

Summary

Name	2015/16 Rate Impact		2014A	2015P	2016P	2017P	2018P	2019P	Avg Net Inc. for Rating Years with rate increase	Break Even Rate Requirement
1. Standard Interest Rate forecast as at March 2014	3.4%	Net Income	(69,162)	(38,042)	(6,337)	17,993	26,651	25,046	5,828	2.40%
		RSR	\$ 99,878	\$ 61,836	55,499	73,492	\$ 100,142	\$ 125,188		
2. Low Growth Interest Rate as at March 2014	3.4%	Net Income	(69,162)	(54,665)	(17,205)	(4,129)	17,478	(3,681)	(10,667)	4.70%
		RSR	\$ 99,878	\$ 45,213	28,008	23,879	\$ 41,358	\$ 37,677		
3. Standard Interest Rate as at October 2014 (Pre-ask 5)	3.4%	Net Income	(69,162)	(82,463)	2,055	(5,933)	50,092	19,119	(1,939)	3.60%
		RSR	\$ 99,878	\$ 17,416	19,470	13,537	\$ 63,629	\$ 82,748		
4. Low Growth Interest Rate as at October 2014	3.4%	Net Income	(69,162)	(94,039)	(15,566)	(3,631)	4,832	(10,807)	(9,598)	4.60%
		RSR	\$ 99,878	\$ 5,839	(9,727)	(13,358)	\$ (8,526)	\$ (19,333)		
5. Flat Interest Rate as at October 2014	3.4%	Net Income	(69,162)	(103,311)	(45,156)	(38,426)	(30,686)	(39,419)	(41,791)	8.60%
		RSR	\$ 99,878	\$ (3,433)	(48,589)	(87,014)	\$ (117,701)	\$ (157,120)		
6. Standard Interest Rate as at October 2014 (Pre-ask 6 a)	3.6%	Net Income	(69,162)	(82,463)	2,752	(4,472)	51,572	20,853	(860)	
		RSR	\$ 99,878	\$ 17,416	20,168	15,696	\$ 67,268	\$ 88,121		
7. Standard Interest Rate as at October 2014 (Pre-ask 6 b)	3.6% plus 1% RSR	Net Income	(69,162)	(82,463)	6,861	4,437	60,470	30,326	5,649	
		RSR	\$ 99,878	\$ 17,416	24,277	28,714	\$ 89,184	\$ 119,509		

Standard and Low Growth Interest Rate Forecasts

Calendar Year	Calendar Quarter	MPI Fiscal Quarter	1. Standard (2015 GRA Filing), March 2014	2. Low Growth, March 2014	3. Standard, October 2014 (Pre-Ask 5a, 6a, 6b)	4. Low Growth, October 2014	5. Flat 2%, October 2014	Actual (End of MPI Fiscal Quarter)
2014	Q1	14-May	2.62%	2.52%	2.25%	2.25%	2.25%	2.25%
	Q2	14-Aug	2.81%	2.62%	2.00%	2.00%	2.00%	2.00%
	Q3	14-Nov	2.98%	2.71%	2.17%	2.08%	2.00%	
	Q4	15-Feb	3.14%	2.81%	2.39%	2.17%	2.00%	
2015	Q1	15-May	3.28%	2.90%	2.64%	2.28%	2.00%	
	Q2	15-Aug	3.42%	2.98%	2.88%	2.39%	2.00%	
	Q3	15-Nov	3.57%	3.06%	3.06%	2.52%	2.00%	
	Q4	16-Feb	3.71%	3.14%	3.20%	2.64%	2.00%	
2016	Q1	16-May	3.70%	3.21%	3.21%	2.76%	2.00%	
	Q2	16-Aug	3.83%	3.28%	3.27%	2.88%	2.00%	
	Q3	16-Nov	3.97%	3.35%	3.37%	2.97%	2.00%	
	Q4	17-Feb	4.12%	3.42%	3.47%	3.06%	2.00%	
2017	Q1	17-May	4.32%	3.50%	4.03%	3.13%	2.00%	
	Q2	17-Aug	4.50%	3.57%	4.20%	3.20%	2.00%	
	Q3	17-Nov	4.62%	3.64%	4.33%	3.21%	2.00%	
	Q4	18-Feb	4.62%	3.71%	4.38%	3.21%	2.00%	
2018	Q1	18-May	4.62%	3.71%	4.38%	3.24%	2.00%	
	Q2	18-Aug	4.62%	3.70%	4.38%	3.27%	2.00%	
	Q3	18-Nov	4.62%	3.77%	4.38%	3.32%	2.00%	
	Q4	19-Feb	4.62%	3.83%	4.38%	3.37%	2.00%	

2015 GRA - Standard Interest Rate Forecast as at October 2014 - 3.6% RI

Manitoba Public Insurance Multi-year Statements - Underwriting Income

(C\$ 000s, except where noted)

For the Years Ended February,

	<u>2012A</u>	<u>2013A</u>	<u>2014A</u>	<u>2015P</u>	<u>2016P</u>	<u>2017P</u>	<u>2018P</u>	<u>2019P</u>
BASIC								
Motor Vehicles	760,039	722,774	756,642	795,233	860,866	899,361	939,462	981,260
Drivers	26,593	32,692	41,520	46,992	51,284	55,427	59,418	62,982
Reinsurance Ceded	(6,679)	(9,422)	(13,422)	(13,661)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Written	779,953	746,044	784,740	828,564	898,216	940,576	984,383	1,029,455
Net Premiums Earned								
Motor Vehicles	748,948	739,654	741,077	769,872	830,019	881,269	920,615	961,615
Drivers	24,037	29,299	37,015	44,330	49,138	53,355	57,422	61,201
Reinsurance Ceded	(11,308)	(12,202)	(13,422)	(13,722)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Earned	761,677	756,751	764,670	800,480	865,223	920,411	963,540	1,008,029
Service Fees & Other Revenues	18,736	18,452	20,384	19,799	21,079	22,824	24,681	26,797
Total Earned Revenues	780,413	775,203	785,053	820,279	886,301	943,236	988,222	1,034,826
Net Claims Incurred	612,037	661,288	747,435	714,747	636,961	738,290	710,305	829,352
Claims Expense	109,760	108,587	114,552	116,249	120,851	126,256	127,684	138,451
Road Safety/Loss Prevention	12,982	13,032	12,816	11,350	10,547	10,587	10,640	10,659
Total Claims Costs	734,779	782,907	874,803	842,346	768,359	875,133	848,629	978,462
Expenses								
Operating	57,465	63,758	67,982	73,568	74,999	79,207	81,264	87,374
Commissions	41,034	37,545	32,057	33,496	34,194	36,019	37,501	39,044
Premium Taxes	22,766	23,068	23,342	24,426	26,375	28,039	29,341	30,684
Regulatory/Appeal	3,423	3,392	3,766	3,261	3,315	3,380	3,447	3,516
Total Expenses	124,688	127,763	127,147	134,751	138,883	146,645	151,553	160,619
Underwriting Income (Loss)	(79,054)	(135,466)	(216,897)	(156,819)	(20,940)	(78,542)	(11,961)	(104,254)
Investment Income	101,243	72,363	147,735	74,356	23,693	74,070	63,533	125,107
Net Income (Loss) from Operations	22,189	(63,103)	(69,162)	(82,463)	2,752	(4,472)	51,572	20,853
Allocated from Property	89	-	-	-	-	-	-	-
Transfer from Immobilizer Incentive Fund	-	-	-	-	-	-	-	-
Net Income (Loss)	22,278	(63,103)	(69,162)	(82,463)	2,752	(4,472)	51,572	20,853

2015 GRA - Standard Interest Rate Forecast as at October 2014 - 3.6% RI

Manitoba Public Insurance

Statement of Retained Earnings

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2012A	2013A <u>Restated</u>	2014A	2015P	2016P	2017P	2018P	2019P
RATE STABILIZATION RESERVE (RSR)								
Basic Insurance Rate Stabilization Reserve								
Beginning Balance	140,525	155,700	149,800	99,878	17,416	20,168	15,696	67,268
Transfer from Basic Retained Earnings	15,175	-	(49,922)	(82,463)	2,752	(4,472)	51,572	20,853
Transfer to Basic Retained Earnings	-	(5,900)	-	-	-	-	-	-
Ending Balance	155,700	149,800	99,878	17,416	20,168	15,696	67,268	88,121
Minimum RSR based on PUB rules	77,000	77,900	78,500	82,900	89,800	94,000	98,400	102,900
Maximum RSR based on PUB rules	154,000	149,800	156,900	165,600	179,400	187,800	196,500	205,500
MPI RSR Target	210,000	200,000	172,000	172,000	172,000	172,000	172,000	172,000
Retained Earnings								
Beginning Balance	-	57,983	19,240	-	-	-	-	-
Restatement of Beginning Balance	-	18,460	-	-	-	-	-	-
Restated Beginning Balance	-	76,443	-	-	-	-	-	-
Net Income (Loss) from annual operations	22,278	(63,103)	(69,162)	(82,463)	2,752	(4,472)	51,572	20,853
Retained Earnings Prior to Transfers	22,278	13,340	(49,922)	(82,463)	2,752	(4,472)	51,572	20,853
Transfer to Rate Stabilization Reserve	(15,175)	-	49,922	82,463	(2,752)	4,472	(51,572)	(20,853)
Transfer from Rate Stabilization Reserve	-	5,900	-	-	-	-	-	-
Transfer from Immobilizer Incentive Fund	-	-	-	-	-	-	-	-
Transfer (to) from IT Optimization Fund	65,000	-	-	-	-	-	-	-
Premium Rebate	(14,120)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balance of Fund	57,983	19,240	-	-	-	-	-	-
IT Optimization Fund								
Beginning Balance	65,000	-	-	-	-	-	-	-
Transfer to Basic Retained Earnings	(65,000)	-	-	-	-	-	-	-
Balance of Fund	-	-	-	-	-	-	-	-
Immobilizer Incentive Fund								
Beginning Balance	-	-	-	-	-	-	-	-
Transfer to Basic Retained Earnings	-	-	-	-	-	-	-	-
Balance of Fund	-	-	-	-	-	-	-	-
Total Basic Retained Earnings	\$ 213,683	\$ 169,040	\$ 99,878	\$ 17,416	\$ 20,168	\$ 15,696	\$ 67,268	\$ 88,121

2015 GRA - Standard Interest Rate Forecast as at October 2014 - 3.6% RI

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	
CANADIAN EQUITY							
Gain/(Loss) Realized from Rebalancing During Period	-	-	-	16,457	-	-	
Gain/(Loss) Realized During Period	16,195	16,382	16,664	30,942	14,186	15,027	
Total Unrealized Gains Period End Prior to Rebal.	93,476	94,644	96,472	96,485	82,845	88,237	
Gain/(Loss) Realized During Period	(16,195)	(16,382)	(16,664)	(30,942)	(14,186)	(15,027)	
Ending Unrealized Gain/(Loss)	77,281	78,262	79,808	65,543	68,659	73,210	
Portfolio Income During Period	11,216	12,867	14,259	13,059	13,549	15,331	
CURRENTLY RUNNING: BASE CASE INVESTMENT SCENARIO							
Manitoba Public Insurance							
Investment Portfolio Return Schedules							
Projected							
U.S. EQUITY	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Annualized Q4 Yield	2.30%	2.40%	2.60%	2.60%	2.60%	2.60%	2.60%
Period Yield	2.26%	2.36%	2.55%	2.55%	3.03%	2.53%	
Period Capital Return	5.04%	4.94%	4.75%	4.75%	4.81%	4.87%	
Average Quarterly Turnover Rate	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Beginning Asset Value	138,988	149,253	160,279	172,125	185,467	199,358	213,802
Reinvested Dividends	3,256	3,647	4,240	4,553	4,972	5,387	5,802
Period Capital Return	7,009	7,379	7,606	8,168	8,919	9,657	10,402
Ending Asset Value Before Rebalancing	138,988	149,253	160,279	172,125	184,846	199,358	213,802
Rebalancing Amount	-	-	-	-	(63,226)	-	-
Cash Rebalancing Amount	-	-	-	621	6,835	10,026	-
Ending Rebalanced Asset Value	138,988	149,253	160,279	172,125	185,467	199,358	213,802
Beginning Book Value	117,034	120,290	123,641	127,089	131,257	135,425	139,593
Additions to Book Value From Div. Reinvestment	3,256	3,351	3,448	3,547	3,647	3,746	3,845
Additions to Book Value From Rebalancing	-	-	-	621	5,077	10,026	-
Reduction in Book Value From Rebalancing	-	-	-	-	(42,728)	-	-
Gain/(Loss) Realized From Turnover	-	-	-	-	-	-	-
Ending Book Value	117,034	120,290	123,641	127,089	131,257	135,425	139,593
Realized/Unrealized Gain Calculations							
Beginning Period Unrealize Gain/(Loss)	21,954	28,963	36,342	43,948	52,116	61,035	70,252
Period Capital Gain/(Loss) Unrealized	7,009	7,379	7,606	8,168	8,919	9,657	10,402
Total Unrealized Gain/(Losses) Per. End Prior to Rebal.	28,963	36,342	43,948	52,116	61,035	70,252	80,654
Turnover in Quarter	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Gain/(Loss) Realized from Turnover During Period	-	-	-	-	-	-	-
Gain/(Loss) Realized from Rebalancing During Period	-	-	-	-	18,740	-	-

2015 GRA - Standard Int Rate Forecast as at Oct 2014 -(3.6% RI & 1% RSR)

Manitoba Public Insurance Multi-year Statements - Underwriting Income

(C\$ 000s, except where noted)

For the Years Ended February,

	2012A	2013A	2014A	2015P	2016P	2017P	2018P	2019P
BASIC								
Motor Vehicles	760,039	722,774	756,642	795,233	869,516	908,391	948,889	991,101
Drivers	26,593	32,692	41,520	46,992	51,284	55,427	59,418	62,982
Reinsurance Ceded	(6,679)	(9,422)	(13,422)	(13,661)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Written	779,953	746,044	784,740	828,564	906,865	949,605	993,809	1,039,296
Net Premiums Earned								
Motor Vehicles	748,948	739,654	741,077	769,872	834,603	890,119	929,855	971,261
Drivers	24,037	29,299	37,015	44,330	49,138	53,355	57,422	61,201
Reinsurance Ceded	(11,308)	(12,202)	(13,422)	(13,722)	(13,934)	(14,213)	(14,497)	(14,787)
Total Net Premiums Earned	761,677	756,751	764,670	800,480	869,807	929,262	972,780	1,017,675
Service Fees & Other Revenues	18,736	18,452	20,384	19,799	21,079	22,881	24,742	26,863
Total Earned Revenues	780,413	775,203	785,053	820,279	890,885	952,143	997,522	1,044,538
Net Claims Incurred	612,037	661,288	747,435	714,747	637,123	737,946	709,817	830,122
Claims Expense	109,760	108,587	114,552	116,249	120,851	126,256	127,684	138,451
Road Safety/Loss Prevention	12,982	13,032	12,816	11,350	10,547	10,587	10,640	10,659
Total Claims Costs	734,779	782,907	874,803	842,346	768,521	874,789	848,141	979,232
Expenses								
Operating	57,465	63,758	67,982	73,568	74,999	79,207	81,264	87,374
Commissions	41,034	37,545	32,057	33,496	34,315	36,308	37,802	39,359
Premium Taxes	22,766	23,068	23,342	24,426	26,512	28,304	29,618	30,974
Regulatory/Appeal	3,423	3,392	3,766	3,261	3,315	3,380	3,447	3,516
Total Expenses	124,688	127,763	127,147	134,751	139,142	147,199	152,132	161,222
Underwriting Income (Loss)	(79,054)	(135,466)	(216,897)	(156,819)	(16,777)	(69,845)	(2,751)	(95,916)
Investment Income	101,243	72,363	147,735	74,356	23,639	74,282	63,221	126,242
Net Income (Loss) from Operations	22,189	(63,103)	(69,162)	(82,463)	6,861	4,437	60,470	30,326
Allocated from Property	89	-	-	-	-	-	-	-
Transfer from Immobilizer Incentive Fund	-	-	-	-	-	-	-	-
Net Income (Loss)	22,278	(63,103)	(69,162)	(82,463)	6,861	4,437	60,470	30,326



2015 GRA - Standard Int Rate Forecast as at Oct 2014 -(3.6% RI & 1% RSR)

Manitoba Public Insurance Statement of Retained Earnings

(C\$ 000s, except where noted)

For the Years Ended February,

RATE STABILIZATION RESERVE (RSR)	<u>2012A</u>	<u>2013A</u> <u>Restated</u>	<u>2014A</u>	<u>2015P</u>	<u>2016P</u>	<u>2017P</u>	<u>2018P</u>	<u>2019P</u>
Basic Insurance Rate Stabilization Reserve								
Beginning Balance	140,525	155,700	149,800	99,878	17,416	24,277	28,714	89,184
Transfer from Basic Retained Earnings	15,175	-	(49,922)	(82,463)	6,861	4,437	60,470	30,326
Transfer to Basic Retained Earnings	-	(5,900)	-	-	-	-	-	-
Ending Balance	155,700	149,800	99,878	17,416	24,277	28,714	89,184	119,509
Minimum RSR based on PUB rules	77,000	77,900	78,500	82,900	90,700	95,000	99,400	104,000
Maximum RSR based on PUB rules	154,000	149,800	156,900	165,600	181,100	189,600	198,400	207,500
MPI RSR Target	210,000	200,000	172,000	172,000	172,000	172,000	172,000	172,000
Retained Earnings								
Beginning Balance	-	57,983	19,240	-	-	-	-	-
Restatement of Beginning Balance	-	18,460	-	-	-	-	-	-
Restated Beginning Balance	-	76,443	-	-	-	-	-	-
Net Income (Loss) from annual operations	22,278	(63,103)	(69,162)	(82,463)	6,861	4,437	60,470	30,326
Retained Earnings Prior to Transfers	22,278	13,340	(49,922)	(82,463)	6,861	4,437	60,470	30,326
Transfer to Rate Stabilization Reserve	(15,175)	-	49,922	82,463	(6,861)	(4,437)	(60,470)	(30,326)
Transfer from Rate Stabilization Reserve	-	5,900	-	-	-	-	-	-
Transfer from Immobilizer Incentive Fund	-	-	-	-	-	-	-	-
Transfer (to) from IT Optimization Fund	65,000	-	-	-	-	-	-	-
Premium Rebate	(14,120)	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Balance of Fund	57,983	19,240	-	-	-	-	-	-
IT Optimization Fund								
Beginning Balance	65,000	-	-	-	-	-	-	-
Transfer to Basic Retained Earnings	(65,000)	-	-	-	-	-	-	-
Balance of Fund	-	-	-	-	-	-	-	-
Immobilizer Incentive Fund								
Beginning Balance	-	-	-	-	-	-	-	-
Transfer to Basic Retained Earnings	-	-	-	-	-	-	-	-
Balance of Fund	-	-	-	-	-	-	-	-
Total Basic Retained Earnings	\$ 213,683	\$ 169,040	\$ 99,878	\$ 17,416	\$ 24,277	\$ 28,714	\$ 89,184	\$ 119,509

2015 GRA - Standard Int Rate Forecast as at Oct 2014 - (3.6% RI & 1% RSR)

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
CANADIAN EQUITY						
Gain/(Loss) Realized from Rebalancing During Period	-	-	-	16,032	-	-
Gain/(Loss) Realized During Period	16,195	16,382	16,664	30,586	14,303	15,194
Total Unrealized Gains Period End Prior to Rebal.	93,476	94,644	96,472	96,571	83,592	89,300
Gain/(Loss) Realized During Period	(16,195)	(16,382)	(16,664)	(30,586)	(14,303)	(15,194)
Ending Unrealized Gain/(Loss)	77,281	78,262	79,808	65,985	69,289	74,106
Portfolio Income During Period	11,216	12,867	14,259	13,126	13,787	15,670

CURRENTLY RUNNING: BASE CASE INVESTMENT SCENARIO
Manitoba Public Insurance
Investment Portfolio Return Schedules

U.S. EQUITY	Projected						
	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
<i>Annualized Q4 Yield</i>		2.30%	2.40%	2.60%	2.60%	2.60%	2.60%
<i>Period Yield</i>		2.26%	2.36%	2.55%	2.54%	3.02%	2.53%
<i>Period Capital Return</i>		5.04%	4.94%	4.75%	4.75%	4.82%	4.88%
<i>Average Quarterly Turnover Rate</i>		0.00	0.00	0.00	0.00	0.00	0.00
Beginning Asset Value		138,988	149,253	160,279	172,125	186,758	144,860
Reinvested Dividends		3,256	3,647	4,240	4,556	5,014	3,937
Period Capital Return		7,009	7,379	7,606	8,172	8,995	7,063
Ending Asset Value Before Rebalancing	138,988	149,253	160,279	172,125	184,853	200,767	155,860
Rebalancing Amount		-	-	-	-	(63,570)	-
Cash Rebalancing Amount		-	-	-	1,905	7,664	10,918
Ending Rebalanced Asset Value	138,988	149,253	160,279	172,125	186,758	144,860	166,778
Beginning Book Value		117,034	120,290	123,641	127,089	132,541	98,906
Additions to Book Value From Div. Reinvestment		3,256	3,351	3,448	3,547	3,647	3,791
Additions to Book Value From Rebalancing		-	-	-	1,905	5,696	10,918
Reduction in Book Value From Rebalancing		-	-	-	-	(42,978)	-
Gain/(Loss) Realized From Turnover		-	-	-	-	-	-
Ending Book Value	117,034	120,290	123,641	127,089	132,541	98,906	113,615
Realized/Unrealized Gain Calculations							
Beginning Period Unrealize Gain/(Loss)		21,954	28,963	36,342	43,948	52,120	42,491
Period Capital Gain/(Loss) Unrealized		7,009	7,379	7,606	8,172	8,995	7,063
Total Unrealized Gain/(Losses) Per. End Prior to Rebal.		28,963	36,342	43,948	52,120	61,115	49,553
Turnover in Quarter		0.05	0.05	0.05	0.05	0.05	0.05
Gain/(Loss) Realized from Turnover During Period		-	-	-	-	-	-
Gain/(Loss) Realized from Rebalancing During Period		-	-	-	-	18,624	-

