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Undertaking #4

MPI to provide the explanation for the lower-than-forecast internal loss adjustment expenses found at line 9 on page 20 of MPI Exhibit Number 37.

RESPONSE:

The change in the Internal Loss Adjusted Expense (ILAE) represents a proportional adjustment in keeping with changes in IBNR and unpaid claims. In the rate update, MPI saw favourable claims experience in 2021/22 as compared to the 2022 GRA. Accordingly, when claims incurred decreased so too did the change in ILAE.