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2018 GRA Information Requests – Pre-Ask
PUB (MPI) 3**PUB (MPI) Pre-Ask 3**

Volume and Chapter:	PUB (MPI) 2-11, 2-40(a)	Page No.:	
Topic:			
Sub Topic:			
Issue:			

Preamble to IR (If Any):**Question:**

- a) Please provide an update to the responses to PUB (MPI) 2-40(a) utilizing the most current available Bank and Global Insight interest rate forecasts which have been refreshed since the September 2017 Bank of Canada interest rate change announcement, and including disclosure of the assumed routine management / regulatory actions where applicable.
- b) Please provide an update to the response to PUB (MPI) 2-11 now also reflecting each of the two interest rate forecasts (modified SIRF and 50/50 forecast) from a) above, including:
- i. an update to Figure RM-11; and
 - ii. a corresponding updated response to PUB (MPI) 2-36.

Rationale for Question:**RESPONSE:**

- a) Figure 1 provides the modified SIRF and the 50/50 forecast, which is an average of the requested forecast and the Naïve forecast as of September 30, 2017. BMO and RBC provided their long-term forecast (years 3-5) to MPI on a confidential basis,

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and are excluded from Figure 1 for 2019 and 2020. For 2021, RBC was the only bank that provided a confidential forecast, which means that RBC's forecast could be calculated using the other six forecasts and the calculated average. Therefore, all forecasts for 2021 were removed from the figure and only the average (Modified SIRF) is shown. A full figure, which will include all of the forecast data for all years, will be separately provided to the PUB on a confidential basis.

Please see also *Appendices 1 through 4*.

Figure 1: September 2017 PUB 2-40 Forecast and 50/50 Forecast

Line No.	Year	Quarter	BMO NB	CIBC	Desjardins	Global	National	RBC	Scotia	TD	Average (Modified SIRF)	Naïve	50/50
1	2017	Q3	1.95%	2.10%	1.00%	1.74%	2.13%	2.05%	2.00%	2.10%	2.03%	2.10%	2.06%
2		Q4	2.20%	1.95%	1.25%	1.95%	2.39%	2.40%	2.15%	2.05%	2.20%	2.10%	2.15%
3	2018	Q1	2.25%	2.00%	1.50%	2.34%	2.52%	2.50%	2.25%	2.15%	2.35%	2.10%	2.22%
4		Q2	2.30%	2.10%	1.50%	2.52%	2.69%	2.65%	2.35%	2.25%	2.46%	2.10%	2.28%
5		Q3	2.45%	2.15%	1.75%	2.73%	2.81%	2.85%	2.45%	2.35%	2.61%	2.10%	2.35%
6		Q4	2.55%	2.25%	2.00%	2.87%	2.86%	3.00%	2.60%	2.45%	2.72%	2.10%	2.41%
7	2019	Q1	X.XX%	2.32%	3.20%	3.03%	2.86%	X.XX%		2.54%	2.84%	2.10%	2.47%
8		Q2	X.XX%	2.40%	3.25%	3.23%	2.86%	X.XX%		2.63%	2.95%	2.10%	2.52%
9		Q3	X.XX%	2.45%	3.25%	3.49%	2.90%	X.XX%		2.71%	3.04%	2.10%	2.57%
10		Q4	X.XX%	2.50%	3.25%	3.56%	2.94%	X.XX%		2.80%	3.10%	2.10%	2.60%
11	2020	Q1	X.XX%	2.55%	3.25%	3.56%	2.97%	X.XX%		2.81%	3.13%	2.10%	2.61%
12		Q2	X.XX%	2.60%	3.20%	3.56%	3.01%	X.XX%		2.83%	3.15%	2.10%	2.63%
13		Q3	X.XX%	2.70%	3.10%	3.56%	3.14%	X.XX%		2.84%	3.19%	2.10%	2.64%
14		Q4	X.XX%	2.80%	2.75%	3.56%	3.28%	X.XX%		2.85%	3.19%	2.10%	2.64%
15	2021	Q1									3.15%	2.10%	2.63%
16		Q2									3.16%	2.10%	2.63%
17		Q3									3.18%	2.10%	2.64%
18		Q4									3.18%	2.10%	2.64%

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Line No.	Fiscal Year	Government	Marketable	MUSH Rate	CDN/US	Real		
		of Canada 10 Year	Bond Yield			Estate	Infrastructure	
1	2017/18	0.51%	2.20%	3.96%	4.55%	7.20%	6.20%	7.20%
2	2018/19	0.51%	2.72%	4.38%	4.48%	7.20%	6.10%	7.10%
3	2019/20	0.51%	3.10%	4.71%	4.46%	7.20%	6.00%	7.00%
4	2020/21	0.51%	3.19%	4.77%	4.46%	7.20%	6.00%	7.00%
5	2021/22	0.51%	3.18%	4.74%	4.45%	7.20%	6.00%	7.00%
6	*The interest rates and yields in the above table are for the fourth quarter of each fiscal year. The Corporation creates							
7	forecasts for each quarter (not shown).							

Figure 3: Assumed Claims Liability Discount Rate with September SIRF

Line No.	Fiscal Year End	Nominal	Real
1	2017/18	4.23%	2.18%
2	2018/19	4.59%	2.54%
3	2019/20	4.89%	2.83%
4	2020/21	4.99%	2.93%
5	2021/22	5.02%	2.96%

**Figure 4: Minimum Total Equity Balance as of the end of Fiscal 2017/18.
Combined Scenario Basic Total Equity after Management Action
with September SIRF**

Line No.	Combined Scenarios	2017/18	2018/19	2019/20	2020/21	2021/22
1	<i>(in millions)</i>					
2	1 year	\$157	\$0	\$13	\$10	\$0
3	2 year	\$218	\$82	\$0	(\$8)	(\$24)
4	3 year	\$142	\$82	\$2	\$0	\$55
5	4 year	\$156	\$27	\$0	\$47	\$67

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Line No.	Fiscal Year	CDN 91 Day T-Bill	Government of Canada 10 Year	Marketable Bond Yield	MUSH Rate	CDN/US	Real Estate	Infrastructure
1	2017/18	0.51%	2.15%	3.91%	4.55%	7.20%	6.20%	7.20%
2	2018/19	0.51%	2.41%	4.09%	4.47%	7.20%	6.10%	7.10%
3	2019/20	0.51%	2.60%	4.25%	4.42%	7.20%	6.00%	7.00%
4	2020/21	0.51%	2.65%	4.27%	4.39%	7.20%	6.00%	7.00%
5	2021/22	0.51%	2.64%	4.24%	4.35%	7.20%	6.00%	7.00%
6	*The interest rates and yields in the above table are for the fourth quarter of each fiscal year. The Corporation creates							
7	forecasts for each quarter (not shown).							

Figure 6: Assumed Claims Liability Discount Rate with September 50/50**Interest Rate Forecast**

Line No.	Fiscal Year End	Nominal	Real
1	2017/18	4.19%	2.14%
2	2018/19	4.35%	2.31%
3	2019/20	4.51%	2.46%
4	2020/21	4.56%	2.51%
5	2021/22	4.58%	2.53%

**Figure 7: Minimum Total Equity Balance as of the end of Fiscal 2017/18.
Combined Scenario Basic Total Equity after Management Action
with September 50/50 Interest Rate Forecast**

Line No.	Combined Scenarios	2017/18	2018/19	2019/20	2020/21	2021/22
1	(in millions)					
2	1 year	\$158	\$0	\$2	(\$8)	(\$24)
3	2 year	\$217	\$80	\$0	(\$9)	(\$24)
4	3 year	\$145	\$85	\$3	\$0	\$54
5	4 year	\$158	\$28	\$0	\$49	\$69

- b) Based on the response to (a) above, the projected duration weighted investment return of the fixed income portfolio as of fiscal year end 2017/18 based on the 50/50 and SIRC are 4.19% and 4.23% respectively.

Figure 8 below presents the experience rate changes by major class and overall, based on the projected duration weighted investment return of the fixed income portfolio of 4.19% and 4.23%. Two sets of experience rate changes are provided. The first set is based on the initial filing per *Volume II Ratemaking Figure RM-11*. The second set is based on the response to *PUB (MPI) 2-36*, which is based on no changes to the DSR scale. MPI did not run the rate model to obtain the proposed rate changes since the proposed rate changes are, in general, approximately equal to the experience rate changes.

Figure 8: Experience Rate Change

Line No.	Major Class	SIRF: Investment Return of 4.23%		50/50: Investment Return of 4.19%	
		Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36	Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36
1	Private Passenger	1.7%	3.3%	1.8%	3.4%
2	Commercial	0.2%	2.5%	0.3%	2.6%
3	Public	0.1%	1.2%	0.2%	1.3%
4	Motorcycles	0.8%	3.0%	1.0%	3.2%
5	Trailers	16.3%	16.4%	16.4%	16.4%
6	Off-Road Vehicles	-44.7%	-44.6%	-44.6%	-44.5%
7	Overall	1.8%	3.4%	1.9%	3.5%

Further to this, in the same context as the response to *PUB (MPI) 2-11*, figures 9 and 10 below present the derivation of the profit provisions based on the 50/50 and SIRF. For each scenario, the profit provision is calculated using two approaches. The first approach uses the 2018/19 Total Equity 'Mid-Way' Target to determine the Premium to Surplus Ratio, meaning to assume that Basic has total equity of approximately \$310 million, which is a significant overstatement of Basic's financial position, and incorrect (as indicated in response to *PUB (MPI) 2-11*). The second approach uses the 2018/19 Total Equity to determine the Premium to Surplus Ratio. The derivation of the profit provisions in both scenarios incorporates the change to the methodology for calculating investment income as indicated in response to Undertaking # 15.

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The derivation of the profit provision presented below is based on the revised pro formas provided in the attachment. Appendix 5 to this Information Request presents PF.1, PF.2 and PF.3 based on the 50/50 scenario. Appendix 6 to this Information Request presents PF.1, PF.2 and PF.3 based on the SIRF scenario.

Figure 9: 2018/19 Investment Return on Assets Supporting Basic Total Equity

Line No.	Description	Source/Formula	SIRF: Investment Return of 4.23%		50/50: Investment Return of 4.19%	
			2017/18	2018/19	2017/18	2018/19
1	(1) Liabilities excluding 'Unearned Premium and Fees' and 'Provision for Unpaid Claims'	<u>Appendices A and B</u>	361,830	377,079	361,830	377,079
2	(2) Total Equity	<u>Appendices A and B</u>	230,864	236,580	229,569	226,908
3	(3) Total	= (1) + (2)	592,694	613,659	591,399	603,987
4	(4) Average (assumed as the basis for 2018/19 investment income earned)	= Average of (3)		603,177		597,693
5	(5) Investment income excluding such from the fixed income portfolio			30,273		30,282
6	(6) Investment return on assets supporting Basic Total Equity	= (5) / (4)		5.02%		5.07%

Figure 10: 2018/19 Profit Provision

Line No.	Description	Source/Formula	SIRF: Investment Return of 4.23%	50/50: Investment Return of 4.19%
1	(1) Investment return on assets supporting Basic Total Equity, IR	Figure 1	5.02%	5.07%
2	METHOD 1: Based on 2018/19 Total Equity 'Mid-Way' Target			
3	(2) 2018/19 Basic Written Premium	<u>Appendices A and B</u>	1,073,456	1,074,473
4	(3) 2018/19 Total Equity Lower Target	<u>Appendices A and B</u>	181,000	181,000
5	(4) 2018/19 Total Equity Upper Target	<u>Appendices A and B</u>	438,000	438,000
6	(5) 2018/19 Total Equity 'Mid-Way' Target	= [(3) + (4)] / 2	309,500	309,500
7	(6) Premium to Surplus Ratio, PSR	= (2) / (5)	3.4684	3.4716
8	(7) Profit Provision, -IR/PSR	= -(1) / (6)	-1.45%	-1.46%
9	METHOD 2: Based on 2018/19 Total Equity			
10	(8) 2018/19 Total Equity	<u>Appendices A and B</u>	236,580	226,908
11	(9) Premium to Surplus Ratio, PSR	= (2) / (8)	4.5374	4.7353
12	(10) Profit Provision, -IR/PSR	= -(1) / (9)	-1.11%	-1.07%

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Based on the negative profit provisions derived above, the figures below present the experience rate changes by major class and overall.

Figure 11: Experience Rate Change

		METHOD 1: Based on 2018/19 Total Equity 'Mid-Way' Target			
		SIRF: Investment Return of 4.23%		50/50: Investment Return of 4.19%	
Line No.	Major Class	Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36	Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36
1	Private Passenger	0.0%	1.7%	0.1%	1.7%
2	Commercial	-1.4%	0.8%	-1.3%	0.9%
3	Public	-1.5%	-0.4%	-1.4%	-0.3%
4	Motorcycles	-0.9%	1.3%	-0.7%	1.5%
5	Trailers	14.5%	14.6%	14.6%	14.6%
6	Off-Road Vehicles	-45.6%	-45.4%	-45.5%	-45.4%
7	Overall	0.1%	1.8%	0.2%	1.8%

Figure 12: Experience Rate Change

		METHOD 2: Based on 2018/19 Total Equity			
		SIRF: Investment Return of 4.23%		50/50: Investment Return of 4.19%	
Line No.	Major Class	Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36	Experience Rate Change per RM.11	Experience Rate Change per PUB 2-36
1	Private Passenger	0.4%	2.1%	0.5%	2.2%
2	Commercial	-1.0%	1.2%	-0.9%	1.4%
3	Public	-1.1%	0.0%	-1.0%	0.1%
4	Motorcycles	-0.5%	1.7%	-0.3%	1.9%
5	Trailers	15.0%	15.0%	15.0%	15.1%
6	Off-Road Vehicles	-45.3%	-45.2%	-45.3%	-45.1%
7	Overall	0.5%	2.2%	0.6%	2.3%

It is important to note that policy premium rates set on this basis would result in a systematic deficiency in premiums, as policies would be sold at a loss, through a negative profit provision. Setting the negative profit provision based on 2018/19 Total Equity (Method 2) would eliminate the natural growth in the total equity balance, as the full amount of RSR investment income is rebated in rates.

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Method 1, based on a "Total Equity Mid-Way Target" would actually deplete the RSR total equity balance, as the refund would be based on total equity that Basic doesn't have.

Appendix 1a
Base Scenario with September Modified SIRF
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,068,082	1,112,891	1,158,599
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,127,586	1,174,220	1,221,540
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,048,409	1,092,198	1,137,491
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,106,857	1,152,493	1,199,502
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,532	30,849
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,133,288	1,181,025	1,230,351
Net Claims Incurred	623,437	742,604	869,023	733,191	779,329	852,876	934,323	996,409
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	8,465	1,930	42	(294)
Total Claims Incurred	745,837	666,404	860,035	657,550	787,794	854,806	934,365	996,115
Claims Expense	116,578	118,614	120,972	134,294	137,493	139,087	141,855	143,211
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,054	12,877	13,119	13,347
Total Claims Costs	873,774	798,045	993,537	805,054	938,341	1,006,770	1,089,339	1,152,673
Expenses								
Operating	74,283	71,641	72,785	72,563	74,729	75,097	76,786	78,769
Commissions	32,845	33,862	35,086	37,655	40,593	42,723	44,438	46,209
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,558	34,934	36,352
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,216	4,301	4,388
Total Expenses	135,594	135,383	140,323	143,528	151,085	155,594	160,459	165,718
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	37,547	(22,253)	(29,076)	(68,773)	(88,039)
Investment Income	104,184	48,476	101,645	95,622	87,539	96,643	105,135	111,098
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(72,622)	(54,915)	(38,055)	(8,958)	1,011
Net Investment Income	188,451	(4,038)	82,897	23,000	32,624	58,588	96,177	112,110
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	44,592	(2,912)	28,989	29,609	29,401
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,955)	(13,283)	(523)	2,205	5,331
Net Income (Loss)	2,440	(56,050)	(123,070)	60,547	10,371	29,512	27,404	24,070
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	3,019	(63,380)	(39,985)	(9,000)	1,305

Appendix 1b
Base Scenario with September Modified SIRF
Statement of Changes in Equity

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	159,798	170,168	199,681	227,085
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	60,547	10,371	29,512	27,404	24,070
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	-	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	159,798	170,168	199,681	227,085	251,155
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	159,798	170,168	199,681	227,085	251,155
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	75,841	81,499	88,086	95,702
Total Rate Stabilization Reserve	213,080	231,001	181,000	230,864	246,009	281,179	315,171	346,857
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	230,864	246,009	281,179	315,171	346,857

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 1c
Base Scenario with September Modified SIRF
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,457	12,170	18,820	24,203	26,610
Equity investments	2,061,262	2,083,349	2,189,534	2,246,462	2,282,274	2,346,326	2,451,001	2,573,762
Investment property	35,087	35,789	35,615	35,938	37,787	37,851	37,752	36,958
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	372,893	387,219	401,795
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	7,114	22,324	24,078	23,167	19,156
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,042	73,150	74,500	72,790
	2,650,693	2,683,473	2,805,484	2,792,989	2,872,742	2,963,732	3,085,913	3,215,817
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	576,195	601,849	628,143
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,692,064	1,697,812	1,713,467	1,759,247	1,813,953
	2,437,614	2,452,472	2,624,484	2,562,125	2,626,733	2,682,552	2,770,742	2,868,960
Equity								
Retained earnings	177,819	194,497	99,251	159,798	170,168	199,681	227,085	251,155
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	75,841	81,499	88,086	95,702
Total Equity	213,081	231,001	181,000	230,864	246,009	281,179	315,171	346,857
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,792,989	2,872,742	2,963,732	3,085,913	3,215,817

Appendix 1d
Base Scenario with September Modified SIRF
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current Year (01)	Forecast Year (02)	Forecast Year (03)	Forecast Year (04)	Forecast Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 161,558	176,967	208,030	240,671	274,067
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 161,558	176,967	208,030	240,671	274,067
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	99,074	103,142	107,271
Unpaid claims	22 178,992	180,118	182,295	187,539	193,728
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 266,642	275,310	281,369	290,681	300,999
Market Risk:					
Interest rate risk	30 7,813	18,061	18,329	16,661	13,023
Foreign exchange risk	32 17,778	19,585	20,746	22,860	26,156
Equity risk	34 148,699	165,157	178,768	190,190	199,019
Real estate risk	36 58,293	60,809	62,735	64,369	65,851
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 232,583	263,612	280,578	294,080	304,049
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,903	35,935	37,302	38,682	39,860
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,903	35,935	37,302	38,682	39,860
Operational risk margin	50 70,176	75,941	79,125	82,348	85,355
Less: Diversification credit	52 71,291	76,869	79,963	83,116	85,989
Total Capital (Margin) Required at Target	59 531,013	573,929	598,411	622,675	644,274
Minimum Capital (Margin) Required (line 59 / 1.5)	60 354,008	382,620	398,941	415,117	429,516
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 354,008	382,620	398,941	415,117	429,516
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (192,450)	(205,653)	(190,911)	(174,446)	(155,449)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 45.64%	46.25%	52.15%	57.98%	63.81%

Appendix 1e
Base Scenario with September SIRF
Net Claims Incurred Summary

<i>(C\$ 000s, except where noted)</i>	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,738	444,647	474,634	506,797	541,072
Comprehensive	117,204	106,707	113,337	119,915	126,867	134,181
Property Damage	42,769	44,294	45,930	47,617	49,407	51,258
Public Liability - BI	5,443	4,163	4,425	4,481	4,596	4,665
PIPP	240,544	75,432	152,546	164,796	194,002	205,376
Total	798,458	647,333	760,886	811,444	881,669	936,552
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(16,033)	(3,721)	(2,017)	2,581	4,037
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,955)	(13,283)	(523)	2,205	5,331
Total Net Claims Incurred	860,035	657,550	787,794	854,806	934,365	996,115

Appendix 1f
Base Scenario with September Modified SIRF
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	75.49%	74.69%	75.36%	75.45%		
2. Trend/Rate Adjustment for Fiscal Year												
2016	0.9434	0.9218	0.9370	0.9705	0.9861							
2017		0.9165	0.9273	0.9559	0.9667	0.9910						
2018			0.9210	0.9422	0.9457	0.9622	0.9943					
2019				0.9455	0.9496	0.9668	0.9997	1.0141				
2020					0.9545	0.9718	1.0047	1.0191	1.0141			
2021						0.9837	1.0157	1.0289	1.0224	1.0156		
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]												
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.67%
2018			68.87%	74.97%	74.84%	74.89%	75.06%				74.90%	77.41%
2019				75.23%	75.15%	75.25%	75.47%	75.74%			75.31%	77.44%
2020					75.54%	75.63%	75.85%	76.11%	76.42%		75.86%	77.86%
2021						76.56%	76.68%	76.84%	77.05%	76.63%	76.71%	78.70%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,106,857	1,152,493	1,199,502
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.2%	8.0%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.78%	2.72%	2.68%
Selected					3.46%	3.26%	3.10%	2.94%	2.81%	2.73%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	529,018	550,745	572,782
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,274	388,916	405,007	424,074	445,947
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,565	15,372	15,315	15,450
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,762	71,561	74,521	78,030	82,054
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	7,114	22,324	24,078	23,167	19,156
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	30,853	32,147	33,468
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,581	7,298	6,775	8,981	14,311
Change					6,127	(9,111)	(13,283)	(523)	2,205	5,331
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 1g
Base Scenario with September Modified SIRF
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Interest Income During Period					
Cash/Short Term Investments	93	(0)	2	92	238
Marketable Bonds	39,433	43,287	50,203	58,085	65,821
MUSH	28,784	28,064	27,480	26,994	26,470
Total	68,311	71,351	77,685	85,172	92,529
Dividend and other Income					
Canadian Equities	8,536	10,044	11,616	12,567	13,408
US Equities	3,321	3,850	4,499	5,254	5,703
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	18,676	20,952	22,710	24,072
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(69,427)	(52,870)	(38,967)	(9,943)	(346)
Marketable Bonds Realized Gains/(Loss)	(15,986)	(12,562)	(7,124)	(1,097)	1,615
Amortization on Marketable Bonds (Prem) / Discount	(5,692)	(1,162)	2,250	4,134	4,578
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	12,917	13,256	13,700	13,848
US Equities Realized Gains	8,601	-	-	496	469
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(39,023)	(30,987)	(6,655)	32,615	46,964
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	27,051	38,871	70,960	118,531	140,656
Total Basic Investment Income	23,000	32,624	58,588	96,177	112,110
% - Basic to Total Investment Income	85%	84%	83%	81%	80%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	12,518	13,698	14,819	15,812
US Equities Unrealized Gains	7,009	7,180	7,903	9,228	10,017
Total Corporate Unrealized Gains/(Losses)	19,601	19,698	21,600	24,047	25,828
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	-	6.7	12.0	13.7
Canadian Fixed Income	1,172.7	1,169.6	1,220.7	1,334.9	1,487.8
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	340.6	376.7	400.9	428.3
US Equities	149.4	166.8	188.7	215.8	230.6
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,685.4	2,766.0	2,897.1	3,083.1	3,293.8
Total Basic Assets	2,293.9	2,332.2	2,403.0	2,513.0	2,637.3
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.2%	0.4%	0.4%
Canadian Fixed Income	43.7%	42.3%	42.1%	43.3%	45.2%
MUSH	23.8%	22.8%	21.5%	19.8%	18.2%
Canadian Equities	11.4%	12.3%	13.0%	13.0%	13.0%
US Equities	5.6%	6.0%	6.5%	7.0%	7.0%
Real Estate	10.8%	11.2%	11.2%	11.1%	10.9%
Infrastructure & Venture Capital	4.8%	5.4%	5.4%	5.4%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 2a
Combined Scenario with September Modified SIRF
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,089,818	1,135,532	1,182,163
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,149,323	1,196,861	1,245,103
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,114,421	1,160,628
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,118,556	1,174,716	1,222,639
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	30,981
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,203,369	1,253,620
Net Claims Incurred	623,437	742,604	869,023	811,228	887,345	923,668	959,044	1,010,019
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(153,678)	168,674	31,164	1,508	1,856
Total Claims Incurred	745,837	666,404	860,035	657,550	1,056,019	954,832	960,552	1,011,875
Claims Expense	116,578	118,614	120,972	134,294	137,493	140,332	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,054	12,994	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	805,054	1,206,566	1,108,158	1,117,268	1,170,227
Expenses								
Operating	74,283	71,641	72,785	72,563	74,729	75,712	77,579	79,591
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,158	46,959
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	35,601	37,046
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,218	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,085	156,862	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	37,547	(290,478)	(120,033)	(76,540)	(84,593)
Investment Income	104,184	48,476	101,645	95,622	71,841	65,613	58,475	58,439
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(72,622)	122,718	20,105	0	0
Net Investment Income	188,451	(4,038)	82,897	23,000	194,559	85,718	58,475	58,439
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	44,592	(95,933)	(35,243)	(14,262)	(20,170)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,955)	(14)	(928)	3,802	5,983
Net Income (Loss)	2,440	(56,050)	(123,070)	60,547	(95,918)	(34,315)	(18,064)	(26,154)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	81,056	(45,956)	(11,060)	(1,508)	(1,856)

**Appendix 2b
 Combined Scenario with September Modified SIRF
 Statement of Changes in Equity**

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	159,798	63,879	29,564	11,500
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	60,547	(95,918)	(34,315)	(18,064)	(26,154)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	-	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	159,798	63,879	29,564	11,500	(14,654)
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	159,798	63,879	29,564	11,500	(14,654)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	32,174	(15,533)	(5,571)	5,736
Total Rate Stabilization Reserve	213,080	231,001	181,000	230,864	96,053	14,032	5,929	(8,918)
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	230,864	96,053	14,032	5,929	(8,918)

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 2c
Combined Scenario with September Modified SIRF
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,457	12,781	9,856	9,545	9,232
Equity investments	2,061,262	2,083,349	2,189,534	2,246,462	2,390,434	2,433,297	2,522,103	2,616,096
Investment property	35,087	35,789	35,615	35,938	37,765	37,859	37,813	37,080
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	393,262	408,084
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	7,114	9,056	11,843	9,361	4,725
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,042	73,061	74,316	72,561
	2,650,693	2,683,473	2,805,484	2,792,989	2,968,222	3,035,225	3,134,471	3,232,523
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	586,233	612,304	639,024
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,692,064	1,943,247	2,042,071	2,106,592	2,175,553
	2,437,614	2,452,472	2,624,484	2,562,125	2,872,168	3,021,194	3,128,542	3,241,441
Equity								
Retained earnings	177,819	194,497	99,251	159,798	63,879	29,564	11,500	(14,654)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	32,174	(15,533)	(5,571)	5,736
Total Equity	213,081	231,001	181,000	230,864	96,053	14,032	5,929	(8,918)
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,792,989	2,968,222	3,035,225	3,134,471	3,232,523

Appendix 2d
Combined Scenario with September Modified SIRF
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current	Forecast	Forecast	Forecast	Forecast
	Year (01)	Year (02)	Year (03)	Year (04)	Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 161,558	27,011	(59,030)	(68,387)	(81,479)
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 161,558	27,011	(59,030)	(68,387)	(81,479)
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	100,953	105,102	109,308
Unpaid claims	22 178,992	204,891	215,556	222,431	230,036
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 266,642	300,083	316,509	327,533	339,344
Market Risk:					
Interest rate risk	30 7,813	45,308	35,627	35,586	38,813
Foreign exchange risk	32 17,778	23,829	17,185	17,659	20,921
Equity risk	34 148,699	183,351	140,333	144,244	159,025
Real estate risk	36 58,293	60,778	62,746	64,459	66,041
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 232,583	313,266	255,891	261,948	284,800
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,903	35,288	36,825	37,889	38,780
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,903	35,288	36,825	37,889	38,780
Operational risk margin	50 70,176	82,212	80,517	83,247	87,476
Less: Diversification credit	52 71,291	86,378	81,487	83,875	88,761
Total Capital (Margin) Required at Target	59 531,013	644,471	608,255	626,742	661,639
Minimum Capital (Margin) Required (line 59 / 1.5)	60 354,008	429,647	405,504	417,828	441,092
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 354,008	429,647	405,504	417,828	441,092
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (192,450)	(402,636)	(464,534)	(486,215)	(522,571)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 45.64%	6.29%	-14.56%	-16.37%	-18.47%

Appendix 2e
Combined Scenario with September Modified SIRF
Net Claims Incurred Summary

(C\$ 000s, except where noted)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,738	462,202	488,681	506,769	541,196
Comprehensive	117,204	106,707	106,785	121,386	126,913	134,218
Property Damage	42,769	44,294	46,569	50,266	49,407	51,274
Public Liability - BI	5,443	4,163	5,302	5,818	4,633	4,670
PIPP	240,544	75,432	360,231	234,299	215,539	218,199
Total	798,458	647,333	981,090	900,449	903,262	949,557
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(16,033)	31,032	9,410	5,578	6,139
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,955)	(14)	(928)	3,802	5,983
Total Net Claims Incurred	860,035	657,550	1,056,019	954,832	960,552	1,011,875

Appendix 2f
Combined Scenario with September Modified SIRF
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	77.71%	75.21%	73.94%	74.02%		
2. Trend/Rate Adjustment for Fiscal Year												
2016	0.9434	0.9218	0.9370	0.9705	0.9861							
2017		0.9165	0.9273	0.9559	0.9667	0.9910						
2018			0.9265	0.9466	0.9489	0.9643	0.9952					
2019				0.9350	0.9373	0.9526	0.9832	1.0061				
2020					0.9429	0.9585	0.9896	1.0129	1.0151			
2021						0.9699	1.0004	1.0230	1.0243	1.0164		
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]												
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.67%
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.64%
2019				74.39%	74.17%	74.14%	76.41%	75.66%			74.74%	79.46%
2020					74.61%	74.60%	76.90%	76.18%	75.06%		75.28%	80.05%
2021						75.48%	77.74%	76.94%	75.73%	75.23%	76.05%	80.89%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,118,556	1,174,716	1,222,639
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.1%	8.0%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.80%	2.71%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	539,056	561,200	583,664
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,274	400,122	423,578	444,365	467,164
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,567	15,657	15,552	15,642
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,762	73,622	77,938	81,763	85,958
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	7,114	9,056	11,843	9,361	4,725
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	32,801	34,148
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,581	20,566	19,638	23,440	29,424
Change					6,127	(9,111)	(14)	(928)	3,802	5,983
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 2g
Combined Scenario with September Modified SIRF
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Interest Income During Period					
Cash/Short Term Investments	93	43	5	(0)	(0)
Marketable Bonds	39,433	36,034	37,000	38,617	39,930
MUSH	28,784	27,881	26,681	25,432	24,144
Total	68,311	63,958	63,686	64,049	64,074
Dividend and other Income					
Canadian Equities	8,536	11,196	9,236	8,422	9,476
US Equities	3,321	4,580	4,002	3,671	4,096
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	20,558	18,075	16,981	18,532
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(69,427)	95,704	23,755	2,449	2,558
Marketable Bonds Realized Gains/(Loss)	(15,986)	50,515	602	(2,449)	(2,558)
Amortization on Marketable Bonds (Prem) / Discount	(5,692)	(8,013)	(13,033)	(15,071)	(15,745)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	6,575	(1,558)	739	2,399
US Equities Realized Gains	8,601	-	9,414	1,961	-
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(39,023)	167,470	43,109	12,954	13,456
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	27,051	231,817	103,848	72,018	73,153
Total Basic Investment Income	23,000	194,559	85,718	58,475	58,439
% - Basic to Total Investment Income	85%	84%	83%	81%	80%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	(26,269)	(32,440)	9,177	10,326
US Equities Unrealized Gains	7,009	(12,405)	(16,858)	5,480	6,114
Total Corporate Unrealized Gains/(Losses)	19,601	(38,673)	(49,298)	14,657	16,440
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	3.6	-	-	-
Canadian Fixed Income	1,172.7	1,227.5	1,481.0	1,607.5	1,699.8
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	377.1	264.4	275.4	316.8
US Equities	149.4	203.0	145.5	151.3	172.3
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,685.4	2,900.3	2,995.2	3,153.8	3,322.5
Total Basic Assets	2,293.9	2,441.0	2,481.0	2,569.5	2,662.4
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.1%	0.0%	0.0%	0.0%
Canadian Fixed Income	43.7%	42.3%	49.4%	51.0%	51.2%
MUSH	23.8%	21.8%	20.8%	19.4%	18.0%
Canadian Equities	11.4%	13.0%	8.8%	8.7%	9.5%
US Equities	5.6%	7.0%	4.9%	4.8%	5.2%
Real Estate	10.8%	10.6%	10.9%	10.9%	10.8%
Infrastructure & Venture Capital	4.8%	5.1%	5.2%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 2h
Combined Scenario with September Modified SIRF
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,089,818	1,135,532	1,182,163
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,149,323	1,196,861	1,245,103
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,114,421	1,160,628
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,118,556	1,174,716	1,222,639
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	30,981
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,203,369	1,253,620
Net Claims Incurred	623,437	742,604	869,023	811,228	887,345	923,668	959,044	1,010,019
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(153,678)	168,674	31,164	1,508	1,856
Total Claims Incurred	745,837	666,404	860,035	657,550	1,056,019	954,832	960,552	1,011,875
Claims Expense	116,578	118,614	120,972	134,294	137,493	140,332	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,054	12,994	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	805,054	1,206,566	1,108,158	1,117,268	1,170,227
Expenses								
Operating	74,283	71,641	72,785	72,563	74,729	75,712	77,579	79,591
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,158	46,959
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	35,601	37,046
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,218	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,085	156,862	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	37,547	(290,478)	(120,033)	(76,540)	(84,593)
Investment Income	104,184	48,476	101,645	95,622	71,470	65,243	58,147	58,114
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(72,622)	122,084	19,991	(0)	(0)
Net Investment Income	188,451	(4,038)	82,897	23,000	193,554	85,235	58,147	58,114
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	44,592	(96,938)	(35,727)	(14,590)	(20,495)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,955)	(14)	(928)	3,802	5,983
Net Income (Loss)	2,440	(56,050)	(123,070)	60,547	(96,924)	(34,798)	(18,392)	(26,479)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	81,056	(46,590)	(11,173)	(1,508)	(1,856)

Appendix 2i
Combined Scenario with September Modified SIRF
Statement of Changes in Equity

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	147,167	50,244	15,445	(2,947)
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	60,547	(96,924)	(34,798)	(18,392)	(26,479)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	(12,630)	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	147,167	50,244	15,445	(2,947)	(29,426)
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	147,167	50,244	15,445	(2,947)	(29,426)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	32,008	(15,445)	(5,540)	5,704
Total Rate Stabilization Reserve	213,080	231,001	181,000	218,234	82,252	(0)	(8,487)	(23,722)
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	218,234	82,252	(0)	(8,487)	(23,722)

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 2j
Combined Scenario with September Modified SIRF
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,394	12,709	9,801	9,491	9,181
Equity investments	2,061,262	2,083,349	2,189,534	2,234,093	2,376,918	2,419,535	2,507,953	2,601,549
Investment property	35,087	35,789	35,615	35,740	37,551	37,645	37,601	36,873
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	393,262	408,084
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	7,114	9,056	11,843	9,361	4,725
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,042	73,061	74,316	72,561
	2,650,693	2,683,473	2,805,484	2,780,359	2,954,420	3,021,194	3,120,055	3,217,719
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	586,233	612,304	639,024
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,692,064	1,943,247	2,042,071	2,106,592	2,175,553
	2,437,614	2,452,472	2,624,484	2,562,125	2,872,168	3,021,194	3,128,542	3,241,441
Equity								
Retained earnings	177,819	194,497	99,251	147,167	50,244	15,445	(2,947)	(29,426)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,066	32,008	(15,445)	(5,540)	5,704
Total Equity	213,081	231,001	181,000	218,234	82,252	(0)	(8,487)	(23,722)
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,780,359	2,954,420	3,021,194	3,120,055	3,217,719

Appendix 2k
Combined Scenario with September Modified SIRF
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current	Forecast	Forecast	Forecast	Forecast
	Year (01)	Year (02)	Year (03)	Year (04)	Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 148,928	13,209	(73,061)	(82,803)	(96,283)
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 148,928	13,209	(73,061)	(82,803)	(96,283)
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	100,953	105,102	109,308
Unpaid claims	22 178,992	204,891	215,556	222,431	230,036
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 266,642	300,083	316,509	327,533	339,344
Market Risk:					
Interest rate risk	30 8,855	46,422	36,869	36,855	40,087
Foreign exchange risk	32 17,680	23,694	17,088	17,560	20,804
Equity risk	34 147,881	182,314	139,539	143,434	158,141
Real estate risk	36 58,021	60,485	62,442	64,147	65,720
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 232,437	312,915	255,938	261,996	284,752
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,817	35,195	36,731	37,792	38,680
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,817	35,195	36,731	37,792	38,680
Operational risk margin	50 70,156	82,174	80,513	83,243	87,463
Less: Diversification credit	52 71,260	86,328	81,480	83,868	88,740
Total Capital (Margin) Required at Target	59 530,792	644,039	608,211	626,696	661,499
Minimum Capital (Margin) Required (line 59 / 1.5)	60 353,862	429,360	405,474	417,797	440,999
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 353,862	429,360	405,474	417,797	440,999
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (204,934)	(416,151)	(478,535)	(500,600)	(537,282)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 42.09%	3.08%	-18.02%	-19.82%	-21.83%

Appendix 2I
Combined Scenario with September Modified SIRF
Net Claims Incurred Summary

(C\$ 000s, except where noted)

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,738	462,202	488,681	506,769	541,196
Comprehensive	117,204	106,707	106,785	121,386	126,913	134,218
Property Damage	42,769	44,294	46,569	50,266	49,407	51,274
Public Liability - BI	5,443	4,163	5,302	5,818	4,633	4,670
PIPP	240,544	75,432	360,231	234,299	215,539	218,199
Total	798,458	647,333	981,090	900,449	903,261	949,557
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(16,033)	31,032	9,410	5,578	6,139
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,955)	(14)	(928)	3,802	5,983
Total Net Claims Incurred	860,035	657,550	1,056,019	954,832	960,552	1,011,875

Appendix 2m
Combined Scenario with September Modified SIRF
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	77.71%	75.21%	73.94%	74.02%		
2. Trend/Rate Adjustment for Fiscal Year												
2016	0.9434	0.9218	0.9370	0.9705	0.9861							
2017		0.9165	0.9273	0.9559	0.9667	0.9910						
2018			0.9265	0.9466	0.9489	0.9643	0.9952					
2019				0.9350	0.9373	0.9526	0.9832	1.0061				
2020					0.9429	0.9585	0.9896	1.0129	1.0151			
2021						0.9699	1.0004	1.0230	1.0243	1.0164		
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]												
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.67%
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.64%
2019				74.39%	74.17%	74.14%	76.41%	75.66%			74.74%	79.46%
2020					74.61%	74.60%	76.90%	76.18%	75.06%		75.28%	80.05%
2021							75.48%	77.74%	76.94%	75.73%	76.05%	80.89%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,118,556	1,174,716	1,222,639
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.1%	8.0%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.80%	2.71%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	539,056	561,200	583,664
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,274	400,122	423,578	444,365	467,164
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,567	15,657	15,552	15,642
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,762	73,622	77,938	81,763	85,958
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	7,114	9,056	11,843	9,361	4,725
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	32,801	34,148
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,581	20,566	19,638	23,440	29,424
Change					6,127	(9,111)	(14)	(928)	3,802	5,983
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 2n
Combined Scenario with September Modified SIRF
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Interest Income During Period					
Cash/Short Term Investments	93	43	5	(0)	(0)
Marketable Bonds	39,433	36,034	37,000	38,617	39,930
MUSH	28,784	27,881	26,681	25,432	24,144
Total	68,311	63,958	63,686	64,049	64,074
Dividend and other Income					
Canadian Equities	8,536	11,196	9,236	8,422	9,476
US Equities	3,321	4,580	4,002	3,671	4,096
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	20,558	18,075	16,981	18,532
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(69,427)	95,704	23,755	2,449	2,558
Marketable Bonds Realized Gains/(Loss)	(15,986)	50,515	602	(2,449)	(2,558)
Amortization on Marketable Bonds (Prem) / Discount	(5,692)	(8,013)	(13,033)	(15,071)	(15,745)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	6,575	(1,558)	739	2,399
US Equities Realized Gains	8,601	-	9,414	1,961	-
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(39,023)	167,470	43,109	12,954	13,456
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	27,051	231,817	103,848	72,018	73,153
Total Basic Investment Income	23,000	193,554	85,235	58,147	58,114
% - Basic to Total Investment Income	85%	83%	82%	81%	79%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	(26,269)	(32,440)	9,177	10,326
US Equities Unrealized Gains	7,009	(12,405)	(16,858)	5,480	6,114
Total Corporate Unrealized Gains/(Losses)	19,601	(38,673)	(49,298)	14,657	16,440
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	3.6	-	-	-
Canadian Fixed Income	1,172.7	1,227.5	1,481.0	1,607.5	1,699.8
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	377.1	264.4	275.4	316.8
US Equities	149.4	203.0	145.5	151.3	172.3
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,685.4	2,900.3	2,995.2	3,153.8	3,322.5
Total Basic Assets	2,281.2	2,427.2	2,467.0	2,555.0	2,647.6
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.1%	0.0%	0.0%	0.0%
Canadian Fixed Income	43.7%	42.3%	49.4%	51.0%	51.2%
MUSH	23.8%	21.8%	20.8%	19.4%	18.0%
Canadian Equities	11.4%	13.0%	8.8%	8.7%	9.5%
US Equities	5.6%	7.0%	4.9%	4.8%	5.2%
Real Estate	10.8%	10.6%	10.9%	10.9%	10.8%
Infrastructure & Venture Capital	4.8%	5.1%	5.2%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 3a
Base Scenario with September 50/50 Interest Rate Forecast
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,068,082	1,112,891	1,158,599
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,127,586	1,174,220	1,221,540
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,048,409	1,092,198	1,137,491
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,106,857	1,152,493	1,199,502
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,532	30,849
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,133,288	1,181,025	1,230,351
Net Claims Incurred	623,437	742,604	869,023	740,457	813,733	877,886	943,799	999,983
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	8,465	1,930	42	(294)
Total Claims Incurred	745,837	666,404	860,035	664,816	822,198	879,816	943,841	999,689
Claims Expense	116,578	118,614	120,972	134,294	137,522	139,294	142,160	143,545
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,057	12,896	13,148	13,380
Total Claims Costs	873,774	798,045	993,537	812,320	972,777	1,032,006	1,099,149	1,156,614
Expenses								
Operating	74,283	71,641	72,785	72,563	74,743	75,199	76,938	78,936
Commissions	32,845	33,862	35,086	37,655	40,593	42,723	44,438	46,209
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,558	34,934	36,352
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,216	4,301	4,388
Total Expenses	135,594	135,383	140,323	143,528	151,099	155,696	160,611	165,885
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	30,281	(56,703)	(54,413)	(78,735)	(92,148)
Investment Income	104,184	48,476	101,645	95,695	86,157	92,255	98,273	102,875
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(66,726)	(28,438)	(20,435)	(4,875)	529
Net Investment Income	188,451	(4,038)	82,897	28,969	57,719	71,819	93,398	103,405
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	43,638	(10,612)	18,126	17,437	16,874
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,613)	(11,628)	719	2,774	5,617
Net Income (Loss)	2,440	(56,050)	(123,070)	59,251	1,016	17,406	14,663	11,257
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	8,915	(36,904)	(22,366)	(4,917)	824

Appendix 3b
Base Scenario with September 50/50 Interest Rate Forecast
Statement of Changes in Equity

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	158,501	159,517	176,924	191,587
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	59,251	1,016	17,406	14,663	11,257
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	-	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	158,501	159,517	176,924	191,587	202,843
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	158,501	159,517	176,924	191,587	202,843
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	75,853	81,749	88,646	96,041
Total Rate Stabilization Reserve	213,080	231,001	181,000	229,569	235,370	258,672	280,232	298,884
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	229,569	235,370	258,672	280,232	298,884

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 3c
Base Scenario with September 50/50 Interest Rate Forecast
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,472	11,934	13,115	22,191	24,775
Equity investments	2,061,262	2,083,349	2,189,534	2,252,418	2,313,544	2,396,218	2,494,258	2,607,390
Investment property	35,087	35,789	35,615	35,938	37,788	37,856	37,761	36,969
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	372,893	387,219	401,795
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	6,771	20,328	20,839	19,359	15,062
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,038	73,131	74,462	72,743
	2,650,693	2,683,473	2,805,484	2,798,617	2,901,776	3,004,665	3,123,322	3,243,480
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	576,195	601,849	628,143
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,698,987	1,737,485	1,776,908	1,831,595	1,889,589
	2,437,614	2,452,472	2,624,484	2,569,048	2,666,406	2,745,993	2,843,090	2,944,596
Equity								
Retained earnings	177,819	194,497	99,251	158,501	159,517	176,924	191,587	202,843
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	75,853	81,749	88,646	96,041
Total Equity	213,081	231,001	181,000	229,569	235,370	258,672	280,232	298,884
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,798,617	2,901,776	3,004,665	3,123,322	3,243,480

Appendix 3d
Base Scenario with September 50/50 Interest Rate Forecast
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current Year (01)	Forecast Year (02)	Forecast Year (03)	Forecast Year (04)	Forecast Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 160,263	166,332	185,541	205,770	226,142
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 160,263	166,332	185,541	205,770	226,142
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	99,074	103,142	107,271
Unpaid claims	22 179,686	184,100	188,665	194,806	201,326
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 267,336	279,292	287,739	297,948	308,597
Market Risk:					
Interest rate risk	30 8,873	19,679	21,133	21,468	18,892
Foreign exchange risk	32 17,778	19,583	20,724	23,159	25,610
Equity risk	34 148,699	165,145	180,457	192,752	201,044
Real estate risk	36 58,293	60,811	62,741	64,382	65,869
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 233,643	265,218	285,055	301,761	311,415
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,908	35,938	37,259	38,553	39,631
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,908	35,938	37,259	38,553	39,631
Operational risk margin	50 70,325	76,416	80,044	83,607	86,608
Less: Diversification credit	52 71,527	77,646	81,449	85,105	87,981
Total Capital (Margin) Required at Target	59 532,685	579,218	608,648	636,764	658,270
Minimum Capital (Margin) Required (line 59 / 1.5)	60 355,124	386,145	405,766	424,509	438,847
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 355,124	386,145	405,766	424,509	438,847
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (194,861)	(219,813)	(220,225)	(218,739)	(212,705)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 45.13%	43.07%	45.73%	48.47%	51.53%

Appendix 3e
Base Scenario with September 50/50 Interest Rate Forecast
Net Claims Incurred Summary

<i>(C\$ 000s, except where noted)</i>	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,765	444,788	474,755	506,856	541,105
Comprehensive	117,204	106,717	113,384	119,954	126,884	134,191
Property Damage	42,769	44,300	45,963	47,644	49,418	51,263
Public Liability - BI	5,443	4,181	4,509	4,539	4,613	4,668
PIPP	240,544	81,306	180,316	184,921	201,529	208,140
Total	798,458	653,269	788,959	831,813	889,299	939,367
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(15,045)	956	1,382	3,858	4,510
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,613)	(11,628)	719	2,774	5,617
Total Net Claims Incurred	860,035	664,816	822,198	879,816	943,841	999,689

Appendix 3f
Base Scenario with September 50/50 Interest Rate Forecast
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	75.49%	74.69%	75.36%	75.45%		
2. Trend/Rate Adjustment for Fiscal Year												
2016	0.9434	0.9218	0.9370	0.9705	0.9861							
2017		0.9165	0.9273	0.9559	0.9667	0.9910						
2018			0.9210	0.9422	0.9457	0.9622	0.9943					
2019				0.9455	0.9496	0.9668	0.9997	1.0141				
2020					0.9545	0.9718	1.0047	1.0191	1.0141			
2021						0.9837	1.0157	1.0289	1.0224	1.0156		
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]												
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.73%
2018			68.87%	74.97%	74.84%	74.89%	75.06%				74.90%	77.74%
2019				75.23%	75.15%	75.25%	75.47%	75.74%			75.31%	77.96%
2020					75.54%	75.63%	75.85%	76.11%	76.42%		75.86%	78.45%
2021						76.56%	76.68%	76.84%	77.05%	76.63%	76.71%	79.30%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,106,857	1,152,493	1,199,502
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.2%	8.1%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.78%	2.73%	2.69%
Selected					3.46%	3.26%	3.10%	2.94%	2.82%	2.73%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	529,018	550,745	572,782
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,563	390,602	407,736	427,276	449,381
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,567	15,380	15,332	15,478
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,816	71,871	75,023	78,619	82,686
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	6,771	20,328	20,839	19,359	15,062
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	30,853	32,147	33,468
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,923	9,295	10,014	12,788	18,405
Change					6,127	(8,769)	(11,628)	719	2,774	5,617
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 3g
Base Scenario with September 50/50 Interest Rate Forecast
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Interest Income During Period					
Cash/Short Term Investments	93	(0)	(0)	51	178
Marketable Bonds	39,449	42,715	47,858	53,419	59,086
MUSH	28,785	28,039	27,336	26,670	25,955
Total	68,328	70,754	75,195	80,140	85,219
Dividend and other Income					
Canadian Equities	8,536	10,043	11,624	12,795	13,607
US Equities	3,321	3,850	4,498	5,255	5,788
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	18,676	20,959	22,938	24,355
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(64,665)	(27,085)	(20,671)	(5,123)	215
Marketable Bonds Realized Gains/(Loss)	(13,812)	(6,794)	(4,074)	(884)	449
Amortization on Marketable Bonds (Prem) / Discount	(5,626)	(2,227)	(326)	569	604
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	12,917	12,980	13,904	14,167
US Equities Realized Gains	8,601	-	-	178	803
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(32,020)	(499)	11,837	33,969	43,039
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	34,071	68,762	86,969	115,082	129,704
Total Basic Investment Income	28,969	57,719	71,819	93,398	103,405
% - Basic to Total Investment Income	85%	84%	83%	81%	80%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	12,518	13,707	15,088	16,046
US Equities Unrealized Gains	7,009	7,180	7,900	9,229	10,165
Total Corporate Unrealized Gains/(Losses)	19,601	19,698	21,607	24,317	26,211
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	-	0.7	11.0	13.6
Canadian Fixed Income	1,179.7	1,206.9	1,274.1	1,377.2	1,520.8
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	340.6	383.7	407.6	433.6
US Equities	149.4	166.8	188.4	219.5	233.5
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,692.4	2,803.2	2,951.2	3,134.8	3,334.9
Total Basic Assets	2,299.8	2,363.3	2,447.2	2,554.2	2,669.1
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.4%	0.4%
Canadian Fixed Income	43.8%	43.1%	43.2%	43.9%	45.6%
MUSH	23.7%	22.5%	21.1%	19.5%	17.9%
Canadian Equities	11.3%	12.1%	13.0%	13.0%	13.0%
US Equities	5.5%	5.9%	6.4%	7.0%	7.0%
Real Estate	10.8%	11.0%	11.0%	10.9%	10.8%
Infrastructure & Venture Capital	4.8%	5.3%	5.3%	5.3%	5.2%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 4a
Combined Scenario with September 50/50 Interest Rate Forecast
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,089,818	1,135,532	1,182,163
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,149,323	1,196,861	1,245,103
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,114,421	1,160,628
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,118,556	1,174,716	1,222,639
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	30,981
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,203,369	1,253,620
Net Claims Incurred	623,437	742,604	869,023	811,570	887,695	923,445	959,043	1,010,020
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(146,754)	170,076	22,231	1,750	1,851
Total Claims Incurred	745,837	666,404	860,035	664,816	1,057,771	945,676	960,793	1,011,871
Claims Expense	116,578	118,614	120,972	134,294	137,522	140,373	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,057	12,998	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	812,320	1,208,350	1,099,047	1,117,509	1,170,223
Expenses								
Operating	74,283	71,641	72,785	72,563	74,743	75,732	77,579	79,591
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,158	46,959
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	35,601	37,046
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,218	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,099	156,882	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	30,281	(292,276)	(110,942)	(76,781)	(84,589)
Investment Income	104,184	48,476	101,645	95,695	71,354	65,570	57,857	58,340
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(66,726)	124,066	13,969	0	0
Net Investment Income	188,451	(4,038)	82,897	28,969	195,420	79,540	57,857	58,340
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	43,638	(96,777)	(32,765)	(15,120)	(20,267)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,613)	78	(1,362)	3,804	5,982
Net Income (Loss)	2,440	(56,050)	(123,070)	59,251	(96,856)	(31,403)	(18,924)	(26,249)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	80,029	(46,010)	(8,262)	(1,750)	(1,851)

Appendix 4b
Combined Scenario with September 50/50 Interest Rate Forecast
Statement of Changes in Equity

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	158,501	61,646	30,243	11,319
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	59,251	(96,856)	(31,403)	(18,924)	(26,249)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	-	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	158,501	61,646	30,243	11,319	(14,930)
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	158,501	61,646	30,243	11,319	(14,930)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	32,175	(16,035)	(5,694)	5,616
Total Rate Stabilization Reserve	213,080	231,001	181,000	229,569	93,821	14,208	5,625	(9,313)
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	229,569	93,821	14,208	5,625	(9,313)

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 4c
Combined Scenario with September 50/50 Interest Rate Forecast
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,472	12,661	9,853	9,516	9,215
Equity investments	2,061,262	2,083,349	2,189,534	2,252,418	2,397,342	2,433,345	2,521,936	2,615,822
Investment property	35,087	35,789	35,615	35,938	37,765	37,860	37,814	37,081
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	393,262	408,084
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	6,771	8,621	11,842	9,358	4,723
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,038	73,054	74,309	72,554
	2,650,693	2,683,473	2,805,484	2,798,617	2,974,572	3,035,263	3,134,267	3,232,224
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	586,233	612,304	639,024
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,698,987	1,951,830	2,041,931	2,106,691	2,175,650
	2,437,614	2,452,472	2,624,484	2,569,048	2,880,751	3,021,055	3,128,642	3,241,538
Equity								
Retained earnings	177,819	194,497	99,251	158,501	61,646	30,243	11,319	(14,930)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	32,175	(16,035)	(5,694)	5,616
Total Equity	213,081	231,001	181,000	229,569	93,821	14,208	5,625	(9,313)
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,798,617	2,974,572	3,035,263	3,134,267	3,232,224

Appendix 4d
Combined Scenario with September 50/50 Interest Rate Forecast
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current Year (01)	Forecast Year (02)	Forecast Year (03)	Forecast Year (04)	Forecast Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 160,263	24,782	(58,846)	(68,684)	(81,867)
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 160,263	24,782	(58,846)	(68,684)	(81,867)
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	100,953	105,102	109,308
Unpaid claims	22 179,686	205,751	215,542	222,441	230,046
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 267,336	300,943	316,495	327,543	339,354
Market Risk:					
Interest rate risk	30 8,873	45,923	34,654	35,617	38,851
Foreign exchange risk	32 17,778	23,896	16,953	17,660	20,921
Equity risk	34 148,699	183,764	138,218	144,224	158,997
Real estate risk	36 58,293	60,779	62,748	64,461	66,043
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 233,643	314,362	252,573	261,962	284,812
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,908	35,289	36,825	37,887	38,777
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,908	35,289	36,825	37,887	38,777
Operational risk margin	50 70,325	82,378	80,234	83,249	87,477
Less: Diversification credit	52 71,527	86,637	80,999	83,878	88,763
Total Capital (Margin) Required at Target	59 532,685	646,335	605,128	626,763	661,657
Minimum Capital (Margin) Required (line 59 / 1.5)	60 355,124	430,890	403,419	417,842	441,105
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 355,124	430,890	403,419	417,842	441,105
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (194,861)	(406,108)	(462,265)	(486,526)	(522,972)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 45.13%	5.75%	-14.59%	-16.44%	-18.56%

Appendix 4e
Combined Scenario with September 50/50 Interest Rate Forecast
Net Claims Incurred Summary

<i>(C\$ 000s, except where noted)</i>	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,765	462,205	488,650	506,770	541,196
Comprehensive	117,204	106,717	106,785	121,376	126,913	134,218
Property Damage	42,769	44,300	46,570	50,259	49,407	51,274
Public Liability - BI	5,443	4,181	5,303	5,798	4,634	4,670
PIPP	240,544	81,306	361,651	226,887	215,742	218,197
Total	798,458	653,269	982,514	892,969	903,466	949,555
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(15,045)	31,267	8,167	5,612	6,139
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,613)	78	(1,362)	3,804	5,982
Total Net Claims Incurred	860,035	664,816	1,057,771	945,676	960,793	1,011,871

Appendix 4f
Combined Scenario with September 50/50 Interest Rate Forecast
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	77.71%	75.21%	73.94%	74.02%		
2. Trend/Rate Adjustment for Fiscal Year												
2016	0.9434	0.9218	0.9370	0.9705	0.9861							
2017		0.9165	0.9273	0.9559	0.9667	0.9910						
2018			0.9265	0.9466	0.9489	0.9643	0.9952					
2019				0.9350	0.9373	0.9526	0.9832	1.0061				
2020					0.9429	0.9585	0.9896	1.0129	1.0151			
2021						0.9699	1.0004	1.0230	1.0243	1.0164		
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]												
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.73%
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.71%
2019				74.39%	74.17%	74.14%	76.41%	75.66%			74.74%	79.46%
2020					74.61%	74.60%	76.90%	76.18%	75.06%		75.28%	80.05%
2021						75.48%	77.74%	76.94%	75.73%	75.23%	76.05%	80.89%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,118,556	1,174,716	1,222,639
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.1%	8.0%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.80%	2.71%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	539,056	561,200	583,664
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,563	400,488	423,578	444,366	467,165
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,568	15,659	15,554	15,643
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,816	73,690	77,938	81,763	85,958
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	6,771	8,621	11,842	9,358	4,723
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	32,801	34,148
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,923	21,001	19,639	23,443	29,426
Change					6,127	(8,769)	78	(1,362)	3,804	5,982
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 4g
Combined Scenario with September 50/50 Interest Rate Forecast
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Interest Income During Period					
Cash/Short Term Investments	93	43	5	(0)	0
Marketable Bonds	39,449	35,822	36,890	38,514	39,841
MUSH	28,785	27,872	26,661	25,412	24,126
Total	68,328	63,736	63,556	63,927	63,967
Dividend and other Income					
Canadian Equities	8,536	11,222	9,106	8,372	9,472
US Equities	3,321	4,589	3,952	3,653	4,096
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	20,593	17,895	16,914	18,528
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(64,665)	96,749	17,564	2,455	2,560
Marketable Bonds Realized Gains/(Loss)	(13,812)	51,072	(640)	(2,455)	(2,560)
Amortization on Marketable Bonds (Prem) / Discount	(5,626)	(8,408)	(13,245)	(15,109)	(15,754)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	6,575	(1,654)	722	2,393
US Equities Realized Gains	8,601	-	9,980	1,441	-
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(32,020)	168,677	35,934	12,378	13,440
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	34,071	232,837	96,363	71,253	73,026
Total Basic Investment Income	28,969	195,420	79,540	57,857	58,340
% - Basic to Total Investment Income	85%	84%	83%	81%	80%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	(26,269)	(32,531)	9,124	10,321
US Equities Unrealized Gains	7,009	(12,405)	(16,906)	5,453	6,114
Total Corporate Unrealized Gains/(Losses)	19,601	(38,673)	(49,436)	14,577	16,436
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
			Forecasted		
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	3.6	-	-	-
Canadian Fixed Income	1,179.7	1,234.1	1,489.5	1,607.3	1,699.5
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	378.1	258.7	275.3	316.7
US Equities	149.4	203.6	142.7	151.3	172.3
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,692.4	2,908.5	2,995.2	3,153.5	3,322.1
Total Basic Assets	2,299.8	2,447.8	2,481.1	2,569.3	2,662.1
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.1%	0.0%	0.0%	0.0%
Canadian Fixed Income	43.8%	42.4%	49.7%	51.0%	51.2%
MUSH	23.7%	21.7%	20.8%	19.4%	18.0%
Canadian Equities	11.3%	13.0%	8.6%	8.7%	9.5%
US Equities	5.5%	7.0%	4.8%	4.8%	5.2%
Real Estate	10.8%	10.6%	10.9%	10.9%	10.8%
Infrastructure & Venture Capital	4.8%	5.1%	5.2%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 4h
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Statement of Operations

(C\$ 000s, except where noted)

	<i>For the Years Ended February,</i>							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,089,818	1,135,532	1,182,163
Drivers	44,642	46,619	48,426	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	824,865	888,365	923,789	997,783	1,083,113	1,149,323	1,196,861	1,245,103
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,114,421	1,160,628
Drivers	42,926	45,787	47,606	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(13,829)	(12,423)	(11,635)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	803,881	861,065	907,145	963,924	1,042,845	1,118,556	1,174,716	1,222,639
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	30,981
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,203,369	1,253,620
Net Claims Incurred	623,437	742,604	869,023	811,570	887,695	923,445	959,043	1,010,020
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(146,754)	170,076	22,231	1,750	1,851
Total Claims Incurred	745,837	666,404	860,035	664,816	1,057,771	945,676	960,793	1,011,871
Claims Expense	116,578	118,614	120,972	134,294	137,522	140,373	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,057	12,998	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	812,320	1,208,350	1,099,047	1,117,509	1,170,223
Expenses								
Operating	74,283	71,641	72,785	72,563	74,743	75,732	77,579	79,591
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,158	46,959
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	35,601	37,046
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,218	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,099	156,882	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	30,281	(292,276)	(110,942)	(76,781)	(84,589)
Investment Income	104,184	48,476	101,645	95,695	70,981	65,196	57,528	58,011
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(66,726)	123,417	13,889	0	(0)
Net Investment Income	188,451	(4,038)	82,897	28,969	194,398	79,085	57,528	58,011
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	43,638	(97,800)	(33,219)	(15,448)	(20,595)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(15,613)	78	(1,362)	3,804	5,982
Net Income (Loss)	2,440	(56,050)	(123,070)	59,251	(97,878)	(31,857)	(19,253)	(26,578)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	80,029	(46,659)	(8,342)	(1,750)	(1,851)

Appendix 4i
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Statement of Changes in Equity

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
Retained Earnings								
Beginning Balance	99,878	177,818	194,497	99,251	145,678	47,800	15,943	(3,309)
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	59,251	(97,878)	(31,857)	(19,253)	(26,578)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	(12,823)	-	-	-	-
Total Retained Earnings	177,818	194,497	99,251	145,678	47,800	15,943	(3,309)	(29,887)
Total Accumulated Other Comprehensive Income								
Beginning Balance	-	-	-	-	-	-	-	-
Other Comprehensive Income for the Year	-	-	-	-	-	-	-	-
Total Accumulated Other Comprehensive Income	-	-	-	-	-	-	-	-
Total Equity Balance	-	-	-	-	-	-	-	-
Total Equity								
Rate Stabilization Reserve								
Retained Earnings	177,818	194,497	99,251	145,678	47,800	15,943	(3,309)	(29,887)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	32,007	(15,943)	(5,662)	5,585
Total Rate Stabilization Reserve	213,080	231,001	181,000	216,746	79,807	(0)	(8,971)	(24,302)
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	216,746	79,807	(0)	(8,971)	(24,302)

RESERVE TARGETS

DCAT Total Equity Lower Target	213,000	231,000	231,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	325,000	325,000	325,000	366,000	411,000	462,000	462,000	462,000

Appendix 4j
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Balance Sheet

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Assets								
Cash and investments	55,508	29,114	61,606	11,408	12,589	9,797	9,462	9,163
Equity investments	2,061,262	2,083,349	2,189,534	2,239,860	2,383,617	2,419,409	2,507,609	2,601,094
Investment property	35,087	35,789	35,615	35,738	37,549	37,643	37,600	36,872
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	393,262	408,084
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	6,771	8,621	11,842	9,358	4,723
Reinsurers' share of unearned premiums	-	-	-	-	-	-	-	-
Reinsurers' share of unearned claims	2,565	998	611	-	-	-	-	-
Property and equipment	90,474	88,740	89,847	88,665	90,237	90,615	88,071	84,746
Deferred development costs	56,992	65,414	72,866	69,306	69,038	73,054	74,309	72,554
	2,650,693	2,683,473	2,805,484	2,785,794	2,960,558	3,021,055	3,119,671	3,217,236
Liabilities								
Due to other insurance companies	-	152	147	114	114	114	114	114
Accounts payable and accrued liabilities	34,157	38,860	40,443	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,224	3,278	3,239	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	426,137	453,389	472,041	508,231	551,842	586,233	612,304	639,024
Provision for employee current benefits	16,240	16,871	16,919	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	286,581	281,209	301,245	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,671,275	1,658,713	1,790,450	1,698,987	1,951,830	2,041,931	2,106,691	2,175,650
	2,437,614	2,452,472	2,624,484	2,569,048	2,880,751	3,021,055	3,128,642	3,241,538
Equity								
Retained earnings	177,819	194,497	99,251	145,678	47,800	15,943	(3,309)	(29,887)
Accumulated Other Comprehensive Income	35,262	36,504	81,749	71,068	32,007	(15,943)	(5,662)	5,585
Total Equity	213,081	231,001	181,000	216,746	79,807	(0)	(8,971)	(24,302)
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,785,794	2,960,558	3,021,055	3,119,671	3,217,236

Appendix 4k
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Minimum Capital Test

(All figures in \$000s)

	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
	Current Year (01)	Forecast Year (02)	Forecast Year (03)	Forecast Year (04)	Forecast Year (05)
Capital Available:					
Capital available (from page 30.62 - capital available)	01 147,440	10,769	(73,054)	(83,281)	(96,856)
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 147,440	10,769	(73,054)	(83,281)	(96,856)
Assets Available:					
Net Assets Available (from page 30.92 - net assets available)	11 0	0	0	0	0
Phase-in of net assets available	13 0	0	0	0	0
Total Net Assets Available	19 0	0	0	0	0
Capital (Margin) Required at Target:					
Insurance Risk:					
Premium liabilities	20 87,650	95,192	100,953	105,102	109,308
Unpaid claims	22 179,686	205,751	215,542	222,441	230,046
Catastrophes	24 0	0	0	0	0
Margin required for reinsurance ceded to unregistered insurers	26 0	0	0	0	0
Subtotal: Insurance risk margin	29 267,336	300,943	316,495	327,543	339,354
Market Risk:					
Interest rate risk	30 9,931	47,058	35,917	36,902	40,140
Foreign exchange risk	32 17,679	23,759	16,856	17,560	20,802
Equity risk	34 147,870	182,711	137,428	143,405	158,102
Real estate risk	36 58,018	60,483	62,441	64,145	65,718
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 233,498	314,011	252,642	262,012	284,762
Credit Risk:					
Counterparty default risk for balance sheet assets	40 32,822	35,194	36,730	37,789	38,676
Counterparty default risk for off-balance sheet exposures	42 0	0	0	0	0
Counterparty default risk for unregistered reinsurance collateral and SIRs	44 0	0	0	0	0
Subtotal: Credit risk margin	49 32,822	35,194	36,730	37,789	38,676
Operational risk margin	50 70,306	82,341	80,232	83,245	87,464
Less: Diversification credit	52 71,496	86,586	80,996	83,871	88,742
Total Capital (Margin) Required at Target	59 532,466	645,903	605,103	626,718	661,514
Minimum Capital (Margin) Required (line 59 / 1.5)	60 354,977	430,602	403,402	417,812	441,010
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 354,977	430,602	403,402	417,812	441,010
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (207,537)	(419,833)	(476,456)	(501,093)	(537,866)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 41.54%	2.50%	-18.11%	-19.93%	-21.96%

Appendix 4I
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Net Claims Incurred Summary

<i>(C\$ 000s, except where noted)</i>	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Claims Incurred before Financial Provisions						
Collision	392,497	416,765	462,205	488,650	506,770	541,196
Comprehensive	117,204	106,717	106,785	121,376	126,913	134,218
Property Damage	42,769	44,300	46,570	50,259	49,407	51,274
Public Liability - BI	5,443	4,181	5,303	5,798	4,634	4,670
PIPP	240,544	81,306	361,651	226,887	215,742	218,197
Total	798,458	653,269	982,514	892,969	903,466	949,555
Unallocated Loss Adjustment Expenses	39,869	42,205	43,912	45,902	47,910	50,195
Change in Internal Loss Adjustment Expense Provision	10,168	(15,045)	31,267	8,167	5,612	6,139
Change in Reinsurance Ceded Provision	786	0	0	0	0	0
Other Financial Adjustments	(2,217)	0	0	0	0	0
Change in DPAC / Premium Deficiency Provision	12,971	(15,613)	78	(1,362)	3,804	5,982
Total Net Claims Incurred	860,035	664,816	1,057,771	945,676	960,793	1,011,871

Appendix 4m
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Deferred Policy Acquisition Expenses and Premium Deficiency

A. Claims (Including External Adjustment Expense) Data

	Accident Year										Selected Undisc	Selected Disc	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021			
1. Ultimate Loss Ratio - Total All Coverage	78.66%	85.02%	74.77%	79.56%	79.13%	77.83%	77.71%	75.21%	73.94%	74.02%			
2. Trend/Rate Adjustment for Fiscal Year													
2016	0.9434	0.9218	0.9370	0.9705	0.9861								
2017		0.9165	0.9273	0.9559	0.9667	0.9910							
2018			0.9265	0.9466	0.9489	0.9643	0.9952						
2019				0.9350	0.9373	0.9526	0.9832	1.0061					
2020					0.9429	0.9585	0.9896	1.0129	1.0151				
2021						0.9699	1.0004	1.0230	1.0243	1.0164			
3. Adjusted Loss Ratio for Fiscal Year [(1) x (2)]													
2016	74.21%	78.37%	70.06%	77.21%	78.03%						76.49%	80.98%	
2017		77.92%	69.34%	76.05%	76.50%	77.13%					76.56%	79.73%	
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.71%	
2019				74.39%	74.17%	74.14%	76.41%	75.66%			74.74%	79.46%	
2020					74.61%	74.60%	76.90%	76.18%	75.06%		75.28%	80.05%	
2021							75.48%	77.74%	76.94%	75.73%	75.23%	76.05%	80.89%

B. Actual Data Other Than Losses

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
4. Net Earned Premium	756,751	764,671	803,881	861,065	904,850	963,924	1,042,845	1,118,556	1,174,716	1,222,639
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	8.1%	8.0%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.94%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.80%	2.71%
7. ILAE Ratio to Losses - Selected					18.40%	18.40%	18.40%	18.40%	18.40%	18.40%

C. Equity in Unearned Premium

8. Net Unearned Premium					437,172	468,021	508,289	539,056	561,200	583,664
9. Additional Expected Cost of Non-Proportional Reinsurance					5,646	5,758	5,874	5,991	6,111	6,127
10. Expected Claims (Including Ext Adj Expenses) [(8) - (9)] x (3)					354,751	368,563	400,488	423,578	444,366	467,165
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,064	15,568	15,659	15,554	15,643
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	67,816	73,690	77,938	81,763	85,958
14. Expected Claims (Including Ext Adj Expenses) - PIPP Enhancement					4,048	4,048	4,048	4,048	4,048	4,048
15. Equity in Unearned Premium [(8) - Sum((9) to (14))]					(6,844)	6,771	8,621	11,842	9,358	4,723
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	32,801	34,148
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	20,923	21,001	19,639	23,443	29,426
Change					6,127	(8,769)	78	(1,362)	3,804	5,982
18. Premium Deficiency [c]					6,844	-	-	-	-	-
Change					6,844	(6,844)	-	-	-	-

Notes:

- [a] ((8) - (9)) x (6) x Discount to Valuation Date Without Margin
- [b] Min((16) - (15), (16)) if greater than 0, otherwise 0
- [c] Negative of (15) if greater than 0, otherwise 0

Appendix 4n
Combined Scenario with September 50/50 Interest Rate Forecast and Premium Rebate
Summary of Corporate Investment Income

	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Interest Income During Period					
Cash/Short Term Investments	93	43	5	(0)	0
Marketable Bonds	39,449	35,822	36,890	38,514	39,841
MUSH	28,785	27,872	26,661	25,412	24,126
Total	68,328	63,736	63,556	63,927	63,967
Dividend and other Income					
Canadian Equities	8,536	11,222	9,106	8,372	9,472
US Equities	3,321	4,589	3,952	3,653	4,096
Investment Properties (Cityplace)	2,784	2,688	2,580	2,508	2,448
Infrastructure	1,645	2,094	2,257	2,381	2,512
Total	16,286	20,593	17,895	16,914	18,528
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	(64,665)	96,749	17,564	2,455	2,560
Marketable Bonds Realized Gains/(Loss)	(13,812)	51,072	(640)	(2,455)	(2,560)
Amortization on Marketable Bonds (Prem) / Discount	(5,626)	(8,408)	(13,245)	(15,109)	(15,754)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	23,052	6,575	(1,654)	722	2,393
US Equities Realized Gains	8,601	-	9,980	1,441	-
Real Estate (Pooled Fund)	14,507	15,158	15,819	16,768	17,774
Infrastructure	5,923	7,532	8,111	8,557	9,027
Total	(32,020)	168,677	35,934	12,378	13,440
Other					
Investment Fees Paid	(4,784)	(5,887)	(6,177)	(6,537)	(6,873)
Pension Expense	(13,739)	(14,282)	(14,845)	(15,429)	(16,035)
Investment Write-Down	-	-	-	-	-
Total	(18,523)	(20,169)	(21,022)	(21,966)	(22,908)
Total Corporate Investment Income	34,071	232,837	96,363	71,253	73,026
Total Basic Investment Income	28,969	194,398	79,085	57,528	58,011
% - Basic to Total Investment Income	85%	83%	82%	81%	79%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	12,592	(26,269)	(32,531)	9,124	10,321
US Equities Unrealized Gains	7,009	(12,405)	(16,906)	5,453	6,114
Total Corporate Unrealized Gains/(Losses)	19,601	(38,673)	(49,436)	14,577	16,436
Ending Values and Allocations					
	2017/18	2018/19	2019/20	2020/21	2021/22
	Forecasted				
Ending Asset Values for Corporate (\$Millions)					
Cash/Short Term Investments	-	3.6	-	-	-
Canadian Fixed Income	1,179.7	1,234.1	1,489.5	1,607.3	1,699.5
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	305.4	378.1	258.7	275.3	316.7
US Equities	149.4	203.6	142.7	151.3	172.3
Real Estate	290.8	308.7	325.4	342.8	360.4
Infrastructure & Venture Capital	128.4	149.0	157.1	165.6	174.7
Total Corporate Assets	2,692.4	2,908.5	2,995.2	3,153.5	3,322.1
Total Basic Assets	2,287.0	2,433.8	2,466.8	2,554.7	2,647.1
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.1%	0.0%	0.0%	0.0%
Canadian Fixed Income	43.8%	42.4%	49.7%	51.0%	51.2%
MUSH	23.7%	21.7%	20.8%	19.4%	18.0%
Canadian Equities	11.3%	13.0%	8.6%	8.7%	9.5%
US Equities	5.5%	7.0%	4.8%	4.8%	5.2%
Real Estate	10.8%	10.6%	10.9%	10.9%	10.8%
Infrastructure & Venture Capital	4.8%	5.1%	5.2%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

PF.1 STATEMENT OF OPERATIONS**Multi-year - Statement of Operations***PUB Pre-Ask 3: +1.75% Rate Change with September 2017 Standard Interest Rate Forecast*

	<i>For the Years Ended February 28/29,</i>						
	2017	2018	2018	2019	2020	2021	2022
<i>(C\$ 000s, rounding may affect totals)</i>							
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Motor Vehicles	886,998	958,740	958,740	1,015,825	1,058,028	1,102,420	1,147,701
Drivers	48,426	50,892	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(11,635)	(11,291)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	923,789	998,341	997,783	1,073,456	1,117,533	1,163,749	1,210,641
Net Premiums Earned							
Motor Vehicles	871,174	925,950	925,950	989,463	1,038,539	1,081,920	1,126,790
Drivers	47,606	49,543	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(11,635)	(11,291)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	907,145	964,202	963,924	1,037,648	1,096,988	1,142,215	1,188,801
Service Fees & Other Revenues	20,748	22,204	22,204	24,328	26,378	28,475	30,787
Total Earned Revenues	927,893	986,406	986,128	1,061,976	1,123,366	1,170,690	1,219,588
Net Claims Incurred	872,119	843,373	811,228	853,844	903,744	950,640	1,001,795
(a) Claims Incurred - Interest Rate Impact	(12,084)	-	(153,678)	(61,632)	(48,496)	(15,623)	(5,063)
Total Claims Incurred	860,035	843,373	657,550	792,212	855,248	935,017	996,732
Claims Expense	120,972	134,271	134,294	137,493	139,113	141,882	143,240
Road Safety/Loss Prevention	12,530	13,214	13,210	13,054	12,879	13,121	13,350
Total Claims Costs	993,537	990,858	805,054	942,759	1,007,240	1,090,020	1,153,322
Expenses							
Operating	72,785	72,596	72,563	74,729	75,111	76,800	78,783
Commissions	35,086	37,669	37,655	40,460	42,403	44,104	45,862
Premium Taxes	27,563	29,265	29,256	31,475	33,262	34,626	36,031
Regulatory/Appeal	4,889	4,056	4,054	4,132	4,216	4,301	4,388
Total Expenses	140,323	143,586	143,528	150,796	154,992	159,831	165,064
Underwriting Income (Loss)	(205,967)	(148,038)	37,546	(31,579)	(38,866)	(79,161)	(98,798)
Investment Income	101,645	102,478	95,622	87,405	96,221	104,465	110,099
(b) Investment Income - Interest Rate Impact	(18,748)	-	(72,622)	(54,808)	(37,820)	(8,883)	982
Net Investment Income	82,897	102,478	23,000	32,597	58,401	95,582	111,081
Net Income (Loss) from Operations for Rate Setting	(123,070)	(50,953)	44,591	(8,019)	19,077	18,861	17,827
Add: DPAC / Premium Deficiency adjustment	-	(5,393)	(15,955)	(9,037)	(458)	2,440	5,544
Net Income (Loss)	(123,070)	(45,560)	60,546	1,018	19,535	16,421	12,283
Total net Impact due to interest rate change (b) - (a)	(6,664)	-	81,056	6,823	10,676	6,741	6,045

October 12, 2017

**2018 GRA Information Requests - Pre-Ask
PUB (MPI) Pre-Ask 3 Appendix 5**

PF.2 STATEMENT OF FINANCIAL POSITION**Multi-year - Statement of Financial Position***PUB Pre-Ask 3: +1.75% Rate Change with September 2017 Standard Interest Rate Forecast*

(C\$ 000s, rounding may affect totals)	As at February 28/29,						
	2017	2018	2018	2019	2020	2021	2022
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Assets							
Cash and cash equivalents	61,606	11,530	11,457	12,134	18,581	23,593	25,861
Investments	2,189,534	2,303,479	2,246,462	2,275,727	2,330,237	2,424,576	2,535,758
Investment property	35,615	35,906	35,938	37,755	37,788	37,653	36,822
Due from other insurance companies	16	-	-	-	-	-	-
Accounts receivable	355,389	334,196	334,047	356,330	370,210	384,424	398,887
Deferred policy acquisition costs	-	-	7,114	17,800	19,477	18,320	14,084
Reinsurers' share of unpaid claims	611	-	-	-	-	-	-
Property and equipment	89,847	88,665	88,665	90,237	90,615	88,071	84,746
Deferred development costs	72,866	69,306	69,306	69,042	73,148	74,497	72,786
	2,805,484	2,843,082	2,792,989	2,859,025	2,940,056	3,051,134	3,168,944
Liabilities							
Due to other insurance companies	147	114	114	114	114	114	114
Accounts payable and accrued liabilities	40,443	31,263	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,239	2,983	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	472,041	508,511	508,231	547,383	571,552	597,013	623,110
Provision for employee current benefits	16,919	17,362	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	301,245	310,108	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,790,450	1,856,651	1,692,064	1,697,984	1,714,016	1,760,213	1,815,323
	2,624,484	2,726,992	2,562,125	2,622,446	2,678,459	2,766,872	2,865,298
Equity							
Retained Earnings	99,251	53,691	159,798	160,816	180,351	196,771	209,054
Accumulated Other Comprehensive Income	81,749	62,399	71,066	75,764	81,247	87,493	94,593
Total Equity	181,000	116,090	230,864	236,580	261,598	284,263	303,647
Total Liabilities & Equity	2,805,484	2,843,082	2,792,989	2,859,026	2,940,057	3,051,135	3,168,945

PF.3 STATEMENT OF CHANGES IN EQUITY

Multi-year - Statement of Changes in Equity

PUB Pre-Ask 3: +1.75% Rate Change with September 2017 Standard Interest Rate Forecast

	For the Years Ended February,						
	2017	2018	2018	2019	2020	2021	2022
(C\$ 000s, rounding may affect totals)							
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Total Equity							
Retained Earnings							
Beginning Balance	194,497	99,251	99,251	159,798	160,816	180,351	196,771
Net Income (Loss) from annual operations	(123,070)	(45,560)	60,547	1,018	19,535	16,420	12,283
Transfer (to) / from Non-Basic Retained Earnings	27,824	-	-	-	-	-	-
Total Retained Earnings	99,251	53,691	159,798	160,816	180,351	196,771	209,054
Accumulated Other Comprehensive Income							
Beginning Balance	36,503	81,749	81,749	71,066	75,764	81,247	87,493
Other Comprehensive Income for the Year	45,246	(19,350)	(10,683)	4,698	5,483	6,246	7,100
Total Accumulated Other Comprehensive Income	81,749	62,399	71,066	75,764	81,247	87,493	94,593
Total Equity Balance	181,000	116,090	230,864	236,580	261,598	284,263	303,647
Total Equity							
Rate Stabilization Reserve							
Retained Earnings	99,251	53,691	159,798	160,816	180,351	196,771	209,054
Accumulated Other Comprehensive Income	81,749	62,399	71,066	75,764	81,247	87,493	94,593
Total Rate Stabilization Reserve	181,000	116,090	230,864	236,580	261,598	284,263	303,647
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-
Total Equity Balance	181,000	116,090	230,864	236,580	261,598	284,263	303,647
RATE STABILIZATION RESERVE TARGETS							
DCAT Total Equity Lower Target	181,000	181,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	366,000	411,000	411,000	438,000	438,000	438,000	438,000

PF.1 STATEMENT OF OPERATIONS**Multi-year - Statement of Operations***PUB Pre-Ask 3: +1.85% Rate Change with September 2017 50/50 Interest Rate Forecast*

	<i>For the Years Ended February 28/29,</i>						
	2017	2018	2018	2019	2020	2021	2022
<i>(C\$ 000s, rounding may affect totals)</i>							
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Motor Vehicles	886,998	958,740	958,740	1,016,842	1,059,086	1,103,522	1,148,848
Drivers	48,426	50,892	50,334	69,148	71,252	73,311	75,162
Reinsurance Ceded	(11,635)	(11,291)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Written	923,789	998,341	997,783	1,074,473	1,118,591	1,164,851	1,211,788
Net Premiums Earned							
Motor Vehicles	871,174	925,950	925,950	990,010	1,039,578	1,083,001	1,127,916
Drivers	47,606	49,543	49,265	59,702	70,196	72,277	74,233
Reinsurance Ceded	(11,635)	(11,291)	(11,291)	(11,517)	(11,747)	(11,982)	(12,222)
Total Net Premiums Earned	907,145	964,202	963,924	1,038,195	1,098,027	1,143,296	1,189,927
Service Fees & Other Revenues	20,748	22,204	22,204	24,328	26,384	28,481	30,794
Total Earned Revenues	927,893	986,406	986,128	1,062,523	1,124,411	1,171,777	1,220,721
Net Claims Incurred	872,119	843,373	811,570	855,267	906,185	952,825	1,003,760
(a) Claims Incurred - Interest Rate Impact	(12,084)	-	(146,754)	(29,132)	(25,955)	(8,811)	(3,109)
Total Claims Incurred	860,035	843,373	664,816	826,135	880,230	944,014	1,000,651
Claims Expense	120,972	134,271	134,294	137,522	139,309	142,187	143,572
Road Safety/Loss Prevention	12,530	13,214	13,210	13,057	12,897	13,151	13,382
Total Claims Costs	993,537	990,858	812,320	976,714	1,032,436	1,099,352	1,157,605
Expenses							
Operating	72,785	72,596	72,563	74,743	75,205	76,952	78,950
Commissions	35,086	37,669	37,655	40,474	42,437	44,140	45,899
Premium Taxes	27,563	29,265	29,256	31,491	33,293	34,658	36,064
Regulatory/Appeal	4,889	4,056	4,054	4,132	4,216	4,301	4,388
Total Expenses	140,323	143,586	143,528	150,840	155,151	160,051	165,301
Underwriting Income (Loss)	(205,967)	(148,038)	30,280	(65,031)	(63,176)	(87,626)	(102,185)
Investment Income	101,645	102,478	95,695	86,042	91,873	97,726	102,084
(b) Investment Income - Interest Rate Impact	(18,748)	-	(66,726)	(28,389)	(20,324)	(4,856)	528
Net Investment Income	82,897	102,478	28,969	57,653	71,549	92,870	102,612
Net Income (Loss) from Operations for Rate Setting	(123,070)	(50,953)	43,636	(15,207)	9,224	8,227	6,241
Add: DPAC / Premium Deficiency adjustment	-	(5,393)	(15,613)	(7,829)	851	2,983	5,814
Net Income (Loss)	(123,070)	(45,560)	59,249	(7,378)	8,373	5,244	427
Total net Impact due to interest rate change (b) - (a)	(6,664)	-	80,029	743	5,631	3,954	3,637

PF.2 STATEMENT OF FINANCIAL POSITION**Multi-year - Statement of Financial Position***PUB Pre-Ask 3: +1.85% Rate Change with September 2017 50/50 Interest Rate Forecast*

(C\$ 000s, rounding may affect totals)	As at February 28/29,						
	2017	2018	2018	2019	2020	2021	2022
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Assets							
Cash and cash equivalents	61,606	11,530	11,472	11,903	12,672	18,892	24,139
Investments	2,189,534	2,303,479	2,252,418	2,307,643	2,381,954	2,473,164	2,573,285
Investment property	35,615	35,906	35,938	37,760	37,800	37,674	36,849
Due from other insurance companies	16	-	-	-	-	-	-
Accounts receivable	355,389	334,196	334,047	356,601	370,492	384,718	399,193
Deferred policy acquisition costs	-	-	6,771	16,279	16,649	14,950	10,445
Reinsurers' share of unpaid claims	611	-	-	-	-	-	-
Property and equipment	89,847	88,665	88,665	90,237	90,615	88,071	84,746
Deferred development costs	72,866	69,306	69,306	69,038	73,130	74,460	72,740
	2,805,484	2,843,082	2,798,617	2,889,461	2,983,312	3,091,929	3,201,397
Liabilities							
Due to other insurance companies	147	114	114	114	114	114	114
Accounts payable and accrued liabilities	40,443	31,263	31,263	32,225	32,454	33,083	33,631
Financing lease obligation	3,239	2,983	2,983	2,907	2,826	2,726	2,618
Unearned premiums and fees	472,041	508,511	508,231	547,852	572,041	597,522	623,639
Provision for employee current benefits	16,919	17,362	17,362	18,087	18,822	19,568	20,325
Provision for employee future benefits	301,245	310,108	310,108	323,746	338,675	354,155	370,177
Provision for unpaid claims	1,790,450	1,856,651	1,698,987	1,737,622	1,777,327	1,831,977	1,890,736
	2,624,484	2,726,992	2,569,048	2,662,553	2,742,259	2,839,145	2,941,240
Equity							
Retained Earnings	99,251	53,691	158,501	151,124	159,496	164,741	165,166
Accumulated Other Comprehensive Income	81,749	62,399	71,068	75,784	81,559	88,043	94,990
Total Equity	181,000	116,090	229,569	226,908	241,055	252,784	260,157
Total Liabilities & Equity	2,805,484	2,843,082	2,798,617	2,889,461	2,983,314	3,091,929	3,201,397

PF.3 STATEMENT OF CHANGES IN EQUITY**Multi-year - Statement of Changes in Equity***PUB Pre-Ask 3: +1.85% Rate Change with September 2017 50/50 Interest Rate Forecast*

	For the Years Ended February,						
	2017	2018	2018	2019	2020	2021	2022
(C\$ 000s, rounding may affect totals)							
BASIC	2016/17A	2017/18B	2017/18FB	2018/19F	2019/20F	2020/21F	2021/22F
Total Equity							
Retained Earnings							
Beginning Balance	194,497	99,251	99,251	158,501	151,124	159,496	164,741
Net Income (Loss) from annual operations	(123,070)	(45,560)	59,251	(7,377)	8,372	5,245	426
Transfer (to) / from Non-Basic Retained Earnings	27,824	-	-	-	-	-	-
Total Retained Earnings	99,251	53,691	158,501	151,124	159,496	164,741	165,166
Accumulated Other Comprehensive Income							
Beginning Balance	36,503	81,749	81,749	71,068	75,784	81,559	88,043
Other Comprehensive Income for the Year	45,246	(19,350)	(10,681)	4,717	5,775	6,484	6,947
Total Accumulated Other Comprehensive Income	81,749	62,399	71,068	75,784	81,559	88,043	94,990
Total Equity Balance	181,000	116,090	229,569	226,908	241,055	252,784	260,157
Total Equity							
Rate Stabilization Reserve							
Retained Earnings	99,251	53,691	158,501	151,124	159,496	164,741	165,166
Accumulated Other Comprehensive Income	81,749	62,399	71,068	75,784	81,559	88,043	94,990
Total Rate Stabilization Reserve	181,000	116,090	229,569	226,908	241,055	252,784	260,157
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-
Total Equity Balance	181,000	116,090	229,569	226,908	241,055	252,784	260,157
RATE STABILIZATION RESERVE TARGETS							
DCAT Total Equity Lower Target	181,000	181,000	181,000	181,000	181,000	181,000	181,000
MCT Total Equity Upper Target	366,000	411,000	411,000	438,000	438,000	438,000	438,000