RBC Insurance

Financial Statements of

RBC INSURANCE COMPANY OF CANADA

October 31, 2025

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APPOINTED ACTUARY'S REPORT
RBC INSURANCE COMPANY OF CANADA
2025 ANNUAL REPORT

Role of the Appointed Actuary

The Appointed Actuary is:

- appointed by the Board of Directors of RBC Insurance Company of Canada (the "Company");
- required to carry out a valuation of the policy liabilities and to report thereon to the Company's shareholder;
- responsible for ensuring that the assumptions and methods for the valuation of policy liabilities are in accordance with accepted actuarial practice, applicable legislation, and associated regulations and directives;
- required to provide an opinion on the appropriateness of the policy liabilities at the Balance Sheet date to meet all policyholder obligations of the Company. The work to form that opinion includes an examination of the sufficiency and reliability of policy data and an analysis of the ability of the assets to support the policy liabilities; and
- required each year to analyze the financial condition of the Company and to report thereon to the Board of Directors. The analysis tests the capital adequacy of the Company for a five year period under adverse economic and business conditions.

Appointed Actuary's Report

To the Shareholder of RBC Insurance Company of Canada

I have valued the policy liabilities of RBC Insurance Company of Canada for its Financial Statements prepared in accordance with International Financial Reporting Standards for the year ended October 31, 2025.

In my opinion, the amount of the policy liabilities is appropriate for this purpose. The valuations conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.

Brian Guo

Mississauga, Ontario

Brian Guo

December 16, 2025

Fellow, Canadian Institute of Actuaries

Independent auditor's report

To the Shareholders of RBC Insurance Company of Canada

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RBC Insurance Company of Canada (the Company) as at October 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Company's financial statements comprise:

- the balance sheet as at October 31, 2025;
- the statement of income and comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants
Toronto, Ontario
December 17, 2025

RBC INSURANCE COMPANY OF CANADA
Balance Sheet
(in C$ thousands)

As at October 31,	*Note*		**2025**		2024
ASSETS					
Cash and cash equivalents		$	**30,541**	$	29,964
Investments, net of applicable allowances	*4*		**80,929**		103,976
Investments, securities on loan	*4, 16*		**22,316**		27,138
Reinsurance contract assets	*6*		**306**		940
Other assets, net of applicable allowances	*11*		**10,258**		9,107
Goodwill			**163**		163
Total assets		$	**144,513**	$	171,288
LIABILITIES					
Insurance contract liabilities	*10*	$	**22,048**		23,511
Deferred income taxes	*12*		**9**		111
Other liabilities	*11*		**14,157**		18,607
Total liabilities		$	**36,214**		42,229
EQUITY					
Share capital	*13*	$	**42,721**		42,721
Other components of equity			**4,151**		3,418
Retained earnings			**61,427**		82,920
Total equity			**108,299**		129,059
Total liabilities and equity		$	**144,513**	$	171,288

The accompanying notes are an integral part of these financial statements

Approved by the Board of Directors

Rino D'Onofrio
Director

Yaniv Bitton
Director

RBC INSURANCE COMPANY OF CANADA
Statement of Income and Comprehensive Income
(in C$ thousands)

For the year ended October 31,	Note		2025		2024
Insurance revenue		$	**128,642**	$	116,002
Insurance service expenses	17		**(74,655)**		(80,568)
Net expenses from reinsurance contracts held			**(2,172)**		(1,776)
Insurance service result	8		**51,815**		33,658
Interest revenue on financial assets not measured at FVTPL			**5,327**		4,058
Net investment income/(losses)			**1,829**		(170)
Provision for credit losses			**(15)**		26
Investment Return			**7,171**		3,862
Net Investment Result	9		**7,171**		3,862
Other Income			**443**		444
Other Operating Expenses	17		**(7,314)**		(5,569)
Other Operating Income and Expenses			**(6,871)**		(5,125)
Income before income taxes			**52,115**		32,395
Income tax expense	12		**13,608**		8,681
Net income		$	**38,507**	$	23,714
Other comprehensive income (loss) ("OCI")					
Items that will be reclassified subsequently to net income:					
Net unrealized gains (losses) on financial assets at FVOCI			**1,490**		5,636
Income tax relating to these items			**(393)**		(1,484)
			1,097		4,152
Items that will not be reclassified subsequently to income:					
Remeasurement of defined benefit plans			**(365)**		257
Total other comprehensive income			**732**		4,409
Total comprehensive income		$	**39,239**	$	28,123

The accompanying notes are an integral part of these financial statements

RBC INSURANCE COMPANY OF CANADA
Statement of Changes in Equity
(in C$ thousands)

For the year ended October 31, 2025

			Other components of equity:			
	Share capital	Retained earnings	FVOCI Investments	Defined Benefit Plans	Total Other components of equity	Total
Balance, beginning of year	$ 42,721	$ 82,920	$ 346	$ 3,073	$ 3,419	$ 129,060
Net income for the year	-	38,507	1,097	-	1,097	39,604
Other comprehensive income	-	-	-	-	-	-
Remeasurement of defined benefit plans	-	-	-	(365)	(365)	(365)
Total comprehensive income for the year	-	38,507	1,097	(365)	732	39,239
Dividend	-	(60,000)	-	-	-	(60,000)
Balance, end of year	$ 42,721	$ 61,427	$ 1,443	$ 2,708	$ 4,151	$ 108,299

For the year ended October 31, 2024

			Other components of equity:			
	Share capital	Retained earnings	FVOCI Investments	Defined Benefit Plans	Total Other components of equity	Total
Balance, beginning of year	$ 42,721	59,214	(3,806)	2,816	(990)	100,945
Net income for the year	-	23,714	-	-	-	23,714
Other comprehensive income	-	-	4,152	-	4,152	4,152
Remeasurement of defined benefit plans	-	-	-	257	257	257
Total comprehensive income for the year	-	23,714	4,152	257	4,409	28,123
Other changes in equity	-	(8)	-	-	-	(8)
Balance, end of year	$ 42,721	$ 82,920	$ 346	$ 3,073	$ 3,419	$ 129,060

The accompanying notes are an integral part of these financial statements

RBC INSURANCE COMPANY OF CANADA
Statement of Cash Flows
(in C$ thousands)

For the year ended October 31,		2025		2024
OPERATING ACTIVITIES				
Net income	$	**38,507**	$	23,714
Adjustments for				
Changes in Insurance contract assets and liabilities		**(1,464)**		(1,260)
Changes in Reinsurance contract assets and liabilities		**634**		(940)
Changes in Other Assets		**(2,146)**		5,075
Changes in Other Liabilities		**(4,514)**		3,458
Deferred income taxes		**26**		443
Net loss (gain) on investments		**(127)**		148
Amortization of discounts on investments		**80**		242
Depreciation/Amortization of premises, equipment & intangible assets		**-**		2
Cash flows provided by (used in) operating activities		**30,996**		30,882
INVESTING ACTIVITIES				
Purchases of investments		**(42,455)**		(67,938)
Proceeds from sales and maturities of investments		**72,036**		48,561
Cash flows provided by (used in) investing activities		**29,581**		(19,377)
FINANCING ACTIVITIES				
Dividend paid		**(60,000)**		-
Cash flows provided by (used in) financing activities		**(60,000)**		-
Net change in cash and cash equivalents		**577**		11,505
Cash and cash equivalents at beginning of year		**29,964**		18,459
Cash and cash equivalents at end of year	$	**30,541**	$	29,964
CASH AND CASH EQUIVALENTS CONSIST OF:				
Cash in bank	$	**30,541**	$	29,964
	$	**30,541**	$	29,964
Cash flows from operating activities include:				
Income taxes paid	$	**9,390**	$	7,857
Interest received		**7,255**		3,865

The accompanying notes are an integral part of these financial statements

1. GENERAL INFORMATION

RBC Insurance Company of Canada (the "Company") is a property and casualty insurance company federally registered under the Insurance Companies Act of Canada. The Company is wholly owned by RBC Insurance Holdings Inc. ("the parent") and its ultimate parent is Royal Bank of Canada ("RBC" or "the ultimate parent"). The Company's registered office is located at 6880 Financial Dr., Mississauga, Ontario L5N 7Y5, Canada.

The nature of insurance is such that the industry uses the law of large numbers and the sharing of risk among the policyholders to price its products. To mitigate some of this risk, the Company purchases reinsurance to share all or part of the risks originally accepted by the Company in the writing of insurance policies. This reinsurance does not relieve the Company of its primary obligation to policyholders. If the reinsurers are unable to meet their obligations under the related agreements, the Company bears the full risk. The Company itself is a reinsurer and therefore shares in risk originally accepted by other insurance companies.

On December 16, 2025, the Board of Directors approved the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Section 331 of the Insurance Companies Act of Canada, which states that except as otherwise specified by the Office of the Superintendent of Financial Institutions, Canada ("OSFI"), the financial statements are to be prepared in accordance with generally accepted accounting principles which, for publicly accountable companies in Canada, are International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The significant accounting policies used in the preparation of these financial statements ("FS"), including the accounting requirements of the OSFI, conform in all respects to IFRS, and are summarized as follows:

a) Insurance Contracts

i) Classification of Insurance Contacts

Insurance contracts and reinsurance contracts issued are contracts under which we accept significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future even adversely affects the policyholder. Reinsurance contracts held are contracts under which we transfer significant insurance risk to a reinsurer that compensates us for claims relating to underlying insurance contracts issued by us.

ii) Level of Aggregation

Insurance and reinsurance contracts are aggregated into portfolios that are subject to similar risks and are managed together. The portfolios are then divided into groups based on the period of issuance and expected profitability, subdivided into one of the following groups:

- Contracts that are onerous
- Contracts that have no significant possibility of becoming onerous; and
- All remaining contracts.

iii) Recognition & Derecognition

The Company initially recognizes insurance contracts it issues at the earliest of:

- The beginning of the effective date of the group of contracts;
- The date when the first payment from a policyholder is due; or
- For onerous contracts, the date when facts and circumstances indicate that it is onerous.

The Company derecognizes groups of insurance contracts when the rights and obligations have been extinguished or the contract is modified such that IFRS 17 requires the contract be derecognized and a new contract recognized.

iv) Contract Boundary

The measurement of groups of insurance contracts includes all the cash flows within the boundary of the insurance contracts. Cash flows are considered to be within the boundary of an insurance contract:

- If they arise during the period in which the Company can compel the policyholder to pay premiums; or
- Where the Company has a substantive obligation to provide insurance contract services to the policyholder. This substantive obligation ends when the Company has the ability to reassess the risk of the policyholder and can set a price or level of benefits that fully reflect the risks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

v) Measurement

The Company has chosen to measure all of its insurance contracts by applying the Premium Allocation Approach (PAA). PAA is a simplified measurement model that may be applied when certain criteria are met. All of the Company's insurance contracts and reinsurance contracts were eligible to apply PAA as each contract in the group had a coverage period of one year or less.

The Premium Allocation Approach

The Company uses the PAA for measuring contracts with a coverage period of one year or less.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

a) the remaining coverage; and

b) the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

a) increased for ceding premiums paid in the period; and

b) decreased for the amounts of ceding premiums recognized as reinsurance expenses for the services received in the period.

Insurance contracts are composed of a liability (or asset) for remaining coverage, relating to future service, and a liability (or asset) for incurred claims, relating to past service.

Liability for Remaining Coverage (LRC)

The liability for remaining coverage for each group is measured as the premiums received less insurance revenue recognized for services provided. Measurement at initial recognition consists of premiums received. Where facts and circumstances indicate that a group of contracts is onerous, the group is recognized as a loss component withing LRC and a loss is recognized immediately in insurance services expenses at the amount is it onerous. The company has elected that insurance acquisition cash flows are recognized in the Statement of Income and Comprehensive Income when incurred. There is no allowance for the time value of money as the premiums are generally received within one year of the coverage period.

The LRC subsequent to initial recognition is the amount of unearned revenue and the remaining loss component for any groups that are onerous. Expected premium receipts (net of premium taxes and excluding investment components) are recognized as revenue, generally based on the passage of time. The Company measures the carrying amount of the LRC at the end of each reporting period as follows:

- The LRC at the beginning of the period, plus
- Premiums settled in the period, minus
- Amounts recognized as insurance revenue for the period, minus,
- Any component paid or transferred to the Liabilities for Incurred Claims (LIC) as applicable.

If at any time during the coverage period, facts and circumstances indicate that a group of contract is onerous, the company will recognize a loss in income or expense and increase in the LRC to the extent that the current estimate of the fulfillment cash flow that relate to remaining coverage including any risk adjustment for non-financial risk, exceeds the carrying amount of the LRC.

Liability for Incurred Claims (LIC)

The measurement of the LIC includes estimates of the future cash flows that will be required to settle obligations related to past service, including events that have occurred and where claims have been incurred but not yet reported. Differences between the estimated cost and subsequent settlement of claims are recognized in the Statement of Income and Comprehensive Income in the period in which they are settled or in which the liabilities are re-estimated. The LIC also included the Company's obligation to pay other incurred insurance expenses. All of these cash flows within the LIC include an explicit adjustment for non-financial risk (risk adjustment), which is the compensation the Company requires for bearing the risks associated with the insurance contracts. The Company has elected to recognize changes in the risk adjustment entirely in insurance service result. The Company also does not adjust the LIC to reflect the time value of money and the effects of financial risk as it expects claims to be fully paid within one year of the insured event occurring.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Insurance Revenue

Insurance revenue is recognized as we provide insurance contract services under the groups of insurance contracts. It is recognized based on allocating expected premium receipts over the passage of time.

Insurance Service Expense

Insurance service expense arising from insurance contracts includes incurred claims and other directly attributable expense in the current period (excluding investment components), changes relating to past or current services and changes in loss components of onerous groups of contracts.

Net Income (Expense) from Reinsurance Contracts Held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held. Net Income (Expense) from reinsurance contracts held represents the amounts recovered from the reinsurers less the allocation of premiums paid on reinsurance contracts held.

Insurance Service Result

Insurance service result comprises insurance revenue less insurance service expenses and Net Income (expense) from reinsurance contracts held.

b) Investments

Classification of financial assets

Financial assets are measured at initial recognition at fair value and are classified and subsequently measured at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortized cost based on our business model for managing the financial instruments and the contractual cash flow characteristics of the instrument.

Debt instruments are measured at amortized cost if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Held-to-Collect ("HTC") as described below, and (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

Debt instruments are measured at FVOCI if both of the following conditions are met and the asset is not designated as FVTPL: (a) the asset is held within a business model that is Held-to-Collect-and-Sell ("HTC&S") as described below, and (b) the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI.

Receivables are measured initially at fair value and subsequently at amortized cost using the effective interest method, adjusted for any loss allowance. They are generally due for settlement within one year of the reporting period and due to their short-term nature, the carrying amount is considered to be the same as the fair value less allowance for credit loss.

Business model assessment

The Company determines business models at the level that best reflects how it manages portfolios of financial assets to achieve its business objectives. Judgment is used in determining our business models, which is supported by relevant and objective evidence.

The Company utilizes the HTC&S whereby, both collecting contractual cash flows and sales are integral to achieving the objective of the business model.

SPPI assessment

Instruments held within a HTC&S business model are assessed to evaluate if their contractual cash flows are comprised of solely payments of principal and interest. SPPI payments are those which would typically be expected from basic lending arrangements. Principal amounts include par repayments from lending and financing arrangements, and interest primarily relates to basic lending returns, including compensation for credit risk and the time value of money associated with the principal amount outstanding over a period of time. Interest can also include other basic lending risks and costs (for example, liquidity risk, servicing or administrative costs) associated with holding the financial asset for a period of time, and a profit margin.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

b) Investments (continued)

i) Investments classification

Fair Value Through Other Comprehensive Income ("FVOCI") financial assets

The Company classifies all bonds as FVOCI financial assets with the business model as HT&S. FVOCI financial assets are carried at fair value on the Balance Sheet starting on the settlement date.

Debt securities carried at FVOCI are measured at fair value with unrealized gains and losses arising from changes in fair value included in Other Comprehensive Income ("OCI"). Impairment gains and losses which result from changes to the Provision for credit losses ("PCL") are recognized in net income. When a debt instrument measured at FVOCI is sold, the cumulative gain or loss is reclassified from OCI to Net Investment Income.

ii) Investments categories

Bonds, short-term investments and cash equivalents

Short term investments are securities that have original maturity terms of ninety-one days to one year. Securities with original maturity terms of ninety days or less are treated as cash equivalents.

Investments in bonds are valued at fair value. The fair value of publicly traded bonds is determined using quoted market bid prices. For non-publicly traded bonds, fair value is determined using a discounted cash flow approach that includes provisions for credit risk and the expected maturities of the securities. The valuation techniques used are primarily based on observable market prices or rates.

iii) Determination of fair value

The fair value of a financial instrument is the amount at which the financial instrument could be exchanged in an arm's-length transaction between knowledgeable and willing parties under no compulsion to act. In determining fair value, a hierarchy is used which prioritizes the inputs to valuation techniques. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The availability of inputs relevant to the asset or liability and the relative reliability of the inputs might affect the selection of appropriate valuation techniques.

The fair value hierarchy levels are based on the reliability of the price or rate input. Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets or quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs that are derived principally from observable market data. Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The Company determines fair value by incorporating all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Valuation models are approved for use within the Company's model risk management framework. The framework addresses, among other things, model development standards, validation processes and procedures, and approval authorities. The Company has documented internal policies methodologies and procedures for determining fair value.

Valuation techniques also include using a documented third-party pricing source waterfall. The third party pricing source waterfall gives priority to those services and prices having the highest and most consistent accuracy. The level of accuracy is developed over time by comparing third-party price values to traders' or system values, to other pricing service values and, when available, to actual trade data.

For instruments not traded in an active market, fair value is determined using a valuation technique that maximizes the use of observable market inputs to the extent available. For more complex or illiquid instruments, significant judgment is required in the determination of the model used, the selection of model inputs, and in some cases the application of valuation adjustments to the model value or quoted price for inactively traded financial instruments, as the selection of model inputs may be subjective and the inputs may be unobservable. Unobservable inputs are inherently uncertain as there is little or no market data available from which to determine the level at which an arm's length transaction would occur under normal business circumstances. The realized price for a transaction may be different from its recorded value that is previously estimated using management judgment.

A breakdown of fair values of financial instruments based on the fair value hierarchy (Level 1, 2 and 3) is provided in Note 5. The following describes how fair values are determined, what inputs are used and where they are classified in the fair value hierarchy in Note 5, for the Company's significant assets and liabilities:

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

b) Investments (continued)

Government bonds (Canadian, U.S. and other governments)

Government bonds include Canadian government debt, U.S. state, municipal and agencies debt, and Other government debt. The fair value of government issued or guaranteed debt securities in active markets is determined by reference to recent transaction prices, broker quotes, or third-party vendor prices and is classified as Level 1. The fair value of securities that are not traded in active markets are determined by broker quotes or are modelled using implied yields and credit spreads derived from prices of actively traded and similar government securities. These securities are classified as Level 2 or 3 in the hierarchy, depending on the significance of the unobservable spread.

Corporate bonds

The fair value of corporate bonds, including asset backed securities, which are in Corporate debt is determined using the most recently executed transaction prices, broker quotes, pricing services or discounted cash flow valuation models using inputs such as benchmark yields. If a valuation model is used, these bonds are classified as Level 2 or 3 based on how significant the unobservable spread is.

iv) Investments - Revenue and expenses recognition

Interest is recognized in Net investment result in the Statement of Income and Comprehensive Income for all interest bearing financial instruments using the effective interest method. The effective interest method is used to calculate premiums or discounts for loans and fixed income securities. Dividend income is recognized when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders have approved the dividend for unlisted equity securities.

Transaction costs are capitalized on initial recognition. For financial assets and financial liabilities measured at amortized cost, capitalized transaction costs are amortized through Net income over the estimated life of the instrument using effective interest method.

c) Goodwill

Goodwill is assessed for impairment annually. An impairment test is performed by comparing the carrying amount of the cash generating unit (CGU) to its recoverable amount. An impairment charge is recorded to the extent the recoverable amount of a CGU, which is the higher of fair value less costs to sell and value in use, is less than its carrying amount. Value in use is the present value of the future cash flows expected to be derived from the CGU.

d) Reinsurance

The Company uses reinsurance in the normal course of business to manage its risk exposure. Premiums ceded to a reinsurer do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that any reinsurer does not meet its obligations for reinsurance ceded to it under the reinsurance agreements.

e) Foreign currency

The Canadian dollar is the functional and presentation currency of the Company. Transactions in foreign currencies are translated into Canadian dollars at rates of exchange at the time of such transactions. Monetary assets and liabilities are translated at current rates of exchange, with all translation differences recognized in Net investment income in the current period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Use of estimates, and significant judgments

In preparation of the financial statements, the Company is required to make subjective estimates and assumptions that affect the reported amount of assets, liabilities, net income and related disclosures. Estimates made by management are based on historical experience and other assumptions that are believed to be reasonable. Key sources of estimation uncertainty include; the valuation of insurance contract liabilities (Note 2 and Note 10), pensions and other post-employment benefits (Note 2 and Note 14). Accordingly, actual results may differ from these and other estimates thereby impacting the future financial statements. Refer to the relevant accounting policies in this Note for details on the use of estimates and assumptions.

In preparation of the financial statements, the company is required to make significant judgements that affect the carrying value of certain assets and liabilities, and the reported amounts of revenues and expenses recorded during the period. Significant judgements have been made in the following areas: determination of classification of financial instruments (Note 2 and 4), classification and valuation of insurance contract liabilities (Note 2 and 10), the recognition of deferred income tax assets (Note 12).

The following are new estimates or assumptions, inputs, estimation techniques and judgements that relate to measuring insurance contracts:

<u>Discount Rates</u>: The Company has elected not to use a discount rate for determining the present value of future cash flow as it expects that both LRC and LIC obligations to mature or settle within one year.

<u>Directly attributable operating expenses</u>; Directly attributable operating expense assumptions reflect the projected costs of maintaining and servicing in-force policies, including associated directly attributable overhead expenses. The directly attributable expenses are derived from internal cost studies projected into the future with an allowance for inflation. For some developing businesses, there is an expectation that unit costs will decline as these businesses grow.

<u>Risk Adjustment</u>: The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing uncertainty in the amount and timing of insurance contract cash flows due to non-financial risk. A cost of capital approach has been implemented to determine the risk adjustment, as described in Note 10a.

<u>Confidence Level</u>: Disclosure of the confidence level (Note 10 a) used to determine the risk adjustment for non-financial risk. The confidence level represents the probability that the variability in the actual cash flows will be lower than our risk adjustment for non-financial risk.

g) Income taxes

The Company uses the asset and liability method of tax allocation. Under this method, the income tax expense consists of both an expense for current income taxes and an expense for deferred income taxes. The impact of changes in current taxes related to unrealized gains or losses on FVOCI financial assets however is reflected through OCI.

Current income tax expense represents the expected payable or receivable resulting from the current year's operations, and any adjustments to taxes payable in respect of previous years. Current income tax payable on profits is recognized as an expense based on the applicable tax laws in each jurisdiction in the year in which profits arise, calculated using tax rates enacted or substantively enacted by the Balance Sheet dates. Deferred income tax expense represents the movement during the year in the cumulative temporary differences between the carrying value of the Company's assets and liabilities on the Balance Sheet and their values for tax purposes. Deferred income tax assets are recognized to the extent that they are probable of being realized. Deferred income tax liabilities and assets are calculated based on income tax rates and laws that, at the Balance Sheet dates, are expected to apply when the liability or asset is realized, which are those enacted or considered substantively enacted at the Balance Sheet dates.

Interpretation of the relevant tax laws is needed, and the determination of the tax provision which includes best estimate of tax positions that are under audit or appeal by relevant taxation authorities. The determination of deferred tax asset or liability also requires significant management judgment as the recognition is dependent on projection of future taxable profits and tax rates that are expected to be in effect in the period the asset is realized or the liability is settled. Any changes in projection will result in changes in deferred tax assets or liabilities on Balance Sheet, and also deferred tax expense on the Statement of Income and Comprehensive Income.

h) Pension and other post-employment benefits

The Company offers a number of benefit plans which provide pension and other post-employment benefits ("OPEB") to eligible employees. These plans include a registered defined benefit pension plan, a non-registered supplemental pension plan, a defined contribution plans and health, dental, disability and life insurance plans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments held by the pension funds primarily comprise equity and fixed income securities and are valued at fair value. Defined benefit pension costs and the present value of accrued pension and other post–employment benefit obligations are calculated by the plans' actuaries using the Projected Unit Credit Method. The defined benefit pension expense, which is included in General expenses, consists of the cost of employee pension benefits for the current years' service, interest on the Net defined benefit liability, and administrative expenses paid from plan assets. Remeasurements of the Net defined benefit liability, which comprise actuarial gains and losses and return on plan assets (excluding amounts included in net interest on the Net defined benefit liability), are recognized immediately in Other comprehensive income in the period in which they occur. Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred), as well as the effects of changes in actuarial assumptions. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment and is charged immediately to income.

For each defined benefit plan, the Company recognizes the present value of the defined benefit obligations less the fair value of the plan assets, as a defined benefit liability reported in Other liabilities on the Balance Sheet. For plans where the defined benefit liability is negative (i.e. defined benefit asset), the amount is reported as an asset in Other assets.

The calculation of defined benefit expenses and obligations requires significant judgment as the recognition is dependent on discount rates, and various actuarial assumptions such as healthcare cost trend rates, projected salary increases, retirement age, and mortality and termination rates. Due to the long-term nature of these plans, such estimates and assumptions are subject to inherent risks and uncertainties. For pension and OPEB, the discount rate is determined by reference to market yields on high quality corporate bonds. Since the discount rate is based on currently available yields, and involves management's assessment of market liquidity, it is only a proxy for future yields. Actuarial assumptions, set in accordance with current practices, may differ from actual experience. These assumptions are determined by management and are reviewed by actuaries at least annually. Changes to any of the above assumptions may affect the amounts of benefits obligations and remeasurements that the Company recognizes.

The contribution to defined contribution plans are expensed when employees have rendered services in exchange for such contributions, generally in the year of contribution. Defined contribution plan expense is included in General expenses.

i) Current vs. non-current

Assets are considered current when expected to be realized within the Company's normal operating cycle of one year. Liabilities are classified as current when expected to be settled within the Company's normal operating cycle of one year. All other assets and liabilities are considered as non-current.

In line with industry practice for insurance companies, the Company's Balance Sheet is not presented using current and non-current classifications, but are rather presented broadly in order of liquidity. However, the following balances are generally considered to be current: Investments, Reinsurance assets, and most items in Other assets and Other liabilities.

The following balances are generally considered non-current: Deferred tax assets, Premises and equipment, Intangible assets and Deferred tax liabilities.

3. FUTURE ACCOUNTING CHANGES

Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amends *IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (the Amendments)*. The Amendments clarify the recognition and derecognition of financial instruments and introduce an accounting policy option for financial liabilities settled through electronic payment systems. The Amendments also clarify classification guidance for financial assets with contingent features not directly related to changes in basic lending risks and introduce additional related disclosure requirements for financial instruments with such contingent features. The Amendments will be effective for the RBC Insurance Company of Canada on November 1, 2026, and will be applied retrospectively with no restatement of comparative periods required. To manage the implementation of the Amendments, the RBC Insurance Company of Canada is in the process of assessing the impact on systems, processes and financial reporting and continue to assess the impact of adopting the Amendments on our Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB issued IFRS 18, which sets out requirements for the presentation and disclosure of information in the financial statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements and accompanies limited amendments to other standards which will be effective upon the adoption of the new standard. The standard introduces new defined subtotals to be presented in the Statements of Income. This standard will be effective for us on November 1, 2027, and will be applied retrospectively, with the restatement of comparatives. To manage the transition to IFRS 18, the RBC Insurance Company of Canada is in the process of assessing the impact on systems, processes and financial reporting required for adoption and continue to assess the impact of adopting this standard on financial statements.

4. INVESTMENTS

a) The Company has an investment policy, the application of which is monitored by an Investment Management Committee. This policy allows for investments in specific asset classes, aimed at achieving appropriate duration matching against insurance contract liabilities.

The Company's investments and loans consist of the following:

As at October 31,	2025		2024	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Bonds				
Classified FVOCI	$ 103,245	$ 103,245	$ 131,114	$ 131,114
Total	$ 103,245	$ 103,245	$ 131,114	$ 131,114

b) The difference between amortized cost and fair value of the following gross unrealized gains and losses:

As at October 31,	2025				2024			
	Amortized cost or cost	**Unrealized gains**	**Unrealized losses**	**Fair value**	Amortized cost or cost	Unrealized gains	Unrealized losses	Fair value
Bonds	$ 101,320	$ 1,925	$ -	$ 103,245	$ 130,695	$ 419	$ -	$ 131,114
Total	$ 101,320	$ 1,925	$ -	$ 103,245	$ 130,695	$ 419	$ -	$ 131,114

Allowance for credit losses on investment securities

Components of allowance for credit losses on investment securities include the following:

- Transfers between stages, which are presumed to occur before any corresponding remeasurements of the allowance.
- Purchases and originations, which reflect the allowance related to assets newly recognized during the period, including those assets that were derecognized following a modification of terms.
- Derecognition and maturities, which reflect the allowance related to assets derecognized during the period without a credit loss being incurred, including those assets that were derecognized following a modification of terms.
- Remeasurements, which comprise the impact of changes in model inputs or assumptions, including changes in forward-looking macroeconomic conditions; partial repayments and additional draws on existing facilities; changes in the measurement following a transfer between stages; and unwinding of the time value discount due to the passage of time.
- As at October 31, 2025 and 2024 allowance for credit losses on investment securities were not significant.

5. FAIR VALUE MEASUREMENT

In accordance with IFRS 7, *Financial Instruments – Disclosures* ("IFRS 7"), the Company's assets and liabilities recorded at fair value have been categorized based upon the following fair value hierarchy. Each level is based on the observability of the inputs used to measure the fair values of assets and liabilities. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. See Note 2.

The following table presents the financial instruments measured at fair value classified by the fair value hierarchy set out in IFRS 7:

As at October 31,	2025				2024			
	Level 1	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
FVOCI								
Bonds	$ -	**$ 103,245**	$ -	**$ 103,245**	$ -	$ 131,114	$ -	$ 131,114

Changes to fair value measurement

During the years ended October 31, 2025 and 2024, there have been no transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

6. RISK MANAGEMENT

a) Financial risk management

The Company uses an enterprise risk management framework to assist in categorizing, monitoring and managing the risks to which it is exposed. The key risks are credit risk, liquidity risk and market risk (foreign exchange risk, interest rate risk and equity risk). The following describes these risks and how the Company manages each of the risks.

i) Credit risk

Credit risk is the risk of financial loss resulting from the failure of debtors making payments when due. The following policies and procedures are in place to manage this risk:

This risk is mitigated by maintaining a diversified portfolio, to avoid an undue concentration of assets in any single geographic area, industry, company and a group of companies.

As part of the investment policy, all corporate investments must have a credit rating of BBB or greater when they are purchased, unless otherwise approved by the Company's Group Risk Management.

The portfolios are monitored periodically by the Head – Investments and the Investment Committee.

Maximum exposure to credit risk:

The following table summarizes the Company's maximum exposure to credit risk related to financial assets and insurance contracts. The maximum credit exposure is the carrying value of the assets net of any allowance for impairments, if any:

As at October 31,	2025	2024
Financial Instruments		
Cash and cash equivalents	**$ 30,541**	$ 29,964
Bonds		
FVOCI	**103,245**	131,114
Other	**5,305**	3,158
Reinsurance contract assets	**306**	$ 940
	$ 139,397	$ 165,176

6. **RISK MANAGEMENT (continued)**

a) Financial instrument risk management (continued)

Credit risk concentration:

The following table provides details of fair value of bonds by sector and geographical location:

As at October 31,		**2025**		2024
Bonds Guaranteed by:				
Canadian Federal government	$	**44,154**	$	38,848
Canadian Provincial and Municipal government		**18,605**		21,672
Total government issued bonds		**62,759**		60,520
Corporate Bonds by Sectors:				
Automotive		**13,841**		26,388
Energy		**4,490**		7,403
Financial		**18,623**		26,637
Industrial products		**3,532**		6,561
Other		**-**		3,605
Total by sector		**40,486**		70,594
Total	$	**103,245**	$	131,114
Canada	$	**103,245**	$	131,114
Total	$	**103,245**	$	131,114

As at October 31, 2025 and 2024, all of the above securities are denominated in Canadian dollars.

6. **RISK MANAGEMENT (continued)**

a) **Financial instrument risk management (continued)**

Credit quality:

The following table provides details of bonds and reinsurance recoverable and reinsurance assets and liabilities by independent ratings:

As at October 31,		2025		2024
Bonds				
AAA	$	**48,134**	$	42,778
AA		**13,241**		28,782
A		**41,870**		59,554
	$	**103,245**	$	131,114
Reinsurance assets				
A+	$	**306**	$	940
	$	**306**	$	940

As at October 31, 2025 and 2024, Bonds and long term debt are rated at the second highest of Moody's, S&P and Fitch ratings. Where fewer than three ratings are available, the Company uses the lowest available rating. Reinsurance assets are rated on AM Best ratings.

6. RISK MANAGEMENT (continued)

a) Financial instrument risk management (continued)

ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet all cash flow obligations as they become due. This could result in realized gains or losses if actual claims payment patterns differ significantly from those expected, requiring earlier than expected liquidation of assets to meet policy obligations. The Company closely monitors operating liquidity through cash flow matching of assets and liabilities. The Company does not anticipate any significant liquidity concerns in funding liabilities when due. As a P&C insurance company, cash and invested assets are held to meet short term obligations and therefore liquidity risk is considered low for the day to day operations. However, the Company is also regulated by OSFI and as such is required to comply with certain capital requirements to ensure the Company has sufficient assets to meet those short-term obligations and is further described in Note 11.

All of the of the Company's significant liabilities including its LRC insurance contracts are maturing within 1 year. The contractual maturities of the Company's Other Liabilities of $14 Million (2024 - $19 Million) is disclosed in Note 11.

iii) Market risk

Market risk is the risk that the fair value of the future cash flows of a financial instrument would fluctuate because of change in market prices. Such conditions would include three types of risks: interest rate risk, foreign exchange risk and equity risk.

Interest Rate Risk

Interest rate risk ("IRR") exists if asset and liability cash flows are not closely matched and a change in interest rates causes the fair value of the assets and liabilities to change by different amounts. The Company has policies in place to measure and manage this risk. These policies consider the unique characteristics of the underlying liabilities, including but not limited to expected payouts and liquidity requirements. Risk measurement considers potential changes under a variety of interest rates scenarios. IRR exposures and compliance with the Company's policies are periodically monitored and reported quarterly to senior management.

An analysis of the Company's sensitivity to a 125 basis point parallel increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

October 31,	**2025**		2024	
	125 basis point decrease	**125 basis point increase**	125 basis point decrease	125 basis point increase
Change in MCT%	16%	-11%	19%	-19%
Change in OCI	3,025	(1,947)	2,916	(2,380)

Foreign Exchange Risk

Foreign exchange ("FX") risk is the risk that the fair value of a financial instrument will fluctuate because of a change in foreign exchange rates. The investment policies and guidelines of the Company limit FX risk. Foreign currency liabilities are closely matched with invested assets of the same currency. The Company actively monitors and reports foreign exchange risk quarterly to senior management.

As at October 31, 2025 and 2024, the Company did not have any financial instruments leading to foreign exchange risk.

Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. To mitigate equity price risk, the Company has investment policies and guidelines that provide prudent and clearly defined equity investment limits.

As at October 31, 2025 and 2024, the Company did not have any equity investments leading to equity risk.

6. **RISK MANAGEMENT (continued)**

b) Insurance and other risk management

i) Insurance risk

Insurance risk is the risk of fluctuations in the timing, frequency or severity of insured events, relative to the expectations of the Company at the time of underwriting. Frequency and severity of events can shift drastically given seasonality of travel activities and geographic location of the loss events. This is monitored diligently and a reinsurance program is employed to mitigate concentrated losses arising from a single event.

Liabilities for incurred claims under PAA ($000s)	Best Estimate Liabilities (Case Reserve + IBNR + ULAE)	Claims Risk Adjustment	Total Unpaid Claims
Medical	$ 8,665	$ 1,036	$ 9,701
Trip Cancellation and Interruption	3,500	457	3,957
Property	791	100	891
Gross Claim Liability	$ 12,956	$ 1,593	$ 14,549
Amounts receivable from reinsurers	$ 306	$ -	$ 306
Net Claim Liability	$ 12,650	$ 1,593	$ 14,243

ii) Underwriting and pricing risk

The Company manages underwriting and pricing risk through the use of underwriting guidelines which detail the class, nature and type of business that may be accepted; pricing policies by product line and by brand; and centralized control of policy wordings.

Pricing Risk is the risk of financial loss from entering into insurance contracts when the liabilities assumed exceed the expectation reflected in the pricing of an insurance product. All of the Company's pricing proposals are reviewed, approved and signed off by the Company's Group Risk Management. Factors reviewed include but are not limited to: claim frequency, severity and loss cost trends, capital requirements, market conditions, regulatory requirements, and investment income and expense ratios.

Underwriting Risk is the risk of financial loss resulting from the selection of risks to be insured. To minimize this risk, the Company has quality review processes in place to ensure underwriting activities fall within established guidelines and risk appetites. A specific tolerance for the maximum financial risk retention is in place and reinsurance has been purchased to cover excess risk.

Substantial shifts in the Company's risk profile creating volatility relative to expectations in the timing, frequency and severity of claims can occur. Quarterly portfolio reviews of the core lines of business are in place to identify opportunities and exposure relative to risk appetite. The review focuses on actual versus expected experience, potential for growth and barriers to achieving target profit. Recommendations are made on risk mitigation.

Strick claim review processes are in place whereby all new and ongoing claims are assessed appropriately. Detailed claims metrics are reviewed monthly to ensure trends are identified early and actioned appropriately. Claims handling procedures are reviewed regularly and a dedicated team to investigate potential fraudulent claims also reduces the Company's risk exposure.

iii) Claims management risk

The risk that claims are handled or paid inappropriately is mitigated using a range of IT system controls and manual processes conducted by experienced staff. These, together with a range of detailed policies and procedures ensure that all claims are handled in a timely, appropriate and accurate manner.

iv) Reinsurance risk

Reinsurance is used to protect against the impact of major catastrophic events or unforeseen volumes of, or adverse trends in, large individual claims and to transfer risk that is outside the Company's current risk appetite. There is risk of reinsurers increasing rates or updating terms of coverage so that the contract does not provide RICC sufficient support above our risk appetite. Reinsurance of risks above the Company's risk appetite is only effective if the reinsurance premium is economic and the counterparty is financially secure. The reinsurance coverages are reviewed on an annual basis to assess if the program is adequate and cost-efficient.

In case of reinsurers becoming insolvent, RICC would be exposed to reinsurance counterparty risks. RICC would not be able to recover all reinsurance claims. A non-performance risk is reflected in the reinsurance fulfilment cash flows measurement. Acceptable reinsurers are rated A- or better unless specifically authorized by the Company's Group Risk Management.

v) Legal and regulatory environment risk

Regulatory risk refers to the impact of penalties, fines, and restrictions on the ability to carry on business as a result of noncompliance with regulatory requirements. It also includes the risk that modifications to regulations will threaten the Company's ability and capacity to conduct business in the future in the manner it does today. As a participant in the P&C insurance industry, the Company is subject to significant regulation by the federal and provincial governments. The Company has established procedures and controls to gain reasonable assurance that it is in compliance with all relevant laws, rules and regulations. It is possible that future regulatory changes may prevent the Company from taking actions, such as raising rates, to affect operating results. In addition, future regulatory changes or court decisions could drastically change the business environment in which the Company operates. Changes to capital and solvency standards, restrictions on certain types of investments and periodic market conduct and financial examinations by regulators could impact the ability of the Company to successfully implement its strategy. The Company actively participates in discussions with regulators, governments, and industry groups to ensure that significant concerns are understood.

7. CAPITAL MANAGEMENT

The Company is subject to the guidelines regarding capital framework for regulated insurance companies by the OSFI. Under these guidelines, the Company is subject to the Minimum Capital Test ("MCT") guidance that applies to Canadian property and casualty insurance companies. OSFI's minimum requirement for MCT ratio is 150%. OSFI generally expects P&C insurance companies to internally set a minimum MCT ratio, in accordance with OSFI guideline A-4, based on the risk profile of the relevant insurance company.

The Company has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. Senior management develops the capital strategy and oversees the capital management processes of the Company. The Board of Directors reviews and approves all capital transactions undertaken by the management. The Company's practice is to establish annually and maintain a MCT minimum operating ratio, at a level where the capital will exceed the minimum regulatory requirements.

This policy is also intended to provide an appropriate level of risk management over capital adequacy risk, which is defined as the risk that capital is not or will not be sufficient to withstand adverse economic conditions, to maintain financial strength or to allow the Company to take advantage of opportunities for expansion.

The following table provides the MCT ratio of the Company.

As at October 31,		**2025**		2024
Total capital available	$	**103,183**	$	123,514
Minimum capital required		**18,294**		16,636
Excess capital available over minimum capital required	$	**84,889**	$	106,878
MCT ratio		**564%**		742%

As at October 31, 2025 and 2024, the Company was in compliance with OSFI's supervisory target.

8. INSURANCE SERVICE RESULT

2025		Total
Insurance revenue		
Insurance revenue from contracts measured under the PAA	$	128,642
Total insurance revenue		128,642
Insurance service expenses		
Benefits, Incurred claims and other directly attributable expenses		(57,029)
Fees and Commissions		(5,818)
Other Insurance Service expenses		(11,808)
Total service expenses		(74,655)
Net income (expenses) from reinsurance contracts held		
Allocation of Reinsurance Premiums Paid		(2,701)
Recoveries of Incurred Claims and Other Insurance Service Expenses		529
Net Expenses from Reinsurance Contracts Held		(2,172)
Total insurance service result	$	51,815

2024		Total
Insurance revenue		
Insurance revenue from contracts measured under the PAA	$	116,002
Total insurance revenue		116,002
Insurance service expenses		
Benefits, Incurred claims and other directly attributable expenses		(62,176)
Fees and Commissions		(5,272)
Other Insurance Service expenses		(13,120)
Total service expenses		(80,568)
Net income (expenses) from reinsurance contracts held		
Allocation of Reinsurance Premiums Paid		(2,716)
Recoveries of Incurred Claims and Other Insurance Service Expenses		940
Net Expenses from Reinsurance Contracts Held		(1,776)
Total insurance service result	$	33,658

9. NET INVESTMENT RESULT

a) Net investment income has the following components:

For the year ended October 31,	2025		
	Classified FVOCI	**Other**	**Total**
Interest income			
Cash and cash equivalents	$ -	$ 2,855	$ 2,855
Bonds	4,061	-	4,061
Interest Income	4,061	2,855	6,916
Amortization of discount/premium Bonds	80	-	80
Gains (losses)			
Realized net gains (losses)			
Bonds	127	-	127
Unrealized net gains (losses)			
Derivatives	-	43	43
Net Investment gains (losses)	207	43	250
Less: **Investment expenses**	10	-	10
Less: **Provision for Credit Losses**	(15)	-	(15)
Net Investment Result	$ 4,273	$ 2,898	$ 7,171

For the year ended October 31,	2024		
	Classified FVOCI	Other	Total
Interest income			
Cash and cash equivalents	$ -	$ 1,123	$ 1,123
Bonds	3,177	-	3,177
Interest income	3,177	1,123	4,300
Amortization of discount/premium Bonds	(242)	-	(242)
Gains (losses)			
Realized net gains (losses)			
Bonds	(148)	-	(148)
Unrealized net gains (losses)			
Derivatives	(14)	-	(14)
Net Investment gains (losses)	(404)	-	(404)
Less: Investment expenses	8	-	8
Less: Provision for Credit Losses	-	26	26
Net Investment Result	$ 2,765	$ 1,097	$ 3,862

10. INSURANCE AND REINSURANCE CONTRACTS

a) Key Assumptions and Judgements & Risk Management

<table>
<tr><td>Claims risk</td><td>Nature of factor

The Company underwrites primarily travel contracts. The insurance risks associated with these contracts along with the risk management practices in place are described in Note 6.

The primary risk in the Travel business is claims risk, the risk of higher-than-expected loss ratios due to greater frequency and/or severity of claims. Claims risk includes an expense component, to cover claim adjudication costs that are not yet paid as well as for claims incurred but not yet reported.
The Company generally retains 100% of the risk it underwrites, although it purchases catastrophe coverage to provide protection against large aggregate losses.</td></tr>
<tr><td></td><td>Risk Management and Assumptions

Claims liabilities are maintained to cover the Company's estimated ultimate liability for unpaid losses and loss adjustment expenses related to reported and unreported claims incurred as of the end of each accounting period.

The provision for unpaid claims is first determined on a case-by-case basis as claims are reported and then reassessed as additional information becomes known. An actuarial adjustment is added to the provision to account for the future development of these claims, including claims incurred but not reported (IBNR). Claim liabilities represent estimates developed using projection techniques in accordance with Canadian accepted actuarial practice.

A provision for adjustment expenses is also included to account for future case management fees to cover claim adjudication. The fee paid is per claim and is a fixed amount that varies only depending on if the claim is medical or technical in nature. A liability is held to cover fees not yet paid as well as a provision to cover the adjudication fees for claims that have been incurred but not yet reported.

The total unpaid claims and adjustment expense provision is an estimate that is determined using a range of accepted actuarial claims projection techniques. Considerations in the choice of methods to estimate ultimate claims included, among other factors, the line of business, the number of years' experience and the age of the accident years being developed. In situations where there has been a significant change in the environment or underlying risks, the historical data is adjusted to account for the expected differences.

The following is a brief description of the methodologies considered for this valuation, and the key assumptions underlying each.

<table>
<tr><td colspan="2">Methodology and underlying key assumptions</td></tr>
<tr><td>Chain-Ladder Incurred development method</td><td>Current incurred losses are projected to their estimated ultimate values by accident year based on historical incurred development patterns. The underlying assumption is that claims recorded to date will continue to develop in a similar manner in the future. This methodology is applied to technical claims and medical claims.</td></tr>
</table>

The Company examines the assumptions used in determining unpaid claim liabilities on an ongoing basis to ensure that they appropriately reflect emerging experience and changes in risk profile. Changes to actuarial assumptions will result in a change to unpaid claim liabilities.

The claim and payment experience were reviewed in 2025 as part of the annual experience study. Based on the analysis, IBNR factors for both Medical and Technical claims were both updated to reflect recent experience. The 2025 impact is a $2,855 strengthening (2024: $1,100). The IBNR balance as at 2025 is ($11,502) compared 2024: ($18,235).</td></tr>
<tr><td>Risk Adjustment</td><td>Nature of Factor

A risk adjustment is required for non-financial risks. It reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows as the Company fulfils insurance contracts. For travel insurance, a risk adjustment is applied for claims risk.

An explicit risk adjustment is applicable only to the LIC, as the PAA is used for the LRC and none of the groups are onerous.</td></tr>
</table>

	Methodology and Assumptions Since 2024, the Company has updated its risk adjustment methodology to use a cost of capital approach. The claims risk compensation that is implicitly embedded in pricing the insurance products is calculated as the amount that is required by the Company to achieve its desired minimum required return on capital, using the pricing target MCT ratio. The explicit risk adjustment for the LIC is determined by allocating a portion of the total required compensation for non-financial risk based on the proportion of the LIC as compared to the total liability. The implied margin would be 13.7% of the insurance liabilities (2024: 16.6%). Taking into account of the strengthening on IBNR above, the methodology assumption update for Risk Adjustment is $148 release (2024: $467 release), while other impacts are due to changes in BEL of open claim. The explicit risk adjustment held for the LIC as at 2025 is $1,592 (2024: $2,001). As per the Standards, the risk adjustment is required to be translated into a confidence level for disclosure. In order to determine the confidence level, an underlying risk distribution is required. A lognormal distribution is assumed for claims, using the valuation best estimate reserves and the insurance capital requirements as two points to develop the distribution. Using this distribution, the total required compensation embedded in the pricing falls within the 70th to 75th percentile range (2024: 70th to 75th percentile range)

10. INSURANCE AND REINSURANCE CONTRACTS (continued)

b) Insurance Contracts issued

i) Reconciliation of the liability for remaining coverage and the liability for incurred claims

2025

Insurance contracts issued	LRC: Excluding Loss Component	LRC: Loss Component	LIC: Estimates of PV of future cash flows	LIC: Risk Adjustment	Total
Opening insurance contract liabilities	$ 7,677	-	13,833	2,001	23,511
Opening insurance contract assets	-	-	-	-	-
Net balance as at 1 November	7,677	-	13,833	2,001	23,511
Insurance revenue	(128,642)	-	-	-	(128,642)
Insurance service expense					
Incurred claims and insurance service expenses	-	-	74,844	(438)	74,406
Amortization of insurance acquisition cash flows	-	-	-	-	-
Losses on onerous contracts and reversal of those losses	-	-	-	-	-
Adjustments to liabilities for incurred claims	-	-	219	30	249
Insurance service expenses	-	-	75,063	(408)	74,655
Insurance service result	(128,642)	-	75,063	(408)	(53,987)
Finance expenses from insurance contracts issued	-	-	-	-	-
Total amounts recognized in comprehensive income	(128,642)	-	75,063	(408)	(53,987)
Other changes		-	-	-	-
Cash flows					
Premiums received	128,770	-	-	-	128,770
Claims and other directly attributable expenses paid	-	-	(76,246)	-	(76,246)
Insurance acquisition cash flows	-	-	-	-	-
Total cash flows	128,770	-	(76,246)	-	52,524
Net balance as at 31 October	$ 7,805	-	12,650	1,593	22,048
Closing insurance contract liabilities	7,805	-	12,650	1,593	22,048
Closing insurance contract assets	-	-	-	-	-
Net balance as at 31 October	$ 7,805	-	12,650	1,593	22,048

10. INSURANCE AND REINSURANCE CONTRACTS (continued)

b) Insurance Contracts issued

i) Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

2024

Insurance contracts issued		LRC: Excluding Loss Component	LRC: Loss Component	LIC: Estimates of PV of future cash flows	LIC: Risk Adjustment	Total
Opening insurance contract liabilities	$	9,072	-	13,196	2,504	24,772
Opening insurance contract assets		-	-	-	-	-
Net balance as at 1 November		9,072	-	13,196	2,504	24,772
Insurance revenue		(116,002)	-	-	-	(116,002)
Insurance service expense						
Incurred claims and insurance service expenses		-	-	75,220	(385)	74,835
Amortization of insurance acquisition cash flows		-	-	-	-	-
Losses on onerous contracts and reversal of those losses		-	-	-	-	-
Adjustments to liabilities for incurred claims		-	-	5,850	(118)	5,732
Insurance service expenses		-	-	81,070	(503)	80,567
Insurance service result		(116,002)	-	81,070	(503)	(35,435)
Finance expenses from insurance contracts issued		-	-	-	-	-
Total amounts recognized in comprehensive income		(116,002)	-	81,070	(503)	(35,435)
Investment components						
Other changes		(1,327)	-	1,586	-	259
Cash flows						
Premiums received		115,934	-	-	-	115,934
Claims and other directly attributable expenses paid		-	-	(82,019)	-	(82,019)
Insurance acquisition cash flows		-	-	-	-	-
Total cash flows		115,934	-	(82,019)	-	33,915
Net balance as at 31 October	$	7,677	-	13,833	2,001	23,511
Closing insurance contract liabilities		7,677	-	13,833	2,001	23,511
Closing insurance contract assets		-	-	-	-	-
Net balance as at 31 October	$	7,677	-	13,833	2,001	23,511

11. OTHER ASSETS AND OTHER LIABILITIES

Other assets and Other liabilities consist of the following:

As at October 31,		2025		2024
Other assets: (current)				
Other Assets - Other	$	**1,753**	$	655
Accrued Investment Income		**681**		940
Current income tax receivable		**-**		567
Prepaid and other receivables		**2,871**		1,563
Other assets: (non-current)				
Deferred pension assets (Note 14)		**4,953**		5,382
	$	**10,258**	$	9,107
Other liabilities: (current)				
Current income tax payable	$	**4,016**		-
Due to related companies		**5,868**		12,925
Accounts payable and other liabilities		**2,593**		3,968
Other liabilities: (non-current)				
Deferred pension liability (Note 14)		**-**		24
Other post employment benefits (Note 14)		**1,680**		1,690
	$	**14,157**	$	18,607

12. INCOME TAXES

a) Deferred income taxes

i) Recoverability of Deferred income taxes

On a quarterly basis, the Company reviews the deferred tax asset, to determine whether it is probable that the benefits associated with this asset will be realized; this review involves evaluating both positive and negative evidence. The Company's deferred income tax asset represents temporary differences between the financial reporting and tax bases of certain of the Company's assets and liabilities in addition to the tax benefit of net operating loss carry-forwards. Overall, the Company believes that, based on all available evidence, it is probable that the Deferred income tax assets will be realized through a combination of future reversals of temporary differences and taxable income.

ii) The movement in net deferred income tax asset (liability) are as follows:

For the year ended October 31,				2025			
		Policy liabilities		**Pension and Other post employment benefits**	**Other**		**Total**
Balance, beginning of year	$	**187**	$	**(963)**	**665**	$	**(111)**
Charged to income statement		**8**		**(25)**	**(9)**		**(26)**
Charged to Other comprehensive income		**-**		**129**	**(1)**		**128**
Balance, end of year	$	**195**	$	**(859)**	**655**	$	**(9)**

12. **INCOME TAXES (continued)**

For the year ended October 31,	2024			
	Policy liabilities	Pension and Other post employment benefits	Other	Total
Balance, beginning of year	$ 367	$ (828)	886	$ 425
Charged to income statement	(180)	(42)	(221)	(443)
Charged to Other comprehensive income	-	(93)	-	(93)
Balance, end of year	$ 187	$ (963)	665	$ (111)

b) **Income tax expense**

The following table describes various components of income tax expense:

For the year ended October 31,	2025	2024
Current income tax expense		
Current year's tax	$ **13,578**	$ 8,244
	13,578	8,244
Deferred income tax expense		
Origination and reversal of temporary tax differences	**30**	437
	30	437
Total income tax expense (recovery)	$ **13,608**	$ 8,681

c) **Reconciliation of statutory and effective income tax rates**

The following table describes the reconciliation between statutory and effective tax rates:

For the year ended October 31,	2025		2024	
	Tax amount	Tax %	Tax amount	Tax %
Combined basic Canadian federal and provincial tax /rate	$ **13,608**	$ **26.1%**	$ 8,681	$ 26.8%
Accounting income tax rate	$ **13,608**	$ **26.1%**	$ 8,681	$ 26.8%

Pillar Two income taxes may arise in or in relation to jurisdictions where the operations of the multinational enterprise such as, Royal Bank of Canada (RBC), the ultimate parent entity, have an effective tax rate below 15%. Although the jurisdictions in which the Corporation operates have introduced a domestic minimum tax, the effective tax rate in such jurisdictions is above 15%, and therefore, no incremental tax have arisen for the Corporation under the Pillar Two legislation for the fiscal year ended October 31, 2025.

13. **SHARE CAPITAL**

As at October 31,	2025		2024	
	Number of shares	**Carrying value**	Number of shares	Carrying value
Authorized				
Unlimited common shares, without par value				
Issued				
Balance, beginning of year	**27,444,700**	$ **42,721**	27,444,700	$ 42,721
Issued during the year	-	-	-	-
Balance, end of year	**27,444,700**	$ **42,721**	27,444,700	$ 42,721

14. PENSION AND OTHER POST EMPLOYMENT BENEFITS

a) Plan characteristics and risks

The Company provides a number of programs, which provide pension and post-employment benefits to eligible employees. On July 1, 2012 defined benefit plans were closed to new employees. New employees are eligible to join the defined contribution plan.

Defined contribution pension plans provide pension benefits based on accumulated employee and Company contributions. The Company funds the registered defined benefit pension plans in accordance with actuarially determined amounts required to satisfy employee benefit obligations under current pension regulations. For the principal pension plan, the most recent funding actuarial valuation was completed on December 31, 2024, and the next valuation will be completed no later than December 31, 2027.

The Company's primary other post-employment benefit plans provide health, dental, disability and life insurance coverage and cover a number of current and retired employees who are solely located in Canada. These plans are unfunded.

b) Plan assets, benefit obligations, funded status and related assumptions

As at October 31,	2025		2024	
	Pension	**OPEB**	Pension	OPEB
Change in fair value of plan assets				
Fair value plan assets, beginning of year	$ **22,358**	$ **-**	$ 19,691	$ -
Interest income	**1,056**	**-**	1,102	-
Remeasurement				
Return on plan assets (excluding interest income)	**(1,634)**	**-**	2,182	-
Administrative expenses paid from plan assets	**(51)**	**-**	(47)	-
Company contributions	**18**	**106**	-	101
Plan participant contributions	**32**	**85**	33	75
Benefits paid	**(692)**	**(191)**	(603)	(176)
Fair value of plan assets, end of year	$ **21,087**	$ **-**	$ 22,358	$ -
Change in benefit obligations				
Benefit obligations, beginning of year	$ **17,004**	$ **1,833**	$ 14,807	$ 1,772
Current service cost	**180**	**11**	162	18
Past service cost	**3**	**-**	-	-
Interest expense	**799**	**84**	824	96
Remeasurement				
Actuarial gain (loss) from demographic assumptions	**-**	**5**	(200)	(7)
Actuarial (gain)/loss from financial assumptions	**212**	**4**	1,997	180
Actuarial gain (loss) from experience adjustments	**(1,354)**	**23**	(16)	(125)
Plan participant contributions	**32**	**85**	33	75
Benefits paid	**(692)**	**(191)**	(603)	(176)
Benefit obligations, end of year	$ **16,184**	$ **1,854**	$ 17,004	$ 1,833
Unfunded obligations	$ **-**	$ **1,854**	$ -	$ 1,833
Wholly or partially funded obligations	**16,184**	**-**	17,004	-
Total benefit obligations	$ **16,184**	$ **1,854**	$ 17,004	$ 1,833
Surplus (deficit) adjustment	$ **-**	**-**	$ -	-
Surplus (deficit) (Note 11)	$ **4,903**	$ **(1,854)**	$ 5,354	$ (1,833)

14. PENSION AND OTHER POST EMPLOYMENT BENEFITS (continued)

c) Pension and other post employment benefit expense, and related assumptions

For the year ended October 31,	2025		2024	
	Pension	**OPEB**	Pension	OPEB
Benefit expense				
Current service cost	$ 180	$ 11	$ 162	$ 18
Past service cost	3	-	-	-
Net interest expense	799	84	824	96
Expected return on plan assets	(1,056)	-	(1,102)	-
Administrative expense and or taxes	51	-	47	-
Remeasurements of other long term benefits	-	31	-	-
Defined benefit cost	(23)	126	(69)	114
Defined contribution cost	-	-	-	-
Total benefit expense recognized	$ (23)	$ 126	$ (69)	$ 114

d) Remeasurement of employee benefit plans

For the year ended October 31,	2025		2024	
	Pension	**OPEB**	Pension	OPEB
Actuarial gains/(losses):				
Changes in demographic assumptions	$ -	$ 1	$ (200)	$ (3)
Changes in financial assumptions	212	-	1,997	157
Experience adjustments	(1,354)	-	(16)	(106)
Return on plan assets (excluding interest based on discount rate)	1,634	-	(2,182)	-
Total remeasurement	$ 492	$ 1	$ (401)	$ 48

e) Investment policies and strategies

Defined benefit pension plan assets are invested prudently in order to meet longer term pension obligations at a reasonable cost. The asset mix policy was developed within an asset/liability framework.

The holdings in certain investments, including common shares, emerging market equities, fixed income securities rated lower than BBB and residential and commercial mortgages, cannot exceed a defined percentage of the market value of our defined benefit pension plans assets.

As at October 31,	2025		2024	
	Pension	**OPEB**	Pension	OPEB
Plan assets by asset category				
Equity securities	26%	N/A	19%	N/A
Debt securities	51%	N/A	57%	N/A
Other	23%	N/A	24%	N/A
Total	100%	N/A	100%	N/A

14. PENSION AND OTHER POST EMPLOYMENT BENEFITS (continued)

f) Maturity profile

The following table presents the maturity profile of our defined benefit pension plan obligation.

As at October 31,		2025
Number of plan participants		201
Actual benefit payments 2025	$	692
Benefits expected to be paid 2026		806
Benefits expected to be paid 2027		824
Benefits expected to be paid 2028		834
Benefits expected to be paid 2029		865
Benefits expected to be paid 2030		883
Benefits expected to be paid 2031-2041		4,816
Weighted average duration of defined benefit (in years)		14

g) Significant assumptions used in calculating the defined benefit pension and other post-employment expense

As at October 31,	2025		2024	
	Pension	OPEB	Pension	OPEB
Weighted average assumptions to calculate benefit obligations				
Discount rate	4.70%	4.71%	4.80%	4.75%
Rate of increase in future compensation	3.00%	N/A	3.00%	N/A
Weighted average assumptions to calculate benefit expense				
Discount rate for benefit obligations / net interest cost	4.80%	4.75%	5.70%	5.71%
Discount rate for service cost	4.90%	4.84%	5.60%	5.63%
Rate of increase in future compensation	3.00%	N/A	3.00%	N/A
Assumed health care trend rate				
Immediate trend rate	N/A	3.29%	N/A	3.21%
Ultimate trend rate	N/A	3.29%	N/A	3.21%

Mortality

	Life expectancy at age for a member currently at		Life expectancy at age for a member currently at	
	Age 65	Age 45	Age 65	Age 45
All employees are based in Canada				
Male	23.3	24.2	23.2	24.1
Female	24.4	25.3	24.3	25.2

14. **PENSION AND OTHER POST EMPLOYMENT BENEFITS (continued)**

h) **Sensitivity disclosure**

For the year ended October 31, 2025	Defined benefit pension plans - Increase (decrease) in obligation	Other post-employment plans - Increase (decrease) in obligation
Discount rate		
100bps increase in discount rate	$ 14,250	$ 1,662
100bps decrease in discount rate	18,577	2,087
Rate of increase in future compensation		
50bps increase in rate of increase in future compensation	16,227	1,854
50bps decrease in rate of increase in future compensation	16,153	1,854
Mortality		
Increase in longevity by one additional year	16,538	1,871

15. RELATED PARTY TRANSACTIONS

a) Transactions with related parties

Due from related parties and Due to related parties are included in Other assets and Other liabilities, respectively (Note 11).

Amounts due from related companies and amounts due to related companies are measured at the amount of consideration established and agreed to between the related parties.

i) The amounts due to related companies are as follows:

As at October 31,		2025		2024
Due to companies under parent's control	$	**5,975**		12,044
Due to/(from) ultimate parent		**(551)**		881
Due to related companies	$	**5,424**	$	12,925

ii) During the year, the Company incurred $9 Million (2024 - $14,Million) for salaries and other benefits, information technology, and other charges, included in General expenses (Note 17), which were paid or payable to related parties. Amounts outstanding to related parties as at the respective year ends have been included in the table above.

iii) RBC Investor Services, a company under the ultimate parent's control, is the custodian of the Company's investments as described in Note 4, and securities lending as described in Note 16.

b) Key management personnel and RBC Director

KMP are defined as those persons having authority and responsibility for planning, directing and controlling our activities, directly or indirectly. They include the senior members of our organization called the Group Executive (GE). The GE is comprised of the President and Chief Executive Officer, and the Chief Officers and Group Heads, who report directly to him. The Directors do not plan, direct, or control the activities of the entity; they oversee the management of the business and provide stewardship.

i) Compensation of key management personnel and RBC Directors

The following table presents the compensation paid, shareholdings and options held by Key Management Personnel and Directors.

For the year ended October 31,		2025 [1]		2024
Salaries and other short-term employee benefits [2]	$	**35,000**	$	31,000
Post-employment benefits [3]		**4,000**		3,000
Share-based payments		**70,000**		67,000
	$	**109,000**	$	101,000

(1) Includes the portion of the annual variable short-term incentive bonus that certain executives elected to receive in the form of DSUs. Directors receive retainers but do not receive salaries and other short-term employee benefits.

(2) RBC Directors do not receive post-employment benefits.

(3) The company offers stock options and other non-option share-based awards to KMP. Directors do not receive stock options or any other non-option share-based awards.

15. RELATED PARTY TRANSACTIONS (continued)

ii) Transactions, arrangements and agreements involving Key management personnel, RBC Directors and their close family members

In the normal course of business, RBC provides certain banking services to KMP, RBC Directors, and their close family members. These transactions were made on substantially the same terms, including interest rates and security, as for comparable transactions with persons of a similar standing and did not involve more than the normal risk of repayment or present other unfavourable features.

As at October 31, 2025, total loans to KMP, RBC Directors and their close family members were $16 million (2024 - $16 million). RBC had no stage 3 allowance or provision for credit losses relating to these loans as at and for the years ended October 31, 2025 and October 31, 2024. No guarantees, pledges or commitments have been given to KMP, RBC Directors or their close family members.

16. CONTRACTUAL OBLIGATIONS, CONTINGENCIES AND GUARANTEES

a) Litigation

In the normal course of business the Company is engaged in litigation; however, none of this litigation is expected to have a material adverse effect on the financial position of the Company.

b) Securities lending

The Company participates in a securities lending program managed by a federally regulated financial institution, whereby the Company lends securities it owns to other financial institutions to allow them to meet delivery commitments. The Company receives securities of equal or superior credit quality as collateral for securities loaned. As of October 31, 2025, securities with an estimated fair value of $22 Million (2024 - $27 Million) have been loaned, and securities with an estimated fair value of $23 Million (2024 - $28 Million) have been received as collateral.

c) Guarantees

In the normal course of operations, the Company provides indemnifications that are often standard contractual terms to counterparties in transactions such as purchase and sale contracts, service agreements, director/officer contracts and leasing transactions. These indemnification agreements may require the Company to compensate the counterparties for costs incurred as a result of changes in laws and regulations (including tax legislation) or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnification agreements will vary based upon the contract. The nature of the indemnification agreements prevents the Company from making a reasonable estimate of the maximum potential amount that could be required to be paid to counterparties. Historically, the Company has not made any significant payments under such indemnifications. No amount has been accrued on the Balance Sheet with respect to these indemnification agreements.

17. INSURANCE SERVICES AND OTHER OPERATING EXPENSES

The following table summarizes General expenses:

For the year ended October 31,		**2025**		2024
Claims and Benefits	$	**61,716**	$	63,630
Salaries, Wages and Allowances		**6,864**		10,970
Professional and Service Fees		**123**		444
Commissions		**2,795**		2,404
Other		**10,471**		8,689
Total Insurance Service and Other Operating Expenses		**81,969**		86,137
Represented by:				
Insurance Service Expenses		**74,655**		80,568
Other Operating Expenses		**7,314**		5,569
Total Insurance Service and Other Operating Expenses	$	**81,969**	$	86,137