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2019 GENERAL RATE APPLICATION
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Undertaking #1

To provide how much the yield rate on the Government of Canada 10-year bonds has changed over the period from February 2018 to September 2018 and show what changes to the claims discount rate occurred over that same period.

RESPONSE:

The Government of Canada 10 year bond yield increased by 19 bps from 2.24% as at February 28, 2018 to 2.43% as of September 30, 2018.

The new money yield used to discount future payments for the 2019/20 rating year increased by 19 bps from 3.21% (per Part V, Ratemaking, page 19) to 3.40%.