

2025/26 First Quarter

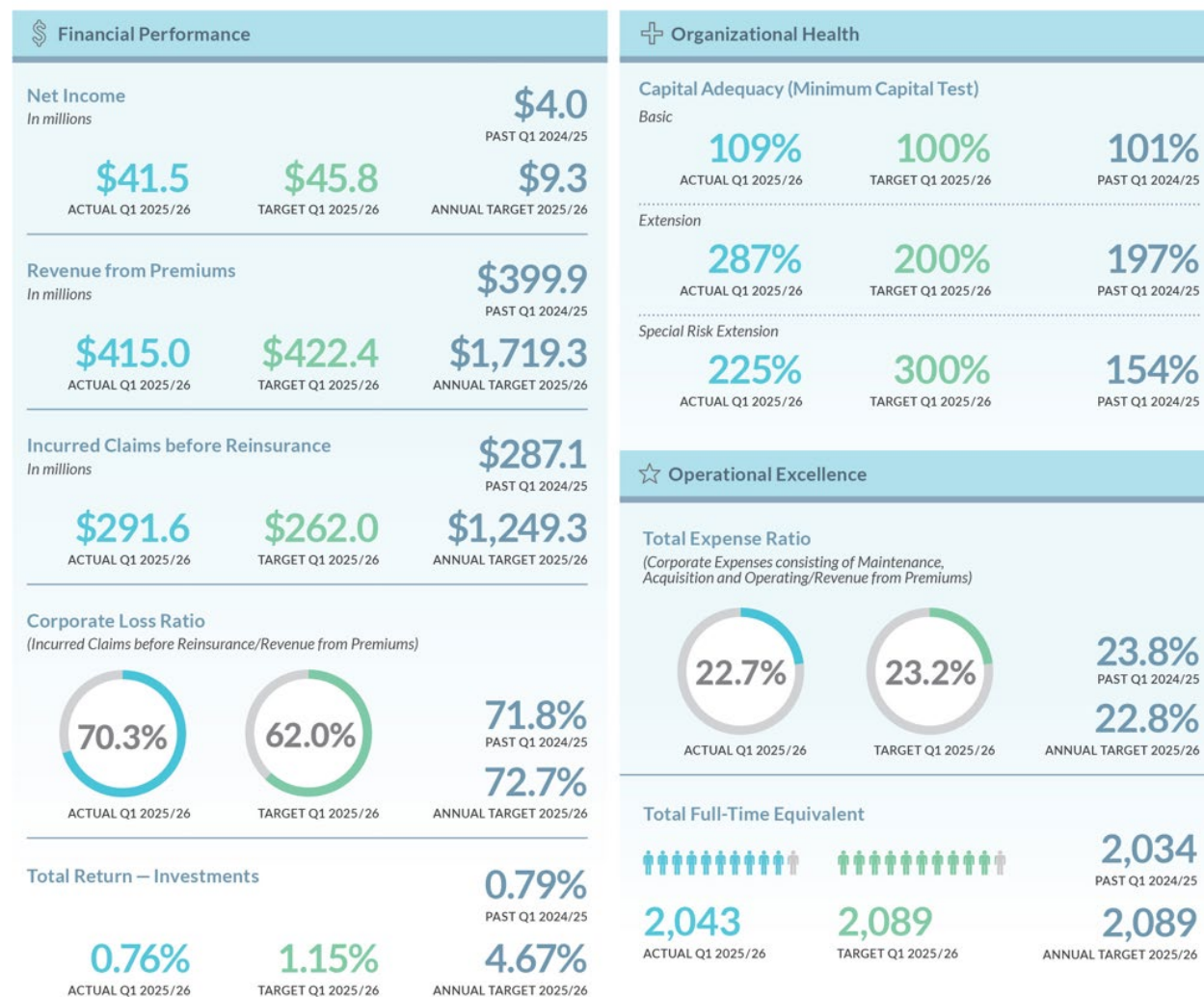
Condensed Interim Financial Statements
For the three-month period ended June 30, 2025
Including Management Discussion and Analysis
(unaudited)



MANITOBA
PUBLIC INSURANCE

Q1 Corporate Performance Measures and Targets

For the three months ended June 30, 2025



Manitoba Public Insurance Corporation

Management Discussion and Analysis

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

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 three-month period ended June 30, 2025. This MD&A is intended to enable the reader to assess our results of operations and financial condition for the three-month period ended June 30, 2025, compared to the corresponding periods in 2024. It should be read in conjunction with our interim condensed financial statements, as well as the MD&A and the 2024/25 annual audited financial statements and supporting notes found in the Corporation's 2024 Annual Report.

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

Results of Operations

The Corporation reported net income from operations of \$41.5 million for the three-month period ended June 30, 2025, as compared to net income of \$4.0 million for the same period in 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 net income of \$25.8 million as compared to a net income of \$14.0 million for the same period in the prior year. The Insurance service result was \$26.2 million as compared to \$25.4 million for the prior year.
- The Extension line of business reported net income of \$20.5 million net income as compared to a net income of \$2.9 million for the same period in the prior year. The Insurance service result was \$19.2 million as compared to \$4.7 million for the prior year.
- The Special Risk Extension (SRE) line of business reported a net loss of \$4.4 million as compared to a net loss of \$7.6 million for the same period in the prior year. The Insurance service result was a loss of \$2.1 million as compared to a loss of \$4.9 million for the prior year.
- *The Drivers and Vehicles Act* operations (DVA) line of business reported a net loss of \$0.4 million as compared to a net loss of \$5.3 million for the same period in the prior year.

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 3.8 per cent or \$15.5 million to \$424.5 million for the three-month period ended June 30, 2025, as compared to the prior year. Total insurance revenue for the Corporation is comprised of insurance revenue from three lines of business: Basic, Extension and SRE. The revenue reported by each of these lines of business is approximately 76 per cent, 14 per cent and 10 per cent, respectively, of the Total insurance revenue for the Corporation.

The Basic insurance line of business is subject to regulation by the Public Utilities Board of Manitoba. Rates and premiums are set annually through a General Rate Application (GRA). The Extension and SRE lines of business are not subject to regulation.

Total insurance revenue for the Basic line of business increased by 3.7 per cent or \$11.6 million to \$322.3 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. The Public Utilities Board 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 GRA process beginning in June each year, to establish rates and fees that are effective for the subsequent fiscal year. On January 7, 2025, the Public Utilities Board issued Order No. 2/25 for an overall 5.7 per cent rate increase. This 5.7 per cent increase consists of a 7.9 per cent increase to vehicle premiums and a 2.04 per cent decrease due to the change in the Driver Safety Rating Scale. In addition, the Public Utilities Board approved Manitoba Public Insurance's request to raise compulsory driver insurance premiums by \$10. Changes in revenue outside of a Public Utilities Board order reflect underlying changes in policy volume and timing of renewals related to same in the period.

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

Insurance revenue for the Extension line of business increased by 15.2 per cent or \$7.8 million to \$59.5 million for the three-month period ended June 30, 2025, as compared to the same period last year. The increased revenue in the Extension line of business reflects an overall increased demand for Extension products with highest increases for such products as: reducing deductible to \$200 (8.5 per cent increase over prior year), maximum insured vehicle coverage (20.3 per cent increase over prior year) and new/leased car protection (15.9 per cent increase over prior year).

Insurance revenue for the SRE line of business decreased 8.4 per cent or \$3.9 million to \$42.6 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. The decreased revenue in the SRE line of business reflects the increased rate activity in the prior year coupled with a decrease in policy size in the current period.

Incurring Claims

Incurred claims are a function of both frequency (the number of claims made) and severity (how expensive is the actual or expected injuries, repairs, or total loss), as well as 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 increased by 1.6 per cent or \$4.6 million to \$291.6 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. The Basic and Extension lines of business experienced increased incurred claims over the prior year. This increase is attributable to increased claims volume in comprehensive and collision claims.

Basic Line of Business

Incurred claims for the Basic line of business increased 3.5 per cent or \$7.9 million to \$233.9 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. The loss ratio for the three-month period was 74.4 per cent as compared to 74.5 per cent for the same period in the prior year.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) decreased by 8.4 per cent or \$16.0 million to \$174.7 million for the three-month period ended June 30, 2025, as compared to the prior year. More specifically,

- Collision increased by 7.6 per cent or \$8.4 million to \$119.8 million. For the three-month period ended June 30, 2025, the estimated cost for collision claims is 38.1 per cent of the Revenue from premiums.
- Comprehensive non-hail increased by 54.7 per cent or \$14.4 million.
- Comprehensive hail decreased by 105.9 per cent or \$41.6 million. The prior year's results include impacts from hail events during the first quarter.
- Property damage incurred claims increased by 21.1 per cent or \$2.8 million.

Bodily injury claims (excluding inflation, discount rate impact and risk adjustment) increased 3.3 per cent or \$2.4 million to \$75.2 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. The impact of inflation increased outstanding bodily injury obligations by \$15.0 million for the three-month period ended June 30, 2025, as compared to a reduction of \$16.1 million in the same period of the prior year.

Impacts from discount rates were favourable by \$8.1 million and impacts from risk adjustments were favourable by \$1.5 million, as compared to the same period of the prior year.

Extension Line of Business

Incurred claims for the Extension line of business decreased by 21.5 per cent or \$6.5 million to \$23.8 million for the three-month period ended June 30, 2025, as compared to the prior year. The loss ratio for the three-month period was 41.0 per cent as compared to 60.4 per cent for the same period in the prior year. The prior year's results include impacts from a hail event in the first quarter.

Special Risk Extension Line of Business

Incurred claims for the SRE line of business increased by 10.4 per cent or \$3.2 million to \$33.9 million for the three-month period ended June 30, 2025, as compared to the prior year. More specifically,

- Public liability (excluding discount rate impact and risk adjustment) increased by 122.9 per cent or \$13.6 million to \$24.6 million.
- Physical damage (excluding discount rate impact and risk adjustment) decreased by 44.0 per cent or \$9.0 million to \$11.4 million.

The loss ratio for the three-month period was 79.5 per cent compared to 66.0 per cent for the same period in the prior year.

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

Net Income (Expense) from Reinsurance Contracts

The Corporation follows a practice of obtaining reinsurance coverages for both casualty and catastrophic events to limit its exposure to losses. The Net income from reinsurance contracts increased by \$10.1 million to a loss of \$3.3 million for the three-month period ended June 30, 2025, as compared to the same period in the prior year. This reflects the claims incurred volume and eligibility for recovery from reinsurers. Premiums paid for the reinsurance program were \$9.4 million compared to \$10.1 million for the same period of the prior year.

Net Insurance Financial Income (Expense)

Net insurance financial income was \$8.8 million for the three-month period ended June 30, 2025, as compared to net insurance financial expense of \$16.2 million, for the same period in the prior year. This reflects the change in discount rates on 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).

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

For the three months ended June 30	2025	2024
Compensation	57,957	55,617
Data processing	18,682	20,072
Special services	2,080	3,652
Merchant fees and bank charges	2,968	2,738
Buildings	1,687	1,634
Other	1,489	1,546
Postage	1,344	1,460
Printing, stationery and supplies	866	1,061
Furniture and equipment	627	1,129
Driver education program	1,345	841
Regulatory/appeal	861	824
Grants in lieu of taxes	449	483
Telephones	377	353
Travel and vehicle	202	326
Public information/advertising	203	197
Safety/loss prevention programs	(396)	(246)
	90,741	91,687
Commissions-policy	27,068	22,454
Commissions-non-policy	1,674	1,659
Premium taxes	12,690	11,063
	41,432	35,176
Amortization of deferred development costs	1,608	1,762
Depreciation of operating property and equipment	1,755	1,584
	3,363	3,346
Total	135,536	130,209

Total corporate operating expenses including commissions and premium taxes increased 4.1 per cent or \$5.3 million to \$135.5 million.

Capital Management

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 a minimum MCT target of 100 per cent. MCT as at June 30, 2025, was 109 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 June 30, 2025, was 287 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 June 30, 2025, was 225 per cent. The target MCT is set out in *The Manitoba Public Insurance Corporation Act*.

Outlook

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

On June 25, 2025, MPI filed its General Rate Application (GRA) with the Public Utilities Board (PUB), requesting an overall 2.07 per cent rate increase. This 2.07 per cent increase consists of a 7.02 per cent increase to vehicle premiums and a 4.62 per cent decrease due to the change in the Driver Safety Rating Scale (the overall increase reflects the compounding of both rate changes). The rate changes take effect April 1, 2026.

Condensed Interim Statement of Financial Position

	Notes	June 30, 2025	March 31, 2025
Assets			
Cash and cash equivalents	5	195,437	188,683
Accounts receivable		174,710	148,404
Prepaid expenses		5,921	3,018
Investments	5	3,544,628	3,587,114
Investment property	5	12,321	12,420
Reinsurance contract assets	7	63,440	74,043
Property and equipment		172,816	174,017
Deferred development costs		53,609	54,262
		4,222,882	4,241,961
Liabilities			
Accounts payable and accrued liabilities		34,337	52,797
Deferred revenue		27,766	33,204
Lease obligation		6,844	6,865
Provision for employee current benefits		32,715	31,149
Provision for employee future benefits		482,608	486,061
Insurance contract liabilities	7	2,862,435	2,905,897
		3,446,705	3,515,973
Equity			
Retained earnings		763,127	721,620
Accumulated other comprehensive income		13,050	4,368
		776,177	725,988
		4,222,882	4,241,961

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

Condensed Interim Statement of Operations

	Notes	For the 3 months ended June 30, 2025	For the 3 months ended June 30, 2024
Revenue from premiums		415,028	399,944
Other insurance revenue		9,489	9,084
Insurance revenue		424,517	409,028
Incurred claims		291,614	287,060
Maintenance expense		44,017	44,607
Acquisition expense:			
Commission		27,068	22,454
Premium taxes		12,690	11,063
Other		2,541	5,302
Total insurance service expense		377,930	370,486
Insurance service result before reinsurance contracts		46,587	38,542
Net expense from reinsurance contracts held		(3,273)	(13,344)
Insurance service result		43,314	25,198
Investment income	6	22,394	25,757
Insurance finance income (expense)	6	8,599	(17,501)
Reinsurance finance income (expense)	6	152	1,315
Net insurance financial result		8,751	(16,186)
Net insurance and investment result		74,459	34,769
Service fees and other revenue		6,384	5,992
<i>The Drivers and Vehicles Act</i> operations recovery		10,050	10,050
Total other revenues		16,434	16,042
Commission expense - non-policy		1,674	1,659
Operating expenses		47,546	45,124
Total other expenses		49,220	46,783
Loss on disposal of property and equipment		(166)	-
Net income attributable to Owner of the Corporation		41,507	4,028

Condensed Interim Statement of Comprehensive Income

	For the 3 months ended June 30, 2025	For the 3 months ended June 30, 2024
Net income attributable to Owner of the Corporation	41,507	4,028
Other comprehensive income (loss)		
Items that will not be reclassified to income		
Remeasurement of employee future benefits	8,682	(5,575)
Other comprehensive income (loss) for the period	8,682	(5,575)
Total comprehensive income (loss) attributable to Owner of the Corporation	50,189	(1,547)

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

Condensed Interim Statement of Changes in Equity

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity
Balance as at April 1, 2024	741,307	21,343	762,650
Net income attributable to Owner of the Corporation	4,028	-	4,028
Other comprehensive loss for the period	-	(5,575)	(5,575)
Balance as at June 30, 2024	745,335	15,768	761,103
Balance as at April 1, 2025	721,620	4,368	725,988
Net income attributable to Owner of the Corporation	41,507	-	41,507
Other comprehensive income for the period	-	8,682	8,682
Balance as at June 30, 2025	763,127	13,050	776,177

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

Condensed Interim Statement of Cash Flows

	For the 3 months ended June 30, 2025	For the 3 months ended June 30, 2024
Cash Flows from (to) Operating Activities:		
Net income attributable to Owner of the Corporation	41,507	4,028
Non-cash items:		
Depreciation of property and equipment, and investment property	1,858	1,679
Amortization of deferred development costs	1,608	1,762
Amortization of bond discount and premium	(1,285)	(1,773)
Gain on sale of investments	(33,451)	(2,632)
Unrealized loss on investments	34,904	2,734
Loss on disposal of property and equipment	166	-
	51,229	5,798
Net change in non-cash balances:		
Accounts receivable	(26,306)	4,545
Prepaid expenses	(2,903)	(7,917)
Reinsurance contract assets	10,603	(4,591)
Accounts payable and accrued liabilities	(18,460)	(28,186)
Deferred revenue	(5,438)	55
Provision for employee current benefits	1,566	1,078
Provision for employee future benefits	5,229	3,769
Insurance contract liabilities	(43,462)	(45,156)
	(79,171)	(76,403)
	(27,942)	(70,605)
Cash Flows from (to) Investment Activities:		
Purchase of investments	(452,966)	(373,649)
Proceeds from sale of investments	495,285	390,707
Acquisition of property and equipment	(559)	(1,268)
Proceeds from disposal of property and equipment	(166)	-
Lease obligation	(21)	(14)
Deferred development costs incurred	(6,877)	(3,466)
	34,696	12,310
Increase (decrease) in cash and cash equivalents	6,754	(58,295)
Cash and cash equivalents beginning of period	188,683	206,669
Cash and cash equivalents end of period	195,437	148,374

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

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 SRE 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 unaudited interim financial statements have been prepared based on principles and guidance provided under International Financial Reporting Standards (IFRS).

These unaudited interim financial statements do not include all of the note disclosures normally included in the annual financial statements. As such, these unaudited financial statements should be read in conjunction with the Corporation's annual financial statements for the fiscal year ended March 31, 2025. These financial statements have been prepared using the same accounting policies and methods applied in the annual audited financial statements.

These financial statements are presented in thousands of 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.

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, the Insurance service result from insurance contracts is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly by weather conditions which may vary significantly between quarters.

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.

3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation is provided in Note 3 to the annual financial statements for the fiscal year ended March 31, 2025, as provided in the Corporation's 2024 Annual Report. The accounting policies have been applied consistently to the periods presented, except for the new standards and amendments to existing standards adopted on April 1, 2025, as described in Note 4.

4. Changes in Accounting Policies

Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments and improvements to existing standards have been issued by the International Accounting Standards Board (IASB) over the past year. The standards that may be applicable to the Corporation are:

4.1.1 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 Corporation will be assessing the impact of adopting these amendments, which will be effective for years beginning on or after January 1, 2026.

4.1.2 IFRS 18 – Presentation and Disclosure in 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, with earlier application permitted. The Corporation will be 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 \$161.8 million (March 31, 2025—\$121.9 million) comprised of provincial short-term deposits with effective interest rates of 2.49 per cent to 2.60 per cent (March 31, 2025—2.39 per cent to 2.59 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, 2025—\$10.0 million). The unsecured operating line of credit remained unutilized at June 30, 2025 (March 31, 2025—nil).

Cash, Cash Equivalents and Investments

The following tables present the carrying values of cash, cash equivalents and investments held by the Corporation, according to their classification as defined by IFRS.

	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
As at June 30, 2025				
Cash and cash equivalents	195,437	-	-	195,437
Bonds				
Federal	-	105,792	-	105,792
Manitoba:				-
Provincial	13,990	107,988	-	121,978
Municipal	-	103,985	-	103,985
Schools	-	270,382	-	270,382
Other provinces:				-
Provincial	87,814	704,406	-	792,220
Municipal	3,523	52,151	-	55,674
Corporations	81,569	603,187	-	684,756
Total bonds	186,896	1,947,891	-	2,134,787
Private debt	267,608	-	-	267,608
Other investments	421	-	-	421
Infrastructure	212,054	-	-	212,054
Equity investments	430,923	-	-	430,923
Pooled commercial mortgage fund	109,700	-	-	109,700
Pooled real-estate fund	389,135	-	-	389,135
Investments	1,596,737	1,947,891	-	3,544,628
Investment property	-	-	12,321	12,321
Total	1,792,174	1,947,891	12,321	3,752,386

Manitoba Public Insurance Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

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

As at March 31, 2025	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
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
Total bonds	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 mortgage fund	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

6. Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the period and comparison with the same period prior year as well as the composition of the net reinsurance financial result reported in the Statement of Operations.

Investment Income and Net Insurance Financial Result

For the three months ended June 30	2025	2024
Investment income from interest, dividends and investment property	25,616	27,473
Net loss on investments	(1,453)	(102)
Investment management fees	(1,769)	(1,614)
Investment income	22,394	25,757
Insurance finance income (expense)	8,599	(17,501)
Reinsurance finance income	152	1,315
Net insurance financial result	8,751	(16,186)
Net insurance financial result and investment result	31,145	9,571

Manitoba Public Insurance Corporation

Notes to the Condensed Interim Financial Statements (unaudited)

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

Investment Income

For the three months ended June 30	2025	2024
Interest and similar income from securities classified as FVTPL	807	2,751
Interest and similar income from securities designated as FVTPL	21,012	20,518
Interest income	21,819	23,269
Dividend income from equities at FVTPL	3,499	3,925
Income from investment property	298	279
Investment income from interest, dividends and investment property	25,616	27,473
Net unrealized loss from financial instruments classified as FVTPL	(4,506)	(10,940)
Net unrealized gain (loss) from financial instruments designated as FVTPL	(30,398)	8,206
Net unrealized loss on investments	(34,904)	(2,734)
Net realized gain from financial instruments classified as FVTPL	33,975	3,069
Net realized loss from financial instruments designated as FVTPL	(524)	(437)
Net realized gain on investments	33,451	2,632
Net loss on investments	(1,453)	(102)
Investment management fees	(1,769)	(1,614)
Investment income	22,394	25,757

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 three months ended June 30	2025	2024
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	(20,733)	(24,235)
Changes in discount rate and other financial assumptions	29,332	6,734
Insurance finance expense from insurance contracts issued	8,599	(17,501)
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	354	1,131
Changes in discount rate and other financial assumptions	(202)	184
Reinsurance finance income	152	1,315
Net insurance financial result	8,751	(16,186)

7. Insurance and Reinsurance Contracts

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

	June 30, 2025	March 31, 2025
Liability for remaining coverage	386,391	379,647
Liability for incurred claims	2,476,044	2,526,250
Insurance contract liabilities	2,862,435	2,905,897
Asset for remaining coverage	-	1,740
Asset for reinsured claims	63,440	72,303
Reinsurance contract assets	63,440	74,043
Net insurance and reinsurance contracts	2,798,995	2,831,854

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 the Premium Allocation Approach (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 three months ended June 30, 2025				
Insurance contract liabilities, beginning of period	379,647	2,406,518	119,732	2,905,897
Changes in comprehensive income (loss):				
Insurance revenue	(424,517)	-	-	(424,517)
Insurance service expense:				
Incurred claims and other insurance expenses	-	389,519	16,264	405,783
Changes to liabilities for incurred claims prior year	-	(8,317)	(19,536)	(27,853)
Insurance service expense	-	381,202	(3,272)	377,930
Insurance service result from insurance contracts	(424,517)	381,202	(3,272)	(46,587)
Insurance finance expense	-	(8,599)	-	(8,599)
Total changes in comprehensive income (loss)	(424,517)	372,603	(3,272)	(55,186)
Cash flows:				
Premiums received	431,261	-	-	431,261
Claims and other expenses paid	-	(419,537)	-	(419,537)
Total cash flows	431,261	(419,537)	-	11,724
Insurance contract liabilities, end of period	386,391	2,359,584	116,460	2,862,435

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	Liability for Remaining Coverage	Liability for Incurred Claims Present Value of Future Cash Flows	Risk Adjustment	Total
For the three months ended June 30, 2024				
Insurance contract liabilities, beginning of period	344,169	2,389,184	119,815	2,853,168
Changes in comprehensive income (loss):				
Insurance revenue	(409,028)	-	-	(409,028)
Insurance service expense:				
Incurred claims and other insurance expenses	-	405,157	17,252	422,409
Changes to liabilities for incurred claims prior year	-	(32,259)	(19,665)	(51,924)
Insurance service expense	-	372,898	(2,413)	370,485
Insurance service result from insurance contracts	(409,028)	372,898	(2,413)	(38,543)
Insurance finance income	-	17,501	-	17,501
Total changes in comprehensive income (loss)	(409,028)	390,399	(2,413)	(21,042)
Cash flows:				
Premiums received	405,163	-	-	405,163
Claims and other expenses paid	-	(429,277)	-	(429,277)
Total cash flows	405,163	(429,277)	-	(24,114)
Insurance contract liabilities, end of period	340,304	2,350,306	117,402	2,808,012

Reinsurance Contract Assets

The Corporation applies PAA to measure reinsurance contracts in holds. The following tables present the change in the net asset reported for reinsurance contracts, showing 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 Present Value of Future Cash Flows	Risk Adjustment	Total
For the three months ended June 30, 2025				
Reinsurance contract assets, beginning of year	1,740	68,041	4,262	74,043
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(9,407)	-	-	(9,407)
Recoveries of incurred claims and other reinsurance service expenses	-	2,255	137	2,392
Prior period development	-	4,260	(519)	3,741
Net income from reinsurance contracts	(9,407)	6,515	(382)	(3,274)
Reinsurance finance income	-	152	-	152
Total changes in comprehensive income (loss)	(9,407)	6,667	(382)	(3,122)
Cash flows:				
Premiums paid	7,667	-	-	7,667
Amounts received	-	(15,148)	-	(15,148)
Total cash flows	7,667	(15,148)	-	(7,481)
Reinsurance contract assets, end of year	-	59,560	3,880	63,440

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	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
For the three months ended June 30, 2024				
Reinsurance contract assets, beginning of year	1,192	145,174	7,659	154,025
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(10,117)	-	-	(10,117)
Recoveries of incurred claims and other reinsurance service expenses	-	626	35	661
Prior period development	-	(1,794)	(2,094)	(3,888)
Net income from reinsurance contracts	(10,117)	(1,168)	(2,059)	(13,344)
Reinsurance finance income	-	1,315	-	1,315
Total changes in comprehensive income (loss)	(10,117)	147	(2,059)	(12,029)
Cash flows:				
Premiums paid	19,241	-	-	19,241
Amounts received	-	(2,621)	-	(2,621)
Total cash flows	19,241	(2,621)	-	16,620
Reinsurance contract assets, end of year	10,316	142,700	5,600	158,616