



MANITOBA
PUBLIC INSURANCE

2024

Annual Report





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Letters of Transmittal



July 31, 2025

Honourable Matt Wiebe
Minister of Justice and Attorney General
& Minister Responsible for the Manitoba
Public Insurance

Corporation Room 104, Legislative Building
Winnipeg, MB R3C 0V8

Dear Minister,

In accordance with Section 43(1) of
The Manitoba Public Insurance Corporation Act,
I am pleased to submit the Annual Report of
the Manitoba Public Insurance Corporation
for the fiscal year ended March 31, 2025.

Respectfully submitted,

Carmen Nedohin
CHAIRPERSON OF THE BOARD



July 31, 2025

Her Honour The Honourable
Anita R. Neville, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May it please your Honour,

I am pleased to present the Annual
Report for the Manitoba Public
Insurance Corporation for the fiscal
year ended March 31, 2025.

Respectfully submitted,

Matt Wiebe
MINISTER OF JUSTICE AND
ATTORNEY GENERAL & MINISTER
RESPONSIBLE FOR
THE MANITOBA PUBLIC
INSURANCE CORPORATION

About Manitoba Public Insurance

Corporate Profile

Manitoba Public Insurance is a provincial Crown corporation that has provided automobile insurance coverage since 1971. We assumed a broader spectrum of services in 2004, when we merged driver and vehicle licensing into our operations. The Corporation is governed by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*.

Corporate Mission

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

Corporate Vision

Manitoba's trusted auto insurer and driver services provider. Dedicated to road safety for all.

Corporate 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 fulfill our mission.

Message from the Chairperson



Board of Directors

Carmen Nedohin
CHAIRPERSON

Christian Dandeneau

JD Devgan

Fran Frederickson
VICE CHAIR

Luke Johnston

Gina McKay

Marilyn McLaren

Robert Plohman

Diane Roussin

Candy Wong

Satvir Jatana
(EX-OFFICIO)

I am proud to reflect on the progress Manitoba Public Insurance (MPI) has made over the past year. The Corporation plays a vital role in the daily lives of Manitobans – as a trusted public auto insurer, a provider of essential driver services, and a steward of road safety.

For decades, we have been a trusted brand that is part of the fabric of our province; a uniquely Manitoban entity that employs thousands of people across the province. And in my first full year as Chair of MPI's Board of Directors, I have seen this organization undergo tremendous growth and change.

This past year has been a turning point at MPI, both in terms of stabilizing the organization and setting a clear path forward for the future. This stability will ensure the organization is positioned to continue to provide value for Manitobans for generations to come.

Following a challenging period, including a 10-week labour disruption in 2023, MPI worked diligently to restore operational focus and regain momentum. That included addressing backlogs, clarifying internal priorities, and re-establishing a culture grounded in transparency, accountability and service. These efforts were essential in reaffirming our core commitment to deliver affordable, reliable services to Manitobans through the public insurance model.

Stability has brought with it the opportunity to think more strategically. One area of critical importance is technology. As a public organization, we are entrusted with ensuring that every investment reflects the needs of Manitobans and delivers long-term value. With technology playing an increasingly critical role in delivering timely, user-friendly services, we are making thoughtful decisions about where and how we invest. This work has included a full review of the Discovery phase for Project Nova's third release, alongside a broader assessment of IT needs across the Corporation. These efforts are designed to inform a comprehensive plan to replace aging systems, reduce risk and enhance our ability to serve customers efficiently and securely.

While we looked inward to stabilize, we also had to respond to the world around us. Like many organizations, MPI continued to face the effects of global economic uncertainty, tariffs and the potential impact on the auto industry, inflationary pressures, and shifting political dynamics. We have remained focused and pragmatic in the face of this volatility. Through careful financial stewardship and proactive risk management, we have taken meaningful steps to safeguard the Corporation and protect the interests of Manitobans. Whether adjusting investment strategies, refining our cost controls, or re-evaluating timelines for major initiatives, our approach remains grounded in resilience and long-term value.

With that in mind, our Board was proud to work alongside MPI's leadership in the formation of a new Multi-Year Corporate Strategic Plan. It is a thoughtful roadmap that aims to strengthen relationships, modernize operations and improve the customer experience, rooted in the realities of where we are today and firmly focused on where we want to go.

At the heart of this work is a shared sense of purpose, recognizing that the dedication, professionalism and expertise of MPI employees have been integral to our progress. Their contributions have helped us rebuild momentum and restore confidence in our service delivery.

On behalf of the Board, I want to thank the Executive team, our employees, and all stakeholders for their continued trust and commitment. Your contributions are the reason MPI is well positioned for a strong and sustainable future. We look forward to building on this foundation – together.

Carmen Nedohin

CHAIRPERSON OF THE BOARD

Message from the President and Chief Executive Officer



As President and CEO, I am honoured to have led Manitoba Public Insurance through a year marked by renewed purpose, operational clarity, and meaningful progress. Together with my leadership team, we are committed to guiding this organization with integrity and accountability, always centred on delivering value, protecting affordability, and maintaining the trust of the people we serve.

Coming out of a period of disruption, our top priority was restoring stability and focus across the organization. We realigned teams, clarified leadership roles, and introduced better governance to support stronger, more consistent service delivery. One of the most significant milestones was the development of MPI's new Multi-Year Corporate Strategic Plan. This plan reflects a shared vision – shaped by the voices of our employees, customers, and stakeholders – and aligns our goals with operational capacity and fiscal responsibilities. It is not about change for its own sake, but about moving forward responsibly, at a pace that supports our team and meets the needs of Manitobans.

We've already seen early results from our renewed focus on delivering better service. Increased focus on service delivery with the introduction of online appointment booking at service centres has made interactions faster and more efficient. We expanded Driver Z instructor recruitment in rural communities, increasing program capacity so more students can participate and build the skills needed to stay safe on the roads. During the Canada Post strike, we ensured uninterrupted service to customers when they needed it most. Additionally, the launch of our International Registration Plan platform provided greater access, choice, and convenience for our commercial customers. A new towing model for Winnipeg, developed in collaboration with business partners, has recently launched, enhancing service and choice for customers.

We are especially proud of the targeted road safety initiatives implemented this year, which reflect our commitment to making Manitoba's roads safer for everyone. A new mandatory driver training requirement for customers who fail Class 1-5 tests three or more times has helped produce more confident and better-prepared drivers, while right sizing the demand for testing and making training accessible. We expanded adult driver training programs across the province and enabled communities to install speed signage in high-risk areas to help reduce speeding-related incidents. We also expanded driver's licence exchange agreements with 26 European countries, making it easier for newcomers to transition and drive safely in Manitoba.

Through our Community Relations efforts, we reached more than 12,000 Manitobans at events like the Icelandic Festival in Gimli and the Teddy Bear's Picnic in Winnipeg, promoting safe road use for families and children. As a long-standing partner of United Way, we also celebrated the success of our employee-led campaign, which raised more than \$377,000 to support critical services in communities across Manitoba. These efforts reflect the strength, commitment, and compassion of our MPI team.

On the technology front, we continued to assess and learn from our past while understanding our future needs. This work led to an important decision: the formal closure of Project Nova and the approval of a new plan to replace our outdated systems.

While Nova set the foundation for key future initiatives like MyMPI and IRP Online, it also faced challenges such as unrealistic timelines, shifting priorities, and governance issues. The new plan breaks technology projects into manageable pieces, allowing us to move forward responsibly while protecting service quality, employee stability, and fiscal responsibility.

Financially, MPI saw a material improvement in its reported net loss – from \$129.5 million last year to \$19.7 million in 2024/25. This turnaround reflects disciplined, responsible decision-making and our commitment to managing public resources effectively. We remain focused on long-term sustainability while continuing to deliver affordability and value to Manitobans.

The strength of our relationships with business partners has been essential to our ability to deliver on our mandate and achieve shared success, and we look forward to continuing to build on that foundation as we move ahead together.

None of our progress would be possible without the resilience and dedication of our employees. The most recent Be Heard employee engagement survey saw strong engagement and participation, giving us valuable insight into what matters most to our people. We continue to use this insight to help build a strong team and an organization to deliver the needs of Manitobans.

The year behind us has been one of rebuilding and renewal. The year ahead is about momentum and turning progress into lasting change. With the commitment of our team and the trust of the people we serve, MPI is becoming stronger, more accountable, and better equipped to meet the needs of Manitobans – today and for generations to come.

Satvir Jatana

PRESIDENT & CHIEF EXECUTIVE OFFICER

Executive Team

Satvir Jatana

PRESIDENT & CHIEF
EXECUTIVE OFFICER

Tamara Boblinski

VICE PRESIDENT & CHIEF
PEOPLE OFFICER

John Bowering

VICE PRESIDENT & CHIEF
CLAIMS OFFICER

Maria Campos

VICE PRESIDENT &
CHIEF CUSTOMER AND
PRODUCT OFFICER

Dana Frazer

VICE PRESIDENT & CHIEF
OPERATIONS OFFICER

Anthony Guerra

VICE PRESIDENT & CHIEF
LEGAL & RISK OFFICER

Roy Hart

VICE PRESIDENT &
CHIEF INFORMATION &
TECHNOLOGY OFFICER

Ryan Kolaski

VICE PRESIDENT & CHIEF
FINANCIAL OFFICER

Cara Low

VICE PRESIDENT &
CHIEF ACTUARY



Strategic Direction

MPI enters 2025/26 positioned to begin the disciplined implementation of its Multi-Year Corporate Strategic Plan. Over the past 12 months, the organization has dedicated significant effort to stabilize operations, strengthen its foundation, and build the path forward. This period of renewal has been focused on getting back to basics; restoring service levels, rebuilding trust, and ensuring MPI is well-positioned to deliver on its core public mandate for Manitobans.

Introduced in 2024, the multi-year strategy, developed through extensive internal and external engagement, establishes a clear and measured approach to guide MPI's long-term direction. The plan is anchored in five pillars of accountability, which provide a disciplined framework to align organizational priorities and ensure every part of MPI is contributing to its purpose:

1	2	3	4	5
Focus on our Customers.	Build Engagement and Pride.	Deliver on our Promises.	Strengthen our Financials.	Be Ready for What's Ahead.
We strive to provide affordable, high-quality products and services that meet customer needs, enhancing the overall customer experience and satisfaction.	We're committed to creating a positive, inclusive workplace culture where employees feel valued, motivated, and proud to contribute to our success.	We focus on improving how we plan, manage, and execute our work, ensuring we consistently deliver reliable outcomes that customers and stakeholders can trust.	We aim to responsibly manage our finances by increasing transparency, efficiency, and accountability in how we budget, spend, and invest resources.	We proactively prepare for the future by modernizing technology, evolving our physical locations, and strengthening our ability to adapt.

The work completed over the past year reflects MPI's commitment to stability, financial responsibility, and service reliability. Progress has been made in reducing operational backlogs, modernizing internal processes, and investing in technology to create internal sustainability, and to equip staff with the tools needed to meet the evolving needs of Manitobans. These actions have allowed MPI to shift its focus from stabilization to execution, while staying true to its roots as Manitoba's public auto insurer.

As the organization moves forward, MPI's work is concentrated around five corporate focus areas that build directly on the foundation established over the past year:

Financial Stability: Strengthening our Commercial Business

Sustaining the long-term financial health of MPI remains a priority. The organization is refining its approach to the Special Risk Extension (SRE) commercial insurance portfolio by strengthening risk models, enhancing underwriting discipline, tailoring products to meet evolving business needs, and applying strong financial oversight. These efforts are designed to stabilize the SRE portfolio, reduce financial volatility, and contribute to improved Minimum Capital Test (MCT) ratios, ensuring MPI's long-term financial resilience.

Organizational Effectiveness: Delivering with Discipline

Strong governance and execution discipline are central to MPI's ability to deliver on its commitments. MPI is enhancing its governance structures, clarifying accountability, and equipping teams with the tools, data, and processes necessary to deliver work reliably and effectively. Ongoing investments in IT resilience, cybersecurity, and analytics capabilities will further strengthen decision-making, reduce operational risk, and ensure the organization remains responsive while maintaining stewardship over public resources.

Customer Value: Elevating Service Excellence

Delivering high-quality service remains at the core of MPI's public mandate. By embedding customer insights into decision-making, expanding feedback mechanisms, modernizing digital service delivery, and increasing transparency, MPI is focused on improving the customer experience and ensuring Manitobans can access services in a timely, responsive, and reliable manner.

Affordability: Sustaining Value for Manitobans

Affordability remains central to MPI's public value. MPI has introduced zero-based budgeting on operating expenses to strengthen cost containment and ensure internal efficiencies translate into rate stability. Looking ahead, MPI is working to define what affordability truly means to Manitobans, recognizing that it goes beyond price to include choice, transparency, and value. This work ensures MPI will continue to deliver affordable products and services that meet the needs of our customers.

Corporate Responsibility: Serving Manitobans with Purpose

Corporate responsibility at MPI means showing up as a trusted public partner; one that reflects the values of Manitobans and delivers more than insurance and driver and vehicle administration. This shows up as championing road safety, building strong community partnerships, advancing Indigenous reconciliation, and embedding inclusion, diversity, equity, and accessibility into everyday decisions. MPI measures its effectiveness in this space by listening to whether Manitobans feel the organization is delivering on its mandate and meeting their expectations as a public insurer.

To meet the evolving needs of our community, we are modernizing our technology with a clear focus on protecting both our systems and the people who rely on them. This involves proactively managing risks to our IT infrastructure and cybersecurity, investing in ongoing renewal and upkeep to reduce vulnerabilities, and aligning our strategies with business goals to ensure long-term resilience. As we carefully select and implement new technologies, we pace upgrades to match organizational priorities, fostering innovation while managing change responsibly.

Alongside technology, we are creating internal efficiencies by streamlining processes and focusing resources where they have the greatest impact. We remain committed to sustainable progress, avoiding overextension and prioritizing delivery on our commitments with care and responsibility.

At the heart of all this is a culture built on trust. We are strengthening our internal culture by defining what a great workplace looks like and involving every team in building a positive, inclusive environment. Improved communication ensures everyone understands the culture we're fostering and how they contribute to it. Equally, we treat employee feedback with the same weight as customer input, using it to drive meaningful change. Our goal is to cultivate a workplace where employees feel valued, supported and empowered.

Everything we do is with the customer in mind. We are dedicated to delivering affordable, high-quality products and services that meet Manitobans' needs and enhance their experience. By setting clear wait time expectations for road tests, adjuster appointments and Driver Fitness referrals, we aim to provide transparency and build trust. We are simplifying key processes by removing unnecessary steps and improving how information is collected and used, making transactions faster and easier. Through automation and new technology, we are striving to speed up service delivery without compromising quality. Whether customers engage with us in person or digitally, we are designing our services to be accessible, efficient and convenient.

Throughout this work, MPI remains grounded in its legislated role as Manitoba's public auto insurer, maintaining its focus on affordability, accessibility, safety, and long-term stability. The organization's values – striving for excellence, providing value to Manitobans, doing what's right, and investing in people – continue to guide its approach. Through steady execution, responsible financial management, and ongoing collaboration with government and partners, MPI is committed to delivering on its mandate while building a sustainable and resilient public insurance system for Manitoba's future.

Corporate Performance Measures and Targets

For the years ended March 31, 2025, and March 31, 2024.

\$ Financial Performance		
Net Loss		
In millions		
(\$19.7)	(\$24.1)	(\$129.5)
ACTUAL 2024/25	ANNUAL TARGET	PAST 2023/24
Revenue from Premiums		
In millions		
\$1,608.2	\$1,596.4	\$1,549.4
ACTUAL 2024/25	ANNUAL TARGET	PAST 2023/24
Incurred Claims before Reinsurance		
In millions		
\$1,202.1	\$1,134.1	\$1,386.9
ACTUAL 2024/25	ANNUAL TARGET	PAST 2023/24
Corporate Loss Ratio		
Incurred Claims before Reinsurance/Revenue from Premiums		
74.7%	71.0%	89.5%
ACTUAL 2024/25	ANNUAL TARGET	PAST 2023/24
Total Return – Investments		
8.86%	5.02%	3.45%
ACTUAL 2024/25	ANNUAL TARGET	PAST 2023/24

☆ Operational Excellence

Total Full-Time Equivalent*

2,047

ACTUAL 2024/25

2,123

ANNUAL TARGET

2,017

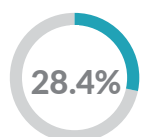
PAST 2023/24

* Total Full Time Equivalent is the actual Full-Time Equivalent as at March 31 for the fiscal years reported.

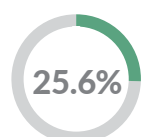
Previously, the Annual Report provided the Average Total Full-Time Equivalent for the years reported (Average FTE 2023/24: 1,748)

Total Expense Ratio

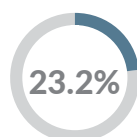
Corporate Expenses consisting of Maintenance, Acquisition-Other and Operating/Revenue from Premiums



ACTUAL 2024/25



ANNUAL TARGET



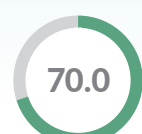
PAST 2023/24

👤 Customer Service

Customer Experience (CX) Index™ Score



ACTUAL 2024/25



ANNUAL TARGET

Note: The overall CX Index™ score ranges from zero to 100.

Sourcing: A commissioned study conducted by Forrester Research leveraging the CX Index™ framework, February 2025.

MPI has adopted an industry standard method of measuring our customer experience. MPI's CX Index™ Score places it in the good range on the CX Index™, which is our targeted minimum customer experience.

Disclaimer: Forrester does not endorse any company included in any CX Index™ research and does not advise any person to select the products or services of any particular company based on their CX Index™ ratings.

+ Organizational Health

Capital Adequacy (Minimum Capital Test)

Basic

107%

ACTUAL 2024/25

100%

TARGET

94%

PAST 2023/24

Extension

200%

ACTUAL 2024/25

200%

TARGET

200%

PAST 2023/24

Special Risk Extension

226%

ACTUAL 2024/25

300%

TARGET

163%

PAST 2023/24

2024/25 Year-End Summary

Dollars and Cents

Approximate Autopac claims paid per working day	\$4.8 million
Total Autopac claims paid for injuries occurring in 2024/25 (before expenses)	\$211.7 million
Total Autopac claims paid for property damage occurring in 2024/25 (before expenses)	\$981.7 million
Amounts paid by MPI to Manitoba medical practitioners on behalf of customers	\$23.5 million
Commissions expensed to independent insurance brokers for product sales	\$113.6 million
Grants-in-lieu of taxes paid to Manitoba municipalities by MPI	\$1.8 million
Provincial premium taxes total	\$48.8 million
Savings to policyholders through use of recycled parts made available for use in claims repairs	\$8.7 million
Estimated direct savings to policyholders through subrogation	\$21.1 million
Average cost per claim	\$4,289

Significant Numbers

Average number of Autopac claims reported to MPI per working day	1,121
Total Autopac claims reported	280,300
Third-party-liability, bodily injury and PIPP injury claims reported	12,977
Property damage claims reported	267,323
Number of Autopac policies in force (average)	1,308,362

Management Discussion & Analysis

The following management discussion and analysis (MD&A) is the responsibility of management and has been reviewed by the Board of Directors (the Board) for the year ended March 31, 2025. This MD&A is intended to enable the reader to assess the results of operations and financial condition of the Corporation for the year ended March 31, 2025, compared to the corresponding year ended March 31, 2024. It should be read in conjunction with the Corporation's annual audited financial statements and supporting notes for the year ended March 31, 2025, found herein.

"MPI", the "Corporation", "we" and "our" are terms used throughout this document to refer to Manitoba Public Insurance Corporation. Further information about MPI may be found online at mpi.mb.ca.

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements included in this MD&A about MPI's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things, economic and political environments, and industry conditions. Many factors could cause the Corporation's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements.

Corporate Governance

Effective governance is key to creating value for Manitobans. The Corporation's Board of Directors provides oversight to our executive leadership team to ensure MPI has effective processes in place to deal with issues and concerns from staff, customers and other stakeholders.

Responsibilities of the Board

The Corporation's Board of Directors, appointed by the Government of Manitoba, ensures that corporate policies are consistent with its mandate and the laws of the Province of Manitoba. The Board of Directors is also responsible for overall policy direction of MPI and provides oversight and monitoring. Further duties, obligations and responsibilities of the Board of Directors are prescribed by *The Crown Corporations Governance and Accountability Act* and *The Manitoba Public Insurance Corporation Act*.

The Corporation is responsible for preparing an annual business plan which must be approved by the Board and submitted to the Minister responsible for the Manitoba Public Insurance Corporation (MPI) for their approval.

The Board chairperson is required to provide the Minister Responsible for MPI and the Lieutenant Governor in Council with an annual report that includes audited financial statements, which is subsequently reviewed by the Standing Committee on Crown Corporations of the Legislative Assembly. With the approval of the Lieutenant Governor in Council, the Minister Responsible for MPI has the legislative authority to issue a mandate letter, and directives related to respecting matters of policy, conducting organizational reviews and ensuring consistency with other Crown corporations or prescribed government agencies.

Whistleblower Report

The Corporation has established an independent, anonymous and confidential Whistleblower Reporting System to receive disclosures of wrongdoing, being actions or omissions that are potentially unlawful, injurious to life, health or to the safety of persons or the environment, or which constitute gross mismanagement. The Corporation promotes reporting by ensuring that employees who disclose wrongdoing in good faith are protected against reprisal for making such disclosures.

As fairness and accountability are of paramount concern, and recognizing that employees are more likely to disclose wrongdoing confidentially, valid disclosures are investigated by the Vice President, Chief Legal and Risk Officer, the senior official designated to receive and deal with disclosures, with the assistance of independent third parties, the results of which are reported to the Chair of the Audit & Finance Committee.

In the fiscal year ended March 31, 2025, the Whistleblower Reporting System received a total of two disclosures. Of the disclosures received, both were accepted for investigation. Additionally, there was an ongoing investigation into a disclosure received during the fiscal year ended March 31, 2024.

In the fiscal year ended March 31, 2025, the Corporation completed two investigations, one of which related to the existing disclosure from 2023/24 and the other related to a disclosure received in 2024/25. Of the two investigations completed in this fiscal year, neither resulted in findings of wrongdoing. The remaining investigation related to the second disclosure reported in the 2024/25 fiscal year remains active.

Fair Practices Office

The Fair Practices Office (FPO) is an avenue for customers and other interested parties to bring issues and concerns of a systemic nature to the attention of MPI. The FPO generally deals with concerns related to corporate policy, or issues involving complex or unusual situations where the correct interpretation of policy may seem unclear. The FPO may initiate its own

investigations or respond to inquiries referred by others. It is free to scrutinize MPI's policies and procedures in an objective and constructive manner. As required, it can make recommendations about an operational decision on a specific case and alert senior management of any systemic concerns or policies that should be addressed.

Results of Operations

Manitoba Public Insurance's mandate is to ensure affordable and stable rates and provide value to Manitobans.

The Corporation reported a Net loss from operations of \$19.7 million for the year ended March 31, 2025, as compared to a Net loss of \$129.5 million for the prior year. The Insurance service result was \$35.8 million as compared to (\$35.0) million for the prior year. This reflects the underlying performance of the Corporation's individual lines of business. More specifically,

- The Basic insurance line of business reported a Net loss of \$39.6 million as compared to a Net loss of \$80.2 million for the prior year. The Insurance service result was (\$27.1) million as compared to (\$21.9) million for the prior year.
- The Extension line of business reported Net income of \$53.7 million as compared to a Net income of \$18.1 million for the prior year. The Insurance service result was \$62.1 million as compared to \$25.2 million for the prior year.
- The Special Risk Extension (SRE) line of business reported a Net loss of \$4.1 million as compared to a Net loss of \$54.2 million for the same period in the prior year. The Insurance service result was \$0.8 million as compared to (\$38.2) million for the prior year; and,
- *The Drivers and Vehicles Act operations (DVA)* line of business reported a Net loss of \$29.7 million as compared to a Net loss of \$13.2 million for the same period in the prior year.

Total Insurance Revenue

Total insurance revenue is comprised of Revenue from premiums and Other insurance revenue (fees related to policy administration). Total insurance revenue for the Corporation increased by 4.1 per cent or \$65.4 million and is reported at \$1.6 billion for the year ended March 31, 2025. It is comprised of three insurance lines of business: Basic, Extension and SRE. The revenue attributable to each of these lines of business is approximately 75 per cent, 14 per cent and 11 per cent respectively.

The Basic line of business reported \$1.2 billion in Total insurance revenue for the year ended March 31, 2025, an increase of \$48.8 million or 4.1 per cent over the prior year. Total insurance revenue includes a 5.0 per cent decrease in premiums charged for the Basic line of business that took effect April 1, 2024, in accordance with a Public Utilities Board ("PUB") order. The 5.0 per cent decrease consisted of a 4.0 per cent decrease due to the change in the Driver Safety Rating Scale, plus a 1.0 per cent decrease to vehicle premiums.

Total insurance revenue for the Extension line of business increased by 12.7 per cent or \$25.2 million to \$223.1 million for the year ended March 31, 2025, as compared to the prior year. The increased revenue in the Extension line of business reflects stronger demand for certain products such as maximum insured vehicle coverage (22.1 per cent increase over prior year); new or leased car protection (17.0 per cent increase over prior year); and reducing deductible to \$200 (13.8 per cent increase over prior year). Revenue from \$10.0 million third party liability coverage increased 12.8 per cent over prior year.

Total insurance revenue for the SRE line of business decreased 4.4 per cent or \$8.6 million to \$186.1 million for the year ended March 31, 2025, as compared to the prior year. The decreased revenue reflects decreased rate activity during the year and a decrease in volume of business due to contraction in the underlying industry, in addition to some entities losing status as domiciled in Manitoba and eligibility for MPI products.

The charts on the right illustrate where premiums dollars have been applied in relation to the overall operations of the Corporation for the fiscal years ended March 31, 2025, and 2024. The largest use of earned premium in any given year goes towards physical damage incurred claims. In the year ended March 31, 2025, physical damage comprised 55 per cent of the total premiums earned while third party liability (TPL) bodily injury and PIPP bodily injury was 15 per cent. Combined, these coverages make up 70 per cent of the total premium earned throughout the fiscal year ended March 31, 2025, down 14 per cent from last year. Physical damage claims for SRE are lower compared to prior year and estimates for incurred but not reported claims are also lower in comparison to prior year.

Where Your Premium Dollar was Applied in Fiscal Year ended March 31, 2025

Claims incurred - physical damage	\$0.55	Total earned insurance and other revenue	\$1.00
Claims incurred - bodily injury	\$0.15	- Total claims and expenses	\$1.16
Net insurance finance result	\$0.10	- Expense from reinsurance contracts	\$0.02
Corporate operating expenses	\$0.26	= Underwriting loss	(\$0.18)
Commissions	\$0.07	+ Investment income	\$0.17
Premium taxes	\$0.03	= Net loss from operations	(\$0.01)

Where Your Premium Dollar was Applied in Fiscal Year ended March 31, 2024

Claims incurred - physical damage	\$0.64	Total earned insurance and other revenue	\$1.00
Claims incurred - bodily injury	\$0.20	- Total claims and expenses	\$1.20
Net insurance finance result	\$0.04	+ Income from reinsurance contracts	\$0.06
Corporate operating expenses	\$0.22	= Underwriting loss	(\$0.14)
Commissions	\$0.07	+ Investment income	\$0.06
Premium taxes	\$0.03	= Net loss from operations	(\$0.08)

Regulatory Environment and Rate Setting

The PUB has sole authority over reviewing and approving premiums and service fee charges for the Basic line of business. To this end, MPI participates in an annual general rate application (GRA) process to establish rates and fees which take effect April 1. As such, changes in revenue outside of a PUB order reflect underlying changes in policy volume and timing of renewals related to same in the period. As part of the application process, the PUB provides directives or Orders that the Corporation is required to follow.

The Corporation is subject to PUB Order 145/23 that provides a directive for MPI to exclude initiative expenses for rate setting purposes; and Directive 8 of PUB Order 2/25 that directs MPI to continue to accumulate deferred initiative costs within a Regulatory Deferral Account (RDA) balance. The RDA only exists in the venue of the PUB for rate setting purposes, and is not applicable for external reporting purposes. Under these PUB orders, MPI excludes initiative amounts for rate setting purposes and is prohibited from recovering the cost of initiatives through

rates until such time as approved by the PUB in its annual GRA. Adjustments to the RDA directly impact Basic insurance rates (increases to the RDA reduce the rate requested by MPI and vice versa). In MPI's 2024 GRA \$28.1 million (2023 GRA \$23.9 million) was excluded. It is unlikely that the present RDA balance will be reduced and therefore continue to be excluded from the overall rate indication for the foreseeable future.

The exclusion of initiative expenses from recovery in rates results in rate deficiency that must be funded or offset by a reduction in operating expenses, reduced claims incurred trending, increased revenue from sources other than Basic insurance premiums, investment income, or transfers of capital from another line of business, or a combination of these. Where these sources fall short, in whole or in part, the remaining rate deficiency is funded by the Rate Stabilization Reserve fund.

Incurred Claims

Incurred claims are a function of frequency (the number of claims made), severity (how expensive is the actual or expected injuries, repairs, or total loss), and the timing of when claims are settled and paid. Frequency is affected by several factors, such as driving patterns, weather, and individual decisions to advance a claim or not. Severity is impacted by several factors such as supply chain availability of parts and service, prevailing market conditions for new and used vehicle pricing, and complexity of the vehicle requiring repair. Timing related to claims settlement is impacted by several factors, such as inflation, discount rates, risk adjustments, and investment yields.

Incurred claims for the Corporation decreased by 13.3 per cent or \$184.7 million to \$1,202.1 million for the year ended March 31, 2025, as compared to the prior year, with all insurance lines of business reporting decreases from the prior year. The decrease in claims incurred also reflects impacts from decreases in prior year claims development (where increases in reserves in prior years are positively impacting the current year). Comprehensive coverage for catastrophic weather events was \$98.5 million lower compared to the prior year that had included impacts from a storm that stands as the largest hail event in the Corporation's history with claims. MPI mitigates exposure to catastrophic weather events through reinsurance on an annual basis. The net financial exposure to MPI in the year ended March 31, 2025, was \$50.0 million.

Basic Line of Business

Incurred claims for the Basic line of business decreased by 3.3 per cent or \$34.5 million to \$1,012.1 million for the year ended March 31, 2025, as compared to the prior year. The loss ratio for the year was 84.0 per cent as compared to 90.1 per cent for the prior year.

Autopac claims reported for the year ended March 31, 2025, increased slightly by 2.1 per cent or 5,715 claims to 280,300. The number of claims reported in the fiscal year ended March 31, 2025, is just 2.7 per cent lower than the number of claims reported in the fiscal year ended March 31, 2020, when measures for the COVID-19 pandemic began to take effect.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) decreased by 8.5 per cent or \$77.1 million to \$827.2 million for the year ended March 31, 2025, as compared to the prior year. More specifically,

- Comprehensive (non-hail) decreased by 7.8 per cent or \$9.1 million to \$107.8 million;
- Comprehensive (hail) decreased by 53.1 per cent or \$79.9 million to \$70.5 million;

- Collision increased by 0.6 per cent or \$3.1 million to \$583.5 million. For the year ended March 31, 2025, the estimated cost for Collision claims is 48.4% of the earned premium, and,
- Property damage increased by 15.3 per cent or \$8.7 million to \$65.3 million.

Bodily injury incurred claims (excluding inflation, discount rate impact, and risk adjustment) decreased by 0.9 per cent or \$2.9 million to \$309.3 million for the year ended March 31, 2025, as compared to the prior year. The impact of inflation was unfavourable, increasing outstanding bodily injury obligations by \$11.9 million resulting in a \$56.5 million recovery for the year ended March 31, 2025, as compared to the prior year.

Impacts from discount rates were unfavourable by \$41.8 million and impacts from risk adjustments were favourable by \$8.1 million for the year ended March 31, 2025, as compared to the prior year.

Extension Line of Business

Incurred claims for the Extension line of business decreased by 26.0 per cent or \$32.3 million to \$91.8 million for the year ended March 31, 2025, as compared to the prior year. The decrease reflects favourable developments in prior year claims; a single loss event that had been assessed as close to \$10.0 million dollars and public liability claims have settled, or are expected to settle, for less than originally estimated. The loss ratio for the year was 42.4 per cent as compared to 64.4 per cent for the prior year.

Special Risk Extension Line of Business

Incurred claims for the SRE line of business decreased by 54.6 per cent or \$117.9 million to \$98.2 million for the year ended March 31, 2025, as compared to the prior year. More specifically,

- Public liability (excluding discount rate impact and risk adjustment) decreased by 53.1 per cent or \$84.5 million to \$77.7 million; and,
- Physical damage (excluding discount rate impact and risk adjustment) decreased by 52.8 per cent or \$34.9 million to \$31.3 million.

The decreases reflect favourable developments in prior year claims compared to the previous fiscal year, with claims settling or expected to settle for less than originally estimated. The loss ratio for this line of business for the year ended March 31, 2025, was 74.8 per cent as compared to 89.5 per cent for the prior year.

Net Income (Expense) from Reinsurance Contracts

The Corporation follows a practice of obtaining reinsurance coverage for both casualty and catastrophic events to limit its exposure to losses. Net expense from reinsurance contracts was \$35.8 million for the year ended March 31, 2025, whereas the Corporation reported Net income from reinsurance contracts of \$104.5 million in the prior year. The \$140.3 million change from the

prior year reflects the volume of claims incurred that were eligible for recovery from reinsurers. A significant hail event in August 2023 drove reinsurance claims submitted by the Corporation in the fiscal year ended March 31, 2024. Premiums paid by the Corporation under the reinsurance program were \$40.0 million for the year ended March 31, 2025, (\$31.0 million, March 31, 2024).

Net Insurance Financial Income (Expense)

Net insurance financial expense was \$166.7 million for the year ended March 31, 2025, an increase of \$90.5 million over in the prior year. This reflects the change in discount rates applied to measure claims, along with the unwinding of discount rates (a process of recognizing the increase in the present value of a

liability over time as it moves forward in time). The change was mainly due to the impact of a decrease in the discount rates used to value net liabilities for incurred claims reported during the fiscal year ended March 31, 2025, which moved more unfavourably than in the prior year.

Corporate Operating Expenses

The Corporation leverages an integrated service delivery model wherein its lines of business benefit from sharing costs amongst themselves, resulting in lower costs overall than if each were operated on a stand-alone basis. Corporate operating expenses are not present or readily identifiable under IFRS 17 reporting.

They are reported as a separate line item or in aggregate as Acquisition, Maintenance, and Operating on the Statement of Operations by line of business. The table below illustrates a traditional view of corporate operating expenses prior to being classified as Acquisition, Maintenance, and Operating.

<i>\$ in '000's</i>	March 31, 2025	March 31, 2024
Compensation	\$ 220,396	\$ 195,209
Data processing	139,147	78,499
Special services	19,746	15,945
Merchant fees & bank charges	11,255	10,547
Buildings	8,453	8,121
Other	7,216	5,280
Postage	5,530	5,100
Driver education program	5,451	3,926
Printing, stationery, supplies	4,770	4,097
Regulatory/appeal	4,678	4,389
Furniture & equipment	3,444	2,448
Safety/loss prevention programs	3,409	3,668
Public information/advertising	2,522	2,628
Grants in lieu of taxes	1,787	1,759
Telephones	1,734	1,760
Travel and vehicle	1,188	962
	440,726	344,338
Commissions-policy	107,107	101,112
Commissions-non-policy	6,541	5,944
Premium taxes	48,823	48,025
	162,471	155,081
Amortization of deferred development costs	9,935	8,555
Depreciation of operating property and equipment	6,574	6,142
	16,509	14,697
Total	\$ 619,706	\$ 514,116

Total corporate operating expenses increased 20.4 per cent or \$105.6 million to \$619.7 million for the year ended March 31, 2025. The year over year increase includes impacts from a few key events and activities from each of these years: recognition of asset impairments and write-offs reported in the current year; labour interruption in 2023; the launch of technology in the current year to better serve commercial customers enrolled in International Registration Plan (IRP); fire damage incurred at the Gateway Service Centre in June 2024; and other events impacting the Corporation's operations including interruption in postal services during the year ended March 31, 2025.

Compensation expense increased over the prior year primarily because the prior year expense reflects impacts from a 10-week labour interruption in 2023, whereas the current year expense reports a full year of compensation expense and at the higher rates provided by the collective bargaining agreement.

Much of the \$105.6 million increase in corporate operating expense over the prior year relates to a \$60.6 million increase in Data processing expense. In the year ended March 31, 2025, the Corporation recognized \$62.1 million in write downs and write-offs in assets reported as Deferred development costs. The impacts of the write-offs and write downs are recorded as Data processing expense in the current year and are reported across Acquisition, Maintenance and Operating expense in the Corporation's Statement of Operations for the year ended March 31, 2025. There were no write-offs or write downs for impairment reported to Data processing expense in the prior year.

Corporate operating expenses reported for the current year include impacts from a fire that damaged the Gateway Service Centre on June 17, 2024. Most of the operations for the service centre were temporarily relocated to other service centres within Winnipeg while the site was under remediation. Gateway Service Centre was restored and resumed offering all services on March 3, 2025. The Corporation incurred \$4.7 million in expenses to repair and restore the building, property, and equipment; and to temporarily relocate operations to other

locations. These expenses are reported within the Statement of Operations as Acquisition, Maintenance and Operations expense. The Corporation filed an insurance claim to restore property damaged in the fire and to claim costs incurred to relocate operations while the centre was undergoing repair. As at March 31, 2025, the Corporation recognized \$4.3 million in proceeds from the insurance claim, which is reported within Service fees and other revenue in the Statement of Operations for the year ended March 31, 2025.

Impairment Losses and Write Off of Assets Reported as Deferred Development Costs

While conducting an annual assessment for impairment of intangible assets reported by the Corporation, technology assets were identified as not performing as intended. Assets that had been implemented in February 2023 as Release 1 (R1) under Project Nova were identified over the course of the current year as failing to reach the expected stable operating state. Several defects were noted as unresolved, and additional resources had been engaged for more than a year in developing solutions and correcting the output generated by these assets. The results of the assessment lead to the Corporation recognizing \$47.9 million in write downs for assets under Project Nova that were identified as impaired in the current year. The Corporation also recognized a \$1.4 million write down for impairment of deferred development costs relating to a data solution project that had been halted.

Total write downs for impairment of intangible assets recognized in the year are reported as a reduction of \$49.3 million in Deferred development costs assets presented in the Statement of Financial Position. The impacts of those write downs have been reported as Data processing expense within Acquisition, Maintenance and Operating expense in the Statement of Operations for the year ended March 31, 2025.

In addition, the Corporation wrote off \$12.8 million in assets that had been reported as Deferred development costs but were identified during the current year as not meeting standards to be reported as such. The write-off of these assets reduced the Deferred development costs reported in the Statement of Financial Position as at March 31, 2025, by \$12.8 million and also increased Data processing expense reported across Acquisition, Maintenance and Operating expense, for the year ended March 31, 2025.

The combined effect of the write-offs and write downs recognized in the current year is a \$62.1 million decrease to Deferred development costs assets presented in the Statement of Financial Position at March 31, 2025, and a \$62.1 million increase in Data processing expense reported across Acquisition, Maintenance and Operating expense, \$11.6 million; \$6.2 million; and \$44.3 million; respectively, in the Statement of Operations for the year ended March 31, 2025.

Investments and Investment Income

Investments are held within five separate portfolios internally. The purpose of the five portfolios is to pay the short and long-term liabilities of the Corporation as they come due and to provide investment income from interest, dividends and capital gains that will assist in stabilizing premiums payable by policyholders. The Basic line of business has two investment portfolios. The first is the Basic Claims Liabilities Portfolio which backs policyholder claims and ensures funds are available as liabilities come due. The secondary objective of the Basic Claims Portfolio is to minimize interest rate risk with modest returns. The second Basic portfolio is the Rate Stabilization Reserve (RSR) portfolio which has an objective to ensure sufficient levels of capital are maintained to withstand plausible adverse events to deliver rate stability and predictability. The Extension and SRE lines of business portfolios back both liabilities and retained earnings and have objectives to achieve target returns and stabilize premiums. The last portfolio backs liabilities for employee future benefits and has an objective to ensure these obligations are paid as they become due.

A new Operational Asset Liability Management (ALM) strategy was implemented in May 2024, which aims to match the dollar duration of the Basic Claims fixed income assets (including government bonds, corporate bonds, floating rate notes and short-term investments, mortgages, and non-marketable bonds) with the dollar duration of the Basic Claims liabilities within a tolerance of +/- 5 per cent.

In addition, the market value of the Basic Claims total portfolio, including all marketable bonds (government bonds, corporate bonds & mortgages), non-marketable bonds, real estate, and floating rate notes, shall match the present value of the associated liability within +/- \$100 million.

Matching the dollar duration of the fixed income assets and liabilities helps minimize the dollar sensitivity of the surplus to interest rate fluctuations.

As of March 31, 2025, the dollar duration match was 98.7 per cent and was within the +/- 5 per cent range limit. The dollar duration match was calculated using February liability cashflows, because March liability cashflows were delayed, which is a common occurrence after the fiscal year end due to normal year-end reporting. Because of this, the investment manager will use the most recent valuation cashflows available at the time.

The market value of all fixed income assets in the Basic Claims investment portfolio exceeded the present value of the Basic Claims liabilities by \$21.0 million at March 31, 2025 (March 31, 2024 - \$43.0 million).

The SRE and Extension line of businesses are not part of the ALM strategy. The portfolios for SRE and Extension contain assets backing both surplus and claims. The market value of the fixed income assets approximately matches the present value of the claims liabilities.

The Employee Future Benefits portfolio is also not included in the ALM strategy, but the portfolio employs a balanced asset allocation approach (including fixed income, equities, and alternative assets) to support the accrued employee pension, post-retirement and severance benefits.

The approximate impact of an increase of 100 basis points in interest rates as at March 31, 2025, would decrease the Liabilities for incurred claims by \$148.6 million (March 31, 2024 - \$142.4 million decrease) and decrease Investments by \$204.6 million (March 31, 2024 - \$174.6 million decrease) resulting in a decrease to Net income (loss) attributable to Owner of the Corporation of \$56.0 million (March 31, 2024—\$32.2 million decrease).

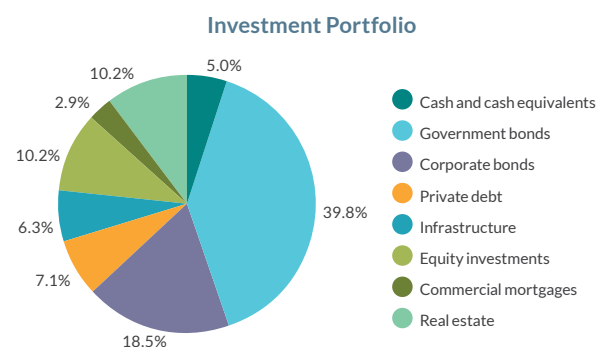
An increase of 100 basis points would increase Other Comprehensive Income (OCI) by \$62.6 million (March 31, 2024 - \$55.7 million increase) as it relates to the employee future benefits liabilities.

The approximate impact of a decrease of 100 basis points in interest rates as at March 31, 2025, would increase the Liabilities for incurred claims by \$175.1 million (March 31, 2024 - \$168.5 million increase) and increase Investments by \$205.3 million (March 31, 2024 - \$175.3 million increase) resulting in an increase to Net income (loss) attributable to Owner of the Corporation of \$30.2 million (March 31, 2024—\$6.8 million increase).

A decrease of 100 basis points would decrease OCI by \$70.4 million (March 31, 2024—\$65.7 million decrease) as it relates to the employee future benefits liabilities.

Investment income, net of investment management fees, increased 196.7 per cent or \$192.4 million to \$290.1 million for the year ended March 31, 2025, as compared to the prior year.

The fair value of the Corporation's combined investments was \$3.8 billion for the year ended March 31, 2025. The investment portfolio is made up of the below investments:



The total portfolio, on a market value basis, had a positive 8.9 per cent return during the fiscal year (holding period return over the 12 months ended at March 31, 2025). The portfolio return is reported on a market value basis for all assets. From April 1, 2023, non-marketable bonds were reclassified as Fair Value Through Profit & Loss (FVTPL) as a result of the Corporation's adoption of IFRS 9 - Financial Instruments.

Marketable bonds returned 8.5 per cent while non-marketable bonds returned 8.9 per cent during the annual period. The private debt portfolio returned 8.7 per cent. The total Canadian equity portfolio increased by 9.4 per cent; large cap Canadian equities returned 8.9 per cent and small cap Canadian equities returned 9.5 per cent. Global equities returned 15.9 per cent in Canadian dollars. The real estate portfolio returned negative 0.7 per cent while the infrastructure portfolio returned 21.9 per cent in fiscal 2024/25. Commercial mortgages returned 8.5 per cent during the period. Over a four-year period, the investment portfolio achieved an annualized return of 3.1 per cent.

Canadian equity markets had positive performance during the period with the S&P/TSX index increasing by 15.8 per cent and the S&P/TSX Small Cap Index increasing by 11.2 per cent. Global equity markets were also positive with the MSCI World index rising by 13.8 per cent.

Government bond yields were volatile during the period with the Government of Canada 10-year bond reaching a low of 2.83 per cent on March 3, 2025, a high of 3.87 per cent on April 25, 2024, while ending the fiscal year at 2.97 per cent.

The yield curve reverted its inversion during the year towards a normal upward sloping curve, with yields on long-term government bonds decreasing by 50 basis points (from 3.47 per cent to 2.97 per cent) and short-term bond yields decreasing by 259 bps from (5.22 per cent to 2.64 per cent).

Inflation had mixed behaviour during the period, declining in the first half of the fiscal year (from an annual 2.9 per cent by March 2024 to an annual 1.6 per cent by September 2024) but rising again in the second half of that period (from an annual 1.6 per cent by September 2024 to an annual 2.3 per cent by March 2025). The decline in the annual inflation rate from March 2023 to March 2024 supported the Bank of Canada's decision to reduce the overnight interest rate by between 25 bps and 50 bps at each consecutive meeting rate from June 2024 to March 2025 (from a high of 5.00 per cent as of May 31, 2024 to a low of 2.75 per cent as of March 31, 2025).

Retained Earnings

Retained earnings for the Corporation is \$721.6 million as at March 31, 2025. This is comprised of four lines of business: Basic \$496.6 million; Extension \$87.7 million; SRE \$100.7 million; DVA \$36.6 million.

Transfer of Capital Between Lines of Business

The Corporation transferred \$52.9 million (\$2.7 million in the Prior Year) from the Extension line of business to the Basic line of business during the year ended March 31, 2025.

Risk Management

Like any enterprise, MPI assumes risks in its operations that must be handled effectively in order to achieve its goals. Key risk mitigation areas are addressed below.

Processes and Controls

The Risk Committee of the Board of Directors ensures that enterprise-wide risk assessment processes and controls are in place to identify and mitigate these risks. The Risk Committee also monitors the Corporation's risks on an ongoing basis. Management is responsible for developing, updating and enforcing the Corporation's Enterprise Risk Management Framework (the Framework), which includes:

- Risk identification and assessment of impact.
- Risk monitoring procedures.
- Processes and controls to manage and mitigate risks.
- The residual risk after consideration of management action.

The Framework ensures a consistent approach for addressing risks and a common understanding of risk and its mitigation throughout the Corporation.

Liability for Incurred Claims – Actuarial & Other Policy Liabilities

MPI maintains provisions for Liability for Incurred Claims for Actuarial & Other Policy Liabilities on a discounted basis to cover future claims commitments. The Corporation makes provisions for future development on claims that have been made, and an estimate for those that may have occurred but have not yet reported. In the case of major injuries, only a small portion of the total benefit is paid in the first year. As time passes and more information becomes available, the estimates are revised to reflect the most current estimate of claims costs.

Because the total amount paid on any single claim may be different from its initial reserve, MPI reviews the adequacy of these reserves several times a year. Adjustments, if needed, are calculated by the Corporation's Valuation team. An independent assessment of the reserves is also conducted twice a year by the Corporation's external Appointed Actuary. The external auditor performs

procedures to assess the reasonability of the reserves as part of its annual audit of the Corporation's financial statements. This process serves to mitigate risk of misstatement of claims reserves.

For MPI, long-tail injury claims, such as Personal Injury Protection Plan (PIPP) and Third-Party Liability claims, are the largest source of year-to-year variability in the estimate of ultimate costs. This variability is related to future events that arise from the date of the loss to the ultimate settlement of the claims. In comparison, short-tail claims, such as physical damage claims, tend to be more reasonably predictable than long-tail claims.

For MPI, factors such as the effects of inflationary trends and yield curve changes contribute further to this variability. Investment portfolio management techniques help to reduce the effect of this on net income.

Capital Management

The Corporation's objectives for managing capital are to ensure MPI is capitalized in a manner which provides a strong financial position, protects its ability to meet policyholder obligations and maintains stable rates.

The capital structure of the Corporation is comprised of retained earnings and Accumulated Other Comprehensive Income. Retained Earnings are comprised of the accumulation of net income (loss) for the Basic and non-Basic lines of business. Non-Basic lines of business consist of Extension and Special Risk Extension (SRE) lines of business and *The Drivers and Vehicles Act* administration.

The capital supporting the Basic line of business is comprised of the total equity position, known as the Rate Stabilization Reserve (RSR). The RSR's purpose is to protect motorists against potential capital builds that might be required due to unexpected deviations from forecasted results and losses from unforeseen events.

MPI's Board of Directors has approved risk-based capital adequacy target levels by line of business. Targets are based upon the capital management framework of the Office of the Superintendent of Financial Institutions Canada and the Minimum Capital Test (MCT). The MCT is a ratio of capital available to capital required and utilizes a risk-based formula to assess the capital adequacy of an insurance company. The Corporation's capital targets are determined based on the underlying risks and the competitive nature of each line of business.

The Manitoba Public Insurance Corporation Act sets out the Corporation's capital targets expressed as a MCT percentage by line of business as follows:

- | | |
|-------------|------|
| • Basic | 100% |
| • Extension | 200% |
| • SRE | 300% |

Use of the MCT framework aligns with industry best practice and allows for comparisons to the private insurance market. The 100 per cent MCT target for Basic reflects the lower risk level of the Basic monopoly insurance program, while the 200 per cent MCT target for Extension reflects the higher risks of operating in a competitive environment. SRE's 300 per cent MCT target reflects the higher risk exposure of commercial trucking fleets operating out-of-province.

As at March 31, 2025, Basic's MCT was 107 per cent (March 31, 2024 – 94 per cent), Extension's MCT was 200 per cent (March 31, 2024 – 200 per cent), and SRE's MCT was 226 per cent (March 31, 2024 – 163 per cent).

The Corporation's external Appointed Actuary will prepare a Financial Condition Test report, as of March 31, 2025, for the Basic line of business to assess capital adequacy under adverse financial conditions. This report will be available in September 2025. The most recent report, as of March 31, 2024, was prepared and signed by the external Appointed Actuary, in September 2024. It concluded that the Basic line of business has a satisfactory future financial condition.

Claims Control Strategies

MPI works diligently to ensure that the premiums entrusted to the Corporation by ratepayers are used efficiently and judiciously, while providing the best customer service possible when paying out on claims. This includes ongoing and active monitoring of claims costs. Our cost control measures with respect to claims management include efforts on multiple fronts to ensure cost effective repairs, fraud prevention, salvage and subrogation recovery, and the sound management of PIPP claims.

For example, over the past year, the subrogation team achieved a historic milestone, recovering \$21 million dollars in subrogation claim recoveries – \$7 million more than the previous year. This record-breaking result underscores the effectiveness of newly implemented strategies, which are expected to sustain this level of annual recoveries moving forward.

Key cost control strategies last year included transitioning subrogation inventory management from a passive to active approach, refining internal claims processes, optimizing roles and workload distribution, addressing outstanding PIPP recoveries, and enhancing efficiencies in Out of Province claims handling. Looking ahead to next year, this subrogation expertise will be extended to Commercial claims, further solidifying long-term recovery success.

Each year, these initiatives and others contribute significantly to efficiencies in operations to help contain costs or generate revenue, as the case may be. Together, they contribute to keeping insurance premiums as low as possible for customers.

Information Technology Processes

From a risk-management perspective, our two key information technology processes are our business continuity capability and our ongoing digital transformation.

Business Continuity

Over a number of successive years, MPI has built up robust business continuity capabilities. These have been developed as a “made-for-MPI” solution leveraging industry best practices, and are aligned to the needs of our staff, customers and business partners. Our Business Continuity Management Program creates corporate plans and responses that ensure continued customer service in the event of a business disruption. It includes emergency response, crisis management, business recovery, IT service continuity, catastrophe, contingency and pandemic responses, and the processes used to ensure ongoing readiness in all phases of our operations. The program is focused on creating and implementing corporate business continuity planning through a strong understanding of our products and services, our people, and our delivery processes and technology.

Business continuity includes planning, prevention, preparedness and a proactive program approach to crisis responses and business delivery. This approach leverages the prevention and proactive aspects of business continuity that provide continuous service during business disruptions as opposed to suspension and recovery.

Project Nova

In June 2024, the Corporation launched the second major release of Project Nova with the rollout of the new MPI Registration platform, replacing the previous custom solutions used for managing the International Registration Plan (IRP) for commercial customers. At the same time, efforts continued to attempt to resolve issues and defects in MPI Policies, the Special Risk Extension platform. The Discovery Phase of Project Nova's third release provided important insights, ultimately leading to the formal closure of Project Nova and the approval of a new modernization strategy.

Although Project Nova delivered important initiatives, it also encountered challenges including unrealistic timelines, shifting priorities, and governance concerns. These experiences informed a shift toward a more sustainable and strategic approach through a new 5-Year IT Roadmap. This roadmap breaks large-scale projects into manageable phases, allowing the Corporation to advance modernization efforts while maintaining service quality, supporting employee stability, and upholding fiscal responsibility.

Road Safety

Road Safety programs and activities align with MPI's vision to provide exceptional coverage and service, affordable rates, and safer roads through public auto insurance. This includes developing programs with the goal to reduce the occurrence of serious and fatal collisions across Manitoba.

Ensuring Manitobans understand the rules of the road and are prepared for the responsibility of holding a driver's licence is a key aspect of MPI's road safety efforts. MPI achieves this through comprehensive driver training programs for each licence class. In 2024/25, MPI invested more than \$1.3 million to support accessible and affordable Class 5 adult driver training.

University College of the North

MPI renewed funding in 2024/25 for University College of the North to continue its Class 5 Adult Driver Training Program. Since the program launched in 2023, more than 400 individuals have completed in-class and/or in-car driver training. Participants who have completed the training continue to perform well on their Class 5 road tests, with an over 70 per cent pass rate. This program has become particularly important in the northern Manitoba, where the number of fatal collisions is disproportionately high. Between 2019 and 2023, nearly 11 per cent of all traffic fatalities in Manitoba occurred in northern Manitoba, despite the region comprising only six per cent of the provincial population.

Citizens' Bridge

In April 2024, MPI increased funding for the Citizens' Bridge Class 5 Adult Driver Training Program to enable the agency to continue their existing in-class programming and assist in launching a dedicated in-car course, called Ready to Drive.

The program focuses on providing new Manitobans and low-income residents with on-the-road Class 5 in-car instruction. Through comprehensive lessons, participants will acquire the essential skills and confidence necessary to navigate roads safely. Over the last year, Citizens' Bridge successfully served over 200 individuals, with participants achieving road test pass rates that exceeded the provincial average.

Assiniboine College

In August 2024, MPI signed a Memorandum of Understanding with Assiniboine College to offer Class 5 adult driver training that addresses barriers faced by Manitoba residents. The program is designed to equip participants with the necessary skills and knowledge to become confident and responsible drivers. It combines 16 hours of in-class theory with four hours of practical, in-car training using one of the College's driver training vehicles. The curriculum includes everything from road test preparation to mastering parallel parking, ensuring students are well-prepared to drive safely on Manitoba's roads. The program launched its first course in Brandon on November 25, 2024, and has since expanded to other rural communities and First Nations.

Driver Education and Training

Driver Z Program

Educating Manitobans about the rules of the road and the responsibilities of holding a driver's licence is essential to improving road safety and reducing losses for the Corporation. MPI delivers on this commitment through comprehensive, class-specific driver training programs designed to prepare drivers at every level.

In 2024, MPI provided High School Driver Education to over 8,700 new teen drivers in Manitoba through the Driver Z program.

MPI introduced the following initiatives to help increase the seat number and reachability of the program:

- **Enhanced Instructor Contracts and Pay:** Instructor contracts have been updated and pay for Driver Z instruction has been significantly increased. Pay for in-car lessons has risen by 25 to 35 per cent, depending on the instructor's location (rural, urban, or remote). In the 2024/2025 period, MPI recruited over 30 new instructors for the program, with the majority serving rural communities.
- **Improved New Instructor Training and Recruitment:** The Red River College Polytechnic instructor training program content, curriculum, and delivery options have been refreshed. Since January, approximately 60 students have started training in the updated program, and around 100 students are on the waiting list for future intakes. Additionally, the availability and frequency of rural instructor training courses for new Driver Z instructor candidates have been expanded. Internal training is in the process of being put online to increase access and efficiency in delivery.

- **Improved Financial Support for New Instructors:** Eight fleet vehicles have been added to support new rural instructors. Recruitment incentives continue, including a return of service agreement, where instructor training is provided at no cost to new rural instructors. Additionally, there is reimbursement for business start-up costs associated with opening a new driving school.
- **Improved Instructor Tools and Supports:** Communication platforms have been upgraded to Microsoft 365, including Outlook, Teams, and Teams-based applications. New instructor quality measures and audit scorecards are being implemented. Additionally, instructor payment processing has been improved through automation.
- **Improved Driver Z Course Delivery Policies:** A compressed course delivery format has been offered in communities needing the program or without an instructor. The frequency of course registration windows has been increased, and course 'catchment area' policies have been updated to improve flexibility in enrollment. Additionally, relationships with high schools have been renewed, with honorarium payments reinstated and communications to schools, students, and parents improved via the high school network.

Class 1 Training

This year, more than 2,800 commercial driving students successfully completed Mandatory Entry-Level Training (MELT) in Manitoba—a milestone that reflects our continued commitment to safer roads. MPI is proud to support and oversee Class 1 driving schools, ensuring high-quality education and strong compliance with regulatory standards that uphold the integrity of professional driver training across the province.

High Visibility Pedestrian Gear

MPI provided 1,300 high visibility pedestrian gear kits to three First Nations, identified as having vehicle-pedestrian hot spots, at no cost. The kits contain backpacks with front and back reflective material, reflective toques, rechargeable flashing light clips and emergency whistles. The program was designed to reduce the number of pedestrian fatalities in First Nations, improve pedestrian visibility on and near First Nations, and increase education and awareness amongst drivers and pedestrians in and around First Nations.

Off-Road Vehicle Presentations

MPI provides funding to Safety Services Manitoba to deliver free, two-hour community presentations on ATV and snowmobile safety across Manitoba. These sessions, led by certified trainers, aim to foster a culture of road safety, promoting safe driving practices and the use of safety gear. While primarily aimed at children, the program is open to all community members.

In 2024, MPI and Safety Services Manitoba increased efforts and funding to deliver more presentations in First Nations based on collision data results and stakeholder feedback. Additionally, MPI purchased 336 off-road vehicle helmets, which are now given away as door prizes at these presentations.

Speed Display Sign Program Expansion

MPI loans speed display signs, at no cost, to municipalities, First Nations, and Provincial/Federal parks across Manitoba. The program is an expansion of the successful 2022 MPI pilot program that found that digital speed signs were effective in reducing the proportion of vehicles speeding by 7.5 per cent.

In spring 2024, MPI purchased an additional 35 speed display signs, expanding the program to a total of 60 signs that are being used by 35 recipients. In addition to reducing vehicle speeds, the expanded network of speed signs provides MPI with valuable real-time data on speeding patterns, trends, and hotspots throughout the province.

MPI was also approved by Transport Canada's Enhanced Road Safety Transfer Payment Program for an additional \$230,000 in support of the Speed Display Sign Loan Program. This funding will allow MPI to purchase and distribute more speed display signs in 2025 to assist Manitoba communities with this proactive approach to reducing speeds.

Campaigns and Partnerships

MPI's efforts to combat impaired driving also included a campaign conducted in partnership with the Winnipeg Police Service. The campaign involved public education and drug impaired driving enforcement, with a focus on detecting drivers under the influence of cannabis and other drugs.

In addition to these initiatives, MPI continues to share messages on a variety of issues related to road safety through various advertising campaigns, with the goal of changing perceptions and ultimately behaviours. Ads are carefully tailored to the target audience and media channel for the best chances of having an impact. For instance, rural Manitobans are more likely to hear radio ads than Winnipeg residents. In addition, radio ads on Native Communications Inc (NCI) featured local Indigenous talent.

Motivated by insights that showed Manitobans were uncertain how many alcoholic drinks would put them above the legal blood alcohol limit, MPI introduced a new alcohol impaired advertising campaign that set out to increase awareness and understanding with the powerful message: "Even if it's one or two, plan a safe ride home. Never drink & drive." The creative included a catchy jingle to increase message penetration with the audience. The campaign has been very well received throughout the province, garnering significant buzz, sparking organic dialogue, and resulting in positive feedback from Manitobans.

Outlook

MPI is committed to achieving its key priorities and corporate objectives. Actual results are monitored quarterly by the Board of Directors and may deviate from forecasts prepared in the previous year for rate-setting purposes.

Basic Autopac Rates

Under *The Crown Corporations Governance and Accountability Act*, MPI is required to submit Basic insurance rates to the Public Utilities Board (PUB) for approval. The Corporation generally files its rate application in June of each year for rates effective at the beginning of the following fiscal year.

Order No. 2/25 issued by PUB on January 7, 2025, increased Basic insurance rates by 5.7 per cent for policies taking effect on or after April 1, 2025. The PUB also extended the Driver Safety Rating system as of April 1, 2025, to allow customers who move to the new level of +19 on the scale to receive the maximum vehicle premium discount of 48 per cent; and increased the vehicle premium discounts for levels +3 and above. Also effective April 1, 2025, and approved by the PUB, is an increase of \$10 to the cost of an annual driver's licence. The fee supports the Personal Injury Protection Plan (PIPP), one of the most comprehensive universal injury protection plans in North America. MPI had not increased the cost of a driver's licence since 1997.

Extension Product Portfolio Rates

MPI continues to offer additional optional coverage through the Extension line of business, including additional third-party liability coverage, rental vehicle insurance and the option to pay higher insurance premiums to reduce the deductible to be paid in the event of a claim. The Corporation's Board of Directors approved an increase of two per cent in rates charged within MPI's Extension product portfolio for the 2025/26 insurance year. MPI regularly reviews the pricing of its products and is proud of the value and convenience these options offer to Manitobans.

2024/25

Annual Financial Statements

For the fiscal year ended March 31, 2025

Responsibility for Financial Statements

The financial statements are the responsibility of management and are prepared in accordance with International Financial Reporting Standards. The financial statements necessarily include amounts that are based on careful assessment of data available through Manitoba Public Insurance Corporation's (the Corporation) information systems and management. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the financial statements fairly reflect the financial position and results of operations of the Corporation.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

The financial statements were approved by the Board of Directors, which has overall responsibility for their contents. The Board of Directors is assisted with this responsibility by its Audit and Finance Committee (the "Committee"), which consists primarily of Directors not involved in the daily operations of the Corporation.

The general responsibilities of the Committee are categorized into the following: review of financial reporting, review of internal controls and processes, review of actuarial functions, monitoring of corporate integrity, compliance with authorities and review of performance reporting. The Committee's role is that of oversight in these areas in order to ensure management processes are in place and functioning so as to identify and minimize risks to the business operations.

In carrying out the above responsibilities, this Committee meets regularly with management, and with both the Corporation's external and internal auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to the external and internal auditors.

The Committee is responsible for the review of the actuarial function. As well, the Committee recommends, for approval, the appointment of the external actuary and their fee arrangements to the Board of Directors. The Appointed Actuary is responsible for ensuring that the assumptions and methods used in the valuation of policy and claims liabilities are in accordance with accepted actuarial practice, applicable legislation and associated regulations or directives. In addition, the Appointed Actuary provides an opinion regarding the valuation of policy and claims liabilities at the balance sheet date to meet all policyholder obligations of the Corporation. Examination of supporting data for accuracy and completeness of assets and their ability to meet the policy and claims liabilities are important elements in forming the Appointed Actuary's opinion.

PricewaterhouseCoopers LLP, the Corporation's appointed external auditor, have audited the financial statements. Their Independent Auditor's Report is included herein. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary in order to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position of the Corporation in accordance with International Financial Reporting Standards.

Satvir Jatana
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

June 25, 2025

Ryan Kolaski, CPA, CA
VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

June 25, 2025

Actuary's Report

To the Board of Directors of Manitoba Public Insurance Corporation:

I have valued the policy liabilities of the Manitoba Public Insurance Corporation for its financial statements prepared in accordance with International Financial Reporting Standards for the year ended 31 March 2025.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.

Cosimo Pantaleo, FCIA
June 25, 2025



Independent auditor's report

To the Board of Directors of Manitoba Public Insurance Corporation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Public Insurance Corporation (the Corporation) as at March 31, 2025 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2025;
- the statement of operations for the year then ended;
- the statement of comprehensive income (loss) for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
Richardson Building, 1 Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T.: +1 204 926 2400, F.: +1 204 944 1020, Fax to mail: ca_winnipeg_main_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



Other information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Winnipeg, Manitoba
June 25, 2025

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Financial Statements

Statement of Financial Position

	Notes	March 31, 2025	March 31, 2024
Assets			
Cash and cash equivalents	5	188,683	206,669
Accounts receivable	27	148,404	147,716
Prepaid expenses		3,018	2,848
Investments	5	3,587,114	3,387,590
Investment property	5 & 6	12,420	13,045
Reinsurance contract assets	14	74,043	154,025
Property and equipment	7	174,017	171,108
Deferred development costs	8	54,262	112,502
		4,241,961	4,195,503
Liabilities			
Accounts payable and accrued liabilities	9	52,797	68,059
Deferred revenue		33,204	23,476
Lease obligation	10	6,865	6,921
Provision for employee current benefits	12	31,149	29,660
Provision for employee future benefits	13	486,061	451,569
Insurance contract liabilities	14	2,905,897	2,853,168
		3,515,973	3,432,853
Equity			
Retained earnings	15	721,620	741,307
Accumulated other comprehensive income	16	4,368	21,343
		725,988	762,650
		4,241,961	4,195,503

Commitments (Note 24) and Contingent Liabilities (Note 29)

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

Approved by the Board of Directors:

Carmen Nedohin
CHAIRPERSON OF THE BOARDLuke Johnston
CHAIR, AUDIT AND FINANCE COMMITTEE

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Operations

For the years ended March 31	Notes	2025	2024
Insurance revenue	17	1,644,750	1,579,340
Incurring claims		1,202,130	1,386,878
Maintenance expense	20	188,788	164,204
Acquisition expense:			
Commission	20	107,107	101,112
Premium taxes	20	48,823	48,025
Other	20	26,365	18,612
Total insurance service expense		1,573,213	1,718,831
Insurance service result from insurance contracts		71,537	(139,491)
Net income (expense) from reinsurance contracts held		(35,784)	104,470
Insurance service result		35,753	(35,021)
Investment income	5	290,124	97,774
Insurance finance expense	5	(172,675)	(79,339)
Reinsurance finance income	5	5,919	3,111
Net insurance financial result		(166,756)	(76,228)
Net insurance and investment result		159,121	(13,475)
Service fees and other revenue	18 & 22	29,500	25,942
<i>The Drivers and Vehicles Act</i> operations recovery	19	40,200	40,150
Total other revenues		69,700	66,092
Commission expense - non-policy	20	6,541	5,944
Operating expenses	20	242,082	176,219
Total other expenses		248,623	182,163
Gain on disposal of property and equipment		115	44
Net loss attributable to Owner of the Corporation	21	(19,687)	(129,502)

Statement of Comprehensive Income (Loss)

For the years ended March 31	Notes	2025	2024
Net loss attributable to Owner of the Corporation	21	(19,687)	(129,502)
Other comprehensive income (loss)	13 & 16		
Items that will not be reclassified to income			
Remeasurement of employee future benefits		(16,975)	7,933
Other comprehensive income (loss) for the year		(16,975)	7,933
Total comprehensive loss attributable to Owner of the Corporation		(36,662)	(121,569)

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Changes in Equity

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity
Balance as at April 1, 2023	870,809	13,410	884,219
Net loss attributable to Owner of the Corporation	(129,502)	-	(129,502)
Other comprehensive income	-	7,933	7,933
Balance as at March 31, 2024	741,307	21,343	762,650
Net loss attributable to Owner of the Corporation	(19,687)	-	(19,687)
Other comprehensive loss	-	(16,975)	(16,975)
Balance as at March 31, 2025	721,620	4,368	725,988

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Cash Flows

For the years ended March 31	Notes	2025	2024
Cash Flows from (to) Operating Activities:			
Net loss attributable to Owner of the Corporation for the year		(19,687)	(129,502)
Non-cash item adjustments:			
Depreciation of property and equipment, and investment property		7,199	6,498
Amortization of deferred development costs		9,935	8,555
Amortization of bond discount and premium		(3,958)	(2,186)
Loss (gain) on sale of investments		(30,454)	71,981
Unrealized gain on investments		(142,076)	(55,357)
Gain on disposal of property and equipment		(115)	(44)
Impairment of deferred development costs		62,123	-
		(117,033)	(100,055)
Net change in operating assets and liabilities:			
Accounts receivable		(688)	(9,563)
Prepaid expenses		(170)	1,146
Reinsurance contract assets		79,982	(126,163)
Accounts payable and accrued liabilities		(15,262)	(4,162)
Deferred revenue		9,728	(2,076)
Provision for employee current benefits		1,489	2,986
Provision for employee future benefits		17,517	16,127
Insurance contract liabilities		52,729	315,725
		145,325	194,020
		28,292	93,965
Cash Flows from (to) Investment Activities:			
Purchase of investments		(1,087,443)	(1,648,177)
Proceeds from sale of investments		1,064,407	1,645,184
Acquisition of property and equipment		(9,483)	(14,195)
Proceeds from disposal of property and equipment		115	44
Lease obligation		(56)	(51)
Deferred development costs paid		(13,818)	(12,444)
		(46,278)	(29,639)
Increase (decrease) in cash and cash equivalents		(17,986)	64,326
Cash and cash equivalents beginning of year		206,669	142,343
Cash and cash equivalents end of year	5	188,683	206,669
Supplemental cash flow information:			
Interest received (operating)		4,060	5,353
Interest received (investing)		75,719	89,061
Dividends received (investing)		21,748	17,299

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

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Notes to Financial Statements

March 31, 2025

1. Corporate Information

The Manitoba Public Insurance Corporation (the Corporation) was incorporated as a Crown corporation under *The Automobile Insurance Act* in 1970. The Corporation is owned by the Province of Manitoba and the financial results of the Corporation are included in the consolidated financial statements of the Province of Manitoba. 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 Extension (SRE) 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 material 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* (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards. They were approved for issue by the Manitoba Public Insurance Corporation Board of Directors on June 25, 2025.

These financial statements are presented in thousands, unless as otherwise noted, and in Canadian dollars which is the Corporation's functional and presentation currency. The Corporation presents its Statement of Financial Position broadly in order of liquidity and, Statement of Financial Position line items may include both current and non-current balances, as applicable.

The material accounting policies applied in the preparation of these financial statements are described in Note 3. These policies have been applied consistently to all periods presented, except for the new standards and amendments to existing standards adopted on April 1, 2024, as described in Note 4.

2.1 Seasonality

The automobile insurance business, which reflects the primary business of the Corporation, is seasonal in nature. While revenue from premiums is generally stable from quarter to quarter, underwriting results are impacted by weather conditions which may vary significantly between quarters.

2.2 Material Estimates, Assumptions and Judgments

The preparation of these financial statements in accordance with IFRS requires management to use estimates, assumptions and judgments that affect the amount reported for certain assets, liabilities, and disclosures as at the reporting date, as well as recognized amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates and assumptions.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The key sources of estimation uncertainty and areas where significant judgments have been applied are discussed in material accounting policies summarized in Note 3 and other notes to these financial statements, including:

- Determination of the fair value of level 3 financial instruments – Note 5
- Assessment and measurement of deferred development costs – Note 8
- Measurement of employee future benefits and underlying actuarial assumptions - Note 13
- Determination of insurance contract liabilities – Note 14

3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation are outlined below.

3.1 Financial assets and liabilities

Financial assets and financial liabilities are recognized in the Statement of Financial Position when the Corporation becomes a party to the contractual requirements of the instrument.

3.2 Investments

Funds available for investments are managed by the Manitoba Department of Finance or administered by external managers that are under contract with the Manitoba Department of Finance, on behalf of the Corporation, in accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*.

Investments include cash, cash equivalents and short-term securities, debt securities, equity securities, investments in pooled funds, private debt, infrastructure debt and venture capital.

The Corporation's directly held real estate investments are recorded at cost and are depreciated over their estimated useful life in accordance with IAS 40 *Investment Property* (IAS 40).

The Corporation classifies and measures financial instruments in accordance with IFRS 9.

All financial instruments are measured at initial recognition at fair value and are classified and subsequently measured as fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), or amortized cost based upon the Corporation's business model for managing its assets and the contractual cash flow characteristics of the asset.

The Corporation's business models are determined at the level that reflects how its groups of financial assets are managed together to achieve business objectives.

The Corporation accounts for the purchase and sale of securities on settlement date. Transaction costs associated with the acquisition of financial instruments classified or designated as FVTPL are expensed as incurred.

Financial Assets

A financial asset is classified as FVOCI if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model whose objective is to hold to collect contractual cash flows and sell financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is classified as amortized cost if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model with the objective to hold to collect contractual cash flows, and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets that are managed on a fair value basis and do not meet the objectives of a hold to collect or hold to collect and sell business model, such as financial assets that are held for trading, are measured at FVTPL.

A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the near term. Cash, cash equivalents and short-term securities are held to meet short-term cash requirements, as such, they are held for trading and are measured at FVTPL.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The Corporation may make an irrevocable election, on an instrument-by-instrument basis, at initial recognition of the instrument, to assign the 'Designated at fair value through profit and loss' measurement category (designated at FVTPL) to the financial instrument, if doing so eliminates or significantly reduces an accounting mismatch. Financial assets that the Corporation has voluntarily assigned to the designated at FVTPL measurement category include investments in bonds, debt securities and private debt that are held and managed in backing insurance contract liabilities.

Business model assessment

The Corporation's business models are determined at the level that best reflects how the Corporation manages portfolios of financial assets to achieve its business objectives. They therefore reflect whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Determining business models requires the use of judgment and is based on all relevant evidence that is available to the Corporation at the time of the assessment including:

- How the economic activities of the business model generate benefits and how such economic activities are evaluated and reported to key management personnel; and
- The frequency, volume, and timing of sales in prior periods, the reasons for the sales and expectations about future sales activity. Information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realized.

The Corporation's business models fall into two categories, which are indicative of the key strategies to generate returns:

- The Corporation's primary business model is held-to-collect and sell, which provides flexibility aimed at supporting the cash flow required in managing insurance contracts.
- The Corporation also carries certain financial assets under the held-to-collect business model where the emphasis is to collect contractual cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent. The Corporation maintains a portfolio of financial assets to manage its liabilities and obligations for employee pension and retirement benefits.

Investments in Equity

Financial assets that are investments in equity securities are classified at FVTPL, unless an irrevocable designation is taken at initial recognition to designate the asset at FVOCI.

Investments in Debt Instruments

The Corporation's investments in financial assets that are debt securities, investments in private debt, venture capital, partnerships, pooled commercial mortgages, and pooled funds are classified at FVTPL because these investments either fail the SPPI test or are individually designated at initial recognition as FVTPL because they support insurance contract liabilities.

Investments in financial assets that are classified as FVTPL or designated at FVTPL are recorded at fair value in the Statement of Financial Position, with gains or losses including interest or dividend income and foreign exchange gains and losses, recognized in Investment income in the Statement of Operations.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalents are highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. These are classified as held for trading for the purpose of meeting short-term cash requirements for insurance contracts and are accounted for at FVTPL. Cash and cash equivalents values are assumed to approximate their carrying values, due to their short-term nature or because they are frequently repriced to current market rates.

Accounts Receivable

Accounts receivable represents receivables from customers for products and services that are not insurance contracts, amounts due from third parties, and amounts to be collected from employees of the Corporation.

Accounts receivables are initially recognized at cost, being the fair value. Subsequent to initial measurement they are measured at amortized cost. Accounts receivables do not contain a significant financing component. For financial assets that are not held at fair value through profit or loss, the Corporation assesses at each reporting date whether to recognize a loss allowance for expected credit losses (ECL). The ECL is estimated as the difference between the contractual cash flows due in accordance with the contract and all cash flows the Corporation expects to receive.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

The Corporation applies a simplified approach in calculating ECL for accounts receivable, where changes in credit risk are not tracked, and loss allowances are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

When a financial asset is derecognized in its entirety, a gain or a loss is recognized in the Statement of Operations for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received.

The Corporation applies judgment to determine whether the contractual rights to the cash flows have expired, have been transferred or have been retained with an obligation to pay them to a third party. With respect to the transfer of substantially all the risks and rewards of ownership of the assets, the Corporation evaluates its exposure before and after the transfer as well as the changes in the amount and timing of the net cash flows of the transferred asset.

Financial Liabilities

Financial liabilities include accounts payable and accrued liabilities, which are all current liabilities, are recorded in the Statement of Financial Position at amortized cost which approximates their fair value. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expires. The difference between the carrying amount of the transferred financial liability and the consideration paid is recognized in Investment income (loss) in the Statement of Operations.

Fair Value Determination

The fair values of financial instruments are obtained from external pricing services and are based on available bid prices for Level 1 financial assets. Level 2 and Level 3 fair value determinations are based on availability of inputs other than bid prices as there is not a quoted market price.

The Corporation maximizes the use of observable inputs when measuring fair value. The Corporation obtains quoted prices in active markets, when available, for identical assets at the reporting date to measure equity securities at fair value in its fair value through profit or loss portfolio.

Valuation techniques used by the Corporation's independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation's Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation's Investment Committee and Audit and Finance Committee.

3.3 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Replacement costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All repairs and maintenance costs are recognized in Net income (loss) attributable to Owner of the Corporation during the period in which they occur.

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Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

Land & Buildings

- HVAC systems 20 years
- land improvements 25 years
- roofing systems 30 years
- elevators/escalators 30 years
- buildings 40 years

Furniture & Equipment

- computer equipment 3 years
- vehicles 5 years
- furniture and equipment 10 years
- demountable wall systems 10 years

Buildings held under a long-term lease arrangement are depreciated on a straight-line basis over 40 years. Leasehold improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Tenant improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Depreciation of construction in progress will begin, in accordance with the above policy, when construction has been completed, and the property is deemed available for use.

Land is not subject to depreciation and is carried at cost.

3.4 Investment Property

The Corporation applies IAS 40 in the recognition, measurement and disclosure of investment property.

In the determination of what constitutes investment property relative to property and equipment the Corporation considers only property that is 100 per cent utilized as investment property to be classified as investment property.

The Corporation's investment property, which is property held 100 per cent to earn rentals and/or capital appreciation, is measured initially at its cost, including transaction costs. The Corporation has elected to use the cost model to subsequently value its investment property. Therefore, the investment property's carrying amount is valued at cost less accumulated depreciation and impairment losses. Depreciation is based on the useful life of each component of the investment property along with the property's residual value.

The fair value of the investment property is disclosed based on an external valuation that occurs, at a minimum, every other year. The fair value disclosed is based on the most recent valuation which was conducted for March 31, 2024.

The Corporation assesses its investment property for impairment on an annual basis in accordance with the impairment test guidance set forth in IAS 36 *Impairment of Assets*. Based on this assessment it was determined that the investment property was not impaired as at March 31, 2025.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

- parkade 40 years
- surface parking lot held at cost

3.5 Deferred Development Costs (Intangible Assets)

The costs of developing major information systems that are expected to provide an economic benefit to the Corporation are deferred to future periods. These information system expenditures are stated at cost net of accumulated amortization and accumulated impairment losses and are amortized on a straight-line basis over five years unless the useful life is deemed to be longer, but in no case shall the useful life exceed 10 years, starting the month after the asset becomes available for use.

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An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred, including directly assigned employee costs, from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are recognized in Net income (loss) attributable to Owner of the Corporation in the period in which they are incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

3.6 Impairment of Tangible and Intangible Assets (Other Than Financial Assets)

When specific events or circumstances arise, the Corporation reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately in the Net income (loss) attributable to Owner of the Corporation.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

The Corporation is required to assess appropriate metrics and sources of information for evidence that intangible assets may be impaired. Further, the Corporation may be required to estimate the recoverable amount of the asset. Performing these assessments and developing the estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flows estimated based on internal financial forecasts, expected future earnings, the growth rate and the discount rate.

3.7 Leasing

The Corporation as a Lessee

The Corporation, as a lessee, recognizes a right-of-use asset and a lease liability at the lease's commencement date. The right-of-use asset is initially measured at cost which is comprised of the amount of the initial lease liability and any lease payments made at or before the commencement date, less any lease incentives received, initial direct costs and restoration costs. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term plus renewal options expected to be exercised on a straight-line basis.

The lease liability arising from the lease is originally measured on a present-value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payment of penalties for terminating a lease if the lease term reflects the lessee exercising that option. The lease payments are

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discounted using the interest rate implicit in the lease, if that rate can be determined, or the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The Corporation as a Lessor

The Corporation leases retail, office and parking space in buildings and parking facilities owned by the Corporation. Revenue from lease payments is recognized on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Revenue from leases is reported in the Net income (loss) attributable to Owner of the Corporation, reported on the Statement of Operations within Service fees and other revenue.

3.8 Insurance revenue

Insurance revenue is comprised of Revenue from premiums and Other insurance revenue.

The Corporation measures insurance contracts using the Premium Allocation Approach (PAA) provided under IFRS 17 *Insurance Contracts* (IFRS 17). Revenue from premiums is the amount of expected premium receipts from groups of insurance contracts issued, net of cancellations and promotional returns, allocated to each period over the coverage period provided by the contracts, based on the passage of time as this approximates the pattern of release of risk over the coverage period.

Other insurance revenue represents fees charged to policyholders for costs incurred under the Corporation's billing and payment plans, payment processing charges and transaction fees for the administration of policies.

3.9 Total Insurance Service Expense

Insurance service expense includes contract fulfilment and acquisition costs that are directly attributable to insurance contracts. Insurance service expenses are comprised of the following:

- Claims incurred in the period;
- Expenses incurred that are directly attributable to fulfilling the insurance contracts;
- Losses on onerous contracts and reversals of those losses, if any;
- Changes related to past service (e.g., changes in the liability for incurred claims in periods subsequent to the claim being incurred); and
- Insurance acquisition costs incurred in the period.

3.10 Net Income (Expense) from Reinsurance Contracts Held

The Corporation has elected to present income and expenses arising from reinsurance contracts held as a single line item in the Statement of Operations. Income comprises the amounts recoverable from reinsurers for incurred claims and other incurred insurance service expense, impacts from changes in the risk of non-performance by the reinsurer, when relevant, and changes in the loss recovery component for groups of onerous contracts, if any. Reinsurance expenses is the expected reinsurance premiums expense allocated to the period, based on the passage of time.

3.11 Investment Income (Loss)

Investment income is recorded as it accrues. Dividend income from investments is recognized when the Corporation's rights to receive payments is established. Dividend income on common and preferred shares is recorded on the ex-dividend date and usually the notification date or date when the shareholders have approved the dividend for private equity instruments. Distributions on pooled funds are recorded on the income distribution date. Gains and losses are determined and recorded as at the settlement date and are calculated on the basis of average cost. The effective interest rate method is used to amortize premiums or discounts on the purchase of bonds.

- Interest revenue is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- The realized gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortized cost as appropriate.

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- The realized gain or loss on disposal of property and equipment is the difference between the proceeds received, net of transaction costs and its original cost or depreciated cost as appropriate.
- Unrealized gains and losses represent the difference between the carrying value at the period end and the carrying value at the previous period end or purchase value during the period, less the reversal of previously recognized unrealized gains or losses in respect of disposals during the period.

3.12 Insurance Finance Income (Expense)

Insurance finance income or expense reports the change in the carrying amount of the group of insurance contracts arising from the effect of unwinding of discounting applied in measuring insurance contracts and the change in discounting from changes in discount rates. The Corporation has elected to present all Insurance finance income (expense) in the Statement of Operations rather than in the Statement of Comprehensive Income (Loss).

3.13 Service Fees and Other Revenue

Service fees and other revenue includes fees charged to customers for products and services other than insurance products or services, rental income, and incidental income from operations. The income is recognized when services have been provided, or the products have been delivered.

3.14 *The Drivers and Vehicles Act* operations for the Province of Manitoba

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

3.15 Operating Expense

Operating expense is comprised of corporate operating expenses after allocation of expenses to insurance service expense. Expenses that are attributable to the fulfillment of insurance contracts including costs of premium collection, claims adjudication and processing, actuarial calculations, and policy pricing and administration are assigned to maintenance and acquisition expense reported within insurance service expense on the Statement of Operations. Expenses are allocated based on the Corporation's internal expense allocation methodology including expense and activity-based costing analysis.

3.16 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for Employee Current Benefits

The provision for employee current benefits includes accruals for vacation pay and sick pay determined in accordance with the Collective Agreement and Corporate policy.

Provision for Employee Future Benefits

Included in the provision for employee future benefits are the pension benefit plan and other benefit plans.

i. Pension Benefit Plan

The employees of the Corporation are members of a defined benefit pension plan administered under *The Civil Service Superannuation Act*. Included in the accounts is a provision for the employer's future pension liability calculated on an indexed basis. The provision for pension is actuarially determined on an annual basis using the projected benefit method prorated on services. The actuarial present value of the accrued pension benefits is measured using the Corporation's best estimates based on assumptions relating to market interest rates at the measurement date based on high quality debt instruments, salary changes, withdrawals and mortality rates. Changes in experience gains and losses are recognized

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in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

ii. Other Benefit Plans

Other benefit plans consist of two post-retirement extended health plans and severance pay benefits.

The provision for post-retirement extended health benefits is actuarially determined on an annual basis using the projected benefit method prorated on services, which includes the Corporation's best estimates based on assumptions relating to retirement ages of employees and expected health costs. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

Employees of the Corporation are entitled to severance pay in accordance with the Collective Agreement and Corporate policy. The provision for severance pay is actuarially determined on an annual basis using the projected benefit method prorated on services, without salary projection, which includes the Corporation's best estimates based on assumptions relating to the proportion of employees that will ultimately retire.

3.17 Salvage and Subrogation

Recoveries from salvage and subrogation are recorded as an offset to claims costs. Expected salvage recoveries and subrogation reimbursements are included in the measurement of the liability for incurred claims reported within Insurance contract liabilities on the Statement of Financial Position.

3.18 Structured Settlements

In the normal course of tort claims adjudication, the Corporation settles certain long-term claims losses through the purchase of annuities under structured settlement arrangements with life insurance companies. As the Corporation does not retain any interest in the related insurance contract and obtains a legal release from the claimant, any gain or loss on the purchase of the annuity is recognized in the Statement of Operations at the date of purchase and the related claims liabilities are derecognized. While the Corporation remains exposed to the credit risk that the life insurance companies may fail to fulfill their obligations, management believes this risk to be remote.

3.19 Allocation of Revenue, Incurred Claims and Expenses

Revenue from premiums and incurred claims are allocated directly to the division writing the insurance risk.

Other insurance revenue is allocated to the automobile insurance division lines of business on the following basis:

- Identifiable other insurance revenue is allocated to each line of business.
- Where direct allocation is not possible, other insurance revenue is prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of other insurance revenue are approved by the Board of Directors.

Service fees and other income are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

- Identifiable direct service fees and other revenue are allocated to each line of business.
- Where direct allocation is not possible, service fees and other revenue are prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of service fees and other revenue are approved by the Board of Directors.

Investment income is allocated to the automobile insurance division and *The Drivers and Vehicles Act* operations and the discontinued general insurance division based on a direct attribution of each segments unique portfolio returns and a pro-rata share of the portfolio backing the corporate employee future benefits obligation.

Expenses, including Corporate Operating expenses, are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

- i. Identifiable direct expenses are charged to each line of business.
- ii. Where direct allocation is not possible, expenses are prorated to each line of business based mainly on factors such as space, number of employees, time usage, Contact Centre statistics, and metrics such as revenue from premiums and incurred claims. The basis for allocation of indirect shared expenses is approved by the Board of Directors.

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- iii. The allocation of improvement initiative costs is based on a review of each project to determine which line of business will benefit from the project. The allocation basis for each project is approved by the Board of Directors.

3.20 Foreign Currency

Monetary items denominated in foreign currencies are adjusted to reflect the exchange rate in effect at the year end. Revenue and expense items in foreign currencies are translated at the exchange rate in effect at the transaction date. Unrealized gains or losses arising on translation are reported in the Statement of Operations in the current year.

3.21 Comprehensive Income

Comprehensive income consists of Net income (loss) attributable to Owner of the Corporation and Other comprehensive income (loss). Actuarial gains and losses on employee future benefits amounts are recorded in OCI and included in AOCI. AOCI is included on the Statement of Financial Position as a separate component.

3.22 Insurance Contracts

Classification of Contracts

Insurance contracts are comprised of insurance contracts issued and reinsurance contracts held.

Insurance contracts issued by the Corporation are arrangements where the Corporation accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for specified uncertain future events that adversely affect the policyholder and whose amount and timing is unknown. The Corporation determines whether it has accepted significant insurance risks by comparing the benefits that could become payable under various possible scenarios relative to the premium received from the policyholder for insuring the risk.

Reinsurance contracts held are insurance contracts under which the Corporation transfers insurance risk to another entity that issues the contract (the reinsurer).

Measurement of Insurance Contracts

The carrying value of insurance contracts is comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). Measurement of these two components is based on the application of an appropriate measurement model provided under IFRS 17.

A simplified measurement model, the Premium Allocation Approach (PAA), can be applied to contracts that are one year or less or contracts longer than one year if the liability for remaining coverage determined under the PAA is not materially different than the result provided under the general measurement model (GMM).

The insurance contracts the Corporation issues and reinsurance contracts it holds meet the requirements for measurement under PAA. The Corporation applies the PAA in measuring all insurance contracts reported in these financial statements.

The GMM measures groups of contracts based on estimates of the present value of future cash flows that are expected to arise over the term of the contracts, plus an explicit risk adjustment for non-financial risk. The LIC is measured by applying the GMM requirements.

Significant judgment and assumptions are required in measuring assets or liabilities for insurance contracts. Application of different assumptions may result in significantly different measurement results. Actual experience may differ from assumptions, and estimates may change from period to period based on future events or revisions of assumptions. Key assumptions and considerations in selecting these assumptions are discussed in Note 14. The sensitivity of the measurement of insurance contracts to changes in risk variables are discussed in Note 14.

Level of Aggregation

Insurance contracts that are subject to similar risks and are managed together are assigned to portfolios of insurance contracts.

Insurance contracts issued by the Corporation are aggregated into portfolios that are reported and measured separately from portfolios of reinsurance contracts held by the Corporation.

The Corporation uses judgment in establishing its various portfolios, consideration is given to the lines of businesses and distribution channels.

Portfolios are further disaggregated into groups of contracts that are issued within a 12-month period. These annual cohorts are further divided into groups of contracts based on expected profitability: onerous contracts, contracts that do not have a significant possibility of becoming onerous subsequently, and other contracts.

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An insurance contract is onerous if, at the date of initial recognition, the estimated fulfillment cash flow expectations determined on a probability-weighted basis is a net outflow. The Corporation's evaluation of whether contracts are onerous is based on reasonable and supportable information including historical experience and forward-looking information that is available without undue cost or effort.

In determining groups of contracts, the Corporation has elected to include, in the same group, contracts where the ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

Reinsurance contracts held by the Corporation provide cover for underlying contracts that are reported in different groups. The Corporation reports portfolios of reinsurance contracts by nature of risk covered by the contracts (Casualty, Facultative and Catastrophe). Groups of reinsurance contracts held that are entered into within an annual period (typically a financial year) are divided into groups based on whether they present a net gain or net loss position at initial recognition.

Combination and Separation of Components from Contracts

Insurance and reinsurance contracts are assessed to determine whether they contain components which must be accounted for under an IFRS other than IFRS 17. The Corporation's insurance and reinsurance contracts do not include such components.

Service components of insurance contracts are treated as separate service contracts only if the service component is not highly interrelated with the insurance component. Service components that are not separated, such as payment plan services provided to policyholders, are accounted for with insurance contracts.

The Corporation applies judgment when particular facts and circumstances require the separation of its insurance contracts into distinct insurance components. The Corporation considers interdependency between the different risks covered, whether components lapse together and whether components can be priced and purchased separately.

Contract Recognition and Derecognition

The Corporation recognizes a group of insurance contracts that it issues from the earliest of:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate there is such a group.

A group of reinsurance contracts is recognized at the earliest of:

- The beginning of the coverage period;
- The date an onerous group of underlying insurance contracts is recognized, to the extent that a reinsurance contract applying to these contracts is entered into at that date.

Contract Boundaries

Contract boundaries are identified to determine which future cash flows are included in the measurement of an insurance contract (or reinsurance contract held). Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums (or is compelled to pay amounts to a reinsurer), or in which the Corporation has a substantive obligation to provide the policyholder with services (or receive services from a reinsurer).

A substantive obligation to provide services ends when:

- The Corporation has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both the following criteria are satisfied:
 - The Corporation has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
 - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

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Liabilities or assets relating to expected premiums or claims outside the boundary of the insurance contract relate to future insurance contracts and are not recognized in measuring or reporting insurance contracts in effect. Premiums payments received outside the contract boundary are reported as Deferred Revenue in the Statement of Financial Position or in accordance with other IFRS that appropriately report the nature and substance of the amounts involved.

For reinsurance contracts, a substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

Initial Measurement

On initial recognition, the insurance contract liability for a group of insurance contracts is the liability for remaining coverage.

In applying the PAA and the option to expense acquisition costs as incurred, the Corporation measures the liability for remaining coverage at initial recognition as the premium received when the contract is initially recognized, and the coverage period commences.

The Corporation assumes that no contracts in a portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

Subsequent Measurement

The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

i. Liability for Remaining Coverage

The liability for remaining coverage is the Corporation's obligation to provide insurance services over the remaining unexpired portion of the coverage period. This liability is measured at each reporting period as:

- the carrying amount of the liability for remaining coverage at the beginning of the period,
- plus the amount of premium received in the period,
- minus the amount recognized as revenue for the insurance services provided in the period,
- plus the remaining loss component for groups of contracts that are onerous, if any.

Under the PAA, the Corporation elects to not adjust the liability for remaining coverage for the time value of money and the effects of financial risk because the time between providing coverage and the related premiums is expected to be no more than one year.

Also, under the PAA, the Corporation elects to recognize insurance acquisition expenses in the Statement of Operations as incurred, rather than including these expenses within the measurement of liability for remaining coverage.

ii. Liability for Incurred Claims

The liability for incurred claims is the measurement of the Corporation's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. The liability is measured as the fulfillment cash flows expected to occur in fulfilling the contract. These are probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk. These fulfillment cash flows are measured using current estimates of future cash flows, current discount rates, and current estimates of risk adjustment for non-financial risk.

In measuring the liability for incurred claims, the Corporation estimates future contractual cash flows within the contracts' boundary by considering evidence from current and past conditions as well as possible future conditions including market and non-market variables impacting the valuation of the cash flows.

The liability for incurred claims is discounted to consider the time value of money. The PAA provides an option to not adjust future cash flows for the time value of money and the effect of financial risk if the cash flows are expected to be paid or received in one year or less from the date the claims are incurred. Upon adoption of IFRS 17, the Corporation has elected to discount all liabilities for incurred claims.

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The risk adjustment is the compensation the Corporation receives in fulfilling an insurance contract that arises from uncertainties surrounding the amount and timing of cash flows for non-financial risks. Estimates and assumptions are reviewed periodically for appropriateness in reflecting current, past, and future conditions.

When estimating fulfillment cash flows, the Corporation includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims (within the contract boundary);
- Premium taxes; and
- Commissions expense.

Onerous Contracts

The Corporation assumes that no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise.

The Corporation's process for identifying indicators of possible onerous contracts includes assessing internal management reports and information from planning and pricing activities, forecast information and historical experience.

During the coverage period, if facts and circumstances indicate that a group of insurance contracts is or becomes onerous, the Corporation considers information available including experience loss reports, metrics such as loss ratios, and forecasts to determine whether the group is in an onerous position.

When a group of insurance contracts is assessed as onerous, the Corporation recognizes the net outflow of fulfillment cash flows as a loss in the Statement of Operations and records a loss component within the liability for remaining coverage. The loss component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining coverage period.

If such losses on onerous contracts are recoverable under coverage provided by reinsurance contracts, the Corporation reports a loss recovery in the Statement of Operations within Net income (loss) from reinsurance contracts held. A loss recovery component is established within assets for remaining coverage for reinsurance contracts held, the loss recovery component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining term of the contract.

Discount Rates

Measurement of the liability for incurred claims requires discounting the estimated future cash flows to reflect the time value of money and financial risks associated with the insurance contract liabilities. The Corporation applies discount rates that are consistent with observable market prices and reflect the characteristics of the liabilities and the duration of the portfolio. The rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contract liabilities (e.g., credit risk).

The Corporation applies a top-down approach to determine appropriate discount rates for measuring insurance contracts it issues and reinsurance contracts it holds. Under this approach, the Corporation determines appropriate discount rates from a yield curve that provides the expected returns of a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the cash flows for the insurance contract liabilities.

The reference portfolio of assets is comprised of a combination of fixed income assets that closely reflect the duration and liquidity characteristics of the cash flows for the portfolio of insurance contract liabilities. Adjustments are applied to eliminate impacts from risks and factors for the financial instruments in the reference portfolio, that are not relevant to the insurance contract liabilities.

In constructing the discount yield curves, a portion of the curve is based on observable market information that is available going out 30 years (the observable period) and beyond that point, the discount rates are estimated (the unobservable period). The portion of the curve in the unobservable period has been determined using a linear interpolation technique between the last observable point and the ultimate rate, which was set at 70 years. The ultimate rate at 70 years was determined using a bottom-up approach according to Canadian accepted actuarial practice.

Judgment is applied in selecting the appropriate discount rates. Judgment and estimates are applied in determining the yield curves, the asset mix within the reference portfolio, and the adjustments to the yield curve for factors such as credit risk and

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liquidity risk when appropriate. In addition, judgment is applied in developing yield curves beyond the last observable point and in determining the ultimate rate.

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the issuer requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the issuer fulfils the insurance contracts.

The Corporation applies the Quantile approach in determining the risk adjustment by coverage, for each line of business. The risk adjustment for insurance contracts issued by the Corporation includes an adjustment for the benefits of diversification across the lines of business. Under the Quantile Approach, a range of claims development scenarios are simulated and the future claims payments of each of the scenarios are discounted to the measurement date. The risk adjustment for non-financial risk is determined as the difference between the discounted unpaid claims at the selected percentile and the best estimate of the unpaid claims' liability averaged across the scenarios. The Corporation's target confidence level for the risk adjustment is the 90th percentile.

Measurement of Reinsurance Contracts Held

Reinsurance contracts held are measured in a manner consistent with the associated underlying insurance contracts and in accordance with the terms of each reinsurance contract held. As such, the Corporation applies the PAA in measuring reinsurance contracts held when that method is applied in measuring the underlying groups of insurance contracts.

The basis of measurement and reporting is adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued. For example, reinsurance contracts generate expenses or a reduction in expenses rather than revenue, and the risk adjustment for reinsurance contracts held represents the amount of risk transferred from the Corporation to the reinsurer.

Measurement of reinsurance contracts held includes a provision for risk that the reinsurer will not fulfill its obligations under the contract. The Corporation selects well-established, highly rated reinsurers to engage with in reinsurance contracts and treaties.

Contract boundaries are identified to determine which future cash flows are included in the measurement of a reinsurance contract held. A substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

A group of reinsurance contracts is recognized at the earliest of:

- the beginning of the coverage period; or
- the date an onerous group of underlying insurance contracts is recognized.

When a loss on onerous contracts is recognized for a group of insurance contracts in which there are one or more contracts underlying a reinsurance contract held, the Corporation calculates a loss-recovery component and adjusts the amount of the asset for remaining coverage of the group of reinsurance contracts held.

3.23 Presentation on the Financial Statements

The carrying value of portfolios of insurance contracts issued and reinsurance contracts held that are in an asset position are presented as Insurance contract assets and Reinsurance contract assets in the Statement of Financial Position, while the carrying value of portfolios of insurance contracts issued and reinsurance contracts held that are liabilities are presented as Insurance contract liabilities and Reinsurance contract liabilities.

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4. Changes in Accounting Policies

4.1 Adoption of Amendments to Accounting Standards

Effective April 1, 2024, the Corporation adopted amendments to accounting standards issued by the International Accounting Standards Board (IASB) that were effective for annual reporting years beginning on or after January 1, 2024.

4.1.1 Amendments to IAS 1 – Presentation of Financial Statements (IAS 1)

The narrow scope amendments to IAS 1 provided clarification of debt and other liabilities as current or non-current liabilities in the Statement of Financial Position, and additional disclosure requirements for liabilities subject to covenants. The amendments did not have a material impact on the Corporation's financial statements.

4.1.2 Amendments to IAS 7 – Statement of Cash Flows (IAS 7) and IFRS 7 – Financial Instruments: Disclosures (IFRS 7)

The amendments to these standards introduced two new disclosure objectives, one in IAS 7 and another in IFRS 7, that require additional information about supplier finance arrangements and the effects on an entity's liabilities and cash flows. The adoption of these amendments did not have a material impact on the Corporation's financial statements.

4.2 Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments, and improvements to existing standards were issued by the IASB of International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual reporting periods beginning on or after April 1, 2025.

The standards that may be applicable to the Corporation are:

4.2.1 IAS 21 – Amendments to IAS 21 – Lack of Exchangeability

On 15 August 2023, the IASB issued Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates Lack of Exchangeability. The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. The Corporation does not expect these amendments to have a material impact on its operations or financial statements.

4.2.2 IFRS 7 – Financial Instruments: Disclosures (IFRS 7) and IFRS 9 – Financial Instruments (IFRS 9)

In May 2024, the IASB issued amendments to IFRS 7 – Financial Instruments: Disclosures and IFRS 9 – Financial Instruments. The amendments to IFRS 9 include additional guidance and disclosure relating to the settlement of certain financial liabilities through electronic payment systems, as well as providing additional guidance for assessing whether the cash flows of a financial asset are solely payments of principal and interest on the principal amount outstanding. The amendments to IFRS 7 introduce new disclosures for certain instruments with contractual terms that can impact cash flows, and enhanced disclosures for equity instruments designated as at fair value through other comprehensive income. The Corporation will assess the impact of adopting these amendments, which will be effective for annual reporting years beginning on or after January 1, 2026.

4.2.3 IFRS 18 – Presentation and Disclosure in the Financial Statements

In April 2024, the IASB issued IFRS 18 – *Presentation and Disclosure in Financial Statements* which will replace IAS 1 – *Presentation of Financial Statements*. The standard provides a defined structure for the statement of profit or loss, with three main categories for reporting revenue and expenses (operating, investing, and financing). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Corporation is assessing the impact of this new standard on the presentation and disclosure of its financial statements.

5. Cash, Cash Equivalents and Investments

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalent investments have a total principal amount of \$121.9 million (March 31, 2024—\$170.6 million) comprised of provincial short-term deposits with effective interest rates of 2.39 per cent to 2.59 per cent (March 31, 2024—4.59 per cent to 4.91 per cent), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of \$10.0 million (March 31, 2024—\$10.0 million). The unsecured operating line of credit remained unutilized at March 31, 2025 (March 31, 2024—nil).

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Cash, Cash Equivalents and Investments

	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
As at March 31, 2025				
Cash and cash equivalents	188,683	-	-	188,683
Bonds				
Federal	85,579	28,384	-	113,963
Manitoba:				
Provincial	14,065	110,304	-	124,369
Municipal	-	100,694	-	100,694
Schools	-	284,883	-	284,883
Other provinces:				
Provincial	67,082	759,766	-	826,848
Municipal	3,572	52,914	-	56,486
Corporations	82,377	620,040	-	702,417
	252,675	1,956,985	-	2,209,660
Private debt	270,086	-	-	270,086
Other investments	421	-	-	421
Infrastructure	237,948	-	-	237,948
Equity investments	386,432	-	-	386,432
Pooled commercial mortgages	108,956	-	-	108,956
Pooled real-estate fund	373,611	-	-	373,611
Investments	1,630,129	1,956,985	-	3,587,114
Investment property	-	-	12,420	12,420
Total	1,818,812	1,956,985	12,420	3,788,217

	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
As at March 31, 2024				
Cash and cash equivalents	206,669	-	-	206,669
Bonds				
Federal	-	108,646	-	108,646
Manitoba:				
Provincial	13,262	92,284	-	105,546
Municipal	-	91,269	-	91,269
Schools	-	315,295	-	315,295
Other provinces:				
Provincial	91,829	678,271	-	770,100
Municipal	3,415	53,213	-	56,628
Corporations	74,695	548,864	-	623,559
	183,201	1,887,842	-	2,071,043
Private debt	231,877	-	-	231,877
Other investments	209	-	-	209
Infrastructure	216,296	-	-	216,296
Equity investments	401,140	-	-	401,140
Pooled commercial mortgages	100,374	-	-	100,374
Pooled real-estate fund	366,651	-	-	366,651
Investments	1,499,748	1,887,842	-	3,387,590
Investment property	-	-	13,045	13,045
Total	1,706,417	1,887,842	13,045	3,607,304

Fair Value Measurement

Financial assets 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.

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Level 2—Level 2 valuations utilize inputs 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 consists of private equity, and units in pooled fund 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.

Transfers between fair value hierarchy levels are considered effective from the beginning of the annual reporting period in which the transfer is identified.

Valuation techniques used by the Corporation's independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation's Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation's Investment Committee and Audit & Finance Committee.

No investments were transferred between levels in the year ended March 31, 2025 (March 31, 2024 – nil).

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 March 31, 2025	Level 1	Level 2	Level 3
FVTPL financial assets			
Cash and cash equivalents	188,691	-	-
Bonds	91,408	1,772,828	368,953
Private debt	-	270,086	-
Other investments	-	-	421
Infrastructure	90,645	-	147,303
Equity investments	3,566	382,866	-
Pooled commercial mortgages	-	-	108,956
Pooled real-estate fund	113,225	31,132	229,254
Total assets measured at fair value	487,535	2,456,912	854,887
As at March 31, 2024	Level 1	Level 2	Level 3
FVTPL financial assets			
Cash and cash equivalents	206,756	-	-
Bonds	86,620	1,616,697	391,217
Private debt	-	231,877	-
Other investments	-	-	209
Infrastructure	142,925	-	73,371
Equity investments	39,518	361,622	-
Pooled commercial mortgages	-	-	100,374
Pooled real-estate fund	173,293	-	193,358
Total assets measured at fair value	649,112	2,210,196	758,529

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Accrued interest in the amounts of \$8.0 thousand (March 31, 2024 - \$87.0 thousand) and \$23.5 million (March 31, 2024 - \$23.5 million) are included above in Cash and cash equivalents and Bonds respectively. These amounts are included in Accounts receivable reported on the Statement of Financial Position.

Unobservable Inputs and Sensitivity for Level 3 Assets

The assets reported as Level 3 consist primarily of MUSH bonds that are designated as FVTPL, and investments in private debt, infrastructure and pooled investments classified as FVTPL.

The fair value of investment in MUSH bonds is marked-to-market (i.e. the present value of all future cash flows is calculated) monthly by the Province of Manitoba based on a yield curve published by the province. These cannot be corroborated with observable market transactions. Due to the unobservable nature of these quotes, the Corporation does not assess whether applying reasonably possible alternative assumptions would have an impact on the fair value of these Level 3 assets.

The fair value of investment in infrastructure, and pooled investments is based on Net Asset Values provided by the investment manager using methods such as: discounted cash flows and multiples of relevant metrics (eg. Regulated Asset Base, earnings before interest, taxes, depreciation and amortization) for comparable transactions assets.

The following tables present the fair-value measurement of instruments included in Level 3.

	Bonds at FVTPL	Other Investments at FVTPL	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real- Estate Fund at FVTPL	Total at FVTPL
As at March 31, 2025						
Balance, beginning of the year	391,217	209	73,371	100,374	193,358	758,529
Realized gains/(losses) included in investment income	-	-	-	-	-	-
Unrealized gains/(losses) included in investment income	16,840	212	5,629	2,403	896	25,980
Accrued interest	(840)	-	-	-	-	(840)
Purchases	10,079	-	68,303	6,179	35,000	119,561
Sales	(48,343)	-	-	-	-	(48,343)
Balance, end of the year	368,953	421	147,303	108,956	229,254	854,887

	Bonds at FVTPL	Bonds at HTM	Other Investments at FVTPL	Other Investments at AFS	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real- Estate Fund at FVTPL	Total at AFS	Total at HTM	Total at FVTPL
As at March 31, 2024										
Balance, beginning of the year	13,574	448,716	-	121	76,912	-	192,928	121	448,716	283,414
Transfers due to IFRS 9 adoption	448,716	(448,716)	121	(121)	-	-	-	(121)	(448,716)	448,837
Revaluation of HTM on IFRS 9 transition	(5,891)	-	-	-	-	-	-	-	-	(5,891)
Realized gains/(losses) included in investment income	(226)	-	-	-	-	-	-	-	-	(226)
Unrealized gains/(losses) included in investment income	(9,753)	-	88	-	(6,618)	(239)	430	-	-	(16,092)
Accrued interest	7,217	-	-	-	-	-	-	-	-	7,217
Purchases	-	-	-	-	3,077	100,613	-	-	-	103,690
Sales	(62,420)	-	-	-	-	-	-	-	-	(62,420)
Balance, end of the year	391,217	-	209	-	73,371	100,374	193,358	-	-	758,529

Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the years ended March 31, 2025, and March 31, 2024, and the composition of the net insurance financial result reported in the Statement of Operations.

Net Insurance Financial Result and Investment Result

For the years ended March 31	2025	2024
Investment income from interest, dividends and investment property	125,014	120,392
Net gain (loss) on investments	172,530	(16,624)
Investment management fees	(7,420)	(5,994)
Investment income	290,124	97,774
Insurance finance expense	(172,675)	(79,339)
Reinsurance finance income	5,919	3,111
Net insurance financial result	(166,756)	(76,228)
Net insurance financial result and investment result	123,368	21,546

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Investment Income

For the years ended March 31	2025	2024
Interest and similar income from securities classified as FVTPL	21,276	11,277
Interest and similar income from securities designated as FVTPL	81,078	90,886
Interest income	102,354	102,163
Dividend income from equities at FVTPL	21,748	17,299
Income from investment property	912	930
Investment income from interest, dividends and investment property	125,014	120,392
Net unrealized gain (loss) from financial instruments classified as FVTPL	56,596	23,008
Net unrealized gain (loss) from financial instruments designated as FVTPL	85,480	32,350
Net unrealized gain (loss) on investments	142,076	55,358
Net realized gain (loss) from financial instruments classified as FVTPL	29,356	2,704
Net realized gain (loss) from financial instruments designated as FVTPL	1,098	(74,686)
Net realized gain (loss) on investments	30,454	(71,982)
Net gain (loss) on investments	172,530	(16,624)
Investment management fees	(7,420)	(5,994)
Investment income	290,124	97,774

Investment income is net of investment management fees paid to the Department of Finance in the amount of \$7.4 million (March 31, 2024—\$6.0 million). This includes \$6.0 million (March 31, 2024—\$4.6 million) of fees the Province paid to outside managers on the Corporation's behalf.

Net Insurance Financial Result

Net insurance financial result is comprised of insurance finance income (expense) from insurance contracts issued and reinsurance contract held and are provided in the table below.

Changes in the carrying value of insurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied in measuring insurance contracts, are reported as insurance finance income (expense). Changes in the carrying value of reinsurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied to measuring reinsurance contracts, are reported as reinsurance finance income (expense).

For the years ended March 31	2025	2024
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	(111,801)	(106,692)
Changes in discount rate and other financial assumptions	(60,874)	27,353
Insurance finance expense from insurance contracts issued	(172,675)	(79,339)
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	4,661	3,242
Changes in discount rate and other financial assumptions	1,258	(131)
Reinsurance finance income	5,919	3,111
Net insurance financial result	(166,756)	(76,228)

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6. Investment Property

Investment property is reported in accordance with IAS 40.

	Surface Parking Lot	Parkade	Total
Cost			
Balance at April 1, 2023	1,040	16,186	17,226
Balance at March 31, 2024	1,040	16,186	17,226
Balance at March 31, 2025	1,040	16,186	17,226
Accumulated Depreciation			
Balance at April 1, 2023	-	3,825	3,825
Depreciation	-	356	356
Balance at March 31, 2024	-	4,181	4,181
Depreciation	-	625	625
Balance at March 31, 2025	-	4,806	4,806
Carrying Amounts			
At March 31, 2024	1,040	12,005	13,045
At March 31, 2025	1,040	11,380	12,420
Fair Value			
At March 31, 2024*	5,840	16,750	22,590
At March 31, 2025*	5,840	16,750	22,590

*The fair value of the parkade and surface parking lot is determined using an appraisal performed by an external valuator on, at a minimum, a bi-annual basis. The last appraisal conducted was for March 31, 2024.

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7. Property and Equipment

	Land & Buildings (1)	Furniture & Equipment(2)	Right-of-Use Assets (3)	Property Under Construction(4)	Total
Cost					
Balance at April 1, 2023	196,587	35,376	16,590	9,386	257,939
Additions	8,658	2,626	-	2,911	14,195
Disposals	-	(177)	-	-	(177)
Transfer from property under construction	807	-	(4)	(803)	-
Balance at March 31, 2024	206,052	37,825	16,586	11,494	271,957
Additions	3,086	3,251	-	3,146	9,483
Disposals	-	(807)	-	-	(807)
Transfer from property under construction	13,243	707	41	(13,991)	-
Balance at March 31, 2025	222,381	40,976	16,627	649	280,633
Accumulated Depreciation					
Balance at April 1, 2023	62,178	27,526	5,180	-	94,884
Disposals	-	(177)	-	-	(177)
Depreciation	3,957	1,644	541	-	6,142
Balance at March 31, 2024	66,135	28,993	5,721	-	100,849
Disposals	-	(807)	-	-	(807)
Depreciation	4,703	1,916	(45)	-	6,574
Balance at March 31, 2025	70,838	30,102	5,676	-	106,616
Carrying Amounts					
At March 31, 2024	139,917	8,832	10,865	11,494	171,108
At March 31, 2025	151,543	10,874	10,951	649	174,017

1. Includes land, land improvements, leasehold improvements, buildings and building components: elevators, escalators, HVAC systems, roofing systems.
2. Includes furniture, equipment, computer equipment, vehicles and demountable wall systems.
3. Includes right-of-use assets land and buildings accounted for under IFRS 16 Leases. Refer to Note 10 for the corresponding lease obligations. The below right-of-use assets are included in the property and equipment table above, totaling the "Right-of-Use Assets" column (1284 Main Street—Building portion; 1284 Main Street—Land portion; Brandon—Royal Canadian Legion Branch #3 Building):

	1284 Main Street Building	1284 Main Street Land	Brandon-Royal Canadian Legion #3	Total
Right-Of-Use Assets				
Balance at March 1, 2023	14,986	1,562	42	16,590
Disposals	(4)	-	-	(4)
Balance at March 31, 2024	14,982	1,562	42	16,586
Additions	41	-	-	41
Balance at March 31, 2025	15,023	1,562	42	16,627

4. Includes renovations to Cityplace, land improvements, HVACs and roofing.

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8. Deferred Development Costs

	Internally Developed Intangible Assets
Cost	
Balance at April 1, 2023	321,373
Additions	12,444
Balance at March 31, 2024	333,817
Additions	13,780
Impairment	(52,465)
Write-off	(13,756)
Balance at March 31, 2025	281,376
Accumulated Amortization	
Balance at April 1, 2023	212,760
Amortization	8,555
Balance at March 31, 2024	221,315
Amortization	9,935
Impairment	(3,224)
Write-off	(912)
Balance at March 31, 2025	227,114
Carrying Amounts	
At March 31, 2024	112,502
At March 31, 2025	54,262

Deferred development costs represent costs accumulated in the ongoing development of technology assets. Deferred development costs of \$13.7 million (March 31, 2024—\$88.0 million) are not yet available for use and are currently not being amortized.

Annually, the Corporation assesses information available for evidence that intangible assets such as deferred development costs may be impaired. Performing the assessment and developing an estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flow estimates based on internal financial forecasts, expected future earnings, and the discount rate to apply to the future cash flows. Actual values and results could be significantly different than estimates developed by the Corporation.

Write Down for Impairment and Write Off in Assets Reported as Deferred Development Costs

The Corporation performed the assessment for indications of impairment in intangible assets reported by the Corporation as at the third quarter reporting date December 31, 2024. The assessment identified technological assets that had been implemented in February 2023, that were underperforming and had failed to reach the operational target state. Several defects were noted as unresolved and additional resources were engaged in correcting the output generated by the assets.

The carrying value of the assets were assessed against estimates of the current economic value provided to the Corporation and estimates of value that could reasonably be provided in the future.

The Corporation estimated costs to remediate the outstanding deficiencies to bring the assets to their intended use and target state. An evaluation of the extent of the issues and the rework required to resolve the deficiencies resulted in the recognition of a write down due to impairment of \$47.9 million in assets reported as Deferred development costs on the Corporation's Statement of Financial Position at March 31, 2025. The impact of the write down is reported across Acquisition expense, Maintenance expense and Operating Expense in the Statement of Operations for the year ended March 31, 2025.

During the second quarter of the fiscal year ended March 31, 2025, the Corporation identified an initiative for a data retention solution that had been paused and was undergoing reconsideration. Because of the uncertainty as to its future use, the Corporation recognized the initiative's net carrying value of \$1.4 million at July 31, 2024, as a write down for impairment. The Deferred development costs reported in Corporation's Statement of Financial Position at March 31, 2025, reflect the write down of \$1.4 million recognized in the year. The impact of the \$1.4 million increase to expense is reported across Acquisition expense, Maintenance expense and Operating expense in the Statement of Operations for the year ended March 31, 2025.

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While conducting the annual assessment for impairment, the Corporation identified \$12.8 million in expenditure that had been recorded as assets within Deferred development costs. However, upon further investigation these costs were assessed as not meeting the criteria to be recognized as assets. As a result of this additional assessment, \$12.8 million in deferred development costs was written off and recorded as expense incurred in the current year. The Deferred development cost assets reported in the Corporation's Statement of Financial Position at March 31, 2025, reflect the reduction of \$12.8 million and the increase in expense is reported in the Corporation's Statement of Operations for the year ended March 31, 2025, within Acquisition expense, Maintenance expense and Operating Expense.

The impacts from the recognition of \$49.3 million in write downs due to impairment and the write off of \$12.8 million in Deferred development costs, are reported in the Corporation's Statement of Operations for the year ended March 31, 2025, as Maintenance expense, Acquisition expense, and Operating expense of \$6.2 million; \$11.6 million; and \$44.3 million respectively.

The remaining values reported within Deferred development costs after write downs for impairment and write-offs have been assessed by the Corporation as foundational in nature and are expected to provide the Corporation with future value that exceed or equal the carrying values reported, based on planned future use of the assets and financial budgets and forecasts. The Corporation reported no impairments or write-offs to Deferred development costs in the prior fiscal year ended March 31, 2024.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2025	2024
Commission	366	2,667
Due to the Province of Manitoba	22,856	24,810
IT Services	1,608	3,521
IT Projects	1,555	4,605
Other payables and accrued liabilities	20,277	19,344
Payroll	5,335	12,379
Taxes	800	733
Balance at March 31	52,797	68,059

10. Lease Obligation

The Corporation has elected not to recognize lease liabilities for short-term or low value leases. Lease payments associated with such leases are expensed on a straight-line basis over the lease term. During the year ended March 31, 2025, \$402.0 thousand was recognized as an expense for short-term or low value leases (March 31, 2024—\$314.1 thousand).

None of the Corporation's leases are subleased and no contingent rent is payable for any lease arrangements.

The Service Centre built on land in Winnipeg at 1284 Main Street and the land on which it is built are owned by a third-party and are leased to the Corporation. The provisions of the lease include an initial term of 25 years and, at the Corporation's option, three further terms of five years each. The Corporation also recognizes the right-of-use asset for a building in Brandon, for which the Corporation has a lease agreement.

The details of the lease obligations are as follows:

Balance at April 1, 2023	6,972
Lease payments	(505)
Interest	454
Balance at March 31, 2024	6,921
Lease payments	(506)
Interest	450
Balance at March 31, 2025	6,865

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Main Street—Building Lease

	March 31, 2025	March 31, 2024
Interest rate	6.70%	6.70%
Interest expense for the year	360	362
Lease obligations at year end	5,355	5,390

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Not later than one year	414	394	399	381
Later than one year and not later than five years	1,654	1,654	1,354	1,354
Later than five years	9,328	9,742	3,602	3,655
Total	11,396	11,790	5,355	5,390

Main Street—Land Lease

	March 31, 2025	March 31, 2024
Interest rate	5.95%	5.95%
Interest expense for the year	89	90
Lease obligations at year end	1,492	1,504

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Not later than one year	107	102	104	99
Later than one year and not later than five years	428	429	358	358
Later than five years	2,414	2,521	1,030	1,047
Total	2,949	3,052	1,492	1,504

Brandon—Royal Canadian Legion Branch #3

	March 31, 2025	March 31, 2024
Interest rate	5.20%	5.20%
Interest expense for the year	1	2
Lease obligations at year end	18	27

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
(in thousands of Canadian dollars)	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Not later than one year	10	10	9	9
Later than one year and not later than five years	10	19	9	18
Total	20	29	18	27

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11. Operating Leases

As A Lessor:

The Corporation owns the Cityplace property located in downtown Winnipeg including the Cityplace building, one adjacent parking lot and one adjacent parkade. The Cityplace building includes five floors of office space, three floors of parking and two floors of retail space. The Corporation leases out portions of the Cityplace building.

None of the leases in which the Corporation acts as a lessor are sub-leased.

Future minimum lease payments under non-cancellable leases to be received are:

	March 31, 2025	March 31, 2024
Not later than one year	6,358	4,223
Later than one year and not later than five years	27,141	13,423
Later than five years	26,468	11,866
Total	59,967	29,512

During the year ended March 31, 2025, other revenue includes gross rental income from operating leases of \$14.0 million (March 31, 2024—\$13.7 million) and gross rental expenses pertaining to operating leases of \$13.4 million (March 31, 2024—\$11.9 million). Income contingent on retail sales included in rental income at March 31, 2025, was \$183.3 thousand (March 31, 2024—\$69.0 thousand).

12. Provision for Employee Current Benefits

The provision for employee current benefits includes accrued vacation and sick leave liabilities. The determination of expenses and liabilities associated with the sick leave plan requires the use of key assumptions such as discount rates and expected sick leave.

	2025	2024
Balance at beginning of year	29,660	26,674
Provisions incurred	21,966	19,463
Payments	(20,477)	(16,477)
Balance at March 31	31,149	29,660

13. Provision for Employee Future Benefits

The Corporation has a defined benefit pension plan, severance benefit plan and post-retirement extended health benefit plan available to eligible employees. The defined benefit pension plan is based on years of service and final average salary whereas the severance benefit plan is based on years of service and final salary.

The Corporation uses an actuarial valuation, on an annual basis, to measure the accrued provision for its benefit plans. The most recent full actuarial valuation was conducted by an external actuary as at December 31, 2024, with the next scheduled actuarial valuation being December 31, 2025. Additionally, the Corporation had the external actuary extrapolate the benefit plans at the Corporation fiscal year end of March 31, 2025.

The actuarial valuation of the Corporation's benefit obligations is exposed to actuarial risks such as mortality risk which represents life expectancy and impacts the calculation of the obligations; interest rate risk which impacts the discount rate used to calculate the obligations; and inflation rate risk which impacts the calculation of the obligations.

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The actuarial valuation is based on the Corporation's best estimate of various economic assumptions. On a yearly basis the Civil Service Superannuation Board provides an approval of the cost-of-living adjustment which is factored into the pension valuation. With respect to the demographic assumptions, the Corporation relies on and uses the assumptions adopted by the Civil Service Superannuation Board. The weighted average duration of the defined benefit obligation is 13.5 years (March 31, 2024– 12.9 years). Results from the most recent actuarial valuations, projected to March 31, 2025, and the corresponding economic assumptions are as follows:

Assumptions:

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Discount rate - December Actuarial Valuation	4.71%	4.63%	4.71%	4.63%
Discount rate - March Actuarial Valuation	4.68%	4.90%	4.68%	4.90%
Discount rate on benefit costs	4.68%	4.90%	4.68%	4.90%
Inflation rate	1.80%	2.20%	N/A	N/A
Expected salary increase	3.60%	3.40%	N/A	N/A
Expected health care cost increase (out of scope)	N/A	N/A	4.20%	4.20%
Expected health care cost increase (in scope)	N/A	N/A	1.80%	2.20%

Change in benefit obligations:

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Balance at beginning of period	403,542	394,370	48,027	49,005
Current service cost	14,451	13,317	5,643	2,167
Interest cost	19,664	19,218	1,128	1,139
Benefits paid	(18,917)	(16,896)	(4,452)	(2,818)
Remeasurement gains recognized in other comprehensive income	16,621	(6,467)	354	(1,466)
Balance at March 31	435,361	403,542	50,700	48,027
Employee contribution for the period	13,278	11,421	-	-

Funding

The Employee Future Benefits (EFB) investment portfolio is a separate investment portfolio established to support the liabilities for Pension, Employee Post Retirement Benefits and Severance. The EFB portfolio has a unique asset allocation strategy to meet its objective of ensuring pension and other future employee benefit obligations are paid as they become due. When the portfolio requires funding to match an increase in the employee future benefit liabilities, it is funded by all lines of business.

The carrying value of the assets in the EFB investment portfolio as at March 31, 2025, and March 31, 2024, which are included in Investments in the Statement of Financial Position, are as follows:

Employee Future Benefits Investment Portfolio

	March 31, 2025		March 31, 2024	
	Carrying Value	Percentage of Portfolio	Carrying Value	Percentage of Portfolio
Cash & cash equivalents	1,314	0.2%	706	0.1%
Bonds	82,377	12.9%	74,695	13.1%
Private debt	110,586	17.3%	101,555	17.9%
Infrastructure	152,602	23.9%	127,664	22.5%
Equity investments	235,967	36.9%	208,344	36.6%
Pooled real-estate funds	56,288	8.8%	55,946	9.8%
Total	639,134	100.0%	568,910	100.0%

The Corporation contributes the employer's share of the cost of employee future benefits to the Civil Service Superannuation Fund on a pay-as-you-go method of funding. The interest cost associated with the various benefit plans is based on market interest rates at the most recent valuation date.

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Benefit Plan Expenses

	Pension Benefit Plan		Other Benefit Plans	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Current service cost	14,451	13,317	5,643	2,167
Interest cost	19,664	19,218	1,128	1,139
Total	34,115	32,535	6,771	3,306

Sensitivity Analysis

Based on the March 31, 2025, actuarial valuation, changes to the actuarial assumptions would change the benefit obligation as follows:

Pension Benefit Plan

Gain due to discount rate increasing from 4.68% to 5.18% (plus .50%)	(29,416)
Loss due to discount rate decreasing from 4.68% to 4.18% (minus .50%)	33,052
Loss due to mortality life expectancy at age 65 up one year	11,636
Loss due to inflation indexing (2/3rd COLA) increasing .25%	12,588
Gain due to inflation indexing (2/3rd COLA) decreasing from .25%	(12,026)

Other Benefit Plans

Gain due to discount rate increasing from 4.68% to 5.18% (plus .50%)	(314)
Loss due to discount rate decreasing from 4.68% to 4.18% (minus .50%)	352
Loss due to mortality life expectancy at age 65 up one year	141
Loss due to health care cost inflation indexing increasing .25%	170
Gain due to health care cost inflation indexing decreasing .25%	(161)

Out-of-Scope Retirement Benefits

Gain due to discount rate increasing from 4.68% to 5.18% (plus .50%)	(1,577)
Loss due to discount rate decreasing from 4.68% to 4.18% (minus .50%)	1,790
Loss due to mortality life expectancy at age 65 up one year	759
Loss due to health care cost inflation indexing increasing .25%	846
Gain due to health care cost inflation indexing decreasing .25%	(798)

The sensitivity to the significant assumptions has been determined, assuming all other assumptions remain unchanged. If multiple assumptions were to change at the same time, there may be correlations between the assumptions that could result in different impacts than simply adding the individual sensitivities above.

Expected maturity analysis of undiscounted pension benefit and other benefit plans:

	Less than a year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Pension benefit plan	20,098	20,447	64,075	901,136	1,005,756
Other benefit plans	751	804	2,746	58,784	63,085
At March 31, 2025	20,849	21,251	66,821	959,920	1,068,841

	Less than a year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Pension benefit plan	18,902	19,395	60,779	864,678	963,754
Other benefit plans	726	777	2,666	56,865	61,034
At March 31, 2024	19,628	20,172	63,445	921,543	1,024,788

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14. Insurance Contract Liabilities and Reinsurance Contract Assets

The net carrying amounts of insurance and reinsurance contracts is summarized as follows:

For the years ended March 31	2025	2024
Liability for remaining coverage	379,647	344,169
Liability for incurred claims	2,526,250	2,508,999
Insurance contract liabilities	2,905,897	2,853,168
Asset for remaining coverage	1,740	1,192
Asset for reinsured claims	72,303	152,833
Reinsurance contract assets	74,043	154,025
Net insurance and reinsurance contracts	2,831,854	2,699,143

Insurance Contract Liabilities

Insurance contracts analysis by remaining coverage and incurred claims

The following tables present the change in the net liability reported for insurance contracts, showing the movement in the liability for remaining coverage and the liability for incurred claims over the period. The insurance contracts are measured under PAA, and the Corporation applies the accounting policy choice to expense acquisition cash flows as they arise.

	Liability for Remaining Coverage	Liability for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the year ended March 31, 2025				
Insurance contract liabilities, beginning of year	344,169	2,389,185	119,814	2,853,168
Changes in comprehensive income (loss):				
Insurance revenue	(1,644,750)	-	-	(1,644,750)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,666,910	39,154	1,706,064
Changes to liabilities for incurred claims prior year	-	(93,614)	(39,237)	(132,851)
Insurance service expense	-	1,573,296	(83)	1,573,213
Insurance service result from insurance contracts	(1,644,750)	1,573,296	(83)	(71,537)
Insurance finance expense	-	172,675	-	172,675
Total changes in comprehensive income (loss)	(1,644,750)	1,745,971	(83)	101,138
Cash flows:				
Premiums received	1,680,228	-	-	1,680,228
Claims and other expenses paid	-	(1,728,637)	-	(1,728,637)
Total cash flows	1,680,228	(1,728,637)	-	(48,409)
Insurance contract liabilities, end of year	379,647	2,406,519	119,731	2,905,897

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	Liability for Remaining Coverage	Liability for Incurred Claims Present Value of Future Cash Flows	Risk Adjustment	Total
For the year ended March 31, 2024				
Insurance contract liabilities, beginning of year	356,003	2,081,429	100,011	2,537,443
Changes in comprehensive income (loss):				
Insurance revenue	(1,579,340)	-	-	(1,579,340)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,642,451	43,555	1,686,006
Changes to liabilities for incurred claims prior year	-	56,577	(23,752)	32,825
Insurance service expense	-	1,699,028	19,803	1,718,831
Insurance service result from insurance contracts	(1,579,340)	1,699,028	19,803	139,491
Insurance finance income	-	79,339	-	79,339
Total changes in comprehensive income (loss)	(1,579,340)	1,778,367	19,803	218,830
Cash flows:				
Premiums received	1,567,506	-	-	1,567,506
Claims and other expenses paid	-	(1,470,611)	-	(1,470,611)
Total cash flows	1,567,506	(1,470,611)	-	96,895
Insurance contract liabilities, end of year	344,169	2,389,185	119,814	2,853,168

Material Estimates, Assumptions and Judgments

Estimate of future cash flows

The liability for incurred claims includes the estimate of loss for reported claims, a provision for claims incurred but not reported, and other insurance service expenses that are expected to be incurred to settle those claims. The ultimate cost of settling claims liabilities is estimated by applying a range of generally accepted standard actuarial techniques.

These techniques assume that the Corporation's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business.

The main assumption underlying these methods is that the Corporation's past claims development can be used to project future claims development patterns and ultimate claims cost. Additional qualitative judgments are made to assess the extent to which past trends may not be applicable to the future, which future trends are expected to emerge and then incorporate the necessary adjustments to adequately determine the liability for incurred claims that represents the probability-weighted mean of the possible outcomes for future claim payments. The assumptions used to develop this estimate are selected by lines of business and type of coverage.

The significant assumptions applied in estimating the liability for incurred claims include: the Corporation's experience with similar cases, historical claim payment trends and claim development patterns, characteristics of each line of business, claim severity and frequency, effect of inflation on future claim settlement costs, relevance of recent court decisions, and economic conditions. Timely settlement is also a factor in determining the provision because delays in settling and paying a claim can increase the risk of variation in settlement amounts. Accordingly, short-tail claims such as physical damage or collision claims tend to be more reasonably predictable than long-tail claims such as liability claims.

There is uncertainty inherent in the estimation process. The actual value of ultimate claims can only be ascertained once all claims are closed. The unpaid claim liabilities for Personal Injury Protection Plan (PIPP) benefits represent the majority of the Corporation's claim liabilities. PIPP claim liabilities are also the most uncertain because of the long-term nature of these benefits.

As a result, the establishment of the liability for incurred claims relies on a number of factors, which necessarily involves risk that actual results may differ materially from the estimates.

The estimates of future cash flows are adjusted to reflect the time value of money and financial risks.

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Discount Rates

The Corporation measures time value of money using discount rates that are consistent with observable market prices and reflect the liquidity characteristics of the insurance contracts. The discount rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

The top-down approach is followed to determine appropriate discount rates applied in measuring the Corporation's portfolios of insurance contract liabilities. Under this approach, discount rates are estimated by starting from the yield curve implied in a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the insurance cash flows. The yield from the reference portfolio is then adjusted to exclude the effects of risks, such as credit risk, that are inherent in the cash flows of the financial instruments within the reference portfolio but are not applicable to the cash flows of the insurance contracts.

In applying the top-down approach, the Corporation selected a reference portfolio that is based on the composition of the marketable bond portfolio in the asset portfolio for the Basic line of business. The Corporation considers this portfolio as suitably matched with the duration and liquidity characteristics of the insurance claims it carries. The reference portfolio is used as a basis to develop a yield curve that is then adjusted for market risk and credit risk (including default risk and downgrade risk), and both expected and unexpected credit, to arrive at the Corporation's yield curve for discounting its insurance contract liabilities. The observable period implied from the reference portfolio and the corresponding credit risk adjustments is 30 years. The Corporation has reserving lines extending beyond 30 years and extrapolates yields to determine discount rates for claims reaching beyond 30 years, called the unobservable period. The Corporation has elected to apply the Canadian Institute of Actuaries (CIA) reference curve in the unobservable period and applies the CIA suggested rate of 5.22 per cent (annual rate) to the unobservable period. The Corporation applies judgement in selecting a reference portfolio; and applies judgement and the use of estimates in determining a yield curve and adjustments to that yield curve.

The discount rates applied in discounting future cash flows in the measurement of insurance contracts are listed below:

March 31, 2025	1 year	3 years	5 years	10 years	20 years	30 years
Discount rates	2.82%	2.94%	3.21%	3.97%	4.41%	4.27%
March 31, 2024	1 year	3 years	5 years	10 years	20 years	30 years
Discount rates	4.99%	4.32%	4.20%	4.46%	4.58%	4.35%

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the Corporation requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks as the Corporation fulfils insurance contracts.

The risk adjustment for non-financial risk is determined at the corporate level, including benefits from risk diversification across lines of business. The risk adjustment is then allocated and applied in measuring the liability for incurred claims for insurance contracts, by coverage and line of business.

The diversified risk adjustment is allocated to coverage level for bottom-up reporting and disclosure purposes based on the relative proportion of each segment's undiversified risk adjustment.

The risk adjustment is determined using a quantile technique. The Corporation's target confidence level for this risk is the 90th percentile. At March 31, 2025, the confidence level for the Corporation's risk adjustment is at the 90th percentile for insurance risk and reinsurance risk (March 31, 2024 – 90th percentile for insurance risk and reinsurance risk).

Assessment for groups of onerous contracts

For each portfolio, the facts and circumstances indicating that a group of insurance contracts is or becomes onerous are based on review of loss ratios. Loss experience monitoring may also be used to identify situations and variances to be investigated.

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Sensitivity analysis

It is not possible to quantify the sensitivity to certain assumptions such as legislative changes or uncertainty in the estimation process. The analysis is performed for possible movements in the assumptions with all other assumptions held constant, showing the impact on Net income (loss) attributable to Owner of the Corporation. Movements in these assumptions may be non-linear and may be correlated with one another.

A five per cent increase in the best estimate of future cash flows for net PIPP claim liabilities is equal to approximately \$82.3 million (March 31, 2024—\$77.8 million). Such a change could occur if the actual future development of lifetime PIPP claimants was higher than expected.

A 100 basis point (bps) decrease to the yield curve used to discount the best estimate of future cash flows claims liabilities would increase the balance by approximately \$175.1 million (March 31, 2024—\$168.5 million), while a 100 bps increase to the yield curve used to discount the best estimate of future cash flows claims liabilities would decrease the balance by approximately \$148.6 million (March 31, 2024—\$142.4 million). However, this impact would be largely offset by gains/losses on the Corporation's fixed income portfolio as described in the Interest Rate Risk section of Note 26.

Prior-Year Claims Development

The following claims development table demonstrates the extent to which the original claim cost estimates in any one accident year has subsequently developed favorably (lower than originally estimated) or unfavorably. This table illustrates the variability and inherent uncertainty in estimating the claims estimate on a yearly basis. The ultimate claims cost for any accident year is not known until all claim payments have been made. For physical damage insurance, payout of claims liabilities generally occurs shortly after the occurrence of the loss. For casualty (long-tailed) coverages, the loss may not be paid, or even reported, until well after the loss occurred. The estimated ultimate claims payments at the end of each subsequent accident year demonstrate the extent to which the original estimate has been revised over time.

The following tables show the development of the estimated gross and net liability for incurred claims for the 10 most recent accident years as estimated at each reporting date. The Corporation adopted IFRS 17 on April 1, 2023, however actuarial valuations were previously performed under IFRS 4. As such, in the claims development tables below, for years 2022 and prior, net ultimate losses are valued using IFRS 4 while 2023 onwards, net ultimate losses are valued under IFRS 17.

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Development of Ultimate Claims

The following tables show the development of the estimated gross and net liability for incurred claims for the 10 most recent accident years as estimated at each reporting date.

Current Ultimate Loss Estimates

Gross	2016	2017	2018	2019	2020*	2021	2022	2023	2024	2025	Total
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	797,589	849,115	850,714	903,009	929,436	729,074	922,297	1,022,324	1,302,904	1,281,470	
One year later	809,487	868,568	862,666	912,378	855,664	741,785	950,592	1,094,795	1,283,399		
Two years later	824,666	883,231	871,953	903,754	842,449	742,642	956,881	1,089,923			
Three years later	820,578	884,145	864,352	881,504	840,047	758,702	971,133				
Four years later	819,162	882,820	865,522	879,298	845,935	752,470					
Five years later	824,277	883,890	869,307	885,217	849,540						
Six years later	819,015	882,357	870,572	888,810							
Seven years later	823,193	888,521	874,625								
Eight years later	825,671	892,384									
Nine years later	827,913	892,384	874,625	888,810	849,540	752,470	971,133	1,089,923	1,283,399	1,281,470	9,711,667
Current estimate of ultimate claims cost	827,913	892,384	874,625	888,810	849,540	752,470	971,133	1,089,923	1,283,399	1,281,470	9,711,667
Cumulative payments to date	761,385	798,146	785,293	812,608	757,489	647,311	849,650	952,463	1,045,804	704,232	8,114,381
Unpaid claims costs	66,528	94,238	89,332	76,202	92,051	105,159	121,483	137,460	237,595	577,238	1,597,286
ULAE	6,208	8,552	8,158	6,951	8,099	9,171	11,062	13,284	27,492	67,480	166,457
Effect of indexation, discounting and risk adjustment	(13,589)	(18,167)	(17,820)	(15,906)	(18,977)	(18,287)	(22,048)	(20,944)	(22,870)	(8,068)	(176,676)
Discounted unpaid claims costs	59,147	84,623	79,670	67,247	81,173	96,043	110,497	129,800	242,217	636,650	1,587,067
Discounted gross unpaid claims in respect of years prior to 2013											883,256
Gross claims relating to discontinued general lines											2,347
Total gross unpaid claims											2,472,670
Net payables included in incurred claims											53,580
Liability for incurred claims											2,526,250
Current estimate of surplus (deficiency)	(30,324)	(43,269)	(23,911)	14,199	79,896	(23,396)	(48,836)	(67,599)	19,505	-	
Percentage surplus (deficiency) of initial gross reserve	(38%)	(5.1%)	(2.8%)	1.6%	8.6%	(3.2%)	(5.3%)	(6.6%)	1.5%	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

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The following table presents the estimates of cumulative incurred claims after reinsurance with subsequent developments during the periods and together with cumulative payments to date.

Net of Reinsurance Ceded	Accident Year										Total
	2016	2017	2018	2019	2020*	2021	2022	2023	2024	2025	
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	797,164	848,721	850,337	886,592	929,436	724,781	904,377	1,011,454	1,191,371	1,269,993	
One year later	809,187	868,299	862,475	895,678	855,663	736,356	938,396	1,066,270	1,165,128		
Two years later	824,488	883,108	871,937	888,400	842,449	737,413	946,387	1,061,975			
Three years later	820,486	884,135	864,329	866,488	840,068	744,533	960,619				
Four years later	819,151	882,805	865,522	863,313	845,935	746,965					
Five years later	824,265	883,890	869,308	870,255	849,540						
Six years later	819,014	881,981	870,341	873,785							
Seven years later	823,193	887,692	874,278								
Eight years later	825,671	891,120									
Nine years later	827,913										
Current estimate of ultimate claims cost	827,913	891,120	874,278	873,785	849,540	746,965	960,619	1,061,975	1,165,128	1,269,993	9,521,316
Cumulative payments to date	761,385	798,146	785,293	797,603	757,489	641,806	839,157	924,766	970,590	704,232	7,980,467
Unpaid claims costs	66,528	92,974	88,985	76,182	92,051	105,159	121,462	137,209	194,538	565,761	1,540,849
ULAE	6,208	8,552	8,158	6,951	8,099	9,170	11,062	13,284	27,492	67,479	166,455
Effect of indexation, discounting and risk adjustment	(13,589)	(17,930)	(17,752)	(15,907)	(18,980)	(18,288)	(22,050)	(20,945)	(23,857)	(8,004)	(177,302)
Discounted unpaid claims costs	59,147	83,596	79,391	67,226	81,170	96,041	110,474	129,548	198,173	625,236	1,530,002
Discounted gross unpaid claims in respect of years prior to 2013											879,110
Gross claims relating to discontinued general lines											2,347
Total net unpaid claims											2,411,459
Directly attributable expenses payable included within Liability for incurred claims											53,580
Amounts to be received from reinsurers included in reinsurance claims											(11,092)
Liability for incurred claims											2,453,947
Current estimate of surplus (deficiency)	(30,749)	(42,399)	(23,941)	12,807	79,896	(22,184)	(56,242)	(50,521)	26,243	-	
Percentage surplus (deficiency) of initial net reserve	(3.9%)	(5.0%)	(2.8%)	1.4%	8.6%	(3.1%)	(6.2%)	(5.0%)	2.2%	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

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Reinsurance Contract Assets

The Corporation follows the practice of obtaining reinsurance to limit its exposure to losses. Under agreements in effect at March 31, 2025, these reinsurance agreements limit the Corporation's exposure on a casualty basis to a maximum amount of \$10.0 million for PIPP claims and \$5.0 million for SRE claims (March 31, 2024—\$10.0 million for PIPP claims and \$5.0 million for SRE claims) on any one occurrence.

The reinsurance arrangements also limit the Corporation's liability in respect to a series of claims arising out of a fiscal year aggregation of events exceeding \$2.0 million (March 31, 2024—\$2.0 million), including catastrophic claims, to a retained maximum of \$50.0 million (March 31, 2024—\$50.0 million). These arrangements protect the Corporation against losses up to \$400.0 million (March 31, 2024—\$400.0 million).

Certain lines of insurance carry maximum limits lower than these amounts. Additionally, as the Corporation only has a limited number of reinstatements, it is possible that the Corporation would be responsible for costs exceeding the maximum noted above. While these arrangements are made to protect against large losses, the primary liability to the policyholders remains with the Corporation.

The Corporation applies the PAA to measure reinsurance contracts it holds. The following tables present the change in the net asset reported for reinsurance contracts, reporting the movement in the assets for remaining coverage and the assets for incurred claims over the period.

	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the year ended March 31, 2025				
Reinsurance contract assets, beginning of year	1,192	145,174	7,659	154,025
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(40,037)	-	-	(40,037)
Recoveries of incurred claims and other reinsurance service expenses	-	10,367	636	11,003
Prior period development	-	(2,718)	(4,033)	(6,751)
Net income from reinsurance contracts	(40,037)	7,649	(3,397)	(35,785)
Reinsurance finance income	-	5,920	-	5,920
Total changes in comprehensive income (loss)	(40,037)	13,569	(3,397)	(29,865)
Cash flows:				
Premiums paid	40,585	-	-	40,585
Amounts received	-	(90,702)	-	(90,702)
Total cash flows	40,585	(90,702)	-	(50,117)
Reinsurance contract assets, end of year	1,740	68,041	4,262	74,043

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	Assets for Remaining Coverage	Assets for Incurred Claims Present Value of Future Cash Flows	Risk Adjustment	Total
For the year ended March 31, 2024				
Reinsurance contract assets, beginning of year	378	26,093	1,391	27,862
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(31,030)	-	-	(31,030)
Recoveries of incurred claims and other reinsurance service expenses	-	104,706	5,606	110,312
Prior period development	-	24,526	662	25,188
Net income from reinsurance contracts	(31,030)	129,232	6,268	104,470
Reinsurance finance income	-	3,111	-	3,111
Total changes in comprehensive income (loss)	(31,030)	132,343	6,268	107,581
Cash flows:				
Premiums paid	31,844	-	-	31,844
Amounts received	-	(13,262)	-	(13,262)
Total cash flows	31,844	(13,262)	-	18,582
Reinsurance contract assets, end of year	1,192	145,174	7,659	154,025

15. Capital Management

The Corporation's objectives for managing capital are to ensure the Corporation is capitalized in a manner which provides a strong financial position, to protect its ability to meet policyholder obligations, and to maintain stable rates.

The capital structure of the Corporation is comprised of retained earnings and AOCI. Retained earnings are comprised of the accumulation of Net income (loss) attributable to Owner of the Corporation for the Basic and non-Basic lines of business. Non-Basic lines of business consist of Extension and SRE lines of business and *The Drivers and Vehicles Act* operations.

The capital backing Basic is comprised of the total equity position of the line of business, referred to as the Rate Stabilization Reserve (RSR). The purpose of the RSR is to protect motorists from rate increases made necessary by unexpected events and losses arising from non-recurring events or factors.

The Corporation's expectations of fulfilment cashflows (FCF) are based on providing sufficient working capital for operations. The cash flow forecasts consider the probability of the Corporation experiencing a period of sustained surplus beyond working capital requirements. When such surplus may benefit insured members, a liability for FCF attributable to current or future insured policyholders will be recognized and measured within insurance contract liabilities.

The Corporation follows the capital management framework of the Office of the Superintendent of Financial Institutions Canada which includes a Minimum Capital Test (MCT). MCT is a standardized measure of capital adequacy for an insurance company and represents the ratio of available capital to required capital as derived from a risk-based formula.

The Corporation has established minimum capital adequacy targets for each of its insurance lines of business that reflects the underlying risk and the competitive nature unique to that line of business. Higher risk equates to a higher minimum capital requirement. More specifically,

- The Basic Insurance line of business has an established minimum MCT target of 100 per cent. MCT as at March 31, 2025, was 107 per cent (March 31, 2024—94 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act*.
- The Extension Insurance line of business has an established minimum MCT target of 200 per cent. MCT as at March 31, 2025, was 200 per cent (March 31, 2024—200 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act*.
- The SRE Insurance line of business has an established minimum MCT target of 300 per cent. MCT as at March 31, 2025, was 226 per cent (March 31, 2024—163 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act*.

Annually, the Corporation's external actuary provides a Financial Condition Test report for the Basic line of business to assess capital adequacy under adverse financial conditions.

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16. Accumulated Other Comprehensive Income (Loss)

Changes in AOCI by type of asset are presented below.

	Employee Future Benefits	Total AOCI
Balance as at April 1, 2023	13,410	13,410
Items that will not be reclassified to income		
Remeasurement of employee future benefits	7,933	7,933
Balance as at March 31, 2024	21,343	21,343
Items that will not be reclassified to income		-
Remeasurement of employee future benefits	(16,975)	(16,975)
Balance as at March 31, 2025	4,368	4,368

17. Insurance Revenue

For the years ended March 31	2025	2024
Revenue from premiums	1,608,200	1,549,360
Other insurance revenue		
Transaction fees	1,086	954
Time payment fees	2,816	2,729
Time payment interest	31,328	24,949
Late payment fees	816	923
Dishonoured payment fees	504	425
	1,644,750	1,579,340

18. Service Fees and Other Revenue

For the years ended March 31	2025	2024
Transaction fees	8,833	8,356
Time payment fees	364	379
Time payment interest	9,877	7,378
Late payment fees	276	209
Dishonoured payment fees	672	580
Identity card/enhanced identity card fees	565	540
Rental income	101	1,065
Proceeds from insurance claim	4,319	-
Other miscellaneous revenue	4,493	7,435
	29,500	25,942

19. The Drivers and Vehicles Act Operations Recovery

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

The Province of Manitoba provides funding to the Corporation to defray the cost borne by the Corporation for DVA operations. The annual Province of Manitoba payment to the Corporation, beginning April 1, 2017, was \$30.2 million per year. Beginning April 1, 2023, the Province of Manitoba temporarily increased payment to the Corporation to \$40.2 million per year. For the fiscal year ended March 31, 2025, the Province of Manitoba provided funding of \$40.2 million (March 31, 2024 - \$40.2 million).

The Corporation, on behalf of the Province of Manitoba, collects and transfers motor vehicle registration fees and driver licensing fees to the Province of Manitoba.

Fees collected on behalf of and transferred to the Province of Manitoba include:

For the years ended March 31	2025	2024
Vehicle registration fees	181,190	174,105
Driver licensing fees	30,213	28,654
Total	211,403	202,759

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20. Operating Expenses by Nature

Overall operating expenses are comprised of corporate operating expenses, which are allocated to the categories, Maintenance, Acquisition, and Operating on the Statement of Operations as well as Commissions related to both policy and non-policy transactions and Premium taxes. The nature of these expenses are as follows:

For the years ending March 31	2025	2024
Commissions-policy	107,107	101,112
Commissions-non-policy	6,541	5,944
Premium taxes	48,823	48,025
Compensation	220,396	195,209
Data processing	139,147	78,499
Special services	19,746	15,945
Buildings	8,453	8,121
Safety/loss prevention programs	3,409	3,668
Telephones	1,734	1,760
Public information/advertising	2,522	2,628
Printing, stationery, supplies	4,770	4,097
Postage	5,530	5,100
Regulatory/appeal	4,678	4,389
Travel and vehicle	1,188	962
Driver education program	5,451	3,926
Grants in lieu of taxes	1,787	1,759
Furniture & equipment	3,444	2,448
Merchant fees & bank charges	11,255	10,547
Other	7,216	5,280
Amortization of deferred development costs	9,935	8,555
Depreciation of operating property and equipment	6,574	6,142
	619,706	514,116

For the years ending March 31	2025	2024
Maintenance expense	188,788	164,204
Acquisition expense:		
Commission	107,107	101,112
Premium taxes	48,823	48,025
Other	26,365	18,612
Commission expense - non-policy	6,541	5,944
Operating expenses	242,082	176,219
	619,706	514,116

During the year ended March 31, 2025, the Corporation recognized \$62.1 million in write downs and write-offs in assets reported as Deferred development costs (March 31, 2024—nil). The total impact of these write-offs and write downs is recorded in Data processing expense, and reported as Acquisition expense, Maintenance expense and Operating Expense, \$11.6 million; \$6.2 million; and \$44.3 million; respectively, in the Statement of Operations for the year ended March 31, 2025.

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21. Insurance Portfolio and Non-Insurance Line of Business Financials**Statement of Financial Positions by Insurance Portfolio and Non-Insurance Line of Business**

	Basic & Extension*		SRE		DVA		Total**	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Assets								
Cash and investments	3,271,445	3,059,430	342,531	357,750	174,241	190,124	3,788,217	3,607,304
Accounts receivable and prepaid expenses	204,828	237,068	37,245	3,543	53,507	54,396	295,580	295,007
Reinsurance contract assets	47,947	99,334	26,096	54,691	-	-	74,043	154,025
Property and equipment	140,498	138,295	11,591	11,368	21,928	21,445	174,017	171,108
Deferred development costs	14,476	32,604	8,623	24,360	31,163	55,538	54,262	112,502
	3,679,194	3,566,731	426,086	451,712	280,839	321,503	4,386,119	4,339,946
Liabilities								
Accounts payable and accrued liabilities	48,800	29,929	2,483	16,202	145,672	166,371	196,955	212,502
Deferred revenue	22,563	19,406	-	-	10,641	4,070	33,204	23,476
Lease obligation	5,558	5,604	456	459	851	858	6,865	6,921
Provision for employee current benefits	23,628	22,498	2,322	2,211	5,199	4,951	31,149	29,660
Provision for employee future benefits	368,697	342,533	36,236	33,665	81,128	75,371	486,061	451,569
Insurance contract liabilities	2,622,331	2,560,347	283,566	292,823	-	(2)	2,905,897	2,853,168
	3,091,577	2,980,317	325,063	345,360	243,491	251,619	3,660,131	3,577,296
Equity								
Retained earnings	584,304	570,225	100,697	104,760	36,619	66,322	721,620	741,307
Accumulated other comprehensive income	3,313	16,189	326	1,592	729	3,562	4,368	21,343
	587,617	586,414	101,023	106,352	37,348	69,884	725,988	762,650
	3,679,194	3,566,731	426,086	451,712	280,839	321,503	4,386,119	4,339,946

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

**The total reflected above includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are \$144.2 million for the year ended March 31, 2025 (March 31, 2024 - \$144.4 million).

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Statement of Operations by Insurance Portfolio and Non-Insurance Line of Business

	Basic and Extension*				SRE		DVA		Total	
For the years ended March 31	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from premiums	1,422,176	1,354,752	186,024	194,608	-	-	-	-	1,608,200	1,549,360
Other insurance revenue	36,515	29,942	35	38	-	-	-	-	36,550	29,980
Insurance revenue	1,458,691	1,384,694	186,059	194,646	-	-	-	-	1,644,750	1,579,340
Incurred claims	1,103,955	1,170,771	98,175	216,107	-	-	-	-	1,202,130	1,386,878
Maintenance expense	165,830	149,706	22,958	14,498	-	-	-	-	188,788	164,204
Acquisition expense										
Acquisition expense - other	7,320	10,680	19,045	7,932	-	-	-	-	26,365	18,612
Commission expense	90,782	82,718	16,325	18,394	-	-	-	-	107,107	101,112
Premium taxes	43,506	41,862	5,317	6,163	-	-	-	-	48,823	48,025
Total insurance service expense	1,411,393	1,455,737	161,820	263,094	-	-	-	-	1,573,213	1,718,831
Insurance service result from insurance contracts	47,298	(71,043)	24,239	(68,448)	-	-	-	-	71,537	(139,491)
Net income (expense) from reinsurance contracts held	(12,333)	74,262	(23,451)	30,208	-	-	-	-	(35,784)	104,470
Insurance service result	34,965	3,219	788	(38,240)	-	-	-	-	35,753	(35,021)
Investment income	254,335	94,291	20,775	1,152	15,014	2,331	2,331	2,331	290,124	97,774
Insurance finance expense	(157,635)	(70,778)	(15,040)	(8,561)	-	-	-	-	(172,675)	(79,339)
Reinsurance finance income	2,955	2,111	2,964	1,000	-	-	-	-	5,919	3,111
Net insurance financial result	(154,680)	(68,667)	(12,076)	(7,561)	-	-	-	-	(166,756)	(76,228)
Net insurance and investment result	134,620	28,843	9,487	(44,649)	15,014	2,331	15,014	2,331	159,121	(13,475)
Service fees and other revenue	18,339	17,628	858	883	10,303	7,431	10,303	7,431	29,500	25,942
The DVA operations recovery	-	-	-	-	40,200	40,150	40,200	40,150	40,200	40,150
Total other revenue	18,339	17,628	858	883	50,503	47,581	50,503	47,581	69,700	66,092
Commission expense - non-policy	4,027	3,667	-	-	2,514	2,277	2,514	2,277	6,541	5,944
Operating expense	134,948	105,021	14,415	10,390	92,719	60,808	92,719	60,808	242,082	176,219
Total other expense	138,975	108,688	14,415	10,390	95,233	63,085	95,233	63,085	248,623	182,163
Gain on disposal of property and equipment	95	36	7	3	13	5	13	5	115	44
Net income (loss) attributable to Owner of the Corporation	14,079	(62,181)	(4,063)	(54,153)	(29,703)	(13,168)	(29,703)	(13,168)	(19,687)	(129,502)

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

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22. Fire Damage at Gateway Service Centre

On June 17, 2024, the Corporation's Gateway Service Centre was damaged by fire. Most of the operations for this service centre were temporarily relocated to other service centres located within Winnipeg, with some garage-based operations continuing to be provided from the Gateway Service Centre's garage. The centre was restored and returned to operations offering full services on March 3, 2025.

Costs incurred from June 17, 2024, to March 3, 2025, as result of the fire, including costs to secure the site; repair and restore the building, property, and equipment; and to temporarily relocate operations to other locations totaled \$4.7 million. The costs were recorded as expenses associated with the operations of the Corporation's service centers and are reported within the Statement of Operations as Acquisition, Maintenance and Operations expense.

The Corporation filed an insurance claim for property damaged in the fire and costs incurred to relocate operations while the Gateway Service Centre site was undergoing remediation and restoration. As at March 31, 2025, the Corporation had received \$2.8 million in proceeds from the insurance claim and reported \$1.5 million in Accounts receivable on the Statement of Financial Position for the remaining amount to be collected. The \$4.3 million in proceeds from the insurance claim is reported within Service fees and other revenue in the Statement of Operations.

23. Discontinued General Insurance Operations

The Corporation discontinued writing reinsurance assumed business effective November 18, 1987, and personal and commercial insurance policies effective October 1, 1990.

As of February 28, 2001, the Corporation accepted a third-party offer to purchase the reinsurance assumed business from the Corporation. Under the terms of the agreement, the Corporation transferred and assigned to the third party the title, interest and all of the obligations resulting from the un-commuted reinsurance assumed treaties written by the Corporation for the period July 1, 1975, to November 18, 1987, including retrocessional treaties. The obligations include all known or unknown liabilities. The primary liability to the treaty holders remains with the Corporation in the event of the third party's insolvency.

Claims costs and expenses on personal and commercial policies will be incurred until all claims on existing policies are settled.

Discontinued operations resulted in a net loss of \$371.6 thousand (March 31, 2024—\$143.3 thousand net loss) which is reported as part of the SRE line of business (Note 21). Included in the insurance contract liabilities is \$2.3 million (March 31, 2024—\$2.1 million) relating to discontinued operations.

24. Commitments

As of March 31, 2025, the Corporation has material commitments related to Administrative Service Contracts, Operations Service Agreements, and Information Technology Systems Contracts as follows:

	2025/26	2026/27	2027/28	2028/29	2029/30	Thereafter
Administrative service contracts	3,512	1,420	251	36	-	-
Operations service agreements	73,003	71,109	67,479	3,219	21	-
Information technology systems contracts	70,574	47,127	28,677	22,308	19,247	13,828
	147,089	119,656	96,407	25,563	19,268	13,828

25. Related-Party Transactions

Key Management Personnel

Key management personnel are comprised of all members of the Board of Directors and the named Executive management team. The summary of compensation of key management personnel for the years are as follows:

For the years ended March 31	2025	2024
Short term benefits	2,605	2,697
Post-employment benefits	392	178
Other long-term benefits	39	39
Termination benefits	421	314
Total	3,457	3,228

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Key management personnel and their close relatives may have insurance policies and driver's licences with the Corporation as required by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*. The terms and conditions of such transactions are the same as those available to clients and employees of the Corporation.

Province of Manitoba

Investment management fees paid to the Department of Finance are disclosed in Note 5.

Accounts payable and accrued liabilities include \$22.3 million (March 31, 2024—\$24.8 million) due to the Province of Manitoba. Additionally, Insurance contract liabilities include premium taxes due to the Province of Manitoba of \$13.6 million (March 31, 2024 - \$12.8 million).

26. Insurance and Financial Risk Management

As a provider of vehicle insurance products, effective risk management is fundamental in protecting earnings, cash flow and ultimately the financial stability of the Corporation. The Corporation is exposed to various types of insurance and financial risks.

Insurance Risk

The principal risk that the Corporation faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events have an element of randomness and the actual number and amount of claims and benefits will vary each year from the level established using statistical techniques.

Frequency and Severity of Claims

Frequency is the average number of claims per policy, calculated by dividing the total number of claims by the total number of policies. Severity is the average cost of a claim calculated by dividing the total costs of claims by the total number of claims. There are a number of factors that influence the frequency and severity of claims.

Some factors are affected by the actions of the Corporation and a number of strategies are used to try to reduce cost pressures created by those factors, including claims operational changes, road safety programs, programs to influence driver behaviour such as impaired driving and distracted driving prevention, public awareness campaigns, auto crime reduction initiatives and fraud detection and investigation.

There are other factors that the Corporation has little or no control over, including weather, demographics, pandemic events and economic changes, including vehicle parts/repair inflation and medical expense inflation that influences the cost of claims.

Sources of Uncertainty in the Estimation of the Policy Liabilities

To manage the uncertainty associated with estimating the policy liabilities, the Corporation's Chief Actuary employs standard actuarial methods. The estimation of the policy liabilities is determined in accordance with accepted actuarial practice in Canada and is based on reasonable assumptions and appropriate methods that are consistently applied, giving appropriate consideration to relevant changes in circumstances and product changes.

There is inherent uncertainty regarding the assumptions to estimate the amount and timing of future claims payments that make up the insurance contract liabilities. Actuarial assumptions in the insurance contract liabilities include: length of time of settlement with impacts to predictability, experience with similar cases, historical claim payment trends and development patterns, line of business characteristics, effects of inflation on future claim settlement costs and economic decisions. Additionally, the Corporation's insurance contract liabilities can be affected by the frequency and severity of claims and the discount rate.

The Corporation is liable for all insured events that occurred during the term of the insurance contract, even if the loss is reported after the end of the contract term. In addition, injury claims can be long-tailed.

Injury claims include income replacement income, care benefits, medical and death benefits, which account for approximately 25 per cent of total incurred claims net of reinsurance. The timing of payments of injury claims can be extended due to delayed reporting, and the timing and amount of injury payments can exhibit considerable uncertainty because of the complex bodily injury claims environment and internal claims operational changes.

The frequency and severity of claims is discussed above, while the discount rate and actuarial methods and assumptions are discussed in Note 14.

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Concentration of Insurance Risk

The Corporation has a diverse customer base as the sole provider of Basic insurance to all drivers in Manitoba. The Corporation operates in one provincial jurisdiction and provides vehicle insurance only, so there is a concentration of insurance risk with respect to geography, jurisdiction and product type.

The impact of the concentration of insurance risk is quantified through catastrophe modeling that the Corporation's reinsurance broker updates annually. This testing allows the Corporation to assess, monitor and manage these risks effectively. The concentration of insurance risk is also managed through a catastrophe reinsurance treaty, road safety programs, the graduated licensing program and distracted driving campaigns. As the sole provider of Basic insurance, the Corporation invests in and benefits the most from these programs.

Premium Pricing Risk

The Corporation is the sole provider of Basic insurance and is not subject to competitive risk for its Basic insurance product. Basic insurance rates are set to breakeven after considering investment returns. Because the insurance rates are determined based on forward looking estimates of costs, the unfavourable variance in costs, in particular claims costs, may result in Basic insurance premiums not being sufficient to cover costs.

The Corporation is subject to legislative requirements and applies to the Public Utilities Board annually to establish rates for the Basic insurance line of business.

The Corporation's Extension line of business products compete with other insurers and are subject to underwriting risk and competitive risk.

Financial Risk

Investments carry certain financial risks including market risk, credit risk and liquidity risk. In accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*, the Minister of Finance is responsible for the investments of the Corporation. The Minister has charged the Department of Finance with the operational management of the investments. The Corporation, through the Investment Committee of the Board, and the Department jointly determine appropriate policies and strategies to mitigate risk. The investment objectives and goals of the Corporation are embodied in an Investment Policy document, which sets target asset allocation and portfolio concentration limits as well as defining the credit quality of the counterparties and the percentage of highly liquid investments required to meet cash flow needs.

Market Risk

Market risk is the risk that changes in foreign exchange rates, market interest rates and other changes in market prices will result in fluctuation of the fair value or future cash flows of a financial instrument.

Currency Risk

Currency risk is the risk that changes in foreign exchange rates will result in fluctuation of the fair value or future cash flows of a financial instrument. The Corporation has low exposure to currency risk because the Corporation has limited non-Canadian financial instruments. As of March 31, 2025, total foreign denominated financial instruments were approximately 5.52 per cent (March 31, 2024—4.42 per cent) of the Corporation's investment portfolio and had carrying values noted below.

A 10 per cent change in the USD exchange rate as at March 31, 2025, would change the fair value of the USD investments below and result in a change to Net income (loss) attributable to Owners of the Corporation of \$19.8 million (March 31, 2024 - \$15.0 million).

March 31, 2025	March 31, 2025	March 31, 2024	March 31, 2024
\$137.8 million USD	\$198.2 million CAD	\$110.7 million USD	\$150 million CAD

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Interest Rate Risk

Interest rate risk is the risk of economic loss resulting from market changes in interest rates and the impact on interest rate sensitive assets and liabilities.

The market valuation of the Corporation's fixed income portfolio is directly impacted by fluctuations in interest rates and will have a larger impact on instruments with a long duration.

	Average Effective Rate—%	
	2025	2024
Federal	1.76	2.33
Provincial	3.28	4.28
Municipal	4.19	4.84
Schools	3.45	4.64
Corporations	3.93	4.37

A new Operational Asset Liability Management (ALM) strategy was implemented in May 2024, which aims to match the dollar duration of the Basic Claims fixed income assets (including government bonds, corporate bonds, floating rate notes and short-term investments, mortgages, and non-marketable bonds) with the dollar duration of the Basic Claims liabilities within a tolerance of +/- 5 per cent.

In addition, the market value of the Basic Claims total portfolio, including all marketable bonds (government bonds, corporate bonds & mortgages), non-marketable bonds, real estate, and floating rate notes, shall match the present value of the associated liability within +/- \$100 million.

Matching the dollar duration of the fixed income assets and liabilities helps minimize the dollar sensitivity of the surplus to interest rate fluctuations.

As of March 31, 2025, the dollar duration match was 98.7 per cent and was within the +/- 5 per cent range limit. The dollar duration match was calculated using February liability cashflows, because March liability cashflows were delayed, which is a common occurrence after the fiscal year end due to normal year-end reporting. Because of this, the investment manager will use the most recent valuation cashflows available at the time.

The market value of all fixed income assets in the Basic Claims investment portfolio exceeded the present value of the Basic Claims liabilities by \$21.0 million at March 31, 2025 (March 31, 2024 - \$43.0 million).

The Special Risk Extension (SRE) and Extension line of businesses are not part of the ALM strategy. The portfolios for SRE and Extension contain assets backing both surplus and claims. The market value of the fixed income assets approximately matches the present value of the claims liabilities.

The Employee Future Benefits line of business is also not included in the ALM strategy, but the portfolio employs a balanced asset allocation approach (including fixed income, equities, and alternative assets) to support the accrued employee pension, post-retirement and severance benefits.

The approximate impact of an increase of 100 basis points in interest rates as at March 31, 2025, would decrease the Liabilities for incurred claims by \$148.6 million (March 31, 2024 - \$142.4 million decrease) and decrease Investments by \$204.6 million (March 31, 2024 - \$174.6 million decrease) resulting in a decrease to Net income (loss) attributable to Owner of the Corporation of \$56.0 million (March 31, 2024—\$32.2 million decrease).

An increase of 100 basis points would increase OCI by \$62.6 million (March 31, 2024—\$55.7 million increase) as it relates to the employee future benefits liabilities.

The approximate impact of a decrease of 100 basis points in interest rates as at March 31, 2025, would increase the Liabilities for incurred claims by \$175.1 million (March 31, 2024 - \$168.5 million increase) and increase Investments by \$205.3 million (March 31, 2024 - \$175.3 million increase) resulting in an increase to Net income (loss) attributable to Owner of the Corporation of \$30.2 million (March 31, 2024—\$6.8 million increase).

A decrease of 100 basis points would decrease OCI by \$70.4 million (March 31, 2024—\$65.7 million decrease) as it relates to the employee future benefits liabilities.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Equity Price Risk

The fair value of equity securities held by the Corporation can be affected by changes in market prices, other than currency and interest rate risks, which may be caused by factors specific to the individual financial instrument or factors affecting all similar financial instruments. General economic conditions, political conditions and other factors affect the equity market. As at March 31, 2025, a 10.0 per cent change in the fair value of the Corporation's equity portfolio would result in a \$38.6 million change in Net income (loss) attributable to Owner of the Corporation (March 31, 2024— \$40.1 million).

The Corporation has policies in place to limit and monitor its exposure to individual issuers and classes of issuers of equity securities.

The Corporation's investment portfolio is exposed to changes in equity prices in Canadian and global markets. At March 31, 2025, equities comprised 10.8 per cent (March 31, 2024 – 12.1 per cent) of the carrying value of the Corporation's investment portfolio.

Equity risk results from movements in and/or the volatility of equity markets, including equity prices and indices. Diversification techniques are employed to minimize risk including exposure to various investment styles. The Corporation's investment policies limit total investment in any entity or group of related entities to a maximum of five per cent of the Corporation's assets. The Corporation's stock portfolio is benchmarked to the indices noted in the table below. A 10 per cent movement in the indices, with all other variables held constant, would have the following estimated effect on the fair value of the Corporation's stock holdings as at March 31, 2025, and March 31, 2024.

Stock Portfolio	Benchmark	March 31, 2025	March 31, 2024
Canadian common	S&P/TSX Capped Composite Index & S&P/TSX Small Cap Index	15,309	16,193
Global equities	MSCI World Index	23,334	23,921
Total		38,643	40,114

Credit Risk

Credit risk is the potential for the Corporation to incur a financial loss due to the failure of the other party to discharge an obligation. Financial instruments that give rise to potential credit risk for the Corporation include fixed income securities, accounts receivable, reinsurance receivables and structured settlements.

The following table summarizes the Corporation's maximum exposure to credit risk on the Statement of Financial Position. The maximum credit exposure is the carrying value of the asset net of an allowance for loss. Cash and cash equivalents carry minimal exposure to credit risk.

As at March 31	2025	2024
Cash and cash equivalents	188,683	206,669
Bonds	2,209,660	2,071,043
Private debt	270,086	231,877
Pooled commercial mortgages	108,956	100,374
Accounts receivable	148,404	147,716
Reinsurance contract assets	74,043	154,025
Maximum credit risk exposure on the Statement of Financial Position	2,999,832	2,911,704

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

Fixed Income Securities Credit Risk

Fixed Income Securities Credit Risk includes Bonds, Private Debt, and Pooled Commercial Mortgages. The Corporation mitigates its exposure to credit risk by placing fixed income securities with high-quality institutions with investment grade ratings. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. The following table highlights the fixed income securities by credit quality according primarily to Moody's Investors Service, with additional inputs from Standard & Poor's and Dominion Bond Rating Service, at the period end date. All Manitoba municipal and school bonds are backed by the Province of Manitoba and, as such, have been assigned the credit rating of the Province of Manitoba Bonds.

	March 31, 2025		March 31, 2024	
	Carrying Value	Percentage of Portfolio	Carrying Value	Percentage of Portfolio
Aaa	129,623	5.00%	123,646	5.2%
Aa	797,956	30.80%	748,129	31.1%
A	912,153	35.30%	850,473	35.4%
Baa	287,552	11.10%	272,660	11.3%
Ba	-	0.00%	1,440	0.1%
Not Rated	461,418	17.80%	406,946	16.9%
Total	2,588,702	100.0%	2,403,294	100.0%

Accounts Receivable Credit Risk

All significant past due receivables are fully provided for due to the uncertainty of collection. Substantially all remaining receivables are deemed to be collectible within 12 months. The credit risk pertaining to premiums receivable is mitigated as a customer's policy may be cancelled for default of payment.

The following table highlights the Corporation's accounts receivable by major category.

	2025	2024
Customer and broker non-policy	122,967	121,189
Accrued interest	23,537	23,578
Other receivables	3,954	4,736
Estimated expected credit losses	(2,054)	(1,787)
Balance at March 31	148,404	147,716

Accounts receivable are primarily from customers, along with amounts from brokers across the province of Manitoba.

	2025	2024
Current	148,029	150,287
31-60 days	245	(409)
61-90 days	307	(694)
Greater than 90 days	1,877	319
Subtotal	150,458	149,503
Estimated expected credit losses	(2,054)	(1,787)
Balance at March 31	148,404	147,716

Reinsurance Receivable Credit Risk

The Corporation evaluates the financial condition of its reinsurers to minimize the exposure to significant losses from reinsurer insolvency. The Corporation holds collateral in regard to unregistered reinsurance in the form of amounts on deposit and letters of credit of which nil was outstanding as of March 31, 2025 (March 31, 2024—nil).

Furthermore, a corporate guideline requiring reinsurers to have a minimum credit rating of A- from A.M. Best and BBB+ credit rating from S&P Global Ratings is in place.

For the year ended March 31, 2025, eight reinsurers (March 31, 2024 – nine reinsurers) share the Corporation's casualty reinsurance coverage, ranging from 1.0 per cent to 31.0 per cent (March 31, 2024 – 2.5 per cent to 31 per cent) on any one layer. The reinsurer exposed to 31.0 per cent (March 31, 2024 – 31.0 per cent) of the losses is licensed in Canada by OSFI and, therefore, subject to minimum capital requirements.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

For the year ended March 31, 2025, 14 reinsurers (March 31, 2024 – 13 reinsurers) share the Corporation's catastrophe reinsurance coverage, none holding more than 25.0 per cent (March 31, 2024 – 25.0 per cent) of the reinsurance exposure on any one layer.

No material amount due from reinsurers was considered uncollectible during the fiscal year ended March 31, 2025, and no estimated expected credit loss was recorded as at March 31, 2025.

Structured Settlements Credit Risk

The Corporation has obligations to provide certain fixed amounts to claimants on a recurring basis and has purchased annuities from various Canadian life insurers to provide for those payments. In the event any of the life insurers are in default, the Corporation may have to assume a financial guarantee obligation. Therefore, the net risk to the Corporation is any credit risk related to the life insurers underwriting the annuities the Corporation has purchased to provide for these settlement payments. This risk is reduced to the extent of coverage provided by Assuris, the life insurance compensation insurance plan. Assuris is an independent not-for-profit, industry-funded compensation organization founded in 1990. Assuris is designated by the federal Minister of Finance under *The Insurance Companies Act of Canada* to protect policyholders.

As at March 31, 2025, the present value of expected payments the Corporation has purchased to provide for settlement arrangements totals \$102.6 million (March 31, 2024—\$99.2 million), based on various dates of purchase. Of this total, \$96.3 million (March 31, 2024—\$93.2 million) is placed with insurers with a financial strength rating of AA- or AA (Very Strong) and the remaining \$6.3 million (March 31, 2024—\$6.0 million) is placed with insurers with a financial strength rating of A or A+ (Strong), as assessed by Fitch and S&P.

Liquidity Risk

A significant risk of the insurance industry is the ability to match the cash inflows of the investment portfolio with the cash requirements of the policy liabilities and operating expenses. The Corporation has taken the overall historical liability settlement pattern as a basis to define diversification and duration characteristics of the investment portfolio. To meet the cash requirements for claims and operating expenses, the Corporation has policies to ensure that assets and liabilities are broadly matched in terms of their duration.

Cash and cash equivalents are essential components of the Corporation's financial liquidity management. Cash flows are monitored to ensure sufficient resources are available to meet our current operating requirements. Excess funds not needed to meet current operating requirements are invested in long-term instruments to generate additional revenue for future obligations.

Bonds—maturity profile

	Within One Year	March 31, 2025		Total
		One Year to Five Years	After Five Years	
Federal	-	-	113,963	113,963
Manitoba				
Provincial	-	5,489	118,880	124,369
Municipal	188	3,280	97,226	100,694
Schools	2,855	59,079	222,949	284,883
Other Provinces				
Provincial	103,776	323,008	400,064	826,848
Municipal	-	13,049	43,437	56,486
Corporations	82,377	4,283	615,757	702,417
Total	189,196	408,188	1,612,276	2,209,660

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

	Revised March 31, 2024			
	Within One Year	One Year to Five Years	After Five Years	Total
Federal	-	-	108,646	108,646
Manitoba				
Provincial	-	-	105,546	105,546
Municipal	345	3,380	87,544	91,269
Schools	3,554	50,068	261,673	315,295
Other Provinces				
Provincial	106,407	334,318	329,375	770,100
Municipal	2,497	12,477	41,654	56,628
Corporations	74,695	-	548,864	623,559
Total	187,498	400,243	1,483,302	2,071,043

The above table was revised to reflect the correction of the bond maturity disclosed in note 27.

Liability Liquidity

	March 31, 2025						
	Within One Year	One Year to Two Years	Two Years to Three Years	Three Years to Four Years	Four Years to Five Years	After Five Years	Total
LIC - expected cash flows (undiscounted basis)	648,816	232,756	190,225	171,704	149,345	1,911,852	3,304,698

	March 31, 2024						
	Within One Year	One Year to Two Years	Two Years to Three Years	Three Years to Four Years	Four Years to Five Years	After Five Years	Total
LIC - expected cash flows (undiscounted basis)	749,312	244,226	186,978	160,066	139,430	1,917,133	3,397,145

27. Non-Current Assets and Liabilities

The following table presents assets and liabilities on the Corporation's Statement of Financial Position that the Corporation expects to recover or settle in 12 months or more. During the year, the Corporation revised the comparative figures to correct the categorization of certain investments between current and non-current with no net impact on the Statement of Financial Position.

This is reported as follows:

	March 31, 2025	March 31, 2024 as previously reported	Revision of Prior Year	March 31, 2024 Revised
Assets				
Bonds	2,020,464	1,996,348	(112,803)	1,883,545
Private debt	270,086	-	231,877	231,877
Pooled commercial mortgages	108,956	-	100,374	100,374
Pooled real-estate fund	373,611	193,358	173,293	366,651
Infrastructure and other investments	238,369	35,254	181,251	216,505
Reinsurance contract assets	33,556	51,545	-	51,545
	3,045,042	2,276,505	573,992	2,850,497
Liabilities				
Lease obligations	7,315	6,432	943	7,375
Provision for employee future benefits	465,212	431,941	-	431,941
Incurred claims liabilities	2,655,883	2,647,833	-	2,647,833
	3,128,410	3,086,206	943	3,087,149
Net liabilities due after one year	(83,368)	(809,701)	573,049	(236,652)

The investments in pooled real-estate and infrastructure funds, that are in redeemable units, have been categorized as non-current as the Corporation does not intend to sell the investments in the next 12 months.

Audited Financial Statements

(in thousands of Canadian dollars, except as otherwise noted)

28. Rate Regulation

Under the provisions of *The Crown Corporations Governance and Accountability Act*, the Public Utilities Board has the authority to review and approve Basic Insurance rates, premiums and service fees charged with respect to compulsory driver and vehicle insurance provided by the Corporation. No new rates or fees for services for Basic Insurance can be introduced without the approval of the Public Utilities Board. This business comprises approximately 84 per cent (March 31, 2024 – 75 per cent) of the total business based on incurred claims.

Annually the Corporation prepares its Basic Insurance general rate application and files it with the Public Utilities Board in June for implementation in the following fiscal year. The general rate application includes the prospective rate requirements based on historical and forecasted financial and other information as well as the application of actuarial, accounting, and statistical principles and practices.

The Corporation is required to pay a portion of the Public Utilities Board's operating costs relating to the Corporation's share of the overall Public Utilities Board budget. In addition, the Public Utilities Board can also order the Corporation to reimburse other proceeding participants for specified costs such as their time, legal and expert witness fees.

29. Contingent Liabilities

The Corporation is subject to litigation arising in the normal course of conducting its insurance business. The Corporation is of the opinion that this litigation will not have a significant effect on the financial position, financial performance, or cash flows of the Corporation.

Unaudited Supplemental Information

(in thousands of Canadian dollars, except as otherwise noted)

30. Unaudited Supplemental Information – Line of Business Financials

Statement of Financial Positions by Line of Business

	Basic		Extension		SRE		DVA		Total*	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Assets										
Cash and investments	3,084,410	2,935,410	187,035	124,020	342,531	357,750	174,241	190,124	3,788,217	3,607,304
Accounts receivable and prepaid expenses	135,545	142,383	69,283	94,685	37,245	3,543	53,507	54,396	295,580	295,007
Reinsurance contract assets	43,958	89,681	3,989	9,653	26,096	54,691	-	-	74,043	154,025
Property and equipment	129,927	127,892	10,571	10,403	11,591	11,368	21,928	21,445	174,017	171,108
Deferred development costs	8,818	19,693	5,658	12,911	8,623	24,360	31,163	55,538	54,262	112,502
	3,402,658	3,315,059	276,536	251,672	426,086	451,712	280,839	321,503	4,386,119	4,339,946
Liabilities										
Accounts payable and accrued liabilities	21,769	27,213	27,031	2,716	2,483	16,202	145,672	166,371	196,955	212,502
Deferred revenue	13,540	12,088	9,023	7,318	-	-	10,641	4,070	33,204	23,476
Lease obligation	5,138	5,180	420	424	456	459	851	858	6,865	6,921
Provision for employee current benefits	21,825	20,782	1,803	1,716	2,322	2,211	5,199	4,951	31,149	29,660
Provision for employee future benefits	340,564	316,396	28,133	26,137	36,236	33,665	81,128	75,371	486,061	451,569
Insurance contract liabilities	2,500,173	2,435,172	122,158	125,175	283,566	292,823	-	(2)	2,905,897	2,853,168
	2,903,009	2,816,831	188,568	163,486	325,063	345,360	243,491	251,619	3,660,131	3,577,296
Equity										
Retained earnings	496,589	483,274	87,715	86,951	100,697	104,760	36,619	66,322	721,620	741,307
Accumulated other comprehensive income	3,060	14,954	253	1,235	326	1,592	729	3,562	4,368	21,343
	499,649	498,228	87,968	88,186	101,023	106,352	37,348	69,884	725,988	762,650
	3,402,658	3,315,059	276,536	251,672	426,086	451,712	280,839	321,503	4,386,119	4,339,946

*The total reflected above includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are \$144.2 million for the year ended March 31, 2025 (March 31, 2024 - \$144.4 million).

Of note, during the year ended March 31, 2025, the Corporation transferred \$52.9 million (March 31, 2024 - \$2.7 million) from the Extension line of business to the Basic line of business in accordance with the Capital Management Program for excess retained earnings from the Extension line of business to be transferred to the Basic line of business.

Unaudited Supplemental Information

(in thousands of Canadian dollars, except as otherwise noted)

Statement of Operations by Line of Business

For the years ended March 31	Basic		Extension		SRE		DVA		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Revenue from premiums	1,205,390	1,162,065	216,786	192,687	186,024	194,608	-	-	1,608,200	1,549,360
Other insurance revenue	30,159	24,666	6,356	5,276	35	38	-	-	36,550	29,980
Insurance revenue	1,235,549	1,186,731	223,142	197,963	186,059	194,646	-	-	1,644,750	1,579,340
Incurred claims	1,012,131	1,046,642	91,824	124,129	98,175	216,107	-	-	1,202,130	1,386,878
Maintenance expense	149,182	137,241	16,648	12,465	22,958	14,498	-	-	188,788	164,204
Acquisition expense	6,913	9,200	407	1,480	19,045	7,932	-	-	26,365	18,612
Commission expense - other	49,196	47,108	41,586	35,610	16,325	18,394	-	-	107,107	101,112
Premium taxes	36,498	35,913	7,008	5,949	5,317	6,163	-	-	48,823	48,025
Total insurance service expense	1,253,920	1,276,104	157,473	179,633	161,820	263,094	-	-	1,573,213	1,718,831
Insurance service result from insurance contracts	(18,371)	(89,373)	65,669	18,330	24,239	(68,448)	-	-	71,537	(139,491)
Net income (expense) from reinsurance contracts held	(8,761)	67,436	(3,572)	6,826	(23,451)	30,208	-	-	(35,784)	104,470
Insurance service result	(27,132)	(21,937)	62,097	25,156	788	(38,240)	-	-	35,753	(35,021)
Investment income	241,972	91,803	12,363	2,488	20,775	1,152	15,014	2,331	290,124	97,774
Insurance finance expense	(153,452)	(66,837)	(4,183)	(3,941)	(15,040)	(8,561)	-	-	(172,675)	(79,339)
Reinsurance finance income	2,695	1,885	260	226	2,964	1,000	-	-	5,919	3,111
Net insurance financial result	(150,757)	(64,952)	(3,923)	(3,715)	(12,076)	(7,561)	-	-	(166,756)	(76,228)
Net insurance and investment result	64,083	4,914	70,537	23,929	9,487	(44,649)	15,014	2,331	159,121	(13,475)
Service fees and other revenue	11,763	12,052	6,576	5,576	858	883	10,303	7,431	29,500	25,942
The DVA operations recovery	-	-	-	-	-	-	40,200	40,150	40,200	40,150
Total other revenue	11,763	12,052	6,576	5,576	858	883	50,503	47,581	69,700	66,092
Commission expense - non-policy	3,773	3,442	254	225	-	-	2,514	2,277	6,541	5,944
Operating expense	111,745	93,782	23,203	11,239	14,415	10,390	92,719	60,808	242,082	176,219
Total other expense	115,518	97,224	23,457	11,464	14,415	10,390	95,233	63,085	248,623	182,163
Gain on disposal of property and equipment	87	34	8	2	7	3	13	5	115	44
Net income (loss) attributable to Owner of the Corporation	(39,585)	(80,224)	53,664	18,043	(4,063)	(54,153)	(29,703)	(13,168)	(19,687)	(129,502)

Procurement

In accordance with OIC 41/2023: A Directive to The Manitoba Public Insurance Corporation Respecting Procurement Policies and Procedures, the Corporation includes as part of its annual report the following agreements which were entered into pursuant to a direct award or sole source arrangement or as a result of an emergency.

Approval Date	Vendor	Contract Amount	Currency	Description	Rationale
4/19/2024	Veridos	\$ 7,230,000.00	CDN	Services	Upgrade to current system and renewal of services
6/26/2024	LinkedIn	\$ 75,720.00	CDN	Computer Software	Subscription renewal
9/10/2024	TPG Interactive	\$ 160,000.00	CDN	Consulting Services	Services renewal
11/18/2024	Infor	\$ 4,700,000.00	CDN	Services and software support	Upgrade of current system and support renewal
2/28/2025	Genesys	\$ 355,042.69	CDN	Computer Software	Support renewal
3/25/2025	AIM Office Manager	\$ 172,500.00	CDN	Services	Services renewal

Manitoba Public Insurance Locations

Customer Service

Winnipeg

T: 204-985-7000

Outside Winnipeg (Toll-Free)

T: 800-665-2410

Deaf Access (VRS/SRV)

T: 204-985-8832

Out-of-Province Claims

T: 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

125 King Edward Street East

40 Lexington Park

1284 Main Street

930 St. Mary's Road

Cityplace

234 Donald Street

- Service Centre, Main Floor
- ID Verification and Data Integrity
- Rehabilitation Management Centre
- Serious and Long-Term Case Management Centre
- Bodily Injury Centre

Physical Damage Centre

1981 Plessis Road

- Holding Compound/Receiving
- Salvage
- Commercial Claims

Outside Winnipeg

Arborg Service Centre

323 Sunset Boulevard

Beausejour Service Centre

848 Park Avenue

Brandon Service Centre

731 1st Street

Dauphin Service Centre

217 Industrial Road

Portage La Prairie Service Centre

2007 Saskatchewan Avenue West

Selkirk Service Centre

1008 Manitoba Avenue

Steinbach Service Centre

91 North Front Drive

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



MANITOBA
PUBLIC INSURANCE

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Ce document, ainsi qu'une version en français de ce document, se trouve sur notre site Web mpi.mb.ca

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