

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2026 – 016  
**DATE:** May 29, 2026  
**SUBJECT:** FARM – March 2026 Participation Report

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

Please be advised that the March 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 (March 2026)	Prior Year (March 2025)	% Change	2026 year-end Projection	2025 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	43,769	42,359	3.3%	537,125	527,644	1.8%
Operating Result	(30,612)	9,711	(415.2%)	(28,631)	8,599	(433.0%)
Written Vehicle Count	8,571	8,721	(1.7%)	123,290	123,297	(0.0%)
Average Written Premium (\$s)	4,925	4,778	3.1%	4,343	4,253	2.1%
Combined Operating Ratio (%)	169.9%	77.1%	92.9%	105.3%	98.4%	7.0% pts
<b>Balance Sheet Snapshot</b>						
LIC	791,009	706,386	12.0%	840,028	763,713	10.0%
Nominal Unpaid Claims	806,437	723,349	11.5%	856,070	774,210	10.6%
Discount Amount	(79,107)	(72,662)	8.9%	(82,072)	(71,663)	14.5%
Risk Adjustment	63,679	55,699	14.3%	66,030	61,167	8.0%
LRC	157,433	191,378	(17.7%)	192,872	166,942	15.5%
LRC Excluding Loss Component	156,535	191,378	(18.2%)	190,391	166,942	14.0%
Loss Component	897	0		2,481	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](#)
- [Detailed Valuation Results file](#)
- [Supplementary Information including Exhibits](#)
- [FARM Summary of Operations – Calendar Year 2026](#)

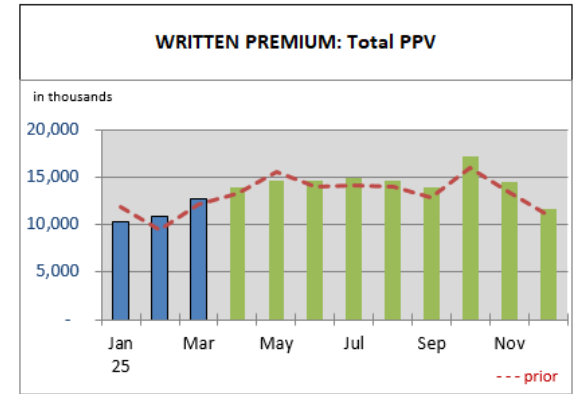
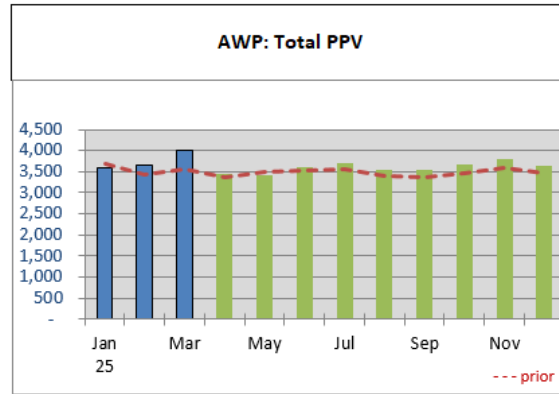
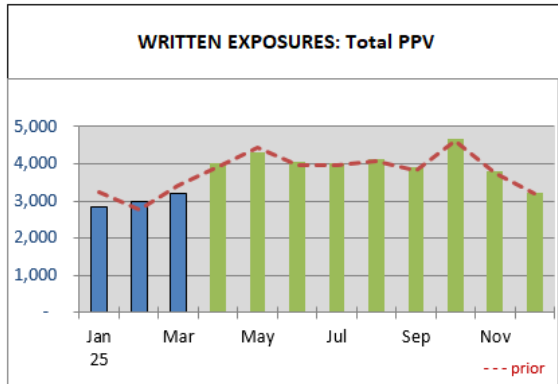
<b>FARM Summary of IFRS17 Financial Results</b>	<b>Actual</b>	<b>Projection</b>	<b>Prior Year</b>	<b>2026 year-to-date</b>	<b>2025 year-to-date</b>	<b>2026 year-end</b>	<b>Outlook*</b>	<b>2025 year-end</b>
<b>Amounts in \$000s</b>	<b>(March 2026)</b>	<b>(March 2026)</b>	<b>(March 2025)</b>	<b>as at 3 months</b>	<b>as at 3 months</b>	<b>Projection</b>	<b>Full year 2026</b>	<b>Actual</b>
Written Premium	42,211	41,671	38,809	109,213	103,690	535,605	552,764	524,263
Received Premium	43,080	41,876	38,697	114,950	104,742	533,657	328,991	484,581
Earned Premium	43,769	43,956	42,359	126,573	124,589	537,125	549,810	527,644
<b>Insurance Revenue</b>	<b>43,769</b>	<b>43,956</b>	<b>42,359</b>	<b>126,573</b>	<b>124,589</b>	<b>537,125</b>	<b>549,810</b>	<b>527,644</b>
Total Claims Incurred	71,377	31,190	21,848	131,169	77,926	436,281	395,476	383,303
<i>Claims incurred (CAY)</i>	35,610	33,224	32,587	99,298	91,797	417,582	414,508	394,377
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	35,766	(2,035)	(10,739)	31,871	(13,871)	18,699	(19,032)	(11,074)
Administrative Expense	5,575	5,222	5,319	15,691	14,302	69,779	70,962	66,948
Amortization of IACFs	3,784	3,621	3,685	10,818	10,569	44,084	46,528	45,643
Change in Loss Component	422	422	0	1,040	0	2,584	3,470	0
<b>Insurance Service Expenses</b>	<b>81,157</b>	<b>40,454</b>	<b>30,852</b>	<b>158,718</b>	<b>102,798</b>	<b>552,728</b>	<b>516,436</b>	<b>495,894</b>
<b>Insurance Service Result</b>	<b>(37,387)</b>	<b>3,502</b>	<b>11,507</b>	<b>(32,145)</b>	<b>21,791</b>	<b>(15,603)</b>	<b>33,375</b>	<b>31,751</b>
<i>Insurance Finance Expense from PV FCF</i>	5,339	(2,718)	(2,549)	100	(7,315)	(21,526)	(28,288)	(32,025)
<i>Insurance Finance Expense from Risk Adjustment</i>	481	(230)	(191)	32	(572)	(1,712)	(2,377)	(2,582)
<i>Insurance Finance Expense from Loss Component</i>	144	(2)	0	143	0	102	(57)	0
<b>Insurance Finance Income (Expense)</b>	<b>5,964</b>	<b>(2,950)</b>	<b>(2,740)</b>	<b>276</b>	<b>(7,887)</b>	<b>(23,136)</b>	<b>(30,722)</b>	<b>(34,608)</b>
<b>Investment Income</b>	<b>812</b>	<b>662</b>	<b>943</b>	<b>2,440</b>	<b>3,000</b>	<b>10,108</b>	<b>10,825</b>	<b>11,456</b>
<b>Operating Result</b>	<b>(30,612)</b>	<b>1,214</b>	<b>9,711</b>	<b>(29,429)</b>	<b>16,903</b>	<b>(28,631)</b>	<b>13,477</b>	<b>8,599</b>
<b>Key Ratios:</b>								
<b>Loss ratio</b>	<b>163.1%</b>	<b>71.0%</b>	<b>51.6%</b>	<b>103.6%</b>	<b>62.5%</b>	<b>81.2%</b>	<b>71.9%</b>	<b>72.6%</b>
<i>CAY Loss Ratio</i>	81.4%	75.6%	76.9%	78.5%	73.7%	77.7%	75.4%	74.7%
<i>PAY Loss Ratio</i>	81.7%	(4.6%)	(25.4%)	25.2%	(11.1%)	3.5%	(3.5%)	(2.1%)
<b>Underwriting and Admin Expenses</b>	<b>22.3%</b>	<b>21.1%</b>	<b>21.3%</b>	<b>21.8%</b>	<b>20.0%</b>	<b>21.7%</b>	<b>22.0%</b>	<b>21.3%</b>
<i>Administrative Expenses</i>	12.7%	11.9%	12.6%	12.4%	11.5%	13.0%	12.9%	12.7%
<i>Amortization of IACFs</i>	8.6%	8.2%	8.7%	8.5%	8.5%	8.2%	8.5%	8.7%
<i>Change in Loss Component</i>	1.0%	1.0%	0.0%	0.8%	0.0%	0.5%	0.6%	0.0%
<b>Insurance Service Ratio</b>	<b>185.4%</b>	<b>92.0%</b>	<b>72.8%</b>	<b>125.4%</b>	<b>82.5%</b>	<b>102.9%</b>	<b>93.9%</b>	<b>94.0%</b>
<b>Insurance Finance Income</b>	<b>(13.6%)</b>	<b>6.7%</b>	<b>6.5%</b>	<b>(0.2%)</b>	<b>6.3%</b>	<b>4.3%</b>	<b>5.6%</b>	<b>6.6%</b>
<b>Investment Income Ratio</b>	<b>(1.9%)</b>	<b>(1.5%)</b>	<b>(2.2%)</b>	<b>(1.9%)</b>	<b>(2.4%)</b>	<b>(1.9%)</b>	<b>(2.0%)</b>	<b>(2.2%)</b>
<b>Combined Operating Ratio</b>	<b>169.9%</b>	<b>97.2%</b>	<b>77.1%</b>	<b>123.3%</b>	<b>86.4%</b>	<b>105.3%</b>	<b>97.5%</b>	<b>98.4%</b>

rounding differences may occur

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

- **Claims Incurred:** Prior AY and CAY loss ratio have increased sharply compared to projection primarily driven by unfavorable development on Ontario and Alberta Bodily Injury claims, Interurban business in particular.
- **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.

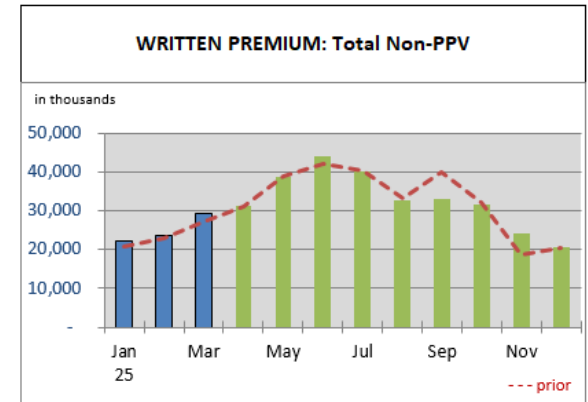
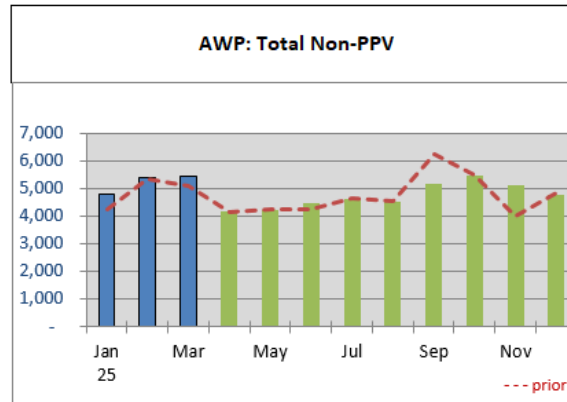
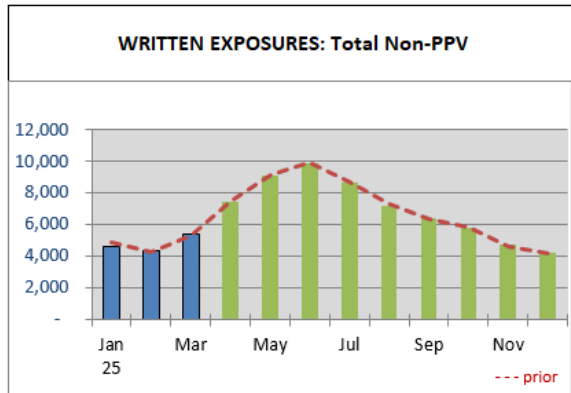
The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the red dotted line represents the prior year metric. **PPV premium activity** compared to prior year is below:



The Private Passenger vehicle count for the month was 3,186 vehicles, and written premium total of \$12.7 million, an increase of 4.93% compared with the prior year. The average premium for PPV was 12.69% higher than the prior year. Below are the jurisdictions with notable PPV changes:

- Nova Scotia PPV premium was \$494k higher than the prior year, with vehicle counts are higher by 165.
- Alberta PPV premium was \$409k higher than the prior year, with vehicle counts are up by 55.

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



The Non-Private Passenger written premium was \$29.4 million, up 8.8% compared with the prior year, while vehicle count was 5,457, which was 1.62% higher than the previous year. Here are the jurisdictions with notable NPPV changes:

- Ontario interurban premium was \$1.8M higher than the prior year, with counts higher by 125.
- Alberta interurban premium was \$1.2M lower than the prior year, with counts lower by 121.
- Ontario commercial premium was \$0.25M lower than the prior year, with counts higher by 63.
- Alberta commercial premium was \$0.9M higher than the prior year, with counts higher by 94.

The total average premium for PPV and Non-PPV combined was 9.5% higher compared to prior. The overall month's written premium was \$42.1 million; up \$3.0M or 7.6% compared with prior year.

### Impact of 2025 Q4 Valuation

A valuation of the Facility Association Residual Market as at December 31, 2025 was completed after last month's Participation Report, and its results have now been incorporated into this month's report. The implementation of the new valuation resulted in an estimated \$31.6 million unfavorable impact on the month's net results from operations. The LIC unfavorable impact is primarily driven by unfavorable development in Alberta and Ontario bodily injury Non-PPV. The LRC unfavorable impact is driven by increase in loss ratio for Newfoundland loss component.

	Ontario PPV	Alberta PPV	Atlantics PPV	Territories PPV	PPV Total	Ontario Non-PPV	Alberta Non-PPV	Atlantics Non-PPV	Territories Non-PPV	Non-PPV Total	Grand Total
<b>LIC Impact</b>	<b>2,797</b>	<b>851</b>	<b>3,551</b>	<b>335</b>	<b>7,534</b>	<b>12,760</b>	<b>12,125</b>	<b>(2,093)</b>	<b>915</b>	<b>23,707</b>	<b>31,241</b>
PAY	2,459	973	4,075	339	<b>7,846</b>	11,317	11,628	(2,077)	908	<b>21,776</b>	29,623
CAY	338	(123)	(524)	(4)	<b>(313)</b>	1,443	497	(16)	7	<b>1,931</b>	1,618
<b>LRC Impact</b>	-	-	<b>332</b>	-	<b>332</b>	-	-	-	-	-	<b>332</b>
CAY	-	-	332	-	<b>332</b>	-	-	-	-	-	332
FtAY	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,797</b>	<b>851</b>	<b>3,883</b>	<b>335</b>	<b>7,866</b>	<b>12,760</b>	<b>12,125</b>	<b>(2,093)</b>	<b>915</b>	<b>23,707</b>	<b>31,573</b>
<b>Impact on YTD COR</b>	20.9%	35.2%	16.6%	35.3%	19.7%	36.2%	33.7%	(13.6%)	52.3%	26.8%	24.7%

The table below shows the yield impact on the liability this month. These amounts are included in the LIC and LRC impacts shown above.

<b>Yield Impact Breakdown</b>										
	Ontario PPV	Alberta PPV	Atlantics PPV	Territories PPV	Ontario Non-PPV	Alberta Non-PPV	Atlantics Non-PPV	Territories Non-PPV	Non-PPV	TOTAL
LIC	(1,896)	(11)	(1,214)	(7)	(2,875)	(1,279)	(1,447)	(39)		(8,768)
LRC	0	0	145	0	0	0	0	0		145
<b>TOTAL</b>	<b>(1,896)</b>	<b>(11)</b>	<b>(1,069)</b>	<b>(7)</b>			<b>(1,447)</b>	<b>(39)</b>		<b>(8,622)</b>

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