

PUB (MPI) Pre-Ask 3

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PUB Approved Issue No:			
Topic:	MPI Exhibit #37 PF-5 and PF-6		
Sub Topic:			

Preamble to IR:

Question:

Please provide an explanation of the \$13.1 million decrease to net premiums written in 2021/22.

Rationale for Question:

RESPONSE:

MPI adjusted the 2021/22 Basic premiums written forecast due to an analysis of the actual Basic premium written for the period ending July 31, 2021. As of July 31, 2021, MPI was tracking approximately \$5M less than 2022 GRA forecast, due to an understatement of the impacts of the capital release. The initial 2022 GRA filing assumed capital release impacts after DSR discounts, whereas MPI is providing the capital release impacts to policyholders pre-DSR discount. MPI expects this to create an estimated \$15M understatement of Basic premiums written by 2021/22 fiscal-year end. Although an understatement, it should be noted that the result is beneficial for ratepayers, as it means that MPI now expects to provide more capital discounts.