

TTC Insurance Company Limited – Investment

Date: June 23, 2022

To: TTC Insurance Company Limited Board of Directors

From: Treasurer

Summary

As a condition of the TTC Insurance Company Limited's (TTCICL) license to underwrite automobile insurance, the City of Toronto has provided a Guarantee for all of the obligations of TTCICL, which states that TTCICL must maintain cash or securities available for the payment of current liabilities in an amount of not less than one month's claims and operating expenses or \$350,000, whichever amount is greater.

As at December 31, 2021, the TTC's monthly claims and operating expenses are approximately \$1.7 million. The amount presently advanced from Toronto Coach Terminal Inc. (TCTI) is \$2.6 million for the 1st quarter of 2022. Staff will continue to monitor this amount and adjust as necessary.

Financial Summary

Given the above, this report has no financial impact.

Equity/Accessibility Matters

There are no accessibility or equity issues associated with this report.

Decision History

At its meeting of June 11, 1996, the Toronto Coach Terminal Inc. authorized its Treasurer to make advances on a demand non-interest bearing loan to the TTC Insurance Company Limited on an as-needed basis to comply with TTCICL's working capital requirements.

Comments

As at December 31, 2021, the TTC's monthly automobile claims and operating expenses are approximately \$1.7 million, an increase from \$1.6 million in 2020. The amount presently advanced by TCTI is \$2.6 million (1st quarter 2022) and was reduced from \$3.2 million in Q2, 2020. Staff continues to monitor this amount quarterly and will adjust as necessary. The advance from TCTI, along with the initial \$100,000 capital

investment from the TCTI, currently totals \$2.7M and is not required for any cash disbursements as all operating expenses are in practice paid directly by the TTC or, additionally, by the City of Toronto as of January 1, 2022.

These funds are held in an interest bearing account at the TTC's bank.

Contact

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Signature

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