STAFF REPORT
ACTION REQUIRED

Actuarial Financial Review

Date:	June 22, 2015
To:	TTC Insurance Company Limited Board of Directors
From:	Chief Executive Officer

Summary

As required under Subsection 121.17(1) of the Insurance Act (Ontario), the Appointed Actuary for TTC Insurance Company Limited is required to meet with the board of directors at least annual to report on the financial position of the Company and present its report on the expected financial future condition of the Company.

Recommendations

It is recommended that the board of directors

1. Receive the attached summary from the Annual Actuarial Report (Attachment A), and

2. Approve the attached Expected Future Financial Condition (EFFC) report that forecasts the expected future financial condition of TTC Insurance Company Limited (Attachment B) as prepared by the Company's Appointed Actuary Collins Barrow Toronto Actuarial Services Inc.

Financial Summary

There are no financial implications resulting from the adoption of this report.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

Decision History

On June 24, 2014, the shareholders of TTC Insurance Company Limited appointed Collins Barrow Toronto Actuarial Services Inc. as the Appointed Actuary for the 2014 fiscal year.

http://www.ttc.ca/About_the_TTC/Subsidiaries/TTC_Insurance_Company_Ltd/2014/June_24_2014/Meeting_of_Shareholders/Reports/Appointment_of_Actua.pdf

Issue Background
Subsection 121.17(1) of the Insurance Act states that “an actuary of the insurer shall meet with the directors of the insurer or, if the directors so choose, with the audit committee of the insurer at least once during each fiscal year”.

The Appointed Actuary provides an actuarial estimate of reserves for outstanding claims for the Company.

Accessibility/Equity Matters
There are no accessibility or equity issues associated with this report.

Comments
As required by the Insurance Act (Ontario), the Appointed Actuary for TTC Insurance Company Limited shall report on the financial position of the Company and present the results of the Expected Future Financial Condition report to the board of directors.

Contact
Vincent Rodo
President, TTC Insurance Company Limited
Phone: 416-393-3914
Email: Vincent.rodo@ttc.ca

Attachments
Attachment A: Executive Summary from the Annual Actuarial Report
Attachment B: Expected Future Financial Condition Report

EXECUTIVE SUMMARY

This report is part of the annual statement required by Financial Services Commission of Ontario ("FSCO"). The purpose of this report is to provide an opinion on the appropriateness of policy provisions for TTC Insurance Company Limited as at December 31, 2014. The standard of materiality used in this report is $1,600,000.

TTC Insurance Company Limited (hereafter referred to as "the Company" or "TTCICL") is a provincially registered insurance company whose main purpose is to provide liability cards to the vehicles operated by the Toronto Transit Commission. Starting in 2007, the Company issued two annual OAPI policies with three named insureds: Toronto Transit Commission, Toronto Transit Infrastructure Limited (formerly, Toronto Transit Consultants Limited) and Toronto Coach Terminal (collectively referred to as "the policyholder").

The Company does not have ceded reinsurance agreements. However, the named insureds have excess liability insurance coverage of $120 million excess of $5 million per occurrence for both auto and general liability. This excess insurance does not apply to no-fault claims.

By way of a special deductible on liability and accident benefit claims, the Toronto Transit Commission will reimburse the Company up to $5 million per claim. If an accident benefit claim should exceed $5 million and it is not covered by external insurance, the Toronto Transit Commission unconditionally guarantees to reimburse the Company for all claims or expenses in excess of $5 million. Consequently, the Company has no insurance exposure at all.

On September 1, 2010, Ontario introduced automobile insurance reforms reducing accident benefits. These reforms reduced the cost of accident benefits and increased the cost of bodily injury liability. At the request of the policyholder, the Company amended its two policies so that only the new standard accident benefits will apply to accidents after August 31, 2010.

In May 2011, Ontario passed legislation that applies to public transit. Essentially, the legislation allows the Company to not pay accident benefits to the injured person on an insured transit automobile if the TTC vehicle does not hit any object. The injured person will continue to have the right to pursue indemnity through the traditional tort system.

Since the enactment of the reform and the new law, accident benefits claim cost per insured vehicle has fallen from approximately $10,000 in 2010 to approximately $2,800 in 2012.

A comparison of the actual experience with the expected experience for the last nine years on a pre-deductible basis is shown in detail in Appendix D. The comparison shows that the unpaid estimates as of December 31, 2013 were higher than the current estimates by $7.4 million on a ground-up basis.

Since the date of this opinion, I am not aware of any subsequent event that would materially affect the results of my valuation.

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DISTRIBUTION AND USE

This report contains confidential information about TTC Insurance Company Limited. It does not deal with the future financial condition or profitability of the Company. Its sole purpose is to provide an opinion on the appropriateness of policy provisions for TTC Insurance Company Limited as at December 31, 2014.

This report may be distributed to any regulator in a jurisdiction where the Company operates or intends to obtain a license. Furthermore, the Company may distribute this report to its parent, its affiliated companies and its External Auditor. Anyone else should be considered as a third party.

This report is neither intended nor necessarily suitable for any other use. Distribution beyond the parties mentioned in the above paragraph two permitted provided that it is authorized by the Company and the recipient acknowledges that he or she is a third party to this report.

Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third party. Collins Barrow Toronto Actuarial Services Inc. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions or actions made based on this report.

Third parties agree to keep this report confidential and make no further distribution of this report without the expressed written consent of the Company.

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VARIABILITY OF ACTUARIAL ESTIMATES

There is a limitation upon the accuracy of claims liability as there is an inherent uncertainty in any estimate of claims liability. There is uncertainty in any estimate because future events could affect the ultimate claim payments. Some examples of future events are:

1. Severe inflation or deflation;
2. More or less lawsuits than in the historical period;
3. Extreme late reporting of claims; and
4. Judicial decisions which affect the amount of damages awarded.

Therefore, actual ultimate claim amounts may differ materially from our estimates. In our judgment, however, we have employed standard actuarial techniques and assumptions which are appropriate, and our conclusions presented in this report are reasonable, given the information currently available.

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SCOPE OF THE REPORT

The scope of this report is to:

1. Estimate the unpaid automobile claims liability on a direct, assumed, ceded, and net basis;
2. Estimate the premium liability including the provision for premium deficiency; and
3. Determine the maximum deferred policy acquistion expense allowed.

All valuations are done as of December 31, 2014, in accordance with FSCO's instructions.

For the purpose of this valuation, future reimbursements from the named insureds are treated as receivables and claims liabilities are estimated prior to these reimbursements.

The general liability figures shown in this report do not form part of the liability on the Company's balance sheet. The analysis performed on general liability is for the benefit of the Toronto Transit Commission ("TTC"). They are shown in this report for reconciliation purposes only.

Since the Company is an automobile insurer, it would normally have to assume a share of the Facility Association or Risk Sharing Pool ("FA/RSP") losses. However, FSCO granted the Company an exemption from participating in the FA/RSP in March 2005.

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DATA AND RELIANCE

Toronto Transit Commission (TTC) is responsible for TTCICL's claims management and data processing. For this report, we have relied on the direct claim payments and case reserves from TTC's Legal Department. Claim payments were available by file year and calendar year; data for the last 24 calendar years (1990-2014) were available. Case reserves were available by file year and valued as of December 31, 2014. TTC's case reserves and claim payments were also available by policy type. However, automobile claim payments were combined with non-automobile liabilities for calendar years 1990-1993.

As of December 31, 2014, the aggregate case outstanding for the Company's auto policies was approximately $67,127,000. The aggregate general liability case outstanding was approximately $8,845,000. The total case outstanding of TTC was $75,972,000. The 1997 subway accident and class action suit of 2001 have now been closed.

This year the Company's aggregate payments of $22,300,000 included $1,816,000 for general liability and the full amount of any HST payments. A portion of paid HST is eligible for rebate. This rebate is estimated to be $512,000. This amount, when received, will not be credited to any individual claim file.

We did not audit the claim data but reconciliation was performed to ensure that no material data was omitted (see Appendix H). We have used the work of PricewaterhouseCoopers LLP, the External Auditor of the Company, to verify our valuation data against the financial data of the Company.

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STANDARD OF MATERIALITY

The standard of materiality used in this report is $1,600,000, versus $700,000 last year. In determining an appropriate level, industry practice is to consider looking at 1%-2% of liabilities, 5%-10% of net income, or 1% of assets. Since net income and assets are atypical for the Company relative to other insurers, we opted for a materiality standard near the lower end of the range as a percentage of liabilities. For the purpose of this valuation, an omission or inexplicable difference of $1,600,000, about 1.0% of the liabilities, would be considered material. However, this does not imply that the actuary's provision is accurate within 1.0%. In fact, future claim payments could be significantly different from the actuary's estimates due to adverse or favourable claims development.

Some causes of adverse/favourable claims development are:

1. Higher/lower claims inflation rate than that prevailed in the recent past;
2. Future judicial decisions that could increase/decrease bodily injury claim amounts;
3. Potential decrease/increase in termination rate of no fault claims;
4. Substantially different claims development pattern from the historical pattern due to some of the reasons cited above; and
5. An unexpected increase/decrease of loss of earning capacity type of claims.

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EXPRESSION OF OPINION

I have valued the policy liabilities of TTC Insurance Company Limited for its statement of financial position at December 31, 2014 and their changes in the statement of income for the year then ended in accordance with the accepted actuarial practice in Canada, including selection of appropriate assumptions and methods.

In my opinion, the amount of policy liabilities makes appropriate provision for all policy obligations and the financial statements fairly present the results of the valuation.

The results of my valuation together with amounts carried in the Annual Return are the following:

Claim Liabilities		Carried in Annual Return (in $000's)	Actuary's Estimate (in $000's)
1.	Direct unpaid claims and adjustment expenses:	0	0
2.	Assumed unpaid claims and adjustment expenses:	0	0
3.	Gross unpaid claims and adjustment expenses:	0	0
4.	Ceded unpaid claims and adjustment expenses:	0	0
5.	Other amounts to recover:	155,419	155,419
6.	Other net liabilities:	155,419	155,419
7.	Net unpaid claims and adjustment expenses (3)-(4)-(5)+(6)	0	0
Premium Liabilities		Carried in Annual Return (in $000's)	Actuary's Estimate (in $000's)
1.	Gross policy liabilities in connection with unearned premiums		0
2.	Net policy liabilities in connection with unearned premiums:		0
3.	Gross unearned premiums:	0	
4.	Net unearned premiums:	0	
5.	Premium Deficiency:	0	0
6.	Other net liabilities:	0	0
7.	Deferred policy acquisition expenses		
8.	Maximum policy acquisition expenses deferrable [(4)+(5)+(9)]Col.1 – (2) Col.2:		0
9.	Unearned Commissions	0	

Jim Christie

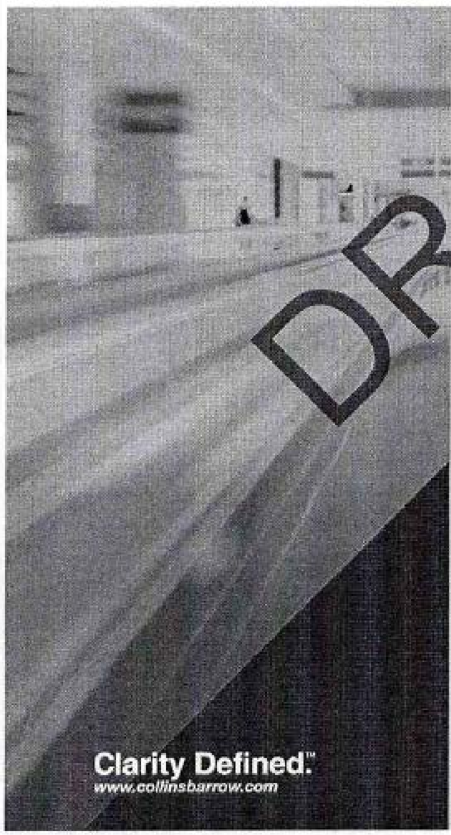
Signature of Appointed Actuary
James K Christie, FCIA

February 17, 2015
Toronto, Ontario

ATTACHMENT B

COLLINS BARROW TORONTO

ACTUARIAL SERVICES



TTC INSURANCE COMPANY LIMITED

APPOINTED ACTUARY'S REPORT
ON THE EXPECTED
FUTURE FINANCIAL CONDITION

As at December 31, 2014

Prepared by:

James K. Christie – Collins Barrow
jkchristie@collinsbarrow.com
Direct Line: 647-727-3679

Collins Barrow

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TRANSMITTAL LETTER

June 22, 2015

Financial Services Commission of Ontario
5160 Yonge Street
17^{th} Floor
Toronto, Ontario M2N 6L9

Dear Sirs/Mesdames:

I hereby submit my report on the expected future financial condition of TTC Insurance Company Limited using data as of December 31, 2014.

My presentation to the Board of Directors of TTC Insurance Company Limited was made on June 22, 2015. The presentation covered the major assumptions and results of the base and adverse scenarios in my report.

Since the date of my opinion, I am not aware of any subsequent event that might affect the conclusions of my report.

Yours truly,

James K. Christie, FCIA
Appointed Actuary

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1. EXECUTIVE SUMMARY

The purpose and scope of this report is to assess the expected future financial condition of TTC Insurance Company Limited (hereafter referred to as "the Company" or "TTCICL"). The Company is deemed to have a satisfactory financial condition if its Minimum Capital Test ("MCT") ratio is greater than 150% in the base scenario for all projection years and its equity is greater than zero in all adverse but plausible scenarios. The standard of materiality used in this report is $1,600,000.

The Company is a provincially registered insurance company whose main purpose is to provide proof of insurance cards to the vehicles operated by the Toronto Transit Commission ("TTC").

The Company is fully indemnified as all claims and expenses would be covered by either a special deductible from the TTC or external insurance that TTC holds.

Based on our analysis, the Company has little exposure to insurance or investment risk. The only risks to which the Company is exposed are regulatory changes affecting the existence of the Company or the City of Toronto defaulting on its obligations. These events are unlikely to occur during the forecast period.

Under the base scenario, the equity of the Company remains above zero and its MCT ratio is above 150% over the three-year forecast period. The Company's equity remains positive in all adverse scenarios. I therefore conclude that the Company's future financial condition is satisfactory.

2. OPINION

I have completed my investigation of the future financial condition of TTC Insurance Company Limited as at December 31, 2014 in accordance with accepted actuarial practice in Canada.

I have analyzed the forecasted financial positions of the insurer during the three-year forecast period under a series of scenarios. A description of these scenarios and their impact on the insurer is included within this report.

The most significant assumptions are described within this report. The investigation incorporates assumptions relating to business growth, investments, claims experience, capital injections, and other internal and external conditions during the forecast period.

My report includes the identification of key risk exposures and corrective management actions that could be taken to mitigate the effect of plausible adverse scenarios.

In my opinion, the future financial condition of the insurer is satisfactory under these assumptions.

Signature of Appointed Actuary

James K Christie, FCIA

June 22, 2015

Toronto, Ontario

3. INTRODUCTION

3.1 Purpose and Scope of the Report

The purpose of this report is:

i. to inform the Company's management of the significant risks to which the Company is exposed;
ii. to recommend possible actions that could be taken to reduce or eliminate the exposure to those risks; and
iii. to satisfy the requirements of the Insurance Act (Ontario).

The scope of this report is to assess the expected future financial condition of the Company during the three-year forecast period (from January 1, 2015 to December 31, 2017), in accordance with the standards of practice of the Canadian Institute of Actuaries and the regulatory requirements of Financial Services Commission of Ontario ("FSCO").

3.2 Distribution and Use

This report is prepared for TTCICL for its internal use and filing with the regulatory authorities under the Insurance Act (Ontario).

This report contains confidential information about the Company. It may be distributed to any regulator in a jurisdiction in which the Company operates or intends to obtain a license. Furthermore, the Company may distribute this report to its parent company, its affiliated companies, and its external auditor. Anyone else should be considered a third party.

This report is neither intended nor necessarily suitable for any use other than that stated in Section 3.1. Distribution beyond the intended audiences mentioned in the above paragraph is permitted provided that it is authorized by the Company and the recipient acknowledges that he or she is a third party to this report.

Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. Collins Barrow Toronto Actuarial Services Inc. accepts no responsibility for damages, if any, suffered by any third party as a result of decisions or actions made based on this report.

Third parties agree to keep this report confidential and make no further distribution of this report without the express written consent of the Company.

3.3 Role of the Appointed Actuary

Mr. James K. Christie, the Appointed Actuary, being duly appointed by the Board of Directors of the Company, is required by applicable insurance legislation to report on the expected future financial condition of the Company in accordance with accepted actuarial practice in Canada.

3.4 Process

The process to assess the expected future financial condition of the Company includes the following steps:

i. Review the recent and current financial position of the Company and develop a base scenario using the Company's business plan for the three-year forecast period.
ii. Develop plausible but adverse scenarios that will impact the Company's surplus.
iii. Evaluate the impact of the developed scenarios on the Company's capital level by calculating the capital ratio as per the MCT guideline for property and casualty insurance companies. The Company is deemed to have a satisfactory financial condition if its MCT ratio is greater than 150% in the base scenario for all projection years and its equity is greater than zero in all adverse but plausible scenarios.
iv. Identify corrective management actions to mitigate any material risks.

The results of the above-listed steps are summarized in Sections 4 through 6 of this report.

3.5 Data and Reliance

We used the 2014 Annual Statement and the 2014 Appointed Actuary's Report that the Company submitted to FSCO. All policy liabilities are calculated on an actuarial present value basis.

The Company does not produce a business plan, so it has been assumed that the Company's business plan is to continue its operations in a manner consistent with recent years.

Figures in this report may differ slightly from figures on detailed worksheets due to rounding.

3.6 Standard of Materiality

There is a limitation on the accuracy of actuarial forecast as there is inherent uncertainty in any estimate of future premiums, claims, expenses, investment incomes, taxes and regulatory reserves required.

The standard of materiality used in this report is $1,600,000, about 1% of the Company's assets at December 31, 2014.

3.7 Changes from Last Year's Report

There are no material changes from last year's report.

4. BASE SCENARIO

4.1 Company Overview

TTCICL is a provincially registered insurance company, incorporated in 1994, whose main purpose is to provide liability cards to the vehicles operated by the Toronto Transit Commission. Starting in 2007, the Company issued two annual OAPI policies with three named insureds: Toronto Transit Commission, Toronto Transit Infrastructure Limited (formerly, Toronto Transit Consultants Limited) and Toronto Coach Terminal (collectively referred to as "the policyholder").

The two policies are named TAP2014A and TAP2014B. TAP2014A policy covers all heavy commercial vehicles owned, registered and/or leased by the named insureds while TAP2014B covers all revenue and non-revenue vehicles owned, registered and/or leased by the named insureds. The latest complete policy period was January 1, 2014 to December 31, 2014. The coverage is limited by the statutory limit required for public vehicles in each province in which the accident occurs.

The named insureds have excess liability insurance coverage of $120 million excess of $5 million per occurrence for both auto and general liability. This excess insurance does not apply to accident benefit claims. This coverage increased from $95 million excess of $5 million as of June 1, 2014.

By way of a special deductible on liability and accident benefit claims, the Toronto Transit Commission will reimburse the Company up to $5 million per claim. If an accident benefit claim should exceed $5 million and it is not covered by external insurance, the Toronto Transit Commission unconditionally guarantees to reimburse the Company for all claims or expenses in excess of $5 million. Consequently, the Company has virtually no insurance exposure at all.

4.2 Significant Events

In May 2011, Ontario passed legislation that applies to public transit. Essentially, the legislation allows the Company to not pay accident benefits to the injured person on an insured transit automobile if the TTC vehicle does not hit any object. The injured person will continue to have the right to pursue indemnity through the traditional tort system.

Since the enactment of the reform and the new law, accident benefits claim cost per insured vehicle has fallen from approximately $10,000 in 2010 to approximately $2,800 in 2012.

4.3 Company Capital

By Provincial Order in Council, the Company's license requires the Company to maintain capital of at least $100,000.

The deductibles that are due from the Toronto Transit Commission are classified as receivables. As a condition to maintain the Company's license, these receivables must be unconditionally guaranteed by the Toronto Transit Commission and the City of Toronto. Therefore, for the purpose of determining the Company's required capital using the MCT guideline, these receivables are deemed to be government grade and do not require any capital.

As of December 31, 2014, the Company's required capital is zero.

Currently, the Company holds $3.4 million in cash, of which approximately $2.1 million is the equivalent amount of one month's claim payments before reimbursement from the Toronto Transit Commission.

4.4 International Financial Reporting Standard ("IFRS")

TTCICL's financial statements are prepared in accordance with the Public Sector Accounting Standards ("PSAS"). However, in accordance with PS 1150 Generally Accepted Accounting Principles, and in the absence of specific guidance under PSAS, the guidance from IFRS 4, Insurance Contracts, is used for the measurement and presentation of insurance liabilities. Due to TTC's indemnity agreement with the Toronto Transit Commission, which provides full reimbursement of incurred claims, the contracts issued by the Company do not in substance transfer any insurance risk and are therefore not considered insurance contracts under IFRS. Therefore, the contract is recorded on the Statement of Financial Position and unpaid claims are classified as Insurance Liabilities with corresponding receivables from its named insureds.

Phase 1 implementation of IFRS in Canada has been in place since the financial statement year 2011. Any significant actuarial impact has already been reflected in the financial statements. Phase 2 implementation of IFRS will have more actuarial impacts; however, many issues have yet to be finalized. Until those issues are finalized, further impacts cannot be estimated.

4.5 Development of Base Scenario

The emphasis of the actuarial forecast is to measure the marginal change in equity and capital adequacy under various adverse scenarios, and determine if the Company can continue to discharge its policy obligations. The actual result may differ from the expected result due to the risks discussed in Section 5 of this report. The base scenario is the best estimate forecast.

We established a base scenario using December 31, 2014 data. We assumed a 7.8% growth in the 2015 Other Liabilities, followed by 5% annual growth in 2016 and 2017. We also assumed a flat 2.5% investment yield in years 2015 through 2017. Management fees—the only general expenses that the Company has—are set equal to the Company's revenues.

The equity of the Company remains above zero over the projection period. The MCT ratio of the Company is above 150% under the base scenario during the three-year forecast period (from January 1, 2015 to December 31, 2017). Note that the MCT ratio is not meaningful due to the Company's required capital being zero and therefore the MCT ratio cannot be determined.

The Base Scenario pro-forma financial statements and MCT calculation are provided in Appendix 1 of this report.

5. ADVERSE SCENARIOS

The following is an assessment of the Company's exposure to various risk categories and the projected impact on surplus.

5.1 Claim Frequency and Severity Risk

The policyholders have excess liability insurance coverage of $120 million excess of $5 million per occurrence for both auto and general liability. This excess insurance does not apply to accident benefit claims.

By way of a special deductible on liability and accident benefit claims, the Toronto Transit Commission will reimburse the Company up to $5 million per claim.

If an accident benefit claim should exceed $5 million and it is not covered by external insurance, the Toronto Transit Commission unconditionally guarantees to reimburse the Company for all claims or expenses in excess of $5 million.

Since the Company has no insurance exposure at all, the Company has no risk exposure to increases in claims costs, and thus there is no projected impact on surplus.

5.2 Policy Liabilities Risk

Since the Company is fully indemnified from the Toronto Transit Commission as described in Section 5.1, the Company has no risk exposure to mis-estimation of future amounts payable for its liabilities, and thus there is no projected impact on surplus.

5.3 Inflation Risk

Since the Company is fully indemnified from the Toronto Transit Commission as described in Section 5.1, the Company has no risk exposure to increases in claims costs due to inflation, and thus there is no projected impact on surplus.

5.4 Premium Risk

The sole purpose of the Company is to provide proof of insurance cards to the named insureds. Since the Company has no competition for these insureds and no premium, the Company has no risk exposure to shifts in the premium volume, and thus there is no projected impact on surplus.

5.5 Reinsurance Risk

Since the Company has no reinsurance arrangements, the Company has no risk exposure to reinsurance risk, and thus there is no projected impact on surplus.

5.6 Investment Risk

The Company only holds cash. Since the amount of revenues is completely offset by an equal amount of management fees, the Company has no risk exposure to changes in economic conditions, and thus there is no projected impact on surplus.

5.7 Government and Political Risk

If the regulator requires the Company to increase its capital level, then the named insureds of the Company could be forced to use an alternative carrier to issue proof of insurance cards, and the need for the Company to exist would cease; consequently the Company would shift into run-off operation. Since all claims would continue to be fully indemnified by the Toronto Transit Commission as described in Section 5.1, the Company has no risk exposure and thus there is no projected impact on surplus. The likelihood of any government and political changes within the forecast period is expected to be minimal.

5.8 Off-Balance-Sheet Risk

There are no off-balance sheets that may adversely affect the Company's financial condition and thus there is no projected impact on surplus.

5.9 Related Company Risk

Any increases in the Company's liabilities will be offset by the receivables due from the Toronto Transit Commission (the Company's ultimate parent company), which are unconditionally guaranteed by both the Toronto Transit Commission and the City of Toronto. In the unlikely event that the Toronto Transit Commission is unable to meet its obligations to the Company, the City of Toronto will assume responsibility for these obligations. The Company's exposure to this risk is minimal.

6. CONCLUSIONS AND RECOMMENDATIONS

Under the base scenario, the equity of the Company remains above zero and its MCT ratio is above 150% over the three-year forecast period.

Since the Company is fully indemnified from the Toronto Transit Commission, the Company has very little risk exposure to having its surplus fall below its current level. Accordingly, the Company's MCT ratio is projected to remain above 150% during the three-year forecast period.

I conclude that the Company's future financial condition is satisfactory. No corrective management action is required at this point.

7. APPENDICES

Appendix 1 – Base Scenario

TTC Insurance Company Limited
20.10
ASSETS
($'000)

		December 2012	December 2013	December 2014	2015	2016	2017
Cash and Cash Equivalents	01	3,000	3,400	3,400	3,700	3,900	4,100
Investment Income due and accrued	02	3	4	4	4	4	4
Assets held for sale	50	-	-	-	-	-	-
Investments:							
Short Term Investments	04	-	-	-	-	-	-
Bonds and Debentures	05	-	-	-	-	-	-
Mortgage Loans	06	-	-	-	-	-	-
Preferred Shares	07	-	-	-	-	-	-
Common Shares	08	-	-	-	-	-	-
Investment Properties	09	-	-	-	-	-	-
Other Loans and Invested Assets	10	-	-	-	-	-	-
Total Investments (lines 04 to 10)	19	-	-	-	-	-	-
Receivables:							
Unaffiliated Agents and Brokers	20	[illegible]	-	-	-	-	-
Policyholders	21	[illegible]	[illegible]	-	-	-	-
Installment Premiums	22	[illegible]	-	-	-	-	-
Other Insurers	23	-	-	-	-	-	-
"Facility Association" and the "P.R.R."	24	-	-	-	-	-	-
Subsidiaries, Associates & Joint Ventures/Affiliates	26	[illegible]	-	-	-	-	-
Other Receivables	27	154,746	141,482	155,419	167,516	175,996	184,996
Recoverable from Reinsurers:							
Unearned Premiums	30	-	-	-	-	-	-
Unpaid Claims and Adjustment Expenses	31	-	-	-	-	-	-
Other Recoverables on Unpaid Claims	32	-	-	-	-	-	-
Interests in Subsidiaries, Associates & Joint Ventures	40	-	-	-	-	-	-
Property and Equipment	41	-	-	-	-	-	-
Deferred Policy Acquisition Expenses	43	-	-	-	-	-	-
Current Tax Assets	52	-	-	-	-	-	-
Deferred Tax Assets	44	-	-	-	-	-	-
Goodwill	54	-	-	-	-	-	-
Intangible Assets	56	-	-	-	-	-	-
Defined Benefit Pension Plan Assets	58	-	-	-	-	-	-
Other Assets	88	-	-	-	-	-	-
TOTAL ASSETS	89	157,749	144,886	158,823	171,220	179,900	189,100

TTC Insurance Company Limited
20.20
LIABILITIES
($'000)

		December 2012	December 2013	December 2014	2015	2016	2017
LIABILITIES							
Overdrafts	01	-	-	-	-	-	-
Borrowed Money and Accrued Interest	02	-	-	-	-	-	-
Payables:							
Agents and Brokers	03	-	-	-	-	-	-
Policyholders	04	-	-	-	-	-	-
Other Insurers	05	-	-	-	-	-	-
Subsidiaries, Associates & Joint Ventures/Affiliates	06	2,903	3,304	3,304	3,600	3,800	4,000
Expenses due and accrued	07	-	-	-	-	-	-
Other Taxes due and accrued	09	-	-	-	-	-	-
Policyholder Dividends and Rating Adjustments	10	-	-	-	-	-	-
Encumbrances on Real Estate	11	-	-	-	-	-	-
Unearned Premiums	12	-	-	-	-	-	-
Unpaid Claims and Adjustment Expenses	13	-	-	-	-	-	-
Unearned Commissions	14	-	-	-	-	-	-
Ceded Deferred Premium Taxes	20	-	-	-	-	-	-
Premium Deficiency	15	-	-	-	-	-	-
Liabilities held for sale	17	-	-	-	-	-	-
Current Tax Liabilities	18	-	-	-	-	-	-
Deferred Tax Liabilities	21	-	-	-	-	-	-
Self-Insured Retention (SIR) portion of unpaid claims	22	-	-	-	-	-	-
Defined Benefit Pension Plan Obligation	23	-	-	-	-	-	-
Employment Benefits (not including amounts on line 23 above)	24	-	-	-	-	-	-
Subordinated Debt	25	-	-	-	-	-	-
Preferred Shares - Debt	26	-	-	-	-	-	-
Provisions and Other Liabilities	28	154,746	141,462	155,419	167,520	176,000	185,000
Total Liabilities	29	157,649	144,766	158,723	171,120	179,800	189,000
EQUITY							
Shares issued and paid							
Common	41	100	100	100	100	100	100
Preferred	33	-	-	-	-	-	-
Contributed Surplus	42	-	-	-	-	-	-
	43	-	-	-	-	-	-
Retained Earnings	44	-	-	-	-	-	-
Reserves	45	-	-	-	-	-	-
Accumulated Other Comprehensive Income (Loss)	47	-	-	-	-	-	-
Total Policyholders/Shareholders' Equity	59	100	100	100	100	100	100
Non-controlling Interests	48	-	-	-	-	-	-
Total Equity	49	100	100	100	100	100	100
TOTAL LIABILITIES AND EQUITY	89	157,749	144,866	158,823	171,220	179,900	189,100

TTC Insurance Company Limited
20.30
STATEMENT OF INCOME
($'000)

		December 2012	December 2013	December 2014	2015	2016	2017
UNDERWRITING OPERATIONS							
Premiums Written							
Direct	01	-	-	-	-	-	-
Reinsurance Assumed	02	-	-	-	-	-	-
Reinsurance Ceded	03	-	-	-	-	-	-
Net Premiums Written	04	-	-	-	-	-	-
Decrease (Increase) in Net Unearned Premiums	05	-	-	-	-	-	-
Net Premiums Earned	06	-	-	-	-	-	-
Service Charges	07	-	-	-	-	-	-
Other	08	-	-	-	-	-	-
Total Underwriting Revenue	09	-	-	-	-	-	-
Gross Claims and Adjustment Expenses	62	-	-	-	-	-	-
Reinsurers' share of claims and adjustment expenses	64	-	[illegible]	-	-	-	-
Net Claims and Adjustment Expenses	10	-	[illegible]	-	-	-	-
Acquisition Expenses							
Gross Commissions	66	-	-	[illegible]	-	-	-
Ceded Commissions	68	[illegible]	-	-	-	-	-
Taxes	12	[illegible]	[illegible]	-	-	-	-
Other	14	[illegible]	-	-	-	-	-
General Expenses	16	39	40	44	45	46	47
Total Claims and Expenses	18	39	40	44	45	46	47
Premium Deficiency Adjustments	20	-	[illegible]	-	-	-	-
Underwriting Income (Loss)	29	(39)	(40)	(44)	(45)	(46)	(47)
INVESTMENT OPERATIONS							
Income	32	-	-	-	-	-	-
Recognized Gains (Losses)	33	-	-	-	-	-	-
Expenses	34	-	-	-	-	-	-
Net Investment Income	39	-	-	-	-	-	-
OTHER REVENUE AND EXPENSES							
Income (Loss) from Ancillary Operations (net of Expenses of $'000)	40	-	-	-	-	-	-
Share of Net Income (Loss) of Subsidiaries, Associates & Joint Ventur	41	-	-	-	-	-	-
Gain (Losses) from fluctuations in Foreign Exchange Rates	42	-	-	-	-	-	-
Other Revenues	44	39	40	44	45	46	47
Finance costs	45	-	-	-	-	-	-
Other Expenses	46	-	-	-	-	-	-
Net Income (Loss) before Income Taxes	49	-	-	-	-	-	-
INCOME TAXES							
Current	50	-	-	-	-	-	-
Deferred	51	-	-	-	-	-	-
Total Income Taxes	59	-	-	-	-	-	-
NET INCOME (LOSS) FOR THE YEAR	69	-	-	-	-	-	-
ATTRIBUTABLE TO:							
Non-controlling Interests	80	-	-	-	-	-	-
Equity Holders	82	-	-	-	-	-	-

TTC Insurance Company Limited
30.70
MINIMUM CAPITAL TEST
($'000)

		December 2012	December 2013	December 2014	2015	2016	2017
Capital Available							
Equity	01	100	100	100	100	100	100
Subordinated Indebtedness and Redeemable Preferred Shares*	03	-	-	-	-	-	-
Investments - Adjustment to Market	05	-	-	-	-	-	-
Less: Assets with a Capital Requirement of 100%	07	-	-	-	-	-	-
Total Capital Available	09	100	100	100	100	100	100
Capital Required							
On-Balance Sheet Assets	20	-	-	-	-	-	-
Unearned Premiums/Unpaid Claims	22	-	-	-	-	-	-
Catastrophes	24	-	-	-	-	-	-
Reinsurance Ceded to Unregistered Insurers	26	-	-	-	-	-	-
Off-Balance Sheet Exposures	28	-	-	-	-	-	-
Total Capital Required	29	-	-	-	-	-	-
Excess Capital Available over Capital Required (line 09 minus line 29)	89	100	100	100	100	100	100
Line 09 as a % of line 29	90	N/A	N/A	N/A	N/A	N/A	N/A