

MANITOBA PUBLIC INSURANCE

2022 GENERAL RATE APPLICATION
Round 1 Information Requests
August 17, 2021

Public Utilities Board (PUB)



MANITOBA
PUBLIC INSURANCE

PUB (MPI) 1-1

Part and Chapter:	Part VI Ratemaking	Page No.:	4
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts		
Topic:	Provisional Rate Request		
Sub Topic:			

Preamble to IR:

The rate MPI requests at the time of the filing of its Application is based on fiscal-year end results and uses the naïve interest rate forecast methodology as at March 31, 2021. *MPI has proposed that the rate request be updated and finalized based on an update of the interest rate forecast dated on September, 30 2021.*

Question:

- a) Please file in same format as MPI Exhibit 63 of the 2021 GRA the determination of the New Money Yield at March 31, 2021.
- b) As a sensitivity test, please provide the results of an alternate analysis of the Basic rate requirement (overall and by Major Use classification) which reflects market interest rates (including Provincial and Corporate bond movements) as of June 30, 2021. Please include alternate AAP rate indications, alternate Basic and Extension Pro-Formas, alternate application of the proposed Capital Management Plan, and alternate rate requirements, with supporting schedules as appropriate. Please include the estimated impact on the AOCI based on the estimated revaluation of the Pension obligation.
- c) Please provide the supporting calculation for the determination of the discount rate used in (b) in same format as part (a).

d) Please provide the source documents supporting the various interest and discount rate determination.

Rationale for Question:

To monitor the impact on the rate requirements from changing market interest rates.

RESPONSE:

a) Calculation of the New Money Yield at March 31, 2021.

Basic Claims Discount Rate and New Money Yield at March 31, 2021

1	Percentage Allocations	
2	Government Bonds	52%
3	Corporate Bonds	24%
4	Yield To Maturity	
5	Government Bonds	2.24%
6	Corporate Bonds	3.06%
7	New Money Yield Calculation	
8	Percentage Allocations	
9	Government Bonds	68.31%
10	Corporate Bonds	31.69%
11	Yield To Maturity	
12	Government Bonds	2.24%
13	Corporate Bonds	3.06%
14	New Money Yield	2.50%

b), c), and d) MPI will provide the results of a final rate requirement reflecting latest market interest rates on October 1, based on July 31 actuals and August 31 interest rates. MPI will also include in the rate update figures INV-5 and INV-18.

Please refer to PUB (MPI) 1-6 for a sensitivity test of market interest rates on the overall rate requirement, which includes alternate AAP rate indications, alternate Basic and Extension Pro-Formas, alternate application of the proposed Capital Management Plan, and alternate rate requirements, with supporting schedules as appropriate.

PUB (MPI) 1-2

Part and Chapter:	Part VI Ratemaking	Page No.:	
PUB Approved Issue No:	1. Requested vehicle rate and any changes to other fees and discounts.		
Topic:	Rate changes		
Sub Topic:			

Preamble to IR:

The rate changes that will be experienced by the ratepayer will be the combination of the proposed rate decrease as well as the removal of the capital release provision. All of the ratemaking indicated changes do not reflect the impact of the removal of the capital release provision.

Question:

For each Figure in the Ratemaking section, please provide an alternative version which compares the current rate including the capital release provision (i.e. about 5% lower than the current average rate shown) to the proposed rates. Figures would include RM-1, RM-13, RM-14, RM-15, RM-16, RM-17, RM-18, RM-19, and RM-20. MPI can determine the appropriate labeling to avoid any confusion.

Rationale for Question:

To understand the rate change that customers will experience, including the impact of the proposed removal of the capital release provision.

RESPONSE:

MPI provided the aforementioned figures based on a comparison of current rates (2021/22) to the required rates (2022/23). MPI believes the 2.8% overall rate

decrease (from 2021/22) accurately reflects the rate requirement for the 2022/23 policy year.

The premiums paid by policyholders in 2021/22 have two distinct parts:

- 2021/22 rates, which includes a 3.8% overall required rate decrease from 2020/21 rates; and
- A capital release of 5.0%, which MPI applied as a uniform 5.2% reduction on all 2021/22 rates.

As MPI communicated throughout the 2021 GRA process, the 5.0% capital release only applied for 2021/22. Each year, MPI calculates the required capital release (or build) provision pursuant to its Capital Management Plan (CMP). In other words, any capital release (or build) provision applied in a given year resets to 0% for the following year and MPI must apply a revised release/build provision, if applicable, using its CMP.

MPI included this same message in the renewal notices of its policyholders and clearly separated the 2021/22 rates from the 2021/22 capital release in the renewal notice.. It compared the 2021/22 rates (without the capital release) to the 2020/21 rates, and showed the capital release separately and as a recognized discount.

MPI appreciates that the average policyholder will see an increase in their premiums paid for 2022/23 as a result of the removal of the 2021/22 capital release. However, this is not the same as an overall required rate increase, which MPI would inaccurately show if it provided revised figures RM-1, RM-13, RM-14, RM-15 and RM-18 as per this request.

Notwithstanding these concerns, MPI submits updated figures RM-16, RM-17, RM-19 (Appendix 1), and RM-20 (Appendix 2), to show the distribution of vehicles by dollar and percent changes. MPI based these distributions on the 2021/22 rates (including the capital release) as opposed to the 2022/23 rates.

Figure 1 RM-16 Dollar Distribution Table

Line No.	<u>\$ Change</u>	<u># of Vehicles</u>	<u>% of Vehicles</u>
1	Decrease \$300 or more	2	0.0%
2	Decrease \$200 to \$299	35	0.0%
3	Decrease \$150 to \$199	241	0.0%
4	Decrease \$100 to \$149	11,241	0.9%
5	Decrease \$50 to \$99	82,227	6.9%
6	Decrease \$20 to \$49	113,562	9.5%
7	Decrease \$1 to \$19	328,685	27.6%
8	No Change	26,707	2.2%
9	Increase \$1 to \$19	163,273	13.7%
10	Increase \$20 to \$49	160,312	13.5%
11	Increase \$50 to \$99	154,319	13.0%
12	Increase \$100 to \$149	79,432	6.7%
13	Increase \$150 to \$199	50,580	4.3%
14	Increase \$200 to \$299	18,124	1.5%
15	Increase \$300 or more	1,941	0.2%
16	GRAND TOTAL	1,190,681	100%

Figure 2 Percent Distribution Table

Line No.	<u>% Change</u>	<u># of Vehicles</u>	<u>% of Vehicles</u>
1	Decrease 20% or more	1	0.0%
2	Decrease 15% to 20%	1,719	0.1%
3	Decrease 10% to 15%	166,356	14.0%
4	Decrease 5% to 10%	132,140	11.1%
5	Decrease less than 5%	235,777	19.8%
6	(No Change)	26,707	2.2%
7	Increase less than 5%	290,731	24.4%
8	Increase 5% to 10%	231,788	19.5%
9	Increase 10% to 15%	101,954	8.6%
10	Increase 15% to 20%	2,605	0.2%
11	Increase 20% or more	903	0.1%
12	GRAND TOTAL	1,190,681	100%

Figure RM- 19 DOLLAR DISTRIBUTION - ALL CLASSIFICATION AND RATE ADJUSTMENTS

	All Vehicles - 2022			Private Passenger Vehicles - 2022			Commercial Vehicles - 2022			Public Vehicles - 2022		
	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles
Decreasing												
\$300 or more	2	0.00	0.00	0	0.00	0.00	2	0.00	0.00	0	0.00	0.00
\$250 to \$300	24	0.00	0.00	1	0.00	0.00	23	0.05	0.05	0	0.00	0.00
\$200 to \$250	11	0.00	0.00	5	0.00	0.00	6	0.01	0.07	0	0.00	0.00
\$150 to \$200	241	0.02	0.02	183	0.02	0.02	50	0.11	0.17	6	0.05	0.05
\$100 to \$150	11,241	0.94	0.97	10,757	1.30	1.33	462	0.98	1.16	8	0.07	0.13
\$90 to \$100	7,403	0.62	1.59	7,315	0.89	2.21	63	0.13	1.29	2	0.02	0.15
\$80 to \$90	11,382	0.96	2.55	11,076	1.34	3.56	270	0.58	1.87	14	0.13	0.27
\$70 to \$80	16,137	1.36	3.90	15,978	1.94	5.50	128	0.27	2.14	9	0.08	0.35
\$60 to \$70	21,960	1.84	5.74	21,822	2.65	8.14	58	0.12	2.26	43	0.39	0.75
\$50 to \$60	25,345	2.13	7.87	24,360	2.95	11.10	713	1.52	3.78	3	0.03	0.77
\$40 to \$50	35,038	2.94	10.82	34,624	4.20	15.30	137	0.29	4.07	31	0.28	1.06
\$30 to \$40	35,088	2.95	13.76	34,068	4.13	19.43	235	0.50	4.57	23	0.21	1.26
\$20 to \$30	43,436	3.65	17.41	41,202	5.00	24.43	1,520	3.24	7.81	15	0.14	1.40
\$10 to \$20	50,642	4.25	21.66	48,046	5.83	30.25	1,361	2.90	10.71	22	0.20	1.60
\$1 to \$10	278,043	23.35	45.02	52,904	6.42	36.67	2,441	5.20	15.91	87	0.79	2.39
Total Decreasing	535,993	45.02		302,341	36.67		7,469	15.91		263	2.39	
No change	26,707	2.24	47.26	3,850	0.47	37.14	313	0.67	16.58	7	0.06	2.46
Increasing												
\$1 to \$10	99,539	8.36	55.62	54,687	6.63	43.77	925	1.97	18.55	80	0.73	3.18
\$10 to \$20	63,734	5.35	60.97	55,444	6.72	50.49	3,011	6.41	24.96	170	1.55	4.73
\$20 to \$30	68,462	5.75	66.72	61,182	7.42	57.91	4,200	8.95	33.90	469	4.27	9.00
\$30 to \$40	59,115	4.96	71.69	43,748	5.31	63.22	14,056	29.94	63.84	412	3.75	12.74
\$40 to \$50	32,735	2.75	74.44	29,432	3.57	66.79	1,148	2.45	66.29	464	4.22	16.96
Decrease or less than \$50	886,285	74.44		550,684	66.79		31,122	66.29		1,865	16.96	
\$50 to \$60	42,083	3.53	77.97	35,513	4.31	71.10	3,477	7.41	73.69	1,127	10.25	27.21
\$60 to \$70	35,243	2.96	80.93	32,300	3.92	75.01	2,446	5.21	78.90	172	1.56	28.78
\$70 to \$80	32,964	2.77	83.70	29,709	3.60	78.62	2,487	5.30	84.20	461	4.19	32.97
\$80 to \$90	23,311	1.96	85.66	20,214	2.45	81.07	2,026	4.32	88.52	172	1.56	34.54
\$90 to \$100	20,718	1.74	87.40	19,473	2.36	83.43	339	0.72	89.24	467	4.25	38.78
Decrease or less than \$100	1,040,604	87.40		687,893	83.43		41,897	89.24		4,264	38.78	
\$100 to \$150	79,432	6.67	94.07	73,414	8.90	92.33	4,157	8.85	98.09	757	6.89	45.67
\$150 to \$200	50,580	4.25	98.31	48,344	5.86	98.20	686	1.46	99.55	1,007	9.16	54.83
Decrease or less than \$200	1,170,616	98.31		809,651	98.20		46,740	99.55		6,028	54.83	
\$200 to \$250	15,993	1.34	99.66	13,603	1.65	99.85	156	0.33	99.88	2,212	20.12	74.95
\$250 to \$300	2,131	0.18	99.84	305	0.04	99.88	45	0.10	99.98	1,779	16.18	91.13
Decrease or less than \$300	1,188,740	99.84		823,559	99.88		46,941	99.98		10,019	91.13	
\$300 or more	1,941	0.16	100.00	953	0.12	100.00	9	0.02	100.00	975	8.87	100.00
Total Increasing	627,981	52.74		518,321	62.86		39,168	83.42		10,724	97.54	
Grand Total	1,190,681	100.00		824,512	100.00		46,950	100.00		10,994	100.00	

Figure RM- 19 DOLLAR DISTRIBUTION - ALL CLASSIFICATION AND RATE ADJUSTMENTS

	Motorcycles - 2022			Trailers - 2022			Off-Road Vehicles - 2022		
	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles
Decreasing									
\$300 or more	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
\$250 to \$300	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
\$200 to \$250	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
\$150 to \$200	2	0.01	0.01	0	0.00	0.00	0	0.00	0.00
\$100 to \$150	14	0.08	0.09	0	0.00	0.00	0	0.00	0.00
\$90 to \$100	23	0.13	0.22	0	0.00	0.00	0	0.00	0.00
\$80 to \$90	22	0.12	0.34	0	0.00	0.00	0	0.00	0.00
\$70 to \$80	22	0.12	0.46	0	0.00	0.00	0	0.00	0.00
\$60 to \$70	37	0.20	0.66	0	0.00	0.00	0	0.00	0.00
\$50 to \$60	269	1.49	2.15	0	0.00	0.00	0	0.00	0.00
\$40 to \$50	246	1.36	3.51	0	0.00	0.00	0	0.00	0.00
\$30 to \$40	762	4.21	7.73	0	0.00	0.00	0	0.00	0.00
\$20 to \$30	699	3.87	11.59	0	0.00	0.00	0	0.00	0.00
\$10 to \$20	1,213	6.71	18.30	0	0.00	0.00	0	0.00	0.00
\$1 to \$10	1,821	10.07	28.37	145,016	67.65	67.65	75,774	100.00	100.00
Total Decreasing	5,130	28.37		145,016	67.65		75,774	100.00	
No change	189	1.05	29.42	22,348	10.42	78.07	0	0.00	100.00
Increasing									
\$1 to \$10	1,423	7.87	37.29	42,424	19.79	97.86	0	0.00	100.00
\$10 to \$20	1,533	8.48	45.77	3,576	1.67	99.53	0	0.00	100.00
\$20 to \$30	1,604	8.87	54.64	1,007	0.47	100.00	0	0.00	100.00
\$30 to \$40	899	4.97	59.61	0	0.00	100.00	0	0.00	100.00
\$40 to \$50	1,691	9.35	68.97	0	0.00	100.00	0	0.00	100.00
Decrease or less than \$50	12,469	68.97		214,371	100.00		75,774	100.00	
\$50 to \$60	1,966	10.87	79.84	0	0.00	100.00	0	0.00	100.00
\$60 to \$70	325	1.80	81.64	0	0.00	100.00	0	0.00	100.00
\$70 to \$80	307	1.70	83.34	0	0.00	100.00	0	0.00	100.00
\$80 to \$90	899	4.97	88.31	0	0.00	100.00	0	0.00	100.00
\$90 to \$100	439	2.43	90.74	0	0.00	100.00	0	0.00	100.00
Decrease or less than \$100	16,405	90.74		214,371	100.00		75,774	100.00	
\$100 to \$150	1,104	6.11	96.84	0	0.00	100.00	0	0.00	100.00
\$150 to \$200	543	3.00	99.85	0	0.00	100.00	0	0.00	100.00
Decrease or less than \$200	18,052	99.85		214,371	100.00		75,774	100.00	
\$200 to \$250	22	0.12	99.97	0	0.00	100.00	0	0.00	100.00
\$250 to \$300	2	0.01	99.98	0	0.00	100.00	0	0.00	100.00
Decrease or less than \$300	18,076	99.98		214,371	100.00		75,774	100.00	
\$300 or more	4	0.02	100.00	0	0.00	100.00	0	0.00	100.00
Total Increasing	12,761	70.58		47,007	21.93		0	0.00	
Grand Total	18,080	100.00		214,371	100.00		75,774	100.00	

Figure RM- 20 DOLLAR DISTRIBUTION - ALL CLASSIFICATION AND RATE ADJUSTMENTS

	All Vehicles - 2022			Private Passenger Vehicles - 2022			Commercial Vehicles - 2022			Public Vehicles - 2022		
	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles
Decreasing												
20% or more	1	0.00	0.00	1	0.00	0.00	0	0.00	0.00	0	0.00	0.00
19 to 20%	1	0.00	0.00	0	0.00	0.00	1	0.03	0.03	0	0.00	0.00
18 to 19%	15	0.00	0.00	1	0.00	0.00	14	0.03	0.03	0	0.00	0.00
17 to 18%	47	0.00	0.01	39	0.00	0.00	8	0.02	0.05	0	0.00	0.00
16 to 17%	603	0.05	0.06	560	0.07	0.07	43	0.09	0.14	0	0.00	0.00
15 to 16%	1,053	0.09	0.14	804	0.10	0.17	249	0.53	0.67	0	0.00	0.00
14 to 15%	144,879	12.17	12.31	774	0.09	0.26	198	0.42	1.09	0	0.00	0.00
13 to 14%	3,953	0.33	12.64	3,883	0.47	0.74	70	0.15	1.24	0	0.00	0.00
12 to 13%	4,205	0.35	13.00	4,132	0.50	1.24	73	0.16	1.40	0	0.00	0.00
11 to 12%	4,722	0.40	13.39	4,043	0.49	1.73	677	1.44	2.84	0	0.00	0.00
10 to 11%	8,597	0.72	14.12	8,531	1.03	2.76	58	0.12	2.96	1	0.01	0.01
9 to 10%	12,761	1.07	15.19	12,706	1.54	4.30	33	0.07	3.03	2	0.02	0.03
8 to 9%	10,022	0.84	16.03	9,912	1.20	5.50	38	0.08	3.11	5	0.05	0.07
7 to 8%	45,840	3.85	19.88	20,512	2.49	7.99	50	0.11	3.22	3	0.03	0.10
6 to 7%	20,824	1.75	21.63	20,498	2.49	10.48	77	0.16	3.38	7	0.06	0.16
5 to 6%	42,693	3.59	25.21	20,237	2.45	12.93	80	0.17	3.55	8	0.07	0.24
4 to 5%	44,456	3.73	28.95	33,760	4.09	17.03	168	0.36	3.91	3	0.03	0.26
3 to 4%	36,407	3.06	32.01	32,435	3.93	20.96	244	0.52	4.43	35	0.32	0.58
2 to 3%	42,752	3.59	35.60	34,679	4.21	25.17	1,350	2.88	7.31	77	0.70	1.28
1 to 2%	53,270	4.47	40.07	45,816	5.56	30.72	1,694	3.61	10.92	29	0.26	1.55
0 to 1%	58,892	4.95	45.02	49,018	5.95	36.67	2,344	4.99	15.91	93	0.85	2.39
Total Decreasing	535,993	45.02		302,341	36.67		7,469	15.91	16.58	263	2.39	
No change	26,707	2.24	47.26	3,850	0.47	37.14	313	0.67		7	0.06	2.46
Increasing												
0 to 1%	53,947	4.53	51.79	50,452	6.12	43.26	1,140	2.43	19.00	116	1.06	3.51
1 to 2%	60,611	5.09	56.88	57,845	7.02	50.27	785	1.67	20.68	71	0.65	4.16
2 to 3%	63,523	5.34	62.21	56,707	6.88	57.15	2,577	5.49	26.16	291	2.65	6.80
3 to 4%	50,186	4.21	66.43	44,606	5.41	62.56	1,419	3.02	29.19	546	4.97	11.77
4 to 5%	62,464	5.25	71.68	55,918	6.78	69.34	2,179	4.64	33.83	505	4.59	16.36
Decrease or less than + 5%	853,431	71.68		571,719	69.34		15,882	33.83		1,799	16.36	
5 to 6%	55,261	4.64	76.32	49,329	5.98	75.32	2,700	5.75	39.58	662	6.02	22.38
6 to 7%	47,093	3.96	80.27	37,335	4.53	79.85	7,185	15.30	54.88	483	4.39	26.78
7 to 8%	49,758	4.18	84.45	44,862	5.44	85.29	3,682	7.84	62.72	454	4.13	30.91
8 to 9%	52,818	4.44	88.89	38,823	4.71	90.00	12,838	27.34	90.07	414	3.77	34.67
9 to 10%	26,858	2.26	91.14	22,810	2.77	92.77	1,083	2.31	92.37	2,271	20.66	55.33
Decrease or less than +10%	1,085,219	91.14		764,878	92.77		43,370	92.37		6,083	55.33	
10 to 11%	27,529	2.31	93.45	24,349	2.95	95.72	504	1.07	93.45	2,118	19.27	74.60
11 to 12%	14,788	1.24	94.70	13,947	1.69	97.41	91	0.19	93.64	381	3.47	78.06
12 to 13%	14,089	1.18	95.88	10,634	1.29	98.70	1,955	4.16	97.81	1,087	9.89	87.95
13 to 14%	7,210	0.61	96.49	5,758	0.70	99.40	672	1.43	99.24	324	2.95	90.90
14 to 15%	38,338	3.22	99.71	2,202	0.27	99.67	223	0.47	99.71	385	3.50	94.40
Decrease or less than +15%	1,187,173	99.71		821,768	99.67		46,815	99.71		10,378	94.40	
15 to 16%	1,127	0.09	99.80	965	0.12	99.78	42	0.09	99.80	112	1.02	95.42
16 to 17%	652	0.05	99.85	462	0.06	99.84	64	0.14	99.94	124	1.13	96.54
17 to 18%	616	0.05	99.91	487	0.06	99.90	9	0.02	99.96	119	1.08	97.63
18 to 19%	96	0.01	99.91	48	0.01	99.91	6	0.01	99.97	40	0.36	97.99
19 to 20%	114	0.01	99.92	51	0.01	99.91	2	0.00	99.97	61	0.55	98.54
Decrease or less than +20%	1,189,778	99.92		823,781	99.91		46,938	99.97		10,834	98.54	
20% or more	903	0.08	100.00	731	0.09	100.00	12	0.03	100.00	160	1.46	100.00
Total Increasing	627,981	52.74		518,321	62.86		39,168	83.42		10,724	97.54	
Grand Total	1,190,681	100.00		824,512	100.00		46,950	100.00		10,994	100.00	

Figure RM- 20 PERCENT DISTRIBUTION - ALL CLASSIFICATION AND RATE ADJUSTMENTS

	Motorcycles - 2022			Trailers - 2022			Off-Road Vehicles - 2022		
	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles	# of Vehicles	% of Vehicles	Cumulative % of Vehicles
Decreasing									
20% or more	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
19 to 20%	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
18 to 19%	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
17 to 18%	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
16 to 17%	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
15 to 16%	0	0.00	0.00	0	0.00	0.00	0	0.00	0.00
14 to 15%	0	0.00	0.00	68,133	31.78	31.78	75,774	100.00	100.00
13 to 14%	0	0.00	0.00	0	0.00	31.78	0	0.00	100.00
12 to 13%	0	0.00	0.00	0	0.00	31.78	0	0.00	100.00
11 to 12%	2	0.01	0.01	0	0.00	31.78	0	0.00	100.00
10 to 11%	7	0.04	0.05	0	0.00	31.78	0	0.00	100.00
9 to 10%	20	0.11	0.16	0	0.00	31.78	0	0.00	100.00
8 to 9%	67	0.37	0.53	0	0.00	31.78	0	0.00	100.00
7 to 8%	117	0.65	1.18	25,158	11.74	43.52	0	0.00	100.00
6 to 7%	242	1.34	2.52	0	0.00	43.52	0	0.00	100.00
5 to 6%	150	0.83	3.35	22,218	10.36	53.88	0	0.00	100.00
4 to 5%	593	3.28	6.63	9,932	4.63	58.52	0	0.00	100.00
3 to 4%	844	4.67	11.29	2,849	1.33	59.84	0	0.00	100.00
2 to 3%	650	3.60	14.89	5,996	2.80	62.64	0	0.00	100.00
1 to 2%	1,222	6.76	21.65	4,509	2.10	64.75	0	0.00	100.00
0 to 1%	1,216	6.73	28.37	6,221	2.90	67.65	0	0.00	100.00
Total Decreasing	5,130	28.37		145,016	67.65		75,774	100.00	
No change	189	1.05	29.42	22,348	10.42	78.07	0	0.00	100.00
Increasing									
0 to 1%	733	4.05	33.47	1,506	0.70	78.77	0	0.00	100.00
1 to 2%	961	5.32	38.79	949	0.44	79.22	0	0.00	100.00
2 to 3%	1,628	9.00	47.79	2,320	1.08	80.30	0	0.00	100.00
3 to 4%	1,080	5.97	53.77	2,535	1.18	81.48	0	0.00	100.00
4 to 5%	1,540	8.52	62.28	2,322	1.08	82.57	0	0.00	100.00
Decrease or less than + 5%	11,261	62.28		176,996	82.57		75,774	100.00	
5 to 6%	1,354	7.49	69.77	1,216	0.57	83.13	0	0.00	100.00
6 to 7%	1,879	10.39	80.17	211	0.10	83.23	0	0.00	100.00
7 to 8%	553	3.06	83.22	207	0.10	83.33	0	0.00	100.00
8 to 9%	508	2.81	86.03	235	0.11	83.44	0	0.00	100.00
9 to 10%	694	3.84	89.87	0	0.00	83.44	0	0.00	100.00
Decrease or less than +10%	16,249	89.87		178,865	83.44		75,774	100.00	
10 to 11%	558	3.09	92.96	0	0.00	83.44	0	0.00	100.00
11 to 12%	369	2.04	95.00	0	0.00	83.44	0	0.00	100.00
12 to 13%	413	2.28	97.28	0	0.00	83.44	0	0.00	100.00
13 to 14%	456	2.52	99.81	0	0.00	83.44	0	0.00	100.00
14 to 15%	22	0.12	99.93	35,506	16.56	100.00	0	0.00	100.00
Decrease or less than +15%	18,067	99.93		214,371	100.00		75,774	100.00	
15 to 16%	8	0.04	99.97	0	0.00	100.00	0	0.00	100.00
16 to 17%	2	0.01	99.98	0	0.00	100.00	0	0.00	100.00
17 to 18%	1	0.01	99.99	0	0.00	100.00	0	0.00	100.00
18 to 19%	2	0.01	100.00	0	0.00	100.00	0	0.00	100.00
19 to 20%	0	0.00	100.00	0	0.00	100.00	0	0.00	100.00
Decrease or less than +20%	18,080	100.00		214,371	100.00		75,774	100.00	
20% or more	0	0.00	100.00	0	0.00	100.00	0	0.00	100.00
Total Increasing	12,761	70.58		47,007	21.93		0	0.00	
Grand Total	18,080	100.00		214,371	100.00		75,774	100.00	

PUB (MPI) 1-3

Part and Chapter:	Part I - OV	Page No.:	
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts 7. Capital management plan 9. Cost of Operations and Cost Containment Measures 10. Current IT Strategic Pan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Financial Overview		
Sub Topic:			

Preamble to IR:**Question:**

Please file the Corporation's Board of Directors and Audit Committee meeting minutes that relate to:

- a) Asset Liability Management/Investment Strategy;
- b) IT Optimization/Project Nova/BTO Projects;
- c) IT Project Impairment;
- d) RSR or Total Equity Targets/FCT;
- e) Capital Build and Release provisions;
- f) Capital Management Plan;
- g) Special Rebate Application;
- h) All major contracts that impact operational costs;
- i) Approval of the 2022 GRA;
- j) Approval of Extension Profit Margin for 2022/23;
- k) Transfer of Extension Retained Earnings;
- l) Risk Management; and
- m) DSR Changes.

Rationale for Question:

In order to understand the Corporation's decisions that affect Basic.

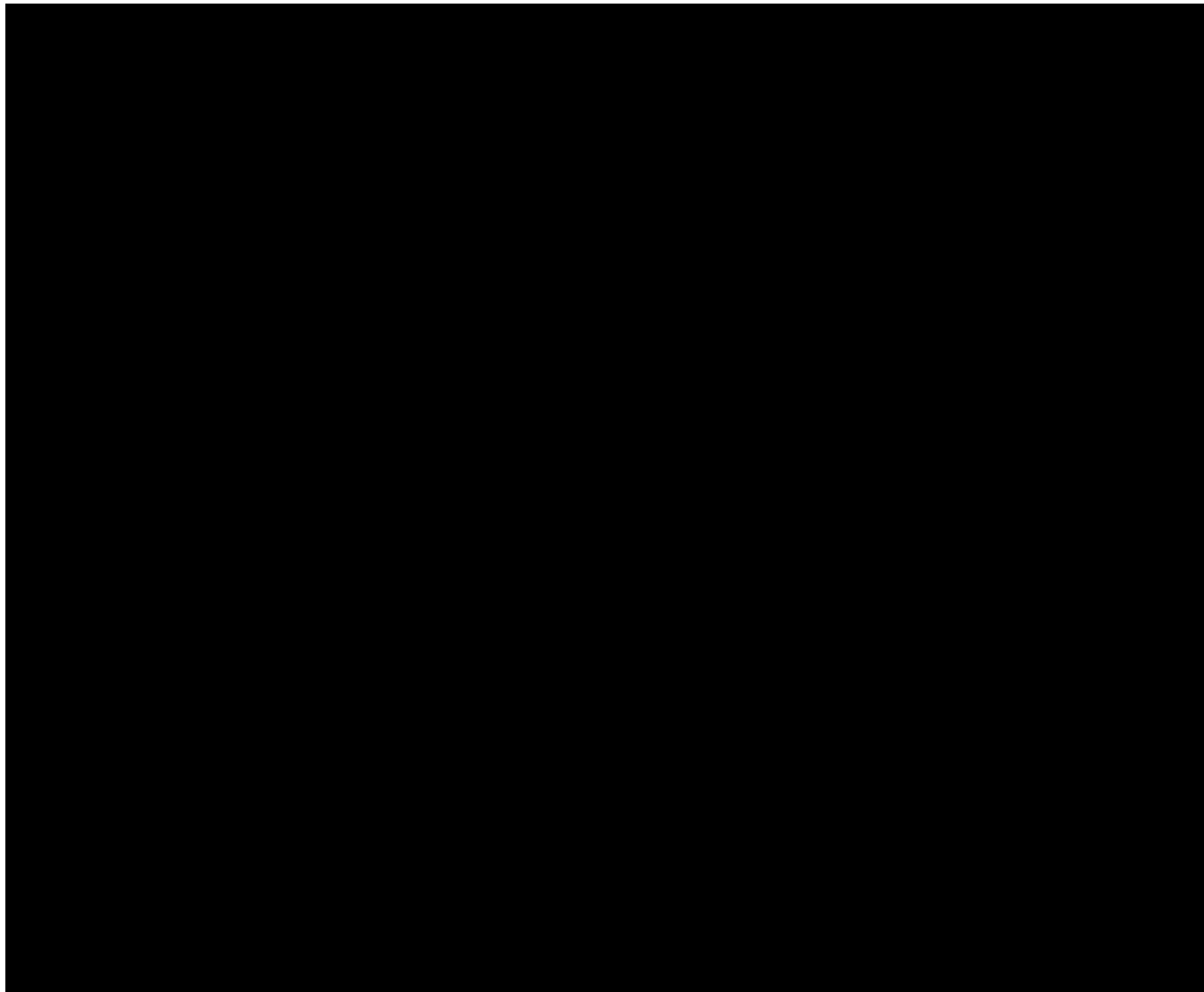
RESPONSE:

Please refer to *Appendix 1*.

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Date: September 25, 2020

Page: 2 of 4



**Project Nova:
Vendor
Procurement
Update**

Mr. Alex Ramirez presented Agenda Item C.1 “Project Nova: Vendor Procurement Update”. Following discussion, Members received the report as information.

Mr. Munroe withdrew from the meeting.

**Project Nova:
Business Case &
Project Update**

Mr. Remillard presented Agenda Item C.2 “Project Nova: Business Case & Project Update”. Following discussion, Members received the report as information.

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Date: September 25, 2020

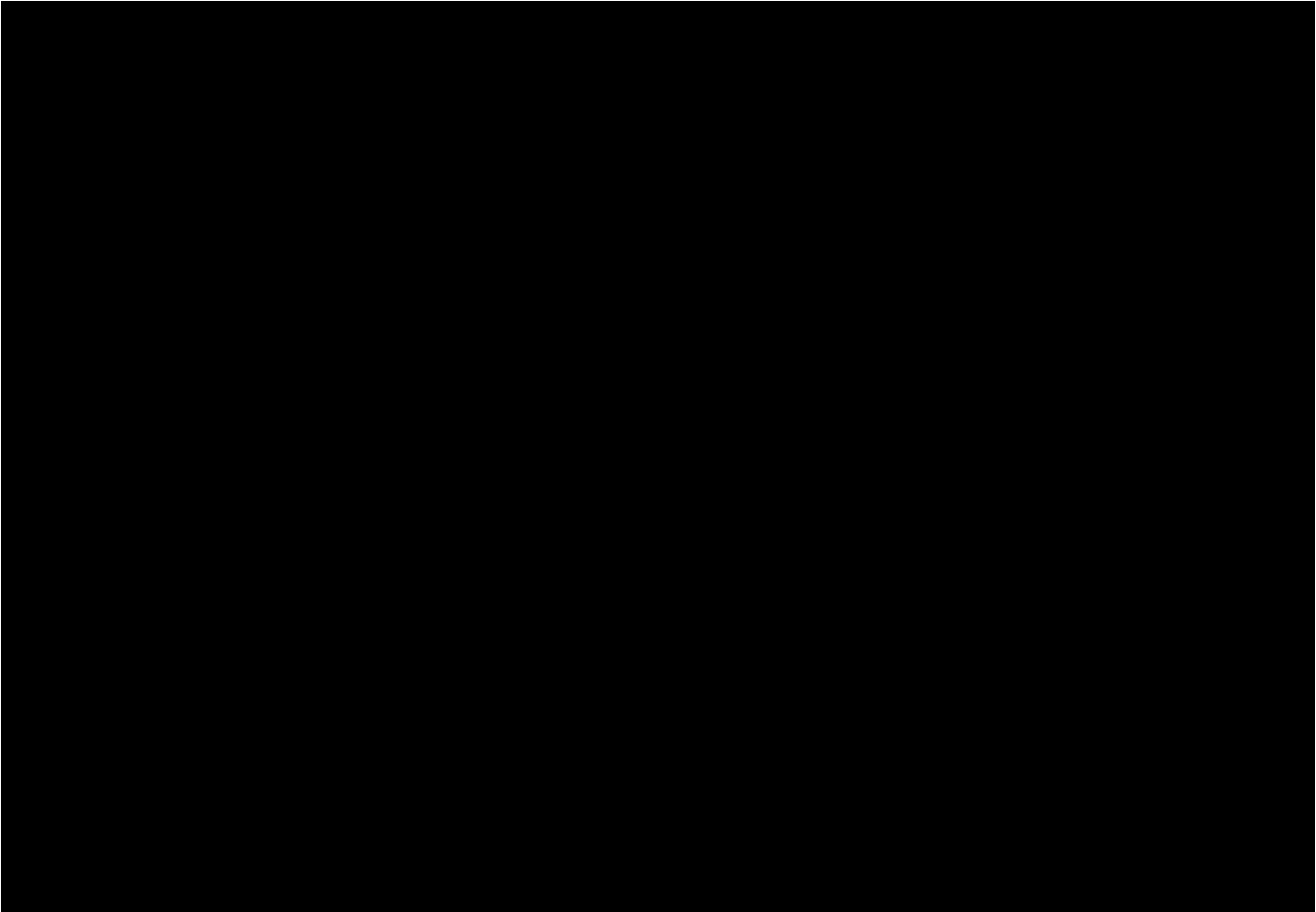
Page: 3 of 4

Mr. Remillard advised the Committee that his retirement is scheduled for January 2021. The Committee and Mr. Graham thanked Mr. Remillard for all his years of service.

**Project Nova:
Governance
Vendor PwC
Update**

Mr. Joe Cooper, and Ms. Julia Bakker of PwC joined the meeting via teleconference to present Agenda Item C.3 “Project Nova: Governance Vendor PwC Update”. Following discussion, Members received the report as information.

Messrs. Iles, Cooper, Ramirez, Remillard, and Ms. Bakker withdrew from the meeting.

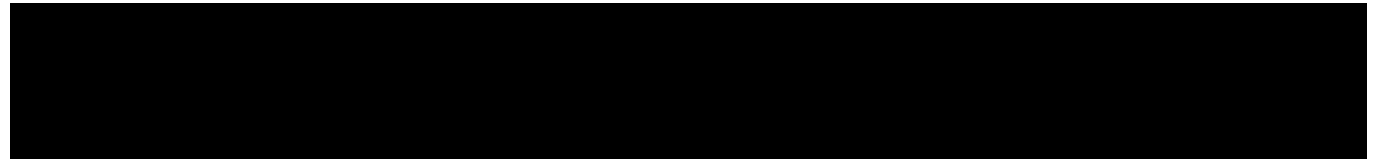
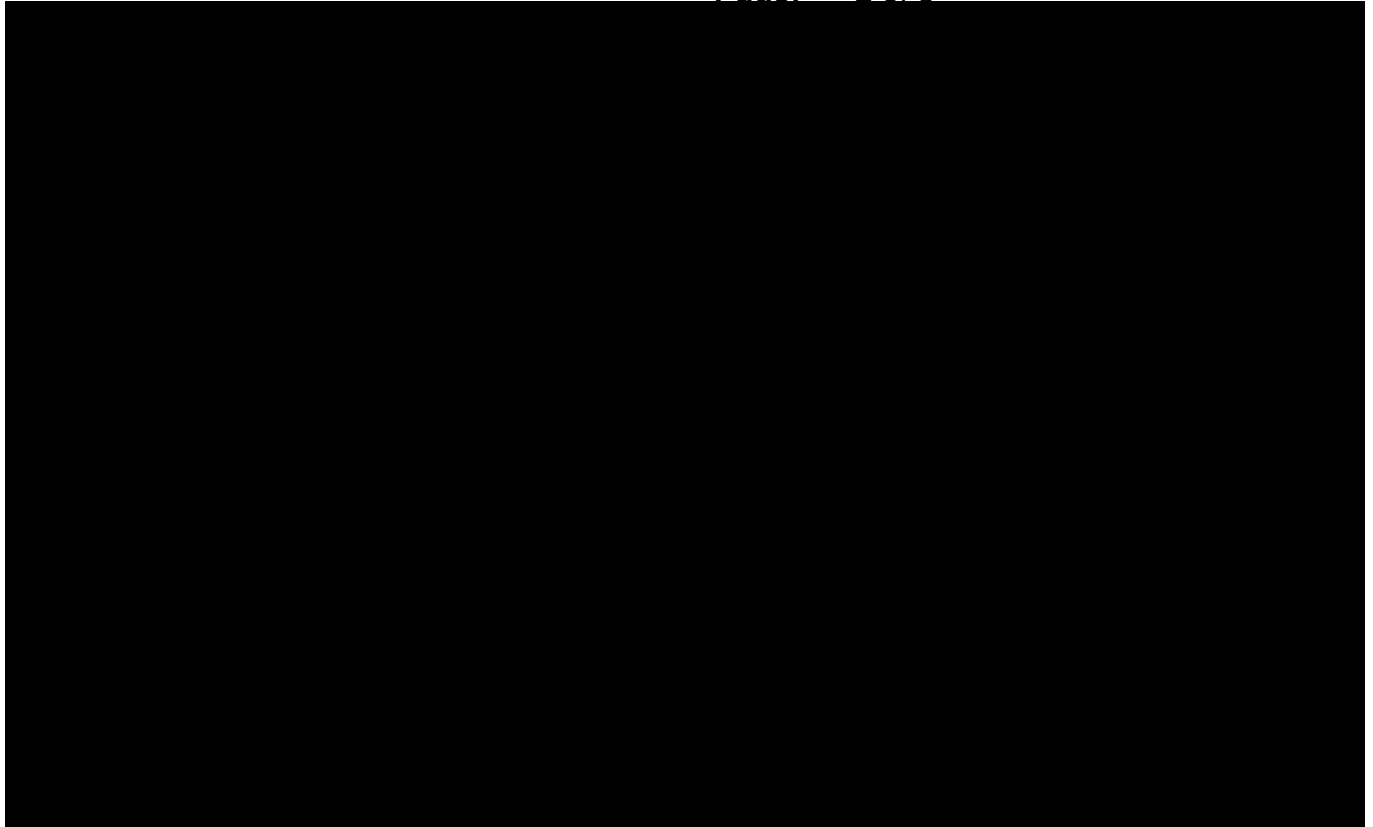


Board of Directors - Committee Meeting

AUDIT, FINANCE & RISK COMMITTEE MINUTES

Date: October 1, 2020

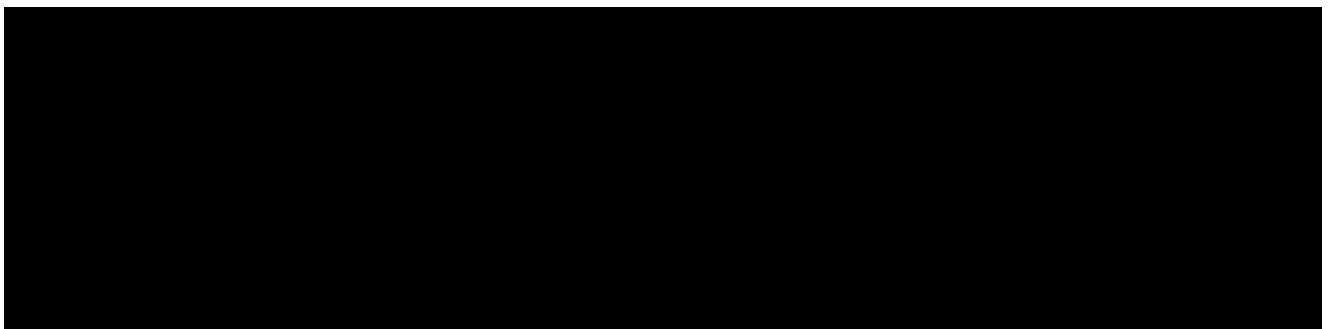
Page: 2 of 5



**Basic Financial
Condition Testing**

Mr. Johnston presented Agenda Item B.1 “Basic Financial Condition Testing”. The Committee received this as information and directed that the detailed Financial Condition Test results be presented to the full Board of Directors.

Mr. Owen Thomas and Mr. Chris Paulus joined the meeting via teleconference.

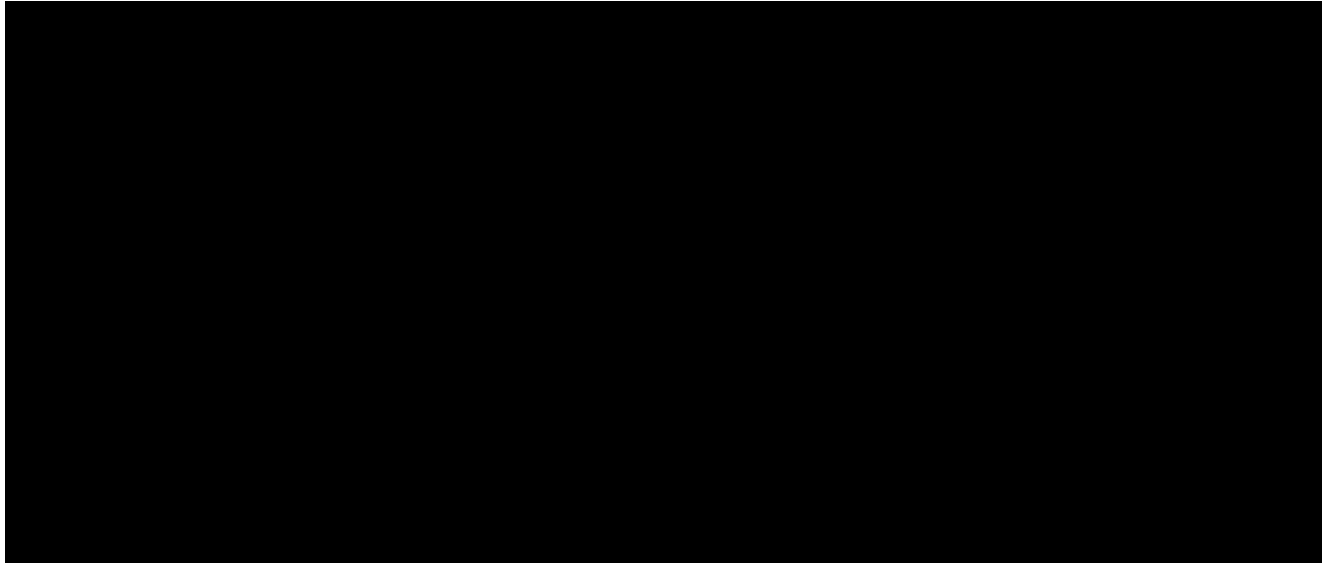


Board of Directors - Committee Meeting

AUDIT, FINANCE & RISK COMMITTEE MINUTES

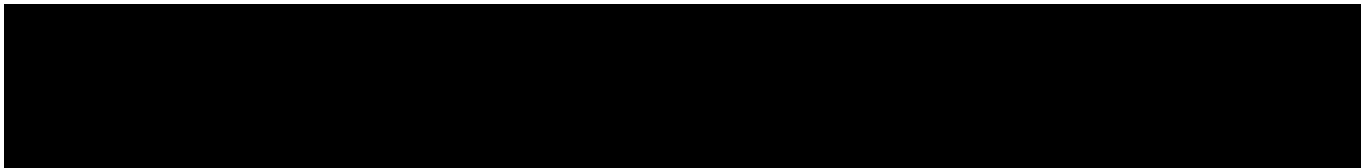
Date: October 1, 2020

Page: 3 of 5



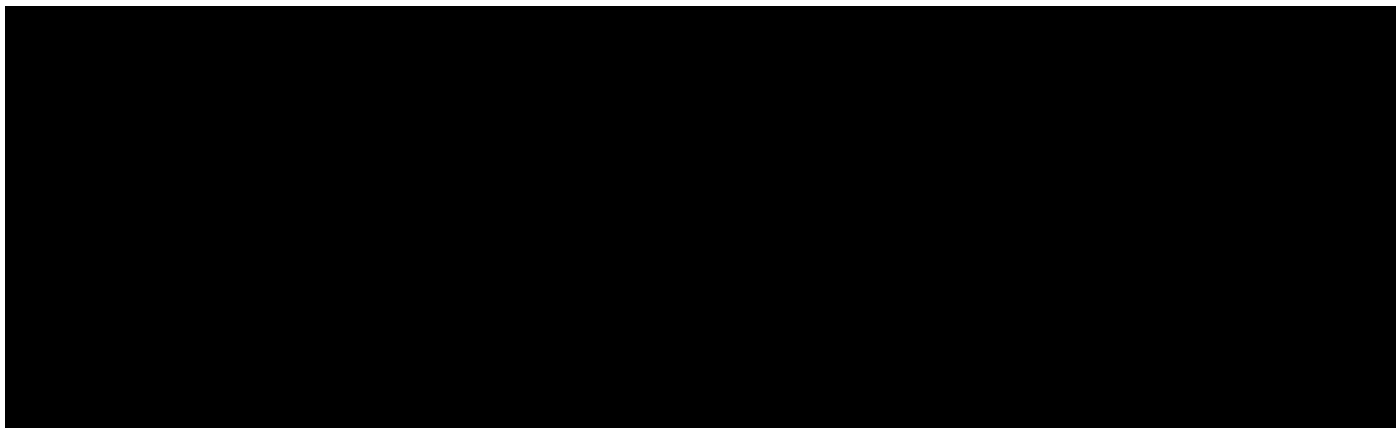
**Licence Plate
Contract Renewal:
Waldale
Manufacturing
Limited**

Members received Agenda Item D.1 “Licence Plate Contract Renewal: Waldale Manufacturing Limited” as information.



**Enterprise Risk
Management –
Corporate Risk
Register**

Members received Agenda Item D.3 “Enterprise Risk Management – Corporate Risk Register” as information.



Board of Directors Meeting

Date: October 1, 2020

Page: 4 of 5



20-146 **2021 General Rate Application Update**

Messrs. Luke Johnston and Dean Dunstone joined the meeting to present Agenda Item 3.1 “2021 General Rate Application Update”.

Moved by Ms. Wowryk and seconded by Ms. Halbert that the Members approve the revised Basic rate indication based on updated interest rates as at August 31, 2020 and an updated year end forecast based on actual plus GRA budget for fiscal 2020/21.

An overall 8.8% decrease to the average rate for Basic Autopac comprised of a 3.0% rate decrease related to product changes, a 0.8% break-even rate decrease, and a 5.0% capital release.

CARRIED

Messrs. Johnston and Dunstone withdrew from the meeting.





Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

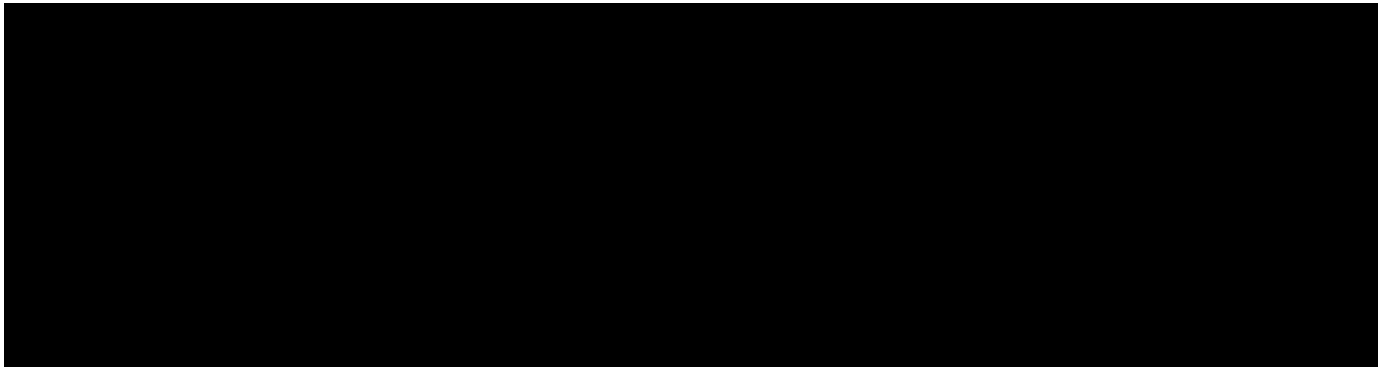
Meeting Date: October 15, 2020, 2:00 p.m.
Place: 912 - 234 Donald Street, Winnipeg, Manitoba
via WebEx

Committee Members Present: MR. R. CHALE, CHAIR
MR. D. GRESTONI
MS. C. HALBERT
MR. J. ROBSON
MS. S. JATANA, INTERIM PRESIDENT & CEO

Board Member Regrets: DR. M. SULLIVAN

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

MR. B. BUNKO, VICE PRESIDENT, INFORMATION TECHNOLOGY & BUSINESS TRANSFORMATION & CHIEF INFORMATION OFFICER, MR. S. MITRA, CHIEF TRANSFORMATION OFFICER, MR. J. REMILLARD, PROGRAM DIRECTOR, AND MR. A. RAMIREZ, MANAGER, VENDOR MANAGEMENT



Project Nova: Discovery Phase Readiness Update Mr. Remillard presented Agenda Item B.1 “Project Nova: Discovery Phase Readiness Update”. Following discussion, Members received the report as information.

Board of Directors - Committee Meeting

AUDIT, FINANCE & RISK COMMITTEE MINUTES

Date: November 12, 2020

Page: 4 of 5

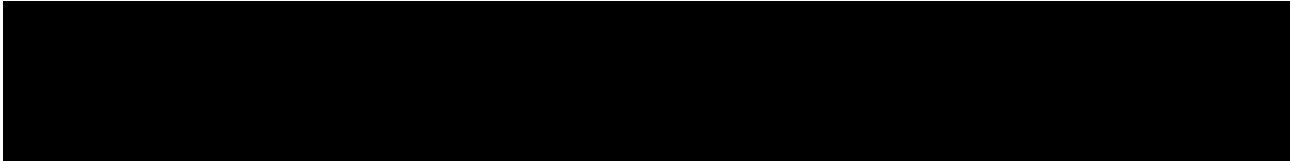
Enterprise Risk Management: Risk Appetite

Mr. Sprenger presented Agenda Item C.5 “Enterprise Risk Management: Risk Appetite”. Following discussion, Members received the report as information.

Risk Management Evaluation: Top Risks & Top Risks Scorecard

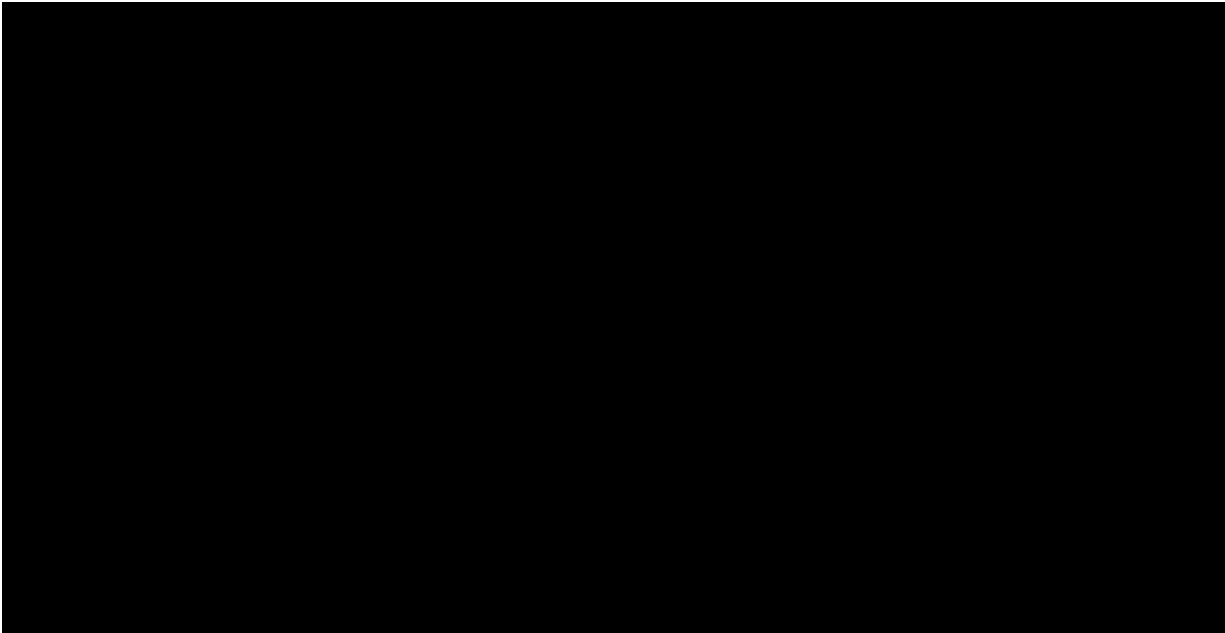
Mr. Sprenger presented Agenda Item C.6 “Risk Management Evaluation: Top Risks & Top Risks Scorecard”. Following discussion, Members received the report as information.

Mr. Sprenger withdrew from the meeting.



Enterprise Risk Management Policy

Members received Agenda Item D.2 “Enterprise Risk Management Policy” as information.



Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: November 5, 2020

Page: 2 of 4

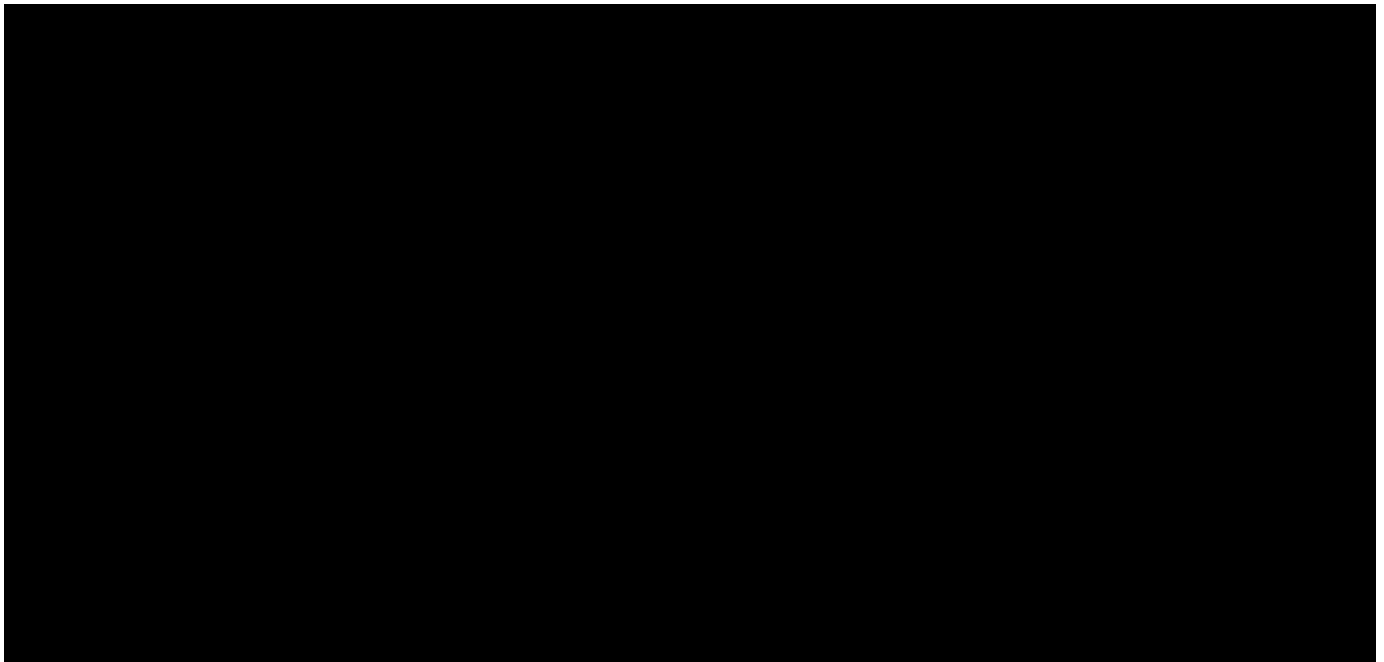


**Project Nova:
Governance
Vendor PwC
Update**

Messrs. Keegan Iles and Joe Cooper joined the meeting to present Agenda Item B.1 “Project Nova: Governance Vendor PwC Update”. Following discussion, Members received the report as information.

**Project Nova:
Project Update**

Mr. Remillard presented Agenda Item B.2 “Project Nova: Project Update”. Following discussion, Members received the report as information.



Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: November 5, 2020

Page: 3 of 4

**Project Nova:
Integration
Platform Solution
Procurement
Approval:
Accenture /
Mulesoft**

Mr. Ramirez presented Agenda Item C.2 “Project Nova: Integration Platform Solution Procurement Approval: Accenture/Mulesoft”.

Moved by Dr. Sullivan and seconded by Mr. Robson that the Members award tender to enter into a contract with Accenture Inc. and Mulesoft LLC. to provide software licensing and system integrator services under Project Nova that includes software licensing subscription for Mulesoft Anypoint Platform:

- For up to 5 years at a total not to exceed \$2.9M (\$570K CAPEX Accenture/Mulesoft), \$2.33M OPEX Mulesoft) plus taxes (in 2020 dollars) with an agreement effective date of December 1, 2020 until November 30, 2025.
- With an option to renew for an additional 5 year term not to exceed \$2.7M plus taxes (in 2020 dollars). This will be brought forward for Board approval prior to executing the renewal option.

CARRIED

**Project Nova:
Driver and Vehicle
Administration
Contract: Infosys
Public Services
Inc.**

Mr. Ramirez presented Agenda Item C.3 “Project Nova: Driver and Vehicle Administration Contract; Infosys Public Services Inc.”.

Moved by Mr. Robson and seconded by Mr. Grestoni that the Members authorize Management to increase the 5 year OPEX spend with Infosys Public Services Inc. by \$5.3M from the previously approved \$31.5M to \$37M for licensing, maintenance and support services for the Celtic DVA solution under Project Nova.

CARRIED

**Project Nova
Business Case
Re-Baseline
Approval**

Mr. Remillard presented Agenda Item C.4 “Project Nova Business Case Re-Baseline Approval”. The Committee requested Management to provide additional information prior to approving the re-baseline of the Project Nova Business Case.

Board of Directors Meeting

Date: November 25, 2020

Page: 2 of 2

20-172 **Basic Rebate**

Mr. Johnston presented Agenda Item 1.1 “Basic Rebate”.

Moved by Mr. Stefanson and seconded by Ms. Halbert that the Members direct, in response to the Government of Manitoba’s request, that the Corporation apply to the Public Utilities Board for approval to issue a \$69 million rebate of Basic premiums resulting from COVID-19 related saving for policies in force as of November 25, 2020.

Following further discussion post-meeting, Mr. Triggs advised of a request that the Members amend motion 20-172 passed on November 25, 2020 to read as follows:

That the Members direct, in response to the Government of Manitoba’s request, that the Corporation apply to the Public Utilities Board for approval to issue a \$69 million rebate of Basic premiums resulting from COVID-19 related savings as a percentage of Basic policies earned during the pandemic period of March 16, 2020 to November 21, 2020.

The amended motion was moved by Mr. Stefanson and seconded by Ms. Halbert.

CARRIED

CHAIRPERSON

SECRETARY

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: December 18, 2020

Page: 2 of 3

Project Nova: Business Case Re-Baseline Approval

Messrs. Remillard and Ramirez presented Agenda Item B.1 “Project Nova: Business Case Re-Baseline Approval”.

After considering the presentation and the fact that Treasury Board has received a presentation from Management on November 19, 2020 and approves the integrated Project Nova plan, it is moved by Mr. Robson and seconded by Dr. Sullivan that the Members recommend the Board of Directors approve the following:

- Increase Project Nova integrated Re-Baseline Project Costs from \$85.4 Million to \$114.7 Million (in 2020 dollars) and also approve the residual project contingency funding of \$16.8 Million (in 2020 dollars).
- Costing of the integrated project be recorded and allocated to the various lines of business.
- Management will work with Government to determine the appropriate sources of funding for the costs allocated to the various lines of business.
- Amend contingency funding governance for CEO approval authority from 5% to 15.6% to access up to \$16.8M contingency funding.
- Project Nova re-baselined business case be approved and become the new baseline for Project financials and performance measurements.

CARRIED

The Committee recognize that the approved business case is Management’s best estimate at the present time. The Committee expects Management will use best efforts to execute Project Nova at a cost of \$114.7 Million. Notwithstanding this expectation, Management is provided with \$16.8 Million in contingency funding.

The Committee also recognize the importance of Management knowing the Committee’s views on sensitivity to worst case scenario developments. The Committee’s expectation is that Management will keep it informed of any potential use of contingency funding.

The Committee is willing to consider, if necessary in a worst case scenario, additional funding equivalent to a 0% NPV.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: February 5, 2021

Page: 2 of 5



**Project Nova:
Governance
Vendor PwC
Update**

Messrs. Keegan Iles and Joe Cooper, PwC joined the meeting to present Agenda Item B.1 “Project Nova; Governance Vendor PwC Update”.

Following discussion, Members received the report as information.

**Project Nova:
Program Update**

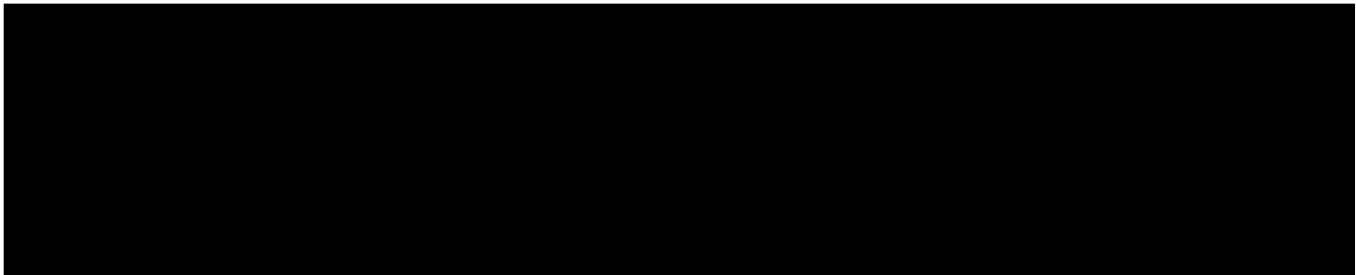
Mr. Ramirez presented Agenda Item B.2 “Project Nova: Program Update”.

Following discussion, Members received the report as information.

**IT Transformation:
Scope, Impact &
Nova**

Mr. Bunko presented Agenda Item B.3 “IT Transformation: Scope, Impact & Nova”.

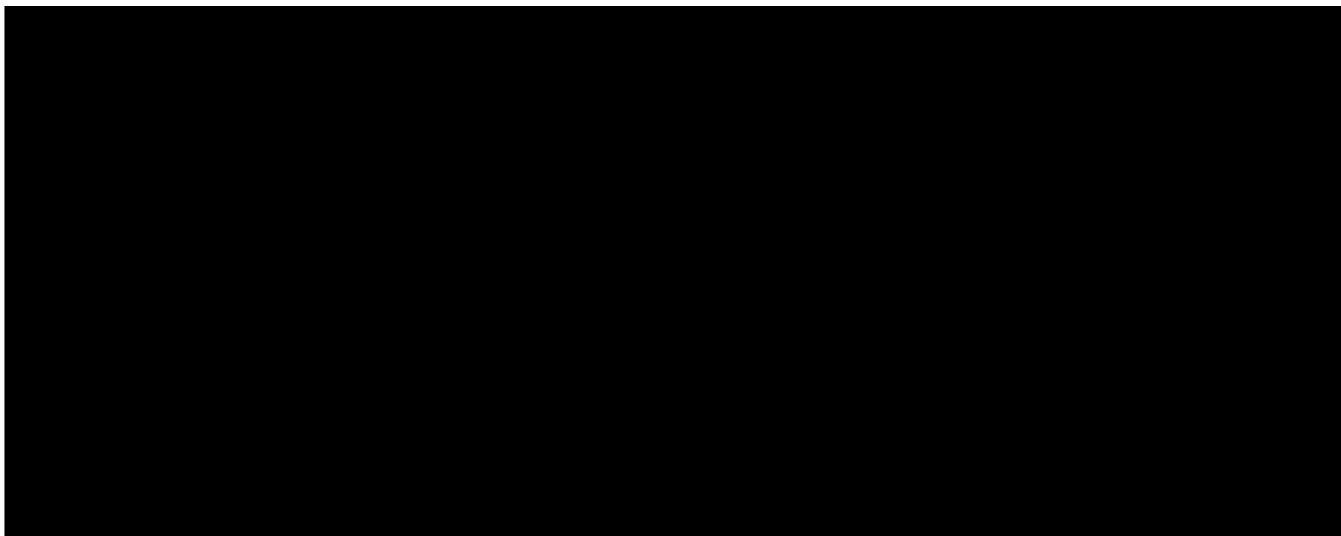
Following discussion, Members received the report as information.



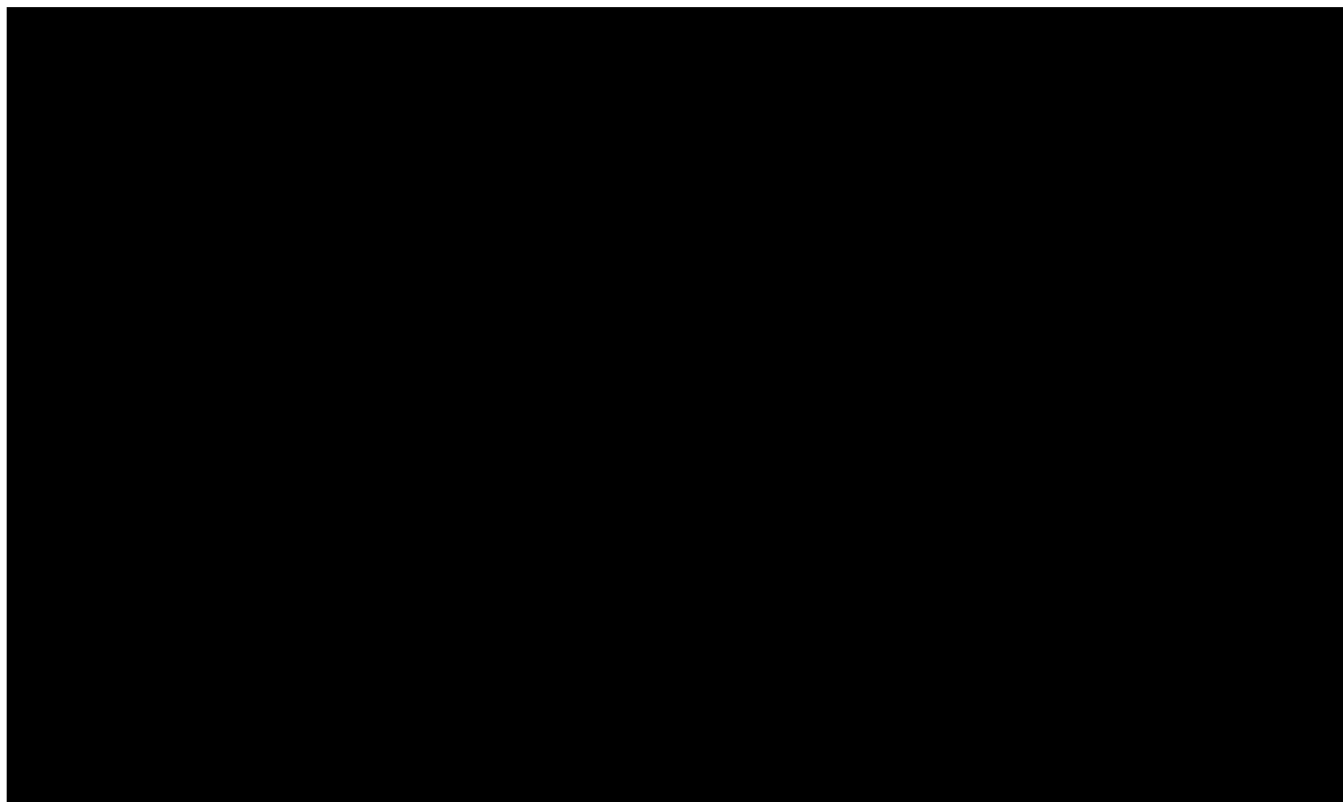
Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Date: February 5, 2021

Page: 4 of 5



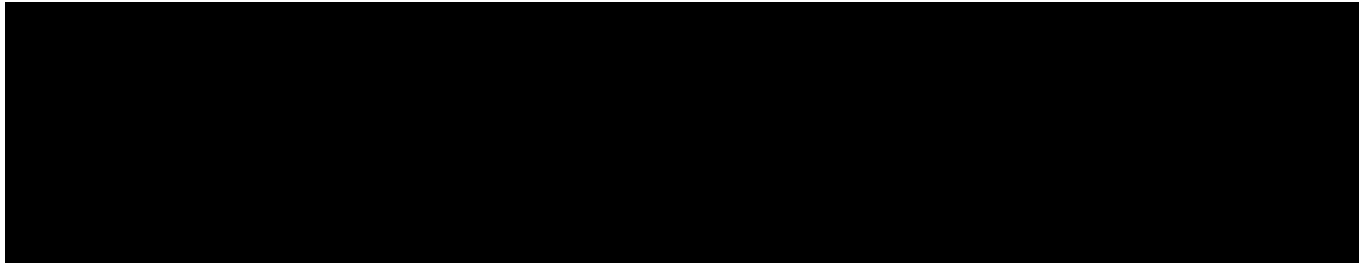
Initiative Update Members received Agenda Item D.1 "Initiative Update" as information.



Board of Directors - Committee Meeting
AUDIT, FINANCE & RISK COMMITTEE MINUTES

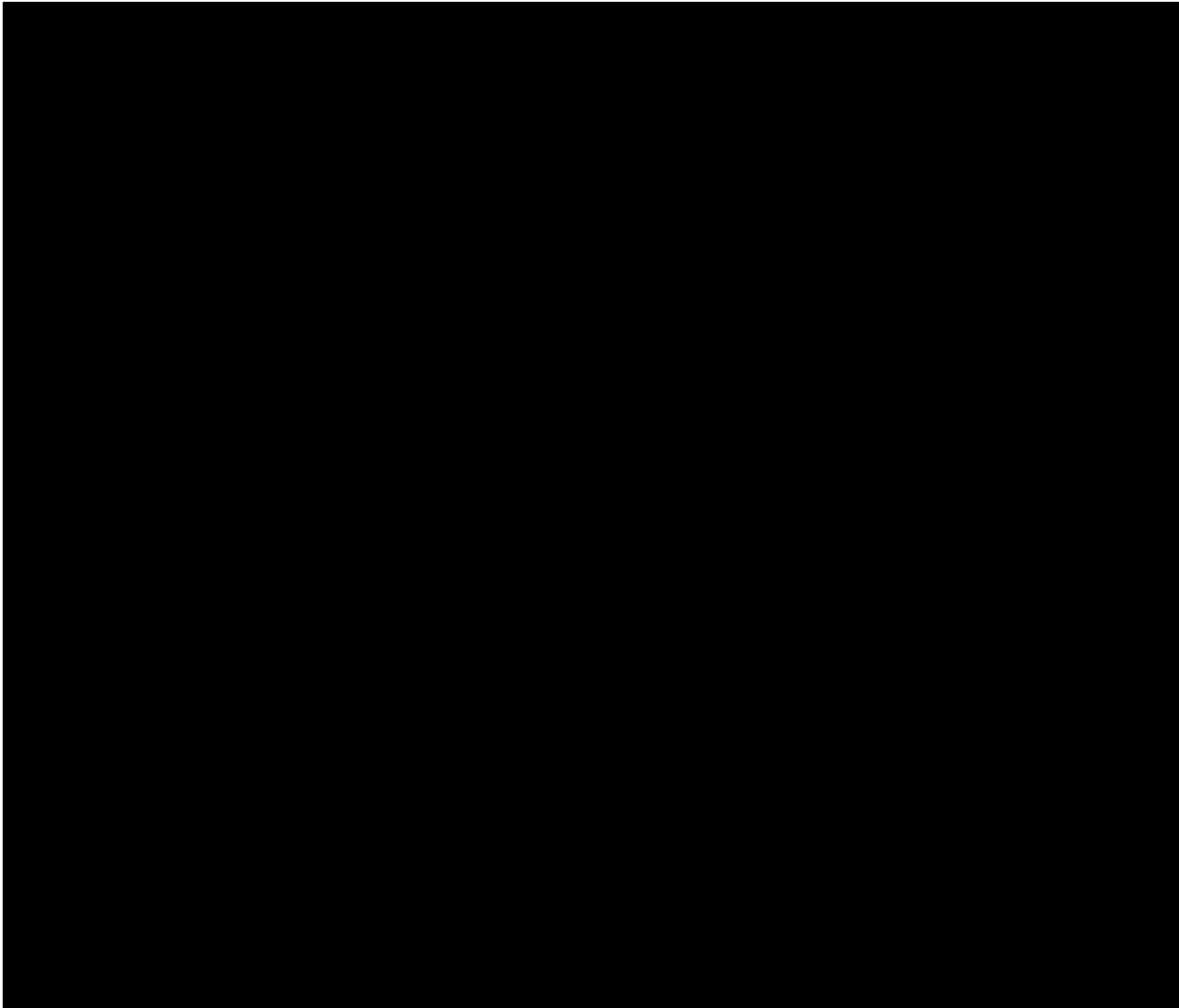
Date: February 11, 2021

Page: 7 of 8



**Enterprise Risk
Management
Financial Volatility
Dashboard**

Members received Agenda Item D.1 “Enterprise Risk Management Financial Volatility Dashboard” as information.



Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Date: March 19, 2021

Page: 2 of 2

IT Transformation

Mr. Lazarko presented Agenda Item B.1 "IT Transformation".

Moved by Mr. Grestoni and seconded by Mr. Robson that the Members recommend the Board of Directors approve the proposed IT Transformation Plan subject to identified cost savings being validated and appropriate accounting recording be performed.

Corporate Secretary's note: Subsequent to the meeting, cost savings were validated and appropriate accounting recording will be applied to reduce the Project Nova budget.

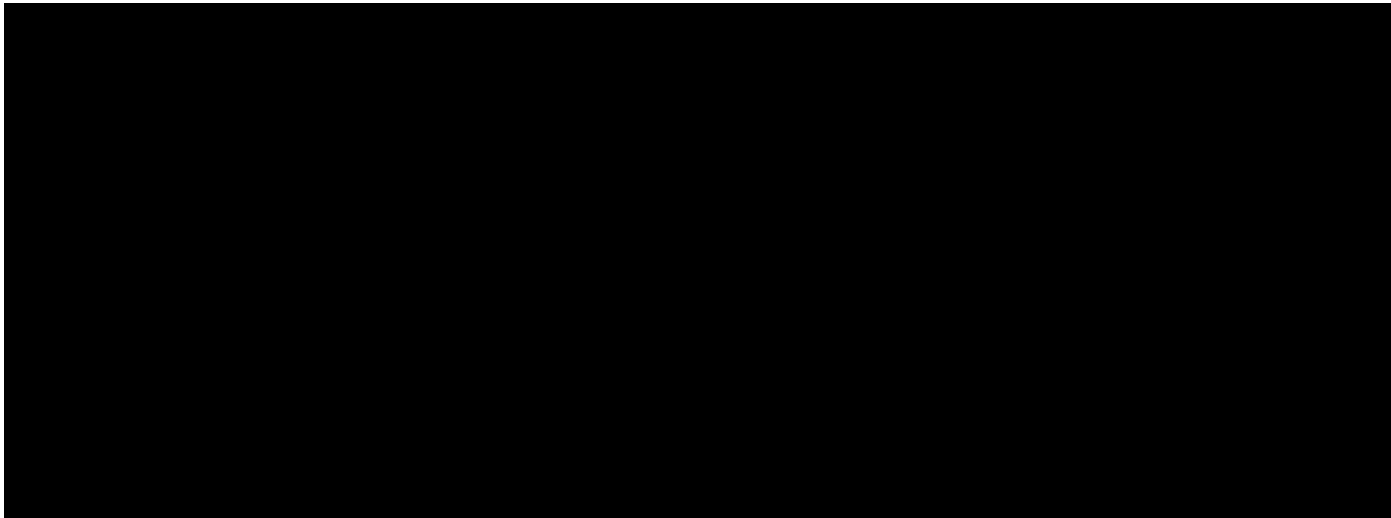
CARRIED

Mr. Lazarko withdrew from the meeting.

**Project Nova
Program Update**

Mr. Ramirez presented Agenda Item C.1 "Project Nova Program Update".

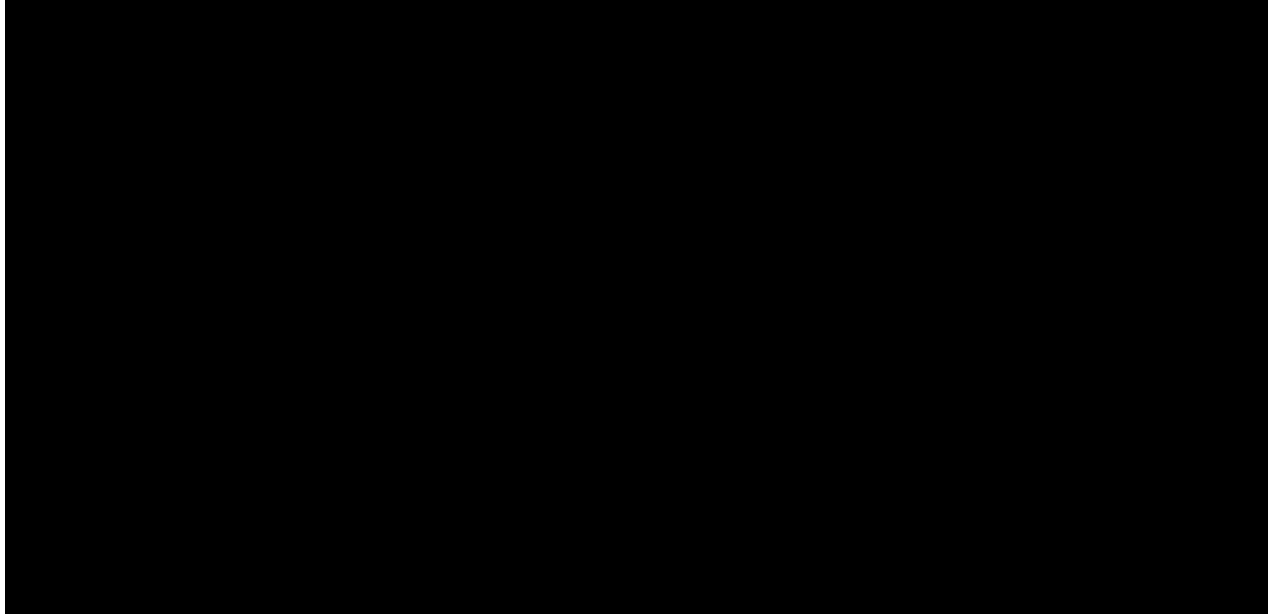
Following discussion, Members received the report as information.



Board of Directors Meeting

Date: March 25, 2021

Page: 5 of 7



21-054 **Extension Transfer to Driver Vehicle Administration**

Mr. Giesbrecht presented Agenda Item 4.2 Extension Transfer to Driver Vehicle Administration.

Moved by Mr. Stefanson and seconded by Ms. Wowryk that the Members approve the transfer of all capital in excess of 200% MCT from the Extension line of business to the Driver Vehicle Administration line of business as at March 31, 2021.

CARRIED

Mr. Giesbrecht withdrew from the meeting, and Messrs. Luke Johnston Dean Dunstone and Tai Tong Phoa joined the meeting.

21-055 **Basic Extension Autopac Program and Rates**

Mr. Johnston presented Agenda Item 4.3 Basic Extension Autopac Program and Rates.

Moved by Mr. Chale and seconded by Mr. Grestoni that the Members approve the recommendations for the 2022/23 Basic rate submission as follows:

1. Basic break-even rate change of -0.8%
2. Elimination of the 5% Capital Release Provision currently included in Basic Rates

Board of Directors Meeting

Date: March 25, 2021

Page: 6 of 7

3. A change in the Capital Management Plan methodology such that Basic will only release capital when the Minimum Capital Test ratio is 20% greater than 100% Minimum Capital Test.
4. A rebate paid before the start of the 2022/23 year such that the Basic Minimum Capital Test ratio remains above 100% over the 2022/23 rating period.

CARRIED

Messrs. Johnston, Dunstone and Tong Phoa withdrew from the meeting, and Mr. Curtis Wennberg joined the meeting.

21-056 **Towing Contract Approval**

Mr. Wennberg presented Agenda Item 4.4 Towing Contract Approval.

Moved by Mr. Grestoni and seconded by Ms. Halbert that the Members authorize the Corporation to enter into negotiations with Champion Towing and ultimately award the contract for towing services for the central Winnipeg & surrounding area for an initial two (2) year period July 1, 2021 to June 30, 2023 with provision for two optional one (1) year extensions to cover the periods July 1, 2023 to June 30, 2024 and July 1, 2024 to June 30, 2025 respectively.

CARRIED

Mr. Wennberg withdrew from the meeting.



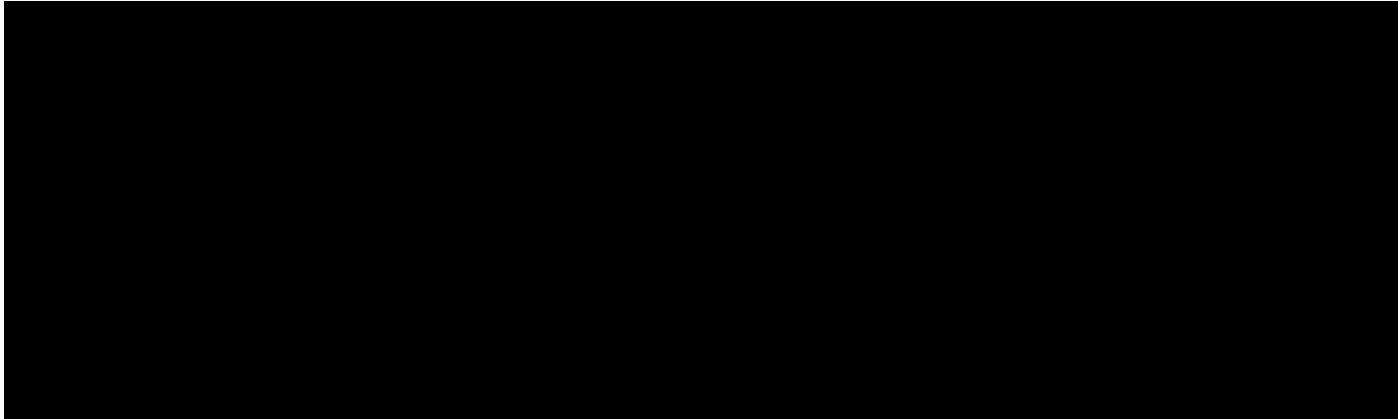
**Manitoba
Public Insurance**

Board of Directors Meeting

Meeting Date: Monday, May 10, 2021, 12:00 p.m.
Place: 820 - 234 Donald Street, Winnipeg, Manitoba
Via Microsoft TEAMS

Present: DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MR. D. GRESTONI
MS. C. HALBERT
MR. K. MUNROE
MS. E. NABESS
MR. J. ROBSON
MR. G. STEFANSON
MS. V. WOWRYK
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE
SECRETARY



21-064 **Towing Agreement Brandon**

Mr. Wennberg, presented Agenda Item 2.2 Towing Agreement Brandon.

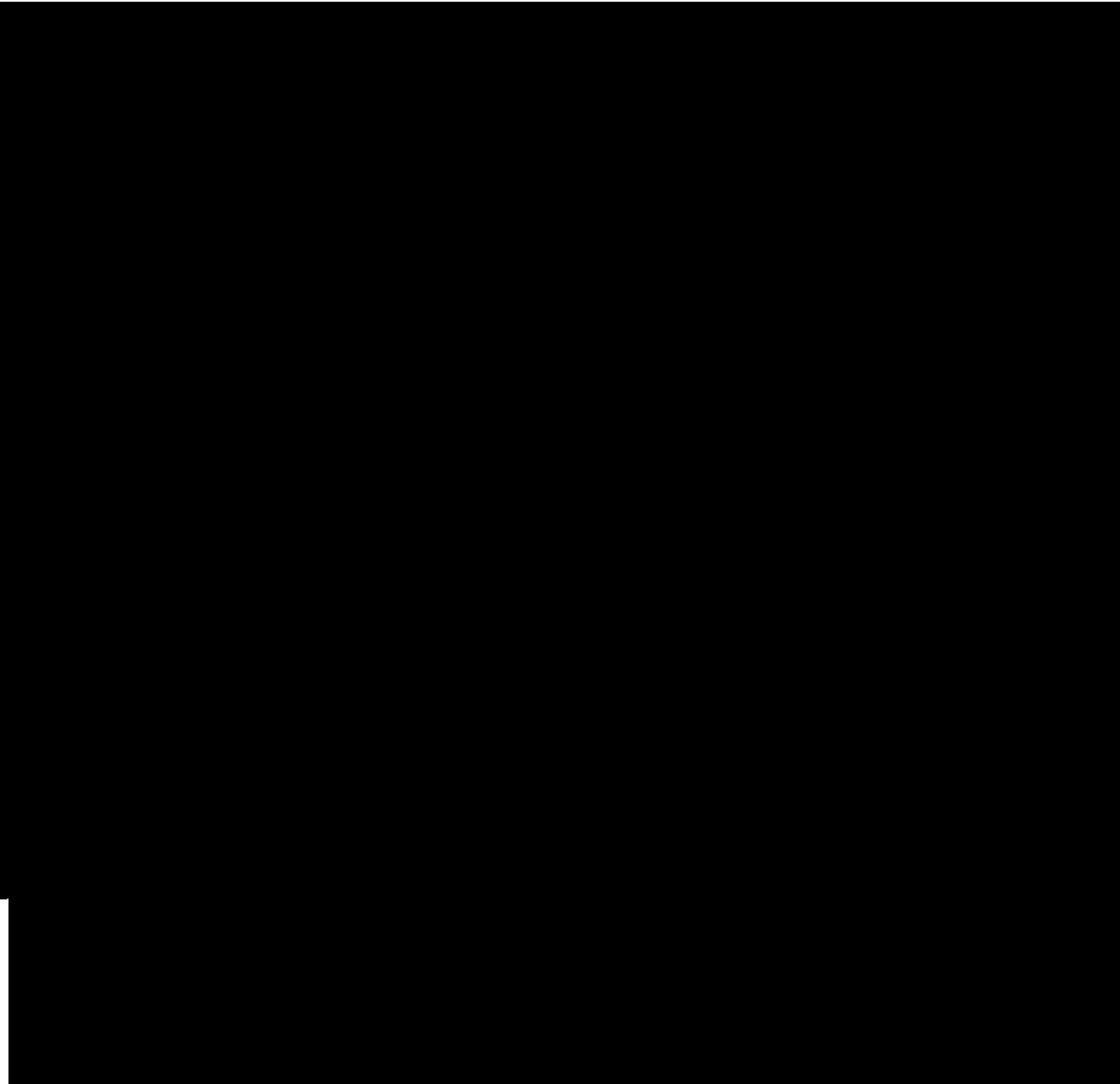
Board of Directors Meeting

Date: May 10, 2021

Page: 2 of 3

Moved by Mr. Chale and seconded by Mr. Grestoni that the Corporation be authorized to enter into negotiations with Full Tilt Towing and ultimately award the contract for towing services for the Brandon area for an initial two (2) year period July 1, 2021 to June 30, 2023 with provision for one optional one (1) year extension to cover the periods July 1, 2023 to June 30, 2024.

CARRIED



Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: May 20, 2021

Page: 2 of 3

**Project Nova:
Program Update**

Mr. Ramirez presented Agenda Item C.1 “Project Nova: Program Update”.

Following discussion, Members received the report as information.

Mr. Ramirez withdrew from the meeting. Mr. Keegan Iles and Mr. Joe Cooper joined the meeting.

**Project Nova:
Governance
Vendor PwC
Update**

Mr. Iles and Mr. Cooper from PwC, presented Agenda Item C.2 “Project Nova: Governance Vendor PwC Update”.

Following discussion, Members received the report as information.

Mr. Iles and Mr. Cooper withdrew from the meeting. Mr. Colin McDonald joined the meeting.

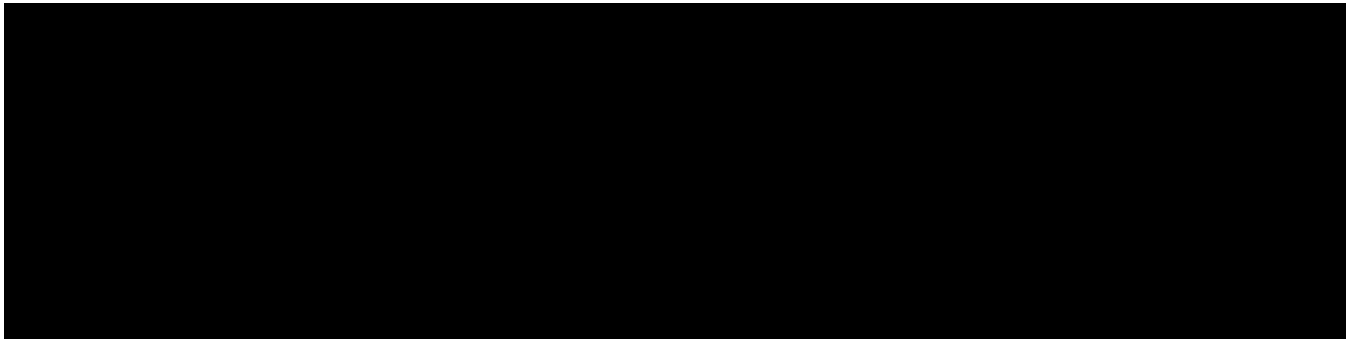


**Business
Transformation
Quarterly Update**

Members received Agenda Item D.1 Business Transformation Quarterly update as information.

**Project Nova
Spending
Authority Matrix**

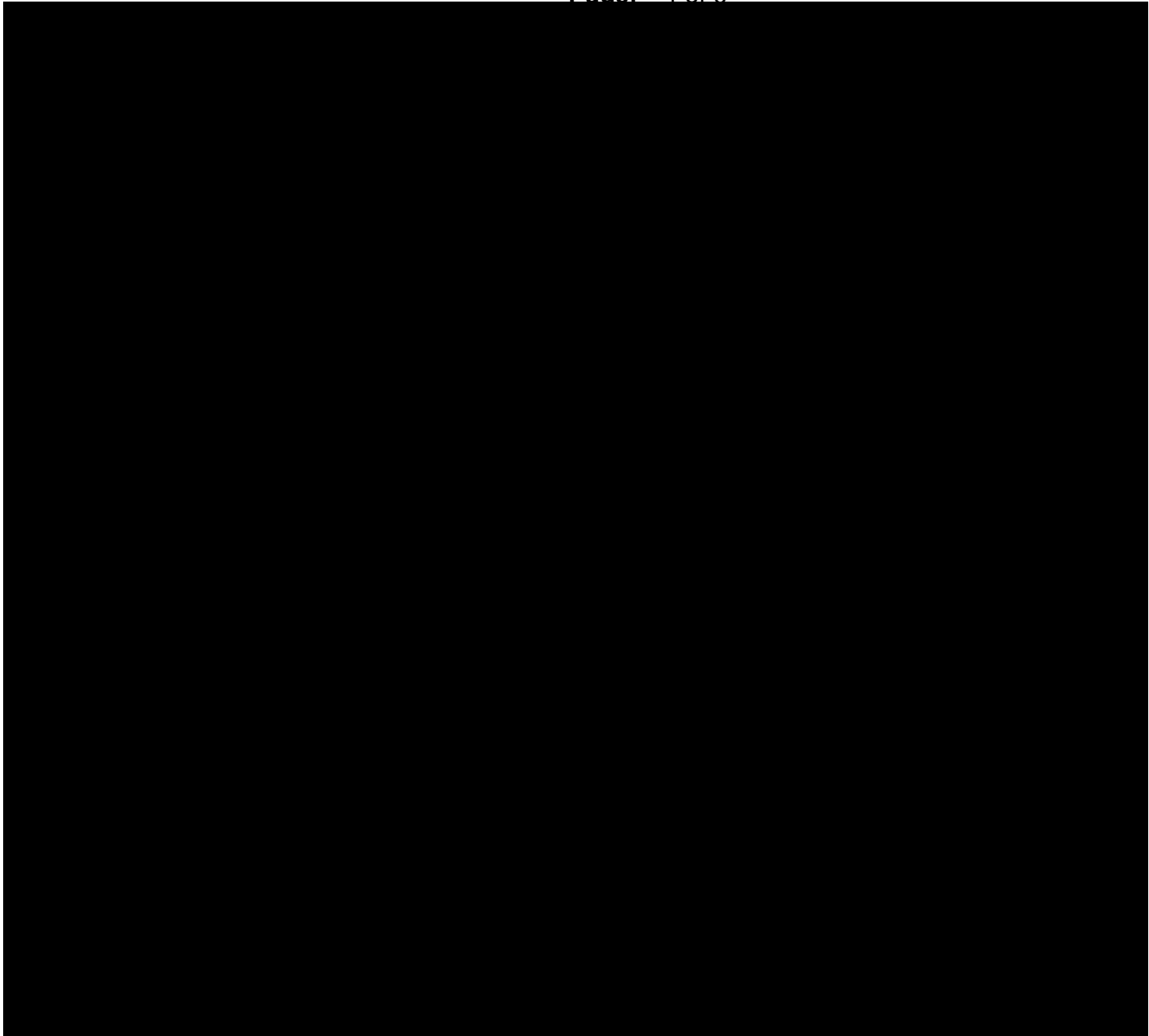
Members received Agenda Item D.2 Project Nova Spending Authority Matrix for information.



Board of Directors - Committee Meeting
AUDIT, FINANCE & RISK COMMITTEE MINUTES

Date: June 24, 2021

Page: 4 of 6



**Risk Management
Evaluation – Top
Risks & Top Risk
Scorecards**

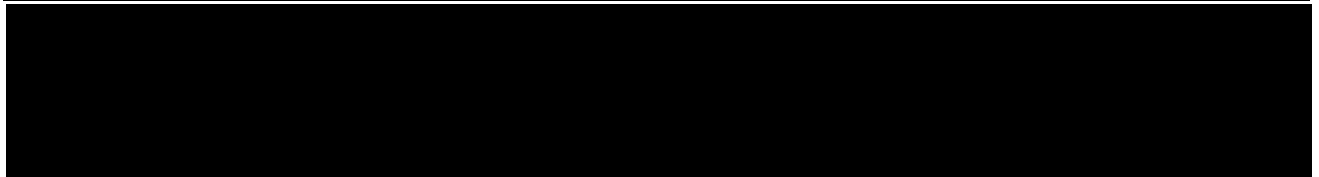
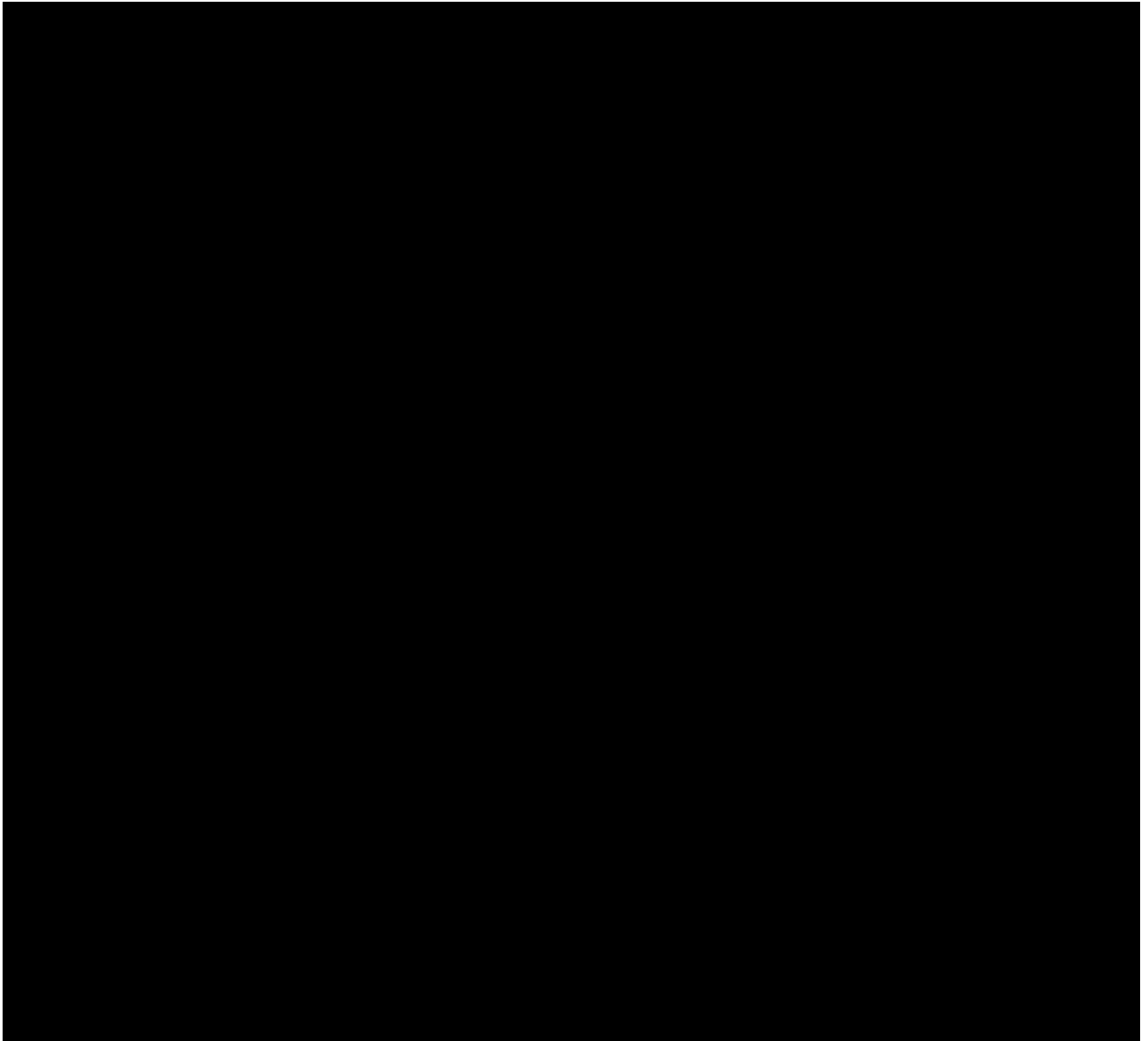
Mr. Sprenger presented Agenda Item D.4 Risk Management Evaluation – Top Risks and Top Risk Scorecards

Following discussion, Members received the report as information.

Board of Directors - Committee Meeting
AUDIT, FINANCE & RISK COMMITTEE MINUTES

Date: June 24, 2021

Page: 5 of 6



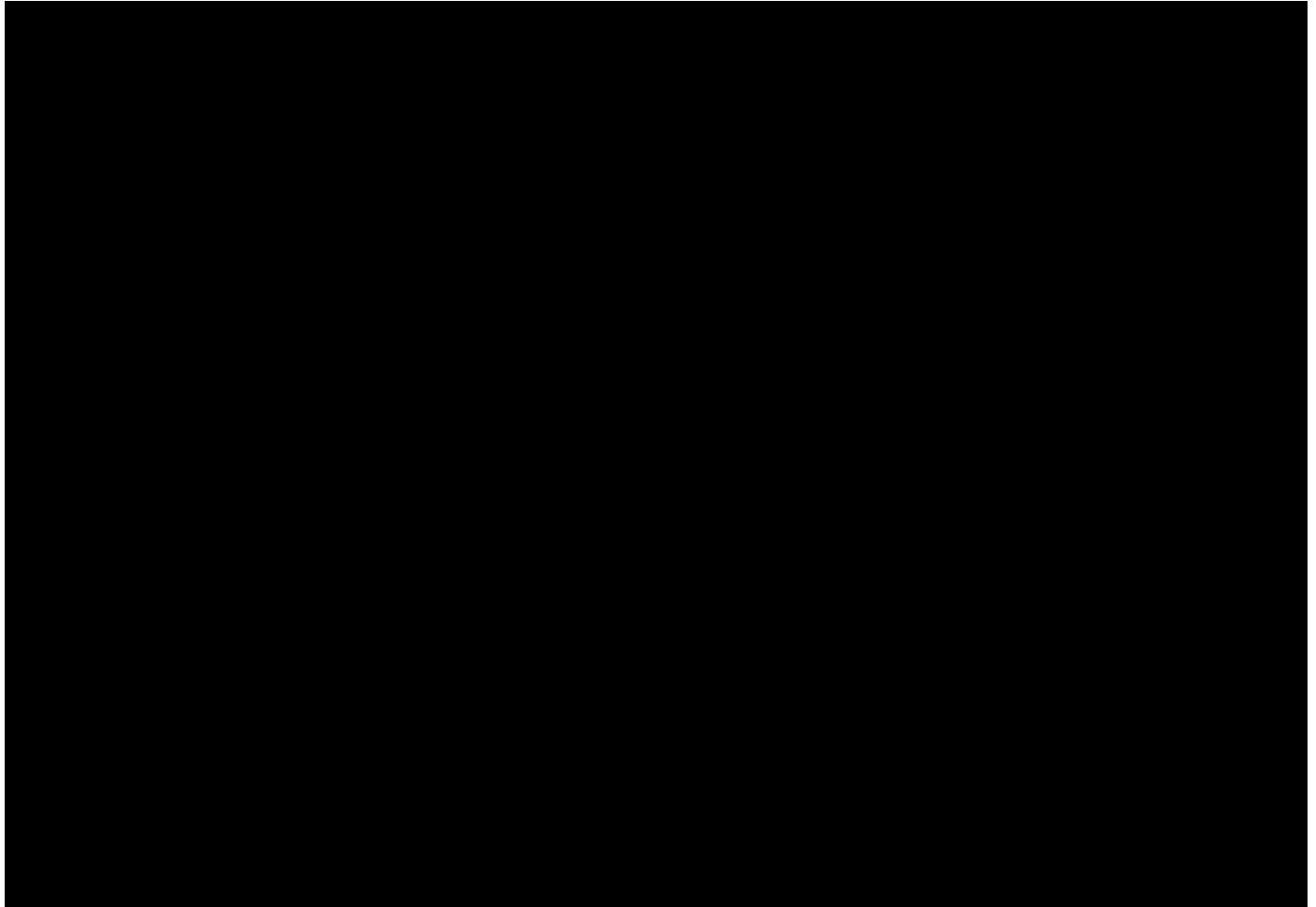
4th Quarter Capital Management Report

Members received Agenda Item E.6 4th Quarter Capital Management Report as information.

Board of Directors Meeting
DRAFT MINUTES

Date: June 24, 2021

Page: 2 of 9



21-076 **Basic Rebate Approval**

Mr. Giesbrecht presented the item 2.1.a Basic Rebate Approval.

Moved by Mr. Stefanson and seconded by Mr. Grestoni that the Members, based upon Government direction, approve applying to the PUB to rebate excess Basic capital as at March 31, 2021; in addition, the rebate application is to also include further realized and forecasted Covid claims savings in 2021/22.

CARRIED

Mr. Giesbrecht withdrew from the meeting.

Board of Directors Meeting

DRAFT MINUTES

Date: June 24, 2021

Page: 5 of 9

21-088 **Cityplace Space Plan**

Ms. Taylor presented Agenda Item 4.1 Cityplace Space Plan

Moved by Mr. Chale and seconded by Ms. Wowryk that the Members approve the proposed re-baseline of Cityplace Space Plan business plan to \$22.5 million.

The \$22.5 million includes money for the development of the 7th floor; however, a decision on whether to proceed to renovate the 7th floor will be brought to the Board for consideration at a future date.

CARRIED

21-089 **Space Plan Construction Contract – Systems Furniture and Free Standing Storage**

Ms. Taylor presented Agenda Item 4.2 Systems Furniture and Free Standing Storage.

Moved by Mr. Chale and seconded by Ms. Halbert that the Members approve funding of up to \$6M and authorize Management to award tender and negotiate a three or five year contract with the top ranked vendor(s) to supply system furniture and free standing storage.

CARRIED

21-090 **Space Plan Construction Contract – Bird Construction**

Ms. Taylor presented Agenda Item 4.3 Space Plan Construction Contracts – Bird Construction.

Board of Directors Meeting

DRAFT MINUTES

Date: June 24, 2021

Page: 6 of 9

Moved by Mr. Chale and seconded by Ms. Halbert that the Members authorize Management to enter into a CCDC 2 (2008) stipulated price contract with Bird Construction, acting as General Contractor, for the 9th floor scope of the Cityplace Space Plan. Contract value shall not exceed \$6.06M.

CARRIED

Mr. Luc Corneli from McCor joined the meeting

21-091 **Cityplace Repositioning Strategy**

Mr. Corneli presented Agenda Item 4.4 Cityplace Repositioning Strategy.

Moved by Mr. Robson and seconded by Ms. Wowryk that the Members approve exploring phase 1 of the proposed multi-phase Cityplace repositioning and capital improvement plan.

CARRIED

It was further noted by the Board that they will still have to determine if MPI will maintain long term ownership. Money is not to be spent until the Board approves tenancy.

Ms. Taylor and Jatana and Mr. Corneli withdrew from the meeting.

21-092 **Driver Vehicle Administration & Extension Funding Update**

Mr. Giesbrecht presented Agenda Item 5.1 Driver Vehicle Administration & Extension Funding Update

Moved by Ms. Wowryk and seconded by Ms. Halbert that the Members approve, in principle, a planned transfer of all capital in excess of 200% MCT from the Extension line of business to the Driver Vehicle Administration (DVA) line of business as at March 31, 2022.

CARRIED

Following discussion, Members received the report as information.

Mr. Giesbrecht withdrew from the meeting.

Board of Directors Meeting

DRAFT MINUTES

Date: June 24, 2021

Page: 7 of 9

Messrs. Luke Johnston, Dean Dunstone and Tai Tong Phoa joined the meeting.

21-093 **2022 General Rate Application Update**

Mr. Johnston presented Agenda Item 5.2 2022 General Rate Application Update.

Moved by Ms. Halbert and seconded by Mr. Grestoni that the Members approve the following changes to the Driver Safety Rate scale:

1. The majority of the overall Basic rate decrease (-2.8%) be allocated to the DSR vehicle discount levels that have the most significant need for rate decreases based on actuarial indications.
2. The top of the DSR scale be expanded from DSR +15 to DSR +16 in 2022/23, with plans to allow the scale to expand organically (i.e. 1 step per year) to at least DSR +20 in future years.

Messrs. Johnston, Dunstone and Phoa withdrew from the meeting and

Messrs. Curtis Wennberg and Steve Lupky joined the meeting.

PUB (MPI) 1-4

Part and Chapter:	Part II VFH	Page No.:	8, 9, 11
PUB Approved Issue No:	1. Requested Vehicle Rate and Any Changes to Other Fees and Discounts 12. Vehicles for Hire (VFH) class, including rates		
Topic:	Ratemaking		
Sub Topic:	VFH		

Preamble to IR:**Question:**

- a) Please provide a description of the VFH insurance schemes offered by the Insurance Corporation of British Columbia (ICBC) and Saskatchewan General Insurance (SGI) and comment on the suitability of each approach in Manitoba.
- b) Please elaborate on the ongoing consultations with stakeholders, including the results of the most recent consultation.
- c) Please elaborate on the consultations that MPI has had with other jurisdictions on VFH rates.
- d) Please elaborate on the current status of MPI's efforts in developing an improved VFH framework.

Rationale for Question:

To understand alternative VFH models, including those used in other jurisdictions.

RESPONSE:

- a) Please see below for a summary of the Saskatchewan General Insurance (SGI) and Insurance Corporation of British Columbia (ICBC) VFH insurance schemes:

SGI

Rideshares

In Saskatchewan, the rideshare company must have at least \$1 million in additional liability insurance that covers all of its affiliated drivers and vehicles. The rideshare company, not the driver(s), is the one to hold and register the policy.

SGI collects an additional premium from the rideshare company each month to cover the basic vehicle insurance for all rideshare kilometres driven for all of its affiliated vehicles providing ridesharing services. This additional insurance is separate from the \$1 million blanket liability policy that is required to be purchased by the TNC. In Saskatchewan, the rideshare driver is not required to purchase any additional insurance.

If the driver drives their vehicle for personal use (i.e. not engaged in ridesharing), the driver's basic and personal package policy (SGI CANADA Auto Pak) will apply in the event of a collision. However, if the driver is engaged in ridesharing and is responsible for a collision, the claim is registered under the driver of the vehicle and is subject to coverage under the basic plate policy. If claim liability exceeds the basic plate coverage, the TNC's additional blanket liability policy will respond. For any amounts in excess of the basic policy and the blanket liability policy, the expectation is that the injured party would proceed as if there were no coverage.

Taxi and Limos

In Saskatchewan, the insurance premium of a vehicle is based on its registration class - Taxis are registered in Class PT and Limos are registered in Class PB (accessible vehicles do not have their own registration class). Taxis and Limos are eligible for the SGI Business Recognition Program, a program that provides a discount up to 15% or a surcharge of up to 25% of the basic vehicle insurance

premium. However, owners are not entitled to the SGI Safe Driver Recognition Discount (similar to the MPI DSR discount).

ICBC

Transportation Network Services (TNS) – ride hailing services

TNS dispatchers in BC must purchase a TNS Basic insurance blanket certificate. ICBC designed this blanket certificate to allow customers who do not have vehicles rated for commercial passenger transportation use to participate in passenger directed transportation without having to declare commercial passenger transportation use. All TNS drivers must carry an underlying Owner's Certificate of Insurance (APV250) or a Temporary Operation Permit (APV16) that would provide insurance coverage when the TNS blanket certificate is not in effect.

The pricing of the blanket certificate is based on distance driven (a per-kilometer rate) and the price per kilometer is based on three geographical zones and determined by the zone where the passenger is picked up.

The blanket certificate only provides coverage in the TNS phase when the vehicle is "En Route" with a confirmed ride or when it is "On Trip" with a paying passenger in the vehicle. The owner's certificate provides coverage when the TNS driver is "Offline", or when the status of the TNS online platform is set to "Available" but there is no confirmed ride.

Taxi

BC introduced changes to how premium is determined for taxis based on Government's objectives. The changes include options for determining vehicle premium:

- Per vehicle (current)
- A combined per vehicle and per kilometer model
- These apply for fleet and non-fleet taxi operators

Current taxi rates are based on Basic insurance on a per vehicle rate. Coverage must include a minimum of \$1 million TPL coverage. There are differences based on the number of vehicles an operator owns:

- If there are less than five vehicles, then the vehicles are rated individually (non-fleet)
- If there are between 5-19 vehicles, the operator can select fleet or non-fleet operation
- If there are 20 or more vehicles, then they are mandatory to be classified as a fleet; the fleet does not have to consist only of taxis.

Taxis also have the option to switch from a per vehicle rating model to a combined per vehicle and per kilometer model. The combined model has four stages and the per kilometer premium amount will be based on when the vehicle is en route or on trip and based on the zone. The rates are the same as those charged for Transportation Network Services (TNS). The per vehicle portion of the rate is based on the rate classes of travelling to and from work. In order to move to this per kilometer model there must be the capability of electronically recording distance in the phases of available, en route and on trip.

- c) MPI remains engaged in discussions with the Taxi Coalition, the City of Winnipeg, Limo and Accessible VFH representatives and Transportation Network Companies (TNCs) such as Uber. MPI shared information about the current VFH framework relative to each stakeholder, discussed models that were presented at the VFH technical conference and gathered thoughts and feedback from each stakeholder group. As the process is still ongoing, MPI continues to develop the results and its conclusions.

MPI continues to discuss in detail the VFH frameworks in Saskatchewan and British Columbia with both SGI and ICBC respectively. These discussions will assist MPI in developing a new VFH framework.

- d) As stated earlier, MPI is still currently involved in ongoing consultation with various stakeholder groups to help inform VFH model development. Furthermore, in an

effort to gain information from the broader VFH population, the MPI also engaged VFH dispatchers and registered owners in its surveys. Taken together, MPI anticipates that the results of both methods will help develop an improved solution that best meets the needs of each of the stakeholders involved.

PUB (MPI) 1-5

Part and Chapter:	Part V Pro Formas	Page No.:	5
PUB Approved Issue No:	4. Financial Forecast 7. Capital Management Plan		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:**Question:**

Please provide an updated PF-1 reflecting the removal of 5% CMP as a separate line-item in revenue.

Rationale for Question:

To understand MPI's proposed changes to the CMP and the impact on the financial forecast.

RESPONSE:

Figure 1, line 4 reflects an updated PF-1 with the removal of 5% capital release provision as a separate line item in revenue.

Figure 1 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 1-5 (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles (excludes Capital Release Provision)	1,091,979	1,093,090	1,044,947	1,140,113	1,181,565	1,224,630
4	Motor Vehicles (Capital Release Provision)	-	(57,829)	54,743	-	-	-
5	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
6	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
7	Total Net Premiums Written	1,144,932	1,080,811	1,147,520	1,189,831	1,232,868	1,277,404
8	Net Premiums Earned						
9	Motor Vehicles	1,066,886	1,070,733	1,068,311	1,120,426	1,161,377	1,203,656
10	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
11	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
12	Total Net Premiums Earned	1,120,468	1,118,610	1,114,868	1,169,061	1,211,742	1,255,545
13	Service Fees & Other Revenues	25,792	26,228	30,063	30,405	31,269	33,044
14	Total Earned Revenues	1,146,260	1,144,838	1,144,931	1,199,466	1,243,011	1,288,589
15	Claims Incurred	620,145	839,934	904,591	941,024	980,586	1,023,972
16	DPAC \ Premium Deficiency Adjustment	(10,511)	3,432	302	3,362	10,711	6,873
17	(a) Claims Incurred - Interest Rate Impact	44,194	12,477	11,681	11,753	10,044	10,122
18	Total Claims Incurred	653,828	855,843	916,574	956,139	1,001,341	1,040,967
19	Claims Expense	141,720	149,509	147,719	151,167	152,772	156,205
20	Road Safety/Loss Prevention	7,708	13,249	13,070	12,934	12,598	12,800
21	Total Claims Costs	803,256	1,018,601	1,077,363	1,120,240	1,166,711	1,209,972
22	Expenses						
23	Operating	70,063	76,113	76,108	78,141	79,099	80,894
24	Commissions	43,384	45,961	48,013	51,667	54,152	54,166
25	Premium Taxes	23,978	32,607	33,924	35,560	36,850	38,174
26	Regulatory/Appeal	4,399	4,791	4,624	4,605	4,644	4,693
27	Total Expenses	141,824	159,472	162,669	169,973	174,745	177,927
28	Underwriting Income (Loss)	201,180	(33,235)	(95,101)	(90,747)	(98,445)	(99,310)
29	Investment Income	88,878	100,008	99,241	101,041	102,664	105,330
30	(b) Investment Income - Interest Rate Impact	650	541	483	(9)	(10)	(11)
31	Net Investment Income	89,528	100,549	99,724	101,032	102,654	105,319
32	Gain (Loss) on Sale of Property	74	-	-	-	-	-
33	Net Income (Loss) from Annual Operations	290,782	67,314	4,623	10,285	4,209	6,009
34	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,936)	(11,198)	(11,762)	(10,054)	(10,133)

In addition, while the figure below resembles *Revenues Figure REV-3* (2022 GRA), it is updated to reflect the (addition) / removal of the 5% capital release provision as a separate line item to Motor Vehicle premiums written. There is no impact to Driver Premium from the removal of the capital release provision.

Figure 2 Motor Vehicle Premiums Written and Earned: -2.8% Rate Change & Elimination of 5% Capital Release Provision on 2022/23 Policies

Line No.	BASIC	For the Years Ended March,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1	<i>(C\$ 000s, except where noted)</i>						
2	HTA Volume Change	1.11%	1.25%	1.13%	1.06%	1.06%	1.06%
3	HTA Upgrading & Other Changes	2.27%	2.44%	2.59%	2.58%	2.54%	2.55%
4	Rate Change	(0.50%)	(3.76%)	(2.82%)	0.00%	0.00%	0.00%
5	(Add) / Remove Capital Release Provision	0.00%	(5.00%)	5.00%	0.00%	0.00%	0.00%
6	Premiums Unearned during Year	49.42%	48.70%	48.70%	48.70%	48.70%	48.70%
7	Basic Insurance Written						
8	Last Year Premiums Written	1,074,249	1,115,102	1,055,295	1,118,728	1,159,756	1,201,820
9	Volume Increase	11,924	13,939	11,925	11,859	12,293	12,739
10	Total Volume Written	1,086,173	1,129,040	1,067,219	1,130,587	1,172,050	1,214,559
11	Upgrading & Other Changes	24,656	27,549	27,641	29,169	29,770	30,971
12	Total With Upgrading	1,110,829	1,156,589	1,094,860	1,159,756	1,201,820	1,245,530
13	Impact of Rate Change	(5,599)	(43,465)	(30,875)	-	-	-
14	(Add) / Remove Capital Release Provision	-	(57,829)	54,743	-	-	-
15	Adjustments	9,871	-	-	-	-	-
16	Total Premium Written Before Rebates	1,115,102	1,055,295	1,118,728	1,159,756	1,201,820	1,245,530
17	Fleet Rebates	(21,583)	(18,621)	(17,710)	(18,401)	(19,100)	(19,832)
18	Anti Theft & Other Charges	(1,539)	(1,412)	(1,328)	(1,241)	(1,155)	(1,068)
19	Total Premiums Written	1,091,979	1,035,261	1,099,690	1,140,113	1,181,565	1,224,630
20	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
21	Total Net Premiums Written	1,078,218	1,019,632	1,083,748	1,123,853	1,164,979	1,207,713
22	Basic Insurance Earned						
23	Beginning Unearned Premium Balance	514,587	539,680	504,208	535,587	555,274	575,463
24	Premiums Written	1,091,979	1,035,261	1,099,690	1,140,113	1,181,565	1,224,630
25	Unearned Premiums during Year	539,680	504,208	535,587	555,274	575,463	596,437
26	Premiums Earned	1,066,886	1,070,733	1,068,311	1,120,426	1,161,377	1,203,656
27	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
28	Total Net Premiums Earned	1,053,125	1,055,104	1,052,370	1,104,165	1,144,791	1,186,739

Line 14 represents the dollar value of 5% of written premiums, in the respective fiscal year. The dollar value of adding the 5% capital release provision to written premiums

in 2021/22 is approximately \$57.8 million. The dollar value of removing the 5% capital release provision to written premiums in 2022/23 is approximately \$54.7 million. The values are different because MPI applies the removal of the 5% capital release provision to the 2022/23 fiscal year premiums rather than in the same year as the addition of the capital release provision (i.e. 2021/22). Earned premiums from the capital release provision assume the same percentage used for all other premiums written in the respective year. This percentage is shown on Line 6 of Figure 2.

PUB (MPI) 1-6

Part and Chapter:	Part V- Pro Formas	Page No.:	4-7
PUB Approved Issue No:	4. Financial Forecast		
Topic:	Interest Rate Forecast		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide an updated PF-1, PF-2, PF-3 and actuarially indicated rate (with supporting schedules) based on a 25-basis point increase in interest rates in 2021-2022.
- b) Please provide an updated PF-1, PF-2, PF-3 and actuarially indicated rate (with supporting schedules) based on a 25-basis point decrease in interest rates in 2021-2022.
- c) Please provide an explanation of the impact of a 25-basis point decrease in interest rates in 2021-2022 on the AOCI impact of the pension obligation.

Rationale for Question:

To understand the impact of changing interest rates on the actuarial indicated rate and forecasted financial results.

RESPONSE:

- a) and b)

Figure 1 summarizes the resulting New Money Yield, actuarially indicated rate, and capital management summary applicable to Basic for each respective scenario as provided in parts a) and b) as well as comparative numbers from the Base Scenario as presented in the 2022 GRA.

Figures 2 and 3 are RM-14-Required Rate Changes by Major Classification for scenarios a) and b), respectively.

Figures 4 to 6 are updated PF-1, PF-2, PF-3 for scenario part a)

Figures 7 to 9 are updated PF-1, PF-2, PF-3 for scenario part b)

Figure 1 Rate Indication Table and MCT % after Rebate and Capital Management Plan

Scenario	New Money Yield	AAP Breakeven Rate Indication	Capital Build / Release Provision	Rebate (in million)		Transfer from Extension (in million)				MCT % After Basic Rebate, Transfer from Extension and Capital Build / Release			
				20/21*	21/22	20/21	21/22	22/23	23/24	20/21	21/22	22/23	23/24
2022 GRA - Base	2.46%	-2.82%	0.00%	(155.4)	(47.3)			39.3	46.7	100.0%	100.0%	101.5%	109.2%
PUB 1-6 a) + 25bps	2.69%	-3.42%	0.00%	(155.4)	(68.7)	-	-	39.1	46.5	100.0%	100.0%	100.7%	108.6%
PUB 1-6 b) - 25bps	2.24%	-2.22%	0.00%	(155.4)	(24.0)	-	-	39.5	46.8	100.0%	100.0%	102.2%	110.4%

* Excludes rebates approved from 2021 Special Rebate Applications

Figure 2 Rating Year 2022/23 Major Classification Required Rate Changes - Breakeven Rates Adjusted for DSR Discount Changes

Line No.	Coverage	Overall	Private Pass	Comm	Public	Motor-Cycle	Trailer	ORV
1	22/23 Units	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900
2	Claims	694.53	918.78	683.21	1,775.51	693.19	46.64	5.15
3	Claims Expense	122.69	162.30	120.69	313.64	122.45	8.24	0.91
4	Road Safety	10.53	14.02	14.02	14.02	14.02	0.00	0.00
5	Operating Expense	63.02	83.93	83.93	83.93	83.93	0.00	0.00
6	Regulatory/Appeal	3.74	4.98	4.98	4.98	4.98	0.00	0.00
7	Commission: Vehicle	34.35	45.36	34.15	85.84	33.30	2.72	0.24
8	Prem Tax: Vehicle	27.48	36.29	27.32	68.67	26.64	2.18	0.19
9	Comm & Prem Tax: Driver	3.19	4.24	4.24	4.24	4.24	0.00	0.00
10	Commission Flat Fee	5.10	6.79	6.79	6.79	6.79	0.00	0.00
11	Reins: Casualty	1.24	1.65	1.65	1.65	1.65	0.00	0.00
12	Reins: Catastrophe	11.82	12.86	12.86	12.86	0.00	12.86	0.00
13	Fleet Rebates	14.73	20.03	20.03	20.03	0.00	0.00	0.00
14	Anti-Theft Discount	1.09	1.59	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	52.42	69.81	69.81	69.81	69.81	0.00	0.00
16	Service Fees	25.05	33.36	33.36	33.36	33.36	0.00	0.00
17	Req Rate (Raw)	916.03	1,209.65	910.70	2,288.99	888.03	72.64	6.50
18	Req Rate (Bal)	903.93	1,193.67	898.67	2,258.75	876.29	71.68	6.41
19	21/22 Average Rate	888.59	1,165.66	867.45	2,145.90	905.87	73.36	7.02
20	Major Class Drift	5.3%	6.3%	5.4%	0.9%	0.2%	5.0%	0.0%
21	22/23 Average Rate							
22	Without Rate Change	935.98	1,238.66	914.17	2,165.03	907.45	77.00	7.02
23	Full Cred Req Change	-3.4%	-3.6%	-1.7%	4.3%	-3.4%	-6.9%	-8.7%
24	Applied for Change	-0.8%	-0.8%	-1.6%	4.8%	-0.1%	-6.9%	-8.7%
25	Credibility		99.3%	88.8%	66.7%	76.0%	97.4%	93.1%
26	Cred Wtd Change		-0.8%	-1.5%	2.9%	-0.3%	-6.8%	-8.2%
27	Cred Wtd Req Rate		1,228.73	900.54	2,228.85	905.11	71.80	6.45
28	Cred Wtd Req Rate (Bal)	928.58	1,229.15	900.85	2,229.60	905.42	71.83	6.45
29	Cred Wtd Change (Bal)		-0.8%	-1.5%	3.0%	-0.2%	-6.7%	-8.1%

Figure 3 Rating Year 2022/23 Major Classification Required Rate Changes - Breakeven Rates Adjusted for DSR Discount Changes

Line No.	Coverage	Overall	Private Pass	Comm	Public	Motor-Cycle	Trailer	ORV
1	22/23 Units	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900	1,232,900
2	Claims	701.21	927.32	691.36	1,793.43	713.47	46.69	5.21
3	Claims Expense	124.52	164.67	122.77	318.48	126.70	8.29	0.93
4	Road Safety	10.56	14.07	14.07	14.07	14.07	0.00	0.00
5	Operating Expense	63.11	84.05	84.05	84.05	84.05	0.00	0.00
6	Regulatory/Appeal	3.74	4.99	4.99	4.99	4.99	0.00	0.00
7	Commission: Vehicle	34.70	45.81	34.58	86.77	34.30	2.73	0.25
8	Prem Tax: Vehicle	27.76	36.65	27.66	69.41	27.44	2.18	0.20
9	Comm & Prem Tax: Driver	3.18	4.24	4.24	4.24	4.24	0.00	0.00
10	Commission Flat Fee	5.08	6.77	6.77	6.77	6.77	0.00	0.00
11	Reins: Casualty	1.24	1.65	1.65	1.65	1.65	0.00	0.00
12	Reins: Catastrophe	11.82	12.86	12.86	12.86	0.00	12.86	0.00
13	Fleet Rebates	14.76	20.07	20.07	20.07	0.00	0.00	0.00
14	Anti-Theft Discount	1.09	1.59	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	52.30	69.66	69.66	69.66	69.66	0.00	0.00
16	Service Fees	25.05	33.36	33.36	33.36	33.36	0.00	0.00
17	Req Rate (Raw)	925.44	1,221.72	922.05	2,313.76	914.64	72.76	6.58
18	Req Rate (Bal)	915.23	1,208.24	911.87	2,288.23	904.55	71.95	6.51
19	21/22 Average Rate	888.59	1,165.66	867.45	2,145.90	905.87	73.36	7.02
20	Major Class Drift	5.3%	6.3%	5.4%	0.9%	0.2%	5.0%	0.0%
21	22/23 Average Rate							
22	Without Rate Change	935.98	1,238.66	914.17	2,165.03	907.45	77.00	7.02
23	Full Cred Req Change	-2.2%	-2.5%	-0.3%	5.7%	-0.3%	-6.6%	-7.3%
24	Applied for Change	0.4%	0.4%	-0.1%	6.2%	3.0%	-6.6%	-7.3%
25	Credibility		99.3%	88.8%	66.7%	76.0%	97.4%	93.1%
26	Cred Wtd Change		0.4%	-0.1%	4.3%	2.4%	-6.4%	-6.8%
27	Cred Wtd Req Rate		1,243.21	913.49	2,257.14	929.14	72.09	6.55
28	Cred Wtd Req Rate (Bal)	939.81	1,243.73	913.87	2,258.09	929.53	72.12	6.55
29	Cred Wtd Change (Bal)		0.4%	0.0%	4.3%	2.4%	-6.3%	-6.7%

Figure 4 PF-1 Statement of Operations – Basic

Multi-year - Statement of Operations

Line No.	PUB 6(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,093,121	1,133,303	1,174,508	1,217,317
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,140,951	1,183,021	1,225,811	1,270,091
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,064,941	1,113,733	1,154,440	1,196,467
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,111,498	1,162,368	1,204,805	1,248,356
12	Service Fees & Other Revenues	25,792	26,228	29,928	30,260	31,112	32,874
13	Total Earned Revenues	1,146,260	1,144,838	1,141,426	1,192,628	1,235,917	1,281,230
14	Claims Incurred	620,145	839,935	903,296	939,615	979,066	1,022,335
15	DPAC \ Premium Deficiency Adjustment	(10,511)	1,273	3,065	3,270	10,609	6,767
16	(a) Claims Incurred - Interest Rate Impact	44,194	(28,003)	9,292	9,970	8,337	8,475
17	Total Claims Incurred	653,828	813,205	915,653	952,855	998,012	1,037,577
18	Claims Expense	141,720	149,509	147,495	150,927	152,510	155,951
19	Road Safety/Loss Prevention	7,708	13,249	13,047	12,910	12,572	12,776
20	Total Claims Costs	803,256	975,963	1,076,195	1,116,692	1,163,094	1,206,304
21	Expenses						
22	Operating	70,063	76,113	76,002	78,027	78,976	80,774
23	Commissions	43,384	45,961	47,909	51,406	53,871	53,884
24	Premium Taxes	23,978	31,967	33,823	35,359	36,642	37,958
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,643	4,692
26	Total Expenses	141,824	158,832	162,358	169,396	174,132	177,308
27	Underwriting Income (Loss)	201,180	10,043	(97,127)	(93,460)	(101,309)	(102,382)
28	Investment Income	88,878	96,987	101,309	103,574	106,523	109,519
29	(b) Investment Income - Interest Rate Impact	650	(39,111)	439	(7)	(8)	(9)
30	Net Investment Income	89,528	57,876	101,748	103,567	106,515	109,510
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	67,919	4,621	10,107	5,206	7,128
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,108)	(8,853)	(9,977)	(8,345)	(8,484)

Figure 5 PF-2 Statement of Financial Position - Basic

Multi-year - Statement of Financial Position

Line No.	PUB 6(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,871,587	3,024,524	3,196,570	3,393,453	3,594,135
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	430,039	445,235	460,484	476,019
9	Deferred policy acquisition costs	37,259	32,761	30,380	30,308	20,332	14,370
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,139	52,959	42,168	32,513
13	Total Assets	3,679,762	3,577,318	3,758,986	3,946,191	4,131,589	4,325,095
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	588,402	610,773	633,629	657,356
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	380,626	392,079	403,535	414,993	426,451
21	Provision for unpaid claims	2,045,997	2,089,555	2,182,760	2,271,767	2,360,087	2,450,231
22	Total Liabilities	3,245,785	3,131,551	3,266,763	3,393,259	3,515,794	3,643,174
23	Equity						
24	Retained Earnings	448,678	447,926	491,629	548,228	606,392	667,157
25	Accumulated Other Comprehensive Income	(14,701)	(2,160)	592	4,704	9,404	14,764
26	Total Equity	433,977	445,766	492,221	552,932	615,796	681,921
27	Total Liabilities & Equity	3,679,762	3,577,317	3,758,984	3,946,191	4,131,590	4,325,095

Figure 6 PF-3 Statement of Changes in Equity - Basic

Multi-year - Statement of Changes in Equity

Line No.	PUB 6(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	447,926	491,629	548,228	606,392
6	Net Income (Loss) from annual operations	290,782	67,919	4,621	10,107	5,206	7,128
7	Premium Rebate	(127,201)	(68,671)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	39,082	46,492	52,958	53,637
10	Total Retained Earnings	448,678	447,926	491,629	548,228	606,392	667,157
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(2,160)	592	4,704	9,404
13	Other Comprehensive Income on Available for Sale Assets	53,984	(4,128)	2,752	4,112	4,700	5,360
14	Change in Remeasurement of Employee Future Benefits	(34,389)	16,669	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(2,160)	592	4,704	9,404	14,764
16	Total Equity Balance	433,977	445,766	492,221	552,932	615,796	681,921
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	445,766	492,221	552,932	615,796	681,921
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,139	52,959	42,168	32,513
20	Capital Available	401,793	402,754	441,082	499,973	573,628	649,408
21	Minimum Capital Required (100% MCT)	401,793	402,857	437,950	460,386	482,486	506,834
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	100.7%	108.6%	118.9%	128.1%

Figure 7 PF-1 Statement of Operations – Basic

Multi-year - Statement of Operations

Line No.	PUB 6(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,106,259	1,146,923	1,188,622	1,231,944
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,154,089	1,196,641	1,239,925	1,284,718
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,071,681	1,127,119	1,168,313	1,210,845
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,118,238	1,175,754	1,218,678	1,262,734
12	Service Fees & Other Revenues	25,792	26,228	30,197	30,550	31,425	33,213
13	Total Earned Revenues	1,146,260	1,144,838	1,148,435	1,206,304	1,250,103	1,295,947
14	Claims Incurred	620,145	839,934	905,905	942,489	982,202	1,025,703
15	DPAC \ Premium Deficiency Adjustment	(10,511)	5,621	(2,398)	3,518	10,810	6,970
16	(a) Claims Incurred - Interest Rate Impact	44,194	53,541	15,260	14,649	11,497	11,455
17	Total Claims Incurred	653,828	899,096	918,767	960,656	1,004,509	1,044,128
18	Claims Expense	141,720	149,509	147,942	151,406	153,048	156,474
19	Road Safety/Loss Prevention	7,708	13,249	13,092	12,959	12,625	12,826
20	Total Claims Costs	803,256	1,061,854	1,079,801	1,125,021	1,170,182	1,213,428
21	Expenses						
22	Operating	70,063	76,113	76,213	78,254	79,230	81,020
23	Commissions	43,384	45,961	48,118	51,927	54,432	54,448
24	Premium Taxes	23,978	33,307	34,025	35,760	37,058	38,390
25	Regulatory/Appeal	4,399	4,791	4,625	4,605	4,645	4,694
26	Total Expenses	141,824	160,172	162,981	170,546	175,365	178,552
27	Underwriting Income (Loss)	201,180	(77,188)	(94,347)	(89,263)	(95,444)	(96,033)
28	Investment Income	88,878	103,388	97,599	99,988	98,423	100,764
29	(b) Investment Income - Interest Rate Impact	650	41,903	627	130	(13)	(14)
30	Net Investment Income	89,528	145,291	98,226	100,118	98,410	100,750
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	68,103	3,879	10,855	2,966	4,717
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,638)	(14,633)	(14,519)	(11,510)	(11,469)

Figure 8 PF-2 Statement of Financial Position - Basic

Multi-year - Statement of Financial Position

Line No.	PUB 6(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	3,012,117	3,170,015	3,348,683	3,550,237	3,755,610
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	433,875	449,212	464,605	480,291
9	Deferred policy acquisition costs	37,259	28,413	31,927	31,647	21,479	15,324
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,113	52,914	42,108	32,442
13	Total Assets	3,679,762	3,713,500	3,909,834	4,103,575	4,293,581	4,491,725
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	594,801	617,407	640,503	664,480
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	413,963	425,416	436,873	448,330	459,788
21	Provision for unpaid claims	2,045,997	2,171,098	2,272,881	2,369,442	2,464,058	2,560,549
22	Total Liabilities	3,245,785	3,246,431	3,396,620	3,530,906	3,659,976	3,793,953
23	Equity						
24	Retained Earnings	448,678	492,788	536,172	593,797	649,849	708,532
25	Accumulated Other Comprehensive Income	(14,701)	(25,720)	(22,956)	(21,122)	(16,243)	(10,759)
26	Total Equity	433,977	467,068	513,216	572,675	633,606	697,773
27	Total Liabilities & Equity	3,679,762	3,713,499	3,909,836	4,103,581	4,293,582	4,491,726

Figure 9 PF-3 Statement of Changes in Equity - Basic

Multi-year - Statement of Changes in Equity

Line No.	PUB 6(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	492,788	536,172	593,797	649,849
6	Net Income (Loss) from annual operations	290,782	68,103	3,879	10,855	2,966	4,717
7	Premium Rebate	(127,201)	(23,993)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	39,505	46,770	53,086	53,966
10	Total Retained Earnings	448,678	492,788	536,172	593,797	649,849	708,532
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(25,720)	(22,956)	(21,122)	(16,243)
13	Other Comprehensive Income on Available for Sale Assets	53,984	5,650	2,764	1,834	4,879	5,484
14	Change in Remeasurement of Employee Future Benefits	(34,389)	(16,669)	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(25,720)	(22,956)	(21,122)	(16,243)	(10,759)
16	Total Equity Balance	433,977	467,068	513,216	572,675	633,606	697,773
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	467,068	513,216	572,675	633,606	697,773
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,113	52,914	42,108	32,442
20	Capital Available	401,793	424,056	462,103	519,761	591,498	665,331
21	Minimum Capital Required (100% MCT)	401,793	423,918	452,173	470,620	492,905	517,606
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	102.2%	110.4%	120.0%	128.5%

- c) A 25-basis point decrease in interest rates in 2021-2022 causes a negative impact on Accumulated Other Comprehensive Income (AOCI) as a result of a higher pension obligation. The dollar change impacting AOCI for Basic can be seen in Figure 9, line 14.

PUB (MPI) 1-7

Part and Chapter:	Part V- Claims Incurred Part VII- Investments Part VI Ratemaking	Page No.:	13 8 21
PUB Approved Issue No:	4. Financial Forecast		
Topic:	Financial Forecast		
Sub Topic:	Interest Rate Impacts		

Preamble to IR:

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39; Financial Instruments: Recognition and Measurement for annual periods beginning on or after January 1, 2018. The standard provides guidance on the classification and measurement of financial instruments, impairment of financial assets, and hedge accounting.

The Corporation has temporarily deferred the adoption of IFRS 9. The Corporation qualified for temporary deferral from IFRS 9 based on the following reasons: (1) The Corporation has not previously applied any version of IFRS 9, and (2) the Corporation's activities were predominantly connected with insurance as at February 29, 2016, and there have been no significant changes in its activities since that date. The conclusion that the Corporation's activities were predominantly connected with insurance was made on the basis that the carrying value of the Corporation's liabilities arising from insurance contracts, within the scope of IFRS 4, comprised of greater than 80 per cent of the Corporation's total liabilities and the Corporation does not engage in significant activity unconnected with insurance.

IFRS 17 is also going to be implemented at the same time. This change in accounting standard impacts the determination of the claims liabilities by requiring the use of a risk free discount rate plus a liquidity premium. The current approach is based on the discount rate inherent in the investment portfolio return.

IFRS 17 is effective for annual reporting periods on or after January 1, 2023 with earlier application permitted as long as IFRS 9 is also applied.

At last year's GRA the Corporation indicated that it had commenced work on some of the IFRS 17 position papers, The position papers are currently in the process of internal review and external consultation. The finalization of the papers and Board of Directors approval will follow once MPI has completed internal/external review with an update to the Board forthcoming.

MPI has not quantitatively assessed the financial impact of IFRS 17 on the Basic actuarial valuation as guidelines/adoption applications are being updated. In 2020/21, management plans to perform high-level quantitative modelling for actuarial elements of IFRS 17 requirements.

MPI states; As a result, in order to reduce volatility under IFRS 17, the asset portfolio may need to be modified so that the yield of the asset portfolio and the claims discount rate both change by similar amounts when interest rates change.

Question:

- a) Please file the position papers and quantitative analysis prepared on the Corporation's evaluation of the impact of the proposed accounting standard changes on its financial reporting.
- b) Please file any analysis or documentation prepared by the externally appointed actuary assisting MPI in understanding the impact of IFRS 17.
- c) Please provide the election options that are available for the implementation of the standards and the impact on financial reporting and rate setting. I.E. what is the Corporation's position on utilizing a top down or bottom up approach for the determination of the discount rate under the Standard? And, what is the Corporation's expectation as to the method to be used for estimation of the Risk Adjustment?

- d) Please explain how MPI may have to adjust the composition of its investment portfolio to balance the movement of the value of the investment portfolio and Basic claims portfolio and discuss the implications if it is not modified.
- e) Please indicate whether IFRS 17 will impact the valuation of the Corporation's employee benefits.

Rationale for Question:

To understand the impact of changes in accounting standards on rate-setting.

RESPONSE:

- a) and c) The working assumptions, and position papers, are not yet approved and finalized by the Board of Directors. Approval and finalization will follow after the working assumptions have been validated following further testing and modelling, with assistance from external resources. The draft position papers are summarized below:

Contract Boundary Assessment

This paper assesses the contract boundary of insurance contracts that MPI issues, in order to support its eligibility to apply the simplified method of accounting for insurance contracts. This simplified measurement model is called the Premium Allocation Approach (PAA). Simplifications relate to revenue recognition, treatment of acquisition costs and required disclosures. This approach is relatively more similar to the current accounting under International Financial Reporting Standards (IFRS) 4, than the IFRS 17 General Measurement Model, which would be required if PAA eligibility was not met.

Based on relevant IFRS 17 criteria, all contracts with a one-year coverage period or less qualify for the PAA. MPI can use the PAA since, for accounting purposes, the coverage period was evaluated to be one year or less. This is because the insurance contracts can be repriced annually (through reassessments), and the

duration of time MPI can compel policyholders to pay premiums does not extend more than one year.

Level of Aggregation (LoA)

This paper addresses grouping of insurance contracts for measurement, recognition, and disclosure purposes. The paper also addresses accounting considerations for reinsurance.

IFRS 17 is intended to make financial statements of insurers more comparable with both other insurers and other industries. Currently, there are no common guidelines in the standards regarding the grouping of insurance contracts, which results in inconsistencies when comparing results with other organizations and potential cross-subsidizations across segments of insurance contracts within organizations. LoA supports consistency and comparability by laying out a common required framework to classify and group insurance contracts. IFRS 17, and the LoA requirements specifically, will impact several actuarial and finance functions including valuing the insurance liabilities and revenue recognition. LoA aims to provide users of the financial statements with increased visibility of differences in profitability development of contracts written in different periods, thereby promoting further insights within the financial statements which are not available currently.

Under IFRS 17, the lowest unit of account is the individual contract/policy (which for MPI can include more than one product across more than one line of business, for example policies that include Basic & Extension products). It is not practical to track each insurance contract individually for financial reporting or actuarial purposes; therefore, the standard allows for a higher LoA to be used for accounting purposes and reporting results, with a balance struck between too granular and too high-level of information. When issued, all insurance contracts must be assigned to an annual cohort grouping as per the LoA requirements for measurement and disclosure purposes.

Working assumptions are as follows:

- Groups of insurance contracts will be actuarially assessed to determine if they are onerous, which will require recognizing a loss component (i.e. day one loss) at inception of the group and additional disclosures.
- MPI will have one group within each of the two portfolios: 1) Direct contracts issued (Basic, Extension, and SRE); 2) Reinsurance.
- Annual cohorts will follow the rate-setting year.

Acquisition Costs

Acquisition costs are to be assessed on whether they meet the IFRS 17 definition of "insurance acquisition cash flows" from Appendix A of IFRS 17 which is as follows: *"Cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs."*

Acquisition cash flows under IFRS 4 include all commissions and premium taxes. Preliminarily, MPI expects acquisition cash flows under IFRS 17 to include commissions (related to insurance transactions only), premium taxes, and any other costs of selling, underwriting, and starting a group of insurance contracts. The evaluation of what cash flows should be classified as acquisition cash flows under IFRS 17 is underway.

The working assumption is to exercise the option to expense acquisition cash flows as they are incurred, rather than defer and amortize them, since this option is not expected to increase net income volatility (post-transition) or reduce the usefulness or level of information currently disclosed. Additionally, choosing to expense acquisition cash flows as they are incurred will reduce the complexity of required disclosures, insurance liability calculations, and onerous contract assessments.

Transition Methodology

This paper explains the rationale for why MPI must transition to IFRS 17 using the full retrospective approach and outlines the financial statement presentation and disclosure requirements upon adoption. MPI must apply IFRS 17 retrospectively with restatement of prior comparatives (unless it is impracticable to do so). If impracticable, an insurer can apply alternative transition methods. However, since MPI uses the simplified PAA measurement model, it will be required to use the full retrospective approach when adopting IFRS 17. This involves adjusting balances at the transition date to their value had IFRS 17 always applied (i.e. changes required for deferred policy acquisition costs, insurance liabilities).

Practical expedients apply to MPI when adopting IFRS 9. These include use of hindsight when reporting comparative periods, which standard setters expect will result in less “accounting noise” in the comparative periods upon transition for insurers adopting both standards concurrently. MPI plans to exercise these options where available.

IFRS 9: Classification of financial instruments and P&L vs. OCI options

Please refer to *PUB (MPI) CI 1-2 - Confidential*.

Actuarial topics: Discount rate and Risk adjustment

Discount Rate: As communicated in previous GRA filings, MPI may use a bottom-up discount rate approach; and after further actuarial modelling will finalize its approach as either the bottom-up or the top-down approach.

The bottom-up approach requires adding a liquidity premium to the risk free rate when computing the claims discount rate. This decision requires further validation and testing which is to be completed in the actuarial modelling work planned for later this year.

The top-down approach requires starting with current market rates of return from either a reference portfolio or an entity's own asset portfolio. Then, the rate is adjusted for credit risk, duration mismatches, and other identified risks which are not relevant to the related insurance contract liabilities the assets are backing. The end result, in theory, is that the rate reflects the characteristics of the liabilities themselves, and any characteristics which are relevant only to the reference assets are adjusted out.

Risk Adjustment: MPI plans to leverage and adjust the current provision for adverse deviation calculations where possible when computing the IFRS 17 risk adjustment for non-financial risks. However, this approach requires further validation and testing which is to be completed in the actuarial modelling work planned for later this year.

Please refer to CAC (MPI) 1-69(c) for the Quantitative Analysis.

b) The externally appointed actuary prepared preliminary IFRS 17 analysis and documentation for the Extension line of business. MPI expects the analysis over the Basic line of business to be completed later this year. The analysis from the externally appointed actuary highlights the following issues which may affect the valuation work over the Basic line of business:

- Allocating accident year results to underwriting year
- Demonstrating that the mean cash flow in determining the insurance liability is a probability weighted mean
- Handling of discount rates beyond the 30-year observable period
- Number of portfolios and groups of contracts
- Onerous contracts for zero-profit margin business
- Handling of indexed benefits
- Reinsurance contracts held
- Allocating profit margin to underwriting risk and reserving risk
- Single discount rate curve for total insurance liability
- Data missing at the time of analysis

- d) MPI does not anticipate that these accounting changes will impact the overall design of its portfolios (i.e. asset allocation between equities and fixed income), but rather it may impact the vehicle, or way in which it holds the investments (i.e. segregated vs. pooled funds).

Under IFRS 17 (consistent with current treatment), MPI will be accounting for changes to the insurance liability due to changes in the discount rate through Profit and Loss; it will also account for IFRS 9 changes in fair value (i.e. unrealized gains or losses) in the backing asset classes through Profit and Loss. This offsetting accounting treatment which minimizes interest rate risk will remain consistent pre- and post- adoption of these new accounting standards. Under IFRS 9, Fair Value through Profit or Loss (FVTPL) is the default accounting classification.

As per IFRS 9, certain criteria must be met in order to assign asset classes an accounting classification other than FVTPL (i.e. FVOCI – fair value through other comprehensive income; or AC – amortized cost). Using the FVOCI classification for asset classes which back surplus or the EFB liability reduces net income volatility, because these asset classes have no associated insurance liability with changes going through profit and loss, and therefore, changes in the fair values for these investments will not be offset like the ones that back the insurance liability.

For example, MPI expects that some currently held fixed income asset classes would only be eligible for FVTPL under IFRS 9 since they fail the Solely Payments of Principal and Interest (SPPI) test. The MPI fixed income asset classes (which are pooled), fail the SPPI test because their distributions can vary based on the cash flow of the fund and include unrealized capital gains and/or losses (and therefore, the distributions are not solely payments of principal and interest).

A consideration when MPI evaluates how it holds its investments is if the asset class vehicle will allow for the desired accounting classification, and whether to hold it in a different vehicle to have more accounting classifications available. Another consideration is the scale/quantum of MPI's investment in each asset class and whether that would allow for sufficient diversification in the relevant asset class (e.g. direct investment in infrastructure or private debt may not be practical

at the scale of MPI, given the significant “bite size” of these investments). Also, the necessary legal, operational and other due diligence required, which is normally performed by the pooled fund manager, may be impractical for MPI to undertake as a direct investor.

- e) The valuation of the employee benefits of MPI is not within the scope of IFRS 17, and therefore not impacted by adoption of IFRS 17. Employee benefits are accounted for under IAS 19: *Employee benefits*.

PUB (MPI) 1-8

Part and Chapter:	Part V Pro Formas Part VII Investments MPI Ex. #27 (2021 GRA)	Page No.:	
PUB Approved Issue No:	4. Financial Forecast		
Topic:	Asset Liability Management Study		
Sub Topic:			

Preamble to IR:

In the October 9th update at the 2021 GRA, MPI forecasted a \$124.5M positive impact in 2020-2021 due to interest rates and was forecasting total investment income of \$205.7 million. In this year's application, MPI indicates that the interest rate impact was \$650,000 and investment income of \$89.5 million.

Question:

- a) Please provide a comparison of the claims discount rate based on the October 9th update with that March 31, 2021 and discuss the impact of this change on net income.
- b) Please provide an explanation of the impact of the movement in interest rates on the claims incurred and investment income from the forecast at the October 9th update at last year's GRA.

Rationale for Question:

To understand the impact of changes in interest rates on investment income.

RESPONSE:

- a) The projected claims discount rate based on the October 9th update was 2.41% and the actual claims discount rate as at March 31, 2021 was 2.88%. A higher

actual claims discount rate results in a lower present value claims amount than projected. In isolation, there is a positive impact on net income as a result of fewer claims.

- b) From the October 9th update to the 2022 GRA interest rates increased considerably, resulting in materially lower investment income and claims incurred compared to what MPI projected in its October 9th update. Marketable bond yields increased 56 bps from 1.94% to 2.50% and the claims discount rate increased 47 bps from 2.41% to 2.88%. Investment income was approximately \$124M lower than the October 9th projection compared to approximately \$114M lower for claims. Investment income declined more than claims (from the October 9th update) due to a non-parallel shift in the yield curve.

PUB (MPI) 1-9

Part and Chapter:	Part V CI Appendix 13 PUB (MPI) 1-18 (2021 GRA)	Page No.:	2
PUB Approved Issue No:	4. Financial Forecasts		
Topic:	Financial Forecasts		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide a schedule comparing the impact on the Extension coverage from CERP by the coverage in this GRA with that provided in the 2021 GRA.
- b) Please provide a schedule comparing the impact on the Basic coverage from CERP by coverage in this GRA with that provided in the 2021 GRA.
- c) Please provide details on the take up to date of Extension coverage from Basic policy holders who had previously not had any Extension coverage and compare that with the assumptions provided at the 2021 GRA.

Rationale for Question:

To assess the reasonableness of the Extension forecasts.

RESPONSE:

- a) Please see *Figure 1* comparing the impact of CERP on Extension claims costs by coverage for the 2021 and 2022 GRAs.

Figure 1 Impact of CERP on Extension Claims Costs by Coverage for the 2021 and 2022 GRAs

		2021 GRA Forecast				
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
1	(\$000)					
2	2021/22	(\$546)	\$7,165	\$6,474	(\$104)	\$12,989
3	2022/23	(\$1,092)	\$14,244	\$13,291	(\$208)	\$26,235
4	2023/24	(\$1,092)	\$14,147	\$13,640	(\$208)	\$26,487
5	2024/25	(\$1,092)	\$14,040	\$13,998	(\$208)	\$26,738
6	2022 GRA Forecast					
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
7	(\$000)					
8	2021/22	(\$546)	\$6,968	\$6,352	(\$104)	\$12,670
9	2022/23	(\$1,092)	\$13,815	\$13,071	(\$208)	\$25,586
10	2023/24	(\$1,092)	\$13,670	\$13,441	(\$208)	\$25,811
11	2024/25	(\$1,092)	\$13,510	\$13,822	(\$208)	\$26,032
12	2022 GRA Forecast less 2021 GRA Forecast					
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
13	(\$000)					
14	2021/22	\$0	(\$197)	(\$122)	\$0	(\$319)
15	2022/23	\$0	(\$429)	(\$220)	\$0	(\$649)
16	2023/24	\$0	(\$477)	(\$199)	\$0	(\$676)
17	2024/25	\$0	(\$530)	(\$176)	\$0	(\$706)

b) Please see [Figure 2](#) comparing the impact of CERP on Basic claims costs by coverage for the 2021 and 2022 GRAs.

Figure 2 Impact of CERP on Basic Claims Costs by Coverage for the 2021 and 2022 GRAs

		2021 GRA Forecast				
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
1	<i>(\$000)</i>					
2	2021/22	\$630	(\$7,835)	(\$7,990)	\$120	(\$15,076)
3	2022/23	\$1,260	(\$15,554)	(\$16,348)	\$240	(\$30,402)
4	2023/24	\$1,260	(\$15,425)	(\$16,726)	\$240	(\$30,651)
5	2024/25	\$1,260	(\$15,282)	(\$17,114)	\$240	(\$30,896)
6	2022 GRA Forecast					
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
7	<i>(\$000)</i>					
10	2021/22	\$525	(\$7,251)	(\$7,955)	\$225	(\$14,457)
11	2022/23	\$1,050	(\$15,410)	(\$16,309)	\$450	(\$30,219)
12	2023/24	\$1,050	(\$15,261)	(\$16,719)	\$450	(\$30,480)
13	2024/25	\$1,050	(\$15,096)	(\$17,140)	\$450	(\$30,736)
14	2022 GRA Forecast less 2021 GRA Forecast					
Line No.	Accident Year	Public Liability	Collision	Comprehensive	Property Damage	Total
15	<i>(\$000)</i>					
18	2021/22	(\$105)	\$584	\$35	\$105	\$619
19	2022/23	(\$210)	\$144	\$39	\$210	\$183
20	2023/24	(\$210)	\$164	\$8	\$210	\$172
21	2024/25	(\$210)	\$186	(\$26)	\$210	\$160

c) Please see *Figure 3* comparing the forecasted customer distribution (in the 2021 GRA) for the reduced deductible product and the actual customer adoption after the first 3 months of implementing the product changes. The 2021 actuals capture only customers who completed their 2021 Renewal or Reassessment period and does not represent the total customer pool.

Figure 3 Distribution of Customers by Deductible Level

Line No.		Level of Coverage			
1	Deductible Level	\$750	\$500	\$300	\$200
2	Customer Adoption (%) - 2021 GRA Forecast	11%	4%	11%	75%
3	Customer Adoption (%) - 2021 Actuals April 1 - June 30	3%	11%	10%	75%

**Rounding may affect totals*

PUB (MPI) 1-10

Part and Chapter:	Part V Revenues Appendix 3	Page No.:	1 Fig. Rev App 3-1
PUB Approved Issue No:	4. Financial Forecasts		
Topic:	Financial Forecasts		
Sub Topic:	Extension Profit Margin		

Preamble to IR:**Question:**

- a) Please file an update including the anticipated Extension profit margin for 2021-2022, 2022-2023 and 2023-2024.
- b) Please explain the rationale for the change in determination of the target profit margin excluding the consideration of investment income in 2021-2022.
- c) Please provide the indicated profit margins for 2021-2022 through the outlook period based on the previous method.

Rationale for Question:

To assess the reasonableness of the Extension forecasts.

RESPONSE:

- a) and c) Please see Figure 1 below:

Figure 1 Extension Profit Target by Fiscal Year

Line No.	Fiscal Year	Underwriting Profit Target	Net Income Profit Target
1	2021-22	24.25%	33.80%
2	2022-23	20.69%	26.52%
3	2023-24	21.84%	27.37%

MPI derived the percentages from the Pro Forma Section, EPF.1 – Statement of Operations, for each respective fiscal year. The Underwriting Profit Target for 2021-22 contrasts with the results shown in Part V, Revenues chapter, Appendix 3-1 for 2021 because Appendix 3-1 was calculated prior to finalization of 2022 General Rate forecast and represents an average profit target over the 2021 rating period (2021/22 and 2022/23).

- b) MPI made the change so that rates do not fluctuate from one year to another as a result of changes to investment income.
- c) Please see Figure 1 from part a), column labeled: “Net Income Profit Target”.

PUB (MPI) 1-11

Part and Chapter:	Part V Expenses	Page No.:	16-17 Figure EXP 8, 9
PUB Approved Issue No:	4. Financial Forecasts		
Topic:	Financial Forecasts		
Sub Topic:	Corporate Expenses		

Preamble to IR:**Question:**

- a) Please file the schedule Figure EXP-9 for Total Corporate Operations by cost element.
- b) Please file the schedule in (a) for each of Total Basic operating expenses, Extension operating expenses, and DVA operating expenses

Rationale for Question:

To assess reasonableness of Extension forecasts.

RESPONSE:

- a) Please see below which is a copy of Expenses Chapter, Figure EXP-5 Total Corporate Operating Expenses from the 2022 GRA.

Figure EXP-5 Total Corporate Operating Expenses from the 2022 GRA.

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	134,096	145,275	149,528	151,260	144,466	148,255
3	Compensation - Overtime	1,167	1,520	1,498	1,482	1,535	1,447
4	Compensation - Benefits	36,628	36,496	36,567	36,642	37,377	38,120
5	Compensation - H & E Tax	2,896	3,337	3,367	3,393	3,462	3,533
6	Sub Total - Compensation	174,787	186,628	190,960	192,777	186,840	191,355
7	<i>% increase / (decrease) over prior year</i>		6.8%	2.3%	1.0%	-3.1%	2.4%
8	Data Processing	38,873	61,332	57,428	60,508	54,402	54,762
9	Special Services	9,144	9,092	8,554	8,636	8,783	8,957
10	Building Expenses	8,776	8,756	8,591	8,004	8,163	8,327
11	Safety/Loss Prevention Programs	2,233	4,488	4,139	4,140	4,221	4,304
12	Telephone/Telecommunications	1,842	1,911	1,910	1,910	1,948	1,988
13	Public Information/Advertising	1,936	3,505	3,505	3,504	3,577	3,645
14	Printing, Stationery, Supplies	3,597	4,615	4,608	4,593	4,683	4,773
15	Postage	4,826	4,739	4,739	4,738	4,392	4,389
16	Regulatory/Appeal	4,225	4,561	4,387	4,407	4,495	4,590
17	Travel and Vehicle Expense	510	1,226	1,233	1,231	1,240	1,264
18	Driver Education Program	1,595	4,722	4,875	4,875	4,972	5,072
19	Grants in Lieu of Taxes	1,891	1,927	1,927	1,927	1,967	2,005
20	Furniture & Equipment	540	3,162	2,565	2,245	1,933	1,973
21	Merchant Fees & Bank Charges	11,128	10,724	10,842	10,949	11,168	11,391
22	Other	4,590	9,859	8,975	8,583	8,429	8,594
23	Sub total - Other Expenses	95,706	134,619	128,278	130,250	124,373	126,034
24	<i>% increase / (decrease) over prior year</i>		40.7%	-4.7%	1.5%	-4.5%	1.3%
25	Depreciation-Capital Assets	5,365	6,158	6,272	6,751	7,515	8,554
26	Amortization-Deferred Development	18,067	14,025	11,351	20,609	28,817	28,121
27	Subtotal - Depreciation / Amortization	23,432	20,183	17,623	27,360	36,332	36,675
28	<i>% increase / (decrease) over prior year</i>		-13.9%	-12.7%	55.3%	32.8%	0.9%
29	Total Expenses	293,925	341,430	336,861	350,387	347,545	354,064

30 Note: Figures includes improvement initiative (ongoing and implementation) expenses

b) Please see Figures 1, 2, 3 below.

Figure 1 Total Basic Operating Expenses - 6-year Summary of Basic Total Expenses

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	99,745	104,148	107,055	107,596	103,935	106,775
3	Compensation - Overtime	853	1,095	1,074	1,052	1,086	1,026
4	Compensation - Benefits	27,300	26,330	26,324	26,120	26,563	27,156
5	Compensation - H & E Tax	2,159	2,408	2,423	2,419	2,461	2,516
6	Sub Total - Compensation	130,057	133,981	136,876	137,187	134,045	137,473
7	<i>% increase / (decrease) over prior year</i>		3.0%	2.2%	0.2%	-2.3%	2.6%
8	Data Processing	31,845	38,412	37,538	41,960	40,004	41,183
9	Special Services	7,575	7,233	6,774	6,767	6,861	7,018
10	Building Expenses	6,700	6,484	6,334	5,841	5,939	6,074
11	Safety/Loss Prevention Programs	1,948	3,867	3,547	3,508	3,567	3,648
12	Telephone/Telecommunications	1,482	1,501	1,492	1,475	1,501	1,535
13	Public Information/Advertising	1,577	2,746	2,805	2,774	2,820	2,884
14	Printing, Stationery, Supplies	996	1,510	1,503	1,484	1,507	1,539
15	Postage	3,309	3,062	3,046	3,012	2,678	2,758
16	Regulatory/Appeal	4,165	4,521	4,349	4,325	4,355	4,395
17	Travel and Vehicle Expense	381	834	836	830	831	850
18	Driver Education Program	1,391	4,068	4,178	4,132	4,201	4,299
19	Grants in Lieu of Taxes	1,437	1,427	1,421	1,406	1,431	1,462
20	Furniture & Equipment	429	2,480	2,002	1,736	1,488	1,523
21	Merchant Fees & Bank Charges	8,162	7,997	8,083	8,157	8,319	8,486
22	Other	3,543	7,796	7,066	6,670	6,482	6,743
23	Sub total - Other Expenses	74,940	93,938	90,974	94,077	91,984	94,397
24	<i>% increase / (decrease) over prior year</i>		25.4%	-3.2%	3.4%	-2.2%	2.6%
25	Depreciation-Capital Assets	4,118	4,603	4,652	4,955	5,495	6,271
26	Amortization-Deferred Development	14,775	11,140	9,018	10,628	17,589	16,451
27	Subtotal - Depreciation / Amortization	18,893	15,743	13,670	15,583	23,084	22,722
28	<i>% increase / (decrease) over prior year</i>		-16.7%	-13.2%	14.0%	48.1%	-1.6%
29	Total Expenses	223,890	243,662	241,520	246,847	249,113	254,592
30	Note: Figures includes improvement initiative (ongoing and implementation) expenses						

Figure 2 Total Extension Operating Expenses - 6-year Summary of Extension Total Expenses

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	8,174	8,442	8,855	9,725	9,829	10,312
3	Compensation - Overtime	69	89	89	95	102	99
4	Compensation - Benefits	2,234	2,140	2,177	2,359	2,488	2,589
5	Compensation - H & E Tax	176	195	201	218	230	241
6	Sub Total - Compensation	10,653	10,866	11,322	12,397	12,649	13,241
7	<i>% increase / (decrease) over prior year</i>		2.0%	4.2%	9.5%	2.0%	4.7%
8	Data Processing	2,647	3,168	3,139	3,749	3,705	3,868
9	Special Services	625	592	564	618	649	676
10	Building Expenses	551	529	527	531	560	585
11	Safety/Loss Prevention Programs	162	319	298	324	341	356
12	Telephone/Telecommunications	123	124	125	136	144	150
13	Public Information/Advertising	155	321	236	256	271	282
14	Printing, Stationery, Supplies	65	111	113	122	129	134
15	Postage	275	253	256	277	262	275
16	Regulatory/Appeal	20	12	11	25	44	63
17	Travel and Vehicle Expense	32	68	70	76	80	83
18	Driver Education Program	116	336	351	381	402	419
19	Grants in Lieu of Taxes	118	116	118	128	135	140
20	Furniture & Equipment	35	204	167	157	142	148
21	Merchant Fees & Bank Charges	2,853	2,635	2,665	2,694	2,750	2,806
22	Other	297	645	592	613	628	666
23	Sub total - Other Expenses	8,074	9,433	9,232	10,087	10,242	10,651
24	<i>% increase / (decrease) over prior year</i>		16.8%	-2.1%	9.3%	1.5%	4.0%
25	Depreciation-Capital Assets	340	377	388	452	521	606
26	Amortization-Deferred Development	1,230	919	756	929	1,496	1,394
27	Subtotal - Depreciation / Amortization	1,570	1,296	1,144	1,381	2,017	2,000
28	<i>% increase / (decrease) over prior year</i>		-17.5%	-11.7%	20.7%	46.1%	-0.8%
29	Total Expenses	20,297	21,595	21,698	23,865	24,908	25,892
30	Note: Figures includes improvement initiative (ongoing and implementation) expenses						

Figure 3 Total DVA Operating Expenses - 6-year Summary of DVA Total Expenses

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	17,821	22,409	22,623	22,436	19,350	19,984
3	Compensation - Overtime	118	213	210	208	215	203
4	Compensation - Benefits	4,901	5,427	5,365	5,376	5,484	5,593
5	Compensation - H & E Tax	388	496	494	498	508	518
6	Sub Total - Compensation	23,228	28,545	28,692	28,518	25,557	26,298
7	<i>% increase / (decrease) over prior year</i>		22.9%	0.5%	-0.6%	-10.4%	2.9%
8	Data Processing	2,424	16,810	13,756	11,315	7,342	6,431
9	Special Services	490	723	677	684	696	709
10	Building Expenses	965	1,095	1,069	996	1,016	1,036
11	Safety/Loss Prevention Programs	-	-	-	-	-	-
12	Telephone/Telecommunications	144	169	169	169	172	176
13	Public Information/Advertising	104	224	232	232	237	242
14	Printing, Stationery, Supplies	2,446	2,855	2,848	2,839	2,896	2,953
15	Postage	1,034	1,185	1,185	1,185	1,209	1,123
16	Regulatory/Appeal	25	17	16	33	56	79
17	Travel and Vehicle Expense	77	230	230	225	228	232
18	Driver Education Program	-	-	-	-	-	-
19	Grants in Lieu of Taxes	213	241	240	240	245	250
20	Furniture & Equipment	49	286	232	203	173	177
21	Merchant Fees & Bank Charges	70	56	56	57	58	59
22	Other	490	751	677	655	684	569
23	Sub total - Other Expenses	8,531	24,642	21,387	18,833	15,012	14,036
24	<i>% increase / (decrease) over prior year</i>		188.9%	-13.2%	-11.9%	-20.3%	-6.5%
25	Depreciation-Capital Assets	574	741	765	824	916	1,046
26	Amortization-Deferred Development	1,529	1,425	941	8,213	8,363	9,007
27	Subtotal - Depreciation / Amortization	2,103	2,166	1,706	9,037	9,279	10,053
28	<i>% increase / (decrease) over prior year</i>		3.0%	-21.2%	429.7%	2.7%	8.3%
29	Total Expenses	33,862	55,353	51,785	56,388	49,848	50,387
30	Note: Figures includes improvement initiative (ongoing and implementation) expenses						

PUB (MPI) 1-12

Part and Chapter:	Part V Expenses	Page No.:	18, 19 Figure EXP-10
PUB Approved Issue No:	4. Financial Forecast 5. Annual Business Plan		
Topic:	Performance Management		
Sub Topic:			

Preamble to IR:

Copy and paste IR Preamble from Interveners and PUB here.

Question:

- a) Please elaborate on how MPI determined the forecast economic increases for 2020/21 onward.
- b) Please provide an update on the negotiations with MGEU and the implications on the forecast economic increases.

Rationale for Question:

To understand cost consequences of labour agreements on the financial forecast.

RESPONSE:

a) MPI typically uses the collective agreement to guide the economic increase amount for budget purposes, as it would stipulate the amount for the duration of the contract. As the current contract expired in 2020, MPI estimated the economic increase used in the budget for 2020/21 and onward, in order to align it with the mandate received from the Government of Manitoba as well as with the economic increases observed in the market.

b) MPI and MGEU are presently engaged in negotiations, the details of which are confidential. Any bargained economic increase that differs from the forecast may result in a variance within the year. MPI will update the budget with the new agreed upon amounts once they become available.

PUB (MPI) 1-13

Part and Chapter:	Part V- Expenses	Page No.:	18, 39 EXP-30
PUB Approved Issue No:	5. Annual Business Plan; 14. Operational benchmarking		
Topic:	Performance Management		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide an update to the cost consequences of the merit-based program results for out of scope employees for 2021.
- b) Please indicate the number of out of scope employees that received the merit-based adjustment and the range of bonuses provided.
- c) Please indicate the relative dollar and percentage increase based on the merit based system for the last two fiscal years and compare that with the budgeted amount and percentage.

Rationale for Question:

To understand cost consequences of performance management tools to recognize and reward business results.

RESPONSE:

- a) The total cost of the merit program for 2021 is \$552,025.81. This includes \$513,164.81 in salary increases and \$38,861.00 in lump sum payments.

b) A total of 217 employees received merit increases, while 198 employees received only a salary increase. Further, 12 employees received a salary increase in addition to a lump sum payment, while 7 employees received only a lump sum payment. Merit increases ranged from .67% to 5.08%.

Out-of-scope employees are eligible for a merit increase depending upon their performance rating and salary placement within the established pay range. If providing a merit salary increase would surpass the maximum of the salary range, MPI provides the employee with a lump sum payment instead.

c) Please see *Figure 1* below:

Figure 1 Salary Increases - Year over Year Comparison

Line No.	Year	Salary Increases	Lump Sum Payouts	Total Spend	Average % Increase	Budget	Budgeted %	Spend as a % of Budget
1	2021-22	\$513,164.81	24.25%	\$552,025.81	1.59	\$715,622.00	2.25	77%
2	2022-23	\$527,039.10	20.69%	\$590,752.10	1.84	\$648,356.00	2.25	91%
3	2023-24	\$574,752.00	21.84%	\$642,201.00	2.03	\$641,971.00	2.25	100%

PUB (MPI) 1-14

Part and Chapter:	Part V - Expenses	Page No.:	41 EXP-31
PUB Approved Issue No:	6. Changes, if any, to integrated cost allocation methodology 4. Financial forecast		
Topic:	ICAM		
Sub Topic:	Improved Initiative Allocation		

Preamble to IR:

The cost allocations for improvement initiatives follow a different methodology. MPI allocates each project or initiative independently. Upon approval for implementation via the Value Management process, MPI assessed each project individually to determine relativity against each of the four LOBs.... As Project NOVA impacts all 4 lines of business the costs associated to this project will be spread accordingly across all 4 lines of business. If a project is specific to 1 LOB, 100% of the costs associated to the project will be allocated directly to this LOB.

Question:

- a) Please identify which projects and relative Project Nova project costs are being allocated 100% to Basic and 100% to DVA and the amount of costs that are subject to the allocation.

- b) Please indicate the Basis of allocation for Project Nova Costs subject to allocation and indicate the portion of those costs allocated by line of business through 2025/26.

Rationale for Question:

To understand the changes made to Cost Allocation Methodology and to assess the reasonableness of the Extension forecast.

RESPONSE:

a) See Figure 1 below:

Figure 1 Project Costs Allocated 100% to Basic & DVA

Line No.	Project Name	2021/22		2022/23		2022/23	
		Basic	DVA	Basic	DVA	Basic	DVA
1	<i>(C\$000s, rounding may affect totals)</i>						
2	Vehicle Policy & Registration Renewal Term Changes (Discovery Phase)	254,400	-	-	-	-	-
3	Driver Licence Renewal Term Changes (10yr)	-	562,800	-	-	-	-
4	Discontinue Enhanced Products	-	263,900	-	-	-	-
5	Driver Testing Readiness Assessment Pilot	-	80,000	-	-	-	-
6	Nova-DVA Stream	-	17,044,185	-	8,936,073	-	365,169
7	Nova-DVA-Ongoing Ops	-	12,102,302	-	9,901,243	-	-
8	Total	254,400	30,053,187	-	18,837,316	-	365,169

b) See *Figure 2* below:

Figure 2 Nova Expense Allocator by LOBs for GRA 2022

Line No.	Nova Stream	2021/22				2022/23				2023/24				2024/25				2025/26			
		Basic	Extension	SRE	DVA	Basic	Extension	SRE	DVA	Basic	Extension	SRE	DVA	Basic	Extension	SRE	DVA	Basic	Extension	SRE	DVA
1																					
2	DVA	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	100.00%
3																					
4	P&C	86.16%	7.11%	6.73%	0.00%	86.16%	7.11%	6.73%	0.00%	86.16%	7.11%	6.73%	0.00%	86.16%	7.11%	6.73%	0.00%	86.16%	7.11%	6.73%	0.00%
5																					
6	Digital	78.03%	6.44%	6.09%	9.44%	78.03%	6.44%	6.09%	9.44%	78.03%	6.44%	6.09%	9.44%	78.03%	6.44%	6.09%	9.44%	78.03%	6.44%	6.09%	9.44%
7																					
8	Leadership	44.31%	3.58%	3.04%	49.07%	52.60%	4.25%	3.60%	39.55%	82.62%	6.68%	5.66%	5.04%	87.01%	7.03%	5.96%	0.00%	69.34%	5.64%	4.66%	20.36%

PUB (MPI) 1-15

Part and Chapter:	Part V Expenses	Page No.:	43 Appendix 13 EXP-32
PUB Approved Issue No:	4. Financial Forecast		
Topic:	ICAM		
Sub Topic:	Cost Allocation		

Preamble to IR:

MPI has indicated that it has added new accounting units and cost categories in the 2021/22 FB year. EXP Appendix 13 does not appear to reflect all the changes noted.

Question:

- a) Please update EXP Appendix-13 with tracked changes (if available) indicating all of the new accounting units and new cost categories.
- b) Please update (a) including a column indicating the total cost by cost category for 2021/22.
- c) Please describe the nature and amount of costs being allocated to accounting unit 418 project ownership.
- d) Please explain what 087 accounting unit added to Enterprise Systems Support.
- e) Please explain what costs were allocated to 096 accounting unit, and why it is no longer included in Product & Policy Management.
- f) Please explain the reason for the change in the allocation basis for Nova Leadership & Delivery Stream from last year and the change in the dollar amount of these costs allocated to Basic in 2022/23 & 2022/24.

Rationale for Question:

To understand costs allocated to Extension.

RESPONSE:

- a) Please see Appendix 1 for updated version of Expenses Exp Appendix 13 Cost Allocation Methodology for parts a), d) & e).
- b) See Figure 1 below.

Figure 1 2021/22B Total Cost by Category - Basic

Line No.	Category	Cost Category	Accounting Units	2021/22B Basic Total
1	<i>(C\$000s, except where noted)</i>			
2	Injury Claims Management - PIPP	A	018,042,048,052,054,404	19,194
3	Injury Claims Management - Liability	S	019	974
4	Claims Ins Support Operations	B	003,011,079	26,269
5	Loss Prevention Programs	C	008,010	12,738
6	Driver Records	E	104	896
7	Vehicle Registration	F	102	294
8	Claims Centres	H	023,026,035,260,261,499	5,572
9	Service Centres	I	013,014,015,021,025,029,	9,179
10			031,032,033,034,037,039,	
11			041,046,047,049,050,424	
12	Physical Damage Centre	J	022,077,108,109,402,403, 409	11,820
13	Central Administration	K	005,038,400	5,296
14	Physical Properties	L	072,110,114, 115,116,118, 119,	12,843
15			120,121,122,125,127, 129,130,	
16			132,133,134,135, 137,139,141,	
17			145,161,177, 178	
18	Corporate Information Technology	M	093,094,198,406,416,417,498	23,820
19	Human Resources and Training	N	071,080,083,405,411,412, 413,414	6,753
20	Advertising and Communications	O	066,070,074, 410	2,745
21	Fair Practices	P	043	528
22	Accounting and Finance	Q	002,004,006,045,067,408	13,448
23	Investments	R	064	727
24	Employee Benefits	T	007	25,288
25	Legal	U	059	1,985
26	ID Verification and Data Integrity	V	069	767
27	Customer Service and Support	W	076,086	1,656

2021/22B Total Cost by Category – Basic (cont'd)

Line No.	Category	Cost Category	Accounting Units	2021/22B Basic Total
1	<i>(C\$000s, except where noted)</i>			
28	Enterprise Systems Support	AA	068,075,088,091,418	24,999
29	Regulatory/Appeal	CC	062	4,730
30	Management Committee	DD	063	2,135
31	Contact Centre Operations	EE	078	7,102
32	Business Transformation Office	FF	092,051,407	-
33	Product & Policy Management	ZZ	058,060,073	2,271
34	Actuarial and Forecasting	KK	095,415	1,025
35	Product Development & Management	MM	036,085	957
36	COVID Recoverable Expenses	BC	497	-
37	Strategic Management	BE	419	108
38	Data Management	BF	421,422,423	1,186
39	Initiatives Category	Basic %		
40	Vehicle Policy and Registration	100.00%		254
41	NOVA Property and Casualty Stream	86.16%		3,747
42	NOVA - P&C-Ongoing Costs	86.16%		-
43	NOVA Digital Stream	78.03%		74
44	NOVA - Digital-Ongoing Costs	78.03%		635
45	NOVA Leadership & Delivery Stream	44.31%		2,037
46	Technology Risk Management	78.03%		1,659
47	Insertions of work	78.03%		339
48	Finance reengineering	78.03%		1,498
49	Cityplace Space Plan	78.03%		343
50	Migration of DevOps	78.03%		137
51	Records Management Remediation	78.03%		36
52	Microsoft 365	78.03%		1,168
53	Process Mgmt Enhancement	78.03%		312
54	Sharepoint Capabilities Discovery of	78.03%		29
55	Content Management			

- c) The main roles of the Product Ownership team are to partner with business units in order to understand their needs from applications, to prioritize work for the Agile team, to define business requirements, and to ensure that the systems developed meet business needs. Additionally, the Product Ownership team takes part in defining governance and are integral for developing the best practices for Agile methodology and competencies, by leading the creation of centres of excellence and communities of practice to foster and mature Agile delivery. Department 418 is made up of 14 FTEs, including 1 Manager, 2 Product Owners, 8 Business

Analysts, 1 System User Analyst and 1 Analyst. The nature and amount of costs are all related to compensation for the staff within the department.

- d) Accounting unit 087 is an inactive department added back in error on Expenses Exp Appendix 13 Cost Allocation Methodology. MPI removed it in its Part a) response.
- e) Accounting unit 096 is an active department and was removed in error from Expenses Exp Appendix 13 Cost Allocation Methodology. MPI added it back in its Part a) response.
- f) MPI updated the NOVA Leadership & Delivery stream allocation in 2021/22 to reflect the program allocation. MPI initiated this change to ensure the accurate distribution of the program costs to the line of business. This methodology is consistent with the BTO allocator which is a sum of the initiatives that make up the program.

Appendix 13: Cost Allocation Methodology

Acronym Key

B – Basic

E – Extension

LOB – Line of Business

SRE – Special Risk Extension

FTE – Full Time Equivalent

WCCCCR – Weighted Average Customer Contact Center Call Ratio

Detailed Allocation Definitions:

Category	Cost Category	Accounting Units	PUB Approved Method
Injury Claims Management - PIPP	A	018,042,048, 052,054,404	Based on Claims under Mgmt. (B&E) then 100% Claims
Injury Claims Management - Liability	S	019	Based on Claims under Mgmt. (B,E &SRE) then 100% Claims
Claims Ins Support Operations	B	003,011,079	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Loss Prevention Programs	C	008,010	Insurance based on Claims Incurred (B,E&SRE) then 100% Road Safety/Loss Prevention
Driver Records	E	104	50/50 Insurance/Non-Insurance then Insurance 100% Basic Operating
Vehicle Registration	F	102	Based on estimated work effort (15.3% Insurance 84.7% Non-Insurance) then Insurance 100% Basic operating

Category	Cost Category	Accounting Units	PUB Approved Method
Claims Centres	H	023,026, 035,260,261, 499	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Service Centres	I	013,014,015, 021,025,029, 031,032,033, 034,037,039, 041,046,047, 049,050,424	Insurance and Non-Insurance based on COB salary ratio then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Physical Damage Centre	J	022,077,108, 109,402,403, 409	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Central Administration	K	005,038,400	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Physical Properties	L	072,110,114, 115,116,118, 119,120,121, 122,125,127, 129,130,132, 133,134,135, 137,139,141, 145,161,177, 178	072 including allocated Corporate Benefits plus all buildings allocated based on square footage
Corporate Information Technology	M	093,094,198, 406,416,417, 418 ,498	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage

Category	Cost Category	Accounting Units	PUB Approved Method
Human Resources and Training	N	071,080,083, 405,411,412, 413,414	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Advertising and Communications	O	066,070,074, 410	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Fair Practices	P	043	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Accounting and Finance	Q	002,004,006, 045,067,408	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Investments	R	064	100% Insurance (B,E&SRE) based on Claims Reserve/Unearned Premium then 100% Operating
Employee Benefits	T	007	Allocated to units based on Compensation \$'s/Total Compensation \$'s * unit 007 Expenses

Category	Cost Category	Accounting Units	PUB Approved Method
Legal	U	059	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
ID Verification and Data Integrity	V	069	Based on work effort 50/50 Insurance & Non-insurance. Insurance (B,E&SRE) based on Claims Incurred then 100% Operating
Customer Service and Support	W	076,086	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Enterprise Systems Support	AA	068,075, 087 , 088,091, 418	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE
Regulatory/ Appeal	CC	062	Crown Corp Levy allocated Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Regulatory/Appeal Remainder 100% Basic Regulatory Appeal

Category	Cost Category	Accounting Units	PUB Approved Method
Management Committee	DD	063	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Contact Centre Operations	EE	078	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Business Transformation Office	FF	092, 051, 407	Refer to Improvement Initiatives for allocation. Uses the LOB proportion of all BTO initiative costs undertaken for the year.
Product & Policy Management	ZZ	058, 060, 073, 096	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Actuarial and Forecasting	KK	095, 415	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Product Development & Management	MM	036, 085	Basic and Extension lines of business based on claims incurred then 100% Operating

Category	Cost Category	Accounting Units	PUB Approved Method
COVID Recoverable Expenses	BC	497	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Strategic Management	BE	419	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Data Management	BF	421, 422, 423	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage

Initiatives:

Category	Board Approved Method	Basic %
Vehicle Policy and Registration	Insurance 100% Operating Basic	100%
NOVA Property and Casualty Stream NOVA - P&C-Ongoing Costs	Insurance based on Claims Incurred (B,E, & SRE) then Claims and Operating based on FTE %	86.16%
NOVA Digital Stream NOVA - Digital-Ongoing Costs	Insurance and non-insurance based on WCCCCR then LOB based on Claims Incurred (B,E,&SRE) then Claims & Operating based on FTE %	78.03%
NOVA Leadership & Delivery Stream	Insurance and non-insurance based on % of overall Nova Project costs per year	44.31%

Category	Board Approved Method	Basic %
Technology Risk Management	Insurance and Non-Insurance based on WCCCR then Insurance based on Claims Incurred (B,E&SRE) then	78.03%
Insertions of work	Claims and Operating based on FTE percentage	
Finance Re-engineering		
Information Security Maturity		
Migration of DevOps		
Records Management Remediation		
Microsoft 365		
Process Management Enhancement		
Cityplace Space Plan	Insurance and Non-Insurance based on WCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage	78.03%
Sharepoint Capabilities Discovery of Content Management	Insurance & Non-insurance based on WCCCR then to LOB based on Claims Incurred (B,E&SRE) then 100% Operating	78.03%

Appendix 13: Cost Allocation Methodology

Acronym Key

B – Basic

E – Extension

LOB – Line of Business

SRE – Special Risk Extension

FTE – Full Time Equivalent

WCCCCR – Weighted Average Customer Contact Center Call Ratio

Detailed Allocation Definitions:

Category	Cost Category	Accounting Units	PUB Approved Method
Injury Claims Management - PIPP	A	018,042,048, 052,054,404	Based on Claims under Mgmt. (B&E) then 100% Claims
Injury Claims Management - Liability	S	019	Based on Claims under Mgmt. (B,E &SRE) then 100% Claims
Claims Ins Support Operations	B	003,011,079	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Loss Prevention Programs	C	008,010	Insurance based on Claims Incurred (B,E&SRE) then 100% Road Safety/Loss Prevention
Driver Records	E	104	50/50 Insurance/Non-Insurance then Insurance 100% Basic Operating
Vehicle Registration	F	102	Based on estimated work effort (15.3% Insurance 84.7% Non-Insurance) then Insurance 100% Basic operating

Category	Cost Category	Accounting Units	PUB Approved Method
Claims Centres	H	023,026, 035,260,261, 499	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Service Centres	I	013,014,015, 021,025,029, 031,032,033, 034,037,039, 041,046,047, 049,050,424	Insurance and Non-Insurance based on COB salary ratio then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Physical Damage Centre	J	022,077,108, 109,402,403, 409	Insurance based on Claims Incurred (B,E&SRE) then 100% Claims
Central Administration	K	005,038,400	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Physical Properties	L	072,110,114, 115,116,118, 119,120,121, 122,125,127, 129,130,132, 133,134,135, 137,139,141, 145,161,177, 178	072 including allocated Corporate Benefits plus all buildings allocated based on square footage
Corporate Information Technology	M	093,094,198, 406,416,417, 498	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage

Category	Cost Category	Accounting Units	PUB Approved Method
Human Resources and Training	N	071,080,083, 405,411,412, 413,414	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Advertising and Communications	O	066,070,074, 410	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Fair Practices	P	043	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Accounting and Finance	Q	002,004,006, 045,067,408	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Investments	R	064	100% Insurance (B,E&SRE) based on Claims Reserve/Unearned Premium then 100% Operating
Employee Benefits	T	007	Allocated to units based on Compensation \$'s/Total Compensation \$'s * unit 007 Expenses

Category	Cost Category	Accounting Units	PUB Approved Method
Legal	U	059	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
ID Verification and Data Integrity	V	069	Based on work effort 50/50 Insurance & Non-insurance. Insurance (B,E&SRE) based on Claims Incurred then 100% Operating
Customer Service and Support	W	076,086	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Enterprise Systems Support	AA	068,075, 088,091, 418	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE
Regulatory/ Appeal	CC	062	Crown Corp Levy allocated Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Regulatory/Appeal Remainder 100% Basic Regulatory Appeal

Category	Cost Category	Accounting Units	PUB Approved Method
Management Committee	DD	063	Insurance and Non-insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Contact Centre Operations	EE	078	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Business Transformation Office	FF	092, 051, 407	Refer to Improvement Initiatives for allocation. Uses the LOB proportion of all BTO initiative costs undertaken for the year.
Product & Policy Management	ZZ	058, 060, 073, 096	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Actuarial and Forecasting	KK	095, 415	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Product Development & Management	MM	036	Basic and Extension lines of business based on claims incurred then 100% Operating

Category	Cost Category	Accounting Units	PUB Approved Method
COVID Recoverable Expenses	BC	497	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage
Strategic Management	BE	419	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then 100% Operating
Data Management	BF	421, 422, 423	Insurance and Non-Insurance based on WCCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage

Initiatives:

Category	Board Approved Method	Basic %
Vehicle Policy and Registration	Insurance 100% Operating Basic	100%
NOVA Property and Casualty Stream	Insurance based on Claims Incurred (B,E, & SRE) then Claims and Operating based on FTE %	86.16%
NOVA - P&C-Ongoing Costs		
NOVA Digital Stream	Insurance and non-insurance based on WCCCCR then LOB based on Claims Incurred (B,E,&SRE) then Claims & Operating based on FTE %	78.03%
NOVA - Digital-Ongoing Costs		
NOVA Leadership & Delivery Stream	Insurance and non-insurance based on % of overall Nova Project costs per year	44.31%

Category	Board Approved Method	Basic %
Technology Risk Management	Insurance and Non-Insurance based on WCCCR then Insurance based on Claims Incurred (B,E&SRE) then	78.03%
Insertions of work	Claims and Operating based on FTE percentage	
Finance Re-engineering		
Migration of DevOps		
Records Management Remediation		
Microsoft 365		
Process Management Enhancement		
Cityplace Space Plan	Insurance and Non-Insurance based on WCCCR then Insurance based on Claims Incurred (B,E&SRE) then Claims and Operating based on FTE percentage	78.03%
Sharepoint Capabilities Discovery of Content Management	Insurance & Non-insurance based on WCCCR then to LOB based on Claims Incurred (B,E&SRE) then 100% Operating	78.03%

PUB (MPI) 1-16

Part and Chapter:	Part V Expenses	Page No.:	46, 47 EXP 4.1.1, 4.1.2 EXP-33, 34
PUB Approved Issue No:	4. Financial Forecast		
Topic:	ICAM		
Sub Topic:	Cost Allocation		

Preamble to IR:**Question:**

- a) Please indicate the extent to which the Claims Incurred allocator is affected by the reduced claims related to COVID-19.
- b) Please explain the reasons for the higher proportion of calls related to DVA in 2020/21 and indicate the extent to which inquiries may have related to changes in operations related to COVID-19.
- c) Please explain the major reduction in BTO expense allocation in 2021/22 and indicate whether a greater or lesser amount of expenses are forecast to be allocated to Basic.

Rationale for Question:

To understand impact of COVID-19 on operations.

RESPONSE:

- a) As described in *Expenses Chapter EXP 4.1.1*, MPI establishes the claims incurred allocator based on a four year rolling average of claims incurred proportions for each insurance line of business. During the 2020/21 fiscal period, the corporate proportion of claims incurred for Basic decreased (~2% versus prior year) due to

the impact of COVID-19. This decrease had a favorable reduction on the claims incurred Basic allocator by approximately -0.5% when compared to the forecast provided in the 2021 GRA.

- b) As described in *Expenses Chapter EXP 4.1.2*, MPI bases the WCCCCR (Weighted Customer Contact Centre Call Ratio) allocator on a four year (2017/18 through to 2020/21) rolling average of DVA related call volume. Although the percentage of calls related to DVA decreased in 2020/21 from 2019/20 and 2018/19, the overall WCCCCR percentage increased due to the application of a four year rolling average. Because the 2020/21 call volume percentage was higher than the 2016/17 call volume % (dropped from the four year rolling average calculation), the the DVA WCCCCR percentage increased.
- c) The BTO allocator will allocate a lesser amount of Basic expenses as compared to the prior year. This is a correction from the commentary provided in *Expenses Chapter, page 48 line 10*. The reduction of the Basic allocation for the BTO department is due to a higher allocation for non-Basic projects and subsequent lower allocation to Basic related projects.

PUB (MPI) 1-17

Part and Chapter:	Part V Expenses	Page No.:	47-48 EXP 4.1.1 EXP-33
PUB Approved Issue No:	6. Changes, if any, to integrated cost allocation methodology 4. Financial forecast		
Topic:	ICAM		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide the Claims Incurred allocator Figures EXP-33 for the allocation to Extension and comment on how the changes in CERP have affected the allocation.
- b) Please discuss how the allocator was influenced by changes in claims related to COVID-19.
- c) Please indicate the detail and amount of improvement initiative expenditures that are being allocated to Extension and DVA for the years 2021/22 through to 2023/24. Please elaborate on the independent review and identify the costs specific to Project Nova projects and how the allocation is determined.

Rationale for Question:

To understand the changes made to Cost Allocation Methodology and to assess the reasonableness of the Extension forecast.

RESPONSE:

a) Please see Figure 1 below.

Figure 1 Extension Claims Incurred Allocator Variance

Line No.	Fiscal Year	2022 GRA Forecast	2021 GRA Forecast	Variance 2022 vs 2021
1	2021/22FB	7.11%	7.06%	0.05%
2	2022/23F	7.20%	7.17%	0.03%
3	2023/24F	7.81%	7.80%	0.01%

The CERP impacts on extension claims incurred commenced in 2021/22, with the full effect on extension CERP claims incurred occurring in 2022/23 and onward. As the forecasted Extension claims incurred is increasing, MPI expects the claims incurred allocator related to Extension to similarly increase. MPI expects the claims incurred allocator for Extension in 2024/25 to be 8.1%.

b) The Extension claims incurred allocator essentially follows a similar path as the Basic claims allocator (please see PUB (MPI) 1-16). As the Extension proportion of corporate claims incurred decreased slightly in 2020/21 due to the COVID-19 pandemic effects, the result would be a slightly favorable impact on expenses allocated to Extension. Due to the use of the four year rolling average however, the impacts are negligible.

c) Please see Figure 2 below for a list of initiatives allocated to Extension and DVA:

Figure 2 Initiatives allocated to Extension and DVA

Line No.	Initiatives - Allocated to Extension	2021/22B	2022/23F	2023/24F
	<i>(C\$000s, except where noted)</i>			
1	Discontinue Enhanced Products	-	-	-
2	Driver Testing Readiness Assessment Pilot	-	-	-
3	Sharepoint Capabilities Discovery of Content Mgmt	2	-	-
4	Vehicle Policy & Registration Renewal Term Changes	-	-	-
5	Agile Initiatives	9	-	-
6	Close and Reconciliation	22	-	-
7	eCash payment capability and direct deposit	33	-	-
8	eSignature	37	-	-
9	eTransfer Capability	32	-	-
10	Insertions of Work	19	-	-
11	Microsoft 365	96	-	-
12	Migration of DevOps	11	-	-
13	Process Mgmt Enhancement	26	-	-
14	Records Management Remediation	3	-	-
15	TRM-2021	137	32	32
16	CP-Space Plan	28	28	26
17	Nova-P&C	309	54	240
18	Nova-Digital	6	-	-
19	Nova-Leadership	165	141	124
20	Nova-DVA Ongoing	-	-	-
21	Nova-P&C Ongoing	-	308	-
22	Nova-Digital Ongoing	52	78	-
23	Total	988	641	422

Line No.	Initiatives - Allocated to DVA <i>(C\$000s, except where noted)</i>	2021/22B	2022/23F	2023/24F
24	Discontinue Enhanced Products	264	-	-
25	Driver Testing Readiness Assessment Pilot	80	-	-
26	Sharepoint Capabilities Discovery of Content Mgmt	4	-	-
27	Vehicle Policy & Registration Renewal Term Changes	-	-	-
28	Agile Initiatives	13	-	-
29	Close and Reconciliation	32	-	-
30	eCash payment capability and direct deposit	48	-	-
31	eSignature	54	-	-
32	eTransfer Capability	47	-	-
33	Insertions of Work	28	-	-
34	Microsoft 365	141	-	-
35	Migration of DevOps	17	-	-
36	Process Mgmt Enhancement	38	-	-
37	Records Management Remediation	4	-	-
38	TRM-2021	201	47	47
39	CP-Space Plan	41	41	38
40	Nova-P&C	-	-	-
41	Nova-Digital	9	-	-
42	Nova-Leadership	2,256	1,938	1,696
43	Nova-DVA Ongoing	12,102	9,901	-
44	Nova-P&C Ongoing	-	-	-
45	Nova-Digital Ongoing	77	114	-
46	Total	15,456	12,041	1,782

MPI allocates each project or initiative independently. Upon approval for implementation via the Value Management process, MPI assessed each project individually to determine relativity against each of the four LOBs. The project is allocated according to this assessment. For example, as Project NOVA impacts all four LOBs, the costs associated to this project will be spread accordingly across all four LOBs. If a project is specific to one LOB, MPI allocates 100% of the costs associated with the project directly to this LOB. Please refer to PUB1-15 for detail on Nova Cost Allocation Methodology.

PUB (MPI) 1-18

Part and Chapter:	Part V Expenses	Page No.:	49 EXP-36, 37
PUB Approved Issue No:	4. Financial Forecast		
Topic:	ICAM		
Sub Topic:	Cost Allocation		

Preamble to IR:

In Figure EXP-37, MPI indicates that Basic's share of Corporate expenses changed from 76% to 73% by 2025/26 attributing the change mainly to large direct expenses expected for the non-insurance LOB coupled with the decline in Basic Claims Incurred and WCCCR ratios.

In the 2021 GRA (Part V. Expenses, Figure EXP-36 p. 47) Basic's share of Corporate expenses was forecast at 75.7% in 2020/21 and was forecast to decline to 74.5% in 2024/25. The trend primarily due to a decline in the Claims Incurred and WCCCR allocators.

Question:

- a) Please file in similar format as Figure EXP- 38 for DVA operations.
- b) Please indicate the actual and forecast level of provincial funding for DVA operations and elaborate on the large direct expenses expected that were not forecast last year.
- c) Please provide a summary description of the funding arrangements for DVA.
- d) Please file a copy of the agreement with the province for the funding of DVA operations.

Rationale for Question:

To understand costs allocated to Basic and DVA to assess the changes proposed in the CMP.

RESPONSE:

a) Please see *Figure 1* below.

Figure 1 DVA Normal Operations by Category - 6 Year Summary of DVA Normal Operations Expenses

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	17,711	21,140	21,586	22,016	22,830	23,675
3	Compensation - Overtime	117	213	210	208	215	203
4	Compensation - Benefits	4,901	5,427	5,365	5,376	5,484	5,593
5	Compensation - H & E Tax	388	496	494	498	508	518
6	Subtotal - Compensation	23,117	27,276	27,655	28,098	29,037	29,989
7	Data Processing	2,103	2,710	2,825	2,930	2,989	3,049
8	Special Services	490	723	677	684	696	709
9	Building Expenses	965	1,095	1,069	996	1,016	1,036
10	Safety/Loss Prevention Programs	-	-	-	-	-	-
11	Telephone/Telecommunications	144	169	169	169	172	176
12	Public Information/Advertising	104	224	232	232	237	242
13	Printing, Stationery, Supplies	2,439	2,853	2,846	2,839	2,896	2,953
14	Postage	1,034	1,185	1,185	1,185	1,209	1,233
15	Regulatory/Appeal	25	17	16	33	56	79
16	Travel and Vehicle Expense	77	223	224	224	228	232
17	Driver Education Program	-	-	-	-	-	-
18	Grants in Lieu of Taxes	213	241	240	240	245	250
19	Furniture & Equipment	43	251	197	170	173	177
20	Merchant Fees & Bank Charges	70	56	56	57	58	59
21	Other	482	708	666	664	678	691
22	Subtotal - Other Normal Operating Expenses	8,189	10,455	10,402	10,423	10,653	10,886
23	Depreciation-Capital Assets	574	741	765	824	916	1,046
24	Amortization-Deferred Development	1,529	1,425	686	515	420	303
25	Subtotal - Depreciation / Amortization	2,103	2,166	1,451	1,339	1,336	1,349
26	Total Expenses	33,409	39,897	39,508	39,860	41,026	42,224

Please see *PUB 1-45(b)* for DVA Initiative Expenses.

- b) MPI receives approximately \$2.52 million to run the Driver and Vehicle Administration (DVA) operations on a monthly basis. As the Government of Manitoba did not indicate any forthcoming adjustments to the monthly funding envelope, MPI did not adjustment its forecasts.

MPI uses the total Project Nova budget to allocate costs by its lines of business. Specifically, MPI allocates 100% of the DVA specific-costs to DVA and 100% of Insurance-specific costs to Insurance. MPI allocates these costs one time using the current allocation methodology (which allocates Insurance and Non-Insurance based costs through Weighted Customer Contact Centre Call Ratio (WCCCCR)), a second time by lines of business, based on Claims Incurred and a third and final time by Claims & Operating, based on full-time equivalent percentage.

- c) *The Drivers and Vehicles Act* designates MPI as the Administrator responsible for DVA operations/services pertaining to driver testing and licensing; driver fitness; vehicle registration; vehicle safety; and the permitting of certain regulated sectors (e.g. dealers/salespeople, driver training instructors/schools, parts recyclers, mechanics and inspection stations), including all related financial, administrative, and data processing services.

MPI allocates operating costs to Basic, Extension, Special Risk Extension and *The Drivers and Vehicles Act* operations (lines of business) representing their share of common costs such as compensation of common departments (Human Resources, Finance, Enterprise System Support and IT Support) that support the four lines of business. MPI allocates costs through a formal and structured allocation policy developed in 2011. The external auditors accept the policy and the Public Utilities Board approved its use for Basic Autopac rate-setting purposes. Effectively, the integrated service delivery model employed by MPI ensures the cost of providing these services is lower than it would otherwise be if it operated each line of business on its own.

The Government of Manitoba provides funding to MPI to cover the cost of the DVA administrative operations. In 2019/20, MPI received a total of \$32.8 million. The Government of Manitoba based this amount on a 13-month year, equating to 13

monthly payments in the amount of approximately \$2.5million. MPI also collected a reported \$1.2 million in DVA service fees and other revenue in that fiscal year (these amounts can vary from year to year).

- d) Please find attached as *Appendix 1*, a copy of the Master Agreement. Please note that the Government of Manitoba subsequently adjusted the funding envelope identified in the initial agreement to its current value of \$2.52 million monthly.

Master Agreement as of the 1st day of October, 2004.

BETWEEN:

**HER MAJESTY THE QUEEN IN RIGHT OF THE
GOVERNMENT OF MANITOBA,**

As represented by the Minister of Transportation and
Government Services

- and -

THE MANITOBA PUBLIC INSURANCE CORPORATION

Master Agreement as of the 1st day of October, 2004.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE
GOVERNMENT OF MANITOBA, As represented by the
Minister of Transportation and Government Services

(called the "Government")

- and -

THE MANITOBA PUBLIC INSURANCE CORPORATION

(called "MPI")

WHEREAS the Government announced that certain authorities, powers and duties were to be transferred from the Division of Driver and Vehicle Licensing ("DDVL") of the Department of Transportation and Government Services to MPI;

AND WHEREAS the parties entered into an Agreement dated April 20, 2004, respecting the interim transfer and delegation of authorities, powers and duties and other matters of common interest until appropriate legislation could be enacted by the Legislature to legally effect the transfer (the "Interim Agreement"). The Interim Agreement requires that the parties use their best efforts to negotiate agreements that address various issues related to the transfer. A copy of the Interim Agreement is attached as Schedule A;

AND WHEREAS the parties and the Manitoba Government Employees Union ("MGEU") entered into an Employee Transition Agreement dated June 29, 2004 respecting the transfer of employees from DDVL to MPI. A copy of the Employee Transition Agreement is attached as Schedule B;

AND WHEREAS the Government has announced its intention to introduce legislation that, when enacted and in force, will among other things, enable the transfer from DDVL to MPI (the "Enabling Legislation");

AND WHEREAS until the Enabling Legislation is in force, the Registrar of Motor Vehicles has, with the approval of the Minister of Transportation and Government Services (the "Minister"), delegated those statutory authorities, duties and powers which can by law be delegated to officers and staff of MPI in a series of delegation

letters dated April 20, 2004, June 11, 2004 and October 20, 2004 (the "Registrar's Delegations");

AND WHEREAS the parties are entering into this Master Agreement effective October 1, 2004, to address other outstanding issues relating to the interim transfer and delegation of authorities, powers and duties and to govern their ongoing relationship once the Enabling Legislation is in force and the transfer is legally effected;

NOW THEREFORE, in consideration of the foregoing recitals and the terms, conditions and covenants contained herein, it is hereby agreed as follows:

1.00 TERM OF AGREEMENT

1.01 This Agreement comes into effect on the day first above written.

2.00 SERVICES

2.01 Pending enactment and coming into force of the Enabling Legislation and in consideration of the annual payments referred to in section 4.00, MPI assumes responsibility, to the extent permitted by law, for the driver licensing and vehicle registration services described in subsections 2.03 and 2.06(a) (the "Services") pursuant to the Registrar's Delegations and the Information Management Agreement referred to in subsection 10.02.

2.02 When the Enabling Legislation is in force and the transfer is legally effected, and in consideration of the annual payments referred to in section 4.00, MPI assumes responsibility for the Services.

2.03 In assuming responsibility for the Services, MPI acknowledges importance of the National Safety Code which describes uniform standards, processes and criteria for a broad array of traffic safety matters, including vehicle inspections, motor carriers, driver licensing and testing, medical standards and carrier and driver profiles. The Services are:

- (a) Driver Licensing;
- (b) Vehicle Registration;
- (c) Driver Improvement and Control;
- (d) Alcohol and Drug Program;
- (e) Vehicle Dealers, Salespersons and Recyclers;
- (f) Driver Training Schools and Instructors;
- (g) Vehicle Standards and Inspection Programs;
- (h) Provincial Photo Identification Card Program (upon proclamation);
- (i) Medical Records;
- (j) Driver Testing;
- (k) Driver Records and Suspension;

- (l) Research and Information Services;
- (m) Maintaining registries; and
- (n) Record keeping, reporting and information management relating to the Services described in clauses (a) to (n), including:
 - (i) providing information, records and reports to the Government's Department of Transportation and Government Services (the "Department") as required, including without limitation:
 - (A) Carrier file downloads;
 - (B) Vehicle files downloads;
 - (C) View access to driver and vehicle display and Autopac On-Line;
 - (D) Commercial motor vehicle accident downloads to the carrier profile system;
 - (E) Driver licence file downloads;
 - (F) International Registration Plan file downloads of registrations;
 - (G) Access to the Inter-Provincial Record Exchange dedicated line for Canadian Council of Motor Transport Administrators Carrier Data Exchange;
 - (H) Access to the Interprovincial Record Exchange;
 - (I) Periodic Mandatory Vehicle Inspection data relating to motor coaches and school buses;
 - (J) Traffic Accident Reports and data files (respecting traffic accidents reportable under legislation such as *The Highway Traffic Act* and *The Off-Road Vehicles Act*); and
 - (K) Compilation of specialized reports on reportable traffic accidents and related convictions under *The Highway Traffic Act*, *The Off-Road Vehicles Act* and the *Criminal Code*, for use by the Government for development and planning new initiatives, policies and programs; and
 - (ii) complying on behalf of the Government with existing information sharing or disclosure agreements or arrangements and any such agreements or arrangements entered into by the Government while this Master Agreement is in effect.

2.04 Except for the Services described in subsections 2.03 and 2.06(a), the Government retains responsibility for all other driver licensing and vehicle registration matters including, without limitation:

- (a) driver licensing standards and policy development, including establishment of driver medical standards and guidelines, driver examination and testing criteria;
- (b) vehicle registration standards and policy development, including establishment of vehicle classes;
- (c) standards for vehicles and inspections and policy development, including equipment requirements and safety standards, vehicle weights and dimensions on highways;
- (d) establishment and waiver of any charges, taxes or other amounts for driver licensing and vehicle registration services;
- (e) rules respecting control of traffic, including seatbelt and child restraint requirements and physically disabled persons parking permits; establishing standards of conduct for all users of Manitoba's highways, including drivers, pedestrians, cyclists and operators of horse-drawn vehicles;
- (f) social policy initiatives to enhance sustainable transportation, including measures to implement Manitoba's climate change objectives related to reducing the on-road emissions from vehicles;
- (g) social policy countermeasure initiatives, including impaired and disqualified driving, prostitution-related offences, domestic and family related offences, stalking legislation, etc.;
- (h) statutory bodies, including the Licence Suspension Appeal Board, the Medical Review Committee, the Taxicab Board, the Highway Traffic Board and the Motor Transport Board; and
- (i) motor carrier fitness, including regulation of public service, commercial and other vehicles.

The Government agrees to consult with MPI regarding changes to the retained responsibilities identified in this subsection which affect the delivery of Services described in subsection 2.03.

2.05 The parties may make recommendations to the Minister, either alone or jointly, concerning

- (a) policy development regarding driver licensing and vehicle registration matters not specified in subsection 2.04; and
- (b) legislative and regulatory amendments respecting driver licensing and vehicle registration.

2.06 MPI agrees that it will:

- (a) assume responsibility for the delivery of any new initiatives related to the Services or to driver licensing and vehicle registration matters generally as directed by the Government. Any such

- initiatives will be Services for the purposes of this Master Agreement;
- (b) not discontinue or substantially change any Services without the prior written consent of the Government; and
 - (c) implement changes to the Services required by the Government in a timely manner.
- 2.07 The Government agrees to negotiate with MPI any increase or decrease in costs that may result from any implementation of a new initiative or discontinuance of any Service hereto relating. Without limiting the generality of the foregoing, the parties will take into account the cost of operational and procedural changes necessitated by the implementation of new initiatives or the discontinuance of any Service or Services.
- 2.08 The Government agrees that all requests for the implementation of new Services, standards and other requirements shall be in accordance with MPI's established business practices and change protocols.
- 2.09 Subject to subsection 2.06, MPI will have full discretion over the manner in which the Services are managed on a day to day basis and will continue to identify opportunities for service improvement.
- 2.10 The parties acknowledge that the transfer of authorities, powers and duties from DDVL to MPI is intended to improve customer service, achieve cost efficiencies and amalgamate similar functions performed by the parties. The parties therefore agree that:
- (a) they will review the operation of this Agreement at least once in each fiscal year, commencing as of April 1, 2006; and
 - (b) MPI shall provide the Department with such financial and operational reports respecting the Services as may be requested.

3.00 EMPLOYEE ISSUES

Pension Benefit Liabilities:

- 3.01 MPI shall be solely responsible for funding the employer's portion of the pension benefit liability for all DDVL personnel transferred to the employ of MPI in respect of service accrued on or after the following dates:
- (a) for non-union employees, May 3, 2004;
 - (b) for union employees, October 4, 2004; and
 - (c) for all subsequent transfers, the effective date of the transfer.

- 3.02 The Government agrees that it shall continue to be responsible for the employer's share of pension benefits earned of the transferred employees in respect of service accrued prior to the dates set out in subsection 3.01.

Accrued Liabilities:

- 3.03 On or before June 30, 2005, the Government will pay MPI all accrued vacation, overtime, workers compensation and severance and retirement allowance benefits for the transferred employees, calculated as of the dates set out in subsection 3.01.

Sick Leave Benefits:

- 3.04 Effective as of the dates set out in subsection 3.01, MPI shall assume responsibility for earned sick leave benefits accumulated by the transferred employees. The Government agrees to provide MPI with all records of these sick leave benefits to the extent permitted by law.

4.00 FINANCIAL ISSUES

- 4.01 Subject to the following subsections, and in consideration of the Services performed by MPI pursuant to this Agreement and the Enabling Legislation, the Government shall pay to MPI, on an annual basis, the amount of twenty million and nine hundred and ninety-five thousand and two hundred dollars (\$20,995,200.00).
- 4.02 The annual amount payable under subsection 4.01 shall be paid to MPI in equal monthly installments commencing on April 15, 2005 and continuing in perpetuity, subject to any adjustments referred to in this Section.
- 4.03 For the period from April 1, 2004 to March 31, 2005, the annual amount referred to in subsection 4.01 will be allocated between the Government and MPI. The Government has paid the costs of providing the Services for the period up to and including September 30, 2004. The balance of the annual amount will be paid to MPI in equal monthly installments commencing October 15, 2004 and ending March 15, 2005. The parties will complete reconciliation as at fiscal year end. The total payment by Government, on its own account and to MPI for the Services, will not exceed the annual amount set out in subsection 4.01.
- 4.04 The Government agrees that any operating efficiency created by MPI will be to the sole and exclusive benefit of MPI.
- 4.05 The Government is entitled to all charges, taxes and revenue respecting driver licensing, vehicle registration and related services under *The Highway Traffic*

Act, The Off-Road Vehicles Act, the Enabling Legislation and any other applicable legislation.

4.06 MPI shall collect:

- (a) all charges, taxes and revenue referred to in subsection 4.05; and
- (b) all charges, taxes and other amounts payable under the International Registration Plan

and remit all such amounts, except for Retail Sales Tax amounts on a daily basis net of refunds and overpayments. Retail Sales Tax amounts shall be remitted monthly in accordance with the retail sales tax project agreement described in Subsection 9.01 of this Agreement. By way of clarification the International Registration Plan is a plan that provides for the distribution of commercial vehicle registration charges among member jurisdictions based on distances traveled by a registrant within those jurisdictions. The Province of Manitoba is a member of the plan. The parties agree that any charges, taxes and other amounts collected by MPI in accordance with clause (b) that are payable to other jurisdictions under the International Registration Plan will be remitted directly to those jurisdictions by MPI.

4.07 MPI agrees to pay for all unamortized leasehold improvements booked for the DDVL location at 602 1st Street in Brandon, Manitoba as of October 1, 2004.

5.00 CONTRACTS

5.01 To the extent permitted by law, MPI has assumed all leases, memoranda of understanding and agreements between the Government and third parties with respect to the Services effective October 1, 2004.

5.02 The Government as Landlord and MPI as tenant entered into lease agreements effective October 1, 2004, respecting space used by DDVL and located in Provincial buildings in Portage la Prairie, Dauphin, The Pas and Thompson.

6.00 1075 PORTAGE AVENUE

6.01 MPI has purchased the building and land known as 1075 Portage Avenue in Winnipeg from the Government for one million, seven hundred thousand dollars (\$1,700,000.00) effective October 1, 2004.

7.00 FURNITURE AND EQUIPMENT

7.01 The Government will transfer all DDVL furniture and equipment to MPI at no cost, effective October 1, 2004. MPI will be liable for and pay all applicable federal and provincial sales taxes, federal goods and services taxes and all

other taxes, duties and other like charges properly payable in connection with the transfer.

8.00 SOFTWARE, COMPUTERS AND COMPUTER EQUIPMENT

- 8.01 The Government will transfer all DDVL computers and computer equipment and owned software required by MPI for the Services at a cost of seven hundred and five thousand, seven hundred and thirty six dollars and fifty three cents (\$705,736.53).
- 8.02 Any DDVL licensed software required for the Services will be assigned to MPI if permitted by the license or agreed to by the licensor.
- 8.03 MPI will also be liable for and pay all applicable federal and provincial sales taxes, federal goods and services taxes and all other taxes, duties and other like charges properly payable in connection with the transfer.

9.00 RETAIL SALES TAX PROJECT

- 9.01 MPI, on behalf of Manitoba Finance - Taxation Division, as part of the Retail Sales Tax Project is making changes to its Autopac On-Line (AOL) system to process retail sales tax transactions. The Government agrees to pay to MPI a service fee of two hundred and two thousand, two hundred and eighteen dollars (\$202,218.00) per year on an annual basis for five (5) years commencing on June 1, 2005 and ending with the final payment on June 1, 2009. A copy of the agreement respecting this project is attached to this Agreement as Schedule C. Notwithstanding Section 4.06 hereof, remittances in respect of Retail Sales Tax shall be made in accordance with Schedule C hereof.

10.00 PRIVACY AND INFORMATION MANAGEMENT AGREEMENT

- 10.01 While this Agreement is in effect, and at all times thereafter, the Government and MPI acknowledge the application of privacy legislation, in particular, *The Freedom of Information and Protection of Privacy Act* ("FIPPA") and *The Personal Health Information Act* ("PHIA").
- 10.02 The Government and MPI will enter into an Information Management Agreement respecting information and records relating to the Services (including the driver and vehicle information registries, medical reports and information MPI will manage on behalf of the Government until the Enabling Legislation is in place). The Information Management Agreement will include provisions protecting the privacy of the individuals the information and records are about. Once it is signed by the Government and MPI, a copy of the Information Management Agreement will be attached as Schedule D.

11.00 DISPUTE RESOLUTION

- 11.01 The parties shall use their best efforts to resolve any disputes that may arise as to their respective rights and obligations under this Agreement.
- 11.02 If a dispute arises, the matter shall be referred in the first instance to the General Counsel and Corporate Secretary in the case of MPI and the Assistant Deputy Minister of the Department of Transportation and Government Services in the case of the Government.
- 11.03 If the representatives referred to in subsection 11.02 are unable to resolve the dispute, within five (5) working days of either party notifying the other that the dispute cannot be resolved, each representative shall prepare and deliver a written report to the Chief Executive Officer in the case of MPI and to the Deputy Minister of the Department of Transportation and Government Services, who shall work together to resolve the dispute.
- 11.04 If the representatives referred to in subsection 11.03 are unable to resolve the dispute, within five (5) working days of either party notifying the other that the dispute cannot be resolved, each representative shall prepare and deliver a written report to the Minister of Transportation and Government Services and the Minister responsible for *The Manitoba Public Insurance Act* for resolution. The decision of the Ministers shall be final and binding on the parties.

12.00 SURVIVAL OF TERMS

- 12.01 The terms and conditions contained in the Agreement that by their sense and context are intended to survive the performance of the Agreement by the parties shall so survive the completion and performance, suspension, cancellation or termination of the Agreement.

13.00 NO ASSIGNMENT OF AGREEMENT

- 13.01 Neither party shall assign or transfer this Agreement or any of the rights or obligations under this Agreement.

14.00 TIME OF ESSENCE

- 14.01 Time shall be of the essence of this Agreement.

15.00 AMENDMENTS

- 15.01 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.

16.00 SEVERABILITY

16.01 If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in the Agreement.

17.00 APPLICABLE LAW

17.01 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba.

17.02 In the event of any inconsistency between this Agreement and the Enabling Legislation, the Enabling Legislation shall prevail.

18.00 WAIVER

18.01 Any failure or delay by either party to exercise or partially exercise any right, power or privilege hereunder shall not be deemed a waiver of any of the rights, powers or privileges under this Agreement. The waiver by either party of a breach of any term, condition or provision of this Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

19.00 AGREEMENT TO PERFORM NECESSARY ACTS

19.01 The parties agree to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

20.00 HEADINGS

20.01 Paragraph headings used herein are for convenience only, and shall not be deemed to be part of this Agreement.

21.00 INTERPRETATION

21.01 In this Agreement, unless the context clearly otherwise requires:

- (a) person includes individuals, firms or corporations; and
- (b) the singular includes the plural and vice versa.

22.00 NOTICES

22.01 Any notice or other communication to the Government under this Agreement shall be in writing and shall be delivered, sent by registered mail, postage prepaid or sent by facsimile to:

Paul Rochon
Assistant Deputy Minister, Department of Transportation and Government
Services 17th Floor, 215 Garry Street
Winnipeg, Manitoba R3C 3Z1
Fax no: 204-945-5115

22.02 Any notice or other communication to Manitoba Public Insurance under this Agreement shall be in writing and shall be delivered, sent by registered mail, postage prepaid or sent by facsimile to:

Kevin M. McCulloch
General Counsel and Corporate Secretary
Box 6300
9th Floor-234 Donald Street
Winnipeg, Manitoba R3C 4A4

Fax no: 942-1133

22.03 Any notice or communication sent by registered mail shall be deemed to have been received on the third business day following the date of mailing. If mail service is disrupted by labour controversy, notice shall be delivered personally.

Any notice or communication sent by facsimile shall be deemed to have been received on the first business day following the date of transmission.

This Agreement has been executed on behalf of The Manitoba Public Insurance Corporation and the Government (by their duly authorized representatives) on the date first above written.

MANITOBA PUBLIC INSURANCE CORPORATION

Per: *M McLaren*

Marilyn McLaren
President and CEO

Per: *Clarke*

for Clarke Campbell
Vice-President, responsible for Driver and Vehicle Licensing

HER MAJESTY THE QUEEN IN RIGHT OF THE GOVERNMENT OF MANITOBA as represented by The Minister of Transportation and Government Services

Per: *R Lemieux*

Honourable Ron Lemieux
Minister of Transportation and Government Services

SCHEDULE "A"
INTERIM AGREEMENT

Schedule A to the Agreement between Her Majesty the Queen in right of the Government of Manitoba, as represented by the Minister of Transportation and Government Services and the Manitoba Public Insurance Corporation, made as of the day of October, 2004

DRAFT

THIS AGREEMENT made the 20TH day of April, 2004

BETWEEN

HER MAJESTY THE QUEEN
IN RIGHT OF THE GOVERNMENT OF MANITOBA,
as represented by the Minister of
Transportation and Government Services

(called the "Government");

- and -

THE MANITOBA PUBLIC INSURANCE CORPORATION,

(called "Manitoba Public Insurance").

WHEREAS the Government has announced that certain authorities, powers and duties are to be transferred from the Division of Driver and Vehicle Licencing ("DDVL") to Manitoba Public Insurance;

AND WHEREAS the transfer is intended to take place in two phases; an Intermediate Phase to be followed by a Permanent Phase;

AND WHEREAS the Intermediate Phase is based on a general delegation of authority by the Registrar to an Official at Manitoba Public Insurance pursuant to Section 323(4) of the Highway Traffic Act, C.C.S.M. c H70 ("The Registrar's Delegation");

AND WHEREAS the Intermediate Phase is generally intended by the parties to be in effect until appropriate statutory amendments can be made by the Legislature to make the transfer permanent;

AND WHEREAS this Agreement is intended to govern matters of common interest to the Government and Manitoba Public Insurance during the Intermediate Phase;

NOW THEREFORE, in return for mutual good and valuable consideration passing between the parties, it is hereby agreed as follows:

1.00 TERM OF AGREEMENT

- 1.01 This Agreement comes into force as of the date when the Registrar's Delegation takes effect and shall continue in effect until terminated in accordance with clause 1.02.
- 1.02 This Agreement shall be terminated on the occurrence of any one of the following:
- (a) The legislative amendments have been enacted and have come into force to make the transfer of the authorities, powers and duties from the Division of Driver and Vehicle Licencing to Manitoba Public Insurance permanent; or
 - (b) The Registrar's Delegation, with the written approval of the Minister, is revoked, rescinded or otherwise terminated; or
 - (c) By agreement of the parties.
- 1.03 Notwithstanding clause 1.02, the parties may extend this Agreement beyond an event described in sub clause 1.02(a) or 1.02(b).

2.00 TRANSFER OF RESPONSIBILITIES

- 2.01 Once the Registrar's delegation takes effect, Manitoba Public Insurance will ensure that the person identified by the Registrar as the delegate will exercise the full range of authorities, powers and duties that fall within the scope of the delegation.
- 2.02 Despite clause 2.01, it is recognized that some authorities, powers and duties will initially continue to be formally exercised by the Registrar during the Intermediate Phase. Nevertheless, Manitoba Public Insurance will immediately assume management and supervision of day-to-day administration of all matters that fall within the scope of the Registrar's Delegation.
- 2.03 As of the Effective Date, Manitoba Public Insurance shall, to the extent allowable by law, be responsible for management of the business and administrative operations of the Division of Driver and Vehicle Licencing.

3.00 TRANSFER OF NON-UNION EMPLOYEES

3.01 As of the Effective Date, Manitoba Public Insurance shall assume responsibility for all non-union positions within DDVL. To that end, Manitoba Public Insurance will make formal offers of employment to the non-union DDVL staff. Manitoba Public Insurance will make formal offers of employment to each of the incumbents in those positions with the exception of the position of Registrar of Motor Vehicles to permit those employees to retain their respective positions.

3.02 Transfer of unionized staff positions from DDVL to Manitoba Public Insurance will occur in accordance with provisions set out in the applicable collective agreement.

4.00 REPORTING RELATIONSHIPS

4.01 As of the Effective Date, non-unionized staff positions transferred in accordance with clause 3.01 of this Agreement will report to Manitoba Public Insurance management in accordance with Manitoba Public Insurance structure and direction.

4.02 The parties do not expect the Registrar to abdicate her (or his) responsibilities as the delegator of the Registrar's legislated authorities, powers and duties for the duration of the Intermediate Phase.

5.00 COLLATERAL MATTERS

5.01 The parties agree that they will use their best efforts to negotiate an agreement that addresses issues relating to the transfer of unionized employees, the sharing of employee benefit costs (including accrued vacation benefits, severance entitlement and pension liabilities), remuneration to be paid to Manitoba Public Insurance, the transfer of land and assets from DDVL to Manitoba Public Insurance, and such other matters as the parties may deem necessary or advisable. To that end the parties agree to enter into a Memorandum of Understanding addressing these issues.

6.00 DISCLOSURE OF INFORMATION

6.01 The parties acknowledge that are each bound by *The Freedom of Information and Protection of Privacy Act* ("FIPPA"), and *The*

Personal Health Information Act ("PHIA") and agree that any transfer of personal information shall be conducted in accordance with FIPPA and PHIA.

7.00 SURVIVAL OF TERMS

7.01 The terms and conditions contained in the Agreement that by their sense and context are intended to survive the performance of the Agreement by the parties shall so survive the completion and performance, suspension, cancellation or termination of the Agreement.

8.00 NO ASSIGNMENT OF AGREEMENT

8.01 Neither party shall assign or transfer this Agreement or any of the rights or obligations under this Agreement without first obtaining written permission from the other.

8.02 No assignment or transfer of this Agreement shall relieve either party of any obligations under this Agreement, except to the extent they are properly performed by such party's permitted assigns.

8.03 This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the parties.

9.00 ENTIRE AGREEMENT

9.01 This document contains the entire agreement between the parties with respect to the subject matter hereof. There are no undertakings, representations, or promises, express or implied, other than those contained in this Agreement and none have been relied on.

10.00 AMENDMENTS

10.01 No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties,

11.00 SEVERABILITY

11.01 If any provision of this Agreement is for any reason invalid, that provision shall be considered separate and severable from this Agreement, and the other provisions of this Agreement shall remain in force and continue to be binding upon the parties as though the invalid provision had never been included in the Agreement.

12.00 APPLICABLE LAW

12.01 This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba.

13.00 FORCE MAJEURE

13.01 Neither party shall be responsible for any failure to comply with or for any delay in performance of the terms of this Agreement where such failure or delay is directly or indirectly caused by or results from events of force majeure beyond the control of either party. These events shall include, but not be limited to fire, flood, earthquake, accident, civil disturbances, acts of terrorism, war, rationing, embargoes, strikes or lockouts, delays in transportation, inability to secure necessary materials, parts or components, delay or failure of performance of any supplier, acts of God, or acts of government.

14.00 WAIVER

14.01 Any failure or delay by either party to exercise or partially exercise any right, power or privilege hereunder shall not be deemed a waiver of any of the rights, powers or privileges under this Agreement. The waiver by either party of a breach of any term, condition or provision of the Agreement shall not operate as, or be construed as, a waiver of any subsequent breach thereof.

15.00 AGREEMENT TO PERFORM NECESSARY ACTS

15.01 The Parties agree to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of the Agreement.

16.00 HEADINGS

16.01 Paragraph headings used herein are for convenience only, and shall not be deemed to be part of the Agreement.

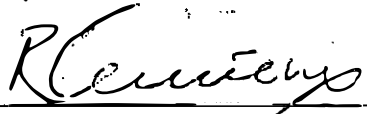
17.00 INTERPRETATION

17.01 In this Agreement, unless the context clearly otherwise requires:

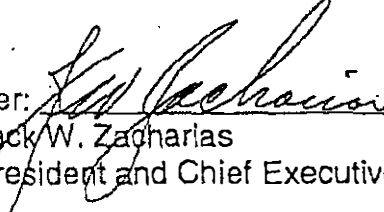
- (a) person includes individuals, firms or corporations;
- (b) the singular includes the plural and vice versa;
- (c) the male gender includes the female gender and vice versa, and each includes the neuter gender and the neuter gender includes both the male and female genders.

This Agreement has been executed on behalf of Manitoba Public Insurance and by the Government (by its duly authorized representatives) effective the date first above written.

HER MAJESTY THE QUEEN IN RIGHT OF THE
GOVERNMENT OF MANITOBA as represented by the
Minister of Transportation and Government Services

Per: 
Hon. Ron Lemieux
Minister of Transportation and Government Services

MANITOBA PUBLIC INSURANCE CORPORATION

Per: 
Jack W. Zacharias
President and Chief Executive Officer

Per: 
Clarke Campbell
Vice President of Corporate Information Technology

SCHEDULE "B"

EMPLOYEE TRANSITION AGREEMENT

06/02/2005 17:00 FAX 204 945 5539

TRANSPORT. POLICY

0000017

Schedule B to the Agreement between Her Majesty the Queen in Right of the Government of Manitoba, as represented by the Minister of Transportation and Government Services and the Manitoba Public Insurance Corporation, made as of the day of October, 2004.

DRAFT

Employee Transition Agreement
DDVL Employees to MPI
June 29, 2004

Attachment A
Agenda C
September 22, 2004

APPLICATION

1:01 The Employee Transition Agreement (ETA) applies to full-time and part-time employees of the Division of Driver Vehicle Licensing (DDVL), Manitoba Transportation and Government Services who are appointed to positions with Manitoba Public Insurance (MPI) the date of implementation.

1:02 The date of implementation will be the first day of the MPI pay period on or after October 1, 2004.

1:03 The employees covered by this ETA are listed in the attached Appendix "1". The ETA applies to those employees of DDVL who are on leave or secondment on the date of implementation and who subsequently return to work with MPI. The ETA will not apply to employees of DDVL who have retired, resigned or whose employment has been terminated prior to the date of implementation and who have not been reinstated as a result of the grievance/arbitration procedure.

1:04 The provisions respecting part-time permanent employees will be based on the applicable provisions contained in Memorandum of Agreement #1 of the MPI Collective Agreement 2002-2005.

1:05 Temporary (term) employees of DDVL, listed in the attached Appendix "2", may be offered in writing further work by MPI. With the exception of provisions 1:02 1:06, 1:07, 1:08, 4:01 to 4:09 inclusive, 4:10 (a), 4:10 (c) and 4:10 (d), 4:11, 4:12, 7:01, 13:01, 14:01, 14:02, 15:01, 15:02, 15:03, 15:04, 16:01, 16:02 provisions of this ETA do not apply to employees who are on term with DDVL on the date of implementation.

1:06 Temporary (term) employees of DDVL who are appointed as term employees with the MPI and who commence employment with no break in their service will be eligible for the following:

- a) Vacation accumulation based on their accumulated service with DDVL; and
- b) Employees' sick leave balances with DDVL will be recognized by MPI effective the date of implementation.
- c) Recognition of accumulated service with DDVL for the purposes of determining their service date with MPI.

1:07 For the purposes of conversion from term to permanent employee under Article 1:01:14 of the MPI agreement, employees will begin to accumulate service beginning on the date of implementation.

1:08 Accumulated service with DDVL will be applied towards the four months of continuous service in order to satisfy the terms of the MPI Collective Bargaining Agreement.

4:05 The Job Evaluation Committee shall have the authority to establish new classifications within existing pay ranges to accommodate DDVL classifications not currently in existence within MPI. In the event the Committee establishes a point rating for a classification that is beyond the maximum of the Inscope Pay Plan, the Committee shall refer this matter to MPI and the Union for discussion and resolution.

4:06 The Job Evaluation Committee shall determine the conclusion of the job evaluation review process. Immediately at the conclusion of the job evaluation process all employees will be notified in writing of the results of the job evaluation review for their respective positions.

4:07 Employees who disagree with the results of the job evaluation and the pay range assigned to their position will have the right to appeal the results and have the initial result reviewed by the Job Evaluation Committee as set out in 4.04 of this ETA. Employees shall have 10 working days from the date of receipt of written notification to appeal the decision to the Job Evaluation Committee. The results of this review shall be final and binding.

4:08 Effective the Slotting Date, all DDVL positions will be classified into the MPI classifications and pay plan. The Slotting Date shall be the first Monday following the date of the notification letters to employees regarding their position classifications.

4:09 If the Slotting Date is later than March 18, 2005, the GEMA negotiated general pay increase (Memorandum of Agreement #14) will be applied to the salary ranges of all transitioned DDVL employees.

4:10 On the Slotting Date, all DDVL employees will be slotted into the appropriate MPI classification and pay range. Employees will be slotted and paid at their same rate of pay in effect with DDVL as at the Slotting Date with the following exceptions:

- (a) if the salary is under range, the salary will be increased to the first step in that range;
- (b) if the salary is over range, the salary will receive over-range protection for a period of up to twenty-four (24) months in accordance with MPI practice. If the salary is still over range after twenty-four (24) months, the salary will be placed at the top of that range;
- (c) if the salary is within \$10.00 biweekly of the next highest pay point in the MPI pay range, the salary will be slotted to the next highest pay point;
- (d) if a term employee's salary is over range, the salary will be placed at the maximum of the slotted range.

4:11 Employees will be provided with a calendar month anniversary date that is based on their current anniversary date as determined by DDVL.

4:12 Employees who are not slotted at the maximum pay rate for their MPI classification will be eligible for an increment on their increment date in accordance with the MPI collective agreement.

SICK LEAVE

5:01 An employee's sick leave balance with DDVL will be transferred to MPI on the date of implementation

5:02 On the date of implementation all employees will begin to accumulate sick leave with the MPI collective agreement.

8:03 If an employee on long term disability subsequently becomes an employee of MPI the existing practices of MPI with respect to their terms and conditions of employment will apply.

8:04 Employees of MPI who are away from work on long term disability do not accumulate vacation or sick leave credits.

OTHER BENEFIT PLANS

9:01 MPI will waive the six month waiting period and coverage will commence on the date of implementation for the following (employer paid) benefit plan where the employees have completed six months service with DDVL:

Dental Care

9:02 Employees of DDVL with less than 6 months service with DDVL will be required to serve the remaining portion of the six month waiting period prior to being covered for the above noted benefit plan.

9:03 MPI will provide coverage on the date of implementation for the following employer paid benefits:

Vision Care
Prescription Drug Plan
Ambulance, Hospital and Semi-Private
Extended Health Coverage
Emergency Travel Health
Health Spending Account

9:04 On the implementation date, MPI will offer the following optional employee paid benefits:

Optional Life Insurance
Optional Travel Health

9:05 The following compulsory (employee paid) benefit plans have no waiting periods and coverage will commence on the date of implementation :

Group Life Insurance
Accidental Death and Disablement.

PROBATION

10:01 Employees who have completed a probation period with DDVL will not be required to serve one as an MPI employee.

10:02 Employees who are on probation at the time of transfer will continue to be on probation up to the completion of the initial period of 120 working days. The probationary period may be extended by MPI for a further period of 60 working days. During the probationary period, an employee shall be entitled to all applicable rights and benefits of the MPI Agreement.

accordance with the provisions of the MPI collective agreement at the date of their retirement or death.

For example:

Employee A – (Age 56 at retirement)

DDVL Service - 14 years	Severance under GEMA	14 weeks
MPI Service – 5 years	Retirement Allowance	5 weeks
	Total	19 weeks

Employee B – (Age 60 at retirement)

DDVL Service – 29 years	Severance under GEMA	19 weeks
MPI Service – 5 years	Retirement Allowance	5 weeks
	Total	24 weeks

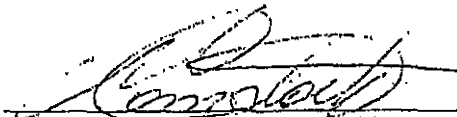
Employee C – (Age 60 at retirement)

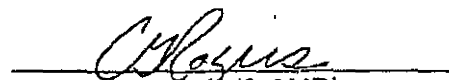
DDVL Service – 8 years	Severance under GEMA	0 weeks
MPI Service – 4 years	Retirement Allowance	12 weeks
	Total	12 weeks


HOURS OF WORK

16:01 Effective the date of implementation DDVL employees who transfer to MPI will work hours as outlined in the MPI collective agreement. The days of work shall be Monday to Friday inclusive.

16:02 Notwithstanding the provisions of 16.01, the parties agree that where it is necessary to provide service to the public on Saturdays, sufficient staff may be maintained at one (1) work location for the purpose of providing such service.


 On Behalf of the MGEU
 Bill Comstock
 Director of Negotiations


 On Behalf of MPI
 C.G. Rogers
 Vice President, Human Resources


 On Behalf of the Province of Manitoba
 R.W. Stevenson
 Director, Labour Relations

JUNE 29 2004
 Date

SCHEDULE "C"

RETAIL SALES TAX PROJECT AGREEMENT



**Manitoba
Public Insurance**

Manitoba 

**AGREEMENT BETWEEN
MANITOBA FINANCE – TAXATION DIVISION
AND MANITOBA PUBLIC INSURANCE RE:**

**COSTS INCURRED FOR IMPLEMENTATION
AND ON-GOING MAINTENANCE OF RST
BUSINESS CASE ONE – CO-MINGLING OF RST
AND MPI FUNDS**

June 9, 2004

RESPONSIBILITY

Manitoba Finance – Taxation Division (Taxation) will be responsible for:

- all normal duties and responsibilities of Taxation staff associated with processing and balancing the monthly remittances, reports and supporting documentation upon receipt from Manitoba Public Insurance.
- costs of operational or procedural changes to the Autopac On-Line (AOL) system that are requested by Taxation for their sole benefit, unless through prior negotiation agreement is reached between Taxation and MPI as to a method of sharing the costs of the individual items.

Manitoba Public Insurance (MPI) will be responsible for:

- payment of all normal administrative costs associated with the operation of the AOL system.
- all normal operating costs associated with the financing program for RST receivables.
- cost of all operational or procedural changes to AOL related to the vehicle insurance / registration system.
- cost of all changes to AOL performed to correct errors within the application, including errors within the Retail Sales Tax modules.
- cost of all computer forms, normal printing and stationery requirements, and postage associated with the Retail Sales Tax modules within AOL.

PROJECT REPAYMENT

As detailed in RST Business Case One – Co-mingling RST and MPI Funds, the cost to Manitoba Finance – Taxation Division for the work required will be \$1,011,090.00. This amount will be financed by MPI, and will be re-paid according to the following schedule:

DATE	PAYMENT	BALANCE
Initial Project Cost		\$1,011,090.00
June 1 2005 Payment	\$ 202,218.00	\$ 808,872.00
June 1 2006 Payment	\$ 202,218.00	\$ 606,654.00
June 1 2007 Payment	\$ 202,218.00	\$ 404,436.00
June 1 2008 Payment	\$ 202,218.00	\$ 202,218.00
June 1 2009 Payment	\$ 202,218.00	0

Notes:

1. If MPI is able to complete the project for less than the stated amount, the project repayment schedule will be adjusted to reflect the real cost of the project.
2. If the project budget is exceeded, MPI is responsible to absorb the negative variance.

REMITTANCES FROM MPI TO TAXATION

As part of normal daily processing, MPI will pull from the Brokers' general accounts all money collected for retail sales tax. Any adjustments processed for RST will be netted against the money to be pulled from the account.

By the 20th day of every month, the money that has been collected for RST during the previous month will be transferred from MPI's general account to Taxation. Accompanying this remittance will be batch report(s) that provide details of all money collected and all adjustments performed during that month.

Any RST amounts that are financed through MPI will be remitted in full to Taxation. MPI is responsible for administering the financing program.

Also on a monthly basis, MPI will provide to Taxation a micro-film copy of all RST forms generated by AOL during that month, or access to an electronic retrieval system should such a system be in place by June 2005.

CHANGE PROTOCOL

All requests for changes / enhancements to Autopac On-Line must go through the Autopac Delivery Steering Committee (ADSC). This committee is comprised of representatives of all different divisions within MPI. With the integration of RST receivables into AOL, Manitoba Finance – Taxation Division will be asked to provide a representative to attend the monthly meetings of the ADSC.

There is a standard procedure that is followed every year to identify and prepare for major changes to AOL. In July, a letter will be sent to Manitoba Finance – Taxation Division, asking for the identification of any requirements for planned changes to AOL for the following year (March through February). These requirements are to be submitted to MPI by August 31st. By September 15th, a Statement of Work is prepared, finalized and submitted to MPI's business partner (EDS). EDS then prepares a response to the Statement of Work, in which they estimate the cost to perform each individual work item. Once this response has been received, the ADSC performs an analysis to determine which, if any, of the identified work items may have to be removed from the Statement of Work, due to budgetary restrictions.

Once all of the work items have been approved, a schedule is created that details the AOL releases and which work items are to be included in each release.

PUB (MPI) 1-19

Part and Chapter:	Part V - Expenses	Page No.:	50 Appendix 14-1, 14-2 EXP-38
PUB Approved Issue No:	4. Financial Forecast		
Topic:	ICAM		
Sub Topic:	Cost Allocation		

Preamble to IR:**Question:**

- a) Please provide an additional table in same format of EXP Appendix 14-1 to include Initiative expenses.
- b) Please provide an additional table in format of Figure EXP Appendix 14-3 to include the detail of expenditures for Basic Operations.

Rationale for Question:

To understand costs allocated to Basic.

RESPONSE:

- a) Appendix 14-1 shows the primary steps in determining the allocation of corporate normal operating expenses. Initiative expenses follow a separate allocation process whereby each project or initiative are independently assessed to determine relativity against each of the four lines of business (LOBs). MPI allocates the project according to this assessment. For a summary of the share of allocated initiative expenses of Basic, please refer to Appendix 7. For a summary of the share of initiative expenses for Extension and DVA, please refer to PUB (MPI) 1-45.

b) Please see *Figure 1* below

Figure 1: Total Basic Expenses from 2020/21 to 2025/26

Line No.		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
1	<i>(\$000's, except where noted)</i>						
2	Total Direct Basic Expenses	133,799	142,830	140,585	139,861	142,737	146,955
3	Total Allocated Normal Operations Expenses	82,839	88,562	89,290	88,409	89,910	92,051
4	Total Allocated Improvement Initiative Expenses	7,252	12,270	11,645	18,577	16,466	15,586
5	Total Basic Expenses	223,890	243,662	241,520	246,847	249,113	254,592
6							
7		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
8	<i>(\$000's, except where noted)</i>						
9	Claims Expenses	141,720	149,509	147,718	151,167	152,772	156,205
10	Operating Expenses	70,063	76,113	76,108	78,141	79,099	80,894
11	Road Safety Expenses	7,708	13,249	13,070	12,934	12,598	12,800
12	Regulatory Expenses	4,399	4,791	4,624	4,605	4,644	4,693
13	Total Basic Expenses	223,890	243,662	241,520	246,847	249,113	254,592
14	* Rounding may affect totals						

PUB (MPI) 1-20

Part and Chapter:	Part V Expenses	Page No.:	50 Appendix 14-1, 14-2 EXP-38
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	ICAM		
Sub Topic:	Cost Allocation		

Preamble to IR:**Question:**

- a) Please provide an update to Figure EXP-38 for total Basic Expenses.
- b) Please provide a comparative table of (a) with EXP-5 indicating the relative percentage of total Corporate expenses for 2021/22 through 2023/24.

Rationale for Question:

To understand costs allocated to Basic and DVA to assess the changes proposed in the CMP.

RESPONSE:

- a) While the question posed above requests an update of the Figure pertaining to total Basic Expenses, MPI sought clarification and now understands that the PUB actually seeks an update of the DVA normal operating expenses. Accordingly, please refer to Figure 3 of the response of MPI to information request PUB (MPI) 1-11(b) for the Total DVA Operating Expenses.

b) Please see *Figure 1* below.

Figure 1 Total DVA Operating Expenses as a percentage of Total Corporate Operating Expenses - 6 year summary

Line No.	Expense	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
1	<i>(\$000's, except where noted)</i>						
2	Compensation - Salaries	13.3%	15.4%	15.1%	14.8%	13.4%	13.5%
3	Compensation - Overtime	10.1%	14.0%	14.0%	14.0%	14.0%	14.0%
4	Compensation - Benefits	13.4%	14.9%	14.7%	14.7%	14.7%	14.7%
5	Compensation - H & E Tax	13.4%	14.9%	14.7%	14.7%	14.7%	14.7%
6	Sub Total - Compensation	13.3%	15.3%	15.0%	14.8%	13.7%	13.7%
7	<i>% increase / (decrease) over prior year</i>		2.0%	-0.3%	-0.2%	-1.1%	0.1%
8	Data Processing	6.2%	27.4%	24.0%	18.7%	13.5%	11.7%
9	Special Services	5.4%	8.0%	7.9%	7.9%	7.9%	7.9%
10	Building Expenses	11.0%	12.5%	12.4%	12.4%	12.4%	12.4%
11	Safety/Loss Prevention Programs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
12	Telephone/Telecommunications	7.8%	8.8%	8.8%	8.8%	8.8%	8.9%
13	Public Information/Advertising	5.4%	6.4%	6.6%	6.6%	6.6%	6.6%
14	Printing, Stationery, Supplies	68.0%	61.9%	61.8%	61.8%	61.8%	61.9%
15	Postage	21.4%	25.0%	25.0%	25.0%	27.5%	25.6%
16	Regulatory/Appeal	0.6%	0.4%	0.4%	0.7%	1.2%	1.7%
17	Travel and Vehicle Expense	15.1%	18.8%	18.7%	18.3%	18.4%	18.4%
18	Driver Education Program	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Grants in Lieu of Taxes	11.3%	12.5%	12.5%	12.5%	12.5%	12.5%
20	Furniture & Equipment	9.1%	9.0%	9.0%	9.0%	8.9%	9.0%
21	Merchant Fees & Bank Charges	0.6%	0.5%	0.5%	0.5%	0.5%	0.5%
22	Other	10.7%	7.6%	7.5%	7.6%	8.1%	6.6%
23	Sub total - Other Expenses	8.9%	18.3%	16.7%	14.5%	12.1%	11.1%
24	<i>% increase / (decrease) over prior year</i>		9.4%	-1.6%	-2.2%	-2.4%	-0.9%
25	Depreciation-Capital Assets	10.7%	12.0%	12.2%	12.2%	12.2%	12.2%
26	Amortization-Deferred Development	8.5%	10.2%	8.3%	39.9%	29.0%	32.0%
27	Subtotal - Depreciation / Amortization	9.0%	10.7%	9.7%	33.0%	25.5%	27.4%
28	<i>% increase / (decrease) over prior year</i>		1.8%	-1.1%	23.3%	-7.5%	1.9%
29	Total Expenses	11.5%	16.2%	15.4%	16.1%	14.3%	14.2%

PUB (MPI) 1-21

Part and Chapter:	Part V Pro Formas	Page No.:	18, 24
PUB Approved Issue No:	7. Capital management plan		
Topic:	Extension Financial Forecasts		
Sub Topic:			

Preamble to IR:

Under the proposed Capital Management Plan, the Basic rate request is dependent on the transfers of excess capital from Extension to Basic, which in turn depend on forecasts of Extension insurance operations.

Question:

- a) Please summarize any changes in the approach made to the Extension financial forecasts over the period covered by EPF-1.
- b) Please provide a line-by-line comparison with EPF-1 from last year.
- c) Please summarize any significant changes in forecasting assumptions made in the Extension financial forecasts over the period covered by EPF-1 to explain the forecast increase in Extension net income from that presented at the 2021 GRA.

Rationale for Question:

To better understand the foundation for the Extension financial forecasts and the resulting expected transfers from excess capital from Extension to Basic.

RESPONSE:

- a) There were no major methodological changes to Extensions financial forecast from the prior year.

Please note however that under the proposed removal of the capital release provision and move to rebating excess capital, the Basic rate will not be impacted or dependent on Extension transfers when Basic's MCT is at/above and forecasted to continue to be at/above 100%. This is because any excess capital will be transferred to customers via rebate; because in this application Basic's MCT is not forecasted to fall below 100%, Extension transfers have no impact on this year's GRA however will directly impact the amount available to rebate.

- b) Please see Figures 1 to 3 below.

Figure 1 EPF-1.6 Extension Statement of Operations: 2021/22 Comparative

Line No.		2022 GRA 2021-22FB	2021 GRA 2021-22F	Inc (dec)	Increase / (Decrease)
		\$	\$	\$	%
1					
2	<i>(C\$ 000s, except where noted)</i>				
3	Net Premiums Written				
4	Motor Vehicles	176,718	180,316	(3,598)	(2.04)
5	Reinsurance Ceded	(1,948)	(1,814)	(134)	6.88
6	Total Net Premiums Written	174,770	178,502	(3,732)	(2.14)
7	Net Premiums Earned				
8	Motor Vehicles	169,339	169,669	(330)	(0.19)
9	Reinsurance Ceded	(1,948)	(1,814)	(134)	6.88
10	Total Net Premiums Earned	167,391	167,855	(464)	(0.28)
11	Service Fees & Other Revenues	12,437	12,942	(505)	(4.06)
12	Total Earned Revenues	179,828	180,797	(969)	(0.54)
13	Net Claims Incurred	78,317	82,556	(4,239)	(5.41)
14	(a) Claims Incurred - Interest rate impact	123	(106)	229	
15	Total Claims Incurred	78,440	82,450	(4,010)	(5.11)
16	Claims Expense	12,330	11,678	652	5.29
17	Road Safety/Loss Prevention	1,093	1,110	(17)	(1.56)
18	Total Claims Costs	91,863	95,238	(3,375)	(3.67)
19	Expenses				
20	Operating	8,160	8,144	16	0.20
21	Commissions	33,655	37,094	(3,439)	(10.22)
22	Premium Taxes	5,080	5,090	(10)	(0.20)
23	Regulatory/Appeal	12	12	-	-
24	Total Expenses	46,907	50,340	(3,433)	(7.32)
25	Underwriting Income (Loss)	41,058	35,219	5,839	14.22
26	Investment Income	15,991	6,131	9,860	61.66
27	(b) Investment Income - Interest rate impact	187	163	24	12.83
28	Total Investment Income	16,178	6,294	9,884	61.10
29	Gain / (Loss) on Sale of Property	-	516	(516)	-
30	Net Income (Loss)	57,236	42,029	15,207	26.57

Figure 2 EPF-1.7 Extension Statement of Operations: 2022/23 Comparative

Line No.		2022 GRA 2022-23F	2021 GRA 2022-23F	Inc (dec)	Increase / (Decrease)
		\$	\$	\$	%
1					
2	<i>(C\$ 000s, except where noted)</i>				
3	Net Premiums Written				
4	Motor Vehicles	182,999	186,381	(3,382)	(1.85)
5	Reinsurance Ceded	(1,987)	(1,850)	(137)	6.89
6	Total Net Premiums Written	181,012	184,531	(3,519)	(1.94)
7	Net Premiums Earned				
8	Motor Vehicles	179,976	183,474	(3,498)	(1.94)
9	Reinsurance Ceded	(1,987)	(1,850)	(137)	6.89
10	Total Net Premiums Earned	177,989	181,624	(3,635)	(2.04)
11	Service Fees & Other Revenues	13,236	13,541	(305)	(2.30)
12	Total Earned Revenues	191,225	195,165	(3,940)	(2.06)
13	Net Claims Incurred	94,794	96,594	(1,800)	(1.90)
14	(a) Claims Incurred - Interest rate impact	(128)	-	(128)	
15	Total Claims Incurred	94,666	96,594	(1,928)	(2.04)
16	Claims Expense	12,387	12,167	220	1.78
17	Road Safety/Loss Prevention	1,098	1,120	(22)	(2.00)
18	Total Claims Costs	108,151	109,881	(1,730)	(1.60)
19	Expenses				
20	Operating	8,202	8,796	(594)	(7.24)
21	Commissions	32,228	40,329	(8,101)	(25.14)
22	Premium Taxes	5,399	5,504	(105)	(1.94)
23	Regulatory/Appeal	11	12	(1)	(9.09)
24	Total Expenses	45,840	54,641	(8,801)	(19.20)
25	Underwriting Income (Loss)	37,234	30,643	6,591	17.70
26	Investment Income	10,268	7,267	3,001	29.23
27	(b) Investment Income - Interest rate impact	225	4	221	98.22
28	Total Investment Income	10,493	7,271	3,222	30.71
29	Gain / (Loss) on Sale of Property	-	-		
30	Net Income (Loss)	47,727	37,914	9,813	20.56

Figure 3 EPF-1.8 Extension Statement of Operations: 2023/24 Comparative

Line No.		2022 GRA 2023-24FB	2021 GRA 2023-24F	Inc (dec)	Increase / (Decrease) %
1		\$	\$	\$	
2	<i>(C\$ 000s, except where noted)</i>				
3	Net Premiums Written				
4	Motor Vehicles	188,872	192,868	(3,996)	(2.12)
5	Reinsurance Ceded	(2,027)	(1,887)	(140)	6.91
6	Total Net Premiums Written	186,845	190,981	(4,136)	(2.21)
7	Net Premiums Earned				
8	Motor Vehicles	186,046	189,759	(3,713)	(2.00)
9	Reinsurance Ceded	(2,027)	(1,887)	(140)	6.91
10	Total Net Premiums Earned	184,019	187,872	(3,853)	(2.09)
11	Service Fees & Other Revenues	13,622	14,182	(560)	(4.11)
12	Total Earned Revenues	197,641	202,054	(4,413)	(2.23)
13	Net Claims Incurred	94,912	97,389	(2,477)	(2.61)
14	(a) Claims Incurred - Interest rate impact	-	-	-	
15	Total Claims Incurred	94,912	97,389	(2,477)	(2.61)
16	Claims Expense	13,770	13,858	(88)	(0.64)
17	Road Safety/Loss Prevention	1,192	1,232	(40)	(3.36)
18	Total Claims Costs	109,874	112,479	(2,605)	(2.37)
19	Expenses				
20	Operating	8,878	9,651	(773)	(8.71)
21	Commissions	32,649	41,709	(9,060)	(27.75)
22	Premium Taxes	5,581	5,693	(112)	(2.01)
23	Regulatory/Appeal	25	18	7	28.00
24	Total Expenses	47,133	57,071	(9,938)	(21.09)
25	Underwriting Income (Loss)	40,634	32,504	8,130	20.01
26	Investment Income	10,188	7,314	2,874	28.21
27	(b) Investment Income - Interest rate impact	106	(18)	124	116.98
28	Total Investment Income	10,294	7,296	2,998	29.12
29	Gain / (Loss) on Sale of Property	-	-	-	
30	Net Income (Loss)	50,928	39,800	11,128	21.85

- c) Higher forecasted net income is mainly a result of lower claims incurred, lower commission expenses and higher investment income. Changes to claims incurred and investment income are consistent with changes seen in Basic's financial forecast variances from the prior year. The lower commission expense forecast is primarily the result of updated assumptions from the new commission agreement between MPI and the Insurance Brokers Association of Manitoba.

PUB (MPI) 1-22

Part and Chapter:	Part VII - Rate Stabilization Reserve	Page No.:	5
PUB Approved Issue No:	4. Financial Forecast 7. Capital management plan		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:

The MCT remains above the target in the forecast period.

Question:

- a) Please provide an alternative scenario PF-1, PF-2 and PF-3 whereby MPI does not rebate excess capital and uses the CMP to release the capital in accordance with the CMP.
- b) Please provide an alternative scenario PF-1, PF-2 and PF-3 whereby MPI does not rebate excess capital and utilizes the CMP to release the capital in accordance with the CMP without capping.
- c) How much rebate can be offered in this application and still retain the current 5% CMP provision? Provide supporting calculations and PF-1, PF-2 and PF-3 reflecting this scenario.
- d) Please provide the supporting calculations for the capital release in (a) & (b)
- e) Please set out in the schedule the impact of the release on the forecast of each year's revenues.

Rationale for Question:

To understand the impact of rebates on financial forecast.

RESPONSE:

- a) If MPI did not rebate excess capital and instead employed use of the current iteration of its Capital Management Plan (CMP), including capping, MPI would require approval of a 5.0% capital release provision. Please see Figures 1 to 3 for PF.1, PF.2 and PF.3 below:

Figure 1 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 22(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,747	940,983	980,540	1,023,928
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,690	(23)	3,355	10,709	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	17,314	5,393	11,678	10,127	9,811
17	Total Claims Incurred	653,828	860,939	910,117	956,016	1,001,376	1,040,592
18	Claims Expense	141,720	149,509	147,748	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,073	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,023,697	1,070,938	1,120,102	1,166,728	1,209,597
21	Expenses						
22	Operating	70,063	76,113	76,122	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	28,641	34,027	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	146,487	160,892	160,968	166,119	170,669	173,783
27	Underwriting Income (Loss)	196,517	(39,751)	(116,163)	(143,722)	(153,482)	(156,089)
28	Investment Income	88,878	102,438	105,018	107,141	107,153	107,362
29	(b) Investment Income - Interest Rate Impact	650	466	629	213	202	143
30	Net Investment Income	89,528	102,904	105,647	107,354	107,355	107,505
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	286,119	63,153	(10,516)	(36,368)	(46,127)	(48,584)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(16,848)	(4,764)	(11,465)	(9,925)	(9,668)

Figure 2 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 22(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	3,138,705	3,260,471	3,387,128	3,533,173	3,678,884
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,344	31,268	31,130	21,058	15,015
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,124	52,936	42,138	32,477
13	Total Assets	3,679,762	3,842,019	3,981,738	4,122,965	4,256,893	4,394,791
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	45,391	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,134,872	2,225,629	2,317,712	2,409,297	2,502,369
22	Total Liabilities	3,095,023	3,193,536	3,302,839	3,431,551	3,556,468	3,685,859
23	Equity						
24	Retained Earnings	599,440	662,593	690,544	701,187	708,231	713,595
25	Accumulated Other Comprehensive Income	(14,701)	(14,112)	(11,646)	(9,773)	(7,806)	(4,663)
26	Total Equity	584,739	648,481	678,898	691,414	700,425	708,932
27	Total Liabilities & Equity	3,679,762	3,842,017	3,981,737	4,122,965	4,256,893	4,394,791

Figure 3 PF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 22(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	599,440	662,593	690,544	701,187	708,231
6	Net Income (Loss) from annual operations	286,119	63,153	(10,516)	(36,368)	(46,127)	(48,584)
7	Premium Rebate	(127,201)	-	-	-	-	-
8	Premium Rebate (accrued)	-	-	-	-	-	-
9	Transfer from Extension Retained Earnings	-	-	38,467	47,011	53,171	53,948
10	Total Retained Earnings	599,440	662,593	690,544	701,187	708,231	713,595
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(14,112)	(11,646)	(9,773)	(7,806)
13	Other Comprehensive Income on Available for Sale Assets	53,984	589	2,466	1,873	1,967	3,143
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(14,112)	(11,646)	(9,773)	(7,806)	(4,663)
16	Total Equity Balance	584,739	648,481	678,898	691,414	700,425	708,932
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	584,597	648,481	678,898	691,414	700,425	708,932
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,124	52,936	42,138	32,477
20	Capital Available	552,555	605,469	627,774	638,478	658,287	676,455
21	Minimum Capital Required (100% MCT)	401,793	407,647	454,114	472,703	490,117	510,036
22	MCT Ratio % (Line 20) / (Line 21)	137.5%	148.5%	138.2%	135.1%	134.3%	132.6%

- b) If MPI did not rebate excess capital and instead employed use of the current iteration of its CMP, without capping, MPI would calculate the uncapped release so that the MCT ratio at the end of 2023/24 equaled the target MCT ratio. Under the current scenario, the 2023/24 target MCT ratio is 116.2%. The uncapped capital release required to achieve this MCT target is -11.00%. Please see Figures 4 to 6 for PF.1, PF.2 and PF.3 below:

Figure 4 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 22(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	979,255	1,015,262	1,052,185	1,090,545
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,027,085	1,064,980	1,103,488	1,143,319
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,006,532	997,726	1,034,202	1,071,863
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,053,089	1,046,361	1,084,567	1,123,752
12	Service Fees & Other Revenues	25,792	26,228	27,626	27,776	28,432	29,981
13	Total Earned Revenues	1,146,260	1,144,838	1,080,715	1,074,137	1,112,999	1,153,733
14	Claims Incurred	620,145	839,935	904,746	940,932	980,457	1,023,867
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,690	(108)	3,301	10,743	6,860
16	(a) Claims Incurred - Interest Rate Impact	44,194	17,314	3,790	10,726	10,910	10,044
17	Total Claims Incurred	653,828	860,939	908,428	954,959	1,002,110	1,040,771
18	Claims Expense	141,720	149,509	147,748	151,151	152,742	156,189
19	Road Safety/Loss Prevention	7,708	13,249	13,073	12,933	12,595	12,799
20	Total Claims Costs	803,256	1,023,697	1,069,249	1,119,043	1,167,447	1,209,759
21	Expenses						
22	Operating	70,063	76,113	76,122	78,133	79,085	80,886
23	Commissions	43,384	45,961	46,092	46,889	49,015	49,003
24	Premium Taxes	28,641	34,027	32,071	31,879	33,035	34,220
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	146,487	160,892	158,909	161,505	165,779	168,802
27	Underwriting Income (Loss)	196,517	(39,751)	(147,443)	(206,411)	(220,227)	(224,828)
28	Investment Income	88,878	102,438	104,371	108,143	107,360	103,109
29	(b) Investment Income - Interest Rate Impact	650	466	624	443	546	366
30	Net Investment Income	89,528	102,904	104,995	108,586	107,906	103,475
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	286,119	63,153	(42,448)	(97,825)	(112,321)	(121,353)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(16,848)	(3,166)	(10,283)	(10,364)	(9,678)

Figure 5 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 22(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	86,859	94,765	91,190
5	Investments	2,947,377	3,138,705	3,213,170	3,286,223	3,351,645	3,422,490
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	396,789	410,766	424,764	439,001
9	Deferred policy acquisition costs	37,259	30,344	31,352	31,269	21,163	15,113
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,124	52,936	42,138	32,478
13	Total Assets	3,679,762	3,842,019	3,915,339	3,989,172	4,049,627	4,108,330
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	45,391	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	532,946	553,283	574,054	595,614
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,134,872	2,224,026	2,315,106	2,407,390	2,500,634
22	Total Liabilities	3,095,023	3,193,536	3,269,242	3,395,777	3,520,191	3,648,504
23	Equity						
24	Retained Earnings	599,440	662,593	657,694	607,307	548,366	481,098
25	Accumulated Other Comprehensive Income	(14,701)	(14,112)	(11,598)	(13,911)	(18,929)	(21,273)
26	Total Equity	584,739	648,481	646,096	593,396	529,437	459,825
27	Total Liabilities & Equity	3,679,762	3,842,017	3,915,338	3,989,173	4,049,628	4,108,329

Figure 6 PF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 22(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	599,440	662,593	657,694	607,307	548,366
6	Net Income (Loss) from annual operations	286,119	63,153	(42,448)	(97,825)	(112,321)	(121,353)
7	Premium Rebate	(127,201)	-	-	-	-	-
8	Premium Rebate (accrued)	-	-	-	-	-	-
9	Transfer from Extension Retained Earnings	-	-	37,549	47,438	53,380	54,085
10	Total Retained Earnings	599,440	662,593	657,694	607,307	548,366	481,098
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(14,112)	(11,598)	(13,911)	(18,929)
13	Other Comprehensive Income on Available for Sale Assets	53,984	589	2,514	(2,313)	(5,018)	(2,344)
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(14,112)	(11,598)	(13,911)	(18,929)	(21,273)
16	Total Equity Balance	584,739	648,481	646,096	593,396	529,437	459,825
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	584,597	648,481	646,096	593,396	529,437	459,825
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,124	52,936	42,138	32,478
20	Capital Available	552,555	605,469	594,972	540,460	487,299	427,347
21	Minimum Capital Required (100% MCT)	401,793	407,647	449,665	465,283	473,208	482,896
22	MCT Ratio % (Line 20) / (Line 21)	137.5%	148.5%	132.3%	116.2%	103.0%	88.5%

- c) MPI calculates the maximum rebate, in a scenario where it retains the 5% capital release provision, to be approximately \$171 million. This scenario assumes that the maximum allowable rebate is subject to the *Reserves Regulation* requirement whereby the ending 2023/24 MCT ratio would be equal to 100%. Please see *Figures 7 to 9* for PF-1, PF-2 and PF-3 and Figure 10 for the calculation supporting this capital release.

Figure 7 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 22(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,587	940,982	980,551	1,023,939
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,426	240	3,371	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,359	10,521	11,983	10,125	9,794
17	Total Claims Incurred	653,828	855,720	915,348	956,336	1,001,388	1,040,586
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,478	1,076,137	1,120,422	1,166,740	1,209,591
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	33,555	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	160,420	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(34,060)	(121,348)	(144,042)	(153,494)	(156,083)
28	Investment Income	88,878	99,991	98,849	103,327	102,277	101,985
29	(b) Investment Income - Interest Rate Impact	650	542	478	308	254	176
30	Net Investment Income	89,528	100,533	99,327	103,635	102,531	102,161
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	66,473	(22,021)	(40,407)	(50,963)	(53,922)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,817)	(10,043)	(11,675)	(9,871)	(9,618)

Figure 8 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 22(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,970,533	3,086,452	3,206,236	3,345,409	3,484,231
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,608	31,268	31,114	21,040	14,997
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,679,762	3,674,111	3,807,721	3,942,058	4,069,112	4,200,122
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,917	2,225,643	2,318,031	2,409,624	2,502,690
22	Total Liabilities	3,245,785	3,188,581	3,302,853	3,431,870	3,556,795	3,686,180
23	Equity						
24	Retained Earnings	448,678	499,420	515,952	522,555	524,755	524,762
25	Accumulated Other Comprehensive Income	(14,701)	(13,892)	(11,085)	(12,365)	(12,439)	(10,822)
26	Total Equity	433,977	485,528	504,867	510,190	512,316	513,940
27	Total Liabilities & Equity	3,679,762	3,674,109	3,807,720	3,942,060	4,069,111	4,200,120

Figure 9 PF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 22(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	499,420	515,952	522,555	524,755
6	Net Income (Loss) from annual operations	290,782	66,473	(22,021)	(40,407)	(50,963)	(53,922)
7	Premium Rebate	(127,201)	(15,731)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)	-	-	-	-	-
9	Transfer from Extension Retained Earnings	-	-	38,553	47,010	53,163	53,929
10	Total Retained Earnings	448,678	499,420	515,952	522,555	524,755	524,762
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,892)	(11,085)	(12,365)	(12,439)
13	Other Comprehensive Income on Available for Sale Assets	53,984	809	2,807	(1,280)	(74)	1,617
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,892)	(11,085)	(12,365)	(12,439)	(10,822)
16	Total Equity Balance	433,977	485,528	504,867	510,190	512,316	513,940
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	485,528	504,867	510,190	512,316	513,940
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	401,793	442,516	453,741	457,253	470,177	481,461
21	Minimum Capital Required (100% MCT)	401,793	411,884	440,237	457,244	473,971	493,077
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	107.4%	103.1%	100.0%	99.2%	97.6%

Figure 10 Motor Vehicle Premiums Written and Earned: -2.8% Rate Change & Retention of 5% Capital Release Provision on 2022/23 Policies & Adjusted Rebate

Line No.	BASIC	For the Years Ended March,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1	<i>(C\$ 000s, except where noted)</i>						
2	HTA Volume Change	1.11%	1.25%	1.13%	1.06%	1.06%	1.06%
3	HTA Upgrading & Other Changes	2.27%	2.44%	2.59%	2.58%	2.54%	2.55%
4	Rate Change	(0.50%)	(3.76%)	(2.82%)	0.00%	0.00%	0.00%
5	(Add) / Remove Capital Release Provision	0.00%	(5.00%)	0.00%	0.00%	0.00%	0.00%
6	Premiums Unearned during Year	49.42%	48.70%	48.70%	48.70%	48.70%	48.70%
7	Basic Insurance Written						
8	Last Year Premiums Written	1,074,249	1,115,102	1,055,295	1,063,985	1,103,005	1,143,011
9	Volume Increase	11,924	13,939	11,925	11,278	11,692	12,116
10	Total Volume Written	1,086,173	1,129,040	1,067,219	1,075,264	1,114,697	1,155,127
11	Upgrading & Other Changes	24,656	27,549	27,641	27,742	28,313	29,456
12	Total With Upgrading	1,110,829	1,156,589	1,094,860	1,103,005	1,143,011	1,184,582
13	Impact of Rate Change	(5,599)	(43,465)	(30,875)	-	-	-
14	Add: Current Year Capital Release Provision	-	(57,829)	(58,306)	(60,444)	(62,636)	(64,914)
15	Remove: Prior Year Capital Release Provision	-	-	54,743	55,150	57,151	59,229
16	Adjustments	9,871	-	3,563	5,294	5,486	5,685
17	Total Premium Written Before Rebates	1,115,102	1,055,295	1,063,985	1,103,005	1,143,011	1,184,582
18	Fleet Rebates	(21,583)	(18,621)	(17,710)	(18,401)	(19,100)	(19,832)
19	Anti Theft & Other Charges	(1,539)	(1,412)	(1,328)	(1,241)	(1,155)	(1,068)
20	Total Premiums Written	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
21	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
22	Total Net Premiums Written	1,078,218	1,019,632	1,029,005	1,067,102	1,106,170	1,146,765
23	Basic Insurance Earned						
24	Beginning Unearned Premium Balance	514,587	539,680	504,208	508,925	527,635	546,821
25	Premiums Written	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
26	Unearned Premiums during Year	539,680	504,208	508,925	527,635	546,821	566,753
27	Premiums Earned	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
28	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
29	Total Net Premiums Earned	1,053,125	1,055,104	1,024,288	1,048,393	1,086,985	1,126,833

d) Please see [Figure 11](#) for the calculation supporting the response to part a) above.

Figure 11 Motor Vehicle Premiums Written and Earned: -2.8% Rate Change & Retention of Capped (5%) Capital Release Provision on 2022/23 Policies & No Rebate

Line No.	BASIC	For the Years Ended March,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1	<i>(C\$ 000s, except where noted)</i>						
2	HTA Volume Change	1.11%	1.25%	1.13%	1.06%	1.06%	1.06%
3	HTA Upgrading & Other Changes	2.27%	2.44%	2.59%	2.58%	2.54%	2.55%
4	Rate Change	(0.50%)	(3.76%)	(2.82%)	0.00%	0.00%	0.00%
5	(Add) / Remove Capital Release Provision	0.00%	(5.00%)	0.00%	0.00%	0.00%	0.00%
6	Premiums Unearned during Year	49.42%	48.70%	48.70%	48.70%	48.70%	48.70%
7	Basic Insurance Written						
8	Last Year Premiums Written	1,074,249	1,115,102	1,055,295	1,063,985	1,103,005	1,143,011
9	Volume Increase	11,924	13,939	11,925	11,278	11,692	12,116
10	Total Volume Written	1,086,173	1,129,040	1,067,219	1,075,264	1,114,697	1,155,127
11	Upgrading & Other Changes	24,656	27,549	27,641	27,742	28,313	29,456
12	Total With Upgrading	1,110,829	1,156,589	1,094,860	1,103,005	1,143,011	1,184,582
13	Impact of Rate Change	(5,599)	(43,465)	(30,875)	-	-	-
14	Add: Current Year Capital Release Provision	-	(57,829)	(58,306)	(60,444)	(62,636)	(64,914)
15	Remove: Prior Year Capital Release Provision	-	-	54,743	55,150	57,151	59,229
16	Adjustments	9,871	-	3,563	5,294	5,486	5,685
17	Total Premium Written Before Rebates	1,115,102	1,055,295	1,063,985	1,103,005	1,143,011	1,184,582
18	Fleet Rebates	(21,583)	(18,621)	(17,710)	(18,401)	(19,100)	(19,832)
19	Anti Theft & Other Charges	(1,539)	(1,412)	(1,328)	(1,241)	(1,155)	(1,068)
20	Total Premiums Written	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
21	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
22	Total Net Premiums Written	1,078,218	1,019,632	1,029,005	1,067,102	1,106,170	1,146,765
23	Basic Insurance Earned						
24	Beginning Unearned Premium Balance	514,587	539,680	504,208	508,925	527,635	546,821
25	Premiums Written	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
26	Unearned Premiums during Year	539,680	504,208	508,925	527,635	546,821	566,753
27	Premiums Earned	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
28	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
29	Total Net Premiums Earned	1,053,125	1,055,104	1,024,288	1,048,393	1,086,985	1,126,833

Please see Figure 12 for the supporting calculation of part b).

Figure 12 Motor Vehicle Premiums Written and Earned: -2.8% Rate Change & Uncapped Capital Release Provision on 2022/23 Policies & No Rebate

Line No.	BASIC	For the Years Ended March,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1	(C\$ 000s, except where noted)						
2	HTA Volume Change	1.11%	1.25%	1.13%	1.06%	1.06%	1.06%
3	HTA Upgrading & Other Changes	2.27%	2.44%	2.59%	2.58%	2.54%	2.55%
4	Rate Change	(0.50%)	(3.76%)	(2.82%)	0.00%	0.00%	0.00%
5	(Add) / Remove Capital Release Provision	0.00%	(5.00%)	(6.00%)	0.00%	0.00%	0.00%
6	Premiums Unearned during Year	49.42%	48.70%	48.70%	48.70%	48.70%	48.70%
7	Basic Insurance Written						
8	Last Year Premiums Written	1,074,249	1,115,102	1,055,295	998,294	1,034,905	1,072,440
9	Volume Increase	11,924	13,939	11,925	10,582	10,970	11,368
10	Total Volume Written	1,086,173	1,129,040	1,067,219	1,008,876	1,045,875	1,083,808
11	Upgrading & Other Changes	24,656	27,549	27,641	26,029	26,565	27,637
12	Total With Upgrading	1,110,829	1,156,589	1,094,860	1,034,905	1,072,440	1,111,445
13	Impact of Rate Change	(5,599)	(43,465)	(30,875)	-	-	-
14	Add: Current Year Capital Release Provision	-	(57,829)	(123,997)	(128,545)	(133,207)	(138,052)
15	Remove: Prior Year Capital Release Provision	-	-	54,743	113,840	117,968	122,259
16	Adjustments	9,871	-	3,563	14,705	15,239	15,793
17	Total Premium Written Before Rebates	1,115,102	1,055,295	998,294	1,034,905	1,072,440	1,111,445
18	Fleet Rebates	(21,583)	(18,621)	(17,710)	(18,401)	(19,100)	(19,832)
19	Anti Theft & Other Charges	(1,539)	(1,412)	(1,328)	(1,241)	(1,155)	(1,068)
20	Total Premiums Written	1,091,979	1,035,261	979,255	1,015,262	1,052,185	1,090,545
21	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
22	Total Net Premiums Written	1,078,218	1,019,632	963,314	999,002	1,035,600	1,073,628
23	Basic Insurance Earned						
24	Beginning Unearned Premium Balance	514,587	539,680	504,208	476,931	494,467	512,450
25	Premiums Written	1,091,979	1,035,261	979,255	1,015,262	1,052,185	1,090,545
26	Unearned Premiums during Year	539,680	504,208	476,931	494,467	512,450	531,133
27	Premiums Earned	1,066,886	1,070,733	1,006,532	997,726	1,034,202	1,071,863
28	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
29	Total Net Premiums Earned	1,053,125	1,055,104	990,591	981,465	1,017,617	1,054,945

- e) Please see [Figure 13](#) for the impact in each scenario of a capital release provision in 2022/23 on written premiums revenue generated in each year. This figure also shows the impact of retaining a capped release provision (at 5%) or applying an uncapped release provision (11.0%) to the 2022/23 rates.

For reasons explained in the response to PUB (MPI) 1-5, MPI includes in this figure the adjustment shown on Line 16 of Figures 10, 11 and 12.

Figure 13 Impact of Retention (or increase) of Capital Release Provision on Written Premiums

Line No.	Scenario	Capital Build / (Release) Provision	21/22	22/23	23/24	25/26
1	PUB 1-22 a)	-5.00%	(57,829)	-	-	-
2	PUB 1-22 b)	-11.00%	(57,829)	(65,692)	-	-
3	PUB 1-22 c)	-5.00%	(57,829)	-	-	-

(\$000's, unless otherwise noted)

In addition, Figure 14 shows the MCT ratio of Basic following the rebate and CMP responses for each scenario. MPI provides this figure to illustrate the execution of the CMP in each case as well as the calculated rebate scenario in part c).

Figure 14 Basic MCT % Forecast after Rebate and Capital Management Plan

Line No.	Scenario	Capital Build / (Release) Provision	Rebate (in million)		MCT % After AAP Breakeven Rate Indication and Transfer from Extension			MCT % After AAP Breakeven Rate Indication and Transfer from Extension and Rebate			MCT % After AAP Breakeven Rate Indication and Transfer from Extension and Rebate and Capital Build / Release		
			20/21**	21/22	21/22	22/23	23/24	21/22	22/23	23/24	21/22	22/23	23/24
1	PUB 1-22 a)	-5.00%	-	-	148.5%	143.1%	149.9%	148.5%	143.1%	149.9%	148.5%	138.2%	135.1%
2	PUB 1-22 b)*	-11.00%	-	-	148.5%	143.1%	149.9%	148.5%	143.1%	149.9%	148.5%	132.3%	116.2%
3	PUB 1-22 c)	-5.00%	(155.4)	(15.7)	148.5%	143.1%	149.9%	107.4%	108.4%	115.8%	107.4%	103.1%	100.0%
4	*uncapped Capital Release Provision, where 23/24 MCT% = Target MCT%												
5	** Excludes rebates approved from 2021 Special Rebate Applications												

PUB (MPI) 1-23

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	7
PUB Approved Issue No:	7. Capital management plan		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:

The MCT remains above the target in the forecast period.

Question:

- a) Please provide a description of the CMP used by SGI and SAF and compare with that used by MPI.
- b) Please discuss whether MPI's proposed approach versus that employed by SGI provides greater rate stability.

Rationale for Question:

To understand the impact of rebates on financial forecast.

RESPONSE:

- a) MPI assumes this question relates only to the CMP used by Saskatchewan Auto Fund (SAF), the compulsory portion of automobile insurance in Saskatchewan.

SAF also uses of the Minimum Capital Test (MCT) to establish its capital policy and thresholds. SAF sets an internal target ratio of 90% MCT and an operating target of 140% MCT. Conversely, the capital target of MPI is 100% MCT. Should capital levels rise or fall above the operating target, SAF will engage the use of a capital

build and release provision, similar to MPI. The SAF build and release provisions each span a five year time horizon, whereas the MPI build provision spans a five year period and its release provision, a period of three years. In order to manage rate volatility, MPI caps its release provision at 5% and its build at 5% and AAP rate indication combined. The SAF capital management policy does not contain capping on either its capital build or release provisions.

- b) It is difficult to discuss which capital plan creates greater protection against rate volatility as both plans are fairly new. However, the capping provisions in MPI's CMP would appear to offer more rate stability than the SAF counterpart. MPI will better understand the ability of the CMP to provide rate stability with more experience under normal conditions (e.g. no COVID 19 impacts). The capital management plans/policies of MPI and SAF are in place to protect consumers against rate volatility and to react to favourable and unfavourable capital movements. MPI is confident that the CMP is appropriate and will operate effectively under normal circumstances. As mentioned, the CMP must be refined to account for the unusual and unique circumstances created by the Pandemic.

PUB (MPI) 1-24

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	9
PUB Approved Issue No:	7. Capital Management Plan		
Topic:	Reserves Regulation		
Sub Topic:			

Preamble to IR:

The Office of the Superintendent of Financial Institutions Canada (OSFI) periodically amends the Minimum Capital Test (MCT), typically issuing the changes on a draft advisory basis in advance of formal implementation.

Question:

- a) At what point in the typical evolution of a change to the MCT does the new MCT become relevant with respect to a GRA including application of the Capital Management Plan?
- b) Please provide any information currently available with respect to the expected impact for Basic arising from the proposed changes to the MCT in connection with implementation of IFRS 17.

Rationale for Question:

To understand the impact of changes in the MCT on the CMP.

RESPONSE:

- a) MPI will continue to use the latest available version of the Minimal Capital Test (MCT) Guideline at each year end as part of the MCT forecast in the General Rate Application (GRA). To the extent that there are *material* changes to the MCT

resulting from the latest Guideline, the GRA will respond (as will the Capital Management Plan), with appropriate rate action as may be necessary to maintain compliance with the Reserves Regulation.

- b) Based on a review of the initial 2023 MCT guideline, MPI does not expect significant changes to the MCT calculation in connection with the implementation of IFRS 17. MPI continues to monitor and evaluate the impacts that these draft guidelines and any future amendments will have on its MCT calculations.

PUB (MPI) 1-25

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	25
PUB Approved Issue No:	1. Requested vehicle rate and any changes to other fees and discounts. 7. Capital Management Plan		
Topic:	Capital Management Plan capital release		
Sub Topic:			

Preamble to IR:

In PF-3, the MCT ratio at the end of 2023/24 is 109.2%

Question:

- a) Please estimate the required capital release provision in order to achieve a 100.0% MCT at the end of 2023/24. Please assume that the AAP rate is unchanged, and the premium rebate is unchanged. Please do not adjust the capital release provision if the MCT falls below 100.0% at the end of 2021/22 or 2022/23.
- b) Please provide alternative Pro-Formas reflecting the scenario in (a).

Rationale for Question:

To provide insight as to the amount of capital that could be released and still attain a 100.0% MCT at the end of 2023/24, without affecting the amount of the planned rebate in 2021/22.

RESPONSE:

- a) MPI cannot reproduce this scenario as the implementation of any capital release provision at the end of 2023/24 would lower the Minimum Capital Test (MCT) ratio of the RSR to below 100.0% as at the end of the 2022/23 fiscal year.

The largest (or lowest) estimated capital release provision such that the MCT does not fall below 100.0% at the end of 2021/22 or 2022/23 is approximately 1.32%, forecasting a Basic MCT of 105.4% at the end of 2023/24. In comparison, the current application assumes a capital release provision of 0%.

- b) Please see Figures 1 to 3 below.

Figure 1 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 25(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,085,208	1,125,100	1,166,007	1,208,507
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,133,038	1,174,818	1,217,310	1,261,281
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,060,882	1,105,671	1,146,084	1,187,808
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,107,439	1,154,306	1,196,449	1,239,697
12	Service Fees & Other Revenues	25,792	26,228	29,770	30,089	30,928	32,675
13	Total Earned Revenues	1,146,260	1,144,838	1,137,209	1,184,395	1,227,377	1,272,372
14	Claims Incurred	620,145	839,935	904,589	941,014	980,588	1,023,954
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,428	291	3,382	10,677	6,841
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,388	11,468	12,126	9,402	9,575
17	Total Claims Incurred	653,828	855,751	916,348	956,522	1,000,667	1,040,370
18	Claims Expense	141,720	149,509	147,719	151,167	152,772	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,934	12,598	12,800
20	Total Claims Costs	803,256	1,018,509	1,077,137	1,120,623	1,166,037	1,209,375
21	Expenses						
22	Operating	70,063	76,113	76,108	78,141	79,099	80,894
23	Commissions	43,384	45,961	47,782	51,092	53,534	53,545
24	Premium Taxes	23,978	32,607	33,701	35,117	36,391	37,698
25	Regulatory/Appeal	4,399	4,791	4,624	4,605	4,644	4,693
26	Total Expenses	141,824	159,472	162,215	168,955	173,668	176,830
27	Underwriting Income (Loss)	201,180	(33,143)	(102,143)	(105,183)	(112,328)	(113,833)
28	Investment Income	88,878	100,008	99,144	102,398	101,423	103,759
29	(b) Investment Income - Interest Rate Impact	650	541	482	134	(10)	(11)
30	Net Investment Income	89,528	100,549	99,626	102,532	101,413	103,748
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	67,406	(2,517)	(2,651)	(10,915)	(10,085)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,847)	(10,986)	(11,992)	(9,412)	(9,586)

Figure 2 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 25(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,939,896	3,084,828	3,245,551	3,429,033	3,615,406
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	427,728	442,840	458,001	473,447
9	Deferred policy acquisition costs	37,259	30,606	31,216	31,052	21,013	14,982
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,138	32,478
13	Total Assets	3,679,762	3,643,472	3,817,802	3,993,499	4,165,337	4,344,371
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	584,548	606,778	629,489	653,065
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,946	2,226,620	2,319,183	2,410,090	2,502,952
22	Total Liabilities	3,245,785	3,188,610	3,323,438	3,453,349	3,578,326	3,708,273
23	Equity						
24	Retained Earnings	448,678	468,754	505,342	549,440	591,591	635,335
25	Accumulated Other Comprehensive Income	(14,701)	(13,894)	(10,980)	(9,292)	(4,582)	760
26	Total Equity	433,977	454,860	494,362	540,148	587,009	636,095
27	Total Liabilities & Equity	3,679,762	3,643,470	3,817,800	3,993,497	4,165,335	4,344,368

Figure 3 PF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 25(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	468,754	505,342	549,440	591,591
6	Net Income (Loss) from annual operations	290,782	67,406	(2,517)	(2,651)	(10,915)	(10,085)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	39,105	46,749	53,066	53,829
10	Total Retained Earnings	448,678	468,754	505,342	549,440	591,591	635,335
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,894)	(10,980)	(9,292)	(4,582)
13	Other Comprehensive Income on Available for Sale Assets	53,984	807	2,914	1,688	4,710	5,342
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,894)	(10,980)	(9,292)	(4,582)	760
16	Total Equity Balance	433,977	454,860	494,362	540,148	587,009	636,095
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	454,860	494,362	540,148	587,009	636,095
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,138	32,478
20	Capital Available	401,793	411,848	443,236	487,211	544,871	603,617
21	Minimum Capital Required (100% MCT)	401,793	411,857	443,082	462,433	485,507	510,296
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	100.0%	105.4%	112.2%	118.3%

Figure 4 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 25(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,238	13,624	14,121	14,780
11	Total Earned Revenues	165,814	179,828	191,227	197,643	204,203	211,218
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,430	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,206	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,889	111,589	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,228	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,794	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,236	40,614	45,820	51,262
25	Investment Income	5,038	15,991	10,271	10,227	9,839	9,472
26	(b) Investment Income - Interest Rate Impact	4	187	224	105	80	54
27	Net Investment Income	5,042	16,178	10,495	10,332	9,919	9,526
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,236	47,731	50,946	55,739	60,788
30	Total net Impact due to interest rate change (b) - (a)	(95)	64	352	105	80	54

Figure 5 EPF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	<i>PUB 25(b)</i> (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,980	98,607	102,803	105,475
6	Net Income (Loss) from annual operations	55,690	57,237	47,731	50,945	55,738	60,790
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	(60,000)	(53,491)	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	-	-	(39,105)	(46,749)	(53,066)	(53,829)
10	Total Retained Earnings	86,234	89,980	98,606	102,803	105,475	112,436
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,242	2,321	1,091	292
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,464)	(1,921)	(1,230)	(799)	(347)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,242	2,321	1,091	292	(55)
16	Total Equity Balance	96,940	94,223	100,928	103,894	105,767	112,381
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	94,223	100,928	103,894	105,767	112,381
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,515	2,697
20	Capital Available	94,244	90,590	96,612	99,458	102,252	109,684
21	Minimum Capital Required (100% MCT)	48,028	45,295	48,306	49,729	51,126	54,842
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	200%	200%	200%	200%

PUB (MPI) 1-26

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	10
PUB Approved Issue No:	1. Requested vehicle rate and any changes to other fees and discounts. 7a. CMP. Transfers of excess capital from Extension to Driver and Vehicle Administration.		
Topic:	Indicated premium rebate and/or capital release provision		
Sub Topic:			

Preamble to IR:

MPI has indicated that it has or will be transferring \$113.5 million of Extension retained earnings to DVA instead of transferring them to Basic.

Question:

- a) Please estimate the capital release provision that would be indicated if the Extension retained earnings were transferred to Basic instead of to DVA, and the additional capital was used for purposes of the capital release provision. Please provide alternative Pro-Formas.
- b) Please estimate the premium rebate that would result in Basic MCT at 100.0% at the end of 2021/22 if the Extension retained earnings were transferred to Basic instead of to DVA, and the additional capital was used for purposes of a premium rebate. Please assume that the existing rate change applied for in the 2022 GRA still occurred. Please provide alternative Pro-Formas.
- c) If the premium rebate indicated in b) was paid in 2021/22, but the Extension retained earnings were still transferred to DVA instead of to Basic, please indicate the resulting MCT ratios. Please provide alternative Pro-Formas.

Rationale for Question:

To provide insight as to the impact of the transfer of Extension retained earnings to DVA instead of to Basic.

RESPONSE:

a), b) and c)

Figure 1 summarizes the resulting capital release provision, rebate, transfer and MCT % applicable to Basic for each respective scenario as provided in parts a), b) and c).

Figures 2 to 6 are alternate pro formas for scenario part a) with a capped capital release provision.

Figures 7 to 11 are alternate pro formas for scenario part a) with an uncapped capital release provision.

Figures 12 to 16 are alternate pro formas for scenario part b). The estimated premium rebate would change from the current \$202.7 million to \$311.5 million if MPI transferred the Extension excess capital to Basic rather than DVA.

Figures 17 to 21 are alternate pro formas for scenario part c).

Note that while these scenarios include transfers of Extension capital to Basic, the DVA line of business would continue to generate losses and accumulated deficits which would negatively impact the aggregate financial position and strength of MPI.

a), b) and c)

Figure 1 Basic MCT % after Rebate and Capital Management Plan

Line No.	Scenario	Capital Build / (Release) Provision	Rebate (in million)		Transfer from Extension (in million)				MCT % After Basic Rebate, Transfer from Extension and Capital Build / Release			
			20/21**	21/22	20/21	21/22	22/23	23/24	20/21	21/22	22/23	23/24
1	PUB 1-26 a)	-5.00%	(155.4)	(47.3)	60.0	54.7	37.6	47.1	114.9%	125.0%	120.2%	117.6%
2	PUB 1-26 a)*	-7.86%	(155.4)	(47.3)	60.0	54.7	37.6	47.1	114.9%	125.0%	117.7%	108.3%
3	PUB 1-26 b)	5.00%	(155.4)	(156.0)	60.0	54.7	39.1	46.7	114.9%	100.0%	102.2%	110.7%
4	PUB 1-26 c)	5.00%	(155.4)	(156.0)	-	-	39.3	46.7	100.0%	74.4%	77.7%	86.7%
5	*uncapped Capital Release Provision, where 23/24 MCT% = Target MCT%											
6	** Excludes rebates approved from 2021 Special Rebate Applications											

a)

Figure 2 PF-1 Statement of Operations – Basic**Multi-year - Statement of Operations**

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,587	940,978	980,547	1,023,935
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,425	235	3,371	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,341	10,420	11,983	10,130	9,803
17	Total Claims Incurred	653,828	855,701	915,242	956,332	1,001,389	1,040,591
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,459	1,076,031	1,120,418	1,166,741	1,209,596
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	32,607	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(33,093)	(121,242)	(144,038)	(153,495)	(156,088)
28	Investment Income	88,878	98,342	102,724	107,343	106,576	106,487
29	(b) Investment Income - Interest Rate Impact	650	502	611	248	208	147
30	Net Investment Income	89,528	98,844	103,335	107,591	106,784	106,634
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	65,751	(17,907)	(36,447)	(46,711)	(49,454)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,839)	(9,809)	(11,735)	(9,922)	(9,656)

Figure 3 PF-2 Statement of Financial Position - Basic

Multi-year - Statement of Financial Position

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC						
3	Assets						
4	Cash and cash equivalents	198,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	3,055,365	3,175,138	3,300,216	3,445,174	3,588,769
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,609	31,275	31,121	21,047	15,004
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,739,762	3,758,944	3,896,414	4,036,045	4,168,884	4,304,667
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,899	2,225,523	2,317,907	2,409,502	2,502,573
22	Total Liabilities	3,245,785	3,188,563	3,302,733	3,431,746	3,556,673	3,686,063
23	Equity						
24	Retained Earnings	508,678	581,763	601,453	612,105	619,142	623,169
25	Accumulated Other Comprehensive Income	(14,701)	(11,384)	(7,774)	(7,806)	(6,933)	(4,567)
26	Total Equity	493,977	570,379	593,679	604,299	612,209	618,602
27	Total Liabilities & Equity	3,739,762	3,758,942	3,896,412	4,036,045	4,168,882	4,304,665

Figure 4 PF-3 Statement of Changes in Equity - Basic**Multi-year - Statement of Changes in Equity**

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	508,678	581,763	601,453	612,105	619,142
6	Net Income (Loss) from annual operations	290,782	65,751	(17,907)	(36,447)	(46,711)	(49,454)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	60,000	54,664	37,597	47,099	53,748	53,481
10	Total Retained Earnings	508,678	581,763	601,453	612,105	619,142	623,169
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(11,384)	(7,774)	(7,806)	(6,933)
13	Other Comprehensive Income on Available for Sale Assets	53,984	3,317	3,610	(32)	873	2,366
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(11,384)	(7,774)	(7,806)	(6,933)	(4,567)
16	Total Equity Balance	493,977	570,379	593,679	604,299	612,209	618,602
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	493,835	570,379	593,679	604,299	612,209	618,602
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	461,793	527,367	542,553	551,362	570,070	586,123
21	Minimum Capital Required (100% MCT)	401,793	422,052	451,516	469,038	486,298	505,975
22	MCT Ratio % (Line 20) / (Line 21)	114.9%	125.0%	120.2%	117.6%	117.2%	115.8%

Figure 5 EPF-1 Statement of Operations - Extension

Multi-year - Statement of Operations

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,244	13,627	14,121	14,777
11	Total Earned Revenues	165,814	179,828	191,233	197,646	204,203	211,215
12	Net Claims Incurred	55,933	78,318	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	142	(147)	-	-	-
14	Total Claims Incurred	56,032	78,460	94,647	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,249
17	Total Claims Costs	68,465	91,883	108,132	109,889	111,608	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,508
24	Underwriting Income (Loss)	50,642	41,038	37,261	40,617	45,793	51,259
25	Investment Income	5,038	16,051	10,193	10,333	9,954	9,555
26	(b) Investment Income - Interest Rate Impact	4	189	229	102	78	52
27	Net Investment Income	5,042	16,240	10,422	10,435	10,032	9,607
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,278	47,683	51,052	55,825	60,866
30	Total net Impact due to interest rate change (b) - (a)	(95)	47	376	102	78	52

Figure 6 EPF-3 Statement of Changes in Equity - Extension
Multi-year - Statement of Changes in Equity

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	88,849	98,936	102,889	104,967
6	Net Income (Loss) from annual operations	55,690	57,279	47,684	51,051	55,827	60,867
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	-	-	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	(60,000)	(54,664)	(37,597)	(47,099)	(53,748)	(53,481)
10	Total Retained Earnings	86,234	88,849	98,936	102,888	104,968	112,353
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,177	2,320	1,137	356
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,528)	(1,858)	(1,183)	(781)	(320)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,178	2,319	1,137	356	36
16	Total Equity Balance	96,940	93,027	101,256	104,026	105,322	112,388
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	93,027	101,256	104,026	105,322	112,388
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	89,394	96,940	99,590	101,808	109,692
21	Minimum Capital Required (100% MCT)	48,028	44,697	48,470	49,797	50,904	54,845
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	200%	200%	200%	200%

Figure 7 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,013,655	1,050,923	1,089,140	1,128,844
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,061,485	1,100,641	1,140,443	1,181,618
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,024,178	1,032,772	1,070,527	1,109,507
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,070,735	1,081,407	1,120,892	1,161,396
12	Service Fees & Other Revenues	25,792	26,228	28,323	28,527	29,243	30,856
13	Total Earned Revenues	1,146,260	1,144,838	1,099,058	1,109,934	1,150,135	1,192,252
14	Claims Incurred	620,145	839,935	904,587	940,981	980,519	1,023,910
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,425	239	3,321	10,715	6,858
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,341	10,489	11,035	10,236	9,938
17	Total Claims Incurred	653,828	855,701	915,315	955,337	1,001,470	1,040,706
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,189
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,799
20	Total Claims Costs	803,256	1,018,459	1,076,104	1,119,423	1,166,822	1,209,694
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,886
23	Commissions	43,384	45,961	46,641	48,253	50,482	50,478
24	Premium Taxes	23,978	32,607	32,600	32,930	34,124	35,349
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	159,973	163,921	168,342	171,406
27	Underwriting Income (Loss)	201,180	(33,093)	(137,019)	(173,410)	(185,029)	(188,848)
28	Investment Income	88,878	98,342	102,558	106,756	106,578	105,147
29	(b) Investment Income - Interest Rate Impact	650	502	673	279	330	251
30	Net Investment Income	89,528	98,844	103,231	107,035	106,908	105,398
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	65,751	(33,788)	(66,375)	(78,121)	(83,450)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,839)	(9,816)	(10,756)	(9,906)	(9,687)

Figure 8 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	198,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	3,055,365	3,151,884	3,245,139	3,356,120	3,462,764
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	406,834	421,179	435,555	450,184
9	Deferred policy acquisition costs	37,259	30,609	31,271	31,168	21,090	15,043
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,739,762	3,758,944	3,864,019	3,971,542	4,070,056	4,168,528
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	549,700	570,652	592,052	614,267
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,899	2,225,593	2,317,031	2,408,703	2,501,884
22	Total Liabilities	3,245,785	3,188,563	3,287,563	3,415,071	3,539,502	3,668,407
23	Equity						
24	Retained Earnings	508,678	581,763	584,692	565,606	541,579	511,422
25	Accumulated Other Comprehensive Income	(14,701)	(11,384)	(8,237)	(9,135)	(11,025)	(11,301)
26	Total Equity	493,977	570,379	576,455	556,471	530,554	500,121
27	Total Liabilities & Equity	3,739,762	3,758,942	3,864,018	3,971,542	4,070,056	4,168,528

Figure 9 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	508,678	581,763	584,692	565,606	541,579
6	Net Income (Loss) from annual operations	290,782	65,751	(33,788)	(66,375)	(78,121)	(83,450)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	60,000	54,664	36,717	47,289	54,094	53,293
10	Total Retained Earnings	508,678	581,763	584,692	565,606	541,579	511,422
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(11,384)	(8,237)	(9,135)	(11,025)
13	Other Comprehensive Income on Available for Sale Assets	53,984	3,317	3,147	(898)	(1,890)	(276)
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(11,384)	(8,237)	(9,135)	(11,025)	(11,301)
16	Total Equity Balance	493,977	570,379	576,455	556,471	530,554	500,121
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	493,835	570,379	576,455	556,471	530,554	500,121
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	461,793	527,367	525,329	503,534	488,415	467,642
21	Minimum Capital Required (100% MCT)	401,793	422,058	446,401	464,845	479,161	494,611
22	MCT Ratio % (Line 20) / (Line 21)	114.9%	125.0%	117.7%	108.3%	101.9%	94.6%

Figure 10 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,250	13,630	14,122	14,775
11	Total Earned Revenues	165,814	179,828	191,239	197,649	204,204	211,213
12	Net Claims Incurred	55,933	78,318	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	142	(147)	-	-	-
14	Total Claims Incurred	56,032	78,460	94,647	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,043
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,250
17	Total Claims Costs	68,465	91,883	108,132	109,889	111,608	113,465
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,560
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,515
24	Underwriting Income (Loss)	50,642	41,038	37,267	40,620	45,794	51,233
25	Investment Income	5,038	16,051	10,184	10,447	10,076	9,664
26	(b) Investment Income - Interest Rate Impact	4	189	227	101	78	52
27	Net Investment Income	5,042	16,240	10,411	10,548	10,154	9,716
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,278	47,678	51,168	55,948	60,949
30	Total net Impact due to interest rate change (b) - (a)	(95)	47	374	101	78	52

Figure 11 EPF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 26(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	88,849	99,810	103,689	105,543
6	Net Income (Loss) from annual operations	55,690	57,279	47,678	51,167	55,948	60,948
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	-	-	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	(60,000)	(54,664)	(36,717)	(47,289)	(54,094)	(53,293)
10	Total Retained Earnings	86,234	88,849	99,810	103,688	105,543	113,198
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,177	2,367	1,219	452
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,528)	(1,810)	(1,149)	(767)	(303)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,178	2,367	1,218	452	149
16	Total Equity Balance	96,940	93,027	102,178	104,908	105,995	113,346
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	93,027	102,178	104,908	105,995	113,346
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	89,394	97,862	100,472	102,481	110,650
21	Minimum Capital Required (100% MCT)	48,028	44,697	48,930	50,236	51,240	55,326
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	200%	200%	200%	200%

b)

Figure 12 PF-1 Statement of Operations**Multi-year - Statement of Operations**

Line No.	PUB 26(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,099,690	1,140,113	1,181,565	1,224,630
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,147,520	1,189,831	1,232,868	1,277,404
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,068,311	1,120,426	1,161,377	1,203,656
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,114,868	1,169,061	1,211,742	1,255,545
12	Service Fees & Other Revenues	25,792	26,228	30,063	30,405	31,269	33,044
13	Total Earned Revenues	1,146,260	1,144,838	1,144,931	1,199,466	1,243,011	1,288,589
14	Claims Incurred	620,145	839,935	904,593	941,020	980,578	1,023,961
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,435	292	3,357	10,703	6,867
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,526	11,497	11,656	9,911	10,034
17	Total Claims Incurred	653,828	855,896	916,382	956,033	1,001,192	1,040,862
18	Claims Expense	141,720	149,509	147,719	151,167	152,772	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,934	12,598	12,800
20	Total Claims Costs	803,256	1,018,654	1,077,171	1,120,134	1,166,562	1,209,867
21	Expenses						
22	Operating	70,063	76,113	76,108	78,141	79,099	80,894
23	Commissions	43,384	45,961	48,013	51,667	54,152	54,166
24	Premium Taxes	23,978	29,346	33,924	35,560	36,850	38,174
25	Regulatory/Appeal	4,399	4,791	4,624	4,605	4,644	4,693
26	Total Expenses	141,824	156,211	162,669	169,973	174,745	177,927
27	Underwriting Income (Loss)	201,180	(30,027)	(94,909)	(90,641)	(98,296)	(99,205)
28	Investment Income	88,878	98,375	103,182	105,411	107,149	109,900
29	(b) Investment Income - Interest Rate Impact	650	500	613	(11)	(12)	(13)
30	Net Investment Income	89,528	98,875	103,795	105,400	107,137	109,887
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	68,848	8,886	14,759	8,841	10,682
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(12,026)	(10,884)	(11,667)	(9,923)	(10,047)

Figure 13 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 26(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	198,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,949,954	3,110,038	3,291,074	3,495,515	3,703,924
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	431,957	447,224	462,544	478,155
9	Deferred policy acquisition costs	37,259	30,599	31,207	31,068	21,002	14,945
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,138	32,478
13	Total Assets	3,739,762	3,653,523	3,847,232	4,043,422	4,236,351	4,437,560
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	591,602	614,090	637,066	660,918
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,130,084	2,226,791	2,318,889	2,410,296	2,503,624
22	Total Liabilities	3,245,785	3,188,748	3,330,663	3,460,367	3,586,109	3,716,798
23	Equity						
24	Retained Earnings	508,678	476,142	524,152	585,607	647,282	711,715
25	Accumulated Other Comprehensive Income	(14,701)	(11,369)	(7,583)	(2,554)	2,960	9,046
26	Total Equity	493,977	464,773	516,569	583,053	650,242	720,761
27	Total Liabilities & Equity	3,739,762	3,653,521	3,847,232	4,043,420	4,236,351	4,437,559

Figure 14 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 26(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	508,678	476,142	524,152	585,607	647,282
6	Net Income (Loss) from annual operations	290,782	68,848	8,886	14,759	8,841	10,682
7	Premium Rebate	(127,201)	(156,048)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	60,000	54,664	39,124	46,696	52,834	53,751
10	Total Retained Earnings	508,678	476,142	524,152	585,607	647,282	711,715
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(11,369)	(7,583)	(2,554)	2,960
13	Other Comprehensive Income on Available for Sale Assets	53,984	3,332	3,786	5,029	5,514	6,086
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(11,369)	(7,583)	(2,554)	2,960	9,046
16	Total Equity Balance	493,977	464,773	516,569	583,053	650,242	720,761
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	493,835	464,773	516,569	583,053	650,242	720,761
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,138	32,478
20	Capital Available	461,793	421,761	465,443	530,116	608,104	688,283
21	Minimum Capital Required (100% MCT)	401,793	421,972	455,585	478,759	501,492	526,723
22	MCT Ratio % (Line 20) / (Line 21)	114.9%	100.0%	102.2%	110.7%	121.3%	130.7%

Figure 15 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 26(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,236	13,622	14,122	14,782
11	Total Earned Revenues	165,814	179,828	191,225	197,641	204,204	211,220
12	Net Claims Incurred	55,933	78,317	94,793	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	143	(147)	-	-	-
14	Total Claims Incurred	56,032	78,460	94,646	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,770	14,430	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,192	1,206	1,249
17	Total Claims Costs	68,465	91,883	108,131	109,874	111,589	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,878	9,228	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,133	46,794	46,508
24	Underwriting Income (Loss)	50,642	41,038	37,254	40,634	45,821	51,264
25	Investment Income	5,038	16,051	10,205	10,140	9,740	9,382
26	(b) Investment Income - Interest Rate Impact	4	189	232	104	78	52
27	Net Investment Income	5,042	16,240	10,437	10,244	9,818	9,434
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,278	47,691	50,878	55,639	60,698
30	Total net Impact due to interest rate change (b) - (a)	(95)	46	379	104	78	52

Figure 16 EPF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 26(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	88,849	97,416	101,597	104,401
6	Net Income (Loss) from annual operations	55,690	57,279	47,691	50,878	55,637	60,699
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings						
9	Transfer (to) / from Basic Retained Earnings	(60,000)	(54,664)	(39,124)	(46,696)	(52,834)	(53,751)
10	Total Retained Earnings	86,234	88,849	97,416	101,598	104,400	111,349
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,177	2,234	995	199
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,528)	(1,943)	(1,239)	(796)	(345)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,178	2,234	995	199	(146)
16	Total Equity Balance	96,940	93,027	99,650	102,592	104,600	111,203
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	93,027	99,650	102,592	104,600	111,203
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,516	2,697
20	Capital Available	94,244	89,394	95,334	98,156	101,084	108,506
21	Minimum Capital Required (100% MCT)	48,028	44,697	47,666	49,077	50,542	54,253
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	200%	200%	200%	200%

Figure 17 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 26(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,099,690	1,140,113	1,181,565	1,224,630
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,147,520	1,189,831	1,232,868	1,277,404
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,068,311	1,120,426	1,161,377	1,203,656
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,114,868	1,169,061	1,211,742	1,255,545
12	Service Fees & Other Revenues	25,792	26,228	30,063	30,405	31,269	33,044
13	Total Earned Revenues	1,146,260	1,144,838	1,144,931	1,199,466	1,243,011	1,288,589
14	Claims Incurred	620,145	839,934	904,594	941,023	980,583	1,023,964
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,437	296	3,357	10,704	6,867
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,573	11,568	11,653	9,905	10,025
17	Total Claims Incurred	653,828	855,944	916,458	956,033	1,001,192	1,040,856
18	Claims Expense	141,720	149,509	147,719	151,167	152,772	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,934	12,598	12,800
20	Total Claims Costs	803,256	1,018,702	1,077,247	1,120,134	1,166,562	1,209,861
21	Expenses						
22	Operating	70,063	76,113	76,108	78,141	79,099	80,894
23	Commissions	43,384	45,961	48,013	51,667	54,152	54,166
24	Premium Taxes	23,978	29,346	33,924	35,560	36,850	38,174
25	Regulatory/Appeal	4,399	4,791	4,624	4,605	4,644	4,693
26	Total Expenses	141,824	156,211	162,669	169,973	174,745	177,927
27	Underwriting Income (Loss)	201,180	(30,075)	(94,985)	(90,641)	(98,296)	(99,199)
28	Investment Income	88,878	100,061	99,326	101,155	102,780	105,449
29	(b) Investment Income - Interest Rate Impact	650	539	487	(10)	(10)	(11)
30	Net Investment Income	89,528	100,600	99,813	101,145	102,770	105,438
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	70,525	4,828	10,504	4,474	6,239
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(12,034)	(11,081)	(11,663)	(9,915)	(10,036)

Figure 18 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 26(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,834,485	2,989,981	3,165,860	3,365,335	3,568,635
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	431,957	447,224	462,544	478,155
9	Deferred policy acquisition costs	37,259	30,597	31,201	31,061	20,995	14,938
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,138	32,478
13	Total Assets	3,679,762	3,538,052	3,727,169	3,918,201	4,106,164	4,302,264
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	591,602	614,090	637,066	660,918
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,130,131	2,226,910	2,319,009	2,410,414	2,503,736
22	Total Liabilities	3,245,785	3,188,795	3,330,782	3,460,487	3,586,227	3,716,910
23	Equity						
24	Retained Earnings	448,678	363,155	407,300	464,479	521,968	582,001
25	Accumulated Other Comprehensive Income	(14,701)	(13,900)	(10,914)	(6,765)	(2,031)	3,351
26	Total Equity	433,977	349,255	396,386	457,714	519,937	585,352
27	Total Liabilities & Equity	3,679,762	3,538,050	3,727,168	3,918,201	4,106,164	4,302,262

Figure 19 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 26(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	363,155	407,300	464,479	521,968
6	Net Income (Loss) from annual operations	290,782	70,525	4,828	10,504	4,474	6,239
7	Premium Rebate	(127,201)	(156,048)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	39,317	46,675	53,015	53,794
10	Total Retained Earnings	448,678	363,155	407,300	464,479	521,968	582,001
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,900)	(10,914)	(6,765)	(2,031)
13	Other Comprehensive Income on Available for Sale Assets	53,984	801	2,986	4,149	4,734	5,382
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,900)	(10,914)	(6,765)	(2,031)	3,351
16	Total Equity Balance	433,977	349,255	396,386	457,714	519,937	585,352
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	349,255	396,386	457,714	519,937	585,352
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,138	32,478
20	Capital Available	401,793	306,243	345,260	404,777	477,799	552,874
21	Minimum Capital Required (100% MCT)	401,793	411,776	444,349	466,992	489,227	513,817
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	74.4%	77.7%	86.7%	97.7%	107.6%

Figure 20 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 26(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,236	13,622	14,122	14,782
11	Total Earned Revenues	165,814	179,828	191,225	197,641	204,204	211,220
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,770	14,430	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,192	1,206	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,874	111,589	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,878	9,228	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,133	46,794	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,234	40,634	45,821	51,264
25	Investment Income	5,038	15,991	10,271	10,187	9,795	9,421
26	(b) Investment Income - Interest Rate Impact	4	187	225	106	80	54
27	Net Investment Income	5,042	16,178	10,496	10,293	9,875	9,475
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,236	47,730	50,927	55,696	60,739
30	Total net Impact due to interest rate change (b) - (a)	(95)	64	353	106	80	54

Figure 21 EPF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	<i>PUB 26(c)</i> (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,982	98,395	102,647	105,327
6	Net Income (Loss) from annual operations	55,690	57,236	47,730	50,927	55,695	60,739
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	(60,000)	(53,488)				
9	Transfer (to) / from Basic Retained Earnings			(39,317)	(46,675)	(53,015)	(53,794)
10	Total Retained Earnings	86,234	89,982	98,395	102,647	105,327	112,272
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,242	2,307	1,061	252
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,463)	(1,936)	(1,246)	(808)	(352)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,243	2,306	1,061	253	(100)
16	Total Equity Balance	96,940	94,225	100,702	103,708	105,580	112,173
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	94,225	100,702	103,708	105,580	112,173
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,516	2,697
20	Capital Available	94,244	90,592	96,386	99,272	102,064	109,476
21	Minimum Capital Required (100% MCT)	48,028	45,294	48,195	49,636	51,031	54,738
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	200%	200%	200%	200%

PUB (MPI) 1-27

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	10
PUB Approved Issue No:	2. Requested vehicle rate and any changes to other fees and discounts. 7. Capital Management Plan and 7a Extension transfers		
Topic:	Capital Management Plan capital release and Extension transfers		
Sub Topic:			

Preamble to IR:

Basic capital levels vary depending on the amount of Extension transfers, and the Capital Management Plan capital release provision.

Question:

a) Please provide alternative Pro-Formas based on the following scenario of assumptions:

- i. 2.8% rate decrease as filed;
- ii. \$202 million rebate as filed; and
- iii. No Extension transfers to Basic in 2022/23 or 2023/24.

b) Please provide alternative Pro-Formas based on the following scenario of assumptions:

- i. 2.8% rate decrease as filed;
- ii. 5% CMP capital release provision;
- iii. \$202 million rebate as filed; and
- iv. No Extension transfers to Basic in 2022/23 or 2023/24.

c) Please provide alternative Pro-Formas based on the following scenario of assumptions:

- i. 2.8% rate decrease as filed;

- ii. 5% CMP capital release provision;
- iii. \$202 million rebate as filed; and
- iv. Extension transfers to Basic in 2022/23 and 2023/24 at the same level as filed.

d) Please provide alternative Pro-Formas based on the following scenario of assumptions:

- i. 2.8% rate decrease as filed;
- ii. 5% CMP capital release provision;
- iii. \$202 million rebate as filed;
- iv. Extension transfers to Basic in 2022/23 and 2023/23 at the same level as filed; and
- v. Extension transfer to DVA in 2021/22 is instead assumed to be transferred to Basic.

e) Please provide alternative Pro-Formas based on the following scenario of assumptions:

- i. 2.8% rate decrease as filed;
- ii. 5% CMP capital release provision;
- iii. \$202 million rebate as filed;
- iv. Extension transfers to Basic in 2022/23 and 2023/23 at the same level as filed; and
- v. Extension transfers to DVA in 2020/21 and 2021/22 are instead assumed to be transferred to Basic.

Rationale for Question:

To provide insight as to the impact of Extension transfers and the capital release provision on the level of Basic capital.

RESPONSE:

Please see alternate Pro Formas for each respective scenario below:

a)

Figure 1 PF-1 Statement of Operations**Multi-year - Statement of Operations**

Line No.	PUB 27(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,099,690	1,140,113	1,181,565	1,224,630
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,147,520	1,189,831	1,232,868	1,277,404
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,068,311	1,120,426	1,161,377	1,203,656
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,114,868	1,169,061	1,211,742	1,255,545
12	Service Fees & Other Revenues	25,792	26,228	30,063	30,405	31,269	33,044
13	Total Earned Revenues	1,146,260	1,144,838	1,144,931	1,199,466	1,243,011	1,288,589
14	Claims Incurred	620,145	839,935	904,589	941,023	980,582	1,023,964
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,428	306	3,357	10,704	6,867
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,388	11,751	11,653	9,906	10,026
17	Total Claims Incurred	653,828	855,751	916,646	956,033	1,001,192	1,040,857
18	Claims Expense	141,720	149,509	147,719	151,167	152,772	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,934	12,598	12,800
20	Total Claims Costs	803,256	1,018,509	1,077,435	1,120,134	1,166,562	1,209,862
21	Expenses						
22	Operating	70,063	76,113	76,108	78,141	79,099	80,894
23	Commissions	43,384	45,961	48,013	51,667	54,152	54,166
24	Premium Taxes	23,978	32,607	33,924	35,560	36,850	38,174
25	Regulatory/Appeal	4,399	4,791	4,624	4,605	4,644	4,693
26	Total Expenses	141,824	159,472	162,669	169,973	174,745	177,927
27	Underwriting Income (Loss)	201,180	(33,143)	(95,173)	(90,641)	(98,296)	(99,200)
28	Investment Income	88,878	100,008	100,865	100,339	99,732	104,780
29	(b) Investment Income - Interest Rate Impact	650	541	617	(9)	(9)	(11)
30	Net Investment Income	89,528	100,549	101,482	100,330	99,723	104,769
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	67,406	6,309	9,689	1,427	5,569
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,847)	(11,134)	(11,662)	(9,915)	(10,037)

Figure 2 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 27(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,939,896	3,055,814	3,183,199	3,470,245	3,673,377
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	431,957	447,224	462,544	478,155
9	Deferred policy acquisition costs	37,259	30,606	31,201	31,062	20,996	14,939
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,138	32,478
13	Total Assets	3,679,762	3,643,472	3,793,002	3,935,541	4,211,075	4,407,007
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	591,602	614,090	637,066	660,918
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,946	2,226,903	2,319,002	2,410,408	2,503,731
22	Total Liabilities	3,245,785	3,188,610	3,330,775	3,460,480	3,586,221	3,716,905
23	Equity						
24	Retained Earnings	448,678	468,754	475,063	484,752	630,494	689,829
25	Accumulated Other Comprehensive Income	(14,701)	(13,894)	(12,838)	(9,694)	(5,643)	268
26	Total Equity	433,977	454,860	462,225	475,058	624,851	690,097
27	Total Liabilities & Equity	3,679,762	3,643,470	3,793,000	3,935,538	4,211,072	4,407,002

Figure 3 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	468,754	475,063	484,752	630,494
6	Net Income (Loss) from annual operations	290,782	67,406	6,309	9,689	1,427	5,569
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	-	-	144,315	53,766
10	Total Retained Earnings	448,678	468,754	475,063	484,752	630,494	689,829
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,894)	(12,838)	(9,694)	(5,643)
13	Other Comprehensive Income on Available for Sale Assets	53,984	807	1,056	3,144	4,051	5,911
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,894)	(12,838)	(9,694)	(5,643)	268
16	Total Equity Balance	433,977	454,860	462,225	475,058	624,851	690,097
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	454,860	462,225	475,058	624,851	690,097
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,138	32,478
20	Capital Available	401,793	411,848	411,099	422,121	582,713	657,619
21	Minimum Capital Required (100% MCT)	401,793	411,857	440,395	458,502	488,925	513,491
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	93.4%	92.1%	119.2%	128.1%

Figure 4 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(a) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,236	13,622	14,122	14,782
11	Total Earned Revenues	165,814	179,828	191,225	197,641	204,204	211,220
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,770	14,430	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,192	1,206	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,874	111,589	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,878	9,228	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,133	46,794	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,234	40,634	45,821	51,264
25	Investment Income	5,038	15,991	8,690	10,207	16,022	9,680
26	(b) Investment Income - Interest Rate Impact	4	187	127	24	220	65
27	Net Investment Income	5,042	16,178	8,817	10,231	16,242	9,745
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,236	46,051	50,865	62,063	61,009
30	Total net Impact due to interest rate change (b) - (a)	(95)	64	255	24	220	65

Figure 5 EPF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	<i>PUB 27(a)</i> <i>(C\$ 000s, rounding may affect totals)</i>	<i>For the Years Ended March 31,</i>					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,977	136,028	186,893	104,639
6	Net Income (Loss) from annual operations	55,690	57,237	46,051	50,865	62,061	61,010
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	(60,000)	(53,494)	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	-	-	-	-	(144,315)	(53,766)
10	Total Retained Earnings	86,234	89,977	136,028	186,893	104,639	111,883
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,242	4,081	4,653	925
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,464)	(161)	572	(3,728)	(637)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,242	4,081	4,653	925	288
16	Total Equity Balance	96,940	94,219	140,108	191,545	105,563	112,171
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	94,219	140,108	191,545	105,563	112,171
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,516	2,697
20	Capital Available	94,244	90,586	135,792	187,109	102,047	109,474
21	Minimum Capital Required (100% MCT)	48,028	45,294	53,518	62,537	51,022	54,735
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	254%	299%	200%	200%

b)

Figure 6 PF-1 Statement of Operations**Multi-year - Statement of Operations**

Line No.	PUB 27(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,589	940,983	980,551	1,023,939
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,428	239	3,370	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,388	10,498	11,961	10,134	9,800
17	Total Claims Incurred	653,828	855,751	915,326	956,314	1,001,397	1,040,592
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,509	1,076,115	1,120,400	1,166,749	1,209,597
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	32,607	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(33,143)	(121,326)	(144,020)	(153,503)	(156,089)
28	Investment Income	88,878	100,008	100,239	102,033	99,805	101,334
29	(b) Investment Income - Interest Rate Impact	650	541	610	310	274	162
30	Net Investment Income	89,528	100,549	100,849	102,343	100,079	101,496
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	67,406	(20,477)	(41,677)	(53,424)	(54,593)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,847)	(9,888)	(11,651)	(9,860)	(9,638)

Figure 7 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 27(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,939,896	3,017,168	3,088,340	3,314,785	3,453,650
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,606	31,268	31,115	21,040	14,997
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,679,762	3,643,472	3,738,437	3,824,163	4,038,488	4,169,541
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,946	2,225,650	2,318,017	2,409,619	2,502,691
22	Total Liabilities	3,245,785	3,188,610	3,302,860	3,431,856	3,556,790	3,686,181
23	Equity						
24	Retained Earnings	448,678	468,754	448,277	406,600	497,152	496,469
25	Accumulated Other Comprehensive Income	(14,701)	(13,894)	(12,702)	(14,292)	(15,455)	(13,110)
26	Total Equity	433,977	454,860	435,575	392,308	481,697	483,359
27	Total Liabilities & Equity	3,679,762	3,643,470	3,738,435	3,824,164	4,038,487	4,169,540

Figure 8 PF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	PUB 27(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	468,754	448,277	406,600	497,152
6	Net Income (Loss) from annual operations	290,782	67,406	(20,477)	(41,677)	(53,424)	(54,593)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	-	-	143,976	53,910
10	Total Retained Earnings	448,678	468,754	448,277	406,600	497,152	496,469
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,894)	(12,702)	(14,292)	(15,455)
13	Other Comprehensive Income on Available for Sale Assets	53,984	807	1,192	(1,590)	(1,163)	2,345
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,894)	(12,702)	(14,292)	(15,455)	(13,110)
16	Total Equity Balance	433,977	454,860	435,575	392,308	481,697	483,359
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	454,860	435,575	392,308	481,697	483,359
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	401,793	411,848	384,449	339,371	439,558	450,880
21	Minimum Capital Required (100% MCT)	401,793	411,857	436,721	449,201	474,084	493,188
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	88.0%	75.6%	92.7%	91.4%

Figure 9 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(b) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,244	13,627	14,121	14,777
11	Total Earned Revenues	165,814	179,828	191,233	197,646	204,203	211,215
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,889	111,608	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,242	40,617	45,793	51,259
25	Investment Income	5,038	15,991	8,776	10,332	16,108	9,853
26	(b) Investment Income - Interest Rate Impact	4	187	131	22	215	64
27	Net Investment Income	5,042	16,178	8,907	10,354	16,323	9,917
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,236	46,149	50,971	62,116	61,176
30	Total net Impact due to interest rate change (b) - (a)	(95)	64	259	22	215	64

Figure 10 EPF-3 Statement of Changes in Equity**Multi-year - Statement of Changes in Equity**

Line No.	<i>PUB 27(b)</i> <i>(C\$ 000s, rounding may affect totals)</i>	<i>For the Years Ended March 31,</i>					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,977	136,126	187,096	105,237
6	Net Income (Loss) from annual operations	55,690	57,237	46,149	50,971	62,117	61,177
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	(60,000)	(53,494)	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	-	-	-	-	(143,976)	(53,910)
10	Total Retained Earnings	86,234	89,977	136,126	187,097	105,237	112,504
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,242	4,054	4,683	1,055
13	Other Comprehensive Income on Available for Sale Asset	15,989	(6,464)	(188)	628	(3,627)	(608)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,242	4,054	4,682	1,056	447
16	Total Equity Balance	96,940	94,219	140,180	191,779	106,292	112,952
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	94,219	140,180	191,779	106,292	112,952
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	90,586	135,864	187,343	102,778	110,256
21	Minimum Capital Required (100% MCT)	48,028	45,294	54,084	63,107	51,390	55,128
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	251%	297%	200%	200%

c)

Figure 11 PF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,589	940,983	980,551	1,023,939
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,428	239	3,370	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,388	10,498	11,961	10,134	9,800
17	Total Claims Incurred	653,828	855,751	915,326	956,314	1,001,397	1,040,592
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,509	1,076,115	1,120,400	1,166,749	1,209,597
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	32,607	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(33,143)	(121,326)	(144,020)	(153,503)	(156,089)
28	Investment Income	88,878	100,008	98,874	103,372	102,323	102,027
29	(b) Investment Income - Interest Rate Impact	650	541	477	308	254	176
30	Net Investment Income	89,528	100,549	99,351	103,680	102,577	102,203
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	67,406	(21,975)	(40,340)	(50,926)	(53,886)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,847)	(10,021)	(11,653)	(9,880)	(9,624)

Figure 12 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 27(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,939,896	3,056,602	3,176,132	3,314,889	3,453,756
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,606	31,268	31,115	21,040	14,997
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,679,762	3,643,472	3,777,871	3,911,955	4,038,592	4,169,647
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,946	2,225,650	2,318,017	2,409,619	2,502,691
22	Total Liabilities	3,245,785	3,188,610	3,302,860	3,431,856	3,556,790	3,686,181
23	Equity						
24	Retained Earnings	448,678	468,754	486,080	492,421	494,180	494,225
25	Accumulated Other Comprehensive Income	(14,701)	(13,894)	(11,071)	(12,320)	(12,378)	(10,759)
26	Total Equity	433,977	454,860	475,009	480,101	481,802	483,466
27	Total Liabilities & Equity	3,679,762	3,643,470	3,777,869	3,911,957	4,038,592	4,169,647

Figure 13 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	468,754	486,080	492,421	494,180
6	Net Income (Loss) from annual operations	290,782	67,406	(21,975)	(40,340)	(50,926)	(53,886)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	-	39,301	46,681	52,685	53,931
10	Total Retained Earnings	448,678	468,754	486,080	492,421	494,180	494,225
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(13,894)	(11,071)	(12,320)	(12,378)
13	Other Comprehensive Income on Available for Sale Assets	53,984	807	2,823	(1,249)	(58)	1,619
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(13,894)	(11,071)	(12,320)	(12,378)	(10,759)
16	Total Equity Balance	433,977	454,860	475,009	480,101	481,802	483,466
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	454,860	475,009	480,101	481,802	483,466
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	401,793	411,848	423,883	427,164	439,663	450,987
21	Minimum Capital Required (100% MCT)	401,793	411,857	440,397	457,380	474,073	493,184
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	100.0%	96.3%	93.4%	92.7%	91.4%

Figure 14 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,244	13,627	14,121	14,777
11	Total Earned Revenues	165,814	179,828	191,233	197,646	204,203	211,215
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,889	111,608	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,242	40,617	45,793	51,259
25	Investment Income	5,038	15,991	10,316	10,305	9,924	9,600
26	(b) Investment Income - Interest Rate Impact	4	187	225	103	78	53
27	Net Investment Income	5,042	16,178	10,541	10,408	10,002	9,653
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,236	47,783	51,025	55,795	60,912
30	Total net Impact due to interest rate change (b) - (a)	(95)	64	353	103	78	53

Figure 15 EPF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(c) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,977	98,459	102,802	105,914
6	Net Income (Loss) from annual operations	55,690	57,237	47,783	51,024	55,796	60,913
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (b) / from DVA Retained Earnings	(60,000)	(53,494)	-	-	-	-
9	Transfer (b) / from Basic Retained Earnings	-	-	(39,301)	(46,681)	(52,685)	(53,931)
10	Total Retained Earnings	86,234	89,977	98,459	102,802	105,913	112,896
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,242	2,325	1,148	393
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,464)	(1,917)	(1,178)	(755)	(330)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,242	2,325	1,147	393	63
16	Total Equity Balance	96,940	94,219	100,784	103,950	106,307	112,958
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	94,219	100,784	103,950	106,307	112,958
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	90,586	96,468	99,514	102,793	110,262
21	Minimum Capital Required (100% MCT)	48,028	45,294	48,540	49,944	51,397	55,131
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	199%	199%	200%	200%

d)

Figure 16 PF-1 Statement of Operations**Multi-year - Statement of Operations**

Line No.	PUB 27(d) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,935	904,590	940,982	980,549	1,023,938
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,430	235	3,371	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,431	10,415	11,970	10,132	9,796
17	Total Claims Incurred	653,828	855,796	915,240	956,323	1,001,393	1,040,587
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,554	1,076,029	1,120,409	1,166,745	1,209,592
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	32,607	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(33,188)	(121,240)	(144,029)	(153,499)	(156,084)
28	Investment Income	88,878	97,787	100,861	105,472	104,505	104,245
29	(b) Investment Income - Interest Rate Impact	650	339	523	300	250	176
30	Net Investment Income	89,528	98,126	101,384	105,772	104,755	104,421
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	64,938	(19,856)	(38,257)	(48,744)	(51,663)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(12,092)	(9,892)	(11,670)	(9,882)	(9,620)

Figure 17 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 27(d) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	138,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	2,993,961	3,112,931	3,234,878	3,376,013	3,517,289
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,604	31,270	31,117	21,042	14,999
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,679,762	3,697,535	3,834,202	3,970,703	4,099,718	4,233,182
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,989	2,225,611	2,317,985	2,409,584	2,502,650
22	Total Liabilities	3,245,785	3,188,653	3,302,821	3,431,824	3,556,755	3,686,140
23	Equity						
24	Retained Earnings	448,678	520,148	539,593	548,017	551,916	554,173
25	Accumulated Other Comprehensive Income	(14,701)	(11,268)	(8,214)	(9,137)	(8,954)	(7,133)
26	Total Equity	433,977	508,880	531,379	538,880	542,962	547,040
27	Total Liabilities & Equity	3,679,762	3,697,533	3,834,200	3,970,704	4,099,717	4,233,180

Figure 18 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(d) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	448,678	520,148	539,593	548,017	551,916
6	Net Income (Loss) from annual operations	290,782	64,938	(19,856)	(38,257)	(48,744)	(51,663)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	-	53,862	39,301	46,681	52,643	53,920
10	Total Retained Earnings	448,678	520,148	539,593	548,017	551,916	554,173
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(11,268)	(8,214)	(9,137)	(8,954)
13	Other Comprehensive Income on Available for Sale Assets	53,984	3,433	3,054	(923)	183	1,821
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(11,268)	(8,214)	(9,137)	(8,954)	(7,133)
16	Total Equity Balance	433,977	508,880	531,379	538,880	542,962	547,040
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	433,835	508,880	531,379	538,880	542,962	547,040
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	401,793	465,868	480,253	485,943	500,823	514,561
21	Minimum Capital Required (100% MCT)	401,793	416,738	445,646	462,871	479,779	499,170
22	MCT Ratio % (Line 20) / (Line 21)	100.0%	111.8%	107.8%	105.0%	104.4%	103.1%

Figure 19 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(d) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,244	13,627	14,121	14,777
11	Total Earned Revenues	165,814	179,828	191,233	197,646	204,203	211,215
12	Net Claims Incurred	55,933	78,317	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	123	(128)	-	-	-
14	Total Claims Incurred	56,032	78,440	94,666	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,249
17	Total Claims Costs	68,465	91,863	108,151	109,889	111,608	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,508
24	Underwriting Income (Loss)	50,642	41,058	37,242	40,617	45,793	51,259
25	Investment Income	5,038	16,010	10,300	10,292	9,909	9,588
26	(b) Investment Income - Interest Rate Impact	4	188	226	103	78	53
27	Net Investment Income	5,042	16,198	10,526	10,395	9,987	9,641
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,256	47,768	51,012	55,780	60,900
30	Total net Impact due to interest rate change (b) - (a)	(95)	65	354	103	78	53

Figure 20 EPF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(d) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	89,629	98,096	102,426	105,565
6	Net Income (Loss) from annual operations	55,690	57,257	47,768	51,011	55,781	60,901
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (b) / from DVA Retained Earnings	(60,000)	-	-	-	-	-
9	Transfer (b) / from Basic Retained Earnings	-	(53,862)	(39,301)	(46,681)	(52,643)	(53,920)
10	Total Retained Earnings	86,234	89,629	98,096	102,426	105,564	112,546
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,222	2,305	1,128	376
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,484)	(1,917)	(1,177)	(752)	(329)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,222	2,305	1,128	376	47
16	Total Equity Balance	96,940	93,851	100,401	103,555	105,940	112,592
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	93,851	100,401	103,555	105,940	112,592
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	90,218	96,085	99,119	102,426	109,896
21	Minimum Capital Required (100% MCT)	48,028	45,107	48,315	49,736	51,214	54,948
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	199%	199%	200%	200%

e)

Figure 21 PF-1 Statement of Operations**Multi-year - Statement of Operations**

Line No.	PUB 27(e) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	1,091,979	1,035,261	1,044,947	1,083,363	1,122,756	1,163,683
4	Drivers	66,714	61,179	63,772	65,978	67,889	69,691
5	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
6	Total Net Premiums Written	1,144,932	1,080,811	1,092,777	1,133,081	1,174,059	1,216,457
7	Net Premiums Earned						
8	Motor Vehicles	1,066,886	1,070,733	1,040,230	1,064,653	1,103,570	1,143,750
9	Drivers	67,343	63,506	62,499	64,895	66,951	68,806
10	Reinsurance Ceded	(13,761)	(15,629)	(15,942)	(16,260)	(16,586)	(16,917)
11	Total Net Premiums Earned	1,120,468	1,118,610	1,086,787	1,113,288	1,153,935	1,195,639
12	Service Fees & Other Revenues	25,792	26,228	28,956	29,211	29,980	31,652
13	Total Earned Revenues	1,146,260	1,144,838	1,115,743	1,142,499	1,183,915	1,227,291
14	Claims Incurred	620,145	839,934	904,587	940,979	980,547	1,023,935
15	DPAC \ Premium Deficiency Adjustment	(10,511)	3,425	235	3,371	10,712	6,853
16	(a) Claims Incurred - Interest Rate Impact	44,194	12,341	10,421	11,982	10,130	9,804
17	Total Claims Incurred	653,828	855,700	915,243	956,332	1,001,389	1,040,592
18	Claims Expense	141,720	149,509	147,719	151,153	152,756	156,205
19	Road Safety/Loss Prevention	7,708	13,249	13,070	12,933	12,596	12,800
20	Total Claims Costs	803,256	1,018,458	1,076,032	1,120,418	1,166,741	1,209,597
21	Expenses						
22	Operating	70,063	76,113	76,108	78,134	79,092	80,894
23	Commissions	43,384	45,961	47,140	49,495	51,817	51,819
24	Premium Taxes	23,978	32,607	33,082	33,886	35,116	36,377
25	Regulatory/Appeal	4,399	4,791	4,624	4,604	4,644	4,693
26	Total Expenses	141,824	159,472	160,954	166,119	170,669	173,783
27	Underwriting Income (Loss)	201,180	(33,092)	(121,243)	(144,038)	(153,495)	(156,089)
28	Investment Income	88,878	98,342	102,724	107,389	106,618	106,498
29	(b) Investment Income - Interest Rate Impact	650	502	606	248	209	147
30	Net Investment Income	89,528	98,844	103,330	107,637	106,827	106,645
31	Gain (Loss) on Sale of Property	74	-	-	-	-	-
32	Net Income (Loss) from Annual Operations	290,782	65,752	(17,913)	(36,401)	(46,668)	(49,444)
33	Total net Impact due to interest rate change (b) - (a)	(43,544)	(11,839)	(9,815)	(11,734)	(9,921)	(9,657)

Figure 22 PF-2 Statement of Financial Position

Multi-year - Statement of Financial Position

Line No.	PUB 27(e) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
1							
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Assets						
4	Cash and cash equivalents	198,600	100,000	100,000	100,000	100,000	100,000
5	Investments	2,947,377	3,055,366	3,176,848	3,301,580	3,445,181	3,588,779
6	Investment property	6,065	5,890	5,480	5,483	5,200	4,574
7	Due from other insurance companies	109	-	-	-	-	-
8	Accounts receivable	405,876	409,261	415,971	430,652	445,372	460,357
9	Deferred policy acquisition costs	37,259	30,609	31,274	31,121	21,047	15,004
10	Reinsurers' share of unpaid claims	2,172	-	-	-	-	-
11	Property and equipment	110,262	114,807	117,424	115,636	109,952	103,484
12	Deferred development costs	32,042	43,012	51,126	52,937	42,139	32,479
13	Total Assets	3,739,762	3,758,945	3,898,123	4,037,409	4,168,891	4,304,677
14	Liabilities						
15	Due to other insurance companies	395	559	559	559	559	559
16	Accounts payable and accrued liabilities	196,153	78,435	77,385	80,493	79,840	81,337
17	Financing lease obligation	5,427	5,326	5,204	5,081	4,958	4,835
18	Unearned premiums and fees	592,939	557,353	564,940	586,451	608,424	631,234
19	Provision for employee current benefits	19,028	19,697	20,374	21,051	21,728	22,405
20	Provision for employee future benefits	385,846	397,294	408,748	420,204	431,662	443,120
21	Provision for unpaid claims	2,045,997	2,129,899	2,225,524	2,317,908	2,409,502	2,502,574
22	Total Liabilities	3,245,785	3,188,563	3,302,734	3,431,747	3,556,673	3,686,064
23	Equity						
24	Retained Earnings	508,678	581,764	603,152	613,432	619,098	623,140
25	Accumulated Other Comprehensive Income	(14,701)	(11,384)	(7,765)	(7,769)	(6,882)	(4,527)
26	Total Equity	493,977	570,380	595,387	605,663	612,216	618,613
27	Total Liabilities & Equity	3,739,762	3,758,943	3,898,121	4,037,410	4,168,889	4,304,677

Figure 23 PF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(e) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023F	2024F	2025F	2026F
2	BASIC	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	440,522	508,678	581,764	603,152	613,432	619,098
6	Net Income (Loss) from annual operations	290,782	65,752	(17,913)	(36,401)	(46,668)	(49,444)
7	Premium Rebate	(127,201)	(47,330)	-	-	-	-
8	Premium Rebate (accrued)	(155,425)					
9	Transfer from Extension Retained Earnings	60,000	54,664	39,301	46,681	52,334	53,486
10	Total Retained Earnings	508,678	581,764	603,152	613,432	619,098	623,140
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(34,296)	(14,701)	(11,384)	(7,765)	(7,769)	(6,882)
13	Other Comprehensive Income on Available for Sale Assets	53,984	3,317	3,619	(4)	887	2,355
14	Change in Remeasurement of Employee Future Benefits	(34,389)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	(14,701)	(11,384)	(7,765)	(7,769)	(6,882)	(4,527)
16	Total Equity Balance	493,977	570,380	595,387	605,663	612,216	618,613
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	493,835	570,380	595,387	605,663	612,216	618,613
19	Less: Assets Requiring 100% Capital	32,042	43,012	51,126	52,937	42,139	32,479
20	Capital Available	461,793	527,368	544,261	552,726	570,077	586,134
21	Minimum Capital Required (100% MCT)	401,793	422,052	451,677	469,166	486,298	505,976
22	MCT Ratio % (Line 20) / (Line 21)	114.9%	125.0%	120.5%	117.8%	117.2%	115.8%

Figure 24 EPF-1 Statement of Operations

Multi-year - Statement of Operations

Line No.	PUB 27(e) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2021A	2022FB	2023A	2024F	2025F	2026F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Motor Vehicles	160,042	176,718	182,999	188,872	195,189	201,661
4	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
5	Total Net Premiums Written	158,253	174,770	181,012	186,845	193,122	199,552
6	Net Premiums Earned						
7	Motor Vehicles	156,701	169,339	179,976	186,046	192,149	198,547
8	Reinsurance Ceded	(1,789)	(1,948)	(1,987)	(2,027)	(2,067)	(2,109)
9	Total Net Premiums Earned	154,912	167,391	177,989	184,019	190,082	196,438
10	Service Fees & Other Revenues	10,902	12,437	13,244	13,627	14,121	14,777
11	Total Earned Revenues	165,814	179,828	191,233	197,646	204,203	211,215
12	Net Claims Incurred	55,933	78,318	94,794	94,912	95,953	97,172
13	(a) Claims Incurred - Interest Rate Impact	99	142	(147)	-	-	-
14	Total Claims Incurred	56,032	78,460	94,647	94,912	95,953	97,172
15	Claims Expense	11,792	12,330	12,387	13,784	14,447	15,027
16	Road Safety/Loss Prevention	641	1,093	1,098	1,193	1,208	1,249
17	Total Claims Costs	68,465	91,883	108,132	109,889	111,608	113,448
18	Expenses						
19	Operating	7,851	8,160	8,202	8,885	9,236	9,553
20	Commissions	34,142	33,655	32,228	32,649	31,758	30,936
21	Premium Taxes	4,701	5,080	5,399	5,581	5,764	5,956
22	Regulatory/Appeal	13	12	11	25	44	63
23	Total Expenses	46,707	46,907	45,840	47,140	46,802	46,508
24	Underwriting Income (Loss)	50,642	41,038	37,261	40,617	45,793	51,259
25	Investment Income	5,038	16,051	10,260	10,251	9,860	9,547
26	(b) Investment Income - Interest Rate Impact	4	189	233	101	76	52
27	Net Investment Income	5,042	16,240	10,493	10,352	9,936	9,599
28	Gain (Loss) on Sale of Property	6	-	-	-	-	-
29	Net Income (Loss) from Annual Operations	55,690	57,278	47,754	50,969	55,729	60,858
30	Total net Impact due to interest rate change (b) - (a)	(95)	47	380	101	76	52

Figure 25 EPF-3 Statement of Changes in Equity

Multi-year - Statement of Changes in Equity

Line No.	PUB 27(e) (C\$ 000s, rounding may affect totals)	For the Years Ended March 31,					
		2020A	2021FB	2022F	2023F	2024F	2025F
1							
2	EXTENSION	2020/21A	2021/22FB	2022/23F	2023/24F	2024/25F	2025/26F
3	Total Equity						
4	Retained Earnings						
5	Beginning Balance	142,866	86,234	88,849	97,303	101,591	104,987
6	Net Income (Loss) from annual operations	55,690	57,279	47,755	50,969	55,731	60,859
7	Premium Rebate	(52,322)	-	-	-	-	-
8	Transfer (to) / from DVA Retained Earnings	-	-	-	-	-	-
9	Transfer (to) / from Basic Retained Earnings	(60,000)	(54,664)	(39,301)	(46,681)	(52,334)	(53,486)
10	Total Retained Earnings	86,234	88,849	97,303	101,591	104,988	112,360
11	Total Accumulated Other Comprehensive Income						
12	Beginning Balance	(2,367)	10,706	4,177	2,245	1,074	337
13	Other Comprehensive Income on Available for Sale Assets	15,989	(6,528)	(1,933)	(1,171)	(737)	(312)
14	Change in Remeasurement of Employee Future Benefits	(2,917)	-	-	-	-	-
15	Total Accumulated Other Comprehensive Income	10,705	4,178	2,244	1,074	337	25
16	Total Equity Balance	96,940	93,027	99,548	102,665	105,324	112,386
17	MINIMUM CAPITAL TEST (C\$ 000s)						
18	Total Equity Balance	96,940	93,027	99,548	102,665	105,324	112,386
19	Less: Assets Requiring 100% Capital	2,696	3,633	4,316	4,436	3,514	2,696
20	Capital Available	94,244	89,394	95,232	98,229	101,810	109,690
21	Minimum Capital Required (100% MCT)	48,028	44,697	48,202	49,582	50,905	54,845
22	MCT Ratio % (Line 17) / (Line 18)	196%	200%	198%	198%	200%	200%

PUB (MPI) 1-28

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	6
PUB Approved Issue No:	7. Capital Management Plan		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:

Since the effective date of the Capital Management Plan, MPI has not transferred any Extension capital to Basic. The transfer of excess Extension capital to Basic was an integral part of the Capital Management Plan.

Question:

Please provide MPI's rationale for the continued use of the Capital Management Plan as approved in 176/19.

Rationale for Question:

To gain insight into the effectiveness of the Capital Management Plan.

RESPONSE:

The Capital Management Plan (CMP) sets out the methodology for maintaining the capital of MPI at specified levels set by the Minimum Capital Test, as it fluctuates above and below those levels through the normal course of events. The Public Utilities Board (PUB) approved a two year trial of the CMP in December 2019. Three months later (i.e. March 2020), Manitoba experienced a 1 in 100 year global pandemic and continues to do so today. The pandemic produced extreme situations that MPI simply did not envision were possible when it developed the now PUB-approved iteration of the CMP. Although this pandemic has stress tested the CMP in unusual circumstances

(and laid bare a fundamental problem with its capital release provision), it has not been tested in normal or “business as usual” circumstances. As a result, MPI seeks to extend the trial period so it can continue to test the CMP in what will hopefully be a more “normal” year.

The framework/methodology, and mechanisms of the CMP work regardless of whether capital transfers from Extension are received or not.

PUB (MPI) 1-29

Part and Chapter:	Part VII Rate Stabilization Reserve	Page No.:	8
PUB Approved Issue No:	7. Capital Management Plan		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:

PUB Order 1/21 Section 10.7 stated "In the 2022 GRA, the Corporation shall file an analysis supporting the level of the Basic target capital level (100% MCT) or the use of a single target capital level (vs. a range) to promote rate stability."

MPI indicates in the 2022 GRA that this is complied with in RSR.8.

RSR.8 provides information about the MCT test, but does not appear to provide any support for the level of the Basic target capital level.

The Corporation provided an updated estimate of the Basic target capital range reflecting market interest rates as of the end of September 2018. This updated Basic Total Equity target capital range was \$140 million to \$315 million (or an MCT range of 34% to 88%), after correction of a calculation error with respect to the lower threshold was provided in oral testimony. (Order 159/18 p.96)

Question:

- a) Please provide an analysis supporting the level of the Basic target capital level (100% MCT) or the use of a single target capital level (vs. a range) to promote rate stability. –
- b) Please provide an updated analysis which is consistent with that used at the 2019 GRA with respect to method and approach and provide the range of capital in both

dollar and MCT basis. Please compare with the analysis provided in response to (a).

Rationale for Question:

To compare the use of a target MCT ratio with the use of a range.

RESPONSE:

- a) MPI maintains that the use of a single target capital level supports rate stability through a gradual buildup or release provision under normal circumstances. However as per RSR.6, MPI has applied in this GRA for the removal of the capital release provision and also now applied for a special rebate of excess capital. With the intention to utilize rebates as a future means to release capital it would be reasonable and necessary to establish a threshold at which rebates may be considered and applied for. The amount of which would need to be higher than the 100% MCT target, creating a range of sorts. MPI plans to bring support for this in the 2023 GRA as a way to continue to utilize periodic rebates in times outside of the pandemic. As explained in RSR.8, MPI believes in the use of the Minimum Capital Test (MCT) to measure the capital adequacy of Basic. The MCT (developed by the Office of the Superintendent of Financial Institutions) is an industry-accepted method of measuring risk to insurers and the risks faced by MPI as an insurance company have not changed. In addition, a capital target equal to a 100% MCT ratio ensures that the capital reserves of Basic comply with the *Reserves Regulation*, Man. Reg. 76/2019. Compliance with the Regulation, which is binding upon MPI, supports the use of a single target capital level versus upper and lower thresholds used in years past. MPI will demonstrate further support for the financial position of MPI with the Financial Condition Test it will file in September.
- b) Please consult *RSR Section, Appendix 1 – Actual Forecast Minimum Capital Test* for the MCT calculation.

PUB (MPI) 1-30

Part and Chapter:	Part VII Investments	Page No.:	10 INV 1.2
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolio		
Sub Topic:	Investment Income		

Preamble to IR:

Employee Future Benefits (EFB) investment portfolio and related income are allocated to basic based on the payroll ratio of 75% in 2020/21 and over the forecast period.

Question:

- a) Please provide the payroll ratio calculation supporting allocation of EFB investments and EFB investment income to Basic.
- b) Please indicate whether the ratio is based on total corporate compensation.

Rationale for Question:

To understand allocation of investment income.

RESPONSE:

- a) Please see *Figure 1* below.

Figure 1 Payroll Ratio 2020/21 for EFB Allocation

Line No.	Category	Market Value	%
1	Basic	30,127,963	74.989%
2	Extension	2,555,862	6.362%
3	SRE	2,434,338	6.059%
4	DVA	5,058,410	12.590%
5		40,176,573	100.000%

- b) The payroll ratio is derived using the average of the past four years total corporate compensation.

PUB (MPI) 1-31

Part and Chapter:	Part VII Investments	Page No.:	15-16 INV-5
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolio		
Sub Topic:	Major Asset Class		

Preamble to IR:**Question:**

- a) Please provide details on the fixed income holdings for at March 31, 2021, including issue amount and yield.
- b) Please indicate the investment in corporate bonds at March 31, 2021 and indicate the composition of those bonds, by rating.
- c) Please provide a schedule updating Figure INV-5 adding an additional column indicating the actual yields based on current available yields and spreads at June 30, 2021 and indicate the changes since March 31, 2021 on returns. Please comment on the implications of this change on Claims Incurred, investment income and actuarially indicated rate.
- d) Please file Figures INV-14 and INV-15 including 2020/21 forecast in the 2021 GRA and actual results at March 31, 2021.

Rationale for Question:

To assess the reasonableness of forecasted investment income

RESPONSE:

- a) Please see Appendix 1.
- b) The figure below shows the composition of corporate bonds by credit ratings in the Basic Claims portfolio as at March 31, 2021.

Figure 1 Basic Claims Portfolio - Corporate Bonds as at March 31, 2021

Line No.	Credit Ratings	MV (in \$)	Weight (in %)
1	AAA	-	0.0%
2	AA	11,187,997	2.3%
3	A	189,683,425	38.2%
4	BBB	295,595,354	59.5%
5	Total	496,466,777	100.0%

- c) Updated Figure INV-10 below. Corporate BBB rated bonds, Provincial bonds and the Government of Canada 10-year yields all decreased from March 31, 2021 to June 30, 2021. Corporate A rated bonds were flat over that same period. As expected, bonds and claims increased in value over that period. Please refer to PUB (MPI) 1-1(b) for the implications of this change on Claims Incurred, investment income and the actuarially indicated rate.

Figure 2 GoC 10 Year Bond Yield Spread (updated Investment Figure INV-10)

Line No.	Bond Type	Yield at 3/31/2020	Yield at 3/31/2021	Change 3/21-3/20	Yield at 6/30/2021	Change 6/21-3/21
1	Corporate BBB	3.93%	2.59%	-1.34%	2.55%	-0.04%
2	Corporate A	3.05%	2.13%	-0.92%	2.13%	0.00%
3	Provincial	2.04%	2.06%	0.02%	1.96%	-0.10%
4	GCAN 10 year	0.70%	1.56%	0.86%	1.39%	-0.17%
5	Source: FTSE Russell – Debt Market Indices Report & Bloomberg					

d) See below figures updating INV-14 and INV-15 including 2020/21 forecast in the 2021 GRA and actual results as at March 31, 2021.

Figure 3 Government/Provincial Bond Summary Table (updated Investments Figure INV-14)

Line No.	Description	2020/21 Forecast	2020/21 Actual	2021/22	2022/23	2023/24	2024/25	2025/26
1	<i>(C\$000s, except where noted)</i>							
2	Interest	38,661	84,694	38,668	37,501	36,271	36,771	37,701
3	Unrealized Gains/(Losses)	(4,592)	(22,665)	(2,886)	(835)	113	121	131
4	Realized Gains/(Losses)	5,112	5,981	3,277	1,327	(113)	(121)	(131)
5	Total Investment Income	39,181	68,010	39,060	37,993	36,271	36,771	37,701
6	Market Value	1,337,643	1,230,483	1,300,620	1,315,582	1,404,396	1,505,920	1,607,936
7	% of Portfolio	44.1%	41.7%	40.1%	38.6%	39.0%	39.6%	40.0%
8	GoC 10 Year Rate end of year forecast	0.70%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%
9	Government/Provincial Bond Yield	2.19%	2.17%	2.17%	2.14%	2.14%	2.14%	2.14%
10	(GoC 10 Yr Bond Rate + Spread)							

Figure 4 Corporate Bond Summary Table (updated Investments Figure INV-15)

Line No.	Description	2020/21 Forecast	2020/21 Actual	2021/22	2022/23	2023/24	2024/25	2025/26
1	<i>(C\$000s, except where noted)</i>							
2	Interest	19,657	-	22,248	21,464	21,310	21,675	22,334
3	Unrealized Gains/(Losses)	(4,443)	12,020	1,202	186	47	49	51
4	Realized Gains/(Losses)	4,269	5,315	(1,281)	(238)	(102)	(106)	(110)
5	Total Investment Income	19,483	17,335	22,169	21,412	21,254	21,617	22,275
6	Market Value	541,413	616,924	650,652	676,397	710,687	749,463	788,511
7	% of Portfolio	17.9%	20.9%	20.1%	19.8%	19.8%	19.7%	19.6%
8	GoC 10 Year Rate end of year forecast	0.70%	1.56%	1.56%	1.56%	1.56%	1.56%	1.56%
9	Corporate Bond Yield	3.77%	3.17%	3.17%	3.17%	3.17%	3.17%	3.17%
10	(GoC 10 Yr Bond Rate + Spread)							

Basic Claims Fixed Income Holdings at March 31, 2021

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Government	ALBERTA	2.92	12,357,500.00	12,506,678.08	4.50	20401201
Basic	Government	ALBERTA	0.81	6,428,520.00	6,490,180.27	3.10	20240601
Basic	Government	ALBERTA	1.19	32,876,428.00	33,121,046.90	2.35	20250601
Basic	Government	ALBERTA	1.69	2,100,620.00	2,117,526.85	2.55	20270601
Basic	Government	ALBERTA	1.98	4,261,600.00	4,300,054.79	2.90	20281201
Basic	Government	ALBERTA	2.99	5,106,400.00	5,157,783.56	3.10	20500601
Basic	Government	Alberta TSY	2.12	13,566,976.00	13,579,179.84	2.90	20290920
Basic	Government	Alberta TSY	2.31	11,075,200.00	11,191,227.40	3.50	20310601
Basic	Government	PROV OF BRITISH COLUMBIA	2.69	25,193,200.00	25,438,241.10	4.30	20420618
Basic	Government	PROV OF BRITISH COLUMBIA	1.37	5,025,216.00	5,056,672.44	2.30	20260618
Basic	Government	HALTON REGIONAL MUNICIPALITY	2.96	2,332,840.00	2,371,009.86	4.05	20411011
Basic	Government	QUEBEC HYDRO BOND	2.80	6,302,050.00	6,326,707.53	4.00	20550215
Basic	Government	CANADA LABRADOR-ISLAND LINK FU	2.70	12,072,700.00	12,200,661.64	3.86	20451201
Basic	Government	PROVINCE OF MANITOBA BOND	2.58	30,739,032.50	30,992,024.97	6.30	20320726
Basic	Government	PROVINCE OF MANITOBA BOND	2.67	39,154,200.00	39,469,619.18	5.33	20350119
Basic	Government	PROVINCE OF MANITOBA BOND	2.88	21,094,200.00	21,133,898.64	3.15	20520909
Basic	Government	PROVINCE OF MANITOBA BOND	2.92	13,460,100.00	13,494,867.12	4.70	20500305
Basic	Government	PROVINCE OF MANITOBA BOND	2.84	6,188,988.00	6,204,758.96	4.10	20410305
Basic	Government	PROVINCE OF MANITOBA BOND	2.88	8,610,720.00	8,630,544.66	3.35	20430305
Basic	Government	MARITIME LINK FINANCING TR	2.94	5,492,086.15	5,549,207.33	3.50	20521201
Basic	Government	CITY OF MONTREAL	1.94	8,668,160.00	8,689,562.74	3.15	20280901
Basic	Government	VILLE MONTREAL	0.26	11,311,630.00	11,475,725.89	4.50	20211201
Basic	Government	VILLE MONTREAL	0.62	2,565,768.00	2,572,902.25	3.50	20230901
Basic	Government	MUSKRAT FALLS	2.73	12,190,500.00	12,318,461.64	3.86	20481201
Basic	Government	PROV OF NEW BRUNSWICK BOND	2.65	12,395,300.00	12,402,881.52	4.65	20350926
Basic	Government	PROV OF NEW BRUNSWICK BOND	2.73	12,338,700.00	12,346,179.45	4.55	20370326
Basic	Government	PROV OF NEW BRUNSWICK BOND	2.84	6,404,200.00	6,408,145.21	4.80	20390926
Basic	Government	PROV OF NEW BRUNSWICK BOND	1.48	2,115,460.00	2,122,013.42	2.60	20260814
Basic	Government	PROV OF NEW BRUNSWICK BOND	2.96	5,134,350.00	5,153,884.25	3.10	20480814
Basic	Government	PROVINCE OF NEW BRUNSWICK	2.91	14,347,320.00	14,497,781.65	3.55	20430603

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Government	NFLD LABRADOR HYDRO BOND	3.19	4,810,860.00	4,864,564.11	3.60	20451201
Basic	Government	NEWFOUNDLAND PROV	2.21	18,382,566.00	18,790,516.69	6.50	20291017
Basic	Government	NEWFOUNDLAND PROV	2.38	13,542,600.00	13,840,490.41	6.55	20301017
Basic	Government	NEWFOUNDLAND PROV	2.69	13,079,000.00	13,333,684.93	5.60	20331017
Basic	Government	NEWFOUNDLAND PROV	2.92	26,442,460.00	26,892,706.58	4.50	20370417
Basic	Government	NEWFOUNDLAND PROV	3.07	6,151,900.00	6,256,365.75	4.65	20401017
Basic	Government	NEWFOUNDLAND PROV	1.22	8,036,798.00	8,095,022.66	2.30	20250602
Basic	Government	NEWFOUNDLAND PROV	0.35	23,938,980.00	24,089,637.53	1.95	20220602
Basic	Government	NEWFOUNDLAND PROV	3.19	5,468,850.00	5,552,986.99	3.70	20481017
Basic	Government	NIAGARA REG MUNI	2.90	1,336,830.00	1,349,936.85	5.20	20400630
Basic	Government	PROVINCE OF NOVA SCOTIA	2.44	16,218,120.00	16,448,848.77	5.80	20330601
Basic	Government	PROVINCE OF NOVA SCOTIA	2.57	19,126,950.00	19,370,607.54	4.90	20350601
Basic	Government	PROVINCE OF NOVA SCOTIA	2.81	12,895,700.00	13,051,508.22	4.70	20410601
Basic	Government	PROVINCE OF NOVA SCOTIA	1.61	10,288,100.00	10,357,716.44	2.10	20270601
Basic	Government	PROVINCE OF ONTARIO BOND	2.19	4,228,400.00	4,291,589.04	6.20	20310602
Basic	Government	PROVINCE OF ONTARIO BOND	2.60	31,900,250.00	32,286,551.37	4.70	20370602
Basic	Government	PROVINCE OF ONTARIO	0.31	36,473,372.00	36,838,944.60	3.15	20220602
Basic	Government	PROVINCE OF ONTARIO	2.77	20,158,920.00	20,366,043.29	3.50	20430602
Basic	Government	PROVINCE OF ONTARIO	0.46	10,305,680.00	10,397,504.66	2.85	20230602
Basic	Government	PROVINCE OF ONTARIO	2.82	18,882,920.00	19,075,741.92	3.45	20450602
Basic	Government	PROVINCE OF ONTARIO	2.81	19,980,600.00	20,164,709.59	2.80	20480602
Basic	Government	ONTARIO GENERAL RESIDUALS	5.29	4,255,728.00	5,090,274.67	2.99	20271202
Basic	Government	PROV OF ONTARIO	2.80	7,124,600.00	7,191,339.73	2.90	20490602
Basic	Government	PROV OF ONTARIO	1.79	11,814,550.00	11,919,426.71	2.90	20280602
Basic	Government	PROV OF ONTARIO	2.78	6,814,080.00	6,875,066.30	2.65	20501202
Basic	Government	PROV OF ONTARIO	2.12	24,846,250.00	25,014,743.15	2.05	20300602
Basic	Government	PROV OF ONTARIO	2.76	15,619,900.00	15,738,584.93	1.90	20511202
Basic	Government	CITY OF OTTAWA	2.24	6,180,200.00	6,212,713.70	5.05	20300813
Basic	Government	CITY OF OTTAWA	2.98	8,686,364.90	8,735,042.90	4.20	20530730
Basic	Government	CITY OF OTTAWA	3.02	5,022,650.00	5,089,499.32	3.05	20460423
Basic	Government	PRINCE EDWARD ISLAND	0.66	3,778,705.08	3,856,523.40	8.50	20231215
Basic	Government	PRINCE EDWARD ISLAND	1.87	2,753,212.00	2,776,007.62	6.10	20270729

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Government	PRINCE EDWARD ISLAND	2.88	11,093,040.00	11,245,534.52	4.65	20371119
Basic	Government	PRINCE EDWARD ISLAND	1.28	5,229,350.00	5,240,617.12	2.35	20250825
Basic	Government	PROVINCE OF QUEBEC	2.73	20,358,300.00	20,606,930.13	5.00	20411201
Basic	Government	PROVINCE OF QUEBEC	2.76	12,497,700.00	12,638,590.41	4.25	20431201
Basic	Government	PROVINCE OF QUEBEC	0.50	4,240,440.00	4,250,631.78	3.00	20230901
Basic	Government	PROVINCE OF QUEBEC	1.18	21,347,400.00	21,394,112.33	2.75	20250901
Basic	Government	PROVINCE OF QUEBEC	2.79	5,684,200.00	5,742,213.70	3.50	20481201
Basic	Government	PROVINCE OF QUEBEC	1.42	29,577,800.00	29,637,252.06	2.50	20260901
Basic	Government	PROV OF SASKATCHEWAN BOND	2.02	6,360,200.00	6,381,467.12	5.75	20290305
Basic	Government	PROV OF SASKATCHEWAN BOND	2.27	13,822,500.00	13,869,842.47	6.40	20310905
Basic	Government	PROV OF SASKATCHEWAN BOND	2.61	6,790,250.00	6,810,962.33	5.60	20350905
Basic	Government	PROV OF SASKATCHEWAN BOND	2.69	3,891,870.00	3,902,965.89	5.00	20370305
Basic	Government	PROV OF SASKATCHEWAN BOND	2.82	6,417,500.00	6,496,232.88	4.75	20400601
Basic	Government	PROV OF SASKATCHEWAN BOND	2.85	17,375,040.00	17,459,993.42	3.40	20420203
Basic	Government	PROV OF SASKATCHEWAN BOND	2.92	5,264,865.00	5,322,563.63	3.90	20450602
Basic	Government	PROV OF SASKATCHEWAN BOND	0.79	32,267,400.00	32,580,386.30	3.20	20240603
Basic	Government	PROV OF SASKATCHEWAN BOND	2.93	4,840,050.00	4,885,255.48	2.75	20460212
Basic	Government	PROV OF SASKATCHEWAN BOND	1.43	8,129,121.00	8,193,674.42	2.55	20260602
Basic	Government	PROV OF SASKATCHEWAN BOND	2.92	5,359,400.00	5,413,646.58	3.30	20480602
Basic	Government	CITY OF TORONTO	0.84	2,697,650.00	2,728,156.85	3.40	20240521
Basic	Government	CITY OF VANCOUVER	0.38	3,163,736.00	3,198,897.64	3.45	20211202
Basic	Government	CITY OF WINNIPEG	3.03	14,415,020.00	14,600,626.85	4.30	20511115
Basic	Government	CITY OF WINNIPEG	3.05	20,462,937.00	20,698,754.39	4.10	20450601
Basic	Government	MUNICIPALITY OF YORK REGION	0.22	4,562,623.60	4,608,195.11	4.00	20210630
Basic	Government	MUNICIPALITY OF YORK REGION	2.47	5,744,250.00	5,811,099.32	4.00	20320531
Basic	Government	MUNICIPALITY OF YORK REGION	1.66	5,203,450.00	5,239,826.71	2.35	20270609
Basic	Government	PROV OF QUEBEC BOND	1.78	14,538,498.27	14,698,610.49	5.76	20230715
Basic	Corporate	ARC RESOURCES LTD	3.58	2,376,648.00	2,381,660.38	3.47	20310310
Basic	Corporate	ACCESS ROADS EDMONTON	3.01	4,042,386.17	4,042,902.84	5.67	20370930
Basic	Corporate	AEROPORT DE MONTREAL	3.08	1,629,852.00	1,666,890.90	6.55	20331011
Basic	Corporate	AEROPORT DE MONTREAL	3.33	1,662,161.60	1,685,830.47	3.03	20500421
Basic	Corporate	ALBERTA POWERLINE LP SERV	3.45	2,248,216.96	2,255,388.43	4.07	20540301

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	ALECTRA INC	3.30	1,291,950.00	1,314,298.99	5.30	20410429
Basic	Corporate	ALECTRA INC	2.47	937,590.00	939,940.66	1.75	20310211
Basic	Corporate	ALGONQUIN POWER	2.42	1,636,905.00	1,644,132.53	4.09	20270217
Basic	Corporate	ALGONQUIN POWER	2.76	3,951,360.00	3,978,707.95	4.60	20290129
Basic	Corporate	ALTALINK LP	3.31	2,509,100.00	2,513,145.48	4.92	20430917
Basic	Corporate	ALTALINK LP	3.34	1,597,455.00	1,615,632.66	3.72	20461203
Basic	Corporate	ALTAGAS LTD	4.40	1,039,524.25	1,045,210.90	4.50	20440815
Basic	Corporate	ALTAGAS LTD	2.36	4,921,065.00	5,008,897.61	3.98	20271004
Basic	Corporate	ALTAGAS LTD	2.58	725,227.50	730,429.21	2.08	20280530
Basic	Corporate	ALTAGAS LTD	3.17	1,697,580.00	1,712,482.72	2.48	20301130
Basic	Corporate	ATCO LTD CL INV	4.14	544,000.00	555,376.71	5.50	20781101
Basic	Corporate	BELL CANADA SR	3.82	4,359,110.00	4,368,468.91	6.10	20350316
Basic	Corporate	BELL CANADA SR	4.14	1,750,156.20	1,750,782.81	4.75	20440929
Basic	Corporate	BELL CANADA SR	4.11	2,740,452.00	2,750,912.55	4.45	20470227
Basic	Corporate	BELL CANADA SR	2.29	5,217,581.50	5,219,016.57	3.60	20270929
Basic	Corporate	BELL CANADA SR	2.45	6,652,294.00	6,677,061.67	3.80	20280821
Basic	Corporate	BELL CANADA SR	2.65	4,126,059.00	4,133,138.18	2.90	20290910
Basic	Corporate	BELL CANADA SR	4.12	1,252,370.00	1,252,638.49	3.50	20500930
Basic	Corporate	BELL CANADA SR	2.95	3,162,411.00	3,166,294.56	3.00	20310317
Basic	Corporate	BELL CANADA SR	4.12	1,525,934.70	1,528,506.17	4.05	20510317
Basic	Corporate	BRASCAN(CHNG BROOKFIELD ASSET)	3.74	2,358,983.00	2,392,433.41	5.95	20350614
Basic	Corporate	BROOKFIELD ASSET MGMT INC	2.18	6,160,195.00	6,169,606.51	3.80	20270316
Basic	Corporate	BROOKFIELD REN ENERGY PARTNERS	2.06	1,627,710.00	1,639,047.53	3.63	20270115
Basic	Corporate	BROOKFIELD REN ENERGY PARTNERS	2.42	3,951,675.00	3,982,647.60	4.25	20290115
Basic	Corporate	BROOKFIELD REN ENERGY PARTNERS	3.78	544,415.00	553,053.77	4.29	20491105
Basic	Corporate	BROOKFIELD REN ENERGY PARTNERS	3.81	915,410.00	919,697.95	3.33	20500813
Basic	Corporate	BROOKFIELD RENEW KWAGIS HLDG	3.79	1,010,439.00	1,020,428.56	4.45	20531231
Basic	Corporate	BRUCE POWER LP	3.28	5,424,250.00	5,481,418.77	4.13	20330621
Basic	Corporate	CT REAL ESTATE INVEST	2.17	2,109,040.00	2,130,846.52	3.29	20260601
Basic	Corporate	CU INC	3.08	2,820,628.00	2,866,471.42	5.90	20341120
Basic	Corporate	CU INC	3.33	4,391,712.00	4,457,204.38	5.58	20380526
Basic	Corporate	CU INC	3.35	2,942,250.00	2,991,725.14	4.54	20411024

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	CU INC	3.37	4,856,761.00	4,919,149.48	3.76	20461119
Basic	Corporate	CU INC	3.37	833,481.00	835,307.51	2.96	20490907
Basic	Corporate	CANADIAN NATURAL RESOURCES LTD	2.54	1,994,880.00	2,005,016.99	2.50	20280117
Basic	Corporate	CHOICE PROPERTIES REIT	2.55	2,757,625.00	2,763,634.45	4.18	20280308
Basic	Corporate	CHOICE PROPERTIES REIT	2.81	4,735,800.00	4,784,135.17	3.53	20290611
Basic	Corporate	CHOICE PROPERTIES REIT	2.97	1,500,555.00	1,503,985.19	2.98	20300304
Basic	Corporate	E-L FINANCIAL CORP LTD (REST)	4.13	1,007,175.20	1,018,462.87	4.00	20500622
Basic	Corporate	ENBRIDGE INC COM	4.67	6,640,735.50	6,825,409.65	6.63	20780412
Basic	Corporate	ENBRIDGE PIPELINES INC	4.08	2,328,420.00	2,380,113.70	5.33	20400406
Basic	Corporate	ENBRIDGE PIPELINES INC	4.09	2,184,021.01	2,193,487.69	4.33	20490222
Basic	Corporate	ENBRIDGE INC UNSECURED	4.33	1,064,616.50	1,082,054.31	7.20	20320618
Basic	Corporate	ENBRIDGE INC UNSECURED	4.25	3,495,485.00	3,508,901.98	4.24	20420827
Basic	Corporate	ENBRIDGE INC UNSECURED	2.26	5,164,600.01	5,213,573.17	3.20	20270608
Basic	Corporate	ENBRIDGE INC UNSECURED	2.75	5,579,463.00	5,660,463.01	3.00	20291003
Basic	Corporate	ENBRIDGE GAS DISTRIBUTION	3.37	630,936.00	641,886.00	3.65	20500401
Basic	Corporate	ENBRIDGE GAS DISTRIBUTION	3.01	1,930,922.00	1,967,180.08	6.90	20321115
Basic	Corporate	ENBRIDGE GAS DISTRIBUTION	3.38	3,737,654.00	3,751,812.91	4.00	20440822
Basic	Corporate	ENBRIDGE GAS DISTRIBUTION	3.37	1,792,192.50	1,812,891.88	3.51	20471129
Basic	Corporate	EPCOR UTILITIES	3.11	5,186,760.00	5,270,968.22	5.65	20351116
Basic	Corporate	EPCOR UTILITIES	3.33	623,675.00	628,265.92	3.11	20490708
Basic	Corporate	EPCOR UTILITIES	3.34	688,687.50	696,610.11	2.90	20500519
Basic	Corporate	FIRST CAPITAL REAL ESTATE INV	3.10	2,809,785.00	2,817,835.86	3.45	20280301
Basic	Corporate	FIRST CAPITAL REALTY INC COMMO	2.71	3,960,588.00	4,015,368.80	3.60	20260506
Basic	Corporate	FIRST CAPITAL REALTY INC COMMO	2.94	2,820,177.00	2,842,108.91	3.75	20270712
Basic	Corporate	FIRST CAPITAL REALTY INC COMMO	2.78	3,005,299.01	3,024,245.45	3.46	20270122
Basic	Corporate	FIRST NATIONS ETF LP	3.73	2,733,518.77	2,760,155.14	4.14	20411231
Basic	Corporate	FORTIS ALBERTA INC	3.39	1,374,660.00	1,376,063.84	4.27	20450922
Basic	Corporate	FORTIS ALBERTA INC	3.38	1,785,986.00	1,789,919.56	3.67	20470909
Basic	Corporate	FORTIS ALBERTA INC	3.38	2,126,800.00	2,129,664.44	3.73	20480918
Basic	Corporate	FORTIS ALBERTA INC	3.35	863,760.00	871,980.49	2.63	20510608
Basic	Corporate	407 INTERNATIONAL INC	3.35	5,740,254.00	5,832,755.43	4.19	20420425
Basic	Corporate	407 INTERNATIONAL INC	3.41	4,499,544.00	4,561,684.44	3.83	20460511

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	407 INTERNATIONAL INC	2.79	1,864,432.51	1,884,331.20	3.43	20330601
Basic	Corporate	407 INTERNATIONAL INC	3.37	3,690,330.00	3,698,776.03	3.67	20490308
Basic	Corporate	407 INTERNATIONAL INC	3.38	1,351,215.00	1,354,132.81	2.84	20500307
Basic	Corporate	GENWORTH MI CANADA INC COMMON	2.70	4,418,206.00	4,429,148.41	2.96	20270301
Basic	Corporate	GIBSON ENERGY INC	2.99	1,975,295.70	1,978,091.86	3.60	20290917
Basic	Corporate	GIBSON ENERGY INC	2.49	3,162,465.00	3,181,103.22	2.85	20270714
Basic	Corporate	GOLDMAN SACHS GROUP INC	2.38	3,895,800.00	3,902,859.29	2.01	20290228
Basic	Corporate	GRANITE REIT HOLDINGS LP	2.23	889,652.50	898,066.71	3.06	20270604
Basic	Corporate	GRANITE REIT HOLDINGS LP	2.97	807,942.00	813,701.32	2.38	20301218
Basic	Corporate	GREAT WEST LIFECO INC.	3.28	3,333,375.00	3,338,400.34	6.67	20330321
Basic	Corporate	GREAT WEST LIFECO INC.	3.55	3,328,600.00	3,384,471.78	6.00	20391116
Basic	Corporate	GREAT WEST LIFECO INC	3.40	488,925.00	492,517.72	2.98	20500708
Basic	Corporate	GREATER TORONTO AIRPORTS	2.13	2,404,250.00	2,419,966.44	1.54	20280503
Basic	Corporate	GREATER TORONTO AIRPORTS	3.08	963,116.00	985,604.99	6.98	20321015
Basic	Corporate	GREATER TORONTO AIRPORTS	3.32	3,087,048.00	3,099,245.26	5.30	20410225
Basic	Corporate	GREATER TORONTO AIRPORTS	3.32	5,901,800.00	5,976,265.77	4.53	20411202
Basic	Corporate	GREATER TORONTO AIRPORTS	3.24	2,424,136.00	2,456,653.81	2.75	20391017
Basic	Corporate	HCN CANADIAN HOLDINGS-1 LP	2.39	1,030,020.00	1,036,162.47	2.95	20270115
Basic	Corporate	HEALTH MONTREAL COLLECTIVE	4.69	4,264,806.56	4,265,998.35	6.72	20490930
Basic	Corporate	HONDA CANADA FINANCE INC	2.22	1,444,920.00	1,447,287.53	1.65	20280225
Basic	Corporate	HUSKY ENERGY INC	3.15	1,481,262.00	1,488,631.18	3.50	20280207
Basic	Corporate	HYDRO ONE INC	3.22	1,809,870.00	1,813,688.22	4.89	20370313
Basic	Corporate	HYDRO ONE INC	3.31	2,047,635.00	2,054,821.44	6.03	20390303
Basic	Corporate	HYDRO ONE INC	3.33	4,148,090.20	4,223,798.79	4.59	20431009
Basic	Corporate	HYDRO ONE INC	3.33	1,495,354.00	1,514,473.78	3.72	20471118
Basic	Corporate	HYDRO ONE INC	3.32	3,963,225.00	3,999,400.69	3.63	20490625
Basic	Corporate	HYDRO ONE INC	3.32	2,499,948.00	2,541,840.91	3.64	20500405
Basic	Corporate	HYDRO ONE INC	3.32	5,323,020.00	5,419,243.56	2.71	20500228
Basic	Corporate	HYDRO ONE LTD	1.92	1,743,858.00	1,755,539.75	1.41	20271015
Basic	Corporate	IGM FINANCIAL INC	3.71	761,313.00	762,200.29	4.21	20500321
Basic	Corporate	IA FINANCIAL CORP	2.17	1,517,033.50	1,518,009.81	3.07	20310924
Basic	Corporate	INDEPENDENT ORDER OF FORESTERS	3.03	983,160.00	996,438.90	2.89	20351015

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	IGM FINANCIAL INC	3.76	4,576,040.00	4,678,196.85	7.45	20310509
Basic	Corporate	IGM FINANCIAL INC	3.75	2,642,240.00	2,651,979.73	7.11	20330307
Basic	Corporate	LIBERTY UTILITIES CANADA LP	4.05	875,520.00	879,697.81	3.32	20500214
Basic	Corporate	LOBLAW COMPANIES LTD MTN	2.85	1,254,250.00	1,265,291.10	6.50	20290122
Basic	Corporate	LOBLAW COMPANIES LTD MTN	3.76	1,632,189.00	1,645,769.55	6.15	20350129
Basic	Corporate	LOBLAW COS LTD	2.40	1,145,820.00	1,159,468.43	4.49	20281211
Basic	Corporate	LOWER MATTAGAMI ENERGY LTD	3.38	1,845,975.00	1,852,875.12	4.18	20460223
Basic	Corporate	MANULIFE FINANCIAL CORP TR REC	2.85	906,724.00	916,489.71	2.82	20350513
Basic	Corporate	MANULIFE FIN DELAWARE	3.65	3,574,740.15	3,620,195.61	5.06	20411215
Basic	Corporate	METRO INC CLASS A	3.94	1,580,670.00	1,601,376.58	4.27	20471204
Basic	Corporate	METRO INC CLASS A	3.94	3,001,383.00	3,011,257.33	3.41	20500228
Basic	Corporate	NAV CANADA	3.29	1,207,895.00	1,208,207.43	2.92	20510929
Basic	Corporate	NORTH WEST REDWATER PRTNR	3.84	4,437,385.00	4,470,306.52	4.05	20440722
Basic	Corporate	NORTH WEST REDWATER PRTNR	1.99	1,692,608.00	1,714,911.56	3.20	20260424
Basic	Corporate	NORTH WEST REDWATER PRTNR	3.32	1,082,260.00	1,096,017.53	4.15	20330601
Basic	Corporate	NORTH WEST REDWATER PRTNR	3.67	4,897,305.00	4,940,745.41	4.35	20390110
Basic	Corporate	NORTHERN COURRIER PIPELINE	3.20	4,670,066.61	4,708,710.73	3.37	20420630
Basic	Corporate	NOUVELLE AUTOROUTE 30 FINANCEM	3.62	1,071,064.01	1,081,415.52	4.12	20420630
Basic	Corporate	ONTARIO POWER GENERATION INC	3.53	3,901,465.00	3,940,370.77	3.84	20480622
Basic	Corporate	ONTARIO POWER GENERATION INC	2.56	4,737,060.00	4,806,424.73	3.22	20300408
Basic	Corporate	ONTARIO POWER GENERATION INC	3.53	1,606,536.00	1,612,203.93	2.95	20510221
Basic	Corporate	PEMBINA PIPELINE CORP	4.48	6,744,205.00	6,873,626.24	4.75	20430430
Basic	Corporate	PEMBINA PIPELINE CORP	2.64	7,719,901.01	7,723,810.88	4.02	20280327
Basic	Corporate	PEMBINA PIPELINE CORP	2.99	2,818,640.00	2,833,353.63	3.31	20300201
Basic	Corporate	PEMBINA PIPELINE CORP	4.48	4,483,545.00	4,552,558.63	4.67	20500528
Basic	Corporate	POWER FINL CORP	3.75	1,301,180.00	1,305,149.86	6.90	20330311
Basic	Corporate	RELIANCE LP (REST)	2.50	3,033,630.00	3,060,283.15	2.68	20271201
Basic	Corporate	RIOCAN REAL ESTATE INV TRUST	2.55	3,364,198.00	3,369,036.43	2.36	20270310
Basic	Corporate	RIOCAN REAL ESTATE INV TRUST	2.46	976,240.00	982,026.79	1.97	20260615
Basic	Corporate	ROGERS COMMUNICATIONS INC.	4.20	3,900,984.00	3,981,158.64	6.68	20391104
Basic	Corporate	ROGERS COMMUNICATIONS INC.	2.74	2,281,290.00	2,310,869.45	3.25	20290501
Basic	Corporate	ROYAL BANK OF CANADA BONDS	1.90	7,933,597.50	7,964,738.48	2.33	20270128

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	ROYAL BANK OF CANADA FIX/FLT	2.08	3,064,704.00	3,073,927.90	1.67	20330128
Basic	Corporate	SNC-LAVALIN INNISFREE	4.58	1,653,203.06	1,674,609.42	6.63	20440630
Basic	Corporate	SAGEN MI CANADA INC	3.52	1,956,560.00	1,961,384.49	3.26	20310305
Basic	Corporate	SAPUTO INC	2.17	1,455,843.50	1,465,284.46	2.24	20270616
Basic	Corporate	SCOTIABANK CAP	4.05	4,799,695.50	4,856,745.02	5.65	20561231
Basic	Corporate	SHAW COMMUNICATIONS INC CLASS	4.25	2,110,656.00	2,152,968.32	6.75	20391109
Basic	Corporate	SHAW COMMUNICATIONS INC CLASS	2.67	3,914,120.00	3,977,407.67	4.40	20281102
Basic	Corporate	SHAW COMMUNICATIONS INC CLASS	2.91	2,780,460.00	2,807,800.28	3.30	20291210
Basic	Corporate	SHAW COMMUNICATIONS INC CLASS	4.27	797,456.00	807,982.03	4.25	20491209
Basic	Corporate	SHAW COMMUNICATIONS INC CLASS	3.12	981,950.00	990,928.08	2.90	20301209
Basic	Corporate	SMARTCENTRES REAL ESTATE INVES	2.81	5,310,750.00	5,363,795.76	3.83	20271221
Basic	Corporate	SMARTCENTRES REAL ESTATE INVES	3.20	5,122,200.00	5,171,467.39	3.53	20291220
Basic	Corporate	SUN LIFE FINANCIAL INC	2.09	5,474,419.49	5,527,867.90	2.58	20320510
Basic	Corporate	SUN LIFE FINANCIAL INC	2.54	3,109,491.00	3,143,481.00	2.06	20351001
Basic	Corporate	SUNCOR ENERGY INC	3.99	1,163,750.00	1,164,636.03	5.39	20370326
Basic	Corporate	SUNCOR ENERGY INC	2.71	1,028,680.00	1,039,551.23	3.10	20290524
Basic	Corporate	SUNCOR ENERGY INC	3.01	2,304,300.00	2,351,971.23	5.00	20300409
Basic	Corporate	SUNCOR ENERGY INC	4.24	1,901,480.00	1,907,540.27	3.95	20510304
Basic	Corporate	TELUS CORP COM	4.26	5,960,001.01	6,089,732.52	4.85	20440405
Basic	Corporate	TELUS CORP COM	2.46	5,369,850.00	5,385,243.84	3.63	20280301
Basic	Corporate	TELUS CORP COM	2.62	2,413,574.00	2,444,765.78	3.30	20290502
Basic	Corporate	TELUS CORP COM	4.23	5,625,827.00	5,653,920.69	3.95	20500216
Basic	Corporate	FORTISBC ENERGY INC	3.24	2,667,860.00	2,712,035.34	5.80	20380513
Basic	Corporate	THE TORONTO DOMINION BANK	2.11	2,957,820.00	2,961,544.27	1.89	20280308
Basic	Corporate	TORONTO HYDRO CORP	3.27	1,185,362.50	1,196,830.99	2.99	20491210
Basic	Corporate	TOURMALINE OIL CORP REST	2.67	1,926,160.00	1,933,671.34	2.08	20280125
Basic	Corporate	TOYOTA CREDIT CANADA	1.69	1,366,414.00	1,368,088.63	1.18	20260223
Basic	Corporate	TRANSCANADA PIPELINES	4.16	4,005,276.00	4,070,172.70	4.55	20411115
Basic	Corporate	TRANSCANADA PIPELINES	2.44	4,241,880.00	4,248,195.62	3.39	20280315
Basic	Corporate	TRANSCANADA PIPELINES	4.22	7,120,750.00	7,134,036.56	4.33	20470916
Basic	Corporate	TRANSCANADA PIPELINES	4.21	1,115,419.20	1,126,706.34	4.18	20480703
Basic	Corporate	TRANSCANADA PIPELINES	4.20	1,023,310.00	1,043,285.89	4.34	20491015

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	Corporate	TRANSCANADA PIPELINES	2.68	4,709,710.00	4,715,003.15	3.00	20290918
Basic	Corporate	TRANSCANADA PIPELINES	2.26	4,011,096.00	4,079,662.57	3.80	20270405
Basic	Corporate	TRANSCANADA TRUST	4.22	1,662,228.75	1,689,969.50	4.65	20770518
Basic	Corporate	UNION GAS LTD	3.38	2,436,780.00	2,463,787.13	4.88	20410621
Basic	Corporate	VANCOUVER INTL AIRPORT	2.45	2,402,941.50	2,404,417.00	1.76	20300920
Basic	Corporate	VANCOUVER INTL AIRPORT	3.31	1,538,466.00	1,539,900.52	2.80	20500921
Basic	Corporate	WELLS FARGO AND CO	2.13	5,611,210.00	5,626,987.62	2.49	20270218
Basic	Corporate	WINNIPEG AIRPORT AUTHORITY	3.50	0.58	0.58	5.21	20400928
Basic	Corporate	WINNIPEG AIRPORT AUTHORITY	3.49	3,121,183.72	3,176,623.97	6.10	20401120
Basic	Corporate	WINNIPEG AIRPORT AUTHORITY	3.64	3,510,045.00	3,510,746.73	3.66	20470930
Basic	Corporate	WINNIPEG AIRPORT AUTHORITY	3.53	818,712.00	822,909.70	3.04	20510203
Basic	Corporate	STANTEC INC.	2.51	2,625,858.00	2,652,369.78	2.05	20271008
Basic	MUSH	PORTAGE LA PRAIRIE SCHOOL DIV.	3.58	326,913.92	334,045.68	5.88	20241115
Basic	MUSH	RIVER EAST SCHOOL DIVISION	3.01	303,146.98	309,760.25	5.88	20241115
Basic	MUSH	WINNPEG SCHOOL DIVISION	3.08	613,159.45	629,860.52	6.00	20241015
Basic	MUSH	AGASSIZ SCHOOL DIVISION	3.33	20,717.38	22,037.26	6.63	20210415
Basic	MUSH	AGASSIZ SCHOOL DIVISION	3.45	190,296.33	201,802.09	6.88	20220515
Basic	MUSH	AGASSIZ SCHOOL DIVISION	3.30	47,461.27	49,827.83	7.00	20210715
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	2.47	10,917.53	11,613.07	6.63	20210415
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	2.42	12,034.85	12,801.58	6.63	20210415
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	2.76	4,499.12	4,776.09	7.00	20210515
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	3.31	24,315.10	25,290.62	6.88	20210831
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	3.34	16,995.94	17,523.98	6.75	20211015
Basic	MUSH	ANTLER RIVER SCHOOL DIVISION	4.40	7,172.19	7,357.27	6.88	20211115
Basic	MUSH	TOWN OF ARBORG	2.36	7,300.46	7,350.51	2.75	20211231
Basic	MUSH	ASSINIBOINE SOUTH SCHOOL DIV	2.58	24,480.76	24,483.61	4.25	20340331
Basic	MUSH	ASSINIBOINE SOUTH SCHOOL DIV	3.17	1,185,726.73	1,185,864.79	4.25	20340331
Basic	MUSH	ASSINIBOINE SOUTH SCHOOL DIV	4.14	42,520.94	45,008.12	7.00	20210531
Basic	MUSH	ASSINIBOINE SOUTH SCHOOL DIV	3.82	63,319.29	66,956.90	6.88	20220531
Basic	MUSH	BOUNDARY SCHOOL DIVISION	4.14	4,331.47	4,547.67	6.63	20220630
Basic	MUSH	BORDER LAND SCHOOL DIVISION	4.11	186,114.65	188,003.84	4.88	20270115
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.29	131,169.79	132,274.85	5.13	20280131

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.45	82,779.47	83,578.92	5.88	20290131
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.65	332,379.40	332,430.62	5.63	20290331
Basic	MUSH	BORDER LAND SCHOOL DIVISION	4.12	391,959.20	392,015.58	5.25	20300331
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.95	470,967.07	471,031.59	5.00	20310331
Basic	MUSH	BORDER LAND SCHOOL DIVISION	4.12	79,137.19	79,146.40	4.25	20340331
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.74	91,990.51	96,602.64	6.00	20240531
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.18	137,874.54	142,770.97	4.25	20340531
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.06	41,451.21	43,221.40	5.38	20260615
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.42	37,323.63	38,764.81	5.13	20270630
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.78	67,905.03	70,737.51	5.25	20280615
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.81	191,093.62	198,292.35	5.00	20310630
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.79	369,559.99	379,836.80	3.50	20330615
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.28	45,755.92	46,919.41	3.38	20350630
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.17	94,954.80	99,160.13	6.63	20220731
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.08	35,748.74	37,272.22	6.38	20240731
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.33	152,167.20	157,162.14	5.63	20260831
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.35	179,960.81	184,697.72	5.25	20260930
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.37	80,082.08	82,290.37	5.50	20270930
Basic	MUSH	BORDER LAND SCHOOL DIVISION	3.37	197,971.17	203,430.29	5.50	20290930
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.54	173,325.89	176,754.42	4.75	20301031
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.55	155,827.96	158,752.40	5.00	20261115
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.81	62,544.22	63,529.72	5.38	20271215
Basic	MUSH	BORDER LAND SCHOOL DIVISION	2.97	52,304.29	52,988.90	5.25	20271231
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.13	113,229.25	113,997.04	4.13	20320131
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.67	670,844.11	673,858.31	5.13	20280229
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.08	144,224.76	144,245.01	5.13	20260331
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.09	157,479.31	165,996.14	5.88	20240430
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.33	411,614.05	431,405.36	5.00	20270415
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	4.25	164,267.54	172,773.45	5.63	20290430
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	2.26	244,995.94	255,743.88	5.25	20260531
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	2.75	449,499.16	465,462.54	4.25	20340531
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.37	1,043,954.57	1,087,500.35	5.25	20280615

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.01	80,319.50	83,205.50	5.38	20270731
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.38	388,937.25	401,704.25	5.63	20260831
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.37	101,629.27	104,750.19	6.13	20230930
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.11	585,947.62	597,469.92	3.63	20320915
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.33	142,221.24	144,921.50	3.50	20350915
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.34	83,217.01	85,382.93	6.25	20221031
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.10	299,527.16	306,592.72	5.13	20261015
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	2.71	567,374.96	581,738.10	5.50	20271015
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	2.94	152,880.41	156,222.84	4.75	20301015
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	2.78	823,573.15	840,574.86	5.50	20281115
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.73	198,750.09	201,827.31	4.13	20311115
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.39	114,735.22	116,795.35	6.13	20231215
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.38	837,177.70	849,448.66	5.00	20261215
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.38	551,192.58	559,675.66	5.25	20271215
Basic	MUSH	BEAUTIFUL PLAINS SCHOOL DIV	3.35	71,605.69	72,707.73	5.25	20291215
Basic	MUSH	CITY OF BRANDON	3.35	1,140,411.09	1,154,658.42	3.00	20261031
Basic	MUSH	CITY OF BRANDON	3.41	1,506,578.04	1,525,399.95	3.00	20261031
Basic	MUSH	CITY OF BRANDON	2.79	4,337,425.38	4,414,191.87	4.25	20341031
Basic	MUSH	BIRDTAIL RIVER SCHOOL DIV	3.37	33,010.43	35,113.49	6.63	20210415
Basic	MUSH	BIRDTAIL RIVER SCHOOL DIV	3.38	12,070.16	12,520.31	6.88	20210915
Basic	MUSH	BRANDON SCHOOL DIVISION	2.70	316,369.94	319,360.29	5.75	20250131
Basic	MUSH	BRANDON SCHOOL DIVISION	2.99	160,155.35	161,822.72	5.00	20260115
Basic	MUSH	BRANDON SCHOOL DIVISION	2.49	928,764.19	936,016.18	4.75	20310131
Basic	MUSH	BRANDON SCHOOL DIVISION	2.38	21,347.85	21,482.74	5.13	20280215
Basic	MUSH	BRANDON SCHOOL DIVISION	2.23	294,296.17	295,715.24	5.50	20290228
Basic	MUSH	BRANDON SCHOOL DIVISION	2.97	1,082,861.40	1,112,766.18	3.00	20350430
Basic	MUSH	BRANDON SCHOOL DIVISION	3.28	970,713.95	1,014,465.89	5.13	20300515
Basic	MUSH	BRANDON SCHOOL DIVISION	3.55	668,476.53	688,725.42	3.63	20330531
Basic	MUSH	BRANDON SCHOOL DIVISION	3.40	656,055.94	672,502.27	3.00	20350531
Basic	MUSH	BRANDON SCHOOL DIVISION	2.13	81,452.76	85,595.13	6.75	20220630
Basic	MUSH	BRANDON SCHOOL DIVISION	3.08	31,373.74	32,900.52	6.13	20240615
Basic	MUSH	BRANDON SCHOOL DIVISION	3.32	124,305.19	129,339.12	5.38	20250630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	BRANDON SCHOOL DIVISION	3.32	553,113.13	567,177.74	3.38	20350630
Basic	MUSH	BRANDON SCHOOL DIVISION	3.24	768,694.02	789,227.63	3.75	20330715
Basic	MUSH	BRANDON SCHOOL DIVISION	2.39	4,806,222.12	4,934,739.18	4.00	20340731
Basic	MUSH	BRANDON SCHOOL DIVISION	4.69	308,165.34	315,573.97	3.38	20350715
Basic	MUSH	BRANDON SCHOOL DIVISION	2.22	57,573.97	59,408.84	5.88	20230915
Basic	MUSH	BRANDON SCHOOL DIVISION	3.15	142,646.36	146,579.88	5.50	20290930
Basic	MUSH	BRANDON SCHOOL DIVISION	3.22	912,067.21	926,928.91	3.25	20350930
Basic	MUSH	BRANDON SCHOOL DIVISION	3.31	290,829.31	297,944.67	5.88	20231031
Basic	MUSH	BRANDON SCHOOL DIVISION	3.33	120,599.69	123,428.83	6.25	20221115
Basic	MUSH	BRANDON SCHOOL DIVISION	3.33	110,333.89	112,177.83	5.00	20261130
Basic	MUSH	BRANDON SCHOOL DIVISION	3.32	54,607.76	55,588.27	6.13	20231215
Basic	MUSH	RURAL MUN OF CARTIER	3.32	35,891.63	37,845.02	7.25	20210701
Basic	MUSH	RURAL MUN OF CARTIER	3.32	852.46	898.85	7.25	20210701
Basic	MUSH	RURAL MUN OF CARTIER	1.92	2,557.40	2,696.59	7.25	20210701
Basic	MUSH	RURAL MUN OF CARTIER	3.71	30,045.76	30,693.18	6.50	20231201
Basic	MUSH	R M OF ST CLEMENTS	2.17	3,011,883.67	3,043,797.26	4.25	20361231
Basic	MUSH	CITY OF DAUPHIN	3.03	230,627.23	233,780.98	4.13	20351201
Basic	MUSH	CITY OF DAUPHIN	3.76	301,615.44	305,739.93	4.13	20351201
Basic	MUSH	RURAL MUN OF DAUPHIN	3.75	315,194.33	318,435.87	4.13	20371231
Basic	MUSH	DUCK MOUNTAIN SCHOOL DIVISION	4.05	61,304.22	65,209.84	6.63	20220415
Basic	MUSH	DUCK MOUNTAIN SCHOOL DIVISION	2.85	8,584.74	9,094.36	6.75	20210515
Basic	MUSH	DUCK MOUNTAIN SCHOOL DIVISION	3.76	19,857.52	20,415.71	6.75	20211031
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	2.40	459,838.36	463,169.04	5.88	20290215
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	3.38	142,079.99	148,619.56	5.00	20270430
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	2.85	92,451.99	96,778.24	7.00	20210731
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	3.65	244,636.67	254,003.24	5.38	20260715
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	3.94	1,384,019.41	1,432,862.97	5.63	20260815
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	3.94	136,301.41	139,889.12	5.25	20260930
Basic	MUSH	DIV SCOLAIRE FRANCO-MANITOBAIN	3.29	717,679.90	729,674.00	5.00	20261130
Basic	MUSH	RURAL MUN OF DE SALABERRY	3.84	271,291.44	273,489.64	3.25	20251231
Basic	MUSH	RURAL MUN OF DUFFERIN	1.99	17,094.72	17,227.91	3.13	20261231
Basic	MUSH	RM EMERSON-FRANKLIN	3.32	307,502.97	310,665.41	4.13	20351231

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RURAL MUN OF ELTON	3.67	178,528.20	180,197.32	3.75	20361231
Basic	MUSH	RURAL MUN OF ELTON	3.20	1,035,265.52	1,045,589.81	4.00	20371231
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.62	180,617.65	182,102.18	5.00	20260131
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.53	114,339.19	115,499.81	4.88	20270115
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.56	43,086.36	43,502.47	5.88	20290131
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.53	66,088.00	66,370.46	4.88	20260228
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.48	100,105.73	100,738.25	5.13	20280215
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.64	29,888.09	30,025.66	5.25	20280229
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.99	77,539.22	77,921.61	5.63	20290228
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.48	61,964.57	61,973.27	5.13	20300331
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.75	663,717.05	663,794.33	4.25	20340331
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.50	196,447.21	206,501.67	6.13	20230531
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.55	113,818.06	119,167.90	5.63	20290531
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.46	166,793.83	173,028.04	4.25	20340515
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.20	401,642.44	421,690.17	6.63	20220630
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.74	114,479.55	120,050.63	6.13	20240615
Basic	MUSH	EVERGREEN SCHOOL DIVISION	1.90	57,522.87	59,960.70	5.63	20290630
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.08	183,617.24	191,398.96	5.63	20290630
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.58	1,000,971.49	1,026,424.28	3.38	20350630
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.52	133,078.01	138,173.26	5.38	20270715
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.17	55,453.11	57,576.28	5.38	20270715
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.05	207,799.76	213,139.22	5.13	20250930
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.25	309,010.34	317,531.41	5.50	20270930
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.67	950,294.24	975,903.37	5.38	20290930
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.91	308,325.49	316,350.40	6.25	20221031
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.27	177,799.81	181,779.60	5.38	20271031
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.12	53,694.84	54,868.77	5.25	20281031
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.81	557,165.43	569,056.71	5.13	20291031
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.20	256,943.20	261,237.32	5.00	20251130
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.09	115,464.16	117,490.32	5.25	20271130
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.54	76,383.43	77,787.63	5.50	20281130
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.99	421,256.11	428,472.28	5.13	20291130

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	EVERGREEN SCHOOL DIVISION	2.71	177,731.34	180,057.67	5.25	20271231
Basic	MUSH	EVERGREEN SCHOOL DIVISION	3.01	40,260.17	40,887.51	6.25	20281231
Basic	MUSH	EVERGREEN SCHOOL DIVISION	4.24	60,948.41	61,746.17	5.25	20291231
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.26	42,996.10	43,208.14	5.63	20250228
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.46	108,025.49	108,041.77	5.50	20250331
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.62	39,686.38	39,692.50	5.63	20250331
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.23	25,445.59	27,066.70	6.63	20210415
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	3.24	43,161.64	45,596.13	6.75	20220531
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.11	100,316.54	105,031.76	5.63	20250531
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	3.27	1,502,954.35	1,565,749.02	5.00	20310531
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.67	43,667.69	46,096.33	7.00	20210615
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	1.69	18,635.53	19,513.06	6.25	20240630
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.16	79,561.59	82,933.42	5.63	20290630
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.44	60,456.87	62,978.67	5.25	20300615
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.22	216,330.13	222,131.04	3.38	20350615
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.21	1,337,185.98	1,372,905.33	3.75	20330715
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.20	464,253.25	477,481.29	4.00	20340715
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.68	44,956.72	46,633.36	6.88	20210915
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.26	65,186.86	66,739.29	4.75	20310930
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	4.22	88,499.36	90,739.73	5.50	20271015
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	3.38	20,484.77	20,895.59	6.00	20231130
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.45	183,292.65	186,355.90	5.00	20251130
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	3.31	163,973.53	167,050.84	5.00	20261115
Basic	MUSH	FORT LA BOSSE SCHOOL DIVISION	2.13	56,325.47	57,132.93	5.75	20241231
Basic	MUSH	CITY OF FLIN FLON	3.50	1,243,652.58	1,263,806.57	6.50	20241231
Basic	MUSH	FLIN FLON SCHOOL DIVISION	3.49	41,411.00	41,592.53	5.00	20260228
Basic	MUSH	FLIN FLON SCHOOL DIVISION	3.64	104,021.88	104,647.08	4.88	20270215
Basic	MUSH	FLIN FLON SCHOOL DIVISION	3.53	146,170.30	147,229.03	5.88	20290215
Basic	MUSH	FLIN FLON SCHOOL DIVISION	2.51	368,593.98	368,635.64	4.13	20340331
Basic	MUSH	FLIN FLON SCHOOL DIVISION		173,912.20	181,750.76	5.13	20270515
Basic	MUSH	FLIN FLON SCHOOL DIVISION		81,755.55	84,658.99	4.25	20340531
Basic	MUSH	FLIN FLON SCHOOL DIVISION		199,959.92	208,057.61	5.38	20250630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	FLIN FLON SCHOOL DIVISION		30,563.16	30,993.35	3.75	20321115
Basic	MUSH	FLIN FLON SCHOOL DIVISION		198,296.92	200,694.82	4.13	20311215
Basic	MUSH	FORT GARRY SCHOOL DIV		10,143.63	10,789.87	6.63	20210415
Basic	MUSH	FORT GARRY SCHOOL DIV		9,262.75	9,804.56	7.00	20210531
Basic	MUSH	FORT GARRY SCHOOL DIV		10,580.53	11,177.32	6.75	20220531
Basic	MUSH	FORT GARRY SCHOOL DIV		18,469.84	19,043.67	6.75	20211015
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		44,433.47	44,798.68	5.00	20260131
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		202,298.49	202,757.82	4.88	20270315
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		797,998.25	798,107.56	5.00	20310331
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		5,473,244.48	5,482,166.62	3.50	20350315
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		31,463.01	33,381.82	6.63	20210430
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		108,110.15	113,210.58	5.13	20260430
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		53,762.44	56,794.86	6.75	20210531
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		35,723.02	37,775.26	6.88	20220531
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		76,308.33	80,332.81	7.00	20210630
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		1,252,397.83	1,313,345.00	6.13	20240615
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		31,439.99	32,713.20	5.38	20250630
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		99,063.35	102,981.78	5.25	20270630
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		719,269.80	751,415.25	5.63	20290615
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		2,712,907.86	2,823,375.24	5.13	20300615
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		2,037,401.36	2,106,198.54	4.25	20340615
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		110,360.33	114,868.47	7.00	20210831
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		357,945.53	370,739.63	6.13	20230831
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		320,176.20	329,985.43	5.25	20280831
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		94,461.87	97,717.89	6.88	20210930
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		136,562.04	140,071.03	5.13	20250930
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		1,064,508.35	1,086,163.07	3.75	20330915
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		107,524.88	110,547.36	6.75	20211031
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		6,233,910.89	6,327,163.37	3.25	20351015
Basic	MUSH	FRANCO-MANITOBAINE SCHOOL DIV		343,432.06	347,927.26	5.25	20271231
Basic	MUSH	RURAL MUNICIPALITY OF FRANKLIN		4,085.40	4,149.06	6.25	20231231
Basic	MUSH	FRONTIER SCHOOL DIVISION		312,737.77	315,693.78	5.75	20250131

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	FRONTIER SCHOOL DIVISION		227,221.65	229,042.54	4.88	20270131
Basic	MUSH	FRONTIER SCHOOL DIVISION		242,928.72	244,975.31	5.13	20300131
Basic	MUSH	FRONTIER SCHOOL DIVISION		93,508.77	94,238.91	4.75	20310131
Basic	MUSH	FRONTIER SCHOOL DIVISION		120,832.32	121,428.21	5.63	20250228
Basic	MUSH	FRONTIER SCHOOL DIVISION		69,192.32	69,608.18	4.88	20260215
Basic	MUSH	FRONTIER SCHOOL DIVISION		559,326.78	562,774.68	5.00	20270215
Basic	MUSH	FRONTIER SCHOOL DIVISION		51,570.98	51,896.83	5.13	20280215
Basic	MUSH	FRONTIER SCHOOL DIVISION		312,615.86	314,089.01	5.38	20300228
Basic	MUSH	FRONTIER SCHOOL DIVISION		84,851.79	85,205.15	4.75	20310228
Basic	MUSH	FRONTIER SCHOOL DIVISION		65,954.18	66,111.61	5.13	20260315
Basic	MUSH	FRONTIER SCHOOL DIVISION		230,077.43	230,626.62	5.13	20270315
Basic	MUSH	FRONTIER SCHOOL DIVISION		56,672.34	56,678.36	3.88	20320331
Basic	MUSH	FRONTIER SCHOOL DIVISION		1,978,725.84	1,982,642.63	4.25	20340315
Basic	MUSH	FRONTIER SCHOOL DIVISION		3,513,143.01	3,513,540.04	4.13	20340331
Basic	MUSH	FRONTIER SCHOOL DIVISION		31,433.92	31,436.50	3.00	20350331
Basic	MUSH	FRONTIER SCHOOL DIVISION		145,930.53	154,830.29	6.63	20220430
Basic	MUSH	FRONTIER SCHOOL DIVISION		93,023.20	97,607.78	5.13	20260415
Basic	MUSH	FRONTIER SCHOOL DIVISION		239,864.39	251,397.60	5.00	20270415
Basic	MUSH	FRONTIER SCHOOL DIVISION		21,955.05	23,037.09	5.13	20280415
Basic	MUSH	FRONTIER SCHOOL DIVISION		450,357.46	467,458.70	4.13	20340430
Basic	MUSH	FRONTIER SCHOOL DIVISION		54,515.63	57,647.48	6.88	20220531
Basic	MUSH	FRONTIER SCHOOL DIVISION		156,852.29	164,716.39	6.00	20240531
Basic	MUSH	FRONTIER SCHOOL DIVISION		37,025.03	38,765.33	5.63	20250531
Basic	MUSH	FRONTIER SCHOOL DIVISION		173,193.25	180,791.21	5.25	20260531
Basic	MUSH	FRONTIER SCHOOL DIVISION		255,239.26	266,169.97	5.13	20270531
Basic	MUSH	FRONTIER SCHOOL DIVISION		241,557.68	252,445.15	5.13	20280515
Basic	MUSH	FRONTIER SCHOOL DIVISION		19,992.65	20,932.37	5.63	20290531
Basic	MUSH	FRONTIER SCHOOL DIVISION		25,967.98	26,754.58	3.63	20330531
Basic	MUSH	FRONTIER SCHOOL DIVISION		3,910,431.78	4,056,590.86	4.25	20340515
Basic	MUSH	FRONTIER SCHOOL DIVISION		55,286.51	56,672.46	3.00	20350531
Basic	MUSH	FRONTIER SCHOOL DIVISION		268,892.61	279,781.84	5.38	20260630
Basic	MUSH	FRONTIER SCHOOL DIVISION		364,360.62	378,429.68	5.13	20270630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	FRONTIER SCHOOL DIVISION		264,548.61	275,261.92	5.38	20270630
Basic	MUSH	FRONTIER SCHOOL DIVISION		1,058,316.80	1,104,165.11	5.75	20290630
Basic	MUSH	FRONTIER SCHOOL DIVISION		129,416.61	134,535.66	5.25	20300630
Basic	MUSH	FRONTIER SCHOOL DIVISION		320,911.14	331,138.53	5.88	20230915
Basic	MUSH	FRONTIER SCHOOL DIVISION		182,217.90	188,272.28	6.13	20240915
Basic	MUSH	FRONTIER SCHOOL DIVISION		82,924.06	85,054.81	5.13	20250930
Basic	MUSH	FRONTIER SCHOOL DIVISION		175,066.88	179,784.69	5.38	20260930
Basic	MUSH	FRONTIER SCHOOL DIVISION		1,093,217.47	1,121,993.05	5.25	20260930
Basic	MUSH	FRONTIER SCHOOL DIVISION		93,651.22	96,116.30	5.25	20280930
Basic	MUSH	FRONTIER SCHOOL DIVISION		116,796.84	119,724.76	5.00	20300930
Basic	MUSH	FRONTIER SCHOOL DIVISION		65,103.98	66,328.02	3.75	20330930
Basic	MUSH	FRONTIER SCHOOL DIVISION		238,849.88	243,639.97	4.00	20340930
Basic	MUSH	FRONTIER SCHOOL DIVISION		190,456.55	194,818.79	5.50	20271031
Basic	MUSH	FRONTIER SCHOOL DIVISION		637,504.79	651,774.42	5.38	20291031
Basic	MUSH	FRONTIER SCHOOL DIVISION		342,906.53	349,689.50	4.75	20301031
Basic	MUSH	FRONTIER SCHOOL DIVISION		51,753.16	52,669.12	4.25	20311031
Basic	MUSH	FRONTIER SCHOOL DIVISION		27,410.96	27,839.02	3.75	20321031
Basic	MUSH	FRONTIER SCHOOL DIVISION		213,041.68	217,034.02	4.50	20331031
Basic	MUSH	FRONTIER SCHOOL DIVISION		295,981.77	301,397.63	4.88	20251115
Basic	MUSH	FRONTIER SCHOOL DIVISION		440,195.39	447,552.08	5.00	20261130
Basic	MUSH	FRONTIER SCHOOL DIVISION		659,926.66	670,955.57	5.00	20261130
Basic	MUSH	FRONTIER SCHOOL DIVISION		215,335.73	219,204.40	5.38	20271130
Basic	MUSH	FRONTIER SCHOOL DIVISION		62,919.52	64,076.20	5.50	20281130
Basic	MUSH	FRONTIER SCHOOL DIVISION		244,648.44	248,839.30	5.13	20291130
Basic	MUSH	FRONTIER SCHOOL DIVISION		117,522.95	119,339.73	4.63	20301130
Basic	MUSH	FRONTIER SCHOOL DIVISION		27,882.94	28,327.73	4.25	20331115
Basic	MUSH	FRONTIER SCHOOL DIVISION		77,521.85	78,714.94	5.25	20251215
Basic	MUSH	FRONTIER SCHOOL DIVISION		600,340.62	609,140.13	5.00	20261215
Basic	MUSH	FRONTIER SCHOOL DIVISION		387,230.52	393,190.16	5.25	20271215
Basic	MUSH	FRONTIER SCHOOL DIVISION		31,398.60	31,887.86	6.25	20281231
Basic	MUSH	FRONTIER SCHOOL DIVISION		378,479.07	383,433.00	5.25	20291231
Basic	MUSH	FRONTIER SCHOOL DIVISION		304,105.20	308,228.32	4.63	20301215

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RURAL MUNICIPALITY OF GIMLI		66,078.58	67,170.01	6.63	20221231
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		83,148.77	84,144.28	5.75	20250115
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		954,821.95	965,259.59	5.25	20260115
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		1,813,444.72	1,827,604.49	4.75	20310131
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		192,490.29	193,765.87	5.38	20300215
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		81,560.77	81,755.45	5.13	20280315
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		168,294.63	168,320.57	5.63	20290331
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,002,611.26	2,002,871.87	4.75	20310331
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		1,322,097.59	1,324,560.68	4.00	20320315
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		757,706.40	759,029.79	3.75	20330315
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		75,791.18	75,798.97	3.75	20330331
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		346,769.71	346,802.96	3.50	20350331
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		8,424.69	8,961.42	6.63	20210415
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		130,235.53	136,654.09	5.13	20270415
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		543,578.99	572,351.45	5.75	20290430
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		108,488.60	112,661.70	4.00	20320415
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		778,240.50	804,210.28	3.63	20330430
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		113,797.49	118,118.68	4.13	20340430
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		37,246.76	39,498.79	6.88	20220515
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		691,369.61	723,291.00	5.25	20260515
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		55,126.05	57,717.16	5.63	20290531
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		218,007.57	227,571.53	5.25	20300531
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		1,284,799.70	1,338,479.69	5.00	20310531
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,514,504.04	2,598,550.48	4.00	20320531
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		850,470.91	876,232.61	3.63	20330531
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		19,770.56	20,830.86	6.75	20210615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		25,564.84	26,961.28	6.88	20220615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		62,593.45	65,639.52	6.13	20230615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		30,995.72	32,473.32	6.00	20240615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		102,511.42	106,855.87	5.63	20250630
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		100,139.07	104,415.56	5.38	20260615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		623,013.49	648,243.40	5.38	20260630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		272,756.64	283,863.07	5.13	20270615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		155,683.46	161,841.49	5.25	20280630
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		739,862.76	770,724.16	5.25	20300615
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		813,297.73	843,935.66	5.00	20310630
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		1,918,118.44	1,970,505.41	3.63	20320630
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,052,877.68	2,104,059.01	3.50	20330715
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		4,587.40	4,761.60	7.00	20210915
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		441,316.44	452,656.16	5.13	20250930
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		969,840.00	999,433.41	5.63	20260915
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		40,001.87	41,249.60	5.75	20290915
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		370,479.57	377,445.09	3.75	20330930
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		67,760.77	69,489.13	6.13	20231031
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		304,651.88	311,838.33	5.13	20261015
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		418,499.96	427,867.48	5.38	20291031
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		512,741.36	523,684.52	5.13	20291031
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,112,491.14	2,148,953.32	3.75	20321015
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		974,732.32	989,954.17	3.75	20321031
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,195,502.63	2,238,450.27	4.25	20331015
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		681,405.80	694,175.16	4.50	20331031
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		167,078.86	170,150.36	5.50	20281130
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		3,832,789.46	3,899,325.11	4.63	20301115
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		2,878,932.38	2,924,857.27	4.25	20311115
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		940,057.50	951,840.41	3.75	20321130
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		448,463.40	455,036.77	5.00	20261215
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		169,272.40	171,877.57	5.25	20271215
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		27,077.17	27,573.28	6.25	20281215
Basic	MUSH	GARDEN VALLEY SCHOOL DIV		1,030,650.68	1,041,980.78	3.75	20321215
Basic	MUSH	HANOVER SCHOOL DIVISION		101,576.50	102,536.61	5.75	20250131
Basic	MUSH	HANOVER SCHOOL DIVISION		41,502.49	41,934.57	5.00	20270115
Basic	MUSH	HANOVER SCHOOL DIVISION		204,415.73	206,137.86	5.13	20280131
Basic	MUSH	HANOVER SCHOOL DIVISION		183,988.00	185,651.45	5.50	20290131
Basic	MUSH	HANOVER SCHOOL DIVISION		370,125.33	373,243.51	5.13	20300131

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	HANOVER SCHOOL DIVISION		2,281,094.22	2,296,561.91	4.13	20320131
Basic	MUSH	HANOVER SCHOOL DIVISION		92,421.46	92,435.39	5.50	20250331
Basic	MUSH	HANOVER SCHOOL DIVISION		137,926.65	137,946.02	5.13	20260331
Basic	MUSH	HANOVER SCHOOL DIVISION		966,441.17	966,593.42	5.75	20290331
Basic	MUSH	HANOVER SCHOOL DIVISION		3,088,010.06	3,088,348.47	4.00	20320331
Basic	MUSH	HANOVER SCHOOL DIVISION		1,868,561.36	1,868,746.94	3.63	20330331
Basic	MUSH	HANOVER SCHOOL DIVISION		998,016.21	998,132.42	4.25	20340331
Basic	MUSH	HANOVER SCHOOL DIVISION		592,309.31	592,357.99	3.00	20350331
Basic	MUSH	HANOVER SCHOOL DIVISION		42,036.75	44,600.42	6.63	20210430
Basic	MUSH	HANOVER SCHOOL DIVISION		105,983.78	112,990.69	6.88	20220415
Basic	MUSH	HANOVER SCHOOL DIVISION		101,877.03	107,386.76	5.88	20240430
Basic	MUSH	HANOVER SCHOOL DIVISION		43,442.98	45,584.03	5.13	20270415
Basic	MUSH	HANOVER SCHOOL DIVISION		211,623.70	222,053.41	5.13	20280415
Basic	MUSH	HANOVER SCHOOL DIVISION		77,541.06	81,995.69	6.88	20220531
Basic	MUSH	HANOVER SCHOOL DIVISION		33,606.83	35,186.47	5.63	20250531
Basic	MUSH	HANOVER SCHOOL DIVISION		50,055.65	52,366.78	5.25	20260515
Basic	MUSH	HANOVER SCHOOL DIVISION		1,244,899.97	1,299,513.56	5.25	20300531
Basic	MUSH	HANOVER SCHOOL DIVISION		2,447,882.11	2,519,474.28	3.50	20330531
Basic	MUSH	HANOVER SCHOOL DIVISION		3,446,270.95	3,565,061.08	4.13	20340531
Basic	MUSH	HANOVER SCHOOL DIVISION		300,284.36	314,897.51	6.13	20230615
Basic	MUSH	HANOVER SCHOOL DIVISION		31,865.73	33,156.18	5.38	20250630
Basic	MUSH	HANOVER SCHOOL DIVISION		2,860,479.67	2,946,685.91	4.00	20320630
Basic	MUSH	HANOVER SCHOOL DIVISION		20,990.09	21,980.65	6.63	20220715
Basic	MUSH	HANOVER SCHOOL DIVISION		4,778,407.11	4,948,596.95	5.00	20310715
Basic	MUSH	HANOVER SCHOOL DIVISION		248,268.53	256,055.83	5.38	20280831
Basic	MUSH	HANOVER SCHOOL DIVISION		397,521.58	409,729.03	6.13	20230930
Basic	MUSH	HANOVER SCHOOL DIVISION		72,567.10	74,431.73	5.13	20250930
Basic	MUSH	HANOVER SCHOOL DIVISION		213,730.42	219,817.35	5.25	20280915
Basic	MUSH	HANOVER SCHOOL DIVISION		533,353.02	548,060.41	5.50	20290930
Basic	MUSH	HANOVER SCHOOL DIVISION		6,816,005.79	6,961,242.74	4.25	20330930
Basic	MUSH	HANOVER SCHOOL DIVISION		54,456.28	56,148.15	6.75	20211015
Basic	MUSH	HANOVER SCHOOL DIVISION		271,198.56	277,833.64	5.88	20231031

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	HANOVER SCHOOL DIVISION		3,406,801.71	3,467,097.43	4.25	20311031
Basic	MUSH	HANOVER SCHOOL DIVISION		3,481,392.59	3,535,759.54	3.75	20321031
Basic	MUSH	HANOVER SCHOOL DIVISION		27,410.52	27,868.61	5.00	20251130
Basic	MUSH	HANOVER SCHOOL DIVISION		193,840.15	197,320.64	6.13	20231215
Basic	MUSH	HANOVER SCHOOL DIVISION		125,223.38	126,921.19	4.63	20301215
Basic	MUSH	RURAL MUN OF HEADINGLEY		21,899.50	22,853.48	7.50	20210901
Basic	MUSH	RURAL MUN OF HEADINGLEY		29,244.68	30,454.93	7.13	20220901
Basic	MUSH	RURAL MUN OF HEADINGLEY		760,042.44	771,911.60	3.75	20361031
Basic	MUSH	INTERMOUNTAIN SCHOOL DIVISION		24,887.58	26,392.34	6.88	20220515
Basic	MUSH	INTERLAKE SCHOOL DIVISION		434,819.16	438,393.02	5.00	20270131
Basic	MUSH	INTERLAKE SCHOOL DIVISION		782,152.63	790,499.16	5.13	20300115
Basic	MUSH	INTERLAKE SCHOOL DIVISION		345,416.56	345,469.79	5.63	20250331
Basic	MUSH	INTERLAKE SCHOOL DIVISION		814,564.82	816,224.64	4.38	20340315
Basic	MUSH	INTERLAKE SCHOOL DIVISION		998,596.58	999,991.88	3.00	20350315
Basic	MUSH	INTERLAKE SCHOOL DIVISION		15,087.97	16,025.49	6.75	20210430
Basic	MUSH	INTERLAKE SCHOOL DIVISION		69,414.26	74,003.45	6.88	20220415
Basic	MUSH	INTERLAKE SCHOOL DIVISION		947,616.51	974,341.24	3.38	20350531
Basic	MUSH	INTERLAKE SCHOOL DIVISION		122,951.43	127,698.96	5.13	20250630
Basic	MUSH	INTERLAKE SCHOOL DIVISION		490,145.51	509,994.72	5.38	20260630
Basic	MUSH	INTERLAKE SCHOOL DIVISION		162,063.45	169,084.35	5.75	20290630
Basic	MUSH	INTERLAKE SCHOOL DIVISION		272,274.98	283,044.76	5.25	20300630
Basic	MUSH	INTERLAKE SCHOOL DIVISION		1,110,850.50	1,147,257.48	4.13	20340615
Basic	MUSH	INTERLAKE SCHOOL DIVISION		94,283.49	97,389.68	4.63	20310715
Basic	MUSH	INTERLAKE SCHOOL DIVISION		797,575.58	817,307.38	5.38	20291015
Basic	MUSH	INTERLAKE SCHOOL DIVISION		312,989.61	319,112.20	4.25	20311015
Basic	MUSH	INTERLAKE SCHOOL DIVISION		204,637.12	209,245.66	6.00	20231115
Basic	MUSH	INTERLAKE SCHOOL DIVISION		39,225.34	39,946.44	5.50	20281130
Basic	MUSH	KELSEY SCHOOL DIV		43,452.30	43,782.66	4.63	20310131
Basic	MUSH	KELSEY SCHOOL DIV		34,514.97	34,685.18	5.63	20250228
Basic	MUSH	KELSEY SCHOOL DIV		82,681.84	83,204.26	5.13	20280215
Basic	MUSH	KELSEY SCHOOL DIV		288,253.29	289,643.22	5.50	20290228
Basic	MUSH	KELSEY SCHOOL DIV		149,666.58	150,612.25	5.13	20300215

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	KELSEY SCHOOL DIV		33,114.45	33,119.44	5.50	20250331
Basic	MUSH	KELSEY SCHOOL DIV		434,573.57	434,619.71	3.88	20320331
Basic	MUSH	KELSEY SCHOOL DIV		80,740.88	83,555.47	3.63	20330415
Basic	MUSH	KELSEY SCHOOL DIV		35,648.18	37,435.47	6.00	20240531
Basic	MUSH	KELSEY SCHOOL DIV		32,743.08	34,282.12	5.63	20250531
Basic	MUSH	KELSEY SCHOOL DIV		271,048.75	280,583.73	4.00	20320515
Basic	MUSH	KELSEY SCHOOL DIV		724,615.28	748,835.30	4.00	20320531
Basic	MUSH	KELSEY SCHOOL DIV		664,694.07	685,884.61	3.63	20330515
Basic	MUSH	KELSEY SCHOOL DIV		53,222.81	55,328.03	5.25	20280630
Basic	MUSH	KELSEY SCHOOL DIV		86,715.39	90,145.40	5.25	20300630
Basic	MUSH	KELSEY SCHOOL DIV		419,728.52	433,067.84	4.00	20320615
Basic	MUSH	KELSEY SCHOOL DIV		344,147.76	355,485.78	4.63	20310715
Basic	MUSH	KELSEY SCHOOL DIV		477,003.99	489,321.15	3.63	20320715
Basic	MUSH	KELSEY SCHOOL DIV		201,859.62	206,712.55	3.38	20350715
Basic	MUSH	KELSEY SCHOOL DIV		584,445.88	596,809.31	3.63	20320831
Basic	MUSH	KELSEY SCHOOL DIV		6,774.64	6,995.42	6.50	20220930
Basic	MUSH	KELSEY SCHOOL DIV		456,252.79	465,224.72	3.63	20320915
Basic	MUSH	KELSEY SCHOOL DIV		10,823.41	11,078.72	5.13	20261015
Basic	MUSH	KELSEY SCHOOL DIV		790,393.93	802,737.07	3.75	20321031
Basic	MUSH	KELSEY SCHOOL DIV		168,554.84	171,852.05	4.25	20331015
Basic	MUSH	KELSEY SCHOOL DIV		8,396.68	8,589.63	6.88	20211130
Basic	MUSH	KELSEY SCHOOL DIV		161,477.13	164,715.52	6.00	20231130
Basic	MUSH	KELSEY SCHOOL DIV		32,053.49	32,589.18	5.00	20261130
Basic	MUSH	KELSEY SCHOOL DIV		80,027.93	81,699.75	6.25	20281130
Basic	MUSH	KELSEY SCHOOL DIV		856,826.48	870,092.62	4.13	20311115
Basic	MUSH	KELSEY SCHOOL DIV		757,775.13	768,223.08	4.13	20311130
Basic	MUSH	KELSEY SCHOOL DIV		437,820.97	443,308.73	3.75	20321130
Basic	MUSH	RURAL MUN OF KILLARNEY		768,855.01	775,564.06	3.50	20261231
Basic	MUSH	RURAL MUN OF KILLARNEY		548,559.00	571,688.65	3.38	20291231
Basic	MUSH	RM LAC DU BONNET		337,207.27	341,771.12	3.25	20341031
Basic	MUSH	LAKESHORE SCHOOL DIVISION		94,460.33	95,236.72	5.00	20260131
Basic	MUSH	LAKESHORE SCHOOL DIVISION		95,096.39	95,667.95	4.88	20260215

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	LAKESHORE SCHOOL DIVISION		300,251.74	301,567.91	5.00	20270228
Basic	MUSH	LAKESHORE SCHOOL DIVISION		227,746.43	228,819.65	5.38	20300228
Basic	MUSH	LAKESHORE SCHOOL DIVISION		72,427.19	72,600.07	5.13	20260315
Basic	MUSH	LAKESHORE SCHOOL DIVISION		56,623.26	59,620.41	5.75	20240430
Basic	MUSH	LAKESHORE SCHOOL DIVISION		359,455.78	377,171.29	5.13	20270415
Basic	MUSH	LAKESHORE SCHOOL DIVISION		96,215.94	101,536.15	5.75	20290415
Basic	MUSH	LAKESHORE SCHOOL DIVISION		23,377.51	24,744.93	7.00	20210531
Basic	MUSH	LAKESHORE SCHOOL DIVISION		155,613.82	162,798.70	5.25	20260515
Basic	MUSH	LAKESHORE SCHOOL DIVISION		155,667.07	162,333.57	5.13	20280531
Basic	MUSH	LAKESHORE SCHOOL DIVISION		44,392.10	46,189.83	5.38	20250630
Basic	MUSH	LAKESHORE SCHOOL DIVISION		233,090.15	243,044.38	5.38	20260615
Basic	MUSH	LAKESHORE SCHOOL DIVISION		259,490.25	270,056.48	5.13	20270615
Basic	MUSH	LAKESHORE SCHOOL DIVISION		316,734.16	329,316.75	5.00	20310615
Basic	MUSH	LAKESHORE SCHOOL DIVISION		276,089.98	284,864.35	4.00	20320615
Basic	MUSH	LAKESHORE SCHOOL DIVISION		174,609.91	180,498.21	5.38	20260815
Basic	MUSH	LAKESHORE SCHOOL DIVISION		19,242.36	19,959.99	6.88	20210915
Basic	MUSH	LAKESHORE SCHOOL DIVISION		143,909.74	147,910.63	5.13	20250915
Basic	MUSH	LAKESHORE SCHOOL DIVISION		127,387.98	131,015.92	5.25	20260915
Basic	MUSH	LAKESHORE SCHOOL DIVISION		138,859.75	143,002.72	5.50	20270915
Basic	MUSH	LAKESHORE SCHOOL DIVISION		23,846.27	24,587.14	6.75	20211015
Basic	MUSH	LAKESHORE SCHOOL DIVISION		89,251.54	91,767.70	6.13	20231015
Basic	MUSH	LAKESHORE SCHOOL DIVISION		110,336.82	112,634.24	5.00	20251031
Basic	MUSH	LAKESHORE SCHOOL DIVISION		242,581.76	248,304.03	5.13	20261015
Basic	MUSH	LAKESHORE SCHOOL DIVISION		48,104.47	49,049.10	5.88	20241130
Basic	MUSH	LAKESHORE SCHOOL DIVISION		150,709.46	153,354.10	5.25	20251130
Basic	MUSH	LAKESHORE SCHOOL DIVISION		264,043.93	268,999.27	5.00	20261115
Basic	MUSH	LAKESHORE SCHOOL DIVISION		236,837.29	240,795.39	5.00	20261130
Basic	MUSH	LAKESHORE SCHOOL DIVISION		372,905.79	379,761.13	5.50	20281130
Basic	MUSH	LAKESHORE SCHOOL DIVISION		351,181.98	358,518.32	6.25	20281130
Basic	MUSH	LAKESHORE SCHOOL DIVISION		87,443.04	89,013.12	6.13	20231215
Basic	MUSH	LAKESHORE SCHOOL DIVISION		302,573.23	307,008.21	5.00	20261215
Basic	MUSH	LAKESHORE SCHOOL DIVISION		256,056.54	260,046.46	6.25	20281231

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		746,191.94	749,544.69	5.13	20280229
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		1,997,441.54	2,006,854.14	5.38	20300228
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		9,299,968.47	9,342,964.90	3.75	20360215
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		540,680.46	540,736.01	3.75	20330331
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		2,492,963.14	2,498,042.98	4.38	20340315
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		335,260.68	335,299.72	4.25	20340331
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		472,664.37	498,800.12	5.75	20240415
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		3,975,252.84	4,089,936.16	3.00	20350415
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		19,292.30	20,128.08	5.75	20230630
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		49,333.49	51,936.68	6.00	20240515
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		559,798.41	583,704.87	5.38	20260615
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		409,905.85	425,733.55	5.13	20270630
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		330,681.22	339,178.14	5.13	20250930
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		452,209.80	460,908.64	5.13	20291115
Basic	MUSH	LOUIS RIEL SCHOOL DIVISION		7,923.68	8,063.05	6.00	20231215
Basic	MUSH	LEAF RAPIDS SCHOOL DISTRICT		18,613.83	19,431.31	7.00	20210815
Basic	MUSH	LEAF RAPIDS SCHOOL DISTRICT		14,693.92	15,114.61	6.88	20211031
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		211,369.83	213,367.71	5.75	20250131
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		390,035.48	393,241.25	5.00	20260131
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		940,081.30	947,614.83	4.88	20270131
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		200,625.42	202,315.62	5.13	20300131
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		78,608.92	78,944.89	4.88	20260228
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		93,508.77	94,056.37	4.75	20310215
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		209,264.28	209,294.38	5.25	20280331
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		180,711.69	180,739.54	5.63	20290331
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		33,947.64	33,951.59	4.25	20340331
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		20,201.69	21,488.72	6.63	20210415
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		571,848.60	599,344.33	5.00	20270415
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		844,222.66	868,577.91	3.00	20350415
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		108,088.42	113,435.47	5.63	20250515
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		111,913.23	117,080.40	5.25	20260515
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		183,633.38	191,689.35	5.25	20260531

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		168,991.83	176,794.39	5.25	20300515
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		664,121.31	686,319.34	4.00	20320531
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		931,268.68	963,368.75	4.13	20340531
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		3,793.21	3,993.26	7.00	20210630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		25,191.75	26,472.91	6.75	20220630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		81,065.87	84,654.15	5.88	20230630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		602,923.48	626,204.17	5.13	20270630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		142,590.17	146,350.25	3.50	20330630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		288,197.66	295,525.97	3.38	20350630
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		19,770.56	20,439.64	6.75	20210930
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		136,413.81	140,602.93	6.13	20230930
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		394,873.86	405,267.70	5.25	20260930
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		986,759.77	1,013,970.01	5.50	20270930
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		775,630.14	793,926.51	5.13	20261015
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		396,733.11	406,319.92	5.25	20281015
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		70,821.62	72,451.49	5.00	20301015
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		378,407.77	384,939.19	3.75	20321015
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		606,223.38	618,779.68	4.50	20331015
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		28,768.42	29,443.30	6.25	20221115
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		114,472.01	117,049.98	6.00	20231115
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		406,561.49	413,865.67	5.38	20271130
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		56,691.02	57,662.14	5.13	20291130
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		80,141.77	81,290.65	5.75	20241231
Basic	MUSH	LORD SELKIRK SCHOOL DIVISION		35,665.21	36,318.67	6.25	20281215
Basic	MUSH	RM MINITONAS-BOWSMAN		232,949.41	235,345.12	4.13	20361231
Basic	MUSH	TOWN OF MELITA		24,230.76	24,381.79	2.50	20211231
Basic	MUSH	TOWN OF MELITA		238,033.17	239,961.89	3.25	20261231
Basic	MUSH	TOWN of MELITA		1,200,000.00	1,231,335.62	3.13	20351231
Basic	MUSH	MIDLAND SCHOOL DIVISION		6,705.37	7,114.31	6.63	20210430
Basic	MUSH	MIDLAND SCHOOL DIVISION		64,843.04	68,763.60	6.88	20220515
Basic	MUSH	MIDLAND SCHOOL DIVISION		2,558.50	2,686.07	7.00	20210715
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		226,793.00	227,347.56	5.25	20280315

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		238,954.48	239,538.77	5.25	20300315
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		41,692.61	44,348.80	6.63	20210415
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		36,007.56	37,913.49	5.75	20290430
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		150,679.68	159,336.02	6.88	20220531
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		66,349.19	69,339.68	5.13	20300515
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		798,059.92	832,275.37	4.88	20310515
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		342,522.79	354,572.08	4.00	20320515
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		39,705.36	41,115.44	4.25	20340531
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		231,576.23	242,845.74	6.13	20240615
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		154,538.54	160,796.82	5.38	20250630
Basic	MUSH	MYSTERY LAKE SCHOOL DISTRICT		403,315.03	413,570.56	3.38	20350630
Basic	MUSH	MORRIS MACDONALD SCHOOL DIV		3,410.96	3,508.62	6.88	20211031
Basic	MUSH	TOWN OF MORDEN		745,385.63	772,507.97	3.13	20291231
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		615,998.98	620,935.41	4.88	20270131
Basic	MUSH	MOUNTAIN SCHOOL DIV		930,183.79	930,288.91	4.13	20340331
Basic	MUSH	MOUNTAIN SCHOOL DIV		21,147.12	22,494.38	6.63	20210415
Basic	MUSH	MOUNTAIN SCHOOL DIV		13,557.18	14,062.79	6.88	20210915
Basic	MUSH	MOUNTAIN SCHOOL DIV		4,635.45	4,768.16	6.88	20211031
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		94,390.88	95,166.70	5.00	20260131
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		667,241.90	698,604.55	5.63	20290531
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		1,223,568.40	1,256,986.06	3.63	20320630
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		697,414.06	715,147.96	3.38	20350630
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		620,166.48	636,732.57	3.75	20330715
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		227,567.76	234,556.12	6.13	20230930
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		181,563.77	185,722.33	5.50	20271031
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		737,953.64	752,149.14	5.13	20261115
Basic	MUSH	MOUNTAIN VIEW SCHOOL DIVISION		1,106,936.54	1,128,229.90	5.13	20291115
Basic	MUSH	RM NORFOLK-TREHERNE		579,447.77	586,686.90	3.00	20401231
Basic	MUSH	PINE CREEK SCHOOL DIV		46,169.29	46,391.91	5.50	20290228
Basic	MUSH	PINE CREEK SCHOOL DIV		401,454.86	402,249.52	4.25	20340315
Basic	MUSH	PINE CREEK SCHOOL DIV		76,777.83	81,023.22	5.75	20240415
Basic	MUSH	PINE CREEK SCHOOL DIV		461,563.04	482,276.47	4.88	20310430

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	PINE CREEK SCHOOL DIV		11,175.73	11,817.76	6.88	20220531
Basic	MUSH	PINE CREEK SCHOOL DIV		32,550.99	33,611.80	6.50	20220930
Basic	MUSH	PINE CREEK SCHOOL DIV		6,850.33	7,063.16	6.75	20211015
Basic	MUSH	PINE CREEK SCHOOL DIV		50,709.04	52,138.62	6.13	20231015
Basic	MUSH	PINE CREEK SCHOOL DIV		51,131.77	52,435.98	6.13	20231031
Basic	MUSH	PINE CREEK SCHOOL DIV		121,954.35	123,550.62	5.25	20291231
Basic	MUSH	PINE CREEK SCHOOL DIV		224,426.89	226,525.13	3.75	20321231
Basic	MUSH	TOWN OF PLUM COULEE		59,633.32	61,528.92	6.38	20231001
Basic	MUSH	L G D PINAWA		195,920.22	197,996.17	4.25	20361231
Basic	MUSH	L G D PINAWA		305,310.64	315,498.81	3.63	20401231
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		229,775.86	231,664.43	5.00	20260131
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		258,415.87	260,592.94	5.13	20280131
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		117,049.84	117,627.07	5.63	20250228
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		468,526.46	471,270.23	4.75	20310215
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		152,815.86	153,082.76	3.75	20330315
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		22,040.08	22,083.71	4.25	20340315
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		7,822.69	8,299.77	6.63	20210430
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		42,392.93	44,636.85	5.75	20240430
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		24,700.92	26,145.75	7.00	20210531
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		72,682.60	76,278.15	5.63	20250515
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		20,302.89	21,240.30	5.25	20260515
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		203,002.68	211,908.38	5.25	20300531
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		110,905.55	114,612.53	4.00	20320531
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		29,452.90	30,645.64	5.38	20250630
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		9,054.42	9,421.09	5.38	20260630
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		39,380.99	40,938.70	5.25	20270630
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		224,007.85	232,868.43	5.25	20280630
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		181,155.47	185,932.51	3.50	20330630
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		82,178.63	85,235.84	6.38	20240831
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		23,559.30	24,294.16	5.75	20230915
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		1,890,983.57	1,924,956.51	5.38	20271130
Basic	MUSH	PORTAGE LA PRAIRIE SCH DIV		73,354.23	74,405.81	5.75	20241231

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RM PRAIRIE VIEW		250,228.79	252,490.28	3.63	20341231
Basic	MUSH	RM PRAIRIE VIEW		1,135,772.48	1,146,037.22	3.63	20341231
Basic	MUSH	RURAL MUN OF PORTAGE		41,895.80	42,574.74	6.50	20231231
Basic	MUSH	RURAL MUN OF PORTAGE		60,098.78	61,072.71	6.50	20231231
Basic	MUSH	RURAL MUN OF PORTAGE		268,682.77	271,027.30	3.50	20261231
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		362,964.02	366,648.35	4.88	20270115
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		223,474.53	224,886.55	5.13	20280215
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		55,469.99	55,476.45	4.25	20340331
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		284,574.58	299,310.09	5.63	20290430
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		113,714.54	119,045.49	4.88	20310415
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		488,031.85	509,441.74	5.25	20300531
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		15,861.95	16,504.30	5.38	20250630
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		35,262.55	36,768.45	5.38	20260615
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		634,358.19	650,488.70	3.38	20350630
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		13,977.87	14,415.88	6.25	20220930
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		46,506.76	47,730.91	5.25	20260930
Basic	MUSH	PRAIRIE ROSE SCHOOL DIVISION		253,471.60	256,789.30	5.25	20291231
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		113,722.78	114,797.69	5.75	20250131
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		245,965.19	247,986.82	5.00	20260131
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		90,144.29	91,059.32	4.88	20270115
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		183,111.80	183,974.68	5.38	20300228
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		486,515.98	489,365.10	4.75	20310215
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		96,008.64	96,022.45	5.25	20280331
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		688,351.05	689,753.68	4.38	20340315
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		2,236,476.47	2,236,736.88	4.25	20340331
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		595,801.52	596,772.76	3.50	20350315
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		46,591.17	49,111.40	5.63	20290415
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		557,221.35	582,227.61	4.88	20310430
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		1,485,594.38	1,526,621.21	3.00	20350430
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		33,939.04	35,676.09	6.13	20230531
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		80,674.96	84,399.82	5.25	20260515
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		53,346.10	55,750.51	5.13	20270515

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		383,410.19	395,024.10	3.63	20330531
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		886,180.08	919,302.58	4.25	20340515
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		28,812.47	30,060.68	5.75	20230630
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		75,086.94	78,127.70	5.38	20250630
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		83,317.64	86,691.72	5.38	20260630
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		176,681.72	184,051.53	5.25	20300615
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		251,643.77	259,641.22	4.00	20320615
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		3,127,018.09	3,201,552.49	3.00	20350615
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		449,906.46	465,930.53	5.00	20310715
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		335,271.67	343,630.50	3.50	20330715
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		492,159.14	503,991.19	3.38	20350715
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		28,802.51	29,798.56	6.38	20240915
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		196,358.24	201,403.71	5.13	20250930
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		181,135.75	186,130.63	5.50	20270930
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		212,462.97	218,188.56	5.38	20290930
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		1,098,414.17	1,122,507.81	4.38	20310930
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		31,966.14	32,781.50	6.13	20231031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		380,702.06	389,682.46	5.13	20261015
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		322,588.28	329,641.03	5.25	20281031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		479,517.69	489,502.17	5.00	20301031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		1,367,804.93	1,389,165.17	3.75	20321031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		643,008.30	655,586.60	4.25	20331015
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		769,614.81	784,037.18	4.50	20331031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		3,675,591.22	3,727,250.90	3.38	20351031
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		45,346.84	46,410.63	6.25	20221115
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		122,535.26	124,992.68	6.00	20231130
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		266,534.09	271,911.32	5.38	20271115
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		165,258.05	168,088.94	5.13	20291130
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		847,245.06	860,362.85	4.13	20311115
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		614,552.85	622,255.81	3.75	20321130
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		807,347.38	818,816.14	4.25	20331130
Basic	MUSH	PEMBINA TRAILS SCHOOL DIVISION		482,375.89	488,916.05	4.63	20301215

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		345,116.87	347,811.62	4.75	20310131
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		332,356.91	334,559.34	5.38	20300215
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		121,987.13	122,005.51	5.50	20250331
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		40,688.96	43,029.97	6.25	20230430
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		91,284.10	95,673.24	5.00	20270415
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		658,232.70	683,227.51	4.13	20340430
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		19,145.73	20,225.63	6.75	20220531
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		101,308.09	106,319.72	5.63	20290515
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		14,916.28	15,414.85	4.00	20320531
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		77,455.08	81,540.04	7.00	20210630
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		114,938.02	119,267.88	5.00	20300630
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		57,254.76	59,411.62	5.00	20310630
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		18,911.54	19,601.29	6.25	20240831
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		61,380.16	63,253.10	5.63	20260915
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		165,389.40	170,211.75	5.38	20280915
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		175,224.69	180,452.63	5.50	20290915
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		186,009.75	189,390.41	3.63	20320930
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		79,979.34	81,583.31	4.00	20340930
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		51,213.35	52,173.07	4.50	20331031
Basic	MUSH	PRAIRIE SPIRIT SCHOOL DIVISION		66,806.63	68,060.40	5.00	20251115
Basic	MUSH	PELLY TRAIL SCHOOL DIV		32,336.73	34,383.25	6.88	20220430
Basic	MUSH	PELLY TRAIL SCHOOL DIV		5,723.16	6,062.90	6.75	20210515
Basic	MUSH	PARK WEST SCHOOL DIVISION		235,334.79	237,559.19	5.75	20250131
Basic	MUSH	PARK WEST SCHOOL DIVISION		186,342.21	187,797.21	4.75	20310131
Basic	MUSH	PARK WEST SCHOOL DIVISION		74,032.63	74,489.00	5.00	20260215
Basic	MUSH	PARK WEST SCHOOL DIVISION		91,636.43	91,817.82	4.25	20340315
Basic	MUSH	PARK WEST SCHOOL DIVISION		126,249.03	132,578.78	6.00	20240531
Basic	MUSH	PARK WEST SCHOOL DIVISION		90,817.38	95,086.11	5.63	20250531
Basic	MUSH	PARK WEST SCHOOL DIVISION		207,447.24	214,381.09	4.00	20320531
Basic	MUSH	PARK WEST SCHOOL DIVISION		30,841.58	31,775.81	3.63	20330531
Basic	MUSH	PARK WEST SCHOOL DIVISION		388,209.22	397,941.04	3.00	20350531
Basic	MUSH	PARK WEST SCHOOL DIVISION		480,756.41	503,394.77	6.25	20240630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	PARK WEST SCHOOL DIVISION		87,554.12	91,099.76	5.38	20260630
Basic	MUSH	PARK WEST SCHOOL DIVISION		115,725.83	119,414.00	5.88	20230915
Basic	MUSH	PARK WEST SCHOOL DIVISION		64,164.81	65,426.57	3.63	20320915
Basic	MUSH	PARK WEST SCHOOL DIVISION		20,154.16	20,733.94	6.25	20221015
Basic	MUSH	PARK WEST SCHOOL DIVISION		260,628.91	267,076.80	5.38	20291015
Basic	MUSH	PARK WEST SCHOOL DIVISION		32,085.08	32,703.05	4.63	20301031
Basic	MUSH	PARK WEST SCHOOL DIVISION		107,034.96	108,603.83	5.00	20261215
Basic	MUSH	PARK WEST SCHOOL DIVISION		50,048.56	50,703.65	5.25	20271231
Basic	MUSH	PARK WEST SCHOOL DIVISION		300,528.69	306,034.95	6.25	20281215
Basic	MUSH	RIVER EAST SCHOOL DIV		164,697.34	166,712.06	5.88	20290115
Basic	MUSH	RIVER EAST SCHOOL DIV		730,964.38	738,764.67	5.13	20300115
Basic	MUSH	RIVER EAST SCHOOL DIV		120,979.96	121,576.57	5.63	20250228
Basic	MUSH	RIVER EAST SCHOOL DIV		289,359.16	290,595.87	4.88	20260228
Basic	MUSH	RIVER EAST SCHOOL DIV		97,396.41	98,011.81	5.13	20280228
Basic	MUSH	RIVER EAST SCHOOL DIV		52,022.30	52,029.78	5.25	20280331
Basic	MUSH	RIVER EAST SCHOOL DIV		415,567.41	415,631.45	5.63	20290331
Basic	MUSH	RIVER EAST SCHOOL DIV		125,667.54	125,894.34	3.88	20320315
Basic	MUSH	RIVER EAST SCHOOL DIV		299,532.86	300,056.02	3.75	20330315
Basic	MUSH	RIVER EAST SCHOOL DIV		615,087.50	615,138.06	3.00	20350331
Basic	MUSH	RIVER EAST SCHOOL DIV		3,524.58	3,739.53	6.63	20210430
Basic	MUSH	RIVER EAST SCHOOL DIV		152,387.31	159,897.60	5.13	20260415
Basic	MUSH	RIVER EAST SCHOOL DIV		193,858.57	203,412.74	5.13	20270415
Basic	MUSH	RIVER EAST SCHOOL DIV		326,300.21	343,571.77	5.75	20290430
Basic	MUSH	RIVER EAST SCHOOL DIV		1,023,868.03	1,072,172.16	5.13	20300430
Basic	MUSH	RIVER EAST SCHOOL DIV		1,009,955.45	1,057,302.30	4.88	20310415
Basic	MUSH	RIVER EAST SCHOOL DIV		331,025.98	343,595.90	4.13	20340430
Basic	MUSH	RIVER EAST SCHOOL DIV		67,290.20	70,874.79	6.38	20230531
Basic	MUSH	RIVER EAST SCHOOL DIV		268,323.21	280,935.32	5.63	20290531
Basic	MUSH	RIVER EAST SCHOOL DIV		1,146.76	1,207.24	7.00	20210630
Basic	MUSH	RIVER EAST SCHOOL DIV		27,487.07	28,859.07	6.63	20220630
Basic	MUSH	RIVER EAST SCHOOL DIV		315,038.15	324,532.45	4.00	20320630
Basic	MUSH	RIVER EAST SCHOOL DIV		631,124.56	647,172.85	3.38	20350630

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RIVER EAST SCHOOL DIV		17,256.08	17,840.07	6.75	20210930
Basic	MUSH	RIVER EAST SCHOOL DIV		216,740.16	223,396.01	6.13	20230930
Basic	MUSH	RIVER EAST SCHOOL DIV		95,530.74	98,045.29	5.25	20260930
Basic	MUSH	RIVER EAST SCHOOL DIV		218,661.48	224,921.79	6.88	20211031
Basic	MUSH	RIVER EAST SCHOOL DIV		628,658.85	643,850.00	5.25	20281015
Basic	MUSH	RIVER EAST SCHOOL DIV		363,908.09	372,701.70	5.25	20281015
Basic	MUSH	RIVER EAST SCHOOL DIV		1,716,897.69	1,759,373.27	5.38	20291015
Basic	MUSH	RIVER EAST SCHOOL DIV		1,168,154.07	1,191,261.12	4.75	20301031
Basic	MUSH	RIVER EAST SCHOOL DIV		936,563.28	953,139.17	4.25	20311031
Basic	MUSH	RIVER EAST SCHOOL DIV		113,741.37	116,097.22	4.50	20331015
Basic	MUSH	RIVER EAST SCHOOL DIV		36,560.40	37,503.83	6.88	20211115
Basic	MUSH	RIVER EAST SCHOOL DIV		139,276.10	141,603.73	5.00	20251130
Basic	MUSH	RIVER EAST SCHOOL DIV		401,313.98	409,410.35	5.38	20271115
Basic	MUSH	RIVER EAST SCHOOL DIV		585,411.81	597,496.96	5.50	20281115
Basic	MUSH	RIVER EAST SCHOOL DIV		1,614,914.40	1,637,644.87	3.75	20321115
Basic	MUSH	RIVER EAST SCHOOL DIV		321,845.47	327,624.36	6.13	20231215
Basic	MUSH	RIVER EAST SCHOOL DIV		231,461.06	234,853.71	5.00	20261215
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		194,021.40	194,850.64	4.88	20260228
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		21,768.20	22,841.03	5.13	20270415
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		3,724.75	3,938.73	6.88	20220531
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		30,697.77	32,191.66	6.13	20230615
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		12,881.08	13,402.72	5.38	20250630
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		239,195.70	249,410.67	5.38	20260615
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		23,648.74	24,635.18	5.25	20280615
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		297,345.50	309,748.47	5.25	20300615
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		275,524.13	283,308.63	3.75	20330630
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		278,412.07	286,802.57	4.00	20340630
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		389,491.23	399,935.46	3.38	20350615
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		31,800.95	32,848.64	4.63	20310715
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		103,392.47	106,049.16	5.13	20250930
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		19,250.27	19,848.35	6.75	20211015
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		28,677.96	29,409.44	6.13	20231031

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		99,393.63	101,258.96	5.00	20251115
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		119,444.30	121,091.16	4.13	20311130
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		35,277.72	35,911.15	6.13	20231215
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		64,392.07	65,194.77	5.00	20261231
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		182,921.04	186,272.50	6.25	20281215
Basic	MUSH	RM RHINELAND		166,040.84	167,489.72	3.50	20341231
Basic	MUSH	RIVERDALE MUNICIPALITY		88,031.03	88,662.02	2.88	20291231
Basic	MUSH	RIVERDALE MUNICIPALITY		432,087.20	435,697.79	2.50	20301231
Basic	MUSH	RIVERDALE MUNICIPALITY		2,672,616.03	2,696,770.26	3.63	20391231
Basic	MUSH	RURAL MUN OF RITCHOT		35,589.25	36,221.45	7.13	20211231
Basic	MUSH	RHINELAND SCHOOL DIVISION		40,124.68	42,777.44	6.88	20220415
Basic	MUSH	RHINELAND SCHOOL DIVISION		42,432.61	44,914.63	7.00	20210531
Basic	MUSH	RHINELAND SCHOOL DIVISION		12,615.07	13,244.10	7.00	20210715
Basic	MUSH	RHINELAND SCHOOL DIVISION		15,614.45	16,252.29	7.00	20210831
Basic	MUSH	RURAL MUN OF GREY		10,509.66	10,783.20	6.25	20211031
Basic	MUSH	RURAL MUN OF GREY		14,173.20	14,564.22	6.63	20241031
Basic	MUSH	R M OF GREY		433,101.62	436,475.96	3.13	20291231
Basic	MUSH	R M OF GREY		104,801.28	105,617.80	3.13	20291231
Basic	MUSH	RURAL MUN OF GREY		225,634.86	227,885.03	4.00	20321231
Basic	MUSH	RURAL MUN OF WESTBOURNE		78,850.76	80,030.28	6.00	20231231
Basic	MUSH	RURAL MUN ROSSER		11,154,015.77	11,258,298.18	3.75	20441231
Basic	MUSH	TOWN OF ROBLIN		1,265,348.70	1,277,178.84	3.75	20301231
Basic	MUSH	RED RIVER SCHOOL DIV		200,592.94	202,488.96	5.75	20250131
Basic	MUSH	RED RIVER SCHOOL DIV		193,821.82	195,106.22	5.38	20300215
Basic	MUSH	RED RIVER SCHOOL DIV		13,753.11	13,833.65	4.75	20310215
Basic	MUSH	RED RIVER SCHOOL DIV		184,843.01	185,284.23	5.13	20280315
Basic	MUSH	RED RIVER SCHOOL DIV		327,925.57	328,651.05	4.75	20310315
Basic	MUSH	RED RIVER SCHOOL DIV		41,269.68	41,274.49	4.25	20340331
Basic	MUSH	RED RIVER SCHOOL DIV		38,737.69	40,801.27	6.38	20230531
Basic	MUSH	RED RIVER SCHOOL DIV		256,408.73	264,979.10	4.00	20320531
Basic	MUSH	RED RIVER SCHOOL DIV		1,914,941.61	1,972,947.29	3.63	20330531
Basic	MUSH	RED RIVER SCHOOL DIV		8,380.60	8,846.70	7.00	20210615

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RED RIVER SCHOOL DIV		114,800.70	119,703.32	5.38	20260615
Basic	MUSH	RED RIVER SCHOOL DIV		23,958.89	24,803.69	6.50	20220915
Basic	MUSH	RED RIVER SCHOOL DIV		28,725.99	29,464.11	5.13	20250930
Basic	MUSH	RED RIVER SCHOOL DIV		16,903.47	17,256.59	6.25	20221130
Basic	MUSH	RED RIVER SCHOOL DIV		786,762.00	796,623.47	3.75	20321130
Basic	MUSH	ROLLING RIVER SCHOOL DIVISION		202,967.53	204,677.46	5.13	20280131
Basic	MUSH	TOWN OF RUSSELL		3,277.77	3,357.91	7.38	20211201
Basic	MUSH	TOWN OF STE ANNE		27,681.13	28,095.21	6.00	20281231
Basic	MUSH	TOWN OF STE ANNE		433,134.34	437,453.82	4.00	20321231
Basic	MUSH	ST BONIFACE SCHOOL DIVISION		17,966.69	19,111.33	6.63	20210415
Basic	MUSH	ST BONIFACE SCHOOL DIVISION		93,455.35	99,369.92	6.88	20220430
Basic	MUSH	ST BONIFACE SCHOOL DIVISION		256,544.78	269,350.05	6.63	20220630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		32,092.56	32,395.90	5.75	20250131
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		36,171.01	36,460.87	4.88	20270131
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		38,563.53	38,753.71	5.63	20250228
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		323,680.39	325,675.68	5.00	20260215
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		240,448.44	241,476.11	4.88	20260228
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		23,433.56	23,437.17	5.63	20250331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		149,368.16	149,389.13	5.13	20260331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		180,224.44	180,644.14	5.00	20270315
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		315,150.40	315,184.94	4.00	20320331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		327,718.41	327,750.96	3.63	20330331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		36,859.40	36,863.57	4.13	20340331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		107,361.28	107,370.10	3.00	20350331
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		118,564.47	124,158.11	5.13	20260430
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		232,341.54	242,768.26	4.88	20310430
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		120,366.67	125,075.81	4.25	20340430
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		137,774.95	141,749.66	3.00	20350415
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		198,036.46	203,505.52	3.00	20350430
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		63,979.19	67,253.74	6.13	20230531
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		38,488.07	40,518.97	6.00	20240515
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		51,345.72	53,759.14	5.63	20250531

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		250,878.77	258,478.16	3.63	20330531
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		21,749.21	22,752.88	6.13	20230630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		33,498.13	34,854.69	5.38	20250630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		302,244.73	314,484.61	5.38	20260630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		60,913.38	63,494.90	5.63	20290630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		91,487.13	95,364.37	5.63	20290630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		86,715.39	90,145.40	5.25	20300630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		110,576.98	114,969.76	5.00	20310615
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		189,733.50	194,558.06	3.38	20350630
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		332,439.95	342,867.41	5.38	20260831
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		245,262.46	251,609.89	4.13	20330815
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		15,697.15	16,208.71	6.50	20220930
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		62,385.48	63,988.49	5.13	20250930
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		41,365.36	42,571.47	5.38	20270915
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		92,704.14	95,317.63	6.13	20231015
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		106,162.26	108,870.12	6.13	20231031
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		298,994.13	305,375.40	5.13	20261031
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		215,723.93	219,447.38	3.75	20321015
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		41,225.67	42,052.44	6.00	20231130
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		40,726.92	41,625.00	5.88	20241115
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		467,542.31	476,316.73	5.00	20251115
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		161,814.98	164,851.78	5.00	20261115
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		70,168.77	71,174.68	5.75	20241231
Basic	MUSH	SOUTHWEST HORIZON SCHOOL DIV		491,488.31	497,921.42	5.25	20251231
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		84,675.04	85,600.67	5.25	20260115
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		397,976.94	401,809.51	4.63	20310115
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		2,615,826.16	2,622,222.39	5.25	20300315
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		161,609.21	161,626.37	3.88	20320331
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		42,208.66	44,897.73	6.63	20210415
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		372,659.79	393,713.79	5.88	20240415
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		437,011.98	457,126.50	5.00	20270430
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		228,468.08	239,727.96	5.13	20280415

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		254,632.02	270,027.66	6.88	20220515
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		177,928.49	187,708.46	6.25	20230515
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		294,544.72	309,115.61	5.63	20250515
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		132,735.91	138,668.11	5.63	20250615
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		250,844.15	262,054.82	5.63	20290615
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		396,002.20	412,520.37	5.25	20300615
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		932,889.72	953,975.58	3.00	20350630
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		131,594.42	135,140.71	5.38	20280930
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		838,400.52	853,750.14	3.38	20350915
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		40,321.91	41,574.65	6.75	20211015
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		84,454.72	86,446.93	5.13	20261015
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		38,213.68	39,092.20	6.13	20231115
Basic	MUSH	ST JAMES ASSINIBOIA SCH DIV		178,622.38	182,561.25	5.88	20241115
Basic	MUSH	RM OF SHELLMOUTH-BOULTON		38,542.42	39,815.64	6.63	20231001
Basic	MUSH	SEVEN OAKS SCHOOL DIV		2,018,224.69	2,027,735.23	5.38	20300228
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,317,771.08	1,320,916.58	5.13	20280315
Basic	MUSH	SEVEN OAKS SCHOOL DIV		696,631.32	697,929.15	4.00	20320315
Basic	MUSH	SEVEN OAKS SCHOOL DIV		4,265,522.87	4,265,873.46	3.00	20350331
Basic	MUSH	SEVEN OAKS SCHOOL DIV		110,046.97	117,011.59	6.88	20220430
Basic	MUSH	SEVEN OAKS SCHOOL DIV		158,705.85	167,106.39	5.75	20240430
Basic	MUSH	SEVEN OAKS SCHOOL DIV		246,271.46	258,408.76	5.13	20260415
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,753,898.07	1,838,229.33	5.00	20270415
Basic	MUSH	SEVEN OAKS SCHOOL DIV		458,704.67	480,760.20	5.00	20310415
Basic	MUSH	SEVEN OAKS SCHOOL DIV		223,844.50	233,889.91	4.88	20310430
Basic	MUSH	SEVEN OAKS SCHOOL DIV		49,137.24	52,011.43	7.00	20210531
Basic	MUSH	SEVEN OAKS SCHOOL DIV		209,124.56	219,469.78	5.63	20250515
Basic	MUSH	SEVEN OAKS SCHOOL DIV		526,825.31	552,886.93	5.63	20290515
Basic	MUSH	SEVEN OAKS SCHOOL DIV		281,330.35	294,010.45	5.13	20300515
Basic	MUSH	SEVEN OAKS SCHOOL DIV		53,742.17	56,475.29	6.75	20220630
Basic	MUSH	SEVEN OAKS SCHOOL DIV		119,550.08	125,367.91	6.13	20230615
Basic	MUSH	SEVEN OAKS SCHOOL DIV		409,231.84	422,237.56	4.00	20320615
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,093,819.37	1,124,236.54	3.50	20330615

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SEVEN OAKS SCHOOL DIV		4,342,932.72	4,477,905.71	4.13	20340630
Basic	MUSH	SEVEN OAKS SCHOOL DIV		6,122.47	6,350.80	6.88	20210915
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,563,361.82	1,603,645.16	4.75	20310915
Basic	MUSH	SEVEN OAKS SCHOOL DIV		828,954.80	844,020.77	3.63	20320930
Basic	MUSH	SEVEN OAKS SCHOOL DIV		810,527.63	827,798.53	4.25	20330930
Basic	MUSH	SEVEN OAKS SCHOOL DIV		2,643,865.94	2,686,946.47	3.25	20350930
Basic	MUSH	SEVEN OAKS SCHOOL DIV		292,557.62	298,801.52	5.13	20261031
Basic	MUSH	SEVEN OAKS SCHOOL DIV		3,775,128.93	3,861,594.90	5.50	20271031
Basic	MUSH	SEVEN OAKS SCHOOL DIV		152,038.93	155,088.04	6.00	20231130
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,604,825.96	1,626,952.77	4.13	20311130
Basic	MUSH	SEVEN OAKS SCHOOL DIV		478,937.31	484,940.43	3.75	20321130
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,065,803.81	1,083,805.67	4.50	20331115
Basic	MUSH	SEVEN OAKS SCHOOL DIV		6,352,867.86	6,442,286.65	3.75	20341115
Basic	MUSH	SEVEN OAKS SCHOOL DIV		114,992.11	116,677.61	5.00	20251215
Basic	MUSH	SEVEN OAKS SCHOOL DIV		2,371,682.23	2,408,638.24	6.25	20281231
Basic	MUSH	SEVEN OAKS SCHOOL DIV		1,325,510.22	1,343,481.78	4.63	20301215
Basic	MUSH	SEVEN OAKS SCHOOL DIV		4,948,577.96	5,002,978.42	3.75	20351215
Basic	MUSH	CONS SCHOOL DIST OF SPRAGUE		8,027.67	8,451.05	7.00	20210630
Basic	MUSH	SEINE RIVER SCHOOL DIV		88,890.00	89,792.29	4.88	20270115
Basic	MUSH	SEINE RIVER SCHOOL DIV		235,561.88	237,643.21	5.38	20300131
Basic	MUSH	SEINE RIVER SCHOOL DIV		206,617.57	207,636.51	5.63	20250228
Basic	MUSH	SEINE RIVER SCHOOL DIV		169,007.35	169,766.73	5.13	20280229
Basic	MUSH	SEINE RIVER SCHOOL DIV		263,273.67	264,370.04	4.75	20310228
Basic	MUSH	SEINE RIVER SCHOOL DIV		55,611.33	55,619.71	5.50	20250331
Basic	MUSH	SEINE RIVER SCHOOL DIV		48,004.89	48,119.48	5.13	20260315
Basic	MUSH	SEINE RIVER SCHOOL DIV		1,002,708.98	1,004,518.66	3.88	20320315
Basic	MUSH	SEINE RIVER SCHOOL DIV		157,270.17	157,286.33	3.75	20330331
Basic	MUSH	SEINE RIVER SCHOOL DIV		311,519.56	311,555.83	4.25	20340331
Basic	MUSH	SEINE RIVER SCHOOL DIV		59,020.96	62,355.44	5.88	20240415
Basic	MUSH	SEINE RIVER SCHOOL DIV		53,144.69	55,896.57	5.63	20250430
Basic	MUSH	SEINE RIVER SCHOOL DIV		175,360.25	183,633.41	5.13	20270430
Basic	MUSH	SEINE RIVER SCHOOL DIV		255,518.60	269,043.58	5.75	20290430

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SEINE RIVER SCHOOL DIV		26,072.53	27,648.94	6.88	20220515
Basic	MUSH	SEINE RIVER SCHOOL DIV		102,834.71	107,582.72	5.25	20260515
Basic	MUSH	SEINE RIVER SCHOOL DIV		1,057,262.90	1,094,455.38	4.00	20320515
Basic	MUSH	SEINE RIVER SCHOOL DIV		17,634.21	18,531.02	6.75	20220630
Basic	MUSH	SEINE RIVER SCHOOL DIV		32,591.11	34,177.14	6.13	20240615
Basic	MUSH	SEINE RIVER SCHOOL DIV		60,670.88	63,013.57	5.13	20250630
Basic	MUSH	SEINE RIVER SCHOOL DIV		356,559.56	371,078.37	5.13	20270615
Basic	MUSH	SEINE RIVER SCHOOL DIV		149,076.51	154,973.20	5.25	20280630
Basic	MUSH	SEINE RIVER SCHOOL DIV		587,813.85	612,332.93	5.25	20300615
Basic	MUSH	SEINE RIVER SCHOOL DIV		524,890.91	545,742.74	5.00	20310615
Basic	MUSH	SEINE RIVER SCHOOL DIV		1,053,599.89	1,082,375.43	3.63	20320630
Basic	MUSH	SEINE RIVER SCHOOL DIV		78,652.90	80,726.97	3.50	20330630
Basic	MUSH	SEINE RIVER SCHOOL DIV		157,073.77	161,067.85	3.38	20350630
Basic	MUSH	SEINE RIVER SCHOOL DIV		998,930.37	1,031,840.34	4.63	20310715
Basic	MUSH	SEINE RIVER SCHOOL DIV		2,361.60	2,443.00	6.88	20210930
Basic	MUSH	SEINE RIVER SCHOOL DIV		13,218.69	13,684.78	6.50	20220915
Basic	MUSH	SEINE RIVER SCHOOL DIV		43,662.87	45,003.71	6.13	20230930
Basic	MUSH	SEINE RIVER SCHOOL DIV		47,802.92	49,031.23	5.13	20260930
Basic	MUSH	SEINE RIVER SCHOOL DIV		358,372.19	368,254.43	5.50	20270930
Basic	MUSH	SEINE RIVER SCHOOL DIV		1,128,513.94	1,153,267.82	4.38	20310930
Basic	MUSH	SEINE RIVER SCHOOL DIV		941,516.27	958,628.01	3.63	20320930
Basic	MUSH	SEINE RIVER SCHOOL DIV		37,908.27	38,875.19	6.13	20231031
Basic	MUSH	SEINE RIVER SCHOOL DIV		355,247.52	362,274.61	4.75	20301031
Basic	MUSH	SEINE RIVER SCHOOL DIV		566,547.93	578,282.46	4.50	20331015
Basic	MUSH	SEINE RIVER SCHOOL DIV		312,529.25	318,666.38	5.88	20241130
Basic	MUSH	SEINE RIVER SCHOOL DIV		625,900.93	635,591.68	4.13	20311115
Basic	MUSH	SEINE RIVER SCHOOL DIV		1,025,922.21	1,038,781.37	3.75	20321130
Basic	MUSH	SEINE RIVER SCHOOL DIV		36,733.99	37,393.57	6.13	20231215
Basic	MUSH	SEINE RIVER SCHOOL DIV		124,064.19	125,973.59	5.25	20271215
Basic	MUSH	TOWN OF SWAN RIVER		98,000.00	98,614.18	1.88	20251231
Basic	MUSH	SUNRISE SCHOOL DIVISION		892,807.71	897,014.91	5.38	20300228
Basic	MUSH	SUNRISE SCHOOL DIVISION		1,921,136.45	1,929,136.80	4.75	20310228

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SUNRISE SCHOOL DIVISION		956,703.65	956,841.26	5.25	20280331
Basic	MUSH	SUNRISE SCHOOL DIVISION		998,728.62	1,000,763.70	4.38	20340315
Basic	MUSH	SUNRISE SCHOOL DIVISION		1,922,506.49	1,986,660.27	3.63	20330430
Basic	MUSH	SUNRISE SCHOOL DIVISION		682,025.70	708,708.79	4.25	20340430
Basic	MUSH	SUNRISE SCHOOL DIVISION		737,260.52	757,621.03	3.00	20350430
Basic	MUSH	SUNRISE SCHOOL DIVISION		353,600.34	370,808.08	6.13	20230615
Basic	MUSH	SUNRISE SCHOOL DIVISION		113,192.98	118,523.13	6.25	20240630
Basic	MUSH	SUNRISE SCHOOL DIVISION		143,005.94	148,797.19	5.38	20250630
Basic	MUSH	SUNRISE SCHOOL DIVISION		591,530.64	615,485.61	5.38	20260630
Basic	MUSH	SUNRISE SCHOOL DIVISION		430,638.57	444,946.98	6.13	20230915
Basic	MUSH	ST VITAL SCHOOL DIVISION		27,401.32	29,103.96	6.75	20210430
Basic	MUSH	ST VITAL SCHOOL DIVISION		1,511.50	1,592.56	6.75	20220615
Basic	MUSH	ST VITAL SCHOOL DIVISION		12,494.64	13,118.30	6.63	20220630
Basic	MUSH	ST VITAL SCHOOL DIVISION		4,723.20	4,845.08	6.88	20211115
Basic	MUSH	SWAN VALLEY SCHOOL DIV		39,624.32	39,998.85	5.75	20250131
Basic	MUSH	SWAN VALLEY SCHOOL DIV		20,691.06	20,852.62	4.75	20310131
Basic	MUSH	SWAN VALLEY SCHOOL DIV		25,856.82	25,984.33	5.63	20250228
Basic	MUSH	SWAN VALLEY SCHOOL DIV		45,599.30	45,873.36	4.88	20260215
Basic	MUSH	SWAN VALLEY SCHOOL DIV		76,644.28	76,913.06	4.00	20320228
Basic	MUSH	SWAN VALLEY SCHOOL DIV		12,884.02	12,886.01	5.63	20250331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		38,211.18	38,216.55	5.13	20280331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		22,062.71	22,066.11	5.63	20290331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		61,849.92	61,858.60	5.13	20300331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		24,843.21	24,846.02	4.13	20340331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		214,705.87	214,730.87	4.25	20340331
Basic	MUSH	SWAN VALLEY SCHOOL DIV		5,758.07	6,069.48	5.88	20240430
Basic	MUSH	SWAN VALLEY SCHOOL DIV		510,268.00	527,295.57	3.63	20330430
Basic	MUSH	SWAN VALLEY SCHOOL DIV		9,469.71	10,000.63	6.38	20230515
Basic	MUSH	SWAN VALLEY SCHOOL DIV		34,470.92	36,024.59	5.13	20280515
Basic	MUSH	SWAN VALLEY SCHOOL DIV		10,440.90	10,898.94	5.25	20300531
Basic	MUSH	SWAN VALLEY SCHOOL DIV		178,793.85	184,209.71	3.63	20330531
Basic	MUSH	SWAN VALLEY SCHOOL DIV		117,709.23	121,889.52	4.25	20340531

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SWAN VALLEY SCHOOL DIV		2,832.06	2,973.42	6.63	20220630
Basic	MUSH	SWAN VALLEY SCHOOL DIV		9,920.24	10,403.00	6.13	20240615
Basic	MUSH	SWAN VALLEY SCHOOL DIV		67,202.37	70,072.28	5.38	20260615
Basic	MUSH	SWAN VALLEY SCHOOL DIV		23,217.70	24,157.94	5.38	20260630
Basic	MUSH	SWAN VALLEY SCHOOL DIV		204,642.60	210,039.00	3.50	20330630
Basic	MUSH	SWAN VALLEY SCHOOL DIV		41,738.50	42,996.37	4.00	20340630
Basic	MUSH	SWAN VALLEY SCHOOL DIV		2,028.90	2,111.78	7.00	20210831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		52,165.04	54,029.58	6.13	20230831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		24,645.02	25,400.07	5.25	20280831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		170,337.84	175,804.98	5.50	20290831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		31,290.43	32,203.42	5.00	20300831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		27,031.08	27,721.21	4.38	20310831
Basic	MUSH	SWAN VALLEY SCHOOL DIV		780,239.78	800,432.49	4.13	20330815
Basic	MUSH	SWAN VALLEY SCHOOL DIV		5,948.42	6,158.16	6.50	20220915
Basic	MUSH	SWAN VALLEY SCHOOL DIV		47,725.99	49,191.60	6.13	20230930
Basic	MUSH	SWAN VALLEY SCHOOL DIV		13,693.68	14,028.38	4.88	20250930
Basic	MUSH	SWAN VALLEY SCHOOL DIV		76,176.97	78,346.45	5.25	20260915
Basic	MUSH	SWAN VALLEY SCHOOL DIV		58,702.37	60,284.32	5.38	20290930
Basic	MUSH	SWAN VALLEY SCHOOL DIV		89,100.25	91,333.86	5.00	20300930
Basic	MUSH	SWAN VALLEY SCHOOL DIV		121,503.54	123,892.83	3.63	20320915
Basic	MUSH	SWAN VALLEY SCHOOL DIV		607,063.68	621,059.41	4.25	20330915
Basic	MUSH	SWAN VALLEY SCHOOL DIV		11,446.33	11,768.08	6.75	20211031
Basic	MUSH	SWAN VALLEY SCHOOL DIV		23,910.09	24,584.16	6.13	20231015
Basic	MUSH	SWAN VALLEY SCHOOL DIV		69,121.64	70,596.87	5.13	20261031
Basic	MUSH	SWAN VALLEY SCHOOL DIV		118,446.71	121,097.97	5.38	20291031
Basic	MUSH	SWAN VALLEY SCHOOL DIV		74,291.26	75,915.49	4.75	20301015
Basic	MUSH	SWAN VALLEY SCHOOL DIV		140,175.62	142,656.54	4.25	20311031
Basic	MUSH	SWAN VALLEY SCHOOL DIV		80,726.93	82,544.94	6.00	20231115
Basic	MUSH	SWAN VALLEY SCHOOL DIV		83,861.36	85,297.92	5.13	20291130
Basic	MUSH	SWAN VALLEY SCHOOL DIV		70,220.47	71,439.47	4.63	20301115
Basic	MUSH	SWAN VALLEY SCHOOL DIV		239,408.53	243,227.59	4.25	20331115
Basic	MUSH	SWAN VALLEY SCHOOL DIV		46,441.70	47,107.47	5.75	20241231

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	SWAN VALLEY SCHOOL DIV		26,463.04	26,870.32	5.25	20251215
Basic	MUSH	SWAN VALLEY SCHOOL DIV		38,582.11	39,175.90	5.25	20271215
Basic	MUSH	SWAN VALLEY SCHOOL DIV		160,038.48	162,083.36	5.13	20271231
Basic	MUSH	SWAN VALLEY SCHOOL DIV		176,559.46	178,953.29	4.63	20301215
Basic	MUSH	SWAN VALLEY SCHOOL DIV		137,671.30	139,184.74	3.75	20321215
Basic	MUSH	SOURIS VALLEY SCHOOL DIVISION		53,935.99	57,287.41	6.75	20210430
Basic	MUSH	SOURIS VALLEY SCHOOL DIVISION		12,573.49	12,964.13	6.75	20211015
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		46,571.63	46,693.64	5.63	20250315
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		160,494.06	160,513.30	4.38	20340331
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		55,775.28	58,524.12	5.13	20270415
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		386,453.06	402,599.39	5.00	20310531
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		414,769.22	425,166.86	3.00	20350531
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		174,096.02	182,294.03	6.25	20240630
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		83,068.47	86,615.95	5.38	20260615
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		4,285.91	4,457.86	6.88	20210831
Basic	MUSH	TURTLE MOUNTAIN SCHOOL DIV		36,159.62	37,283.04	6.75	20211015
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		57,055.09	60,504.77	6.88	20220515
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		116,835.81	121,825.34	5.38	20260615
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		92,340.30	95,992.80	5.25	20280630
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		137,611.83	142,326.45	5.13	20250731
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		75,544.82	78,437.26	5.38	20270715
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		357,837.46	366,896.14	5.50	20291015
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		131,452.57	134,326.52	4.75	20301015
Basic	MUSH	TURTLE RIVER SCHOOL DIVISION		39,621.45	40,643.87	6.88	20211115
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		40,403.39	42,977.45	6.63	20210415
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		39,367.93	41,588.44	6.75	20210531
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		32,506.30	34,373.74	6.88	20220531
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		17,130.39	18,001.58	6.75	20220630
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		21,254.05	21,986.66	6.88	20210930
Basic	MUSH	TRANSCONA SPRINGFIELD SCH DIV		43,994.75	45,130.03	6.88	20211115
Basic	MUSH	TOWN OF VIRDEN		87,498.80	88,071.44	2.63	20211231
Basic	MUSH	TOWN OF VIRDEN		17,471.19	17,585.53	2.63	20211231

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	RURAL MUNICIPALITY OF WALLACE		116,458.92	118,128.43	5.75	20281231
Basic	MUSH	WESTERN SCHOOL DIVISION		73,532.96	74,228.00	5.75	20250131
Basic	MUSH	WESTERN SCHOOL DIVISION		35,463.37	37,537.73	7.00	20210531
Basic	MUSH	WESTERN SCHOOL DIVISION		1,087,724.55	1,135,442.88	5.25	20300531
Basic	MUSH	WESTERN SCHOOL DIVISION		32,738.61	33,602.37	3.00	20350515
Basic	MUSH	WESTERN SCHOOL DIVISION		454,972.14	473,046.38	5.00	20310615
Basic	MUSH	WESTERN SCHOOL DIVISION		1,045,144.11	1,079,397.63	4.13	20340615
Basic	MUSH	WESTERN SCHOOL DIVISION		1,002,811.94	1,031,385.21	4.00	20340715
Basic	MUSH	WESTERN SCHOOL DIVISION		9,538.36	9,834.70	6.75	20211015
Basic	MUSH	WESTERN SCHOOL DIVISION		355,999.34	362,143.99	3.75	20321015
Basic	MUSH	WESTERN SCHOOL DIVISION		376,954.21	384,761.81	4.50	20331015
Basic	MUSH	WESTERN SCHOOL DIVISION		16,971.57	17,276.48	5.38	20271130
Basic	MUSH	RURAL MUN OF WEST INTERLAKE		1,155,343.74	1,165,425.30	3.50	20301231
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,022,582.84	1,034,825.82	5.75	20250115
Basic	MUSH	WINNIPEG SCHOOL DIVISION		546,280.22	551,555.94	5.88	20290131
Basic	MUSH	WINNIPEG SCHOOL DIVISION		2,306,360.49	2,331,572.49	5.25	20300115
Basic	MUSH	WINNIPEG SCHOOL DIVISION		2,183,911.05	2,203,207.25	5.38	20300131
Basic	MUSH	WINNIPEG SCHOOL DIVISION		3,864,618.47	3,888,441.46	3.75	20360131
Basic	MUSH	WINNIPEG SCHOOL DIVISION		462,167.55	464,945.30	4.88	20260215
Basic	MUSH	WINNIPEG SCHOOL DIVISION		823,688.69	830,627.99	5.13	20280131
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,066,598.94	1,071,625.10	5.38	20300228
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,659,766.06	1,669,485.92	4.75	20310215
Basic	MUSH	WINNIPEG SCHOOL DIVISION		398,577.12	398,637.18	5.50	20250331
Basic	MUSH	WINNIPEG SCHOOL DIVISION		468,518.60	469,636.95	5.13	20270315
Basic	MUSH	WINNIPEG SCHOOL DIVISION		556,043.97	556,129.66	5.63	20290331
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,196,986.67	1,197,113.75	3.88	20320331
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,820,359.23	1,820,546.25	3.75	20330331
Basic	MUSH	WINNIPEG SCHOOL DIVISION		2,704,051.58	2,704,366.44	4.25	20340331
Basic	MUSH	WINNIPEG SCHOOL DIVISION		234,992.58	249,864.71	6.88	20220430
Basic	MUSH	WINNIPEG SCHOOL DIVISION		452,810.10	478,862.19	6.25	20230430
Basic	MUSH	WINNIPEG SCHOOL DIVISION		146,533.72	152,097.99	4.13	20340430
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,837,052.92	1,887,785.78	3.00	20350430

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	WINNIPEG SCHOOL DIVISION		809,229.00	851,040.09	5.88	20240515
Basic	MUSH	WINNIPEG SCHOOL DIVISION		322,076.89	335,869.94	5.13	20280531
Basic	MUSH	WINNIPEG SCHOOL DIVISION		726,230.52	758,963.12	5.13	20300515
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,170,423.50	1,219,324.76	5.00	20310531
Basic	MUSH	WINNIPEG SCHOOL DIVISION		815,563.32	844,253.27	4.00	20320515
Basic	MUSH	WINNIPEG SCHOOL DIVISION		127,948.88	132,027.91	3.63	20330515
Basic	MUSH	WINNIPEG SCHOOL DIVISION		424,343.93	443,926.24	6.13	20230630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		402,715.87	419,024.48	5.38	20260630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		303,158.22	315,149.58	5.25	20270630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		144,462.10	150,176.27	5.25	20280630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		854,074.35	890,270.14	5.63	20290630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		570,745.89	593,321.63	5.25	20300630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		243,016.14	252,170.86	5.00	20310630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		664,052.27	685,156.40	4.00	20320615
Basic	MUSH	WINNIPEG SCHOOL DIVISION		894,635.26	922,439.42	4.13	20340630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,473,405.46	1,510,871.34	3.38	20350630
Basic	MUSH	WINNIPEG SCHOOL DIVISION		527,958.48	551,463.48	6.25	20240715
Basic	MUSH	WINNIPEG SCHOOL DIVISION		99,534.61	103,246.71	6.88	20210915
Basic	MUSH	WINNIPEG SCHOOL DIVISION		515,591.79	531,425.05	6.13	20230930
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,516,984.47	1,558,815.84	5.50	20290930
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,031,552.44	1,053,532.99	4.25	20310930
Basic	MUSH	WINNIPEG SCHOOL DIVISION		400,036.59	408,782.60	5.25	20281031
Basic	MUSH	WINNIPEG SCHOOL DIVISION		849,430.61	866,046.87	4.25	20331015
Basic	MUSH	WINNIPEG SCHOOL DIVISION		629,642.89	641,459.48	5.00	20251115
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,578,951.64	1,603,360.50	4.63	20301130
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,970,159.95	1,997,890.63	3.75	20321115
Basic	MUSH	WINNIPEG SCHOOL DIVISION		1,035,584.61	1,048,564.88	3.75	20321130
Basic	MUSH	WINNIPEG SCHOOL DIVISION		852,084.37	864,573.83	5.00	20261215
Basic	MUSH	WINNIPEG SCHOOL DIVISION		4,223,832.89	4,270,266.12	3.75	20341215
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		83,533.52	84,555.38	5.88	20290115
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		16,452.98	16,490.34	4.88	20260315
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		38,244.22	38,249.46	5.00	20270331

Portfolio	Issuer	Description	YTMM	Market Value	Market Value + Accrued Interest	Coupon Rate	Maturity Date
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		516,382.46	541,193.58	5.75	20290531
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		53,902.31	56,085.17	5.38	20250630
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		1,726,425.34	1,781,292.56	4.00	20320615
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		155,708.39	158,630.59	5.00	20251115
Basic	MUSH	WINNIPEG TECHNICAL COLLEGE		17,544.43	17,846.59	5.88	20241215

PUB (MPI) 1-32

Part and Chapter:	Part VII Investments	Page No.:	35 INV 4.3.4, INV-18
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolio and Returns		
Sub Topic:	Investment Yields		

Preamble to IR:**Question:**

- a) Provide the estimated 10-year Bond Government of Canada Yield at June 30, 2021.
- b) Please update Figure INV-18 providing a full comparison between the Provincial Bond Spreads at the full range of duration level including that used in the 2021 GRA, the 2022 GRA at March 31, 2020, and at June 30, 2021. Please update and comment on the changes and the impact on the rate indication.
- c) Please provide the estimated Provincial Bond yield to maturity at June 30, 2021 (relative to the 2.20% YTM at March 31, 2021) for Basic Claims.
- d) Please provide the Corporate Bond estimated spread at June 30, 2021.
- e) Please update Figure INV-18 providing a full comparison between the Provincial Bond Spreads at the full range of duration level including that used in the 2021 GRA, the 2022 GRA at March 31, 2020, and at June 30, 2021. Please update and comment on the changes and the impact on the rate indication.

Rationale for Question:

To understand the changes in the spreads on bonds since March 31, 2020 to assess impact on Basic.

RESPONSE:

- a) 10-year Bond Government of Canada Yield at June 30, 2021 was 1.39%.
- b) The decrease in provincial bond spreads from the 2021 GRA to the 2022 GRA was largely due to the action of the Bank of Canada to sharply reduce interest rates in early 2020 (Government of Canada 10 year benchmark yield was 0.70% for the 2021 GRA versus 1.56% for the 2022 GRA). From March 31, 2021 (2022 GRA) to June 30, 2021, Provincial bond spreads increased slightly in the short terms and fallen slightly in the longer terms. Please see PUB (MPI) 1-6, which provides an interest rate sensitivity test (+/- 25 bps changes) on the rate indication.

2021 GRA**Figure INV-14 Provincial Bond Yield Spread**

Line No.	Duration	Provincial Bond Spread
1	7.0 years	102 bps
2	8.0 years	116 bps
3	9.0 years	131 bps
4	10.0 years	145 bps
5	11.0 years	159 bps
6	12.0 years	164 bps
7	13.0 years	169 bps

June 30, 2021**Provincial Bond Yield Spread**

Line No.	Duration	Provincial Bond Spread
1	7.0 years	18 bps
2	8.0 years	31 bps
3	9.0 years	43 bps
4	10.0 years	56 bps
5	11.0 years	69 bps
6	12.0 years	77 bps
7	13.0 years	86 bps

2022 GRA**Figure INV-18 Provincial Bond Yield Spread**

Line No.	<u>Duration</u>	<u>Provincial Bond Spread</u>
1	7.0 years	11 bps
2	8.0 years	27 bps
3	9.0 years	42 bps
4	10.0 years	58 bps
5	11.0 years	72 bps
6	12.0 years	82 bps
7	13.0 years	91 bps

- c) The Provincial Bond yield to maturity at June 30, 2021 for the Basic Claims Portfolio was 2.23%.
- d) The Corporate Bond spread at June 30, 2021 for the Basic Claims Portfolio was 163 bps.
- e) See response to PUB (MPI) 1-32(b).

PUB (MPI) 1-33

Part and Chapter:	Part VII Investments	Page No.:	Appendix 9
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Performance Report		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please file a copy of the March 31, 2021 investment performance report prepared by Ellement.
- b) Please file any other internal and or external reports and commentary that evaluates the performance of the Investment portfolio for 2020/21 and 2021/22.

Rationale for Question:

To understand the investment performance.

RESPONSE:

- a) Please see Attachment A.
- b) No other reports are available.

Manitoba Public Insurance



**Manitoba
Public Insurance**

Executive Summary
As of March 31, 2021

Submitted: June 2021



Ellement

Pensions | Benefits | Investments

Re

S

Dy

Be

La

Se

Li

H

Db

W

Ce

Ti

Ar

Pa

Cr

Y

Sn

Ru

Ca

Lr

Dy

Rh

Pb

Ga

Ag

C

Al

Bi

Hg

Tl

Au

V

Ni

N

Ge

Sb

Pt

Os

Ac

Ir

Fr

Ba

Na

Ta

K

Sr

Cs

He

Ne

O

Xe

Yb

Fm

Cf

Bk

F

Kr

U

Pu

Am

Th

Md

Es

In

Bh

Gd

Eu

Tm

Tb

Cl

Mt

Cd

Sg

U

Pu

Am

Th

Md

Es

In

Zr

Gd

Eu

Tm

Tb

Cl

Mt

Cd

Table of Contents

Manitoba Public Insurance

Observations	1
Market Update	2
Performance Summary	3
Performance Commentary	
• Total Fund	5
• Total Fixed Income	6
• Canadian Equity	8
• Canadian Small Cap Equity	9
• Global Equity	10
• Alternatives	11
Comparative Measurement	12



Observations

Manitoba Public Insurance

As of 3/31/2021

Based on the implied market valuation of the portfolio, the portfolio increased \$323.5 million over fiscal 2021, bringing market value to \$3,625.3 million at the end of fiscal 2021. The largest shift in assets was Canadian Bonds whose asset allocation decreased by 2.3%, and now make up 68.6% of the portfolio.

The MPI investment portfolio with Implied Market Valuation returned 6.7% in fiscal 2021, lagging its Custom Benchmark by 1.2% and ranking in the fourth quartile of the Custom Universe. Portfolio performance ranks above the Custom Universe median over the 4-year trailing period but trails the Custom Benchmark by 0.8%.

Total Fixed Income with Implied Market Valuations ranked second quartile of the peer universe in fiscal 2021, returning 3.8%, outperforming the FTSE Canada Universe Bond Index by 2.2%. Corporate bonds outperformed government bonds significantly over fiscal 2021, as spreads narrowed during the market rebound. Total Fixed Income with Implied Market Valuations ranks first quartile over the 4-year trailing period, 0.4% ahead of the peer universe median.

Canadian Equity produced a strong absolute return of 55.8% in fiscal 2021 but underperformed its Custom Benchmark by 0.9%. FGP ranked first quartile in fiscal 2021, outperforming its benchmark by 13.5%. QV returned 66.5% but underperformed its benchmark by 79.1% in fiscal 2021. The Canadian Equity portfolio lagged its Custom Benchmark by 2.9% over the 4-year trailing period, while ranking in the bottom quartile of the peer universe.

Global Equity was the largest source of underperformance in fiscal 2021. Global Equities returned 22.5%, underperforming its benchmark by 14.1% and ranking in the fourth quartile of the peer universe. Both Acadian and Guardian ranked fourth quartile during the year and the low volatility Acadian strategy underperformed its benchmark by 20.9%.

Real Estate produced a negative -5.5% return in fiscal 2021 as the MPI Real Estate and TD Greystone portfolios produced absolute negative returns. Due to the underperformance in fiscal 2021, the Real Estate portfolio has now underperformed its benchmark over the 4-year trailing period. The Infrastructure portfolio lagged its benchmark by 1.1% in fiscal 2021, but has added 3.1% annually over the 4-year trailing period.



Market Update

Manitoba Public Insurance

As of 3/31/2021

The FTSE Canada Universe Bond returned 1.6% during fiscal 2021. Fixed income returns were strong in 2020, but yields began to rise in Q1 2021, offsetting a large portion of gains. The Canadian Equity market produced exceptional returns in fiscal 2021, rebounding from the pandemic induced market crash in March 2020. The S&P/TSX Composite Index returned 44.3% in fiscal 2021. Active management on average detracted from returns with the median manager returning 0.9% less than the index.

The MSCI World (C\$) returned 36.7% in fiscal 2021 and the median active manager underperformed by 2.8%. Global equity returns (C\$) were negatively impacted by the appreciating Canadian dollar which rallied significantly during fiscal 2021 on oil price increases and optimism surrounding the gradual return to economic normality. The US equity market outpaced the international equity market.

Major Indices	Recent		Annualized				Annual					
	3 Mo	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr	2021	2020	2019	2018	2017	
Fixed Income												
FTSE Canada Universe Bond	-5.04	1.62	3.03	3.77	3.16	2.83	1.62	6.37	3.63	1.01	1.89	
FTSE Canada LT Bond	-10.69	-0.23	2.63	4.15	4.38	3.84	-0.23	9.48	4.36	4.33	2.12	
FTSE Canada MT Bond	-4.53	1.73	3.49	4.23	3.03	2.73	1.73	6.92	4.22	-0.95	2.20	
FTSE Canada ST Bond	-0.59	2.77	2.99	3.15	2.26	2.06	2.77	3.76	2.75	-0.40	1.48	
FTSE Canada All Government Bond	-5.59	-0.48	2.54	3.49	2.91	2.44	-0.48	7.62	3.73	0.74	0.64	
FTSE Canada All Corp Bond	-3.50	7.60	4.40	4.56	3.87	3.90	7.60	3.05	3.35	1.72	5.27	
Median	-4.70	3.75	3.81	4.32	3.64	3.38	3.75	5.83	3.68	1.27	2.86	
Canada												
S&P/TSX Composite	8.05	44.25	44.25	11.24	10.19	8.01	10.05	44.25	-12.38	6.86	3.23	23.24
BMO Small Cap Blended (UW)	18.80	145.63	145.63	24.16	13.59	8.72	13.21	145.63	-35.52	-5.62	-3.10	44.26
Median	8.82	43.34	43.34	10.70	9.27	7.65	9.35	43.34	-12.57	5.69	4.52	22.50
US (C\$)												
S&P 500 (C\$)	4.75	38.06	38.06	16.97	15.79	14.37	15.63	38.06	2.29	7.59	13.29	22.19
Russell 1000 Value (C\$)	9.76	37.83	37.83	10.29	10.03	8.33	11.10	37.83	-9.18	6.03	4.25	26.25
Russell 2000 Value (C\$)	19.54	74.00	74.00	14.21	10.63	8.31	12.91	74.00	-24.41	7.33	-0.39	38.14
Russell 1000 TR USD	4.49	41.80	41.80	17.88	16.32	14.75	15.99	41.80	1.04	7.91	12.90	22.73
Median	4.96	37.70	37.70	15.94	14.42	13.59	14.38	37.70	0.59	6.75	12.28	21.12
US (US\$)												
S&P 500 (US\$)	6.17	33.76	56.35	20.60	16.78	16.08	16.29	56.35	-6.98	4.68	17.10	24.98
Russell 1000 Value (US\$)	11.26	26.87	56.09	13.71	10.96	9.95	11.74	56.09	-17.17	3.16	7.75	29.13
Russell 2000 Value (US\$)	21.17	43.99	97.05	17.75	11.57	9.92	13.56	97.05	-29.64	4.42	2.96	41.29
Russell 1000 TR USD	5.91	35.85	60.59	21.53	17.31	16.47	16.66	60.59	-8.03	4.99	16.70	25.53
Median	6.39	33.13	55.95	19.53	15.39	15.28	15.04	55.95	-8.40	3.86	16.05	23.87
International												
MSCI EAFE (C\$)	2.20	28.17	28.17	8.42	5.64	7.07	8.75	28.17	-5.82	-2.94	16.76	13.72
Median	1.33	31.98	31.98	10.75	6.38	8.30	9.65	31.98	-4.50	-3.59	18.64	12.65
Global												
MSCI World (C\$)	3.63	36.66	36.66	14.55	12.46	11.94	13.33	36.66	-1.15	3.81	14.16	19.25
Median	3.53	33.90	33.90	12.30	9.89	10.05	11.51	33.90	-2.73	3.87	14.15	17.52



Performance Summary

Manitoba Public Insurance

As of 2021-03-31

Performance Summary Asset Class and Manager	MV in Millions	MRQ	YTD	12 Month Results				
				2021	2020	2019	2018	4 Year
Total Fund	\$3,555.0	(3.5)	6.5	6.5	4.1	4.9	5.1	5.0
Total Fund w/ Imp	\$3,625.3	(3.7)	6.7	6.7	4.6	4.7	4.1	4.9
<i>Custom Benchmark</i>		(4.4)	8.0	8.0	5.2	6.1	4.2	5.7
<i>Custom Universe Median</i>		(2.1)	7.7	7.7	3.6	4.5	3.2	4.6
Value Added (TF w/ IMP vs Benchmark)		0.7	-1.2	-1.2	-0.5	-1.3	-0.2	-0.8
Value Added (TF w/ IMP vs Median)		-1.5	-1.0	-1.0	1.1	0.2	0.8	0.4

Note: Value Added vs Custom Benchmark

Total Fixed Income	\$2,516.0	(5.1)	3.4	3.4	5.1	4.3	3.9	4.1
MPI w/ Imp	\$2,586.2	(5.3)	3.8	3.8	5.8	4.1	2.5	4.0
Marketable	\$1,990.8	(6.8)	3.8	3.8	6.1	4.2	3.6	4.3
Non Mkt Imp	\$574.2	(0.8)	5.8	5.8	7.0	3.9	0.8	4.4
Non Mkt Book	\$503.9	1.1	4.5	4.5	4.6	4.6	4.6	4.6
Callable Short Term	\$21.3	(0.2)	(0.0)	(0.0)	1.8	1.6	0.9	1.1
Provincial	\$1,232.6	(6.9)	1.5	1.5	7.6	4.3	3.5	4.2
Corporate	\$679.6	(6.7)	8.9	8.9	3.7	2.8	4.5	4.7
<i>FTSE Canada Universe Bond</i>		(5.0)	1.6	1.6	6.4	3.6	1.0	3.2
<i>Median</i>		(4.7)	3.8	3.8	5.8	3.7	1.3	3.6
Value Added (Total Fixed Income)		0.0	1.8	1.8	-1.2	0.7	2.9	1.0
Value Added (MPI w/Imp)		-0.3	2.2	2.2	-0.6	0.4	1.5	0.8
Value Added (Marketable)		-1.8	2.2	2.2	-0.3	0.6	2.6	1.2
Value Added (Non Mkt Imp)		4.3	4.2	4.2	0.6	0.3	-0.2	1.2
Value Added (Non Mkt Book)		6.1	2.9	2.9	-1.8	1.0	3.6	1.4

Note: Value Added vs FTSE Canada Universe Bond

Private Debt	\$197.9	(7.2)	6.3	6.3				
<i>FTSE Canada All Corp Bond</i>		(3.5)	7.6	7.6	3.0	3.4	1.7	3.9
Value Added (Private Debt)		-3.7	-1.3	-1.3				

Canadian Equity	\$183.1	14.5	55.8	55.8	(22.4)	1.2	4.9	5.4
<i>Custom CE Benchmark</i> ¹		9.7	56.7	56.7	(16.1)	4.9	2.3	8.3
<i>Median</i>		8.8	43.3	43.3	(12.6)	5.7	4.5	7.7
Value Added (CNEQ vs Custom CE bmk)		4.8	-0.9	-0.9	-6.3	-3.8	2.7	-2.9
BlackRock Ishares S&P/TSX 60	\$29.1	8.9	41.8	41.8				
FGP	\$116.9	16.3	57.7	57.7	(26.9)	(2.7)	7.6	3.7
<i>S&P/TSX Capped Comp.</i>		8.1	44.2	44.2	(12.4)	6.9	3.2	8.0
<i>Median</i>		8.8	43.3	43.3	(12.6)	5.7	4.5	7.7
Value Added (BlackRock vs S&P/TSX)		0.9	-2.5	-2.5				
Value Added (FGP vs S&P/TSX)		8.3	13.5	13.5	-14.5	-9.6	4.4	-4.3
QV Investors	\$37.1	13.1	66.5	66.5	(21.8)	(2.1)	4.1	6.3
<i>BMO Small Cap Blended (UW)</i>		18.8	145.6	145.6	(35.5)	(5.6)	(3.1)	8.7
<i>Median</i>		6.3	77.4	77.4	(18.7)	(2.3)	0.6	9.7
Value Added (QV vs BMO SC Blended UW)		-5.7	-79.1	-79.1	13.8	3.5	7.2	-2.5

Note: Value Added vs Respective Benchmark

Note: Rounding issues may arise

¹ Current Benchmark weight: 85% S&P/TSX Capped Composite, 15% BMO Small Cap Blended (Unweighted)

Performance Summary

Manitoba Public Insurance

As of 2021-03-31

Performance Summary				12 Month Results				
Asset Class and Manager	MV in Millions	MRQ	YTD	2021	2020	2019	2018	4 Year
Global Equity	\$360.4	1.2	22.5	22.5	1.9	6.7	3.2	8.4
Acadian	\$129.7	2.1	15.8	15.8				
Guardian	\$230.7	0.7	26.0	26.0				
MSCI World (C\$)		3.6	36.7	36.7	(1.2)	3.8	14.2	11.9
Median		3.5	33.9	33.9	(2.7)	3.9	14.1	10.1
Value Added (Global Equity)		-2.4	-14.1	-14.1	3.1	2.9	-11.0	-3.5
Value Added (Acadian)		-1.6	-20.9	-20.9				
Value Added (Guardian)		-3.0	-10.7	-10.7				

Note: Value Added vs MSCI World (C\$)

Real Estate	\$183.7	(4.2)	(5.5)	(5.5)	7.4	8.3	11.2	5.1
MPI Real Estate	\$59.8	(15.3)	(13.5)	(13.5)	5.0	10.9	6.9	1.8
TD Greystone Real Estate	\$123.9	2.1	(1.3)	(1.3)	8.9	7.7	12.4	6.7
CPI + 4%		1.9	5.1	5.1	6.7	5.5	5.8	5.8
Median		2.8	2.1	2.1	8.9	8.4	6.0	6.4
Value Added (Real Estate)		-6.1	-10.7	-10.7	0.7	2.8	5.5	-0.7
Value Added (MPI RE)		-17.2	-18.6	-18.6	-1.7	5.4	1.1	-4.0
Value Added (Greystone)		0.3	-6.4	-6.4	2.1	2.2	6.6	0.9

Note: Value Added vs CPI + 4% (lagged on month)

Infrastructure	\$113.3	2.2	5.1	5.1	12.7	11.8	9.8	9.9
CPI + 5% (lag)		2.1	6.1	6.1	7.8	6.5	6.8	6.8
Value Added (Infra)		0.1	-1.1	-1.1	4.9	5.2	3.0	3.1

Note: Value Added vs CPI + 5% (lagged one month)

Private Equity	\$0.7	92.4	92.4	92.4	(7.0)	(10.9)	16.4	16.5
-----------------------	--------------	------	------	------	-------	--------	------	------

Note: Rounding issues may arise

Note: Market values may not add due to cash component



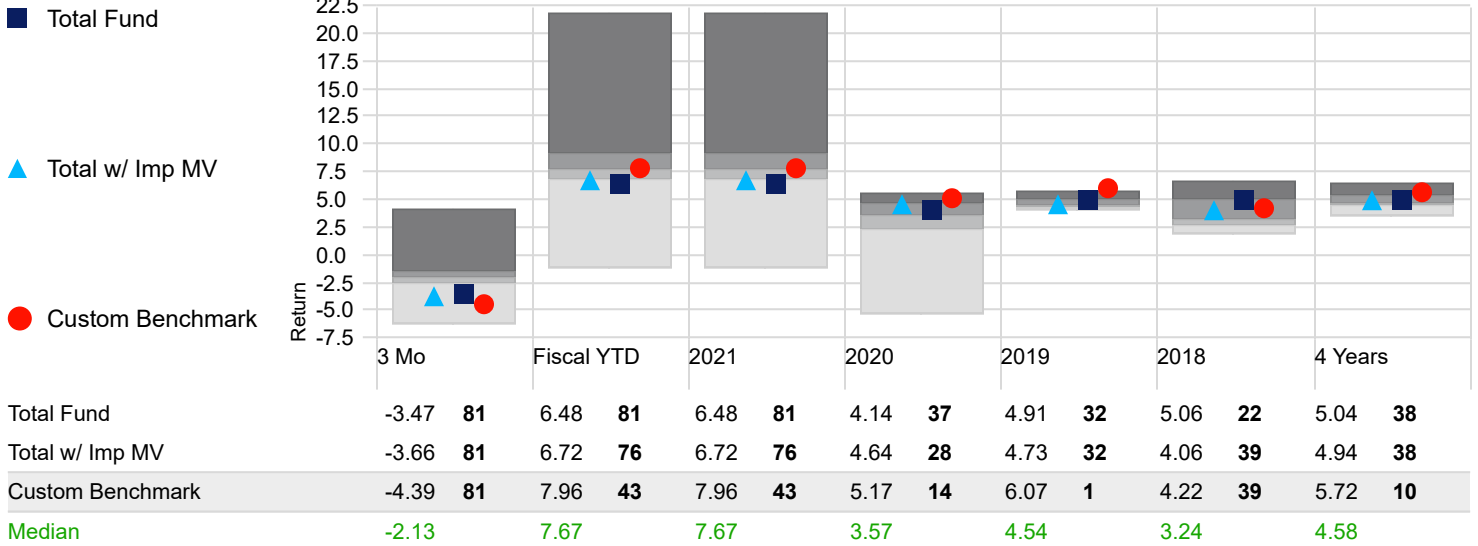
Total Fund

Manitoba Public Insurance

As of 3/31/2021

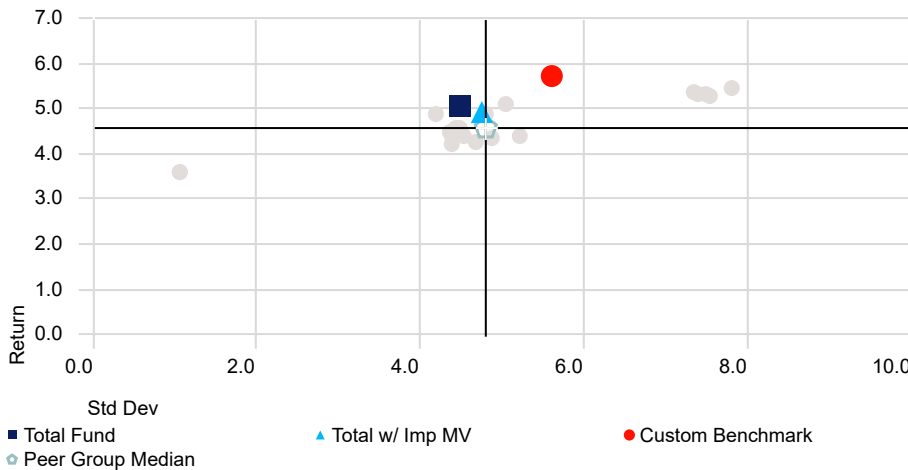
Trailing Performance

Peer Group (5-95%): MPI Custom Universe



The MPI with Implied Market Value on Non Marketable Bonds has a 4-year trailing return of 4.9%, ranking in the 2nd quartile of the Custom MPI Universe. This return exceeded the Custom Universe median by 0.4% but lags the Custom Benchmark by 0.8%. During fiscal 2021, the portfolio ranked in the 4th quartile of the Custom Universe, underperforming the peer group median and Custom Benchmark by 1.0% and 1.2%, respectively. MPI Total Fund returned 6.5% in fiscal 2021 and 5.0% over the 4-year trailing period.

Risk-Reward 4 Year



	Return	Std Dev
Total Fund	5.04	4.48
Total w/ Imp MV	4.94	4.75
Custom Benchmark	5.72	5.62
Median	4.58	4.81

The volatility of the MPI with Implied Market Value on Non Marketable Bonds over the 4-year trailing period is lower than the Custom Benchmark and in-line with the Custom Universe median. Total Fund volatility is lower than the Custom Benchmark and the peer universe median.



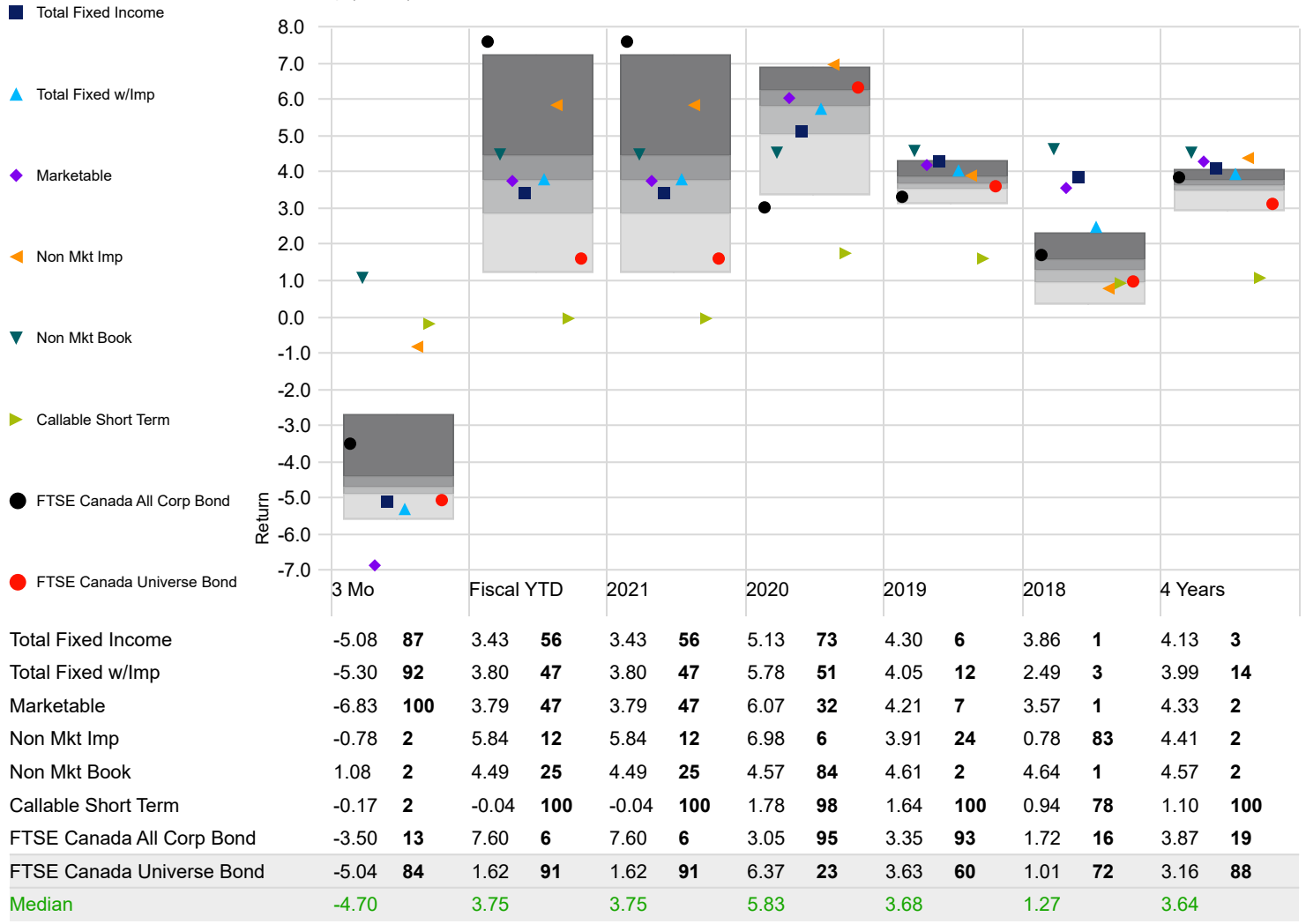
Total Fixed Income

Manitoba Public Insurance

As of 3/31/2021

Trailing Performance

Peer Group (5-95%): Universe - Canadian Fixed Income



Total Fixed Income with Implied Market Valuations earned 3.8% in fiscal 2021, ranking in the second quartile of the peer universe, while significantly outperforming the Universe Bond Index. Over the 4-year trailing period the portfolio earned 4.0%, ranking in the first quartile of the peer universe with returns ahead of the Universe Bond Index by 0.8%.

Non-Marketable Bonds with Implied Market Value returned 5.8%, ranking in the 1st quartile of the peer universe in fiscal 2021. Marketable Bonds ranked second quartile in fiscal 2021. Performance was led by corporate bonds which outpaced government bonds due to tightening spreads during fiscal 2021.



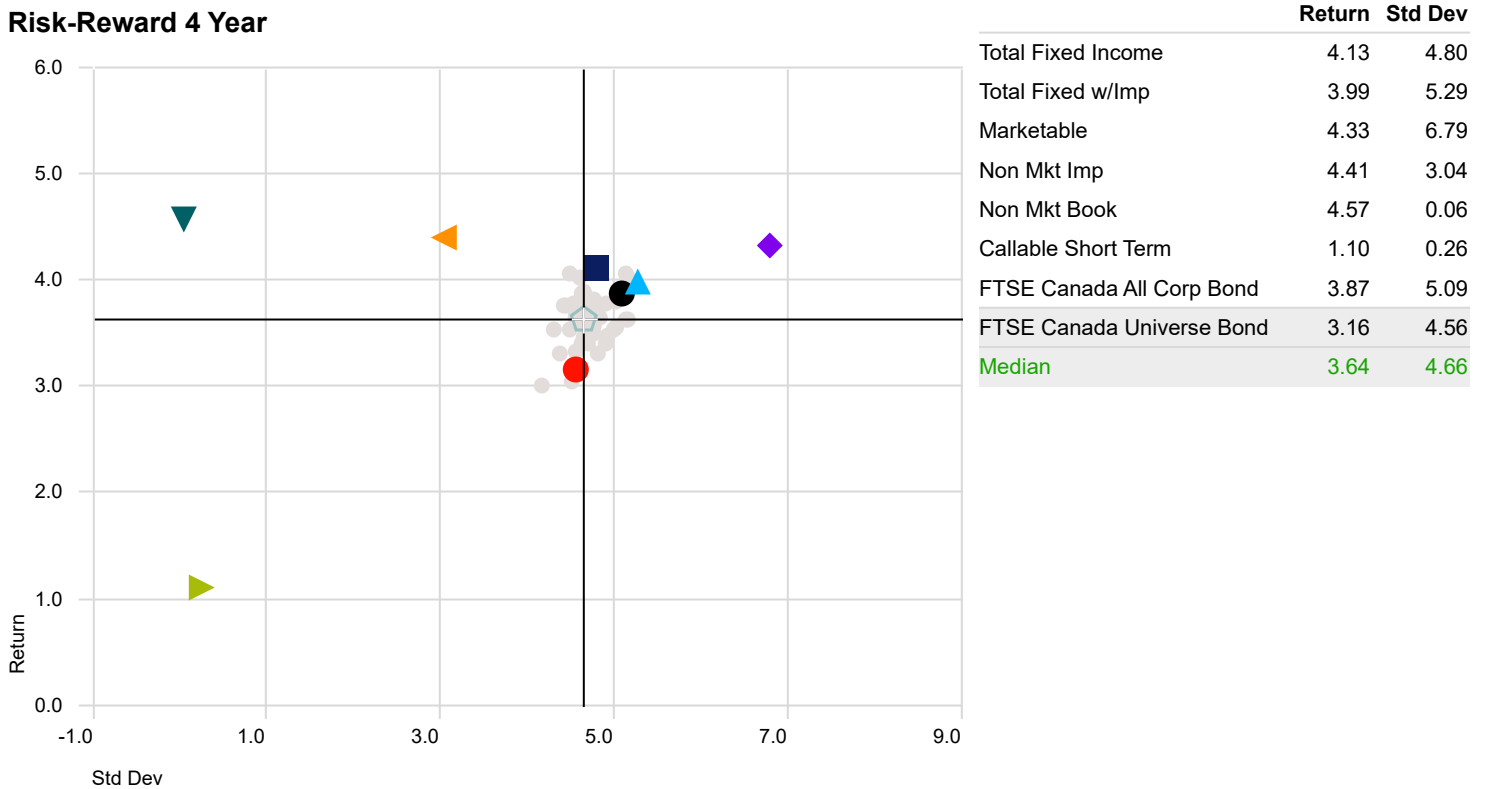
Total Fixed Income

Manitoba Public Insurance

As of 3/31/2021

- Total Fixed Income
- ▲ Total Fixed w/Imp
- ◆ Marketable
- ◀ Non Mkt Imp
- ▼ Non Mkt Book
- ▶ Callable Short Term
- FTSE Canada All Corp Bond
- FTSE Canada Universe Bond

Risk-Reward 4 Year



MPI Total Bonds with Implied Market Valuations generated higher returns than the Universe Bond and All Corporate Bond Indices but had a higher volatility over the 4-year trailing period.



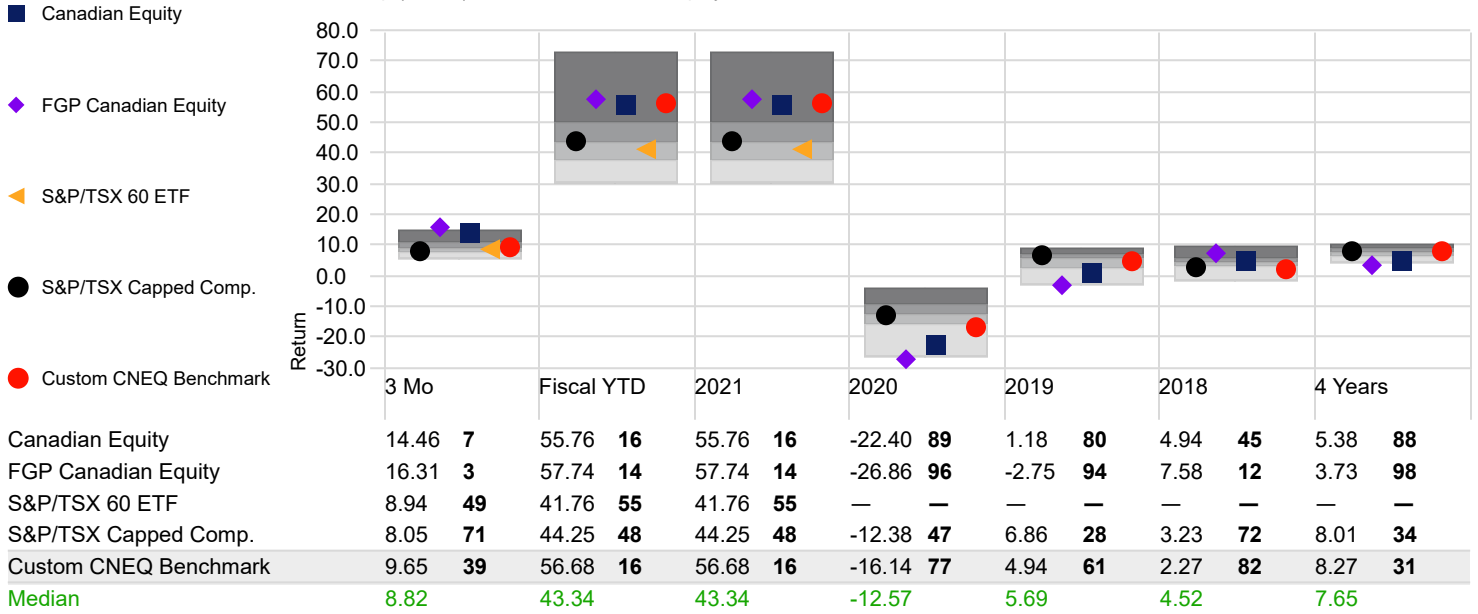
Canadian Equity

Manitoba Public Insurance

As of 3/31/2021

Trailing Performance

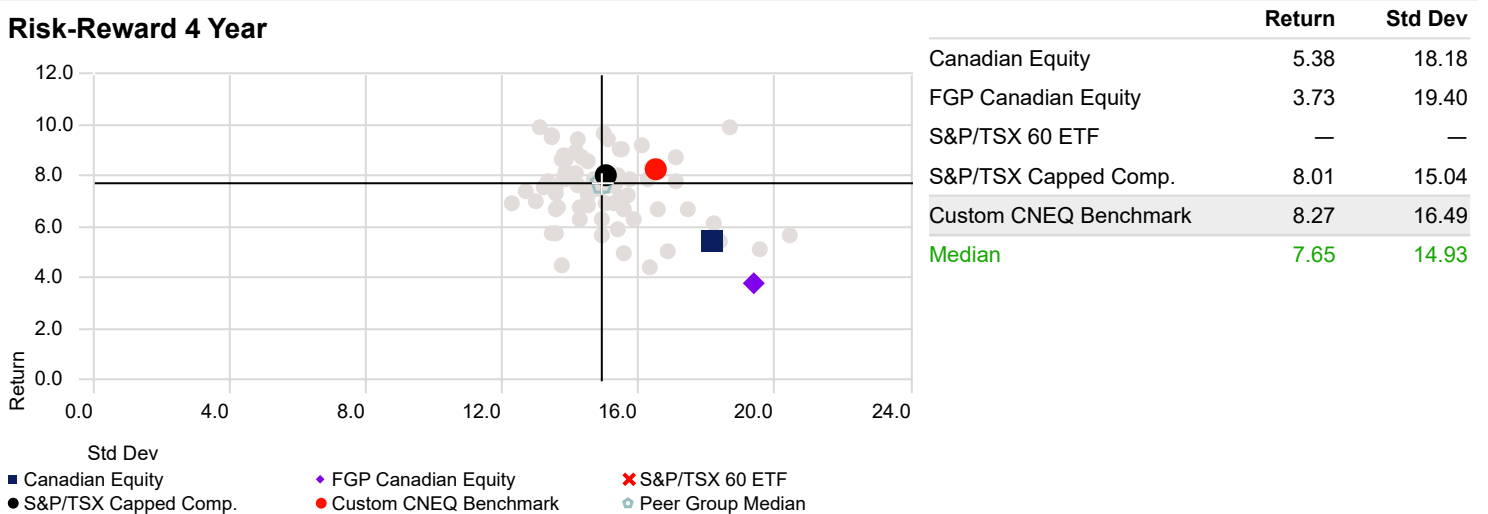
Peer Group (5-95%): Universe - Canadian Equity



MPI Canadian Equity returned 55.8% in fiscal 2021, underperforming the Custom Benchmark but significantly outperforming the S&P/TSX Capped Composite and the peer universe median. Over the 4-year trailing period, Canadian Equity has underperformed the Custom Benchmark, the S&P/TSX Capped Composite, and the peer universe median by 2.9%, 2.6%, and 2.3%, respectively.

Large Cap Canadian Equity manager FGP rebounded in fiscal 2021 ranking in the 1st quartile of the peer universe after consecutive years ranking bottom quartile. The Fund benefitted from value securities coming back into favor. FGP remains bottom quartile in the peer universe over the 4-year trailing period. The S&P/TSX 60 ETF lagged the S&P/TSX Capped Composite Index as smaller cap securities outperformed large cap in fiscal 2021.

Risk-Reward 4 Year



Over the 4-year trailing period, FGP has been more volatile than Custom Canadian Equity benchmark, the S&P/TSX Capped Composite and the peer universe median, while also underperforming all three.



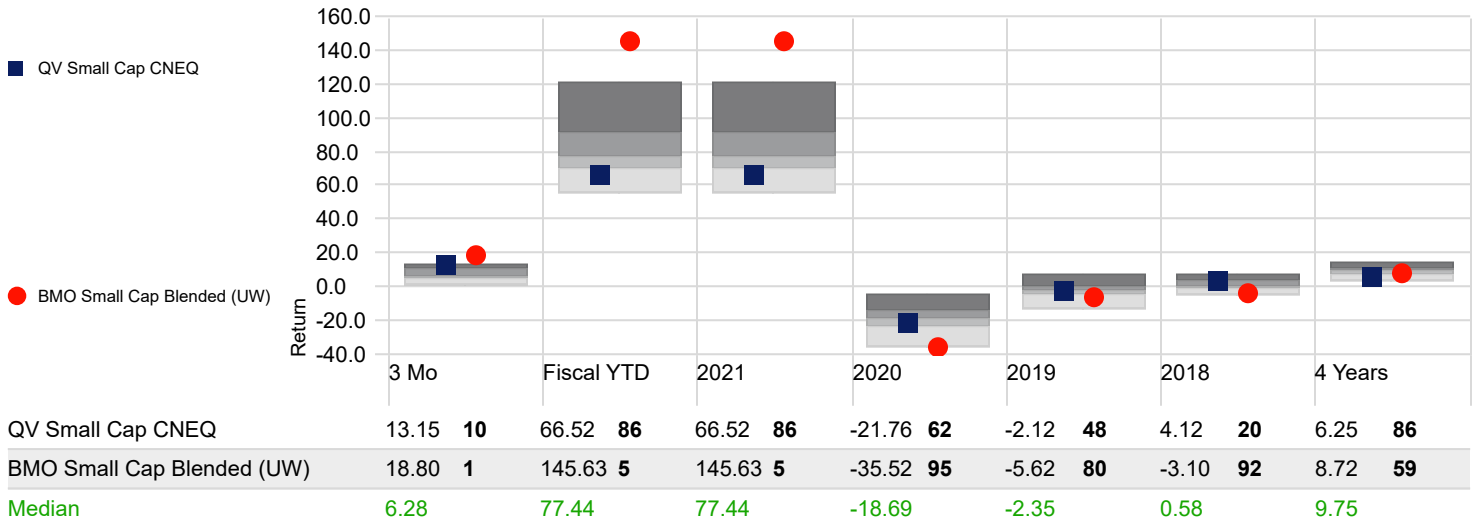
Canadian Small Cap Equity

Manitoba Public Insurance

As of 3/31/2021

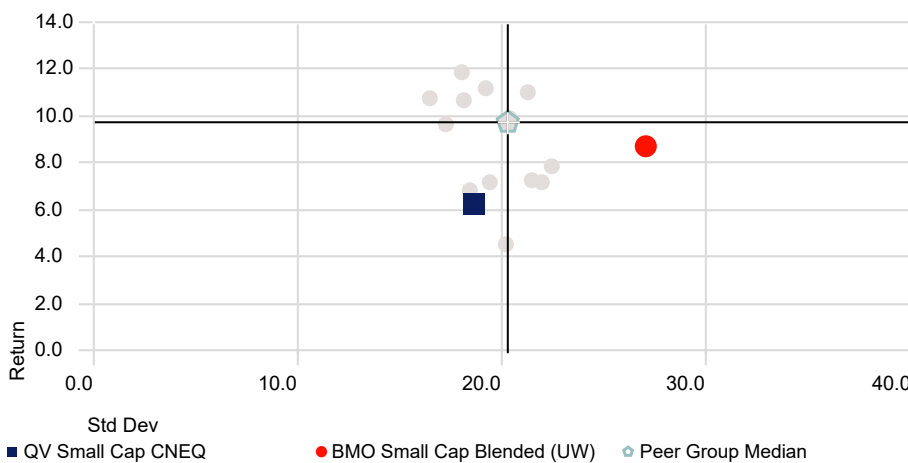
Trailing Performance

Peer Group (5-95%): Universe - Canadian Small Cap Equity



Small Cap Canadian Equity manager QV returned 66.5% in fiscal 2021, but despite the strong absolute return, it underperformed its benchmark by 79.1% and ranked 4th quartile in the peer universe. The fund now lags its benchmark and ranks bottom quartile over the 4-year trailing period.

Risk-Reward 4 Year



	Return	Std Dev
QV Small Cap CNEQ	6.25	18.63
BMO Small Cap Blended (UW)	8.72	27.07
Median	9.75	20.33

QV earned lower returns than the benchmark and peer universe median over the 4-year trailing period but has been less volatile.



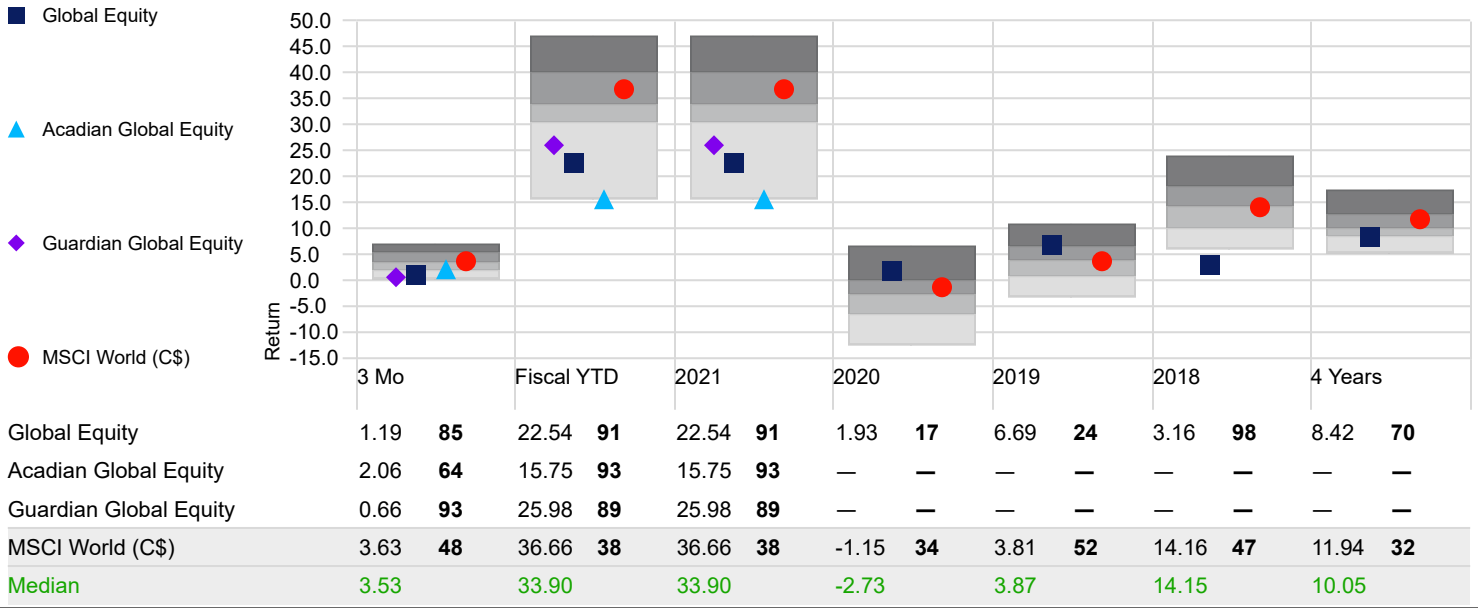
Global Equity

Manitoba Public Insurance

As of 2021-03-31

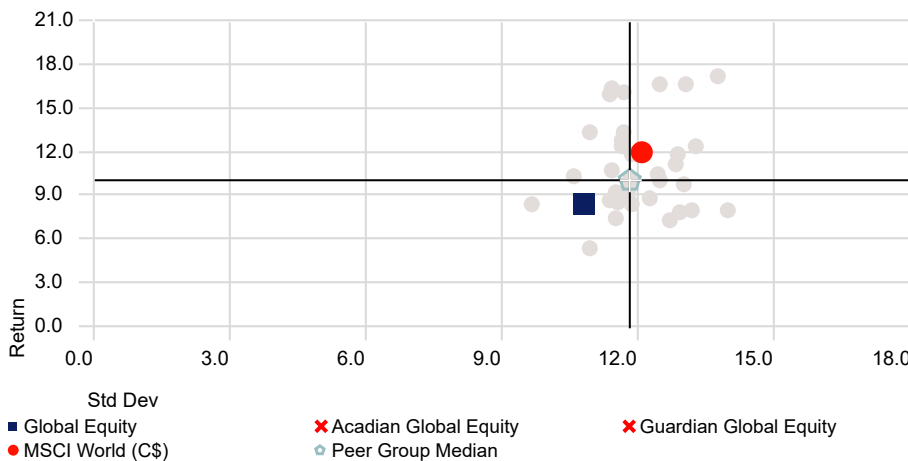
Trailing Performance

Peer Group (5-95%): Universe - Global Equity



Global Equity was the largest source of underperformance in fiscal 2021, lagging its benchmark by 14.1%. Acadian struggled during the year as low volatility securities were out of favor. The Fund returned 15.8%, lagging its benchmark by 20.9%. Guardian fared slightly better but still ranked 4th quartile and lagged its benchmark by 10.7%.

Risk-Reward 4 Year



Global equity earned lower returns than the benchmark and peer universe median over the 4-year trailing period but has been less volatile.



Alternatives

Manitoba Public Insurance

As of 3/31/2021

Trailing Performance

	3 Mo	Fiscal YTD	2021	2020	2019	2018	4 Years
Real Estate	-4.22	-5.53	-5.53	7.40	8.31	11.22	5.06
MPI Real Estate	-15.34	-13.50	-13.50	5.04	10.91	6.87	1.81
TD Greystone Real Estate	2.13	-1.31	-1.31	8.87	7.72	12.41	6.72
Infrastructure	2.17	5.09	5.09	12.67	11.75	9.79	9.89
Private Debt	-7.17	6.32	6.32	—	—	—	—
Private Equity	92.42	92.42	92.42	-7.02	-10.88	16.37	16.53
CAN CPI + 4.00%	1.85	5.13	5.13	6.74	5.52	5.76	5.80
FTSE Canada All Corp Bond	-3.50	7.60	7.60	3.05	3.35	1.72	3.87
CAN CPI + 5.00%	2.09	6.14	6.14	7.77	6.52	6.77	6.82

MPI Real Estate returned -13.5% in fiscal 2021, while TD Greystone also struggled returning -1.3%. Real Estate was affected by government mandated closures on account of the COVID-19 pandemic. Infrastructure return in fiscal 2021 was 5.1%, slightly behind its benchmark of CAN CPI + 5%. Private Debt returned 6.3% in fiscal 2021, 1.3% behind its benchmark.

Infrastructure has performed well over the trailing 4-year period earning returns of 9.9%. Real Estate has returned 5.1% but trails its benchmark following a tough fiscal 2021.



Comparative Measurement

Manitoba Public Insurance

As of 3/31/2021

To assist the reader of this report, a description of the background universe is being provided. Per instruction from MPI in August 2016, Ellement Consulting Group will no longer be providing Fiscal Year Ending Quarterly Reports. Ellement Consulting Group will now provide measurement of the MPI Fund at calendar year quarter end. Following fiscal year end 2019, Ellement will now provide measurement of the MPI Portfolio and sub portfolio only once a year at fiscal year-end. Peer universes used to rank performance and compare funds are from Morningstar.

With the February 2007 fiscal quarter report, a Custom Universe has been added. This universe is comprised of pooled funds weighted to MPI's policy asset mix which provides a performance comparison that is independent of asset mix. Prior to that, the Total Fund had been compared only to a Balanced Universe. Beginning with the November 2015 fiscal report, the Custom Universe is being run out of Morningstar.

Ellement Consulting Group began measuring the MPI fund as of July 1, 2003. Fixed Income returns are supplied by MPI, while Equity returns are calculated independently by Ellement from custodial records. Some data is obtained directly from the investment managers for improved accuracy. Return data prior to 2003 is a combination of MPI records and prior measurement reports.



Disclaimer

1. The rates of return used in this Report are not necessarily a prediction of possible future experience.
2. The rates of return used in this Report are believed to be accurate, complete and timely. Rounding issues may arise.
3. Reliance for data has been made primarily on the custodial statements of the Plan, Morningstar Direct, eVestment, the Bank of Canada, Ellement Performance Measurement Proprietary System and the Canadian Institute of Actuaries publications on Economic Statistics in the preparation of this Report. Additional information provided from investment managers has been of assistance from time to time.
4. Morningstar 2021. all rights reserved. Use of this content requires expert knowledge. It is to be used by specialist institutions only. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied, adapted or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information, except where such damages or losses cannot be limited or excluded by law in your jurisdiction. Past financial performance is no guarantee of future results.
5. Careful deliberation, perhaps with supplementary information, may be required before investment managers are hired, continued or terminated, or before an asset class mix change is directed.

Re

S

Dy

Be

La

Se

Li

H

Db

W

Ce

Ti

Ar

Pa

Cr

Y

Sn

Ru

Ca

Lr

Dy

Rh

Pb

Ga

Ag

C

Al

Bi

Hg

Tl

Au

V

Ni

N

Ge

Sb

Pt

Os

Ac

Ir

Fr

Ba

Na

Ta

K

Sr

Cs

He

Ne

O

Xe

Yb

Fm

Cf

Bk

F

Kr

U

Pu

Am

Th

Md

Es

In

Bh

Gd

Eu

Tm

Tb

Cl

Mt

Cd

Sg

U

Pu

Am

Th

Md

Es

In

Zr

Gd

Eu

Tm

Tb

Cl

Mt

Cd

Benefit security at a reasonable cost



Pensions | Benefits | Investments

1345 Taylor Avenue
Winnipeg, Manitoba
Canada R3M 3Y9

P: 204.954.7300
TF: 888.840.1045
F: 204.954.7310
contact.us@ellement.ca

www.ellement.ca

PDF Page 18 of 18

PUB (MPI) 1-34

Part and Chapter:	Part VII Investments PUB (MPI) 1-33 (a) &(b) (2021 GRA)	Page No.:	11 INV-1
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Basic Line of Business Investment Income		
Sub Topic:	Investment Income		

Preamble to IR:

The table does not appear to be presented consistently with the historical information concerning interest income on corporate and MUSH Bonds and the presentation of unrealized gains on Marketable Bonds and 2019/20 impairment write-downs.

Question:

- a) Please refile schedule INV-1 indicating the Investment write down in 2019/20 on line 30.
- b) For 2021/22 through 2023/24, please provide a schedule of investment income separating the income amounts in columns for Claims, RSR and EFB to support the reported investment income to Basic in (a).
- c) Please explain the write up of marketable bonds totalling \$10 million (line 30) and explain how this differs from unrealized gains or losses on marketable bonds (line 17).
- d) Please explain the change in the investment income in Cityplace for 2020/21 and 2021/22.

Rationale for Question:

To review changes to investment income.

RESPONSE:

- a) Please see *Appendix 1*, which contains a revised version of INV-1 indicating the 2019/20 investment write down on line 30.
- b) Please see *Appendix 2*, which provides a schedule of investment income separating the income amounts for Basic Claims, Rate Stabilization Reserve and Employee Future Benefits.
- c) As detailed in the 2021 GRA Round 2 Information Request PUB (MPI) 2-21, the fixed income impaired assets from 2019/20 recovered early in the 2020 fiscal year. This resulted in a recovery of \$13.4 million corporate (\$10.0 million Basic) for Bonds and Private Debt fixed income investment in 2020/21. This is specific to Bonds and Private debt that are held as Available for Sale. The unrealized gain/loss on marketable bonds reflects the change in market value in 2020/21 for Bonds held as Fair Value Through Profit or Loss.
- d) MPI based the 2020/21 investment income for Cityplace on actual rental income minus operating expenses. In 2020/2021, the pandemic and subsequent government-mandated lockdowns resulted in operating expenses being higher than rental income. With the rollout of vaccines and the lifting of government restrictions, MPI projects higher rental income in 2021/22 than in 2020/21.

Figure App 1-1 Summary of Basic Line of Business Investment Income (2022 GRA Figure INV-1 updated)

Line No.	Asset Class	Reference Section #	2016/17 Actual	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
1	<i>(C\$000s, except where noted)</i>											
2	Interest Income During Period											
3	Cash/Short Term Investments	INV.3	314	565	2,192	3,641	454	98	90	90	90	90
4	Provincial Bonds	INV.4	30,910	34,147	32,514	80,710	84,694	38,668	37,501	36,271	36,771	37,701
5	Corporate Bonds	INV.4	-	-	3,702	-	-	22,248	21,464	21,310	21,675	22,334
6	MUSH	INV.5	25,222	25,349	24,950	-	-	20,940	20,134	19,317	18,486	17,682
7	Private Debt	INV.9	-	-	-	1,254	2,998	4,418	5,255	7,195	7,804	8,471
8	Total		56,447	60,060	63,358	85,604	88,146	86,371	84,444	84,183	84,825	86,277
9	Dividend and other Income											
10	Canadian Equities	INV.6	9,441	7,774	8,781	3,097	3,080	3,254	3,567	3,722	4,078	4,467
11	US/Global Equities	INV.7	3,216	2,619	2,996	797	1,019	2,904	3,389	3,884	4,231	4,610
12	Global Low Volatility	INV.7	-	-	-	2,182	-	1,638	1,900	2,185	2,394	2,624
13	Investment Properties (CityPlace)	INV.8	2,621	2,972	3,094	1,390	(765)	1,128	1,117	1,107	1,093	1,093
14	Infrastructure	INV.9	1,341	1,731	11,533	2,620	1,621	1,034	1,092	1,183	1,294	1,397
15	Total		16,618	15,096	26,404	10,086	4,955	9,957	11,065	12,081	13,090	14,191
16	Gains During Period - Profit & Loss											
17	Marketable Bonds Unrealized Gains/(Loss)	INV.4	(20,489)	8,079	8,718	(16,827)	(10,645)	(1,684)	(650)	160	170	182
18	Marketable Bonds Realized Gains/(Loss)	INV.4	1,708	(3,490)	5,459	22,346	11,296	1,996	1,090	(215)	(227)	(241)
19	Canadian Equities Realized Gains	INV.6	19,644	20,060	48,239	3,469	1,028	6,872	4,714	4,716	4,786	4,915
20	US/Global Equities Realized Gains	INV.7	14,995	4,928	56,550	572	1,561	4,571	4,436	4,882	5,344	5,845
21	Global Low Volatility	INV.7	-	-	-	3,652	6,452	2,036	2,561	3,078	3,503	3,915
22	Real Estate	INV.8	14,112	25,058	17,443	6,516	(878)	4,708	7,126	7,805	8,623	9,375
23	Infrastructure	INV.9	(1,420)	5,376	1,635	7,679	1,945	4,052	4,279	4,637	5,073	5,475
24	Total		28,551	60,011	138,046	27,407	10,756	22,550	23,555	25,062	27,270	29,465
25	Other											
26	Investment Fees Paid	INV.10	(3,962)	(3,641)	(3,576)	(4,038)	(4,111)	(4,595)	(4,976)	(5,422)	(5,777)	(6,064)
27	Amortization of Bond Premium/Discount	INV.10	(11,735)	(3,069)	(3,553)	(6,083)	(8,994)	(2,742)	(3,101)	(3,333)	(4,938)	(6,733)
28	Pension Expense	INV.10	(3,021)	(11,619)	(12,170)	(10,686)	(11,249)	(10,992)	(11,263)	(11,538)	(11,817)	(11,817)
29	Venture Capital Income	INV.10	-	412	-	-	-	-	-	-	-	-
30	Investment Write-Down		-	(930)	-	(42,676)	10,022	-	-	-	-	-
31	Total		(18,718)	(18,847)	(19,298)	(63,483)	(14,329)	(18,329)	(19,340)	(20,293)	(22,532)	(24,614)
32	Total Basic LOB Investment Income		82,897	116,320	208,510	59,614	89,528	100,549	99,724	101,032	102,654	105,319

Figure App 2-4 Investment Portfolio Pension Income Summary

Line No.	INCOME AND GAINS DURING THE PERIOD	Projected			EFB Pro-rata Projected		
		2021/22	2022/23	2023/24	2021/22	2022/23	2023/24
1	Income Received During Period						
2	Cash/Short Term Investments	1	0	(0)	0	0	(0)
3	Government Bonds	-	-	-	-	-	-
4	Corporate Bonds	3,762	3,712	3,670	2,821	2,783	2,752
5	MUSH	-	-	-	-	-	-
6	Private Debt	3,215	3,335	3,458	2,411	2,501	2,593
7	Canadian Equities	1,561	1,739	1,781	1,171	1,304	1,336
8	Global Equities	1,969	2,259	2,550	1,476	1,694	1,912
9	Global LV	699	798	896	524	598	672
10	Pooled Real Estate Fund	-	-	-	-	-	-
11	Net Rental Income	-	-	-	-	-	-
12	Infrastructure	834	893	929	625	669	697
13	Total	12,041	12,735	13,284	9,029	9,550	9,961
14	Gains During Period - Profit & Loss						
15	Government Bonds Unrealized Gains/(Loss)	-	-	-	-	-	-
16	Government Bonds Realized Gains/(Loss)	-	-	-	-	-	-
17	Corporate Bonds Unrealized Gains/(Loss)	-	-	-	-	-	-
18	Corporate Bonds Realized Gains/(Loss)	(305)	(58)	(62)	(229)	(43)	(46)
19	MUSH	-	-	-	-	-	-
20	Private Debt	-	-	-	-	-	-
21	Canadian Equities Realized Gains	2,775	2,681	2,623	2,081	2,010	1,967
22	Global Equities Realized Gains	3,039	3,291	3,535	2,279	2,468	2,651
23	Global LV	880	1,147	1,321	660	860	991
24	Pooled Real Estate Fund	4,431	4,772	4,974	3,322	3,578	3,730
25	Infrastructure	3,268	3,498	3,641	2,451	2,623	2,731
26	Total	14,087	15,331	16,032	10,564	11,497	12,022
27	Gains During Period - Other Comprehensive Income						
28	Reclassification of net realized (gains) losses (related to Avail. for Sale Assets)						
29	Private Debt Unrealized Gains	-	-	-	-	-	-
30	Canadian Equities Unrealized Gains	(2,775)	(2,681)	(2,623)	(2,081)	(2,010)	(1,967)
31	Global Equities Unrealized Gains	(3,039)	(3,291)	(3,535)	(2,279)	(2,468)	(2,651)
32	Global LV Equities Unrealized Gains	(880)	(1,147)	(1,321)	(660)	(860)	(991)
33	Government Bonds Unrealized Gains	-	-	-	-	-	-
34	Corporate Bonds Unrealized Gains	305	58	62	229	43	46
35	Total	(6,388)	(7,061)	(7,417)	(4,790)	(5,295)	(5,562)
36	Unrealized Gains (losses) on Avail. for Sale Assets						
37	Private Debt Unrealized Gains	-	-	-	-	-	-
38	Canadian Equities Unrealized Gains	2,060	2,134	2,350	1,545	1,600	1,762
39	Global Equities Unrealized Gains	4,821	5,002	5,198	3,615	3,751	3,898
40	Global LV Unrealized Gains	1,497	1,538	1,582	1,123	1,153	1,187
41	Government Bonds Unrealized Gains	-	-	-	-	-	-
42	Corporate Bonds Unrealized Gains	304	54	56	228	41	42
43	Total	8,682	8,728	9,186	6,510	6,545	6,889
44	Investment Fees Paid During Period						
45	Fees to the Department of Finance	(211)	(209)	(209)	(158)	(157)	(157)
46	Fees to the Corporate Bond Manager	(107)	(109)	(112)	(80)	(82)	(84)
47	Fees to the Equity Managers	(741)	(794)	(845)	(556)	(595)	(634)
48	Fees to the Alternative Investment Managers	(846)	(939)	(1,025)	(634)	(704)	(769)
49	Total	(1,905)	(2,051)	(2,191)	(1,429)	(1,538)	(1,643)
50	Investment Summary During Period						
51	Interest Income During Period	3,762	3,712	3,670	2,821	2,783	2,752
52	Dividend & Other Income During Period	8,279	9,023	9,614	6,208	6,766	7,209
53	Gains During Period - Profit & Loss	14,087	15,331	16,032	10,564	11,497	12,022
54	Investment Fees Paid	(1,905)	(2,051)	(2,191)	(1,429)	(1,538)	(1,643)
55	(Amortization) / Accretion During Period	(60)	(60)	(61)	(45)	(45)	(45)
56	Pension Expense	(14,658)	(15,020)	(15,386)	(10,992)	(11,263)	(11,538)
57	Investment Income	9,505	10,935	11,678	7,127	8,200	8,757
58	Net Gains During Period - Other Comprehensive Income	2,294	1,667	1,769	1,720	1,250	1,326
59	Total	11,798	12,601	13,447	8,847	9,450	10,084
60	Investment Income in excess of Interest Cost (Input to ModelAnn)	9,505	10,935	11,678	7,127	8,200	8,757
61	Pension Investment Income Allocation by Line of Business						
62	Basic	75.0%	75.0%	75.0%			

Figure App 2-1 Investment Portfolio Income Detail - Basic Line of Business

Line No.	INCOME AND GAINS DURING THE PERIOD	Projected		
		2021/22	2022/23	2023/24
1	Income Received During Period			
2	Cash/Short Term Investments	98	90	90
3	Government Bonds	38,668	37,501	36,271
4	Corporate Bonds	22,248	21,464	21,310
5	MUSH	20,940	20,134	19,317
6	Private Debt	4,418	5,255	7,195
7	Canadian Equities	3,254	3,567	3,722
8	Global Equities	2,904	3,389	3,884
9	Global LV	1,638	1,900	2,185
10	Pooled Real Estate Fund	-	-	-
11	Net Rental Income	1,128	1,117	1,107
12	Infrastructure	1,034	1,092	1,183
13	Total	96,328	95,509	96,264
14	Gains During Period - Profit & Loss			
15	Government Bonds Unrealized Gains/(Loss)	(2,886)	(835)	113
16	Government Bonds Realized Gains/(Loss)	3,277	1,327	(113)
17	Corporate Bonds Unrealized Gains/(Loss)	1,202	186	47
18	Corporate Bonds Realized Gains/(Loss)	(1,281)	(238)	(102)
19	MUSH	-	-	-
20	Private Debt	-	-	-
21	Canadian Equities Realized Gains	6,872	4,714	4,716
22	Global Equities Realized Gains	4,571	4,436	4,882
23	Global LV	2,036	2,561	3,078
24	Pooled Real Estate Fund	4,708	7,126	7,805
25	Infrastructure	4,052	4,279	4,637
26	Total	22,550	23,555	25,062
27	Gains During Period - Other Comprehensive Income			
28	Reclassification of net realized (gains) losses (related to Avail. for Sale Assets)			
29	Canadian Equities Unrealized Gains	(6,872)	(4,714)	(4,716)
30	Global Equities Unrealized Gains	(4,571)	(4,436)	(4,882)
31	Global LV Equities Unrealized Gains	(2,036)	(2,561)	(3,078)
32	Government Bonds Unrealized Gains	(391)	(492)	-
33	Corporate Bonds Unrealized Gains	79	52	56
34	Total	(13,790)	(12,150)	(12,620)
35	Unrealized Gains (losses) on Avail. for Sale Assets			
36	Canadian Equities Unrealized Gains	4,294	4,376	4,912
37	Global Equities Unrealized Gains	7,111	7,506	7,917
38	Global LV Unrealized Gains	3,505	3,661	3,860
39	Government Bonds Unrealized Gains	(391)	(492)	(0)
40	Corporate Bonds Unrealized Gains	78	47	47
41	Total	14,597	15,098	16,736
42	Investment Fees Paid During Period			
43	Fees to the Department of Finance	(1,271)	(1,262)	(1,261)
44	Fees to the Corporate Bond Manager	(698)	(724)	(756)
45	Fees to the Equity Managers	(1,343)	(1,445)	(1,567)
46	Fees to the Alternative Investment Managers	(1,282)	(1,545)	(1,839)
47	Total	(4,595)	(4,976)	(5,422)
48	Investment Summary During Period			
49	Interest Income During Period	81,954	79,190	76,988
50	Dividend & Other Income During Period	14,375	16,319	19,275
51	Gains During Period - Profit & Loss	22,550	23,555	25,062
52	Investment Fees Paid	(4,595)	(4,976)	(5,422)
53	(Amortization) / Accretion During Period	(2,742)	(3,101)	(3,333)
54	Pension Expense	(10,992)	(11,263)	(11,538)
55	Investment Income	100,549	99,724	101,032
56	Gains During Period - Other Comprehensive Income	806	2,947	4,116
57	Total	101,356	102,671	105,148

Figure App 2-2 Investment Portfolio Basic Income Summary

Line No.	INCOME AND GAINS DURING THE PERIOD	Projected		
		2021/22	2022/23	2023/24
1	Income Received During Period			
2	Cash/Short Term Investments	2	0	(0)
3	Government Bonds	33,615	32,868	32,297
4	Corporate Bonds	17,602	17,050	16,909
5	MUSH	20,940	20,134	19,317
6	Private Debt	-	-	-
7	Canadian Equities	-	-	-
8	Global Equities	-	-	-
9	Global LV	-	-	-
10	Pooled Real Estate Fund	-	-	-
11	Net Rental Income	-	-	-
12	Infrastructure	-	-	-
13	Total	72,159	70,052	68,524
14	Gains During Period - Profit & Loss			
15	Government Bonds Unrealized Gains/(Loss)	(2,886)	(835)	113
16	Government Bonds Realized Gains/(Loss)	2,886	835	(113)
17	Corporate Bonds Unrealized Gains/(Loss)	1,202	186	47
18	Corporate Bonds Realized Gains/(Loss)	(1,202)	(186)	(47)
19	MUSH	-	-	-
20	Private Debt	-	-	-
21	Canadian Equities Realized Gains	-	-	-
22	Global Equities Realized Gains	-	-	-
23	Global LV	-	-	-
24	Pooled Real Estate Fund	-	-	-
25	Infrastructure	-	-	-
26	Total	0	0	0
27	Gains During Period - Other Comprehensive Income			
28	Reclassification of net realized (gains) losses (related to Avail. for Sale Assets)			
29	Canadian Equities Unrealized Gains	-	-	-
30	Global Equities Unrealized Gains	-	-	-
31	Global LV Equities Unrealized Gains	-	-	-
32	Total	-	-	-
33	Unrealized Gains (losses) on Avail. for Sale Assets			
34	Canadian Equities Unrealized Gains	-	-	-
35	Global Equities Unrealized Gains	-	-	-
36	Global LV Unrealized Gains	-	-	-
37	Total	-	-	-
38	Investment Fees Paid During Period			
39	Fees to the Department of Finance	(840)	(825)	(810)
40	Fees to the Corporate Bond Manager	(548)	(572)	(595)
41	Fees to the Equity Managers	-	-	-
42	Fees to the Alternative Investment Managers	-	-	-
43	Total	(1,388)	(1,397)	(1,405)
44	Investment Summary During Period			
45	Interest Income During Period	72,159	70,052	68,524
46	Dividend & Other Income During Period	-	-	-
47	Gains During Period - Profit & Loss	(0)	(0)	(0)
48	Investment Fees Paid	(1,388)	(1,397)	(1,405)
49	(Amortization) / Accretion During Period	(2,195)	(2,501)	(2,667)
50	Pension Expense	-	-	-
51	Investment Income	68,577	66,155	64,452
52	Net Gains During Period - Other Comprehensive Income	0	0	0
53	Total	68,577	66,155	64,452

Figure App 2-3 Investment Portfolio RSR Income Summary

Line No.	INCOME AND GAINS DURING THE PERIOD	Projected		
		2021/22	2022/23	2023/24
1	Income Received During Period			
2	Cash/Short Term Investments	95	90	90
3	Government Bonds	5,053	4,633	3,974
4	Corporate Bonds	1,825	1,631	1,648
5	MUSH	-	-	-
6	Private Debt	2,006	2,754	4,601
7	Canadian Equities	2,083	2,263	2,387
8	Global Equities	1,428	1,695	1,972
9	Global LV	1,113	1,301	1,513
10	Pooled Real Estate Fund	-	-	-
11	Net Rental Income	1,128	1,117	1,107
12	Infrastructure	408	422	486
13	Total	15,140	15,907	17,779
14	Gains During Period - Profit & Loss			
15	Government Bonds Unrealized Gains/(Loss)	-	-	-
16	Government Bonds Realized Gains/(Loss)	391	492	-
17	Corporate Bonds Unrealized Gains/(Loss)	-	-	-
18	Corporate Bonds Realized Gains/(Loss)	150	(9)	(9)
19	MUSH	-	-	-
20	Private Debt	-	-	-
21	Canadian Equities Realized Gains	4,791	2,703	2,749
22	Global Equities Realized Gains	2,292	1,968	2,231
23	Global LV	1,376	1,701	2,087
24	Pooled Real Estate Fund	1,385	3,547	4,075
25	Infrastructure	1,601	1,655	1,906
26	Total	11,986	12,058	13,040
27	Gains During Period - Other Comprehensive Income			
28	Reclassification of net realized (gains) losses (related to Avail. for Sale Assets)			
29	Private Debt Unrealized Gains	-	-	-
30	Canadian Equities Unrealized Gains	(4,791)	(2,703)	(2,749)
31	Global Equities Unrealized Gains	(2,292)	(1,968)	(2,231)
32	Global LV Equities Unrealized Gains	(1,376)	(1,701)	(2,087)
33	Government Bonds Unrealized Gains	(391)	(492)	-
34	Corporate Bonds Unrealized Gains	(150)	9	9
34	Total	(9,000)	(6,855)	(7,058)
35	Unrealized Gains (losses) on Avail. for Sale Assets			
36	Private Debt Unrealized Gains	-	-	-
37	Canadian Equities Unrealized Gains	2,749	2,776	3,149
38	Global Equities Unrealized Gains	3,496	3,754	4,019
39	Global LV Unrealized Gains	2,383	2,508	2,674
40	Government Bonds Unrealized Gains	(391)	(492)	(0)
41	Corporate Bonds Unrealized Gains	(150)	6	5
42	Total	8,086	8,553	9,847
43	Investment Fees Paid During Period			
44	Fees to the Department of Finance	(273)	(280)	(294)
45	Fees to the Corporate Bond Manager	(70)	(70)	(77)
46	Fees to the Equity Managers	(787)	(850)	(933)
47	Fees to the Alternative Investment Managers	(648)	(841)	(1,070)
48	Total	(1,778)	(2,041)	(2,374)
49	Investment Summary During Period			
50	Interest Income During Period	6,973	6,354	5,712
51	Dividend & Other Income During Period	8,167	9,553	12,066
52	Gains During Period - Profit & Loss	11,986	12,058	13,040
53	Investment Fees Paid	(1,778)	(2,041)	(2,374)
54	(Amortization) / Accretion During Period	(503)	(555)	(621)
55	Pension Expense	-	-	-
56	Investment Income	24,845	25,369	27,823
57	Net Gains During Period - Other Comprehensive Income	(914)	1,698	2,789
58	Total	23,931	27,067	30,613

PUB (MPI) 1-35

Part and Chapter:	Part VII Investments	Page No.:	57 INV-30, 31
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolios		
Sub Topic:	Investment Returns vs. Benchmarks		

Preamble to IR:**Question:**

Please update the comparison to include 2021 with the comparison of returns of SGI and ICBC (If available), and comment on the differences.

Rationale for Question:

To understand factors affecting investment portfolio returns.

RESPONSE:

ICBC returns as of March 2021 are not available. For an updated comparison including 2021, please see Figures 1 & 2 below.

Concerning the return difference between MPI and SGI (-9.5%) in 2021, -8.6% was due to the difference between the asset allocations of MPI and SGI (SGI having a larger exposure to higher returning assets compared to MPI). The remaining -0.9% was due to security selection (on aggregate SGI selected securities that performed better than the securities selected by MPI).

Figure 1 Updated version of figure INV-30

Line No.	Year-end Period	TRAF	CSSB	WCB	ICBC		SGI	MPI		
		31-Dec	31-Dec	31-Dec	31-Dec	31-Mar	31-Mar	31-Dec	31-Mar	
1	2016	7.3%	5.7%	3.5%	4.0%		0.9%	6.5%	1.1%	
2	2017	9.2%	10.8%	8.3%		5.2%	8.3%	6.3%	6.0%	
3	2018	3.1%	-0.9%	1.5%		1.7%	7.2%	4.9%	4.8%	
4	2019	12.0%	13.7%	12.4%		5.3%	5.6%	8.8%	6.5%	
5	2020	6.9%	9.0%	9.0%		1.4%	0.4%	7.9%	1.5%	
6	2021	n/a	n/a	n/a		n/a	18.4%	n/a	8.9%	
7	Annualized Return over the 5 year period (**)	7.6%	7.5%	6.9%	3.5%		7.8%	*6.9% / 5.0% / 5.5%		
8	MPI Value Added	-0.7%	-0.6%	0.0%	1.5%		-2.3%			
9	*6.9%: Comparative return to TRAF, CSSB, WCB (returns to Dec 31), 5.0%: Comparative return to ICBC, 5.5%: Comparative return to SGI.									
10	** 2016-2020 annualized return for TRAF, CSSB, WCB & ICBC & 2017-2021 annualized returns for SGI.									

Figure 2 Updated version of figure INV-31

Line No.	Year-end Period	TRAF	CSSB	WCB	ICBC	SGI	MPI	
		31-Dec	31-Dec	31-Dec	31-Mar	31-Mar	31-Dec	31-Mar
1	2019	9.7%	10.8%	8.6%	5.1%	5.8%	8.8%	6.5%
2	2020	7.2%	8.8%	8.1%	2.0%	3.7%	7.9%	1.5%
3	2021	n/a	n/a	n/a	n/a	9.8%	n/a	8.9%
4	2020 MPI Value Added	0.7%	-0.9%	-0.2%	-0.5%			
5	2021 MPI Value Added					-0.9%		

PUB (MPI) 1-36

Part and Chapter:	Part VII Investments	Page No.:	Appendix 9
PUB Approved Issue No:	8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolios		
Sub Topic:	Investment Returns vs. Benchmarks		

Preamble to IR:

In the 2021 GRA, MPI indicated that it prepared its transitional benchmark using the target weights of each asset class to calculate the benchmark return. MPI used the average monthly actual weights and the relevant index return to calculate the transitional benchmark return.

Question:

- a) Please confirm there have been no changes in how MPI determines the transitional benchmarks used for the evaluation of portfolio returns.
- b) Please confirm whether all the portfolios are now transitioned.
- c) Please refile the schedule incorporating the 12 months return information at March 31, 2021.
- d) Please provide the overall actual returns by Portfolio and Overall returns for 2019/20 and 2020/21 and compare that against composite benchmark.
- e) Please explain why Global Equities returns were less than benchmark at March 31, 2021.

- f) Please explain the Canadian Real Estate performance relative to benchmark at March 31, 2021.

Rationale for Question:

To understand factors affecting investment portfolio returns.

RESPONSE:

- a) MPI made no changes to the methodology it applies to determine the transitional benchmarks. MPI continues to use the target weight plus the monthly average discrepancy between actual and target weights (effectively the average actual weight) as well as the relevant index returns to calculate the transitional benchmark returns.
- b) MPI completed its funding of the initial commitments to the new portfolios by April 2021. As of June 2021, the Basic Claims & EFB portfolios are fully funded and the transition in those portfolios is complete. However, for the Extension, SRE & RSR portfolios, the transition remains in progress as a result of subsequent follow-on commitments made to private debt totalling an additional \$89.3 million, of which \$11.5 million was drawn.
- c) The original question asked for 12 month returns to March 31, 2021, the answer to which is found in the information included in *Appendix 9 Actual vs. Benchmark Returns over Last 5 years*. The PUB later clarified that it desired returns for the 12-month period ending March 31, 2020. Please see *PUB (MPI) 1-36 Appendix 1 Actual vs. Benchmark Returns* for the requested returns.
- d) Please see *PUB (MPI) 1-36 Appendix 2 Portfolios and Aggregated Returns*.
- e) Both managers significantly underperformed their benchmarks. Guardian underperformed by 10.5% and Acadian by 20.6% during the annual period ending March 2021. The strategy employed by Guardian traditionally lagged in strong bull markets such as the March 2020-March 2021 period. The underperformance by

Acadian resulted from the underperformance of low-beta stocks in a rapidly rising equity market, which is not unprecedented for low volatility strategies. The strategy of Acadian does not typically perform well in periods of value style outperformance.

- f) The negative performance of Canadian Real Estate relative to the benchmark as of March 2021 mainly resulted from the negative performance of CityPlace (-13.7%) and to a lesser extent by the negative performance of the TD Greystone Real Estate Fund (-1.3%). The COVID-19 Pandemic negatively impacted both assets during this period. For CityPlace and the parking lots, a new appraisal conducted in March 2021 significantly depreciated the value of those assets (by 8.3% and 18.7% respectively).

Benchmark Returns
Actual vs. Benchmark Returns

Asset Class	MPI Basic Claims	Annual	MPI RSR	Annual	MPI EFB	Annual	MPI Basic Claims	Annual	RSR	Annual	EFB	Annual	MPI Basic Claims	Annual	MPI RSR	Annual	MPI EFB	Annual	MPI Annual	Annual	MPI Annual	Annual	MPI Annual	Annual
	Portfolio Annual Return ending March 31, 2021	Expected Return Benchmark ending March 31, 2021	Portfolio Annual Return ending March 31, 2021	Expected Return Benchmark ending March 31, 2021	Portfolio Annual Return ending March 31, 2021	Expected Return Benchmark ending March 31, 2021	Portfolio Annual Return ending March 31, 2020	Expected Return Benchmark ending March 31, 2020	Portfolio Annual Return ending March 31, 2020	Expected Return Benchmark ending March 31, 2020	Portfolio Annual Return ending March 31, 2020	Expected Return Benchmark ending March 31, 2020	Portfolio Annual Return ending February 29, 2020	Expected Return Benchmark ending February 29, 2020	Portfolio Annual Return ending February 29, 2020	Expected Return Benchmark ending February 29, 2020	Portfolio Annual Return ending February 29, 2020	Expected Return Benchmark ending February 29, 2020	Return ending February 28, 2019	Return ending February 28, 2019	Return ending February 28, 2018	Return ending February 28, 2018	Return ending February 28, 2017	Return ending February 28, 2017
MPI Total Fund or Total Portfolio (*)	3.1%	2.2%	11.8%	17.7%	12.6%	17.1%	6.2%	7.6%	1.0%	0.7%	1.4%	2.4%	9.6%	11.7%	5.9%	6.9%	8.1%	10.4%	4.9%	6.1%	5.1%	4.2%	7.1%	6.6%
Fixed Income																								
Cash	0.2%	0.2%	0.1%	0.2%	-0.6%	0.2%	1.9%	1.5%	1.5%	2.0%	2.4%	2.0%	1.7%	1.7%	3.3%	1.7%	2.2%	1.7%	1.6%	1.4%	0.9%	0.7%	0.5%	0.5%
Fixed Income Portfolio																								
Marketable Bonds																								
Provincials	1.4%	0.5%	3.4%	1.6%	N/A	N/A	8.2%	8.5%	9.3%	6.2%	N/A	N/A	11.4%	11.2%	8.9%	5.7%			4.4%	5.8%	3.9%	3.9%	2.5%	2.5%
Corporates	8.8%	9.0%	8.7%	7.6%	9.2%	8.2%	3.3%	3.8%	N/A	N/A	N/A	N/A	13.3%	13.3%	7.3%*	7.1%	12.8%*	12.3%						
Privates	N/A	N/A	7.2%	7.6%	3.4%	-0.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.9%**	3.9%	7.3%**	6.1%						
FRNs	N/A	N/A	3.1%	0.2%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.7%	n/a	1.2%	n/a								
Non Marketable Bonds - BV	4.5%	0.6%	N/A	N/A	N/A	N/A	5.0%	5.0%	N/A	N/A	N/A	N/A	4.6%	11.4%					4.6%	n/a	4.6%	n/a	4.8%	n/a
Canadian Equities (**)																								
Large Capitalization Equities (***)			51.3%	45.8%	57.5%	45.8%			-26.3%	-13.4%	-29.1%	-13.4%			-7.9%	4.9%	-7.8%	4.9%	2.1%	8.4%	5.1%	4.7%	27.7%	24.7%
Small to Mid Cap Equities			66.5%	147.1%	66.5%	147.1%			-23.6%	-38.5%	-23.6%	-38.5%			1.7%	-12.6%	1.7%	-12.6%	-0.3%	-4.1%	4.1%	-1.6%	28.3%	45.8%
Global Equities (CAD\$)																								
Global (***)			25.9%	38.1%	26.0%	38.1%			N/A	N/A	N/A	N/A			3.6%	3.8%	3.6%	3.8%						
Global Low Volatility			16.1%	36.6%	15.7%	36.6%			N/A	N/A	N/A	N/A			0.0%	3.8%	0.0%	3.8%						
US Equities (CAD\$)																								
Large Capitalization Equities															7.5%	7.8%	7.5%	7.8%	6.28%	6.26%	4.1%	4.2%	26.4%	29.1%
Small to Mid Cap Equities															n/a	n/a	n/a	n/a	8.97%	8.66%	-0.4%	-0.4%	38.3%	41.3%
Alternative Investments																								
Canadian Real Estate			-7.7%	5.1%	-1.3%	5.1%			7.0%	7.0%	9.6%	7.0%			6.3%	6.2%	7.7%	6.2%	8.3%	7.9%	11.2%	7.1%	7.1%	6.4%
Infrastructure			5.2%	6.1%	5.1%	6.1%			13.7%	8.4%	13.7%	8.4%			11.0%	7.3%	11.0%	7.3%	11.8%	6.5%	9.8%	6.8%	3.9%	7.3%
Total Transitional Benchmark Return (****)	-	-	17.4%	-	-	-	4.36%	-	-0.65%	-	-0.40%	-	11.3%	-	5.1%	-	7.8%	-	-	-	-	-	-	-

(*) Single investment portfolio until February 2019 and segregated portfolios since then.
 (**) Actively managed large cap and small cap CAD Equities include an alpha target of 150 bps.
 (***) Large capitalization equities includes passive investing in S&P/TSX 60 ETFs for the RSR portfolio.
 (****) Global Equities Large Cap includes an alpha target of 150 bps.
 (*****) The transitional benchmarks for the Basic Claims & EFB portfolios were in place until March 31, 2020 when the new asset allocations to each portfolio were substantially funded.

Benchmark Returns
Actual vs. Benchmark Returns

Portfolios	Aggregated Portfolios (Basic LOB) Portfolio Annual Return ending March 31, 2021	Annual Expected Return Benchmark ending March 31, 2021	MPI Basic Claims Portfolio Annual Return ending March 31, 2021	Annual Expected Return Benchmark ending March 31, 2021	MPI RSR Portfolio Annual Return ending March 31, 2021	Annual Expected Return Benchmark ending March 31, 2021	MPI EFB Portfolio Annual Return ending March 31, 2021	Annual Expected Return Benchmark ending March 31, 2021	Aggregated Portfolios (Basic LOB) Portfolio Annual Return ending March 31, 2020	Annual Expected Return Benchmark ending March 31, 2020	MPI Basic Claims Portfolio Annual Return ending March 31, 2020	Annual Expected Return Benchmark ending March 31, 2020	RSR Portfolio Annual Return ending March 31, 2020	Annual Expected Return Benchmark ending March 31, 2020	EFB Portfolio Annual Return ending March 31, 2020	Annual Expected Return Benchmark ending March 31, 2020
Individual Portfolios & Benchmarks Returns	-	-	3.1%	2.2%	11.8%	17.7%	12.6%	17.1%	-	-	6.2%	7.6%	1.0%	0.7%	1.4%	2.4%
Aggregated Portfolios & Benchmark Returns (Basic Claims, RSR & EFB Portfolios)	5.7%	6.5%	-	-	-	-	-	-	5.0%	6.1%	-	-	-	-	-	-

PUB (MPI) 1-37

Part and Chapter:	Part IV VM	Page No.:	
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Direct Repair Program		
Sub Topic:			

Preamble to IR:

Question:

Please file an update to PUB (MPI) 1-50 from the 2021 GRA on the performance of the Direct Repair and Collaborative estimating.

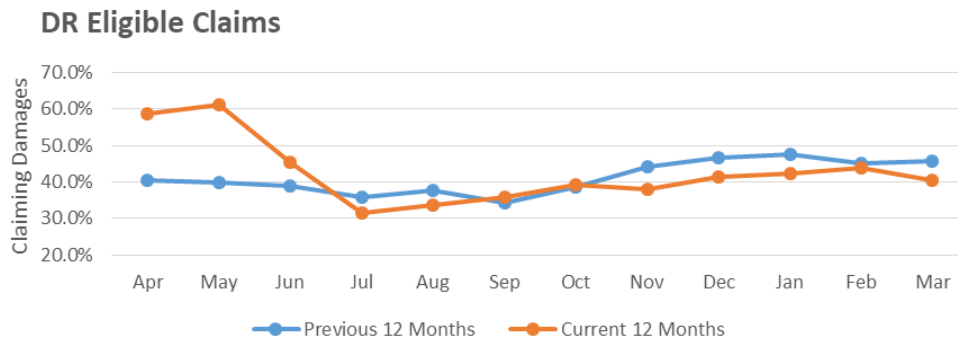
Rationale for Question:

To understand changes in Direct Repair Program evaluation.

RESPONSE:

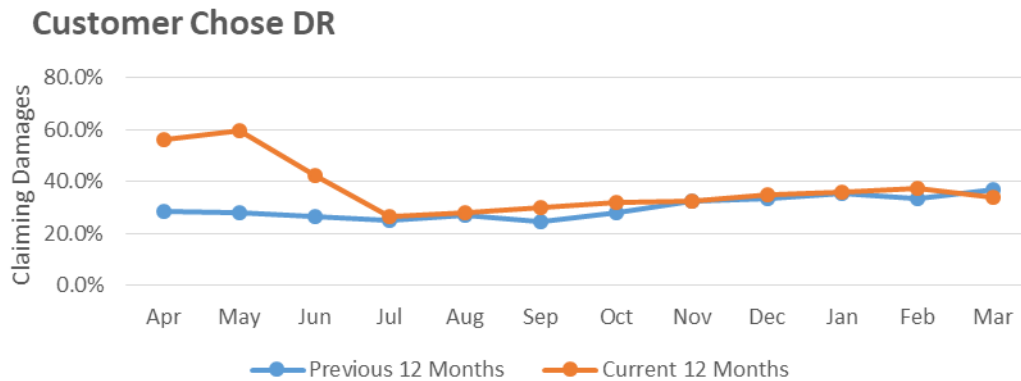
- a) The following figures provide an update on the Direct Repair (DR) and Collaborative Estimating programs:

Figure 1 DR Eligible Claims April 2020 to March 2021



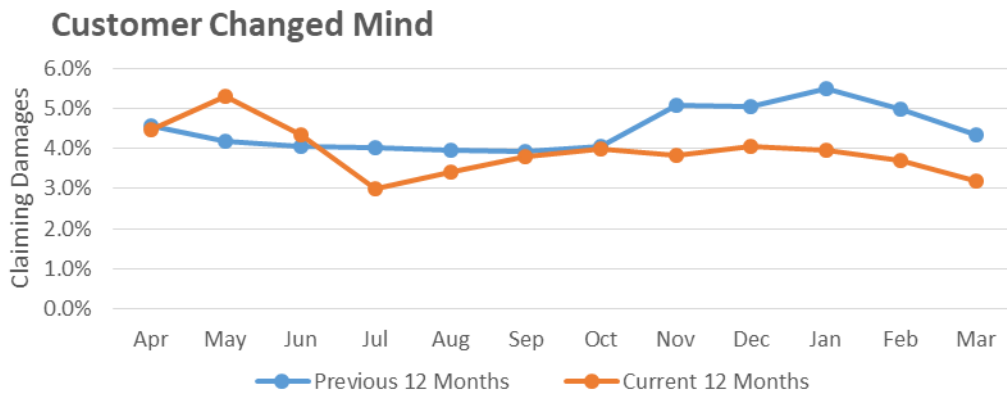
As a result of the COVID-19 Pandemic, MPI made no permanent changes to the Direct Repair (DR) program to increase claim eligibility, other than to expand it in April and May in order to align with Public Health restrictions on in-person interactions. Claim types, claim specifics and seasonality drive the results observed by MPI. On a month-to-month analysis, the Pandemic has not only reduced claim volumes but also drove down collision claims as a proportion of total claims. As collision claims are the basis for DR eligibility, this would explain the decrease from the prior year.

Figure 2 Customer Chose DR



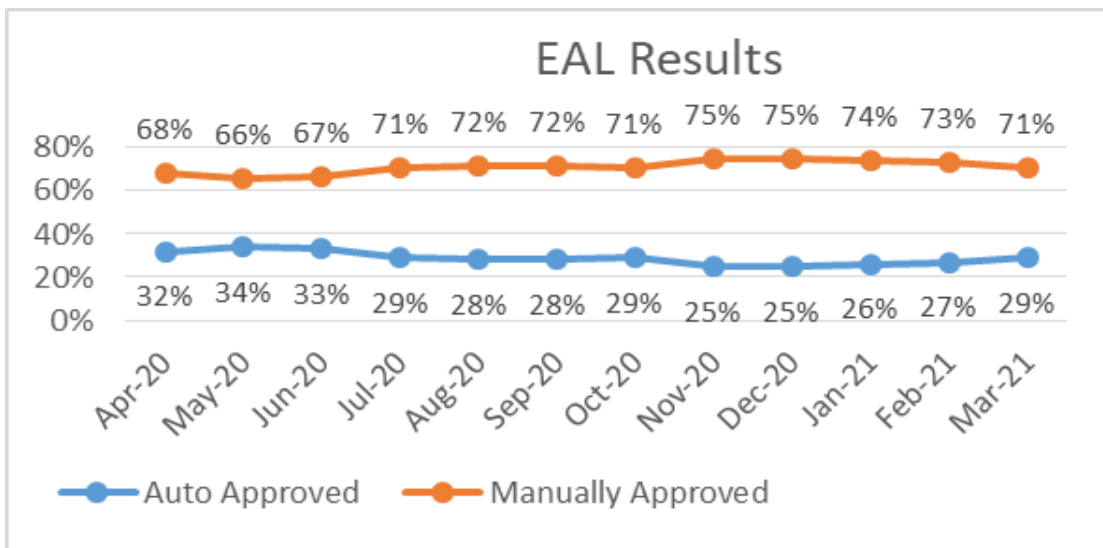
Customer uptake of DR remained stable compared to last year. The increase in April and May was due to the fact that customers did not have many options other than DR for their estimates, due to COVID-related business changes and services.

Figure 3 Customer Changed Mind



As seen in previous years, Manitobans understand the DR program better and do not change their minds as frequently after selecting DR as their first choice for an estimate. At first notice of loss, fewer customers who originally select DR as their estimating option will contact MPI at a later date to have an MPI estimate appointment booked instead.

Figure 4 EAL Results



MPI bases the results for both DR and Collaborative Estimating Auto Approved percentages on shop Earned Approved Limits (EAL) levels. EAL results are also

impacted by monthly severity, driven again by claim types, claim specifics and seasonality.

Figure 5 Previous Fiscal

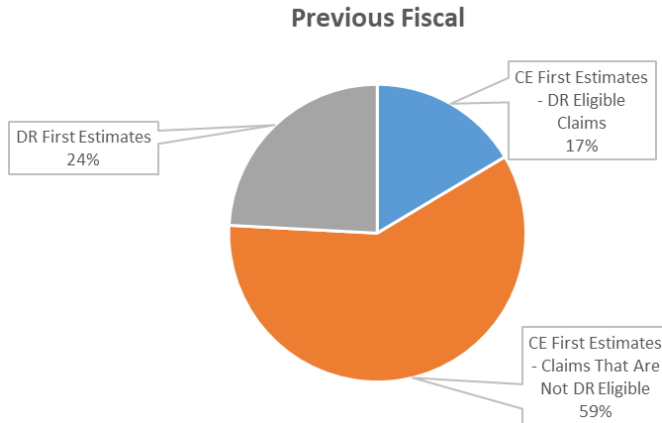
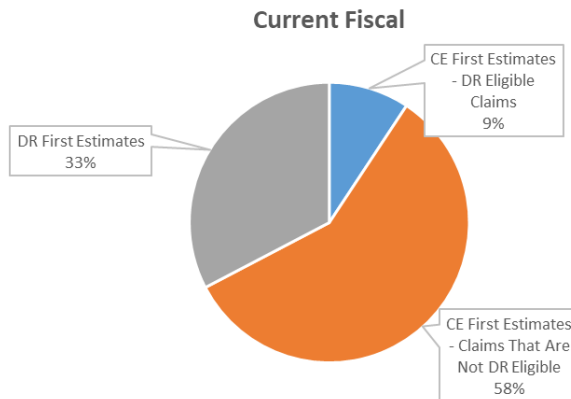


Figure 6 Current Fiscal



The above breakdown shows DR-eligible claims processed through DR, DR eligible claims handled through Collaborative Estimating, and DR ineligible claims handled through Collaborative Estimating. Though the response above shows a month-to-month reduction in DR for some months, a full 12-month fiscal year review shows an increase in DR eligibility over last year, an increase in the number of customers accepting DR, and a minor decrease in MPI-written claims (i.e. DR ineligible).

PUB (MPI) 1-38

Part and Chapter:	Part V- Expenses	Page No.:	EXP App 12-1 EXP App 7-2 p. 5
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Corporate Operating Expenses		
Sub Topic:	Expense Variations		

Preamble to IR:**Question:**

Please provide the assumptions supporting the compensation forecasts for Initiatives Implementation for 2021/22 and 2022/23.

Rationale for Question:

To assess reasonableness of Compensation expenses.

RESPONSE:

The approved business cases provide an estimate of hours required by resource type for all initiatives. The general assumptions supporting the compensation forecasts are:

- Approved business case information identifying the role and number of hours forms the basis for the compensation expense budget and forecasts for initiatives;
- Internal blended rate of \$75 per hour (including benefits); and
- 21 working days per month and 7.25 working hours per day.

PUB (MPI) 1-39

Part and Chapter:	Part V- Expenses	Page No.:	7 Figure EXP-1
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Operating Expense		
Sub Topic:	Claims and Operating Expense impact of COVID-19		

Preamble to IR:

In various sections of the application the Corporation indicates the impact of COVID-19. With respect to corporate operating expense, the fiscal year 2020/21 forecasted base was adjusted to reflect anticipated favorable controllable expense results due to the effects of COVID-19.

Question:

- a) Please provide a detailed schedule that summarizes the impact of COVID-19 on Claims Incurred Expenses in 2020/21 and future forecast years.
- b) Please provide a schedule that summarized the impact of COVID-19 on Operating, Claims and Road Safety expenses in 2020/21 and future forecast years.

Rationale for Question:**RESPONSE:**

- a) and b)

MPI interpreted the question in part a) to relate to claims operating expenses (not "claims incurred" expenses, otherwise known as Unallocated Loss Adjustment Expenses). In response to the above preamble, MPI adjusted the 2020/21 forecast base (FB) in the 2021 GRA to account for expected COVID

savings. In the 2022 GRA, MPI provided the 2020/21 fiscal year based on actual results. Total corporate operating expenses (which include allocated claims, operating, road safety, and regulatory expenses) for the 2020/21 fiscal year resulted in lower expenses versus the 2020/21 COVID-19 adjusted expense FB MPI provided in the 2021 GRA. MPI essentially incurred better than expected COVID-19 savings in 2020/21. The savings occurred in various expense categories, including: Road Safety, Driver Education, Compensation, and Travel. In the forecast for future years (i.e. 2021/22 and outward) the corporate operating expense forecasts do not include any expense adjustments related to COVID-19.

PUB (MPI) 1-40

Part and Chapter:	Part V Expenses	Page No.:	EXP APP 3-5, EXP APP 4, EXP APP 7
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Basic Total Expenses		
Sub Topic:	Compounded Annual Growth Rates		

Preamble to IR:**Question:**

Please refile the compound annual growth analysis normalizing the 2020/21 actual amounts for COVID-19 effects.

Rationale for Question:

To understand growth in Corporation's expenses excluding COVID-19.

RESPONSE:

MPI applied best estimates to determine what its 2020/21 expenses would be had the COVID-19 Pandemic not occurred. Based on a review of the initial (pre-adjusted) budget, MPI assumes the 2020/21 actual amounts would have achieved close to budget amounts for affected expense categories but for the COVID-19 Pandemic. Listed below are the normalized expense categories along with the approximated dollar change to their 2020/21 actual levels:

- Building Expenses: +\$1 million
- Loss Prevention Programs: +\$500 thousand
- Public Information/Advertising: +\$1.5 million
- Travel and Vehicle Expenses: +\$1 million
- Driver Education Program: +\$3 million

- Furniture and Equipment: +\$1.6 million
- Safety Programs: +\$2 million

Figure 1 provides a compound annual growth analysis that includes the above noted values:

Figure 1 Compounded Annual Growth Rates - Basic Total Expenses - Normalized for COVID-19 effects in 2020/21 - Approximated

Line No.	Expense	Compounded Annual Growth Rates	
		17/18 - 20/21 (4 years)	21/22 - 23/24 (3 years)
1	Compensation - Salaries	1.1%	2.6%
2	Compensation - Overtime	-9.3%	7.2%
3	Compensation - Benefits	4.4%	-1.5%
4	Compensation - H & E Tax	0.1%	3.9%
5	Sub Total - Compensation	1.6%	1.8%
6	Data Processing	11.7%	9.6%
7	Special Services	11.0%	-3.7%
8	Building Expenses	-3.6%	-8.8%
9	Safety/Loss Prevention Programs	1.9%	-7.6%
10	Telephone/Telecommunications	-5.0%	-0.2%
11	Public Information/Advertising	4.1%	-3.4%
12	Printing, Stationery, Supplies	-9.0%	14.2%
13	Postage	2.5%	-3.1%
14	Regulatory/Appeal	-2.2%	1.3%
15	Travel and Vehicle Expense	10.0%	-15.6%
16	Driver Education Program	6.6%	-2.0%
17	Grants in Lieu of Taxes	-1.3%	-0.7%
18	Furniture & Equipment	44.4%	-5.1%
19	Merchant Fees & Bank Charges	-0.1%	0.0%
20	Other	-6.5%	23.5%
21	Sub total - Other Expenses	4.7%	3.2%
22	Depreciation-Capital Assets	0.7%	6.4%
23	Amortization-Deferred Development	1.1%	-10.4%
24	Subtotal - Depreciation / Amortization	1.0%	-6.2%
25	Total Expenses	2.7%	1.7%

PUB (MPI) 1-41

Part and Chapter:	Part V Expenses	Page No.:	25-26 EXP-18
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Basic Total Expenses		
Sub Topic:			

Preamble to IR:

All major sub-categories (licensing, hardware, external labor, software, and maintenance) are reviewed and future expense increases/decreases are approximated.

Data processing costs are forecast to increase materially in 2021/22 through 2023/24.

Question:

Please provide details supporting the forecast increases in IBM data centre and licensing costs and indicate whether the increases relate to existing agreements. If related to agreements, please summarize the terms that result in the cost escalation.

Rationale for Question:

To understand the reason for increases in data processing expense.

RESPONSE:

The 2022 GRA forecast cost variance includes \$1.34 million of ongoing initiative expenses transferred to normal operating data processing costs. MPI expects these ongoing licensing costs to become part of normal operations through implementation of initiatives such as Financial Re-engineering, Microsoft 365 and IT Transformation (Analytics and Process Management).

The increase in the IBM data centre costs results from an organic increase in data centre storage costs (from \$1.1 million to \$2.78 million for 2021/22).

The increase for 2022/23 and 2023/24 result from a contractual escalation of licences/maintenance fees.

PUB (MPI) 1-42

Part and Chapter:	Part V EXP PUB (MPI) 1-48 (2021 GRA)	Page No.:	Appendix 10
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Expense		
Sub Topic:	Staffing Levels		

Preamble to IR:**Question:**

- a) Please provide an update to staff turnover in PUB (MPI) 1-48 (2021 GRA).
- b) Please file a copy of retirement statistics over the previous five years.
- c) Please indicate the current number of staff eligible for retirement.
- d) Please provide the current and forecast expenditures related to retirement and post-retirement benefits for 2020/21 and forecast for 2021/22.

Rationale for Question:

To understand Corporation's attrition-based staff reduction strategy.

RESPONSE:

a) Please see the tables below with regards to staff turnover:

Period of March 1, 2019 – March 31, 2020

Voluntary Turnover	Involuntary Turnover	Retirements	Total	Comments
27	48	65	140	
1.5%	2.7%	3.6%	7.8%	Percentage of overall permanent employee headcount.

Period of April 1, 2020 – March 31, 2021

Voluntary Turnover	Involuntary Turnover	Retirements	Total	Comments
31	10	51	92	
1.74%	.56%	2.86%	5.16%	Percentage of overall permanent employee headcount.

b) Please see the list below for retirement statistics over the previous five years:

- 2016/17: 63
- 2017/18: 73
- 2018/19: 86
- 2019/20: 65
- 2020/21: 51

c) There are presently (as of June 30, 2021) 158 employees (including active and inactive employees) who are eligible to retire with an unreduced pension.

d) Please see Figure 1 below.

Figure 1 Retirement Benefits

Line No.	Retirement Description	2020/21A	2021/22B
1	<i>(C\$000s, except where noted)</i>		
2	Post Retirement Ext Health In-Scope	692	440
3	Post Retirement Ext Health Out-of-Scope	3,316	1,872
4	Salaries-Severance/Retirement Pay-Out	1,973	2,878
5	Salaries-Retirement Allowance Provision	1,242	(50)
6	Total	7,223	5,140

PUB (MPI) 1-43

Part and Chapter:	Part V Expenses	Page No.:	Appendix 1 1, 2
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Internal Operating Metrics		
Sub Topic:			

Preamble to IR:

We observe the following internal operating measure change. The net claims incurred, number of claims and the related ratios significantly decreased in 2020/21. The Corporation has attributed the reduction in claims to the COVID-19 pandemic.

The policies per support employee number value measures the number of policies a support employees can handle or the number of support employees required to manage policies effectively and efficiently. The ratio is forecast to drop by 7.71% in 2021/22.

Question:

- a) Please provide the reason for the changes in policies/support employee trend in 2021/22.
- b) Please provide MPI’s trend estimates on a normalized basis without COVID-19 impacts to the following measures:
 - i. Net claims incurred; and
 - ii. Number of claims.

Please comment on the trends on this basis.

Rationale for Question:

To understand changes in Corporation’s expenses.

RESPONSE:

- a) There is a forecasted increase in staffing for 2021/22, resulting in the negative trend in the policies/support employee number.
- b) The figures below are ultimate claims incurred and claim counts for the forecasted accident years. MPI is forecasting a 4.2% growth in ultimate claims due to rising physical damage severity costs and increasing claim counts. 2022/23 is lower growth due to the reduction in claims costs from the Compulsory and Extension Revision Project.

Figure 1 Total Ultimate Claims Incurred COVID-19 Impact

Line No.	Accident Insurance Year	with COVID-19	COVID-19 Impact	without COVID-19	% Growth
1	2021/22	\$763,773	(\$42,621)	\$806,393	
2	2022/23	\$823,861	\$0	\$823,861	2.17%
3	2023/24	\$858,546	\$0	\$858,546	4.21%
4	2024/25	\$894,704	\$0	\$894,704	4.21%
5	2025/26	\$932,179	\$0	\$932,179	4.19%

Figure 2 Total Ultimate Claim Counts COVID-19 Impact

Line No.	Accident Insurance Year	with COVID-19	COVID-19 Impact	without COVID-19	% Growth
1	2021/22	237,498	(11,092)	248,590	
2	2022/23	249,983	0	249,983	0.56%
3	2023/24	251,499	0	251,499	0.61%
4	2024/25	253,061	0	253,061	0.62%
5	2025/26	254,674	0	254,674	0.64%

PUB (MPI) 1-44

Part and Chapter:	Part V Expenses	Page No.:	4 EXP. Appendix 3 EXP App 3-4
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Regulatory/Appeal Expenses		
Sub Topic:			

Preamble to IR:**Question:**

Please file the detail of Regulatory/Appeal expenses for each of the hearings 2016/17 though 2025/26 in similar level of detail provided in PUB (MPI) 1-57 2021 GRA and compare with that provided last year.

Rationale for Question:

To assess the reasonableness of Basic and Extension forecasts.

RESPONSE:

Please see figure below:

Figure 1 Regulatory Appeal Expenses

		2022 GRA									
Line No.	(C\$000s, except where noted)	2016/17 Actual	2017/18 Actual	2018/19 Actual	*2019/20 Actual	2020/21 Actual	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
1	AICAC & CAO	2,632	2,477	2,295	2,775	1,343	2,727	2,710	2,685	2,739	2,793
2	PUB	1,893	1,586	1,587	1,597	2,681	1,725	1,582	1,637	1,669	1,707
3	Other	66	82	78	92	87	108	95	85	87	89
4	Total	4,591	4,145	3,960	4,464	4,111	4,561	4,387	4,407	4,495	4,589
5	CAGR (2021/22 - 2023/24)								1.8%		
6	CAGR (2017/18 - 2020/21)					-2.7%					
7	*2019/20 is based on 13 months										
		2021 GRA									
Line No.	(C\$000s, except where noted)	2016/17 Actual	2017/18 Actual	2018/19 Actual	*2019/20 Actual	2020/21 Forecast	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
11	AICAC & CAO	2,632	2,477	2,295	2,775	2,773	2,773	2,773	2,828	2,885	n/a
12	PUB	1,893	1,586	1,587	1,597	1,805	1,833	1,862	1,899	1,937	n/a
13	Other	66	82	78	92	92	94	96	98	100	n/a
14	Total	4,591	4,145	3,960	4,464	4,670	4,700	4,731	4,825	4,922	n/a
15	CAGR (2021/22 - 2023/24)								0.8%		
16	CAGR (2017/18 - 2020/21)					0.4%					
		Difference 2022 GRA versus 2021 GRA									
Line No.	(C\$000s, except where noted)	2016/17 Actual	2017/18 Actual	2018/19 Actual	*2019/20 Actual	2020/21 Actual	2021/22 Forecast	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
20	AICAC & CAO	-	-	-	-	(1,430)	(46)	(63)	(143)	(146)	n/a
21	PUB	-	-	-	-	876	(108)	(280)	(263)	(268)	n/a
22	Other	-	-	-	-	(5)	14	(1)	(13)	(13)	n/a
23	Total	-	-	-	-	(559)	(139)	(344)	(418)	(427)	n/a

PUB (MPI) 1-45

Part and Chapter:	Part V Expenses	Page No.:	3-7 Appendix 7 Figure EXP APP 7-1 Figure EXP APP 7-2
PUB Approved Issue No:	9. Cost of operations and cost containment		
Topic:	ICAM		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide the detail of Extension Normal and Initiative - Implementation and Initiative - Ongoing in a similar level of detail as Expense Appendix 7 -1 and Expense Appendix 7-2 including narrative of material changes.
- b) Please provide in similar level of detail as (a) for DVA operations.

Rationale for Question:

To understand the reasonableness of the Extension and DVA forecast.

RESPONSE:

- a) Please see Figures 1 to 7 below. The comparative explanations provided in Expense Appendix 7 are provided at the corporate level and are consistent with the narrative of material changes as shown in the figures that follow.

Figure 1 Summary of Comparative - EXTENSION

Line No.	CORPORATE Expense Category	2020/21A		2021/22FB		2022/23F		2023/24F		2024/25F		2025/26F	
		2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation Expenses	180,837	174,787	183,890	186,628	187,243	190,960	188,233	192,775	184,987	186,841	-	191,358
3	Administrative Expenses	100,908	95,706	106,359	134,619	116,941	128,278	125,677	130,254	128,503	124,373	-	126,031
4	Amortization/Depreciation Expenses	24,321	23,432	19,864	20,183	15,428	17,623	26,618	27,358	26,642	36,331	-	36,675
5	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064
6	Normal Operations Expenses	298,375	285,182	303,493	311,798	302,828	311,104	307,541	312,348	314,110	319,661	-	327,847
7	Initiative - Implementation Expenses	7,691	8,743	3,152	29,632	500	21,078	1,453	7,740	1,195	2,654	-	1,683
8	Initiative - Ongoing Expenses	-	-	3,468	-	16,284	4,679	31,534	30,299	24,827	25,230	-	24,534
9	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064
10	Claims	163,352	160,857	163,537	171,636	168,160	170,498	177,990	176,198	177,278	178,607	-	182,227
11	Operating	124,642	119,812	125,667	149,603	130,611	146,465	141,400	154,276	141,872	149,300	-	151,926
12	Road Safety	12,930	8,834	15,727	15,377	15,618	15,251	15,812	15,260	15,550	14,910	-	15,102
13	Regulatory Appeal	5,142	4,422	5,182	4,814	5,223	4,647	5,326	4,653	5,432	4,728	-	4,809
14	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064
15	EXTENSION												
16	Expense Category	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
17	Compensation Expenses	10,780	10,653	10,903	10,866	11,271	11,322	12,306	12,397	12,462	12,649	-	13,241
18	Administrative Expenses	8,152	8,074	8,767	9,433	9,811	9,232	10,886	10,087	11,312	10,242	-	10,651
19	Amortization/Depreciation Expenses	1,593	1,570	1,274	1,296	1,013	1,144	1,567	1,381	1,566	2,017	-	2,000
20	Total	20,525	20,297	20,944	21,595	22,095	21,698	24,759	23,865	25,340	24,908	n/a	25,892
21	Normal Operations Expenses	20,113	19,697	20,535	20,607	20,993	20,741	22,837	22,338	23,865	23,555	-	24,607
22	Initiative - Implementation Expenses	412	600	168	988	32	667	81	529	68	184	-	99
23	Initiative - Ongoing Expenses	-	-	241	-	1,070	290	1,841	998	1,407	1,169	-	1,186
24	Total	20,525	20,297	20,944	21,595	22,095	21,698	24,759	23,865	25,340	24,908	n/a	25,892
25	Claims	11,745	11,792	11,678	12,330	12,167	12,387	13,858	13,770	14,197	14,430	-	15,027
26	Operating	7,849	7,851	8,144	8,160	8,796	8,202	9,651	8,878	9,874	9,228	-	9,553
27	Road Safety	919	641	1,110	1,093	1,120	1,098	1,232	1,192	1,246	1,206	-	1,249
28	Regulatory Appeal	12	13	12	12	12	11	18	25	23	44	-	63
29	Total	20,525	20,297	20,944	21,595	22,095	21,698	24,759	23,865	25,340	24,908	n/a	25,892

Summary of Comparative – EXTENSION (cont'd)

30	EXTENSION % of CORPORATE	2020/21A		2021/22FB		2022/23F		2023/24F		2024/25F		2025/26F	
	Expense Category	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
32	Compensation Expenses	6%	6%	6%	6%	6%	6%	7%	6%	7%	7%	-	7%
33	Administrative Expenses	8%	8%	8%	7%	8%	7%	9%	8%	9%	8%	-	8%
34	Amortization/Depreciation Expenses	7%	7%	6%	6%	7%	6%	6%	5%	6%	6%	-	5%
35	Total	7%	7%	7%	6%	7%	6%	7%	7%	7%	7%	n/a	7%
36	Normal Operations Expenses	7%	7%	7%	7%	7%	7%	7%	7%	8%	7%	-	8%
37	Initiative - Implementation Expenses	5%	7%	5%	3%	6%	3%	6%	7%	6%	7%	-	6%
38	Initiative - Ongoing Expenses	-	-	7%	-	7%	6%	6%	3%	6%	5%	-	5%
39	Total	7%	7%	7%	6%	7%	6%	7%	7%	7%	7%	n/a	7%
40	Claims	7%	7%	7%	7%	7%	7%	8%	8%	8%	8%	-	8%
41	Operating	6%	7%	6%	5%	7%	6%	7%	6%	7%	6%	-	6%
42	Road Safety	7%	7%	7%	7%	7%	7%	8%	8%	8%	8%	-	8%
43	Regulatory Appeal	0%	0%	0%	0%	0%	0%	0%	1%	0%	1%	-	1%
44	Total	7%	7%	7%	6%	7%	6%	7%	7%	7%	7%	n/a	7%

Figure 2 Compare 2020/21 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation - Salaries	139,360	132,706	(6,654)	929	1,390	461	-	-	-	140,289	134,096	(6,193)
3	Compensation - Overtime	1,854	1,157	(697)	-	10	10	-	-	-	1,854	1,167	(687)
4	Compensation - Benefits	35,537	36,628	1,091	-	-	-	-	-	-	35,537	36,628	1,091
5	Compensation - H & E Tax	3,157	2,896	(261)	-	-	-	-	-	-	3,157	2,896	(261)
6	Subtotal - Compensation	179,908	173,387	(6,521)	929	1,400	471	-	-	-	180,837	174,787	(6,050)
7	Data Processing	31,282	31,785	503	6,748	7,088	340	-	-	-	38,030	38,873	843
8	Special Services	7,166	9,144	1,978	-	-	-	-	-	-	7,166	9,144	1,978
9	Building Expenses	9,290	8,776	(514)	-	-	-	-	-	-	9,290	8,776	(514)
10	Safety / Loss Prevention Program	3,528	2,233	(1,295)	-	-	-	-	-	-	3,528	2,233	(1,295)
11	Telephone/Telecommunications	1,909	1,842	(67)	-	-	-	-	-	-	1,909	1,842	(67)
12	Advertising & Public Info	2,542	1,936	(606)	-	-	-	-	-	-	2,542	1,936	(606)
13	Printing, Stationery & Supplies	4,233	3,589	(644)	14	8	(6)	-	-	-	4,247	3,597	(650)
14	Postage	5,037	4,826	(211)	-	-	-	-	-	-	5,037	4,826	(211)
15	Regulatory/Appeal	4,671	4,225	(446)	-	-	-	-	-	-	4,671	4,225	(446)
16	Travel & Vehicle Expense	784	507	(277)	-	3	3	-	-	-	784	510	(274)
17	Driver Education Program	3,459	1,595	(1,864)	-	-	-	-	-	-	3,459	1,595	(1,864)
18	Grant in Lieu of Taxes	1,895	1,891	(4)	-	-	-	-	-	-	1,895	1,891	(4)
19	Furniture & Equipment	1,300	534	(766)	-	6	6	-	-	-	1,300	540	(760)
20	Merchant Fees	11,528	11,128	(400)	-	-	-	-	-	-	11,528	11,128	(400)
21	Other	5,522	4,352	(1,170)	-	238	238	-	-	-	5,522	4,590	(932)
22	Subtotal - Other Operating Expenses	94,146	88,363	(5,783)	6,762	7,343	581	-	-	-	100,908	95,706	(5,202)
23	Depreciation of Capital Investments	5,935	5,365	(570)	-	-	-	-	-	-	5,935	5,365	(570)
24	Amortization of Deferred Development	18,386	18,067	(319)	-	-	-	-	-	-	18,386	18,067	(319)
25	Total Expenses	298,375	285,182	(13,193)	7,691	8,743	1,052	-	-	-	306,066	293,925	(12,141)

Compare 2020/21 Expenses 2022 GRA to 2021 GRA (cont'd)

26	EXTENSION	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	8,306	8,082	(224)	53	92	39	-	-	-	8,359	8,174	(185)
30	Compensation - Overtime	114	69	(45)	-	-	-	-	-	-	114	69	(45)
31	Compensation - Benefits	2,119	2,234	115	-	-	-	-	-	-	2,119	2,234	115
32	Compensation - H & E Tax	188	176	(12)	-	-	-	-	-	-	188	176	(12)
33	Subtotal - Compensation	10,727	10,561	(166)	53	92	39	-	-	-	10,780	10,653	(127)
34	Data Processing	2,077	2,156	79	358	491	133	-	-	-	2,435	2,647	212
35	Special Services	475	625	150	-	-	-	-	-	-	475	625	150
36	Building Expenses	567	551	(16)	-	-	-	-	-	-	567	551	(16)
37	Safety / Loss Prevention Program	251	162	(89)	-	-	-	-	-	-	251	162	(89)
38	Telephone/Telecommunications	124	123	(1)	-	-	-	-	-	-	124	123	(1)
39	Advertising & Public Info	165	155	(10)	-	-	-	-	-	-	165	155	(10)
40	Printing, Stationery & Supplies	122	65	(57)	1	-	(1)	-	-	-	123	65	(58)
41	Postage	274	275	1	-	-	-	-	-	-	274	275	1
42	Regulatory/Appeal	12	20	8	-	-	-	-	-	-	12	20	8
43	Travel & Vehicle Expense	40	32	(8)	-	-	-	-	-	-	40	32	(8)
44	Driver Education Program	246	116	(130)	-	-	-	-	-	-	246	116	(130)
45	Grant in Lieu of Taxes	116	118	2	-	-	-	-	-	-	116	118	2
46	Furniture & Equipment	85	35	(50)	-	-	-	-	-	-	85	35	(50)
47	Merchant Fees	2,893	2,853	(40)	-	-	-	-	-	-	2,893	2,853	(40)
48	Other	346	280	(66)	-	17	17	-	-	-	346	297	(49)
49	Subtotal - Other Operating Expenses	7,793	7,566	(227)	359	508	149	-	-	-	8,152	8,074	(78)
50	Depreciation of Capital Investments	369	340	(29)	-	-	-	-	-	-	369	340	(29)
51	Amortization of Deferred Development	1,224	1,230	6	-	-	-	-	-	-	1,224	1,230	6
52	Total Expenses	20,113	19,697	(416)	412	600	188	-	-	-	20,525	20,297	(228)

Compare 2020/21 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	6.0%	6.1%	0.1%	5.7%	6.6%	0.9%				6.0%	6.1%	0.1%
56	Compensation - Overtime	6.1%	6.0%	-0.2%		0.0%					6.1%	5.9%	-0.2%
57	Compensation - Benefits	6.0%	6.1%	0.1%							6.0%	6.1%	0.1%
58	Compensation - H & E Tax	6.0%	6.1%	0.1%							6.0%	6.1%	0.1%
59	Subtotal	6.0%	6.1%	0.1%	5.7%	6.6%	0.9%				6.0%	6.1%	0.1%
60	Data Processing	6.6%	6.8%	0.1%	5.3%	6.9%	1.6%				6.4%	6.8%	0.4%
61	Special Services	6.6%	6.8%	0.2%							6.6%	6.8%	0.2%
62	Building Expenses	6.1%	6.3%	0.2%							6.1%	6.3%	0.2%
63	Loss Prev/Safety Program	7.1%	7.3%	0.1%							7.1%	7.3%	0.1%
64	Telephone/Telecommunications	6.5%	6.7%	0.2%							6.5%	6.7%	0.2%
65	Advertising & Public Info	6.5%	8.0%	1.5%							6.5%	8.0%	1.5%
66	Printing, Stationery & Supplies	2.9%	1.8%	-1.1%	7.1%	0.0%	-7.1%				2.9%	1.8%	-1.1%
67	Postage	5.4%	5.7%	0.3%							5.4%	5.7%	0.3%
68	Regulatory/Appeal Expenses	0.3%	0.5%	0.2%							0.3%	0.5%	0.2%
69	Travel & Vehicle Expense	5.1%	6.3%	1.2%		0.0%					5.1%	6.3%	1.2%
70	Driver Education Program	7.1%	7.3%	0.2%							7.1%	7.3%	0.2%
71	Grant in Lieu of Taxes	6.1%	6.2%	0.1%							6.1%	6.2%	0.1%
72	Furniture & Equipment	6.5%	6.6%	0.0%		0.0%					6.5%	6.5%	-0.1%
73	Merchant Fees	25.1%	25.6%	0.5%							25.1%	25.6%	0.5%
74	Other	6.3%	6.4%	0.2%		7.1%					6.3%	6.5%	0.2%
75	Subtotal	8.3%	8.6%	0.3%	5.3%	6.9%	1.6%				8.1%	8.4%	0.4%
76	Depreciation of Capital Investments	6.2%	6.3%	0.1%							6.2%	6.3%	0.1%
77	Amortization of Deferred Development	6.7%	6.8%	0.2%							6.7%	6.8%	0.2%
78	TOTAL	6.7%	6.9%	0.2%	5.4%	6.9%	1.5%				6.7%	6.9%	0.2%

Figure 3 Compare 2021/22 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation - Salaries	142,179	142,274	95	509	3,001	2,492	(204)	-	204	142,484	145,275	2,791
3	Compensation - Overtime	1,884	1,520	(364)	-	-	-	-	-	-	1,884	1,520	(364)
4	Compensation - Benefits	36,306	36,496	190	-	-	-	-	-	-	36,306	36,496	190
5	Compensation - H & E Tax	3,216	3,337	121	-	-	-	-	-	-	3,216	3,337	121
6	Subtotal - Compensation	183,585	183,627	42	509	3,001	2,492	(204)	-	204	183,890	186,628	2,738
7	Data Processing	31,883	35,392	3,509	2,629	25,940	23,311	2,661	-	(2,661)	37,173	61,332	24,159
8	Special Services	8,766	9,092	326	-	-	-	-	-	-	8,766	9,092	326
9	Building Expenses	8,206	8,756	550	-	-	-	-	-	-	8,206	8,756	550
10	Safety / Loss Prevention Program	4,105	4,488	383	-	-	-	-	-	-	4,105	4,488	383
11	Telephone/Telecommunications	1,910	1,911	1	-	-	-	-	-	-	1,910	1,911	1
12	Advertising & Public Info	3,556	3,505	(51)	-	-	-	-	-	-	3,556	3,505	(51)
13	Printing, Stationery & Supplies	4,261	4,611	350	14	4	(10)	-	-	-	4,275	4,615	340
14	Postage	4,837	4,739	(98)	-	-	-	-	-	-	4,837	4,739	(98)
15	Regulatory/Appeal	4,700	4,561	(139)	-	-	-	-	-	-	4,700	4,561	(139)
16	Travel & Vehicle Expense	1,401	1,212	(189)	-	14	14	-	-	-	1,401	1,226	(175)
17	Driver Education Program	4,648	4,722	74	-	-	-	163	-	(163)	4,811	4,722	(89)
18	Grant in Lieu of Taxes	1,894	1,927	33	-	-	-	-	-	-	1,894	1,927	33
19	Furniture & Equipment	2,202	2,791	589	-	371	371	-	-	-	2,202	3,162	960
20	Merchant Fees	12,711	10,724	(1,987)	-	-	-	-	-	-	12,711	10,724	(1,987)
21	Other	5,812	9,557	3,745	-	302	302	-	-	-	5,812	9,859	4,047
22	Subtotal - Other Operating Expenses	100,892	107,988	7,096	2,643	26,631	23,988	2,824	-	(2,824)	106,359	134,619	28,260
23	Depreciation of Capital Investments	6,109	6,158	49	-	-	-	-	-	-	6,109	6,158	49
24	Amortization of Deferred Development	12,907	14,025	1,118	-	-	-	848	-	(848)	13,755	14,025	270
25	Total Expenses	303,493	311,798	8,305	3,152	29,632	26,480	3,468	-	(3,468)	310,113	341,430	31,317

Compare 2021/22 Expenses 2022 GRA to 2021 GRA (cont'd)

26	EXTENSION	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	8,430	8,338	(92)	26	104	78	(14)	-	14	8,442	8,442	-
30	Compensation - Overtime	115	89	(26)	-	-	-	-	-	-	115	89	(26)
31	Compensation - Benefits	2,155	2,140	(15)	-	-	-	-	-	-	2,155	2,140	(15)
32	Compensation - H & E Tax	191	195	4	-	-	-	-	-	-	191	195	4
33	Subtotal - Compensation	10,891	10,762	(129)	26	104	78	(14)	-	14	10,903	10,866	(37)
34	Data Processing	2,102	2,327	225	141	841	700	187	-	(187)	2,430	3,168	738
35	Special Services	579	592	13	-	-	-	-	-	-	579	592	13
36	Building Expenses	499	529	30	-	-	-	-	-	-	499	529	30
37	Safety / Loss Prevention Program	290	319	29	-	-	-	-	-	-	290	319	29
38	Telephone/Telecommunications	123	124	1	-	-	-	-	-	-	123	124	1
39	Advertising & Public Info	230	321	91	-	-	-	-	-	-	230	321	91
40	Printing, Stationery & Supplies	121	111	(10)	1	-	(1)	-	-	-	122	111	(11)
41	Postage	261	253	(8)	-	-	-	-	-	-	261	253	(8)
42	Regulatory/Appeal	12	12	-	-	-	-	-	-	-	12	12	-
43	Travel & Vehicle Expense	72	68	(4)	-	-	-	-	-	-	72	68	(4)
44	Driver Education Program	328	336	8	-	-	-	12	-	(12)	340	336	(4)
45	Grant in Lieu of Taxes	115	116	1	-	-	-	-	-	-	115	116	1
46	Furniture & Equipment	142	180	38	-	24	24	-	-	-	142	204	62
47	Merchant Fees	3,189	2,635	(554)	-	-	-	-	-	-	3,189	2,635	(554)
48	Other	363	626	263	-	19	19	-	-	-	363	645	282
49	Subtotal - Other Operating Expenses	8,426	8,549	123	142	884	742	199	-	(199)	8,767	9,433	666
50	Depreciation of Capital Investments	376	377	1	-	-	-	-	-	-	376	377	1
51	Amortization of Deferred Development	842	919	77	-	-	-	56	-	(56)	898	919	21
52	Total Expenses	20,535	20,607	72	168	988	820	241	-	(241)	20,944	21,595	651

Compare 2021/22 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	5.9%	5.9%	-0.1%	5.1%	3.5%	-1.6%	6.9%			5.9%	5.8%	-0.1%
56	Compensation - Overtime	6.1%	5.9%	-0.2%							6.1%	5.9%	-0.2%
57	Compensation - Benefits	5.9%	5.9%	-0.1%							5.9%	5.9%	-0.1%
58	Compensation - H & E Tax	5.9%	5.8%	-0.1%							5.9%	5.8%	-0.1%
59	Subtotal	5.9%	5.9%	-0.1%	5.1%	3.5%	-1.6%	6.9%			5.9%	5.8%	-0.1%
60	Data Processing	6.6%	6.6%	0.0%	5.4%	3.2%	-2.1%	7.0%			6.5%	5.2%	-1.4%
61	Special Services	6.6%	6.5%	-0.1%							6.6%	6.5%	-0.1%
62	Building Expenses	6.1%	6.0%	0.0%							6.1%	6.0%	0.0%
63	Loss Prev/Safety Program	7.1%	7.1%	0.0%							7.1%	7.1%	0.0%
64	Telephone/Telecommunications	6.4%	6.5%	0.0%							6.4%	6.5%	0.0%
65	Advertising & Public Info	6.5%	9.2%	2.7%							6.5%	9.2%	2.7%
66	Printing, Stationery & Supplies	2.8%	2.4%	-0.4%	7.1%	0.0%	-7.1%				2.9%	2.4%	-0.4%
67	Postage	5.4%	5.3%	-0.1%							5.4%	5.3%	-0.1%
68	Regulatory/Appeal Expenses	0.3%	0.3%	0.0%							0.3%	0.3%	0.0%
69	Travel & Vehicle Expense	5.1%	5.6%	0.5%		0.0%					5.1%	5.5%	0.4%
70	Driver Education Program	7.1%	7.1%	0.1%				7.4%			7.1%	7.1%	0.0%
71	Grant in Lieu of Taxes	6.1%	6.0%	-0.1%							6.1%	6.0%	-0.1%
72	Furniture & Equipment	6.4%	6.4%	0.0%		6.5%					6.4%	6.5%	0.0%
73	Merchant Fees	25.1%	24.6%	-0.5%							25.1%	24.6%	-0.5%
74	Other	6.2%	6.6%	0.3%		6.3%					6.2%	6.5%	0.3%
75	Subtotal	8.4%	7.9%	-0.4%	5.4%	3.3%	-2.1%	7.0%			8.2%	7.0%	-1.2%
76	Depreciation of Capital Investments	6.2%	6.1%	0.0%							6.2%	6.1%	0.0%
77	Amortization of Deferred Development	6.5%	6.6%	0.0%				6.6%			6.5%	6.6%	0.0%
78	TOTAL	6.8%	6.6%	-0.2%	5.3%	3.3%	-2.0%	6.9%			6.8%	6.3%	-0.4%

Figure 4 Compare 2022/23 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	145,142	146,325	1,183	-	2,170	2,170	(355)	1,033	1,388	144,787	149,528	4,741
3	Compensation - Overtime	1,894	1,498	(396)	-	-	-	-	-	-	1,894	1,498	(396)
4	Compensation - Benefits	37,278	36,567	(711)	-	-	-	-	-	-	37,278	36,567	(711)
5	Compensation - H & E Tax	3,284	3,367	83	-	-	-	-	-	-	3,284	3,367	83
6	Subtotal - Compensation	187,598	187,757	159	-	2,170	2,170	(355)	1,033	1,388	187,243	190,960	3,717
7	Data Processing	31,962	37,000	5,038	500	18,407	17,907	14,230	2,021	(12,209)	46,692	57,428	10,736
8	Special Services	8,670	8,554	(116)	-	-	-	-	-	-	8,670	8,554	(116)
9	Building Expenses	8,105	8,591	486	-	-	-	-	-	-	8,105	8,591	486
10	Safety / Loss Prevention Program	3,843	4,139	296	-	-	-	-	-	-	3,843	4,139	296
11	Telephone/Telecommunications	1,910	1,910	-	-	-	-	-	-	-	1,910	1,910	-
12	Advertising & Public Info	3,556	3,505	(51)	-	-	-	-	-	-	3,556	3,505	(51)
13	Printing, Stationery & Supplies	4,252	4,603	351	-	5	5	-	-	-	4,252	4,608	356
14	Postage	4,838	4,739	(99)	-	-	-	-	-	-	4,838	4,739	(99)
15	Regulatory/Appeal	4,730	4,387	(343)	-	-	-	-	-	-	4,730	4,387	(343)
16	Travel & Vehicle Expense	1,403	1,219	(184)	-	14	14	-	-	-	1,403	1,233	(170)
17	Driver Education Program	4,738	4,875	137	-	-	-	163	-	(163)	4,901	4,875	(26)
18	Grant in Lieu of Taxes	1,893	1,927	34	-	-	-	-	-	-	1,893	1,927	34
19	Furniture & Equipment	2,282	2,195	(87)	-	370	370	-	-	-	2,282	2,565	283
20	Merchant Fees	14,043	10,842	(3,201)	-	-	-	-	-	-	14,043	10,842	(3,201)
21	Other	5,823	8,861	3,038	-	112	112	-	2	2	5,823	8,975	3,152
22	Subtotal - Other Operating Expenses	102,048	107,347	5,299	500	18,908	18,408	14,393	2,023	(12,370)	116,941	128,278	11,337
23	Depreciation of Capital Investments	6,029	6,272	243	-	-	-	-	-	-	6,029	6,272	243
24	Amortization of Deferred Development	7,153	9,728	2,575	-	-	-	2,246	1,623	(623)	9,399	11,351	1,952
25	Total Expenses	302,828	311,104	8,276	500	21,078	20,578	16,284	4,679	(11,605)	319,612	336,861	17,249

Compare 2022/23 Expenses 2022 GRA to 2021 GRA (cont'd)

26	EXTENSION	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	8,736	8,702	(34)	-	93	93	(25)	60	85	8,711	8,855	144
30	Compensation - Overtime	118	89	(29)	-	-	-	-	-	-	118	89	(29)
31	Compensation - Benefits	2,245	2,177	(68)	-	-	-	-	-	-	2,245	2,177	(68)
32	Compensation - H & E Tax	197	201	4	-	-	-	-	-	-	197	201	4
33	Subtotal - Compensation	11,296	11,169	(127)	-	93	93	(25)	60	85	11,271	11,322	51
34	Data Processing	2,140	2,464	324	32	543	511	936	132	(804)	3,108	3,139	31
35	Special Services	581	564	(17)	-	-	-	-	-	-	581	564	(17)
36	Building Expenses	500	527	27	-	-	-	-	-	-	500	527	27
37	Safety / Loss Prevention Program	276	298	22	-	-	-	-	-	-	276	298	22
38	Telephone/Telecommunications	125	125	-	-	-	-	-	-	-	125	125	-
39	Advertising & Public Info	234	236	2	-	-	-	-	-	-	234	236	2
40	Printing, Stationery & Supplies	123	113	(10)	-	-	-	-	-	-	123	113	(10)
41	Postage	266	256	(10)	-	-	-	-	-	-	266	256	(10)
42	Regulatory/Appeal	12	11	(1)	-	-	-	-	-	-	12	11	(1)
43	Travel & Vehicle Expense	74	70	(4)	-	-	-	-	-	-	74	70	(4)
44	Driver Education Program	340	351	11	-	-	-	12	-	(12)	352	351	(1)
45	Grant in Lieu of Taxes	117	118	1	-	-	-	-	-	-	117	118	1
46	Furniture & Equipment	149	143	(6)	-	24	24	-	-	-	149	167	18
47	Merchant Fees	3,524	2,665	(859)	-	-	-	-	-	-	3,524	2,665	(859)
48	Other	370	584	214	-	7	7	-	1	1	370	592	222
49	Subtotal - Other Operating Expenses	8,831	8,525	(306)	32	574	542	948	133	(815)	9,811	9,232	(579)
50	Depreciation of Capital Investments	375	388	13	-	-	-	-	-	-	375	388	13
51	Amortization of Deferred Development	491	659	168	-	-	-	147	97	(50)	638	756	118
52	Total Expenses	20,993	20,741	(252)	32	667	635	1,070	290	(780)	22,095	21,698	(397)

Compare 2022/23 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	6.0%	5.9%	-0.1%		4.3%		7.0%	5.8%	-1.2%	6.0%	5.9%	-0.1%
56	Compensation - Overtime	6.2%	5.9%	-0.3%							6.2%	5.9%	-0.3%
57	Compensation - Benefits	6.0%	6.0%	-0.1%							6.0%	6.0%	-0.1%
58	Compensation - H & E Tax	6.0%	6.0%	0.0%							6.0%	6.0%	0.0%
59	Subtotal	6.0%	5.9%	-0.1%		4.3%		7.0%	5.8%	-1.2%	6.0%	5.9%	-0.1%
60	Data Processing	6.7%	6.7%	0.0%	6.4%	3.0%	-3.5%	6.6%	6.5%	0.0%	6.7%	5.5%	-1.2%
61	Special Services	6.7%	6.6%	-0.1%							6.7%	6.6%	-0.1%
62	Building Expenses	6.2%	6.1%	0.0%							6.2%	6.1%	0.0%
63	Loss Prev/Safety Program	7.2%	7.2%	0.0%							7.2%	7.2%	0.0%
64	Telephone/Telecommunications	6.5%	6.5%	0.0%							6.5%	6.5%	0.0%
65	Advertising & Public Info	6.6%	6.7%	0.2%							6.6%	6.7%	0.2%
66	Printing, Stationery & Supplies	2.9%	2.5%	-0.4%		0.0%					2.9%	2.5%	-0.4%
67	Postage	5.5%	5.4%	-0.1%							5.5%	5.4%	-0.1%
68	Regulatory/Appeal Expenses	0.3%	0.3%	0.0%							0.3%	0.3%	0.0%
69	Travel & Vehicle Expense	5.3%	5.7%	0.5%		0.0%					5.3%	5.7%	0.4%
70	Driver Education Program	7.2%	7.2%	0.0%				7.4%			7.2%	7.2%	0.0%
71	Grant in Lieu of Taxes	6.2%	6.1%	-0.1%							6.2%	6.1%	-0.1%
72	Furniture & Equipment	6.5%	6.5%	0.0%		6.5%					6.5%	6.5%	0.0%
73	Merchant Fees	25.1%	24.6%	-0.5%							25.1%	24.6%	-0.5%
74	Other	6.4%	6.6%	0.2%		6.3%			50.0%		6.4%	6.6%	0.2%
75	Subtotal	8.7%	7.9%	-0.7%	6.4%	3.0%	-3.4%	6.6%	6.6%	0.0%	8.4%	7.2%	-1.2%
76	Depreciation of Capital Investments	6.2%	6.2%	0.0%							6.2%	6.2%	0.0%
77	Amortization of Deferred Development	6.9%	6.8%	-0.1%				6.5%	6.0%	-0.6%	6.8%	6.7%	-0.1%
78	TOTAL	6.9%	6.7%	-0.3%	6.4%	3.2%	-3.2%	6.6%	6.2%	-0.4%	6.9%	6.4%	-0.5%

Figure 5 Compare 2023/24 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	148,990	149,236	246	-	2,351	2,351	(4,348)	(328)	4,020	144,642	151,259	6,617
3	Compensation - Overtime	1,906	1,481	(425)	-	-	-	-	-	-	1,906	1,481	(425)
4	Compensation - Benefits	38,330	36,642	(1,688)	-	-	-	-	-	-	38,330	36,642	(1,688)
5	Compensation - H & E Tax	3,355	3,393	38	-	-	-	-	-	-	3,355	3,393	38
6	Subtotal - Compensation	192,581	190,752	(1,829)	-	2,351	2,351	(4,348)	(328)	4,020	188,233	192,775	4,542
7	Data Processing	32,600	38,381	5,781	1,453	5,004	3,551	19,974	17,124	(2,850)	54,027	60,509	6,482
8	Special Services	8,844	8,636	(208)	-	-	-	-	-	-	8,844	8,636	(208)
9	Building Expenses	8,269	8,004	(265)	-	-	-	-	-	-	8,269	8,004	(265)
10	Safety / Loss Prevention Program	3,919	4,140	221	-	-	-	-	-	-	3,919	4,140	221
11	Telephone/Telecommunications	1,948	1,911	(37)	-	-	-	-	-	-	1,948	1,911	(37)
12	Advertising & Public Info	3,627	3,504	(123)	-	-	-	-	-	-	3,627	3,504	(123)
13	Printing, Stationery & Supplies	4,336	4,589	253	-	3	3	-	-	-	4,336	4,592	256
14	Postage	4,935	4,739	(196)	-	-	-	-	-	-	4,935	4,739	(196)
15	Regulatory/Appeal	4,827	4,407	(420)	-	-	-	-	-	-	4,827	4,407	(420)
16	Travel & Vehicle Expense	1,431	1,216	(215)	-	15	15	-	-	-	1,431	1,231	(200)
17	Driver Education Program	4,833	4,875	42	-	-	-	162	-	(162)	4,995	4,875	(120)
18	Grant in Lieu of Taxes	1,931	1,927	(4)	-	-	-	-	-	-	1,931	1,927	(4)
19	Furniture & Equipment	2,330	1,897	(433)	-	348	348	-	-	-	2,330	2,245	(85)
20	Merchant Fees	14,323	10,949	(3,374)	-	-	-	-	-	-	14,323	10,949	(3,374)
21	Other	5,935	8,823	2,888	-	19	19	-	(257)	(257)	5,935	8,585	2,650
22	Subtotal - Other Operating Expenses	104,088	107,998	3,910	1,453	5,389	3,936	20,136	16,867	(3,269)	125,677	130,254	4,577
23	Depreciation of Capital Investments	6,690	6,751	61	-	-	-	-	-	-	6,690	6,751	61
24	Amortization of Deferred Development	4,182	6,847	2,665	-	-	-	15,746	13,760	(1,986)	19,928	20,607	679
25	Total Expenses	307,541	312,348	4,807	1,453	7,740	6,287	31,534	30,299	(1,235)	340,528	350,387	9,859

Compare 2023/24 Expenses 2022 GRA to 2021 GRA (cont'd)

	EXTENSION			Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
	Expense Category	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.		
28	<i>(C\$000s, rounding may affect totals)</i>														
29	Compensation - Salaries	9,736	9,612	(124)	-	157	157	(283)	(44)	239	9,453	9,725	272		
30	Compensation - Overtime	129	95	(34)	-	-	-	-	-	-	129	95	(34)		
31	Compensation - Benefits	2,505	2,359	(146)	-	-	-	-	-	-	2,505	2,359	(146)		
32	Compensation - H & E Tax	219	218	(1)	-	-	-	-	-	-	219	218	(1)		
33	Subtotal - Compensation	12,589	12,284	(305)	-	157	157	(283)	(44)	239	12,306	12,397	91		
34	Data Processing	2,374	2,772	398	81	347	266	1,308	630	(678)	3,763	3,749	(14)		
35	Special Services	644	618	(26)	-	-	-	-	-	-	644	618	(26)		
36	Building Expenses	555	531	(24)	-	-	-	-	-	-	555	531	(24)		
37	Safety / Loss Prevention Program	305	324	19	-	-	-	-	-	-	305	324	19		
38	Telephone/Telecommunications	139	136	(3)	-	-	-	-	-	-	139	136	(3)		
39	Advertising & Public Info	259	256	(3)	-	-	-	-	-	-	259	256	(3)		
40	Printing, Stationery & Supplies	136	122	(14)	-	-	-	-	-	-	136	122	(14)		
41	Postage	295	277	(18)	-	-	-	-	-	-	295	277	(18)		
42	Regulatory/Appeal	18	25	7	-	-	-	-	-	-	18	25	7		
43	Travel & Vehicle Expense	82	75	(7)	-	1	1	-	-	-	82	76	(6)		
44	Driver Education Program	377	381	4	-	-	-	11	-	(11)	388	381	(7)		
45	Grant in Lieu of Taxes	129	128	(1)	-	-	-	-	-	-	129	128	(1)		
46	Furniture & Equipment	166	135	(31)	-	22	22	-	-	-	166	157	(9)		
47	Merchant Fees	3,598	2,694	(904)	-	-	-	-	-	-	3,598	2,694	(904)		
48	Other	409	630	221	-	2	2	-	(19)	(19)	409	613	204		
49	Subtotal - Other Operating Expenses	9,486	9,104	(382)	81	372	291	1,319	611	(708)	10,886	10,087	(799)		
50	Depreciation of Capital Investments	452	452	-	-	-	-	-	-	-	452	452	-		
51	Amortization of Deferred Development	310	498	188	-	-	-	805	431	(374)	1,115	929	(186)		
52	Total Expenses	22,837	22,338	(499)	81	529	448	1,841	998	(843)	24,759	23,865	(894)		

Compare 2023/24 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	6.5%	6.4%	-0.1%		6.7%		6.5%	13.4%	6.9%	6.5%	6.4%	-0.1%
56	Compensation - Overtime	6.8%	6.4%	-0.4%							6.8%	6.4%	-0.4%
57	Compensation - Benefits	6.5%	6.4%	-0.1%							6.5%	6.4%	-0.1%
58	Compensation - H & E Tax	6.5%	6.4%	-0.1%							6.5%	6.4%	-0.1%
59	Subtotal	6.5%	6.4%	-0.1%		6.7%		6.5%	13.4%	6.9%	6.5%	6.4%	-0.1%
60	Data Processing	7.3%	7.2%	-0.1%	5.6%	6.9%	1.4%	6.5%	3.7%	-2.9%	7.0%	6.2%	-0.8%
61	Special Services	7.3%	7.2%	-0.1%							7.3%	7.2%	-0.1%
62	Building Expenses	6.7%	6.6%	-0.1%							6.7%	6.6%	-0.1%
63	Loss Prev/Safety Program	7.8%	7.8%	0.0%							7.8%	7.8%	0.0%
64	Telephone/Telecommunications	7.1%	7.1%	0.0%							7.1%	7.1%	0.0%
65	Advertising & Public Info	7.1%	7.3%	0.2%							7.1%	7.3%	0.2%
66	Printing, Stationery & Supplies	3.1%	2.7%	-0.5%		0.0%					3.1%	2.7%	-0.5%
67	Postage	6.0%	5.8%	-0.1%							6.0%	5.8%	-0.1%
68	Regulatory/Appeal Expenses	0.4%	0.6%	0.2%							0.4%	0.6%	0.2%
69	Travel & Vehicle Expense	5.7%	6.2%	0.4%		6.7%					5.7%	6.2%	0.4%
70	Driver Education Program	7.8%	7.8%	0.0%				6.8%			7.8%	7.8%	0.0%
71	Grant in Lieu of Taxes	6.7%	6.6%	0.0%							6.7%	6.6%	0.0%
72	Furniture & Equipment	7.1%	7.1%	0.0%		6.3%					7.1%	7.0%	-0.1%
73	Merchant Fees	25.1%	24.6%	-0.5%							25.1%	24.6%	-0.5%
74	Other	6.9%	7.1%	0.2%		10.5%			7.4%		6.9%	7.1%	0.2%
75	Subtotal	9.1%	8.4%	-0.7%	5.6%	6.9%	1.3%	6.6%	3.6%	-2.9%	8.7%	7.7%	-0.9%
76	Depreciation of Capital Investments	6.8%	6.7%	-0.1%							6.8%	6.7%	-0.1%
77	Amortization of Deferred Development	7.4%	7.3%	-0.1%				5.1%	3.1%	-2.0%	5.6%	4.5%	-1.1%
78	TOTAL	7.4%	7.2%	-0.3%	5.6%	6.8%	1.3%	5.8%	3.3%	-2.5%	7.3%	6.8%	-0.5%

Figure 6 Compare 2024/25 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	153,774	154,757	983	-	1,901	1,901	(13,761)	(12,192)	1,569	140,013	144,466	4,453
3	Compensation - Overtime	1,917	1,535	(382)	-	-	-	-	-	-	1,917	1,535	(382)
4	Compensation - Benefits	39,627	37,377	(2,250)	-	-	-	-	-	-	39,627	37,377	(2,250)
5	Compensation - H & E Tax	3,430	3,463	33	-	-	-	-	-	-	3,430	3,463	33
6	Subtotal - Compensation	198,748	197,132	(1,616)	-	1,901	1,901	(13,761)	(12,192)	1,569	184,987	186,841	1,854
7	Data Processing	33,252	39,147	5,895	1,195	753	(442)	20,846	14,501	(6,345)	55,293	54,401	(892)
8	Special Services	9,022	8,783	(239)	-	-	-	-	-	-	9,022	8,783	(239)
9	Building Expenses	8,434	8,164	(270)	-	-	-	-	-	-	8,434	8,164	(270)
10	Safety / Loss Prevention Program	3,998	4,221	223	-	-	-	-	-	-	3,998	4,221	223
11	Telephone/Telecommunications	1,987	1,948	(39)	-	-	-	-	-	-	1,987	1,948	(39)
12	Advertising & Public Info	3,699	3,577	(122)	-	-	-	-	-	-	3,699	3,577	(122)
13	Printing, Stationery & Supplies	4,421	4,683	262	-	-	-	-	-	-	4,421	4,683	262
14	Postage	5,031	4,834	(197)	-	-	-	-	(442)	(442)	5,031	4,392	(639)
15	Regulatory/Appeal	4,922	4,495	(427)	-	-	-	-	-	-	4,922	4,495	(427)
16	Travel & Vehicle Expense	1,460	1,240	(220)	-	-	-	-	-	-	1,460	1,240	(220)
17	Driver Education Program	4,930	4,973	43	-	-	-	295	-	(295)	5,225	4,973	(252)
18	Grant in Lieu of Taxes	1,970	1,966	(4)	-	-	-	-	-	-	1,970	1,966	(4)
19	Furniture & Equipment	2,376	1,933	(443)	-	-	-	-	-	-	2,376	1,933	(443)
20	Merchant Fees	14,611	11,167	(3,444)	-	-	-	-	-	-	14,611	11,167	(3,444)
21	Other	6,054	8,998	2,944	-	-	-	-	(568)	(568)	6,054	8,430	2,376
22	Subtotal - Other Operating Expenses	106,167	110,129	3,962	1,195	753	(442)	21,141	13,491	(7,650)	128,503	124,373	(4,130)
23	Depreciation of Capital Investments	7,275	7,514	239	-	-	-	-	-	-	7,275	7,514	239
24	Amortization of Deferred Development	1,920	4,886	2,966	-	-	-	17,447	23,931	6,484	19,367	28,817	9,450
25	Total Expenses	314,110	319,661	5,551	1,195	2,654	1,459	24,827	25,230	403	340,132	347,545	7,413

Compare 2024/25 Expenses 2022 GRA to 2021 GRA (cont'd)

26	EXTENSION	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	10,331	10,315	(16)	-	134	134	(894)	(620)	274	9,437	9,829	392
30	Compensation - Overtime	133	102	(31)	-	-	-	-	-	-	133	102	(31)
31	Compensation - Benefits	2,662	2,488	(174)	-	-	-	-	-	-	2,662	2,488	(174)
32	Compensation - H & E Tax	230	230	-	-	-	-	-	-	-	230	230	-
33	Subtotal - Compensation	13,356	13,135	(221)	-	134	134	(894)	(620)	274	12,462	12,649	187
34	Data Processing	2,493	2,929	436	68	50	(18)	1,365	726	(639)	3,926	3,705	(221)
35	Special Services	676	649	(27)	-	-	-	-	-	-	676	649	(27)
36	Building Expenses	582	560	(22)	-	-	-	-	-	-	582	560	(22)
37	Safety / Loss Prevention Program	321	341	20	-	-	-	-	-	-	321	341	20
38	Telephone/Telecommunications	146	144	(2)	-	-	-	-	-	-	146	144	(2)
39	Advertising & Public Info	272	271	(1)	-	-	-	-	-	-	272	271	(1)
40	Printing, Stationery & Supplies	142	129	(13)	-	-	-	-	-	-	142	129	(13)
41	Postage	309	293	(16)	-	-	-	-	(31)	(31)	309	262	(47)
42	Regulatory/Appeal	23	44	21	-	-	-	-	-	-	23	44	21
43	Travel & Vehicle Expense	85	80	(5)	-	-	-	-	-	-	85	80	(5)
44	Driver Education Program	396	402	6	-	-	-	21	-	(21)	417	402	(15)
45	Grant in Lieu of Taxes	136	135	(1)	-	-	-	-	-	-	136	135	(1)
46	Furniture & Equipment	175	142	(33)	-	-	-	-	-	-	175	142	(33)
47	Merchant Fees	3,672	2,750	(922)	-	-	-	-	-	-	3,672	2,750	(922)
48	Other	430	668	238	-	-	-	-	(40)	(40)	430	628	198
49	Subtotal - Other Operating Expenses	9,858	9,537	(321)	68	50	(18)	1,386	655	(731)	11,312	10,242	(1,070)
50	Depreciation of Capital Investments	505	521	16	-	-	-	-	-	-	505	521	16
51	Amortization of Deferred Development	146	362	216	-	-	-	915	1,134	219	1,061	1,496	435
52	Total Expenses	23,865	23,555	(310)	68	184	116	1,407	1,169	(238)	25,340	24,908	(432)

Compare 2024/25 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries		6.7%	6.7%		7.0%		6.5%	5.1%	-1.4%	6.7%	6.8%	0.1%
56	Compensation - Overtime		6.6%	6.6%							6.9%	6.6%	-0.3%
57	Compensation - Benefits		6.7%	6.7%							6.7%	6.7%	-0.1%
58	Compensation - H & E Tax		6.6%	6.6%							6.7%	6.6%	-0.1%
59	Subtotal		6.7%	6.7%		7.0%		6.5%	5.1%	-1.4%	6.7%	6.8%	0.0%
60	Data Processing		7.5%	7.5%	5.7%	6.6%	0.9%	6.5%	5.0%	-1.5%	7.1%	6.8%	-0.3%
61	Special Services		7.4%	7.4%							7.5%	7.4%	-0.1%
62	Building Expenses		6.9%	6.9%							6.9%	6.9%	0.0%
63	Loss Prev/Safety Program		8.1%	8.1%							8.0%	8.1%	0.0%
64	Telephone/Telecommunications		7.4%	7.4%							7.3%	7.4%	0.0%
65	Advertising & Public Info		7.6%	7.6%							7.4%	7.6%	0.2%
66	Printing, Stationery & Supplies		2.8%	2.8%							3.2%	2.8%	-0.5%
67	Postage		6.1%	6.1%					7.0%		6.1%	6.0%	-0.2%
68	Regulatory/Appeal Expenses		1.0%	1.0%							0.5%	1.0%	0.5%
69	Travel & Vehicle Expense		6.5%	6.5%							5.8%	6.5%	0.6%
70	Driver Education Program		8.1%	8.1%				7.1%			8.0%	8.1%	0.1%
71	Grant in Lieu of Taxes		6.9%	6.9%							6.9%	6.9%	0.0%
72	Furniture & Equipment		7.3%	7.3%							7.4%	7.3%	0.0%
73	Merchant Fees		24.6%	24.6%							25.1%	24.6%	-0.5%
74	Other		7.4%	7.4%					7.0%		7.1%	7.4%	0.3%
75	Subtotal		8.7%	8.7%	5.7%	6.6%	0.9%	6.6%	4.9%	-1.7%	8.8%	8.2%	-0.6%
76	Depreciation of Capital Investments		6.9%	6.9%							6.9%	6.9%	0.0%
77	Amortization of Deferred Development		7.4%	7.4%				5.2%	4.7%	-0.5%	5.5%	5.2%	-0.3%
78	TOTAL		7.4%	7.4%	5.7%	6.9%	1.2%	5.7%	4.6%	-1.0%	7.5%	7.2%	-0.3%

Figure 7 Compare 2025/26 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total			
	Expense Category	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation - Salaries	160,483	160,483		1,181	1,181		-	(13,408)	(13,408)	148,256	148,256	
3	Compensation - Overtime	1,447	1,447		-	-		-	-	-	1,447	1,447	
4	Compensation - Benefits	38,122	38,122		-	-		-	-	-	38,122	38,122	
5	Compensation - H & E Tax	3,533	3,533		-	-		-	-	-	3,533	3,533	
6	Subtotal - Compensation	203,585	203,585		1,181	1,181		-	(13,408)	(13,408)	191,358	191,358	
7	Data Processing	39,932	39,932		500	500		-	14,331	14,331	54,763	54,763	
8	Special Services	8,957	8,957		-	-		-	-	-	8,957	8,957	
9	Building Expenses	8,326	8,326		-	-		-	-	-	8,326	8,326	
10	Safety / Loss Prevention Program	4,304	4,304		-	-		-	-	-	4,304	4,304	
11	Telephone/Telecommunications	1,988	1,988		-	-		-	-	-	1,988	1,988	
12	Advertising & Public Info	3,645	3,645		-	-		-	-	-	3,645	3,645	
13	Printing, Stationery & Supplies	4,773	4,773		-	-		-	-	-	4,773	4,773	
14	Postage	4,931	4,931		-	-		-	(542)	(542)	4,389	4,389	
15	Regulatory/Appeal	4,590	4,590		-	-		-	-	-	4,590	4,590	
16	Travel & Vehicle Expense	1,265	1,265		-	-		-	-	-	1,265	1,265	
17	Driver Education Program	5,073	5,073		-	-		-	-	-	5,073	5,073	
18	Grant in Lieu of Taxes	2,006	2,006		-	-		-	-	-	2,006	2,006	
19	Furniture & Equipment	1,973	1,973		-	-		-	-	-	1,973	1,973	
20	Merchant Fees	11,391	11,391		-	-		-	-	-	11,391	11,391	
21	Other	9,163	9,163		2	2		-	(577)	(577)	8,588	8,588	
22	Subtotal - Other Operating Expenses	112,317	112,317		502	502		-	13,212	13,212	126,031	126,031	
23	Depreciation of Capital Investments	8,554	8,554		-	-		-	-	-	8,554	8,554	
24	Amortization of Deferred Development	3,391	3,391		-	-		-	24,730	24,730	28,121	28,121	
25	Total Expenses	327,847	327,847		1,683	1,683		-	24,534	24,534	354,064	354,064	

Compare 2025/26 Expenses 2022 GRA to 2021 GRA (cont'd)

26	EXTENSION	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total			
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	
27	Expense Category													
28	<i>(C\$000s, rounding may affect totals)</i>													
29	Compensation - Salaries		10,920	10,920		66	66		-	(674)	(674)		10,312	10,312
30	Compensation - Overtime		99	99		-	-		-	-	-		99	99
31	Compensation - Benefits		2,589	2,589		-	-		-	-	-		2,589	2,589
32	Compensation - H & E Tax		241	241		-	-		-	-	-		241	241
33	Subtotal - Compensation		13,849	13,849		66	66		-	(674)	(674)		13,241	13,241
34	Data Processing		3,053	3,053		32	32		-	783	783		3,868	3,868
35	Special Services		676	676		-	-		-	-	-		676	676
36	Building Expenses		585	585		-	-		-	-	-		585	585
37	Safety / Loss Prevention Program		356	356		-	-		-	-	-		356	356
38	Telephone/Telecommunications		150	150		-	-		-	-	-		150	150
39	Advertising & Public Info		282	282		-	-		-	-	-		282	282
40	Printing, Stationery & Supplies		134	134		-	-		-	-	-		134	134
41	Postage		306	306		-	-		-	(31)	(31)		275	275
42	Regulatory/Appeal		63	63		-	-		-	-	-		63	63
43	Travel & Vehicle Expense		83	83		-	-		-	-	-		83	83
44	Driver Education Program		419	419		-	-		-	-	-		419	419
45	Grant in Lieu of Taxes		140	140		-	-		-	-	-		140	140
46	Furniture & Equipment		148	148		-	-		-	-	-		148	148
47	Merchant Fees		2,806	2,806		-	-		-	-	-		2,806	2,806
48	Other		696	696		1	1		-	(31)	(31)		666	666
49	Subtotal - Other Operating Expenses		9,897	9,897		33	33		-	721	721		10,651	10,651
50	Depreciation of Capital Investments		606	606		-	-		-	-	-		606	606
51	Amortization of Deferred Development		255	255		-	-		-	1,139	1,139		1,394	1,394
52	Total Expenses		24,607	24,607		99	99		-	1,186	1,186		25,892	25,892

Compare 2025/26 Expenses 2022 GRA to 2021 GRA (cont'd)

53	Extension % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries		6.8%			5.6%			5.0%			7.0%	
56	Compensation - Overtime		6.8%									6.8%	
57	Compensation - Benefits		6.8%									6.8%	
58	Compensation - H & E Tax		6.8%									6.8%	
59	Subtotal		6.8%			5.6%			5.0%			6.9%	
60	Data Processing		7.6%			6.4%			5.5%			7.1%	
61	Special Services		7.5%									7.5%	
62	Building Expenses		7.0%									7.0%	
63	Loss Prev/Safety Program		8.3%									8.3%	
64	Telephone/Telecommunications		7.5%									7.5%	
65	Advertising & Public Info		7.7%									7.7%	
66	Printing, Stationery & Supplies		2.8%									2.8%	
67	Postage		6.2%						5.7%			6.3%	
68	Regulatory/Appeal Expenses		1.4%									1.4%	
69	Travel & Vehicle Expense		6.6%									6.6%	
70	Driver Education Program		8.3%									8.3%	
71	Grant in Lieu of Taxes		7.0%									7.0%	
72	Furniture & Equipment		7.5%									7.5%	
73	Merchant Fees		24.6%									24.6%	
74	Other		7.6%			50.0%			5.4%			7.8%	
75	Subtotal		8.8%			6.6%			5.5%			8.5%	
76	Depreciation of Capital Investments		7.1%									7.1%	
77	Amortization of Deferred Development		7.5%						4.6%			5.0%	
78	TOTAL		7.5%			5.9%			4.8%			7.3%	

b) Please see Figures 8 to 14 below. The comparative explanations provided in *Expense Appendix 7* are provided at the corporate level and are consistent with the narrative of material changes as shown in the figures that follow.

Figure 8 Summary of Comparative - DVA

Line No.	CORPORATE Expense Category	2020/21A		2021/22FB		2022/23F		2023/24F		2024/25F		2025/26F	
		2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation Expenses	180,837	174,787	183,890	186,628	187,243	190,960	188,233	192,775	184,987	186,841	-	191,358
3	Administrative Expenses	100,908	95,706	106,359	134,619	116,941	128,278	125,677	130,254	128,503	124,373	-	126,031
4	Amortization/Depreciation Expenses	24,321	23,432	19,864	20,183	15,428	17,623	26,618	27,358	26,642	36,331	-	36,675
5	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064
6	Normal Operations Expenses	298,375	285,182	303,493	311,798	302,828	311,104	307,541	312,348	314,110	319,661	-	327,847
7	Initiative - Implementation Expenses	7,691	8,743	3,152	29,632	500	21,078	1,453	7,740	1,195	2,654	-	1,683
8	Initiative - Ongoing Expenses	-	-	3,468	-	16,284	4,679	31,534	30,299	24,827	25,230	-	24,534
9	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064
10	Claims	163,352	160,857	163,537	171,636	168,160	170,498	177,990	176,198	177,278	178,607	-	182,227
11	Operating	124,642	119,812	125,667	149,603	130,611	146,465	141,400	154,276	141,872	149,300	-	151,926
12	Road Safety	12,930	8,834	15,727	15,377	15,618	15,251	15,812	15,260	15,550	14,910	-	15,102
13	Regulatory Appeal	5,142	4,422	5,182	4,814	5,223	4,647	5,326	4,653	5,432	4,728	-	4,809
14	Total	306,066	293,925	310,113	341,430	319,612	336,861	340,528	350,387	340,132	347,545	n/a	354,064

Summary of Comparative - DVA (cont'd)

15	DVA	2020/21A		2021/22FB		2022/23F		2023/24F		2024/25F		2025/26F	
		2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
16	Expense Category												
17	Compensation Expenses	24,688	23,228	25,192	28,545	25,597	28,692	25,927	28,518	25,945	25,557	-	26,298
18	Administrative Expenses	9,798	8,531	9,800	24,642	10,214	21,387	11,167	18,833	11,368	15,012	-	14,036
19	Amortization/Depreciation Expenses	2,245	2,103	2,009	2,166	1,259	1,706	5,437	9,037	5,535	9,279	-	10,053
20	Total	36,731	33,862	37,001	55,353	37,070	51,785	42,531	56,388	42,848	49,848	n/a	50,387
21	Normal Operations Expenses	35,514	33,409	36,113	39,897	35,785	39,508	36,584	39,860	37,566	41,026	-	42,224
22	Initiative - Implementation Expenses	1,217	453	784	15,456	44	11,666	304	261	239	47	-	288
23	Initiative - Ongoing Expenses	-	-	104	-	1,241	611	5,643	16,267	5,043	8,775	-	7,875
24	Total	36,731	33,862	37,001	55,353	37,070	51,785	42,531	56,388	42,848	49,848	n/a	50,387
25	Claims	-	-	-	-	-	-	-	-	-	-	-	-
26	Operating	36,731	33,862	37,001	55,353	37,070	51,785	42,531	56,388	42,848	49,848	n/a	50,387
27	Road Safety	-	-	-	-	-	-	-	-	-	-	-	-
28	Regulatory Appeal	-	-	-	-	-	-	-	-	-	-	-	-
29	Total	36,731	33,862	37,001	55,353	37,070	51,785	42,531	56,388	42,848	49,848	n/a	50,387

Summary of Comparative - DVA (cont'd)

30	DVA% of CORPORATE	2020/21A		2021/22FB		2022/23F		2023/24F		2024/25F		2025/26F	
		2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA	2021 GRA	2022 GRA
31	Expense Category												
32	Compensation Expenses	14%	13%	14%	15%	14%	15%	14%	15%	14%	14%	-	14%
33	Administrative Expenses	10%	9%	9%	18%	9%	17%	9%	14%	9%	12%	-	11%
34	Amortization/Depreciation Expenses	9%	9%	10%	11%	8%	10%	20%	33%	21%	26%	-	27%
35	Total	12%	12%	12%	16%	12%	15%	12%	16%	13%	14%	n/a	14%
36	Normal Operations Expenses	12%	12%	12%	13%	12%	13%	12%	13%	12%	13%	-	13%
37	Initiative - Implementation Expenses	16%	5%	25%	52%	9%	55%	21%	3%	20%	2%	-	17%
38	Initiative - Ongoing Expenses	-	-	3%	-	8%	13%	18%	54%	20%	35%	-	32%
39	Total	12%	12%	12%	16%	12%	15%	12%	16%	13%	14%	n/a	14%
40	Claims	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
41	Operating	29%	28%	29%	37%	28%	35%	30%	37%	30%	33%	-	33%
42	Road Safety	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
43	Regulatory Appeal	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	-	0%
44	Total	12%	12%	12%	16%	12%	15%	12%	16%	13%	14%	n/a	14%

Figure 9 Compare 2020/21 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation - Salaries	139,360	132,706	(6,654)	929	1,390	461	-	-	-	140,289	134,096	(6,193)
3	Compensation - Overtime	1,854	1,157	(697)	-	10	10	-	-	-	1,854	1,167	(687)
4	Compensation - Benefits	35,537	36,628	1,091	-	-	-	-	-	-	35,537	36,628	1,091
5	Compensation - H & E Tax	3,157	2,896	(261)	-	-	-	-	-	-	3,157	2,896	(261)
6	Subtotal - Compensation	179,908	173,387	(6,521)	929	1,400	471	-	-	-	180,837	174,787	(6,050)
7	Data Processing	31,282	31,785	503	6,748	7,088	340	-	-	-	38,030	38,873	843
8	Special Services	7,166	9,144	1,978	-	-	-	-	-	-	7,166	9,144	1,978
9	Building Expenses	9,290	8,776	(514)	-	-	-	-	-	-	9,290	8,776	(514)
10	Safety / Loss Prevention Program	3,528	2,233	(1,295)	-	-	-	-	-	-	3,528	2,233	(1,295)
11	Telephone/Telecommunications	1,909	1,842	(67)	-	-	-	-	-	-	1,909	1,842	(67)
12	Advertising & Public Info	2,542	1,936	(606)	-	-	-	-	-	-	2,542	1,936	(606)
13	Printing, Stationery & Supplies	4,233	3,589	(644)	14	8	(6)	-	-	-	4,247	3,597	(650)
14	Postage	5,037	4,826	(211)	-	-	-	-	-	-	5,037	4,826	(211)
15	Regulatory/Appeal	4,671	4,225	(446)	-	-	-	-	-	-	4,671	4,225	(446)
16	Travel & Vehicle Expense	784	507	(277)	-	3	3	-	-	-	784	510	(274)
17	Driver Education Program	3,459	1,595	(1,864)	-	-	-	-	-	-	3,459	1,595	(1,864)
18	Grant in Lieu of Taxes	1,895	1,891	(4)	-	-	-	-	-	-	1,895	1,891	(4)
19	Furniture & Equipment	1,300	534	(766)	-	6	6	-	-	-	1,300	540	(760)
20	Merchant Fees	11,528	11,128	(400)	-	-	-	-	-	-	11,528	11,128	(400)
21	Other	5,522	4,352	(1,170)	-	238	238	-	-	-	5,522	4,590	(932)
22	Subtotal - Other Operating Expenses	94,146	88,363	(5,783)	6,762	7,343	581	-	-	-	100,908	95,706	(5,202)
23	Depreciation of Capital Investments	5,935	5,365	(570)	-	-	-	-	-	-	5,935	5,365	(570)
24	Amortization of Deferred Development	18,386	18,067	(319)	-	-	-	-	-	-	18,386	18,067	(319)
25	Total Expenses	298,375	285,182	(13,193)	7,691	8,743	1,052	-	-	-	306,066	293,925	(12,141)

Compare 2020/21 Expenses 2022 GRA to 2021 GRA (cont'd)

26	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	19,024	17,711	(1,313)	183	110	(73)	-	-	-	19,207	17,821	(1,386)
30	Compensation - Overtime	209	117	(92)	-	1	1	-	-	-	209	118	(91)
31	Compensation - Benefits	4,842	4,901	59	-	-	-	-	-	-	4,842	4,901	59
32	Compensation - H & E Tax	430	388	(42)	-	-	-	-	-	-	430	388	(42)
33	Subtotal - Compensation	24,505	23,117	(1,388)	183	111	(72)	-	-	-	24,688	23,228	(1,460)
34	Data Processing	2,119	2,103	(16)	1,033	321	(712)	-	-	-	3,152	2,424	(728)
35	Special Services	446	490	44	-	-	-	-	-	-	446	490	44
36	Building Expenses	1,063	965	(98)	-	-	-	-	-	-	1,063	965	(98)
37	Safety / Loss Prevention Program	-	-	-	-	-	-	-	-	-	-	-	-
38	Telephone/Telecommunications	162	144	(18)	-	-	-	-	-	-	162	144	(18)
39	Advertising & Public Info	214	104	(110)	-	-	-	-	-	-	214	104	(110)
40	Printing, Stationery & Supplies	2,375	2,439	64	1	7	6	-	-	-	2,376	2,446	70
41	Postage	1,180	1,034	(146)	-	-	-	-	-	-	1,180	1,034	(146)
42	Regulatory/Appeal	16	25	9	-	-	-	-	-	-	16	25	9
43	Travel & Vehicle Expense	220	77	(143)	-	-	-	-	-	-	220	77	(143)
44	Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-
45	Grant in Lieu of Taxes	217	213	(4)	-	-	-	-	-	-	217	213	(4)
46	Furniture & Equipment	111	43	(68)	-	6	6	-	-	-	111	49	(62)
47	Merchant Fees	50	70	20	-	-	-	-	-	-	50	70	20
48	Other	591	482	(109)	-	8	8	-	-	-	591	490	(101)
49	Subtotal - Other Operating Expenses	8,764	8,189	(575)	1,034	342	(692)	-	-	-	9,798	8,531	(1,267)
50	Depreciation of Capital Investments	639	574	(65)	-	-	-	-	-	-	639	574	(65)
51	Amortization of Deferred Development	1,606	1,529	(77)	-	-	-	-	-	-	1,606	1,529	(77)
52	Total Expenses	35,514	33,409	(2,105)	1,217	453	(764)	-	-	-	36,731	33,862	(2,869)

Compare 2020/21 Expenses 2022 GRA to 2021 GRA (cont'd)

53	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	13.7%	13.3%	-0.3%	19.7%	7.9%	-11.8%				13.7%	13.3%	-0.4%
56	Compensation - Overtime	11.3%	10.1%	-1.2%		10.0%					11.3%	10.1%	-1.2%
57	Compensation - Benefits	13.6%	13.4%	-0.2%							13.6%	13.4%	-0.2%
58	Compensation - H & E Tax	13.6%	13.4%	-0.2%							13.6%	13.4%	-0.2%
59	Subtotal	13.6%	13.3%	-0.3%	19.7%	7.9%	-11.8%				13.7%	13.3%	-0.4%
60	Data Processing	6.8%	6.6%	-0.2%	15.3%	4.5%	-10.8%				8.3%	6.2%	-2.1%
61	Special Services	6.2%	5.4%	-0.9%							6.2%	5.4%	-0.9%
62	Building Expenses	11.4%	11.0%	-0.4%							11.4%	11.0%	-0.4%
63	Loss Prev/Safety Program	0.0%	0.0%	0.0%							0.0%	0.0%	0.0%
64	Telephone/Telecommunications	8.5%	7.8%	-0.7%							8.5%	7.8%	-0.7%
65	Advertising & Public Info	8.4%	5.4%	-3.0%							8.4%	5.4%	-3.0%
66	Printing, Stationery & Supplies	56.1%	68.0%	11.9%	7.1%	87.5%	80.4%				55.9%	68.0%	12.1%
67	Postage	23.4%	21.4%	-2.0%							23.4%	21.4%	-2.0%
68	Regulatory/Appeal Expenses	0.3%	0.6%	0.2%							0.3%	0.6%	0.2%
69	Travel & Vehicle Expense	28.1%	15.2%	-12.9%		0.0%					28.1%	15.1%	-13.0%
70	Driver Education Program	0.0%	0.0%	0.0%							0.0%	0.0%	0.0%
71	Grant in Lieu of Taxes	11.5%	11.3%	-0.2%							11.5%	11.3%	-0.2%
72	Furniture & Equipment	8.5%	8.1%	-0.5%		100.0%					8.5%	9.1%	0.5%
73	Merchant Fees	0.4%	0.6%	0.2%							0.4%	0.6%	0.2%
74	Other	10.7%	11.1%	0.4%		3.4%					10.7%	10.7%	0.0%
75	Subtotal	9.3%	9.3%	0.0%	15.3%	4.7%	-10.6%				9.7%	8.9%	-0.8%
76	Depreciation of Capital Investments	10.8%	10.7%	-0.1%							10.8%	10.7%	-0.1%
77	Amortization of Deferred Development	8.7%	8.5%	-0.3%							8.7%	8.5%	-0.3%
78	TOTAL	11.9%	11.7%	-0.2%	15.8%	5.2%	-10.6%				12.0%	11.5%	-0.5%

Figure 10 Compare 2021/22 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, rounding may affect totals)</i>												
2	Compensation - Salaries	142,179	142,274	95	509	3,001	2,492	(204)	-	204	142,484	145,275	2,791
3	Compensation - Overtime	1,884	1,520	(364)	-	-	-	-	-	-	1,884	1,520	(364)
4	Compensation - Benefits	36,306	36,496	190	-	-	-	-	-	-	36,306	36,496	190
5	Compensation - H & E Tax	3,216	3,337	121	-	-	-	-	-	-	3,216	3,337	121
6	Subtotal - Compensation	183,585	183,627	42	509	3,001	2,492	(204)	-	204	183,890	186,628	2,738
7	Data Processing	31,883	35,392	3,509	2,629	25,940	23,311	2,661	-	(2,661)	37,173	61,332	24,159
8	Special Services	8,766	9,092	326	-	-	-	-	-	-	8,766	9,092	326
9	Building Expenses	8,206	8,756	550	-	-	-	-	-	-	8,206	8,756	550
10	Safety / Loss Prevention Program	4,105	4,488	383	-	-	-	-	-	-	4,105	4,488	383
11	Telephone/Telecommunications	1,910	1,911	1	-	-	-	-	-	-	1,910	1,911	1
12	Advertising & Public Info	3,556	3,505	(51)	-	-	-	-	-	-	3,556	3,505	(51)
13	Printing, Stationery & Supplies	4,261	4,611	350	14	4	(10)	-	-	-	4,275	4,615	340
14	Postage	4,837	4,739	(98)	-	-	-	-	-	-	4,837	4,739	(98)
15	Regulatory/Appeal	4,700	4,561	(139)	-	-	-	-	-	-	4,700	4,561	(139)
16	Travel & Vehicle Expense	1,401	1,212	(189)	-	14	14	-	-	-	1,401	1,226	(175)
17	Driver Education Program	4,648	4,722	74	-	-	-	163	-	(163)	4,811	4,722	(89)
18	Grant in Lieu of Taxes	1,894	1,927	33	-	-	-	-	-	-	1,894	1,927	33
19	Furniture & Equipment	2,202	2,791	589	-	371	371	-	-	-	2,202	3,162	960
20	Merchant Fees	12,711	10,724	(1,987)	-	-	-	-	-	-	12,711	10,724	(1,987)
21	Other	5,812	9,557	3,745	-	302	302	-	-	-	5,812	9,859	4,047
22	Subtotal - Other Operating Expenses	100,892	107,988	7,096	2,643	26,631	23,988	2,824	-	(2,824)	106,359	134,619	28,260
23	Depreciation of Capital Investments	6,109	6,158	49	-	-	-	-	-	-	6,109	6,158	49
24	Amortization of Deferred Development	12,907	14,025	1,118	-	-	-	848	-	(848)	13,755	14,025	270
25	Total Expenses	303,493	311,798	8,305	3,152	29,632	26,480	3,468	-	(3,468)	310,113	341,430	31,317

Compare 2021/22 Expenses 2022 GRA to 2021 GRA (cont'd)

26	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	19,445	21,140	1,695	143	1,269	1,126	(5)	-	5	19,583	22,409	2,826
30	Compensation - Overtime	212	213	1	-	-	-	-	-	-	212	213	1
31	Compensation - Benefits	4,958	5,427	469	-	-	-	-	-	-	4,958	5,427	469
32	Compensation - H & E Tax	439	496	57	-	-	-	-	-	-	439	496	57
33	Subtotal - Compensation	25,054	27,276	2,222	143	1,269	1,126	(5)	-	5	25,192	28,545	3,353
34	Data Processing	2,161	2,710	549	640	14,100	13,460	46	-	(46)	2,847	16,810	13,963
35	Special Services	546	723	177	-	-	-	-	-	-	546	723	177
36	Building Expenses	940	1,095	155	-	-	-	-	-	-	940	1,095	155
37	Safety / Loss Prevention Program	-	-	-	-	-	-	-	-	-	-	-	-
38	Telephone/Telecommunications	162	169	7	-	-	-	-	-	-	162	169	7
39	Advertising & Public Info	299	224	(75)	-	-	-	-	-	-	299	224	(75)
40	Printing, Stationery & Supplies	2,392	2,853	461	1	2	1	-	-	-	2,393	2,855	462
41	Postage	1,133	1,185	52	-	-	-	-	-	-	1,133	1,185	52
42	Regulatory/Appeal	16	17	1	-	-	-	-	-	-	16	17	1
43	Travel & Vehicle Expense	394	223	(171)	-	7	7	-	-	-	394	230	(164)
44	Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-
45	Grant in Lieu of Taxes	217	241	24	-	-	-	-	-	-	217	241	24
46	Furniture & Equipment	188	251	63	-	35	35	-	-	-	188	286	98
47	Merchant Fees	55	56	1	-	-	-	-	-	-	55	56	1
48	Other	610	708	98	-	43	43	-	-	-	610	751	141
49	Subtotal - Other Operating Expenses	9,113	10,455	1,342	641	14,187	13,546	46	-	(46)	9,800	24,642	14,842
50	Depreciation of Capital Investments	666	741	75	-	-	-	-	-	-	666	741	75
51	Amortization of Deferred Development	1,280	1,425	145	-	-	-	63	-	(63)	1,343	1,425	82
52	Total Expenses	36,113	39,897	3,784	784	15,456	14,672	104	-	(104)	37,001	55,353	18,352

Compare 2021/22 Expenses 2022 GRA to 2021 GRA (cont'd)

53	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	13.7%	14.9%	1.2%	28.1%	42.3%	14.2%	2.5%			13.7%	15.4%	1.7%
56	Compensation - Overtime	11.3%	14.0%	2.8%							11.3%	14.0%	2.8%
57	Compensation - Benefits	13.7%	14.9%	1.2%							13.7%	14.9%	1.2%
58	Compensation - H & E Tax	13.7%	14.9%	1.2%							13.7%	14.9%	1.2%
59	Subtotal	13.6%	14.9%	1.2%	28.1%	42.3%	14.2%	2.5%			13.7%	15.3%	1.6%
60	Data Processing	6.8%	7.7%	0.9%	24.3%	54.4%	30.0%	1.7%			7.7%	27.4%	19.7%
61	Special Services	6.2%	8.0%	1.7%							6.2%	8.0%	1.7%
62	Building Expenses	11.5%	12.5%	1.1%							11.5%	12.5%	1.1%
63	Loss Prev/Safety Program	0.0%	0.0%	0.0%							0.0%	0.0%	0.0%
64	Telephone/Telecommunications	8.5%	8.8%	0.4%							8.5%	8.8%	0.4%
65	Advertising & Public Info	8.4%	6.4%	-2.0%							8.4%	6.4%	-2.0%
66	Printing, Stationery & Supplies	56.1%	61.9%	5.7%	7.1%	50.0%	42.9%				56.0%	61.9%	5.9%
67	Postage	23.4%	25.0%	1.6%							23.4%	25.0%	1.6%
68	Regulatory/Appeal Expenses	0.3%	0.4%	0.0%							0.3%	0.4%	0.0%
69	Travel & Vehicle Expense	28.1%	18.4%	-9.7%		50.0%					28.1%	18.8%	-9.4%
70	Driver Education Program	0.0%	0.0%	0.0%				0.0%			0.0%	0.0%	0.0%
71	Grant in Lieu of Taxes	11.5%	12.5%	1.0%							11.5%	12.5%	1.0%
72	Furniture & Equipment	8.5%	9.0%	0.5%		9.4%					8.5%	9.0%	0.5%
73	Merchant Fees	0.4%	0.5%	0.1%							0.4%	0.5%	0.1%
74	Other	10.5%	7.4%	-3.1%		14.2%					10.5%	7.6%	-2.9%
75	Subtotal	9.0%	9.7%	0.6%	24.3%	53.3%	29.0%	1.6%			9.2%	18.3%	9.1%
76	Depreciation of Capital Investments	10.9%	12.0%	1.1%							10.9%	12.0%	1.1%
77	Amortization of Deferred Development	9.9%	10.2%	0.2%				7.4%			9.8%	10.2%	0.4%
78	TOTAL	11.9%	12.8%	0.9%	24.9%	52.2%	27.3%	3.0%			11.9%	16.2%	4.3%

Figure 11 Compare 2022/23 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	145,142	146,325	1,183	-	2,170	2,170	(355)	1,033	1,388	144,787	149,528	4,741
3	Compensation - Overtime	1,894	1,498	(396)	-	-	-	-	-	-	1,894	1,498	(396)
4	Compensation - Benefits	37,278	36,567	(711)	-	-	-	-	-	-	37,278	36,567	(711)
5	Compensation - H & E Tax	3,284	3,367	83	-	-	-	-	-	-	3,284	3,367	83
6	Subtotal - Compensation	187,598	187,757	159	-	2,170	2,170	(355)	1,033	1,388	187,243	190,960	3,717
7	Data Processing	31,962	37,000	5,038	500	18,407	17,907	14,230	2,021	(12,209)	46,692	57,428	10,736
8	Special Services	8,670	8,554	(116)	-	-	-	-	-	-	8,670	8,554	(116)
9	Building Expenses	8,105	8,591	486	-	-	-	-	-	-	8,105	8,591	486
10	Safety / Loss Prevention Program	3,843	4,139	296	-	-	-	-	-	-	3,843	4,139	296
11	Telephone/Telecommunications	1,910	1,910	-	-	-	-	-	-	-	1,910	1,910	-
12	Advertising & Public Info	3,556	3,505	(51)	-	-	-	-	-	-	3,556	3,505	(51)
13	Printing, Stationery & Supplies	4,252	4,603	351	-	5	5	-	-	-	4,252	4,608	356
14	Postage	4,838	4,739	(99)	-	-	-	-	-	-	4,838	4,739	(99)
15	Regulatory/Appeal	4,730	4,387	(343)	-	-	-	-	-	-	4,730	4,387	(343)
16	Travel & Vehicle Expense	1,403	1,219	(184)	-	14	14	-	-	-	1,403	1,233	(170)
17	Driver Education Program	4,738	4,875	137	-	-	-	163	-	(163)	4,901	4,875	(26)
18	Grant in Lieu of Taxes	1,893	1,927	34	-	-	-	-	-	-	1,893	1,927	34
19	Furniture & Equipment	2,282	2,195	(87)	-	370	370	-	-	-	2,282	2,565	283
20	Merchant Fees	14,043	10,842	(3,201)	-	-	-	-	-	-	14,043	10,842	(3,201)
21	Other	5,823	8,861	3,038	-	112	112	-	2	2	5,823	8,975	3,152
22	Subtotal - Other Operating Expenses	102,048	107,347	5,299	500	18,908	18,408	14,393	2,023	(12,370)	116,941	128,278	11,337
23	Depreciation of Capital Investments	6,029	6,272	243	-	-	-	-	-	-	6,029	6,272	243
24	Amortization of Deferred Development	7,153	9,728	2,575	-	-	-	2,246	1,623	(623)	9,399	11,351	1,952
25	Total Expenses	302,828	311,104	8,276	500	21,078	20,578	16,284	4,679	(11,605)	319,612	336,861	17,249

Compare 2022/23 Expenses 2022 GRA to 2021 GRA (cont'd)

26	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	19,850	21,586	1,736	-	858	858	(5)	179	184	19,845	22,623	2,778
30	Compensation - Overtime	213	210	(3)	-	-	-	-	-	-	213	210	(3)
31	Compensation - Benefits	5,090	5,365	275	-	-	-	-	-	-	5,090	5,365	275
32	Compensation - H & E Tax	449	494	45	-	-	-	-	-	-	449	494	45
33	Subtotal - Compensation	25,602	27,655	2,053	-	858	858	(5)	179	184	25,597	28,692	3,095
34	Data Processing	2,167	2,825	658	44	10,754	10,710	1,061	177	(884)	3,272	13,756	10,484
35	Special Services	540	677	137	-	-	-	-	-	-	540	677	137
36	Building Expenses	928	1,069	141	-	-	-	-	-	-	928	1,069	141
37	Safety / Loss Prevention Program	-	-	-	-	-	-	-	-	-	-	-	-
38	Telephone/Telecommunications	162	169	7	-	-	-	-	-	-	162	169	7
39	Advertising & Public Info	299	232	(67)	-	-	-	-	-	-	299	232	(67)
40	Printing, Stationery & Supplies	2,386	2,846	460	-	2	2	-	-	-	2,386	2,848	462
41	Postage	1,134	1,185	51	-	-	-	-	-	-	1,134	1,185	51
42	Regulatory/Appeal	16	16	-	-	-	-	-	-	-	16	16	-
43	Travel & Vehicle Expense	394	224	(170)	-	6	6	-	-	-	394	230	(164)
44	Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-
45	Grant in Lieu of Taxes	217	240	23	-	-	-	-	-	-	217	240	23
46	Furniture & Equipment	195	197	2	-	35	35	-	-	-	195	232	37
47	Merchant Fees	61	56	(5)	-	-	-	-	-	-	61	56	(5)
48	Other	610	666	56	-	11	11	-	-	-	610	677	67
49	Subtotal - Other Operating Expenses	9,109	10,402	1,293	44	10,808	10,764	1,061	177	(884)	10,214	21,387	11,173
50	Depreciation of Capital Investments	674	765	91	-	-	-	-	-	-	674	765	91
51	Amortization of Deferred Development	400	686	286	-	-	-	185	255	70	585	941	356
52	Total Expenses	35,785	39,508	3,723	44	11,666	11,622	1,241	611	(630)	37,070	51,785	14,715

Compare 2022/23 Expenses 2022 GRA to 2021 GRA (cont'd)

53	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	13.7%	14.8%	1.1%		39.5%		1.4%	17.3%	15.9%	13.7%	15.1%	1.4%
56	Compensation - Overtime	11.2%	14.0%	2.8%							11.2%	14.0%	2.8%
57	Compensation - Benefits	13.7%	14.7%	1.0%							13.7%	14.7%	1.0%
58	Compensation - H & E Tax	13.7%	14.7%	1.0%							13.7%	14.7%	1.0%
59	Subtotal	13.6%	14.7%	1.1%		39.5%		1.4%	17.3%	15.9%	13.7%	15.0%	1.4%
60	Data Processing	6.8%	7.6%	0.9%	8.8%	58.4%	49.6%	7.5%	8.8%	1.3%	7.0%	24.0%	16.9%
61	Special Services	6.2%	7.9%	1.7%							6.2%	7.9%	1.7%
62	Building Expenses	11.4%	12.4%	1.0%							11.4%	12.4%	1.0%
63	Loss Prev/Safety Program	0.0%	0.0%	0.0%							0.0%	0.0%	0.0%
64	Telephone/Telecommunications	8.5%	8.8%	0.4%							8.5%	8.8%	0.4%
65	Advertising & Public Info	8.4%	6.6%	-1.8%							8.4%	6.6%	-1.8%
66	Printing, Stationery & Supplies	56.1%	61.8%	5.7%		40.0%					56.1%	61.8%	5.7%
67	Postage	23.4%	25.0%	1.6%							23.4%	25.0%	1.6%
68	Regulatory/Appeal Expenses	0.3%	0.4%	0.0%							0.3%	0.4%	0.0%
69	Travel & Vehicle Expense	28.1%	18.4%	-9.7%		42.9%					28.1%	18.7%	-9.4%
70	Driver Education Program	0.0%	0.0%	0.0%				0.0%			0.0%	0.0%	0.0%
71	Grant in Lieu of Taxes	11.5%	12.5%	1.0%							11.5%	12.5%	1.0%
72	Furniture & Equipment	8.5%	9.0%	0.4%		9.5%					8.5%	9.0%	0.5%
73	Merchant Fees	0.4%	0.5%	0.1%							0.4%	0.5%	0.1%
74	Other	10.5%	7.5%	-3.0%		9.8%			0.0%		10.5%	7.5%	-2.9%
75	Subtotal	8.9%	9.7%	0.8%	8.8%	57.2%	48.4%	7.4%	8.7%	1.4%	8.7%	16.7%	7.9%
76	Depreciation of Capital Investments	11.2%	12.2%	1.0%							11.2%	12.2%	1.0%
77	Amortization of Deferred Development	5.6%	7.1%	1.5%				8.2%	15.7%	7.5%	6.2%	8.3%	2.1%
78	TOTAL	11.8%	12.7%	0.9%	8.8%	55.3%	46.5%	7.6%	13.1%	5.4%	11.6%	15.4%	3.8%

Figure 12 Compare 2023/24 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	148,990	149,236	246	-	2,351	2,351	(4,348)	(328)	4,020	144,642	151,259	6,617
3	Compensation - Overtime	1,906	1,481	(425)	-	-	-	-	-	-	1,906	1,481	(425)
4	Compensation - Benefits	38,330	36,642	(1,688)	-	-	-	-	-	-	38,330	36,642	(1,688)
5	Compensation - H & E Tax	3,355	3,393	38	-	-	-	-	-	-	3,355	3,393	38
6	Subtotal - Compensation	192,581	190,752	(1,829)	-	2,351	2,351	(4,348)	(328)	4,020	188,233	192,775	4,542
7	Data Processing	32,600	38,381	5,781	1,453	5,004	3,551	19,974	17,124	(2,850)	54,027	60,509	6,482
8	Special Services	8,844	8,636	(208)	-	-	-	-	-	-	8,844	8,636	(208)
9	Building Expenses	8,269	8,004	(265)	-	-	-	-	-	-	8,269	8,004	(265)
10	Safety / Loss Prevention Program	3,919	4,140	221	-	-	-	-	-	-	3,919	4,140	221
11	Telephone/Telecommunications	1,948	1,911	(37)	-	-	-	-	-	-	1,948	1,911	(37)
12	Advertising & Public Info	3,627	3,504	(123)	-	-	-	-	-	-	3,627	3,504	(123)
13	Printing, Stationery & Supplies	4,336	4,589	253	-	3	3	-	-	-	4,336	4,592	256
14	Postage	4,935	4,739	(196)	-	-	-	-	-	-	4,935	4,739	(196)
15	Regulatory/Appeal	4,827	4,407	(420)	-	-	-	-	-	-	4,827	4,407	(420)
16	Travel & Vehicle Expense	1,431	1,216	(215)	-	15	15	-	-	-	1,431	1,231	(200)
17	Driver Education Program	4,833	4,875	42	-	-	-	162	-	(162)	4,995	4,875	(120)
18	Grant in Lieu of Taxes	1,931	1,927	(4)	-	-	-	-	-	-	1,931	1,927	(4)
19	Furniture & Equipment	2,330	1,897	(433)	-	348	348	-	-	-	2,330	2,245	(85)
20	Merchant Fees	14,323	10,949	(3,374)	-	-	-	-	-	-	14,323	10,949	(3,374)
21	Other	5,935	8,823	2,888	-	19	19	-	(257)	(257)	5,935	8,585	2,650
22	Subtotal - Other Operating Expenses	104,088	107,998	3,910	1,453	5,389	3,936	20,136	16,867	(3,269)	125,677	130,254	4,577
23	Depreciation of Capital Investments	6,690	6,751	61	-	-	-	-	-	-	6,690	6,751	61
24	Amortization of Deferred Development	4,182	6,847	2,665	-	-	-	15,746	13,760	(1,986)	19,928	20,607	679
25	Total Expenses	307,541	312,348	4,807	1,453	7,740	6,287	31,534	30,299	(1,235)	340,528	350,387	9,859

Compare 2023/24 Expenses 2022 GRA to 2021 GRA (cont'd)

26	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	20,376	22,016	1,640	-	119	119	(356)	301	657	20,020	22,436	2,416
30	Compensation - Overtime	215	208	(7)	-	-	-	-	-	-	215	208	(7)
31	Compensation - Benefits	5,234	5,376	142	-	-	-	-	-	-	5,234	5,376	142
32	Compensation - H & E Tax	458	498	40	-	-	-	-	-	-	458	498	40
33	Subtotal - Compensation	26,283	28,098	1,815	-	119	119	(356)	301	657	25,927	28,518	2,591
34	Data Processing	2,210	2,930	720	304	107	(197)	1,566	8,278	6,712	4,080	11,315	7,235
35	Special Services	551	684	133	-	-	-	-	-	-	551	684	133
36	Building Expenses	947	996	49	-	-	-	-	-	-	947	996	49
37	Safety / Loss Prevention Program	-	-	-	-	-	-	-	-	-	-	-	-
38	Telephone/Telecommunications	165	169	4	-	-	-	-	-	-	165	169	4
39	Advertising & Public Info	305	232	(73)	-	-	-	-	-	-	305	232	(73)
40	Printing, Stationery & Supplies	2,434	2,839	405	-	-	-	-	-	-	2,434	2,839	405
41	Postage	1,156	1,185	29	-	-	-	-	-	-	1,156	1,185	29
42	Regulatory/Appeal	22	33	11	-	-	-	-	-	-	22	33	11
43	Travel & Vehicle Expense	402	224	(178)	-	1	1	-	-	-	402	225	(177)
44	Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-
45	Grant in Lieu of Taxes	221	240	19	-	-	-	-	-	-	221	240	19
46	Furniture & Equipment	199	170	(29)	-	33	33	-	-	-	199	203	4
47	Merchant Fees	62	57	(5)	-	-	-	-	-	-	62	57	(5)
48	Other	623	664	41	-	1	1	-	(10)	(10)	623	655	32
49	Subtotal - Other Operating Expenses	9,297	10,423	1,126	304	142	(162)	1,566	8,268	6,702	11,167	18,833	7,666
50	Depreciation of Capital Investments	762	824	62	-	-	-	-	-	-	762	824	62
51	Amortization of Deferred Development	242	515	273	-	-	-	4,433	7,698	3,265	4,675	8,213	3,538
52	Total Expenses	36,584	39,860	3,276	304	261	(43)	5,643	16,267	10,624	42,531	56,388	13,857

Compare 2023/24 Expenses 2022 GRA to 2021 GRA (cont'd)

53	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries	13.7%	14.8%	1.1%		5.1%		8.2%	-91.8%	-100.0%	13.8%	14.8%	1.0%
56	Compensation - Overtime	11.3%	14.0%	2.8%							11.3%	14.0%	2.8%
57	Compensation - Benefits	13.7%	14.7%	1.0%							13.7%	14.7%	1.0%
58	Compensation - H & E Tax	13.7%	14.7%	1.0%							13.7%	14.7%	1.0%
59	Subtotal	13.6%	14.7%	1.1%		5.1%		8.2%	-91.8%	-100.0%	13.8%	14.8%	1.0%
60	Data Processing	6.8%	7.6%	0.9%	20.9%	2.1%	-18.8%	7.8%	48.3%	40.5%	7.6%	18.7%	11.1%
61	Special Services	6.2%	7.9%	1.7%							6.2%	7.9%	1.7%
62	Building Expenses	11.5%	12.4%	1.0%							11.5%	12.4%	1.0%
63	Loss Prev/Safety Program	0.0%	0.0%	0.0%							0.0%	0.0%	0.0%
64	Telephone/Telecommunications	8.5%	8.8%	0.4%							8.5%	8.8%	0.4%
65	Advertising & Public Info	8.4%	6.6%	-1.8%							8.4%	6.6%	-1.8%
66	Printing, Stationery & Supplies	56.1%	61.9%	5.7%		0.0%					56.1%	61.8%	5.7%
67	Postage	23.4%	25.0%	1.6%							23.4%	25.0%	1.6%
68	Regulatory/Appeal Expenses	0.5%	0.7%	0.3%							0.5%	0.7%	0.3%
69	Travel & Vehicle Expense	28.1%	18.4%	-9.7%		6.7%					28.1%	18.3%	-9.8%
70	Driver Education Program	0.0%	0.0%	0.0%				0.0%			0.0%	0.0%	0.0%
71	Grant in Lieu of Taxes	11.4%	12.5%	1.0%							11.4%	12.5%	1.0%
72	Furniture & Equipment	8.5%	9.0%	0.4%		9.5%					8.5%	9.0%	0.5%
73	Merchant Fees	0.4%	0.5%	0.1%							0.4%	0.5%	0.1%
74	Other	10.5%	7.5%	-3.0%		5.3%			3.9%		10.5%	7.6%	-2.9%
75	Subtotal	8.9%	9.7%	0.7%	20.9%	2.6%	-18.3%	7.8%	49.0%	41.2%	8.9%	14.5%	5.6%
76	Depreciation of Capital Investments	11.4%	12.2%	0.8%							11.4%	12.2%	0.8%
77	Amortization of Deferred Development	5.8%	7.5%	1.7%				28.2%	55.9%	27.8%	23.5%	39.9%	16.4%
78	TOTAL	11.9%	12.8%	0.9%	20.9%	3.4%	-17.6%	17.9%	53.7%	35.8%	12.5%	16.1%	3.6%

Figure 13 Compare 2024/25 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
1	<i>(C\$000s, except where noted)</i>												
2	Compensation - Salaries	153,774	154,757	983	-	1,901	1,901	(13,761)	(12,192)	1,569	140,013	144,466	4,453
3	Compensation - Overtime	1,917	1,535	(382)	-	-	-	-	-	-	1,917	1,535	(382)
4	Compensation - Benefits	39,627	37,377	(2,250)	-	-	-	-	-	-	39,627	37,377	(2,250)
5	Compensation - H & E Tax	3,430	3,463	33	-	-	-	-	-	-	3,430	3,463	33
6	Subtotal - Compensation	198,748	197,132	(1,616)	-	1,901	1,901	(13,761)	(12,192)	1,569	184,987	186,841	1,854
7	Data Processing	33,252	39,147	5,895	1,195	753	(442)	20,846	14,501	(6,345)	55,293	54,401	(892)
8	Special Services	9,022	8,783	(239)	-	-	-	-	-	-	9,022	8,783	(239)
9	Building Expenses	8,434	8,164	(270)	-	-	-	-	-	-	8,434	8,164	(270)
10	Safety / Loss Prevention Program	3,998	4,221	223	-	-	-	-	-	-	3,998	4,221	223
11	Telephone/Telecommunications	1,987	1,948	(39)	-	-	-	-	-	-	1,987	1,948	(39)
12	Advertising & Public Info	3,699	3,577	(122)	-	-	-	-	-	-	3,699	3,577	(122)
13	Printing, Stationery & Supplies	4,421	4,683	262	-	-	-	-	-	-	4,421	4,683	262
14	Postage	5,031	4,834	(197)	-	-	-	-	(442)	(442)	5,031	4,392	(639)
15	Regulatory/Appeal	4,922	4,495	(427)	-	-	-	-	-	-	4,922	4,495	(427)
16	Travel & Vehicle Expense	1,460	1,240	(220)	-	-	-	-	-	-	1,460	1,240	(220)
17	Driver Education Program	4,930	4,973	43	-	-	-	295	-	(295)	5,225	4,973	(252)
18	Grant in Lieu of Taxes	1,970	1,966	(4)	-	-	-	-	-	-	1,970	1,966	(4)
19	Furniture & Equipment	2,376	1,933	(443)	-	-	-	-	-	-	2,376	1,933	(443)
20	Merchant Fees	14,611	11,167	(3,444)	-	-	-	-	-	-	14,611	11,167	(3,444)
21	Other	6,054	8,998	2,944	-	-	-	-	(568)	(568)	6,054	8,430	2,376
22	Subtotal - Other Operating Expenses	106,167	110,129	3,962	1,195	753	(442)	21,141	13,491	(7,650)	128,503	124,373	(4,130)
23	Depreciation of Capital Investments	7,275	7,514	239	-	-	-	-	-	-	7,275	7,514	239
24	Amortization of Deferred Development	1,920	4,886	2,966	-	-	-	17,447	23,931	6,484	19,367	28,817	9,450
25	Total Expenses	314,110	319,661	5,551	1,195	2,654	1,459	24,827	25,230	403	340,132	347,545	7,413

Compare 2024/25 Expenses 2022 GRA to 2021 GRA (cont'd)

26	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
27	Expense Category												
28	<i>(C\$000s, rounding may affect totals)</i>												
29	Compensation - Salaries	21,031	22,830	1,799	-	-	-	(1,182)	(3,480)	(2,298)	19,849	19,350	(499)
30	Compensation - Overtime	216	215	(1)	-	-	-	-	-	-	216	215	(1)
31	Compensation - Benefits	5,411	5,484	73	-	-	-	-	-	-	5,411	5,484	73
32	Compensation - H & E Tax	469	508	39	-	-	-	-	-	-	469	508	39
33	Subtotal - Compensation	27,127	29,037	1,910	-	-	-	(1,182)	(3,480)	(2,298)	25,945	25,557	(388)
34	Data Processing	2,254	2,989	735	239	47	(192)	1,642	4,306	2,664	4,135	7,342	3,207
35	Special Services	562	696	134	-	-	-	-	-	-	562	696	134
36	Building Expenses	966	1,016	50	-	-	-	-	-	-	966	1,016	50
37	Safety / Loss Prevention Program	-	-	-	-	-	-	-	-	-	-	-	-
38	Telephone/Telecommunications	168	172	4	-	-	-	-	-	-	168	172	4
39	Advertising & Public Info	311	237	(74)	-	-	-	-	-	-	311	237	(74)
40	Printing, Stationery & Supplies	2,482	2,896	414	-	-	-	-	-	-	2,482	2,896	414
41	Postage	1,179	1,209	30	-	-	-	-	-	-	1,179	1,209	30
42	Regulatory/Appeal	27	56	29	-	-	-	-	-	-	27	56	29
43	Travel & Vehicle Expense	410	228	(182)	-	-	-	-	-	-	410	228	(182)
44	Driver Education Program	-	-	-	-	-	-	-	-	-	-	-	-
45	Grant in Lieu of Taxes	226	245	19	-	-	-	-	-	-	226	245	19
46	Furniture & Equipment	203	173	(30)	-	-	-	-	-	-	203	173	(30)
47	Merchant Fees	64	58	(6)	-	-	-	-	-	-	64	58	(6)
48	Other	635	678	43	-	-	-	-	6	6	635	684	49
49	Subtotal - Other Operating Expenses	9,487	10,653	1,166	239	47	(192)	1,642	4,312	2,670	11,368	15,012	3,644
50	Depreciation of Capital Investments	830	916	86	-	-	-	-	-	-	830	916	86
51	Amortization of Deferred Development	122	420	298	-	-	-	4,583	7,943	3,360	4,705	8,363	3,658
52	Total Expenses	37,566	41,026	3,460	239	47	(192)	5,043	8,775	3,732	42,848	49,848	7,000

Compare 2024/25 Expenses 2022 GRA to 2021 GRA (cont'd)

53	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
54	Expense Category												
55	Compensation - Salaries		14.8%	14.8%		0.0%		8.6%	28.5%	20.0%	14.2%	13.4%	-0.8%
56	Compensation - Overtime		14.0%	14.0%							11.3%	14.0%	2.7%
57	Compensation - Benefits		14.7%	14.7%							13.7%	14.7%	1.0%
58	Compensation - H & E Tax		14.7%	14.7%							13.7%	14.7%	1.0%
59	Subtotal		14.7%	14.7%		0.0%		8.6%	28.5%	20.0%	14.0%	13.7%	-0.3%
60	Data Processing		7.6%	7.6%	20.0%	6.2%	-13.8%	7.9%	29.7%	21.8%	7.5%	13.5%	6.0%
61	Special Services		7.9%	7.9%							6.2%	7.9%	1.7%
62	Building Expenses		12.4%	12.4%							11.5%	12.4%	1.0%
63	Loss Prev/Safety Program		0.0%	0.0%							0.0%	0.0%	0.0%
64	Telephone/Telecommunications		8.8%	8.8%							8.5%	8.8%	0.4%
65	Advertising & Public Info		6.6%	6.6%							8.4%	6.6%	-1.8%
66	Printing, Stationery & Supplies		61.8%	61.8%							56.1%	61.8%	5.7%
67	Postage		25.0%	25.0%					0.0%		23.4%	27.5%	4.1%
68	Regulatory/Appeal Expenses		1.2%	1.2%							0.5%	1.2%	0.7%
69	Travel & Vehicle Expense		18.4%	18.4%							28.1%	18.4%	-9.7%
70	Driver Education Program		0.0%	0.0%				0.0%			0.0%	0.0%	0.0%
71	Grant in Lieu of Taxes		12.5%	12.5%							11.5%	12.5%	1.0%
72	Furniture & Equipment		8.9%	8.9%							8.5%	8.9%	0.4%
73	Merchant Fees		0.5%	0.5%							0.4%	0.5%	0.1%
74	Other		7.5%	7.5%					-1.1%		10.5%	8.1%	-2.4%
75	Subtotal		9.7%	9.7%	20.0%	6.2%	-13.8%	7.8%	32.0%	24.2%	8.8%	12.1%	3.2%
76	Depreciation of Capital Investments		12.2%	12.2%							11.4%	12.2%	0.8%
77	Amortization of Deferred Development		8.6%	8.6%				26.3%	33.2%	6.9%	24.3%	29.0%	4.7%
78	TOTAL		12.8%	12.8%	20.0%	1.8%	-18.2%	20.3%	34.8%	14.5%	12.6%	14.3%	1.7%

Figure 14 Compare 2025/26 Expenses 2022 GRA to 2021 GRA

Line No.	CORPORATE Expense Category	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total			
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	
<i>(C\$000s, rounding may affect totals)</i>														
1	Compensation - Salaries		160,483	160,483		1,181	1,181		-	(13,408)	(13,408)		148,256	148,256
2	Compensation - Overtime		1,447	1,447		-	-		-	-	-		1,447	1,447
3	Compensation - Benefits		38,122	38,122		-	-		-	-	-		38,122	38,122
4	Compensation - H & E Tax		3,533	3,533		-	-		-	-	-		3,533	3,533
5	Subtotal - Compensation		203,585	203,585		1,181	1,181		-	(13,408)	(13,408)		191,358	191,358
6	Data Processing		39,932	39,932		500	500		-	14,331	14,331		54,763	54,763
7	Special Services		8,957	8,957		-	-		-	-	-		8,957	8,957
8	Building Expenses		8,326	8,326		-	-		-	-	-		8,326	8,326
9	Safety / Loss Prevention Program		4,304	4,304		-	-		-	-	-		4,304	4,304
10	Telephone/Telecommunications		1,988	1,988		-	-		-	-	-		1,988	1,988
11	Advertising & Public Info		3,645	3,645		-	-		-	-	-		3,645	3,645
12	Printing, Stationery & Supplies		4,773	4,773		-	-		-	-	-		4,773	4,773
13	Postage		4,931	4,931		-	-		-	(542)	(542)		4,389	4,389
14	Regulatory/Appeal		4,590	4,590		-	-		-	-	-		4,590	4,590
15	Travel & Vehicle Expense		1,265	1,265		-	-		-	-	-		1,265	1,265
16	Driver Education Program		5,073	5,073		-	-		-	-	-		5,073	5,073
17	Grant in Lieu of Taxes		2,006	2,006		-	-		-	-	-		2,006	2,006
18	Furniture & Equipment		1,973	1,973		-	-		-	-	-		1,973	1,973
19	Merchant Fees		11,391	11,391		-	-		-	-	-		11,391	11,391
20	Other		9,163	9,163		2	2		-	(577)	(577)		8,588	8,588
21	Subtotal - Other Operating Expenses		112,317	112,317		502	502		-	13,212	13,212		126,031	126,031
22	Depreciation of Capital Investments		8,554	8,554		-	-		-	-	-		8,554	8,554
23	Amortization of Deferred Development		3,391	3,391		-	-		-	24,730	24,730		28,121	28,121
24	Total Expenses		327,847	327,847		1,683	1,683		-	24,534	24,534		354,064	354,064

Compare 2025/26 Expenses 2022 GRA to 2021 GRA (cont'd)

25	DVA	Normal Ops			Initiatives - Implementation			Initiatives - Ongoing			Total			
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	
26	Expense Category													
27	<i>(C\$000s, rounding may affect totals)</i>													
28	Compensation - Salaries		23,675	23,675		241	241		-	(3,932)	(3,932)		19,984	19,984
29	Compensation - Overtime		203	203		-	-		-	-	-		203	203
30	Compensation - Benefits		5,593	5,593		-	-		-	-	-		5,593	5,593
31	Compensation - H & E Tax		518	518		-	-		-	-	-		518	518
32	Subtotal - Compensation		29,989	29,989		241	241		-	(3,932)	(3,932)		26,298	26,298
33	Data Processing		3,049	3,049		47	47		-	3,335	3,335		6,431	6,431
34	Special Services		709	709		-	-		-	-	-		709	709
35	Building Expenses		1,036	1,036		-	-		-	-	-		1,036	1,036
36	Safety / Loss Prevention Program		-	-		-	-		-	-	-		-	-
37	Telephone/Telecommunications		176	176		-	-		-	-	-		176	176
38	Advertising & Public Info		242	242		-	-		-	-	-		242	242
39	Printing, Stationery & Supplies		2,953	2,953		-	-		-	-	-		2,953	2,953
40	Postage		1,233	1,233		-	-		-	(110)	(110)		1,123	1,123
41	Regulatory/Appeal		79	79		-	-		-	-	-		79	79
42	Travel & Vehicle Expense		232	232		-	-		-	-	-		232	232
43	Driver Education Program		-	-		-	-		-	-	-		-	-
44	Grant in Lieu of Taxes		250	250		-	-		-	-	-		250	250
45	Furniture & Equipment		177	177		-	-		-	-	-		177	177
46	Merchant Fees		59	59		-	-		-	-	-		59	59
47	Other		691	691		-	-		-	(122)	(122)		569	569
48	Subtotal - Other Operating Expenses		10,886	10,886		47	47		-	3,103	3,103		14,036	14,036
49	Depreciation of Capital Investments		1,046	1,046		-	-		-	-	-		1,046	1,046
50	Amortization of Deferred Development		303	303		-	-		-	8,704	8,704		9,007	9,007
51	Total Expenses		42,224	42,224		288	288		-	7,875	7,875		50,387	50,387

Compare 2025/26 Expenses 2022 GRA to 2021 GRA (cont'd)

52	DVA % Allocation	Normal Ops			Initiatives			Ongoing			Total		
		2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.	2021 GRA	2022 GRA	Chg.
53	Expense Category												
54	Compensation - Salaries		14.8%			20.4%			29.3%			13.5%	
55	Compensation - Overtime		14.0%									14.0%	
56	Compensation - Benefits		14.7%									14.7%	
57	Compensation - H & E Tax		14.7%									14.7%	
58	Subtotal		14.7%			20.4%			29.3%			13.7%	
59	Data Processing		7.6%			9.4%			23.3%			11.7%	
60	Special Services		7.9%									7.9%	
61	Building Expenses		12.4%									12.4%	
62	Loss Prev/Safety Program		0.0%									0.0%	
63	Telephone/Telecommunications		8.9%									8.9%	
64	Advertising & Public Info		6.6%									6.6%	
65	Printing, Stationery & Supplies		61.9%									61.9%	
66	Postage		25.0%						20.3%			25.6%	
67	Regulatory/Appeal Expenses		1.7%									1.7%	
68	Travel & Vehicle Expense		18.3%									18.3%	
69	Driver Education Program		0.0%									0.0%	
70	Grant in Lieu of Taxes		12.5%									12.5%	
71	Furniture & Equipment		9.0%									9.0%	
72	Merchant Fees		0.5%									0.5%	
73	Other		7.5%			0.0%			21.1%			6.6%	
74	Subtotal		9.7%			9.4%			23.5%			11.1%	
75	Depreciation of Capital Investments		12.2%									12.2%	
76	Amortization of Deferred Development		8.9%						35.2%			32.0%	
77	TOTAL		12.9%			17.1%			32.1%			14.2%	

PUB (MPI) 1-46

Part and Chapter:	Part V- Expenses	Page No.:	EXP APP 9 EXP APP 9-1 EXP APP -10-1 EXP Appendix 10-1
PUB Approved Issue No:	9. Cost of operations and cost containment		
Topic:	Compensation		
Sub Topic:			

Preamble to IR:

The comparison of Basic staffing levels in EXP APP 9-1 does not include Improvement Initiative staff in the comparison of budget versus actual staffing for 2020/21.

The total Corporate staffing levels budget to actual comparison for 2020/21 in EXP APP 10-1 does not indicate where the staffing variances are arising.

Question:

- a) Please provide the detail of 2020/21 budget total Basic staffing including improvement initiatives and compare with the Total Actual Basic Staffing Levels by category for the year.
- b) Please file a similar detailed analysis as (a) for Total Corporate Operations.

Rationale for Question:

To understand the reasonableness of the Corporation's staffing forecasts.

RESPONSE:

- a) EXP Appendix 9 reflects staffing budgets on a full-time equivalent (FTE) basis. This cannot be disseminated into lines of business as these relate to FTE counts. MPI

determines Basic costs through an allocation methodology for costs in each of the expense categories. MPI does not identify a "Basic portion" of an FTE. Please refer to Appendix 10-1 for analysis of total FTE budget to actual comparison.

- b) EXP Appendix 10 reflects total corporate FTE (normal operations, specialty programs and improvement initiatives) compared to total budget FTE for 2020/21.

PUB (MPI) 1-47

Part and Chapter:	Part V- Expenses	Page No.:	Exp Appendix 11 EXP APP 11-1
PUB Approved Issue No:	9. Cost of operations and cost containment		
Topic:	Compensation		
Sub Topic:			

Preamble to IR:**Question:**

Please provide a detailed comparison of Total Corporate Staffing for 2020/21 with that forecast for 2021/22, and explain the changes.

Rationale for Question:

To understand changes in the Corporation's staffing budget.

RESPONSE:

The 2021/22 Total Budget FTE reflects a new organizational structure. MPI made changes to its divisions to support its strategic objectives. See *Figure 1* below for a comparison. This corporate reorganization resulted in changes to almost all divisions. Figure 1 demonstrates actuals as an average in the 2020/21 fiscal year. The budget outlines the FTEs in each new and changed division, by category.

Figure 1 2020/21 Total Staff Actual FTE Compared to 2021/22 Total Budget FTE

TOTAL CORPORATE STAFFING LEVELS
2020/21 Total Staff Actual (FTE)

CATEGORY	Product & Risk Management	Legal & General Counsel	Employee & Community Engagement	Finance	IT & BT	Executive Office	Customer Service	Nova Transformation	Total
Management	8.4	5.4	23.3	14.3	21.4	6.6	47.1	-	126.5
Supervisory	5.3	1.1	14.4	12.0	28.1	-	110.2	-	171.1
Technical/Professional	55.5	26.3	133.0	68.7	206.9	3.1	493.6	28.8	1,015.9
Clerical	14.0	4.5	37.6	20.9	6.1	-	402.4	-	485.5
Student/Intern	-	-	0.3	-	0.7	-	1.3	-	2.3
Total	83.2	37.3	208.6	115.9	263.2	9.7	1,054.6	28.8	1,801.3

CORPORATE STAFFING LEVELS
2021/22 Total Budget (FTE)

CATEGORY	Insurance & Risk Management	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
Management	8.0	4.0	7.0	17.0	5.0	18.0	8.0	54.0	27.0	148.0
Supervisory	6.0	1.0	-	4.0	-	8.0	-	123.0	4.3	146.3
Technical/Professional	47.3	38.0	52.6	96.0	34.0	266.6	3.0	557.5	99.1	1,194.1
Clerical	8.5	5.0	5.0	31.0	1.0	6.0	-	467.5	5.0	529.0
Total	69.8	48.0	64.6	148.0	40.0	298.6	11.0	1,202.0	135.4	2,017.4

PUB (MPI) 1-48

Part and Chapter:	Part V - Expenses	Page No.:	20 Appendix 11 EXP-11
PUB Approved Issue No:	9. Cost of operations and cost containment		
Topic:	Corporate Normal Operating Expense		
Sub Topic:	Compensation Expense		

Preamble to IR:**Question:**

- a) Please indicate what the historical average annual turnover rate has been for the last five fiscal years.
- b) Please indicate the number of vacant positions during the last five fiscal years and the current level at June 30, 2021.
- c) Please compare the vacancy allowance for 2020/21 actual versus that forecast last year based on MPI Exhibit # 52.
- d) Please provide the amount of payments in 2020/21 and 2021/22 related to severance, termination and retirements.

Rationale for Question:

To review staff turnover history.

RESPONSE:

- a) See *Figure 1* below for a review of the historical turnover percentage (including retirements, voluntary and involuntary terminations).

Figure 1 Historical Turnover Percentage

Line No.	Fiscal Year	Turnover	% Turnover
1	2016-17	123	6.68%
2	2017-18	140	7.67%
3	2018-19	155	8.75%
4	2019-20	140	7.85%
5	2020-21	92	5.16%
6	5-year Average	130	7.22%

- b) MPI created Figure 2 below from information extracted from Appendix 10 for previous General Rate Applications. MPI includes in this figure the actual FTE count as at June 30, 2021 and the total corporate annual budget for FTE for 2021/22.

Figure 2 Total Corporate Staffing (FTE)

Line No.	Fiscal Year	Actual	Budget	Over (Under) Variance
1	2016-17A	1,898.9	1,917.5	(18.6)
2	2017-18A	1,878.1	1,926.9	(48.8)
3	2018-19A	1,789.3	1,902.6	(113.3)
4	2019-20A	1,826.3	1,927.9	(101.6)
5	2020-21A	1,801.3	1,953.5	(152.2)
6	2021-22*	1,842.9	2,017.4	(174.5)

- c) Figure 3 compares 2020/21 budgeted FTE to average actual FTE for the same period. The corporate vacancy provision is a dollar amount that reduces salary expense and, although calculated here for demonstration purposes, MPI does not calculate a reduction of FTEs for reporting purposes.

Figure 3 Annual Budgeted FTE Counts for the 2020/21 Fiscal Year

	2020/21 Budget FTE	2020/21 Average Actual FTE	Total Vacant Positions
Normal Operations	1,900.00	1,762.40	
Specialty Programs	11	4.3	
Normal Operations + Specialty Program	1,911.00	1,766.70	(144.30)
Improvement Initiatives	42.5	34.6	(7.90)
Total FTE	1,953.50	1,801.30	(152.20)
Budgeted FTE Vacancy Provision	(78.30)	0	78.30
Total FTE with vacancy provision	1,875.20	1,801.30	(73.90)

Note: Corporate vacancy provision is budgeted at an estimated dollar amount reducing salary expenses.
 Budgeted FTE vacancy provision is based on assumptions to calculate the budget amount.

d) *Figure 4* reflects payments issued in previous and current fiscal years, as at June 30, 2021.

Figure 4 Severance, Termination, and Retirement Payments

	2020/21A	2021/22 as at June 30/21
Severance, Termination & Retirement Payments	\$ 1,973,303	\$ 736,029

PUB (MPI) 1-49

Part and Chapter:	Part V- Expenses	Page No.:	21 EXP-12 EXP APP-12, 12-1, 12-2 ,12-3
PUB Approved Issue No:	9. Cost of operations and cost containment		
Topic:	Compensation		
Sub Topic:	Vacancy Allowance		

Preamble to IR:

Question:

- a) Please provide details on the determination of the vacancy allowance for each of the years 2019/20 through 2023/24 including the assumed number of FTEs and average salary related to the allowance in each of the years.
- b) Please indicate the utilization of a vacancy allowance of 100 FTE in 2021/22 and the actual FTE level in the determination of the Corporate compensation expense, in similar format to PUB (MPI) 2-25 (2021 GRA).

Rationale for Question:

To assess reasonableness of compensation expense.

RESPONSE:

- a) MPI determines the vacancy allowance each year by looking at the historical vacancy trend prior to establishing the budget. MPI may adjust its budget if circumstances impact vacancy levels in the budget year. See *Figure 1* below for details on the corporate vacancy provision included in the budget. The corporate vacancy provision amount serves to reduce the amount of salary expense.

Figure 1 Corporate Vacancy Provision Budget and Forecast Amounts

Line No.	Fiscal Year	Budgeted Corporate Vacancy Provision Amount
1		(\$000,00)
2	2019/20 B	1,500
3	2020/21 B	6,210
4	2021/22 B	8,300
5	2022/23 F	6,200
6	2023/24 F	6,200

b) See comparative *Figure 2* below.

Figure 2 2021/22 Estimated Vacancy Provision - Comparative

Line No.	Fiscal Year	Budgeted Vacancy Amount	Related FTE Estimate	Estimated Vacancy Amount	FTE Estimate @ 100	Change vs. Budget
1		(\$000,00)		(\$000,00)		
2	2021/22	8,300	110.00	7,545	100.00	(755)

PUB (MPI) 1-50

Part and Chapter:	Part V- Expenses	Page No.:	1 Appendix 16
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Basic Capital Expenditures		
Sub Topic:	Project Cost Comparison		

Preamble to IR:**Question:**

- a) Please provide a listing of 2020/21 building projects forecast last year and compare with the spending this year.
- b) Please indicate which projects have been cancelled versus delayed.

Rationale for Question:

To understand the changes of notable Basic capital expenditure projects.

RESPONSE:

See Figure 1 below:

Figure 1 Basic Building Projects

Line No.	Building Location	2020/21B	2020/21A	Difference	Cancelled or Delayed
	<i>(C\$000s, except where noted)</i>				
1	Arborg	8	-	(8)	Delayed
2	Beausejour	8	-	(8)	Delayed
3	Brandon	19	2	(17)	Delayed
4	Dauphin	11	10	(1)	Under budget
5	Gateway	156	12	(144)	Cancelled and delayed
6	Main St	27	83	56	Over budget and delayed
7	Portage	4	-	(4)	Delayed
8	Steinbach	77	-	(77)	Delayed
9	St. Mary's	54	63	9	Over budget and delayed
10	Swan River	15	-	(15)	Cancelled
11	The Pas	178	-	(178)	Delayed
12	Thompson	155	1	(154)	Delayed
13	Plessis Bld C	364	28	(336)	Delayed
14	Plessis Bld B	70	36	(34)	Delayed
15	Plessis Bld A	46	1	(45)	Delayed
16	Cityplace	1,510	182	(1,328)	Delayed
17	Total	2,702	418	(2,284)	

PUB (MPI) 1-51

Part and Chapter:	Part V- Expenses	Page No.:	27, 30, 34, 35 EXP-19, 23, 26, 27
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Operating Expense		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please explain why auctioneer fees were higher than expected in 202/21 and indicate the assumed level of auctioneer expenses in the forecast period.
- b) Please elaborate on the new salvage solution introduced in 2020 and the forecast reduction in merchant fees and bank charges in 2021/22 through 2023/24.
- c) Please indicate whether the postage expense forecast analysis incorporates the \$623,000 identified as costs related to issuing the rebate.
- d) Please explain why postage costs are not declining given the digital focus of the Corporation.
- e) Please elaborate on how online auction fees are determined in the new online platform and provide any analysis prepared that supports the assertion that the benefits will offset the higher costs related to the new system.

Rationale for Question:

To understand the Corporation's cost containment efforts.

RESPONSE:

- a) In 2020/21A, the auctioneer fees were greater than expected by \$1.5 million due to MPI's transition of its salvage auction system into an online platform. Auctioneer fees are replaced by online service fees.
- b) The salvage solution implemented in 2020 replaced the in-person auctions for disposing of salvage. MPI implemented a third party online auction platform to dispose of salvage vehicles. This implementation impacted merchant fees in the following ways:
1. Discontinuation of the Online Credit Payment Channel, thereby reducing Merchant Fees; and
 2. Introduction of the ability to accept both an Online Debit Payment Channel and a Direct Deposit/Electronic Fund system, thereby increasing Bank Fees.
- c) Postage did not decrease in 2020/21 due to the issuance by MPI of two rebate cheques and follow up notices for late invoice payments. MPI incurred postage costs in June 2020 and February 2021 of \$802K and \$1.0M, respectively, which far exceeds the run-rate for postage costs, on a monthly basis.
- d) Through NOVA, MPI expects to gain a number of improvements in functionality and adaptiveness to make changes. MPI is exploring the functionalities and processes which may allow it to pay rebates directly to customers through bank-to-bank transfers, thereby forgoing any need to mail rebate cheques. The actualization of these functionalities, will take time to develop. In addition, many of the notices MPI sends out under The Highway Traffic Act, The Drivers and Vehicles Act and its home statute are sent by registered or certified mail to comply with legislative service requirements.
- e) Auction fees are assessed per vehicle sold through the online portal in accordance with the vendor agreement. MPI prepared a detailed business case with financial analysis which validated ongoing costs and benefits through the value management process. For the "detailed business case with financial analysis" please reference Value Management Chapter and Appendix 7 –Summary of SMS Ongoing Costs and Benefits – 2020/21 Confidential and Appendix 8 – SMS Financial Analysis at March 31 2021 – Confidential.

PUB (MPI) 1-52

Part and Chapter:	Part V- Expenses	Page No.:	53 EXP-40
PUB Approved Issue No:	9. Cost of operations and cost containment measures		
Topic:	Road Safety Expenses		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please provide a comparison between the 2020/21 forecast base budget for Road Safety and Loss Prevention Program Cost presented in the 2021 GRA with the actual 2020/21 program cost, and explain all material differences.
- b) Provide an update of the 2021/22 forecast base on June 30, 2021 and indicate whether there are any further changes to the forecast related to COVID-19.

Rationale for Question:

To review road safety spending against forecasts.

RESPONSE:

- a) The 2020/21 actual program costs for Road Safety and Loss Prevention totaled \$7.708 Million or \$3.526 Million less than the initial 2020/21 forecast base budget (2021 GRA) of \$11.234 Million; primarily due to cost reductions as a result of the COVID-19 pandemic.

MPI reduced driver training and instructor costs for the high school driver education program (Driver Z) and rebates for 'Gearing Up' motorcycle training during the Pandemic by \$1.614 Million, as public health restrictions prohibited,

then limited, in-person driver training and instruction sessions until conditions allowed.

With irregular driving conditions and changes to traffic patterns and volumes resulting from the pandemic potentially affecting study results, MPI cancelled or deferred research and program studies in 2020/21, including: postponement of the alcohol and drug roadside survey (\$0.191 Million) to 2022, and cancellation of a proposed traffic calming joint study (\$0.115 Million) and a high collision intersection video analytics pilot (\$0.121 Million) with the City of Winnipeg. MPI also deferred funding for a telematics study (\$0.429 Million) until a future date (yet to be determined).

With vehicle traffic and collisions down significantly during the first and second waves of the Pandemic in Manitoba, MPI also scaled back education and awareness campaign efforts and spending as part of broader whole-of-government cost-restraint measures, including the following reductions: Traffic Safety Culture awareness campaigns (\$0.147 Million), impaired driving awareness (\$0.228 Million), speed awareness (\$0.055 Million), auto theft awareness and parking lot signage (\$0.069 Million), motorcycle awareness (\$0.023 Million) and vulnerable road user awareness campaigns (\$0.129 Million).

MPI also further reduced spending on community programming, including impaired driving programs (\$0.214 Million), as organizers cancelled or greatly scaled back the following programs in 2020/21: Operation Red Nose, Manitoba School Boards Association's Teens Against Destructive Decisions (TADD), the MADD School Assembly Program; the Halloween pedestrian safety promotion program (\$0.067 Million) (due to many schools not participating in the program in 2020); and suspended summer student ambassador programming (\$0.054 Million) in summer 2020.

- b) MPI is currently preparing the forecast base and forecast for corporate operating expenses for 2021/22 and beyond. MPI will provide this information in the October rate update.

PUB (MPI) 1-53

Part and Chapter:	Part V Expenses PUB (MPI) 1-41 (2020 GRA)	Page No.:	55 EXP-41 EXP APP 17-1
PUB Approved Issue No:	9. Cost of Operations and Cost Containment Measures		
Topic:	Expenses		
Sub Topic:	Basic Capital Expenditure by Project		

Preamble to IR:**Question:**

- a) Please refile the table in Figure EXP-41 to include columns for all the prior year expenditures on each of the listed projects, and a total column by project and in total.
- b) Please provide a comparison of the total by Basic Project in (a) with that provided at last year GRA and explain any changes in budgets.
- c) Please provide an updated table for EXP Appendix 18 including fiscal years 2011/12 though 2014/15 and columns including the total for each project.

Rationale for Question:

To understand the details of Basic capital expenditure projects.

RESPONSE:

- a) See updated *Figure EXP-42*, Basic Capital Expenditures by Project below:

Figure EXP-42 - Basic Capital Expenditures by Project

Line No.	Project	LTD Actual*	2013/14A	2014/15A	2015/16A	2016/17A	2017/18A	2018/19A	2019/20A	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Unassigned Capital**	Total
<i>(C\$000s, except where noted)</i>																	
1	Deferred Development	-	-	-	-	-	-	-	-	6,362	14,450	14,103	9,438	3,791	-	1,505	49,649
2	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Expense	-	-	-	-	-	-	5	2,043	4,939	5,859	2,730	5,766	1,872	820	(148)	23,886
4	Nova	-	-	-	-	-	-	5	2,043	11,301	20,309	16,833	15,204	5,663	820	1,357	73,535
5																	
6	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Expense	-	-	-	-	-	-	-	-	366	635	4,671	-	-	-	-	5,672
9	Nova - ongoing ops	-	-	-	-	-	-	-	-	366	635	4,671	-	-	-	-	5,672
10																	
11	Deferred Development	-	-	-	-	-	-	2,911	246	373	-	-	-	-	-	-	3,530
12	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Expense	-	-	-	-	-	-	201	942	69	-	-	-	-	-	-	1,212
14	Technology Risk Management - 2018	-	-	-	-	-	-	3,112	1,188	442	-	-	-	-	-	-	4,742
15																	
16	Deferred Development	-	-	-	-	-	-	-	526	964	-	-	-	-	-	-	1,490
17	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Expense	-	-	-	-	-	-	-	1,070	466	-	-	-	-	-	-	1,536
19	Technology Risk Management - 2019	-	-	-	-	-	-	-	1,596	1,430	-	-	-	-	-	-	3,026
20																	
21	Deferred Development	-	-	-	-	-	-	-	-	1,083	-	-	-	-	-	-	1,083
22	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Expense	-	-	-	-	-	-	-	-	597	-	-	-	-	-	-	597
24	Technology Risk Management - 2020	-	-	-	-	-	-	-	-	1,680	-	-	-	-	-	-	1,680
25																	
26	Deferred Development	-	-	-	-	-	-	-	-	-	2,310	-	-	-	-	-	2,310
27	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Expense	-	-	-	-	-	-	-	-	-	1,659	-	-	-	-	-	1,659
29	Technology Risk Management - 2021	-	-	-	-	-	-	-	-	-	3,969	-	-	-	-	-	3,969
30																	
31	Deferred Development	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	-	3,000
32	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Expense	-	-	-	-	-	-	-	-	-	-	390	-	-	-	-	390
34	Technology Risk Management - 2022	-	-	-	-	-	-	-	-	-	-	3,390	-	-	-	-	3,390
35																	
36	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	3,000
37	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Expense	-	-	-	-	-	-	-	-	-	-	-	390	-	-	-	390
39	Technology Risk Management - 2023	-	-	-	-	-	-	-	-	-	-	-	3,390	-	-	-	3,390
40																	
41	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	3,000
42	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Expense	-	-	-	-	-	-	-	-	-	-	-	-	390	-	-	390
44	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	-	-	-	-	3,390	-	-	3,390
45																	
46	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000
47	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	390	-	390
49	Technology Risk Management - 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	3,390	-	3,390

50	Figure EXP-42 - Basic Capital Expenditures by Project con't										
51											
52	Deferred Development	-	-	279	867	1,905	29	-	-	-	3,080
53	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
54	Expense	-	-	200	507	-	-	-	-	-	707
55	Information Security Maturity	-	-	479	1,374	1,905	29	-	-	-	3,787
56											
57	Deferred Development	-	-	640	975	-	-	-	-	-	1,615
58	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
59	Expense	-	-	-	-	-	-	-	-	-	-
60	Finance Re-Engineering Initiative	-	-	640	975	-	-	-	-	-	1,615
61											
62	Deferred Development	-	-	-	671	1,105	-	-	-	-	1,776
63	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
64	Expense	-	-	-	-	1,168	-	-	-	-	1,168
65	Microsoft 365	-	-	-	671	2,273	-	-	-	-	2,944
66											
67	Deferred Development	-	-	-	49	-	-	-	-	-	49
68	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
69	Expense	-	-	-	-	-	-	-	-	-	-
70	HRMS Optimization - Phase 1	-	-	-	49	-	-	-	-	-	49
71											
72	Deferred Development	-	-	117	398	-	-	-	-	-	515
73	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
74	Expense	-	-	1	1	-	-	-	-	-	2
75	Salvage Management System	-	-	118	399	-	-	-	-	-	517
76											
77	Deferred Development	-	-	124	(124)	-	-	-	-	-	-
78	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
79	Expense	-	-	-	247	-	-	-	-	-	247
80	CERP - Additional Product Changes	-	-	124	123	-	-	-	-	-	247
81											
82	Deferred Development	-	-	-	-	-	-	-	-	-	-
83	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
84	Expense	-	-	59	3	-	-	-	-	-	62
85	Claims Dispute Tribunal	-	-	59	3	-	-	-	-	-	62
86											
87	Deferred Development	-	-	-	-	-	-	-	-	-	-
88	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
89	Expense	-	-	-	36	254	-	-	-	-	290
90	Vehicle Policy & Registration Renewal Term Changes (Discovery Phase)	-	-	-	36	254	-	-	-	-	290
91											
92	Deferred Development	-	-	-	-	-	-	-	-	-	-
93	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
94	Expense	-	-	-	-	385	-	-	-	-	385
95	eTransfer Capability	-	-	-	-	385	-	-	-	-	385
96											
97	Deferred Development	-	-	-	-	-	-	-	-	-	-
98	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
99	Expense	-	-	-	-	266	-	-	-	-	266
100	Close and Reconciliation	-	-	-	-	266	-	-	-	-	266
101											
102	Deferred Development	-	-	-	-	-	-	-	-	-	-
103	Capital Depreciation	-	-	-	-	-	-	-	-	-	-
104	Expense	-	-	-	-	449	-	-	-	-	449
105	eSignature	-	-	-	-	449	-	-	-	-	449

106	Figure EXP-42 - Basic Capital Expenditures by Project con't																
107																	
108	Deferred Development	-															
109	Capital Depreciation	-															
110	Expense	-							398					398			
111	eCash Payment Capability and																
112	Direct Deposit	-	-	-	-	-	-	-	398	-	-	-	-	398			
113	Deferred Development	-															
114	Capital Depreciation	-															
115	Expense	-							137					137			
116	Migration of DevOps	-	-	-	-	-	-	-	137	-	-	-	-	137			
117																	
118	Deferred Development	-															
119	Capital Depreciation	-															
120	Expense	-							29					29			
121	SharePoint Capabilities																
122	Discovery for Content Mgmt	-	-	-	-	-	-	-	29	-	-	-	-	29			
123	Deferred Development	-															
124	Capital Depreciation	-															
125	Expense	-							36					36			
126	Records Management																
127	Remediation (Phase 1)	-	-	-	-	-	-	-	36	-	-	-	-	36			
128	Deferred Development	-							2,341					2,341			
129	Capital Depreciation	-															
130	Expense	-															
131	Year 1 Data and Analytics																
132	Spend	-	-	-	-	-	-	-	2,341	-	-	-	-	2,341			
133	Deferred Development	-															
134	Capital Depreciation	-															
135	Expense	-							312					312			
136	Process Management																
137	Enhancements	-	-	-	-	-	-	-	312	-	-	-	-	312			
138	Deferred Development	-															
139	Capital Depreciation	-															
140	Expense	-							105					105			
141	Agile Initiatives	-	-	-	-	-	-	-	105	-	-	-	-	105			
142																	
143	Deferred Development	-															
144	Capital Depreciation	-															
145	Expense	-					61	27						88			
146	BI3 Fineos Upgrade 2020	-	-	-	-	-	61	27						88			
147																	
148	Deferred Development	-															
149	Capital Depreciation	-															
150	Expense	-	5,328	1,496	269	166	372	369	1,887	-	234	-	-	10,121			
151	Insertions of Work	-	5,328	1,496	269	166	372	369	1,887	-	234	-	-	10,121			
152																	
153	Total BTO / NOVA Project																
154	Costs	-	5,328	1,496	269	166	372	3,547	8,161	18,849	34,037	24,923	18,594	9,053	4,210	1,357	130,362

b) With respect to NOVA, MPI re-aligned the 2021 GRA forecasts to the re-baselined business case for the 2022 GRA forecasts. MPI submitted a high level Technology Risk Management – 2021 forecast for the 2021 GRA and refined it for the 2022 GRA. The differences in the Technology Risk Management – 2022 to 2024 forecasts results from a minor change in the basic allocator due to the annual recalculation of initiative allocators. A change in program forecasting for Information Security Maturity relates to the shift of work from 2020/21 to 2021/22.

Summary of Comparative - Basic Capital Expenditures by Project 2022 GRA to 2021 GRA

Line No.	Project	GRA 2022				GRA 2021				
		2021/22F	2022/23F	2023/24F	2024/25F	2021/22F	2022/23F	2023/24F	2024/25F	
	<i>(C\$000s, except where noted)</i>									
1	Deferred Development	14,450	14,103	9,438	3,791	27,225	10,482	6,265	673	
2	Capital Depreciation	-	-	-	-	-	-	-	-	
3	Expense	5,859	2,730	5,766	1,872	1,663	-	574	435	
4	Nova	20,309	16,833	15,204	5,663	28,888	10,482	6,839	1,108	
5										
6	Deferred Development	2,310	-	-	-	2,998	-	-	-	
7	Capital Depreciation	-	-	-	-	-	-	-	-	
8	Expense	1,659	-	-	-	396	-	-	-	
9	Technology Risk Management - 2021	3,969	-	-	-	3,394	-	-	-	
10										
11	Deferred Development	-	3,000	-	-	-	2,998	-	-	
12	Capital Depreciation	-	-	-	-	-	396	-	-	
13	Expense	-	390	-	-	-	-	-	-	
14	Technology Risk Management - 2022	-	3,390	-	-	-	3,394	-	-	
15										
16	Deferred Development	-	-	3,000	-	-	-	2,998	-	
17	Capital Depreciation	-	-	-	-	-	-	-	-	
18	Expense	-	-	390	-	-	-	396	-	
19	Technology Risk Management - 2023	-	-	3,390	-	-	-	3,394	-	
20										
21	Deferred Development	-	-	-	3,000	-	-	-	2,998	
22	Capital Depreciation	-	-	-	-	-	-	-	396	
23	Expense	-	-	-	390	-	-	-	-	
24	Technology Risk Management - 2024	-	-	-	3,390	-	-	-	3,394	
25										
26	Deferred Development	1,905	29	-	-	887	67	-	-	
27	Capital Depreciation	-	-	-	-	-	-	-	-	
28	Expense	-	-	-	-	-	-	-	-	
29	Information Security Maturity	1,905	29	-	-	887	67	-	-	
30										
31										
	Total BTO / NOVA Project									
32	Costs	26,183	20,252	18,594	9,053	33,169	13,943	10,233	4,502	

c) Please see below updated table for *EXP Appendix 18* including fiscal years 2011/12 through 2014/15 and columns including the total for each project.

Figure EXP App 18-1 Basic Deferred Development and Amortization Costs

Line No.	Project	2011/12A	2012/13A	2013/14A	2014/15A	2015/16A	2016/17A	2017/18A	2018/19A	2019/20A*	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Total
	(C\$000s, except where noted)																-
1	IT Optimization	2,107	4,501	1,967	-	-	37	-	-	-	-	-	-	-	-	-	8,612
2	Disaster Recovery	365	2,946	9,202	-	-	11	-	-	-	-	-	-	-	-	-	12,524
3	HR Management System Phase 1 & 2	2,440	4,309	2,261	(210)	-	1,289	-	-	-	-	-	-	-	-	-	10,089
4	HR Management System Phase 3 & 4	-	-	110	84	-	-	-	-	-	-	-	-	-	-	-	194
	Physical Damage Re-Engineering																
5	Phase 1 & 2	-	-	-	1,528	-	360	-	-	-	-	-	-	-	-	-	1,888
	PDR Opt Repair - Collaborative Estimating &																
6	JSST	-	-	-	8,834	358	635	-	-	-	-	-	-	-	-	-	9,827
	PDR Opt Repair - Distributed																
7	Estimating	-	-	-	1,183	1,474	2,160	2	-	-	-	-	-	-	-	-	4,819
8	Physical Damage Re-Engineering Main/Phase 3	-	3,108	10,272	(4,111)	4,354	(2,244)	260	-	-	-	-	-	-	-	-	11,639
9	PDR Opt Repair - Remote Estimating	-	-	-	1	39	65	107	-	-	-	-	-	-	-	-	212
10	BI3 Fineos Upgrade 2016	-	-	257	1,462	1,852	531	-	-	-	-	-	-	-	-	-	4,102
11	Enterprise Data Masking	-	-	507	950	876	2	-	-	-	-	-	-	-	-	-	2,335
	High School Driver Education																
12	Phase 2	-	-	-	271	287	1,167	98	-	-	-	-	-	-	-	-	1,823
	High School Driver Education																
13	Phase 3	-	-	-	-	-	-	595	1,916	407	-	-	-	-	-	-	2,918
	High School Driver Education																
14	Phase 4	-	-	-	-	-	-	-	14	592	44	-	-	-	-	-	650
15	Infor/Lawson Upgrade	-	-	-	138	796	1,027	898	340	-	-	-	-	-	-	-	3,199
16	ITO - High Availability	-	-	-	2,332	3,971	766	-	-	-	-	-	-	-	-	-	7,069
17	Legal Management Project	-	-	-	868	1,249	(7)	-	-	-	-	-	-	-	-	-	2,110
18	Predictive Analytics	-	-	-	1,260	488	1	-	-	-	-	-	-	-	-	-	1,749
19	Corporate Learning Management	-	-	-	210	-	917	1,147	421	-	-	-	-	-	-	-	2,695
	Physical Damage - Centre of																
20	Excellence	-	-	-	-	471	248	-	-	-	-	-	-	-	-	-	719
	Information Security Strategy and Road Map																
21	Phase 1	-	-	-	-	1,330	1,579	106	-	-	-	-	-	-	-	-	3,015
	Information Security Strategy and Road Map																
22	Phase 2	-	-	-	-	-	538	1,433	56	-	-	-	-	-	-	-	2,027
23	Technology Innovation & Capabilities	-	-	-	-	10	(10)	-	-	-	-	-	-	-	-	-	-
24	Technology Risk Management - 2016/17	-	-	-	-	-	1,807	118	-	-	-	-	-	-	-	-	1,925
25	Technology Risk Management - 2017	-	-	-	-	-	1	2,367	1,123	-	-	-	-	-	-	-	3,491
26	Technology Risk Management - 2018	-	-	-	-	-	-	-	2,912	1,151	473	-	-	-	-	-	4,536
27	Technology Risk Management - 2019	-	-	-	-	-	-	-	-	526	964	-	-	-	-	-	1,490
28	Technology Risk Management - 2020	-	-	-	-	-	-	-	-	-	1,084	-	-	-	-	-	1,084
29	Technology Risk Management - 2021	-	-	-	-	-	-	-	-	-	-	2,310	-	-	-	-	2,310
30	Technology Risk Management - 2022	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	-	3,000
31	Technology Risk Management - 2023	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	-	3,000
32	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	-	3,000
33	Technology Risk Management - 2025	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,000	3,000
34	Appointment Manager	-	-	-	-	-	2	1,295	45	-	-	-	-	-	-	-	1,342
35	Customer Claims Reporting System	-	-	-	-	-	9,764	4,648	714	-	-	-	-	-	-	-	15,126
36	Enhanced DR Capabilities	-	-	-	-	-	269	1,313	767	-	-	-	-	-	-	-	2,349
37	Partner Portal	-	-	-	-	-	268	2,083	6	-	-	-	-	-	-	-	2,357
38	Financial Re-engineering Initiative	-	-	-	-	-	279	1	-	640	975	-	-	-	-	-	1,895
39	Customer Self Service	-	-	-	-	-	-	1,370	2,373	87	-	-	-	-	-	-	3,830
40	Credit Card Strategy	-	-	-	-	-	-	208	1,897	1,114	-	-	-	-	-	-	3,219
41	Nova	-	-	-	-	-	-	-	-	-	6,362	14,450	14,103	9,438	3,791	-	48,144

Figure EXP App 18-1 Basic Deferred Development and Amortization Costs con't

42	Information Security Maturity	-	-	-	-	-	-	-	-	280	1,298	1,905	29	-	-	-	3,512
43	Microsoft 365	-	-	-	-	-	-	-	-	-	671	1,105	-	-	-	-	1,776
44	Total Loss	-	-	-	-	-	-	-	-	1,371	(109)	-	-	-	-	-	1,262
45	HRMS Optimization - Phase 1	-	-	-	-	-	-	-	-	-	49	-	-	-	-	-	49
46	Salvage Management System	-	-	-	-	-	-	-	-	117	398	-	-	-	-	-	515
47	CERP - Additional Product Changes	-	-	-	-	-	-	-	-	124	123	-	-	-	-	-	247
48	Year 1 Data and Analytics Spend	-	-	-	-	-	-	-	-	-	-	2,341	-	-	-	-	2,341
49	Total Deferred Development Costs	4,912	14,864	24,576	14,800	17,555	21,462	18,049	12,584	6,409	12,332	22,111	17,132	12,438	6,791	3,000	209,015
50	Impairment of Deferred Development	-	-	-	-	-	(18,678)	(2,686)	(1,501)	(778)	-	-	-	-	-	-	(23,634)
51	Project					2015/16A	2016/17A	2017/18A	2018/19A	2019/20A*	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Total
52	Driver Safety Rating	1,389	1,389	1,389	1,389	-	-	-	-	-	-	-	-	-	-	-	5,556
53	Streamlined Renewal	1,020	1,020	1,020	850	-	-	-	-	-	-	-	-	-	-	-	3,910
54	PIPP Infrastructure Phase	4,589	4,590	4,154	4,191	2,123	-	-	-	-	-	-	-	-	-	-	19,647
55	Enterprise Data Warehouse	340	340	442	447	114	-	-	-	-	-	-	-	-	-	-	1,683
56	Enterprise Architecture-Portal	366	201	280	284	96	-	-	-	-	-	-	-	-	-	-	1,227
57	New Call Management	-	691	533	540	550	759	-	-	-	-	-	-	-	-	-	3,073
58	IT Optimization	-	-	-	1,850	1,884	1,913	1,896	1,896	-	-	-	-	-	-	-	9,439
59	Disaster Recovery	-	-	-	2,609	2,657	2,674	2,667	2,667	-	-	-	-	-	-	-	13,274
60	HR Management System Phase 1 & 2	-	-	-	1,884	1,919	2,700	2,182	2,182	-	-	-	-	-	-	-	10,867
	Physical Damage Re-Engineering																
61	Phase 1 & 2	-	-	-	-	310	452	381	381	381	-	-	-	-	-	-	1,905
	PDR Opt Repair - Collaborative Estimating & JSST						1,982	1,986	1,986	2,149	1,820	-	-	-	-	-	9,923
	PDR Opt Repair - Distributed							967	967	1,046	966	887	-	-	-	-	4,833
63	Estimating	-	-	-	-	-	-	967	967	1,046	966	887	-	-	-	-	4,833
64	Physical Damage Re-Engineering Main/Phase 3	-	-	-	-	-	-	2,411	2,182	2,361	2,181	2,001	-	-	-	-	11,136
65	BI3 Fineos Upgrade 2016	-	-	-	-	-	990	992	992	991	-	-	-	-	-	-	3,965
66	Enterprise Data Masking	-	-	-	-	-	477	476	476	516	429	-	-	-	-	-	2,374
	High School Driver Education																
67	Phase 3	-	-	-	-	-	-	-	-	535	583	576	576	576	48	-	2,894
	High School Driver Education																
68	Phase 4	-	-	-	-	-	-	-	-	40	134	128	128	128	85	-	643
69	Infor/Lawson Upgrade	-	-	-	-	-	-	-	673	808	794	773	64	-	-	-	3,112
70	ITO - High Availability	-	-	-	-	-	1,427	1,425	1,425	1,544	1,284	-	-	-	-	-	7,105
71	Legal Management Project	-	-	-	-	-	427	426	426	462	384	-	-	-	-	-	2,125
72	Predictive Analytics	-	-	-	-	-	356	355	355	385	320	-	-	-	-	-	1,771
73	Corporate Learning Management	-	-	-	-	-	-	-	547	593	538	524	480	-	-	-	2,682
	Physical Damage - Centre of Excellence																
74	Excellence	-	-	-	-	-	-	-	143	153	143	141	129	-	-	-	709
	Information Security Strategy and Road Map																
75	Phase 1	-	-	-	-	-	-	549	549	594	539	481	-	-	-	-	2,712
	Information Security Strategy and Road Map																
76	Phase 2	-	-	-	-	-	-	-	461	500	453	441	404	-	-	-	2,259

Figure EXP App 18-1 Basic Deferred Development and Amortization Costs con't

77	Technology Risk Management - 2016/17	-	-	-	-	-	-	386	385	417	378	337	-	-	-	-	1,903
78	Technology Risk Management - 2017	-	-	-	-	-	-	-	418	778	706	687	654	191	-	-	3,434
79	Technology Risk Management - 2018	-	-	-	-	-	-	-	-	57	673	737	737	737	737	26	3,704
80	Technology Risk Management - 2019	-	-	-	-	-	-	-	-	-	-	319	319	319	319	319	1,595
81	Technology Risk Management - 2020	-	-	-	-	-	-	-	-	-	-	287	287	287	287	287	1,435
82	Technology Risk Management - 2021	-	-	-	-	-	-	-	-	-	-	-	481	481	481	481	1,924
83	Technology Risk Management - 2022	-	-	-	-	-	-	-	-	-	-	-	-	624	624	624	1,872
84	Technology Risk Management - 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	624	624	1,248
85	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	-	-	-	-	-	-	624	624
86	Appointment Manager	-	-	-	-	-	-	-	268	290	268	268	246	-	-	-	1,340
87	Enhanced DR Capabilities	-	-	-	-	-	-	-	-	356	328	329	329	156	-	-	1,498
88	Partner Portal	-	-	-	-	-	-	-	471	510	471	472	432	-	-	-	2,356
89	Financial Re-engineering Initiative	-	-	-	-	-	-	-	-	-	-	402	1,610	1,610	1,610	1,610	6,842
90	Customer Self Service	-	-	-	-	-	-	-	-	331	391	380	380	380	63	-	1,925
91	Credit Card Strategy	-	-	-	-	-	-	-	-	321	558	543	543	543	272	-	2,780
92	Nova	-	-	-	-	-	-	-	-	-	-	-	-	2,601	10,553	9,957	23,111
93	Information Security Maturity	-	-	-	-	-	-	-	-	-	-	-	-	825	825	825	2,475
94	Total Loss	-	-	-	-	-	-	-	-	145	251	267	267	267	149	-	1,346
95	HRMS Optimization - Phase 1	-	-	-	-	-	-	-	-	-	-	161	290	290	290	419	1,450
96	Salvage Management System	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97	Microsoft 365	-	-	-	-	-	-	-	-	-	-	-	230	230	230	230	920
98	Year 1 Data and Analytics Spend	-	-	-	-	-	-	-	-	-	-	-	468	468	468	468	1,872
99	Total Amortization Costs	7,704	8,231	7,818	14,044	9,653	14,157	17,099	19,850	16,263	14,592	11,141	9,054	10,713	17,665	16,494	194,478

100 *2019/20A Amortization Costs are expensed over 13 periods

PUB (MPI) 1-54

Part and Chapter:	Part III Benchmarking	Page No.:	23
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking		

Preamble to IR:

MPI has indicated that services provided by Ward Group and Gartner have been discontinued. MPI is currently exploring alternative benchmarking approaches.

MPI will benchmark against SGI and ICBC in order to review MPI Operational Effectiveness. MPI acknowledges that a challenge with benchmarking against SGI and ICBC is that there are significant variations between the respective entities.

Question:

- a) Please provide work-in-progress and/or final criteria being considered to explore and select alternative benchmarking approaches.
- b) Please provide a summary table which notes identified variations between MPI against SGI and ICBC on:
 - i. Cost structures; and
 - ii. Strategic offerings.
- c) Please describe how criteria noted in a) will assist in closing the identified variations.

Rationale for Question:

To understand how MPI will close the gap to further measure and manage Operational Efficiency going forward.

RESPONSE:

- a) MPI employs Benchmarking to compare its practices and performance against those of other organizations. It uses the resulting information to assess and enhance corporate performance. Benchmarking assists MPI in achieving its corporate goals and in attaining optimum performance across all areas. Specifically, this process identifies opportunities to improve the management of expenses and the efficiency of service delivery and business operations in order to allow MPI to continue to provide the best value to Manitobans. In evaluating benchmarking performance, MPI will continue to use Crown benchmarking comparatives with SGI and ICBC, since they provide a robust comparative group. The rationale is that SGI and ICBC have demands and operational/regulatory frameworks that are comparable to MPI, which allows for a more wholesome benchmarking comparative. As a pulse-check, MPI will also review externally against public/private companies from time-to-time.

Crown benchmarking ensures a comparison of MPI to an appropriate peer group for benchmarking purposes. Despite this, there will remain instances where the magnitude or model utilized by SGI/ICBC differs from those used by MPI. For instance, MPI notes discrepancies in key performance indicators related to Gross Premiums Written when evaluating it against ICBC due to the scale and size of ICBC, a much larger entity than MPI.

- b) A comparative of MPI, SGI, and ICBC using 2019/20 Financial and Cost Structure highlights the sizeable scale of operations of ICBC in comparison to MPI. In evaluating the performance of MPI relative to its peers through Crown Benchmarking, MPI normalized the comparatives by analyzing the results per \$100 million of Gross Premiums Written or as a % of Gross Premiums Written and/or as a % of Net Premiums Written.

Figure 1 **Gross Premiums Written**

Line No.	<i>Figures provided in [000's]</i>	MPI	SGI	ICBC
1	Average Gross Premiums Written	\$1,143,935	\$962,705	\$3,578,882
2	Number of Policies Inforce	1,148,962	940,761	\$3,848,366
3	Gross Expenses	\$149,213	\$166,728	\$376,193

- c) MPI continually reassesses its current practices and looks to anticipate its future needs. MPI's priority is to provide exceptional value to all Manitobans and improving customer service and corporate performance is paramount. As areas of improvement/deviation are noted relative to peers, MPI is actively engaged in its strategic review of business units in addressing the variations.

PUB (MPI) 1-55

Part and Chapter:	Part III Benchmarking	Page No.:	23-24
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking		

Preamble to IR:

MPI has stated that due to a change in the fiscal year end in 2019-2020, 2019-2020 resulted in a 13-month end.

MPI has normalized for a 12-month period to be consistent with SGI and ICBC in order to ensure comparability.

Question:

Please provide the approach used to perform normalization for comparison and consistency purposes.

Rationale for Question:

To understand the presented comparison references between SGI and ICBC.

RESPONSE:

In 2019/20, MPI, as per guidance from its Government Partners and in order to align with the Government of Manitoba, changed its fiscal year end from February 28th to March 31st. As such, the 2019/2020 year had an additional month (i.e. 13 months as opposed to the traditional 12 months for all other fiscal years). In review of its benchmarking, MPI adjusted for this additional month by prorating income statement

financial figures, and relevant figures that are not a point in time to be 12 months. The proration was done by dividing 12 over 13 months. MPI deemed this to be an on-time adjustment based on the year-end change. It also reviewed the results of this adjustment for consistency across previous years and noted no issues.

PUB (MPI) 1-56

Part and Chapter:	Part III Benchmarking	Page No.:	24
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking		

Preamble to IR:

MPI states it is "currently considering the most appropriate benchmarking method (i.e. third party vs collaborative/public approach) and, when significant time and effort is required, the frequency of participation, in order to optimize the benefits of the program."

Question:

- a) Please provide a list of considerations being reviewed to determine the most appropriate benchmarking method.
- b) Please advise as to the approach being considered to identify the most appropriate benchmarking method.
- c) What is the expected timeline to finalize the benchmarking method?

Rationale for Question:

To understand the expected plan and approach to be undertaken to most appropriately move the operational benchmarking forward.

RESPONSE:

a) and b)

It is the priority of MPI to provide exceptional value to all Manitobans by adopting the continuous improvement mindset, focusing on customer service and embedding a high level of corporate performance in its operations. To ensure that it uses leading practices and industry standards, MPI employs Benchmarking to compare its practices and performance against those of other organizations and to ensure a high level of performance against internal historical measures. MPI uses the resulting information to assess and enhance corporate performance.

In evaluating its Benchmarking methodologies, MPI considered the following:

- **Internal benchmarking** – MPI evaluated internal metrics and performance to the budgeted expectations for financial performance and operational performance;
- **External benchmarking** – MPI engaged its peers within Canada (i.e. SGI and ICBC) to perform benchmarking against key performance indicators. MPI believes that SGI and ICBC are the most appropriate peers to compare itself against due to the commonality of their respective operations and Governmental mandates/control; and
- **Third Party Benchmarking** - MPI considered the use of external benchmarking vendors, similar to the benchmarking exercises done with Ward Group in the past. However, the value and comparatives used by Ward provide minimal value when compared to the Crown benchmarking, as the comparatives are mainly profit centric companies with varying operational mandates.

MPI notes that Benchmarking assists in achieving its corporate goals and in attaining optimum performance across all areas. Specifically, this process identifies opportunities to improve the management of expenses and the efficiency of service delivery and business operations.

- c) MPI provided the Crown Benchmarking completed with SGI and ICBC for 2019/20. MPI will continue to benchmark against its Crown corporation peers on an annual basis and will also use third party benchmarking from time-to-time to ensure additional best practices/integration against its profit centric private/public company peers within the Property & Casualty group.

PUB (MPI) 1-57

Part and Chapter:	Part III Benchmarking	Page No.:	23-30
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking		

Preamble to IR:

MPI acknowledges that with benchmarking against SGI and ICBC, there are significant variations between the entities.

MPI has provided Figure BMK-17 2019-20 Comparative Benchmarking Report, in which MPI is compared to SGI and ICBC in a number of performance areas.

Question:

- a) As significant variations among SGI, ICBC, and MPI exist, please indicate how MPI baselines the comparison to reduce the variations among the entities.
- b) Given the magnitude of ICBC's GPW, please comment on whether a comparison between it and MPI is reasonable for operational benchmarking.

Rationale for Question:

To understand the expected plan and approach to be undertaken to most appropriately move operational benchmarking forward.

RESPONSE:

a) MPI acknowledges that variations exist between SGI, ICBC, and MPI in terms of their respective scales and operations. To ensure its ability to normalize the impacts between the entities and have meaningful comparatives; MPI, in consultation with SGI and ICBC, thoroughly reviewed and vetted the metrics for comparative purposes to ascertain the appropriate ones and to eliminate the rest.

MPI agreed to common calculations and methodologies to ensure consistency and robust comparatives. Additionally, MPI normalized the following metrics:

- i. **Headcount Metrics** - expressed relative to \$100 million of Gross Premiums;
- ii. **Premium Metrics** - expressed relative to % of Gross Premiums Written, and % of Net Premiums Written;
- iii. **Policy Metrics** – expressed relative to FTEs; and
- iv. **Traffic Safety Metrics** – expressed relative to % of Gross Premiums Written.

b) To ensure the normalization of the scale of operations of ICBC, MPI, in consultation with ICBC and SGI, expressed the above noted metrics by a common relative basis. For instance, when evaluating total gross expenses (which are higher for ICBC based on scale of operation), MPI expressed the metric relative to the % of Gross Premiums Written. Accordingly, the metric Total Gross Expenses as a % of Gross Premiums Written allows for a viable comparison of ICBC and MPI, in terms of expense management. However in interpreting the results, one must factor in the economies of scale enjoyed by ICBC relative to a smaller carrier such as MPI. In any benchmarking exercise it can be difficult to get a perfect apples to apples comparison however ICBC is still a closer comparator than many other Canadian P&C insurers.

PUB (MPI) 1-58

Part and Chapter:	Part III Benchmarking	Page No.:	25 6 Appendix 3
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking		

Preamble to IR:

MPI has provided Figure BMK-17 2019-20 Comparative Benchmarking Report whereby MPI is compared against a number of performance measurements between SGI and ICBC.

Figure BMK-17 contains a set of comparisons utilizing "Premium Metrics".

Gartner indicates that "The impact of COVID-19 has hit the P&C insurance industry hard and derailed many CIOs from delivering the digital results expected in 2020."

Question:

- a) Please explain how MPI has been affected by COVID-19.
- b) Please indicate whether the comparative benchmarking report has been compiled for 2020-21.
 - i. If yes, please provide equivalent to Figure BMK-17, using 2020-21 values.
 - ii. If no, please comment on the expected impact of COVID-19 to premium metrics and whether, due to the COVID-19 environment, comparisons between ICBC and SGI can be conducted.

Rationale for Question:

To understand the impact of COVID-19 on MPI benchmarks.

RESPONSE:

- a) The primary objective of MPI following the onset of the COVID-19 Pandemic was to balance the safety, health, and well-being of human life with the need to maintain critical business operations in order to satisfy its obligations to its employees, customers, visitors, and business partners. MPI successfully leveraged the MPI Corporate Incident Management Structure (C-IMS) maintained by the Business Continuity Management Plan (BCMP) to manage and coordinate its response to and recovery from the Pandemic via the MPI Emergency Operations Centre (EOC). MPI limited the impact of the Pandemic by increasing precautionary measures (i.e. obtaining additional PPE) for services interacting directly with customers (e.g. Driver Z in-vehicle lessons, driver testing, knowledge testing and vision testing) and by adjusting service delivery where needed (e.g. photo based estimating to enable Work From Home).

Furthermore, MPI also supported Manitobans by sharing its Service Centres with public health officials (for drive-thru COVID-19 testing locations), as well as by sharing its employees to support the health care system (i.e. PPE distribution, contact tracing, vaccine distribution and vaccine workforce management). At present, the Main Street, Portage la Prairie, King Edward, and Arborg Service Centres all serve this function and will continue to do so until no longer required by the Government of Manitoba. MPI limited the impact of the sharing of its Service Centres by relocating some of them to alternate locations. The Government of Manitoba committed to reimbursing MPI for the costs associated with these temporary relocations and employee secondments.

- b) The 2020/21 Crown Benchmarking exercise is incomplete. MPI will be in a position to comment on the impacts to the appropriateness of Crown

Benchmarking when it meets with SGI and ICBC to compile/interpret the data and outcomes. MPI expects this to be completed by the end of 2021.

PUB (MPI) 1-59

Part and Chapter:	Part III Benchmarking	Page No.:	27
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Benchmarking		
Sub Topic:	Operational Efficiency Benchmarking 4.1.3		

Preamble to IR:

Pertaining to FTEs per \$100M of GPW, MPI indicates its ratio is higher than other Crowns as follows:

- MPI: 117
- SGI: 95
- ICBC: 84

Question:

- a) Please indicate whether MPI has a target of FTEs per \$100M of GPW.
- b) Please indicate, as MPI's ratio is higher than both ICBC and SGI, whether MPI's plan works toward decreasing its ratio to align with SGI and ICBC, and please elaborate on any activities to work towards this reduction.
- c) Please elaborate on why MPI's ratio is higher than SGI and ICBC. Is it solely the amount of GPW, or are there other contributing factors?

Rationale for Question:

To understand the expected plan and approach to respond to MPI's comparative benchmark being higher than other Crowns corporations.

RESPONSE:

- a) MPI does not have a target for FTEs per \$100M of GPW. It will explore the utility of perhaps using this ratio and the development of a benchmark within its operational performance tracking.

- b) and c)

The FTEs per \$100 million of GPW ratio of 117.1 for MPI exceeds the ratios of SGI and ICBC, which have FTEs per \$100 million of GPW ratios of 94.8 and 84.4, respectively. MPI decreased its ratio from 148.3 in 2013/14 to 117.1 in 2019/20, representing a 21 percent decrease in seven years.

The rationale for MPI having a higher FTEs per \$100 million of GPW ratio is that its unique business model, which provides end-to-end customer service performed by MPI employees, requires more employees than either SGI or ICBC. Despite this, as results have shown, MPI made significant progress in lowering this ratio over the past several years and it will continue to review and assess any trend in its FTEs per \$100 million of GPW ratio.

PUB (MPI) 1-60

Part and Chapter:	Part IV Information Technology	Page No.:	3
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	IT Strategy		

Preamble to IR:

MPI indicates it will “update the IT strategy to reflect the changes that occurred in May 2021”.

Question:

- a) Please provide a list and description of the changes that occurred in May 2021.
- b) Please indicate the timing on completion of an updated IT strategy.

Rationale for Question:

To understand reason for delay in IT strategy.

RESPONSE:

- a) The *VM Appendix 1 IT Transformation Business Case*, filed in the confidential module, contains a summary of the new IT division, the changes to its directorates and the additional investments required.
- b) MPI targets the IT strategy for completion by November 2021.

PUB (MPI) 1-61

Part and Chapter:	Part IV Nova	Page No.:	5
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI indicates further analysis has been undertaken to better understand full-time (FTE) saving opportunities. This work continues with recommendations expected near the end of June 2021.

Question:

- a) Please file the interim report of analysis performed.

Rationale for Question:

To understand the initial review and outcomes related to FTE saving opportunities as it relates to Project Nova.

RESPONSE:

- a) The Analysis remains incomplete as of June 2021. MPI will share the details on roles, cost centres, and estimate classification levels assigned in an update to its Technology Committee in August 2021. As of July 2021, MPI completed the opportunity analysis for NOVA Releases 1A-4B. MPI identified these opportunities, in conjunction with Stream Operational Business Champions, from a number of sources, including stream-level vision documents, current and future state value stream mapping sessions, requirements development (where applicable) and from

discussions with business leaders. Through this process, MPI also assigned an Estimate Class (based on AACE International – Cost Estimate Classification System) to benefits at each release, based on project definition level and associated with a standard contingency percentage.

MPI shared the identified opportunities and related benefits with IT and operational directors in impacted areas and received their endorsement at the estimate classification level discussed. Overall the number of opportunities remain at or slightly above original estimates. The initial results of the opportunity assessment show no change in salary and benefit estimates related to operational FTE savings (i.e. an average annual salary savings of \$75K) and a slight decrease from our original estimates for IT related FTE savings (\$100K vs \$110K average annual salary savings). Further work to identify timings is underway to finalize the FTE re-baseline in order to present it to the Technology Committee later this fiscal year.

PUB (MPI) 1-62

Part and Chapter:	Part IV Nova	Page No.:	Appendix 1 4-7, 11-13
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

A set of Project Nova delivery roadmaps along with one-time modernization costs tables were presented to summarize Project Nova.

Question:

- a) Please clarify relationship of Customer Self-Service Initiative noted in Project Delivery Roadmap against One Time Modernization Costs tables.
- b) Please define "Digital Stream" noted in One Time Modernization Costs.

Rationale for Question:

To understand relationship of initiatives noted on roadmaps against one-time costs.

RESPONSE:

- a) MPI incorporated the Customer Self-Service Initiative into the new Digital work stream and will refer to it as "Digital". MPI included the costs of this initiative in the Digital stream One Time Modernization Costs.
- b) The focus of the work of the Digital Stream is on the Customer Self Service Platform (i.e. High Productivity Application Platform-MS Dynamics) and the

Integration Platform. MPI included the Integration development costs in each of the three main streams (i.e. DVA, P&C, and Digital).

PUB (MPI) 1-63

Part and Chapter:	Part IV Nova	Page No.:	15
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI indicates Earned Value is a key Agile metric used in Project Nova.

MPI indicates Earned Value allows Project Nova to measure beyond a basic review of costs and schedules and include business value.

MPI indicates PIs and Sprints must be finalized prior to MPI fully assessing Earned Value.

Question:

- a) Please describe MPI's methodology for calculation of Earned Value.
- b) Please indicate the number of PIs and Sprints completed to date.
- c) Please provide a calculation of Earned Value per completed PI and Sprint completed to date.
- d) Please indicate whether KPIs exist to measure accumulated Earned Value against overall value progression for Project Nova.

Rationale for Question:

To understand how MPI will use Earned Value to measure progress through Project Nova.

RESPONSE:

- a) Project NOVA calculates Earned Value using three key metrics per Program Increment (PI):
- a. Business Value achieved;
 - b. PI cost; and
 - c. story points completed against the overall program release roadmap.

This approach ensures the alignment of the completed effort (features, story points) with consumed costs and the release schedule, while also measuring business value delivered compared to business objectives, and agreed to Minimal Viable Product (MVP), at the PI level. It also ensures that the project is not only on time and on budget, but also that it quantifies achieving business value against the agreed to business objectives and MVP.

- b) As of July 30th, Project NOVA completed three sprints for PI 1, and two sprints for PI 2. Each PI has three sprints.
- c) MPI is developing the Earned Value Metric (that includes business value), and will report it to the Technology Committee of the MPI Board of Directors beginning in the fall of 2021. For PI 1, MPI measured the costs and schedule but not its business value as PI 1 was a foundational PI to stand up infrastructure. For PI 2, MPI focused on educating Operational Business Champions on providing business value objectives for future PIs. MPI will measure Earned Value (including costs, schedule and business value), starting the end of PI 3.

- d) Yes, NOVA uses accumulated costs, schedule, feature burndown and team velocity to measure the progress of completed work and the ability to complete remaining work. MPI is defining and implementing business value as part of Earned Value.

PUB (MPI) 1-64

Part and Chapter:	Part IV Nova	Page No.:	11-16
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI indicates that technical debt is a key agile metric used in Project Nova.

MPI indicates Project Nova uses calculated technical debt to identify work slippage from one iteration to another.

MPI has indicated that the scheduled number of PIs for Project Nova is 13.

Question:

- a) Please provide an enumerated list and description of identified categories leading to the increase in technical debt.
- b) Please provide the planned duration of PIs.
- c) Please provide the identified KPIs that indicate technical debt has surpassed feasible level leading to potential infeasibility to complete identified work in future iterations.
- d) Please provide current values of technical debt accumulated with initial PIs and/or sprints.

Rationale for Question:

To understand how MPI will use technical debt to measure progress through Project Nova.

RESPONSE:

a) The following categories of technical debt can occur for the following reasons:

- i. Feature Planning – Work product complexity can be understated if scope and requirements are not fully understood, causing work slippage.
- ii. Software Configuration, Development and Testing – If a large number of defects are identified, this will create re-work.
- iii. Business Rules and Requirements – If the rules and requirements are not fully understood, then re-work may be required or new work may be added.
- iv. Dependencies (example: Integrations) – The ability for dependencies to be delivered when required, across streams and outside of Project Nova, causing schedule slippage.
- v. Risks Actions Issues and Decisions (RAID) Process – Timely identification and management of risks before they become issues.

b) Each Program Increment (PI) is twelve (12) weeks in duration.

Program Increment #	Start Date	Finish Date
PI - 1	1-Mar-21	23-May-21
PI - 2	24-May-21	15-Aug-21
PI - 3	16-Aug-21	7-Nov-21
PI - 4	8-Nov-21	30-Jan-22
PI - 5	31-Jan-22	24-Apr-22
PI - 6	25-Apr-22	17-Jul-22
PI - 7	18-Jul-22	9-Oct-22
PI - 8	10-Oct-22	1-Jan-23

PI - 9	2-Jan-23	26-Mar-23
PI - 10	27-Mar-23	18-Jun-23
PI - 11	19-Jun-23	10-Sep-23
PI - 12	11-Sep-23	3-Dec-23
PI - 13	4-Dec-23	25-Feb-24

- c) Project Nova has a threshold of 10% technical debt based on feature count, to be carried into the next PI. This threshold is a cumulative measurement, based on functional delivery across all completed PIs.

- d) Project Nova completed one PI to date, and the technical debt accumulated during the PI is 6%. MPI incorporated the 6% technical debt into the feature baseline capacity for the ensuing PIs.

PUB (MPI) 1-65

Part and Chapter:	Part IV Nova	Page No.:	16
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI indicates "While SIs see potential risks with some project teams being located globally, Project Nova is currently able to successfully deliver to schedule".

Question:

- a) Please provide a table indicating project team, associated responsibility, and geographic location for Project Nova.
- b) Please provide a list of potential risks noted by SIs related to project teams being located globally.
- c) Please comment on how MPI is able to successfully deliver to schedule, to date, overcoming risks identified by SIs.
- d) Please comment on how MPI expects to continue to manage global project team location risks for the duration of Project Nova.
- e) Please provide historical reference projects executed by MPI whereby project teams were located globally.

Rationale for Question:

To understand how distribution of project team workforce relates to the overall delivery risk for Project Nova, and how MPI will manage the associated risks.

RESPONSE:

a)

Team	Responsibilities	Location(s)
KPMG	Development of Microsoft Dynamics 365 CRM (Customer Relationship Management) and Portal.	Canada
Infosys	Configure, integrate and deploy the Celtic Business Suite modules including training, knowledge transfer and organizational change management.	Canada USA India
Accenture	Implementation of the MuleSoft Integration Platform Enablement.	Canada India
Duck Creek	Delivery of four checkpoints during each release of the program to provide recommendations to ensure the Duck Creek System remains supportable, upgradeable and to optimize the reduction of technical debt.	USA
Accenture	Ongoing support and maintenance of Microsoft Azure Development environment.	Canada Slovakia
Accenture	Activities and deliverables that are part of the R1A Implementation Phase including Policy, Billing, Insights and Data Conversion for Commercial Special Risk Extension ("SRE").	Canada USA India
Accenture	Assist Operational Readiness teams with change management and training services to support the P&C stream.	Canada India

b) System Integrators (SIs) initially identified three risks that could impact their global work force:

- i. COVID-19 affecting a large populace where parts of their workforce might work from home;
 - ii. Virtual access to MPI environments; and
 - iii. The ability to virtually collaborate.
- c) Project NOVA mitigated the above noted risks by:
- Implementing Microsoft Teams for virtual meetings, scheduling, document sharing and collaboration;
 - Implementing use of One Time Password (OTP) technology to allow secure access to MPI environments;
 - Implementing Azure DevOps cloud (ADO) to provide virtual reporting, work product management, configuration repository, project management and capacity planning;
 - Reassigning resources from other regions to sustain the capacity and velocity of the project (when COVID-19 affected SI resources – a minor impact affecting only the integration stream).
- d) MPI will continue to advance the use of tools such as Microsoft Teams, Azure DevOps and other technology to allow controlled access and collaboration with global resources.
- e) MPI completed a number of projects with the use of global resources, including:
- BI3 FINEOS Upgrade 2020
 - 2431 - HRMS Phase 3/4
 - 2593 - Finance Re-engineering
 - 2850 - Finance Re-Engineering – dEPM
 - 2524 - Infor/Lawson Upgrade

PUB (MPI) 1-66

Part and Chapter:	Part IV Nova	Page No.:	19
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI has provided a table noting Solution, Type of Engagement, Product Vendor, System Integrator and Agreement Type for Project Nova.

Question:

- a) Please extend table provided in top of page 19 to include further details of Agreement Type. For example:
- i. If agreement type uses licenses, denote number of licenses procured and cost / license;
 - ii. If agreement uses a durational subscription (month, year, other), indicate duration and cost for subscription; and
 - iii. If agreement uses a percentage of GPW or a cost model up to an identified GPW, provide percentage and/or GPW limit.

Rationale for Question:

To further understand how identified PaaS, SaaS, COTS costs are accounted for and related to the overall budget for Project Nova.

RESPONSE:

Refer refer to *Appendix 1*, for which MPI seeks confidential treatment.

Appendix 1:
Product Vendor and System Integrator Table

- 1 This material is the subject of a confidential motion.

PUB (MPI) 1-67

Part and Chapter:	Part IV Nova	Page No.:	19-20
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI has indicated that discovery phase workshops and alignment sessions with the respective SI partners were completed between October 2020 and February 2021 and established a set of exit criteria.

Question:

- a) Please indicate completion status of each identified exit criterion noted on pages 19 and 20.
- b) Please provide commentary on how MPI measured the end of the discovery phase for exit readiness as it relates to the status and criterion noted in (a).
- c) Please file the risk management plan generated by nPMO as an outcome of the alignment sessions conducted leading to the conclusion of the discovery phase.

Rationale for Question:

To further understand the planning completion context of the discovery phase in Project Nova, which will in turn further assist with the level of understanding of projected timelines and budgets.

RESPONSE:

a) Please see the table below:

Exit Criterion	Readiness Confidence Measurement (as 24-Mar-21)	Completion Status (as 24-Mar-21)
nPMO is established and acting as the hub for the program, completion of integrated project plan, requirements capture, implementation plan, OCM strategy/plan, training strategy, and risk management plan.	4	Complete
Budget confirmed and material changes brought to Program Steering Committee	4	Complete
Resourcing with defined team structure, and agreed upon roles and responsibilities between MPI and Partners, resource plans updated and issues brought to Program Steering Committee, and Self Sufficiency strategies defined.	4	Complete
Reporting and meeting cadence defined.	4	Complete
Goal setting with key deliverables defined including appropriate metrics, Key Performance Indicators (KPIs) and Service-Level Agreements.	3	Complete
Ways of working defined including key processes for decision making, escalations, change requests and key tools for Project Nova and vendor partners to collaborate as well as key systems for integrations and data migrations working alongside main delivery systems for consistency between streams.	4	Complete
Architecture solution defined, and supporting infrastructure in place or planned as/when needed.	3	Complete
Data Migration strategy drafted.	5	Complete
Customer Experience strategy	1	Not complete
Testing strategy and plan completed, resourcing and execution of Sprints drafted.	4	Complete

Readiness Confidence Dashboard Legend: Scale of 0 to 5	
0	Not Ready (0% Confidence)
1	Barely ready (1-25%)
2	Partially ready (26-50%)
3	Mostly ready – with mitigation can proceed (51-75%)
4	Satisfactory – (76% - 99%) – (recommend proceeding)
5	Ready 100%

MPI assessed each exit criterion a readiness confidence measurement, from 0 (not ready) to 5 (ready). The minimum requirement to proceed into Implementation is

3 (mostly ready, with mitigation) and above; with the plan to get all exit criterion to a 4 (satisfactory) in order to minimize Implementation risk. MPI allocated capacity to PI 1 within the planning to allow for the learning curve and making of further progress. In addition, to mitigate risk and accelerate maturity, MPI invested in external expertise for the items that rated a 3.

MPI engaged KPMG during PI 1 (May to June 2021) to focus on delivering an improved customer experience.

b) The NOVA leadership and SI partners from each stream reviewed and approved the achievement of NOVA exit criteria objectives. They accomplished this by evaluating the outcome from the Discovery phase using a Readiness Confidence rating for each of the exit criterion (assessment completed as of Mar 31 and included within the table in a) and also:

- confirmed alignment of the business vision
- confirmed that the solution remains out of the box through configuring the system as opposed to customization
- confirmed that this solution will assist MPI in meeting its objective of driving operational efficiency
- confirmed alignment with the self-sufficiency objective through proper training, Knowledge Transfer to ensure that the system will allow MPI to make the configuration updates required to run its operations
- confirmed delivery and approval of all of the discovery Statement of Work (SOW) deliverables by MPI
- documented any outstanding SOWs or ones that will need further updates, iterations and refinement as MPI proceeds into the next phase
- identified any risks, gaps or issues within this stream and developed mitigation plans and/or plans to address these items moving forward and to avoid risks/gaps becoming issues
- confirmed the key assumptions for each stream going into implementation
- confirmed the resourcing requirement and the responsibilities of MPI and its partners

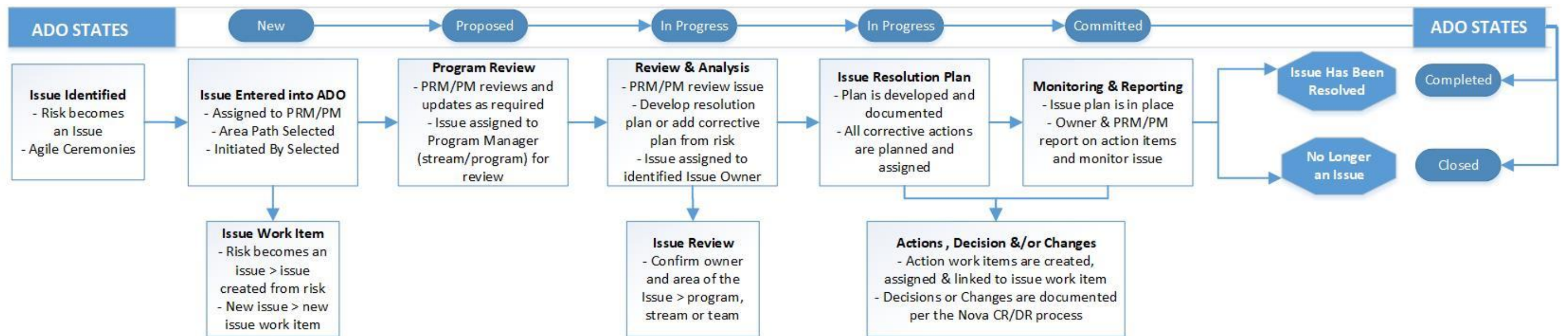
- c) NOVA uses a Risks Actions Issues Decisions (RAID) process to manage risks. Refer to Appendix 1 - Nova RAID Process Placemat and Appendix 2 - Nova Azure DevOps – RAID User Guide.

NOVA RAID PROCESS PLACEMAT

Risk High Level Process Flow



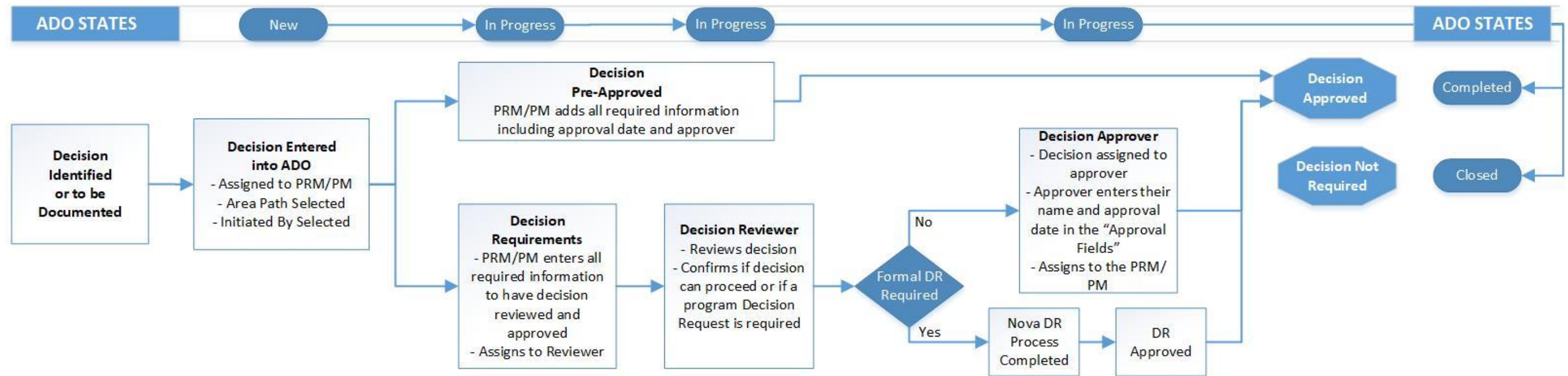
Issue High Level Process Flow



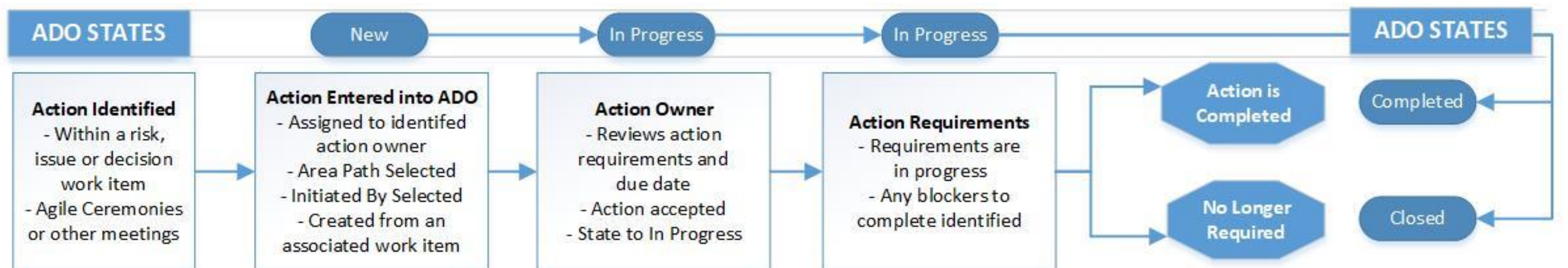
*PRM/PM: Project Release Manager/Project Manager (Coordinator)

HIGH LEVEL RAID PROCESS PLACEMAT

Decision High Level Process Flow



Action High Level Process Flow



*PRM/PM: Project Release Manager/Project Manager (Coordinator)



transforming customer experience

Azure DevOps

RAID User Guide

May 2021





Revision History

Date	Description of Revision	Revised By
Mar 8/21	Drafted	Karyn Kelly
Mar 10/21	Updates based on feedback from Darryl Beckett	Karyn Kelly
Mar 28/21	Added risk schemes	Karyn Kelly
May 12/21	Updates to the overall guide based on feedback and working within ADO, added HL process flows	Karyn Kelly



Table of Contents

1.0	Purpose	3
2.0	Roles & Responsibilities	3
3.0	Risks.....	4
3.1	High Level Process.....	4
3.2	Identify Risk.....	4
3.3	Risk Work Item.....	4
3.4	Risk Review and Validation.....	5
3.5	Risk Analysis.....	7
3.6	Plan Response.....	7
3.7	Monitoring and Reporting.....	8
3.8	Risk Escalation.....	8
3.9	Risk RACI	9
4.0	Issues.....	10
4.1	High Level Process.....	10
4.2	Identify Issue	10
4.3	Issue Work Item.....	10
4.4	Issue Management.....	11
4.5	Monitoring and Reporting.....	12
4.6	Issue Escalation.....	12
4.7	Issue Resolution.....	12
4.8	Closing an Issue.....	12
5.0	Decisions	13
5.1	High Level Process.....	13
5.2	Decision Work Item	13
5.3	Approval Process	14
6.0	Actions.....	15
6.1	High Level Process.....	15
6.2	Action Work Item.....	15
7.0	ADO Notifications.....	16
8.0	Reporting.....	16
	Appendix.....	17
	Risk Rating Schemes	17
	DVA	17
	P&C.....	17
	Digital	18
	nPMO.....	18



1.0 PURPOSE

To outline the process of entering, reviewing, managing and reporting Risks, Actions, Issues and Decisions (RAID) in Azure DevOps (ADO) at the team (agile pod), stream and program level.

2.0 ROLES & RESPONSIBILITIES

The table below outlines the high level responsibilities for the program, streams and teams.

Role	Responsibilities
Program Director	<ul style="list-style-type: none"> Accountable for program risks, issues and decisions. Supports the identification of program risks and issues
OBC's	<ul style="list-style-type: none"> Accountable for product stream risks, issues and decisions. Identifies risks and issues.
Program Manager	<ul style="list-style-type: none"> Responsible for program risks, issues and decisions. Responsible to review and assess risk and issue plans. Identifies risks and issues.
Program Risk Analyst	<ul style="list-style-type: none"> Responsible to review and facilitate the assessment of program risks. Supports and consults with product stream's to review and assess risks. Supports the identification of program risks.
Product Manager	<ul style="list-style-type: none"> Responsible for stream risks, issues and decisions. Accountable for stream risk and issue plans and status. Responsible for the escalation and de-escalation of risks, issues and decisions. Identifies risks and issues.
Product Owner	<ul style="list-style-type: none"> Responsible for team risks, issues and decisions. Accountable for team risk and issue plans and status. Responsible for the escalation of risks, issues and decisions. Identifies risks and issues.
Project Release Manager	<ul style="list-style-type: none"> Responsible to assess and plan responses for stream risks and issues. Responsible to implement and report on risks, issues, decisions and actions. Supports team risks, issues, decisions and actions. Identifies risks, issues and decisions.
Project Manager/Coordinator	<ul style="list-style-type: none"> Responsible to assess and plan responses for shared service risks and issues. Responsible to implement and report on risks, issues, decisions and actions. Supports stream risks, issues, decisions and actions. Identifies risks, issues and decisions.
Team Members	<ul style="list-style-type: none"> Supports the identification of risks and issues. Responsible for assigned action items.



3.0 RISKS

3.1 High Level Process



- [Nova Risk Process Flow](#)

*PRM/PM: Project Release Manager / Project Manager (Coordinator)

3.2 Identify Risk

A risk is identified in a team, stream or program level meeting:

- Scrum planning
- Scrum meeting
- PI Planning
- Daily Scrums / Daily Standup
- Scrum of Scrum meeting
- Scrum of Scrum of Scrum meeting

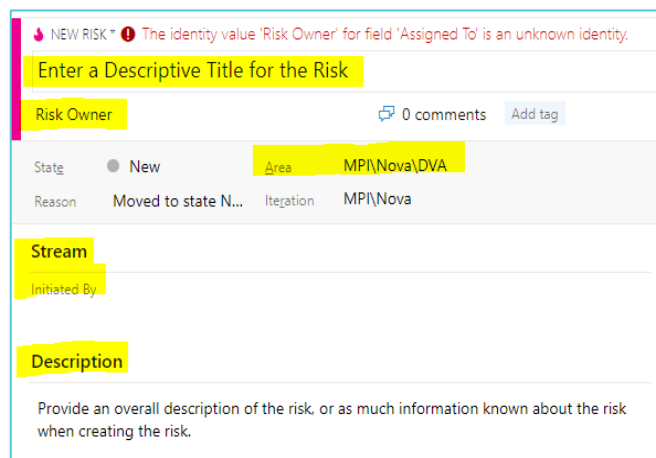
Once the risk is identified the meeting lead can suggest the following actions:

- Confirm immediately it is a risk and have it entered into ADO.
- Determine a follow up meeting/email/chat is required to review more information to determine if it is a risk and to be entered into ADO.

3.3 Risk Work Item

As soon as a risk is confirmed, it will need to be entered into ADO, and the risk can be entered into ADO by any team member.

1. Enter a Descriptive Title for the risk.
2. Assign to:
 - Stream: Project Release Manager
 - Shared Services: Project Manager/Project Coordinator
 - Program: Risk Team
3. Include the Area for the risk (path) to identify Nova/Stream/Team.
4. Stream: Select from the drop down which stream is initiating (creating) the risk.
5. Description: Provide a description of the risk, or as much information known about the risk
6. Save.





3.4 Risk Review and Validation

Once a risk has been created and reviewed by the PRM/PM and Risk Analyst, the Risk Owner and PRM/PM will continue to analyze the risk, identify potential impact(s), likelihood of occurrence and build a mitigation plan.

Risk Work Item Fields

The table outlines each field within the risk item and what is required to plan for the risk.

Field Name	Description
Title	High level name for the risk. This name should describe the event that may potentially occur.
Assignee	New: Assigned to PRM/PM Proposed: Assigned to Risk Team (stream and program level) In Progress: Identified Risk Owner
Tags	Customizable notes that can be used to group work items. Items can have many tags, and new tags will autocomplete from tags on other work items in a project.
State	The following outlines the states that will be used for the risk item and how we will be using the states for dashboards and reporting. New New risk entered into ADO Proposed Risk is assigned to the Risk Team (program and steam level) for review In Progress Risk is confirmed and the PRM/PM and risk owner are building out the details and mitigation plan Committed Risk plan is in place and everything that was planned is completed. The risk will now be monitored and if the risk is realized, the consequences will be dealt with according to the contingency plan. Completed Risk is now an issue and an issue work item has been created. Resolved Mitigation plan successful and risk did not become an issue. Closed Risk is no longer valid after initial assessment.
Area	Will be used to identify which stream is the owner of the risk: MPI\Nova Program MPI\Stream Product Stream MPI\Nova\Stream\Team Product Stream Agile Team MPI\Nova\Shared Service Team Shared Services Team Identification to Stream Owner Examples: <ul style="list-style-type: none"> • A risk that has no impact to Timeline or Budget is a Stream level risk <ul style="list-style-type: none"> - Assigned Owner = Product Manager • A risk that has impacts to Timeline or Budget is a Program risk <ul style="list-style-type: none"> - Assigned Owner = Identified Program Leader • A risk that impacts more than one stream is a program risk <ul style="list-style-type: none"> - Assigned Owner = Identified Program Leader • Integration risks need to be assigned to an owner based on who is consuming the output i.e. P&C has to produce a list of data and Integration Shared Services needs to consumer it but the P&C team can't deliver. Then ISS would raise and own this risk. <ul style="list-style-type: none"> - Are Path = MPI/Nova/Integration Shared Services - Assigned Owner: Jeanine Madrigga - However if more than one stream is impacted then the risk becomes a program risk.
Iteration	Outlines the current iteration or increment of when the risk was open/identified.
Stream	This identifies which team initiated the risk and will be used by the team to track risks. Select the appropriate team from the drop down.
Description	A description of the risk as "If-When-Then" statement. The objective is to arrive at a concise description of the risk which can be understood and acted upon. The components and description of a statement of risk are: <ul style="list-style-type: none"> - "If" Condition: a single phrase or sentence that briefly describes the key circumstances, situations, causing concern, doubt and/or anxiety of uncertainty. - "When" Timing: a single phrase or sentence that describes when condition may occur. - "Then" Consequence: a single phrase or sentence that describes the key, possible negative outcomes of the current situation.



Field Name	Description
Category – Risk Category	Select the appropriate category associated with the risk from the drop down menu.
Mitigation Plan	Outline the plan to prevent the risk from occurring or reduce its impact or probability of occurring to an acceptable level based on agreed risk thresholds. The plan will include actions, action owners and due dates. Note: All actions outlined in the plan will require an Action Work Item.
Contingency Plan	Corrective action when the risk event occurs. This will become part of issue plan when the risk becomes an issue.
Contingency Triggers	A condition(s), or other event, that the risk event has occurred and will trigger the execution of the contingency plan.
Discussion	Used for any other comments or discussion to manage the risk.
Risk Analysis	
Risk Urgency/Timing	What is the expected timing of the risk: 1 = More than a year 2 = Next 12 months 3 = Next 6 months 4 = Next 3 months 5 = Immediate
Risk Impact	Identify the impact of the risk: 1 = Minimal 2 = Minor 3 = Moderate 4 = Significant 5 = Critical
Risk Likelihood	Identify the likelihood of the risk: 1 = Not Likely 2 = Low Likelihood 3 = Likely 4 = Highly Likely 5 = Near Certainty
Risk Rating	Risk rating is the Impact x Risk Likelihood: Example: Risk Impact = 4; Risk Likelihood = 2; Risk Rating: 4 x 2 = 8
Current Quantitative Exposure	Quantify the current risk exposure for risks with risks rating > 6. Agile risks quantify the risk impact in days.
Planning	
Mitigation Plan Target Date	Target date for the all actions in the Mitigation Plan.
Mitigation Plan Target Date Status	The mitigation plan status will be identified by a RYG indicator. Green: All actions expected to be completed by target date Yellow: An issue is impeding action progress that may impact completed date unless further action taken. Red: One or more actions will not be completed by the target date
Response Strategy	Identify the response strategy for the risk from the drop down list. - Accept - Avoid - Mitigate - Transfer - Watch
Escalate	Identify whether the risk needs to be escalated to the next higher level using the escalation criteria defined in section 3.8. • Yes: Risk is being escalated i.e. team > stream > program. • No: Risk is not being escalated.
Related Work	
Add Link	Related work items can be added as a link to the risk, or a new item (issue) can be created to automatically link the work items together.
Additional Risk Details	
Target Residual Impact	What is the expected timing of the risk: 1 = More than a year 2 = Next 12 months 3 = Next 6 months 4 = Next 3 months



Field Name	Description
	5 = Immediate
Target Residual Likelihood	Identify the impact of the risk: 1 = Minimal 2 = Minor 3 = Moderate 4 = Significant 5 = Critical
Target Residual Risk Rating	Identify the likelihood of the risk: 1 = Not Likely 2 = Low Likelihood 3 = Likely 4 = Highly Likely 5 = Near Certainty
Target Quantitative Exposure	Quantify the target risk exposure for risks with risks rating > 6. Agile risks quantify the risk impact in days. Use residual risk rating.

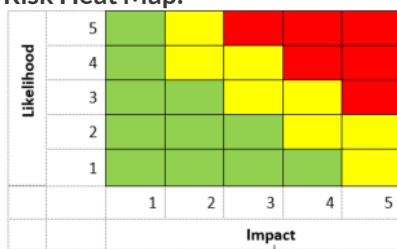
3.5 Risk Analysis

Define the urgency and timing of the risk by determining when the risk event may occur, and selecting the value from the pull down menu in “Risk Urgency/Timing” field that best reflects the timing. Perform a qualitative risk analysis which at a minimum will include:

- Determining the risk impact level (1-5) using the impact descriptions in the risk rating scheme and entering risk impact level from the pull down menu in the “Risk Impact” field. Include ripple effects and workarounds in determine the risk impact.
- Determining the risk occurrence level (1-5) using the likelihood descriptions in the risk rating scheme and entering the likelihood level from the pull down menu in “Risk Likelihood” field. Focusing on the root cause event when determining likelihood.
- Determining risk rating (likelihood level x Impact level) and entering risk rating from the pull down menu in “Risk Rating” field.

Perform a quantitative risk analysis for risks with risks rating > 6. Agile risks will quantify the risk impact in days. Enter the quantitative value in the “Current Quantitative Exposure” field.

Risk Heat Map:



3.6 Plan Response

A risk mitigation plan will be developed to prevent the risk from occurring or reduce its impact or probability of occurring to an acceptable level based on agreed risk thresholds.

- The plan will be outlined in the “Mitigation Plan” field.
- Identify all actions, owners and due dates.
- Create an Action Work Item for each action linked to the risk.
- Target date for completing all the risk mitigation actions is entered in the “Mitigation Plan Target Date” field.



- For each risk that is to be mitigated, watched or accepted, a contingency plan will be developed that will be used in the event that the risk does materialize in order to minimize its impact.
- The contingency plan will include actions, action owners and due date in the “Contingency Plan” field.
- A contingency trigger will be identified for each contingency plan.
- The contingency trigger are the conditions that must exist to initiate the contingency plan and will be entered in the “Contingency Trigger” field.

In the event that the contingency is triggered the risk will immediately be recorded as an issue and the risk status set to complete.

3.7 Monitoring and Reporting

The Risk Owner and PRM/PM are responsible for monitoring and managing the risk on an ongoing basis including the progress of all action items linked to the risk. The risk RYG status will be tracked against the “Mitigation Plan Target Date”.

The Mitigation Plan Status will be selected from the pull down menu in the “Mitigation Plan Target Date Status” field as follows:

- Green: All action expected to be completed by target date
- Yellow: An issue is impeding action progress that may impact completed date unless further action taken.
- Red: One or more actions will not be completed by the target date.

3.8 Risk Escalation

Identified risks may need to be appropriately escalated and delegated to ensure they are assigned to the level that is responsible for the work that is at risk.

The following escalation criteria will be used to determine whether escalation is required. Select “Yes” if risks meets escalation and “No” if it does not.

Risk Level	Impact	Area
Agile Pod (Team)	Risk only impacts the team. If a risk impacts more than one team within the stream it is escalated to a stream risk.	MPI\Nova\Stream\Team
Stream	Risk impacts one or more teams in the stream. If the risk has cross stream impacts it is escalated to a program risk.	MPI\Nova\Stream
Program	Risk has cross stream impacts.	MPI\Nova

[Nova Escalation Process](#)



3.9 Risk RACI

Risk Management Activities		Product Owner	Scrum Master	Pod / Shared Service Resource	Partner Resources	Product Manager	Project Release Manager	Shared Service Lead	Shared Service PM	Partner PM	Program Risk Analyst	OBC	Program Manager (nPMO)	Program Director	ERM Specialist
Agile Level	Identify & Log New Risks	A	S	R	R		S								
	Review & Validate New or Delegated Risks	A	R	C	C		R								
	Escalate Risk to Product Stream	A,R				I	S				C				
	Assess Risk & Plan Response	A	S	R	R		S				C				
	Update Risk Work Item	A	R												
	Create Action Items for all Response Actions	A,R	S	I	I		S								
	Implement & Status Response Actions	A	S	R	R		S								
	Review & Update Risk Rating & State	A	R	S	S		S				C				
	Report Agile Risks	A	S			I	R								
Product Stream Level	Identify & Log New Risks	R				R	R	R	R	R	C	A			
	Validate Escalated & Delegated Risks	C				R	R	C	C	C	C	A			
	Escalate Risks to Program					R	R			C	C	A	C, I		
	Delegate Risks to Agile Pod (team)	C,I				R	A	C	C	C			I		
	Assess Risks & Plan Response	R				R	R	R	R	R	C	A			
	Update Risk Work Item (weekly)					A	R						S		
	Create Action Items for all Response Actions	C				A	R	C	C	C					
	Implement & Status Response Actions	I				A	R	I	I	I		I			
	Review & Update Risk Rating & State	S				R	R	S	S	S	C	A			
	Report Product Stream Risks	I				A	R				I	I	I		
	Review & Log Delegated Product Stream Risk					A	R				I		S		
Program Level	Identify & Log New Program Risks					R	R	R	R	R	S	R	R	A	
	Validate Escalated & Delegated Risks										R		S	A	
	Escalate Risks to ERM										R		S	A	I
	Delegate (de-escalate) Risks to Product Stream					S	S				C	R	R	A	
	Assess Risk & Plan Response										S	R	R	A	
	Update Risk Work Item										R		S	A	
	Create Action Items for all Response Actions										R	I	S	A	
	Implement & Status Response Actions										S	R	R	A	
	Review & Update Risk Rating & State										R	S	S	A	
	Report Program Risks										R	I	S	A	I

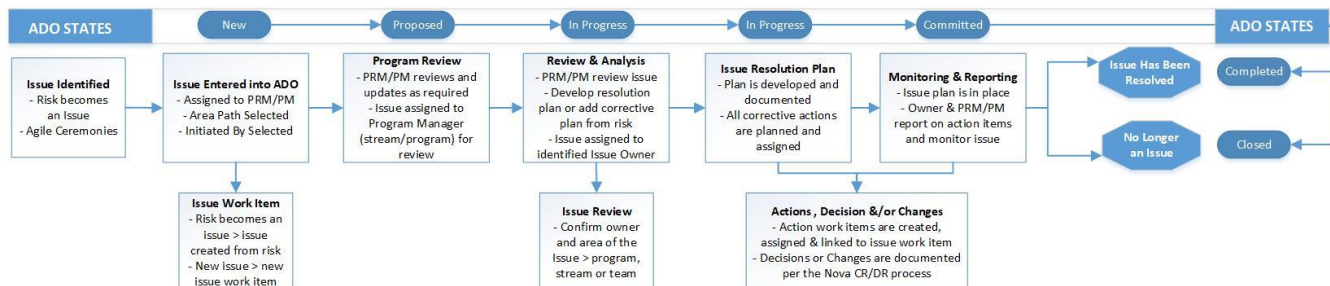
R = Responsible, A = Accountable, S = Support, C = Consulted, I = Informed

Nova Risk Placement (Process and RACI)



4.0 ISSUES

4.1 High Level Process



*PRM/PM: Project Release Manager / Project Manager (Coordinator)

4.2 Identify Issue

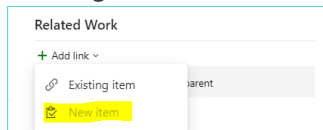
An issue is identified when a risk becomes an issue or a problem is identified by a team member or program stakeholder.

- Issues may be identified at any level within the program and discussed during daily scrums or team meetings.
- Program issues should be identified and discussed in program level meetings such as the Scrum of Scrums, Scrum of Scrum of Scrum and Steering Committee meetings.

4.3 Issue Work Item

A new work item will be setup for the identified issue, or if a risk has become an issue it can be created from the risk work item and will be automatically linked.

- Creating an issue from existing risk work item

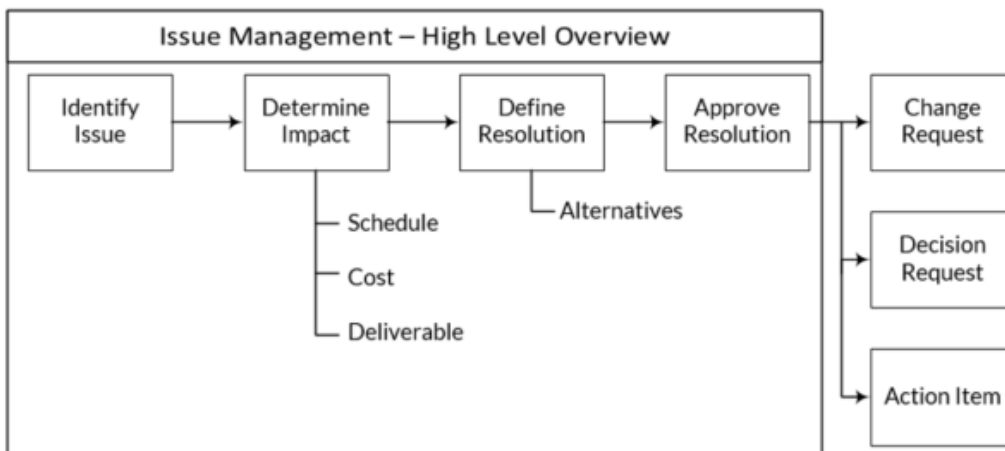


Field Name	Description
Title	High level name for the issue describing the problem or event that has occurred.
Assignee	Issue Owner
Tags	Customizable notes that can be used to group work items. Items can have many tags, and new tags will autocomplete from tags on other work items in a project.
State	The following outlines the states that will be used for the issue item and how we will be using the states for dashboards and reporting. New New issue entered into ADO Proposed Issue is assigned to Program Manager for review In Progress PRM/PM and risk owner are building out the details and resolution plan Committed Issue plan is in place and everything that was planned is in place and issue is being monitored. Completed Issue has been managed and completed. Closed Issue is no longer or an issue.
Area	Will be used to identify which stream is the owner of the risk: MPI\Nova Program



Field Name	Description
	MPI\Stream Product Stream MPI\Nova\Stream\Team Product Stream Agile Team MPI\Nova\Shared Service Team Shared Services Team
Iteration	Outlines the current iteration or increment of when the risk was open/identified.
Stream	This identifies which team initiated the risk and will be used by the team to track risks. Select the appropriate team from the drop down.
Issue Statement	Description of the issue
Impact Description	What does the issue impact - schedule, cost, scope, resources, deliverable(s).
Issue Decision	Document the decision to manage the issue.
Resolution Plan	Outline the plan to manage and resolve the issue. If a risk becomes an issue, the corrective action from the risk work item will be part of the resolution plan.
Final Resolution	Document the final resolution of the issue before closing.
Discussion	Used for any other comments or discussion to manage the risk.
Planning	
Impact Timing	What is the expected timing of the issue's impact: 1 = More than a year 2 = Next 12 months 3 = Next 6 months 4 = Next 3 months 5 = Immediate
Impact Rating	What is the rating of the issue's impact: 1 = Negligible 2 = Minor 3 = Moderate 4 = Significant 5 = Severe
Escalate	Identify whether the issue needs to be escalated to the next higher level using the escalation criteria defined in section 3.8. <ul style="list-style-type: none"> • Yes: Issue is being escalated i.e. team > stream > program. • No: Issue is not being escalated.
Target Resolve Date	The date the issue is expected to be resolved.
Actual Resolve Date	Actual date issue was resolved.
Related CR/DR	Identify the Change Request (CR) or Decision Request (DR) number associated with the issue.
Related Work	
Add Link	Related work items can be added as a link to the risk, or a new item (issue) can be created to automatically link the work items together.

4.4 Issue Management





4.5 Monitoring and Reporting

The Issue Owner and PRM/PM are responsible for monitoring and managing the issue on an ongoing basis to ensure issues are resolved in a timely manner to reduce potentially negative impacts.

- The issue will be monitored to ensure the action plan and decisions are being performed by the due dates assigned.
- Manage the issue to determine if additional resolution steps need to be added, changed, or deleted.
- Appropriate communication and approvals are required if an issue is modified.

4.6 Issue Escalation

Identified issues may need to be escalated and delegated to ensure they are assigned to the appropriate level. Escalation, and de-escalation, will be managed by changing the Area for the issue.

Risk Level	Impact	Area
Agile Pod (Team)	Issue only impacts the team. If an issue impacts more than one team within the stream it is escalated to a stream issue.	MPI\Nova\Stream\Team
Stream	Issue impacts one or more teams in the stream. If the issue has cross stream impacts it is escalated to a program issue.	MPI\Nova\Stream
Program	Issue has cross stream impacts.	MPI\Nova

4.7 Issue Resolution

The issue owner and PRM/PM are responsible for verifying if the resolution plan is, or is not, achieving the results expected or if there are adverse impacts with the implementation of the action plan.

- If the resolution plan is achieving the results expected, no change is required and issue can be closed when the resolution plan is achieved.
- If a modification of the resolution plan is required the issue must be reviewed to approve the change.
- Changes will require an approved change or decision request.

4.8 Closing an Issue

Issues can be closed when the steps in the resolution plan are complete and the owner confirms with the team, stream or program the issue no longer exists.

The issue owner may recommend closure based on the following criteria:

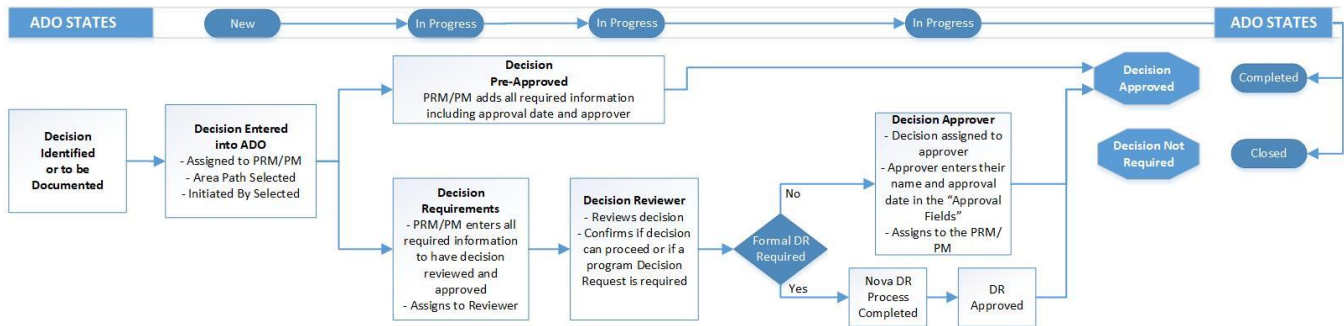
- Resolution plan steps are complete and the issue no longer exists.
- Resolution of the issue occurs through the resolution of another issue.
- The issue de-escalates into an action item or risk.
- The issue is closed by one stream and a new issue is created by another stream or the program.



5.0 DECISIONS

All decisions will be documented in ADO, and any decision requiring a formal Decision Request will contain a link to the Gold Approved DR in the Nova SharePoint site.

5.1 High Level Process



*PRM/PM: Project Release Manager / Project Manager (Coordinator)

5.2 Decision Work Item

A new work item will be created for any decisions and can be linked to other ADO work items such as risks, issues, or actions.

Field Name	Description
Title	High level name for the decision
Assignee	Person who has logged the decision work item or who the decision work item should be assigned to for review and approval.
Tags	Customizable notes that can be used to group work items. Items can have many tags, and new tags will autocomplete from tags on other work items in a project.
State	The following outlines the states that will be used for a decision and how we will be using the states for dashboards and reporting. New New decision entered into ADO In Progress Decision is being reviewed for approval or requires a formal program decision request Completed Approved Closed Decision is no longer required
Area	Will be used to identify which stream is the owner of the risk: MPI\Nova Program MPI\Stream Product Stream MPI\Nova\Stream\Team Product Stream Agile Team MPI\Nova\Shared Service Team Shared Services Team
Iteration	Outlines the current iteration or increment of when the risk was open/identified.
Stream	This identifies which team initiated the risk and will be used by the team to track risks. Select the appropriate team from the drop down.
Description	Description of the decision being made
Discussion	Provide further details about the decision i.e. comments, impacts etc.
Approval	
Approved By	Name of the person who approved the decision.
Date Committed	Date the decision was approved.
Related Work	
Add Link	Related work items can be added as a link to the risk, or a new item (issue) can be created to automatically link the work items together.



5.3 Approval Process

1. Approved Decision

If a decision has already been approved within a meeting or by email, a decision work item will be created to document the decision. All fields noted in the above table will be completed and include the following:

- Assignee
 - The person documenting the approved decision.
- Approval
 - Approved By > enter the name of the person who approved the decision.
 - Date Committed > enter the date the decision was approved.
- External Links or Attachments:
 - If the decision was approved in a meeting, a link to the meeting minutes is added within the External Links field.
 - If the decision was approved by email, the email will need to be saved and added to the “Attachments Tab” (this is an exception to the best practice of not attaching documents to a work item).
- Decision will need to be saved, then the assignee can re-open to mark the status as “Completed”.

2. Approval Required

A decision work item will be created and following steps completed for the decision to be approved.

- Decision Creator
 - Enter all required information to have the decision reviewed and approved.
 - Save the decision.
 - Add the Assignee
 - Change the status to In Progress.
 - Add the name of the Approver in the “Approved By” field.
 - Save and close.
- Reviewer
 - Reviews the decision and adds a note in the Discussion field (i.e. @name reviewed on <Data>)
 - Reviewer agrees with the decision > assigns the item to the identified approver.
 - More information required > reviewer can assign the work item back to the product manager, product owner or PRM/PM of stream who initiated the decision.
- Approver
 - Reviews the decision.
 - Adds a note to the discussion field (i.e. @name approved on <Data>)
 - Marks the status as Complete

3. Program Decision

If the reviewer and/or approver determines the decision is a program level decision the following steps would take place:

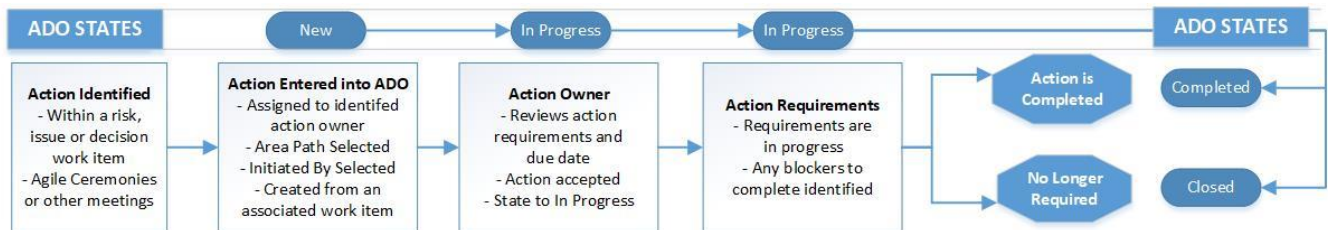
- Area path is moved to MPI\Nova
- Assignee is Darryl Beckett or Alex Ramirez
- Program formal Decision Request required.



6.0 ACTIONS

The action work item will be used to link any actions identified in risk, issue or decision work items, and may also be used for high priority items that require tracking by the program, stream or team.

6.1 High Level Process

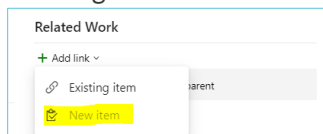


*PRM/PM: Project Release Manager / Project Manager (Coordinator)

6.2 Action Work Item

An action work item will be created and linked to other ADO work items such as risks, issues or decisions.

- Creating an Action from a risk, issue or decision work item



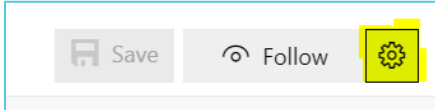
Field Name	Description
Title	High level name for the action
Assignee	Assign to the person required to complete the action
Tags	Customizable notes that can be used to group work items. Items can have many tags, and new tags will autocomplete from tags on other work items in a project.
State	The following outlines the states that will be used for the issue item and how we will be using the states for dashboards and reporting. New New action entered into ADO In Progress Action is accepted and is in progress by the action owner. Completed Action has been completed. Closed Action is no longer required.
Area	Will be used to identify which stream is the owner of the risk: MPI\Nova Program MPI\Stream Product Stream MPI\Nova\Stream\Team Product Stream Agile Team MPI\Nova\Shared Service Team Shared Services Team
Iteration	Outlines the current iteration or increment of when the risk was open/identified.
Stream	This identifies which team initiated the risk and will be used by the team to track risks. Select the appropriate team from the drop down.
Description	Description of what is required , and expected, for the action
Action Info	
Priority	Identify the priority of the action from 1 – 5,
Activity	Select an appropriate activity from the drop down, or leave blank.
Blocked	Action owner can use this to identify if they have any blocker to complete the action Yes = Action is blocked No = Action is in progress
Schedule	
Due Date	Due date for the action item
Resolved Date	Actual completion date for the action item



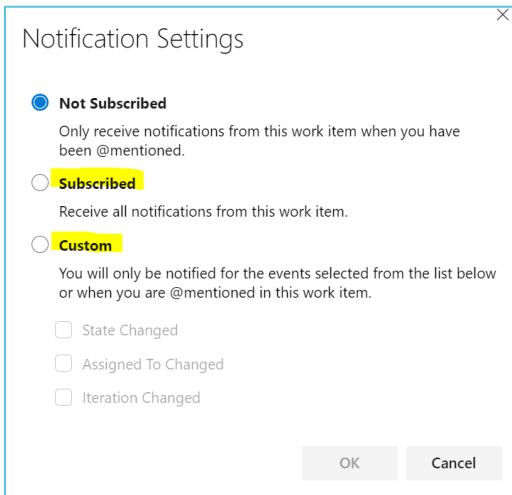
7.0 ADO NOTIFICATIONS

When a user creates a work item in ADO, or anyone who has access to a work item, may choose to follow the item to track its status.

1. Open the work item
2. Select the gear setting in the top right of the work item



3. Select the type of notification required



4. Click Save

8.0 REPORTING

RAID will be reported in the following methods:

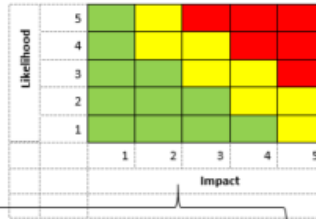
1. **Dashboards**
 - Each team and stream have RAID items summarized and displayed on their dashboard.
 - The program will have a RAID dashboard which will roll up the stream dashboard into a program view.



APPENDIX

Risk Rating Schemes DVA

Level	Likelihood	Probability of Occurrence
5	Near Certainty	> 80% to ≤ 99%
4	Highly Likely	> 60% to ≤ 80%
3	Likely	> 40% to ≤ 60%
2	Low Likelihood	> 20% to ≤ 40%
1	Not Likely	> 1% to ≤ 20%



Level	Cost	Schedule	Performance
5 Critical Impact	<ul style="list-style-type: none"> \$ 3.0M or greater increase over baseline. Cost increase causes program to exceed affordability caps. 	<ul style="list-style-type: none"> Schedule slip will require a major rebaselining. Precludes program from meeting its baselined schedule threshold dates. 	<ul style="list-style-type: none"> Degradation precludes system from meeting a critical system capability or key technical/supportability threshold. Unable to meet business objectives (defined in business case).
4 Significant Impact	<ul style="list-style-type: none"> \$ 1.5 < \$ 3.0M increase over baseline. Costs exceed planned lifecycle cost. 	<ul style="list-style-type: none"> Schedule deviation will slip program within 2 months of approved baseline schedule threshold dates. Schedule slip puts funding at risk. Fielding of capability to business operations is delayed > 6 months. 	<ul style="list-style-type: none"> Degradation impairs ability to meet key systems attribute. Technical design or supportability margin exhausted in key areas. Significant performance impact affecting external system interdependencies. Work arounds required to meet business objectives.
3 Moderate Impact	<ul style="list-style-type: none"> \$300K – \$ 1.5M increase over baseline. Manageable with Program Executive Sponsor assistance. 	<ul style="list-style-type: none"> Can meet baseline schedule dates, but other non-baseline key events may slip. Schedule slips impacts synchronization with interdependent programs by > 2 months. 	<ul style="list-style-type: none"> Unable to meet lower tier system attributes such as non-functional requirements. Design or supportability margins reduced. Minor performance impact affecting external system interdependencies. Work arounds required to achieve operational tasks
2 Minor Impact	<ul style="list-style-type: none"> < \$300K increase over baseline. Cost increase can be managed within program. 	<ul style="list-style-type: none"> Some schedule slip but can meet baseline schedule dates and non-baseline key events. 	<ul style="list-style-type: none"> Reduced technical performance or supportability that can be easily tolerated with little impact on program objectives. Design margins reduced within design parameters tradeoff space.
1 Minimal Impact	<ul style="list-style-type: none"> Minimal impact. Costs expected to meet approved funding levels. 	<ul style="list-style-type: none"> Minimal schedule impact. 	<ul style="list-style-type: none"> Minimal consequences to meeting technical performance and supportability requirements. Design margins will be met.



P&C

Level	Likelihood	Probability of Occurrence
5	Near Certainty	> 80% to ≤ 99%
4	Highly Likely	> 60% to ≤ 80%
3	Likely	> 40% to ≤ 60%
2	Low Likelihood	> 20% to ≤ 40%
1	Not Likely	> 1% to ≤ 20%



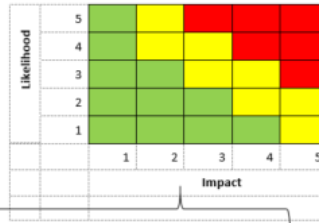
Level	Cost	Schedule	Performance
5 Critical Impact	<ul style="list-style-type: none"> \$ 4.0M or greater increase over baseline. Cost increase causes program to exceed affordability caps. 	<ul style="list-style-type: none"> Schedule slip will require a major rebaselining. Precludes program from meeting its baselined schedule threshold dates. 	<ul style="list-style-type: none"> Degradation precludes system from meeting a critical system capability or key technical/supportability threshold. Unable to meet business objectives (defined in business case).
4 Significant Impact	<ul style="list-style-type: none"> \$ 2.0 < \$ 4.0M increase over baseline. Costs exceed planned lifecycle cost. 	<ul style="list-style-type: none"> Schedule deviation will slip program within 2 months of approved baseline schedule threshold dates. Schedule slip puts funding at risk. Fielding of capability to business operations is delayed > 6 months. 	<ul style="list-style-type: none"> Degradation impairs ability to meet key systems attribute. Technical design or supportability margin exhausted in key areas. Significant performance impact affecting external system interdependencies. Work arounds required to meet business objectives.
3 Moderate Impact	<ul style="list-style-type: none"> \$400K – \$ 2.0M increase over baseline. Manageable with Program Executive Sponsor assistance. 	<ul style="list-style-type: none"> Can meet baseline schedule dates, but other non-baseline key events may slip. Schedule slips impacts synchronization with interdependent programs by > 2 months. 	<ul style="list-style-type: none"> Unable to meet lower tier system attributes such as non-functional requirements. Design or supportability margins reduced. Minor performance impact affecting external system interdependencies. Work arounds required to achieve operational tasks
2 Minor Impact	<ul style="list-style-type: none"> < \$400K increase over baseline. Cost increase can be managed within program. 	<ul style="list-style-type: none"> Some schedule slip but can meet baseline schedule dates and non-baseline key events. 	<ul style="list-style-type: none"> Reduced technical performance or supportability that can be easily tolerated with little impact on program objectives. Design margins reduced within design parameters tradeoff space.
1 Minimal Impact	<ul style="list-style-type: none"> Minimal impact. Costs expected to meet approved funding levels. 	<ul style="list-style-type: none"> Minimal schedule impact. 	<ul style="list-style-type: none"> Minimal consequences to meeting technical performance and supportability requirements. Design margins will be met.



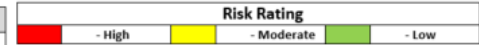


Digital

Level	Likelihood	Probability of Occurrence
5	Near Certainty	> 80% to ≤ 99%
4	Highly Likely	> 60% to ≤ 80%
3	Likely	> 40% to ≤ 60%
2	Low Likelihood	> 20% to ≤ 40%
1	Not Likely	> 1% to ≤ 20%

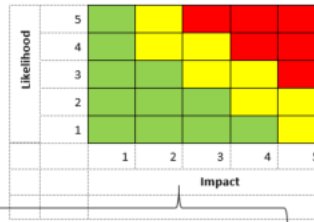


Level	Cost	Schedule	Performance
5 Critical Impact	- \$ 1.0M or greater increase over baseline. - Cost increase causes program to exceed affordability caps.	- Schedule slip will require a major rebaselining. - Precludes program from meeting its baselined schedule threshold dates.	- Degradation precludes system from meeting a critical system capability or key technical/supportability threshold. - Unable to meet business objectives (defined in business case).
4 Significant Impact	- \$ 500K < \$ 1.0M increase over baseline. - Costs exceed planned lifecycle cost.	- Schedule deviation will slip program within 2 months of approved baseline schedule threshold dates. - Schedule slip puts funding at risk. - Fielding of capability to business operations is delayed > 6 months.	- Degradation impairs ability to meet key systems attribute. - Technical design or supportability margin exhausted in key areas. - Significant performance impact affecting external system interdependencies. - Work arounds required to meet business objectives.
3 Moderate Impact	- \$100K – \$ 500K increase over baseline. - Manageable with Program Executive Sponsor assistance.	- Can meet baseline schedule dates, but other non-baseline key events may slip. - Schedule slips impacts synchronization with interdependent programs by > 2 months.	- Unable to meet lower tier system attributes such as non-functional requirements. - Design or supportability margins reduced. - Minor performance impact affecting external system interdependencies. - Work arounds required to achieve operational tasks
2 Minor Impact	- < \$100K increase over baseline. - Cost increase can be managed within program.	- Some schedule slip but can meet baseline schedule dates and non-baseline key events.	- Reduced technical performance or supportability that can be easily tolerated with little impact on program objectives. - Design margins reduced within design parameters tradeoff space.
1 Minimal Impact	- Minimal impact. Costs expected to meet approved funding levels.	- Minimal schedule impact.	- Minimal consequences to meeting technical performance and supportability requirements. - Design margins will be met.

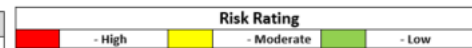


nPMO

Level	Likelihood	Probability of Occurrence
5	Near Certainty	> 80% to ≤ 99%
4	Highly Likely	> 60% to ≤ 80%
3	Likely	> 40% to ≤ 60%
2	Low Likelihood	> 20% to ≤ 40%
1	Not Likely	> 1% to ≤ 20%



Level	Cost	Schedule	Performance
5 Critical Impact	- \$ 1.0M or greater increase over baseline. - Cost increase causes program to exceed affordability caps.	- Schedule slip will require a major rebaselining. - Precludes program from meeting its baselined schedule threshold dates.	- Degradation precludes system from meeting a critical system capability or key technical/supportability threshold. - Unable to meet business objectives (defined in business case).
4 Significant Impact	- \$ 500K < \$ 1.0M increase over baseline. - Costs exceed planned lifecycle cost.	- Schedule deviation will slip program within 2 months of approved baseline schedule threshold dates. - Schedule slip puts funding at risk. - Fielding of capability to business operations is delayed > 6 months.	- Degradation impairs ability to meet key systems attribute. - Technical design or supportability margin exhausted in key areas. - Significant performance impact affecting external system interdependencies. - Work arounds required to meet business objectives.
3 Moderate Impact	- \$100K – \$ 500K increase over baseline. - Manageable with Program Executive Sponsor assistance.	- Can meet baseline schedule dates, but other non-baseline key events may slip. - Schedule slips impacts synchronization with interdependent programs by > 2 months.	- Unable to meet lower tier system attributes such as non-functional requirements. - Design or supportability margins reduced. - Minor performance impact affecting external system interdependencies. - Work arounds required to achieve operational tasks
2 Minor Impact	- < \$100K increase over baseline. - Cost increase can be managed within program.	- Some schedule slip but can meet baseline schedule dates and non-baseline key events.	- Reduced technical performance or supportability that can be easily tolerated with little impact on program objectives. - Design margins reduced within design parameters tradeoff space.
1 Minimal Impact	- Minimal impact. Costs expected to meet approved funding levels.	- Minimal schedule impact.	- Minimal consequences to meeting technical performance and supportability requirements. - Design margins will be met.



PUB (MPI) 1-68

Part and Chapter:	Part IV Nova	Page No.:	25
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI has indicated a reduction of \$3M from the original Board of Directors approved costs for Project Nova. This reduction was due to a reassignment of the data analytics work from Project Nova to the new IT transformation project.

Question:

- a) Please provide a list of all ongoing and planned projects that are directly related to Project Nova.
- b) For each project noted, denote the dependency relationship to Project Nova as follows:
 - i. The project cannot start until Project Nova is completed;
 - ii. The project cannot start until one or more aspects of Project Nova have started;
 - iii. One or more aspects of Project Nova cannot be completed until the project finishes; or
 - iv. The project cannot be completed until Project Nova is completed

Rationale for Question:

To further understand the relationship of Project Nova and any related projects.

RESPONSE:

a) *Figure 1* below lists the initiatives tracked by the Capital Master Summary of MPI and how they relate to Project NOVA.

Figure 1 Dependent Projects

Line No.	Business Case #	Project Number	Project Name	i. Project cannot start until Project Nova is completed	ii. Project cannot start until element of Project Nova have started	iii. One or more aspects of Project Nova cannot be completed until project finishes	iv. Project cannot be completed until Project Nova is completed
1	21-04	3054	eTransfer Capability			Required for 3A	
2	21-07	3053	eSignature			Required for 3A	
3	21-06	3052	eCash payment capability and direct deposit			Required for 3A	
4	20-05	3066	Decommission Enhanced DL and ID Cards			Required for 3A	
5	ITBT-2021-028	3070	IT Transformation - Data Warehouse Technologies			X	
6	ITBT-2021-028	3064	Enterprise Monitoring			X	
7	ITBT-2019-013	2929	IAM Solution and Deployment			Required for 1A	
8	ITBT-2021-004	3035	Cryptographic Key Management (Implementation)			X	

b) Below are brief explanations of how each project depends on Project NOVA:

- Project **3054 - eTransfer Capability** provides the capability to e-transfer funds to customers and MPI will use it in the 3A release of Project NOVA.
- Project **3053 – eSignature** updates the signature capabilities for MPI customers and MPI will use it in the 3A release of Project NOVA.

- Project **3052 - eCash payment capability and direct deposit** adds new payment capabilities for customers and MPI will use it in the 3A release of Project NOVA.
- Project **3066 - Decommission Enhanced DL and ID Cards** transitions Enhanced DL customers to other MPI Identity products. The Enhanced DL identity product does not fall within the delivery scope of Project NOVA.
- The **3070 - IT Transformation – Data Warehouse Technologies** modernizes the data analytics capabilities Project NOVA will consume.
- Project **3064 - Enterprise Monitoring** delivers new centralized monitoring capability for cloud based applications that Project NOVA will consume as they become available.
- Project **2929 - IAM Solution and Deployment** establishes the online identity capability partners that customers will use to access the applications delivered by Project NOVA. This project will also establish the single sign-on capability Project NOVA will use for employees.
- **3035 - Cryptographic Key Management (Implementation)** is responsible for the implementing the technology and process for managing security keys and certificates that Project NOVA will consume as delivered.

In addition to capital projects, Project NOVA also requires a number of operational initiatives to deliver the legislative changes.

PUB (MPI) 1-69

Part and Chapter:	Part IV Nova	Page No.:	26
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

Broker Compensation has been identified as an increase in benefit of \$33.9M.

Question:

- a) Please provide list of services included in the generation of broker commissions.
- b) Please provide a schedule detailing the broker commissions forecast to be paid for online versus in-store transactions, including number of transactions and total compensation.
- c) Please indicate the relationship of these services as compared to the original LSM business case resulting in increased benefits of \$33.9M.
- d) Please indicate whether online adoption rates are reflected in the Broker compensation calculations and if so, provide a table indicating the online adoption rates of each service over time.

Rationale for Question:

To understand the relationship and expectations of the Broker compensation strategy as it pertains to the overall value stream benefit for Project Nova.

RESPONSE:

a) Refer to table below for the list of commissionable services:

Business Transaction Code	Transaction Description
CAN	Cancel Policy/Registration
CHG	Mid Term Change Policy/Registration
CIF	Change Customer Information
DDR	Driver License Replacement
EST	Estate Transfer Policy
FCR	Fleet - Correction Policy/Registration-Future
FNE	Fleet - New Policy
FRA	Fleet - Reassess Policy
FRE	Fleet - Reactivate Policy
FRM	Fleet - Remove Policy
FRN	Fleet - Renewal Policy
FRP	Fleet - Reapply Policy
RIC	Identity Card Replacement
LU1	Layup - Mid Term Change
LU2	Layup - Mid Term Change
IND	Issue new Driver License
IIC	Apply for Identity Card
ADC	New Customer Setup
NEW	New Policy/Registration
OTH	Other Sales
PLT	Plate Replacement
PLA	Process Loan Authorization - Winter Tire
OWF	Record Ownership Document Fee
REA	Reactivation Policy/Registration
DRA	Reactivate Driver License
RAI	Reactivate Identity Card
DRP	Reapply for Driver License
RPI	Reapply for Identity Card
REP	Reapplication Policy/Registration
RAD	Reassess Driver License
RAP	Reassess Policy/Registration
DRW	Renewal Driver License
RNI	Renewal Identity Card
REN	Renewal Policy/Registration
EII	Request for Enhanced Identity Interview Service

SAR	Snowpass Annual Replacement
DEA	Request Driver Education Service
KT1	Request Knowledge Test Class 1 Service
KT2	Request Knowledge Test Class 2 Service
KT3	Request Knowledge Test Class 3 Service
KT4	Request Knowledge Test Class 4 Service
KT5	Request Knowledge Test Class 5 Service
KT6	Request Knowledge Test Class 6 Service
KTA	Request Knowledge Test Air Brake Service
KTS	Request Knowledge Test School Bus Service
RT1	Request Road Test Class 1 Service
RT2	Request Road Test Class 2 Service
RT3	Request Road Test Class 3 Service
RT4	Request Road Test Class 4 Service
RT5	Request Road Test Class 5 Service
RT6	Request Road Test Class 6 Service
RTA	Request Road Test Air Brake/Slack Service
COR	Correction Policy/Registration-Future
TSF	Transfer Policy
REV	Reversal Policy/Registration
REM	Undo Policy/Registration

- b) For the re-baselined business case, MPI applied premium growth rate assumptions to the total actual 2019/20 aggregate Basic and Extension commissions in order to forecast broker commissions under the new broker agreement. MPI did not create the forecast at the transactional level. See CAC 1-34 Appendix 1 – Broker Compensation Online Savings Assumptions – CONFIDENTIAL for the assumptions and details of the broker commission calculations and the incremental forecasted savings. As NOVA develops its online capabilities and moves toward benefit realization, MPI aims to develop more detailed reporting to capture the commission savings at the transactional level.
- c) The response by MPI to CAC (MPI) 1-34 a) describes the increased benefits of \$33.9M in the re-baselined business case and the key differences between the commission savings identified in the original LSM business case.

- d) MPI factored online adoption rates into its calculation of broker compensation savings benefits. See CAC 1-34 Appendix 1 – Broker Compensation Online Savings Assumptions - CONFIDENTIAL for the annual calculation of broker commissions that incorporate the forecasted adoption rates. MPI forecasts online adoption to start at 10% in 2023/24, increase to 25% in 2024/25, 30% in 2025/26, 35% in 2026/27 and 40% in 2027/28 and beyond.

PUB (MPI) 1-70

Part and Chapter:	Part IV Nova	Page No.:	27
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Information Technology		
Sub Topic:	Project Nova		

Preamble to IR:

MPI indicates that the Project Nova assumption log has been established, maintained, and has been updated to align with new estimates found in the re-baselined business case. In addition, this log was reviewed with key stakeholders and assumption owners in early June.

Question:

- a) Please file current assumption log.
- b) Please provide list of key stakeholders and assumption owners who have reviewed the log.

Rationale for Question:

To understand the underlying assumptions noted and reviewed as it relates to the re-baselined business case.

RESPONSE:

- a) Please see Appendix 1, for which MPI is seeking confidential treatment.

- b) MPI validated the assumptions supporting the re-baselined business case approved by its Board of Directors with key stakeholders. MPI will re-schedule the review planned for early June 2021 to September 2021. As with prior reviews, the attendees will include NOVA leadership, all operational business champions (i.e. DVA, Insurance, and SRE), NOVA Technical leadership, Human Resource representatives and the Manager of Project Accounting and Budgeting.

**Appendix 1:
Project Nova Assumption Log**

- 1 This material is the subject of a confidential motion.

PUB (MPI) 1-71

Part and Chapter:	Part IV Nova	Page No.:	Appendix 3
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Basic Capital Expenditures		
Sub Topic:	Project Nova Costs		

Preamble to IR:

Question:

- a) Please indicate the nature of the ongoing operating costs that are forecasted to be incurred in 2021-2022 through 2023-2024 related to DVA on Project Nova, and why these expenditures are materially higher than the other streams in those years.

- b) Please indicate what the ongoing operating expenses are for the operational systems by line of business.

Rationale for Question:

To understand the notable changes of the Basic capital expenditure projects.

RESPONSE:

- a) Leveraging an agile delivery approach, the ongoing operating costs for DVA include full license subscriptions, as well as support and maintenance services transitioned to operational budgets at the completion of Program Increment milestones.

The forecasted expenditures reflect the negotiated structure of the agreements. The DVA and P&C agreements differ materially in that the DVA Infosys agreement

covers both the SI implementation services as the product license subscription and maintenance and support services all under one vendor. The P&C stream is split into two separate agreements with two separate vendors, namely, Duck Creek Technologies as the SaaS product vendor (SaaS license subscription) and the Accenture SI services agreement for the implementation activities.

- b) Refer to *Figure 1* below for ongoing operating expenses for the operational systems by line of business.

Figure 1 Ongoing Operation Costs

Line No.		2018/19A	2019/20A	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Unassigned Capital	Total
1	Nova Ongoing Operations Costs <i>(C\$000s except where noted)</i>										
4	Nova - DVA Stream	-	-	-	12,103	10,042	8,774	5,958	5,147	-	42,024
7	Nova - P&C Stream	-	-	-	-	4,908	5,994	10,602	10,992	-	32,496
10	Nova - Digital Stream	-	-	457	814	1,618	3,328	3,827	3,962	-	14,006
11	Total - Nova Ongoing Operations Costs	-	-	457	12,917	16,568	18,096	20,387	20,101	-	88,526
12	Nova Ongoing Operations Costs - Basic & DVA Line of Business <i>(C\$000s except where noted)</i>										
14	Nova - DVA Stream - Basic	-	-	-	-	-	-	-	-	-	-
17	Nova - DVA Stream - DVA	-	-	-	12,102	10,042	8,774	5,958	5,148	-	42,024
19	Total Nova - DVA Stream - Basic & DVA	-	-	-	12,102	10,042	8,774	5,958	5,148	-	42,024
20	Nova - P&C Stream - Basic	-	-	-	-	4,229	5,164	9,135	9,470	-	27,998
23	Nova - P&C Stream - DVA	-	-	-	-	-	-	-	-	-	-
25	Total - Nova - P&C Stream - Basic & DVA	-	-	-	-	4,229	5,164	9,135	9,470	-	27,998
26	Nova - Digital Stream - Basic	-	-	356	635	1,262	2,597	2,986	3,091	-	10,927
30	Nova - P&C Stream - DVA	-	-	43	77	153	314	361	374	-	1,322
32	Total - Nova - Digital Stream - Basic & DVA	-	-	399	712	1,415	2,911	3,347	3,465	-	12,249
33											
34	Total - Nova Program Basic & DVA	-	-	399	12,814	15,686	16,849	18,440	18,083	-	82,271

35 The difference in balance between Corporate and Line of Business allocation is related to Extension and SRE allocations.

PUB (MPI) 1-72

Part and Chapter:	Part IV Nova Part V EXP Appendix 17	Page No.:	23
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Basic Capital Expenditures		
Sub Topic:	Project Cost Comparison		

Preamble to IR:**Question:**

Please provide details why Project Nova development costs were under budget in 2020-2021 and 2021-2022 from last year's forecast.

Rationale for Question:

To understand the changes in Project Nova Basic capital expenditures.

RESPONSE:

MPI re-aligned the budget and forecasts identified in Appendix 17 for the 2021 GRA to the re-baselined business case for the 2022 GRA budget and forecasts.

The \$13,346 identified in 2021 GRA is the Basic portion from the original business case. The \$6,362 identified in the 2022 GRA is the Basic portion from the re-baselined business case. The variances identified represent the updates to the re-baselined business case, reflecting the updated release schedule.

PUB (MPI) 1-73

Part and Chapter:	Part IV VM Appendix 11 VM Appendix 8 (2021 GRA)	Page No.:	
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Capital Expenditures		
Sub Topic:	Cost of Capital		

Preamble to IR:**Question:**

- a) Please file a copy of the 2020 SCOR report.
- b) Please explain why the Corporation excluded La Capitale from this year's analysis for determining the market discount rate.
- c) Please explain why the Corporation utilizes a four-year versus a five-year average in determining the ROE.

Rationale for Question:

To assess the reasonableness of comparative accounts and market discount rates.

RESPONSE:

- a) See Attachment A for the 2020 SCOR report.
- b) MPI excluded La Capitale because there was no Return On Equity (ROE) reported in the 2020 SCOR report. As stated in Value Management VM Appendix 11 Updated Discount Rates for Business Case Initiatives, one of the criteria for the annual discount rate methodology is that the company "Report annual ROE for four

consecutive years (i.e. 2017 to 2020), and then only those companies with a positive four year average.”. La Capitale did not meet this criteria this year.

- c) Four years provides a sufficient historical trend of ROE to determine a discount rate for high risk initiatives. A time period of 5 years would dilute the average weighting of the ROEs of more recent years. Also, the pool of companies to include in past annual evaluations potentially would have been reduced as one criteria is that the company report annual ROEs on the SCOR report for the time period being assessed.

Year / Année 2020

**The SCOR Report - Results of Canadian
P&C Insurance Companies**
**Le Rapport SCOR - Résultats des compagnies
Canadiennes d'assurances IARD**

**SCOR Canada Reinsurance Co. /
Compagnie de Réassurance**

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Affiliated FM Insurance Company	2018	132,623	96,228	94,717	289.31%	40.57%	329.87%	(217,741)	4,553	(188,208)	-67.28%
	2019	145,724	101,205	92,488	122.48%	24.17%	146.65%	(43,157)	13,562	(42,641)	-11.00%
	2020	184,416	132,440	111,119	55.25%	34.63%	89.88%	11,229	18,130	30,666	6.78%
AIG Insurance Company of Canada	2018	1,237,095	397,517	398,798	77.55%	22.48%	100.03%	553	64,769	84,940	10.38%
	2019	1,269,544	358,295	385,625	76.45%	19.95%	96.40%	14,880	67,372	38,087	4.66%
	2020	1,341,213	361,615	359,528	84.16%	18.45%	102.61%	(8,312)	57,065	29,612	3.82%
Alberta Motor Association Insurance Company	2018	229,597	207,866	217,687	70.21%	27.04%	97.25%	14,506	6,235	15,592	8.39%
	2019	223,559	205,015	206,948	59.20%	26.98%	86.18%	36,918	9,434	32,659	16.13%
	2020	235,998	219,177	211,940	124.10%	64.24%	188.34%	(100,550)	20,952	(61,331)	-31.83%
Allied World Specialty Insurance Company	2018	42,178	25,145	13,094	150.69%	31.71%	182.40%	(10,789)	338	(10,560)	n/a
	2019	76,532	33,168	22,483	48.16%	22.41%	70.57%	6,616	798	7,075	n/a
	2020	137,760	50,390	35,964	54.20%	5.08%	59.28%	14,642	1,197	17,089	n/a
Alpha (L), Compagnie d'Assurances Inc.	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2019	26,211	25,644	24,914	55.40%	33.23%	88.63%	3,153	3,699	4,991	8.41%
	2020	31,660	31,048	28,579	42.10%	29.64%	71.74%	8,412	3,432	9,059	13.56%
Antigonish Farmers' Mutual Insurance Company	2018	6,407	5,149	5,030	39.60%	46.34%	85.94%	853	386	1,083	7.24%
	2019	6,643	5,381	5,247	73.70%	50.83%	124.53%	(1,135)	558	(217)	-1.42%
	2020	7,047	5,789	5,524	53.10%	51.94%	105.04%	(120)	1,408	1,066	6.74%
Arch Insurance Canada Ltd.	2018	88,741	10,379	9,524	57.27%	28.10%	85.37%	1,394	1,527	3,273	4.01%
	2019	118,811	13,727	10,339	66.21%	62.92%	129.13%	(3,011)	2,078	(1,356)	-1.66%
	2020	154,507	17,821	16,257	116.71%	6.85%	123.56%	(3,830)	2,495	(1,409)	-1.72%
Aviva Canada Inc. (Consolidated)	2018	5,267,472	5,065,677	5,111,740	68.88%	31.36%	100.24%	(12,032)	136,461	33,203	2.38%
	2019	5,440,876	1,970,465	2,495,659	45.11%	54.72%	99.83%	4,193	302,325	146,249	10.38%
	2020	5,620,027	3,994,726	3,922,799	64.84%	34.94%	99.78%	8,552	382,447	209,328	14.82%
Beneva Inc.	2018	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2019	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2020	1,733,627	1,687,346	1,570,716	55.12%	31.89%	87.00%	206,034	32,380	191,109	n/a
CAA Insurance Company	2018	295,026	284,258	242,974	58.27%	38.50%	96.77%	11,131	10,621	16,093	8.35%
	2019	397,238	381,954	325,944	58.63%	36.46%	95.09%	19,888	18,421	31,015	14.21%
	2020	501,294	477,292	408,128	53.79%	36.81%	90.60%	43,285	26,052	60,636	22.97%

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Chubb Insurance Company of Canada	2018	1,004,016	438,442	418,621	51.32%	24.44%	75.76%	101,467	56,389	118,030	12.56%
	2019	1,143,143	514,332	449,947	49.63%	25.02%	74.65%	114,045	60,769	125,204	13.78%
	2020	1,307,754	562,378	513,153	52.44%	22.39%	74.83%	129,191	58,147	129,635	12.92%
Clare Mutual Insurance Company	2018	3,264	2,205	2,109	43.01%	62.21%	105.22%	2	280	311	9.57%
	2019	3,505	2,511	2,382	18.18%	59.40%	77.58%	650	278	804	21.58%
	2020	3,885	2,859	2,646	32.28%	53.85%	86.13%	514	166	653	14.42%
Continental Casualty Company	2018	346,255	331,500	312,019	66.99%	34.58%	101.57%	(4,762)	33,037	23,439	n/a
	2019	397,806	368,501	348,460	55.75%	34.41%	90.16%	34,692	36,320	54,836	n/a
	2020	448,389	396,752	369,876	61.34%	33.94%	95.28%	16,892	40,411	44,622	n/a
Desjardins Groupe d'Assurances Générales Inc. (1)	2018	4,920,444	4,796,923	4,402,029	72.91%	24.89%	97.80%	89,129	5,008	184,926	8.15%
	2019	5,535,806	5,249,826	4,987,864	73.48%	24.69%	98.17%	107,319	456,376	193,716	8.59%
	2020	5,726,082	5,768,682	5,483,577	67.27%	23.59%	90.86%	433,427	512,715	623,119	25.01%
Economical Mutual Insurance Company	2018	2,456,314	2,380,738	2,244,630	78.22%	37.02%	115.24%	(261,315)	163,019	(72,994)	-4.43%
	2019	2,510,981	2,330,965	2,343,173	74.38%	32.84%	107.22%	(147,235)	175,122	17,374	1.09%
	2020	2,812,400	2,639,729	2,508,671	66.82%	32.59%	99.41%	22,347	180,104	153,936	8.98%
Factory Mutual Insurance Company	2018	361,339	245,231	249,101	135.26%	18.86%	154.12%	(134,796)	16,088	(84,164)	-10.93%
	2019	354,151	234,141	242,143	28.52%	19.61%	48.13%	125,620	34,399	123,321	14.47%
	2020	408,078	292,541	266,936	64.76%	18.19%	82.95%	45,508	37,053	66,544	8.14%
Federal Insurance Company	2018	18,761	16,365	18,399	28.36%	10.40%	38.76%	11,267	2,327	9,368	n/a
	2019	561	49	7,457	44.24%	18.33%	62.57%	2,791	2,561	3,835	n/a
	2020	141	135	254	-588.98%	281.10%	-307.88%	1,036	2,558	3,023	n/a
Gore Mutual Insurance Company	2018	442,212	418,896	415,422	66.24%	34.04%	100.28%	2,098	24,986	21,344	7.01%
	2019	475,128	449,679	434,348	64.35%	34.80%	99.15%	7,023	19,433	13,948	4.36%
	2020	505,621	475,956	454,089	61.26%	40.81%	102.07%	(5,159)	19,690	12,223	3.68%
Groupe Estrie-Richelieu (Le), Compagnie d'Assurance	2018	59,898	42,943	41,119	69.69%	36.48%	106.17%	(2,535)	3,597	1,062	0.98%
	2019	65,451	45,626	43,974	75.53%	43.60%	119.13%	(8,412)	3,866	219	0.20%
	2020	75,125	57,896	52,758	45.57%	34.29%	79.86%	10,626	4,676	11,236	9.80%

(1) The amounts of investment income of \$ 512,715 (2020), \$ 456,376 (2019) and \$ 5,008 (2018) are disclosed in accordance with IFRS 9.

These investment income, adjusted by the amount of the overlay approach, are of \$ 495,173 (2020), \$ 341,869 (2019) and \$ 336,284 (2018), which essentially brings the information in accordance with IAS 39.

(1) Les montants de revenus de placement de 512 715 \$ (2020), 456 376 \$ (2019) et 5 008 \$ (2018) sont présentés conformément à la norme IFRS 9.

Ces revenus de placement, ajustés du montant de l'approche par superposition, s'élèvent à 495 173 \$ (2020), 341 869 \$ (2019) et 336 284 \$ (2018), ce qui ramène essentiellement l'information conformément à la norme IAS 39.

THE SCOR REPORT  LE RAPPORT SCOR
The Art & Science of Risk

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Groupe Industrielle Alliance	2018	562,057	414,388	386,160	67.59%	29.48%	97.07%	11,310	12,300	17,569	9.41%
	2019	610,631	458,998	418,086	66.10%	28.83%	94.92%	21,234	15,869	27,552	12.68%
	2020	632,397	484,621	452,960	52.56%	30.59%	83.15%	76,323	16,652	68,439	28.28%
Insurance Company of Prince Edward Island (ICPEI)	2018	33,937	30,531	29,937	64.95%	37.68%	102.63%	(400)	410	72	0.46%
	2019	36,829	34,789	32,397	72.09%	36.17%	108.26%	(2,291)	1,182	(710)	-4.62%
	2020	43,188	41,066	37,012	54.73%	39.43%	94.16%	2,659	1,519	2,986	17.41%
Intact Financial Corporation	2018	10,125,000	9,732,000	9,765,000	64.93%	30.03%	94.95%	493,000	541,000	707,000	9.90%
	2019	11,019,000	10,576,000	10,275,000	68.02%	29.71%	97.73%	233,000	576,000	754,000	10.00%
	2020	12,143,000	11,616,000	11,241,000	61.23%	31.68%	92.91%	797,000	577,000	1,082,000	12.80%
Kings Mutual Insurance Company (The)	2018	12,668	11,217	10,804	49.81%	56.53%	106.34%	(1,121)	1,372	331	0.83%
	2019	13,788	12,218	11,601	52.25%	58.11%	110.36%	(1,021)	1,712	651	1.61%
	2020	15,716	14,042	13,059	41.73%	51.29%	93.02%	1,115	1,743	2,260	5.35%
La Capitale assurances générales inc.	2018	1,040,740	1,011,037	967,201	68.77%	31.45%	100.22%	(1,117)	32,285	31,692	7.41%
	2019	1,200,596	1,154,574	1,099,767	66.43%	30.44%	96.87%	13,843	43,208	79,471	17.01%
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lloyd's Canada Inc.	2018	3,517,275	3,885,731	3,679,886	55.71%	28.74%	84.45%	558,156	193,997	953,711	n/a
	2019	3,552,026	3,947,503	3,842,182	62.77%	26.77%	89.54%	402,207	329,334	594,133	15.88%
	2020	4,005,721	4,389,888	4,153,757	67.39%	26.47%	93.86%	255,082	415,578	591,352	15.03%
Millenium Insurance Corporation	2018	183,249	127,923	102,987	55.34%	21.45%	76.79%	23,905	(32,121)	2,157	0.92%
	2019	201,983	139,701	113,808	53.90%	32.04%	85.94%	16,000	18,945	29,136	13.18%
	2020	255,977	159,958	137,873	55.62%	30.94%	86.56%	18,537	(15,586)	4,764	2.29%
Mitsui Sumitomo Insurance Company, Limited	2018	25,632	23,068	22,163	24.81%	32.03%	56.84%	9,566	2,069	8,441	n/a
	2019	27,474	24,895	23,916	29.05%	29.47%	58.52%	9,921	2,124	8,845	n/a
	2020	28,884	26,656	25,886	41.55%	31.62%	73.17%	6,945	1,882	6,521	n/a
Motors Insurance Corporation	2018	91,435	40,180	51,255	41.98%	18.29%	60.27%	17,097	7,187	18,534	12.52%
	2019	83,345	35,752	47,593	42.50%	21.14%	63.64%	17,187	6,693	17,778	12.07%
	2020	76,493	41,653	47,924	39.87%	22.44%	62.31%	18,135	6,074	18,154	11.14%
Mutual Fire Insurance Company of British Columbia (The)	2018	96,443	44,193	41,575	67.70%	39.97%	107.67%	(3,029)	2,579	(923)	-2.03%
	2019	127,322	56,860	50,693	59.18%	48.94%	108.12%	(3,914)	1,786	(1,979)	-4.36%
	2020	152,664	61,807	61,854	46.75%	40.68%	87.43%	8,066	2,107	7,305	14.55%

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Mutuelle des municipalités du Québec (La)	2018	43,070	37,000	35,915	58.10%	35.78%	93.88%	2,196	1,306	519	1.61%
	2019	45,143	38,694	37,902	64.17%	37.94%	102.11%	(799)	1,603	804	2.44%
	2020	48,201	40,751	39,394	46.70%	35.56%	82.26%	6,987	1,375	8,362	17.44%
My Mutual Insurance Limited	2018	27,338	22,501	20,709	44.42%	42.50%	86.92%	3,014	379	2,852	18.30%
	2019	29,656	23,645	22,445	47.98%	44.80%	92.78%	1,954	624	1,894	10.55%
	2020	32,604	25,662	24,175	58.25%	44.52%	102.77%	(269)	1,064	555	2.90%
Northbridge Financial Corporation	2018	1,704,615	1,520,518	1,449,954	62.12%	33.78%	95.90%	59,447	(64,229)	11,727	0.82%
	2019	2,008,210	1,791,637	1,645,580	64.97%	33.27%	98.24%	28,942	45,912	29,075	2.03%
	2020	2,314,825	2,064,837	1,908,966	63.78%	33.66%	97.43%	48,968	209,244	199,385	12.94%
Old Republic Insurance Company of Canada	2018	243,210	195,044	175,770	52.40%	38.43%	90.83%	18,526	5,532	17,652	21.77%
	2019	275,202	211,139	204,568	58.67%	36.24%	94.91%	11,821	6,311	13,248	13.56%
	2020	224,257	165,707	178,178	63.48%	37.49%	100.97%	1,523	6,117	5,584	4.99%
Ontario Mutual Insurance Association	2018	835,076	729,588	692,585	67.23%	37.58%	104.81%	(26,256)	2,324	(12,564)	-1.05%
	2019	937,902	825,712	774,340	65.77%	38.65%	104.42%	(26,226)	118,551	66,967	5.50%
	2020	1,015,899	890,012	853,853	55.70%	40.80%	96.50%	38,728	96,387	92,809	7.13%
Ontario School Boards' Insurance Exchange (OSBIE)	2018	30,911	27,892	28,347	74.87%	12.16%	87.03%	3,678	8,482	12,413	10.45%
	2019	31,079	28,187	28,692	81.99%	12.00%	93.99%	1,953	9,069	11,355	9.40%
	2020	34,397	32,524	32,524	114.14%	11.68%	125.82%	(8,400)	13,977	5,668	4.44%
Optimum Général Inc.	2018	184,533	142,364	138,005	59.63%	37.74%	97.37%	3,625	4,431	6,867	7.14%
	2019	198,033	151,707	146,508	57.94%	37.98%	95.92%	5,988	6,363	12,807	12.50%
	2020	211,734	163,439	157,092	55.10%	38.41%	93.51%	10,210	8,055	13,515	12.11%
Orion Travel Insurance Company	2018	84,455	80,956	77,673	51.57%	51.78%	103.35%	(2,601)	405	(1,626)	-5.27%
	2019	103,498	98,536	93,547	50.62%	49.16%	99.78%	205	898	108	0.32%
	2020	44,267	41,396	63,826	63.70%	52.14%	115.84%	(8,735)	911	(5,882)	-17.18%
Pacific Coast Fishermen's Mutual Marine Insurance Company	2018	5,798	5,214	5,411	11.61%	17.22%	28.83%	3,851	222	4,086	57.51%
	2019	5,768	5,222	5,073	5.32%	19.50%	24.82%	3,814	475	4,290	60.07%
	2020	5,828	5,389	5,348	22.08%	17.50%	39.58%	3,231	316	3,564	50.12%
Peace Hills General Insurance Company	2018	225,211	131,972	128,205	69.51%	40.45%	109.96%	(9,937)	3,969	(4,172)	-6.76%
	2019	246,050	145,047	138,476	60.54%	38.48%	99.02%	4,505	1,593	4,686	7.24%
	2020	287,491	168,749	156,311	54.32%	38.66%	92.98%	14,752	8,522	17,728	21.72%

THE SCOR REPORT  LE RAPPORT SCOR
The Art & Science of Risk

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
PEI Mutual Insurance Company	2018	25,694	23,260	22,198	71.11%	32.14%	103.25%	(722)	1,618	1,005	1.95%
	2019	27,890	24,979	23,614	63.60%	31.56%	95.16%	1,143	4,575	4,189	7.57%
	2020	30,392	27,492	25,985	40.48%	30.25%	70.73%	7,604	2,637	4,223	7.09%
Portage La Prairie Mutual Insurance Company (The)	2018	192,994	169,298	166,642	64.22%	41.32%	105.54%	(6,273)	2,547	(1,467)	-0.97%
	2019	218,187	194,990	181,779	56.69%	42.17%	98.86%	5,399	18,127	19,181	12.11%
	2020	241,344	211,716	201,581	50.08%	40.42%	90.50%	20,856	8,355	23,142	12.93%
Red River Mutual Insurance Company	2018	113,878	95,962	91,390	56.00%	48.29%	104.29%	(2,484)	388	(823)	-0.99%
	2019	125,567	108,516	103,723	51.08%	47.95%	99.03%	2,149	3,082	4,937	5.73%
	2020	140,658	123,300	114,155	45.56%	47.64%	93.20%	9,360	4,190	10,521	11.00%
Royal & Sun Alliance Financial Services Limited (All Companies/RSA Canada Group)	2018	3,029,968	2,466,610	2,404,817	70.13%	28.69%	98.82%	28,556	105,845	91,550	6.47%
	2019	3,131,993	2,496,186	2,506,394	69.01%	27.14%	96.15%	96,423	113,416	133,401	9.46%
	2020	3,126,186	2,444,764	2,473,915	62.45%	31.15%	93.60%	191,288	89,504	185,684	12.37%
Saskatchewan Mutual Insurance Company	2018	76,555	74,854	69,937	61.40%	40.94%	102.34%	(1,111)	2,449	1,002	2.09%
	2019	83,070	76,699	73,381	51.78%	42.22%	94.00%	4,951	2,503	5,487	10.50%
	2020	90,473	83,074	79,310	51.03%	42.78%	93.81%	5,669	3,052	6,631	10.78%
SGI Canada (Consolidated)	2018	886,560	830,581	776,970	65.03%	36.92%	101.95%	(15,159)	25,491	18,939	5.01%
	2019	984,332	928,284	883,482	60.24%	37.35%	97.59%	21,271	82,738	104,815	25.95%
	2020	1,056,494	996,961	959,482	56.34%	37.92%	94.26%	55,045	87,987	126,171	27.07%
Sompo Japan Nipponkoa Insurance Inc.	2018	7,351	7,903	7,622	68.80%	40.86%	109.66%	(736)	1,369	796	n/a
	2019	7,357	8,157	8,012	69.16%	41.40%	110.56%	(846)	1,459	717	n/a
	2020	8,839	10,041	9,316	40.22%	37.93%	78.15%	2,035	1,470	2,821	n/a
SSQ, Société d'Assurance Inc. (P&C)	2018	258,378	253,305	235,819	68.61%	32.18%	100.79%	(1,868)	8,715	5,668	4.62%
	2019	298,136	292,746	259,597	69.84%	31.40%	101.24%	(3,210)	8,817	4,595	3.58%
	2020	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TD Insurance General Insurance (Security National Insurance Co. Consolidated)	2018	3,184,729	2,303,125	2,247,313	69.34%	29.04%	98.38%	36,253	73,590	83,870	7.36%
	2019	3,527,541	2,566,912	2,419,263	74.51%	29.02%	103.53%	(85,197)	220,690	107,426	9.27%
	2020	3,906,971	2,835,183	2,648,923	69.11%	29.14%	98.25%	46,161	194,299	183,207	13.93%
Travelers Canada (combining The Dominion of Canada General Insurance Company, Travelers Insurance Company of Canada, and St. Paul Fire and Marine Insurance Company)	2018	1,691,073	1,632,451	1,572,379	68.60%	37.70%	106.30%	(88,306)	89,642	3,517	0.20%
	2019	1,753,485	1,681,346	1,659,658	68.20%	35.00%	103.20%	(41,665)	99,882	40,051	2.40%
	2020	1,630,683	1,562,016	1,585,637	62.10%	35.50%	97.60%	49,867	91,910	106,433	5.70%

COMPANY NAME NOM DE LA SOCIÉTÉ	YEAR ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DE SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULT / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Trisura Guarantee Insurance Company	2018	163,470	113,005	88,012	21.59%	68.94%	90.53%	11,986	6,406	14,115	19.13%
	2019	181,628	127,628	100,231	24.66%	67.25%	91.91%	12,202	7,991	15,780	19.14%
	2020	273,358	197,134	133,381	25.35%	63.70%	89.05%	19,502	6,118	19,950	19.95%
Wawanesa Mutual Insurance Company (The)	2018	3,233,937	3,118,980	3,008,918	75.96%	30.01%	105.97%	(125,837)	222,824	150,639	4.58%
	2019	3,704,650	3,586,177	3,377,642	76.38%	30.72%	107.10%	(211,585)	331,290	113,335	3.36%
	2020	3,972,568	3,827,440	3,712,007	75.89%	31.42%	107.31%	(234,383)	345,988	95,709	2.69%
Western Surety Company	2018	27,782	17,846	17,391	13.34%	76.83%	90.17%	1,709	1,596	2,500	8.83%
	2019	26,815	17,308	17,556	18.59%	76.20%	94.79%	914	1,630	1,940	6.41%
	2020	29,923	18,155	16,974	16.94%	85.77%	102.71%	(460)	2,173	1,356	4.08%
Wynward Insurance Group	2018	118,041	99,652	94,268	63.90%	39.27%	103.17%	(2,989)	5,359	2,370	3.39%
	2019	155,942	130,242	111,848	56.99%	39.25%	96.24%	4,207	14,552	13,957	19.39%
	2020	177,262	146,540	140,681	56.03%	39.72%	95.75%	5,974	4,072	7,485	9.20%
Zurich Insurance Company Ltd (Canada Branch)	2018	590,120	326,869	352,891	103.46%	31.34%	134.80%	(116,813)	43,545	(43,446)	n/a
	2019	768,837	440,652	381,752	74.15%	26.60%	100.75%	2,662	52,277	36,080	n/a
	2020	1,022,681	557,684	494,816	76.22%	24.89%	101.11%	(315)	69,199	48,799	n/a

New Companies since previous report.
Ajout au rapport précédent.

TOTAL FOR ABOVE COMPANIES: TOTAL SOCIÉTÉS CI-DESSUS :	2018	50,468,298	45,369,253	43,997,921	68.53%	30.82%	99.35%	450,863	1,861,330	2,267,521	
	2019	54,870,997	45,628,809	44,424,751	66.97%	31.39%	98.36%	835,881	3,382,982	3,034,722	
	2020	58,516,399	50,650,229	48,509,669	64.39%	31.18%	95.57%	2,302,784	3,664,969	4,478,017	
NUMBER OF COMPANIES: NOMBRES DE SOCIÉTÉS :	54										
	54										

SCOR CANADA REINSURANCE COMPANY / SCOR CANADA COMPAGNIE DE REASSURANCE
SCOR Contact Directory / Liste d'adresses des Contacts

Contact	Direct telephone / Téléphone direct	Email / Courriel
Paul Christoff , President & Chief Executive Officer	416-304-6534	pchristoff@scor.com
Olivier Gay , Senior Vice-President, Chief Underwriting Officer & Deputy CEO	416-816-9713	ogay@scor.com
Stanley Fung , Senior Vice-President, Finance and Chief Financial Officer	416-304-6570	sfung@scor.com
David Harris , Senior Vice-President, Chief Reserving Actuary	212-884-9149	dharris@scor.com
Alison Porter , Senior Vice-President, Head of Treaty, P&C Division	416-304-6533	aporter@scor.com
Kathy MacDonald , Senior Vice-President, P&C Treaty Division	416-304-6537	kmacdonald@scor.com
Neil Ringrose , Senior Vice-President & Chief Agent, SCOR Specialty Insurance	416-304-6539	nringrose@scor.com
Moiz Rawala , Vice-President, Head of Actuarial Pricing	416-304-6543	mrawala@scor.com
Daniel Vaccaro , Assistant Vice-President, Claims Manager	416-304-6573	dvaccaro@scor.com
Stephen Howard , Assistant Vice-President, SCOR Specialty Insurance	416-304-6854	showard@scor.com
Lucy Lee , Assistant Vice-President, SCOR Specialty Insurance	416-304-6541	llee2@scor.com
Guillaume Farges , Assistant Vice-President, Underwriter, P&C Treaty Division	416-304-6856	gfarges@scor.com
Dennis Wang , Assistant Vice-President, Pricing Actuary	416-304-6565	dwang@scor.com

Head Office / Siège Social

199 Bay Street, Suite 2800, P.O. Box 329
 Commerce Court Postal Station
 Toronto, Ontario M5L 1G1
 Telephone: 416-869-3670
 Facsimile: 416-365-9393

Montreal Office / Bureau de Montréal

1, Place Ville Marie
 suite 2010
 Montréal, Québec H3B 2C4
 Téléphone: 514-989-3200
 Télécopieur: 514-989-3249

Disclaimer

SCOR Canada Reinsurance Company has made all reasonable efforts to ensure that information provided in *The SCOR Report* is accurate at the time of inclusion.

However, information provided in this document may contain inaccuracies, omissions or typographical errors. Content may be completed, changed or updated at any time without notice.

SCOR Canada Reinsurance Company accepts no liability for any inaccuracies or omissions in *The SCOR Report* nor for any direct or indirect damages, or any other damages of whatsoever kind resulting from whatever cause through any person's access, or inability to access *The SCOR Report*, or through the use of and/or reliance upon any information contained therein.

Duplication of *The SCOR Report* is authorized for private and informational purposes only and any other duplication or use thereof is expressly prohibited.

Contact information:

Guillaume FARGES

SCOR Canada Reinsurance Company | P&C | Assistant Vice-President Treaty
199 Bay Street, Suite 2800 | Toronto, ON | M5L 1G1 | Canada
Phone number: 416-304-6856 | Mobile: +1 647-405-8869
Email: gfarges@scor.com



P&C

Avertissement

SCOR Canada Compagnie de Réassurance fait ses meilleurs efforts pour assurer l'exactitude de l'ensemble des informations fournies dans *Le Rapport SCOR* au moment de leur mise en ligne.

Cependant, les informations fournies peuvent contenir des inexactitudes, omissions ou des erreurs typographiques. Ces informations peuvent être corrigées, modifiées ou mises à jour à tout moment sans préavis.

SCOR Canada Compagnie de Réassurance décline toute responsabilité pour toute imprécision, inexactitude ou omission portant sur des informations disponibles dans *Le Rapport SCOR*.

SCOR Canada Compagnie de Réassurance décline toute responsabilité pour tous dommages, directs ou indirects, quelles qu'en soient les causes, origines, nature ou conséquences, provoqués à raison de l'accès de quiconque au *Rapport SCOR* ou de l'impossibilité d'y accéder, de même que l'utilisation du *Rapport SCOR* et / ou du crédit accordé à une quelconque information provenant directement ou indirectement de ce dernier.

La reproduction du *Rapport SCOR* est autorisée aux fins exclusives d'information pour un usage personnel et privé : toute reproduction et toute utilisation de copies réalisées à d'autres fins est expressément interdite.

PUB (MPI) 1-74

Part and Chapter:	Part V Expenses	Page No.:	1 Appendix 16, 18 EXP APP 16-1
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Capital Expenditures		
Sub Topic:	Impairments		

Preamble to IR:**Question:**

- a) Please provide a full listing of projects that were written off in 2020/21, and any proposed write offs in 2021/22, including a description of the project including the amount of the write-off, and the reason the projects no longer have any enduring value.
- b) Please provide the analysis supporting the impairment write-offs.
- c) Please provide a full schedule of impairment write-offs by project and year for the last five fiscal years.

Rationale for Question:

To assess reasonableness of project write-offs.

RESPONSE:

- a) See *Figure 1* below:

Figure 1 2019/2020 Impairment

Line No.	Project	2020/21 Impairment
	<i>(C\$000s, except where noted)</i>	
1	Technology Risk Management - 2018	100
2	CERP	247
3	Information Security Maturity	431
4	Total	778

- b) MPI processed impairments for a portion of costs in two initiatives outlined in Figure 1. MPI determined the impairment amount relating to Technology Risk Management – 2018, based on specific projects/outcomes within the overall program that did not meet the amortization of intangible asset policy requirements. MPI identified these project costs and impaired them accordingly. The Compulsory and Extension Revision Project (CERP) impairment was the result of less than \$500,000 in total cost (which is the minimum capitalization threshold). MPI impaired the costs relating to CERP because it did not meet the capitalization criteria. The Information Security Maturity impairment resulted from work in RFP and Planning stages. MPI impaired the costs relating to this RFP and Planning because it did not meet the capitalization criteria.
- c) See [Figure 2](#) below:

Figure 2 List of Impaired Projects - Basic

Line No.	Project Impairment	2016/17	2017/18	2018/19	2019/20	2020/21
	<i>(C\$000s, except where noted)</i>					
1	Technology Risk Management - 2018	-	-	-	832	100
2	Credit Card Strategy	-	-	-	548	-
3	Enhanced DR Capabilities	-	628	80	-	-
4	Customer Self Service	-	-	2,001	-	-
5	Customer Claims Reporting System	-	14,431	714	-	-
6	Physical Damage Re-Engineering Main/Phase 3	-	1,146	-	-	-
7	Financial Re-engineering Initiative	-	255	-	-	-
8	High School Driver Education Phase 2	-	1,822	-	-	-
9	PDR Opt Repair - Remote Estimating	-	212	-	-	-
10	HR Management System Phase 3 & 4	-	184	-	-	-
11	CERP	-	-	-	-	247
12	Information Security Maturity	-	-	-	-	431
13	Total	-	18,678	2,795	1,380	778

PUB (MPI) 1-75

Part and Chapter:	Part V Expenses	Page No.:	1-5 Appendix 19 EXP APP 19-1, 19-2, 19-3
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Expenses		
Sub Topic:	IT Expenses		

Preamble to IR:

Question:

- a) Please provide a schedule in same format of EXP APP 19-1 of Information Technology and Deferred Development Expenses for Basic, Extension and DVA an indicate the relative percentage of total Corporate IT expenditures.
- b) Please file a separate schedule of EXP APP 19-2 and 19-3 for Basic, Extension and DVA.

Rationale for Question:

To understand the level of IT expenses by line of business.

RESPONSE:

- a) MPI does not have the detail readily available for the lines of business requested. MPI provides Appendix 19-1 and 19-2 on a corporate basis only. It will take significant effort (5 years of actual and 5 years of forecast) to prepare separate and similar detail for Basic, Extension and DVA. MPI understands the rationale for this request and would be prepared to provide this amount of detail in future GRAs, should the PUB deem it necessary. The response of MPI

to PUB (MPI) 1-45 provides additional information pertaining to the IT costs for the lines of business requested.

b) EXP APP 19-3 for Basic, Extension, and DVA provided below:

Figure 1: Corporate Capital Expenditures – Deferred Development Costs - Basic

PUB 75-b (Figure 1)

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - Basic

Line No.	Corporate Capital Expenditures	2016/17A	2017/18A	2018/19A	2019/20A	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Unassigned Capital
1	(C\$000s, except where noted)											
2	Projects that do not impact Basic	-	-	-	-	-	-	-	-	-	-	-
3	IT Optimization	37	-	-	-	-	-	-	-	-	-	-
4	Disaster Recovery	11	-	-	-	-	-	-	-	-	-	-
5	HR Management System Phase 1 & 2	1,289	-	-	-	-	-	-	-	-	-	-
6	Physical Damage Re-engineering Phase 1 & 2	360	-	-	-	-	-	-	-	-	-	-
7	PDR Opt Repair - Collaborative Estimating & JSST	635	-	-	-	-	-	-	-	-	-	-
8	PDR Opt Repair - Distributed Estimating	2,160	2	-	-	-	-	-	-	-	-	-
9	Physical Damage Re-engineering Main/Phase 3	(2,244)	260	-	-	-	-	-	-	-	-	-
10	PDR Opt Repair - Remote Estimating	65	107	-	-	-	-	-	-	-	-	-
11	BB Finesos Upgrade 2016	531	-	-	-	-	-	-	-	-	-	-
12	Enterprise Data Masking	2	-	-	-	-	-	-	-	-	-	-
13	High School Driver Education Phase 2	1,167	98	-	-	-	-	-	-	-	-	-
14	High School Driver Education Phase 3	-	595	1,916	407	-	-	-	-	-	-	-
15	High School Driver Education Phase 4	-	-	14	592	44	-	-	-	-	-	-
16	Infor/Lawson Upgrade	1,027	898	340	-	-	-	-	-	-	-	-
17	ITO - High Availability	766	-	-	-	-	-	-	-	-	-	-
18	Legal Management Project	(7)	-	-	-	-	-	-	-	-	-	-
19	Predictive Analytics	1	-	-	-	-	-	-	-	-	-	-
20	Corporate Learning Management	917	1,147	421	-	-	-	-	-	-	-	-
21	Physical Damage - Centre of Excellence	248	-	-	-	-	-	-	-	-	-	-
22	Information Security Strategy and Road Map Phase 1	1,579	106	-	-	-	-	-	-	-	-	-
23	Information Security Strategy and Road Map Phase 2	538	1,433	56	-	-	-	-	-	-	-	-
24	Technology Innovation & Capabilities	(10)	-	-	-	-	-	-	-	-	-	-
25	Technology Risk Management - 2016/17	1,807	118	-	-	-	-	-	-	-	-	-
26	Technology Risk Management - 2017	1	2,367	1,123	-	-	-	-	-	-	-	-
27	Technology Risk Management - 2018	-	-	2,912	1,151	473	-	-	-	-	-	-
28	Technology Risk Management - 2019	-	-	-	526	964	-	-	-	-	-	-
29	Technology Risk Management - 2020	-	-	-	-	1,084	-	-	-	-	-	-
30	Technology Risk Management - 2021	-	-	-	-	-	2,310	-	-	-	-	-

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - Basic con't

31	Technology Risk Management - 2022	-	-	-	-	-	-	3,000	-	-	-	-
32	Technology Risk Management - 2023	-	-	-	-	-	-	-	3,000	-	-	-
33	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	3,000	-	-
34	Technology Risk Management - 2025	-	-	-	-	-	-	-	-	-	3,000	-
35	Appointment Manager	2	1,295	45	-	-	-	-	-	-	-	-
36	Customer Claims Reporting System	9,764	4,648	714	-	-	-	-	-	-	-	-
37	Enhanced DR Capabilities	269	1,313	767	-	-	-	-	-	-	-	-
38	Partner Portal	268	2,083	6	-	-	-	-	-	-	-	-
39	Financial Re-Engineering Initiative	279	1	-	640	975	-	-	-	-	-	-
40	Customer Self Service	-	1,370	2,373	87	-	-	-	-	-	-	-
41	Credit Card Strategy	-	208	1,897	1,114	-	-	-	-	-	-	-
42	Nova	-	-	-	-	6,362	14,450	14,103	9,438	3,791	-	1,505
43	Information Security Maturity	-	-	-	280	1,298	1,905	29	-	-	-	-
44	Total Loss	-	-	-	1,371	(109)	-	-	-	-	-	-
45	HRMS Optimization - Phase 1	-	-	-	-	49	-	-	-	-	-	-
46	Salvage Management System	-	-	-	117	398	-	-	-	-	-	-
47	Microsoft 365	-	-	-	-	671	1,105	-	-	-	-	-
48	Driver Licence Renewal Term Changes (10yr)	-	-	-	-	-	-	-	-	-	-	-
49	Year 1 Data and Analytics Spend	-	-	-	-	-	2,341	-	-	-	-	-
50	CERP - Additional Product Changes	-	-	-	124	123	-	-	-	-	-	-
51	Total Deferred Development Costs	21,462	18,049	12,584	6,409	12,332	22,111	17,132	12,438	6,791	3,000	1,505
52	Impairment of Deferred Development	-	(18,678)	(2,686)	(1,501)	(778)	-	-	-	-	-	-
53	Data Processing Equipment:											
54	Provision for New and Replacement Equipment	90	116	59	189	35	1,515	82	490	1,577	221	-
55	Projects that impact Basic	-	-	-	-	-	-	-	-	-	-	-
56	Total Data Processing Equipment	90	116	59	189	35	1,515	82	490	1,577	221	-
57	Total Capital Requirements for IT	21,552	(513)	9,957	5,097	11,589	23,626	17,214	12,928	8,368	3,221	1,505

Figure 2: Corporate Capital Expenditures – Deferred Development Costs – Extension

PUB 75-b (Figure 2)

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - Extension

Line No.	Corporate Capital Expenditures	2010/17A	2017/18A	2018/19A	2019/20A	2020/21A	2021/22F	2022/23F	2023/24F	2024/25F	2025/26F	Unassigned Capital
1	(C\$000s, except where noted)											
2	Projects that do not impact Basis	*	*	*	*	*	*	*	*	*	*	*
3	IT Optimization	4	*	*	*	*	*	*	*	*	*	*
4	Disaster Recovery	1	*	*	*	*	*	*	*	*	*	*
5	HR Management System Phase 1 & 2	110	*	*	*	*	*	*	*	*	*	*
6	Physical Damage Re-engineering Phase 1 & 2	30	*	*	*	*	*	*	*	*	*	*
7	PDR Opt Repair - Collaborative Estimating & JBST	53	*	*	*	*	*	*	*	*	*	*
8	PDR Opt Repair - Distributed Estimating	183	*	*	*	*	*	*	*	*	*	*
9	Physical Damage Re-engineering Main/Phase 3	(190)	22	*	*	*	*	*	*	*	*	*
10	PDR Opt Repair - Remote Estimating	5	8	*	*	*	*	*	*	*	*	*
11	BB Fineos Upgrade 2010	40	*	*	*	*	*	*	*	*	*	*
12	Enterprise Data Masking	1	*	*	*	*	*	*	*	*	*	*
13	High School Driver Education Phase 2	98	8	*	*	*	*	*	*	*	*	*
14	High School Driver Education Phase 3	*	40	158	35	*	*	*	*	*	*	*
15	High School Driver Education Phase 4	*	*	1	90	4	*	*	*	*	*	*
16	Infor/Lawson Upgrade	87	74	30	*	*	*	*	*	*	*	*
17	ITO - High Availability	64	*	*	*	*	*	*	*	*	*	*
18	Legal Management Project	(1)	*	*	*	*	*	*	*	*	*	*
19	Predictive Analytics	*	*	*	*	*	*	*	*	*	*	*
20	Corporate Learning Management	78	94	38	*	*	*	*	*	*	*	*
21	Physical Damage - Centre of Excellence	21	*	*	*	*	*	*	*	*	*	*
22	Information Security Strategy and Road Map Phase 1	134	8	*	*	*	*	*	*	*	*	*
23	Information Security Strategy and Road Map Phase 2	40	118	5	*	*	*	*	*	*	*	*
24	Technology Innovation & Capabilities	(1)	*	*	*	*	*	*	*	*	*	*
25	Technology Risk Management - 2010/17	153	10	*	*	*	*	*	*	*	*	*
26	Technology Risk Management - 2017	(1)	195	99	*	*	*	*	*	*	*	*
27	Technology Risk Management - 2018	*	*	255	85	37	*	*	*	*	*	*
28	Technology Risk Management - 2019	*	*	*	45	82	*	*	*	*	*	*
29	Technology Risk Management - 2020	*	*	*	*	91	*	*	*	*	*	*
30	Technology Risk Management - 2021	*	*	*	*	*	195	*	*	*	*	*

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - Extension con't

31	Technology Risk Management - 2022	-	-	-	-	-	-	254	-	-	-	-
32	Technology Risk Management - 2023	-	-	-	-	-	-	-	254	-	-	-
33	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	254	-	-
34	Technology Risk Management - 2025	-	-	-	-	-	-	-	-	-	254	-
35	Appointment Manager	-	107	4	-	-	-	-	-	-	-	-
36	Customer Claims Reporting System	828	384	59	-	-	-	-	-	-	-	-
37	Enhanced DR Capabilities	23	109	64	-	-	-	-	-	-	-	-
38	Partner Portal	23	173	-	-	-	-	-	-	-	-	-
39	Financial Re-Engineering Initiative	15	8	-	56	83	-	-	-	-	-	-
40	Customer Self Service	-	113	86	7	-	-	-	-	-	-	-
41	Credit Card Strategy	-	17	166	74	-	-	-	-	-	-	-
42	Nova	-	-	-	-	533	1,212	1,182	793	322	-	127
43	Information Security Maturity	-	-	-	24	98	162	2	-	-	-	-
44	Total Loss	-	-	-	115	(9)	-	-	-	-	-	-
45	HRMS Optimization - Phase 1	-	-	-	-	4	-	-	-	-	-	-
46	Salvage Management System	-	-	-	10	34	-	-	-	-	-	-
47	Microsoft 365	-	-	-	-	57	94	-	-	-	-	-
48	Driver Licence Renewal Term Changes (10yr)	-	-	-	-	-	-	-	-	-	-	-
49	Year 1 Data and Analytics Spend	-	-	-	-	-	193	-	-	-	-	-
50	CERP - Additional Product Changes	-	-	-	11	9	-	-	-	-	-	-
51	Total Deferred Development Costs	1,811	1,497	965	492	1,023	1,856	1,438	1,047	576	254	127
52	Impairment of Deferred Development	-	(1,584)	(155)	(127)	(65)	-	-	-	-	-	-
53	Data Processing Equipment:											
54	Provision for New and Replacement Equipment	8	10	5	16	3	126	7	41	131	18	-
55	Projects that impact Basic	-	-	-	-	-	-	-	-	-	-	-
56	Total Data Processing Equipment	8	10	5	16	3	126	7	41	131	18	-
57	Total Capital Requirements for IT	1,819	(77)	815	381	961	1,982	1,445	1,088	707	272	127

Figure 3: Corporate Capital Expenditures – Deferred Development Costs - DVA

PUB 75-b (Figure 3)

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - DVA

Line No.	Corporate Capital Expenditures Deferred Development Costs:	2016/17A	2017/18A	2018/19A	2019/20A	2020/21A	2021/22P	2022/23P	2023/24P	2024/25P	2025/26P	Unassigned Capital
1	(00000, except where noted)											
2	Projects that do not impact Basis	3,099	31	-	-	-	-	-	-	-	-	-
3	IT Optimization	3	-	-	-	-	-	-	-	-	-	-
4	Disaster Recovery	1	-	-	-	-	-	-	-	-	-	-
5	HR Management System Phase 1 & 2	105	-	-	-	-	-	-	-	-	-	-
6	Physical Damage Re-engineering Phase 1 & 2	-	-	-	-	-	-	-	-	-	-	-
7	PDR Opt Repair - Collaborative Estimating & J3BT	-	-	-	-	-	-	-	-	-	-	-
8	PDR Opt Repair - Distributed Estimating	-	-	-	-	-	-	-	-	-	-	-
9	Physical Damage Re-engineering Main/Phase 6	-	-	-	-	-	-	-	-	-	-	-
10	PDR Opt Repair - Remote Estimating	-	-	-	-	-	-	-	-	-	-	-
11	BIS Finesis Upgrade 2016	-	-	-	-	-	-	-	-	-	-	-
12	Enterprise Data Masking	1	-	-	-	-	-	-	-	-	-	-
13	High School Driver Education Phase 2	-	-	-	-	-	-	-	-	-	-	-
14	High School Driver Education Phase 6	-	-	-	-	-	-	-	-	-	-	-
15	High School Driver Education Phase 4	-	-	-	-	-	-	-	-	-	-	-
16	InfoLawson Upgrade	84	73	58	-	-	-	-	-	-	-	-
17	ITO - High Availability	83	-	-	-	-	-	-	-	-	-	-
18	Legal Management Project	(1)	-	-	-	-	-	-	-	-	-	-
19	Predictive Analytics	-	-	-	-	-	-	-	-	-	-	-
20	Corporate Learning Management	75	93	71	-	-	-	-	-	-	-	-
21	Physical Damage - Centre of Excellence	-	-	-	-	-	-	-	-	-	-	-
22	Information Security Strategy and Road Map Phase 1	129	9	-	-	-	-	-	-	-	-	-
23	Information Security Strategy and Road Map Phase 2	44	118	10	-	-	-	-	-	-	-	-
24	Technology Innovation & Capabilities	(1)	-	-	-	-	-	-	-	-	-	-
25	Technology Risk Management - 2016/17	148	-	-	-	-	-	-	-	-	-	-
26	Technology Risk Management - 2017	-	192	190	-	-	-	-	-	-	-	-
27	Technology Risk Management - 2018	-	-	492	154	76	-	-	-	-	-	-
28	Technology Risk Management - 2019	-	-	-	88	162	-	-	-	-	-	-
29	Technology Risk Management - 2020	-	-	-	-	182	-	-	-	-	-	-
30	Technology Risk Management - 2021	-	-	-	-	-	388	-	-	-	-	-

Expenses - Appendix 19-3: Corporate Capital Expenditures - Deferred Development Costs - DVA con't

31	Technology Risk Management - 2022	-	-	-	-	-	-	504	-	-	-	-
32	Technology Risk Management - 2023	-	-	-	-	-	-	-	504	-	-	-
33	Technology Risk Management - 2024	-	-	-	-	-	-	-	-	504	-	-
34	Technology Risk Management - 2025	-	-	-	-	-	-	-	-	-	504	-
35	Appointment Manager	-	-	-	-	-	-	-	-	-	-	-
36	Customer Claims Reporting System	-	-	-	-	-	-	-	-	-	-	-
37	Enhanced DR Capabilities	-	-	-	-	-	-	-	-	-	-	-
38	Partner Portal	-	-	-	-	-	-	-	-	-	-	-
39	Financial Re-Engineering Initiative	34	(12)	-	107	164	-	-	-	-	-	-
40	Customer Self Service	-	111	258	15	-	-	-	-	-	-	-
41	Credit Card Strategy	-	17	321	161	-	-	-	-	-	-	-
42	Nova	-	-	-	-	5,693	17,996	9,909	1,186	637	-	2,773
43	Information Security Maturity	-	-	-	47	202	320	5	-	-	-	-
44	Total Loss	-	-	-	-	-	-	-	-	-	-	-
45	HRMS Optimization - Phase 1	-	-	-	-	8	-	-	-	-	-	-
46	Salvage Management System	-	-	-	-	-	-	-	-	-	-	-
47	Microsoft 365	-	-	-	-	113	186	-	-	-	-	-
48	Driver Licence Renewal Term Changes (10yr)	-	-	-	-	-	563	-	-	-	-	-
49	Year 1 Data and Analytics Spend	-	-	-	-	-	283	-	-	-	-	-
50	CERP - Additional Product Changes	-	-	-	-	-	-	-	-	-	-	-
51	Total Deferred Development Costs	3,784	640	1,400	572	6,600	19,736	10,418	1,690	1,141	504	2,773
52	Impairment of Deferred Development	-	(40)	(105)	(122)	(54)	-	-	-	-	-	-
53	Data Processing Equipment:											
54	Provision for New and Replacement Equipment	7	9	5	15	3	120	7	39	125	27	-
55	Projects that impact Basic	-	-	-	-	-	-	-	-	-	-	-
56	Total Data Processing Equipment	7	9	5	15	3	120	7	39	125	27	-
57	Total Capital Requirements for IT	3,791	609	1,300	465	6,549	19,856	10,425	1,729	1,266	531	2,773

PUB (MPI) 1-76

Part and Chapter:	Part V Expenses	Page No.:	2, 4 Appendix 19 EXP APP 19-2, 19-4
PUB Approved Issue No:	10. Current IT Strategic Plan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Expenses		
Sub Topic:	IT Expenses		

Preamble to IR:**Question:**

- a) Please provide a schedule detailing the fees paid to consulting professional service firms for the years 2019/20 and 2020/21 and forecast for 2021/22 identifying the service(s) provided for the fees.
- b) Please file an update to PUB (MPI) 1-59 (2021 GRA) including all expenditures made to external consultants by consultant and detail/ nature of the service provided under each individual contract for the years 2018/19 through 2020/21.
- c) Please indicate the amount of contracts issued for additional consulting services with MPI's external auditor.

Rationale for Question:

To understand the level of external consulting expense.

RESPONSE:

- a) See *Figure 1* below. MPI files an updated version of *Expenses Exp Appendix 19-4 Summary of Consultant Costs – MPI Exhibit #18*.

Figure 1 Consulting Fees - Basic

Line No.	Consulting Fees	2019/20A	2020/21A	2021/22B
1	<i>(C\$000s, except where noted)</i>			
2	ITO Operational Activities	3,555	2,684	3,414
3	Improvement Initiatives	9,126	12,796	11,714
4	Consulting services rendered for participation on IT operational activities and corporate initiatives.			
5	<i>Reference: Exp App 19-4</i>			

- b) Please see *Appendix 1* for which MPI is seeking confidential treatment.
- c) In 2020/21, the dollar value of the contracts issued for additional consulting services with the MPI external auditor totals \$206,910.

Appendix 1: Consultant Costs

- 1 This material is the subject of a confidential motion.

PUB (MPI) 1-77

Part and Chapter:	Part V Claims Incurred	Page No.:	16
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhances to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:	Impact of CERP		

Preamble to IR:

In the 2021 GRA, in PUB (MPI) 2-4, MPI indicated that it did not adjust the forecast for Property Damage Third Party Deductible Transfer to reflect the fact that for claims that are not at fault, MPI pays the full amount of the loss. In these situations, increases in PDTPD loss costs resulting from the higher deductible are completely offset by reductions in Collision loss costs. MPI did not calculate the amount transferable from PDTPD to Collision given that there is no effect on overall loss costs.

Question:

Please update Figure CI-7 to properly reflect the expected transfer in loss costs from Collision to Property Damage. Please also adjust all other exhibits which are similarly affected by this. This would include Figures CI-12, CI-39, CI-40, CI-71, CI-72, RM-2

Rationale for Question:

Given the fact that the increase in deductible costs will increase claims costs for Property Damage, with a reduction to Collision costs, the forecasts should reflect this.

RESPONSE:

MPI cannot determine the overall additional transfer of loss costs from Collision to Property Damage – Third Party Deductible Transfer (PDTPD) due to data limitations. In order to determine this, MPI would have to review all historical PDTPD payments

and determine the additional transfers from the corresponding not-at-fault Collision claims. However, the PDTPD payments cannot be linked back to the not-at-fault Collision claims as this information is not available in the data warehouse.

PUB (MPI) 1-78

Part and Chapter:	Part V Claims Incurred	Page No.:	
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:			

Preamble to IR:

MPI has changed its weighting approach for coverages in which the claims were split into different severity groups.

Question:

a) Without splitting into different severity groups:

- i. Please calculate severity trends on the annual severities using the same number of accident years as were used in the 2022 GRA, but without splitting the claims into different severity groups, for each of Weekly Indemnity, Accident Benefits Other – Indexed, Accident Benefits Other – Non-Indexed, and Public Liability – Bodily Injury
- ii. Please provide the results of an alternative analysis of the Basic rate requirement (overall and by Major Use classification) assuming the severity trends as calculated above are used. Please include alternate AAP rate indications, with supporting schedules as appropriate.

b) Using last year’s weighting basis for severity groups:

- i. Please calculate severity trends on the annual severities using the claim amounts instead of claim counts as weights, using the same number of

accident years as were used in the 2022 GRA, for each of Weekly Indemnity, Accident Benefits Other – Indexed, Accident Benefits Other – Non-Indexed, and Public Liability – Bodily Injury

- ii. Please provide the results of an alternative analysis of the Basic rate requirement (overall and by Major Use classification) assuming the severity trends as calculated above are used. Please include alternate AAP rate indications, with supporting schedules as appropriate.

Rationale for Question:

To understand the impact of the use of severity groups and the use of different weightings for the indicated severity trends by severity group.

RESPONSE:

- a) See the figures below for the severity trends calculated without splitting claims into severity group buckets, and the resulting rate change for each Major Classification.

Figure 1 Weekly Indemnity Ultimate Severity

Line No.	Accident Year	Average Severity \$0+
1	2003/04	\$30,795
2	2004/05	\$27,469
3	2005/06	\$33,498
4	2006/07	\$38,762
5	2007/08	\$40,281
6	2008/09	\$42,924
7	2009/10	\$41,777
8	2010/11	\$51,353
9	2011/12	\$51,369
10	2012/13	\$44,638
11	2013/14	\$39,945
12	2014/15	\$46,015
13	2015/16	\$51,238
14	2016/17	\$53,242
15	2017/18	\$49,755
16	2018/19	\$48,695
17	2019/20	\$53,317
18	2020/21	\$56,336
19	Severity Growth	3.44%
20	Sum of Counts	30,748
21	Weighted Average Severity Growth	3.44%
22	Indexation	2.00%
23	Total Severity Growth	5.44%

Figure 2 Accident Benefits Other – Indexed Ultimate Severity

Line No.	Accident Year	Average Severity \$0+
1	2003/04	\$5,611
2	2004/05	\$5,690
3	2005/06	\$5,963
4	2006/07	\$6,210
5	2007/08	\$6,393
6	2008/09	\$5,203
7	2009/10	\$5,954
8	2010/11	\$5,516
9	2011/12	\$6,203
10	2012/13	\$5,119
11	2013/14	\$4,662
12	2014/15	\$4,821
13	2015/16	\$5,763
14	2016/17	\$6,901
15	2017/18	\$5,998
16	2018/19	\$5,864
17	2019/20	\$6,271
18	2020/21	\$6,894
19	Severity Growth	-0.09%
20	Sum of Counts	184,740
21	Weighted Average Severity Growth	-0.09%
22	Indexation	2.00%
23	Total Severity Growth	1.91%

Figure 3 Accident Benefits Other – Non-Indexed Ultimate Severity

Line		<u>Average Severity</u>
No.	<u>Accident Year</u>	<u>\$0+</u>
1	2003/04	\$16,929
2	2004/05	\$18,072
3	2005/06	\$19,429
4	2006/07	\$20,950
5	2007/08	\$19,588
6	2008/09	\$20,606
7	2009/10	\$20,798
8	2010/11	\$21,608
9	2011/12	\$20,154
10	2012/13	\$21,614
11	2013/14	\$22,198
12	2014/15	\$25,628
13	2015/16	\$24,056
14	2016/17	\$24,952
15	2017/18	\$23,114
16	2018/19	\$20,563
17	2019/20	\$20,041
18	2020/21	\$24,657
19	Severity Growth	1.84%
20	Sum of Counts	22,485
21	Weighted Average Severity Growth	1.84%
22	Indexation	0.00%
23	Total Severity Growth	1.84%

Figure 4 Public Liability – Bodily Injury Ultimate Severity

Line		<u>Average Severity</u>
No.	<u>Accident Year</u>	<u>\$0+</u>
1	2003/04	\$33,367
2	2004/05	\$42,705
3	2005/06	\$36,995
4	2006/07	\$29,982
5	2007/08	\$33,791
6	2008/09	\$30,947
7	2009/10	\$34,885
8	2010/11	\$52,732
9	2011/12	\$24,847
10	2012/13	\$63,293
11	2013/14	\$43,989
12	2014/15	\$49,749
13	2015/16	\$54,920
14	2016/17	\$60,868
15	2017/18	\$63,538
16	2018/19	\$75,245
17	2019/20	\$63,659
18	2020/21	\$99,478
19	Severity Growth	5.09%
20	Sum of Counts	1,532
21	Weighted Average Severity Growth	5.09%
22	Indexation	0.00%
23	Total Severity Growth	5.09%

**Figure 5 Rating Year 2022/23 Major Classification Required Rate Changes -
Breakeven Rates Adjusted for DSR Discount Changes**

Line No.	Coverage	Overall	Private Pass	Comm	Public	Motor-Cycle	Trailer	ORV
1	22/23 Units	1,232,900	847,100	47,600	12,000	19,000	226,700	80,500
2	Claims	695.45	919.92	684.78	1,776.89	696.87	46.67	5.23
3	Claims Expense	123.48	163.34	121.59	315.50	123.74	8.29	0.93
4	Road Safety	10.54	14.04	14.04	14.04	14.04	0.00	0.00
5	Operating Expense	63.05	83.98	83.98	83.98	83.98	0.00	0.00
6	Regulatory/Appeal	3.74	4.98	4.98	4.98	4.98	0.00	0.00
7	Commission: Vehicle	34.42	45.46	34.26	85.97	33.51	2.73	0.25
8	Prem Tax: Vehicle	27.54	36.36	27.41	68.78	26.80	2.18	0.20
9	Comm & Prem Tax: Driver	3.18	4.24	4.24	4.24	4.24	0.00	0.00
10	Commission Flat Fee	5.09	6.78	6.78	6.78	6.78	0.00	0.00
11	Reins: Casualty	1.24	1.65	1.65	1.65	1.65	0.00	0.00
12	Reins: Catastrophe	11.82	12.86	12.86	12.86	0.00	12.86	0.00
13	Fleet Rebates	14.75	20.05	20.05	20.05	0.00	0.00	0.00
14	Anti-Theft Discount	1.09	1.59	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	52.36	69.73	69.73	69.73	69.73	0.00	0.00
16	Service Fees	25.05	33.36	33.36	33.36	33.36	0.00	0.00
17	Req Rate (Raw)	918.00	1,212.15	913.52	2,292.63	893.49	72.72	6.60
18	Req Rate (Bal)	906.89	1,197.48	902.47	2,264.89	882.68	71.84	6.52
19	21/22 Average Rate	888.59	1,165.66	867.45	2,145.90	905.87	73.36	7.02
20	Major Class Drift	5.3%	6.3%	5.4%	0.9%	0.2%	5.0%	0.0%
21	22/23 Average Rate	935.98	1,238.66	914.17	2,165.03	907.45	77.00	7.02
22	Without Rate Change							
23	Full Cred Req Change	-3.1%	-3.3%	-1.3%	4.6%	-2.7%	-6.7%	-7.1%
24	Applied for Change	-0.5%	-0.5%	-1.2%	5.1%	0.6%	-6.7%	-7.1%
25	Credibility	0.0%	99.3%	88.8%	66.7%	76.0%	97.4%	93.1%
26	Cred Wtd Change	0.0%	-0.5%	-1.1%	3.2%	0.3%	-6.5%	-6.6%
27	Cred Wtd Req Rate	0.00	1,232.46	904.23	2,235.16	910.59	71.96	6.56
28	Cred Wtd Req Rate (Bal)	931.48	1,232.89	904.55	2,235.95	910.91	71.99	6.56
29	Cred Wtd Change (Bal)	0.0%	-0.5%	-1.1%	3.3%	0.4%	-6.5%	-6.6%

- b) See the figures below for the severity trends calculated by weighting severity growth by incurred instead of claim counts, and the effect on the Major Classification required rate changes.

Figure 6 Weekly Indemnity Ultimate Severity

Line No.	Accident Year	Average Severity		
		\$0-\$100,000	\$100,000-\$250,000	\$250,000+
1	2003/04	\$7,063	\$161,382	\$748,039
2	2004/05	\$6,553	\$172,109	\$803,331
3	2005/06	\$7,390	\$165,790	\$803,580
4	2006/07	\$7,428	\$163,252	\$732,980
5	2007/08	\$7,386	\$153,206	\$772,056
6	2008/09	\$8,852	\$157,208	\$771,818
7	2009/10	\$8,635	\$150,362	\$806,754
8	2010/11	\$9,653	\$146,158	\$789,436
9	2011/12	\$9,752	\$153,727	\$812,653
10	2012/13	\$9,405	\$158,545	\$746,672
11	2013/14	\$9,193	\$156,575	\$682,149
12	2014/15	\$9,735	\$160,465	\$785,420
13	2015/16	\$9,866	\$140,781	\$729,857
14	2016/17	\$9,504	\$167,935	\$670,820
15	2017/18	\$9,677	\$150,208	\$659,888
16	2018/19	\$10,426	\$156,124	\$624,306
17	2019/20	\$18,074	\$153,670	\$1,019,114
18	2020/21	\$28,509	\$155,979	\$560,177
19	Severity Growth	2.78%	-0.43%	-1.17%
20	Sum of Incurred	\$251,521,793	\$91,007,978	\$978,526,474
21	Weighted Average Severity Growth	-0.37%		
22	Indexation	2.00%		
23	Total Severity Growth	1.63%		

Figure 7 Accident Benefits Other – Indexed Ultimate Severity

Line No.	Accident Year	Average Severity		
		\$0-\$100,000	\$100,000-\$250,000	\$250,000+
1	2003/04	\$2,270	\$139,547	\$1,254,761
2	2004/05	\$2,062	\$148,491	\$1,861,928
3	2005/06	\$2,208	\$135,119	\$1,329,330
4	2006/07	\$2,123	\$159,333	\$1,404,893
5	2007/08	\$2,103	\$150,887	\$1,852,310
6	2008/09	\$2,315	\$154,599	\$1,149,211
7	2009/10	\$2,468	\$140,206	\$1,244,274
8	2010/11	\$2,458	\$156,683	\$1,139,114
9	2011/12	\$2,626	\$146,352	\$1,156,645
10	2012/13	\$2,703	\$141,853	\$755,713
11	2013/14	\$2,822	\$149,378	\$883,773
12	2014/15	\$2,852	\$155,364	\$1,030,727
13	2015/16	\$2,961	\$156,760	\$951,981
14	2016/17	\$2,974	\$157,765	\$1,166,372
15	2017/18	\$2,964	\$146,171	\$901,497
16	2018/19	\$3,009	\$164,586	\$822,962
17	2019/20	\$3,254	\$142,087	\$1,643,830
18	2020/21	\$5,198	\$132,013	\$593,265
19	Severity Growth	2.78%	0.56%	-3.98%
20	Sum of Incurred	\$470,097,835	\$70,363,432	\$520,569,217
21	Weighted Average Severity Growth	-0.68%		
22	Indexation	2.00%		
23	Total Severity Growth	1.32%		

Figure 8 Accident Benefits Other – Non-Indexed Ultimate Severity

Line No.	Accident Year	Average Severity		
		\$0-\$100,000	\$100,000-\$250,000	\$250,000+
1	2003/04	\$13,220	\$179,198	\$353,758
2	2004/05	\$12,882	\$162,215	\$294,926
3	2005/06	\$13,338	\$177,804	\$294,993
4	2006/07	\$13,820	\$168,692	\$312,326
5	2007/08	\$13,896	\$174,771	\$336,326
6	2008/09	\$13,317	\$156,526	\$336,170
7	2009/10	\$14,886	\$166,052	\$323,766
8	2010/11	\$15,019	\$160,989	\$325,281
9	2011/12	\$14,511	\$167,066	\$310,869
10	2012/13	\$14,822	\$168,228	\$334,076
11	2013/14	\$16,049	\$160,410	\$329,447
12	2014/15	\$17,378	\$172,432	\$352,079
13	2015/16	\$17,674	\$163,700	\$421,360
14	2016/17	\$16,491	\$162,915	\$349,305
15	2017/18	\$15,443	\$176,205	\$401,435
16	2018/19	\$14,647	\$153,175	\$354,831
17	2019/20	\$14,325	\$138,293	\$321,381
18	2020/21	\$18,080	\$159,113	\$414,328
19	Severity Growth	1.62%	-0.35%	1.31%
20	Sum of Incurred	\$320,290,519	\$93,881,156	\$59,007,446
21	Weighted Average Severity Growth	1.19%		
22	Indexation	0.00%		
23	Total Severity Growth	1.19%		

Figure 9 Public Liability – Bodily Injury Ultimate Severity

Line No.	Accident Year	Average Severity	
		\$0-\$100,000	\$100,000+
1	2003/04	\$18,972	\$174,699
2	2004/05	\$15,084	\$193,893
3	2005/06	\$17,679	\$188,555
4	2006/07	\$17,763	\$206,732
5	2007/08	\$14,030	\$187,271
6	2008/09	\$17,307	\$185,853
7	2009/10	\$16,239	\$161,794
8	2010/11	\$17,738	\$174,995
9	2011/12	\$18,003	\$199,668
10	2012/13	\$16,445	\$232,878
11	2013/14	\$17,734	\$208,628
12	2014/15	\$18,999	\$217,276
13	2015/16	\$31,335	\$200,366
14	2016/17	\$34,029	\$157,846
15	2017/18	\$36,053	\$195,344
16	2018/19	\$38,061	\$182,920
17	2019/20	\$35,534	\$181,302
18	2020/21	\$47,514	\$202,960
19	Severity Growth	5.50%	0.20%
20	Sum of Counts	\$27,303,242	\$40,589,031
21	Weighted Average Severity Growth	2.33%	
22	Indexation	0.00%	
23	Total Severity Growth	2.33%	

Figure 10 Rating Year 2022/23 Major Classification Required Rate Changes - Breakeven Rates Adjusted for DSR Discount Changes

Line No.	Coverage	Overall	Private Pass	Comm	Public	Motor-Cycle	Trailer	ORV
1	22/23 Units	1,232,900	847,100	47,600	12,000	19,000	226,700	80,500
2	Claims	687.31	909.59	674.56	1,755.61	669.59	46.67	4.83
3	Claims Expense	121.97	161.41	119.70	311.54	118.82	8.28	0.86
4	Road Safety	10.54	14.04	14.04	14.04	14.04	0.00	0.00
5	Operating Expense	63.03	83.95	83.95	83.95	83.95	0.00	0.00
6	Regulatory/Appeal	3.74	4.98	4.98	4.98	4.98	0.00	0.00
7	Commission: Vehicle	34.04	44.96	33.77	84.96	32.21	2.73	0.23
8	Prem Tax: Vehicle	27.23	35.97	27.01	67.97	25.77	2.18	0.18
9	Comm & Prem Tax: Driver	3.18	4.24	4.24	4.24	4.24	0.00	0.00
10	Commission Flat Fee	5.09	6.78	6.78	6.78	6.78	0.00	0.00
11	Reins: Casualty	1.24	1.65	1.65	1.65	1.65	0.00	0.00
12	Reins: Catastrophe	11.82	12.86	12.86	12.86	0.00	12.86	0.00
13	Fleet Rebates	14.75	20.05	20.05	20.05	0.00	0.00	0.00
14	Anti-Theft Discount	1.09	1.59	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	52.36	69.73	69.73	69.73	69.73	0.00	0.00
16	Service Fees	25.05	33.36	33.36	33.36	33.36	0.00	0.00
17	Req Rate (Raw)	907.61	1,198.97	900.49	2,265.52	858.92	72.72	6.10
18	Req Rate (Bal)	896.63	1,184.46	889.59	2,238.11	848.53	71.84	6.03
19	21/22 Average Rate	888.59	1,165.66	867.45	2,145.90	905.87	73.36	7.02
20	Major Class Drift	5.3%	6.3%	5.4%	0.9%	0.2%	5.0%	0.0%
21	22/23 Average Rate	935.98	1,238.66	914.17	2,165.03	907.45	77.00	7.02
22	Without Rate Change							
23	Full Cred Req Change	-4.2%	-4.4%	-2.7%	3.4%	-6.5%	-6.7%	-14.1%
24	Applied for Change	-1.6%	-1.5%	-2.6%	3.9%	-3.1%	-6.7%	-14.1%
25	Credibility	0.0%	99.3%	88.8%	66.7%	76.0%	97.4%	93.1%
26	Cred Wtd Change	0.0%	-1.5%	-2.5%	2.1%	-2.8%	-6.6%	-13.3%
27	Cred Wtd Req Rate	0.00	1,219.52	891.68	2,209.46	882.31	71.94	6.09
28	Cred Wtd Req Rate (Bal)	921.28	1,219.81	891.90	2,209.99	882.52	71.96	6.09
29	Cred Wtd Change (Bal)	0.0%	-1.5%	-2.4%	2.1%	-2.7%	-6.6%	-13.3%

PUB (MPI) 1-79

Part and Chapter:	Part V Claims Incurred	Page No.:	43
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:			

Preamble to IR:

MPI states in the 2022 GRA that some of the reduction in frequency from the past 7 years is related to mild winters; however, there has also been a reduction in summer Collision frequency over the past years.

Question:

Please provide (in Excel) monthly collision frequency and severity information for each of the last 15 accident years for each of Collision Repair and Collision Total Loss.

Rationale for Question:

To review the Collision monthly frequencies and severities

RESPONSE:

See the figures below. The figures are also included in the workbook in Excel format.

Figure 1 Ultimate Collision Repair Frequency per HTA Unit by Loss Month

Line No.	Accident Year	April	May	June	July	August	September	October	November	December	January	February	March
1	2006/07	0.081	0.083	0.092	0.082	0.078	0.090	0.103	0.119	0.131	0.159	0.165	0.112
2	2007/08	0.078	0.081	0.093	0.085	0.080	0.084	0.096	0.126	0.160	0.131	0.172	0.108
3	2008/09	0.082	0.076	0.086	0.078	0.083	0.086	0.092	0.117	0.191	0.164	0.130	0.120
4	2009/10	0.092	0.084	0.094	0.089	0.083	0.089	0.095	0.097	0.132	0.128	0.126	0.093
5	2010/11	0.084	0.085	0.098	0.086	0.086	0.096	0.100	0.131	0.144	0.180	0.144	0.127
6	2011/12	0.091	0.087	0.094	0.085	0.087	0.095	0.096	0.119	0.107	0.134	0.102	0.101
7	2012/13	0.081	0.088	0.096	0.085	0.085	0.090	0.102	0.129	0.146	0.169	0.139	0.125
8	2013/14	0.097	0.085	0.088	0.082	0.079	0.083	0.088	0.124	0.176	0.184	0.157	0.128
9	2014/15	0.085	0.077	0.081	0.082	0.075	0.083	0.084	0.110	0.108	0.121	0.124	0.094
10	2015/16	0.081	0.080	0.084	0.080	0.078	0.084	0.087	0.103	0.121	0.117	0.108	0.092
11	2016/17	0.081	0.082	0.088	0.083	0.082	0.084	0.089	0.096	0.140	0.135	0.111	0.095
12	2017/18	0.079	0.079	0.084	0.080	0.077	0.083	0.091	0.115	0.129	0.122	0.117	0.093
13	2018/19	0.079	0.079	0.079	0.077	0.077	0.080	0.086	0.102	0.109	0.127	0.149	0.091
14	2019/20	0.074	0.072	0.078	0.076	0.074	0.080	0.105	0.107	0.112	0.116	0.093	0.069
15	2020/21	0.045	0.053	0.068	0.068	0.066	0.070	0.079	0.062	0.072	0.070	0.085	0.068

Figure 2 Ultimate Collision Repair Severity by Loss Month

Line No.	Accident Year	April	May	June	July	August	September	October	November	December	January	February	March
1	2006/07	\$1,721	\$1,817	\$1,823	\$1,887	\$1,937	\$1,879	\$2,009	\$2,057	\$1,919	\$1,799	\$1,761	\$1,850
2	2007/08	\$1,714	\$1,863	\$1,904	\$1,882	\$1,766	\$1,918	\$1,987	\$2,060	\$1,910	\$1,804	\$1,757	\$1,862
3	2008/09	\$1,773	\$1,748	\$1,934	\$1,919	\$1,922	\$1,948	\$1,982	\$2,178	\$1,911	\$1,874	\$1,867	\$1,819
4	2009/10	\$1,825	\$1,905	\$1,964	\$1,953	\$1,926	\$1,999	\$2,095	\$2,206	\$2,043	\$2,013	\$1,957	\$1,874
5	2010/11	\$1,912	\$2,007	\$2,076	\$2,049	\$1,967	\$2,075	\$2,101	\$2,223	\$2,042	\$2,009	\$1,901	\$1,919
6	2011/12	\$1,944	\$1,973	\$2,037	\$2,115	\$2,079	\$2,149	\$2,169	\$2,418	\$2,231	\$2,246	\$2,224	\$2,171
7	2012/13	\$2,067	\$2,171	\$2,151	\$2,211	\$2,174	\$2,198	\$2,376	\$2,424	\$2,327	\$2,255	\$2,214	\$2,130
8	2013/14	\$2,203	\$2,245	\$2,280	\$2,351	\$2,418	\$2,432	\$2,463	\$2,605	\$2,485	\$2,357	\$2,241	\$2,179
9	2014/15	\$2,183	\$2,337	\$2,403	\$2,472	\$2,373	\$2,502	\$2,561	\$2,707	\$2,669	\$2,599	\$2,548	\$2,485
10	2015/16	\$2,468	\$2,536	\$2,671	\$2,620	\$2,608	\$2,717	\$2,725	\$2,925	\$2,919	\$2,764	\$2,708	\$2,654
11	2016/17	\$2,612	\$2,681	\$2,782	\$2,854	\$2,744	\$2,851	\$2,940	\$3,226	\$2,856	\$2,756	\$2,792	\$2,731
12	2017/18	\$2,679	\$2,733	\$2,874	\$2,898	\$2,910	\$2,945	\$3,031	\$3,266	\$3,074	\$3,033	\$2,969	\$2,783
13	2018/19	\$2,738	\$2,847	\$2,966	\$2,845	\$3,007	\$3,208	\$3,147	\$3,512	\$3,248	\$3,043	\$3,038	\$2,953
14	2019/20	\$2,916	\$3,030	\$3,096	\$3,089	\$3,157	\$3,216	\$3,438	\$3,597	\$3,464	\$3,402	\$3,073	\$3,228
15	2020/21	\$3,247	\$3,140	\$3,271	\$3,374	\$3,313	\$3,466	\$3,726	\$3,996	\$3,908	\$3,648	\$3,376	\$3,471

Figure 3 Ultimate Collision Total Loss Frequency per HTA Unit by Loss Month

Line No.	Accident Year	April	May	June	July	August	September	October	November	December	January	February	March
1	2006/07	0.018	0.019	0.021	0.020	0.020	0.023	0.025	0.028	0.028	0.032	0.034	0.027
2	2007/08	0.016	0.019	0.021	0.019	0.019	0.022	0.025	0.031	0.033	0.026	0.034	0.025
3	2008/09	0.018	0.017	0.020	0.018	0.020	0.022	0.023	0.031	0.038	0.037	0.028	0.026
4	2009/10	0.020	0.020	0.023	0.022	0.020	0.023	0.026	0.027	0.032	0.028	0.028	0.021
5	2010/11	0.019	0.020	0.023	0.022	0.022	0.026	0.028	0.036	0.034	0.042	0.034	0.031
6	2011/12	0.021	0.021	0.020	0.021	0.022	0.026	0.026	0.035	0.029	0.033	0.026	0.027
7	2012/13	0.019	0.021	0.024	0.021	0.021	0.023	0.029	0.034	0.035	0.041	0.032	0.030
8	2013/14	0.022	0.020	0.022	0.021	0.022	0.022	0.025	0.039	0.046	0.045	0.037	0.030
9	2014/15	0.020	0.020	0.021	0.019	0.021	0.022	0.023	0.035	0.033	0.032	0.035	0.024
10	2015/16	0.021	0.023	0.023	0.023	0.022	0.025	0.027	0.037	0.039	0.036	0.032	0.027
11	2016/17	0.024	0.023	0.026	0.024	0.024	0.025	0.028	0.034	0.041	0.039	0.031	0.027
12	2017/18	0.022	0.023	0.025	0.024	0.023	0.026	0.032	0.037	0.039	0.036	0.034	0.026
13	2018/19	0.020	0.021	0.023	0.021	0.023	0.024	0.027	0.035	0.034	0.035	0.040	0.023
14	2019/20	0.017	0.019	0.022	0.021	0.022	0.023	0.031	0.034	0.034	0.036	0.024	0.018
15	2020/21	0.011	0.014	0.018	0.019	0.019	0.019	0.024	0.021	0.023	0.021	0.021	0.019

Figure 4 Ultimate Collision Total Loss Severity by Loss Month

Line No.	Accident Year	April	May	June	July	August	September	October	November	December	January	February	March
1	2006/07	\$4,673	\$4,538	\$4,882	\$5,184	\$4,832	\$4,605	\$4,876	\$4,529	\$4,297	\$4,285	\$4,382	\$4,671
2	2007/08	\$4,504	\$4,499	\$4,710	\$4,715	\$4,908	\$4,722	\$4,616	\$4,826	\$4,814	\$5,098	\$4,573	\$4,754
3	2008/09	\$4,509	\$4,573	\$4,781	\$4,653	\$5,020	\$4,674	\$4,574	\$4,924	\$4,750	\$4,531	\$4,591	\$4,395
4	2009/10	\$4,429	\$4,743	\$4,823	\$4,791	\$4,902	\$4,831	\$4,866	\$4,802	\$4,830	\$4,716	\$4,565	\$4,262
5	2010/11	\$4,571	\$4,888	\$4,749	\$4,805	\$4,628	\$4,567	\$4,825	\$4,848	\$4,578	\$4,779	\$4,688	\$4,774
6	2011/12	\$4,675	\$5,000	\$4,685	\$4,947	\$4,914	\$4,698	\$5,058	\$5,029	\$4,978	\$5,099	\$4,922	\$4,939
7	2012/13	\$4,946	\$4,988	\$4,958	\$5,200	\$5,287	\$5,052	\$5,147	\$5,190	\$5,010	\$5,175	\$5,110	\$5,203
8	2013/14	\$5,144	\$5,109	\$5,616	\$5,743	\$5,667	\$5,426	\$5,561	\$5,595	\$5,299	\$5,355	\$5,220	\$5,093
9	2014/15	\$5,119	\$5,592	\$5,505	\$5,758	\$5,821	\$5,543	\$5,531	\$5,654	\$5,845	\$5,584	\$5,545	\$5,750
10	2015/16	\$5,743	\$5,948	\$5,916	\$6,310	\$6,101	\$5,822	\$6,044	\$6,120	\$6,283	\$6,050	\$5,838	\$5,831
11	2016/17	\$5,888	\$6,325	\$6,037	\$6,329	\$6,366	\$6,081	\$6,231	\$6,328	\$6,220	\$5,996	\$5,893	\$5,972
12	2017/18	\$6,604	\$6,540	\$6,668	\$6,168	\$6,641	\$6,497	\$6,649	\$6,492	\$6,584	\$6,111	\$6,565	\$6,380
13	2018/19	\$6,173	\$6,398	\$6,351	\$6,456	\$6,581	\$6,746	\$6,664	\$6,675	\$6,486	\$6,654	\$6,446	\$6,320
14	2019/20	\$6,554	\$6,751	\$6,824	\$6,755	\$6,637	\$6,964	\$6,969	\$7,259	\$7,072	\$6,822	\$6,620	\$6,852
15	2020/21	\$6,693	\$6,503	\$6,275	\$6,674	\$6,919	\$6,897	\$6,599	\$6,672	\$7,007	\$6,834	\$6,636	\$6,724

PUB (MPI) 1-80

Part and Chapter:	Part V Claims Incurred	Page No.:	43
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:			

Preamble to IR:

For Property Damage, the 2021 GRA does not include a Frequency table showing the frequency by coverage category along with the short, medium, and long-term trend indications.

Question:

Please provide (in Excel) the Frequency table for Property Damage (similar to 2021 GRA PUB (MPI) 1-11).

Rationale for Question:

To gain insight into the selection of the frequency trends.

RESPONSE:

Please see Figure 1 below. The figure is also included in the workbook in Excel format.

Figure 1 Property Damage Frequency per HTA Unit by Coverage Category

Line No.	Accident Year	Third Party Deductible Transfer Frequency	% Change	Third Party Loss of Use Frequency	% Change	All Other Frequency	% Change
1	2011/12	0.043	-12.98%	0.022	-11.15%	0.004	0.22%
2	2012/13	0.048	12.39%	0.025	14.52%	0.004	2.58%
3	2013/14	0.049	1.02%	0.025	0.14%	0.004	1.24%
4	2014/15	0.042	-14.94%	0.022	-14.27%	0.004	-5.93%
5	2015/16	0.042	0.90%	0.022	0.01%	0.003	-3.56%
6	2016/17	0.042	0.18%	0.022	0.09%	0.004	4.13%
7	2017/18	0.043	1.92%	0.023	6.59%	0.004	6.60%
8	2018/19	0.041	-4.34%	0.021	-7.43%	0.003	-12.92%
9	2019/20	0.037	-8.75%	0.019	-10.28%	0.003	-3.38%
10	2020/21	0.025	-32.94%	0.014	-25.27%	0.003	-20.64%
11	Straight Average						
12	3-year	0.035	-15.34%	0.018	-14.33%	0.003	-12.31%
13	5-year	0.038	-8.78%	0.020	-7.26%	0.003	-5.24%
14	10-year	0.041	-5.75%	0.022	-4.71%	0.003	-3.16%

PUB (MPI) 1-81

Part and Chapter:	Part V Claims Incurred	Page No.:	49-50
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:	Hail recoveries		

Preamble to IR:

The Corporation has an excess of \$40 million hail reinsurance cover in place. In the 2022 GRA it does not include any expected recoveries under the reinsurance protection in the pricing indication.

Question:

- a) For each Accident year from 2011/12 to 2020/21, please provide the claim information for each hail event that would have potentially contributed to the reinsurance cover. Please provide the accident year, the number of claims and the average severity for each of repair and total loss. Please also apply the 3.5% repair trend to bring the repair claims to the 2022/23 accident year and the 3.0% total loss trend to bring the total loss claims to the 2022/23 accident year.
- b) To the extent that, once trended, the historical hail claims would have pierced the reinsurance protection, please provide the results of an alternative analysis of the Basic rate requirement (overall and by Major Use classification) assuming the portion of claims dollars which would have historically pierced the reinsurance protection were excluded from the projected future claims. Please include alternate AAP rate indications, with supporting schedules including pro formas as appropriate.

- c) If no historical claims would have pierced the reinsurance protection, please provide evidence that shows why the reinsurance coverage is a good use of ratepayer funds.

Rationale for Question:

To understand the impact of the catastrophe reinsurance protection on the required rate need of the Corporation.

RESPONSE:

- a) Please see Figure 1 below, which provides claim-level details based on combined repair and total loss claims. Detailed information relating to the split of repair and total loss claims was not available at the time of preparation. MPI used this report to go back to 1994 to better illustrate past experience. It applied a severity trend of 3.50% to bring the losses to the 2022/23 level. MPI added storms resulting in losses exceeding \$1M to the aggregate amount but only added the amount above the \$1M deductible. The last column indicates the amount MPI would have ceded under the current reinsurance policy.

Figure 1 Restated Hail Losses 2022/23 Levels (1994-Present)

Line No.	Accident Year	Claim Counts	Trended Severity	Sum of Trended Incurred (\$M)	Sum of Excess after \$1M Deductible (\$M)	Excess over \$40M (\$M)
1	1994/95	2,190	\$4,894	\$10.7	\$7.7	\$0.0
2	1995/96	3,428	\$4,945	\$17.0	\$14.0	\$0.0
3	1996/97	24,839	\$4,875	\$121.1	\$120.1	\$80.1
4	1997/98	1,873	\$3,457	\$6.5	\$3.7	\$0.0
5	1998/99	1,515	\$2,993	\$4.5	\$2.5	\$0.0
6	1999/00	1,107	\$3,243	\$3.6	\$1.7	\$0.0
7	2000/01	913	\$3,907	\$3.6	\$0.2	\$0.0
8	2001/02	12,848	\$4,367	\$56.1	\$49.2	\$9.2
9	2002/03	526	\$4,036	\$2.1	\$0.0	\$0.0
10	2003/04	2,268	\$3,882	\$8.8	\$6.1	\$0.0
11	2004/05	169	\$7,789	\$1.3	\$0.0	\$0.0
12	2005/06	5,511	\$4,541	\$25.0	\$12.7	\$0.0
13	2006/07	4,017	\$4,872	\$19.6	\$14.6	\$0.0
14	2007/08	19,137	\$5,467	\$104.6	\$95.7	\$55.7
15	2008/09	1,039	\$5,567	\$5.8	\$2.8	\$0.0
16	2009/10	11,413	\$4,755	\$54.3	\$51.0	\$11.0
17	2010/11	6,425	\$5,047	\$32.4	\$26.8	\$0.0
18	2011/12	7,162	\$5,654	\$40.5	\$30.7	\$0.0
19	2012/13	7,032	\$4,088	\$28.7	\$22.3	\$0.0
20	2013/14	5,788	\$4,656	\$26.9	\$20.0	\$0.0
21	2014/15	2,822	\$5,043	\$14.2	\$6.7	\$0.0
22	2015/16	11,944	\$5,371	\$64.2	\$51.0	\$11.0
23	2016/17	9,863	\$4,828	\$47.6	\$31.2	\$0.0
24	2017/18	1,368	\$3,785	\$5.2	\$0.8	\$0.0
25	2018/19	10,007	\$4,865	\$48.7	\$43.9	\$3.9
26	2019/20	2,027	\$3,423	\$6.9	\$3.6	\$0.0
27	2020/21	1,615	\$4,908	\$7.9	\$4.4	\$0.0
28				Straight Average		
29	5-year	4,976	\$4,362	\$23.3	\$16.8	\$0.8
30	10-year	5,963	\$4,662	\$29.1	\$21.5	\$1.5
31	All-Year	5,883	\$4,639	\$28.4	\$23.1	\$6.3

- b) MPI is currently not forecasting any catastrophic hail storms to pierce the current reinsurance layer. MPI would have to forecast at least \$40M of hail losses to gain any recoveries. The current reinsurance policy protects Manitobans from volatile rate changes resulting from catastrophic hail storms.

- c) As provided in part a), with the inclusion of trending, the current reinsurance program would have been pierced 6 times in the past 27 years. Please refer to CAC (MPI) 1-61 for the rationale supporting the purchase of reinsurance coverage.

PUB (MPI) 1-82

Part and Chapter:	Part VI Ratemaking	Page No.:	RM Appendix 9 Table 13
PUB Approved Issue No:	13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system		
Topic:	Ratemaking		
Sub Topic:			

Preamble to IR:

PUB Order 1/21 stated, in part:

11. In the 2022 GRA, the Corporation shall file proposed driver premium rates and vehicle premium discounts that are more statistically consistent with the estimated claims cost per driver for each level of the Driver Safety Rating scale, including incorporating the Driver Safety Rating into its minimum bias analysis used to set rating relativities.

In the 2021 GRA, an analysis was provided which included the DSR in the calculation of the relativities for territory and use. Submitted after the initial 2022 GRA filing, the DSR analysis (Part VI DSR Appendix 1 page 4) provided indicated that territory and use and vehicle rate groups were used in the estimation of the DSR discount.

Question:

- a) Could MPI please confirm that the territory and use relativities in RM Appendix 9 Table 13 are based on a minimum bias analysis that incorporates DSR?
- b) If the answer to a) is negative, could MPI please provide the indicated territory and use relativities based on a minimum bias analysis that incorporates DSR and vehicle rate groups?

- c) If the answer to b) is affirmative, could MPI please provide the indicated territory and use relativities based on a minimum bias analysis that does not incorporate DSR?

Rationale for Question:

To gain insight into the impact of including DSR in the minimum bias for territory and use relativity indications.

RESPONSE:

- a) The territory and use relativities in Part VI, RM Appendix 9, Table 13 are based on a minimum bias analysis that does not incorporate DSR.
- b) Please see Figures 1 and 2 below comparing the territory and insurance use relativities from the DSR pricing analysis (Part VI DSR Appendix 1) to the corresponding relativities used to derive rates. MPI compares to the territory relativities for the Private Passenger major class (Figure 1) because all merit eligible passenger vehicles and light trucks used in the DSR pricing analysis are in that major class, and represent more than 99% of total vehicles in that major class.

Figure 1 Territory Relativity

Line No.	Territory	Private Passenger Relativity (a)	Merit Eligible Vehicle Relativity (b)		
			Colli, Comp, PD & BI	PIPP	Overall
1	1	1.0558	1.0404	0.8996	1.0078
2	2	0.9233	0.9519	1.1321	0.9932
3	3	0.9694	0.9386	0.5391	0.8629
4	4	0.9520	0.8479	0.8995	0.8729
5	5	1.0596	1.0283	1.1795	1.0564

6 Notes:

7 (a) Balanced Raw Relativity per RM Appendix 9, Table 13

8 (b) Based on the merit eligible passenger vehicles and light trucks used
 9 in the DSR analysis per DSR Appendix 1

Figure 2 Insurance Use Relativity

Line No.	Insurance Use	Passenger Vehicle Relativity (a)	Light Truck Relativity (a)	Merit Eligible Vehicle Relativity (b)		
				Colli, Comp, PD & BI	PIPP	Overall
1	All Purpose	1.1663	1.0568	1.0794	1.0026	1.0562
2	Farming All Purpose		0.7859	1.1218	0.8706	1.0589
3	Fishing All Purpose		0.8335	0.9984	0.1559	0.8267
4	Pleasure	0.8607	0.7067	0.8496	1.0115	0.8970
5	Farm Passenger Vehicle	0.8205		1.0695	1.1445	1.0782
6	Collector	0.1187	0.0637	0.7167	0.3697	0.6729
7	Passenger VFH	2.8181	1.2787	1.9839	0.6080	1.6094
8	Notes:					
9	(a) Balanced Raw Relativity per <i>RM Appendix 9, Table 13</i>					
10	(b) Based on the merit eligible passenger vehicles and light trucks used					
11	in the DSR analysis per <i>DSR Appendix 1</i>					

The territory and insurance use relativities presented in *Figures 1 and 2* are not directly comparable. *Figure 3* presents the differences in methodology when deriving these relativities.

Figure 3 Comparison of Methodology

Line No.	Relativites Used to Derive Rates	Relativites from the DSR Analysis
1	Two rating variables used in the minimum bias procedure - territory and insurance use	Five rating variables used in the minimum bias procedure - territory, insurance use, rate group, DSR level and vehicle type
3	Minimum bias procedure ran using all loss costs	Minimum bias procedure ran separately for PIPP loss costs and for other than PIPP (Collision, Comprehensive, Property Damage and Bodily Injury) loss costs
4		
5		
6	Serious Losses adjusted to reflect the 10-year average	No adjustment for Serious Losses
7	PIPP losses based on insurance years 2016 to 2020	PIPP losses based on insurance years 2013 to 2018
8	(adjusted for Serious Losses)	

c) Please see the response to (a).

PUB (MPI) 1-83

Part and Chapter:	Part VI DSR	Page No.:	3 Appendix 1
PUB Approved Issue No:	13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system		
Topic:	Driver Safety Rating		
Sub Topic:			

Preamble to IR:

MPI indicates that for Collision, Comprehensive, Property Damage and Bodily Injury coverages, it used the reported losses and earned units as of December 31, 2020 for insurance years 2016 to 2020.

For PIPP MPI used reported losses and earned units as of February 28, 2021 for insurance years 2013 to 2018.

Question:

- a) Could MPI please provide the starting and ending dates for each insurance year?
- b) If the 2020 insurance year includes the pandemic, could MPI please indicate if any adjustments were performed?
- c) Could MPI please indicate why for other than PIPP it used claims as of December 31, 2020?
- d) Are the PIPP insurance costs on the same basis and time frame as that used for the territory and use relativities?

Rationale for Question:

To understand the selection process for the data used for the DSR indications.

RESPONSE:

- a) Other than insurance year 2020, which is from March 1, 2020 to March 31, 2021, all other insurance years are from March 1 to February 28/29.

Losses for Collision, Comprehensive, Property Damage and Bodily Injury coverages were developed to December 31, 2020. Losses for PIPP were developed to February 28, 2021.

- b) MPI confirms that insurance year 2020 includes the experience resulting from the pandemic. MPI did not adjust for the impacts of the pandemic because the impact is universal, i.e. all groups (territories, insurance use, rate groups and DSR levels) were affected. Further, MPI looked at multiple historical insurance years as well as credibility to ensure that the experience of one year did not significantly affect the results.
- c) The reason MPI used losses developed to December 31, 2020 for Other than PIPP is primarily due to timing. The rate line analysis to determine rate group relativities, which includes DSR as a rating variable, was completed earlier to facilitate the completion of the ratemaking process for GRA filing. Since PIPP is included as a flat cost in determining rate group relativities, MPI was able to perform the DSR relativities analysis for PIPP later, and therefore the use of losses developed to a later date.
- d) PIPP losses for the DSR relativities analysis are on the same basis as that used for the territory and use relativities, i.e. based on the claims costs allocation for PIPP coverages pursuant to PUB Order 97/05. However, for the territory and use relativities, the losses were developed to March 31, 2021 compared to February 28, 2021 for the DSR relativities analysis.

PUB (MPI) 1-84

Part and Chapter:	Part VI DSR	Page No.:	9 DSR-1, DSR APP 1-6
PUB Approved Issue No:	13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system		
Topic:	DSR Scale		
Sub Topic:	Actuarially indicated rate		

Preamble to IR:

DSR-1 provides a comparison of the current DSR rate with the Actuarially indicated rate. MPI has indicated that registered owners at DSR levels +10 to +15 will have lower average premiums. However, to offset the revenue loss the average base rate at DSR level zero would have to be increased by 22% or \$334. Although this scenario provides a snapshot of a potential future state, rate changes of this magnitude are not publicly acceptable in a one-year period.

Question:

- a) Please update DSR-2 to reflect the actual variances as each DSR level. Compare actuarial to proposed rate.
- b) Please indicate what the revenue shortfall would be if calculated surcharges were based on the indicated surcharge. Please provide the supporting calculation based on the forecast number of drivers at each demerit level in 2022/23.
- c) Please explain why the Corporation has not proposed any changes in driver premium surcharges.

Rationale for Question:

To understand implications of moving the DSR scale towards actuarial indicated rates.

RESPONSE:

a) Please see Figure 1 below:

Figure 1 Selected Discounts

Line No.	DSR	Discount				
		Indicated	Current	Selected	Sel'd less Current	Indicated less Sel'd
1	15	56.0%	33.0%	37.0%	4.0%	19.0%
2	14	45.6%	30.0%	32.0%	2.0%	13.6%
3	13	44.8%	29.0%	31.0%	2.0%	13.8%
4	12	43.6%	28.0%	30.0%	2.0%	13.6%
5	11	42.1%	27.0%	29.0%	2.0%	13.1%
6	10	40.2%	26.0%	27.0%	1.0%	13.2%
7	9	37.9%	25.0%	25.0%	0.0%	12.9%
8	8	35.3%	25.0%	25.0%	0.0%	10.3%
9	7	32.2%	25.0%	25.0%	0.0%	7.2%
10	6	28.8%	20.0%	20.0%	0.0%	8.8%
11	5	25.0%	15.0%	15.0%	0.0%	10.0%
12	4	20.8%	15.0%	15.0%	0.0%	5.8%
13	3	16.2%	10.0%	10.0%	0.0%	6.2%
14	2	11.2%	10.0%	10.0%	0.0%	1.2%
15	1	5.8%	5.0%	5.0%	0.0%	0.8%
16	0	0.0%	0.0%	0.0%	0.0%	0.0%

b) Please see Figure 2 below. The indicated Driver License Fees comes from Part VI DSR Appendix 1, Figure DSR App 1-4.

Figure 2 Driver Premiums Shortfall with Indicated Surcharges

Line No.	DSR Level	Driver License Fees			2022/23 Appeal Reduction	2022/23 Earned Driver Units	2022/23 Driver Premiums*		
		Current	Indicated	Indicated			Current	Indicated	less Current
1	-1	200	122	0.00%	12,308	2,461,538	1,506,520	-955,018	
2	-2	200	180	0.50%	10,020	1,993,898	1,797,625	-196,273	
3	-3	300	241	0.67%	7,298	2,174,710	1,744,200	-430,510	
4	-4	400	303	0.50%	9,009	3,585,462	2,719,635	-865,827	
5	-5	450	369	1.78%	6,598	2,916,381	2,390,204	-526,178	
6	-6	500	437	0.20%	4,000	1,995,978	1,744,236	-251,742	
7	-7	650	508	0.46%	3,591	2,323,498	1,815,584	-507,914	
8	-8	800	582	0.88%	2,723	2,159,302	1,570,507	-588,795	
9	-9	900	659	1.11%	2,323	2,067,247	1,513,479	-553,768	
10	-10	1,000	739	0.90%	2,240	2,220,137	1,641,150	-578,987	
11	-11	1,200	823	0.75%	1,253	1,492,760	1,023,667	-469,093	
12	-12	1,400	910	2.36%	1,300	1,776,875	1,155,157	-621,718	
13	-13	1,600	1,001	2.31%	1,625	2,539,704	1,589,060	-950,643	
14	-14	1,800	1,096	1.72%	729	1,289,294	784,986	-504,307	
15	-15	2,000	1,195	2.35%	749	1,462,488	873,702	-588,786	
16	-16	2,200	1,298	2.45%	633	1,359,036	801,797	-557,239	
17	-17	2,400	1,406	2.13%	384	902,529	528,547	-373,982	
18	-18	2,600	1,518	2.92%	372	938,105	547,607	-390,498	
19	-19	2,800	1,635	2.29%	275	752,849	439,552	-313,298	
20	-20	3,000	1,757	4.03%	2,074	5,969,827	3,496,185	-2,473,642	
21	Total				69,503	42,381,617	29,683,399	-12,698,218	

22 *Adjusted for appeal reduction

c) MPI did not propose changes in driver premium surcharge due to the following:

- The calculated surcharges and the current surcharges are not directly comparable. Per *Part VI DSR Appendix 1, page 12*, "The calculated surcharges apply to vehicles insured by registered owners with the respective DSR level. However, the current surcharges are applicable at the driver level (i.e. based on the DSR level of the driver)."
- Further, per *Part VI DSR Appendix 1, page 13*, "The calculated surcharges represent the minimum surcharges for drivers with the respective DSR

levels” given that the discount was calculated including the loss experience of other drivers with higher DSR levels.

- MPI wanted to focus on the top end of the scale (i.e. DSR levels +10 to +15), which contains approximately 50% of the drivers, thereby benefitting a large group of policyholders who should receive a higher vehicle premium discount based on actuarial indications.

PUB (MPI) 1-85

Part and Chapter:	Part VI DSR Part V Rev	Page No.:	9 DSR-1
PUB Approved Issue No:	13. Driver Safety Rating (DSR), including but not limited to MPI's progress towards changes to the DSR system		
Topic:	DSR Scale		
Sub Topic:	Actuarially indicated rate		

Preamble to IR:

In order to manage the required increase in the base rate and year-to-year rate dislocation, changes to the DSR must occur over several years. MPI is currently developing a strategy to move the DSR vehicle discounts and driver premiums to actuarial targets in a timely manner and will consider the following:

- An appropriate timeline (e.g. 5 years)
- The methodology for moving rates from current to target and whether this approach should be purely actuarial (e.g. each year move 1/5 of the difference between current and target rates by DSR level) or include other policy considerations (e.g. change DSR discounts more/less depending on the size of the overall rate indication applied for each year)
- If capping rules should be applied to limit rate increases caused by DSR changes in a given year (e.g. a 5% cap on single year movements from DSR)
- Customer and stakeholder feedback

If MPI increased the current discounts to the calculated discounts, it estimates that it would require a 21.7% increase in the base rate (for merit eligible passenger vehicles and light trucks) to offset the revenue loss from providing higher discounts (i.e. to achieve revenue neutrality).

Question:

- a) Please provide an illustrative scale demonstrating the expected organic growth to the DSR scale over the next five years.
- b) Please provide an illustrative scale demonstrating the expected organic DSR scale over the next five years on a purely actuarial basis with no capping.
- c) Please illustrate how a capping mechanism would work in applying for single year movements.
- d) Does MPI anticipate that the discounts offered for each of DSR 15 to DSR 20 will be different? If so, could MPI please provide its current best estimate of what the entire scale might look like over each of the next five years.

Rationale for Question:

To understand implications of moving the DSR scale towards actuarially indicated rates.

RESPONSE:

- a) MPI will increase the top end of the DSR scale from the current DSR level 15 to DSR level 20, adding one level a year starting with DSR level 16 in 2022/23 and ending with DSR level 20 in 2026/27.
- b) Figure 1 below presents the changes to the vehicle premium discounts over the next five years, based on the following assumptions:
 - The indicated vehicle premium discounts based on the current pricing review per Part VI DSR Appendix 1 will not change materially in subsequent reviews;
 - MPI will move one-fifth (1/5) of the difference between current and indicated vehicle premium discounts each year, rounding the discount percentage to the nearest whole number (i.e. 33% rather than 33.3%);

- Changes to the base rate are not capped, and do not take into consideration the overall rate change in each year; and
- The indicated vehicle premium discount for DSR level 15 is applicable to DSR levels 15 to 20 (practically, this will not be the case per the response to (d) above).

Figure 1 Vehicle Premium Discounts

Line No.	DSR Level	Discount % for Rating Year...*						Change to Discount % for Rating Year...				
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2022/23	2023/24	2024/25	2025/26	2026/27
1	15	33%	38%	42%	47%	51%	56%	5%	4%	5%	4%	5%
2	14	30%	33%	36%	39%	42%	46%	3%	3%	3%	3%	4%
3	13	29%	32%	35%	38%	42%	45%	3%	3%	3%	4%	3%
4	12	28%	31%	34%	37%	41%	44%	3%	3%	3%	4%	3%
5	11	27%	30%	33%	36%	39%	42%	3%	3%	3%	3%	3%
6	10	26%	29%	32%	35%	37%	40%	3%	3%	3%	2%	3%
7	9	25%	28%	30%	33%	35%	38%	3%	2%	3%	2%	3%
8	8	25%	27%	29%	31%	33%	35%	2%	2%	2%	2%	2%
9	7	25%	26%	28%	29%	31%	32%	1%	2%	1%	2%	1%
10	6	20%	22%	24%	25%	27%	29%	2%	2%	1%	2%	2%
11	5	15%	17%	19%	21%	23%	25%	2%	2%	2%	2%	2%
12	4	15%	16%	17%	18%	20%	21%	1%	1%	1%	2%	1%
13	3	10%	11%	12%	14%	15%	16%	1%	1%	2%	1%	1%
14	2	10%	10%	10%	11%	11%	11%	0%	0%	1%	0%	0%
15	1	5%	5%	5%	5%	6%	6%	0%	0%	0%	1%	0%

16 *2021/22 reflects current vehicle premium discounts and 2026/27 reflects indicated vehicle premium discounts

- c) Similar to what MPI proposes for the 2022 GRA, MPI recommends changes to the vehicle premium discounts and/or driver license fees, to also move these closer to the actuarial indications, such that the impact of these changes will increase the base rates by no more than an agreed upon cap (e.g. 5%). The cap would be determined by considering the overall rate change in each application. For example, if an application indicated a rate increase, MPI would lower the cap.
- d) MPI anticipates that discounts for each of DSR 15 to DSR 20 levels will be different given the large increase in the calculated discount for DSR level 15 compared to DSR level 14 per *Part VI DSR Appendix 1, Figure DSR App 1-4*. In the absence of supporting data, MPI cannot estimate the discounts for each of DSR 15 to DSR 20.

PUB (MPI) 1-86

Part and Chapter:	Part III Benchmarking	Page No.:	27
PUB Approved Issue No:	14. Operational benchmarking		
Topic:	Operational Benchmarking		
Sub Topic:	Crown Benchmarking		

Preamble to IR:

In discussing the comparison of FTE's per \$100M of GPW, MPI notes that some companies outsource more insurance functions than others. Therefore, differences in business models and the dependency on third parties must be considered when comparing organizations using this metric across the other Crown corporations.

MPI indicates that its business model is unique, providing end-to-end customer service and as a result, MPI requires more employees than its peers.

Question:

- a) What is MPI's understanding of what functions are outsourced by Saskatchewan Auto Fund (SAF) and ICBC?
- b) Please file a table of data used to support the determination of the metrics for MPI, SAF and ICBC.
- c) Please file any external reports or analyses that were prepared to perform the benchmarking exercise.

Rationale for Question:

To understand the peer group used for benchmarking.

RESPONSE:

- a) MPI, as part of the 2020/21 Crown Benchmarking that will be completed by end of year 2021 for the 2023 GRA, will provide additional analysis for outsourcing utilized by the Saskatchewan Auto Fund (SAF) and ICBC. MPI will need corroboration and approval from SAF and ICBC to ensure alignment and release of this data.

- b) MPI aligned the metrics used for the Crown Benchmarking exercise with SGI and ICBC finance leadership. MPI included the metrics in the *Benchmarking chapter.*

- c) There are no additional reports to file at this time.

PUB (MPI) 1-87

Part and Chapter:	Part VII Risk Management	Page No.:	5 Appendix 5
PUB Approved Issue No:	16. Risk Assessment and Risk Management		
Topic:	PIPP changes		
Sub Topic:			

Preamble to IR:

The Risk Management Framework indicates that the PIPP Product changes that were previously targeted for 2021 are now targeted for implementation in 2022. This change in timeline is due to changes in the government timeline for legislative changes.

Question:

- a) Could MPI please provide details on the changes to the PIPP and the legislative changes that are required to implement the changes?
- b) If the changes to PIPP would have an impact on expected claims costs, please provide a complete analysis of the expected impact.
- c) If there is an impact on expected claims costs, not currently reflected in the 2022 GRA, please provide the results of an alternative analysis of the Basic rate requirement (overall and by Major Use classification) including this impact. Please include alternate AAP rate indications, with supporting schedules as appropriate.

Rationale for Question:

To understand the PIPP changes.

RESPONSE:

a) and b)

The response by MPI to Information Request CAC (MPI) 1-29 (2020 GRA) provides a high level overview of the PIPP review:

"This proposal has not yet been adopted by government, and is not reflected in, or otherwise has any bearing on, the 2020 GRA rate request.

The total net Personal Injury Protection Plan (PIPP) incurred savings are calculated as being \$5.1 million annually:

- Two recommendations related to Income Replacement Indemnity (IRI) entitlement for non-earners, part-time earners, and temporary earners could produce an annual incurred savings of \$4.9 million.*
- Two recommendations related to residual capacity determinations could produce an annual incurred savings \$390,000.*
- Five recommendations to modernize and/or enhance coverage could produce an annual incurred cost of \$189,000."*

No updates are available as to the status of these legislative and regulatory changes as government approval remains pending.

c) MPI outlined the anticipated financial impacts in the response to part a) above. Impacts on rate requirements will depend on the specifics of government approval of the legislative amendments, and therefore too speculative at this stage. Following approval, MPI will confirm the impacts in subsequent rate applications.

PUB (MPI) 1-88

Part and Chapter:	2022 Special Rebate Application	Page No.:	LA.4 Rebate Rules p. 22 and 23
PUB Approved Issue No:	18a Special Rebate Application for actual and projected savings generated between March 31, 2021 and September 30, 2021		
Topic:	Rebate Rules		
Sub Topic:			

Preamble to IR:

MPI proposes a rebate to Basic customers who had a policy that earned premiums between November 22, 2020 and December 09, 2021.

Question:

Please confirm that the amount of rebate a qualifying policyholder will be entitled to will be calculated based on the amount of premiums earned during the period, net of any premium discount.

Rationale for Question:

To better understand the rebate rules.

RESPONSE:

Confirmed.

PUB (MPI) 1-89

Part and Chapter:	2022 Special Rebate Application	Page No.:	12, 13 Figure 6, 7
PUB Approved Issue No:	18. a Special Rebate Application for actual and projected savings generated between March 31, 2021 and September 30, 2021		
Topic:	COVID-19 Impact		
Sub Topic:			

Preamble to IR:**Question:**

- a) Please refile Figure 6 with an updated Excel worksheet including 2020/21 actual in the 2022 GRA comparison and provide the difference for the 2020/21 year.
- b) Please refile Figure 7 indicating which months reflect actual results versus forecast.
- c) Please reconcile Figure 7 to the applicable Figure in the Claims Incurred chapter of the 2022 GRA.

Rationale for Question:

To understand the impact of COVID -19 on Claims Incurred.

RESPONSE:

- a) See Figure 1 below for an revised Figure 6:

Figure 1 Refiled 2022 Special Rebate Application Figure 6

Line

No.	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1	<i>(\$000)</i>					
2	Weekly Indemnity	(\$23,759)	(\$380)	\$4,697	\$8,706	\$10,880
3	ABO - Indexed	(\$3,556)	(\$6,010)	(\$1,330)	\$275	\$1,360
4	ABO – Non-Indexed	(\$14,482)	(\$4,749)	(\$2,073)	(\$1,838)	(\$1,745)
5	PIPP Enhancements	(\$519)	\$207	(\$88)	\$118	\$1,823
6	Public Liability - BI	(\$276)	\$210	\$321	\$550	\$759
7	Collision	(\$103,564)	(\$36,184)	(\$10,263)	(\$11,130)	(\$11,775)
8	Comprehensive	(\$22,281)	(\$2,062)	(\$2,628)	(\$2,945)	(\$3,299)
9	Property Damage	(\$8,811)	(\$4,230)	(\$1,062)	(\$1,035)	(\$998)
10	Basic Total	(\$177,249)	(\$53,198)	(\$12,427)	(\$7,298)	(\$2,995)

- b) For clarity, MPI split Figure 7 into two separate figures, one representing the MPI fiscal period budgeted claims versus actual and the other representing the ultimate claims MPI estimated and forecasted for the given loss month (as of March 31, 2021).

Figure 1 Budgeted and Actual Claims by Reported Month

Line No.	Reported Month	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
		Direct Basic Collision Incurred	Direct Basic Collision Incurred	Direct Basic Collision Incurred
1	Apr-20	\$31,555,949	\$12,693,238	(\$18,862,711)
2	May-20	\$29,999,545	\$16,356,897	(\$13,642,648)
3	Jun-20	\$29,963,557	\$24,343,914	(\$5,619,643)
4	Jul-20	\$32,120,691	\$28,965,298	(\$3,155,393)
5	Aug-20	\$32,394,818	\$28,616,752	(\$3,778,066)
6	Sep-20	\$34,187,907	\$31,060,434	(\$3,127,473)
7	Oct-20	\$39,498,048	\$33,826,692	(\$5,671,356)
8	Nov-20	\$44,780,915	\$31,522,812	(\$13,258,103)
9	Dec-20	\$50,065,715	\$28,372,825	(\$21,692,890)
10	Jan-21	\$55,351,829	\$33,973,527	(\$21,378,302)
11	Feb-21	\$43,085,903	\$27,810,055	(\$15,275,848)
12	Mar-21	\$40,933,158	\$25,947,763	(\$14,985,395)
13	Apr-21	\$24,392,118		
14	May-21	\$27,376,512		
15	Jun-21	\$28,138,600		
16	Jul-21	\$29,632,911		
17	Aug-21	\$30,085,463		
18	Sep-21	\$31,563,736		
19	Oct-21	\$40,299,630		
20	Nov-21	\$45,821,828		
21	Dec-21	\$45,139,650		
22	Jan-22	\$53,661,314		
23	Feb-22	\$40,888,522		
24	Mar-22	\$37,518,278		

Figure 2 Ultimate Claims - Basic Collision

Line No.	Accident Month	2022 GRA Collision Incurred	Collision Claim Counts
1	Apr-20	\$15,538,461	3,939
2	May-20	\$18,911,783	4,931
3	Jun-20	\$24,509,482	6,284
4	Jul-20	\$27,515,991	6,730
5	Aug-20	\$27,091,030	6,599
6	Sep-20	\$28,398,902	6,757
7	Oct-20	\$35,225,007	7,996
8	Nov-20	\$28,509,377	6,098
9	Dec-20	\$32,870,520	7,068
10	Jan-21	\$29,912,910	6,802
11	Feb-21	\$28,509,208	7,098
12	Mar-21	\$27,043,964	6,486
13	Apr-21	\$21,987,607	5,526
14	May-21	\$24,207,352	5,867
15	Jun-21	\$25,959,187	6,109
16	Jul-21	\$28,956,341	6,853
17	Aug-21	\$29,319,113	6,802
18	Sep-21	\$30,870,126	6,987
19	Oct-21	\$41,685,632	9,152
20	Nov-21	\$48,149,234	9,985
21	Dec-21	\$52,082,316	11,566
22	Jan-22	\$50,305,665	11,572
23	Feb-22	\$41,290,972	9,729
24	Mar-22	\$32,799,535	7,880

- c) Figure 1 is not located in the 2022 GRA as it represents the MPI budget for the fiscal year, which it did not complete prior to the filing of the 2022 GRA.

Figure 2 is the breakdown of Figure CI-39, excluding the impacts from CERP. Similar claim counts are derived from claim frequency by multiplying the claim frequency by the assumed HTA Earned Units.

PUB (MPI) 1-90

Part and Chapter:	2022 Special Rebate Application LA.3 Capital Management Plan	Page No.:	19
PUB Approved Issue No:	18. a Special Rebate Application for actual and projected savings generated between March 31, 2021 and September 30, 2021		
Topic:	Capital Management Plan		
Sub Topic:			

Preamble to IR:**Question:**

Please restate Figure 12 reflecting an alternative scenario under which the excess Extension capital was transferred to Basic in 2020/21 and 2021/22 instead of DVA.

Rationale for Question:

To understand the implications of not transferring Extension capital to Basic.

RESPONSE:

Please see Figure 1 below reflecting an alternative scenario under the following assumptions:

- i. Excess Extension capital is transferred to Basic in 2020/21 and 2021/22
- ii. Rebate excess Capital from Basic such that ending 2021/22 equals 100% MCT

Figure 1 Total Equity and MCT

Line No.	Basic Total Equity					
	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
1						
2	(\$000)					
3	2022 GRA - PUB 1-90	493,977	464,774	516,574	583,051	650,246
4	2021 SRA II	504,854	553,013	553,210	548,106	542,722
5	Change	(10,877)	(88,239)	(36,636)	34,945	107,524
6	Transfer from Extension					
8	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
8	(\$000)					
9	2022 GRA - PUB 1-90	60,000	54,664	39,130	46,688	52,840
10	2021 SRA II	59,426	31,689	36,384	39,978	42,340
11	Change	574	22,975	2,746	6,710	10,500
12	Basic Rebate					
13	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
14	(\$000)					
15	2022 GRA - PUB 1-90	(282,626)	(156,048)	-	-	-
16	2021 SRA II	(127,000)	-	-	-	-
17	Change	(155,626)	(156,048)	-	-	-
18	MCT Ratio					
19	Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
20	2022 GRA - PUB 1-90	100.0%	100.0%	102.2%	110.7%	121.3%
21	2021 SRA II	116.5%	111.1%	105.5%	101.6%	99.0%
22	Change	-16.5%	-11.1%	-3.3%	9.1%	22.3%

While the scenario shows that transferring excess Extension capital to Basic could have increased the Basic rebate to ratepayers, the effects of administering the DVA line of business are not shown. As mentioned in *CAC (MPI) 1-97*, had the transfer from Extension to DVA not occurred, MPI expects that the Government of Manitoba would have raised DVA fees and thereby increased the cost of future services accessed by Manitobans.

MANITOBA PUBLIC INSURANCE
2022 GENERAL RATE APPLICATION
Confidential Information Requests with Public Responses
August 17, 2021

Public Utilities Board



**MANITOBA
PUBLIC INSURANCE**

PUB (MPI) CI 1-4 - CONFIDENTIAL

Part and Chapter:	Part VIII AR Appendix 1 - Confidential	Page No.:	8, Figure INV-2
PUB Approved Issue No:	4. Financial Forecast 8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolio		
Sub Topic:	Financial Presentation		

Preamble to IR:**Question:**

Provide reconciliation between the Basic investment portfolio reported in the Basic annual report with that presented in the Application in Figure INV-2.

Rationale for Question:

To understand the financial presentation of the Basic investment portfolio.

RESPONSE:

The discrepancy between the Basic investment portfolio reported in the Basic annual report with that presented in the Application in Figure INV-2 resulted from the erroneous allocation of cash and short-term investments. MPI will refile Investments Chapter Figure INV-2 in order to ensure the alignment of the figures with the Basic audited financial statements.

Figure 1 Investment Portfolio Asset Values for the Basic Line of Business (updated Investments Chapter Figure INV-2)

Line No.	Reference Section #	2015/16 Actual*	2016/17 Actual*	2017/18 Actual*	2018/19 Actual*	2019/20 Actual*	2020/21 Actual**	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
1	<i>Ending Asset Values (C\$ 000,000's)</i>											
2	Cash/Short Term Investments	32	65	76	166	187	139	100	100	100	100	100
3	Provincial Bonds	898	972	984	1,111	1,199	1,230	1,301	1,316	1,404	1,506	1,608
4	Corporate Bonds			99	99	478	617	651	676	711	749	789
5	MUSH	530	569	527	491	520	494	488	481	472	462	451
6	Private Debt	0	0	0	0	79	115	140	208	226	246	266
7	Canadian Equities	256	282	226	267	56	110	114	129	142	155	169
8	US/Global Equities	142	138	124	133	107	146	159	177	193	210	228
9	Global LV Equities	0	0	0	0	54	82	88	100	109	120	131
10	Real Estate Investments	225	244	259	286	97	86	125	138	149	161	174
11	Infrastructure & Venture Capital	73	86	87	96	77	73	76	84	91	98	105
12	Total Assets	2,155	2,357	2,381	2,649	2,853	3,092	3,241	3,409	3,596	3,807	4,021
13	Ending Rebalanced Allocations (%)											
14	Cash/Short Term Investments	1.5%	2.8%	3.2%	6.3%	6.5%	4.5%	3.1%	2.9%	2.8%	2.6%	2.5%
15	Provincial Bonds	41.6%	41.3%	41.3%	42.0%	42.0%	39.7%	40.1%	38.6%	39.0%	39.6%	40.0%
16	Corporate Bonds	0.0%	0.0%	4.2%	3.7%	16.7%	19.9%	20.1%	19.8%	19.8%	19.7%	19.6%
17	MUSH	24.6%	24.2%	22.1%	18.5%	18.2%	16.0%	15.1%	14.1%	13.1%	12.1%	11.2%
18	Private Debt	0.0%	0.0%	0.0%	0.0%	2.8%	3.7%	4.3%	6.1%	6.3%	6.5%	6.6%
19	Canadian Equities	11.9%	12.0%	9.5%	10.1%	2.0%	3.6%	3.5%	3.8%	3.9%	4.1%	4.2%
20	US/Global Equities	6.6%	5.9%	5.2%	5.0%	3.7%	4.7%	4.9%	5.2%	5.4%	5.5%	5.7%
21	Global LV Equities	0.0%	0.0%	0.0%	0.0%	1.9%	2.7%	2.7%	2.9%	3.0%	3.1%	3.3%
22	Real Estate Investments	10.4%	10.4%	10.9%	10.8%	3.4%	2.8%	3.8%	4.0%	4.1%	4.2%	4.3%
23	Infrastructure & Venture Capital	3.4%	3.6%	3.6%	3.6%	2.7%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%
24	Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

25 * Actual (2014/15 - 2018/19) based on long-term basic line of business allocation applied to the entire portfolio

26 * 2019/20 and thereafter basic line of business has a segregated allocation and based on Basic Claims, RSR and pro-rata EFB asset values.

27 ** Investment balances reflect March 31, 2021 actuals.

PUB (MPI) CI 1-15 - CONFIDENTIAL

Part and Chapter:	Part IV NOV Appendix 4 – PWC Reports Confidential	Page No.:	5
PUB Approved Issue No:	10. Current IT Strategic Pan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Project Nova		
Sub Topic:	PWC Reporting		

Preamble to IR:

PWC indicates:

"Nova is now moving into execution as Sprint 1 begins. A significant amount of deliverables were finished at the tail end of Discovery/Sprint 0, which will require further attention in Sprint 1 to ensure adequate quality."

Question:

- a) Please file the burn down report representing Sprint 0.
- b) Please provide Sprint 0 calendar.
- c) Please provide actual versus planned costs for Sprint 0.
- d) Please provide lessons learned from Sprint 0.

Rationale for Question:

To understand the status of the early progress of Nova executed through the SAFe Agile methodology.

RESPONSE:

a) MPI considered Sprint 0 to be a team mobilization, onboarding and readiness sprint. It was a planning sprint with System Integration partners designed to mitigate risk, avoid a fast start and ensure readiness for implementation. A NOVA System Integrator who leads two of its core functional streams suggested the use of a Sprint 0.

Sprint 0 focused on the following activities:

- Team mobilization and getting used to working in a pod
- Ensuring the placement and readiness of infrastructure environments
- Grooming user stories
- Setting up of the Continuous Integration/Continuous Delivery pipeline
- Branching and merging strategy review
- Finalization of data requirements
- Validation of requirements for the first release
- Multivendor collaboration activities
- Positioning of the business to be 1 sprint ahead
- Building out of common architect components
- Alignment to the Customer Experience strategy

b) Sprint 0 Calendar:

Sprint	Start	Finish
Sprint 0	1-Mar-21	28-Mar-21

c) Actual vs Planned Costs:

- Sprint 0 Forecast: \$4,731,521
- Sprint 0 Actuals: \$3,702,866

Note: Variance due to timing of vendor invoice.

d) Lessons Learned from Sprint 0:

- NOVA matured the use of Azure DevOps
- NOVA matured the use of GIT code repositories, which allows NOVA to manage change across multiple software configurations being performed by the development teams
- NOVA gained experience on how to execute sprint planning
- Refined the Risk, Action, Issue and Decision (RAID) process to incorporate Azure DevOps