

October 24, 2023

**2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683**

Undertaking #030

MPI to update Exhibit MPI-81 and rate indication based on the yield at August 31.

RESPONSE:

Please see the updated table using August 31st MUSH Yields:

Figure 1 Yield by Asset Type

Asset Type	Portfolio Weight	Yield	Share of total yield
Provincial Bonds*	37%	4.31%	1.59%
Corporate Bonds*	28%	5.41%	1.51%
MUSH Bonds	20%	5.19%	1.04%
Mortgages	5%	5.73%	0.29%
Real Estate	10%	6.23%	0.62%
Total	100%		5.06%

*Mix of long and mid term bonds from the FTSE Russell index used as a proxy for a bond with a duration of 8.6 years as at August 31, 2023

After deducting the 19 bps fee – the yield as of August 31st is 4.87%.

Figure 2- RI-10 using the alternative investment yield, net of investment expenses and Figures 3, 4, 5 and 6 for PF-1, PF-2, PF-3 and PF-1(a) are provided below.

October 24, 2023

**2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683**

Figure 2**Rating Year 2024/25 Major Classification Applied for Rate Change**

Line No.	Coverage	Overall	Private			Motor-		ORV's
			Pass.	Comm.	Public	cycles	Trailers	
1	24/25 Units	1,280,333	863,331	49,070	13,089	19,322	244,888	90,633
2	Claims	704.96	946.57	732.10	1,874.35	647.80	49.01	4.43
3	Claims Expense	121.29	162.86	125.96	322.48	111.45	8.43	0.76
4	Road Safety	9.45	12.81	12.81	12.81	12.81	0.00	0.00
5	Operating Expense	54.06	73.26	73.26	73.26	73.26	0.00	0.00
6	Regulatory/Appeal	3.35	4.54	4.54	4.54	4.54	0.00	0.00
7	Commission: Vehicle	37.46	49.79	43.95	107.61	33.41	3.05	0.23
8	Prem Tax: Vehicle	27.68	36.79	32.47	79.52	24.69	2.26	0.17
9	Comm & Prem Tax: Driver	2.85	3.86	3.86	3.86	3.86	0.00	0.00
10	Commission Flat Fee	5.70	7.72	7.72	7.72	7.72	0.00	0.00
11	Reins: Casualty	2.01	2.72	2.72	2.72	2.72	0.00	0.00
12	Reins: Catastrophe	11.38	12.45	12.45	12.45	0.00	12.45	0.00
13	Fleet Rebates	15.26	11.49	129.85	248.49	0.00	0.00	0.00
14	Anti-Theft Discount	0.56	0.84	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	51.85	70.27	70.27	70.27	70.27	0.00	0.00
16	Service Fees	21.41	29.02	29.02	29.02	29.02	0.00	0.00
17	Req Rate	922.75	1,226.41	1,082.40	2,650.53	822.98	75.19	5.59
18	Adj. Req Rate	900.99	1,197.49	1,056.87	2,588.02	803.57	73.42	5.46
19	23/24 Average Rate	870.37	1,150.24	908.29	2,252.53	882.92	62.24	5.69
20	Major Class Drift	4.8%	6.0%	4.6%	1.2%	-0.1%	7.3%	0.0%
21	24/25 Average Rate							
22	Without Rate Change	912.02	1,218.86	949.64	2,279.87	882.12	66.81	5.69
23	Full Cred Req Change	-1.2%	-1.8%	11.3%	13.5%	-8.9%	9.9%	-4.1%
24	Applied for Change	0.0%	-0.5%	12.7%	14.9%	-7.8%	11.2%	-2.9%
25	Credibility		99.3%	89.1%	68.6%	76.3%	97.6%	93.8%
26	Cred Wtd Change		-0.5%	11.3%	10.2%	-5.9%	11.0%	-2.7%
27	Cred Wtd Req Rate	910.67	1,212.20	1,056.72	2,512.90	829.70	74.14	5.54
28	Cred Wtd Req Rate (Bal)	912.02	1,214.00	1,058.29	2,516.63	830.93	74.25	5.55
29	Cred Wtd Change (Bal)	0.0%	-0.4%	11.4%	10.4%	-5.8%	11.1%	-2.6%

October 24, 2023

2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683

Figure 3 PF- 1 - Statement of Operations: -1.21% Basic Rate Change

		<i>2024 GRA Rate Update - Basic rate change of -1.21%</i>							
Line No.		<i>IFRS 4</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>
		<i>For the Years Ended March 31,</i>							
	Reclass Adj. from / (to)	<u>2023A</u>	<u>IFRS 17 Adj.*</u>	<u>2023A</u>	<u>2024F</u>	<u>2025F</u>	<u>2026F</u>	<u>2027F</u>	<u>2028F</u>
1									
2	BASIC								
3	Motor Vehicles	1,121,811	-	1,121,811	1,112,046	1,133,954	1,170,388	1,205,422	1,243,258
4	Capital Release Provision	(57,026)	-	(57,026)	-	-	-	-	-
5	Drivers	59,085	-	59,085	62,520	64,822	66,634	67,982	70,043
6	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
7	Total Net Premiums Written	1,107,478	-	1,107,478	1,158,180	1,181,898	1,219,638	1,255,498	1,294,858
8	Net Premiums Earned								
9	Motor Vehicles	1,103,695	-	1,103,695	1,119,108	1,123,141	1,152,405	1,188,130	1,224,583
10	Capital Release Provision	(65,568)	-	(65,568)	(28,558)	-	-	-	-
11	Drivers	59,896	-	59,896	61,180	63,693	65,745	67,321	69,032
12	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
13	Total Net Premiums Earned	1,081,631	-	1,081,631	1,135,344	1,169,956	1,200,766	1,237,545	1,275,172
14	Service Fees & Other Revenues (a)	27,277	(436)	26,841	26,904	27,116	27,701	28,330	28,994
15	Total Earned Revenues	1,108,908	(436)	1,108,472	1,162,248	1,197,072	1,228,467	1,265,875	1,304,166
16	Claims Incurred (b)	903,129	604	903,733	915,089	969,941	1,004,648	1,039,727	1,076,734
17	DPAC \ Premium Deficiency Adjustment	-	-	-	-	-	-	-	-
18	(a) Claims Incurred - Interest Rate Im (b)	(101,437)	(31,794)	(133,231)	(57,950)	13,849	6,221	(479)	(4,306)
19	Total Claims Incurred	801,692	(31,190)	770,502	857,139	983,790	1,010,869	1,039,248	1,072,428
20	Claims Expense	146,265	(1,408)	144,857	150,855	145,998	140,876	134,095	133,041
21	Road Safety/Loss Prevention	10,530	-	10,530	14,461	12,107	12,035	12,118	12,271
22	Total Claims Costs	958,487	(32,598)	925,889	1,022,455	1,141,895	1,163,780	1,185,461	1,217,740
23	Expenses								
24	Operating	86,526	(1,408)	85,118	94,979	93,977	90,503	87,133	86,217
25	Commissions (c)	47,548	297	47,845	50,817	55,695	55,486	55,715	55,994
26	Premium Taxes (c)	32,941	775	33,716	35,239	35,965	37,112	38,204	39,401
27	Regulatory/Appeal	4,769	-	4,769	4,637	4,239	4,328	4,346	4,366
28	Total Expenses	171,784	(336)	171,448	185,672	189,876	187,429	185,398	185,978
29	Underwriting Income (Loss) a,b,c	(21,363)	32,498	11,135	(45,879)	(134,699)	(122,742)	(104,984)	(99,552)
30	Investment Income	98,194	-	98,194	116,836	138,530	145,160	152,724	162,850
31	(b) Investment Income - Interest Rate Impact	(115,602)	-	(115,602)	(103,531)	-	-	-	-
32	Net Investment Income	(17,408)	-	(17,408)	13,305	138,530	145,160	152,724	162,850
33	Gain (Loss) on Sale of Property	112	-	112	-	-	-	-	-
34	Net Income (Loss) from Operations	(38,659)	32,498	(6,161)	(32,574)	3,831	22,418	47,740	63,298
36	Total net Impact due to interest rate change (b) - (a)	(14,165)	31,794	17,629	(45,581)	(13,849)	(6,221)	479	4,306
37	Net Income (Loss) from Operations				(32,574)	3,831	22,418	47,740	63,298
38	Adjust for Initiative Expenses (BO 12.1 d)				(27,608)	(24,017)	(24,202)	(6,935)	(1)
39	Net Income (Loss) for for Rate Setting Purposes				(4,966)	27,848	46,620	54,675	63,299

* IFRS 17 Adjustments are for fiscal year 2022-23 only.

October 24, 2023

2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683

Figure 4 PF- 2 - Statement of Financial Position: -1.21% Basic Rate Change

		<i>2024 GRA Rate Update - Basic rate change of -1.21%</i>					
Line No.		<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>
	(C\$ 000s, rounding may affect totals)	<u>2023A</u>	<u>2024F</u>	<u>2025F</u>	<u>2026F</u>	<u>2027F</u>	<u>2028F</u>
2	BASIC						
3	Assets						
4	Cash and cash equivalents	101,407	60,448	52,521	41,384	33,044	24,864
5	Investments	2,768,029	2,813,714	2,885,218	2,996,749	3,170,013	3,365,071
6	Investment property	5,759	5,604	5,449	5,295	5,140	4,985
7	Accounts receivable	117,843	-	-	-	-	-
8	Prepaid expenses	2,732					
9	Reinsurance asset	3,838	-	-	-	-	-
10	Property and Equipment	117,471	133,543	144,396	167,842	168,994	170,146
11	Deferred development costs	45,518	33,972	36,452	34,110	27,934	22,059
12	Total Assets	3,162,596	3,047,281	3,124,036	3,245,380	3,405,125	3,587,125
13	Liabilities						
14	Due to other insurance companies						
15	Accounts payable and accrued liabilities	45,687	69,113	66,856	64,607	61,987	61,517
16	Reinsurance Liability	-	320	320	320	320	320
17	Lease obligation	5,014	5,276	5,153	5,031	4,908	4,785
18	Insurance contract liability	2,288,292	2,157,682	2,220,977	2,282,458	2,340,783	2,399,606
19	Provision for employee current benefits	18,889	20,670	21,347	22,024	22,701	23,378
20	Provision for employee future benefits	313,985	327,878	339,210	350,543	361,876	373,208
21	Total Liabilities	2,671,867	2,580,939	2,653,863	2,724,983	2,792,575	2,862,814
22	Equity						
23	Retained Earnings	435,784	444,089	447,920	498,145	590,298	702,059
24	Accumulated Other Comprehensive Income	54,946	22,251	22,251	22,251	22,251	22,251
25	Total Equity	490,729	466,340	470,171	520,396	612,549	724,310
26	Total Liabilities & Equity	3,162,596	3,047,278	3,124,034	3,245,379	3,405,125	3,587,124

* Includes April 1, 2022 and fiscal 2022-23 adjustments

October 24, 2023

2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683

Figure 5 PF- 3 - Statement of Changes in Equity: -1.21% Basic Rate Change

2024 GRA Rate Update - Basic rate change of -1.21%

Line No. (C\$ 000s, except where noted)	IFRS 4	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17	
	2023A	IFRS 17 Adj.	2023A	2024F	2025F	2026F	2027F	2028F
	<i>For the Years Ended March 31,</i>							
BASIC								
1	Total Equity							
2	Retained Earnings							
3	Beginning Balance	359,335	435,784	435,784	444,089	447,920	498,145	590,298
4	Restatement of AOCI on AFS Assets (IFRS 9)			46,845	-	0	0	0
5	Restatement of MUSH Assets to FVTPL (IFRS 9)			(5,966)	-	-	-	-
6	Restatement of Claims Discount Rate (IFRS 17)*	-	(30,155)					
7	Restatement of Risk Adjustment (IFRS 17)*	-	116,438					
8	Restatement of DPAC (IFRS 17)*	-	(37,673)					
9	Net Income (Loss) from Operations	(38,659)	32,498	(32,574)	3,831	22,418	47,739	63,300
10	Rebate to Policyholders	-	-	-	-	-	-	-
11	Transfer (to) / from Non-Basic Retained Earnings	34,000	-	-	-	27,807	44,414	48,460
12	Total Retained Earnings	354,676	81,108	435,784	444,089	447,920	498,145	590,298
13	Total Accumulated Other Comprehensive Income							
14	Beginning Balance	51,428	51,428	54,946	22,251	22,251	22,251	22,251
15	Other Comprehensive Income on Available for Sale Assets	(31,291)	(31,480)	1,846	-	-	-	-
16	Restatement of AOCI on AFS Assets (IFRS 9)			(46,845)	-	(0)	(0)	(0)
17	Change in Remeasurement of Employee Future Benefits	36,656	34,998	12,304	-	-	-	-
18	Total Accumulated Other Comprehensive Income	56,793	(1,847)	54,946	22,251	22,251	22,251	22,251
19	Total Accumulated Other Comprehensive Income Balance							
20	Employee Future Benefits Portfolio							
21	Available for Sale Assets	30,889	29,492	0	0	0	0	0
22	Employee Future Benefits Liabilities	9,946	9,496	22,251	22,251	22,251	22,251	22,251
23	Rate Stabilization Reserve Portfolio							
24	Available for Sale Assets	15,957	15,957	0	0	0	0	0
25	Total Accumulated Other Comprehensive Income Balance	56,793	54,946	22,251	22,251	22,251	22,251	22,251
26	Total Equity Balance	411,469	79,261	490,730	466,340	470,171	520,396	612,549
	<i>*Restatement calculated as at April 1, 2022</i>							
27	MINIMUM CAPITAL TEST (C\$ 000s)							
28	Total Equity Balance	411,467	79,263	490,730	466,340	470,171	520,396	612,549
29	Less: Assets Requiring 100% Capital	28,366		28,366	33,972	36,452	34,110	27,934
30	Capital Available (a)	383,101	79,263	462,364	432,368	433,719	486,286	584,615
31	Minimum Capital Required (100% MCT) (b)	345,847	(4,518)	341,329	406,892	437,399	455,498	478,037
32	MCT Ratio % (a) / (b)	110.8%	24.7%	135.5%	106.3%	99.2%	106.8%	122.3%
								138.7%

October 24, 2023

**2024 GENERAL RATE APPLICATION
Undertaking #030 Transcript Page 1683**

Figure 6 PF- 1(a) Statement of Operations – IFRS 17 view: -1.21% Basic Rate Change

2024 GRA Rate Update - Basic rate change of -1.21%

Line		<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>	<i>IFRS 17</i>
No.	<i>(C\$ 000s, rounding may affect totals)</i>	<i>For the Years Ended March 31,</i>					
		<u>2023A</u>	<u>2024F</u>	<u>2025F</u>	<u>2026F</u>	<u>2027F</u>	<u>2028F</u>
1							
2	BASIC						
3	Insurance revenue	1,113,717	1,167,950	1,203,182	1,234,851	1,272,531	1,311,096
4	Insurance service expenses	1,058,088	1,069,166	1,127,059	1,155,814	1,183,593	1,217,829
5	Recovered claims from reinsurance contracts	2,963	(46)	(21)	(8)	(8)	(9)
6	Expenses from reinsurance contracts held	16,392	16,386	16,878	17,384	17,906	18,443
7	Insurance service result	42,200	82,398	59,246	61,653	71,032	74,825
8	Net investment income	(17,408)	13,305	138,530	145,160	152,724	162,850
9	Finance expenses from insurance contracts issued	(51,466)	36,788	107,683	101,603	97,267	96,560
10	Finance income from reinsurance contracts held	(90)	44	150	122	107	97
11	Net insurance finance expenses	(51,376)	36,745	107,532	101,481	97,160	96,463
12	Net insurance and investment result	76,167	58,912	90,222	105,325	126,588	141,202
13	Other Income	11,148	10,684	10,768	11,000	11,250	11,514
14	Other Operating expenses	93,588	102,170	97,159	93,907	90,098	89,416
15	Gain (loss) on disposal of property and equipment	112	-	-	-	-	-
17	Net Income (Loss) from Operations	(6,161)	(32,574)	3,831	22,418	47,739	63,300
18	Adjust for Initiative Expenses (BO 12.1 d)	-	(27,608)	(24,017)	(24,202)	(6,935)	(1)
19	Net Income (Loss) for for Rate Setting Purposes	(6,161)	(4,966)	27,848	46,620	54,674	63,301