MANITOBA PUBLIC INSURANCE

BENCHMARKING

June 16, 2014
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BENCHMARKING OVERVIEW

Benchmarking is the comparison of an organization’s practices and performance against those of other organizations and the broader industry they operate in.

The goal of Benchmarking is to identify standards or ‘best practices’ to apply and use in measuring and improving corporate performance.

Through benchmarking, organizations such as MPI are provided with information on relative performance, which guides them through an ongoing process of performance enhancement.

MPI acknowledges the importance of benchmarking and uses it to help achieve its corporate goals and attain optimum performance across all areas of the Corporation. The benchmarking process it employs helps to identify improvement opportunities for managing expenses and the efficiencies of its operations to successfully move forward and continue to serve Manitobans.

Historically, MPI has gauged its performance by the use of macro-mandate driven measures such as rate comparisons and premiums returned for dollar earned, but is now developing a more comprehensive benchmarking framework in order to obtain a more robust evaluation of its overall corporate performance.
MANITOBA PUBLIC INSURANCE’S VALUE EQUATION

Manitoba Public Insurance’s corporate performance is directly correlated to, and predicated on, the Corporation’s business model and Value Equation.

Manitoba Public Insurance’s business model is designed to administer The Manitoba Public Insurance Corporation Act and support the Value Equation which provides Manitobans with guaranteed access to superior products, coverage and service at the lowest possible cost. The Corporation is dedicated to offering province-wide accessibility and, in co-operation with its business partners, performs at the highest attainable levels of economy, efficiency, and effectiveness.

The Value Equation therefore demonstrates the broad universality of the Corporation’s mandate. With respect to issuing insurance, this mandate means that Manitoba Public Insurance must “take all comers”, and not be selective in the risks it assumes. This increases the Corporation’s risk
profile relative to other insurers, both public and private, and by extension, its operating expense framework.

MANITOBA PUBLIC INSURANCE SERVICE DELIVERY MODEL

In 1971, Manitoba Public Insurance was created with the primary purpose of administering the Basic compulsory, universally available auto insurance program.

As part of delivering value to Manitobans, the Corporation has continually strived to manage operating expenses and align claims costs with customer expectations of fair value and affordability through rate stability and predictability.

CLAIMS – HIGH FREQUENCY/LOW SEVERITY

As a monopoly, MPI can achieve economies of scale by managing its incurred claims through its own system of appraisers, adjusters and quality inspectors, as well as by working closely with industry partners to reduce the severity of its incurred claims. In doing so, the Corporation provides an affordable system of auto insurance where deductibles remain low and customers receive a return of at least 85 cents on the dollar in the form of benefits.
Customers can make claims without fear of consequences such as paying excessively high rates and surcharges, or outright cancellation of coverage. In short, it makes financial sense for customers to repair their vehicles. While this results in a higher claims frequency, it also allows the Corporation to:

- Ensure vehicles remain in good working order to perform safely on the road
- Ensure vehicle repairs are made in accordance to approved standards
- Satisfy customers’ expectation of high quality repairs at low cost

High severity claims will be reported and claimed by individuals since it makes financial sense to do so. The MPI model also encourages customers to make low severity claims. The existence of a lower deductible is another factor that distinguishes the Corporation from others in the insurance marketplace. Customers in other jurisdictions are less inclined to file low severity claims, and therefore more likely to drive unrepaired, and in some cases, unsafe vehicles.

The favourable and affordable deductibles offered by MPI contribute significantly to a higher than average claims frequency. While automobile insurance companies in Ontario, for example, regularly offer deductibles in the $1000 range, those offered by Manitoba Public Basic Insurance are only $500.
MANITOBAN PUBLIC INSURANCE BUSINESS
MODEL - PERFORMANCE MEASUREMENTS
AND RESULTS

Performance measurements and results must be examined within the context of a strong customer-centric service model that permits and encourages high claims frequency.

Key factors of the Corporation’s business model which can impact operating expenses and staffing levels include:

- End-to-end customer service performed internally by MPI employees. This results in a better customer experience but requires more employees than models based on, for example, out-sourced call centres or damage estimates handled by third parties. This means when benchmarking against private insurance companies, the Corporation’s FTEs (Full Time Equivalent) per $100 million of GPW (Gross Premium Written) ratio, for example, will be higher. The additional FTEs will also increase expenses which will in turn increase the Corporation’s total gross expenses as a % of GPW ratio.

- The Service Centre model and the concept of providing convenient access to services province-wide. This means that MPI requires more locations throughout the province to serve fewer customers. This is due to the geographic and demographic realities of Manitoba and requires a sufficient number of employees to fully staff the Service Centres. With more physical space required, there can be a negative effect on occupancy costs and staffing levels. This will result in a higher total gross
expenses as a % of GPW and FTEs per $100 million of GPW ratios for the Corporation.

- The business model is designed so that customers will use their insurance as needed and not be reluctant to make a claim should they have an accident. However, this increases the number of claims reported and in turn, requires additional claims personnel to administer end-to-end service. This means the Corporation’s reported claims per claims FTE and reported claims per 1,000 policies in force ratios will be higher than the ratios of private insurance companies.

There is a direct relationship between the number of employees and MPI’s business model. The Corporation requires a complement of employees appropriate for making the service delivery model function and meet customer expectations.

In addition, unlike private insurers, MPI is a not-for-profit Crown Corporation which operates at a financial break-even level over the long-term. Therefore, as MPI is successful in achieving financial breakeven, expenses relative to revenue (gross premiums written) will be a higher proportion than those of private insurers where gross premiums written include a significant profit component. This means if expenses were identical, the expense to gross premium written ratio for MPI would be greater than the private insurer where gross premium written includes a profit component.
MPI's benchmarking framework is closely aligned with the goals and strategies the Corporation has developed to meet the requirements of Manitobans as demonstrated in its Value Equation. It includes four major areas of corporate performance.

- **Operational Efficiency Measures**: Corporation's use of resources
- **IT Service Delivery Capability Measures**: Maturity level of the Corporation
- **Serving Manitobans Measures**: Quality of service delivered to Manitobans
- **Community Impact Measures**: The effect programs and services have on the community
These are:

1. **Operational Efficiency**

   Operational Efficiency speaks to MPI’s capability to deliver products and services to Manitobans in the most cost-effective manner possible while still ensuring the high quality of its products, services and support.

2. **IT Service Delivery Capability**

   IT Service Delivery Capability refers to how effective and mature MPI is in terms of IT organization, processes and infrastructure. This measure includes both operational effectiveness indicators and ratings that evaluate the effectiveness of the IT department to deliver on the needs of the business.

3. **Serving Manitobans**

   Serving Manitobans measures corporate performance by monitoring Manitobans’ perceptions of the service that MPI provides as the provincial vehicle insurer and in relation to specific products and services.

4. **Community Impact**

   Community Impact measures are designed to assess general perceptions of Manitoba Public Insurance’s performance as a corporate citizen. In addition, the Corporation consistently monitors self-reported road safety behaviors to identify areas for improvement and to increase the effectiveness of its advertising and educational programs.
Taken together, the metrics in these areas form an overall, representative benchmarking framework for Manitoba Public Insurance and its operations.

The selected metrics associated with each of these areas combine to paint a comprehensive picture of overall corporate performance. They allow for consistent comparisons with other like organizations, and provide a basis for ongoing trend analysis.

Based on ongoing feedback provided by annual benchmarking, MPI will be in a position to better understand and react in situations where:

- Expenses can be reduced
- More effective management can be exercised
- Resources can be better allocated

Our benchmarking will also provide information to:

- Direct focus to top priorities
- Understand the macro-economic context
- Support risk management
- Manage regulatory requirements
In addition to the development of this benchmarking framework, the Corporation will continue to further develop productivity factors to assist in assessing cost containment measures in the following areas: injury claims management, Contact Centre, and physical damage management.
1. OPERATIONAL EFFICIENCY

Operational efficiency speaks to MPI’s capability to deliver products and services to Manitobans in the most cost-effective manner possible while ensuring the high quality of its products, services and support.

To attain optimal operational efficiency, the Corporation seeks to effectively manage expenses by leveraging the resources that contribute to corporate success such as its workforce, technology and business processes.

Methodology:

To assess operational efficiency, the Corporation engages the Ward Group to provide benchmarking services in connection with Ward’s Property & Casualty Core Enterprise Operations benchmarking program.

The Ward Group is the leading provider of benchmarking and best practices research studies for insurance companies in North America. Ward has worked with over 400 companies and performed over 2,000 benchmarking exercises since 1991.
The Ward Group is a division of McLagan/Aon Hewitt. McLagan is a
global leader in financial services performance benchmarking and
executive compensation and has been advising many of the major blue-
chip financial services organizations in the world, from Asia to North
America for almost half a century.

The benchmarking program provides:

- A staffing and expense benchmark for major corporate functions.
- MPI with an objective and comprehensive analysis of the
  Corporation’s cost structure.
- Statistical benchmarking information in report form detailing MPI
  results and benchmarking group results.
The Ward benchmarking process involves:

- Developing apples-to-apples comparisons.

- Conducting On-site Best Practices Analysis – Ward spends time at MPI to understand business practices, operating philosophies and corporate culture.

- Reviewing the Results – Ward has on-site meetings with MPI management to review customized results developed specifically for MPI.

- Monitoring the Results – After the second year of collecting information, a trend analysis report is prepared annually to help MPI management monitor year-to-year performance improvement.
The Ward Benchmarking program will assist the Corporation to:

- Gain an independent perspective about how well the Corporation compares to other companies
- Clearly identify specific areas of opportunity
- Validate assumptions
- Prioritize improvement opportunities
- Set performance expectations
- Monitor company performance and manage change

For this benchmarking program, MPI is benchmarked against three benchmark groups.

- Canadian Personal Auto Benchmark Group – 9 Canadian insurers
- Canadian Benchmark Group – 13 Canadian insurers
- US Personal Auto Benchmark Group – 13 US insurers

Ward’s benchmarking program provides a detailed analysis of staff levels, revenue and expenses for the Corporation’s insurance operations only. It does not include the Corporation’s driver and vehicle licensing operations.
Operational Efficiency Measures

Sections 1.1 and 1.2 consist of indicators identified by the Ward Group as being the most meaningful indicators of operational efficiency.

1.1 Corporate Performance

1.1.1 Total gross expenses as a % of Gross Premiums Written (GPW)
1.1.2 Total gross expenses per policy in force
1.1.3 FTE’s per $100 million of GPW
1.1.4 Ratio of staff to management
1.1.5 Total personnel expense per FTE
1.1.6 Loss ratio
1.1.7 Net investment yield

1.2 Claims Performance

1.2.1 Claims expense as a % of GPW
1.2.2 Claims expense per reported claim
1.2.3 Reported claims per claims FTE
1.2.4 Reported claims per 1,000 policies in force
1.2.5 Personal lines losses incurred per paid claim
Section 1.3 consists of macro-mandate indicators that gauge operational
efficiency at a macro level. To obtain these results, MPI collects data
both internally and from external jurisdictions.

1.3 Macro-mandate Performance

1.3.1 Rates comparisons with private insurers across Canada
1.3.2 Returns of at least 85% of premium revenue in claims
    benefits
1.3.3 Lower annual increases in premium growth in comparison
to other Canadian auto insurers
Summary

Corporate and Claims Performance

The Corporation compares well against the benchmark groups in many of the operational efficiency measures. Below are selected key 2012 benchmark indicators that provide confirmation that the Corporation is operating efficiently and effectively. For the full listing of efficiency measures please see Volume III AI.12 Benchmarking Appendices, Appendix 1.

<table>
<thead>
<tr>
<th></th>
<th>MPI</th>
<th>Canadian Personal Auto Group</th>
<th>Canadian Benchmark Group</th>
<th>US Personal Auto Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total gross expenses as a % of GPW</td>
<td>33.19%</td>
<td>36.25%</td>
<td>38.37%</td>
<td>38.56%</td>
</tr>
<tr>
<td>Total gross expenses per policy in force</td>
<td>$299</td>
<td>$387</td>
<td>$494</td>
<td>$445</td>
</tr>
<tr>
<td>Total personnel expense per FTE</td>
<td>$79,043</td>
<td>$88,032</td>
<td>$86,027</td>
<td>$86,078</td>
</tr>
<tr>
<td>Claims expense per reported claim</td>
<td>$263</td>
<td>$805</td>
<td>$939</td>
<td>$545</td>
</tr>
<tr>
<td>Reported claims per claims FTE</td>
<td>330.16</td>
<td>215.10</td>
<td>225.77</td>
<td>262.32</td>
</tr>
<tr>
<td>Reported claims per 1,000 policies in force</td>
<td>246.22</td>
<td>105.61</td>
<td>111.04</td>
<td>180.44</td>
</tr>
</tbody>
</table>

However, there are some operational measures where the Corporation is below the benchmark groups. These are primarily related to staffing.
For these measures, the results must be examined within the context of the Corporation’s business model that permits and encourages high claims frequency. As indicated previously, based on the Corporation’s business model a higher FTE per $100 million of GPW is expected.

Macro-mandate Performance

Historically, the Corporation has consistently chosen to ensure it meets its three macro-mandate performance benchmarks as a way of gauging its ongoing and year-over-year success in terms of operating efficiency and providing value to Manitobans. This year two additional indicators have been included in the rates comparison benchmark section. They are:

- Passenger vehicle rates comparison by minimum, maximum, 25th percentile, and 75th percentile.
- Motorcycle rates comparison.

The results of these macro-mandate performance measures continue to show that Manitobans will pay less for their automobile and motorcycle insurance in 2014 than most major Canadian cities.

<table>
<thead>
<tr>
<th></th>
<th>MPI</th>
<th>Canadian Personal Auto Group</th>
<th>Canadian Benchmark Group</th>
<th>US Personal Auto Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTE’s per $100 million of GPW</td>
<td>153.54</td>
<td>103.07</td>
<td>114.10</td>
<td>124.90</td>
</tr>
</tbody>
</table>
**Passenger Vehicle - Rates Comparison Charts by Driver Profile**

All rates are based on: 2010 Dodge Caravan SE, $500 All Perils deductible, $2 million third-party liability\(^1\)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>21 year-old male</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg</td>
<td>$1,179</td>
<td>$1,300</td>
<td>$1,322</td>
</tr>
<tr>
<td>Calgary</td>
<td>$3,045</td>
<td>$3,011</td>
<td>$3,002</td>
</tr>
<tr>
<td>Toronto</td>
<td>$9,370</td>
<td>$9,160</td>
<td>$8,069</td>
</tr>
<tr>
<td><strong>35 year-old couple</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg</td>
<td>$992</td>
<td>$1,031</td>
<td>$1,047</td>
</tr>
<tr>
<td>Calgary</td>
<td>$1,431</td>
<td>$1,396</td>
<td>$1,432</td>
</tr>
<tr>
<td>Toronto</td>
<td>$4,398</td>
<td>$4,450</td>
<td>$3,986</td>
</tr>
<tr>
<td><strong>40 year-old couple and 16 year-old son</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Winnipeg</td>
<td>$1,037</td>
<td>$1,076</td>
<td>$1,092</td>
</tr>
<tr>
<td>Calgary</td>
<td>$2,859</td>
<td>$2,824</td>
<td>$2,181</td>
</tr>
<tr>
<td>Toronto</td>
<td>$8,041</td>
<td>$8,160</td>
<td>$7,221</td>
</tr>
</tbody>
</table>

\(^1\) The Dodge Grand Caravan SE is the most common passenger vehicle registered in Manitoba
The results also show that the Corporation returns at least 85% of
premium revenue to Manitobans in the form of claims benefits (114% in
2014) and auto insurance cost has grown at a consistently lower rate
compared to the national average since 2001 (1.07% per year for
Manitoba versus 5.12% national annual average).

Overall, the benchmarking results provide confirmation that the
Corporation’s business model and cost containment efforts have been
successful in supporting the four factors in Manitoba Public Insurance’s
Value Equation – price, coverage, service and access.

(See Volume III Benchmarking Appendices - Appendix 1 for Operational
Efficiency benchmark results)
2. IT SERVICE DELIVERY CAPABILITY

IT Service Delivery Capability refers to how effective and mature a Corporation is in terms of IT organization, processes and infrastructure. This measure includes both operational effectiveness indicators (IT Spending and IT Staffing) and ratings that evaluate the effectiveness of the IT organization to deliver on the needs of the business (IT Maturity Ratings).

IT Service Delivery Capability is an important measure, as it demonstrates whether an organization has enhanced processes and capabilities in place to overcome obstacles quickly, to minimize operational risks, and to provide ongoing cost effective operation and service to customers.

Methodology:

For IT benchmarking, MPI engages Gartner Consulting, the world’s leading information technology research and advisory company. Founded in 1979, Gartner is headquartered in Stamford, Connecticut, USA, and has 6,100 associates, including more than 1,460 research analysts and consultants, and 14,000 clients in 85 countries.

The objectives of the Gartner benchmarking engagement are as follows:

- Communicate how MPI’s IT resources are consumed and focused on helping the organization run, grow and transform the company.
- Evaluate the relative maturity of the IT organization in critical IT disciplines to remain the vendor of choice for IT services.

- Demonstrate that the IT organization can quickly react to rapidly changing business requirements and make calculated IT investments that will pay off in the future.

- Compare relative funding levels of IT at MPI and the distribution of those budget expenditures.

For this benchmarking engagement, MPI is benchmarked against 11 peer organizations. The peer group is determined by the role IT plays in the enterprise and consists of organizations within the insurance and provincial government areas that are comparable in size to Manitoba Public Insurance (4 Canadian P&C Insurers, 4 US P&C Insurers, and 3 government insurers).
IT Service Delivery Capability Measures

Selected indicators from Gartner’s CIO Scorecard

2.1 IT Spending
   2.1.1 IT spending as a % of revenue
   2.1.2 IT spending to run, grow and transform the business

2.2 IT Staffing
   2.2.1 IT FTEs as a % of company employees
   2.2.2 In House vs. Contractor IT FTE

2.3 IT Maturity Ratings (CIO Scorecard)
   2.3.1 Infrastructure & operations
   2.3.2 Cost containment
   2.3.3 Applications organization
   2.3.4 Business process management
   2.3.5 Enterprise architecture
   2.3.6 Open innovation readiness
   2.3.7 Effectiveness/Innovation enterprise viewpoint
   2.3.8 Effectiveness/Innovation IT organization viewpoint

The most current Gartner’s CIO Scorecard will be provided to PUB by June 27, 2014.
3. SERVING MANITOBANS

The Corporation receives feedback on the service we provide from both customers and the general public. In achieving excellence in customer service, MPI aims to position itself as a strong corporate citizen while offering quality products and services.

Methodology:

The Public Perception Benchmarking Measures are assessed through a telephone survey that collects public feedback on various aspects of the Corporation and its role as the provincial vehicle insurer. Public responses are collected by a third-party research firm that randomly selects residents from Manitoba in addition to those residing in other Canadian jurisdictions. The collection of data from the benchmark provinces is done biennially.

3.1 Public Perception Benchmarking Measures

3.1.1 Service when dealing with vehicle insurer
3.1.2 Experience with vehicle insurer
3.1.3 Describing vehicle insurer
The Customer Service Trending Measures assessing overall customer satisfaction are collected through telephone surveys that measure satisfaction with service provided across specific lines of business. Respondents who have recently used MPI services are randomly selected and interviewed for this purpose.

3.2 Customer Service Trending Measures
   3.2.1 Physical damage claimant satisfaction survey
   3.2.2 Injury claimant satisfaction survey
   3.2.3 Insurance & licensing customer satisfaction survey

Poll results based on fiscal year.
Summary

Manitobans have consistently rated MPI high when asked how they feel when dealing with the Corporation (protected, confident, looked after, comfortable, and relaxed). When compared to other public automobile insurers, Saskatchewan Government Insurance (SGI) and the Insurance Corporation of British Columbia (ICBC), the Corporation received similar scores to SGI and much higher scores than ICBC.

Feelings when dealing with insurance provider by province:

<table>
<thead>
<tr>
<th>2013 (Average rating out of 7, where 1 is strongly disagree and 7 is strongly agree)</th>
<th>Manitoba (MPI)</th>
<th>Saskatchewan (SGI)</th>
<th>British Columbia (ICBC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protected</td>
<td>5.2</td>
<td>5.2</td>
<td>4.3</td>
</tr>
<tr>
<td>Confident</td>
<td>5.1</td>
<td>5.1</td>
<td>4.0</td>
</tr>
<tr>
<td>Looked after</td>
<td>5.1</td>
<td>5.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Comfortable</td>
<td>5.1</td>
<td>5.1</td>
<td>4.1</td>
</tr>
<tr>
<td>Relaxed</td>
<td>4.8</td>
<td>4.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

These results are also true when Manitobans were asked to rate their experience when dealing with their vehicle insurer and when describing their vehicle insurer (accessible, trustworthy, good value, service minded, leader, fair, innovative, and caring).
### Agreement with descriptor of insurance provider by province: 2013
(Average rating out of 7, where 1 is strongly disagree and 7 is strongly agree)

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Manitoba (MPI)</th>
<th>Saskatchewan (SGI)</th>
<th>British Columbia (ICBC)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accessible</td>
<td>5.6</td>
<td>5.7</td>
<td>5.0</td>
</tr>
<tr>
<td>Trustworthy</td>
<td>5.1</td>
<td>5.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Good Value</td>
<td>5.0</td>
<td>5.2</td>
<td>3.8</td>
</tr>
<tr>
<td>Service Minded</td>
<td>4.9</td>
<td>5.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Leader</td>
<td>4.7</td>
<td>5.0</td>
<td>3.8</td>
</tr>
<tr>
<td>Fair</td>
<td>4.8</td>
<td>4.9</td>
<td>3.6</td>
</tr>
<tr>
<td>Innovative</td>
<td>4.6</td>
<td>4.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Caring</td>
<td>4.7</td>
<td>4.8</td>
<td>3.4</td>
</tr>
</tbody>
</table>
When surveying customers and claimants on their satisfaction level with services received, the Corporation also scored consistently high. The percentage of satisfied claimants in 2013 was as follows:

- Physical damage claims 86%
- Injury claims 81%
- Insurance and licensing
  - Policy services 90%
  - Driver vehicle and licensing services 92%

Overall, the results indicate that the Corporation continues to perform very well in meeting the needs of Manitobans.

(See Volume III Appendices - Appendix 2 for Serving Manitobans benchmarking results)
4. COMMUNITY IMPACT

Community Impact measures are designed to assess general perceptions of MPI’s performance as a corporate citizen. In addition, the Corporation consistently monitors self-reported road safety behaviors to identify areas for improvement and to increase the effectiveness of its advertising and educational programs.

**Methodology:**

The Public Perception Benchmarking Measures are assessed annually through MPI’s public polling which collects feedback on various aspects related to the Corporation’s work as the provincial vehicle insurer. Public responses are collected by a third-party research firm that randomly selects residents from Manitoba in addition to those residing in other Canadian jurisdictions.

4.1 *Benchmarked Public Perception Measures*

4.1.1 Public support towards Manitoba Public Insurance
4.1.2 Value for money
4.1.3 Value for money over time
4.1.4 Corporate Performance Index
4.1.5 Overall Corporate Performance Index over time
4.1.6 Products and programs
The Road Safety Public Perception Measures are also assessed through public polling which collect responses from Manitobans across areas of road safety concern (i.e., speeding, distracted driving, etc). Respondents are randomly selected and interviewed by a third-party research firm.

4.2 Road Safety Public Perception Measures
   4.2.1 Success in addressing driving safety
   4.2.2 Success in addressing specific driving safety issues
Influencing Factors:

- **Positive Outlook:** While MPI ratings generally show a good relationship with the public, some auto insurers enjoy greater public support from residents of their provinces. SGI offers similar insurance premiums, yet garners greater public support. In part, this may be impacted by a high level of overall optimism in Saskatchewan. This general positive outlook may influence ratings for SGI.

- **Inclusion of Home Insurance:** A factor that may have some impact on scores in Saskatchewan is that vehicle insurers in these provinces also offer home insurance. Across all western provinces, people are very favourable toward their home insurer, as compared to their phone company, hydro company, TV service provider and Worker’s Compensation Board. This tendency to be favourable toward your home insurer may improve scores given for a vehicle insurer when a person has the same insurer for both their home and car.
Summary

Manitobans’ public support for MPI continues to be strong and stable with 74% of Manitobans in 2013 having a favourable view of the Corporation.

Manitobans were also asked to rate their vehicle insurer on six attributes

- Overall management
- Social and economic contribution to the province
- Responsiveness to the public
- Listening to the concerns of the public
- Openness to new ideas
- The believability of the statements the Corporation makes to the public and in the media
The overall Corporate Performance Index (CPI), the average of the six attributes, provides a valid and reliable measurement for corporate performance. The Corporation’s overall CPI of 72% (residents with a positive rating of MPI) in 2013 is slightly below SGI’s score of 77% but well above ICBC’s score of 42%.

When Manitobans were asked about road safety, about two thirds of Manitobans said the Corporation was successful in addressing driving safety problems in the province. Specifically, Manitobans identified seat belts and drinking and driving as specific driving safety problems that the Corporation was most successful in addressing.

Overall, the results indicate that the Corporation has positively impacted Manitobans and is viewed as a good corporate citizen.

(See Volume III Benchmarking Appendices - Appendix 3 for Community Support benchmark results)
Conclusion

Manitoba Public Insurance acknowledges the importance of benchmarking and utilizes it to help achieve its corporate goals and attain optimum performance across all areas of the Corporation.

However, performance measurements and results must be examined within the context of the Corporation’s business model that permits and encourages high claims frequency. The Corporation’s business model is based on end-to-end customer service which is performed internally by MPI employees. This results in a better customer experience but requires more employees than models based on, for example, outsourced call centres or damage estimates handled by third parties.

In addition, unlike private insurers, the Corporation is a not-for-profit Crown Corporation which operates at a financial break-even level over the long term. Therefore, as Manitoba Public Insurance is successful in achieving its mandate (returning benefits to Manitobans while keeping insurance rates low), expenses relative to revenue (gross premiums written) will be higher than those of private insurers. This means if expenses were identical, the expense to gross premium written ratio for MPI would be greater than the private insurer where gross premium written include a profit component.
The Corporation compares well against the benchmark groups in many of the operational efficiency measures. This is especially true with regards to the macro-mandate measurements that gauge operational efficiency at a macro level.

When surveying customers and claimants on their satisfaction level with services received, the Corporation scored consistently high which is an indication that the Corporation continues to perform very well in meeting the needs of Manitobans.

Public support for MPI also continues to be strong with most Manitobans having a favourable view of the Corporation. The positive results of the Corporate Performance Index, a valid and reliable measurement for corporate performance, indicate that the Corporation has positively impacted Manitobans and is viewed by Manitobans as a good corporate citizen.
Overall, the benchmarking results are favourable and they provide confirmation that the Corporation’s business model and cost containment efforts have been successful in supporting the four factors in the Corporation’s Value Equation – price, coverage, service and access.

Manitoba Public Insurance will continue to evaluate its corporate performance against the indicators described in this benchmarking framework. However, the process needs to be flexible rather than static. Benchmarking indicators may change over time as the process continues to evolve and additional indicators are identified that prove to be helpful in measuring corporate performance.