

Manitoba Public Insurance

2023 Financial Condition Testing Report

September 2023

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28 September 2023

2023 Report on Financial Condition Testing for Manitoba Public Insurance

Dear Cara,

Enclosed is my 2023 Report on Financial Condition Testing for Manitoba Public Insurance ("MPI" or "the Company") Basic line of business using data as of 31 March 2023.

I will be pleased to discuss any questions you may have.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'CP', enclosed within a hand-drawn oval.

Cosimo Pantaleo, FCIA
Appointed Actuary



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1. Executive Summary

1.1 Summary of findings

Part of the duties of your Appointed Actuary is to regularly examine the expected future financial condition of your company. This is done using a process called Financial Condition Testing ("FCT"). In this FCT analysis, we have modelled a base scenario for Basic line of business for the years 2023/2024-2027/2028 developed from a business plan created in co-operation with your management.

We then used the model to test the Manitoba Public Insurance's ("MPI" or "the Company") financial results under many plausible adverse scenarios. We believe that the future financial condition of the Company's Basic line of business is satisfactory.

1.2 Guidance

International Financial Reporting Standard ("IFRS") 17 became effective for annual periods beginning on or after January 1, 2023, with comparative financials produced for the immediate prior fiscal year. The projections discussed within this report are prepared in accordance with the new standard, and presentation of the results may differ from prior reports that were based on IFRS 4.

1.3 Selected Adverse Scenarios

Our standards of practice require us to disclose each of the risks considered in undertaking the financial condition testing analysis and to report in detail on the adverse scenarios posing the greatest risk to satisfactory financial condition based on the type of scenario and the associated thresholds being tested. It is recommended the report include a minimum of three scenarios including at least one going concern scenario and two solvency scenarios. It is also recommended that at least one integrated scenario combining two or more risk factors whose combination gives rise to an adverse scenario be tested.

For consistency with the prior report, we have discussed in detail the most adverse solvency scenarios and going concern scenarios as measured by impact to the equity and MCT ratio throughout the forecast period.

In addition, we report on any scenario that produces a Minimum Capital Test ("MCT") ratio below the Company's internal target capital ratio of 100%.

Based on the circumstances of your Company, we have identified the following plausible



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scenarios as posing the greatest threat to your future satisfactory financial condition:

Solvency Scenarios

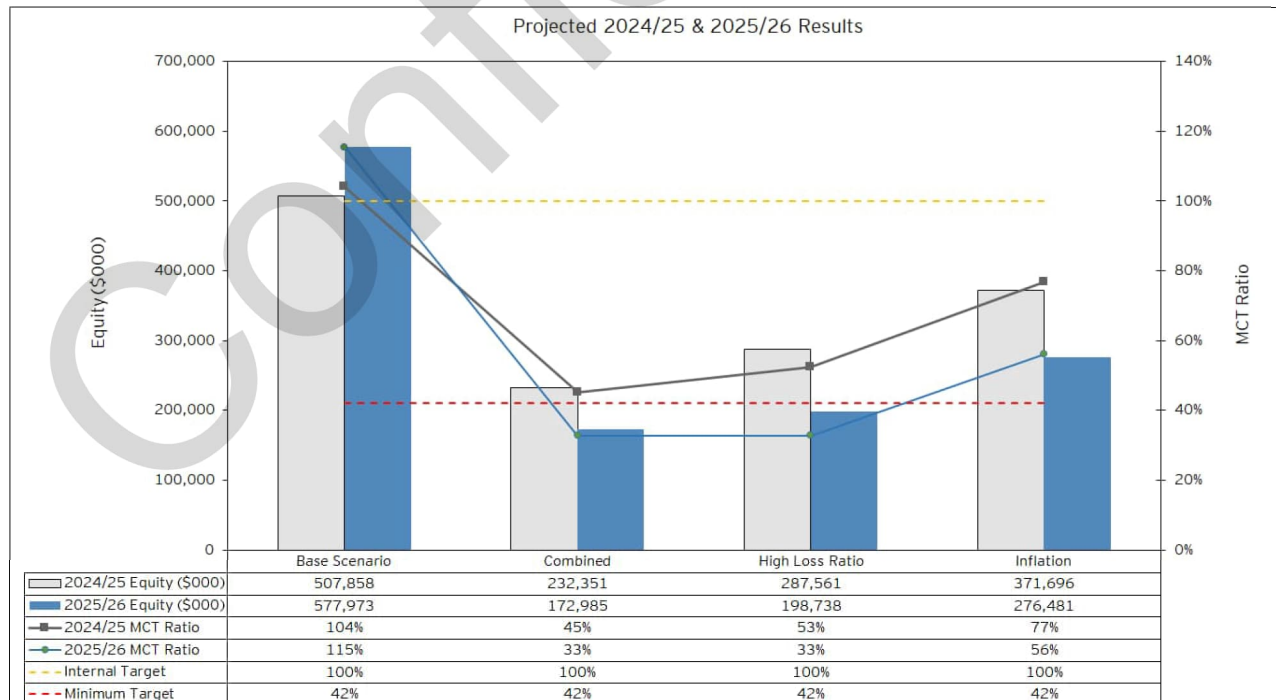
- High Loss Ratio
- Underestimation of Policy Liabilities
- Decline in Equity Markets
- Interest Rate Decrease
- Inflation
- Combined: Inflation, High Loss Ratio, Underestimation of Policy Liabilities, Decline in Equity Markets

Going Concern Scenario(s)

- High Loss Ratio
- Underestimation of Policy Liabilities
- Decline in Equity Markets
- Interest Rate Decrease
- Combined: Inflation, High Loss Ratio, Underestimation of Policy Liabilities, Decline in Equity Markets

All of the solvency scenarios above have statement value of the assets greater than the statement value of the liabilities. All of the going concern scenarios above produce an MCT ratio above a self-assessed minimum level, currently set at 42%. These scenarios are not necessarily the most likely events but are those which would have the most deleterious impact on the financial condition should they occur. There has been a change in the ranking of the most adverse going concern scenario. The High Loss ratio scenario has replaced the Combined as the most adverse scenario.

The following chart illustrates key metrics from the base scenario and the most severe adverse scenarios for the projection years 2024/2025 and 2025/2026.





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Expected Results

The Company's forecasted MCT results for Basic line of business under the Base Scenario are 107% in 2023/2024, 104% in 2024/2025, 115% in 2025/2026, 134% in 2026/2027 and 152% in 2027/2028. These ratios exceed the Company's internal target capital ratio of 100% from 2023/2024 to 2027/2028.

Major Going Concern Issues

The Financial Condition Testing analysis did not identify any major Going Concern issues through the year 2027/2028 based on the information provided to us.

Our analysis represents our best estimates based on the information available to us at the time our work was done. However, the opinion in Section 3 should not be viewed as an absolute warranty of Going Concern.

1.4 External Review

The 2022 FCT report was completed internally by Ms. Cara Low, FCIA, FCAS of Manitoba Public Insurance and peer reviewed by Mr. Raul Martin, FCIA, FCAS from JSCP.

In general terms the External Review Report is expected to:

- Confirm that the work of the Appointed Actuary is completed in accordance with accepted actuarial practice in Canada;
- Review the appropriateness of assumptions and methods used by the Appointed Actuary;
- Determine whether the report accurately describes the assumptions and methods; and
- Review the adequacy of procedures and systems relied upon by the Appointed Actuary.

Mr. Martin's recommendations were addressed in the prior report.

1.5 Recommendations

We make the following recommendations:

1. Manitoba Public Insurance should continue to closely monitor its financial position through interim reviews of liabilities, monitoring price adequacy of its key products and monitoring of movements in its assets and the appropriateness of its investment policy relative to its business requirements.
2. Should some event occur and cause the MCT ratio to drop below the Company's internal target capital ratio of 100%, management should execute its capital management plan ("CMP") to transfer capital from Extension line of business (if Extension MCT is greater than 200%), and/or build capital by following the capital build provision steps outlined in



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the CMP. Company may also reduce net insurance operations, reduce MCT capital requirements, or some suitable combination of these within the *following 5 years*.

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2. Scope of Report

2.1 Introduction

The Board of Directors of Manitoba Public Insurance has appointed Mr. Cosimo Pantaleo as Actuary. Part of the duties of your Appointed Actuary is to regularly examine the expected future financial condition of the Company. This is completed using a process called Financial Condition Testing.

This report summarises the FCT procedures and results as of September 2023 using data as of March 2023. Forecasts of Manitoba Public Insurance's financial position are made through March 2028.

The report has been prepared according to Canadian accepted actuarial practice. It complies with the appropriate Standards of Practice of the Canadian Institute of Actuaries as well as applicable regulatory requirements.

The analysis was performed by Ernst & Young LLP ("EY") under the direction of Mr. Pantaleo. Mr. Pantaleo is a Fellow of the Canadian Institute of Actuaries and of the Casualty Actuarial Society. Mr. Pantaleo is available to answer any questions regarding this report and can be reached at the following address:

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2.2 Use and Distribution

This report and the opinions and conclusions contained herein were prepared for the internal use of the Company and were based on confidential information supplied by the Company. It is not intended or necessarily suitable for any other purpose.

A copy of this report may be provided to provincial regulator, the Company's peer reviewer and external auditors.

No further distribution of this report may be made without the prior permission of both Ernst & Young LLP and the Company. The Company and its Appointed Actuary should be notified immediately following any requests for disclosure of any part of this report. Should the report be disclosed, it must be provided in its entirety.



2.3 Variability of Estimates

Future financial condition is based on estimates and as such complete assurance cannot be given as to the ultimate accuracy. It is fundamental to the proper interpretation of the results to understand that the projected financial condition under the various scenarios may still become unsatisfactory during the forecast period, especially if anticipated company actions are not taken on a timely basis as results emerge. This caveat is not in itself an indication of current or anticipated difficulties. In our judgement, we have employed techniques and assumptions that are appropriate, and the conclusions presented herein are reasonable.

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3. Expression of Opinion

To the Board of Directors of Manitoba Public Insurance:

I have completed my annual investigation of the future financial condition of Manitoba Public Insurance Basic line of business as at 31 March 2023 in accordance with accepted actuarial practice in Canada.

I have analysed the forecasted financial positions of the Company's Basic line of business over an appropriate forecast period under a series of scenarios. As part of my investigation, I have used the Company's internal target capital ratio and minimum capital ratio.

In my opinion, the future financial condition of Manitoba Public Insurance Basic line of business is satisfactory subject to corrective management actions.

A handwritten signature in black ink, appearing to be 'CP', enclosed within a hand-drawn oval.

Cosimo Pantaleo
Fellow, Canadian Institute of Actuaries
Toronto, Ontario

28 September 2023



4. Financial Condition Testing

4.1 Purpose

FCT is a process of analysing and projecting the trends of a company's financial condition given its current financial and operating circumstances, its recent past, and its intended business plan under a variety of future scenarios. It allows the actuary to inform Company management of the likely implications of the business plan on capital and to provide guidance on the significant risks to which the Company is exposed.

The principal goal of this process is to help measure capital adequacy by arming the Company with the best information on courses of events that may lead to capital depletion, and the relative effectiveness of alternative corrective actions. Furthermore, knowing the sources of threat, the Company can strengthen the monitoring systems where it is most vulnerable, and, thus, provide information on a continuous and timely basis.

4.2 Scope

The FCT process includes a base scenario and several plausible adverse scenarios. The following risk categories are among those which may be examined for possible threats to capital adequacy:

- | | |
|----------------------------------|-----------------------------|
| 1. Claim Frequency and Severity | 7. Expense |
| 2. Liability for Incurred Claims | 8. Government and Political |
| 3. Inflation | 9. Off-Balance-Sheet Items |
| 4. Volume and Mix of Business | 10. Related Companies |
| 5. Reinsurance Held | 11. Climate-related |
| 6. Market and Credit | 12. Technology and Cyber |

The enumerated risk categories listed are not necessarily the only ones to be examined, since the circumstances of the insurer may result in the need to examine other risk categories.

4.3 Process

The FCT process consists of the following:

1. Development of a base scenario.
2. Examination of the risk categories, and identification of those mandatory categories which need no analysis whatsoever due to the circumstances of the Company versus those categories (mandatory or otherwise) that are relevant to the Company circumstances.
3. For each of the relevant risk categories, "stress-testing" of the risk category in question.
4. Selection of those scenarios requiring further analysis.
5. Reporting on the results of our analysis.



4.4 Method

We have used a computer model to estimate financial positions and cash flows associated with various deterministic scenarios. The model is subdivided into three major modules, namely:

- Underwriting by line of business
- Assets
- Expenses
- Financial statements

The underwriting portion of the model may include parameters such as premium level, rate changes, policy cancellation rate, new business rate, claims frequency and severity, occurrence of catastrophes, seasonality, adequacy of reserves, payment patterns, commissions, premium taxes and proportional, non-proportional and facultative reinsurance. This module generates results for premium revenues, unearned premiums, loss and loss adjustment expenses paid and unpaid, commissions and premium taxes on a gross, ceded and net basis for each projection year by major line of business.

The expenses module includes parameters associated with every category of general expenses and calculates these expenses by projection year.

Each module generally uses as a starting point the values of the variables for the last complete year of operation as found in the annual statement and in company specific internal reports.

The financial statements module then uses the results of the underwriting, assets and expenses modules to produce the Balance Sheet, the Statement of Comprehensive Income, the Statement of Retained Earnings and the MCT.

4.5 Materiality

Review of a variety of ratios appropriate to this issue was carried out, which included reference to percentages based on Total Assets, Equity, Operating Income, Excess Capital and Unpaid Claims. As the primary focus of the report surrounds the Minimum Capital Test, it was determined a measure based on Excess Capital was appropriate for our purposes. The resulting materiality standard selected of \$20,000,000 represents an amount equivalent to approximately 4.1% of the equity, 0.7% of assets, and 1.7% of written premiums. The materiality for the 2023 FCT report was \$20,000,000.

This materiality standard is not intended to provide for errors in the estimation process, such as:

Parameter specification error, including statistical error in the estimation of the parameters, which arises from distortion in the underlying assumptions due to the possible inability of the historical patterns and trends to adequately describe future events; or



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Process risk which is uncertainty associated with the dispersion of the actual outcomes throughout a distribution of possible outcomes.

The materiality standard is intended to be used only as a guideline in determining the significance of any potential errors, alternative approaches, or other changes used in this analysis.

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5. Criteria for Assessing Future Financial Condition

5.1 Definition of the Minimum Regulatory Capital Requirement

In the most general sense, Solvency is the ability of an entity to honour its financial obligations. From the accounting viewpoint, Solvency requires that assets equal or exceed liabilities, and, therefore, that the total equity is non-negative. This is ascertained as of a specified date.

Even though a balance sheet may show a corporate entity to be technically insolvent by this definition, legal insolvency is only determined through court or regulatory action to terminate the operations of that company. In contrast, the concept of capital adequacy envisioned by FCT extends beyond the balance sheet at a specific date to the continued vitality of the organization.

Accordingly, in considering the solvency of insurance operations, the amount of, and expected trends in, surplus and other forms of available capital over the near future are of vital importance, especially in terms of risk profile of the Company. It is necessary to consider the purposes of and needs for that capital in relation to anticipated and possible events occurring after the statement date.

FCT utilizes the regulatory formula for the capital adequacy standard. FCT does not require the actuary to develop, validate, or give an opinion on such formula. For insurers regulated under the federal *Insurance Companies Act*, the minimum regulatory capital requirement for the purposes of the FCT standard is based upon the MCT for a Canadian property and casualty insurer and the Branch Adequacy of Assets Test ("BAAT") for a Canadian branch of a foreign property and casualty insurer. Should an insurer be subject to minimum capital requirements under other jurisdictions, the most restrictive requirement is used.

5.2 Current Position

With respect to the MCT measure, Manitoba Public Insurance is the sole auto insurance provider in the Province of Manitoba. The table below displays the Company's MCT ratios over the 2018/19 - 2022/23 periods.

Company	MCT				
	2018/19	2019/20	2020/21	2021/22	2022/23
Manitoba Public Insurance	52%	106%	100%	95%	111%

The MCT is a measure of financial strength that was implemented by Canadian insurance regulators and insurance companies on 1 January 2003. The MCT has two major components: the amount of Capital Available and the amount of Capital Required. The MPIC Act has indicated that while MPI is required to have an MCT ratio of Capital Available to Capital Required to build up capital to 100% over 5 years (e.g. of at least 42% - the minimum capital ratio), through legislation it is expected that MPI will maintain an MCT ratio of at least 100% (regulatory or



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supervisory ratio). Therefore, achieving a 100% ratio on the MCT will generally be regarded as the minimum *target* level of capitalization required to provide policyholders with any reasonable protection as to the company's long-term viability. Manitoba Public Insurance's internal target capital ratio for MCT is 100%.

5.3 Ripple Effects

Within the adverse scenarios, ripple effects including policy owner action, management's routine action, and regulatory action are considered. Although most of the other assumptions used in the base scenario may remain appropriate under the adverse scenarios, some may require adjustment to reflect the interdependence of assumptions in the adverse scenario.

Management actions in response to the adversity are also considered. The chosen actions consider the effectiveness of the Company's management information systems and adjustment mechanisms, their historical record of promptness and willingness to respond to adversity, policy owner action, and the external environment assumed in the scenario.

5.4 Definition of Satisfactory Financial Condition

The Company's financial condition is deemed satisfactory if throughout the forecast period:

- Under the Base scenario, the insurer meets its internal target capital ratio(s) as defined by the Regulation and the MPI Capital Management Plan ("CMP");
- Under the Solvency scenarios, the statement value of the insurer's assets is greater than the statement value of its liabilities;
- Under the Going Concern scenarios, the insurer meets the minimum capital ratio(s) as calculated by MPI.

If these thresholds are not met but would be with corrective management action that are under the control of the insurer and that the actuary is comfortable with, the financial condition would be deemed satisfactory subject to such actions. Otherwise, the Company's financial condition is deemed unsatisfactory.



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Scenario	Threshold	Is the threshold test under the scenario passed?		
Base	MCT ≥ Internal Target	Yes (with or without ripple effects)	Yes (with realistic plan to pass ratio)	No
Going Concern	MCT ≥ 42%		Yes (with corrective action and actuary is comfortable)	No or Yes (with corrective action but actuary is not comfortable)
Solvency	Statement value of insurer's assets > insurer liabilities		Yes (with corrective action under control of insurer and actuary is comfortable)	No or Yes (with corrective action under control of insurer and actuary is not comfortable)
	Opinion	Satisfactory	Satisfactory subject to	Not Satisfactory

The regulator expects MPI to operate above an internal MCT target. Any plausible adverse scenario that results in MCT ratios below the internal MCT target of 100% in one or more years is considered a threat to the Company's satisfactory financial condition, and Company's capital management plan will be implemented. If the MCT ratio falls below the self-assessed minimum capital ratio of 42% during the forecast period, more regulatory actions may be implemented.



6. Base Scenario

A base scenario was established using a set of most likely assumptions that allow us to project the financial condition of the Company for the forecast period 2023/2024 to 2027/2028.

6.1 Data Sources

To perform this FCT investigation, we used information provided by Ms. Cherity Ostapowich, Director, Valuation & Capital Management, Manitoba Public Insurance.

We have reviewed this information for reasonableness and internal consistency but without independent audit or verification except as noted herein. Therefore, the accuracy of our results depends on the exactness and completeness of this data. Consequently, any material discrepancies discovered in this data should be reported and, if warranted, this report amended accordingly.

6.2 Background

Company Operations

Manitoba Public Insurance is a Crown corporation that delivers auto insurance, registration and licensing services to Manitoba drivers. Through its board of directors, MPI reports to the Minister and Department of Crown Services and Cabinet. MPI also reports to the Manitoba Legislature via the Standing Committee on Crown Corporations and the Public Utilities Board.

Starting from November 1, 1971, Manitoba Public Insurance provides Basic compulsory, universally-available auto insurance coverage in the Province of Manitoba. In 2004, the government merged the operations of the former Division of Driver and Vehicle Licensing into Manitoba Public Insurance, and the Corporation became responsible for the administration of The Drivers and Vehicles Act (DVA).

This led to a complete integration of driver licensing, vehicle registration, driver insurance and vehicle insurance. Driver licensing and vehicle registration are inextricably linked to insurance, providing one of the major advantages of Manitoba public insurance system: significantly reducing the likelihood of uninsured drivers on the roadway by ensuring that all licensed drivers are insured drivers and all registered vehicles are insured vehicles.

Reinsurance

The reinsurance arrangement is summarized below.



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2023 Reinsurance Program

1. Automobile Third Party Liability excess of loss program with retention of \$10 million and a limit of \$50 million.
2. Catastrophe program of \$350 million excess of \$50 million. The \$50 million reflects MPI's retention for all catastrophes related events in a fiscal year. The threshold to be considered as an event is a minimum total loss of \$2 million; for the annual aggregate deductible, the contribution layer is \$398 million excess of \$2 million.

Classification of Assets

Manitoba Public Insurance measures all its financial assets at fair value through profit or loss. Values and changes therein are recognized in profit or loss on the statement of comprehensive income.

6.3 The Base Scenario

The base scenario was built by projecting the experience for the Basic line of business. The base scenario represents the Company's business plan as closely as possible. Written premiums, earned premiums, incurred claims and acquisition expenses are modeled against the income statement of the business plan.

Here are the major assumptions used to build the Base Scenario:

- The reinsurance programs are as described in the previous section.
- Future investment policies are consistent with the current policy.
- There is no material favourable or unfavourable reserve development.
- The investment hedging strategy works as expected.
- No additional transfers beyond those assumed in the Base Scenario.
- No policyholder rebates beyond those assumed in the Base Scenario.

Here is a summary of selected financial information for the Base Scenario for the year ended March 31:



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Financial Information	Actual		Projection			
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Total Insurance Revenue	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance Service Expense	1,058,088	1,142,199	1,182,173	1,215,988	1,240,055	1,274,028
Net Expense from Reinsurance Held	-13,429	-16,421	-16,901	-17,394	-17,915	-18,453
Insurance Service Result	42,200	9,330	11,268	15,836	29,372	33,881
Net Investment Result	33,968	35,045	42,962	51,659	54,689	60,636
Net Income (Loss)	-6,161	32,908	43,677	57,119	59,031	62,496
Assets	3,051,030	3,151,243	3,224,218	3,347,198	3,500,504	3,675,963
Liabilities	2,560,302	2,660,920	2,716,360	2,769,225	2,824,648	2,885,588
Equity	490,729	490,323	507,858	577,973	675,856	790,375
MCT Ratio	109.2%	106.5%	104.1%	115.4%	134.0%	151.5%

*2022/23 Actuals are re-stated under IFRS17 except MCT Ratio

As shown in the above table, the Company does maintain MCT ratios above its internal target capital ratio (100%) throughout the forecast period.

The supporting exhibits for the Base Scenario are found in Appendix A.

This scenario reflects the current environment in which the Company finds itself competing and provides a financial representation of the Company's business plan for the years 2023/24 through 2027/28. On the growth side, the insurance revenue is expected to increase in the neighbourhood of 4.9% by year end 2024. For future years, insurance revenue growth is expected to be positive in the 3.0% - 3.6% range throughout the projection period.

In the underwriting area, 2022/23 ended in an underwriting loss. Automobile business has seen the unfavourable settlement environment in Manitoba when the COVID-19 pandemic ended and inflation rose. The high interest rate environment has increased the effect of discounting on reserves. For 2023/24 and beyond, bottom line results remain relatively consistent with the 2022/23 results.

Expense ratios are expected to be relatively flat throughout the forecast period.

The company's financial strength remains considerable as evidenced by the results of the MCT. This measure continues to strengthen over the 2023/24-2027/28 period, remaining at a level above both the regulators supervisory requirement and the company's target level by substantial margins stressing the significant financial strength of the organization.

In terms of excess capital, even when compared to the 100% company target, the excess capital ranges from \$18 million to \$261 million over the projection period.



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7. Adverse Scenarios

Scenario tests corresponding to the risk categories enumerated earlier in this report were run. These were scenarios that the Appointed Actuary and the management team of Manitoba Public Insurance felt were plausible and should be tested to determine financial sensitivities.

Under the FCT standard there are two categories of adverse scenarios, Solvency and Going Concern scenarios. A Solvency scenario employs a plausible adverse scenario, recommended at a minimum of the 95th percentile over the scenario horizon. It is strongly recommended that analysis be performed at even higher confidence levels and it would not be unreasonable to conduct scenario testing at the 99th percentile or beyond. A solvency scenario could align with the level of shocks used in the ORSA analysis. A going concern scenario is intended to test an insurer's ability to maintain operations and meet its obligations while meeting or exceeding minimum levels. A going concern scenario would utilize an adverse scenario at a lower percentile and lower severity than that used for solvency scenarios over the scenario horizon. Typically testing would be performed using a minimum of the 90th percentile.

In this report, the solvency scenarios are derived at the 99th percentile level, while the going concern scenarios are derived at the 90th percentile level. While the probability of a combination of adverse scenario risks occurring within the forecast period is less than a single event, Manitoba Public Insurance has experienced a mixture of unlikely events in the recent past. Combined with the Company's limited ability to quickly raise capital from external sources, we also tested integrated solvency scenarios using assumptions consistent with an expected outcome between the 95th and 99th percentile.

7.1 Solvency Scenarios Posing the Greatest Risk to Satisfactory Financial Condition

The table below summarizes the resulting surplus and MCT ratio under the various scenarios tested, ranked by the largest change in the Company's equity in the second or third projection year, where the shocks occur to test MPI's financial strength.

Solvency Scenarios	2024/25 Equity	2025/26 Equity	2024/25 MCT Ratio	2025/26 MCT Ratio	Impact on Equity in 2024/25 or 2025/26
Combined	\$232,351	\$172,985	45%	33%	(404,988)
High Loss Ratio	\$287,561	\$198,738	53%	33%	(379,235)
Inflation	\$371,696	\$276,481	77%	56%	(301,492)
Underestimation of Policy Liabilities	\$397,617	\$433,285	78%	82%	(144,688)
Decline in Equity Markets	\$411,078	\$562,943	94%	112%	(96,780)
Interest Rate Decrease	\$469,628	\$567,590	84%	113%	(38,230)
Base Scenario	\$507,858	\$577,973	104%	115%	-



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We have identified the following scenarios as having sufficiently adverse impact on the Company's future financial position to require detailed reporting:

1. Combined: Inflation, High Loss Ratio, Underestimation of Policy Liabilities and Decline in Equity Markets
2. High Loss Ratio
3. Inflation

These scenarios are not necessarily the most likely events but are those which would have the most deleterious impact on MPI's financial condition should they occur.

7.1.1 Combination Scenario

A combination of equity returns, high loss ratio, policy liabilities, inflation and interest rates were tested.

The major assumptions are as follows:

- Inflation scenario with equities dropping 30% and claims increase by 20% in 2024/25, and 2025/26 accordingly

Assumed Management Action

- Management action: written premium increases by 5% per annum relative to the Base Scenario in 2024/25 and 2025/26.

Results without Assumed Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,064,416	\$2,928,557	\$2,800,674	\$2,906,389	\$2,963,035
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,636,317	\$2,713,870	\$2,685,363	\$2,737,836	\$2,800,752
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$428,100	\$214,686	\$115,312	\$168,553	\$162,283
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	-\$227,758	-\$418,938	-\$653,807	-\$173,149	-\$183,887
MCT Ratio	107%	104%	115%	134%	152%	94%	41%	19%	32%	31%

Results with Assumed Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,064,416	\$2,946,221	\$2,858,348	\$2,990,379	\$3,071,204
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,636,317	\$2,713,870	\$2,685,363	\$2,737,836	\$2,800,752
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$428,100	\$232,351	\$172,985	\$252,542	\$270,453
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	-\$227,758	-\$356,439	-\$520,701	-\$120,709	-\$128,654
MCT Ratio	107%	104%	115%	134%	152%	94%	45%	33%	50%	54%

Based on the impact on Equity in 2024/25 and 2025/26, this is the most adverse scenario



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tested. Equity is \$275.5M and \$405.0M lower than in the Base Scenario in 2024/25 and 2025/26 respectively. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

The supporting exhibits for this scenario can be found in Appendix G.

Recommendations

If the MCT ratio drops below the Company's internal 100% target, management should implement the capital management plan to augment the Company's capital, reduce net insurance operations, reduce MCT capital requirements, or a suitable combination of these within the next 5 years.

7.1.2 High Loss Ratio

For this scenario, we modeled loss distributions based on historical Basic line of business all coverages ground-up ultimate claim loss ratios. The Normal distribution was selected to model claim loss ratios. Assumed premium from the Base scenario projection was used to calculate the gross loss ratio, and minimal difference between gross and net loss ratios since the reinsurance exposure is minimal.

The 2024/25 loss ratio for MPI was selected at the 99th percentile of the distribution, producing an increase to loss ratio of 21.8%. In addition, we have assumed a ripple effect in 2025/26 with the same increase and magnitude.

There is no change to the onerosity assumption as a result of the loss ratio increase.

Assumptions

The major assumptions are as follows:

- Assumed a normal distribution of 72.0% and a standard deviation of 9.4%
- Increased loss ratio by 21.8% for 2024/25 and 2025/26
- Assumed no impact to the ceding percentage
- Loss Ratio return to Base scenario in 2026/27 and 2027/28

Assumed Management Action

- Management Action: written premium increases by 5% per annum relative to the Base Scenario in 2024/25 and 2025/26.

Results without Assumed Management Action



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\$'000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,151,243	\$3,029,626	\$2,894,434	\$2,969,815	\$3,111,877
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,660,920	\$2,806,557	\$2,899,515	\$2,891,917	\$2,940,390
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$490,323	\$223,068	-\$5,082	\$77,897	\$171,486
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	\$32,908	-\$241,113	-\$241,146	\$44,127	\$41,566
MCT Ratio	107%	104%	115%	134%	152%	107%	39%	-8%	10%	29%

Results with Assumed Management Action

\$'000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,151,243	\$3,094,119	\$3,098,253	\$3,182,647	\$3,334,196
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,660,920	\$2,806,557	\$2,899,515	\$2,891,917	\$2,940,390
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$490,323	\$287,561	\$198,738	\$290,730	\$393,806
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	\$32,908	-\$176,620	-\$101,820	\$53,140	\$51,053
MCT Ratio	107%	104%	115%	134%	152%	107%	53%	33%	53%	71%

Based on the impact on Equity in 2024/25 and 2025/26, this is the second most adverse scenario tested. Equity is \$124.7M and \$219.4M lower than in the Base Scenario in 2024/25 and 2025/26, respectively. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

The supporting exhibits for this scenario can be found in Appendix B.

Recommendations

If incurred claims experience deteriorates significantly and causes the MCT ratio to drop below the Company's internal target capital ratio of 100%, management should implement the capital management plan to augment the Company's capital, reduce net insurance operations, reduce MCT capital requirements, or some suitable combination of these within the next 5 years.

7.1.3 Inflation

This scenario tested the Company's ability to withstand sustained economic inflation. Claim costs and claim adjustment expenses are very sensitive to the overall rate of inflation. To test this scenario, we considered both Manitoba and Canadian Consumer Price Index ("CPI") data. Both CPI follow similar trend and volatility, and Canadian CPI data from 1924-2019 is selected and analyzed as it includes more data points. The analysis shows that the largest three-year cumulative increase in change in CPI during this period was in 1944-1947, when it changed by 4.4%, 3.2% and 9.0% from year to year respectively.

This and the Combined: Inflation, High Loss Ratio, Underestimation of Policy Liabilities and Decline in Equity Markets scenario are the only adverse scenarios that start in 2023.

Assumptions

The major assumptions are as follows:



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- Increase in unpaid claims, paid claims and general expense of:
 - 2023/24 - 4%
 - 2024/25 - 4%
 - 2025/26 - 9%
- Yield curves increase over base scenario of 2%, 4%, and 9% in 2023/24, 2024/25 and 2025/26 accordingly

Assumed Management Action

- Management Action: written premium increases by 4% per annum relative to the Base Scenario in 2024/25 and 2025/26.

Results without Assumed Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,064,416	\$3,027,231	\$2,885,354	\$2,946,540	\$3,006,630
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,636,317	\$2,671,219	\$2,675,369	\$2,733,175	\$2,797,076
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$428,100	\$356,013	\$209,985	\$213,365	\$209,554
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	-\$227,758	-\$273,080	-\$674,864	-\$172,335	-\$182,408
MCT Ratio	107%	104%	115%	134%	152%	94%	73%	40%	42%	41%

Results with Assumed Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,064,416	\$3,042,915	\$2,951,851	\$3,068,236	\$3,479,606
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,636,317	\$2,671,219	\$2,675,369	\$2,733,175	\$3,249,827
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$428,100	\$371,696	\$276,481	\$335,061	\$229,779
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	-\$227,758	-\$223,014	-\$521,300	-\$12,349	\$374,004
MCT Ratio	107%	104%	115%	134%	152%	94%	77%	56%	69%	38%

Based on the impact on Equity in 2024/25 and 2025/26, this is the third most adverse scenario tested. Equity is \$136.2M and \$301.5M lower than in the Base Scenario in 2024/25, and 2025/26 respectively. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

The supporting exhibits for this scenario can be found in Appendix F.

Recommendations

If incurred claims experience deteriorates significantly and causes the MCT ratio to drop below the Company's internal target capital ratio of 100%, management should implement the capital management plan to augment the Company's capital, reduce net insurance operations, reduce MCT capital requirements, or some suitable combination of these within the next 5 years.



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7.2 Going Concern Scenarios

For the Company’s financial condition to be considered satisfactory, the MCT ratio under the going concern scenarios must surpass the minimum capital ratio of 42%. Thus, under each of the Going Concern scenarios tested, which are established at the 90th percentile, the Company’s MCT ratio must surpass this minimum threshold throughout the forecast period. We established 90th percentile versions of all adverse Solvency scenarios and tested them as going concern scenarios. The results of these tests are summarized in the table below, ranked by the minimum of 2024/25 and 2025/26 MCT ratios:

Going Concern Scenarios	2024/25 Equity	2025/26 Equity	2024/25 MCT Ratio	2025/26 MCT Ratio	Minimum MCT in 2024/25 or 2025/26
High Loss Ratio	\$383,140	\$358,526	74%	66%	66%
Combined	\$366,048	\$370,911	75%	76%	75%
Underestimation of Policy Liabilities	\$446,615	\$497,594	89%	97%	89%
Decline in Equity Markets	\$427,543	\$569,279	93%	114%	93%
Interest Rate Decrease	\$494,840	\$571,544	95%	114%	95%
Inflation	\$483,097	\$561,475	101%	120%	101%
Base Scenario	\$507,858	\$577,973	104%	115%	104%

For each of the tested going concern scenarios, the MCT ratios throughout the forecast period does consistently exceed the minimum capital ratio of 42%. We present in detail the assumptions and results of the most adverse going concern scenario in the following subsection.

7.2.1 High Loss Ratio Scenario

For this scenario, we modeled loss distributions based on historical Basic line of business all coverages ground-up ultimate claim loss ratios. The Normal distribution was selected to model claim loss ratios. Assumed premium from the Base scenario projection was used to calculate the gross loss ratio, and minimal difference between gross and net loss ratios since the reinsurance exposure is minimal.

The 2024/25 loss ratio for MPI was selected at the 90th percentile of the distribution, producing an increase to loss ratio of 12.0%. In addition, we have assumed a ripple effect in 2025/26 with the same increase and magnitude.

There is no change to the onerosity assumption as a result of the loss ratio increase.

Assumptions

The major assumptions are as follows:



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- Assumed a normal distribution of 72.0% and a standard deviation of 9.4%
- Increased loss ratio by 12.0% for 2024/25 and 2025/26
- Assumed no impact to the ceding percentage
- Loss Ratio return to Base scenario in 2026/27 and 2027/28

Assumed Management Action

Management Action: written premium increases by 2.5% per annum relative to the Base Scenario in 2024/25 and 2025/26.

Results without Assumed Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,151,243	\$3,116,966	\$3,097,652	\$3,208,009	\$3,365,061
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,660,920	\$2,766,073	\$2,841,036	\$2,861,724	\$2,915,793
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$490,323	\$350,893	\$256,616	\$346,285	\$449,268
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	\$32,908	-\$113,288	-\$107,273	\$50,816	\$50,960
MCT Ratio	107%	104%	115%	134%	152%	107%	67%	45%	64%	83%

Results with Management Action

\$000	Base Scenario					Adverse Scenario				
	2023	2024	2025	2026	2027	2023	2024	2025	2026	2027
Assets	\$3,151,243	\$3,224,218	\$3,347,198	\$3,500,504	\$3,675,963	\$3,151,243	\$3,149,213	\$3,199,562	\$3,314,425	\$3,476,220
Liabilities	\$2,660,920	\$2,716,360	\$2,769,225	\$2,824,648	\$2,885,588	\$2,660,920	\$2,766,073	\$2,841,036	\$2,861,724	\$2,915,793
Equity	\$490,323	\$507,858	\$577,973	\$675,856	\$790,375	\$490,323	\$383,140	\$358,526	\$452,701	\$560,428
Net Income	\$32,908	\$43,677	\$57,119	\$59,031	\$62,496	\$32,908	-\$81,042	-\$37,610	\$55,323	\$55,704
MCT Ratio	107%	104%	115%	134%	152%	107%	74%	66%	86%	105%

Based on the impact on MCT ratio in 2024/25 and 2025/26, this is the most adverse going concern scenario tested. The Company's MCT ratio exceeds the minimum capital ratio of 42% throughout the forecast period.

The supporting exhibits for this scenario can be found in Appendix H.



8. Description of All Adverse Scenarios

This report is an aid to the understanding of the sensitivity of the insurer's financial condition under each major risk category that is material to the Company. This section outlines the major risk categories considered, focusing on the assumptions of the Solvency scenarios. As described in section 7.2, several Going Concern scenarios were also tested, they were derived in a similar manner to the Solvency scenarios but at the 90th percentile level of adversity.

The suggested and tested adverse scenarios generally consist of shock changes to the expected or normal experience which take place in the second and third fiscal years following the period under consideration. For each risk category, we have identified and tested the most adverse plausible events, including ripple effects only where applicable.

Section 7 of this report discusses in detail the largest adverse scenarios. Appendix N describes all of the adverse scenarios considered and includes a summary of key metrics associated with these scenarios.



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9. Conclusion

Manitoba Public Insurance is a company that by all measures is well capitalized and as of March 31, 2023, had an MCT ratio of 110.8% under IFRS4 as compared to the Internal MCT Target of 100%.

Under the Base Scenario, testing shows that despite the challenges presented by the current environment, the MCT ratios continue to exceed the Company specific internal targets and by extension the minimum capital ratio over this same period.

The MCT ratios exceed the Company's minimum capital ratio of 42% through to 2027/2028 in all going concern scenarios.

The most significant risk to satisfactory financial condition would come from a combination of inflation, high loss ratio, underestimation of policy liabilities and decline in equity.

My conclusion based on this FCT investigation, and the associated assumptions, is that the financial condition of Manitoba Public Insurance is satisfactory subject to corrective management actions throughout the forecast period.



10. Glossary

Accepted Actuarial Practice: Standards as commonly followed by actuaries when working in Canada. The sources of Accepted Actuarial Practice are defined by legislation, the CIA Standards of Practices, learned journals and common practice.

Accident Year: Each claim is assigned an accident year based on the calendar year (or fiscal year) in which the claim occurred. Paid and reported claims for any accident year can be evaluated as of any report date. Ultimate incurred claims for each accident year can be estimated by a number of actuarial techniques (see Methods section).

Aggregate limits: Limits that may act to restrict total potential incurred losses.

Anti-selection (or Adverse Selection): A situation occurring when an insurer does not have access to the same information as the insured himself regarding the loss potential of the insured.

Case: Refers to the data (premium, claim, ...) carried by the company on individual policy and claim files.

Claim (Loss): The use of the term claim (loss) without modification includes losses and loss adjustment expenses (LAE) which provide for both external (allocated) and internal (unallocated) adjustment expenses.

Claim (Loss) Ratio: Ratio of incurred claims to earned premium.

Claims Made Basis: Provision in contracts covering only claims reported during the term of the contract (usually without regard to when the action which caused the damage took place).

Claims Reserving Techniques: Methods to evaluate the ultimate losses' obligations of the insurer.

Credibility: Measure of the predictive value, which can be attached to a body of data.

Emergence patterns: The delay between the occurrence of the claims and the recording of claims in the insurance system.

Expected Claim (Loss) Ratio: 100% less the acquisition expenses, general expenses and profit margin, all expressed as percentage of premium. It represents the claim ratio expected from a given portfolio assuming no premium redundancy or inadequacy.

External Influences: Consideration should be given to other influences such as judicial environment, regulatory and legislative changes, guaranty funds, economic variables, and residual market mechanisms.



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Extraordinary Management Action: Actions to be undertaken by the management of the company beyond the day-to-day usual business. An example of extraordinary management action would be discontinuing the sale of a line of business where such discontinuance is not part of the business plan. On the other hand, increasing rate levels would not normally be considered to be extraordinary management action.

Frequency: The number of claims divided by the number of units.

Homogeneity: Grouping of units into groups exhibiting similar characteristics.

IBNR: IBNR is the provision for claims incurred but not yet reported. In this report we have used the term in its broader, more general sense, to represent development on outstanding case reserves (also referred to as "supplemental" IBNR reserves) and unreported claims (also referred to as "pure" IBNR).

Internal Loss Adjustment Expense (ILAE): The costs of closing claim files which are borne by the company internal and so not recorded against individual claims.

Liability for Incurred Claims: Liability for incurred claims include all unpaid claims and adjustment expenses (both internal and external).

Liability for Remaining Coverages: The liability for remaining coverages is the net obligation of the insurance company with respect to its insurance and reinsurance contracts other than the claim liabilities. Generally these liabilities are included in the unearned premium, premium deficiency and deferred policy acquisition expense provisions.

Loss Component: The loss component is the expected underwriting loss on the unearned premium calculated as the excess of expected losses, adjustment expenses and servicing expenses relating to the policies in force over the unearned premiums.

Materiality: Point at which the impact of any change or the difference between two estimates should be considered significant to readers of the report.

Occurrence based: Provision in contracts covering claims occurring during the term of the contract regardless of the time when they are reported to the insurer.

Operational Changes: The installation of a new computer system, an accounting change, a reorganisation of claims responsibility, changes in claims handling practices, underwriting program or marketing practices are examples of operational changes that can affect the continuity of the experience.

Policy Liabilities: Policy liabilities are the sum of the liability for incurred claims and liability for remaining coverages.



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Reopened Claims Potential: The tendency of closed claims to reopen. Judicial opinions and legislation can affect the reopening of claims, as can changes in an insurer's procedures.

Reported Claims: Reported claims include paid claims plus individual case reserves but do not include IBNR.

Ripple Effects: Foreseeable chain of events resulting from one original occurrence of an event.

Risk Adjustment: Risk adjustment is the compensation an entity requires for bearing the uncertainty about the amount and timing of the cash flows that arises from non-financial risk as the entity fulfils insurance contracts.

Settlement Patterns: The length of time that it normally takes for reported claims to be settled.

Severity: Incurred losses divided by the number of incurred claims.

Confidential



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Appendix A
Base Scenario

Appendix A - Base Scenario

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,986,859	3,100,024	3,266,663	3,454,913
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,224,218	3,347,198	3,500,504	3,675,963

Confidential

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,271,980	2,314,446	2,360,602	2,410,063
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,271,980	2,314,446	2,360,602	2,410,063
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	320	320	320	320
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	320	320	320	320
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,716,360	2,769,225	2,824,648	2,885,588
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,716,360	2,769,225	2,824,648	2,885,588
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	497,911	568,026	665,909	780,428
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	507,858	577,973	675,856	790,375
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	507,858	577,973	675,856	790,375
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,224,218	3,347,198	3,500,504	3,675,963

Appendix A - Base Scenario

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,182,173	1,215,988	1,240,055	1,274,028
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,901	-17,394	-17,915	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	11,268	15,836	29,372	33,881
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	127,170	131,954	138,335	147,431
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-83,151	-79,769	-83,203	-86,387
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-1,057	-526	-443	-408
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	42,962	51,659	54,689	60,636
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	43,677	57,119	59,031	62,496
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	43,677	57,119	59,031	62,496
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	43,677	57,119	59,031	62,496
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000) (p.20.00)

	2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available						
Qualifying category A common shares	001	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0
Retained earnings	010	435,783	480,376	497,911	568,026	665,909
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	497,911	568,026	665,909
Earthquake reserves	035	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0
Qualifying category C instruments						
Add: Subordinated debt	115	0	0	0	0	0
Preferred shares	120	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	507,858	577,973	675,856
Deductions:						
Interests in non-qualifying subsidiaries	145	0	0	0	0	0
Interests in associates	150	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862
Additions:						
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0
Total Capital Available	250	383,100	456,351	471,436	543,916	768,404

Appendix A - Base Scenario

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	471,436	543,916	647,994	768,404
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	471,436	543,916	647,994	768,404
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,040	96,586	100,559	105,367
Liability for incurred claims	035	195,056	207,169	216,219	216,847	216,861	217,974
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	308,259	313,434	317,420	323,342
Market Risk:							
Interest rate	055	37,025	44,754	54,004	52,431	44,914	38,879
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	137,684	149,768	161,129	179,587
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	310,716	331,839	344,330	371,720
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	61,812	62,885	64,726	66,453
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	62,911	63,984	65,825	67,552
Operational risk	105	72,921	83,761	87,993	91,286	93,792	97,741
Less: Diversification credit	110	69,472	85,663	90,452	93,642	95,773	99,632
Total Capital (Margin) Required at Target	115	525,997	642,603	679,427	706,900	725,594	760,723
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	452,951	471,267	483,730	507,149
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	452,951	471,267	483,730	507,149
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	18,485	72,649	164,264	261,255
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	104.1%	115.4%	134.0%	151.5%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix B
Solvency - High Loss Ratio

Appendix B - Solvency - High Loss Ratio

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,856,760	2,851,079	2,948,806	3,113,146
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,094,119	3,098,253	3,182,647	3,334,196

Confidential

Appendix B - Solvency - High Loss Ratio

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,362,238	2,444,837	2,427,946	2,464,932
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,362,238	2,444,837	2,427,946	2,464,932
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	260	219	245	253
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	259,510,777	219,017,492	245,364,569	253,164,238
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,806,557	2,899,515	2,891,917	2,940,390
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,806,557	2,899,515	2,891,917	2,940,390
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	277,614	188,791	280,783	383,859
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	287,561	198,738	290,730	393,806
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	287,561	198,738	290,730	393,806
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,094,119	3,098,253	3,182,647	3,334,196

Appendix B - Solvency - High Loss Ratio

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20,22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,277,313	1,390,917	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,277,313	1,390,917	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,451,697	1,495,359	1,235,819	1,273,190
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-14,624	-15,654	-17,917	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	-189,008	-120,096	33,605	34,718
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	121,631	121,358	124,875	132,847
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-97,653	-92,197	-79,864	-84,081
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-1,038	-509	-446	-411
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	22,940	28,652	44,565	48,355
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-176,620	-101,820	53,140	51,053
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-176,620	-101,820	53,140	51,053
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-176,620	-101,820	53,140	51,053
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix B - Solvency - High Loss Ratio

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	277,614	188,791	280,783	383,859
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	277,614	188,791	280,783	383,859
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	287,561	198,738	290,730	393,806
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	251,139	164,681	262,868	371,835

Appendix B - Solvency - High Loss Ratio

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	251,139	164,681	262,868	371,835
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	251,139	164,681	262,868	371,835
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	107,924	108,072	100,559	105,367
Liability for incurred claims	035	195,056	207,169	227,937	232,977	224,017	223,629
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	335,861	341,049	324,576	328,996
Market Risk:							
Interest rate	055	37,025	44,754	69,699	80,099	74,638	69,085
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	133,771	141,875	150,790	167,783
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	322,498	351,614	363,715	390,122
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	61,224	61,351	61,731	63,139
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	62,323	62,450	62,830	64,238
Operational risk	105	72,921	83,761	92,838	98,459	95,794	99,504
Less: Diversification credit	110	69,472	85,663	96,073	100,148	98,636	102,060
Total Capital (Margin) Required at Target	115	525,997	642,603	717,447	753,424	748,278	780,800
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	478,298	502,283	498,852	520,533
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	478,298	502,283	498,852	520,533
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-227,159	-337,602	-235,984	-148,699
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	52.5%	32.8%	52.7%	71.4%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix C
Solvency - Underestimation of Policy Liabilities

Appendix C - Solvency - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,937,175	3,027,729	3,175,082	3,355,461
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	119	110	80	53
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,174,653	3,275,012	3,409,002	3,576,564

Confidential

Appendix C - Solvency - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)
(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,332,976	2,387,268	2,414,322	2,457,727
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,332,976	2,387,268	2,414,322	2,457,727
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	0	0	0	0
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	0	0	0	0
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,777,036	2,841,727	2,878,048	2,932,932
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,777,036	2,841,727	2,878,048	2,932,932
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	387,670	423,338	521,008	633,685
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	397,617	433,285	530,955	643,632
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	397,617	433,285	530,955	643,632
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,174,653	3,275,012	3,409,002	3,576,564

Appendix C - Solvency - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)
(p.20.22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,230,433	1,290,691	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,230,433	1,290,691	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,294,064	1,286,897	1,238,717	1,273,567
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,520	-17,889	-17,918	-18,455
INSURANCE SERVICE RESULT	199	42,200	9,330	-80,151	-14,095	30,707	34,339
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	125,054	128,877	134,457	143,188
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-100,005	-81,194	-80,858	-84,428
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-910	-539	-459	-423
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	24,139	47,143	53,140	58,337
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-66,564	22,672	58,817	60,655
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-66,564	22,672	58,817	60,655
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-66,564	22,672	58,817	60,655
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix C - Solvency - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	387,670	423,338	521,008	633,685
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	387,670	423,338	521,008	633,685
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	397,617	433,285	530,955	643,632
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	361,195	399,228	503,093	621,661

Appendix C - Solvency - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	361,195	399,228	503,093	621,661
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	361,195	399,228	503,093	621,661
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	93,358	99,312	100,559	105,367
Liability for incurred claims	035	195,056	207,169	222,706	224,883	222,327	222,773
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	316,064	324,194	322,887	328,141
Market Risk:							
Interest rate	055	37,025	44,754	64,258	64,995	57,791	51,630
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	136,190	147,476	158,150	176,152
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	319,475	342,111	354,227	381,035
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	61,882	62,827	64,244	65,840
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	62,981	63,926	65,343	66,939
Operational risk	105	72,921	83,761	89,871	94,028	95,057	98,889
Less: Diversification credit	110	69,472	85,663	92,674	96,510	97,656	101,314
Total Capital (Margin) Required at Target	115	525,997	642,603	695,717	727,749	739,859	773,690
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	463,811	485,166	493,239	515,793
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	463,811	485,166	493,239	515,793
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-102,616	-85,937	9,854	105,868
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	77.9%	82.3%	102.0%	120.5%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix D
Solvency - Decline in Equity Markets

Appendix D - Solvency - Decline in Equity Markets

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,713,717	3,084,994	3,250,968	3,438,518
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	2,951,076	3,332,168	3,484,809	3,659,568

Confidential

Appendix D - Solvency - Decline in Equity Markets

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)
(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,094,061	2,314,446	2,360,602	2,410,063
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,094,061	2,314,446	2,360,602	2,410,063
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	1,877	320	320	320
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	1,877	320	320	320
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,539,998	2,769,225	2,824,648	2,885,588
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,539,998	2,769,225	2,824,648	2,885,588
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	401,131	552,996	650,214	764,033
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	411,078	562,943	660,161	773,980
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	411,078	562,943	660,161	773,980
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	2,951,076	3,332,168	3,484,809	3,659,568

Appendix D - Solvency - Decline in Equity Markets

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)
(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,167,449	1,230,712	1,240,055	1,274,028
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-17,065	-17,231	-17,915	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	25,828	1,275	29,372	33,881
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	115,540	131,314	137,670	146,732
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-246,347	83,426	-83,203	-86,387
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	337	-1,919	-443	-408
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	-130,469	212,821	54,025	59,936
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-115,193	203,720	58,366	61,796
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-115,193	203,720	58,366	61,796
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-115,193	203,720	58,366	61,796
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix D - Solvency - Decline in Equity Markets

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	401,131	552,996	650,214	764,033
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	401,131	552,996	650,214	764,033
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	411,078	562,943	660,161	773,980
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	374,656	528,886	632,299	752,009

Appendix D - Solvency - Decline in Equity Markets

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	374,656	528,886	632,299	752,009
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	374,656	528,886	632,299	752,009
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,040	96,586	100,559	105,367
Liability for incurred claims	035	195,056	207,169	198,282	216,847	216,861	217,974
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	290,322	313,434	317,420	323,342
Market Risk:							
Interest rate	055	37,025	44,754	38,658	53,531	46,046	40,037
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	91,663	149,292	160,619	179,021
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	249,349	332,463	344,951	372,311
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	58,050	62,705	64,541	66,265
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	59,149	63,804	65,640	67,364
Operational risk	105	72,921	83,761	80,932	91,324	93,830	97,776
Less: Diversification credit	110	69,472	85,663	80,147	93,688	95,816	99,670
Total Capital (Margin) Required at Target	115	525,997	642,603	599,605	707,336	726,025	761,123
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	399,737	471,557	484,017	507,415
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	399,737	471,557	484,017	507,415
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-25,081	57,328	148,282	244,594
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	93.7%	112.2%	130.6%	148.2%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix E
Solvency - Interest Rate Decrease

Appendix E - Solvency - Interest Rate Decrease

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	3,330,650	3,089,641	3,255,655	3,443,599
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	3,075	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,571,084	3,336,815	3,489,496	3,664,649

Confidential

Appendix E - Solvency - Interest Rate Decrease

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,657,396	2,314,446	2,360,602	2,410,063
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,657,396	2,314,446	2,360,602	2,410,063
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	0	320	320	320
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	0	320	320	320
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	3,101,456	2,769,225	2,824,648	2,885,588
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	3,101,456	2,769,225	2,824,648	2,885,588
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	459,681	557,643	654,901	769,114
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	469,628	567,590	664,848	779,061
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	469,628	567,590	664,848	779,061
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,571,084	3,336,815	3,489,496	3,664,649

Appendix E - Solvency - Interest Rate Decrease

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,214,108	1,184,053	1,240,055	1,274,028
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,544	-17,752	-17,915	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	-20,309	47,413	29,372	33,881
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	141,807	131,512	137,869	146,949
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	270,329	-433,250	-83,203	-86,387
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-4,094	2,511	-443	-408
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	408,043	-299,227	54,223	60,153
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	377,181	-262,190	58,565	62,013
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	377,181	-262,190	58,565	62,013
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	377,181	-262,190	58,565	62,013
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix E - Solvency - Interest Rate Decrease

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	459,681	557,643	654,901	769,114
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	459,681	557,643	654,901	769,114
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	469,628	567,590	664,848	779,061
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	433,206	533,533	636,986	757,090

Appendix E - Solvency - Interest Rate Decrease

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	433,206	533,533	636,986	757,090
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	433,206	533,533	636,986	757,090
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,040	96,586	100,559	105,367
Liability for incurred claims	035	195,056	207,169	255,011	216,847	216,861	217,974
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	347,051	313,434	317,420	323,342
Market Risk:							
Interest rate	055	37,025	44,754	86,356	54,425	47,015	41,092
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	159,704	150,801	162,235	180,814
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	365,087	334,866	347,537	375,159
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	70,101	62,729	64,555	66,267
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	71,200	63,828	65,654	67,366
Operational risk	105	72,921	83,761	96,616	91,530	94,050	98,018
Less: Diversification credit	110	69,472	85,663	103,482	93,935	96,074	99,935
Total Capital (Margin) Required at Target	115	525,997	642,603	776,473	709,722	728,588	763,949
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	517,649	473,148	485,725	509,299
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	517,649	473,148	485,725	509,299
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-84,443	60,385	151,260	247,791
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	83.7%	112.8%	131.1%	148.7%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix F
Solvency - Inflation

Appendix F - Solvency - Inflation

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,832,505	2,805,556	2,704,677	2,834,395	3,256,599
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	1,957
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,064,416	3,042,915	2,951,851	3,068,236	3,479,606

Confidential

Appendix F - Solvency - Inflation

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,200,380	2,226,179	2,219,372	2,268,101	2,774,622
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,200,380	2,226,179	2,219,372	2,268,101	2,774,622
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	695	980	1,538	1,348	0
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	695,159,287	979,822,547	1,537,962,9	1,348,057,77	0
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,636,317	2,671,219	2,675,369	2,733,175	3,249,827
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,636,317	2,671,219	2,675,369	2,733,175	3,249,827
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	418,153	361,749	266,534	325,114	219,832
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	428,100	371,696	276,481	335,061	229,779
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	428,100	371,696	276,481	335,061	229,779
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,064,416	3,042,915	2,951,851	3,068,236	3,479,606

Appendix F - Solvency - Inflation

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20,22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,263,919	1,362,024	1,403,591	1,446,134
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,263,919	1,362,024	1,403,591	1,446,134
Insurance service expenses	110	1,058,088	1,280,217	1,373,970	1,609,760	1,405,149	1,480,968
Net expenses from reinsurance contracts held	120	-13,429	-15,613	-16,771	-17,052	-19,286	-19,537
INSURANCE SERVICE RESULT	199	42,200	-127,880	-126,822	-264,788	-20,844	-54,372
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	121,869	119,451	115,126	120,030	138,969
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-210,680	-203,248	-358,975	-79,218	332,769
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	1,286	-102	1,538	-795	-3,550
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	-87,525	-83,900	-242,311	40,017	468,187
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-23,036	-23,062	-25,203	-42,775	-51,328
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	-227,758	-223,014	-521,300	-12,349	374,004
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	-227,758	-223,014	-521,300	-12,349	374,004
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	-227,758	-223,014	-521,300	-12,349	374,004
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000) (p.20.00)

	2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available						
Qualifying category A common shares	001	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0
Retained earnings	010	435,783	418,153	361,749	266,534	219,832
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	418,153	361,749	266,534	219,832
Earthquake reserves	035	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0
Qualifying category C instruments						
Add: Subordinated debt	115	0	0	0	0	0
Preferred shares	120	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	428,100	371,696	276,481	229,779
Deductions:						
Interests in non-qualifying subsidiaries	145	0	0	0	0	0
Interests in associates	150	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	21,971
Additions:						
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0
Total Capital Available	250	383,100	394,128	335,274	242,424	207,808

Appendix F - Solvency - Inflation

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	394,128	335,274	242,424	307,199	207,808
Other (Specify)	005						
Total Capital Available	010	383,100	394,128	335,274	242,424	307,199	207,808
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	90,821	95,607	99,199	103,279	108,217
Liability for incurred claims	035	195,056	205,093	212,518	209,267	209,560	256,979
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	295,914	308,125	308,466	312,839	365,196
Market Risk:							
Interest rate	055	37,025	41,990	48,101	39,319	31,987	79,179
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	122,065	119,744	109,933	116,953	158,785
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	276,541	286,872	278,891	287,227	391,218
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	59,674	59,287	57,716	59,459	68,710
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	60,773	60,386	58,815	60,558	69,809
Operational risk	105	72,921	82,803	86,978	88,531	90,789	105,916
Less: Diversification credit	110	69,472	84,446	87,467	86,380	88,240	109,090
Total Capital (Margin) Required at Target	115	525,997	631,584	654,894	648,324	663,173	823,049
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	421,056	436,596	432,216	442,115	548,699
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	421,056	436,596	432,216	442,115	548,699
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	-26,928	-101,322	-189,791	-134,916	-340,891
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	93.6%	76.8%	56.1%	69.5%	37.9%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix G
Solvency - Combined: Inflation, High Loss Ratio,
Underestimation of Policy Liabilities and Decline in
Equity Markets

Appendix G - Solvency - Combined

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,832,505	2,708,862	2,611,174	2,756,538	2,850,154
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,064,416	2,946,221	2,858,348	2,990,379	3,071,204

Confidential

Appendix G - Solvency - Combined

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,200,380	2,268,858	2,229,373	2,272,767	2,324,378
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,200,380	2,268,858	2,229,373	2,272,767	2,324,378
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	695	952	1,531	1,343	1,169
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	695,159,287	952,120,465	1,530,827,9	1,343,118,92	1,168,784,24
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,636,317	2,713,870	2,685,363	2,737,836	2,800,752
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,636,317	2,713,870	2,685,363	2,737,836	2,800,752
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	418,153	222,404	163,038	242,595	260,506
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	428,100	232,351	172,985	252,542	270,453
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	428,100	232,351	172,985	252,542	270,453
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,064,416	2,946,221	2,858,348	2,990,379	3,071,204

Appendix G - Solvency - Combined

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,277,313	1,390,917	1,433,366	1,476,811
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,277,313	1,390,917	1,433,366	1,476,811
Insurance service expenses	110	1,058,088	1,280,217	1,507,113	1,639,338	1,540,177	1,582,740
Net expenses from reinsurance contracts held	120	-13,429	-15,613	-16,876	-17,425	-19,623	-20,213
INSURANCE SERVICE RESULT	199	42,200	-127,880	-246,676	-265,846	-126,434	-126,142
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	121,869	115,334	111,146	116,732	121,625
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-210,680	-212,714	-353,330	-78,689	-83,576
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	1,286	-90	1,531	-795	-749
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	-87,525	-97,470	-240,654	37,248	37,300
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-23,036	-23,062	-25,203	-42,775	-51,328
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	-227,758	-356,439	-520,701	-120,709	-128,654
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	-227,758	-356,439	-520,701	-120,709	-128,654
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	-227,758	-356,439	-520,701	-120,709	-128,654
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000) (p.20.00)

	2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available						
Qualifying category A common shares	001	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0
Retained earnings	010	435,783	418,153	222,404	163,038	242,595
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	418,153	222,404	163,038	242,595
Earthquake reserves	035	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0
Qualifying category C instruments						
Add: Subordinated debt	115	0	0	0	0	0
Preferred shares	120	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	428,100	232,351	172,985	252,542
Deductions:						
Interests in non-qualifying subsidiaries	145	0	0	0	0	0
Interests in associates	150	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862
Additions:						
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0
Total Capital Available	250	383,100	394,128	195,929	138,928	224,680

Appendix G - Solvency - Combined

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	394,128	195,929	138,928	224,680	248,482
Other (Specify)	005						
Total Capital Available	010	383,100	394,128	195,929	138,928	224,680	248,482
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	90,821	104,780	104,861	117,987	123,627
Liability for incurred claims	035	195,056	205,093	218,112	210,532	210,062	211,406
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	295,914	322,893	315,393	328,049	335,033
Market Risk:							
Interest rate	055	37,025	41,957	50,977	40,492	33,649	28,228
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	122,065	96,267	89,648	108,997	116,152
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	276,508	266,272	259,779	280,932	297,634
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	59,674	59,454	57,421	58,747	60,053
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	60,773	60,553	58,520	59,846	61,152
Operational risk	105	72,921	82,800	86,807	88,138	92,174	95,371
Less: Diversification credit	110	69,472	84,442	87,042	84,897	89,571	92,837
Total Capital (Margin) Required at Target	115	525,997	631,553	649,482	636,935	671,430	696,353
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	421,035	432,988	424,623	447,620	464,235
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	421,035	432,988	424,623	447,620	464,235
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	-26,907	-237,059	-285,695	-222,940	-215,754
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	93.6%	45.3%	32.7%	50.2%	53.5%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix H
Going Concern - High Loss Ratio

Appendix H - Going Concern - High Loss Ratio

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,911,854	2,952,388	3,080,584	3,255,170
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,149,213	3,199,562	3,314,425	3,476,220

Confidential

Appendix H - Going Concern - High Loss Ratio

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,321,727	2,386,313	2,397,719	2,440,305
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,321,727	2,386,313	2,397,719	2,440,305
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	287	264	279	283
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	286,663,082	264,342,401	278,863,877	283,162,749
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,766,073	2,841,036	2,861,724	2,915,793
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,766,073	2,841,036	2,861,724	2,915,793
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	373,193	348,579	442,754	550,481
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	383,140	358,526	452,701	560,428
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	383,140	358,526	452,701	560,428
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,149,213	3,199,562	3,314,425	3,476,220

Appendix H - Going Concern - High Loss Ratio

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20,22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,243,827	1,320,067	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,243,827	1,320,067	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,330,500	1,369,493	1,237,720	1,273,566
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-15,603	-16,343	-17,917	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	-102,275	-65,768	31,705	34,342
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	123,976	125,670	130,455	138,908
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-91,144	-86,619	-81,363	-85,116
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-1,046	-516	-444	-410
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	31,786	38,535	48,648	53,382
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-81,042	-37,610	55,323	55,704
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-81,042	-37,610	55,323	55,704
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-81,042	-37,610	55,323	55,704
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix H - Going Concern - High Loss Ratio

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	373,193	348,579	442,754	550,481
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	373,193	348,579	442,754	550,481
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	383,140	358,526	452,701	560,428
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	346,718	324,469	424,839	538,457

Appendix H - Going Concern - High Loss Ratio

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	346,718	324,469	424,839	538,457
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	346,718	324,469	424,839	538,457
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	101,231	103,692	100,559	105,367
Liability for incurred claims	035	195,056	207,169	222,678	225,737	220,805	221,091
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	323,908	329,429	321,364	326,458
Market Risk:							
Interest rate	055	37,025	44,754	62,870	68,484	62,082	56,331
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	135,428	145,087	155,076	172,688
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	317,326	343,212	355,445	382,273
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	61,447	61,914	62,947	64,496
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	62,546	63,013	64,046	65,595
Operational risk	105	72,921	83,761	90,628	95,168	94,921	98,737
Less: Diversification credit	110	69,472	85,663	93,647	97,403	97,383	100,998
Total Capital (Margin) Required at Target	115	525,997	642,603	700,762	733,419	738,394	772,064
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	467,175	488,946	492,263	514,710
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	467,175	488,946	492,263	514,710
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-120,457	-164,477	-67,424	23,747
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	74.2%	66.4%	86.3%	104.6%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix I
Going Concern - Underestimation of Policy Liabilities

Appendix I - Going Concern - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,959,258	3,059,861	3,215,786	3,399,664
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,196,617	3,307,035	3,449,627	3,620,714

Confidential

Appendix I - Going Concern - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)
(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,305,865	2,354,901	2,390,445	2,436,542
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,305,865	2,354,901	2,390,445	2,436,542
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	76	81	98	113
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	76.3723965	81.3430522	97.959866	112.791964
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,750,002	2,809,441	2,854,269	2,911,859
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,750,002	2,809,441	2,854,269	2,911,859
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	436,668	487,647	585,411	698,908
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	446,615	497,594	595,358	708,855
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	446,615	497,594	595,358	708,855
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,196,617	3,307,035	3,449,627	3,620,714

Appendix I - Going Concern - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20,22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,221,504	1,272,257	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,221,504	1,272,257	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,244,332	1,255,380	1,239,311	1,273,772
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,690	-17,669	-17,917	-18,454
INSURANCE SERVICE RESULT	199	42,200	9,330	-39,518	-792	30,114	34,135
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	125,995	130,245	136,180	145,074
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-92,514	-80,561	-81,900	-85,299
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-975	-533	-452	-416
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	32,505	49,150	53,829	59,359
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-17,566	37,983	58,912	61,473
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-17,566	37,983	58,912	61,473
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-17,566	37,983	58,912	61,473
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix I - Going Concern - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	436,668	487,647	585,411	698,908
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	436,668	487,647	585,411	698,908
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	446,615	497,594	595,358	708,855
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	410,193	463,537	567,496	686,884

Appendix I - Going Concern - Underestimation of Policy Liabilities

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	410,193	463,537	567,496	686,884
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	410,193	463,537	567,496	686,884
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,777	98,120	100,559	105,367
Liability for incurred claims	035	195,056	207,169	219,822	221,311	219,897	220,640
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	312,600	319,431	320,457	326,008
Market Risk:							
Interest rate	055	37,025	44,754	59,700	59,389	52,067	45,963
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	136,854	148,495	159,474	177,679
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	315,582	337,524	349,828	376,895
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	61,851	62,853	64,458	66,113
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	62,950	63,952	65,557	67,212
Operational risk	105	72,921	83,761	89,037	92,809	94,495	98,379
Less: Diversification credit	110	69,472	85,663	91,687	95,237	96,819	100,567
Total Capital (Margin) Required at Target	115	525,997	642,603	688,481	718,479	733,518	767,927
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	458,987	478,986	489,012	511,951
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	458,987	478,986	489,012	511,951
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-48,794	-15,448	78,484	174,933
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	89.4%	96.8%	116.0%	134.2%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix J
Going Concern - Decline in Equity Markets

Appendix J - Going Concern - Decline in Equity Markets

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	2,804,525	3,091,330	3,257,584	3,445,430
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,041,884	3,338,504	3,491,425	3,666,480

Confidential

Appendix J - Going Concern - Decline in Equity Markets

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,169,059	2,314,446	2,360,602	2,410,063
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,169,059	2,314,446	2,360,602	2,410,063
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	1,222	320	320	320
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	1,221,880	320	320	320
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,614,341	2,769,225	2,824,648	2,885,588
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,614,341	2,769,225	2,824,648	2,885,588
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	417,596	559,332	656,830	770,945
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	427,543	569,279	666,777	780,892
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	427,543	569,279	666,777	780,892
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,041,884	3,338,504	3,491,425	3,666,480

Appendix J - Going Concern - Decline in Equity Markets

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)
(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,173,654	1,224,507	1,240,055	1,274,028
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,996	-17,300	-17,915	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	19,692	7,411	29,372	33,881
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	119,407	131,584	137,951	147,027
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	-177,553	14,632	-83,203	-86,387
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-250	-1,333	-443	-408
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	-58,396	144,884	54,305	60,231
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	-49,256	141,919	58,646	62,091
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	-49,256	141,919	58,646	62,091
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	-49,256	141,919	58,646	62,091
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix J - Going Concern - Decline in Equity Markets

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	417,596	559,332	656,830	770,945
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	417,596	559,332	656,830	770,945
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	427,543	569,279	666,777	780,892
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	391,121	535,222	638,915	758,921

Appendix J - Going Concern - Decline in Equity Markets

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	391,121	535,222	638,915	758,921
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	391,121	535,222	638,915	758,921
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,040	96,586	100,559	105,367
Liability for incurred claims	035	195,056	207,169	205,846	216,847	216,861	217,974
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	297,886	313,434	317,420	323,342
Market Risk:							
Interest rate	055	37,025	44,754	46,091	53,067	45,569	39,549
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	106,615	149,493	160,834	179,260
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	271,733	332,200	344,689	372,062
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	59,515	62,781	64,619	66,344
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	60,614	63,880	65,718	67,443
Operational risk	105	72,921	83,761	83,602	91,308	93,814	97,761
Less: Diversification credit	110	69,472	85,663	84,163	93,669	95,798	99,654
Total Capital (Margin) Required at Target	115	525,997	642,603	629,672	707,152	725,844	760,954
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	419,781	471,435	483,896	507,303
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	419,781	471,435	483,896	507,303
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-28,661	63,787	155,020	251,618
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	93.2%	113.5%	132.0%	149.6%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix K
Going Concern - Interest Rate Decrease

Appendix K - Going Concern - Interest Rate Decrease

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,919,332	3,148,900	3,093,595	3,259,865	3,447,903
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	1,233	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,151,243	3,387,492	3,340,769	3,493,706	3,668,953

Confidential

Appendix K - Going Concern - Interest Rate Decrease

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,225,359	2,448,592	2,314,446	2,360,602	2,410,063
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,225,359	2,448,592	2,314,446	2,360,602	2,410,063
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	320	0	320	320	320
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	320	0	320	320	320
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,660,920	2,892,652	2,769,225	2,824,648	2,885,588
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,660,920	2,892,652	2,769,225	2,824,648	2,885,588
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	480,376	484,893	561,597	659,111	773,418
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	490,323	494,840	571,544	669,058	783,365
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	490,323	494,840	571,544	669,058	783,365
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,151,243	3,387,492	3,340,769	3,493,706	3,668,953

Appendix K - Going Concern - Interest Rate Decrease

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

	2023A	2024BF	2025F	2026F	2027F	2028F	
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,210,342	1,249,218	1,287,342	1,326,361
Insurance service expenses	110	1,058,088	1,142,199	1,196,801	1,201,359	1,240,055	1,274,028
Net expenses from reinsurance contracts held	120	-13,429	-16,421	-16,738	-17,558	-17,915	-18,453
INSURANCE SERVICE RESULT	199	42,200	9,330	-3,197	30,300	29,372	33,881
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	125,605	134,069	131,680	138,047	147,132
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-90,745	78,832	-241,753	-83,203	-86,387
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	185	-2,446	863	-443	-408
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	35,045	210,455	-109,209	54,402	60,337
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,150	-21,322	-21,378	-36,283	-43,537
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	32,908	196,706	-89,285	58,743	62,197
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	32,908	196,706	-89,285	58,743	62,197
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	32,908	196,706	-89,285	58,743	62,197
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix K - Going Concern - Interest Rate Decrease

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	480,376	484,893	561,597	659,111	773,418
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	480,376	484,893	561,597	659,111	773,418
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	490,323	494,840	571,544	669,058	783,365
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	456,351	458,418	537,487	641,196	761,394

Appendix K - Going Concern - Interest Rate Decrease

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	456,351	458,418	537,487	641,196	761,394
Other (Specify)	005						
Total Capital Available	010	383,100	456,351	458,418	537,487	641,196	761,394
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	87,432	92,040	96,586	100,559	105,367
Liability for incurred claims	035	195,056	207,169	234,004	216,847	216,861	217,974
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	294,601	326,044	313,434	317,420	323,342
Market Risk:							
Interest rate	055	37,025	44,754	68,333	53,515	46,054	40,077
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	130,603	147,775	150,241	161,636	180,149
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	287,844	335,135	333,396	345,977	373,480
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,960	65,667	62,792	64,626	66,345
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	62,059	66,766	63,891	65,725	67,444
Operational risk	105	72,921	83,761	91,908	91,411	93,924	97,882
Less: Diversification credit	110	69,472	85,663	96,386	93,792	95,927	99,786
Total Capital (Margin) Required at Target	115	525,997	642,603	723,467	708,340	727,119	762,361
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	428,402	482,312	472,226	484,746	508,240
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	428,402	482,312	472,226	484,746	508,240
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	27,949	-23,893	65,260	156,451	253,154
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	106.5%	95.0%	113.8%	132.3%	149.8%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix L
Going Concern - Inflation

Appendix L - Going Concern - Inflation

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,875,728	2,905,954	2,932,601	3,076,693	3,234,959
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,107,639	3,143,313	3,179,775	3,310,534	3,456,009

Confidential

Appendix L - Going Concern - Inflation

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,212,530	2,215,214	2,162,026	2,219,131	2,277,662
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,212,530	2,215,214	2,162,026	2,219,131	2,277,662
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	511	943	1,815	1,666	1,524
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	511,427,958	942,543,838	1,814,724,011	1,666,171,311	1,523,709,322
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,648,282	2,660,217	2,618,300	2,684,523	2,754,391
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,648,282	2,660,217	2,618,300	2,684,523	2,754,391
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	449,410	473,150	551,528	616,064	691,671
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	459,357	483,097	561,475	626,011	701,618
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	459,357	483,097	561,475	626,011	701,618
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,107,639	3,143,313	3,179,775	3,310,534	3,456,009

Appendix L - Going Concern - Inflation

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,237,130	1,305,068	1,344,897	1,385,661
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,237,130	1,305,068	1,344,897	1,385,661
Insurance service expenses	110	1,058,088	1,211,179	1,224,307	1,309,006	1,344,097	1,380,771
Net expenses from reinsurance contracts held	120	-13,429	-16,018	-17,265	-18,147	-18,582	-19,140
INSURANCE SERVICE RESULT	199	42,200	-59,247	-4,442	-22,085	-17,782	-14,251
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	123,729	123,725	124,828	130,290	138,045
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-151,024	-131,848	-191,108	-86,223	-89,700
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	739	-688	254	-581	-543
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	-26,556	-8,811	-66,026	43,486	47,803
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,593	-22,183	-23,242	-39,447	-47,334
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	-97,712	-24,667	-100,352	-2,491	-2,267
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	-97,712	-24,667	-100,352	-2,491	-2,267
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	-97,712	-24,667	-100,352	-2,491	-2,267
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix L - Going Concern - Inflation

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

	2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available						
Qualifying category A common shares	001	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0
Retained earnings	010	435,783	449,410	473,150	551,528	616,064
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	449,410	473,150	551,528	616,064
Earthquake reserves	035	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0
Qualifying category C instruments						
Add: Subordinated debt	115	0	0	0	0	0
Preferred shares	120	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	459,357	483,097	561,475	701,618
Deductions:						
Interests in non-qualifying subsidiaries	145	0	0	0	0	0
Interests in associates	150	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862
Additions:						
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0
Total Capital Available	250	383,100	425,385	446,675	527,418	679,647

Appendix L - Going Concern - Inflation

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	425,385	446,675	527,418	598,149	679,647
Other (Specify)	005						
Total Capital Available	010	383,100	425,385	446,675	527,418	598,149	679,647
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	89,126	93,824	100,759	104,903	109,918
Liability for incurred claims	035	195,056	206,098	210,948	202,460	203,638	205,695
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	295,224	304,772	303,220	308,541	315,613
Market Risk:							
Interest rate	055	37,025	43,109	46,861	33,183	26,753	21,740
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	126,315	129,679	132,899	141,715	156,515
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	281,910	295,567	295,722	306,755	331,509
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,311	60,282	59,452	61,293	63,002
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	61,410	61,381	60,551	62,392	64,101
Operational risk	105	72,921	83,255	86,898	88,347	90,882	94,744
Less: Diversification credit	110	69,472	85,026	88,060	87,740	90,011	93,988
Total Capital (Margin) Required at Target	115	525,997	636,773	660,557	660,100	678,560	711,978
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	424,515	440,372	440,067	452,373	474,652
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	424,515	440,372	440,067	452,373	474,652
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	870	6,303	87,352	145,776	204,995
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	100.2%	101.4%	119.8%	132.2%	143.2%



Manitoba Public Insurance
2023 Financial Condition Testing

Appendix M
Going Concern - Combined: Inflation, High Loss
Ratio, Underestimation of Policy Liabilities and
Decline in Equity Markets

Appendix M - Going Concern - Combined

Manitoba Public Insurance - Basic

ASSETS (\$'000)
(p.20.10)

		2023A	2024BF	2025F	2026F	2027F	2028F
ASSETS							
Cash and Cash Equivalents	01	102,396	58,792	51,092	39,980	31,845	23,948
Accrued Investment Income	11	0	0	0	0	0	0
Current Tax Assets	52	0	0	0	0	0	0
Assets Held for Sale	50	0	0	0	0	0	0
Asset for Insurance Acquisition Cash Flows	18	0	0	0	0	0	0
Investments	14	2,791,803	2,875,728	2,842,500	2,842,435	3,011,005	3,154,026
Equity Accounted Investees	15	0	0	0	0	0	0
Financial Instrument Derivative Assets	16	0	0	0	0	0	0
Insurance Contract Assets	62	0	0	0	0	0	0
Reinsurance Contract Held Assets	64	4,322	0	0	0	0	0
Investment Properties	17	0	5,604	5,449	5,295	5,140	4,985
Property and Equipment	41	124,238	133,543	144,396	167,842	168,994	170,146
Intangible Assets	56	28,271	33,972	36,422	34,057	27,862	21,971
Goodwill	54	0	0	0	0	0	0
Defined Benefit Pension Plan	58	0	0	0	0	0	0
Segregated Funds Net Assets	60	0	0	0	0	0	0
Deferred Tax Assets	44	0	0	0	0	0	0
Other Assets	88	0	0	0	0	0	0
TOTAL ASSETS	89	3,051,030	3,107,639	3,079,859	3,089,609	3,244,846	3,375,076

Confidential

Appendix M - Going Concern - Combined

Manitoba Public Insurance - Basic

LIABILITIES AND EQUITY (\$'000)

(p.20.11)

	2023A	2024BF	2025F	2026F	2027F	2028F	
LIABILITIES							
Provisions, Accruals and Other Liabilities	030	58,748	69,113	66,045	64,557	61,937	61,529
Liabilities held for sale	040	0	0	0	0	0	0
Current Tax Liabilities	050	0	0	0	0	0	0
Encumbrances on Real Estate & Mortgage Loans	060	5,308	5,276	5,153	5,031	4,908	4,785
Financial Instrument Derivative Liabilities	070	0	0	0	0	0	0
Insurance Contract Liabilities							
Insurance Contract Liabilities – Excluding Segregated Funds	150	2,147,615	2,212,530	2,269,098	2,263,237	2,307,578	2,358,124
Insurance Contract Liabilities - Segregated Fund Guarantees	155	0	0	0	0	0	0
Insurance Contract Liabilities – Segregated Funds Net Liabilities	160	0	0	0	0	0	0
Total Insurance Contract Liabilities	169	2,147,615	2,212,530	2,269,098	2,263,237	2,307,578	2,358,124
Reinsurance Contract Held Liabilities							
Reinsurance Contract Held Liabilities – Excluding Segregated Funds	170	0	511	653	1,002	897	800
Reinsurance Contract Held Liabilities - Segregated Fund Guarantees	175	0	0	0	0	0	0
Reinsurance Contract Held Liabilities – Segregated Funds Net Liabilities	180	0	0	0	0	0	0
Total Reinsurance Contract Held Liabilities	189	0	511,427,958	653,103,758	1,001,763,14	897,188,711	800,436,269
Trust and Banking Deposits	080	0	0	0	0	0	0
Other Debt	090	0	0	0	0	0	0
Defined Benefit Pension Plan	110	0	0	0	0	0	0
Employment Benefits (not including amounts in line above)	120	348,631	360,852	372,862	384,871	396,881	408,891
Subordinated Debt	130	0	0	0	0	0	0
Preferred shares - Debt	140	0	0	0	0	0	0
Deferred Tax Liabilities	100	0	0	0	0	0	0
Investment Contract Liabilities							
Investment Contract Liabilities – Excluding Segregated Funds Net Liabilities	190	0	0	0	0	0	0
Investment Contract Liabilities – Segregated Funds Net Liabilities	195	0	0	0	0	0	0
Total Investment Contract Liabilities	199	0	0	0	0	0	0
Liabilities before Policyholders' Liabilities	299	2,560,302	2,648,282	2,713,811	2,718,698	2,772,201	2,834,129
Policyholders' Liabilities							
Residual Interest (Non-Stock)	310	0	0	0	0	0	0
Participating Account	320	0	0	0	0	0	0
Non-Participating Account (Non-Stock)	330	0	0	0	0	0	0
Total Policyholders' Liabilities	359	0	0	0	0	0	0
TOTAL LIABILITIES	399	2,560,302	2,648,282	2,713,811	2,718,698	2,772,201	2,834,129
EQUITY							
CANADIAN INSURERS ONLY:							
Policyholders' Equity							
Residual Interest (Non-Stock)	410	0	0	0	0	0	0
Participating Account	420	0	0	0	0	0	0
Participating Account - Accumulated OCI (Loss)	430	0	0	0	0	0	0
Non-Participating Account	440	0	0	0	0	0	0
Non-Participating Account - Accumulated OCI (Loss)	450	0	0	0	0	0	0
Total Policyholders' Equity	499	0	0	0	0	0	0
Shareholders' Equity							
Common Shares	510	0	0	0	0	0	0
Preferred Shares	520	0	0	0	0	0	0
Contributed Surplus	530	0	0	0	0	0	0
Other Capital	540	0	0	0	0	0	0
Retained Earnings	550	435,783	449,410	356,101	360,964	462,698	531,000
Nuclear and Other Reserves	560	0	0	0	0	0	0
Accumulated Other Comprehensive Income (Loss)	570	54,946	9,947	9,947	9,947	9,947	9,947
Total Shareholders' Equity	599	490,729	459,357	366,048	370,911	472,645	540,947
Non-controlling Interests	620	0	0	0	0	0	0
Total Equity	699	490,729	459,357	366,048	370,911	472,645	540,947
TOTAL LIABILITIES AND EQUITY	799	3,051,031	3,107,639	3,079,859	3,089,609	3,244,846	3,375,076

Appendix M - Going Concern - Combined

Manitoba Public Insurance - Basic

STATEMENT OF PROFIT OR LOSS (\$'000)

(p.20.22)

		2023A	2024BF	2025F	2026F	2027F	2028F
Revenue from PAA Contracts	010	1,113,717	1,167,950	1,243,827	1,320,067	1,360,354	1,401,586
Revenue from GMM Contracts (excluding VFA contracts)	020	0	0	0	0	0	0
Revenue from VFA Contracts	030	0	0	0	0	0	0
Total Insurance Revenue	099	1,113,717	1,167,950	1,243,827	1,320,067	1,360,354	1,401,586
Insurance service expenses	110	1,058,088	1,211,179	1,343,585	1,423,309	1,384,173	1,422,308
Net expenses from reinsurance contracts held	120	-13,429	-16,018	-16,898	-17,449	-18,770	-19,334
INSURANCE SERVICE RESULT	199	42,200	-59,247	-116,655	-120,690	-42,590	-40,056
Interest revenue on financial assets not measured at FVTPL	220	0	0	0	0	0	0
Net investment income excluding segregated funds	230	-17,408	123,729	121,023	120,990	127,508	134,592
Net investment income - segregated funds	240	0	0	0	0	0	0
Provision for Credit Losses	250	0	0	0	0	0	0
Investment Return	300	0	0	0	0	0	0
Net finance income (expenses) from insurance contracts excluding segregated funds	310	51,376	-151,024	-148,021	-220,043	-80,788	-84,839
Net finance income (expenses) from segregated funds	315	0	0	0	0	0	0
Net finance income (expenses) from reinsurance contracts held	320	0	739	-569	526	-626	-585
Movement in investment contract liabilities	330	0	0	0	0	0	0
NET INVESTMENT RESULT	399	33,968	-26,556	-27,567	-98,528	46,094	49,168
Other Income	410	11,260	10,684	10,769	11,002	11,252	11,516
Share of Net Income (Loss) of Equity Accounted Investees	415	0	0	0	0	0	0
General and Operating Expenses	420	-93,588	-22,593	-22,183	-23,242	-39,447	-47,334
OTHER INCOME AND EXPENSES	430	0	0	0	0	0	0
PROFIT (LOSS) BEFORE TAXES	440	-6,161	-97,712	-155,636	-231,459	-24,690	-26,707
Current Taxes	450	0	0	0	0	0	0
Deferred Taxes	460	0	0	0	0	0	0
Total Income Taxes	499	0	0	0	0	0	0
PROFIT (LOSS) AFTER TAXES	510	-6,161	-97,712	-155,636	-231,459	-24,690	-26,707
Discontinued Operations (net of Income Taxes of \$_____)	520	0	0	0	0	0	0
NET INCOME (LOSS) FOR THE YEAR	999	-6,161	-97,712	-155,636	-231,459	-24,690	-26,707
ATTRIBUTABLE TO:							
Participating Policyholders/Certificateholders	610	0	0	0	0	0	0
Other Fund Account	620	0	0	0	0	0	0
Residual Interest Policyholders	630	0	0	0	0	0	0
Non-controlling Interests	640	0	0	0	0	0	0
Equity Holders	650	0	0	0	0	0	0

Appendix M - Going Concern - Combined

Manitoba Public Insurance - Basic

MCT: CAPITAL AVAILABLE (\$'000)
(p.20.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available							
Qualifying category A common shares	001	0	0	0	0	0	0
Contributed surplus	005	0	0	0	0	0	0
Retained earnings	010	435,783	449,410	356,101	360,964	462,698	531,000
Less: Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	015	0	0	0	0	0	0
Unrealized net after-tax fair value gains (losses) on owner-occupied properties at conversion to IFRS - cost model	020	0	0	0	0	0	0
Add: Accumulated net after-tax revaluation losses in excess of gains on owner-occupied properties - revaluation model	025	0	0	0	0	0	0
Subtotal: Common shares, Contributed surplus and Retained earnings net of adjustments	030	435,783	449,410	356,101	360,964	462,698	531,000
Earthquake reserves	035	0	0	0	0	0	0
Less: Earthquake EPR not used as part of financial resources to cover exposure	040	0	0	0	0	0	0
Subtotal: Earthquake reserves net of adjustments	045	0	0	0	0	0	0
Nuclear reserves	050	0	0	0	0	0	0
General and contingency reserves	055	0	0	0	0	0	0
Accumulated other comprehensive income (loss)	060	54,946	9,947	9,947	9,947	9,947	9,947
Less: Accumulated net after-tax fair value gains (losses) on cash flow hedges that are not fair valued on the balance sheet	065	0	0	0	0	0	0
Accumulated net after-tax fair value gains (losses) due to changes in the company's own credit risk	070	0	0	0	0	0	0
Accumulated net after-tax unrealized gains on owner-occupied properties - revaluation surplus	080	0	0	0	0	0	0
Subtotal: Nuclear, General reserves and AOCI net of adjustments	085	54,946	9,947	9,947	9,947	9,947	9,947
Residual interest of owner-policyholder of mutual entities - Classified as equity on balance sheet	090	0	0	0	0	0	0
Residual interest of owner-policyholder of mutual entities - Classified as liabilities on balance sheet	091	0	0	0	0	0	0
Qualifying category B instruments - Non-cumulative perpetual preferred shares	095	0	0	0	0	0	0
Qualifying category B instruments - Other	100	0	0	0	0	0	0
Qualifying category C instruments							
Add: Subordinated debt	115	0	0	0	0	0	0
Preferred shares	120	0	0	0	0	0	0
Less: Accumulated amortization of category C instruments for capital adequacy purposes	121	0	0	0	0	0	0
Subtotal: Net qualifying category C instruments	125	0	0	0	0	0	0
Non-controlling interests	130	0	0	0	0	0	0
Other (Specify)	135	0	0	0	0	0	0
Subtotal: Capital available before deductions and additions	140	490,729	459,357	366,048	370,911	472,645	540,947
Deductions:							
Interests in non-qualifying subsidiaries	145	0	0	0	0	0	0
Interests in associates	150	0	0	0	0	0	0
Interests in joint ventures and limited partnerships with more than 10% ownership	155	0	0	0	0	0	0
Loans considered as capital to non-qualifying subsidiaries	160	0	0	0	0	0	0
Loans considered as capital to associates	165	0	0	0	0	0	0
Loans considered as capital to joint ventures and limited partnerships with more than 10% ownership	170	0	0	0	0	0	0
Receivables and recoverables from unregistered insurers not covered by acceptable collateral	175	0	0	0	0	0	0
Self-insured retentions, where the regulator requires collateral and no collateral has been received	180	0	0	0	0	0	0
Assets for insurance acquisition cash flows	181	0	0	0	0	0	0
Unamortized insurance acquisition cash flows other than those arising from commissions and premium taxes	185	0	0	0	0	0	0
Goodwill (net of eligible deferred tax liability)	190	0	0	0	0	0	0
Intangible assets, including computer software (net of eligible deferred tax liability)	195	28,271	33,972	36,422	34,057	27,862	21,971
Deferred tax assets excluding those arising from temporary differences (net of eligible deferred tax liability)	200	0	0	0	0	0	0
Net defined benefit pension plan surplus asset, net of available refunds (net of eligible deferred tax liability)	205	0	0	0	0	0	0
Investments in own capital instruments not derecognized for accounting purposes	215	0	0	0	0	0	0
Reciprocal cross holdings in the capital of financial entities	220	0	0	0	0	0	0
Other (Specify)	225	79,358	0	0	0	0	0
Subtotal: Deductions to capital available	230	107,629	33,972	36,422	34,057	27,862	21,971
Additions:							
Net Contractual service margin (CSM) associated with title insurance contracts	235	0	0	0	0	0	0
Net Contractual service margin (CSM) associated with business combinations and portfolio transfers on or prior to June 30, 2019	240	0	0	0	0	0	0
Other (Specify)	241	0	0	0	0	0	0
Subtotal: Additions to capital available	245	0	0	0	0	0	0
Total Capital Available	250	383,100	425,385	329,626	336,854	444,783	518,976

Appendix M - Going Concern - Combined

Manitoba Public Insurance - Basic

MCT (BAAT) RATIO - SUMMARY CALCULATIONS (\$'000)

(p.10.00)

		2023A	2024BF	2025F	2026F	2027F	2028F
Capital Available:							
Capital available (from page 20.00 - capital available)	001	383,100	425,385	329,626	336,854	444,783	518,976
Other (Specify)	005						
Total Capital Available	010	383,100	425,385	329,626	336,854	444,783	518,976
Assets Available:							
Net Assets Available (from page 30.00 - net assets available)	015	0	0	0	0	0	0
Other (Specify)	020						
Total Net Assets Available	025	0	0	0	0	0	0
Capital (Margin) Required at Target:							
Insurance Risk:							
Unexpired coverage	030	88,238	89,126	98,566	100,926	109,054	114,267
Liability for incurred claims	035	195,056	206,098	217,040	212,835	212,535	213,761
Earthquake and nuclear catastrophe reserves	040	0	0	0	0	0	0
Reinsurance held with unregistered insurers	045	16	0	0	0	0	0
Subtotal: Insurance risk	050	283,310	295,224	315,606	313,761	321,589	328,029
Market Risk:							
Interest rate	055	37,025	43,294	52,256	45,374	38,163	32,425
Foreign exchange	060	19,440	32,256	33,909	36,903	40,333	48,023
Equity	065	92,539	126,315	115,409	116,225	135,002	148,026
Real estate	070	44,125	80,230	85,118	92,737	97,954	105,231
Other market exposures (including right-of-use assets)	075	867	0	0	0	0	0
Subtotal: Market risk	080	193,996	282,096	286,692	291,239	311,452	333,704
Credit Risk:							
Counterparty default for balance sheet items	085	44,212	60,311	60,616	60,032	61,630	63,166
Counterparty default for off-balance sheet exposures	090	1,030	1,099	1,099	1,099	1,099	1,099
Collateral held for unregistered reinsurance and self-insured retention	095	0	0	0	0	0	0
Subtotal: Credit risk	100	45,242	61,410	61,715	61,131	62,729	64,265
Operational risk	105	72,921	83,271	87,248	89,258	92,777	96,368
Less: Diversification credit	110	69,472	85,047	88,727	88,922	92,642	96,293
Total Capital (Margin) Required at Target	115	525,997	636,954	662,534	666,468	695,904	726,072
Minimum Capital (Margin) Required (line 115 / 1.5)	120	350,665	424,636	441,689	444,312	463,936	484,048
Other (Specify)	125						
Total Minimum Capital (Margin) Required	130	350,665	424,636	441,689	444,312	463,936	484,048
Excess Capital (Net Assets Available) over Minimum Capital (Margin) Required	135	32,436	749	-112,064	-107,458	-19,154	34,928
MCT (BAAT) Ratio (Line 10 (line 25) as a % of line 130)	140	109.2%	100.2%	74.6%	75.8%	95.9%	107.2%



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Appendix N
Description of All Adverse Scenarios



Description of All Adverse Scenarios

Claim Frequency and Severity

Future claims and loss ratios can differ significantly from the Base Scenario due to unexpected increases in the frequency of large losses, increased frequency or severity of “normal” losses, or due to inadequate pricing.

Earthquake

An earthquake scenario was considered but not tested in this FCT report as the Company has minimal earthquake exposure.

Catastrophe

Similar to earthquake scenario, a catastrophe scenario was considered but not tested in this FCT report as the Company has minimal catastrophe exposure.

Large Claims

A large claims scenario was considered but not tested in this FCT report as the Basic line of business has minimal exposure in large claims.

Loss Ratio

We also considered a situation where the highest possible claim ratio with at least a 1% probability level occurred. This scenario is more adverse than the catastrophic loss scenario.

This scenario is discussed in detail in Section 7.

Social Inflation

A social inflation scenario was considered but not tested in this FCT report as the Company has minimal exposure in social inflation.

Liability for Incurred Claims

Ultimate claim costs and claim adjustment expenses required to settle unpaid claims (including IBNR) are not easy to estimate with precision or confidence. For long tail lines there may be several reasons for this including parameter risk, process risk, data errors, social inflation with a retrospective impact and court decisions. Generally, for long tail lines, these unpaid claim



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amounts represent significant and material portions of the overall policy liability of the insurer.

Estimates of the cost of future claims (both those related to the runoff of the unearned premium, and those related to future new and renewal business) generally depend materially on the estimates of the unpaid claim liability for long tail lines, and so a misestimation of the unpaid claim and adjustment expense amount may have a concomitant effect on estimates of the cost of future claims and expenses.

Even if the ultimate claim costs and claim adjustment expenses required to settle unpaid claims are appropriately estimated, it still may be difficult to estimate the cost of future claims (both those related to the runoff of the unearned premiums, and those related to future new and renewal business) with both precision and confidence. For all lines, there may be several reasons for this, including future social inflation, and the occurrence of future events, such as court decisions, legislative changes, and catastrophic events. For lines of business which are new to the insurer or for which the book of business has changed significantly (whether by change in volume or significant change in the profile of risks) the cost of future claims and expenses are additionally exposed to parameter and process risk.

We have assumed an event (such as class actions effective retroactively) causes a 3% increase of 2023/24 gross and ceded unpaid claims in year 2024/25. As well, we have assumed a 3% increase in gross and ceded incurred claims during 2024/25 and 2025, and a 6% increase in gross and ceded incurred claims during 2025/26. We assumed management would implement rate increases resulting in written premiums 1.5% and 3% over the levels in the base scenario in 2024/25 and 2025/26 respectively. Under these assumptions, the equity in 2024/25 and 2025/26 was approximately \$397.6 million and \$433.3 million. The corresponding 2024/25 and 2025/26 MCT ratios were 78% and 82%. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

Inflation

This scenario tested the Company's ability to withstand sustained economic inflation. Claim costs and claim adjustment expenses are very sensitive to the overall rate of inflation.

This scenario is discussed in detail in Section 7.

Volume and Mix of Business

One of the uncertainties facing an insurance company is the volume of new business and the mix of business that it will be able to write in the future. Volumes and mix significantly different from those assumed in the business plan can result in a capital position which differs from the expected, with negative consequences.

As MPI is the sole auto insurance provider in Manitoba, a scenario was considered but not tested in this FCT report as the Company has no competitor and the new business volume is



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stable.

Reinsurance Held

Reinsurance held risk arises from a reinsurer's (or retrocessionaire's) failure to meet its obligations to the insurer, or from a change in market conditions causing an increase in rates, inadequate limits, or otherwise inadequate or unaffordable coverage.

We reviewed the Company's reinsurance held exposure and a scenario was considered but not tested in this FCT report as the Company has minimal reinsurance held exposure.

Market and Credit

Adverse scenarios related to investment risk may come from a variety of sources including

1. a significant change in the yield curve
2. declines in the market value of debt and equity securities
3. increases in losses from defaults on debt securities
4. mismatch in cash flows from assets and liabilities
5. poor returns and/or declines in the value of real estate
6. poor returns and/or declines in a value of subsidiary
7. a significant change in foreign exchange rates
8. a decrease in the returns and/or value of other major asset categories.

We analyzed the year-over-year change in rate of return from Canadian common stocks and Government of Canada securities by term from 1936-2015 and assumed the changes are normally distributed. A series of tests used to examine the assumption that the year-over-year changes in the rate of return in Canadian common stocks and the yield curve are normally distributed did not suggest that the distribution was an improper fit for the data. We have applied judgment in selecting the assumptions used in the investment scenarios described below that are consistent with an expected outcome between the 95th to 99th percentiles for the solvency scenarios and the 90th percentile for the going concern scenarios.

Deterioration of Asset Values

We have assumed that all the following 2024/25 events would occur simultaneously:

- drop in the market value of debt securities based on a sudden parallel increase of 180 basis points in the yield curve
- decline in equities consistent with a 45% decline in the S&P/TSX Composite index.
- the investment portfolio is being rebalanced to ensure investment assets support liabilities

Under these assumptions, the equity in 2024/25 and 2025/26 was approximately \$411.1



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million and \$562.9 million. The corresponding 2024/25 and 2025/26 MCT ratios were 94% and 112%. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

Change in Interest Rates

Where there is a significant increase or decrease in interest rates, the market value of debt securities will also change, affecting MCT. When there is a mismatch between the cash flow pattern of assets and liabilities, future rates of interest can vary substantially and adversely impact equity. The value of derivatives will also be affected. Where they are used as hedges, they will help mitigate adverse impacts. Where they are used to take mismatch positions, they will add financial exposures.

We have considered a sudden parallel shift of -300 basis points in the yield curve in 2024/25 and return to normal thereafter. We capped the decrease at 0% to avoid negative yields.

Under these assumptions, the equity in 2024/25 and 2025/26 was approximately \$469.6 million and \$567.6 million. The corresponding 2024/25 and 2025/26 MCT ratios were 84% and 113%. The statement value of the Company's assets is greater than the statement value of their liabilities throughout the forecast period.

Expense

Expense assumptions are unique in that management has a greater level of influence here than on other assumptions. Even insurers who, historically, have aggressively managed expenses to budgeted targets may face major expense issues in some situations such as an unexpected variation in new business growth or litigation. Insurers practicing strict management of budgets to meet expense levels included in pricing may have different results from insurers that manage budgets to other measures. A scenario was considered but not tested in this FCT report as the Company has stable business volume and operational control.

Government and Political

Most government actions will require a long implementation period. However the following represent some actions that could either be implemented retroactively or not even be foreseen and adversely affect your company:

1. An increase in premium taxes rates.
2. An increase in assessments, such as health care levy or insolvency fund contributions.
3. A change in regulatory solvency standards which could increase the capital requirements for property and casualty insurers.
4. Political instability within the jurisdiction.
5. Change to statutory coverages.



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None of these are likely to impair the financial condition of the Company.

Off-Balance-Sheet Items

Often the off-balance-sheet items arise from new or evolving industry practices which in future years do get recognized on the balance sheet by CICA, CIA, or regulators.

Adverse scenarios to which the Company may be sensitive are as follows:

- Structured Settlements
- Contingent Liabilities or Losses
- Capital Maintenance Agreements

None of these are likely to materially affect the Company.

Related Companies

It is possible that adverse scenarios in a related company may have a concomitant impact on the Company's financial condition. A scenario was considered but not tested in this FCT report as the Company has no related company.

Climate-related

Climate-related risks are not limited to risks arising from localized climate events such as wildfires and floods. They also include larger-scale impacts related to climate change adaptation. In general, this risk category consists of physical and transition risk, as outlined below:

- Physical risk, which arises from an increase in frequency and severity of climate events, that could disrupt critical operations, threaten the value of investments, and/or increase insurance risks.
- Transition risk, which is driven by a shift towards a lower carbon footprint economy, could stem from current or future government policies, changes in investor or consumer sentiment, technological advancements, or climate-related litigation.

A scenario was considered but not tested in this FCT report as the Company has minimal climate-related exposure.

Technology and Cyber

The occurrence of cyber attacks has continued to increase in recent years, particularly against financial institutions. A scenario was considered but not tested in this FCT report as the Company has minimal technology and cyber risk exposure.



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Combination of Risks

Given Manitoba Public Insurance has experienced a mixture of unlikely events in recent past, a integrated scenarios were created and configured to be consistent with an expected outcome between the 95th to 99th percentiles.

A combination of Inflation, High Loss Ratio, Underestimation of Liability and Decline in Equity was tested.

This scenario is discussed in detail in Section 7.

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