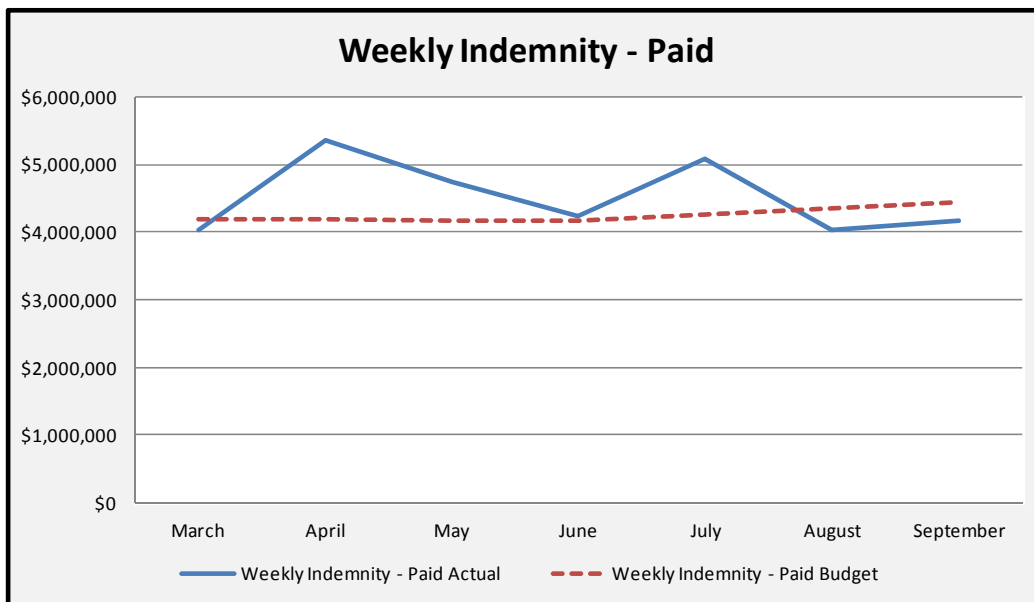


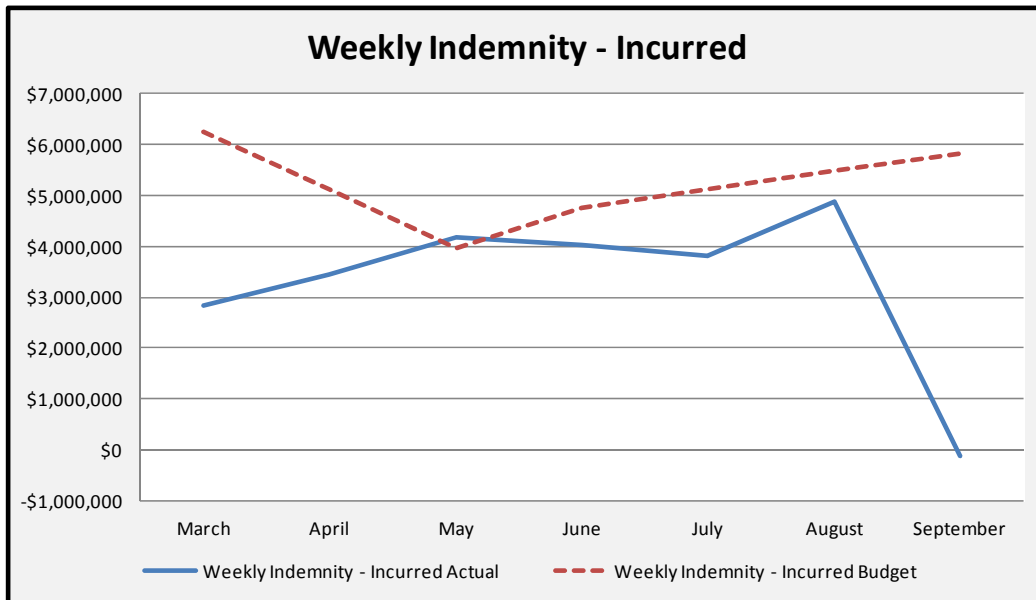
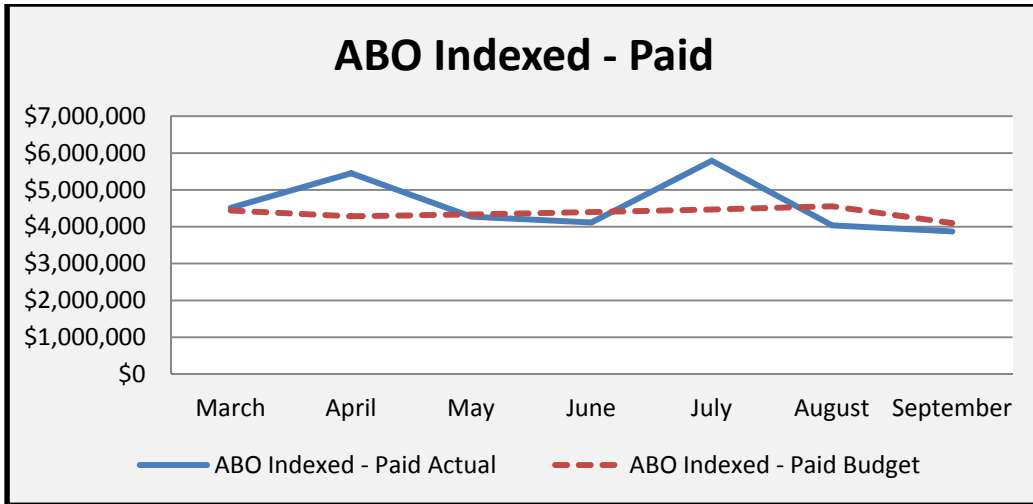
Undertaking # 45

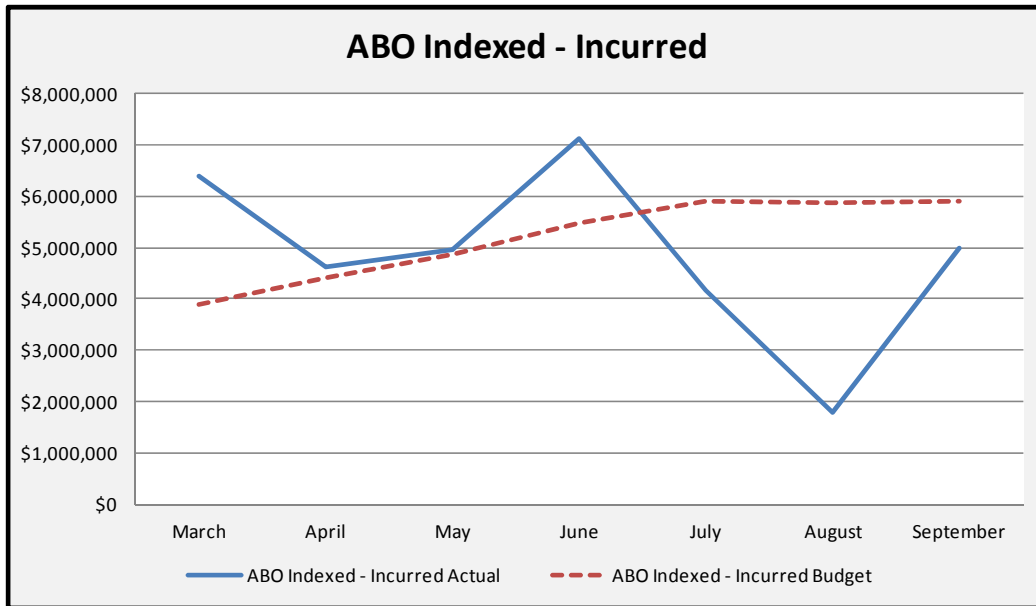
MPI to provide a summary from March 2014 to September 2014 in terms of the results of MPI in meeting objective.

RESPONSE:

Undertaking #44 shows the year-to-date impact of the IRI duration (i.e. active claims) and the reduced entitlement benchmarks. Improvements on these measures will result in lower paid loss amounts and lower case reserves. The tables below show the 2014/15 year-to-date paid and incurred claims costs by month for all loss years.



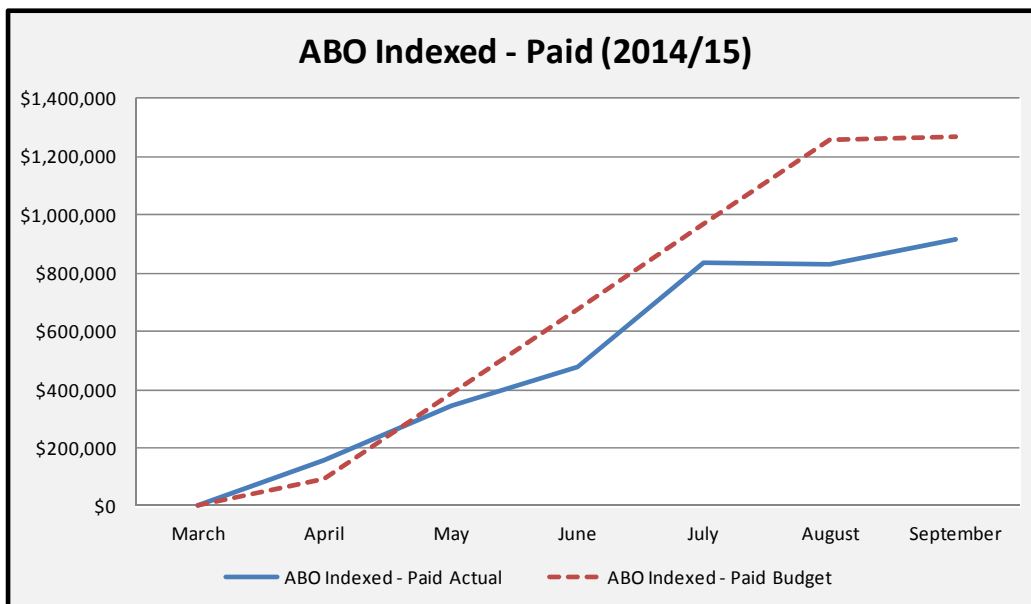
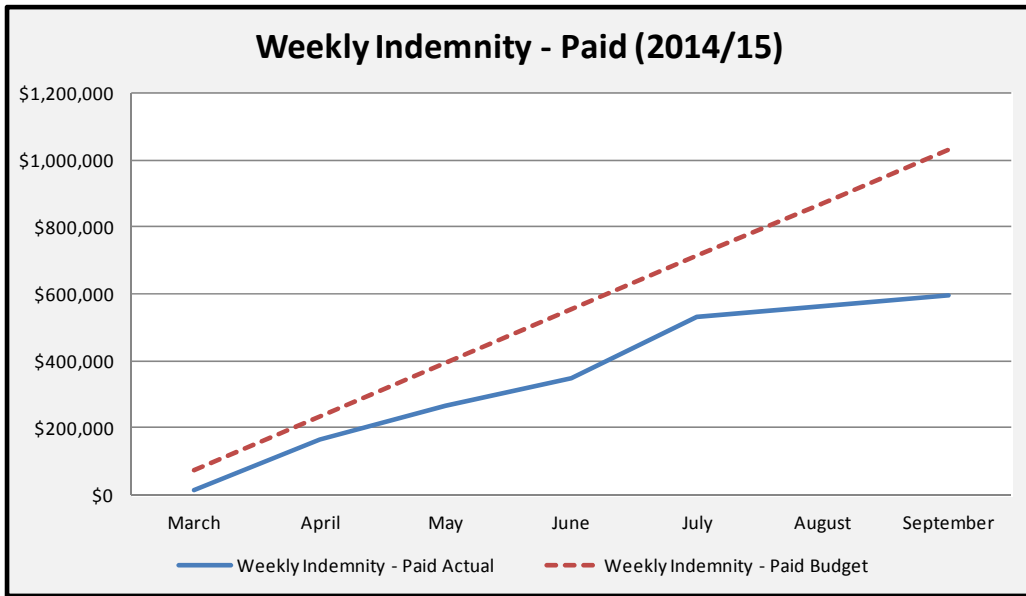




Observations:

- Weekly Indemnity – Incurred has been reducing relative to budget, while paid remains over budget. These results are due to the residual capacity determinations and Canada Pension Plan reductions. Reserves are reduced when the reduction has been confirmed. Residual capacity determinations reserves are reduced when a decision letter is issued. However, the claim costs paid will not be impacted for one year once the legislated one year job search has expired. Claims paid in 2015/16 will reflect these reductions.

The following illustrations display total claims costs paid by month since March 2014 for claims reported in the 2014/15 loss year. The graphs show the favourable impact of the benchmarking initiatives on current year paid losses.



Impact to the PIPP Forecast

The actuarial report (i.e. historical ultimate loss estimates) and the Corporation’s PIPP claim forecast have been prepared on the assumption that PIPP claims experience will return to historical patterns (i.e. we have not assumed that the deterioration of results relative to benchmarks experienced after BI3 implementation will continue into the forecast period). As a result, the Corporation does not believe that any change to existing PIPP forecasts is warranted based on these preliminary

results. It is too early to determine whether the preliminary benchmarking results in 2014/15 can be sustained over the forecast period and through the full development cycle of PIPP claims.