

Benchmarking

Presented to: Public Utilities Board
Presented by: Manitoba Public Insurance
Michael Gandhi CA, CPA, MBA – Corporate Controller
Scott Patton – Customer Insights and Analytics



MANITOBA
PUBLIC INSURANCE

Agenda

- Current State
- Average Premium Growth Rate and Vehicle Rates Comparison and
- Serving Manitobans
- Operational Efficiency
- Advancing Operational Benchmarking
- IT Benchmarking



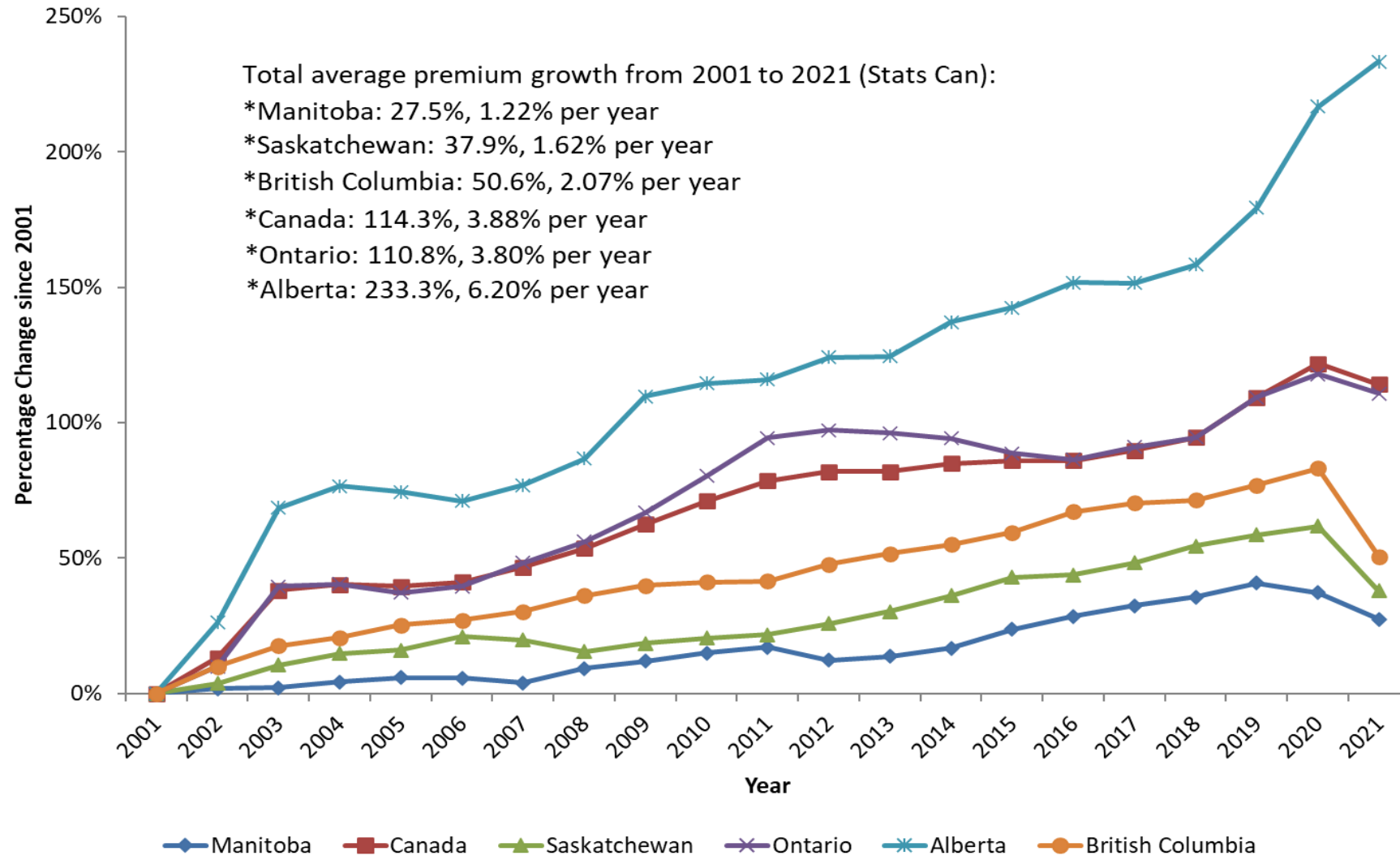
Current State

- Focused on providing value to Manitobans by containing costs and seeking increased efficiencies through innovation
- Benchmarking compares MPI to peers, identifies opportunities for improvement
- MPI benchmarks include:
 - **Canadian Vehicle Rates Comparisons and Average Premium Growth**
 - **Serving Manitobans (Voice of Customer)**
 - **Operational Efficiency (Crown Benchmarking)**
 - **Information Technology (IT) (Gartner)**
- IT Benchmarking discussed in detail in IT Panel review



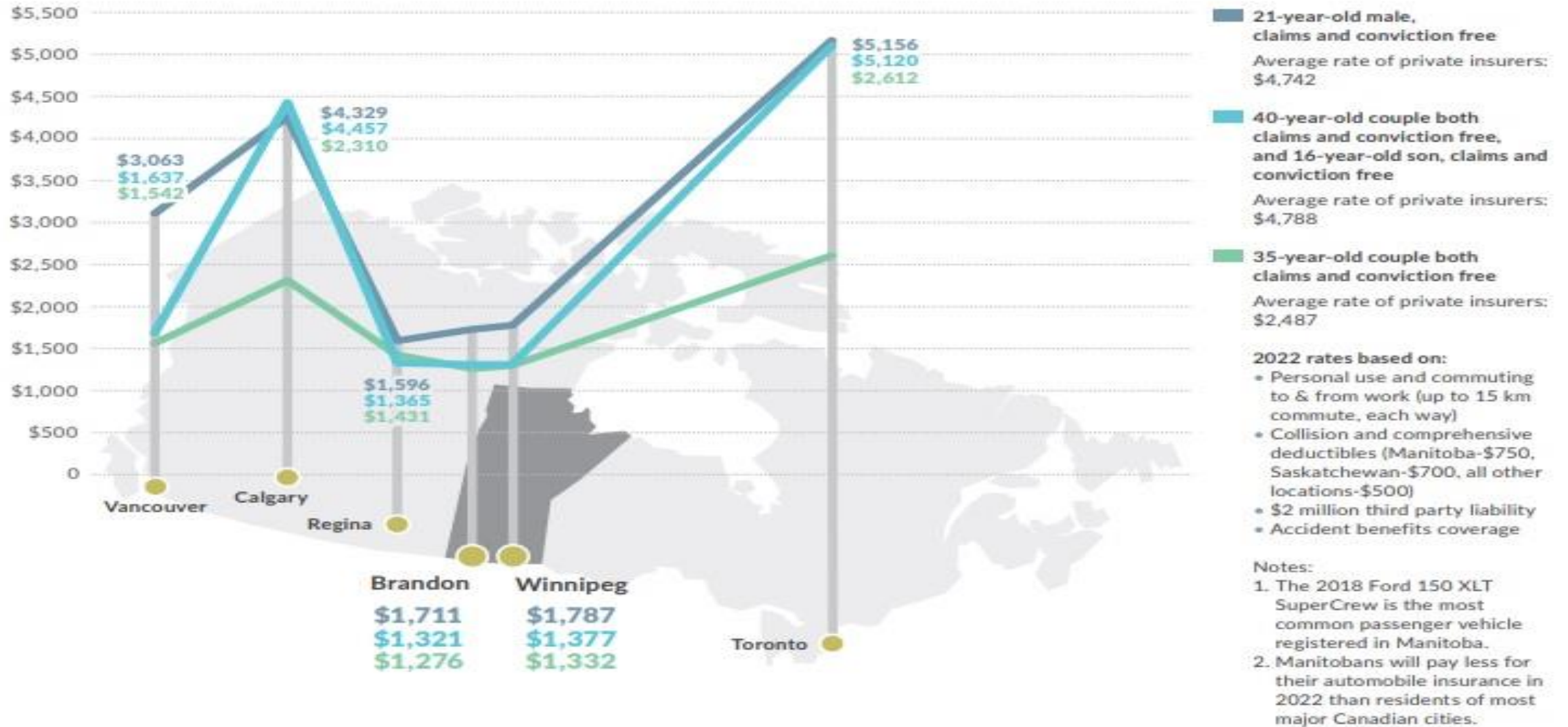
Average Premium Growth Rate (Figure BMK-4)

Passenger Vehicle Average Premium Growth (Statistics Canada) 2001 to Present



Vehicle Rates Comparison (Figure BMK-1)

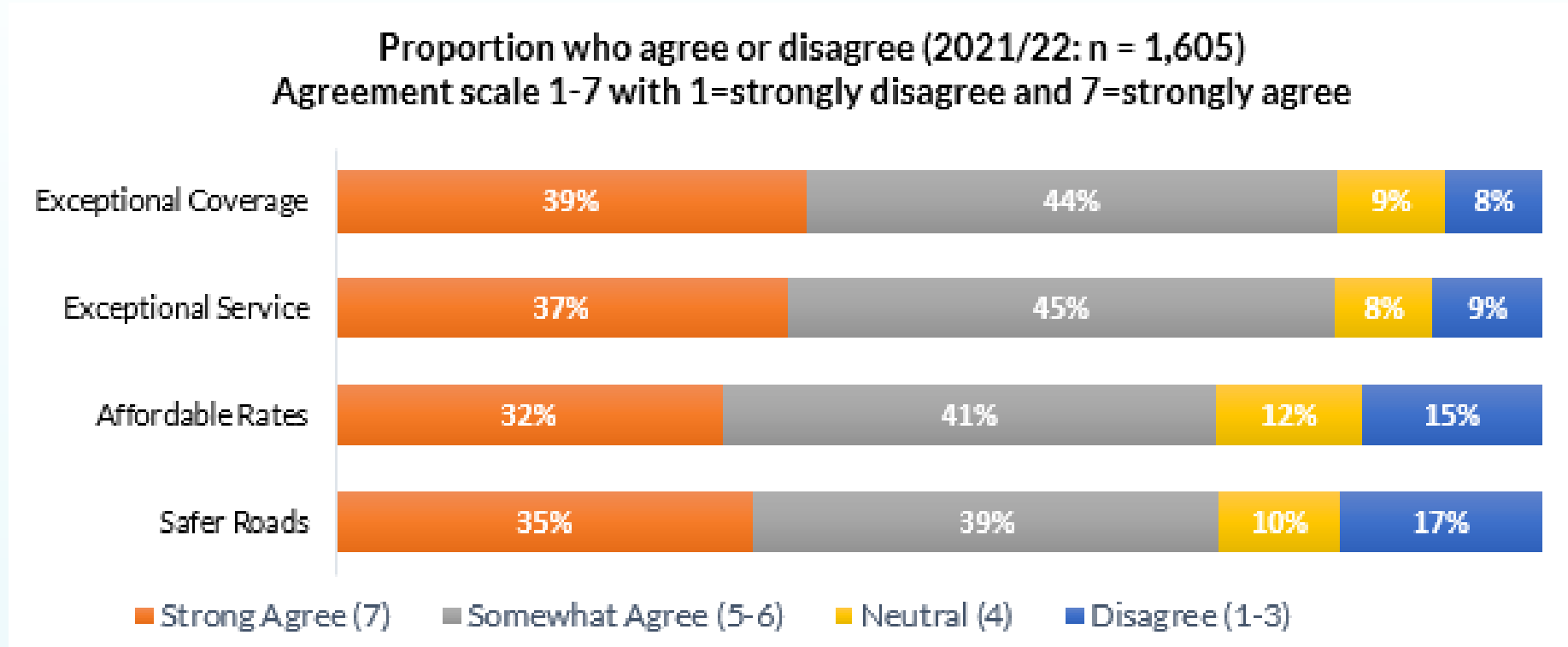
Premium rates that are on average lower than those charged by private insurance companies for comparable coverage in Canada in 2022



Serving Manitobans – Mission

- MPI’s customers agree that we are delivering on the mission:
“Exceptional coverage and service, affordable rates and safer roads through public auto insurance.”

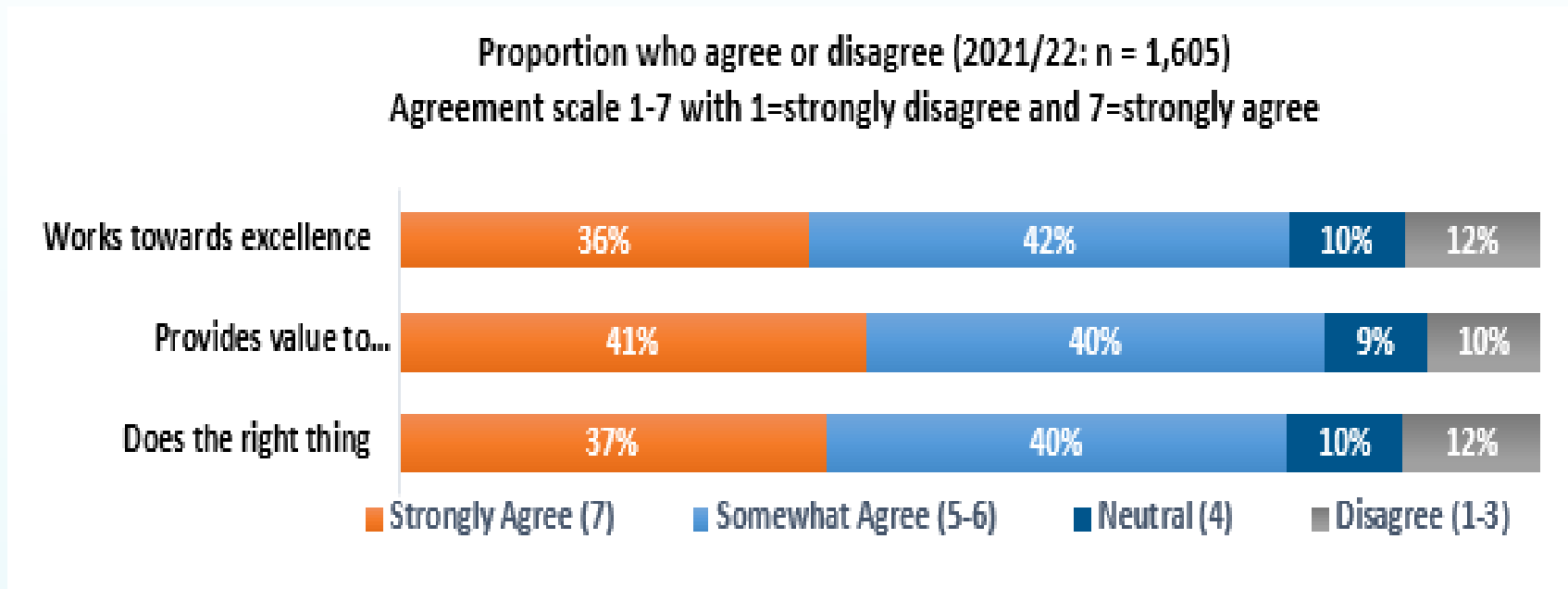
Figure BMK-5 – Mission Statement



Serving Manitobans – Value

- Customers agree that MPI is delivering value

Figure BMK-6 – Value Statements



Operational Efficiency – Crown Benchmarking

Figure BMK-7 2020-21 Comparative Benchmark Report

Line No.	Performance Measurement	SGI Auto Fund	MPI Basic Compulsory	ICBC
1	Headcount Analysis			
2	1. FTEs per \$100 Million of Gross Premiums Written	97.2	119.3	91.5
3	2. Mgmt FTEs per \$100 Million of Gross Premiums Written	14.8	8.9	10.4
4	3. Staff FTEs per \$100 Million of Gross Premiums Written	82.4	110.4	81.0
5	Span of Control Analysis			
6	4. Ratio of Staff to Management	5.6	12.4	7.8
7	Premium Metrics			
8	5. Total Gross Expenses as a % of Gross Premiums Written	17.4%	12.2%	10.2%
9	6. Average Gross Premiums Written (000's)	988,696	1,158,693	3,257,925
10	7. Gross Premiums Written per FTE	1,029,000	838,371	1,093,424
11	8. Gross Premiums Written Growth	2.7%	1.3%	-9.0%
12	9. Net Premiums Written as a % of Gross Premiums Written	99.0%	98.8%	100.0%
13	10. Total Net Expenses as a % of Net Premiums Written	17.6%	12.4%	10.2%
14	Policy Metrics			
15	11. Adjusted Policies In Force per FTE	976.8	866.0	1297.0
16	12. Total Gross Expenses per Adjusted Policy In Force	183.8	118.5	85.7
17	Traffic Safety Measurements			
18	13. Total Traffic Safety Expenses (000's)	39,808	7,708	\$ 29,822
19	14. Total Traffic Safety Expenses as a % of Gross Premiums Written	4.0%	0.7%	0.9%
20	Other Performance Measurements			
21	15. Pure Loss Ratio	63.3%	58.4%	59.0%
22	16. Loss Adjustment Expense Ratio	18.4%	12.6%	16.5%
23	17. Total Gross Expenses per FTE	179,000	102,617	111,111

- The Total Gross Expenses as a percentage of GPW of MPI for 2020/21 was 12.2% (improved from the prior year's 13.0%)



Advancing Operational Benchmarking

- Measured through **Crown Benchmarking Exercise** (MPI, SGI and ICBC)
 - Work with SGI and ICBC to define measurements, analyze similarities and learn from differences
 - Variations in business scale/products offered amongst Crowns
- To increase scope of Operational/Financial Benchmarking we have engaged with Aon to complete the
- Review of Balanced Score carding with Executive Committee
 - Incorporate Crown Benchmarking results
 - External model ensuring best practice - 60 internal measures across: finance, customer, process, learning and Growth



IT Benchmarking

- MPI filed the results of Gartner IT benchmarking and provided an update on previously shared recommendations.
- Questions arising related to IT benchmarking will be referred to the IT Benchmarking Panel

