

## **MPI 2014/15 GRA – CAC Pre Asks**

### **CAC (MPI) 1**

Please give the formula for the derivation of the figure 26,780 on Exhibit 1, Page 3 of the Claims Incurred forecast – Insurance accident year 17/18 at 12 months of development.

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### **CAC (MPI) 2**

Please give the formula for the derivation of the 49,161 on Exhibit 1, Page 3 of the Claims Incurred forecast – Insurance accident year 10/11 at 48 months of development.

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### **CAC (MPI) 3**

Please give the source for the IBNR provision figures shown on Exhibit 1, Page 4.

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### **CAC (MPI) 4**

- a) Please confirm the figures in Attachment A.
- b) With the figures in Attachment A confirmed does the Corporation agree that the discrepancy between the IBNR estimates resulting from the Incurred Bornhuetter Ferguson method and the Paid Bornhuetter Ferguson method became evident at least by the time the October 31, 2011 Actuarial report was completed?
- c) Please give the amount that the case reserves were underestimated for Accident Benefits – Weekly Indemnity and Accident Benefits – Other (Indexed) separately by accident year.
- d) Please give the number of claims that were underestimated for Accident Benefits – Weekly Indemnity and Accident Benefits – Other (Indexed) separately by accident year.
- e) Was the underestimation of case reserves due to a failure to comply with policy, a lack of information or another reason? Please give details of the reason for the underestimation.
- f) Was the underestimation found during a normal review process, a special examination of case reserves or during the work required to complete the Actuary's report?
- g) Please produce Exhibit 4, Page 5 and Exhibit 4, Page 6 of the Actuary's report as at February 28, 2013 with the values recalculated with the corrected case reserves for Accident Benefits – Weekly Indemnity and Accident Benefits – Other (Indexed).

**Attachment A**  
**CAC (MPI) 2014/15 GRA**

Weekly Indemnity IBNR

Bornhuetter Ferguson Method

Source - Exhibit 4, Page 5 of the Actuary's Report as at October 31st

	October 31, 2012				October 31, 2011				October 31, 2010				October 31, 2009			
Accident Year	Incurred	Paid	Selected	Difference	Incurred	Paid	Selected	Difference	Incurred	Paid	Selected	Difference	Incurred	Paid	Selected	Difference
	(1)	(2)	(3)	(4) = (2) - (1)	(5)	(6)	(7)	(8) = (6) - (5)	(9)	(10)	(11)	(12) = (10) - (9)	(13)	(14)	(15)	(16) = (14) - (13)
Latest Year - 19			3,655				1,356				3,680				31,671	
Latest Year - 18	1,498	-1,442	583		958	901	786				627				2,468	
Latest Year - 17	903	1,421	488		1,111	-1,654	629		3,171	4,328	2,391				2,549	
Latest Year - 16	973	1,742	753		662	1,211	388		3,733	1,546	3,060				2,869	
Latest Year - 15	1,253	71	676		720	1,581	826		2,221	3,231	2,526				3,729	
Latest Year - 14	921	681	605		898	232	447		2,545	2,433	2,948				2,430	
Latest Year - 13	637	837	-33		613	336	805		3,137	1,516	3,715				3,305	
Latest Year - 12	293	2,560	466		339	302	797		2,967	2,701	4,355				4,106	
Latest Year - 11	56	-885	-122		50	2,038	658		3,020	3,186	4,572				4,160	
Latest Year - 10	-205	2,127	-205		-212	-1,573	-212		2,640	6,206	2,640		3,547	3,307	7,331 *	
Latest Year - 8	48	459	48		50	2,683	50		2,824	2,227	2,824		4,143	11,417	10,489 *	
Latest Year - 7	312	-810	312		290	-1,789	290		2,691	5,415	2,691		4,860	5,531	3,880 *	
Latest Year - 6	593	-2,657	593		570	-3,390	570		2,599	917	2,599		6,671	10,837	9,057 *	
Latest Year - 5	1,148	216	1,148		848	-4,285	848		2,745	-205	2,745		9,148	12,099	2,690 *	
Latest Year - 4	1,743	10,156	10,156	8,413	1,135	2,472	1,135	1,337	2,808	-2,616	2,808	-5,424	13,187	9,394	13,187	-3,793
Latest Year - 3	2,802	16,207	16,207	13,405	2,246	13,161	2,246	10,915	2,901	6,442	2,901	3,541	18,204	7,655	18,204	-10,549
Latest Year - 2	7,244	21,362	21,362	14,118	7,010	18,844	18,844	11,834	6,584	20,989	20,989	14,405	25,171	21,406	25,171	-3,765
Latest Year - 1	14,306	23,407	23,407	9,101	13,538	23,712	23,712	10,174	14,281	25,922	25,922	11,641	33,644	38,801	33,644	5,157
Latest Year	15,828	15,054	15,828	-774	15,777	16,263	16,263	486	16,425	19,587	19,587	3,162	34,096	33,622	34,096	-474
	50,353	90,506	95,927	44,263	46,603	71,045	70,438	34,746	77,292	103,825	113,580	27,325	152,671	154,069	181,589	-13,424

Notes:

Selected Latest Year - 11 and prior is based on the tabular reserves

\* Selected based on Paid Development method

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**CAC (MPI) 5**

Please provide data on the number of cyclists' deaths in the calendar year of 2012 relating to traffic collision.