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Undertaking #11

MPI to ask the auditors what options are available if PUB were to order MPI to account for its version of the excess Extension surplus from Basic to the DVA line of business.

RESPONSE:

MPI external auditors advise that the only allowable treatment would be for MPI to transfer the excess retained earnings and offset this with a transfer of investments, prior to the final month of the fiscal year [ended March 31st, 2021/22] as a prior period adjustment with additional note disclosures for same.

This treatment is essentially the same as done previously by MPI to address transfers from Extension to the Basic line of business.