

October 16, 2019

2020 GENERAL RATE APPLICATION
Undertaking #5 Transcript Page 457

Undertaking #5

MPI to provide the split between the Q2 actuals and the last two (2) quarter projections.

RESPONSE:

Please see below Pro Forma Statement of Operations for 2019/20 fiscal projections, split between Q1 and Q2 actual and the Q3 and Q4.

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Undertaking #5 Transcript Page 457

PF- 1 Statement Of Operations

Multi-year - Statement of Operations

Line No.	2019/20 projection by quarter (C\$ 000s, rounding may affect totals)	For the period ended XXXX				
		Actual Q1, May 2019	Actual Q2, August 2019	Projected Q3, November 2019	Projected Q4, February 2019	Projected February 2020P
1						
2						
3	BASIC					
4	Motor Vehicles	290,800	251,569	258,581	256,991	1,057,941
5	Drivers	16,526	16,267	18,997	18,477	70,267
6	Reinsurance Ceded	(14,588)	(300)	-	-	(14,888)
7	Total Net Premiums Written	292,738	267,536	277,578	275,468	1,113,320
8	Net Premiums Earned					
9	Motor Vehicles	253,780	267,425	261,501	251,558	1,034,264
10	Drivers	16,752	16,824	17,732	17,260	68,568
11	Reinsurance Ceded	(3,975)	(3,838)	(3,202)	(3,202)	(14,217)
12	Total Net Premiums Earned	266,557	280,411	276,031	265,616	1,088,615
13	Service Fees & Other Revenues	6,349	6,830	6,356	6,976	26,511
14	Total Earned Revenues	272,906	287,241	282,387	272,592	1,115,126
15	Claims Incurred	171,774	187,208	223,908	239,684	822,574
16	DPAC \ Premium Deficiency Adjustment	-	-	-	(17,630)	(17,630)
17	(a) Claims Incurred - Interest Rate Impact	51,971	42,030	(32,600)	-	61,401
18	Total Claims Incurred	223,745	229,238	191,308	222,054	866,345
19	Claims Expense	33,793	30,857	33,818	35,789	134,257
20	Road Safety/Loss Prevention	2,222	2,827	3,877	3,403	12,329
21	Total Claims Costs	259,760	262,922	229,003	261,246	1,012,931
22	Expenses					
23	Operating	17,742	16,662	18,346	19,450	72,200
24	Commissions	10,349	10,911	10,450	10,744	42,454
25	Premium Taxes	8,115	8,530	8,376	8,064	33,085
26	Regulatory/Appeal	951	1,058	1,326	1,336	4,671
27	Total Expenses	37,157	37,161	38,498	39,594	152,410
28	Underwriting Income (Loss)	(24,011)	(12,842)	14,886	(28,248)	(50,215)
29	Investment Income	29,163	14,883	17,524	16,600	78,170
30	(b) Investment Income - Interest Rate Impact	60,470	51,799	(31,832)	-	80,437
31	Net Investment Income	89,633	66,682	(14,308)	16,600	158,607
32	Net Income (Loss)	65,622	53,840	578	(11,648)	108,392
33	Total net Impact due to interest rate change (b) - (a)	8,499	9,769	768	-	19,036
34	MCT %	87%	97%	n/a	n/a	96%