

TTC INSURANCE COMPANY LIMITED REPORT NO.

MEETING DATE: June 21, 2012

SUBJECT: APPOINTMENT OF ACTUARY FOR 2012

ACTION ITEM

RECOMMENDATION

It is recommended that the Shareholders of TTC Insurance Company Limited appoint J.S. Cheng & Partners Inc. as the actuary for the 2012 fiscal year for services estimated to cost \$34,352 inclusive of HST.

FUNDING

Sufficient funds are included in the 2012 TTC Operating Budget.

BACKGROUND

Actuarial services are required each year to provide an actuarial estimate of reserves for outstanding claims for TTCICL. On July 13, 2008, the Chief General Manager of the Toronto Transit Commission authorized a five year contract with J.S. Cheng & Partners Inc. commencing with the 2008 fiscal year.

DISCUSSION

J.S. Cheng & Partners Inc. provided an actuarial estimate of reserves for outstanding claims for the Toronto Transit Commission before the insurance company was formed. Subsequent to company formation, J.S. Cheng & Partners Inc. was retained to provide actuarial services for the company. J.S. Cheng & Partners Inc. has the experience and understanding necessary to undertake an actuarial valuation on outstanding claim liabilities. Furthermore, a five year contract for actuarial services was tendered in 2007 and J.S. Cheng & Partners Inc. continued to offer the most favourable pricing.

JUSTIFICATION

Actuary services are a mandatory requirement of TTC Insurance Company Limited, per section 60 of the Insurance Act.
