TO: MEMBERS OF THE FACILITY ASSOCIATION
ATTENTION: CHIEF EXECUTIVE OFFICER
BULLETIN NO: F2026 – 028
DATE: July 31, 2026
SUBJECT: Risk Sharing Pool – June 2026 Operational Report

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

Please be advised that the June 2026 Risk Sharing Pool IFRS 17 Operational Report is available on the Facility Association (FA) Portal at https://portal.facilityassociation.com. The results in this report are shown on the IFRS 17 accounting basis. The results presented in this bulletin reflect the combined results of the six pools unless otherwise specified.

Amounts in $000s	**Actual**	**Prior Year**	**%**	**2026 year-end**	**2025 year-end**	**%**
Income Statement Highlights	**(June 2026)**	**(June 2025)**	**Change**	**Projection**	**Actual**	**Change**
Insurance Revenue	82,385	73,622	11.9%	992,934	905,847	9.6%
Operating Result	(12,930)	(10,240)	26.3%	(401,479)	(590,594)	(32.0%)
Written Vehicle Counts	41,077	39,715	3.4%	440,184	458,609	(4.0%)
Average Written Premium ($s)	3,563	3,183	12.0%	3,432	3,156	8.7%
Combined Operating Ratio (%)	115.7%	113.9%	1.8% pts	140.4%	165.2%	(24.8%) pts
Balance Sheet Snapshot						
LIC	2,343,006	2,183,791	7.3%	2,473,362	2,255,709	9.6%
Nominal Unpaid Claims	2,409,500	2,242,962	7.4%	2,554,529	2,310,111	10.6%
Discount Amount	(240,124)	(209,196)	14.8%	(259,476)	(217,631)	19.2%
Risk Adjustment	173,630	150,025	15.7%	178,310	163,229	9.2%
LRC	1,247,182	1,432,436	(12.9%)	980,877	1,148,267	(14.6%)
LRC Excluding Loss Component	416,617	386,892	7.7%	440,966	431,835	2.1%
Loss Component	830,565	1,045,544	(20.6%)	539,911	716,432	(24.6%)

Related Links:

- LRC Calculation File
- RSP Catastrophe Report
- RSP Summary of Operations - Calendar Year 2026

FACILITY ASSOCIATION

RSP Summary of Financial Results

RSP Summary of IFRS17 Financial Results Amounts in $000s	Actual (June 2026)	Projection (June 2026)	Prior Year (June 2025)	2026 year-to-date as at 6 months	2025 year-to-date as at 6 months	2026 year-end Projection	Outlook* Full year 2026	2025 year-end Actual
Written Premium	146,369	132,636	126,406	742,305	668,521	1,510,595	1,419,853	1,447,483
Received Premium	138,308	139,006	123,979	708,459	657,427	1,517,981	1,423,462	1,449,542
Earned Premium	125,306	126,241	112,406	736,180	662,855	1,513,387	1,439,709	1,381,500
Earned Expense Allowance	(42,921)	(43,427)	(38,784)	(253,573)	(227,689)	(520,453)	(496,499)	(475,653)
Insurance Revenue	**82,385**	**82,813**	**73,622**	**482,607**	**435,165**	**992,934**	**943,210**	**905,847**
Total Claims Incurred	123,764	124,204	119,823	686,941	708,553	1,454,581	1,582,611	1,347,854
Claims incurred (CAY)	*128,518*	*128,646*	*124,341*	*761,036*	*737,791*	*1,550,488*	*1,636,493*	*1,404,124*
Adjustments to Liabilities for Incurred Claims (PAYs)	*(4,754)*	*(4,442)*	*(4,517)*	*(74,095)*	*(29,238)*	*(95,907)*	*(53,883)*	*(56,270)*
Administrative Expense	714	783	617	5,219	4,431	10,479	10,719	9,458
Losses on Onerous Contracts	7,938	0	8,158	477,364	660,231	477,364	671,202	631,836
Reversal of Losses on Onerous Contracts	(48,130)	(48,130)	(54,828)	(329,452)	(331,768)	(631,601)	(733,857)	(648,639)
Insurance Service Expenses	**84,285**	**76,857**	**73,770**	**840,071**	**1,041,447**	**1,310,823**	**1,530,675**	**1,340,508**
Insurance Service Result	**(1,901)**	**5,956**	**(148)**	**(357,464)**	**(606,281)**	**(317,889)**	**(587,464)**	**(434,661)**
Insurance Finance Expense from PV FCF	(7,549)	(7,549)	(6,573)	(25,636)	(48,145)	(69,795)	(88,386)	(85,765)
Discount Unwind Loss Component	*(7,549)*	*(7,549)*	*(6,573)*	*(41,099)*	*(42,406)*	*(85,258)*	*(88,386)*	*(81,155)*
Yield Impact Loss Component	*0*	*0*	*0*	*15,463*	*(5,740)*	*15,463*	*0*	*(4,609)*
Insurance Finance Expense from Risk Adjustment	(607)	(607)	(492)	(1,921)	(3,310)	(5,420)	(6,779)	(6,309)
Discount Unwind Loss Component	*(607)*	*(607)*	*(492)*	*(3,232)*	*(3,063)*	*(6,731)*	*(6,779)*	*(6,076)*
Yield Impact Loss Component	*0*	*0*	*0*	*1,311*	*(247)*	*1,311*	*0*	*(232)*
Insurance Finance Expense from Loss Component	(2,873)	(2,873)	(3,026)	3,120	(47,705)	(8,374)	(33,685)	(63,860)
Discount Unwind Loss Component	*(2,873)*	*(2,873)*	*(3,026)*	*(19,090)*	*(22,971)*	*(30,584)*	*(33,685)*	*(36,225)*
Yield Impact Loss Component	*0*	*0*	*0*	*22,210*	*(24,734)*	*22,210*	*0*	*(27,635)*
Insurance Finance Income (Expense)	**(11,029)**	**(11,029)**	**(10,091)**	**(24,437)**	**(99,161)**	**(83,590)**	**(128,850)**	**(155,933)**
Operating Result	***(12,930)***	***(5,073)***	***(10,240)***	***(381,901)***	***(705,442)***	***(401,479)***	***(716,314)***	***(590,594)***
Key Ratios:								
Loss Ratio	150.2%	150.0%	162.8%	142.3%	162.8%	146.5%	167.8%	148.8%
CAY Loss Ratio	156.0%	155.3%	168.9%	157.7%	169.5%	156.2%	173.5%	155.0%
PAY Loss Ratio	(5.8%)	(5.4%)	(6.1%)	(15.4%)	(6.7%)	(9.7%)	(5.7%)	(6.2%)
Onerous Contract Ratio (excluding IFIE)	(48.8%)	(58.1%)	(63.4%)	30.6%	75.5%	(15.5%)	(6.6%)	(1.9%)
Earned Expense allowance	34.3%	34.4%	34.5%	34.4%	34.3%	34.4%	34.5%	34.4%
Administrative Expenses	0.9%	0.9%	0.8%	1.1%	1.0%	1.1%	1.1%	1.0%
Insurance Service Ratio	**102.3%**	**92.8%**	**100.2%**	**174.1%**	**239.3%**	**132.0%**	**162.3%**	**148.0%**
Combined Operating Ratio	**115.7%**	**106.1%**	**113.9%**	**179.1%**	**262.1%**	**140.4%**	**175.9%**	**165.2%**

rounding differences may occur

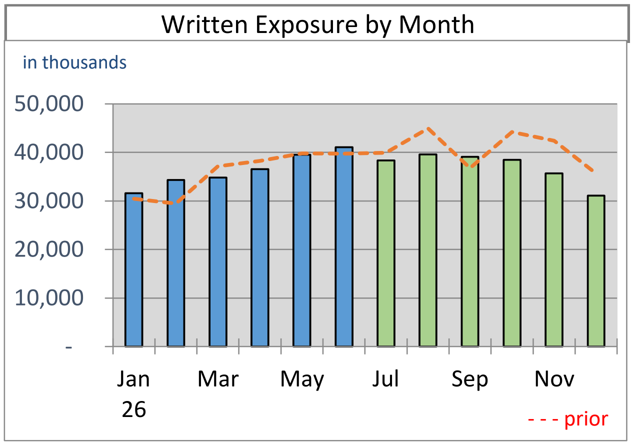
*as posted to FA's website Dec 23, 2025

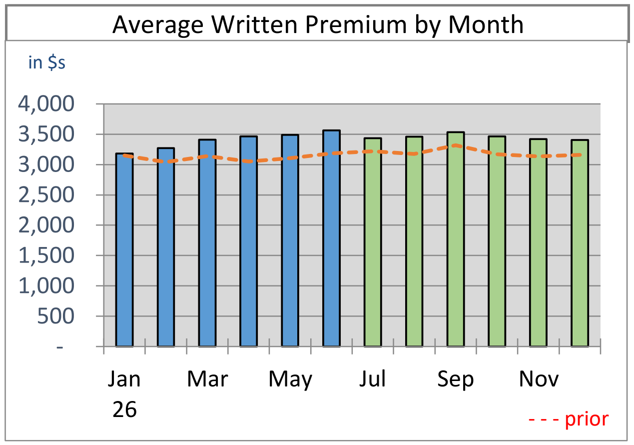
- **Claims Incurred**: The liabilities are assumed to be the best estimate, which means the view of ultimate losses remains fixed until the next quarterly valuation is implemented. Overall, the total loss ratio is slightly higher than the projected loss ratio for the current month, while the year-end compared to The Outlook is lower.

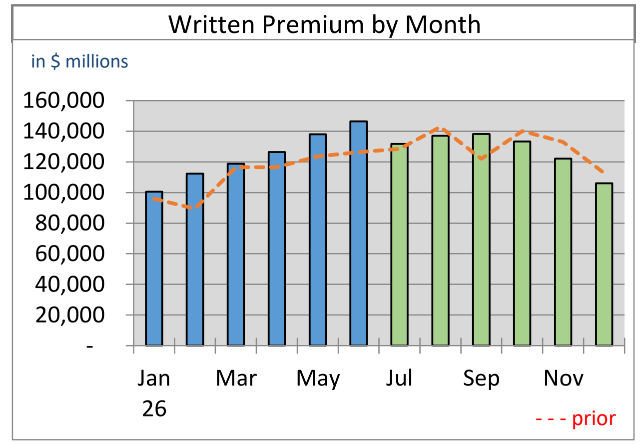
- **Losses on Onerous Contracts**: This represents a change in the loss component during the reporting period arising from initial recognition and subsequent re-estimation of the loss component (due to changes in premium or loss ratio projections, for example). This month, the losses on onerous contracts **increased by $7.9 million** driven by an increase in Alberta Non-Grid due to updated projection.
- **Reversal of Losses on Onerous Contracts**: This represents changes in the loss component during the reporting period arising from the portion of the opening LRC earned during the period. Excludes the impact of change in discount rates and completely aligns with projection.
- **Insurance Finance income/expense):** This is comprised of both the release of the effect of discounting due to the passage of time (also known as discount unwinding) and the effect due to changes in discounting assumptions. The latter is only reflected in implementation months (March, May, September, and November), when the yield curve is updated.

Premium

The charts below show the exposure by month where the blue bars represent the actual metric, the green bars represent the projected metric, and the orange dotted line represents the prior year metric.







The vehicle count transfer for the month was 41,077 vehicles, which was higher than prior year by 1,362 vehicles and 2,122 vehicles higher than The Outlook for the month. This is primarily driven by an increase in the Alberta Grid and Alberta Non-Grid pools, offset by a decrease in the Ontario RSP. Average Written Premiums for the month are up by 9% primarily driven by an increase in the Alberta Grid and Alberta Non-Grid RSP.

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

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President & CEO