

Departmental Briefing October 2023

MANITOBA PUBLIC INSURANCE

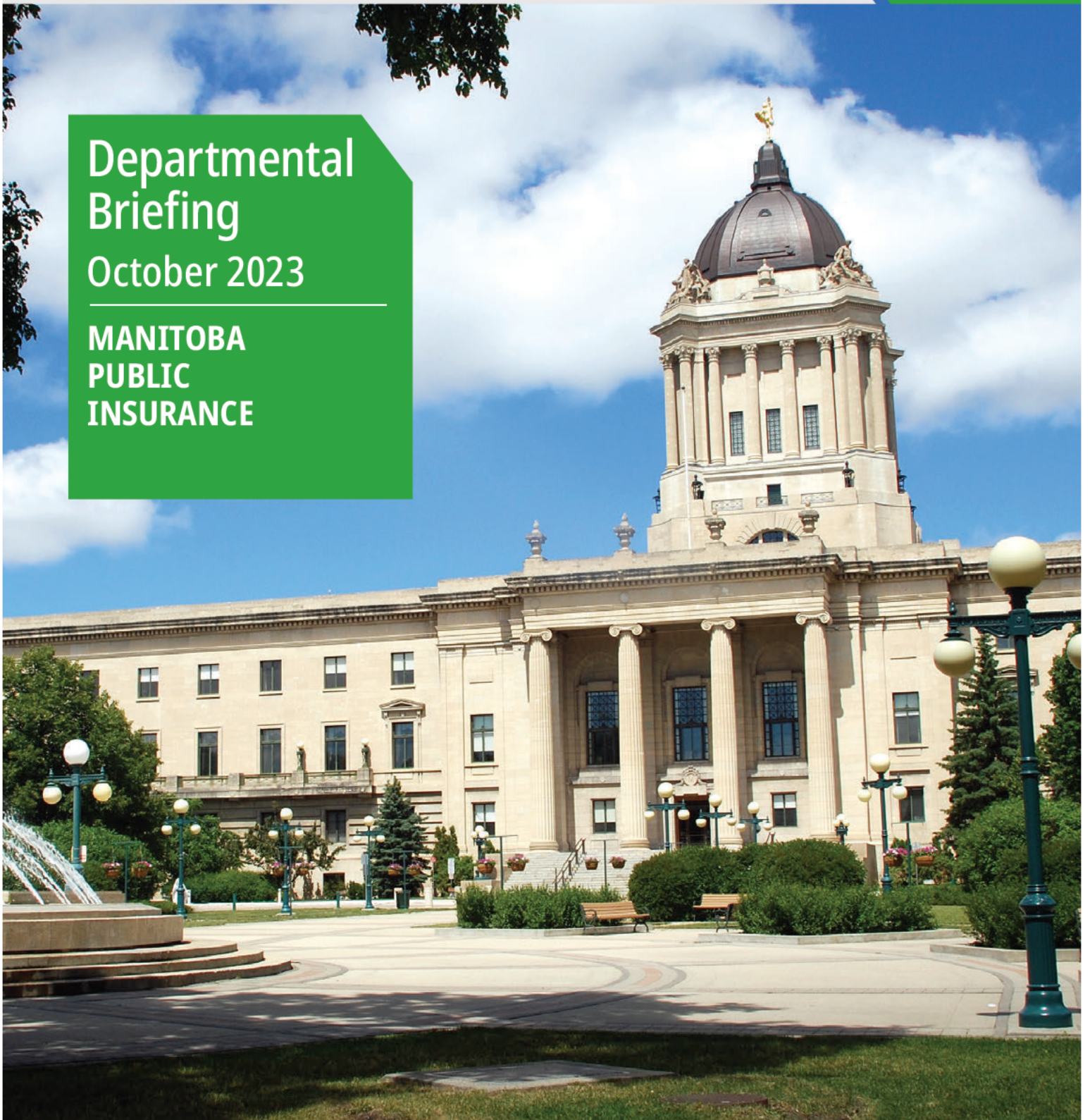


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Manitoba Public Insurance

Vision

The trusted auto insurance and driver services provider for every Manitoban

Mission

Exceptional coverage and service, affordable rates and safer roads through public auto insurance

Values

As a public auto insurer, we hold ourselves accountable to all Manitobans to deliver value by fostering a culture of excellence. We achieve this through our four core values:

- ✓ **Striving for Excellence:** We provide exceptional coverage and service. We adapt to meet evolving customer and industry needs, focusing on continuous improvement.
- ✓ **Providing Value to Manitobans:** We maintain affordable rates and ensure accessible coverage. As a public auto insurer, fiscal responsibility is at the forefront of everything we do.
- ✓ **Doing What's Right:** We act with integrity and accountability. We strive to be open and transparent.
- ✓ **Investing in People:** We empower our employees to provide excellent service. We work together with business, community and road safety partners to fulfil our mission.

Responsibilities

- Licensing and registration, including testing services and high school driver's education (DVA line of business)
- Primary insurance provider, including Personal Injury Protection Plan coverage (Basic line of business)
- Identity verification and identity cards (DVA line of business)
- Road safety programming and promotion (DVA line of business)
- Commercial underwriting and insurance provider (Special Risk Extension line of business)
- Optional insurance product provider (Extension line of business)

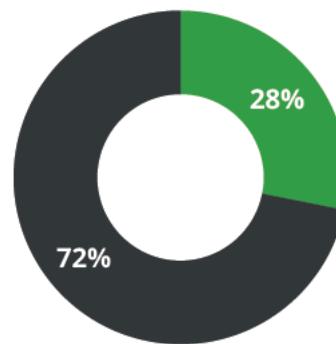
2023/24 Quick Facts



* including vacancy provision

Budget

millions



	2023/24 Budget
Operating	\$29.763
Capital	\$76.035
Total	\$105.798

Manitoba Public Insurance

Leadership

Executive

- Marnie Kacher - Interim President and CEO
- Shawn Campbell - Interim VP and Chief Information and Technology Officer
- Lisa Gendreau - VP and Chief People Officer
- Anthony Guerra - General Counsel and Corporate Secretary
- Satvir Jatana - VP and Chief Customer Officer
- Ryan Kolaski - VP and Chief Financial Officer
- Cara Low - VP and Chief Actuary and Chief Risk Officer
- Shayon Mitra - VP and Chief Transformation Officer
- Jeff Sass - VP and Chief Operations Officer

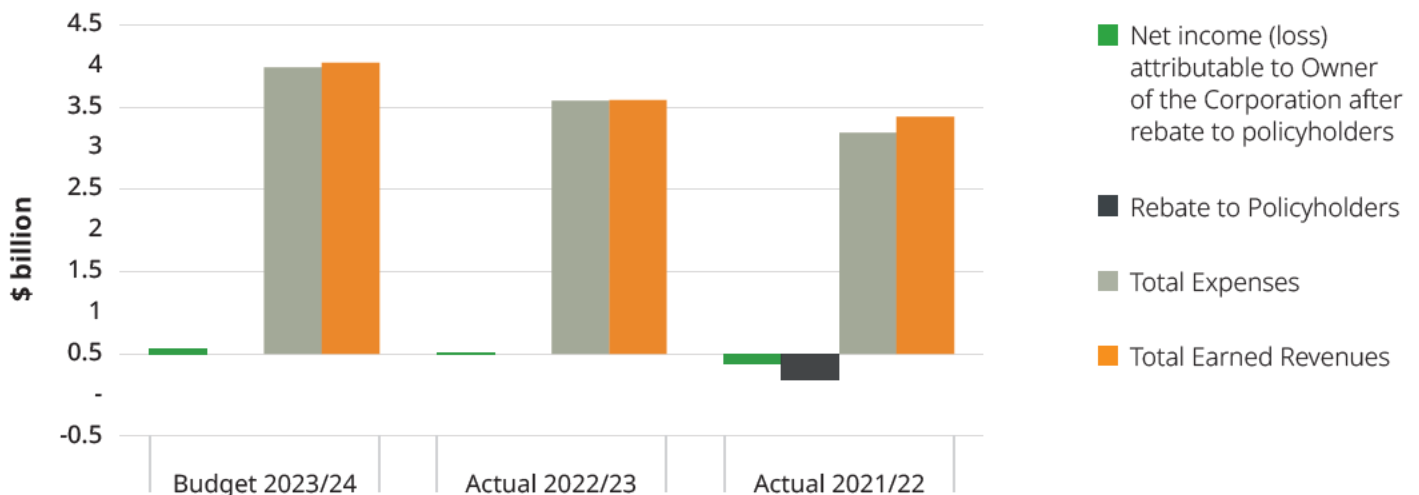
Board

- Ward Keith - Chair
- Carolyn Halbert
- Kevin Klippenstein
- Greg Leipsic
- Lynn Rempel
- Diane Roussin
- Ron R. Schuler
- Grant Stefanson
- Marnie Kacher - Ex-officio

Key Initiatives and Strategies

- Project Nova Delivery
- Meet all financial obligations and timely reporting
- Meet all regulatory requirement (e.g. PUB)
- International Financial Reporting Standards (IFRS) transition
- Organizational Review (OIC 94/2023)
- Northern and First Nations licensing improvements
- Customer service delivery improvements (e.g.: road test and claims settlement timeline reductions)

Net Income



2. Organization

Governance Structure

The Executive

Marnie Kacher, Interim President & Chief Executive Officer

Marnie joined Manitoba Public Insurance in April 2011 as the Director, Physical Damage Cost Control & Analytics. In August 2012, she became the Director, Service Operations Control & Compliance, where she played a key role in Manitoba Public Insurance's Physical Damage Reengineering project and in the development of a new agreement and accreditation program with the collision repair industry. She assumed oversight of the Corporation's strategic relationship with brokers in January 2017.



Marnie became the Director of Driver and Vehicle Policy Administration later in 2017 and became Registrar of Motor Vehicles in 2018 with accountability for administration of The Drivers and Vehicles Act. In January 2020, Marnie became a full-time Operational Business Champion for Manitoba Public Insurance's Nova transformation project, representing the Driver and Vehicle line of business. Prior to joining Manitoba Public Insurance, Marnie spent 20 years as a senior-level business advisory consultant at a large global firm. She holds a Bachelor of Commerce degree and a Human Resources certificate.

Executive Team

- Shawn Campbell - Interim VP and Chief Information and Technology Officer
- Lisa Gendreau - VP and Chief People Officer
- Anthony Guerra - General Counsel and Corporate Secretary
- Satvir Jatana - VP and Chief Customer Officer
- Ryan Kolaski - VP and Chief Financial Officer
- Cara Low - VP and Chief Actuary and Chief Risk Officer
- Shayon Mitra - VP and Chief Transformation Officer
- Jeff Sass – Interim VP and Chief Operations Officer

Board of Directors

Ward Keith, Chairperson

Ward Keith is retired and is the former Vice President of Business Development & Communications, and Chief Administrative Officer at Manitoba Public Insurance. He was also the former Registrar of Motor Vehicles for the Province of Manitoba, former Executive Director of Driver Safety and Director of Customer Service for Manitoba Public Insurance. Mr. Keith holds a master's degree in business administration specializing in executive leadership from Royal Roads University and is a fellow chartered insurance professional of the Insurance Institute of Canada.



Board Members

- Ward Keith - Chair
- Carolyn Halbert
- Kevin Klippenstein
- Greg Leipsic
- John Mitchell
- Lynn Rempel
- Diane Roussin
- Ron R. Schuler
- Grant Stefanson
- Marnie Kacher - Ex-officio

Human Resources

Staffing Overview

As of August 31, 2023.

Total Corporation			
	Actual	Budget	B/(W)
Executive	9.00	9.00	-
Out of Scope	378.90	405.00	26.10
Unionized	1,598.40	1,739.25	140.85
Total	1,986.30	2,153.25	166.95

Contracts and Terms

Board members are appointed by OIC with a minimum of six members.

- Ward Keith – Chair (expires May 9, 2026)
- Carolyn Halbert (expires June 7, 2025)
- Kevin Klippenstein (expires August 10, 2024)
- Greg Leipsic (expires August 10, 2024)
- John Mitchell (expires July 24, 2026)
- Lynn Rempel (expires October 25, 2025)
- Diane Roussin (expires June 7, 2025)
- Ron R. Schuler (expires April 2, 2026)
- Grant Stefanson (expires June 7, 2025)

3. Strategic Overview

Urgent Matters

The following items require action or attention by the end of the calendar year:

1. Estimates Submission and Outcomes
2. Standing Committee
3. Second Quarter Reporting (Including Project Nova and Financial Variance)
4. Organizational Review
5. General Rate Application (GRA) Order

Issue notes follow on the next pages.

1. Issue Title: Estimates Submission and Outcomes

High Level Summary:


Manitoba Public Insurance is current preparing their 2024/25 estimates submission for consideration.

Current Status:

- Manitoba Public Insurance is currently preparing the Corporations 2024/25 estimates submission, which is due to the Department on November 10, 2023.


Confidential Advice to Minister:

23(1)(a, b, e, f)



Options and Recommendations:

23(1)(a)



Contact Person:

David Safruk

Director, Government Relations

204-792-1546

2. Issue Title: Standing Committee

High Level Summary:

Manitoba Public Insurance's 2022 Annual Report was tabled in the Legislature on July 25, 2023. Standing Committee must be called 120 days after tabling, as per The Crown Corporation Governance Accountability Act.

Current Status:


- With the tabling of the Corporation's 2022 Annual Report on July 25, 2023, Standing Committee must be held by November 22, 2023.
- The Corporation will await direction on the Standing Committee date(s) for the purposes of preparation.

Confidential Advice to Minister:

For information only.

Options and Recommendations:

23(1)(a)



Contact Person:

David Safruk

Director, Government Relations

204-792-1546

3. Issue Title: Second Quarter Reporting (Including Project Nova and Financial Variance)

High Level Summary:

Manitoba Public Insurance is required to report its quarterly financial results to Treasury Board. The Quarter 1 reports were submitted to government and Quarter 2 results are expected in mid October 2023.

Current Status:

- Manitoba Public Insurance provided the Quarter 1 financial reporting on July 17, 2023, which included Project Nova updates.
- Due to International Financial Reporting Standards (IFRS) 17 implementation, reporting has taken longer due to having to restate financials in IFRS 17.

19(1)(b, c, e), 23(1)(a, b)

- Respecting Project Nova Release 2, Manitoba Public Insurance anticipates roll-out and implementation in November. Manitoba Public Insurance will commit to keeping the Department apprised of the plan, any real or potential concerns, and upcoming stakeholder communications.
- Resourcing impacts and issues from Release 1 have resulted in Manitoba Public Insurance shifting the anticipated release of Release 2A from August to November 2023. Manitoba Public Insurance is still working toward Nova's overall timelines and budget.

Confidential Advice to Minister:

Provided for information.

Options and Recommendations:

23(1)(a)

Contact Person:

David Safruk, Director, Government Relations, 204-792-1546

4. Issue Title: Manitoba Public Insurance Organizational Review

High Level Summary:

On April 3, 2023, following concerns identified by the Department and the Public Utilities Board (PUB), the Minister directed Manitoba Public Insurance to engage a third party through a competitive process to conduct an organizational review. This was done by Order in Council 94/2023 under the authority of The Crown Corporations Governance and Accountability Act.


The organizational review will examine the Corporations operations during fiscal years 2021/22 and 2022/23, and will examine lines of business and the resources allocated to each, assess senior management roles, analyze operational expenditures including the allocation of costs, evaluate current processes and opportunities for managing expenditures, and consider the processes and procedures for developing budget estimates, reporting on budget outcomes and undertaking evaluations. While the review is ongoing, Manitoba Public Insurance is to comply with outstanding orders made by the PUB, but otherwise not to propose any changes to Basic rates or make any material changes to its operations.

Current Status:


- Following a competitive Request for Proposals (no. 3212), Manitoba Public Insurance's Board of Directors authorized management on May 25, 2023, to negotiate an agreement with EY to conduct the review at a cost not to exceed \$797,000, plus taxes and fees. The Minister of Justice approved this decision, and the agreement was signed on July 27, 2023.
- Justice and Manitoba Public Insurance finalized the Statement of Work on August 30, 2023.
- Work, anticipated to begin in September, may be disrupted by the current labour disruption, which commenced on August 28, 2023.
- The review is expected to be completed and delivered to the Minister of Justice, no later than December 31, 2023, which was directed in the Order in Council.

Confidential Advice to Minister:

23(1)(a, b)




23(1)(a, b)



Options and Recommendations:

23(1)(a)



Contact Person:

Maria Campos

Assistant Deputy Minister, Corporate and Strategic Services

204-945-8773

5. Issue Title: General Rate Application Order


High Level Summary:

Manitoba Public Insurance is expecting to receive the Public Utilities Board order for the General Rate Application in December.

Current Status:

- On June 15, 2023, Manitoba Public Insurance filed its 2024 General Rate Application with the Public Utilities Board pursuant to Section 25(1) of The Crown Corporations Governance and Accountability Act, C.C.S.M. c. C336.
- Pursuant to Manitoba Order in Council (OIC) No. 94/20231, Manitoba Public Insurance requested no changes to the rates for service for the 12-month period April 1, 2024, through March 31, 2025, which included no changes to miscellaneous permits and certificates, driver and vehicle premiums, and Basic service and transaction fees.
- As of September 14, 2023, Manitoba Public Insurance has responded to all information requests received, and the hearing is still scheduled to begin in early October.

23(1)(a, b)




Confidential Advice to Minister:

Provided for information.

Options and Recommendations:

23(1)(a, b)



Contact Person:

David Safruk
Director, Government Relations
204-792-1546

Strategic Priorities and Opportunities

The following items are matters for consideration in the longer term that may pertain to organizational changes, strategic plans, multi-year projects, emerging issues and other topics:

1. Organizational Review Outcome
2. Project Nova Implementation
3. Driver and Vehicles Act Sustainable Funding and Key Performance Indicator Proposal
4. Driver Testing Improvements

Issue notes follow on the next pages.

1. Issue Title: Organizational Review Outcomes

Timeline for Action: Final report to be received no later than December 31, 2023.

High Level Summary:

On April 3, 2023, Government announced a pending Organizational Review of Manitoba Public Insurance (Manitoba Order in Council No. 94/20231). As part of this announcement, Manitoba Public Insurance was directed to not make any material changes to operations, pending the review.

Current Status:


- EY was the successful candidate to the Request for Proposal.
- The Statement of Work and Master Service Agreement are being finalized.

Confidential Advice to Minister:

Provided for information.

Options and Recommendations:

23(1)(a)



Contact Person:

David Safruk
Director, Government Relations
204-792-1546

2. Issue Title: Project Nova Implementation

Timeline for Action: Nova Release 2 scheduled for November 2023.

High Level Summary:

Earlier this year, Manitoba Public Insurance launched Release 1, which mainly impacts brokers who provide products for the commercial trucking line of business. This change moved how the Corporation works with brokers from what was largely a paper-based system into the digital age. Implementation of this release will continue until all customer policies have been migrated into the new system, which is estimated by spring of 2025. There are more releases planned over the next few years.

Current Status:


- After careful analysis and review of stakeholder feedback of Release 2, the Corporation has decided to take additional measures to minimize broker and employee impacts while addressing known issues. To mitigate and address these concerns, Manitoba Public Insurance will slow down migration of additional Special Risk Extension renewal transactions into the new system during this period. This slowdown will help Manitoba Public Insurance address known defects before more renewals are added to the platform.
- The slowdown will not impact Nova's overall timelines or budget. This decision has no impact on end customers, and brokers will receive this news well.

Confidential Advice to Minister:

Provided for information.

Options and Recommendations:

23(1)(a)

**Contact Person:**

David Safruk
Director, Government Relations
204-792-1546

3. Issue Title: The Drivers and Vehicles Act Sustainable Funding and Key Performance Indicator Proposal

Timeline for Action: The Driver and Vehicle Act line of business will be analyzed as part of Organizational Review, to conclude no later than December 31, 2023. ■■■

19(1)(b, c, e), 23(1)(a, b, f)

High Level Summary:

Manitoba Public Insurance has been administering The Drivers and Vehicles Act on behalf of government since 2004. Since inception, Manitoba Public Insurance has been experiencing operating deficits, which Manitoba Public Insurance has undertaken to address with government as part of The Drivers and Vehicles Act funding review. The Drivers and Vehicles Act transaction fees have not changed in almost 20 years, and resultantly, funding has remained below the cost of administering The Drivers and Vehicles Act. To cover this deficit, Manitoba Public Insurance made two transfers from the Extension line of business to The Drivers and Vehicles Act line of business (\$60M and \$57M respectively), with the Minister responsible providing direction of no new transfers for at least the next two years (2022/23 and 2023/24). Manitoba Public Insurance has maintained a relatively stable cost since it began administering the DVA.

Current Status:

- 19(1)(b, c, e), 23(1)(a, b, f)
- Cost allocations to be included in the Organizational Review.

Confidential Advice to Minister:

23(1)(a, b)

Options and Recommendations:

23(1)(a)

Contact Person:

David Safruk, Director, Government Relations, 204-792-1546

4. Issue Title: Driver Testing Improvements

Timeline for Action: 19(1)(b, c, e), 23(1)(a, b)

High Level Summary:

19(1)(b, c, e), 23(1)(a, b, e, f)

Current Status:

- All items have been deferred until after the General Election.

Confidential Advice to Minister:

19(1)(b, c, e), 23(1)(a, b, e, f)

Options and Recommendations:

23(1)(a)

Contact Person:

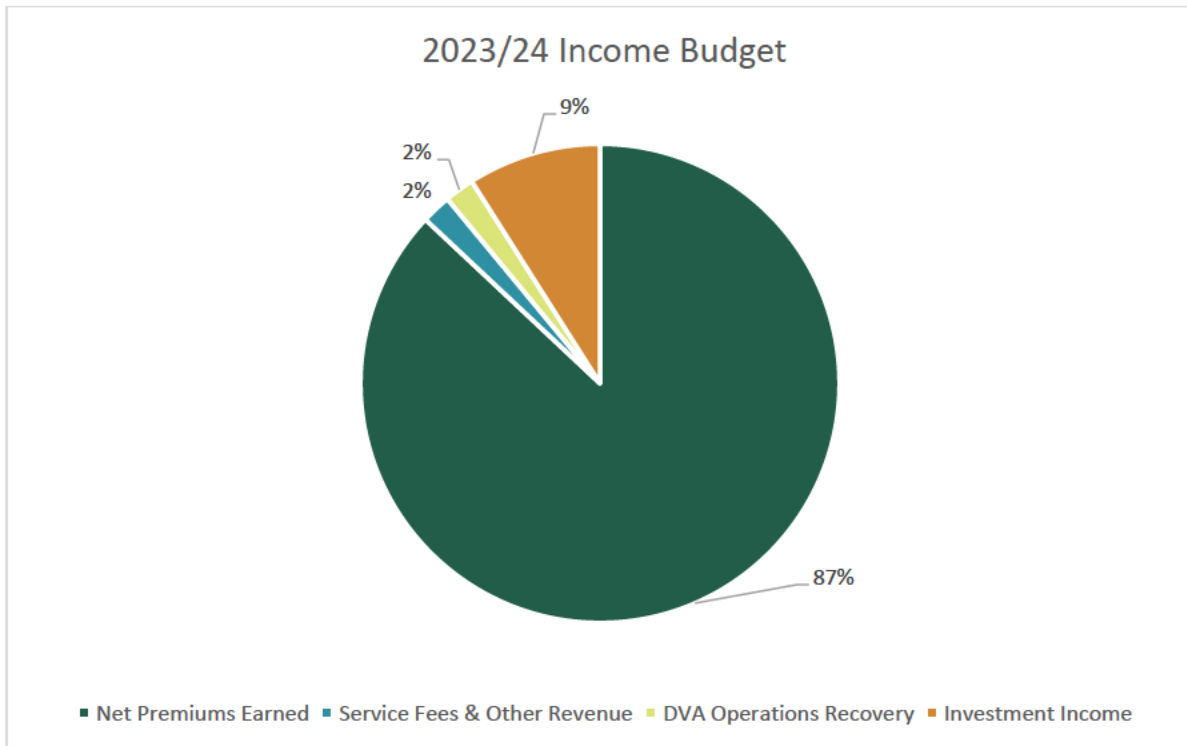
David Safruk
Director, Government Relations
204-792-1546

4. Fiscal Overview

Budget 2023 passed in the legislature on May 23, 2023. The following information reflects the structure and budget decisions approved for the Corporation in fiscal year 2023/24.

The annual Estimates process to determine the budget for the next fiscal year (2024/25) is currently underway. Departments will provide ministers with briefings following the installation of Cabinet, as needed.

Percentage Distribution by Funding Source (2023/24)



Source	2023/24 Income Budget	Percentage
Net Premiums Earned	1,537,509	87%
Service Fees & Other Revenue	42,395	2%
DVA Operations Recovery	40,250	2%
Investment Income	152,859	9%
Total	1,773,013	100%

Comprehensive Statement of Operations

(in thousands of Canadian dollars)		Actual 2021/22	Actual 2022/23	Budget 2023/24
Earned Revenues				
	Gross premiums written	1,422,583	1,502,342	1,607,247
	Premiums ceded to reinsurers	(21,946)	(24,022)	(22,509)
	Net premiums written	1,400,637	1,478,320	1,584,738
	Net premiums earned	1,420,778	1,437,975	1,537,509
	Service fees and other revenue	37,139	41,523	42,395
	<i>The Drivers and Vehicles Act</i> operations recovery	30,250	40,250	40,250
Total Earned Revenues		1,488,167	1,519,748	1,620,154
Claims Costs				
	Net claims incurred	883,226	1,039,297	1,184,202
	Claims expense	166,547	174,722	183,938
	Loss prevention/Road safety	11,917	12,221	17,856
Total Claims Costs		1,061,690	1,226,240	1,385,996
Expenses				
	Operating	144,312	166,646	195,466
	Commissions	95,393	99,406	110,143
	Premiums taxes	38,593	43,847	46,803
	Regulatory/Appeal	4,563	4,769	4,842
Total Expenses		282,861	314,668	357,254
Underwriting income (loss)		143,616	(21,160)	(123,096)
Investment income (loss)		(45,406)	25,219	152,859
Gain on disposal of property and equipment		136	147	
Net income attributable to Owner of the Corporation before rebate to policyholders		98,346	4,206	29,763
Rebate to policyholders		(156,534)	-	-
Net income (loss) attributable to Owner of the Corporation after rebate to policyholders		(58,188)	4,206	29,763

Please be advised that section 76.2(2)(a) of *The Freedom of Information and Protection of Privacy Act* (FIPPA) states the government must make available “within 60 days after a minister assumes office, the table of contents and index for the package of briefing materials that is prepared for a minister for the purpose of enabling the minister to assume the powers, duties and functions of their office”.

Therefore, the table of contents and index of this transition binder will be fully disclosed on InfoMB within 60 days of the minister assuming office.

Additionally, the remaining contents of the binder may be requested through an access to information request under FIPPA. In response to such a request, the binder will be disclosed subject to limited and specific exceptions to disclosure under FIPPA.