

PUB (MPI) Pre-Ask Question #1

Topic:

Claims Incurred Forecast

Reference:

Rebate Application, Page 7 of 27, Figure 3 Claims Incurred before Provisions – Basic

Preamble:

MPI has indicated a material improvement in Claims Incurred from the Compliance Filing for the fiscal years 2019/20, 2020/21 and the forecast period.

Questions:

- a) Please provide the budgeted claims incurred and frequency by month for 2019/20 and 2020/21 and indicate which budget the total should reconcile to for Collision, PIPP and Basic Property Damage.
- b) Are the actual and budgeted collision claims amounts consistent with each other relative to lags in reporting?
- c) Please indicate to what extent the adequacy of reserves at March 31, 2020 has been reviewed by the external actuary.
- d) Is the rebate application consistent with external actuarial review of adequacy of reserves?

MPI – 2021 Special Rebate Application

PUB (MPI) Pre-Ask Question #2

Topic:

Capital Position

Reference:

Compliance Filing 2020 GRA, Page 3 of 13, Figure 3;
Rebate Application, Page 18 of 27, Figure 11 Projected Total Equity & MCT - Before
& After Rebate

Preamble:

In the Compliance Filing MPI projected AOCI for Basic of (\$103.2 million) at the end of February 2020. Based on the Rebate Application the AOCI for Basic is now projected to be (\$34.8 million) at March 31, 2020, a \$68.4 million improvement.

Question:

Please reconcile and provide details of this change in Basic AOCI.

MPI – 2021 Special Rebate Application

PUB (MPI) Pre-Ask Question #3

Topic:

Rebate Proposal

Reference:

Rebate Application, Page 21 of 27, Lines 13-31; and Page 23 of 27, Lines 5-14

Preamble:

MPI has indicated the riding season for Motorcycles is May 1, to September 30th. MPI's rebate proposal reflects expected claims incurred savings for the period March 15th to May 15th.

Questions:

- a) What portion of the Motorcycle riding season falls within the March 15th to May 15th period?
- b) Please indicate how MPI could recognize this within the RSR rebate proposal.

PUB (MPI) Pre-Ask Question #4

Topic:

Rebate Proposal

Reference:

Rebate Application, Page 22 of 27, Figure 13 Average Dollar Rebate by Major Class

Questions:

- a) Was any analysis performed on the variability between territories and/or insurance use classes with regard to the amount of the expected claims incurred savings?
- b) In order to be consistent with the spirit of the capital release process in the CMP, how would the rebate proposal need to be changed?
- c) Has the Corporation considered the potential advantages and disadvantages of designing the rebate based on the greater of the 2019/20 earned premium and the March 15, 2020 in force premium for each customer versus the current proposal?