

October 13, 2017

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

Volume and Chapter:	PUB (MPI) 2-42	Page No.:	
Topic:			
Sub Topic:			
Issue:			

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

Please expand the responses provided to PUB (MPI) 2-42 to include the results after routine management / regulatory rate change actions (i.e., not including any routine RSR rebuilding fee actions), including disclosure of the assumed routine management / regulatory rate change actions where applicable.

Rationale for Question:**RESPONSE:**

The line of inquiry stemming from *PUB (MPI) 1-75 (a)* asks that MPI model a base scenario in which “the forecasted Basic Total Equity at 28 February 2018 is \$442 million **and the forecasted MCT ratio stays constant over the forecast period**” [emphasis added by MPI]. This scenario results in an assumed \$305 million in transfers from the Competitive lines simply to maintain the forecasted Minimum Capital Test (MCT) ratio over the forecast period. It remains unclear to MPI how such a model could be considered as realistic or reasonable for the determination of capital targets. Also, it remains unclear to MPI why the PUB would consider a model with these assumptions rather than the proposal put forward by MPI (which reflects best estimate modeling outcomes).

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Despite MPI's disagreement with the approach proposed in this request, MPI has provided answers to the questions posed below:

MPI is not currently forecasting any *routine* management or regulatory action after the FY 2018/19. Figure 1 shows the assumed management action excluding any routine Rate Stabilization Reserve (RSR) rebuilding fees. This was applied to the scenarios outlined in PUB (MPI) 2-42.

Figure 1: Assumed Management and Regulatory Action for Combined Scenarios

Line No.	Combined Scenarios	2018/19	2019/20	2020/21	2021/22
1	2 year 1-in-20	2.7% Rate	0% Rate & 1% RSR	n/a	n/a
2	2 year 1-in-40	2.7% Rate	2% Rate & 2% RSR	n/a	n/a
3	2 year 1-in-100	2.7% Rate	2% Rate & 2% RSR	n/a	n/a
4	3 year 1-in-40	2.7% Rate	0% Rate & 2% RSR	2% Rate & 2% RSR	n/a

Please refer to Appendix 1 for the 1-in-20-year 2-year Combined Scenario after management action. This results in an upper Rate Stabilization Reserve (RSR) target of \$274 million.

Please refer to Appendix 2 for the 1-in-40-year 2-year Combined Scenario after management action. This results in an upper Rate Stabilization Reserve (RSR) target of \$295 million.

Please refer to Appendix 3 for the 1-in-100-year 2-year Combined Scenario after management action. This results in an upper Rate Stabilization Reserve (RSR) target of \$311 million.

Please refer to Appendix 4 for the 1-in-40-year 3-year Combined Scenario after management action. This results in an upper Rate Stabilization Reserve (RSR) target of \$258 million.

Appendix 1a
Combined Scenario with 61% MCT after Management Action
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	1,078,950	1,124,212	1,170,381
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	1,138,455	1,185,541	1,233,321
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,054,258	1,103,310	1,149,060
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	1,112,707	1,163,605	1,211,071
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,593	30,915
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,139,138	1,192,198	1,241,986
Net Claims Incurred	623,437	742,604	869,023	815,056	885,220	916,618	958,189	1,009,316
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	44,045	39,005	1,022	1,558
Total Claims Incurred	745,837	666,404	860,035	739,415	929,265	955,623	959,211	1,010,874
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,142	143,266	144,663
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	12,976	13,254	13,490
Total Claims Costs	873,774	798,045	993,537	886,919	1,080,240	1,108,741	1,115,731	1,169,027
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,617	77,489	79,500
Commissions	32,845	33,862	35,086	37,655	40,593	42,873	44,798	46,584
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,734	35,268	36,699
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,217	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,278	156,441	161,857	167,173
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(164,344)	(126,045)	(85,391)	(94,214)
Investment Income	104,184	48,476	101,645	101,827	72,847	69,603	67,532	66,960
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	18,480	26,144	(0)	(0)
Net Investment Income	188,451	(4,038)	82,897	101,827	91,327	95,747	67,532	66,960
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(78,940)	(28,176)	(14,180)	(21,205)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(5,923)	2,122	3,678	6,049
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(73,017)	(30,298)	(17,859)	(27,255)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(25,564)	(12,861)	(1,022)	(1,558)

Appendix 1b
Combined Scenario with 61% MCT after Management Action
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	220,731	189,387	173,735	165,270
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(73,017)	(30,298)	(17,859)	(27,255)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	63,971	41,673	14,646	9,394	13,240
Total Retained Earnings	177,818	194,497	99,251	220,731	189,387	173,735	165,270	151,255
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	220,731	189,387	173,735	165,270	151,255
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	32,869	(1,863)	6,975	18,457
Total Rate Stabilization Reserve	213,080	231,001	181,000	284,099	222,256	171,872	172,245	169,711
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	284,099	222,256	171,872	172,245	169,711

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
Combined Scenario with 61% MCT after Management Action
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	11,819	10,748	10,503	10,353	10,150
Equity investments	2,061,262	2,083,349	2,189,534	2,380,228	2,463,647	2,532,539	2,630,002	2,736,897
Investment property	35,087	35,789	35,615	36,912	39,457	39,749	39,799	39,169
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	375,794	390,240	404,940
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	11,137	10,559	8,189	3,473
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	68,993	73,025	74,291	72,540
	2,650,693	2,683,473	2,805,484	2,924,261	3,043,126	3,132,784	3,240,945	3,351,914
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	581,214	607,077	633,583
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	1,770,101	1,891,949	1,986,808	2,051,978	2,121,756
	2,437,614	2,452,472	2,624,484	2,640,162	2,820,870	2,960,912	3,068,700	3,182,203
Equity								
Retained earnings	177,819	194,497	99,251	220,731	189,387	173,735	165,270	151,255
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	32,869	(1,863)	6,975	18,457
Total Equity	213,081	231,001	181,000	284,099	222,256	171,872	172,245	169,711
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,924,261	3,043,126	3,132,784	3,240,945	3,351,914

Appendix 1d
Combined Scenario with 61% MCT after Management Action
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)	01 214,794	153,263	98,847	97,954	97,171
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 214,794	153,263	98,847	97,954	97,171
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	100,014	104,122	108,289
Unpaid claims	22 186,823	199,979	210,093	216,963	224,645
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	29 274,473	295,171	310,107	321,085	332,934
Market Risk:					
Interest rate risk	30 1,316	23,613	23,912	22,710	25,197
Foreign exchange risk	32 16,989	19,787	17,864	18,366	21,736
Equity risk	34 144,563	168,323	154,750	159,355	175,508
Real estate risk	36 59,632	63,097	65,426	67,381	69,284
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 222,500	274,820	261,952	267,812	291,725
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,426	36,000	37,242	38,373	39,339
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 33,426	36,000	37,242	38,373	39,339
Operational risk margin	50 70,029	78,587	80,252	82,956	87,273
Less: Diversification credit	52 70,966	81,129	81,603	83,987	88,958
Total Capital (Margin) Required at Target	59 529,462	603,449	607,950	626,239	662,313
Minimum Capital (Margin) Required (line 59 / 1.5)	60 352,975	402,300	405,300	417,492	441,542
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 352,975	402,300	405,300	417,492	441,542
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (138,181)	(249,037)	(306,453)	(319,538)	(344,371)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 60.85%	38.10%	24.39%	23.46%	22.01%

Appendix 1e
Combined Scenario with 61% MCT after Management Action
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	417,031	467,363	492,940	506,701	541,183
Comprehensive	117,204	106,810	113,915	120,047	126,913	134,216
Property Damage	42,769	44,363	48,129	50,382	49,403	51,272
Public Liability - BI	5,443	4,362	4,216	4,322	4,627	4,681
PIPP	240,544	141,676	244,884	230,367	214,305	217,067
Total	798,458	714,241	878,508	898,058	901,948	948,419
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	(4,904)	12,768	9,542	5,675	6,211
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	(12,128)	(5,923)	2,122	3,678	6,049
Total Net Claims Incurred	860,035	739,415	929,265	955,623	959,211	1,010,874

Appendix 1f
Combined Scenario with 61% MCT after Management Action
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%	77.84%	74.91%	74.64%	74.73%		
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			0.9269	0.9470	0.9492	0.9645	0.9953					
2019				0.9429	0.9456	0.9613	0.9925	1.0105				
2020					0.9506	0.9666	0.9983	1.0167	1.0149			
2021						0.9783	1.0092	1.0268	1.0240	1.0162		
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%	80.37%
2018			69.31%	75.34%	75.11%	75.06%	77.47%				75.17%	79.29%
2019				75.02%	74.83%	74.81%	77.25%	75.70%			75.19%	79.64%
2020					75.22%	75.23%	77.70%	76.17%	75.76%		75.72%	80.20%
2021						76.14%	78.56%	76.93%	76.43%	75.94%	76.50%	81.05%

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	1,112,707	1,163,605	1,211,071
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%	2.95%	2.78%	2.72%	2.68%
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	534,037	555,973	578,223	
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	371,506	398,354	420,521	441,000	463,660	
11. Reinsurance PFAD					4	-	-	-	-	-	
12. Maintenance Expense [a]					14,279	15,065	15,579	15,541	15,481	15,602	
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,297	77,376	81,144	85,313	
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)	3,286	11,137	10,559	8,189	3,473	
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,167	32,474	33,808	
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	18,486	20,608	24,286	30,335	
Change						6,127	(5,283)	(5,923)	2,122	3,678	6,049
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
Combined Scenario with 61% MCT after Management Action
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	0	0
Marketable Bonds	40,119	37,697	38,056	39,691	41,469
MUSH	28,780	27,827	26,721	25,550	24,337
Total	68,993	65,524	64,777	65,241	65,805
Dividend and other Income					
Canadian Equities	8,103	9,831	9,603	9,441	10,531
US Equities	3,149	3,771	3,699	3,614	4,022
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	15,681	18,384	18,140	17,944	19,513
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	25,260	29,609	2,043	2,142
Marketable Bonds Realized Gains/(Loss)	(261)	(3,791)	747	(2,043)	(2,142)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(8,686)	(11,187)	(12,571)	(13,183)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	6,885	1,927	2,630	3,696
US Equities Realized Gains	12,775	-	4,249	2,699	-
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	53,580	42,359	49,273	18,083	17,315
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	119,731	106,097	111,168	79,302	79,725
Total Basic Investment Income	101,827	91,327	95,747	67,532	66,960
% - Basic to Total Investment Income	85%	86%	86%	85%	84%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(20,058)	(23,281)	10,288	11,476
US Equities Unrealized Gains	6,645	(9,382)	(10,891)	5,396	6,004
Total Corporate Unrealized Gains/(Losses)	18,598	(29,440)	(34,172)	15,683	17,480
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,277.3	1,426.8	1,549.4	1,638.6
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	330.3	295.0	307.4	349.9
US Equities	139.0	161.4	143.4	148.7	169.0
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	2,769.0	2,858.0	2,969.6	3,125.1	3,291.0
Total Basic Assets	2,429.0	2,513.9	2,582.8	2,680.2	2,786.2
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.7%	48.0%	49.6%	49.8%
MUSH	23.1%	22.1%	20.9%	19.6%	18.2%
Canadian Equities	10.3%	11.6%	9.9%	9.8%	10.6%
US Equities	5.0%	5.6%	4.8%	4.8%	5.1%
Real Estate	10.5%	10.8%	11.0%	11.0%	11.0%
Infrastructure & Venture Capital	4.6%	5.2%	5.3%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 1h
Combined Scenario with 61% MCT with Management Action and Premium Rebate
Statement of Operations

(C\$ 000s, except where noted)

	For the Years Ended February,							
	2015A	2016A	2017A	2018P	2019P	2020P	2021P	2022P
BASIC								
Motor Vehicles	794,052	854,170	886,998	958,740	1,025,482	1,078,950	1,124,212	1,170,381
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	1,138,455	1,185,541	1,233,321
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,054,258	1,103,310	1,149,060
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	1,112,707	1,163,605	1,211,071
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,593	30,915
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,139,138	1,192,198	1,241,986
Net Claims Incurred	623,437	742,604	869,023	815,056	885,220	916,617	958,189	1,009,317
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	44,045	39,006	1,023	1,558
Total Claims Incurred	745,837	666,404	860,035	739,415	929,265	955,623	959,212	1,010,875
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,142	143,266	144,663
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	12,976	13,254	13,490
Total Claims Costs	873,774	798,045	993,537	886,919	1,080,240	1,108,741	1,115,732	1,169,028
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,617	77,489	79,500
Commissions	32,845	33,862	35,086	37,655	40,593	42,873	44,798	46,584
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,734	35,268	36,699
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,217	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,278	156,441	161,857	167,173
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(164,344)	(126,045)	(85,392)	(94,215)
Investment Income	104,184	48,476	101,645	101,827	72,555	69,315	67,255	66,687
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	18,406	26,036	-	(0)
Net Investment Income	188,451	(4,038)	82,897	101,827	90,962	95,351	67,255	66,687
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(79,305)	(28,572)	(14,458)	(21,478)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(5,923)	2,122	3,678	6,049
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(73,383)	(30,694)	(18,137)	(27,528)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(25,638)	(12,969)	(1,023)	(1,558)

Appendix 1i
Combined Scenario with 61% MCT with Management Action 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	210,845	179,136	163,088	154,344
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(73,383)	(30,694)	(18,137)	(27,528)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	54,085	41,673	14,646	9,394	13,240
Total Retained Earnings	177,818	194,497	99,251	210,845	179,136	163,088	154,344	140,056
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	210,845	179,136	163,088	154,344	140,056
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	32,738	(1,855)	6,946	18,382
Total Rate Stabilization Reserve	213,080	231,001	181,000	274,214	211,873	161,232	161,291	158,438
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	274,214	211,873	161,232	161,291	158,438

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 1j
Combined Scenario with 61% MCT with Management Action 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	11,771	10,704	10,460	10,311	10,109
Equity investments	2,061,262	2,083,349	2,189,534	2,370,540	2,453,472	2,522,107	2,619,254	2,725,824
Investment property	35,087	35,789	35,615	36,761	39,294	39,585	39,636	39,010
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	375,794	390,240	404,940
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	11,137	10,559	8,189	3,473
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	68,993	73,025	74,291	72,540
	2,650,693	2,683,473	2,805,484	2,914,376	3,032,743	3,122,144	3,229,991	3,340,641
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	581,214	607,077	633,583
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	1,770,101	1,891,949	1,986,808	2,051,978	2,121,756
	2,437,614	2,452,472	2,624,484	2,640,162	2,820,870	2,960,912	3,068,701	3,182,203
Equity								
Retained earnings	177,819	194,497	99,251	210,845	179,136	163,088	154,344	140,056
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	32,738	(1,855)	6,946	18,382
Total Equity	213,081	231,001	181,000	274,214	211,873	161,232	161,291	158,438
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,914,376	3,032,743	3,122,144	3,229,991	3,340,641

Appendix 1k
Combined Scenario with 61% MCT with Management Action 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)	01 204,908	142,881	88,207	87,000	85,897
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 204,908	142,881	88,207	87,000	85,897
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	100,014	104,122	108,289
Unpaid claims	22 186,823	199,979	210,093	216,963	224,645
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	29 274,473	295,171	310,107	321,085	332,934
Market Risk:					
Interest rate risk	30 2,183	24,468	24,821	23,642	26,134
Foreign exchange risk	32 16,920	19,706	17,790	18,291	21,647
Equity risk	34 143,974	167,628	154,113	158,704	174,798
Real estate risk	36 59,425	62,874	65,194	67,142	69,038
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 222,502	274,676	261,918	267,779	291,617
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,360	35,930	37,170	38,299	39,263
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 33,360	35,930	37,170	38,299	39,263
Operational risk margin	50 70,023	78,569	80,243	82,947	87,257
Less: Diversification credit	52 70,957	81,102	81,588	83,972	88,933
Total Capital (Margin) Required at Target	59 529,401	603,244	607,850	626,138	662,138
Minimum Capital (Margin) Required (line 59 / 1.5)	60 352,934	402,163	405,233	417,425	441,425
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 352,934	402,163	405,233	417,425	441,425
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (148,026)	(259,282)	(317,026)	(330,425)	(355,528)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 58.06%	35.53%	21.77%	20.84%	19.46%

Appendix 11
Combined Scenario with 61% MCT with Management Action and Premium Rebate
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	417,031	467,363	492,940	506,701	541,183
Comprehensive	117,204	106,810	113,915	120,047	126,913	134,216
Property Damage	42,769	44,363	48,129	50,382	49,403	51,272
Public Liability - BI	5,443	4,362	4,216	4,322	4,627	4,681
PIPP	240,544	141,676	244,884	230,367	214,305	217,067
Total	798,458	714,241	878,508	898,058	901,948	948,419
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	(4,904)	12,768	9,542	5,675	6,211
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	(12,128)	(5,923)	2,122	3,678	6,049
Total Net Claims Incurred	860,035	739,415	929,265	955,623	959,212	1,010,875

Appendix 1m
Combined Scenario with 61% MCT with Management Action 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%	77.84%	74.91%	74.64%	74.73%		
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			0.9269	0.9470	0.9492	0.9645	0.9953					
2019				0.9429	0.9456	0.9613	0.9925	1.0105				
2020					0.9506	0.9666	0.9983	1.0167	1.0149			
2021						0.9783	1.0092	1.0268	1.0240	1.0162		
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%	80.37%
2018			69.31%	75.34%	75.11%	75.06%	77.47%				75.17%	79.29%
2019				75.02%	74.83%	74.81%	77.25%	75.70%			75.19%	79.64%
2020					75.22%	75.23%	77.70%	76.17%	75.76%		75.72%	80.20%
2021						76.14%	78.56%	76.93%	76.43%	75.94%	76.50%	81.05%

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	1,112,707	1,163,605	1,211,071
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%	2.95%	2.78%	2.72%	2.68%
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	534,037	555,973	578,223
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	371,506	398,354	420,521	441,000	463,660
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,541	15,481	15,602
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,297	77,376	81,144	85,313
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)	3,286	11,137	10,559	8,189	3,473
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,167	32,474	33,808
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	18,486	20,608	24,286	30,335
Change					6,127	(5,283)	(5,923)	2,122	3,678	6,049
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 1n
Combined Scenario with 61% MCT with Management Action 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	0	0	0	0
Marketable Bonds	40,119	37,697	38,056	39,691	41,469
MUSH	28,780	27,827	26,721	25,550	24,337
Total	68,993	65,524	64,777	65,241	65,805
Dividend and other Income					
Canadian Equities	8,103	9,831	9,603	9,441	10,531
US Equities	3,149	3,771	3,699	3,614	4,022
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	15,681	18,384	18,140	17,944	19,513
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	25,260	29,609	2,043	2,142
Marketable Bonds Realized Gains/(Loss)	(261)	(3,791)	747	(2,043)	(2,142)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(8,686)	(11,187)	(12,571)	(13,183)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	6,885	1,927	2,630	3,696
US Equities Realized Gains	12,775	-	4,249	2,699	-
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	53,580	42,359	49,273	18,083	17,315
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	119,731	106,097	111,168	79,302	79,725
Total Basic Investment Income	101,827	90,962	95,351	67,255	66,687
% - Basic to Total Investment Income	85%	86%	86%	85%	84%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(20,058)	(23,281)	10,288	11,476
US Equities Unrealized Gains	6,645	(9,382)	(10,891)	5,396	6,004
Total Corporate Unrealized Gains/(Losses)	18,598	(29,440)	(34,172)	15,683	17,480
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,277.3	1,426.8	1,549.4	1,638.6
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	330.3	295.0	307.4	349.9
US Equities	139.0	161.4	143.4	148.7	169.0
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	2,769.0	2,858.0	2,969.6	3,125.1	3,291.0
Total Basic Assets	2,419.1	2,503.5	2,572.2	2,669.2	2,774.9
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.7%	48.0%	49.6%	49.8%
MUSH	23.1%	22.1%	20.9%	19.6%	18.2%
Canadian Equities	10.3%	11.6%	9.9%	9.8%	10.6%
US Equities	5.0%	5.6%	4.8%	4.8%	5.1%
Real Estate	10.5%	10.8%	11.0%	11.0%	11.0%
Infrastructure & Venture Capital	4.6%	5.2%	5.3%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 2a
Combined Scenario with 69% MCT after Management Action
Statement of Operations

(C\$ 000s, except where noted)

	For the Years Ended February,							
	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	815,056	887,951	922,873	959,051	1,010,029
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	117,656	420	2,692	1,867
Total Claims Incurred	745,837	666,404	860,035	739,415	1,005,607	923,293	961,743	1,011,896
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,470	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	13,007	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	886,919	1,156,582	1,076,770	1,118,459	1,170,248
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,780	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	151,278	156,930	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(240,686)	(88,713)	(77,731)	(84,614)
Investment Income	104,184	48,476	101,645	101,827	70,149	66,800	59,552	62,161
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	86,173	(1,291)	0	0
Net Investment Income	188,451	(4,038)	82,897	101,827	156,322	65,509	59,552	62,161
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(86,663)	(25,660)	(14,367)	(16,483)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(2,298)	(2,456)	3,812	5,970
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(84,365)	(23,204)	(18,179)	(22,453)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(31,483)	(1,712)	(2,692)	(1,867)

Appendix 2b
Combined Scenario with 69% MCT after Management Action
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	251,451	210,185	202,452	193,776
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(84,365)	(23,204)	(18,179)	(22,453)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	94,691	43,099	15,471	9,502	13,676
Total Retained Earnings	177,818	194,497	99,251	251,451	210,185	202,452	193,776	184,999
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	251,451	210,185	202,452	193,776	184,999
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	28,252	(20,272)	(7,609)	5,025
Total Rate Stabilization Reserve	213,080	231,001	181,000	314,820	238,437	182,180	186,167	190,024
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	314,820	238,437	182,180	186,167	190,024

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 69% MCT after Management Action
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	11,969	10,029	10,344	9,949	9,730
Equity investments	2,061,262	2,083,349	2,189,534	2,410,331	2,564,853	2,598,459	2,700,512	2,813,018
Investment property	35,087	35,789	35,615	37,378	39,983	40,330	40,402	39,787
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	-	3,286	7,512	11,826	9,335	4,712
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	68,993	73,002	74,257	72,501
	2,650,693	2,683,473	2,805,484	2,954,982	3,140,514	3,203,271	3,315,788	3,432,577
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	1,770,101	1,973,156	2,041,968	2,107,670	2,176,665
	2,437,614	2,452,472	2,624,484	2,640,162	2,902,077	3,021,091	3,129,621	3,242,553
Equity								
Retained earnings	177,819	194,497	99,251	251,451	210,185	202,452	193,776	184,999
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	28,252	(20,272)	(7,609)	5,025
Total Equity	213,081	231,001	181,000	314,820	238,437	182,180	186,167	190,024
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,954,982	3,140,514	3,203,271	3,315,788	3,432,577

Appendix 2d
Combined Scenario with 69% MCT after Management Action
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)	01 245,514	169,444	109,178	111,911	117,522
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 245,514	169,444	109,178	111,911	117,522
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	22 186,823	207,890	215,546	222,539	230,148
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	29 274,473	303,082	316,499	327,641	339,456
Market Risk:					
Interest rate risk	30 1,379	32,838	17,801	21,570	23,607
Foreign exchange risk	32 17,204	23,180	16,651	18,343	21,866
Equity risk	34 146,391	190,721	143,693	158,979	175,717
Real estate risk	36 60,274	63,818	66,251	68,269	70,244
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 225,248	310,557	244,396	267,161	291,434
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,634	36,297	37,952	39,102	40,121
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 33,634	36,297	37,952	39,102	40,121
Operational risk margin	50 70,280	82,323	79,635	83,803	88,163
Less: Diversification credit	52 71,390	86,650	79,949	84,823	89,885
Total Capital (Margin) Required at Target	59 532,245	645,609	598,533	632,884	669,289
Minimum Capital (Margin) Required (line 59 / 1.5)	60 354,830	430,406	399,022	421,923	446,192
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 354,830	430,406	399,022	421,923	446,192
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (109,316)	(260,962)	(289,844)	(310,012)	(328,670)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 69.19%	39.37%	27.36%	26.52%	26.34%

Appendix 2e
Combined Scenario with 69% MCT after Management Action
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	417,031	462,014	488,575	506,773	541,196
Comprehensive	117,204	106,810	106,714	121,353	126,914	134,218
Property Damage	42,769	44,363	46,524	50,242	49,408	51,274
Public Liability - BI	5,443	4,362	5,169	5,752	4,636	4,669
PIPP	240,544	141,676	319,408	208,790	216,544	218,228
Total	798,458	714,241	939,830	874,712	904,275	949,586
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	(4,904)	24,164	5,134	5,746	6,144
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	(12,128)	(2,298)	(2,456)	3,812	5,970
Total Net Claims Incurred	860,035	739,415	1,005,607	923,293	961,743	1,011,896

Appendix 2f
Combined Scenario with 69% MCT after Management Action
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%	80.37%
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.90%
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%	2.95%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.81%	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	371,506	401,415	423,578	444,372	467,171
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,674	15,570	15,647
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,860	77,938	81,764	85,960
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)	3,286	7,512	11,826	9,335	4,712
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	24,409	22,110	19,654	23,466	29,437
Change					6,127	(5,283)	(2,298)	(2,456)	3,812	5,970
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 69% MCT after Management Action
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	(0)	0
Marketable Bonds	40,119	35,182	36,119	37,671	39,136
MUSH	28,780	27,765	26,530	25,288	24,008
Total	68,993	62,947	62,649	62,958	63,144
Dividend and other Income					
Canadian Equities	8,103	11,000	9,192	8,983	10,301
US Equities	3,149	4,229	3,537	3,437	3,935
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	15,681	20,011	17,566	17,309	19,196
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	67,986	2,282	2,479	2,562
Marketable Bonds Realized Gains/(Loss)	(261)	30,907	(3,760)	(2,479)	(2,562)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(11,040)	(14,043)	(15,254)	(15,769)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	6,065	(2,755)	519	2,407
US Equities Realized Gains	12,775	-	10,131	-	-
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	53,580	116,607	15,785	10,590	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	119,731	179,396	74,977	68,891	72,871
Total Basic Investment Income	101,827	156,322	65,509	59,552	62,161
% - Basic to Total Investment Income	85%	87%	87%	86%	85%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(24,481)	(32,759)	9,789	11,225
US Equities Unrealized Gains	6,645	(11,542)	(15,489)	5,131	5,875
Total Corporate Unrealized Gains/(Losses)	18,598	(36,023)	(48,249)	14,919	17,100
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,278.6	1,510.2	1,595.5	1,686.9
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	380.8	261.3	300.2	343.1
US Equities	139.0	186.6	126.6	145.3	165.8
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	2,769.0	2,935.0	3,002.4	3,160.4	3,329.4
Total Basic Assets	2,459.7	2,614.9	2,649.1	2,750.9	2,862.5
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	43.6%	50.3%	50.5%	50.7%
MUSH	23.1%	21.5%	20.7%	19.3%	18.0%
Canadian Equities	10.3%	13.0%	8.7%	9.5%	10.3%
US Equities	5.0%	6.4%	4.2%	4.6%	5.0%
Real Estate	10.5%	10.5%	10.8%	10.8%	10.8%
Infrastructure & Venture Capital	4.6%	5.1%	5.2%	5.2%	5.2%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 2h
Combined Scenario with 69% MCT with Management Action and Premium Rebate
Statement of Operations

(C\$ 000s, except where noted)

	For the Years Ended February,							
	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	815,056	887,951	922,873	959,051	1,010,029
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	117,656	420	2,692	1,867
Total Claims Incurred	745,837	666,404	860,035	739,415	1,005,607	923,293	961,743	1,011,896
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,470	143,444	144,844
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	13,007	13,272	13,508
Total Claims Costs	873,774	798,045	993,537	886,919	1,156,582	1,076,770	1,118,459	1,170,248
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,780	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	151,278	156,930	162,641	167,986
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(240,686)	(88,713)	(77,731)	(84,614)
Investment Income	104,184	48,476	101,645	101,827	69,619	66,269	59,084	61,678
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	85,521	(1,281)	(0)	(0)
Net Investment Income	188,451	(4,038)	82,897	101,827	155,140	64,988	59,084	61,678
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(87,845)	(26,180)	(14,834)	(16,965)
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(2,298)	(2,456)	3,812	5,970
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(85,546)	(23,724)	(18,646)	(22,936)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(32,134)	(1,701)	(2,692)	(1,867)

Appendix 2i
Combined Scenario with 69% MCT with Management Action 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	232,044	189,596	181,343	172,199
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(85,546)	(23,724)	(18,646)	(22,936)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	75,284	43,099	15,471	9,502	13,676
Total Retained Earnings	177,818	194,497	99,251	232,044	189,596	181,343	172,199	162,940
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	232,044	189,596	181,343	172,199	162,940
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	28,039	(20,111)	(7,549)	4,986
Total Rate Stabilization Reserve	213,080	231,001	181,000	295,413	217,635	161,232	164,651	167,926
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	295,413	217,635	161,232	164,651	167,926

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 69% MCT with Management Action 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	11,874	9,949	10,262	9,871	9,654
Equity investments	2,061,262	2,083,349	2,189,534	2,391,314	2,544,449	2,577,912	2,679,389	2,791,302
Investment property	35,087	35,789	35,615	37,083	39,665	40,011	40,086	39,480
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	-	3,286	7,512	11,826	9,335	4,712
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	68,993	73,002	74,257	72,501
	2,650,693	2,683,473	2,805,484	2,935,575	3,119,712	3,182,323	3,294,271	3,410,479
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	1,770,101	1,973,156	2,041,968	2,107,670	2,176,665
	2,437,614	2,452,472	2,624,484	2,640,162	2,902,077	3,021,091	3,129,621	3,242,553
Equity								
Retained earnings	177,819	194,497	99,251	232,044	189,596	181,343	172,199	162,940
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	28,039	(20,111)	(7,549)	4,986
Total Equity	213,081	231,001	181,000	295,413	217,635	161,232	164,651	167,926
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,935,575	3,119,712	3,182,323	3,294,271	3,410,479

Appendix 2k
Combined Scenario with 69% MCT with Management Action 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)	01 226,107	148,642	88,230	90,394	95,425
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 226,107	148,642	88,230	90,394	95,425
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	22 186,823	207,890	215,546	222,539	230,148
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	29 274,473	303,082	316,499	327,641	339,456
Market Risk:					
Interest rate risk	30 324	34,559	19,679	23,451	25,494
Foreign exchange risk	32 17,068	22,996	16,520	18,199	21,696
Equity risk	34 145,235	189,204	142,556	157,736	174,362
Real estate risk	36 59,868	63,382	65,799	67,804	69,767
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 222,495	310,141	244,554	267,190	291,319
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,503	36,157	37,811	38,957	39,972
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 33,503	36,157	37,811	38,957	39,972
Operational risk margin	50 70,035	82,275	79,636	83,793	88,140
Less: Diversification credit	52 70,977	86,586	79,952	84,806	89,849
Total Capital (Margin) Required at Target	59 529,529	645,069	598,548	632,775	669,038
Minimum Capital (Margin) Required (line 59 / 1.5)	60 353,019	430,046	399,032	421,850	446,025
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 353,019	430,046	399,032	421,850	446,025
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (126,912)	(281,404)	(310,802)	(331,456)	(350,600)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 64.05%	34.56%	22.11%	21.43%	21.39%

Appendix 21
Combined Scenario with 69% MCT with Management Action and Premium Rebate
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	417,031	462,014	488,575	506,773	541,196
Comprehensive	117,204	106,810	106,714	121,353	126,914	134,218
Property Damage	42,769	44,363	46,524	50,242	49,408	51,274
Public Liability - BI	5,443	4,362	5,169	5,752	4,636	4,669
PIPP	240,544	141,676	319,408	208,790	216,544	218,228
Total	798,458	714,241	939,830	874,712	904,275	949,586
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	(4,904)	24,164	5,134	5,746	6,144
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	(12,128)	(2,298)	(2,456)	3,812	5,970
Total Net Claims Incurred	860,035	739,415	1,005,607	923,293	961,743	1,011,896

Appendix 2m
Combined Scenario with 69% MCT with Management Action 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%	80.37%
2018			69.28%	75.32%	75.09%	75.05%	77.34%				75.15%	79.90%
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%	2.95%	2.77%	2.70%	2.66%
Selected					3.46%	3.26%	3.10%	2.94%	2.81%	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	371,506	401,415	423,578	444,372	467,171
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,674	15,570	15,647
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,860	77,938	81,764	85,960
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)	3,286	7,512	11,826	9,335	4,712
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	24,409	22,110	19,654	23,466	29,437
Change					6,127	(5,283)	(2,298)	(2,456)	3,812	5,970
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 69% MCT with Management Action 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	(0)	0	(0)	0
Marketable Bonds	40,119	35,182	36,119	37,671	39,136
MUSH	28,780	27,765	26,530	25,288	24,008
Total	68,993	62,947	62,649	62,958	63,144
Dividend and other Income					
Canadian Equities	8,103	11,000	9,192	8,983	10,301
US Equities	3,149	4,229	3,537	3,437	3,935
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	15,681	20,011	17,566	17,309	19,196
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	67,986	2,282	2,479	2,562
Marketable Bonds Realized Gains/(Loss)	(261)	30,907	(3,760)	(2,479)	(2,562)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(11,040)	(14,043)	(15,254)	(15,769)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	6,065	(2,755)	519	2,407
US Equities Realized Gains	12,775	-	10,131	-	-
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	53,580	116,607	15,785	10,590	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	119,731	179,396	74,977	68,891	72,871
Total Basic Investment Income	101,827	155,140	64,988	59,084	61,678
% - Basic to Total Investment Income	85%	86%	87%	86%	85%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(24,481)	(32,759)	9,789	11,225
US Equities Unrealized Gains	6,645	(11,542)	(15,489)	5,131	5,875
Total Corporate Unrealized Gains/(Losses)	18,598	(36,023)	(48,249)	14,919	17,100
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,278.6	1,510.2	1,595.5	1,686.9
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	380.8	261.3	300.2	343.1
US Equities	139.0	186.6	126.6	145.3	165.8
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	2,769.0	2,935.0	3,002.4	3,160.4	3,329.4
Total Basic Assets	2,440.3	2,594.1	2,628.2	2,729.3	2,840.4
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	43.6%	50.3%	50.5%	50.7%
MUSH	23.1%	21.5%	20.7%	19.3%	18.0%
Canadian Equities	10.3%	13.0%	8.7%	9.5%	10.3%
US Equities	5.0%	6.4%	4.2%	4.6%	5.0%
Real Estate	10.5%	10.5%	10.8%	10.8%	10.8%
Infrastructure & Venture Capital	4.6%	5.1%	5.2%	5.2%	5.2%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 3a
Combined Scenario with 78% MCT after Management Action
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	1,111,555	1,158,173	1,205,726
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	1,171,060	1,219,502	1,268,666
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,071,806	1,136,645	1,183,766
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	1,130,255	1,196,940	1,245,777
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,770	31,108
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,156,686	1,225,710	1,276,885
Net Claims Incurred	623,437	742,604	869,023	815,056	919,203	864,601	960,302	1,009,871
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	83,854	34,914	1,552	2,269
Total Claims Incurred	745,837	666,404	860,035	739,415	1,003,057	899,515	961,854	1,012,140
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,470	143,322	144,734
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	13,007	13,260	13,497
Total Claims Costs	873,774	798,045	993,537	886,919	1,154,032	1,052,992	1,118,436	1,170,371
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,780	77,517	79,535
Commissions	32,845	33,862	35,086	37,655	40,593	43,323	45,878	47,709
Premium Taxes	24,531	26,205	27,563	29,256	31,631	34,260	36,268	37,740
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	151,278	157,581	163,965	169,374
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(238,136)	(53,887)	(56,692)	(62,860)
Investment Income	104,184	48,476	101,645	101,827	68,349	48,160	45,316	61,861
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	61,936	20,797	0	(0)
Net Investment Income	188,451	(4,038)	82,897	101,827	130,286	68,957	45,316	61,861
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(109,652)	(2,282)	(7,782)	4,488
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(1,801)	(17,352)	3,594	5,487
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(107,851)	15,070	(11,376)	(999)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(21,917)	(14,117)	(1,552)	(2,269)

Appendix 3b
Combined Scenario with 78% MCT after Management Action
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	287,526	222,321	253,883	252,137
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(107,851)	15,070	(11,376)	(999)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	130,767	42,645	16,493	9,630	14,139
Total Retained Earnings	177,818	194,497	99,251	287,526	222,321	253,883	252,137	265,278
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	287,526	222,321	253,883	252,137	265,278
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	5,455	(50,742)	(24,699)	(11,426)
Total Rate Stabilization Reserve	213,080	231,001	181,000	350,895	227,776	203,141	227,437	253,852
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	350,895	227,776	203,141	227,437	253,852

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
Combined Scenario with 78% MCT after Management Action
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	12,144	10,508	10,568	10,234	9,954
Equity investments	2,061,262	2,083,349	2,189,534	2,445,683	2,525,467	2,583,748	2,714,931	2,852,746
Investment property	35,087	35,789	35,615	37,927	40,543	40,973	41,093	40,512
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	384,496	399,304	414,373
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	7,015	26,853	24,606	20,493
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	68,993	73,002	74,264	72,511
	2,650,693	2,683,473	2,805,484	2,991,057	3,101,669	3,210,255	3,352,504	3,495,335
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	596,271	622,760	649,906
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	1,770,101	1,944,972	2,017,953	2,092,660	2,164,713
	2,437,614	2,452,472	2,624,484	2,640,162	2,873,893	3,007,114	3,125,066	3,241,483
Equity								
Retained earnings	177,819	194,497	99,251	287,526	222,321	253,883	252,137	265,278
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	5,455	(50,742)	(24,699)	(11,426)
Total Equity	213,081	231,001	181,000	350,895	227,776	203,141	227,437	253,852
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,991,057	3,101,669	3,210,255	3,352,504	3,495,335

Appendix 3d
Combined Scenario with 78% MCT after Management Action
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)	01 281,589	158,783	130,139	153,174	181,340
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 281,589	158,783	130,139	153,174	181,340
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	102,833	107,059	111,346
Unpaid claims	22 186,823	205,640	212,819	221,015	228,949
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	29 274,473	300,832	315,652	328,074	340,295
Market Risk:					
Interest rate risk	30 4,544	26,201	14,928	13,317	16,946
Foreign exchange risk	32 17,457	20,565	15,486	17,358	22,696
Equity risk	34 148,537	174,302	132,766	149,618	174,550
Real estate risk	36 61,028	64,585	67,163	69,286	71,370
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 231,566	285,653	230,343	249,579	285,562
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,877	36,001	39,657	41,039	42,288
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 33,877	36,001	39,657	41,039	42,288
Operational risk margin	50 70,838	79,989	79,056	83,076	88,508
Less: Diversification credit	52 72,313	83,297	77,949	82,562	89,481
Total Capital (Margin) Required at Target	59 538,441	619,178	586,759	619,206	667,172
Minimum Capital (Margin) Required (line 59 / 1.5)	60 358,961	412,785	391,173	412,804	444,781
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 358,961	412,785	391,173	412,804	444,781
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (77,372)	(254,002)	(261,034)	(259,630)	(263,441)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 78.45%	38.47%	33.27%	37.11%	40.77%

Appendix 3e
Combined Scenario with 78% MCT after Management Action
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	417,031	472,533	470,928	507,004	541,208
Comprehensive	117,204	106,810	128,459	115,815	126,939	134,222
Property Damage	42,769	44,363	50,233	47,598	49,431	51,277
Public Liability - BI	5,443	4,362	5,200	2,277	4,615	4,682
PIPP	240,544	141,676	284,960	227,243	215,644	218,486
Total	798,458	714,241	941,385	863,861	903,632	949,875
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	(4,904)	19,560	7,104	6,718	6,584
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	(12,128)	(1,801)	(17,352)	3,594	5,487
Total Net Claims Incurred	860,035	739,415	1,003,057	899,515	961,854	1,012,140

Appendix 3f
Combined Scenario with 78% MCT after Management Action
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%	80.57%	71.03%	72.56%	72.65%		
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			0.9340	0.9527	0.9534	0.9672	0.9965					
2019				0.9136	0.9166	0.9323	0.9630	0.9965				
2020					0.9220	0.9380	0.9692	1.0032	1.0146			
2021						0.9493	0.9797	1.0129	1.0233	1.0159		
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%	80.37%
2018			69.84%	75.80%	75.45%	75.27%	80.29%				75.51%	79.98%
2019				72.69%	72.54%	72.56%	77.59%	70.78%			72.60%	77.18%
2020					72.96%	73.00%	78.09%	71.25%	73.62%		73.20%	77.83%
2021						73.88%	78.94%	71.95%	74.25%	73.80%	73.98%	78.69%

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	1,130,255	1,196,940	1,245,777
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.2%	7.9%	7.8%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.95%	2.74%	2.65%	2.61%
Selected					3.46%	3.26%	3.10%	2.93%	2.78%	2.67%
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	549,094	571,656	594,546
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	371,506	401,835	419,159	440,186	463,003
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,917	15,711	15,682
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,938	77,125	80,994	85,193
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)	3,286	7,015	26,853	24,606	20,493
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	32,109	33,455	34,829
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	22,608	5,256	8,850	14,336
Change					6,127	(5,283)	(1,801)	(17,352)	3,594	5,487
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
Combined Scenario with 78% MCT after Management Action
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)	(0)	0
Marketable Bonds	40,119	36,216	36,639	37,999	39,329
MUSH	28,780	27,793	26,603	25,357	24,074
Total	68,993	64,009	63,242	63,357	63,403
Dividend and other Income					
Canadian Equities	8,103	9,937	7,956	7,925	9,728
US Equities	3,149	3,818	3,063	3,037	3,729
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	15,681	18,537	15,856	15,851	18,417
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	48,322	26,846	2,453	2,552
Marketable Bonds Realized Gains/(Loss)	(261)	21,799	(3,408)	(2,453)	(2,552)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(10,014)	(13,701)	(15,095)	(15,706)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	2,329	(17,502)	(15,922)	1,228
US Equities Realized Gains	12,775	-	3,476	-	-
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	53,580	85,126	19,641	(5,693)	12,323
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	119,731	147,503	77,717	51,549	71,235
Total Basic Investment Income	101,827	130,286	68,957	45,316	61,861
% - Basic to Total Investment Income	85%	88%	89%	88%	87%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(44,623)	(52,285)	8,636	10,601
US Equities Unrealized Gains	6,645	(21,382)	(25,105)	4,533	5,567
Total Corporate Unrealized Gains/(Losses)	18,598	(66,005)	(77,391)	13,169	16,168
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,265.7	1,496.6	1,605.1	1,690.4
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	333.4	228.0	269.2	331.4
US Equities	139.0	163.2	110.6	130.5	160.8
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	2,769.0	2,851.3	2,939.5	3,124.4	3,316.2
Total Basic Assets	2,495.8	2,576.5	2,635.3	2,766.3	2,903.2
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.4%	50.9%	51.4%	51.0%
MUSH	23.1%	22.1%	21.2%	19.6%	18.0%
Canadian Equities	10.3%	11.7%	7.8%	8.6%	10.0%
US Equities	5.0%	5.7%	3.8%	4.2%	4.8%
Real Estate	10.5%	10.8%	11.1%	11.0%	10.9%
Infrastructure & Venture Capital	4.6%	5.2%	5.3%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 3h
Combined Scenario with 78% MCT with Management Action 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	1,111,555	1,158,173	1,205,726
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	1,171,060	1,219,502	1,268,666
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,071,806	1,136,645	1,183,766
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	1,130,255	1,196,940	1,245,777
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,770	31,108
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,156,686	1,225,710	1,276,885
Net Claims Incurred	623,437	742,604	869,023	815,056	919,203	864,601	960,302	1,009,871
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	83,854	34,914	1,552	2,269
Total Claims Incurred	745,837	666,404	860,035	739,415	1,003,057	899,515	961,854	1,012,140
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,470	143,322	144,734
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	13,007	13,260	13,497
Total Claims Costs	873,774	798,045	993,537	886,919	1,154,032	1,052,992	1,118,436	1,170,371
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,780	77,517	79,535
Commissions	32,845	33,862	35,086	37,655	40,593	43,323	45,878	47,709
Premium Taxes	24,531	26,205	27,563	29,256	31,631	34,260	36,268	37,740
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	151,278	157,581	163,965	169,374
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(238,136)	(53,887)	(56,692)	(62,860)
Investment Income	104,184	48,476	101,645	101,827	67,280	47,389	44,608	60,914
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	60,967	20,464	(0)	0
Net Investment Income	188,451	(4,038)	82,897	101,827	128,247	67,853	44,608	60,914
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(111,691)	(3,385)	(8,490)	3,541
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(1,801)	(17,352)	3,594	5,487
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(109,890)	13,966	(12,084)	(1,945)
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(22,887)	(14,450)	(1,552)	(2,269)

Appendix 3i
Combined Scenario with 78% MCT with Management Action 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	247,948	180,703	211,162	208,709
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(109,890)	13,966	(12,084)	(1,945)
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	91,189	42,645	16,493	9,630	14,139
Total Retained Earnings	177,818	194,497	99,251	247,948	180,703	211,162	208,709	220,903
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	247,948	180,703	211,162	208,709	220,903
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	5,370	(49,930)	(24,314)	(11,251)
Total Rate Stabilization Reserve	213,080	231,001	181,000	311,317	186,073	161,232	184,395	209,652
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	311,317	186,073	161,232	184,395	209,652

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 3j
Combined Scenario with 78% MCT with Management Action 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	11,951	10,338	10,400	10,075	9,803
Equity investments	2,061,262	2,083,349	2,189,534	2,406,899	2,484,591	2,542,660	2,672,687	2,809,314
Investment property	35,087	35,789	35,615	37,325	39,887	40,322	40,454	39,896
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	384,496	399,304	414,373
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	7,015	26,853	24,606	20,493
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	68,993	73,002	74,264	72,511
	2,650,693	2,683,473	2,805,484	2,951,479	3,059,966	3,168,347	3,309,461	3,451,135
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	596,271	622,760	649,906
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	1,770,101	1,944,972	2,017,953	2,092,660	2,164,713
	2,437,614	2,452,472	2,624,484	2,640,162	2,873,893	3,007,115	3,125,066	3,241,483
Equity								
Retained earnings	177,819	194,497	99,251	247,948	180,703	211,162	208,709	220,903
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	5,370	(49,930)	(24,314)	(11,251)
Total Equity	213,081	231,001	181,000	311,317	186,073	161,232	184,395	209,652
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,951,479	3,059,966	3,168,347	3,309,461	3,451,135

Appendix 3k
Combined Scenario with 78% MCT with Management Action 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	242,011	117,081	88,230	110,131	137,140
Phase-in of capital available	03	0	0	0	0	0
Total Capital Available	09	242,011	117,081	88,230	110,131	137,140
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	102,833	107,059	111,346
Unpaid claims	22	186,823	205,640	212,819	221,015	228,949
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	274,473	300,832	315,652	328,074	340,295
Market Risk:						
Interest rate risk	30	1,072	29,676	18,720	17,157	20,746
Foreign exchange risk	32	17,180	20,232	15,240	17,088	22,354
Equity risk	34	146,182	171,481	130,654	147,290	171,893
Real estate risk	36	60,200	63,686	66,239	68,345	70,412
Other market risk exposures	38	0	0	0	0	0
Subtotal: Market risk margin	39	224,634	285,075	230,853	249,880	285,405
Credit Risk:						
Counterparty default risk for balance sheet assets	40	33,610	35,720	39,375	40,749	41,991
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	33,610	35,720	39,375	40,749	41,991
Operational risk margin	50	70,226	79,916	79,076	83,077	88,470
Less: Diversification credit	52	71,299	83,190	77,985	82,564	89,418
Total Capital (Margin) Required at Target	59	531,644	618,353	586,971	619,216	666,743
Minimum Capital (Margin) Required (line 59 / 1.5)	60	354,429	412,235	391,314	412,811	444,495
Phase-in of Capital (Margin) Required	62	0	0	0	0	0
Total Minimum Capital (Margin) Required	69	354,429	412,235	391,314	412,811	444,495
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	(112,418)	(295,154)	(303,084)	(302,680)	(307,355)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	68.28%	28.40%	22.55%	26.68%	30.85%

Appendix 31
Combined Scenario with 78% MCT with Management Action and Premium Rebate
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	417,031	472,533	470,928	507,004	541,208
Comprehensive	117,204	106,810	128,459	115,815	126,939	134,222
Property Damage	42,769	44,363	50,233	47,598	49,431	51,277
Public Liability - BI	5,443	4,362	5,200	2,277	4,615	4,682
PIPP	240,544	141,676	284,960	227,243	215,644	218,486
Total	798,458	714,241	941,385	863,861	903,632	949,875
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	(4,904)	19,560	7,104	6,718	6,584
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	(12,128)	(1,801)	(17,352)	3,594	5,487
Total Net Claims Incurred	860,035	739,415	1,003,057	899,515	961,854	1,012,140

Appendix 3m
Combined Scenario with 78% MCT with Management Action 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%	80.57%	71.03%	72.56%	72.65%		
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			0.9340	0.9527	0.9534	0.9672	0.9965					
2019				0.9136	0.9166	0.9323	0.9630	0.9965				
2020					0.9220	0.9380	0.9692	1.0032	1.0146			
2021						0.9493	0.9797	1.0129	1.0233	1.0159		
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%	80.37%
2018			69.84%	75.80%	75.45%	75.27%	80.29%				75.51%	79.98%
2019				72.69%	72.54%	72.56%	77.59%	70.78%			72.60%	77.18%
2020					72.96%	73.00%	78.09%	71.25%	73.62%		73.20%	77.83%
2021						73.88%	78.94%	71.95%	74.25%	73.80%	73.98%	78.69%

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	1,130,255	1,196,940	1,245,777
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.2%	7.9%	7.8%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.95%	2.74%	2.65%	2.61%
Selected					3.46%	3.26%	3.10%	2.93%	2.78%	2.67%
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	549,094	571,656	594,546
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	371,506	401,835	419,159	440,186	463,003
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,917	15,711	15,682
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,938	77,125	80,994	85,193
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)	3,286	7,015	26,853	24,606	20,493
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	32,109	33,455	34,829
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	22,608	5,256	8,850	14,336
Change					6,127	(5,283)	(1,801)	(17,352)	3,594	5,487
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 3n
Combined Scenario with 78% MCT with Management Action 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	0	(0)	(0)	0
Marketable Bonds	40,119	36,216	36,639	37,999	39,329
MUSH	28,780	27,793	26,603	25,357	24,074
Total	68,993	64,009	63,242	63,357	63,403
Dividend and other Income					
Canadian Equities	8,103	9,937	7,956	7,925	9,728
US Equities	3,149	3,818	3,063	3,037	3,729
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	15,681	18,537	15,856	15,851	18,417
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	48,322	26,846	2,453	2,552
Marketable Bonds Realized Gains/(Loss)	(261)	21,799	(3,408)	(2,453)	(2,552)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(10,014)	(13,701)	(15,095)	(15,706)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	2,329	(17,502)	(15,922)	1,228
US Equities Realized Gains	12,775	-	3,476	-	-
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	53,580	85,126	19,641	(5,693)	12,323
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	119,731	147,503	77,717	51,549	71,235
Total Basic Investment Income	101,827	128,247	67,853	44,608	60,914
% - Basic to Total Investment Income	85%	87%	87%	87%	86%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(44,623)	(52,285)	8,636	10,601
US Equities Unrealized Gains	6,645	(21,382)	(25,105)	4,533	5,567
Total Corporate Unrealized Gains/(Losses)	18,598	(66,005)	(77,391)	13,169	16,168
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,265.7	1,496.6	1,605.1	1,690.4
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	333.4	228.0	269.2	331.4
US Equities	139.0	163.2	110.6	130.5	160.8
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	2,769.0	2,851.3	2,939.5	3,124.4	3,316.2
Total Basic Assets	2,456.2	2,534.8	2,593.4	2,723.2	2,859.0
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.4%	50.9%	51.4%	51.0%
MUSH	23.1%	22.1%	21.2%	19.6%	18.0%
Canadian Equities	10.3%	11.7%	7.8%	8.6%	10.0%
US Equities	5.0%	5.7%	3.8%	4.2%	4.8%
Real Estate	10.5%	10.8%	11.1%	11.0%	10.9%
Infrastructure & Venture Capital	4.6%	5.2%	5.3%	5.3%	5.3%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 4a
Combined Scenario with 75% MCT after Management Action
Statement of Operations

(C\$ 000s, except where noted)

	For the Years Ended February,							
	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	1,182,181	1,230,713
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	1,243,510	1,293,653
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,139,528	1,208,301
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	1,199,823	1,270,311
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	31,238
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,228,475	1,301,549
Net Claims Incurred	623,437	742,604	869,023	815,056	867,953	963,993	961,232	1,007,928
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	32,717	27,061	27,384	229
Total Claims Incurred	745,837	666,404	860,035	739,415	900,670	991,054	988,616	1,008,157
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,005	143,307	144,814
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	12,963	13,258	13,506
Total Claims Costs	873,774	798,045	993,537	886,919	1,051,645	1,144,022	1,145,181	1,166,477
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,550	77,510	79,577
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,801	48,504
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	36,354	38,476
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,217	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,278	156,699	163,969	170,947
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(135,749)	(155,734)	(80,674)	(35,875)
Investment Income	104,184	48,476	101,645	101,827	77,112	78,148	70,001	68,526
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	18,060	15,539	21,357	0
Net Investment Income	188,451	(4,038)	82,897	101,827	95,172	93,687	91,358	68,526
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(48,138)	(61,401)	(281)	38,470
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(7,560)	646	(10,965)	5,819
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(40,578)	(62,047)	10,684	32,651
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(14,657)	(11,522)	(6,027)	(229)

Appendix 4b
Combined Scenario with 75% MCT after Management Action
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	273,608	275,934	230,026	250,275
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(40,578)	(62,047)	10,684	32,651
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	116,848	42,904	16,139	9,565	13,932
Total Retained Earnings	177,818	194,497	99,251	273,608	275,934	230,026	250,275	296,858
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	273,608	275,934	230,026	250,275	296,858
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	44,298	18,438	(727)	12,964
Total Rate Stabilization Reserve	213,080	231,001	181,000	336,977	320,232	248,465	249,547	309,822
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	336,977	320,232	248,465	249,547	309,822

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 75% MCT after Management Action
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	12,076	11,184	11,016	10,819	10,715
Equity investments	2,061,262	2,083,349	2,189,534	2,432,044	2,546,322	2,615,835	2,722,175	2,881,551
Investment property	35,087	35,789	35,615	37,715	40,369	40,698	40,835	40,289
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	405,712	421,042
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	12,774	13,987	27,619	23,203
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	68,993	73,035	74,298	72,543
	2,650,693	2,683,473	2,805,484	2,977,139	3,128,785	3,223,879	3,369,529	3,534,089
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	633,847	661,445
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	1,770,101	1,879,633	1,996,291	2,076,488	2,135,958
	2,437,614	2,452,472	2,624,484	2,640,162	2,808,554	2,975,414	3,119,981	3,224,267
Equity								
Retained earnings	177,819	194,497	99,251	273,608	275,934	230,026	250,275	296,858
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	44,298	18,438	(727)	12,964
Total Equity	213,081	231,001	181,000	336,977	320,232	248,465	249,547	309,822
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,977,139	3,128,785	3,223,879	3,369,529	3,534,089

Appendix 4d
Combined Scenario with 75% MCT after Management Action
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)	01 267,671	251,239	175,430	175,249	237,278
Phase-in of capital available	03 0	0	0	0	0
Total Capital Available	09 267,671	251,239	175,430	175,249	237,278
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	109,135	113,506
Unpaid claims	22 186,823	198,412	211,320	219,933	226,118
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	29 274,473	293,604	312,273	329,068	339,624
Market Risk:					
Interest rate risk	30 3,323	17,237	19,835	18,057	15,388
Foreign exchange risk	32 17,359	21,054	19,504	19,217	25,305
Equity risk	34 147,710	177,487	169,546	166,860	187,084
Real estate risk	36 60,737	64,347	66,771	68,906	71,023
Other market risk exposures	38 0	0	0	0	0
Subtotal: Market risk margin	39 229,129	280,125	275,656	273,040	298,800
Credit Risk:					
Counterparty default risk for balance sheet assets	40 33,783	36,732	38,303	41,722	43,102
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 33,783	36,732	38,303	41,722	43,102
Operational risk margin	50 70,623	78,967	81,963	85,813	90,271
Less: Diversification credit	52 71,960	81,658	83,899	86,211	91,306
Total Capital (Margin) Required at Target	59 536,048	607,770	624,296	643,432	680,491
Minimum Capital (Margin) Required (line 59 / 1.5)	60 357,365	405,180	416,198	428,955	453,661
Phase-in of Capital (Margin) Required	62 0	0	0	0	0
Total Minimum Capital (Margin) Required	69 357,365	405,180	416,198	428,955	453,661
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79 (89,694)	(153,941)	(240,768)	(253,706)	(216,383)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90 74.90%	62.01%	42.15%	40.85%	52.30%

Appendix 4e
Combined Scenario with 75% MCT after Management Action
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	417,031	453,717	502,973	527,780	540,889
Comprehensive	117,204	106,810	109,684	133,911	139,556	134,040
Property Damage	42,769	44,363	45,237	49,034	48,948	51,279
Public Liability - BI	5,443	4,362	5,815	4,487	6,798	4,678
PIPP	240,544	141,676	238,716	242,370	220,614	216,311
Total	798,458	714,241	853,169	932,775	943,697	947,196
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	(4,904)	11,149	11,732	7,974	4,947
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	(12,128)	(7,560)	646	(10,965)	5,819
Total Net Claims Incurred	860,035	739,415	900,670	991,054	988,616	1,008,157

Appendix 4f
Combined Scenario with 75% MCT after Management Action
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%	76.39%	78.50%	74.01%	71.24%		
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			0.9231	0.9439	0.9469	0.9630	0.9946					
2019				0.9409	0.9420	0.9561	0.9855	1.0071				
2020					0.9152	0.9285	0.9566	0.9771	0.9981			
2021						0.9407	0.9687	0.9890	1.0098	1.0176		
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%	80.37%
2018			69.02%	75.10%	74.94%	74.95%	75.98%				75.00%	79.01%
2019				74.86%	74.55%	74.41%	75.29%	79.06%			74.90%	79.12%
2020					72.43%	72.26%	73.08%	76.71%	73.87%		73.12%	77.47%
2021						73.21%	74.00%	77.64%	74.73%	72.50%	73.98%	78.38%

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	1,199,823	1,270,311
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	7.9%	7.7%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.95%	2.76%	2.64%	2.56%
Selected					3.46%	3.26%	3.10%	2.94%	2.78%	2.65%
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	582,743	606,084
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	371,506	396,972	421,766	446,722	470,260
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,659	16,045	15,920
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,043	77,605	82,197	86,528
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)	3,286	12,774	13,987	27,619	23,203
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	34,149	35,551
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	16,849	17,494	6,530	12,348
Change					6,127	(5,283)	(7,560)	646	(10,965)	5,819
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 75% MCT after Management Action
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)	(0)	(0)
Marketable Bonds	40,119	38,187	39,048	40,684	42,438
MUSH	28,780	27,837	26,767	25,625	24,404
Total	68,993	66,024	65,815	66,309	66,841
Dividend and other Income					
Canadian Equities	8,103	10,111	10,400	9,981	10,908
US Equities	3,149	3,878	4,008	3,829	4,171
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	15,681	18,772	19,244	18,699	20,039
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	17,293	20,648	22,484	2,229
Marketable Bonds Realized Gains/(Loss)	(261)	3,237	(3,019)	1,958	(2,229)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(8,276)	(9,995)	(12,393)	(13,718)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	8,618	6,445	1,522	2,273
US Equities Realized Gains	12,775	-	4,241	2,617	-
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	53,580	43,562	42,250	41,512	15,357
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	119,731	108,189	106,288	104,555	79,329
Total Basic Investment Income	101,827	95,172	93,687	91,358	68,526
% - Basic to Total Investment Income	85%	88%	88%	87%	86%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(10,717)	(12,935)	(12,167)	11,887
US Equities Unrealized Gains	6,645	(4,818)	(5,817)	(5,445)	6,227
Total Corporate Unrealized Gains/(Losses)	18,598	(15,536)	(18,752)	(17,612)	18,114
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,286.4	1,410.8	1,563.7	1,689.9
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	343.5	323.1	315.9	366.7
US Equities	139.0	167.8	157.1	153.0	177.4
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	2,769.0	2,886.7	2,995.3	3,152.1	3,367.5
Total Basic Assets	2,481.8	2,597.9	2,667.5	2,773.8	2,932.6
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.6%	47.1%	49.6%	50.2%
MUSH	23.1%	21.9%	20.8%	19.4%	17.8%
Canadian Equities	10.3%	11.9%	10.8%	10.0%	10.9%
US Equities	5.0%	5.8%	5.2%	4.9%	5.3%
Real Estate	10.5%	10.7%	10.9%	10.9%	10.7%
Infrastructure & Venture Capital	4.6%	5.2%	5.2%	5.3%	5.2%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%

Appendix 4h
Combined Scenario with 75% MCT with Management Action 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	1,182,181	1,230,713
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	1,243,510	1,293,653
Net Premiums Earned								
Motor Vehicles	774,784	827,701	871,174	925,950	994,660	1,060,108	1,139,528	1,208,301
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	1,199,823	1,270,311
Service Fees & Other Revenues	19,476	20,351	20,748	22,204	24,328	26,431	28,653	31,238
Total Earned Revenues	823,358	881,416	927,893	986,129	1,067,173	1,144,987	1,228,475	1,301,549
Net Claims Incurred	623,437	742,604	869,023	815,056	867,953	963,993	961,233	1,007,928
(a) Claims Incurred - Interest Rate Impact	122,400	(76,200)	(8,988)	(75,641)	32,717	27,061	27,383	229
Total Claims Incurred	745,837	666,404	860,035	739,415	900,670	991,054	988,616	1,008,157
Claims Expense	116,578	118,614	120,972	134,294	137,885	140,005	143,307	144,814
Road Safety/Loss Prevention	11,359	13,027	12,530	13,210	13,090	12,963	13,258	13,506
Total Claims Costs	873,774	798,045	993,537	886,919	1,051,645	1,144,022	1,145,181	1,166,477
Expenses								
Operating	74,283	71,641	72,785	72,563	74,921	75,550	77,510	79,577
Commissions	32,845	33,862	35,086	37,655	40,593	43,023	45,801	48,504
Premium Taxes	24,531	26,205	27,563	29,256	31,631	33,909	36,354	38,476
Regulatory/Appeal	3,935	3,675	4,889	4,054	4,132	4,217	4,303	4,390
Total Expenses	135,594	135,383	140,323	143,528	151,278	156,699	163,969	170,947
Underwriting Income (Loss)	(186,011)	(52,012)	(205,967)	(44,318)	(135,749)	(155,734)	(80,674)	(35,875)
Investment Income	104,184	48,476	101,645	101,827	74,710	75,617	67,763	66,391
(b) Investment Income - Interest Rate Impact	84,267	(52,515)	(18,748)	(0)	17,498	15,036	20,674	(0)
Net Investment Income	188,451	(4,038)	82,897	101,827	92,208	90,653	88,438	66,391
Net Income (Loss) from Operations	2,440	(56,050)	(123,070)	45,382	(51,101)	(64,436)	(3,201)	36,335
DPAC / Premium Deficiency writedown Adj.	-	-	-	(12,128)	(7,560)	646	(10,965)	5,819
Net Income (Loss)	2,440	(56,050)	(123,070)	57,509	(43,542)	(65,081)	7,764	30,516
Total net Impact due to interest rate change (b) - (a)	(38,133)	23,685	(9,760)	75,641	(15,220)	(12,025)	(6,709)	(229)

Appendix 4i
Combined Scenario with 75% MCT with Management Action 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	194,188	193,550	144,608	161,936
Net Income (Loss) from annual operations	2,440	(56,050)	(123,070)	57,509	(43,542)	(65,081)	7,764	30,516
Premium Rebate	-	-	-	-	-	-	-	-
Transfer (to) / from Non-Basic Retained Earnings	75,500	72,729	27,824	37,428	42,904	16,139	9,565	13,932
Total Retained Earnings	177,818	194,497	99,251	194,188	193,550	144,608	161,936	206,384
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	194,188	193,550	144,608	161,936	206,384
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	42,918	17,841	(704)	12,560
Total Rate Stabilization Reserve	213,080	231,001	181,000	257,556	236,468	162,449	161,232	218,944
Retained Earnings in excess of Rate Stabilization Reserve	-	-	-	-	-	-	-	-
Total Equity Balance	213,080	231,001	181,000	257,556	236,468	162,449	161,232	218,944

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 75% MCT with Management Action 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	11,690	10,824	10,661	10,474	10,383
Equity investments	2,061,262	2,083,349	2,189,534	2,354,217	2,464,221	2,531,487	2,635,504	2,792,254
Investment property	35,087	35,789	35,615	36,508	39,067	39,385	39,535	39,041
Due from other insurance companies	108	25	16	-	-	-	-	-
Accounts receivable	348,697	375,262	355,389	334,047	358,907	378,694	405,712	421,042
Prepaid expenses	-	-	-	-	-	-	-	-
Deferred policy acquisition costs	-	4,782	-	3,286	12,774	13,987	27,619	23,203
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	68,993	73,035	74,298	72,543
	2,650,693	2,683,473	2,805,484	2,897,718	3,045,022	3,137,863	3,281,213	3,443,211
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	633,847	661,445
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	1,770,101	1,879,633	1,996,291	2,076,488	2,135,958
	2,437,614	2,452,472	2,624,484	2,640,162	2,808,554	2,975,414	3,119,981	3,224,267
Equity								
Retained earnings	177,819	194,497	99,251	194,188	193,550	144,608	161,936	206,384
Accumulated Other Comprehensive Income	35,262	36,504	81,749	63,369	42,918	17,841	(704)	12,560
Total Equity	213,081	231,001	181,000	257,556	236,468	162,449	161,232	218,944
Total Liabilities & Equity	2,650,695	2,683,473	2,805,484	2,897,718	3,045,022	3,137,863	3,281,213	3,443,211

Appendix 4k
Combined Scenario with 75% MCT with Management Action 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	188,250	167,475	89,414	86,934	146,401
Phase-in of capital available	03	0	0	0	0	0
Total Capital Available	09	188,250	167,475	89,414	86,934	146,401
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	109,135	113,506
Unpaid claims	22	186,823	198,412	211,320	219,933	226,118
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	274,473	293,604	312,273	329,068	339,624
Market Risk:						
Interest rate risk	30	3,644	24,069	27,023	25,548	22,934
Foreign exchange risk	32	16,804	20,375	18,875	18,605	24,533
Equity risk	34	142,982	171,765	164,078	161,547	181,286
Real estate risk	36	59,077	62,563	64,911	66,993	69,085
Other market risk exposures	38	0	0	0	0	0
Subtotal: Market risk margin	39	222,507	278,772	274,887	272,693	297,838
Credit Risk:						
Counterparty default risk for balance sheet assets	40	33,247	36,167	37,724	41,127	42,491
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	33,247	36,167	37,724	41,127	42,491
Operational risk margin	50	70,014	78,804	81,848	85,733	90,137
Less: Diversification credit	52	70,942	81,421	83,719	86,078	91,096
Total Capital (Margin) Required at Target	59	529,299	605,926	623,013	642,543	678,994
Minimum Capital (Margin) Required (line 59 / 1.5)	60	352,866	403,951	415,342	428,362	452,662
Phase-in of Capital (Margin) Required	62	0	0	0	0	0
Total Minimum Capital (Margin) Required	69	352,866	403,951	415,342	428,362	452,662
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	79	(164,616)	(236,476)	(325,928)	(341,428)	(306,261)
MCT (BAAT) Ratio (Line 09 or line 19 as a % of line 69)	90	53.35%	41.46%	21.53%	20.29%	32.34%

October 13, 2017

Appendix 4I
Combined Scenario with 75% MCT with Management Action 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	417,031	453,717	502,973	527,780	540,889
Comprehensive	117,204	106,810	109,684	133,911	139,556	134,040
Property Damage	42,769	44,363	45,237	49,034	48,948	51,279
Public Liability - BI	5,443	4,362	5,815	4,487	6,798	4,678
PIPP	240,544	141,676	238,716	242,370	220,614	216,310
Total	798,458	714,241	853,169	932,775	943,696	947,196
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	(4,904)	11,149	11,732	7,974	4,947
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	(12,128)	(7,560)	646	(10,965)	5,819
Total Net Claims Incurred	860,035	739,415	900,670	991,054	988,616	1,008,157

Appendix 4m
Combined Scenario with 75% MCT with Management Action 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%	76.39%	78.50%	74.01%	71.24%		
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			0.9231	0.9439	0.9469	0.9630	0.9946					
2019				0.9409	0.9420	0.9561	0.9855	1.0071				
2020					0.9152	0.9285	0.9566	0.9771	0.9981			
2021						0.9407	0.9687	0.9890	1.0098	1.0176		
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%	80.37%
2018			69.02%	75.10%	74.94%	74.95%	75.98%				75.00%	79.01%
2019				74.86%	74.55%	74.41%	75.29%	79.06%			74.90%	79.12%
2020					72.43%	72.26%	73.08%	76.71%	73.87%		73.12%	77.47%
2021						73.21%	74.00%	77.64%	74.73%	72.50%	73.98%	78.38%

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	1,199,823	1,270,311
5. Operating Expenses as % of Earned Premium	10.82%	11.06%	11.1%	10.3%	9.8%	9.3%	8.8%	8.3%	7.9%	7.7%
6. Maintenance Expense Rate [(5) x 1/3]	3.61%	3.69%	3.71%	3.42%	3.25%	3.11%	2.95%	2.76%	2.64%	2.56%
Selected					3.46%	3.26%	3.10%	2.94%	2.78%	2.65%
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	582,743	606,084
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	371,506	396,972	421,766	446,722	470,260
11. Reinsurance PFAD					4	-	-	-	-	-
12. Maintenance Expense [a]					14,279	15,065	15,579	15,659	16,045	15,920
13. Internal Loss Adjustment Expense [Sheet 1, Row 11]					65,289	68,357	73,043	77,605	82,197	86,528
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)	3,286	12,774	13,987	27,619	23,203
16. Carried Deferred Policy Acquisition Expenses					29,692	27,695	29,622	31,481	34,149	35,551
17. Write Down Deferred Policy Acquisition Expenses [b]					29,692	24,409	16,849	17,494	6,530	12,348
Change					6,127	(5,283)	(7,560)	646	(10,965)	5,819
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 75% MCT with Management Action 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	(0)	(0)	(0)	(0)
Marketable Bonds	40,119	38,187	39,048	40,684	42,438
MUSH	28,780	27,837	26,767	25,625	24,404
Total	68,993	66,024	65,815	66,309	66,841
Dividend and other Income					
Canadian Equities	8,103	10,111	10,400	9,981	10,908
US Equities	3,149	3,878	4,008	3,829	4,171
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	15,681	18,772	19,244	18,699	20,039
Gains During Period - Profit & Loss					
Marketable Bonds Unrealized Gains/(Loss)	261	17,293	20,648	22,484	2,229
Marketable Bonds Realized Gains/(Loss)	(261)	3,237	(3,019)	1,958	(2,229)
Amortization on Marketable Bonds (Prem) / Discount	(6,573)	(8,276)	(9,995)	(12,393)	(13,718)
MUSH	-	-	-	-	-
Canadian Equities Realized Gains	26,949	8,618	6,445	1,522	2,273
US Equities Realized Gains	12,775	-	4,241	2,617	-
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	53,580	43,562	42,250	41,512	15,357
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	119,731	108,189	106,288	104,555	79,329
Total Basic Investment Income	101,827	92,208	90,653	88,438	66,391
% - Basic to Total Investment Income	85%	85%	85%	85%	84%
Equity Unrealized Gains/(Losses)					
Canadian Equities Unrealized Gains	11,953	(10,717)	(12,935)	(12,167)	11,887
US Equities Unrealized Gains	6,645	(4,818)	(5,817)	(5,445)	6,227
Total Corporate Unrealized Gains/(Losses)	18,598	(15,536)	(18,752)	(17,612)	18,114
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	-	-	-	-	-
Canadian Fixed Income	1,287.4	1,286.4	1,410.8	1,563.7	1,689.9
MUSH	638.7	631.4	621.9	611.1	598.4
Canadian Equities	284.6	343.5	323.1	315.9	366.7
US Equities	139.0	167.8	157.1	153.0	177.4
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	2,769.0	2,886.7	2,995.3	3,152.1	3,367.5
Total Basic Assets	2,402.4	2,514.1	2,581.5	2,685.5	2,841.7
Ending Rebalanced Allocations (%)					
Cash/Short Term Investments	0.0%	0.0%	0.0%	0.0%	0.0%
Canadian Fixed Income	46.5%	44.6%	47.1%	49.6%	50.2%
MUSH	23.1%	21.9%	20.8%	19.4%	17.8%
Canadian Equities	10.3%	11.9%	10.8%	10.0%	10.9%
US Equities	5.0%	5.8%	5.2%	4.9%	5.3%
Real Estate	10.5%	10.7%	10.9%	10.9%	10.7%
Infrastructure & Venture Capital	4.6%	5.2%	5.2%	5.3%	5.2%
Total Corporate	100.0%	100.0%	100.0%	100.0%	100.0%