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**Undertaking #38**

MPI to provide the spreadsheets underlying Figure RSR-APP-1-2, the Minimum Capital Test Basic capital required.

**RESPONSE:**

The spreadsheet calculations underlying Line 11 and Line 12 of Figure RSR App 1-2 are provided below. *Figures 1 and 2* show the MCT capital required on (unearned) premium liabilities and unpaid claims, respectively, as classified by OSFI. Please note that hail claims represent at the very most approximately 4% of unpaid claims in the Automobile – Other class.

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Undertaking #38 Transcript Page 1459**Figure 1 Capital Required for Minimum Capital Test - (Unearned) Premium Liabilities – Basic**

Line No.	Class of Insurance	Risk Factor	(Unearned) Premium Liabilities					Capital Required for (Unearned) Premium Liabilities				
			2021/22	2022/23	2023/24	2024/25	2025/26	2021/22	2022/23	2023/24	2024/25	2025/26
1	Automobile - Liability	15.0%	3,975	4,218	4,373	4,530	4,693	596	633	656	680	704
2	Automobile - Personal Accident	15.0%	135,364	143,637	148,900	154,253	159,791	20,305	21,546	22,335	23,138	23,969
3	Automobile - Other	20.0%	394,912	419,048	434,401	450,018	466,176	78,982	83,810	86,880	90,004	93,235
4	<b>Total</b>		<b>534,251</b>	<b>566,903</b>	<b>587,674</b>	<b>608,801</b>	<b>630,660</b>	<b>99,883</b>	<b>105,988</b>	<b>109,871</b>	<b>113,821</b>	<b>117,908</b>

**Figure 2 Capital Required for Minimum Capital Test - Unpaid Claims – Basic**

Line No.	Class of Insurance	Risk Factor	Unpaid Claims					Capital Required for Unpaid Claims				
			2021/22	2022/23	2023/24	2024/25	2025/26	2021/22	2022/23	2023/24	2024/25	2025/26
1	Automobile - Liability	10.0%	23,624	25,108	26,753	28,371	29,926	2,362	2,511	2,675	2,837	2,993
2	Automobile - Personal Accident	10.0%	1,946,716	2,028,276	2,110,637	2,192,646	2,276,282	194,672	202,828	211,064	219,265	227,628
3	Automobile - Other	15.0%	159,696	173,540	181,733	189,655	197,890	23,954	26,031	27,260	28,448	29,684
4	<b>Total</b>		<b>2,130,035</b>	<b>2,226,924</b>	<b>2,319,124</b>	<b>2,410,671</b>	<b>2,504,099</b>	<b>220,988</b>	<b>231,369</b>	<b>240,999</b>	<b>250,550</b>	<b>260,304</b>