

**TO:** MEMBERS OF THE FACILITY ASSOCIATION  
**ATTENTION:** CHIEF EXECUTIVE OFFICER  
**BULLETIN NO:** F2026 – 019  
**DATE:** June 30, 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 April 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.

Amounts in \$000s	Actual (April 2026)	Prior Year (April 2025)	% Change	2026 year-end Projection	2025 year-end Actual	% Change
<b>Income Statement Highlights</b>						
Insurance Revenue	43,061	41,820	3.0%	540,465	527,644	2.4%
Operating Result	(807)	2,591	(131.1%)	(28,285)	8,599	(428.9%)
Written Vehicle Count	11,366	11,442	(0.7%)	122,601	123,298	(0.6%)
Average Written Premium (\$s)	4,118	3,958	4.1%	4,417	4,253	3.9%
Combined Operating Ratio (%)	101.9%	93.8%	8.1%	105.2%	98.4%	6.9% pts
<b>Balance Sheet Snapshot</b>						
LIC	793,619	707,485	12.2%	840,129	763,713	10.0%
Nominal Unpaid Claims	809,097	724,880	11.6%	856,014	774,210	10.6%
Discount Amount	(79,180)	(73,013)	8.4%	(81,906)	(71,663)	14.3%
Risk Adjustment	63,702	55,619	14.5%	66,021	61,167	7.9%
LRC	160,176	193,387	(17.2%)	192,808	166,942	15.5%
LRC Excluding Loss Component	159,022	193,387	(17.8%)	190,305	166,942	14.0%
Loss Component	1,154	0		2,502	0	

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

Related Links:

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

<b>FARM Summary of IFRS17 Financial Results</b>	<b>Actual</b>	<b>Projection</b>	<b>Prior Year</b>	<b>2026 year-to-date</b>	<b>2025 year-to-date</b>	<b>2026 year-end</b>	<b>Outlook*</b>
<b>Amounts in \$000s</b>	<b>(April 2026)</b>	<b>(April 2026)</b>	<b>(April 2025)</b>	<b>as at 4 months</b>	<b>as at 4 months</b>	<b>Projection</b>	<b>Full year 2026</b>
Written Premium	46,806	45,283	44,798	156,019	148,488	541,757	552,764
Received Premium	45,811	45,051	44,248	160,761	148,990	537,935	328,991
Earned Premium	43,061	42,699	41,820	169,634	166,409	540,465	549,810
<b>Insurance Revenue</b>	<b>43,061</b>	<b>42,699</b>	<b>41,820</b>	<b>169,634</b>	<b>166,409</b>	<b>540,465</b>	<b>549,810</b>
Total Claims Incurred	26,866	31,461	28,833	158,035	106,759	433,948	395,476
<i>Claims incurred (CAY)</i>	33,534	33,049	30,433	132,832	122,230	420,280	414,508
<i>Adjustments to Liabilities for Incurred Claims (PAYs)</i>	(6,668)	(1,588)	(1,600)	25,203	(15,471)	13,668	(19,032)
Administrative Expense	6,073	5,676	5,476	21,717	19,778	70,422	70,962
Amortization of IACFs	3,871	3,667	3,542	14,689	14,111	44,291	46,528
Change in Loss Component	255	255	0	1,295	0	2,604	3,470
<b>Insurance Service Expenses</b>	<b>37,064</b>	<b>41,059</b>	<b>37,850</b>	<b>195,735</b>	<b>140,648</b>	<b>551,265</b>	<b>516,436</b>
<b>Insurance Service Result</b>	<b>5,997</b>	<b>1,640</b>	<b>3,970</b>	<b>(26,101)</b>	<b>25,761</b>	<b>(10,800)</b>	<b>33,375</b>
<i>Insurance Finance Expense from PV FCF</i>	(7,152)	(2,401)	(2,100)	(7,051)	(9,415)	(26,258)	(28,288)
<i>Insurance Finance Expense from Risk Adjustment</i>	(576)	(195)	(169)	(544)	(742)	(2,092)	(2,377)
<i>Insurance Finance Expense from Loss Component</i>	(2)	(2)	0	141	0	102	(57)
<b>Insurance Finance Income (Expense)</b>	<b>(7,730)</b>	<b>(2,598)</b>	<b>(2,269)</b>	<b>(7,454)</b>	<b>(10,156)</b>	<b>(28,249)</b>	<b>(30,722)</b>
<b>Investment Income</b>	<b>927</b>	<b>647</b>	<b>890</b>	<b>3,367</b>	<b>3,889</b>	<b>10,764</b>	<b>10,825</b>
<b>Operating Result</b>	<b>(807)</b>	<b>(311)</b>	<b>2,591</b>	<b>(30,189)</b>	<b>19,494</b>	<b>(28,285)</b>	<b>13,477</b>
<b>Key Ratios:</b>							
<b>Loss ratio</b>	<b>62.4%</b>	<b>73.7%</b>	<b>68.9%</b>	<b>93.2%</b>	<b>64.2%</b>	<b>80.3%</b>	<b>71.9%</b>
<i>CAY Loss Ratio</i>	77.9%	77.4%	72.8%	78.3%	73.5%	77.8%	75.4%
<i>PAY Loss Ratio</i>	(15.5%)	(3.7%)	(3.8%)	14.9%	(9.3%)	2.5%	(3.5%)
<b>Underwriting and Admin Expenses</b>	<b>23.7%</b>	<b>22.5%</b>	<b>21.6%</b>	<b>22.2%</b>	<b>20.4%</b>	<b>21.7%</b>	<b>22.0%</b>
<i>Administrative Expenses</i>	14.1%	13.3%	13.1%	12.8%	11.9%	13.0%	12.9%
<i>Amortization of IACFs</i>	9.0%	8.6%	8.5%	8.7%	8.5%	8.2%	8.5%
<i>Change in Loss Component</i>	0.6%	0.6%	0.0%	0.8%	0.0%	0.5%	0.6%
<b>Insurance Service Ratio</b>	<b>86.1%</b>	<b>96.2%</b>	<b>90.5%</b>	<b>115.4%</b>	<b>84.5%</b>	<b>102.0%</b>	<b>93.9%</b>
<b>Insurance Finance Income</b>	<b>18.0%</b>	<b>6.1%</b>	<b>5.4%</b>	<b>4.4%</b>	<b>6.1%</b>	<b>5.2%</b>	<b>5.6%</b>
<b>Investment Income Ratio</b>	<b>(2.2%)</b>	<b>(1.5%)</b>	<b>(2.1%)</b>	<b>(2.0%)</b>	<b>(2.3%)</b>	<b>(2.0%)</b>	<b>(2.0%)</b>
<b>Combined Operating Ratio</b>	<b>101.9%</b>	<b>100.7%</b>	<b>93.8%</b>	<b>117.8%</b>	<b>88.3%</b>	<b>105.2%</b>	<b>97.5%</b>

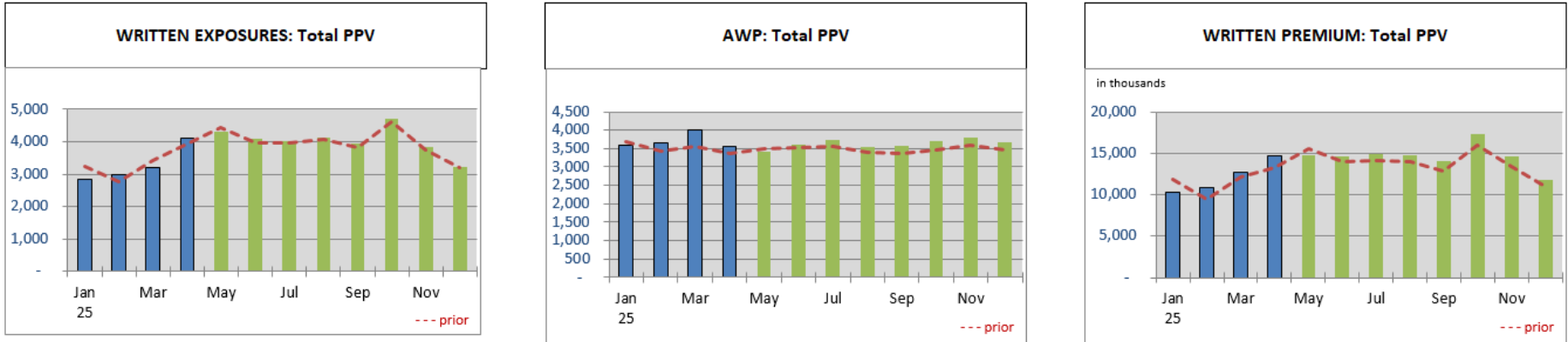
rounding differences may occur

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

- **Claims Incurred:** Incurred losses were \$26.9 million, lower than projection by \$4.5 million and \$1.9 million lower compared with the same month last year. Loss ratio was at 62.4%, 11.3 percentage points lower than projected, and 6.5 percentage points lower compared with prior year.
- **Change in Loss Component:** FARM business is priced with a fair return on Members' capital and targets a 12% ROE on members' supporting capital (based on a 2.0 premium to surplus ratio assumption). Based on current indications, only Newfoundland & Labrador PPV is expected to be onerous in 2026. We will continue to monitor these indications on an ongoing basis to determine if any other segments become onerous and require a loss component.

- Insurance Finance income/ (expense):** This is comprised of both the release of the effect of discounting due to the passage of time (also known as discount unwinding) and the effect due to changes in discounting assumptions. The latter is only reflected in implementation months (March, May, August, and October), when the yield curve is updated. IFIE is \$5M worse than projected this month due to an error correction. This correction is offset by the favourable actual vs projected for Claims Incurred, there was **no impact** on operating results or liabilities.

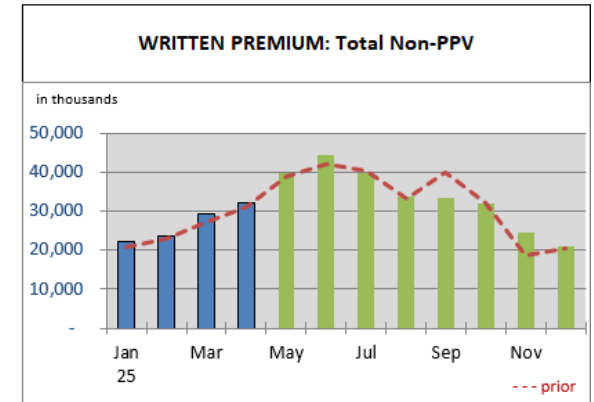
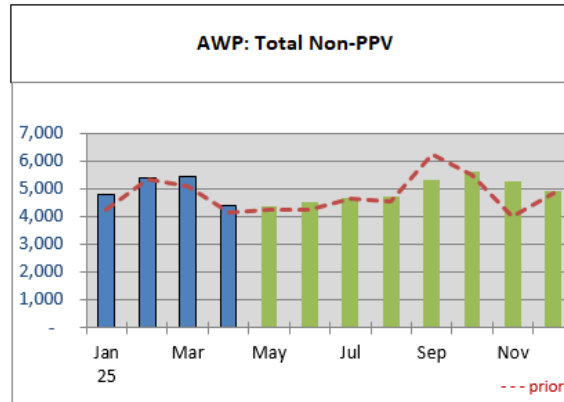
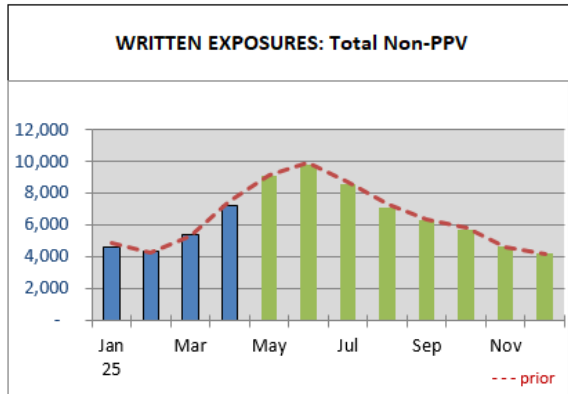
The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the red dotted line represents the prior year metric. **PPV premium activity** compared to prior year is below:



The Private Passenger vehicle count for the month was 4,116 vehicles, and written premium total of \$14.6 million, an increase of 10.10% compared with the prior year. The average premium for PPV was 5.56% higher than the prior year. Below are the jurisdictions with notable PPV changes:

- Alberta PPV premium was \$1.2M higher than the prior year, with vehicle counts up by 147.

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



The Non-Private Passenger written premium was \$32.0 million, up 2.6% compared with the prior year, while vehicle count was 7,250, which was -3.26% higher than the previous year. Here are the jurisdictions with notable NPPV changes:

- Ontario interurban premium was \$447k higher than the prior year, with counts higher by 111.
- Alberta interurban premium was \$310 lower than the prior year, with counts lower by 150.
- Ontario commercial premium was \$1.4M lower than the prior year, with counts lower by 119.

The total average premium for PPV and Non-PPV combined was 5.55% higher compared to prior. The overall month's written premium was \$46.6 million; up \$2.2M or 4.85% compared with prior year.

Should you require any further information, please contact Philippe Gosselin, VP Actuarial and CRO at [pgosselin@facilityassociation.com](mailto:pgosselin@facilityassociation.com) or at (416) 863-1750 x4968.

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