

October 23, 2019

**Undertaking #19**

MPI to advise at what point in a timeline the Corporation would believe that the new MCT becomes the MCT being referenced in the reserves regulation: When it is released in draft form, when it is released in final form, or when it becomes effective? And MPI to advise at what point in that timeline the Corporation would adopt the new MCT for purposes of its Capital Management Plan?

**RESPONSE:**

MPI financial reporting and the operation of the Capital Management Plan will be based on the latest version of the Minimum Capital Test (MCT) guidelines that are in effect at the time and reflected in the P&C Pro (Canadian Insurers) (P&C 1) Software which MPI uses for the calculation. For example, if the 2020 MCT Guideline came into effect January 1<sup>st</sup>, 2020 MPI would report its MCT using the 2020 MCT Guideline once incorporated into the P&C Pro software and thereafter and the 2019 MCT Guideline before that.