

Quarterly Financial Report

1st QUARTER

Three months ended
May 31, 2013



**Manitoba
Public Insurance**

Management Discussion and Analysis

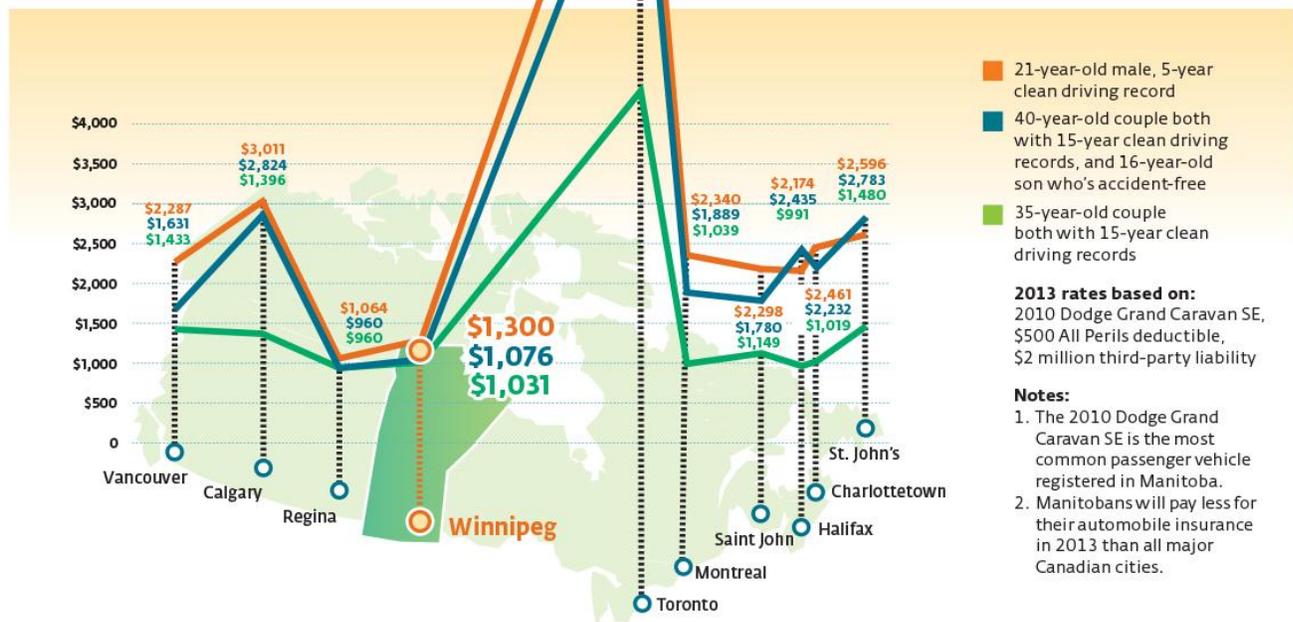
Management’s discussion and analysis provides a review of the financial results and future outlook of Manitoba Public Insurance. It should be read in conjunction with the unaudited condensed interim financial statements and supporting notes for the first quarter ended May 31, 2013 included herein and the annual audited financial statements and supporting notes included in the Corporation’s 2012 Annual Report. Certain information in this report may consist of forward-looking statements. These statements are based on various techniques and assumptions including predictions about future events which may not occur. Actual results could deviate significantly from the forward-looking statements.

Goal 1

Universally available mandatory protection against the cost of automobile accidents. Rates, on average, will be lower than those charged by private insurance companies for comparable coverage and service.

Why? One reason for our creation was to deliver the best insurance value to Manitobans. This is the essence of our continuing success.

Among the lowest vehicle rates in Canada



Goal 2

The Basic plan will return at least 85 per cent of premium revenue to Manitobans in the form of claims benefits.

Why? Over the long-term, returns within this range strike the right balance. We pay back to Manitobans substantially more of their premiums than would private insurers, while keeping a sound financial footing.

Premium returned for each dollar earned



Past results for the 12 months ending

115% Q2 · 11/12	125% Q3 · 11/12	98% Q4 · 11/12	100% Q1 · 12/13	96% Q2 · 12/13	95% Q3 · 12/13	104% Q4 · 12/13	111% Q1 · 13/14
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Goal 3

Manitoba Public Insurance will be a leader in automobile insurance and vehicle and driver licensing, providing Manitobans with superior products, coverage and service.

Why? By measuring key performance indicators, we can track the public's view of our performance.

Corporate Performance Index



Past Results

3.5 Q2 · 11/12	3.7 Q3 · 11/12	3.6 Q4 · 11/12	3.6 Q1 · 12/13	3.6 Q2 · 12/13	3.7 Q3 · 12/13	3.6 Q4 · 12/13	3.6 Q1 · 13/14
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Goal 4

Manitoba Public Insurance will provide service that is responsive, fair, courteous and convenient. Manitoba Public Insurance will meet customer service standards that are based on customer expectations.

Overall, How Often We Meet/Exceed Standards



Why? We value our customers and put their interests first. Also, Manitobans expect more from us than from private insurers, because Manitoba Public Insurance is their company. We believe their higher expectations are justified.

Past Results (in per cent)

95%	97%	96%	97%	97%	97%	95%	95%
Q2 · 11/12	Q3 · 11/12	Q4 · 11/12	Q1 · 12/13	Q2 · 12/13	Q3 · 12/13	Q4 · 12/13	Q1 · 13/14

Customer satisfaction in major operational areas

Physical Damage Claims



Past Results (in per cent)

85%	88%	87%	90%
Q2 · 11/12	Q3 · 11/12	Q4 · 11/12	Q1 · 12/13
89%	89%	90%	84%
Q2 · 12/13	Q3 · 12/13	Q4 · 12/13	Q1 · 13/14

Bodily Injury Claims



Past Results (in per cent)

81%	83%
Q3 · 11/12	Q1 · 12/13
79%	81%
Q3 · 12/13	Q1 · 13/14

Customer satisfaction in major operational areas

Physical Damage Claims



Past Results (in per cent)

85%	88%	87%	90%
Q2 · 11/12	Q3 · 11/12	Q4 · 11/12	Q1 · 12/13
89%	89%	90%	84%
Q2 · 12/13	Q3 · 12/13	Q4 · 12/13	Q1 · 13/14

Bodily Injury Claims



Past Results (in per cent)

81%	83%
Q3 · 11/12	Q1 · 12/13
79%	81%
Q3 · 12/13	Q1 · 13/14

Goal 5

Retained earnings and Rate Stabilization Reserve will be maintained within established target levels.

Basic Rate Stabilization Reserve



Why? Our long-term objective is to break even financially and to be financially self-sufficient. Maintaining the RSR within its target range helps us control rates when claim costs rise substantially. Manitobans deserve stable, affordable premiums over the long term.

Past Results

155.7M Q2 - 11/12	155.7M Q3 - 11/12	155.7M Q4 - 11/12	155.7M Q1 - 12/13	155.7M Q2 - 12/13	155.7M Q3 - 12/13	141.5M Q4 - 12/13	100.3M Q1 - 13/14
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Extension Retained Earnings



Past Results

74.4M Q2 - 11/12	82.4M Q3 - 11/12	93.3M Q4 - 11/12	104.3M Q1 - 12/13
110.4M Q2 - 12/13	115.0M Q3 - 12/13	122.3M Q4 - 12/13	131.6M Q1 - 13/14

SRE Retained Earnings



Past Results

53.1M Q2 - 11/12	53.6M Q3 - 11/12	45.8M Q4 - 11/12	50.3M Q1 - 12/13
52.6M Q2 - 12/13	51.7M Q3 - 12/13	55.0M Q4 - 12/13	54.3M Q1 - 13/14

Goal 6

Manitoba Public Insurance will offer an environment and career opportunities that will encourage employees to strive for excellence. Our people will be treated with respect and fairness and their contributions will be recognized.

Why? We value our employees.

Level of Employee Satisfaction



Past Results

76 Q4 - 07/08	74 Q4 - 09/10	73 Q1 - 11/12
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Goal 7

Manitoba Public Insurance will lead driver and vehicle safety initiatives that reduce risk and protect Manitobans, their streets and their neighbourhoods. Manitobans will recognize the Corporation is living its mission.

Why? Pursuing traffic safety and loss-prevention programs reflects our long standing commitment to the well-being of Manitobans and to affordable auto insurance. Manitobans have told us they support these efforts.

Public Support for Road Safety



Past Results (in per cent)



Results of Operations

Manitoba Public Insurance reported net loss of \$33.9 million for the three months ended May 31, 2013 compared to net income of \$30.1 million for the same period last year. This includes net loss of \$41.1 million (2012 – net income of \$17.1 million) from the Basic insurance line of business. Net income decreased from the previous year by \$64.0 million due to:

- i) a decrease in earned revenues of \$2.5 million and an increase in claims cost of \$53.3 million;
- ii) an increase in total expenses of \$1.1 million;
- iii) a decline in investment income of \$7.1 million mainly due to the \$11.5 million unrealized loss on Fair Value Through Profit or Loss bonds, a \$8.7 million loss on sale of Fair Value Through Profit or Loss bonds, and a \$11.7 million gain on sale of equities.

At the end of the fiscal year 2012, the Manitoba Public Insurance changed its cost allocation basis from premiums written to claims incurred effective March 1, 2012. The results for prior quarters in these interim financial statements have been restated to reflect this change.

Current Year and Last Year

Total earned revenues for the three months decreased from the previous year by \$2.5 million. This decrease is primarily attributed to motor vehicle earned revenues which decreased by \$6.0 million or 2.8% due to the 8% premium rate reduction of 2012/13. The majority of the premiums earned in this quarter will come from the previous policy year. This decrease is offset by an increase in driver's premiums by \$1.7 million and special risk extension increase in premiums of \$1.6 million.

Claims costs for the three months ended May 31, 2013 increased by \$53.3 million compared to last year due primarily to an increase of \$36.3 million or 57.9% in bodily injury claims incurred and by an increase of \$13.8 million or 13.2% in physical damage claims incurred.

Total expenses increased by \$1.1 million compared to last year due primarily to an increase of \$1.3 million or 4.8% in operating expense. This increase is mainly attributed to higher total compensation costs including benefits, data processing expenses and driver education program costs, offset by lower costs in loss prevention programs.

Retained Earnings

Retained earnings of \$291.5 million (May 31, 2012 - \$325.4 million) are comprised of \$100.3 million for Basic insurance (May 31, 2012 - \$230.8 million) and \$191.2 million for non-Basic lines (May 31, 2012 - \$172.8 million). Basic insurance retained earnings are comprised of the Rate Stabilization Reserve of \$100.3 million. The non-Basic lines retained earnings are allocated to retained earnings \$189.8 million and the Extension Development Fund (EDF) \$1.4 million.

From its inception in 2007 to current, \$91.7 million has been appropriated from Extension retained earnings (\$33.3 million) and Special Risk Extension (\$58.4 million) to fund the EDF projects undertaken to maximize the opportunities presented by the 2004 merger of Manitoba Public Insurance and the Division of Driver and Vehicle Licensing. Activity for the three months ended May 31, 2013 has reduced the EDF by \$1.4 million to \$5.3 million.

Outlook

The Corporation remains committed to achieving its seven Corporate goals. Actual results will be monitored, and corrective actions taken when necessary, to ensure that expected outcomes are realized.

In June 2013 the Corporation applied to the Public Utilities Board (PUB) for a 1.8% increase in overall vehicle rates for the 2014/15 insurance year with no change to driver license premiums or vehicle discounts. This increase is required due to higher physical damage claims and lower investment income.

If the application is approved, a total of 707,090 vehicles owners will receive a premium increase. Of the vehicles that will receive premium increases, most will be less than \$50. A total of 342,319 vehicle owners will receive a premium decrease or stay the same in 2014. The average passenger vehicle premium will be \$898. Overall:

- 67 per cent of premiums will increase (707,090 vehicles). 603,377 vehicles will increase by \$50 or less.
- 25 per cent of premiums will go down (259,085 vehicles). Of those decreasing, 92 per cent – 238,587 vehicles – will decrease by \$50 or less
- Eight per cent of premiums will remain unchanged (83,234 vehicles)
- Average rates for motorcycles will decrease by 7.6% or \$83 per vehicle

If approved, the 2014/15 insurance year will be the first time in 10 years the Corporation has asked the PUB for an overall increase to Basic Autopac rates. For 14 of the last 15 years, the Corporation has either held the line or reduced rates without lowering service or reducing coverage

Condensed Interim Financial Statements

Condensed Interim Statement of Financial Position

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	May 31, 2013	February 28, 2013
Assets			
Cash and investments	5	1,522,935	1,551,879
Equity investments	5	586,476	562,228
Investment property	5	215,279	209,087
Due from other insurance companies		1,262	1,002
Accounts receivable		329,685	321,293
Prepaid expenses		161	1,035
Deferred policy acquisition costs		27,117	26,312
Reinsurers' share of unearned premiums		13,074	69
Reinsurers' share of unpaid claims		34,080	33,732
Property and equipment		126,576	126,883
Deferred development costs		53,998	47,613
		2,910,643	2,881,133
Liabilities			
Due to other insurance companies		10,403	1,788
Accounts payable and accrued liabilities		62,229	58,227
Financing lease obligation		4,468	4,482
Unearned premiums		480,116	474,977
Provision for employee current benefits		22,289	21,501
Provision for employee future benefits		335,915	332,155
Provision for unpaid claims	4	1,592,516	1,558,024
		2,507,934	2,451,154
Equity			
Retained Earnings			
Basic Insurance Retained Earnings			
Rate Stabilization Reserve		100,315	141,470
Retained Earnings		-	-
		100,315	141,470
Non-Basic Retained Earnings			
Retained Earnings		185,885	177,231
Extension Development Fund		5,335	6,723
		191,220	183,954
		291,535	325,424
Accumulated Other Comprehensive Income		111,173	104,555
Total Equity		402,709	429,979
		2,910,643	2,881,133

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Operations

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	Three Months Ended	
		May 31, 2013	May 31, 2012
Earned Revenues			
Gross premiums written		266,155	258,905
Premiums ceded to reinsurers		(17,461)	(12,434)
Net premiums written		248,694	246,471
(Increase) decrease in gross unearned premiums		(29,530)	(19,944)
Increase (decrease) in reinsurers' share of unearned premiums		13,005	8,303
Net premiums earned		232,169	234,830
Service fees & other revenue		6,538	6,377
<i>The Drivers and Vehicles Act operations recovery</i>		6,975	6,975
Total Earned Revenues		245,682	248,182
Claims Costs			
Direct claims incurred		218,388	167,992
Claims incurred ceded to reinsurers		(633)	(344)
Net claims incurred		217,755	167,648
Claims Expense		32,741	29,820
Loss prevention/Road safety		3,309	3,075
Total Claims Costs		253,805	200,543
Expenses			
Operating		29,577	28,234
Commissions		17,808	17,935
Premium taxes		7,099	7,169
Regulatory/Appeal		772	815
Total Expenses		55,256	54,153
Underwriting loss		(63,379)	(6,514)
Investment income	6	29,491	36,618
Net Income (Loss)		(33,888)	30,104

Condensed Interim Statement of Comprehensive Income (Loss)

(Unaudited - in thousands of Canadian dollars)	Three Months Ended	
	May 31, 2013	May 31, 2012
Net income (loss) after surplus distribution	(33,888)	30,104
Other Comprehensive Income (Loss)		
Unrealized gains (losses) on Available for Sale assets	7,890	(31,372)
Reclassification of net realized (gains) losses related to Available for Sale assets	(1,272)	(2,623)
Other Comprehensive Income (Loss) for the period	6,618	(33,995)
Total Comprehensive Income (Loss)	(27,270)	(3,891)

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Changes in Equity

(Unaudited - in thousands of Canadian dollars)	Basic		Non-Basic		Corporate		
	Rate Stabilization Reserve (RSR)	Retained Earnings (B-RE)	Retained Earnings (NB-RE)	Extension Development Fund (EDF)	Retained Earnings	Accumulated Other Comprehensive Income	Equity
Balance as at March 1, 2012	155,700	57,983	139,060	20,769	373,512	58,115	431,627
Net income (loss) for the period	-	17,121	12,983	-	30,104	-	30,104
Other comprehensive income (loss) for the period	-	-	-	-	-	(33,995)	(33,995)
Transfer between NB-RE & EDF	-	-	2,199	(2,199)	-	-	-
Balance as at May 31, 2012	155,700	75,104	154,242	18,570	403,616	24,120	427,736
Balance as at March 1, 2013	141,470	-	177,231	6,723	325,424	104,555	429,979
Net income (loss) for the period	-	(41,155)	7,267	-	(33,888)	-	(33,888)
Other comprehensive income (loss) for the period	-	-	-	-	-	6,618	6,618
Transfer between NB-RE & EDF	-	-	5,335	(5,335)	-	-	-
Balance as at May 31, 2013	141,470	(41,155)	189,833	1,388	291,536	111,173	402,709

The accompanying notes are an integral part of these financial statements.

Condensed Interim Statement of Cash Flows

(Unaudited - in thousands of Canadian dollars)	<i>Notes</i>	Three months ended	
		May 31, 2013	May 31, 2012
Cash Flows from (to) Operating Activities:			
Net income after surplus distribution		(33,888)	30,104
Non-cash items:			
Depreciation of property and equipment		1,672	6,747
Amortization of deferred development costs		2,212	8,406
Amortization of bond discount and premium		921	4,911
(Gain) loss on sale of investments		(15,517)	(41,831)
Unrealized (gain) loss on Fair Value Through Profit or Loss bonds		7,524	(26,122)
Unrealized (gain) loss on investment in real estate		(6,397)	(15,631)
Unrealized (gain) loss on investment in infrastructure		(134)	(645)
Write-down of investments		-	13,599
		(43,607)	(20,462)
Net change in non-cash balances:			
Due from other insurance companies		(260)	9,426
Accounts receivable and prepaid expenses		(7,518)	(12,167)
Deferred policy acquisition costs		(805)	6,403
Reinsurers' share of unearned premiums and unpaid claims		(13,352)	17,536
Due to other insurance companies		8,614	(7,596)
Accounts payable and accrued liabilities		4,000	(303,730)
Unearned premiums		5,139	19,005
Provision for employee current benefits		788	1,935
Provision for employee future benefits		3,760	43,449
Provision for unpaid claims		34,492	44,300
		34,858	(181,439)
		(8,749)	(201,901)
Cash Flows from (to) Investing Activities:			
Purchase of investments		(576,246)	(1,093,650)
Proceeds from sale of investments		452,485	1,386,583
Acquisition of property and equipment net of proceeds from disposals		(1,365)	(6,876)
Financing lease obligation		(14)	(50)
Deferred development costs incurred		(8,597)	(6,973)
		(133,737)	279,034
Increase (decrease) in Cash and Short-Term Investments			
		(142,486)	77,133
Cash and short-term investments beginning of year		170,882	65,556
Cash and Short-Term Investments end of period	<i>5</i>	28,396	142,689

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

1) Status of the Corporation

The Manitoba Public Insurance Corporation (the “Corporation”) was incorporated as a Crown Corporation under *The Automobile Insurance Act* in 1970. In 1974, *The Automobile Insurance Act* was revised and became *The Manitoba Public Insurance Corporation Act* (Chapter A180 of the continuing consolidation of the Statutes of Manitoba). In 1988, the Act was re-enacted in both official languages as Chapter P215 of the Statutes of Manitoba. The address of the Corporation’s registered office is 234 Donald Street, Winnipeg, Manitoba.

Under the provisions of its Act and regulations, the Corporation operates an automobile insurance division and a discontinued general insurance division. The lines of business for the automobile insurance division provide for basic universal compulsory automobile insurance, extension and special risk coverages. For financial accounting purposes, the lines of business for the automobile insurance division and the discontinued general insurance division are regarded as separate operations and their revenues and expenses are allocated on a basis described in the summary of significant accounting policies. For financial reporting purposes, due to the immateriality of the financial results of the discontinued general insurance operations, the operations are reported as part of the Special Risk Extension line of business. The basic universal compulsory automobile insurance line of business rates are approved by the Public Utilities Board of Manitoba.

Under *The Drivers and Vehicles Act*, the Corporation is responsible for operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

2) Basis of Reporting

Statement of Compliance

The financial statements of the Corporation are in such form as prescribed by Section 43(1) of *The Manitoba Public Insurance Corporation Act* and are presented in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of Presentation

The Corporation presents its Statement of Financial Position broadly in order of liquidity.

These statements are presented in thousands of Canadian dollars except as otherwise specified.

Seasonality

The automobile insurance business, that reflects the primary business of the Corporation, is seasonal in nature. While net premiums earned are generally stable from quarter to quarter, underwriting income is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly by weather conditions which may vary significantly between quarters.

Basis of Measurement

The Corporation prepares its financial statements as a going concern, using the historical cost basis, except for financial instruments. Measurement of the financial instruments is detailed in Note 4 of the 2011 Annual Report.

Estimates and Judgments

The preparation of financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3) Summary of Significant Accounting Policies

Refer to the 2012 Annual Audited Financial Statements for a summary outlining those accounting policies followed by the Corporation that have a significant effect on the condensed interim financial statements.

4) Provision for Unpaid Claims

The provision for unpaid claims, including adjustment expenses, represents an estimate for the full amount of all costs and the projected final settlement of claims incurred.

The provision for unpaid claims, including adjustment expenses, is subject to variability. This variability is related to future events that arise from the date the loss was reported to the ultimate settlement of the claims. Accordingly, short-tail claims such as physical damage claims tend to be more reasonably predictable than long-tail claims such as Personal Injury Protection Plan (PIPP) and public liability claims. Factors such as the receipt of additional claims information during the claims settlement process, changes in severity and frequencies of claims from historical trends, and effects of inflationary trends contribute to this variability.

The determination of the provision for unpaid claims, including adjustment expenses, relies on judgment, analysis of historical claim trends, investment rates of return and expectation on the future development of claims. The process of establishing this provision necessarily involves risks which could cause the actual results to deviate, perhaps substantially, from the best determinable estimate.

5) Cash and Investments

Cash consists of cash net of cheques issued in excess of amounts on deposit. There is no amount held in trust on behalf of other insurance companies included in cash and short-term investments (2012 – nil).

Short-term investments have a total principal amount of \$26.0 million (2012 - \$107.0 million) comprised of provincial short-term deposits with effective interest rates of 0.94% (2012 – 0.92%), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of \$5.0 million. There were no drawdowns against this line of credit at May 31, 2013.

Cash and Investments

(Unaudited – in thousands of Canadian dollars)

	Financial Instruments			Non-Financial Instruments	Total Carrying Value
	Classified as Available for Sale	Classified as Held to Maturity	Classified as Fair Value Through Profit or Loss		
As at May 31, 2013					
Cash and short-term investments	28,396				28,396
Bonds					
Federal	-	-	109,739		109,739
Manitoba:					
Provincial	-	-	260,361		260,361
Municipal	-	15,092	29,423		44,515
Hospitals	-	-	11,957		11,957
Schools	-	552,805	-		552,805
Other provinces:					
Provincial	-	-	357,134		357,134
Municipal	-	-	62,706		62,706
Corporations	-	-	45,580		45,580
	-	567,897	876,900	-	1,444,797
Other investments	4,022	-	-		4,022
Infrastructure	-	-	45,720		45,720
Cash and investments	32,418	567,897	922,620	-	1,522,935
Equity investments	586,476	-	-		586,476
Pooled Real Estate Fund	-	-	179,398		179,398
Investment property	-	-	-	35,881	35,881
	618,894	567,897	1,102,018	35,881	2,324,690

(Unaudited – in thousands of Canadian dollars)

	Financial Instruments			Non-Financial Instruments	Total Carrying Value
	Classified as Available for Sale	Classified as Held to Maturity	Classified as Fair Value Through Profit or Loss		
As at May 31, 2012					
Cash and short-term investments	95,123				95,123
Bonds					
Federal	-	-	65,198		65,198
Manitoba:					
Provincial	-	-	239,163		239,163
Municipal	-	17,548	36,457		54,005
Hospitals	-	-	12,406		12,406
Schools	-	506,452	-		506,452
Other provinces:					
Provincial	-	-	443,381		443,381
Municipal	-	-	58,956		58,956
Corporations	-	-	50,263		50,263
	-	524,000	905,824	-	1,429,824
Other investments	6,771	-	-		6,771
Infrastructure	-	-	15,076		15,076
Cash and investments	101,894	524,000	920,900	-	1,546,794
Equity investments	473,870	-	-		473,870
Pooled Real Estate Fund	-	-	159,962		159,962
Investment property	-	-	-		-
	575,764	524,000	1,080,862	-	2,180,626

Fair Value Measurement

Financial instruments that are measured at fair value are classified by their level within the fair value hierarchy. The fair value hierarchy consists of three levels that are defined on the basis of the type of inputs used to measure fair value. The classification cannot be higher than the lowest level of input that is significant to the measurement:

Level 1 – Fair value is determined based on unadjusted quoted prices of identical assets in active markets. Inputs include prices from exchanges where equity and debt securities are actively traded.

Level 2 – Level 2 valuations utilize inputs are other than quoted market prices included in Level 1 that are observable, directly or indirectly, for the asset. These inputs include quoted prices for similar assets in active markets and observable inputs other than quoted prices, such as interest rates and yield curves. The fair values for some Level 2 securities were obtained from a pricing service. Pricing service inputs may include benchmark yields, reported trades, broker/dealer quotes and bid/ask spreads.

Level 3 – Fair value measurements using significant inputs that are not based on observable market data are Level 3. This mainly consists of derivatives and private equity investments. In these cases prices may be determined by internal pricing models utilizing all available financial information, including direct comparison and industry sector data. For some investments, valuations are obtained annually. For periods between valuations, management assesses the validity of the valuation for current reporting purposes.

The following table presents financial instruments measured at fair value in the Statement of Financial Position, classified by level within the fair value hierarchy.

As at May 31, 2013 (in thousands of Canadian dollars)	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	119,699	740,916	16,285
Infrastructure	-	-	45,720
Investment property	-	179,398	-
Total FVTPL financial assets	119,699	920,314	62,005
AFS financial assets			
Cash and short term investments	28,396	-	-
Other investments	-	-	4,022
Equity investments	586,476	-	-
Total AFS financial assets	614,872	-	4,022
Total assets measured at fair value	734,571	920,314	66,027

Fair value measurement of instruments included in Level 3 (in thousands of Canadian dollars)	FVTPL	AFS
Balance at March 1	38,716	4,099
Total gains/(losses)		
Included in net income	134	-
Included in other comprehensive income	-	-
Purchases	23,155	-
Sales	-	(77)
Balance at May 31, 2013	62,005	4,022

The fair value of HTM bonds, which include schools and certain municipalities, is based on their carrying value, which approximates market value.

6) Investment Income

(in thousands of Canadian dollars)	May 31, 2013	May 31, 2012
Interest income	11,830	12,531
Gain (loss) on sale of Fair Value Through Profit or Loss bonds	1,146	9,841
Unrealized gain (loss) on Fair Value Through Profit or Loss bonds	(7,524)	3,964
Unrealized gain (loss) on investment property	6,397	5,876
Gain (loss) on infrastructure investments	147	97
Unrealized gain (loss) on infrastructure investments	134	-
Dividend income	3,377	2,970
Gain (loss) on sale of equities	14,371	2,668
Income from investment property	830	637
Write-down of investments	-	(45)
Investment management fees	(1,217)	(1,921)
Total	29,491	36,618

7) Employee Future Benefits Expense

The total benefits costs included in expenses are as follows:

(Unaudited – in thousands of Canadian dollars)	May 31, 2013	May 31, 2012
Pension benefits	5,721	5,668
Other post-employment benefits	596	528
Total	6,317	6,196

8) Depreciation and Amortization

The total depreciation and amortization included in expenses are as follows:

(Unaudited – in thousands of Canadian dollars)	May 31, 2013	May 31, 2012
Amortization – Deferred Development	2,212	2,207
Depreciation – Property and equipment	1,672	1,707
Total	3,884	3,914

Manitoba Public Insurance Locations

Customer Service

Winnipeg

Tel: 204-985-7000

Outside Winnipeg

Tel: 800-665-2410

Deaf Access TTY/TDD

Tel: 204-985-8832

Out-of-Province Claims

Tel: 800-661-6051

Administrative Offices

Winnipeg

234 Donald Street
Box 6300
R3C 4A4

Brandon

731-1st Street
R7A 6C3

Service Locations

Winnipeg Service Centres

15 Barnes Street
40 Lexington Park
1284 Main Street
930 St. Mary's Road
125 King Edward Street East
1103 Pacific Avenue
420 Pembina Highway

cityplace

Service Centre – Main Floor
ID Verification and Data
Integrity
Rehabilitation Management
Centre
Serious and Long-Term Case
Management Centre
Bodily Injury Centre
234 Donald Street

Physical Damage Centre Holding Compound/Receiving Salvage

Commercial Claims
1981 Plessis Road

Arborg

Service Centre
323 Sunset Boulevard

Beausejour

Service Centre
848 Park Avenue

Brandon

Service Centre
731-1st Street

Dauphin

Service Centre
217 Industrial Road

Flin Flon

Claim Centre
8 Timber Lane

Portage la Prairie

Claim Centre
2007 Saskatchewan Avenue
West

Driver and Vehicle Licensing Centre

25 Tupper Street North

Selkirk

Service Centre
1008 Manitoba Avenue

Steinbach

Claim Centre
91 North Front Drive

Service Centre

165 Park Road West
Clearspring Village Mall, Unit 2

Swan River

Claim Centre
125-4th Avenue North

The Pas

Claim Centre
424 Fischer Avenue

Thompson

Service Centre
53 Commercial Place

Winkler

Service Centre
355 Boundary Trail

For more information contact:

**Manitoba Public Insurance
Corporate Communications**

Room 820, 234 Donald Street

P.O. Box 6300

Winnipeg, MB R3C 4A4



**Manitoba
Public Insurance**