

# MANITOBA PUBLIC INSURANCE ANNUAL BUSINESS PLAN

2025/26

## THE CROWN CORPORATIONS GOVERNANCE AND ACCOUNTABILITY ACT

Manitoba Public Insurance hereby submits its Annual Business Plan as required by [The Crown Corporations Governance and Accountability Act](#), consistent with the provided guidelines for a standard format among Crown corporations' plans.

Deemed final and approved by Board of Directors on February 12, 2025.

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## 1.0 Introduction and Mandate

In 2025/26, Manitoba Public Insurance (MPI) embarks on the first year of executing its multi-year strategic plan—a plan designed not to disrupt, but to restore confidence, strengthen stability, and deliver long-term value for Manitobans.

MPI is guided by a combination of legislation, government directives, and corporate priorities. To continue upholding our mission, vision, and values during a time of significant change and to establish a strong foundation for responsible future growth, the multi-year strategic plan was developed to balance efforts to respond to our operating environment while recognizing the importance of and effort required to deliver on our mandate.

Our priorities are clear:

- **Customer Value** – Elevating service delivery and ensuring that every interaction with MPI meets customer expectations.
- **Financial Stability** – Ensuring the long-term sustainability of our business, with a focus on strengthening our commercial insurance portfolio.
- **Operational Effectiveness** – Executing with discipline, improving governance, and enhancing efficiency.

This business plan is a blueprint for execution. It reflects our commitment to making measured, meaningful progress while respecting our financial and operational capacity. As we enter this critical year, our approach remains rooted in responsibility—ensuring that every decision supports stability and future success.

### 1.1 Corporation's Mandate, Objects or Purposes as set out in [The Manitoba Public Insurance Corporation Act](#)

It is the function of the Corporation to engage in and carry out the activity of all classes of automobile insurance, to administer the universal, compulsory automobile insurance as well as Extension insurance as prescribed by regulation. In carrying out these responsibilities the Corporation may also repair, salvage and dispose of any property insured by it. The Corporation also has the responsibility to administer [The Drivers and Vehicle Act](#).

### 1.2 Directives from Province

In accordance with [The Crown Corporations Governance and Accountability Act](#), the Minister appointed to administer the Act may issue directives to MPI to support provincial policy and MPI must comply with any directive given.

The following directives have been issued to MPI:

- On April 3, 2023, the minister responsible for *The Crown Corporations Governance and Accountability Act* issued a [directive](#) to MPI respecting an organizational review. The organizational review considered the Corporation's operations over the period of fiscal year 2021/22 and fiscal year 2022/23, with the findings of the organizational review delivered by way of a written report to the Minister responsible for the Corporation and to the Board of Directors of the Corporation in December 2023. As

stipulated in the directive, MPI made “no material changes to the operations of the Corporation while the organizational review [was] being conducted” and proposed “no changes to rates for service” in the 2024 General Rate Application. The directive concluded with the delivery of the report.

- On February 1, 2023, the minister responsible for *The Crown Corporations Governance and Accountability Act* issued a [directive](#) to MPI respecting procurement policies and procedures. This directive applies to the procurement of goods and services by the Corporation through non-competitive processes and requires that the Corporation publish as part of its annual report information regarding agreements entered into pursuant to a direct award or sole source arrangement or as a result of an emergency.
- On January 30, 2020, the Minister of Crown Services issued a [directive](#) to Crown Corporations concerning executive management compensation, overall staffing levels and review of management spans and layers. MPI continues to comply with this directive. This builds upon the management reductions in 2017, the completed span and layers analysis in 2017, and the Corporation’s commitment to remain vigilant related to staffing levels and overall compensation.
- On July 24, 2019, the Minister of Crown Services issued a [directive](#) to MPI respecting conciliation with the Insurance Brokers Association of Manitoba (IBAM). MPI honoured this directive, and the conciliation process led to a five-year agreement between MPI and IBAM, effective April 1, 2021.

## 2.0 Corporate Identity and Strategic Direction

### 2.1 Corporate Mission & Vision

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

**Vision** – Manitoba’s trusted auto insurer and driver services provider. Dedicated to road safety for all.

### 2.2 Our Values

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

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

### 2.3 The Multi-Year Strategic Plan: A Roadmap for Stability and Sustainable Growth

MPI’s multi-year corporate strategic plan was developed in 2024 to ensure the organization operates with financial discipline, enhances service delivery, and earns the trust of Manitobans. This is not a plan for rapid transformation—it is a carefully sequenced roadmap designed to align with our financial means and operational capacity.

#### Strategic Pillars:

1. **Optimize Value for Customers** – Enhance products and services to meet customer needs.
2. **Build Pride and Engagement** – Foster a workplace culture that values employees and strengthens commitment to service.
3. **Deliver on Our Promises** – Execute strategic initiatives with discipline and reliability.
4. **Strengthen Financial Practices** – Improve financial stability and efficiency for long-term sustainability.
5. **Be Ready for What’s Ahead** – Prepare for the future with a resilient and adaptable approach.

Each pillar is led by an executive and supported by strategic programs that ensure organization-wide collaboration and execution discipline.

## 2.4 Corporate Priorities for 2025/26

To execute this plan effectively, MPI has identified three key focus areas for 2025/26:

### **Customer Value: Elevating Service Excellence**

MPI will enhance its ability to understand and respond to customer needs by integrating customer insights into decision-making.

Key actions include:

- Improving service delivery through digital enhancements and process improvements.
- Expanding customer feedback mechanisms to inform continuous improvement.
- Strengthening transparency and communication to build trust with Manitobans.

**Expected Impact:** Measurable improvements in customer experience and service responsiveness.

### **Financial Stability: Strengthening our Commercial Business**

MPI will refine its approach to commercial insurance, ensuring that our Special Risk Extension (SRE) business supports Manitoba's economy while maintaining financial sustainability.

Key actions include:

- Strengthening risk models and underwriting practices.
- Tailoring commercial insurance offerings to meet evolving business needs.
- Implementing disciplined financial oversight to mitigate volatility.

**Expected Impact:** Improved Minimum Capital Test (MCT) ratios for SRE, ensuring MPI's long-term financial resilience.

### **Operational Effectiveness: Delivering with Discipline**

MPI will improve execution discipline by enhancing governance structures, clarifying accountability, and ensuring teams have the right tools and processes to deliver results reliably.

Key actions include:

- Refining cross-functional collaboration and ownership structures.
- Strengthening IT resilience and cybersecurity to mitigate operational risks.
- Enhancing data and analytics capabilities to improve decision-making.

**Expected Impact:** Increased project completion rates, higher employee engagement, and reduced technology risk.

### 3.0 Operating Environment

MPI operates in a complex and evolving environment influenced by a range of internal and external factors that shape our strategic and operational decisions. Understanding these factors allows us to proactively address risks, leverage opportunities, and reinforce stability in how we serve Manitobans.

Internally, the organization is focused on stabilizing operations, strengthening execution discipline, and ensuring financial sustainability while modernizing critical systems and enhancing service delivery. Externally, MPI must navigate macroeconomic conditions, regulatory requirements, evolving customer expectations, and industry trends that impact the insurance and driver services sectors.

The 2025/26 fiscal year marks a pivotal point in the execution of our multi-year strategic plan. While past challenges have shaped our current reality, MPI has taken deliberate steps to recover from disruption, optimize performance, and prepare for the future. This section outlines the key factors influencing our operating environment and the measurable actions we are taking to ensure stability, financial responsibility, and value for customers.

#### 3.1 Internal Environment

Internally, MPI is strengthening operational foundations by stabilizing processes, enhancing governance, and ensuring that employees are set up for success. As we move forward, we are focused on:

- **Leading with ownership and accountability** – Ensuring clarity in decision-making and responsibilities.
- **Strengthening financial sustainability** – Managing resources prudently and refining cost structures.
- **Enhancing IT resilience and execution discipline** – Improving technology infrastructure to reduce risks and support modernization.

##### 3.1.1 Operational Service Enhancements

A key priority for MPI in 2025/26 is ensuring operational effectiveness, particularly in areas directly affecting customer service. Following the operational challenges caused by the 2023 strike, MPI has addressed operational backlogs, resuming paused initiatives, and improving service processes.

**Key achievements and future plans include:**

- **Resolution of Service Backlogs** – The operational backlog from the 10-week strike in 2023 has been successfully addressed, with volume trends returning to expected levels.
- **Training Support for Road Test Success** – In November 2024, MPI introduced a new policy requiring five hours of documented training for any driver who fails their road test three times before they can book again. This initiative has reduced re-test rates and contributed to an increase in Manitoba's historically low pass rate.
- **Enhanced Customer Communication in Claims** – The Adjuster Communication App now improves transparency, ensuring customers clearly understand decisions regarding their claims and next steps.



- **Improved Customer Flow at Service Centres** – The introduction of a Queue Management Solution has significantly reduced wait times and allowed customers to reserve preferred service times.
- **Class 1 Road Test Enhancements** – MPI has split the pre-trip and road test portions, reducing overall wait times for professional drivers and increasing testing capacity.

In 2025/26, MPI will continue implementing operational improvements that increase efficiency, enhance service delivery, and improve customer experiences.

### 3.1.2 Product & Customer Experience (CX) Insights

Delivering relevant, accessible, and high-value products remains a core focus for MPI. Over the next several years, we will modernize regulations, policies, and product offerings based on customer insights and industry standards.

**Planned product and customer experience initiatives include:**

- **Expanding the Driver Safety Rating (DSR) Scale** – In 2025/26, the DSR scale will expand from +18 to +19, moving all DSR discounts one-sixth of the way toward actuarial targets. This ensures safer drivers are rewarded appropriately.
- **Review of Vehicle for Hire (VFH) Framework** – MPI is collaborating with industry stakeholders to evaluate potential refinements to the VFH model. Any changes will be brought forward in the annual General Rate Application.
- **Extension Product Optimization** – MPI will adjust coverage levels on select extension products to reflect industry standards, phasing out low-value products and aligning offerings with customer needs.
- **Electric Vehicle (EV) Rebate Administration** – MPI is administering the provincial government's EV rebate program, ensuring smooth processing for Manitobans purchasing new or used EVs.

To reinforce a customer-first approach, MPI is embedding real-time customer feedback mechanisms into its operations. Recent enhancements include:

- **New rental vehicle rate agreements** – Ensuring continued vehicle availability for loss-of-use coverage.
- **Claims buy-back updates** – Enhancing road safety by retaining claims data in driver abstracts.
- **Expansion of post-transaction satisfaction surveys** – Ensuring we capture customer perspectives on extension products to refine offerings.
- **Launched the MMIWG2S license plate** – Demonstrating our commitment to growing our partnership with indigenous communities.

### 3.1.3 Employee Experience

At the heart of MPI's success is its workforce—the people who serve Manitobans every day. Strengthening the employee experience is essential to ensuring that MPI can execute its strategic plan effectively while fostering a culture of accountability, collaboration, and engagement. In 2025/26, MPI is focused on aligning leadership, empowering employees, and reinforcing a culture of trust and shared responsibility.

## **Building a Culture of Ownership and Accountability**

A core corporate priority for 2025/26 is Leading with Ownership and Accountability—ensuring that employees and leaders are empowered, aligned, and engaged in delivering MPI’s mission. This means:

- Clarifying roles and responsibilities so employees understand their impact on organizational success.
- Strengthening leadership alignment to create a united and accountable leadership team.
- Embedding accountability in daily operations by setting clear expectations and providing employees with the tools they need to succeed.

MPI recognizes that a strong culture is built over time. To support this, we are introducing structured initiatives to improve clarity in decision-making, enhance leadership maturity, and reinforce accountability across all levels of the organization.

## **Commitment to Truth and Reconciliation**

MPI remains committed to advancing Truth and Reconciliation through meaningful actions that recognize the rights, culture, and contributions of Indigenous communities. This means:

- Strengthening relationships with Indigenous communities through sustained engagement and partnership building.
- Integrating reconciliation commitments into policies, training, and corporate decision-making.
- Removing barriers to access in road safety education and driver training for Indigenous Manitobans.

These efforts are part of MPI’s broader commitment to building an inclusive and respectful workplace, ensuring that reconciliation is embedded in our culture and operations.

## **Enhancing Employee Engagement and Recognition**

Creating a workplace where employees feel valued and motivated is essential for long-term success. MPI is implementing a more structured approach to:

- Expanding corporate recognition programs to better celebrate employee achievements and contributions.
- Listening to employees through engagement surveys, feedback loops, and ongoing dialogue with leadership.
- Strengthening workplace inclusivity through a long-term Inclusivity, Diversity, Equity, and Accessibility (IDEA) strategy.

As part of our ongoing commitment to engagement, MPI has introduced the Employee Advisory Committee (EAC)—a peer-driven forum where employees can voice concerns, offer feedback, and collaborate on solutions to improve MPI's workplace environment.

### **Supporting Workforce Development and Future Readiness**

As MPI stabilizes operations and looks toward the future, workforce planning and skills development are becoming even more critical. In 2025/26, we are focused on:

- Conducting a workforce situation analysis to identify skill gaps and development opportunities.
- Implementing strategic workforce planning to ensure MPI has the right capabilities and capacity to meet future demands.
- Aligning performance targets with desired customer experience and operational outcomes to reinforce accountability and execution discipline.

By investing in employee growth, leadership development, and workforce planning, MPI is creating a more resilient and high-performing organization.

The 2025/26 fiscal year is a turning point for MPI's workplace culture. By reinforcing accountability, leadership alignment, employee engagement, and inclusivity, MPI is creating a foundation for long-term success—one where employees are empowered, supported, and driven to deliver value for Manitobans.

A strong and engaged workforce is essential to our ability to execute on our strategic plan. In 2025/26, MPI will continue making deliberate, thoughtful investments in its people to ensure that we have the right talent, skills, and culture to achieve our corporate goals.

#### **3.1.4 Digital and Technology Considerations**

MPI is committed to modernizing and transforming the technology ecosystem that supports core services, including:

- Personal and commercial automobile insurance
- Driver licensing, vehicle registration, and associated registries
- Physical damage claims

This ongoing transformation ensures MPI can meet evolving business and customer needs while maintaining a stable and secure technology environment. Investments in IT enhancements and upgrades will continue to drive key business objectives and outcomes:

- **Stable Technology Platform** – Reducing downtime and technology risks through modernized infrastructure and expanded online service functionality.
- **Cost Effectiveness** – Lowering operational costs and IT risks by replacing aging systems with commercial off-the-shelf applications for property and casualty insurance, driver licensing, and vehicle registration.
- **Agility to Meet Future Business Needs** – Enhancing the ability to implement new legislative requirements and introduce new products and services.

- **Enhanced Security** – Strengthening cybersecurity processes, infrastructure, and controls to protect customer data.
- **Improved Accessibility and Availability** – Expanding service accessibility across desktop and mobile platforms to better serve customers and external partners.
- **Modernizing Commercial Insurance** – Updating manual processes and legacy systems for SRE/commercial insurance products.
- **Customer-Centric Services** – Improving service channels and expanding online offerings to enhance customer experience.

## **A Holistic IT Roadmap for Future Readiness**

A stable, resilient, and modern technology ecosystem is essential for executing MPI's multi-year strategic plan. Historically, underinvestment in IT renewal has resulted in growing technical debt, creating challenges in sustaining reliable operations and preparing for future needs.

To address this, MPI has established a structured approach to technology investments, ensuring that IT supports business priorities, enhances security, and meets customer expectations.

### **System and Platform Renewal & Maintenance**

MPI is making structured, annual investments to modernize systems, mitigate IT vulnerabilities, and reduce the risk of outages. These efforts focus on:

- Replacing and upgrading aging platforms to enhance system reliability and minimize service disruptions.
- Ensuring IT infrastructure remains stable, secure, and aligned with business needs.
- Gradually reducing technical debt while ensuring future technology investments remain financially sustainable.

### **Security & Technology Risk Management**

Continuous investment in cybersecurity maturity ensures that MPI maintains a stable and protected technology environment. Key initiatives include:

- Enhancing security protocols, processes, and monitoring capabilities.
- Implementing proactive risk management strategies to protect customer data and business operations.
- Maintaining systems in a supported and secure state to prevent vulnerabilities.

### **Customer Needs and Digital Experience**

MPI's technology investments are informed by customer preferences and service expectations. While customers value digital services, they prioritize convenience, efficiency, and ease of use over cutting-edge innovation. MPI's digital strategy is focused on:

- Expanding digital service channels while maintaining traditional service options.
- Improving customer-facing platforms to ensure seamless, user-friendly interactions.
- Using feedback mechanisms to continuously refine digital offerings based on real customer needs.

### Internal IT Enhancements

To support broader operational and strategic goals, MPI is investing in internal IT capabilities to ensure employees have the tools and infrastructure needed to deliver on MPI's mandate. Key areas of focus include:

- **Cloud & Next-Generation Technologies** – Transitioning from on-premises infrastructure to cloud-based solutions for scalability, security, and resilience.
- **Data & Analytics** – Strengthening data infrastructure to improve reporting, predictive analytics, and AI-driven decision-making.
- **Digital Workplace** – Enhancing collaboration tools and modernizing workflows to boost efficiency.
- **Integration, Testing & Automation** – Increasing self-sufficiency in managing IT dependencies and reducing reliance on external vendors.
- **Enterprise Content Management** – Improving document and content management platforms to support a paperless, digital-first approach.

### Driving Simplification, Efficiency, and Long-Term Growth

MPI's technology strategy is designed to deliver near-term efficiency gains while establishing a strong foundation for long-term growth and flexibility. By modernizing systems, strengthening security, and aligning IT with business and customer needs, MPI is ensuring that technology investments support a more responsive, efficient, and customer-centric organization.

## 3.2 External Environment

MPI operates in an external environment influenced by economic conditions, industry trends, regulatory frameworks, and evolving customer expectations. As a public insurer, we remain responsive to these factors while ensuring our decisions align with long-term stability and affordability for Manitobans.

### 3.2.1 Macro-Economic Conditions

Economic pressures such as inflation, rising repair costs, and changes in customer demand impact MPI's financial outlook. Key trends include:

- **Increased Auto Repair Costs** – Higher parts prices, labor costs, and vehicle values are contributing to higher claim severity.
- **Inflationary Pressures on Insurance Costs** – Health care costs, medical supply expenses, and vehicle-related expenses continue to drive up claim costs.
- **Population Growth & Demand for Services** – Manitoba's rising immigration levels increase demand for driver licensing and vehicle registration, reinforcing the need for sustainable service delivery models.

MPI is proactively addressing these trends through strategic financial management, risk mitigation, and long-term business planning.

### 3.2.2 Industry Trends and Competitive Landscape

The insurance and automotive industries continue to evolve, impacting MPI's operating environment:

- **Hardened Special Risk Extension (SRE) Market** – Rising liability claims and reinsurance costs for trucking and commercial businesses pose challenges. MPI is implementing comprehensive underwriting changes to ensure long-term sustainability.
- **Shifts in Auto Repair Industry** – Technological advancements in vehicle manufacturing are increasing repair complexity and costs. MPI is adapting claims processes to align with evolving repair standards.

MPI remains committed to responding to these trends while ensuring our insurance model remains financially sustainable and competitive.

### 3.2.3 Road Safety

As a public insurer with a road safety mandate, MPI continues investing in initiatives to reduce traffic-related injuries and fatalities. Key priorities include:

**Focusing on Top Risk Factors** – Addressing speeding, impaired driving, distraction, and non-use of seatbelts through targeted education and enforcement support.

**Expanding Indigenous Road Safety Engagement** – Strengthening partnerships with northern and First Nations communities to improve access to road safety education.

**Enhancing Driver Training Programs** – Expanding access to adult driver education in underserved communities through partnerships with post-secondary institutions.

MPI also co-chairs the Provincial Road Safety Committee and engages industry partners to ensure a coordinated, data-informed approach to improving road safety outcomes.

## 4.0 Executing on our Strategic Plan

The 2025/26 fiscal year introduces a structured approach to executing on our strategic plan through the governance of our five pillars and strategic programs.

The efforts planned for 2025/26 maintain a focus on stabilizing the organization, commit to efforts MPI can achieve within its current complement of resources and within its financial means, and ensures potential change impacts recognize the existing efforts to modernize IT legacy systems.

### Year 1: 2025/26 Strategic Programs

Make Customer Experience with Us Faster and More Reliable

Better and Faster Customer Feedback

Create a Workplace Culture that Supports our Team

Listen to Our Employees to Improve Service

Build a More Inclusive and Accessible Organization

Honour Our Commitment to Truth and Reconciliation

Plan for the Workforce of the Future

Use Better Data to Support Confident Decisions

Ensure Strong Governance for Projects and Operations

Strengthen our SRE Line of Business

Strengthen our Basic Line of Business

Strengthen our DVA Line of Business

Design a Service Model for the Future

Protect Our Technology and Systems

Pace Technology Enhancements to Meet Expectations

## 5.0 Performance Measures and Targets

To ensure accountability, MPI will track nine key performance indicators across five dimensions:

Affordability	Financial Stability	Operational Effectiveness	Customer Value	Corporate Responsibility
1. Average Insurance Premium as a % of Median Income	2. MCT by LOB within Target	3. Employee Engagement Score 4. Technology Risk Score 5. % Planned Work Complete* 6. Expense Dollar per Vehicle Registered	7. Customer Experience Index	8. Customer Confidence in MPI Mission Delivery  9. # of Manitobans Reached through Community Programs and Campaigns

\*On time and within budget

Baselines and annual targets for each of the measures will be established in 2025/26. These measures ensure that progress is tracked, assessed, and refined over time.



## 6.0 Risks

Effective risk management is essential to MPI's financial stability, operational effectiveness, and ability to deliver on its mandate. Each year, MPI identifies, assesses, and prioritizes key risks to ensure resources are allocated efficiently and mitigation strategies are in place.

In late 2024/25, MPI's Executive Risk Management Committee will review and update the organization's top risks, which will be monitored throughout 2025/26. This ensures that risk management remains integrated into corporate decision-making, enabling MPI to navigate challenges while maintaining long-term stability and resilience.

## 7.0 Capital Reserves

As mandated by Section 18 of the MPIC Act, MPI must maintain capital reserves to ensure its financial stability. These reserves are crucial for covering any unforeseen or unknown events that may affect MPI's insurance operations. In November 2022, an amendment to Section 18 of the MPIC Act introduced legislated capital targets.

To comply with Section 18, MPI created a Capital Management Plan aimed at achieving and maintaining the required capitalization for the Basic line of business. This plan employs the Minimum Capital Test (MCT), a standard developed by the Office of the Superintendent of Financial Institutions (OSFI) to oversee all federally regulated property-and-casualty (P&C) insurers. The MCT evaluates various risks faced by P&C insurers, including:

- Insurance risk
- Market risk
- Credit risk
- Operational risk

Further to this, the Capital Management Plan outlines:

- The criteria and processes for applying for a capital rebate when the MCT ratio surpasses the upper limit.
- The criteria and processes for implementing a capital build when the MCT ratio falls below the target.

## 8.0 Statement of Operations

(C\$ 000s, rounding may affect totals)

	<i>For the Years Ended March 31</i>		
	<b><u>2024A</u></b>	<b><u>2025BF</u></b>	<b><u>2026F</u></b>
<b>CORPORATE</b>			
Insurance revenue	1,579,340	1,647,736	1,753,771
Insurance service expenses	(1,718,831)	(1,503,945)	(1,621,709)
Recovered claims from reinsurance contracts	135,500	5,919	8,778
Expenses from reinsurance contracts held	(31,030)	(37,285)	(45,323)
<b>Insurance service result</b>	<b>(35,021)</b>	<b>112,425</b>	<b>95,517</b>
<b>Net investment income</b>	<b>97,774</b>	<b>208,882</b>	<b>154,435</b>
Finance expenses from insurance contracts issued	(79,339)	(145,117)	(107,799)
Finance income from reinsurance contracts held	3,111	5,434	1,357
<b>Net insurance finance expenses</b>	<b>(76,228)</b>	<b>(139,683)</b>	<b>(106,442)</b>
<b>Net insurance and investment result</b>	<b>(13,475)</b>	<b>181,624</b>	<b>143,510</b>
Other income	66,092	61,948	62,256
Other operating expenses	(182,163)	(197,256)	(196,434)
Gain (loss) on disposal of property and equipment	44	-	-
<b>Net income from operations</b>	<b>(129,502)</b>	<b>46,316</b>	<b>9,332</b>

Note: For additional information on the financials of MPI, please refer to the most recent Annual Report, available at [mpi.mb.ca](https://mpi.mb.ca).

## 8.1 Key Planning Assumptions

Key assumptions include:

- The Basic line of business reflects an overall rate increase of 5.7%, as directed by the PUB Order 2/25.
- The Extension line of business reflects an overall rate increase of 2%.
- The SRE line of business reflects an overall rate increase of 13%.
- A cost recovery of \$42.25 million has been estimated for 2025/26 to capture partial cost recovery for the DVA program that is administered on behalf of GOM.
- Updated interest rates over the entire forecast period based on August 31, 2024, interest rates.
- An increase of \$10 to the premiums charged with respect to compulsory driver insurance.
- No significant changes to operations that would impact long-term fleet growth, vehicle upgrade over the outlook period.
- A collision frequency decrease included to account for a continuation of some people working from home.
- Corporate operating expenses remain relatively flat from 2024/25 to 2025/26.

## 8.2 Sensitivity Analysis

As MPI matures its Capital Management operations, a key objective is to develop Financial Condition Testing (FCT) reports for its insurance lines of business. The results from the 2024 FCT report for Basic and Extension are presented below.

### Basic

The 2024 Basic Financial Condition Testing report indicates that the future financial condition of MPI's Basic line of business is satisfactory, provided that corrective management actions are taken.

According to the FCT standard, there are two types of adverse scenarios: Solvency and Going Concern. For MPI's Basic line of business to be considered "Satisfactory", the following thresholds must be met:

Scenario	Threshold
Base	MCT $\geq$ 100%
Going Concern	MCT $\geq$ 38%
Solvency	Statement Value of Assets > Statement Value of Liabilities

A Solvency scenario involves testing plausible adverse scenarios at the 99th percentile. The table below details the resulting surplus and the MCT ratio under the various scenarios tested, ranked by the largest change in Basic's equity in the second or third projection year.

Solvency Scenarios	2025/26 Equity	2026/27 Equity	2025/26 MCT Ratio	2026/2027 MCT Ratio	Largest Impact to Equity	Year of Largest Impact
Base Scenario	549,542	587,608	99.2%	99.7%		
Inflation w/o Management Action	499,858	310,620	91.5%	40.8%	(276,988)	2026/27
Combined	433,102	355,483	78.5%	54.5%	(232,125)	2026/27
Market and Credit - Deterioration of Asset Values w/o Management Action	330,069	557,895	57.2%	90.7%	(219,473)	2025/26
Liability for Incurred Claims w/o Management Action	427,435	396,695	69.4%	55.9%	(190,913)	2026/27
Claim Frequency & Severity - Loss Ratio	371,553	421,665	55.0%	59.6%	(177,989)	2025/26
Market and Credit - Interest Rate Decrease w/o Management Action	457,238	640,211	67.1%	112.8%	(92,304)	2025/26
Claim Frequency & Severity - Catastrophe (1 in 100) w/o Management Action	497,435	533,487	86.4%	87.4%	(54,121)	2026/27
Claim Frequency & Severity - Cyber w/o Management Action	528,897	566,399	94.2%	94.8%	(21,209)	2026/27

A Going Concern scenario involves testing plausible adverse scenarios at the 90th percentile. The chart below outlines the scenarios examined and their outcomes for the Basic line of business:

Going Concern	2025/26 Equity	2026/27 Equity	2025/26 MCT Ratio	2026/2027 MCT Ratio	Largest Impact to MCT Ratio	Year of Largest Impact
Base Scenario	549,542	587,608	99.2%	99.7%		
Claim Frequency & Severity - Loss Ratio w/o Management Action	399,778	354,128	62.6%	46.7%	-53.0%	2026/27
Market and Credit - Deterioration of Asset Values w/o Management Action	406,615	571,871	72.6%	93.9%	-26.5%	2025/26
Liability for Incurred Claims w/o Management Action	482,241	482,384	82.5%	75.2%	-24.6%	2026/27
Combined w/o Management Action	472,365	444,159	87.3%	75.3%	-24.5%	2026/27
Market and Credit - Interest Rate Decrease w/o Management Action	521,164	611,872	86.7%	105.7%	-12.5%	2025/26
Inflation w/o Management Action	620,391	602,417	119.0%	107.9%	8.2%	2026/27

The full analysis can be found in the 2024 Basic FCT report.

## Extension

The 2024 Extension Financial Condition Testing report indicates that the future financial condition of MPI's Extension line of business is satisfactory, provided that corrective management actions are taken.

The thresholds for Extension are different from the Basic line of business and are outlined below:

Scenario	Threshold
Base	MCT $\geq$ 200%
Going Concern	MCT $\geq$ 100%
Solvency	Statement Value of Assets > Statement Value of Liabilities

A Solvency scenario involves testing plausible adverse scenarios at the 99th percentile. The table below details the resulting surplus and the MCT ratio under the various scenarios tested, ranked by the largest change in Extension's equity in the second or third projection year.

Solvency Scenarios	2025/26 Equity	2026/27 Equity	2025/26 MCT Ratio	2026/2027 MCT Ratio	Largest Impact to Equity	Year of Largest Impact
Base Scenario	110,499	122,561	199.6%	199.5%		
Market and Credit - Deterioration of Asset Values w/o Management Action	83,893	121,460	149.0%	194.7%	(26,607)	2025/26
Claim Frequency & Severity - Loss Ratio	85,236	102,749	124.9%	142.6%	(25,263)	2025/26
Combined	86,846	106,659	147.9%	162.1%	(23,653)	2025/26
Claim Frequency & Severity - Cyber w/o Management Action	88,609	99,949	139.7%	141.5%	(22,612)	2026/27
Liability for Incurred Claims w/o Management Action	105,109	109,742	184.5%	165.8%	(12,819)	2026/27

A Going Concern scenario involves testing plausible adverse scenarios at the 90th percentile. The chart below outlines the scenarios examined and their outcomes for the Extension line of business:

Going Concern	2025/26 Equity	2026/27 Equity	2025/26 MCT Ratio	2026/2027 MCT Ratio	Largest Impact to MCT Ratio	Year of Largest Impact
Base Scenario	110,499	122,561	199.6%	199.5%		
Claim Frequency & Severity - Loss Ratio w/o Management Action	89,100	89,124	140.7%	114.2%	-85.3%	2026/27
Combined w/o Management Action	84,687	87,563	145.7%	124.5%	-75.0%	2026/27
Market and Credit - Deterioration of Asset Values w/o Management Action	93,077	121,994	168.1%	196.5%	-31.5%	2025/26
Liability for Incurred Claims w/o Management Action	107,529	115,496	191.2%	180.8%	-18.7%	2026/27

The full analysis can be found in the 2024 Extension FCT report.

## 9.0 Human Resources

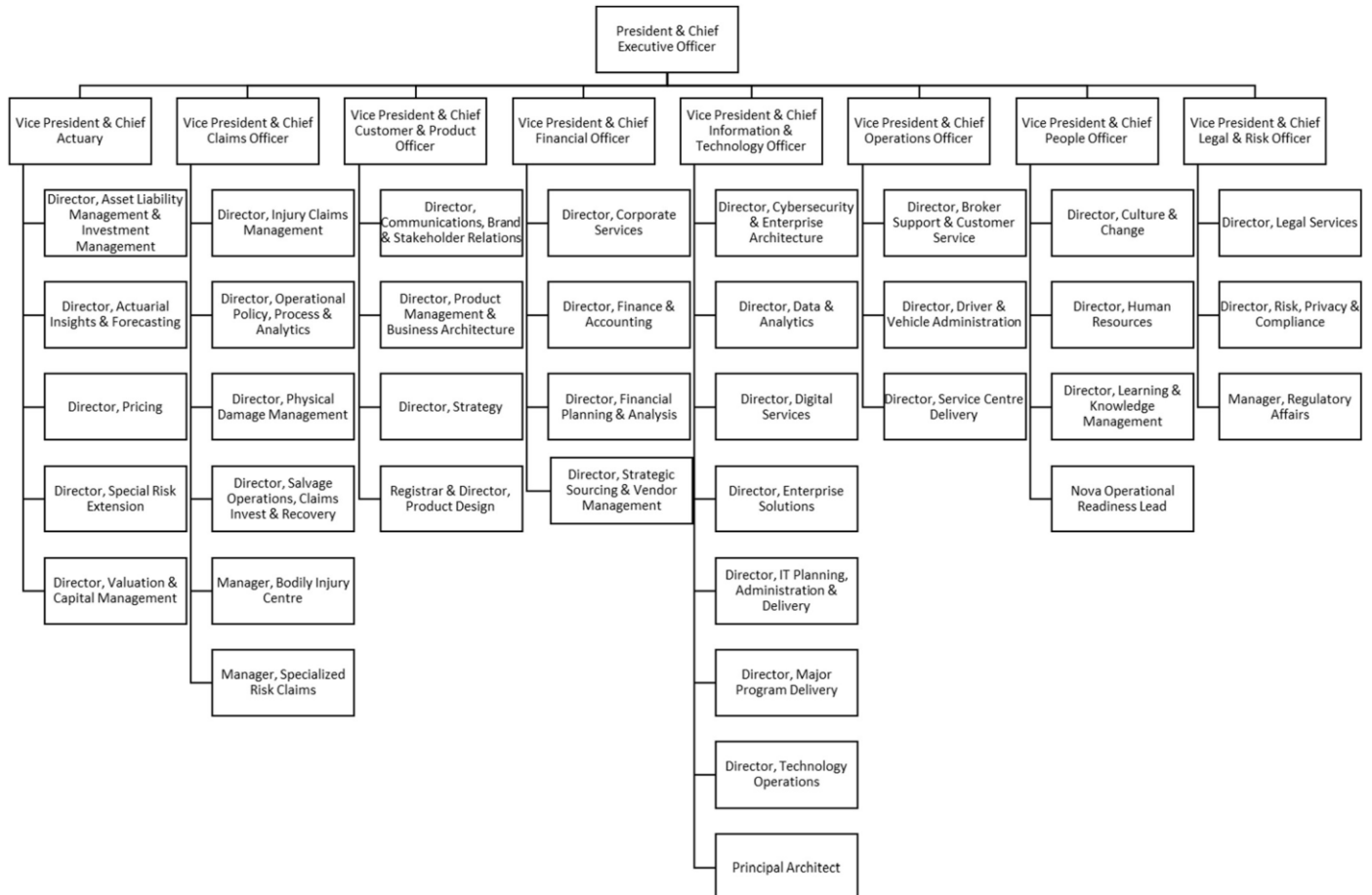
MPI employees work from offices and service centres in 12 communities across Manitoba: Arborg, Beausejour, Brandon, Dauphin, Portage la Prairie, Selkirk, Steinbach, Swan River, the Pas, Thompson, Winkler and Winnipeg.

### 9.1 Full-Time Employees

Normal Ops		
	Budget 2024/25	Budget 2025/26
Senior Management	54.00	40.00
Management	118.00	102.00
Employees	1874.75	1885.75
Total	2046.75	2027.75
Specialty Program	9.00	11.00
Total	2046.75	2027.75
Improvement Initiatives		
	Budget 2024/25	Budget 2025/26
Senior Management	1.67	1.24
Management	7.33	5.47
Employees	58.04	43.29
Total	67.04	50.00
Total Corporate	2122.79	2088.75

## 9.2 Organizational Chart

The organizational chart shows senior roles organized across eight divisions to best realize our corporate priorities. Structure may be subject to change pending outcomes of the organizational review and stability with permanent Executive leadership.





## 10.0 Capital Plans

The Corporation does not debt finance any of its project initiatives. All of MPI's capital projects will be financed through cash generated from operations, and ultimate project costs will be recovered by insurance rate payers as programs are amortized over time and included in future years' base expenses for purposes of rate setting (to the extent the projects relate to the Corporation's Basic, Extension, SRE and DVA lines of business).

Annual Business Plan 2025/26 Improvement Initiatives				
(\$000's)	LTD Forecasted Spend to March 31 2025	Proposed Budget 2025/26	Remaining forecasted spend for future years	Total Forecast at Completion
<b>Technology Modernization</b>	181,698	<b>35,726</b>	56,121 *	273,545 *
MPI's ongoing technology modernization efforts aim to transform its in-house legacy applications and technology footprint, enhancing the delivery of services across personal and commercial automobile insurance, driver licensing, vehicle registration and associated registries, and physical damage claims.				
*Project total forecast to completion includes contingency of \$49.7 million.				
<b>Ongoing Technology Costs</b>	63,043	<b>30,499</b>	16,921	110,463
Ongoing Technology Costs include cloud subscription expenses for licensing, application maintenance and support.				
<b>Lean Portfolio Management - 2025/26</b>	-	<b>9,000</b>	-	9,000
Implement projects that focus on growing and transforming MPI				
<b>Sub-Total IT Projects</b>	244,741	<b>75,225</b>	73,042	393,008
Administrative Capital <sup>^</sup>	94,031	<b>21,303</b>	34,220	149,554
Investment Capital	8,183	<b>463</b>	744	9,390
<b>Grand Total</b>	346,955	<b>96,991</b>	108,006	551,952
<sup>^</sup> Includes Cityplace Space Plan initiative, Cityplace Tenant Fit-ups and other building location projects.				