

Related Party Transactions

Date: June 12, 2023

To: TTC Insurance Company Limited Conduct Review Committee

From: Treasurer, TTC Insurance Company Limited

Summary

The Conduct Review Committee receives this report annually with respect to related party transactions with TTC Insurance Company Limited (TTCICL) that have occurred during 2022.

Financial Summary

This report has no financial impact.

Equity/Accessibility Matters

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

Decision History

On June 24, 2014, the Board of Directors approved a recommendation to establish a Conduct Review Committee (CRC) for TTC Insurance Company Limited. The three commissioner directors, as elected at the shareholder's meeting on June 24, 2014, constitute the CRC.

[Establish Conduct Review Committee - Report](#)

The Charter for the CRC was also established at the June 24, 2014 meeting.

[Conduct Review Committee Charter - Report](#)

Issue Background

The purpose of the CRC is to review all material related party transactions on an annual basis. The only material related party transaction that currently exists are the Indemnities provided by the Toronto Transit Commission, the City of Toronto and the Advance from Toronto Coach Terminal Inc.

Comments

Related party transactions include:

1. Indemnity Agreement with the Toronto Transit Commission
2. Indemnity Agreement with the City of Toronto (effective January 1, 2022)
3. Advance from the Toronto Coach Terminal Inc.

As a condition of the Order in Council 300/2021 granted to the Company on March 11, 2021, the Company is required to enter into an indemnity agreement with the Toronto Transit Commission and the City of Toronto (effective January 1, 2022) whereby all current and future costs and expenditures of the Company will be reimbursed.

The total cash claim payments including damages, interest and costs for 2022 were \$11,975,100. The total liabilities as per the financial statements as at December 31, 2022 are \$133,044,000.

As a condition of TTCICL's 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. To ensure compliance, the total Advance from Toronto Coach Terminal Inc. as at December 31, 2022 was \$2,600,000.

Members of the Board should also confirm that they have no personal conflict as a result of an accident claim involving themselves or a family member.

Contact

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Signature

Alex Cassar
Treasurer, TTC Insurance Company Limited

Attachments

None