since Grid is ending on January 1st, no new Grid-rated policies will enter the pool after that time. We are not expecting Accident Year 2027 to be onerous for the Grid risk sharing pool.

Glossary

RSP Glossary of Acronyms/Legends

Acronyms	Definition
AB	Alberta
AccBen	Accident Benefits
AB-G	Alberta Grid RSP
AB-N	Alberta Non-Grid RSP
Atlantics	New Brunswick, Nova Scotia, Newfoundland & Labrador (combined)
AvP/AvsP	Actual versus Projection
AY	Accident Year
BI	Bodily Injury
CAT	Catastrophe
CAY	Current Accident Year
CM	Comprehensive
CY	Calendar Year
ELR	Expected Loss Ratio
FACO	Facility Association Central Office
FtAY	Future Accident Year
IBNR	Insured but not Reported
IFIE/IFE	Insurance Finance Income/Expense
Insurance Revenue	(Earned Premium – Earned Expense Allowance). This is the denominator of the loss ratios/operating ratios shown in this presentation unless otherwise noted.
IU	Interurban Vehicle
LIC	Liability for Incurred Claims

Acronyms	Definition
LL	Large Loss
LR	Loss Ratio
LRC	Liability for Remaining Coverage
NB	New Brunswick
NL	Newfoundland & Labrador
NS	Nova Scotia
ON	Ontario
PY	Prior Year
RA	Risk Adjustment
SP	Specified Perils
TX	Taxis/Limos
YTD	Year to Date

Supplementary Information

Additional exhibits and data files available in the monthly bulletins:

<https://www.facilityassociation.com/Members/MemberBulletins>