

PUB (MPI) Pre-Ask 1

Part and Chapter:		Page No.:	
PUB Approved Issue No:			
Topic:	MPI Exhibit #37		
Sub Topic:			

Preamble to IR:**Question:**

Please provide a summary of all changes in assumptions from the 2022 GRA that have resulted in the change in the overall required rate change from -2.82% to -1.16%.

Rationale for Question:**RESPONSE:**

The change in assumptions that have resulted in the change in overall required rate change from -2.82% to -1.16% include the following:

- Change in naïve discount rate from March 31, 2021 (of 2.46%) to August 31, 2021 (of 2.32%), which contributes to +0.3% increase in rates.
- Change in operating expenses (mainly data processing expenses) of approximately \$13 million per year over the rating period, which contributes to +1.2% increase in rates.
- Change in claims incurred costs, which contributes to +0.1% increase in rates.