






FARM Financial Insights Fiscal Q1 2026

For the quarter ending January 31, 2025

Table of Contents

Contents	RAG Status
Executive Summary	As expected
Fiscal YTD Operating Results	As expected
Premium Drivers	As expected
Claim Drivers	As expected
Discounting & Risk Adjustment	As expected
Expenses	As expected
Summary of Financial Position	As expected
Fiscal Year 2026 Outlook	Moderately different than expected
Focus Area #1: Rate Changes and Indications	As expected
Focus Area #2: FARM Interurban Trucking Update	Moderately different than expected
Focus Area #2: Results of the 2025-Q4 Claims Analysis	Moderately different than expected

As expected	
Moderately different than expected	
Significantly different than expected	

FARM Headlines

2026 Fiscal YTD FARM Operating Deficit: \$29.5 million
2026 Fiscal YTD FARM Operating COR: 109.1% (see slide 4)

2026 Latest Fiscal Projection Operating Deficit: \$25.8 million
2026 Latest Fiscal Projection Operating COR: 104.8%

Financial Highlights

- **The fiscal year to date written premium was \$219.3 million for FARM** which is fairly consistent with the prior year, counts are 1.4% higher and average written premium being 2% lower compared to prior year. There has been a notable decrease in Non-PPV Alberta business and an increase PPV in most jurisdictions.
- The **fiscal year to date COR is 123.2%** which represents a 20.4 percentage point deterioration compared to prior year and a 15.2 percentage point deterioration compared to Outlook. This is largely driven by unfavorable trends in interurban trucking (bodily injury) in Alberta and Ontario, particularly from higher-than-expected prior year claims in Alberta and current-year deterioration and reserve strengthening in Ontario.
- FARM's latest projected fiscal year COR for calendar year 2026 is 104.8%, excluding the impact of any rate changes not approved before December 31, 2025.

FARM Fiscal YTD Operating Results

FISCAL YEAR (\$000s)	Actual FARM	Actual FARM	Change		Actual FARM	Actual FARM	Outlook FARM	Change		Change	
	Q2 Apr 2026	Q2 Apr 2025	Q2 2026 - Q2 2025		YTD 6 mths to Apr 2026	YTD 6 mths to Apr 2025	YTD 6 mths to Apr 2026	2026 - 2025		from Outlook	
			\$	%				\$	%	\$	%
Premium written	123,362	117,564	5,798	5%	219,296	220,638	226,999	(1,342)	(1%)	(7,703)	(3%)
Change in unearned premium	3,981	7,231	(3,250)	(45%)	40,027	33,790	45,067	6,237	18%	(5,041)	(11%)
INSURANCE REVENUE	127,343	124,796	2,548	2%	259,323	254,429	272,067	4,895	2%	(12,744)	(5%)
Claims incurred	99,433	90,804	8,629	10%	198,440	183,106	198,521	15,334	8%	(81)	(0%)
Adjustments to Liabilities for incurred claims	26,907	(13,009)	39,916	(307%)	22,095	(18,085)	(9,226)	40,180	(222%)	31,321	(339%)
Insurance acquisition cash flows	10,989	10,396	593	6%	22,571	21,440	23,815	1,131	5%	(1,244)	(5%)
Change in loss component	967	-	967	-	1,295	-	1,316	1,295	-	(21)	(2%)
Administration expense	16,370	15,158	1,212	8%	30,591	30,015	29,810	576	2%	781	3%
INSURANCE SERVICE EXPENSES	154,665	103,348	51,317	50%	274,992	216,476	244,236	58,516	27%	30,756	13%
INSURANCE SERVICE RESULTS	(27,321)	21,447	(48,769)	(227%)	(15,669)	37,952	27,831	(53,621)	(141%)	(43,499)	(156%)
Investment Income	2,467	2,721	(254)	(9%)	5,162	6,402	6,028	(1,240)	(19%)	(866)	(14%)
Finance income/expense - Discount Unwind	(8,429)	(7,787)	(642)	8%	(16,762)	(15,299)	(17,058)	(1,463)	10%	296	(2%)
Finance income/expense - Yield Impact	3,785	(127)	3,911	(3,088%)	3,785	(127)	-	3,911	(3,088%)	3,785	-
Net finance income/expense from insurance	(4,644)	(7,913)	3,269	(41%)	(12,978)	(15,426)	(17,058)	2,448	(16%)	4,080	(24%)
OPERATING SURPLUS (DEFICIT)	(29,499)	16,255	(45,753)	(281%)	(23,485)	28,928	16,800	(52,412)	(181%)	(40,285)	(240%)
KEY PERFORMANCE METRICS - FARM											
<u>Growth Indicators</u>											
Vehicle Counts	27,301	27,155	146	1%	50,575	49,766	51,804	809	2%	(1,229)	(2%)
Average Premium	4,519	4,329	189	4%	4,336	4,434	4,382	(97)	(2%)	(46)	(1%)
<u>Profitability Metrics</u>											
CY Claim Ratio	78.1%	72.8%	-	5.3%	76.5%	72.0%	73.0%	-	4.6%	-	3.6%
PY Claim Ratio	21.1%	(10.4%)	-	31.6%	8.5%	(7.1%)	(3.4%)	-	15.6%	-	11.9%
Total Claim Ratio (CY+PY)	99.2%	62.3%	-	36.9%	85.0%	64.9%	69.6%	-	20.2%	-	15.5%
Onerous Contract Ratio	0.8%	0.0%	-	0.8%	0.5%	0.0%	0.5%	-	0.5%	-	0.0%
Admin Expense Ratio	21.5%	20.5%	-	1.0%	20.5%	20.2%	19.7%	-	0.3%	-	0.8%
Insurance Service Result Ratio	121.5%	82.8%	-	38.6%	106.0%	85.1%	89.8%	-	21.0%	-	16.3%
Investment Income Ratio	(1.9%)	(2.2%)	-	0.2%	(2.0%)	(2.5%)	(2.2%)	-	0.5%	-	0.2%
Net Finance Income/Expense from Insurance Discount Unwind Ratio	3.3%	3.1%	-	0.2%	6.5%	6.0%	6.3%	-	0.5%	-	0.2%
Net Finance Income/Expense from Insurance Yield Impact Ratio	(1.5%)	0.0%	-	(1.5%)	(1.5%)	0.0%	0.0%	-	(1.5%)	-	(1.5%)
Net Finance Income/Expense from Insurance Ratio	1.8%	3.1%	-	(1.3%)	5.0%	6.1%	6.3%	-	(1.1%)	-	(1.3%)
Combined Ratio	123.2%	87.0%	-	36.2%	109.1%	88.6%	93.8%	-	20.4%	-	15.2%

Key Messages:

Premium written decreased by \$1.3 million from prior year mainly due to \$7.5 million decrease in Alberta (\$3.6 million interurban and \$5.9 million taxis offset by \$2 million increase in commercial vehicles). This is offset by \$6 million PPV growth from all regions. The \$7.7 million decrease from outlook is mainly driven by ON PPV, ON Taxi and AB Interurban.

Loss ratios have deteriorated from the prior year and also from outlook mainly because of worse than expected BI for IU in AB and ON causing unfavorable change in the adjustment to liability for incurred claims.

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

Insurance finance expense is driven by discount unwinding and impact of yield curve increase of 18 basis points while the prior year had a yield curve decrease of 22 basis points.

FARM Premium Drivers

Written Premium Jurisdiction	Fiscal Year to Date			Projected Fiscal Year End		
	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	85,263	85,143	93,714	200,052	203,505	212,106
Alberta	61,356	67,151	65,997	165,021	169,842	167,128
Atlantics	67,729	63,819	67,171	155,523	148,926	158,594
Territories	4,901	4,551	5,001	12,359	10,936	12,317
Total	219,249	220,665	231,883	532,954	533,210	550,144

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
120	0.1%	(8,452)	(9.0%)	(3,454)	(1.7%)	(12,055)	(5.7%)
(5,795)	(8.6%)	(4,641)	(7.0%)	(4,822)	(2.8%)	(2,107)	(1.3%)
3,909	6.1%	557	0.8%	6,597	4.4%	(3,070)	(1.9%)
350	7.7%	(99)	(2.0%)	1,422	13.0%	42	0.3%
(1,416)	(0.6%)	(12,635)	(5.4%)	(256)	(0.0%)	(17,190)	(3.1%)

Written Vehicle Count Jurisdiction	Fiscal Year to Date			Projected Fiscal Year End		
	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	10,966	10,788	11,433	23,929	24,641	24,984
Alberta	12,342	12,665	12,837	32,252	32,912	32,823
Atlantics	24,318	23,617	25,665	59,163	58,010	62,247
Territories	2,950	2,811	3,000	7,028	6,548	7,107
Total	50,575	49,881	52,934	122,371	122,110	127,161

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
178	1.6%	(467)	(4.1%)	(712)	(2.9%)	(1,056)	(4.2%)
(324)	(2.6%)	(496)	(3.9%)	(660)	(2.0%)	(571)	(1.7%)
701	3.0%	(1,347)	(5.2%)	1,153	2.0%	(3,084)	(5.0%)
139	4.9%	(50)	(1.7%)	480	7.3%	(79)	(1.1%)
693	1.4%	(2,360)	(4.5%)	261	0.2%	(4,790)	(3.8%)

AWP Jurisdiction	Fiscal Year to Date			Projected Fiscal Year End		
	Current	Prior	The Outlook	Current	Prior	The Outlook
Ontario	7,775	7,892	8,197	8,360	8,259	8,490
Alberta	4,972	5,302	5,141	5,117	5,160	5,092
Atlantics	2,785	2,702	2,617	2,629	2,567	2,548
Territories	1,662	1,619	1,667	1,759	1,670	1,733
Total	4,335	4,424	4,381	4,355	4,367	4,326

Fiscal Year to Date Change				Projected Year End Change			
Current vs. Prior		Current vs. Outlook		Current vs. Prior		Current vs. Outlook	
(117)	(1.5%)	(422)	(5.1%)	101	1.2%	(129)	(1.5%)
(330)	(6.2%)	(169)	(3.3%)	(44)	(0.9%)	25	0.5%
83	3.1%	168	6.4%	61	2.4%	81	3.2%
42	2.6%	(6)	(0.3%)	88	5.3%	25	1.5%
(89)	(2.0%)	(45)	(1.0%)	(11)	(0.3%)	29	0.7%

Key Messages:

- The 2026 fiscal YTD written premiums is \$219.2 million, or 0.6% decrease compared to prior year and 5.4% lower than Outlook.
- Ontario AWP has decreased (1.5%) due to high uptake of the DCPD Opt-Out endorsement in our inter-urban (IU) book. In addition, Alberta AWP decreased by 6.2% primarily driven by interurban and offloading of taxi fleet business.
- It is important to note that volumes can change rapidly in FARM and mix of business changes can create significant changes in AWP even where vehicle count changes are minor.

Jurisdiction	Business Segment	FA Minor Rating Class Desc	2026 Fiscal YTD			Change in Amount		
			Annualize Vehicle Count	Sum of Written Premium	AWP	Annualize Vehicle Count	Sum of Written Premium	AWP
Grand Total	PPV	Private Passenger (x Farmers)	20,069	72,955,158	3,635	836	6,034,760	156
	PPV Total		20,069	72,955,158	3,635	836	6,034,760	156
	non-PPV	Private Passenger (x Farmers)	-	-	-	-	-	-
		Commercial	11,759	70,090,562	5,961	294	2,413,740	58
		Interurban	4,945	41,806,261	8,454	(103)	(4,263,690)	(672)
		Taxi	2,406	9,604,527	3,991	39	(6,401,846)	(2,772)
		Recreational	8,396	4,917,462	586	(397)	(268,142)	(4)
		Other	2,660	19,406,070	7,296	263	983,231	(7,495)
	non-PPV Total		30,165	145,824,882	4,834	96	(7,536,707)	(472)
	Grand Total		50,375	218,978,226	4,330	693	(1,686,554)	(94)

*Note: small differences exist when comparing premium across different slides due to timing of different data sources

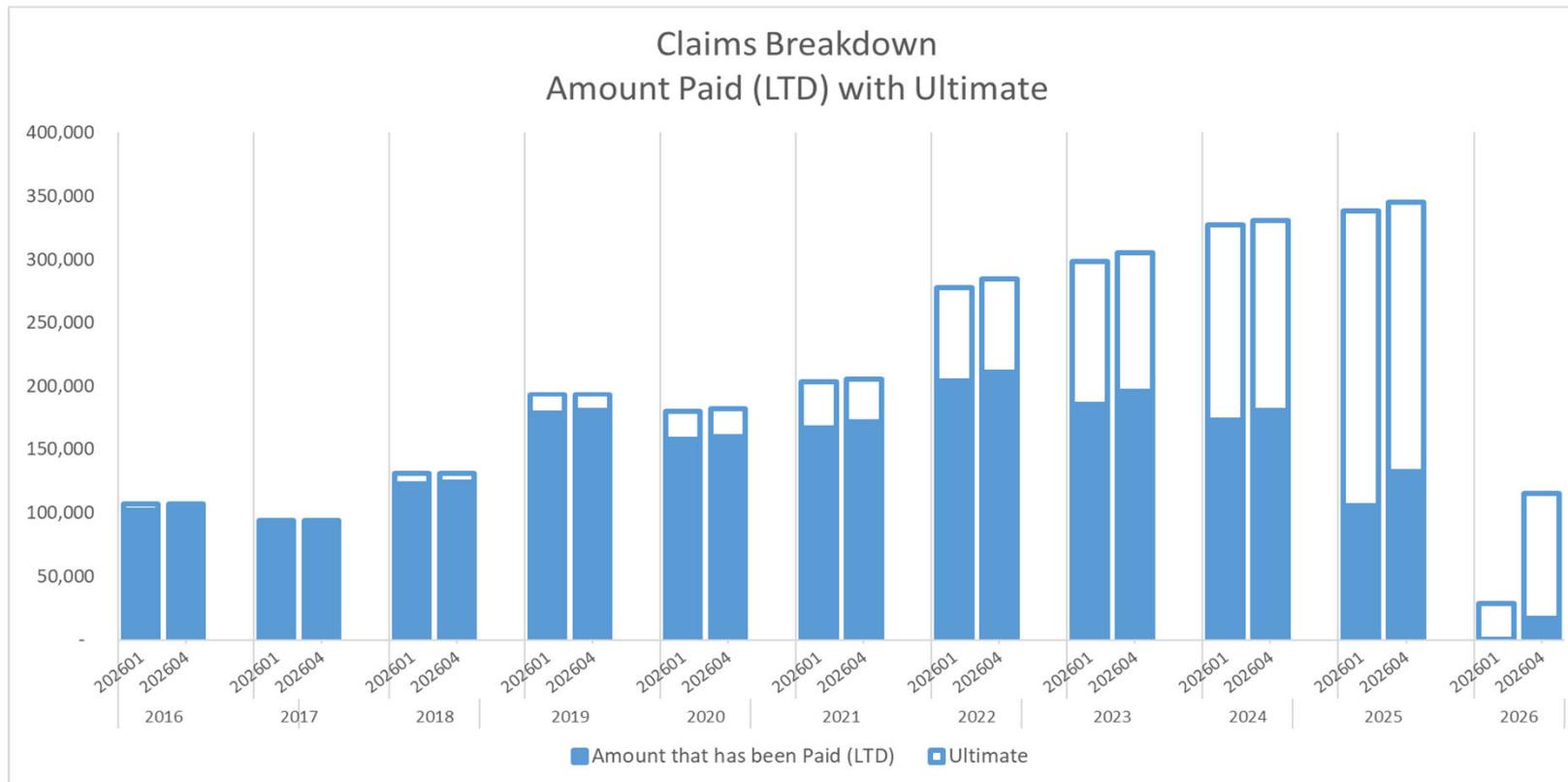
FARM Premium Drivers Fiscal YTD

Jurisdiction	Business Segment	FA Minor Rating Class Desc	2026 Fiscal YTD			Change in Amount		
			Annualize Vehicle Count	Sum of Written Premium	A/WP	Annualize Vehicle Count	Sum of Written Premium	A/WP
Ontario	PPV	Private Passenger (x Farmers)	3,680	24,341,648	6,614	(46)	710,730	272
	PPV Total		3,680	24,341,648	6,614	(46)	710,730	272
	non-PPV	Private Passenger (x Farmers)	0	6,001	24,004	(5)	(46,154)	14,375
		Commercial	3,664	35,920,194	9,804	(42)	424,888	227
		Interurban	1,811	11,433,894	6,315	428	(588,125)	(2,380)
		Taxi	402	3,987,240	9,931	(54)	(452,252)	183
		Recreational	838	1,182,421	1,412	(20)	(54,840)	(30)
		Other	572	8,208,763	14,355	83	57,006	26,984
	non-PPV Total	7,286	60,738,513	8,337	224	(773,489)	(373)	
Ontario	TOTAL	10,966	85,080,161	7,759	178	(62,759)	(133)	
Alberta	PPV	Private Passenger (x Farmers)	752	5,645,634	7,505	225	1,619,336	(133)
	PPV Total		752	5,645,634	7,505	225	1,619,336	(133)
	non-PPV	Private Passenger (x Farmers)	251	93,799	373	(104)	(92,012)	(149)
		Commercial	4,572	25,413,292	5,559	410	2,057,683	(53)
		Interurban	2,495	24,865,470	9,967	(514)	(3,636,590)	496
		Taxi	511	(2,780,428)	(5,441)	(26)	(5,887,465)	(11,226)
		Recreational	2,778	1,117,622	402	(308)	(173,056)	(16)
		Other	982	6,372,181	7,099	(6)	288,051	336
	non-PPV Total	11,589	55,681,936	4,805	(549)	(7,443,389)	(396)	
Alberta	TOTAL	12,342	61,327,570	4,969	(324)	(5,824,053)	(333)	
Atlantic	PPV	Private Passenger (x Farmers)	14,751	41,364,924	2,804	691	3,734,920	128
	PPV Total		14,751	41,364,924	2,804	691	3,734,920	128
	non-PPV	Private Passenger (x Farmers)	(2)	(29,139)	15,894	(1)	(17,265)	62
		Commercial	2,455	7,347,864	2,994	(31)	(117,094)	(9)
		Interurban	605	5,134,749	8,493	(4)	12,006	73
		Taxi	1,195	7,868,574	6,584	(45)	(269,630)	20
		Recreational	4,512	2,533,679	562	(66)	(17,931)	5
		Other	802	3,450,848	4,301	157	527,282	(231)
	non-PPV Total	9,567	26,306,575	2,750	10	117,368	10	
Atlantic	TOTAL	24,318	67,671,499	2,783	701	3,852,288	81	
Territories	PPV	Private Passenger (x Farmers)	886	1,602,952	1,810	(34)	(30,226)	34
	PPV Total		886	1,602,952	1,810	(34)	(30,226)	34
	non-PPV	Private Passenger (x Farmers)	91	127,525	1,407	38	84,836	593
		Commercial	1,068	1,409,212	1,319	(42)	48,263	94
		Interurban	35	372,148	10,633	(13)	(50,981)	1,787
		Taxi	299	529,141	1,771	164	207,501	(619)
		Recreational	268	83,740	312	(3)	(22,315)	(79)
		Other	304	774,278	2,550	29	110,892	132
	non-PPV Total	2,064	3,296,044	1,597	173	378,196	54	
Territories	TOTAL	2,950	4,898,996	1,661	139	347,970	42	
Grand Total		50,575	218,978,226	4,330	693	(1,686,554)	(94)	

Key Messages:

- Significant reductions in high-premium segments: Alberta Taxi & Interurban and Ontario Interurban & Taxi are the key drivers for the FARM's overall reduction in written premium compared to prior year. There has been significant growth in Alberta & Atlantic's PPV that has tempered this decrease.
- Significant count growth occurred in Ontario Interurban, but the average premium is lower due to use of DCPD Opt-Out endorsement.

FARM Movement in Unpaid Loss During the Quarter

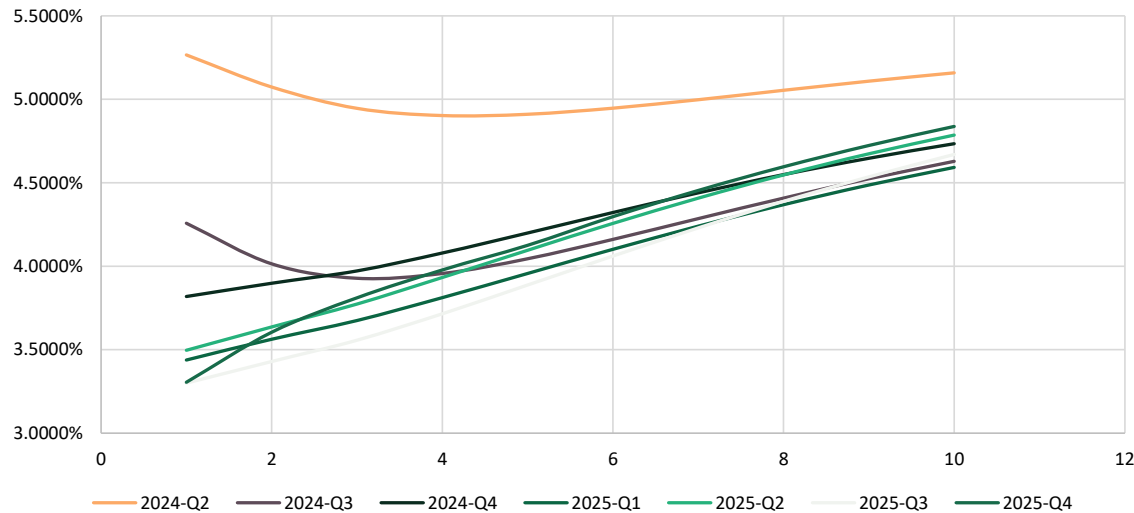


Key Messages:

- Unpaid losses **increased** slightly from \$712M to \$749M (5.3%), driven by unfavourable prior year development on Alberta Non-PPV Bodily Injury claims (for 2024 & prior, driven by inter-urban trucking claims) as well as reserve strengthening on Ontario Non-PPV bodily injury coverage for 2025-2026 to cover anticipated claims from rapid growth of inter-urban trucking policies.
- This quarter the total paid amount is \$79.5 million compared to \$78.0 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.

FARM Discount Rates and Yield Curve Over Time

Fiera IFRS 17 Yield Curves Over Time



Impact on Liabilities due to Historical Yield Changes

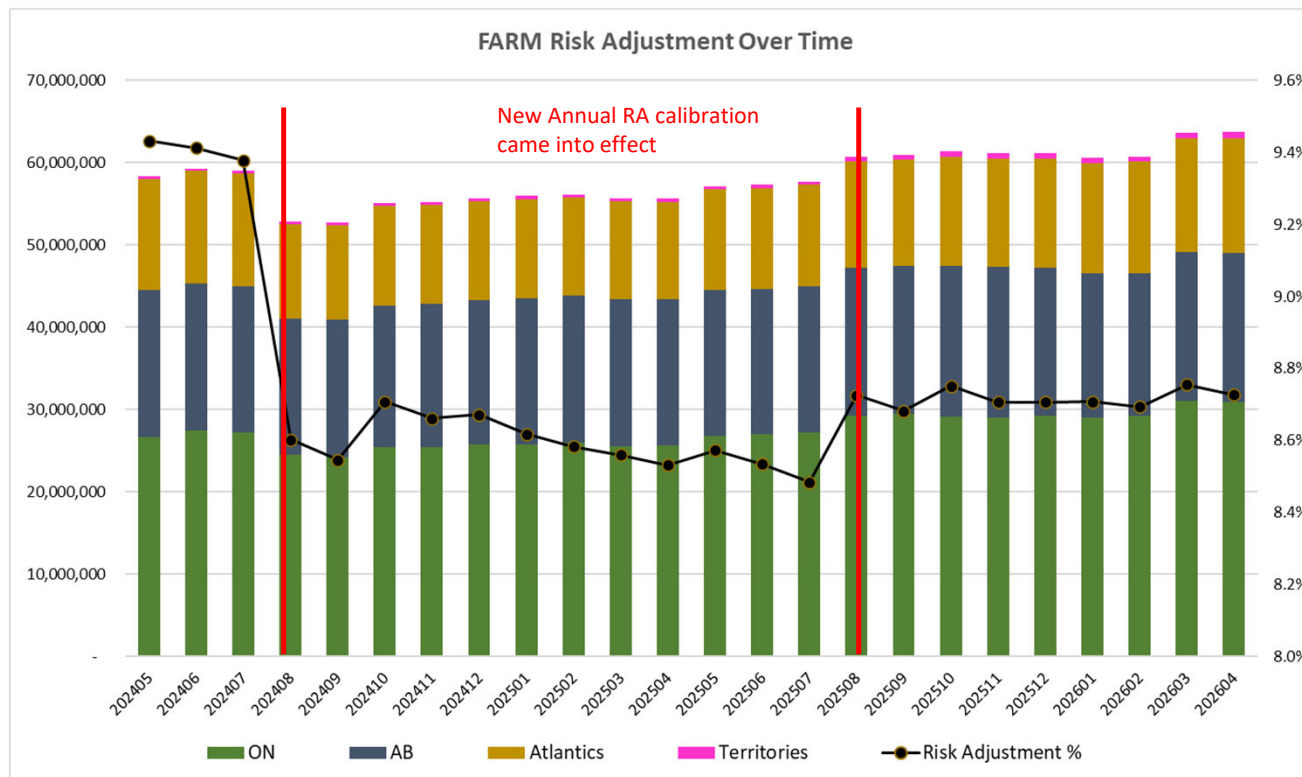
	2024-Q4	2025-Q1	2025-Q2	2025-Q3	2025-Q4
Average FARM discount rate	3.91%	3.66%	3.77%	3.59%	3.77%
Change from prior		-0.25%	0.11%	-0.18%	0.18%
Yield Impact LIC	127	(4,203)	3,784	(2,576)	8,768
Yield Impact PV FCF	104	(3,864)	3,456	(2,423)	8,054
Yield Impact Risk Adjustment	22	(339)	328	(152)	714
Yield Impact Loss Component	-	-	-	-	145
Total Yield Impact	127	(4,203)	3,784	(2,576)	8,913

Key Messages:

- Table shows the impact of yield curve movements on the FARM liabilities for the most recent implementations. Negative values here indicate that the yield change caused an increase in the liabilities.
- Yields have been more volatile since 2022 due to inflation shock. Yields began to decline in late 2023 and continued into 2025. Yields were quite stable during 2025. The 2026 fiscal year to date yield impact is small with a 18 basis point increase.
- Note that the yield impact presented in the table below includes the impact of the new payment pattern selected in 2025 Q4. This pattern is selected annually.

FARM Risk Adjustment Over Time

The total weighted risk adjustment is 8.1% as at April 2026, versus 7.4% as at April 2025.

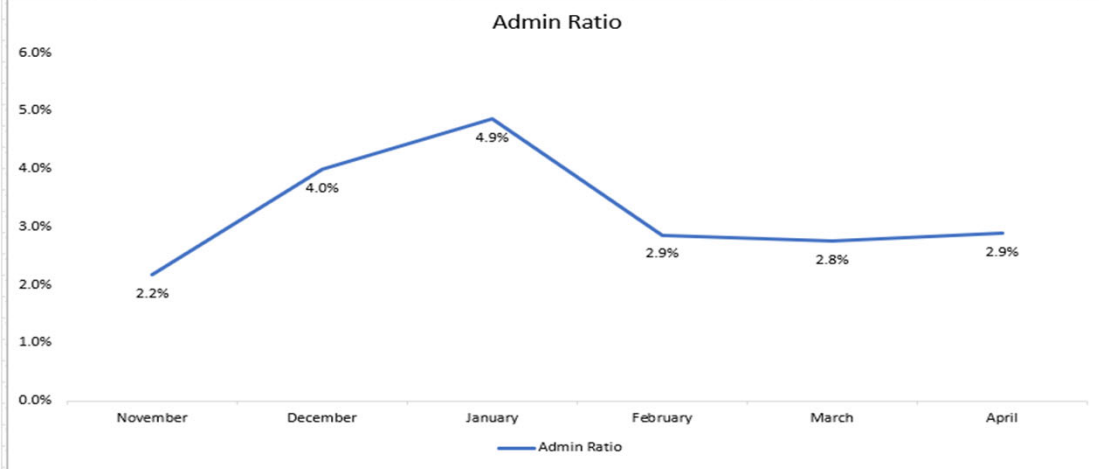
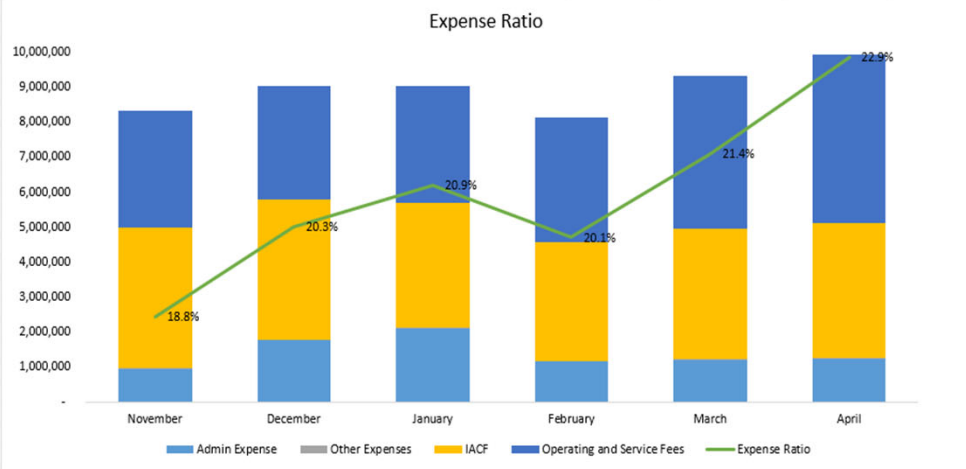


Key Messages:

- 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.
- Risk adjustment has remained stable, hovering between 8-10%. The total weighted average varies depending on the mix of business.
- The latest calibration was implemented in August 2025 Participation Report.
- The next calibration will be implemented in the August 2026 Participation Report.

FARM Expenses

The YTD expense ratio is 20.7%, showing an increase in admin expenses by 0.5% due to increase in FACO costs as compared to the prior year.



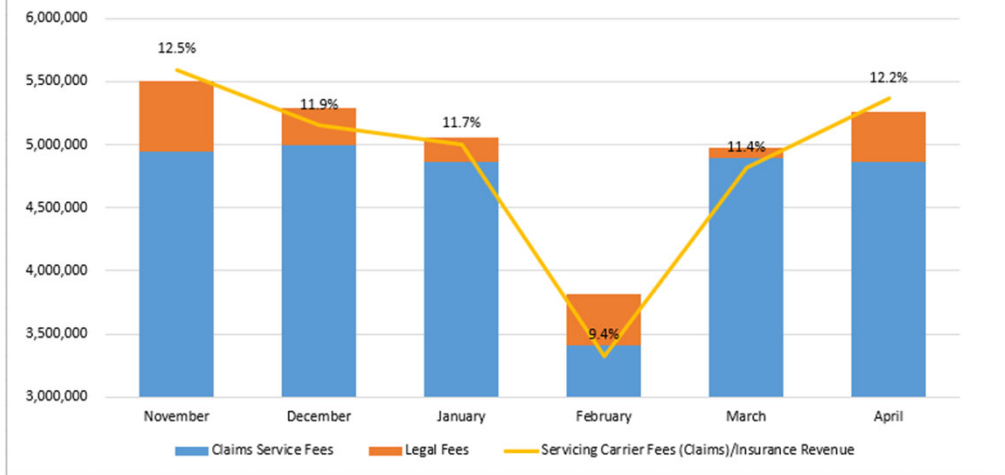
Impact on Expense Ratio	Current Year	Prior Year	Change (\$)	Change (%)
Premium Written	219,296,338	220,638,399	- 1,342,061	-0.6%
Insurance Revenue	259,323,230	254,428,633	4,894,597	1.9%
Total FACO Expenditure	14,521,838	12,578,861	1,942,977	15.4%
Administrative Expense allocated to Mechanism	8,450,151	7,220,068	1,230,083	17.0%
% Allocated to FARM	58%	57%		
FACO Admin Expense Ratio	3.3%	2.8%		

Key Messages:

- The overall expense ratio, calculated as the sum of Admin Expenses, IACF, Operating & Service Fees, and other miscellaneous costs divided by insurance revenue, is averaging 20.7%. This is driven by the following components:
 - Acquisition Costs:** 8.7% of the expense ratio
 - Operating Expenses from Servicing Carrier(s):** 8.7% of the expense ratio reflects the operating fees for managing the FARM business by the servicing carrier, in line with the Board-approved allowance (further details are outlined in the Plan of Operation).
 - Admin Expense Ratio:** The admin expense ratio, which is admin expenses divided by insurance revenue, has increased by 0.5% from the prior year, now trending at an average of 3.3% (FY2025: 2.8%).

FARM Expenses

Servicing Carrier Fees - Claims



Servicing Carrier Fees	Current Year	Prior Year	Change (\$)	Change (%)
Premium Written	219,296,338	220,638,399	- 1,342,061	-0.6%
Insurance Revenue	259,323,230	254,428,633	4,894,597	1.9%
Claims Service Fees	27,968,713	26,755,787	1,212,926	4.5%
Legal Fees	1,925,912	1,549,453	376,459	24.3%
Total Claims Service & Legal Fees	29,894,625	28,305,240	1,589,385	5.6%
Claims Service Fee Ratio	11.5%	11.1%		
Operating Service Fees	22,611,020	22,744,859	- 133,839	-0.6%
Operating Service Fees Ratio	8.7%	8.9%		

Key Messages:

- Servicing Carriers are reimbursed for servicing FA's business based on the guidelines set out in the Plan of Operation. The operating and service fee and claims expense allowance paid to the Servicing Carrier is in-line with the Board approved allowance
- Operating Cost (excluding claims expenses)
 - Over the last six months, the average operating cost (excluding claims expenses) has been 10.3% of the premiums written.
 - As a ratio of Insurance Revenue, operating cost (excluding claims expenses) has decreased slightly from 8.9% to 8.7%
- Claims expenses: The claims expenses, expressed as a percentage of Insurance Revenue, have increased slightly from 11.1% to 11.5% due to higher bodily injury claims driven by Alberta and Ontario.
- There is an annual process that occurs in February to retroactively settle the claims fees with the servicing carrier. In February 2026, there was a recovery from the servicing carrier on these fees indicated by the sharp decrease in the chart above.

FARM Financial Position

Cash and Accounts Payable has decreased due to the operating results distribution and available funds distributed. LRC has decreased consistent with the change in unearned premium. LIC increased due to higher IBNR. Payables and receivables have decreased because of fund transfer settlements between FA and member accounts.

FARM - IFRS 17 (\$000s)	April 30, 2026	October 31, 2025	Change	
			(\$)	(%)
Assets				
Cash and cash equivalents	250,124	410,295	(160,170)	(39%)
Investments	100,215	-	100,215	0%
Other receivables	897	11,385	(10,489)	(92%)
Accounts receivable from other pools	2,641	2,162	479	22%
Accrued investment income	860	971	(111)	(11%)
Total Funds held by members	617,256	592,976	24,280	4%
Total Assets	971,994	1,017,789	(45,795)	(4%)
Liabilities				
Liability for remaining coverage	155,927	181,977	(26,050)	(14%)
Liability for incurred claims	793,621	762,812	30,810	4%
Accounts payable and other liabilities	7,151	55,509	(48,358)	(87%)
Servicing carrier operating fees payable	15,295	17,492	(2,197)	(13%)
Total Liabilities	971,994	1,017,789	(45,795)	(4%)

Key Messages:

- **Cash and cash equivalents** – The decrease is primarily driven by a \$35M distribution to members for operating results and available funds, higher claims paid during the period.
- **Investments** – During the quarter, \$100M were invested in ETFs.
- **Other receivables** – For FY 2025 the realignment of funds resulted in \$10M of receivables. These funds were received in January 2026.
- **Total funds held by members** – FARM’s liabilities are fully funded by our members. Any liabilities in excess of the other Assets are funded by the Total Funds held by members. The increase in total funds held by members is mainly attributable to increased claims liabilities.
- **Liability for remaining coverage** – Decrease of \$26M represents the change in unearned premium received over time.
- **Liability for Incurred Claims** – The \$31M increase is driven by higher IBNR provision reflecting an increase in bodily injury (BI) claims in ON and AB expected to be settled in future periods.
- **Accounts payable** – \$45M was settled to members for the operating results distribution and available funds distributed.

FARM Latest FY 2026 Projection

Latest 2026 FY Projection \$000s (as at 202604)						FY 2026 Outlook
FY 2026 Latest Projection (\$000s)	Ontario	Alberta	Atlantics	Territories	Total	Total
Written Premium	200,052	165,021	155,523	12,359	532,954	543,009
Received Premium	200,477	163,697	154,576	12,177	530,927	537,535
Earned Premium	204,504	164,970	152,764	11,373	533,611	540,659
Insurance Revenue	204,504	164,970	152,764	11,373	533,611	540,659
Total Claims Incurred	168,498	132,447	117,351	6,720	425,015	387,023
<i>Claims incurred (CAY)</i>	162,001	124,426	119,748	5,754	411,928	406,734
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	6,497	8,021	(2,397)	966	13,087	(19,711)
Administrative Expense	26,930	20,954	19,896	1,573	69,354	68,938
Amortization of IACFs	13,110	13,720	17,048	1,076	44,954	46,579
Change in Loss Component	0	0	2,306	0	2,306	3,167
Insurance Service Expenses	208,538	167,121	156,600	9,370	541,629	505,707
Insurance Service Result	(4,034)	(2,151)	(3,837)	2,003	(8,018)	34,952
<i>Insurance Finance Expense from PV FCF</i>	(11,682)	(7,570)	(7,055)	(294)	(26,601)	(29,007)
<i>Insurance Finance Expense from Risk Adjustment</i>	(1,073)	(551)	(501)	(21)	(2,147)	(2,474)
<i>Insurance Finance Expense from Loss Component</i>	0	0	114	0	114	(39)
Insurance Finance Income (Expense)	(12,755)	(8,121)	(7,442)	(315)	(28,634)	(31,521)
Investment Income	4,709	3,072	2,901	141	10,823	10,814
Operating Result	(12,080)	(7,200)	(8,378)	1,829	(25,829)	14,246
Ratios (as a % of insurance revenue)						
Loss ratios	82.4%	80.3%	76.8%	59.1%	79.6%	71.6%
<i>Claims incurred (CAY)</i>	79.2%	75.4%	78.4%	50.6%	77.2%	75.2%
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	3.2%	4.9%	(1.6%)	8.5%	2.5%	(3.6%)
Underwriting and Admin Expenses	19.6%	21.0%	25.7%	23.3%	21.9%	22.0%
<i>Administrative Expenses</i>	13.2%	12.7%	13.0%	13.8%	13.0%	12.8%
<i>Amortization of IACFs</i>	6.4%	8.3%	11.2%	9.5%	8.4%	8.6%
<i>Change in Loss Component</i>	0.0%	0.0%	1.5%	0.0%	0.4%	0.6%
Insurance Service Ratio	102.0%	101.3%	102.5%	82.4%	101.5%	93.5%
Insurance Finance Income	6.2%	4.9%	4.9%	2.8%	5.4%	5.8%
Investment Income Ratio	(2.3%)	(1.9%)	(1.9%)	(1.2%)	(2.0%)	(2.0%)
Combined Operating Ratio	105.9%	104.4%	105.5%	83.9%	104.8%	97.4%

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.

Updated FY 2026 Projection

	Ontario	Alberta	Atlantics	Territories	Total
WRITTEN PREMIUM (\$000s)					
The Outlook	209,430	160,146	160,951	12,482	543,009
Latest Projection	200,052	165,021	155,523	12,359	532,954
Change (\$)	(9,378)	4,874	(5,428)	(123)	(10,055)
Change (%)	(4.5%)	3.0%	(3.4%)	(1.0%)	(1.9%)
WRITTEN VEHICLE COUNT					
The Outlook	24,863	32,758	61,065	7,177	125,863
Latest Projection	23,929	32,252	59,163	7,028	122,371
Change (%)	(3.8%)	(1.5%)	(3.1%)	(2.1%)	(2.8%)
LOSS RATIOS (%)					
The Outlook CAY Loss Ratio	75.0%	73.7%	79.0%	49.2%	75.2%
Latest Projection CAY Loss Ratio	79.2%	75.4%	78.4%	50.6%	77.2%
Change	4.2%	1.7%	(0.6%)	1.4%	2.0%
The Outlook PAY Loss Ratio	(4.1%)	(3.6%)	(3.3%)	(1.7%)	(3.6%)
Latest Projection PAY Loss Ratio	3.2%	4.9%	(1.6%)	8.5%	2.5%
Change	7.2%	8.4%	1.8%	10.2%	6.1%
CHANGE IN LOSS COMPONENT, UNDERWRITING AND ADMIN EXPENSES (% INSURANCE REVENUE)					
The Outlook	19.6%	20.7%	26.4%	23.4%	22.0%
Latest Projection	19.6%	21.0%	25.7%	23.3%	21.9%
Change	0.0%	0.3%	(0.7%)	(0.1%)	(0.1%)
COMBINED OPERATING RATIO (%)					
The Outlook	95.7%	94.0%	105.1%	72.0%	97.4%
Latest Projection	105.9%	104.4%	105.5%	83.9%	104.8%
Change	10.3%	10.4%	0.4%	11.9%	7.5%
OPERATING RESULT (\$000s)					
The Outlook	9,178	9,764	(7,914)	3,218	14,246
Latest Projection	(12,080)	(7,200)	(8,378)	1,829	(25,829)
Change (\$)	(21,258)	(16,963)	(464)	(1,389)	(40,074)

Key observations:

- FARM is projected to experience a decrease in written premiums (a 1.9% overall increase compared to the projected fiscal year-end 2025). We are projecting written premium of \$532 million, primarily driven by decreases in Ontario and Atlantic written premiums.
- The CAY loss ratio has increased in Alberta, driven by higher loss trend assumptions for Non-PPV coverages. PAY loss ratios have also deteriorated measurably, primarily in Ontario, Alberta, and the Territories, relative to the Outlook.
- The deterioration in the PAY loss ratio in Ontario and Alberta is driven by unfavorable development in IU bodily injury claims. See focus area #2 for more detail.
- The 2026 Outlook does not forecast any future change in the yield curve, as the forward assumption is a constant yield curve. Actual yields are updated throughout the year in line with the implementation schedule. Finally, there is a high level of uncertainty in the projected results due to the potential range of outcomes; therefore, caution should be exercised when interpreting these estimates.

Focus Area #1: FARM Rate Changes and Indications

FARM Rate Activity & Indications

	TOTAL	PPV	Non-PPV
Jurisdiction	Cred-Weighted Indication	Cred-Weighted Indication	Cred-Weighted Indication
ON			
AB			
NL			
NB			
NS			
PE			
YT			
NT			
NU			
Grand Total			

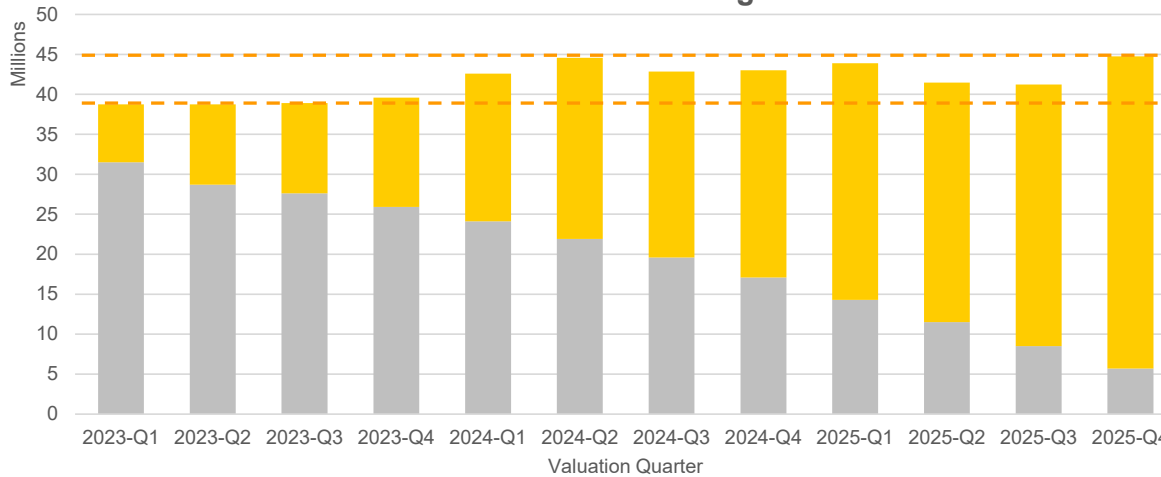
Key Messages:

- This table presents the red/green status of current credibility-weighted indications by province and segment.
 - Red indicates that rate increase is needed
 - Green indicates that the rates are adequate
- Since our last quarterly report, we have been approved for rate changes for:
 - Ontario interurban
 - Alberta PPV, taxis, buses and interurban
 - Nova Scotia PPV
- Other notes:
 - Alberta PPV rate change is impacted by Grid rates, as a significant portion of FARM PPV book is Grid-rated.
 - In Newfoundland, we have recognized a loss component as a result of Newfoundland & Labrador Bill 47 which prohibits inclusion of a provision for return on capital in FARM's rates.

Focus Area #2: FARM Interurban Trucking Update

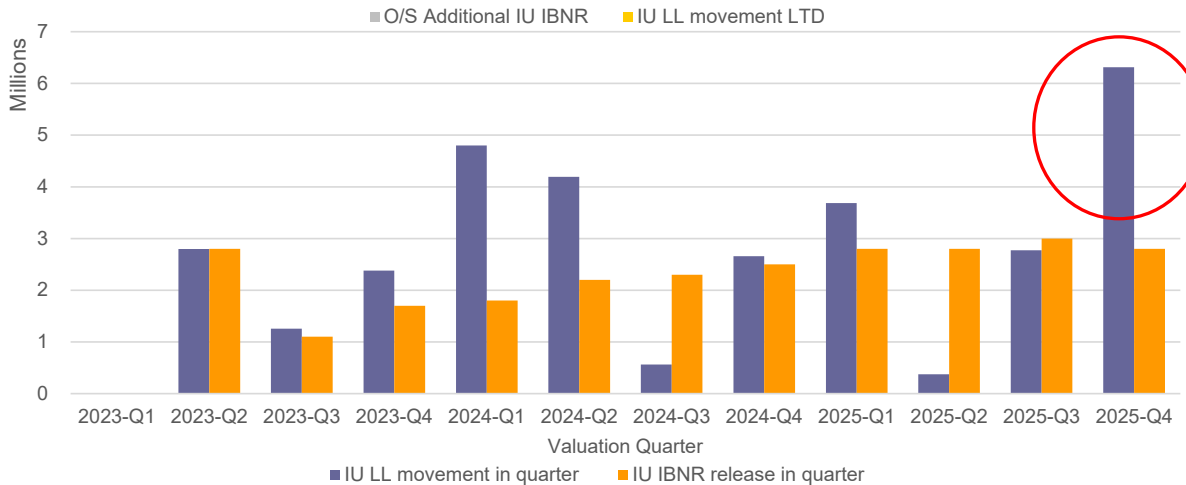
Special Topic – Alberta non-PPV Inter-Urban Trucking

Accident Years 2020-2023 Inter-Urban Large Loss Movements



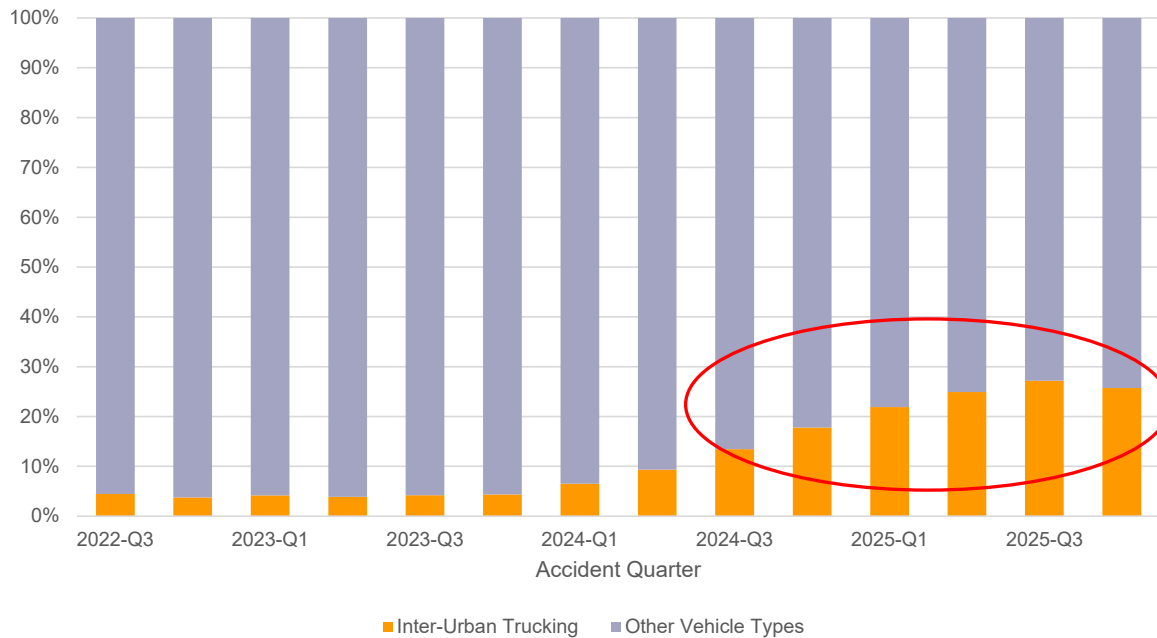
- Rapid growth of Non-PPV Inter-Urban Trucking within Alberta led to the inclusion of a special IBNR provision totaling \$31.5M for AYs 2020-2023 as of valuation review date 2023-Q1

- IU IBNR release schedule appears slightly optimistic; initial IU IBNR provision might be too low to cover all IU claims emergence for AY 2020-2023



Special Topic – Ontario non-PPV Inter-Urban Trucking

Distribution of Ontario Non-PPV Bodily Injury Earned Premium



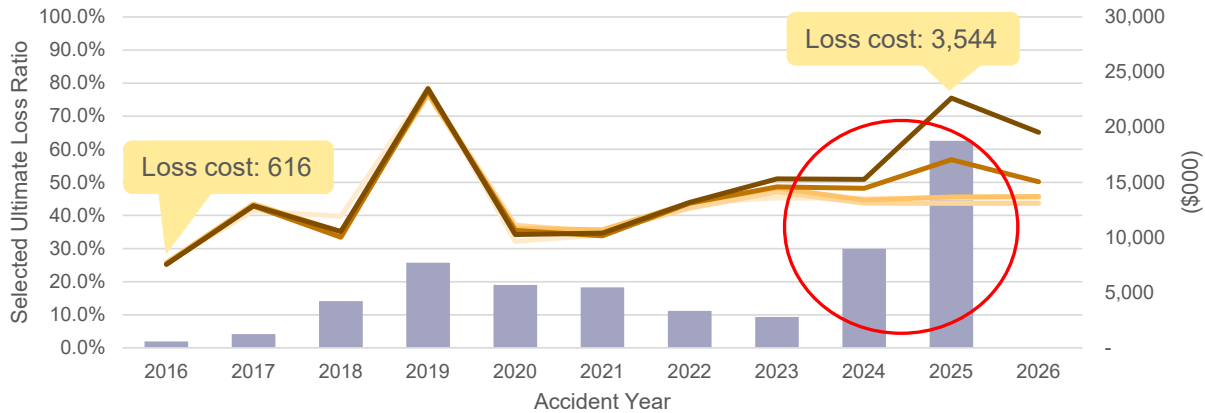
- Rapid growth of Non-PPV Inter-Urban Trucking within Ontario starting in second half of 2024 due to DCPD becoming optional and FARM's BI/PD rates being too competitive
- Rate change for Ontario Inter-Urban Trucking approved effective June 1, 2026 to address FARM's competitive rates

- Uptick of Bodily Injury claims frequency observed starting in accident quarter 2024-Q3 and continuing into 2025-Q4; given the growth in IU, we expect the trend to continue into 2026

Cumulative Reported Claims per Exposure						
Accident Quarter	3	6	9	12	15	18
2024-03-31	0.38%	0.59%	0.65%	0.70%	0.75%	0.94%
2024-06-30	0.39%	0.83%	1.04%	1.17%	1.24%	1.22%
2024-09-30	0.46%	0.83%	1.00%	1.30%	1.32%	1.37%
2024-12-31	0.51%	1.11%	1.54%	1.67%	1.59%	
2025-03-31	0.61%	1.38%	1.44%	1.52%		
2025-06-30	0.71%	1.27%	1.42%			
2025-09-30	0.51%	1.11%				
2025-12-31	0.92%					

Special Topic – Ontario non-PPV Inter-Urban Trucking

Ontario Non-PPV Bodily Injury's Selected Ultimate Loss Ratio Over Time

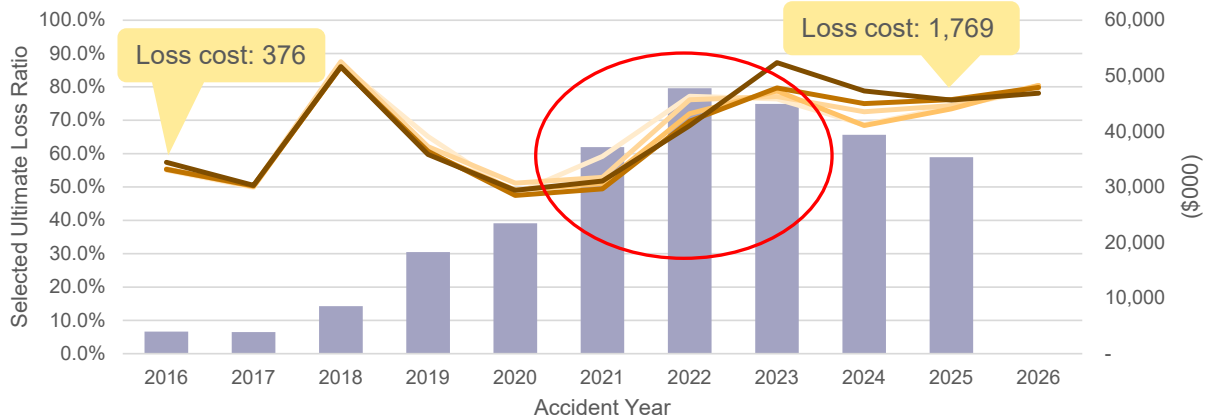


- Using the growth of IU in Alberta AYs 2020-2023 as a cautionary tale, we anticipate loss ratios for Ontario Bodily Injury to go up significantly as a result of the growth in IU business

- Increased our expected loss ratio assumptions for Ontario Bodily Injury AYs 2024-2025 by 10%-15% in the current review; adds about \$14M IBNR to AYs 2024-2025

- Also expecting higher loss ratios for Ontario Bodily Injury in AY 2026

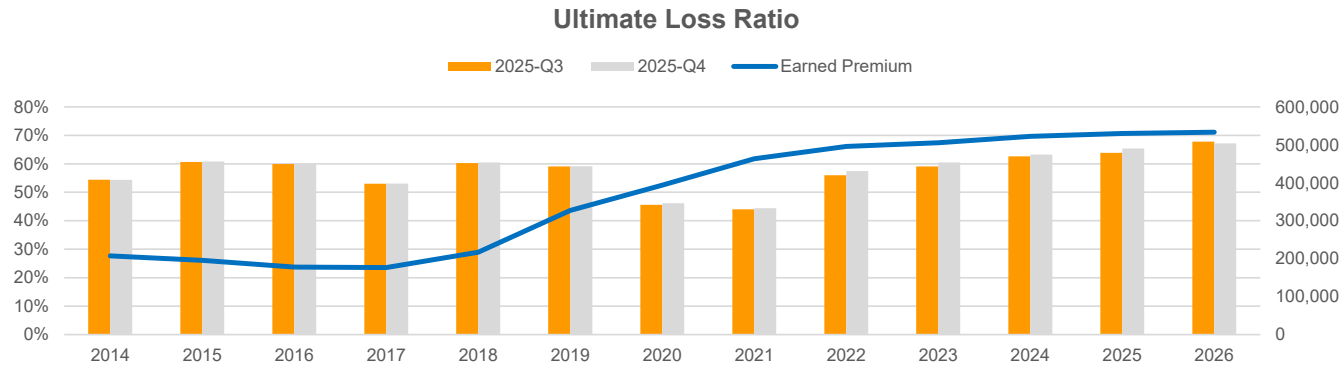
Alberta Non-PPV Bodily Injury's Selected Ultimate Loss Ratio Over Time



■ IU Earned Premium
 — 2023-Q4
 — 2024-Q2
 — 2024-Q4
 — 2025-Q2
 — 2025-Q4

Focus Area #3: Results of the 2025-Q4 Claims Analysis

FARM Claims Analysis



Nominal (\$000s)	2015 & prior	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 excl CAQ	Total excl 2025	Total
TPL	244	39	68	594	467	1,383	2,369	7,102	7,232	4,045	5,695	23,542	29,238
AB	261	(8)	(3)	7	(183)	810	(417)	(591)	(337)	(210)	(489)	(670)	(1,159)
Other	(0)	176	-	(6)	(4)	29	(65)	706	58	(605)	(223)	290	67
Total	505	208	65	595	280	2,222	1,887	7,218	6,953	3,230	4,983	23,162	28,146

Key Messages:

- Claims development for prior accident years during Q4 is unfavorable \$28.1 million increase to the ultimate loss.
- Deterioration in loss ratios was mainly driven by unfavourable claim development for Ontario and Alberta Non-PPV Bodily Injury claims.

**Results on this slide are on a nominal (undiscounted) basis and include data up to December 31, 2025.*

FARM Claims Analysis – PPV Key Valuation Changes

The impact of the 2025-Q4 claims analysis on ultimate claims estimates overall minor.

Increasing



Rank	Province	Coverage	Change in Ultimate
1	Nova Scotia	Bodily Injury	\$ 3,817,798
2	Ontario	Bodily Injury	\$ 2,977,332
3	Newfoundland & Labrador	Bodily Injury	\$ 2,599,534
4	Ontario	AccBen (indivis)	\$ 1,612,403
5	Alberta	Bodily Injury	\$ 991,337

Decreasing

Rank	Province	Coverage	Change in Ultimate
75	New Brunswick	Bodily Injury	\$ -384,544
76	Nova Scotia	Uninsured Automobile	\$ -511,569
77	Ontario	Comprehensive	\$ -872,348
78	Ontario	Direct Comp Property Damage	\$ -937,967
79	Newfoundland & Labrador	Property Damage (w DCPD)	\$ -1,348,359




Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q4 valuation (includes the change in the latest quarter actual compared to the projection from the previous quarter).
- Overall, the changes are relatively minor however we continue to see familiar themes: improvements in Ontario DCPD and Comprehensive coverage results, and unfavorable claim results Nova Scotia Bodily injury driven by large losses.
- Furthermore, Newfoundland Property Damage (w DCPD) saw the largest decrease in ultimate and there has been a large deterioration in Bodily in Ontario and Newfoundland.

FARM Claims Analysis – non-PPV Key Valuation Changes

The Non-PPV Q4 valuation results are very unfavourable overall. Ontario Bodily Injury saw the largest increase in ultimate losses, followed by Alberta, both increases are driven by inter-urban trucking.

Increasing



Rank	Province	Coverage	Change in Ultimate
1	Ontario	Bodily Injury	\$ 13,408,869
2	Alberta	Bodily Injury	\$ 11,268,537
3	Ontario	Collision	\$ 2,250,045
4	Alberta	AccBen (indivis)	\$ 1,291,224
5	Newfoundland & Labrador	Bodily Injury	\$ 1,247,360

Decreasing

Rank	Province	Coverage	Change in Ultimate
75	Ontario	Property Damage	\$ -590,310
76	Alberta	Comprehensive	\$ -784,166
77	Ontario	Direct Comp Property Damage	\$ -784,494
78	New Brunswick	Bodily Injury	\$ -2,727,045
79	Ontario	AccBen (indivis)	\$ -4,360,582



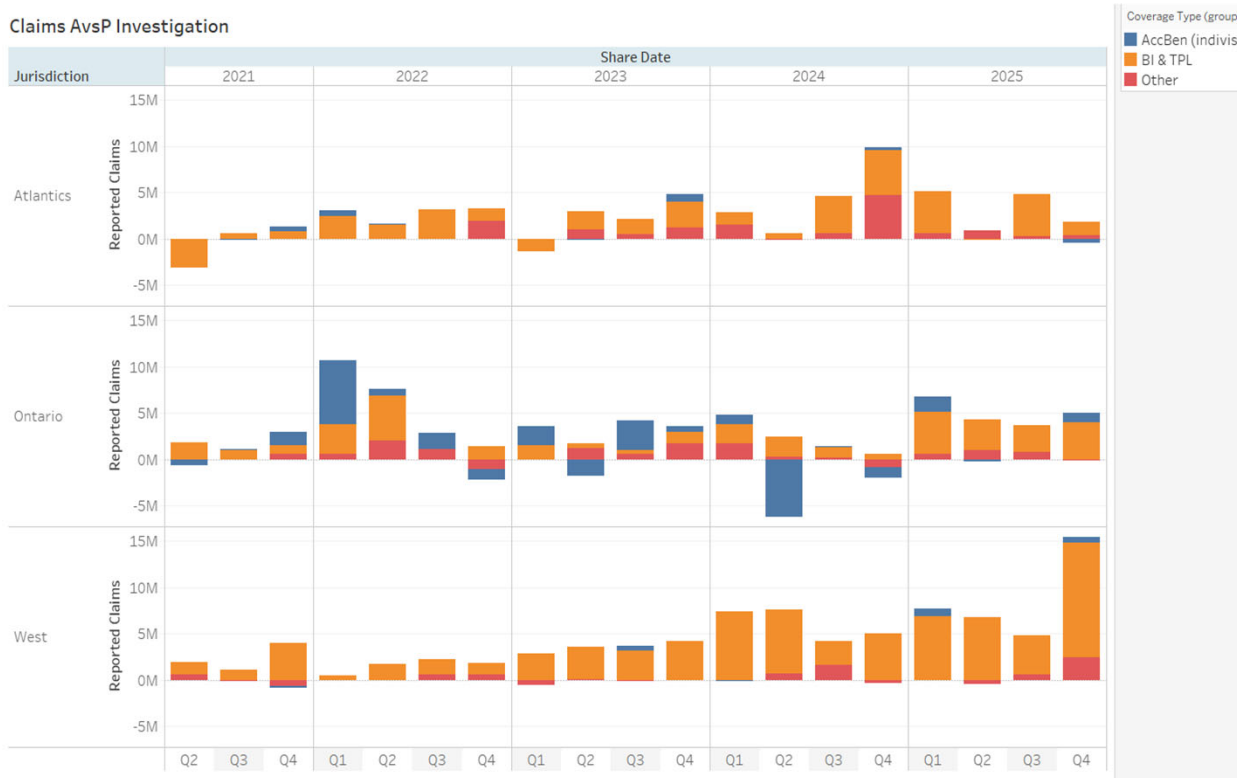
Key Messages:

- These tables show the coverages with the largest change in ultimate losses from the Q4 valuation (includes the change in the latest quarter actual compared to the projection from the previous quarter).
- The increase in Alberta Bodily Injury is driven by large losses, while Ontario Bodily Injury's change represents proactive reserve strengthening related to rapid growth and deteriorating results of this line.
- On the decreasing side, Ontario Accident Benefits and New Brunswick Bodily Injury saw the most favorable developments

FARM Claims Analysis – Large Losses Over Time

2025 Q4 saw larger than average large losses in Alberta but consistent levels of large loss activity in the other jurisdictions.

Claims AvsP Investigation



Key Messages:

- Large losses in Ontario and the Atlantic regions are consistent with levels observed in recent years
- Alberta large losses by reporting quarter have been at an elevated level for a few years, reflecting the large growth and subsequent losses from the interurban trucking portfolio. The losses this quarter were abnormally large and this was reflected in the Non-PPV Alberta BI result this quarter.

**LL are defined as >\$500k for ON/AB or >\$250k for other jurisdictions*

Coverage Type (group)

- AccBen (indivis)
- BI & TPL
- Other

FARM Glossary of Acronyms/Legends

Acronyms	Definition
AY	Accident Year
AvP/AvsP	Actual versus Projection
AccBen	Accident Benefits
AB	Alberta
Atlantics	New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland & Labrador (combined)
BI	Bodily Injury
CAY	Current Accident Year
CM	Comprehensive
CAT	Catastrophe
CV	Commercial Vehicles
FtAY	Future Accident Year
IU	Interurban Vehicle
IFIE/IFE	Insurance Finance Income/Expense
IFIE/IFE	Insurance Finance Income/Expense
IBNR	Incurred but not Reported
LIC	Liability for Incurred Claims
LRC	Liability for Remaining Coverage
LL	Large Loss
LR	Loss Ratio

Acronyms	Definition
ON	Ontario
NB	New Brunswick
NS	Nova Scotia
NL	Newfoundland & Labrador
Non-PPV	Non-Private Passenger Vehicles – all vehicles insured by FARM that are not PPV
PPV	Personal Passenger Vehicles (automobiles)
PY	Prior Year
PAY	Prior Accident Year
RA	Risk Adjustment
Rec	Recreational vehicles: Motorcycles, Snowmobiles and ATVs
SP	Specified Perils
TX	Taxis/Limos
Territories	Yukon, Northwest Territories, Nunavut (combined)
YTD	Year to Date

Supplementary Information

Additional exhibits and data files available in the monthly bulletins:

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