

CMMG (MPI) Pre-Ask 3**Question:**

What is the longest sum paid over this period described in Pre-Ask 3 for those reasons?

RESPONSE:

The largest unexpected event and losses from a non-recurring event is the July 16, 1996 hail storm with gross losses of \$47.6M. However, after consideration of reinsurance, net losses from this event were \$4.7M.

The largest single year swing in fiscal year paid losses, in more recent fiscal years, occurred in 2011/12 when paid losses increased by \$63 million and 13% over the previous year. The largest single year swing in net claims incurred, in more recent fiscal years, occurred in 2013/14 when net claims incurred increased by \$86 million and 13% over the previous year.

In relation to the DCAT analysis, the most adverse events generally occur over multi-year periods (e.g. 4 years) or involve significant declines in asset values (e.g. stock market crash). The expected variability of claims incurred over 1, 2, 3, and 4 year periods is shown on page 92 of 2015 DCAT report, which shows that the Corporation expects ultimate claims incurred variability to remain within approximately +/- \$50 million for single year results and +/- \$120 million for 4 years in 95% of outcomes.