

April 27, 2020
revised April 30, 2020

BLACKLINE

2021 SPECIAL REBATE APPLICATION
Summary Legal Application – Blackline

LA.2.1 Total Earned Revenues - Basic

1 The following figure assumes 0% rate change in 2021/22 and thereafter:

Figure 1 Total Earned Revenues – Basic

Line

No.

1	Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24
2	(\$000)					
3	Current Forecast	1,116,063	1,164,380	1,201,342	1,243,667	1,288,164
4	Compliance Forecast	1,115,126	1,169,091	1,213,206	1,261,832	1,312,606
5	Change	937	(4,711)	(11,864)	(18,165)	(24,442)

2 MPI projects its 2019/20 Basic Total Earned Revenues at \$1.116 billion, which is
3 essentially equal to the 2020 GRA compliance forecast. For 2020/21 and thereafter,
4 the reduced revenue forecast reflects revised volume and upgrade projections, which
5 MPI will include in the 2021 GRA.

6 Regarding the COVID-19 pandemic, MPI has not reduced the 2020/21 revenue
7 projections for changes in customer behaviour (i.e. canceling insurance, switching to
8 layup (comprehensive) coverage). Although MPI anticipates changes in need and
9 behaviour as a result of the COVID-19 pandemic, these changes are difficult to
10 predict. As shown in Figure 2 below, customers to-date have cancelled or reduced
11 coverage on less policies than they did during the weeks of mid-March to mid-April,
12 2019. Also, as described elsewhere herein, MPI can absorb some reduction in premium
13 revenue, should this occur.

Figure 2 Cancellation and Layup Transactions by Calendar Week

Line No.	Week	Cancellations				Layups			
		2019	2020	2019	2020	2019	2020	2019	2020
1	Week 12	3,057	3,297	3,250	3,252	1,036	2,103	1,194	2,620
2	Week 13	2,713	3,460	3,401	3,443	1,356	2,746	1,033	3,671
2	Week 14	3,141	3,454	3,613	3,704	1,782	3,514	1,144	4,372
3	Week 15	3,191	3,394	2,489	2,513	1,778	3,671	929	3,701
4	Week 16	3,586	3,198	2,351	3,123	2,052	4,521	945	4,632

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