

## For Information

# TTC Insurance Company Limited – Investment

**Date:** June 12, 2023

**To:** TTC Insurance Company Limited Board of Directors

**From:** Treasurer, TTC Insurance Company Limited

### Summary

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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, 2022, the TTC's monthly claims and operating expenses are approximately \$1.6 million. The amount presently advanced from Toronto Coach Terminal Inc. (TCTI) is \$2.6 million for the 1st quarter of 2023. Staff will continue to monitor this amount and adjust as necessary.

### Financial Summary

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Given the above, this report has no financial impact.

### Equity/Accessibility Matters

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

### Decision History

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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

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As at December 31, 2022, the TTC's monthly automobile claims and operating expenses are approximately \$1.6 million, a decrease from \$1.7 million in 2021. The amount presently advanced by TCTI is \$2.6 million (1st quarter 2023) and was reduced

from \$3.2 million in Q2, 2020. Beginning in 2022, TTCICL began insuring automobile risks of the City of Toronto. The insurance for the City is prospective, as such, we do not expect any large changes in the investment requirements in the short term. Currently, City of Toronto automobile insurance payments contribute less than 1% of the automobile claims paid in 2022. This will increase with time as more claims are added. Staff continues to monitor the amount required for investment 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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Alex Cassar, Treasurer, TTC Insurance Company Limited  
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## **Signature**

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Alex Cassar  
Treasurer, TTC Insurance Company Limited

## **Attachments**

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None