

**Undertaking #3**

MPI to model flat interest rates from the end of August to the end of their current fiscal year and show what it looks like from a net income perspective

**RESPONSE:**

Please see attachment.

## Manitoba Public Insurance

### Multi-year - Statement of Operations

*2016 GRA -August 30,2015 rate of 1.49% applied to Q3 and Q4 2015/16*

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>	
	<u>2015A</u>	<u>2016P</u>
<b>BASIC</b>		
Motor Vehicles	794,052	854,303
Drivers	44,642	48,269
Reinsurance Ceded	(13,829)	(12,396)
<b>Total Net Premiums Written</b>	<b>824,865</b>	<b>890,176</b>
<b>Net Premiums Earned</b>		
Motor Vehicles	774,785	828,135
Drivers	42,926	46,782
Reinsurance Ceded	(13,829)	(12,396)
<b>Total Net Premiums Earned</b>	<b>803,883</b>	<b>862,520</b>
Service Fees & Other Revenues	19,475	20,922
<b>Total Earned Revenues</b>	<b>823,357</b>	<b>883,443</b>
<b>Net Claims Incurred</b>	745,837	671,302
Claims Expense	116,578	121,045
Road Safety/Loss Prevention	11,359	11,496
<b>Total Claims Costs</b>	<b>873,774</b>	<b>803,843</b>
<b>Expenses</b>		
Operating	74,283	71,401
Commissions	32,845	35,405
Premium Taxes	24,531	26,247
Regulatory/Appeal	3,935	3,154
<b>Total Expenses</b>	<b>135,595</b>	<b>136,208</b>
<b>Underwriting Income (Loss)</b>	<b>(186,011)</b>	<b>(56,608)</b>
<b>Investment Income</b>	188,451	58,364
<b>Net Income (Loss) from Operations</b>	<b>2,440</b>	<b>1,756</b>
Allocated from Property	-	-
<b>Net Income (Loss)</b>	<b>2,440</b>	<b>1,756</b>

## Manitoba Public Insurance

### Multi-year - Statement of Changes in Equity

2016 GRA - August 30, 2015 rate of 1.49% applied to Q3 and Q4 2015/16

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>	
	<u>2015A</u>	<u>2016P</u>
<b>RATE STABILIZATION RESERVE (RSR)</b>		
<b>Basic Insurance Rate Stabilization Reserve</b>		
Beginning Balance	99,877	165,600
Transfer from Basic Retained Earnings	65,723	12,700
Ending Balance	<u>165,600</u>	<u>178,300</u>
<b>Retained Earnings</b>		
Beginning Balance	-	12,217
Net Income (Loss) from annual operations	2,440	1,756
Transfer from Non Basic Retained Earnings *	75,500	
Retained Earnings Prior to Transfers	<u>77,940</u>	<u>13,973</u>
Transfer to Rate Stabilization Reserve	(65,723)	(12,700)
<b>Balance of Fund</b>	<u>12,217</u>	<u>1,273</u>
<b>Total Basic Retained Earnings</b>	<u>177,817</u>	<u>179,573</u>
<b>Total Accumulated Other Comprehensive Income</b>	<u>35,262</u>	<u>38,419</u>
<b>Total Equity</b>	<u>213,079</u>	<u>217,993</u>
Minimum RSR based on PUB rules	82,900	89,300
Maximum RSR based on PUB rules	165,600	178,300
MPI Total Equity Target	213,000	213,000
MPI Max Target (MCT)	325,000	325,000