

June 18, 2018

**SENT BY EMAIL**

**Interveners of Past Record**  
(2018 General Rate Application)

**Re: Manitoba Public Insurance 2019/20 General Rate Application**

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### **Background**

The 2019/20 GRA of MPI was filed on Friday, June 15, 2018. Electronic copies are to be posted to the MPI website and MPI is to maintain and regularly update this website with a fully searchable version of the GRA.

### **Intervener Responsibilities**

The Board requests that past Interveners immediately collaborate and review the GRA when filed, so as to determine which of the issues set out in the Preliminary Issues List in Board Order 61/18 will be reviewed and tested by Interveners should they be granted status at the Pre-Hearing Conference. Interveners should be prepared to discuss these issues at the Pre-Hearing Conference. Following the Pre-Hearing Conference, the Board will approve the Final Issues List for the GRA in its Procedural Order.

Where more than one Intervener identifies the same issue to be addressed and tested in the GRA, the Board expects Interveners to work collaboratively, with one Intervener being identified as primarily responsible for that issue in terms of Information Requests, expert evidence, cross examination and closing submissions.

All Intervener Applications should therefore include the specific issues to be addressed by Interveners, and their proposed budgets.

### **Application Overview Workshop - June 22, 2018**

An Application Overview Workshop will take place on June 22, 2018 at 9:00 a.m. The Board expects that past and prospective Interveners will attend, having familiarized themselves and their consultants with the content of the GRA materials.

The Workshop will be used to discuss the Preliminary Issues List, identifying which issues are acknowledged by the Parties to be included within the scope of the Final Issues List for the GRA, identify which issues are acknowledged by the Parties to be out of scope, and identify any new issues proposed for inclusion in the Final Issues List. Disagreements as to scope should be noted and explained in the Applications for Intervener Status that are to be filed with the Board and Manitoba Public Insurance prior to the Pre-Hearing Conference. The Board intends to hear

from the Parties at the Pre-Hearing Conference and make a determination as to any variations from the Preliminary Issues to the Final Issues List, to be approved in the Board's Procedural Order following the Pre-Hearing Conference.

### **Minimum Filing Requirements**

The Board has prepared a list of Minimum Filing Requirements (MFRs) for MPI, a copy of which is attached, and which was previously circulated on May 7, 2018. The MFRs identify information that should be included in MPI's GRA filing, with a corresponding benefit of reducing Information Requests of MPI.

### **Pre-Hearing Conference - June 25, 2018 at 9:00 a.m.**

The traditional purposes of the Pre-Hearing Conference (PHC) include identifying Interveners, seeking collaborative efforts by Interveners on common issues, finalizing a Timetable and scheduling an oral public hearing. In addition, as in last year's GRA, the PHC for the 2019 GRA will include a pre-qualification process for any expert witnesses the Parties intend to call at the public hearings.

Prior to attending the PHC for this GRA, the Board expects (and will seek confirmation from Interveners) that they have reviewed Order 61/18 and the Preliminary Issues List. The Board also expects that prospective Interveners will meet prior to the PHC for the purpose of identifying issues of common and divergent interest, and for preparing proposals to be advanced at the PHC for efficiently presenting evidence and cross examinations.

Prior to the PHC, the Parties will have had an opportunity to meet at the Application Overview Workshop. Through this process, MPI is to determine which of those issues set out in the Preliminary Issues List should by consensus remain in, be removed from, or be added to the Final Issues List. MPI should also provide information as to any disagreements about whether or not certain issues should remain within scope. MPI is to circulate this information to all Parties as soon as possible following the conclusion of the Workshop. Parties may speak to any disputed issues at the PHC and expect adjudication by the Board in its Procedural Order.

Attached hereto is the Timetable proposed by MPI. Any Party proposing an alternative Timetable to the one attached hereto should provide copies to all Parties prior to the PHC, and address the matter at the PHC.

For purposes of planning the oral public hearing, all Parties at the PHC will be asked to estimate their hearing time required for direct evidence, cross examinations and closing submissions.

### **Information Request (IR) Format**

In an effort to make all IRs electronically searchable and to provide rationale for the question (or the refusal to fully answer the question - as the case may be), the Board has adopted a standardized format for IRs. This format has been used successfully since the 2016 GRA.

If MPI determines that it will not be fully answering an IR, it should immediately notify the Party making the request and attempt to resolve any dispute on an informal basis. If the dispute cannot be resolved informally, the Board will adjudicate the dispute. Please note that per the attached Timetable, Parties wishing to file any motions arising out of disputes related to First Round IRs must do so by August 7, 2018.

## Other Matters

Should any Party have additional matters to be addressed at this time, please contact the Board. Thank you for your anticipated cooperation in continuing to implement improvements in the regulatory process.

Yours truly,

*“Original Signed By:”*

Darren Christle  
Secretary/Executive Director

DC/aw

### Attachments:

1. Timetable
2. PUB Minimum Filing Requirements
3. Draft Information Request Format

cc: Mike Triggs and Steve Scarfone, MPI  
Kathleen McCandless, Board Counsel  
Roger Cathcart, Board Advisor  
Brian Pelly, Board Advisor

**MANITOBA PUBLIC INSURANCE  
2019 GENERAL RATE APPLICATION**

**PROPOSED TIMETABLE**

-DRAFT-

ITEM	Date	Day of the Week	Elapsed Working Days
1 Application Filed	June 15, 2018	Friday	<b>0</b>
2 Notice of Public hearing Published	June 16, 2018	Saturday	<b>0</b>
3 PUB Issues Workshop	June 22, 2018	Friday	<b>5</b>
Intervener Registration Deadline	June 22, 2018	Friday	<b>5</b>
4 Procedural Conference	June 25, 2018	Monday	<b>6</b>
5 PUB Procedural Order Issued	July 04, 2018	Wednesday	<b>13</b>
6 Round One Information Requests Filed	July 09, 2018	Monday	<b>15</b>
7 Round One Information Responses Filed	August 03, 2018	Friday	<b>34</b>
8 Parties to file motions on Round 1 IRs	August 07, 2018	Tuesday	<b>35</b>
9 Board to hear Motions	August 10, 2018	Friday	<b>38</b>
10 Round Two Information Requests Filed	August 17, 2018	Friday	<b>43</b>
11 Round Two Information Responses	September 14, 2018	Friday	<b>62</b>
12 Reminder Notice of Public Hearing Published	September 15, 2018	Saturday	<b>62</b>
13 Parties to file any motions	September 17, 2018	Monday	<b>63</b>
14 Board to hear all motions	September 19, 2018	Wednesday	<b>65</b>
15 Interveners to file pre-filed testimony to all parties	September 24, 2018	Monday	<b>68</b>
16 Information Requests on Intervener Evidence	September 27, 2018	Thursday	<b>71</b>
17 Interveners Information Responses	October 03, 2018	Wednesday	<b>75</b>
18 MPI Rebuttal Evidence	October 09, 2018	Tuesday	<b>78</b>
19 Oral Hearing			
	October 15 to 19	Monday to Friday	<b>5 days</b>
	October 22 to 26	Monday to Friday	<b>5 days</b>
<i>If Required</i>	<i>October 29 to Nov 2</i>	<i>Monday to Friday</i>	<b>5 days</b>
19 PUB Order Released	December 03, 2018	Monday	<b>117</b>

**PUB/MPI Minimum Filing Requirements ("MFRs") - 2019 GRA**

These MFRs build upon the MFRs issued in respect of the 2018 GRA, with the expectation that information should be provided in a similar format, if the MFR is otherwise unchanged. MFR items shown in gray font are **not** required for this GRA, but are preserved in the document to allow for possible changing areas of PUB focus in future GRAs.

Where older historical information is not directly comparable to more recent historical information due to changes in corporate organizational structure, accounting changes or other reasons, the information should still be provided but be annotated with any required explanations.

All of the information filed pursuant to these MFRs should be cross-referenced within a distinct section of the GRA.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<i>General</i>				
A.1	Value Proposition	5	Please advise of any enhanced value or benefits flowing to Manitobans from MPI aligned with the Corporate Strategic Plan (this information can be contained with the Costs Containment section of the GRA).	To assess the value received by Manitobans in exchange for payment of rates, and in particular any requested rate increase.
A.2	Cross Canada Rate Comparison	11	To the extent that the Corporation asserts that Manitoba has among the lowest vehicle and/or motorcycle rates in Canada, please provide a schedule reflecting the maximum, 75 <sup>th</sup> percentile, median, 25 <sup>th</sup> percentile and minimum rates underlying each representative rate cited in each jurisdiction relied upon.	To provide context for the Corporation's assertion regarding its rates compared with other jurisdictions.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b>General (continued)</b>				
A.3	Pro-Formas	4	Please provide all Pro-Forma statements separating the vehicle premiums from any RSR Rebuilding Fees, and separating out amounts relating to any premium deficiency reserves. Where necessary, expand the pro-forma statements to show the requested itemizations, showing \$0 as needed.	To clearly document the financial impact of RSR Rebuilding Fees and changes in rate level adequacy.
A.4	Financial Statement	9	Please file a link to the Audited Corporate Financial Statements.	To understand the full financial disclosure related to MPI's last fiscal year financial results.
A.5	Risk Assessment and Management	14	Risk Management Evaluation table in a similar format as that filed in response to Information Request (CAC) 2-38 in the 2017 GRA.	To understand the nature and significance of any changes in risk (Eg. Inherent risk assessments/ratings, risk management processes, responsibilities, and residual risks)

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b>Net Income</b>				
B.1	Quarterly Reports	9	Please file the Corporation's quarterly reports as available.	To assess the financial strength of MPI for rate setting purposes.
B.2	Financial Overview	4	Please file updated financial forecast comparisons for the most recently completed fiscal year and the current fiscal year with what was forecast at the last GRA, including detailed explanations of variances.	To assess budgeted v. actual financial information and updated budgets.
B.3	Pro-Formas	4	Please provide a complete set of restated Pro-Forma statements reflecting each of the following: a) As proposed but excluding any proposed rate level change; b) As proposed but excluding any proposed RSR Rebuilding Fee; c) As proposed but excluding both any proposed rate level change and any proposed RSR Rebuilding Fee.	To clearly document the separate financial impact of the proposed rate level change and the proposed RSR Rebuilding Fee.
B.4	Service Fees & Other Revenue	15	Please provide support for any proposed changes or for proposing no change.	To provide context for any decision to change or any decision to preserve the status quo.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<i>Investments</i>				
C.1	Investment Management	8	Please provide a description of all aspects of the investment functions of MPI's portfolio highlighting any recent changes.	To gain an understanding of the decision-making process and to assess MPI's investment income.
C.2	Equity Holdings & Impaired Investments	9	Please provide a schedule of the Corporation's equity investment holdings and impaired investments, both written off and currently held and including original book value, revised book value and current book value.	To understand the performance of MPI's investment portfolio and to assess MPI's investment income.
C.3	Investment Income Allocation	6	Please update the table of investment income allocation weightings including any changes in the basis of allocation among the lines of business, RSR and Pension.	To understand the basis of allocation of MPI investment income between Basic and other lines.
C.4	Actual v. Benchmark Returns	8	Please provide a comparison by asset class of actual returns with the annual expected return benchmarks set out in the Investment Policy Statement for the last five years.	To assess the Corporation's investment returns against its benchmarks.



No.	Topic	Preliminary Issues List	Information Request	Rationale
C.5	Investment Returns	4	<p>Please provide a 5-year comparison of the Corporation's total annual investment return rates with the corresponding annual return rates of:</p> <ul style="list-style-type: none"> <li>a) the Workers' Compensation Board,</li> <li>b) the Teachers' Retirement Allowances Fund,</li> <li>c) the Civil Service Superannuation Board of Manitoba</li> <li>d) Insurance Corporation of British Columbia, and</li> <li>e) Saskatchewan Auto Fund,</li> </ul> <p>and please provide commentary on any significant differences.</p>	To assess the Corporation's investment returns against its peers.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Basic Expenses</i></b>				
D.1	Benchmarking	4	Please file a complete trend analysis for Basic & the Corporation as a whole for the last five historical years through the outlook period, including all expenditures, showing compound annual growth rates separately for the historical period and for the outlook period.	To test and assess the reasonableness of Basic Expenses for rate setting purposes.
D.2	Benchmarking	4	Please provide a trend analysis since the inception of PIPP for the last five historical years through the outlook period, including growth in Claims Expenses, Operating Expenses, Claims Expenses per Claim and Operating Expenses per Policy relative to CPI.	To assess the growth of claims and operating expenses relative to inflation.
D.3	Benchmarking	4	Please provide an update of the performance indicators for the last five fiscal years through the outlook period. Please indicate all BI <sup>3</sup> Benchmarks and any other new indicators developed.	To assess changes in trends related to performance indicators and efficiency of operations for rate setting purposes.
D.4	Cost Allocation Methodology	6	Please advise of any changes in allocators, groupings of accounting units or purification adjustments used within MPI's Cost Allocation Methodology including any changes in the basis of allocation among the lines of business, RSR and Pension.	To understand any changes in the allocation of costs among the Corporation's lines of business.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b>Claims Costs</b>				
E.1	Claims Incurred	10	Please provide a breakdown of the number of individual claims and their severity by Major Class over dollar thresholds of \$100,000, \$250,000, \$500,000, \$1,000,000 and \$2,000,000 for each of the last ten years.	To understand the distribution of claims costs by severity.
E.2	PIPP Costs	10	Please provide a breakdown of PIPP costs by component coverage since the inception of PIPP, in both dollars and percentages.	To understand the distribution and change patterns of PIPP costs by component.
E.3	PIPP Claims	10	Please provide a table of frequencies and severities by type of claim, since the inception of PIPP through to the forecast for the current fiscal year.	To understand the nature of PIPP claims incurred.
E.4	Claims Forecasting	10	Please file a table for the last ten years showing original projected, revised forecast, and final actual frequencies/ severities/ claims incurred, broken down by coverage and for all coverages combined.	To provide context for discussion of claims forecasting accuracy and any evidence of systemic bias in such forecasts.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Operating &amp; Administrative Expenses</i></b>				
F.1	Operating Expenses	4	Please include the detail of the MPI operating expenses by category for the last five fiscal years through the outlook period, showing compound annual growth rates separately for the historical period and for the outlook period.	To test and assess the reasonableness of Operating Expenses for rate setting purposes.
F.2	Operating Expenses	4	Please provide schedule(s) by expense category for the last five fiscal years through the outlook period for Basic total operations, and Basic normal operations, showing compound annual growth rates separately for the historical period and for the outlook period.	To assess the historical trend and the reasonableness of Operating Expenses for rate setting purposes.
F.3	Operating Expenses	4	Please provide a summary of Basic expenses by category for the last two fiscal years and through the outlook period, broken down between Claims Expenses, Operating Expenses, Road Safety Expenses, Regulatory/Appeal Expenses and in total, and shown separately for Normal Operations, Improvement Initiatives and in total.	To review the trends and changes in Operating Expense categories to identify changes in cost allocation to Basic.
F.4	Expense Details	9	Please provide a detailed breakdown by cost category of actual Basic Claims, Operating and Road Safety expenses for the last five fiscal years.	To review the trends and changes in cost categories.
F.5	Capital Expenditures	9	Please provide a comparison between actual capital expenditures in the last fiscal year and that forecast at the last GRA and explain all material differences, including a breakdown of deferred development costs by project.	To assess budgeted v. actual financial information and updated budgets.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Operating &amp; Administrative Expenses (continued)</i></b>				
F.6	Deferred Development Costs	4	Please provide a continuity schedule of deferred development costs and amortization costs by project for the last ten fiscal years through the outlook period.	To assess the impact of deferred development costs and amortization costs for rate setting.
F.7	IT Expenses	19	Please provide a schedule detailing IT costs by major capital project for the last ten fiscal years through the outlook period, and identify internal v. external costs for the historical period and for the outlook period.	To assess the amount spent on information technology and the reasonableness of costs forecast for rate setting.
F.8	IT Expenses	19	Please provide Information Technology Costs broken down between Normal Operations, Initiative Implementation and Initiative Ongoing expenses, for the last five fiscal years and through the outlook period.	To assess the amount spent on information technology and the reasonableness of costs forecast for rate setting.
F.9	IT Expenses	19	Please provide number of consultants supporting operating activities, general operating activities, compared to the number of consultants that are supporting improvement initiatives and their related annual costs for the last five fiscal years and forecast through each year in the outlook period.	To assess the extent MPI's reliance on external consultants impact operations.
F.10	IT Expenses	19	Please provide IT expenses for the last ten fiscal years and through the outlook period, and include two columns providing the compound annual growth rate separately for the historical period and for the outlook period.	To assess the amount spent on information technology and the reasonableness of costs forecast for rate setting.

<b>No.</b>	<b>Topic</b>	<b>Preliminary Issues List</b>	<b>Information Request</b>	<b>Rationale</b>
F.11	Project Costs	9	Please provide a budget comparison of BTO/BPR projects by major component this year with the budget provided last year.	To provide context for amounts spent on IT projects and the relationship to revenue requirement.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Operating &amp; Administrative Expenses (continued)</i></b>				
F.12	Gartner Group Recommendations	9	Please provide an update detailing the status of all recommendations made by the Gartner Group, including any new recommendations, and highlight any changes in the recommendations or MPI's actions flowing from the recommendations from that provided last year.	To assess whether IT spending is just and reasonable.
F.13	Staffing Levels	9	Please file a corporate staffing analysis for Normal Operations.	To understand actual and forecast changes in staffing levels.
F.14	Staffing Levels	9	Provide a comparison of the prior GRAs staffing (Basic and Corporate) budget to actual staffing for the 2017/18 year.	To understand actual and forecast changes in staffing levels.
F.15	Staffing Levels	9	Please provide a schedule of Basic and Corporate Staffing Levels for the 2018/19 year.	To understand actual and forecast changes in staffing levels.
F.16	Compensation	4	Please file an updated schedule of Basic compensation increases by category for the last five fiscal years through the outlook period.	To assess whether any increases in compensation costs are just and reasonable.
F.17	Compensation	4	Please file an updated schedule of average salary levels by classification for the last ten fiscal years through the outlook period, showing compound annual growth rates separately for the historical period and the outlook period.	To assess whether any increases in salary levels are just and reasonable.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Operating &amp; Administrative Expenses (continued)</i></b>				
F.18	Salary Expenses	4	<p>Please file a table reflecting each of:</p> <ul style="list-style-type: none"> <li>a) Corporate Compensation Analysis - Normal Operations;</li> <li>b) Corporate Compensation/Payroll Costs - Normal Operations;</li> <li>c) Corporate Annual Compensation Changes - Normal Operations;</li> <li>d) Corporate Compensation Analysis - Corporate Total;</li> <li>e) Corporate Compensation/Payroll Costs - Corporate Total; and</li> <li>f) Corporate Annual Compensation Changes - Corporate Total.</li> </ul> <p>Please also file a similar analysis for Basic.</p>	To understand the changes in total compensation for the Corporation and its impact on Basic.



No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Road Safety &amp; Loss Prevention</i></b>				
G.1	Actual v. Budgeted Expenditures	22	Please provide a five year comparative history of actual v. budgeted expenditures by Road Safety and Loss Prevention program category.	To assess budgeted v. actual financial information.
G.2	Expense Forecast	22	Please provide a detailed forecast of Road Safety and Loss Prevention expenses by program through the outlook period.	To assess the amount spent on Road Safety.
G.3	Loss Prevention	9	Please provide a detailed Road Safety and Loss Prevention budget for the current year by specific program and compare that to actual spending for the last fiscal year.	To assess the amount spent and previously forecast to be spent on Road Safety.
G.4	Hot Maps	22	Please file updated Accident Maps.	To assess the Road Safety budget and expenditures in the context of collision frequency at specific locations.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Rate-making</i></b>				
H.1	Indicated and Proposed Rate Level Changes	2	<p>Please provide a table reflecting the indicated rate change by Major Class together with the applied for rate changes.</p> <p>Please prepare an exhibit, with accompanying explanatory narrative, illustrating the transition from rate requirement indicators to requested revenue adjustments by Major Class.</p>	To provide context for any differences between indicated and proposed rate level changes by Major Class.
H.2	Regressions	10	For all selected regressions included in the ratemaking analysis, please provide a <u>graphical</u> representation, including display of actual data and fitted and selected trend lines, accompanied by the customary regression diagnostics.	To provide context for visually and statistically assessing the strength of the selected regressions.
H.3	Significant Changes to Methodology or Basis of Selection of Assumptions	10	Relative to the prior GRA, please provide a summary, with supporting rationale, for any significant changes to methodology or significant changes to the basis of selection of assumptions used in the derivation of the indicated changes in rate level in accordance with accepted actuarial practice in Canada, both overall and at the classification level.	To clearly document any sources of change in the derivation of rate indications.
H.4	Composition of Overall Required Rate	2	Please provide a comparative table for the current GRA and most recent prior GRA of the estimated \$ composition of the Income Sources and Expenditures, with accompanying narrative on any significant deviations in a similar format as PUB (MPI) 1-10 from the last GRA.	To assess the stability of the rate setting forecasts.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Driver Safety Rating</i></b>				
I.1	Prospective Modeling Assumptions	17	<p>Please provide documentation of the DSR prospective modeling assumptions for each of the forecast years.</p> <p>Please display the forecasted number of Earned Drivers by DSR level for each of the forecast years.</p>	To provide context for assessing the revenue sensitivity of any changes to the DSR schedule.
I.2	Significant Changes to Methodology or Basis of Selection of Assumptions	17	Relative to the prior GRA, please provide a summary, with supporting rationale, for any significant changes to methodology or significant changes to the basis of selection of assumptions used in the derivation of the DSR indications.	To clearly document any sources of change in the derivation of indications.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>Valuation of Policy Liabilities</i></b>				
J.1	Runoff	12	In a single table, please provide the breakdown by insurance year and valuation line of business of the latest complete fiscal year Basic – Total (Net) – PIPP (undiscounted) runoff.	To document the financial impact of prior year claims activity on current fiscal year incurred claims.
J.2	Sources of Runoff	12	With respect to the latest complete fiscal year Basic – Total (Net) – PIPP (undiscounted) runoff, please provide a separation of the total amount of runoff into the portion attributable to changes in experience vs. the portion attributable to changes in valuation methodology vs. the portion attributable to changes in valuation assumptions, including commentary on the basis for this separation and the nature of and rationale for the changes.	To provide context for discussion of changes in valuation methodology or basis of selection of assumptions.
J.3	Regressions	10	For all selected regressions included in the valuation, please provide a <u>graphical</u> representation, including display of actual data and fitted and selected trend lines, accompanied by the customary regression diagnostics.	To provide context for visually and statistically assessing the strength of the selected regressions.
J.4	Actuarial Specialist Report	10	Please provide a copy of the actuarial specialist report on the Basic actuarial valuation prepared as audit evidence in support of the audit opinion provided by PricewaterhouseCoopers LLP for the latest audited financial statements.	To get the benefit of the review undertaken by the PwC actuarial specialist in support of the audit.

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>DCAT and Target Capital Scenarios</i></b>				
K.1	GRA Forecast vs. DCAT Base Scenario	7	Please identify and justify all significant differences in modeling assumptions between the GRA Basic forecast and the DCAT Base Scenario, and indicate which forecast represents the Corporation's best estimate projection of Basic operations.	To augment the GRA Basic forecast with any significant improvements to that forecast arising from the DCAT process.
K.2	DCAT External Peer Review	7	Please provide the latest available external peer review of a Basic DCAT investigation.	To get the full benefit of available perspectives on the strengths and weaknesses of the Basic DCAT investigation.
K.3	MCT Ratio	7	For all modeled scenarios (base or adverse), please include in the summary of scenario results the modeled MCT ratio based on OSFI's current MCT Guideline.	To provide context for consideration of the MCT ratio as a basis for assessing changes in MPI Basic's financial strength, given the Board's earlier expressed understanding of "the merits of the MCT for providing a relatively simple, convenient and objective metric of Basic's relative financial strength".

No.	Topic	Preliminary Issues List	Information Request	Rationale
<b><i>DCAT and Target Capital Scenarios (continued)</i></b>				
K.4	MCT Ratio	10	If there has been a change in the OSFI MCT Guideline being used relative to the prior GRA, please include supporting details for the impact of the resulting change in the MCT ratio calculation for each historical and forecast year included in the modeled base scenario.	To provide context for consideration of the MCT ratio as a basis for assessing changes in MPI Basic's financial strength, given the Board's earlier expressed understanding of "the merits of the MCT for providing a relatively simple, convenient and objective metric of Basic's relative financial strength".
K.5	Target Capital Scenario Testing	7	File the indicated upper and lower target capital thresholds based on the methodology approved by the Board in Order 130/17 Directives 11.20 & 11.21.	To update target capital thresholds for Basic.

<b>Volume:</b>		<b>Page No.:</b>	
<b>Topic:</b>			
<b>Subtopic:</b>			
<b>Issue:</b>			

**PREAMBLE TO IR (IF ANY):**

**QUESTION:**

**RATIONALE FOR QUESTION:**

**RESPONSE:**

**RATIONALE FOR REFUSAL TO FULLY ANSWER THE QUESTION:**