

SUMMARY LEGAL APPLICATION

2021 SPECIAL REBATE APPLICATION II
November 30, 2020



MANITOBA
PUBLIC INSURANCE

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Summary Legal Application

LA.1 Legal Application

1 On November 30, 2020, the Honourable Mr. Jeff Wharton, Minister of Crown Services,
2 announced that, subject to the approval of the Public Utilities Board of Manitoba
3 (PUB), Manitoba Public Insurance (MPI) would provide customers with approximately
4 \$69 million in relief in addition to the rebate of more than \$110 million it previously
5 issued, \$58 million of which the PUB approved through Orders 67/20 and 71/20
6 (Reasons for Decision in Order 67/20).

7 Similar to its Special Rebate Application (SRA) filed with the PUB on April 27, 2020
8 (2021 SRA I), MPI makes this Application at a time when Manitoba remains under the
9 March 20, 2020 state of emergency, declared pursuant to *The Emergency Measures*
10 *Act*, C.C.S.M. c. E80. MPI further makes this Application following the Province-wide
11 move to the Critical Level (Red) on the #RestartMB Pandemic Response System on
12 November 12, 2020. MPI respectfully submits that these extraordinary circumstances
13 must be considered when assessing the nature and content of this Application.

14 Through this Application, MPI applies to the PUB, pursuant to section 44 of *The Public*
15 *Utilities Board Act*, C.C.S.M. c. P280 and Rules 3(2), 4(1), 18, 36(1) and 40(2) of the
16 *PUB Rules of Practice and Procedure*, for:

- 17 1. an Order dispensing with the requirement under Rule 36(3) that an application
18 for review and variance be made within 30 days of the order or decision;
- 19 2. directions on the procedure which will govern the conduct of this Application
20 including, directions on proceeding by way of written hearing;
- 21 3. an Order that any evidence tendered by MPI in 2021 SRA I and the 2021
22 General Rate Application (GRA), including any report, decision, finding or order
23 made in respect thereof, be received as evidence in this proceeding, as
24 required;

- 1 4. a review and variation of the directives contained in PUB Orders 159/18 and
2 176/19, to the extent that they do not also direct MPI to issue to ratepayers,
3 through a special rebate, a uniform percentage of their universal compulsory
4 automobile insurance (Basic) premiums earned between March 16, 2020 and
5 November 21, 2020, for all vehicle classes; and
- 6 5. a directive that MPI issue to ratepayers a percentage of their (Basic) premiums
7 earned between March 16, 2020 and November 21, 2020, for all vehicle
8 classes, through a special rebate, in an amount equal to the approximate sum
9 of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably
10 practicable.

11 MPI respectfully submits that the increased severity of the COVID-19 pandemic in
12 Manitoba and, in particular, the Province-wide move to the Critical Level (Red) on the
13 #RestartMB Pandemic Response System on November 12, 2020, could not have been
14 reasonably anticipated within 30 days of the issuance of PUB Orders No. 159/18 and
15 176/19, nor could it have been reasonably anticipated before May 1, 2020, the date
16 on which the PUB issued Order No. 67/20. MPI could therefore not have included the
17 relief sought herein, through its SRA filed on April 27, 2020. MPI further submits that,
18 as a result of the COVID-19 pandemic, its financial position continues to improve at a
19 time when the financial position of many of its ratepayers may have substantially
20 declined, creating again an urgent need for support.

21 This Application is *not* a request to issue an additional rebate to ratepayers for savings
22 generated between March 15, 2020 and May 15, 2020 (i.e. the 2021 SRA I rebate
23 period). This Application requests a rebate amount that is calculated using actual and
24 projected savings in the subsequent period (i.e. May 16, 2020 to March 31, 2021).

Figure 1 Comparisons of Special Rebate Applications

Line No.		2021 SRA I	2021 SRA II	
1	Entitlement Period	March 15, 2020	March 16, 2020 -	
2	(policy in force and earning premium)		November 21, 2020	
3	Savings Period for Purpose of	March 15, 2020 -	May 16, 2020 -	
4	Calculating Rebate Amount	May 15, 2020	March 31, 2021	
1	5	Rebate Requested	\$58 million	\$69 million

2 This Application is also *not* a request by MPI to amend any of the relief it requested in
3 the 2021 GRA. To be clear, MPI continues to seek a -8.8% overall rate indication for
4 the period April 1, 2021 to March 31, 2022; a continuation of its Capital Management
5 Plan (CMP) for that rating year (including the 5% rate reduction thereunder) and the
6 other relief requested therein.

7 MPI appreciates that this Application represents a departure from the position it
8 advanced during the course of the 2021 GRA, namely, that allowing the CMP to work
9 as intended was preferred over issuing another rebate. However, since the close of the
10 2021 GRA hearing on November 6, 2020, the adverse effects of the COVID-19
11 pandemic have increased to such a degree as to warrant providing additional financial
12 relief to Manitobans immediately. In this circumstance, MPI submits that it is just and
13 reasonable to approve the special rebate sought herein.

LA.2 Financial Status of MPI

1 Using results to the end of September 30, 2020, MPI estimates that Basic will retain
2 capital in excess of \$69 million by March 31, 2021. Included in this forecast is the
3 assumption that the PUB will approve the 8.8% Basic rate reduction that MPI requests
4 in the 2021 GRA.

5 The Rate Stabilization Reserve (RSR) is also currently¹ at a Minimum Capital Test
6 (MCT) ratio of approximately 107%, and is forecasted to grow to 132% by the end of
7 the fiscal year (i.e. March 31, 2021) excluding the proposed \$69 million rebate. This
8 substantial increase is primarily the result of a favourable claims experience brought
9 on by recent public health orders, coupled with better than expected operating
10 expenses. As such, the proposed \$69 million rebate is comprised of primarily claims
11 savings, but also expected operating expense savings.

12 Should the PUB approve its request for a \$69 million rebate, MPI expects the MCT
13 ratio for the RSR to decrease to 117% at the end of this fiscal year. This is the
14 minimum MCT ratio at which the RSR can be to permit the 5% capital release for the
15 2021/2022 rating year under the CMP, as requested in the 2021 GRA. MPI respectfully
16 submits that any rebate ordered above this amount would require MPI to amend its
17 2021 GRA.

18 As a result, MPI does not expect the capital position of Basic (and its ability to pay
19 future claims) to deteriorate significantly. As premiums charged during the COVID-19
20 pandemic exceed what is needed to cover the cost of claims – the excess would
21 normally flow back to rate payers in the form of future rate decreases, through the
22 CMP. The proposed rebate, following an approach similar to the one approved by the
23 PUB in the 2021 SRA I, will accelerate the distribution of excess monies to
24 policyholders in the form of a one-time payment, instead of via lower rates. Due to the
25 seriousness of the COVID-19 pandemic and the economic hardship facing many

¹ As at September 30;

1 Manitobans, these funds must be distributed to ratepayers in a responsible, yet
2 expeditious manner, a balance which MPI respectfully submits this rebate strikes.

3 What follows is a set of statements and supporting evidence of various relevant
4 financial components to this Application. All 2020/21 figures are best estimates and
5 are subject to the finalization of the year-end process and external audit.

LA.2.1 Total Earned Revenues - Basic

6 The following figure shows the forecasted revenues, assuming the -8.8% overall rate
7 change for the 2021/22 rating year and 0% rate change thereafter:

Figure 2 Total Earned Revenues – Basic

Line No.	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	(\$000)					
2	Current Forecast	1,150,746	1,135,434	1,128,735	1,169,362	1,211,280
3	2021 GRA Rate Update	1,148,935	1,133,869	1,129,129	1,169,750	1,211,681
4	Change	1,811	1,565	(394)	(388)	(401)

8 MPI projects its 2020/21 Basic Total Earned Revenues at \$1.150 billion, essentially
9 equal to the 2021 GRA Rate Update (as at August 31, 2020), filed October 9, 2020
10 (the 2021 GRA Rate Update).

11 In terms of the forecasted units, it is worth recapping that MPI adjusted these units
12 down for 2020/21 (i.e. a decrease in forecasted units) to reflect policy cancellations
13 and non-renewals resulting from government restrictions instituted to address the
14 COVID-19 pandemic. As demonstrated in the 2021 GRA², this adjustment resulted in a
15 lower growth rate for 2020/21. *Figure 3* shows that, by November of this calendar
16 year, more customers have reduced coverage on their policies to comprehensive, than
17 in all of 2018 or 2019.

² 2021 GRA, Part V Revenues, figure REV-6. Forecasted HTA Unit Growth – 2020/21 to 2024/25;

Figure 3 Layup Transactions by Month

Line No.	Month	Layups						
		2017	2018	YoY (%)	2019	YoY (%)	2020	YoY (%)
1	January	7,502	7,821	4%	8,221	5%	8,252	0%
2	February	4,717	4,670	-1%	5,335	14%	5,241	-2%
2	March	8,135	7,272	-11%	8,323	14%	11,252	35%
3	April	16,350	16,639	2%	18,099	9%	19,122	6%
4	May	12,676	13,350	5%	13,378	0%	16,135	21%
5	June	8,176	8,288	1%	8,467	2%	11,527	36%
6	July	5,999	6,269	5%	7,060	13%	8,191	16%
7	August	5,761	6,302	9%	6,224	-1%	6,568	6%
8	September	7,324	8,185	12%	8,078	-1%	8,408	4%
9	October	14,543	14,996	3%	16,598	11%	16,953	2%
10	November	15,094	14,199	-6%	12,925	-9%	10,081	-
11	December	8,206	8,725	6%	8,915	2%	-	-
12	TOTAL	114,483	116,716	2%	121,623	4%	121,730	-

- 1 However, despite the decline in coverages, fewer policies were cancelled within the
2 same timeframe, as depicted in the *Figure 4*, below:

Figure 4 Cancellations Transactions by Month

Line No.	Month	Cancellations						
		2017	2018	YoY (%)	2019	YoY (%)	2020	YoY (%)
1	January	13,505	13,573	11%	15,133	11%	14,404	-5%
2	February	11,365	11,353	12%	12,719	12%	12,730	0%
2	March	12,526	12,912	7%	13,761	7%	14,121	3%
3	April	13,746	14,051	10%	15,402	10%	13,498	-12%
4	May	14,690	14,619	6%	15,557	6%	12,942	-17%
5	June	14,457	14,435	-1%	14,263	-1%	14,891	4%
6	July	13,460	14,889	1%	15,099	1%	16,308	8%
7	August	14,352	15,835	-3%	15,439	-3%	15,222	-1%
8	September	15,540	15,766	3%	16,236	3%	16,676	3%
9	October	17,098	18,934	-1%	18,679	-1%	18,786	1%
10	November	17,652	18,217	-3%	17,623	-3%	11,603	-
11	December	13,704	14,430	0%	14,430	0%	-	-
12	TOTAL	172,095	179,014	4%	184,341	3%	161,181	-

- 3 MPI is confident that the 8.8% rate reduction sought in the 2021 GRA remains just
4 and reasonable. MPI submits that this methodology remains consistent and aligned to
5 the evidence received by this Board in the 2021 GRA.

- 1 For 2022/23 and thereafter, MPI will continue to monitor and adjust its revenue
2 forecast as necessary, to ensure that it continues to represent a best estimate of
3 volume and upgrade projections. MPI will report any changes in the 2022 GRA.

LA.2.2 Claims Incurred Before Provisions

Figure 5 Claims Incurred before Provisions – Basic

Line No.	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1						
2	(\$000)					
3	Current Forecast	726,131	907,409	921,285	953,995	986,447
4	2021 GRA Rate Update	794,920	905,402	920,450	953,868	986,376
5	Change	(68,789)	2,007	835	127	71

- 4 Relative to the rate update provided within the 2021 GRA Rate Update, MPI forecasts
5 a \$69 million improvement in claims incurred before provisions (i.e. before interest
6 rate impacts and DPAC adjustments) in the fiscal year 2020/21, which was comprised
7 of approximately \$31 million for collision, \$28 million in PIPP, \$5 million in property
8 damage, and \$5 million in internal loss adjustment expenses (ILAE)³.

- 9 In the fiscal year 2021/22 and thereafter, the current Basic forecast remains as
10 forecasted in the 2021 GRA or slightly above, confirming that there should be no
11 changes to the rate sought therein.

- 12 *Figure 6* below shows the observed reduction in ultimate collision claims for the
13 2020/21 loss insurance year (i.e. from April 1, 2020 to March 31, 2021), as well as
14 the expected impacts to PIPP and Property Damage (PD). Note that *Figure 6* is on an
15 ultimate basis excluding ILAE, and will therefore not align with *Figure 5*, which is on a
16 financial reporting basis. As indicated, MPI expects Basic ultimate collision claims to be
17 almost 9.6% under budget compared to the 2021 GRA Rate Update. This translates to
18 a savings of \$40.1 million in respect of Basic ultimate collision costs, in addition to PD

³ Please see PF 4 Explanation;

- 1 savings of \$4.3 million and PIPP savings of \$14.1 million, each of which are discussed
2 further below.

Figure 6 Basic Claims Experience – April 1, 2020 to March 31, 2021

Line No.	Forecast excluding COVID-19 [a]	COVID-19 Adjustment [b]	2021 GRA [c] = [a] + [b]	COVID-19 until March 31, 2021 [d]	Difference from Forecast excluding COVID-19 Adjustment		Difference from 2021 GRA [f] = [d] - [c]
					[e] = [d] - [a]	%	
1	Weekly Indemnity	\$93,074,139	(\$9,033,837)	\$84,040,303	\$77,504,546	(\$15,569,593) -16.73%	(\$6,535,756)
2	ABO-Indexed	\$69,087,548	(\$6,265,301)	\$62,822,247	\$57,530,471	(\$11,557,077) -16.73%	(\$5,291,776)
3	ABO-NonIndexed	\$33,820,374	(\$3,363,053)	\$30,457,321	\$28,162,847	(\$5,657,527) -16.73%	(\$2,294,474)
4	Collision	\$451,372,477	(\$35,314,526)	\$416,057,952	\$375,866,156	(\$75,506,321) -16.73%	(\$40,191,795)
5	Property Damage	\$42,868,368	(\$4,167,240)	\$38,701,127	\$34,450,951	(\$8,417,417) -19.64%	(\$4,250,177)
6	Total		(\$58,143,957)			(\$116,707,935)	(\$58,563,978)

- 3 Providing further detail, *Figure 7* shows the budget for Basic Collision Incurred, on a
4 financial reporting basis, as well as the actuarial views for the 2021 GRA Rate Update
5 and the most current forecast, prepared for this Application. The column titled: 'Total
6 claim counts', includes all claim counts as part of the financial reporting view, and is
7 not exclusive to collision claims.

Figure 7 Budgeted Claims - Basic Collision

Line No.	Reported Month	Direct Basic Collision Incurred	Total Claims Count	2021 GRA October 9th Update			2021 Special Rebate Application II		
				Accident Month	Collision Incurred	Collision Claim Counts	Accident Month	Collision Incurred	Collision Claim Counts
1	Mar-19	\$42,428,558	23,037	Mar-19	\$30,206,091	8,298	Mar-20	\$30,222,594	8,304
2	Apr-19	\$29,497,169	21,334	Apr-19	\$23,417,628	6,489	Apr-20	\$23,419,067	6,490
3	May-19	\$29,460,574	25,076	May-19	\$26,322,426	6,910	May-20	\$26,342,933	6,904
4	Jun-19	\$29,423,980	26,472	Jun-19	\$28,671,363	7,320	Jun-20	\$28,655,688	7,329
5	Jul-19	\$32,050,930	27,423	Jul-19	\$28,802,048	7,449	Jul-20	\$28,835,357	7,465
6	Aug-19	\$31,875,010	26,602	Aug-19	\$29,228,236	7,433	Aug-20	\$29,227,194	7,437
7	Sep-19	\$33,618,175	24,688	Sep-19	\$31,089,099	7,638	Sep-20	\$31,062,274	7,650
8	Oct-19	\$38,814,635	24,496	Oct-19	\$43,597,411	10,362	Oct-20	\$43,646,865	10,377
9	Nov-19	\$44,011,095	23,907	Nov-19	\$45,745,001	10,202	Nov-20	\$45,793,820	10,216
10	Dec-19	\$49,207,554	23,483	Dec-19	\$46,626,682	10,795	Dec-20	\$46,639,124	10,818
11	Jan-20	\$54,404,015	26,271	Jan-20	\$46,856,997	11,100	Jan-20	\$46,848,185	11,099
12	Feb-20	\$42,371,892	20,860	Feb-20	\$30,236,676	7,900	Feb-20	\$30,216,080	7,901
13	Mar-20	\$42,388,230	23,037	Mar-20	\$25,030,767	6,221	Mar-20	\$25,132,572	6,320
14	Apr-20	\$31,555,949	21,375	Apr-20	\$15,477,284	3,965	Apr-20	\$15,529,195	3,916
15	May-20	\$29,999,545	26,361	May-20	\$18,765,358	4,932	May-20	\$19,041,765	4,961
16	Jun-20	\$29,963,557	28,108	Jun-20	\$24,618,476	6,488	Jun-20	\$24,960,767	6,583
17	Jul-20	\$32,120,691	27,816	Jul-20	\$26,850,210	7,064	Jul-20	\$28,038,023	7,305
18	Aug-20	\$32,394,818	28,272	Aug-20	\$27,168,994	7,049	Aug-20	\$27,907,307	7,338
19	Sep-20	\$34,187,907	24,644	Sep-20	\$33,744,974	7,872	Sep-20	\$31,232,634	8,107
20	Oct-20	\$39,498,048	25,204	Oct-20	\$40,167,646	9,103	Oct-20	\$39,589,317	8,897
21	Nov-20	\$44,780,915	24,445	Nov-20	\$47,051,641	10,046	Nov-20	\$38,053,615	8,057
22	Dec-20	\$50,065,715	23,298	Dec-20	\$51,353,848	11,652	Dec-20	\$41,537,506	9,345
23	Jan-21	\$55,351,829	26,875	Jan-21	\$49,024,023	11,462	Jan-21	\$42,137,274	9,768
24	Feb-21	\$43,085,903	21,268	Feb-21	\$40,430,751	9,663	Feb-21	\$36,799,083	8,720
25	Mar-21	\$40,933,158	22,472	Mar-21	\$32,309,916	8,159	Mar-21	\$31,039,671	7,511

1 In this Application, unlike the evidence heard at the 2021 GRA, MPI assumes a direct
2 one-to-one correlation between collision, PD and PIPP claims (in terms of costs). Even
3 though it has been harder to predict a precise correlation between both⁴ – owing to a
4 lag in the reporting of these claims (especially PIPP claims) – MPI submits that this
5 correlation continues to exist. Regarding PD claims, MPI expects a higher decrease, of
6 19.6%, as compared to the 2021 GRA Rate Update. Based on these assumptions, the
7 projected Basic ultimate claims savings from April 1, 2020 through March 31, 2021 is
8 \$58.6 million.

⁴ Transcript October 20, 2020, pg. 361, line 17;

LA.2.2.1 Risks to MPI's Financial Condition

1 In terms of Claims Forecast, *Figures FCT-35 and FCT-36* from the 2021 GRA illustrate
2 what the impact of a 1 year, 1-in-100 adverse Loss Ratio scenario (i.e. a catastrophic
3 winter) would be. Such an event, with management action, would reduce Total Equity
4 by \$159 million, and the MCT ratio of the RSR by 40.7%.

5 As MPI forecasts as at September 30, 2020, that Total Equity would be \$504.8 million,
6 or an MCT ratio of 116.5%, at the end of 2020/21 (see *PF 2 and PF 3*). The Pro Forma
7 statements attached to this Application contain comparatives of actual, budgeted, and
8 forecasted statements of operations as at September 30, 2020, versus those in the
9 2021 GRA Rate Update (as at August 31, 2020).

LA.2.3 Investments

10 Following completion of the 2017 GRA, the PUB ordered MPI to conduct an Asset
11 Liability Management (ALM) study, which was completed by Mercer in November
12 2017. As the PUB is aware⁵, MPI fully implemented the Basic Claims portfolio on March
13 1, 2019. Basic liabilities are now backed by fixed income assets in the Basic Claims
14 portfolio. The Basic Claims portfolio shows a very reasonable return on investment,
15 outperforming the benchmark portfolios in British Columbia (Insurance Corporation of
16 British Columbia) and Saskatchewan (Saskatchewan Government Insurance).⁶

17 The investment strategy employed by MPI could not have positioned Basic customers
18 better for the uncertainties of the COVID-19 pandemic. Over the 9 months ended at
19 September 30, 2020, the equity portfolio decreased by 2.6%, infrastructure was up
20 5.4% and real estate was up 0.6 %. As heard in the 2021 GRA, the equity portfolio
21 peaked on February 20, 2020 and reached its low on March 24, 2020, falling by
22 24.1% during this period. From March 24 to September 30 the portfolio has increased
23 by 23.2%.

⁵ Refer to INV.2.3 and Investments Appendix 12;

⁶ See 2021 GRA, Investments 10.8 at pages 51 and 52;

1 A 20% additional allocation to corporate bonds (which at September 30, 2020 were
2 yielding 2.66% compared to just 1.56% for government bonds), enhanced the Basic
3 Claims portfolio.

4 The ALM strategy ensures that investment losses in the Basic Claims portfolio are
5 offset by the corresponding reduction of the Basic Claims liabilities, since both are
6 interest rate sensitive and have similar duration and size.

7 The investment income allocated to Basic for fiscal year 2019/20 was \$59.6 million –
8 see *2021 GRA, Figure INV-1*. However, as shown in the response to the *2021 GRA*
9 *Undertaking #7*, for the 13-month period ending March 31, 2020, the share of
10 investment income allocated to Basic was \$107.2 million, with Basic earning \$47.6
11 million in the first of those 13 months (i.e. March 2019). In the 2021 GRA Rate
12 Update, MPI forecasted total Basic investment income to be \$205.7 million for
13 2020/21 and \$87.9 million for 2021/22 (in the original 2021 GRA filing, MPI forecasted
14 investment income to be \$84.4 million for 2020/21 and \$89.4 million for 2021/22)⁷.

15 MPI has significant cash and premium revenues that it can use to fund the rebate
16 requested herein. At November 20, 2020, MPI held \$135.8 million of operational cash,
17 which it expects will only increase until the date on which the rebate cheques are
18 mailed. Therefore, as with the previous rebate paid in May 2020, MPI can fund the
19 entire rebate out of operational cash. No investment assets need to be liquidated.

20 The rebate requested herein will not impact the performance of the various asset
21 classes in each of the portfolios. Nonetheless, MPI provides an updated snapshot of
22 portfolio values as at September 30, 2020.

⁷ Please refer to CAC (MPI) 1-2, CAC (MPI) 1-9, PUB (MPI) 1-11. This evidence of the 2021 GRA provides further information on the return on the equity portfolio: decline in March 2020 and subsequent recovery to current date;

Figure 8 Investment Fund Preliminary Valuations

Line No.	Fiscal Year	July 31, 2020	August 31, 2020	September 30, 2020	Monthly Change Aug-Sept	Capital Return
1	(\$000)					
2	Basic	2,229.4	2,211.6	2,219.5	7.9	0.4%
3	Extension	166.2	167.0	166.7	(0.3)	-0.2%
4	SRE	214.7	215.6	233.3	17.7	-0.1% *
5	RSR	393.0	394.6	486.4	91.8	-0.1% **
6	EFB	504.4	502.3	501.5	(0.8)	-0.2%
7	Total	3,507.7	3,491.1	3,607.4	116.3	0.2%

* \$18 million of operational cash was deposited into global low volatility equities, provincial bonds, real estate, and FRN's (to fund private debt drawdowns) in late September

** \$92 million of operational cash was deposited into the portfolio to bring assets to target in late September

1 MPI provided a robust analysis of its investments in the normal course with the filing
2 of the 2021 GRA, which analysis continues to be its best estimate. By this Application,
3 MPI does not propose any change to its investment forecasts nor to its strategy. The
4 proposed rebate will have no adverse effect on the Investment Fund or on ratepayers,
5 in either the 2021 GRA or in upcoming rate applications.

LA.2.3.1 Investment Income Excluding Interest Rate Impacts

Figure 9 Investment Income Excluding Interest Rate Impacts

Line No.	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	(\$000)					
2	Current Forecast	80,960	90,180	89,068	88,106	87,969
3	2021 GRA Rate Update	81,221	87,463	86,564	85,168	84,923
4	Change	(261)	2,717	2,504	2,938	3,046

6 MPI provided⁸ a thorough schedule of investment income separated out by Basic
7 Claims, RSR and Employee Future Benefits, and pro-rated from 2020/21 through

⁸ Refer to 2021 GRA, response to PUB (MPI) 1-33, Appendix 2.

1 2022/23. MPI submits that this evidence continues to support the reported investment
2 income to Basic.

3 MPI uses the following key assumptions for investment forecasts:

- 4 • Naïve interest rates;
- 5 • Equity returns based on 5th percentile 20-year Canadian equity return (i.e.
6 6.8% per year);
- 7 • Infrastructure and real estate based on inflation + 5% and inflation + 4%
8 respectively; and
- 9 • Target weights for each asset class as per Section 7.0 of the Investment Policy
10 Statement.

LA.2.4 Net Interest Rate Impact

Figure 10 Net Interest Rate Impact

Line No.	Investment Income - Interest Rate Impact Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	(\$000)					
2	Current Forecast	128,869	445	24	(10)	(55)
3	2021 GRA Rate Update	124,523	394	87	24	(21)
4	Change	4,346	51	(63)	(34)	(34)
6	Claims Incurred - Interest Rate Impact					
7	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
8	(\$000)					
9	Current Forecast	163,601	2,551	20,535	15,260	15,300
8	2021 GRA Rate Update	157,903	8,160	17,935	15,197	15,274
11	Change	5,698	(5,609)	2,600	63	26
12	Net Interest Rate Impact					
13	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
14	(\$000)					
15	Current Forecast	(34,732)	(2,106)	(20,511)	(15,270)	(15,355)
16	2021 GRA Rate Update	(33,380)	(7,766)	(17,848)	(15,173)	(15,295)
17	Change	(1,352)	5,660	(2,663)	(97)	(60)

11 MPI hedges its Basic claims portfolio against the impact of interest rates. As shown in
12 Figure 10 above, the net impact of changes in interest rates on the fixed income

1 portfolio and on claims liabilities remains stable, relative to the compliance forecast.
2 This result supports the effectiveness of the Basic claims ALM program and suggests
3 that the portfolio can withstand even the most significant shocks to interest rates.

LA.2.5 Net income

4 The following figure shows the forecasted net income, assuming the -8.8% overall
5 rate change for the 2021/22 rating year and 0% rate change thereafter:

Figure 11 Net Income – Basic

Line No.	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	(\$000)					
2	Current Forecast	186,793	8,972	(42,282)	(50,147)	(52,791)
3	2021 GRA Rate Update	105,384	42	(41,194)	(53,230)	(56,042)
4	Change	81,409	8,930	(1,088)	3,083	3,251

6 MPI estimates its 2020/21 net income forecast at \$186.8 million, compared to the
7 \$105.4 million forecasted in the 2021 GRA Rate Update. As discussed above, relative
8 to the 2021 GRA Rate Update, MPI experienced a decrease in claims costs, which it
9 expects will last, to some degree, until March 2022.

10 In 2021/22, MPI projects net income to rise to \$8.9 million, of which \$3.5 million is
11 anticipated to come from interest rate impacts on investment income. Please refer to
12 Pro Forma PF 5, lines 24 to 32 for the detailed explanation on this item.

13 In 2022/23 and thereafter, the forecast assumes no rate changes. However, MPI will
14 revise its forecasts for the 2022 GRA to reflect break-even rates.

LA.3 Capital Management Plan

15 This second rebate is not dependent on cash transfers under the CMP. The proposed
16 \$69 million rebate from Basic is a result of the significant reduction in claims costs
17 beginning March 2020, coupled with the financial performance of Basic; all without the
18 benefit of any transfers of capital from Extension. Unlike the 2021 SRA I, this rebate is

1 sourced entirely from Basic. It will therefore not affect the expected transfer of excess
2 capital from Extension under the CMP, as proposed in the 2021 GRA.

LA.3.1 Total Equity and Minimum Capital Test Ratio

3 As per the *Reserves Regulation*, Man. Reg. 76/2019, MPI must target a Basic MCT
4 ratio of 100%. MPI achieves this target through execution of the CMP. The figure
5 below shows the forecasted impact of the proposed rebate on Basic Total Equity and
6 the MCT ratio:

Figure 12 Total Equity and MCT

Line No.	Basic Total Equity					
	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	Fiscal Year					
2	(\$000)					
3	Current Forecast	504,854	553,013	553,210	548,106	542,722
4	2021 GRA Rate Update	501,090	540,781	540,761	531,765	522,354
5	Change	3,764	12,232	12,449	16,341	20,368
6	Transfer from Extension					
8	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
8	(\$000)					
9	Current Forecast	59,426	31,689	36,384	39,978	42,340
10	2021 GRA Rate Update	63,177	32,739	36,210	39,833	42,221
11	Change	(3,751)	(1,050)	174	145	119
12	Basic Rebate					
13	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
14	(\$000)					
15	Current Forecast	(127,000)	-	-	-	-
16	2021 GRA Rate Update	(58,000)	-	-	-	-
17	Change	(69,000)	-	-	-	-
18	MCT Ratio					
19	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
20	Current Forecast	116.5%	111.1%	105.5%	101.6%	99.0%
21	2021 GRA Rate Update	115.3%	110.9%	105.4%	100.5%	97.1%
22	Change	1.2%	0.2%	0.1%	1.1%	1.9%

1 As shown in *Figure 12* above, following the issuance of the requested rebate, MPI
2 forecasts Total Equity at the end of the fiscal year 2020/21 to \$504.8 million, equating
3 to an MCT Ratio of 116.5%. This rebate will bring MPI to a financial status slightly
4 improved as compared to the 2021 GRA Rate Update, which is mostly attributable to
5 changes to allocation and updating monthly balances.

6 The primary focus of MPI was to provide an optimal rebate while maintaining the 5%
7 applied for capital release in the 2021 GRA. As previously indicated, a rebate in excess
8 of \$69 million would unfavorably impact the 5% capital release. As can be seen in the
9 MCT Ratio figure, MPI expects to achieve a 100% Basic MCT ratio at the end of the 3
10 years (2023/24), per the CMP.

11 The following figure depicts the Total Equity and MCT positions of Basic and Extension
12 at August 31, 2020 and September, 2020; after release of the proposed rebate:

Figure 13 Projected Total Equity & MCT - Before & After Rebate

Line No.		BASIC		EXTENSION	
		August, 2020	September, 2020	August, 2020	September, 2020
1	<i>(C\$ 000s, rounding may affect totals)</i>				
2	Total Equity				
3	Retained Earnings				
4	Beginning Balance	440,522	440,522	142,866	142,866
5	Net Income (Loss) from annual operations	105,384	186,792	56,716	55,496
6	Surplus Distribution/Rebate	(58,000)	(127,000)	(52,000)	(52,000)
7	Transfer (to) / from Non-Basic Retained Earnings	63,177	59,426	(63,177)	(59,426)
8	Total Retained Earnings	551,083	559,740	84,405	86,936
9	Total Accumulated Other Comprehensive Income				
10	Beginning Balance	(34,296)	(34,296)	(2,367)	(2,367)
11	Other Comprehensive Income for the Year	49,550	45,515	7,671	6,990
12	Change in Remeasurement of Employee Future Benefit	(65,247)	(66,105)	n/a	n/a
13	Total Accumulated Other Comprehensive Income	(49,993)	(54,886)	5,304	4,623
14	Total Equity Balance	501,090	504,854	89,710	91,560
15	MINIMUM CAPITAL TEST (C\$ 000s)				
16	Total Equity Balance	501,090	504,854	89,710	91,560
17	Less: Assets Requiring 100% Capital	39,658	39,658	3,432	3,432
18	Capital Available	461,432	465,196	86,278	88,128
19	Minimum Capital Required (100% MCT)	400,132	399,229	43,139	44,064
20	MCT Ratio % (Line 17) / (Line 18)	115.3%	116.5%	200.0%	200.0%

13 *Figure 13* shows that MPI projects both Basic and Extension to remain above their
14 respective capital targets after the issuance of this rebate. The result for Basic is an

1 increase in the MCT ratio, from 115.3% to 116.5%. MPI also forecasts Extension to
2 remain at its 200% MCT ratio target. In the case of Extension, MPI expects that any
3 capital in excess of the 200% MCT ratio will be transferred to Basic in accordance with
4 the CMP.

5 MPI submits that this forecast is its best estimate. While there are risks associated
6 with this forecasting exercise, MPI explained these risks and their expected magnitude
7 in the 2021 GRA. Based on the above forecasts, MPI anticipates that the RSR will
8 continue to remain at the 100% MCT target in at least the near term.

LA.3.2 Extension

9 As discussed above, this rebate is not related to any excess Extension reserves or use
10 of the transfer component of the CMP. *Figure 14* shows that overall Extension forecast
11 should remain relatively unchanged from the 2021 GRA Rate Update.

Figure 14 Extension Capital Transfers

Line No.	Extension Net Income					
	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	Fiscal Year					
2	(\$000)					
3	Current Forecast	55,494	44,346	39,312	41,602	45,871
4	2021 GRA Rate Update	56,717	44,256	39,274	41,545	45,769
5	Change	(1,223)	90	38	57	102
6	Extension MCT Ratio					
7	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
8	(\$000)					
9	Current Forecast	200.0%	200.0%	200.0%	200.0%	200.0%
10	2021 GRA Rate Update	200.0%	200.0%	200.0%	200.0%	200.0%
11	Change	0.0%	0.0%	0.0%	0.0%	0.0%
12	Extension Capital Transfers and Rebates					
13	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
14	(\$000)					
15	Current Forecast					
16	Capital Transfer	(59,426)	(31,689)	(36,384)	(39,978)	(42,340)
17	Rebate	(52,000)	-	-	-	-
18	Total	(111,426)	(31,689)	(36,384)	(39,978)	(42,340)
19	2021 GRA Rate Update	(63,177)	(32,739)	(36,210)	(39,833)	(42,221)
20	Change	3,751	1,050	(174)	(145)	(119)

1 At the end of 2020/21, Extension is forecasted to have \$59.4 million in capital above
2 the 200% MCT target, which MPI will transfer to Basic – exactly as it sought to do in
3 the 2021 GRA. The Extension transfer in the current forecast is slightly lower than the
4 transfer expected in the 2021 GRA Rate Update, due to slight movements including
5 lower net income and a higher capital requirement. In 2021/22 and thereafter, MPI is
6 forecasting to transfer all excess Extension capital to Basic such that the Extension
7 MCT ratio remains at 200% MCT, consistent with the 2021 GRA Rate Update and in
8 compliance with the CMP.

LA.4 Rebate Rules

1 As previously indicated, MPI calculates the \$69 million rebate requested herein on the
2 basis of improvements in claims incurred before provisions (i.e. before interest rate
3 impacts and DPAC adjustments) and anticipated favorable operating expenses. The
4 rationale for the proposed rebate is that, given the reduced claims costs and operating
5 expenses, customers would have paid significantly less to insure their motor vehicles
6 between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a
7 monthly (as opposed to annual) basis.

8 As a result, MPI proposes a rebate to Basic customers with a policy and earning
9 premiums between March 16, 2020 and November 21, 2020, a total of \$69 million
10 from Basic. If the rebate is approved, customers who meet the above criteria will
11 receive an approximate 6% rebate of their Basic earned premium during this period.

12 Additionally, MPI proposes that this rebate benefit *all* vehicle classes, including the
13 Motorcycle class, with policies *earning* premium between March 16, 2020 and
14 November 21, 2020. This is because MPI intends for this rebate to provide relief to all
15 customers who overpaid for insurance as a result of the COVID-19 pandemic. If a
16 policy is not earning premium during this period, the customer pays no premium and
17 no financial relief is justified. In the 2021 SRA I, the applicable period to qualify for a
18 rebate was a single day (i.e. March 15, 2020). The qualification period in this
19 Application is longer and (unlike the 2021 SRA I), and includes the traditional riding
20 earning period for motorcycles.

LA.4.1 Illustrative examples for typical customer in each major class

21 The figure below shows the average premium reduction by major class:

Figure 15 Average Dollar Rebate by Major Class

Line No.	Major Class	2021 Rate Model			2019 Average Rate	Avg Rate for Earning Period from Mar 16, 2020 to Nov 21, 2020	Avg \$ Rebate for Earning Period from Mar 16, 2020 to Nov 21, 2020
		Number of Vehicles	2020 Total Premiums	2020 Average Rate			
1	[1]	[2]	[3]	[4]	[5]	[6]	[7]
2	Private Passenger	812,577	962,170,215	1,184	1,195	1,191	111
3	Commercial	46,597	38,585,701	828	823	825	77
4	Public	12,562	26,896,699	2,141	1,940	2,016	187
5	Motorcycles	17,694	14,986,833	847	806	821	76
6	Trailers	209,135	16,060,505	77	81	79	7
7	ORVs	71,939	503,573	7	8	8	1
8	[5] = [4] / (1 + Major Class average change from the 2020 GRA compliance filing)						
9	[6] = 62.5% * [5] + 37.5% * [4] based on the assumption of uniform renewals throughout the year						
10	[7] = [6] * 9.28%						

LA.5 Implementation Strategy

1 In considering the relief requested in this Application, MPI suggests it follow the same
 2 approach used for the 2021 SRA I, as it represents a prudent strategy for the actual
 3 distribution of approved rebates to customers. Below, MPI outlines its implementation
 4 strategy, which incorporates the lessons learned from the 2021 SRA I, and discusses
 5 how it plans to resolve any problems as they arise.

6 As indicated, MPI requests approval to issue a rebate totaling \$69 million to its
 7 customers. Therefore, the first question relates to how MPI plans to source the \$69
 8 million required to issue the rebate cheques. As explained above, MPI has significant
 9 cash and premium revenues which it can use to fund the rebate. As at November 20,
 10 2020, MPI held \$135.8 million of operational cash, \$69 million of which MPI can use to
 11 fund this rebate.

12 The next question is who will qualify for the rebate and the rules for establishing
 13 entitlement. As explained above, a policyholder is qualified to receive a rebate if they
 14 had a Basic policy in force and earning premiums between March 16, 2020 and
 15 November 21, 2020. Using this rule, MPI expects approximately 675,000 customers
 16 will qualify for a rebate.

1 Once qualified, MPI will calculate the amount of the rebate to which the customer is
2 entitled. MPI will then again distribute rebate cheques to qualified customers via
3 regular mail, to their last known address on file.

4 MPI anticipates that the total cost of issuing the rebates will be approximately
5 \$937,000, itemized as follows (assuming 675,000 different recipients):

Figure 16 Rebates Cost

Line No.	Description	Cost
1	Cost of Purchasing and Printing Cheques	300,000
2	Postage	623,000
3	Administrative Costs (effort)	50,000
4	Total Cost	973,000

6 In the 2021 SRA I, MPI outlined the various problems it anticipated could arise during
7 the implementation phase of the rebate initiative, as well as its proposed solutions.
8 One new potential problem this time around relates to the fact that MPI expects to be
9 issuing rebate cheques during a peak holiday season. Specifically, MPI anticipates that
10 some of its staff may be required to work additional overtime to compensate for lower
11 capacity due to scheduled vacations. It also anticipates that the delivery of cheques by
12 Canada Post and the obtaining of MICR clearance may be delayed. However, neither of
13 these potential problems may be viewed as fatal to this Application. As MPI was able
14 to successfully implement the rebate using these and other solutions, it proposes that
15 same procedure be used for this rebate.

LA.5.1 Communication Strategy

16 MPI developed an effective communication strategy for the issuance of the first rebate
17 and proposes use of that same strategy in respect of this rebate.

SUMMARY APPLICATION PRO FORMAS

2021 SPECIAL REBATE APPLICATION II
November 30, 2020



MANITOBA
PUBLIC INSURANCE

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Pro Formas

PF- 1 Statement of Operations: +\$69M Rebate in 2020/21, -8.8%
Basic Rate change in 2021/22

Multi-year - Statement of Operations

Line No.		For the Years Ended March 31,				
		2021P	2022F	2023F	2024F	2025F
1	(C\$ 000s, rounding may affect totals)					
2	BASIC	2020/21P	2021/22F	2022/23F	2023/24F	2024/25F
3	Motor Vehicles	1,083,735	1,026,045	1,063,360	1,102,141	1,141,779
4	Drivers	67,146	68,094	69,212	70,412	71,588
5	Reinsurance Ceded	(13,721)	(13,887)	(14,166)	(14,447)	(14,737)
6	Total Net Premiums Written	1,137,160	1,080,252	1,118,406	1,158,106	1,198,630
7	Net Premiums Earned					
8	Motor Vehicles	1,069,777	1,054,180	1,045,162	1,083,228	1,122,448
9	Drivers	66,781	67,623	68,656	69,816	71,004
10	Reinsurance Ceded	(13,721)	(13,888)	(14,165)	(14,448)	(14,738)
11	Total Net Premiums Earned	1,122,837	1,107,915	1,099,653	1,138,596	1,178,714
12	Service Fees & Other Revenues	27,909	27,519	29,082	30,766	32,566
13	Total Earned Revenues	1,150,746	1,135,434	1,128,735	1,169,362	1,211,280
14	Claims Incurred	726,131	907,409	921,285	953,995	986,447
15	DPAC \ Premium Deficiency Adjustment	(2,087)	1,138	(533)	5,241	15,058
16	(a) Claims Incurred - Interest Rate Impact	163,601	2,551	20,535	15,260	15,300
17	Total Claims Incurred	887,645	911,098	941,287	974,496	1,016,805
18	Claims Expense	133,322	143,553	147,135	154,577	153,990
19	Road Safety/Loss Prevention	8,563	13,661	13,535	13,593	13,378
20	Total Claims Costs	1,029,530	1,068,312	1,101,957	1,142,666	1,184,173
21	Expenses					
22	Operating	65,897	72,194	76,064	80,077	80,086
23	Commissions	43,883	43,764	43,472	44,977	46,529
24	Premium Taxes	30,287	33,654	33,415	34,591	35,804
25	Regulatory/Appeal	4,185	5,160	5,201	5,294	5,393
26	Total Expenses	144,252	154,772	158,152	164,939	167,812
27	Underwriting Income (Loss)	(23,036)	(87,650)	(131,374)	(138,243)	(140,705)
28	Investment Income	80,960	90,180	89,068	88,106	87,969
29	(b) Investment Income - Interest Rate Impact	128,869	445	24	(10)	(55)
30	Net Investment Income	209,829	90,625	89,092	88,096	87,914
31	Gain (Loss) on Sale of Property	-	5,997	-	-	-
32	Net Income (Loss) from Annual Operations	186,793	8,972	(42,282)	(50,147)	(52,791)
33	Surplus Distribution	(127,000)	-	-	-	-
34	Net Income (Loss) after Surplus Distribution	59,793	8,972	(42,282)	(50,147)	(52,791)
35	Total net Impact due to interest rate change (b) - (a)	(34,732)	(2,106)	(20,511)	(15,270)	(15,355)

PF- 2 Statement of Financial Position: +\$69M Rebate in 2020/21, -
8.8% Basic Rate change in 2021/22

Multi-year - Statement of Financial Position

Line No.		2021P	2022F	2023F	2024F	2025F
1	<i>(C\$ 000s, rounding may affect totals)</i>					
2	BASIC	2020/21P	2021/22F	2022/23F	2023/24F	2024/25F
3	Assets					
4	Cash and cash equivalents	85,573	89,454	91,700	93,021	94,262
5	Investments	3,107,604	3,230,066	3,332,612	3,447,581	3,574,912
6	Investment property	20,418	20,243	19,832	19,835	19,552
7	Accounts receivable	415,650	405,649	419,046	433,021	447,336
8	Deferred policy acquisition costs	24,730	24,047	25,802	21,831	8,071
9	Property and equipment	93,323	96,761	99,203	97,064	91,133
10	Deferred development costs	39,658	61,973	70,043	67,714	58,536
11		3,786,956	3,928,193	4,058,238	4,180,067	4,293,802
12	Liabilities					
13	Due to other insurance companies	545	545	545	545	545
14	Accounts payable and accrued liabilities	70,311	71,241	73,423	78,228	78,137
15	Financing lease obligation	5,368	5,253	5,131	5,008	4,885
16	Unearned premiums and fees	584,526	558,410	578,829	600,129	621,971
17	Provision for employee current benefits	18,903	19,600	20,341	21,092	21,852
18	Provision for employee future benefits	413,988	426,243	438,379	450,609	463,239
19	Provision for unpaid claims	2,188,460	2,293,887	2,388,380	2,476,351	2,560,451
20		3,282,101	3,375,179	3,505,028	3,631,962	3,751,080
21	Equity					
22	Retained Earnings	559,740	600,400	594,504	584,333	573,883
23	Accumulated Other Comprehensive Income	(54,886)	(47,387)	(41,294)	(36,227)	(31,160)
24	Total Equity	504,854	553,013	553,210	548,106	542,723
25	Total Liabilities & Equity	3,786,955	3,928,192	4,058,238	4,180,068	4,293,803

PF- 3 Statement of Changes in Equity: +\$69M Rebate in 2020/21, -
8.8% Basic Rate change in 2021/22

Multi-year - Statement of Changes in Equity

Line No.		2021P	2022F	2023F	2024F	2025F
1	<i>(C\$ 000s, rounding may affect totals)</i>					
2	BASIC	2020/21P	2021/22F	2022/23F	2023/24F	2024/25F
3	Total Equity					
4	Retained Earnings					
5	Beginning Balance	440,522	559,740	600,400	594,504	584,333
6	Net Income (Loss) from annual operations	186,792	8,971	(42,280)	(50,148)	(52,790)
	Surplus Distribution/Rebate	(127,000)	-	-	-	-
7	Transfer (to) / from Non-Basic Retained Earnings	59,426	31,689	36,384	39,978	42,340
8	Total Retained Earnings	559,740	600,400	594,504	584,333	573,883
9	Total Accumulated Other Comprehensive Income					
10	Beginning Balance	(34,296)	(54,886)	(47,387)	(41,294)	(36,227)
11	Other Comprehensive Income for the Year	45,515	7,498	6,093	5,067	5,067
12	Change in Remeasurement of Employee Future Bene	(66,105)	-	-	-	-
13	Total Accumulated Other Comprehensive Income	(54,886)	(47,387)	(41,294)	(36,227)	(31,160)
14	Total Equity Balance	504,854	553,013	553,210	548,106	542,722
15	MINIMUM CAPITAL TEST (C\$ 000s)					
16	Total Equity Balance	504,854	553,013	553,210	548,106	542,722
17	Less: Assets Requiring 100% Capital	39,658	61,973	70,043	67,714	58,536
18	Capital Available	465,196	491,040	483,167	480,392	484,186
19	Minimum Capital Required (100% MCT)	399,229	441,811	458,125	472,721	489,063
20	MCT Ratio % (Line 17) / (Line 18)	116.5%	111.1%	105.5%	101.6%	99.0%

PF- 4 Statement of Operations: 2020/21 Comparative

Line No.		2021 GRA -	2021 GRA -	Inc (dec)	Ref.	Increase / (Decrease)
		August 2020 Rate Update 2020-21F	Summary Rebate Application II 2020-21P			
		\$	\$	\$		%
1	<i>(C\$ 000s, except where noted)</i>					
2	Net Premiums Written					
3	Motor Vehicles	1,080,096	1,083,735	3,639		0.34
4	Drivers	67,146	67,146	-		-
5	Reinsurance Ceded	(13,721)	(13,721)	-		-
6	Total Net Premiums Written	1,133,521	1,137,160	3,639	(1)	0.32
7	Net Premiums Earned					
8	Motor Vehicles	1,067,912	1,069,777	1,865		0.17
9	Drivers	66,781	66,781	-		-
10	Reinsurance Ceded	(13,721)	(13,721)	-		-
11	Total Net Premiums Earned	1,120,972	1,122,837	1,865		0.17
12	Service Fees & Other Revenues	27,963	27,909	(54)		(0.19)
13	Total Earned Revenues	1,148,935	1,150,746	1,811		0.16
14	Net Claims Incurred	794,920	726,131	(68,789)		(8.65)
15	DPAC \ Premium Deficiency Adjustment	(2,150)	(2,087)	63		(2.93)
16	(a) Claims Incurred - Interest rate impact	157,903	163,601	5,698		3.61
17	Total Claims Incurred	950,673	887,645	(63,028)	(2)	(6.63)
18	Claims Expense	139,366	133,322	(6,044)	(4)	(4.34)
19	Road Safety/Loss Prevention	9,434	8,563	(871)	(4)	(9.23)
20	Total Claims Costs	1,099,473	1,029,530	(69,943)		(6.36)
21	Expenses					
22	Operating	69,299	65,897	(3,402)	(4)	(4.91)
23	Commissions	43,832	43,883	51		0.12
24	Premium Taxes	32,301	30,287	(2,014)		(6.24)
25	Regulatory/Appeal	4,390	4,185	(205)	(4)	(4.67)
26	Total Expenses	149,822	144,252	(5,570)		(3.72)
27	Underwriting Income (Loss)	(100,360)	(23,036)	77,324		(77.05)
28	Investment Income	81,221	80,960	(261)		(0.32)
29	(b) Investment Income - Interest rate impact	124,523	128,869	4,346		3.49
30	Total Investment Income	205,744	209,829	4,085	(3)	1.99
31	Net Income (Loss) from Annual Operations	105,384	186,793	81,409		77.25
32	Surplus Distribution	(58,000)	(127,000)	(69,000)		
33	Net Income (Loss) after Surplus Distribution	47,384	59,793	12,409		26.19
34	Allocated Corporate Expenses					
35	Claims Expense	139,366	133,322	(6,044)		(4.34)
36	Road Safety/Loss Prevention	9,434	8,563	(871)		(9.23)
37	Operating	69,299	65,897	(3,402)		(4.91)
38	Regulatory/Appeal	4,390	4,185	(205)		(4.67)
39	Total Allocated Corporate Expenses	222,489	211,967	(10,522)		(4.73)
40	*Total impact due to interest rates	(33,380)	(34,732)	(1,352)		4.05

Explanation of Significant Variances - 2020/21 Comparative

Line No.	Ref.	Category	(C\$ 000s)	Explanation
1	(1)	Net Premiums Written	1,133,521	2021 GRA - August 2020 Rate Update
2			3,639	Higher than expected premium related to volume and upgrade
3			<u>1,137,160</u>	2021 GRA - Summary Rebate Application II
4	(2)	Net Claims Incurred	950,673	2021 GRA - August 2020 Rate Update
5			(31,035)	Lower forecasted Collision + Comprehensive claims
6			(28,116)	Lower forecasted PIPP and Liability claims
7			(5,135)	Lower forecasted ILAE
8			(4,503)	Lower forecasted Property Damage claims
9			5,698	Increased forecast for Interest Rate Impact
10			63	Increased forecast for Write Down DPAC
11			<u>887,645</u>	2021 GRA - Summary Rebate Application II
12	(3)	Investment Income	205,744	2021 GRA - August 2020 Rate Update
13			4,346	Higher than expected interest rate impact on ALM marketable bonds
14			1,148	Higher than expected interest income
15			1,223	Higher than expected equity investment income
16			(1,005)	Lower than expected alternative investment income
17			(691)	Higher than expected investment manager fees
18			(836)	Higher than expected amortization of bond premium
19			(99)	Lower than expected pension expense
20			(1)	Other
21			<u>209,829</u>	2021 GRA - Summary Rebate Application II
22	(4)	Allocated Corporate Expenses	222,489	2021 GRA - August 2020 Rate Update
23			(10,522)	Assumed 7.5% overall expense decrease for remainder of
24				year - based on year to date trends
25			<u>211,967</u>	2021 GRA - Summary Rebate Application II

PF- 5 Statement of Operations: 2021/22 Comparative

Line No.		2021 GRA - August 2020 Rate Update 2021-22F	2021 GRA - Summary Rebate Application II 2021-22F	Inc (dec)	Ref.	Increase / (Decrease) %
1	<i>(C\$ 000s, except where noted)</i>	\$	\$	\$		%
2	Net Premiums Written					
3	Motor Vehicles	1,026,451	1,026,045	(406)		(0.04)
4	Drivers	68,094	68,094	-		-
5	Reinsurance Ceded	(13,887)	(13,887)	-		-
6	Total Net Premiums Written	1,080,658	1,080,252	(406)	(1)	(0.04)
7	Net Premiums Earned					
8	Motor Vehicles	1,052,613	1,054,180	1,567		0.15
9	Drivers	67,623	67,623	-		-
10	Reinsurance Ceded	(13,888)	(13,888)	-		-
11	Total Net Premiums Earned	1,106,348	1,107,915	1,567		0.14
12	Service Fees & Other Revenues	27,521	27,519	(2)		(0.01)
13	Total Earned Revenues	1,133,869	1,135,434	1,565		0.14
14	Net Claims Incurred	905,402	907,409	2,007		0.22
15	DPAC \ Premium Deficiency Adjustment	1,482	1,138	(344)		(23.21)
16	(a) Claims Incurred - Interest rate impact	8,160	2,551	(5,609)		(68.74)
17	Total Claims Incurred	915,044	911,098	(3,946)	(2)	(0.43)
18	Claims Expense	144,032	143,553	(479)	(4)	(0.33)
19	Road Safety/Loss Prevention	13,714	13,661	(53)	(4)	(0.39)
20	Total Claims Costs	1,072,790	1,068,312	(4,478)		(0.42)
21	Expenses					
22	Operating	72,421	72,194	(227)	(4)	(0.31)
23	Commissions	43,702	43,764	62		0.14
24	Premium Taxes	33,607	33,654	47		0.14
25	Regulatory/Appeal	5,161	5,160	(1)	(4)	(0.02)
26	Total Expenses	154,891	154,772	(119)		(0.08)
27	Underwriting Income (Loss)	(93,812)	(87,650)	6,162		(6.57)
28	Investment Income	87,463	90,180	2,717		3.11
29	(b) Investment Income - Interest rate impact	394	445	51		12.94
30	Total Investment Income	87,857	90,625	2,768	(3)	3.15
31	Gain on Sale of Property	5,997	5,997			
32	Net Income (Loss)	42	8,972	8,930		21,261.90
33	Allocated Corporate Expenses					
34	Claims Expense	144,032	143,553	(479)		(0.33)
35	Road Safety/Loss Prevention	13,714	13,661	(53)		(0.39)
36	Operating	72,421	72,194	(227)		(0.31)
37	Regulatory/Appeal	5,161	5,160	(1)		(0.02)
38	Total Allocated Corporate Expenses	235,328	234,568	(760)		(0.32)
39	Allocated Corporate Expenses					
40	Normal Operations	230,332	229,571	(761)	(4)	(0.33)
41	Initiatives Implementation	2,059	2,059	-	(4)	-
42	Initiatives Ongoing	2,938	2,938	-	(4)	-
43	Total Allocated Corporate Expenses	235,328	234,568	(761)		(0.32)
44	*Total impact due to interest rates	(18,987)	(15,871)	3,116		(16.41)

Explanation of Significant Variances - 2021/22 Comparative

Line No.	Ref.	Category	(C\$ 000s)	Explanation
1	(1)	Net Premiums Written	1,080,658	2021 GRA - August 2020 Rate Update
2			(406)	Lower than expected premium related to volume and upgrade
3			1,080,252	2021 GRA - Summary Rebate Application II
4	(2)	Net Claims Incurred	915,044	2021 GRA - August 2020 Rate Update
5			(5,609)	Lower forecasted Interest Rate Impact
6			(344)	Lower forecasted Write Down DPAC
7			1,221	Increased forecast for ILAE
8			398	Increased forecast for Collision + Comprehensive claims
9			360	Increased forecast for PIPP and Liability claims
10			29	Increased forecast for Property Damage claims
11			911,098	2021 GRA - Summary Rebate Application II
12	(3)	Investment Income	87,857	2021 GRA - August 2020 Rate Update
13			51	Higher than expected interest rate impact on ALM marketable bonds
14			443	Higher than expected interest income
15			690	Higher than expected equity investment income
16			2,313	Higher than expected alternative investment income
17			(231)	Higher than expected investment manager fees
18			(499)	Lower than expected amortization of bond premium
19			1	Lower than expected pension expense
20			90,625	2021 GRA - Summary Rebate Application II
21	(4)	Allocated Corporate Expenses	235,328	2021 GRA - August 2020 Rate Update
22			(760)	Lower than expected due to allocation adjustments
23			234,568	2021 GRA - Summary Rebate Application II

PF- 6 Statement of Operations: 2021/22 Comparative

Line No.		2021 GRA - August 2020 Rate Update 2022-23F	2021 GRA - Summary Rebate Application II 2022-23F	Inc (dec)	Ref.	Increase / (Decrease)
		\$	\$	\$		%
1	<i>(C\$ 000s, except where noted)</i>					
2	Net Premiums Written					
3	Motor Vehicles	1,063,739	1,063,360	(379)		(0.04)
4	Drivers	69,212	69,212	-		-
5	Reinsurance Ceded	(14,166)	(14,166)	-		-
6	Total Net Premiums Written	1,118,785	1,118,406	(379)	(1)	(0.03)
7	Net Premiums Earned					
8	Motor Vehicles	1,045,554	1,045,162	(392)		(0.04)
9	Drivers	68,656	68,656	-		-
10	Reinsurance Ceded	(14,165)	(14,165)	-		-
11	Total Net Premiums Earned	1,100,045	1,099,653	(392)		(0.04)
12	Service Fees & Other Revenues	29,084	29,082	(2)		(0.01)
13	Total Earned Revenues	1,129,129	1,128,735	(394)		(0.03)
14	Net Claims Incurred	920,450	921,285	835		0.09
15	DPAC \ Premium Deficiency Adjustment	(1,038)	(533)	505		(48.65)
16	(a) Claims Incurred - Interest rate impact	17,935	20,535	2,600		14.50
17	Total Claims Incurred	937,347	941,287	3,940	(2)	0.42
18	Claims Expense	147,627	147,135	(492)	(4)	(0.33)
19	Road Safety/Loss Prevention	13,589	13,535	(54)	(4)	(0.40)
20	Total Claims Costs	1,098,563	1,101,957	3,394		0.31
21	Expenses					
22	Operating	76,299	76,064	(235)	(4)	(0.31)
23	Commissions	43,484	43,472	(12)		(0.03)
24	Premium Taxes	33,426	33,415	(11)		(0.03)
25	Regulatory/Appeal	5,202	5,201	(1)	(4)	(0.02)
26	Total Expenses	158,411	158,152	(259)		(0.16)
27	Underwriting Income (Loss)	(127,845)	(131,374)	(3,529)		2.76
28	Investment Income	86,564	89,068	2,504		2.89
29	(b) Investment Income - Interest rate impact	87	24	(63)		(72.41)
30	Total Investment Income	86,651	89,092	2,441	(3)	2.82
31	Net Income (Loss)	(41,194)	(42,282)	(1,088)		2.64
32	Allocated Corporate Expenses					
33	Claims Expense	147,627	147,135	(492)		(0.33)
34	Road Safety/Loss Prevention	13,589	13,535	(54)		(0.40)
35	Operating	76,299	76,064	(235)		(0.31)
36	Regulatory/Appeal	5,202	5,201	(1)		(0.02)
37	Total Allocated Corporate Expenses	242,717	241,935	(782)		(0.32)
38	Allocated Corporate Expenses					
39	Normal Operations	229,235	228,453	(782)	(4)	(0.34)
40	Initiatives Implementation	396	396	-	(4)	-
41	Initiatives Ongoing	13,086	13,086	-	(4)	-
42	Total Allocated Corporate Expenses	242,717	241,935	(782)		(0.32)
43	*Total net positive impact due to interest rates	(17,848)	(20,511)	(2,663)		14.92

Explanation of Significant Variances - 2022/23 Comparative

Line

No.	Ref.	Category	(C\$ 000s)	Explanation
1	(1)	Net Premiums Written	1,118,785	2021 GRA - August 2020 Rate Update
2			(379)	Lower than expected premium related to volume and upgrade
3			1,118,406	2021 GRA - Summary Rebate Application II
4	(2)	Net Claims Incurred	937,347	2021 GRA - August 2020 Rate Update
5			2,600	Increased forecast for Interest Rate Impact
6			532	Increased forecast for ILAE
7			505	Increased forecast for Write Down DPAC
8			283	Increased forecast for PIPP and Liability claims
9			17	Increased forecast for Collision + Comprehensive claims
10			3	Increased forecast for Property Damage claims
11			941,287	2021 GRA - Summary Rebate Application II
12	(3)	Investment Income	86,651	2021 GRA - August 2020 Rate Update
13			(63)	Lower than expected interest rate impact on ALM marketable bonds
14			(157)	Lower than expected interest income
15			2,044	Higher than expected equity investment income
16			1,831	Higher than expected alternative investment income
17			(340)	Higher than expected investment manager fees
18			(874)	Higher than expected amortization of bond premium
19			89,092	2021 GRA - Summary Rebate Application II
20	(4)	Allocated Corporate Expenses	242,717	2021 GRA - August 2020 Rate Update
21			(782)	Lower than expected due to allocation adjustments
22			241,935	2021 GRA - Summary Rebate Application II

PF- 7 Statement of Operations: 2022/23 Comparative

Line No.		2021 GRA - August 2020 Rate Update 2023-24F	2021 GRA - Summary Rebate Application II 2023-24F	Inc (dec)	Ref.	Increase / (Decrease) %
1	(C\$ 000s, except where noted)	\$	\$	\$		%
2	Net Premiums Written					
3	Motor Vehicles	1,102,534	1,102,141	(393)		(0.04)
4	Drivers	70,412	70,412	-		-
5	Reinsurance Ceded	(14,447)	(14,447)	-		-
6	Total Net Premiums Written	1,158,499	1,158,106	(393)	(1)	(0.03)
7	Net Premiums Earned					
8	Motor Vehicles	1,083,614	1,083,228	(386)		(0.04)
9	Drivers	69,816	69,816	-		-
10	Reinsurance Ceded	(14,448)	(14,448)	-		-
11	Total Net Premiums Earned	1,138,982	1,138,596	(386)		(0.03)
12	Service Fees & Other Revenues	30,768	30,766	(2)		(0.01)
13	Total Earned Revenues	1,169,750	1,169,362	(388)		(0.03)
14	Net Claims Incurred	953,868	953,995	127		0.01
15	DPAC \ Premium Deficiency Adjustment	5,202	5,241	39		0.75
16	(a) Claims Incurred - Interest rate impact	15,197	15,260	63		0.41
17	Total Claims Incurred	974,267	974,496	229	(2)	0.02
18	Claims Expense	155,060	154,577	(483)	(4)	(0.31)
19	Road Safety/Loss Prevention	13,647	13,593	(54)	(4)	(0.40)
20	Total Claims Costs	1,142,974	1,142,666	(308)		(0.03)
21	Expenses					
22	Operating	80,310	80,077	(233)	(4)	(0.29)
23	Commissions	44,990	44,977	(13)		(0.03)
24	Premium Taxes	34,603	34,591	(12)		(0.03)
25	Regulatory/Appeal	5,295	5,294	(1)	(4)	(0.02)
26	Total Expenses	165,198	164,939	(259)		(0.16)
27	Underwriting Income (Loss)	(138,422)	(138,243)	179		(0.13)
28	Investment Income	85,168	88,106	2,938		3.45
29	(b) Investment Income - Interest rate impact	24	(10)	(34)		(141.67)
30	Total Investment Income	85,192	88,096	2,904	(3)	3.41
31	Net Income (Loss)	(53,230)	(50,147)	3,083		(5.79)
32	Allocated Corporate Expenses					
33	Claims Expense	155,060	154,577	(483)		(0.31)
34	Road Safety/Loss Prevention	13,647	13,593	(54)		(0.40)
35	Operating	80,310	80,077	(233)		(0.29)
36	Regulatory/Appeal	5,295	5,294	(1)		(0.02)
37	Total Allocated Corporate Expenses	254,312	253,541	(771)		(0.30)
38	Allocated Corporate Expenses					
39	Normal Operations	230,801	230,030	(771)	(4)	(0.33)
40	Initiatives Implementation	999	999	-	(4)	-
41	Initiatives Ongoing	22,512	22,512	-	(4)	-
42	Total Allocated Corporate Expenses	254,312	253,541	(771)		(0.30)
43	*Total net positive impact due to interest rates	(15,173)	(15,270)	(97)		0.64

Explanation of Significant Variances - 2023/24 Comparative

Line

No.	Ref.	Category	(C\$ 000s)	Explanation
1	(1)	Net Premiums Written	1,158,499	2021 GRA - August 2020 Rate Update
2			(393)	Lower than expected premium related to volume and upgrade
3			1,158,106	2021 GRA - Summary Rebate Application II
4	(2)	Net Claims Incurred	974,267	2021 GRA - August 2020 Rate Update
5			116	Increased forecast for ILAE
6			63	Increased forecast for Interest Rate Impact
7			39	Increased forecast for Write Down DPAC
8			7	Increased forecast for PIPP and Liability claims
9			5	Increased forecast for Collision + Comprehensive claims
10			(3)	Lower forecasted Property Damage claims
11			974,496	2021 GRA - Summary Rebate Application II
12	(3)	Investment Income	85,192	2021 GRA - August 2020 Rate Update
13			(34)	Lower than expected interest rate impact on ALM marketable bonds
14			(197)	Lower than expected interest income
15			2,167	Higher than expected equity investment income
16			2,168	Higher than expected alternative investment income
17			(351)	Higher than expected investment manager fees
18			(851)	Higher than expected amortization of bond premium
19			2	Lower than expected pension expense
20			88,096	2021 GRA - Summary Rebate Application II
21	(4)	Allocated Corporate Expenses	254,312	2021 GRA - August 2020 Rate Update
22			(771)	Lower than expected due to allocation adjustments
23			253,541	2021 GRA - Summary Rebate Application II

EPF- 1 Statement of Operations: +\$69M Rebate in 2020/21, -8.8%
Basic Rate change in 2021/22

Multi-year - Statement of Operations

Line No.		For the Years Ended March 31,				
		2021P	2022F	2023F	2024F	2025F
1	(C\$ 000s, rounding may affect totals)					
2	EXTENSION	2020/21P	2021/22F	2022/23F	2023/24F	2024/25F
3	Motor Vehicles	159,048	180,316	186,381	192,868	199,666
4	Reinsurance Ceded	(1,783)	(1,814)	(1,850)	(1,887)	(1,924)
5	Total Net Premiums Written	157,265	178,502	184,531	190,981	197,742
6	Net Premiums Earned					
7	Motor Vehicles	157,138	170,123	183,474	189,759	196,408
8	Reinsurance Ceded	(1,783)	(1,814)	(1,850)	(1,887)	(1,925)
9	Total Net Premiums Earned	155,355	168,309	181,624	187,872	194,483
10	Service Fees & Other Revenues	13,440	12,940	13,540	14,182	14,872
11	Total Earned Revenues	168,795	181,249	195,164	202,054	209,355
12	Net Claims Incurred	61,105	82,576	96,594	97,382	98,709
13	(a) Claims Incurred - Interest Rate Impact	335	(286)	-	-	-
14	Total Claims Incurred	61,440	82,290	96,594	97,382	98,709
15	Claims Expense	10,998	11,424	11,903	13,556	13,858
16	Road Safety/Loss Prevention	703	1,086	1,093	1,202	1,214
17	Total Claims Costs	73,141	94,800	109,590	112,140	113,781
18	Expenses					
19	Operating	7,303	8,035	8,681	9,519	9,725
20	Commissions	35,153	37,205	40,329	41,709	43,169
21	Premium Taxes	3,154	5,104	5,504	5,693	5,892
22	Regulatory/Appeal	6	11	12	17	22
23	Total Expenses	45,616	50,355	54,526	56,938	58,808
24	Underwriting Income (Loss)	50,038	36,094	31,048	32,976	36,766
25	Investment Income	5,379	7,508	8,260	8,637	9,120
26	(b) Investment Income - Interest Rate Impact	77	228	4	(11)	(15)
27	Net Investment Income	5,456	7,736	8,264	8,626	9,105
28	Gain (Loss) on Sale of Property	-	516	-	-	-
29	Net Income (Loss) from Operations	55,494	44,346	39,312	41,602	45,871
30	Surplus Distribution	(52,000)	-	-	-	-
31	Net Income (Loss) after surplus distribution	3,496	44,346	39,312	41,602	45,871
32	*2019/20 is projected for 12 months ending March 31	(258)	514	4	(11)	(15)

EPF- 3 Statement of Changes in Equity: +\$69M Rebate in 2020/21, -8.8%
Basic Rate change in 2021/22

Multi-year - Statement of Changes in Equity

Line No.		2021P	2022F	2023F	2024F	2025F
1	<i>(C\$ 000s, rounding may affect totals)</i>					
2	EXTENSION	2020/21P	2021/22F	2022/23F	2023/24F	2024/25F
3	Total Equity					
4	Retained Earnings					
5	Beginning Balance	142,866	86,936	99,593	102,521	104,145
6	Net Income (Loss) from annual operations	55,496	44,346	39,312	41,602	45,871
7		(52,000)	-	-	-	-
8	Transfer (to) / from Basic Retained Earnings	(59,426)	(31,689)	(36,384)	(39,978)	(42,340)
9	Total Retained Earnings	86,936	99,593	102,521	104,145	107,676
10	Total Accumulated Other Comprehensive Income					
11	Beginning Balance	(2,367)	4,624	6,824	8,606	10,119
12	Other Comprehensive Income	6,990	2,201	1,782	1,513	1,303
13	Total Accumulated Other Comprehensive Income	4,623	6,825	8,606	10,119	11,422
14	Total Equity Balance	91,560	106,418	111,127	114,264	119,099
15	MINIMUM CAPITAL TEST (C\$ 000s)					
16	Total Equity Balance	91,560	106,418	111,127	114,264	119,099
17	Less: Assets Requiring 100% Capital	3,432	5,398	6,121	5,948	5,147
18	Capital Available	88,128	101,020	105,006	108,316	113,952
19	Minimum Capital Required (100% MCT)	44,064	50,511	52,504	54,159	56,977
20	MCT Ratio % (Line 17) / (Line 18)	200.0%	200.0%	200.0%	200.0%	200.0%

MANITOBA PUBLIC INSURANCE

2021 SPECIAL REBATE APPLICATION II

Round 1 Information Requests

December 8, 2020

Public Utilities Board
Coalition of Manitoba Motorcycles Groups
Consumers' Association of Canada (Manitoba)
Taxi Coalition



MANITOBA
PUBLIC INSURANCE

PUB (MPI) 1-1

Part and Chapter:	LA.2 Financial	Page No.:	7 of 24
PUB Approved Issue No:	Financial Forecast		
Topic:	Financial Strength of MPI		
Sub Topic:			

Preamble to IR:**Question:**

Please file the 2nd Quarter Financial Statement.

Rationale for Question:

To understand the Corporation's financial strength to support the issuance of the proposed rebate.

RESPONSE:

Please refer to *Appendix 1*.

Quarterly Financial Report

2nd QUARTER

Six months ended
September 30, 2020



MANITOBA
PUBLIC INSURANCE

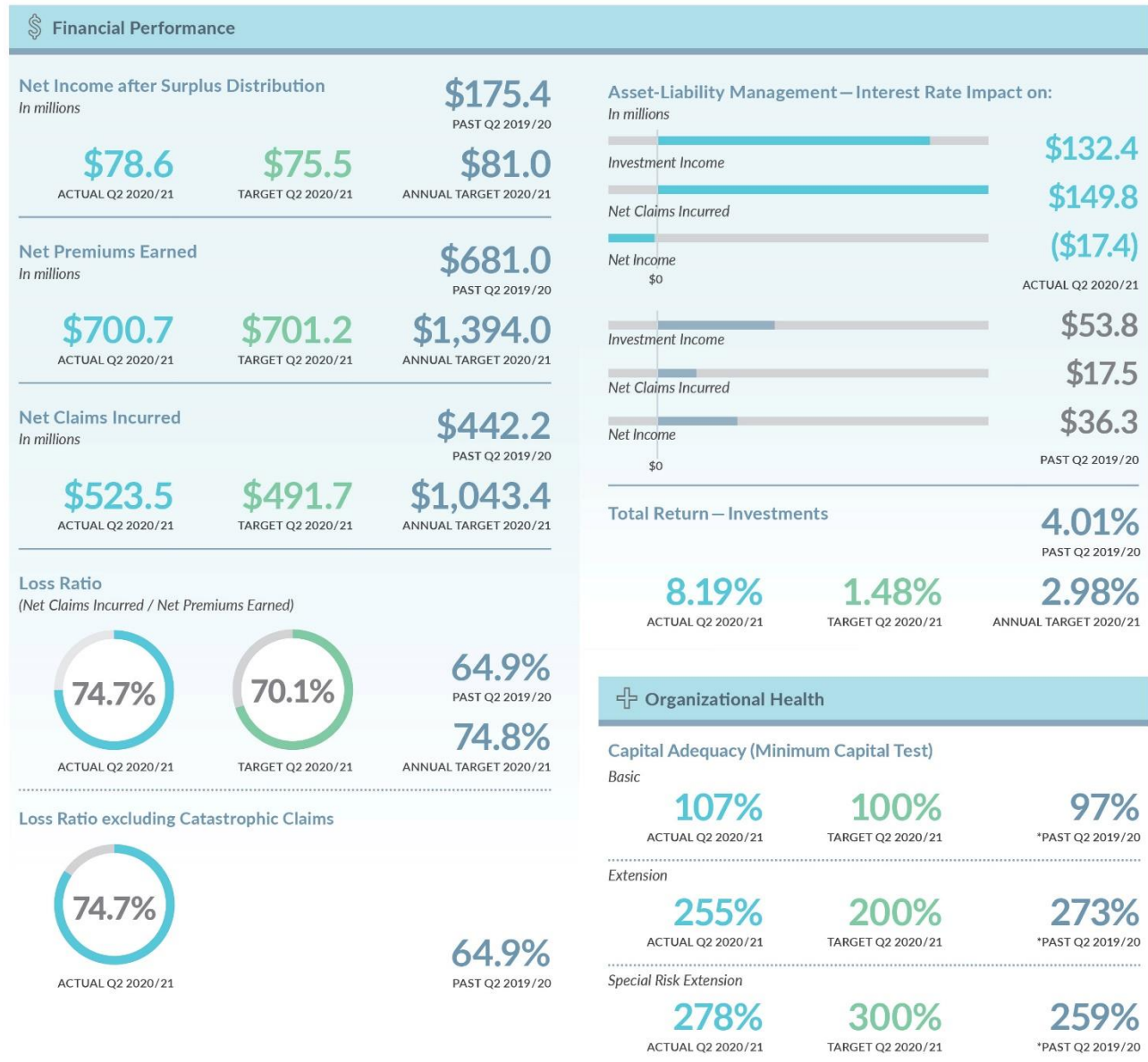
Management Discussion and Analysis

Management's discussion and analysis provides a review of the financial results and future outlook of Manitoba Public Insurance. It should be read in conjunction with the unaudited condensed interim financial statements and supporting notes for the second quarter ended September 30, 2020 included herein and the 2019/20 annual audited financial statements and supporting notes and the Corporation's 2019 Annual Report available at mpi.mb.ca. Certain information in this report may consist of forward-looking statements. These statements are based on various techniques and assumptions including predictions about future events which may not occur. Actual results could deviate significantly from the forward-looking statements.

Comparative information reflects the period of April 1, 2019 to September 30, 2019 due to the change in the Corporation's year-end as detailed in Note 2. Any comparative information that reflects the previous quarterly period of March 1, 2019 to August 31, 2019 is noted with an asterisk.

Quarterly Financial Report

Q2 | Corporate Performance Measures and Targets
 Year-to-date second quarter results 2020/21



*Past year information is for the period ending August 31, 2019.

Results of Operations

Manitoba Public Insurance reported net income from operations of \$188.8 million for the six months ended September 30, 2020. The net income after surplus distribution is \$78.6 million compared to net income of \$175.4 million for the same period last year. This includes net income after surplus distribution of \$86.3 million (September 30, 2019 – \$138.3 million) from the Basic insurance line of business. Corporate net income decreased from the previous year by \$96.8 million due to:

- i) an increase in surplus distribution of \$110.2 million; and
- ii) an increase in claims costs of \$79.6 million; offset by
- iii) an increase in earned revenue of \$19.0 million;
- iv) an increase in investment income of \$66.7 million mainly due to higher unrealized gains on Fair Value Through Profit or Loss bonds of \$82.9 million and a recovery of previously written down AFS investments of \$13.4 million, offset by lower gains on sale of equities and pooled real estate of \$14.6 million and \$7.3 million respectively; and
- v) a decrease in total expenses of \$7.3 million.

Current Year and Last Year

Total earned revenues for the six months ended September 30, 2020, increased from the previous year by \$19.0 million. This increase is primarily attributed to motor vehicle earned revenues which increased by \$15.0 million. The increase in motor vehicle earned revenues is primarily due to the growth in the number of vehicles on the road in Manitoba and the value of those vehicles.

Claims costs for the six months ended September 30, 2020, increased by \$79.6 million or 15.2 per cent compared to last year due primarily to an increase of \$110.2 million in bodily injury claims incurred offset by a decrease of \$28.8 million in physical damage claims incurred. The increase in bodily injury claims is primarily due to an unfavorable interest rate impact on unpaid claims of \$132.3 million compared to last year. The unfavorable impact on unpaid claims caused by changes in prevailing interest rates is largely offset by corresponding impacts on investment income through the Corporations asset-liability matching program. The \$28.8 million decrease in physical damage claims is due primarily to a decrease in collision claims incurred. Excluding the impact of changing interest rates, net claims incurred decreased year over year by \$50.9 million. Claims expenses increased by \$1.5 million or 2.1 per cent from the previous year, road safety and loss prevention expenses decreased by \$3.4 million or 51.7 per cent, primarily due to reduced driver education costs relating to COVID-19 restrictions.

Total expenses decreased by \$7.3 million compared to last year due primarily to decreases in operating expenses of \$4.2 million and \$2.7 million in premium taxes – due to impact of the premium rebate (surplus distribution).

Retained Earnings

Net income from operations of \$188.8 million for the first six months ending September 30, 2020, increased retained earnings offset by the surplus distribution which decreased retained earnings by \$110.2 million, resulting in closing retained earnings of \$770.5 million (March 31, 2020 – \$691.9 million). Retained earnings are comprised of \$526.8 million from Basic insurance (March 31, 2020 - \$440.5 million) and \$243.7 million from non-Basic lines of business (March 31, 2020 - \$251.4 million).

Total Equity

Total equity of \$704.3 million (March 31, 2020 – \$647.0 million) are comprised of \$770.5 million retained earnings and \$66.2 million accumulated other comprehensive loss (March 31, 2020 - \$44.9 million accumulated other comprehensive loss).

Capital Management

The Corporation's Board of Directors has approved risk-based capital adequacy target levels by line of business. Targets are based upon the capital management framework of the Office of the Superintendent of Financial Institutions Canada (OSFI) and the Minimum Capital Test (MCT). The MCT is a ratio of capital available to capital required and utilizes a risk-based formula to assess the capital adequacy of an insurance company. The Corporation's capital targets are determined based on the underlying risks and the competitive nature of each line of business.

The Corporation's Board of Directors' current capital target for Basic Insurance is 100 per cent MCT. Use of the MCT framework aligns with industry best practice and this target was selected to appropriately reflect the lower risk level of the Basic monopoly insurance program. On April 12, 2019, the Manitoba Public Insurance Corporation Act Reserves Regulation 76/2019 specified 100 per cent MCT as the capital requirement for Basic. In Order No. 176/19, issued December 3, 2019 the Public Utilities Board approved the Basic target capital level of 100 per cent MCT.

The Corporation ended the quarter with Basic MCT of 107 per cent which is slightly above target of the Reserves Regulation target of 100 per cent.

The Corporation's Board of Directors' current target for Extension is 200 per cent MCT. This target was selected to reflect the higher relative risk level of operating in a competitive environment, while also aligning with private sector industry average MCT ratios. The Corporation ended the quarter with Extension MCT at 255 per cent.

The Corporation's Board of Directors' current target for Special Risk Extension is 300 per cent MCT. This target was selected to reflect the higher risk exposure of commercial trucking fleets operating out-of-province. The Corporation ended the quarter with Special Risk Extension MCT at 278 per cent.

Outlook

The Corporation remains committed to achieving its Corporate goals. Actual results will be monitored, and corrective actions taken when necessary, to ensure that expected outcomes are realized.

As approved by the Public Utilities Board, effective March 1, 2020, there was a 0.6 per cent overall rate decrease to average Basic insurance rates for the 2020/21 insurance year. On June 17, 2020, Manitoba Public Insurance filed its general rate application for the 2021/22 fiscal year with the Public Utilities Board requesting a provisional 10.5 per cent overall rate decrease. On October 9, 2020, Manitoba Public Insurance updated its financials in the general rate application for the 2021/22 fiscal year with the Public Utilities Board, requesting an 8.8 per cent overall rate decrease.

The requested 8.8 per cent overall general rate decrease does not mean that rates for all vehicles within each major class will decrease by this amount. Based on MPI's rate design, major vehicle classes will be impacted as follows:

- Private passenger (-9.4 per cent change)
- Commercial (-2.1 per cent change)
- Public (-3.7 per cent change)
- Motorcycle (+4.7 per cent change)
- Trailers (-11.3 per cent change)
- Off-road vehicles (0.0 no change)
- Total overall (-8.8 per cent change)

Over 1,130,988 vehicles (96.6 per cent) will experience either no change or a reduction in rates from the previous year. Rates paid by individual policyholders within each class will be determined based on their driving record, the registered vehicle (make and model and year), the purpose for which the vehicle is driven and the territory in which the policyholder resides. The breakdown of vehicles receiving a reduction, no change or an increase is as follows:

- 954,089 (81.5 per cent) of vehicles receiving a decrease in rate
- 176,899 (15.1 per cent) of vehicles receiving no change in rate
- 39,516 (3.4 per cent) of vehicles receiving an increase in rate

Manitoba Public Insurance is committed to keeping rates stable over the long term. Manitoba Public Insurance continues to have one of the lowest rates of year-over-year premium increases of all Canadian provinces.

Condensed Interim Financial Statements

Condensed Interim Statement of Financial Position

(Unaudited-in thousands of Canadian dollars)	<i>Notes</i>	September 30 2020	March 31 2020 (Note 2)
Assets			
Cash and cash equivalents	4	156,537	236,815
Investments	4	3,436,820	3,069,398
Investment property	4	48,184	48,798
Due from other insurance companies		36	389
Accounts receivable		498,517	485,567
Prepaid expenses		8,854	4,374
Deferred policy acquisition costs		50,844	51,240
Reinsurers' share of unearned premiums		9,172	218
Reinsurers' share of unpaid claims		4,948	5,368
Property and equipment		111,798	114,055
Deferred development costs		40,789	44,034
		4,366,499	4,060,256
Liabilities			
Due to other insurance companies		5,116	702
Accounts payable and accrued liabilities		82,554	85,591
Lease obligation		7,050	7,070
Unearned premiums and fees		679,142	696,966
Provision for employee current benefits		24,503	24,298
Provision for employee future benefits		552,065	448,660
Provision for unpaid claims	6	2,311,773	2,149,980
		3,662,203	3,413,267
Equity			
Retained Earnings		770,527	691,912
Accumulated Other Comprehensive Loss		(66,231)	(44,923)
		704,296	646,989
		4,366,499	4,060,256

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Operations

For the periods ended (Unaudited-in thousands of Canadian dollars)	Notes	3 months ended September 30 2020	3 months ended September 30 2019	6 months ended September 30 2020	6 months ended September 30 2019
Earned Revenues					
Gross premiums written		361,959	346,327	699,007	680,008
Premiums ceded to reinsurers		(68)	(263)	(18,421)	(742)
Net premiums written		361,891	346,064	680,586	679,266
Increase in gross unearned premiums		1,987	7,359	11,190	10,666
Increase in reinsurers' share of unearned premiums		(4,653)	(4,449)	8,953	(8,950)
Net premiums earned		359,225	348,974	700,729	680,982
Service fees and other revenue		10,703	10,471	19,595	20,327
<i>The Drivers and Vehicles Act</i> operations recovery		7,563	7,562	15,125	15,125
Total Earned Revenues		377,491	367,007	735,449	716,434
Claims Costs					
Direct claims incurred - gross		235,989	218,757	524,288	443,200
Claims recovered ceded to reinsurers		(587)	(297)	(755)	(1,043)
Net claims incurred		235,402	218,460	523,533	442,157
Claims expense		37,178	35,495	74,916	73,379
Loss prevention/Road safety		1,987	3,423	3,143	6,506
Total Claims Costs		274,567	257,378	601,592	522,042
Expenses					
Operating		26,784	29,147	55,350	59,504
Commissions		22,624	22,342	43,821	43,975
Premiums taxes		10,918	10,610	18,001	20,720
Regulatory/Appeal		988	1,037	1,797	2,037
Total Expenses		61,314	63,136	118,969	126,236
Underwriting income (loss)		41,610	46,493	14,888	68,156
Investment income	5	37,017	34,182	173,883	107,232
Net income from operations		78,627	80,675	188,771	175,388
Surplus distribution		-	-	(110,156)	-
Net income (loss) after surplus distribution		78,627	80,675	78,615	175,388

Condensed Interim Statement of Comprehensive Income (Loss)

For the periods ended (Unaudited-in thousands of Canadian dollars)	Notes	3 months ended September 30 2020	3 months ended September 30 2019	6 months ended September 30 2020	6 months ended September 30 2019
Net income (loss) after surplus distribution		78,627	80,675	78,615	175,388
Other Comprehensive Income (Loss)					
Items that will not be reclassified to income					
Remeasurement of Employee Future Benefits		507	-	(94,678)	-
Items that will be reclassified to income					
Unrealized gains (losses) on Available for Sale assets		14,895	5,022	86,759	21,731
Reclassification of net realized losses (gains) related to Available for Sale assets		(13,389)	(167)	(13,389)	(16,208)
Net unrealized gains (losses) on Available for Sale assets		1,506	4,855	73,370	5,523
Other Comprehensive Income (Loss) for the period		2,013	4,855	(21,308)	5,523
Total Comprehensive Income (Loss)		80,640	85,530	57,307	180,911

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Changes in Equity

(Unaudited-in thousands of Canadian dollars)	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Equity
Balance as at April 1, 2019	528,828	(64,736)	464,092
Net income from operations for the period	175,388	-	175,388
Other comprehensive income (loss) for the period	-	5,523	5,523
Balance as at September 30, 2019	704,216	(59,213)	645,003
Balance as at April 1, 2020	691,912	(44,923)	646,989
Net income (loss) after surplus distribution for the period	78,615	-	78,615
Other comprehensive income (loss) for the period	-	(21,308)	(21,308)
Balance as at September 30, 2020	770,527	(66,231)	704,296

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Cash Flows

For the periods ended (Unaudited-in thousands of Canadian dollars)	Notes	6 months ended September 30 2020	6 months ended September 30 2019
Cash Flows from (to) Operating Activities:			
Net income after surplus distribution		78,615	175,388
Non-cash items:			
Depreciation of property and equipment, and investment property		3,235	3,228
Amortization of deferred development costs		9,147	8,777
Amortization of bond discount and premium		(4,176)	(2,841)
Loss (gain) on sale of investments		(15,813)	(125,597)
Unrealized (gain) loss on Fair Value Through Profit or Loss bonds		(118,921)	(36,004)
Unrealized (gain) loss on pooled real estate fund		4,235	89,045
Unrealized (gain) loss on infrastructure investments		3,950	2,349
Unrealized (gain) loss on Private debt		(959)	58
Loss (gain) on disposal of property and equipment		-	-
Impairment (recovery of impairment) of Available for Sale investments		(13,388)	-
Impairment of deferred development costs		92	1,778
		(53,983)	116,181
Net change in non-cash balances:			
Due from other insurance companies		353	576
Accounts receivable and prepaid expenses		(17,430)	(4,493)
Deferred policy acquisition costs		396	578
Reinsurers' share of unearned premiums and unpaid claims		(8,534)	11,219
Due to other insurance companies		4,414	(9,742)
Accounts payable and accrued liabilities		(3,037)	13,771
Unearned premiums and fees		(17,824)	(15,020)
Provision for employee current benefits		205	(249)
Provision for employee future benefits		8,727	6,722
Provision for unpaid claims		161,793	30,220
		129,063	33,582
		75,080	149,763
Cash Flows from (to) Investment Activities:			
Purchase of investments		(451,914)	(1,244,988)
Proceeds from sale of investments		303,548	1,065,611
Acquisition of property and equipment net of proceeds from disposals		(978)	(3,889)
Lease obligation		(20)	1,514
Deferred development costs incurred		(5,994)	(4,102)
		(155,358)	(185,854)
Increase in Cash and Cash Equivalents			
		(80,278)	(36,091)
Cash and cash equivalents beginning of the period		236,815	183,769
Cash and Cash Equivalents end of the period	4	156,537	147,678

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1. Status of Corporation

The Manitoba Public Insurance Corporation (the "Corporation") was incorporated as a Crown Corporation under *The Automobile Insurance Act* in 1970. The Corporation is owned by the Province of Manitoba and the financial results of the Corporation are included in the consolidated financial statements of the Province of Manitoba. In 1974, *The Automobile Insurance Act* was revised and became *The Manitoba Public Insurance Corporation Act* (Chapter A180 of the continuing consolidation of the Statutes of Manitoba). In 1988, the Act was re-enacted in both official languages as Chapter P215 of the Statutes of Manitoba. The address of the Corporation's registered office is 234 Donald Street, Winnipeg, Manitoba.

Under the provisions of its Act and regulations, the Corporation operates an automobile insurance division and a discontinued general insurance division. The lines of business for the automobile insurance division provide for Basic Universal Compulsory Automobile Insurance, Extension and Special Risk Extension coverages. For financial accounting purposes, the lines of business for the automobile insurance division and the discontinued general insurance division are regarded as separate operations and their revenues and expenses are allocated on a basis described in the summary of significant accounting policies. For financial reporting purposes, due to the immateriality of the financial results of the discontinued general insurance operations, the operations are reported as part of the Special Risk Extension line of business. The Basic Universal Compulsory Automobile Insurance line of business rates are approved by the Public Utilities Board of Manitoba.

Under *The Drivers and Vehicles Act* (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

2. Basis of Reporting

Statement of Compliance

In April 2019, Manitoba Public Insurance Corporation's board approved a change to the Corporation's fiscal year-end from February 28 to March 31 as directed by the provincial government to coincide with the Government of Manitoba and other Provincial Crown Corporations. Quarterly financial statements issued in 2019/20 prior to March 31, 2020 reported under differing quarter period ends, and accordingly the prior year comparative figures have shifted to align to the new fiscal quarters.

The financial statements of the Corporation are in such form as prescribed by Section 43(1) of *The Manitoba Public Insurance Corporation Act* and are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

References to IFRS are based on Canadian generally accepted accounting principles (GAAP) for publicly accountable enterprises as set out in Part 1 of the CPA Canada handbook. Part 1 of the CPA Canada handbook incorporates IFRS as issued by the IASB and interpretations of the International Financial Reporting Interpretations Committee.

Appointment of External Actuary

The external actuary is appointed by the Board of Directors of the Corporation. With respect to preparation of these financial statements, the Appointed Actuary is required to carry out a valuation of the insurance contract liabilities and to report thereon to the Corporation's Board of Directors. Insurance contract liabilities include unearned premiums and unpaid claims and adjustment expenses.

The Appointed Actuary also uses the work of the external auditors in their verification of the information prepared by the Corporation used in the valuation of the insurance contract liabilities.

Appointment of External Auditors

The external auditors are appointed by the Lieutenant Governor in Council to conduct an independent and objective audit of the financial statements of the Corporation in accordance with Canadian generally accepted auditing standards. In carrying out their audit, the external auditors also make use of the work of the Appointed Actuary and their report on the Corporation's insurance contract liabilities. The external auditors' report outlines the scope of their audit and their opinion.

Basis of Presentation

The Corporation presents its Statement of Financial Position broadly in order of liquidity.

The following balances are generally classified as current: cash and cash equivalents, investments, due to/from other insurance companies, accounts receivable, prepaid expenses, deferred policy acquisition costs, reinsurers' share of unearned premiums and unpaid claims, accounts payable and accrued liabilities, unearned premiums and fees and provision for employee current benefits.

The following balances are generally classified as non-current: investment property, property and equipment (including right-of-use assets), deferred development costs, lease obligations, provision for employee future benefits and provision for unpaid claims.

These statements are presented in thousands of Canadian dollars which is the Corporation's functional and presentational currency except as otherwise specified.

Seasonality

The automobile insurance business, which reflects the primary business of the Corporation, is seasonal in nature. While net premiums earned are generally stable from quarter to quarter, underwriting income is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly by weather conditions which may vary significantly between quarters.

Basis of Measurement

The Corporation prepares its financial statements as a going concern, using the historical cost basis, except for financial instruments and insurance contract liabilities and reinsurers' share of unpaid claims. Measurement of the financial instruments is detailed in Note 3 of the March 31, 2020 audited financial statements available at mpi.mb.ca. Insurance contract liabilities and reinsurers' share of unpaid claims are measured on a discounted basis in accordance with accepted actuarial practice (which in the absence of an active market provides a reasonable proxy for fair value) as explained in Note 3.

Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ materially from these estimates.

Emergency measures enacted by the federal and provincial governments in response to the COVID-19 pandemic, including physical distancing, travel restrictions, and the temporary closure of non-essential businesses, have created significant additional estimation uncertainty in the determination of reported amounts as at September 30, 2020. The Corporation has made assumptions with respect to the duration and severity of these emergency measures as well as the duration of the subsequent economic recovery in estimating the amount and timing of reported amounts as at September 30, 2020. As a result of this significant estimation uncertainty there is a risk that the assumptions used as at September 30, 2020 may change as more information becomes available, resulting in a material adjustment to reported amounts in future reporting periods.

3. Summary of Significant Accounting Policies

For a complete listing of significant accounting policies, please refer to the March 31, 2020 audited financial statements available at mpi.mb.ca.

The following are excerpts from the summary of significant accounting policies contained in the audited financial statements and do not represent full disclosure of significant accounting policies.

Investments

Funds available for investments are managed by the Manitoba Department of Finance or administered by external managers that are under contract with the Manitoba Department of Finance, on behalf of the Corporation, in accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*.

The Corporation's directly held real estate investments are recorded at cost and are being depreciated over their estimated useful life.

The Corporation has classified or designated its financial assets and liabilities in the following categories:

- available for sale (AFS)
- held to maturity (HTM)
- financial assets and liabilities at fair value through profit or loss (FVTPL)
- loans and receivables
- other financial liabilities

The Corporation accounts for the purchase and sale of securities using settlement date accounting.

Impairment of Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- It is becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

When an AFS asset is considered to be impaired, cumulative gains or losses previously recognized in OCI are reclassified to net income (loss) in the period. Subsequent declines in value continue to be recorded through net income (loss).

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through net income (loss) to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in net income (loss) are not reversed through net income (loss). Any increase in fair value subsequent to an impairment loss is recognized in OCI.

Fair Value Determination

The fair values of financial instruments are obtained from external pricing services and are based on bid prices for financial assets. Cash equivalent investments comprise investments due to mature within 90 days from the date of purchase and are carried at fair value. Refer to Note 4 of the March 31, 2020 audited financial statements available at mpi.mb.ca for further information on the fair value of financial instruments.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Replacement costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All repairs and maintenance costs are recognized in net income (loss) during the period in which they occur.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

Land & Buildings

• HVAC systems	20 years
• land improvements	25 years
• roofing systems	30 years
• elevators/escalators	30 years
• buildings	40 buildings

Furniture & Equipment

• computer equipment	3 years
• vehicles	5 years
• furniture and equipment	10 years
• demountable wall systems	10 years

Buildings held under a long-term lease arrangement are depreciated on a straight-line basis over 40 years. Leasehold improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period. Depreciation of construction in progress will begin, in accordance with the above policy, when construction has been completed. Land is not subject to depreciation and is carried at cost.

Deferred Development Costs (Intangible Assets)

The costs of developing major information systems that are expected to provide an economic benefit to the Corporation are deferred to future periods. These information system expenditures are stated at cost net of accumulated amortization and accumulated impairment losses and are amortized on a straight-line basis over five years unless the useful life is deemed to be shorter, starting the month after the asset becomes available for use.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred, including directly assigned employee costs, from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditures are recognized in net income (loss) in the period in which they are incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

Impairment of Tangible and Intangible Assets (Other Than Financial Assets)

When specific events or circumstances arise, the Corporation reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Revenue

Premiums

Written premiums comprise the premiums on contracts commencing in the fiscal year. Earned premiums represent the portion of written premiums earned through the year on a pro rata basis by way of insurance coverage. Written and earned premiums are stated gross of commissions and premium taxes payable and are reported on a gross basis and net of amounts ceded to reinsurance companies.

Unearned Premiums

The liability for unearned premiums is the portion of premiums that relate to the unexpired term of each insurance contract.

Interest Revenue

Interest revenue is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Investment Income

Investment income is recorded as it accrues. Dividend income from investments is recognized when the Corporation's rights to receive payments is established. Dividend income on common and preferred shares is recorded on the ex-dividend date. Distributions on pooled funds are recorded on the income distribution date. Gains and losses are determined and recorded as at the trade date, and are calculated on the basis of average cost. The effective interest rate method is used to amortize premiums or discounts on the purchase of bonds.

Realized Gains and Losses

The realized gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortized cost as appropriate.

The realized gain or loss on disposal of property and equipment is the difference between the proceeds received, net of transaction costs, and its original cost or depreciated cost as appropriate.

Unrealized Gains and Losses

Unrealized gains or losses represent the difference between the carrying value at the period-end and the carrying value at the previous period-end or purchase value during the period, less the reversal of previously recognized unrealized gains or losses in respect of disposals during the period.

Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for Employee Current Benefits

The provision for employee current benefits includes accruals for vacation pay and sick pay determined in accordance with the Collective Agreement and Corporate policy.

Provision for Employee Future Benefits

Included in the provision for employee future benefits are the pension benefit plan and other benefit plans.

i. Pension Benefit Plan

The employees of the Corporation are members of a defined benefit pension plan administered under *The Civil Service Superannuation Act*. Included in the accounts is a provision for the employer's future pension liability calculated on an indexed basis. The provision for pension is actuarially determined on an annual basis using the projected benefit method prorated on services.

The actuarial present value of the accrued pension benefits is measured using the Corporation's best estimates based on assumptions relating to market interest rates at the measurement date based on high quality debt instruments, salary changes, withdrawals and mortality rates. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in net income (loss) in the current period. Actuarial gains and losses are recognized in OCI in the current period.

The Corporation values its pension benefit plan annually, the most recent valuation is at December 31, 2019. Roll-forward procedures are performed to ensure that the December 31, 2019 valuation is a reliable estimate of the valuation at March 31, 2020.

ii. Other Benefit Plans

Other benefit plans consist of two post-retirement extended health plans and severance pay benefits.

The provision for post-retirement extended health benefits is actuarially determined on an annual basis using the projected benefit method prorated on services, which includes the Corporation's best estimates based on assumptions relating to retirement ages of employees and expected health costs. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in net income (loss) in the current period. Actuarial gains and losses are recognized in OCI in the current period.

Employees of the Corporation are entitled to severance pay in accordance with the Collective Agreement and Corporate policy. The provision for severance pay is actuarially determined on an annual basis using the projected benefit method prorated on services, without salary projection, which includes the Corporation's best estimates based on assumptions relating to the proportion of employees that will ultimately retire.

Provision for Unpaid Claims

IFRS 4, *Insurance Contracts* permits the continued use of insurance liability valuation methods previously used under pre-IFRS Canadian Generally Accepted Accounting Principles (GAAP). The Corporation establishes reserves for payment of claims and adjustment expenses that arise from the Corporation's insurance products. The reserve balance represents the expected ultimate cost to settle claims occurring prior to, but still outstanding as of, the reporting date. There are two categories of loss reserves: (1) reserves for reported losses and (2) reserves for incurred but not yet reported (IBNR) losses. In addition, reserves are set up for internal loss adjustment expenses, which include estimated internal costs and other expenses that are expected to be incurred to finalize the settlement of the losses. The Corporation discounts its liabilities for unpaid claims and includes a provision for adverse deviations. Liabilities for unpaid claims are estimated using the input of assessment for individual cases reported to the Corporation and statistical analyses for the claims incurred but not reported. Claims and adjustment expenses are charged to income as incurred.

All of the Corporation's insurance policies meet the definition of an insurance contract and have been accounted for in accordance with IFRS 4.

Reinsurers' share of unpaid claims are recognized when the related gross insurance claim is recognized according to the terms of the relevant reinsurance contracts.

Liability Adequacy Test

At each reporting period, insurance liability adequacy tests are performed to ensure the adequacy of the contract liabilities, net of related Deferred Policy Acquisition Costs (DPAC) and Reinsurers' Share of Unpaid Claims. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses, as well as investment income from the assets backing such liabilities, are used. A premium deficiency exists when estimated future claims and related expenses exceed unearned premiums. Any resulting deficiency is recognized first by writing down the DPAC with any remainder recognized as a premium deficiency in unpaid claims.

Reinsurance Ceded

Premiums, claims and expenses are reported gross and net of amounts due to and recoverable from reinsurers. Estimates of amounts recoverable from reinsurers on unpaid claims are recorded separately from estimated amounts payable to policyholders.

The reinsurers' share of unearned premiums is recognized as an asset in a manner which is consistent with the method used in determining the unearned premium liability.

Comprehensive Income

Comprehensive income consists of net income from operations and other comprehensive income (loss). Changes in unrealized gains and losses on financial assets classified as AFS are recorded in OCI, and included in AOCI until recognized in the Statement of Operations. Actuarial gains and losses on employee future benefits amounts are recorded in OCI and included in AOCI. AOCI is included on the Statement of Financial Position as a separate component.

4. Cash, Cash Equivalents and Investments

Cash consists of cash net of cheques issued in excess of amounts on deposit.

Cash equivalent investments have a total principal amount of \$156.6 million (September 30, 2019 – \$136.5 million) comprised of provincial short-term deposits with effective interest rates of 0.088 to 0.09 per cent (September 30, 2019 – 1.592 to 1.65 per cent), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of \$5.0 million (September 30, 2019 – \$5.0 million). The unsecured operating line of credit remained unutilized at September 30, 2020 (September 30, 2019 – nil).

Cash, Cash Equivalents and Investments

As at September 30, 2020 (Unaudited - in thousands of Canadian dollars)	Financial Instruments			Non- Financial Instruments	Total Carrying Value
	Classified as AFS	Classified as HTM	Classified as FVTPL		
Cash and cash equivalents	156,537	-	-	-	156,537
Bonds					
Federal	-	-	40,292	-	40,292
Manitoba:					
Provincial	6,174	-	133,798	-	139,972
Municipal	-	41,800	40,003	-	81,803
Schools	-	475,936	-	-	475,936
Other provinces:					
Provincial	134,535	-	1,028,035	-	1,162,570
Municipal	-	-	78,474	-	78,474
Corporations	157,649	-	451,113	-	608,762
	298,358	517,736	1,771,715	-	2,587,809
Private debt	136,150	-	18,516	-	154,666
Other investments	349	-	-	-	349
Infrastructure	-	-	108,992	-	108,992
Equity investments	469,402	-	-	-	469,402
Pooled real estate fund	-	-	115,602	-	115,602
Investments	904,259	517,736	2,014,825	-	3,436,820
Investment property	-	-	-	48,184	48,184
Total	1,060,796	517,736	2,014,825	48,184	3,641,541

As at September 30, 2019 (Unaudited - in thousands of Canadian dollars)	Financial Instruments			Non-Financial Instruments	Total Carrying Value
	Classified as AFS	Classified as HTM	Classified as FVTPL		
Cash and cash equivalents	147,678	-	-	-	147,678
Bonds					
Federal	-	-	38,450	-	38,450
Manitoba:					
Provincial	-	-	127,563	-	127,563
Municipal	-	24,621	37,010	-	61,631
Schools	-	520,542	-	-	520,542
Other provinces:					
Provincial	166,106	-	894,443	-	1,060,549
Municipal	-	-	77,248	-	77,248
Corporations	184,194	-	415,532	-	599,726
	350,300	545,163	1,590,246	-	2,485,709
Private debt	24,471	-	3,758	-	28,229
Other investments	378	-	-	-	378
Infrastructure	-	-	109,797	-	109,797
Equity investments	392,307	-	-	-	392,307
Pooled real estate fund	-	-	112,946	-	112,946
Investments	767,456	545,163	1,816,747	-	3,129,366
Investment property	-	-	-	48,356	48,356
Total	915,134	545,163	1,816,747	48,356	3,325,400

Gross unrealized gains and gross unrealized losses included in AOCI on AFS equity and other investments are comprised as follows:

As at September 30, 2020 (Unaudited - in thousands of Canadian dollars)	Book Value	Unrealized Gains/Losses	Fair Value
Equity Investments			
With unrealized gains	415,251	54,151	469,402
Subtotal - Equity Investments	415,251	54,151	469,402
Bonds			
With unrealized gains	284,916	13,442	298,358
Subtotal - Bonds	284,916	13,442	298,358
Private Debt			
With unrealized gains	130,850	5,300	136,150
Subtotal - Private Debt	130,850	5,300	136,150
Other Investments			
With unrealized gains	314	35	349
Subtotal - Other Investments	314	35	349
Total AFS Investments	831,331	72,928	904,259

As at September 30, 2019 (Unaudited - in thousands of Canadian dollars)	Book Value	Unrealized Gains/Losses	Fair Value
Equity Investments			
With unrealized gains	258,128	4,236	262,364
With unrealized losses	133,545	(3,602)	129,943
Subtotal - Equity Investments	391,673	634	392,307
Bonds			
With unrealized gains	225,401	6,812	232,213
With unrealized losses	118,254	(167)	118,087
Subtotal - Bonds	343,655	6,645	350,300
Private Debt			
With unrealized gains	24,055	416	24,471
Subtotal - Bonds	24,055	416	24,471
Other Investments			
With unrealized gains	314	64	378
Subtotal - Other Investments	314	64	378
Total AFS Investments	759,697	7,759	767,456

AFS financial assets where the investment's underlying cost is greater than the fair value, the loss has not been recognized in net income either because:

- there is not objective evidence of impairment, or
- the loss is not considered to be significant or prolonged.

Fair Value Measurement

Financial assets that are measured at fair value are classified by their level within the fair value hierarchy. The fair value hierarchy consists of three levels that are defined on the basis of the type of inputs used to measure fair value. The classification cannot be higher than the lowest level of input that is significant to the measurement:

Level 1 – Fair value is determined based on unadjusted quoted prices of identical assets in active markets. Inputs include prices from exchanges where equity and debt securities are actively traded.

Level 2 – Level 2 valuations utilize inputs other than quoted market prices included in Level 1 that are observable, directly or indirectly, for the asset. These inputs include quoted prices for similar assets in active markets and observable inputs other than quoted prices, such as interest rates and yield curves. The fair values for some Level 2 securities were obtained from a pricing service. Pricing service inputs may include benchmark yields, reported trades, broker/dealer quotes and bid/ask spreads.

Level 3 – Fair value measurements using significant inputs that are not based on observable market data are Level 3. This mainly consists of derivatives and private equity investments. In these cases prices may be determined by internal pricing models utilizing all available financial information, including direct comparison and industry sector data. For some investments, valuations are obtained annually. For periods between valuations, management assesses the validity of the valuation for current reporting purposes.

The following table presents financial instruments measured at fair value in the Statement of Financial Position, classified by level within the fair value hierarchy.

As at September 30, 2020 (Unaudited - in thousands of Canadian dollars)	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	3,833	1,753,243	14,639
Private debt	-	18,516	-
Infrastructure	-	-	108,992
Pooled real estate fund	-	115,602	-
Total FVTPL financial assets	3,833	1,887,361	123,631
AFS financial assets			
Cash and cash equivalents	156,537	-	-
Bonds	-	298,358	-
Private debt	-	136,150	-
Other investments	-	-	349
Equity investments	24,807	444,595	-
Total AFS financial assets	181,344	879,103	349
Total assets measured at fair value	185,177	2,766,464	123,980

As at September 30, 2019 (Unaudited - in thousands of Canadian dollars)	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	22,089	1,553,840	14,317
Private debt	-	3,758	-
Infrastructure	-	-	109,797
Pooled real estate fund	-	112,946	-
Total FVTPL financial assets	22,089	1,670,544	124,114
AFS financial assets			
Cash and cash equivalents	147,678	-	-
Bonds	-	350,300	-
Private debt	-	24,471	-
Other investments	-	-	378
Equity investments	-	392,307	-
Total AFS financial assets	147,678	767,078	378
Total assets measured at fair value	169,767	2,437,622	124,492

Fair value measurement of instruments included in Level 3

(Unaudited - in thousands of Canadian dollars)	FVTPL		AFS	
	2020	2019	2020	2019
Balance at April 1	138,302	126,776	349	378
Total gains/(losses)				
Included in net income	(1,573)	(2,357)	-	-
Included in OCI	-	-	-	-
Purchases	-	-	-	-
Sales	(13,098)	-	-	-
Return of capital	-	(305)	-	-
Balance at September 30	123,631	124,114	349	378

The fair value of HTM bonds, which include schools and certain municipalities, is based on their carrying value, which approximates fair value.

5. Investment Income

For the six months ended September 30 (Unaudited - in thousands of Canadian dollars)	2020	2019
Interest income	31,200	34,455
Gain on sale of FVTPL bonds	13,436	17,838
Unrealized gain on FVTPL bonds	118,921	36,004
Unrealized loss on pooled real estate fund	(4,235)	(89,045)
Unrealized gain on private debt	959	58
Dividends on infrastructure investments	305	1,226
Realized gain on infrastructure investments	2,782	-
Unrealized loss on infrastructure investments	(3,950)	(2,349)
Foreign exchange loss on infrastructure investments	(405)	(9)
Dividend income	3,379	2,683
Gain on sale of equities and other investments	-	14,605
Gain on foreign exchange	-	1,083
Income from investment property	785	872
Realized gain on pooled real estate fund	-	92,080
Recovery (impairment) of AFS investments	13,388	-
Investment management fees	(2,682)	(2,269)
Total	173,883	107,232

6. Provision for Unpaid Claims

The provision for unpaid claims, including adjustment expenses, represents an estimate for the full amount of all costs and the projected final settlement of claims incurred.

The provision for unpaid claims, including adjustment expenses, is subject to variability. This variability is related to future events that arise from the date the loss was reported to the ultimate settlement of the claims. Accordingly, short-tail claims such as physical damage claims tend to be more reasonably predictable than long-term claims such as Personal Injury Protection Plan (PIPP) and public liability claims. Factors such as the receipt of additional claims information during the claims settlement process, changes in severity and frequencies of claims from historical trends, and effect of inflationary trends contribute to this variability.

The determination of the provision for unpaid claims, including adjustment expenses, relies on judgment, analysis of historical claims trends, investment rates of return and expectation on the future development of claims. The process of establishing this provision necessarily involves risks which could cause the actual results to deviate, perhaps substantially, from the best determinable estimate.

Quarterly Financial Report

7. Employee Future Benefits Expense

The total benefit costs included in expenses are as follows:

For the six months ended September 30 (Unaudited - in thousands of Canadian dollars)	2020	2019
Pension benefits	7,813	7,034
Other post-retirement benefits	1,049	943
Total	8,862	7,977

8. Depreciation and Amortization

The total depreciation and amortization included in expenses are as follows:

For the six months ended September 30 (Unaudited - in thousands of Canadian dollars)	2020	2019
Amortization - Deferred Development	9,147	8,777
Depreciation - Property and Equipment and Investment Property	3,235	3,228
Total	12,382	12,005

For more information contact:

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MANITOBA
PUBLIC INSURANCE

PUB (MPI) 1-2

Part and Chapter:	Pro Formas PF-4 MPI Exhibit 27 (2021 GRA)	Page No.:	6 of 15
PUB Approved Issue No:	Financial Forecast		
Topic:	Financial Strength of MPI		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please file a comparison of 2020/21 Basic and Extension forecasts in SRA II with those provided in MPI Exhibit 27 Scenario 3 (COVID-19 Q4 scenario) in similar format as PF-4, and explain the differences.
- b) Please provide a summary of the key assumptions in each of the forecasts in (a), and indicate what assumptions have changed and why.

Rationale for Question:

To understand the Corporation's financial strength to support the issuance of the proposed rebate.

RESPONSE:

- a) Please refer to the attached PF.4 and EPF.4 variance explanation.
- b) A summary of key assumptions used in 2021 GRA MPI Exhibit 27 Scenario 3 (COVID-19 Q4 Scenario) and 2021 SRA II, along with subsequent changes include the following:

Interest rate forecast – The naïve interest rate used in the SRA II forecast is as at September 30, 2020, whereas the naïve interest rate used in MPI Exhibit 27, Scenario 3 (COVID-19 Q4 Scenario) forecast is as at August 31, 2020.

Claims incurred – The claims assumptions in the COVID 19 Q4 Scenario provided in MPI Exhibit 27 assume claims frequency will gradually return to normal (each month would progressively get closer to expected budget) from August 31, 2020 to March 31, 2021. The claims assumptions used in the SRA II assume a maintained low frequency assumption to December 31, 2020 and then a gradual return to normal would occur to March 31, 2020. So effectively the difference being a longer assumed lower frequency in the SRA II scenario versus the COVID 19 – Q4 scenario. Following the province-wide move to Critical (Red) on the Pandemic Response System on November 12, 2020, it became clear that the prior assumptions provided in the Q4 scenario would overstate the amount of claims expected for the remainder of 2020/21.

Investment Asset values – Both scenarios have updated investment asset balances and associated Accumulated Other Comprehensive Income to reflect current market valuations. The SRA II forecast includes updated balances as at September 30, 2020 whereas MPI Exhibit 27, Scenario 3 (COVID-19 Q4 Scenario) forecast includes updated balances as at August 31, 2020.

Total Corporate Operating Expenses – Assumptions remained the same in both scenarios. The difference relates to the updated actual values for the two scenarios.

PF- 4 Explanation of Significant Variances - 2020/21 Comparative

Line No.	Ref.	Category	(C\$ 000s)	Explanation
1	(1)	Net Premiums Written	1,133,521	2021 GRA - August 2020 Rate Update - Scenario 3
2			3,639	Higher than expected premium related to volume and upgrade
3			1,137,160	2021 GRA - Summary Rebate Application II
4	(2)	Net Claims Incurred	919,295	2021 GRA - August 2020 Rate Update - Scenario 3
5			(28,116)	Lower forecasted PIPP and Liability claims
6			(7,105)	Lower forecasted Collision + Comprehensive claims
7			(3,542)	Lower forecasted ILAE
8			4,758	Increased forecast for Interest Rate Impact
9			1,999	Increased forecasted Property Damage claims
10			355	Increased forecast for Write Down DPAC
11			887,645	2021 GRA - Summary Rebate Application II
12	(3)	Investment Income	205,744	2021 GRA - August 2020 Rate Update - Scenario 3
13			4,346	Higher than expected interest rate impact on ALM marketable bonds
14			1,148	Higher than expected interest income
15			1,223	Higher than expected equity investment income
16			(1,005)	Lower than expected alternative investment income
17			(691)	Higher than expected investment manager fees
18			(836)	Higher than expected amortization of bond premium
19			(99)	Lower than expected pension expense
20			(1)	Other
21			209,829	2021 GRA - Summary Rebate Application II

EPF- 4 Statement of Operations: 2020/21 Comparative

Line No.		2021 GRA -	2021 GRA -	Inc (dec)	Ref.	Increase / (Decrease)
		August 2020 Rate Update Scenario 3	Summary Rebate Application II			
		2020-21F	2020-21P			%
1	(C\$ 000s, except where noted)	\$	\$	\$		
3	Motor Vehicles	158,800	159,048	248		0.16
4	Reinsurance Ceded	(1,783)	(1,783)	-		-
5	Total Net Premiums Written	157,017	157,265	248		0.16
6	Net Premiums Earned					
7	Motor Vehicles	157,009	157,138	129		0.08
8	Reinsurance Ceded	(1,783)	(1,783)	-		-
9	Total Net Premiums Earned	155,226	155,355	129		0.08
10	Service Fees & Other Revenues	13,211	13,440	229		1.73
11	Total Earned Revenues	168,437	168,795	358		0.21
12	Net Claims Incurred	56,340	61,105	4,765		8.46
13	(a) Claims Incurred - Interest Rate Impact	324	335	11		3.40
14	Total Claims Incurred	56,664	61,440	4,776	(1)	8.43
15	Claims Expense	10,978	10,998	20		0.18
16	Road Safety/Loss Prevention	722	703	(19)		(2.63)
17	Total Claims Costs	68,364	73,141	4,777		6.99
18	Expenses					
19	Operating	7,262	7,303	41		0.56
20	Commissions	35,129	35,153	24		0.07
21	Premium Taxes	3,150	3,154	4		0.13
22	Regulatory/Appeal	7	6	(1)		(14.29)
23	Total Expenses	45,548	45,616	68		0.15
24	Underwriting Income (Loss)	54,525	50,038	(4,487)		(8.23)
25	Investment Income	6,536	5,379	(1,157)		(17.70)
26	(b) Investment Income - Interest Rate Impact	1,005	77	(928)		(92.33)
27	Net Investment Income	7,541	5,456	(2,085)	(2)	(27.65)
28	Gain (Loss) on Sale of Property/Investment	-	-	-		-
29	Net Income (Loss) from Operations	62,066	55,494	(6,572)		(10.59)
30	Rebate	(52,000)	(52,000)	-		-
31	Net Income (Loss) after Rebate	10,065	3,496	(6,569)		(65.27)
32	*Total impact due to interest rates	681	(258)	(939)		(137.87)

PUB (MPI) 1-2

Part and Chapter:	Pro Formas PF-4 MPI Exhibit 27 (2021 GRA)	Page No.:	6 of 15
PUB Approved Issue No:	Financial Forecast		
Topic:	Financial Strength of MPI		
Sub Topic:			

Preamble to IR:

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Rationale for Question:

To understand the Corporation's financial strength to support the issuance of the proposed rebate.

RESPONSE:

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Investment Asset values – Both scenarios have updated investment asset balances and associated Accumulated Other Comprehensive Income to reflect current market valuations. The SRA II forecast includes updated balances as at September 30, 2020 whereas MPI Exhibit 27, Scenario 3 (COVID-19 Q4 Scenario) forecast includes updated balances as at August 31, 2020.

Total Corporate Operating Expenses – Assumptions remained the same in both scenarios. The difference relates to the updated actual values for the two scenarios.

PUB (MPI) 1-2

Part and Chapter:	Pro Formas PF-4 MPI Exhibit 27 (2021 GRA)	Page No.:	6 of 15
PUB Approved Issue No:	Financial Forecast		
Topic:	Financial Strength of MPI		
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To understand the Corporation's financial strength to support the issuance of the proposed rebate.

RESPONSE:

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Total Corporate Operating Expenses – Assumptions remained the same in both scenarios. The difference relates to the updated actual values for the two scenarios.

PUB (MPI) 1-3

Part and Chapter:	LA.2.2 Claims Incurred Before Provisions	Page No.:	10 of 24
PUB Approved Issue No:			
Topic:	Basic Claims Incurred Forecast		
Sub Topic:			

Preamble to IR:**Question:**

Please provide an explanation of why MPI's Chief Actuary is now willing to forecast expected PIPP claims savings for the remainder of the year, and elaborate on what has changed in his thinking.

Rationale for Question:

To understand the claims incurred forecast.

RESPONSE:

MPI expressed concerns with assuming a 1-to-1 correlation between collision claims and injury claims based on observed data through August 31, 2020. There were several reasons for these concerns, including: (i) there was a higher than average number of serious injury claims through August 31, 2020, (ii) reduced access to treatment during the pandemic could increase claim duration, and (iii) the nature of the policy liability valuation methodology may delay the recognition of favourable PIPP experience (e.g. the current methodology gives little weight to observed claims experience in the first 24 months of development).

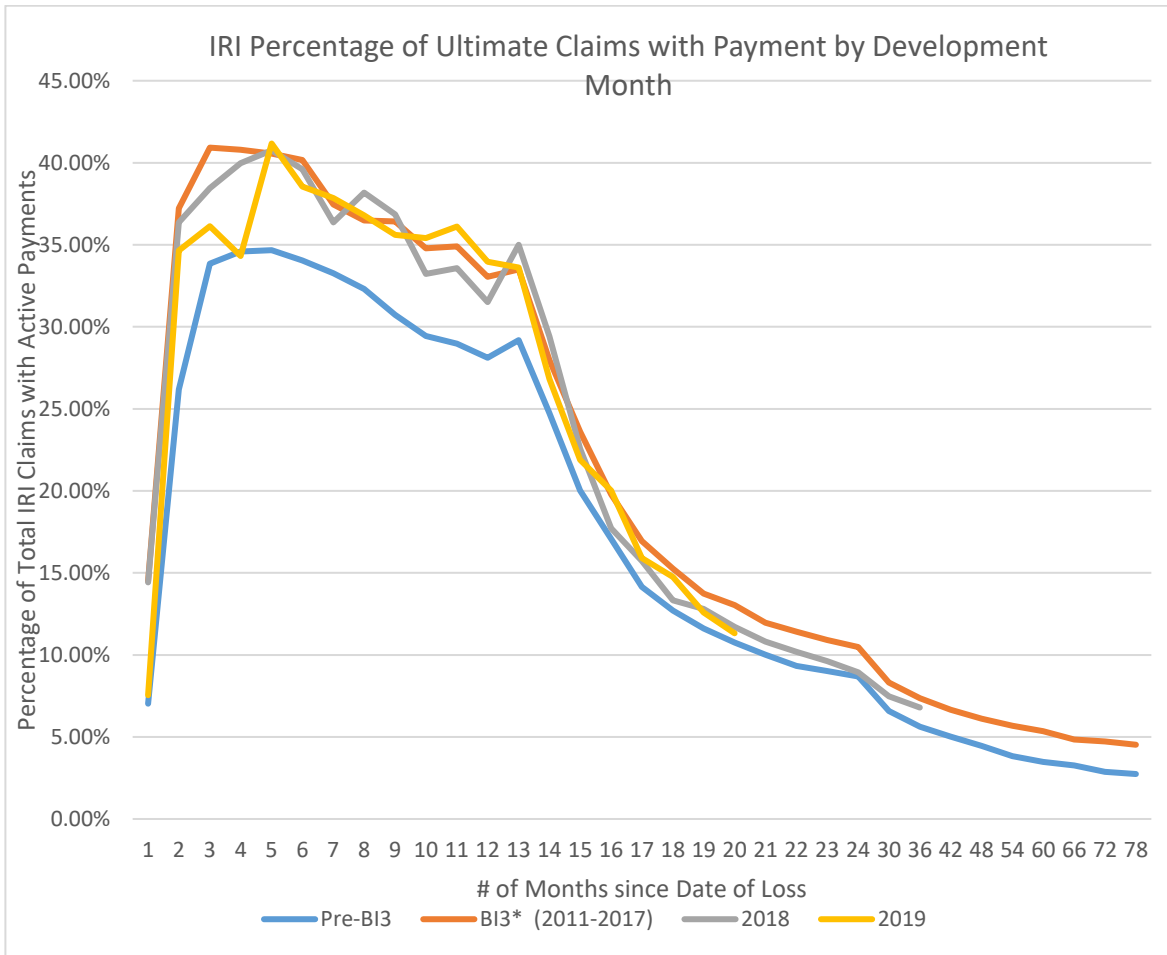
As more PIPP data has become available, injury claim counts and incurred reductions have continued to track very close to collision trends, serious injury claims have largely trended back to normal levels and injury claims duration continues to be managed close to expectations. The policy liability valuation is in progress, but given the extreme nature of the pandemic impacts, it is recognized that special adjustments will be required to make best estimate forecasts.

The figure below provides the observed claims counts and reported incurred for PIPP relative to budget and for collision relative to budget. As shown, the injury claims experience now tracks closely with the collision claims experience.

Figure 1 PIPP and Collision compared to Budget (April – November) - Financial Reporting Perspective

Line No.	Cover	Counts	Budget	Difference	Difference %	Incurred	Budget	Difference	Difference %
1	PIPP	31,437	49,245	(17,808)	-36.2%	\$121,275,378	\$156,213,979	(\$34,938,601)	-22.4%
2	Collision	54,910	72,943	(18,033)	-24.7%	\$207,386,036	\$274,501,430	(\$67,115,394)	-24.4%

The chart below shows the tracking of income replacement indemnity (IRI) claims persistency rates through the 2020/21 fiscal year for prior years injury claims. As shown in the figure, there is currently no material impact to the injury claim closure rates.



PUB (MPI) 1-3

Part and Chapter:	LA.2.2 Claims Incurred Before Provisions	Page No.:	10 of 24
PUB Approved Issue No:			
Topic:	Basic Claims Incurred Forecast		
Sub Topic:			

Preamble to IR:

Question:

Please provide an explanation of why MPI's Chief Actuary is now willing to forecast expected PIPP claims savings for the remainder of the year, and elaborate on what has changed in his thinking.

Rationale for Question:

To understand the claims incurred forecast.

RESPONSE:

MPI expressed concerns with assuming a 1-to-1 correlation between collision claims and injury claims based on observed data through August 31, 2020. There were several reasons for these concerns, including: (i) there was a higher than average number of serious injury claims through August 31, 2020, (ii) reduced access to treatment during the pandemic could increase claim duration, and (iii) the nature of the policy liability valuation methodology may delay the recognition of favourable PIPP experience (e.g. the current methodology gives little weight to observed claims experience in the first 24 months of development).

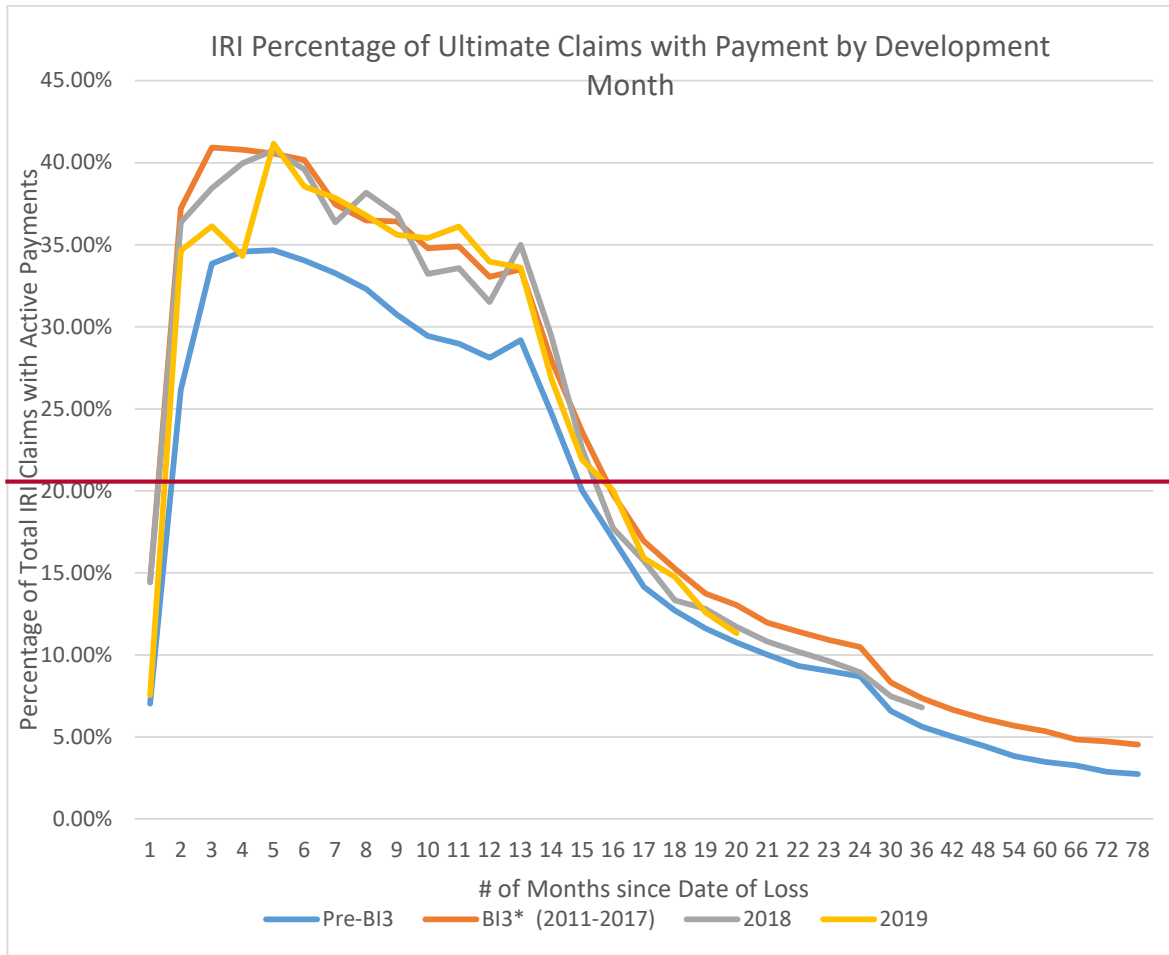
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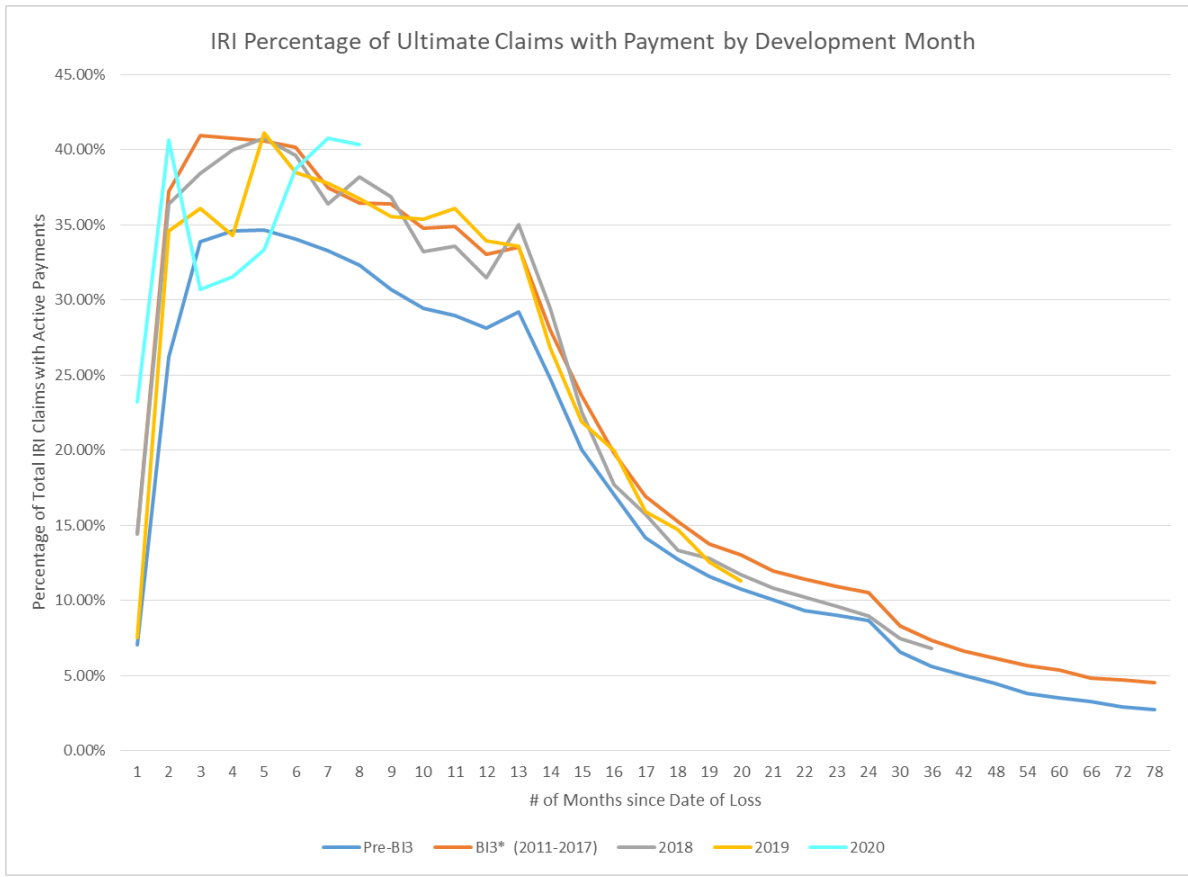
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PUB (MPI) 1-3

Part and Chapter:	LA.2.2 Claims Incurred Before Provisions	Page No.:	10 of 24
PUB Approved Issue No:			
Topic:	Basic Claims Incurred Forecast		
Sub Topic:			

Preamble to IR:

Question:

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Rationale for Question:

To understand the claims incurred forecast.

RESPONSE:

MPI expressed concerns with assuming a 1-to-1 correlation between collision claims and injury claims based on observed data through August 31, 2020. There were several reasons for these concerns, including: (i) there was a higher than average number of serious injury claims through August 31, 2020, (ii) reduced access to treatment during the pandemic could increase claim duration, and (iii) the nature of the policy liability valuation methodology may delay the recognition of favourable PIPP experience (e.g. the current methodology gives little weight to observed claims experience in the first 24 months of development).

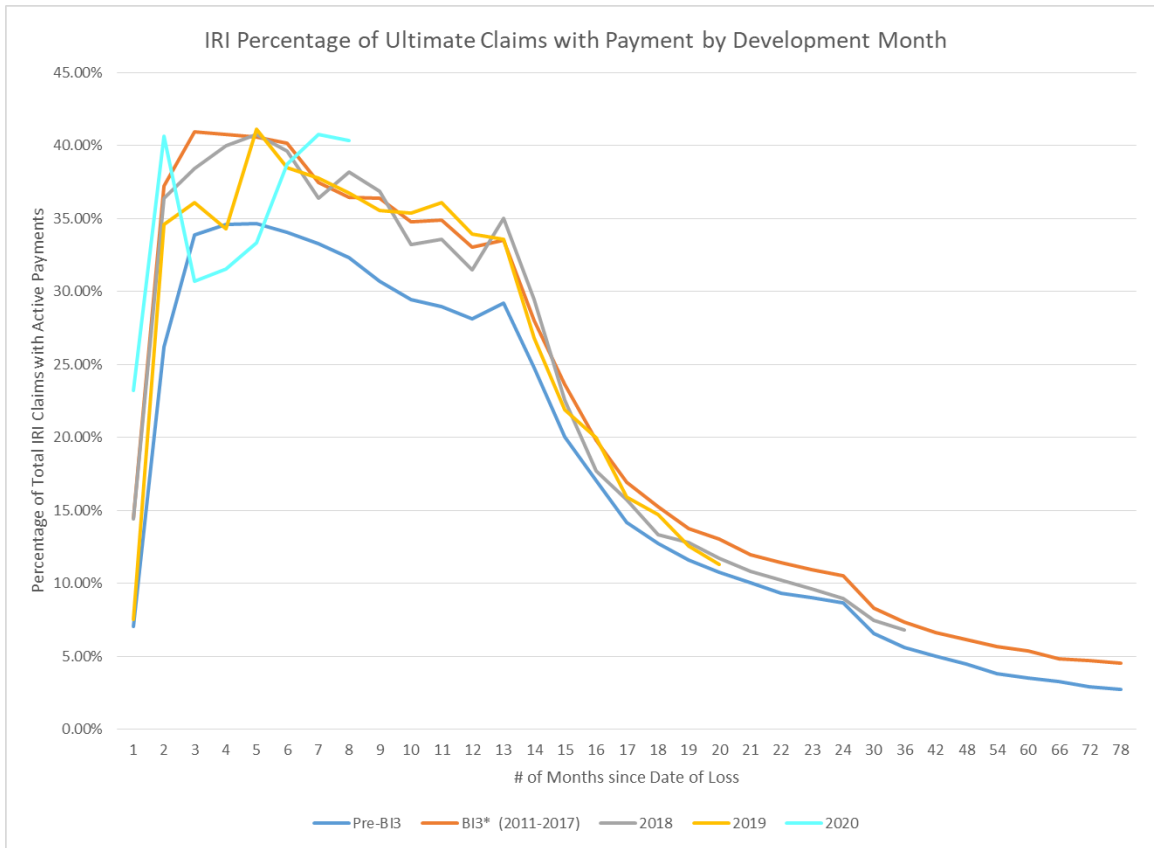
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The chart below shows the tracking of income replacement indemnity (IRI) claims persistency rates through the 2020/21 fiscal year for prior years injury claims. As shown in the figure, there is currently no material impact to the injury claim closure rates.



PUB (MPI) 1-4

Part and Chapter:	LA.2.2 Figures 6, 7	Page No.:	11, 12 of 24
PUB Approved Issue No:	Claims Incurred		
Topic:	COVID-19 Impacts on Forecast Claims Incurred		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please reconcile the Claims incurred in Figure 6 with that reported in MPI Exhibit 27 and the SRA II scenario in the Pro Formas.
- b) Please provide a schedule comparing the COVID-19 Q4 scenario and the SRA II scenario for both Basic and Extension for 2020/21:
 - i. Collision amounts and counts by month;
 - ii. PIPP amounts and counts by month; and
 - iii. Property Damage amounts by month.

Rationale for Question:

To understand COVID-19 impacts on forecasted Claims Incurred.

RESPONSE:

- a) The SRA II scenario includes actual experience up to September 30, 2020 and a revised forecast based on current public health orders. MPI Exhibit 27 filed in 2021 GRA (i.e. COVID-19 to Q4), is a rate update based on experience up to August 31, 2020.

- b) Figures 1 and 2 below shows Collision and Property Damage by accident month. PIPP was assumed to follow similar decreases to Collision. PIPP losses are not forecasted based on loss month.

Figure 1 – Ultimates by Accident Loss Month – Rate Update

		2020	2020	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021
		April	May	June	July	August	September	October	November	December	January	February	March
Collision													
Repair	Frequency	0.045	0.053	0.070	0.073	0.072	0.077	0.086	0.099	0.116	0.117	0.110	0.083
	Severity	\$3,179	\$3,085	\$3,108	\$3,089	\$2,973	\$3,124	\$3,256	\$3,558	\$3,362	\$3,337	\$3,311	\$3,267
	Incurred (\$000)	\$10,096	\$12,127	\$16,068	\$17,360	\$16,611	\$18,039	\$21,679	\$25,867	\$29,187	\$28,906	\$24,611	\$19,942
TL	Frequency	0.011	0.013	0.018	0.019	0.019	0.021	0.025	0.031	0.034	0.034	0.031	0.023
	Severity	\$6,817	\$6,633	\$6,485	\$6,575	\$7,225	\$6,767	\$6,939	\$7,078	\$7,068	\$6,916	\$6,956	\$6,940
	Incurred (\$000)	\$5,381	\$6,638	\$8,551	\$9,490	\$10,558	\$10,657	\$13,351	\$16,220	\$17,937	\$17,226	\$14,379	\$11,968
Total	Frequency	0.056	0.066	0.088	0.091	0.090	0.097	0.111	0.130	0.150	0.151	0.141	0.106
	Severity	\$3,903	\$3,805	\$3,795	\$3,801	\$3,854	\$3,905	\$4,082	\$4,402	\$4,200	\$4,136	\$4,104	\$4,076
	Incurred (\$000)	\$15,477	\$18,765	\$24,618	\$26,850	\$27,169	\$28,696	\$35,030	\$42,088	\$47,124	\$46,132	\$38,991	\$31,910
Property Damage													
Third Party Deductible Transfer	Frequency	0.014	0.019	0.025	0.024	0.025	0.035	0.037	0.042	0.055	0.056	0.053	0.037
	Severity	\$547	\$514	\$510	\$527	\$516	\$527	\$539	\$521	\$537	\$528	\$513	\$523
	Incurred (\$000)	\$562	\$723	\$925	\$985	\$1,014	\$1,117	\$1,302	\$1,383	\$1,978	\$2,000	\$1,724	\$1,399
Third Party Loss of Use	Frequency	0.006	0.008	0.013	0.011	0.014	0.020	0.020	0.023	0.032	0.033	0.032	0.022
	Severity	\$362	\$324	\$373	\$397	\$400	\$400	\$422	\$418	\$422	\$397	\$393	\$412
	Incurred (\$000)	\$155	\$204	\$344	\$331	\$440	\$481	\$562	\$623	\$908	\$882	\$797	\$657
Property Damage All Other	Frequency	0.001	0.001	0.002	0.002	0.001	0.003	0.003	0.004	0.004	0.004	0.004	0.003
	Severity	\$7,800	\$9,303	\$5,575	\$4,549	\$5,723	\$5,512	\$5,631	\$5,638	\$4,721	\$4,482	\$5,636	\$5,086
	Incurred (\$000)	\$805	\$848	\$740	\$696	\$616	\$747	\$907	\$1,102	\$1,074	\$1,068	\$1,243	\$1,032

**2021 Special Rebate Application II
Round 1 Information Requests
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Figure 2 – Ultimates by Accident Loss Month – 2021 SRA II

		2020	2020	2020	2020	2020	2020	2020	2020	2020	2021	2021	2021
		April	May	June	July	August	September	October	November	December	January	February	March
Collision													
Repair	Frequency	0.044	0.053	0.071	0.076	0.075	0.086	0.087	0.082	0.095	0.102	0.100	0.079
	Severity	\$3,231	\$3,130	\$3,132	\$3,153	\$2,998	\$3,143	\$3,536	\$3,809	\$3,549	\$3,475	\$3,401	\$3,310
	Incurred (\$000)	\$10,083	\$12,409	\$16,499	\$18,409	\$17,603	\$20,524	\$23,921	\$22,930	\$25,336	\$26,112	\$23,062	\$19,329
TL	Frequency	0.011	0.013	0.018	0.019	0.019	0.021	0.028	0.028	0.029	0.030	0.029	0.023
	Severity	\$6,845	\$6,654	\$6,433	\$6,564	\$7,028	\$6,791	\$7,347	\$7,421	\$7,340	\$7,113	\$7,087	\$7,005
	Incurred (\$000)	\$5,446	\$6,632	\$8,462	\$9,629	\$10,304	\$10,708	\$15,668	\$15,124	\$16,202	\$16,026	\$13,737	\$11,710
Total	Frequency	0.055	0.066	0.089	0.095	0.094	0.107	0.115	0.109	0.125	0.132	0.129	0.102
	Severity	\$3,966	\$3,838	\$3,792	\$3,838	\$3,803	\$3,852	\$4,450	\$4,723	\$4,445	\$4,314	\$4,220	\$4,133
	Incurred (\$000)	\$15,529	\$19,042	\$24,961	\$28,038	\$27,907	\$31,233	\$39,589	\$38,054	\$41,538	\$42,137	\$36,799	\$31,040
Property Damage													
Third Party Deductible Transfer	Frequency	0.015	0.019	0.024	0.025	0.026	0.026	0.037	0.042	0.055	0.056	0.053	0.037
	Severity	\$549	\$509	\$532	\$525	\$528	\$520	\$539	\$521	\$537	\$528	\$513	\$523
	Incurred (\$000)	\$565	\$712	\$961	\$998	\$1,069	\$1,023	\$1,526	\$1,287	\$1,782	\$1,857	\$1,643	\$1,368
Third Party Loss of Use	Frequency	0.006	0.008	0.012	0.012	0.014	0.018	0.020	0.023	0.032	0.033	0.032	0.022
	Severity	\$370	\$329	\$380	\$403	\$396	\$321	\$434	\$428	\$430	\$403	\$397	\$414
	Incurred (\$000)	\$158	\$200	\$340	\$382	\$432	\$442	\$670	\$588	\$828	\$826	\$764	\$644
Property Damage All Other	Frequency	0.002	0.001	0.002	0.002	0.002	0.003	0.003	0.004	0.004	0.004	0.004	0.003
	Severity	\$7,582	\$8,860	\$5,504	\$4,322	\$6,440	\$8,610	\$5,979	\$5,925	\$4,912	\$4,616	\$5,747	\$5,136
	Incurred (\$000)	\$831	\$891	\$733	\$711	\$1,087	\$1,806	\$1,420	\$1,291	\$1,155	\$1,126	\$1,286	\$1,049

PUB (MPI) 1-5

Part and Chapter:	LA.2.2 Claims Incurred Before Provisions Figure 6	Page No.:	11 of 24
PUB Approved Issue No:			
Topic:	Basic Claims Incurred Forecast		
Sub Topic:			

Preamble to IR:

Figure 6 cannot be reconciled to the claims forecast exhibits in the Claims Incurred section.

Question:

- a) Please provide a reconciliation of each line in column c of Figure 6 to a corresponding exhibit in the 2021 GRA filing.
- b) For each of the above exhibits as reconciled in a), please provide an updated exhibit showing the expected forecast for each fiscal and accident year.

Rationale for Question:

To better understand the impact of COVID-19 on the Claims Incurred forecast.

RESPONSE:

- a) and b)

The following appendices contain the 2020/21 ultimates listed in column c. Weekly Indemnity – 2021 GRA Part V - CI Appendix 1, ABO-Indexed – 2021 GRA Part V - CI Appendix 2, ABO-NonIndexed – 2021 GRA Part V - CI Appendix 3, Collision – 2021 GRA Part V - CI Appendix 5, Property Damage – 2021 GRA Part V - CI Appendix 7.

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 1
 Ultimate Claims Paid - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical Unpaid at 31-Mar-20
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216		
94/95	5,503	11,517	14,876	17,375	19,192	21,135	22,764	24,310	25,722	27,159	28,408	29,399	30,296	31,065	31,785	32,769	33,744	34,915	57,401	15,598
95/96	5,820	11,948	15,475	18,012	20,387	22,106	24,416	26,238	27,855	29,263	30,525	31,693	33,079	34,379	35,512	36,736	37,784	39,407	70,620	22,844
96/97	4,586	9,046	11,161	13,069	14,761	16,265	17,410	18,440	19,222	19,963	20,542	21,216	21,895	22,474	23,124	23,812	24,808	25,469	41,528	12,490
97/98	4,437	8,949	11,665	13,632	15,538	17,249	18,673	19,865	20,892	21,846	22,857	23,840	24,677	25,279	25,973	26,742	27,668	28,626	44,925	12,712
98/99	4,471	9,332	12,372	15,163	17,555	19,700	21,633	23,265	24,667	26,033	27,327	28,645	29,873	31,130	33,021	34,354	35,824	37,130	59,378	18,543
99/00	5,029	11,028	14,675	17,514	19,895	21,923	23,521	24,992	26,218	27,199	28,136	29,061	30,479	31,641	32,887	33,981	34,972	35,995	54,343	16,435
00/01	5,821	12,385	15,953	18,806	21,189	23,206	24,839	26,216	27,380	28,420	29,473	30,540	31,500	32,573	33,607	34,780	35,869	36,971	56,492	18,411
01/02	6,064	12,381	15,533	17,565	19,226	20,607	21,716	22,781	23,857	24,775	25,664	27,097	28,197	29,387	30,319	31,322	32,307	33,442	50,816	17,374
02/03	5,974	12,558	15,282	17,666	19,547	21,022	22,499	23,910	25,180	26,714	28,216	29,714	30,985	32,590	34,042	35,407	36,776	38,240	59,214	22,438
03/04	6,170	12,441	15,890	18,323	20,032	21,923	23,613	24,977	26,381	28,049	29,655	31,162	32,588	33,871	35,096	36,285	37,558	38,650	54,198	17,913
04/05	5,576	10,858	13,401	15,330	17,162	18,430	19,746	20,855	21,817	22,967	24,132	25,479	26,425	27,464	28,416	29,354	30,363	31,382	45,893	17,477
05/06	6,426	12,912	16,496	19,011	20,986	22,822	24,339	26,103	27,800	29,690	31,268	32,797	34,395	35,368	36,892	38,118	39,315	40,522	57,718	22,351
06/07	6,927	14,252	17,852	20,964	23,659	25,917	28,896	31,538	33,780	35,992	38,303	40,265	42,111	43,964	45,608	47,245	48,842	50,454	73,414	31,303
07/08	7,403	15,118	19,428	22,270	25,429	28,407	31,000	33,541	35,791	37,719	39,682	41,592	43,537	45,384	47,045	48,700	50,314	51,943	75,147	33,555
08/09	7,727	16,109	20,535	24,497	28,209	31,172	33,562	35,821	37,816	39,934	41,616	43,688	45,548	47,257	48,795	50,326	51,820	53,328	74,804	33,189
09/10	7,997	15,921	20,048	23,352	26,386	29,023	31,229	33,203	35,294	37,195	39,239	40,953	42,610	44,134	45,505	46,870	48,201	49,545	68,687	31,491
10/11	9,017	19,104	24,227	28,398	32,029	35,406	38,610	41,908	44,829	47,576	50,137	52,510	54,805	56,914	58,812	60,702	62,546	64,406	90,909	46,079
11/12	8,604	18,165	23,453	28,014	31,618	34,519	37,539	40,004	42,635	45,189	47,622	49,875	52,055	54,059	55,861	57,656	59,407	61,173	86,345	46,340
12/13	9,883	20,040	25,645	30,101	34,344	38,237	41,342	44,136	46,661	49,040	51,306	53,404	55,435	57,301	58,979	60,651	62,282	63,927	87,372	46,030
13/14	9,077	18,266	23,404	27,581	31,224	34,074	36,377	38,518	40,530	42,426	44,231	45,903	47,521	49,008	50,346	51,678	52,977	54,288	72,969	38,895
14/15	7,527	15,374	19,531	23,019	25,872	28,555	31,213	33,704	36,044	38,249	40,349	42,294	44,176	45,906	47,462	49,011	50,523	52,048	73,779	47,907
15/16	9,116	19,311	25,159	29,949	34,251	37,767	40,902	43,841	46,601	49,203	51,680	53,975	56,195	58,235	60,071	61,899	63,682	65,481	91,116	61,167
16/17	9,474	19,812	25,730	30,827	35,084	38,718	41,958	44,995	47,849	50,538	53,098	55,470	57,765	59,874	61,771	63,660	65,503	67,363	93,859	68,128
17/18	10,268	20,886	27,571	32,630	36,828	40,411	43,607	46,602	49,416	52,067	54,593	56,931	59,194	61,274	63,145	65,008	66,826	68,659	94,788	73,903
18/19	10,202	20,887	27,187	32,260	36,469	40,062	43,267	46,270	49,091	51,750	54,282	56,627	58,896	60,981	62,857	64,725	66,548	68,386	94,585	84,383
19/20	10,383	22,418	29,042	34,376	38,802	42,580	45,949	49,106	52,073	54,868	57,531	59,996	62,382	64,575	66,547	68,511	70,427	72,361	99,907	99,907
20/21	10,405	19,425	24,390	28,388	31,705	34,537	37,062	39,428	41,652	43,747	45,742	47,591	49,379	51,022	52,501	53,973	55,409	56,858	77,505	
21/22	10,515	21,760	27,949	32,933	37,068	40,598	43,746	46,696	49,468	52,080	54,567	56,871	59,100	61,149	62,992	64,827	66,617	68,423	94,161	
22/23	10,627	22,004	28,267	33,309	37,493	41,065	44,250	47,235	50,039	52,682	55,199	57,530	59,785	61,858	63,723	65,579	67,391	69,219	95,260	
23/24	10,740	22,251	28,588	33,690	37,923	41,537	44,759	47,779	50,617	53,291	55,837	58,196	60,478	62,575	64,462	66,340	68,173	70,022	96,371	
24/25	10,854	22,501	28,912	34,074	38,358	42,014	45,274	48,330	51,201	53,906	56,483	58,869	61,178	63,300	65,209	67,109	68,964	70,835	97,494	

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 2
 Yearly Claims Paid - PIPP ('000)**

Insurance Accident Year	Insurance Year										There- After	Ultimate
	Prior to 15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25		
94/95	39,012	944	940	906	987	702	709	716	723	730	738	57,401
95/96	43,797	1,474	1,305	1,199	1,534	967	977	987	997	1,007	1,017	70,620
96/97	26,767	649	789	834	763	567	507	512	517	522	527	41,528
97/98	29,496	805	1,056	856	864	607	543	486	490	495	500	44,925
98/99	37,130	1,231	1,299	1,175	1,422	925	829	742	664	670	677	59,378
99/00	34,972	1,024	970	943	1,097	870	781	701	627	561	567	54,343
00/01	34,780	1,089	1,102	1,111	1,105	1,025	923	829	744	666	595	56,492
01/02	30,319	1,003	986	1,135	986	1,009	911	820	737	661	592	50,816
02/03	32,590	1,453	1,364	1,369	1,464	1,336	1,209	1,092	983	883	792	59,214
03/04	32,588	1,284	1,225	1,189	1,274	1,091	991	897	809	729	655	54,198
04/05	25,479	947	1,039	951	938	1,010	1,018	925	837	755	680	45,893
05/06	31,268	1,529	1,598	972	1,525	1,226	1,196	1,207	1,096	992	895	57,718
06/07	35,992	2,311	1,962	1,847	1,853	1,644	1,637	1,597	1,611	1,463	1,324	73,414
07/08	35,791	1,928	1,963	1,911	1,944	1,847	1,662	1,654	1,614	1,628	1,478	75,147
08/09	35,821	1,994	2,118	1,681	2,072	1,860	1,710	1,538	1,531	1,494	1,507	74,804
09/10	31,229	1,975	2,091	1,901	2,044	1,713	1,658	1,524	1,371	1,365	1,332	68,687
10/11	35,406	3,205	3,298	2,921	2,747	2,561	2,372	2,295	2,110	1,898	1,890	90,909
11/12	31,618	2,901	3,020	2,465	2,631	2,554	2,433	2,253	2,180	2,004	1,802	86,345
12/13	30,101	4,243	3,893	3,106	2,794	2,525	2,379	2,266	2,099	2,030	1,866	87,372
13/14	23,404	4,177	3,644	2,850	2,303	2,141	2,012	1,896	1,805	1,672	1,618	72,969
14/15	15,374	4,156	3,488	2,853	2,683	2,658	2,491	2,340	2,205	2,100	1,945	73,779
15/16	9,116	10,195	5,848	4,791	4,302	3,516	3,135	2,938	2,761	2,601	2,477	91,116
16/17		9,474	10,338	5,918	5,096	4,257	3,634	3,241	3,037	2,854	2,689	93,859
17/18			10,268	10,617	6,685	5,059	4,198	3,583	3,196	2,995	2,814	94,788
18/19				10,202	10,684	6,301	5,072	4,210	3,593	3,204	3,003	94,585
19/20					10,383	12,035	6,625	5,333	4,426	3,778	3,369	99,907
20/21						10,405	9,020	4,965	3,997	3,317	2,832	77,505
21/22								10,515	11,244	6,190	4,983	94,161
22/23									10,627	11,377	6,263	95,260
23/24										10,740	11,511	96,371
24/25											10,854	97,494
Total Insurance Year Paid		59,988	65,604	65,702	72,179	72,410	71,147	73,418	75,067	76,687		
Unpaid Provision						5,095	23,014	21,842	21,304	20,807		
Total Insurance Yr Paid & Prov.		59,988	65,604	65,702	72,179	77,505	94,161	95,260	96,371	97,494		
Change in Total Paid			9.36%	0.15%	9.86%	0.32%	-1.74%	3.19%	2.25%	2.16%		
Total Insurance Yr Claim Counts		1,826	1,867	1,879	1,997	1,702	1,800	1,814	1,812	1,805		
Average Yearly Ultimate		32,852	35,139	34,967	36,144	45,535	52,315	52,525	53,197	54,004		
Change in Avg Yearly Ult.			6.96%	-0.49%	3.37%	25.98%	14.89%	0.40%	1.28%	1.52%		

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 3
 Ultimate Claims Incurred - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical IBNR 31-Mar-20
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216		
94/95	23,366	25,997	28,407	38,476	41,017	51,103	54,864	60,083	61,531	63,858	65,811	50,798	50,626	49,683	48,156	48,897	49,963	51,274	57,401	1,671
95/96	22,067	26,874	36,472	39,153	51,710	54,233	68,646	75,849	79,313	78,465	58,185	58,809	59,621	61,208	61,181	60,025	60,377	61,823	70,620	3,066
96/97	11,289	20,311	25,331	35,019	38,006	40,462	50,220	52,624	53,920	36,638	36,732	36,305	35,188	35,485	35,496	35,712	36,412	36,614	41,528	1,109
97/98	18,962	23,538	32,805	35,878	41,837	46,297	52,026	52,471	42,138	40,722	41,012	41,911	41,108	41,821	39,445	39,913	41,367	41,527	44,925	1,307
98/99	16,346	30,464	33,583	39,244	47,324	55,962	65,910	52,891	52,684	53,607	54,049	53,623	51,114	50,747	52,884	53,947	55,535	55,760	59,378	1,495
99/00	15,236	26,140	34,441	45,668	57,796	70,764	51,401	51,272	49,776	49,385	49,596	50,015	50,592	50,427	50,910	52,048	52,098	52,259	54,343	1,512
00/01	24,934	33,138	43,003	52,448	61,570	51,020	52,669	52,574	51,146	51,756	51,904	51,425	52,069	50,900	51,073	53,144	53,777	55,517	56,492	35
01/02	20,835	34,273	47,115	52,109	44,870	42,997	43,978	42,305	40,854	42,148	42,509	43,452	44,726	44,636	46,778	47,751	48,477	48,675	50,816	2,141
02/03	23,161	41,414	47,127	45,964	46,142	48,569	48,684	49,649	49,232	50,695	51,778	52,533	51,138	53,157	54,314	56,010	56,761	57,813	59,214	2,453
03/04	37,319	59,398	49,782	45,269	45,397	45,343	45,470	45,359	45,574	48,831	51,352	50,552	51,029	52,424	52,305	52,516	53,146	53,168	54,198	1,681
04/05	23,877	33,928	41,418	42,881	43,513	44,524	45,093	44,295	43,205	43,808	43,363	44,039	44,280	45,658	44,964	44,838	44,859	44,880	45,893	929
05/06	34,016	46,654	58,094	52,777	53,313	53,025	53,846	51,672	52,931	53,798	54,264	56,219	56,109	56,436	56,428	56,453	56,479	56,504	57,718	1,283
06/07	35,587	53,852	57,078	57,432	58,902	57,501	59,963	66,076	68,660	68,486	69,480	71,360	72,204	70,794	70,845	70,896	70,946	70,997	73,414	1,210
07/08	25,924	36,879	48,965	51,886	56,170	59,036	62,397	65,016	67,109	69,021	70,158	72,059	73,270	73,305	73,341	73,377	73,412	73,448	75,147	3,089
08/09	21,964	32,332	42,215	47,058	53,867	61,947	66,383	65,359	66,077	67,811	68,979	72,385	72,430	72,475	72,520	72,566	72,611	72,656	74,804	5,825
09/10	21,268	32,272	39,243	44,421	51,978	56,848	59,061	60,500	64,116	64,950	66,225	66,270	66,315	66,360	66,405	66,450	66,495	66,540	68,687	3,737
10/11	26,774	32,132	39,709	55,029	65,029	69,548	75,788	82,346	84,580	86,291	86,291	86,375	86,459	86,544	86,628	86,713	86,797	86,882	90,909	6,329
11/12	23,600	32,387	48,833	54,089	59,523	71,032	79,614	81,321	81,877	81,877	81,877	81,958	82,040	82,121	82,203	82,285	82,367	82,449	86,345	5,024
12/13	26,132	39,446	47,740	54,684	64,097	90,229	85,579	82,903	82,903	82,903	82,903	82,984	83,066	83,147	83,229	83,311	83,393	83,475	87,372	1,793
13/14	24,290	34,473	43,383	50,791	73,402	72,645	68,545	68,545	68,545	68,545	68,545	68,625	68,706	68,787	68,868	68,949	69,030	69,111	72,969	325
14/15	16,648	28,317	36,519	59,006	65,842	69,326	69,326	69,326	69,326	69,326	69,326	69,407	69,488	69,570	69,651	69,732	69,814	69,896	73,779	7,937
15/16	18,823	35,787	74,634	80,631	84,975	86,175	86,175	86,175	86,175	86,175	86,175	86,265	86,355	86,446	86,536	86,626	86,717	86,808	91,116	10,486
16/17	19,136	30,510	75,437	85,393	88,397	89,464	89,464	89,464	89,464	89,464	89,464	89,544	89,624	89,705	89,785	89,865	89,946	90,026	93,859	18,422
17/18	18,395	32,458	80,565	85,717	88,936	90,079	90,079	90,079	90,079	90,079	90,079	90,165	90,251	90,337	90,423	90,509	90,596	90,682	94,788	62,330
18/19	16,004	33,791	79,587	85,020	88,414	89,620	89,620	89,620	89,620	89,620	89,620	89,710	89,801	89,891	89,982	90,073	90,164	90,255	94,585	78,581
19/20	18,376	34,168	83,689	89,564	93,234	94,538	94,538	94,538	94,538	94,538	94,538	94,636	94,734	94,832	94,930	95,028	95,127	95,225	99,907	99,907
20/21	15,394	27,425	65,149	69,625	72,421	73,414	73,414	73,414	73,414	73,414	73,414	73,489	73,563	73,638	73,713	73,788	73,863	73,938	77,505	
21/22	18,702	33,318	79,151	84,588	87,985	89,192	89,192	89,192	89,192	89,192	89,192	89,282	89,373	89,464	89,555	89,646	89,737	89,828	94,161	
22/23	18,920	33,707	80,075	85,576	89,012	90,233	90,233	90,233	90,233	90,233	90,233	90,324	90,416	90,508	90,600	90,692	90,784	90,876	95,260	
23/24	19,141	34,100	81,008	86,573	90,050	91,285	91,285	91,285	91,285	91,285	91,285	91,378	91,470	91,563	91,656	91,749	91,843	91,936	96,371	
24/25	19,364	34,498	81,952	87,582	91,099	92,348	92,348	92,348	92,348	92,348	92,348	92,442	92,536	92,630	92,724	92,818	92,912	93,007	97,494	

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 4
 Yearly Claims Incurred - PIPP ('000)**

Insurance Accident Year	Insurance Year														There- After	Ultimate
	Prior to 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25		
94/95	51,274	1,085	1,457	(708)	1,653	22	650	297	1,269	29	32	35	39	43	268	57,401
95/96	60,377	1,446	1,608	1,180	485	1,504	746	207	2,412	40	44	49	54	59	469	70,620
96/97	35,712	700	202	548	662	388	1,340	867	663	23	26	28	31	35	338	41,528
97/98	39,445	469	1,454	160	178	789	356	768	508	36	40	44	49	54	632	44,925
98/99	50,747	2,137	1,063	1,588	225	911	441	770	476	40	44	49	54	59	834	59,378
99/00	50,592	(164)	483	1,138	50	160	465	108	660	29	32	35	39	43	716	54,343
00/01	51,425	644	(1,169)	173	2,070	633	1,740	941	(884)	27	30	34	37	41	791	56,492
01/02	42,509	943	1,274	(90)	2,143	972	727	197	1,035	29	32	36	39	44	970	50,816
02/03	50,695	1,084	755	(1,396)	2,019	1,157	1,696	750	1,053	33	36	40	44	49	1,248	59,214
03/04	45,574	3,257	2,521	(800)	477	1,394	(119)	212	630	22	24	26	29	32	950	54,198
04/05	44,295	(1,089)	603	(445)	676	241	1,378	(693)	(127)	21	21	24	26	29	963	45,893
05/06	53,846	(2,174)	1,259	867	465	1,956	(111)	327	(8)	25	26	26	28	31	1,186	57,718
06/07	57,501	2,461	6,113	2,584	(174)	994	1,880	844	(1,409)	51	51	51	51	56	2,417	73,414
07/08	56,170	2,866	3,360	2,620	2,093	1,911	1,138	1,900	1,211	36	36	36	36	36	1,735	75,147
08/09	47,058	6,809	8,080	4,436	(1,024)	718	1,735	1,168	3,406	45	45	45	45	45	2,239	74,804
09/10	39,243	5,178	7,557	4,870	2,212	1,439	3,617	834	1,274	45	45	45	45	45	2,282	68,687
10/11	32,132	7,577	15,320	10,000	4,519	6,240	6,558	2,233	1,711	-	84	84	84	84	4,365	90,909
11/12	23,600	8,787	16,446	5,256	5,435	11,509	8,582	1,707	556	-	-	81	82	82	4,305	86,345
12/13		26,132	13,314	8,294	6,945	9,413	26,132	(4,650)	(2,676)	-	-	-	81	82	4,388	87,372
13/14			24,290	10,182	8,911	7,408	22,610	(757)	(4,100)	-	-	-	-	81	4,425	72,969
14/15				16,648	11,669	8,201	22,487	6,836	3,484	-	-	-	-	-	4,453	73,779
15/16					18,823	16,964	38,847	5,996	4,345	1,200	-	-	-	-	4,941	91,116
16/17						19,136	11,374	44,927	9,956	3,004	1,067	-	-	-	4,395	93,859
17/18							18,395	14,064	48,107	5,152	3,219	1,143	-	-	4,709	94,788
18/19								16,004	17,788	45,795	5,433	3,394	1,206	-	4,966	94,585
19/20									18,376	15,793	49,521	5,875	3,670	1,304	6,673	99,907
20/21										15,394	12,031	37,725	4,475	2,796	7,880	77,505
21/22											18,702	14,617	45,833	5,437	15,010	94,161
22/23												18,920	14,787	46,367	61,553	95,260
23/24													19,141	14,960	77,230	96,371
24/25														19,364	97,494	97,494
Total Insurance Year Inc'd		68,147	105,991	67,106	70,513	94,061	172,663	95,857	109,715	86,867	90,619	82,440	90,005	91,257		
IBNR Provision										(9,363)	3,543	12,820	6,366	6,236		
Total Insurance Yr Inc'd & Prov.		68,147	105,991	67,106	70,513	94,061	172,663	95,857	109,715	77,505	94,161	95,260	96,371	97,494		
Change in Total Inc'd			55.53%	-36.69%	5.08%	33.40%	83.57%	-44.48%	14.46%	-29.36%	21.49%	1.17%	1.17%	1.16%		
Total Insurance Yr Claim Counts		2012	1931	1539	1848	1,826	1,867	1,879	1,997	1,702	1,800	1,814	1,812	1,805		
Average Yearly Ultimate		33,870	54,889	43,603	38,156	51,512	92,482	51,015	54,940	45,535	52,315	52,525	53,197	54,004		
Change in Avg Yearly Ult.			62.06%	-20.56%	-12.49%	35.00%	79.53%	-44.84%	7.69%	-17.12%	14.89%	0.40%	1.28%	1.52%		

Appendix 1 Accident Benefits Weekly Indemnity

**Table 5
Pre PIPP ('000)**

Liability	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Unpaid (Excludes PFAD)	21,932	20,636	19,556	19,309	17,878	18,498	18,001	17,491	16,915	16,287
Increment Paid	2,015	1,950	1,976	1,886	1,956	1,039	1,039	1,039	1,039	1,039
Case Reserves	18,091	15,557	13,429	11,588	9,744	8,705	7,666	6,626	5,587	4,548
IBNR (Includes PFAD)	5,994	7,932	8,904	10,025	9,929	11,592	12,043	12,481	12,850	13,165
IBNR Annual Change Reported	(569)	1,938	973	1,121	(96)	1,663	451	438	368	315
Provision for Adverse Deviation	2,153	2,853	2,777	2,304	1,795	1,800	1,707	1,617	1,522	1,426

Appendix 1
Accident Benefits Weekly Indemnity

Table 6
Total Unpaid {Excludes PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	116,369	113,531	110,291	109,921	111,732	116,510	112,960	110,303	107,421	104,445
02/03	18,878	18,405	18,484	18,247	18,421	19,124	18,341	17,772	17,221	16,728
03/04	17,202	16,966	15,709	14,973	14,597	15,132	14,478	13,994	13,524	13,100
04/05	16,069	16,253	16,853	15,696	14,483	15,107	14,423	13,909	13,408	12,954
05/06	19,972	20,134	20,141	19,617	18,202	19,053	18,282	17,596	16,924	16,310
06/07	28,874	27,408	28,419	28,543	25,680	27,009	25,979	25,133	24,124	23,196
07/08	27,913	28,469	27,454	28,346	27,517	28,886	27,877	27,037	26,083	25,030
08/09	26,727	26,059	25,455	25,958	27,048	28,374	27,304	26,573	25,699	24,785
09/10	25,528	25,465	26,082	27,480	25,558	26,883	25,829	25,068	24,327	23,519
10/11	32,055	34,137	35,856	38,211	37,559	39,495	38,014	36,842	35,653	34,587
11/12	29,727	34,837	37,135	39,414	37,836	39,846	38,311	37,199	35,947	34,776
12/13	30,907	32,507	45,396	42,019	37,379	39,395	37,905	36,769	35,596	34,389
13/14	41,100	43,502	38,863	37,241	31,599	33,321	32,061	31,126	30,104	29,135
14/15	41,400	44,374	35,691	38,215	39,012	41,150	39,588	38,438	37,205	35,974
15/16	43,515	42,686	49,209	47,155	49,032	51,553	49,581	48,138	46,598	45,091
16/17		46,992	51,232	49,821	54,378	56,783	54,424	52,827	51,133	49,485
17/18			55,171	55,459	58,090	60,060	57,195	55,330	53,543	51,812
18/19				67,750	63,897	65,158	61,509	59,124	57,023	55,167
19/20					78,444	74,997	69,975	66,674	63,898	61,613
20/21						63,905	56,286	53,004	50,358	48,253
21/22							79,761	70,894	66,577	63,247
22/23								81,479	72,265	67,862
23/24									83,010	73,648
24/25										84,554
Total	516,235	571,723	637,442	704,065	770,464	861,740	900,083	945,229	987,643	1,029,660
Change in Total		10.75%	11.49%	10.45%	9.43%	11.85%	4.45%	5.02%	4.49%	4.25%

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 7
 Total Case Reserves (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	114,434	111,627	109,902	106,838	104,170	100,707	97,496	94,459	91,521	88,585
02/03	20,567	20,272	20,604	19,985	19,574	18,635	17,787	17,027	16,351	15,756
03/04	18,441	18,552	17,208	16,232	15,588	14,809	14,099	13,458	12,883	12,372
04/05	18,560	17,854	18,194	16,549	15,484	14,786	14,044	13,369	12,758	12,211
05/06	22,996	23,422	21,713	21,068	19,535	18,702	17,857	16,961	16,145	15,407
06/07	32,494	31,178	31,095	30,092	26,830	25,741	24,606	23,457	22,237	21,129
07/08	31,318	31,302	30,477	30,466	29,733	28,480	27,358	26,187	25,002	23,744
08/09	29,538	28,261	27,877	27,364	28,698	27,420	26,237	25,178	24,072	22,954
09/10	27,832	27,297	28,822	27,755	26,986	25,823	24,662	23,586	22,623	21,618
10/11	34,142	37,177	40,438	39,750	38,715	36,877	35,234	33,592	32,072	30,711
11/12	27,905	36,513	42,075	41,317	39,242	37,421	35,639	34,047	32,457	30,984
12/13	24,583	29,753	51,992	44,236	38,767	36,967	35,231	33,531	32,018	30,507
13/14	19,979	23,210	42,177	38,571	32,168	30,627	29,146	27,717	26,318	25,087
14/15	12,943	16,988	35,987	39,970	40,770	38,875	37,061	35,319	33,638	31,992
15/16	9,706	16,476	49,476	50,681	50,724	49,376	47,102	44,926	42,836	40,820
16/17		9,662	10,697	49,706	54,566	54,379	52,796	50,413	48,134	45,946
17/18			8,126	11,573	52,994	54,149	54,213	52,708	50,303	48,002
18/19				5,801	12,905	53,448	54,892	55,124	53,642	51,177
19/20					7,992	11,985	56,854	58,566	58,919	57,366
20/21						4,989	8,160	42,406	43,761	44,072
21/22							8,187	11,790	53,270	54,817
22/23								8,293	11,937	53,901
23/24									8,401	12,086
24/25										8,509
Total	445,441	479,545	586,862	617,954	655,441	684,196	718,660	742,113	771,298	799,755
Change in Total		7.66%	22.38%	5.30%	6.07%	4.39%	5.04%	3.26%	3.93%	3.69%

**Appendix 1
 Accident Benefits Weekly Indemnity**

**Table 8
 Total IBNR (Indexed) {Includes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	4,367	3,556	1,427	5,126	9,669	19,348	18,828	19,109	18,955	18,631
02/03	1,348	1,139	860	1,224	1,821	3,614	3,531	3,611	3,622	3,614
03/04	1,455	1,203	1,048	1,184	1,372	2,810	2,745	2,812	2,824	2,823
04/05	251	1,081	1,411	1,721	1,356	2,814	2,749	2,819	2,833	2,835
05/06	177	48	1,733	1,785	1,644	3,515	3,443	3,534	3,555	3,561
06/07	2,653	790	2,011	3,179	3,079	5,782	5,688	5,834	5,866	5,876
07/08	2,673	3,337	1,520	2,592	2,336	5,269	5,180	5,350	5,403	5,420
08/09	3,017	3,461	1,803	2,922	2,843	5,759	5,665	5,848	5,911	5,944
09/10	3,272	3,716	1,609	4,318	2,835	5,634	5,543	5,715	5,787	5,829
10/11	4,917	4,414	1,421	4,877	5,130	9,375	9,251	9,507	9,611	9,691
11/12	8,305	5,935	1,293	4,733	4,949	9,272	9,228	9,501	9,607	9,685
12/13	13,044	9,847	1,035	4,874	4,911	9,228	9,190	9,548	9,666	9,744
13/14	30,020	29,758	3,215	4,965	4,772	8,470	8,451	8,775	8,963	9,041
14/15	37,347	37,005	5,684	4,703	4,853	9,435	9,392	9,777	9,995	10,179
15/16	42,901	35,393	7,946	4,425	6,625	11,179	11,111	11,586	11,851	12,077
16/17		47,173	51,565	8,479	9,018	12,339	11,136	11,641	11,914	12,146
17/18			58,623	55,879	14,876	16,409	12,993	12,321	12,613	12,863
18/19				76,235	64,838	23,050	17,375	14,385	13,401	13,669
19/20					87,034	79,697	25,304	19,810	16,231	15,099
20/21						72,799	60,654	19,860	15,458	12,698
21/22							88,909	74,930	24,973	19,586
22/23								90,949	76,495	25,884
23/24									92,747	78,073
24/25										94,560
Total	155,748	187,856	144,204	193,222	233,960	315,798	326,368	357,222	378,282	399,529
Change in Total		20.62%	-23.24%	33.99%	21.08%	34.98%	3.35%	9.45%	5.90%	5.62%

Appendix 1
Accident Benefits Weekly Indemnity

Table 9
Total IBNR Annual Change (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(10,597)	(810)	(2,130)	3,699	4,543	9,678	(519)	280	(153)	(325)
02/03	(200)	(208)	(279)	363	597	1,794	(83)	80	10	(7)
03/04	(283)	(253)	(155)	136	188	1,438	(65)	67	12	(1)
04/05	(382)	830	330	310	(365)	1,459	(65)	69	14	2
05/06	(3,034)	(129)	1,685	52	(141)	1,871	(72)	90	21	7
06/07	(1,916)	(1,863)	1,220	1,169	(101)	2,703	(94)	146	32	10
07/08	(1,851)	664	(1,817)	1,072	(256)	2,933	(89)	170	53	17
08/09	(2,085)	444	(1,658)	1,118	(79)	2,917	(94)	183	63	33
09/10	(2,368)	443	(2,106)	2,709	(1,484)	2,799	(91)	172	73	42
10/11	(2,944)	(503)	(2,994)	3,457	253	4,245	(124)	256	104	80
11/12	(883)	(2,370)	(4,643)	3,440	215	4,323	(43)	273	106	78
12/13	(13,182)	(3,197)	(8,812)	3,839	36	4,317	(38)	358	117	78
13/14	(5,522)	(263)	(26,542)	1,750	(193)	3,697	(18)	324	188	78
14/15	(7,414)	(342)	(31,321)	(981)	149	4,583	(43)	385	218	185
15/16	42,901	(7,508)	(27,446)	(3,521)	2,200	4,554	(68)	475	265	226
16/17		47,173	4,391	(43,086)	539	3,321	(1,203)	505	274	231
17/18			58,623	(2,744)	(41,003)	1,533	(3,416)	(672)	292	249
18/19				76,235	(11,396)	(41,788)	(5,675)	(2,990)	(984)	268
19/20					87,034	(7,337)	(54,393)	(5,494)	(3,580)	(1,131)
20/21						72,799	(12,145)	(40,793)	(4,402)	(2,760)
21/22							88,909	(13,979)	(49,957)	(5,387)
22/23								90,949	(14,454)	(50,611)
23/24									92,747	(14,674)
24/25										94,560
Total	(9,760)	32,108	(43,652)	49,018	40,738	81,838	10,569	30,854	21,060	21,248

Appendix 1
Accident Benefits Weekly Indemnity
Table 10
Total Reported Incurred (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	7,466	5,380	6,463	4,156	6,138	2,647	2,596	2,557	2,527	2,507
02/03	2,019	1,157	1,696	750	1,053	425	410	398	388	381
03/04	477	1,394	(119)	212	630	334	321	310	301	293
04/05	676	241	1,378	(693)	(127)	331	318	306	296	287
05/06	465	1,956	(111)	327	(8)	417	401	384	370	357
06/07	(174)	994	1,880	844	(1,409)	588	568	546	524	507
07/08	2,093	1,911	1,138	1,900	1,211	631	607	585	562	540
08/09	(1,024)	718	1,735	1,168	3,406	620	595	573	552	531
09/10	2,212	1,439	3,617	834	1,274	585	563	541	520	502
10/11	4,519	6,240	6,558	2,233	1,711	774	825	794	763	735
11/12	5,435	11,509	8,582	1,707	556	785	748	799	769	739
12/13	6,945	9,413	26,132	(4,650)	(2,676)	775	739	705	759	730
13/14	8,911	7,408	22,610	(757)	(4,100)	643	613	583	554	615
14/15	11,669	8,201	22,487	6,836	3,484	815	777	741	706	673
15/16	18,823	16,964	38,847	5,996	4,345	2,238	988	942	899	857
16/17		19,136	11,374	44,927	9,956	4,155	2,198	1,056	1,008	963
17/18			18,395	14,064	48,107	6,315	4,432	2,298	1,054	1,006
18/19				16,004	17,788	46,969	6,721	4,700	2,408	1,073
19/20					18,376	16,268	51,761	7,372	5,144	2,618
20/21						15,394	12,371	39,412	5,598	3,902
21/22							18,702	15,073	47,920	6,836
22/23								18,920	15,249	48,479
23/24									19,141	15,427
24/25										19,364
Total	70,513	94,061	172,663	95,857	109,715	101,711	107,254	99,594	108,013	109,920
Change in Total		33.40%	83.57%	-44.48%	14.46%	-7.29%	5.45%	-7.14%	8.45%	1.77%

Appendix 1
Accident Benefits Weekly Indemnity

Table 11
Total Interest Rate Provision for Adverse Deviation {PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	7,255	6,728	6,179	6,284	6,215	6,480	6,033	5,645	5,237	4,828
02/03	1,149	1,166	1,132	1,136	1,131	1,213	1,143	1,088	1,029	969
03/04	974	1,092	976	945	904	974	919	876	830	785
04/05	1,135	1,057	1,066	1,004	908	983	929	887	842	798
05/06	1,204	1,323	1,292	1,274	1,158	1,258	1,190	1,139	1,083	1,028
06/07	1,942	1,818	1,845	1,875	1,660	1,813	1,717	1,645	1,567	1,489
07/08	1,891	1,900	1,798	1,878	1,801	1,975	1,873	1,797	1,714	1,631
08/09	1,819	1,754	1,680	1,732	1,787	1,968	1,868	1,796	1,715	1,634
09/10	1,747	1,727	1,741	1,846	1,707	1,887	1,793	1,726	1,651	1,576
10/11	2,196	2,334	2,417	2,595	2,530	2,807	2,670	2,573	2,465	2,357
11/12	2,024	2,387	2,520	2,695	2,571	2,862	2,725	2,630	2,522	2,415
12/13	2,084	2,217	3,092	2,890	2,561	2,860	2,725	2,633	2,528	2,423
13/14	2,735	2,941	2,643	2,571	2,181	2,444	2,330	2,254	2,166	2,079
14/15	2,681	2,963	2,412	2,636	2,710	3,046	2,906	2,814	2,707	2,601
15/16	2,565	2,780	3,292	3,236	3,414	3,847	3,673	3,560	3,429	3,297
16/17		2,795	3,345	3,382	3,768	4,256	4,066	3,944	3,802	3,659
17/18			3,302	3,674	3,971	4,493	4,292	4,166	4,019	3,872
18/19				4,123	4,262	4,823	4,606	4,473	4,318	4,163
19/20					4,816	5,436	5,186	5,035	4,862	4,691
20/21						4,297	4,085	3,962	3,826	3,692
21/22							5,370	5,192	5,008	4,832
22/23								5,541	5,327	5,136
23/24									5,686	5,464
24/25										5,832
Total	33,401	36,983	40,730	45,776	50,055	59,723	62,099	65,376	68,333	71,249
Change in Total		10.73%	10.13%	12.39%	9.35%	19.32%	3.98%	5.28%	4.52%	4.27%

Appendix 1
Accident Benefits Weekly Indemnity

Table 12
Total Claims Provision for Adverse Deviation {PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	11,637	11,353	11,029	10,992	11,173	11,651	11,296	11,030	10,742	10,444
02/03	1,888	1,841	1,848	1,825	1,842	1,912	1,834	1,777	1,722	1,673
03/04	1,720	1,697	1,571	1,497	1,460	1,513	1,448	1,399	1,352	1,310
04/05	1,607	1,625	1,685	1,570	1,448	1,511	1,442	1,391	1,341	1,295
05/06	1,997	2,013	2,014	1,962	1,820	1,905	1,828	1,760	1,692	1,631
06/07	4,331	2,741	2,842	2,854	2,568	2,701	2,598	2,513	2,412	2,320
07/08	4,187	4,270	2,745	2,835	2,752	2,889	2,788	2,704	2,608	2,503
08/09	4,009	3,909	2,546	2,596	2,705	2,837	2,730	2,657	2,570	2,479
09/10	3,829	3,820	2,608	2,748	2,556	2,688	2,583	2,507	2,433	2,352
10/11	4,808	5,121	3,586	3,821	3,756	3,950	3,801	3,684	3,565	3,459
11/12	4,459	5,225	3,713	3,941	3,784	3,985	3,831	3,720	3,595	3,478
12/13	4,636	4,876	4,540	4,202	3,738	3,939	3,790	3,677	3,560	3,439
13/14	6,165	6,525	3,886	3,724	3,160	3,332	3,206	3,113	3,010	2,914
14/15	6,210	6,656	3,569	3,822	3,901	4,115	3,959	3,844	3,721	3,597
15/16	6,527	6,403	4,921	4,716	4,903	5,155	4,958	4,814	4,660	4,509
16/17		7,049	7,685	4,982	5,438	5,678	5,442	5,283	5,113	4,948
17/18			8,276	8,319	5,809	6,006	5,719	5,533	5,354	5,181
18/19				10,163	9,585	6,516	6,151	5,912	5,702	5,517
19/20					11,767	11,250	6,998	6,667	6,390	6,161
20/21						9,586	8,443	5,300	5,036	4,825
21/22							11,964	10,634	6,658	6,325
22/23								12,222	10,840	6,786
23/24									12,452	11,047
24/25										12,683
Total	68,011	75,124	69,064	76,567	84,163	93,119	96,811	102,142	106,528	110,876
Change in Total		10.46%	-8.07%	10.86%	9.92%	10.64%	3.96%	5.51%	4.29%	4.08%

Appendix 1
Accident Benefits Weekly Indemnity

Table 13
Total Provision for Adverse Deviation {PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	18,891	18,081	17,208	17,276	17,389	18,131	17,329	16,676	15,979	15,272
02/03	3,037	3,006	2,980	2,961	2,973	3,125	2,977	2,865	2,751	2,642
03/04	2,694	2,789	2,547	2,442	2,363	2,487	2,367	2,276	2,183	2,095
04/05	2,742	2,682	2,752	2,573	2,357	2,493	2,371	2,278	2,183	2,093
05/06	3,201	3,337	3,306	3,236	2,978	3,164	3,018	2,898	2,775	2,659
06/07	6,273	4,559	4,687	4,729	4,229	4,514	4,315	4,158	3,979	3,809
07/08	6,078	6,170	4,543	4,713	4,553	4,864	4,661	4,501	4,322	4,134
08/09	5,828	5,663	4,225	4,327	4,492	4,805	4,599	4,453	4,285	4,113
09/10	5,576	5,547	4,350	4,594	4,263	4,575	4,376	4,233	4,084	3,928
10/11	7,004	7,455	6,003	6,416	6,286	6,756	6,471	6,258	6,031	5,815
11/12	6,483	7,612	6,233	6,636	6,355	6,847	6,556	6,350	6,117	5,892
12/13	6,720	7,093	7,631	7,092	6,299	6,800	6,516	6,310	6,088	5,862
13/14	8,900	9,466	6,529	6,295	5,341	5,776	5,536	5,366	5,177	4,992
14/15	8,891	9,619	5,981	6,458	6,611	7,161	6,865	6,658	6,428	6,198
15/16	9,092	9,183	8,213	7,952	8,317	9,003	8,632	8,374	8,088	7,806
16/17		9,844	11,030	8,364	9,206	9,935	9,508	9,227	8,915	8,608
17/18			11,578	11,993	9,780	10,499	10,011	9,699	9,373	9,053
18/19				14,286	13,846	11,339	10,757	10,385	10,020	9,680
19/20					16,582	16,686	12,183	11,702	11,252	10,852
20/21						13,883	12,528	9,263	8,861	8,517
21/22							17,334	15,826	11,666	11,157
22/23								17,763	16,167	11,922
23/24									18,137	16,511
24/25										18,515
Total	101,411	112,107	109,794	122,343	134,218	152,842	158,910	167,517	174,861	182,125
Change in Total		10.55%	-2.06%	11.43%	9.71%	13.88%	3.97%	5.42%	4.38%	4.15%

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 1
 Ultimate Claims Paid - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical Unpaid at 31-Mar-20
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216		
94/95	7,042	16,143	21,368	24,504	26,563	28,067	29,440	30,696	31,807	32,668	33,409	34,043	34,652	35,179	35,976	36,602	37,497	38,658	57,963	12,829
95/96	7,797	19,075	23,400	26,594	29,134	31,341	33,379	34,748	35,760	37,003	38,120	39,106	40,230	41,124	42,139	41,128	42,543	44,062	73,016	21,967
96/97	11,807	19,999	23,780	26,122	27,934	29,439	30,724	31,629	32,374	32,931	33,499	34,087	34,536	35,009	35,543	36,069	36,893	37,530	50,460	9,848
97/98	11,830	20,746	24,481	26,835	28,533	29,887	30,971	31,862	32,585	33,205	34,006	34,610	35,199	35,899	36,643	37,333	38,083	38,813	53,556	11,962
98/99	11,625	20,320	24,205	26,855	28,737	30,322	31,405	32,149	32,782	33,393	34,046	34,562	35,149	35,864	36,525	37,436	38,268	38,883	50,282	9,229
99/00	8,566	17,951	21,578	23,871	25,343	26,521	27,406	28,125	28,752	29,336	29,821	30,258	31,587	32,141	32,701	33,189	33,748	34,262	44,904	9,444
00/01	9,576	19,898	23,304	24,931	26,154	27,015	27,735	28,409	28,982	29,513	30,223	31,148	31,865	32,533	33,122	33,676	34,226	34,741	44,355	9,224
01/02	10,435	20,708	23,639	25,146	26,184	26,885	27,574	28,249	28,844	29,913	30,766	31,900	33,136	33,811	34,564	35,241	36,006	36,624	50,775	14,150
02/03	10,632	19,879	22,117	23,628	24,816	25,779	26,635	27,479	28,586	29,758	30,894	32,003	33,044	34,180	35,574	36,588	37,533	38,610	56,205	18,672
03/04	10,954	20,777	23,984	25,837	27,127	28,234	29,286	30,479	31,610	32,700	33,669	34,692	35,619	36,359	37,142	37,771	38,452	39,177	48,723	10,952
04/05	9,870	18,114	21,018	22,912	24,444	25,640	26,924	28,167	29,265	30,587	31,620	32,616	33,662	34,687	35,638	36,577	38,047	39,455	57,971	22,332
05/06	9,593	19,053	21,984	23,569	25,019	26,401	27,683	29,280	30,346	31,304	32,165	32,968	33,888	34,698	36,287	37,313	38,249	39,144	50,929	16,231
06/07	9,869	20,390	23,966	26,708	28,645	30,373	31,960	33,494	34,957	36,431	37,701	39,358	40,467	41,757	43,585	45,097	46,477	47,797	65,166	24,699
07/08	9,907	21,108	24,912	27,429	29,304	31,100	32,808	34,588	35,814	36,896	38,214	39,494	41,766	44,064	46,012	47,625	49,095	50,502	69,016	29,521
08/09	9,606	21,284	25,532	27,848	30,085	31,646	33,147	34,678	35,541	36,366	36,807	37,962	39,186	40,384	41,400	42,241	43,007	43,741	53,395	16,588
09/10	11,001	22,096	25,939	28,823	30,781	32,357	34,064	35,509	36,857	38,063	39,539	40,950	42,403	43,824	45,030	46,028	46,937	47,808	59,263	21,200
10/11	10,309	23,220	27,388	29,874	31,721	33,318	34,470	35,399	36,283	37,448	38,562	39,709	40,890	42,046	43,027	43,838	44,578	45,286	54,602	18,320
11/12	11,557	24,890	29,565	32,296	34,439	35,315	37,041	38,808	40,285	41,549	42,850	44,190	45,571	46,921	48,067	49,015	49,879	50,706	61,591	22,783
12/13	13,541	27,602	32,442	35,055	36,753	38,432	39,836	41,025	42,043	43,092	44,172	45,285	46,431	47,552	48,503	49,290	50,007	50,694	59,730	19,894
13/14	12,137	28,634	33,117	35,444	36,866	37,870	38,703	39,339	39,993	40,667	41,362	42,077	42,814	43,534	44,146	44,651	45,113	45,554	51,362	13,492
14/15	11,366	25,302	29,156	31,345	32,685	33,760	34,495	35,253	36,033	36,837	37,664	38,517	39,395	40,255	40,983	41,586	42,136	42,662	49,587	16,901
15/16	14,704	30,178	35,549	38,183	40,600	41,566	42,560	43,584	44,639	45,726	46,845	47,998	49,186	50,348	51,333	52,148	52,892	53,603	62,966	24,783
16/17	14,187	30,990	35,593	39,009	41,062	42,367	43,712	45,097	46,523	47,993	49,506	51,065	52,670	54,241	55,574	56,676	57,682	58,644	71,303	35,710
17/18	14,924	31,259	37,281	39,983	41,876	43,080	44,320	45,598	46,914	48,269	49,665	51,103	52,584	54,033	55,262	56,279	57,207	58,094	69,772	38,513
18/19	13,113	29,336	34,514	37,296	39,245	40,485	41,762	43,077	44,432	45,828	47,265	48,746	50,271	51,763	53,028	54,075	55,030	55,944	67,967	54,854
19/20	15,028	31,621	36,767	39,532	41,469	42,701	43,970	45,277	46,624	48,011	49,439	50,911	52,426	53,909	55,167	56,207	57,156	58,064	70,013	70,013
20/21	15,411	28,122	32,064	34,181	35,665	36,609	37,581	38,583	39,614	40,677	41,771	42,898	44,059	45,195	46,158	46,955	47,682	48,377	57,530	
21/22	15,887	32,260	37,338	40,065	41,977	43,193	44,445	45,735	47,064	48,432	49,842	51,293	52,789	54,252	55,493	56,520	57,456	58,352	70,142	
22/23	16,377	32,925	38,058	40,814	42,746	43,975	45,241	46,545	47,888	49,271	50,695	52,163	53,674	55,153	56,407	57,445	58,391	59,297	71,213	
23/24	16,882	33,606	38,793	41,579	43,532	44,773	46,053	47,370	48,727	50,125	51,565	53,048	54,575	56,070	57,337	58,386	59,342	60,258	72,301	
24/25	17,403	34,303	39,544	42,360	44,333	45,588	46,880	48,212	49,583	50,996	52,450	53,949	55,492	57,003	58,284	59,343	60,310	61,235	73,405	

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 2
 Yearly Claims Paid - PIPP ('000)**

Insurance Accident Year	Insurance Year										There- After	Ultimate
	Prior to 15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25		
94/95	42,627	1,092	770	644	798	1,518	1,471	1,424	1,379	1,334	4,905	57,963
95/96	47,871	1,096	1,101	980	1,304	2,381	2,307	2,235	2,164	2,095	9,481	73,016
96/97	38,827	625	586	574	668	975	945	916	888	859	4,596	50,460
97/98	39,614	699	704	576	698	1,111	1,078	1,046	1,013	982	6,034	53,556
98/99	38,883	890	698	582	737	784	761	738	716	693	4,801	50,282
99/00	33,748	513	513	686	533	773	751	729	707	686	5,265	44,904
00/01	33,676	550	515	390	520	713	693	673	654	634	5,336	44,355
01/02	34,564	677	765	618	748	1,042	1,013	985	956	928	8,478	50,775
02/03	34,180	1,394	1,014	945	1,077	1,302	1,267	1,232	1,197	1,162	11,435	56,205
03/04	35,619	740	783	628	681	725	706	687	668	649	6,834	48,723
04/05	32,616	1,047	1,025	951	939	1,470	1,407	1,370	1,333	1,296	14,517	57,971
05/06	32,165	803	921	810	1,589	1,026	936	896	872	848	10,064	50,929
06/07	36,431	1,270	1,657	1,109	1,290	1,828	1,513	1,379	1,320	1,285	16,084	65,166
07/08	35,814	1,082	1,318	1,281	2,272	2,298	1,948	1,612	1,470	1,407	18,514	69,016
08/09	34,678	863	825	441	1,155	1,224	1,198	1,016	841	767	10,388	53,395
09/10	34,064	1,445	1,348	1,206	1,477	1,410	1,453	1,422	1,206	998	13,235	59,263
10/11	33,318	1,152	929	884	1,165	1,114	1,147	1,182	1,156	980	11,576	54,602
11/12	34,439	876	1,726	1,767	1,477	1,263	1,301	1,340	1,380	1,351	14,669	61,591
12/13	35,055	1,697	1,680	1,404	1,189	1,018	1,049	1,080	1,113	1,146	13,300	59,730
13/14	33,117	2,327	1,422	1,004	834	635	654	674	694	715	9,285	51,362
14/15	25,302	3,854	2,189	1,340	1,074	735	758	780	804	828	11,922	49,587
15/16	14,704	15,474	5,371	2,634	2,417	966	994	1,024	1,055	1,087	17,240	62,966
16/17		14,187	16,803	4,603	3,416	2,052	1,305	1,345	1,385	1,427	24,780	71,303
17/18			14,924	16,335	6,022	2,701	1,893	1,204	1,240	1,278	24,174	69,772
18/19				13,113	16,223	5,178	2,781	1,949	1,240	1,277	26,205	67,967
19/20					15,028	16,594	5,146	2,764	1,937	1,232	27,312	70,013
20/21						15,411	12,711	3,942	2,117	1,484	21,865	57,530
21/22							15,887	16,373	5,078	2,728	30,077	70,142
22/23								16,377	16,548	5,132	33,156	71,213
23/24									16,882	16,724	38,694	72,301
24/25										17,403	56,001	73,405
Total Insurance Year Paid		54,353	59,587	55,506	65,328	68,251	65,076	68,395	70,014	71,415		
Unpaid Provision						(10,721)	5,067	2,818	2,287	1,989		
Total Insurance Yr Paid & Prov.		54,353	59,587	55,506	65,328	57,530	70,142	71,213	72,301	73,405		
Change in Total Paid			9.63%	-6.85%	17.70%	4.47%	-4.65%	5.10%	2.37%	2.00%		
Total Insurance Yr Claim Counts		12,275	12,295	10,555	10,613	11,111	11,561	11,394	11,393	11,392		
Average Yearly Ultimate		4,428	4,846	5,259	6,155	5,178	6,067	6,250	6,346	6,443		
Change in Avg Yearly Ult.			9.45%	8.51%	17.05%	-15.89%	17.18%	3.01%	1.54%	1.53%		

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 3
 Ultimate Claims Incurred - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical IBNR 31-Mar-20
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216		
94/95	54,511	49,755	45,688	47,847	50,106	52,559	55,376	63,349	62,777	64,085	51,826	51,680	49,631	50,054	51,233	52,786	53,614	57,963	1,619	
95/96	51,775	52,275	56,628	61,067	69,756	70,935	75,848	80,530	80,155	78,215	65,825	66,150	66,014	66,607	67,364	64,156	65,354	67,535	73,016	4,244
96/97	34,407	38,035	42,450	47,661	50,077	51,511	56,412	58,338	58,693	48,077	48,587	48,757	47,984	45,680	46,698	46,781	48,022	47,868	50,460	2,077
97/98	47,707	52,971	58,455	54,603	56,105	56,647	57,129	58,549	49,699	48,688	49,151	49,279	49,332	48,833	49,866	50,721	51,341	51,843	53,556	1,234
98/99	40,647	48,014	48,878	50,996	54,328	54,988	55,710	49,074	48,174	48,080	46,915	47,006	46,756	47,170	47,549	47,947	49,148	49,631	50,282	1,343
99/00	32,626	38,961	39,816	43,012	43,834	44,431	40,444	42,395	41,753	42,256	42,393	42,166	43,383	43,740	43,489	43,901	44,729	44,793	44,904	1,358
00/01	54,823	56,053	54,669	49,200	49,681	42,739	43,775	42,558	42,967	42,393	41,704	44,084	45,096	44,984	45,850	46,035	46,750	43,763	44,355	(9)
01/02	50,923	52,070	56,138	51,801	43,742	44,446	45,364	44,132	43,688	45,236	45,088	47,395	48,056	47,211	48,935	49,375	48,194	49,165	50,775	1,609
02/03	46,420	58,852	56,873	47,541	47,287	47,405	46,793	49,071	48,479	49,217	49,673	50,346	49,749	51,442	52,797	53,388	54,043	54,650	56,205	2,162
03/04	54,454	56,504	45,411	43,724	45,301	45,123	46,274	46,555	47,187	48,874	49,499	49,827	50,343	49,796	48,782	47,147	47,105	47,234	48,723	1,576
04/05	38,684	49,807	48,595	48,610	49,194	49,722	52,003	50,637	52,222	53,899	53,913	54,614	55,439	55,377	56,820	56,124	56,260	56,396	57,971	1,151
05/06	42,494	47,694	46,911	44,209	44,618	45,578	48,176	49,320	48,388	48,599	47,986	47,822	47,535	48,060	49,118	49,242	49,366	49,490	50,929	2,868
06/07	51,170	60,203	59,197	59,251	58,686	59,355	60,403	62,998	63,091	63,379	64,712	62,922	63,427	63,441	63,551	63,662	63,773	63,884	65,166	1,738
07/08	46,677	51,248	51,687	53,786	56,863	59,523	61,642	60,410	59,242	60,430	62,336	63,723	66,395	66,552	66,709	66,867	67,025	67,184	69,016	5,293
08/09	38,810	44,188	49,967	50,388	52,291	54,489	53,271	53,543	51,045	50,563	50,611	51,181	51,306	51,431	51,557	51,682	51,809	51,935	53,395	2,784
09/10	39,834	50,509	51,322	52,311	53,351	53,528	54,356	54,863	55,086	55,092	56,645	56,784	56,924	57,064	57,205	57,345	57,487	57,628	59,263	4,170
10/11	57,904	53,924	50,621	51,726	52,698	53,380	55,421	50,273	51,067	52,905	52,941	53,029	53,118	53,207	53,296	53,385	53,475	53,565	54,602	3,536
11/12	64,186	52,444	58,872	58,033	59,391	56,653	56,500	57,983	58,666	58,666	58,727	58,879	59,032	59,186	59,339	59,493	59,648	59,803	61,591	3,608
12/13	52,255	63,109	59,241	56,549	56,511	57,977	59,087	57,134	57,134	57,134	57,188	57,323	57,459	57,595	57,731	57,868	58,005	58,143	59,730	643
13/14	53,359	56,895	51,428	51,136	49,540	49,322	48,905	48,905	48,905	48,905	48,956	49,084	49,213	49,342	49,471	49,600	49,730	49,860	51,362	2,040
14/15	47,521	49,362	49,740	47,717	47,065	46,960	46,960	46,960	46,960	46,960	47,015	47,152	47,289	47,427	47,565	47,703	47,842	47,981	49,587	5,222
15/16	54,438	59,947	61,204	61,104	60,850	60,850	60,850	60,850	60,850	60,850	60,894	61,005	61,115	61,226	61,337	61,449	61,560	61,672	62,966	1,862
16/17	55,480	64,045	73,310	70,273	70,273	70,273	70,273	70,273	70,273	70,273	70,295	70,348	70,402	70,456	70,510	70,565	70,619	70,674	71,303	(2,006)
17/18	59,372	59,340	68,479	68,700	68,700	68,700	68,700	68,700	68,700	68,700	68,722	68,778	68,834	68,890	68,947	69,003	69,060	69,116	69,772	10,432
18/19	47,542	53,023	60,083	61,431	61,431	61,431	61,431	61,431	61,431	61,431	61,568	61,908	62,250	62,593	62,936	63,280	63,625	63,971	67,967	20,425
19/20	45,097	59,292	64,357	65,325	65,325	65,325	65,325	65,325	65,325	65,325	65,422	65,667	65,912	66,158	66,404	66,651	66,899	67,147	70,013	70,013
20/21	47,290	53,124	55,206	55,603	55,603	55,603	55,603	55,603	55,603	55,603	55,644	55,744	55,845	55,946	56,047	56,149	56,250	56,352	57,530	
21/22	57,657	64,770	67,308	67,793	67,793	67,793	67,793	67,793	67,793	67,793	67,842	67,964	68,087	68,210	68,334	68,458	68,582	68,706	70,142	
22/23	58,538	65,759	68,336	68,828	68,828	68,828	68,828	68,828	68,828	68,828	68,878	69,002	69,127	69,252	69,377	69,503	69,629	69,755	71,213	
23/24	59,431	66,763	69,379	69,879	69,879	69,879	69,879	69,879	69,879	69,879	69,929	70,056	70,182	70,309	70,436	70,564	70,692	70,820	72,301	
24/25	60,339	67,782	70,438	70,946	70,946	70,946	70,946	70,946	70,946	70,946	70,997	71,125	71,254	71,383	71,512	71,641	71,771	71,901	73,405	

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 4
 Yearly Claims Incurred - PIPP ('000)**

Insurance Accident Year	Insurance Year															There- After	Ultimate
	Prior to 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25			
94/95	53,614	2,126	(338)	(380)	1,261	966	(1,109)	203	854	102	97	93	89	84	301	57,963	
95/96	65,354	2,181	300	906	1,263	650	(2,781)	900	3,191	128	123	117	112	107	465	73,016	
96/97	46,781	1,241	(154)	727	901	596	(2,218)	509	1,283	90	86	82	78	75	383	50,460	
97/98	49,866	855	620	502	516	945	(1,398)	416	373	91	87	83	79	76	443	53,556	
98/99	47,170	378	398	1,201	483	195	(818)	(69)	443	90	86	82	78	75	489	50,282	
99/00	43,383	357	(251)	412	828	64	(1,466)	221	267	103	99	94	90	86	618	44,904	
00/01	44,084	1,012	(112)	865	185	715	(2,987)	601	(1,217)	109	104	99	95	91	710	44,355	
01/02	45,088	2,306	661	(845)	1,725	439	(1,181)	972	230	119	114	109	104	99	835	50,775	
02/03	49,217	456	673	(597)	1,693	1,355	591	655	607	129	123	117	112	107	966	56,205	
03/04	47,187	1,687	625	328	516	(547)	(1,014)	(1,636)	(42)	129	123	118	112	108	1,028	48,723	
04/05	50,637	1,585	1,677	14	701	825	(62)	1,443	(696)	136	136	130	125	119	1,201	57,971	
05/06	48,176	1,144	(932)	211	(613)	(164)	(287)	525	1,057	124	124	125	119	114	1,205	50,929	
06/07	59,355	1,048	2,595	93	287	1,334	(1,791)	506	14	110	110	111	111	106	1,176	65,166	
07/08	56,863	2,660	2,119	(1,232)	(1,168)	1,188	1,906	1,387	2,672	157	157	158	158	159	1,832	69,016	
08/09	50,388	1,904	2,198	(1,218)	272	(2,497)	(482)	47	571	125	125	125	126	126	1,586	53,395	
09/10	51,322	989	1,040	177	829	506	223	7	1,552	139	140	140	140	141	1,917	59,263	
10/11	53,924	(3,303)	1,105	972	682	2,041	(5,148)	794	1,838	-	89	89	89	89	1,307	54,602	
11/12	64,186	(11,741)	6,428	(840)	1,358	(2,737)	(153)	1,482	683	-	61	153	153	153	2,405	61,591	
12/13		52,255	10,854	(3,869)	(2,692)	(38)	1,467	1,109	(1,953)	-	-	54	135	136	2,271	59,730	
13/14			53,359	3,536	(5,467)	(292)	(1,596)	(217)	(418)	-	-	-	51	128	2,278	51,362	
14/15				47,521	1,841	378	(2,023)	(652)	(105)	-	-	-	-	55	2,572	49,587	
15/16					54,438	5,509	1,257	(99)	(254)	-	-	-	-	-	2,116	62,966	
16/17						55,480	8,565	9,265	(3,037)	-	-	-	-	-	1,030	71,303	
17/18							59,372	(32)	9,139	221	-	-	-	-	1,072	69,772	
18/19								47,542	5,481	7,060	1,349	-	-	-	6,536	67,967	
19/20									45,097	14,195	5,065	967	-	-	4,689	70,013	
20/21										47,290	5,834	2,082	398	-	1,927	57,530	
21/22											57,657	7,113	2,538	485	2,349	70,142	
22/23												58,538	7,221	2,577	2,877	71,213	
23/24													59,431	7,332	5,538	72,301	
24/25														60,339	13,066	73,405	
Total Insurance Year Inc'd IBNR Provision		59,140	82,867	48,483	59,839	66,910	46,866	65,878	67,633	70,683	71,889	70,779	71,746	72,965			
Total Insurance Yr Inc'd & Prov. Change in Total Inc'd		59,140	82,867	48,483	59,839	66,910	46,866	65,878	67,633	70,683	71,889	70,779	71,746	72,965			
			40.12%	-41.49%	23.42%	11.82%	-29.96%	40.57%	2.66%	-14.94%	21.92%	1.53%	1.53%	1.53%			
Total Insurance Yr Claim Counts Average Yearly Ultimate		12,340	12,137	10,532	11,620	12,275	12,295	10,555	10,613	11,111	11,561	11,394	11,393	11,392			
Change in Avg Yearly Ult.		4,793	6,828	4,603	5,150	5,451	3,812	6,241	6,373	5,178	6,067	6,250	6,346	6,443			
			42.46%	-32.58%	11.87%	5.85%	-30.07%	63.74%	2.10%	-18.75%	17.18%	3.01%	1.54%	1.53%			

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 5
 Total Unpaid {Excludes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	111,178	109,515	92,189	91,462	87,276	83,351	75,972	68,706	61,228	53,625
02/03	17,537	17,595	17,339	17,174	16,225	16,168	15,243	14,365	13,441	12,494
03/04	15,276	14,277	12,764	10,728	9,431	9,457	8,953	8,479	7,977	7,461
04/05	21,792	21,867	21,057	21,563	19,562	19,709	18,726	17,811	16,838	15,836
05/06	16,314	15,628	14,612	14,271	13,339	13,449	12,804	12,227	11,608	10,970
06/07	26,087	26,721	23,884	23,361	21,272	21,288	20,236	19,368	18,458	17,518
07/08	23,114	23,769	24,459	24,700	24,719	24,589	23,165	22,142	21,149	20,149
08/09	19,080	16,713	15,718	15,272	13,971	13,993	13,090	12,403	11,830	11,296
09/10	20,803	20,185	19,446	18,431	17,806	18,021	16,951	15,951	15,083	14,382
10/11	20,630	20,850	15,593	15,508	15,436	15,769	14,963	14,160	13,298	12,570
11/12	25,479	22,198	20,241	20,200	19,100	19,678	18,809	17,958	16,959	15,922
12/13	23,099	21,415	20,779	20,378	16,702	17,343	16,680	16,044	15,285	14,431
13/14	30,152	28,231	15,621	14,025	11,254	11,772	11,382	11,019	10,574	10,071
14/15	33,675	30,054	19,176	16,707	14,006	14,752	14,330	13,949	13,471	12,924
15/16	43,397	32,219	28,025	23,560	19,699	20,885	20,369	19,925	19,347	18,678
16/17		44,375	31,909	35,731	28,395	29,462	28,837	28,330	27,640	26,829
17/18			47,160	35,651	28,603	29,002	27,753	27,370	26,816	26,153
18/19				53,477	34,289	32,580	30,494	29,412	28,925	28,328
19/20					50,223	37,496	33,065	31,198	30,011	29,501
20/21						40,740	28,754	25,561	24,056	23,134
21/22							52,523	37,358	33,143	31,188
22/23								53,434	37,991	33,712
23/24									54,256	38,625
24/25										55,079
Total	447,613	465,610	439,974	472,196	461,307	489,505	503,097	517,169	529,385	540,877
Change in Total		4.02%	-5.51%	7.32%	-2.31%	6.11%	2.78%	2.80%	2.36%	2.17%

Appendix 2 Accident Benefits Other - Indexed

Table 6 Total Case Reserves (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	107,662	106,089	86,478	85,179	84,598	77,655	70,651	63,588	56,470	49,299
02/03	17,262	17,223	16,800	16,510	16,040	15,164	14,278	13,381	12,474	11,559
03/04	14,724	13,437	11,640	9,376	8,653	8,218	7,776	7,327	6,872	6,411
04/05	21,998	21,777	20,690	21,182	19,547	18,577	17,626	16,663	15,688	14,702
05/06	15,821	14,854	13,646	13,362	12,831	12,167	11,566	10,979	10,384	9,780
06/07	26,948	27,012	23,564	22,960	21,685	20,366	19,314	18,355	17,413	16,459
07/08	23,428	23,534	24,122	24,229	24,628	22,938	21,533	20,420	19,408	18,418
08/09	18,865	15,505	14,197	13,804	13,220	12,362	11,494	10,778	10,220	9,717
09/10	20,293	19,354	18,229	17,030	17,105	16,151	15,108	14,050	13,178	12,496
10/11	20,062	20,951	14,874	14,784	15,457	14,667	13,858	12,976	12,080	11,338
11/12	24,952	21,338	19,459	19,175	18,381	17,460	16,518	15,588	14,571	13,541
12/13	21,493	19,758	19,545	19,251	16,109	15,392	14,609	13,812	13,031	12,176
13/14	18,311	15,692	12,674	11,453	10,202	9,758	9,272	8,742	8,220	7,737
14/15	24,060	20,583	16,372	14,379	13,200	12,714	12,180	11,596	10,958	10,324
15/16	39,733	29,768	25,655	22,921	20,250	19,670	19,029	18,323	17,547	16,698
16/17		41,293	33,055	37,716	31,264	29,796	29,034	28,187	27,252	26,222
17/18			44,448	28,081	31,198	29,292	27,908	27,188	26,389	25,506
18/19				34,428	23,686	26,080	25,111	23,544	22,673	21,717
19/20					30,070	28,224	28,705	27,372	25,822	24,978
20/21						31,879	25,502	24,077	22,733	21,582
21/22							41,770	33,160	31,181	29,425
22/23								42,161	33,490	31,501
23/24									42,549	33,820
24/25										42,936
Total	415,612	428,168	415,448	425,820	428,125	438,530	452,842	462,267	470,606	478,341
Change in Total		3.02%	-2.97%	2.50%	0.54%	2.43%	3.26%	2.08%	1.80%	1.64%

Appendix 2 Accident Benefits Other - Indexed

**Table 7
Total IBNR (Indexed) {Includes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	24,858	24,151	18,293	18,543	13,854	16,248	14,777	13,525	12,123	10,667
02/03	3,863	3,923	3,121	3,179	2,427	3,221	3,023	2,894	2,724	2,541
03/04	3,718	3,758	3,059	2,951	2,100	2,557	2,406	2,297	2,166	2,026
04/05	4,356	4,617	3,617	3,652	2,797	3,920	3,709	3,594	3,426	3,240
05/06	3,936	4,038	3,256	3,109	2,429	3,212	3,050	2,953	2,819	2,673
06/07	4,686	5,335	4,107	4,051	2,675	4,018	3,827	3,756	3,621	3,466
07/08	4,636	5,277	4,255	4,373	3,698	5,261	5,001	4,904	4,738	4,544
08/09	4,324	4,777	4,848	3,905	2,804	3,698	3,518	3,431	3,312	3,181
09/10	5,003	5,167	5,363	5,292	3,339	4,551	4,348	4,246	4,102	3,956
10/11	5,038	4,393	4,063	4,021	3,062	3,471	3,331	3,279	3,174	3,066
11/12	6,064	5,663	5,138	5,344	4,568	6,192	5,117	5,047	4,899	4,726
12/13	6,631	6,304	5,722	5,502	3,990	5,485	5,439	4,646	4,534	4,393
13/14	18,381	18,672	6,334	5,597	3,365	4,438	4,431	4,505	3,947	3,838
14/15	16,806	15,991	6,970	5,953	3,715	5,108	5,100	5,200	5,240	4,550
15/16	12,365	9,335	8,451	5,770	3,586	5,611	5,580	5,711	5,753	5,763
16/17		11,974	5,671	5,792	3,117	5,939	5,873	6,048	6,093	6,093
17/18			12,141	15,200	3,414	5,913	5,755	5,952	6,022	6,050
18/19				29,732	17,663	13,453	11,906	12,141	12,356	12,528
19/20					29,790	17,126	11,418	10,511	10,596	10,754
20/21						16,820	9,276	6,949	6,484	6,497
21/22							21,017	12,040	9,057	8,461
22/23								21,737	12,487	9,436
23/24									22,348	12,935
24/25										22,961
Total	124,665	133,376	104,410	131,966	112,393	136,243	137,901	145,364	152,018	158,345
Change in Total		6.99%	-21.72%	26.39%	-14.83%	21.22%	1.22%	5.41%	4.58%	4.16%

Appendix 2 Accident Benefits Other - Indexed

**Table 8
Total IBNR Annual Change (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(7,326)	(707)	(5,858)	250	(4,689)	2,393	(1,471)	(1,252)	(1,403)	(1,456)
02/03	(1,078)	60	(801)	57	(752)	794	(198)	(130)	(169)	(183)
03/04	(882)	40	(699)	(108)	(852)	457	(152)	(108)	(132)	(139)
04/05	(1,338)	261	(1,000)	35	(854)	1,123	(211)	(116)	(168)	(185)
05/06	(1,237)	102	(782)	(146)	(681)	784	(163)	(97)	(134)	(146)
06/07	(1,992)	649	(1,229)	(55)	(1,377)	1,343	(191)	(71)	(135)	(155)
07/08	(2,262)	640	(1,022)	118	(675)	1,563	(260)	(97)	(166)	(194)
08/09	(2,105)	453	71	(942)	(1,102)	894	(180)	(87)	(119)	(131)
09/10	(2,330)	164	196	(72)	(1,953)	1,213	(204)	(102)	(143)	(146)
10/11	(3,045)	(645)	(330)	(42)	(959)	410	(140)	(52)	(106)	(108)
11/12	(3,365)	(401)	(525)	207	(776)	1,624	(1,075)	(70)	(148)	(173)
12/13	(5,438)	(327)	(581)	(220)	(1,512)	1,495	(46)	(792)	(112)	(141)
13/14	1,330	292	(12,338)	(738)	(2,231)	1,073	(8)	74	(558)	(109)
14/15	(9,095)	(815)	(9,021)	(1,018)	(2,237)	1,393	(8)	100	39	(690)
15/16	12,365	(3,030)	(883)	(2,682)	(2,183)	2,024	(31)	131	42	10
16/17		11,974	(6,303)	121	(2,675)	2,823	(66)	174	45	0
17/18			12,141	3,060	(11,786)	2,498	(158)	197	70	27
18/19				29,732	(12,068)	(4,211)	(1,546)	235	215	172
19/20					29,790	(12,664)	(5,708)	(907)	85	159
20/21						16,820	(7,544)	(2,327)	(466)	14
21/22							21,017	(8,977)	(2,983)	(596)
22/23								21,737	(9,250)	(3,051)
23/24									22,348	(9,412)
24/25										22,961
Total	(27,798)	8,711	(28,966)	27,556	(19,572)	23,850	1,658	7,463	6,654	6,328

Appendix 2 Accident Benefits Other - Indexed

Table 9 Total Reported Incurred (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	7,162	4,570	(13,959)	3,752	5,425	2,541	2,380	2,219	2,057	1,894
02/03	1,693	1,355	591	655	607	452	431	410	389	368
03/04	516	(547)	(1,014)	(1,636)	(42)	305	293	280	268	256
04/05	701	825	(62)	1,443	(696)	530	513	491	468	445
05/06	(613)	(164)	(287)	525	1,057	383	373	363	348	333
06/07	287	1,334	(1,791)	506	14	546	522	504	487	465
07/08	(1,168)	1,188	1,906	1,387	2,672	653	622	598	580	563
08/09	272	(2,497)	(482)	47	571	392	377	363	352	344
09/10	829	506	223	7	1,552	484	468	451	433	419
10/11	682	2,041	(5,148)	794	1,838	345	385	371	356	340
11/12	1,358	(2,737)	(153)	1,482	683	368	413	492	477	461
12/13	(2,692)	(38)	1,467	1,109	(1,953)	322	308	350	423	411
13/14	(5,467)	(292)	(1,596)	(217)	(418)	204	195	185	230	306
14/15	1,841	378	(2,023)	(652)	(105)	264	254	244	232	280
15/16	54,438	5,509	1,257	(99)	(254)	405	393	381	366	351
16/17		55,480	8,565	9,265	(3,037)	625	596	581	564	545
17/18			59,372	(32)	9,139	849	586	558	544	528
18/19				47,542	5,481	7,675	1,925	502	471	453
19/20					45,097	15,080	5,834	1,601	547	516
20/21						47,290	6,588	2,676	903	455
21/22							57,657	8,090	3,304	1,138
22/23								58,538	8,209	3,351
23/24									59,431	8,329
24/25										60,339
Total	59,839	66,910	46,866	65,878	67,633	79,713	81,115	80,248	81,440	82,890
Change in Total		11.82%	-29.96%	40.57%	2.66%	17.86%	1.76%	-1.07%	1.49%	1.78%

Appendix 2 Accident Benefits Other - Indexed

**Table 10
Total Interest Rate Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	4,665	4,298	3,363	3,113	2,450	2,217	1,858	1,537	1,242	977
02/03	957	911	848	798	620	601	533	472	413	356
03/04	874	777	659	527	380	372	333	298	263	230
04/05	1,293	1,247	1,144	1,114	826	817	737	664	592	523
05/06	996	920	829	774	586	586	531	482	434	386
06/07	1,634	1,618	1,398	1,315	961	967	882	806	730	656
07/08	1,483	1,476	1,472	1,432	1,135	1,150	1,053	968	882	798
08/09	1,246	1,062	970	910	655	667	613	566	518	472
09/10	1,373	1,308	1,229	1,126	858	879	809	749	690	632
10/11	1,376	1,367	1,005	971	768	792	731	679	626	576
11/12	1,715	1,474	1,320	1,290	984	1,022	945	881	815	752
12/13	1,560	1,435	1,371	1,318	893	933	867	810	752	696
13/14	2,017	1,899	1,044	921	625	658	613	575	536	497
14/15	2,140	2,012	1,290	1,119	809	857	801	755	706	657
15/16	2,191	2,052	1,877	1,597	1,183	1,263	1,185	1,120	1,051	982
16/17		2,235	2,030	2,418	1,726	1,854	1,745	1,656	1,559	1,462
17/18			2,355	2,283	1,719	1,852	1,747	1,664	1,573	1,480
18/19				2,662	1,917	2,065	1,949	1,861	1,765	1,667
19/20					2,103	2,230	2,098	2,005	1,906	1,807
20/21						1,849	1,711	1,631	1,552	1,474
21/22							2,386	2,238	2,124	2,019
22/23								2,449	2,287	2,169
23/24									2,502	2,336
24/25										2,556
Total	25,522	26,092	24,203	25,687	21,196	23,632	24,126	24,867	25,518	26,161
Change in Total		2.23%	-7.24%	6.13%	-17.48%	11.50%	2.09%	3.07%	2.62%	2.52%

**Appendix 2
 Accident Benefits Other - Indexed**

**Table 11
 Total Claims Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	16,677	16,427	9,219	9,146	8,728	8,335	7,597	6,871	6,123	5,363
02/03	2,631	2,639	1,734	1,717	1,622	1,617	1,524	1,437	1,344	1,249
03/04	2,291	2,141	1,276	1,073	943	946	895	848	798	746
04/05	3,269	3,280	2,106	2,156	1,956	1,971	1,873	1,781	1,684	1,584
05/06	2,447	2,344	1,461	1,427	1,334	1,345	1,280	1,223	1,161	1,097
06/07	3,913	4,008	2,388	2,336	2,127	2,129	2,024	1,937	1,846	1,752
07/08	3,467	3,565	2,446	2,470	2,472	2,459	2,316	2,214	2,115	2,015
08/09	2,862	2,507	2,358	1,527	1,397	1,399	1,309	1,240	1,183	1,130
09/10	3,120	3,028	2,917	2,765	1,781	1,802	1,695	1,595	1,508	1,438
10/11	3,094	3,127	2,339	2,326	2,315	1,577	1,496	1,416	1,330	1,257
11/12	3,822	3,330	3,036	3,030	2,865	2,952	1,881	1,796	1,696	1,592
12/13	3,465	3,212	3,117	3,057	2,505	2,601	2,502	1,604	1,528	1,443
13/14	4,523	4,235	2,343	2,104	1,688	1,766	1,707	1,653	1,057	1,007
14/15	5,051	4,508	2,876	2,506	2,101	2,213	2,149	2,092	2,021	1,292
15/16	6,510	4,833	4,204	3,534	2,955	3,133	3,055	2,989	2,902	2,802
16/17		6,656	4,786	5,360	4,259	4,419	4,325	4,249	4,146	4,024
17/18			7,074	5,348	4,290	4,350	4,163	4,106	4,022	3,923
18/19				8,022	5,143	4,887	4,574	4,412	4,339	4,249
19/20					7,533	5,624	4,960	4,680	4,502	4,425
20/21						6,111	4,313	3,834	3,608	3,470
21/22							7,878	5,604	4,971	4,678
22/23								8,015	5,699	5,057
23/24									8,138	5,794
24/25										8,262
Total	67,142	69,842	55,681	59,903	58,016	61,636	63,519	65,595	67,721	69,649
Change in Total		4.02%	-20.28%	7.58%	-3.15%	6.24%	3.05%	3.27%	3.24%	2.85%

Appendix 2 Accident Benefits Other - Indexed

**Table 12
Total Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	21,342	20,725	12,582	12,259	11,177	10,552	9,456	8,408	7,365	6,340
02/03	3,587	3,551	2,582	2,516	2,242	2,218	2,058	1,909	1,757	1,606
03/04	3,166	2,919	1,935	1,600	1,323	1,318	1,228	1,145	1,061	976
04/05	4,562	4,527	3,249	3,271	2,782	2,788	2,609	2,445	2,276	2,106
05/06	3,443	3,265	2,290	2,201	1,920	1,931	1,812	1,705	1,594	1,483
06/07	5,547	5,626	3,786	3,651	3,088	3,096	2,905	2,743	2,576	2,408
07/08	4,950	5,041	3,918	3,902	3,607	3,609	3,369	3,182	2,997	2,813
08/09	4,108	3,569	3,328	2,437	2,052	2,067	1,922	1,806	1,702	1,602
09/10	4,493	4,336	4,146	3,891	2,638	2,682	2,504	2,345	2,198	2,070
10/11	4,471	4,495	3,344	3,297	3,083	2,369	2,227	2,095	1,956	1,833
11/12	5,537	4,803	4,356	4,320	3,849	3,974	2,826	2,677	2,511	2,344
12/13	5,025	4,647	4,488	4,375	3,398	3,535	3,369	2,415	2,280	2,139
13/14	6,540	6,134	3,388	3,025	2,313	2,424	2,320	2,228	1,593	1,504
14/15	7,191	6,520	4,166	3,625	2,909	3,070	2,951	2,847	2,726	1,949
15/16	8,701	6,884	6,081	5,131	4,138	4,396	4,240	4,109	3,953	3,783
16/17		8,892	6,816	7,777	5,985	6,273	6,070	5,905	5,705	5,486
17/18			9,429	7,631	6,009	6,203	5,910	5,770	5,595	5,403
18/19				10,683	7,061	6,952	6,523	6,273	6,104	5,916
19/20					9,637	7,854	7,058	6,684	6,408	6,232
20/21						7,960	6,024	5,465	5,160	4,945
21/22							10,265	7,842	7,095	6,698
22/23								10,464	7,986	7,226
23/24									10,641	8,130
24/25										10,818
Total	92,664	95,934	79,884	85,590	79,212	85,268	87,645	90,462	93,239	95,810
Change in Total		3.53%	-16.73%	7.14%	-7.45%	7.65%	2.79%	3.21%	3.07%	2.76%

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 1
 Ultimate Claims Paid - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																	Ultimate	Technical Unpaid at 31-Mar-20	
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204			216
94/95	5,278	9,460	11,572	13,318	13,828	14,257	14,487	14,657	14,864	14,956	15,144	15,348	15,412	15,460	15,496	15,546	15,611	15,762	16,133	73
95/96	6,026	11,522	14,585	15,874	16,714	17,283	17,772	18,089	18,264	18,452	18,539	18,556	18,848	18,986	19,147	19,214	19,249	19,270	19,570	42
96/97	4,592	10,252	11,984	12,619	13,490	14,023	14,477	14,736	15,026	15,212	15,401	15,518	15,540	15,671	15,894	15,964	15,973	16,077	16,368	3
97/98	5,810	11,518	13,453	14,952	15,866	16,440	16,859	17,108	17,169	17,320	17,385	17,561	17,638	17,707	17,827	17,888	18,005	18,165	18,383	19
98/99	5,703	10,727	13,277	15,577	16,825	17,350	17,778	18,173	18,441	18,699	18,901	18,977	19,067	19,077	19,079	19,239	19,296	19,360	19,502	60
99/00	5,490	11,914	15,017	17,476	18,457	19,011	19,358	19,540	19,688	19,737	19,813	19,908	20,070	20,107	20,158	20,196	20,221	20,228	20,342	10
00/01	6,513	13,853	18,406	20,372	21,275	21,731	22,082	22,358	22,417	22,470	22,581	22,622	22,674	22,948	23,118	23,153	23,158	23,158	23,223	66
01/02	7,346	15,867	19,946	21,445	22,777	23,304	23,668	23,871	24,012	24,036	24,135	24,309	24,385	24,559	24,595	24,615	24,641	24,682	24,714	32
02/03	6,987	15,767	22,022	23,920	25,318	25,716	25,879	25,956	26,152	26,390	26,535	26,591	26,632	26,654	26,733	26,823	26,830	26,847	26,865	35
03/04	5,230	14,785	20,087	22,545	23,511	23,885	24,130	24,252	24,473	24,703	24,753	24,867	25,055	25,073	25,286	25,344	25,350	25,382	25,382	39
04/05	4,301	14,603	20,441	22,390	23,010	23,916	24,061	24,347	24,461	24,421	24,488	24,606	24,641	24,694	24,740	24,758	24,767	24,767	24,767	27
05/06	7,343	18,724	23,942	25,717	26,817	27,446	27,976	28,392	28,522	28,634	28,767	28,803	28,786	28,791	28,814	28,828	28,828	28,828	28,828	41
06/07	9,266	21,828	27,152	30,127	31,442	32,032	32,693	33,248	33,460	33,704	33,796	33,849	33,901	33,917	33,944	33,963	33,974	33,974	33,974	74
07/08	7,190	18,383	25,006	26,917	27,975	28,555	29,099	29,507	29,633	29,741	29,829	29,885	30,130	30,199	30,260	30,304	30,330	30,330	30,330	445
08/09	5,326	17,720	22,564	24,711	26,333	26,927	27,361	27,744	28,300	28,432	28,284	28,657	28,719	28,781	28,835	28,875	28,898	28,898	28,898	614
09/10	6,123	15,654	23,877	26,886	28,319	29,041	29,208	29,313	29,578	29,662	29,728	29,785	29,843	29,901	29,952	29,989	30,011	30,011	30,011	348
10/11	4,584	16,805	24,563	26,363	27,248	27,797	27,969	28,111	28,252	28,377	28,428	28,488	28,548	28,608	28,660	28,698	28,721	28,721	28,721	469
11/12	7,949	21,458	27,160	29,371	30,444	30,740	31,181	31,396	31,616	31,719	31,799	31,890	31,983	32,075	32,156	32,215	32,250	32,250	32,250	854
12/13	6,556	17,483	25,424	28,327	28,863	29,316	29,641	29,993	30,126	30,206	30,269	30,341	30,413	30,485	30,549	30,595	30,622	30,622	30,622	981
13/14	7,317	16,626	23,688	25,415	26,465	26,973	27,373	27,525	27,646	27,719	27,776	27,841	27,907	27,973	28,031	28,073	28,098	28,098	28,098	1,125
14/15	6,855	15,890	23,105	25,826	26,463	26,826	27,006	27,178	27,316	27,399	27,464	27,539	27,614	27,689	27,755	27,802	27,830	27,830	27,830	1,367
15/16	7,122	14,577	22,044	23,954	26,398	27,326	27,898	28,447	28,884	29,149	29,355	29,592	29,830	30,069	30,279	30,429	30,520	30,520	30,520	6,566
16/17	9,407	17,942	22,206	24,995	29,006	30,886	32,044	33,155	34,041	34,576	34,994	35,474	35,955	36,439	36,863	37,168	37,351	37,351	37,351	15,145
17/18	7,300	14,532	18,854	25,456	28,346	29,699	30,533	31,334	31,972	32,357	32,658	33,004	33,351	33,699	34,005	34,224	34,356	34,356	34,356	19,824
18/19	6,288	11,699	24,062	27,681	29,265	30,007	30,464	30,903	31,252	31,464	31,629	31,818	32,008	32,199	32,367	32,487	32,559	32,559	32,559	26,271
19/20	6,697	19,703	27,857	30,244	31,289	31,778	32,080	32,369	32,599	32,739	32,848	32,973	33,098	33,224	33,334	33,414	33,461	33,461	33,461	33,461
20/21	7,467	17,524	23,829	25,675	26,483	26,861	27,094	27,318	27,496	27,604	27,688	27,785	27,882	27,979	28,065	28,126	28,163	28,163	28,163	
21/22	7,547	20,514	28,645	31,024	32,066	32,554	32,855	33,143	33,373	33,512	33,620	33,745	33,870	33,995	34,106	34,185	34,232	34,232	34,232	
22/23	7,627	20,758	28,991	31,401	32,455	32,950	33,254	33,546	33,779	33,920	34,030	34,156	34,282	34,409	34,521	34,601	34,649	34,649	34,649	
23/24	7,708	21,005	29,342	31,782	32,850	33,350	33,658	33,954	34,190	34,332	34,444	34,571	34,700	34,828	34,941	35,022	35,071	35,071	35,071	
24/25	7,790	21,254	29,696	32,168	33,249	33,756	34,068	34,367	34,606	34,750	34,863	34,992	35,122	35,252	35,367	35,449	35,498	35,498	35,498	

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 2
 Yearly Claims Paid - PIPP ('000)**

Insurance Accident Year	Insurance Year										There- After	Ultimate
	Prior to 15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25		
94/95	15,952	71	23	13	36	3,165	-	-	-	-	(3,128)	16,133
95/96	19,396	67	55	11	39	3	-	-	-	-	-	19,570
96/97	16,275	53	20	17	-	3	-	-	-	-	-	16,368
97/98	18,202	20	17	126	1	18	-	-	-	-	-	18,383
98/99	19,360	12	69	1	59	0	-	-	-	-	-	19,502
99/00	20,221	7	104	-	-	10	-	-	-	-	-	20,342
00/01	23,153	5	-	-	66	-	-	-	-	-	-	23,223
01/02	24,595	20	26	41	5	27	-	-	-	-	-	24,714
02/03	26,654	79	90	7	17	18	-	-	-	-	-	26,865
03/04	25,055	18	213	58	6	32	-	-	-	-	-	25,382
04/05	24,606	35	53	46	18	9	-	-	-	-	-	24,767
05/06	28,634	133	36	(17)	5	23	14	-	-	-	-	28,828
06/07	33,704	92	53	51	16	27	19	12	-	-	-	33,974
07/08	29,633	108	88	56	244	69	61	44	26	-	-	30,330
08/09	27,744	556	133	(148)	372	62	62	55	39	24	-	28,898
09/10	29,208	105	265	85	65	58	58	58	51	37	22	30,011
10/11	27,797	172	142	141	124	52	59	60	60	53	61	28,721
11/12	30,444	296	441	214	221	102	80	92	92	92	175	32,250
12/13	28,327	536	453	325	352	133	80	63	72	72	209	30,622
13/14	23,688	1,727	1,050	508	400	152	121	73	57	66	257	28,098
14/15	15,890	7,215	2,720	638	363	180	173	138	83	65	366	27,830
15/16	7,122	7,456	7,467	1,909	2,444	929	572	549	437	264	1,371	30,520
16/17		9,407	8,535	4,265	2,789	4,011	1,880	1,158	1,111	886	3,310	37,351
17/18			7,300	7,232	4,322	6,603	2,889	1,354	834	800	3,022	34,356
18/19				6,288	5,411	12,363	3,619	1,584	742	457	2,095	32,559
19/20					6,697	13,006	8,154	2,387	1,045	489	1,683	33,461
20/21						7,467	10,057	6,305	1,846	808	1,680	28,163
21/22							7,547	12,967	8,130	2,380	3,208	34,232
22/23								7,627	13,131	8,233	5,658	34,649
23/24									7,708	13,296	14,066	35,071
24/25										7,790	27,708	35,498
Total Insurance Year Paid		28,189	29,352	21,867	24,073	48,521	35,445	34,524	35,465	35,812		
Unpaid Provision						(20,358)	(1,213)	125	(394)	(314)		
Total Insurance Yr Paid & Prov.		28,189	29,352	21,867	24,073	28,163	34,232	34,649	35,071	35,498		
Change in Total Paid			4.13%	-25.50%	10.09%	101.56%	-26.95%	-2.60%	2.73%	0.98%		
Total Insurance Yr Claim Counts		1,516	1,604	2,031	1,405	1,549	1,554	1,587	1,585	1,585		
Average Yearly Ultimate												
Change in Avg Yearly Ult.												

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 3
 Ultimate Claims Incurred - PIPP ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																	Ultimate	Technical IBNR 31-Mar-20	
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204			216
94/95	12,632	13,738	14,605	15,203	15,463	15,581	15,738	15,833	15,812	15,791	15,791	15,776	15,781	15,791	15,690	15,699	15,735	15,852	16,133	44
95/96	13,379	15,849	17,561	18,176	18,508	18,784	19,125	19,390	19,286	19,329	19,316	19,230	19,245	19,362	19,312	19,239	19,264	19,293	19,570	33
96/97	11,852	14,367	15,132	15,726	16,144	16,274	16,210	16,226	16,187	16,127	16,088	16,100	16,068	16,103	16,166	16,060	16,134	16,176	16,368	3
97/98	15,631	16,872	17,311	17,769	17,913	17,914	18,002	17,901	17,814	17,829	17,985	18,014	18,138	18,020	18,026	18,118	18,172	18,169	18,383	9
98/99	14,592	17,112	17,964	18,767	18,879	18,886	19,006	19,144	19,250	19,322	19,324	19,270	19,242	19,274	19,318	19,366	19,426	19,439	19,502	22
99/00	15,614	18,890	19,708	20,142	20,416	20,361	20,353	20,254	20,222	20,222	20,265	20,270	20,178	20,333	20,250	20,233	20,241	20,245	20,342	10
00/01	19,869	20,987	22,438	22,557	22,778	22,803	22,904	22,735	22,824	22,762	22,764	22,730	22,777	23,093	23,121	23,153	23,158	23,158	23,223	59
01/02	19,780	23,358	24,766	24,446	24,277	24,334	24,580	24,545	24,452	24,364	24,325	24,414	24,566	24,625	24,644	24,615	24,642	24,752	24,714	(38)
02/03	21,721	25,935	26,617	26,783	26,635	26,498	26,485	26,425	26,565	26,573	26,707	26,733	26,680	26,690	26,758	26,824	26,841	26,865	26,865	24
03/04	22,183	24,171	24,640	24,592	24,781	24,985	24,822	24,717	24,756	24,954	25,060	25,055	25,200	25,374	25,325	25,361	25,382	25,382	25,382	22
04/05	20,543	23,887	24,760	24,730	24,598	24,624	24,607	24,489	24,537	24,528	24,556	24,636	24,700	24,744	24,761	24,767	24,767	24,767	24,767	7
05/06	23,677	27,928	29,114	29,171	28,709	28,587	28,590	28,778	28,730	28,637	28,696	28,827	28,827	28,804	28,828	28,828	28,828	28,828	28,828	24
06/07	28,500	32,429	33,186	33,099	33,197	33,129	33,444	33,685	33,715	33,800	33,823	33,887	33,929	33,923	33,974	33,974	33,974	33,974	33,974	45
07/08	25,558	29,007	29,342	29,375	29,528	29,743	29,875	29,770	29,860	29,917	29,955	30,026	30,195	30,272	30,330	30,330	30,330	30,330	30,330	304
08/09	22,763	26,736	27,142	27,325	27,916	28,040	27,986	28,154	28,641	28,870	28,433	28,738	28,796	28,854	28,898	28,898	28,898	28,898	28,898	465
09/10	24,268	26,477	28,030	28,982	29,327	29,625	29,393	29,654	29,643	29,725	29,787	29,847	29,906	29,966	30,011	30,011	30,011	30,011	30,011	285
10/11	20,355	24,269	26,986	27,495	27,854	28,014	28,050	28,212	28,320	28,447	28,505	28,562	28,620	28,677	28,721	28,721	28,721	28,721	28,721	401
11/12	22,187	27,319	30,273	30,949	31,221	31,293	31,560	31,719	31,863	31,955	32,017	32,079	32,141	32,203	32,250	32,250	32,250	32,250	32,250	531
12/13	20,915	27,252	29,109	29,423	29,720	29,745	29,987	30,162	30,262	30,348	30,405	30,463	30,521	30,579	30,622	30,622	30,622	30,622	30,622	635
13/14	19,800	25,688	26,341	26,534	26,939	27,353	27,514	27,618	27,722	27,812	27,872	27,932	27,992	28,053	28,098	28,098	28,098	28,098	28,098	745
14/15	17,286	23,959	26,383	27,275	27,185	27,192	27,288	27,385	27,482	27,565	27,621	27,676	27,732	27,788	27,830	27,830	27,830	27,830	27,830	646
15/16	18,464	23,574	29,200	32,589	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	30,520	(2,070)
16/17	20,831	27,909	37,107	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	37,351	244
17/18	19,130	33,152	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	34,356	1,204
18/19	25,814	29,781	30,928	31,382	31,638	31,758	31,879	32,000	32,121	32,226	32,296	32,366	32,436	32,506	32,559	32,559	32,559	32,559	32,559	6,745
19/20	24,146	30,284	31,596	32,115	32,408	32,545	32,683	32,822	32,961	33,080	33,160	33,240	33,321	33,401	33,461	33,461	33,461	33,461	33,461	33,461
20/21	17,583	24,554	26,044	26,634	26,966	27,122	27,279	27,436	27,594	27,730	27,821	27,912	28,003	28,094	28,163	28,163	28,163	28,163	28,163	28,163
21/22	21,372	29,845	31,657	32,374	32,778	32,968	33,158	33,349	33,541	33,706	33,816	33,927	34,038	34,149	34,232	34,232	34,232	34,232	34,232	34,232
22/23	21,632	30,209	32,042	32,768	33,177	33,369	33,562	33,755	33,950	34,117	34,228	34,340	34,452	34,565	34,649	34,649	34,649	34,649	34,649	34,649
23/24	21,896	30,577	32,433	33,167	33,581	33,776	33,971	34,167	34,363	34,532	34,645	34,758	34,872	34,986	35,071	35,071	35,071	35,071	35,071	35,071
24/25	22,162	30,949	32,828	33,571	33,990	34,187	34,384	34,583	34,782	34,953	35,067	35,182	35,297	35,412	35,498	35,498	35,498	35,498	35,498	35,498

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 4
 Yearly Claims Incurred - PIPP ('000)**

Insurance Accident Year	Insurance Year														There- After	Ultimate
	Prior to 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25		
94/95	15,852	85	111	(15)	(5)	18	21	21	44	-	-	-	-	-	-	16,133
95/96	19,264	29	125	(33)	38	80	21	13	33	-	-	-	-	-	-	19,570
96/97	16,060	74	42	36	68	51	17	17	3	-	-	-	-	-	-	16,368
97/98	18,026	92	54	(3)	33	26	10	135	9	-	-	-	-	-	-	18,383
98/99	19,274	45	48	60	13	(1)	6	35	22	-	-	-	-	-	-	19,502
99/00	20,178	155	(82)	(17)	7	4	103	(16)	10	-	-	-	-	-	-	20,342
00/01	22,730	46	317	28	32	5	-	6	59	-	-	-	-	-	-	23,223
01/02	24,325	89	152	58	19	(29)	28	110	(38)	-	-	-	-	-	-	24,714
02/03	26,573	134	26	(53)	10	68	66	17	24	-	-	-	-	-	-	26,865
03/04	24,756	198	106	(4)	145	174	(49)	36	22	-	-	-	-	-	-	25,382
04/05	24,489	48	(9)	28	81	63	44	17	7	-	-	-	-	-	-	24,767
05/06	28,590	188	(47)	(93)	58	131	0	(22)	24	-	-	-	-	-	-	28,828
06/07	33,129	315	241	31	85	23	64	42	(5)	51	-	-	-	-	-	33,974
07/08	29,528	216	132	(106)	90	57	38	71	169	77	58	-	-	-	-	30,330
08/09	27,325	592	124	(54)	168	487	229	(436)	304	58	58	44	-	-	-	28,898
09/10	28,030	952	345	298	(231)	261	(11)	82	62	60	60	60	45	-	-	30,011
10/11	24,269	2,717	508	359	159	37	162	107	128	57	58	58	58	43	-	28,721
11/12	22,187	5,131	2,954	677	272	72	267	159	144	92	62	62	62	62	47	32,250
12/13		20,915	6,337	1,856	314	297	25	242	175	100	86	57	58	58	101	30,622
13/14			19,800	5,888	654	193	405	413	162	104	104	90	60	60	166	28,098
14/15				17,286	6,673	2,424	892	(90)	7	96	96	97	83	56	210	27,830
15/16					18,464	5,110	5,626	3,389	(2,070)	-	-	-	-	-	-	30,520
16/17						20,831	7,078	9,198	244	-	-	-	-	-	-	37,351
17/18							19,130	14,022	1,204	-	-	-	-	-	-	34,356
18/19								25,814	3,967	1,147	454	256	120	121	680	32,559
19/20									24,146	6,138	1,312	519	292	138	916	33,461
20/21										17,583	6,971	1,490	590	332	1,197	28,163
21/22											21,372	8,474	1,811	717	1,858	34,232
22/23												21,632	8,577	1,833	2,607	34,649
23/24													21,896	8,681	4,494	35,071
24/25														22,162	13,336	35,498
Total Insurance Year Inc'd IBNR Provision		32,020	31,285	26,226	27,148	30,382	34,170	53,383	28,855	25,562	30,691	32,838	33,652	34,263		
Total Insurance Yr Inc'd & Prov. Change in Total Inc'd		32,020	31,285	26,226	27,148	30,382	34,170	53,383	28,855	28,163	34,232	34,649	35,071	35,498		
			-2.30%	-16.17%	3.51%	11.91%	12.47%	56.23%	-45.95%	-2.40%	21.55%	1.22%	1.22%	1.22%		
Total Insurance Yr Claim Counts Average Yearly Ultimate Change in Avg Yearly Ult.		1826	1367	1203	1050	1,516	1,604	2,031	1,405	1,549	1,554	1,587	1,585	1,585		

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 5
 Total Unpaid {Excludes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	3,346	3,078	3,124	3,425	3,177	-	-	-	-	-
02/03	35	25	1	11	18	-	-	-	-	-
03/04	162	325	38	17	32	-	-	-	-	-
04/05	98	137	83	20	9	-	-	-	-	-
05/06	186	201	117	59	35	13	-	-	-	-
06/07	289	248	205	140	55	30	11	-	-	-
07/08	449	422	323	288	191	127	69	26	-	-
08/09	656	614	650	341	227	173	114	62	23	-
09/10	505	657	363	316	262	215	161	107	57	22
10/11	580	474	435	361	314	276	222	167	110	59
11/12	1,143	961	751	704	570	494	425	343	258	170
12/13	1,675	1,341	848	830	564	457	387	334	269	202
13/14	3,664	1,916	999	970	648	527	417	354	304	245
14/15	10,731	4,369	2,140	1,367	892	756	599	475	403	347
15/16	18,720	11,784	7,892	7,778	3,666	2,912	2,403	1,910	1,514	1,283
16/17		19,106	13,314	13,665	11,151	7,614	5,896	4,878	3,874	3,071
17/18			21,525	17,568	14,294	8,212	5,486	4,259	3,520	2,795
18/19				27,368	19,776	7,973	4,502	3,016	2,339	1,933
19/20					25,462	13,195	5,260	2,977	1,993	1,546
20/21						19,904	10,205	4,075	2,306	1,544
21/22							25,669	13,175	5,262	2,979
22/23								26,024	13,354	5,336
23/24									26,375	13,534
24/25										26,730
Total	42,239	45,657	52,807	75,227	81,343	62,877	61,827	62,180	61,962	61,796
Change in Total		8.09%	15.66%	42.46%	8.13%	-22.70%	-1.67%	0.57%	-0.35%	-0.27%

Appendix 3 Accident Benefits - Other: Non-Indexed

Table 6
Total Case Reserves (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	258	3,130	3,178	3,481	3,226	-	-	-	-	-
02/03	36	25	1	11	18	-	-	-	-	-
03/04	146	301	39	17	32	-	-	-	-	-
04/05	31	58	50	20	9	-	-	-	-	-
05/06	62	60	24	18	36	14	-	-	-	-
06/07	96	27	38	28	7	31	12	0	0	0
07/08	227	176	126	141	66	73	70	26	(0)	(0)
08/09	410	341	437	149	81	77	74	63	24	0
09/10	185	341	66	63	59	61	63	65	59	22
10/11	216	81	101	67	71	76	74	72	70	61
11/12	777	553	378	323	246	236	218	188	158	128
12/13	1,095	856	429	345	169	136	142	137	122	108
13/14	2,653	1,119	475	380	142	94	77	93	96	91
14/15	8,069	3,278	1,449	722	366	282	206	166	166	156
15/16	11,342	8,996	7,156	8,636	4,122	3,194	2,622	2,073	1,635	1,371
16/17		11,424	9,967	14,901	12,356	8,345	6,465	5,307	4,196	3,310
17/18			11,829	18,620	15,502	8,900	6,010	4,656	3,822	3,022
18/19				19,526	18,082	6,866	3,701	2,373	1,751	1,415
19/20					17,449	10,581	3,739	1,871	1,119	767
20/21						10,115	7,030	2,215	959	483
21/22							13,825	9,331	3,012	1,349
22/23								14,005	9,451	3,051
23/24									14,187	9,572
24/25										14,372
Total	25,603	30,767	35,742	67,448	72,039	49,081	44,326	42,641	40,827	39,279
Change in Total		20.17%	16.17%	88.71%	6.81%	-31.87%	-9.69%	-3.80%	-4.25%	-3.79%

Appendix 3 Accident Benefits - Other: Non-Indexed

Table 7
Total IBNR (Indexed) {Includes PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	132	252	257	288	271	-	-	-	-	-
02/03	2	2	0	1	2	-	-	-	-	-
03/04	34	57	3	1	3	-	-	-	-	-
04/05	78	93	42	1	1	-	-	-	-	-
05/06	145	163	106	47	3	1	-	-	-	-
06/07	226	249	189	126	55	3	1	(0)	(0)	(0)
07/08	275	293	233	178	145	68	6	2	0	0
08/09	324	343	285	230	170	114	53	5	2	(0)
09/10	380	391	339	289	232	177	116	53	5	2
10/11	432	447	384	335	279	230	172	113	52	5
11/12	500	517	459	462	389	314	255	192	127	60
12/13	774	636	516	580	460	375	290	234	176	116
13/14	1,427	1,010	638	701	582	495	389	301	243	182
14/15	3,839	1,568	932	802	630	562	463	365	284	229
15/16	9,418	4,028	1,603	22	(29)	64	65	62	56	59
16/17		9,690	4,755	274	66	174	133	147	133	120
17/18			11,969	816	373	268	127	110	113	102
18/19				10,753	3,798	2,007	1,325	1,001	866	747
19/20					10,710	4,045	2,115	1,452	1,111	963
20/21						11,937	4,281	2,321	1,616	1,244
21/22							14,614	5,273	2,844	1,976
22/23								14,828	5,351	2,887
23/24									15,035	5,431
24/25										15,245
Total	17,986	19,738	22,710	15,907	18,140	20,833	24,405	26,460	28,015	29,367
Change in Total		9.74%	15.06%	-29.96%	14.04%	14.85%	17.14%	8.42%	5.88%	4.83%

Appendix 3 Accident Benefits - Other: Non-Indexed

Table 8
Total IBNR Annual Change (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(48)	120	5	31	(17)	(271)	-	-	-	-
02/03	(29)	(0)	(2)	1	1	(2)	-	-	-	-
03/04	(55)	24	(54)	(1)	1	(3)	-	-	-	-
04/05	(54)	14	(51)	(41)	(1)	(1)	-	-	-	-
05/06	(58)	18	(57)	(59)	(44)	(1)	(1)	-	-	-
06/07	(67)	23	(60)	(63)	(72)	(52)	(1)	(1)	-	-
07/08	(74)	18	(60)	(54)	(33)	(78)	(62)	(3)	(2)	-
08/09	(88)	19	(58)	(56)	(60)	(56)	(61)	(47)	(3)	(2)
09/10	(81)	12	(52)	(50)	(57)	(55)	(61)	(63)	(48)	(3)
10/11	(86)	14	(63)	(49)	(56)	(48)	(58)	(59)	(61)	(47)
11/12	(284)	17	(58)	3	(72)	(75)	(60)	(62)	(65)	(67)
12/13	(679)	(138)	(120)	64	(120)	(86)	(85)	(55)	(58)	(60)
13/14	(2,847)	(418)	(372)	63	(119)	(87)	(106)	(88)	(59)	(61)
14/15	(5,600)	(2,270)	(636)	(130)	(172)	(68)	(99)	(98)	(82)	(54)
15/16	9,418	(5,390)	(2,425)	(1,581)	(51)	93	1	(3)	(6)	3
16/17		9,690	(4,935)	(4,481)	(208)	107	(41)	14	(13)	(14)
17/18			11,969	(11,153)	(443)	(105)	(140)	(18)	4	(12)
18/19				10,753	(6,955)	(1,791)	(681)	(325)	(134)	(120)
19/20					10,710	(6,666)	(1,930)	(662)	(342)	(148)
20/21						11,937	(7,655)	(1,961)	(705)	(371)
21/22							14,614	(9,341)	(2,429)	(868)
22/23								14,828	(9,477)	(2,464)
23/24									15,035	(9,605)
24/25										15,245
Total	(632)	1,752	2,972	(6,803)	2,233	2,694	3,572	2,055	1,555	1,352

Appendix 3
Accident Benefits - Other: Non-Indexed

Table 9
Total Reported Incurred (Indexed) ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	207	154	205	321	142	-	-	-	-	-
02/03	10	68	66	17	24	-	-	-	-	-
03/04	145	174	(49)	36	22	-	-	-	-	-
04/05	81	63	44	17	7	-	-	-	-	-
05/06	58	131	0	(22)	24	-	-	-	-	-
06/07	85	23	64	42	(5)	51	-	-	-	-
07/08	90	57	38	71	169	77	58	-	-	-
08/09	168	487	229	(436)	304	58	58	44	-	-
09/10	(231)	261	(11)	82	62	60	60	60	45	-
10/11	159	37	162	107	128	57	58	58	58	43
11/12	272	72	267	159	144	92	62	62	62	62
12/13	314	297	25	242	175	100	86	57	58	58
13/14	654	193	405	413	162	104	104	90	60	60
14/15	6,673	2,424	892	(90)	7	96	96	97	83	56
15/16	18,464	5,110	5,626	3,389	(2,070)	-	-	-	-	-
16/17		20,831	7,078	9,198	244	-	-	-	-	-
17/18			19,130	14,022	1,204	-	-	-	-	-
18/19				25,814	3,967	1,147	454	256	120	121
19/20					24,146	6,138	1,312	519	292	138
20/21						17,583	6,971	1,490	590	332
21/22							21,372	8,474	1,811	717
22/23								21,632	8,577	1,833
23/24									21,896	8,681
24/25										22,162
Total	27,148	30,382	34,170	53,383	28,855	25,562	30,691	32,838	33,652	34,263
Change in Total		11.91%	12.47%	56.23%	-45.95%	-11.41%	20.06%	7.00%	2.48%	1.82%

Appendix 3
Accident Benefits - Other: Non-Indexed

Table 10
Total Interest Rate Provision for Adverse Deviation {PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	8	7	8	8	8	-	-	-	-	-
02/03	0	0	0	0	0	-	-	-	-	-
03/04	1	2	0	0	0	-	-	-	-	-
04/05	1	1	1	0	0	-	-	-	-	-
05/06	2	2	1	0	0	0	-	-	-	-
06/07	4	3	2	1	0	0	0	-	-	-
07/08	8	6	4	3	1	1	0	0	-	-
08/09	12	10	10	4	2	1	1	0	0	-
09/10	9	12	6	5	3	2	1	1	0	0
10/11	10	8	8	6	5	3	2	1	1	0
11/12	20	16	13	12	9	7	5	3	2	1
12/13	26	22	15	14	10	8	6	4	3	2
13/14	50	29	17	17	11	9	7	5	4	2
14/15	103	57	33	23	17	14	10	8	6	4
15/16	169	106	102	119	67	55	43	33	26	19
16/17		168	116	172	177	143	112	88	68	52
17/18			184	148	178	134	103	81	63	49
18/19				233	162	102	74	57	45	35
19/20					197	111	68	49	37	30
20/21						158	86	53	38	29
21/22							203	112	68	49
22/23								207	113	69
23/24									210	115
24/25										213
Total	424	450	519	764	847	749	722	702	684	670
Change in Total		6.04%	15.38%	47.26%	10.86%	-11.58%	-3.66%	-2.73%	-2.54%	-2.00%

**Appendix 3
 Accident Benefits - Other: Non-Indexed**

**Table 11
 Total Claims Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	180	297	303	335	312	-	-	-	-	-
02/03	3	2	0	1	2	-	-	-	-	-
03/04	16	31	4	2	3	-	-	-	-	-
04/05	10	13	8	2	1	-	-	-	-	-
05/06	19	19	11	6	3	1	-	-	-	-
06/07	29	24	20	14	5	3	1	-	-	-
07/08	45	41	31	28	19	13	7	3	-	-
08/09	66	59	63	33	22	17	11	6	2	-
09/10	50	63	35	31	26	21	16	11	6	2
10/11	58	46	42	35	31	28	22	17	11	6
11/12	114	93	73	69	56	49	42	34	26	17
12/13	168	129	82	81	55	46	39	33	27	20
13/14	366	185	97	95	64	53	42	35	30	25
14/15	1,073	421	208	134	88	76	60	48	40	35
15/16	1,872	1,135	766	761	360	291	240	191	151	128
16/17		1,841	1,293	1,338	1,095	761	590	488	387	307
17/18			2,090	1,720	1,404	821	549	426	352	280
18/19				2,679	1,942	797	450	302	234	193
19/20					2,501	1,319	526	298	199	155
20/21						1,990	1,020	408	231	154
21/22							2,567	1,318	526	298
22/23								2,602	1,335	534
23/24									2,638	1,353
24/25										2,673
Total	4,069	4,399	5,127	7,364	7,989	6,288	6,183	6,218	6,196	6,180
Change in Total		8.09%	16.56%	43.63%	8.49%	-21.29%	-1.67%	0.57%	-0.35%	-0.27%

Appendix 3
Accident Benefits - Other: Non-Indexed

Table 12
Total Provision for Adverse Deviation {PFAD} ('000)

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	188	304	311	344	320	-	-	-	-	-
02/03	4	2	0	1	2	-	-	-	-	-
03/04	18	33	4	2	3	-	-	-	-	-
04/05	11	14	9	2	1	-	-	-	-	-
05/06	21	22	12	6	4	1	-	-	-	-
06/07	33	27	22	15	6	3	1	-	-	-
07/08	53	47	36	31	20	13	7	3	-	-
08/09	78	69	73	38	25	19	12	6	2	-
09/10	60	75	41	36	29	24	17	11	6	2
10/11	68	54	50	41	35	31	24	18	12	6
11/12	134	109	86	81	65	57	48	38	28	18
12/13	194	152	97	95	65	53	45	37	30	22
13/14	416	214	114	111	75	62	49	41	34	27
14/15	1,176	478	241	157	104	89	70	56	46	39
15/16	2,041	1,241	868	880	427	346	283	224	177	148
16/17		2,008	1,408	1,509	1,272	904	701	576	455	359
17/18			2,274	1,868	1,582	955	651	507	415	329
18/19				2,912	2,104	900	524	358	278	228
19/20					2,697	1,431	594	346	237	184
20/21						2,148	1,107	460	268	184
21/22							2,770	1,429	594	347
22/23								2,809	1,449	603
23/24									2,848	1,469
24/25										2,886
Total	4,493	4,848	5,646	8,128	8,836	7,037	6,904	6,920	6,880	6,850
Change in Total		7.90%	16.45%	43.96%	8.71%	-20.36%	-1.88%	0.23%	-0.57%	-0.44%

**Appendix 4
 Basic Collision**

**Table 1
 Ultimate Claims Paid ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical Unpaid at 31-Mar-20
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216		
94/95	86,120	101,955	102,671	103,733	105,102	105,114	105,120	105,122	105,122	105,122	105,122	105,122	105,121	105,121	105,121	105,121	105,121	105,121	105,116	(5)
95/96	99,799	126,529	127,479	127,811	127,838	127,843	127,858	127,869	127,869	127,879	127,879	127,879	127,879	127,879	127,879	127,879	127,879	127,879	127,869	(5)
96/97	95,694	123,967	125,403	125,514	125,558	125,572	125,582	125,585	125,586	125,585	125,584	125,583	125,579	125,579	125,579	125,579	125,580	125,583	125,584	1
97/98	100,574	117,451	118,007	118,090	118,133	118,140	118,145	118,144	118,143	118,134	118,132	118,131	118,129	118,126	118,123	118,122	118,122	118,122	118,119	0
98/99	104,900	124,519	125,011	124,995	124,977	124,935	124,879	124,822	124,789	124,754	124,727	124,699	124,690	124,662	124,647	124,619	124,615	124,611	124,605	(6)
99/00	116,997	137,602	138,074	138,047	137,948	137,866	137,826	137,776	137,701	137,638	137,584	137,542	137,500	137,479	137,465	137,464	137,458	137,457	137,449	(2)
00/01	123,402	152,556	153,089	153,016	152,975	152,857	152,761	152,671	152,614	152,556	152,511	152,479	152,446	152,429	152,412	152,409	152,407	152,393	152,389	(2)
01/02	131,945	161,488	162,161	162,043	161,874	161,767	161,635	161,535	161,455	161,412	161,384	161,329	161,307	161,294	161,289	161,280	161,277	161,275	161,266	(9)
02/03	146,831	179,714	180,387	180,298	180,210	180,081	179,957	179,850	179,787	179,732	179,688	179,638	179,614	179,609	179,589	179,588	179,584	179,584	179,584	(4)
03/04	154,636	193,717	194,748	194,717	194,581	194,416	194,300	194,197	194,108	194,068	194,025	193,990	193,970	193,956	193,942	193,932	193,923	193,924	193,924	(8)
04/05	155,775	201,098	202,178	202,138	202,005	201,873	201,771	201,705	201,694	201,652	201,633	201,629	201,612	201,613	201,603	201,602	201,602	201,602	201,602	(1)
05/06	161,519	202,623	203,686	203,651	203,502	203,359	203,235	203,150	203,099	203,086	203,061	203,050	203,058	203,048	203,043	203,041	203,041	203,041	203,041	(7)
06/07	170,895	223,189	224,689	224,701	224,510	224,466	224,447	224,467	224,455	224,448	224,426	224,444	224,431	224,410	224,416	224,416	224,416	224,416	224,416	(14)
07/08	171,130	231,439	233,171	233,132	233,148	233,212	233,172	233,127	233,121	233,099	233,085	233,068	233,050	233,047	233,047	233,047	233,047	233,047	233,047	(21)
08/09	181,664	239,566	241,628	241,777	241,779	241,720	241,769	241,760	241,757	241,750	241,732	241,728	241,727	241,727	241,727	241,727	241,727	241,727	241,727	(4)
09/10	190,539	240,059	242,341	242,470	242,488	242,487	242,527	242,521	242,510	242,494	242,483	242,479	242,479	242,479	242,479	242,479	242,479	242,479	242,479	(14)
10/11	199,400	267,787	270,479	270,824	271,056	271,155	271,164	271,180	271,211	271,193	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	(7)
11/12	214,272	269,801	272,304	272,876	272,972	273,089	273,138	273,152	273,141	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	(10)
12/13	225,089	306,035	309,624	310,271	310,526	310,628	310,673	310,689	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	22
13/14	241,769	343,166	347,849	348,807	349,189	349,321	349,392	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	91
14/15	246,199	312,218	316,334	317,432	317,673	317,791	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	129
15/16	275,030	347,393	351,192	351,876	352,128	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	404
16/17	295,258	380,284	384,483	385,639	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	1,571
17/18	319,679	402,413	406,881	408,123	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	5,918
18/19	308,184	404,057	408,311	409,342	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	101,331
19/20	363,602	431,119	434,956	435,886	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042
20/21	288,984	369,962	374,564	375,679	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866
21/22	357,201	457,295	462,984	464,363	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594
22/23	367,876	470,962	476,820	478,240	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478
23/24	385,382	493,372	499,509	500,997	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246
24/25	403,732	516,865	523,294	524,853	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114

Appendix 4
Basic Collision
Table 2
Yearly Claims Paid ('000)

Insurance Accident Year	Insurance Year										There- After	Ultimate	
	Prior to 15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25			
94/95	105,121	-	-	-	-	(5)	-	-	-	-	-	-	105,116
95/96	127,874	(0)	-	-	-	(5)	-	-	-	-	-	-	127,869
96/97	125,583	0	-	-	-	1	-	-	-	-	-	-	125,584
97/98	118,122	(3)	-	-	-	0	-	-	-	-	-	-	118,119
98/99	124,611	1	(2)	(0)	(4)	(2)	-	-	-	-	-	-	124,605
99/00	137,458	(1)	-	(5)	(3)	0	-	-	-	-	-	-	137,449
00/01	152,409	(1)	(15)	(2)	(1)	(1)	-	-	-	-	-	-	152,389
01/02	161,289	(9)	(3)	(2)	(4)	(5)	-	-	-	-	-	-	161,266
02/03	179,609	(9)	(11)	(2)	(4)	-	-	-	-	-	-	-	179,584
03/04	193,970	(14)	(14)	(10)	(9)	1	-	-	-	-	-	-	193,924
04/05	201,629	(17)	1	(9)	(2)	1	-	-	-	-	-	-	201,602
05/06	203,061	(12)	9	(10)	(5)	(2)	-	-	-	-	-	-	203,041
06/07	224,448	(22)	18	(14)	(20)	6	-	-	-	-	-	-	224,416
07/08	233,121	(21)	(14)	(17)	(18)	(2)	-	-	-	-	-	-	233,047
08/09	241,760	(3)	(8)	(18)	(4)	(1)	-	-	-	-	-	-	241,727
09/10	242,527	(7)	(11)	(16)	(11)	(3)	-	-	-	-	-	-	242,479
10/11	271,155	10	16	31	(18)	11	-	-	-	-	-	-	271,204
11/12	272,972	118	48	14	(11)	1	-	-	-	-	-	-	273,142
12/13	310,271	255	101	45	16	6	-	-	-	-	-	-	310,694
13/14	347,849	958	382	132	71	20	-	-	-	-	-	-	349,411
14/15	312,218	4,116	1,098	241	118	11	-	-	-	-	-	-	317,802
15/16	275,030	72,363	3,798	684	253	151	-	-	-	-	-	-	352,280
16/17		295,258	85,025	4,199	1,157	415	-	-	-	-	-	-	386,054
17/18			319,679	82,735	4,468	1,242	208	-	-	-	-	-	408,331
18/19				308,184	95,873	4,254	1,032	173	-	-	-	-	409,515
19/20					363,602	67,517	3,837	930	156	-	-	-	436,042
20/21						288,984	80,978	4,602	1,116	187	-	-	375,866
21/22							357,201	100,094	5,688	1,379	231	-	464,594
22/23								367,876	103,085	5,858	1,658	-	478,478
23/24									385,382	107,990	7,874	-	501,246
24/25										403,732	121,382	-	525,114
Total Insurance Year Paid		372,961	410,099	396,159	465,443	362,595	443,256	473,675	495,427	519,147			
Unpaid Provision						13,271	21,338	4,803	5,820	5,967			
Total Insurance Yr Paid & Prov.		372,961	410,099	396,159	465,443	375,866	464,594	478,478	501,246	525,114			
Change in Total Paid			9.96%	-3.40%	17.49%	-22.10%	22.25%	6.86%	4.59%	4.79%			
Total Insurance Yr Claim Counts		104,513	110,857	102,818	111,580	94,351	103,991	104,810	105,143	105,303			
Average Yearly Ultimate													
Change in Avg Yearly Ult.													

**Appendix 4
 Basic Collision**

**Table 3
 Ultimate Claims Incurred ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																		Ultimate	Technical IBNR 31-Mar-20	
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216			
94/95	103,524	102,176	102,724	103,783	105,136	105,140	105,143	105,120	105,120	105,116	105,116	105,116	105,116	105,116	105,116	105,116	105,116	105,116	105,116	105,116	-
95/96	125,975	126,821	127,535	127,812	127,835	127,838	127,854	127,864	127,865	127,875	127,875	127,875	127,875	127,875	127,875	127,875	127,875	127,875	127,875	127,875	-
96/97	124,042	124,274	125,456	125,533	125,573	125,587	125,596	125,601	125,587	125,585	125,585	125,584	125,580	125,580	125,580	125,580	125,581	125,585	125,584	125,584	-
97/98	117,685	117,700	118,036	118,112	118,151	118,158	118,158	118,145	118,144	118,135	118,133	118,131	118,129	118,126	118,124	118,123	118,122	118,122	118,122	118,119	-
98/99	124,898	124,776	125,029	125,003	124,980	124,937	124,877	124,820	124,877	124,752	124,725	124,697	124,688	124,660	124,645	124,617	124,613	124,609	124,605	124,605	(4)
99/00	136,700	137,904	138,143	138,073	137,955	137,903	137,833	137,782	137,708	137,642	137,588	137,545	137,501	137,479	137,466	137,465	137,459	137,458	137,449	137,449	(3)
00/01	149,983	152,903	153,212	153,073	152,986	152,863	152,768	152,677	152,619	152,561	152,510	152,478	152,451	152,433	152,411	152,408	152,407	152,392	152,389	152,389	(1)
01/02	158,514	161,824	162,209	162,067	161,875	161,766	161,634	161,534	161,454	161,411	161,379	161,325	161,302	161,290	161,284	161,275	161,272	161,270	161,266	161,266	(4)
02/03	177,244	180,064	180,457	180,328	180,235	180,102	179,958	179,850	179,787	179,732	179,688	179,614	179,589	179,589	179,589	179,589	179,589	179,589	179,589	179,589	(4)
03/04	189,454	194,070	194,795	194,738	194,590	194,419	194,305	194,200	194,108	194,069	194,025	193,991	193,970	193,956	193,942	193,932	193,924	193,924	193,924	193,924	(9)
04/05	194,940	201,574	202,353	202,240	202,085	201,944	201,823	201,756	201,745	201,703	201,684	201,630	201,614	201,613	201,604	201,602	201,602	201,602	201,602	201,602	(2)
05/06	201,283	203,164	203,746	203,659	203,507	203,360	203,236	203,150	203,099	203,087	203,062	203,050	203,057	203,046	203,041	203,041	203,041	203,041	203,041	203,041	(5)
06/07	220,075	223,943	224,775	224,726	224,525	224,480	224,459	224,474	224,461	224,455	224,432	224,451	224,437	224,416	224,416	224,416	224,416	224,416	224,416	224,416	(20)
07/08	226,358	232,077	233,300	233,164	233,155	233,211	233,172	233,125	233,118	233,097	233,083	233,065	233,047	233,047	233,047	233,047	233,047	233,047	233,047	233,047	(18)
08/09	237,890	240,293	241,745	241,825	241,815	241,729	241,771	241,761	241,758	241,750	241,732	241,727	241,727	241,727	241,727	241,727	241,727	241,727	241,727	241,727	(5)
09/10	237,783	240,773	242,617	242,505	242,501	242,521	242,538	242,523	242,510	242,490	242,479	242,479	242,479	242,479	242,479	242,479	242,479	242,479	242,479	242,479	(11)
10/11	260,480	268,555	270,607	270,877	271,084	271,170	271,174	271,184	271,224	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	271,204	(20)
11/12	266,005	270,556	272,437	272,909	272,982	273,093	273,139	273,155	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	273,142	(12)
12/13	294,980	307,183	309,907	310,381	310,596	310,634	310,691	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	310,694	4
13/14	324,806	344,576	348,084	348,865	349,215	349,350	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	349,411	62
14/15	306,292	313,305	316,521	317,480	317,689	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	317,802	113
15/16	336,810	348,406	351,298	351,888	352,121	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	352,280	392
16/17	367,119	381,520	384,657	385,720	385,887	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	386,054	1,398
17/18	395,183	403,353	406,977	407,943	408,137	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	408,331	4,977
18/19	386,913	404,842	408,198	409,138	409,326	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	409,515	22,602
19/20	421,394	432,090	434,928	435,723	435,882	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042	436,042
20/21	358,604	371,209	374,554	375,491	375,678	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866	375,866
21/22	443,257	458,837	462,972	464,130	464,361	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594	464,594
22/23	456,503	472,550	476,808	478,000	478,239	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478	478,478
23/24	478,226	495,036	499,496	500,745	500,995	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246	501,246
24/25	500,998	518,608	523,281	524,590	524,852	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114	525,114

**Appendix 4
 Basic Collision**

**Table 4
 Yearly Claims Incurred ('000)**

Insurance Accident Year	Insurance Year														There- After	Ultimate	
	Prior to 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25			
94/95	105,116	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,116
95/96	127,872	(0)	-	(3)	-	(0)	-	-	-	-	-	-	-	-	-	-	127,869
96/97	125,580	1	3	(0)	-	0	-	-	-	-	-	-	-	-	-	-	125,584
97/98	118,124	(1)	(1)	0	-	(3)	-	-	-	-	-	-	-	-	-	-	118,119
98/99	124,660	(15)	(28)	(4)	(4)	1	(2)	(0)	(4)	-	-	-	-	-	-	-	124,605
99/00	137,501	(21)	(14)	(1)	(6)	(1)	-	(5)	(3)	-	-	-	-	-	-	-	137,449
00/01	152,478	(27)	(18)	(22)	(3)	(1)	(15)	(2)	(1)	-	-	-	-	-	-	-	152,389
01/02	161,379	(55)	(23)	(12)	(5)	(9)	(3)	(2)	(4)	-	-	-	-	-	-	-	161,266
02/03	179,732	(44)	(49)	(24)	(5)	(9)	(11)	(2)	(4)	-	-	-	-	-	-	-	179,584
03/04	194,108	(39)	(44)	(34)	(21)	(14)	(14)	(10)	(9)	-	-	-	-	-	-	-	193,924
04/05	201,756	(11)	(42)	(18)	(54)	(17)	(0)	(9)	(2)	-	-	-	-	-	-	-	201,602
05/06	203,236	(85)	(51)	(12)	(25)	(12)	7	(11)	(5)	-	-	-	-	-	-	-	203,041
06/07	224,480	(22)	15	(12)	(7)	(23)	19	(14)	(20)	-	-	-	-	-	(14)	-	224,416
07/08	233,155	57	(40)	(47)	(6)	(22)	(14)	(17)	(18)	-	-	-	-	-	-	-	233,047
08/09	241,825	(10)	(86)	42	(10)	(3)	(8)	(18)	(5)	-	-	-	-	-	-	-	241,727
09/10	242,617	(112)	(5)	20	17	(15)	(13)	(20)	(11)	-	-	-	-	-	-	-	242,479
10/11	268,555	2,052	270	206	86	4	10	40	(20)	-	-	-	-	-	-	-	271,204
11/12	266,005	4,552	1,880	472	73	111	46	16	(12)	-	-	-	-	-	-	-	273,142
12/13		294,980	12,204	2,724	473	215	38	57	4	-	-	-	-	-	-	-	310,694
13/14			324,806	19,770	3,508	781	349	135	62	-	-	-	-	-	-	-	349,411
14/15				306,292	7,014	3,216	959	209	113	-	-	-	-	-	-	-	317,802
15/16					336,810	11,596	2,892	591	233	159	-	-	-	-	-	-	352,280
16/17						367,119	14,401	3,136	1,063	167	167	-	-	-	-	-	386,054
17/18							395,183	8,171	3,623	967	194	194	-	-	-	-	408,331
18/19								386,913	17,929	3,356	940	188	189	-	-	-	409,515
19/20									421,394	10,696	2,838	795	159	159	-	-	436,042
20/21										358,604	12,605	3,345	937	188	188	-	375,866
21/22											443,257	15,581	4,134	1,158	464	-	464,594
22/23												456,503	16,046	4,258	1,670	-	478,478
23/24													478,226	16,810	6,210	-	501,246
24/25														500,998	24,116	-	525,114
Total Insurance Year Inc'd IBNR Provision		301,198	338,778	329,336	347,835	382,916	413,823	399,157	444,302	373,949	460,001	476,606	499,691	523,570			
Total Insurance Yr Inc'd & Prov. Change in Total Inc'd		301,198	338,778	329,336	347,835	382,916	413,823	399,157	444,302	375,866	464,594	478,478	501,246	525,114			
			12.48%	-2.79%	5.62%	10.09%	8.07%	-3.54%	11.31%	-15.40%	23.61%	2.99%	4.76%	4.76%			
Total Insurance Yr Claim Counts Average Yearly Ultimate Change in Avg Yearly Ult.		108045	109542	110179	102043	104,513	110,857	102,818	111,580	94,351	103,991	104,810	105,143	105,303			

**Appendix 4
 Basic Collision**

**Table 5
 Total Unpaid {Excludes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(2)	(16)	(16)	(16)	(16)	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	1	1	1	1	1	-	-	-	-	-
04/05	2	2	1	1	1	-	-	-	-	-
05/06	1	1	(1)	(2)	(2)	-	-	-	-	-
06/07	7	6	6	6	6	-	-	-	-	-
07/08	(2)	(2)	(2)	(2)	(2)	-	-	-	-	-
08/09	(118)	1	0	0	(1)	-	-	-	-	-
09/10	(105)	3	0	(3)	(3)	-	-	-	-	-
10/11	(111)	9	4	13	11	-	-	-	-	-
11/12	(113)	4	1	2	1	-	-	-	-	-
12/13	(40)	221	6	18	6	-	-	-	-	-
13/14	464	394	25	29	19	-	-	-	-	-
14/15	3,869	947	359	16	11	-	-	-	-	-
15/16	72,748	4,903	1,133	362	149	-	-	-	-	-
16/17		88,205	5,686	1,304	409	-	-	-	-	-
17/18			92,861	5,661	1,422	205	-	-	-	-
18/19				95,317	5,335	1,186	171	-	-	-
19/20					71,165	4,837	1,070	154	-	-
20/21						85,695	5,802	1,284	185	-
21/22							105,931	7,175	1,587	228
22/23								109,144	7,393	1,635
23/24									114,374	7,747
24/25										119,856
Total	76,601	94,679	100,065	102,707	78,512	91,923	112,972	117,757	123,538	129,467
Change in Total		23.60%	5.69%	2.64%	-23.56%	17.08%	22.90%	4.23%	4.91%	4.80%

**Appendix 4
 Basic Collision**

**Table 6
 Total Case Reserves (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(16)	(16)	(16)	(16)	(16)	-	-	-	-	-
02/03	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
03/04	1	1	1	1	1	-	-	-	-	-
04/05	2	2	1	1	1	-	-	-	-	-
05/06	1	1	(1)	(2)	(2)	-	-	-	-	-
06/07	7	6	7	6	6	-	-	-	-	-
07/08	(2)	(2)	(2)	(2)	(2)	-	-	-	-	-
08/09	1	1	0	0	(1)	-	-	-	-	-
09/10	11	3	0	(3)	(3)	-	-	-	-	-
10/11	15	10	4	13	11	-	-	-	-	-
11/12	10	4	1	3	1	-	-	-	-	-
12/13	109	70	6	18	6	-	-	-	-	-
13/14	236	58	26	29	20	-	-	-	-	-
14/15	1,088	187	48	16	11	-	-	-	-	-
15/16	61,780	1,013	106	13	(8)	-	-	-	-	-
16/17		71,861	1,237	174	80	(167)	-	-	-	-
17/18			75,504	940	95	(180)	(194)	-	-	-
18/19				78,729	786	(113)	(204)	(189)	-	-
19/20					57,793	971	(27)	(163)	(159)	-
20/21						69,621	1,248	(10)	(189)	(188)
21/22							86,055	1,542	(12)	(233)
22/23								88,627	1,588	(12)
23/24									92,844	1,664
24/25										97,265
Total	63,241	73,196	76,921	79,919	58,778	70,132	86,877	89,808	94,072	98,496
Change in Total		15.74%	5.09%	3.90%	-26.45%	19.32%	23.88%	3.37%	4.75%	4.70%

**Appendix 4
 Basic Collision**

**Table 7
 Total IBNR (Indexed) {Includes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	(1)	(1)	(1)	(1)	-	-	-	-	-
02/03	-	0	0	0	0	-	-	-	-	-
03/04	0	0	0	0	0	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	0	0	(0)	(0)	(0)	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
08/09	(128)	0	0	0	(0)	-	-	-	-	-
09/10	(125)	0	0	(0)	(0)	-	-	-	-	-
10/11	(136)	1	0	1	1	-	-	-	-	-
11/12	(133)	0	0	0	0	-	-	-	-	-
12/13	(153)	169	0	1	0	-	-	-	-	-
13/14	256	367	2	2	1	-	-	-	-	-
14/15	3,078	836	339	1	1	-	-	-	-	-
15/16	16,613	4,277	1,116	377	168	-	-	-	-	-
16/17		23,205	4,897	1,233	360	167	-	-	-	-
17/18			24,582	5,167	1,437	401	194	-	-	-
18/19				24,008	4,969	1,391	388	189	-	-
19/20					18,912	4,246	1,181	329	159	-
20/21						22,747	5,010	1,394	388	188
21/22							28,123	6,198	1,723	479
22/23								29,015	6,386	1,775
23/24									30,434	6,693
24/25										31,923
Total	19,273	28,854	30,937	30,789	25,849	28,952	34,896	37,123	39,091	41,059
Change in Total		49.71%	7.22%	-0.48%	-16.05%	12.01%	20.53%	6.38%	5.30%	5.03%

**Appendix 4
 Basic Collision**

**Table 8
 Total IBNR Annual Change (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	(1)	0	(0)	(0)	1	-	-	-	-
02/03	-	0	-	-	-	(0)	-	-	-	-
03/04	(0)	(0)	(0)	0	0	(0)	-	-	-	-
04/05	(3)	(0)	(0)	0	0	(0)	-	-	-	-
05/06	(0)	(0)	(0)	(0)	(0)	0	-	-	-	-
06/07	(0)	(0)	0	(0)	0	(0)	-	-	-	-
07/08	0	(0)	(0)	(0)	(0)	0	-	-	-	-
08/09	0	128	(0)	0	(0)	0	-	-	-	-
09/10	129	125	(0)	(0)	(0)	0	-	-	-	-
10/11	286	136	(0)	1	(0)	(1)	-	-	-	-
11/12	427	133	(0)	0	(0)	(0)	-	-	-	-
12/13	450	321	(168)	1	(1)	(0)	-	-	-	-
13/14	(1,712)	111	(366)	0	(1)	(1)	-	-	-	-
14/15	(10,881)	(2,242)	(496)	(338)	(0)	(1)	-	-	-	-
15/16	16,613	(12,336)	(3,161)	(739)	(209)	(168)	-	-	-	-
16/17		23,205	(18,308)	(3,664)	(873)	(192)	(167)	-	-	-
17/18			24,582	(19,415)	(3,730)	(1,036)	(207)	(194)	-	-
18/19				24,008	(19,039)	(3,578)	(1,003)	(199)	(189)	-
19/20					18,912	(14,666)	(3,065)	(852)	(169)	(159)
20/21						22,747	(17,736)	(3,617)	(1,006)	(200)
21/22							28,123	(21,925)	(4,474)	(1,244)
22/23								29,015	(22,629)	(4,611)
23/24									30,434	(23,741)
24/25										31,923
Total	5,309	9,581	2,083	(148)	(4,941)	3,103	5,944	2,228	1,967	1,968

**Appendix 4
 Basic Collision**

**Table 9
 Total Reported Incurred (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(18)	(13)	(19)	(10)	(12)	-	-	-	-	-
02/03	(5)	(9)	(11)	(2)	(4)	-	-	-	-	-
03/04	(21)	(14)	(14)	(10)	(9)	-	-	-	-	-
04/05	(54)	(17)	(0)	(9)	(2)	-	-	-	-	-
05/06	(25)	(12)	7	(11)	(5)	-	-	-	-	-
06/07	(7)	(23)	19	(14)	(20)	-	-	-	-	-
07/08	(6)	(22)	(14)	(17)	(18)	-	-	-	-	-
08/09	(10)	(3)	(8)	(18)	(5)	-	-	-	-	-
09/10	17	(15)	(13)	(20)	(11)	-	-	-	-	-
10/11	86	4	10	40	(20)	-	-	-	-	-
11/12	73	111	46	16	(12)	-	-	-	-	-
12/13	473	215	38	57	4	-	-	-	-	-
13/14	3,508	781	349	135	62	-	-	-	-	-
14/15	7,014	3,216	959	209	113	-	-	-	-	-
15/16	336,810	11,596	2,892	591	233	159	-	-	-	-
16/17		367,119	14,401	3,136	1,063	167	167	-	-	-
17/18			395,183	8,171	3,623	967	194	194	-	-
18/19				386,913	17,929	3,356	940	188	189	-
19/20					421,394	10,696	2,838	795	159	159
20/21						358,604	12,605	3,345	937	188
21/22							443,257	15,581	4,134	1,158
22/23								456,503	16,046	4,258
23/24									478,226	16,810
24/25										500,998
Total	347,835	382,916	413,823	399,157	444,302	373,949	460,001	476,606	499,691	523,570
Change in Total		10.09%	8.07%	-3.54%	11.31%	-15.83%	23.01%	3.61%	4.84%	4.78%

**Appendix 4
 Basic Collision**

**Table 10
 Total Interest Rate Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	0	0	0	0	0	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	0	0	(0)	(0)	(0)	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
08/09	(0)	0	0	0	(0)	-	-	-	-	-
09/10	(1)	0	0	(0)	(0)	-	-	-	-	-
10/11	(1)	0	0	0	0	-	-	-	-	-
11/12	(2)	0	0	0	0	-	-	-	-	-
12/13	(1)	1	0	0	0	-	-	-	-	-
13/14	(7)	2	0	0	0	-	-	-	-	-
14/15	7	5	1	0	0	-	-	-	-	-
15/16	189	19	4	1	0	-	-	-	-	-
16/17		245	21	5	1	-	-	-	-	-
17/18			261	21	4	1	-	-	-	-
18/19				271	19	4	0	-	-	-
19/20					202	18	3	0	-	-
20/21						245	21	4	0	-
21/22							303	26	5	1
22/23								312	27	5
23/24									327	28
24/25										343
Total	184	271	287	299	227	267	328	343	360	377
Change in Total		47.53%	6.08%	3.92%	-24.06%	17.58%	22.84%	4.63%	4.96%	4.86%

**Appendix 4
 Basic Collision**

**Table 11
 Total Claims Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	(1)	(1)	(1)	(1)	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	0	0	0	0	0	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	0	0	(0)	(0)	(0)	-	-	-	-	-
06/07	1	0	0	0	0	-	-	-	-	-
07/08	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
08/09	(9)	0	0	0	(0)	-	-	-	-	-
09/10	(8)	0	0	(0)	(0)	-	-	-	-	-
10/11	(8)	1	0	1	1	-	-	-	-	-
11/12	(8)	0	0	0	0	-	-	-	-	-
12/13	(3)	17	0	1	0	-	-	-	-	-
13/14	35	30	2	2	1	-	-	-	-	-
14/15	290	71	27	1	1	-	-	-	-	-
15/16	5,456	368	85	27	11	-	-	-	-	-
16/17		6,615	426	98	31	-	-	-	-	-
17/18			6,965	425	107	15	-	-	-	-
18/19				7,149	400	89	13	-	-	-
19/20					5,337	363	80	12	-	-
20/21						6,427	435	96	14	-
21/22							7,945	538	119	17
22/23								8,186	554	123
23/24									8,578	581
24/25										8,989
Total	5,745	7,101	7,505	7,703	5,888	6,894	8,473	8,832	9,265	9,710
Change in Total		23.60%	5.69%	2.64%	-23.56%	17.08%	22.90%	4.23%	4.91%	4.80%

**Appendix 4
 Basic Collision**

**Table 12
 Total Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	(1)	(1)	(1)	(1)	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	0	0	0	0	0	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	0	0	(0)	(0)	(0)	-	-	-	-	-
06/07	1	0	1	0	0	-	-	-	-	-
07/08	(0)	(0)	(0)	(0)	(0)	-	-	-	-	-
08/09	(9)	0	0	0	(0)	-	-	-	-	-
09/10	(9)	0	0	(0)	(0)	-	-	-	-	-
10/11	(10)	1	0	1	1	-	-	-	-	-
11/12	(10)	0	0	0	0	-	-	-	-	-
12/13	(4)	17	0	1	0	-	-	-	-	-
13/14	28	31	2	2	1	-	-	-	-	-
14/15	297	76	28	1	1	-	-	-	-	-
15/16	5,645	387	89	28	12	-	-	-	-	-
16/17		6,861	448	103	32	-	-	-	-	-
17/18			7,225	446	111	16	-	-	-	-
18/19				7,420	420	93	13	-	-	-
19/20					5,539	380	84	12	-	-
20/21						6,672	456	100	14	-
21/22							8,247	564	124	18
22/23								8,498	582	128
23/24									8,905	610
24/25										9,332
Total	5,929	7,372	7,792	8,002	6,115	7,161	8,801	9,175	9,625	10,087
Change in Total		24.34%	5.70%	2.69%	-23.58%	17.10%	22.90%	4.25%	4.91%	4.80%

Appendix 5
 Basic Property Damage

Table 1
 Ultimate Claims Paid ('000)

Insurance Accident Year	Months Since Beginning of Accident Year																	Technical Unpaid at 31-Mar-20		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204		216	Ultimate
94/95	12,135	18,073	18,558	18,696	18,710	18,706	18,711	18,711	18,717	18,717	18,717	18,717	18,716	18,715	18,715	18,715	18,715	18,715	18,725	11
95/96	13,720	21,215	21,658	21,769	21,839	21,909	21,967	21,967	21,966	21,966	21,966	21,968	21,968	21,968	21,968	21,967	21,967	21,967	21,967	(4)
96/97	12,910	20,799	21,288	21,542	21,606	21,727	21,735	21,735	21,735	21,734	21,733	21,732	21,732	21,732	21,731	21,732	21,732	21,732	21,729	(3)
97/98	14,156	20,077	20,885	20,951	20,953	20,955	20,953	20,953	20,948	20,955	20,953	20,953	20,952	20,951	20,951	20,951	20,951	20,951	20,956	2
98/99	15,764	22,041	22,711	22,758	22,741	22,731	22,731	22,804	22,796	22,791	22,775	22,769	22,768	22,768	22,767	22,758	22,756	22,763	22,760	(1)
99/00	15,892	21,972	22,364	22,408	22,391	22,392	22,388	22,364	22,350	22,347	22,336	22,313	22,307	22,303	22,297	22,297	22,296	22,296	22,294	1
00/01	16,519	24,929	25,772	25,838	25,846	25,820	25,804	25,793	25,790	25,784	25,777	25,764	25,761	25,756	25,752	25,756	25,753	25,751	25,749	(2)
01/02	16,546	25,207	25,599	25,780	25,773	25,773	25,769	25,753	25,746	25,741	25,736	25,731	25,728	25,725	25,722	25,722	25,722	25,722	25,721	(1)
02/03	18,730	27,597	28,092	28,085	28,133	28,118	28,109	28,092	28,080	28,073	28,070	28,067	28,064	28,061	28,059	28,057	28,057	28,055	28,055	(2)
03/04	18,993	28,813	29,622	29,635	29,620	29,615	29,603	29,585	29,572	29,563	29,574	29,568	29,566	29,564	29,561	29,559	29,557	29,556	29,556	(2)
04/05	18,242	28,445	29,510	29,581	29,601	29,661	29,653	29,644	29,637	29,632	29,625	29,621	29,617	29,615	29,608	29,607	29,607	29,607	29,607	(1)
05/06	18,707	28,553	29,581	30,336	30,358	30,335	30,333	30,315	30,306	30,302	30,298	30,296	30,292	30,289	30,286	30,286	30,286	30,286	30,286	(3)
06/07	20,009	31,897	33,426	33,607	33,611	33,599	33,591	33,586	33,585	33,581	33,579	33,574	33,569	33,562	33,563	33,563	33,563	33,563	33,563	(6)
07/08	19,426	32,210	33,604	33,784	34,041	34,058	34,056	34,253	34,250	34,240	34,238	34,228	34,353	34,355	34,355	34,355	34,355	34,355	34,355	127
08/09	20,382	33,764	35,384	35,674	35,782	35,840	35,841	35,849	35,847	35,880	35,922	36,013	36,014	36,014	36,014	36,014	36,014	36,014	36,014	92
09/10	21,932	33,089	34,462	34,913	34,931	34,924	34,947	34,945	34,944	34,936	34,926	34,935	34,935	34,935	34,935	34,935	34,935	34,935	34,935	(0)
10/11	21,420	35,388	36,991	37,080	37,108	37,077	37,162	37,167	37,155	37,144	37,352	37,352	37,352	37,352	37,352	37,352	37,352	37,352	37,352	197
11/12	23,155	35,292	36,905	37,370	37,416	37,457	37,475	37,466	37,449	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	(34)
12/13	23,572	38,611	40,890	41,096	41,540	41,614	41,776	41,858	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	40
13/14	23,093	42,107	44,850	45,364	45,404	45,419	45,585	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	200
14/15	23,110	38,121	40,561	40,757	40,856	40,892	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	184
15/16	24,289	38,931	40,787	40,976	41,015	41,020	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	46
16/17	24,887	41,369	43,079	43,643	43,685	43,718	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	655
17/18	27,412	43,165	45,484	45,995	46,156	46,285	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	3,185
18/19	24,379	40,788	42,686	42,989	43,084	43,160	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	18,819
19/20	27,507	39,557	41,192	41,452	41,534	41,600	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633
20/21	19,793	32,297	33,994	34,264	34,349	34,417	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	
21/22	24,884	40,604	42,737	43,077	43,184	43,270	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	
22/23	25,073	40,913	43,062	43,405	43,512	43,599	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	
23/24	25,196	41,114	43,274	43,618	43,726	43,813	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	
24/25	25,323	41,320	43,491	43,836	43,945	44,032	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	

**Appendix 5
 Basic Property Damage**

**Table 2
 Yearly Claims Paid ('000)**

Insurance Accident Year	Insurance Year										There- After	Ultimate	
	Prior to 15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25			
94/95	18,715	-	-	-	-	11	-	-	-	-	-	-	18,725
95/96	21,971	0	-	-	-	(4)	-	-	-	-	-	-	21,967
96/97	21,732	-	-	-	-	(3)	-	-	-	-	-	-	21,729
97/98	20,951	3	-	-	-	2	-	-	-	-	-	-	20,956
98/99	22,763	(1)	(0)	-	(1)	(1)	-	-	-	-	-	-	22,760
99/00	22,296	(0)	(2)	(1)	0	1	-	-	-	-	-	-	22,294
00/01	25,756	(4)	(2)	-	(1)	(1)	-	-	-	-	-	-	25,749
01/02	25,722	(0)	-	(1)	(1)	1	-	-	-	-	-	-	25,721
02/03	28,061	(2)	(3)	(0)	(2)	-	-	-	-	-	-	-	28,055
03/04	29,566	(2)	(3)	(2)	(2)	(0)	-	-	-	-	-	-	29,556
04/05	29,621	(4)	(2)	(8)	(1)	1	-	-	-	-	-	-	29,607
05/06	30,298	(3)	(3)	(4)	(3)	-	-	-	-	-	-	-	30,286
06/07	33,581	(2)	(5)	(4)	(7)	0	-	-	-	-	-	-	33,563
07/08	34,250	(9)	(2)	(10)	125	2	-	-	-	-	-	-	34,355
08/09	35,849	(2)	33	42	92	1	-	-	-	-	-	-	36,014
09/10	34,947	(2)	(2)	(8)	(10)	10	-	-	-	-	-	-	34,935
10/11	37,077	85	5	(11)	(11)	208	-	-	-	-	-	-	37,352
11/12	37,416	41	18	(9)	(16)	(18)	-	-	-	-	-	-	37,432
12/13	41,096	444	74	162	82	(42)	-	-	-	-	-	-	41,816
13/14	44,850	514	40	14	166	34	-	-	-	-	-	-	45,619
14/15	38,121	2,440	196	99	36	148	-	-	-	-	-	-	41,040
15/16	24,289	14,643	1,856	189	40	4	2	-	-	-	-	-	41,022
16/17		24,887	16,483	1,710	564	41	33	17	-	-	-	-	43,734
17/18			27,412	15,753	2,320	511	161	129	65	-	-	-	46,350
18/19				24,379	16,408	1,899	302	95	76	38	-	-	43,198
19/20					27,507	12,050	1,635	260	82	66	33	-	41,633
20/21						19,793	12,504	1,697	270	85	102	-	34,451
21/22							24,884	15,720	2,133	339	236	-	43,312
22/23								25,073	15,840	2,149	579	-	43,642
23/24									25,196	15,918	2,742	-	43,856
24/25										25,323	18,753	-	44,076
Total Insurance Year Paid		43,028	46,091	42,290	47,286	34,645	39,521	42,991	43,662	43,918			
Unpaid Provision						(194)	3,791	651	194	158			
Total Insurance Yr Paid & Prov.		43,028	46,091	42,290	47,286	34,451	43,312	43,642	43,856	44,076			
Change in Total Paid			7.12%	-8.25%	11.81%	-26.73%	14.08%	8.78%	1.56%	0.59%			
Total Insurance Yr Claim Counts		38,619	41,685	37,377	40,571	39,404	39,815	40,222	40,649	41,081			
Average Yearly Ultimate													
Change in Avg Yearly Ult.													

**Appendix 5
 Basic Property Damage**

**Table 3
 Ultimate Claims Incurred ('000)**

Insurance Accident Year	Months Since Beginning of Accident Year																	Ultimate	Technical IBNR 31-Mar-20	
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204			216
94/95	18,444	18,693	18,919	18,777	18,743	18,732	18,724	18,724	18,727	18,727	18,727	18,726	18,725	18,725	18,725	18,725	18,725	18,725	18,725	-
95/96	21,232	21,846	22,006	22,020	22,001	21,924	21,981	21,964	21,962	21,962	21,962	21,964	21,964	21,964	21,964	21,964	21,964	21,964	21,964	-
96/97	21,176	21,981	22,142	21,843	21,838	21,734	21,743	21,742	21,742	21,741	21,740	21,739	21,739	21,739	21,738	21,739	21,739	21,739	21,739	-
97/98	20,783	20,914	20,974	21,171	21,161	21,162	21,160	21,159	21,153	20,957	20,955	20,955	20,954	20,954	20,954	20,953	20,953	20,953	20,956	-
98/99	24,640	22,807	22,898	22,851	22,877	22,863	22,839	22,806	22,797	22,792	22,776	22,770	22,769	22,768	22,767	22,758	22,756	22,762	22,760	(1)
99/00	21,829	22,316	22,571	22,522	22,483	22,396	22,392	22,368	22,352	22,350	22,338	22,315	22,308	22,304	22,298	22,297	22,297	22,297	22,294	0
00/01	24,202	25,988	26,091	26,035	25,853	25,826	25,805	25,795	25,791	25,784	25,777	25,764	25,761	25,756	25,751	25,755	25,752	25,750	25,749	(1)
01/02	23,330	25,874	26,091	25,928	25,891	25,885	25,880	25,764	25,757	25,751	25,736	25,732	25,729	25,726	25,723	25,723	25,723	25,722	25,721	(1)
02/03	26,507	28,211	28,377	28,292	28,176	28,155	28,133	28,115	28,100	28,083	28,080	28,076	28,064	28,051	28,059	28,057	28,057	28,055	28,055	(2)
03/04	26,875	29,371	29,802	29,721	29,691	29,661	29,615	29,598	29,573	29,564	29,575	29,568	29,566	29,564	29,560	29,558	29,556	29,556	29,556	(2)
04/05	26,870	29,464	29,778	29,754	29,724	29,684	29,675	29,667	29,660	29,655	29,630	29,626	29,618	29,616	29,608	29,607	29,607	29,607	29,607	(1)
05/06	27,296	30,009	30,568	30,461	30,462	30,422	30,420	30,402	30,327	30,302	30,298	30,296	30,292	30,289	30,286	30,286	30,286	30,286	30,286	(3)
06/07	30,353	32,950	33,713	33,683	33,629	33,616	33,606	33,587	33,586	33,582	33,580	33,574	33,570	33,563	33,563	33,563	33,563	33,563	33,563	(7)
07/08	31,001	33,885	34,663	34,514	34,369	34,310	34,308	34,305	34,302	34,292	34,290	34,280	34,355	34,355	34,355	34,355	34,355	34,355	34,355	75
08/09	31,313	35,494	36,386	36,172	36,076	36,053	36,134	35,985	35,983	36,015	35,972	36,014	36,014	36,014	36,014	36,014	36,014	36,014	36,014	42
09/10	31,417	34,547	35,051	35,149	35,162	35,136	34,958	34,956	34,954	34,945	34,935	34,935	34,935	34,935	34,935	34,935	34,935	34,935	34,935	(10)
10/11	31,920	36,416	37,298	37,350	37,390	37,334	37,370	37,374	37,363	37,352	37,352	37,352	37,352	37,352	37,352	37,352	37,352	37,352	37,352	(11)
11/12	32,720	36,567	37,398	37,475	37,495	37,563	37,531	37,522	37,450	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	37,432	(90)
12/13	35,555	40,460	41,413	41,643	41,789	41,851	41,946	41,858	41,837	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	41,816	(130)
13/14	36,055	43,495	45,113	45,477	45,681	45,686	45,685	45,663	45,641	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	45,619	(68)
14/15	33,873	39,978	40,951	41,027	41,069	41,105	41,105	41,083	41,062	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	41,040	(29)
15/16	33,904	40,071	41,090	41,092	41,022	40,915	40,915	40,951	40,986	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	41,022	(70)
16/17	34,757	42,433	43,338	43,658	43,734	43,792	43,792	43,773	43,753	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	43,734	396
17/18	38,289	44,729	46,173	46,271	46,350	46,409	46,409	46,389	46,369	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	46,350	1,621
18/19	34,490	41,884	43,004	43,112	43,198	43,264	43,264	43,242	43,220	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	43,198	8,709
19/20	35,960	40,720	41,498	41,573	41,633	41,678	41,678	41,663	41,648	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633	41,633
20/21	27,966	33,407	34,297	34,382	34,451	34,503	34,503	34,485	34,468	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	34,451	
21/22	35,159	42,000	43,118	43,226	43,313	43,378	43,378	43,356	43,334	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	43,312	
22/23	35,427	42,320	43,446	43,555	43,642	43,708	43,708	43,686	43,664	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	43,642	
23/24	35,601	42,528	43,660	43,769	43,856	43,922	43,922	43,900	43,878	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	43,856	
24/25	35,779	42,741	43,878	43,988	44,076	44,142	44,142	44,120	44,098	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	44,076	

Appendix 5
Basic Property Damage
Table 4
Yearly Claims Incurred ('000)

Insurance Accident Year	Insurance Year															There- After	Ultimate
	Prior to 11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25			
94/95	18,725	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,725
95/96	21,964	-	-	3	-	0	-	-	-	-	-	-	-	-	-	-	21,967
96/97	21,739	-	-	-	-	-	(10)	-	-	-	-	-	-	-	-	-	21,729
97/98	20,954	(1)	-	-	-	2	-	-	-	-	-	-	-	-	-	-	20,956
98/99	22,768	(0)	(10)	(2)	6	(1)	(0)	-	(1)	-	-	-	-	-	-	-	22,760
99/00	22,308	(3)	(6)	(1)	(1)	(0)	(2)	(1)	0	-	-	-	-	-	-	-	22,294
00/01	25,764	(3)	(5)	(5)	5	(4)	(2)	-	(1)	-	-	-	-	-	-	-	25,749
01/02	25,736	(4)	(3)	(3)	(3)	(0)	-	(1)	(1)	-	-	-	-	-	-	-	25,721
02/03	28,083	(3)	(3)	(12)	(3)	(2)	(3)	(0)	(2)	-	-	-	-	-	-	-	28,055
03/04	29,573	(9)	11	(7)	(3)	(2)	(4)	(2)	(2)	-	-	-	-	-	-	-	29,556
04/05	29,667	(7)	(5)	(24)	(4)	(9)	(2)	(8)	(1)	-	-	-	-	-	-	-	29,607
05/06	30,420	(18)	(75)	(25)	(4)	(3)	(3)	(4)	(3)	-	-	-	-	-	-	-	30,286
06/07	33,616	(11)	(19)	(1)	(4)	(2)	(6)	(4)	(7)	-	-	-	-	-	-	-	33,563
07/08	34,369	(59)	(2)	(3)	(4)	(9)	(2)	(10)	75	-	-	-	-	-	-	-	34,355
08/09	36,172	(96)	(23)	81	(149)	(2)	33	(43)	42	-	-	-	-	-	-	-	36,014
09/10	35,051	98	13	(25)	(178)	(2)	(2)	(9)	(10)	-	-	-	-	-	-	-	34,935
10/11	36,416	882	52	41	(56)	36	5	(11)	(11)	-	-	-	-	-	-	-	37,352
11/12	32,720	3,847	831	77	20	68	(32)	(9)	(71)	(19)	-	-	-	-	-	-	37,432
12/13		35,555	4,905	953	230	146	62	95	(88)	(21)	(21)	-	-	-	-	-	41,816
13/14			36,055	7,439	1,618	364	204	5	(1)	(22)	(22)	(22)	-	-	-	-	45,619
14/15				33,873	6,106	973	76	42	36	-	(22)	(22)	(22)	-	-	-	41,040
15/16					33,904	6,167	1,019	2	(70)	(106)	-	36	36	35	-	-	41,022
16/17						34,757	7,676	905	320	77	58	-	(19)	(19)	(19)	-	43,734
17/18							38,289	6,440	1,444	98	79	59	-	(20)	(40)	-	46,350
18/19								34,490	7,395	1,120	108	87	65	-	(65)	-	43,198
19/20									35,960	4,759	778	75	60	45	(45)	-	41,633
20/21										27,966	5,441	889	86	69	(0)	-	34,451
21/22											35,159	6,841	1,118	108	86	-	43,312
22/23												35,427	6,893	1,126	196	-	43,642
23/24													35,601	6,927	1,329	-	43,856
24/25														35,779	8,297	-	44,076
Total Insurance Year Inc'd		40,166	41,716	42,359	41,481	42,478	47,295	41,877	45,004	33,851	41,558	43,370	43,818	44,051			
IBNR Provision										600	1,755	272	39	25			
Total Insurance Yr Inc'd & Prov.		40,166	41,716	42,359	41,481	42,478	47,295	41,877	45,004	34,451	43,312	43,642	43,856	44,076			
Change in Total Inc'd			3.86%	1.54%	-2.07%	2.40%	11.34%	-11.46%	7.47%	-23.45%	25.72%	0.76%	0.49%	0.50%			
Total Insurance Yr Claim Counts		41663	41863	39707	38460	38,619	41,685	37,377	40,571	39,404	39,815	40,222	40,649	41,081			
Average Yearly Ultimate																	
Change in Avg Yearly Ult.																	

**Appendix 5
 Basic Property Damage**

**Table 5
 Total Unpaid {Excludes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	10	14	5	5	5	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	-	-	(0)	(0)	(0)	-	-	-	-	-
04/05	6	0	0	0	0	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	1	1	0	0	0	-	-	-	-	-
07/08	34	51	51	51	2	-	-	-	-	-
08/09	98	116	133	50	0	-	-	-	-	-
09/10	(40)	(24)	(7)	10	10	-	-	-	-	-
10/11	168	149	167	186	205	-	-	-	-	-
11/12	(15)	31	(0)	18	(17)	-	-	-	-	-
12/13	446	144	153	107	(42)	-	-	-	-	-
13/14	237	7	187	198	33	-	-	-	-	-
14/15	2,874	356	242	186	146	-	-	-	-	-
15/16	16,152	2,162	404	197	6	2	-	-	-	-
16/17		16,721	2,226	455	87	49	16	-	-	-
17/18			18,595	2,839	835	345	190	64	-	-
18/19				18,345	2,349	498	204	112	38	-
19/20					13,830	2,034	429	176	97	33
20/21						14,419	2,111	445	182	101
21/22							18,130	2,656	560	229
22/23								18,277	2,677	565
23/24									18,374	2,692
24/25										18,472
Total	19,972	19,729	22,157	22,646	17,449	17,347	21,080	21,730	21,928	22,091
Change in Total		-1.22%	12.31%	2.21%	-22.95%	-0.59%	21.52%	3.09%	0.91%	0.74%

**Appendix 5
 Basic Property Damage**

**Table 6
 Total Case Reserves (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	15	15	5	5	5	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	0	0	(0)	(0)	(0)	-	-	-	-	-
04/05	6	1	1	1	1	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	1	1	0	0	0	-	-	-	-	-
07/08	52	52	52	52	2	-	-	-	-	-
08/09	136	136	136	51	1	-	-	-	-	-
09/10	11	11	10	10	10	-	-	-	-	-
10/11	257	208	208	208	208	-	-	-	-	-
11/12	79	106	56	56	1	-	-	-	-	-
12/13	547	249	237	170	0	21	-	-	-	-
13/14	263	113	277	267	100	45	22	-	-	-
14/15	1,858	391	270	213	213	65	43	22	-	-
15/16	9,615	1,140	303	116	6	(104)	(107)	(71)	(35)	-
16/17		9,870	1,064	259	14	50	74	58	38	19
17/18			10,877	1,564	689	276	194	124	59	40
18/19				10,110	1,097	318	123	115	103	65
19/20					8,453	1,163	306	121	99	78
20/21						8,173	1,110	303	119	102
21/22							10,275	1,396	381	149
22/23								10,354	1,407	384
23/24									10,405	1,413
24/25										10,457
Total	12,839	12,290	13,494	13,081	10,799	10,005	12,042	12,420	12,575	12,708
Change in Total		-4.28%	9.80%	-3.06%	-17.45%	-7.35%	20.35%	3.14%	1.25%	1.05%

**Appendix 5
 Basic Property Damage**

**Table 7
 Total IBNR (Indexed) {Includes PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	0	1	0	0	0	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	-	(0)	(0)	(0)	(0)	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	(16)	2	2	2	0	-	-	-	-	-
08/09	(32)	(14)	5	2	0	-	-	-	-	-
09/10	(53)	(36)	(18)	0	0	-	-	-	-	-
10/11	(78)	(51)	(31)	(12)	8	-	-	-	-	-
11/12	(95)	(74)	(56)	(37)	(19)	-	-	-	-	-
12/13	(78)	(97)	(76)	(58)	(44)	(21)	-	-	-	-
13/14	(13)	(106)	(80)	(59)	(66)	(45)	(22)	-	-	-
14/15	1,170	(15)	(15)	(17)	(59)	(65)	(43)	(22)	-	-
15/16	7,396	1,138	123	92	0	107	107	71	35	-
16/17		7,743	1,281	221	78	2	(57)	(58)	(38)	(19)
17/18			8,709	1,429	193	88	6	(57)	(59)	(40)
18/19				9,214	1,379	208	92	4	(64)	(65)
19/20					6,115	982	147	65	3	(44)
20/21						7,016	1,115	167	74	4
21/22							8,822	1,404	210	93
22/23								8,900	1,416	212
23/24									8,951	1,424
24/25										9,002
Total	8,201	8,492	9,844	10,777	7,585	8,272	10,167	10,474	10,528	10,568
Change in Total		3.55%	15.92%	9.48%	-29.62%	9.05%	22.91%	3.02%	0.51%	0.38%

**Appendix 5
 Basic Property Damage**

**Table 8
 Total IBNR Annual Change (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	(0)	0	(0)	0	0	(0)	-	-	-	-
02/03	(0)	-	-	-	-	-	-	-	-	-
03/04	-	(0)	(0)	(0)	(0)	0	-	-	-	-
04/05	(0)	(0)	(0)	0	0	(0)	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	(0)	(0)	(0)	0	0	(0)	-	-	-	-
07/08	(0)	18	(0)	0	(2)	(0)	-	-	-	-
08/09	(3)	19	19	(3)	(2)	(0)	-	-	-	-
09/10	(0)	17	18	18	0	(0)	-	-	-	-
10/11	11	28	19	20	20	(8)	-	-	-	-
11/12	20	21	18	20	18	19	-	-	-	-
12/13	45	(19)	21	18	14	23	21	-	-	-
13/14	(962)	(92)	25	21	(6)	21	22	22	-	-
14/15	(5,532)	(1,185)	(0)	(2)	(42)	(5)	22	22	22	-
15/16	7,396	(6,258)	(1,015)	(31)	(92)	106	(0)	(36)	(36)	(35)
16/17		7,743	(6,462)	(1,061)	(143)	(77)	(59)	(1)	19	19
17/18			8,709	(7,280)	(1,236)	(105)	(81)	(63)	(3)	20
18/19				9,214	(7,834)	(1,171)	(116)	(88)	(67)	(2)
19/20					6,115	(5,133)	(835)	(82)	(62)	(47)
20/21						7,016	(5,901)	(948)	(93)	(70)
21/22							8,822	(7,418)	(1,193)	(117)
22/23								8,900	(7,484)	(1,203)
23/24									8,951	(7,526)
24/25										9,002
Total	975	291	1,352	933	(3,192)	686	1,895	307	54	39

**Appendix 5
 Basic Property Damage**

**Table 9
 Total Reported Incurred (Indexed) ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	7	(2)	(14)	(1)	(2)	-	-	-	-	-
02/03	(3)	(2)	(3)	(0)	(2)	-	-	-	-	-
03/04	(3)	(2)	(4)	(2)	(2)	-	-	-	-	-
04/05	(4)	(9)	(2)	(8)	(1)	-	-	-	-	-
05/06	(4)	(3)	(3)	(4)	(3)	-	-	-	-	-
06/07	(4)	(2)	(6)	(4)	(7)	-	-	-	-	-
07/08	(4)	(9)	(2)	(10)	75	-	-	-	-	-
08/09	(149)	(2)	33	(43)	42	-	-	-	-	-
09/10	(178)	(2)	(2)	(9)	(10)	-	-	-	-	-
10/11	(56)	36	5	(11)	(11)	-	-	-	-	-
11/12	20	68	(32)	(9)	(71)	(19)	-	-	-	-
12/13	230	146	62	95	(88)	(21)	(21)	-	-	-
13/14	1,618	364	204	5	(1)	(22)	(22)	(22)	-	-
14/15	6,106	973	76	42	36	-	(22)	(22)	(22)	-
15/16	33,904	6,167	1,019	2	(70)	(106)	-	36	36	35
16/17		34,757	7,676	905	320	77	58	-	(19)	(19)
17/18			38,289	6,440	1,444	98	79	59	-	(20)
18/19				34,490	7,395	1,120	108	87	65	-
19/20					35,960	4,759	778	75	60	45
20/21						27,966	5,441	889	86	69
21/22							35,159	6,841	1,118	108
22/23								35,427	6,893	1,126
23/24									35,601	6,927
24/25										35,779
Total	41,481	42,478	47,295	41,877	45,004	33,851	41,558	43,370	43,818	44,051
Change in Total		2.40%	11.34%	-11.46%	7.47%	-24.78%	22.77%	4.36%	1.03%	0.53%

**Appendix 5
 Basic Property Damage**

**Table 10
 Total Interest Rate Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	0	0	0	0	0	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	-	-	(0)	(0)	(0)	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	0	0	0	0	0	-	-	-	-	-
08/09	0	0	0	0	0	-	-	-	-	-
09/10	(0)	(0)	(0)	0	0	-	-	-	-	-
10/11	2	0	0	0	0	-	-	-	-	-
11/12	(0)	0	(0)	0	(0)	-	-	-	-	-
12/13	0	1	0	0	(0)	-	-	-	-	-
13/14	1	0	0	0	0	-	-	-	-	-
14/15	10	2	1	1	0	-	-	-	-	-
15/16	52	8	2	1	0	0	-	-	-	-
16/17		56	8	3	1	0	0	-	-	-
17/18			61	12	5	2	1	0	-	-
18/19				62	10	3	1	0	0	-
19/20					47	8	3	1	0	0
20/21						49	9	3	1	0
21/22							62	11	3	1
22/23								62	11	3
23/24									63	11
24/25										63
Total	66	67	73	80	62	63	75	78	79	79
Change in Total		2.22%	9.15%	9.03%	-21.86%	0.42%	19.65%	3.45%	1.38%	0.98%

**Appendix 5
 Basic Property Damage**

**Table 11
 Total Claims Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	0	1	0	0	0	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	-	-	(0)	(0)	(0)	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	2	3	3	3	0	-	-	-	-	-
08/09	5	6	7	2	0	-	-	-	-	-
09/10	(2)	(1)	(0)	0	0	-	-	-	-	-
10/11	8	7	8	9	10	-	-	-	-	-
11/12	(1)	2	(0)	1	(1)	-	-	-	-	-
12/13	22	7	8	5	(2)	-	-	-	-	-
13/14	12	0	9	10	2	-	-	-	-	-
14/15	144	18	12	9	7	-	-	-	-	-
15/16	808	108	20	10	0	0	-	-	-	-
16/17		836	111	23	4	2	1	-	-	-
17/18			930	142	42	17	9	3	-	-
18/19				917	117	25	10	6	2	-
19/20					691	102	21	9	5	2
20/21						721	106	22	9	5
21/22							906	133	28	11
22/23								914	134	28
23/24									919	135
24/25										924
Total	999	986	1,108	1,132	872	867	1,054	1,087	1,096	1,105
Change in Total		-1.22%	12.31%	2.21%	-22.95%	-0.59%	21.52%	3.09%	0.91%	0.74%

**Appendix 5
 Basic Property Damage**

**Table 12
 Total Provision for Adverse Deviation {PFAD} ('000)**

Insurance Accident Year	Insurance Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
01/02 and Prior	1	1	0	0	0	-	-	-	-	-
02/03	-	-	-	-	-	-	-	-	-	-
03/04	-	-	(0)	(0)	(0)	-	-	-	-	-
04/05	0	0	0	0	0	-	-	-	-	-
05/06	-	-	-	-	-	-	-	-	-	-
06/07	0	0	0	0	0	-	-	-	-	-
07/08	2	3	3	3	0	-	-	-	-	-
08/09	5	6	7	3	0	-	-	-	-	-
09/10	(2)	(1)	(0)	0	0	-	-	-	-	-
10/11	10	8	9	10	11	-	-	-	-	-
11/12	(1)	2	(0)	1	(1)	-	-	-	-	-
12/13	23	8	8	6	(2)	-	-	-	-	-
13/14	13	0	10	10	2	-	-	-	-	-
14/15	154	19	13	10	8	-	-	-	-	-
15/16	860	116	22	11	0	0	-	-	-	-
16/17		892	119	25	5	3	1	-	-	-
17/18			991	154	47	19	10	3	-	-
18/19				980	127	28	11	6	2	-
19/20					738	110	24	10	5	2
20/21						770	114	25	10	5
21/22							968	144	31	13
22/23								976	145	32
23/24									981	146
24/25										987
Total	1,064	1,054	1,181	1,212	935	930	1,129	1,164	1,175	1,184
Change in Total		-1.00%	12.11%	2.63%	-22.88%	-0.52%	21.39%	3.11%	0.94%	0.76%

PUB (MPI) 1-6

Part and Chapter:	LA.2.3.1 Investment Income Excluding Interest Rate Impacts	Page No.:	15 of 24
PUB Approved Issue No:			
Topic:	Investment Income		
Sub Topic:			

Preamble to IR:**Question:**

With regards to investment income, please provide more information on how the changes from the October 9th update to the SRA II are calculated for 2020/21 and for each of the rating years.

Rationale for Question:

To understand changes in forecasted investment income.

RESPONSE:

The change in investment income from the October 9th update to the SRA II represents one more month of actual income within the 2020/21 projection.

In addition, investment balances for each asset class, the Government of Canada 10-year bond yield and marketable bond spreads were updated within the Financial Model to reflect September 30, 2020 actual values and to project the remainder of investment income for 2020/21 and the subsequent forecast.

All other investment income forecasting assumptions were unchanged from the 2021 GRA submission.

PUB (MPI) 1-7

Part and Chapter:	LA.2.3.1 Figure 9 PUB (MPI) 2-21 (2021 GRA)	Page No.:	15 of 24
PUB Approved Issue No:			
Topic:	Basic Line of Business Investment Income		
Sub Topic:			

Preamble to IR:**Question:**

Please provide an update to PUB (MPI) 2-21(e) Figure 2 (2021 GRA) reflecting the change in previously written down investments to the end of September and October 2020, with a narrative description of changes.

Rationale for Question:

To understand changes in investment returns on 2020/21 financial forecast.

RESPONSE:

The market value per unit at September 30, 2020 and October 31, 2020, for all previously written down investments, continues to exceed the value at March 31, 2020. At a corporate level, the total market value at October 31, 2020 increased by \$79.9 million, \$42.5 million of which was due to the change in market value per unit and \$37.4 million of which due to the change in the number of units held.

Please see *Appendices 1 and 2*.

Appendix 1:
Change in Previously Written Down Investments
Between March 31, 2020 and September 30, 2020

Line No.	Security	Units @ 31-Mar-20	Closing Market Value per unit @ 31-Mar-20	Closing Market Value @ 31-Mar-20	Original Book Value @ 31-Mar-20	Writedown @ 31-Mar-20	Units @ 30-Sep-20	Market Value per unit @ 30-Sep-20	Market Value @ 30-Sep-20	Change in Units from March to Sep 30, 2020	Change in Market Value per unit from March to Sep 30, 2020	Change in Market Value from March to Sep 30, 2020
1	Basic											
2	ACADIAN GLOBAL MANAGED VOL	2,025,425	10.5364	21,340,687	24,077,535	(2,736,848)	2,026,263	11.6715	23,649,523	838	1.1351	2,308,836
3	ACADIAN GLOBAL MANAGED VOL	3,131,287	10.5364	32,992,493	37,699,490	(4,706,997)	3,131,287	11.6715	36,546,816	-	1.1351	3,554,323
4	ADDENDA CORP BOND POOLED	3,837,737	9.3850	36,017,163	37,114,547	(1,097,384)	4,456,642	10.1656	45,304,437	618,905	0.7806	9,287,274
5	ADDENDA CORP L/T BOND POOLED	5,285,661	11.9120	62,962,795	66,893,020	(3,930,225)	5,373,925	13.5306	72,712,434	88,264	1.6186	9,749,639
6	FGP Canadian Equity Fund 1001	213,589	93.0180	19,867,611	29,287,664	(9,420,053)	218,812	102.5250	22,433,694	5,223	9.5070	2,566,083
7	FGP Canadian Equity Fund 1001	285,146	93.0180	26,523,712	38,682,941	(12,159,229)	291,998	102.5250	29,937,074	6,852	9.5070	3,413,362
8	QV CANADIAN SMALL CAP FUND	280,172	19.4303	5,443,826	7,380,927	(1,937,101)	285,095	24.1503	6,885,126	4,923	4.7200	1,441,300
9	QV CANADIAN SMALL CAP FUND	245,152	19.4303	4,763,379	6,458,353	(1,694,974)	456,393	24.1503	11,022,035	211,241	4.7200	6,258,656
10	SUNLIFE PRIV FIXED INC PLUS	1,871,126	10.8024	20,212,656	20,734,173	(521,517)	2,358,208	11.5769	27,300,743	487,082	0.7745	7,088,087
11	SUNLIFE LT PRIV FIXED INC PLUS	5,676,471	10.4776	59,475,797	63,947,813	(4,472,016)	6,034,642	11.7756	71,061,535	358,171	1.2980	11,585,738
12	Total - Basic			289,600,119	332,276,463	(42,676,344)			346,853,417			57,253,298
13	Non-Basic											
14	ACADIAN GLOBAL MANAGED VOL	676,655	10.5364	7,129,506	8,043,833	(914,327)	675,817	11.6715	7,887,800	(838)	1.1351	758,294
15	ACADIAN GLOBAL MANAGED VOL	3,167,689	10.5364	33,376,042	37,193,715	(3,817,673)	3,167,689	11.6715	36,971,686	-	1.1351	3,595,644
16	ADDENDA CORP BOND POOLED	1,493,108	9.3850	14,012,819	14,329,334	(316,515)	1,513,024	10.1656	15,380,796	19,916	0.7806	1,367,977
17	ADDENDA CORP L/T BOND POOLED	1,765,836	11.9120	21,034,637	22,347,648	(1,313,011)	1,792,360	13.5306	24,251,700	26,524	1.6186	3,217,063
18	FGP Canadian Equity Fund 1001	71,356	93.0180	6,637,380	9,784,435	(3,147,055)	72,980	102.5250	7,482,286	1,624	9.5070	844,906
19	FGP Canadian Equity Fund 1001	248,085	93.0180	23,076,347	34,017,781	(10,941,434)	254,046	102.5250	26,046,063	5,961	9.5070	2,969,716
20	QV CANADIAN SMALL CAP FUND	93,600	19.4303	1,818,676	2,465,823	(647,147)	95,087	24.1503	2,296,389	1,487	4.7200	477,713
21	QV CANADIAN SMALL CAP FUND	325,421	19.4303	6,323,037	8,572,991	(2,249,954)	331,003	24.1503	7,993,810	5,581	4.7200	1,670,773
22	SUNLIFE PRIV FIXED INC PLUS	939,527	10.8024	10,149,147	10,392,618	(243,471)	1,216,822	11.5769	14,087,028	277,295	0.7745	3,937,881
23	SUNLIFE LT PRIV FIXED INC PLUS	1,896,398	10.4776	19,869,699	21,363,712	(1,494,013)	2,012,728	11.7756	23,701,077	116,330	1.2980	3,831,378
24	Total - Non-Basic			143,427,290	168,511,891	(25,084,601)			166,098,635			22,671,345
25	Total			433,027,409	500,788,354	(67,760,945)			512,952,052			79,924,643

**Appendix 2:
Change in Previously Written Down Investments
Between March 31, 2020 and September 30, 2020**

Line No.	Security	Units @ 31-Mar-20	Closing Market Value per unit @ 31-Mar-20	Closing Market Value @ 31-Mar-20	Original Book Value @ 31-Mar-20	Writedown @ 31-Mar-20	Units @ 30-Sep-20	Market Value per unit @ 30-Sep-20	Market Value @ 30-Sep-20	Change in Units from March to Sep 30, 2020	Change in Market Value per unit from March to Sep 30, 2020	Change in Market Value from March to Sep 30, 2020
1	Basic											
2	ACADIAN GLOBAL MANAGED VOL	2,025,425	10.5364	21,340,687	24,077,535	(2,736,848)	2,026,263	11.2752	22,846,516	838	0.7388	1,505,829
3	ACADIAN GLOBAL MANAGED VOL	3,131,287	10.5364	32,992,493	37,699,490	(4,706,997)	3,131,287	11.2752	35,305,887	-	0.7388	2,313,394
4	ADDENDA CORP BOND POOLED	3,837,737	9.3850	36,017,163	37,114,547	(1,097,384)	4,469,768	10.0768	45,040,958	632,031	0.6918	9,023,795
5	ADDENDA CORP L/T BOND POOLED	5,285,661	11.9120	62,962,795	66,893,020	(3,930,225)	5,392,705	13.2108	71,241,948	107,044	1.2988	8,279,153
6	FGP Canadian Equity Fund 1001	213,589	93.0180	19,867,611	29,287,664	(9,420,053)	219,855	100.7930	22,159,860	6,266	7.7750	2,292,249
7	FGP Canadian Equity Fund 1001	285,146	93.0180	26,523,712	38,682,941	(12,159,229)	293,390	100.7930	29,571,651	8,244	7.7750	3,047,939
8	QV CANADIAN SMALL CAP FUND	280,172	19.4303	5,443,826	7,380,927	(1,937,101)	285,095	23.9952	6,840,908	4,923	4.5649	1,397,082
9	QV CANADIAN SMALL CAP FUND	245,152	19.4303	4,763,379	6,458,353	(1,694,974)	456,393	23.9952	10,951,248	211,241	4.5649	6,187,869
10	SUNLIFE PRIV FIXED INC PLUS	1,871,126	10.8024	20,212,656	20,734,173	(521,517)	2,697,350	11.5684	31,204,022	826,223	0.7660	10,991,366
11	SUNLIFE LT PRIV FIXED INC PLUS	5,676,471	10.4776	59,475,797	63,947,813	(4,472,016)	6,072,917	11.8204	71,784,304	396,445	1.3428	12,308,507
12	Total - Basic			289,600,119	332,276,463	(42,676,344)			346,947,302			57,347,183
13	Non-Basic											
14	ACADIAN GLOBAL MANAGED VOL	676,655	10.5364	7,129,506	8,043,833	(914,327)	675,817	11.2752	7,619,974	(838)	0.7388	490,468
15	ACADIAN GLOBAL MANAGED VOL	3,167,689	10.5364	33,376,042	37,193,715	(3,817,673)	3,167,689	11.2752	35,716,331	-	0.7388	2,340,289
16	ADDENDA CORP BOND POOLED	1,493,108	9.3850	14,012,819	14,329,334	(316,515)	1,517,480	10.0768	15,291,345	24,372	0.6918	1,278,526
17	ADDENDA CORP L/T BOND POOLED	1,765,836	11.9120	21,034,637	22,347,648	(1,313,011)	1,798,623	13.2108	23,761,250	32,787	1.2988	2,726,613
18	FGP Canadian Equity Fund 1001	71,356	93.0180	6,637,380	9,784,435	(3,147,055)	73,328	100.7930	7,390,954	1,972	7.7750	753,574
19	FGP Canadian Equity Fund 1001	248,085	93.0180	23,076,347	34,017,781	(10,941,434)	255,257	100.7930	25,728,134	7,172	7.7750	2,651,787
20	QV CANADIAN SMALL CAP FUND	93,600	19.4303	1,818,676	2,465,823	(647,147)	95,087	23.9952	2,281,641	1,487	4.5649	462,965
21	QV CANADIAN SMALL CAP FUND	325,421	19.4303	6,323,037	8,572,991	(2,249,954)	331,003	23.9952	7,942,471	5,581	4.5649	1,619,434
22	SUNLIFE PRIV FIXED INC PLUS	939,527	10.8024	10,149,147	10,392,618	(243,471)	1,409,635	11.5684	16,307,225	470,108	0.7660	6,158,078
23	SUNLIFE LT PRIV FIXED INC PLUS	1,896,398	10.4776	19,869,699	21,363,712	(1,494,013)	2,025,493	11.8204	23,942,141	129,095	1.3428	4,072,442
24	Total - Non-Basic			143,427,290	168,511,891	(25,084,601)			165,981,466			22,554,176
25	Total			433,027,409	500,788,354	(67,760,945)			512,928,768			79,901,359

PUB (MPI) 1-8

Part and Chapter:	LA.2.4 Net Interest Rate Impact	Page No.:	16 of 24
PUB Approved Issue No:			
Topic:	Net Interest Rate Impact		
Sub Topic:			

Preamble to IR:**Question:**

- a) What are the changes in the interest rate assumptions causing interest rate impacts on claims incurred?
- b) In light of the changes in the forecast, please confirm that there was no change in the new money yield forecast. If changed, please provide an update on the new money yield and the impact on the indicated rate.

Rationale for Question:

To understand net interest rate impact.

RESPONSE:

- a) The claims discount rate is forecasted to fall to 2.39% at the end of 2020/21. This rate, down from 3.09% in 2019/20, results in an unfavourable impact to claims incurred.
- b) The new money yield decreased by 1 basis point, from 1.94% at the October 9, 2020 Rate Update, to 1.93% as at under the current forecast. In light of the slight change and recognizing the scope of the current rebate application, MPI did not alter the 2021/22 break even rate indication of 3.76%.

PUB (MPI) 1-9

Part and Chapter:	LA.4.1, Figure 15	Page No.:	Page 23 of 24
PUB Approved Issue No:			
Topic:	Rebates impact on Major Class		
Sub Topic:			

Preamble to IR:**Question:**

Please confirm that Figure 15 is correct, as it appears to be showing a rebate using a 9.28% rate instead of the 6% rate in column 7.

Rationale for Question:

To understand impact of rebate on each Major Class.

RESPONSE:

On page 22 of the 2021 Special Rebate Application II, MPI states:

"If the rebate is approved, customers who meet the above criteria will receive an approximate 6% rebate of their Basic earned premium during this period."

MPI submits that this statement should be revised as follows:

*"If the rebate is approved, customers who meet the above criteria will receive an approximate **9.3%** rebate of their Basic earned premium during this period (**between March 16, 2020 and November 21, 2020**)."*

Confusion arises in this case because the proposed rebate is *equivalent* to approximately 6% of *annualized* premiums (i.e. MPI is rebating \$69 million, which reflects about 6% of annual premium). However, the actual rebate calculation reflects 9.3% applied to earned premiums in the eight month earning period from March 16 to November 21. MPI believes that the 6% figure is easier for customers to understand because it is how a rate reduction is presented and similar to the manner in which previous rebates have been announced.

Further, Figure 1 below is a revision to Figure 15 from the 2021 Special Rebate Application II.

Figure 1 Average Dollar Rebate by Major Class

Line No.	Major Class	2021 Rate Model			2019 Average Rate	Avg Rate for Earning Period from Mar 16, 2020 to Nov 21, 2020	Avg \$ Rebate for Earning Period from Mar 16, 2020 to Nov 21, 2020
		Number of Vehicles	2020 Total Premiums	2020 Average Rate			
1	[1]	[2]	[3]	[4]	[5]	[6]	[7]
2	Private Passenger	812,577	962,170,215	1,184	1,195	1,191	76
3	Commercial	46,597	38,585,701	828	823	825	53
4	Public	12,562	26,896,699	2,141	1,940	2,016	129
5	Motorcycles	17,694	14,986,833	847	806	821	77
6	Trailers	209,135	16,060,505	77	81	79	5
7	ORVs	71,939	503,573	7	8	8	0
8	[5] = [4] / (1 + Major Class average change from the 2020 GRA compliance filing)						
9	[6] = 62.5% * [5] + 37.5% * [4] based on the assumption of uniform renewals throughout the year						
10	[7] = [6] * 9.33% * 251 days / 365 days for all major classes except Motorcycles;						
11	[7] = [6] * 9.33% for Motorcycles given that the entire premium is earned in the Earning Period						

CMMG (MPI) 1-1

Part and Chapter:	LA.4	Page No.:	22 of 24 Line 15-16
PUB Approved Issue No:	Rebate Rules		
Topic:			
Sub Topic:			

Preamble to IR:

MPI stated "If a policy is not earning premium during this period, the customer pays no premium and no financial relief is justified."

The concept of an 'earned premium' discussed in detail during the Special Rebate Application in May.

Question:

- a) Please clarify whether the period within which a premium is earned represents the same period within which a premium is paid by an insured.
- b) Please clarify whether the period within which a premium is earned represents the same period within which an insured is covered by the policy.

Rationale for Question:

To ensure accuracy of the information provided in the Special Rebate Application II.

RESPONSE:

- a) An insured may pay their premium at various times. Some insureds pay their entire premium before their policy is in-force, while others may pay their premium

monthly or quarterly. The earning of premium reflects when customers are *billed* by MPI for their policies. This distinction is important. If MPI used the amount *paid*, rather than the amount *earned*, customers who paid for their policies prior to the start of the pandemic (for example), would receive no rebate because they paid no premiums during the rebate period. However, since these insureds were clearly exposed and their policies were earning premium, MPI believes they should be entitled to the rebate. For motorcycles, the entire earning period is between May 1 and September 30 of each year. Therefore, 100% of motorcycle premium is earned during the pandemic period used to calculate this rebate.

- b) Not in all cases. Motorcycles continue to have coverage even when premium is not being earned (e.g. motorcycles earn premium in May through September, but have coverage all year if their policy remains in-force).

CMMG (MPI) 1-2

Part and Chapter:	LA. 4, LA.5	Page No.:	22 & 23
PUB Approved Issue No:			
Topic:	Rebate Rules, Implementation Strategy		
Sub Topic:			

Preamble to IR:

Board Order 67/20 required MPI to issue a rebate to ratepayers with policies in force on March 15, 2020. In Board Order 71/20 the Board found (among other things) that “the fact that MPI, for accounting purposes, does not consider a premium to be earned until the riding season was not persuasive to the Board” to be determinative of those insureds eligible for the rebate.

MPI has submitted in this application that those policy holders who have a Basic policy in force and earning premiums between March 16, 2020 and November 21, 2020 will qualify for the rebate. MPI has estimated that approximately 675,000 customers will qualify for the rebate under these rules.

Question:

How many customers does MPI estimate would qualify for the rebate where the rebate is instead granted based on all policy holders with a Basic policy in force between March 16, 2020 and November 21, 2020?

Rationale for Question:

To provide alternatives for eligibility criteria for the proposed rebate.

RESPONSE:

MPI used the *in-force* methodology in Special Rebate Application (SRA) I because there was a limited amount of pandemic-related experience. Although MPI advocated that use of this approach within the context of that SRA was the best available option, it acknowledges its downsides. For example, a customer who cancelled their policy the week before the selected in-force date would not qualify for the rebate under this approach.

For the SRA II, MPI has nine months of policyholder data that it can use to calculate the appropriate rebate. MPI will rebate customers a consistent percentage of the premium their policies actually earned over the rebate period, rather than a percentage of the premium in-force on a particular date. This approach is consistent with how MPI has calculated past rebates, with the exception that this rebate reflects earned premiums over a specific period (i.e. the pandemic period) rather than a given rating year of earned premium.

See response to [CMMG 1-1](#) for an explanation of why earned premium is the appropriate method for the rebate in this SRA. MPI believes that it would not be appropriate to calculate the rebate using Basic policies in-force over the pandemic period.

CAC (MPI) 1-1

Part and Chapter:	LA.2.2	Page No.:	P.12, lines 1-8; 2021 GRA Tx: P320 L18 to P321 L21
PUB Approved Issue No:			
Topic:	Proposed Rebate		
Sub Topic:	PIPP savings assumptions		

Preamble to IR:

"In this Application, unlike the evidence heard at the 2021 GRA, MPI assumes a direct one-to-one correlation between collision, PD and PIPP claims (in terms of costs). Even though it has been harder to predict a precise correlation between both – owing to a lag in the reporting of these claims (especially PIPP claims) – MPI submits that this correlation continues to exist. Regarding PD claims, MPI expects a higher decrease, of 19.6%, as compared to the 2021 GRA Rate Update. Based on these assumptions, the projected Basic ultimate claims savings from April 1, 2020 through March 31, 2021 is \$58.6 million."

And

18 MR. LUKE JOHNSTON: Yeah. As soon as
 19 we went through this chart this morning, I -- I was
 20 thinking, well, we should have at least had another
 21 line that showed collision by itself because that
 22 largely is what we're talking about, how -- you know,
 23 how much fewer crashes are we seeing.
 24 So, as I mentioned, there has been
 25 favourable results from prior years' PIPP, and some of

 1 those are COVID related, and I'll explain.
 2 If you're getting rehabilitation of
 3 some kind and the physio place is closed, it's hard to
 4 -- to do that. So we did have some of those early

5 months where those payments stopped happening, so
6 there are some impacts there.
7 But other impacts could be non-COVID
8 related. You know, we've talked about better, you
9 know, claims control and claims handling and such.
10 With the current PIPP year, my caution
11 would be we have to do the October valuation. And if
12 we are seeing more serious claims, we may, you know,
13 have to post in an IBNR provision for -- for there
14 being more serious loss claims which could be an
15 unfavourable adjustment to PIPP. I'm not saying it
16 will be, but that -- that piece hasn't been done.
17 That aside, that's kind of why I'd say
18 focus on the -- on the collision claims itself. I
19 would expect PIPP to follow eventually with that
20 trend, but short-term fluctuations in PIPP, you should
21 be cautious, yeah.

Question:

- a) Please explain if the \$69 million rebate proposed assumes that all favourable PIPP Program savings are related to favourable COVID-19 experience.
- b) Please confirm that the first Special Rebate Application relied on that same assumption as a) above.
- c) Please confirm that MPI's evidence in the 2021 GRA hearing was that PIPP savings were less attributable (or at least the attribution was less certain) to favourable "COVID-19 experience"
- d) Please discuss any findings from October valuation that support the current assumption that PIPP program savings are related to favourable COVID-19 collision experience.
- e) Please quantify the impact on the rebate, and on MPI's financial condition, of not including any forecast savings from PIPP in the rebate.

Rationale for Question:

To understand MPI's assumptions, and any available supporting evidence, related to the impact of the COVID-19 pandemic on PIPP Program savings.

RESPONSE:

- a) The \$69 million rebate proposed operates on the assumption that, if MPI assumes a decrease in *ultimate collision frequency* by a given percentage in the 2020/21 loss year, the frequency of *ultimate injury claims* will also decrease by that percentage. MPI included in its updated forecasts all favourable results observed to-date for PIPP claims for prior years, which impacts the maximum rebate calculation.
- b) Confirmed.
- c) and d)
Please see *PUB (MPI) 1-3*.
- e) If PIPP savings are completely excluded, the requested rebate would decrease by approximately \$14 million (i.e. ~\$55 million).

CAC (MPI) 1-2

Part and Chapter:	LA.4	Page No.:	P.22, L 1-7 P.7 ,L 12-15 P.7, L 22-25
PUB Approved Issue No:			
Topic:	Quatum of Rebate		
Sub Topic:			

Preamble to IR:

"MPI calculates the \$69 million rebate requested herein on the basis of improvements in claims incurred before provisions (i.e. before interest rate impacts and DPAC adjustments) and anticipated favorable operating expenses. The rationale for the proposed rebate is that, given the reduced claims costs and operating expenses, customers would have paid significantly less to insure their motor vehicles between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a monthly (as opposed to annual) basis."

And

"Should the PUB approve its request for a \$69 million rebate, MPI expects the MCT ratio for the RSR to decrease to 117% at the end of this fiscal year. This is the minimum MCT ratio at which the RSR can be to permit the 5% capital release for the 2021/2022 rating year under the CMP, as requested in the 2021 GRA. MPI respectfully submits that any rebate ordered above this amount would require MPI to amend its 2021 GRA."

And

"The proposed rebate, following an approach similar to the one approved by the PUB in the 2021 SRA I, will accelerate the distribution of excess monies to policyholders in

the form of a one-time payment, instead of via lower rates. Due to the seriousness of the COVID-19 pandemic and the economic hardship facing many Manitobans, these funds must be distributed to ratepayers in a responsible, yet expeditious manner, a balance which MPI respectfully submits this rebate strikes.”

Question:

- a) Please discuss the extent to which the amount of \$69 million to rebate was calculated on the basis of maximizing the rebate without impacting the 2021 GRA rate and capital release request?
- b) Please provide an estimate of the rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% MCT at the end of 2021/22.
- c) Please confirm that the 111.1% MCT Ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and \$69 million rebate requested in this application. Please discuss if the immediate release of the 11.1% excess capital in Basic would also help relieve serious economic hardship facing many Manitobans.

Rationale for Question:

To understand the basis for the \$69 million rebate amount, and potential alternative values.

RESPONSE:

- a) The \$69 million rebate was calculated by determining the maximum excess capital available in 2020/21 such that the 2021 GRA rate and release request remains unchanged and satisfies AAP pricing requirements and the capital management plan (CMP).

- b) The rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% Minimum Capital Test (MCT) at the end of 2021/22, would be approximately \$115 million. Please note this scenario results in an ending 2022/23 MCT of 94.8% and would conflict with the 5.0% capital release over a three year period as per the CMP.
- c) Alternatively, an estimate of the rebate amount, if it were increased so that the 5.0% capital release applied for in the 2021 GRA resulted in approximately 100% MCT at the end of 2022/23, is \$90 million.
- d) Confirmed, the 111.1% MCT ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and the \$69 million rebate requested in this application.

The immediate release of an additional 11.1% of excess capital in Basic could help relieve serious economic hardship facing many Manitobans. However, this would be a deviation from the approved CMP, whereby the goal of any release is to restore the Basic MCT to 100% over a three year period. MPI seeks a rebate that complies with the approved CMP, to ensure the Public Utilities Board can fully assess its performance and amend the CMP if necessary.

CAC (MPI) 1-2

Part and Chapter:	LA.4	Page No.:	P.22, L 1-7 P.7, L 12-15 P.7, L 22-25
PUB Approved Issue No:			
Topic:	Quatum of Rebate		
Sub Topic:			

Preamble to IR:

"MPI calculates the \$69 million rebate requested herein on the basis of improvements in claims incurred before provisions (i.e. before interest rate impacts and DPAC adjustments) and anticipated favorable operating expenses. The rationale for the proposed rebate is that, given the reduced claims costs and operating expenses, customers would have paid significantly less to insure their motor vehicles between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a monthly (as opposed to annual) basis."

And

"Should the PUB approve its request for a \$69 million rebate, MPI expects the MCT ratio for the RSR to decrease to 117% at the end of this fiscal year. This is the minimum MCT ratio at which the RSR can be to permit the 5% capital release for the 2021/2022 rating year under the CMP, as requested in the 2021 GRA. MPI respectfully submits that any rebate ordered above this amount would require MPI to amend its 2021 GRA."

And

"The proposed rebate, following an approach similar to the one approved by the PUB in the 2021 SRA I, will accelerate the distribution of excess monies to policyholders in the form of a one-time payment, instead of via lower rates. Due to the seriousness of the COVID-19 pandemic and the economic hardship facing many Manitobans, these

funds must be distributed to ratepayers in a responsible, yet expeditious manner, a balance which MPI respectfully submits this rebate strikes.”

Question:

- a) Please discuss the extent to which the amount of \$69 million to rebate was calculated on the basis of maximizing the rebate without impacting the 2021 GRA rate and capital release request?
- b) Please provide an estimate of the rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% MCT at the end of 2021/22.
- c) Please confirm that the 111.1% MCT Ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and \$69 million rebate requested in this application. Please discuss if the immediate release of the 11.1% excess capital in Basic would also help relieve serious economic hardship facing many Manitobans.

Rationale for Question:

To understand the basis for the \$69 million rebate amount, and potential alternative values.

RESPONSE:

- a) The \$69 million rebate was calculated by determining the maximum excess capital available in 2020/21 such that the 2021 GRA rate and release request remains unchanged and satisfies AAP pricing requirements and the capital management plan (CMP).
- b) The rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% Minimum Capital Test (MCT) at the end of 2021/22, would be approximately \$115 million. Please note this

scenario results in an ending 2022/23 MCT of 94.8% and would conflict with the 5.0% capital release over a three year period as per the CMP.

⌘) Alternatively, an estimate of the rebate amount, if it were increased so that the 5.0% capital release applied for in the 2021 GRA resulted in approximately 100% MCT at the end of 2022/23, is \$90 million.

⌘c) Confirmed, the 111.1% MCT ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and the \$69 million rebate requested in this application.

The immediate release of an additional 11.1% of excess capital in Basic could help relieve serious economic hardship facing many Manitobans. However, this would be a deviation from the approved CMP, whereby the goal of any release is to restore the Basic MCT to 100% over a three year period. MPI seeks a rebate that complies with the approved CMP, to ensure the Public Utilities Board can fully assess its performance and amend the CMP if necessary.

CAC (MPI) 1-2

Part and Chapter:	LA.4	Page No.:	P.22, L 1-7 P.7, L 12-15 P.7, L 22-25
PUB Approved Issue No:			
Topic:	Quatum of Rebate		
Sub Topic:			

Preamble to IR:

"MPI calculates the \$69 million rebate requested herein on the basis of improvements in claims incurred before provisions (i.e. before interest rate impacts and DPAC adjustments) and anticipated favorable operating expenses. The rationale for the proposed rebate is that, given the reduced claims costs and operating expenses, customers would have paid significantly less to insure their motor vehicles between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a monthly (as opposed to annual) basis."

And

"Should the PUB approve its request for a \$69 million rebate, MPI expects the MCT ratio for the RSR to decrease to 117% at the end of this fiscal year. This is the minimum MCT ratio at which the RSR can be to permit the 5% capital release for the 2021/2022 rating year under the CMP, as requested in the 2021 GRA. MPI respectfully submits that any rebate ordered above this amount would require MPI to amend its 2021 GRA."

And

"The proposed rebate, following an approach similar to the one approved by the PUB in the 2021 SRA I, will accelerate the distribution of excess monies to policyholders in the form of a one-time payment, instead of via lower rates. Due to the seriousness of the COVID-19 pandemic and the economic hardship facing many Manitobans, these

funds must be distributed to ratepayers in a responsible, yet expeditious manner, a balance which MPI respectfully submits this rebate strikes.”

Question:

- a) Please discuss the extent to which the amount of \$69 million to rebate was calculated on the basis of maximizing the rebate without impacting the 2021 GRA rate and capital release request?
- b) Please provide an estimate of the rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% MCT at the end of 2021/22.
- c) Please confirm that the 111.1% MCT Ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and \$69 million rebate requested in this application. Please discuss if the immediate release of the 11.1% excess capital in Basic would also help relieve serious economic hardship facing many Manitobans.

Rationale for Question:

To understand the basis for the \$69 million rebate amount, and potential alternative values.

RESPONSE:

- a) The \$69 million rebate was calculated by determining the maximum excess capital available in 2020/21 such that the 2021 GRA rate and release request remains unchanged and satisfies AAP pricing requirements and the capital management plan (CMP).
- b) The rebate amount, if it were increased so that the 5.0% capital release, applied for the in 2021 GRA, resulted in approximately 100% Minimum Capital Test (MCT) at the end of 2021/22, would be approximately \$115 million. Please note this

scenario results in an ending 2022/23 MCT of 94.8% and would conflict with the 5.0% capital release over a three year period as per the CMP.

Alternatively, an estimate of the rebate amount, if it were increased so that the 5.0% capital release applied for in the 2021 GRA resulted in approximately 100% MCT at the end of 2022/23, is \$90 million.

- c) Confirmed, the 111.1% MCT ratio in 2021/22 (see PF-3), is the expected capital adequacy after the 5% release in 2021 rates, and the \$69 million rebate requested in this application.

The immediate release of an additional 11.1% of excess capital in Basic could help relieve serious economic hardship facing many Manitobans. However, this would be a deviation from the approved CMP, whereby the goal of any release is to restore the Basic MCT to 100% over a three year period. MPI seeks a rebate that complies with the approved CMP, to ensure the Public Utilities Board can fully assess its performance and amend the CMP if necessary.

CAC (MPI) 1-3

Part and Chapter:	LA.5	Page No.:	P 24, L1-5
PUB Approved Issue No:			
Topic:	Implementation Costs		
Sub Topic:			

Preamble to IR:

"Once qualified, MPI will calculate the amount of the rebate to which the customer is entitled. MPI will then again distribute rebate cheques to qualified customers via regular mail, to their last known address on file.

MPI anticipates that the total cost of issuing the rebates will be approximately \$937,000, itemized as follows (assuming 675,000 different recipients)"

Question:

- a) Please describe any other options considered for issue rebates, such as e-transfers, credits to customer accounts, or other.
- b) Please provide a brief explanation of why the selected method is preferred to the alternatives.
- c) Based on current timelines, does MPI anticipate that checks will be handled by Canada post during its peak holiday season, or afterwards? Has Canada Post indicated that there may be delays in delivery?
- d) Is there a minimum rebate value under which a check will not be issued? If so, how does MPI propose to address these rebates?

Rationale for Question:

To understand and test the reasonableness of the proposed implementation approach, and associated costs.

RESPONSE:

- a) The legacy technology used by MPI does not support the ability to distribute the proposed rebate to customers through e-transfers. Further, MPI collect and store the banking information of all of its customers in the rare event (under normal circumstances) of a premium rebate. Due to the complexity of potential individual customer situations, additional effort and cost would be required to program the rebate rules to consider these many factors, plus additional testing and validation of those rules. This would increase the cost and time required to issue the refund to customers. The intention is to distribute the rebate to customers as quickly as possible, appreciating current technology constraints.

- b) Premium rebates are issued by cheque to ensure awareness by the customer and to encourage them to confirm the accuracy of their address. When MPI credits their accounts, customers are not immediately notified. As indicated above, MPI intends to distribute these rebates to customers as quickly as possible. MPI assumes that many of its customers desire cash, but does not assume any particular intended use (recalling that the basis for the rebate is that qualifying customers have paid too much premium during the pandemic and would therefore have had this money for other uses). Under a credit scenario, where a customer account is not in arrears, MPI would still need to issue the customer a refund cheque, which would delay delivery of the rebate to the customer.

- c) While early indications are that Canada Post will be able to meet letter mail delivery standards, delays are possible and cannot be accurately predicted. Canada Post has not advised MPI of any anticipated delays in delivery at this time.

- d) MPI applies credits to customers' accounts where the premium rebate is less than ten dollars. This threshold acknowledges both the cost of issuing a cheque and the value to the customer.

CAC (MPI) 1-4

Part and Chapter:	LA.2.5	Page No.:	p.17, lines 6-9
PUB Approved Issue No:			
Topic:	Duration of COVID-19 impacts		
Sub Topic:			

Preamble to IR:

"MPI estimates its 2020/21 net income forecast at \$186.8 million, compared to the \$105.4 million forecasted in the 2021 GRA Rate Update. As discussed above, relative to the 2021 GRA Rate Update, MPI experienced a decrease in claims costs, which it expects will last, to some degree, until March 2022."

Question:

Please confirm MPI now believes the effects of COVID-19 may persist for up to 16 months from the time of this application.

Rationale for Question:

To confirm MPI's expectations with respect to the impact of COVID-19 on claims experience, and the appropriateness of the proposed rebate.

RESPONSE:

Reference to March 2022 in the quote contained in the preamble above is a typographical error. The forecast assumes the favorable impact of COVID-19 on claims experience is expected to occur until March 2021, not March 2022.

CAC (MPI) 1-5

Part and Chapter:	LA.2.5	Page No.:	P.16, L 3-4
PUB Approved Issue No:			
Topic:	Interest Rate Forecast used in SRA II		
Sub Topic:			

Preamble to IR:

"MPI uses the following key assumptions for investment forecasts:

- *Naïve interest rates;"*

Question:

- Please provide the value of the Naïve interest rate forecast underpinning the forecasts in this application, and the date on which the Naïve forecast value was selected.
- Please indicate if the naïve interest rate forecast has changed since the Oct 9th Rate update in the 2021 GRA, and provide the forecast value on or about the time of filing this application.
- If the a) and b) are not the same, please indicate the direction and approximate magnitude of the impact of the naïve interest rate forecast, if any.

Rationale for Question:

To confirm the assumptions supporting the application.

RESPONSE:

- a) The value of the Naïve interest rate forecast underpinning the forecasts in this application was 0.56%, and the date on which the Naïve forecast value was selected was September 30, 2020.

- b) The naïve interest rate forecast for August 31, 2020 was 0.62%. The naïve interest rate forecast on November 30, 2020 was 0.67%.

- c) When comparing to either August 31, 2020 or September 30, 2020 interest rates, the naïve interest rate forecast for November 30, 2020 has increased 0.05% and 0.11% respectively. The increase in interest rates will provide a net favorable interest rate impact for 2020/21.

CAC (MPI) 1-6

Part and Chapter:	LA.2.2 Claims Incurred Before Provisions	Page No.:	10
PUB Approved Issue No:	Claims Forecasting (including PIPP)		
Topic:	Improvement in claims incurred before provisions		
Sub Topic:			

Preamble to IR:

"Relative to the rate update provided within the 2021 GRA Rate Update, MPI forecasts a \$69 million improvement in claims incurred before provisions (i.e. before interest rate impacts and DPAC adjustments) in the fiscal year 2020/21, which was comprised of approximately \$31 million for collision, \$28 million in PIPP, \$5 million in property damage, and \$5 million in internal loss adjustment expenses (ILAE)".

Question:

- a) Please explain what is meant by "before provisions". Please quantify the 'provisions' impact on the \$69 million claims improvement (plus or minus).
- b) Please provide a narrative discussion of the extent the "policy liability actuarial valuation" supported the \$69 million improvement in claims incurred. Please file a copy of the policy liability valuation report supporting the special rebate, if prepared.
- c) Please file a detailed claims incurred analysis with documentation and explanations (severity, frequency, incurred) supporting the claims incurred improvements for collision (\$31 million), PIPP (\$28 million), property damage (\$5 million) and the ILAE analysis (\$5 million).

Rationale for Question:

To better understand the underlying analysis supporting the claims incurred improvement of \$69 million.

RESPONSE:

- a) The term “before provisions” means excluding interest rate impacts and DPAC adjustments. As a result of “provisions”, interest rate impact increased by \$5.7 million and DPAC adjustments increased by \$0.1 million (as outlined in PF.4).
- b) The policy liability actuarial valuation is currently in progress. The \$69 million reduction in claims costs is further supported by actual experience to date. Please see the response to PUB (MPI) 1-3.
- c) The figure below compares the 2020/21 accident year ultimate amounts from the 2021 SRA II and the 2021 GRA, for Collision and Property Damage. MPI assumed that PIPP decreased at the same percentage as Collision (i.e. 16.73%). The “collision (\$31 million), PIPP (\$28 million), property damage (\$5 million) and the ILAE analysis (\$5 million)” in reductions quoted are from the rate update filed in October 2020 and are based on fiscal year results.

Figure 1 2020/21 Ultimate Comparison

Line No.			Frequency	Severity	Incurred
1	Collision	2021 GRA	0.106	\$4,385	\$416,057,952
2		2021 SRA II	0.102	\$4,153	\$375,866,156
3		Difference	(0.005)	(\$232)	(\$40,191,795)
4					
5	Property Damage	2021 GRA	0.060	\$725	\$38,701,127
6		2021 SRA II	0.052	\$748	\$34,450,951
7		Difference	(0.008)	\$23	(\$4,250,177)

CAC (MPI) 1-7

Part and Chapter:	LA.4.1 Illustrative examples for typical customer in each major class	Page No.:	23
PUB Approved Issue No:	Assumptions in the Special Rebate Application forecast		
Topic:	Figure 15 Average Dollar Rebate by Major Class		
Sub Topic:	Earning Period		

Preamble to IR:**Question:**

- a) Please explain the term "Earning Period" and how it relates to "policy year" premiums and/or premiums in-force.
- b) Please rationalize the fairness of "earning period" as a base for calculating the policyholder average dollar rebates. Please elaborate on the alternatives considered in calculating this special rebate for individual policyholders.

Rationale for Question:

To better understand the fairness and reasonableness of rebate calculation for individual policyholders.

RESPONSE:

- a) The term "earning period" refers to the period March 16, 2020 to November 21, 2020, during which the premiums earned are used by MPI to calculate the amount of rebate payable to each policyholder. The premiums earned in the "earning period" reflect approximately 69% (251 days / 365 days) of the total premium earned in a year (assuming premiums are earned uniformly over the year).

The term “in-force premiums” refers to the total premiums on policies in-force on a specific date. They do not necessarily translate to earned premiums for a specified earning period. For example, in-force premiums for the motorcycle class are completely earned in the “riding season (May 1 to September 30 of each year). As a result, during the period March 16 to April 30, MPI earns no premiums on motorcycle policies despite the fact that they may be in-force.

- b) MPI believes that it is fair to use earned premiums in the earning period from March 16, 2020 to November 21, 2020 as it reflects the exposure which contributes to the claims experience in that period. The \$69 million rebate can be attributed back to the overall claims experience of this group of insureds. MPI views this methodology to be preferable to alternatives, such as using in-force premiums on a given date or rebating based on a different test period.

TC (MPI) 1-1

Part and Chapter:	LA.4.1	Page No.:	P 23, Table 15 P.22 L10-11
PUB Approved Issue No:			
Topic:	Average Rebate Calculation		
Sub Topic:			

Preamble to IR:**Figure 15 Average Dollar Rebate by Major Class**

Line No.	Major Class	2021 Rate Model		2020 Average Rate	2019 Average Rate	Avg Rate for Earning Period from Mar 16, 2020 to Nov 21, 2020	Avg \$ Rebate for Earning Period from Mar 16, 2020 to Nov 21, 2020
		Number of Vehicles	Total Premiums				
1	[1]	[2]	[3]	[4]	[5]	[6]	[7]
2	Private Passenger	812,577	962,170,215	1,184	1,195	1,191	111
3	Commercial	46,597	38,585,701	828	823	825	77
4	Public	12,562	26,896,699	2,141	1,940	2,016	187
5	Motorcycles	17,694	14,986,833	847	806	821	76
6	Trailers	209,135	16,060,505	77	81	79	7
7	ORVs	71,939	503,573	7	8	8	1
8	[5] = [4] / (1 + Major Class average change from the 2020 GRA compliance filing)						
9	[6] = 62.5% * [5] + 37.5% * [4] based on the assumption of uniform renewals throughout the year						
10	[7] = [6] * 9.28%						

And

"If the rebate is approved, customers who meet the above criteria will receive an approximate 6% rebate of their Basic earned premium during this period."

Question:

- a) Figure 15 (reproduced above) at line 9 references two percentages (62.5% and 37.5%) that appear to be used to weight the calculated 2019 and 2020 average rates respectively. Please clarify what those percentages refer to, and describe how they were calculated.
- b) Please confirm that line 10 of Figure 15 indicates a 9.28% flat rebate applied to the earning period average rate for each major class.
- c) Please explain how the 9.28% referenced in Figure 15 relates to the statement that customers receive an approximate 6% rebate of their Basic earned premium during this period (referenced above). Please provide illustrative calculations if possible.
- d) Please provide the calculations for deriving the 9.28%.
- e) Please confirm that the 9.28% rebate is applied evenly across all vehicles, with no differences between the insurance uses. Please confirm that only the cost of the policy and the length of time the policy was in force (between March 16th and November 21st) are variables that impact the magnitude of the rebate. If not confirmed, please list the variables that would impact an individual rebate.
- f) Please confirm that some customer rebates will be based on 2019 rates, and some will be based on 2020 rates. Please provide a brief and general discussion of the implications for customer cohorts with different base rates. Please discuss if this approach fairly captures the COVID-19 effects at the customer level.

Rationale for Question:

To understand the method of calculating rebates, and the implications for fairness between customers and insurance uses.

RESPONSE:

- a) The 62.5% and 37.5% percentages reflect the portion of the earned premiums for the earning period (i.e. March 16, 2020 to November 21, 2020), that are attributable to the 2019 and 2020 rating years, respectively. Put another way, 62.5% of earned premiums between Mar 16, 2020 and Nov 21, 2020 are assumed to be based on 2019 rates given the staggering of renewals. The remaining 37.5% is assumed to be based on 2020 rates. These percentages are an approximation and are the result of applying the parallelogram method, a standard actuarial technique.
- b) Confirmed.
- c) Please refer to PUB (MPI) 1-9.
- d) Based on MPI data, for the earning period (i.e. March 16, 2020 to November 21, 2020), total Basic earned premiums were \$743 million. The proposed rebate of \$69 million is therefore equivalent to 9.3% of the \$743 million earned premiums in this period.
- e) The 9.3% figure is applied on Basic premiums earned in the earning period (i.e. March 16, 2020 to November 21, 2020). The magnitude of the rebate is determined as the amount of Basic premiums earned in the earning period, multiplied by 9.3%.
- f) Within the earning period (i.e. March 16, 2020 to November 21, 2020), a policyholder may have earned premiums under 2019 and/or 2020 rates. The rating year is not relevant for determining the amount of the rebate. As per the response to e) above, the rebate is determined simply based on how much Basic premium was earned in the earning period (multiplied by 9.3%). Please see also the response to CAC (MPI) 1-7(b).

TC (MPI) 1-2

Part and Chapter:	LA.2.2	Page No.:	P.11, Figure 6 P12, L5-8
PUB Approved Issue No:			
Topic:	COVID Impact on Claims Incurred		
Sub Topic:			

Preamble to IR:**Figure 6 Basic Claims Experience – April 1, 2020 to March 31, 2021**

Line No.	Forecast excluding COVID-19	COVID-19 Adjustment	2021 GRA	COVID-19 until March 31, 2021	Difference from			
					Forecast excluding COVID-19 Adjustment	Difference from 2021 GRA		
	[a]	[b]	[c] = [a] + [b]	[d]	[e] = [d] - [a]	%	[f] = [d] - [c]	
1	Weekly Indemnity	\$93,074,139	(\$9,033,837)	\$84,040,303	\$77,504,546	(\$15,569,593)	-16.73%	(\$6,535,756)
2	ABO-Indexed	\$69,087,548	(\$6,265,301)	\$62,822,247	\$57,530,471	(\$11,557,077)	-16.73%	(\$5,291,776)
3	ABO-NonIndexed	\$33,820,374	(\$3,363,053)	\$30,457,321	\$28,162,847	(\$5,657,527)	-16.73%	(\$2,294,474)
4	Collision	\$451,372,477	(\$35,314,526)	\$416,057,952	\$375,866,156	(\$75,506,321)	-16.73%	(\$40,191,795)
5	Property Damage	\$42,868,368	(\$4,167,240)	\$38,701,127	\$34,450,951	(\$8,417,417)	-19.64%	(\$4,250,177)
6	Total		(\$58,143,957)			(\$116,707,935)		(\$58,563,978)

And

“Regarding PD claims, MPI expects a higher decrease, of 19.6%, as compared to the 2021 GRA Rate Update. Based on these assumptions, the 6 projected Basic ultimate claims savings from April 1, 2020 through March 31, 2021 is \$58.6 million.”

Question:

- a) Please explain why PD losses are expected to be more significantly impacted at 19.64%, as against the %16.73 forecast for other perils.

- b) Please confirm that \$116.7 million is the total expected impact on Basic Claims as a result of COVID-19. If not confirmed please explain.
- c) Please update elements of TC(MPI) 1-2 Figure 1, specifically loss ratios for Taxicab VFH for July 2020 through November 2020 (or to however recently the data is available).
- d) Please provide the loss ratio (and inputs as in part c) above) for the Basic program overall for March through November 2020 (or to however recently the data is available).

Rationale for Question:

To understand the impact of COVID-19 on Taxi VFH relative to the overall fleet of vehicles insured by MPI.

RESPONSE:

- a) PIPP savings were assumed to equal the same percentage savings as Collision (16.73%). Property Damage is based on actual and forecasted experience. Property Damage is more adversely affected by COVID-19, since it is largely dependant on frequency. The severity of Property Damage claims is fairly static and thus changes in frequency directly affect Property Damage.
- b) Confirmed.
- c) Refer to Figure 1 below. Note that the figures below are not developed to ultimate, which for Basic overall would be expected to increase the reported claims incurred by 20% to 30%. Also, the earned premiums are not adjusted for the impact of the first Basic rebate application.

Figure 1 Accident Year 2020 Taxicab Vehicle-for-Hire Claims Experience as of November 30, 2020

Line No.	Classification	Month	Incurred	Earned Unit	Earned Premium	Loss Ratio
1	Taxicab Vehicle-for-Hire	March	201,020.90	51.05	378,805.20	53.07%
2	Taxicab Vehicle-for-Hire	April	70,174.17	30.63	216,460.58	32.42%
3	Taxicab Vehicle-for-Hire	May	93,398.97	42.75	322,168.23	28.99%
4	Taxicab Vehicle-for-Hire	June	351,854.45	47.58	365,195.36	96.35%
5	Taxicab Vehicle-for-Hire	July	201,895.62	51.01	393,735.32	51.28%
6	Taxicab Vehicle-for-Hire	August	147,809.28	51.68	402,366.46	36.73%
7	Taxicab Vehicle-for-Hire	September	193,152.81	50.37	395,634.08	48.82%
8	Taxicab Vehicle-for-Hire	October	261,080.33	52.33	412,759.85	63.25%
9	Taxicab Vehicle-for-Hire	November	163,944.91	50.73	401,097.58	40.87%
10	Taxicab Vehicle-for-Hire	Total	1,684,331.44	428.14	3,288,222.66	51.22%

- d) Refer to [Figure 2](#) below. Note that the figures below are not developed to ultimate, which for Basic overall would be expected to increase the reported claims incurred by 20% to 30%. Also, the earned premiums are not adjusted for the impact of the first Basic rebate application.

Figure 2 Accident Year 2020 Overall Basic Claims Experience as of November 30, 2020

Line No.	Classification	Month	Incurred	Earned Unit	Earned Premium	Loss Ratio
1	Overall Basic	March	37,047,979.06	97,987.95	88,012,689.98	42.09%
2	Overall Basic	April	23,362,448.25	94,508.30	84,020,382.08	27.81%
3	Overall Basic	May	31,655,831.18	99,593.69	90,821,562.80	34.85%
4	Overall Basic	June	47,298,921.62	98,556.51	89,841,646.75	52.65%
5	Overall Basic	July	45,282,581.33	103,219.36	94,230,786.78	48.05%
6	Overall Basic	August	46,875,103.37	104,130.73	95,173,555.42	49.25%
7	Overall Basic	September	47,067,739.83	101,170.44	92,655,110.74	50.80%
8	Overall Basic	October	46,887,267.91	104,006.75	92,469,969.58	50.71%
9	Overall Basic	November	27,222,816.13	99,058.54	88,484,008.65	30.77%
10	Overall Basic	Total	352,700,688.68	902,232.26	815,709,712.78	43.24%

MANITOBA PUBLIC INSURANCE

2021 SPECIAL REBATE APPLICATION II

Exhibits

Public Utilities Board
Coalition of Manitoba Motorcycles Groups
Consumers' Association of Canada (Manitoba)
Taxi Coalition



MANITOBA
PUBLIC INSURANCE

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2021 SPECIAL REBATE APPLICATION II

Manitoba Public Insurance Exhibits



MANITOBA
PUBLIC INSURANCE

SUMMARY LEGAL APPLICATION

2021 SPECIAL REBATE APPLICATION II

MPI WRITTEN SUBMISSION

December 9, 2020



MANITOBA
PUBLIC INSURANCE

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1 Additional Relief at a time of Urgent Need

1. The 2021 Special Rebate Application (SRA) II represents the second time in the past seven months that Manitoba Public Insurance (MPI) has applied to the Public Utilities Board (PUB) for approval of the issuance of a rebate to ratepayers and underscores the continued fluidity and unpredictability of the COVID-19 pandemic. On November 12, 2020, in the week that followed the closing of the 2021 General Rate Application (GRA) hearing, the Government of Manitoba announced further restrictions to respond to dramatic increases in positive cases, hospitalizations and deaths. These restrictions moved the entire Province to Critical Level (Red) on the #RestartMB Pandemic Response System and they persist as of this writing.
2. The result was an announcement on November 30, 2020 that MPI would rebate an additional \$69 million to ratepayers; an unexpected development, but appropriate in the circumstances. For three weeks beginning October 19, 2020, the PUB heard evidence from the Chief Actuary and Chief Financial Officer of MPI that capital releases in compliance with the Capital Management Plan (CMP), and not by way of a rebate, were the most appropriate way to address excess capital. Indeed, in its closing submissions, MPI cautioned the PUB to avoid such “knee-jerk reactions” to this pandemic. And so the writings of the poet Robert Burns again hold true -- “the best laid plans of mice and men often go awry”.
3. However, there is an important distinction in the positions taken by MPI on the issuance of rebates that must be brought to bear in this submission. The Application herein is *retrospective* in nature. It seeks a review and variation of past orders (i.e. Orders 159/18 and 176/19). Conversely, the 2021 GRA is *prospective* in nature. It pertains to rates set to take effect on April 1, 2021. And so the PUB, if so inclined, can still approve this \$69 million rebate without impinging upon the -8.8% overall rate MPI requests in the 2021 GRA, a rate that requires a capital release of 5% (approximately \$54M) under the CMP.
4. As stated in its correspondence dated December 2, 2020, MPI submits that the 2021 GRA and 2021 SRA II are stand-alone applications. One has little or no impact on the other. At page 6 of the 2021 SRA II:

"This Application is also not a request by MPI to amend any of the relief it requested in the 2021 GRA. To be clear, MPI continues to seek a – 8.8% overall rate indication for the period April 1, 2021 to March 31, 2022; a continuation of its Capital Management Plan (CMP) for that rating year (including the 5% rate reduction thereunder) and the other relief requested therein."

5. Given the urgent and summary nature of this Application, MPI submits that the PUB need only concern itself with two things, namely whether:
 - i) MPI can afford the proposed rebate; and
 - ii) the criteria for entitlement and rebate calculation are fair.

2 MPI can Afford to Rebate \$69 Million

6. MPI based the proposed rebate on actual and projected savings from reduced claim costs (approximately 85%) and operating expenses (approximately 15%), as at September 30, 2020 and with forecasts to March 31, 2021. Without the proposed rebate, MPI forecasts that its Rate Stabilization Reserve (RSR) will grow to 132% by fiscal year end, which is more capital than needed to reduce rates by 5% under the CMP (as proposed in the 2021 GRA) while still maintaining the RSR at a Minimum Capital Test (MCT) ratio of 100% in the years thereafter (which the *Reserves Regulation*, Man. Reg. 76/2019 requires MPI to do).
7. The PUB will recall that the update to the 2021 GRA filed by MPI on October 9, 2020 (2021 GRA Rate Update) was current to August 31, 2020. As stated in this SRA, as at September 30, 2020, the premiums charged under Orders 159/18 and 176/19 continue to exceed what MPI requires to cover the costs of claims during the ongoing pandemic.
8. The relevant financial evidence as set out in this SRA, including figures and pro formas, can be summarized as follows:

- i) Total Earned Revenues for Basic, as forecast for the 2020/21 fiscal year, is up slightly from the forecast in the 2021 GRA Rate Update (assuming approval of the -8.8% overall rate indication);
 - ii) Claims Incurred shows an improved forecast of \$69 million for 2020/21 when compared to the forecast in the 2021 GRA Rate Update (and the forecast is the same thereafter, consistent with no change to the forecast of 0% rate changes beyond 2020/21);
 - iii) Ultimate Collision Claims are 9.6% under budget, as compared to the 2021 GRA Rate Update, translating to an additional \$58.5 million in ultimate claims savings from April 1, 2020 to March 31, 2021;
 - iv) Total Equity is forecast to be just under \$505 million (116% MCT) at fiscal year-end compared to \$501 million (115% MCT) in the 2021 GRA Rate Update (assuming the rebate is approved), and a transfer of approximately \$60 million under the CMP is still forecasted; and
 - v) Net Income for fiscal year 2020/21 is now forecast at \$187 million compared to \$105 million in the 2021 GRA Rate Update (with much lower net income still forecasted thereafter).
9. MPI submits that these five financial indicators support its assertion in SRA II that the -8.8% overall rate indication requested in the 2021 GRA remains just and reasonable. Indeed, should the proposed rebate be approved, the financial position of Basic will be at or near the forecasted figures presented in the 2021 GRA Rate Update. As shown in *Figure 1* in 2021 SRA II (page 19), Basic Total Equity and the MCT Ratio improve slightly following issuance of the requested rebate (owing to changes in the forecast from the ongoing pandemic). This supports the assertion that \$69 million represents the maximum amount MPI can rebate while still maintaining the integrity of the 8.8% rate reduction for 2021.
10. Similar to the May 2020 rebate (i.e. SRA I), MPI will pay this proposed rebate of \$69 million entirely from cash on hand. MPI will again avoid the need to liquidate its investment assets. MPI would normally invest \$50 million of \$136 million in operational cash as at November 20, 2020, in order to align its actual cash position with its target. However, as issuing the proposed rebate will achieve this rebalancing, MPI does not anticipate investing these funds at this time.

11. As stated during the course of the 2021 GRA, and again in this SRA, MPI well-positioned the Basic Claims portfolio to withstand the impacts of the COVID-19 pandemic by departing from the holding of equities and by implementing an effective strategy to hedge against interest rate risk.
12. MPI appreciates that a corollary issue is whether it can afford to rebate more than the proposed \$69 million. MPI responds to this issue at page 7 of the 2021 SRA II with the following statement:

"Should the PUB approve its request for a \$69 million rebate, MPI expects the MCT ratio for the RSR to decrease to 117% at the end of this fiscal year. This is the minimum MCT ratio at which the RSR can be to permit the 5% capital release for the 2021/2022 rating year under the CMP, as requested in the 2021 GRA. MPI respectfully submits that any rebate ordered above this amount would require MPI to amend its 2021 GRA."

13. Put another way, as stated above, MPI submits that its proposal represents the maximum rebate permissible without interfering with the -8.8% overall rate indication requested in the 2021 GRA.

3 The Criteria for Rebate Entitlement and Rebate Calculation are fair

14. Figure 1 in the 2021 SRA II, compares the entitlement criteria for the rebate issued in SRA I versus the entitlement criteria for the rebate proposed in this SRA. SRA II seeks a true rebate, as that term is commonly understood in the insurance industry. The entitlement period begins on March 16, 2020 and ends on November 21, 2020. A customer with a policy *in force* and *earning premium*¹ during this period qualifies for the rebate. This entitlement period permits the greatest exposure of coverage from the start of the pandemic to the present (i.e. it fully captures the rebate pool and

¹ MPI uses the term "earned premium" to capture those customers who pay their entire policy premium at the outset, and who would otherwise be excluded if the query pertained to customers who "paid premium" during the entitlement period (i.e. March 16, 2020 to November 21, 2020). A policyholder who paid all of their premiums on March 1, 2020 would therefore still "earn" a percentage of their total annual premium during the entitlement period.

avoids excluding motorcyclists and other customers that may have registered their vehicles during this period but are not currently paying premiums).

15. The above entitlement criteria must be contrasted with the point-in-time criterion that MPI used in SRA I (i.e. March 15, 2020). As indicated in its response to information request *CMMG (MPI) 1-2*, MPI proposed use of the in-force methodology largely because of the limited amount of pandemic-related experience available. However, this methodology was not without its drawbacks. For example, a customer who cancelled their policy on March 16, 2020, remained entitled to receive the entire rebate so long as their policy was in force on March 15, 2020. The methodology proposed in this SRA is consequently fairer. It should also mean an easier understanding by MPI customers – set out in lay terms, having a registered vehicle during the pandemic means a return of a percentage of premiums.
16. The entitlement period is separate and distinct from the rebate calculation period. For this SRA, MPI calculated the proposed \$69 million rebate on the basis of COVID-19 savings realized or forecasted to be realized in the period May 16, 2020 to March 31, 2021. Provided they are entitled, policyholders can expect a return of 9.3% of premiums² earned in this period. Conversely, the SRA I rebate approved by the PUB (i.e. \$58 million) was calculated on the basis of actual and projected COVID-19 savings from March 15, 2020 to May 15, 2020. Simply stated, the rebate calculation period proposed in this SRA picks up where the last rebate left off, and continues for the balance of the rating year. These sequential time periods mean no overlap or double recovery by policyholders of any COVID-19 related savings.
17. This SRA again represents an acceleration of the distribution of excess capital to ratepayers that would normally occur pursuant to the terms of the CMP. While MPI remains opposed to the return of excess capital by way of rebate in the normal course, the urgent need for financial support in this extraordinary circumstance must prevail. Moreover, MPI could not have reasonably foreseen the additional restrictions imposed by government as of November 12, 2020, or the updated public health orders

² See MPI response to information request *PUB (MPI) 1-9*, for a clarification as to the percentage of the proposed rebate (i.e. 9.3% of earned premiums March 16-November 21, 2020 or 6% of annualized premiums).

that introduced further restrictions beginning November 20, 2020, when it filed the 2021 GRA (June 2020) or the 2021 GRA Rate Update (October 2020).

18. MPI respectfully submits the foregoing as justification for approval of the \$69 million rebate, to be distributed to qualifying customers forthwith.

MANITOBA PUBLIC INSURANCE

2021 SPECIAL REBATE APPLICATION II
Public Utilities Board Exhibits



MANITOBA
PUBLIC INSURANCE

Applicant: Manitoba Public Insurance Corporation

HEARING:

The Public Utilities Board (Board) shall be holding a written hearing of an application from Manitoba Public Insurance Corporation (MPI) for approval of special rebate application II on annualized premiums respecting universal compulsory automobile insurance policies currently in place.

RATE IMPACT:

MPI is requesting approval for a review and variation of the directives contained in PUB Orders No. 159/18 and No. 76/19, to the extent that they do not require the issuance of rebates; and

MPI is requesting from PUB, a directive that MPI issue to ratepayers a uniform percentage of their universal compulsory automobile insurance premiums earned between March 16, 2020 and November 21, 2020, through a special rebate in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable.

GENERAL INFORMATION:

Interested parties should take note that the Board welcomes ratepayer input via the PUB website up to 4:00 p.m., Tuesday, December 8, 2020.

<http://www.pubmanitoba.ca/v1/contact-us/pub-complaint-form.html>

Due to the unique circumstances of the ongoing Covid 19 pandemic and the current state of public health in Manitoba, the PUB finds that the application should proceed expeditiously and by way of a written

hearing, with written comments only from members of the public.

CONTACT INFORMATION:

The Public Utilities Board
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4
Website: www.pubmanitoba.ca

Telephone: 204-945-2638
Toll-Free: 1-866-854-3698
Email: publicutilities@gov.mb.ca

DATED this 04 day of December, 2020



Jennifer Dubois, CPA, CMA
Assistant Associate Secretary
The Public Utilities Board

THE PUBLIC UTILITIES BOARD
RULES OF PRACTICE AND PROCEDURE

Title

1. These Rules may be cited as the Rules of Practice.

Definition

2. In these Rules:
 - a) "ACT" means *The Public Utilities Board Act*, R.S.M. 1987 Chapter P 280 as amended from time to time;
 - b) "AFFIDAVIT" means either a sworn or affirmed statement of facts, based on personal knowledge or on information and belief, and in writing, made voluntarily before an officer having authority to administer such oath or affirmation;
 - c) "APPLICANT" means a party who has filed an application with the Board under the Act or its Regulations;
 - d) "APPLICATION" means a written request to the Board to exercise its statutory power in respect of matters referred to in the application;
 - e) "BOARD" means The Public Utilities Board and where the context requires, includes a panel of the Board;
 - f) "COMPLAINT" means a written request to the Board to exercise its statutory power in respect of matters referred to in the complaint;
 - g) "DOCUMENTS" include written documentation, films, photographs, charts, maps, graphs, plans, surveys, books of account, transcripts, videotapes, audio tapes, and information stored by means of an electronic storage and retrieval system;
 - h) "ELECTRONIC HEARING" means a hearing held by conference telephone or some other form of electronic technology allowing persons to communicate with one another;
 - i) "HEARING" means a proceeding before the Board wherein a party or parties provide submissions to the Board which submissions may, in the Board's

discretion, be preceded by the provision of information and/or evidence to the Board, and includes an Electronic Hearing, an Oral Hearing and a Written Hearing;

- j) "INFORMATION REQUEST" means any request made in writing by a party for information or particulars directed to a party in a proceeding;
- k) "INTERVENER" means a party other than the applicant who has formally filed for registration in respect of a proceeding and who intends to participate in the production and testing of evidence and whose registration has been approved by the Board pursuant to Rule 27;
- l) "MOTION" means a request for a ruling or order in a proceeding or a pending proceeding;
- m) "ORAL HEARING" means a hearing at which the parties or their representatives attend before the Board in person;
- n) "PARTY" means either an applicant, an Intervener and for the purpose of these Rules, any other person whom the Board determines to be a party to a proceeding;
- o) "PRESENTER" means any person who makes an unsworn or unaffirmed statement concerning an application to the Board in respect of a proceeding;
- p) "PRE-HEARING CONFERENCE" means a meeting, which may be held before a Hearing, to set a timetable for the Proceeding, to finalize what matters may be discussed and to identify Interveners;"
- q) "PROCEEDING" means a process to decide a matter brought before the Board, including a matter commenced by application ;
- r) "SECRETARY" means the Secretary or Acting Secretary of the Board;
- s) "WRITTEN HEARING" mean a Hearing in which the proceeding before the Board is conducted entirely in writing.

PART 1 GENERAL

Application of Rules

3. (1) These Rules apply to all proceedings of the Board.
- (2) In any proceeding, the Board may dispense with, vary or supplement any of the provisions of these Rules.
- (3) The Board has all the powers of a Court of Queen's Bench or a Judge thereof in respect of the attendance and examination of witnesses, the amendment of proceedings, the production and inspection of documents, the enforcements of its Orders and all other matters necessary or proper for the due exercise of its powers, except as otherwise provided in *The Public Utilities Board Act* [Section 24(4), *The Public Utilities Board Act*].

Direction on Procedure

4. (1) In any proceeding, the Board may issue directions on procedure which will govern the conduct of that proceeding and will prevail over any provision of these Rules that is inconsistent with those directions.
- (2) The Board may recommend or order that Interveners with similar interests present a joint intervention.
- (3) Any person intending to make an application to the Board may, prior to filing the application, apply by ex parte motion to the Board for the issuing of directions on procedure relating to the proposed application.

Service On Interested Parties

5. (1) Subject to subsection (2), a document required to be served under these Rules or by the Board may be served on a person:
 - (a) by personal delivery;
 - (b) by courier service, ordinary mail, fax or electronic means to the last known address or such other address given by the person; or
 - (c) by such other method as the Board directs.

- (2) A document may only be served by electronic means if the person being served has the information technology, equipment, software and processes for receiving or retrieving the document. Where a person expresses a preference to be served electronically in accordance with Rule 27(1)(d) or otherwise, that person may register that preference with the Board and service in accordance with such preference shall be deemed effective unless notice to the contrary is given to the Board.
- (3) The date of service of a document is the day on which the person being served receives the document unless it is received after 5 o'clock in the afternoon Central Standard Time, in which case the date of service is deemed to be the next business day. Where a document is served by ordinary mail, the date of service shall be five days after placing it in the mail.
- (4) The Board may require a person to file an affidavit of service setting out on whom a document was served and the means taken to effect service.
- (5) When an oral hearing or electronic hearing is in progress, a party entering a document as an exhibit shall provide copies of the document to the Board, the Board staff attending the hearing and the other parties.
- (6) The Board may serve, or direct the applicant to serve, a notice issued by the Board either in accordance with this section or by public advertisement in a daily or weekly newspaper in circulation in the community affected by the proceeding as determined by the Board.
- (7) Any document required to be served on a party under these Rules may be served on the party's representative.

Filing With the Board

6. (1) Filing of any document with the Board may be effected by personal delivery, registered mail, telefacsimile, electronic means or otherwise as the Board may direct.
- (2) Where any document is required to be filed with the Board, the date of filing shall be the date of actual receipt by the Secretary or anyone authorized by the Secretary to receive such documents; but when a hearing is in progress, any document which is required to be filed shall be filed with the Secretary at the hearing and with the Interveners of record.

Affidavits

7. (1) The Board may, in its discretion, accept and act upon evidence by Affidavit which evidence shall be filed with the Secretary.
- (2) Where an Affidavit is made on the basis of information and belief, the source of the information and the grounds of belief shall be set out therein.

Verification

8. (1) The Board may, at any time and on notice, require the whole or any part of any document filed with the Board to be verified by Affidavit or oral testimony.
- (2) Unless the Board otherwise directs, if the notice given under Subsection (1) is not complied with, the document in question, or any part thereof not verified in accordance with the notice, shall be struck from the record.

Failure to Comply

9. Where a party to a proceeding has not complied with any requirement of these Rules or any direction of procedure or order issued by the Board, the Board may stay the proceedings until satisfied that such requirement has been complied with or take such other steps as it considers just and reasonable, including the withdrawal of status of any Intervener in the proceeding.

Formulation of Issues

10. In any proceeding,
 - a) where the documents filed with the Board do not sufficiently address the matters at issue in the proceeding; or
 - b) where it would assist the Board in the conduct of the proceeding; or
 - c) where it would assist parties to participate more effectively in the proceeding;

the Board may formulate issues which shall be considered by it in the proceeding and, for this purpose, may direct parties to propose issues which, if not agreed to by all parties, shall be settled by the Board.

Conferences on the Receipt of an Application

11. (1) To facilitate the hearing process a pre-hearing conference may be held to consider:
- a) a statement of the issues;
 - b) the necessity or desirability of amending an application for the purpose of clarification, amplification or limitation;
 - c) the setting of dates for the orderly exchange of documents and information requests;
 - d) the procedures to be adopted in the proceeding;
 - e) any other matters that may aid in the simplification and disposition of the proceeding; and
 - f) registration of Interveners, where possible.
- (2) Where, in the opinion of the Board, the amount, level of detail and complexity of material so warrants, the Board may direct the parties to participate in a non-evidentiary technical conference for the purpose of considering:
- a) a tutorial presentation for interested parties;
 - b) a discussion or workshop style conference to gain an understanding or clarification on a matter; or
 - c) any other presentation or conference style arrangement that will assist the understanding of the Board and interested parties.

Production of Documents

12. (1) Where, in an application, intervention, motion or response to an information request, a party refers to a document which the party intends to rely on in the proceeding, that party shall attach a copy of that document to its evidence.
- (2) The Board, on its own initiative or upon motion by any party may order any person or party in a proceeding to produce any document relating to the proceeding.
- (3) Any party who fails to comply with an order pursuant to subsection (2) shall be deemed to be in breach of the said order.

Confidentiality

13. (1) Where, a document is filed with the Board by a party in relation to any proceeding, the Board shall, subject to subsection (2), place the document on the public record.
- (2) The Board may receive information in confidence on any terms it considers appropriate in the public interest,
- a) if the Board is of the opinion that disclosure of the information could reasonably be expected
- (i) to result in undue financial loss or gain to a person directly or indirectly affected by the proceeding; or
- (ii) to harm significantly that person's competitive position.
- or
- b) if
- (i) the information is personal, financial, commercial, scientific or technical in nature; or
- (ii) the information has been consistently treated as confidential by a person directly affected by the proceeding; and
- (iii) the Board considers that the person's interest in confidentiality outweighs the public interest in the disclosure of the information.
- (3) Where disclosure of any document is refused due to a claim for confidentiality and a claim for public disclosure of such documents has been made, the Board shall hear such claim on a motion made under Rule 22, and may
- a) order the document be placed on the public record, subject to Subsection 13(5);
- b) order the document not be placed on the public record, with such conditions on access imposed as the Board considers appropriate;
- c) order an abridged version of the document to be placed on the public record; or

- d) make any other order the Board finds to be in the public interest.
- (4) For purposes of hearing a motion in respect of a disputed claim under Subsection (3), the Board may examine the document or other evidence in question to ascertain whether or not the claim for confidentiality or the claim for public disclosure will be sustained.
- (5) Where the Board has decided to place on the public record any part of a document that was filed in confidence in accordance with Subsection 13(2) and 13(3), the party who filed the document shall be given an opportunity to request that it be withdrawn prior to its placement on the public record.

Information Requests

- 14. (1) Where, in any proceeding, the Board permits information requests to be directed to a party for the purpose of a satisfactory understanding of the matters to be considered, such information requests shall be identified by the inquiring party's designated prefix and be:
 - a) addressed to the party from whom the response is sought;
 - b) numbered consecutively in respect of each item of information requested;
 - c) relevant to the proceeding; and
 - d) served, where the Board has directed a time limit, within the time limit directed by the Board.
- (2) A copy of any information request directed to a party pursuant to Subsection (1) shall be filed with the Secretary and served on all interested parties to the proceeding.

Response to Information Requests

- 15. (1) Subject to Subsection (2), where an information request has been directed to a party and served on that party in accordance with the Board's directions, the party shall:
 - a) provide a full and adequate response to each information request on a separate page or pages, or, by agreement between the parties by electronic means; and

- b) file a written copy of the responses with the Secretary and serve a written or electronic copy of the responses on all parties to the proceedings as directed by the Board.
- (2) Where there is a dispute with respect to the adequacy of a response to an information request, the Board may orally or in writing direct all parties:
- a) to appear before the Board or a member of the Board at a specified time and place for a conference; or
 - b) to submit in writing their position and views on the matter for the purpose of assisting the Board.
16. A party who is unable or unwilling to provide a full and adequate response to an interrogatory shall file and serve a response:
- a) where the party contends that the interrogatory is not relevant, setting out specific reasons in support of that contention;
 - b) where the party contends that the information necessary to provide an answer is not available or cannot be provided with reasonable effort, setting out the reasons for the unavailability of such information, as well as any alternative available information in support of the response that the party considers would be of assistance to the party making the information requests;
 - c) where the party contends that the information sought is of a confidential nature, setting out the reasons why it is considered confidential and any harm that would be caused by making it public; or
 - d) otherwise explaining why such a response cannot be given.

Evidence

17. (1) The Board may receive evidence by:
- a) sworn testimony or testimony solemnly affirmed; or
 - b) the report of any person directed by the Board to so report; or
 - c) such other manner as may be deemed appropriate by the Board.
- (2) Witnesses at a hearing shall be examined orally under oath or affirmation unless otherwise directed by the Board.

- (3) Counsel may communicate with his or her witness who is being cross examined, unless otherwise directed by the Board.
- (4) Any party who wishes to present evidence at a public hearing shall, prior to the appearance of the witnesses and within the time limit prescribed by the Board, file a copy of the proposed evidence with the Secretary and serve a copy of it on all parties.
- (5) Pre-filed written evidence may be received in evidence at the hearing with the same force and effect as if it were stated orally by the witness, provided that the witness shall be present at the hearing and that the witness:
 - a) testifies as to his/her qualifications;
 - b) confirms that the written material was prepared under his/her direction and control and is accurate to the best of his/her knowledge and belief; and
 - c) submits to cross-examination on the same.
- (6) Where the Board has prescribed a time limit for the filing of written evidence, supplementary written evidence may be filed after the time prescribed only with leave of the Board.
- (7) Should any party seek to challenge the admissibility of the pre-filed evidence of any other party, such a challenge shall be brought by way of a motion under Rule 22 prior to the commencement of the public hearing.
- (8) The Board may issue commissions to take evidence outside of Manitoba and may make all proper orders for that purpose and for the return and use of the evidence so obtained.

Evidence in Other Proceedings

18. Evidence received in another proceeding before the Board or before any other provincial or federal regulatory body or any report, decision, finding or order made in respect thereof, may, by leave of the Board, be received as evidence in a proceeding.

Examination

19. The procedure for presenting evidence shall be the same for applicants, interveners

and independent witnesses and shall be as follows:

- (1) Pre-filed written evidence:
 - a) Applicants shall provide pre-filed written evidence in support of the application;
 - b) Interveners' witnesses/independent witnesses shall provide pre-filed written evidence in response to the applicant's pre-filed written evidence; or
 - c) Applicants may provide written pre-filed rebuttal evidence to address issues raised in the interveners'/independent witnesses' pre-filed written evidence.
- (2) Applicant's oral evidence:
 - a) Applicant's direct oral evidence shall include oral testimony on its pre-filed evidence and its pre-filed rebuttal evidence in accordance with Rule 19(4);
 - b) cross-examination of applicant's witnesses on pre-filed evidence, pre-filed rebuttal evidence and/or direct oral evidence; and
 - c) Applicant's re-examination to clarify issues that were first raised during the cross-examination of the applicant.
- (3) Intervener/Independent witnesses' evidence:
 - a) Intervener/independent witnesses shall provide direct oral evidence, including oral testimony on their pre-filed written evidence, and response(s) to the applicant's written and oral testimony;
 - b) cross-examination of the interveners/independent witnesses on their pre-filed evidence and direct oral evidence;
 - c) Intervener/independent witnesses re-examination to clarify issues that were first raised during the cross-examination of the intervener/independent witnesses; and
 - d) Subsections (3) a), b) and c) shall be repeated for each intervener/independent witness.
- (4) Applicant's oral rebuttal evidence:

- a) Applicant's oral rebuttal evidence to address issues raised for the first time during Interveners'/Independent witnesses' oral testimony;
- b) cross-examination of the applicant's oral rebuttal evidence; and
- c) Applicant's re-examination of rebuttal witnesses to clarify points that were first raised during the cross-examination of the rebuttal witnesses.

Attendance of Witnesses (Subpoenas)

20. (1) The Board or party who requires the attendance of a person as a witness before the Board may serve the person with a subpoena requiring him or her to attend the hearing at the time and place stated in the subpoena and the subpoena may also require the person to produce at the hearing the documents or other things in his/her possession, control or power relating to the matters in question in the hearing that are specified in the subpoena.
- (2) Any party served with a subpoena and who has an objection to filing a document or to attending the hearing stated in the subpoena may proceed for an order by way a motion pursuant to Rule 22.
- (3) The subpoena for a witness to produce a document or to attend a hearing shall be signed by the Secretary of the Board.

Amendments

21. In any proceeding the Board may, on condition or otherwise:
 - a) allow any amendment to any document;
 - b) order to be amended or struck out, any document or any part thereof which may tend to prejudice, embarrass or delay the fair hearing of an application on its merits; and
 - c) order such other amendment as may be necessary for the purpose of hearing and determining the real questions and issues in the proceeding.

Motion

22. (1) Any matter which arises in the course of a proceeding that requires a decision or order of the Board, shall be brought before the Board by a motion.

- (2) A motion shall be in writing, in any form, provided it contains a clear and concise statement of the facts, the order or the decision sought and the reasons for such an order or decision.
- (3) A motion shall be filed and served on all interested parties at least 6 days before the motion is heard.
- (4) Any party who wishes to respond to a motion shall file and serve on all parties a written answer no later than 2:00 p.m. two days before the day the motion is heard.
- (5) Any document which a party may wish to submit in support of a motion or response shall accompany the notice or response and shall be filed and served on all parties.
- (6) Notwithstanding subsections (2) to (5), a motion may be made orally or in writing at any time during the course of a hearing and shall be disposed of in accordance with such procedures as the Board may direct.
- (7) When hearing a motion, the Board may permit oral evidence in addition to any affidavit or other supporting material.

PART II HEARING PROCEDURE

Application to the Board

23. An application shall:
- a) contain a clear and concise statement of the facts;
 - b) set forth the reasons for the application;
 - c) set forth the nature of the order sought;
 - d) shall submit with the application any schedule of rates or any other material relevant to the application;
 - e) contain all Minimum Filing Requirement information prescribed by the Board and contain full disclosure of the application together with all supporting documents to be attached at the time of filing;
 - f) contain a detailed index of the entire application, which may be updated regularly throughout the public hearing process by the Board, to include the information in the application, the subject matter of all information requests, intervenor evidence and rebuttal evidence;
 - g) be signed by the applicant or his/her authorized agent or representative; and
 - h) state the name, mailing address, e-mail address and telephone number of the applicant or of the authorized agent or representative of the applicant to whom communications shall be sent and/or upon whom documents shall be served.

Hearing of the Application

24. (1) On receipt of an application, the Board may set a hearing date after the date of the pre-hearing conference or at any other date fixed by the Board.
- (2) An application for an interim ex-parte order shall only be made:
- (a) if emergency circumstances exist; or
 - (b) if there is urgency where, in the Board's opinion, when balancing the interest of providing notice of an application with the financial health of

the Applicant, it is deemed just and reasonable to proceed ex parte;
or

- (c) for purposes of efficiency; or
- (d) for such other special circumstances as may be determined by the Board; and
- (e) If the applicant provides full disclosure as to why the application should proceed ex parte.

Publication of Notice of Hearing

25. (1) Where an application or any other matter is to be dealt with by means of a public hearing for which the Board issues a public notice, the applicant shall:
- a) forthwith publish the public notice in the form approved by the Secretary, in the newspapers specified by the Board;
 - b) forthwith serve a copy of the public notice upon such persons as the Board may direct;
 - c) provide a notice of the forthcoming public hearing to each subscriber or customer in such monthly bill or bills as the Board may direct;
 - d) provide for radio and TV public announcement of a forthcoming public hearing in communities outside of Winnipeg as the Board may direct; and
 - e) publish a further reminder notice, if so directed by the Board.
- (2) The applicant shall file with the Secretary proof, by affidavit, of publication pursuant to subsection (1) a) and of service pursuant to subsection (1) b).
- (3) Notices shall state the time and place of the hearing and any pre-hearing conference and shall contain a clear and concise statement of the substance of the application, including any proposed rate changes in sufficient detail and in plain language for the public's clear understanding of the substance of the application.

Applicant's Evidence

26. (1) The information contained in an application and the information submitted by an applicant to the Board, pursuant to Rules 17, 19, 21 and 23, shall be deemed to constitute the written evidence of the applicant and the applicant shall not, except with leave of the Board, be at liberty to submit additional written evidence.
- (2) Any document purporting to have been issued by a corporation or any officer, agent or employee of a corporation for or on its behalf, may be received in evidence without calling the author as a witness.
- (3) In the case of a corporation, the applicant shall present such witnesses as are competent in the issues before the Board, including a senior officer to be available for questioning on policy issues and related matters.

Intervention

27. (1) Where a notice of a public hearing has been published, any interested person or organization may request to intervene in respect of the proceeding by filing with the Secretary and serving on the applicant, on or before the date prescribed, a written request to intervene [Intervener Request Form, Appendix I] that:
- a) clearly identifies the specific issue(s) on which that prospective intervener seeks Board approval to intervene;
 - b) where seeking an award of costs, clearly quantifies the cost of the proposed intervention, by issue;
 - c) states clearly the intervener's intention to appear at the public hearing and to participate in the leading and the testing of evidence; and
 - d) sets out the name, mailing address, e-mail address and address for personal service and telephone number of the Intervener or agent authorized to receive documents on that person's behalf, and the preference for the method of receiving information.
- (2) Before determining whether to award intervener status to any person, the Board will review the written request for intervention to determine:
- a) a clear understanding of the issues to be addressed and purpose for the requested intervention;
 - b) any relevant information that may be useful in explaining or supporting the views of the person requesting intervention; and

- c) the extent of the requested intervention in the information request, evidentiary and argument procedures.
- (3) Should any party object to the intervention by any other party, such objection and challenge to the Intervener status shall be made by way of a motion under Rule 22, prior to the commencement of the public hearing.
 - (4) Unless the Board directs otherwise, the applicant shall serve each intervener with:
 - a) a copy of the application or other document initiating the proceeding; and
 - b) any pre-filed written evidence or material submitted to the Board.
 - (5) Interveners are to avoid duplication of evidence, and subject to Rule 4 (2) are to consider joint interventions with other interveners.

Presentation

- 28. Where a notice of a public hearing has been published, any interested persons or organizations who do not wish to intervene in respect of the proceeding but who wish to make their views regarding the application known to the Board, may provide their views in writing to the Board in advance of the public hearing or may appear during that portion of the public hearing that has been set aside by the Board to hear the views of presenters.

Information Request

- 29. (1) Any party to the proceeding may address an information request to any other party in the proceeding, in accordance with Rule 14.
- (2) Where the Board has directed a time limit, additional information requests may be addressed after the date prescribed only with leave of the Board or with the consent of the party to whom the information request is addressed.

Hearing of Evidence

- 30. (1) At hearings, parties will be afforded an opportunity to present their evidence

and to examine and cross-examine witnesses. Because all proposed evidence is to be pre-filed in accordance with Rule 17 (4), the direct oral evidence given at the hearing should be in summary form.

- (2) The written evidence of an applicant and an intervener shall be deemed to include its pre-filed evidence and any responses to information requests by that applicant or intervener.
- (3) A party may update or revise their evidence, only with leave of the Board.

Argument

31. At the conclusion of the examination of evidence at the hearing, the Board may direct that oral argument be presented and establish the time for it, or it may order written argument to be filed with the Board and served on parties by a certain date, or both.

Summary Application

32. (1) The Board may grant an order permitting and directing an applicant to proceed by way of summary application.
- (2) An order granted by the Board to proceed by way of summary application shall only be made after public notice of the proposed procedure and after holding a public hearing to consider the terms of the order of the summary procedure.
- (3) An order permitting an applicant to proceed under summary application shall, in all events, provide for:
 - a) notice to all effected parties as directed by the Board;
 - b) notice of the Board's intention to grant the application without a public hearing on the written evidence, unless a complaint or request is filed and accepted by the Board requesting a public hearing; and
 - c) such other terms as the Board may provide.
- 4) Notwithstanding a summary application order issued by the Board, the Board shall have in its absolute discretion the right at any time to order the cancellation or variance of any summary application order in respect to any matter coming or to come before it.

Sittings, Facilities and Translation

33. (1) The Board shall hold hearings at such times and places as it chooses and shall conduct its proceedings in a manner convenient for the timely and effective dispatch of the application.
- (2) All sittings of the Board to hear applications are open to the public.
- (3) The Board may direct advisors to assist interveners in matters of procedure and conduct if requested.
- (4) The Board shall, whenever practicable, conduct hearings in buildings open to the public with wheelchair accessibility.
- (5) The Board will arrange signing translation for hearing impaired persons upon five days notice.
- (6) The Board will arrange for simultaneous French translation to hear any person using the French language upon reasonable prior notice.

Transcripts

34. (1) The Board may retain reporters to supply transcripts of its proceedings.
- (2) A copy of the transcript of a proceeding will be available for review at the Board's office following the hearing.
- (3) During the hearing, the Board shall provide one copy of the daily transcript to interveners on a shared basis, if so requested.

Issuance of an Order

35. (1) On any application, the Board may make an order granting the whole or part only of the application or may grant such further or other relief in addition to or in substitution for that applied for, as fully and in all respects as if the application had been for such partial, further or other relief. [Section 44(1) of the Act]
- (2) The Board shall provide written reasons for the orders it issues at the time of the issuing of such orders or as soon thereafter as is practical.

Review

36. (1) The Board may, on its own initiative or on application by a person, review, rescind, change, alter or vary any decision or order by it.
- (2) An application for a review under subsection (1) must be in writing and contain the following:
- a) a clear and concise statement of facts relevant to the application;
 - b) the grounds on which the application is made;
 - c) a brief explanation as to the nature of the prejudice or damage that has resulted or will result from the order, decision or direction;
 - d) a brief description of the remedy sought; and
 - e) the applicant's name, address in Manitoba, telephone number, fax number and, if available, e-mail address.
- (3) An application for a review must be filed and served on the parties to the proceeding for which the order or decision of the Board was made within 30 days of the date of the order or decision.
- (4) The Board shall determine, with or without a hearing, in respect of an application for review, the preliminary question of whether the matter should be reviewed and whether there is reason to believe the order or decision should be rescinded, changed, altered or varied.
- (5) After determining the preliminary question under subsection (4), the Board may:
- a) dismiss the application for review if,
 - i) in the case where the applicant has alleged an error of law or jurisdiction or an error in fact, the Board is of the opinion that the applicant has not raised a substantial doubt as to the correctness of the Board's order or decision; or
 - ii) in the case where the applicant has alleged new facts not available at the time of the Board's Hearing that resulted in the order or decision sought to be reviewed or a change of circumstances, the Board is of the opinion that the applicant has not raised a reasonable possibility that the new facts or the change in circumstances as the case may be, could lead the

Board to materially vary or rescind the Board's order or decision;

or

- b) grant the application; or
 - c) order a hearing or proceeding be held.
- (6) If the Board orders a hearing be held under subsection (5), it shall issue a Notice of Review, and a new hearing or proceeding will be held in accordance with these rules as determined by the Board.
- (7) A notice of review under subsection (6) must contain the same information as is contained in a notice of hearing.
- (8) No application for review may be made in respect of:
- a) a decision or order made by the Board as a result of a review under this section; or
 - b) a decision or order of the Board which has been appealed to the Court of Appeal.
- (9) The Board may at any time, without a hearing or notice of review correct typographical errors, errors of calculation and similar errors made in any of its orders or decisions.

PART III OTHER PROCEDURES

The following are excerpts from the Act:

Initiation of Inquiries

37. The Board may of its own motion and shall upon the request of the Legislature or the Lieutenant Governor in Council, inquire into, hear and determine any matter or thing within its jurisdiction [Section 27(1)].

Reports by One Member

38. The Board or the Chairman may authorize a member to report to the Board upon any question or matter arising in connection with the business of the Board; and that member, where so authorized, has all the powers of the Board for the purpose of taking evidence or acquiring the necessary information for the purpose of the report; and, upon the report being made to the Board, the Board may adopt it as the order of the Board or otherwise deal with in the absolute discretion of the Board [Section 16].

Hearing by Single Member

39. A single member may hear an application, petition, matter or complaint over which the Board has jurisdiction under this or any other Act of the Legislature; and after the hearing, the member shall report thereon fully to the Board; and the Board may thereupon deal with the application, petition, matter or complaint as if the hearing had been before the full Board [Section 31(1)].

Review of Orders

40. (1) The Board may require a re-hearing of an application before making any decision thereon [Section 44(2)].
- (2) The Board may review, rescind, change, alter or vary any decision or order made by it [Section 44(3)].

Interim Ex Parte Orders

41. The Board may, if the special circumstances of any case so require, make an interim ex parte order authorizing, requiring or forbidding anything to be done that the Board would be empowered on application, petition, notice and hearing to authorize, require or forbid; but no such order shall be made for any longer time than the Board deems necessary to enable the matter to be heard and determined on such application, petition, notice or hearing [Section 45].

Interim Order

42. The Board may, instead of making an order final in the first instance, make an interim order and reserve further directions, either for an adjourned hearing of the matter or for further application [Section 47(2)].

PART IV AWARDING OF COSTS

Criteria

43. In any proceeding the Board may award costs to be paid to any Intervener who has:
- a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;
 - b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;
 - c) insufficient financial resources to present the case adequately without an award of costs; and
 - d) a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of the ratepayers.
44. In determining the amount of costs to be awarded to a intervener, the Board may consider whether the intervener did one or more of the following:
- a) asked questions on cross-examination that were unduly repetitive of questions previously asked by another intervener;
 - b) made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;
 - c) made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners;
 - d) presented in oral evidence significant new evidence that was available to the intervener at the time that intervener pre-filed its written evidence but was not filed at that time;
 - e) failed to comply with a direction of the Board, including a direction on the filing of the evidence;
 - f) submitted evidence and argument on issues that were not relevant to the proceeding;

- g) needed legal or technical assistance to take part in the proceeding;
- h) engaged in conduct that unnecessarily lengthened the duration of the proceeding or resulted in unnecessary costs;
- i) the intervener took part in the proceeding for the sole purpose of protecting the intervener's business interests; or
- j) such other factor(s) as the Board considers relevant.

Costs

45. (1) Costs awarded under this section:
- a) may include the fees of consultants, expert witnesses and counsel associated with the intervention but shall not include indirect expenses relating to an Intervener's own time, such as wages lost by attendance at the hearing;
 - b) may include disbursements, the amounts allowed under the Manitoba Government employee rates, approved from time to time, for travel, meals and accommodation. Consideration will be given to providing for different amounts if they can be justified; and
 - c) shall be at the sole discretion of the Board.
- (2) The Board may award only a portion of the costs being sought by an Intervener.

Procedures

46. (1) For purposes of awarding costs to any party, the Board may establish a tariff of fees and disbursements.
- (2) A party applying for costs shall so inform the Board when filing the form requesting to intervene, as in Appendix I.
- (3) An intervener seeking an award of costs should attend any pre-hearing conference to confer with other interveners and avoid duplication of intervention as referred to under Rule 4(2).
- (4) The Board may hear submissions regarding the awarding of costs to interveners during final argument, or may direct such submissions to be

made in writing following final argument.

- (5) Any intervener applying for an award of costs under subsection 45(1) shall provide the Board with a breakdown of costs, reasonably and necessarily incurred, within 30 days of the last day of the hearing and in the form of the attached Appendix II, "Budget and Cost Summary Sheet", and serve a copy on the applicant.
- (6) The applicant may forward any comments or objections for costs, as set out on the "Budget and Cost Summary Sheet" form, to the respective Intervener and to the Board within 10 working days after receipt thereof.
- (7) The intervener seeking costs shall have a further period of 10 working days, after receipt of any comments by the applicant under Subsection (6), to submit a response to the Board with a copy to the applicant.
- (8) The Board shall issue an order in response to each application for costs, and if costs are awarded, the party ordered to pay the costs shall pay such costs within 15 days of the Board's cost order.

Originally Adopted June 1, 2006
Revised March 14, 2007

The Public Utilities Board
 400 - 330 Portage Ave
 Winnipeg, MB R3C 0C4

"APPENDIX I"

INTERVENER REQUEST FORM

1. Application Re Hearing:		
2. Name of Requesting Party:		
3. Address of Requesting Party:		
4. Phone Number:	Business:	Residence
	Fax Number:	E-mail:
5. Contact Person(s):		
6. Address:		
7. Phone Number:	Business:	Residence:
	Fax Number:	E-mail:
8. State reasons for the proposed intervention (please be specific).		

9. State nature of proposed intervention.		
a) Do you intend	Yes	No
(i) to appear throughout the hearing:	<input type="checkbox"/>	<input type="checkbox"/>
(ii) to participate in the production of evidence:	<input type="checkbox"/>	<input type="checkbox"/>
(iii) to participate in the testing of evidence:	<input type="checkbox"/>	<input type="checkbox"/>
(iv) to present final argument:	<input type="checkbox"/>	<input type="checkbox"/>
b) Do you intend to call witnesses:	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
c) If yes to No. 9b), please provide witness':		
(i) Name:		
(ii) Address:		
(iii) Qualifications:		
(iv) Subject of submission (please note date for filing submission):		
10. Will you be applying for costs:	Yes	No
	<input type="checkbox"/>	<input type="checkbox"/>
If yes: Refer to Section 43 of Rules of Practice and Procedure. Provide detailed budget as per the attached Appendix II.		
11. Comments and other information:		



The Public Utilities Board
 400 - 330 Portage Ave
 Winnipeg, MB R3C 0C4

"APPENDIX II"

INTERVENER BUDGET AND COST SUMMARY SHEET

To be used to prepare a budget for the Intervener Request Form, Item 10, and to make a claim for an Award of Costs.

PAGE 1 OF 2

Prepared by:		Date:
Hearing:		
Period Covered:		
Intervener's Name:		
Contact Person or Persons:		
Address:		
Phone Number:	Business:	Residence:
	Fax Number:	E-mail:

See Costs on Page 2.

FEES – to be completed for legal counsel or experts

				COSTS
PREPARATION:	Hours	Days	Rate	
APPEARANCE:	Hours	Days	Rate	
ARGUMENT & REPLY	Hours	Days	Rate	
FEES TOTAL	Hours	Days		

DISBURSEMENTS

				COSTS
TRAVEL (AUTO)	Kms		Rates	
TRAVEL (OTHER)				
ACCOMMODATION	Nights		Rates	
MEALS	Number			
MISCELLANEOUS	Taxis	Telephone	Supplies	
DISBURSEMENTS TOTAL				

TOTAL FEES AND DISBURSEMENTS	
-------------------------------------	--

NOTE: Receipts must be attached for all disbursements.

MANITOBA PUBLIC INSURANCE
2021 SPECIAL REBATE APPLICATION II
Consumers' Association of Canada (Manitoba) Exhibits



**MANITOBA
PUBLIC INSURANCE**

MANITOBA PUBLIC INSURANCE
2021 SPECIAL REBATE APPLICATION II
Coalition of Manitoba Motorcycles Group Exhibits



**MANITOBA
PUBLIC INSURANCE**

December 9, 2020

SENT VIA EMAIL: Darren.Christle@gov.mb.ca

Manitoba Public Utilities Board
400-330 Portage Avenue
Winnipeg, Manitoba R3C 0C4

Attention: Dr. Darren Christle

Dear Dr. Christle:

**Re: MPI Special Rebate Application II
Submissions on behalf of Coalition of Manitoba Motorcycle Groups (CMMG)**

Manitoba Public Insurance (MPI) has applied to the Public Utilities Board for approval on another Special Rebate as a result of the implications of the COVID-19 pandemic in Manitoba. CMMG respectfully submits that the eligibility criteria of the Special Rebate Application II (SRAII) and any future rebates, should adhere to the same eligibility criteria as approved by the Board in Board Order 67/20.

In April MPI filed a Special Rebate Application (SRA) seeking to reimburse funds to insureds for the period from March 15th to May 15th wherein collisions frequency declined dramatically resulting in an excess of capital held by MPI. The SRA sought to reimburse excess funds from both the Extension reserve as well as from Basic premiums. MPI sought to apply the rebate from Extension across all vehicles class but limited the rebate from Basic to those customers "with a policy in effect and earning premiums on March 15, 2020".¹

During the hearing for the SRA, CMMG questioned MPI's proposed methodology for the rebate from Basic. Throughout that questioning, MPI confirmed that a rate reduction provided through a release from CMP would apply to all major classes.² MPI has further confirmed premiums can be paid by insureds outside of the period that a

¹ 2021 Special Rebate Application Pg 21 Line 22-23

² Transcript of Proceedings April 20, 2020 Pg 60 Line 23 and Pg 112 Line 2-14

premium is deemed 'earned' by MPI.³ Finally MPI has agreed that coverage is still applicable to an in-force policy outside of the earning period of the premium.⁴

In MPI's Special Rebate Application II (SRA II) filed November 30, 2020, MPI has again applied for the rebate to apply to customers with policies in force and earning premiums between March 16, 2020 and November 21, 2020.⁵ This is in spite of the Board's previous determination in Reasons For Decision in Order 67/20 that "the fact that MPI, for accounting purposes, does not consider that premium to be "earned" until the riding season was not persuasive to the Board."⁶

CMMG respectfully submits that the eligibility criteria for SRA II should align with the criteria as ordered by the Board in Board Order 67/20. Rebates which are being issued by MPI for the same conditions and for the same purpose should be applied consistently and according to set precedent. CMMG submits that the rebate should be issued to ratepayers at a uniform percentage of their annualized premiums based on policies in force between March 16, 2020 and November 21, 2020.

CMMG supports MPI's position that a material change in circumstances has occurred, justifying a variation of PUB Orders 159/19 and 176/19. CMMG agrees that the financial hardship being experienced by Manitobans at this time, coupled with MPI's improved financial position, demonstrates that a Special Rebate at this time is just and reasonable in the circumstances.

Thank you for the opportunity to provide comments in this Application on behalf of CMMG.

Sincerely,

BD OAKES JARDINE KANESKI UNRUH LLP

PER:



CHARLOTTE MEEK

Cc: Interveners

MPI

CMMG Board

³ Transcript of Proceedings April 20, 2020 Pg75-76 Line 18-25 and 1-2

⁴ 2021 Special Rebate Application Round I Information Requests CMMG (MPI) Pg 2

⁵ 2021 Special Rebate Application Pg 22 Line 8-14

⁶ Reasons for Decision in Order 67/20 May 20, 2020 Pg 26

MANITOBA PUBLIC INSURANCE
2021 SPECIAL REBATE APPLICATION II
Insurance Brokers Association of Manitoba Exhibits



**MANITOBA
PUBLIC INSURANCE**

MANITOBA PUBLIC INSURANCE
2021 SPECIAL REBATE APPLICATION II
Taxi Coalition Exhibits



**MANITOBA
PUBLIC INSURANCE**

From: Antoine Hacault
Sent: Wednesday, December 2, 2020 3:49 PM

Subject: RE: Attachment related to the 11 am phone call

Further to our conference call this Monday, on behalf of the Taxi Coalition we advise as follows:

1. Taxi Coalition wishes to participate in the expedited process;
2. We submit it would be appropriate to have one round of IRs because some of the information provided is very general in nature;
3. At the PUB's discretion, Interveners be allowed to file evidence;
4. We believe, that in these special circumstances, the application can be dealt with by way of written submissions.
5. It may be appropriate that this order not be final as to certain issues and that those issues be subject to a full and proper review at the next GRA. This will depend, inter alia, on the limitations on IRS, the responses which can or cannot be provided in the expedited time frame and on whether Interveners are allowed to file evidence and have sufficient time to do so.

With respect to issues and facts to be clarified and canvassed, we offer the following preliminary views:

1. The current application vs. the overall improvement in the forecast from the Baseline rate update scenario (filed on Oct 9th) – in particular the outlook for capital adequacy (measured by MCT ratio), changes in net income forecast for 2020/21.
2. The evolving claims incurred forecast, in particular the forecast related to PIPP savings and assumptions around the one-to-one correlation between collision, PD, and PIPP.
3. The calculation of average dollar rebate by major class (Figure 15) and the percentage average rebate.
4. The calculation of the rebate for sub-groups of VFH, and in particular taxi and accessible and the fairness thereof.
5. Efforts to minimize the cost of the rebate process.
6. Continuity with the monthly update provided through the course of the GRA.

Yours truly,

Antoine F. Hacault
Partner



W tdslaw.com

1700 - 242 Hargrave Strileet • Winnipeg, Manitoba • Canada R3C 0V1

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Suite 300-259 Portage Avenue
Winnipeg, Manitoba
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tel: (204) 942-0654
fax: (204) 943-3922
e-mail: intergroup@intergroup.ca

December 9th, 2020

The Public Utilities Board
400-330 Portage Avenue
Winnipeg MB R3C 0C4

Attention: Dr. Darren Christle, Board Secretary and Executive Director

Dear Dr. Christle:

**Re: Manitoba Public Insurance (“MPI”) Special Rebate Application (“SRA”) 2
Submission of Duffy’s Taxi Ltd and Unicity Taxi Ltd (“Taxi Coalition”)**

Pursuant to the Manitoba Public Utilities Board (“PUB”) procedural direction on December 4th, 2020, the Taxi Coalition makes the following submissions with respect to the SRA 2 Application.

Having reviewed the application and responses to the information requests filed by the Taxi Coalition, other interveners, and the PUB, the Taxi Coalition can advise that it does not object to the overall quantum of the rebate, the proposed manner in calculating the rebate, or the proposed manner of distributing the rebate.

The Taxi Coalition thanks the PUB for the opportunity to participate in an expeditious process to approve the SRA 2, and thanks MPI for the additional rate relief during this unprecedented time.

Yours truly,

A handwritten signature in black ink, appearing to be 'J. Crozier', written over a horizontal line.

INTERGROUP CONSULTANTS LTD.

Jeff Crozier
Consultant

CC: Steve Scarfone and Anthony Guerra, MPI Counsel
Kathleen McCandless and Robert Watchman, Board Counsel
Byron William, CAC Counsel
Charlotte Meek, CMMG Counsel

MANITOBA PUBLIC INSURANCE
2021 SPECIAL REBATE APPLICATION II
CORRESPONDENCE

MANITOBA PUBLIC INSURANCE
2021 Special Rebate Application II
Correspondence List

Date	Description
November 30	PUB to MPI 2021 General Rate Application
December 2	IBAM to PUB MPI 2021 GRA Special Rebate Application II TC to PUB MPI 2021 GRA Special Rebate Application II
December 3	PUB to MPI PUB requesting Interveners to respond to the issues raised by MPI in their letter of December 2, 2020. BW to PUB MPI Special Rebate Application II CMMG to PUB MPI Special Rebate Application II CAC to PUB 2021-22 GRA and MPI Supplemental Application II
December 4	MPI to PUB Special Rebate Application II (Review and Variance of Order 159/18 and 176/19)
December 7	CAC to All Parties Round 1 Questions (and Responses) 1-7 CMMG to All Parties Round 1 Questions (and Responses) 1-2 PUB to All Parties Round 1 Questions (and Responses) 1-9 TC to All Parties Round 1 Questions (and Responses) 1-2

MANITOBA PUBLIC INSURANCE
2021 Special Rebate Application II
Correspondence List

Date	Description
December 8	MPI to PUB Filing Round 1 Interrogatories
December 9	MPI to PUB 2021 Special Rebate Application II Errors and Omissions Filing CAC to PUB 2021 Special Rebate Application II Closing Submission CMMG to PUB 2021 Special Rebate Application II Closing Submission MPI to PUB 2021 Special Rebate Application II Written Closing Submission
December 14	PUB to MPI Board Order 145/20
December 18	CAC to PUB CAC Award of Costs for Byron Williams, Chris Klassen, Jeff Crozier and Peter Dyck
December 29	PUB to MPI Board Order 151/20, re: Award of Costs to CAC
January 4	CMMG to PUB CMMG Award of Costs Submission
January 5	PUB to MPI Board Order 2/21, re: Reasons for Decision in Order 145/20
January 8	MPI to PUB Quarterly Update Monthly Claims Costs per Order 145/20 October 1, 2020 until December 31, 2020
January 25	TC to PUB Application for costs of Duffy's Taxi Ltd and Unicity Taxi Ltd
January 29	PUB to MPI Board Order 20/21, re: TC Award of Costs

MANITOBA PUBLIC INSURANCE
2021 Special Rebate Application II
Correspondence List

Date	Description
April 9	MPI to PUB Quarterly Update Monthly Claims Costs per Order 145/20 January1, 2021 to March 31, 2021

November 30, 2020

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
702 - 234 Donald Street
P.O. Box 6300, Stn. Main
Winnipeg, MB R3C 4A4

Dear Mr. Triggs:

Re: MPI 2021 General Rate Application

The Board acknowledges receipt of the 2021 Special Rebate Application II, filed by Manitoba Public Insurance (MPI).

The Board has also received a copy of the agreement entered into between MPI and Insurance Brokers Association of Manitoba on November 26, 2020, in respect of broker commissions payable by MPI effective April 1, 2021 (IBAM agreement).

The Board panel is in the midst of making decisions in respect of the 2021 General Rate Application (GRA), based on sworn evidence after a three week hearing. With the receipt of the IBAM agreement, as well as the new Special Rebate Application (which must still be processed), the panel is concerned that its decisions may be based on evidence which is no longer accurate.

The integrity of the rate application process requires that a rate request be based on accurate information. The panel therefore requires that MPI file sworn information showing the impact, if any, of the changes to broker commissions and the Special Rebate Application (if granted), on the rate request in the 2021 GRA. Other consequences or implications of the changes will be considered in the 2022 GRA. As a result of the above, any Order for the 2021 GRA will be held in abeyance until such time as such information is received, and upon receipt the Board will determine if any further steps or processes are required.

Yours truly,

A handwritten signature in black ink that reads "Darren Christle". The signature is written in a cursive style with a large, prominent 'D' and 'C'.

Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/kl

cc: Registered Interveners
Kathleen McCandless, Board Counsel

From: Curtis M. Unfried <CUnfried@mltaikins.com>

Sent: Wednesday, December 2, 2020 10:34 PM

To: Antoine Hacault <AFH@tdslaw.com>; TMeira@mpi.mb.ca; bywil@legalaids.mb.ca; cmeek@bdoakes.com; Christian Monnin <CMonnin@mltaikins.com>; watchman@pitblado.com; mccandless@pitblado.com; AGuerra@mpi.mb.ca; SScarfone@mpi.mb.ca

Cc: MTriggs@mpi.mb.ca; 'Jeff Crozier' <jcrozier@intergroup.ca>; Patrick Bowman <patrick@intergroup.ca>

Subject: MPI - Latest Application Before the PUB

Good evening –

Further to our discussion on Monday, we are writing to confirm that the *Insurance Brokers Association of*

Manitoba ("IBAM") will not be taking any position with respect to the Application filed by *Manitoba Public Insurance Corporation ("MPI")* with the *Public Utilities Board ("PUB")* on Friday evening. However, in the event that MPI, the PUB or other parties raise questions or issues regarding the "new" Broker Accord recently reached between IBAM and MPI, our position will no doubt change. In short:

1. IBAM will not be seeking to intervene in the Application: At this time, it sees no good reason or need to do so; and
2. This is "without prejudice" to IBAM's right to seek intervention in the event that one (1) or more of the parties decide to raise issues or questions regarding the "new" Broker Accord.

We trust that this response is satisfactory for the purposes of MPI and the PUB moving forward.

Let us know if you have any questions.

Regards,

Curt

Curtis M. Unfried

Partner

P: +1 (204) 957-4686 | **E:** cunfried@mltaikins.com

Winnipeg

December 3, 2020

Interveners of Record
(2021 GRA – per attached list)

VIA EMAIL

Re: MPI 2021 General Rate Application

The Board writes further to its letter of November 30, 2020 to Manitoba Public Insurance (MPI), and MPI's letter in response, dated December 2, 2020, copies of which were circulated to Interveners of Record.

The Board asks that Interveners provide their responses to the issues raised by MPI in its letter (if any), to the Board, no later than 12:00 noon on Friday, December 4, 2020.

Yours truly,



Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/kls

cc: Mike Triggs and Steve Scarfone, MPI
Kathleen McCandless, Board Counsel

**MANITOBA PUBLIC INSURANCE
2021 INSURANCE RATES**

List of Approved Interveners

Coalition of Manitoba Motorcycle Groups Inc. (CMMG)

Counsel: BD Oakes Jardine Keneski Unruh LLP

387 Broadway

Winnipeg, MB R3C 0V5

c/o Charlotte Meek

Email: cmeek@bdoakes.com

Consumers' Association of Canada, Manitoba Branch (CAC)

Counsel: Public Interest Law Centre of Legal Aid Manitoba

200-393 Portage Avenue

Winnipeg, MB R3B 3H6

c/o Byron Williams, Max Griffin Rill, Chris Klassen and Gloria Desorcy

Email: bywil@legalaid.mb.ca

chkla@legalaid.mb.ca

magri@legalaid.mb.ca

Gloria@CACManitoba.ca

Taxi Coalition (TC)

Unicity Taxi Ltd: 340 Hargrave Place

Winnipeg, MB R3C 0X5

Duffy's Taxi Ltd.: 1100 Notre Dame Avenue

Winnipeg, MB R3E 0N8

Counsel : Thompson Dorfman Sweatman LLP

1700-242 Hargrave Street

Winnipeg, MB R3C 0V1

c/o Antoine Hacault, Patrick Bowman and Jeff Crozier

Email: afh@tdslaw.com

jcrozier@intergroup.ca

pbowman@intergroup.ca

From: [Christian Monnin](#)
To: [Curtis M. Unfried](#); [Antoine Hacault](#); [Meira, Ted](#); [bywil@legalaids.mb.ca](#); [cmeek@bdoakes.com](#); [watchman@pitblado.com](#); [mccandless@pitblado.com](#); [Guerra, Anthony](#); [Scarfone, Steve](#)
Cc: [Triggs, Mike](#); ["Jeff Crozier"](#); [Patrick Bowman](#)
Subject: RE: MPI - Latest Application Before the PUB
Date: Thursday, December 03, 2020 10:52:01 AM

Hello,

Bike Winnipeg will not be taking any position with respect to Application. Thank you for reaching out. It is appreciated.

Regards,

CM

Christian Monnin
Partner

P: +1 (204) 957-4621 | **E:** cmonnin@mltaikins.com

F: +1 (204) 957-0840

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From: Charlotte Meek <cmeek@bdoakes.com>
Date: Thursday, Dec 03, 2020, 9:37 PM
To: Triggs, Mike <MTriggs@mpi.mb.ca>, Byron Williams <bywil@legalaids.mb.ca>, Scarfone, Steve <SScarfone@mpi.mb.ca>, Kathleen McCandless <mccandless@pitblado.com>, Antoine Hacault <afh@tdslaw.com>, Christle, Darren (PUB) <Darren.Christle@gov.mb.ca>, watchman@pitblado.com <watchman@pitblado.com>
Cc: Schubert, Kristen (PUB) <Kristen.Schubert@gov.mb.ca>
Subject: CMMG response to MPI SRA II

Good Evening,

CMMG provides the following comments in response to MPI's Special Rebate Application II;

CMMG seeks the opportunity to participate in any process regarding a second rebate issued by MPI. CMMG submits that the opportunity for participants to provide a round of IR's or alternatively a round of Pre-Ask (similarly to SRA I) would be beneficial to the board in determining the reasonableness of MPI's application.

CMMG takes no position on whether the Board reopens the evidentiary portion of the 2020-2021 GRA or proceeds with the matter by way of special application, but CMMG supports the matter proceeding on an expedited basis. CMMG is supportive of submissions of participants being heard by way of one day of oral hearing rather than written submissions.

Thank You.

Kind Regards,

Charlotte Meek

Associate

BD Oakes Jardine Kaneshki UnRuh LLP

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Winnipeg, MB R3C 0V5
bdoakes.com

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Writer's direct line: (204) 985-8533
Email: bywil@pilc.mb.ca

December 3, 2020

The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Dr. Darren Christle, Board Secretary and Executive Director

sent via email: darren.christle@gov.mb.ca

Dear Dr. Christle,

**Re: MPI 2021-22 General Rate Application and MPI November 30, 2020
Supplemental Application**

Overview

CAC Manitoba is writing to respond to issues raised by the MPI filing of: 1) an application seeking a \$69 million RSR rebate related to the 20-21 year based on an updated financial forecast (the “material change in its financial circumstances”); and, 2) details of its agreement with brokers (the “broker agreement”).

In particular, CAC Manitoba is responding to process issues relating to the consideration of the effects of the material change in financial circumstances on MPI claims incurred and ultimately consumers’ rates and rebates.

The material effect of COVID-19 on MPI claims incurred has been a central part of PUB deliberations since the rate rebate hearing in April 2020. In Orders 67/20, the PUB ordered a significant rate rebate and directed MPI to continue to monitor COVID-19 impacts on claims incurred over the summer of 2020.¹

During the recent MPI 21-22 General Rate Application (GRA), two central issues before the PUB were whether: a) the PUB should exercise its statutory authority to recognize a material change in circumstances² by issuing a \$70 M rate rebate (the “second rebate”) related to excess reserves in the 20-21 year; and, b) the impact of COVID-19 on 21-22 claims incurred and on the proposed rate decrease for the test year.

¹ PUB Order 67/20, p. 5. See also Order 71/20, p 3-4.

² Section 26(3) of the Crown Corporations Governance Act (CCGA) provides that: where The Public Utilities Board is satisfied that the circumstances of a corporation have changed substantially, The Public Utilities Board may, of its own motion or on the application of the corporation or an interested person, review an order made pursuant to this section and modify the order in any manner that The Public Utilities Board considers reasonable and justified in the circumstances.

Subsequent to the close of the evidentiary portion of the 21-22 GRA but prior to the issuance of the PUB Order, MPI has filed information suggesting that the estimates it relied upon for the purposes of the GRA proceeding are no longer its best estimates for the 20-21 and 21-22 year.

From the perspective of CAC Manitoba, the key issues raised include:

- whether the material change in financial circumstances and the broker agreement are relevant and material to the issues before the PUB in the 21-22 General Rate proceeding;
- whether the material change in financial circumstances should be dealt with through the PUB GRA Order or in a new summary application; and,
- the recommended process to address the material change in financial circumstances.

Based on its review of the materials, CAC Manitoba will recommend the PUB make the following determinations:

- the MPI admission of a material change in financial circumstances is relevant and material to the issues before the PUB in the 21-22 GRA;
- the update on the broker agreement is relevant to the issues before the PUB in the 21-22 GRA but is unlikely to materially affect the submissions of parties or the PUB deliberations;
- it is open to the PUB to consider the material change in financial circumstances of MPI either in the order related to the recent 21-22 GRA or in a new special rebate proposal;
- there should be a public evidentiary process to determine an appropriate rate response to the material change in financial circumstances of MPI with an opportunity for input by the parties to the GRA;
- any public process should be expedited and consist of either: a) a one day oral hearing with no written discovery on or about December 10, 2020 consisting of questions in the morning and submissions in the afternoon; or, b) a written process consisting of information requests submitted on December 7, 2020, responses on December 9, 2020 and written submission on December 10, 2020.

MPI Admits that the October 9, Financial Update is not the Best Estimate

On November 30, 2020, MPI released materials that:

- admitted that it was departing “from the position it advanced during the course of the 2021 GRA, namely, that allowing the CMP to work as intended was preferred over issuing another rebate”;³

³ MPI November 30, 2020 filing, p. 6/24.

- forecast a \$69 million improvement in claims incurred for fiscal year 2020/21⁴ which included an estimated savings of \$40.1 million in respect of Basic ultimate collision costs, in addition to PD savings of \$4.3 million and PIPP savings of \$14.1 million;⁵
- increased its estimate of 2020/21 net income forecast to \$186.8 million compared to the \$105.4 million forecasted in the 21-22 GRA Rate Update;
- projected an increase of net income in 2021/22 of over \$8 million;⁶ and,
- appeared to implicitly suggest that COVID-19 impacts on claims incurred would linger into March of 2022.⁷

MPI also has filed an update of its relationship with insurance brokers. MPI suggests the new broker agreement provides modestly improved benefits to ratepayers of roughly \$2 million in broker commission savings as compared to the forecasts relied upon by MPI for the 21-22 year.⁸

CAC Manitoba commends MPI for sharing this information prior to the issuance of the 21-22 GRA Order.

The MPI Admission are Relevant to the 21-22 GRA Order

Three important issues during the 21-22 GRA were:

- was an estimate for the 21-22 year that assumed no COVID-19 impacts on claims incurred a best estimate?
- did MPI err by assuming no COVID-19 impacts on claims incurred beyond the end of August 2020 such that its estimate for 20-21 was no longer the best estimate and the alternative COVID-19 Q4 scenario should be preferred?
- if the COVID-19 Q4 estimate was preferred, would it be appropriate to recognize this material change in circumstances and order a second COVID-19 related rate rebate in the 20-21 year?

For example, CAC Manitoba argued that:

- the COVID-19 Q4 estimate should be accepted as the best estimate for 20-21;⁹
- the CMP inflexibly applied is ill suited to these times;¹⁰ and,

4 MPI November 30, 2020 filing, p. 10/24.

5 MPI November 30, 2020 filing, p. 10-11/24. Contrary to the position it adopted during the 21-22 GRA, MPI argued that the correlation between “a direct 2 one-to-one correlation between collision, PD and PIPP claims (in terms of costs)”. MPI November 30, 2020 filing, p. 12/24.

6 MPI November 30, 2020 filing, p. 16/24.

7 MPI November 30, 2020 filing, p. 17/24. “MPI experienced a decrease in claims costs, which it expects will last, to some degree, until March 2022.”

8 MPI letter to the PUB, December 2, 2020, p. 3.

9 Closing submissions of CAC Manitoba dated November 5, 2020, slide 28.

10 Closing submissions of CAC Manitoba dated November 5, 2020, slide 50.

- there should be a 2nd COVID-19 rebate of \$70 M.¹¹

If it is deemed credible by the PUB, the information filed by MPI on November 30, 2020 is relevant to the issues in the 2020 GRA because it:

- demonstrates the best estimate for the 20-21 year is materially improved over even the COVID-19 Q4 estimate recommended by CAC Manitoba. This suggests a material financial change in circumstances and justifies an immediate rate rebate approximating or above the \$70 million figure recommended by CAC Manitoba in its closing submissions; and,
- suggests that the improved financial circumstances related to the 21-22 test year may indicate a further rate decrease in the range of 1% over and above the MPI request.

In terms of materiality, there is no doubt that information suggesting a major rebate for the 20-21 year is material to the PUB deliberations and more than sufficient to re-open the evidentiary portion of the 21-22 General Rate Application. Given that a \$70 million rebate was a core issue in the hearing and recognizing MPI has now reversed its position on its advisability of such a rebate, there are clear and defensible grounds to re-open the hearing.

A 1% decrease for the 21-22 year would be considered material by many consumers and by CAC Manitoba. However, recognizing the importance of regulatory certainty, CAC Manitoba would not recommend re-opening the evidentiary portion of the 21-22 GRA for this purpose alone.

While CAC Manitoba believes the broker commission update is relevant to the 21-22 test year, it agrees with MPI that the \$2 million in reduced costs is unlikely to materially affect submissions or deliberations.

The PUB has Two Options to Address the Material Change in Circumstances

There is no doubt that the new financial information provided by MPI on November 30, 2020 is relevant and material to its 21-22 GRA deliberations. It is open to the PUB to exercise its authority under s. 26(3) of the CCGA to amend the process for the 21-22 GRA and consider this information in its deliberations. Such an approach would enable the PUB to address the closely interrelated issues raised by both the 21-22 GRA and the November 30, 2020 filing by MPI in one integrated package without the attendant confusion and additional effort that may result from two different orders on such closely related issues.

Alternatively, CAC Manitoba agrees that it is open to the PUB to consider the evidentiary portion of the 21-22 GRA closed and address the material change in circumstances through a special rebate application separate and apart from the GRA Order.

¹¹ Closing submissions of CAC Manitoba dated November 5, 2020, slide 48.

Recommended Process to Consider the Material Change in Circumstances

Regardless of whether the PUB reopens the GRA evidentiary portion or initiates a new hearing, CAC Manitoba would recommend that there be a public process allowing for the participation of parties and that the process be conducted on an expedited basis.

The need for a public process is evident. The PUB needs to be assured that there is sufficient evidence to support a material rebate including whether the MPI assumption of 1-1 correlation between collision and PIPP claims is justified. There also are important questions raised about the level of the rebate and whether it should be restricted to \$69 million or whether it should be significantly higher.

CAC Manitoba supports MPI in its request for an expeditious process especially given the acute suffering of many Manitoban families during the pandemic and the reality that the GRA Order is expected to be issued on or about December 14, 2020. Accordingly CAC Manitoba recommends that:

- there should be a public process to determine an appropriate regulatory response to the material change in financial circumstances with an opportunity for input by the parties to the GRA; and,
- any public process should be expedited and consist of either: a) a one day oral hearing with no written discovery on or about December 10, 2020 consisting of questions in the morning and submissions in the afternoon; or, b) a written process consisting of information requests submitted on December 7, 2020, responses on December 9, 2020 and written submission on December 10, 2020.

Conclusion

CAC Manitoba appreciates the opportunity to participate in this process. Thank you for your consideration of these comments.

Yours truly,



BYRON WILLIAMS
DIRECTOR
PUBLIC INTEREST LAW CENTRE

BW/ck

December 4, 2020

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
702 - 234 Donald Street
P.O. Box 6300, Stn. Main
Winnipeg, MB R3C 4A4

-and-

Past Interveners of Record
(2020 and 2021 GRAs)

Re: Manitoba Public Insurance Special Rebate Application II (Review and Variance of Order 159/18 and 176/19)

The Board writes further to the Special Rebate Application II (SRA II) and the correspondence from Interveners of Record on the process for the SRA II.

Procedure for Application

Similar to the Special Rebate Application filed by MPI in April of 2020, the Board recognizes the unique circumstances of the ongoing COVID-19 pandemic and finds that the SRA II should proceed expeditiously. In addition, given the current state of public health in Manitoba, the Board has determined that the SRA II will proceed as a paper hearing, with one round of Information Requests.

In accordance with its Rules of Practice and Procedure 3(2) and 4(1), the Board hereby issues the following direction for the procedure of the SRA II, and the SRA II timetable:

1. The Board will receive written comments only from members of the public on the SRA II, which comments may be posted on the Board's website. The Board will accept comments from members of the public until **4:00 p.m., Tuesday, December 8, 2020.**
2. **Monday, December 7, 5:00 p.m.** Interveners of Record and Board to file Information Requests to MPI on the SRA II, within the scope of the SRA II, as set out in further detail below.

3. **Tuesday, December 8, 5:00 p.m.** MPI to file responses to Information Requests.

4. **Wednesday, December 9, 5:00 p.m.** written submissions of MPI and Interveners of Record.

Please note that the scope of the SRA II hearing will be limited only to evidence and information related to the requested rebate. Information Requests that address issues such as the 2021 GRA rate indication, including the impact of broker commissions or the requested rebate on the rate indication, are outside the scope of this process.

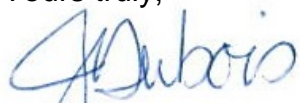
All materials are to be filed electronically with the Board and will be posted on the Board's website.

The Board anticipates that its order on the SRA II will issue on or before Friday, December 11.

Other Matters

Should any party have additional matters to be addressed at this time, please contact the Board. Thank you for your anticipated cooperation.

Yours truly,



Jennifer Dubois, CPA, CMA
Assistant Associate Secretary

JD/ks

cc. Steve Scarfone and Anthony Lafontaine Guerra, MPI
Kathleen McCandless and Robert Watchman, Board Counsel
Roger Cathcart, Board Advisor
Brian Pelly, Board Advisor
Blair Manktelow, Board Advisor

-----Original Message-----

From: Chris Klassen [mailto:chkla@legalaid.mb.ca]

Sent: Monday, December 07, 2020 3:38 PM

To: Meira, Ted <TMeira@mpi.mb.ca>

Cc: bywil@legalaid.mb.ca; Scarfone, Steve <SScarfone@mpi.mb.ca>; Guerra, Anthony <AGuerra@mpi.mb.ca>

Subject: Re: MPI Special Rebate Application II - CAC Manitoba Information Requests

Good afternoon,

Please see attached.

Thank you,

Chris

On 2020-12-07 3:36 p.m., TMeira@mpi.mb.ca wrote:

> Good afternoon Chris,

> Can you please forward to me the MSWord version of CAC IRs?

> Thanks,

> Ted

>

> -----Original Message-----

> From: Meira, Ted

> Sent: Monday, December 07, 2020 3:32 PM

> To: Triggs, Mike <MTriggs@mpi.mb.ca>

> Subject: RE: MPI Special Rebate Application II - CAC Manitoba

> Information Requests

>

> Thanks

> I will forward to everyone - Ted

> -----Original Message-----

> From: Triggs, Mike

> Sent: Monday, December 07, 2020 3:31 PM

> To: Meira, Ted <TMeira@mpi.mb.ca>

> Cc: Scarfone, Steve <SScarfone@mpi.mb.ca>; Guerra, Anthony

> <AGuerra@mpi.mb.ca>

> Subject: FW: MPI Special Rebate Application II - CAC Manitoba

> Information Requests

>

> Hi Ted,

>

> Here is the CAC questions - there are a few.

>

> Cheers,

>

> Mike

>

> -----Original Message-----

> From: Chris Klassen [mailto:chkla@legalaid.mb.ca]

> Sent: Monday, December 7, 2020 3:23 P

> To: Schubert, Kristen (PUB) <Kristen.Schubert@gov.mb.ca>

> cmeek@bdoakes.com; afh@tdslaw.com; mccandless@pitblado.com; Triggs

> Mike <MTriggs@mpi.mb.ca>; Scarfone, Steve <SScarfone@mpi.mb.ca>

> Robert Watchman (watchman@pitblado.com) <watchman@pitblado.com>

> Christle, Darren (PUB) <Darren.Christle@gov.mb.ca>; Dubois, Jennife

> (PUB) <Jennifer.Dubois@gov.mb.ca

> Cc: bywil@legalaid.mb.c

> Subject: Re: MPI Special Rebate Application II - CAC Manitob

> Information Request

>

> Hello again, all,
>
> Please accept our apologies for the inconvenience but two IRs were inadvertently omitted from the document circulated earlier this afternoon. Please disregard the document provided earlier and find attached the complete IRs from CAC Manitoba.
>
> Thank you,
>
> Chris Klassen
>
> On 2020-12-07 1:32 p.m., Chris Klassen wrote:
>> Good afternoon,
>>
>> Please find attached CAC Manitoba's Information Requests, prepared in
>> response to MPI's Special Rebate Application II and correspondence
>> from the Board received December 4, 2020.
>>
>> Thank you,
>>
> --
> Chris Klassen
> Attorney
> Public Interest Law Centre
> of Legal Aid Manitoba
> 200 - 393 Portage Avenue
> Winnipeg, MB R3B 3H6
>
> Direct Phone: (204) 985-5220
> General office Phone: (204)985-8540
> Fax: (204) 985-8544
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>

--

Chris Klassen
Attorney
Public Interest Law Centre
of Legal Aid Manitoba
200 - 393 Portage Avenue
Winnipeg, MB R3B 3H6

Direct Phone: (204) 985-5220

General office Phone: (204)985-8540

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From: Charlotte Meek <cmeek@bdoakes.com>

Date: Monday, Dec 07, 2020, 4:50 PM

To: Triggs, Mike <MTriggs@mpi.mb.ca>, Scarfone, Steve <SScarfone@mpi.mb.ca>, Guerra, Anthony <AGuerra@mpi.mb.ca>, bywil@pilc.mb.ca <bywil@pilc.mb.ca>, Chris Klassen <chkla@legalaid.mb.ca>, Antoine Hacault <AFH@tdslaw.com>, Schubert, Kristen (PUB) <Kristen.Schubert@gov.mb.ca>, Christle, Darren (PUB) <Darren.Christle@gov.mb.ca>, Meira, Ted <TMeira@mpi.mb.ca>, Christian Monnin - GSSGSM & BW Counsel (cmonnin@mltaikins.com) <cmonnin@mltaikins.com>, Robert Watchman (watchman@pitblado.com) <watchman@pitblado.com>, Curtis M. Unfried <CUnfried@mltaikins.com>, Kathleen A. McCandless <mccandless@pitblado.com>, Max Griffin-Rill <magri@legalaid.mb.ca>

Subject: CMMG IRs MPI SRA II

Good Afternoon,

Please find attached IR's on behalf of CMMG regarding the MPI SRA II. Thank you.

Kind Regards,

Charlotte Meek

Associate

BD OAKES JARDINE KANESKI UNRUH LLP

387 Broadway

Winnipeg, MB R3C 0V5

bdoakes.com

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From: Kathleen A. McCandless <mccandless@pitblado.com>

Date: Monday, Dec 07, 2020, 4:02 PM

To: Triggs, Mike <MTriggs@mpi.mb.ca>, Scarfone, Steve <SScarfone@mpi.mb.ca>, Guerra, Anthony <AGuerra@mpi.mb.ca>

Cc: bywil@legalaid.mb.ca <bywil@legalaid.mb.ca>, Max Griffin Rill <magri@legalaid.mb.ca>, Chris Klassen <chkla@legalaid.mb.ca>, Charlotte Meek <cmeek@bdoakes.com>, Curtis M. Unfried <CUnfried@mltaikins.com>, Jennifer Sokal <jsokal@mltaikins.com>, Hacault, Antoine <afh@tdslaw.com>, Christian Monnin - GSSGSM & BW Counsel (<cmonnin@mltaikins.com> <cmonnin@mltaikins.com>), Robert Watchman <watchman@pitblado.com>, Christle, Darren (PUB) <Darren.Christle@gov.mb.ca>, Dubois, Jennifer (PUB) <Jennifer.Dubois@gov.mb.ca>, 'Schubert, Kristen (PUB)' <Kristen.Schubert@gov.mb.ca>, Stephanie Almeida <almeida@pitblado.com>, Brian Pelly <bpelly@eckler.ca>, 'Blair Manktelow' <bmanktelow@eckler.ca>, 'Roger Cathcart' <remc@cathcartadvisors.com>

Subject: MPI Special Rebate Application II

Counsel,

Please see attached.

Regards,
Kathleen

Kathleen McCandless

Partner

mccandless@pitblado.com

D. 204.956.3576

Pitblado^{LAW}

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From: Jeff Crozier [mailto:jcrozier@intergroup.ca]
Sent: Monday, December 07, 2020 4:36 PM
To: Schubert, Kristen (PUB) <Kristen.Schubert@gov.mb.ca>; cmeek@bdoakes.com; mccandless@pitblado.com; Triggs, Mike <MTriggs@mpi.mb.ca>; Scarfone, Steve <SScarfone@mpi.mb.ca>; Robert Watchman (watchman@pitblado.com) <watchman@pitblado.com>; Christie, Darren (PUB) <Darren.Christle@gov.mb.ca>; Dubois, Jennifer (PUB) <Jennifer.Dubois@gov.mb.ca>; bywil@legalaid.mb.ca; Chris Klassen <chkla@legalaid.mb.ca>; Meira, Ted <TMeira@mpi.mb.ca>
Cc: afh@tdslaw.com
Subject: MPI Special Rebate Application II - Taxi Coalition IRs

Good afternoon,

Please find attached information requests from the Taxi Coalition, on the above noted application. Please contact me directly if you have any issues accessing the document.

Best,
Jeff

Jeff Crozier
Consultant

InterGroup Consultants Ltd.

300-259 Portage Avenue | Winnipeg, Manitoba | Canada R3B 2A9

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December 8, 2020

Via E-Mail

The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Mr. Darren Christle, Board Secretary and Executive Director

Dear Mr. Christle:

**RE: Manitoba Public Insurance Corporation (MPI)
2021 Special Rebate Application (SRA) II – Information Request (IR) Filing**

Please find, accompanying this letter filing, MPI's responses to the Information Requests (IRs). These have been added to the Application PDF, hosted on MPI's website¹.

MPI will provide a link to download Excel workbooks replicating the tables contained in the responses direct from its SharePoint site to the Board and Interveners of Record.

Yours truly,

General Counsel and Corporate Secretary

MT/st

Encl.

cc: Interveners of Record
(2021 SRA II)

¹ <https://www.mpi.mb.ca/Documents/2021-Special-Rebate-Application-II.pdf>.



December 9, 2020

Via E-Mail

The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Attention: Mr. Darren Christle, Board Secretary and Executive Director

Dear Mr. Christle:

**RE: Manitoba Public Insurance Corporation (MPI)
2021 Special Rebate Application (SRA) II – Errors and Omissions Filing**

Please find accompanying this letter three exhibits correcting errors discovered in the 2021 SRA II Information Requests responses. The exhibit are as follows:

Exhibit 3 - blackline and clean version of PUB (MPI) 1-2, correcting a typographical error

Exhibit 4 - blackline and clean version of PUB (MPI) 1-3, adding the 2020 year information to the chart

Exhibit 5 - blackline and clean version of CAC (MPI) 1-2, numbering each part of the response properly

MPI will forward to the Board and Interveners of the record electronic copies of these exhibits, including the workbook that provides data support for the updated chart in PUB (MPI) 1-3.

Yours truly,

Michael Triggs
General Counsel and Corporate Secretary

MT/st

Encl.

cc: K. McCandless and PUB Advisors
2021 SRA II Registered Interveners



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Email: bywil@pilc.mb.ca

December 9, 2020

Manitoba Public Utilities Board
Dr. Darren Christle
Secretary and Executive Director
400-330 Portage Avenue
Winnipeg, MB R3C 0C4

Sent by email: Darren.Christle@gov.mb.ca

Dear Dr. Christle:

Re: Manitoba Public Insurance Rate Rebate Proposal of November 30, 2020

Overview

Recognizing the acute financial hardship imposed on many Manitobans by the COVID19 pandemic, CAC Manitoba supports the Manitoba Public Insurance (MPI) assertion that it would be just and reasonable to vary PUB Orders 159/19 and 176/19 to allow for an additional rate rebate in the 2020-21 year. A rebate is recommended in light of the material improvement in MPI financial circumstances resulting from pandemic related reductions in claims incurred in the current year.

CAC Manitoba agrees with MPI that it would be appropriate to rebate customers a consistent percentage of the premium their policies earned over the period covered by the rebate.

CAC Manitoba also agrees with MPI that it is reasonable to assume a direct one-to-one correlation in terms of costs between collision, physical damage (PD) and personal injury protection plan (PIPP) claims.

CAC Manitoba recommends that the proposed level of the rebate be \$90 million rather than the \$69 million proposed by MPI. CAC Manitoba notes the admission by MPI that a higher rebate would better relieve the serious economic hardships facing many Manitobans. It also notes the MPI concession that a \$90 million rebate would still allow for the 5.0% capital release applied for in the 2021 GRA while being projected to achieve the PUB approved capital target level of 100% MCT at the end of 2022/23.¹

CAC Manitoba estimates a \$90 million rebate would equate to an average \$99 rebate per eligible private passenger vehicle as compared to the average \$76 rebate per eligible private passenger vehicle under the MPI proposal.

¹ CAC(MPI) 1-2(b).

There is a Material Change in Circumstances

Section 26(3) of *The Crown Corporations Governance and Accountability Act*² and s. 44(3) of *The Public Utilities Board Act*³ authorize the PUB to modify an existing order when it is satisfied that a material change in circumstances makes it just and reasonable to do so.

In this proceeding, there is ample evidence suggesting there are grounds for varying PUB Orders 159/19 and 176/19. MPI has provided evidence that “as a result of the COVID-19 pandemic, its financial position continues to improve at a time when the financial position of many of its ratepayers may have substantially declined, creating again an urgent need for support.”⁴ This evidence includes the reality that:

- MPI estimates its 2020/21 net income forecast at \$186.8 million, compared to the \$105.4 million forecasted in the 2021 GRA Rate Update;⁵
- MPI forecasts a \$69 million improvement in claims incurred before provisions in the fiscal year 2020/21 relative to the rate update provided within the 2021 GRA Rate Update;⁶ and,
- MPI expects Basic ultimate collision claims to be almost 9.6% under budget compared to the 2021 GRA Rate Update. This translates to a savings of \$40.1 million in respect of Basic ultimate collision costs, in addition to PD savings of \$4.3 million and PIPP savings of \$14.1 million.⁷

The Proposed Approach to Calculating the Premium is Just and Reasonable

MPI proposes to rebate customers a consistent percentage of the premium their policies earned over the rebate period rather than a percentage of the premium in-force on a particular date.

CAC Manitoba agrees this approach is fair as it reflects the exposure which contributes to the claims experience in the rebate period.⁸ It also is generally consistent with how MPI has calculated past rebates⁹ with the exception that the proposed rebate reflects earned premiums over a specific period (i.e. the pandemic period) rather than a given rating year of earned premium.¹⁰

² CCSM c. C336 at s 26(3): Where The Public Utilities Board is satisfied that the circumstances of a corporation have changed substantially, The Public Utilities Board may, of its own motion or on the application of the corporation or an interested person, review an order made pursuant to this section and modify the order in any manner that The Public Utilities Board considers reasonable and justified in the circumstances.

³ CCSM c. P280 at s 44(3): The board may review, rescind, change, alter, or vary any decision or order made by it.

⁴ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 5.

⁵ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 17.

⁶ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 10.

⁷ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 10-11.

⁸ CAC(MPI) 1-7.

⁹ Leaving aside the first emergency rebate in the 20-21 year.

¹⁰ CMMG(MPI) 1-2.

The Assumption of Perfect Correlation with PIPP is Defensible

MPI assumes a direct one-to-one correlation in terms of costs between collision, PD and PIPP claims.

CAC Manitoba agrees that this assumption is supported by the updated information filed in this proceeding. It notes that:

- injury claim counts and incurred reductions have continued to track very close to collision trends;
- serious injury claims have largely trended back to normal levels; and,
- injury claims duration continues to be managed close to expectations.¹¹

A \$90 Million Rebate Would be Appropriate

During the General Rate Application, MPI conceded that its formulaic, rules based Capital Management Plan was under “stress” “because the situation is so unusual.”¹²

In its November 30, 2020, Rebate Application, MPI went further and acknowledged that:

this Application represents a departure from the position it advanced during the course of the 2021 GRA, namely, that allowing the CMP to work as intended was preferred over issuing another rebate. However, since the close of the 2021 GRA hearing on November 6, 2020, the adverse effects of the COVID-19 pandemic have increased to such a degree as to warrant providing additional financial relief to Manitobans immediately.¹³

In its information responses in this proceeding, MPI has admitted that:

- this is a time when the financial position of many of its ratepayers may have substantially declined creating an urgent need for support;¹⁴
- it projects a 111.1% MCT ratio in 2021/22 after the 5% release in 2021 rates and the \$69 million rebate requested;¹⁵
- the immediate release of an additional 11.1% of excess capital in Basic could help relieve serious economic hardship facing many Manitobans;¹⁶ and,

¹¹ PUB(MPI) 1-3.

¹² Transcript from October 21, 2020 at 638-42 WILLIAMS/Johnston.

¹³ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 6.

¹⁴ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 5.

¹⁵ CAC(MPI) 1-2(c).

¹⁶ CAC(MPI) 1-2(c).

- it is still projected to achieve approximately 100% MCT at the end of 2022/23 even with the 5.0% capital release applied for in the 2021 GRA and a \$90 million rebate.¹⁷

Given its admissions of excess capital and of the dire situation of many of its ratepayers, MPI offers little in support of its position that the rebate should not be higher than the proposed \$69 million rebate. Its sole remaining argument appears to be that providing further rebate relief:

would be a deviation from the approved CMP, whereby the goal of any release is to restore the Basic MCT to 100% over a three year period. MPI seeks a rebate that complies with the approved CMP, to ensure the Public Utilities Board can fully assess its performance and amend the CMP if necessary.¹⁸

This is a frail argument. It cannot be reconciled with the MPI concession that Manitoba ratepayers are in urgent need and that it could do more to address their undue hardship while still achieving its RSR target in 2022-23. If MPI is truly concerned about addressing consumer need while fairly evaluating the CMP, it can always apply to the PUB in the next GRA to extend the time period of the CMP pilot project.

MPI has admitted that the CMP is ill-suited to these times and that the CMP cannot work “as intended” during a pandemic. In recognition of this reality, MPI has fundamentally broken with the Capital Management Plan in seeking two special rate rebates in one year.

The CAC Manitoba proposal offers significantly more immediate relief for MPI ratepayers without unduly prejudicing the 100% MCT target.

A \$90 million rebate is just and reasonable. It is both fiscally prudent and better responsive to the needs of Manitobans.¹⁹

A Rebate by Cheque is not Preferred but is Appropriate in the Circumstances

MPI anticipates the total cost of issuing the rebates will be over \$900,000.²⁰

As indicated in its closing submissions during the 2021-22 GRA, CAC Manitoba would prefer that MPI used more imaginative options for future rebates including options such as e-

¹⁷ CAC 1-2(b).

¹⁸ CAC 1-2(c).

¹⁹ CAC Manitoba also would note: i) MPI has adequate cash on hand with about \$135.8 million according to its application. MPI can fund the 19 entire rebate out of operational cash. No investment assets need to be liquidated – see Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 14. This figure has surely increased in the past two weeks. MPI has Line of Credit with their principal banker to assist in any interim shortfall; ii) Loss ratios for the entire fleet drop dramatically under the lock down – see TC(MPI) 1-2(d). The months of April, May, and November are all ~30%. As we are now looking at least 8 weeks of lockdown, MPI’s cash on hand position is unlikely to be imperiled over the winter months, even with the additional rebate amount; iii) MPI’s overall capital adequacy is not threatened. The \$90 million rebate would not put Basic below 100 MCT for the coming test year and the 2022 GRA can correct the course to 2022/23 year end if needed.

²⁰ Summary Legal Application 2021 Special Rebate Application II November 30, 2020, 24.

transfers. However, exploring these options prior to issuing the proposed rebate might “increase the cost and time required to issue the refund to customers.”²¹

Given the plight many Manitoban consumers currently find themselves in, CAC Manitoba supports issuing the rebate by cheque while encouraging more creative options for future consideration.

Conclusion

While MPI did not support the CAC Manitoba request for an emergency rate rebate during the recent GRA proceeding, MPI and the Manitoba government are to be commended for now proposing a rebate.

A rebate of \$90 million dollars best serves the twin objectives of responding to the urgent need of Manitoba ratepayers while achieving target RSR target levels.

Thank you for your consideration of these comments.

Yours truly,

A handwritten signature in blue ink, appearing to read 'Byron Williams', with a stylized, cursive script.

Byron Williams

Director, Public Interest Law Centre

cc. MPI
CAC Manitoba
Registered Intervenors
PUB Advisers

²¹ CAC (MPI) 1-3(a).

From: Scarfone, Steve

Sent: Wednesday, December 09, 2020 4:08 PM

To: Darren Christle <darren.christle@gov.mb.ca>; mccandless@pitblado.com; Robert Watchman (watchman@pitblado.com) <watchman@pitblado.com>; Byron Williams (CAC) <bywil@legalaid.mb.ca>; Chris Klassen (chkla@legalaid.mb.ca) <chkla@legalaid.mb.ca>; cmeek@bdoakes.com; Antoine Hacault <AFH@tdslaw.com>

Cc: Triggs, Mike <MTriggs@mpi.mb.ca>; Guerra, Anthony <AGuerra@mpi.mb.ca>; Meira, Ted <TMeira@mpi.mb.ca>

Subject: MPI Written Closing Submission (SRA II)

Good afternoon everyone,

Please find attached MPI's written submission for the rebate application.

Regards,

Steve M. Scarfone, B.Sc. (Hons.), J.D.

Legal Counsel

Manitoba Public Insurance | Legal Services

T: 204-985-8770 ext. 7648 | F: 204-942-2217 | W: mpi.mb.ca
702-234 Donald Street, Winnipeg, MB R3C 4A4

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December 14, 2020

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
912 – 234 Donald Street
Winnipeg, MB R3C 4A4

Dear Mr. Triggs:

**Re: Manitoba Public Insurance Corporation (MPI or The Corporation): 2021 Special
Rebate Application II**

In the above matter, please find enclosed a copy of Order of the Board No. 145/20.
Two certified copies will be sent at a later date.

Yours truly,



Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/kl

cc: Registered Interveners
Kathleen McCandless, Board Counsel
Brian Pelly, Board Advisor
Roger Cathcart, Board Advisor

Order No. 145/20

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):
2021 SPECIAL REBATE APPLICATION II**

December 14, 2020

**BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Chair
Carol Hainsworth, Member**

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3.0 IT IS THEREFORE ORDERED THAT: 6

1.0 BACKGROUND

On March 20, 2020, the Government of Manitoba declared a province-wide state of emergency pursuant to *The Emergency Measures Act*, C.C.S.M. c. E80 as a result of the COVID-19 pandemic.

On April 27, 2020, Manitoba Public Insurance (MPI or the Corporation) filed 2021 Special Rebate Application with the Board (SRA I). By Order 67/20, dated May 1, 2020, the Board ordered MPI to issue to ratepayers a uniform percentage of their annualized premiums in respect of universal compulsory automobile insurance (Basic) policies in force on March 15, 2020, for the Private Passenger, Public, Commercial and Motorcycle classes, in an amount equal to the approximate sum of \$58 million, by May 31, 2020, or as soon thereafter as was reasonably practicable.

MPI filed a second rebate application, 2021 Special Rebate Application II (SRA II), with the Board on November 27, 2020. Pursuant to section 44 of *The Public Utilities Board Act*, C.C.S.M. and Rules 3(2), 4(1), 18, 36(1) and 40(2) of the Board's Rules of Practice and Procedure, the Corporation asked for:

- a. An Order dispensing with the requirement under Rule 36(3) that an application for review and variance be made within 30 days of the order or decision;
- b. Directions on procedure for the hearing of the SRA II, including directions on proceeding by way of a written hearing;
- c. An Order that any evidence tendered by MPI in SRA I and the 2021 General Rate Application (GRA) be received as evidence in SRA II as required;
- d. A review and variation of the directives contained in Orders No. 159/18 and No. 176/19, to the extent that they do not also direct MPI to issue to ratepayers, through a special rebate, a uniform percentage of their Basic

premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes; and

- e. A directive that MPI issue to ratepayers a percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate, in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable.

MPI argued that the increased severity of the COVID-19 pandemic in Manitoba and, in particular, the province-wide move to the Critical Level (Red) on Manitoba's Pandemic Response System on November 12, 2020, could not have been reasonably anticipated within 30 days of the issuance of Orders No. 159/18 and 176/19, nor could it have been reasonably anticipated before May 1, 2020, when the Board issued Order No. 67/20. Accordingly, MPI could not have included the relief now sought in SRA II in the April SRA I filing. MPI also advised that, as a result of the COVID-19 pandemic, its financial position continues to improve at a time when the financial position of many of its ratepayers may have substantially declined, creating an urgent need for support.

The Board issued a directive to MPI and Interveners of Record in the 2020 and 2021 GRAs on December 4, 2020, for the hearing procedure for the Application. In the interests of public health and safety the Board directed that SRA II proceed as a paper hearing.

On December 8, 2020, MPI provided responses to one round of Information Requests, which were issued on behalf of the Board and Interveners of Record in the 2021 GRA, Consumers' Association of Canada (Manitoba) Inc. (CAC), Coalition of Manitoba Motorcycle Groups (CMMG), and Unicity Taxi Ltd. and Duffy's Taxi Ltd. (Taxi Coalition).

MPI, CAC, CMMG and the Taxi Coalition filed written submissions with the Board on December 9, 2020.

Public comments on SRA II were received by the Board on its website until December 8, 2020.

2.0 BOARD FINDINGS

The Board finds that, given the ongoing provincial state of emergency resulting from the COVID-19 pandemic, it is just and reasonable to dispense with the requirement that an application for review and variance be made within 30 days of an order. The Board also finds that MPI has demonstrated a substantial change in its circumstances contemplated by s. 26(3) of *The Crown Corporations Governance and Accountability Act*, C.C.S.M. c. C336 justifying a review and variation of Order 159/18 and 176/19 to allow further rebates to be issued.

In Order 67/20, MPI had asked the Board to order rebates in respect of policies *in force and earning premium* at March 15, 2020. The Board found that it was just and reasonable to order the rebate requested for policies *in force* at March 15, 2020, because the consequence of requiring that the policy be earning premium was the exclusion of the Motorcycle class from the rebate. A shortcoming of the point-in-time methodology used in SRA I was that a customer with a policy in force on March 15, 2020 but cancelled shortly thereafter would still be entitled to a full rebate.

The methodology proposed by MPI in this Application requires that a policy be earning premium at any time from March 16, 2020 to November 21, 2020 in order to be eligible for a rebate, which will include the Motorcycle class. The Board finds that this is just and reasonable in the circumstances, as it avoids the shortcoming of the point-in-time methodology, while also including the Motorcycle class as part of the rebate. Accordingly, the Board is prepared to deviate from the methodology directed in Order 67/20 and approves MPI's proposed methodology for the calculation of the rebate.

The Board issues this Order on an expedited basis given the current state of emergency. The Board will provide detailed reasons in due course.

3.0 IT IS THEREFORE ORDERED THAT:

1. Board Orders No. 159/18 and No. 176/19 are hereby varied to the extent that they do not require the issuance of a special rebate by way of a uniform percentage of annualized premiums in respect of universal compulsory automobile insurance (Basic) premiums earned from March 16, 2020 to November 21, 2020, for all vehicle classes.
2. MPI shall issue to ratepayers a uniform percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable.
3. MPI shall file with the Board on a quarterly basis, as soon as reasonably practicable following such information being available to MPI, a comparison of monthly claims costs versus budget for universal compulsory automobile insurance for the quarter commencing October 1, 2020 and continuing thereafter until March 31, 2021.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Irene A. Hamilton, Q.C."

Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"

Secretary

Certified a true copy of Order 145/20
issued by the Public Utilities Board



Secretary



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**Writer's direct line: (204) 985-8533
Email: bywil@legalaid.mb.ca**

December 18, 2020

Sent via email

Darren.Christle@gov.mb.ca

Dr. Darren Christle
Manitoba Public Utilities Board
Secretary and Executive Director
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Dr. Christle:

Re: CAC Manitoba Application for Costs MPI Special Rebate Application II

Overview

Please find attached the Application for Costs of the Consumers' Association of Canada (Manitoba Branch) (CAC Manitoba) following its participation in the Manitoba Public Insurance (MPI) Special Rebate Application II proceeding.

CAC Manitoba seeks \$7,571.85 in costs in accordance with Rules 43 – 46 of the Manitoba Public Utilities Board ("PUB") *Rules of Procedure*.

In the view of CAC Manitoba, it:

- a) made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;
- b) participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;
- c) has insufficient financial resources to present the case adequately without an award of costs; and
- d) has a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of the ratepayers.

CAC Manitoba notes that its total costs of \$7,571.85 reflect a manner of participation that was both highly efficient and proportionate to the urgent and expedited nature of the proceeding.

A Significant Contribution

CAC Manitoba made a significant contribution to this hearing through its participation in the exchange of information requests and its written submissions.

Throughout this short proceeding, CAC Manitoba achieved an appropriate

balance between proportionate participation that respected the nature of the subject matter, and the importance of detailed submissions and a comprehensive evidentiary record.

Following its close engagement with the material issues, CAC Manitoba ultimately provided the Board with recommendations pertaining to:

- The appropriateness of issuing a second Special Rebate in 2020 and the Board's authority to do so;
- The assumptions underlying MPI's assessment of its financial position, including the correlation between collision, physical damage and personal injury protection plan claims;
- The appropriate quantum of rebate and the means of transmitting it to ratepayers; and
- The importance of the Board's continued monitoring of the effects of the Covid-19 pandemic.

CAC Manitoba's modest contributions added substantial value to the evidentiary record and all participants' meaningful engagement with the issues.

Participation in a Responsible Manner

CAC Manitoba participated in a responsible manner in this proceeding by meeting all filing deadlines and by avoiding duplicative efforts between parties and within its interdisciplinary team of experts and consultants.

To minimize costs, CAC Manitoba shared the services of Mr. Jeff Crozier with the Intervener, "The Taxi Coalition", in an effort to ensure that resources for consultants' contributions were used as efficiently as possible. This enabled Mr. Crozier's time spent in discovery to benefit the participation of two Interveners.

Insufficient Financial Resources

Consistent with many prior board findings, CAC Manitoba lacks the financial resources to intervene in this proceeding in the absence of a cost award. As a non-profit of modest means, CAC Manitoba has insufficient revenue to fund a substantive intervention.

A Substantial Interest

As the Board has found many times previously, CAC Manitoba seeks to represent the interests of all private passenger vehicle owners who constitute many hundreds of thousands of vehicle owners and drivers. The private passenger class is the largest customer class and has a substantial interest in the outcome of this proceeding.

The Total Costs Claimed are Reasonable and Justified

The costs claimed by CAC Manitoba total \$7,571.85. Attachment A to this letter presents a summary of the total costs incurred by CAC Manitoba, and Attachment B provides an overview of the costs sought. Attachments C through F present a detailed breakdown of the costs incurred and insight on efforts made to minimize duplicative efforts. Together, these attachments illustrate that the costs claimed by CAC Manitoba are reasonable and justified.

CAC MB is proud of the insight brought by its interdisciplinary team to this proceeding and its contributions to the Board's development of a comprehensive evidentiary record. CAC MB believes it successfully minimized duplication among the team by restricting the experts to discrete areas:

- Mr. Crozier of Intergroup Consulting Inc. contributed to CAC Manitoba's Information Requests and provided key insight following an in-depth economic review of MPI's filings and continued analysis of MPI's projections of and responses to Covid-19 impacts;
- Mr. Dyck's analysis informed CAC Manitoba's Information Requests and submissions on matters related to the availability and quantum of excess capital for the purposes of a rebate, based in his experience in regulatory accounting and policy matters;
- Mr. Williams exercised general oversight of the file, including assembling the interdisciplinary team, liaising with the client, preparing submissions and contributing to the development of recommendations to the PUB; and
- Mr. Klassen provided necessary support, including research, to the CAC Manitoba team.

The efficient use of time and resources for all members of CAC Manitoba's interdisciplinary team benefitted both from each member's familiarity with the materials from the recent GRA, and from careful attention paid to minimizing duplicative efforts.

Conclusion

CAC Manitoba appreciated the opportunity to participate in this proceeding. It is pleased to have made a significant contribution to the process in a proportionate and efficient manner.

Yours truly,



For: BYRON WILLIAMS
DIRECTOR

BW/CK/uc

Enclosures (7)

Manitoba Public Insurance (MPI) Special Rebate Application II

Application for Costs On behalf of CAC Manitoba



**Public Interest Law Centre
200 - 393 Portage Avenue
Winnipeg, MB R3B 3H6**

Byron Williams
Telephone: 204 985 8533
Fax: 204 985 8544
Email: bywil@pilc.mb.ca

Chris Klassen
Telephone: 204 985 5220
Fax: 204 985 8544
Email: chkla@pilc.mb.ca

[Enter File Name] - Application for Costs
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TAB A

Comparison Budget, Total Costs and Cost Recovery Sought

<u>Special Rebate Application II</u>		
<u>FEES:</u>		
Name	Final Cost Billed	Cost Recovery Sought
Byron Williams	\$3,562.50	\$3,562.50
Chris Klassen	\$598.50	\$598.500
TOTAL LEGAL FEES	\$4,161.00	\$4,161.00
Peter Dyck (Oakwood Strategy Group Inc.)	\$1,509.60	\$1,509.60
Jeff Crozier (InterGroup Consultants)	\$1,901.25	\$1,901.25
TOTAL EXPERT FEES	\$3,410.85	\$3,410.85
TOTAL LEGAL & EXPERT FEES	\$7,571.85	\$7,571.85
<u>DISBURSEMENTS:</u>		
Miscellaneous		
	\$0.00	\$0.00
	\$0.00	\$0.00
TOTAL DISBURSEMENTS	\$0.00	\$0.00
TOTAL FEES & DISBURSEMENTS	\$7,571.85	\$7,571.85

TAB B

Special Rebate Application II

Costs Sought

		Hours/days	Rate	Final Costs Billed
Byron Williams	Fees	12.5	\$285.00	\$3,562.50
Chris Klassen	Fees	5.7	\$105	\$598.50
Peter Dyck	Fees	5.92	\$255	\$1,509.60
Jeff Crozier (InterGroup Consultant)	Fees	9.75	\$195.00	\$1,901.25
				<hr/>
				\$7,571.85

TAB C

Special Rebate Application II

Hearing and Summary Sheet

Prepared by: Byron Williams Date: December 18, 2020

Period Covering: November 30, 2020 -December 9, 2020
Applicant/ Intervenor: Consumers' Association of Canada, Manitoba Branch

Person: **Byron Williams**
Firm: **PUBLIC INTEREST LAW CENTRE**
Title: **Attorney**

Claimed Costs

Fees

Discovery

Hours/ days	1.1	
Rate	\$285.00	
Amount		\$313.50

Preparation for Evidence

Hours/ days	0	
Rate	\$285.00	
Amount		\$0.00

Prepare/Attend Oral Hearings

Hours/ days	6.2	
Rate	\$285.00	
Amount		\$1,767.00

Prepare Written/Oral Argument

Hours/days	5.2	
Rate	\$285.00	
Amount		\$1,482.00

Total

Hours/ days	12.5	
Rate	\$285.00	
Amount	\$3,562.50	

FEES TOTAL

\$3,562.50

Disbursements

Accommodation/ (includes meals)
Miscellaneous

Disbursements Total

\$0.00

NOTE: RECEIPTS MUST BE ATTACHED FOR ALL DISBURSEMENTS

TAB C

Special Rebate Application II

Hearing and Summary Sheet

Prepared by: Byron Williams Date: December 18, 2020

Period Covering: December 2, 2020 -December 9, 2020
Applicant/ Intervenor: Consumers' Association of Canada, Manitoba Branch

Person: **Chris Klassen**
Firm: **PUBLIC INTEREST LAW CENTRE**
Title: **Attorney**

Claimed Costs

Fees

Discovery

Hours/ days	5	
Rate	\$105.00	
Amount		\$525.00

Preparation for Evidence

Hours/ days	0	
Rate	\$105.00	
Amount		\$0.00

Prepare/Attend Oral Hearings

Hours/ days	0	
Rate	\$105.00	
Amount		\$0.00

Prepare Written/Oral Argument

Hours/days	0.7	
Rate	\$105.00	
Amount		\$73.50

Total

Hours/ days	5.7	
Rate	\$105.00	
Amount	\$598.50	

FEES TOTAL

\$598.50

Disbursements

Accommodation/ (includes meals)
Miscellaneous

Disbursements Total

\$0.00

NOTE: RECEIPTS MUST BE ATTACHED FOR ALL DISBURSEMENTS

TAB E

Special Rebate Application II

Hearing and Summary Sheet

Prepared by: Byron Williams Date: December 18, 2020

Period Covering: December 1, 2020 – December 9, 2020
Applicant/ Intervenor: Consumers' Association of Canada, Manitoba Branch

Person: **Peter Dyck**
Firm: **Oakwood Strategy Group Inc.**
Title: **Expert**

Claimed Costs

Fees

Discovery

Hours/ days	5.92		
Rate	\$255		\$1,509.60
Amount			

Preparation of Evidence

Hours/ days	0.00		
Rate	\$255		
Amount			\$0.00

Prepare/Attend Oral Hearings

Hours/ days	0		
Rate	\$255		
Amount			\$0.00

Prepare Written/Oral Argument

Hours/days	0		
Rate	\$255		
Amount			\$0.00

Total

Hours/ days	5.92		
Rate	\$255		
Amount	\$1,509.60		

FEES TOTAL

\$1,509.60

Disbursements

Accommodation/ (includes meals)
Miscellaneous

Disbursements Total

\$0.00

NOTE: RECEIPTS MUST BE ATTACHED FOR ALL DISBURSEMENTS

TAB G

Special Rebate Application II

Hearing and Summary Sheet

Prepared by: Byron Williams Date: December 18, 2020

Period Covering: December 2, 2020 - December 9, 2020
Applicant/ Intervenor: Consumers' Association of Canada, Manitoba Branch

Person: **Jeff Crozier**
Firm: **INTERGROUP CONSULTANTS**
Title: **Expert**

Claimed Costs

Fees

Discovery

Hours/ days	9.75	
Rate	\$195.00	
Amount		\$1,901.25

Preparation for Evidence

Hours/ days	0.00	
Rate	\$195.00	
Amount		\$0.00

Prepare/Attend Oral Hearings

Hours/ days	0	
Rate	\$195.00	
Amount		\$0.00

Prepare Written/Oral Argument

Hours/days	0.00	
Rate	\$195.00	
Amount		\$0.00

Total

Hours/ days	9.75	
Rate	\$195.00	
Amount		

FEES TOTAL

\$1,901.25

Disbursements

Accommodation/ (includes meals)

Miscellaneous

Disbursements Total

\$0.00

NOTE: RECEIPTS MUST BE ATTACHED FOR ALL DISBURSEMENTS

Timesheet for: Byron Williams

File Name: MPI Rebate (Nov 30 filling)

Date	Discovery	Preparation of Evidence	Prepare Written Hearing	Prepare Written Argument	Details
November 30, 2020					conference call MPI
December 2, 2020			1.4		review file, client briefing, inst
December 3, 2020			3.8	1	brief file, comment process
December 4, 2020			0.3		email correspond client - expert
December 7, 2020	0.4		0.7	0.4	irs, prep clos outline, client cor
December 8, 2020	0.7				review IR responses
December 9, 2020				3.8	client instruc - prep closing
TOTAL:				12.5	

Timesheet for: Chris Klassen

File Name: MPI Rebate (Nov 30 filing)

Date	Discovery	Preparation of Evidence	Prepare Written Hearing	Prepare Written Argument	Details
Wednesday, 2 December 2020	1.3				Team meeting re GRA and rebate
December 3, 2020	0.4				Research for BW
December 3, 2020	0.8				Response to MPI supplemental filing – finalize BW letter
December 7, 2020	1.5				Format and file CAC IRs
December 9, 2020	1				Client meeting for instructions
December 9, 2020				0.7	Edit, format and file closing submission
TOTAL:	5.7				



InterGroup

C O N S U L T A N T S

300-259 Portage Avenue
Winnipeg, Manitoba
R3B 2A9
tel: (204) 942-0654
fax: (204) 943-3922
email: intergroup@intergroup.ca

PILC of Legal Aid Manitoba

200-393 Portage Avenue
Winnipeg, Manitoba R3B 3H6
Byron Williams

INVOICE

No. P949-4
December 15, 2020

PILC MPI 2021 General Rate Application

P949

Contract No.

For Services Rendered Through December 15, 2020

GST #R107863847

Professional Fees

	Hours	Rate	Amount
Supplemental Client Work			
Crozier, Jeff	9.75	195.00	\$1,901.25
Supplemental Client Work Total:	9.75		\$1,901.25
Total Professional Fee	9.75		\$1,901.25
Invoice Amount			\$1,901.25

TIMESHEET BY PROJECT WITH COSTS

REPORTING PERIOD: From Friday, November 20, 2020 to Friday, December 11, 2020

CLIENT: PILC of Legal Aid Manitoba

PROJECT: P949 PILC MPI 2021 General Rate Application

PROJECT/COMPONENT	HOURS Billed	DESCRIPTION
P949-06 - Supplemental Client Work		
Crozier, Jeff		
Wednesday, December 02, 2020	2.00	SAR2 - review application, prep and attend client meeting
Monday, December 07, 2020	3.00	SRA2 - IRs for CAC
Tuesday, December 08, 2020	0.25	email to client
Wednesday, December 09, 2020	3.00	Review IR Responses, various email, scenario calcs
Thursday, December 10, 2020	1.25	email to BW at PILC re invoices, prep timesheet
Employee Total	9.50	
Component Total	9.50	
Project Total	9.50	

OAKWOOD STRATEGY GROUP INC.
35 Radium Cove
Winnipeg, MB R2G 3K1

Date: 14-Dec-20
Invoice #: 2020-6

Mr. Byron Williams
Director
Public Interest Law Centre
of Legal Aid Manitoba
200 - 393 Portage Avenue
Winnipeg, MB R3B 3H6

<u>Particulars</u>	<u>Amount</u>
Consulting and advisory services re 2021 MPI Special Rebate Application II.	\$ 1,509.60
PST at 7%	N/A
GST at 5%	Exempt
Total	\$ 1,509.60

Payable to: **Oakwood Strategy Group Inc.**
35 Radium Cove
Winnipeg, MB R2G 3K1

GST#: 84586 8132 RT0001

E. & O. E.

Public Interest Law Center of Legal Aid Manitoba
Consulting and Advisory Services
Oakwood Strategy Group Inc.
Time Sheet 2021 MPI Special Rebate Application II

Date	Hours	Task Description
01-Dec-20	1.25	Review 2021 Special Rebate Application II and prepare for conference call.
02-Dec-20	1.00	Conference Call to discuss 2021 Spacial Rebate Application.
07-Dec-20	1.75	Review 2021 Special Rebate Application II and prepre Irs.
09-Dec-20	1.92	Review responses to Irs, provide comments and respond to queries.

Total hours **5.92**

Rate \$ 255.00

Total **\$ 1,509.60** Consulting and advisory services

December 29, 2020

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
912 – 234 Donald Street
Winnipeg, MB R3C 4A4

Dear Mr. Triggs:

**Re: Award of Costs: Consumers Association of Canada (Manitoba) Inc.– Intervention
in Manitoba Public Insurance Corporation’s Special Rate Application II**

In the above matter, please find enclosed two certified copies of Order No. 151/20.

Yours truly,



Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/cls

cc: Byron Williams, CAC Counsel
Kathleen McCandless, Board Counsel

Order No. 151/20

**AWARD OF COSTS: CONSUMERS ASSOCIATION OF CANADA (MANITOBA) INC.–
INTERVENTION IN MANITOBA PUBLIC INSURANCE CORPORATION'S SPECIAL
RATE APPLICATION II**

December 29, 2020

BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Board Chair.
Carol Hainsworth, Member

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5.0 IT IS THEREFORE ORDERED THAT: 6

1.0 Introduction

By this Order, the Public Utilities Board (Board) approves The Consumers Association of Canada's (CAC) Application for a cost award of \$7,571.85.

The award relates to CAC's intervention in the Special Rate Application II of Manitoba Public Insurance (MPI).

2.0 Application

On December 18, 2020, The Consumers Association of Canada, filed with the Board an Application for an Award of Costs for its intervention at the Manitoba Public Insurance Special Rate Application II.

Pursuant to Section 56 of *The Public Utilities Board Act*, the Board has jurisdiction to award costs of, and incidental to, any proceeding before the Board. For the purpose of this hearing, the Board adopted an interim Intervener Costs Policy. The purpose of this Policy was to set out the Board's procedures for considering requests for Intervener costs and to provide guidance to Interveners on how to apply for funding of costs for participation in Board Proceedings.

Sections 3.1 and 3.2 of the Intervener Costs Policy describes Intervener eligibility for a cost award and the Board's principles in determining the amount of the cost award:

3.1 *In any proceeding the Board may award costs to be paid to any Intervener who has:*

- (a) *made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;*

- (b) *participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;*
- (c) *represented interests beyond their sole business interest; and*
- (d) *a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.*

3.2 In determining whether the Intervener should receive the amount of costs sought in a costs application, the Board may consider whether the Intervener did one or more of the following:

- (a) *made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;*
- (b) *made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners; and*
- (c) *needed legal or technical assistance to take part in the proceeding;*

The expedited public hearing occurred in November, 2020. Projected budgets were not requested of interveners, for this hearing.

The Cost Application was supported by statements of accounts as summarized below:

		Cost Application Total
Legal Costs	(B. Williams)	\$3,562.50
	(C. Klassen)	\$598.50
Consultant Costs	(P. Dyck)	\$1,509.60
	(J. Krozier)	\$1,901.25
TOTAL COSTS		\$7,571.85

CAC's Cost Application was supported by detailed invoices and a written submission describing CAC's participation in the Board's review of Manitoba Public Insurance's Special Rate Application

3.0 Manitoba Public Insurance's Comments

On December 22, 2020, Manitoba Public Insurance consented to the costs related to CAC's intervention.

4.0 Board Findings

The Board has reviewed the Cost Application by CAC, as well as the comments provided by MPI. The Board finds that CAC meets all of the requirements for a cost award. The Board further finds that the costs incurred by CAC are reasonable and the Board is prepared to award an amount of \$7,571.85 for CAC's intervention in the Board's review of Manitoba Public Insurance's Special Rate Application II.

5.0 IT IS THEREFORE ORDERED THAT:

1. The Application of Consumers Association of Canada (Manitoba) Inc. for an award of costs BE AND IS HEREBY APPROVED in the total amount of \$7,571.85
2. Manitoba Public Insurance to pay the Consumers Association of Canada (Manitoba) Inc. within 15 days of the date of this Order.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"
Secretary

Certified a true copy of Order 151/20
issued by the Public Utilities Board



Secretary

January 4, 2021

VIA EMAIL: darren.christle@gov.mb.ca

Dr. Darren Christle
Board Secretary and Executive director
The Public Utilities Board
400 - 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Dr. Christle:

Re: MPI 2021 Special Rebate Application II- Costs

Enclosed for your review is a Summary of Total Costs being sought by the Coalition of Manitoba Motorcycle Groups (CMMG) for its participation in the Special Rebate Application II proceedings. CMMG is seeking total costs of \$452.50 as outlined in the attached budget and pursuant to Rules 43 - 46 of the Manitoba Public Utilities Board *Rules of Practice*.

CMMG provided recommendations to the Board regarding the appropriateness of the wording of the Board Order specifically pertaining to the precedents set by previous orders. CMMG participated in the procedure in a reasonable and responsible way by limiting its intervention to only those matters not already reviewed by other interveners in an effort to not duplicate those issues being examined. As has been discussed in previous Applications, CMMG represents the interests of over 17,000 motorcyclists in the province of Manitoba, and as a non-profit, volunteer run organization does not have the financial resources to fund intervention without an award of costs.

As is outlined in the attached costs summary, CMMG incurred minimal costs relating to this application which costs it is submitted are reasonable and justified.

CMMG appreciated the opportunity to provide comments and recommendations to the Board in this Application. CMMG would also like to commend Manitoba Public Insurance for its efforts to expedite this matter given the considerable impacts of the COVID-19 pandemic on Manitobans.

Sincerely,

BD OAKES JARDINE KANESKI UNRUH LLP

PER:

A handwritten signature in black ink, appearing to read 'Charlotte Meek', written over a horizontal line.

CHARLOTTE MEEK

Encl(s)

Total Costs and Cost Recovery Sought

Special Rebate Application II

FEES:

Name	Final Cost Billed	Cost Recovery Sought
Charlotte Meek	\$451.50	\$451.50

TOTAL LEGAL FEES:	\$451.50	\$451.50
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DISBURSEMENTS

	\$0.00	\$0.00
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TOTAL DISBURSEMENTS:	\$0.00	\$0.00
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TOTAL FEES AND DISBURSEMENTS:	\$451.50	\$451.50
--------------------------------------	-----------------	-----------------

Special Rebate Application II

Hearing and Summary Sheet

Prepared by: Charlotte Meek Date: January 4, 2021

Period Covering: November 30th, 2020 – December 9th, 2020

Applicant/Intervenor: CMMG

Person: **Charlotte Meek**
Firm: BD Oakes Jardine Kaneski UnRuh LLP
Title: Lawyer

Claimed Costs

Fees

Discovery

Hours	1.8	
Rate	\$105.00	
Amount		\$189.00

Prepare/Attend Oral Hearings

Hours	1.3	
Rate	\$105.00	
Amount		\$136.50

Prepare Written/Oral Argument

Hours	1.2	
Rate	\$105.00	
Amount		\$126.00

Total

Hours	4.3	
Rate	\$105.00	
Amount		\$451.50

FEES TOTAL \$451.50

Disbursements

Disbursements Total: \$0.00

January 5, 2021

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
912 – 234 Donald Street
Winnipeg, MB R3C 4A4

Dear Mr. Triggs:

**Re: Manitoba Public Insurance Corporation (MPI or The Corporation): 2021 Special
Rebate Application II – Reasons for Decision in Order 145/20**

In the above matter, please find enclosed a copy of Order of the Board No. 2/21. Two certified copies will be sent at a later date.

Yours truly,



Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/kl

cc: Registered Interveners
Kathleen McCandless, Board Counsel
Brian Pelly, Board Advisor
Roger Cathcart, Board Advisor

Order No. 2/21

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):
2021 SPECIAL REBATE APPLICATION II**

REASONS FOR DECISION IN ORDER 145/20

January 5 , 2021

**BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Chair
Carol Hainsworth, Member**

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1.0 EXECUTIVE SUMMARY

The Board hereby provides its reasons for Order 145/20. In that Order, the Board directed MPI to issue to ratepayers a uniform percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable. This was the second rebate applied for by MPI and approved by the Board during the COVID-19 pandemic.

The actual amount of the rebate paid to an individual policyholder will vary based on the amount of premium paid by the policyholder.

The Board received the Application (SRA II or the Application) from MPI for the rebate on November 27, 2020, and issued Order 145/20 on December 14, 2020, following an expedited, paper-only hearing process due to the provincial state of emergency resulting from the COVID-19 pandemic. In Order 145/20, the Board stated that it would provide its reasons to follow.

The Board found that MPI had demonstrated a substantial change in its circumstances, justifying a review and variation of its prior Orders 159/18 and 176/19, to allow the rebate in the amount of \$69 million to be issued.

The Board also issued a directive to MPI in Order 145/20 to file with the Board on a quarterly basis, as soon as reasonably practicable following such information being available to MPI, a comparison of monthly claims costs versus budget for universal compulsory automobile insurance for the quarter commencing October 1, 2020 and continuing thereafter until March 31, 2021. The Board will thereby continue to monitor the Corporation's financial performance during this period of uncertainty.

In Special Rebate Application I (SRA I), which MPI filed on April 27, 2020, MPI had asked the Board to order rebates in respect of policies *in force and earning premium* at March

15, 2020. In Order 67/20, the Board found that it was just and reasonable to order the rebate requested for policies *in force* at March 15, 2020, because the consequence of requiring that the policy be earning premium was the exclusion of the Motorcycle class from the rebate. A shortcoming of the point-in-time methodology used in SRA I was that a customer with a policy in force on March 15, 2020 but cancelled shortly thereafter would still be entitled to a full rebate.

The methodology proposed by MPI in this Application required that a policy be *earning premium* at any time from March 16, 2020 to November 21, 2020 in order to be eligible for a rebate, which, in this instance, would include the Motorcycle class. The Board found that this was just and reasonable in the circumstances, as it avoided the shortcoming of the point-in-time methodology used in SRA I, while also including the Motorcycle class as part of the rebate. The Board therefore was prepared to deviate from the methodology it directed in Order 67/20, and approved MPI's proposed methodology for the calculation of the rebate in SRA II.

In SRAs I and II, the Board received proposals from MPI for how to apply excess Basic reserves in a manner not permitted by the Capital Management Plan (CMP). The Board accepted that proposal for the purposes of SRAs I and II based on the exceptional circumstances of the COVID-19 pandemic. This is not expected to be a regular occurrence after a return to pre-pandemic levels of driving activity.

Lastly, the Board notes that Bill 35, *The Public Utilities Ratepayer Protection and Regulatory Reform Act* (Bill 35), passed first reading in the Manitoba Legislature on October 14, 2020. Section 18(6) of Bill 35 provides that the RSR must not be used to pay rebates. Accordingly, if Bill 35 passes, the Board will not be permitted to approve any rebates in the future.

2.0 BACKGROUND

On March 20, 2020, the Government of Manitoba declared a province-wide state of emergency pursuant to *The Emergency Measures Act*, C.C.S.M. c. E80 as a result of the COVID-19 pandemic.

On November 27, 2020, MPI filed SRA II. Pursuant to section 44 of *The Public Utilities Board Act*, C.C.S.M. and Rules 3(2), 4(1), 18, 36(1) and 40(2) of the Board's Rules of Practice and Procedure, the Corporation asked for:

- a. An Order dispensing with the requirement under Rule 36(3) that an application for review and variance be made within 30 days of the order or decision;
- b. Directions on procedure for the hearing of the SRA II, including directions on proceeding by way of a written hearing;
- c. An Order that any evidence tendered by MPI in SRA I and the 2021 General Rate Application (GRA) be received as evidence in SRA II as required;
- d. A review and variation of the directives contained in Orders No. 159/18 and No. 176/19, to the extent that they do not also direct MPI to issue to ratepayers, through a special rebate, a uniform percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes; and
- e. A directive that MPI issue to ratepayers a percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate, in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable.

The Board issued a directive to MPI and Interveners of Record in the 2020 and 2021 GRAs on December 4, 2020, for the hearing procedure for SRA II. In the interests of public health and safety, the Board directed that SRA II proceed as a paper hearing.

On December 8, 2020, MPI provided responses to one round of Information Requests, which were issued on behalf of the Board and Interveners of Record in the 2021 GRA, Consumers' Association of Canada (Manitoba) Inc. (CAC), Coalition of Manitoba Motorcycle Groups (CMMG), and Unicity Taxi Ltd. and Duffy's Taxi Ltd. (Taxi Coalition).

MPI, CAC, CMMG and the Taxi Coalition filed written submissions with the Board on December 9, 2020.

Public comments on SRA II were received by the Board on its website until December 8, 2020.

Following the receipt of written submissions, the Board issued Order 145/20 on an expedited basis.

In Order 145/20 the Board found that it was just and reasonable to dispense with the requirement that an application for review and variance be made within 30 days of an order. The Board found that MPI had demonstrated a substantial change in its circumstances contemplated by s. 26(3) of *The Crown Corporations Governance and Accountability Act* justifying a review and variation of Order 159/18 and 176/19, to allow further rebates to be issued.

In Order 145/20 the Board stated that it would provide detailed reasons for its decision in due course. The Board's reasons for decision are set out below.

3.0 APPLICATION

The Board's jurisdiction applies to rate-setting for MPI's universal compulsory automobile (Basic) insurance line of business, and not to MPI's optional lines of business, namely, Extension and Special Risk Extension (SRE).

MPI stated that the Application resulted from the announcement on November 30, 2020 by the Minister of Crown Services that, subject to the approval of the Board, MPI would provide economic relief to ratepayers of \$69 million, in addition to the \$110 million provided in the Spring of 2020 (which was comprised of \$52 million from Extension and \$58 million from Basic).

MPI requested that the Board issue a directive requiring it to issue to ratepayers a percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate, in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as reasonably practicable.

MPI argued that the increased severity of the COVID-19 pandemic in Manitoba and, in particular, the Province-wide move to the Critical Level (Red) on the Pandemic Response System on November 12, 2020, could not have been reasonably anticipated within 30 days of the issuance of Board Orders 159/18 and 176/19, nor could it have been reasonably anticipated before May 1, 2020, the date on which the Board issued Order No. 67/20. MPI could therefore not have included the relief sought in SRA II, through SRA I filed on April 27, 2020.

MPI also argued that, as a result of the COVID-19 pandemic, its financial position continued to improve at a time when the financial position of many of its ratepayers may have substantially declined, creating again an urgent need for support.

MPI noted that this was not a request to issue an additional rebate to ratepayers for savings generated between March 15, 2020 and May 15, 2020 (the 2021 SRA I rebate period). SRA II requested a rebate amount calculated using actual and projected savings in the subsequent period, May 16, 2020 to March 31, 2021.

MPI also conceded that by virtue of its request for a rebate, it had departed from position it advanced during the course of the 2021 GRA, which concluded on November 5, 2020. In the GRA, MPI had taken the position that allowing the CMP to work as intended (by applying a release of excess capital to decrease the indicated rate) was preferred over issuing another rebate.

Based on the financial information in evidence at the 2021 GRA hearing (MPI's actual financial results to August 31, 2020), CAC had proposed that the Board order a second rebate in the amount of \$70 million. CAC's position was premised on an assumption that MPI's financial position would continue to be affected by COVID-19 until March 31, 2021. MPI opposed that position, advocating an approach that did not assume any further COVID-19 impacts. MPI also stated that if there were a desire to rebate further funds beyond its applied-for capital release of 5%, it should be by a credit to ratepayers, citing the significant cost of issuing cheques of over \$900,000. However, MPI opposed any further release of excess capital.

MPI explained that, since the close of the GRA hearing, the adverse effects of the COVID-19 pandemic increased to such a degree as to warrant providing additional financial relief to Manitobans immediately.

3.1 MPI Financial Position

Based on results to the end of September 30, 2020, MPI estimated that Basic would retain capital in excess of \$69 million by March 31, 2021. MPI built in to this forecast an assumption that the Board would approve the 8.8% Basic rate reduction that MPI requested in the 2021 GRA.

MPI reported that as of September 30, 2020 the Basic Rate Stabilization Reserve (RSR) was at a Minimum Capital Test (MCT) ratio of approximately 107%, and forecasted to grow to 132% by the end of March 31, 2021 excluding the proposed \$69 million rebate.

MPI reported that the substantial increase in excess capital was primarily the result of a favourable claims experience brought on by public health orders, coupled with better than expected operating expenses. The proposed \$69 million rebate was comprised primarily of claims savings, but also included expected operating expense savings.

A \$69 million rebate would place the Basic RSR MCT ratio at 116.5% at the end of the fiscal year (March 31, 2021). MPI stated that the ratio of 116.5% would be the minimum level necessary to permit the 5% capital release for the 2021/2022 rating year, which MPI requested in the 2021 GRA. If the rebate were to exceed \$69 million, MPI stated that it would need to amend its 2021 GRA. MPI did not have any expectation that Basic's capital position would deteriorate significantly.

MPI characterized the requested rebate as an acceleration of the distribution of excess funds to policyholders in the form of a one-time payment, rather than by applying a capital release to decrease rates in future years.

3.1.1 Basic Revenues

Assuming an 8.8% rate decrease for 2021/22, MPI projected its 2020/21 Basic Total Earned Revenues at \$1.15 billion:

Forecast Total Earned Revenues – Basic

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
(\$000)					
Current Forecast	1,150,746	1,135,434	1,128,735	1,169,362	1,211,280
2021 GRA Rate Update	1,148,935	1,133,869	1,129,129	1,169,750	1,211,681
Change	1,811	1,565	(394)	(388)	(401)

MPI's forecast in SRA II was close to that in the 2021 GRA Rate Update (the Rate Update), the latter being based on updated financial results as at August 31, 2020.

MPI also reported that it had adjusted forecasted units down for 2020/21 to reflect policy cancellations and non-renewals resulting from government restrictions instituted to address the COVID-19 pandemic. This adjustment resulted in a lower growth rate for 2020/21. By November 2020, more customers had reduced coverage on their policies to comprehensive than in all of 2018 or 2019.

3.1.2 Claims Forecasting

MPI reported that, relative to the forecasts in the Rate Update, the 2020/21 Claims Incurred forecast before provisions (i.e. on a financial reporting basis, before interest rate impacts and DPAC adjustments) decreased by approximately \$69 million. This was due to a \$31 million improvement in the Collision forecast, a \$28 million improvement in the Personal Injury Protection Plan (PIPP) forecast, and a \$5 million improvement in Internal Loss Adjustment Expenses (ILAE). For fiscal year 2021/22 and thereafter, the Basic forecast remained similar to, or slightly above, that presented in the 2021 GRA.

MPI expected that Basic Ultimate Collision claims (on an ultimate reporting basis excluding ILAE) would be nearly 9.6% under budget compared to the Rate Update, a savings of \$40.1 million. Added to this were Property Damage (PD) savings of \$4.3 million and PIPP savings of \$14.1 million:

Forecasted Basic Claims Savings – April 1, 2020 to March 31, 2021

	Forecast excluding COVID-19	COVID-19 Adjustment	2021 GRA	COVID-19 until March 31, 2021	Difference from Forecast excluding COVID-19 Adjustment		Difference from 2021 GRA
	[a]	[b]	[c] = [a] + [b]	[d]	[e] = [d] – [a]	%	[f] = [d] – [c]
Weekly Indemnity	\$93,074,139	(\$9,033,837)	\$84,040,303	\$77,504,546	(\$15,569,593)	-16.73%	(\$6,535,756)
ABO-Indexed	\$69,087,548	(\$6,265,301)	\$62,822,247	\$57,530,471	(\$11,557,077)	-16.73%	(\$5,291,776)
ABO-Non-Indexed	\$33,820,374	(\$3,363,053)	\$30,457,321	\$28,162,847	(\$5,657,527)	-16.73%	(\$2,294,474)
Collision	\$451,372,477	(\$35,314,526)	\$416,057,952	\$375,866,156	(\$75,506,321)	-16.73%	(\$40,191,79)
Property Damage	\$42,868,368	(\$4,167,240)	\$38,701,127	\$34,450,951	(\$8,417,417)	-19.64%	(\$4,250,177)
Total		(\$58,143,957)			(\$116,707,935)		(\$58,563,978)

MPI assumed a direct one-to-one correlation among Collision, PD and PIPP claims in terms of costs. Regarding PD claims, MPI expected a higher decrease (19.6%) than reported in the Rate Update. Based on these assumptions, the projected Basic Ultimate claims savings from April 1, 2020 through March 31, 2021 was \$58.6 million.

3.1.3 Investments

In Order 162/16, the Board directed MPI to conduct an Asset Liability Management (ALM) study. The ALM study was completed in November 2017. As a result of the recommendations in the ALM study, MPI separated its commingled portfolio into five unique portfolios: Basic Claims, Basic RSR, Employee Future Benefits (EFB), Extension, and Special Risk Extension (SRE).

The Basic Claims portfolio, which was fully implemented on March 1, 2019, is comprised exclusively of fixed income assets, which are dollar duration matched to the associated liabilities. The ALM strategy ensures that investment losses in the Basic Claims portfolio

are offset by the corresponding reduction of the Basic Claims liabilities, since both are interest rate sensitive and have a similar duration and size.

MPI stressed that its portfolio strategy resulted in Basic customers being well-positioned for the uncertainties of the COVID-19 pandemic. Over the nine months ending September 30, 2020, the equity portfolio decreased by 2.6%, infrastructure increased 5.4% and real estate increased 0.6 %. MPI had reported in the 2021 GRA that the equity portfolio peaked on February 20, 2020 and reached its low on March 24, 2020, falling by 24.1% during this period. From March 24, 2020 to September 30, 2020, the portfolio increased by 23.2%.

A snapshot of the investment portfolio values at September 30, 2020 is as follows:

Investment portfolio Preliminary Valuations

Fiscal Year	July 31, 2020	August 31, 2020	September 30, 2020	Monthly Change Aug-Sept	Capital Return
(\$000)					
Basic	2,229.4	2,211.6	2,219.5	7.9	0.4%
Extension	166.2	167.0	166.7	(0.3)	-0.2%
SRE	214.7	215.6	233.3	17.7	-0.1%
RSR	393.0	394.6	486.4	91.8	-0.1%
EFB	504.4	502.3	501.5	(0.8)	-0.2%
Total	3,507.7	3,491.1	3,607.4	116.3	0.2%

MPI's investment income allocated to Basic for fiscal year 2019/20 was \$59.6 million. For the 13-month period ending March 31, 2020, the share of investment income allocated to Basic was \$107.2 million, with Basic earning \$47.6 million in the first of those 13 months. In the Rate Update, MPI had forecasted total Basic investment income to be \$205.7 million for 2020/21 and \$87.9 million for 2021/22.

MPI stated that it has significant cash and premium revenues that it can use to fund the requested rebate. It reported that it held \$135.8 million of operational cash at November 20, 2020, and expected this would increase until the mailing date of the rebate cheques.

Therefore, MPI could fund the entire rebate out of operational cash; no investment assets would need to be liquidated.

3.1.4 Net Income

MPI estimated its 2020/21 net income at \$186.8 million, an increase of \$81.4 million from that forecasted in the Rate Update. MPI experienced a reduction in claims costs relative to the Rate Update and expects that decrease to last in part until March 2022.

The forecasted net income was reported by MPI in this Application as follows:

Basic Net Income

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
<i>(\$000)</i>					
Current Forecast	186,793	8,972	(42,282)	(50,147)	(52,791)
2021 GRA Rate Update	105,384	42	(41,194)	(53,230)	(56,042)
Change	81,409	8,930	(1,088)	3,083	3,251

Of the \$8.9 million in net income for 2021/22, MPI advised that \$3.5 million was attributed to interest rate impacts on investment income.

3.1.5 Total Equity

MPI forecasted Basic Total Equity of \$504.8 million at fiscal year-end 2021/22 after taking into account the requested rebate of \$69 million. This equates to an MCT ratio of 116.5%. MPI stated that it was focused on providing the optimal rebate while sustaining the 5% capital release applied for in the 2021 GRA.

The Total Equity positions for Basic and Extension at fiscal year-end 2021/22 based on the Rate Update (as at August 31, 2020) and on this Application (as at September 30,

2020) (with the Rate Update excluding the proposed rebate, and this Application including the proposed rebate), were projected by MPI as follows:

Projected Total Equity and MCT

(C\$ 000s, rounding may affect totals)	BASIC		EXTENSION	
	August, 2020	September, 2020	August, 2020	September, 2020
Total Equity				
Retained Earnings				
Beginning Balance	440,522	440,522	142,866	142,866
Net Income (Loss) from annual operations	105,384	186,792	56,716	55,496
Surplus Distribution/Rebate	(58,000)	(127,000)	(52,000)	(52,000)
Transfer (to) / from Non-Basic Retained Earnings	63,177	59,426	(63,177)	(59,426)
Total Retained Earnings	551,083	559,740	84,405	86,936
Total Accumulated Other Comprehensive Income				
Beginning Balance	(34,296)	(34,296)	(2,367)	(2,367)
Other Comprehensive Income for the Year	49,550	45,515	7,671	6,990
Change in Remeasurement of Employee Future Benefits	(65,247)	(66,105)	n/a	n/a
Total Accumulated Other Comprehensive Income	(49,993)	(54,886)	5,304	4,623
Total Equity Balance	501,090	504,854	89,710	91,560
MINIMUM CAPITAL TEST (C\$ 000s)				
Total Equity Balance	501,090	504,854	89,710	91,560
Less: Assets Requiring 100% Capital	39,658	39,658	3,432	3,432
Capital Available	461,432	465,196	86,278	88,128
Minimum Capital Required (100% MCT)	400,132	399,229	43,139	44,064
MCT Ratio % (Line 17) / (Line 18)	115.3%	116.5%	200.0%	200.0%

Accordingly, as seen above, Basic and Extension are expected to meet their respective capital targets of 100% and 200% even after the proposed rebate.

Further, MPI advised that at the end of 2020/21, Extension is forecasted to have \$59.4 million in capital above the 200% MCT target, which MPI will transfer to Basic (as shown in the above table). In 2021/22 and thereafter, MPI is forecasting to transfer all excess Extension capital to Basic such that the Extension MCT ratio remains at 200% MCT, consistent with the Rate Update and in compliance with the CMP.

3.2 Rebate Rules

MPI's rationale for the proposed rebate was that, given its reduced claims costs and operating expenses, customers would have paid significantly less to insure their motor vehicles between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a monthly (as opposed to annual) basis.

The proposed rebate would therefore apply to Basic ratepayers with a policy earning premiums between March 16, 2020 and November 21, 2020. Those ratepayers would receive an approximate 6% rebate of their Basic annual premium (9.28% of their premium earned during this period).

Unlike its proposal in SRA I, MPI proposed in this Application that the rebate benefit all vehicle classes. If a policy was not earning premium during this period, then according to MPI, the customer paid no premium and no financial relief would be justified. In SRA I, the applicable period to qualify for a rebate was a single day (March 15, 2020). The qualification period in SRA II was longer, and included the traditional riding earning period for motorcycles.

MPI estimated that approximately 675,000 policyholders would qualify for a rebate under these rules.

MPI expected that the total cost of issuing the rebates would be \$973,000, comprised primarily of the cost of postage (\$623,000) and of purchasing and printing cheques (\$300,000).

4.0 INTERVENER POSITIONS

4.1 *Consumers' Association of Canada (Manitoba) Inc. (CAC)*

CAC was supportive of a variation of Board Orders 159/18 and 176/19 to allow for an additional rate rebate, in light of the material improvement in MPI's financial circumstances resulting from pandemic-related reductions in Claims Incurred in the current year.

CAC also agreed with MPI that: (1) it would be appropriate to rebate customers a consistent percentage of the premium their policies earned over the period covered by the rebate; and (2) that it was reasonable to assume a direct one-to-one correlation in terms of costs among Collision, PD and PIPP claims.

However, CAC argued that the level of the rebate should be \$90 million rather than the \$69 million proposed by MPI. CAC referred to the admission by MPI in response to an Information Request that a higher rebate would better relieve the serious economic hardships facing many Manitobans, and that a \$90 million rebate would still allow for the 5.0% capital release applied for in the 2021 GRA, while being projected to achieve the capital target level of 100% MCT at the end of 2022/23.

CAC argued that MPI offered little in support of its position that the rebate should not be higher than \$69 million, except that to do so would be a deviation from the CMP, whereby the goal of any release is to restore the Basic MCT ratio to 100% over a three-year period. CAC criticized this argument, stating that it could not be reconciled with MPI's concession that Manitoba ratepayers are in urgent need and that it could do more to address their undue hardship while still achieving its capital target in 2022-23.

CAC also noted that MPI has conceded that the CMP is ill-suited to current conditions, and that MPI has diverged from the CMP by seeking two rebates in one year.

CAC estimated that a \$90 million rebate would equate to an average \$99 rebate per eligible private passenger vehicle, compared to the average \$76 rebate per eligible private passenger vehicle under the MPI proposal.

Lastly, CAC noted the cost of issuing rebates by cheque and recommended that MPI use more imaginative methods for issuing rebates in future applications, such as e-transfers.

4.2 Coalition of Manitoba Motorcycle Groups (CMMG)

While CMMG was supportive of the proposed rebate, it argued that the eligibility criteria for the rebate should be consistent with that directed by the Board in Order 67/20; therefore, rebates should be issued to ratepayers at a uniform percentage of their annualized premiums in force between March 16, 2020 and November 21, 2020.

4.3 Taxi Coalition

The Taxi Coalition did not object to the proposed amount of the rebate, the proposed manner in calculating the rebate, or the proposed manner of distributing the rebate.

5.0 BOARD FINDINGS

The procedure employed by the Board for this Application was based on a need to proceed expeditiously given the provincial state of emergency resulting from the COVID-19 pandemic, and in accordance with Rules 3(2) and 4(1) of the Board's Rules of Practice and Procedure (Rules), which provide that:

3.(2) In any proceeding, the Board may dispense with, vary or supplement any of the provisions of these Rules.

...

4.(1) In any proceeding, the Board may issue directions on procedure which will govern the conduct of that proceeding and will prevail over any provision of these Rules that is inconsistent with those directions.

With respect to the relief sought in the Application, pursuant to Rules 36(1) and 40(2) thereof, the Board may on application or on its own initiative review, rescind, change, alter or vary any decision or Order it has made. The Board's jurisdiction in that regard flows from section 44(3) of *The Public Utilities Board Act*, C.C.S.M. c. P280 (the Act).

In accordance with Rule 36(4), upon receipt of an application for review and variance, the Board is to determine, with or without a hearing, in respect of an application for review, the preliminary question of whether the matter should be reviewed and whether there is reason to believe the order or decision should be rescinded, changed, altered or varied.

After determining the preliminary question under Rule 36(4), pursuant to Rule 36(5), the Board may:

- a) Dismiss the application for review if,
 - i. In the case where the applicant has alleged an error of law or jurisdiction or an error in fact, the Board is of the opinion that the applicant has not raised

a substantial doubt as to the correctness of the Board's order or decision;
or

- ii. In the case where the applicant has alleged new facts not available at the time of the Board's hearing that resulted in the order or decision sought to be reviewed or a change of circumstances, the Board is of the opinion that the applicant has not raised a reasonable possibility that the new facts or change in circumstances as the case may be, could lead the Board to materially vary or rescind the Board's order or decision; or

b) Grant the application; or

c) Order that a hearing or proceeding be held.

Rule 36(3) requires that an application for review and variance be made within 30 days of the date of the order or decision. However, Rule 3(2) provides that in any proceeding, the Board may dispense with, vary or supplement any of the provisions of the Rules.

Given the unexpected and unique conditions caused by the pandemic, it was just and reasonable for the Board to dispense with the requirement that an application for review and variance be made within 30 days of an order.

5.1 Substantial Change in Circumstances

The Board found that MPI demonstrated a substantial change in its circumstances contemplated by section 26(3) of the CCGAA justifying a review and variation of Orders 159/18 and 176/19 to allow additional rebates to be issued.

In particular, section 26(3) of the CCGAA provides as follows:

26(3) Where The Public Utilities Board is satisfied that the circumstances of a corporation have changed substantially, The Public Utilities Board may, of its own motion or on the application of the corporation or an interested

person, review an order made pursuant to this section and modify the order in any manner that The Public Utilities Board considers reasonable and justified in the circumstances.

The Board's finding of a substantial change in circumstances was based on the significant changes in forecasted financial results from the Rate Update to the date of the SRA II, and in particular, the now forecasted Basic excess capital of \$69 million by March 31, 2021.

5.2 Reasonableness of Rebate

The Board found that it was just and reasonable for MPI issue a rebate in the amount of \$69 million in excess Basic capital given the unique circumstances.

The actual amount of the rebate paid to an individual policyholder will vary based on the amount of premium paid by the policyholder.

Given the urgency of the Application, while the Board reviewed and considered all of the financial information filed by MPI, its review was not as in-depth as typically conducted in a GRA. However, the Board had very recently reviewed MPI's financial position in the 2021 GRA, and so the Board's focus in this Application was on the variation from MPI's financial results and forecasts presented in the GRA.

MPI's assumption of a 1-to-1 correlation between collision claims and injury claims is reasonable. The Board notes the evidence that, while MPI had concerns about the assumption, as more PIPP data became available injury claim counts and incurred reductions continued to track very close to collision trends, serious injury claims largely trended back to normal levels, and injury claims duration continued to be managed close to expectations.

It is not yet known when the conditions leading to the provincial state of emergency will subside. MPI may well experience further significant reductions in claims costs after

March 31, 2021. The Board will have another opportunity to review MPI's financial results in the 2022 GRA. In the meantime, the Board ordered MPI to file a comparison of monthly claims costs versus budget for universal compulsory automobile insurance, on a quarterly basis, for the quarter commencing October 1, 2020 and continuing thereafter until March 31, 2021.

5.3 Capital Management Plan

By Order 67/20, the Board varied its previous Orders 159/18 and 176/19 to the extent that they did not allow for rebates. At that time, the Board made an exception for SRA I and expected MPI to comply with the CMP going forward.

While MPI took the position in the 2021 GRA that allowing the CMP to work through a capital release was preferable to a rebate, that position changed by virtue of SRA II. It was reasonable to deviate from the CMP due, again, to unanticipated financial results and revised forecasts resulting from another strict "lockdown" period in Manitoba. Nevertheless, the Board found that it was not reasonable to increase the rebate from \$69 million to the \$90 million requested by CAC, accepting MPI's position that the immediate release of any further excess capital would not comply with the CMP's requirement to restore the Basic MCT ratio to 100% over a three-year period, requiring MPI to amend its 2021 GRA.

5.4 Rebate Rules

In approving SRA II, the Board departed from the methodology it approved in Order 67/20. The Board found it was just and reasonable to do so, because the inequity to the Motorcycle class in the methodology proposed by MPI in SRA I was not present in SRA II. The proposed rebate rules in this Application required that a policy be earning premium at any time from March 16, 2020 to November 21, 2020 in order to be eligible for a rebate, which would include the Motorcycle class.

The Board found in Order 145/20 that it was just and reasonable to approve MPI's proposed rebate rules in this Application, notwithstanding that this differed from that approved in Order 67/20. This was because the rebate rules proposed in this Application avoided the shortcoming of the point-in-time methodology from SRA I, while including all vehicle classes as part of the rebate.

Lastly, the Board notes that Bill 35, *The Public Utilities Ratepayer Protection and Regulatory Reform Act* (Bill 35), passed first reading in the Manitoba Legislature on October 14, 2020. Section 18(6) of Bill 35 provides that the RSR must not be used to pay rebates. Accordingly, if Bill 35 passes, the Board will not be permitted to approve any rebates in the future.

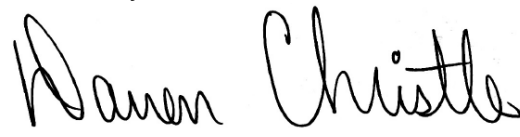
Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."
Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"
Secretary

Certified a true copy of Order 2/21
issued by the Public Utilities Board


Secretary



January 08, 2020

Via E-Mail

Dr. Darren Christle
Board Secretary and Executive Director
The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Dr. Christle:

RE: Public Utilities Board (PUB) Order 145/20 2021 Special Rebate Application II – Quarterly Update – Monthly Claims Costs

As per Directive 3 (3) in Order 145/20, MPI is required to file a file with the Board on a quarterly basis a comparison of monthly claims costs versus budget for universal compulsory automobile insurance.

Please find attached to this letter the report for the period commencing October 1, 2020 until December 31, 2020.

Should you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

Michael Triggs
General Counsel and Corporate Secretary

MT/st

Encl.

cc: K. McCandless and PUB Advisors
2021 GRA Special Rebate Application II Interveners

PUB Order 145/20 Special Rebate Application II - Monthly Claims Costs

October Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		
		Actual	Budget	Variance Fav. (Unfav.)
		\$	\$	\$ %
1	PIPP	20,018,347	21,739,347	1,721,000 7.9
4	Collision	33,826,692	39,498,048	5,671,356 14.4
5	Property Damage	10,273,104	14,015,333	3,742,229 26.7
6	Total Basic	64,118,143	75,252,728	11,134,585 14.8%

November Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		
		Actual	Budget	Variance Fav. (Unfav.)
		\$	\$	\$ %
3	PIPP	16,816,688	21,244,360	4,427,672 20.8
4	Collision	31,522,812	44,780,915	13,258,103 29.6
5	Property Damage	10,258,449	10,970,954	712,505 6.5
6	Total Basic	58,597,949	76,996,229	18,398,280 23.9%

December Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		
		Actual	Budget	Variance Fav. (Unfav.)
		\$	\$	\$ %
3	PIPP	4,611,508	20,746,042	16,134,534 77.8
4	Collision	28,372,825	50,065,715	21,692,890 43.3
5	Property Damage	5,896,660	9,839,437	3,942,777 40.1
6	Total Basic	38,880,993	80,651,194	41,770,201 51.8%



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January 25, 2021

Dr. Darren Christle
Secretary and Executive Director
Manitoba Public Utilities Board
430-330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Dr. Christle:

Re: Application for costs of Duffy's Taxi Ltd and Unicity Taxi Ltd ("Taxi Coalition" or "TC") for Manitoba Public Insurance ("MPI") Special Rate Application 2 ("SRA 2")

1 Introduction

Pursuant to the Section 56 of *The Public Utilities Board Act*, and the Intervener Costs Policy¹ of the Public Utilities Board ("PUB" or "Board"), the Taxi Coalition submits its application for a final award of costs in the amount of \$5,091.86 (inclusive of PST) related to the MPI SRA2. The attached cost application includes the PUB approved template (Appendix A Tab1), supplemented with detailed timesheets (Appendix A Tab 2 and Tab 3).

2 Overview of the Taxi Coalition

Duffy's Taxi and Unicity Taxi are independently operated Taxi dispatch companies providing service in the city of Winnipeg, and surrounding area, which together represent approximately 80% of the 617 Taxicab Vehicles-for-Hire (Taxi VFH),² and 22% of the Accessible Vehicle Vehicles-for-Hire in Manitoba. Duffy's and Unicity collaborated for the purpose of this intervention, on issues of common concern related to the potential premium rebate to Vehicle for Hire insurance uses.

3 Summary of the TC's SRA 2 Cost Application

On November 27th, 2020 MPI filed a second rebate application, the SRA 2. On December 4th, the PUB issued procedural instructions to interveners of record in the 2020 and 2021 General Rate Applications, including the TC.

On December 7th, the TC submitted two information requests, totalling 10 sub-questions. These information request responses were answered on December 8, 2020.

¹ <http://www.pubmanitoba.ca/v1/about-pub/pubs/int-cost-policy-gra.pdf>

² Per RM Appendix 4 of 2021 GRA

Having considered the merits of the case, including the total amount to be rebated, the manner of calculating the rebate entitlements for each customer and class, and the manner of issuing the rebates, the TC provided a closing submission that it did not object to the overall quantum of rebate, nor the manner of calculating, or distributing the rebate.

The Taxi Coalition's intervention reflects a detailed review of the application, information requests targeted at the particular approach to calculating the rebate, and a review of information request responses from the PUB and other parties. We note that TC information requests lead in part to a material restatement of average rebate by major class (see SRA 2 Figure 15, TC(MPI) 1-1, and PUB(MPI) 1-9, Figure 1).

The Taxi Coalition is claiming costs for legal counsel, Antoine Hacault; and consultant Jeff Crozier of InterGroup Consultants. Jeff Crozier was the lead consultant on this proceeding. Antoine Hacault coordinated matters between other interveners and provided overall guidance with respect to the issues to be canvassed and the closing submission.

3.1 The Taxi Coalition made a significant contribution to matters relevant to the proceeding.

The Taxi Coalition submits that it made a significant contribution of the record of the SRA 2, recognizing the narrow scope of issues, the compressed timeframe for review, and the general urgency of the request.

In particular, information requests were targeted at:

- the particular calculations of the of the average rebate amounts and its consistency with the narrative supporting the application;
- the manner in which rebates were calculated for each insured; and
- claims experience through 2020 supporting the rebate.

Having considered the materials on the record, the TC offered its view to the PUB that the application as filed was reasonable and did not object to the application.

3.2 The Taxi Coalition participated in a responsible manner and limited duplication with other Intervenors

The Taxi coalition made efforts to confer with other potential interveners on issues and closing submissions. Jeff Crozier's hours to review of the application were split evenly between the CAC and the TC, as noted also in the CAC's SRA 2 cost application.

The TC's information requests were commensurate with scale of the application and were sensitive to the brief process timelines. The TC engaged with MPI in advance of submitting IRs to confirm that MPI would be able produce information with a reasonable level of effort.

The TC submits that its intervention resulted in limited duplication and was conducted as efficiently as possible.

3.3 The Taxi Coalition represented interests beyond their own business interest

The TC is comprised of two taxi dispatch companies that represent the vast majority of the taxi operators in both Winnipeg and Manitoba, but the TC's review of the application, and information

requests addressed issues that were germane to all customers entitled to a rebate, as explained in the preceding sections of this application.

3.4 The Taxi Coalition has a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers

The TC has a substantial interest in the insurance premium rebate, as taxis pay among the highest premiums of any insurance use.

In terms of reach, the TC directly represents approximately eight of every ten Taxicabs in Manitoba, and its efforts in the 2021 GRA were endorsed by taxi operators in Manitoba's other major centers. Note that the taxi coalition did not directly canvass other taxi operators in Manitoba but trusts that the industry's support carries through to this application.

4 The Taxi Coalition's intervention meets criteria for a full cost award.

The PUB's Intervenor Cost Policy outlines criteria for determination of the amount of a Cost Award³

3.2 In determining whether the Intervener should receive the amount of costs sought in a costs application, the Board may consider whether the Intervener did one or more of the following:

- (a) made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;
- (b) made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners; and
- (c) needed legal or technical assistance to take part in the proceeding;

In regards to these criteria, the Taxi Coalition submits that it meets all the criteria for a full cost award, noting that the Taxi Coalition's intervention was distinct from that of other interveners, and commensurate with scale of the application. The TC coordinated with other interveners, and MPI to efficiently participate in the proceeding.

5 Financial Circumstances of the Taxi Coalition

Duffy's Taxi Ltd and Unicity Taxi Ltd have been particularly impacted by the COVID-19 pandemic, having experienced declines in business revenues between 60% and 80% during the first public health lockdown in March and April of 2020. More recently, media reports⁵ have identified the significant impact to Taxi operator business as the pandemic and public health restrictions persist.

³ <http://www.pubmanitoba.ca/v1/about-pub/pubs/int-cost-policy-gra.pdf>, Sections 3.2 and 3.3

⁴ Duffy's and Unicity Taxi Public presentation from the 2021 GRA, slide 4

⁵ The following media reports have documented the impact to Taxi operations in Winnipeg in 2020:

- i. <https://winnipeg.sun.com/news/local-news/citys-taxi-industry-calls-on-govt-for-financial-help-with-impact-of-health-orders>
- ii. <https://www.winnipegfreepress.com/special/coronavirus/a-taxing-pandemic-for-taxi-drivers-573314461.html>
- iii. <https://winnipeg.ctvnews.ca/winnipeg-cab-companies-faced-with-severe-drop-in-ridership-during-pandemic-1.5118179>
- iv. <https://winnipeg.ctvnews.ca/code-red-restrictions-could-mean-dramatic-revenue-loss-for-winnipeg-taxi-drivers-1.5190517>

6 Conclusion

The Taxi Coalition seeks a cost award in the amount of \$5,091.86, as detailed in Appendix A Tab 1, with supporting timesheets in Appendix A Tabs 2 & 3.

The Taxi Coalition thanks the Board for the opportunity to participate in this process, and for considering this application.

If you have questions or concerns, please contact me at 204-880-1151 or jcrozier@intergroup.ca.

Sincerely,



INTERGROUP CONSULTANTS LTD.

Jeff Crozier
Consultant

APPENDIX A:
PUB Cost Template and Timesheets

Tab 2

MPI Special Rebate Application 2 Time Sheet Jeff Crozier						
Date	Time	Work Description	Discovery	Evidence	Hearings	Argument
30-Nov-20	0.25	Reviewed MPI application, email to AH.	0.25			
2-Dec-20	2	Review application, email issues to AH.	2			
4-Dec-20	1	Call with AH, email to MPI.	1			
7-Dec-20	3.25	Draft IRs, file IRs	3.25			
8-Dec-20	1.5	Reviewed IRs, emailed to AH.	1.5			
9-Dec-20	2.25	Call with RV, prep letter, email to AH, file closing submissions				2.25
Total	10.25		8	0	0	2.25

MPI Special Rebate Application 2
Time Sheet
 Antoine Hacault

Date	Time	Work Description	Discovery	Evidence	Hearings	Argument
30-Nov-20	1.5	Conference call with all counsel regarding further interim rebate; memo to file; e-mail to Jeff Crozier; e-mail from Patrick Bowman; e-mail to Jeff Crozier regarding higher refund; reviewing Application; e-mail to Steve Scarfone;	1.5			
30-Nov-20	0.6	E-mail from Ted Meira regarding 2021 Summary Rebate Application; e-mail from Mike Triggs regarding news release on MPI second rebate; e-mail from Kristen Schubert regarding letter from PUB to MPI regarding MPI 2021 GRA; e-mail from Jeff Crozier regarding review of application; e-mail to Jeff Crozier and Patrick Bowman regarding PUB may "reopen" hearing and arguments;	0.6			
1-Dec-20	1	E-mail from and e-mail to Steve Scarfone; e-mail to General Managers; e-mail to General Managers to send application; telephone call to Ram Valluru; e-mail to Jeff Crozier;	1			
2-Dec-20	0.7	E-mail from Ram Valluru; e-mail from Jeff Crozier; e-mail to all counsel regarding intervention and issues;	0.7			
2-Dec-20	0.1	E-mail from Curtis M. Unfried regarding IBAM not taking any position with respect to MPI application;	0.1			
3-Dec-20	0.3	E-mail from Chris Klassen regarding CAC Submission; e-mail from Charlotte Meek regarding CMMG Submission; e-mail from Byron Williams;	0.3			
3-Dec-20	0.1	E-mail from Christian Monnin taking any position with respect to the application; e-mail from Kristen Schubert regarding letter from PUB to intervenors regarding broker commissions;	0.1			
4-Dec-20	0.7	E-mail from Michael Triggs; e-mail to and telephone call from Jeff Crozier regarding IRs; e-mail from Kristen Schubert; reviewing PUB direction;	0.7			
4-Dec-20	0.5	E-mail from Byron Williams regarding MPI Rate Rebate Process and CAC Manitoba; e-mail from (x2) and e-mail to Jeff Crozier regarding IRs to be prepared and details required;	0.5			
7-Dec-20	0.9	E-mail from Ted Meira regarding preliminary responses; e-mail from Chris Klassen regarding CAC IRs; reviewing IRs; e-mail from Charlotte Meek regarding IRs;	0.9			
7-Dec-20	0.4	E-mail to Jeff Crozier regarding front page articles; e-mail from Jeff Crozier regarding SRA2 IRs; e-mail from Kathleen McCandless attaching letter to MPI and IRs; e-mail from Jeff Crozier regarding IRs from Taxi Coalition;	0.4			
8-Dec-20	0.2	E-mail from Ted Meira regarding Information Requests Workbook; email from Shirley Tam regarding MPI's responses to IRs;	0.2			
9-Dec-20	0.7	E-mail from Jeff Crozier on December 8, 2020; e-mail to Duffy's and Unicity; voice mail to Ram Valluru; e-mail from Ram Valluru; e-mail from and email to Jeff Crozier regarding response;	0.7			
9-Dec-20	0.4	E-mail from Shirley Tam with letter from MPI and 3 exhibits correcting errors; e-mail from Chris Klassen regarding closing submission of CAC Manitoba; e-mail from Steve Scarfone regarding MPI written submission for the rebate application; e-mail from Charlotte Meek regarding closing submission on behalf of CMMG;				0.4
14-Dec-20	0.4	E-mail from PUB regarding Special Rebate Order; e-mail to Jeff Crozier, Duffy's and Unicity sending and summarizing decision;				0.4
16-Dec-20	0.7	E-mail from PUB regarding GRA decision; e-mail from (x2) Jeff Crozier; e-mail from (x2) Patrick Bowman; e-mail to Jeff Crozier and Patrick Bowman; e-mail to Jeff Crozier and Patrick Bowman;				0.7
Total	9.2		7.7	0	0	1.5

Consultant Costs											
Jeff Crozier		13									
Discovery								8.00	195	\$1,560.00	Note: some tasks for discovery are shared between CAC and TC
Preparation of Evidence									195		
Prepare/Attend Oral Hearings									195		
Prepare Written/Oral Argument								2.25	195	\$438.75	
<i>Sub-Total</i>								10.25		\$1,998.75	
Disbursements											
GST											
PST										\$139.91	
<i>Sub-Total</i>										\$2,138.66	
Alisher Kasanbaev		10									
Discovery											
Preparation of Evidence											
Prepare/Attend Oral Hearings											
Prepare Written/Oral Argument											
<i>Sub-Total</i>											
Disbursements											
GST											
PST											
<i>Sub-Total</i>											
Total Consultant Costs										\$2,138.66	
TOTALS											
Professional fees (legal and consultants)		\$0.00		\$0.00		\$0.00				\$4,758.75	
Disbursements		\$0.00		\$0.00		\$0.00				\$0.00	
GST		\$0.00		\$0.00		\$0.00				\$0.00	
PST		\$0.00		\$0.00		\$0.00				\$333.11	
Sub-Total		\$0.00		\$0.00		\$0.00				\$5,091.86	Intervener's Cost Application total.
<i>Difference b/w Application and Initial Cost Estimate Amount</i>		<i>N/A</i>		<i>N/A</i>		<i>N/A</i>				<i>\$5,091.86</i>	Intervener's Cost Estimate Amendment or Final Costs Application total vs. original Cost Estimate amount.
<i>(if applicable) Difference b/w Final Costs Application and Latest Estimate Amendment Amount</i>		<i>N/A</i>		<i>N/A</i>		<i>N/A</i>				<i>\$5,091.86</i>	Intervener's Final Costs Application total vs. latest Cost Estimate Amendment amount.
Total Advance of Funds Paid to Date		N/A		N/A		N/A				\$0.00	
Outstanding Amount		N/A		N/A		N/A				\$5,091.86	Based on Intervener's Final Costs Application totals and the total Advance of Funds paid to date.

Tab 2

MPI Special Rebate Application 2
Time Sheet
Jeff Crozier

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Total	10.25		8	0	0	2.25

MPI Special Rebate Application 2
Time Sheet
Antoine Hacault

Date	Time	Work Description	Discovery	Evidence	Hearings	Argument
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30-Nov-20	0.6	E-mail from Ted Meira regarding 2021 Summary Rebate Application; e-mail from Mike Triggs regarding news release on MPI second rebate; e-mail from Kristen Schubert regarding letter from PUB to MPI regarding MPI 2021 GRA; e-mail from Jeff Crozier regarding review of application; e-mail to Jeff Crozier and Patrick Bowman regarding PUB may "reopen" hearing and arguments;	0.6			
1-Dec-20	1	E-mail from and e-mail to Steve Scarfone; e-mail to General Managers; e-mail to General Managers to send application; telephone call to Ram Valluru; e-mail to Jeff Crozier;	1			
2-Dec-20	0.7	E-mail from Ram Valluru; e-mail from Jeff Crozier; e-mail to all counsel regarding intervention and issues;	0.7			
2-Dec-20	0.1	E-mail from Curtis M. Unfried regarding IBAM not taking any position with respect to MPI application;	0.1			
3-Dec-20	0.3	E-mail from Chris Klassen regarding CAC Submission; e-mail from Charlotte Meek regarding CMMG Submission; e-mail from Byron Williams;	0.3			
3-Dec-20	0.1	E-mail from Christian Monnin taking any position with respect to the application; e-mail from Kristen Schubert regarding letter from PUB to intervenors regarding broker commissions;	0.1			
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7-Dec-20	0.9	E-mail from Ted Meira regarding preliminary responses; e-mail from Chris Klassen regarding CAC IRs; reviewing IRs; e-mail from Charlotte Meek regarding IRs;	0.9			
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8-Dec-20	0.2	E-mail from Ted Meira regarding Information Requests Workbook; email from Shirley Tam regarding MPI's responses to IRs;	0.2			
9-Dec-20	0.7	E-mail from Jeff Crozier on December 8, 2020; e-mail to Duffy's and Unicity; voice mail to Ram Valluru; e-mail from Ram Valluru; e-mail from and email to Jeff Crozier regarding response;	0.7			
9-Dec-20	0.4	E-mail from Shirley Tam with letter from MPI and 3 exhibits correcting errors; e-mail from Chris Klassen regarding closing submission of CAC Manitoba; e-mail from Steve Scarfone regarding MPI written submission for the rebate application; e-mail from Charlotte Meek regarding closing submission on behalf of CMMG;				0.4
14-Dec-20	0.4	E-mail from PUB regarding Special Rebate Order; e-mail to Jeff Crozier, Duffy's and Unicity sending and summarizing decision;				0.4
16-Dec-20	0.7	E-mail from PUB regarding GRA decision; e-mail from (x2) Jeff Crozier; e-mail from (x2) Patrick Bowman; e-mail to Jeff Crozier and Patrick Bowman; e-mail to Jeff Crozier and Patrick Bowman;				0.7
Total	9.2		7.7	0	0	1.5

January 29, 2021

Mr. Mike Triggs
General Counsel and Corporate Secretary
Manitoba Public Insurance Corporation
912 – 234 Donald Street
Winnipeg, MB R3C 4A4

Dear Mr. Triggs:

Re: Award of Costs: Taxi Coalition – Intervention in Manitoba Public Insurance Corporation’s Special Rate Application II

In the above matter, please find enclosed two certified copies of Order No. 20/21.

Yours truly,



Darren Christle, PhD, CCLP, P.Log., MCIT
Secretary/ Executive Director

DC/cls

cc: Antoine Hacault, TC Counsel
Jeff Crozier, Intergroup Consultant
Kathleen McCandless, Board Counsel

Order No. 20/21

**AWARD OF COSTS: OF THE TAXI COALITION – INTERVENTION IN MANITOBA
PUBLIC INSURANCE CORPORATION’S SPECIAL RATE APPLICATION II**

January 29, 2021

BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Board Chair
Carol Hainsworth, Member

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1.0 Introduction

By this Order the Public Utilities Board (Board) approves The Taxi Coalition (TC) Application for a cost award of \$5,091.86.

The award relates to TC's intervention in the Special Rate Application II of Manitoba Public Insurance (MPI).

2.0 Application

On January 26, 2021, TC, filed with the Board an Application for an Award of Costs for its intervention at the Manitoba Public Insurance Special Rate Application II.

Pursuant to Section 56 of *The Public Utilities Board Act*, the Board has jurisdiction to award costs of, and incidental to, any proceeding before the Board. For the purpose of this hearing, the Board adopted an interim Intervener Costs Policy. The purpose of this Policy was to set out the Board's procedures for considering requests for Intervener costs and to provide guidance to Interveners on how to apply for funding of costs for participation in Board Proceedings.

Sections 3.1 and 3.2 of the Intervener Costs Policy describe Intervener eligibility for a cost award and the Board's principles in determining the amount of the cost award:

3.1 *In any proceeding the Board may award costs to be paid to any Intervener who has:*

- (a) *made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;*
- (b) *participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;*

- (c) *represented interests beyond their sole business interest; and*
- (d) *a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.*

3.2 *In determining whether the Intervener should receive the amount of costs sought in a costs application, the Board may consider whether the Intervener did one or more of the following:*

- (a) *made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;*
- (b) *made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners; and*
- (c) *needed legal or technical assistance to take part in the proceeding;*

The expedited public hearing occurred in November 2020. Projected budgets were not requested from interveners for this hearing.

The Cost Application was supported by statements of accounts as summarized below:

		Cost Application Total
Legal Costs	(A. Hacault)	\$2760.00
Consultant Costs	(J. Crozier)	\$1,998.75
	PST	\$333.11
TOTAL COSTS		\$5,091.86

TC's Cost Application was supported by detailed invoices and a written submission describing TC's participation in the Board's review of Manitoba Public Insurance's Special Rate Application.

3.0 Manitoba Public Insurance's Comments

On January 27, 2021, Manitoba Public Insurance consented to the costs related to TC's intervention.

4.0 Board Findings

The Board has reviewed the Cost Application by TC, as well as the comments provided by MPI. The Board finds that TC meets all of the requirements for a cost award. The Board further finds that the costs incurred by TC are reasonable and the Board is prepared to award an amount of \$5,091.86 for TC's intervention in the Board's review of Manitoba Public Insurance's Special Rate Application II.

5.0 IT IS THEREFORE ORDERED THAT:

1. The Application of the Taxi Coalition for an award of costs BE AND IS HEREBY APPROVED in the total amount of \$5,091.86
2. Manitoba Public Insurance pay TDS Law within 15 days of the date of this Order.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"

Secretary

Certified a true copy of Order No. 20/21
issued by The Public Utilities Board



Secretary

From: [McKinnon, Sheri](#)
To: [Schubert, Kristen \(PUB; bywil@legalaid.mb.ca; magri@legalaid.mb.ca; chkla@legalaid.mb.ca; cmEEK@bdoakes.com; CUnfried@mltaikins.com; jsokal@mltaikins.com; afh@tdslaw.com; cmonnin@mltaikins.com; Dubois, Jennifer \(PUB; Christle, Darren \(PUB; mccandless@pitblado.com; watchman@pitblado.com; remc@cathcartadvisors.com; bmanktelow@eckler.ca; bpelly@eckler.ca](#)
Cc: [Triggs, Mike; McKinnon, Sheri; Shippam, Roberta; Meira, Ted; Scarfone, Steve; Ernewein, Ann; Guerra, Anthony](#)
Subject: PUB - 2021 Special Rebate Application II - Order 145/20 - Claims Quarterly report
Date: Monday, April 12, 2021 9:06:30 AM
Attachments: [PUB Order 145 20 2021 Special Rebate Application II Letter Apr 9 2021.pdf](#)

Good morning,

On behalf of Michael Triggs, please find attached PUB - 2021 Special Rebate Application II - Order 145/20 - Claims Quarterly report.

Thank you,

Sheri McKinnon

Executive Assistant to General Counsel & Corporate Secretary

Manitoba Public Insurance

T:204-985-8770 ext. 7520 | F: 204-942-1133 | W: mpi.mb.ca
820-234 Donald Street, Winnipeg, MB R3C 4A4

100 Manitobans die on our roads each year.

Together, we can save them. Savethe100.ca

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April 9, 2021

Via E-Mail

Dr. Darren Christle
Board Secretary and Executive Director
The Public Utilities Board
400 – 330 Portage Avenue
Winnipeg, MB R3C 0C4

Dear Dr. Christle:

**RE: Public Utilities Board (PUB) Order 145/20 2021 Special Rebate Application II –
Quarterly Update – Monthly Claims Costs**

As per Directive 3 (3) in Order 145/20, MPI is required to file with the Board on a quarterly basis, a comparison of monthly claims costs versus budget for universal compulsory automobile insurance.

Please find attached to this letter the report for the period commencing January 1, 2021 until March 31, 2021.

Should you have any questions or concerns, please do not hesitate to contact me.

Yours truly,

Michael Triggs
General Counsel and Corporate Secretary

MT/sm

Encl.

cc: K. McCandless and PUB Advisors
2021 GRA Special Rebate Application II Interveners

PUB Order 145/20 Special Rebate Application II - Monthly Claims Costs

January Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		Variance	
		Actual	Budget	Fav. (Unfav.)	
		\$	\$	\$	%
3	PIPP	7,421,750	20,522,156	13,100,406	63.8
4	Collision	33,973,527	55,351,829	21,378,302	38.6
5	Property Damage	7,255,655	9,427,752	2,172,097	23.0
6	Total Basic	48,650,932	85,301,737	36,650,805	43.0%

February Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		Variance	
		Actual	Budget	Fav. (Unfav.)	
		\$	\$	\$	%
3	PIPP	15,046,392	20,588,174	5,541,782	26.9
4	Collision	27,810,055	43,085,903	15,275,848	35.5
5	Property Damage	6,892,752	8,244,571	1,351,819	16.4
6	Total Basic	49,749,199	71,918,648	22,169,449	30.8%

March Total Basic Claims - Budget vs Actual

Line no.	Coverages	Direct Claims Incurred		Variance	
		Actual	Budget	Fav. (Unfav.)	
		\$	\$	\$	%
3	PIPP	17,790,169	16,963,717	(826,452)	(4.9)
4	Collision	25,947,763	40,933,158	14,985,395	36.6
5	Property Damage	9,801,873	8,959,573	(842,300)	(9.4)
6	Total Basic	53,539,805	66,856,448	13,316,643	19.9%

MANITOBA PUBLIC INSURANCE

2021 SPECIAL REBATE APPLICATION II ORDERS

PUB Order 145/20:

MPI 2021 Special Rebate Application II

PUB Order 151/20:

Consumer's Association of Canada (Manitoba) Inc. Award of Costs

PUB Order 2/21:

Reasons for Decision in Order 145/20

PUB Order 7/21:

CMMG Award of Costs

PUB Order 20/21:

Taxi Coalition Award of Costs



MANITOBA
PUBLIC INSURANCE

Order No. 2/21

**MANITOBA PUBLIC INSURANCE CORPORATION (MPI OR THE CORPORATION):
2021 SPECIAL REBATE APPLICATION II**

REASONS FOR DECISION IN ORDER 145/20

January 5 , 2021

**BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., Chair
Carol Hainsworth, Member**

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1.0 EXECUTIVE SUMMARY

The Board hereby provides its reasons for Order 145/20. In that Order, the Board directed MPI to issue to ratepayers a uniform percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable. This was the second rebate applied for by MPI and approved by the Board during the COVID-19 pandemic.

The actual amount of the rebate paid to an individual policyholder will vary based on the amount of premium paid by the policyholder.

The Board received the Application (SRA II or the Application) from MPI for the rebate on November 27, 2020, and issued Order 145/20 on December 14, 2020, following an expedited, paper-only hearing process due to the provincial state of emergency resulting from the COVID-19 pandemic. In Order 145/20, the Board stated that it would provide its reasons to follow.

The Board found that MPI had demonstrated a substantial change in its circumstances, justifying a review and variation of its prior Orders 159/18 and 176/19, to allow the rebate in the amount of \$69 million to be issued.

The Board also issued a directive to MPI in Order 145/20 to file with the Board on a quarterly basis, as soon as reasonably practicable following such information being available to MPI, a comparison of monthly claims costs versus budget for universal compulsory automobile insurance for the quarter commencing October 1, 2020 and continuing thereafter until March 31, 2021. The Board will thereby continue to monitor the Corporation's financial performance during this period of uncertainty.

In Special Rebate Application I (SRA I), which MPI filed on April 27, 2020, MPI had asked the Board to order rebates in respect of policies *in force and earning premium* at March

15, 2020. In Order 67/20, the Board found that it was just and reasonable to order the rebate requested for policies *in force* at March 15, 2020, because the consequence of requiring that the policy be earning premium was the exclusion of the Motorcycle class from the rebate. A shortcoming of the point-in-time methodology used in SRA I was that a customer with a policy in force on March 15, 2020 but cancelled shortly thereafter would still be entitled to a full rebate.

The methodology proposed by MPI in this Application required that a policy be *earning premium* at any time from March 16, 2020 to November 21, 2020 in order to be eligible for a rebate, which, in this instance, would include the Motorcycle class. The Board found that this was just and reasonable in the circumstances, as it avoided the shortcoming of the point-in-time methodology used in SRA I, while also including the Motorcycle class as part of the rebate. The Board therefore was prepared to deviate from the methodology it directed in Order 67/20, and approved MPI's proposed methodology for the calculation of the rebate in SRA II.

In SRAs I and II, the Board received proposals from MPI for how to apply excess Basic reserves in a manner not permitted by the Capital Management Plan (CMP). The Board accepted that proposal for the purposes of SRAs I and II based on the exceptional circumstances of the COVID-19 pandemic. This is not expected to be a regular occurrence after a return to pre-pandemic levels of driving activity.

Lastly, the Board notes that Bill 35, *The Public Utilities Ratepayer Protection and Regulatory Reform Act* (Bill 35), passed first reading in the Manitoba Legislature on October 14, 2020. Section 18(6) of Bill 35 provides that the RSR must not be used to pay rebates. Accordingly, if Bill 35 passes, the Board will not be permitted to approve any rebates in the future.

2.0 BACKGROUND

On March 20, 2020, the Government of Manitoba declared a province-wide state of emergency pursuant to *The Emergency Measures Act*, C.C.S.M. c. E80 as a result of the COVID-19 pandemic.

On November 27, 2020, MPI filed SRA II. Pursuant to section 44 of *The Public Utilities Board Act*, C.C.S.M. and Rules 3(2), 4(1), 18, 36(1) and 40(2) of the Board's Rules of Practice and Procedure, the Corporation asked for:

- a. An Order dispensing with the requirement under Rule 36(3) that an application for review and variance be made within 30 days of the order or decision;
- b. Directions on procedure for the hearing of the SRA II, including directions on proceeding by way of a written hearing;
- c. An Order that any evidence tendered by MPI in SRA I and the 2021 General Rate Application (GRA) be received as evidence in SRA II as required;
- d. A review and variation of the directives contained in Orders No. 159/18 and No. 176/19, to the extent that they do not also direct MPI to issue to ratepayers, through a special rebate, a uniform percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes; and
- e. A directive that MPI issue to ratepayers a percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate, in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as is reasonably practicable.

The Board issued a directive to MPI and Interveners of Record in the 2020 and 2021 GRAs on December 4, 2020, for the hearing procedure for SRA II. In the interests of public health and safety, the Board directed that SRA II proceed as a paper hearing.

On December 8, 2020, MPI provided responses to one round of Information Requests, which were issued on behalf of the Board and Interveners of Record in the 2021 GRA, Consumers' Association of Canada (Manitoba) Inc. (CAC), Coalition of Manitoba Motorcycle Groups (CMMG), and Unicity Taxi Ltd. and Duffy's Taxi Ltd. (Taxi Coalition).

MPI, CAC, CMMG and the Taxi Coalition filed written submissions with the Board on December 9, 2020.

Public comments on SRA II were received by the Board on its website until December 8, 2020.

Following the receipt of written submissions, the Board issued Order 145/20 on an expedited basis.

In Order 145/20 the Board found that it was just and reasonable to dispense with the requirement that an application for review and variance be made within 30 days of an order. The Board found that MPI had demonstrated a substantial change in its circumstances contemplated by s. 26(3) of *The Crown Corporations Governance and Accountability Act* justifying a review and variation of Order 159/18 and 176/19, to allow further rebates to be issued.

In Order 145/20 the Board stated that it would provide detailed reasons for its decision in due course. The Board's reasons for decision are set out below.

3.0 APPLICATION

The Board's jurisdiction applies to rate-setting for MPI's universal compulsory automobile (Basic) insurance line of business, and not to MPI's optional lines of business, namely, Extension and Special Risk Extension (SRE).

MPI stated that the Application resulted from the announcement on November 30, 2020 by the Minister of Crown Services that, subject to the approval of the Board, MPI would provide economic relief to ratepayers of \$69 million, in addition to the \$110 million provided in the Spring of 2020 (which was comprised of \$52 million from Extension and \$58 million from Basic).

MPI requested that the Board issue a directive requiring it to issue to ratepayers a percentage of their Basic premiums earned between March 16, 2020 and November 21, 2020, for all vehicle classes, through a special rebate, in an amount equal to the approximate sum of \$69 million, by December 23, 2020 or as soon thereafter as reasonably practicable.

MPI argued that the increased severity of the COVID-19 pandemic in Manitoba and, in particular, the Province-wide move to the Critical Level (Red) on the Pandemic Response System on November 12, 2020, could not have been reasonably anticipated within 30 days of the issuance of Board Orders 159/18 and 176/19, nor could it have been reasonably anticipated before May 1, 2020, the date on which the Board issued Order No. 67/20. MPI could therefore not have included the relief sought in SRA II, through SRA I filed on April 27, 2020.

MPI also argued that, as a result of the COVID-19 pandemic, its financial position continued to improve at a time when the financial position of many of its ratepayers may have substantially declined, creating again an urgent need for support.

MPI noted that this was not a request to issue an additional rebate to ratepayers for savings generated between March 15, 2020 and May 15, 2020 (the 2021 SRA I rebate period). SRA II requested a rebate amount calculated using actual and projected savings in the subsequent period, May 16, 2020 to March 31, 2021.

MPI also conceded that by virtue of its request for a rebate, it had departed from position it advanced during the course of the 2021 GRA, which concluded on November 5, 2020. In the GRA, MPI had taken the position that allowing the CMP to work as intended (by applying a release of excess capital to decrease the indicated rate) was preferred over issuing another rebate.

Based on the financial information in evidence at the 2021 GRA hearing (MPI's actual financial results to August 31, 2020), CAC had proposed that the Board order a second rebate in the amount of \$70 million. CAC's position was premised on an assumption that MPI's financial position would continue to be affected by COVID-19 until March 31, 2021. MPI opposed that position, advocating an approach that did not assume any further COVID-19 impacts. MPI also stated that if there were a desire to rebate further funds beyond its applied-for capital release of 5%, it should be by a credit to ratepayers, citing the significant cost of issuing cheques of over \$900,000. However, MPI opposed any further release of excess capital.

MPI explained that, since the close of the GRA hearing, the adverse effects of the COVID-19 pandemic increased to such a degree as to warrant providing additional financial relief to Manitobans immediately.

3.1 MPI Financial Position

Based on results to the end of September 30, 2020, MPI estimated that Basic would retain capital in excess of \$69 million by March 31, 2021. MPI built in to this forecast an assumption that the Board would approve the 8.8% Basic rate reduction that MPI requested in the 2021 GRA.

MPI reported that as of September 30, 2020 the Basic Rate Stabilization Reserve (RSR) was at a Minimum Capital Test (MCT) ratio of approximately 107%, and forecasted to grow to 132% by the end of March 31, 2021 excluding the proposed \$69 million rebate.

MPI reported that the substantial increase in excess capital was primarily the result of a favourable claims experience brought on by public health orders, coupled with better than expected operating expenses. The proposed \$69 million rebate was comprised primarily of claims savings, but also included expected operating expense savings.

A \$69 million rebate would place the Basic RSR MCT ratio at 116.5% at the end of the fiscal year (March 31, 2021). MPI stated that the ratio of 116.5% would be the minimum level necessary to permit the 5% capital release for the 2021/2022 rating year, which MPI requested in the 2021 GRA. If the rebate were to exceed \$69 million, MPI stated that it would need to amend its 2021 GRA. MPI did not have any expectation that Basic's capital position would deteriorate significantly.

MPI characterized the requested rebate as an acceleration of the distribution of excess funds to policyholders in the form of a one-time payment, rather than by applying a capital release to decrease rates in future years.

3.1.1 Basic Revenues

Assuming an 8.8% rate decrease for 2021/22, MPI projected its 2020/21 Basic Total Earned Revenues at \$1.15 billion:

Forecast Total Earned Revenues – Basic

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
(\$000)					
Current Forecast	1,150,746	1,135,434	1,128,735	1,169,362	1,211,280
2021 GRA Rate Update	1,148,935	1,133,869	1,129,129	1,169,750	1,211,681
Change	1,811	1,565	(394)	(388)	(401)

MPI's forecast in SRA II was close to that in the 2021 GRA Rate Update (the Rate Update), the latter being based on updated financial results as at August 31, 2020.

MPI also reported that it had adjusted forecasted units down for 2020/21 to reflect policy cancellations and non-renewals resulting from government restrictions instituted to address the COVID-19 pandemic. This adjustment resulted in a lower growth rate for 2020/21. By November 2020, more customers had reduced coverage on their policies to comprehensive than in all of 2018 or 2019.

3.1.2 Claims Forecasting

MPI reported that, relative to the forecasts in the Rate Update, the 2020/21 Claims Incurred forecast before provisions (i.e. on a financial reporting basis, before interest rate impacts and DPAC adjustments) decreased by approximately \$69 million. This was due to a \$31 million improvement in the Collision forecast, a \$28 million improvement in the Personal Injury Protection Plan (PIPP) forecast, and a \$5 million improvement in Internal Loss Adjustment Expenses (ILAE). For fiscal year 2021/22 and thereafter, the Basic forecast remained similar to, or slightly above, that presented in the 2021 GRA.

MPI expected that Basic Ultimate Collision claims (on an ultimate reporting basis excluding ILAE) would be nearly 9.6% under budget compared to the Rate Update, a savings of \$40.1 million. Added to this were Property Damage (PD) savings of \$4.3 million and PIPP savings of \$14.1 million:

Forecasted Basic Claims Savings – April 1, 2020 to March 31, 2021

	Forecast excluding COVID-19	COVID-19 Adjustment	2021 GRA	COVID-19 until March 31, 2021	Difference from Forecast excluding COVID-19 Adjustment		Difference from 2021 GRA
	[a]	[b]	[c] = [a] + [b]	[d]	[e] = [d] – [a]	%	[f] = [d] – [c]
Weekly Indemnity	\$93,074,139	(\$9,033,837)	\$84,040,303	\$77,504,546	(\$15,569,593)	-16.73%	(\$6,535,756)
ABO-Indexed	\$69,087,548	(\$6,265,301)	\$62,822,247	\$57,530,471	(\$11,557,077)	-16.73%	(\$5,291,776)
ABO-Non-Indexed	\$33,820,374	(\$3,363,053)	\$30,457,321	\$28,162,847	(\$5,657,527)	-16.73%	(\$2,294,474)
Collision	\$451,372,477	(\$35,314,526)	\$416,057,952	\$375,866,156	(\$75,506,321)	-16.73%	(\$40,191,79)
Property Damage	\$42,868,368	(\$4,167,240)	\$38,701,127	\$34,450,951	(\$8,417,417)	-19.64%	(\$4,250,177)
Total		(\$58,143,957)			(\$116,707,935)		(\$58,563,978)

MPI assumed a direct one-to-one correlation among Collision, PD and PIPP claims in terms of costs. Regarding PD claims, MPI expected a higher decrease (19.6%) than reported in the Rate Update. Based on these assumptions, the projected Basic Ultimate claims savings from April 1, 2020 through March 31, 2021 was \$58.6 million.

3.1.3 Investments

In Order 162/16, the Board directed MPI to conduct an Asset Liability Management (ALM) study. The ALM study was completed in November 2017. As a result of the recommendations in the ALM study, MPI separated its commingled portfolio into five unique portfolios: Basic Claims, Basic RSR, Employee Future Benefits (EFB), Extension, and Special Risk Extension (SRE).

The Basic Claims portfolio, which was fully implemented on March 1, 2019, is comprised exclusively of fixed income assets, which are dollar duration matched to the associated liabilities. The ALM strategy ensures that investment losses in the Basic Claims portfolio

are offset by the corresponding reduction of the Basic Claims liabilities, since both are interest rate sensitive and have a similar duration and size.

MPI stressed that its portfolio strategy resulted in Basic customers being well-positioned for the uncertainties of the COVID-19 pandemic. Over the nine months ending September 30, 2020, the equity portfolio decreased by 2.6%, infrastructure increased 5.4% and real estate increased 0.6 %. MPI had reported in the 2021 GRA that the equity portfolio peaked on February 20, 2020 and reached its low on March 24, 2020, falling by 24.1% during this period. From March 24, 2020 to September 30, 2020, the portfolio increased by 23.2%.

A snapshot of the investment portfolio values at September 30, 2020 is as follows:

Investment portfolio Preliminary Valuations

Fiscal Year	July 31, 2020	August 31, 2020	September 30, 2020	Monthly Change Aug-Sept	Capital Return
(\$000)					
Basic	2,229.4	2,211.6	2,219.5	7.9	0.4%
Extension	166.2	167.0	166.7	(0.3)	-0.2%
SRE	214.7	215.6	233.3	17.7	-0.1%
RSR	393.0	394.6	486.4	91.8	-0.1%
EFB	504.4	502.3	501.5	(0.8)	-0.2%
Total	3,507.7	3,491.1	3,607.4	116.3	0.2%

MPI's investment income allocated to Basic for fiscal year 2019/20 was \$59.6 million. For the 13-month period ending March 31, 2020, the share of investment income allocated to Basic was \$107.2 million, with Basic earning \$47.6 million in the first of those 13 months. In the Rate Update, MPI had forecasted total Basic investment income to be \$205.7 million for 2020/21 and \$87.9 million for 2021/22.

MPI stated that it has significant cash and premium revenues that it can use to fund the requested rebate. It reported that it held \$135.8 million of operational cash at November 20, 2020, and expected this would increase until the mailing date of the rebate cheques.

Therefore, MPI could fund the entire rebate out of operational cash; no investment assets would need to be liquidated.

3.1.4 Net Income

MPI estimated its 2020/21 net income at \$186.8 million, an increase of \$81.4 million from that forecasted in the Rate Update. MPI experienced a reduction in claims costs relative to the Rate Update and expects that decrease to last in part until March 2022.

The forecasted net income was reported by MPI in this Application as follows:

Basic Net Income

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
<i>(\$000)</i>					
Current Forecast	186,793	8,972	(42,282)	(50,147)	(52,791)
2021 GRA Rate Update	105,384	42	(41,194)	(53,230)	(56,042)
Change	81,409	8,930	(1,088)	3,083	3,251

Of the \$8.9 million in net income for 2021/22, MPI advised that \$3.5 million was attributed to interest rate impacts on investment income.

3.1.5 Total Equity

MPI forecasted Basic Total Equity of \$504.8 million at fiscal year-end 2021/22 after taking into account the requested rebate of \$69 million. This equates to an MCT ratio of 116.5%. MPI stated that it was focused on providing the optimal rebate while sustaining the 5% capital release applied for in the 2021 GRA.

The Total Equity positions for Basic and Extension at fiscal year-end 2021/22 based on the Rate Update (as at August 31, 2020) and on this Application (as at September 30,

2020) (with the Rate Update excluding the proposed rebate, and this Application including the proposed rebate), were projected by MPI as follows:

Projected Total Equity and MCT

(C\$ 000s, rounding may affect totals)	BASIC		EXTENSION	
	August, 2020	September, 2020	August, 2020	September, 2020
Total Equity				
Retained Earnings				
Beginning Balance	440,522	440,522	142,866	142,866
Net Income (Loss) from annual operations	105,384	186,792	56,716	55,496
Surplus Distribution/Rebate	(58,000)	(127,000)	(52,000)	(52,000)
Transfer (to) / from Non-Basic Retained Earnings	63,177	59,426	(63,177)	(59,426)
Total Retained Earnings	551,083	559,740	84,405	86,936
Total Accumulated Other Comprehensive Income				
Beginning Balance	(34,296)	(34,296)	(2,367)	(2,367)
Other Comprehensive Income for the Year	49,550	45,515	7,671	6,990
Change in Remeasurement of Employee Future Benefits	(65,247)	(66,105)	n/a	n/a
Total Accumulated Other Comprehensive Income	(49,993)	(54,886)	5,304	4,623
Total Equity Balance	501,090	504,854	89,710	91,560
MINIMUM CAPITAL TEST (C\$ 000s)				
Total Equity Balance	501,090	504,854	89,710	91,560
Less: Assets Requiring 100% Capital	39,658	39,658	3,432	3,432
Capital Available	461,432	465,196	86,278	88,128
Minimum Capital Required (100% MCT)	400,132	399,229	43,139	44,064
MCT Ratio % (Line 17) / (Line 18)	115.3%	116.5%	200.0%	200.0%

Accordingly, as seen above, Basic and Extension are expected to meet their respective capital targets of 100% and 200% even after the proposed rebate.

Further, MPI advised that at the end of 2020/21, Extension is forecasted to have \$59.4 million in capital above the 200% MCT target, which MPI will transfer to Basic (as shown in the above table). In 2021/22 and thereafter, MPI is forecasting to transfer all excess Extension capital to Basic such that the Extension MCT ratio remains at 200% MCT, consistent with the Rate Update and in compliance with the CMP.

3.2 Rebate Rules

MPI's rationale for the proposed rebate was that, given its reduced claims costs and operating expenses, customers would have paid significantly less to insure their motor vehicles between March 16, 2020 and November 21, 2020, had MPI calculated premiums on a monthly (as opposed to annual) basis.

The proposed rebate would therefore apply to Basic ratepayers with a policy earning premiums between March 16, 2020 and November 21, 2020. Those ratepayers would receive an approximate 6% rebate of their Basic annual premium (9.28% of their premium earned during this period).

Unlike its proposal in SRA I, MPI proposed in this Application that the rebate benefit all vehicle classes. If a policy was not earning premium during this period, then according to MPI, the customer paid no premium and no financial relief would be justified. In SRA I, the applicable period to qualify for a rebate was a single day (March 15, 2020). The qualification period in SRA II was longer, and included the traditional riding earning period for motorcycles.

MPI estimated that approximately 675,000 policyholders would qualify for a rebate under these rules.

MPI expected that the total cost of issuing the rebates would be \$973,000, comprised primarily of the cost of postage (\$623,000) and of purchasing and printing cheques (\$300,000).

4.0 INTERVENER POSITIONS

4.1 *Consumers' Association of Canada (Manitoba) Inc. (CAC)*

CAC was supportive of a variation of Board Orders 159/18 and 176/19 to allow for an additional rate rebate, in light of the material improvement in MPI's financial circumstances resulting from pandemic-related reductions in Claims Incurred in the current year.

CAC also agreed with MPI that: (1) it would be appropriate to rebate customers a consistent percentage of the premium their policies earned over the period covered by the rebate; and (2) that it was reasonable to assume a direct one-to-one correlation in terms of costs among Collision, PD and PIPP claims.

However, CAC argued that the level of the rebate should be \$90 million rather than the \$69 million proposed by MPI. CAC referred to the admission by MPI in response to an Information Request that a higher rebate would better relieve the serious economic hardships facing many Manitobans, and that a \$90 million rebate would still allow for the 5.0% capital release applied for in the 2021 GRA, while being projected to achieve the capital target level of 100% MCT at the end of 2022/23.

CAC argued that MPI offered little in support of its position that the rebate should not be higher than \$69 million, except that to do so would be a deviation from the CMP, whereby the goal of any release is to restore the Basic MCT ratio to 100% over a three-year period. CAC criticized this argument, stating that it could not be reconciled with MPI's concession that Manitoba ratepayers are in urgent need and that it could do more to address their undue hardship while still achieving its capital target in 2022-23.

CAC also noted that MPI has conceded that the CMP is ill-suited to current conditions, and that MPI has diverged from the CMP by seeking two rebates in one year.

CAC estimated that a \$90 million rebate would equate to an average \$99 rebate per eligible private passenger vehicle, compared to the average \$76 rebate per eligible private passenger vehicle under the MPI proposal.

Lastly, CAC noted the cost of issuing rebates by cheque and recommended that MPI use more imaginative methods for issuing rebates in future applications, such as e-transfers.

4.2 Coalition of Manitoba Motorcycle Groups (CMMG)

While CMMG was supportive of the proposed rebate, it argued that the eligibility criteria for the rebate should be consistent with that directed by the Board in Order 67/20; therefore, rebates should be issued to ratepayers at a uniform percentage of their annualized premiums in force between March 16, 2020 and November 21, 2020.

4.3 Taxi Coalition

The Taxi Coalition did not object to the proposed amount of the rebate, the proposed manner in calculating the rebate, or the proposed manner of distributing the rebate.

5.0 BOARD FINDINGS

The procedure employed by the Board for this Application was based on a need to proceed expeditiously given the provincial state of emergency resulting from the COVID-19 pandemic, and in accordance with Rules 3(2) and 4(1) of the Board's Rules of Practice and Procedure (Rules), which provide that:

3.(2) In any proceeding, the Board may dispense with, vary or supplement any of the provisions of these Rules.

...

4.(1) In any proceeding, the Board may issue directions on procedure which will govern the conduct of that proceeding and will prevail over any provision of these Rules that is inconsistent with those directions.

With respect to the relief sought in the Application, pursuant to Rules 36(1) and 40(2) thereof, the Board may on application or on its own initiative review, rescind, change, alter or vary any decision or Order it has made. The Board's jurisdiction in that regard flows from section 44(3) of *The Public Utilities Board Act*, C.C.S.M. c. P280 (the Act).

In accordance with Rule 36(4), upon receipt of an application for review and variance, the Board is to determine, with or without a hearing, in respect of an application for review, the preliminary question of whether the matter should be reviewed and whether there is reason to believe the order or decision should be rescinded, changed, altered or varied.

After determining the preliminary question under Rule 36(4), pursuant to Rule 36(5), the Board may:

- a) Dismiss the application for review if,
 - i. In the case where the applicant has alleged an error of law or jurisdiction or an error in fact, the Board is of the opinion that the applicant has not raised

a substantial doubt as to the correctness of the Board's order or decision;
or

- ii. In the case where the applicant has alleged new facts not available at the time of the Board's hearing that resulted in the order or decision sought to be reviewed or a change of circumstances, the Board is of the opinion that the applicant has not raised a reasonable possibility that the new facts or change in circumstances as the case may be, could lead the Board to materially vary or rescind the Board's order or decision; or

b) Grant the application; or

c) Order that a hearing or proceeding be held.

Rule 36(3) requires that an application for review and variance be made within 30 days of the date of the order or decision. However, Rule 3(2) provides that in any proceeding, the Board may dispense with, vary or supplement any of the provisions of the Rules.

Given the unexpected and unique conditions caused by the pandemic, it was just and reasonable for the Board to dispense with the requirement that an application for review and variance be made within 30 days of an order.

5.1 Substantial Change in Circumstances

The Board found that MPI demonstrated a substantial change in its circumstances contemplated by section 26(3) of the CCGAA justifying a review and variation of Orders 159/18 and 176/19 to allow additional rebates to be issued.

In particular, section 26(3) of the CCGAA provides as follows:

26(3) Where The Public Utilities Board is satisfied that the circumstances of a corporation have changed substantially, The Public Utilities Board may, of its own motion or on the application of the corporation or an interested

person, review an order made pursuant to this section and modify the order in any manner that The Public Utilities Board considers reasonable and justified in the circumstances.

The Board's finding of a substantial change in circumstances was based on the significant changes in forecasted financial results from the Rate Update to the date of the SRA II, and in particular, the now forecasted Basic excess capital of \$69 million by March 31, 2021.

5.2 Reasonableness of Rebate

The Board found that it was just and reasonable for MPI issue a rebate in the amount of \$69 million in excess Basic capital given the unique circumstances.

The actual amount of the rebate paid to an individual policyholder will vary based on the amount of premium paid by the policyholder.

Given the urgency of the Application, while the Board reviewed and considered all of the financial information filed by MPI, its review was not as in-depth as typically conducted in a GRA. However, the Board had very recently reviewed MPI's financial position in the 2021 GRA, and so the Board's focus in this Application was on the variation from MPI's financial results and forecasts presented in the GRA.

MPI's assumption of a 1-to-1 correlation between collision claims and injury claims is reasonable. The Board notes the evidence that, while MPI had concerns about the assumption, as more PIPP data became available injury claim counts and incurred reductions continued to track very close to collision trends, serious injury claims largely trended back to normal levels, and injury claims duration continued to be managed close to expectations.

It is not yet known when the conditions leading to the provincial state of emergency will subside. MPI may well experience further significant reductions in claims costs after

March 31, 2021. The Board will have another opportunity to review MPI's financial results in the 2022 GRA. In the meantime, the Board ordered MPI to file a comparison of monthly claims costs versus budget for universal compulsory automobile insurance, on a quarterly basis, for the quarter commencing October 1, 2020 and continuing thereafter until March 31, 2021.

5.3 Capital Management Plan

By Order 67/20, the Board varied its previous Orders 159/18 and 176/19 to the extent that they did not allow for rebates. At that time, the Board made an exception for SRA I and expected MPI to comply with the CMP going forward.

While MPI took the position in the 2021 GRA that allowing the CMP to work through a capital release was preferable to a rebate, that position changed by virtue of SRA II. It was reasonable to deviate from the CMP due, again, to unanticipated financial results and revised forecasts resulting from another strict "lockdown" period in Manitoba. Nevertheless, the Board found that it was not reasonable to increase the rebate from \$69 million to the \$90 million requested by CAC, accepting MPI's position that the immediate release of any further excess capital would not comply with the CMP's requirement to restore the Basic MCT ratio to 100% over a three-year period, requiring MPI to amend its 2021 GRA.

5.4 Rebate Rules

In approving SRA II, the Board departed from the methodology it approved in Order 67/20. The Board found it was just and reasonable to do so, because the inequity to the Motorcycle class in the methodology proposed by MPI in SRA I was not present in SRA II. The proposed rebate rules in this Application required that a policy be earning premium at any time from March 16, 2020 to November 21, 2020 in order to be eligible for a rebate, which would include the Motorcycle class.

The Board found in Order 145/20 that it was just and reasonable to approve MPI's proposed rebate rules in this Application, notwithstanding that this differed from that approved in Order 67/20. This was because the rebate rules proposed in this Application avoided the shortcoming of the point-in-time methodology from SRA I, while including all vehicle classes as part of the rebate.

Lastly, the Board notes that Bill 35, *The Public Utilities Ratepayer Protection and Regulatory Reform Act* (Bill 35), passed first reading in the Manitoba Legislature on October 14, 2020. Section 18(6) of Bill 35 provides that the RSR must not be used to pay rebates. Accordingly, if Bill 35 passes, the Board will not be permitted to approve any rebates in the future.

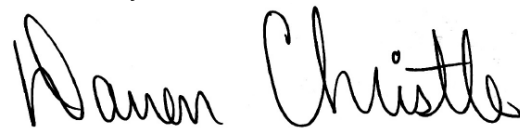
Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca.

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."
Panel Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"
Secretary

Certified a true copy of Order 2/21
issued by the Public Utilities Board


Secretary

Order No. 7/21

**AWARD OF COSTS: COALITION OF MANITOBA MOTORCYCLE GROUPS –
INTERVENTION IN MANITOBA PUBLIC INSURANCE CORPORATION’S
SPECIAL REBATE APPLICATION II**

January 13, 2021

BEFORE: Irene A. Hamilton, Q.C., Panel Chair
Robert Gabor, Q.C., PUB Chair.
Carol Hainsworth, Member

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1.0 Introduction

By this Order, the Public Utilities Board (Board) approves The Coalition of Manitoba Motorcycle Groups (CMMG) Application for a cost award of \$451.50.

The award relates to CMMG's intervention in the Special Rebate Application II of Manitoba Public Insurance (MPI).

2.0 Application

On January 4, 2021, The Coalition of Manitoba Motorcycle Groups, filed with the Board an Application for an Award of Costs for its intervention at the Manitoba Public Insurance Special Rebate Application II.

Pursuant to Section 56 of *The Public Utilities Board Act*, the Board has jurisdiction to award costs of, and incidental to, any proceeding before the Board. For the purpose of this hearing, the Board adopted an interim Intervener Costs Policy. The purpose of this Policy was to set out the Board's procedures for considering requests for Intervener costs and to provide guidance to Interveners on how to apply for funding of costs for participation in Board Proceedings.

Sections 3.1 and 3.2 of the Intervener Costs Policy describe Intervener eligibility for a cost award and the Board's principles in determining the amount of the cost award:

3.1 *In any proceeding the Board may award costs to be paid to any Intervener who has:*

- (a) *made a significant contribution that is relevant to the proceeding and contributed to a better understanding, by all parties, of the issues before the Board;*

- (b) *participated in the hearing in a responsible manner and cooperated with other Interveners who have common objectives in the outcome of the proceedings in order to avoid a duplication of intervention;*
- (c) *represented interests beyond their sole business interest; and*
- (d) *a substantial interest in the outcome of the proceeding and represents the interests of a substantial number of ratepayers.*

3.2 In determining whether the Intervener should receive the amount of costs sought in a costs application, the Board may consider whether the Intervener did one or more of the following:

- (a) *made reasonable efforts to ensure that the intervener's evidence was not unduly repetitive of evidence presented by another intervener;*
- (b) *made reasonable efforts to cooperate with other interveners to reduce the duplication of evidence and questions or to combine the intervener's submission with that of similarly interested interveners;*
and
- (c) *needed legal or technical assistance to take part in the proceeding;*

The expedited public hearing occurred in November 2020. Projected budgets were not requested from interveners for this hearing.

The Cost Application was supported by statements of accounts as summarized below:

	Cost Application Total
Legal Costs (C. Meeks)	\$451.50
TOTAL COSTS	\$451.50

CMMG's Cost Application was supported by detailed invoices and a written submission describing CMMG's participation in the Board's review of Manitoba Public Insurance's Special Rebate Application II.

3.0 Manitoba Public Insurance's Comments

On January 8, 2021, Manitoba Public Insurance consented to the costs related to CMMG's intervention.

4.0 Board Findings

The Board has reviewed the Cost Application by CMMG, as well as the comments provided by MPI. The Board finds that CMMG meets all of the requirements for a cost award. The Board further finds that the costs incurred by CMMG are reasonable and the Board is prepared to award an amount of \$451.50 for CMMG's intervention in the Board's review of Manitoba Public Insurance's Special Rebate Application II.

5.0 IT IS THEREFORE ORDERED THAT:

1. The Application of the Coalition of Manitoba Motorcycle Groups for an award of costs BE AND IS HEREBY APPROVED in the total amount of \$451.50
2. Manitoba Public Insurance pay the Coalition of Manitoba Motorcycle Groups within 15 days of the date of this Order.

Board decisions may be appealed in accordance with the provisions of Section 58 of *The Public Utilities Board Act*, or reviewed in accordance with Section 36 of the Board's Rules of Practice and Procedure. The Board's Rules may be viewed on the Board's website at www.pubmanitoba.ca

THE PUBLIC UTILITIES BOARD

"Irene Hamilton, Q.C."

Chair

"Darren Christle, PhD, CCLP, P.Log., MCIT"

Secretary

Certified a true copy of Order No. 7/21
issued by The Public Utilities Board



Secretary

MANITOBA PUBLIC INSURANCE

2021 SPECIAL REBATE APPLICATION II

Errors, Updates and Omissions



MANITOBA
PUBLIC INSURANCE