

MANITOBA PUBLIC INSURANCE
2022 GENERAL RATE APPLICATION
Confidential Information Requests with Public Responses
August 17, 2021

Public Utilities Board



**MANITOBA
PUBLIC INSURANCE**

PUB (MPI) CI 1-4 - CONFIDENTIAL

Part and Chapter:	Part VIII AR Appendix 1 - Confidential	Page No.:	8, Figure INV-2
PUB Approved Issue No:	4. Financial Forecast 8. Performance of the Investment Portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on market value basis		
Topic:	Investment Portfolio		
Sub Topic:	Financial Presentation		

Preamble to IR:**Question:**

Provide reconciliation between the Basic investment portfolio reported in the Basic annual report with that presented in the Application in Figure INV-2.

Rationale for Question:

To understand the financial presentation of the Basic investment portfolio.

RESPONSE:

The discrepancy between the Basic investment portfolio reported in the Basic annual report with that presented in the Application in Figure INV-2 resulted from the erroneous allocation of cash and short-term investments. MPI will refile Investments Chapter Figure INV-2 in order to ensure the alignment of the figures with the Basic audited financial statements.

Figure 1 Investment Portfolio Asset Values for the Basic Line of Business (updated Investments Chapter Figure INV-2)

Line No.	Reference Section #	2015/16 Actual*	2016/17 Actual*	2017/18 Actual*	2018/19 Actual*	2019/20 Actual*	2020/21 Actual**	2021/22 Budget	2022/23 Forecast	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast
1	<i>Ending Asset Values (C\$ 000,000's)</i>											
2	Cash/Short Term Investments	32	65	76	166	187	139	100	100	100	100	100
3	Provincial Bonds	898	972	984	1,111	1,199	1,230	1,301	1,316	1,404	1,506	1,608
4	Corporate Bonds			99	99	478	617	651	676	711	749	789
5	MUSH	530	569	527	491	520	494	488	481	472	462	451
6	Private Debt	0	0	0	0	79	115	140	208	226	246	266
7	Canadian Equities	256	282	226	267	56	110	114	129	142	155	169
8	US/Global Equities	142	138	124	133	107	146	159	177	193	210	228
9	Global LV Equities	0	0	0	0	54	82	88	100	109	120	131
10	Real Estate Investments	225	244	259	286	97	86	125	138	149	161	174
11	Infrastructure & Venture Capital	73	86	87	96	77	73	76	84	91	98	105
12	Total Assets	2,155	2,357	2,381	2,649	2,853	3,092	3,241	3,409	3,596	3,807	4,021
13	Ending Rebalanced Allocations (%)											
14	Cash/Short Term Investments	1.5%	2.8%	3.2%	6.3%	6.5%	4.5%	3.1%	2.9%	2.8%	2.6%	2.5%
15	Provincial Bonds	41.6%	41.3%	41.3%	42.0%	42.0%	39.7%	40.1%	38.6%	39.0%	39.6%	40.0%
16	Corporate Bonds	0.0%	0.0%	4.2%	3.7%	16.7%	19.9%	20.1%	19.8%	19.8%	19.7%	19.6%
17	MUSH	24.6%	24.2%	22.1%	18.5%	18.2%	16.0%	15.1%	14.1%	13.1%	12.1%	11.2%
18	Private Debt	0.0%	0.0%	0.0%	0.0%	2.8%	3.7%	4.3%	6.1%	6.3%	6.5%	6.6%
19	Canadian Equities	11.9%	12.0%	9.5%	10.1%	2.0%	3.6%	3.5%	3.8%	3.9%	4.1%	4.2%
20	US/Global Equities	6.6%	5.9%	5.2%	5.0%	3.7%	4.7%	4.9%	5.2%	5.4%	5.5%	5.7%
21	Global LV Equities	0.0%	0.0%	0.0%	0.0%	1.9%	2.7%	2.7%	2.9%	3.0%	3.1%	3.3%
22	Real Estate Investments	10.4%	10.4%	10.9%	10.8%	3.4%	2.8%	3.8%	4.0%	4.1%	4.2%	4.3%
23	Infrastructure & Venture Capital	3.4%	3.6%	3.6%	3.6%	2.7%	2.4%	2.4%	2.5%	2.5%	2.6%	2.6%
24	Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

25 * Actual (2014/15 - 2018/19) based on long-term basic line of business allocation applied to the entire portfolio

26 * 2019/20 and thereafter basic line of business has a segregated allocation and based on Basic Claims, RSR and pro-rata EFB asset values.

27 ** Investment balances reflect March 31, 2021 actuals.

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Part and Chapter:	Part IV NOV Appendix 4 – PWC Reports Confidential	Page No.:	5
PUB Approved Issue No:	10. Current IT Strategic Pan and IT Expenses and Projects, including Project Nova and other initiatives planned for or ongoing in the rating years		
Topic:	Project Nova		
Sub Topic:	PWC Reporting		

Preamble to IR:

PWC indicates:

"Nova is now moving into execution as Sprint 1 begins. A significant amount of deliverables were finished at the tail end of Discovery/Sprint 0, which will require further attention in Sprint 1 to ensure adequate quality."

Question:

- a) Please file the burn down report representing Sprint 0.
- b) Please provide Sprint 0 calendar.
- c) Please provide actual versus planned costs for Sprint 0.
- d) Please provide lessons learned from Sprint 0.

Rationale for Question:

To understand the status of the early progress of Nova executed through the SAFe Agile methodology.

RESPONSE:

a) MPI considered Sprint 0 to be a team mobilization, onboarding and readiness sprint. It was a planning sprint with System Integration partners designed to mitigate risk, avoid a fast start and ensure readiness for implementation. A NOVA System Integrator who leads two of its core functional streams suggested the use of a Sprint 0.

Sprint 0 focused on the following activities:

- Team mobilization and getting used to working in a pod
- Ensuring the placement and readiness of infrastructure environments
- Grooming user stories
- Setting up of the Continuous Integration/Continuous Delivery pipeline
- Branching and merging strategy review
- Finalization of data requirements
- Validation of requirements for the first release
- Multivendor collaboration activities
- Positioning of the business to be 1 sprint ahead
- Building out of common architect components
- Alignment to the Customer Experience strategy

b) Sprint 0 Calendar:

Sprint	Start	Finish
Sprint 0	1-Mar-21	28-Mar-21

c) Actual vs Planned Costs:

- Sprint 0 Forecast: \$4,731,521
- Sprint 0 Actuals: \$3,702,866

Note: Variance due to timing of vendor invoice.

d) Lessons Learned from Sprint 0:

- NOVA matured the use of Azure DevOps
- NOVA matured the use of GIT code repositories, which allows NOVA to manage change across multiple software configurations being performed by the development teams
- NOVA gained experience on how to execute sprint planning
- Refined the Risk, Action, Issue and Decision (RAID) process to incorporate Azure DevOps