MANITOBA PUBLIC INSURANCE

2024 GENERAL RATE APPLICATION

Round 1 Information Requests

August 2, 2023

Public Utilities Board (PUB)

MANITOBA PUBLIC INSURANCE

PUB (MPI) 1-1

Part and Chapter:	Part I Application	Page No.:	
PUB Approved Issue No:	1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada 10. Cost of operations and cost containment measures 8. Capital management plan 21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:			
Sub Topic:			

Preamble to IR:

Question:

Please file the Corporation's Board of Directors and Audit Committee meeting minutes relating to:

a) Approval of the 2024 GRA
b) Budget Approvals
c) Asset Liability Management/Investment Strategy
d) IT Optimization/Project Nova/BTO Projects
e) IT Project Impairment
f) RSR or Total Equity Targets/FCT
g) Capital Build and Rebate provisions
h) Capital Management Plan
i) All major contracts and their impact on operational costs
j) Approval of Extension Profit Margin for 2024/25
k) Extension Transfer of Retained Earnings
l) Enterprise Risk Management
m) DSR Changes
n) Vehicles for Hire
o) McKinsey Contract Matters

Rationale for Question:

To understand Corporate decisions that affect Basic

RESPONSE:

Please find attached responses below as follows:

a) Approval of the 2024 GRA:

Records are provided as *Appendix 1 - Board of Directors Meeting Minutes Redacted Jun 23, 2022, Mar 23 2023, and May 25 2023*.

b) Budget Approvals

Records from the Audit and Finance Committee Minutes related to this topic are provided as attachment *Appendix 2 - Board of Directors Committee Minutes Redacted Audit and Finance Com Mins Sep 26, 2022*

c) Asset Liability Management/Investment Strategy

Records are provided as *Appendix 3 – Board of Directors Investment Committee Minutes Redacted Jun 21, 2022, Feb 9, Feb 16 and Mar 23 2023*

d) IT Optimization/Project Nova/BTO Projects

Records are provided as *Appendix 4 – Board of Directors Meeting Minutes Redacted Technology Committee Minutes Apr 21, Jun 30, Jul 28, May 26, Nov 3, Dec 15 2022 and Jan 26, Mar 7, Mar 23 2023 - Redacted*

Records are provided as *Appendix 4a - Board of Directors Meeting Minutes Redacted Technology Committee Minutes Nov 10, 2022 and Mar 23, 2023*.

e) IT Project Impairment

There are no mentions of these topics in our Board or Committee meetings within this past year, these records do not exist.

f) RSR or Total Equity Targets/FCT

Records are provided as *Appendix 5 – Board of Directors Meeting Minutes Redacted Audit and Finance Committee Sep 29, 2022*

g) Capital Build and Rebate provisions

Records are provided as *Appendix 6 - Board of Directors Committee Meeting Minutes Sep 29, 2022 and May 25, 2023*

h) Capital Management Plan

There are no mentions of these topics in our Board or Committee meetings within this past year, these records do not exist.

i) All major contracts and their impact on operational costs

Records are provided as *Appendix 10 - Board of Directors Committee Meeting Minutes Nov 10, 2022, Feb 9, Mar 23, Mar 7 and Apr 11, 2023*

j) Approval of Extension Profit Margin for 2024/25

There are no mentions of these topics in our Board or Committee meetings within this past year, these records do not exist.

k) Extension Transfer of Retained Earnings

There are no mentions of these topics in our Board or Committee meetings within this past year, these records do not exist.

l) Enterprise Risk Management

Records are provided as *Appendix 7 – Board of Directors Meeting Minutes Redacted Risk Committee Aug 9, Nov 3, Jun 23, 2022 and Jan 26 and Mar 23, 2023*

m) DSR Changes

Records are provided as *Appendix 8 - Board of Directors Meeting Minutes Redacted Sep 29, 2022*

n) Vehicles for Hire

There are no mentions of these topics in our Board or Committee meetings within this past year, these records do not exist.

o) McKinsey Contract Matters

Records are provided as *Appendix 9 - Board of Directors Meeting Minutes Redacted Technology Committee Sep 28, Dec 16, 2021, Feb 8, Jan 27, Feb 10, Apr 21, 2022, Jan 26, Mar 23, 2023*

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, June 23, 2022, 1:00 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Present: DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MR. K. MUNROE
MR. J. ROBSON
MR. G. STEFANSON
MR. E. HERBELIN, PRESIDENT & CEO

Regrets: MS. D. ROUSIN
MR. D. GRESTONI

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

Board of Directors Meeting

[redacted]

22-074 **2023 General Rate Application**

Ms. Low and Mr. Dunstone presented Agenda Item 4.1 2023 General Rate Application.

Moved by Mr. Munroe and seconded by Mr. Robson that the Members approve the following to be filed as part of the 2023/24 Basic Rate submission:

1. Basic break-even rate change of -0.9%.

2. The overall Basic rate decrease of -0.9%, be allocated to the higher DSR vehicle discount levels that have the most significant need for rate decreases based on actuarial indications.

3. The top of the DSR scale be expanded from DSR +16 to DSR +17 in 2023/24, with plans to allow the scale to expand organically (i.e., 1 step per year) to at least DSR +20 in future years. The discount at DSR +17 will remain the same as DSR +16 for the first year.

4. Elimination of the 5% Capital Release Provision currently included on top of the Basic Rates.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date:	**Thursday, March 23, 2023 2:30 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-060 **2024/25 Preliminary General Rate Application**

Ms. Low presented Agenda Item 5.3 2024/25 Preliminary General Rate Application.

Following discussion, Members received the report as information.

[redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, May 25, 2023, 3:05 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present: MR. W. KEITH, CHAIR
MS. C. HALBERT
MR. G. LEIPSIC
MS. L. REMPEL
MS. D. ROUSSIN
MR. R. SCHULER
MR. G. STEFANSON, KC
MS. M. KACHER, INTERIM PRESIDENT & CEO

Regrets: MR. J. ROBSON
MR. R. CHALE
MR. K. KLIPPENSTEIN

Management: MR. A. GUERRA, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

Board of Directors Meeting
MINUTES

Date: May 25, 2023

[redacted]

23-084 **Public Utilities Board General Rate Application Strategy 2024**

Ms. Low, Mr. Masud and Mr. Guerra presented Agenda Item 3.3 Public Utilities Board General Rate Application 2024 Strategy.

Moved by Mr. Stefanson, and seconded by Mr. Leipsic that the Members approve the following to be filed as part of the 2024 General Rate Application:

1. Pursuant to OIC No. 94/2023, MPI will request no changes to rates for service.

2. As required by the PUB, MPI will file information on the Basic break-even preliminary indicated rate change of +0.10% in accordance with accepted actuarial practice.

3. MPI will file, as an interim solution, an analysis and proposal for modifications to the fleet program to better reflect cost causation and allow for a more equitable allocation of the costs for the fleet program until a full review of the fleet program can be completed.

4. As per PUB Order No. 4/23, MPI will file changes to the DSR discounts to move them one fourth of the way to the actuarially indicated target as well as introducing DSR level 18.

Board of Directors Meeting

MINUTES

5. No request for a capital rebate or a capital build.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

Meeting Date: **September 29, 2022, 7:45 am.**
Place: **Super 8 Hotel, Thompson, MB and/or Via Microsoft TEAMS**

Committee Members Present:	MR. K. KLIPPENSTEIN (CHAIR) MR. R. CHALE MR. D. GRESTONI, MR. G. LEIPSIC DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
External Auditors:	MR. P. GREEN and MS. S. KAUK of PricewaterhouseCoopers
Office of the Auditor General:	MR. D. STORM - regrets
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. M. GIESBRECHT, VICE-PRESIDENT, & CHIEF FINANCIAL OFFICER, MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY AND CHIEF RISK OFFICER AND MR. M. GANDHI, CORPORATE CONTROLLER

[redacted]

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

[redacted]

2023/24 Final Capital Budget

Messrs. Gandhi, Hildawa and Zarrillo and Ms. Taylor presented Agenda Item 2.1 2023/24 Final Capital Budget.

Moved by Mr. Grestoni and seconded by Mr. Leipsic that the Members recommend that the Board of Directors approve the 2023/24 Capital Budget Report and budget request of $127.3M.

Ms. Taylor withdrew from the meeting.

Messrs. Siddhartha Parti, Shayon Mitra, Khurram Masud, and Dean Dunstone along with Mmes. Marnie Kacher, and Cherity Ostapowich joined the meeting.

CARRIED

2023/24 Final Operating Budget

Mr. Giesbrecht presented Agenda Item 2.2 2023/24 Final Operating Budget.

Moved by Mr. Grestoni and seconded by Mr. Leipsic that the Members recommend that the Board of Directors approve the 2023/24 Fiscal Year Budget which includes $419.8M in total corporate expenses and forecasts a:

- Basic Net Loss of $7M
- Extension Net Income of $48M
- DVA loss of $23M
- With SRE to be confirmed and returned to the AFC at subsequent meeting

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, November 10, 2022 1:45 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Present:	DR. M. SULLIVAN, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. K. KLIPPENSTEIN MR. G. LEIPSIC MS. L. REMPEL MR. J. ROBSON MS. D. ROUSSIN MR. G. STEFANSON MR. E. HERBELIN, PRESIDENT & CEO
Regrets:	MR. R. CHALE
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. M. GIESBRECHT, VICE PRESIDENT & CHIEF FINANCIAL OFFICER [part of meeting]

[redacted]

Board of Directors Meeting

Date: November 10, 2022

Page: 2 of 6

[redacted]

22-138 **Audit& Finance Committee Report – 2023/24 SRE Budget**

Moved by Mr. Grestoni and seconded by Mr. Robson that the Members approve the 2023/24 SRE Budget.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

Meeting Date: **November 10, 2022 10:30 a.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba Virtual and In Person**

Committee Members Present:	MR. D. GRESTONI, MR. G. LEIPSIC DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MS. C. HALBERT MR. J. ROBSON MS. D. ROUSSIN MR. G. STEFANSON
Committee Member Regrets:	MR. K. KLIPPENSTEIN (CHAIR) MR. R. CHALE
External Auditors:	MR. P. GREEN and MS. S. KAUK of PricewaterhouseCoopers
Office of the Auditor General:	MR. D. STORM
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. M. GIESBRECHT, VICE-PRESIDENT, & CHIEF FINANCIAL OFFICER, MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY, AND CHIEF RISK OFFICER AND MR. M. GANDHI, CORPORATE CONTROLLER

[redacted]

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

Date: November 10, 2022
Page: 3 of 5

2023/24 SRE Budget	Mr. Swanarchuk presented Agenda Item 2.2 2023/24 SRE Budget. The Members will advise the Board of Directors of the 2023/24 Fiscal Year budget request for net earned revenue of $219M with an expected underwriting income loss of $1M for SRE.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

Meeting Date: **June 21, 2022**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba via Microsoft Teams**

Committee Members Present:	MR. D. GRESTONI, CHAIR MR. G. LEIPSIC MR. G. STEFANSON DR. M. SULLIVAN MR. E. HERBELIN
Board Members Present:	MR. K. MUNROE
Committee Member Regrets:	MR. J. ROBSON
Province of Manitoba Department of Finance:	MR. S. WIEBE, AND MR. B. BLOCK
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MS. C LOW, VICE PRESIDENT & CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. M. GIESBRECHT, VICE-PRESIDENT, AND CHIEF FINANCIAL OFFICER, AND MR. G. BUNSTON, DIRECTOR ALM AND INVESTMENT MANAGEMENT

[redacted]

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

[redacted]

Asset Liability Management Study Update	Mr. Bunston presented Agenda Item 2.1 Asset Liability Management Study Update. Following discussion, Members received the report as information.

[redacted]

Revised ALM Policy	Members received Agenda Item 3.2 Revised ALM Policy as information.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

Meeting Date:	**Thursday, February 9, 2023, 8:30 a.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. D. GRESTONI, CHAIR MR. G. LEIPSIC MR. J. ROBSON MS. L. REMPEL MR. G. STEFANSON, KC DR. M. SULLIVAN MR. E. HERBELIN
Province of Manitoba Department of Finance:	MR. S. WIEBE, MR. D. DELISLE, AND MR. B. BLOCK
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY – TREVOR BROWN, LEGAL COUNSEL 4 MS. C LOW, VICE PRESIDENT, CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. M. GIESBRECHT, VICE-PRESIDENT, AND CHIEF FINANCIAL OFFICER, AND MR. G. BUNSTON, DIRECTOR ALM & INVESTMENTS

[redacted]

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

[redacted]

Recommended Asset Mix for SRE

Mr. Bunston presented Agenda Item 2.1 Recommended Asset Mix for SRE.

Moved by Mr. Stefanson, KC and seconded by Mr. Robson that the Members recommend the Board approve eliminating equities and increasing investment in government bonds to improve the match between assets and liabilities for the SRE line of business.

CARRIED

Mr. John Stilo and Mr. Roger Mariamo (Addenda Capital representatives) joined the meeting.

Recommended Asset Mix for Basic, RSR, EXT and EFB

Mr. Bunston presented Agenda Item 2.2 Recommended Asset Mix for Basic, RSR, EXT and EFB.

Moved by Mr. Robson and seconded Mr. Stefanson, KC that the Members recommend the Board of Directors approve the proposed asset mixes for RST, EXT and EFB. It was noted that a decision regarding basic changes would be deferred to another meeting.

CARRIED

Mr. Stilo and Mariamo withdrew from the meeting.

Annual Review of Investment Policy Statement

Mr. Bunston presented Agenda Item 2.3 Annual Review of Investment Policy Statement.

Moved by Mr. Robson and seconded by Ms. Rempel that Members recommend the Board of Directors approve the revised Investment Policy Statement as presented except for changes to the asset allocation for the Basic Claims portfolio noted in Section 7.2 and the SRE asset allocation in Section 7.2 will reflect the "With No Equity" table and strike the "With 20% Equity" table.

CARRIED

For clarity, the proposed asset allocation in Section 7.2 for Basic Claims Long (Physical Portfolio), Basic Claims Long (Overlay Portfolio) and Basic Claims Short will be stricken and replaced by the asset allocation for Basic Claims set out in Section 7.1. i.e.: the asset allocation targets set out in Section 7.1 for Basic claims will remain unchanged after March 31, 2023.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

Meeting Date:	**February 16, 2023 11:30 a.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual**

Committee Members Present:	MR. G. LEIPSIC MS. L. REMPEL MR. G. STEFANSON, KC, ACTING CHAIR DR. M. SULLIVAN
Board Members Present:	
Committee Member Regrets:	MR. K. KLIPPENSTEIN, INTERIM CHAIR MR. J. ROBSON
Province of Manitoba Department of Finance:	MR. S. WIEBE, MR. D. DELISLE, AND MR. B. BLOCK
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY MS. C LOW, VICE PRESIDENT, CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. G. BUNSTON, DIRECTOR ALM & INVESTMENTS

Ms. Low, Messrs. Brown, Bunston, Block, Delisle, and Wiebe joined the meeting.

Mr. Enes Jeina and Mr. Alejandro Chomski also joined the meeting.

Recommended Asset Mix for Basic

Ms. Low Mr. Jeina and Mr. Bunston presented Agenda Item 2.1 Recommended Asset Mix for Basic.

Moved by Mr. G. Leipsic and seconded by Mr. G. Stefanson, KC that the Members recommend that the Board of Directors approve in principle the proposed asset mix for Basic subject to confirming that an order in council has been passed to allow for this purchase.

CARRIED

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, March 23, 2023 2:30 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present: DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

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[redacted]

[redacted] [redacted]

[redacted]

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-051 **Investment Committee Report – Recommended Asset Mix for Basic**

Moved by Mr. Klippenstein and seconded by Mr. Leipsic that the Members ratify the recommendation of the Investment Committee to approve the proposed asset mix for Basic.

CARRIED

23-052 **Investment Committee Report – Investment Policy Statement**

Moved by Mr. Klippenstein and seconded by Mr. Rempel that the Members ratify the recommendation of the Investment Committee to approve the revised Investment Policy Statement reflecting changes made since the February 9, 2023 Investment Committee Meeting.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **April 21, 2022 9:00 a.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba via Microsoft Teams**

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. J. ROBSON MR. K. KLIPPENSTEIN DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

Agenda

The April 21, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Grestoni and seconded by Mr. Robson that the April 21, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Mr. Grestoni and seconded by Dr. Sullivan that the Minutes of the March 3, 2022 Technology Committee meeting be approved.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: April 21, 2022
Page: 2 of 4

FINEOS Business Case Approval

Mr. Chad Muir joined the meeting.

Mr. Muir presented Agenda Item 2.1 FINEOS Business Case Approval.

Moved by Mr. Robson and seconded by Mr. Grestoni that the Members recommend the Board of Directors authorize Management to proceed with a transition from the current BI3 on-premise solution to a SaaS (Software as a Service) model with FINEOS Corporation Ltd. at an annual subscription cost [**REDACTED**]

CARRIED

Mr. Muir withdrew from the meeting.

Cloud Adoption Journey Update

Mr. Dave Hunter joined the meeting.

Mr. Hunter presented Agenda Item 3.1 Cloud Adoption Journey Update.

Following discussion, Members received the report as information.

Mr. Hunter withdrew from the meeting.

Nova Architecture Assessment Findings

Mr. Shawn Campbell, and Mr. Andrew Wood, Mr. Scott MacQuarrie, and Mr. Terry Wood from Systematix joined the meeting.

Mr. Wood and Mr. Scott presented Agenda Item 3.2 Nova Architecture Assessment Findings.

Following discussion, Members received the report as information.

Messrs. Campbell, Wood, MacQuarrie, and Wood withdrew from the meeting.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Project Nova: Update	Mr. Ramirez presented Agenda Item 3.3 Project Nova: Update. Following discussion, Members received the report as information.
Project Nova: Integrated Execution Plan	Messrs. Erez Eizeman, Daniel Brosseau, Thanou Thirakul, and Aprameya Rao and Ms. Marami Kar, from McKinsey joined the meeting. Mr. Eizenman presented Agenda Item 3.4 Project Nova: Re-baseline – Execution Plan. Following discussion, Members received the report as information. Messrs. Eiseman, Brosseau, Thirakul, Rao, and Ms. Kar withdrew from the meeting.
Project Nova: Governance Vendor PwC Update	Mr. Keegan Iles and Mr. Joe Cooper from PwC joined the meeting. Mr. Iles presented Agenda Item 3.5 Project Nova: Governance Vendor PwC Update. Following discussion, Members received the report as information. Messrs. Iles and Cooper withdrew from the meeting.
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 5.1 Update on Outstanding Issues which was reviewed by the Committee.
New Business:	No new business was brought forward. Messrs. Herbelin, Mitra, Parti, Ramirez and Triggs withdrew from the meeting.
In Camera:	The Committee held an In Camera meeting.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Termination There being no further business to bring before this meeting, the Chair declared the meeting terminated at 12:40 pm.

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Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **June 30, 2022, 1:00 p.m.**
Place: **Executive Offices, 234 Donald Street, Winnipeg, Manitoba via Microsoft Teams**

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. G. LEIPSIC
Committee Member Regrets:	MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera

The Members did not hold an In Camera Session.

Agenda

The June 30, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Robson and seconded by Mr. Grestoni that the June 30, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Mr. Robson and seconded by Mr. Grestoni that the Minutes of the May 26, 2022 Technology Committee meeting be approved.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: June 30, 2022

Page: 2 of 2

Project Nova: Update	Mr. Ramirez presented Agenda Item 2.1 Project Nova: Update. Following discussion, Members received the report as information. Ms. Marami Kar, Messrs. Daniel Brousseau, Erez Eizenman, and Aprameya Rao joined the meeting.
Project Nova: R1, R2, R3 and Governance Update	Ms. Kar, Messrs. Brousseau, Eizenman and Rao presented Agenda Item 2.2 Project Nova: R1, R2, R3 and Governance Update. Following discussion, Members received the report as information. Ms. Kar, Messrs. Brousseau, Eizenman and Rao withdrew from the meeting.
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 3.1 Update on Outstanding Issues which was reviewed by the Committee. Messrs. Herbelin, Triggs, Parti, Mitra, and Ramirez withdrew from the meeting.
New Business:	No new business was brought forward.
In Camera	The Members held an In Camera Session.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 3:05 pm.

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **July 28, 2022, 2:30 pm**

Place: **Executive Office, 9th Floor, 234 Donald Street, Winnipeg, Manitoba and via Microsoft Teams**

Committee Members Present:	MR. R. CHALE, CHAIR MS. C. HALBERT MR. K. KLIPPENSTEIN MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. G. LEIPSIC MR. K. MUNROE MS. D. ROUSSIN MR. G. STEFANSON
Committee Member Regrets:	MR. D. GRESTONI
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera No In Camera Session was held.

Agenda The July 28, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Ms. Halbert and seconded by Mr. Robson that the July 28, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Minutes	Moved by Dr. Sullivan and seconded by Mr. Robson that the Minutes of the June 30, 2022 Technology Committee meeting be approved. CARRIED
Automation Centre of Excellence	Messrs. Arun Abraham and Siva Kumar joined the meeting. Mr. Parti and Mr. Arun presented Agenda Item 2.1 Automation Centre of Excellence. Following discussion, Members received the report as information. Mr. Abraham withdrew from the meeting.
Data Management and Analytics Update	Mr. Parti presented Agenda Item 2.2 Data Management and Analytics Update. Following discussion, Members received the report as information.
Project Nova: Program Update	Mr. Ramirez presented Agenda Item 2.3 Project Nova: Program Update. Following discussion, Members received the report as information. Messrs. Keegan Iles, Joe Cooper, Jeff Rempel and Ms. Julia Baker joined the meeting.
Project Nova: Governance Vendor Update	Messrs. Iles, Cooper, Rempel and Ms. Baker presented Agenda Item 2.4 Project Nova: Governance Vendor Update Following discussion, Members received the report as information. Messrs. Iles, Cooper, Rempel and Ms. Baker withdrew from the meeting.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: **July 28, 2022**
Page: 3 of 3

Quarterly Portfolio Update	Members received Agenda Item 3.1 Quarterly Portfolio Update as information.
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee.
New Business:	No new business was brought forward.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 3:56 pm.

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Michael Triggs
General Counsel & Corporate Secretary

Manitoba
Public Insurance

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **May 26, 2022, 1:00 p.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba**
via Microsoft Teams

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. G. LEIPSIC
Committee Member Regrets:	MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera

The Members held an In Camera Session.

Upon completion of the In Camera Session, Messrs. Herbelin, Triggs, Parti, Mitra, and Ramirez joined the meeting.

Agenda

The May 26, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Grestoni and seconded by Ms. Halbert that the May 26, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: May 26, 2022

Page: 2 of 3

Minutes	Moved by Mr. Grestoni and seconded by Mr. Robson that the Minutes of the April 21, 2022 Technology Committee meeting be approved. CARRIED Mr. Salman Ashraf joined the meeting.
Cybersecurity Update	Mr. Ashraf and Mr. Parti presented Agenda Item 2.1 Cybersecurity Update. Following discussion, Members received the report as information. Mr. Ashraf withdrew from the meeting.
Project Nova: Update	Mr. Ramirez presented Agenda Item 2.2 Project Nova: Update. Following discussion, Members received the report as information. Ms. Marami Kar, Messrs. Erez Eizenman, Daniel Brosseau and Aprameya Rao joined the meeting
Project Nova: Integrated Execution Plan	Ms. Kar, and Messrs. Brousseau, Eizenman and Rao presented Agenda Item 2.3 Project Nova: Integrated Execution Plan. Following discussion, Members received the report as information. Ms. Kar, and Messrs. Brousseau, Eizenman and Rao withdrew from the meeting.
Project Nova – Independent Program Governance Advisor	Mr. Triggs presented Agenda Item 2.4 Project Nova – Independent Program Governance Advisor. Following discussion, Members received the report as information.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: May 26, 2022
Page: 3 of 3

Update on Outstanding Issues	Mr. Triggs presented Agenda Item 3.1 Update on Outstanding Issues which was reviewed by the Committee.
New Business:	No new business was brought forward.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 3:37 pm.

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **November 3, 2022 12:15 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. J. ROBSON (acting chair) MR. D. GRESTONI MS. C. HALBERT DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Committee Member Regrets:	MR. R. CHALE, CHAIR
Management:	MR. T. BROWN, LEGAL COUNSEL 4 (attended in the absence of M. TRIGGS) MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera

The Members held an In Camera Session.

Upon completion of the In Camera Session, Messrs. Herbelin, Brown, Parti, Mitra, and Ramirez joined the meeting.

Agenda

The November 3, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Grestoni and seconded by Ms. Halbert that the November 3, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Mr. Grestoni and seconded by Dr. Sullivan that the Minutes of the September 15, 2022 Technology Committee meeting be approved.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

CARRIED

Mr. Siva Kumar joined the meeting.

Project Nova: Program Update

Mr. Mitra and Mr. Kumar presented Agenda Item 2.1 Project Nova: Program Update.

Following discussion, Members received the report as information.

Mr. Chad Muir joined the meeting.

Project Nova: McKinsey Engagement Deliverables

Messrs. Kumar and Muir presented Agenda Item 2.2 Project Nova: McKinsey Engagement Deliverables.

Members received the report for discussion, and it was moved by Dr. Sullivan and seconded by Mr. Grestoni to further recommend that the Board of Directors authorize Management to approve the extension of the McKinsey Statement of Work for 6 months at a cost not to exceed $4,982,250 (excluding applicable taxes)

CARRIED

Mr. Muir withdrew from the meeting.

Mr. Keegan Iles joined the meeting.

Project Nova: Governance Vendor Update – Final Report

Mr. Iles presented Agenda Item 2.3 Project Nova: Governance Vendor Update – Final Report.

Following discussion, Members received the report as information.

Messrs. Iles, Kumar, and Ramirez withdrew from the meeting.

Managements Response to PwC Governance Vendor Update Final Report

Messrs. Herbelin and Mitra presented agenda Item 2.3.2 Management response to PWC Governance Update Report.

Following discussion, Members received the report as information.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: November 3, 2022

Page: 3 of 3

Update on Outstanding Issues

Mr. Brown presented Agenda Item 3.1 Update on Outstanding Issues which was reviewed by the Committee.

Messrs. Herbelin, Brown, Parti, and Mitra withdrew from the meeting.

New Business:

No new business was brought forward.

Termination

There being no further business to bring before this meeting, the Chair declared the meeting terminated at 2:40 pm.

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **December 15, 2022 11:30 a.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. J. ROBSON, CHAIR MR. R. CHALE MR. D. GRESTONI MS. C. HALBERT DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MS. L. REMPEL
Committee Member Regrets:	MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER

In Camera

The Members did not hold an In Camera Session.

Agenda

The December 15, 2022 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Chale and seconded by Dr. Sullivan that the December 15, 2022 Technology Committee Agenda be approved as presented.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: December 15, 2022

Minutes	Moved by Mr. Grestoni and seconded by Dr. Sullivan that the Minutes of the November 3, 2022 Technology Committee meeting be approved. CARRIED Ms. Marami Kar and Messrs. Alex Ramirez, Gary Dessler, Daniel Brousseau, Erez Eizenman, and Aprameyo Rao joined the meeting
Project Nova: Program Update	Messrs. Ramirez and Dessler presented Agenda Item 2.1 Project Nova: Program Update. Following discussion, Members received the report as information. Messrs. Dessler and Ramirez withdrew from the meeting.
Project Nova: McKinsey Update	Ms. Kar presented Agenda Item 2.2 Project Nova: McKinsey Update. Following discussion, Members received the report as information. Ms. Kar and Messrs. Brousseau, Eizenman, and Rao withdrew from the meeting.
Quarterly Portfolio Update	Members were advised that Item 3.1 Quarterly Portfolio Update would be deferred to January 26, 2023.
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee.
New Business:	No new business was brought forward.

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Termination There being no further business to bring before this meeting, the Chair declared the meeting terminated at 12:33 pm.

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Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **January 26, 2023, 1:00 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. D. GRESTONI MS. C. HALBERT DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MS. L. REMPEL
Committee Member Regrets:	MR. R. CHALE MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera

The Members did not hold an In Camera Session.

Agenda

The January 26, 2023 Technology Committee Agenda was circulated for review and acceptance.

Moved by Mr. Grestoni and seconded by Ms. Halbert that the January 26, 2023 Technology Committee Agenda be approved as presented.

CARRIED

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Minutes	Moved by Mr. Grestoni and seconded by Ms. Halbert that the minutes of the December 15, 2023 Technology Committee meeting be approved. CARRIED Mr. Gary Dessler joined the meeting
Project Nova: Prime Contractor Function – Status Update	Messrs. Parti, Dessler and Ramirez presented Agenda Item 2.1 Project Nova: Prime Contractor Function – Status update. Following discussion, Members received the report as information.
Project Nova: Program update	Messrs. Parti, Dessler and Ramirez presented Agenda Item 2.2 Project Nova: Program Update. Following discussion, Members received the report as information. Mr. Dessler withdrew from the meeting. Ms. Marami Kar and Messrs. Daniel Brousseau, and Aprameya Rao joined the meeting.
Project Nova: Value Assurance – McKinsey Update	Ms. Kar presented Agenda Item 2.3 Project Nova: McKinsey Update. Following discussion, Members received the report as information. Ms. Kar, and Messrs. Brousseau, and Rao withdrew from the meeting.
For Information	Members received Agenda Item 3.1 Quarterly Portfolio Update as information.
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: January 26, 2023

New Business: No new business was brought forward.

Termination There being no further business to bring before this meeting, the Chair declared the meeting terminated at 2:31 pm.

Trevor Brown on behalf of Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date:	**March 7, 2023, 4:00 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. – Online Voting**

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. R. CHALE MS. C. HALBERT MS. L. REMPEL DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. T. BROWN, INTERIM GENERAL COUNSEL & CORPORATE SECRETARY

Duck Creek Contract Amendment	Members reviewed submission item 1.1 Duck Creek Contract Amendment.
Voting – Approval of Duck Creek Contract Amendment	**[REDACTED]**

[REDACTED]

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Date: March 7, 2023
Page: 2 of 2

CARRIED

Termination	As the meeting was conducted online for purposes of voting on the motion, the meeting is recorded as terminated 4:05 pm, after electronic voting was tabulated.

Trevor Brown
Acting General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **March 23, 2023, 8:30 a.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual or In Person.**

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. R. CHALE MS. C. HALBERT MS. L. REMPEL DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, MR. A. GUERRA, LEGAL COUNSEL 3, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

In Camera

The Members did not hold an In Camera Session.

Messrs. Herbelin, Brown, Parti, Guerra, Mitra and Ramirez joined the meeting.

Agenda

The March 23, 2023 Technology Committee Agenda was circulated for review and acceptance.

Moved by Dr. Sullivan and seconded by Mr. Chale that the March 23, 2023 Technology Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Ms. Halbert and seconded by Dr. Sullivan that the Minutes of the January 26, 2023 and March 7, 2023 Technology Committee meeting be approved.

CARRIED

Board of Directors - Committee Meeting
TECHNOLOGY COMMITTEE MINUTES

Mr. Gary Dessler joined the meeting. Ms. L. Rempel Joined the meeting

Prime Contractor Update

Mr. Dessler presented Agenda Item 2.1 Prime Contractor Update.

Moved by Ms. Halbert and seconded by Mr. Chale that the Members approve the recommendation to have MPI subcontract specific services from external organizations while maintaining overall accountability for Project Nova delivery.

CARRIED

Mr. Dessler withdrew from the meeting.

Mr. Chad Muir joined the meeting.

Contract Approval: Mitchell Renewal

Mr. Muir presented Agenda Item 2.2 Contract Approval: Mitchell Renewal.

Moved by Mr. Chale and seconded by Ms. Rempel that Subject to the submission of a Briefing Note to Government and Ministerial approval, the Members recommend that the Board of Directors authorize management to finalize negotiations to extend the Mitchell agreement by a term of 3 years to April 2026 and approve at a cost not to exceed $19.5M plus applicable taxes.

CARRIED

Contract Approval: Microsoft Renewal

Mr. Muir presented Agenda Item 2.3 Contract Approval: Microsoft Renewal.

Moved by Dr. Sullivan and seconded by Ms. Halbert that subject to the submission of a Briefing Note to Government and Ministerial approval, the Members recommend the Board of Directors authorize Management to execute a contract renewal with Microsoft Corporation to provide Software Assurance and Subscription Services under the Enterprise Agreement (EA).

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

and Server Cloud Enrollment (SCE) for up to three years at a total not to exceed $9M plus taxes, effective April 1, 2023.

CARRIED

Contract Approval: Infosys Amendment

Mr. Muir presented Agenda Item 2.4 Contract Approval: Infosys Amendment.

[**REDACTED**]

CARRIED

Mr. Muir withdrew from the meeting.

Mr. Syed Qadri joined the meeting.

Data Management & Analytics Road Map Update

Mr. Qadri presented Agenda Item 3.1 Data Management & Analytics Road Map Update.

Following discussion, Members received the report as information.

Mr. Qadri withdrew from the meeting.

Mr. Salman Ashraf joined the meeting.

Cybersecurity Road Map Update

Mr. Ashraf presented Agenda Item 3.2 Cybersecurity Road Map Update.

Following discussion, Members received the report as information.

Mr. Ashraf withdrew from the meeting.

Messrs. Gary Dessler, John Bowring, Daniel Brousseau, Erez Eizenmann, Aprameya Rao, and Ms. Marami Kar joined the meeting.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: March 23, 2023
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Project Nova: Program Update	Mr. Ramirez presented Agenda Item 3.3 Project Nova: Program Update. Following discussion, Members received the report as information. Mr. Bowering and Mr. Dressler withdrew from the meeting.
Project Nova: Governance Update - McKinsey	Ms. Kar presented Agenda Item 3.3 Project Nova: Value Assurance Update. Following discussion, Members received the report as information. Messrs. Brousseau, Eizenmann, Rao, and Ms. Kar withdrew from the meeting.
Update on Outstanding Issues	Mr. Brown presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee - there are currently no outstanding issues.
New Business:	No new business was brought forward.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 11:55 pm.

Anthony Guerra
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, November 10, 2022 1:45 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Present: DR. M. SULLIVAN, CHAIR
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON
MR. E. HERBELIN, PRESIDENT & CEO

Regrets: MR. R. CHALE

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. M. GIESBRECHT, VICE PRESIDENT & CHIEF FINANCIAL OFFICER [part of meeting]

[redacted]

[redacted]

22-143 **Technology Committee Report – Project Nova: McKinsey Engagement Deliverables**

Moved by Mr. Robson and seconded by Ms. Halbert that the Members ratify the Technology Committee recommendation to approve the extension of the McKinsey Statement of Work for 6 months at a cost not to exceed $4,982,250 (excluding applicable taxes).

CARRIED

[redacted] [redacted]

[redacted]

[redacted]

[redacted] [redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, March 23, 2023 2:30 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-048 **Technology Committee Report – Contract Approval – Infosys Amendment**

Moved by Mr. Robson and seconded by Mr. Klippenstein that the Members authorize Management to execute Change Requests to extend Infosys Work order 2 and 3 for implementation and Ongoing Licensing and Support Services for a cost not to exceed $9.9M which is below the re-baselined budget of $14.5M.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

Meeting Date: **September 29, 2022, 7:45 am.**
Place: **Super 8 Hotel, Thompson, MB and/or Via Microsoft TEAMS**

Committee Members Present:	MR. K. KLIPPENSTEIN (CHAIR) MR. R. CHALE MR. D. GRESTONI, MR. G. LEIPSIC DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
External Auditors:	MR. P. GREEN and MS. S. KAUK of PricewaterhouseCoopers
Office of the Auditor General:	MR. D. STORM - regrets
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. M. GIESBRECHT, VICE-PRESIDENT, & CHIEF FINANCIAL OFFICER, MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY AND CHIEF RISK OFFICER AND MR. M. GANDHI, CORPORATE CONTROLLER

[redacted]

Board of Directors - Committee Meeting

AUDIT & FINANCE COMMITTEE MINUTES

Date: September 29, 2022

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[redacted]

2022 Basic Financial Condition Testing	Ms. Cherity Ostapowich presented Agenda Item 2.3 2022 Basic Financial Condition Testing. Moved by Mr. Chale and seconded by Mr. Grestoni that the Members recommend the Board of Directors approve the 2022 Basic Financial Condition Test results. CARRIED Ms. Ostapowich and Mr. Martin and Mr. Clearwater withdrew from the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, September 29, 2022 10:00 a.m.**
Place: **Super 8 Hotel, Thompson, MB and/or Via Microsoft TEAMS**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON
MR. E. HERBELIN, PRESIDENT & CEO

Management:
MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

Board of Directors Meeting

22-118 **Audit & Finance Committee Report – 2022 Basic Financial Condition Testing**

Moved by Mr. Klippenstein and seconded by Mr. Leipsic that the Members ratify the recommendation of the Audit & Finance Committee to approve the 2022 Basic Financial Condition Testing.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, September 29, 2022 10:00 a.m.**
Place: **Super 8 Hotel, Thompson, MB and/or Via Microsoft TEAMS**

Present: DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

[redacted]

22-126 **Final General Rate Application Update 2023**

Ms. Low presented Agenda Item 4.1 Final General Rate Application Update.

Moved by Mr. Chale and seconded by Mr. Klippenstein that the Members approve the revised Basic Rate Indication based on updated interest rates, inflation and operating expenses as well as the year end forecast based on July 31st actual for fiscal 2022/23 as follows:

- An overall -0.1% break even rate decrease to the average rate for Basic Autopac.
- The removal of the 5% capital release.
- No application for a rebate as per the proposed Capital Management Plan, the rebate will be determined on year end audited financial statements.
- Unrealized gains in EBF portfolio removed from Available Capital for rebate calculations
- The decrease in preliminary Basic rate indication (-0.9%) was allocated to the DSR vehicle discount levels that have the most significant need for rate decreases based on actuarial indications.
- No changes to the DSR driver premiums.
- DSR scale expanded from DSR +16 to DSR +17 in 2023/24, with plans to allow the scale to expand organically (i.e., 1 step per year) to at least DSR +20 in future years.
- The DSR discount for the highest DSR level will be the same as the discount prior (e.g., +17 will be the same as +16 in 2023/24, +18 will be the same as +17 in 2024/25 and so on).

CARRIED

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, May 25, 2023, 3:05 p.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:	MR. W. KEITH, CHAIR MS. C. HALBERT MR. G. LEIPSIC MS. L. REMPEL MS. D. ROUSSIN MR. R. SCHULER MR. G. STEFANSON, KC MS. M. KACHER, INTERIM PRESIDENT & CEO
Regrets:	MR. J. ROBSON MR. R. CHALE MR. K. KLIPPENSTEIN
Management:	MR. A. GUERRA, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-084 **Public Utilities Board General Rate Application Strategy 2024**

Ms. Low, Mr. Masud and Mr. Guerra presented Agenda Item 3.3 Public Utilities Board General Rate Application 2024 Strategy.

Moved by Mr. Stefanson, and seconded by Mr. Leipsic that the Members approve the following to be filed as part of the 2024 General Rate Application:

1. Pursuant to OIC No. 94/2023, MPI will request no changes to rates for service.

2. As required by the PUB, MPI will file information on the Basic break-even preliminary indicated rate change of +0.10% in accordance with accepted actuarial practice.

3. MPI will file, as an interim solution, an analysis and proposal for modifications to the fleet program to better reflect cost causation and allow for a more equitable allocation of the costs for the fleet program until a full review of the fleet program can be completed.

4. As per PUB Order No. 4/23, MPI will file changes to the DSR discounts to move them one fourth of the way to the actuarially indicated target as well as introducing DSR level 18.

Board of Directors Meeting

MINUTES

Date: May 25, 2023

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5. No request for a capital rebate or a capital build.

CARRIED

Ms. Low and Mr. Masud withdrew from the meeting.

Ms. Satvir Jatana and Mr. Ryan Kolaski joined the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting
RISK COMMITTEE MINUTES

Meeting Date: **August 9, 2022, 11:00 a.m.**
Place: **Executive Office, 9th Floor, 234 Donald Street, Winnipeg, Manitoba and via Microsoft Teams**

Committee Members Present:	MR. D. GRESTONI (CHAIR) MR. R. CHALE MR. K. KLIPPENSTEIN DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Committee Member Regrets:	Mr. G. STEFANSON
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY, AND CHIEF RISK OFFICER AND MR. W. SPRENGER, ENTERPRISE RISK MANAGEMENT SPECIALIST

In Camera

The Members did not hold an In Camera Session.

Agenda

The August 9, 2022 Risk Committee Agenda was circulated for review and acceptance. Due to Member availability the original agenda items were re-ordered.

Moved by Mr. Chale and seconded by Dr. Sullivan that the August 9, 2022 Risk Committee Agenda be approved as amended.

CARRIED

Top Corporate Risks

Mr. Wes Sprenger presented Agenda Item 3.1 Top Corporate Risks.

Following discussion, Members received the report as information.

RISK COMMITTEE MINUTES

Ms. Lisa Gendreau joined the meeting.

Top Risk Profiles – People Risks

Ms. Gendreau presented Agenda Item 3.2 Top Risk Profiles – People Risks.

Following discussion, Members received the report as information.

Ms. Gendreau withdrew from the meeting.

ERM Program Evolution/Improvements

Mr. Wes Sprenger presented Agenda Item 3.3 ERM Program Evolution/Improvements.

Following discussion, Members received the report as information.

Risk Committee Terms of Reference

Mr. Wes Sprenger presented Agenda Item 2.1 Risk Committee Terms of Reference

Moved by Mr. Chale and seconded by Mr. Klippenstein that the Members recommend the Board of Directors approve the proposed Risk Committee Terms of Reference.

CARRIED

Messrs. Miguel Wong, Paul Dowes of Deloitte, and Mr. Michael Gandhi joined the meeting.

IFRS17 Risk Adjustment

Ms. Cara Low presented Agenda Item 2.3 IFRS Risk Adjustment

Moved by Mr. Chale and seconded by Mr. Klippenstein that the Members recommend the Board of Directors approve the proposed percentile risk adjustment methodology at the 90th percentile for IFRS 17.

CARRIED

Messrs. Wong, Dowes, and Gandhi withdrew from the meeting.

Board of Directors - Committee Meeting

RISK COMMITTEE MINUTES

Date: August 9, 2022

Page: 3 of 3

Proposed 2022 Risk Committee Work Plan	Mr. Wes Sprenger presented Agenda Item 2.2 Proposed 2022 Risk Committee Work Plan. Moved by Mr. Chale and seconded by Mr. Klippenstein that the Members approve the proposed 2022 Risk Committee Work Plan. CARRIED
Update on Outstanding Issues	Mr. Triggs presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee.
New Business:	No new business was brought forward.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 1:21 pm.

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Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

RISK COMMITTEE MINUTES

Meeting Date: **November 3, 2022, 8:30 a.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. D. GRESTONI (CHAIR) MR. G. STEFANSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. K. KLIPPENSTEIN
Committee Member Regrets:	Mr. R. CHALE
Management:	MR. T. BROWN, LEGAL COUNSEL 4 (in the absence of MR. M. TRIGGS), MR. S PARTI, VICE PRESIDENT AND CHIEF TECHNOLOGY OFFICER AND MR. W. SPRENGER, ENTERPRISE RISK MANAGEMENT SPECIALIST

In Camera

The Members held an In Camera Session.

Upon completion of the In Camera Session, Messrs. Herbelin, Brown, and Sprenger joined the meeting.

Agenda

The November 3, 2022 Risk Committee Agenda was circulated for review and acceptance.

Moved by Mr. G. Stefanson and seconded by Dr. M Sullivan that the November 3, 2022 Risk Committee Agenda be approved as presented.

CARRIED

Board of Directors - Committee Meeting

RISK COMMITTEE MINUTES

Minutes

Moved by Dr. M. Sullivan and seconded by Mr. G. Stefanson that the Minutes of the August 9, 2022 Risk Committee meeting be approved.

CARRIED

Risk Appetite Statement

Mr. Sprenger presented Agenda Item 2.1 Risk Appetite Statement.

Moved by Mr. G. Stefanson and seconded by Mr. K Klippenstein that the Members recommend the Board of Directors approve the proposed risk Appetite Statement as presented.

CARRIED

Top Corporate Risks

Mr. Sprenger presented Agenda Item 3.1 Top Corporate Risks.

Following discussion, Members received the report as information.

Mr. Glenn Bunston, Ms. Cherity Ostapowich and Mr. Siddhartha Parti joined the meeting.

Top Risk Profiles

Mr. Sprenger, Ms. Ostapowich, Mr. Bunston and Mr. Siddhartha presented Agenda Item 3.2 Top Risk Profiles Corporate Risks regarding Inflation Risk.

Following discussion, Members received the report as information.

Ms. Ostapowich and Mr. Bunston withdrew from the meeting.

Mr. Parti presented Agenda item 3.2.2 Cyber Risk.

Following discussion, Members received the report as information.

Mr. Parti withdrew from the meeting.

ERM Operational Risk Management

Mr. Sprenger presented Agenda Item 3.3 ERM Operational Risk Management.

Board of Directors - Committee Meeting

RISK COMMITTEE MINUTES

Following discussion, Members received the report as information.

2023 Proposed Risk Committee Work Plan

Mr. Sprenger presented Agenda Item 3.4 2023 Proposed Risk Committee Work Plan.

Following discussion, Members received the work plan as information.

Corporate Risk Register

Members received Agenda Item 4.1 Corporate Risk Register as information.

Chief Risk Officer Report

Members received Agenda Item 4.2 Chief Risk Officer Report as information.

New Business:

No new business was brought forward.

Termination

There being no further business to bring before this meeting, the Chair declared the meeting terminated at 10:00 pm.

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting
RISK COMMITTEE MINUTES

Meeting Date: **January 26, 2023, 8:30 a.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Committee Members Present:	MR. D. GRESTONI (CHAIR) MR. J. ROBSON MR. G. STEFANSON, KC DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MS. L. REMPEL
Committee Member Regrets:	MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY, AND CHIEF RISK OFFICER

In Camera

The Members did not hold an In Camera Session.

Agenda

The January 26, 2023 Risk Committee Agenda was circulated for review and acceptance.

Moved by Mr. Stefanson, KC and seconded by Mr. Grestoni that the January 26, 2023 Risk Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Mr. Stefanson, KC and seconded by Mr. Grestoni that the Minutes of the November 3, 2022 Risk Committee meeting be approved.

CARRIED

Ms. Cara Low and Mr. Siddhartha Parti joined the meeting.

Top Corporate Risk Profiles

Ms. Cara. Low presented Agenda Item 2.1.1 Top Corporate Risk Profiles – Reserve Risk and Mr. Siddhartha Parti Presented Agenda Item 2.1.2 Top Corporate Risk Profiles – Change/Transformation Executive Failure (Nova Focus).

Following discussion, Members received the report as information.

Mr. Parti withdrew from the meeting.

For Information

Members received Agenda Item 3.1 Chief Risk Officer Report as information.

Update on Outstanding Issues

Mr. Triggs presented Agenda Item 4.1 Update on Outstanding Issues which was reviewed by the Committee.

Messrs. Herbelin and Triggs withdrew from the meeting.

New Business:

No new business was brought forward.

In Camera – Chief Risk Officer

Mr. Cara Low joined the meeting for an In Camera discussion.

Termination

There being no further business to bring before this meeting, the Chair declared the meeting terminated at 9:45 a.m.

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Trevor Brown on behalf of Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

DRAFT RISK COMMITTEE MINUTES

Meeting Date:	**March 23, 2023, 12:20 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual or In Person.**

Committee Members Present:	MR. G. STEFANSON, KC (ACTING CHAIR) MR. K. KLIPPENSTEIN MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. R. CHALE MS. L. REMPEL MS. D. ROUSSIN
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MS. C. LOW, VICE PRESIDENT CHIEF ACTUARY, , AND CHIEF RISK OFFICER, ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. W. SPRENGER, ENTERPRISE RISK MANAGEMENT SPECIALIST

In Camera

The Members did not hold an in camera session.

Agenda

The March 23, 2023 Risk Committee Agenda was circulated for review and acceptance.

Moved by Mr. Klippenstein and seconded by Dr. Sullivan that the March 23, 2023 Risk Committee Agenda be approved as presented.

CARRIED

Minutes

Moved by Mr. Klippenstein and seconded by Mr. Stefanson that the Minutes of the January 26, 2023 Risk Committee meeting be approved.

CARRIED

Board of Directors - Committee Meeting

RISK COMMITTEE MINUTES

Risk Committee 2023 Work Plan	Members received Agenda Item 1.4 Risk Committee 2023 Work Plan as information.
Review of Risk Appetite	Mr. Sprenger presented Agenda Item 2.1 Review of Risk Appetite. Moved by Mr. Klippenstein and seconded by Mr. Robson that the Members recommend the Board of Directors approve the proposed Risk Appetite Statement as presented. CARRIED
Enterprise Risk Management Policy	Mr. Sprenger presented Agenda Item 2.2 Enterprise Risk Management Policy. Moved by Mr. Robson and seconded by Mr. Klippenstein that the Members recommend the Board of Directors approve the updated Enterprise Risk Management Policy as presented. CARRIED Ms. Cherity Ostapowich joined the meeting.
Reinsurance Ceded Program Proposal	Ms. Low presented Agenda Item 2.3 Reinsurance Ceded Program Proposal. Moved by Mr. Klippenstein and seconded by Mr. Robson that the Members recommend the Board of Directors approve the proposed 2023/24 casualty reinsurance program cost of up to $9.9M. Conditional approval for the catastrophe program cost not to exceed $24M and the SRE Auto PD program up to $700,000. CARRIED Ms. Ostapowich withdrew from the meeting.
Monitor Ongoing Effectiveness of Enterprise Risk	Mr. Sprenger presented Agenda Item 3.1 Monitor Ongoing Effectiveness of Enterprise Risk Management Activities.

Management Activities	Following discussion, Members received the report as information. Ms. Rempel joined the meeting.
Risk Indicators for Top 8 Risks	Mr. Sprenger presented Agenda Item 3.2 Risk Indicators for Top 8 Risks. Following discussion, Members received the report as information. Ms. Roussin joined the meeting.
Chief Risk Officer Report	Members received Agenda Item 4.1 Chief Risk Officer Report as information.
Update on Outstanding Issues	Mr. Brown presented Agenda Item 5.1 Update on Outstanding Issues which was reviewed by the Committee. Messrs. Herbelin, Brown, Guerra and Sprenger withdrew from the meeting.
In Camera – Chief Risk Officer	Ms. Low remained in the meeting for an In Camera discussion.
New Business:	No new business was brought forward.
Termination	There being no further business to bring before this meeting, the Chair declared the meeting terminated at 2:01 pm.

Trevor M. Brown
Acting General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, June 23, 2022, 1:00 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Present:	DR. M. SULLIVAN, CHAIR MR. R. CHALE MS. C. HALBERT MR. K. KLIPPENSTEIN MR. G. LEIPSIC MR. K. MUNROE MR. J. ROBSON MR. G. STEFANSON MR. E. HERBELIN, PRESIDENT & CEO
Regrets:	MS. D. ROUSIN MR. D. GRESTONI
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

[redacted]

22-075 **ERM Policy & Risk Committee of the Board**

Mr. Sprenger and Ms. Low presented Agenda Item 4.2 ERM Policy & Risk Committee of the Board.

Moved by Mr. Stefanson and seconded by Ms. Halbert that the Members approve the ERM Policy and that the Members approve the creation of a standalone Risk Committee of the Board, take the responsibility of risk governance away from the Audit, Finance & Risk Committee, and rename the latter committee to Audit & Finance Committee.

CARRIED

Moved by Mr. Klippenstein and seconded Ms. Halbert that the Members approve changes to the Board and Board Committees membership effective June 23, 2022 as follows:

- Audit, & Finance Committee – Kevin Klippenstein (Chair), Richard Chale, Domenic Grestoni, Kenneth Munroe, and Eric Herbelin (Ex-Officio & Non-Voting)
- Technology Committee – Richard Chale (Chair), Domenic Grestoni, Carolyn Halbert, Kevin Klippenstein, Jim Robson, Dr. Michael Sullivan, and Eric Herbelin
- Governance & Human Resources Committee – Grant Stefanson (Chair), Carolyn Halbert, Greg Leipsic, Kenneth Munroe, and Eric Herbelin (Ex-Officio & Non-Voting)
- Investment Committee – Domenic Grestoni (Chair), Greg Leipsic, Jim Robson, Grant Stefanson and Eric Herbelin (Ex-Officio & Non-Voting)
- Risk Committee – Domenic Grestoni (Chair), Richard Chale, Grant Stefanson, Kevin Klippenstein, and Eric Herbelin (Ex-Officio & Non-Voting)

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, March 23, 2023 2:30 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management:
MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

[redacted]

Board of Directors Meeting
MINUTES

[redacted]

23-041 **Risk Committee Report – Review of Risk Appetite**

Moved by Mr. Stefanson and seconded by Mr. Robson that the Members ratify the recommendation of the Risk Committee to approve the proposed Risk Appetite Statement as presented.

CARRIED

23-042 **Risk Committee Report – Enterprise Risk Management Policy**

Moved by Mr. Stefanson and seconded by Mr. Leipsic that the Members ratify the recommendation of the Risk Committee to approve the updated Enterprise Risk Management Policy as presented.

CARRIED

23-043 **Risk Committee Report – Reinsurance Ceded Program Proposal**

Moved by Mr. Stefanson and seconded by Mr. Klippenstein that the Members approve the proposed 2023/24 casualty reinsurance program cost of up to $9.9M. Conditional approval for the catastrophe program cost not to exceed $24M and the SRE Auto PD program up to $700,000.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, September 29, 2022 10:00 a.m.**
Place: **Super 8 Hotel, Thompson, MB and/or**
Via Microsoft TEAMS

Present: DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

Date: September 29, 2022
Page: 4 of 5

[redacted]

22-126 **Final General Rate Application Update 2023**

Ms. Low presented Agenda Item 4.1 Final General Rate Application Update.

Moved by Mr. Chale and seconded by Mr. Klippenstein that the Members approve the revised Basic Rate Indication based on updated interest rates, inflation and operating expenses as well as the year end forecast based on July 31st actual for fiscal 2022/23 as follows:

- An overall -0.1% break even rate decrease to the average rate for Basic Autopac.
- The removal of the 5% capital release.
- No application for a rebate as per the proposed Capital Management Plan, the rebate will be determined on year end audited financial statements.
- Unrealized gains in EBF portfolio removed from Available Capital for rebate calculations
- The decrease in preliminary Basic rate indication (-0.9%) was allocated to the DSR vehicle discount levels that have the most significant need for rate decreases based on actuarial indications.
- No changes to the DSR driver premiums.
- DSR scale expanded from DSR +16 to DSR +17 in 2023/24, with plans to allow the scale to expand organically (i.e., 1 step per year) to at least DSR +20 in future years.
- The DSR discount for the highest DSR level will be the same as the discount prior (e.g., +17 will be the same as +16 in 2023/24, +18 will be the same as +17 in 2024/25 and so on).

CARRIED

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date:	**September 28, 2021, 2:00 p.m.**
Place:	**820 - 234 Donald Street, Winnipeg, Manitoba via Microsoft Teams**

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MR. K. MUNROE MR. G. STEFANSON MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: September 28, 2021

[redacted]

Project Nova Program Review Procurement Approval

Mr. Parti and Mr. Muir presented Agenda Item B.1 Project Nova Program Review Procurement Approval.

Moved by Mr. Chale and seconded by Mr. Robson that the Members authorize management to waive tender and enter into the proposed agreement with McKinsey & Company (Canada) to address issues identified by management and PwC, the project governance advisor. At a total not to exceed $3.0M plus expenses and applicable taxes.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **December 16, 2021 2:30pm**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba**
via Microsoft Teams

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. K. KLIPPENSTEIN MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: December 16, 2021

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: December 16, 2021

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[redacted]

Project Nova: Program Review - McKinsey	Mr. Eizenman from McKinsey presented Agenda Item C.1 Project Nova: Program Review McKinsey Following discussion, Members received the report as information. Messrs. Eizenman, Brosseau, Kentwell, and Ms. Kar withdrew from the meeting.

[redacted]

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **February 8, 2022, 1:00 p.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba via Microsoft Teams**

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. K. KLIPPENSTEIN MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Project Nova: Business Case Re-baseline

Mr. Ramirez presented item 2.1 Project Nova Business case Re-baseline.

Ms. Marami Kar, Messrs. Daniel Brousseau and Erez Eizenman from McKinsey joined the meeting, along with Mr. Chad Muir and Mr. Allan Horne.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

McKinsey Value Assurance Waive of Tender Approval

Mr. Eizenman and Ms. Kar presented the slide deck entitled Setting up MPI for Success – Partnership Proposal.

Ms. Kar and Messrs. Brousseau, and Eizenman, withdrew from the meeting.

Members and management discussed the Project Nova Re-baseline and potential work by McKinsey.

Following discussion, Members adjourned the meeting to February 10, 2022 for consideration of potential motions arising from the discussion.

Termination

There being no further business to bring before this meeting, the Chair declared the meeting terminated at 4:10 pm.

Michael Triggs
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **January 27, 2022 11:00 a.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba**
via Microsoft Teams

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. K. KLIPPENSTEIN MR. J. ROBSON DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Project Nova: Program Review - McKinsey

Messrs. Erez Eizenman, Daniel Brosseau, and Shaun Kentwell, and Ms. Marami Kar joined the meeting.

Mr. Eizenman presented Agenda Item B.1 Project Nova: Program Review – McKinsey.

Following discussion, Members received the report as information.

Messrs. Eizenman, Brosseau, and Kentwell, and Ms. Kar withdrew from the meeting.

Messrs. Cory Ahlbaum, John Bowering, Rick Swanarchuk joined the meeting

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date:	**Thursday, February 10, 2022, 11:30 a.m.**
Place:	**820 - 234 Donald Street, Winnipeg, Manitoba** **Via Microsoft TEAMS**

Present:	DR. M. SULLIVAN, CHAIR MR. R. CHALE MR. D. GRESTONI MS. C. HALBERT MR. G. LEIPSIC MR. K. MUNROE MR. J. ROBSON MR. G. STEFANSON MR. E. HERBELIN, PRESIDENT & CEO
Regrets:	MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY

[redacted]

[redacted]

22-008 **Technology Committee Report – Project Nova – Re Baseline**

Moved by Mr. Chale and seconded by Mr. Robson that the Committee recommends to the Board of Directors:

1. The necessity of adjusting the timeline to complete Project Nova from 40 months to 60 months and that the budget for the project will increase from the previously approved $128.5 million to $224.1 + $32.9 to $65.8 million (20-40% contingency on unspent budget).

2. As time is of the essence and as MPI's current inability to ramp up critical capabilities to execute on the current and upcoming phases of the project presents great risks that the Re-baseline 2022 budget and timeline will not be achieved management is authorized:
   a. To enter into an untendered contract with McKinsey for deliverables that are identified as essential for the successful execution of the ongoing implementation work (Release 1A, Release 2A/B) as well as the timely maturation of critical capabilities, including but not limited to the General Contractor role, value assurance, customer journey, end-to-end processes, technology enablers, to ensure the timely and effective preparation, discovery, launch and implementation of upcoming

work set on the critical path (Release 3A/B and related MVPs, Release 4A/B and related proof of concept) for a term of 6 months at a cost of not more than $5 million with an option to extend the contract for an additional 6 months at a further cost not to exceed $5 million.

b. To use the Re-baseline 2022 budget and related contingencies for the untendered contract
c. To report details of the untendered ~~contracts~~ to the Committee.

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **April 21, 2022 9:00 a.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba**
via Microsoft Teams

Committee Members Present:	MR. R. CHALE, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. J. ROBSON MR. K. KLIPPENSTEIN DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: April 21, 2022
Page: 2 of 4

[redacted]

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

[redacted]

Project Nova: Integrated Execution Plan	Messrs. Erez Eizeman, Daniel Brosseau, Thanou Thirakul, and Aprameya Rao and Ms. Marami Kar, from McKinsey joined the meeting. Mr. Eizenman presented Agenda Item 3.4 Project Nova: Re-baseline – Execution Plan. Following discussion, Members received the report as information. Messrs. Eiseman, Brosseau, Thirakul, Rao, and Ms. Kar withdrew from the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date: **January 26, 2023, 1:00 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba**
Virtual and In Person

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. D. GRESTONI MS. C. HALBERT DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Board Members in Attendance:	MS. L. REMPEL
Committee Member Regrets:	MR. R. CHALE MR. K. KLIPPENSTEIN
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

[redacted]

Project Nova: Value Assurance – McKinsey Update	Ms. Kar presented Agenda Item 2.3 Project Nova: McKinsey Update. Following discussion, Members received the report as information. Ms. Kar, and Messrs. Brousseau, and Rao withdrew from the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date:	**March 23, 2023, 8:30 a.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual or In Person.**

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. R. CHALE MS. C. HALBERT MS. L. REMPEL DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, MR. A. GUERRA, LEGAL COUNSEL 3, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Date: March 23, 2023

Page: 4 of 4

[redacted]

Project Nova: Governance Update - McKinsey	Ms. Kar presented Agenda Item 3.3 Project Nova: Value Assurance Update. Following discussion, Members received the report as information. Messrs. Brousseau, Eizenmann, Rao, and Ms. Kar withdrew from the meeting.

[redacted]

Anthony Guerra
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors Meeting

Meeting Date: **Thursday, November 10, 2022 1:45 p.m.**
Place: **Executive Office, 234 Donald Street, Winnipeg, Manitoba Virtual and In Person**

Present:	DR. M. SULLIVAN, CHAIR MR. D. GRESTONI MS. C. HALBERT MR. K. KLIPPENSTEIN MR. G. LEIPSIC MS. L. REMPEL MR. J. ROBSON MS. D. ROUSSIN MR. G. STEFANSON MR. E. HERBELIN, PRESIDENT & CEO
Regrets:	MR. R. CHALE
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. M. GIESBRECHT, VICE PRESIDENT & CHIEF FINANCIAL OFFICER [part of meeting]

[redacted]

Mr. Masud withdrew from the meeting.

22-155 **Paladin Security Contract Status of Agreement**

Members received Agenda Item 6.1 Paladin Security Contract Status of Agreement as information.

[redacted] [redacted]

[redacted]

[redacted] [redacted]

[redacted]

[redacted]

[redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, February 9, 2023, 2:15 p.m.**
Place: **820 - 234 Donald Street, Winnipeg, Manitoba**
Via Microsoft TEAMS

Present: DR. M. SULLIVAN, CHAIR
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Regrets: MR. RICK CHALE, MS. D. ROUSSIN

Management: MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY, MR. T. BROWN, LEGAL COUNSEL.

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-027 **CONSTRUCTION CONTRACT – BIRD CONSTRUCTION UPDATE**

Ms. Taylor presented Agenda Item Construction Contract – Bird Construction update.

Moved by Mr. Robson and seconded by Ms. Halbert, subject to compliance with the Order in Council that the Members approve up to an additional $3 million to the Bird Construction Contract for the cityplace space plan project to an overall adjusted contract value not to exceed $15 million.

CARRIED

Ms. Taylor and Mr. Giesbrecht withdrew from the meeting.

Ms. Marnie Kacher and Mr. Jeff Sass joined the meeting.

23-028 **AMENDMENT TO IBAM AGREEMENT**

Board of Directors Meeting

MINUTES

Ms. Kacher and Mr. Sass presented Agenda Item Amendment to IBAM Agreement.

Moved by Mr. Robson and seconded Ms. Halbert that the Members approve amending the Future Services Agreement (FSA) between Manitoba Public Insurance (MPI) and IBAM.

CARRIED

Ms. Kacher and Mr. Sass withdrew from the meeting.

Mr. Mark Giesbrecht and Mr. Ted Meira joined the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date: **Thursday, March 23, 2023 2:30 p.m.**
Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

[redacted]

Board of Directors Meeting

MINUTES

[redacted]

23-046 **Technology Committee Report – Contract Approval – Mitchell Renewal**

Moved by Mr. Robson and seconded by Mr. Stefanson that subject to the submission of a Briefing Note to Government and Ministerial Approval, that the Members ratify the recommendation of the Technology Committee and authorize management to finalize negotiations to extend the Mitchell agreement by a term of 3 years to April 2026 and approve at a cost not to exceed $19.5M plus applicable taxes.

CARRIED

23-047 **Technology Committee Report – Contract Approval – Microsoft Renewal**

Moved by Mr. Robson and seconded by Mr. Chale that subject to the submission of a Briefing Note to Government and Ministerial approval, that the Members ratify the recommendation of the Technology Committee and authorize Management to execute a contract renewal with Microsoft Corporation to provide Software Assurance and Subscription Services under the Enterprise Agreement (EA) and Server Cloud Enrollment (SCE) for up to three years at a total not to exceed $9M plus taxes, effective April 1, 2023.

CARRIED

23-048 **Technology Committee Report – Contract Approval – Infosys Amendment**

Moved by Mr. Robson and seconded by Mr. Klippenstein that the Members authorize Management to execute Change Requests to extend Infosys Work order 2 and 3 for implementation and Ongoing Licensing and Support Services for a cost not to exceed $9.9M which is below the re-baselined budget of $14.5M.

CARRIED

23-049 **Technology Committee Report**

Moved by Mr. Robson and seconded by Mr. Chale that the Members accept the report of the Technology Committee as presented.

CARRIED

[redacted]

[redacted]

23-056 **Janitorial Services Contract**

Ms. Taylor presented Agenda Item 4.1 Janitorial Services Contract: RFP 129.

Moved by Mr. Robson and seconded by Ms. Halbert that the Members approve Management to award tender and enter into a 3-year contract with Correia Enterprises Ltd., O/A Bee-Clean Building Maintenance for janitorial services for Cityplace and the two adjacent parking lots for the amount of $8,600,000.

CARRIED

Ms. Taylor withdrew from the meeting.

Ms. Marnie Kacher and Mr. Steve Lupky joined the meeting.

23-057 **Light Vehicle Accreditation Agreement (LVAA) Compensation Adjustment**

Ms. Kacher and Mr. Lupky presented Agenda Item 4.2 Light Vehicle Accreditation Agreement (LVAA) Compensation Adjustment.

Moved by Mr. Robson and seconded by Ms. Halbert that the Members approve increased labour rate compensation under the 2021 Light Vehicle Accreditation Agreement (LVAA) due to the direct financial impact of increases to legislated apprentice minimum wages and an increased northern differential, with an effective date of April 1, 2023. These changes are the minimum amounts required to keep repair shops whole and total $1.6M plus tax for the remainder of the current year of the LVAA (April 1, 2023 to June 13, 2023), and an additional $14.7M plus tax cumulative over the two remaining years of the existing LVAA compensation schedule (ending June 13, 2025).

Board of Directors Meeting

MINUTES

CARRIED

[redacted]

23-058 **Cityplace Roof Replacement**

Ms. Taylor presented Agenda Item 5.1 Cityplace Roof Replacement Contract: RFP 132.

Following discussion, Members received the report as information.

23-059 **6th Floor Phase Two Construction: RFP 133**

Ms. Taylor presented Agenda Item 5.2 6th Floor Phase Two Construction: RFP 133.

Following discussion, Members received the report as information.

Ms. Taylor and Mr. Klippenstein withdrew from the meeting.

Mmes. Cara Low, Christine Zhou and Mr. Khurram Masud joined the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date:	**March 23, 2023, 8:30 a.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual or In Person.**

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. R. CHALE MS. C. HALBERT MS. L. REMPEL DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. S PARTI, VICE PRESIDENT, AND CHIEF INFORMATION AND TECHNOLOGY OFFICER, MR. S. MITRA, VICE PRESIDENT AND CHIEF TRANSFORMATION OFFICER, MR. A. GUERRA, LEGAL COUNSEL 3, AND MR. A. RAMIREZ, DIRECTOR, NOVA PROGRAM DELIVERY

[redacted]

TECHNOLOGY COMMITTEE MINUTES

[redacted]

Prime Contractor Update

Mr. Dessler presented Agenda Item 2.1 Prime Contractor Update.

Moved by Ms. Halbert and seconded by Mr. Chale that the Members approve the recommendation to have MPI subcontract specific services from external organizations while maintaining overall accountability for Project Nova delivery.

CARRIED

Mr. Dessler withdrew from the meeting.

Mr. Chad Muir joined the meeting.

Contract Approval: Mitchell Renewal

Mr. Muir presented Agenda Item 2.2 Contract Approval: Mitchell Renewal.

Moved by Mr. Chale and seconded by Ms. Rempel that Subject to the submission of a Briefing Note to Government and Ministerial approval, the Members recommend that the Board of Directors authorize management to finalize negotiations to extend the Mitchell agreement by a term of 3 years to April 2026 and approve at a cost not to exceed $19.5M plus applicable taxes.

CARRIED

Contract Approval: Microsoft Renewal

Mr. Muir presented Agenda Item 2.3 Contract Approval: Microsoft Renewal.

Moved by Dr. Sullivan and seconded by Ms. Halbert that subject to the submission of a Briefing Note to Government and Ministerial approval, the Members recommend the Board of Directors authorize Management to execute a contract renewal with Microsoft Corporation to provide Software Assurance and Subscription Services under the Enterprise Agreement (EA).

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

and Server Cloud Enrollment (SCE) for up to three years at a total not to exceed $9M plus taxes, effective April 1, 2023.

CARRIED

Contract Approval: Infosys Amendment

Mr. Muir presented Agenda Item 2.4 Contract Approval: Infosys Amendment.

Moved by Dr. Sullivan and seconded by Mr. Chale that the Members recommend that the Board of Directors authorize Management to execute Change Requests to extend Infosys Work order 2 and 3 for implementation and Ongoing Licensing and Support Services for a cost not to exceed $9.9M which is below the re-baselined budget of $14.5M.

CARRIED

Mr. Muir withdrew from the meeting.

Mr. Syed Qadri joined the meeting.

[redacted]

Manitoba Public Insurance

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

Meeting Date:	**March 7, 2023, 4:00 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. – Online Voting**

Committee Members Present:	MR. J. ROBSON (CHAIR) MR. R. CHALE MS. C. HALBERT MS. L. REMPEL DR. M. SULLIVAN MR. E. HERBELIN, PRESIDENT & CEO
Management:	MR. T. BROWN, INTERIM GENERAL COUNSEL & CORPORATE SECRETARY

Duck Creek Contract Amendment

Members reviewed submission item 1.1 Duck Creek Contract Amendment.

Voting – Approval of Duck Creek Contract Amendment

It was moved by Ms. Halbert, and seconded by Ms. Rempel that the Technology Committee Members hereby authorize Management to execute a contract amendment with Duck Creek to delay claims module payments in line with the flattened overall project implementation. The contract amendment will extend the duration of the contract from 6 years to 10 years for a total cost of $72,489,876, and will include the following terms:

1. The reduction in the overall cost is attributed to the lower premium surcharge of 0.536% from the original premium surcharge of 0.68%
2. There will be no CPI for the duration of the contract.
3. Three separate termination clauses for MPI remain (Cause, Convenience and Government Direction).
4. Align the contract to the 2022 re-baseline schedule to delay the start of the claim's module payment. Payments to Duck Creek to commence April 1, 2024.
5. The payment to Duck Creek will continue to be made on a monthly subscription basis.

Board of Directors - Committee Meeting

TECHNOLOGY COMMITTEE MINUTES

CARRIED

[redacted]

Manitoba Public Insurance

Board of Directors Meeting

MINUTES

Meeting Date: **April 11, 2023, 4:30 p.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. – Online Voting**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MR. D. GRESTONI
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. R. SCHULER
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management: MR. A. GUERRA, GENERAL COUNSEL & CORPORATE SECRETARY

23-064 **Cityplace Roof Replacement – RFP 132**

Members reviewed submission item 1.1 Cityplace Roof Replacement – RFP 132.

23-065 **Voting – Approval of Cityplace Roof Replacement RFP - 132**

Moved by Mr. Klippenstein and seconded by Mr. Stefanson that the Members authorize Management to enter a Canadian Construction Document Committee (CCDC) Standard Construction Industry Stipulated Price Contract (CCDC2) with the low-bid qualified bidder, Graham Construction for the Cityplace Roof Replacement Project for an amount of $5,100,000 (including PST).

That the Members further authorize Management to provide a Letter of Intent to Graham Construction so they can mobilize and order materials while the CCDC2 is being developed. The Letter of Intent would be in place no longer than May 31, 2023.

PUB (MPI) 1-2

Part and Chapter:	**Part VII - Ratemaking**	**Page No.:**	**Figure RI-10**
PUB Approved Issue No:	**1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada**		
Topic:	**Exposure units**		
Sub Topic:			

Preamble to IR:

In the Compliance Filing to Board Order 4/23, Figure 8 Line 1 showed 23/24 Units of 1,282,369 Overall, and 877,000 for Private Passenger.

In the 2024 GRA, Figure RI-10 Line 1 shows 24/25 Units of 1,280,333 Overall, and 863,331 for Private Passenger.

Question:

For each Major Class, please provide a reconciliation from the Figure 8 23/24 units to the Figure RI-10 24/25 units, providing the changes in assumptions or underlying data that result in the changes in the projected units.

Rationale for Question:

It is unusual for the projected units to be lower than the prior year's projected units, and the average loss cost depends on the projected units.

RESPONSE:

For fiscal year 2022, the actual units turned out to be less than the forecast HTA earned units by approximately 1.5%. Consequently, the projected units for 2024/25 decreased since the starting units were lower.

In addition, MPI has adjusted 23/24 Units of Figure 8 in the 2023 GRA. The adjustment was to re-scale the composition of units to actual units from the rate model. In the 2024 GRA, MPI did not adjust the units to match the distribution from the rate model given that the forecasted units are based on more recent data whereas the rate model composition is based on November 1, 2022.

The Figure below provides a reconciliation of the number of units for 2024 GRA from the original projection in 2023 GRA. This includes the effect of not adjusting the composition back to the rate model.

Figure 1 Reconciliation from the Figure 8 23/24 units to the Figure RI-10 24/25 units by Major Class

Line No.	Major Class	Order 4/23 Fig 8 23/24 Units	Unadjusted Change in Projected 2023 Units	Change in 2023 Projected Units	Expected Increase in 2024 Units	2024 GRA Fig RI-10 24/25 Units
1	Private Passenger	877,000	-6,866	-14,058	7,255	863,331
2	Commercial	49,800	907	-1,969	332	49,070
3	Public	11,900	1,077	-88	200	13,089
4	Motorcycles	20,700	-622	-1,013	257	19,322
5	Trailers	238,969	260	-134	5,792	244,888
6	ORVs	84,000	5,244	-792	2,181	90,633
7	Overall	1,282,369	0	-18,054	16,017	1,280,333

PUB (MPI) 1-3

Part and Chapter:	Part VII - Ratemaking	Page No.:	Figure RI-10
PUB Approved Issue No:	1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada		
Topic:	Claims Expense		
Sub Topic:			

Preamble to IR:

In Figure RI-10 line 2, the Claims is $710.18 per unit. There are 1,280,333 units. This is based on a discounted claims cost of $909,264,368 (909,264,368 / 1,280,333 = 710.18).

In Figure RI-10 line 3, the Claims Expense is $122.19 per unit. There are 1,280,333 units. This is based on a total discounted claims expense of $156.44 million as indicated on line 12 of Page 10 of RI. (122.19 x 1,280,333). As shown in Part VII – RI Appendix 3 Table 3, this was based on an assumed ULAE ratio of 18.0% of claims costs, applied to the undiscounted rating year claims costs of $904,054,000, discounted with a factor of 0.9613.

From PF-1, the following table shows the Total Claims incurred from line 19, and the Claims Expense from line 120, and calculates a ratio of the claims expense to the total claims incurred for each of 2025F through 2028F:

	2025F	2026F	2027F	2028F
Total Claims Incurred	964,848	991,476	1,026,755	1,062,759
Claims Expense	146,435	147,569	140,760	140,545
Ratio	15.18%	14.88%	13.71%	13.22%

Question:

a) Please calculate an alternative Claims Expense per unit for Figure RI-10 based on a ratio of 15.03% of undiscounted claims costs (the average of 2025F and 2026F)

b) Please provide an alternative Figure RI-10 based on the above Claims Expense per unit.

c) Assuming that the indicated rate change is implemented, please provide an alternative PF-1, PF-2 and PF-3.

Rationale for Question:

Given the actual claims expense projected are significantly lower than the level used in the pricing, this question is designed to determine the sensitivity of the rate indication to using the actual projected claims expense ratio.

RESPONSE:

a) MPI uses the classic paid-to-paid method to determine the ULAE ratio. The calculation can be found in *Part X External Actuary Review EAR Attachment B.* A paid claim expense ratio to paid claim ratio of 18% means that for every claim dollar, there is a corresponding $0.18 paid out in claims expenses. The 18% is then applied to the forecasted claims to derive the forecasted claims expense.

   The ratios specified above use Claims Expense to Total Claims Incurred from PF-1 which is Incurred ULAE to Incurred Claims. The Total Claims Incurred from PF-1 also includes time value of money and risk adjustment, which may materially understate the ULAE ratio.

   Further, the incurred claims are driven by movement in provisions that may vary considerably year over year. MPI believes that using the Paid-to-Paid method provides a more consistent and comparable basis year over year.

Any calculations based these ratios may not be representative of the true costs and will provide a misleading outcome.

Nevertheless, MPI recalculated the Claims Expense per unit using a ratio of 15.03% of undiscounted claims cost. Please see the figure below.

Figure 1 Rating Year 2024/2025 Claims Expenses

Line No.	Description	Values
1	**Rating Year 2024/25 Undiscounted Paid [a]**	904,054
2	**Selected Claims Expenses Ratio [b]**	15.03%
3	**Rating Year 2024/25 Undiscounted Claims Expense [c]**	135,879
4	**Rating Year 2024/25 Discounted Paid [d]**	869,110
5	**Discount Factor [e]**	96.13%
6	**Rating Year 2024/25 Discounted Claims Expense [f]**	130,627
7	Notes:	
8	[c]: [a] * [b]	
9	[e]: [d] / [a]	
10	[f]: [c] * [e]	

b) Figure RI-10 using the above Claims Expense per unit

Figure 2 Rating Year 2024/25 Major Classification Applied for Rate Change

Line No.	Coverage	Overall	Private Pass.	Comm.	Public	Motor-cycles	Trailers	ORV's
1	24/25 Units	1,280,333	863,331	49,070	13,089	19,322	244,888	90,633
2	Claims	710.18	953.28	738.91	1,888.37	665.64	49.09	4.51
3	Claims Expense	102.03	136.95	106.15	271.29	95.63	7.05	0.65
4	Road Safety	9.47	12.83	12.83	12.83	12.83	0.00	0.00
5	Operating Expense	53.65	72.70	72.70	72.70	72.70	0.00	0.00
6	Regulatory/Appeal	3.35	4.53	4.53	4.53	4.53	0.00	0.00
7	Commission: Vehicle	37.60	49.95	44.27	108.19	34.17	3.06	0.23
8	Prem Tax: Vehicle	27.25	36.19	32.08	78.40	24.76	2.22	0.17
9	Comm & Prem Tax: Driver	2.84	3.85	3.85	3.85	3.85	0.00	0.00
10	Commission Flat Fee	5.68	7.70	7.70	7.70	7.70	0.00	0.00
11	Reins: Casualty	2.01	2.72	2.72	2.72	2.72	0.00	0.00
12	Reins: Catastrophe	11.38	12.45	12.45	12.45	0.00	12.45	0.00
13	Fleet Rebates	15.31	11.52	130.25	249.26	0.00	0.00	0.00
14	Anti-Theft Discount	0.56	0.83	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	51.69	70.05	70.05	70.05	70.05	0.00	0.00
16	Service Fees	21.41	29.02	29.02	29.02	29.02	0.00	0.00
17	Req Rate	908.19	1,206.45	1,069.38	2,613.21	825.48	73.86	5.56
18	Adj. Req Rate	889.55	1,181.69	1,047.44	2,559.58	808.53	72.34	5.44
19	23/24 Average Rate	870.37	1,150.24	908.29	2,252.53	882.92	62.24	5.69
20	Major Class Drift	4.8%	6.0%	4.6%	1.2%	-0.1%	7.3%	0.0%
21	24/25 Average Rate							
22	Without Rate Change	912.02	1,218.86	949.64	2,279.87	882.12	66.81	5.69
23	Full Cred Req Change	-2.5%	-3.0%	10.3%	12.3%	-8.3%	8.3%	-4.4%
24	Applied for Change	0.0%	-0.6%	13.1%	15.1%	-6.0%	11.0%	-2.0%
25	Credibility		99.3%	89.1%	68.6%	76.3%	97.6%	93.8%
26	Cred Wtd Change		-0.6%	11.7%	10.4%	-4.6%	10.8%	-1.9%
27	Cred Wtd Req Rate	910.59	1,211.59	1,060.36	2,516.01	841.56	73.99	5.59
28	Cred Wtd Req Rate (Bal)	912.02	1,213.50	1,062.03	2,519.97	842.88	74.11	5.60
29	Cred Wtd Change (Bal)	0.0%	-0.4%	11.8%	10.5%	-4.4%	10.9%	-1.7%

c) Refer to figure 1-3c below for the updated Pro Formas 1 to 3 which include a -2.46% Rate Indication.

Figure 3 Statement of Operations: -2.46% Basic Rate Change

PF-1
Statement of Operations: -2.46% Basic Rate Change
IFRS 17 Forecast with IFRS 4 Presentation

Multi-year - Statement of Operations

Line	*2024 GRA Base with -2.46% Rate Indication*	*IFRS 4*		*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*
No.	*(C$ 000s, rounding may affect totals)*	*For the Years Ended March 31,*							
1		2023A	IFRS 17 Adj.	2023BF	2024BF	2025F	2026F	2027F	2028F
2	**BASIC**								
3	Motor Vehicles	1,121,811	-	1,121,811	1,112,046	1,119,352	1,155,318	1,189,903	1,227,253
	Capital Release Provision	(57,026)	-	(57,026)	-	-	-	-	-
4	Drivers	59,085	-	59,085	62,520	64,822	66,634	67,982	70,043
5	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
6	**Total Net Premiums Written**	**1,107,478**	**-**	**1,107,478**	**1,158,180**	**1,167,296**	**1,204,568**	**1,239,979**	**1,278,853**
7	**Net Premiums Earned**								
8	Motor Vehicles	1,103,695	-	1,103,695	1,119,108	1,115,746	1,137,566	1,172,832	1,208,818
	Capital Release Provision	(65,568)	-	(65,568)	(28,558)	-	-	-	-
9	Drivers	59,896	-	59,896	61,180	63,693	65,745	67,321	69,032
10	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
11	**Total Net Premiums Earned**	**1,081,631**	**-**	**1,081,631**	**1,135,344**	**1,162,561**	**1,185,927**	**1,222,247**	**1,259,407**
12	Service Fees & Other Revenues	27,277	(588)	26,689	26,904	27,120	27,703	28,330	28,993
13	**Total Earned Revenues**	**1,108,908**	**(588)**	**1,108,320**	**1,162,248**	**1,189,681**	**1,213,630**	**1,250,577**	**1,288,400**
14	Claims Incurred	903,129	57,095	960,224	922,894	969,379	1,002,628	1,038,266	1,074,941
15	DPAC \ Premium Deficiency Adjustment	-	-	-	-	-	-	-	-
16	(a) Claims Incurred - Interest Rate Impact	(101,437)	(21,018)	(122,455)	7,177	(4,531)	(11,152)	(11,511)	(12,182)
17	**Total Claims Incurred**	**801,692**	**36,077**	**837,769**	**930,071**	**964,848**	**991,476**	**1,026,755**	**1,062,759**
18	Claims Expense	146,265	-	146,265	155,922	146,435	147,569	140,760	140,542
19	Road Safety/Loss Prevention	10,530	-	10,530	14,461	12,127	12,109	12,184	12,333
20	**Total Claims Costs**	**958,487**	**36,077**	**994,564**	**1,100,454**	**1,123,410**	**1,151,154**	**1,179,699**	**1,215,634**
21	**Expenses**								
22	Operating	86,526	-	86,526	98,357	93,404	94,830	91,441	91,296
23	Commissions	47,548	935	48,483	50,817	55,090	54,874	55,099	55,373
24	Premium Taxes	32,941	775	33,716	35,239	35,527	36,660	37,738	38,921
25	Regulatory/Appeal	4,769	-	4,769	4,637	4,239	4,328	4,346	4,366
26	**Total Expenses**	**171,784**	**1,710**	**173,494**	**189,050**	**188,260**	**190,692**	**188,624**	**189,956**
27	**Underwriting Income (Loss)**	**(21,363)**	**(38,375)**	**(59,738)**	**(127,256)**	**(121,989)**	**(128,216)**	**(117,746)**	**(117,190)**
28	**Investment Income**	98,194	-	98,194	125,102	126,844	130,553	135,373	142,969
29	(b) Investment Income - Interest Rate Impact	(115,602)	-	(115,602)	496	-	-	-	-
30	**Net Investment Income**	**(17,408)**	**-**	**(17,408)**	**125,598**	**126,844**	**130,553**	**135,373**	**142,969**
31	**Gain (Loss) on Sale of Property**	112	-	112	-	-	-	-	-
32	**Net Income (Loss) from Annual Operations**	**(38,659)**	**(38,375)**	**(77,034)**	**(1,658)**	**4,855**	**2,337**	**17,627**	**25,779**
35	Total net Impact due to interest rate change (b) - (	(14,165)	21,018	6,853	(6,681)	4,531	11,152	11,511	12,182
32	**Net Income (Loss) from Annual Operations**				**(1,658)**	**4,855**	**2,337**	**17,627**	**25,779**
33	Adjust for Initiative Expenses (BO 12.1 d)				(29,195)	(26,142)	(26,609)	(10,735)	(3,634)
34	**Net Income (Loss) for for Rate Setting Purposes**				**27,537**	**30,997**	**28,946**	**28,362**	**29,413**

Figure 4 Statement of Operations: -2.46% Basic Rate Change

PF-2

Statement of Financial Position: -2.46% Basic Rate Change

Multi-year - Statement of Financial Position

Line No.	*2024 GRA Base with -2.46% Rate Indication* *(C$ 000s, rounding may affect totals)*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*
		As at March 31,					
1		2023BF	2024BF	2025F	2026F	2027F	2028F
2	**BASIC**						
3	**Assets**						
4	Cash and cash equivalents	102,396	2,090	4,906	7,654	10,565	13,966
5	Investments	2,786,044	2,918,650	2,958,347	3,028,863	3,153,265	3,296,645
6	Investment property	5,759	5,604	5,449	5,295	5,140	4,985
7	Accounts receivable	-	-	-	-	-	-
8	Reinsurance asset	4,322	-	-	-	-	-
9	Property and Equipment	124,238	133,543	144,396	167,842	168,994	170,146
10	Deferred development costs	28,271	33,972	36,422	34,057	27,862	21,971
11	**Total Assets**	**3,051,030**	**3,093,859**	**3,149,520**	**3,243,711**	**3,365,826**	**3,507,713**
12	**Liabilities**						
13	Due to other insurance companies						
14	Accounts payable and accrued liabilities	58,748	69,113	66,045	64,557	61,937	61,529
15	Reinsurance Liability	-	320	320	320	320	320
16	Lease obligation	5,308	5,276	5,153	5,031	4,908	4,785
17	Insurance contract liability	2,203,302	2,230,879	2,272,848	2,314,739	2,360,395	2,409,375
18	Provision for employee current benefits	19,784	20,670	21,347	22,024	22,701	23,378
19	Provision for employee future benefits	328,847	340,182	351,515	362,847	374,180	385,513
20	**Total Liabilities**	**2,615,989**	**2,666,440**	**2,717,228**	**2,769,518**	**2,824,441**	**2,884,900**
21	**Equity**						
22	Retained Earnings	378,246	417,467	422,344	464,240	531,433	612,861
23	Accumulated Other Comprehensive Income	56,793	9,947	9,947	9,947	9,947	9,947
24	**Total Equity**	**435,039**	**427,414**	**432,291**	**474,187**	**541,380**	**622,808**
25	**Total Liabilities & Equity**	**3,051,029**	**3,093,855**	**3,149,519**	**3,243,706**	**3,365,821**	**3,507,709**

Figure 5 Statement of Operations: -2.46% Basic Rate Change

PF-3
Statement of Changes in Equity: -2.46% Basic Rate Change

Multi-year - Statement of Changes in Equity

Line No.	*2024/25 Basic rate change of -2.46%* (C$ 000s, except where noted)	*IFRS 4* 2023A	IFRS 17 Adj.	*IFRS 17* 2023BF	*IFRS 17* 2024F	*IFRS 17* 2025F	*IFRS 17* 2026F	*IFRS 17* 2027F	*IFRS 17* 2028F
	For the Years Ended March 31,								
	BASIC								
1	**Total Equity**								
2	**Retained Earnings**								
3	Beginning Balance	359,335		378,246	378,246	417,467	422,344	464,240	531,433
4	Restatement of AOCI on AFS Assets (IFRS 9)				46,845	0	(0)	(0)	-
5	Restatement of MUSH Assets to FVTPL (IFRS 9)				(5,966)	-	-	-	-
6	Restatement of Claims Discount Rate (IFRS 17)	-	86,273		-	-	-	-	-
7	Restatement of Risk Adjustment (IFRS 17)	-	13,345		-	-	-	-	-
8	Restatement of DPAC (IFRS 17)	-	(37,673)		-	-	-	-	-
9	Net Income (Loss) from annual operations	(38,659)	(38,375)		(1,658)	4,855	2,337	17,627	25,779
10	Rebate to Policyholders	-	-		-	-	-	-	-
11	Transfer (to) / from Non-Basic Retained Earnings	34,000	-		-	22	39,559	49,566	55,649
12	**Total Retained Earnings**	**354,676**	**23,570**	**378,246**	**417,467**	**422,344**	**464,240**	**531,433**	**612,861**
13	**Total Accumulated Other Comprehensive Income**								
14	Beginning Balance	51,428		51,428	56,793	9,947	9,947	9,947	9,947
15	Other Comprehensive Income on Available for Sale Asse	(31,291)		(31,291)	(1)	0	(0)	-	-
16	Restatement of AOCI on AFS Assets (IFRS 9)				(46,845)	(0)	0	0	-
17	Change in Remeasurement of Employee Future Benefits	36,656		36,656	-	-	-	-	-
18	**Total Accumulated Other Comprehensive Income**	56,793	-	56,793	9,947	9,947	9,947	9,947	9,947
19	**Total Accumulated Other Comprehensive Income Balance**								
20	**Employee Future Benefits Portfolio**								
21	Available for Sale Assets	30,889		30,889	0	0	0	0	0
22	Employee Future Benefits Liabilities	9,946		9,946	9,946	9,946	9,946	9,946	9,946
23	**Rate Stabilization Reserve Portfolio**								
24	Available for Sale Assets	15,957		15,957	0	0	0	0	0
25	**Total Accumulated Other Comprehensive Income Balance**	56,793		56,793	9,947	9,947	9,947	9,947	9,947
26	**Total Equity Balance**	**411,469**	**23,570**	**435,039**	**427,414**	**432,291**	**474,187**	**541,380**	**622,808**
27	**MINIMUM CAPITAL TEST (C$ 000s)**								
28	Total Equity Balance	411,467	23,570	435,037	427,414	432,291	474,187	541,380	622,808
29	Less: Assets Requiring 100% Capital	28,366		28,366	33,972	36,422	34,057	27,862	21,971
30	Capital Available	383,101	23,570	406,671	393,442	395,869	440,130	513,518	600,837
31	Minimum Capital Required (100% MCT)	345,847	5,526	351,373	430,438	448,086	465,032	484,411	510,479
32	**MCT Ratio %** (Line 30) / (Line 31)	**110.8%**	5.0%	**115.8%**	**91.4%**	**88.4%**	**94.7%**	**106.0%**	**117.7%**

PUB (MPI) 1-4

Part and Chapter:	Part VII - Ratemaking	Page No.:	
PUB Approved Issue No:	1. Projected claims, expenses, and vehicle counts, based on accepted actuarial practice in Canada 13. Driver Safety Rating (DSR)		
Topic:	DSR impact on rate level		
Sub Topic:			

Preamble to IR:

The following table provides DSR impacts from various figures in the 2024 GRA:

	Figure RMO-1			Figure DR-1		
Major Class	Selected Rate Change (d)	Impact from DSR Changes (f)	Offset to Vehicle Premium for DSR Impact (g)	Proposed Rate Change Without DSR Change	Proposed Rate Change With DSR Change	Vehicle Prem Rate Change
Private Passenger	-0.4%	-5.4%	5.2%	4.7%	1.9%	5.2%
Commercial	11.6%	-0.2%	11.8%	12.3%	12.1%	11.8%
Public	10.4%	-0.9%	11.4%	14.0%	13.4%	11.4%
Motorcycles	-4.4%	-7.1%	2.9%	0.5%	-2.7%	2.9%
Trailers	10.5%	0.0%	10.5%	9.3%	9.3%	10.5%
Off Road Vehicles	-1.6%	0.0%	-1.6%	0.0%	0.0%	-1.6%
Overall	0.0%	-5.0%	5.2%	5.2%	2.6%	5.2%

Figure DR-1 shows a 2.6% proposed overall rate change including changes to the vehicle discount percentages using the proposed 2024 DSR scale. The 2.6% is the combined effect of the following:

- 5.2% overall rate change from 1 experience adjustments; and
- -2.5% overall rate change from changes to the vehicle discount percentages.

The 2.6% reflects the impact on the rate model population of vehicles (i.e., the population as of November 1, 2022). As discussed in DR.1, the use of static population will not capture the effect of movements to the newly introduced DSR levels. As a result, MPI expects a further -2.6% of premium revenue by rating year 2024/25 because of changes to the distribution of vehicles by DSR level. The total impact of both the 2.6% and -2.6% is the applied for rate change of 0.0% for rating year 2024/25.

Footnote 1:
Per Revenues REV 1.2, the DSR upgrade factor for 2024/25 is -0.07% (before changes to the vehicle discount percentages). Using the DSR simulation model discussed in Revenues REV.2 with changes to the vehicle discount yields an overall DSR upgrade factor of -5.02%. The impact excluding the natural DSR.

Upgrade is -4.95%. The -2.55% is the calculated additional impact from DSR simulation and the rate model due to forecasted movements (e.g., movements to DSR 17 and 18) that is not captured by the rate model for the population on November 1, 2022.

Question:

a) Please provide the detailed calculation for each Major Class, in Excel format, underlying column (f) of RMO-1, which demonstrates that the impact of the change in the DSR scale for each Major Class is as indicated.

b) Please provide a table, for each Major Class, showing the vehicle premium and exposure counts, by DSR level, on the following bases:

   i. With the existing DSR scale without movement in DSR
   ii. With the existing DSR scale with movement in DSR
   iii. With the new DSR scale without movement in DSR

iv. With the new DSR scale with movement in DSR

Rationale for Question:

To understand the various impacts of changes to the DSR scale.

RESPONSE:

a) Please see *Appendix 1* for a detailed calculation of the net impact from change in DSR discount. The figure below, from *Part VII Rate Indication Figure RI-11*, shows the derivation of column (f), which is equivalent to column [9].

Figure RI 11 Required Rate Changes by Major Class Adjusted for DSR Discount Changes

Line No.	Major Class	2024/25 Units	2024/25 Prem Applied for Avg Premium	Total Premium (000s)	Major Class % of Total Discount	DSR Discount Change (000s)	Per Units Discount Change	2023/24 Avg Prem Before Rate Change	4/25 Prem After DSR Discount	DSR Discount Change	Applied for Rate Change	Vehicle Prem Offset
1		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
2	**Private Passenger**	863,331	$1,214	$1,047,880	97.3%	($56,246)	-$65	$1,219	$1,149	-5.37%	-0.42%	5.23%
3	**Commercial**	49,070	$1,059	$51,985	0.2%	($125)	-$3	$950	$1,057	-0.24%	11.56%	11.83%
4	**Public**	13,089	$2,517	$32,941	0.5%	($297)	-$23	$2,280	$2,494	-0.90%	10.39%	11.39%
5	**Motorcycles**	19,322	$843	$16,295	2.0%	($1,161)	-$60	$882	$783	-7.12%	-4.40%	2.93%
6	**Trailers**	244,888	$74	$18,086	0.0%	$0	$0	$67	$74	0.00%	10.55%	10.55%
7	**Off-Road Vehicles**	90,633	$6	$508	0.0%	$0	$0	$6	$6	0.00%	-1.63%	-1.63%
8	**Overall**	1,280,333	$912	$1,167,694	100.0%	($57,828)	-$45	$912	$867	-4.95%	0.00%	5.21%

9 Notes:
10 [1] & [2] & [7] Figure RI-10
11 [3]: [1] * [2]
12 [4]: % of Discounts by Major Class
13 [5]: [4] * [5] total; [5] total = [3] total * -4.95% (estimated revenue reduction from change in DSR scale)
14 [6]: [5] / [1]
15 [8]: [2] + [6]
16 [9]: [6] / [2]
17 [10]: [2] / [7] - 1
18 [11]: (1 + [9]) * (1 + [10]) - 1

b) Please see *Appendix 2* showing the premiums and movements for each major class. Please note that per *Part IX Revenues Chapter REV 1.2,* the DSR upgrade factor for 2024/25 is -0.07% (before changes to the vehicle discount percentages).

Calculation of Impact from Change in DSR Discount

DSR	Estimated Drivers	Merit Eligible Vehicles Per Driver	Estimated Vehicles	Current DSR Discount	Proposed DSR Discount
	[a]	[b]	[c] = [a] * [b]	[d]	[e]
18	250,391	1.21	304,049	40%	48%
17	22,651	1.21	27,505	40%	45%
16	32,821	1.21	39,854	40%	44%
15	29,469	1.14	33,601	40%	43%
14	22,227	1.14	25,325	34%	38%
13	38,601	1.14	44,028	33%	36%
12	31,382	1.06	33,379	32%	35%
11	22,981	1.04	23,991	31%	33%
10	25,468	1.04	26,441	29%	31%
9	28,026	0.93	26,091	27%	28%
8	26,616	0.89	23,784	26%	26%
7	29,775	0.84	25,048	26%	26%
6	32,599	0.77	25,049	21%	21%
5	33,866	0.72	24,550	16%	16%
4	35,564	0.69	24,466	16%	16%
3	40,716	0.62	25,198	11%	11%
2	52,801	0.59	31,414	10%	10%
1	54,200	0.53	28,483	5%	5%
0	76,762	0.34	26,125	0%	0%
-1	13,344	0.70	9,390	0%	0%
-2	11,195	0.73	8,202	0%	0%
-3	7,391	0.71	5,265	0%	0%
-4	9,859	0.72	7,136	0%	0%
-5	6,669	0.70	4,640	0%	0%
-6	4,151	0.74	3,090	0%	0%
-7	3,866	0.79	3,042	0%	0%
-8	2,671	0.78	2,077	0%	0%
-9	2,367	0.73	1,720	0%	0%
-10	2,266	0.78	1,765	0%	0%
-11	1,276	0.78	990	0%	0%
-12	1,311	0.75	986	0%	0%
-13	1,530	0.79	1,206	0%	0%
-14	690	0.78	538	0%	0%
-15	680	0.83	563	0%	0%
-16	625	0.66	410	0%	0%
-17	382	0.75	288	0%	0%
-18	344	0.77	266	0%	0%
-19	253	0.70	178	0%	0%
-20	1,855	0.78	1,443	0%	0%

Average Current Discount	$[f] = ([c]_i * [d]_i)/[c]_{total}$	28.81%
Average Proposed Discount	$[g] = ([c]_i * [e]_i)/[c]_{total}$	32.59%
Change in Revenue for HTA Units	[h] = (1 - [g])/(1 - [f]) - 1	-5.30%
HTA Adjustment	[i]	94.64%
Change in Revenue for Total Units	[j] = [h] * [i]	-5.02%
Natural DSR Movement	[k]	-0.07%
Net Impact from Change in DSR Discount	[l] = [j] - [k]	-4.95%

Notes:
[a] from Part 09 REV 04 Appendix 1.1
[b] from Part 09 REV 04 Appendix 1.3
[d] and [e] from figure RC App 6-4
[i] selected factor, unchanged from prior years
[k] from figure Rev 10

Summary of Overall Premiums

Overall Premium	2023	2024
With the existing DSR scale without movement in DSR	1,084,324,192	1,140,778,447
With the existing DSR scale with movement in DSR	1,055,117,076	1,109,980,329
With the new DSR scale without movement in DSR	1,057,428,889	1,112,680,718
With the new DSR scale with movement in DSR	1,005,720,260	1,058,410,889

No Movements

	Exposure Counts of Existing DSR Scale w/o DSR Movements					
DSR	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	0	0	0	0	0	0
17	0	0	0	0	0	0
16	196,243	246	116	4,934	0	0
15	162,201	230	96	4,106	0	0
14	28,836	61	33	773	0	0
13	36,720	65	34	1,026	0	0
12	29,302	67	51	754	0	0
11	27,991	67	23	696	0	0
10	32,871	74	33	853	0	0
9	23,193	58	33	640	0	0
8	21,696	58	27	530	0	0
7	23,234	63	20	615	0	0
6	21,420	65	20	483	0	0
5	21,259	70	33	516	0	0
4	22,452	68	37	531	0	0
3	22,697	74	30	545	0	0
2	23,071	131	28	567	0	0
1	22,647	105	29	535	0	0
0	89,383	2,524	185	770	0	0
-1	7,689	43	14	214	0	0
-2	5,918	34	5	143	0	0
-3	4,189	24	6	137	0	0
-4	5,356	45	7	171	0	0
-5	3,324	30	8	85	0	0
-6	2,476	7	3	70	0	0
-7	2,316	14	2	74	0	0
-8	1,724	17	5	56	0	0
-9	1,261	7	3	35	0	0
-10	1,374	10	5	43	0	0
-11	711	3	0	17	0	0
-12	751	2	1	22	0	0
-13	1,024	7	1	40	0	0
-14	356	2	1	11	0	0
-15	387	0	1	18	0	0
-16	349	2	2	11	0	0
-17	227	1	0	8	0	0
-18	225	0	0	6	0	0
-19	131	2	0	5	0	0
-20	1,062	6	1	40	0	0
Not ME	1,281	45,356	11,814	0	230,162	81,805
Grand Total	**847,347**	**49,638**	**12,707**	**20,080**	**230,162**	**81,805**

No Movements

	2023 Vehicle Premium of Existing DSR Scale w/o DSR Movements					
DSR	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	0	0	0	0	0	0
17	0	0	0	0	0	0
16	174,551,319	277,492	726,436	3,652,913	0	0
15	145,594,837	250,849	627,560	3,083,762	0	0
14	29,838,302	78,829	187,135	637,889	0	0
13	38,517,638	84,357	225,029	859,241	0	0
12	31,536,850	87,559	329,082	651,800	0	0
11	30,814,391	83,864	162,695	614,706	0	0
10	37,345,176	103,458	241,123	764,915	0	0
9	27,569,000	78,386	252,540	588,321	0	0
8	26,306,183	84,205	225,486	483,945	0	0
7	28,307,709	101,833	125,600	554,357	0	0
6	27,847,350	106,404	157,272	468,123	0	0
5	29,495,962	114,398	207,634	532,043	0	0
4	31,185,459	119,377	304,071	547,295	0	0
3	33,688,035	140,189	212,106	584,567	0	0
2	34,657,071	252,525	194,866	651,436	0	0
1	36,153,139	203,625	167,326	633,138	0	0
0	145,434,078	4,330,256	815,172	949,099	0	0
-1	12,612,855	87,243	108,160	268,940	0	0
-2	9,800,891	77,149	32,381	174,605	0	0
-3	6,976,750	52,210	65,148	169,007	0	0
-4	8,868,666	101,620	57,884	222,974	0	0
-5	5,594,331	55,376	78,332	104,447	0	0
-6	4,052,445	11,282	27,648	81,221	0	0
-7	3,769,566	34,536	13,120	99,075	0	0
-8	2,808,523	33,482	35,795	68,285	0	0
-9	2,058,483	12,474	27,363	47,827	0	0
-10	2,192,415	20,328	39,267	60,069	0	0
-11	1,159,470	6,464	0	23,743	0	0
-12	1,191,874	4,627	2,438	31,053	0	0
-13	1,612,463	11,919	3,757	46,548	0	0
-14	573,873	5,152	6,560	16,558	0	0
-15	628,375	0	3,194	22,875	0	0
-16	550,529	6,642	25,084	13,375	0	0
-17	361,747	1,308	0	11,065	0	0
-18	338,101	0	0	8,941	0	0
-19	210,778	3,072	0	8,079	0	0
-20	1,701,553	10,788	7,524	52,177	0	0
Not ME	1,097,533	38,192,436	23,023,766	0	15,096,960	490,830
Grand Total	**977,003,720**	**45,225,714**	**28,718,554**	**17,788,414**	**15,096,960**	**490,830**

No Movements

	2023 Vehicle Premium of New DSR Scale w/o DSR Movements					
DSR	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	0	0	0	0	0	0
17	0	0	0	0	0	0
16	162,914,564	258,993	678,007	3,409,385	0	0
15	138,315,095	238,307	596,182	2,929,574	0	0
14	28,029,920	74,051	175,793	599,229	0	0
13	36,792,968	80,580	214,953	820,768	0	0
12	30,145,518	83,696	314,564	623,044	0	0
11	29,921,220	81,433	157,979	596,888	0	0
10	36,293,199	100,544	234,331	743,368	0	0
9	27,191,342	77,312	249,081	580,262	0	0
8	26,306,183	84,205	225,486	483,945	0	0
7	28,307,709	101,833	125,600	554,357	0	0
6	27,847,350	106,404	157,272	468,123	0	0
5	29,495,962	114,398	207,634	532,043	0	0
4	31,185,459	119,377	304,071	547,295	0	0
3	33,688,035	140,189	212,106	584,567	0	0
2	34,657,071	252,525	194,866	651,436	0	0
1	36,153,139	203,625	167,326	633,138	0	0
0	145,434,078	4,330,256	815,172	949,099	0	0
-1	12,612,855	87,243	108,160	268,940	0	0
-2	9,800,891	77,149	32,381	174,605	0	0
-3	6,976,750	52,210	65,148	169,007	0	0
-4	8,868,666	101,620	57,884	222,974	0	0
-5	5,594,331	55,376	78,332	104,447	0	0
-6	4,052,445	11,282	27,648	81,221	0	0
-7	3,769,566	34,536	13,120	99,075	0	0
-8	2,808,523	33,482	35,795	68,285	0	0
-9	2,058,483	12,474	27,363	47,827	0	0
-10	2,192,415	20,328	39,267	60,069	0	0
-11	1,159,470	6,464	0	23,743	0	0
-12	1,191,874	4,627	2,438	31,053	0	0
-13	1,612,463	11,919	3,757	46,548	0	0
-14	573,873	5,152	6,560	16,558	0	0
-15	628,375	0	3,194	22,875	0	0
-16	550,529	6,642	25,084	13,375	0	0
-17	361,747	1,308	0	11,065	0	0
-18	338,101	0	0	8,941	0	0
-19	210,778	3,072	0	8,079	0	0
-20	1,701,553	10,788	7,524	52,177	0	0
Not ME	1,097,533	38,192,436	23,023,766	0	15,096,960	490,830
Grand Total	**950,840,035**	**45,175,836**	**28,587,844**	**17,237,385**	**15,096,960**	**490,830**

No Movements

	2024 Vehicle Premium of Existing DSR Scale w/o DSR Movements					
DSR	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	0	0	0	0	0	0
17	0	0	0	0	0	0
16	182,117,946	309,490	814,636	3,673,922	0	0
15	151,883,599	279,520	703,818	3,102,522	0	0
14	31,176,013	87,968	210,262	641,712	0	0
13	40,281,497	94,754	252,533	863,562	0	0
12	32,972,525	97,863	369,168	653,636	0	0
11	32,251,197	94,191	182,567	618,667	0	0
10	39,099,756	115,748	270,571	768,277	0	0
9	28,867,415	90,438	283,443	591,646	0	0
8	27,570,104	93,697	252,748	486,318	0	0
7	29,690,078	115,402	141,311	557,475	0	0
6	29,176,768	120,284	176,520	469,174	0	0
5	30,939,456	129,006	233,394	534,024	0	0
4	32,702,246	136,046	341,187	549,883	0	0
3	35,353,952	160,853	238,653	587,162	0	0
2	36,377,499	285,917	219,104	653,129	0	0
1	37,980,381	226,262	188,849	636,391	0	0
0	152,465,831	4,886,835	922,195	946,116	0	0
-1	13,220,246	100,030	121,703	269,816	0	0
-2	10,279,631	88,387	36,491	175,610	0	0
-3	7,337,888	57,971	73,047	169,067	0	0
-4	9,304,888	116,827	64,971	224,452	0	0
-5	5,878,998	61,120	87,816	104,874	0	0
-6	4,249,601	12,907	31,044	81,602	0	0
-7	3,949,367	40,035	14,746	99,718	0	0
-8	2,949,762	38,002	40,303	68,260	0	0
-9	2,165,792	14,152	30,741	48,026	0	0
-10	2,299,394	23,057	44,171	60,330	0	0
-11	1,214,706	7,321	0	23,881	0	0
-12	1,245,811	5,212	2,782	31,212	0	0
-13	1,679,921	12,852	4,296	46,885	0	0
-14	601,706	5,727	7,373	16,576	0	0
-15	659,259	0	3,681	22,804	0	0
-16	575,132	7,937	28,106	13,344	0	0
-17	380,381	1,515	0	11,149	0	0
-18	352,536	0	0	9,039	0	0
-19	219,250	3,522	0	8,292	0	0
-20	1,783,204	12,109	8,431	52,227	0	0
Not ME	1,175,212	42,835,256	26,323,834	0	16,495,181	490,830
Grand Total	**1,022,428,948**	**50,768,213**	**32,724,495**	**17,870,780**	**16,495,181**	**490,830**
						5.21%

No Movements

	2024 Vehicle Premium of New DSR Scale w/o DSR Movements					
DSR	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	0	0	0	0	0	0
17	0	0	0	0	0	0
16	169,967,420	288,846	760,334	3,428,995	0	0
15	144,280,676	265,550	668,596	2,947,426	0	0
14	29,284,837	82,632	197,520	602,827	0	0
13	38,477,059	90,510	241,216	824,846	0	0
12	31,516,061	93,549	352,859	624,756	0	0
11	31,315,840	91,459	177,278	600,739	0	0
10	37,995,554	112,485	262,950	746,647	0	0
9	28,471,399	89,198	279,550	583,519	0	0
8	27,570,104	93,697	252,748	486,318	0	0
7	29,690,078	115,402	141,311	557,475	0	0
6	29,176,768	120,284	176,520	469,174	0	0
5	30,939,456	129,006	233,394	534,024	0	0
4	32,702,246	136,046	341,187	549,883	0	0
3	35,353,952	160,853	238,653	587,162	0	0
2	36,377,499	285,917	219,104	653,129	0	0
1	37,980,381	226,262	188,849	636,391	0	0
0	152,465,831	4,886,835	922,195	946,116	0	0
-1	13,220,246	100,030	121,703	269,816	0	0
-2	10,279,631	88,387	36,491	175,610	0	0
-3	7,337,888	57,971	73,047	169,067	0	0
-4	9,304,888	116,827	64,971	224,452	0	0
-5	5,878,998	61,120	87,816	104,874	0	0
-6	4,249,601	12,907	31,044	81,602	0	0
-7	3,949,367	40,035	14,746	99,718	0	0
-8	2,949,762	38,002	40,303	68,260	0	0
-9	2,165,792	14,152	30,741	48,026	0	0
-10	2,299,394	23,057	44,171	60,330	0	0
-11	1,214,706	7,321	0	23,881	0	0
-12	1,245,811	5,212	2,782	31,212	0	0
-13	1,679,921	12,852	4,296	46,885	0	0
-14	601,706	5,727	7,373	16,576	0	0
-15	659,259	0	3,681	22,804	0	0
-16	575,132	7,937	28,106	13,344	0	0
-17	380,381	1,515	0	11,149	0	0
-18	352,536	0	0	9,039	0	0
-19	219,250	3,522	0	8,292	0	0
-20	1,783,204	12,109	8,431	52,227	0	0
Not ME	1,175,212	42,835,256	26,323,834	0	16,495,181	490,830
Grand Total	**995,087,846**	**50,712,470**	**32,577,800**	**17,316,591**	**16,495,181**	**490,830**
						-2.46%

Expected Movements

			Exposure Counts of Existing DSR Scale w/ DSR Movements					
DSR	ME Vehicles	% of Total	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	304,049.24	35%	295,149	1,494	312	7,005	0	0
17	27,505.40	3%	26,700	135	28	634	0	0
16	39,854.35	5%	38,688	196	41	918	0	0
15	33,601.11	4%	32,618	165	34	774	0	0
14	25,324.77	3%	24,583	124	26	583	0	0
13	44,028.12	5%	42,739	216	45	1,014	0	0
12	33,378.73	4%	32,402	164	34	769	0	0
11	23,991.31	3%	23,289	118	25	553	0	0
10	26,441.09	3%	25,667	130	27	609	0	0
9	26,090.88	3%	25,327	128	27	601	0	0
8	23,783.84	3%	23,088	117	24	548	0	0
7	25,047.72	3%	24,315	123	26	577	0	0
6	25,049.33	3%	24,316	123	26	577	0	0
5	24,549.65	3%	23,831	121	25	566	0	0
4	24,466.35	3%	23,750	120	25	564	0	0
3	25,198.45	3%	24,461	124	26	581	0	0
2	31,413.77	4%	30,494	154	32	724	0	0
1	28,482.92	3%	27,649	140	29	656	0	0
0	26,125.06	3%	25,360	128	27	602	0	0
-1	9,390.03	1%	9,115	46	10	216	0	0
-2	8,202.04	1%	7,962	40	8	189	0	0
-3	5,265.12	1%	5,111	26	5	121	0	0
-4	7,136.22	1%	6,927	35	7	164	0	0
-5	4,640.20	1%	4,504	23	5	107	0	0
-6	3,090.42	0%	3,000	15	3	71	0	0
-7	3,042.40	0%	2,953	15	3	70	0	0
-8	2,076.59	0%	2,016	10	2	48	0	0
-9	1,720.16	0%	1,670	8	2	40	0	0
-10	1,765.09	0%	1,713	9	2	41	0	0
-11	990.11	0%	961	5	1	23	0	0
-12	986.32	0%	957	5	1	23	0	0
-13	1,206.14	0%	1,171	6	1	28	0	0
-14	537.89	0%	522	3	1	12	0	0
-15	562.65	0%	546	3	1	13	0	0
-16	410.45	0%	398	2	0	9	0	0
-17	287.73	0%	279	1	0	7	0	0
-18	266.04	0%	258	1	0	6	0	0
-19	177.73	0%	173	1	0	4	0	0
-20	1,442.60	0%	1,400	7	1	33	0	0
Not ME			1,281	45,356	11,814	0	230,162	81,805
Grand Total	**871,578.03**		**847,347**	**49,638**	**12,707**	**20,080**	**230,162**	**81,805**

Expected Movements

			2023 Average Vehicle Premium of Existing DSR Scale w/ DSR Movements					
DSR	ME Vehicles	% of Total	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	304,049.24	35%	889	1,128	6,262	740	0	0
17	27,505.40	3%	889	1,128	6,262	740	0	0
16	39,854.35	5%	889	1,128	6,262	740	0	0
15	33,601.11	4%	898	1,091	6,537	751	0	0
14	25,324.77	3%	1,035	1,292	5,671	825	0	0
13	44,028.12	5%	1,049	1,298	6,619	837	0	0
12	33,378.73	4%	1,076	1,307	6,453	864	0	0
11	23,991.31	3%	1,101	1,252	7,074	883	0	0
10	26,441.09	3%	1,136	1,398	7,307	897	0	0
9	26,090.88	3%	1,189	1,351	7,653	919	0	0
8	23,783.84	3%	1,212	1,452	8,351	913	0	0
7	25,047.72	3%	1,218	1,616	6,280	901	0	0
6	25,049.33	3%	1,300	1,637	7,864	969	0	0
5	24,549.65	3%	1,387	1,634	6,292	1,031	0	0
4	24,466.35	3%	1,389	1,756	8,218	1,031	0	0
3	25,198.45	3%	1,484	1,894	7,070	1,073	0	0
2	31,413.77	4%	1,502	1,928	6,960	1,149	0	0
1	28,482.92	3%	1,596	1,939	5,770	1,183	0	0
0	26,125.06	3%	1,627	1,716	4,406	1,233	0	0
-1	9,390.03	1%	1,640	2,029	7,726	1,257	0	0
-2	8,202.04	1%	1,656	2,269	6,476	1,221	0	0
-3	5,265.12	1%	1,665	2,175	10,858	1,234	0	0
-4	7,136.22	1%	1,656	2,258	8,269	1,304	0	0
-5	4,640.20	1%	1,683	1,846	9,792	1,229	0	0
-6	3,090.42	0%	1,637	1,612	9,216	1,160	0	0
-7	3,042.40	0%	1,628	2,467	6,560	1,339	0	0
-8	2,076.59	0%	1,629	1,970	7,159	1,219	0	0
-9	1,720.16	0%	1,632	1,782	9,121	1,366	0	0
-10	1,765.09	0%	1,596	2,033	7,853	1,397	0	0
-11	990.11	0%	1,631	2,155	0	1,397	0	0
-12	986.32	0%	1,587	2,314	2,438	1,412	0	0
-13	1,206.14	0%	1,575	1,703	3,757	1,164	0	0
-14	537.89	0%	1,612	2,576	6,560	1,505	0	0
-15	562.65	0%	1,624	0	3,194	1,271	0	0
-16	410.45	0%	1,577	3,321	12,542	1,216	0	0
-17	287.73	0%	1,594	1,308	0	1,383	0	0
-18	266.04	0%	1,503	0	0	1,490	0	0
-19	177.73	0%	1,609	1,536	0	1,616	0	0
-20	1,442.60	0%	1,602	1,798	7,524	1,304	0	0
Not ME			857	842	1,949	0	66	6
Grand Total	**871,578.03**		**1,153**	**911**	**2,260**	**886**	**66**	**6**
			948,713,243	**44,128,624**	**28,916,725**	**17,770,694**	**15,096,960**	**490,830**

Expected Movements

			2023 Average Vehicle Premium of New DSR Scale w/ DSR Movements					
DSR	ME Vehicles	% of Total	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	304,049.24	35%	771	978	5,427	642	0	0
17	27,505.40	3%	815	1,034	5,741	679	0	0
16	39,854.35	5%	830	1,053	5,845	691	0	0
15	33,601.11	4%	853	1,036	6,210	713	0	0
14	25,324.77	3%	972	1,214	5,327	775	0	0
13	44,028.12	5%	1,002	1,240	6,322	800	0	0
12	33,378.73	4%	1,029	1,249	6,168	826	0	0
11	23,991.31	3%	1,069	1,215	6,869	858	0	0
10	26,441.09	3%	1,104	1,359	7,101	871	0	0
9	26,090.88	3%	1,172	1,333	7,548	907	0	0
8	23,783.84	3%	1,212	1,452	8,351	913	0	0
7	25,047.72	3%	1,218	1,616	6,280	901	0	0
6	25,049.33	3%	1,300	1,637	7,864	969	0	0
5	24,549.65	3%	1,387	1,634	6,292	1,031	0	0
4	24,466.35	3%	1,389	1,756	8,218	1,031	0	0
3	25,198.45	3%	1,484	1,894	7,070	1,073	0	0
2	31,413.77	4%	1,502	1,928	6,960	1,149	0	0
1	28,482.92	3%	1,596	1,939	5,770	1,183	0	0
0	26,125.06	3%	1,627	1,716	4,406	1,233	0	0
-1	9,390.03	1%	1,640	2,029	7,726	1,257	0	0
-2	8,202.04	1%	1,656	2,269	6,476	1,221	0	0
-3	5,265.12	1%	1,665	2,175	10,858	1,234	0	0
-4	7,136.22	1%	1,656	2,258	8,269	1,304	0	0
-5	4,640.20	1%	1,683	1,846	9,792	1,229	0	0
-6	3,090.42	0%	1,637	1,612	9,216	1,160	0	0
-7	3,042.40	0%	1,628	2,467	6,560	1,339	0	0
-8	2,076.59	0%	1,629	1,970	7,159	1,219	0	0
-9	1,720.16	0%	1,632	1,782	9,121	1,366	0	0
-10	1,765.09	0%	1,596	2,033	7,853	1,397	0	0
-11	990.11	0%	1,631	2,155	0	1,397	0	0
-12	986.32	0%	1,587	2,314	2,438	1,412	0	0
-13	1,206.14	0%	1,575	1,703	3,757	1,164	0	0
-14	537.89	0%	1,612	2,576	6,560	1,505	0	0
-15	562.65	0%	1,624	0	3,194	1,271	0	0
-16	410.45	0%	1,577	3,321	12,542	1,216	0	0
-17	287.73	0%	1,594	1,308	0	1,383	0	0
-18	266.04	0%	1,503	0	0	1,490	0	0
-19	177.73	0%	1,609	1,536	0	1,616	0	0
-20	1,442.60	0%	1,602	1,798	7,524	1,304	0	0
Not ME			857	842	1,949	0	66	6
Grand Total	**871,578.03**		**1,063**	**883**	**2,248**	**838**	**66**	**6**
			900,908,238	**43,823,994**	**28,568,162**	**16,832,076**	**15,096,960**	**490,830**

Expected Movements

			2024 Average Vehicle Premium of Existing DSR Scale w/ DSR Movements					
DSR	ME Vehicles	% of Total	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	304,049.24	35%	928	1,258	7,023	745	0	0
17	27,505.40	3%	928	1,258	7,023	745	0	0
16	39,854.35	5%	928	1,258	7,023	745	0	0
15	33,601.11	4%	936	1,215	7,331	756	0	0
14	25,324.77	3%	1,081	1,442	6,372	830	0	0
13	44,028.12	5%	1,097	1,458	7,427	842	0	0
12	33,378.73	4%	1,125	1,461	7,239	867	0	0
11	23,991.31	3%	1,152	1,406	7,938	889	0	0
10	26,441.09	3%	1,189	1,564	8,199	901	0	0
9	26,090.88	3%	1,245	1,559	8,589	924	0	0
8	23,783.84	3%	1,271	1,615	9,361	918	0	0
7	25,047.72	3%	1,278	1,832	7,066	906	0	0
6	25,049.33	3%	1,362	1,851	8,826	971	0	0
5	24,549.65	3%	1,455	1,843	7,073	1,035	0	0
4	24,466.35	3%	1,457	2,001	9,221	1,036	0	0
3	25,198.45	3%	1,558	2,174	7,955	1,077	0	0
2	31,413.77	4%	1,577	2,183	7,825	1,152	0	0
1	28,482.92	3%	1,677	2,155	6,512	1,190	0	0
0	26,125.06	3%	1,706	1,936	4,985	1,229	0	0
-1	9,390.03	1%	1,719	2,326	8,693	1,261	0	0
-2	8,202.04	1%	1,737	2,600	7,298	1,228	0	0
-3	5,265.12	1%	1,752	2,415	12,175	1,234	0	0
-4	7,136.22	1%	1,737	2,596	9,282	1,313	0	0
-5	4,640.20	1%	1,769	2,037	10,977	1,234	0	0
-6	3,090.42	0%	1,716	1,844	10,348	1,166	0	0
-7	3,042.40	0%	1,705	2,860	7,373	1,348	0	0
-8	2,076.59	0%	1,711	2,235	8,061	1,219	0	0
-9	1,720.16	0%	1,718	2,022	10,247	1,372	0	0
-10	1,765.09	0%	1,674	2,306	8,834	1,403	0	0
-11	990.11	0%	1,708	2,440	0	1,405	0	0
-12	986.32	0%	1,659	2,606	2,782	1,419	0	0
-13	1,206.14	0%	1,641	1,836	4,296	1,172	0	0
-14	537.89	0%	1,690	2,864	7,373	1,507	0	0
-15	562.65	0%	1,704	0	3,681	1,267	0	0
-16	410.45	0%	1,648	3,969	14,053	1,213	0	0
-17	287.73	0%	1,676	1,515	0	1,394	0	0
-18	266.04	0%	1,567	0	0	1,507	0	0
-19	177.73	0%	1,674	1,761	0	1,658	0	0
-20	1,442.60	0%	1,679	2,018	8,431	1,306	0	0
Not ME			917	944	2,228	0	72	6
Grand Total	**871,578.03**		**1,153**	**911**	**2,260**	**886**	**66**	**6**
			992,694,985	**49,506,799**	**32,939,449**	**17,853,086**	**16,495,181**	**490,830**

Expected Movements

			2024 Average Vehicle Premium of New DSR Scale w/ DSR Movements					
DSR	ME Vehicles	% of Total	Private Passenger	Commercial	Public	Motorcycle	Trailer	Off Road Vehicle
18	304,049.24	35%	804	1,090	6,086	645	0	0
17	27,505.40	3%	851	1,153	6,437	683	0	0
16	39,854.35	5%	866	1,174	6,555	695	0	0
15	33,601.11	4%	890	1,155	6,965	718	0	0
14	25,324.77	3%	1,016	1,355	5,985	780	0	0
13	44,028.12	5%	1,048	1,392	7,095	804	0	0
12	33,378.73	4%	1,076	1,396	6,919	829	0	0
11	23,991.31	3%	1,119	1,365	7,708	863	0	0
10	26,441.09	3%	1,156	1,520	7,968	875	0	0
9	26,090.88	3%	1,228	1,538	8,472	912	0	0
8	23,783.84	3%	1,271	1,615	9,361	918	0	0
7	25,047.72	3%	1,278	1,832	7,066	906	0	0
6	25,049.33	3%	1,362	1,851	8,826	971	0	0
5	24,549.65	3%	1,455	1,843	7,073	1,035	0	0
4	24,466.35	3%	1,457	2,001	9,221	1,036	0	0
3	25,198.45	3%	1,558	2,174	7,955	1,077	0	0
2	31,413.77	4%	1,577	2,183	7,825	1,152	0	0
1	28,482.92	3%	1,677	2,155	6,512	1,190	0	0
0	26,125.06	3%	1,706	1,936	4,985	1,229	0	0
-1	9,390.03	1%	1,719	2,326	8,693	1,261	0	0
-2	8,202.04	1%	1,737	2,600	7,298	1,228	0	0
-3	5,265.12	1%	1,752	2,415	12,175	1,234	0	0
-4	7,136.22	1%	1,737	2,596	9,282	1,313	0	0
-5	4,640.20	1%	1,769	2,037	10,977	1,234	0	0
-6	3,090.42	0%	1,716	1,844	10,348	1,166	0	0
-7	3,042.40	0%	1,705	2,860	7,373	1,348	0	0
-8	2,076.59	0%	1,711	2,235	8,061	1,219	0	0
-9	1,720.16	0%	1,718	2,022	10,247	1,372	0	0
-10	1,765.09	0%	1,674	2,306	8,834	1,403	0	0
-11	990.11	0%	1,708	2,440	0	1,405	0	0
-12	986.32	0%	1,659	2,606	2,782	1,419	0	0
-13	1,206.14	0%	1,641	1,836	4,296	1,172	0	0
-14	537.89	0%	1,690	2,864	7,373	1,507	0	0
-15	562.65	0%	1,704	0	3,681	1,267	0	0
-16	410.45	0%	1,648	3,969	14,053	1,213	0	0
-17	287.73	0%	1,676	1,515	0	1,394	0	0
-18	266.04	0%	1,567	0	0	1,507	0	0
-19	177.73	0%	1,674	1,761	0	1,658	0	0
-20	1,442.60	0%	1,679	2,018	8,431	1,306	0	0
Not ME			917	944	2,228	0	72	6
Grand Total	**871,578.03**		**1,113**	**991**	**2,561**	**842**	**72**	**6**
			942,800,401	**49,166,779**	**32,548,519**	**16,909,179**	**16,495,181**	**490,830**

PUB (MPI) 1-5

Part and Chapter:	Part XI - Investments	Page No.:	Figure INV-3, INV-14, INV-15
PUB Approved Issue No:	3. Projected new money yield based on existing methodology 19. Interest rate forecast		
Topic:	Interest rates		
Sub Topic:			

Preamble to IR:

Figure INV-3 shows a Marketable bond yield for 2024 GRA of 4.22% for all future quarters.

Figure INV-14 line 9 shows a government/provincial bond yield that reduces over time.

Figure INV-15 lines 9 shows a corporate bond yield that remains constant over time.

Question:

Please provide the weightings used such that the combination of line 9 of Figure INV-14 and line 9 of Figure INV-15 can result in Figure INV-3. If there is an error, please provide the corrected Figure(s).

Rationale for Question:

To understand the Marketable bond yield provided in the 2024 GRA.

RESPONSE:

The Marketable bond yield is a naïve forecast (i.e. constant over time) that is calculated based on target weights for the marketable bonds within the Basic Claims portfolio (as specified in Section 7.2 of the Investment Policy Statement) and yields for the relevant FTSE indices as at March 31, 2023. The calculation for *Part XI Investments Chapter INV-3* is shown in the Figure below:

Figure 1 New Money Yield

Line No.	Asset Class	Benchmark	IPS Target Weights	Relative Weights	Short Term Benchmark Yields	Modified Duration
1	**Government Bonds**	FTSE Russell Short-Term Government Bond Index	37%	52.86%	3.64%	2.58
2	**Corporate Bonds**	FTSE Russell Short-Term Corporate Bond Index	28%	40.00%	4.99%	2.78
3	**Commercial Mortgages**	FTSE Russell Short-Term Overall Bond Index	5%	7.14%	5.95%	2.65
4	**Total**		**70%**	**100%**	4.35%	**2.67**
5	**Investment Management Fees**				0.12%	
6	**New Money Yield**				4.22%	
7	Note: short-term bond indices were used in order to align with the premium duration of approximately 3.0 years					

This calculation is independent from calculations in *INV-14* and *INV-15*.

PUB (MPI) 1-6

Part and Chapter:	**Part XI - Investments**	**Page No.:**	**Figure INV-29 and RI-2.1**
PUB Approved Issue No:	**3. Projected new money yield based on existing methodology** **19. Interest Rate Forecast**		
Topic:	**Investment Management Fees**		
Sub Topic:			

Preamble to IR:

RI-2.1 states:

> *The investment return of 4.35% (gross of investment expenses) reflects the best estimate projected yield as at the time when the average policy is written during the rating year 2024/25 (i.e., October 1, 2024). The yield of 4.35% is calculated as at March 31, 2023 for the Basic claims portfolio at a duration of 2.67 years, which corresponds to the premium liabilities.*

In Figure RI-6, MPI uses a 4.22% yield rate for discounting.

Question:

a) Please indicate what portion of the investment management fees shown in Figure INV-29 are applicable to the Basic Claims portfolio for each category.

b) Please provide the calculation of the investment expense ratio that has been assumed for the 2024 GRA.

c) Please confirm that, for the 2023 GRA, 0.07% was the assumed expense ratio.

d) Please provide the sources of the increase in the investment expense ratio.

Rationale for Question:

To understand the impact of the investment expense ratio on the discounting and hence the indicated rate level.

RESPONSE:

a) The figure below includes only the Basic Claims portion of the investment fees from *Part XI Investments Chapter INV-29*.

Figure 1 Investment Management Fees (Basic Claims Portfolio Only)

Line No.	Description	2023/24	2024/25	2025/26	2026/27	2027/28
1	*(C$000s)*					
2	Fees to the Department of Finance	1046	999	1025	1052	1092
3	Fees to the Fixed Income Manager	598	642	660	691	720
4	Fees to the Equity Managers	0	0	0	0	0
5	Fees to the Alternative Assets	753	1585	1683	1786	1891
6	**Total**	**2,397**	**3,226**	**3,368**	**3,529**	**3,703**

b) The investment expense ratio for 2024 GRA is 0.124% as shown in the calculation below:

Figure 2 Investment Expense Ratio

Line No.	Basic Claims Portfolio Fees Calculation	Mar-23			
1		Fees		MVs	Weights
2		$	%	$	%
3	Fixed Income				
4	Provincial Bonds	579,686	0.073%	789,333,570	37.0%
5	Corporate Bonds	663,040	0.111%	597,333,512	28.0%
6	Non-Marketable Bonds	330,667	0.078%	426,666,794	20.0%
7	Commercial Mortgages	400,761	0.376%	106,666,699	5.0%
8	Real Return Bonds (Overlay)	400,000	0.055%	-	
9	Total	2,374,154	**0.124%**	1,920,000,575	

c) Yes, for the 2023 GRA, 0.07% was the assumed expense ratio.

d) The increased expense ratio is due to the changes to the portfolio allocations made following the 2022 ALM study. There are three changes to the portfolio that are causing the increase:

i. Commercial Mortgages will be added to the portfolio by the rating year and the expected fee for that asset class is 0.376%, which is substantially higher than the fees of the other bonds within the portfolio.

ii. The Bond Overlay strategy will be in place by the rating year. While there will not be a physical position of inflation linked bonds within the portfolio, the cost associated with managing the strategy are still included as part of the portfolio fees.

iii. The allocation to corporate bonds has increased from 20% to 28% and corporate bonds have a higher fee (0.111%) than the provincial bonds that they are replacing within the portfolio (0.073%).

PUB (MPI) 1-7

Part and Chapter:	Part XI - Investments	Page No.:	Figure INV-11
PUB Approved Issue No:	3. Projected new money yield based on existing methodology 19. Interest rate forecast		
Topic:	Interest rates		
Sub Topic:			

Preamble to IR:

As a result of the ALM study, the asset allocation for Basic Claims has been changed to 37% provincial bonds, 28% corporate bonds, 20% MUSH bonds, 5% corporate mortgages, 10% real estate, plus a 34% overlay of real return bonds/tips offset by Federal Canada/US treasuries.

Yield in 2023/24 for MUSH in INV-20 is 4.20%, real estate pooled fund in INV-26 is 6.1%, commercial mortgages in INV-28 is 5.05%.

Question:

a) Using the above weights by asset class, the 31 March 2023 provincial bond yield for 8.6 year duration bond, the 31 March 2023 corporate bond yield for 8.6 year duration bond, and the yields in INV-20, INV-26 and INV-28, please calculate the expected yield on the invested assets supporting the Basic Claims portfolio.

b) Please reduce this expected yield by the investment expense ratio.

c) Please calculate RI-10 based on this expected yield, net of investment expense, assuming that the indicated rate change will be implemented. Please provide PF-1, PF-2, and PF-3.

Rationale for Question:

With the change in the investment strategy, only using bonds supporting 65% of the claims portfolio may not reflect the overall expected return.

RESPONSE:

Please see the figure below calculating the expected yield on the full portfolio:

a)

Figure 1 Basic Claims Portfolio Expected Yield

Line No.	Asset Type	Portfolio Weight	Yield	Share of total yield
1	**Provincial Bonds***	37%	3.67%	1.36%
2	**Corporate Bonds***	28%	4.96%	1.39%
3	**MUSH Bonds**	20%	4.20%	0.84%
4	**Mortgages**	5%	5.05%	0.25%
5	**Real Estate**	10%	6.10%	0.61%
6	**Total**	**100%**		**4.45%**
7	*Mix of long and mid term bonds from the FTSE Russell index used as a			
8	proxy for a bond with Duration of 8.6			

b) The investment expense ratio is calculated below:

Figure 2 Investment Expense Ratio

Line No.	Basic Claims Portfolio Fees Calculation	Mar-23			
1		**Fees**		**MVs**	**Weights**
2		$	%	$	%
3	***Fixed Income***				
4	**Provincial Bonds**	579,686	0.073%	789,333,570	37.0%
5	**Corporate Bonds**	663,040	0.111%	597,333,512	28.0%
6	**Non-Marketable Bonds**	330,667	0.078%	426,666,794	20.0%
7	**Commercial Mortgages**	400,761	0.376%	106,666,699	5.0%
8	**Real Return Bonds (Overlay)**	400,000	0.055%	-	
9	***Alternatives***				
10	**Canadian Real Estate**	1,671,485	0.784%	213,333,397	10.0%
11	**Total**	**4,045,639**	**0.190%**	**2,133,333,972**	**100.0%**

So, the yield after the investment expense ratio is 4.45% - 0.19% = 4.26%.

c) Figure 3- RI-10 using the alternative investment yield, net of investment expenses and Figures 4, 5, 6 for PF-1, PF-2, and PF-3 are provided below.

Figure 3 Rating Year 2024/25 Major Classification Applied for Rate Change

Line No.	Coverage	Overall	Private Pass.	Comm.	Public	Motor-cycles	Trailers	ORV's
1	**24/25 Units**	1,280,333	863,331	49,070	13,089	19,322	244,888	90,633
2	**Claims**	709.82	952.82	738.44	1,887.41	664.41	49.08	4.51
3	**Claims Expense**	122.13	163.93	127.05	324.73	114.31	8.44	0.78
4	**Road Safety**	9.47	12.83	12.83	12.83	12.83	0.00	0.00
5	**Operating Expense**	53.65	72.71	72.71	72.71	72.71	0.00	0.00
6	**Regulatory/Appeal**	3.35	4.53	4.53	4.53	4.53	0.00	0.00
7	**Commission: Vehicle**	38.48	51.13	45.18	110.52	34.95	3.12	0.24
8	**Prem Tax: Vehicle**	27.88	37.05	32.74	80.09	25.33	2.26	0.17
9	**Comm & Prem Tax: Driver**	2.84	3.85	3.85	3.85	3.85	0.00	0.00
10	**Commission Flat Fee**	5.68	7.70	7.70	7.70	7.70	0.00	0.00
11	**Reins: Casualty**	2.01	2.72	2.72	2.72	2.72	0.00	0.00
12	**Reins: Catastrophe**	11.38	12.45	12.45	12.45	0.00	12.45	0.00
13	**Fleet Rebates**	15.31	11.52	130.23	249.21	0.00	0.00	0.00
14	**Anti-Theft Discount**	0.56	0.84	0.00	0.00	0.00	0.00	0.00
15	**Driver Prem**	51.70	70.06	70.06	70.06	70.06	0.00	0.00
16	**Service Fees**	21.41	29.02	29.02	29.02	29.02	0.00	0.00
17	**Req Rate**	929.45	1,235.01	1,091.36	2,669.68	844.27	75.35	5.69
18	**Adj. Req Rate**	910.20	1,209.43	1,068.76	2,614.39	826.78	73.79	5.57
19	**23/24 Average Rate**	870.37	1,150.24	908.29	2,252.53	882.92	62.24	5.69
20	**Major Class Drift**	4.8%	6.0%	4.6%	1.2%	-0.1%	7.3%	0.0%
21	**24/25 Average Rate**							
22	**Without Rate Change**	912.02	1,218.86	949.64	2,279.87	882.12	66.81	5.69
23	**Full Cred Req Change**	-0.2%	-0.8%	12.5%	14.7%	-6.3%	10.5%	-2.2%
24	**Applied for Change**	0.0%	-0.6%	12.8%	14.9%	-6.1%	10.7%	-2.0%
25	**Credibility**		99.3%	89.1%	68.6%	76.3%	97.6%	93.8%
26	**Cred Wtd Change**		-0.6%	11.4%	10.2%	-4.6%	10.4%	-1.8%
27	**Cred Wtd Req Rate**	910.62	1,211.91	1,057.69	2,512.85	841.16	73.77	5.59
28	**Cred Wtd Req Rate (Bal)**	912.02	1,213.78	1,059.32	2,516.73	842.46	73.88	5.60
29	**Cred Wtd Change (Bal)**	0.0%	-0.4%	11.6%	10.4%	-4.5%	10.6%	-1.7%

Figure 4 PF- 1 Statement of Operations: -0.2% Basic Rate Change

Line No.	*2024 GRA Base with -0.2% Rate Indication* (C$ 000s, rounding may affect totals)	IFRS 4 2023A	IFRS 17 Adj.	IFRS 17 2023BF	IFRS 17 2024BF	IFRS 17 2025F	IFRS 17 2026F	IFRS 17 2027F	IFRS 17 2028F
				For the Years Ended March 31,					
1									
2	**BASIC**								
3	Motor Vehicles	1,121,811	-	1,121,811	1,112,046	1,145,753	1,182,564	1,217,962	1,256,190
	Capital Release Provision	(57,026)	-	(57,026)	-	-	-	-	-
4	Drivers	59,085	-	59,085	62,520	64,822	66,634	67,982	70,043
5	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
6	**Total Net Premiums Written**	**1,107,478**	**-**	**1,107,478**	**1,158,180**	**1,193,697**	**1,231,814**	**1,268,038**	**1,307,790**
7	**Net Premiums Earned**								
8	Motor Vehicles	1,103,695	-	1,103,695	1,119,108	1,129,116	1,164,395	1,200,490	1,237,322
	Capital Release Provision	(65,568)	-	(65,568)	(28,558)	-	-	-	-
9	Drivers	59,896	-	59,896	61,180	63,693	65,745	67,321	69,032
10	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
11	**Total Net Premiums Earned**	**1,081,631**	**-**	**1,081,631**	**1,135,344**	**1,175,931**	**1,212,756**	**1,249,905**	**1,287,911**
12	Service Fees & Other Revenues	27,277	(588)	26,689	26,904	27,120	27,705	28,335	29,001
13	**Total Earned Revenues**	**1,108,908**	**(588)**	**1,108,320**	**1,162,248**	**1,203,051**	**1,240,461**	**1,278,240**	**1,316,912**
14	Claims Incurred	903,129	57,095	960,224	922,894	969,379	1,002,628	1,038,266	1,074,941
15	DPAC \ Premium Deficiency Adjustment	-	-	-	-	-	-	-	-
16	(a) Claims Incurred - Interest Rate Impact	(101,437)	(21,018)	(122,455)	7,177	(4,531)	(11,152)	(11,511)	(12,182)
17	**Total Claims Incurred**	**801,692**	**36,077**	**837,769**	**930,071**	**964,848**	**991,476**	**1,026,755**	**1,062,759**
18	Claims Expense	146,265	-	146,265	155,922	146,435	147,569	140,760	140,545
19	Road Safety/Loss Prevention	10,530	-	10,530	14,461	12,127	12,109	12,184	12,333
20	**Total Claims Costs**	**958,487**	**36,077**	**994,564**	**1,100,454**	**1,123,410**	**1,151,154**	**1,179,699**	**1,215,637**
21	**Expenses**								
22	Operating	86,526	-	86,526	98,357	93,404	94,830	91,441	91,296
23	Commissions	47,548	935	48,483	50,817	56,183	55,980	56,213	56,496
24	Premium Taxes	32,941	775	33,716	35,239	36,319	37,478	38,580	39,789
25	Regulatory/Appeal	4,769	-	4,769	4,637	4,239	4,328	4,346	4,366
26	**Total Expenses**	**171,784**	**1,710**	**173,494**	**189,050**	**190,145**	**192,616**	**190,580**	**191,947**
27	**Underwriting Income (Loss)**	**(21,363)**	**(38,375)**	**(59,738)**	**(127,256)**	**(110,504)**	**(103,309)**	**(92,039)**	**(90,672)**
28	**Investment Income**	98,194	-	98,194	124,265	126,168	130,811	136,996	146,106
29	(b) Investment Income - Interest Rate Impact	(115,602)	-	(115,602)	423	-	-	-	-
30	**Net Investment Income**	**(17,408)**	**-**	**(17,408)**	**124,688**	**126,168**	**130,811**	**136,996**	**146,106**
31	**Gain (Loss) on Sale of Property**	112	-	112	-	-	-	-	-
32	**Net Income (Loss) from Annual Operations**	**(38,659)**	**(38,375)**	**(77,034)**	**(2,568)**	**15,664**	**27,502**	**44,957**	**55,434**
35	Total net Impact due to interest rate change (b) - (a)	(14,165)	21,018	6,853	(6,754)	4,531	11,152	11,511	12,182
32	**Net Income (Loss) from Annual Operations**				**(2,568)**	**15,664**	**27,502**	**44,957**	**55,434**
33	Adjust for Initiative Expenses (BO 12.1 d)				(29,195)	(26,142)	(26,609)	(10,735)	(3,634)
34	**Net Income (Loss) for for Rate Setting Purposes**				**26,627**	**41,806**	**54,111**	**55,692**	**59,068**

Figure 5 PF- 2 Statement of Financial Position: -0.2% Basic Rate Change

Line No.	*2024 GRA Base with -0.2% Rate Indication* *(C$ 000s, rounding may affect totals)*	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17
		As at March 31,					
1		2023BF	2024BF	2025F	2026F	2027F	2028F
2	**BASIC**						
3	**Assets**						
4	Cash and cash equivalents	102,396	2,091	4,907	7,769	10,973	14,789
5	Investments	2,786,044	2,917,738	2,972,256	3,067,973	3,219,533	3,392,282
6	Investment property	5,759	5,604	5,449	5,295	5,140	4,985
7	Accounts receivable	-	-	-	-	-	-
8	Reinsurance asset	4,322	-	-	-	-	-
9	Property and Equipment	124,238	133,543	144,396	167,842	168,994	170,146
10	Deferred development costs	28,271	33,972	36,422	34,057	27,862	21,971
11	**Total Assets**	**3,051,030**	**3,092,948**	**3,163,430**	**3,282,936**	**3,432,502**	**3,604,173**
12	**Liabilities**						
13	Due to other insurance companies						
14	Accounts payable and accrued liabilities	58,748	69,113	66,045	64,557	61,937	61,529
15	Reinsurance Liability	-	320	320	320	320	320
16	Lease obligation	5,308	5,276	5,153	5,031	4,908	4,785
17	Insurance contract liability	2,203,302	2,230,879	2,276,881	2,318,902	2,364,682	2,413,796
18	Provision for employee current benefits	19,784	20,670	21,347	22,024	22,701	23,378
19	Provision for employee future benefits	328,847	340,182	351,515	362,847	374,180	385,513
20	**Total Liabilities**	**2,615,989**	**2,666,440**	**2,721,261**	**2,773,681**	**2,828,728**	**2,889,321**
21	**Equity**						
22	Retained Earnings	378,246	416,557	432,221	499,304	593,825	704,902
23	Accumulated Other Comprehensive Income	56,793	9,947	9,947	9,947	9,947	9,947
24	**Total Equity**	**435,039**	**426,504**	**442,168**	**509,251**	**603,772**	**714,849**
25	**Total Liabilities & Equity**	**3,051,029**	**3,092,945**	**3,163,430**	**3,282,932**	**3,432,500**	**3,604,171**

Figure 6 PF- 3 Statement of Changes in Equity: -0.2% Basic Rate Change

Line No.	*2024 GRA Base with -0.2% Rate Indication* (C$ 000s, except where noted)	IFRS 4 2023A	IFRS 17 Adj.	IFRS 17 2023BF	IFRS 17 2024F	IFRS 17 2025F	IFRS 17 2026F	IFRS 17 2027F	IFRS 17 2028F
	For the Years Ended March 31,								
	BASIC								
1	**Total Equity**								
2	**Retained Earnings**								
3	Beginning Balance	359,335		378,246	378,246	416,557	432,221	499,304	593,825
4	Restatement of AOCI on AFS Assets (IFRS 9)				46,845	0	(0)	-	-
5	Restatement of MUSH Assets to FVTPL (IFRS 9)				(5,966)	-	-	-	-
6	Restatement of Claims Discount Rate (IFRS 17)	-	86,273		-	-	-	-	-
7	Restatement of Risk Adjustment (IFRS 17)	-	13,345		-	-	-	-	-
8	Restatement of DPAC (IFRS 17)	-	(37,673)		-	-	-	-	-
9	Net Income (Loss) from annual operations	(38,659)	(38,375)		(2,568)	15,664	27,502	44,957	55,434
10	Rebate to Policyholders	-	-		-	-	-	-	-
11	Transfer (to) / from Non-Basic Retained Earnings	34,000	-		-	-	39,581	49,564	55,643
12	**Total Retained Earnings**	**354,676**	**23,570**	**378,246**	**416,557**	**432,221**	**499,304**	**593,825**	**704,902**
13	**Total Accumulated Other Comprehensive Income**								
14	Beginning Balance	51,428		51,428	56,793	9,947	9,947	9,947	9,947
15	Other Comprehensive Income on Available for Sale Assets	(31,291)		(31,291)	(1)	0	(0)	-	-
16	Restatement of AOCI on AFS Assets (IFRS 9)				(46,845)	(0)	0	-	-
17	Change in Remeasurement of Employee Future Benefits	36,656		36,656	-	-	-	-	-
18	**Total Accumulated Other Comprehensive Income**	56,793	-	56,793	9,947	9,947	9,947	9,947	9,947
19	**Total Accumulated Other Comprehensive Income Balance**								
20	**Employee Future Benefits Portfolio**								
21	Available for Sale Assets	30,889		30,889	0	0	0	0	0
22	Employee Future Benefits Liabilities	9,946		9,946	9,946	9,946	9,946	9,946	9,946
23	**Rate Stabilization Reserve Portfolio**								
24	Available for Sale Assets	15,957		15,957	0	0	0	0	0
25	**Total Accumulated Other Comprehensive Income Balance**	56,793		56,793	9,947	9,947	9,947	9,947	9,947
26	**Total Equity Balance**	**411,469**	**23,570**	**435,039**	**426,504**	**442,168**	**509,251**	**603,772**	**714,849**
27	**MINIMUM CAPITAL TEST (C$ 000s)**								
28	Total Equity Balance	411,467	23,570	435,037	426,504	442,168	509,251	603,772	714,849
29	Less: Assets Requiring 100% Capital	28,366		28,366	33,972	36,422	34,057	27,862	21,971
30	Capital Available	383,101	23,570	406,671	392,532	405,746	475,194	575,910	692,878
31	Minimum Capital Required (100% MCT)	345,847	5,526	351,373	438,082	455,099	472,582	493,886	522,560
32	**MCT Ratio %** (Line 30) / (Line 31)	**110.8%**	5.0%	**115.8%**	**89.6%**	**89.2%**	**100.6%**	**116.6%**	**132.6%**

PUB (MPI) 1-8

Part and Chapter:	**Part XI - Investments**	**Page No.:**	**INV 2.3**
PUB Approved Issue No:	**3. Projected new money yield based on existing methodology, as well as split new money yield as based on Order 4/23, Directive 7**		
Topic:	**Split new money yield**		
Sub Topic:			

Preamble to IR:

Order 4/23 Directive 7:

In the 2024 GRA, if MPI revises its investment strategy as indicated in this GRA and splits its investment portfolio supporting the Basic claims into two parts, Basic short, and Basic long, the Corporation shall file its rate indication based on two New Money yields that each reflect the characteristics of their respective investment portfolios, and that are each applied to the appropriate cash flows. In this circumstance, the Board directs that, in the 2024 GRA, the Corporation provide an alternative rate indication on an Overall basis and by Major Class using the yield based on the weighted yield of provincial and corporate bonds with durations equal to that of the overall claims duration. The difference between the two rate indications will be considered to be the impact of the change in investment strategy with regards to the New Money yield.

February 9, 2023 submission to the investment committee of the Board of Directors of the Corporation indicated that “We recommend establishing a Basic Short-Term portfolio, which will be carved out from the current Basic Claims portfolio, to back short-term claims. This portfolio will represent approximately 9.0% of total Basic Claims assets.”

INV 2.3:

> *The Corporation chose not to implement the short-term Basic portfolio as the benefits would have been limited. Premiums are deposited to the Corporation's operating cash account and claims are paid out of it. Transferring some of this cash into a short-term investment account to purchase Treasury bills, only to sell those same Treasury bills and send the cash back to the operating cash account a short time later would have been labour intensive and provided little benefit. The need to track claim liabilities on a short-term versus long-term basis more frequently would also be time consuming.*

Question:

Please indicate when the decision was made to not implement the short-term Basic portfolio, and by whom it was made. If this decision was made by the Board of Directors of the Corporation, please provide the minutes of the meeting.

Rationale for Question:

Confirmation that there was no split of the Basic claims portfolio into short and long.

RESPONSE:

The Investment Committee (IC) recommended that the Board of Directors (BoD) approve a proposed asset mix that had no short/long split on February 16, 2023. The Board approved the proposed asset mix for Basic on March 23, 2023. Please refer to *Appendices 1 to 4* for the IC and BoD minutes.

The decision was made because the additional portfolio would create additional work and expenses with no benefit. The majority of short-term claims are paid out of operating cash.

Manitoba Public Insurance

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

Meeting Date:	**February 16, 2023 11:30 a.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual**

Committee Members Present:	MR. G. LEIPSIC MS. L. REMPEL MR. G. STEFANSON, KC, ACTING CHAIR DR. M. SULLIVAN
Board Members Present:	
Committee Member Regrets:	MR. K. KLIPPENSTEIN, INTERIM CHAIR MR. J. ROBSON
Province of Manitoba Department of Finance:	MR. S. WIEBE, MR. D. DELISLE, AND MR. B. BLOCK
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY MS. C LOW, VICE PRESIDENT, CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. G. BUNSTON, DIRECTOR ALM & INVESTMENTS

Ms. Low, Messrs. Brown, Bunston, Block, Delisle, and Wiebe joined the meeting.

Mr. Enes Jeina and Mr. Alejandro Chomski also joined the meeting.

Recommended Asset Mix for Basic

Ms. Low Mr. Jeina and Mr. Bunston presented Agenda Item 2.1 Recommended Asset Mix for Basic.

Moved by Mr. G. Leipsic and seconded by Mr. G. Stefanson, KC that the Members recommend that the Board of Directors approve in principle the proposed asset mix for Basic subject to confirming that an order in council has been passed to allow for this purchase.

CARRIED

Manitoba Public Insurance

Board of Directors - Committee Meeting
INVESTMENT COMMITTEE MINUTES

Meeting Date:	**March 23, 2023, 2:15 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. K. KLIPPENSTEIN,(ACTING CHAIR) MR. G. LEIPSIC MS. L. REMPEL MR. J. ROBSON MR. G. STEFANSON, KC DR. M. SULLIVAN MR. E. HERBELIN
Board Members Present:	MR. R. CHALE MS. C. HALBERT MS. D. ROUSSIN
Province of Manitoba Department of Finance:	MR. S. WIEBE
Management:	MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY MS. C. LOW, VICE PRESIDENT, CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER, AND MR. A. GUERRA, LEGAL COUNSEL 3

[redacted]

Investment Policy Statement

Mr. Enes Jeina joined the meeting.

Mr. Jeina presented Agenda Item 2.1 Investment Policy Statement.

Moved by Mr. Stefanson and seconded by Mr. Robson that the Members recommend the Board of Directors approve the revised Investment Policy Statement reflecting changes made since the February 9, 2023 Investment Committee Meeting.

CARRIED

Termination

There being no further business to bring before this meeting, the Chair declared the meeting terminated at 2:25 pm.

Anthony Guerra
General Counsel & Corporate Secretary

Manitoba Public Insurance

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

Meeting Date: **Thursday, February 9, 2023, 8:30 a.m.**

Place: **9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Committee Members Present:	MR. D. GRESTONI, CHAIR MR. G. LEIPSIC MR. J. ROBSON MS. L. REMPEL MR. G. STEFANSON, KC DR. M. SULLIVAN MR. E. HERBELIN
Province of Manitoba Department of Finance:	MR. S. WIEBE, MR. D. DELISLE, AND MR. B. BLOCK
Management:	MR. M. TRIGGS, GENERAL COUNSEL & CORPORATE SECRETARY – TREVOR BROWN, LEGAL COUNSEL 4 MS. C LOW, VICE PRESIDENT, CHIEF ACTUARY AND CHIEF RISK OFFICER, MR. M. GIESBRECHT, VICE-PRESIDENT, AND CHIEF FINANCIAL OFFICER, AND MR. G. BUNSTON, DIRECTOR ALM & INVESTMENTS

[redacted]

Board of Directors - Committee Meeting

INVESTMENT COMMITTEE MINUTES

[redacted]

Recommended Asset Mix for SRE

Mr. Bunston presented Agenda Item 2.1 Recommended Asset Mix for SRE.

Moved by Mr. Stefanson, KC and seconded by Mr. Robson that the Members recommend the Board approve eliminating equities and increasing investment in government bonds to improve the match between assets and liabilities for the SRE line of business.

CARRIED

Mr. John Stilo and Mr. Roger Mariamo (Addenda Capital representatives) joined the meeting.

Recommended Asset Mix for Basic, RSR, EXT and EFB

Mr. Bunston presented Agenda Item 2.2 Recommended Asset Mix for Basic, RSR, EXT and EFB.

Moved by Mr. Robson and seconded Mr. Stefanson, KC that the Members recommend the Board of Directors approve the proposed asset mixes for RST, EXT and EFB. It was noted that a decision regarding basic changes would be deferred to another meeting.

CARRIED

Mr. Stilo and Mariamo withdrew from the meeting.

Manitoba Public Insurance

Board of Directors Meeting
MINUTES

Meeting Date:	**Thursday, March 23, 2023 2:30 p.m.**
Place:	**9th Floor, Executive Office, 234 Donald Street, Winnipeg, Manitoba. Virtual and In Person**

Present:
DR. M. SULLIVAN, CHAIR
MR. R. CHALE
MS. C. HALBERT
MR. K. KLIPPENSTEIN
MR. G. LEIPSIC
MS. L. REMPEL
MR. J. ROBSON
MS. D. ROUSSIN
MR. G. STEFANSON, KC
MR. E. HERBELIN, PRESIDENT & CEO

Management:
MR. T. BROWN, ACTING GENERAL COUNSEL & CORPORATE SECRETARY, MR. ANTHONY GUERRA, LEGAL COUNSEL 3, AND MR. R. KOLASKI, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

[redacted]

[redacted]

23-051 **Investment Committee Report – Recommended Asset Mix for Basic**

Moved by Mr. Klippenstein and seconded by Mr. Leipsic that the Members ratify the recommendation of the Investment Committee to approve the proposed asset mix for Basic.

CARRIED

23-052 **Investment Committee Report – Investment Policy Statement**

Moved by Mr. Klippenstein and seconded by Mr. Rempel that the Members ratify the recommendation of the Investment Committee to approve the revised Investment Policy Statement reflecting changes made since the February 9, 2023 Investment Committee Meeting.

CARRIED

[redacted] [redacted]

[redacted]

[redacted]

[redacted] [redacted]

[redacted]

[redacted] [redacted]

PUB (MPI) 1-9

Part and Chapter:	**Part IX Financial Forecasting**	**Page No.:**	**EPF-1**
PUB Approved Issue No:	**4b. Compliance with Order 4/23, Directive 12.6**		
Topic:	**Fleet Rebate Allocation**		
Sub Topic:			

Preamble to IR:

In the 2023 GRA, MPI distributed the cost of rebates evenly across the three major classes (Private Passenger, Commercial, and Public). However, the benefit of improvement to the rates is not uniform across each Major Class. The extent to which the rates are favorably affected should be based on the improvement to the rates that the fleets bring to that major class. For 2024 GRA, MPI proposes to distribute the cost of rebates across the three Major Classes in proportion to the fleet vehicles within each major class. This is a more equitable way of allocating the cost of rebates (or the benefit of surcharge).

Figure RC App 7-1 Allocation of Fleet Customers by Major Class shows per unit cost allocations of $11.52 for Private Passenger, $130.25 for Commercial, and $249.26 for Public, for an overall per unit cost of $21.18 for the three Major Classes combined.

Question:

a) Please provide, or indicate the appropriate exhibit to reference, in Excel, the number of 2024/25 units for each insurance use within each Major Class for each territory.

b) Please provide, in Excel, the amount of premium for each insurance use within each Major Class, by territory.

c) Please provide, in Excel, the amount of Fleet Rebates projected for each insurance use within each Major Class, by territory.

d) Please calculate, as a percentage, the amount of Fleet rebates projected relative to the premium for each insurance use and territory within each Major Class.

e) Please calculate an alternative Table 12 Earned units for Part VII – RC Appendix 3, reducing the number of earned units by the percentage of fleet rebates to the premium for each insurance use and territory within each Major Class.

f) Please calculate an alternative Table 13 Raw Pure Premiums without Hail and with Credibility-weighted Serious Loss Loading (adjusted for CERP Impact) and New Relativity Calculation using the alternative earned units.

g) Please calculated an alternative Part VII – DR Appendix 1 2024 Experience Rate Adjustments, using the alternative New Relativity Calculation.

h) Please calculate an alternative Table 2 Indicated Rate Calculation in Part VII – DR Appendix 2 and Table 3 Transition from Rate Requirement Indicators to Applied for Rate Adjustment.

Rationale for Question:

To consider an alternative approach to reflect the fleet rebate which takes into consideration differences within each Major Class.

RESPONSE:

a) Please refer *Part VII Rate Indication Chapter Figure RI-10, line no. 1* for the forecasted 2024/25 units. Please refer to *Part IX Revenues Chapter REV.1.1 - Volume Factor* for the forecasting methodology. MPI does not forecast units by territory.

b) Please see *Appendix 1 – 2024 Discounted Premium* for the amount of premium for each insurance use within each major class and territory. Please note that these are not the projected premiums for the rating year 2024/25, since MPI projects the premium on an overall basis, not by Territory and insurance use. Instead, the premiums provided are based on the actual population at a fixed point in time from the rate model, adjusted for the proposed 2024 discount.

c) to h)

MPI currently does not project Fleet Rebates at the level of insurance use and Territory. This may be considered in MPI's more comprehensive review going forward.

For this year, MPI is proposing to address cost causation only, via an interim solution, which allocates the fleet rebates proportionately to the number of fleet vehicles in each Major Class. This represents an improvement over how fleet rebates were distributed among the classes in past rate applications.

MPI would like to confirm that it is currently gathering data to conduct a complete review of the fleet program, which includes addressing the rebate/surcharge scale and its mechanism.

2024 Discounted Premium

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Private Passenger	Pleasure Passenger Vehicle	1	139,204	146,811,661
Private Passenger	Pleasure Passenger Vehicle	2	103,263	94,985,972
Private Passenger	Pleasure Passenger Vehicle	3	1,258	1,308,848
Private Passenger	Pleasure Passenger Vehicle	4	3,226	3,142,145
Private Passenger	All Purpose Passenger Vehicle	1	227,958	328,784,533
Private Passenger	All Purpose Passenger Vehicle	2	97,884	122,705,297
Private Passenger	All Purpose Passenger Vehicle	3	3,485	4,954,006
Private Passenger	All Purpose Passenger Vehicle	4	4,652	6,183,241
Private Passenger	All Purpose Passenger Vehicle	5	24,795	35,275,301
Private Passenger	Collector Passenger Vehicle	1	2,229	407,130
Private Passenger	Collector Passenger Vehicle	2	3,218	538,194
Private Passenger	Collector Passenger Vehicle	3	17	3,150
Private Passenger	Collector Passenger Vehicle	4	21	3,568
Private Passenger	Farm Passenger Vehicle	1	26	26,719
Private Passenger	Farm Passenger Vehicle	2	5,249	4,681,878
Private Passenger	Farm Passenger Vehicle	4	7	6,332
Private Passenger	Farming All Purpose Truck	1	281	280,101
Private Passenger	Farming All Purpose Truck	2	29,943	26,072,423
Private Passenger	Farming All Purpose Truck	3	7	6,513
Private Passenger	Farming All Purpose Truck	4	125	105,617
Private Passenger	Farming All Purpose Truck	5	421	452,531
Private Passenger	Fishing All Purpose Truck	1	5	5,648
Private Passenger	Fishing All Purpose Truck	2	244	251,239
Private Passenger	Fishing All Purpose Truck	3	2	1,895
Private Passenger	Fishing All Purpose Truck	4	26	28,548
Private Passenger	Fishing All Purpose Truck	5	9	11,032
Private Passenger	Disabled Persons/Private/Business Bus	1	217	241,804
Private Passenger	Disabled Persons/Private/Business Bus	1	56	65,652
Private Passenger	Disabled Persons/Private/Business Bus	1	13	14,663
Private Passenger	Disabled Persons/Private/Business Bus	1	27	28,249
Private Passenger	Disabled Persons/Private/Business Bus	2	351	335,139
Private Passenger	Disabled Persons/Private/Business Bus	2	106	108,641
Private Passenger	Disabled Persons/Private/Business Bus	2	38	37,218
Private Passenger	Disabled Persons/Private/Business Bus	2	53	54,610
Private Passenger	Disabled Persons/Private/Business Bus	3	74	80,023
Private Passenger	Disabled Persons/Private/Business Bus	3	24	26,532
Private Passenger	Disabled Persons/Private/Business Bus	3	12	13,470
Private Passenger	Disabled Persons/Private/Business Bus	3	2	2,807
Private Passenger	Disabled Persons/Private/Business Bus	4	49	48,815
Private Passenger	Disabled Persons/Private/Business Bus	4	2	1,880
Private Passenger	Disabled Persons/Private/Business Bus	4	1	1,078
Private Passenger	Disabled Persons/Private/Business Bus	4	4	5,458
Private Passenger	Disabled Persons/Private/Business Bus	1	16	18,138
Private Passenger	Disabled Persons/Private/Business Bus	2	58	59,215

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Private Passenger	Disabled Persons/Private/Business Bus	3	2	2,388
Private Passenger	Disabled Persons/Private/Business Bus	4	9	9,894
Private Passenger	Pleasure Motorhome	1	1,382	1,183,675
Private Passenger	Pleasure Motorhome	2	2,776	2,083,816
Private Passenger	Pleasure Motorhome	3	41	33,832
Private Passenger	Pleasure Motorhome	4	70	55,470
Private Passenger	All Purpose Motorhome	1	73	83,128
Private Passenger	All Purpose Motorhome	2	69	69,220
Private Passenger	All Purpose Motorhome	3	2	1,458
Private Passenger	All Purpose Motorhome	4	2	1,852
Private Passenger	All Purpose Motorhome	5	2	722
Private Passenger	All Purpose Truck	1	50,491	66,562,294
Private Passenger	All Purpose Truck	2	50,947	58,400,563
Private Passenger	All Purpose Truck	3	3,568	4,610,683
Private Passenger	All Purpose Truck	4	5,012	6,063,178
Private Passenger	All Purpose Truck	5	12,708	16,651,601
Private Passenger	Antique Vehicle - Bus	1	11	1,320
Private Passenger	Antique Vehicle - Motorcycle	1	59	7,080
Private Passenger	Antique Vehicle - Motorcycle	2	34	3,978
Private Passenger	Antique Vehicle - Passenger Vehicle	1	11	1,320
Private Passenger	Antique Vehicle - Passenger Vehicle	2	18	2,106
Private Passenger	Antique Vehicle - Truck	1	12	1,440
Private Passenger	Antique Vehicle - Truck	2	22	2,574
Private Passenger	Passenger Vehicle-for-Hire 1 (Passenger Vehicle)	1	60	240,274
Private Passenger	Passenger Vehicle-for-Hire 2 (Passenger Vehicle)	1	28	113,744
Private Passenger	Passenger Vehicle-for-Hire 2 (Passenger Vehicle)	2	2	4,716
Private Passenger	Passenger Vehicle-for-Hire 2 (Passenger Vehicle)	4	4	10,598
Private Passenger	Passenger Vehicle-for-Hire 3 (Passenger Vehicle)	1	33	123,640
Private Passenger	Passenger Vehicle-for-Hire 3 (Passenger Vehicle)	2	4	12,425
Private Passenger	Passenger Vehicle-for-Hire 3 (Passenger Vehicle)	3	2	6,443
Private Passenger	Passenger Vehicle-for-Hire 3 (Passenger Vehicle)	4	2	6,516
Private Passenger	Passenger Vehicle-for-Hire 3 (Passenger Vehicle)	5	1	5,129
Private Passenger	Passenger Vehicle-for-Hire 4 (Passenger Vehicle)	1	1,218	5,366,193
Private Passenger	Passenger Vehicle-for-Hire 4 (Passenger Vehicle)	2	69	246,519
Private Passenger	Passenger Vehicle-for-Hire 4 (Passenger Vehicle)	3	11	39,366
Private Passenger	Passenger Vehicle-for-Hire 4 (Passenger Vehicle)	4	23	78,688
Private Passenger	Passenger Vehicle-for-Hire 4 (Passenger Vehicle)	5	25	87,782
Private Passenger	Passenger Vehicle-for-Hire 2 (Truck 4,499 kg or less GVW)	3	1	2,627
Private Passenger	Passenger Vehicle-for-Hire 4 (Truck 4,499 kg or less GVW)	1	4	12,821
Private Passenger	Passenger Vehicle-for-Hire 4 (Truck 4,499 kg or less GVW)	2	4	11,309
Private Passenger	Passenger Vehicle-for-Hire 4 (Truck 4,499 kg or less GVW)	3	1	3,757
Private Passenger	Collector Truck 4,540 kg or less GVW	1	276	35,662
Private Passenger	Collector Truck 4,540 kg or less GVW	2	960	118,337
Private Passenger	Collector Truck 4,540 kg or less GVW	3	2	270
Private Passenger	Collector Truck 4,540 kg or less GVW	4	5	617
Private Passenger	Pleasure Truck	1	19,921	17,578,239
Private Passenger	Pleasure Truck	2	44,753	34,591,050

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Private Passenger	Pleasure Truck	3	1,193	1,041,721
Private Passenger	Pleasure Truck	4	2,766	2,258,097
Commercial	Farming All Purpose Truck	1	38	37,737
Commercial	Farming All Purpose Truck	1	42	34,351
Commercial	Farming All Purpose Truck	2	3,338	2,318,691
Commercial	Farming All Purpose Truck	2	12,457	6,907,381
Commercial	Farming All Purpose Truck	4	12	7,809
Commercial	Farming All Purpose Truck	4	49	25,232
Commercial	Fishing All Purpose Truck	2	1	392
Commercial	Artisan Truck	1	5	4,055
Commercial	Artisan Truck	1	75	96,471
Commercial	Artisan Truck	1	10	10,700
Commercial	Artisan Truck	2	9	6,598
Commercial	Artisan Truck	2	41	35,018
Commercial	Artisan Truck	2	6	4,374
Commercial	Artisan Truck	3	1	713
Commercial	Artisan Truck	4	1	801
Commercial	Artisan Truck	5	37	51,830
Commercial	Sand/Gravel Truck	1	92	130,423
Commercial	Sand/Gravel Truck	1	478	571,210
Commercial	Sand/Gravel Truck	2	141	136,952
Commercial	Sand/Gravel Truck	2	1,980	1,599,840
Commercial	Sand/Gravel Truck	3	2	1,889
Commercial	Sand/Gravel Truck	3	23	18,400
Commercial	Sand/Gravel Truck	4	2	1,823
Commercial	Sand/Gravel Truck	4	55	40,645
Commercial	Petroleum/Chemical Truck	1	4	3,327
Commercial	Petroleum/Chemical Truck	1	30	28,823
Commercial	Petroleum/Chemical Truck	1	77	59,521
Commercial	Petroleum/Chemical Truck	2	181	98,891
Commercial	Petroleum/Chemical Truck	2	114	73,027
Commercial	Petroleum/Chemical Truck	2	461	247,557
Commercial	Petroleum/Chemical Truck	3	9	5,433
Commercial	Petroleum/Chemical Truck	3	11	5,907
Commercial	Petroleum/Chemical Truck	4	1	490
Commercial	Petroleum/Chemical Truck	4	2	856
Commercial	Petroleum/Chemical Truck	4	19	9,500
Commercial	Logging Truck	1	1	2,257
Commercial	Logging Truck	2	1	813
Commercial	Logging Truck	2	4	4,276
Commercial	Logging Truck	2	143	130,130
Commercial	Logging Truck	4	1	996
Commercial	Logging Truck	4	17	14,195
Commercial	Cement/Brick/Exploration Truck	1	2	1,658
Commercial	Cement/Brick/Exploration Truck	1	167	116,232
Commercial	Cement/Brick/Exploration Truck	2	341	166,067
Commercial	Cement/Brick/Exploration Truck	3	10	4,870

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Commercial	Cement/Brick/Exploration Truck	4	15	6,795
Commercial	Tow Truck	1	7	13,609
Commercial	Tow Truck	1	188	436,054
Commercial	Tow Truck	1	41	78,720
Commercial	Tow Truck	2	8	10,400
Commercial	Tow Truck	2	252	387,385
Commercial	Tow Truck	2	28	35,756
Commercial	Tow Truck	3	1	1,293
Commercial	Tow Truck	3	8	13,058
Commercial	Tow Truck	3	3	3,828
Commercial	Tow Truck	4	11	15,285
Commercial	Tow Truck	4	2	2,354
Commercial	Common Carrier Local Passenger Vehicle	1	1,065	2,634,347
Commercial	Common Carrier Local Passenger Vehicle	2	556	909,350
Commercial	Common Carrier Local Passenger Vehicle	3	34	55,155
Commercial	Common Carrier Local Passenger Vehicle	4	22	32,470
Commercial	Common Carrier Truck Local Within City or Mun.	1	177	307,495
Commercial	Common Carrier Truck Local Within City or Mun.	1	307	664,571
Commercial	Common Carrier Truck Local Within City or Mun.	1	206	354,671
Commercial	Common Carrier Truck Local Within City or Mun.	2	56	63,469
Commercial	Common Carrier Truck Local Within City or Mun.	2	33	44,592
Commercial	Common Carrier Truck Local Within City or Mun.	2	44	49,594
Commercial	Common Carrier Truck Local Within City or Mun.	3	2	1,885
Commercial	Common Carrier Truck Local Within City or Mun.	3	1	1,381
Commercial	Common Carrier Truck Local Within City or Mun.	3	1	990
Commercial	Common Carrier Truck Local Within City or Mun.	4	5	5,224
Commercial	Common Carrier Truck Local Within City or Mun.	4	1	780
Commercial	Common Carrier Passenger Vehicle Within 161km in MB	1	100	232,700
Commercial	Common Carrier Passenger Vehicle Within 161km in MB	2	53	80,664
Commercial	Common Carrier Passenger Vehicle Within 161km in MB	3	1	384
Commercial	Common Carrier Truck Within 161km in MB	1	149	246,661
Commercial	Common Carrier Truck Within 161km in MB	1	468	919,868
Commercial	Common Carrier Truck Within 161km in MB	1	261	423,524
Commercial	Common Carrier Truck Within 161km in MB	2	147	164,173
Commercial	Common Carrier Truck Within 161km in MB	2	151	193,755
Commercial	Common Carrier Truck Within 161km in MB	2	266	286,741
Commercial	Common Carrier Truck Within 161km in MB	3	2	1,765
Commercial	Common Carrier Truck Within 161km in MB	4	1	889
Commercial	Common Carrier Truck Within 161km in MB	4	2	2,897
Commercial	Common Carrier Truck Within 161km in MB	4	3	3,006
Commercial	Common Carrier Passenger Vehicle Over 161km in MB	1	12	44,336
Commercial	Common Carrier Passenger Vehicle Over 161km in MB	2	24	57,762
Commercial	Common Carrier Passenger Vehicle Over 161km in MB	3	2	5,001
Commercial	Common Carrier Passenger Vehicle Over 161km in MB	4	1	2,336
Commercial	Common Carrier Truck Over 161km in MB	1	74	201,761
Commercial	Common Carrier Truck Over 161km in MB	1	192	609,505
Commercial	Common Carrier Truck Over 161km in MB	2	52	85,579

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Commercial	Common Carrier Truck Over 161km in MB	2	94	200,369
Commercial	Common Carrier Truck Over 161km in MB	3	1	2,623
Commercial	Common Carrier Truck Over 161km in MB	4	2	3,279
Commercial	Common Carrier Truck Over 161km in MB	4	6	11,144
Commercial	Common Carrier Truck Over 161km in MB > 16,330 kg	1	325	662,675
Commercial	Common Carrier Truck Over 161km in MB > 16,330 kg	2	347	707,533
Commercial	Common Carrier Truck Over 161km in MB > 16,330 kg	3	5	10,195
Commercial	Common Carrier Truck Over 161km in MB > 16,330 kg	4	15	30,585
Commercial	Driveaway Within MB	2	5	1,595
Commercial	Driveaway Over 161km outside MB	1	29	5,075
Commercial	Driveaway Over 161km outside MB	2	57	8,265
Commercial	Dealer Trailer	1	71	76,964
Commercial	Dealer Trailer	2	132	97,284
Commercial	Dealer Trailer	3	5	3,685
Commercial	Dealer Trailer	4	4	2,728
Commercial	Dealer Moped	1	2	1,170
Commercial	Dealer All Uses except Motorcycles	1	2,454	5,224,566
Commercial	Dealer All Uses except Motorcycles	2	2,012	2,842,956
Commercial	Dealer All Uses except Motorcycles	3	33	46,563
Commercial	Dealer All Uses except Motorcycles	4	59	76,759
Commercial	Repairer	1	678	285,438
Commercial	Repairer	2	733	225,764
Commercial	Repairer	3	20	6,120
Commercial	Repairer	4	20	5,740
Commercial	Dealer Motorcycle	1	123	199,260
Commercial	Dealer Motorcycle	2	166	179,944
Commercial	Dealer Motorcycle	4	1	1,001
Commercial	Other Truck	1	40	43,996
Commercial	Other Truck	1	4,202	5,511,296
Commercial	Other Truck	1	1,917	2,079,945
Commercial	Other Truck	2	75	53,734
Commercial	Other Truck	2	4,913	4,336,537
Commercial	Other Truck	2	3,257	2,403,666
Commercial	Other Truck	3	277	241,062
Commercial	Other Truck	3	148	109,076
Commercial	Other Truck	4	1	1,706
Commercial	Other Truck	4	357	288,175
Commercial	Other Truck	4	168	114,912
Commercial	Other Truck	5	10	10,145
Commercial	Other Truck	5	1,348	1,898,001
Public	U Drive Bus	1	25	63,425
Public	U Drive Bus	2	17	27,098
Public	U Drive Motorhome	1	10	25,550
Public	U Drive Motorhome	2	24	38,016
Public	U Drive Passenger Vehicle	1	4,751	13,622,213
Public	U Drive Passenger Vehicle	2	763	1,347,982
Public	U Drive Passenger Vehicle	3	66	119,205

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Public	U Drive Passenger Vehicle	4	80	137,931
Public	Transit Bus	1	12	39,264
Public	Transit Bus	1	593	1,940,296
Public	Transit Bus	1	35	114,520
Public	Transit Bus	2	24	46,225
Public	Transit Bus	2	2	4,216
Public	Transit Bus	2	18	38,148
Public	Transit Bus	3	3	5,803
Public	Transit Bus	3	3	6,279
Public	Transit Bus	4	1	1,847
Public	Transit Bus	4	1	2,003
Public	School Bus	1	25	19,215
Public	School Bus	1	46	39,362
Public	School Bus	1	17	14,211
Public	School Bus	1	663	598,470
Public	School Bus	2	41	17,775
Public	School Bus	2	73	38,237
Public	School Bus	2	129	64,343
Public	School Bus	2	1,399	849,617
Public	School Bus	3	6	2,638
Public	School Bus	3	7	3,783
Public	School Bus	3	5	2,635
Public	School Bus	3	37	22,908
Public	School Bus	4	14	6,167
Public	School Bus	4	10	5,259
Public	School Bus	4	5	2,711
Public	School Bus	4	156	89,066
Public	Charter Bus Local	1	11	14,640
Public	Charter Bus Local	1	22	32,377
Public	Charter Bus Local	1	9	13,054
Public	Charter Bus Local	1	11	13,616
Public	Charter Bus Local	2	3	2,765
Public	Charter Bus Local	2	1	657
Public	Charter Bus Local	3	2	1,740
Public	Charter Bus Local	3	1	914
Public	Charter Bus Local	4	7	5,624
Public	Charter Bus Local	4	1	1,457
Public	Police/Emergency Passenger Vehicle	1	426	1,788,429
Public	Police/Emergency Passenger Vehicle	2	210	537,096
Public	Police/Emergency Passenger Vehicle	3	13	34,621
Public	Police/Emergency Passenger Vehicle	4	21	51,230
Public	Police/Emergency Truck	1	40	77,920
Public	Police/Emergency Truck	1	7	9,863
Public	Police/Emergency Truck	2	55	67,815
Public	Police/Emergency Truck	2	5	4,410
Public	Police/Emergency Truck	2	1	313
Public	Police/Emergency Truck	3	4	4,956

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Public	Police/Emergency Truck	3	1	900
Public	Police/Emergency Truck	4	15	17,910
Public	Funeral Passenger Vehicle	1	46	48,005
Public	Funeral Passenger Vehicle	2	77	52,647
Public	Funeral Passenger Vehicle	3	1	663
Public	Funeral Passenger Vehicle	4	5	3,226
Public	Common Carrier Bus Within MB	1	66	126,060
Public	Common Carrier Bus Within MB	2	40	76,400
Public	Common Carrier Bus Within MB	4	8	15,280
Public	Taxicab Vehicle-for-Hire 1	2	4	12,934
Public	Taxicab Vehicle-for-Hire 2	1	1	8,431
Public	Taxicab Vehicle-for-Hire 3	1	41	333,850
Public	Taxicab Vehicle-for-Hire 3	2	1	6,120
Public	Taxicab Vehicle-for-Hire 4	1	422	4,150,720
Public	Taxicab Vehicle-for-Hire 4	2	102	637,093
Public	Taxicab Vehicle-for-Hire 4	3	40	239,326
Public	Taxicab Vehicle-for-Hire 4	4	3	16,356
Public	Limousine Vehicle-for-Hire 1	1	4	9,435
Public	Limousine Vehicle-for-Hire 1	2	4	4,952
Public	Limousine Vehicle-for-Hire 2	1	4	11,844
Public	Limousine Vehicle-for-Hire 2	2	1	1,207
Public	Limousine Vehicle-for-Hire 4	1	39	129,787
Public	Limousine Vehicle-for-Hire 4	2	30	67,380
Public	Accessible Vehicle-for-Hire 1	1	2	6,600
Public	Accessible Vehicle-for-Hire 2	1	6	18,076
Public	Accessible Vehicle-for-Hire 3	1	14	44,514
Public	Accessible Vehicle-for-Hire 4	1	167	539,657
Public	Accessible Vehicle-for-Hire 4	2	6	11,617
Public	Accessible Vehicle-for-Hire 4	3	1	2,052
Public	Accessible Vehicle-for-Hire 4	4	1	2,015
Public	U Drive Truck	1	889	2,637,746
Public	U Drive Truck	1	353	753,151
Public	U Drive Truck	1	40	25,560
Public	U Drive Truck	2	144	264,714
Public	U Drive Truck	2	33	45,470
Public	U Drive Truck	2	14	6,048
Public	U Drive Truck	3	62	114,504
Public	U Drive Truck	4	35	61,793
Public	Common Carrier Bus Over 161km outside MB	1	31	22,723
Public	Common Carrier Bus Over 161km outside MB	2	27	19,791
Public	Common Carrier Bus Over 161km outside MB	3	8	5,864
Public	Common Carrier Bus Over 161km outside MB	4	8	5,864
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	1	77	39,570
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	1	8	6,113
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	2	28	10,800
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	2	3	1,801
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	3	1	227

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	4	2	566
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	4	1	493
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	5	1	386
Motorcycle	All Purpose Motorcycle - Motorscooter Rating	5	2	1,133
Motorcycle	All Purpose Motorcycle - Other Rating	1	176	126,413
Motorcycle	All Purpose Motorcycle - Other Rating	1	131	140,529
Motorcycle	All Purpose Motorcycle - Other Rating	1	144	210,533
Motorcycle	All Purpose Motorcycle - Other Rating	2	105	61,660
Motorcycle	All Purpose Motorcycle - Other Rating	2	111	97,690
Motorcycle	All Purpose Motorcycle - Other Rating	2	111	131,800
Motorcycle	All Purpose Motorcycle - Other Rating	3	6	2,190
Motorcycle	All Purpose Motorcycle - Other Rating	3	8	3,936
Motorcycle	All Purpose Motorcycle - Other Rating	3	14	9,868
Motorcycle	All Purpose Motorcycle - Other Rating	4	6	2,686
Motorcycle	All Purpose Motorcycle - Other Rating	4	5	3,208
Motorcycle	All Purpose Motorcycle - Other Rating	4	14	12,803
Motorcycle	All Purpose Motorcycle - Other Rating	5	16	9,014
Motorcycle	All Purpose Motorcycle - Other Rating	5	18	14,148
Motorcycle	All Purpose Motorcycle - Other Rating	5	31	34,310
Motorcycle	All Purpose Motorcycle - Sport Rating	1	54	76,363
Motorcycle	All Purpose Motorcycle - Sport Rating	1	37	80,852
Motorcycle	All Purpose Motorcycle - Sport Rating	1	1	2,873
Motorcycle	All Purpose Motorcycle - Sport Rating	2	40	46,218
Motorcycle	All Purpose Motorcycle - Sport Rating	2	22	39,311
Motorcycle	All Purpose Motorcycle - Sport Rating	3	3	1,973
Motorcycle	All Purpose Motorcycle - Sport Rating	3	4	4,080
Motorcycle	All Purpose Motorcycle - Sport Rating	4	1	1,416
Motorcycle	All Purpose Motorcycle - Sport Rating	4	1	2,299
Motorcycle	All Purpose Motorcycle - Sport Rating	5	6	5,814
Motorcycle	All Purpose Motorcycle - Sport Rating	5	9	14,855
Motorcycle	All Purpose Motorcycle - Sport Rating	5	1	2,511
Motorcycle	All Purpose Motorcycle - Touring Rating	1	8	6,691
Motorcycle	All Purpose Motorcycle - Touring Rating	1	24	30,379
Motorcycle	All Purpose Motorcycle - Touring Rating	1	156	270,753
Motorcycle	All Purpose Motorcycle - Touring Rating	2	2	1,326
Motorcycle	All Purpose Motorcycle - Touring Rating	2	15	14,727
Motorcycle	All Purpose Motorcycle - Touring Rating	2	126	176,113
Motorcycle	All Purpose Motorcycle - Touring Rating	3	1	519
Motorcycle	All Purpose Motorcycle - Touring Rating	3	8	6,637
Motorcycle	All Purpose Motorcycle - Touring Rating	4	1	730
Motorcycle	All Purpose Motorcycle - Touring Rating	4	7	7,525
Motorcycle	All Purpose Motorcycle - Touring Rating	5	2	1,324
Motorcycle	All Purpose Motorcycle - Touring Rating	5	3	2,886
Motorcycle	All Purpose Motorcycle - Touring Rating	5	50	64,824
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	1	16	13,712
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	1	26	33,941
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	1	11	19,580

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	2	12	8,310
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	2	21	22,256
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	2	10	14,402
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	3	2	1,256
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	4	1	774
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	5	4	2,629
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	5	14	13,762
Motorcycle	All Purpose Motorcycle - Sport-Touring Rating	5	9	11,963
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	1	205	74,251
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	1	40	21,198
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	2	116	35,587
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	2	23	10,091
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	3	3	550
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	4	9	2,202
Motorcycle	Pleasure Motorcycle - Motorscooter Rating	4	1	273
Motorcycle	Pleasure Motorcycle - Other Rating	1	593	302,070
Motorcycle	Pleasure Motorcycle - Other Rating	1	1,082	816,144
Motorcycle	Pleasure Motorcycle - Other Rating	1	1,719	1,750,978
Motorcycle	Pleasure Motorcycle - Other Rating	2	641	270,394
Motorcycle	Pleasure Motorcycle - Other Rating	2	1,150	711,698
Motorcycle	Pleasure Motorcycle - Other Rating	2	2,610	2,165,311
Motorcycle	Pleasure Motorcycle - Other Rating	3	14	3,834
Motorcycle	Pleasure Motorcycle - Other Rating	3	26	9,958
Motorcycle	Pleasure Motorcycle - Other Rating	3	76	37,877
Motorcycle	Pleasure Motorcycle - Other Rating	4	21	7,026
Motorcycle	Pleasure Motorcycle - Other Rating	4	29	13,837
Motorcycle	Pleasure Motorcycle - Other Rating	4	105	66,661
Motorcycle	Pleasure Motorcycle - Sport Rating	1	279	275,714
Motorcycle	Pleasure Motorcycle - Sport Rating	1	448	679,623
Motorcycle	Pleasure Motorcycle - Sport Rating	1	49	100,792
Motorcycle	Pleasure Motorcycle - Sport Rating	2	171	137,539
Motorcycle	Pleasure Motorcycle - Sport Rating	2	348	427,665
Motorcycle	Pleasure Motorcycle - Sport Rating	2	52	86,754
Motorcycle	Pleasure Motorcycle - Sport Rating	3	5	2,390
Motorcycle	Pleasure Motorcycle - Sport Rating	3	11	7,929
Motorcycle	Pleasure Motorcycle - Sport Rating	3	2	2,072
Motorcycle	Pleasure Motorcycle - Sport Rating	4	6	3,669
Motorcycle	Pleasure Motorcycle - Sport Rating	4	11	9,919
Motorcycle	Pleasure Motorcycle - Sport Rating	4	1	1,196
Motorcycle	Pleasure Motorcycle - Touring Rating	1	36	21,221
Motorcycle	Pleasure Motorcycle - Touring Rating	1	187	164,848
Motorcycle	Pleasure Motorcycle - Touring Rating	1	1,626	1,941,908
Motorcycle	Pleasure Motorcycle - Touring Rating	2	49	23,988
Motorcycle	Pleasure Motorcycle - Touring Rating	2	305	218,965
Motorcycle	Pleasure Motorcycle - Touring Rating	2	3,431	3,328,122
Motorcycle	Pleasure Motorcycle - Touring Rating	3	10	3,955
Motorcycle	Pleasure Motorcycle - Touring Rating	3	79	46,067

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Motorcycle	Pleasure Motorcycle - Touring Rating	4	4	1,547
Motorcycle	Pleasure Motorcycle - Touring Rating	4	9	5,019
Motorcycle	Pleasure Motorcycle - Touring Rating	4	108	79,289
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	1	51	30,728
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	1	223	202,353
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	1	159	196,952
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	2	66	32,930
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	2	270	200,268
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	2	210	209,720
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	3	2	1,005
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	3	7	4,350
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	4	2	769
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	4	6	3,399
Motorcycle	Pleasure Motorcycle - Sport-Touring Rating	4	3	2,507
Motorcycle	All Purpose Moped	1	283	143,146
Motorcycle	All Purpose Moped	2	149	63,494
Motorcycle	All Purpose Moped	3	4	1,137
Motorcycle	All Purpose Moped	4	3	822
Motorcycle	Pleasure Moped	1	749	278,900
Motorcycle	Pleasure Moped	2	459	142,448
Motorcycle	Pleasure Moped	3	8	1,742
Motorcycle	Pleasure Moped	4	9	2,329
Trailer	All Purpose Trailer $2500 or less	1	35,243	281,944
Trailer	All Purpose Trailer $2500 or less	2	70,007	490,049
Trailer	All Purpose Trailer $2500 or less	3	1,779	10,674
Trailer	All Purpose Trailer $2500 or less	4	3,843	19,215
Trailer	All Purpose Trailer $2501 or more	1	30,468	4,879,300
Trailer	All Purpose Trailer $2501 or more	2	83,892	10,309,228
Trailer	All Purpose Trailer $2501 or more	3	1,672	193,572
Trailer	All Purpose Trailer $2501 or more	4	3,258	311,199
Off Road Vehicle	Off Road Vehicle - ATV	1	1,254	7,524
Off Road Vehicle	Off Road Vehicle - ATV	1	2,889	17,334
Off Road Vehicle	Off Road Vehicle - ATV	1	4,259	25,554
Off Road Vehicle	Off Road Vehicle - ATV	2	3,264	19,584
Off Road Vehicle	Off Road Vehicle - ATV	2	11,219	67,314
Off Road Vehicle	Off Road Vehicle - ATV	2	19,371	116,226
Off Road Vehicle	Off Road Vehicle - ATV	3	61	366
Off Road Vehicle	Off Road Vehicle - ATV	3	300	1,800
Off Road Vehicle	Off Road Vehicle - ATV	3	423	2,538
Off Road Vehicle	Off Road Vehicle - ATV	4	91	546
Off Road Vehicle	Off Road Vehicle - ATV	4	499	2,994
Off Road Vehicle	Off Road Vehicle - ATV	4	856	5,136
Off Road Vehicle	Off Road Vehicle - Motorcycle	1	67	402
Off Road Vehicle	Off Road Vehicle - Motorcycle	1	357	2,142
Off Road Vehicle	Off Road Vehicle - Motorcycle	1	84	504
Off Road Vehicle	Off Road Vehicle - Motorcycle	2	128	768
Off Road Vehicle	Off Road Vehicle - Motorcycle	2	678	4,068

Major Class	Insurance Use	Territory	Rate Model Number of Vehicles	2024 Premium (Discounted)
Off Road Vehicle	Off Road Vehicle - Motorcycle	2	234	1,404
Off Road Vehicle	Off Road Vehicle - Motorcycle	3	2	12
Off Road Vehicle	Off Road Vehicle - Motorcycle	3	14	84
Off Road Vehicle	Off Road Vehicle - Motorcycle	3	6	36
Off Road Vehicle	Off Road Vehicle - Motorcycle	4	3	18
Off Road Vehicle	Off Road Vehicle - Motorcycle	4	8	48
Off Road Vehicle	Off Road Vehicle - Motorcycle	4	1	6
Off Road Vehicle	Off Road Vehicle - Snowmobile	1	2,331	13,986
Off Road Vehicle	Off Road Vehicle - Snowmobile	1	2,211	13,266
Off Road Vehicle	Off Road Vehicle - Snowmobile	1	507	3,042
Off Road Vehicle	Off Road Vehicle - Snowmobile	1	3,427	20,562
Off Road Vehicle	Off Road Vehicle - Snowmobile	2	6,505	39,030
Off Road Vehicle	Off Road Vehicle - Snowmobile	2	6,320	37,920
Off Road Vehicle	Off Road Vehicle - Snowmobile	2	1,596	9,576
Off Road Vehicle	Off Road Vehicle - Snowmobile	2	10,115	60,690
Off Road Vehicle	Off Road Vehicle - Snowmobile	3	300	1,800
Off Road Vehicle	Off Road Vehicle - Snowmobile	3	258	1,548
Off Road Vehicle	Off Road Vehicle - Snowmobile	3	28	168
Off Road Vehicle	Off Road Vehicle - Snowmobile	3	446	2,676
Off Road Vehicle	Off Road Vehicle - Snowmobile	4	512	3,072
Off Road Vehicle	Off Road Vehicle - Snowmobile	4	360	2,160
Off Road Vehicle	Off Road Vehicle - Snowmobile	4	75	450
Off Road Vehicle	Off Road Vehicle - Snowmobile	4	585	3,510
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	1	5	30
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	1	2	12
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	1	1	6
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	1	22	132
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	2	30	180
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	2	5	30
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	2	4	24
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	2	68	408
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	3	5	30
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	4	6	36
Off Road Vehicle	Off Road Vehicle - Snow Vehicle	4	13	78

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Part and Chapter:	**Part XI Investments INV.2.4**	**Page No.:**	**26**
PUB Approved Issue No:	**4. (b) Financial Forecast** **9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)** **19. Interest Rate Forecast**		
Topic:	**Investment Forecast**		
Sub Topic:	**Interest Rate Forecast**		

Preamble to IR:

Interest rate forecasting risk continues to be a significant concern for MPI. Inaccurate forecasts have in the recent past had material negative impacts on the financial results of the Basic line of business. Interest rate forecasting risk, for the purpose of this GRA, is the uncertainty related to setting premium rates based on forecasted interest rates rather than based on future actual interest rates, and the impact of the difference between those interest rates.

MPI is required to base its GRA on best estimates, and for the 2024 GRA, its Board of Directors and management continue to believe that the Naïve forecast is the best estimate.

Question:

a) Please update the statistical analysis of the Naïve interest rate forecast contained in PUB (MPI) 1-16 (2023 GRA), and comment on any material deviations from past results. Please explain whether the analysis supports the continued use of the Naïve interest rate forecast.

b) Please provide a table indicating the changes in the Bank of Canada overnight rate for 2022/23 and 2023/24 to date and the corresponding GOC10-year yield rate at that time.

Rationale for Question:

To assess the appropriateness of using the Naïve interest rate forecast for rate-setting purposes.

RESPONSE:

a) Please see Figure 1 below for an update of the analysis. There are no material deviations from past results. The naïve forecast continues to be the best estimate of forecasting interest rates.

Figure 1 Historical Analysis of SIRF, 50/50 & Naïve Forecast: 2005 to 2023 GRA

Line No.	Year	SIRF Forecast	Actual	Difference	50/50 Forecast	Actual	Difference	Naïve Forecast	Actual	Difference
1	**2005 GRA**	4.86%	4.27%	0.58%	4.62%	4.27%	0.34%	4.38%	4.27%	0.11%
2	**2006 GRA**	4.41%	4.13%	0.28%	4.34%	4.13%	0.22%	4.27%	4.13%	0.15%
3	**2007 GRA**	4.49%	4.03%	0.46%	4.31%	4.03%	0.28%	4.13%	4.03%	0.10%
4	**2008 GRA**	4.19%	3.64%	0.55%	4.11%	3.64%	0.47%	4.03%	3.64%	0.39%
5	**2009 GRA**	3.73%	3.13%	0.60%	3.69%	3.13%	0.55%	3.64%	3.13%	0.51%
6	**2010 GRA**	2.87%	3.39%	-0.52%	3.00%	3.39%	-0.39%	3.13%	3.39%	-0.26%
7	**2011 GRA**	4.00%	3.30%	0.70%	3.69%	3.30%	0.39%	3.39%	3.30%	0.09%
8	**2012 GRA**	3.73%	1.99%	1.74%	3.51%	1.99%	1.53%	3.30%	1.99%	1.31%
9	**2013 GRA**	2.48%	1.84%	0.64%	2.23%	1.84%	0.40%	1.99%	1.84%	0.15%
10	**2014 GRA**	2.22%	2.43%	-0.21%	2.03%	2.43%	-0.40%	1.84%	2.43%	-0.59%
11	**2015 GRA**	3.14%	1.30%	1.84%	2.78%	1.30%	1.48%	2.43%	1.30%	1.13%
12	**2016 GRA**	2.04%	1.19%	0.85%	1.67%	1.19%	0.48%	1.30%	1.19%	0.11%
13	**2017 GRA**	1.76%	1.64%	0.12%	1.48%	1.64%	-0.17%	1.19%	1.64%	-0.45%
14	**2018 GRA**	2.10%	2.24%	-0.14%	1.87%	2.24%	-0.37%	1.64%	2.24%	-0.60%
15	**2019 GRA**	2.66%	1.94%	0.72%	2.45%	1.94%	0.51%	2.24%	1.94%	0.30%
16	**2020 GRA**	2.28%	0.70%	1.58%	2.11%	0.70%	1.41%	1.94%	0.70%	1.24%
17	**2021 GRA**	0.69%	1.56%	-0.87%	0.70%	1.56%	-0.86%	0.70%	1.56%	-0.86%
18	**2022 GRA**	1.66%	2.41%	-0.75%	1.61%	2.41%	-0.80%	1.56%	2.41%	-0.85%
19	**2023 GRA**	3.12%	2.90%	0.22%	2.77%	2.90%	-0.13%	2.41%	2.90%	-0.49%
20	**Average**			0.44%			0.26%			0.08%
21	**Min**			-0.87%			-0.86%			-0.86%
22	**Max**			1.84%			1.53%			1.31%
23	**Standard Deviation**			0.76%			0.69%			0.65%
24	**Standard Error**			0.17%			0.16%			0.15%

In the updated historical analysis, the average deviation of the naïve forecast from actual remains the lowest at 8 bps. The naïve forecast continues to produce an unbiased forecast that is more accurate than either the 50/50 or SIRF forecasts.

The actuarial standards of practice establish that a best estimate should be unbiased. To check for any bias, MPI performed a paired sample t-test on the sample mean, to evaluate whether the 50/50 or naïve forecasts produced statistically significant results from each other.

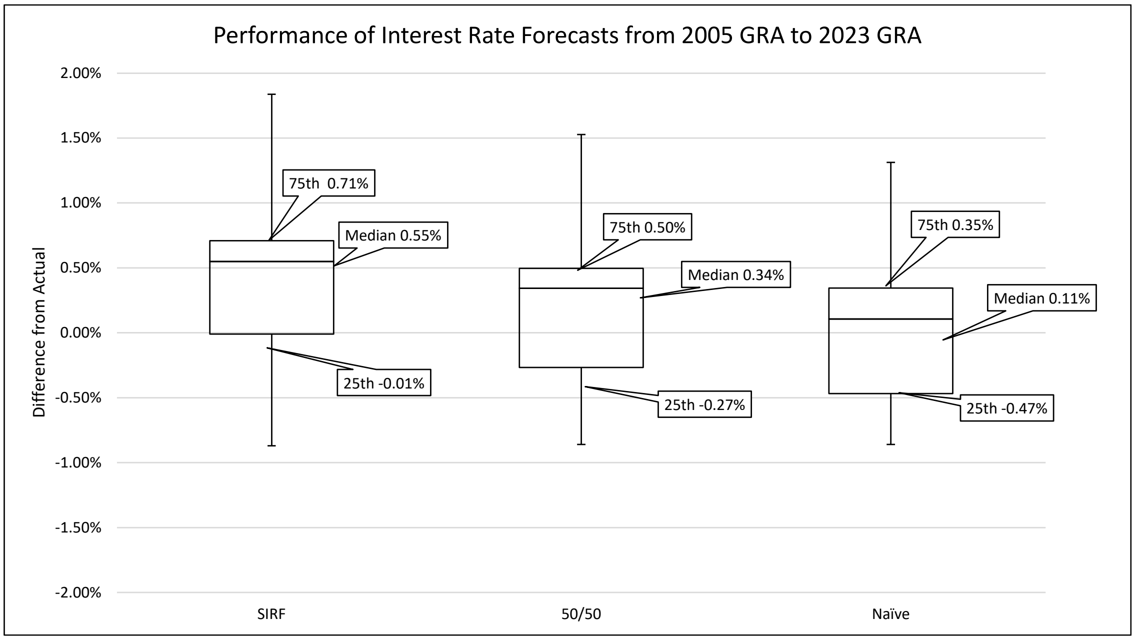
The test results show that the naïve forecast produces a statistically significant forecast from the 50/50 forecast with less error (bias) at a 99% confidence level. See Figure 2 below.

Figure 2 t-Test Paired Two Sample for Means

Line No.	Statistic	50/50	Naïve
1	**Mean**	0.0026	0.0008
2	**Variance**	0.0000482	0.0000426
3	**Observations**	19	19
4	**Pearson Correlation**	0.9821	
5	**Hypothesized Mean Difference**	0	
6	**df**	18	
7	**t Stat**	5.9307	
8	**P(T<=t) one-tail**	0.00001	
9	**t Critical one-tail**	1.7341	
10	**P(T<=t) two-tail**	0.00001	
11	**t Critical two-tail**	2.1009	

Figure 3 below shows how each of the three interest rate forecasts differ from the actual. As indicated, there is marginal difference in the variance between the 50/50 and naïve forecast (as seen by the overall length of the 'whisker' in the box and whisker plot below). However, the naïve forecast is less biased than the 50/50 forecast (given that the range of differences of the naïve forecast plot closer to the 'zero difference' line – that is, the 'box' in the box and whisker plot is more centered around the zero difference line) and, as seen above, the naïve forecast is statistically less biased than the 50/50 forecast.

Figure 3 Box and Whisker Plot Interest Rate Comparative Analysis



Further, the middle line of the 'box,' the median, is closest to 0.00% in the naïve forecast, while the 50/50 forecast produced forecasts that are at least 34 basis points higher than actual, 50% of the time.

b) The table indicating the changes in the Bank of Canada overnight rate for 2022/23 and 2023/24 to date and the corresponding Government of Canada 10-year bond yield is shown below.

	Overnight Rate		
Date	**Target**	**Change**	***GOC 10-Year Yield***
12-Jul-23	5.00%	0.25%	3.42%
7-Jun-23	4.75%	0.25%	3.44%
25-Jan-23	4.50%	0.25%	2.80%
7-Dec-22	4.25%	0.50%	2.76%
26-Oct-22	3.75%	0.50%	3.28%
7-Sep-22	3.25%	0.75%	3.14%
13-Jul-22	2.50%	1.00%	3.15%
1-Jun-22	1.50%	0.50%	2.98%
13-Apr-22	1.00%	0.50%	2.64%

PUB (MPI) 1-11

Part and Chapter:	Part IX Forecasting	Page No.:	
PUB Approved Issue No:	5. Financial forecast: c. Impact of IFRS 9, 14 and 17		
Topic:	DPAC Write-off		
Sub Topic:			

Preamble to IR:

During the 2023 GRA hearing, (transcript page 442 line 25 to 443 line 3 and 2043 line 21 to 2044 line 7), the estimate provided of the impact of writing off the premium acquisition expenses was $64.8 million.

PF-3 of the 2024 GRA shows the impact of the restatement of DPAC (IFRS 17) to be $37.7 million for Basic.

EPF-3 of the 2024 GRA shows the impact of the restatement of DPAC (IFRS 17) to be $20.1 million for Extension.

Question:

a) When the estimate of the impact of writing off the DPAC was provided in the 2023 GRA, did that estimate include only Basic, or did it also include other lines?

b) If the $64.8 million estimate was only basic, please explain why the estimate has reduced to $37.7 million.

Rationale for Question:

To understand the impact of the writing off DPAC on the Basic equity.

RESPONSE:

a) The Deferred Policy Acquisition Costs (DPAC) write off amount provided in the 2023 GRA hearings was the estimated impact to the Corporation's financial statements on transition to IFRS 17 at April 1, 2022. The $64.8 estimate was based on the corporate amount (Basic + Extension + SRE). The composition of the estimated $64.8M included $37.7 million Basic, $20.1 million Extension, and $7.0 million for SRE.

b) See response to part a)

PUB (MPI) 1-12

Part and Chapter:	**Part IX Forecasting**	**Page No.:**	
PUB Approved Issue No:	**5. Financial forecast: c. Impact of IFRS 9, 14 and 17**		
Topic:	**Impact of IFRS 17 on Discounting**		
Sub Topic:			

Preamble to IR:

In the 2023 GRA the estimated interest rate PfAD was about $75 million (transcript page 2053 line 23 to 24).

PF-3 in the 2024 GRA shows the impact of the restatement of Claims Discount Rate to be $86.3 million.

Question:

a) Please confirm that the majority of the change for IFRS 17 discount rate implementation is due to the removal of the interest rate PfAD.

b) Please confirm that the projected claims discount yield curve is comparable to the claims discount rate as calculated for IFRS 4.

Rationale for Question:

To understand the impact of IFRS 17 discount rate changes on the Basic equity.

RESPONSE:

a) Yes, confirmed.

b) The discounting under IFRS 4 and IFRS 17 are not directly comparable. As stated in *Part IX Claims Incurred Discounting Chapter CID 5.3 - Discounting*:

> *In the IFRS 4 forecast, discounting was done using a flat discount rate, following the discount rate forecast in Figure CID-2. Under IFRS 17, discounting of cashflows is done using a yield curve. MPI's Basic discount rate in 2022/23 was 4.09% under IFRS 4. Under IFRS 17, the cash-flow-weighted average discount rate for 2022/23 is estimated to be 4.30%.*

PUB (MPI) 1-13

Part and Chapter:	**Part IX Forecasting**	**Page No.:**	
PUB Approved Issue No:	**5. Financial forecast: c. Impact of IFRS 9, 14, and 17;**		
Topic:	**Impact of the change to Risk Adjustment**		
Sub Topic:			

Preamble to IR:

In the 2023 GRA, the estimated impact of the change to a Risk Adjustment and the removal of the claims development PfAD was an adverse impact of $10.6 million. (transcript 2048 line 8 to 12).

In PF-3 in the 2024 GRA, the estimated impact of the restatement of risk adjustment was favorable to $13.3 million.

Question:

Please explain any changes in assumptions or underlying data that resulted in the Risk Adjustment impact moving from an unfavourable $10.6 million to a favorable $13.3 million.

Rationale for Question:

To understand changes to the Risk Adjustment.

RESPONSE:

As MPI continues with the implementation of IFRS 17 throughout 2023, it should be noted that further changes may occur.

The Risk Adjustment moved from unfavorable to favorable due to the following reasons:

- Underlying data in the risk adjustment model was updated from March 2021 (used in the 2023 GRA) to March 2022
- Updated the yield curve in the risk adjustment model from March 2021 to March 2022
- Updated the model to allow for inflation to vary by year; in the 2023 GRA the inflation was flat
- Updated selected payment patterns from March 2021 valuation to March 2022 valuation

PUB (MPI) 1-14

Part and Chapter:	**Part II Overview**	**Page No.:**	**4**
PUB Approved Issue No:	**5. Financial forecast:** **c. Impact of IFRS 9, 14, and 17;**		
Topic:	**Compliance with Order**		
Sub Topic:			

Preamble to IR:

Order 4/23 pp. 55-56:

With respect to initiative expenses, the Board considers it appropriate and consistent with AAP to defer costs that are for systems that do not benefit current ratepayers.

Based on MPI Exhibit #96, the total for 2023/24 is $21.6 million, and is $25,7 million for 2024/25, or an average of $23.7 million. Taking into consideration the 1,282,369 units in the 2023/24 rating year, and including the impact of discounting, the total expense cost per unit would reduce by about $18, reducing the AAP rate indication by about 1.92%. The Board therefore directs MPI to defer these integration costs, through a regulatory deferral account for rate-setting purposes. The account will accumulate the integration costs and will be recovered when Project Nova is fully in-service. The period of recovery will be established in the 2024 GRA, when MPI is expected to provide an updated timeline for the delivery of Project Nova.

MPI intends to adjust its financial forecasts (for the regulatory purposes) taking in

consideration the deferral account for the purposes of GRAs. However, MPI is not eligible to apply International Financial Reporting Standards (IFRS) 14, impacting its financial statements. As a result, this will create a misalignment between rates approved by the PUB (based on forecasts) and MPI financial statements.

Question:

a) Please provide a copy of IFRS 14 Regulatory Deferral Accounts and note the sections which MPI interprets it is not eligible to apply the interim standard. Please cite sections 5, 6 and 13, along with any other sections in the interim standard in responding to this question.

b) Please file a copy of the current exposure draft Regulatory Assets and Regulatory Liabilities, which is to replace IFRS 14 when issued.

c) Indicate whether MPI is subject to rate regulation as defined in the interim standard and proposed replacement.

d) With respect to the Exposure Draft, please indicate whether MPI is party to a regulatory agreement in the establishment of Basic rates.

e) Please indicate where in the proposed new standard MPI is precluded from recognizing regulatory assets and regulatory liabilities.

Rationale for Question:

To understand MPI's interpretation of the standard.

RESPONSE:

a) A copy of IFRS 14-Regulatory Deferral Accounts is provided as <u>*Appendix 1*</u>.

   IFRS 14 Regulatory Deferral Accounts is an interim standard applicable to first-time adopters of IFRS that are subject to rate regulation. If eligible, first-time adopters of IFRS are permitted to recognize amounts related to rate regulation in accordance with their previous GAAP.

   IFRS 14 provides specific criteria for an entity to be eligible to apply this standard upon adoption of IFRS (per the Scope section within IFRS 14):

5 An entity is permitted to apply the requirements of this Standard in its first IFRS financial statements if and only if it:

(a) conducts rate-regulated activities; and

(b) recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP.

IFRS 14 is only available to entities that elected to apply the standard in its first financial statements issued under IFRS:

6 An entity shall apply the requirements of this Standard in its financial statements for subsequent periods if and only if, in its first IFRS financial statements, it recognized regulatory deferral account balances by electing to apply the requirements of this Standard.

MPI does not meet the criteria provided in paragraphs 5 and 6 to apply IFRS 14 because MPI had not reported regulatory deferral account balances under the previous generally accepted accounting principles (Canadian GAAP), and MPI did not apply IFRS 14 in its first IFRS financial statements issued for the fiscal year ended March 31, 2011.

Paragraph 13 in IFRS 14 provides guidance for the transition from a previous GAAP to IFRS 14:

Changes in accounting policies

13 An entity shall not change its accounting policies in order to start to recognise regulatory deferral account balances. An entity may only change its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in paragraph 10 of IAS 8.

Note that Paragraph 13 should be read within the context of Paragraph 11 and therefore Paragraph 13 is only applicable for first time adopters of IFRS. Paragraph 13 is tied to Paragraph 11:

11 On initial application of this Standard, an entity shall continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances, except for any changes permitted by paragraphs 13–15. However, the presentation of such amounts shall comply with the presentation requirements of this Standard, which may require changes to the entity's previous GAAP presentation policies (see paragraphs 18–19).

Paragraph 13 does not permit an entity to begin recognizing regulatory assets or liabilities under IFRS 14 after its initial adoption of IFRS; the paragraph provides flexibility for updated assessments when transitioning from a prior GAAP to IFRS 14 within the initial adoption of IFRS.

Conclusion: MPI is not eligible to apply IFRS 14 Regulatory Deferral Accounts because it is not issuing its first financial statements under IFRS; MPI did not report regulatory deferral account balances under Canadian GAAP at transition to IFRS and did not apply IFRS 14 in its initial IFRS statements as issued for the fiscal year ended March 31, 2011.

b) A copy of the Exposure Draft ‘Rate Regulated Assets and Regulated Liabilities’ is provided as *Appendix 2*.

In January 2021, the International Accounting Standards Board (IASB) issued an Exposure Draft, Regulatory Assets and Regulatory Liabilities, that proposes rate-regulated entities report regulatory assets and liabilities, and regulatory income and expenses in their financial statements. If finalized as an IFRS Standard, the proposals would replace IFRS 14 and may result in MPI reporting regulatory assets and liabilities under IFRS.

MPI is monitoring the IASB’s deliberations and progress in developing a standard for reporting regulatory assets and liabilities. MPI aims to comply with the standard if it comes into effect.

c) Yes, MPI is subject to rate regulation and would likely meet the definition of rate regulated as per the interim standard IFRS 14, if the standard were applicable to MPI (i.e., if MPI fell within scope of IFRS 14).

MPI is monitoring the IASB's progress with the Exposure Draft Regulatory Assets and Regulatory Liabilities. As a preliminary assessment, it is likely that MPI's regulatory arrangements meet the definition of a regulatory agreement as provided in the current version of the exposure draft. This assessment is subject to further evaluation and consultation with internal legal resources (as stated in the Exposure Draft: "Whether rights and obligations in a regulatory agreement are enforceable is a matter of law").

d) As a preliminary assessment, MPI is party to a regulatory agreement that is likely to meet the definition of a regulatory agreement provided in section 8, c of Exposure Draft Regulatory Assets and Regulatory Liabilities as issued by IASB (Appendix 2). MPI will conduct further assessments, including engaging internal legal resources in assessing enforceable rights, as the exposure draft develops and draws closer to becoming a standard.

e) Current assessments indicate MPI is not precluded from the proposals provided in the current version of the exposure draft. MPI intends to remain compliant with IFRS and will adopt the Regulatory Assets and Regulatory Liabilities standard that may result from this exposure draft, if it is issued. MPI will assess its arrangements against the definitions of regulatory assets and regulatory liabilities that are provided in the standard that is eventually issued.

MPI sought an opinion from PWC on this matter, which has been declined due to conflict. There is another request for an external opinion underway that MPI expects to file in 2024 GRA.

Accounting >> Part I – IFRS® Accounting Standards >> 2023 Edition >> IFRS® Accounting Standards in effect on January 1, 2023 >> IFRS 14 Regulatory deferral accounts

INTERNATIONAL FINANCIAL REPORTING STANDARD 14 regulatory deferral accounts

CONTENTS	Paragraph

Objective

1 The objective of this Standard is to specify the financial reporting requirements for *regulatory deferral account balances* that arise when an entity provides goods or services to customers at a price or rate that is subject to *rate regulation*.

2 In meeting this objective, the Standard requires:

- (a) limited changes to the accounting policies that were applied in accordance with previous generally accepted accounting principles (*previous GAAP*) for regulatory deferral account balances, which are primarily related to the presentation of these accounts; and
- (b) disclosures that:
  - (i) identify and explain the amounts recognised in the entity's financial statements that arise from rate regulation; and
  - (ii) help users of the financial statements to understand the amount, timing and uncertainty of future cash flows from any regulatory deferral account balances that are recognised.

3 The requirements of this Standard permit an entity within its scope to continue to account for regulatory deferral account balances in its financial statements in accordance with its previous GAAP when it adopts IFRS, subject to the limited changes referred to in paragraph 2 above.

4 In addition, this Standard provides some exceptions to, or exemptions from, the requirements of other Standards. All specified requirements for reporting regulatory deferral account balances, and any exceptions to, or exemptions from, the requirements of other Standards that are related to those balances, are contained within this Standard instead of within those other Standards.

Scope

5 An entity is permitted to apply the requirements of this Standard in its *first IFRS financial statements* if and only if it:

(a) conducts *rate-regulated activities*; and

(b) recognised amounts that qualify as regulatory deferral account balances in its financial statements in accordance with its previous GAAP.

6 An entity shall apply the requirements of this Standard in its financial statements for subsequent periods if and only if, in its first IFRS financial statements, it recognised regulatory deferral account balances by electing to apply the requirements of this Standard.

7 This Standard does not address other aspects of accounting by entities that are engaged in rate-regulated activities. By applying the requirements in this Standard, any amounts that are permitted or required to be recognised as assets or liabilities in accordance with other Standards shall not be included within the amounts classified as regulatory deferral account balances.

8 An entity that is within the scope of, and that elects to apply, this Standard shall apply all of its requirements to all regulatory deferral account balances that arise from all of the entity's rate-regulated activities.

Recognition, measurement, impairment and derecognition

Temporary exemption from paragraph 11 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

9 An entity that has rate-regulated activities and that is within the scope of, and elects to apply, this Standard shall apply paragraphs 10 and 12 of IAS 8 when developing its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances.

10 Paragraphs 11–12 of IAS 8 specify sources of requirements and guidance that management is required or permitted to consider in developing an accounting policy for an item, if no relevant Standard applies specifically to that item. This Standard exempts an entity from applying paragraph 11 of IAS 8 to its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. Consequently, entities that recognise regulatory deferral account balances, either as separate items or as part of the carrying value of other assets and liabilities, in accordance with their previous GAAP, are permitted to continue to recognise those balances in accordance with this Standard through the exemption from paragraph 11 of IAS 8, subject to any presentation changes required by paragraphs 18–19 of this Standard.

Continuation of existing accounting policies

11 On initial application of this Standard, an entity shall continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances, except for any changes permitted by paragraphs 13–15. However, the presentation of such amounts shall comply with the presentation requirements of this Standard, which may require changes to the entity's previous GAAP presentation policies (see paragraphs 18–19).

12 An entity shall apply the policies established in accordance with paragraph 11 consistently in subsequent periods, except for any changes permitted by paragraphs 13–15.

Changes in accounting policies

13 An entity shall not change its accounting policies in order to start to recognise regulatory deferral account balances. An entity may only change its accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, 1 or more reliable and no less relevant to those needs. An entity shall judge relevance and reliability using the criteria in paragraph 10 of IAS 8.

14 This Standard does not exempt entities from applying paragraphs 10 or 14–15 of IAS 8 to changes in accounting policy. To justify changing its accounting policies for regulatory deferral account balances, an entity shall demonstrate that the change brings its financial statements closer to meeting the criteria in paragraph 10 of IAS 8. However, the change does not need to achieve full compliance with those criteria for the recognition, measurement, impairment and derecognition of regulatory deferral account balances.

15 Paragraphs 13–14 apply both to changes made on initial application of this Standard and to changes made in subsequent reporting periods.

Interaction with other Standards

16 Any specific exception, exemption or additional requirements related to the interaction of this Standard with other Standards are contained within this Standard (see paragraphs B7–B28). In the absence of any such

exception, exemption or additional requirements, other Standards shall apply to regulatory deferral account balances in the same way as they apply to assets, liabilities, income and expenses that are recognised in accordance with other Standards.

17 In some situations, another Standard might need to be applied to a regulatory deferral account balance that has been measured in accordance with an entity's accounting policies that are established in accordance with paragraphs 11–12 in order to reflect that balance appropriately in the financial statements. For example, the entity might have rate-regulated activities in a foreign country for which the transactions and regulatory deferral account balances are denominated in a currency that is not the functional currency of the reporting entity. The regulatory deferral account balances and the movements in those balances are translated by applying IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Presentation

Changes in presentation

18 This Standard introduces presentation requirements, outlined in paragraphs 20–26, for regulatory deferral account balances that are recognised in accordance with paragraphs 11–12. When this Standard is applied, the regulatory deferral account balances are recognised in the statement of financial position in addition to the assets and liabilities that are recognised in accordance with other Standards. These presentation requirements separate the impact of recognising regulatory deferral account balances from the financial reporting requirements of other Standards.

19 In addition to the items that are required to be presented in the statement of financial position and in the statement(s) of profit or loss and other comprehensive income in accordance with IAS 1 *Presentation of Financial Statements*, an entity applying this Standard shall present all regulatory deferral account balances and the movements in those balances in accordance with paragraphs 20–26.

Classification of regulatory deferral account balances

20 An entity shall present separate line items in the statement of financial position for:

- **(a) the total of all regulatory deferral account debit balances; and**
- **(b) the total of all regulatory deferral account credit balances.**

21 When an entity presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position, it shall not classify the totals of regulatory deferral account balances as current or non-current. Instead, the separate line items required by paragraph 20 shall be distinguished from the assets and liabilities that are presented in accordance with other Standards by the use of sub-totals, which are drawn before the regulatory deferral account balances are presented.

Classification of movements in regulatory deferral account balances

22 An entity shall present, in the other comprehensive income section of the statement of profit or loss and other comprehensive income, the net movement in all regulatory deferral account balances for the reporting period that relate to items recognised in other comprehensive income. Separate line items shall be used for the net movement related to items that, in accordance with other Standards:

- **(a) will not be reclassified subsequently to profit or loss; and**
- **(b) will be reclassified subsequently to profit or loss when specific conditions are met.**

23 An entity shall present a separate line item in the profit or loss section of the statement of profit or loss and other comprehensive income, or in the separate statement of profit or loss, for the remaining net movement in all regulatory deferral account balances for the reporting period, excluding movements that are not reflected in profit or loss, such as amounts acquired. This separate line item shall be distinguished from the income and expenses that are presented in accordance with other Standards by the use of a sub-total, which is drawn before the net movement in regulatory deferral account balances.

24 When an entity recognises a deferred tax asset or a deferred tax liability as a result of recognising regulatory deferral account balances, the entity shall present the resulting deferred tax asset (liability) and the related movement in that deferred tax asset (liability) with the related regulatory deferral account balances and movements in those balances, instead of within the total presented in accordance with IAS 12 *Income Taxes* for deferred tax assets (liabilities) and the tax expense (income) (see paragraphs B9–B12).

25 When an entity presents a discontinued operation or a disposal group in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the entity shall present any related regulatory deferral account balances and the net movement in those balances, as applicable, with the regulatory deferral account balances and movements in those balances, instead of within the disposal groups or discontinued operations (see paragraphs B19–B22).

26 When an entity presents earnings per share in accordance with IAS 33 *Earnings per Share*, the entity shall present additional basic and diluted earnings per share, which are calculated using the earnings amounts required by IAS 33 but excluding the movements in regulatory deferral account balances (see paragraphs B13–B14).

Disclosure

Objective

27 An entity that elects to apply this Standard shall disclose information that enables users to assess:

(a) the nature of, and the risks associated with, the rate regulation that establishes the price(s) that the entity can charge customers for the goods or services it provides; and

(b) the effects of that rate regulation on its financial position, financial performance and cash flows.

28 If any of the disclosures set out in paragraphs 30–36 are not considered relevant to meet the objective in paragraph 27, they may be omitted from the financial statements. If the disclosures provided in accordance with paragraphs 30–36 are insufficient to meet the objective in paragraph 27, an entity shall disclose additional information that is necessary to meet that objective.

29 To meet the disclosure objective in paragraph 27, an entity shall consider all of the following:

(a) the level of detail that is necessary to satisfy the disclosure requirements;

(b) how much emphasis to place on each of the various requirements;

(c) how much aggregation or disaggregation to undertake; and

(d) whether users of financial statements need additional information to evaluate the quantitative information disclosed.

Explanation of activities subject to rate regulation

30 To help a user of the financial statements assess the nature of, and the risks associated with, the entity's rate-regulated activities, an entity shall, for each type of rate-regulated activity, disclose:

(a) a brief description of the nature and extent of the rate-regulated activity and the nature of the regulatory rate-setting process;

(b) the identity of the rate regulator(s). If the rate regulator is a related party (as defined in IAS 24 *Related Party Disclosures*), the entity shall disclose that fact, together with an explanation of how it is related;

(c) how the future recovery of each class (ie each type of cost or income) of regulatory deferral account debit balance or reversal of each class of regulatory deferral account credit balance is affected by risks and uncertainty, for example:

(i) demand risk (for example, changes in consumer attitudes, the availability of alternative sources of supply or the level of competition);

(ii) regulatory risk (for example, the submission or approval of a rate-setting application or the entity's assessment of the expected future regulatory actions); and

(iii) other risks (for example, currency or other market risks).

31 The disclosures required by paragraph 30 shall be given in the financial statements either directly in the notes or incorporated by cross-reference from the financial statements to some other statement, such as a management commentary or risk report, that is available to users of the financial statements on the same terms as the financial statements and at the same time. If the information is not included in the financial statements directly or incorporated by cross-reference, the financial statements are incomplete.

Explanation of recognised amounts

32 An entity shall disclose the basis on which regulatory deferral account balances are recognised and derecognised, and how they are measured initially and subsequently, including how regulatory deferral account balances are assessed for recoverability and how any impairment loss is allocated.

33 For each type of rate-regulated activity, an entity shall disclose the following information for each class of regulatory deferral account balance:

(a) a reconciliation of the carrying amount at the beginning and the end of the period, in a table unless another format is more appropriate. The entity shall apply judgement in deciding the level of detail necessary (see paragraphs 28–29), but the following components would usually be relevant:

(i) the amounts that have been recognised in the current period in the statement of financial position as regulatory deferral account balances;

(ii) the amounts that have been recognised in the statement(s) of profit or loss and other comprehensive income relating to balances that have been recovered (sometimes described as amortised) or reversed in the current period; and

(iii) other amounts, separately identified, that affected the regulatory deferral account balances, such as impairments, items acquired or assumed in a business combination, items disposed of, or the effects of changes in foreign exchange rates or discount rates;

(b) the rate of return or discount rate (including a zero rate or a range of rates, when applicable) used to reflect the time value of money that is applicable to each class of regulatory deferral account balance; and

(c) the remaining periods over which the entity expects to recover (or amortise) the carrying amount of each class of regulatory deferral account debit balance or to reverse each class of regulatory deferral account credit balance.

34 When rate regulation affects the amount and timing of an entity's income tax expense (income), the entity shall disclose the impact of the rate regulation on the amounts of current and deferred tax recognised. In addition, the entity shall separately disclose any regulatory deferral account balance that relates to taxation and the related movement in that balance.

35 When an entity provides disclosures in accordance with IFRS 12 *Disclosure of Interests in Other Entities* for an interest in a subsidiary, associate or joint venture that has rate-regulated activities and for which regulatory deferral account balances are recognised in accordance with this Standard, the entity shall disclose the amounts that are included for the regulatory deferral account debit and credit balances and the net movement in those balances for the interests disclosed (see paragraphs B25–B28).

36 When an entity concludes that a regulatory deferral account balance is no longer fully recoverable or reversible, it shall disclose that fact, the reason why it is not recoverable or reversible and the amount by which the regulatory deferral account balance has been reduced.

Appendix A
Defined terms

This appendix is an integral part of the Standard.

first IFRS financial statements	The first annual financial statements in which an entity adopts International Financial Reporting Standards (IFRS), by an explicit and unreserved statement of compliance with IFRS.
first-time adopter	An entity that presents its **first IFRS financial statements**.
previous GAAP	The basis of accounting that a **first-time adopter** used immediately before adopting IFRS.
rate-regulated activities	An entity's activities that are subject to **rate regulation**.
rate regulation	A framework for establishing the prices that can be charged to customers for goods or services and that framework is subject to oversight and/or approval by a **rate regulator**.
rate regulator	An authorised body that is empowered by statute or regulation to establish the rate or a range of rates that bind an entity. The **rate regulator** may be a third-party body or a related party of the entity, including the entity's own governing board, if that body is required by statute or regulation to set rates both in the interest of the customers and to ensure the overall financial viability of the entity.
regulatory deferral account balance	The balance of any expense (or income) account that would not be recognised as an asset or a liability in accordance with other Standards, but that qualifies for deferral because it is included, or is expected to be included, by the **rate regulator** in establishing the rate(s) that can be charged to customers.

Appendix B
Application guidance

This appendix is an integral part of the Standard.

Rate-regulated activities

B1 Historically, rate regulation applied to all activities of an entity. However, with acquisitions, diversification and deregulation, rate regulation may now apply to only a portion of an entity's activities, resulting in it having both regulated and non-regulated activities. This Standard applies only to the rate-regulated activities that are subject to statutory or regulatory restrictions through the actions of a rate regulator, regardless of the type of entity or the industry to which it belongs.

B2 An entity shall not apply this Standard to activities that are self-regulated, ie activities that are not subject to a pricing framework that is overseen and/or approved by a rate regulator. This does not prevent the entity from being eligible to apply this Standard when:

(a) the entity's own governing body or a related party establishes rates both in the interest of the customers and to ensure the overall financial viability of the entity within a specified pricing framework; and

(b) the framework is subject to oversight and/or approval by an authorised body that is empowered by statute or regulation.

Continuation of existing accounting policies

B3 For the purposes of this Standard, a regulatory deferral account balance is defined as the balance of any expense (or income) account that would not be recognised as an asset or a liability in accordance with other Standards, but that qualifies for deferral because it is included, or is expected to be included, by the rate regulator in establishing the rate(s) that can be charged to customers. Some items of expense (income) may be outside the regulated rate(s) because, for example, the amounts are not expected to be accepted by the rate regulator or because they are not within the scope of the rate regulation. Consequently, such an item is recognised as income or expense as incurred, unless another Standard permits or requires it to be included in the carrying amount of an asset or liability.

B4 In some cases, other Standards explicitly prohibit an entity from recognising, in the statement of financial position, regulatory deferral account balances that might be recognised, either separately or included within other line items such as property, plant and equipment in accordance with previous GAAP accounting policies. However, in accordance with paragraph 11 of this Standard, an entity that elects to apply this Standard in its first IFRS financial statements applies the exemption from paragraph 11 of IAS 8 in order to continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment, and derecognition of regulatory deferral account balances. Such accounting policies may include, for example, the following practices:

(a) recognising a regulatory deferral account debit balance when the entity has the right, as a result of the actual or expected actions of the rate regulator, to increase rates in future periods in order to recover its allowable costs (ie the costs for which the regulated rate(s) is intended to provide recovery);

(b) recognising, as a regulatory deferral account debit or credit balance, an amount that is equivalent to any loss or gain on the disposal or retirement of both items of property, plant and equipment and of intangible assets, which is expected to be recovered or reversed through future rates;

(c) recognising a regulatory deferral account credit balance when the entity is required, as a result of the actual or expected actions of the rate regulator, to decrease rates in future periods in order to reverse over-recoveries of allowable costs (ie amounts in excess of the recoverable amount specified by the rate regulator); and

(d) measuring regulatory deferral account balances on an undiscounted basis or on a discounted basis that uses an interest or discount rate specified by the rate regulator.

B5 The following are examples of the types of costs that rate regulators might allow in rate-setting decisions and that an entity might, therefore, recognise in regulatory deferral account balances:

(i) volume or purchase price variances;

(ii) costs of approved 'green energy' initiatives (in excess of amounts that are capitalised as part of the cost of property, plant and equipment in accordance with IAS 16 *Property, Plant and Equipment*);

(iii) non-directly-attributable overhead costs that are treated as capital costs for rate regulation purposes (but are not permitted, in accordance with IAS 16, to be included in the cost of an item of property, plant and equipment);

(iv) project cancellation costs;

(v) storm damage costs; and

(vi) deemed interest (including amounts allowed for funds that are used during construction that provide the entity with a return on the owner's equity capital as well as borrowings).

B6 Regulatory deferral account balances usually represent timing differences between the recognition of items of income or expenses for regulatory purposes and the recognition of those items for financial reporting purposes. When an entity changes an accounting policy on the first-time adoption of IFRS or on the initial application of a new or revised Standard, new or revised timing differences may arise that create new or revised regulatory deferral account balances. The prohibition in paragraph 13 that prevents an entity from changing its accounting policy in order to start to recognise regulatory deferral account balances does not prohibit the recognition of the new or revised regulatory deferral account balances that are created because of other changes in accounting policies required by IFRS. This is because the recognition of regulatory deferral account balances for such timing differences would be consistent with the existing recognition policy applied in accordance with paragraph 11 and would not represent the introduction of a new accounting policy. Similarly, paragraph 13 does not prohibit the recognition of regulatory deferral account balances arising from timing differences that did not exist immediately prior to the date of transition to IFRS but are consistent with the entity's accounting policies established in accordance with paragraph 11 (for example, storm damage costs).

Applicability of other Standards

B7 An entity that is within the scope of, and that elects to apply, the requirements of this Standard shall continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. However, paragraphs 16–17 state that, in some situations, other Standards might also need to be applied to regulatory deferral account balances in order to reflect them appropriately in the financial statements. The following paragraphs outline how some other Standards interact with the requirements of this Standard. In particular, the following paragraphs clarify specific exceptions to, and exemptions from, other Standards and additional presentation and disclosure requirements that are expected to be applicable.

Application of IAS 10 *Events after the Reporting Period*

B8 An entity may need to use estimates and assumptions in the recognition and measurement of its regulatory deferral account balances. For events that occur between the end of the reporting period and the date when the financial statements are authorised for issue, the entity shall apply IAS 10 to identify whether those estimates and assumptions should be adjusted to reflect those events.

Application of IAS 12 *Income Taxes*

B9 IAS 12 requires, with certain limited exceptions, an entity to recognise a deferred tax liability and (subject to certain conditions) a deferred tax asset for all temporary differences. A rate-regulated entity shall apply IAS 12 to all of its activities, including its rate-regulated activities, to identify the amount of income tax that is to be recognised.

B10 In some rate-regulatory schemes, the rate regulator permits or requires an entity to increase its future rates in order to recover some or all of the entity's income tax expense. In such circumstances, this might result in the entity recognising a regulatory deferral account balance in the statement of financial position related to income tax, in accordance with its accounting policies established in accordance with paragraphs 11–12. The recognition of this regulatory deferral account balance that relates to income tax might itself create an additional temporary difference for which a further deferred tax amount would be recognised.

B11 Notwithstanding the presentation and disclosure requirements of IAS 12, when an entity recognises a deferred tax asset or a deferred tax liability as a result of recognising regulatory deferral account balances, the entity shall not include that deferred tax amount within the total deferred tax asset (liability) balances. Instead, the entity shall present the deferred tax asset (liability) that arises as a result of recognising regulatory deferral account balances either:

(a) with the line items that are presented for the regulatory deferral account debit balances and credit balances; or

(b) as a separate line item alongside the related regulatory deferral account debit balances and credit balances.

B12 Similarly, when an entity recognises the movement in a deferred tax asset (liability) that arises as a result of recognising regulatory deferral account balances, the entity shall not include the movement in that deferred tax amount within the tax expense (income) line item that is presented in the statement(s) of profit or loss and other comprehensive income in accordance with IAS 12. Instead, the entity shall present the movement in the deferred tax asset (liability) that arises as a result of recognising regulatory deferral account balances either:

(a) with the line items that are presented in the statement(s) of profit or loss and other comprehensive income for the movements in regulatory deferral account balances; or

(b) as a separate line item alongside the related line items that are presented in the statement(s) of profit or loss and other comprehensive income for the movements in regulatory deferral account balances.

Application of IAS 33 *Earnings per Share*

B13 Paragraph 66 of IAS 33 requires some entities to present, in the statement of profit or loss and other comprehensive income, basic and diluted earnings per share both for profit or loss from continuing operations and profit or loss that is attributable to the ordinary equity holders of the parent entity. In addition, paragraph 68 of IAS 33 requires an entity that reports a discontinued operation to disclose the basic and diluted amounts per share for the discontinued operation, either in the statement of profit or loss and other comprehensive income or in the notes.

B14 For each earnings per share amount presented in accordance with IAS 33, an entity applying this Standard shall present additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts shall exclude the net movement in the regulatory deferral account balances. Consistent with the requirement in paragraph 73 of IAS 33, an entity shall present the earnings per share required by paragraph 26 of this Standard with equal prominence to the earnings per share required by IAS 33 for all periods presented.

Application of IAS 36 *Impairment of Assets*

B15 Paragraphs 11–12 require an entity to continue to apply its previous GAAP accounting policies for the identification, recognition, measurement and reversal of any impairment of its recognised regulatory deferral account balances. Consequently, IAS 36 does not apply to the separate regulatory deferral account balances recognised.

B16 However, IAS 36 might require an entity to perform an impairment test on a cash-generating unit (CGU) that includes regulatory deferral account balances. This test might be required because the CGU contains goodwill, or because one or more of the impairment indicators described in IAS 36 have been identified relating to the CGU. In such situations, paragraphs 74–79 of IAS 36 contain requirements for identifying the recoverable amount and the carrying amount of a CGU. An entity shall apply those requirements to decide whether any of the regulatory deferral account balances recognised are included in the carrying amount of the CGU for the purpose of the impairment test. The remaining requirements of IAS 36 shall then be applied to any impairment loss that is recognised as a result of this test.

Application of IFRS 3 *Business Combinations*

B17 The core principle of IFRS 3 is that an acquirer of a business recognises the assets acquired and the liabilities assumed at their acquisition-date fair values. IFRS 3 provides limited exceptions to its recognition and measurement principles. Paragraph B18 of this Standard provides an additional exception.

B18 Paragraphs 11–12 require an entity to continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. Consequently, if an entity acquires a business, it shall apply, in its consolidated financial statements, its accounting policies established in accordance with paragraphs 11–12 for the recognition and measurement of the acquiree's regulatory deferral account balances at the date of acquisition. The acquiree's regulatory deferral account balances shall be recognised in the consolidated financial statements of the acquirer in accordance with the acquirer's policies, irrespective of whether the acquiree recognises those balances in its own financial statements.

Application of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

B19 Paragraphs 11–12 require an entity to continue to apply its previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. Consequently, the measurement requirements of IFRS 5 shall not apply to the regulatory deferral account balances recognised.

B20 Paragraph 33 of IFRS 5 requires a single amount to be presented for discontinued operations in the statement(s) of profit or loss and other comprehensive income. Notwithstanding the requirements of that paragraph, when an entity that elects to apply this Standard presents a discontinued operation, it shall not include the movement in regulatory deferral account balances that arose from the rate-regulated activities of the discontinued operation within the line items that are required by paragraph 33 of IFRS 5. Instead, the entity shall present the movement in regulatory deferral account balances that arose from the rate-regulated activities of the discontinued operation either:

(a) within the line item that is presented for movements in the regulatory deferral account balances related to profit or loss; or

(b) as a separate line item alongside the related line item that is presented for movements in the regulatory deferral account balances related to profit or loss.

B21 Similarly, notwithstanding the requirements of paragraph 38 of IFRS 5, when an entity presents a disposal group, the entity shall not include the total of the regulatory deferral account debit balances and credit balances that are part of the disposal group within the line items that are required by paragraph 38 of IFRS 5. Instead, the entity shall present the total of the regulatory deferral account debit balances and credit balances that are part of the disposal group either:

(a) within the line items that are presented for the regulatory deferral account debit balances and credit balances; or

(b) as separate line items alongside the other regulatory deferral account debit balances and credit balances.

B22 If the entity chooses to include the regulatory deferral account balances and movements in those balances that are related to the disposal group or discontinued operation within the related regulated deferral account line items, it may be necessary to disclose them separately as part of the analysis of the regulatory deferral account line items described by paragraph 33 of this Standard.

Application of IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*

B23 Paragraph 19 of IFRS 10 requires that a "parent shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances". Paragraph 8 of this Standard requires that an entity that is within the scope of, and elects to apply, this Standard shall apply all of its requirements to all regulatory deferral account balances arising from all of the entity's rate-regulated activities. Consequently, if a parent recognises regulatory deferral account balances in its consolidated financial statements in accordance with this Standard, it shall apply the same accounting policies to the regulatory deferral account balances arising in all of its subsidiaries. This shall apply irrespective of whether the subsidiaries recognise those balances in their own financial statements.

B24 Similarly, paragraphs 35–36 of IAS 28 require that, in applying the equity method, an "entity's financial statements shall be prepared using uniform accounting policies for like transactions and events in similar circumstances". Consequently, adjustments shall be made to make the associate's or joint venture's accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances conform to those of the investing entity in applying the equity method.

Application of IFRS 12 *Disclosure of Interests in Other Entities*

B25 Paragraph 12(e) of IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, the profit or loss that was allocated to non-controlling interests of the subsidiary during the reporting period. An entity that recognises regulatory deferral account balances in accordance with this Standard shall disclose the net movement in regulatory deferral account balances that is included within the amounts that are required to be disclosed by paragraph 12(e) of IFRS 12.

B26 Paragraph 12(g) of IFRS 12 requires an entity to disclose, for each of its subsidiaries that have non-controlling interests that are material to the reporting entity, summarised financial information about the subsidiary, as specified in paragraph B10 of IFRS 12. Similarly, paragraph 21(b)(ii) of IFRS 12 requires an entity to disclose, for each joint venture and associate that is material to the reporting entity, summarised financial information as specified in paragraphs B12–B13 of IFRS 12. Paragraph B16 of IFRS 12 specifies the summary financial information that an entity is required to disclose for all other associates and joint ventures that are not individually material in accordance with paragraph 21(c) of IFRS 12.

B27 In addition to the information specified in paragraphs 12, 21, B10, B12–B13 and B16 of IFRS 12, an entity that recognises regulatory deferral account balances in accordance with this Standard shall also disclose the total regulatory deferral account debit balance, the total regulatory deferral account credit balance and the net movements in those balances, split between amounts recognised in profit or loss and amounts recognised in other comprehensive income, for each entity for which those IFRS 12 disclosures are required.

B28 Paragraph 19 of IFRS 12 specifies the information that an entity is required to disclose when the entity recognises a gain or loss on losing control of a subsidiary, calculated in accordance with paragraph 25 of IFRS 10. In addition to the information required by paragraph 19 of IFRS 12, an entity that elects to apply this Standard shall disclose the portion of that gain or loss that is attributable to derecognising regulatory deferral account balances in the former subsidiary at the date when control is lost.

Appendix C
Effective date and transition

This appendix is an integral part of the Standard.

Effective date and transition

Effective date

C1 An entity shall apply this Standard if its first annual IFRS financial statements are for a period beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies this Standard in its first annual IFRS financial statements for an earlier period, it shall disclose that fact.

Footnotes

1. In 2010, the IASB replaced the IASC's *Framework for the Preparation and Presentation of Financial Statements* adopted by the IASB in 2001 (*Framework*) with the *Conceptual Framework for Financial Reporting* (*Conceptual Framework*). The term "faithful representation", which was used in the *Conceptual Framework* issued in 2010 and is also used in the revised version of the *Conceptual Framework* issued in 2018, encompasses the main characteristics that the *Framework* called "reliability". The requirement in paragraph 13 of this Standard is based on the requirements of IAS 8, which retains the term "reliable".

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January 2021

IFRS® Standards
Exposure Draft ED/2021/1

Regulatory Assets and Regulatory Liabilities

Comments to be received by 30 July 2021
Comment deadline changed from 30 June 2021

IASB®

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Exposure Draft

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Exposure Draft ED/2021/1 *Regulatory Assets and Regulatory Liabilities* is published by the International Accounting Standards Board (Board) for comment only. Comments need to be received by **30 July 2021** and should be submitted by email to commentletters@ifrs.org or online at https://www.ifrs.org/projects/open-for-comment/.

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ISBN for this part: 978-1-914113-02-4

ISBN for complete publication (three parts): 978-1-914113-01-7

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CONTENTS

[Draft] IFRS X *Regulatory Assets and Regulatory Liabilities* is set out in paragraphs 1–85 and appendices A–D. All the paragraphs have equal authority. Paragraphs in **bold type** state the main principles. Terms defined in Appendix A are in *italics* the first time that they appear in the [draft] Standard. Definitions of other terms are given in the Glossary for IFRS Standards. The [draft] Standard should be read in the context of its objective and the Basis for Conclusions, the *Preface to IFRS Standards* and the *Conceptual Framework for Financial Reporting*. IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies in the absence of explicit guidance.

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Introduction

Why is the Board publishing this Exposure Draft?

Rate regulation can significantly affect the amount and timing of an entity's revenue, profit and cash flows by specifying:

(a) how much compensation an entity is entitled to charge customers ('total allowed compensation') for goods or services supplied in a period; and

(b) when the entity can include that compensation in the regulated rates charged.

In some cases, a difference in timing arises when the regulatory agreement implementing rate regulation specifies that part of the total allowed compensation for goods or services supplied in a period is included in determining the regulated rates for goods or services supplied in a different period (past or future).

Financial statements prepared applying IFRS Standards already provide users of financial statements with useful information about an entity's revenue from supplying goods or services, the cost of those goods or services, and other expenses incurred in a period. That information, however, does not give users an understanding of how those differences in timing affect the relationship between an entity's revenue and expenses.

A summary of the proposals in this Exposure Draft

The International Accounting Standards Board (Board) is proposing an accounting model to supplement the information that an entity already provides by applying IFRS Standards. The proposed model is based on the principle that an entity should reflect the total allowed compensation for goods or services supplied in a period as part of its reported financial performance for that period. To implement that principle, an entity would recognise in its statement of financial position:

(a) regulatory assets—enforceable present rights to add an amount in determining future regulated rates because part of the total allowed compensation for goods or services already supplied will be included in revenue in the future; and

(b) regulatory liabilities—enforceable present obligations to deduct an amount in determining future regulated rates because the revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future.

As a result, an entity would recognise in its statement(s) of financial performance:

(a) regulatory income to depict a part of the total allowed compensation for goods or services supplied in the current period that was included in revenue in past periods, or will be included in revenue in future periods; and

(b) regulatory expense to depict an amount included in revenue in the current period that provides part of the total allowed compensation for goods or services that were supplied in past periods, or will be supplied in future periods.

An entity would measure regulatory assets and regulatory liabilities on a modified historical cost basis reflecting updated estimates of future cash flows that will arise from those assets and liabilities.

The information produced by implementing the Board's proposals, together with the information required by other IFRS Standards, would enable users of financial statements to understand:

(a) the relationship between an entity's revenue and expenses as completely as would have been possible if the total allowed compensation for the goods or services supplied had been fully reflected in revenue in the period in which the entity supplied those goods or services. That understanding will provide insights into the entity's prospects for future cash flows.

(b) the entity's regulatory assets and regulatory liabilities. That understanding will provide insights into how regulatory assets and regulatory liabilities will affect the amount, timing and uncertainty of the entity's future cash flows.

If finalised as a new IFRS Standard, the Board's proposals would replace IFRS 14 *Regulatory Deferral Accounts*, an interim Standard that permits a variety of accounting approaches for the effects of rate regulation to continue temporarily.

Who would be affected by the proposals?

The Board's proposals would, if implemented, affect entities subject to a regulatory agreement that is capable of creating regulatory assets and regulatory liabilities. For users of financial statements, the Board expects that application of the proposals would result in financial statements providing a clearer and more complete picture of the relationship between the revenue and expenses of those entities. Paragraphs BC214–BC251 of the Basis for Conclusions describe the likely effects of the Board's proposals.

Next step

The Board will consider comment letters and other feedback from its consultations on the Exposure Draft and will then decide whether to issue an IFRS Standard to replace IFRS 14 and whether to make any changes from the proposals in finalising such a Standard.

Invitation to comment

The Board invites comments on the proposals in the Exposure Draft, particularly on the questions set out below. Respondents need not comment on all the questions. Comments are most helpful if they:

(a) address the questions as stated;

(b) indicate the specific paragraph(s) to which they relate;

(c) contain a clear rationale;

(d) identify any wording in the proposals that is difficult to translate; and

(e) include any alternative the Board should consider, if applicable.

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Questions for respondents

Question 1—Objective and scope

Paragraph 1 of the Exposure Draft sets out the proposed objective: an entity should provide relevant information that faithfully represents how regulatory income and regulatory expense affect the entity's financial performance, and how regulatory assets and regulatory liabilities affect its financial position.

Paragraph 3 of the Exposure Draft proposes that an entity apply the [draft] Standard to all its regulatory assets and all its regulatory liabilities. Regulatory assets and regulatory liabilities are created by a regulatory agreement that determines the regulated rate in such a way that part of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different period (past or future).[1] The [draft] Standard would not apply to any other rights or obligations created by the regulatory agreement—an entity would continue to apply other IFRS Standards in accounting for the effects of those other rights or obligations.

Paragraphs BC78–BC86 of the Basis for Conclusions describe the reasoning behind the Board's proposals. They also explain why the Exposure Draft does not restrict the scope of the proposed requirements to apply only to regulatory agreements with a particular legal form or only to those enforced by a regulator with particular attributes.

(a) Do you agree with the objective of the Exposure Draft? Why or why not?

(b) Do you agree with the proposed scope of the Exposure Draft? Why or why not? If not, what scope do you suggest and why?

(c) Do you agree that the proposals in the Exposure Draft are clear enough to enable an entity to determine whether a regulatory agreement gives rise to regulatory assets and regulatory liabilities? If not, what additional requirements do you recommend and why?

(d) Do you agree that the requirements proposed in the Exposure Draft should apply to all regulatory agreements and not only to those that have a particular legal form or those enforced by a regulator with particular attributes? Why or why not? If not, how and why should the Board specify what form a regulatory agreement should have, and how and why should it define a regulator?

(e) Have you identified any situations in which the proposed requirements would affect activities that you do not view as subject to rate regulation? If so, please describe the situations, state whether you have any concerns about those effects and explain what your concerns are.

(f) Do you agree that an entity should not recognise any assets or liabilities created by a regulatory agreement other than regulatory assets and regulatory liabilities and other assets and liabilities, if any, that are already required or permitted to be recognised by IFRS Standards?

1 A regulatory agreement is defined in the Exposure Draft as a set of enforceable rights and obligations that determine a regulated rate to be applied in contracts with customers.

Question 2—Regulatory assets and regulatory liabilities

The Exposure Draft defines a regulatory asset as an enforceable present right, created by a regulatory agreement, to add an amount in determining a regulated rate to be charged to customers in future periods because part of the total allowed compensation for goods or services already supplied will be included in revenue in the future.

The Exposure Draft defines a regulatory liability as an enforceable present obligation, created by a regulatory agreement, to deduct an amount in determining a regulated rate to be charged to customers in future periods because the revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future.

Paragraphs BC36–BC62 of the Basis for Conclusions discuss what regulatory assets and regulatory liabilities are and why the Board proposes that an entity account for them separately.

(a) Do you agree with the proposed definitions? Why or why not? If not, what changes do you suggest and why?

(b) The proposed definitions refer to total allowed compensation for goods or services. Total allowed compensation would include the recovery of allowable expenses and a profit component (paragraphs BC87–BC113 of the Basis for Conclusions). This concept differs from the concepts underlying some current accounting approaches for the effects of rate regulation, which focus on cost deferral and may not involve a profit component (paragraphs BC224 and BC233–BC244 of the Basis for Conclusions). Do you agree with the focus on total allowed compensation, including both the recovery of allowable expenses and a profit component? Why or why not?

(c) Do you agree that regulatory assets and regulatory liabilities meet the definitions of assets and liabilities within the *Conceptual Framework for Financial Reporting* (paragraphs BC37–BC47)? Why or why not?

(d) Do you agree that an entity should account for regulatory assets and regulatory liabilities separately from the rest of the regulatory agreement (paragraphs BC58–BC62)? Why or why not?

(e) Have you identified any situations in which the proposed definitions would result in regulatory assets or regulatory liabilities being recognised when their recognition would provide information that is not useful to users of financial statements?

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Question 3—Total allowed compensation

Paragraphs B3–B27 of the Exposure Draft set out how an entity would determine whether components of total allowed compensation included in determining the regulated rates charged to customers in a period, and hence included in the revenue recognised in the period, relate to goods or services supplied in the same period, or to goods or services supplied in a different period. Paragraphs BC87–BC113 of the Basis for Conclusions explain the reasoning behind the Board's proposals.

(a) Do you agree with the proposed guidance on how an entity would determine total allowed compensation for goods or services supplied in a period if a regulatory agreement provides:

(i) regulatory returns calculated by applying a return rate to a base, such as a regulatory capital base (paragraphs B13–B14 and BC92–BC95)?

(ii) regulatory returns on a balance relating to assets not yet available for use (paragraphs B15 and BC96–BC100)?

(iii) performance incentives (paragraphs B16–B20 and BC101–BC110)?

(b) Do you agree with how the proposed guidance in paragraphs B3–B27 would treat all components of total allowed compensation not listed in question 3(a)? Why or why not? If not, what approach do you recommend and why?

(c) Should the Board provide any further guidance on how to apply the concept of total allowed compensation? If so, what guidance is needed and why?

Question 4—Recognition

Paragraphs 25–28 of the Exposure Draft propose that:

- an entity recognise all its regulatory assets and regulatory liabilities; and
- if it is uncertain whether a regulatory asset or regulatory liability exists, an entity should recognise that regulatory asset or regulatory liability if it is more likely than not that it exists. It could be certain that a regulatory asset or regulatory liability exists even if it is uncertain whether that asset or liability will ultimately generate any inflows or outflows of cash. Uncertainty of outcome would be addressed in measurement (Question 5).

Paragraphs BC122–BC129 of the Basis for Conclusions describe the reasoning behind the Board's proposals.

(a) Do you agree that an entity should recognise all its regulatory assets and regulatory liabilities? Why or why not?

(b) Do you agree that a 'more likely than not' recognition threshold should apply when it is uncertain whether a regulatory asset or regulatory liability exists? Why or why not? If not, what recognition threshold do you suggest and why?

Question 5—Measurement

Paragraph 29 of the Exposure Draft specifies the measurement basis. Paragraphs 29–45 of the Exposure Draft propose that an entity measure regulatory assets and regulatory liabilities at historical cost, modified by using updated estimates of future cash flows. An entity would implement that measurement basis by applying a cash-flow-based measurement technique. That technique would involve estimating future cash flows—including future cash flows arising from regulatory interest—and updating those estimates at the end of each reporting period to reflect conditions existing at that date. The future cash flows would be discounted (in most cases at the regulatory interest rate—see Question 6). Paragraphs BC130–BC158 of the Basis for Conclusions describe the reasoning behind the Board's proposals.

(a) Do you agree with the proposed measurement basis? Why or why not? If not, what basis do you suggest and why?

(b) Do you agree with the proposed cash-flow-based measurement technique? Why or why not? If not, what technique do you suggest and why?

If cash flows arising from a regulatory asset or regulatory liability are uncertain, the Exposure Draft proposes that an entity estimate those cash flows applying whichever of two methods—the 'most likely amount' method or 'expected value' method—better predicts the cash flows. The entity should apply the chosen method consistently from initial recognition to recovery or fulfilment. Paragraphs BC136–BC139 of the Basis for Conclusions describe the reasoning behind the Board's proposal.

(c) Do you agree with this proposal? Why or why not? If not, what approach do you suggest and why?

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Question 6—Discount rate
Paragraphs 46–49 of the Exposure Draft propose that an entity discount the estimated future cash flows used in measuring regulatory assets and regulatory liabilities. Except in specified circumstances, the discount rate would be the regulatory interest rate that the regulatory agreement provides. Paragraphs BC159–BC166 of the Basis for Conclusions describe the reasoning behind the Board's proposals. (a) Do you agree with these proposals? Why or why not? If not, what approach do you suggest and why? Paragraphs 50–53 of the Exposure Draft set out proposed requirements for an entity to estimate the minimum interest rate and to use this rate to discount the estimated future cash flows if the regulatory interest rate provided for a regulatory asset is insufficient to compensate the entity. The Board is proposing no similar requirement for regulatory liabilities. For a regulatory liability, an entity would use the regulatory interest rate as the discount rate in all circumstances. Paragraphs BC167–BC170 of the Basis for Conclusions describe the reasoning behind the Board's proposals. (b) Do you agree with these proposed requirements for cases when the regulatory interest rate provided for a regulatory asset is insufficient? Why or why not? (c) Have you identified any other situations in which it would be appropriate to use a discount rate that is not the regulatory interest rate? If so, please describe the situations, state what discount rate you recommend and explain why it would be a more appropriate discount rate than the regulatory interest rate. Paragraph 54 of the Exposure Draft addresses cases when a regulatory agreement provides regulatory interest unevenly by applying a series of different regulatory interest rates in successive periods. It proposes that an entity should translate those rates into a single discount rate for use throughout the life of the regulatory asset or regulatory liability. (d) Do you agree with the proposal? Why or why not? If not, what do you recommend and why?

Question 7—Items affecting regulated rates only when related cash is paid or received
In some cases, a regulatory agreement includes an item of expense or income in determining the regulated rates in the period only when an entity pays or receives the related cash, or soon after that, instead of when the entity recognises that item as expense or income in its financial statements. Paragraphs 59–66 of the Exposure Draft propose that in such cases, an entity would measure any resulting regulatory asset or regulatory liability using the measurement basis that the entity would use in measuring the related liability or related asset by applying IFRS Standards. An entity would adjust that measurement to reflect any uncertainty that is present in the regulatory asset or regulatory liability but not present in the related liability or related asset. Paragraphs BC174–BC177 of the Basis for Conclusions describe the reasoning behind the Board's proposals. (a) Do you agree with the measurement proposals when items of expense or income affect regulated rates only when related cash is paid or received? Why or why not? If not, what approach do you suggest for such items and why? When these measurement proposals apply and result in regulatory income or regulatory expense arising from remeasuring the related liability or related asset through other comprehensive income, paragraph 69 of the Exposure Draft proposes that an entity would also present the resulting regulatory income or regulatory expense in other comprehensive income. Paragraphs BC183–BC186 of the Basis for Conclusions describe the reasoning behind the Board's proposal. (b) Do you agree with the proposal to present regulatory income or regulatory expense in other comprehensive income in this case? Why or why not? If not, what approach do you suggest and why?

Question 8—Presentation in the statement(s) of financial performance
Paragraph 67 of the Exposure Draft proposes that an entity present all regulatory income minus all regulatory expense as a separate line item immediately below revenue. Paragraph 68 proposes that regulatory income includes regulatory interest income and regulatory expense includes regulatory interest expense. Paragraphs BC178–BC182 of the Basis for Conclusions describe the reasoning behind the Board's proposals. (a) Do you agree that an entity should present all regulatory income minus all regulatory expense as a separate line item immediately below revenue (except in the case described in Question 7(b))? Why or why not? If not, what approach do you suggest and why? (b) Do you agree with the proposed inclusion of regulatory interest income and regulatory interest expense within the line item immediately below revenue? Why or why not? If not, what approach do you suggest and why?

Question 9—Disclosure
Paragraph 72 of the Exposure Draft describes the proposed overall objective of the disclosure requirements. That objective focuses on information about an entity's regulatory income, regulatory expense, regulatory assets and regulatory liabilities, for reasons explained in paragraphs BC187–BC202 of the Basis for Conclusions. The Board does not propose a broader objective of providing users of financial statements with information about the nature of the regulatory agreement, the risks associated with it and its effects on the entity's financial performance, financial position or cash flows.
(a) Do you agree that the overall disclosure objective should focus on information about an entity's regulatory income, regulatory expense, regulatory assets and regulatory liabilities? Why or why not? If not, what focus do you suggest and why?
(b) Do you have any other comments on the proposed overall disclosure objective?
Paragraphs 77–83 of the Exposure Draft set out the Board's proposals for specific disclosure objectives and disclosure requirements.
(c) Do you have any comments on these proposals? Should any other disclosures be required? If so, how would requiring those other disclosures help an entity better meet the proposed disclosure objectives?
(d) Are the proposed overall and specific disclosure objectives and disclosure requirements worded in a way that would make it possible for preparers, auditors, regulators and enforcement bodies to assess whether information disclosed is sufficient to meet those objectives?

Question 10—Effective date and transition
Appendix C to the Exposure Draft describes the proposed transition requirements. Paragraphs BC203–BC213 of the Basis for Conclusions describe the reasoning behind the Board's proposals.
(a) Do you agree with these proposals?
(b) Do you have any comments you wish the Board to consider when it sets the effective date for the Standard?

Question 11—Other IFRS Standards

Paragraphs B41–B47 of the Exposure Draft propose guidance on how the proposed requirements would interact with the requirements of other IFRS Standards. Appendix D to the Exposure Draft proposes amendments to other IFRS Standards. Paragraphs BC252–BC266 of the Basis for Conclusions describe the reasoning behind the Board's proposals.

(a) Do you have any comments on these proposals? Should the Board provide any further guidance on how the requirements proposed in the Exposure Draft would interact with any other IFRS Standards? If yes, what is needed and why?

(b) Do you have any comments on the proposed amendments to other IFRS Standards?

Question 12—Likely effects of the proposals

Paragraphs BC214–BC251 of the Basis for Conclusions set out the Board's analysis of the likely effects of implementing the Board's proposals.

(a) Paragraphs BC222–BC244 provide the Board's analysis of the likely effects of implementing the proposals on information reported in the financial statements and on the quality of financial reporting. Do you agree with this analysis? Why or why not? If not, with which aspects of the analysis do you disagree and why?

(b) Paragraphs BC245–BC250 provide the Board's analysis of the likely costs of implementing the proposals. Do you agree with this analysis? Why or why not? If not, with which aspects of the analysis do you disagree and why?

(c) Do you have any other comments on how the Board should assess whether the likely benefits of implementing the proposals outweigh the likely costs of implementing them or on any other factors the Board should consider in analysing the likely effects?

Question 13—Other comments

Do you have any other comments on the proposals in the Exposure Draft or on the Illustrative Examples accompanying the Exposure Draft?

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Deadline

The Board will consider all written comments received by 30 July 2021. The deadline was changed from 30 June 2021.

How to comment

Please submit your comments electronically:

Online	https://www.ifrs.org/projects/open-for-comment/
By email	commentletters@ifrs.org

Your comments will be on the public record and posted on our website unless you request confidentiality and we grant your request. We do not normally grant such requests unless they are supported by a good reason, for example, commercial confidence. Please see our website for details on this policy and on how we use your personal data.

[Draft] International Financial Reporting Standard X *Regulatory Assets and Regulatory Liabilities*

Objective

1 This [draft] Standard sets out the principles for the recognition, measurement, presentation and disclosure of *regulatory assets, regulatory liabilities*, regulatory income and regulatory expense. The objective of those principles is for an entity to provide relevant information that faithfully represents how regulatory income and regulatory expense affect the entity's financial performance, and how regulatory assets and regulatory liabilities affect its financial position.

2 This information, together with information required by other IFRS Standards, enables users of financial statements to understand:

(a) the relationship between an entity's revenue and expenses as completely as would have been possible if the *total allowed compensation* for the goods or services supplied had been fully reflected in revenue in the period in which the entity supplied those goods or services. That understanding will provide insights into the entity's prospects for future cash flows.

(b) the entity's regulatory assets and regulatory liabilities. That understanding will provide insights into how regulatory assets and regulatory liabilities will affect the amount, timing and uncertainty of the entity's future cash flows.

Scope

3 **An entity shall apply this [draft] Standard to all its regulatory assets and all its regulatory liabilities.**

4 A regulatory asset is an enforceable present right, created by a *regulatory agreement*, to add an amount in determining a *regulated rate* to be charged to customers in future periods because part of the total allowed compensation for goods or services already supplied will be included in revenue in the future.

5 A regulatory liability is an enforceable present obligation, created by a regulatory agreement, to deduct an amount in determining a regulated rate to be charged to customers in future periods because the revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future.

6 By definition a regulatory asset or a regulatory liability can exist only if:

(a) an entity is party to a regulatory agreement (see paragraphs 7–9);

(b) the regulatory agreement determines the regulated rate the entity charges for the goods or services it supplies to customers (see paragraphs 10–12); and

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(c) part of the total allowed compensation for goods or services supplied in one period is charged to customers through the regulated rates for goods or services supplied in a different period (past or future) (see paragraphs 13–17).

Regulatory agreement

7 A regulatory agreement is a set of enforceable rights and obligations that determine a regulated rate to be applied in contracts with customers.

8 The practices for establishing regulatory agreements vary between jurisdictions and between industries. For example, a regulatory agreement may take the form of:

(a) a contractual licensing agreement between an entity and a regulator;

(b) a service concession arrangement; or

(c) a set of rights and obligations specified by statute, legislation or regulations.

9 Whether rights and obligations in a regulatory agreement are enforceable is a matter of law. Regulatory decisions or court rulings may provide evidence about the enforceability of those rights and obligations.

Regulated rates, total allowed compensation and revenue

10 A regulated rate is a price for goods or services, determined by a regulatory agreement, that an entity charges its customers in the period when it supplies those goods or services.

11 Total allowed compensation for goods or services supplied is the full amount of compensation for those goods or services that a regulatory agreement entitles an entity to charge customers through the regulated rates, in either the period when the entity supplies those goods or services or a different period.

12 The amount of revenue an entity recognises in a period applying IFRS 15 *Revenue from Contracts with Customers* depends on the regulated rates for goods or services the entity supplies in the period. That amount of revenue differs from the total allowed compensation for the goods or services supplied in that period if:

(a) differences in timing arise because the regulatory agreement includes part of that total allowed compensation in determining the regulated rates for goods or services supplied in a different period (past or future) (paragraphs 13–17); or

(b) the entity supplies goods or services in one period but, by applying IFRS 15, recognises part or all of the resulting revenue in a future period (paragraphs 18–19).

Differences in timing

13 To illustrate a difference in timing discussed in paragraph 12(a), assume that an entity's regulated rate for goods or services supplied in 20X1 was based on estimated input costs of CU100, but by the end of that year the entity recognised actual input costs in that year of CU120.[2] Assume also that the regulatory agreement gives the entity the right to add the resulting under-recovery of CU20 of those input costs in determining the regulated rate for goods or services to be supplied in 20X2; and that all amounts included in determining the regulated rates for goods or services supplied in a period are included in revenue in that same period.

14 Thus, the entity's revenue for 20X1 includes compensation of CU100 for the estimated input costs whereas the total allowed compensation for the goods or services supplied in 20X1 includes compensation of CU120 for the actual input costs. Compensation for the under-recovery of input costs of CU20 in 20X1 will be charged to customers through the regulated rates for goods or services to be supplied in 20X2, and hence will be included in revenue in 20X2. That compensation of CU20 is part of the total allowed compensation for the goods or services supplied in 20X1, not for those supplied in 20X2.[3, 4]

15 Consequently, in the circumstances discussed in paragraph 12(a) and illustrated in paragraphs 13–14, the amount of revenue recognised in a period by applying IFRS 15:

(a) does not include all of the total allowed compensation for the goods or services supplied in that period, because part of that total allowed compensation was already included in revenue in the past, or will be included in revenue in the future; or

(b) includes amounts that provide part of the total allowed compensation for goods or services supplied in a different period (past or future).

16 Applying IFRS 15 does not result in an entity providing information about the amounts described in paragraph 15(a)–(b). To supplement the information an entity provides by applying IFRS 15, this [draft] Standard adopts the principle that an entity shall reflect the total allowed compensation for goods or services supplied as part of its reported financial performance for the period in which those goods or services are supplied. To apply that principle, an entity shall recognise:

(a) regulatory income to depict a part of the total allowed compensation for goods or services supplied in the current period that was included in revenue in past periods, or will be included in revenue in future periods;

2 Monetary amounts are denominated in 'currency units' (CU).

3 Depending on the requirements of the regulatory agreement, the total allowed compensation for goods or services might also include other components, such as *target profit*, as discussed in paragraphs B10–B20.

4 For simplicity, this example ignores regulatory interest.

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(b) regulatory expense to depict an amount included in revenue in the current period that provides part of the total allowed compensation for goods or services that were supplied in past periods, or will be supplied in future periods;

(c) a regulatory asset to depict the entity's enforceable present right to add an amount in determining the regulated rate to be charged to customers in future periods because part of the total allowed compensation for goods or services already supplied will be included in revenue in the future; and

(d) a regulatory liability to depict the entity's enforceable present obligation to deduct an amount in determining the regulated rate to be charged to customers in future periods because the revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future.

17 Paragraphs B3–B27 specify how an entity shall determine whether components of total allowed compensation included in determining the regulated rates charged to customers in a period, and hence included in the revenue recognised in the period, relate to goods or services supplied in the same period, or to goods or services supplied in a different period—and thus whether those components affect profit or loss in the same period or a different period.

Other differences relating to revenue recognition

18 In some instances, an entity supplies goods or services to a customer but is required not to recognise part or all of the resulting revenue until a future period. That happens when, for example:

(a) the entity does not yet account for a contract within the scope of IFRS 15 because the criteria in paragraph 9 of that Standard are not yet met; or

(b) estimates of variable consideration are constrained until related uncertainty is resolved (paragraph 56 of IFRS 15).

19 In those instances, one or both of the following consequences might arise:

(a) the total allowed compensation for goods or services already supplied has been fully charged through the regulated rates for those goods or services, but a part of that total allowed compensation will not be reflected in revenue until a future period. In that case, because the entity has no right to add that part in determining a future regulated rate, the definition of a regulatory asset is not met.

(b) an amount has been included in determining the regulated rates for goods or services already supplied, but that amount is not included in revenue already recognised. In that case, because that amount is not included in revenue already recognised, the definition of a regulatory liability is not met.

Rights and obligations that are not regulatory assets and regulatory liabilities

20 This [draft] Standard specifies only how to account for regulatory assets and regulatory liabilities. An entity shall apply other IFRS Standards in accounting for the effects of all other rights and obligations created by a regulatory agreement.

21 A regulatory asset permits an entity to increase future regulated rates only because of goods or services already supplied. A regulatory liability obliges an entity to decrease future regulated rates only because of amounts already included in revenue. A right to increase future regulated rates, or an obligation to decrease them, for any other reason, is not a regulatory asset or a regulatory liability.

22 An entity that is not subject to a regulatory agreement is typically able to increase the prices of its goods or services at any time. That ability does not create an asset similar to a regulatory asset, because that ability does not create an enforceable present right to increase the prices with the aim of recovering from current or future customers a fixed or determinable amount as a result of goods or services already supplied.

23 Similarly, an entity that is not subject to a regulatory agreement may have an economic incentive to decrease its prices. That economic incentive does not create a liability similar to a regulatory liability, because that economic incentive does not create an enforceable present obligation to decrease the prices with the aim of deducting a fixed or determinable amount in determining the prices that current or future customers will be charged in the future as a result of an amount already included in revenue.

Unit of account

24 An entity shall account for the right or obligation arising from each individual difference in timing described in paragraph 12(a) as a separate unit of account. However, if rights, obligations, or rights and obligations arising from the same regulatory agreement have similar expiry patterns and are subject to similar risks, they may be treated as arising from the same individual difference in timing.

Recognition

25 An entity shall recognise:

(a) **all regulatory assets and all regulatory liabilities existing at the end of the reporting period; and**

(b) **all regulatory income and all regulatory expense arising during the reporting period.**

26 Paragraph 78 lists the main components and causes of regulatory income and regulatory expense.

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27 An entity determines whether a regulatory asset or regulatory liability exists using judgement considering all relevant facts and circumstances, including any:

(a) confirmation from the regulator of amounts to be added or deducted in determining future regulated rates;

(b) explicit requirements or guidelines in the regulatory agreement;

(c) regulatory decisions or court rulings interpreting the regulatory agreement;

(d) evidence that *allowable expenses* have been incurred;

(e) evidence that performance criteria leading to a performance incentive bonus or penalty have been met or have not been met;

(f) direct precedents—the entity's experience with the regulator's interpretation of the regulatory agreement in similar circumstances;

(g) indirect precedents—such as the experience of other entities regulated by the same regulator, the decisions of other regulators or court rulings in similar circumstances;

(h) preliminary views expressed by the regulator; or

(i) advice from qualified and experienced legal or other advisors.

28 If it is uncertain whether a regulatory asset or a regulatory liability exists, an entity shall recognise the regulatory asset or regulatory liability if it is more likely than not that it exists.

Measurement

29 An entity shall measure regulatory assets and regulatory liabilities at historical cost, modified for subsequent measurement by using updated estimates of the amount and timing of future cash flows, except that an entity shall apply the requirements in paragraph 61 to the regulatory assets and regulatory liabilities described in paragraphs 59–60.

30 When applying paragraph 29, an entity shall use a cash-flow-based measurement technique that:

(a) includes an estimate of all future cash flows arising from a regulatory asset or regulatory liability (see paragraphs 31–45); and

(b) discounts those estimated future cash flows to their present value (see paragraphs 46–54).

Estimating future cash flows

31 When applying paragraph 30(a), an entity shall include all estimated future cash flows arising from a regulatory asset or regulatory liability, and only those cash flows.

32 In estimating the cash flows when applying paragraph 30(a), the entity shall consider all reasonable and supportable information that is available without undue cost or effort about past events and about conditions existing at the end of the reporting period, as well as current expectations about future conditions other than future changes in the regulatory agreement or in legislation.

33 Cash flows arising from a regulatory asset or a regulatory liability are cash flows that are within the boundary of a regulatory agreement and will arise from charging customers a regulated rate in future periods that:

(a) recovers the regulatory asset by including part of the total allowed compensation for goods or services supplied in past periods; or

(b) fulfils the regulatory liability by deducting amounts included in revenue recognised in past periods.

34 Cash flows are within the boundary of a regulatory agreement only if:

(a) those cash flows would result from an enforceable present right or an enforceable present obligation that the entity has at the end of the reporting period to add or deduct amounts in determining a future regulated rate; and

(b) that addition or deduction would occur on or before the latest future date at which that right or obligation permits the addition or requires the deduction.

35 Paragraphs B28–B40 provide guidance on determining the boundary of the regulatory agreement.

36 Cash flows arising from a regulatory asset or regulatory liability include cash flows from regulatory interest (paragraphs B21–B27). The cash flows from regulatory interest result only from the time lag until recovery of the regulatory asset or fulfilment of the regulatory liability. That time lag does not affect the amount of any other cash flows arising from a regulatory asset or regulatory liability, but does affect their timing and may affect their uncertainty.

37 There may be uncertainty about the amount or timing of the future cash flows that will arise from a regulatory asset or a regulatory liability. If those future cash flows are uncertain, an entity shall assess whether the entity bears that uncertainty or whether customers bear it. Customers bear the uncertainty if the regulatory agreement will adjust future regulated rates so that those rates reflect the outcome of the uncertainty, including regulatory interest sufficient to compensate or charge the entity for any change in the timing of the cash flows.

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38 For example, future cash flows arising from a regulatory asset may be subject to credit risk—that is, the risk that some customers will not pay the amounts charged. In such a case:

(a) if customers bear the credit risk because the regulatory agreement treats amounts uncollected as allowable in determining regulated rates for a later future period, the entity shall include in its estimates of future cash flows the cash it will collect in that later future period.

(b) if the entity bears the credit risk, the entity shall estimate future cash flows after deducting an estimate of the amounts it might not be able to collect. As a result, the estimated amounts of those credit-risk-adjusted future cash flows may be lower than the amounts the entity will charge to customers, and consequently lower than the resulting revenue, because IFRS 15 generally requires that revenue recognised is not reduced by amounts that the entity might not be able to collect from a customer.

39 An entity shall estimate uncertain future cash flows using whichever of the following two methods the entity expects to better predict the cash flows:

(a) the 'most likely amount' method—this method provides an estimate of the single most likely amount in a range of possible outcomes (that is, possible cash flow amounts). This method may better predict the uncertain cash flows if the possible outcomes are clustered around one outcome or if there are only two possible outcomes and they differ widely.

(b) the 'expected value' method—this method provides an estimate of the sum of probability-weighted amounts in a range of possible outcomes. This method may better predict the uncertain cash flows if there is a wide range of more than two possible outcomes.

40 In assessing which of the methods described in paragraph 39 better predicts the uncertain cash flows, an entity shall also assess whether a better prediction will result from considering each regulatory asset and each regulatory liability separately, or from considering any of them together with other regulatory assets or regulatory liabilities.

41 An entity shall use one of the methods described in paragraph 39 for some regulatory assets or regulatory liabilities and the other method for other regulatory assets or regulatory liabilities if the entity expects that doing so will better predict the cash flows.

42 After applying one of the methods described in paragraph 39 an entity shall continue to apply that method until it has recovered the regulatory asset or fulfilled the regulatory liability.

43 An entity's estimates of future cash flows arising from a regulatory liability shall not reflect the entity's own non-performance risk.

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44 An entity shall apply IAS 10 *Events after the Reporting Period* in assessing whether an event that occurred after the end of the reporting period provides evidence of conditions that existed at that date. Consequently, estimates of future cash flows shall not reflect changes in a regulatory agreement or related legislation that occurred after the end of the reporting period because such changes do not reflect the conditions that existed at the end of the reporting period.

Foreign currency amounts

45 If regulated rates are denominated in a foreign currency, an entity shall treat any related regulatory assets or regulatory liabilities as monetary items when applying IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Discounting estimated future cash flows

46 An entity shall measure a regulatory asset or regulatory liability by discounting to their present value the future cash flows estimated by applying paragraphs 31–45.

47 The estimated future cash flows are discounted. Consequently, an entity shall recognise regulatory interest income or regulatory interest expense over the life of the related regulatory asset or regulatory liability (paragraphs B21–B27).

The discount rate

48 An entity shall use the *regulatory interest rate* for a regulatory asset or regulatory liability as the discount rate for that regulatory asset or regulatory liability, unless the regulatory interest rate for a regulatory asset is insufficient. Paragraphs 50–52 prescribe how to determine whether that rate is sufficient and what discount rate to use if it is insufficient.

49 At initial recognition of a regulatory asset or regulatory liability, if the regulatory interest rate is also the discount rate, the present value of the estimated future cash flows equals the sum of the estimated future cash flows excluding the cash flows from regulatory interest. This result also holds in the case of subsequent measurement if the regulatory interest rate is also the discount rate and, in addition, the regulatory interest is recovered or fulfilled in the same period in which it accrues.

The discount rate—assessing sufficiency

50 On initial recognition of a regulatory asset, an entity shall assess whether there is any indication that the regulatory interest rate for a regulatory asset may be insufficient to compensate the entity for the time value of money and for uncertainty in the amount and timing of the future cash flows arising from that regulatory asset. If the regulatory agreement changes the regulatory interest rate subsequently (paragraph 58), the entity shall perform that assessment again at the date of that subsequent change.

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51 If there are indications that the regulatory interest rate for a regulatory asset may be insufficient to provide the compensation described in paragraph 50, an entity shall estimate the minimum interest rate sufficient to provide that compensation. In such cases, the entity shall use, as the discount rate, the higher of:

(a) the regulatory interest rate; and

(b) that minimum interest rate.

52 There may be such indications if, for example, the regulatory interest rate provided for a regulatory asset is lower than:

(a) the regulatory interest rate provided for other regulatory assets in the same currency and having a similar maturity profile and subject to similar uncertainties; or

(b) the interest rate on loans in the same currency and having a maturity profile, credit risk, and terms and conditions similar to those of the regulatory asset, after deducting any part of that interest rate intended to recover the cost of servicing the loans and any estimated credit losses already included in the estimated cash flows. Such loans could be loans that the entity itself provides or other loans for which the interest rate is readily observable.

53 This [draft] Standard does not require an entity to assess whether the regulatory interest rate for a regulatory liability is sufficient. For a regulatory liability, an entity shall use the regulatory interest rate as the discount rate in all circumstances.

The discount rate—uneven regulatory interest rate

54 Sometimes a regulatory agreement provides or charges regulatory interest unevenly by specifying at initial recognition of a regulatory asset or regulatory liability a series of different regulatory interest rates for successive periods over the life of that regulatory asset or regulatory liability. At initial recognition of the regulatory asset or regulatory liability, an entity shall translate those uneven regulatory interest rates into a single discount rate that it shall use throughout the life of the regulatory asset or regulatory liability. In determining that single discount rate, an entity shall not consider possible future changes in the regulatory interest rate.

Subsequent measurement

55 **In measuring a regulatory asset or regulatory liability after its initial recognition, an entity shall at the end of each reporting period:**

(a) update the estimated amounts and timings of future cash flows arising from the regulatory asset or regulatory liability to reflect conditions existing at that date (paragraphs 56–57); and

(b) continue to use the discount rate determined at initial recognition, except as described in paragraph 58.

56 An entity shall update the estimated future cash flows arising from a regulatory asset or regulatory liability at the end of each reporting period to reflect, for example:

(a) recovery of part or all of the regulatory asset or fulfilment of part or all of the regulatory liability;

(b) accrual of regulatory interest not yet reflected in the regulated rates charged to customers; and

(c) any changes in estimates of the amount or timing of future cash flows because of a change in facts and circumstances or because of new information.

57 Changes in facts and circumstances or new information include but are not limited to:

(a) resolution of an uncertainty—for example, confirmation that the entity has met or not met performance criteria or the outcome of court rulings;

(b) examinations or other actions by a regulator—for example:

  (i) the regulator's agreement or disagreement with regulatory filings made by the entity or by other entities; or

  (ii) the exercise of a cancellation option or the outcome of a renewal process.

(c) changes in the regulatory interest rate as described in paragraph 58;

(d) changes in the regulatory agreement or in legislation; or

(e) a change in the boundary of the regulatory agreement.

58 In some cases, a regulatory agreement changes the regulatory interest rate at regular or irregular intervals, or in some other way specified in the regulatory agreement (for example, by a link to a benchmark interest rate). A change in the regulatory interest rate changes the cash flows arising from a regulatory asset or regulatory liability. Consequently, when the regulatory interest rate changes, an entity shall:

(a) use the new regulatory interest rate to update the future cash flows estimated by applying paragraphs 31–45; and

(b) apply paragraphs 46–54 to determine the new discount rate as:

  (i) the new regulatory interest rate provided by the regulatory agreement (if necessary, translated into a single discount rate applying paragraph 54); but

  (ii) the new minimum interest rate determined by applying paragraphs 50–52 to reflect conditions existing at the date of the change in the regulatory interest rate, if that new minimum interest rate is higher than the new regulatory interest rate (for a regulatory asset only).

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Items affecting regulated rates only when related cash is paid or received

59 In some cases, a regulatory asset or regulatory liability arises because a regulatory agreement treats an item of expense or income as allowable or chargeable in determining the regulated rates only once an entity pays or receives the related cash, or soon after that, instead of when the entity recognises that item as expense or income in its financial statements by applying, for example, IAS 12 *Income Taxes*, IAS 19 *Employee Benefits* or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

60 The cash flows arising from such a regulatory asset or regulatory liability are a replica of the cash flows arising from the liability or asset relating to that item of expense or income, except for the effect of any uncertainty present in the regulatory asset or regulatory liability but not present in the related liability or related asset. Examples of uncertainties that may not be present in the related liability or related asset are demand risk and credit risk.

61 An entity shall measure the regulatory asset and regulatory liability described in paragraphs 59–60 by:

(a) using the measurement basis used in measuring the related liability or related asset by applying IFRS Standards; and

(b) adjusting the measurement of the regulatory asset or regulatory liability to reflect any uncertainty present in it but not present in the related liability or related asset.

62 For example, assume that an entity recognises a provision for environmental clean-up costs and a corresponding expense by applying IAS 37, and the regulatory agreement gives the entity the right to add those costs in determining the regulated rates, but only once it pays the related cash. Applying the requirements in paragraph 61, the entity recognises a regulatory asset when it recognises the environmental clean-up provision and the related expense. The entity measures the regulatory asset using the measurement basis used for the related provision by applying IAS 37, adjusted for any uncertainty present in the regulatory asset but not present in the related provision.

63 In the cases described in paragraphs 59–60:

(a) if the related liability or related asset is measured at present value, the amount of cash paid or received includes implicitly both the underlying expense or income and a finance component for the time lag until that payment or receipt. Moreover, the regulatory agreement does not identify regulatory interest as a separate part of the cash flows arising from the regulatory asset or regulatory liability. Consequently, the regulatory interest rate is not observable from the regulatory agreement. In such cases, the measurement basis used for the regulatory asset or regulatory liability determines the split between cash flows from regulatory interest and all other cash flows arising from the regulatory asset or regulatory liability. The regulatory interest rate is implicit in that split.

(b) if the related liability or related asset is not measured at present value, the regulatory interest rate is nil.

64 When paragraph 61 applies to a regulatory asset the regulatory interest rate implicit in the measurement of the regulatory asset provides sufficient compensation for the time value of money and for uncertainty in the amount and timing of the future cash flows arising from that regulatory asset until paragraph 66 applies. This is because the same rate is implicit or explicit in the measurement of the related liability.

65 In determining the adjustment in paragraph 61(b), an entity shall consider the effects of the uncertainty both on the estimated amount and timing of the future cash flows (paragraph 39) and, if applicable, on the price for bearing the risk that the amount or timing of the future cash flows may differ from that estimate.

66 An entity shall cease applying paragraph 61 when the entity pays or receives cash to settle the related liability or recover the related asset and from that date shall measure any remaining part of the regulatory asset or regulatory liability by applying paragraphs 31–58. If an entity derecognises the related liability or related asset for any other reason, but part or all of the regulatory asset or regulatory liability still exists, the entity shall measure the remaining part by applying paragraphs 29–58.

Presentation

Statement(s) of financial performance

67 An entity shall present in its statement(s) of financial performance all regulatory income minus all regulatory expense in a separate line item immediately below revenue, except as required by paragraph 69.

68 Regulatory income includes regulatory interest income and regulatory expense includes regulatory interest expense.

69 When an entity remeasures a regulatory asset or regulatory liability applying paragraph 61, the entity shall present the resulting regulatory income or regulatory expense in other comprehensive income to the extent that the regulatory income or regulatory expense results from remeasuring the related liability or related asset through other comprehensive income.

Statement of financial position

70 An entity shall present in its statement of financial position:

(a) line items for regulatory assets and regulatory liabilities.

(b) current and non-current regulatory assets, and current and non-current regulatory liabilities, as separate classifications by applying paragraphs 66 and 69 of IAS 1 *Presentation of Financial Statements*, except when the entity presents all assets and liabilities in order of liquidity.

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71 An entity is permitted to offset regulatory assets and regulatory liabilities that form separate units of account only if the entity:

(a) has a legally enforceable right to offset those regulatory assets and regulatory liabilities by including them in the same regulated rate; and

(b) expects to include the amounts resulting from the recovery or fulfilment of those regulatory assets and regulatory liabilities in the same regulated rate for goods or services supplied in the same future period.

Disclosure

72 The overall objective of the requirements in paragraphs 74–85 is for an entity to disclose in the notes information about regulatory income, regulatory expense, regulatory assets and regulatory liabilities. This information, together with all other information provided in the financial statements, shall enable users of financial statements to understand:

(a) the relationship between an entity's revenue and expenses as completely as would have been possible if the total allowed compensation for the goods or services supplied had been fully reflected in revenue in the period in which the entity supplied those goods or services. That understanding will provide insights into the entity's prospects for future cash flows.

(b) the entity's regulatory assets and regulatory liabilities at the end of the reporting period. That understanding will provide insights into how regulatory assets and regulatory liabilities will affect the amount, timing and uncertainty of the entity's future cash flows.

73 The information described in paragraph 72(a) contributes to a better understanding of the relationship between an entity's revenue and expenses. That understanding contributes to providing insights into the entity's prospects for future cash flows over many periods. In contrast, the information described in paragraph 72(b) provides insights into a narrower set of future cash flows—those that will arise from the regulatory assets and regulatory liabilities that exist at the end of the reporting period.

74 An entity shall determine the level of detail necessary to satisfy the overall disclosure objective and the specific disclosure objectives in paragraphs 77, 79 and 82. If the information disclosed applying paragraphs 75–83 is insufficient to meet the disclosure objectives, an entity shall disclose additional information to satisfy those objectives.

75 An entity shall aggregate or disaggregate disclosures in a manner that does not obscure useful information either by including a large amount of insignificant detail or by aggregating items that have substantially different characteristics. Items whose characteristics may differ substantially include:

(a) items subject to substantially different risks or uncertainties; and

(b) items relating to the different revenue categories an entity discloses by applying paragraph 114 of IFRS 15.

76 The appropriate level of aggregation or disaggregation may differ for different pieces of information, and may depend on the nature of the information and on the disclosure objective that information would contribute to meeting.

77 An entity shall disclose information that enables users of financial statements to understand how the entity's financial performance was affected because part of the total allowed compensation for the goods or services supplied in one period was (or will be) included in determining the regulated rates, and hence included in revenue, for goods or services supplied in a different period.

78 To achieve the objective in paragraph 77, an entity shall disclose in the notes the following components of regulatory income or regulatory expense included in profit or loss:

(a) the part of the total allowed compensation for goods or services supplied in the current period that will be included in revenue in future periods (creating regulatory assets during the current period).

(b) the amount included in revenue in the current period that will provide part of the total allowed compensation for goods or services to be supplied in future periods (creating regulatory liabilities during the current period).

(c) the amount included in revenue in the current period that provides part of the total allowed compensation for goods or services supplied in past periods (recovering regulatory assets during the current period).

(d) the part of the total allowed compensation for goods or services supplied in the current period that was included in revenue in past periods (fulfilling regulatory liabilities during the current period).

(e) regulatory interest income on regulatory assets and regulatory interest expense on regulatory liabilities.

(f) changes in the carrying amount of a regulatory asset or regulatory liability caused by a change in the boundary of a regulatory agreement, and the reasons for that change in the boundary.

(g) remeasurements of regulatory assets and regulatory liabilities, and the reasons for the remeasurements.

79 An entity shall disclose information that enables users of financial statements to understand the entity's regulatory assets and regulatory liabilities at the end of the reporting period. That understanding will provide insights into how regulatory assets and regulatory liabilities will affect the amount, timing and uncertainty of the entity's future cash flows.

80 To achieve the objective in paragraph 79, an entity shall disclose in the notes:

(a) quantitative information, using time bands, about when it expects to recover the regulatory assets and fulfil the regulatory liabilities.

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(b) the discount rate or ranges of discount rates used in measuring regulatory assets and regulatory liabilities at the end of the reporting period.

(c) the regulatory interest rate provided by the regulatory agreement for a regulatory asset, if the entity uses the minimum interest rate as the discount rate for that regulatory asset as a result of applying paragraphs 50–53.

(d) an explanation of how risks and uncertainties affect the recovery of regulatory assets or fulfilment of regulatory liabilities.

81 In disclosing the information required by paragraph 80(a), an entity shall:

(a) specify whether the amounts disclosed in the notes are undiscounted or discounted.

(b) use judgement to determine an appropriate number of time bands. For example, an entity might determine appropriate time bands to be:

(i) not later than one year;

(ii) later than one year and not later than three years;

(iii) later than three years and not later than five years; and

(iv) later than five years.

82 An entity shall disclose information that enables users of financial statements to understand any changes in regulatory assets and regulatory liabilities that were not a consequence of regulatory income or regulatory expense.

83 To achieve the objective in paragraph 82, an entity shall disclose in the notes a reconciliation from the opening to the closing carrying amounts of regulatory assets and regulatory liabilities.

Regulatory assets and regulatory liabilities measured applying paragraph 61

84 In considering what information to disclose about regulatory assets and regulatory liabilities measured applying paragraph 61, and how to disclose that information, an entity shall also consider what information to disclose about the related liabilities and related assets and how to disclose the information. Considering these matters together can help an entity explain clearly that the cash flows arising from such regulatory assets and regulatory liabilities are largely a replica of the cash flows arising from the related liabilities and related assets and that the discount rates, risks and remeasurements are largely the same.

85 For example, if a regulatory asset arises from pension costs and is measured applying paragraph 61, an entity will need to consider how to disclose the information required by this [draft] Standard and the information required by IAS 19 in a manner that shows: how regulatory income or regulatory expense includes amounts that counterbalance the effects of the pension costs

recognised; how the regulatory asset counterbalances the risks in the pension liability; and, if applicable, that the discount rate is the same for the regulatory asset as for the pension liability.

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Appendix A
Defined terms

This appendix is an integral part of the [draft] IFRS Standard.

allowable expense	An expense, as defined in IFRS Standards, that a **regulatory agreement** entitles an entity to recover by adding an amount in determining a **regulated rate**.
chargeable income	An item of income, as defined in IFRS Standards, that the **regulatory agreement** obliges an entity to deduct in determining a **regulated rate**.
regulated rate (for goods or services)	A price for goods or services, determined by a **regulatory agreement**, that an entity charges its customers in the period when it supplies those goods or services.
regulatory agreement	A set of enforceable rights and obligations that determine a **regulated rate** to be applied in contracts with customers.
regulatory asset	An enforceable present right, created by a **regulatory agreement**, to add an amount in determining a **regulated rate** to be charged to customers in future periods because part of the **total allowed compensation** for goods or services already supplied will be included in revenue in the future.
regulatory interest rate	The interest rate provided by a **regulatory agreement** to compensate an entity for the time lag until recovery of a **regulatory asset** or to charge the entity for the time lag until fulfilment of a **regulatory liability**.
regulatory liability	An enforceable present obligation, created by a **regulatory agreement**, to deduct an amount in determining a **regulated rate** to be charged to customers in future periods because the revenue already recognised includes an amount that will provide part of the **total allowed compensation** for goods or services to be supplied in the future.
total allowed compensation (for goods or services)	The full amount of compensation for goods or services supplied that a **regulatory agreement** entitles an entity to charge customers through the regulated rates, in either the period when the entity supplies those goods or services or a different period.
target profit	The profit that an entity is entitled to add in determining a **regulated rate**.

Appendix B
Application guidance

This appendix is an integral part of the [draft] IFRS Standard. It describes the application of paragraphs 1–85 and has the same authority as the other parts of the [draft] IFRS Standard.

B1 This appendix provides application guidance on:

(a) total allowed compensation (see paragraphs B2–B27);

(b) the boundary of a regulatory agreement (see paragraphs B28–B40); and

(c) interaction with other IFRS Standards (see paragraphs B41–B47).

Total allowed compensation

B2 Total allowed compensation comprises:

(a) amounts that recover allowable expenses minus *chargeable income* (see paragraphs B3–B9);

(b) *target profit* (see paragraphs B10–B20); and

(c) regulatory interest income and regulatory interest expense (see paragraphs B21–B27).

Amounts that recover allowable expenses minus chargeable income

B3 An allowable expense is an expense, as defined in IFRS Standards, that a regulatory agreement entitles an entity to recover by adding an amount in determining a regulated rate.

B4 If an expense is allowable under the terms of a regulatory agreement, that fact establishes that the expense relates to the supply of goods or services in some period. In applying this [draft] Standard, an entity shall treat that allowable expense as relating to the supply of goods or services in the period when the entity recognises the expense applying IFRS Standards. Thus, the amount that recovers that allowable expense forms part of total allowed compensation for goods or services supplied in that period. For example, if raw material costs are an allowable expense, the amount that recovers that allowable expense forms part of total allowed compensation for goods or services supplied in the period when an entity consumes the raw materials and thus recognises that consumption as an expense applying IAS 2 *Inventories*.

B5 The period when an entity recognises an allowable expense as an expense applying IFRS Standards may differ from the period in which the entity adds an amount that recovers the allowable expense in determining the regulated rate. Such differences in timing give rise to regulatory assets or regulatory liabilities—that is:

(a) if an entity has recognised an allowable expense as an expense by applying IFRS Standards, but the amount that recovers that expense has not yet been included in the regulated rates and so will be included in revenue in the future, the difference in timing gives rise to a regulatory asset; and

(b) if revenue already recognised includes an amount that recovers part of an allowable expense, but that allowable expense will be recognised as an expense in the future by applying IFRS Standards, the difference in timing gives rise to a regulatory liability.

B6 If an entity consumes an asset over two or more reporting periods in which the entity supplies goods or services, and the cost of the asset is recoverable under the terms of a regulatory agreement, the entity shall allocate that cost in determining the total allowed compensation for the goods or services supplied in each of those periods. In making this allocation, an entity shall use the judgements and estimates it made in applying other IFRS Standards.

B7 For example, IAS 16 *Property, Plant and Equipment* specifies how to allocate the depreciable amount of an item of plant on a systematic basis over its useful life. If a regulatory agreement allows an entity to recover the cost of an asset through the regulated rates charged to customers, the depreciation expense recognised in a period, by applying IAS 16, is an allowable expense and the amount that recovers that depreciation expense forms part of the total allowed compensation for goods or services supplied in the same period. That is the case even if, under the terms of the regulatory agreement, the recovery of the depreciation expense occurs in a different period—for example, if the regulatory agreement uses a longer or shorter period of recovery than the asset's useful life.

B8 In the example in paragraph B7, the remaining carrying amount of the item of plant depicts the cost of the unconsumed portion of that item. Amounts that recover this unconsumed portion will form part of the total allowed compensation for goods or services in the future as the entity recognises depreciation expense to depict the consumption of this portion.

B9 Some regulatory agreements may require an entity to deduct specified income recognised by applying IFRS Standards in determining the regulated rate. This [draft] Standard refers to such income as chargeable income. For example, an entity may be required to deduct a gain on disposal of an item of plant in determining the regulated rate charged to customers in a future period. If a regulatory agreement treats income as chargeable, that fact establishes that this income relates to the supply of goods or services in some period. In applying this [draft] Standard, an entity shall treat the amount of that chargeable income as reducing the total allowed compensation for the goods or services supplied in the period in which the entity recognises the income by applying IFRS Standards.

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Target profit

B10 Target profit that a regulatory agreement entitles an entity to add in determining a regulated rate for goods or services supplied in a period forms part of the total allowed compensation for goods or services supplied in the same period, unless this section specifies a different treatment (see paragraphs B12, B15 and B17).

B11 This section discusses the main components of target profit:

(a) profit margins that vary with an allowable expense (see paragraph B12);

(b) regulatory returns (see paragraphs B13–B15); and

(c) performance incentives (see paragraphs B16–B20).

Profit margins that vary with an allowable expense

B12 In some cases, a regulatory agreement entitles an entity to recover the amount of an allowable expense incurred plus a profit margin that varies with the amount of the expense—for example, a fixed percentage mark-up on the expense. This component of target profit forms part of the total allowed compensation for goods or services supplied in the period when the entity recognises the underlying allowable expense as an expense by applying IFRS Standards.

Regulatory returns

B13 A significant component of an entity's target profit often consists of regulatory returns. Regulatory agreements typically determine the regulatory return for a period by specifying a return rate and a base to which that return rate applies. Common terms for such a base are 'regulatory capital base' or 'regulatory asset base', although other terms are also used. Some regulatory agreements specify more than one base, each with its own return rate. The items for which amounts are included in such a base are not necessarily recognised as assets or liabilities applying IFRS Standards, and a regulatory agreement does not necessarily measure assets or liabilities on the same basis as IFRS Standards. For example, the regulatory capital base might measure property, plant and equipment on a basis including an allocation of administrative overheads recognised as an expense by applying IAS 16, or including an inflation adjustment not reflected in an entity's financial statements prepared by applying IFRS Standards.

B14 Applying the guidance for target profit set out in paragraph B10, if the regulatory agreement entitles an entity to add regulatory returns in determining a regulated rate for goods or services supplied in a period, those regulatory returns form part of the total allowed compensation for goods or services supplied in the same period, except as specified in paragraph B15.

B15 Sometimes a regulatory return includes an amount determined by applying a specified return rate to a base containing a balance relating to an asset not yet available for use. That balance might be a separate base or part of a larger base. The return on that balance shall not be treated as forming part of the

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total allowed compensation for goods or services supplied before the asset is available for use. Once the asset is available for use, the return on that balance forms part of total allowed compensation for goods or services supplied over the remaining periods in which the entity recovers the carrying amount of the asset through the regulated rates. An entity shall use a reasonable and supportable basis in determining how to allocate the return on that balance over those remaining periods and shall apply that basis consistently.

Performance incentives

B16 A regulatory agreement may provide an entity with various performance incentives to reward it for meeting performance criteria, or to penalise it for failing to meet performance criteria. These criteria could include, for example, targeted levels of service quality, reliability, or customer satisfaction, or may relate to the entity's performance in constructing an item of property, plant or equipment.

B17 Amounts relating to a performance incentive form part of or reduce the total allowed compensation for goods or services supplied in the period in which the entity's performance gives rise to the incentive. To determine what that period is, the entity shall consider the regulatory agreement's terms relating to the performance incentive, together with other facts and circumstances.

B18 Applying the guidance in paragraph B17, if the performance criteria test only an entity's performance of construction work, the performance incentive forms part of or reduces the total allowed compensation for goods or services supplied in the period in which that performance occurs. If the performance criteria test the performance of construction work but are also fully or partly conditional on the entity's performance when it subsequently supplies goods or services to customers using the asset being constructed, the conditional part of the performance incentive forms part of or reduces the total allowed compensation for those goods or services.

B19 If the performance criteria test an entity's performance over a time frame that is not yet complete, the entity shall estimate the amount of the performance incentive and determine the portion of that estimated amount that relates to the reporting period. That portion forms part of or reduces the total allowed compensation for the goods or services supplied in the reporting period. If, for example, an entity uses the 'most likely amount' method (paragraph 39) to estimate the amount of the performance incentive, and assesses that it is most likely that the entity will meet the performance criteria, the portion of the estimated amount of the performance incentive that relates to the reporting period forms part of the total allowed compensation for the goods or services supplied in the reporting period. An entity shall use a reasonable and supportable basis in determining that portion and shall apply that basis consistently.

B20 The regulatory agreement may determine a performance incentive (that is, a bonus or penalty) in several ways. For example, a bonus or penalty may be a fixed monetary amount (such as CU100), a formula (such as 1% of the amounts charged to customers during a specified period), or an increment or decrement to the return rate (such as an additional 1%) applied by the

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regulatory agreement to a base for a specified period. Regardless of how a regulatory agreement determines the bonus or penalty, an entity shall estimate its monetary amount and use that monetary amount as an input in accounting for that bonus or penalty.

Regulatory interest income and regulatory interest expense

B21 Regulatory interest compensates or charges an entity for the time lag until recovery of a regulatory asset or fulfilment of a regulatory liability:

(a) a regulatory asset arises because part of the total allowed compensation for goods or services already supplied will be added in determining regulated rates in the future. Regulatory interest income is the component of total allowed compensation that compensates the entity for the time lag until it recovers the regulatory asset.

(b) a regulatory liability arises because revenue already recognised includes an amount that will provide part of the total allowed compensation for goods or services to be supplied in the future. Regulatory interest expense is the (negative) component of the total allowed compensation that charges the entity for the time lag until it fulfils the regulatory liability.

B22 The present value of the estimated future cash flows included in measuring a regulatory asset or regulatory liability changes because of the passage of time. This effect is sometimes called the 'unwinding of the discount'. As the discount unwinds, an entity shall recognise regulatory interest income on a regulatory asset and regulatory interest expense on a regulatory liability.

B23 Sometimes, a regulatory agreement treats a regulatory asset or regulatory liability as a separate base and applies a regulatory interest rate to that base to determine the regulatory interest for that item. Such an approach is often applied to short-term and medium-term regulatory assets or regulatory liabilities, such as those arising from variances in input cost prices.

B24 In other cases, a regulatory agreement does not identify a regulatory asset or regulatory liability separately. Instead, the regulatory asset or regulatory liability forms part of a larger base, such as the regulatory capital base, and the regulatory agreement applies a return rate to the whole of that larger base. In such cases, that rate is the regulatory interest rate applied to that regulatory asset or regulatory liability. The larger base can be regarded as having three components: regulatory assets, regulatory liabilities and all other components of the larger base. Accordingly, the regulatory return provided on the larger base also has three components: regulatory interest income on those regulatory assets, regulatory interest expense on those regulatory liabilities and regulatory return on the rest of the larger base.

B25 An example illustrates the analysis set out in paragraph B24. A regulatory agreement provides for each period a return rate of 8% on the outstanding balance of the regulatory capital base at the beginning of that period. That outstanding balance at the start of the current period is CU1,000 and thus the

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regulatory agreement entitles the entity to add a regulatory return of CU80 in determining regulated rates for goods or services supplied to customers during the current period. The outstanding balance of CU1,000:

(a) includes overheads of CU150 that were ineligible for capitalisation applying IAS 16 and so were recognised as an expense when incurred. The entity recognises its resulting right to increase future regulated rates as a regulatory asset.

(b) was determined by the regulatory agreement without adding an amount of CU250 that was charged to customers in advance to fund construction of an item of plant. The entity recognises its resulting obligation to decrease future regulated rates as a regulatory liability.

B26 The regulatory capital base of CU1,000 can be regarded as having three components—a regulatory asset arising from the overheads of CU150, a regulatory liability arising from the advance funding from customers of CU250, and a remaining component of CU1,100. Consequently, the regulatory return of CU80 (CU1,000 × 8%) on the outstanding regulatory capital base consists of:

(a) regulatory interest income of CU12 on the regulatory asset (CU150 × 8%);

(b) regulatory interest expense of CU20 on the regulatory liability (CU250 × 8%); and

(c) regulatory return of CU88 on the rest of the regulatory capital base (CU1,100 × 8%).

B27 If an entity has measured a regulatory asset or regulatory liability by applying paragraph 61, the regulatory interest rate is implicit in the measurement of the regulatory asset or regulatory liability (paragraph 63).

Boundary of a regulatory agreement

B28 The boundary of a regulatory agreement determines which estimated future cash flows an entity includes in measuring a regulatory asset or regulatory liability (paragraphs 33–34). The boundary of a regulatory agreement is the latest future date at which an entity has:

(a) an enforceable present right to recover a regulatory asset by increasing the regulated rate to be charged to customers; or

(b) an enforceable present obligation to fulfil a regulatory liability by decreasing the regulated rate to be charged to customers.

B29 To illustrate the discussion in paragraph B28, assume that in 20X1 an entity incurred an input cost variance of CU100 that the entity cannot recover until 20X3. Assume also that the entity assessed at the end of 20X1 that it does not have an enforceable present right to increase regulated rates after the end of 20X2 to recover that variance. Thus, at the end of 20X1 the boundary of the regulatory agreement was the end of 20X2. Because the cash flows that could result from recovering that variance fall beyond the boundary of the regulatory agreement, the entity cannot include those cash flows in the measurement of any regulatory asset at the end of 20X1.

B30 An entity's present right to increase the regulated rate at a future date is enforceable only if:

(a) the regulatory agreement gives the entity the present right to supply goods or services at that future date; and

(b) no party apart from the entity has a right to cancel the regulatory agreement before that date without arranging compensation for the entity to recover its regulatory asset.

B31 Sometimes an entity has an enforceable right to renew a regulatory agreement. Such a right can give the entity a present right to supply goods or services at a future date covered by that renewal if no other party has an enforceable right to prevent the renewal without arranging compensation for the entity to recover its regulatory asset.

B32 An entity's present obligation to decrease the regulated rate at a future date is enforceable only if:

(a) the regulatory agreement imposes upon the entity a present obligation to supply goods or services at that future date; and

(b) the entity has no right to cancel the regulatory agreement before that date without compensating another party (for example, an incoming supplier) that will fulfil the regulatory liability.

B33 The boundary of a regulatory agreement can be affected by a right to renew the regulatory agreement or a right to cancel it. In assessing whether such a right affects the boundary of the regulatory agreement, an entity shall disregard a right held by any party if there are no circumstances in which that party has the practical ability to exercise that right.

B34 The holder of a right may not have the practical ability to exercise the right if, for example:

(a) the economic consequences of exercising the right are significantly more adverse for the holder than the consequences of not exercising it;

(b) exercising a right held by an entity would lead to that entity being liquidated or ceasing to trade; or

(c) exercising a right held by a regulator would lead to major disruption in the provision of an essential public service.

Compensation for cancellation of a regulatory agreement

B35 In some cases, a regulator or an entity has a right to cancel a regulatory agreement, but the regulatory agreement requires the regulator or the entity to provide or arrange compensation for regulatory assets that have not yet been recovered or for regulatory liabilities that have not yet been fulfilled. For example, the regulator, the entity or an incoming supplier of goods or services may be required to make a balancing payment.

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B36 To the extent that the amounts of receipts or payments of such compensation depend solely on the monetary amount of unrecovered regulatory assets or unfulfilled regulatory liabilities, they are cash flows within the boundary of the regulatory agreement.

B37 If the cash flows arising from unrecovered regulatory assets or unfulfilled regulatory liabilities would differ depending on whether the regulatory agreement continues or is cancelled, the cash flows are uncertain and an entity shall apply the requirements in paragraph 39. For example, assume that the probability of cancellation is 10% and a regulatory agreement specifies that on cancellation the entity would receive compensation of CU90 for a regulatory asset with a carrying amount of CU100. Applying paragraph 39, the entity would conclude that the most likely amount is CU100 and the expected value is CU99. The entity would use whichever of these two estimates better predicts the future cash flows.

B38 If a cancellation right has been exercised so that a right to receive cash or obligation to pay cash has arisen, that right or obligation is a financial asset or financial liability. In such a case, the entity shall derecognise the part of the regulatory asset or regulatory liability that no longer exists, and recognise and measure the financial asset or financial liability by applying other IFRS Standards, recognising any resulting difference in profit or loss.

Reassessment of and changes to the boundary

B39 At the end of each reporting period an entity shall reassess the boundary of a regulatory agreement, considering all changes in facts and circumstances.

B40 If this reassessment brings any additional cash inflows or cash outflows within the boundary of a regulatory agreement, the entity shall update the carrying amount of regulatory assets or regulatory liabilities accordingly. Such updates could result from recognising new regulatory assets or regulatory liabilities or from remeasuring regulatory assets or regulatory liabilities already recognised. Paragraph 78(f) requires an entity to disclose changes in the carrying amount of a regulatory asset or regulatory liability caused by a change in the boundary of a regulatory agreement, and the reasons for that change in the boundary. Paragraph 78(f) does not require an entity to specify whether the effect of that change should be viewed as the recognition of a new regulatory asset or regulatory liability, or the remeasurement of an existing regulatory asset or regulatory liability because making such a distinction would have no practical consequence.

Interaction with other IFRS Standards

IAS 12 *Income Taxes*

B41 Paragraphs B42–B46 discuss:

(a) regulatory assets or regulatory liabilities that arise when the regulated rates do not yet fully reflect current tax expense (income), or when an entity has a deferred tax liability or a deferred tax asset (paragraphs B42–B43);

(b) deferred tax liabilities or deferred tax assets resulting from a regulatory asset or regulatory liability (paragraph B44); and

(c) how income taxes affect the measurement of regulatory assets and regulatory liabilities (paragraphs B45–B46).

B42 Tax expense is typically an allowable expense and tax income is typically chargeable income. In some cases, the regulated rate for a specified period does not include all of the current and deferred tax effects of transactions occurring during that period. For example, a regulatory agreement may determine regulated rates on a basis that:

(a) includes an estimate of the current tax expense (income), with any variance between estimated and actual amounts being added or deducted when determining regulated rates in future periods; or

(b) does not include deferred tax expense (income).

B43 Applying this [draft] Standard in such cases, an entity shall recognise a regulatory asset or a regulatory liability if some or all of the current and deferred tax effects of transactions in the current period will affect the regulated rates in future periods, or affected the regulated rates in earlier periods.

B44 The tax base of a regulatory asset or regulatory liability is typically nil. Consequently, the recognition of a regulatory asset or regulatory liability typically gives rise to the recognition of a deferred tax liability or deferred tax asset in accordance with IAS 12. However, before applying IAS 12, an entity shall assess how income taxes affect the measurement of regulatory assets and regulatory liabilities (paragraphs B45–B46).

B45 In estimating the future cash flows arising from a regulatory asset or a regulatory liability, an entity shall consider the effect of amounts it is entitled to add in determining future regulated rates as a result of paying any income taxes as it recovers the regulatory asset, or that it is obliged to deduct in determining future regulated rates as a result of recovering any income taxes as it fulfils the regulatory liability.

B46 For example, assume that an entity has a regulatory asset arising because a performance incentive (bonus) of CU60 has not yet been included in determining the regulated rates, that the tax rate is 40%, and that the regulatory agreement allows all tax cash flows to be included ultimately in determining the regulated rates. In the future periods in which the bonus is included in determining regulated rates, the entity will include an amount of CU100 which will provide the entity with a net tax cash inflow of CU60 after the income tax cash outflow of CU40 (CU100 × 40%). Consequently, in measuring its regulatory assets, the entity includes the cash flows arising from its right to recover both the bonus (CU60) and the income tax (CU40 (CU60 × 40 ÷ 60)) that will result from recovering that bonus. Thus, the measurement of the regulatory assets reflects pre-tax cash inflows of CU100. The resulting income tax cash outflows of CU40 (CU100 × 40%) are reflected in the measurement of the resulting deferred tax liability.

IFRIC 12 *Service Concession Arrangements*

B47 IFRIC 12 applies to a public-to-private service concession arrangement if the grantor controls or regulates the price at which the operator must provide services, and if other specified conditions are met. Accordingly, some arrangements within the scope of IFRIC 12 may create regulatory assets or regulatory liabilities within the scope of this [draft] Standard. An entity shall account for those regulatory assets or regulatory liabilities separately from the assets and liabilities within the scope of IFRIC 12.

Appendix C
Effective date and transition

This appendix is an integral part of the [draft] IFRS Standard.

Effective date

C1 An entity shall apply this [draft] Standard for annual reporting periods beginning on or after [18–24 months from the date of publication]. Earlier application is permitted. If an entity applies this [draft] Standard earlier, it shall disclose that fact.

Transition

C2 For the requirements in paragraphs C3–C4:

(a) the date of initial application is the beginning of the annual reporting period in which an entity first applies this [draft] Standard.

(b) the date of transition is the beginning of the earliest annual reporting period presented in the financial statements for the annual reporting period that includes the date of initial application.

(c) a past business combination is a business combination for which the acquisition date is before the date of transition.

C3 An entity shall apply this [draft] Standard retrospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, except as permitted in paragraph C4.

C4 An entity may elect not to apply this [draft] Standard retrospectively to a past business combination. If an entity makes this election, it shall at the date of transition:

(a) apply the election to all of its past business combinations.

(b) apply the requirements in subparagraphs (c)–(g) separately to each past business combination.

(c) recognise and measure, applying this [draft] Standard, all regulatory assets acquired, and all regulatory liabilities assumed, in a past business combination, which still exist at the date of transition.

(d) derecognise all items (such as some regulatory balances) that were recognised as assets or liabilities in that past business combination but would not have been recognised if the [draft] Standard had always been applied.

(e) recognise any deferred tax effects of the adjustments described in subparagraphs (c)–(d).

(f) adjust the carrying amount of non-controlling interests from that past business combination remaining at the date of transition for their proportionate share of the net amount of the adjustments described in subparagraphs (c)–(e), if the entity measured those non-controlling

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interests at their proportionate share in the recognised amounts of the acquiree's identifiable net assets, rather than at fair value.

(g) adjust the carrying amount of goodwill still remaining from that past business combination for the net amount of the adjustments described in subparagraphs (c)–(f). If that adjustment reduces the carrying amount of goodwill to nil, the entity shall recognise any remaining amount of adjustment in retained earnings or, if appropriate, another category of equity.

Withdrawal of other IFRS Standards

C5 This [draft] Standard supersedes IFRS 14 *Regulatory Deferral Accounts*.

Appendix D
[Draft] Amendments to other IFRS Standards

This appendix sets out [draft] amendments to other IFRS Standards. An entity shall apply the amendments when it applies [draft] IFRS X.

IFRS 1 *First-time Adoption of International Financial Reporting Standards*

Paragraph 39V is deleted. Deleted text is struck through. New text is underlined.

Effective date

...

39V [Deleted] ~~IFRS 14 *Regulatory Deferral Accounts*, issued in January 2014, amended paragraph D8B. An entity shall apply that amendment for annual periods beginning on or after 1 January 2016. Earlier application is permitted. If an entity applies IFRS 14 for an earlier period, the amendment shall be applied for that earlier period.~~

In Appendix C, paragraph C4 is amended. Deleted text is struck through. New text is underlined.

C4 If a first-time adopter does not apply IFRS 3 retrospectively to a past business combination, this has the following consequences for that business combination:

...

(c) The first-time adopter shall exclude from its opening IFRS statement of financial position any item recognised in accordance with previous GAAP that does not qualify for recognition as an asset or liability under IFRSs. The first-time adopter shall account for the resulting change as follows:

(i) the first-time adopter may have classified a past business combination as an acquisition and recognised as an intangible asset an item that does not qualify for recognition as an asset in accordance with IAS 38 *Intangible Assets*. It shall reclassify that item (and, if any, the related deferred tax and non-controlling interests) as part of goodwill (unless it deducted goodwill directly from equity in accordance with previous GAAP, see (g)(i) and (i) below). A first-time adopter shall apply the same treatment to a regulatory balance that is not a regulatory asset as defined in [draft] IFRS X *Regulatory Assets and Regulatory Liabilities* but arises if a regulatory agreement allows goodwill to be included in the regulated rates to be charged to customers in the future.

...

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(g) The carrying amount of goodwill in the opening IFRS statement of financial position shall be its carrying amount in accordance with previous GAAP at the date of transition to IFRSs, after the following two adjustments:

(i) The ~~If required by (c)(i) above, the~~ first-time adopter shall increase the carrying amount of goodwill when it reclassifies the items described in (c)(i) ~~an item that it recognised as an intangible asset in accordance with previous GAAP~~. Similarly, if (f) above requires the first-time adopter to recognise an intangible asset that was subsumed in recognised goodwill in accordance with previous GAAP, the first-time adopter shall decrease the carrying amount of goodwill accordingly (and, if applicable, adjust deferred tax and non-controlling interests).

In Appendix D, paragraph D8B is amended. Deleted text is struck through. New text is underlined.

Deemed cost

...

D8B Some entities hold items of property, plant and equipment, right-of-use assets or intangible assets that are used, or were previously used, in operations subject to a regulatory agreement that is capable of creating regulatory assets or regulatory liabilities within the scope of [draft] IFRS X *Regulatory Assets and Regulatory Liabilities* ~~rate regulation~~. The carrying amount of such items might include amounts that were determined under previous GAAP but do not qualify for capitalisation in accordance with IFRSs. If this is the case, a first-time adopter may elect to use the previous GAAP carrying amount of such an item at the date of transition to IFRSs as deemed cost. If an entity applies this exemption to an item, it need not apply it to all items. At the date of transition to IFRSs, an entity shall test for impairment in accordance with IAS 36 each item for which this exemption is used. ~~For the purposes of this paragraph, operations are subject to rate regulation if they are governed by a framework for establishing the prices that can be charged to customers for goods or services and that framework is subject to oversight and/or approval by a rate regulator (as defined in IFRS 14 *Regulatory Deferral Accounts*).~~

IFRS 3 *Business Combinations*

Paragraph 28C and a heading above that paragraph are added. New text is underlined.

Exceptions to both the recognition and measurement principles

...

Regulatory assets and regulatory liabilities

28C The acquirer shall recognise and measure all regulatory assets acquired and regulatory liabilities assumed in a business combination in accordance with [draft] IFRS X *Regulatory Assets and Regulatory Liabilities*.

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Paragraph 5 is amended. New text is underlined.

Scope

...

5 The measurement provisions of this IFRS do not apply to the following assets, which are covered by the IFRSs listed, either as individual assets or as part of a disposal group:

...

(g) regulatory assets ([draft] IFRS X *Regulatory Assets and Regulatory Liabilities*).

IAS 1 *Presentation of Financial Statements*

Paragraphs 54 and 82 are amended. New text is underlined.

Information to be presented in the statement of financial position

54 The statement of financial position shall include line items that present the following amounts:

...

(da) portfolios of contracts within the scope of IFRS 17 that are assets, disaggregated as required by paragraph 78 of IFRS 17;

(db) regulatory assets as defined in [draft] IFRS X *Regulatory Assets and Regulatory Liabilities*;

...

(ma) portfolios of contracts within the scope of IFRS 17 that are liabilities, disaggregated as required by paragraph 78 of IFRS 17;

(mb) regulatory liabilities as defined in [draft] IFRS X;

...

Information to be presented in the profit or loss section or the statement of profit or loss

82 In addition to items required by other IFRSs, the profit or loss section or the statement of profit or loss shall include line items that present the following amounts for the period:

(a) revenue, presenting separately:

(i) interest revenue calculated using the effective interest method; and

(ii) insurance revenue (see IFRS 17);

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(aza) **regulatory income or regulatory expense (see [draft] IFRS X);**

(aa) **gains and losses arising from the derecognition of financial assets measured at amortised cost;**

...

IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*

The footnote to paragraph 11(b), paragraph 54G and the footnote to paragraph 54G are deleted. Deleted text is struck through. New text is underlined. The Board would also delete the related paragraphs BC38–BC40 of the Basis for Conclusions on IAS 8. These paragraphs are not reproduced here.

Selection and application of accounting policies

...

11 **In making the judgement described in paragraph 10, management shall refer to, and consider the applicability of, the following sources in descending order:**

...

(b) **the definitions, recognition criteria and measurement concepts for assets, liabilities, income and expenses in the *Conceptual Framework for Financial Reporting* (*Conceptual Framework*).~~*~~**

~~*~~ ~~**Paragraph 54G explains how this requirement is amended for regulatory account balances.**~~

...

Effective date and transition

...

54G [Deleted] ~~If an entity does not apply IFRS 14 *Regulatory Deferral Accounts*, the entity shall, in applying paragraph 11(b) to regulatory account balances, continue to refer to, and consider the applicability of, the definitions, recognition criteria, and measurement concepts in the *Framework for the Preparation and Presentation of Financial Statements** instead of those in the *Conceptual Framework*. A regulatory account balance is the balance of any expense (or income) account that is not recognised as an asset or a liability in accordance with other applicable IFRS Standards but is included, or is expected to be included, by the rate regulator in establishing the rate(s) that can be charged to customers. A rate regulator is an authorised body that is empowered by statute or regulation to establish the rate or a range of rates that bind an entity. The rate regulator may be a third-party body or a related party of the entity, including the entity's own governing board, if that body is required by statute or regulation to set rates both in the interest of the customers and to ensure the overall financial viability of the entity.~~

~~*~~ ~~**The reference is to the IASC's *Framework for the Preparation and Presentation of Financial Statements* adopted by the Board in 2001.**~~

IAS 36 *Impairment of Assets*

Paragraphs 2, 43 and 79 are amended. Deleted text is struck through. New text is underlined.

Scope

2 **This Standard shall be applied in accounting for the impairment of all assets, other than:**

...

(h) contracts within the scope of IFRS 17 *Insurance Contracts* that are assets and any assets for insurance acquisition cash flows as defined in IFRS 17;~~ and~~

(i) non-current assets (or disposal groups) classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*~~.~~; and

(j) regulatory assets (see [draft] IFRS X *Regulatory Assets and Regulatory Liabilities*).

...

Composition of estimates of future cash flows

...

43 To avoid double-counting, estimates of future cash flows do not include:

(a) cash inflows from assets that generate cash inflows that are largely independent of the cash inflows from the asset under review (for example, financial assets such as receivables, and regulatory assets); and

(b) cash outflows that relate to obligations that have been recognised as liabilities (for example, payables, pensions, ~~or~~ provisions and regulatory liabilities).

...

Recoverable amount and carrying amount of a cash-generating unit

...

79 For practical reasons, the recoverable amount of a cash-generating unit is sometimes determined after consideration of assets that are not part of the cash-generating unit (for example, receivables or other financial assets, and regulatory assets) or liabilities that have been recognised (for example, payables, pensions, ~~and~~ other provisions and regulatory liabilities). In such

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cases, the carrying amount of the cash-generating unit is increased by the carrying amount of those assets and decreased by the carrying amount of those liabilities.

Approval by the Board of Exposure Draft *Regulatory Assets and Regulatory Liabilities* published in January 2021

The Exposure Draft *Regulatory Assets and Regulatory Liabilities* was approved for publication by 10 of 13 members of the International Accounting Standards Board (Board). Ms Tokar voted against its publication. Her alternative view is set out after the Basis for Conclusions. Messrs Gast and Mackenzie abstained from voting in view of their recent appointment to the Board.

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Tadeu Cendon	
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Columbus Building | 7 Westferry Circus | Canary Wharf
London E14 4HD | United Kingdom
Telephone: +44 (0)20 7246 6410
Email: info@ifrs.org | Web: www.ifrs.org

Publications Department
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SET ISBN 978-1-914113-01-7
9 781914 113017
PART A ISBN 978-1-914113-02-4

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Part and Chapter:	Part IX – Financial Forecasting	Page No.:	EPF-1
PUB Approved Issue No:	5. Financial Forecast 8. Capital Management Plan (a) Transfers of Extension excess capital		
Topic:	Extension transfers		
Sub Topic:			

Preamble to IR:

In EPF-1-1 through EPF-1-5, MPI provides a comparative of 2018/19 through 2022/23 for Extension.

Question:

Please provide a comparative of 2023/24 through 2026/2027 for Extension.

Rationale for Question:

To understand the changes to the Extension forecast and the large reduction in anticipated transfers from Extension to Basic.

RESPONSE:

Please see *Figures 1 to 4* below for the requested comparatives:

Figure 1 EPF 1.1 Extension Statement of Operations: 2023-24 Comparative

Line No.		2023-24BF 2024 GRA	2023-24F 2023 GRA	Inc (dec)	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$	%
2	**Net Premiums Written**				
3	Motor Vehicles	192,976	193,254	(278)	-0.14%
4	Reinsurance Ceded	(2,489)	(2,063)	(426)	20.65%
5	**Total Net Premiums Written**	**190,487**	**191,191**	**(704)**	-0.37%
				-	
6	**Net Premiums Earned**			-	
7	Motor Vehicles	189,940	190,363	(423)	-0.22%
8	Reinsurance Ceded	(2,489)	(2,063)	(426)	20.65%
9	**Total Net Premiums Earned**	**187,451**	**188,300**	**(849)**	-0.45%
10	Service Fees & Other Revenues	9,209	12,121	(2,912)	-24.02%
11	**Total Earned Revenues**	**196,660**	**200,421**	**(3,761)**	-1.88%
				-	
12	**Net Claims Incurred**	103,373	90,776	12,597	13.88%
13	(a) Claims Incurred - Interest rate impact	83	110	(27)	-24.58%
14	**Total Claims Incurred**	**103,456**	**90,886**	**12,570**	13.83%
				-	
15	Claims Expense	18,728	17,562	1,166	6.64%
16	Road Safety/Loss Prevention	1,669	1,201	468	38.97%
17	**Total Claims Costs**	**123,853**	**109,649**	**14,204**	12.95%
				-	
18	**Expenses**			-	
19	Operating	13,348	12,053	1,295	10.74%
20	Commissions	34,618	33,980	638	1.88%
21	Premium Taxes	5,790	5,711	79	1.38%
22	Regulatory/Appeal	-	12	(12)	-100.00%
23	**Total Expenses**	**53,756**	**51,756**	**2,000**	3.86%
				-	
24	**Underwriting Income (Loss)**	**19,051**	**39,016**	**(19,965)**	-51.17%
				-	
25	**Investment Income**	8,587	8,596	(9)	-0.10%
26	(b) Investment Income - Interest rate impact	5	10	(5)	-50.00%
27	**Total Investment Income**	**8,592**	**8,606**	**(14)**	-0.16%
28	**Gain / (Loss) on Sale of Property**	-	-	-	
				-	
29	**Net Income (Loss)**	**27,643**	**47,622**	**(19,979)**	-41.95%

Figure 2 EPF 1.2 Extension Statement of Operations: 2024-25 Comparative

Line No.		2024-25F 2024 GRA	2024-25F 2023 GRA	Inc (dec)	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$	%
2	**Net Premiums Written**				
3	Motor Vehicles	199,588	199,683	(95)	-0.05%
4	Reinsurance Ceded	(2,564)	(2,125)	(439)	20.66%
5	**Total Net Premiums Written**	**197,024**	**197,558**	**(534)**	-0.27%
				-	
6	**Net Premiums Earned**			-	
7	Motor Vehicles	196,385	196,572	(187)	-0.10%
8	Reinsurance Ceded	(2,564)	(2,125)	(439)	20.66%
9	**Total Net Premiums Earned**	**193,821**	**194,447**	**(626)**	-0.32%
10	Service Fees & Other Revenues	9,237	12,204	(2,967)	-24.31%
11	**Total Earned Revenues**	**203,058**	**206,651**	**(3,593)**	-1.74%
				-	
12	**Net Claims Incurred**	103,492	92,050	11,442	12.43%
13	(a) Claims Incurred - Interest rate impact	26	-	26	
14	**Total Claims Incurred**	**103,518**	**92,050**	**11,468**	12.46%
				-	
15	Claims Expense	18,847	19,608	(761)	-3.88%
16	Road Safety/Loss Prevention	1,321	1,247	74	5.93%
17	**Total Claims Costs**	**123,686**	**112,905**	**10,781**	9.55%
				-	
18	**Expenses**			-	
19	Operating	13,367	12,598	769	6.10%
20	Commissions	34,540	34,440	100	0.29%
21	Premium Taxes	5,988	5,897	91	1.54%
22	Regulatory/Appeal	-	12	(12)	-100.00%
23	**Total Expenses**	**53,895**	**52,947**	**948**	1.79%
				-	
24	**Underwriting Income (Loss)**	**25,477**	**40,799**	**(15,322)**	-37.55%
				-	
25	**Investment Income**	10,443	9,239	1,204	13.03%
26	(b) Investment Income - Interest rate impact	-	9	(9)	-100.00%
27	**Total Investment Income**	**10,443**	**9,248**	**1,195**	12.92%
28	**Gain / (Loss) on Sale of Property**	-	-	-	
				-	
29	**Net Income (Loss)**	**35,920**	**50,047**	**(14,127)**	-28.23%

Figure 3 EPF 1.3 Extension Statement of Operations: 2025-26 Comparative

Line No.		2025-26F 2024 GRA	2025-26F 2023 GRA	Inc (dec)	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$	%
2	**Net Premiums Written**				
3	Motor Vehicles	206,352	206,289	63	0.03%
4	Reinsurance Ceded	(2,641)	(2,189)	(452)	20.65%
5	**Total Net Premiums Written**	**203,711**	**204,100**	**(389)**	-0.19%
				-	
6	**Net Premiums Earned**			-	
7	Motor Vehicles	203,076	203,093	(17)	-0.01%
8	Reinsurance Ceded	(2,641)	(2,189)	(452)	20.65%
9	**Total Net Premiums Earned**	**200,435**	**200,904**	**(469)**	-0.23%
10	Service Fees & Other Revenues	9,374	12,492	(3,118)	-24.96%
11	**Total Earned Revenues**	**209,809**	**213,396**	**(3,587)**	-1.68%
				-	
12	**Net Claims Incurred**	104,104	93,306	10,798	11.57%
13	(a) Claims Incurred - Interest rate impact	(20)	-	(20)	
14	**Total Claims Incurred**	**104,084**	**93,306**	**10,778**	11.55%
				-	
15	Claims Expense	17,684	19,080	(1,396)	-7.32%
16	Road Safety/Loss Prevention	1,384	1,227	157	12.80%
17	**Total Claims Costs**	**123,152**	**113,613**	**9,539**	8.40%
				-	
18	**Expenses**			-	
19	Operating	13,446	12,686	760	5.99%
20	Commissions	33,332	33,601	(269)	-0.80%
21	Premium Taxes	6,191	6,093	98	1.61%
22	Regulatory/Appeal	-	12	(12)	-100.00%
23	**Total Expenses**	**52,969**	**52,392**	**577**	1.10%
				-	
24	**Underwriting Income (Loss)**	**33,688**	**47,391**	**(13,703)**	-28.91%
				-	
25	**Investment Income**	12,004	9,558	2,446	25.59%
26	(b) Investment Income - Interest rate impact	-	9	(9)	-100.00%
27	**Total Investment Income**	**12,004**	**9,567**	**2,437**	25.47%
28	**Gain / (Loss) on Sale of Property**	-	-	-	
				-	
29	**Net Income (Loss)**	**45,692**	**56,958**	**(11,266)**	-19.78%

Figure 4 EPF 1.4 Extension Statement of Operations: 2026-27 Comparative

Line No.		2026-27F 2024 GRA	2026-27F 2023 GRA	Inc (dec)	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$	%
2	**Net Premiums Written**				
3	Motor Vehicles	213,317	213,644	(327)	-0.15%
4	Reinsurance Ceded	(2,720)	(2,254)	(466)	20.67%
5	**Total Net Premiums Written**	**210,597**	**211,390**	**(793)**	-0.38%
				-	
6	**Net Premiums Earned**			-	
7	Motor Vehicles	209,943	210,085	(142)	-0.07%
8	Reinsurance Ceded	(2,720)	(2,254)	(466)	20.67%
9	**Total Net Premiums Earned**	**207,223**	**207,831**	**(608)**	-0.29%
10	Service Fees & Other Revenues	9,548	12,789	(3,241)	-25.34%
11	**Total Earned Revenues**	**216,771**	**220,620**	**(3,849)**	-1.74%
				-	
12	**Net Claims Incurred**	104,814	94,392	10,422	11.04%
13	(a) Claims Incurred - Interest rate impact	(26)	-	(26)	
14	**Total Claims Incurred**	**104,788**	**94,392**	**10,396**	11.01%
				-	
15	Claims Expense	18,667	19,719	(1,052)	-5.33%
16	Road Safety/Loss Prevention	1,400	1,223	177	14.47%
17	**Total Claims Costs**	**124,855**	**115,334**	**9,521**	8.26%
				-	
18	**Expenses**			-	
19	Operating	13,552	13,285	267	2.01%
20	Commissions	33,397	33,057	340	1.03%
21	Premium Taxes	6,400	6,303	97	1.54%
22	Regulatory/Appeal	-	12	(12)	-100.00%
23	**Total Expenses**	**53,349**	**52,657**	**692**	1.31%
				-	
24	**Underwriting Income (Loss)**	**38,567**	**52,629**	**(14,062)**	-26.72%
				-	
25	**Investment Income**	12,396	9,986	2,410	24.13%
26	(b) Investment Income - Interest rate impact	-	9	(9)	-100.00%
27	**Total Investment Income**	**12,396**	**9,995**	**2,401**	24.02%
28	**Gain / (Loss) on Sale of Property**	-	-	-	
				-	
29	**Net Income (Loss)**	**50,963**	**62,624**	**(11,661)**	-18.62%

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Part and Chapter:	**Part IX - REV Appendix 3**	**Page No.:**	
PUB Approved Issue No:	**5. Financial Forecasts**		
Topic:	**Extension Financial Forecast**		
Sub Topic:	**Extension Profit Margin**		

Preamble to IR:

Question:

a) Please file an update including the anticipated Extension profit margin for 2023/24, 2024/25 and 2025/26 and comment on any changes.

b) Please comment on the basis MPI determines the underwriting margins for Extension. Please file any analysis supporting the profit margin forecast for the 2024/25 and 2025/26 test years.

c) Please provide the historical five-year actual underwriting profit margin and net income profit margin for Extension.

Rationale for Question:

To understand the financial forecast.

RESPONSE:

a) The anticipated underwriting profit margin for Extension as follows:

2023/24 – 11.5%
2024/25 – 14.8%
2025/26 – 17.5%

The profit margin is expected to grow approximately 3% per year from 2023/24 to 2025/26 primarily based on expected premiums increasing at a higher rate than expected claims. Also contributing is slightly lower commissions and expenses.

b) Given this is a competitive product, MPI has maintained its overall rate change to zero over the last few years. The margin has remained favorable over the last few years on this line of business with a stable volume of business. MPI continues to monitor the underlying experience on a regular basis to determine if a rate change is necessary.

c) Please see *Figure 1* below:

Figure 1 5 Year Historical Extension Underwriting and Net Income Profit Margin

Line No.		*For the Years Ended March 31,*				
		2019A	**2020A**	**2021A**	**2022A**	**2023A**
1	**Underwriting Profit Margin**	27.6%	25.3%	32.3%	26.5%	18.0%
2	**Net Income Profit Margin**	35.3%	25.3%	35.5%	29.0%	20.9%

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Part and Chapter:	**Part IX –Forecasting – PF Pro Formas MPI Exh. #50 (2023 GRA) p. 13**	**Page No.:**	
PUB Approved Issue No:	**5. Financial Forecasts**		
Topic:	**Financial Forecast**		
Sub Topic:			

Preamble to IR:

In MPI Exhibit #50 in the 2023 GRA (the October update) on page 13, MPI provided its update of forecasted performance.

In the 2024 GRA, in Part IX – Pro Formas, MPI provided its current forecasted financial performance and compared it to the 2023 GRA.

Question:

a) Similar to PF-4 through PF-7 of the 2024 GRA, please provide a Comparative for each of 2023 through 2026 between the 2023 GRA October update and the 2024 GRA.

b) Please provide a comparison similar to (a) based on the 2023 GRA Compliance filing.

Rationale for Question:

To understand the reasons for the changes from the last evidence filed by the Corporation to the current GRA.

RESPONSE:

a) Please see Figures 1 to 4 for a comparative of each of 2023 through 2026 between the 2023 GRA October update and the 2024 GRA. Please note, the preamble to this IR references Exhibit#50 which has been blacklined and replaced within a clean version found on page 66 of the pdf, Exhibit #58 Appendix 2.

b) Please see Figures 5 to 8 below for a comparative of each of 2023 through 2026 between the 2023 GRA compliance filing and the 2024 GRA. Please note, there were no significant differences between the 2023 GRA October update and the 2023 GRA Compliance filing with the exception for the 2023 rate indication difference of -0.1% under the update vs -3.79% under the Compliance filing. Subsequently, the variance explanations are relatively consistent with Part a)

Figure 1 PF-4 Statement of Operations - 2022/23 Comparative

Line No.		IFRS 4 2023 GRA Rate Update 2022-23FB	IFRS 4 2024 GRA 2022-23A	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,058,287	1,064,785	6,498		0.6
4	Drivers	59,444	59,085	(359)		(0.6)
5	Reinsurance Ceded	(16,386)	(16,392)	(6)		0.0
6	**Total Net Premiums Written**	**1,101,345**	**1,107,478**	**6,133**	(1)	0.6
7	**Net Premiums Earned**					
8	Motor Vehicles	1,039,169	1,038,127	(1,042)		(0.1)
9	Drivers	60,389	59,896	(493)		(0.8)
10	Reinsurance Ceded	(16,363)	(16,392)	(29)		0.2
11	**Total Net Premiums Earned**	**1,083,195**	**1,081,631**	**(1,564)**		(0.1)
12	Service Fees & Other Revenues	28,073	27,277	(796)		(2.8)
13	**Total Earned Revenues**	**1,111,268**	**1,108,908**	**(2,360)**		(0.2)
14	**Net Claims Incurred**	923,837	903,129	(20,708)		(2.2)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(134,263)	(101,437)	32,826		(24.4)
17	**Total Claims Incurred**	**789,574**	**801,692**	**12,118**	(2)	1.5
18	Claims Expense	151,542	146,265	(5,277)	(4)	(3.5)
19	Road Safety/Loss Prevention	12,469	10,530	(1,939)	(4)	(15.6)
20	**Total Claims Costs**	**953,585**	**958,487**	**4,902**		0.5
21	**Expenses**					
22	Operating	89,578	86,526	(3,052)	(4)	(3.4)
23	Commissions	47,913	47,548	(365)		(0.8)
24	Premium Taxes	32,988	32,941	(47)		(0.1)
25	Regulatory/Appeal	4,618	4,769	151	(4)	3.3
26	**Total Expenses**	**175,097**	**171,784**	**(3,313)**		(1.9)
27	**Underwriting Income (Loss)**	**(17,414)**	**(21,363)**	**(3,949)**		22.7
28	**Investment Income**	125,669	98,194	(27,475)		(21.9)
29	(b) Investment Income - Interest rate impact	(124,386)	(115,602)	8,784		(7.1)
30	**Total Investment Income**	**1,283**	**(17,408)**	**(18,691)**	(3)	(1,456.7)
31	**Gain (Loss) on Sale of Property**	-	112	**112**		-
32	**Net Income (Loss)**	**(16,131)**	**(38,659)**	**(22,528)**		139.7
33	**Allocated Corporate Expenses**					
34	Claims Expense	151,542	146,265	(5,277)	(4)	(3.5)
35	Road Safety/Loss Prevention	12,469	10,530	(1,939)	(4)	(15.6)
36	Operating	89,578	86,526	(3,052)	(4)	(3.4)
37	Regulatory/Appeal	4,618	4,769	151	(4)	3.3
38	**Total Allocated Corporate Expenses**	**258,207**	**248,090**	**(10,117)**		(3.9)
39	**Allocated Corporate Expenses**					
40	Normal Operations	n/a	234,958	n/a		-
41	Initiatives Implementation	n/a	13,132	n/a		-
42	Initiatives Ongoing	n/a	-	n/a		-
43	**Total Allocated Corporate Expenses**	**258,207**	**248,090**	**(10,117)**		(3.9)
44	***Total net impact due to interest rates**	**9,877**	**(14,165)**	**(24,042)**		(243.4)

Statement of Operations - 2022/23 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,101,345**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
2			3,499	Higher than expected volume/upgrade/other
3			2,163	Lower than expected Fleet rebates
4			830	Lower than expected Capital Release
5			(359)	Lower driver premiums primarily related to volume and DSR discount
6			**1,107,478**	**2024 GRA**
7	(2)	Net Claims Incurred	**789,574**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
8			54,719	Inflation Impact
9			40,413	Higher Collision claims
10			32,826	Higher Interest Rate Impact
11			16,144	Higher Comprehensive claims
12			2,962	Higher Bodily Injury claims
13			2,505	Higher Property Damage claims
14			51	Higher ULAE
15			(125,504)	Lower PIPP claims
16			(8,440)	Lower forecasted ILAE
17			(3,558)	Allowance for subro accounts
18			**801,692**	**2024 GRA**
19	(3)	Investment Income	**1,283**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
20			9,784	Lower expected loss on Marketable Bonds due to interest rate impact
21			6,641	Higher than Expected Interest Income
22			1,857	Higher than Expected Gains on Equity Investments
23			(18,780)	Write off (Corp Bonds and Private Debt)
24			(7,422)	Lower than Expected Real Estate Investments
25			(5,096)	Lower than Expected Infrastructure Investments
26			(3,177)	Lower than Expected Dividend Income
27			(895)	Higher than Expected Pension Expense
28			(817)	Higher than Expected Amortization
29			(786)	Other
30			**(17,408)**	**2024 GRA**
31	(4)	Allocated Corporate Expenses	**258,207**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
32			(5,591)	Lower than expected regular salaries
33			(5,087)	Lower than expected data processing expense
34			(1,455)	Lower than expected amortization of deferred development
35			(1,116)	Lower than expected benefit expense
36			(844)	Lower than expected Driver education Program expense
37			(568)	Lower than expected public information/advertising expense
38			(546)	Lower than expected depreciation of capital investments
39			2,692	Higher than expected special service expense
40			1,096	Higher Furniture and Equipment expense
41			656	Other
42			646	Higher Overtime expense
43			**248,090**	**2024 GRA**

Figure 2 PF-5 Statement of Operations - 2023/24 Comparative

Line No.		IFRS 4 2023 GRA Rate Update 2023-24FB	IFRS 17 2024 GRA 2023-24FB	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,156,668	1,112,046	(44,622)		(3.9)
4	Drivers	63,390	62,520	(870)		(1.4)
5	Reinsurance Ceded	(16,843)	(16,386)	457		(2.7)
6	**Total Net Premiums Written**	**1,203,215**	**1,158,180**	**(45,035)**	**(1)**	**(3.7)**
7	**Net Premiums Earned**					
8	Motor Vehicles	1,108,342	1,090,550	(17,792)		(1.6)
9	Drivers	61,452	61,180	(272)		(0.4)
10	Reinsurance Ceded	(16,843)	(16,386)	457		(2.7)
11	**Total Net Premiums Earned**	**1,152,951**	**1,135,344**	**(17,607)**		**(1.5)**
12	Service Fees & Other Revenues	27,890	26,904	(986)		(3.5)
13	**Total Earned Revenues**	**1,180,841**	**1,162,248**	**(18,593)**		**(1.6)**
14	**Net Claims Incurred**	938,523	922,894	(15,629)		(1.7)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(400)	7,177	7,577		(1,894.3)
17	**Total Claims Incurred**	**938,123**	**930,071**	**(8,052)**	**(2)**	**(0.9)**
18	Claims Expense	157,376	155,922	(1,454)	(4)	(0.9)
19	Road Safety/Loss Prevention	14,975	14,461	(514)	(4)	(3.4)
20	**Total Claims Costs**	**1,110,474**	**1,100,454**	**(10,020)**		**(0.9)**
21	**Expenses**					
22	Operating	107,488	98,357	(9,131)	(4)	(8.5)
23	Commissions	51,795	50,817	(978)		(1.9)
24	Premium Taxes	35,095	35,239	144		0.4
25	Regulatory/Appeal	4,815	4,637	**(178)**	**(4)**	(3.7)
26	**Total Expenses**	**199,193**	**189,050**	**(10,143)**		**(5.1)**
27	**Underwriting Income (Loss)**	**(128,826)**	**(127,256)**	**1,570**		**(1.2)**
28	**Investment Income**	121,036	125,102	4,066		3.4
29	(b) Investment Income - Interest rate impact	(346)	496	842		(243.4)
30	**Total Investment Income**	**120,690**	**125,598**	**4,908**	**(3)**	**4.1**
31	**Gain (Loss) on Sale of Property**	-				
32	**Net Income (Loss)**	**(8,136)**	**(1,658)**	**6,478**		**(79.6)**
33	**Allocated Corporate Expenses**					
34	Claims Expense	157,376	155,922	(1,454)	(4)	(0.9)
35	Road Safety/Loss Prevention	14,975	14,461	(514)	(4)	(3.4)
36	Operating	107,488	98,357	(9,131)	(4)	(8.5)
37	Regulatory/Appeal	4,815	4,637	(178)	(4)	(3.7)
38	**Total Allocated Corporate Expenses**	**284,654**	**273,377**	**(11,277)**		**(4.0)**
39	**Allocated Corporate Expenses**					
40	Normal Operations	263,076	244,182	(18,894)		(7.2)
41	Initiatives Implementation	21,578	29,195	7,617		35.3
42	Initiatives Ongoing	-	-			
43	**Total Allocated Corporate Expenses**	**284,654**	**273,377**	**(11,277)**		**(4.0)**
44	***Total net impact due to interest rates**	**54**	**(6,681)**	**(6,735)**		**(12,472.2)**

Explanation Statement of Operations - 2023/24 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,203,215**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
2			3,676	Higher written premiums from prior year
3			126	Other
4			(44,021)	Lower expected premiums due to rate change (-0.1% Rate Update vs -3.79% Ordered)
5			(2,370)	Lower than expected premium related to volume
6			(1,576)	Lower than expected premium related to upgrade
7			(870)	Lower driver premiums primarily related to volume and DSR discount
8			**1,158,180**	**2024 GRA**
9	(2)	Net Claims Incurred	**938,123**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
10			7,577	Higher forecasted Interest Rate Impact
11			6,139	Higher forecasted Collision claims
12			2,110	Higher forecasted Property Damage claims
13			(17,942)	Lower forecasted PIPP and Liability claims
14			(2,149)	Lower forecasted ILAE
15			(1,913)	Lower forecasted ULAE
16			(1,873)	Lower forecasted Comprehensive claims
17			**930,071**	**2024 GRA**
18	(3)	Investment Income	**120,690**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
19			10,969	Higher than Expected Real Estate and Infrastructure Income
20			6,368	Higher than Expected Private Debt Gains
21			2,781	Lower than Expected Loss on Marketable Bonds
22			1,346	Higher than Expected Dividend Income
23			842	Higher than Expected Interest Rate impact
24			124	Other
25			(9,998)	Lower than Expected Gains on Equity
26			(6,121)	Lower than Expected Interest Income
27			(1,403)	Higher than Expected Investment Fees
28			**125,598**	**2024 GRA**
29	(4)	Allocated Corporate Expenses	**284,654**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
30			(13,029)	Lower than expected regular salaries
31			(1,461)	Other
32			(1,026)	Lower than expected benefit expense
33			1,798	Higher than expected data processing expense
34			1,252	Higher than expected special service expense
35			1,189	Higher than expected amortization of deferred development
36			**273,377**	**2024 GRA**

Figure 3 PF-6 Statement of Operations - 2024/25 Comparative

Line No.		IFRS 4 2023 GRA Rate Update 2024-25F	IFRS 17 2024 GRA 2024-25F	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,197,509	1,148,089	(49,420)		(4.1)
4	Drivers	65,996	64,822	(1,174)		(1.8)
5	Reinsurance Ceded	(17,348)	(16,878)	470		(2.7)
6	**Total Net Premiums Written**	**1,246,157**	**1,196,033**	**(50,124)**	**(1)**	**(4.0)**
7	**Net Premiums Earned**					
8	Motor Vehicles	1,177,447	1,130,299	(47,148)		(4.0)
9	Drivers	64,716	63,693	(1,023)		(1.6)
10	Reinsurance Ceded	(17,348)	(16,878)	470		(2.7)
11	**Total Net Premiums Earned**	**1,224,815**	**1,177,114**	**(47,701)**		**(3.9)**
12	Service Fees & Other Revenues	27,335	27,120	(215)		(0.8)
13	**Total Earned Revenues**	**1,252,150**	**1,204,234**	**(47,916)**		**(3.8)**
14	**Net Claims Incurred**	987,368	969,379	(17,989)		(1.8)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(1,042)	(4,531)	(3,489)		334.8
17	**Total Claims Incurred**	**986,326**	**964,848**	**(21,478)**	**(2)**	**(2.2)**
18	Claims Expense	158,005	146,435	(11,570)	(4)	(7.3)
19	Road Safety/Loss Prevention	14,054	12,127	(1,927)	(4)	(13.7)
20	**Total Claims Costs**	**1,158,385**	**1,123,410**	**(34,975)**		**(3.0)**
21	**Expenses**					
22	Operating	108,141	93,404	(14,737)	(4)	(13.6)
23	Commissions	58,632	56,280	(2,352)		(4.0)
24	Premium Taxes	37,267	36,389	(878)		(2.4)
25	Regulatory/Appeal	4,428	4,239	**(189)**	**(4)**	(4.3)
26	**Total Expenses**	**208,468**	**190,312**	**(18,156)**		**(8.7)**
27	**Underwriting Income (Loss)**	**(114,703)**	**(109,488)**	**5,215**		**(4.5)**
28	**Investment Income**	119,977	127,158	7,181		6.0
29	(b) Investment Income - Interest rate impact	(320)	-	320		(100.0)
30	**Total Investment Income**	**119,657**	**127,158**	**7,501**	**(3)**	**6.3**
31	**Gain (Loss) on Sale of Property**	-	**-**			
32	**Net Income (Loss)**	**4,954**	**17,670**	**12,716**		**256.7**
33	**Allocated Corporate Expenses**					
34	Claims Expense	158,005	146,435	(11,570)	(4)	(7.3)
35	Road Safety/Loss Prevention	14,054	12,127	(1,927)	(4)	(13.7)
36	Operating	108,141	93,404	(14,737)	(4)	(13.6)
37	Regulatory/Appeal	4,428	4,239	(189)	(4)	(4.3)
38	**Total Allocated Corporate Expenses**	**284,628**	**256,205**	**(28,423)**		**(10.0)**
39	**Allocated Corporate Expenses**					
40	Normal Operations	258,899	230,064	(28,835)		(11.1)
41	Initiatives Implementation	22,546	23,061	515		2.3
42	Initiatives Ongoing	3,183	3,080	(103)		(3.2)
43	**Total Allocated Corporate Expenses**	**284,628**	**256,205**	**(28,423)**		**(10.0)**
44	***Total net impact due to interest rates**	**722**	**4,531**	**3,809**		**527.6**

Explanation of Significant Variances - 2024/25 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,246,157**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
2			654	Higher than expected Fleet rebates
3			294	Other
4			(44,291)	Lower than expected premiums due to 2023 GRA Ordered rate change
5			(2,866)	Lower than expected premium related to volume
6			(2,740)	Lower than expected premium related to upgrade
7			(1,174)	Lower driver premiums primarily related to volume and DSR discount
8			**1,196,033**	**2024 GRA**
9	(2)	Net Claims Incurred	**986,321**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
10			11,243	Higher forecasted Comprehensive claims
11			2,555	Higher forecasted Property Damage claims
12			1,438	Higher forecasted Collision claims
13			(24,487)	Lower forecasted PIPP and Liability claims
14			(4,398)	Lower forecasted ULAE
15			(4,341)	Lower forecasted ILAE
16			(3,482)	Lower forecasted Interest Rate Impact
17			**964,848**	**2024 GRA**
18	(3)	Investment Income	**119,657**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
19			18,824	Higher than Expected Real Estate and Infrastructure Income
20			5,250	Higher than Expected Private Debt Gains
21			1,914	Higher than Expected Dividend Income
22			312	Higher than Expected Gain on Marketable Bonds
23			320	Higher than Expected Interest Rate impact
24			138	Lower than Expected Amortization
25			(16,618)	Lower than Expected Interest Income
26			(2,508)	Higher than Expected Investment Fees
27			(131)	Lower than Expected Gains on Equity
28			**127,158**	**2024 GRA**
29	(4)	Allocated Corporate Expenses	**284,628**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
30			(16,593)	Lower than expected regular salaries
31			(8,384)	Lower than expected data processing expense
32			(1,686)	Lower than expected special service expense
33			(1,231)	Other
34			(1,027)	Lower than expected advertising expense
35			(829)	Lower than expected benefits expense
36			(785)	Lower than expected Safety / Loss Prevention Program expense
37			2,112	Higher than expected amortization of deferred development
38			**256,205**	**2024 GRA**

Figure 4 PF-7 Statement of Operations - 2025/26 Comparative

Line No.		IFRS 4 2023 GRA Rate Update 2025-26F	IFRS 17 2024 GRA 2025-26F	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	Motor Vehicles	1,240,473	1,184,975	(55,498)		(4.5)
3	Drivers	68,165	66,634	(1,531)		(2.2)
4	Reinsurance Ceded	(17,868)	(17,384)	484		(2.7)
5	**Total Net Premiums Written**	**1,290,770**	**1,234,225**	**(56,545)**	(1)	(4.4)
6	**Net Premiums Earned**					
7	Motor Vehicles	1,219,369	1,166,769	(52,600)		(4.3)
8	Drivers	67,100	65,745	(1,355)		(2.0)
9	Reinsurance Ceded	(17,868)	(17,384)	484		(2.7)
10	**Total Net Premiums Earned**	**1,268,601**	**1,215,130**	**(53,471)**		(4.2)
11	Service Fees & Other Revenues	27,961	27,705	(256)		(0.9)
12	**Total Earned Revenues**	**1,296,562**	**1,242,835**	**(53,727)**		(4.1)
13	**Net Claims Incurred**	1,035,886	1,002,628	(33,258)		(3.2)
14	DPAC \ Premium Deficiency Adjustment	-	-	-		-
15	(a) Claims Incurred - Interest rate impact	(2,717)	(11,152)	(8,435)		310.5
16	**Total Claims Incurred**	**1,033,169**	**991,476**	**(41,693)**	(2)	(4.0)
17	Claims Expense	156,360	147,569	(8,791)	(4)	(5.6)
18	Road Safety/Loss Prevention	14,403	12,109	(2,294)	(4)	(15.9)
19	**Total Claims Costs**	**1,203,932**	**1,151,154**	**(52,778)**		(4.4)
20	**Expenses**					
21	Operating	107,803	94,830	(12,973)	(4)	(12.0)
22	Commissions	58,441	56,078	(2,363)		(4.0)
23	Premium Taxes	35,286	37,550	2,264		6.4
24	Regulatory/Appeal	4,508	4,328	(180)	(4)	(4.0)
25	**Total Expenses**	**206,038**	**192,786**	**(13,252)**		(6.4)
26	**Underwriting Income (Loss)**	**(113,408)**	**(101,105)**	**12,303**		(10.8)
27	**Investment Income**	126,770	131,933	5,163		4.1
28	(b) Investment Income - Interest rate impact	(303)	-	303		(100.0)
29	**Total Investment Income**	**126,467**	**131,933**	**5,466**	(3)	4.3
30	**Gain (Loss) on Sale of Property**	-				
31	**Net Income (Loss)**	**13,059**	**30,828**	**17,769**		136.1
32	**Allocated Corporate Expenses**					
33	Claims Expense	156,360	147,569	(8,791)	(4)	(5.6)
34	Road Safety/Loss Prevention	14,403	12,109	(2,294)	(4)	(15.9)
35	Operating	107,803	94,830	(12,973)	(4)	(12.0)
36	Regulatory/Appeal	4,508	4,328	(180)	(4)	(4.0)
37	**Total Allocated Corporate Expenses**	**283,074**	**258,836**	**(24,238)**		**(8.6)**
38	**Allocated Corporate Expenses**					
39	Normal Operations	257,438	232,227	(25,211)		(9.8)
40	Initiatives Implementation	22,103	24,798	2,695		12.2
41	Initiatives Ongoing	3,533	1,811	(1,722)		(48.7)
42	**Total Allocated Corporate Expenses**	**283,074**	**258,836**	**(24,238)**		**(8.6)**
43	***Total net positive impact due to interest rates**	**2,414**	**11,152**	**8,738**		**362.0**

Explanation of Significant Variances - 2025/26 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,290,770**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
2			763	Higher than expected Fleet rebates
3			318	Other
4			(49,898)	Lower than expected premiums due to 2023 GRA rate change
5			(3,197)	Lower than expected premium related to upgrade
6			(3,001)	Lower than expected premium related to volume
7			(1,531)	Lower driver premiums primarily related to volume and DSR discount
8			**1,234,225**	**2024 GRA**
9	(2)	Net Claims Incurred	**1,033,169**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
10			12,172	Higher forecasted Comprehensive claims
11			3,090	Higher forecasted Property Damage claims
12			(28,651)	Lower forecasted PIPP and Liability claims
13			(8,435)	Lower forecasted Interest Rate Impact
14			(8,026)	Lower forecasted Collision claims
15			(7,065)	Lower forecasted ULAE
16			(4,780)	Lowered forecasted ILAE
17			**991,476**	**2024 GRA**
18	(3)	Investment Income	**126,467**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
19			18,800	Higher than Expected Real Estate and Infrastructure Income
20			5,233	Higher than Expected Private Debt Gains
21			2,553	Higher than Expected Gains on Equity
22			311	Higher than Expected Gain on Marketable Bonds
23			303	Higher than Expected Interest Rate impact
24			104	Lower than Expected Amortization
25			(18,837)	Lower than Expected Interest Income
26			(2,632)	Higher than Expected Investment Fees
27			(368)	Lower than Expected Dividend Income
28			(1)	Other
29			**131,933**	**2024 GRA**
30	(4)	Allocated Corporate Expenses	**283,074**	**2023 GRA Rate Update - MPI Exhibit 58, Appendix 2**
31			(16,845)	Lower than expected regular salaries
32			(2,922)	Lower than expected data processing expense
33			(1,898)	Lower than expected special service expense
34			(1,188)	Lower than expected Safety / Loss Prevention Program expense
35			(1,031)	Lower than expected advertising expense
36			(892)	Other
37			538	Higher than expected amortization of deferred development
38			**258,836**	**2024 GRA**

Figure 5 PF-4 Statement of Operations - 2022/23 Comparative

Line No.		*IFRS 4* 2023 GRA Compliance Filing 2022-23FB	*IFRS 4* 2024 GRA 2022-23A	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,058,287	1,064,785	6,498		0.6
4	Drivers	59,444	59,085	(359)		(0.6)
5	Reinsurance Ceded	(16,386)	(16,392)	(6)		0.0
6	**Total Net Premiums Written**	**1,101,345**	**1,107,478**	**6,133**	(1)	0.6
7	**Net Premiums Earned**					
8	Motor Vehicles	1,039,169	1,038,127	(1,042)		(0.1)
9	Drivers	60,389	59,896	(493)		(0.8)
10	Reinsurance Ceded	(16,363)	(16,392)	(29)		0.2
11	**Total Net Premiums Earned**	**1,083,195**	**1,081,631**	**(1,564)**		(0.1)
12	Service Fees & Other Revenues	28,073	27,277	(796)		(2.8)
13	**Total Earned Revenues**	**1,111,268**	**1,108,908**	**(2,360)**		(0.2)
14	**Net Claims Incurred**	923,837	903,129	(20,708)		(2.2)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(134,263)	(101,437)	32,826		(24.4)
17	**Total Claims Incurred**	**789,574**	**801,692**	**12,118**	(2)	1.5
18	Claims Expense	151,542	146,265	(5,277)	(4)	(3.5)
19	Road Safety/Loss Prevention	12,469	10,530	(1,939)	(4)	(15.6)
20	**Total Claims Costs**	**953,585**	**958,487**	**4,902**		0.5
21	**Expenses**					
22	Operating	89,578	86,526	(3,052)	(4)	(3.4)
23	Commissions	47,913	47,548	(365)		(0.8)
24	Premium Taxes	32,988	32,941	(47)		(0.1)
25	Regulatory/Appeal	4,618	4,769	151	(4)	3.3
26	**Total Expenses**	**175,097**	**171,784**	**(3,313)**		(1.9)
27	**Underwriting Income (Loss)**	**(17,414)**	**(21,363)**	**(3,949)**		22.7
28	**Investment Income**	125,669	98,194	(27,475)		(21.9)
29	(b) Investment Income - Interest rate impact	(124,386)	(115,602)	8,784		(7.1)
30	**Total Investment Income**	**1,283**	**(17,408)**	**(18,691)**	(3)	(1,456.7)
31	**Gain (Loss) on Sale of Property**	-	112	**112**		-
32	**Net Income (Loss)**	**(16,131)**	**(38,659)**	**(22,528)**		139.7
33	**Allocated Corporate Expenses**					
34	Claims Expense	151,542	146,265	(5,277)	(4)	(3.5)
35	Road Safety/Loss Prevention	12,469	10,530	(1,939)	(4)	(15.6)
36	Operating	89,578	86,526	(3,052)	(4)	(3.4)
37	Regulatory/Appeal	4,618	4,769	151	(4)	3.3
38	**Total Allocated Corporate Expenses**	**258,207**	**248,090**	**(10,117)**		(3.9)
39	**Allocated Corporate Expenses**					
40	Normal Operations	n/a	234,958	n/a		-
41	Initiatives Implementation	n/a	13,132	n/a		-
42	Initiatives Ongoing	n/a	-	n/a		-
43	**Total Allocated Corporate Expenses**	**258,207**	**248,090**	**(10,117)**		(3.9)
44	***Total net impact due to interest rates**	**9,877**	**(14,165)**	**(24,042)**		(243.4)

Explanation of Significant Variances - 2022/23 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,101,345**	**2023 GRA Rate Update - Compliance Filing**
2			3,499	Higher than expected volume/upgrade/other
3			2,163	Lower than expected Fleet rebates
4			830	Lower than expected Capital Release
5			(359)	Lower driver premiums primarily related to volume and DSR discount
6			**1,107,478**	**2024 GRA**
7	(2)	Net Claims Incurred	**789,574**	**2023 GRA Rate Update - Compliance Filing**
8			54,719	Inflation Impact
9			40,413	Higher Collision claims
10			32,826	Higher Interest Rate Impact
11			16,144	Higher Comprehensive claims
12			2,962	Higher Bodily Injury claims
13			2,505	Higher Property Damage claims
14			51	Higher ULAE
15			(125,504)	Lower PIPP claims
16			(8,440)	Lower forecasted ILAE
17			(3,558)	Allowance for subro accounts
18			**801,692**	**2024 GRA**
19	(3)	Investment Income	**1,283**	**2023 GRA Rate Update - Compliance Filing**
20			9,784	Lower expected loss on Marketable Bonds due to interest rate impact
21			6,641	Higher than Expected Interest Income
22			1,857	Higher than Expected Gains on Equity Investments
23			(18,780)	Write off (Corp Bonds and Private Debt)
24			(7,422)	Lower than Expected Real Estate Investments
25			(5,096)	Lower than Expected Infrastructure Investments
26			(3,177)	Lower than Expected Dividend Income
27			(895)	Higher than Expected Pension Expense
28			(817)	Higher than Expected Amortization
29			(786)	Other
30			**(17,408)**	**2024 GRA**
31	(4)	Allocated Corporate Expenses	**258,207**	**2023 GRA Rate Update - Compliance Filing**
32			(5,591)	Lower than expected regular salaries
33			(5,087)	Lower than expected data processing expense
34			(1,455)	Lower than expected amortization of deferred development
35			(1,116)	Lower than expected benefit expense
36			(844)	Lower than expected Driver education Program expense
37			(568)	Lower than expected public information/advertising expense
38			(546)	Lower than expected depreciation of capital investments
39			2,692	Higher than expected special service expense
40			1,096	Higher Furniture and Equipment expense
41			656	Other
42			646	Higher Overtime expense
43			**248,090**	**2024 GRA**

Figure 6 PF-5 Statement of Operations - 2023/24 Comparative

Line No.		IFRS 4 2023 GRA Compliance Filing 2023-24FB	IFRS 17 2024 GRA 2023-24FB	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,112,636	1,112,046	(590)		(0.1)
4	Drivers	63,390	62,520	(870)		(1.4)
5	Reinsurance Ceded	(16,843)	(16,386)	457		(2.7)
6	**Total Net Premiums Written**	**1,159,183**	**1,158,180**	**(1,003)**	**(1)**	**(0.1)**
7	**Net Premiums Earned**					
8	Motor Vehicles	1,085,939	1,090,550	4,611		0.4
9	Drivers	61,452	61,180	(272)		(0.4)
10	Reinsurance Ceded	(16,843)	(16,386)	457		(2.7)
11	**Total Net Premiums Earned**	**1,130,548**	**1,135,344**	**4,796**		**0.4**
12	Service Fees & Other Revenues	27,155	26,904	(251)		(0.9)
13	**Total Earned Revenues**	**1,157,703**	**1,162,248**	**4,545**		**0.4**
14	**Net Claims Incurred**	938,522	922,894	(15,628)		(1.7)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(581)	7,177	7,758		(1,335.3)
17	**Total Claims Incurred**	**937,941**	**930,071**	**(7,870)**	**(2)**	**(0.8)**
18	Claims Expense	157,376	155,922	(1,454)	(4)	(0.9)
19	Road Safety/Loss Prevention	14,975	14,461	(514)	(4)	(3.4)
20	**Total Claims Costs**	**1,110,292**	**1,100,454**	**(9,838)**		**(0.9)**
21	**Expenses**					
22	Operating	107,488	98,357	(9,131)	(4)	(8.5)
23	Commissions	50,985	50,817	(168)		(0.3)
24	Premium Taxes	34,423	35,239	816		2.4
25	Regulatory/Appeal	4,815	4,637	**(178)**	**(4)**	(3.7)
26	**Total Expenses**	**197,711**	**189,050**	**(8,661)**		**(4.4)**
27	**Underwriting Income (Loss)**	**(150,300)**	**(127,256)**	**23,044**		**(15.3)**
28	**Investment Income**	120,719	125,102	4,383		3.6
29	(b) Investment Income - Interest rate impact	(346)	496	842		(243.4)
30	**Total Investment Income**	**120,373**	**125,598**	**5,225**	**(3)**	**4.3**
31	**Gain (Loss) on Sale of Property**					
32	**Net Income (Loss)**	**(29,927)**	**(1,658)**	**28,269**		**(94.5)**
33	**Allocated Corporate Expenses**					
34	Claims Expense	157,376	155,922	(1,454)	(4)	(0.9)
35	Road Safety/Loss Prevention	14,975	14,461	(514)	(4)	(3.4)
36	Operating	107,488	98,357	(9,131)	(4)	(8.5)
37	Regulatory/Appeal	4,815	4,637	(178)	(4)	(3.7)
38	**Total Allocated Corporate Expenses**	**284,654**	**273,377**	**(11,277)**		**(4.0)**
39	**Allocated Corporate Expenses**					
40	Normal Operations	263,076	244,182	(18,894)		(7.2)
41	Initiatives Implementation	21,578	29,195	7,617		35.3
42	Initiatives Ongoing	-	-			
43	**Total Allocated Corporate Expenses**	**284,654**	**273,377**	**(11,277)**		**(4.0)**
44	***Total net impact due to interest rates**	**235**	**(6,681)**	**(6,916)**		**(2,943.0)**

Explanation of Significant Variances - 2023/24 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,159,183**	**2023 GRA Rate Update - Compliance Filing**
2			3,676	Higher written premiums from prior year
3			137	Other
4			(2,370)	Lower than expected premium related to volume
5			(1,576)	Lower than expected premium related to upgrade
6			(870)	Lower driver premiums primarily related to volume and DSR discount
7			**1,158,180**	**2024 GRA**
8	(2)	Net Claims Incurred	**937,941**	**2023 GRA Rate Update - Compliance Filing**
9			7,577	Higher forecasted Interest Rate Impact
10			6,139	Higher forecasted Collision claims
11			2,110	Higher forecasted Property Damage claims
12			(17,942)	Lower forecasted PIPP and Liability claims
13			(2,149)	Lower forecasted ILAE
14			(1,913)	Lower forecasted ULAE
15			(1,873)	Lower forecasted Comprehensive claims
16			**930,071**	**2024 GRA**
17	(3)	Investment Income	**120,373**	**2023 GRA Rate Update - Compliance Filing**
18			10,969	Higher than Expected Real Estate and Infrastructure Income
19			6,586	Higher than Expected Private Debt Gains
20			3,667	Lower than Expected Loss on Marketable Bonds
21			1,411	Higher than Expected Dividend Income
22			842	Higher than Expected Interest Rate impact
23			39	Lower than expected amortization
24			(11,037)	Lower than Expected Gains on Equity
25			(5,834)	Lower than Expected Interest Income
26			(1,418)	Higher than Expected Investment Fees
27			**125,598**	**2024 GRA**
28	(4)	Allocated Corporate Expenses	**284,654**	**2023 GRA Rate Update - Compliance Filing**
29			(13,029)	Lower than expected regular salaries
30			(1,461)	Other
31			(1,026)	Lower than expected benefit expense
32			1,798	Higher than expected data processing expense
33			1,252	Higher than expected special service expense
34			1,189	Higher than expected amortization of deferred development
35			**273,377**	**2024 GRA**

Figure 7 PF-6 Statement of Operations - 2024/25 Comparative

Line No.		IFRS 4 2023 GRA Compliance Filing 2024-25F	IFRS 17 2024 GRA 2024-25F	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	**Net Premiums Written**					
3	Motor Vehicles	1,151,929	1,148,089	(3,840)		(0.3)
4	Drivers	65,996	64,822	(1,174)		(1.8)
5	Reinsurance Ceded	(17,348)	(16,878)	470		(2.7)
6	**Total Net Premiums Written**	**1,200,577**	**1,196,033**	**(4,544)**	**(1)**	**(0.4)**
7	**Net Premiums Earned**					
8	Motor Vehicles	1,132,628	1,130,299	(2,329)		(0.2)
9	Drivers	64,716	63,693	(1,023)		(1.6)
10	Reinsurance Ceded	(17,348)	(16,878)	470		(2.7)
11	**Total Net Premiums Earned**	**1,179,996**	**1,177,114**	**(2,882)**		**(0.2)**
12	Service Fees & Other Revenues	26,575	27,120	545		2.1
13	**Total Earned Revenues**	**1,206,571**	**1,204,234**	**(2,337)**		**(0.2)**
14	**Net Claims Incurred**	987,364	969,379	(17,985)		(1.8)
15	DPAC \ Premium Deficiency Adjustment	-	-	-		-
16	(a) Claims Incurred - Interest rate impact	(1,007)	(4,531)	(3,524)		350.0
17	**Total Claims Incurred**	**986,357**	**964,848**	**(21,509)**	**(2)**	**(2.2)**
18	Claims Expense	158,005	146,435	(11,570)	(4)	(7.3)
19	Road Safety/Loss Prevention	14,054	12,127	(1,927)	(4)	(13.7)
20	**Total Claims Costs**	**1,158,416**	**1,123,410**	**(35,006)**		**(3.0)**
21	**Expenses**					
22	Operating	108,141	93,404	(14,737)	(4)	(13.6)
23	Commissions	56,697	56,280	(417)		(0.7)
24	Premium Taxes	35,922	36,389	467		1.3
25	Regulatory/Appeal	4,428	4,239	**(189)**	**(4)**	(4.3)
26	**Total Expenses**	**205,188**	**190,312**	**(14,876)**		**(7.2)**
27	**Underwriting Income (Loss)**	**(157,033)**	**(109,488)**	**47,545**		**(30.3)**
28	**Investment Income**	118,635	127,158	8,523		7.2
29	(b) Investment Income - Interest rate impact	(320)	-	320		(100.0)
30	**Total Investment Income**	**118,315**	**127,158**	**8,843**	**(3)**	**7.5**
31	**Gain (Loss) on Sale of Property**		**-**			
32	**Net Income (Loss)**	**(38,718)**	**17,670**	**56,388**		**(145.6)**
33	**Allocated Corporate Expenses**					
34	Claims Expense	158,005	146,435	(11,570)	(4)	(7.3)
35	Road Safety/Loss Prevention	14,054	12,127	(1,927)	(4)	(13.7)
36	Operating	108,141	93,404	(14,737)	(4)	(13.6)
37	Regulatory/Appeal	4,428	4,239	(189)	(4)	(4.3)
38	**Total Allocated Corporate Expenses**	**284,628**	**256,205**	**(28,423)**		**(10.0)**
39	**Allocated Corporate Expenses**					
40	Normal Operations	258,899	230,064	(28,835)		(11.1)
41	Initiatives Implementation	22,546	23,061	515		2.3
42	Initiatives Ongoing	3,183	3,080	(103)		(3.2)
43	**Total Allocated Corporate Expenses**	**284,628**	**256,205**	**(28,423)**		**(10.0)**
44	***Total net impact due to interest rates**	**687**	**4,531**	**3,844**		**559.5**

Explanation of Significant Variances - 2024/25 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,200,577**	**2023 GRA Rate Update - Compliance Filing**
2			654	Higher than expected Fleet rebates
3			35	Other
4			(2,395)	Lower than expected premium related to volume
5			(1,663)	Lower than expected premium related to upgrade
6			(1,174)	Lower driver premiums primarily related to volume and DSR discount
7			**1,196,033**	**2024 GRA**
8	(2)	Net Claims Incurred	**986,321**	**2023 GRA Rate Update - Compliance Filing**
9			11,243	Higher forecasted Comprehensive claims
10			2,555	Higher forecasted Property Damage claims
11			1,438	Higher forecasted Collision claims
12			(24,487)	Lower forecasted PIPP and Liability claims
13			(4,398)	Lower forecasted ULAE
14			(4,341)	Lower forecasted ILAE
15			(3,482)	Lower forecasted Interest Rate Impact
16			**964,848**	**2024 GRA**
17	(3)	Investment Income	**118,315**	**2023 GRA Rate Update - Compliance Filing**
18			18,886	Higher than Expected Real Estate and Infrastructure Income
19			5,765	Higher than Expected Private Debt Gains
20			2,273	Higher than Expected Dividend Income
21			638	Higher than Expected Gain on Marketable Bonds
22			320	Higher than Expected Interest Rate impact
23			244	Lower than Expected Amortization
24			(15,616)	Lower than Expected Interest Income
25			(2,603)	Higher than Expected Investment Fees
26			(1,061)	Lower than Expected Gains on Equity
27			**127,158**	**2024 GRA**
28	(4)	Allocated Corporate Expenses	**284,628**	**2023 GRA Rate Update - Compliance Filing**
29			(16,593)	Lower than expected regular salaries
30			(8,384)	Lower than expected data processing expense
31			(1,686)	Lower than expected special service expense
32			(1,231)	Other
33			(1,027)	Lower than expected advertising expense
34			(829)	Lower than expected benefits expense
35			(785)	Lower than expected Safety / Loss Prevention Program expense
36			2,112	Higher than expected amortization of deferred development
37			**256,205**	**2024 GRA**

Figure 8 PF-7 Statement of Operations - 2025/26 Comparative

Line No.		IFRS 4 2023 GRA Compliance Filing 2025-26F	IFRS 17 2024 GRA 2025-26F	Inc (dec)	Ref.	Increase / (Decrease)
1	*(C$ 000s, except where noted)*	$	$	$		%
2	Motor Vehicles	1,193,264	1,184,975	(8,289)		(0.7)
3	Drivers	68,165	66,634	(1,531)		(2.2)
4	Reinsurance Ceded	(17,868)	(17,384)	484		(2.7)
5	**Total Net Premiums Written**	**1,243,561**	**1,234,225**	**(9,336)**	(1)	(0.8)
6	**Net Premiums Earned**					
7	Motor Vehicles	1,172,960	1,166,769	(6,191)		(0.5)
8	Drivers	67,100	65,745	(1,355)		(2.0)
9	Reinsurance Ceded	(17,868)	(17,384)	484		(2.7)
10	**Total Net Premiums Earned**	**1,222,192**	**1,215,130**	**(7,062)**		(0.6)
11	Service Fees & Other Revenues	27,170	27,705	535		2.0
12	**Total Earned Revenues**	**1,249,362**	**1,242,835**	**(6,527)**		(0.5)
13	**Net Claims Incurred**	1,035,882	1,002,628	(33,254)		(3.2)
14	DPAC \ Premium Deficiency Adjustment	-	-	-		-
15	(a) Claims Incurred - Interest rate impact	(2,650)	(11,152)	(8,502)		320.8
16	**Total Claims Incurred**	**1,033,232**	**991,476**	**(41,756)**	(2)	(4.0)
17	Claims Expense	156,360	147,569	(8,791)	(4)	(5.6)
18	Road Safety/Loss Prevention	14,403	12,109	(2,294)	(4)	(15.9)
19	**Total Claims Costs**	**1,203,995**	**1,151,154**	**(52,841)**		(4.4)
20	**Expenses**					
21	Operating	107,803	94,830	(12,973)	(4)	(12.0)
22	Commissions	56,482	56,078	(404)		(0.7)
23	Premium Taxes	37,203	37,550	347		0.9
24	Regulatory/Appeal	4,508	4,328	(180)	(4)	(4.0)
25	**Total Expenses**	**205,996**	**192,786**	**(13,210)**		(6.4)
26	**Underwriting Income (Loss)**	**(160,629)**	**(101,105)**	**59,524**		(37.1)
27	**Investment Income**	124,110	131,933	7,823		6.3
28	(b) Investment Income - Interest rate impact	(303)	-	303		(100.0)
29	**Total Investment Income**	**123,807**	**131,933**	**8,126**	(3)	6.6
30	**Gain (Loss) on Sale of Property**					
31	**Net Income (Loss)**	**(36,822)**	**30,828**	**67,650**		(183.7)
32	**Allocated Corporate Expenses**					
33	Claims Expense	156,360	147,569	(8,791)	(4)	(5.6)
34	Road Safety/Loss Prevention	14,403	12,109	(2,294)	(4)	(15.9)
35	Operating	107,803	94,830	(12,973)	(4)	(12.0)
36	Regulatory/Appeal	4,508	4,328	(180)	(4)	(4.0)
37	**Total Allocated Corporate Expenses**	**283,074**	**258,836**	**(24,238)**		(8.6)
38	**Allocated Corporate Expenses**					
39	Normal Operations	257,438	232,227	(25,211)		(9.8)
40	Initiatives Implementation	22,103	24,798	2,695		12.2
41	Initiatives Ongoing	3,533	1,811	(1,722)		(48.7)
42	**Total Allocated Corporate Expenses**	**283,074**	**258,836**	**(24,238)**		(8.6)
43	***Total net positive impact due to interest rates**	**2,347**	**11,152**	**8,805**		375.2

Explanation of Significant Variances - 2025/26 Comparative *(cont'd)*

Line No.	Ref.	Category	(C$ 000s)	Explanation
1	(1)	Net Premiums Written	**1,243,561**	**2023 GRA Rate Update - Compliance Filing**
2			(4,318)	Lower Expected Premiums from prior year
3			763	Higher than expected Fleet rebates
4			317	Other
5			(2,055)	Lower than expected premium related to upgrade
6			(2,513)	Lower than expected premium related to volume
7			(1,531)	Lower driver premiums primarily related to volume and DSR discount
8			**1,234,225**	**2024 GRA**
9	(2)	Net Claims Incurred	**1,033,232**	**2023 GRA Rate Update - Compliance Filing**
10			12,172	Higher forecasted Comprehensive claims
11			3,090	Higher forecasted Property Damage claims
12			(28,651)	Lower forecasted PIPP and Liability claims
13			(8,435)	Lower forecasted Interest Rate Impact
14			(8,026)	Lower forecasted Collision claims
15			(7,065)	Lower forecasted ULAE
16			(4,780)	Lowered forecasted ILAE
17			**991,476**	**2024 GRA**
18	(3)	Investment Income	**123,807**	**2023 GRA Rate Update - Compliance Filing**
19			19,171	Higher than Expected Real Estate and Infrastructure Income
20			5,933	Higher than Expected Private Debt Gains
21			3,318	Higher than Expected Gains on Equity
22			706	Higher than Expected Gain on Marketable Bonds
23			303	Higher than Expected Interest Rate impact
24			303	Lower than Expected Amortization
25			(17,125)	Lower than Expected Interest Income
26			(2,853)	Higher than Expected Investment Fees
27			(1,628)	Lower than Expected Dividend Income
28			(2)	Other
29			**131,933**	**2024 GRA**
30	(4)	Allocated Corporate Expenses	**283,074**	**2023 GRA Rate Update - Compliance Filing**
31			(16,845)	Lower than expected regular salaries
32			(2,922)	Lower than expected data processing expense
33			(1,898)	Lower than expected special service expense
34			(1,188)	Lower than expected Safety / Loss Prevention Program expense
35			(1,031)	Lower than expected advertising expense
36			(892)	Other
37			538	Higher than expected amortization of deferred development
38			**258,836**	**2024 GRA**

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Part and Chapter:	Part II – COM Appendix 3 and Part XI INV Appendix 12 Part IX Forecasting PF-3	Page No.:	multiple
PUB Approved Issue No:	5. Financial Forecast		
Topic:	Financial Forecast		
Sub Topic:			

Preamble to IR:

Part II COM Appendix 3: The recommendation is to add three new asset classes to the Basic Claims portfolio: commercial mortgages (5% allocation), core Canadian real estate (10%) and inflation linked bonds (34%), which can be added through cash purchase or overlay strategy. Both of the implementation methods, as well as the reason for adding inflation linked bonds to the portfolio, are discussed in more detail in the rest of this document. Compared to our current portfolio, the proposed asset mix is expected to increase excess return while reducing volatility.

Part XI INV Appendix 12:

Mercer estimated the minimum required capital based on investment risk factors only for each asset mix. As per Figure 2, the results of the analysis show that all of the proposed asset mixes require additional capital relative to our current asset mix. This is because all of the proposed asset mixes include increased allocations to risky asset classes such as corporate bonds, mortgages and real estate.

These asset classes have capital charges of 4%, 10% and 20%, respectively. All other fixed income asset classes (RRBs, Provincial bonds & MUSH bonds) have no capital charges.

Figure 2 on page 9 of 184 of the PDF in Part XI – INV Appendix 12 shows that the minimum capital required increases to $72.4 million from $15.6 million with the selected Portfolio D, or an increase of $56.8 million, even though the 5% value at risk has reduced from 124.0 million to 95.8 million.

PF-3:

2023BF Minimum capital required is $351M

2024F Minimum capital required is $430M

Question:

a) Please explain why the Corporation believes the MCT ratio is an appropriate measure of risk if the required capital increases when an ALM study, which indicated a reduction in volatility, and a reduction in the 5% Value at Risk, is implemented.

b) Please explain why the required capital increased by $79M in 2024F from the level required in 2023BF, due almost in its entirety to changes in capital required to support invested assets, whereas the Mercer report indicated a required increase of about $57M.

Rationale for Question:

To better understand the impact on required capital of changes to the investment strategy.

RESPONSE:

a) MPI does not believe that the Minimum Capital Test (MCT) ratio is an appropriate measure of risk for an Assets and Liability Management (ALM) review. Figure 2 shows the minimum capital required under "Other Metrics" and not "Risk Metrics". However, minimum required capital and the MCT both have financial impacts as per our Capital Management Plan and are thereby relevant metrics to assess and monitor.

b) There are two main reasons why the MCT does not reduce at the same time as VaR/surplus volatility:

   i. Mercer's MCT calculation only reflects the market risk component of MCT, which depends on the asset portfolio only, regardless of the associated liability (given the scope of the asset-liability study, it was deemed appropriate to adopt a simplified MCT calculation which recognizes the market risk component of the MCT calculation); and

   ii. The MCT guidelines do not reflect the benefits of asset class diversification (doesn't take into account correlations).

   Despite the fact that alternative asset classes are good diversifiers and help lower the risk metrics (both VaR and surplus volatility), they attract outsized MCT charges (for example, 10% for commercial mortgages, 20% for real estate). Unfortunately the MCT guidelines seem to miss nuances that can be picked up in an economic model, in this case the diversification benefits captured through correlations.

c) There are several differences in the methodologies: the indicated change by Mercer is for the Investment assets supporting the Basic claims portfolio only and does not include the change in capital required due to interest rate risk less overall diversification credit for the Basic line of business. In addition, the reported change by MPI is for the entire Basic line of business (100% Basic Claims portfolio + 100% RSR portfolio + Basic's share of EFB portfolio) and includes the capital required for interest rate risk less diversification credit.

PUB (MPI) 1-19

Part and Chapter:	Part IX Expenses	Page No.:	29
PUB Approved Issue No:	5. Financial Forecast 10. Cost of operations and cost containment measures		
Topic:	Operating Expenses		
Sub Topic:			

Preamble to IR:

At the 2023 GRA, MPI Stated:

Originally, MPI planned to provide dedicated workstations to approximately 1,200 staff on 3 floors at Cityplace. The new flexible work program enables MPI to reduce its head office footprint by a full floor, and allows it to provide approximately 600 work points, for an employee/work point ratio of 1:2 on the new two-floor model.

Question:

a) What number of staff is forecasted to work from home (WFH) in 2023/24, 2024/25, and 2025/26 and indicate the relative percentage of total FTEs under this arrangement.

b) Please indicate whether there has been any change in the WFH policy from last year.

c) Please indicate whether there is any change to the build-out described at the 2023 GRA.

d) Please provide the revenue assumptions related to the redeveloped Cityplace (in the CSI module where applicable).

e) Please indicate the rental rates for each of the new tenants and the assumptions around the remaining space rental rates (in CSI module where applicable).

Rationale for Question:

To understand the impact of work from home on MPI’s operating expense forecast.

RESPONSE:

a) to e)

This material is the subject of a confidential motion.

PUB (MPI) 1-20

Part and Chapter:	Part IX Expenses Appendix 13	Page No.:	
PUB Approved Issue No:	6. Changes if any to integrated cost allocation methodology since the 2023 GRA		
Topic:	ICAM		
Sub Topic:	Project Nova - Cost Allocation		

Preamble to IR:

At the 2023 GRA MPI changed the allocation basis of Project Nova-related costs.

MPI explains the changes as follows:

MPI based its previous P&C allocation methodology on claims incurred volumes, which allocates costs are based on the claims volumes. However, as claims counts are significantly higher for the Basic LOB, a disparity in cost allocations existed, **which did not align the capital asset benefit to the correct LOB**. Consequently, amortization would be applied incorrectly to the Basic LOB, while the benefit of the asset would be received by the Extension or Special Risk Extension (SRE) LOB, as the case may be.

With respect to the allocation of Digital Stream costs:

Previously, MPI based the allocation methodology on Weighted Average Customer Contact Center Call Ratio, which did not reflect the program costs assigned to each **LOB accurately** (as there were disproportionate higher volumes for the Basic LOB). Consequently, MPI allocated additional costs to the Basic LOB.

Question:

a) Please provide any updates to the cost allocation of Project Nova costs, describe the basis of the allocation in the 2024 GRA, and indicate if there are any changes to the methodology.

b) Please indicate the total costs allocated to each cost centre since the inception of Project Nova, the portion allocated to Basic and other lines of business.

Rationale for Question:

To understand changes to the ICAM.

RESPONSE:

a) There is no change in the Nova Program allocation methodology provided in *2023 GRA Part IV NOVA Project Nov Appendix 9*.

MPI continues to use story points as the basis of allocation. As discovery for R3 and R4 are not complete, the allocations provided in NOV Appendix 9 from the 2023 GRA remain the same.

b) Please refer to figure 1 below.

Figure 1 - Nova Costs by Line of Business

Line No.		2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24F	2024/25F	2025/26F	2026/27F	2027/28F
1	*(C$000s, except where noted)*										
2	**Basic**	99	2,043	10,546	23,801	7,658	13,709	10,008	3,678	342	503
3	**Extension**	8	172	877	1,959	7,658	13,709	10,008	3,678	206	303
4	**SRE**	6	125	683	1,610	16,592	9,509	6,686	2,838	430	632
5	**DVA**	23	914	6,749	27,043	20,493	20,843	5,258	919	325	478
6	**Total**	**136**	**3,254**	**18,855**	**54,413**	**52,402**	**57,771**	**31,960**	**11,113**	**1,303**	**1,916**

PUB (MPI) 1-21

Part and Chapter:	**Part IX Expenses Appendix 13**	**Page No.:**	**44**
PUB Approved Issue No:	**6. Changes if any to integrated cost allocation methodology since the 2023 GRA**		
Topic:	**ICAM**		
Sub Topic:	**Cost Categories**		

Preamble to IR:

MPI has made changes to its ICAM adding additional accounting units. It appears that there are additional accounts that were not noted by MPI in its listed additions.

Question:

a) Please indicate what costs, and the total amount of costs to be captured, in each of the new accounting units, the purpose of the new departments and whether these represent incremental costs or are a re-allocation of other costs within ICAM.

b) Please explain accounting units 431, 433 and 439 and indicate the amount of costs to be captured in these accounts for 2024/25.

Rationale for Question:

To understand changes to the ICAM.

RESPONSE:

a) Please see New Departments Purpose and Budget Costs table below.

Accounting Unit	Name	Purpose	2023/24 Budget Costs *(C$000s)*	Incremental Costs / Cost Re-allocation
434	Business Insights & Analytics	The Business Insights & Analytics team was created to increase our forecasting capability and support MPI's transformation to a data-driven decision-making entity. The team is accountable for reporting on Claims, Exposures and Premiums for all lines of business, providing timely business & actuarial insights and the additional context needed to understand what these figures mean for our business now and into the future.	687	Incremental
435	Driver Testing Operations	The Driver Testing Operations team is responsible for leading the development and implementation of driver testing standards and procedures in accordance with provincial legislation and service delivery improvement.	502	Re-allocation
436	Financial Planning & Analysis	The Financial Planning & Analysis team was created to focus on budgeting, project accounting, forecasting, value management, business partnering and performance reporting and key performance indicators (KPIs).	138	Incremental
437	Finance Transformation	The Finance Transformation team was created to support the modernization of MPI systems and processes. The team will focus on Nova, financial systems, automation and Enterprise Resource Planning (ERP) transformation.	138	Incremental
438	Transformation Delivery & Business Support	The Transformation Delivery & Business Support was created as part of the reorganization within the Operations Division. The focus of the Transformation Delivery & Business Support is to work collaboratively with dedicated line of business leaders to not only deliver in that area but also partner with the Digital & Transformation Division to lead functional transformation delivery and drive incremental and continual improvements.	-	Incremental
440	Continuous Improvement	The Continuous Improvement team was created to focus on business transformation and continuous improvement at an enterprise level, develop and sustain the Lean capabilities at MPI, and cultivate a culture of continuous improvement throughout all levels and in all areas of the corporation.	538	Incremental
441	Business Readiness	The Business Readiness team was created to oversee the delivery of technical documentation and internal communications for MPI products and services while supporting Nova and other key strategic initiatives that impact our frontline staff.	190	Re-allocation
442	Employee Relations & Wellbeing	The Employee Relations & Wellbeing team was created as part of the reorganization within the People and Culture Division. This team focuses on employee service delivery and support, which includes all aspects of employee and labour relations, disability management, workplace accommodations, wellness programming, and respectful workplace.	601	Re-allocation
443	Talent Management	The reorganization within the People and Culture Division also resulted in the need for the former 080-Talent Management & Learning Development to be split into 2 departments: 080-Learning & Development and 443-Talent Management. The Talent Management team is responsible for corporate talent management including talent mapping, succession planning, employee engagement, diversity, equity and inclusion and the overall design and delivery of programs and services.	1,147	Re-allocation

b) Please see Accounting Units Table table below.

Accounting Unit	Name	Purpose	2024/25 Budget Costs *(C$000s)*
431	System Operations	Systems Operations is a whole new department within the Platform Engineering & Infrastructure Team that has been created to support MPI's Cloud Adoption Strategy as well as to provide daily support of all systems technology. As part of the Cloud Adoption Strategy, MPI is migrating its two data centres to the cloud and taking over full support of these systems. Currently these systems are maintained by IBM at a significant cost. MPI and more specifically the System Operations team, will be taking over the daily operations of maintaining MPI's technology systems as we move away from IBM Managed Services. The Cloud Adoption Strategy aligns with MPI 2.0 by eliminating Legacy Technology debt that impedes MPI from moving forward with Programs such as Nova as well as being able to provide new technology systems and services that MPI otherwise could not do without costly and lengthy upgrades. It is the Systems Operations department that manages the new technology eco system.	1,736
433	Product Management	Product Management was created to provide problem-solving guidance to Agile teams and is responsible for defining and supporting the building of desirables, feasible, viable and technical products and solutions that meet customer needs.	737
439	Pricing Transformation	Pricing Transformation was created to lead the modernization and transformation process for projects and initiatives within the Pricing area. The team oversees the implementation of the Generalized Linear Modelling (GLM) process and the dislocation analyses using newly acquired specialized tools.	569

PUB (MPI) 1-22

Part and Chapter:	**Part IX Expenses Fig. EXP-5 and Fig. EXP-32**	**Page No.:**	
PUB Approved Issue No:	**6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA**		
Topic:	**Operating Expenses**		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide an update of Fig. EXP-32 for 2024/25 and 2025/26 based on the allocation of total Corporate expenses in Figure EXP-5.

b) Please provide the total Corporate expense allocation process map in (a) reflecting IFRS 17, with commentary on the changes.

Rationale for Question:

To understand the impact of changes to the ICAM.

RESPONSE:

a) *Figures 1 and 2* shown were compiled from *Part IX Expenses Chapter Figure EXP APP 14-1* for Basic and *PUB (MPI) 1-45* for Extension and DVA.

Figure 1 Cost Allocation Flowchart – 2024/25

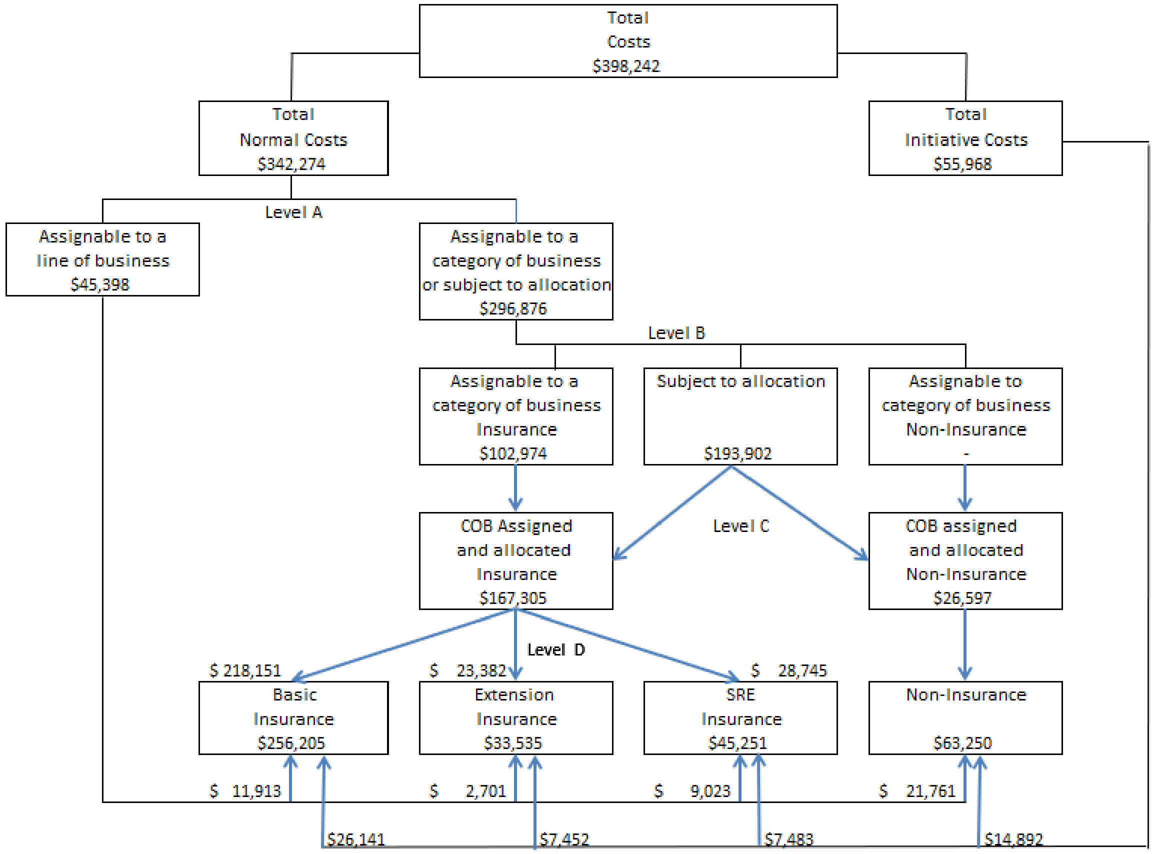
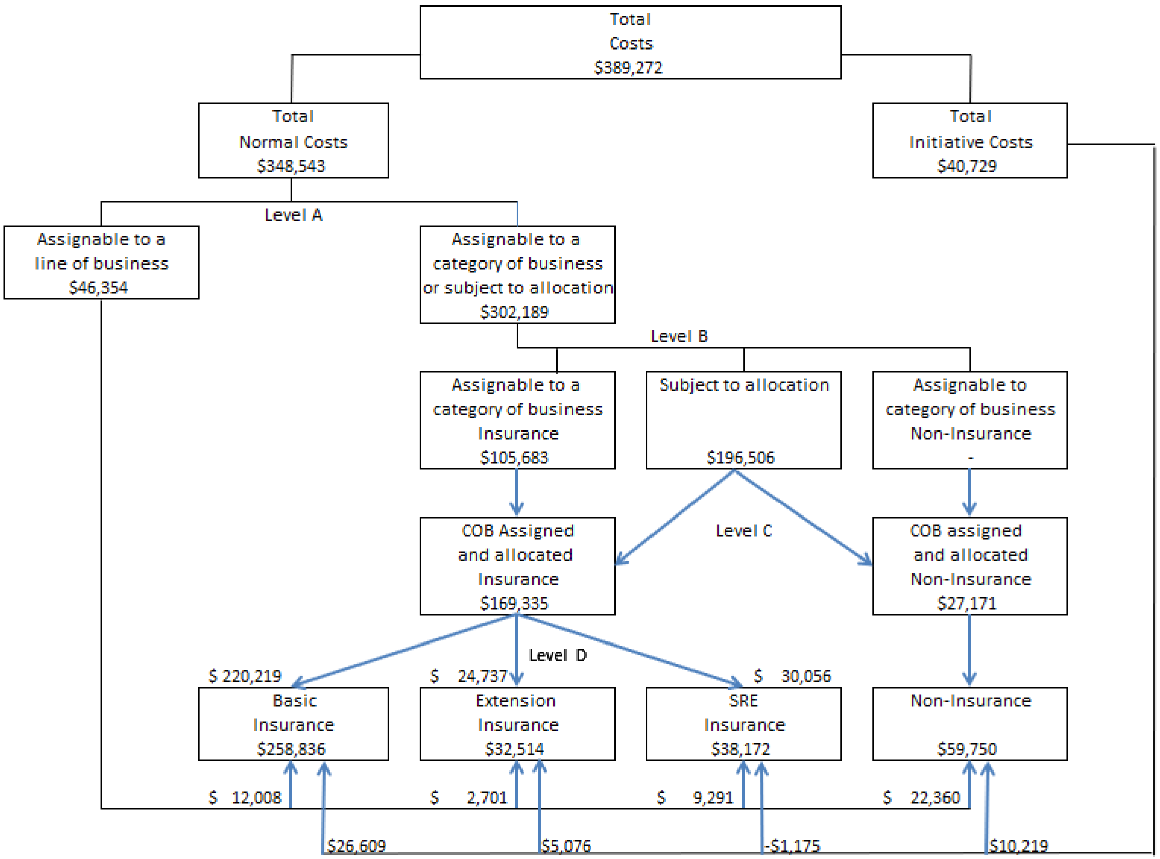


Figure 2 Cost Allocation Flowchart – 2025/26



b) *Part IX Expenses Chapter Figure EXP-32* reflects the cost allocation process and the categories under IFRS 17. The adoption of IFRS 17 involved assessing and classifying expenses as insurance-related or not related to insurance contracts. The allocations were updated to reflect more current information and the assessment of activities that relate to insurance policies. The allocation of costs by line of business and IFRS 17 categories will be provided before the hearings in October.

PUB (MPI) 1-23

Part and Chapter:	**Part IV Nova Information Technology and Value Management** **Nov Appendix 9 (2023 GRA) Fig. Nov App 9-1**	**Page No.:**	
PUB Approved Issue No:	**6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA**		
Topic:	**Project Nova**		
Sub Topic:	**Allocation of Project Nova Costs**		

Preamble to IR:

Question:

a) Please provide an update to NOV Appendix 9 from the 2023 GRA and compare the allocation percentage and amounts from that provided last year.

b) Please provide the analysis to support the Nova – P&C – Ongoing Costs allocation percentage.

c) Please provide a detailed analysis that supports the change in the allocation of costs on Nova Leadership & Delivery Stream from 2023 GRA.

Rationale for Question:

To understand changes to the allocation of Project Nova costs to Basic.

RESPONSE:

a) Please refer to *PUB (MPI) 1-20 part a*

b) A portion of Nova P&C Ongoing Cost related to R1 SRE was capitalized. The remaining balance was predicted to be a 50% split between Basic and Extension. Upon further review by looking at the streams with story points it was determined this allocation needs to be updated. MPI will determine impacts if any, providing specific update on this matter in the Rate Update. Note, initiatives expenses are not included in the rate indication.

c) Please refer to *PUB (MPI) 1-26* for the detailed analysis on the calculation of the Leadership Stream allocations.

Please see *2023 GRA Part IV, Nova Information Technology and Value Management, Nov Appendix 9, page 4 of 5, line 22 to 25* for details of the Leadership Stream allocation methodology.

PUB (MPI) 1-24

Part and Chapter:	**Part IX Expenses Part IX Financial Forecast Model PF Appendix 1a**	**Page No.:**	**9**
PUB Approved Issue No:	**6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA a. Impact of IFRS 17 on methodology**		
Topic:	**ICAM**		
Sub Topic:	**IFRS 17 Impact**		

Preamble to IR:

MPI has conducted an initial review of its current presentation and classification as well as its allocation process (with a focus on the current allocation process and financial statements presentation). Some costs are straightforward to categorize while others require more judgement and support to conclude that they are allocated on a reasonable and systematic basis. The initial results of this review are documented in the remainder of this paper, with more focus given to those which required higher degrees of judgement.

An expense allocation framework and policy for how to assess “directly attributable” is in development, the updated methodology will include information on how to determine:

- What costs are clearly directly attributable (i.e., acquisition or maintenance expense);
- What costs are clearly not directly attributable (i.e., other operating expenses);
- What costs fall into grey areas and require further assessment (i.e., requires allocation and/or professional judgment).

Question:

a) Please file the detailed analysis to date prepared on the internal cost allocation methodology under IFRS 17.

b) Please file a copy of the RFP or tender for the Internal Cost Allocation Methodology Study for IFRS 17.

Rationale for Question:

To understand changes in the allocation of costs under IFRS-17.

RESPONSE:

a) As part of the adoption of IFRS 17 - Insurance Contracts, the Finance Division was required to identify expenses related to insurance contracts and further classify those expenses as acquisition, maintenance, or operating costs.

   The Finance Division applied guidance available from the IFRS 17 standard, advisory services, and technical documents and reference materials published by accounting and audit firms, to assess and classify expenses in accordance with IFRS 17 requirements.

   Expenses reported by some departments were easily classified; others required further investigation with assistance from knowledgeable personnel in Operations, Budgeting, Financial Operations and Accounting Services teams.

   The expense allocations by category and by line of business will be provided before the hearings in October.

b) The assessment and classification of expenses to comply with reporting requirements under IFRS 17, was conducted by the Finance Division at MPI, in consultation with managers and key resources within the applicable departments at MPI. An external resource was not engaged to conduct a study of the Internal Cost Allocation Methodology for IFRS 17; an RFP was not issued.

PUB (MPI) 1-25

Part and Chapter:	**Part IX Expenses Fig. EXP -35**	**Page No.:**	**48**
PUB Approved Issue No:	**6. Changes, if any, to integrated cost allocation methodology since the 2023 GRA.**		
Topic:	**ICAM**		
Sub Topic:	**AGILE Project Management Office**		

Preamble to IR:

The APMO is responsible for overseeing corporate initiatives (excluding Project NOVA). MPI allocates the normal operating expenses incurred annually for this department (approximately $6.6 million) based on the LOB cost proportions for projects undertaken for that year. The percentage allocator depends solely on the type of project.

This allocator is dynamically applied in each forecast year. As the LOB cost composition for all annual projects' changes, so too does the allocation.

MPI indicates the percentage has not changed from the last GRA 76.2%.

Question:

a) Please provide a schedule detailing the APMO/BTO costs for 2021/22, 2022/23 and 2023/24 and explain the reason that there is no change in the allocation of costs in the current application.

b) Please provide the analysis for the allocated percentage.

Rationale for Question:

To understand the increase in APMO costs.

RESPONSE:

a) Please see *Figure 1* below:

Figure 1 APMO/BTO Costs

Line No.		2021-22A	2022-23A	2023-24B
1	*(C$ 000s, except where noted)*	$	$	$
2	**APMO/BTO Expenses to be allocated**	**4,624**	**6,757**	**8,684**

As described in part b) below, the APMO/BTO allocator is calculated based on line of business proportions *excluding* NOVA projects. The forecasted projects outside of NOVA are primarily all assigned to accounting unit 223 and therefore use a shared allocator (74% Basic, 7% extension, and 9% for each of SRE and DVA). For this reason, the approach taken was to use a flat or naïve allocator approach based on 2023/24 projects as all forecasted years will be similar.

b) The APMO/BTO allocator is calculated based on the average of the improvement initiatives percentages approved for the given budget year.

PUB (MPI) 1-26

Part and Chapter:	Part V - Nova, Information Technology, and Value Assurance	Page No.:	3, 4
PUB Approved Issue No:	6. Changes to integrated cost allocation methodology since the 2023 GRA		
Topic:	Project Nova		
Sub Topic:	Allocation of Project Nova Costs		

Preamble to IR:

Question:

Please provide the detailed calculations for the allocation of Leadership Stream costs for each of the years 2020/21 through 2024/25.

Rationale for Question:

To understand changes to the allocation of Project Nova costs to Basic.

RESPONSE:

Please refer to Figure 1.

Figure 1 **EXP Detailed Calculations of Leadership Stream Cost Allocations**

Line No.		2021/22		2022/23		2023/24		2024/25	
1	**Nova Streams**	**2021/22 Budget**		**2022/23 Budget**		**2023/24 Budget**		**2024/25 Budget**	
2	**DVA**	18,544,185.00		10,468,302.18		8,372,084.00		448,117.00	
3	**P&C**	14,913,285.00		20,212,100.00		19,058,028.00		15,409,110.00	
4	**Digital**	5,285,379.00		11,418,026.23		10,964,639.00		3,712,606.00	
5	**TOTAL**	**38,742,849.00**		**42,098,428.41**		**38,394,751.00**		**19,569,833.00**	
6									
7	**Nova Program allocation (excluding Leadership Stream & Contingency)**								
8	**LOB**	**2021/22**	**%**	**2022/23**	**%**	**2023/24**	**%**	**2024/25**	**%**
9	**Basic**	17,167,883.37	44.31%	6,330,680.20	15.04%	5,994,943.93	15.62%	4,179,340.14	21.36%
10	**Extension**	1,387,196.73	3.58%	6,330,680.20	15.04%	5,994,943.93	15.62%	4,179,340.14	21.36%
11	**SRE**	1,176,356.40	3.04%	13,716,473.76	32.58%	12,989,045.20	33.83%	9,055,236.96	46.27%
12	**DVA**	19,011,412.50	49.07%	15,720,594.24	37.34%	13,415,817.94	34.93%	2,155,915.76	11.01%
13	**TOTAL**	**38,742,849.00**	**100.00%**	**42,098,428.40**	**100.00%**	**38,394,751.00**	**100.00%**	**19,569,833.00**	**100.00%**
14	**Nova Leadership Budget:**		**4,597,815.00**		**17,381,108.00**		**5,074,187.00**		**4,976,732.00**
15	**Leadership calc**	**2021/22**		**2022/23**		**2023/24**		**2024/25**	
16	**Basic**	2,037,401.84		2,613,737.39		792,588.01		1,063,029.96	
17	**Extension**	164,625.84		2,613,737.39		792,588.01		1,063,029.96	
18	**SRE**	139,604.32		5,663,097.67		1,716,597.46		2,302,733.90	
19	**DVA**	2,256,183.01		6,490,535.55		1,772,413.52		547,938.19	
20	**TOTAL**	**4,597,815.00**		**17,381,108.00**		**5,074,187.00**		**4,976,732.00**	

PUB (MPI) 1-27

Part and Chapter:	**Part IV Benchmarking** **Part XIV Reporting & Publications**	**Page No.:**	**15**
PUB Approved Issue No:	**7. Annual Business Plan**		
Topic:	**Customer Satisfaction Measures**		
Sub Topic:			

Preamble to IR:

Question:

a) Please file the most recent Forrester Research Inc. CX Index report.

b) Please file any analysis measuring EX levels.

Rationale for Question:

To understand the Corporation's measures of customer satisfaction.

RESPONSE:

a) Forrester Research Inc. provided MPI with:

- CX Index™ calculations and survey response data.
- Driver analysis that assesses the factors most influencing customer perceptions of their overall experience.

Please find attached:

- **Appendix 1 - MPI CX Index Insights Assessment Year 5 Results** – summary tables of the overall CX Index™ scores received from Forrester Research Inc.

- **Attachment A - MPI CX Index Insights Assessment Year 5 Driver Analysis - Confidential** – summary of driver analysis completed by Forrester Research Inc.

b) *2023 GRA PUB (MPI) 1-2* reported EX scores from "2021 Be Heard Survey"

The Be Heard Survey will be updated in the Fall of 2023 and will be available for reporting in the 2025 GRA.

2022-2023 Annual CX Index™ Study

Measuring our Customer Experience with Beacon Metrics

June 2023

MANITOBA
PUBLIC INSURANCE

Methodology

We conduct an **Annual CX Index™** study through Forrester Research and use the results to help understanding how we are doing from our customers' perspective.

Comparisons to previous results are provided to understand the changing nature of customers' view.

Driver analysis allows us to identify aspects of the experience that are most impactful to the overall CX Index™ Score and set priority focus for ongoing service.

In addition to the **Annual CX Index™**, we track five beacon measures that we call the **CX Reaction**.

The CX Reaction: E_3SA

- **E** — **Effectiveness:** I got what I needed.
- **E** — **Ease:** It was easy.
- **E** — **Emotion:** I felt good.
- **S** — **Satisfaction:** I'm satisfied.
- **A** — **Advocacy:** I'd speak highly of it.

Blended Sample Details

The data collection modes were recently updated to include online surveying. Beginning with this GRA submission, results are provided using both telephone and online surveying, while previous benchmarking submissions were telephone-only.

From 2018 through 2020, customer feedback was captured over the phone. Beginning in 2021, MPI expanded data collection for this annual study to include customer feedback captured using both phone surveys and online surveys. This allows for a much wider representation of our customer experiences and enables data-driven insights in greater detail.

Customers tend to respond more accurately in online surveys than in phone surveys. Social desirability bias leads people to report more positively when completing surveys over the phone. This mode effect results in metrics captured with phone survey data being more positive than what would be captured through online surveys.

The blended data collection methodology results in what is visually a lower score in 2021 and 2022 than would have been expected had a phone-only sample been obtained.

We believe this blended methodology provides accurate and actionable insights across customer experiences. The expanded sample captured in this annual study, paired with more real-time data capture to track customer experiences throughout the year will continue to provide valuable insights.

		Total sample	Phone	Online
Annual Update Year	2018	2,016	2,016	0
	2019	2,068	2,068	0
	2020	2,062	2,062	0
	2021	3,576	1,605	1,971
	2022	3,343	1,219	2,124

CX Index Breakdown: Overall

MPI Overall	2018	2019	2020	2021	2022
CX Index™ Score	78.3	76.8	80.5	71.1	69.9
CX Index™ - 5 Segments:					
Excellent	62%	61%	65%	53%	54%
Good	6%	6%	7%	6%	6%
OK	10%	10%	9%	10%	9%
Poor	6%	6%	5%	7%	6%
Very poor	15%	17%	13%	23%	26%

CX Quality Breakdown: Effectiveness

MPI Overall		2018	2019	2020	2021	2022
CX Index™ Score		78.3	76.8	80.5	71.1	69.9
CX Quality - Effectiveness:						
	Positive	81%	80%	85%	73%	72%
	Neutral	12%	11%	10%	14%	12%
	Poor	7%	9%	6%	13%	16%

CX Quality Breakdown: Ease

MPI Overall	2018	2019	2020	2021	2022
CX Index™ Score	78.3	76.8	80.5	71.1	69.9
CX Quality - Ease:					
Positive	81%	80%	84%	73%	70%
Neutral	11%	11%	9%	14%	14%
Poor	7%	9%	7%	13%	16%

CX Quality Breakdown: Emotion

MPI Overall	2018	2019	2020	2021	2022
CX Index™ Score	78.3	76.8	80.5	71.1	69.9
CX Quality - Emotion:					
Positive	68%	67%	72%	61%	60%
Neutral	24%	22%	20%	25%	23%
Poor	8%	10%	7%	14%	17%

Attachment A:
MPI CX Index Insights Assessment Year 5 Driver Analysis
Forrester

This material is the subject of a confidential motion.

PUB (MPI) 1-28

Part and Chapter:	**XIV Reporting & Publications** **MPI Annual Business Plan** **EXP Appendix 16**	**Page No.:**	
PUB Approved Issue No:	**7. Annual Business Plan** **10. Cost of operations and cost containment measures**		
Topic:	**Capital Expenditures**		
Sub Topic:			

Preamble to IR:

Question:

Please provide a schedule of 2023/24 Capital Expenditures in the same level of detail as Figure EXP App 16-1 with columns for Extension, DVL and total Corporate to reconcile with the planned spending in the Annual Business Plan.

Rationale for Question:

To understand the Corporation's capital expenses.

RESPONSE:

Please see the figure below.

Figure 1: Schedule of 2023/24 Capital Expenditures (filed as Fig EXP 16-1)

Line No.	Expenditure Type	2023 GRA (2022/23B)					2024 GRA (2022/23A)					Difference (2024 GRA - 2023 GRA)				
1	*(C$000s except where noted)*	Basic	Extension	SRE	DVL	Total	Basic	Extension	SRE	DVL	Total	Basic	Extension	SRE	DVL	Total
2	Land and Building	20,180	1,702	1,653	3,378	26,913	8,266	698	677	1,393	11,034	(11,914)	(1,004)	(976)	(1,985)	(15,879)
3	CityPlace Space Plan - Capital	5,223	435	429	778	6,865	6,594	550	542	1,005	8,691	1,371	115	112	227	1,826
4	Automobiles	394	33	32	67	527	43	4	4	7	58	(351)	(30)	(29)	(60)	(469)
5	Office Equipment/Systems Furniture/ Demountable Walls	97	8	8	16	129	**403**	34	33	69	**539**	**306**	26	25	52	**409**
6	Data Processing Equipment	82	7	4	7	100	1,023	85	50	89	1,248	941	78	46	82	1,148
7	Deferred Development	11,872	8,834	18,807	26,832	66,345	6,248	5,006	10,711	15,992	37,957	(5,624)	(3,828)	(8,096)	(10,840)	(28,388)
8	Impairment of Deferred Development	-	-	-	-	-	(969)	(80)	(76)	(117)	(1,242)	(969)	(80)	(76)	(117)	(1,242)
9	**Subtotal - Expenditures**	**37,848**	**11,019**	**20,933**	**31,079**	**100,879**	**21,608**	**6,297**	**11,940**	**18,438**	**58,284**	**(16,240)**	**(4,722)**	**(8,993)**	**(12,641)**	**(42,595)**
10	Implementation Expense	20,954	5,199	9,661	14,843	50,657	11,294	4,054	7,991	12,792	36,131	(9,660)	(1,145)	(1,670)	(2,051)	(14,526)
11	CityPlace Space Plan - Expense	331	29	32	43	435	672	59	65	87	883	341	30	33	44	448
12	Impairment of Deferred Development	-	-	-	-	-	969	80	76	117	1,242	969	80	76	117	1,242
13	**Total Expenses**	**59,133**	**16,247**	**30,626**	**45,964**	**151,970**	**34,543**	**10,490**	**20,072**	**31,434**	**96,539**	**(24,590)**	**(5,757)**	**(10,554)**	**(14,531)**	**(55,431)**
14																
15	Expenditure Type	2023 GRA (2023/24F)					2024 GRA (2023/24FB)					Difference (2024 GRA - 2023 GRA)				
16	*(C$000s except where noted)*	Basic	Extension	SRE	DVL	Total	Basic	Extension	SRE	DVL	Total	Basic	Extension	SRE	DVL	Total
17	Land and Building	17,857	1,506	1,463	2,994	23,820	12,149	1,021	996	1,970	16,136	(5,708)	(485)	(467)	(1,024)	(7,684)
18	CityPlace Space Plan - Capital	4,414	367	363	650	5,794	787	65	65	108	1,025	(3,627)	(302)	(298)	(542)	(4,769)
19	Automobiles	361	30	30	61	482	380	32	31	65	508	19	2	2	3	25
20	Office Equipment/Systems Furniture/ Demountable Walls	206	17	17	35	276	530	45	43	90	708	**324**	27	26	55	433
21	Data Processing Equipment	488	41	24	43	595	324	27	16	28	395	(164)	(14)	(8)	(14)	(200)
22	Deferred Development	9,862	8,322	17,858	18,400	54,442	11,545	11,545	4,823	16,081	43,994	1,683	3,223	(13,035)	(2,319)	(10,448)
23	Impairment of Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	**Subtotal - Expenditures**	**33,188**	**10,284**	**19,754**	**22,183**	**85,408**	**25,715**	**12,735**	**5,974**	**18,342**	**62,765**	**(7,473)**	**2,451**	**(13,780)**	**(3,841)**	**(22,643)**
25	Implementation Expense	17,072	4,045	7,441	15,394	43,952	29,195	8,035	8,480	17,810	63,520	12,123	3,990	1,039	2,416	19,568
26	CityPlace Space Plan - Expense	309	27	30	40	406	-	-	-	-	-	(309)	(27)	(30)	(40)	(406)
27	Impairment of Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	**Total Expenses**	**50,569**	**14,355**	**27,225**	**37,617**	**129,766**	**54,910**	**20,769**	**14,454**	**36,152**	**126,285**	**4,341**	**6,414**	**(12,771)**	**(1,465)**	**(3,481)**

The Annual Business Plan will be filed in August 2023.

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Part and Chapter:	**Part X Capital Management and the Rate Stabilization Reserve**	**Page No.:**	**9-10**
PUB Approved Issue No:	**8. Capital Management Plan**		
Topic:	**Capital Management Plan**		
Sub Topic:			

Preamble to IR:

MPI has proposed that the determination of a rebate would be based on the actual year-end audited MCT, and would apply to the PUB by application only to rebate to customers an amount that would bring the RSR back to 100% MCT.

The amount of the rebate will be determined based on the audited fiscal year end actual results. By mid-June of each year, MPI typically files the General Rate Application. MPI would continue to do so and, in addition to seeking approval of its rates for service, would, at the same time, file a Special Rebate Application seeking approval of a rebate (provided that the Basic MCT ratio exceeds 120% at the beginning of the current fiscal year). If approved, the rebate would be paid in February of the following calendar year. Note that, in the 5-year Basic forecast, a PUB-approved rebate is assumed and the MCT would be 100% at the beginning of the first forecast period as a liability would be accrued for the rebate.

Question:

Indicate the extent to which the process will be influenced by forecasted results and the implications on the quantum of the rebate, such as the October update filed in the GRA.

Rationale for Question:

To understand the proposed CMP Capital Rebate process.

RESPONSE:

Any rebate applied for by MPI would be based on actual year-end audited results, not forecasted results. As a result, the forecasted results will have no bearing on whether MPI applies for a rebate or the amount of the rebate sought. Under the CMP, MPI will only apply to rebate excess capital accumulated in the past.

PUB (MPI) 1-30

Part and Chapter:	**Part XI Investments Figure INV-1 PUB (MPI) 1-31(a) (2023 GRA)**	**Page No.:**	**12**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Basic Line of Business Investment Income**		
Sub Topic:	**Investment Income**		

Preamble to IR:

The table does not appear to be presented consistently with the historical information on this basis concerning the presentation of unrealized gains on Marketable Bonds and 2019/20 impairment write-downs.

Question:

a) Please re-file Figure INV-1 consistent with PUB (MPI) 1-31(a) (2023 GRA) indicating the Investment write down in 2019/20 on line 30.

b) For 2022/23 through 2025/26, please provide a schedule of investment income separating the income amounts in columns for Claims, RSR and EFB to support the reported investment income to Basic in (a).

c) Please explain the changes in the forecast investment income in Real Estate for 2021/22 through 2024/25.

Rationale for Question:

To review changes to investment income.

RESPONSE:

a) *Part XI Investments Chapter Figure INV-1* has been re-filed in the format requested in Appendix 16a. Please see *Appendix 1 – Summary of Basic Line of Business Investment Income*.

b) Investment Income has been separated by portfolio (Basic Claims, RSR and EFB) as requested in Appendix 16b. Please see *Appendix 2 – Separating Income Amounts for Basic Claims Rate Stabilization Reserve (RSR) and EFB*.

c) The increase in Real Estate income is due to the addition of Real Estate to the Basic Claims Portfolio. The added allocation is a recommendation from the 2022 ALM study. The target allocation for real estate within Basic Claims is 10%. The allocation was projected to occur mid way through 2023/24 which is why investment income in that year is lower than in 2024/25.

Summary of Basic Line of Business Investment Income

Line No.	Asset Class	Reference Section #	2017/18 Actual	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
1	***(C$000s, except where noted)***													
2	**Interest Income During Period**													
3	**Cash/Short Term Investments**	INV.3	565	2,192	3,641	454	93	5,017	1,726	135	256	389	533	711
4	**Provincial Bonds**	INV.4	34,147	32,514	80,710	84,694	81,430	85,604	37,238	31,748	32,607	34,047	35,920	37,679
5	**Corporate Bonds**	INV.4	-	3,702	-	-	-	-	28,306	31,910	33,675	35,763	37,530	39,066
6	**MUSH**	INV.5	25,349	24,950	-	-	-	-	16,997	14,592	13,749	12,882	12,123	11,526
7	**Private Debt**	INV.9	-	-	1,254	2,998	4,800	4,393	8,951	10,784	11,210	12,320	13,329	15,161
8	**Commercial Mortgages**	INV.10							1,564	3,435	3,780	4,061	4,290	4,476
8	**Total**		**60,060**	**63,358**	**85,604**	**88,146**	**86,323**	**95,014**	**94,782**	**92,604**	**95,276**	**99,462**	**103,726**	**108,619**
9	**Dividend and other Income**													
10	**Canadian Equities**	INV.6	7,774	8,781	3,097	3,080	5,258	3,958	3,628	4,417	5,048	5,385	6,183	7,029
11	**US/Global Equities**	INV.7	2,619	2,996	797	1,019	3,578	1,200	1,758	1,995	2,304	2,457	2,814	3,193
12	**Global Low Volatility**	INV.7	-	-	2,182	-	-	-	1,694	1,988	2,288	2,433	2,781	3,149
13	**Investment Properties (CityPlace)**	INV.8	2,972	3,094	1,390	(765)	148	291	359	367	374	382	389	397
14	**Infrastructure**	INV.9	1,731	11,533	2,620	1,621	1,961	999	1,885	1,899	1,981	2,060	2,196	2,412
16	**Total**		**15,096**	**26,404**	**10,086**	**4,955**	**10,945**	**6,448**	**9,325**	**10,666**	**11,995**	**12,717**	**14,364**	**16,179**
17	**Gains During Period - Profit & Loss**													
18	**Marketable Bonds Unrealized Gains/(Loss)**	INV.4	8,079	8,718	(16,827)	(10,645)	(123,025)	(45,539)	43,935	(402)	(381)	(278)	1,466	2,244
19	**Marketable Bonds Realized Gains/(Loss)**	INV.4	(3,490)	5,459	22,346	11,296	(3,975)	(70,063)	(43,403)	414	401	307	(1,428)	(2,198)
20	**Private Debt Realized Gains/(Loss)**							(2)	-	-	-	-	-	-
21	**Private Debt Unrealized Gains/(Loss)**								38	(0)	-	-	-	-
22	**Canadian Equities Realized Gains**	INV.6	20,060	48,239	3,469	1,028	5,943	22,163	1,246	334	139	1,034	170	1,387
23	**Canadian Equities Unrealized Gains/(Loss)**	INV.6							2,050	3,202	3,222	2,551	3,946	3,292
24	**US/Global Equities Realized Gains**	INV.7	4,928	56,550	572	1,561	4,807	13,203	2,241	226	91	781	111	1,146
25	**Global Equities Unrealized Gains/(Loss)**	INV.7							1,154	3,265	3,413	2,956	4,170	3,711
26	**Global Low Volatility**	INV.7	-	-	3,652	6,452	1,571	2,002	1,669	439	383	840	465	1,167
27	**Global LV Unrealized Gains/(Loss)**	INV.7							1,159	2,550	2,581	2,312	3,137	2,911
28	**Real Estate**	INV.8	25,058	17,443	6,516	(878)	15,342	3,257	16,494	20,165	21,225	22,093	23,607	25,729
29	**Infrastructure**	INV.9	5,376	1,635	7,679	1,945	111	(2,990)	7,376	7,459	7,782	8,099	8,633	9,481
30	**Commercial Mortgages Unrealized Gains/(loss)**	INV.10							(21)	(36)	(31)	(27)	(23)	(19)
31	**Commercial Mortgages Realized Gains/(loss)**	INV.10							21	36	31	27	23	19
32	**Total**		**60,011**	**138,046**	**27,407**	**10,756**	**(99,226)**	**(77,969)**	**33,960**	**37,652**	**38,856**	**40,695**	**44,278**	**48,870**
33	**Other**													
34	**Investment Fees Paid**	INV.11	(3,641)	(3,576)	(4,038)	(4,111)	(4,802)	(4,801)	(5,514)	(6,714)	(7,040)	(7,482)	(8,034)	(8,735)
35	**Amortization of Bond Premium/Discount**	INV.11	(3,069)	(3,553)	(6,083)	(8,994)	(6,962)	(4,737)	4,456	4,638	4,535	4,570	4,785	3,905
36	**Pension Expense**	INV.11	(11,619)	(12,170)	(10,686)	(11,249)	(11,439)	(12,581)	(11,412)	(11,688)	(11,688)	(11,688)	(11,688)	(11,688)
37	**Venture Capital Income**	INV.11	412	-	-	-	-	-	-	-	-	-		
38	**Investment Write-Down**		(930)	-	(42,676)	10,022	(22,023)	(18,782)	-	-	-	-		
39	**Total**		**(18,847)**	**(19,298)**	**(63,483)**	**(14,329)**	**(45,226)**	**(40,901)**	**(12,469)**	**(13,763)**	**(14,192)**	**(14,600)**	**(14,936)**	**(16,518)**
40	**Total Basic LOB Investment Income**		**116,320**	**208,510**	**59,614**	**89,528**	**(47,184)**	**(17,408)**	**125,598**	**127,158**	**131,935**	**138,275**	**147,432**	**157,150**

Figure 1 Summary of Basic Line of Business Investment Income (Appendix B - Basic Line of Business)

Line No.	Asset Class	Reference Section #	2022/23 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast
1	*(C$000s, except where noted)*					
2	Interest Income During Period					
3	Cash/Short Term Investments	INV.3	5,017	1,726	135	256
4	Provincial Bonds	INV.4	85,604	37,238	31,748	32,607
5	Corporate Bonds	INV.4	-	28,306	31,910	33,675
6	MUSH	INV.5	-	16,997	14,592	13,749
7	Private Debt	INV.9	4,393	8,951	10,784	11,210
8	Commercial Mortgages	INV.10		1,564	3,435	3,780
9	**Total**		**95,014**	**94,782**	**92,604**	**95,276**
10	Dividend and other Income					
11	Canadian Equities	INV.6	3,958	3,628	4,417	5,048
12	US/Global Equities	INV.7	1,200	1,758	1,995	2,304
13	Global Low Volatility	INV.7	-	1,694	1,988	2,288
14	Investment Properties (CityPlace)	INV.8	291	359	367	374
15	Infrastructure	INV.9	999	1,885	1,899	1,981
16	**Total**		**6,448**	**9,325**	**10,666**	**11,995**
17	Gains During Period - Profit & Loss					
18	Marketable Bonds Unrealized Gains/(Loss)	INV.4	(45,539)	43,935	(402)	(381)
19	Marketable Bonds Realized Gains/(Loss)	INV.4	(70,063)	(43,403)	414	401
20	Private Debt Realized Gains/(Loss)		(2)	-	-	-
21	Private Debt Unrealized Gains/(Loss)			38	(0)	-
22	Canadian Equities Realized Gains	INV.6	22,163	1,246	334	139
23	Canadian Equities Unrealized Gains/(Loss)	INV.6		2,050	3,202	3,222
24	US/Global Equities Realized Gains	INV.7	13,203	2,241	226	91
25	Global Equities Unrealized Gains/(Loss)	INV.7		1,154	3,265	3,413
26	Global Low Volatility	INV.7	2,002	1,669	439	383
27	Global LV Unrealized Gains/(Loss)	INV.7		1,159	2,550	2,581
28	Real Estate	INV.8	3,257	16,494	20,165	21,225
29	Infrastructure	INV.9	(2,990)	7,376	7,459	7,782
30	Commercial Mortgages Unrealized Gains/(loss)	INV.10		(21)	(36)	(31)
31	Commercial Mortgages Realized Gains/(loss)	INV.10		21	36	31
32	**Total**		**(77,969)**	**33,960**	**37,652**	**38,856**
33	Other					
34	Investment Fees Paid	INV.11	(4,801)	(5,514)	(6,714)	(7,040)
35	Amortization of Bond Premium/Discount	INV.11	(4,737)	4,456	4,638	4,535
36	Pension Expense	INV.11	(12,581)	(11,412)	(11,688)	(11,688)
37	Venture Capital Income	INV.11	-	-	-	-
38	Investment Write-Down		(18,782)	-	-	-
39	**Total**		**(40,901)**	**(12,469)**	**(13,763)**	**(14,192)**
40	**Total Basic LOB Investment Income**		**(17,408)**	**125,598**	**127,158**	**131,935**

Figure 2 Summary of Basic Claims Portfolio Investment Income (Appendix B - Basic Line of Business)

Line No.	Asset Class	Reference Section #	2022/23 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast
1	*(C$000s, except where noted)*					
2	Interest Income During Period					
3	Cash/Short Term Investments	INV.3	1,019	471	-	-
4	Provincial Bonds	INV.4	80,278	34,225	28,475	29,136
5	Corporate Bonds	INV.4	-	25,100	28,397	29,910
6	MUSH	INV.5	-	16,997	14,592	13,749
7	Private Debt	INV.9	-	-	-	-
8	Commercial Mortgages	INV.10		1,564	3,435	3,780
9	**Total**		**81,297**	**78,357**	**74,898**	**76,575**
10	Dividend and other Income					
11	Canadian Equities	INV.6	-	-	-	-
12	US/Global Equities	INV.7	-	-	-	-
13	Global Low Volatility	INV.7	-	-	-	-
14	Investment Properties (CityPlace)	INV.8	-	-	-	-
15	Infrastructure	INV.9	-	-	-	-
16	**Total**		**-**	**-**	**-**	**-**
17	Gains During Period - Profit & Loss					
18	Marketable Bonds Unrealized Gains/(Loss)	INV.4	(45,429)	43,831	(388)	(373)
19	Marketable Bonds Realized Gains/(Loss)	INV.4	(63,696)	(43,335)	388	373
20	Private Debt Realized Gains/(Loss)		(2)	-	-	-
21	Private Debt Unrealized Gains/(Loss)		-	-	-	-
22	Canadian Equities Realized Gains	INV.6	-	-	-	-
23	Canadian Equities Unrealized Gains/(Loss)	INV.6	-	-	-	-
24	US/Global Equities Realized Gains	INV.7	-	-	-	-
25	Global Equities Unrealized Gains/(Loss)	INV.7	-	-	-	-
26	Global Low Volatility	INV.7	-	-	-	-
27	Global LV Unrealized Gains/(Loss)	INV.7	-	-	-	-
28	Real Estate	INV.8	-	7,417	12,676	13,380
29	Infrastructure	INV.9	-	-	-	-
30	Commercial Mortgages Unrealized Gains/(loss)	INV.10		(21)	(36)	(31)
31	Commercial Mortgages Realized Gains/(loss)	INV.10		21	36	31
32	**Total**		**(109,127)**	**7,913**	**12,676**	**13,380**
33	Other					
34	Investment Fees Paid	INV.11	(1,873)	(2,397)	(3,226)	(3,368)
35	Amortization of Bond Premium/Discount	INV.11	(4,669)	3,726	3,848	3,687
36	Pension Expense	INV.11		-	-	-
37	Venture Capital Income	INV.11	-	-	-	-
38	Investment Write-Down			-	-	-
39	**Total**		**(6,542)**	**1,329**	**622**	**319**
40	**Total Basic LOB Investment Income**		**(34,372)**	**87,599**	**88,196**	**90,274**

Figure 3 Summary of RSR Investment Income (Appendix B - Basic Line of Business)

Line No.	Asset Class	Reference Section #	2022/23 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast
1	*(C$000s, except where noted)*					
2	Interest Income During Period					
3	Cash/Short Term Investments	INV.3	614	1,250	135	256
4	Provincial Bonds	INV.4	2,289	3,013	3,273	3,471
5	Corporate Bonds	INV.4	-	-	-	-
6	MUSH	INV.5	-	-	-	-
7	Private Debt	INV.9	2,726	5,624	7,011	7,238
8	Commercial Mortgages	INV.10		-	-	-
9	**Total**		**5,629**	**9,886**	**10,419**	**10,965**
10	Dividend and other Income					
11	Canadian Equities	INV.6	1,507	1,706	2,211	2,505
12	US/Global Equities	INV.7	356	822	964	1,104
13	Global Low Volatility	INV.7	-	779	962	1,101
14	Investment Properties (CityPlace)	INV.8	291	359	367	374
15	Infrastructure	INV.9	397	628	682	712
16	**Total**		**2,551**	**4,294**	**5,186**	**5,796**
17	Gains During Period - Profit & Loss					
18	Marketable Bonds Unrealized Gains/(Loss)	INV.4	(110)	104	-	-
19	Marketable Bonds Realized Gains/(Loss)	INV.4	(6,367)	(95)	-	-
20	Private Debt Realized Gains/(Loss)		-	-	-	-
21	Private Debt Unrealized Gains/(Loss)			13	(0)	-
22	Canadian Equities Realized Gains	INV.6	15,882	594	261	69
23	Canadian Equities Unrealized Gains/(Loss)	INV.6		956	1,509	1,599
24	US/Global Equities Realized Gains	INV.7	3,132	1,113	180	44
25	Global Equities Unrealized Gains/(Loss)	INV.7		476	1,508	1,635
26	Global Low Volatility	INV.7	2,002	713	241	184
27	Global LV Unrealized Gains/(Loss)	INV.7		587	1,206	1,242
28	Real Estate	INV.8	1,496	4,941	4,873	5,083
29	Infrastructure	INV.9	(1,092)	2,456	2,680	2,796
30	Commercial Mortgages Unrealized Gains/(loss)	INV.10		-	-	-
31	Commercial Mortgages Realized Gains/(loss)	INV.10		-	-	-
32	**Total**		**14,943**	**11,858**	**12,457**	**12,652**
33	Other					
34	Investment Fees Paid	INV.11	(1,330)	(1,378)	(1,675)	(1,756)
35	Amortization of Bond Premium/Discount	INV.11	(68)	559	626	689
36	Pension Expense	INV.11	-	-	-	-
37	Venture Capital Income	INV.11	-	-	-	-
38	Investment Write-Down		(8,130)	-	-	-
39	**Total**		**(9,528)**	**(819)**	**(1,049)**	**(1,067)**
40	**Total Basic LOB Investment Income**		**13,595**	**25,220**	**27,013**	**28,346**

Figure 4 Summary of EFB Investment Income (Appendix B - Basic Line of Business)

Line No.	Asset Class	Reference Section #	2022/23 Actual	2023/24 Budget	2024/25 Forecast	2025/26 Forecast	EFB Pro-rata 2022/23 Actual	EFB Pro-rata 2023/24 Budget	EFB Pro-rata 2024/25 Forecast	EFB Pro-rata 2025/26 Forecast
1	*(C$000s, except where noted)*									
2	**Interest Income During Period**									
3	**Cash/Short Term Investments**	INV.3	4,562	6	0	0	3,412	5	0	0
4	**Provincial Bonds**	INV.4	4,094	-	-	-	3,062	-	-	-
5	**Corporate Bonds**	INV.4	-	4,323	4,738	5,076	-	3,206	3,514	3,765
6	**MUSH**	INV.5	-	-	-	-	-	-	-	-
7	**Private Debt**	INV.9	2,248	4,486	5,087	5,354	1,682	3,327	3,773	3,971
8	**Commercial Mortgages**	INV.10		-	-	-	-	-	-	-
9	**Total**		**10,904**	**8,815**	**9,824**	**10,430**	**8,156**	**6,538**	**7,287**	**7,736**
10	**Dividend and other Income**									
11	**Canadian Equities**	INV.6	3,304	2,591	2,974	3,428	2,471	1,922	2,206	2,543
12	**US/Global Equities**	INV.7	1,138	1,261	1,390	1,618	851	936	1,031	1,200
13	**Global Low Volatility**	INV.7	-	1,234	1,383	1,600	-	915	1,026	1,187
14	**Investment Properties (CityPlace)**	INV.8	-	-	-	-	-	-	-	-
15	**Infrastructure**	INV.9	812	1,696	1,640	1,711	607	1,258	1,216	1,269
16	**Total**		**5,254**	**6,783**	**7,387**	**8,358**	3,930	**5,031**	**5,479**	**6,199**
							-			
17	**Gains During Period - Profit & Loss**						-			
18	**Marketable Bonds Unrealized Gains/(Loss)**	INV.4	-	-	(19)	(10)	-	-	(14)	(7)
19	**Marketable Bonds Realized Gains/(Loss)**	INV.4	-	36	35	38	-	27	26	28
20	**Private Debt Realized Gains/(Loss)**		-	-	-	-	-	-	-	-
21	**Private Debt Unrealized Gains/(Loss)**			34	(0)	-	-	25	(0)	-
22	**Canadian Equities Realized Gains**	INV.6	8,469	879	99	94	6,335	652	73	70
23	**Canadian Equities Unrealized Gains/(Loss)**	INV.6		1,476	2,282	2,188	-	1,094	1,693	1,623
24	**US/Global Equities Realized Gains**	INV.7	13,578	1,522	63	64	10,156	1,129	47	47
25	**Global Equities Unrealized Gains/(Loss)**	INV.7		915	2,369	2,397	-	678	1,757	1,778
26	**Global Low Volatility**	INV.7	-	1,289	268	268	-	956	199	198
27	**Global LV Unrealized Gains/(Loss)**	INV.7		770	1,811	1,805	-	571	1,343	1,339
28	**Real Estate**	INV.8	2,374	5,577	3,527	3,723	1,776	4,136	2,616	2,761
29	**Infrastructure**	INV.9	(2,558)	6,633	6,443	6,723	(1,913)	4,920	4,779	4,986
30	**Commercial Mortgages Unrealized Gains/(loss)**	INV.10		-	-	-	-	-	-	-
31	**Commercial Mortgages Realized Gains/(loss)**	INV.10		-	-	-	-	-	-	-
32	**Total**		**21,863**	**19,130**	**16,878**	**17,290**	**16,354**	**14,189**	**12,518**	**12,824**
33	**Other**									
34	**Investment Fees Paid**	INV.11	(2,153)	(2,344)	(2,444)	(2,583)	(1,610)	(1,739)	(1,813)	(1,916)
35	**Amortization of Bond Premium/Discount**	INV.11	-	231	222	214	-	171	165	159
36	**Pension Expense**	INV.11	(16,962)	(15,386)	(15,758)	(15,758)	(12,688)	(11,412)	(11,688)	(11,688)
37	**Venture Capital Income**	INV.11	-	-	-	-	-			-
38	**Investment Write-Down**		(14,356)	-	-	-	(10,738)			-
39	**Total**		**(33,471)**	**(17,499)**	**(17,980)**	**(18,127)**	**(25,036)**	**(12,979)**	**(13,336)**	**(13,445)**
40	**Total Basic LOB Investment Income**		**4,550**	**17,229**	**16,109**	**17,951**	**3,403**	**12,779**	**11,948**	**13,314**
41										
42	Pension Investment Income Allocation by Line of Business									
43	Basic		74.8%	74.2%	74.2%	74.2%				

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Part and Chapter:	**Part IX Investments**	**Page No.:**	**24**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Investment Portfolios**		
Sub Topic:	**ALM Strategy**		

Preamble to IR:

Question:

a) Please provide a schedule supporting calculations for the benefit to Basic of the moment matching strategy ($7.7M for Basic Claims) on changes in interest rates to March 31, 2023.

b) Please provide an updated calculation to (a) as of July 30, 2023.

c) Please indicate whether the net impact includes fees paid to Addenda Capital to implement the strategy.

d) Please explain how MPI determines the market value of MUSH bonds for revaluation purposes.

Rationale for Question:

To understand interest rate impact on strategy.

RESPONSE:

a) As of March 31st the moment matching strategy had a -$7.7 million impact which is made up of two components; Marketable Bond Gain/Loss and Decrease in

Claims incurred due to discount rate change. Below is the calculation of Marketable Bond Gain/Loss:

Figure 1 Marketable Gain/Loss

Line No.	Marketable Gain/Loss	$ (millions)
1	Unrealized gain (loss) on HFT bonds	$ (45.43)
2	Realized gain (loss) on HFT bonds	$ (63.70)
3	**Total Marketable Gain/Loss**	$ (109.13)

Below is a calculation of Decrease in Claims incurred due to discount rate change:

Figure 2 Claims Incurred Increase/(Decrease) due to Discount Rate Change

Line No.	Claims Increases/(Decreases)	$ (millions)
1	Due to Discount Rate Change Basic PIPP	$ (90.21)
2	Due to Discount Rate Change Basic Other	$ (1.73)
3	Due to Discount Rate Change Basic ULAE	$ (9.50)
4	**Total Increases/(Decreases) in Claims**	$ (101.44)

Lastly, below is the calculation of Marketable Bond Gain/Loss and Decrease in claims incurred:

Figure 3 Moment Matching Impact

Line No.		$ (millions)
1	Marketable Gain/Loss	$ (109.13)
2	Decrease in Claims	$ (101.44)
3	**Total Moment Matching Impact**	$ (7.69)

b) Due to the normal reporting lag after the Corporation’s fiscal year end the latest report on the impact of changes in interest rates on assets and liabilities is as of March 31, 2023.

c) Yes, the net impact of changes in interest rates on assets and liabilities includes fees paid to Addenda.

d) Starting in January 2023 MUSH valuations are provided by the Province of Manitoba's Treasury Division at the beginning of each month, for the month prior. The investment team validates these valuations. The steps that the investment team follows are:

1. Investment team receives an extract from the investment accounting team containing all of the MUSH bond holdings at month end, including the par value, book value and accrued income for each bond (this report is received in the first three business day of the month).

2. Treasury Division sends the investment team their MUSH valuation report that includes the most recent yields and prices for each bond.

3. Using the prices and yields provided by the Treasury Division, the investment team values the MUSH portfolio provided by the investment accounting team. This is done by importing the price from the Treasury report into the workbook provided by investment accounting. Using the price and outstanding balances, accrued income and weighted average life (WAL) from the investment accounting report, the market value of each bond is then calculated. The entire portfolio is then summed up to provide the total market value for the MUSH bond portfolio.

4. After completing the valuation the Investment team compares the total market value calculated to the value provided by the Treasury Division. If the values are close the investment team confirms the valuation to both the investment accounting team and the Treasury Division in an e-mail. Minor variations in value are acceptable due to the difference in the accrual calculation between the investment accounting software (PAM) and the software used by the Treasury Division.

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Part and Chapter:	**Part IX Investment Inv Appendix 10**	**Page No.:**	
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Investment Income Benchmarking**		
Sub Topic:	**Surplus Volatility – Basic Claims**		

Preamble to IR:

Question:

a) Please provide a comparison of the surplus volatility of the Basic Claims portfolio on a nominal and real basis with that provided last year, and explain the underlying reasons for the changes in volatility. Please comment on the relative surplus volatility performance of the shadow portfolios to actual and policy.

b) Please provide an updated Excel with formulas showing the determination of the annual surplus volatility.

c) Please comment on how the proposed use of a bond overlay strategy will affect the surplus volatility of the Basic claims portfolio.

d) Please explain how the synthetic inflation-linked bonds will be measured in the determination of volatility.

Rationale for Question:

To understand changes in the actual and benchmark portfolio surplus volatility.

RESPONSE:

a) The figure below provides a comparison of the surplus volatility of the Basic Claims portfolio on a nominal and real basis for the last two fiscal years.

The surplus volatility of the Basic Claims portfolio on a nominal basis increased from last fiscal year to this fiscal year (1.15% for FY 2021/22 vs. 2.54% for FY 2022/23) largely driven by the larger increase in volatility within the nominal Minimum Risk Portfolio (3.9%) relative to the actual portfolio (2.6%). The nominal MRP had a 100% allocation to Provincial bonds but the actual portfolio had a 51% allocation on average to Provincial bonds (3.2% volatility). MUSH bonds with an average allocation of 23% in the actual portfolio had no change in their volatility in the same period.

The surplus volatility of the Basic Claims portfolio on a real basis barely changed from last fiscal year to this fiscal year (3.64%. for FY 2021/22 vs. 3.63%. for FY 2022/23).

Figure 1 Surplus Volatility Comparison

Line No.	Date	FY 2021/22	FY 2022/23
1	**Actual-Nominal MRP**	1.15%	2.54%
2	**Policy-Nominal MRP**	0.81%	0.58%
3	**P1 Basic-Nominal MRP**	1.18%	1.72%
4	**P2 Basic-Nominal MRP**	1.96%	3.62%
5	**Actual-Real MRP**	3.64%	3.63%
6	**Policy-Real MRP**	3.40%	4.65%
7	**P1 Basic-Real MRP**	2.35%	3.29%
8	**P2 Basic-Real MRP**	1.65%	4.03%

For FY 2022/23, for the Basic Claims portfolio, the actual surplus volatility in nominal terms (at 2.54%) was higher than the P1 Basic portfolio surplus volatility on a similar basis (1.72%) but lower than the P2 Basic portfolio surplus volatility on that basis (at 3.62%). In the same period, the policy surplus volatility in nominal terms (at 0.58%) was lower than the surplus volatility for both shadow portfolios (P1 nominal at 1.72% and P2 nominal at 3.62%).

For FY 2022/23, for the Basic Claims portfolio, the surplus volatility in the actual portfolio in real terms (at 3.63%) was higher than in the P1 Basic portfolio in real terms (3.29%) but lower than in the P2 Basic portfolio on that basis (at 4.03%). In the same period, the surplus volatility in the policy portfolio in real terms (at 4.65%) was higher than the surplus volatility in both shadow portfolios on the same basis (P1 at 3.29% and P2 at 4.03%).

b) Please see *Appendix 1 – Surplus Volatility* as an excel document attachment to this General Rate Application.

c) The bond overlay strategy is expected to reduce the surplus volatility of the Basic claims portfolio.

d) The bond overlay strategy will consist of a long position in either a Federal real return bond (RRB) or a U.S. Treasury Inflation Protected Security (TIPS) and a short position in a nominal Federal bond or a nominal Treasury bond. The combination of these securities will form the basis of the strategy and changes in the net value of these bonds will impact the market value and volatility of the total Basic Claims investment portfolio.

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Part and Chapter:	**Part IX Investment Inv Appendix 11**	**Page No.:**	
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Investment Income Benchmarking**		
Sub Topic:	**Return comparison with Shadow Portfolios**		

Preamble to IR:

Question:

a) Please file the Actual returns for the Basic and EFB portfolio in the same level of detail of that provided for the shadow and policy passive portfolios for 2022/23.

b) Please provide the Corporation's interpretation of the relative performance of the Basic Claims and EFB portfolios against the shadow portfolios and policy passive portfolio.

c) Please explain how the Corporation believes the Basic Claims portfolio performance would change if the approved bond overlay strategy were employed.

Rationale for Question:

To understand changes in the actual and benchmark portfolio returns in 2022/23.

RESPONSE:

a) Please refer to *Appendix 1 - Actual Returns Basic and EFB*.

b) The Basic Claims portfolio outperformance relative to the policy passive portfolio (by 0.6%) was driven by the overweight to corporate bonds (4.1%) and MUSH bonds (2.6%) in the Basic Claims portfolio relative to the policy passive portfolio with both asset classes outperforming their respective policy returns (by 0.06% and 3.7% respectively).

The Basic Claims portfolio outperformance relative to the P1 Basic shadow portfolio (by 0.7%) was driven by the overweight to corporate bonds (4.1%) and MUSH bonds (2.6%) in the Basic Claims portfolio that outperformed the P1 shadow portfolio returns (by 0.06% and 3.7% respectively).

The Basic Claims portfolio outperformance relative to the P2 Basic shadow portfolio (by 2.6%) was driven by the overweight to MUSH bonds (12.6%) in the Basic Claims portfolio that outperformed the P2 shadow return (3.7%) and the lack of exposure to private debt (15.0%), Canadian equity (13.0%) and private equity (5.0%) within the Basic Claims portfolio that underperformed (by -2.0%, -7.1% and -5.2% respectively).

The EFB portfolio outperformance relative to the policy passive portfolio (by 1.0%) was driven by the overweight to Canadian & Global equity (low vol) (by 3.1% and 1.8% respectively) that outperformed the policy returns (by 7.6% and 3.2% respectively).

The EFB portfolio outperformance relative to the P3 EFB shadow portfolio (by 1.0%) was driven by the overweight to Canadian & Global equity (low vol) (by 3.1% and 1.8% respectively) that outperformed the P3 shadow portfolio returns (by 7.6% and 3.2% respectively) and the overweight to corporate bonds (by 6.3%) that outperformed the P3 shadow portfolio return (by 0.2%).

The EFB portfolio outperformance relative to the P4 EFB shadow portfolio (by 8.8%) was driven by the lack of exposure to leveraged real return bonds, leveraged long-term provincials and private equity in the EFB portfolio which all had negative returns within the P4 shadow portfolio (-24.9%, -30.9% and -5.2% respectively).

c) The bond overlay strategy is not being implemented in order to improve the returns of the Basic Claims investment portfolio; it is a hedging strategy and as such it must be evaluated in conjunction with the associated liabilities. The bond overlay strategy is designed to hedge the inflation risk associated with the Basic Claims liabilities. Therefore, to accurately assess the performance of the strategy the liabilities must be included in the analysis. When inflation is high the bond overlay will produce a gain, but the cost to service the liabilities will also increase; the net impact of inflation on both assets & liabilities must be measured to understand the effectiveness of the strategy.

A significant portion of MPI’s Basic Claims liabilities are indexed to inflation. The bond overlay strategy is designed to hedge unexpected inflation, as reserving only protects against expected inflation; therefore, the strategy should be assessed in the context of the overall Assets and Liability Management (ALM) strategy. The bond overlay strategy protects against the impact of unexpected inflation on the liabilities and the resulting gains & losses from the bond overlay strategy are expected to offset the gains & losses on the liabilities. The bond overlay strategy is not expected to alter the current composition of the Basic Claims portfolio which will ensure that the yield and liquidity of the Basic Claims portfolio will not be negatively impacted.

Basic Portfolio - Actual Returns

	Asset Class	Apr-22 Returns (%)	May-22 Returns (%)	Jun-22 Returns (%)	Jul-22 Returns (%)	Aug-22 Returns (%)	Sep-22 Returns (%)	Oct-22 Returns (%)	Nov-22 Returns (%)	Dec-22 Returns (%)	Jan-23 Returns (%)	Feb-23 Returns (%)	Mar-23 Returns (%)	Apr 2022-Mar 2023 Returns (%)
Fixed Income	**Real Return Bonds**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.92%	1.51%	-2.55%	1.03%	-2.98%
	Provincials (*)	-5.67%	-0.08%	-3.20%	5.40%	-3.69%	-0.60%	-1.16%	3.34%	-2.23%	3.89%	-2.63%	2.88%	-4.31%
	Corporate	-5.03%	-0.41%	-2.27%	5.16%	-2.73%	-1.11%	-1.94%	4.61%	-1.83%	4.28%	-2.46%	1.59%	-2.70%
	MUSH Bonds	0.35%	0.36%	0.35%	0.36%	0.36%	0.34%	0.36%	0.34%	0.36%	0.36%	0.32%	0.36%	4.29%
	Total	**-3.94%**	**-0.05%**	**-2.09%**	**4.02%**	**-2.48%**	**-0.47%**	**-0.95%**	**2.84%**	**-1.49%**	**3.07%**	**-1.88%**	**1.96%**	**-1.80%**

Notes:
(*) From December 2022 to March 2023, Provincials include real return bonds that were acquired in December 2022.

EFB Portfolio - Actual Returns

	Asset Class	Apr-22 Returns (%)	May-22 Returns (%)	Jun-22 Returns (%)	Jul-22 Returns (%)	Aug-22 Returns (%)	Sep-22 Returns (%)	Oct-22 Returns (%)	Nov-22 Returns (%)	Dec-22 Returns (%)	Jan-23 Returns (%)	Feb-23 Returns (%)	Mar-23 Returns (%)	Apr 2022-Mar 2023 Returns (%)
Fixed Income	**Real Return Bonds**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Long-Term Corporate	-4.45%	0.75%	-6.27%	7.53%	-1.54%	-3.77%	3.70%	5.12%	-0.28%	2.55%	0.71%	-1.87%	-4.99%
	Private Debt-Long	-5.91%	0.25%	-6.35%	7.93%	-2.79%	-0.37%	-2.41%	5.10%	-3.73%	6.30%	-3.63%	2.45%	-4.30%
Public Equities	**Canadian Equity**	-2.18%	2.12%	-9.10%	4.66%	-1.13%	-5.43%	6.97%	4.99%	-2.83%	6.95%	-0.26%	-2.85%	0.49%
	Global Equity (large cap)	-3.58%	-3.94%	-3.73%	5.26%	-2.80%	-5.27%	5.09%	8.57%	-1.43%	5.17%	-0.93%	6.84%	8.20%
	Global Equity (low vol)	-1.92%	-1.58%	-3.39%	3.82%	-1.16%	-4.15%	6.71%	4.82%	-1.42%	0.46%	-0.39%	2.71%	3.95%
Alternatives	**Real Estate**	2.09%	0.93%	0.77%	-0.17%	0.75%	0.03%	0.45%	-0.76%	-0.88%	-0.69%	0.64%	-0.57%	2.58%
	Infrastructure	0.27%	-1.02%	0.60%	-2.02%	0.41%	-1.53%	1.52%	2.07%	0.54%	1.82%	-0.06%	-3.21%	-0.75%
	Total	**-2.87%**	**-0.63%**	**-3.37%**	**3.78%**	**-1.41%**	**-2.63%**	**1.76%**	**4.46%**	**-1.85%**	**3.78%**	**-1.16%**	**0.73%**	**0.18%**

Basic Claims Portfolio	Average Actual Allocation	Policy Allocation	Difference
Corporate Bonds	24.1%	20.0%	4.1%
Government Bonds	50.9%	60.0%	-9.1%
MUSH Bonds	22.6%	20.0%	2.6%
Cash & Equivalents	2.4%	0.0%	2.4%
Total	**100.0%**	**100.0%**	

Basic Claims Portfolio	Average Actual Allocation	P1 Allocation	Difference
Corporate Bonds	24.1%	20.0%	4.1%
Government Bonds	50.9%	36.0%	14.9%
MUSH Bonds	22.6%	20.0%	2.6%
Cash & Equivalents	2.4%	0.0%	2.4%
Real Return Bonds	0.0%	24.0%	-24.0%
Total	**100.0%**	**100.0%**	

Basic Claims Portfolio	Average Actual Allocation	P2 Allocation	Difference
Corporate Bonds	24.1%	0.0%	24.1%
Government Bonds	50.9%	32.0%	18.9%
MUSH Bonds	22.6%	10.0%	12.6%
Private Debt	0.0%	15.0%	-15.0%
3X Real Return Bonds	0.0%	16.0%	-16.0%
CDN Equity	0.0%	13.0%	-13.0%
Private Equity	0.0%	5.0%	-5.0%
Real Estate	0.0%	7.0%	-7.0%
Infrastructure	0.0%	2.0%	-2.0%
Cash & Equivalents	2.4%	0.0%	2.4%
Total	**100.0%**	**100.0%**	

EFB Portfolio	Average Actual Allocation	Policy Allocation	Difference
Corporate Bonds	16.3%	20.0%	-3.7%
Private Debt	14.9%	20.0%	-5.1%
CDN Equity	13.1%	10.0%	3.1%
Global Equity (Large Cap)	15.2%	18.0%	-2.9%
Global Equity (Low Vol)	8.8%	7.0%	1.8%
Real Estate	17.3%	15.0%	2.3%
Infrastructure	14.4%	10.0%	4.4%
Cash & Equivalents	0.2%	0.0%	0.2%
Total	**100.0%**	**100.0%**	

EFB Portfolio	Average Actual Allocation	P3 Allocation	Difference
Real Return Bonds	0.0%	10.0%	-10.0%
Corporate Bonds	16.3%	10.0%	6.3%
Private Debt	14.9%	20.0%	-5.1%
CDN Equity	13.1%	10.0%	3.1%
Global Equity (Large Cap)	15.2%	18.0%	-2.9%
Global Equity (Low Vol)	8.8%	7.0%	1.8%
Real Estate	17.3%	15.0%	2.3%
Infrastructure	14.4%	10.0%	4.4%
Cash & Equivalents	0.2%	0.0%	0.2%
Total	**100.0%**	**100.0%**	

EFB Portfolio	Average Actual Allocation	P4 Allocation	Difference
3X Real Return Bonds	0.0%	8.5%	-8.5%
Provincials	0.0%	20.0%	-20.0%
3X Provincials	0.0%	18.5%	-18.5%
MUSH Bonds	0.0%	10.0%	-10.0%
Corporate Bonds	16.3%	0.0%	16.3%
Private Debt	14.9%	15.0%	-0.1%
CDN Equity	13.1%	14.0%	-0.9%
Global Equity (Large Cap)	15.2%	0.0%	15.2%
Global Equity (Low Vol)	8.8%	0.0%	8.8%
Private Equity	0.0%	6.0%	-6.0%
Real Estate	17.3%	3.0%	14.3%
Infrastructure	14.4%	5.0%	9.4%
Cash & Equivalents	0.2%	0.0%	0.2%
Total	**100.0%**	**100.0%**	

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Part and Chapter:	**Part XI Investments InV.11.1.9**	**Page No.:**	**55**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Inflation Overlay Strategy**		
Sub Topic:			

Preamble to IR:

The goal of the overlay strategy is to create synthetic Provincial Real Return Bonds (RRB). The overlay strategy allows MPI to gain inflation protection through RRBs without affecting the existing portfolio which has been constructed to effectively hedge the interest rate risk associated with the liabilities.

MPI plans to allocate approximately $710 million to this strategy. The manager for the bond overlay strategy will be selected through a competitive process in Q2, 2023.

Question:

a) Please indicate the amount of contracted positions the Corporation expects to enter related to synthetic RRBs, and the relative level of the fixed income portfolio of inflation protection in 2023/24, 2024/25 and 2025/26. Please relate the forecast level of protection to that recommended by Mercer.

b) Please provide an estimate of the cost of administering the strategy in 2023/24, 2024/25 and 2025/26.

c) To what extent has the Corporation re-evaluated the requirement for, and level of, inflation protection based on updated ALM analysis of current market conditions?

d) Please update the break-even inflation rate chart through June 2023, including the plot of actual inflation.

e) To what extent does the Corporation prepare any updates on the merits of its investment in inflation linked bonds?

f) Please provide another Figure 5, nominal and real federal bond returns, to November 2022 extending into June 2023.

Rationale for Question:

To understand the inflation protection from the overlay strategy.

RESPONSE:

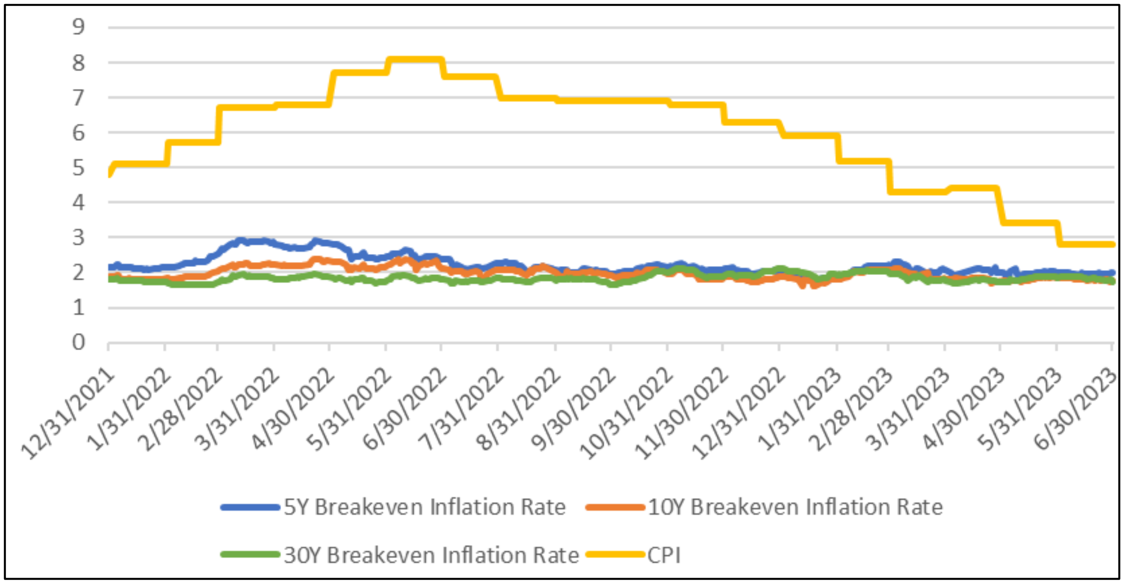
a) The level of inflation protection will be determined by the Inflation Hedging Policy, which will set out a framework for setting the hedge ratio. The policy has not yet been drafted, but MPI expects that it will consider the risk appetite of the MPI's Board of Directors as well as a view of future expected inflation. Mercer recommended a 33% allocation to RRBs, which assumed that the RRBs would be purchased on a cash basis (i.e., existing bonds would be sold in order to raise the cash necessary to purchase the RRBs). A cash purchase of RRBs would negatively affect the yield of the Basic Claims portfolio. The bond overlay avoids this issue as the purchase of RRBs is financed through borrowing (repurchase agreements).

b) As per *Part XI Investments Chapter INV.11.1.9*, the total fees for the strategy are estimated at 0.21%. Based upon an allocation of $710 million the annual fee is approximately $1.5 million.

c) The Assets and Liability Management (ALM) study has not been updated. The Inflation Hedging Policy will provide guidance on the amount to allocate to the bond overlay strategy and when to change the allocation to the strategy.

d) Please see updated breakeven inflation graph through June 2023 below. Please note that CPI is a historical measure of inflation while the break-even inflation rate (BEIR) is forward looking so they aren't directly comparable.

Figure 1 Breakeven Inflation Graph through June 2023



e) No updates have been prepared on the merits of investing in inflation linked bonds.

f) Please see nominal and real federal bond returns as of June 30, 2023 below:

Figure 2 Nominal and Real Federal Bond Returns to June 30, 2023

Line No.		Duration	1 year	2 years	3 years	5 years	10 years
1	**Long-Term Nominal Canada Bonds**	18.9	3.6%	-9.6%	-10.7%	-1.8%	1.3%
2	**RRBs**	14.4	3.5%	-5.1%	-2.9%	0.4%	2.2%
3	**Difference**	-4.5	-0.1%	4.5%	7.7%	2.2%	0.9%
4	Source:FTSE Russell						

PUB (MPI) 1-35

Part and Chapter:	**Part XI Investments Capital Reserves and Risk Management – INV Investments**	**Page No.:**	
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Pension expense**		
Sub Topic:			

Preamble to IR:

In the March 31, 2023 actuarial analysis of the provision for Employee Future Benefits, the rate, as published by Fiera Capital, was 4.90%.

Question:

a) What is the rate at June 30, 2023 as published by Fiera Capital?

b) What is the impact of the change in this rate, from March 31, 2023 to July 31, 2023, on the Total Equity for Basic as at March 31, 2023 (assuming the yield remains at the June 30, 2023 level), and what is the corresponding change in the MCT?

Rationale for Question:

To understand impact of interest rate change on pension expense.

RESPONSE:

a) The rate as at June 30, 2023 was 4.83%.

b) The impact of the decrease in rate on Total Equity for Basic is approximately $4.2 million ($5.7 million Corporate Impact x 74% Basic's share) and a reduction to Basic MCT by approximately 1%.

PUB (MPI) 1-36

Part and Chapter:	**Part XI Investments Figures INV 45-49**	**Page No.:**	**81-84**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Investment Portfolio**		
Sub Topic:			

Preamble to IR:

Question:

Please provide updated Figures INV-45 to INV-49 including 2020/21 and 2021/22 actual investment income and asset allocations.

Rationale for Question:

To understand the trend in investment income and asset allocations.

RESPONSE:

Please find additional values as requested in *Appendix 1 – Actuals 2020 to 2022 for INV-45 to INV-50*. MPI included *Part XI Investments Chapter Figure INV-50 -Employee Future Benefits Allocation* to be consistent with the information provided for the other two portfolios. MPI also included 2022/23, so that there is no missing years in the figures.

Figure INV -45
Basic Claims Investment Income (2020/21 - 2022/23 Actuals Added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	*(C$000s)*								
2	Interest Income During Period	74,507	73,813	81,297	78,357	74,898	76,574	79,079	81,144
3	Dividend and Other Income During Period	-	-	-	-	-	-	-	-
4	Gains During Period - Profit & Loss	767	(124,522)	(109,125)	7,913	12,676	13,380	13,731	14,541
5	Investment Fees Paid	(1,626)	(1,755)	(1,873)	(2,397)	(3,226)	(3,368)	(3,529)	(3,703)
6	Amortization/Accretion During Period	(8,597)	(6,392)	(4,669)	3,726	3,848	3,687	3,662	3,679
7	Pension Expense	-	-	-	-	-	-	-	-
8	**Investment Income**	**65,051**	**-58,856**	**-34,370**	**87,599**	**88,195**	**90,274**	**92,943**	**95,661**
9	***Actuals**								

Figure INV -46
Basic Claims Asset Allocation (2020/21 - 2022/23 Actuals Added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	Cash/Short Term Investments	7,876	80,879	44,087	-	-	-	-	-
2	Provincial Bonds	1,060,791	945,796	1,116,659	750,021	768,027	787,723	839,593	868,252
3	Corporate Bonds	492,063	467,387	520,401	568,044	582,243	597,759	637,631	659,900
4	MUSH	493,809	467,971	448,716	374,476	348,320	322,253	299,659	279,286
5	Real Estate Investments	-	-	-	206,672	219,348	232,728	246,459	261,000
6	Commercial Mortgages	-	-	-	100,038	100,766	101,388	101,919	102,374
7	**Total Assets**	**2,054,539**	**1,962,032**	**2,129,864**	**1,999,252**	**2,018,704**	**2,041,852**	**2,125,262**	**2,170,812**
8	Percentage Allocation								
9	Cash/Short Term Investments	0%	4%	2%	0%	0%	0%	0%	0%
10	Provincial Bonds	52%	48%	52%	38%	38%	39%	40%	40%
11	Corporate Bonds	24%	24%	24%	28%	29%	29%	30%	30%
12	MUSH	24%	24%	21%	19%	17%	16%	14%	13%
13	Real Estate Investments	0%	0%	0%	10%	11%	11%	12%	12%
14	Commercial Mortgages	0%	0%	0%	5%	5%	5%	5%	5%
15	**Total**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

* Actuals

Figure INV -47
RSR Investment Income (2020/21 - 2022/23 Actuals Added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	*(C$000s)*								
2	**Interest Income During Period**	4,191	4,366	2,903	4,263	3,408	3,727	4,067	5,037
3	**Dividend and Other Income During Period**	4,469	13,377	(1,357)	9,918	12,198	13,035	14,318	16,351
4	**Gains During Period - Profit & Loss**	10,675	9,257	13,447	11,858	12,458	12,652	13,660	15,668
5	**Investment Fees Paid**	(978)	(1,482)	(1,330)	(1,378)	(1,675)	(1,756)	(1,933)	(2,199)
6	**Amortization/Accretion During Period**	(398)	(569)	(68)	559	626	689	756	960
7	**Investment Income**	**17,959**	**24,949**	**13,595**	**25,220**	**27,014**	**28,347**	**30,868**	**35,817**
8	***Actuals**								

Figure INV -48
RSR Asset Allocation (2020-21 to 2022/23 Actuals added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	Cash/Short Term Investments	81,021	1,885	28	2,090	4,906	7,894	11,139	14,984
2	Provincial Bonds	96,274	63,893	63,941	107,430	114,585	128,852	141,356	166,682
3	Corporate Bonds	53,874	41,463	-	-	-	-	-	-
4	MUSH	-	-	-	-	-	-	-	-
5	Private Debt	50,089	75,487	76,236	116,035	119,794	134,709	147,781	174,258
6	**Total Fixed Income**	**281,257**	**182,729**	**140,206**	**225,555**	**239,286**	**271,454**	**300,277**	**355,923**
7	Canadian Equities	69,181	66,718	26,639	59,591	62,501	70,283	77,103	90,917
8	Global Equities	70,440	59,902	25,155	39,727	41,667	46,855	51,402	60,612
9	Global LV Equities	55,068	48,472	21,332	39,727	41,667	46,855	51,402	60,612
10	Real Estate Investments	32,763	60,524	65,798	85,058	88,784	99,005	107,944	126,208
11	Infrastructure & Venture Capital	29,007	29,325	28,302	54,625	57,293	64,426	70,678	83,341
12	**Total Growth Assets**	**256,458**	**264,941**	**167,226**	**278,728**	**291,913**	**327,424**	**358,530**	**421,689**
13	**Total Assets**	**537,716**	**447,670**	**307,432**	**504,282**	**531,198**	**598,877**	**658,807**	**777,613**
14	Percentage Allocation								
15	Cash/Short Term Investments	15.1%	0.4%	0.0%	0.4%	0.9%	1.3%	1.7%	1.9%
16	Provincial Bonds	17.9%	14.3%	20.8%	21.3%	21.6%	21.5%	21.5%	21.4%
17	Corporate Bonds	10.0%	9.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18	MUSH	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Private Debt	9.3%	16.9%	24.8%	23.0%	22.6%	22.5%	22.4%	22.4%
20	**Total Fixed Income**	**52.3%**	**40.8%**	**45.6%**	**44.7%**	**45.0%**	**45.3%**	**45.6%**	**45.8%**
21	Canadian Equities	12.9%	14.9%	8.7%	11.8%	11.8%	11.7%	11.7%	11.7%
22	Global Equities	13.1%	13.4%	8.2%	7.9%	7.8%	7.8%	7.8%	7.8%
23	Global LV Equities	10.2%	10.8%	6.9%	7.9%	7.8%	7.8%	7.8%	7.8%
24	Real Estate Investments	6.1%	13.5%	21.4%	16.9%	16.7%	16.5%	16.4%	16.2%
25	Infrastructure & Venture Capital	5.4%	6.6%	9.2%	10.8%	10.8%	10.8%	10.7%	10.7%
26	**Total Growth Assets**	**47.7%**	**59.2%**	**54.4%**	**55.3%**	**55.0%**	**54.7%**	**54.4%**	**54.2%**
27	**Total**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
*	Actuals								

Figure INV -49
Employee Future Benefits Investment Income (2020/21 - 2022/23 Actuals Added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	*(C$000s)*								
2	Interest Income During Period	8,600	4,479	8,656	4,329	4,738	5,076	5,387	5,683
3	Dividend and Other Income During Period	16,356	(5,768)	(4,480)	11,268	12,474	13,712	14,452	15,292
4	Gains During Period - Profit & Loss	747	935	19,489	19,130	16,878	17,289	17,938	18,968
5	Investment Fees Paid	(2,007)	(2,088)	(2,153)	(2,344)	(2,444)	(2,583)	(2,724)	(2,874)
6	Amortization/Accretion During Period	0	0	0	231	222	214	206	198
7	Pension Expense	(15,000)	(15,291)	(16,962)	(15,386)	(15,758)	(15,758)	(15,758)	(15,758)
8	**Investment Income**	**8,696**	**-17,733**	**4,550**	**17,229**	**16,110**	**17,950**	**19,500**	**21,510**

*Actuals

Figure INV -50
Employee Future Benefit Asset Allocation (2020/21 - 2022/23 Actuals added)

Line No.	Investment Summary During Period	2020/21*	2021/22*	2022/23*	2023/24	2024/25	2025/26	2026/27	2027/28
1	Cash/Short Term Investments	2,717	883	452	-	-	-	-	-
2	Provincial Bonds		-	-	-	-	-	-	-
3	Corporate Bonds	94,663	89,913	85,424	90,722	95,001	99,464	104,137	109,029
4	MUSH	-	-	-	-	-	-	-	-
5	Private Debt	86,654	82,032	78,502	96,693	101,780	107,134	112,770	118,703
6	**Total Fixed Income**	**184,034**	**172,828**	**164,379**	**187,415**	**196,781**	**206,598**	**216,907**	**227,732**
7	Canadian Equities	53,838	68,380	72,800	80,165	85,520	91,231	97,323	103,822
8	Global Equities	101,152	106,077	57,156	57,259	61,081	65,159	69,510	74,152
9	Global LV Equities	35,986	39,730	54,757	57,095	60,557	64,230	68,127	72,259
10	Real Estate Investments	75,095	92,010	94,383	57,503	61,029	64,752	68,573	72,618
11	Infrastructure & Venture Capital	59,201	59,852	94,429	131,320	137,764	144,487	151,306	158,448
12	**Total Growth Assets**	**325,273**	**366,049**	**373,525**	**383,341**	**405,951**	**429,859**	**454,839**	**481,299**
13	**Total Assets**	**509,307**	**538,876**	**537,904**	**570,756**	**602,731**	**636,457**	**671,746**	**709,031**
14	Percentage Allocation								
15	Cash/Short Term Investments	0.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
16	Provincial Bonds	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17	Corporate Bonds	18.6%	16.7%	15.9%	15.9%	15.8%	15.6%	15.5%	15.4%
18	MUSH	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Private Debt	17.0%	15.2%	14.6%	16.9%	16.9%	16.8%	16.8%	16.7%
20	**Total Fixed Income**	**36.1%**	**32.1%**	**30.6%**	**32.8%**	**32.6%**	**32.5%**	**32.3%**	**32.1%**
21	Canadian Equities	10.6%	12.7%	13.5%	14.0%	14.2%	14.3%	14.5%	14.6%
22	Global Equities	19.9%	19.7%	10.6%	10.0%	10.1%	10.2%	10.3%	10.5%
23	Global LV Equities	7.1%	7.4%	10.2%	10.0%	10.0%	10.1%	10.1%	10.2%
24	Real Estate Investments	14.7%	17.1%	17.5%	10.1%	10.1%	10.2%	10.2%	10.2%
25	Infrastructure & Venture Capital	11.6%	11.1%	17.6%	23.0%	22.9%	22.7%	22.5%	22.3%
26	**Total Growth Assets**	**63.9%**	**67.9%**	**69.4%**	**67.2%**	**67.4%**	**67.5%**	**67.7%**	**67.9%**
27	**Total**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

* Actuals

PUB (MPI) 1-37

Part and Chapter:	**Part XI Investments**	**Page No.:**	**9, 40-43**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)** **5. Financial Forecast: c) impact of IFRS 9 and 17**		
Topic:	**Investment Portfolio**		
Sub Topic:	**MUSH Bonds**		

Preamble to IR:

MPI indicates the annual expected return on MUSH bonds 20% FTSE Short Term Provincial Bond Index, plus 30% FTSE Mid Term Provincial Bond, Index plus 50% FTSE Long Term Provincial Bond.

Addenda indicates a proxy: the Province of Ontario +30bps curve serves as a proxy for the yield curve for municipal bond issues in the Basic line investment portfolio.

In the 2023 GRA the estimated impact of marking to market of MUSH bonds was an adverse impact of $8.5 million. (transcript page 1048 line 18 to 22).

PF-3 in the 2024 GRA shows the impact of the restatement of MUSH assets to FVTPL to be -$6.0 million.

Question:

a) Please provide the detailed methodology MPI will be using to report MUSH bonds at mark-to-market value, and the indicated change in value based on the methodology to comply with IFRS 9 on April 1, 2023.

b) Please indicate whether there has been a change in the approach from the method used in the 2023 GRA.

Rationale for Question:

To understand changes in Basic investment portfolio.

RESPONSE:

a) A detailed methodology for MUSH bond market value calculations can be found in the response to *PUB (MPI) 1-31(d)*.

The market value of the MUSH bonds was $6.0 million lower than the book value at March 31, 2023.

b) Yes, there has been a change in how MUSH bonds are reported from the method used in the 2023 GRA. Prior to March 31, 2023 MUSH bonds were classified as held to maturity and reported at book value. As a result of adopting IFRS 9 on April 1, 2023 MUSH bonds are now classified as Fair Value through Profit & Loss and reported at market value.

PUB (MPI) 1-38

Part and Chapter:	Part XI Investments Figure INV-1	Page No.:	58
PUB Approved Issue No:	9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)		
Topic:	Investment Income		
Sub Topic:	Investment Impairment		

Preamble to IR:

As of March 31, 2023, there were $26.1M in impaired securities (Corporate total). Corporate bonds, private debt and venture capital were written down by $8.6M, $17.3M and $0.2M. From the total write-downs, $14.4M was allocated to the EFB portfolio (corporate bonds and private debt) and $8.1M to the RSR portfolio (provincial bonds).

$18.8M of the investment write-down has been attributed to Basic.

Question:

a) Please provide details on the composition of the specific issues for the investment write-down taken in 2022/23.

b) Please indicate whether the write-down relates to the credit worthiness off the issues or the value due to prevailing interest rate increases of the Corporate Bonds written down by MPI.

c) Please explain why Bonds purchased from March 1 to March 31, 2023 are classified as FVTPL.

d) To what extent are Corporate Bonds designated as FVTPL and the change in market value captured in unrealized gains and losses, versus a permanent impairment.

e) Please file a copy of the most recent Investment Write-Down policy and the investment write-down criteria and process followed by the Corporation.

f) Please provide a copy of the impairment assessment taken to support the securities write-down.

g) Please explain the nature of the impairment for corporate bonds, private debt and venture capital, citing the objective evidence of impairment and indicate what dollar portion of the written-off securities would be eligible for future reversal of the impairment loss through net income.

h) Please indicate the extent the write-down incorporates the recognition of unrealized losses in AOCI.

Rationale for Question:

To understand changes in Basic investment portfolio.

RESPONSE:

a) At a corporate level, the write-down for Corporate Bonds (pooled), Private Debt (pooled) and Venture Capital is a result of market value being lower than book value for a minimum of 12 months which is considered prolonged. There was a minimal movement on a single government bond that was due to a correction from the prior year.

b) The Corporate Bonds are a pooled investment and the market value had been lower than book value for a minimum of 12 months.

c) Bonds purchased between March 1, 2023 and March 31, 2023 are classified as FVTPL due to a change in the Investment Policy Statement to align with the changes resulting from moving to IFRS 9 on April 1, 2023.

d) Effective April 1, 2023, due to the adoption of IFRS 9, all financial investments are classified as FVTPL. As a result, all movement going forward will be reflected as unrealized gains/losses.

e) Please refer to 2023 GRA Round 1 Information Requests PUB (MPI) 1-45 (c) Attachment A as the policy has not changed. Please note, however, as part of the adoption of IFRS 9, all financial investments will be reported as FVTPL and therefore, no impairment will be assessed as of April 1, 2023.

f) *Figure 1* shows the March 31, 2023 comparison between market and book value. At no point between March 31, 2022 and March 31, 2023 did the market value increase above book value.

Figure 1 Impaired Securities

Line No.	Description	Book Value	Market Value	MV vs BV
1	**Addenda Corp L/T Bond P (9142)**	94,002,106.77	85,424,342.77	(8,577,764.00)
2	**Sunlife LT Priv Fixed Inc**	84,280,294.39	78,501,874.84	(5,778,419.55)
3	**SUNLIFE PRIV FIXED INC PLUS F**	84,361,948.28	76,236,437.32	(8,125,510.96)
4	**PROVINCE OF ONTARIO**	3,567,773.19	3,490,213.60	(4,832.43)
5	**SUNLIFE PRIV FIXED INC PLUS F**	40,742,645.97	37,339,260.32	(3,403,385.65)
6	**CENTRESTONE VENTURES LIMITED**	313,935.00	120,723.99	(193,211.01)
7		**307,268,703.60**	**281,112,852.84**	**(26,083,123.60)**

g) As the market value was lower than book value for a minimum of 12 months, this is considered prolonged and therefore the write-down is taken. Effective April 1, 2023, due to the adoption of IFRS 9, all financial investments are classified as FVTPL. Therefore, all changes in the market value will be recorded in the net income.

h) All write-downs related to unrealized losses were previously recorded in AOCI.

PUB (MPI) 1-39

Part and Chapter:	Part IX Investment Inv Appendices 1,4,7 INV Attachments a-c	Page No.:	
PUB Approved Issue No:	9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)		
Topic:	Investment Income		
Sub Topic:	Investment Performance Management		

Preamble to IR:

6.2 The role of the Working Group is to:

6.2.1 Act as liaison between the Department and the Investment Committee;

6.2.2 Develop strategies for investment exposure for consideration by the Investment Committee and the Department;

6.2.3 Review, screen and recommend investment managers;

6.2.4 Monitor the performance of investment managers;

6.2.5 Prepare draft investment policies and annual strategies for the Fund for review by the Investment Committee and the Department;

6.2.6 Implement investment policies and direction; and

6.2.7 Provide regular reports to the Investment Committee and the Department, as they shall require.

Question:

a) Please provide the current composition of the Investment Committee Working Group (ICWG) and detail the members' professional designations and experience related to the management of and monitoring the performance of the investment portfolios.

b) Please provide a copy of the most recent ICWG report or analysis of investment manager performance stemming from reporting provided by Ellement (or other analysis).

Rationale for Question:

To understand how MPI manages and monitors its portfolio.

RESPONSE:

a) The current composition of the Investment Committee Working Group (ICWG) is provided below.

   1. Marnie Kacher, interim President & CEO
   2. Cara Low; Vice President Insurance & Risk Management, Chief Actuary & Chief Risk Officer
   3. Ryan Kolaski; Vice President Finance & Chief Financial Officer
   4. Michael Powell; Corporate Controller
   5. Glenn Bunston; Director, ALM & Investments
   6. Cherity Ostapowich; Director Valuation & Capital Management
   7. Scott Wiebe; Director of Treasury Services, Province of Manitoba
   8. Bob Block; Director of Risk Management & Banking, Province of Manitoba
   9. Nicoleta Oprea, Assistant Deputy Minister of Finance, Province of Manitoba

   The table below shows details of the ICWG members’ professional designations and experience related to the management and monitoring of the performance of the investment portfolios.

ICWG Committee Member	Designation	Investment Management (in Years)
Marnie Kacher	BCOMM	0 years
Cara Low	FCIA, FCAS, MAAA, CFA, FCIP, CRM	0 years of direct investment experience 5 years of ALM experience
Ryan Kolaski	CPA, CBV	0 years
Glenn Bunston	CFA, CAIA	20 years
Michael Powell	CPA, CMA	0 years
Cherity Ostapowich	FCIA, FCAS	0 years
Scott Wiebe	CPA, CGA	30+ years Treasury experience
Bob Block	MBA	30+ years ALM experience
Nicoleta Oprea	BCOMM	10+ years of ALM experience

b) A copy of the most recent ICWG report or analysis of investment manager performance stemming from reporting provided by Ellement was presented in the GRA application. Please refer to *Part XI Investments INV Attachments A, B and C* for performance reports of the Basic Claims, RSR & EFB portfolios for the 12 months ended at March 31, 2023.

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Part and Chapter:	**Part XI Investments Figure INV-31, INV-32 INV Appendix 9**	**Page No.:**	**60**
PUB Approved Issue No:	**9. Performance of the investment portfolio and the composition of i) the portfolio, ii) benchmark portfolio(s) on a market value basis (e.g. asset mix)**		
Topic:	**Investment Portfolios**		
Sub Topic:	**Investment Returns vs. Benchmarks**		

Preamble to IR:

MPI asked Mercer to review its performance relative to these institutional investors as part of the ALM study. Mercer concluded that MPI should compare the performance of its investment managers to relevant benchmarks set out in its Investment Policy Statement and relevant peer universes for each asset manager.

Question:

a) Please update the comparison to include 2023 with the comparison of returns of SGI and ICBC (if available) and comment on the differences.

b) Please explain how MPI determined the relevant benchmarks for performance evaluation for each portfolio.

Rationale for Question:

To understand factors affecting investment portfolio returns.

RESPONSE:

a) The annual investment performance of SGI & ICBC for 2023 is not publicly available yet. The performance information is expected to be publicly available by the end of August (SGI) and by the end of summer (ICBC).

b) The relevant benchmarks for performance evaluation for each portfolio are derived from the benchmarks defined for the component asset classes within each portfolio. At the asset class level, MPI determines relevant benchmarks that are representative of the characteristics of the investment mandate that each investment manager is expected to pursue, and contain the basic properties that any valid benchmark should have. The basic properties of a valid benchmark are:

- Unambiguous: the identities & weights of the securities or factor exposures constituting the benchmark are clearly defined
- Investable: it is feasible to forgo active management and hold the benchmark
- Measurable: the benchmark's return is readily calculable on a reasonably frequent basis
- Appropriate: the benchmark is consistent with the manager's investment style or area of expertise
- Reflective of current investment opinion: the investment manager has current investment knowledge of the securities or factor exposures within the benchmark
- Specified in advance: the benchmark is specified prior to the start of an evaluation period
- Owned: the investment manager is aware of and accepts accountability for the constituents and performance of the benchmark

The benchmarks that MPI applies are regularly reviewed at each ALM Study including the last ALM Study conducted by Mercer in 2022.

PUB (MPI) 1-41

Part and Chapter:	**Part IX Expenses Figure EXP – 2, Figure EXP- 5 EXP Appendix 5 EXP Appendix 6a**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Financial Forecasts**		
Sub Topic:	**Corporate Expenses**		

Preamble to IR:

Question:

a) Please file an updated schedule Appendix 5 for Total Corporate Operating Expenses and include the compound annual growth rate for the historical, forecast and outlook periods.

b) Please file an update to Appendix 6a for total Extension expenses.

c) Please file a similar schedule to (b) for DVA and supplement the analysis to include government funding provided and net surplus deficit in each of the years.

Rationale for Question:

To assess reasonableness of forecasts.

RESPONSE:

a) Please see *Figure 1* below.

b) Please see *Figure 2* below.

c) Please see *Figure 3* below.

Figure 1 10 Year Summary of Total Corporate Operating Expenses with CAGR

												Growth Rates		
Line No.	Expense	2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F	19/20 - 22/23 (4 years)	23/24 - 25/26 (3 years)	26/27 - 27/28 (2 years)
1	*($000's, except where noted)*													
2	**Compensation - Salaries**	130,050	136,488	134,096	140,758	149,279	169,654	167,453	161,439	163,830	170,373	3.51%	2.64%	2.73%
3	**Compensation - Overtime**	1,440	1,441	1,167	1,898	2,451	2,151	2,009	2,047	2,089	2,130	14.22%	-5.83%	2.01%
4	**Compensation - Benefits**	31,573	31,287	36,628	34,735	36,128	39,915	38,988	39,769	40,563	41,374	3.43%	3.25%	2.00%
5	**Compensation - H & E Tax**	2,794	2,900	2,896	3,115	3,346	3,809	3,980	3,994	4,077	4,158	4.61%	6.08%	2.03%
6	**Subtotal - Compensation**	**165,857**	**172,116**	**174,787**	**180,506**	**191,204**	**215,529**	**212,430**	**207,249**	**210,559**	**218,035**	**3.62%**	**2.72%**	**2.57%**
7	**Data Processing**	31,074	31,052	38,873	58,479	78,024	103,384	97,868	90,182	66,284	56,354	25.88%	4.95%	-20.95%
8	**Special Services**	5,465	5,250	9,144	12,469	16,813	17,495	12,003	12,003	12,003	12,001	32.44%	-10.63%	-0.01%
9	**Building Expenses**	9,972	9,585	8,776	8,785	8,792	8,648	7,235	7,380	7,528	7,678	-3.10%	-5.67%	2.00%
10	**Safety/Loss Prevention Programs**	3,593	3,487	2,233	2,806	3,404	6,070	5,554	5,510	5,510	5,509	-1.34%	17.41%	-0.01%
11	**Telephone/Telecommunications**	1,906	1,733	1,842	1,838	1,705	1,695	1,579	1,609	1,643	1,677	-2.75%	-1.91%	2.09%
12	**Public Information/Advertising**	2,714	3,100	1,936	2,910	2,324	3,541	2,022	2,021	2,021	2,022	-3.80%	-4.55%	0.02%
13	**Printing, Stationery, Supplies**	4,047	3,360	3,597	4,579	5,074	4,185	3,827	3,846	3,872	3,897	5.82%	-8.82%	0.66%
14	**Postage**	5,125	5,190	4,826	5,428	5,450	4,813	4,658	4,416	4,328	4,235	1.55%	-6.77%	-2.07%
15	**Regulatory/Appeal**	3,961	4,210	4,225	4,296	4,408	4,137	3,737	3,807	3,807	3,807	2.71%	-4.77%	0.00%
16	**Travel and Vehicle Expense**	1,104	1,157	510	702	1,152	1,982	1,902	1,936	1,974	2,013	1.07%	18.89%	1.97%
17	**Driver Education Program**	4,211	3,984	1,595	3,563	3,714	5,476	5,476	5,675	5,676	5,676	-3.09%	15.18%	0.01%
18	**Grants in Lieu of Taxes**	1,852	1,879	1,891	1,858	1,833	1,932	1,933	1,970	2,008	2,049	-0.26%	2.43%	1.99%
19	**Furniture & Equipment**	699	1,438	540	2,284	2,962	1,914	1,422	1,431	1,431	1,431	43.48%	-21.53%	0.00%
20	**Merchant Fees & Bank Charges**	12,272	11,942	11,128	10,469	10,036	10,119	10,584	10,583	10,584	10,584	-4.90%	1.78%	0.00%
21	**Other**	5,312	5,752	4,590	7,187	7,766	8,019	6,687	6,728	6,800	6,891	9.96%	-4.67%	1.20%
22	**Subtotal - Other Normal Operating Expenses**	**93,307**	**93,119**	**95,706**	**127,653**	**153,457**	**183,410**	**166,487**	**159,097**	**135,469**	**125,824**	**13.24%**	**1.21%**	**-11.07%**
23	**Depreciation-Capital Assets**	4,813	5,417	5,365	5,953	5,708	6,660	7,590	8,679	9,581	9,739	4.36%	14.99%	5.93%
24	**Amortization-Deferred Development**	24,299	18,184	18,067	13,226	7,989	11,143	11,735	14,247	17,862	17,412	-24.28%	21.27%	10.55%
25	**Subtotal - Depreciation / Amortization**	**29,112**	**23,601**	**23,432**	**19,179**	**13,697**	**17,803**	**19,325**	**22,926**	**27,443**	**27,151**	**-17.18%**	**18.73%**	**8.83%**
26	**Total Expenses**	**288,276**	**288,836**	**293,925**	**327,338**	**358,358**	**416,742**	**398,242**	**389,272**	**373,471**	**371,010**	**5.59%**	**2.80%**	**-2.37%**

Figure 2 10 Year Summary of Total Extension Operating Expenses with CAGR

Line No.	Expense	2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F	Growth Rates 19/20 - 22/23 (4 years)	23/24 - 25/26 (3 years)	26/27 - 27/28 (2 years)
1	*($000's, except where noted)*													
2	Compensation - Salaries	8,363	8,906	8,174	8,135	8,837	11,367	11,496	9,721	10,588	10,750	1.39%	3.23%	5.16%
3	Compensation - Overtime	91	90	69	111	150	142	143	150	154	155	13.31%	0.00%	1.65%
4	Compensation - Benefits	2,055	2,044	2,234	2,014	2,112	2,639	2,738	2,900	2,969	2,974	0.69%	11.15%	1.27%
5	Compensation - H & E Tax	182	189	176	181	195	252	279	290	299	299	1.74%	14.14%	1.54%
6	**Subtotal - Compensation**	**10,691**	**11,229**	**10,653**	**10,441**	**11,294**	**14,400**	**14,656**	**13,061**	**14,010**	**14,178**	**1.38%**	**4.96%**	**4.19%**
7	Data Processing	1,946	1,979	2,647	3,114	6,678	10,934	11,223	10,481	8,846	8,115	36.11%	16.21%	-12.01%
8	Special Services	360	349	625	821	1,810	1,294	942	977	982	964	49.74%	-18.58%	-0.67%
9	Building Expenses	631	610	551	527	532	583	520	553	566	566	-4.18%	1.30%	1.17%
10	Safety/Loss Prevention Programs	219	256	162	197	242	495	481	497	499	489	2.53%	27.11%	-0.81%
11	Telephone/Telecommunications	129	119	123	119	111	126	125	132	136	137	-3.69%	5.95%	1.88%
12	Public Information/Advertising	234	284	155	240	185	503	166	172	172	170	-5.70%	-2.40%	-0.58%
13	Printing, Stationery, Supplies	96	95	65	88	99	71	68	71	73	71	0.77%	-10.49%	0.00%
14	Postage	282	294	275	279	267	286	271	227	241	221	-1.36%	-5.27%	-1.33%
15	Regulatory/Appeal	8	12	20	19	-	-	-	-	-	-	-	-	-
16	Travel and Vehicle Expense	65	69	32	42	69	131	133	140	144	144	1.50%	26.60%	1.42%
17	Driver Education Program	303	293	116	251	264	446	474	511	514	504	-3.39%	24.63%	-0.69%
18	Grants in Lieu of Taxes	117	120	118	111	111	131	139	148	151	151	-1.31%	10.06%	1.01%
19	Furniture & Equipment	47	99	35	146	191	142	111	117	117	115	41.98%	-15.07%	-0.86%
20	Merchant Fees & Bank Charges	3,401	3,224	2,853	2,626	2,489	2,589	2,712	2,714	2,714	2,713	-7.51%	2.93%	-0.02%
21	Other	339	380	297	448	497	575	414	430	472	470	10.04%	-4.71%	4.55%
22	**Subtotal - Other Normal Operating Expenses**	**8,177**	**8,183**	**8,074**	**9,028**	**13,545**	**18,306**	**17,779**	**17,170**	**15,627**	**14,830**	**13.45%**	**8.23%**	**-7.06%**
23	Depreciation-Capital Assets	306	350	340	359	346	455	552	657	728	726	3.12%	23.83%	5.12%
24	Amortization-Deferred Development	1,660	1,273	1,230	858	521	584	548	1,626	3,254	3,209	-25.15%	46.14%	40.48%
25	**Subtotal - Depreciation / Amortization**	**1,966**	**1,623**	**1,570**	**1,217**	**867**	**1,039**	**1,100**	**2,283**	**3,982**	**3,935**	**-18.51%**	**38.09%**	**31.29%**
26	**Total Expenses**	**20,834**	**21,035**	**20,297**	**20,686**	**25,706**	**33,745**	**33,535**	**32,514**	**33,619**	**32,943**	**5.39%**	**8.15%**	**0.66%**

Figure 3 **10 Year Summary of Total DVA Operating Expenses and Surplus/Deficit/Government Funding with CAGR**

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												Growth Rates		
Line No.	Expense	2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F	19/20 - 22/23 (4 years)	23/24 - 25/26 (3 years)	26/27 - 27/28 (2 years)
1	*($000's, except where noted)*													
2	Compensation - Salaries	16,203	17,682	17,821	21,087	22,338	26,022	25,583	25,839	23,399	24,333	8.36%	4.97%	-2.96%
3	Compensation - Overtime	153	174	118	230	370	349	326	332	339	345	24.70%	-3.55%	1.94%
4	Compensation - Benefits	3,891	3,990	4,901	5,090	5,311	6,097	5,955	6,074	6,195	6,319	8.09%	4.58%	2.00%
5	Compensation - H & E Tax	344	370	388	457	492	582	608	610	623	635	9.36%	7.43%	2.03%
6	**Subtotal - Compensation**	**20,591**	**22,216**	**23,228**	**26,864**	**28,511**	**33,050**	**32,472**	**32,855**	**30,556**	**31,632**	**8.48%**	**4.84%**	**-1.88%**
7	Data Processing	3,887	4,042	2,424	14,155	15,868	20,506	18,285	12,743	10,123	8,104	42.14%	-7.05%	-20.25%
8	Special Services	398	446	490	697	885	1,052	721	721	721	721	22.11%	-6.60%	0.00%
9	Building Expenses	994	1,044	965	1,071	1,099	1,276	1,068	1,089	1,111	1,133	2.54%	-0.30%	2.00%
10	Safety/Loss Prevention Programs	-	-	-	-	-	-	-	-	-	-			
11	Telephone/Telecommunications	121	111	144	153	151	143	134	136	139	142	5.69%	-3.43%	2.18%
12	Public Information/Advertising	217	220	104	126	96	173	112	112	112	112	-18.44%	5.27%	0.00%
13	Printing, Stationery, Supplies	2,541	1,945	2,446	3,108	3,418	3,067	2,811	2,824	2,843	2,862	7.69%	-6.17%	0.67%
14	Postage	1,217	1,188	1,034	1,456	1,693	1,300	1,283	1,273	1,179	1,156	8.60%	-9.07%	-4.71%
15	Regulatory/Appeal	8	12	25	26	-	-	-	-	-	-	-	-	-
16	Travel and Vehicle Expense	186	188	77	105	179	328	314	320	326	333	-0.95%	21.37%	2.01%
17	Driver Education Program	-	-	-	-	-	-	-	-	-	-			
18	Grants in Lieu of Taxes	185	205	213	230	231	285	285	291	296	302	5.71%	8.00%	1.87%
19	Furniture & Equipment	46	95	49	192	270	166	123	124	124	124	55.65%	-22.85%	0.00%
20	Merchant Fees & Bank Charges	34	37	70	62	63	61	63	63	63	63	16.67%	0.00%	0.00%
21	Other	567	542	490	770	952	959	697	724	632	640	13.83%	-8.72%	-5.98%
22	**Subtotal - Other Normal Operating Expenses**	**10,401**	**10,075**	**8,531**	**22,151**	**24,905**	**29,316**	**25,896**	**20,420**	**17,669**	**15,692**	**24.39%**	**-6.40%**	**-12.34%**
23	Depreciation-Capital Assets	467	553	574	712	710	942	1,074	1,228	1,355	1,378	11.04%	20.04%	5.93%
24	Amortization-Deferred Development	1,774	1,314	1,529	1,303	497	2,407	3,809	5,247	5,728	5,688	-27.25%	119.37%	4.12%
25	**Subtotal - Depreciation / Amortization**	**2,241**	**1,867**	**2,103**	**2,015**	**1,207**	**3,349**	**4,883**	**6,475**	**7,083**	**7,066**	**-14.33%**	**75.06%**	**4.46%**
26	**Total Expenses**	**33,233**	**34,158**	**33,862**	**51,030**	**54,623**	**65,715**	**63,251**	**59,750**	**55,308**	**54,390**	**13.23%**	**3.04%**	**-4.59%**
27	**Government Funding**	**30,250**	**30,250**	**30,250**	**30,250**	**40,250**	**40,250**	**30,250**	**30,250**	**30,250**	**30,250**	**7.40%**	**-9.08%**	**0.00%**
28	**Net Surplus/Deficit**	**1,372**	**(5,746)**	**(2,727)**	**(22,148)**	**(10,595)**	**(15,595)**	**(22,887)**	**(18,490)**	**(13,393)**	**(11,754)**	**n/a**	**20.40%**	**-20.27%**

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Part and Chapter:	Part IX CIC Appendix 2	Page No.:	
PUB Approved Issue No:	10. Cost of operations and cost containment measures; 11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims Incurred		
Sub Topic:	Claims Incurred Expenses		

Preamble to IR:

Question:

Please provide a revised schedule of Claims Incurred expenses, including five years' historical actual expenses.

Rationale for Question:

To understand the trend in forecast Claims Incurred expenses.

RESPONSE:

Please refer to *Appendix 1 – Claims Incurred Expenses*.

Claims Incurred Expenses
APRIL 1 TO MARCH 31

	2018/19* ACTUAL	2019/20 ACTUAL	2020/21 ACTUAL	2021/22 ACTUAL	2022/23 ACTUAL	2023/24 FORECAST BASE	2024/25 FORECAST	2025/26 FORECAST	2026/27 FORECAST	2027/28 FORECAST
Personal Property Registry	460,000	735,530	266,938	21,200	432,603	450,123	460,701	470,376	479,313	488,899
Towing	3,069,162	3,206,383	3,206,392	3,405,613	2,914,935	3,729,295	3,807,610	3,879,955	3,957,554	4,036,705
Freon Removal	577,694	241,182	103,064	1,293	-	-	-	-	-	-
Claims Arbitration	22,302	27,150	108,840	59,812	95,665	88,106	88,106	88,106	88,106	88,106
Police Reports	30,000	33,037	40,765	-	38	-	-	-	-	-
Claims Review Fees	(19,800)	(30,412)	(17,900)	(18,900)	(23,700)	(24,000)	(24,000)	(24,000)	(24,000)	(24,000)
Trade Negotiation Payment	-	-	-	1,906,528	1,603,574	-	-	-	-	-
Subrogation Fees/Expenses	(68,603)	(252,545)	(47,171)	(194,575)	(27,451)	(137,280)	(137,280)	(137,280)	(137,280)	(137,280)
Collection Agency Fees	242,485	334,462	5,622	320	151	n/a	n/a	n/a	n/a	n/a
Non-Registered GST	(1,959,407)	(1,884,284)	(1,802,372)	(2,307,640)	(2,415,037)	(2,508,000)	(2,568,000)	(2,616,000)	(2,664,000)	(2,712,000)
PIPP Out of House Counsel		750	13,841	-	14,648	-	-	-	-	-
Medical Consultants	1,585,889	1,868,885	1,714,064	1,773,270	1,917,152	2,357,250	2,448,626	2,520,604	2,368,494	2,439,549
TBI Specialist	122,644	156,506	151,894	125,790	141,663	136,800	136,800	140,904	145,131	149,485
Chiropractic Consultants	177,628	227,985	188,194	169,555	170,591	230,683	239,911	247,108	254,521	262,157
Occupational Therapy Consultant	18,399	2,232	-	24,407	22,682	34,200	35,568	36,635	37,734	38,866
Dental Consultants	186,600	244,507	233,742	281,285	323,853	292,380	304,075	313,197	322,593	332,271
Manitoba Health Services Commission	30,637,335	30,073,792	26,849,777	28,050,640	25,943,837	26,581,036	28,398,292	31,363,476	32,465,120	32,968,000
Health Care Team Directors	362,578	403,629	373,713	375,883	378,925	406,920	431,335	444,275	444,275	444,275
Physio/Chiro Retro/Bkpay		-	110,248	-	302,572	400,000	400,000	400,000	400,000	400,000
Physiotherapy Consultant	81,643	117,512	82,803	105,569	109,389	230,683	239,911	247,108	254,521	262,157
PIPP Brandon Housing	10,599	9,073	243	9,796	51,958	56,333	57,657	58,868	59,986	61,186
Total	**35,537,148**	**35,515,374**	**31,582,697**	**33,789,846**	**31,958,048**	**32,324,530**	**34,319,312**	**37,433,332**	**38,452,069**	**39,098,376**
RECAP:										
Collision	2,353,833	2,411,253	1,878,019	2,873,651	2,595,426	1,598,244	1,627,137	1,661,157	1,699,693	1,740,430
Comprehensive	-	-	-	-	-	-	-	-	-	-
Accident Benefits	33,183,315	33,104,121	29,704,678	30,916,195	29,362,622	30,726,285	32,692,175	35,772,175	36,752,376	37,357,945
Total	**35,537,148**	**35,515,374**	**31,582,697**	**33,789,846**	**31,958,048**	**32,324,530**	**34,319,312**	**37,433,332**	**38,452,069**	**39,098,376**
Reclassified from Claims Incurred Expenses to Operating Expenses										
Automated Estimating	5,891,857	5,368,805	107,450							
Security Services	734,507	872,274	(12,793)							
Direct Repair	3,665,674	1,350,516	-							
Apprenticeship Grant Level IV	188,000	164,000	10,000							
Tool Allowance Level IV	121,407	108,353	5,816							
Apprenticeship Grant Level II	10,000	14,000	-							
Tool Allowance Level II	16,662	14,667	-							
Investigations	732,370	753,641	-							
Crown Prosecutor	40,452	-	-							
Total	**46,938,077**	**44,161,630**	**31,693,170**	**33,789,846**	**31,958,048**	**32,324,530**	**34,319,312**	**37,433,332**	**38,452,069**	**39,098,376**

*March 1 to February 28

Comparison to 2023 GRA Forecast

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Prior Year forecast	32,660,188	33,856,380	35,612,363	39,523,647	42,725,131	n/a
Better / (Worse) than prior year forecast	702,140	1,531,850	1,293,051	2,090,315	4,273,063	n/a

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Part and Chapter:	Part IX Expenses EXP.3.2.3, Fig. EXP-18 Appendix 7 Fig. EXP-7-1, EXP7-2	Page No.:	27
PUB Approved Issue No:	10. Cost of operations and cost containment measures		
Topic:	Operating Expenses		
Sub Topic:	Data Processing		

Preamble to IR:

Question:

a) Please provide the detail of Data Processing expenses by major component for each of the years 2022/23 through 2025/26.

b) Please explain the reason for the decrease in cost for the IBM data centre.

c) Please provide the estimated headcount related to the decrease in external labour related to Project Nova.

Rationale for Question:

To understand forecast change in operating expense by line of business.

RESPONSE:

a) Please see *Figure 1* below:

Figure 1 Total Data Processing Expenses - Corporate

Line No.	Data Processing Category	2022/23A	2023/24FB	2024/25F	2025/26F
1	*($C 000s, except where noted)*				
2	**Licence Charges**	32,549	45,501	55,415	52,866
3	**Computer Maintenance**	1,192	1,692	1,564	1,567
4	**Software**	432	908	295	332
5	**IBM Data Centre**	12,750	14,371	14,851	14,464
6	**IBM Security Operations Centre**	553	600	600	612
7	**External Labour**	28,525	39,683	24,987	20,560
8	**Deferred Development Impairment**	1,242	-	-	-
9	**Cloud Service Environments**	736	375	-	-
10	**Microfilm/Microfiche**	45	45	45	45
11	**Computer Costs**	-	208	114	(261)
12	**Total Data Processing**	**78,024**	**103,383**	**97,871**	**90,185**

b) The IBM / Kyndryl data centre agreement was re-negotiated at the time of renewal driving cost savings.

c) The Project Nova decrease is related to vendor services rather than headcount.

PUB (MPI) 1-44

Part and Chapter:	**Part IX Expenses EXP.3.2.4 Special Services Figure EXP -19**	**Page No.:**	**28, 29**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Operating Expenses**		
Sub Topic:	**Special Services Expense**		

Preamble to IR:

Question:

a) Please provide a detailed account analysis of the Special Services account for fiscal years 2021/22A through to 2025/26F, explaining significant changes year over year.

b) Please provide an update on the organizational review progress, including details of the vendor selection process, cost and process being followed and the extent that such costs are being borne by Basic.

c) Please provide a detailed schedule of Special Services Other in (a).

Rationale for Question:

To understand forecast changes in Special Services expenses.

RESPONSE:

a) Please see *Figure 1* below. In 2022/23 and onward, Special Risk Extension fronting fees are now included in Special Services expenses, whereas in previous years these costs were offset/included in Service Fees revenue. The increase in auctioneer fees in 2022/23 is driven by the increase in the number of units sold during the year. The decrease in auctioneer fees budget for 2023/24 is an oversight as the contract states to begin charging MPI Online Fees in 2023/24. The 2022/23 actual spend for auditor fees increased due to additional scope including IFRS 17. The 2023/24 budget for internal audit fees increased from the 2022/23 actual spend to allow for additional scope and number of audits. The increase in 2023/24 budget for private investigation services is due to the anticipated increase in claims requiring investigation. For Special Services - Other the detail schedule is provided in part c.

Figure 1 Major Special Services Category - Total Corporate

Line No.	Special Services Category	2021/22A	2022/23A	2023/24FB	2024/25F	2025/26F
1	*(C$000s, except where noted)*					
2	Auctioneer Fees	3,554	4,115	2,900	2,900	2,900
3	Auditor Fees	274	465	235	193	193
4	Internal Audit Fees	279	119	500	265	265
5	SRE Fronting Fees	-	499	575	471	471
6	External Actuarial Fees	24	155	258	212	212
7	Credit Rating Service	9	11	18	15	15
8	Collection Agency Fees	306	343	338	277	277
9	Private Investigation	594	697	900	738	738
10	Apprenticeship Grant & Allowance	270	339	316	259	259
11	Security Services	1,473	1,471	1,286	1,050	1,050
12	PIPP Mediation	440	408	432	354	354
13	Employee Opinion Survey Projects	61	43	260	213	213
14	Workplace Safety	203	89	266	119	119
15	AEI/Diversity Employment Strategy	94	209	406	333	333
16	Wellness Initiatives	96	1	45	37	37
17	Vehicle & Economic Data Service	134	42	111	91	91
18	Customer Service Standard	169	284	540	443	443
19	Surveys/Evaluations	255	120	486	317	317
20	Performance Management	-	-	75	61	61
21	Culture	-	-	30	25	25
22	Special Services - Other	4,234	6,487	7,518	3,630	3,630
23	**Total Special Services**	**12,469**	**15,897**	**17,495**	**12,003**	**12,003**

b) The Organizational Review Request for Proposal ("RFP") was posted on MERX April 26, 2023 with the closing date of May 18, 2023. Seven proponents responded to the RFP and an evaluation committee completed the evaluations on May 22, 2023. The evaluation summary was shared with the Government of Manitoba on May 24, 2023 for approval. The Assistant Deputy Minister communicated on May 24, 2023 that there were no concerns with the top ranked vendor but requested additional time for the Minister Responsible for MPI to complete further research prior to granting full approval. In parallel to the Government of Manitoba approving the evaluation, the MPI board authorized, subject to Ministerial approval, management to enter negotiations with Ernst & Young.

Final approval to proceed with contract negotiations was received on June 23, 2023 with the award being posted on MERX June 30, 2023 and negotiations are currently in progress. The costs are estimated to be $800,000.

c) Please refer to *Figure 2* below:

Figure 2 Special Services - Other Schedule

Line No.	Cost Centre	2021/22A	2022/23A	2023/24FB	2024/25F	2025/26F
1	*(C$000s, except where noted)*					
2	Financial Rep & Investment Act	20	35	60	49	49
3	Subrogation	9	9	9	8	8
4	Financial Operations	2	2	15	12	12
5	Road Safety Program Development	-	-	120	98	98
6	Physical Damage Claims	-	62	75	62	62
7	Corporate Services	-	-	25	115	115
8	Corporate Controller	344	578	1,000	328	328
9	Executive Committee	27	18	2,500	189	189
10	ALM & Investment Management	243	493	165	135	135
11	Procurement & Strategic Sourcing	8	-	-	-	-
12	Talent Acquisition & Candidate Experience	64	-	25	21	21
13	Systems Architecture	385	695	290	238	238
14	Special Investigation Unit	-	-	13	10	10
15	Learning & Development	25	11	75	62	62
16	KMS Instructional Design	23	53	100	82	82
17	Vendor Management	1,859	1,572	574	470	470
18	COE Quality	-	12	-	-	-
19	Agile Project Management Office	58	469	100	82	82
20	Platform Engineering & Infrastructure	-	194	195	160	160
21	Pricing Operations	9	101	-	-	-
22	Driver Fitness	22	22	38	31	31
23	CityPlace	31	11	40	29	29
24	Building - King Edward SC	-	-	3	6	6
25	Building - St. Mary's Rd SC	-	-	3	-	-
26	Building - Main St SC	-	4	9	-	-
27	Building - Gateway Rd SC	-	3	-	-	-
28	Building - Bison Dr SC	-	4	9	-	-
29	Building - Brandon SC	-	-	3	-	-
30	Building - Receiving & Security	44	49	48	39	39
31	Building - Salvage	-	25	101	-	-
32	Estimating Operations	-	18	-	-	-
33	Enterprise Risk Management	47	257	327	268	268
34	Centre for Change Enablement	63	639	500	410	410
35	Cyber & Information Security	174	172	200	164	164
36	Digital Experience	89	18	80	69	69
37	HR Systems & Support	-	-	125	62	62
38	Total Rewards	-	139	75	20	20
39	HR Business Partnerships	-	16	35	20	20
40	KMS Technical, Writing & Communications	-	55	100	-	-
41	Capital Management	4	25	6	5	5
42	Digital Workplace & Service Management	20	39	96	79	79
43	Network Operations	20	87	-	-	-
44	Data Management & Analytics	572	581	75	61	61
45	Valuation	-	-	75	61	61
46	Strategy & Portfolio Mgmt	-	-	200	164	164
47	Talent Management	-	-	25	20	20
48	BCMP Incident Response	70	17	-	-	-
49	Other	2	2	4	1	1
50	**Total Special Services - Other**	**4,234**	**6,487**	**7,518**	**3,630**	**3,630**

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Part and Chapter:	**Part IX Expenses Figure EXP App 7-1 Fig. EXP App 7-2**	**Page No.:**	**3-7**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**ICAM**		
Sub Topic:	**Allocation of Expenses**		

Preamble to IR:

Question:

a) Please provide the detail of Extension Normal and Initiative - Implementation and Initiative - Ongoing in a similar level of detail as Expense Appendix 7-1 and Expense Appendix 7-2, including a narrative of material changes.

b) Please provide the detail of DVA Normal and Initiative - Implementation and Initiative in same format as (a).

Rationale for Question:

To understand forecast change in operating expense by line of business.

RESPONSE:

a) The requested information has been provided in *Figure 1* and *Figure 2* below:

Figure 1 Summary of Comparative Expenses_Corporate vs Extension

Line	CORPORATE	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
No.	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
1	*(C$000s, rounding may affect totals)*												
2	Compensation Expenses	199,444	191,204	226,343	215,529	231,811	212,430	227,773	207,249	227,923	210,559	-	218,035
3	Administrative Expenses	164,106	153,457	171,792	183,410	176,595	166,487	154,156	159,097	149,006	135,469	-	125,824
4	Amortization/Depreciation Expenses	15,154	13,697	13,777	17,803	21,510	19,325	35,069	22,926	54,503	27,443	-	27,151
5	Total	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
6	Normal Operations Expenses	327,611	319,897	353,690	353,222	359,304	342,274	368,182	348,543	378,661	357,533	-	366,219
7	Initiative - Implementation Expenses	51,093	38,461	44,358	63,520	48,023	54,718	17,925	42,221	3,553	5,803	-	1,916
8	Initiative - Ongoing Expenses	-	-	13,864	-	22,589	1,250	30,891	(1,492)	49,218	10,135	-	2,875
9	Total	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
10	Claims	184,844	174,722	200,809	194,569	209,179	186,377	203,115	180,549	209,990	173,709	-	172,509
11	Operating	174,530	166,646	191,331	199,576	200,938	192,374	194,426	189,031	201,551	179,945	-	178,565
12	Road Safety	14,685	12,221	15,265	17,960	15,489	15,252	15,057	15,364	15,398	15,471	-	15,570
13	Regulatory Appeal	4,645	4,769	4,507	4,637	4,310	4,239	4,400	4,328	4,493	4,346	-	4,366
14	Total	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
15	EXTENSION	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
16	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
17	Compensation Expenses	12,180	11,294	15,552	14,401	17,030	14,653	15,240	13,062	14,297	14,010	-	14,178
18	Administrative Expenses	14,121	13,545	14,218	18,306	15,454	17,814	14,130	17,170	13,260	15,627	-	14,829
19	Amortization/Depreciation Expenses	1,144	867	1,058	1,038	980	1,068	3,636	2,282	6,682	3,982	-	3,937
20	Total	**27,445**	**25,706**	**30,828**	**33,745**	**33,465**	**33,535**	**33,006**	**32,514**	**34,240**	**33,619**	**n/a**	**32,943**
21	Normal Operations Expenses	22,226	21,499	25,213	25,710	26,126	26,083	27,033	27,438	27,143	28,208	-	28,360
22	Initiative - Implementation Expenses	5,219	4,207	4,064	8,035	5,102	7,895	3,485	7,107	332	539	-	303
23	Initiative - Ongoing Expenses	-	-	1,551	-	2,236	(443)	2,487	(2,031)	6,765	4,872	-	4,280
24	Total	**27,445**	**25,706**	**30,828**	**33,745**	**33,465**	**33,535**	**33,006**	**32,514**	**34,240**	**33,619**	**n/a**	**32,943**
25	Claims	15,377	14,042	17,562	18,728	19,608	18,847	19,080	17,684	19,719	18,667	-	18,254
26	Operating	10,820	10,796	12,053	13,348	12,598	13,367	12,686	13,446	13,285	13,552	-	13,306
27	Road Safety	1,235	868	1,201	1,669	1,247	1,321	1,227	1,384	1,223	1,400	-	1,383
28	Regulatory Appeal	12	-	12	-	12	-	12	-	12	-	-	-
29	Total	**27,445**	**25,706 ##**	**30,828**	**33,745 ##**	**33,465**	**33,535 ##**	**33,005**	**32,514 ##**	**34,240**	**33,619**	**n/a**	**32,943**

Summary of Comparative Expenses_Corporate vs Extension *(cont'd)*

Line No.	EXTENSION % of CORPORATE	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
30	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
31	Compensation Expenses	6.1%	5.9%	6.9%	6.7%	7.3%	6.9%	6.7%	6.3%	6.3%	6.7%	0.0%	6.5%
32	Administrative Expenses	8.6%	8.8%	8.3%	10.0%	8.8%	10.7%	9.2%	10.8%	8.9%	11.5%	0.0%	11.8%
33	Amortization/Depreciation Expenses	7.5%	6.3%	7.7%	5.8%	4.6%	5.5%	10.4%	10.0%	12.3%	14.5%	0.0%	14.5%
34	**Total**	**7.2%**	**7.2%**	**7.5%**	**8.1%**	**7.8%**	**8.4%**	**7.9%**	**8.4%**	**7.9%**	**9.0%**	**n/a**	**8.9%**
35	Normal Operations Expenses	6.8%	6.7%	7.1%	7.3%	7.3%	7.6%	7.3%	7.9%	7.2%	7.9%	0.0%	7.7%
36	Initiative - Implementation Expenses	10.2%	10.9%	9.2%	12.6%	10.6%	14.4%	19.4%	16.8%	9.3%	9.3%	0.0%	15.8%
37	Initiative - Ongoing Expenses	0.0%	0.0%	11.2%	0.0%	9.9%	-35.5%	8.1%	136.1%	13.7%	48.1%	0.0%	148.9%
38	**Total**	**7.2%**	**7.2%**	**7.5%**	**8.1%**	**7.8%**	**8.4%**	**7.9%**	**8.4%**	**7.9%**	**9.0%**	**n/a**	**8.9%**
39	Claims	8.3%	8.0%	8.7%	9.6%	9.4%	10.1%	8.9%	9.8%	9.4%	10.7%	0.0%	10.6%
40	Operating	6.2%	6.5%	6.3%	6.7%	6.3%	6.9%	6.5%	7.1%	6.6%	7.5%	0.0%	7.5%
41	Road Safety	8.4%	7.1%	7.9%	9.3%	8.1%	8.7%	8.1%	9.0%	7.9%	9.0%	0.0%	8.9%
42	Regulatory Appeal	0.3%	0.0%	0.3%	0.0%	0.3%	0.0%	0.3%	0.0%	0.3%	0.0%	0.0%	0.0%
43	**Total**	**7.2%**	**7.2%**	**7.5%**	**8.1%**	**7.8%**	**8.4%**	**7.7%**	**8.4%**	**7.9%**	**9.0%**	**n/a**	**8.9%**

Figure 2 Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs Extension

Line	CORPORATE	Normal Ops				Initiatives - Implementation				Initiatives - Ongoing				Total		
No.	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
1	*(C$000s,rounding may affect totals)*															
2	Compensation - Salaries	154,859	147,935	(6,924)		1,950	1,344	(606)		-	-	-		156,809	149,279	(7,530)
3	Compensation - Overtime	1,530	2,386	856		-	65	65		-	-	-		1,530	2,451	921
4	Compensation - Benefits	37,682	36,128	(1,554)		-	-	-		-	-	-		37,682	36,128	(1,554)
5	Compensation - H & E Tax	3,423	3,346	(77)		-	-	-		-	-	-		3,423	3,346	(77)
6	**Subtotal - Compensation**	**197,494**	**189,795**	**(7,699)**		**1,950**	**1,409**	**(541)**		**-**	**-**	**-**		**199,444**	**191,204**	**(8,240)**
														-	**-**	**-**
7	Data Processing	45,393	41,826	(3,567)		48,325	36,198	(12,127)		-	-	-		93,718	78,024	(15,694)
8	Special Services	12,180	16,813	4,633		-	-	-		-	-	-		12,180	16,813	4,633
9	Building Expenses	8,659	8,792	133		-	-	-		-	-	-		8,659	8,792	133
10	Safety / Loss Prevention Program	3,619	3,404	(215)		-	-	-		-	-	-		3,619	3,404	(215)
11	Telephone/Telecommunications	1,851	1,705	(146)		-	-	-		-	-	-		1,851	1,705	(146)
12	Advertising & Public Info	3,222	2,324	(898)		-	-	-		-	-	-		3,222	2,324	(898)
13	Printing, Stationery & Supplies	4,496	5,074	578		18	-	(18)		-	-	-		4,514	5,074	560
14	Postage	4,496	5,450	954		-	-	-		-	-	-		4,496	5,450	954
15	Regulatory/Appeal	4,338	4,408	70		-	-	-		-	-	-		4,338	4,408	70
16	Travel & Vehicle Expense	1,154	1,146	(8)		7	6	(1)		-	-	-		1,161	1,152	(9)
17	Driver Education Program	4,692	3,714	(978)		-	-	-		-	-	-		4,692	3,714	(978)
18	Grant in Lieu of Taxes	1,926	1,833	(93)		-	-	-		-	-	-		1,926	1,833	(93)
19	Furniture & Equipment	1,197	2,198	1,001		371	764	393		-	-	-		1,568	2,962	1,394
20	Merchant Fees	10,693	10,036	(657)		-	-	-		-	-	-		10,693	10,036	(657)
21	Other	7,047	7,682	635		422	84	(338)		-	-	-		7,469	7,766	297
22	**Sub total - Other Operating Expenses**	**114,963**	**116,405**	**1,442**		**49,143**	**37,052**	**(12,091)**		**-**	**-**	**-**		**164,106**	**153,457**	**(10,649)**
														-	**-**	**-**
23	Depreciation of Capital Investments	6,440	5,708	(732)		-	-	-		-	-	-		6,440	5,708	(732)
24	Amortization of Deferred Development	8,714	7,989	(725)		-	-	-		-	-	-		8,714	7,989	(725)
														-	-	-
25	**Total Expenses**	**327,611**	**319,897**	**(7,714)**		**51,093**	**38,461**	**(12,632)**		**-**	**-**	**-**		**378,704**	**358,358**	**(20,346)**

Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs Extension *(cont'd)*

Line	EXTENSION	Normal Ops				Initiatives - Implementation				Initiatives - Ongoing				Total		
No.	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
26	*(C$000s,rounding may affect totals)*															
27	Compensation - Salaries	9,334	8652	(682)		275	185	(90)		-	-	-		9,609	8,837	(772)
28	Compensation - Overtime	92	141	49		-	9	9		-	-	-		92	150	58
29	Compensation - Benefits	2,273	2112	(161)		-	-	-		-	-	-		2,273	2,112	(161)
30	Compensation - H & E Tax	206	195	(11)		-	-	-		-	-	-		206	195	(11)
31	**Subtotal - Compensation**	**11,905**	**11294**	**(805)**		**275**	**194**	**(81)**		**-**	**-**	**-**		**12,180**	**11,294**	**(886)**
32	Data Processing	3,056	2733	(323)		4,835	3,945	(890)		-	-	-		7,891	6,678	(1,213)
33	Special Services	839	1810	971		-	-	-		-	-	-		839	1,810	971
34	Building Expenses	540	532	(8)		-	-	-		-	-	-		540	532	(8)
35	Safety / Loss Prevention Program	266	242	(24)		-	-	-		-	-	-		266	242	(24)
36	Telephone/Telecommunications	123	111	(12)		-	-	-		-	-	-		123	111	(12)
37	Advertising & Public Info	405	185	(220)		-	-	-		-	-	-		405	185	(220)
38	Printing, Stationery & Supplies	104	99	(5)		2	-	(2)		-	-	-		106	99	(7)
39	Postage	239	267	28		-	-	-		-	-	-		239	267	28
40	Regulatory/Appeal	12	0	(12)		-	-	-		-	-	-		12	-	(12)
41	Travel & Vehicle Expense	66	68	2		1	1	0		-	-	-		67	69	2
42	Driver Education Program	344	264	(80)		-	-	-		-	-	-		344	264	(80)
43	Grant in Lieu of Taxes	120	111	(9)		-	-	-		-	-	-		120	111	(9)
44	Furniture & Equipment	79	142	63		25	49	24		-	-	-		104	191	87
45	Merchant Fees	2,708	2489	(219)		-	-	-		-	-	-		2,708	2,489	(219)
46	Other	411	479	68		81	18	(63)		-	-	-		492	497	5
47	**Subtotal - Other Operating Expenses**	**9,313**	**9,532**	**219**		**4,944**	**4,013**	**(931)**		**-**	**-**	**-**		**14,257**	**13,545**	**(712)**
48	Depreciation of Capital Investments	404	346	(58)		-	-	-		-	-	-		404	346	(58)
49	Amortization of Deferred Development	604	521	(83)		-	-	-		-	-	-		604	521	(83)
50	**Total Expenses**	**22,226**	**21,693**	**(727)**		**5,219**	**4,207**	**(1,012)**		**-**	**-**	**-**		**27,445**	**25,706**	**(1,739)**

Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs Extension *(cont'd)*

Line No.	EXTENSION % ALLOCATION	Normal Ops				Initiatives				Ongoing				Total		
51	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
52	Compensation - Salaries	6.0%	5.8%	-0.2%		14.1%	13.8%	-0.3%						6.1%	5.9%	-0.2%
53	Compensation - Overtime	6.0%	5.9%	-0.1%			13.8%	13.8%						6.0%	6.1%	0.1%
54	Compensation - Benefits	6.0%	5.8%	-0.2%										6.0%	5.8%	-0.2%
55	Compensation - H & E Tax	6.0%	5.8%	-0.2%										6.0%	5.8%	-0.2%
56	**Subtotal**	**6.0%**	**6.0%**	**-0.1%**		**14.1%**	**13.8%**	**-0.3%**						**6.1%**	**5.9%**	**-0.2%**
57	Data Processing	6.7%	6.5%	-0.2%		10.0%	10.9%	0.9%						8.4%	8.6%	0.1%
58	Special Services	6.9%	10.8%	3.9%										6.9%	10.8%	3.9%
59	Building Expenses	6.2%	6.1%	-0.2%										6.2%	6.1%	-0.2%
60	Loss Prev/Safety Program	7.3%	7.1%	-0.2%										7.3%	7.1%	-0.2%
61	Telephone/Telecommunications	6.7%	6.5%	-0.2%										6.7%	6.5%	-0.2%
62	Advertising & Public Info	12.6%	8.0%	-4.6%										12.6%	8.0%	-4.6%
63	Printing, Stationery & Supplies	2.3%	2.0%	-0.4%		11.6%								2.3%	2.0%	-0.4%
64	Postage	5.3%	4.9%	-0.4%										5.3%	4.9%	-0.4%
65	Regulatory/Appeal Expenses	0.3%	0.0%	-0.3%										0.3%	0.0%	-0.3%
66	Travel & Vehicle Expense	5.7%	5.9%	0.2%		14.2%	16.7%	2.5%						5.8%	6.0%	0.2%
67	Driver Education Program	7.3%	7.1%	-0.2%										7.3%	7.1%	-0.2%
68	Grant in Lieu of Taxes	6.2%	6.1%	-0.2%										6.2%	6.1%	-0.2%
69	Furniture & Equipment	6.6%	6.5%	-0.1%		6.6%	6.4%	-0.2%						6.6%	6.4%	-0.2%
70	Merchant Fees	25.3%	24.8%	-0.5%										25.3%	24.8%	-0.5%
71	Other	5.8%	6.2%	0.4%		19.2%	21.4%	2.2%						6.6%	6.4%	-0.2%
72	**Subtotal**	**8.1%**	**8.2%**	**0.1%**		**10.1%**	**10.8%**	**-8.3%**						**8.7%**	**8.8%**	**0.1%**
73	Depreciation of Capital Investments	6.3%	6.1%	-0.2%										6.3%	6.1%	-0.2%
74	Amortization of Deferred Development	6.9%	6.5%	-0.4%										6.9%	6.5%	-0.4%
75	**TOTAL**	**6.8%**	**6.8%**	**0.0%**		**10.2%**	**10.9%**	**-7.5%**						**7.2%**	**7.2%**	**-0.1%**

b) The requested information has been provided in *Figure 3* and *Figure 4* below:

Figure 3 Summary of Comparative Expenses Corporate vs DVA

Line	CORPORATE	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
No.	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
1	*(C$000s, rounding may affect totals)*												
2	Compensation Expenses	199,444	191,204	226,343	215,529	231,811	212,430	227,773	207,249	227,923	210,559	-	218,035
3	Administrative Expenses	164,106	153,457	171,792	183,410	176,595	166,487	154,156	159,097	149,006	135,469	-	125,824
4	Amortization/Depreciation Expenses	15,154	13,697	13,777	17,803	21,510	19,325	35,069	22,926	54,503	27,443	-	27,151
5	**Total**	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
6	Normal Operations Expenses	327,611	319,897	353,690	353,222	359,304	342,274	368,182	348,543	378,661	357,533	-	366,219
7	Initiative - Implementation Expenses	51,093	38,461	44,358	63,520	48,023	54,718	17,925	42,221	3,553	5,803	-	1,916
8	Initiative - Ongoing Expenses	-	-	13,864	-	22,589	1,250	30,891	(1,492)	49,218	10,135	-	2,875
9	**Total**	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
10	Claims	184,844	174,722	200,809	194,569	209,179	186,377	203,115	180,549	209,990	173,709	-	172,509
11	Operating	174,530	166,646	191,331	199,576	200,938	192,374	194,426	189,031	201,551	179,945	-	178,565
12	Road Safety	14,685	12,221	15,265	17,960	15,489	15,252	15,057	15,364	15,398	15,471	-	15,570
13	Regulatory Appeal	4,645	4,769	4,507	4,637	4,310	4,239	4,400	4,328	4,493	4,346	-	4,366
14	**Total**	**378,704**	**358,358**	**411,912**	**416,742**	**429,916**	**398,242**	**416,998**	**389,272**	**431,432**	**373,471**	**n/a**	**371,010**
15	DVA	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
16	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
17	Compensation Expenses	30,213	28,511	35,597	33,050	33,984	32,472	33,937	32,856	33,218	30,560	-	31,633
18	Administrative Expenses	25,258	24,905	26,928	29,316	27,375	25,896	19,830	20,420	18,413	17,665	-	15,692
19	Amortization/Depreciation Expenses	1,712	1,207	1,594	3,349	9,850	4,883	12,410	6,474	16,739	7,083	-	7,065
20	**Total**	**57,184**	**54,623**	**64,120**	**65,715**	**71,209**	**63,250**	**66,177**	**59,750**	**68,370**	**55,308**	**n/a**	**54,390**
21	Normal Operations Expenses	42,298	41,625	46,682	47,905	46,420	48,358	47,755	49,531	49,177	50,916	-	52,247
22	Initiative - Implementation Expenses	14,886	12,998	15,434	17,810	15,026	14,968	1,995	4,347	545	728	-	478
23	Initiative - Ongoing Expenses			3,004		9,763	(76)	16,428	5,873	18,648	3,665	-	1,665
24	**Total**	**57,184**	**54,623**	**65,120**	**65,715**	**71,209**	**63,250**	**66,177**	**59,750**	**68,370**	**55,308**	**n/a**	**54,390**
25	Claims		-		-		-		-		-		-
26	Operating	57,184	54,623	64,120	65,715	71,209	63,250	66,177	59,750	68,370	55,308	-	54,390
27	Road Safety	-	-	-	-	-	-	-	-	-	-	-	-
28	Regulatory Appeal	-	-	-	-	-	-	-	-	-	-	-	-
29	**Total**	**57,184**	**54,623**	**64,120**	**65,715**	**71,209**	**63,250**	**66,177**	**59,750**	**68,370**	**55,308**	**n/a**	**54,390**

Summary of Comparative Expenses *(cont'd)*

Line No.	DVA% of CORPORATE	2022/23A		2023/24BF		2024/25F		2025/26F		2026/27F		2027/28F	
30	Expense Category	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2023 GRA	2024 GRA	2022 GRA	2024 GRA
31	Compensation Expenses	15.1%	14.9%	15.7%	15.3%	14.7%	15.3%	14.9%	15.9%	14.6%	14.5%		14.5%
32	Administrative Expenses	15.4%	16.2%	15.7%	16.0%	15.5%	15.6%	12.9%	12.8%	12.4%	13.0%		12.5%
33	Amortization/Depreciation Expenses	11.3%	8.8%	11.6%	18.8%	45.8%	25.3%	35.4%	28.2%	30.7%	25.8%		26.0%
34	**Total**	**15.1%**	**15.2%**	**15.6%**	**15.8%**	**16.6%**	**15.9%**	**15.9%**	**15.3%**	**15.8%**	**14.8%**	**n/a**	**14.7%**
35	Normal Operations Expenses	12.9%	13.0%	13.2%	13.6%	12.9%	14.1%	13.0%	14.2%	13.0%	14.2%		14.3%
36	Initiative - Implementation Expenses	29.1%	33.8%	34.8%	28.0%	31.3%	27.4%	11.1%	10.3%	15.3%	12.5%		24.9%
37	Initiative - Ongoing Expenses	0.0%	0.0%	21.7%	0.0%	43.2%	-6.1%	53.2%	-393.6%	37.9%	36.2%		57.9%
38	**Total**	**15.1%**	**15.2%**	**15.8%**	**15.8%**	**16.6%**	**15.9%**	**15.9%**	**15.3%**	**15.8%**	**14.8%**	**n/a**	**14.7%**
39	Claims	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
40	Operating	32.8%	32.8%	33.5%	32.9%	35.4%	32.9%	34.0%	31.6%	33.9%	30.7%		30.5%
41	Road Safety	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
42	Regulatory Appeal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
43	**Total**	**15.1%**	**15.2%**	**15.6%**	**15.8%**	**16.6%**	**15.9%**	**15.9%**	**15.3%**	**15.8%**	**14.8%**	**n/a**	**14.7%**

Figure 4 Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs DVA

Line	CORPORATE	Normal Ops				Initiatives - Implementation				Initiatives - Ongoing				Total		
No.	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
1	*(C$000s,rounding may affect totals)*															
2	Compensation - Salaries	154,859	147,935	(6,924)		1,950	1,344	(606)		-	-	-		156,809	149,279	(7,530)
3	Compensation - Overtime	1,530	2,386	856		-	65	65		-	-	-		1,530	2,451	921
4	Compensation - Benefits	37,682	36,128	(1,554)		-	-	-		-	-	-		37,682	36,128	(1,554)
5	Compensation - H & E Tax	3,423	3,346	(77)		-	-	-		-	-	-		3,423	3,346	(77)
6	**Subtotal - Compensation**	**197,494**	**189,795**	**(7,699)**		**1,950**	**1,409**	**(541)**		**-**	**-**	**-**		**199,444**	**191,204**	**(8,240)**
7	Data Processing	45,393	41,826	(3,567)		48,325	36,198	(12,127)		-	-	-		93,718	78,024	(15,694)
8	Special Services	12,180	16,813	4,633		-	-	-		-	-	-		12,180	16,813	4,633
9	Building Expenses	8,659	8,792	133		-	-	-		-	-	-		8,659	8,792	133
10	Safety / Loss Prevention Program	3,619	3,404	(215)		-	-	-		-	-	-		3,619	3,404	(215)
11	Telephone/Telecommunications	1,851	1,705	(146)		-	-	-		-	-	-		1,851	1,705	(146)
12	Advertising & Public Info	3,222	2,324	(898)		-	-	-		-	-	-		3,222	2,324	(898)
13	Printing, Stationery & Supplies	4,496	5,074	578		18	-	(18)		-	-	-		4,514	5,074	560
14	Postage	4,496	5,450	954		-	-	-		-	-	-		4,496	5,450	954
15	Regulatory/Appeal	4,338	4,408	70		-	-	-		-	-	-		4,338	4,408	70
16	Travel & Vehicle Expense	1,154	1,146	(8)		7	6	(1)		-	-	-		1,161	1,152	(9)
17	Driver Education Program	4,692	3,714	(978)		-	-	-		-	-	-		4,692	3,714	(978)
18	Grant in Lieu of Taxes	1,926	1,833	(93)		-	-	-		-	-	-		1,926	1,833	(93)
19	Furniture & Equipment	1,197	2,198	1,001		371	764	393		-	-	-		1,568	2,962	1,394
20	Merchant Fees	10,693	10,036	(657)		-	-	-		-	-	-		10,693	10,036	(657)
21	Other	7,047	7,682	635		422	84	(338)		-	-	-		7,469	7,766	297
22	**Sub total - Other Operating Expenses**	**114,963**	**116,405**	**1,442**		**49,143**	**37,052**	**(12,091)**		**-**	**-**	**-**		**164,106**	**153,457**	**(10,649)**
23	Depreciation of Capital Investments	6,440	5,708	(732)		-	-	-		-	-	-		6,440	5,708	(732)
24	Amortization of Deferred Development	8,714	7,989	(725)		-	-	-		-	-	-		8,714	7,989	(725)
25	**Total Expenses**	**327,611**	**319,897**	**(7,714)**		**51,093**	**38,461**	**(12,632)**		**-**	**-**	**-**		**378,704**	**358,358**	**(20,346)**

Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs DVA *(cont'd)*

Line	EXTENSION	Normal Ops				Initiatives - Implementation				Initiatives - Ongoing				Total		
No.	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
26	*(C$000s,rounding may affect totals)*															
27	Compensation - Salaries	23,092	21911	(1,181)		781	427	(354)		-	-	-		23,872	22,338	(1,534)
28	Compensation - Overtime	217	349	132		-	21	21		-	-	-		217	370	153
29	Compensation - Benefits	5,614	5311	(303)		-	-	-		-	-	-		5,614	5,311	(303)
30	Compensation - H & E Tax	510	492	(18)		-	-	-		-	-	-		510	492	(18)
31	**Subtotal - Compensation**	**29,432**	**28,063**	**(1,369)**		**781**	**448**	**(333)**		**-**	**-**	**-**		**30,213**	**28,511**	**(1,702)**
32	Data Processing	3,786	3,398	(388)		13,993	12,470	(1,523)		-	-	-		17,779	15,868	(1,911)
33	Special Services	615	885	270		-	-	-		-	-	-		615	885	270
34	Building Expenses	1,099	1,099	0		-	-	-		-	-	-		1,099	1,099	0
35	Safety / Loss Prevention Program	-	-	-		-	-	-		-	-	-		-	-	-
36	Telephone/Telecommunications	171	151	(20)		-	-	-		-	-	-		171	151	(20)
37	Advertising & Public Info	168	96	(72)		-	-	-		-	-	-		168	96	(72)
38	Printing, Stationery & Supplies	2,883	3,418	535		4	-	(4)		-	-	-		2,887	3,418	531
39	Postage	1,240	1,693	453		-	-	-		-	-	-		1,240	1,693	453
40	Regulatory/Appeal	18	-	(18)		-	-	-		-	-	-		18	-	(18)
41	Travel & Vehicle Expense	215	177	(38)		3	2	(1)		-	-	-		218	179	(39)
42	Driver Education Program	-	-	-		-	-	-		-	-	-		-	-	-
43	Grant in Lieu of Taxes	245	231	(14)		-	-	-		-	-	-		245	231	(14)
44	Furniture & Equipment	113	198	85		36	72	36		-	-	-		149	270	121
45	Merchant Fees	60	63	3		-	-	-		-	-	-		60	63	3
46	Other	830	946	116		69	6	(63)		-	-	-		899	952	53
47	**Subtotal - Other Operating Expenses**	**11,442**	**12,355**	**913**		**14,105**	**12,550**	**(1,555)**		**-**	**-**	**-**		**25,547**	**24,905**	**(642)**
48	Depreciation of Capital Investments	810	710	(100)		-	-	-		-	-	-		810	710	(100)
49	Amortization of Deferred Development	614	497	(117)		-	-	-		-	-	-		614	497	(117)
50	**Total Expenses**	**42,298**	**41,625**	**(673)**		**14,886**	**12,998**	**(1,888)**		**-**	**-**	**-**		**57,184**	**54,623**	**(2,561)**

Summary of 2022/23 Comparative Expenses 2024 GRA to 2023 GRA - Corporate vs DVA *(cont'd)*

Line No.	EXTENSION % ALLOCATION	Normal Ops				Initiatives				Ongoing				Total		
51	Expense Category	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.	NOTES	2023 GRA	2024 GRA	Chg.
52	Compensation - Salaries	14.9%	14.8%	-0.1%		40.0%	31.8%	-8.3%						15.2%	15.0%	-0.3%
53	Compensation - Overtime	14.2%	14.6%	0.5%										14.2%	15.1%	0.9%
54	Compensation - Benefits	14.9%	14.7%	-0.2%										14.9%	14.7%	-0.2%
55	Compensation - H & E Tax	14.9%	14.7%	-0.2%										14.9%	14.7%	-0.2%
56	**Subtotal**	**14.9%**	**14.8%**	**-0.1%**		**40.0%**	**31.8%**	**-8.2%**						**15.1%**	**14.9%**	**-0.2%**
57	Data Processing	8.3%	8.1%	-0.2%		29.0%	34.4%	5.5%						19.0%	20.3%	1.4%
58	Special Services	5.0%	5.3%	0.2%										5.0%	5.3%	0.2%
59	Building Expenses	12.7%	12.5%	-0.2%										12.7%	12.5%	-0.2%
60	Loss Prev/Safety Program	0.0%	0.0%	0.0%										0.0%	0.0%	0.0%
61	Telephone/Telecommunications	9.3%	8.9%	-0.4%										9.3%	8.9%	-0.4%
62	Advertising & Public Info	5.2%	4.1%	-1.1%										5.2%	4.1%	-1.1%
63	Printing, Stationery & Supplies	64.1%	67.4%	3.2%										64.0%	67.4%	3.4%
64	Postage	27.6%	31.1%	3.5%										27.6%	31.1%	3.5%
65	Regulatory/Appeal Expenses	0.4%	0.0%	-0.4%										0.4%	0.0%	-0.4%
66	Travel & Vehicle Expense	18.7%	15.4%	-3.2%		40.6%	33.3%	-7.3%						18.8%	15.5%	-3.3%
67	Driver Education Program	0.0%	0.0%	0.0%										0.0%	0.0%	0.0%
68	Grant in Lieu of Taxes	12.7%	12.6%	-0.1%										12.7%	12.6%	-0.1%
69	Furniture & Equipment	9.4%	9.0%	-0.4%		9.8%	9.4%	-0.4%						9.5%	9.1%	-0.4%
70	Merchant Fees	0.6%	0.6%	0.1%										0.6%	0.6%	0.1%
71	Other	11.8%	12.3%	0.5%		16.3%	7.1%	-9.1%						12.0%	12.3%	0.2%
72	**Subtotal**	**10.0%**	**10.6%**	**0.7%**		**28.7%**	**33.9%**	**5.2%**						**15.6%**	**16.2%**	**0.7%**
73	Depreciation of Capital Investments	12.6%	12.4%	-0.1%										12.6%	12.4%	-0.1%
74	Amortization of Deferred Development	7.0%	6.2%	-0.8%										7.0%	6.2%	-0.8%
75	**TOTAL**	**12.9%**	**13.0%**	**0.1%**		**29.1%**	**33.8%**	**4.7%**						**15.1%**	**15.2%**	**0.1%**

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Part and Chapter:	**Part IX Expenses Appendix 7 Fig. EXP APP 3-5, Fig. EXP APP 4-1 Exp Appendix 6a-1 Figure EXP-39**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Operating Expenses**		
Sub Topic:	**Operating expense changes**		

Preamble to IR:

Question:

a) Please explain the factors behind the forecast reduction in building expenses of -9.5% compound growth rate for 2023/24 to 2025/26.

b) Please explain the forecast compound annual growth rate of 15.2% for travel and vehicle expenses for 2023/24 to 2025/26, and explain the sustained higher level of this expense line from the historical period.

c) Please explain why printing stationery and supplies (-16% compound growth for the test years) and postage (-6.1% for the test years and -0.9% for the outlook) are forecasted at levels materially lower than historical levels.

Rationale for Question:

To understand changes in forecasted Basic expenses.

RESPONSE:

a) Please refer to explanation in *Part IX Expenses Chapter EXP 3.2.5 – Building Expenses*. The primary contributor to the favorable CAGR movement is from building expenses expected to be approximately $1 million lower from lower rent maintenance and tax escalation payments related to MPI's reduced square footage occupancy at Cityplace.

b) The travel and vehicle expense growth are primarily driven by an increase in travel – expense reports related to employee travel. All divisions are flat except Operations as they pull out of COVID years and return to travel for estimating and going North. The travel – expense report account is used to track employee travel expenses such as lodging, air fare, parking, per diem allowances etc.

c) Please refer to explanation in *Part IX Expenses Chapter EXP 3.2.7 – Printing, Stationery, Supplies Expenses*.

For postage there are a list of issues causing increasing costs:

- Increase of certified mail from Driver Fitness and Basic Autopac Special Services.

- With the work from home model there has been an increase to parcels being shipped out.

- With the engagement of more consultants there has been an increase to parcels being shipped out.

- Operations has been driving unanticipated mailouts to customers.

Computer expenses were higher during the Pandemic, as people were set up to work from home (laptops mostly or replacing old gear, monitors etc.). As that cycle has subsided, less computer supplies are now required.

PUB (MPI) 1-47

Part and Chapter:	**Part IX Expenses Appendix 7 Fig. EXP APP 7-1, Fig. EXP APP 7-2, Exp Appendices 10, 11 Fig. EXP 10-1**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Compensation**		
Sub Topic:	**Head Count**		

Preamble to IR:

Question:

a) Please provide a detailed comparison of Total Corporate Staffing actual for 2022/23 with the actual staffing for 2021/22 and explain the changes.

b) Please provide a detailed comparison of Total Corporate Staffing forecast for 2023/24 with actual 2022/23 and explain the changes.

Rationale for Question:

To understand changes in the Corporation's staffing budget.

RESPONSE:

a) Please see *Figure 1* below. The FTE changes in the above captioned figure are the result of organizational structure changes, increased operational requirements (e.g., adjusting, driver examining, etc.) and normal staffing fluctuations.

Figure 1   2021/22 vs 2022/23 Staffing Actual

TOTAL CORPORATE STAFFING

2021/22 Total Staff Actual (FTE)

CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
Management	7.3	7.8	5.9	15.0	6.3	33.0	7.5	53.8	6.6	**143.2**
Supervisory	4.5	1.0	2.4	19.7	2.9	13.5	-	118.2	4.7	**166.9**
Technical/Professional	37.4	31.8	38.3	73.7	43.1	217.0	3.0	554.1	90.8	**1,089.2**
Clerical	7.1	5.0	1.7	26.6	2.5	9.8	-	421.0	3.7	**477.4**
Student/Intern	-	-	-	0.5	0.6	-	-	1.7	-	**2.8**
Total	**56.3**	**45.6**	**48.3**	**135.5**	**55.4**	**273.3**	**10.5**	**1,148.8**	**105.8**	**1,879.5**

2022/23 Total Staff Actual (FTE)

CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
Management	6.7	7.4	10.7	16.5	6.4	51.7	8.9	55.5	10.2	**174.0**
Supervisory	-	1.0	2.5	18.3	1.6	12.1	-	125.6	7.2	**168.3**
Technical/Professional	23.7	32.0	46.2	81.3	32.0	226.5	2.8	607.5	105.5	**1,157.5**
Clerical	0.2	5.2	1.0	27.7	-	4.9	-	449.0	3.0	**491.0**
Student/Intern	2.0	-	1.0	1.3	3.8	4.8	-	1.9	-	**14.8**
Total	**32.6**	**45.6**	**61.4**	**145.1**	**43.8**	**300.0**	**11.7**	**1,239.5**	**125.9**	**2,005.6**

TOTAL CORPORATE STAFF COMPARISON 2021/22 ACTUAL VS. 2022/23 ACTUAL

CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
Management	0.6	0.4	(4.8)	(1.5)	(0.1)	(18.7)	(1.4)	(1.7)	(3.6)	**(30.8)**
Supervisory	4.5	-	(0.1)	1.4	1.3	1.4	-	(7.4)	(2.5)	**(1.4)**
Technical/Professional	13.7	(0.2)	(7.9)	(7.6)	11.1	(9.5)	0.2	(53.4)	(14.7)	**(68.3)**
Clerical	6.9	(0.2)	0.7	(1.1)	2.5	4.9	-	(28.0)	0.7	**(13.6)**
Student/Intern	(2.0)	-	(1.0)	(0.8)	(3.2)	(4.8)	-	(0.2)	-	**(12.0)**
Total	**23.7**	**0.0**	**(13.1)**	**(9.6)**	**11.6**	**(26.7)**	**(1.2)**	**(90.7)**	**(20.1)**	**(126.1)**

b) Please see *Figure 2* below. The increase in total corporate staffing for 2023/24 budget is based on ensuring MPI has the proper workforce composition to meet operational demands. This includes forecasting 28.0 bubble staff for Project Nova.

Figure 2 2023/24 Staffing Budget vs 2022/23 Staffing Actual

TOTAL CORPORATE STAFFING
2023/24 Total Staff Budget (FTE)

Line No	CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
1	Management	11.0	5.0	14.0	22.0	9.0	36.0	9.0	65.0	11.0	**182.0**
2	Supervisory	-	1.0	2.0	18.0	2.0	37.0	-	125.0	9.0	**194.0**
3	Technical/Professional	26.0	24.0	42.9	83.0	41.0	335.6	-	654.7	53.0	**1,260.2**
4	Clerical	-	4.0	1.0	30.0	-	8.0	-	466.6	3.0	**512.6**
5	Student/Intern	-	-	2.0	-	-	-	-	-	-	**2.0**
6	**Total**	**37.0**	**34.0**	**61.9**	**153.0**	**52.0**	**416.6**	**9.0**	**1,311.3**	**76.0**	**2,150.8**

7 **2022/23 Total Staff Actual (FTE)**

8 9 10	CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
11	Management	6.7	7.4	10.7	16.5	6.4	51.7	8.9	55.5	10.2	**174.0**
12	Supervisory	-	1.0	2.5	18.3	1.6	12.1	-	125.6	7.2	**168.3**
13	Technical/Professional	23.7	32.0	46.2	81.3	32.0	226.5	2.8	607.5	105.5	**1,157.5**
14	Clerical	0.2	5.2	1.0	27.7	-	4.9	-	449.0	3.0	**491.0**
15	Student/Intern	2.0	-	1.0	1.3	3.8	4.8	-	1.9	-	**14.8**
16	**Total**	**32.6**	**45.6**	**61.4**	**145.1**	**43.8**	**300.0**	**11.7**	**1,239.5**	**125.9**	**2,005.6**
17											

18 **TOTAL CORPORATE STAFF COMPARISON 2023/24 BUDGET VS. 2022/23 ACTUAL**

12 20 21	CATEGORY	Actuarial Investments & Risk	Legal & Compliance	Customer	Finance	People & Culture	Information & Technology	Executive	Operations	Digital & Transformation	Total
22	Management	4.3	(2.4)	3.3	5.5	2.6	(15.7)	0.1	9.5	0.8	**8.0**
23	Supervisory	-	-	(0.5)	(0.3)	0.4	24.9	-	(0.6)	1.8	**25.7**
24	Technical/Professional	2.3	(8.0)	(3.3)	1.7	9.0	109.1	(2.8)	47.2	(52.5)	**102.7**
25	Clerical	(0.2)	(1.2)	-	2.3	-	3.1	-	17.6	-	**21.6**
26	Student/Intern	(2.0)	-	1.0	(1.3)	(3.8)	(4.8)	-	(1.9)	-	**(12.8)**
27	**Total**	**4.4**	**(11.6)**	**0.5**	**7.9**	**8.2**	**116.6**	**(2.7)**	**71.8**	**(49.9)**	**145.2**

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Part and Chapter:	**Part V Value Assurance**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Claims Costs**		
Sub Topic:	**Direct Repair Program**		

Preamble to IR:

At the 2023 GRA MPI recently commenced a review of current DR processes and systems (both internally and in consultation with the Repair Industry), on potential improvements. MPI aims to complete its review this fiscal year.

Question:

a) Please file an update to PUB (MPI) 1-51 from the 2023 GRA on the performance of the Direct Repair (DR) and Collaborative estimating.

b) Please file the results of the DR process and system review and the potential improvements flowing from the review.

c) Please advise whether the Corporation has undertaken a review following the implementation of the DR program to assess its effectiveness. If so, please file.

Rationale for Question:

To understand change to the Direct Repair program.

RESPONSE:

a) April 2022 to March 2023

Claim types, claim specifics and seasonality drive the results observed by MPI. From a month-to-month analysis, claim volumes and the number of collision claims as a proportion of total claims impact eligibility of DR. As collision claims are the basis for Direct Repair (DR) eligibility, MPI observed a similar trend to the prior year except for February due to a system update error corrected in March (Figure 1).

Customer selection of DR is slightly below the year prior but had a larger decline starting January which has been attributed to delays in repair shop estimating availability, causing customers to attend MPI for an earlier estimate appointment date. (Figure 2)

Figure 1 DR Eligible Claims April 2022 to March 2023

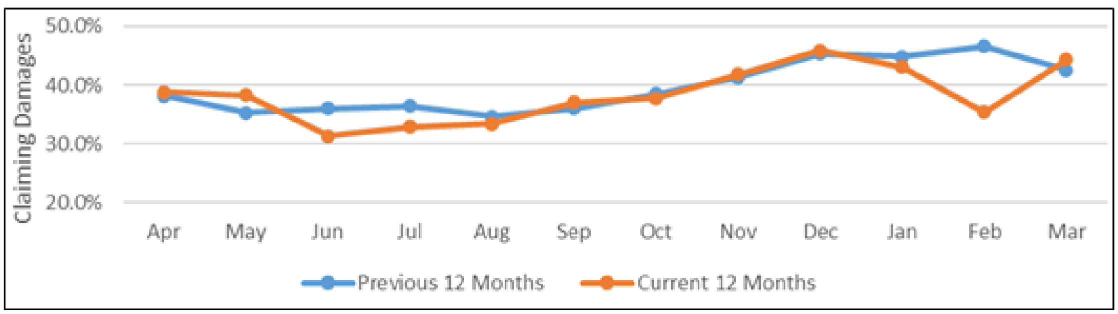


Figure 2 Customer Chose DR April 2022 to March 2023

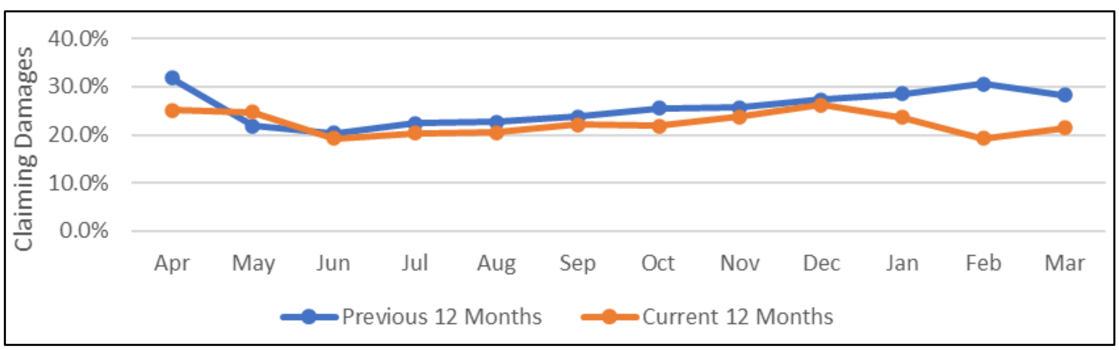


Figure 3 represents a yearly comparison of DR versus Collaborative Estimating (CE) completed estimates:

Figure 3 DR Eligibility Breakdown

Line No.	Estimate Type	2019	2020	2021	2022
1	**DR First Estimates**	24%	33%	23%	20%
2	**CE First Estimates on DR eligible claims**	17%	9%	17%	18%
3	**CE First Estimates on non- DR eligible claims**	59%	58%	60%	62%

Earned Approved Limits (EAL) levels for repair facilities determine the results for both DR and CE Auto Approve percentages. Monthly severity, driven by claim types, claim specifics and seasonality also impact EAL results.

Auto approved claims increased in January 2023 (Figure 4) following increases to EAL (Figure 5).

Figure 4 EAL Results 1 April 2022 to March 2023

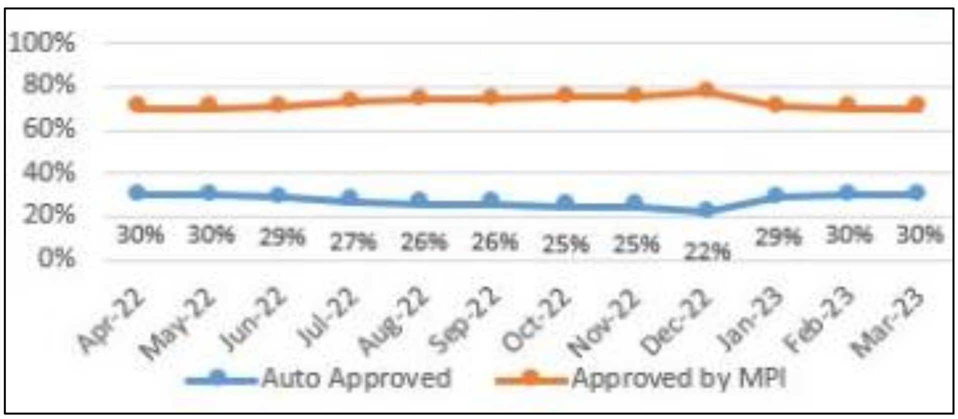


Figure 5 Auto-Approval Tier Levels and Thresholds

Line No.	Tier Level	Minimum Composite	Maximum AAV (Ask Approve Variance)	Old Auto-Approval Level	New Auto-Approval Level
1	Tier 1	n/a	8.00%	$0	$0
2	Tier 2	60%	2.63%	$1,750	$2,500
3	Tier 3	70%	1.06%	$2,750	$4,000

b) MPI reviewed repair shop programs following feedback from the repair industry. Objectives included ensuring the programs provide efficiencies and drive customer service while creating a straightforward and viable system for repair facilities. Feedback was collected from Industry and Repair Associations, followed by an internal review of programs with operational stakeholders, along with a review of customer feedback on DR. MPI identified opportunities to expand qualifying insurance use types and remove minor restrictions to increase claim eligibility.

MPI implemented changes to the Performance Recognition Program during the first week of January 2023. These changes included a reduction of the number of auto-approval tier levels, increases to auto-approval thresholds, and changing the program name to the Expedited Approval Program. Increasing the auto-approval tier levels will allow more straight through estimates, processing will improve customer service and reduce delays for repair shops and customers.

MPI continues to report on DR and EAL results monthly and will continue to consult with internal and external stakeholders to evolve its programs to ensure they are meeting objectives. The changes made to increase DR eligibility started on February 1, 2023. The actions listed under Figure 6 are either complete or in progress.

Figure 6 Actions Required

Additional Eligibility for DR	Improve DR Customer Awareness	Address Claims Previously Ineligible

• Insurance Uses
  • Artisan
  • Cement/Brick
  • Common Carrier
  • Farm
  • Farming All Purpose
  • Fishing All Purpose
  • Funeral Vehicle
  • Petroleum/Chemical
  • Police/Emergency
  • Private
  • Sand/Gravel
  • School
• Out of Province Driver License
• Previous Unpaid Claims limit removed
	• Updating FNOL scripts to more effectively explain the customer benefits associated with the DR option.
	• Updates to our Public website.
	• Update to on hold message at FNOL.
	• Creating a social media campaign.
		• Create process to allow adjusters to make low risk claim types DR eligible by addressing the eligibility concern.
		• Example, input drivers license, and claim is now eligible if that was the issue.

c) The results show that more customers are now eligible for DR (Figure 7). EAL tiers increased in January and the results show an increase to the prior year results (Figure 8).

Figure 7 DR Eligible Claims

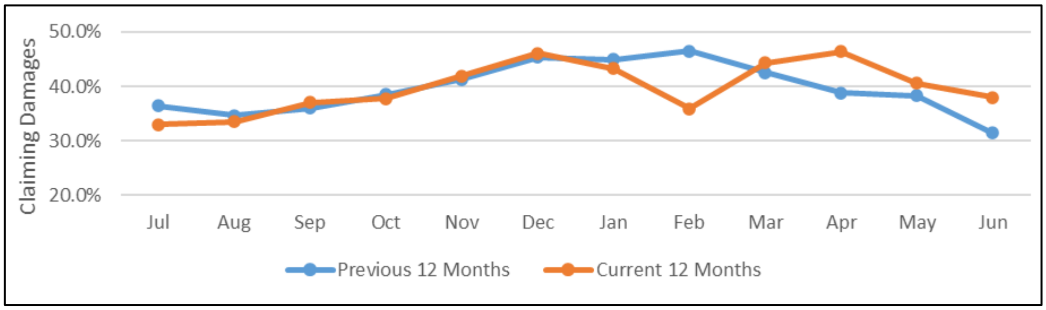
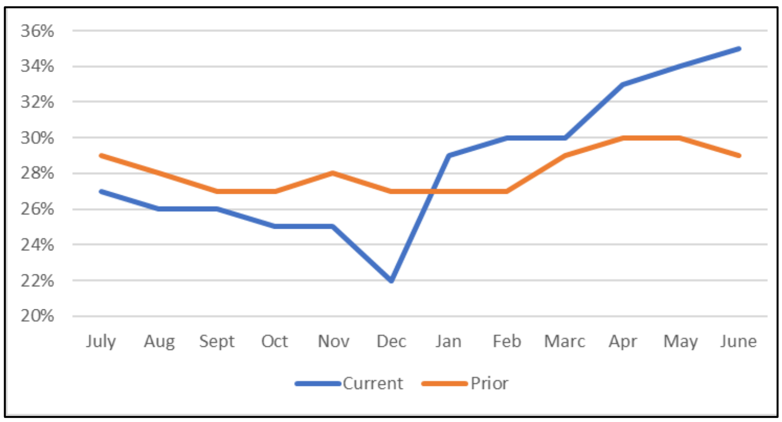


Figure 8 EAL Change Comparison



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Part and Chapter:	Part IX Expenses Fig. EXP –5, Fig. EXP –9, Fig. EXP –12 Exp Appendix 12	Page No.:	14
PUB Approved Issue No:			
Topic:			
Sub Topic:			

Preamble to IR:

At the 2023 GRA MPI indicated that, based on the current economic environment, which was preceded by two years of 0% increases, it was estimating the general wage increase for 2022/23 at 5%, while the forecast years in 2023/24 and onward is estimated at a 1.9% increase.

MPI forecast Total net salaries to increase by 11.23% in 2022/23 and 11.49% in 2023/24.

Question:

a) Please update the analysis in Figure EXP -9 to include 2020/21 and 2021/22 and explain the changes. Please comment on the forecast growth from the 2023 GRA for 2022/23 and 2023/24 with that reflected in the analysis.

b) Please provide a comparison of the economic increases forecast last year for 2022 through 2024 with that presented in the 2024 GRA, and explain the changes.

c) Please indicate what the historical average annual turnover rate has been for the last five fiscal years.

d) Please indicate the number of vacant positions during the last five fiscal years and the current level at June 30, 2023.

e) Please explain the reason for the change in the vacancy allowance for 2023/24.

f) Please provide detail of the $2.3 million other salary adjustment in 2023/24.

Rationale for Question:

To understand forecasted compensation expense.

RESPONSE:

a) Please see Figure 1 below. Also, please see *Part IX – Expenses Figure EXP-14* (reproduced below) for an explanation of changes in regular salaries. The three main categories of change include; Economic Increase, Steps in Scale, and FTE/Other Changes. MPI filed MPI Exhibit # 11 as Errors & Omissions filing.

Commentary and analysis comparing the current salary forecast to the 2023 GRA forecast can be found in *Part IX Expenses Chapter EXP.3.2 – 2024 GRA vs 2023 GRA Comparative Analysis.*

Figure 1 8-Year Summary of Corporate Normal Operations Expenses

Line No.	Category	2020/21A	2021/22A	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	*($000's, except where noted)*	*IFRS 4*	*IFRS 4*	*IFRS 4*	*IFRS 4*	*IFRS 4*	*IFRS 4*	*IFRS 4*	*IFRS 4*
2	Compensation - Salaries	132,706	139,223	147,935	165,708	167,357	174,356	181,321	188,563
3	Compensation - Overtime	1,157	1,888	2,386	2,151	2,009	2,047	2,089	2,130
4	Compensation - Benefits	36,628	34,735	36,128	39,915	38,988	39,769	40,563	41,374
5	Compensation - H & E Tax	2,896	3,115	3,346	3,809	3,980	3,994	4,077	4,158
6	**Sub Total - Compensation**	**173,387**	**178,961**	**189,795**	**211,583**	**212,334**	**220,166**	**228,050**	**236,225**
7	% increase / (decrease) over prior year	1.52%	3.21%	6.05%	11.48%	0.35%	3.69%	3.58%	3.58%
8	Data Processing	31,785	34,430	41,826	43,886	41,035	39,463	39,881	40,306
9	Special Services	9,144	12,469	16,813	17,495	12,003	12,003	12,003	12,001
10	Building Expenses	8,776	8,785	8,792	8,648	7,235	7,380	7,528	7,678
11	Safety/Loss Prevention Programs	2,233	2,806	3,404	6,070	5,554	5,510	5,510	5,509
12	Telephone/Telecommunications	1,842	1,838	1,705	1,695	1,579	1,609	1,643	1,677
13	Public Information/Advertising	1,936	2,910	2,324	3,538	2,022	2,021	2,021	2,022
14	Printing, Stationery, Supplies	3,589	4,558	5,074	4,177	3,827	3,846	3,872	3,897
15	Postage	4,826	5,428	5,450	4,813	4,813	4,813	4,813	4,813
16	Regulatory/Appeal	4,225	4,296	4,408	4,137	3,737	3,807	3,807	3,807
17	Travel and Vehicle Expense	507	696	1,146	1,976	1,896	1,934	1,974	2,013
18	Driver Education Program	1,595	3,563	3,714	5,476	5,476	5,675	5,676	5,676
19	Grants in Lieu of Taxes	1,891	1,858	1,833	1,932	1,933	1,970	2,008	2,049
20	Furniture & Equipment	534	2,187	2,198	1,914	1,422	1,431	1,431	1,431
21	Merchant Fees & Bank Charges	11,128	10,469	10,036	10,119	10,584	10,583	10,584	10,584
22	Other	4,351	6,961	7,682	7,960	7,499	7,587	7,666	7,756
23	**Sub total - Other Normal Operating Expenses**	**88,362**	**103,254**	**116,405**	**123,836**	**110,615**	**109,632**	**110,417**	**111,219**
24	% increase / (decrease) over prior year	3.59%	16.85%	12.74%	6.38%	-10.68%	-0.89%	0.72%	0.73%
25	Depreciation-Capital Assets	*5,365*	*5,953*	*5,708*	6,660	7,590	8,679	9,581	9,739
26	Amortization-Deferred Development	18,067	13,226	7,989	11,143	11,735	10,066	9,485	9,036
27	**Subtotal - Depreciation / Amortization**	**23,432**	**19,179**	**13,697**	**17,803**	**19,325**	**18,745**	**19,066**	**18,775**
28	% increase / (decrease) over prior year	-0.72%	-18.15%	-28.58%	29.98%	8.55%	-3.00%	1.71%	-1.53%
29	**Total Expenses**	**285,181**	**301,394**	**319,897**	**353,222**	**342,274**	**348,543**	**357,533**	**366,219**

Figure EXP- 14 Corporate Annual Salary Changes – Normal Operations

Line No.	Fiscal Year	Change due to Economic Increase	Change due to Step in scale increase	Total Change due to Salary Rate Change	Change due to Salary FTE and other changes	Total Salary Increase	Change in Average Actual FTE	Change in Average Salary per FTE ($)
1	*(C$000s, except where noted)*							
2	**2017/18**	2,214	2,236	4,450	(5,706)	**(1,257)**	(38.0)	0.70
3	**2018/19**	2,504	2,181	4,684	(6,004)	**(1,320)**	(90.8)	2.64
4	**2019/20**	2,191	2,191	4,381	469	**4,850**	35.9	1,28
5	**2020/21**	1,300	2,276	3,576	(6,011)	**(2,435)**	(41.9)	0.33
6	**2021/22**	0	2,233	2,233	3,684	**5,917**	48.6	1.33
7	**2022/23**	2,337	2,337	4,673	4,816	**9,489**	~~179.9~~ 132.5	~~(1.88)~~ (0.13)

The above analysis describes the key changes that have taken place related to economic, step in scale, and FTE changes impacts on Corporate normal operations regular salaries. The analysis does not include *Other* salary accounts (e.g., banked vacation, accrued vacation, retirement allowance, etc.).

b) Please see <u>*Part IX Expenses Chapter Figure EXP –4*</u> which provides a comparative of economic factors between the 2024 GRA and the 2023 GRA. The changes are based on best estimates at the time of filing. As the collective agreement expired in September, 2022 and negotiations are currently in progress the actual economic changes to be used in the forecast are not known and only estimated.

c) Please see the Figure 2.

Figure 2 Historical Average Turn Over Rate for Last Five Fiscal Years

Line No.	Fiscal Year	Average Turnover Rate
1	**2018-19**	4.18%
2	**2019-20**	4.21%
3	**2020-21**	2.30%
4	**2021-22**	4.72%
5	**2022-23**	6.06%

d) Please see Figure 3 below.

Figure 3 Number of Vacant Positions in Last Five Years, Including Current Level as of June 30, 2023

	Total Corporate Staffing (FTE)			
Line No.	Fiscal Year	Actual	Budget	Over/(Under) Variance
1	**2018-19A**	1,789.3	1,902.6	(113.3)
2	**2019-20A**	1,826.3	1,927.9	(101.6)
3	**2020-21A**	1,801.3	1,953.5	(152.2)
4	**2021-22A**	1,879.5	2,017.4	(137.9)
5	**2022-23A**	2,005.6	2,048.5	(42.9)
6	**June 30, 2023**	2,038.1	2,152.75	(114.65)

e) As stated in the *Expenses Chapter*, pages 21 and 22:

Vacant positions arise from staff turnover related to job changes, retirements, resignations, eliminations, etc. This results in a number of position vacancies in any given period. Vacancy results in no salary expenditures which reduces that expense. In order to accurately reflect budgeted and forecasted salary expenses, MPI accounts for cumulative non-remunerative vacancies via a vacancy allowance provision.

The 2023/24 vacancy allowance changed to reflect changes to the FTE budget.

f) Please see Figure 1 below.

Figure 4 Other Salary Adjustment

Line No.	Other Salary Adjustment	2022/23A	2023/24FB	Change
1	*(C$000s, except where noted)*			
2	Salaries-Vacation Buy Out	18	40	22
3	Salaries-Severance/Retirement Pay-Out	2,682	5,541	2,859
4	Salaries-Sick Leave	-	100	100
5	Salaries-Banked Vacation	301	335	34
6	Salaries-Downtown Allowance	176	84	(92)
7	Salaries-Flex Spending	867	805	(62)
8	Salaries-Work from Home Allowance	(365)	-	365
9	Salaries-Retirement Allow Prov	(665)	(1,413)	(748)
10	Salaries-Accrued Vacation	601	431	(170)
11	**Total Other Salary Adjustment**	**3,615**	**5,923**	**2,308**

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Part and Chapter:	Part IX Expenses Fig. EXP-13, 14 Fig. EXP App 8-1, Fig. EXP App 12-1	Page No.:	23
PUB Approved Issue No:	10. Cost of operations and cost containment measures		
Topic:	Compensation		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide a comparative schedule for Figure EXP App 8-1 of average annual salary by classification for 2022/23 through 2026/27 with that forecast last year, and indicate the differences. Please supplement the schedule to include the change by years by each classification.

b) Please extend Figure EXP-13 and Figure EXP-14 to 2027/28.

c) Please reconcile the Corporate Annual Salary in Figure EXP-13 with Figure EXP App 8-1.

d) Please provide a schedule comparing the detail of Corporate annual compensation expense in EXP Appendix 12 with that provided in the 2023 GRA for the comparative years 2022/23 through 2024/25.

Rationale for Question:

To understand the change in forecast assumptions related to compensation.

RESPONSE:

a) Please see *Figure 1* below:

Figure 1 Comparative Schedule of Average Annual Regular Salary by Classification

Line No.	Classification	2022-23A	2023-24FB	2024-25F	2025-26F	2026-27F
		2024 GRA				
1	*(C$000's, except where noted)*					
2	Clerical	55,481	57,506	59,662	61,899	64,220
3	Technical/Professional	73,427	76,107	78,961	81,922	84,994
4	Supervisor	83,284	86,324	89,561	92,920	96,405
5	Management	133,384	143,054	150,564	158,845	167,581
6	Corporate Average	74,651	77,919	81,302	84,916	88,698
7	% increase					
8	*over prior year*	*4.65%*	*4.38%*	*4.34%*	*4.45%*	*4.45%*
9	Manitoba (CPI)	1.10	4.05	2.35	2.10	1.90
10		2023 GRA				
11	Classification	2022-23FB	2023-24F	2024-25F	2025-26F	2026-27F
12	*(C$000's, except where noted)*					
13	Clerical	53,639	55,597	57,626	59,729	61,909
14	Technical/Professional	77,097	79,911	82,828	85,851	88,985
15	Supervisor	88,033	91,246	94,576	98,028	101,606
16	Management	131,556	142,738	149,161	157,216	165,706
17	Corporate Average	76,101	80,265	83,458	87,071	90,847
18	% increase					
19	*over prior year*	*6.68%*	*5.47%*	*3.98%*	*4.33%*	*4.34%*
20	Manitoba (CPI)	4.20	2.40	2.30	2.00	2.00
21		2024 GRA vs 2023 GRA				
22	Classification	2022-23	2023-24F	2024-25F	2025-26F	2026-27F
23	*(C$000's, except where noted)*					
24	Clerical	1,842	1,909	2,036	2,170	2,311
25	Technical/Professional	(3,670)	(3,804)	(3,867)	(3,929)	(3,991)
26	Supervisor	(4,749)	(4,922)	(5,015)	(5,108)	(5,201)
27	Management	1,828	316	1,403	1,629	1,875
28	Corporate Average	(1,450)	(2,345)	(2,156)	(2,155)	(2,150)
29	% increase					
30	*over prior year*	*-2.03%*	*-1.09%*	*0.36%*	*0.12%*	*0.12%*
31	Manitoba (CPI)	-3.10	1.65	0.05	0.10	-0.10

b) Please see *Figure 2* and *Figure 3* below:

Figure 2 EXP-13 Corporate Annual Salary - Normal Operations

Line No.	Fiscal Year	Corporate Annual Salary	Change from Prior Year	Change (%)	Average FTE	Average Salary per FTE	Change (%)
1	*(C$ 000s, except where noted)*						
2	**2017/18A**	126,504	**(1,257)**	-0.98%	1,863.5	67.98	1.04%
3	**2018/19A**	125,184	**(1,320)**	-1.04%	1,772.7	70.62	3.88%
4	**2019/20A**	130,033	**4,850**	3.87%	1,808.6	71.90	1.81%
5	**2020/21A**	127,598	**(2,435)**	-1.87%	1,766.7	72.22	0.45%
6	**2021/22A**	133,515	**5,917**	4.64%	1,815.3	73.55	1.84%
7	**2022/23A**	143,004	**9,489**	7.11%	1,947.8	73.42	-0.18%
8	**2024/25F**	162,535	**2,750**	1.72%	2,052.5	79.19	1.88%
9	**2025/26F**	169,536	**7,001**	4.31%	2,017.8	84.02	6.10%
10	**2026/27F**	176,403	**6,867**	4.05%	1,954.8	90.24	7.40%
11	**2027/28F**	183,549	**7,145**	4.05%	1,951.3	94.06	4.24%

Figure 3 EXP-14 Corporate Annual Salary Changes - Normal Operations

Line No.	Fiscal Year	Change due to Economic Increase	Change due to Step in scale increase	Total Change due to Salary Rate Change	Change due to Salary FTE and other Changes	Total Salary Increase	Change in Average FTE	Change in Average Salary per FTE ($)
1	*(C$ 000s, except where noted)*							
2	**2017/18A**	2,214	2,236	4,450	(5,706)	**(1,257)**	(38.0)	0.70
3	**2018/19A**	2,504	2,181	4,684	(6,004)	**(1,320)**	(90.8)	2.64
4	**2019/20A**	2,191	2,191	4,381	469	**4,850**	35.9	1,28
5	**2020/21A**	1,300	2,276	3,576	(6,011)	**(2,435)**	(41.9)	0.33
6	**2021/22A**	0	2,233	2,233	3,684	**5,917**	48.6	1.33
7	**2022/23A**	2,337	2,337	4,673	4,816	**9,489**	132.5	(0.13)
8	**2023/24FB**	2,860	2,503	5,363	11,418	**16,781**	108.0	4.31
9	**2024/25F**	3,196	2,796	5,992	(3,242)	**2,750**	(3.3)	1.46
10	**2025/26F**	3,251	2,844	6,095	906	**7,001**	(34.7)	4.83
11	**2026/27F**	3,391	2,967	6,358	510	**6,867**	(63.0)	6.22
12	**2027/28F**	3,528	3,087	6,615	530	**7,145**	(3.5)	3.82

13 Assumptions: (1) Change due to economic increase is based on 2% in-scope economic increase from 2023/24 to 2027/28.
14 (2) Change due to step in scale is based on 1.75% in-scope step in scale from 2023/24 to 2027/28.

c) The Corporate Annual Salary in Figure EXP-13 illustrates the year–over-year salary dollar and percentage changes along with the corresponding dollar and percentage changes in average salary. The corporate annual salary dollar is the total at the end of the fiscal year. On the other hand, EXP App 8-1 contains a figure displaying an average annual regular salary per full time equivalent employee (FTE), categorized into 4 general classifications: clerical, technical/professional, supervisor and management. *Part IX Expenses EXP App 8-1* contains a figure showing regular salaries as an approximate average of an FTE (per respective classification), earned in normal operations.

d) Please see *Figure 4* below:

Figure 4 EXP App 12-1 Corporate Annual Compensation Changes - Corporate Total

Line No.		2024 GRA						
		2022/23A	2023/24FB	Change	%	2024/25F	Change	%
1	*(C$000s, except where noted)*							
2	Gross Salaries	152,838	171,008	18,170		173,356	2,348	
3	Vacancy Allowance	(6,219)	(5,300)	919		(6,000)	(700)	
4	**Total Net Salaries - Normal Operations**	**146,619**	**165,708**	**19,089**	**13.02%**	**167,356**	**1,648**	**0.99%**
5	Salaries - Improvement Initiatives	1,331	3,947	2,616		95	(3,852)	
6	Overtime	2,449	2,152	(297)		2,007	(145)	
7	Benefits	36,127	39,915	3,788		38,988	(927)	
8	H&E Tax	3,345	3,808	463		3,982	174	
9	**Total Compensation**	**189,871**	**215,530**	**25,659**	**13.51%**	**212,428**	**(3,102)**	**-1.44%**
10	**Total Compensation Increase Analysis**		**2023/24FB**	**Change**		**2024/25F**	**Change**	
11	Prior Year Balance (Total Net Salaries - Normal Operations)			146,619			165,708	
12	Change in vacancy Allowance			919			(700)	
13	FTE Normal Operation Additions / Changes (2023/24)			8,723				
14	FTE Normal Operation Reductions / Changes (2024/25)						(3,690)	
15	FTE Normal Operation Reductions / Changes (2025/26)							
16	Economic - Inscope		0.95%	696		1.95%	1,616	
17	Economic - Out of Scope		1.50%	1,100		1.75%	1,450	
18	Steps in scale		2.63%	3,849		2.63%	4,350	
19	Salaries - Recovery			59			-	
20	Market Salary Impacts			500			-	
21	Other Salary Acct adjustments			2,308			(1,102)	
22	Other adjustments / Rounding			935			(275)	
23	**Total Net Salaries - Normal Operations**			**165,708**			**167,356**	
24	Prior Year Balance (Initiative Salaries, Overtime, Benefits and H&E Tax)			43,252			49,822	
25	Salaries - Improvement Initiatives			2,616			(3,852)	
26	Overtime			(297)			(145)	
27	Benefits			3,788			(927)	
28	H&E Tax			463			174	
29	**Total Compensation**			**215,530**			**212,428**	

EXP-13 Corporate Annual Salary - Normal Operations *(cont'd)*

				2023 GRA				
31		**2022/23FB**	**2023/24F**	**Change**	**%**	**2024/25F**	**Change**	**%**
32	***(C$000s, except where noted)***							
33	Gross Salaries	160,858	178,789	17,931		182,633	3,844	
34	Vacancy Allowance	(6,000)	(6,144)	(144)		(6,138)	6	
35	**Total Net Salaries - Normal Operations**	**154,858**	**172,645**	**17,787**	**11.49%**	**176,495**	**3,850**	**2.23%**
36	Salaries - Improvement Initiatives	1,950	9,992	8,042		11,662	1,670	
37	Overtime	1,532	1,548	16		1,516	(32)	
38	Benefits	37,682	38,711	1,029		38,808	97	
39	H&E Tax	3,422	3,551	129		3,598	47	
40	**Total Compensation**	**199,444**	**226,447**	**27,003**	**13.54%**	**232,079**	**5,632**	**2.49%**
41	**Total Compensation Increase Analysis**		**2023/24F**	**Change**		**2024/25F**	**Change**	
42	Prior Year Balance (Total Net Salaries - Normal Operations)			154,858			172,645	
43	Change in vacancy Allowance			(144)			6	
44	FTE Normal Operation Additions / Changes (2023/24)			4,500				
45	FTE Normal Operation Reductions / Changes (2024/25)						(2,391)	
46	FTE Normal Operation Reductions / Changes (2025/26)							
47	Economic - Inscope		3.45%	2,671		1.90%	1,640	
48	Economic - Out of Scope		5.00%	2,111		1.00%	435	
49	Steps in scale		2.63%	4,065		2.63%	4,532	
50	Salaries - Recovery			-			-	
51	Market Salary Impacts			5,000			0.00%	
52	Other Salary Acct adjustments			(1,384)			(5)	
53	Other adjustments / Rounding			968			(367)	
54	**Total Net Salaries - Normal Operations**			**172,645**			**176,495**	
55	Prior Year Balance (Initiative Salaries, Overtime, Benefits and H&E Tax)			44,586			53,802	
56	Salaries - Improvement Initiatives			8,042			1,670	
57	Overtime			16			(32)	
58	Benefits			1,029			97	
59	H&E Tax			129			47	
60	**Total Compensation**			**226,447**			**232,079**	

EXP-13 Corporate Annual Salary - Normal Operations *(cont'd)*

				2024 GRA vs 2023 GRA				
62		**2022/23**	**2023/24F**	**Change**	**%**	**2024/25F**	**Change**	**%**
63	***(C$000s, except where noted)***							
64	Gross Salaries	(8,020)	(7,781)	239		(9,277)	(1,496)	
65	Vacancy Allowance	(219)	844	1,063		138	(706)	
66	**Total Net Salaries - Normal Operations**	**(8,239)**	**(6,937)**	**1,302**	**-15.80%**	**(9,139)**	**(2,202)**	**31.74%**
67	Salaries - Improvement Initiatives	(619)	(6,045)	(5,426)		(11,567)	(5,522)	
68	Overtime	917	604	(313)		491	(113)	
69	Benefits	(1,555)	1,204	2,759		180	(1,024)	
70	H&E Tax	(77)	257	334		384	127	
71	**Total Compensation**	**(9,573)**	**(10,917)**	**(1,344)**	**14.04%**	**(19,651)**	**(8,734)**	**80.00%**
72	**Total Compensation Increase Analysis**		**2023/24F**	**Change**		**2024/25F**	**Change**	
73	Prior Year Balance (Total Net Salaries - Normal Operations)			(8,239)			(6,937)	
74	Change in vacancy Allowance			1,063			(706)	
75	FTE Normal Operation Additions / Changes (2023/24)			4,223			-	
76	FTE Normal Operation Reductions / Changes (2024/25)			-			(1,299)	
77	FTE Normal Operation Reductions / Changes (2025/26)			-			-	
78	Economic - Inscope		-2.50%	(1,975)		0.05%	(24)	
79	Economic - Out of Scope		-3.50%	(1,011)		0.75%	1,015	
80	Steps in scale		0.00%	(216)		0.00%	(182)	
81	Salaries - Recovery			59			-	
82	Market Salary Impacts			(4,500)			-	
83	Other Salary Acct adjustments			3,692			(1,097)	
84	Other adjustments / Rounding			(33)			92	
85	**Total Net Salaries - Normal Operations**			**(6,937)**			**(9,139)**	
86	Prior Year Balance (Initiative Salaries, Overtime, Benefits and H&E Tax)			(1,334)			(3,980)	
87	Salaries - Improvement Initiatives			(5,426)			(5,522)	
88	Overtime			(313)			(113)	
89	Benefits			2,759			(1,024)	
90	H&E Tax			334			127	
91	**Total Compensation**			**(10,917)**			**(19,651)**	

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Part and Chapter:	**Part IX Expenses, Fig. EXP-4 EXP Appendix 12**	**Page No.:**	**12**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Compensation**		
Sub Topic:			

Preamble to IR:

Step in Scale Increases - the Collective Agreement specifies a pay plan. Each in-scope position aligns to a salary range which has 6 "steps". The incumbent of a position will be eligible for up to 5 annual 3.5% increases until they reach the maximum salary (step) for the specific position. [….] The forecasted rate used in the 2023 GRA is 1.75% for in-scope employees (assumption is 50% of employees will receive), consistent with the rate used in prior years.

The Step in-scale for out-of-scope employees was increased from 2.25% to 3.50% in the 2023 GRA.

MPI appears to have combined the determination of the step-in scale adjustment including both in-scope and out-of-scope employees.

Question:

a) Please provide the supporting calculation for the 2.63% step in scale assumption.

b) Please explain why the step in scale for the out-of-scope staff increased from 2.25% in the 2022 GRA to 3.50% in the 2023 and 2024 GRAs.

c) Please provide an updated schedule Fig. EXP-4 including the summary table of assumptions for the 2020, 2021 and 2022 GRAs.

Rationale for Question:

To understand the change in forecast assumptions related to compensation.

RESPONSE:

a) The 2.63% step in scale assumption is calculated based on the average of 1.75% in-scope step in scale and 3.5% out-of-scope step in scale.

b) While step in scale increases apply to in-scope employees only, eligible out-of-scope employees receive merit increases which are determined by the employee's annual performance rating (pay for performance). In looking at actual total cash relative to comparable jobs within a blended market of Canadian Insurance, Canadian Public, and Canadian Private sectors, 51% of MPI's out-of-scope jobs are below market (<10% of the 50th percentile of the market). A slight increase to the out-of-scope merit budget enables greater ability to effectively recognize performance and to support on-going talent attraction and retention efforts.

c) As requested, *Part IX Expenses Chapter Figure EXP-4* has been updated to include the additional assumptions previously submitted in the 2020, 2021 and 2022 GRAs.

Figure 1 **Summary Table of Assumptions updated with additional 2020 - 2022 information *(Updated Part IX Expenses Chapter Figure EXP-4)***

Line No.		2020 GRA	2021 GRA	2022 GRA	2023 GRA	2024 GRA	Reference
1	**Normal Ops FTE Count**	2020/21 – 1,895.7	2021/22 – 1,908.0	2022/23 - 1,930.1	2023/24 - 2037.7	2023/24 - 2055.8	*Figure EXP-11*
2		2021/22 – 1,895.7	2022/23 – 1,903.0	2023/24 - 1868.8	2024/25 - 2037.7	2024/25 - 2052.8	
3		2022/23 – 1,895.7	2023/24 – 1,903.0	2024/25 - 1868.8	2025/26 - 2012.4	2025/26 - 2017.8	
4	**FTE Allocator**						
5	**Claims**	68.72%	68.81%	67.95%	64.55%	63.60%	*Figure EXP-36*
6	**Operating**	31.28%	31.19%	32.05%	35.45%	36.40%	*Figure EXP-36*
7	**Claims Incurred Allocator**						
8	**Basic % (4 year rolling average)**	Avg 87% throughout	Avg 87% throughout	Avg 85% throughout	Avg 82% throughout	Avg 79% throughout	*Figure EXP-33*
9		forecast period	forecast period	forecast period	forecast period	forecast period	
10	**BTO Project Department Allocation**	2020/21 – 76.9%	2021/22 – 80.2%	2022/23 - 79.3%	2023/24 - 76.2%	2023/24 - 76.2%	
11	**Basic Portion**	2021/22 – 77.5%	2022/23 – 80.2%	2023/24 - 79.3%	2024/25 - 76.2%	2024/25 - 76.2%	
12		2022/23 – 80.4%	2023/24 – 80.2%	2024/25 - 79.3%	2025/26 - 76.2%	2025/26 - 76.2%	*Figure EXP-35*
13	**Weighted Customer Contact Centre Call Ratio (WCCCCR)**						
14	**(4 year rolling average)**						
15	**Total Operating**	**91.8%**	**91.2%**	**90.6%**	**90.2%**	**91.1%**	*Figure EXP-34*
16	**Salaries Growth Rates**						
17	**Economic Increase – In Scope**	1.00%-2020/21	0.00%-2021/22	0.00%-2022/23	3.45%-2023/24	1,63%-2023/4	
18		0.00%-2021/22	0.38%-2022/23	0.88%-2023/24	1.90%-2024/25	1.88%-2024/25	
19		0.31%-2022/23	0.88%-2023/24	1.90%-2024/25	1.90%-2024/25	2.00%-2025/26	*Figure EXP-10*
20	**Step in Scale – In Scope**	1.75%	1.75%	1.75%	1.75%	1.75%	
21	**Step in Scale – Out of Scope**	2.25%	2.25%	2.25%	3.50%	3.50%	
22	**Most other Expense Category Growth Rates**	0.0% in 2019/20 to 21/22,	0.0% in 2020/21 to 21/22,	0.0% in 2022/23 to 23/24,	2.4% in 2023/24,	0% in 2023/24	*Expenses Chapter*
23		and 2.0% in 2022/23 and 23/24	and 2.0% in 2022/23 and 23/24	and 2.0% in 24/25 and 2025/26	2.3% in 2024/25, and	0% in 2024/25, and	
24					2.0% in 25/26 and 2026/27	2.0% in 25/26 and 2026/27	
25						(some expense categories)	

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Part and Chapter:	**Part V Expenses** **Part IX Expenses** **PUB (MPI) 1-55(a) (2023 GRA)** **PUB/MPI 2-24 (2023 GRA)**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment**		
Topic:	**Compensation**		
Sub Topic:	**Vacancy Allowance**		

Preamble to IR:

The vacancy is forecast to decrease from $6.2 million to $5.3 million in 2023/24 and is forecast to be $6 million in each of the 2024/25 and 2025/26 years.

Question:

a) Please provide details on the determination of the vacancy allowance for each of the years 2020/21 through 2025/26. Please include in the table the assumed FTEs, the average salary per FTE, and the total vacancy allowance.

b) Please provide a comparison of the detail of the vacancy allowance for 2022/23 actual with the 90.8 FTE forecast last year.

c) Please provide a comparison of the current vacancy level at July 31, 2023 (or June 30 if July 31 not yet available) versus that included in the budget for 2022/23 in a similar format to PUB (MPI) 1-55 (2023 GRA).

d) Please indicate the impact on the compensation expense forecast for 2023/24 and 2024/25 if the current level of vacancy in (c) is maintained.

Rationale for Question:

To understand the change in forecast assumptions related to compensation.

RESPONSE:

a) On an annual basis, MPI determines the vacancy provision based on factors such as: anticipated total FTEs (including new FTEs), historical vacancies and its anticipated ability to fill vacant and new positions. Please see below *Figure 1*.

Figure 1 Vacancy allowance and FTEs for 2020/21 through 2025/26

Line No.	Fiscal Year	Assumed FTEs	Average Salary*	Total Vacancy Allowance
1			*$000s*	*$000s*
2	**2020/21**	78.36	79	6,210
3	**2021/22**	99.49	83	8,300
4	**2022/23**	73.22	82	6,000
5	**2023/24**	68.02	78	5,300
6	**2024/25**	73.80	81	6,000
7	**2025/26**	70.66	85	6,000

* Average Salary includes benefits

b) Please see *Figure 2* below:

Figure 2 Actual Average FTE Vacancies versus Budgeted FTE Vacancies 2022/23

Line No.	Fiscal Year	Average Actual FTE Vacancies	Budgeted FTE Vacancies
1	**2022/23**	52.03	73.22

c) Please see *Figure 3* below:

Figure 3 Estimated Vacancy Provision - Comparative Budget to Actual FTE 2023/24

Line No.	Fiscal Year	Estimated Vacancy @ June 30/23	Related FTE Estimate	Budgeted Vacancy Amount	Related FTE Estimate	Change vs. Budget
1		*($000,00)*		*($000,00)*		*($000,00)*
2	**2023/24**	8,933	114.65	5,300	68.02	3,633

d) Please see *Figure 4* below:

Figure 4 Estimated Vacancy Provision - Compare Budgets to Actual FTE June 30, 2023

Line No.	Fiscal Year	Estimated Vacancy using June 30/23 FTE	June 30/23 Vacant FTEs	Budgeted Vacancy Amount	Related Budgeted FTEs	Change vs. Budget
1		*($000,00)*		*($000,00)*		*($000,00)*
2	**2024/25**	9,321	114.65	6,000	73.80	3,321
3	**2025/26**	9,736	114.65	6,000	70.66	3,736

PUB (MPI) 1-53

Part and Chapter:	**Part IX Expenses Fig. EXP-41 Fig. EXP App 16-1 Fig. VA-12**	**Page No.:**	**56, 57**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Basic Capital Expenditures**		
Sub Topic:	**Land & Building**		

Preamble to IR:

MPI expects Land and Buildings capital to increase in 2023/24 primarily due to Cityplace projects.

Question:

a) Please provide a schedule detailing the land and buildings capital expenditures forecast for 2022/23 through 2027/28 and explain the increases.

b) Please reconcile Cityplace space plan scope of work changes spending reflected in Fig. VA – 12 with the forecast Cityplace space plan spending on Fig. EXP-41.

c) Please provide details of all Cityplace capital and capital maintenance and repair projects for 2022/23 and 2023/24.

Rationale for Question:

To understand changes in land and building expense.

RESPONSE:

a) Please refer to *Appendix 1*, based on original budget numbers shared last year.

The Land and Building capital expenditures are re-evaluated annually to ensure most critical projects are addressed based on end of life replacement as necessary. Delayed approvals or lengthy procurement processes may cause deferral for seasonal projects resulting in project costs to roll over to future years.

b) Figure VA-12 is providing a Corporate level financial analysis of only the Cityplace Space Plan based on last year's submission. Figure EXP 41 is reporting only the Basic portion of the complete Corporate Services actuals and forecasts (inclusive of Cityplace Space Plan, row 6).

Figure VA-13 provides an updated financial analysis of Cityplace Space Plan with the 2022/23 actuals.

c) Please refer to *Appendix 2*, based on original budget numbers shared last year. The Land and Building capital expenditures are re-evaluated annually to ensure most critical projects are addressed based on end of life replacement as necessary. Delayed approvals or lengthy procurement processes may cause deferral for seasonal projects resulting in project costs to roll over to future years.

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
110	City Place										
	Capital Sub-Total		**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	
114	King Edward - Capital										
		JACE building control	$0.00	$2,535.00							Project not completed in 21/22 - carry over
		Humidifer #16 (replace when fails)	$12,500.00	$0.00	$12,500.00						
		Humidifer #17 (replace when fails)				$12,500.00					
		Unit Heater - qty 3 (replace when fails)	$5,000.00	$0.00	$5,000.00	$10,000.00					
		AMU #6				$70,000.00					
	Capital Sub-Total		**$17,500.00**	**$2,535.00**	**$17,500.00**	**$92,500.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	
115	St. Mary's - Capital										
		Humidifier #16 (replace when fails)	$12,500.00	$0.00	$12,500.00						
		Humidifier #19 (replace when fails)				$12,500.00					
		Future HVAC				$25,000.00	$30,000.00				
		Lunchroom, Boardroom, Bathrooms			$80,000.00	$180,000.00					
		Replace Garage Floor							$750,000.00		
	Capital Sub-Total		**$12,500.00**	**$0.00**	**$92,500.00**	**$217,500.00**	**$30,000.00**	**$0.00**	**$750,000.00**	**$0.00**	
130	Selkirk										
		Redesign front lot to work with Town's project to redo Manitoba Avenue					$120,000.00				
		Future HVAC				$50,000.00		$50,000.00			
	Sub-Total		**$0.00**	**$0.00**	**$0.00**	**$50,000.00**	**$120,000.00**	**$50,000.00**	**$0.00**	**$0.00**	
132	Beausejour										
		Unit heater #13 (replace when fails)	$5,000.00	$0.00	$5,000.00						
		Unit heater #14 (replace when fails)				$5,000.00					
		JACE building control	$0.00	$3,970.00							Project not completed in 21/22 - carry over
		Heat Pump	$25,000.00	$0.00							Not required. Cancelled
		Heat Pump									
		Asphalt improvements - front lot and side lot							$110,000.00		
		Future HVAC				$20,000.00	$15,000.00		$25,000.00		
		Roof replacement							$380,000.00		
		Consulting - Roof Replacement						$25,000.00			
	Sub-Total		**$30,000.00**	**$3,970.00**	**$5,000.00**	**$25,000.00**	**$15,000.00**	**$25,000.00**	**$515,000.00**	**$0.00**	

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
135	Swan River - Capital										
		Roof replacement					$200,000.00				
		Consulting - Roof replacement				$20,000.00					
	Capital Sub-Total		**$0.00**	**$0.00**	**$0.00**	**$20,000.00**	**$200,000.00**	**$0.00**	**$0.00**	**$0.00**	
134	Arborg										
		Unit heater #1	$5,000.00	$0.00	$5,000.00						
		Unit heater #2	$5,000.00	$0.00	$5,000.00						
		JACE building control	$0.00	$3,445.00							Project not completed in 21/22 - carry over
		Future HVAC					$80,000.00				
		Roof replacement					$210,000.00				
		Consulting - Roof Replacement				$20,000.00					
	Capital Sub-Total		**$10,000.00**	**$3,445.00**	**$10,000.00**	**$20,000.00**	**$290,000.00**	**$0.00**	**$0.00**	**$0.00**	
141	Winkler - Capital										
		JACE building control	$0.00	$3,970.00							Project not completed in 21/22 - carry over
		Heat Pump			$34,000.00						
		Heat Pump					$25,000.00				
		Asphalt improvements							$70,000.00		
	Capital Sub-Total		**$0.00**	**$3,970.00**	**$34,000.00**	**$0.00**	**$25,000.00**	**$0.00**	**$70,000.00**	**$0.00**	
118	Main - Capital										
		Parallel parking resurfacing (do with Gateway and Bison)	$10,000.00	$13,000.00							One contract - M/B/G
		Window well (terrace) repair (do with Bison)	$120,000.00	$0.00							Project cancelled - Repairs to be done out of operating
		Exterior LED - $4000 + install	$6,000.00	$6,000.00	$20,000.00						LED light fixture install (Replace non-LED)
		Future HVAC							$180,000.00		
	Capital Sub-Total		**$136,000.00**	**$19,000.00**	**$20,000.00**	**$0.00**	**$0.00**	**$0.00**	**$180,000.00**	**$0.00**	
119	Gateway - Capital										
		Heat Pump	$40,000.00	$0.00							Should be for Bison
		Parallel parking resurfacing and lane widening (do with Main and Bison)	$30,000.00	$48,000.00							One contract - M/B/G - was in budget in 21/22, but did not get done.
		Asphalt improvements							$80,000.00		
		Future HVAC					$80,000.00	$80,000.00	$150,000.00		
	Capital Sub-Total		**$70,000.00**	**$48,000.00**	**$0.00**	**$0.00**	**$80,000.00**	**$80,000.00**	**$230,000.00**	**$0.00**	

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
120	Bison - Capital										
		Parallel parking resurfacing (do with Main and Gateway)	$0.00	$13,000.00							One contract - M/B/G - was in budget in 21/22, but did not get done.
		Window well (terrace) repair (do with Main)	$120,000.00	$0.00							Project cancelled - Repairs to be done out of operating
		Exterior LED - $4000 + install	$6,000.00	$6,000.00							
		Heat Pump	$0.00	$40,000.00	$70,000.00						Budget was put in Gateway - $70 K for new Heat Pump
		Asphalt improvements						$60,000.00			
		Future HVAC					$100,000.00	$100,000.00	$50,000.00		
	Capital Sub-Total		**$126,000.00**	**$59,000.00**	**$70,000.00**	**$0.00**	**$100,000.00**	**$160,000.00**	**$50,000.00**	**$0.00**	
125	Dauphin										
		AMU #4 - do at same time as CO/NO2 sensors	$55,000.00	$55,000.00	$55,000.00						Defered
		CO/NO2 sensor - do at same time as AMU #4	$10,000.00	$10,000.00	$10,000.00						Defered
		JACE building control	$0.00	$4,325.00							Project not completed in 21/22 - carry over
		Develop back lot for commercial testing						$1,500,000.00			
		Future HVAC					$60,000.00	$80,000.00	$50,000.00		
	Sub-Total		**$65,000.00**	**$69,325.00**	**$65,000.00**	**$0.00**	**$60,000.00**	**$1,580,000.00**	**$50,000.00**	**$0.00**	
129	Portage La Prairie										
		Unit heater #5 (replace when fails)	$5,000.00	$0.00	$5,000.00						
		Unit heater #6 (replace when fails)				$5,000.00					
		JACE building control	$0.00	$3,970.00							Project not completed in 21/22 - carry over
		Future HVAC					$80,000.00	$50,000.00			
	Sub-Total		**$5,000.00**	**$3,970.00**	**$5,000.00**	**$5,000.00**	**$80,000.00**	**$50,000.00**	**$0.00**	**$0.00**	
133	Steinbach										
		Asphalting - staff parking	$100,000.00	$100,000.00							
		JACE building control	$0.00	$3,970.00							Project not completed in 21/22 - carry over
		Future HVAC					$40,000.00	$120,000.00	$60,000.00		
		Commercial Testing area - Develop and Cement							$750,000.00		
	Capital Sub-Total		**$100,000.00**	**$103,970.00**	**$0.00**	**$0.00**	**$40,000.00**	**$120,000.00**	**$810,000.00**	**$0.00**	

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
139	Thompson - Capital										
		JACE building control	$0.00	$4,660.00							Project not completed in 21/22 - carry over
		Asphalting - back lot & north side	$200,000.00	$0.00	$200,000.00						
		Consulting- Asphalting	$0.00	$20,000.00							
		Office Re-design - consulting					$20,000.00				
		Office Re-design						$500,000.00			
		Future HVAC					$80,000.00	$40,000.00	$90,000.00		
	Capital Sub-Total		**$200,000.00**	**$24,660.00**	**$200,000.00**	**$0.00**	**$100,000.00**	**$540,000.00**	**$90,000.00**	**$0.00**	
137	The Pas - Capital										
		JACE building control	$0.00	$4,660.00							Project not completed in 21/22 - carry over
		Replace pylon canister - old, cracking, doesn't light	$20,000.00	$20,000.00	$20,000.00						Defered
		Roof replacement		$210,000.00		$400,000.00					Roof Replacement defered
		Office Re-design - consulting				$20,000.00					
		Office Re-design					$500,000.00				
		Future HVAC					$120,000.00	$60,000.00	$60,000.00		
	Capital Sub-Total		**$20,000.00**	**$234,660.00**	**$20,000.00**	**$420,000.00**	**$620,000.00**	**$60,000.00**	**$60,000.00**	**$0.00**	
122	PDC-Bldg A-Capital										
		Humidifier #20 (replace when fails)	$10,000.00	$0.00	$10,000.00						
		Humidifier #21 (replace when fails)	$10,000.00	$0.00	$10,000.00						
		Humidifier #22 (replace when fails)				$10,000.00					
		Humidifier #23 (replace when fails)				$10,000.00					
		AMU #1	$30,000.00	$30,000.00	$30,000.00						Defered
		EF #4	$10,000.00	$10,000.00	$10,000.00						Defered
		AMU #4	$130,000.00	$130,000.00	$130,000.00						Defered
		JACE building control	$0.00	$3,200.00							Project not completed in 21/22 - carry over
	Sub-Total		**$190,000.00**	**$173,200.00**	**$190,000.00**	**$20,000.00**	**$0.00**	**$0.00**	**$0.00**	**$0.00**	

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
178	PDC-Bldg B-Capital										
		Window replacement	$170,000.00	$0.00							Not necessary as per consultant - project cancelled.
		Second floor storage conversion to office space			$80,000.00						
		Consulting - RTU #5	$15,000.00	$15,000.00							
		RTU #5 **(R22 coolant)** - at same time as upgrade for second floor reno			$120,000.00						
		Consultant - RTU #1	$10,000.00	$10,000.00							
		RTU #1 **(R22 coolant)**			$120,000.00						
		Consultant - RTU #4			$10,000.00						
		RTU #4 **(R22 coolant)**				$120,000.00					
		AC #2 **(R22 coolant)**	$10,000.00	$6,763.47							
		Building Redesign				$1,800,000.00					
		LED light standard project for yard					$250,000.00				
		Asphalt improvements						$500,000.00			
	Capital Sub-Total		**$205,000.00**	**$31,763.47**	**$330,000.00**	**$1,920,000.00**	**$250,000.00**	**$500,000.00**	**$0.00**	**$0.00**	
177	PDC-Bldg C-Capital										
		Unit heater #16, 17, 18, 23 (replace when fails)	$10,000.00	$0.00	$10,000.00	$10,000.00					
		Garage floor	$150,000.00	$150,000.00	$150,000.00						Defered from 22/23
		Ditch restoration	$200,000.00	$200,000.00	$200,000.00						Defered from 22/23
		Generator - expand capacity to include operations	$50,000.00	$50,000.00	$80,000.00						Defered Generator tie in, quotes came in much higher and completing additional investigation.
		CU #1 - **(R22 coolant)** - may also require AHU #1 done at same time if evaporator coil cannot be switched w/condensor unit	$25,000.00	$25,000.00							
		CU #2 - **(R22 coolant)** - may also require AHU #1 done at same time if evaporator coil cannot be switched w/condensor unit	$20,000.00	$20,000.00							
		AC #1 - **(R22 coolant)**	$10,000.00	$10,000.00							
		AC #2 - **(R22 coolant)**	$10,000.00	$10,000.00							
		Roof Walkway	$0.00	$29,830.00							Project complete - May/22
		Lighting towers - upgrade to LED	$0.00	$4,218.75							Credit is from hydro rebate. Project complete - May/22
		Asphalt improvements/Ditch Restoration					$1,000,000.00		$500,000.00		
		Future HVAC					$250,000.00	$75,000.00	$75,000.00		
		Estimating Garage - net new			$1,500,000.00						
		Kitchen and washroom remodel					$20,000.00	$700,000.00			
		Septic tank replacement							$800,000.00		
	Capital Sub-Total		**$475,000.00**	**$490,611.25**	**$1,940,000.00**	**$10,000.00**	**$1,270,000.00**	**$775,000.00**	**$1,375,000.00**	**$0.00**	

Bld #		Description	2022/23 Approved Budget	2022/23 Reforecasted Budget (as of May/22)	2023/24 Forecast	2024/25 Forecast	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast	Notes
CAPITAL											
116	Pembina - Capital										
		Roof replacement - lower roof (B & remainder of B1) - moved up from 2025/26					$200,000.00				
		Consulting - Roof Replacement				$20,000.00					
		AHU #1					$55,000.00				
		AHU #2					$55,000.00				
		CU #1 - **(R22 coolant)**				$25,000.00					
		CU #2 - **(R22 coolant)**				$25,000.00					
		Boiler #1						$30,000.00			
		Boiler #2						$30,000.00			
	Capital Sub-Total		**$0.00**	**$0.00**	**$0.00**	**$70,000.00**	**$310,000.00**	**$60,000.00**	**$0.00**	**$0.00**	
121	Brandon - Capital										
		Unit heater #10 (replace when fails)	$5,000.00	$0.00	$5,000.00						
		Garage roof replacement + skylights	$0.00	$385,000.00	$800,000.00						Roof replacement pushed to 23/24. Bids came in double original budget
		RTU #1 - do with garage roof replacement	$0.00	$25,000.00	$25,000.00						May need to install RTU#1 next fiscal due to procurement delays.
		Return Fan #1	$5,000.00	$0.00	$5,000.00						
		Estimating shack rebuild - increase budget				$300,000.00					
		Consulting - Estimating shack	$36,500.00	$0.00							
		Second floor windows & renos				$600,000.00					
		Consulting - Second floor windows & reno	$120,000.00	$0.00							
		Boiler - decom #1, convert #2 to back-up and buy new high efficency boiler	$70,000.00	$70,000.00							
		Parking lot - rear staff parking lot resurfacing				$300,000.00					
		Consulting - Parking lot resurfacing			$30,000.00						
		Refresh parking lot and testing area					$1,200,000.00				Start Tender in 24/25 with work being completed in 25/26
		Future HVAC						$120,000.00	$80,000.00		
	Capital Sub-Total		**$236,500.00**	**$480,000.00**	**$865,000.00**	**$1,200,000.00**	**$1,200,000.00**	**$120,000.00**	**$80,000.00**	**$0.00**	
	Total Capital		**$1,898,500.00**	**$1,752,079.72**	**$3,864,000.00**	**$4,070,000.00**	**$4,790,000.00**	**$4,120,000.00**	**$4,260,000.00**	**$0.00**	

CITYPLACE ASSET CAPITAL BUDGET - PREMISES

PROJECT	CAPITAL TYPE	Approved Budget: 2022/23	2022/23 Reforecast (as of Jun 30/22)	Required In: 2023/24
cityplace **NON**-Recoverable (Structural)	Lot 1 Structural Repairs	-	625,933	210,000
	Roof Replacement	-	175,000	1,567,533
	B09 Mechanical Rm & Stair #9 Ground Water	335,895	335,895	-
	TOTALS	335,895	1,136,828	1,777,533
	NA			
cityplace **NON**-Recoverable (Equipment)	Cooling Tower Replacement	-	1,389,805	-
	Fire Pump Relocation	-	1,385	-
	Cast Piping Replacement	51,090	51,090	32,131
	Steam Traps	36,150	36,150	8,904
	Building Automation System	1,663,110	1,021,929	754,742
	Sprinkler Head Replacement	1,595,135	373,538	294,892
	Perimeter Rads and Hydronics Upgrades	209,855	113,754	104,240
	Main & 2nd fl Heating & Cooling Coil Replacement	-	-	442,050
	Chiller Replacement	-	-	222,600
	Lot 5 - Air Curtain	-	-	262,500
	TOTALS	3,555,340	2,987,651	2,122,059
	NA			
cityplace **NON**-Recoverable (Modernization/	6th floor - Common Hallway Relocation Project	-	909,023	-
	Mall Repositioning Project	7,422,942	4,000,000	4,714,938
	TOTALS	7,422,942	4,909,023	4,714,938
	NA			
cityplace Tenant Fit-ups	Efficiency Manitoba	-	170,244	-
	MPI Space Plan	3,255,953	3,665,043	604,934
	Environment Climate Change Canada (ECCC)	5,010,166	3,640,343	-
	Crosier Kilgour Partners (CKP)	-	-	2,554,650
	Employment & Social Development Canada (ESDC)	-	2,323,088	379,552
	Staples	774,145	774,144	-
	Grocer	264,830	264,833	171,689
	Unit 75	20,000	20,000	-
	Unit 76	19,400	19,400	-
	Unit 93	40,400	40,400	-
	Pop Up Shop	-	-	106,050
	Lease Renewals	-	-	49,853
	TOTALS	9,384,894	10,917,495	3,866,728
	NA			
	Grand Total	**20,699,071**	**19,950,997**	**12,481,259**

PUB (MPI) 1-54

Part and Chapter:	**Part IX Expenses Fig. EXP-41 EXP Appendix 16 Fig. EXP App 16-1 EXP Appendix 17**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Basic Capital Expenditures**		
Sub Topic:	**Project Cost Comparisons**		

Preamble to IR:

Question:

a) Please provide the current capitalization accounting policy for the Corporation.

b) Please explain the increase in implementation expense for 2023/24, $29.2 million, versus the $17.1 million forecast at the 2023 GRA. Provide a detailed schedule comparing the spending this year with that forecast at the 2023 GRA.

c) Please indicate the extent to which the implementation expenses in 2023/24 are being capitalized for rate-setting purposes.

d) Please discuss whether the treatment of implementation expenses for rate-setting is consistent with Board direction provided in Order 4/23.

Rationale for Question:

To understand changes in data processing expense.

RESPONSE:

a) Capitalization Policy:

The amortization of deferred development expenses begins the month the project is expected to be completed. Costs are generally amortized over 5-years per below capitalization policy except for the NOVA Program whereby costs are amortized over 10-years.

MANITOBA PUBLIC INSURANCE
POLICY FOR CAPITALIZATION OF
ORGANIZATIONAL AND DEVELOPMENT COSTS

Description

The Corporation has various Initiatives and Projects which are expensed or reviewed by management for capitalization in accordance with IFRS, IAS 38 Intangible Assets.

Deferred Development Costs, which are "internally generated intangible assets" under IFRS, IAS 38 Intangible Assets will be evaluated for all lines of business (Basic, Extension, Special Risk Extension and Driver & Vehicle Administration Operations) against the criteria for determining if such costs are to be deferred to future periods or expensed in the current period.

Policy

Projects are to be capitalized as an asset and deferred to future periods when they meet all of the following 4 criteria:

1. Identifiability – the asset is separable and arises from contractual or other legal rights.

2. Control – the corporation has the power to obtain the future economic benefit and/or restrict others to those benefits.

3. Future economic benefit – the corporation benefits from the use of the asset (revenue, cost savings or other benefits).

4. Total project costs to be deferred are equal to or greater than $500,000.

Capitalization also applies when the intention is to complete, to use or sell the intangible asset at a future date and that the flow of future economic benefits attributable to the use of the asset contain a degree of certainty on the basis of the evidence available at the time of the initial recognition.

b) Please see Figure 1 below:

Figure 1 Comparison of the spending this year with that forecast at the 2023 GRA

Line No.		2023 GRA (2023/24F)	2024 GRA (2023/24FB)	Difference (2024 GRA - 2023 GRA)
1	**Nova Program**	1,142	2,164	1,022
2	**Nova Ongoing**	1,654	8,624	6,970
3	**LPM Focus Areas:**			-
4	**Digital Culture**	761	2,079	1,318
5	**Data & Analytics**	761	2,331	1,570
6	**Cloud Adoption**	1,523	2,931	1,408
7	**Knowledge Platforms and Content Management**	761	-	(761)
8	**Public Website and Partner Websites**	761	-	(761)
9	**Application Upgrades**	381	-	(381)
10	**HR and Finance New Technology**	1,523	146	(1,376)
11	**Innovation Funding**	4,188	2,604	(1,584)
12	**Government Insertions**	1,904	780	(1,124)
13	**Security Technology Risk Management**	1,713	3,341	1,628
14	**Partners & Customers Experience**	-	2,933	2,933
15	**Enterprise Content Management**	-	1,262	1,262
		17,072	**29,195**	**12,123**

The increase in implementation expense related to the Nova Program and Nova Ongoing costs is due to the shifting of forecasts based on the current delivery schedule, with both remaining within the overall Re-baseline 2022 budget.

The increase in implementation expense related to Lean Portfolio Management (LPM) is due to an increase to the overall implementation budget based on the Strategic Plan prepared during the 2023/24 budget cycle. Also, the Security Technology Risk Management was split 50/50 between deferred and expensed costs prior to the 2023/24 budget cycle; these are now being 100% expensed for budget purposes.

c) The implementation expenses are excluded from the rates sought in this GRA.

d) The PUB directed MPI to remove all initiative expenses from the expense forecast for 2023/24 and 2024/25, for rate-setting purposes[1]. In its findings[2], the PUB further clarified that MPI is directed to defer integration costs, accumulating them to be recovered when Project Nova is fully in service. The PUB concluded by stating that the period of recovery will be established in the 2024 GRA.

MPI requested that Directive 12.1(d), along with the referenced findings at page 55 of Order 4/23, be varied after clarifying the following:

- initiative expenses related to Project NOVA represent just 14% of all initiative expenses to be incurred in 2023 and 18% of all initiative expenses in 2024; and
- MPI already depreciates these expenses over time, in accordance with International Financial Reporting Standards (IFRS) for capitalization.

The PUB dismissed MPI's application on this matter[3] confirming that "the Board understood that this could include systems outside of Project Nova"[4]. The PUB

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[1] PUB Order 4/23, Directive 1, part d): "*The expense forecast for 2023/24 and 2024/25 for rate-setting purposes is to adjusted by the removal of all initiative expenses. The net affect being a -1.92% decrease in the rate indication.*"
[2] Page 55 of PUB Order 4/23: "*The Board therefore directs MPI to defer these integration costs, through a regulatory deferral account for rate-setting purposes. The account will accumulate the integration costs and will be recovered when Project Nova is fully in-service. The period of recovery will be established in the 2024 GRA, when MPI is expected to provide an updated timeline for the delivery of Project Nova.*"
[3] PUB Order 35/23, Directive 9: "*MPI's application to review and/or vary Directives 12.1(d), 12.6, 12.15, and 12.16 of Order 4/23 are hereby dismissed.*"
[4] Page 21 of PUB Order 35/23.

restated its intention to review the period of recovery for deferred expenses in this GRA, including whether to impose a directive requiring that MPI defer expenses for any initiative until the system is live.

Even though MPI understands that it is not eligible to IFRS 14, MPI seeks to fully comply with PUB Directives and therefore excluded implementation expenses for the purposes of rate setting. MPI is mindful of the PUB's intentions, as stated in its recent orders, and believed that including implementation expenses in this GRA for rate-setting purposes would be contrary to the PUB's directives.

PUB (MPI) 1-55

Part and Chapter:	**Part IX Expenses Fig. EXP 23 EXP APP 5**	**Page No.:**	**32**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Operating Expenses**		
Sub Topic:			

Preamble to IR:

At the 2023 GRA, MPI indicated that:

MPI continues to evaluate the option of bank-to-bank transfers for rebates as well as the option of placing a credit on the account of a customer in-lieu of issuing a rebate cheque. In the latter option, MPI would apply the credit against a customer invoice, which should reduce rebate-mailing expenses. MPI is working on creating the ability to perform e-Transfers, developing a strategy to attain active emails and also working on ensuring the necessary IT infrastructure alignments are in place for the e-Transfer of rebate cheques.

Question:

a) Please provide an update on MPI’s efforts to make bank-to-bank transfers.

b) Please explain the reason for MPI incurring expedited mail charges in 2022/23.

Rationale for Question:

To understand change in postal expenses due to service delivery changes.

RESPONSE:

a) Work for the bank-to-bank transfers for rebates is in progress and is nearing the end of the design phase.

b) Rebate mail is sent via regular mail and not expedited mail. Expedited mail charges are related to Broker Support and Autopac Services and Driver Fitness related mailings.

PUB (MPI) 1-56

Part and Chapter:	**Part IX Expenses Figure EXP-40**	**Page No.:**	**54**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Road Safety**		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide a comparison schedule between 2022/23 forecast base budget Road Safety and Loss Prevention Program Cost presented in the 2023 GRA with the Actual 2022/23 program cost, and explain all material differences.

b) Please provide the detail of Road Safety program administration in (a) and indicate the number of FTEs dedicated to Road Safety administration.

Rationale for Question:

To review road safety spending against forecasts.

RESPONSE:

a) Please see figure 1 below.

Figure 1 Comparison Schedule between forecast base budget & Actual 2022/23

Line No.	Basic's Share	Actual	2022/23 Forecast (2023 GRA)	Diff
1	*(C$ 000s)*			
2	Driver Education and Improvement	3,200	3,920	(720)
3	Impaired Driving Prevention Strategies	2,973	2,630	344
4	Speed Management Strategies	350	493	(143)
5	Occupant Safety Education Strategies	102	295	(193)
6	Auto-Crime Prevention Strategies	3	4	(2)
7	Fraud Prevention	7	0	7
8	Motorcycle Safety Education	37	60	(24)
9	Vulnerable Road User Education Strategies	178	367	(189)
10	Safety Programming Other	167	485	(318)
11	Safety Grants and Sponsorships	-	-	-
12	Road Safety Production and Advertising	50	79	(30)
13	Program Evaluation	146	201	(54)
14	Cell Phone/Distracted Driver Advertising	439	661	(223)
15	Other	708	887	(179)
16	Departmental Expenses	2,171	2,184	(13)
17	**Total**	**10,530**	**12,267**	**(1,737)**

Below is an explanation of each material difference between the 2022/23 forecast base (2023 GRA) and the 2022/23 actual:

- **Driver Education and Improvement**. Actual spending was lower than forecasted because student enrollment, while continuing to increase and slowly returning to pre-pandemic levels, was lower than forecasted.

- **Impaired Driving Prevention Strategies**. Actual spending was higher than forecasted due to an under allocation of sports arena/stadium advertising in the 2022/23 forecast, as well as higher than expected costs for the Enhanced Enforcement Program.

- **Occupant Safety Education Strategies.** Actual spending on occupant safety education strategies was lower than forecasted as the scale of a coordinated media and enforcement campaign for 2022/23 was reduced due to lack of enforcement operational availability.

- **Safety Programming Other.** Actual spending on awareness campaigns for traffic safety culture was lower than expected due to the cancellation of a planned Q4 TV campaign.

- **Cell Phone/Distracted Driving Advertising.** Actual spending on awareness campaigns for distracted driving was lower than expected due to the cancellation of a planned Q4 TV campaign.

b) Road safety program administration costs are in Departmental Expenses, and include expenses for office supplies, printed forms and stationery, travel expenses, allocated occupancy costs, and allocated salaries and benefits for Road Safety Programming and Driver Education department staff. There are 22 full-time equivalents (FTEs) dedicated to Road Safety administration.

PUB (MPI) 1-57

Part and Chapter:	**Part IX Expenses Fig. EXP –42 Exp Appendix 18, Fig. EXP APP 18-1**	**Page No.:**	**58**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Operating Expenses**		
Sub Topic:	**Basic Deferred Development Costs**		

Preamble to IR:

Question:

Please refile the table in Figure EXP-42 to include columns for all the prior year expenditures (commencing in 2017/18) on each of the listed projects, and a total column by project and in total. Please include the sum of insertion of work for the years 2013/14 through 2017/18.

Rationale for Question:

To understand changes in Basic capital expenditure forecast.

RESPONSE:

Figure 1 Basic Capital Expenditures by Project (previously filed as *Part IX Expenses Chapter Figure EXP-42*)

Line No.	Project	LTD Actual*	2017/18A	2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24F	2024/25F	2025/26F	2026/27F	2027/28F	Total
1	*(C$000s, except where noted)*													
2	Deferred Development	-	-	-	-	5,607	16,487	4,894	11,545	7,480	2,579	-	-	48,593
3	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Expense	-	-	99	2,043	4,939	7,313	2,765	2,164	2,528	1,099	342	503	23,795
5	**Nova**	**-**	**-**	**99**	**2,043**	**10,546**	**23,801**	**7,658**	**13,709**	**10,008**	**3,678**	**342**	**503**	**72,387**
6	Deferred Development	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Expense	-	-	-	-	366	793	640	8,624	6,879	5,590	-	-	22,891
9	**Nova - ongoing ops**	**-**	**-**	**-**	**-**	**366**	**793**	**640**	**8,624**	**6,879**	**5,590**	**-**	**-**	**22,891**
10	Deferred Development	-	-	-	526	964	75	1	-	-	-	-	-	1,566
11	Capital Depreciation	-	-	-	-	-	-		-	-	-	-	-	-
12	Expense	-	-	-	1,070	466	32	-	-	-	-	-	-	1,568
13	**Technology Risk Management - 201**	**-**	**-**	**-**	**1,595**	**1,430**	**107**	**1**	**-**	**-**	**-**	**-**	**-**	**3,133**
14	Deferred Development	-	-	-	1	1,084	584	(488)	-	-	-	-	-	1,180
15	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Expense	-	-	-	-	597	301	695	-	-	-	-	-	1,593
17	**Technology Risk Management - 202**	**-**	**-**	**-**	**1**	**1,680**	**886**	**207**	**-**	**-**	**-**	**-**	**-**	**2,774**
18	Deferred Development	-					264	(263)	-	-	-	-	-	1
19	Capital Depreciation	-					-	-	-	-	-	-	-	-
20	Expense	-					843	1,093	441	-	-	-	-	2,377
21	**Technology Risk Management - 202**	**-**	**-**	**-**	**-**	**-**	**1,107**	**830**	**441**	**-**	**-**	**-**	**-**	**2,378**
22	Deferred Development	-						-	-	-	-	-	-	-
23	Capital Depreciation	-						-	-	-	-	-	-	-
24	Expense	-						1,343	733	-	-	-	-	2,076
25	**Technology Risk Management - 202**	**-**						**1,343**	**733**	**-**	**-**	**-**	**-**	**2,076**
26	Deferred Development	-							-	-	-	-	-	-
27	Capital Depreciation	-							-	-	-	-	-	-
28	Expense	-							2,168	-	-	-	-	2,168
29	**Technology Risk Management - 202**	**-**							**2,168**	**-**	**-**	**-**	**-**	**2,168**

Basic Capital Expenditures by Project (previously filed as *Part IX Expenses Chapter Figure EXP-42*) *(cont'd)*

30	Deferred Development	-							-	-	-	-	-	-
31	Capital Depreciation	-							-	-	-	-	-	-
32	Expense	-							-	2,863	-	-	-	2,863
33	**Technology Risk Management - 202**	**-**							**-**	**2,863**	**-**	**-**	**-**	**2,863**
34	Deferred Development	-							-	-	-	-	-	-
35	Capital Depreciation	-							-	-	-	-	-	-
36	Expense	-							-	-	3,341	-	-	3,341
37	**Technology Risk Management - 202**	**-**							**-**	**-**	**3,341**	**-**	**-**	**3,341**
38	Deferred Development	-							-	-	-	-	-	-
39	Capital Depreciation	-							-	-	-	-	-	-
40	Expense	-							-	-	-	3,341	-	3,341
41	**Technology Risk Management - 202**	**-**							**-**	**-**	**-**	**3,341**	**-**	**3,341**
42	Deferred Development	-			280	867	1,203	668	-	-	-	-	-	3,017
43	Capital Depreciation	-			-	-	-	-	-	-	-	-	-	-
44	Expense	-			201	507	175	121	-	-	-	-	-	1,003
45	**Information Security Maturity**	**-**	**-**	**-**	**480**	**1,373**	**1,378**	**789**	**-**	**-**	**-**	**-**	**-**	**4,020**
46	Deferred Development	-			640	975	5		-	-	-	-	-	1,620
47	Capital Depreciation	-			-	-	-		-	-	-	-	-	-
48	Expense	-			-	-	-		-	-	-	-	-	-
49	**Finance Re-Engineering Initiative**	**-**	**-**	**-**	**640**	**975**	**5**	**-**	**-**	**-**	**-**	**-**	**-**	**1,620**
50	Deferred Development	-				671	859	(44)	-	-	-	-	-	1,486
51	Capital Depreciation	-				-	-	-	-	-	-	-	-	-
52	Expense	-				-	610	-	-	-	-	-	-	610
53	**Microsoft 365**	**-**				**671**	**1,469**	**(44)**	**-**	**-**	**-**	**-**	**-**	**2,097**
54	Deferred Development	-				49	(49)	-	-	-	-	-	-	(0)
55	Capital Depreciation	-				-		-	-	-	-	-	-	-
56	Expense	-				-	114	210	52	-	-	-	-	376
57	**HRMS Optimization - Phase 1**	**-**				**49**	**65**	**210**	**52**	**-**	**-**	**-**	**-**	**376**

Basic Capital Expenditures by Project (previously filed as *Part IX Expenses Chapter Figure EXP-42*) *(cont'd)*

58	Deferred Development	-	-	-	-	-	-	-	-	-	-	-
59	Capital Depreciation	-	-	-	-	-	-	-	-	-	-	-
60	Expense	-	59	3	7	2	26	-	-	-	-	98
61	**Claims Dispute Tribunal**	**-**	**59**	**3**	**7**	**2**	**26**	**-**	**-**	**-**	**-**	**98**
62	Deferred Development	-			-	-	-	-	-	-	-	-
63	Capital Depreciation	-			-	-	-	-	-	-	-	-
64	Expense	-			96	161	-	-	-	-	-	257
65	**eTransfer Capability**	**-**			**96**	**161**	**-**	**-**	**-**	**-**	**-**	**257**
66	Deferred Development	-			-	-	-	-	-	-	-	-
67	Capital Depreciation	-			-	-	-	-	-	-	-	-
68	Expense	-			45	396	2,079	1,781	2,079	-	-	6,380
69	**Digital Culture (M365 & Remote wo**	**-**			**45**	**396**	**2,079**	**1,781**	**2,079**	**-**	**-**	**6,380**
70	Deferred Development	-			-	-	-	-	-	-	-	-
71	Capital Depreciation	-			-	-	-	-	-	-	-	-
72	Expense	-			-	468	2,331	1,997	2,331	-	-	7,127
73	**Data & Analytics**	**-**			**-**	**468**	**2,331**	**1,997**	**2,331**	**-**	**-**	**7,127**
74	Deferred Development	-				-	-	-	-	-	-	-
75	Capital Depreciation	-				-	-	-	-	-	-	-
76	Expense	-				1,069	2,931	191	223	-	-	4,414
77	**Cloud Adoption**	**-**				**1,069**	**2,931**	**191**	**223**	**-**	**-**	**4,414**
78	Deferred Development	-			-	-	-	-	-	-	-	-
79	Capital Depreciation	-			-	-	-	-	-	-	-	-
80	Expense	-			67	1,401	-	-	-	-	-	1,468
81	**Knowledge Platforms and Content I**	**-**			**67**	**1,401**	**-**	**-**	**-**	**-**	**-**	**1,468**
82	Deferred Development	-					-	-	-	-	-	-
83	Capital Depreciation	-					-	-	-	-	-	-
84	Expense	-					1,262	1,081	1,262	-	-	3,605
85	**Enterprise Content Management**	**-**					**1,262**	**1,081**	**1,262**	**-**	**-**	**3,605**

Basic Capital Expenditures by Project (previously filed as *Part IX Expenses Chapter Figure EXP-42*) *(cont'd)*

86	Deferred Development	-							-	-	-	-	-	-
87	Capital Depreciation	-							-	-	-	-	-	-
88	Expense	-							2,933	2,513	2,933	-	-	8,379
89	**Partners & Customers Experience**	**-**							**2,933**	**2,513**	**2,933**	**-**	**-**	**8,379**
90	Deferred Development	-							-	-	-	-	-	-
91	Capital Depreciation	-							-	-	-	-	-	-
92	Expense	-							94	334	2,562	-	-	2,990
93	**HR and Finance New Technology**	**-**							**94**	**334**	**2,562**	**-**	**-**	**2,990**
94	Deferred Development	-					-	-	-	-	-	-	-	-
95	Capital Depreciation	-					-	-	-	-	-	-	-	-
96	Expense	-					253	569	-	-	-	-	-	822
97	**eSignature**	**-**					**253**	**569**	**-**	**-**	**-**	**-**	**-**	**822**
98	Deferred Development	-					-	-	-	-	-	-	-	-
99	Capital Depreciation	-					-	-	-	-	-	-	-	-
100	Expense	-					37	1	-	-	-	-	-	38
101	**eCash Payment Capability and Dire**	**-**					**37**	**1**	**-**	**-**	**-**	**-**	**-**	**38**
102	Deferred Development	-							-	-	-	-	-	-
103	Capital Depreciation	-							-	-	-	-	-	-
104	Expense	-					800	918	2,577	2,226	2,599	-	-	9,119
105	**Innovation Funding**	**-**					**800**	**918**	**2,577**	**2,226**	**2,599**	**-**	**-**	**9,119**
106	Deferred Development	-							-	-	-	-	-	-
107	Capital Depreciation	-							-	-	-	-	-	-
108	Expense	7,260	372	369	1,887				-	-	-	-	-	9,887
109	**Insertions of Work**	**7,260**	**372**	**369**	**1,887**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**9,887**
110	Deferred Development	-		-					-	-	-	-	-	-
111	Capital Depreciation	-		-					-	-	-	-	-	-
112	Expense	-							780	668	780	-	-	2,228
113	**Government Insertions**	**-**						**-**	**780**	**668**	**780**	**-**	**-**	**2,228**
114	**Total SPM / NOVA Project Costs**	**7,260**	**372**	**468**	**6,705**	**17,095**	**30,914**	**16,617**	**40,740**	**30,541**	**27,378**	**3,683**	**503**	**182,275**
115	**LTD actual are expenditures from 2013/14 to 2016/17 for Insertions of Work*													

PUB (MPI) 1-58

Part and Chapter:	**Part V Expenses Fig. EXP –43 EXP Appendix 1**	**Page No.:**	**61, 68**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Internal Operating Metrics**		
Sub Topic:			

Preamble to IR:

MPI's commitment to fiscal prudence and responsible financial management, while completing its technology solutions is demonstrated in this year's expense forecast. Economic cost pressures with labour and external partners are expected to be offset with system savings resulting in total operating expenses to decline throughout the forecast.

MPI has significantly reduced the expectation for staffing requirements, in line with Government direction, returning its focus on core requirements and attention on value for money. In addition, a reset of expected costs for (special services) and amortization costs to better reflect the economic reality of system implementation.

Question:

a) Please explain the changes in the operating expense ratio (c) in 2022/23, (an increase of 8.38%) and 2023/24 (an increase of 8.99%).

b) Please provide the operating expense per policy and percentage change based on total operating expenses.

c) Please provide a comparison of and explain the changes in depreciation/amortization expense *Part IX Expenses Figure EXP-43* this year with that provided in the 2023 GRA.

d) Please explain whether the amortization of Project Nova costs represents the amortization of Nova that is providing service to ratepayers.

Rationale for Question:

To understand changes in operating metrics.

RESPONSE:

a) The increases in 2022/23 and 2023/24 are primarily due to inflationary/economic growth on many cost categories and higher FTE counts as noted in the *Part IX Expense Chapter Figure EXP-11*. Also contributing are higher operating expenses primarily due to an increase in operating expenses related to improvement initiatives. Please see EXP – Appendix 2 which illustrates this increase. Additionally, in 2022/23, Operating expense allocations increased approximately 1% in the 2024 GRA versus 2023 GRA, as noted in *Part IX Expenses Chapter Figure EXP App 7-1, page 4 of 24*.

b) Please see *Appendix 1*.

c) Please refer to *Figure 1* below:

Figure 1 Comparison of depreciation/amortization - 2024 GRA vs 2023 GRA

Line No.	Project	2022/23F- 2023 GRA	2022/23A- 2024 GRA	Difference	2023/24F- 2023 GRA	2023/24F- 2024 GRA	Difference	2024/25F - 2023 GRA	2024/25F- 2024 GRA	Difference	2025/26F - 2023 GRA	2025/26F- 2024 GRA	Difference	2026/27F - 2023 GRA	2026/27F- 2024 GRA	Difference
1	*(C$000s, except where noted)*															
2	Ongoing Expenses															
3	Nova	-	-	-	-	229	229	-	392	392	2,761	1,589	(1,172)	7,699	3,264	(4,435)
4	Technical Risk Management - 2022	-	-	-	343	-	(343)	343	-	(343)	343	-	(343)	343	-	(343)
5	Technical Risk Management - 2023	-	-	-	-	-	-	343	-	(343)	343	-	(343)	343	-	(343)
6	Technical Risk Management - 2024	-	-	-	-	-	-	-	-	-	343	-	(343)	343	-	(343)
7	Technical Risk Management - 2025	-	-	-	-	-	-	-	-	-	-	-	-	343	-	(343)
8	**Total - Ongoing Expenses**	**-**	**-**	**-**	**343**	**229**	**(114)**	**686**	**392**	**(294)**	**3,790**	**1,589**	**(2,201)**	**9,071**	**3,264**	**(5,807)**
9	Depreciation Expenses															
10	Physical Properties	3,295	3,317	22	3,355	3,114	(241)	3,650	3,455	(195)	3,998	3,839	(159)	4,109	4,377	268
11	Automobiles	319	309	(10)	299	320	21	331	342	11	391	401	10	416	415	(1)
12	Data Processing	483	220	(263)	542	371	(171)	636	645	9	1,010	979	(31)	1,440	1,038	(402)
13	Office Equipment/Systems Furniture/ Demountable Wall Systems	616	422	(194)	778	781	3	860	815	(45)	859	819	(40)	847	817	(30)
14	**Total Depreciation Expenses**	**4,713**	**4,268**	**(445)**	**4,974**	**4,586**	**(388)**	**5,477**	**5,257**	**(220)**	**6,258**	**6,038**	**(220)**	**6,812**	**6,647**	**(165)**
15	Amortization Expenses															
16	Partner Portal	430	430	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Infor/Lawson Upgrade	63	63	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Physical Damage - Centre of Excellence	127	127	-	-	-	-	-	-	-	-	-	-	-	-	-
19	Enhanced DR Capabilities	327	327	-	155	154	(1)	-	-	-	-	-	-	-	-	-
20	Technical Risk Management - 2017	638	638	-	187	182	(5)	-	-	-	-	-	-	-	-	-
21	Corporate Learning Management	468	468	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Information Security Strategy & Road Map - Phase 2	395	395	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Appointment Manager	245	245	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Customer Self Service	371	371	-	371	362	(9)	62	60	(2)	-	-	-	-	-	-
25	Credit Card Strategy	530	530	-	530	517	(13)	44	43	(1)	-	-	-	-	-	-
26	High School Driver Education Phase 3	564	564	-	564	545	(19)	564	545	(19)	-	-	-	-	-	-
27	Technical Risk Management - 2018	718	718	-	718	700	(18)	662	645	(17)	-	-	-	-	-	-
28	High School Driver Education Phase 4	126	126	-	126	121	(5)	84	81	(3)	-	-	-	-	-	-
29	Salvage Management Solution	100	100	-	100	96	(4)	100	96	(4)	68	66	(2)	-	-	-
30	Finance Re-engineering dEPM	328	329	1	328	320	(8)	328	320	(8)	273	265	(8)	-	-	-
31	Technical Risk Management - 2020	253	58	(195)	441	227	(214)	441	227	(214)	441	227	(214)	441	227	(214)
32	Technical Risk Management - 2019	106	106	-	106	103	(3)	106	103	(3)	106	103	(3)	106	-	(106)
33	Microsoft 365	311	335	24	311	294	(17)	311	294	(17)	311	294	(17)	311	294	(17)
34	Year 1 Data and Analytics Spend	232	-	(232)	232	246	14	232	269	37	232	269	37	232	269	37
35	Information Security Maturity 2 of 2	346	-	(346)	692	598	(94)	692	598	(94)	692	598	(94)	692	598	(94)
36	Total Loss	266	266	-	266	263	(3)	133	131	(2)	-	-	-	-	-	-
38	**Total Amortization Expenses**	**6,944**	**6,196**	**(748)**	**5,127**	**4,728**	**(399)**	**3,759**	**3,412**	**(347)**	**2,123**	**1,822**	**(301)**	**1,782**	**1,388**	**(394)**
39	**Total Ongoing/Depreciation/ Amortization Expenses**	**11,657**	**10,464**	**(1,193)**	**10,444**	**9,543**	**(901)**	**9,922**	**9,061**	**(861)**	**12,171**	**9,449**	**(2,722)**	**17,665**	**11,299**	**(6,366)**

The changes in amortization between the 2023 GRA and 2024 GRA are a result of:

- no longer forecasting the Security Technical Risk Management costs as deferred development costs,
- the difference in timing of project implementation (for example, Information Security Maturity was not implemented until the end of March 2023 resulting in no amortization being reported in 2022/23),
- Nova being amortized over a 10-year period rather than the 5-year period used in the 2023 GRA, and
- the timing of when Nova amortization begins has changed to release based, with amortization beginning once a release is implemented and in-use rather than when all work is completed by the stream.

d) The amortization of the Nova program costs represents the development costs that are being deferred until the release development work is complete and implemented. At the time of implementation, the release costs are moved to an asset account and amortized over a 10-year period.

MPI - BASIC

										Annual Compound Growth	
	Data	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	5 yr Historical	3 yr Outlook
1	Net Premiums Earned ($000)	$ 1,026,935	$ 1,089,285	$ 1,120,468	$ 1,106,408	$ 1,081,631	$ 1,135,344	$ 1,177,114	$ 1,215,130	1.3%	3.5%
2 (a)	Operating Expenses ($000)	$ 80,439	$ 74,506	$ 74,462	$ 80,475	$ 91,295	$ 102,994	$ 97,643	$ 99,158	3.2%	-1.9%
2 (b)	Normal Operating Expenses-excluding all improvement initiatives expenses ($000)	$ 78,630	$ 72,892	$ 72,000	$ 76,644	$ 86,714	$ 92,907	$ 88,191	$ 89,058	0.8%	-2.1%
2 (c)	Normal Operating Expenses-excluding all improvement initiatives expenses & amortization of prior improvement initiatives ($000)	$ 73,699	$ 70,741	$ 69,625	$ 74,888	$ 85,014	$ 91,207	$ 86,485	$ 87,279	1.9%	-2.2%
3 (a)	Claims Expenses ($000)	$ 138,409	$ 144,058	$ 149,428	$ 156,614	$ 156,795	$ 170,383	$ 158,562	$ 159,678	3.2%	-3.2%
3 (b)	Normal Claims Expenses-excluding all improvement initiatives & Immobilizer expenses ($000)	$ 134,678	$ 140,449	$ 144,637	$ 148,672	$ 148,244	$ 151,275	$ 141,873	$ 143,169	0.6%	-2.7%
3 (c)	Normal Claims Expenses-excluding all improvement initiatives, Immobilizer expenses & amortization of prior improvement initiatives ($000)	$ 119,536	$ 127,462	$ 132,237	$ 139,801	$ 144,100	$ 147,131	$ 138,550	$ 140,004	2.8%	-2.5%
4	Net Claims Incurred ($000)	$ 892,258	$ 761,455	$ 653,828	$ 705,809	$ 801,692	$ 930,071	$ 964,848	$ 991,476	-2.6%	3.2%
5	Commissions & Premiums Taxes ($000)	$ 71,416	$ 75,434	$ 67,362	$ 73,891	$ 80,489	$ 86,056	$ 92,669	$ 93,628	3.0%	4.3%
6	Investment Income ($000)	$ 208,511	$ 59,614	$ 89,528	$ (47,184)	$ (17,408)	$ 125,598	$ 127,158	$ 131,933	N/A	N/A
7	Number of claims **(Note 1)**	252,627	259,814	196,331	223,921	223,921	272,540	279,134	285,887	-3.0%	2.4%
8	Number of policies	1,136,884	1,173,982	1,195,156	1,236,982	1,236,982	1,247,620	1,258,350	1,269,172	2.1%	0.9%
9	Number of Support employees	413	423	412	423	454	456	456	480	2.4%	2.6%
10	Number of Claims employees	872	892	870	894	959	963	963	1,012	2.4%	2.5%
11	Gross Premiums Written ($000)	$ 1,070,529	$ 1,121,524	$ 1,158,693	$ 1,080,879	$ 1,123,870	$ 1,174,566	$ 1,174,566	$ 1,251,609	1.2%	3.2%
12	Net Premiums Written ($000)	$ 1,058,027	$ 1,107,425	$ 1,144,932	$ 1,065,220	$ 1,107,478	$ 1,158,180	$ 1,158,180	$ 1,234,225	1.1%	3.2%
13	Provincial population (000)	1,352.2	1,369.5	1,379.3	1,383.8	1,429.3	1,446.3	1,464.2	1,480.0	1.4%	1.2%

MPI - BASIC

	Ratios	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Annual Compound Growth	
										g	3 yr Outlook
i (a)	**Operating Expense Ratio [2(a)/1]**	7.83	6.84	6.65	7.27	8.44	9.07	8.30	8.16	1.9%	-5.2%
	Yearly Change (%)	0.75	-12.68	-2.84	9.45	16.04	7.48	-8.56	-1.63		
i (b)	**Operating Expense Ratio [2(b)/1]**	7.66	6.69	6.43	6.93	7.51	8.18	7.49	7.33	-0.5%	-5.4%
	Yearly Change (%)	-0.28	-12.60	-3.97	7.80	8.38	8.99	-8.44	-2.18		
i (c)	**Operating Expense Ratio [2(c)/1]**	7.18	6.49	6.21	6.77	7.35	8.03	7.35	7.18	0.6%	-5.4%
	Yearly Change (%)	-2.10	-9.51	-4.32	8.93	8.60	9.29	-8.54	-2.24		
ii (a)	**Claims Expense Ratio [3(a)/1]**	13.48	13.23	13.34	14.16	14.50	15.01	13.47	13.14	1.8%	-6.4%
	Yearly Change (%)	-17.30	-1.88	0.84	6.14	2.41	3.53	-10.24	-2.45		
ii (b)	**Claims Expense Ratio [3(b)/1]**	13.11	12.89	12.91	13.44	12.73	13.32	12.05	11.78	-0.7%	-6.0%
	Yearly Change (%)	-7.55	-1.68	0.12	4.10	-5.27	4.67	-9.54	-2.24		
ii (c)	**Claims Expense Ratio [3(c)/1]**	11.64	11.70	11.80	12.64	12.35	12.96	11.77	11.52	1.5%	-5.7%
	Yearly Change (%)	-8.72	0.53	0.86	7.06	-2.29	4.96	-9.17	-2.11		
ii (d)	**Claims Expense per Policy Ratio [3(a)/8]**	121.74	122.71	125.03	126.61	126.76	136.57	126.01	125.81	1.0%	-4.0%
	Yearly Change (%)	-12.50	0.79	1.89	1.27	0.12	7.74	-7.73	-0.15		
iii	**Loss Ratio [4/1]**	86.89	69.90	58.35	63.79	74.12	81.92	81.97	81.59	-3.9%	-0.2%
	Yearly Change (%)	8.73	-19.54	-16.52	9.32	16.19	10.52	0.06	-0.46		
iv (a)	**Combined Ratio [(2(a)+3(a)+4+5)/1]**	115.15	96.89	84.35	91.90	104.50	113.58	111.61	110.60	-2.4%	-1.3%
	Yearly Change (%)	3.82	-15.85	-12.95	8.95	13.71	8.69	-1.74	-0.90		
iv (b)	**Combined Ratio [(2(b)+3(b)+4+5)/1]**	114.61	96.41	83.70	90.84	101.80	111.01	109.38	108.41	-2.9%	-1.2%
	Yearly Change (%)	5.44	-15.88	-13.19	8.53	12.07	9.05	-1.46	-0.89		
iv (c)	**Combined Ratio [(2(c)+3(c)+4+5)/1]**	112.66	95.02	82.38	89.88	101.26	110.49	108.96	108.00	-2.6%	-1.1%
	Yearly Change (%)	5.37	-15.65	-13.31	9.10	12.66	9.12	-1.39	-0.88		
v (a)	**Operating Expense/Policy [2(a)/8]**	$ 70.75	$ 63.46	$ 62.30	$ 65.06	$73.80	$ 82.55	$ 77.60	$ 78.13	1.1%	-2.7%
	Yearly Change (%)	6.61	-10.30	-1.83	4.42	13.45	11.85	-6.00	0.69		
v (c)	**Operating Expense/Policy [2(c)/8]**	$ 64.83	$ 60.26	$ 58.26	$ 60.54	$64.28	$ 73.10	$ 68.73	$ 68.77	-0.2%	-3.0%
	Yearly Change (%)	3.59	-7.05	-3.32	3.92	6.17	13.74	-5.99	0.06		
vi	**Claims Expense/Claim [3(c)/7]**	$ 473.17	$ 490.59	$ 673.54	$ 624.33	$596.38	$ 539.85	$ 496.36	$ 489.72	6.0%	-4.8%
	Yearly Change (%)	-4.16	3.68	37.29	-7.31	-4.48	-9.48	-8.06	-1.34		
vii	**Policies/Support Employees [8/9]**	2,753	2,775	2,901	2,924	2,725	2,736	2,760	2,644	-0.3%	-1.7%
	Yearly Change (%)	6.22	0.82	4.52	0.81	-6.83	0.42	0.86	-4.18		
viii	**Claims/Claims Employees [7/10]**	290	291	226	250	233	283	290	282	-5.3%	-0.1%
	Yearly Change (%)	7.13	0.54	-22.52	10.99	-6.78	21.21	2.42	-2.54		
ix	**Premiums/Policy [11/8]**	941.63	955.32	969.49	873.80	908.56	941.45	933.42	986.16	-0.9%	2.3%
	Yearly Change (%)	5.29	1.45	1.48	-9.87	3.98	3.62	-0.85	5.65		
x	**Insurance Costs/Capital [12/13]**	782.48	808.66	830.10	769.80	774.84	800.79	791.00	833.94	-0.2%	2.0%
	Yearly Change (%)	5.27	3.35	2.65	-7.26	0.65	3.35	-1.22	5.43		
xi	**Claims Expense/Policy [3(a)/8]**	121.74	122.71	125.03	126.61	126.76	136.57	126.01	125.81	1.0%	-4.0%
	Yearly Change (%)	-12.50	0.79	1.89	1.27	0.12	7.74	-7.73	-0.15		
xii	**Operating Expense/Policy [2(a)/8]**	70.75	63.46	62.30	65.06	73.80	82.55	77.60	78.13	1.1%	-2.7%
	Yearly Change (%)	6.61	-10.30	-1.83	4.42	13.45	11.85	-6.00	0.69		

Note 1 - includes total corporate number of claims excluding claims with only Extension or SRE covers

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Part and Chapter:	**Part IX Expenses Fig. EXP –45**	**Page No.:**	**664**
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Operating Expenses**		
Sub Topic:	**Broker Commissions**		

Preamble to IR:

MPI and IBAM re-negotiated their commission agreement so that the revised commission rates for in-person and online transactions would now begin on the date that online transactions are implemented.

Question:

a) Please provide a comparison of the Broker commissions written by year in Figure EXP-45 with that forecast last year for the years 2022/23 through 2027/28 and indicate the total change for the six years by product/transaction.

b) Please provide the terms and agreement if available.

Rationale for Question:

To understand changes in broker expenses.

RESPONSE:

a) Refer to Figure 1 below for the requested comparison.

Figure 1 Comparison of Broker Commissions Written - 2024 GRA vs 2023 GRA

Line No.	2024 GRA Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	*($000's, except where noted)*						
2	Basic	40,412	43,263	49,154	49,762	50,159	50,621
3	Extension	32,329	33,756	33,740	32,661	32,790	33,325
4	Basic Transactions / flat fees	7,248	7,555	7,126	6,316	6,153	5,975
5	Extension Transactions / flat fees	759	847	802	705	681	655
6	DVA Transactions / flat fees	2,067	2,230	2,120	1,865	1,801	1,734
7	**Total Commission Written**	**82,816**	**87,647**	**92,936**	**91,300**	**91,572**	**92,294**

Line No.	2023 GRA Products/Transactions	2022/23FB	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	*($000's, except where noted)*						
2	Basic	41,647	51,745	54,447	52,431	53,121	
3	Extension	32,774	33,819	33,584	32,210	32,766	
4	Basic Transactions / flat fees	7,364	5,459	5,289	4,548	4,393	
5	Extension Transactions / flat fees	719	746	725	623	602	
6	DVA Transactions / flat fees	1,986	4,217	4,091	3,517	3,398	
7	**Total Commission Written**	**84,489**	**95,986**	**98,135**	**93,330**	**94,280**	**n/a**

Line No.	Difference (2024 GRA vs 2023 GRA) Products/Transactions	2022/23A	2023/24BF	2024/25F	2025/26F	2026/27F	2027/28F
1	*($000's, except where noted)*						
2	Basic	(1,235)	(8,486)	(5,299)	(2,679)	(2,974)	
3	Extension	(445)	(63)	157	451	24	
4	Basic Transactions / flat fees	(116)	2,096	1,838	1,768	1,760	
5	Extension Transactions / flat fees	41	101	77	82	79	
6	DVA Transactions / flat fees	81	(1,987)	(1,971)	(1,652)	(1,597)	
7	**Total Commission Written**	**(1,673)**	**(8,339)**	**(5,199)**	**(2,030)**	**(2,708)**	**n/a**

b) Please see *Appendix 1 - IBAM Restated Future Services Agreement*.

Manitoba Public Insurance

IBAM

RESTATED FUTURE SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of the Effective Date,

BETWEEN

THE MANITOBA PUBLIC INSURANCE CORPORATION
("MPI"),

OF THE FIRST PART,

- and -

INSURANCE BROKERS' ASSOCIATION OF MANITOBA, INC.
("IBAM"),

OF THE SECOND PART.

Preamble

A. WHEREAS on July 24, 2019, the Minister issued a Directive under *The Crown Governance Act* which instructed MPI to engage in Conciliation with IBAM *"to reach an agreement regarding the future service delivery strategies and the modernization of service delivery options"* to MPI Customers;

B. AND WHEREAS the principles that were to be applied to the Conciliation included, *inter alia*:

   a. MPI Customers *"expect and must be able to access an online distribution and payment channel"* for their automotive insurance needs; and

   b. Government is *"committed to supporting the stability and health of small businesses"* in the Province;

C. AND WHEREAS the Parties engaged in the Conciliation from December 2019 to November 2020;

D. AND WHEREAS, as confirmed in the *Guiding Principles* attached as Appendix "A", the Parties are committed to working together as partners for the continued benefit of MPI Customers and to attain MPI's Mission Statement;

E. AND WHEREAS the Parties agree that working together entails demonstrating mutual respect, good faith cooperation, and understanding each other's needs and requirements in dealing with their mutual MPI Customers;

F. AND WHEREAS the Parties agree that MPI, IBAM, Brokers and MPI Customers have all benefitted from the long-standing business relationship and partnership between the Parties;

G. AND WHEREAS the Parties recognize and acknowledge that, *inter alia*:

a. MPI has benefited from a reliable, professional service network of Brokers to reach its MPI Customers and to provide MPI Customers with MPI Products and expert services and professional advice on MPI Products, all of which is in furtherance of MPI's Mission Statement;

b. Brokers have benefited from a stable, predictable source of revenue, ongoing access to a ready and local MPI Customer base, as well as MPI Products-based knowledge and technology support;

c. MPI Customers have benefited from accessibility to comprehensive insurance coverage, professional and knowledgeable advice from Brokers that informs and protects MPI Customers, and efficient provisioning of the MPI Products and services they want and require for their driver's licence and vehicle insurance needs;

d. All stakeholders have benefitted from the low cost and high efficiency of the Service Delivery Model, the highly accessible nature of private Brokers, and high levels of MPI Customer satisfaction; and

e. The Parties must continually look to improve upon the delivery of MPI Products under the Service Delivery Model so that the interests of MPI Customers are protected;

H. AND WHEREAS, with the assistance of Conciliation, the Parties have reached this Agreement regarding the modernization of the Service Delivery Model and the Brokers' role following the modernization of the Service Delivery Model, and their compensation for same;

I. AND WHEREAS MPI anticipates being able to provide MPI Customers with the ability to perform new Online Transactions as part of the modernization of the Service Delivery Model in the future;

J. AND WHEREAS the Commissions MPI pays to Brokers for the sale of MPI Products are specified in the *Agent Commissions Regulation*;

K. AND WHEREAS the Parties previously entered into a Future Services Agreement effective April 1, 2021, and the Parties have decided to revise and restate such Future Services Agreement herein.

L. AND WHEREAS the Commissions set out in this Agreement are subject to approval of the Government;

M. AND WHEREAS this Agreement is subject to approval of the IBAM membership by way of a Ratification Vote.

THE PARTIES have therefore agreed as follows:

ARTICLE 1
RECITATIONS & DEFINITIONS

1.1 The following terms, where capitalized in this Agreement, have the following defined meanings ascribed to them:

a. ***"Agent Commissions Regulation"*** mean the *Agent Commissions Regulation,* Man Reg 93/2009, as may be amended from time to time;

b. **"Agreement"** means this Agreement, its *Appendices*, and any amendments thereto;

c. ***"Arbitration Act"*** means *The Arbitration Act,* C.C.S.M. c. A120, as amended from time to time;

d. **"Broker"** means a person who is licensed by the Insurance Council of Manitoba to sell insurance, including the MPI Products, to MPI Customers;

e. **"Brokerage"** means the entity or entities that employ Brokers;

f. **"Broker of Record"** means a Broker or Brokerage designated to represent and manage a MPI Customer's insurance policies and includes a Broker or Brokerage that falls within the definition of "designated agent" in the *Agent Commissions Regulation*;

g. **"Business Day"** means a day other than a Saturday, Sunday or public holiday in Canada, and when banks in the City of Winnipeg, Manitoba are open for business;

h. "**Commissions**" means the commissions paid to Brokers pursuant to the *Agent Commissions Regulation*;

i. ***"Crown Governance Act"*** means *The Crown Corporations Governance and Accountability Act*, C.C.S.M. c. C336, as may be amended from time to time;

j. **"Effective Date"** means April 1, 2021;

k. **"Expiry Date"** means the last day of Period 3 (as defined in Section 4.1.4);

l. ***"FIPPA"*** means *The Freedom of Information and Protection of Privacy Act*, C.C.S.M. c.F175;

m. **"Flat Fee Services"** means those services for which a flat-fee commission is paid pursuant to the *Agent Commissions Regulation*;

n. **"Government"** means the Government of the Province of Manitoba;

o. **"Implementation Date"** means the date on which Online Service Delivery for Autopac renewals, reapplications, reactivations, or reassessments becomes live online. For clarity the Parties shall document, together, what they both consider to be the Implementation Date. In the case of a disagreement as to the Implementation Date, the Parties agree that they may resort to the dispute process set out in Article 7 herein;

p. **"In-Person Transactions"** means those transactions specified in the *Agent Commissions Regulation* that are performed by a Broker for the MPI Customer. For clarity, an In-Person Transaction may include but does not require the physical presence of the MPI Customer in a Broker's office (for example, an in-person transaction with no physical presence at a Broker's office may include transactions transacted by a Broker for a MPI Customer following a phone call with the MPI customer or following email, text, or instant messaging correspondence with the MPI Customer), provided all applicable MPI rules are followed for that specific transaction, and all communications comply with all applicable laws;

q. **"MPI Customers"** means those individuals, corporations or entities that purchase MPI Products;

r. **"MPI Products"** means the products and services that are the subject matter of transactions specified in the *Agent Commissions Regulation*;

s. **"MPI Website"** means the URL at *www.mpi.mb.ca* and/or any other URL that MPI will create for the purposes of offering MPI Products for sale;

t. **"MPI's Mission Statement"** is *"Exceptional coverage and service, affordable rates, and safe roads through public auto insurance"*;

u. **"Online Service Delivery"** means the online distribution and payment channel for MPI Customers to purchase MPI Products, which are not already available online, via the MPI Website;

v. **"Online Transactions"** means all Autopac renewals, reapplications, reactivations, or reassessments that are performed by MPI Customers on the MPI Website, as specified in the *Agent Commissions Regulation.* For greater clarity, if MPI institutes an automatic renewal process or negative option renewals, the term "Online Transactions" includes Autopac renewals, reapplications, reactivations, or reassessments conducted by any automatic renewal or negative option, and the Broker of Record for the year prior will be carried through to any transaction conducted by automatic renewal or negative option. It is understood that Brokers will continue to be available to MPI Customers and will assist MPI Customers with Online Transactions over the Term of this Agreement.

w. **"Party"** means one of MPI or IBAM, whereas **"Parties"** means both MPI and IBAM;

x. "**PHIA**" means *The Personal Health Information Act*, C.C.S.M. c.P33.5;

y. **"Project Nova"** means the ongoing modernization of the Service Delivery Model to address several key areas, including: technology risk, information security, customer self-service, future business delivery, cost savings and efficiency;

z. **"Ratification Vote"** means a vote to be held by IBAM to determine whether those members eligible to vote will accept this Agreement;

aa. **"Service Centres"** means the offices owned and operated by MPI that offer MPI Products and other services to MPI Customers;

bb. **"Service Delivery Model"** means the distribution model for MPI Products, and will include Online Service Delivery when same is implemented; and

cc. **"Term"** means the Effective Date to the Expiry Date.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.0 The Parties each represent and warrant that:

a. The execution and delivery of this Agreement and performance of their respective obligations under this Agreement are:

   i. within their corporate power;
   ii. subject to the Ratification Vote, have been duly authorized by all necessary corporate action;
   iii. do not contravene any law or contractual provision binding on them; and
   iv. subject to approval of Government and the Ratification Vote, do not require any consent or approval of any person or authority except such consents and approvals as have been obtained and are in full force and effect; and

b. This Agreement constitutes their legal, valid and binding obligations and is enforceable in accordance with its terms.

ARTICLE 3
PRINCIPLES OF MODERNIZATION FOR THE DELIVERY OF SERVICES

3.0 MPI agrees that Brokers will be included in the online/digital distribution channel for MPI insurance transactions through the Term of this Agreement and that all online Autopac renewals, reapplications, reactivations, or reassessments will have a Broker of Record through the Term of this Agreement. The Parties agree that the Commissions for Brokers of Record will be as set out in Article 4 herein for all Autopac renewals, reapplications, reactivations, or reassessments, including, if MPI institutes an automatic renewal process or if negative option renewals are instituted by MPI.

3.1 The Parties agree to modernize the Service Delivery Model for the purposes of enhancing and improving upon services to benefit MPI Customers in the following manner:

3.1.1 Upon and after the Implementation Date, MPI Customers will be able to go online via the MPI Website;

3.1.2 Once the MPI Customer is logged into their account, the existing Broker of Record will display with a *"Change Broker"* button available;

3.1.3 If the MPI Customer selects the *"Change Broker"* button, the Broker of Record will be presented, along with four (4) to five (5) geo-located Brokers nearest to the MPI Customer's postal code, followed by an option titled *"Other Options"*;

3.1.4 If *"Other Options"* is selected, the MPI Website will present all remaining Brokerage brands in the Province. The MPI Website will also contain an explanation that a Broker of Record is required for any Online Transactions. MPI Customers will choose a Broker on this menu to proceed with the Online Transaction.

3.2 The Parties agree that the five (5) year renewal model in place at the time of the execution of this Agreement will be replaced by an annual renewal system once regulations and/or Project Nova make this possible. It is expected that this will occur during the Term. For clarity, Broker involvement within the annual renewal system will be as set out in Articles 3.7.2, 3.7.3 and 3.7.4 herein and the corresponding Broker compensation will be as set out in Article 4 herein.

3.3 The Parties agree to establish an ongoing process to manage operational issues and facilitate respectful two (2) way communication by way of various means. The Parties agree to meeting at least three (3) times per year for the management of operational issues.

3.4 With a view to consumer protection and service, the Parties will collaborate to identify which Flat Fee Services should be sold in person, which Flat Fee Services should be sold online, and which Flat Fee Services should be distributed jointly by both Brokers and MPI.

3.5 The Parties agree to create a Broker Nova Committee, whereby Brokers will have the opportunity to provide input into the design and development of Project Nova and the journey of MPI Customers navigating through the MPI Website.

3.5.1 Although MPI will consult with the Broker Nova Committee, MPI will have the final authority with respect to the design, development and implementation of Project Nova, subject to what is specified herein.

3.5.2 The Parties agree that the MPI and the Broker Nova Committee will meet when and as required to address the timelines and requirements of Project Nova, recognizing that time will be of the essence for success of the project. MPI will provide the Broker Nova Committee with as much notice as is possible of required meetings or input.

3.6 Upon and after the Implementation Date, all new registration transactions referred to in the *Agent Commissions Regulation* will only be sold in-person at a Brokerage or Service Centre and will not be sold as an Online Transactions.

3.7 Upon and after the Implementation Date, renewal, reapplication, reactivation, and reassessment notices from MPI to MPI Customers will identify the Broker of Record for that MPI Customer. In addition:

3.7.1 MPI and IBAM will work in partnership to create renewal communications with regard to the adoption of Online Service Delivery; and

3.7.2 Upon the Implementation Date, MPI will develop monthly reporting for Brokers, which will provide advance notice for all renewals, reapplications, reactivations, or reassessments (i.e. expiry lists). MPI will provide Brokers of Record with advance notice of all renewals, reapplications, reactivations, or reassessments for specific products for which they are the Broker of Record, subject to the Broker of Record's compliance with the reasonable MPI rules as set out in Artcile 3.7.3 herein. This procedure will ensure the continuance of coverage for MPI Customers and will enable Brokers to advise and service these MPI Customers;

3.7.3 Brokers of Record will be notified of all and given the ability to review all Online Transactions for specific products for which they are designated the Broker of Record. This will allow Brokers to provide customer service, advice, and recommendations on MPI Customers' insurance needs. Brokers of Records will have the ability to contact MPI Customers that have designated them as their Broker of Record for a specific product, as the Brokers of Record deem advisable in order to advise such MPI Customer with respect to their insurance coverage with MPI, provided such contact complies with (i) any reasonable rules applicable to Brokers contacting MPI Customers as provided by MPI to the Brokers; (ii) the Brokers' Code of Ethics; and (iii) all applicable laws.

3.7.4 If a transaction is initiated and completed online by a MPI Customer, any subsequent changes resulting from the Broker of Record's review in section 3.7.3, or the Customer's Online changes to the original Online Transaction will remain an Online Transaction for commissionable purposes. Should a MPI Customer authorize a Broker of Record to make a change to the Online Transaction, the Broker will only make the necessary adjustment, and not cancel the initial Online Transaction(s) (unless absolutely necessary to do so), or attempt to artificially convert the full transaction into an In-Person Transaction.

3.8 Before, upon and after the Implementation Date, Brokerages and the Service Centres will continue the *status quo* in-person operations and distribution of MPI Products. MPI will continue its practice of not actively promoting the sale of MPI Products through its Service Centres.

3.9 MPI recognizes there may be opportunities to expand the compensable services provided by Brokers and is prepared to consider new services, including suggestions from the Broker community, if doing so can enhance service to MPI Customers, create efficiencies and/or reduce costs.

ARTICLE 4
BROKER COMPENSATION

4.0 The Parties agree that the compensation for Brokers, as set out in this Agreement, was negotiated and settled upon between the Parties during the Conciliation and during the restatement of this Agreement.

4.1 MPI will request the Government to amend the commission periods in the *Agent Commissions Regulation* as follows:

4.1.1 The "Initial Period" means the period beginning on April 1, 2021 and ending the date prior to the Implementation Date;

4.1.2 "Period 1" means the period beginning on the Implementation Date and including and ending on March 31st of MPI's fiscal year following the fiscal year during which the Implementation Date falls. For greater clarity, the intent is that the duration of Period 1 will be at least one year but less than two years. The day following the end of Period 1 (which shall be April 1st) shall be called "Transition Date 1";

4.1.3 "Period 2" means a period of one year beginning on Transition Date 1 and including and ending one year less a day from Transition Date 1. The day following the end of Period 1 shall be called "Transition Date 2";

4.1.4 "Period 3" means the period beginning on Transition Date 2 and including and ending on the later of: (1) one year less a day from Transition Date 2; and (2) March 31, 2028. For clarity, Period 3 will end no earlier than March 31, 2028.

4.2 MPI will request the Government to amend the Schedule in the *Agent Commissions Regulation* to reflect the agreed-upon regulated rates set out in this Article. The Parties agree that the "*Effective*" rates and regulated rates are as follows:

Commission %	Initial Period	Period 1	Period 2	Period 3
Basic - Effective Rate In-Person Transactions	3.75%	4.3%	4.5%	4.5%
Basic - Effective Rate Online Transaction	3.75%	2.4%	2.4%	2.4%
In Regulation				
Basic - In-Person Transactions	3.49%	4.01%	4.19%	4.19%
Basic - Online Transactions	3.49%	2.25%	2.25%	2.25%
Extension - Effective Rate In-Person Transactions	17.5%	17.5%	17.25%	17%
Extension - Effective Rate online Transactions	17.5%	10.4%	10.4%	10.4%
In Regulation				
Extension - In-Person Transactions	16.08%	16.08%	15.85%	15.62%
Extension - Online Transactions	16.08%	9.6%	9.6%	9.6%

4.3 The Parties agree that there will be no amendments to the expressed dollar amount or the annual adjustment formula for flat-fee commissions outlined in the *Agent Commissions Regulation*, unless the Parties agree otherwise.

4.4 MPI will not apply to the Public Utilities Board for differential premiums for In-Person Transactions and Online transactions for the commission periods listed in Article 4.1 of this Agreement.

4.5 The Parties acknowledge that, due to policy cancellations, the actual commissions received by a Broker over the course of a year may differ from the commission percentages specified in the *Agent Commissions Regulation*. The table in Article 4.2 refers to these differing commission rates as "*Effective*". It is the intention of the Parties that Commissions received by a Broker over the course of a year is approximately equal to the percentage referred to in the said table as the "*Effective*" rate.

4.5.1 The Parties will monitor the actual overall Commissions paid to Brokers as compared to the negotiated "*Effective*" rate to determine if the difference between the two for any given year, if any, is within an acceptable threshold. If not, either Party can seek a review of the difference and work together in good faith to potentially alter the regulated rates as required to target those "*Effective*" rates agreed to herein. If either Party is not satisfied with the redress solution, that Party may proceed through the Dispute Resolution mechanism set out in Article 7 herein, within sixty (60) days of the redress solution.

4.6 If Project Nova enables MPI to reconcile Commissions paid to reflect policies cancelled or otherwise amended during the Term, the Parties agree to meet to negotiate in good faith regarding how such capabilities may be used to amend this Agreement.

ARTICLE 5
CONFIDENTIAL INFORMATION

5.0 The Parties acknowledge that, during the Term of this Agreement, each Party may provide the other with information, including: MPI Customer information, data, ideas, materials, procedures, schedules, software, technical processes and formulas, product designs, sales, costs and other unpublished financial information, MPI Products and business plans, marketing data or other relevant information that is marked *"confidential"* (or similarly) or, if not so marked, is clearly intended to be confidential (collectively, the **"Confidential Information"**).

5.1 Each Party will protect all Confidential Information of the other with at least the same degree of care it uses to protect its own confidential information, but not less than a reasonable degree of care, to ensure that the highest standards will be followed in protecting Confidential Information.

5.2 Neither Party may use, disclose, provide, or permit any person to obtain any Confidential Information in any form, except for employees, agents, or independent contractors whose access is required to carry out the purposes of this Agreement and who have agreed to be subject to the same restrictions as set forth in this Agreement.

5.3 The confidentiality obligations of this Article 5 do not apply to any information received by a Party that:

5.3.1 is generally available to or previously known to the public;

5.3.2 can be reasonably demonstrated was known to a Party prior to the negotiations leading to this Agreement;

5.3.3 is independently developed by a Party outside the scope of this Agreement without use of or reference to the other Party's Confidential Information; or

5.3.4 is lawfully disclosed pursuant to an Order from a Court or tribunal of competent jurisdiction, provided that the Party subject to the Order will promptly notify the Party whose Confidential Information is to be disclosed, so that the Party may seek a protective or similar Order to maintain the confidential nature of the Confidential Information.

5.4 For greater clarity, the Parties agree that:

5.4.1 The confidentiality provisions of the Conciliation will remain in place and that the *"without prejudice"* discussions, submissions and representations submitted and/or made during the Conciliation are subject to this Article 5;

5.4.2 Nothing in this Agreement limits or restricts the Parties' legal obligations to comply with all applicable legislation including, but not limited to, FIPPA and PHIA; and

5.4.3 Although their intent is for the Confidential Information to remain confidential, the Parties must comply with the disclosure obligations under FIPPA and PHIA and/or allow for the Parties to object to such disclosure under FIPPA and/or PHIA.

5.5 The Parties agree that any obligations arising from this Article 5 are to survive the termination of this Agreement.

ARTICLE 6
GOOD FAITH NEGOTIATIONS

6.0 The Parties agree that, although this Agreement is set to expire on the Expiry Date, the intent is to renew or renegotiate this Agreement prior to the Expiry Date, or incorporate the concepts of this Agreement into another Agreement between MPI and IBAM. In the event MPI determines that it will suspend, decommission or not proceed with the Online Service Delivery of Autopac renewals, reapplications, reactivations, or reassessments, then it will provide IBAM with notice of such intention, and this Agreement will continue from the date that the Online Service Delivery suspension or decommissioning until March 31, 2028, with compensation to Brokers at the rates of the Initial Period. Notwithstanding anything else in this Agreement, if there is a suspension or decommission of the Online Service Delivery of Autopac renewals, reapplications, reactivations, or reassessments during Period 1, Period 2, or Period 3, the Commission rates will revert to the Commission rates during the Initial Period, until either this Agreement is terminated or Online Service Delivery of Autopac renewals, reapplications, reactivations, or reassessments resumes.

6.1 The Parties recognize the importance of regularly reviewing the process of collaboration and agree that they both are ultimately accountable for its success. For this reason, this Agreement will be reviewed jointly by the Parties by the earlier of: (1) one (1) year after the Implementation Date; and (2) sixteen (16) months prior to the Expiry Date, and may be renewed, extended, and / or amended accordingly.

ARTICLE 7
DISPUTES & LIMITED ARBITRATION UNDER THIS AGREEMENT

7.0 The Parties agree to collaboratively work together for the purposes of carrying out the intent of this Agreement. However, in the event that there is a disagreement pursuant to Article 4.5 / 4.5.1 herein (a "**Dispute**"), the Parties shall attempt to resolve the Dispute in good faith, promptly, and in an amicable manner, by way of the following process:

7.1.1 If, within sixty (60) days of the implementation of a redress solution as described in Article 4.5.1 herein, either Party determines that it is not satisfied with the redress solution, that Party may provide written notice of the Dispute and the Parties agree to convene in good faith to attempt to resolve the Dispute amicably among them.

7.1.2 If the Parties are unable to resolve the Dispute within thirty (30) days of the provision of the notice, then upon request by a Party, the Dispute may be referred to arbitration as outlined in the subsections below:

7.1.2.1 The Parties shall collectively appoint a single arbitrator selected from a list of arbitrators agreed to by the Parties, within fifteen (15) days to arbitrate the matter in dispute and the decision of the said arbitrator shall be binding and final on the Parties. Any arbitration shall be adjudicated by a single neutral arbitrator in accordance with the rules of *The Arbitration Act.* The seat, or legal place of arbitration, shall be the City of Winnipeg, Manitoba;

7.1.2.2 If the Parties are unable to agree upon one (1) arbitrator within fifteen (15) days, MPI shall appoint one (1) arbitrator within fifteen (15) days, and IBAM shall appoint one (1) arbitrator within fifteen (15) days, and each arbitrator so selected shall jointly elect a third arbitrator within fifteen (15) days and they all shall hear the matter in Dispute and deliver a decision, which decision shall be binding upon the Parties;

7.1.2.3 If written notice of arbitration is given by a Party to the other Party, naming an arbitrator, and the receiving Party fails to name its arbitrator within fifteen (15) days of notice, the arbitrator first named shall be empowered to hear the Dispute and deliver a decision which decision shall be final and binding on the Parties; and

7.1.2.4 The Parties agree to share equally in the costs associated with arbitration in the absence of any decision on costs by the arbitrator(s). The decision or award of the arbitrator shall be binding upon the Parties. The arbitrator shall have the authority to award any types of legal or equitable relief available in a court of competent jurisdiction, including, but not limited to, the costs of arbitration and legal fees, to the extent such damages are available under law. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction.

7.2 The Parties understand that by signing this Agreement they are waiving the right to commence any court action with respect to a Dispute vis-à-vis Article 4.5 / 4.5.1 in lieu of arbitration. With respect to any disagreements which may arise under this Agreement, other than Disputes, the Parties reserve their rights to exercise any remedy available to them allowed by law or equity.

7.3 So as to avoid any uncertainty, the Parties agree that it is in their mutual best interests and in the interests of their mutual MPI Customers to avoid conflict and that they will use their best efforts to avoid Disputes and disagreements under this Agreement, or otherwise.

ARTICLE 8
GENERAL PROVISIONS

8.0 **Severance.** Each section and paragraph of this Agreement shall be considered severable, and if for any reason any section or paragraph herein is determined to be invalid under current or future law, such invalidity shall not impair the operation of or otherwise affect the valid portions of this Agreement.

8.1 **Independent Legal Advice.** Each of the Parties acknowledges, represents and declares that, in executing this Agreement, each Party has relied solely upon such Party's own judgment, belief and knowledge, and the advice and recommendation of such Party's own independently selected counsel, concerning the nature, extent and duration of their rights and claims, and that neither has been influenced to any extent whatsoever in executing the same by any representations or statements made by any other Party or by a representative of another Party. Each Party acknowledges, represents and declares that such Party has carefully read this Agreement, knows the contents and executes the same voluntarily and without duress or pressure. Each of the Parties and their respective counsel have reviewed this Agreement, and the rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

8.2 **Notice**. Any notice, consent, approval, request, demand, declaration or other communication required hereunder shall be in writing to be effective and shall be given and shall be deemed to have been given if delivered in person with receipt acknowledged, emailed or telecopied and electronically confirmed, deposited into the custody of a nationally recognized overnight courier for next day delivery, or placed in the federal mail, postage prepaid, certified or registered mail, return receipt requested, in each case addressed as follows:

If to MPI:	Marnie Kacher, Vice-President and Chief Operations Officer Manitoba Public Insurance Corporation 702-234 Donald Street Winnipeg, Manitoba R3C 4A4 Email: *MKacher@mpi.mb.ca*
And with a copy to:	Mr. Mike Triggs, General Counsel & Corporate Secretary Manitoba Public Insurance Corporation

702-234 Donald Street
Winnipeg, Manitoba R3C 4A4
Email: *MTriggs@mpi.mb.ca*

If to IBAM: Mr. Grant Wainikka
c/o Insurance Brokers' Association of Manitoba, Inc.
1445 Portage Ave #600
Winnipeg, Manitoba R3G 3P4
Email: *grant@ibam.mb.ca*

And with a copy to: Mr. Michael Weinstein and Ms. Jennifer Sokal, Legal Counsel for IBAM
c/o MLT Aikins LLP; 30th Floor – 360 Main Street; Winnipeg, Manitoba R3C 4G1
Email: *mweinstein@mltaikins.com / jsokal@mltaikins.com*
Fax: (204) 957-4832 / (204) 957-0840

or at such other address as may be substituted by giving the other Party not fewer than five (5) Business Days' advance written notice of such change of address in accordance with the provisions hereof. The giving of any notice required hereunder may be waived in writing by the Party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly served, delivered and received on the date on which personally delivered with receipt acknowledged or telecopied or telexed and electronically confirmed, or forty-eight (48) hours after being deposited into the custody of a nationally recognized overnight courier for next day delivery, or five (5) Business Days after the same shall have been placed in the federal mail as aforesaid. Failure or delay in delivering copies of any consent, notice, demand, request, approval, declaration or other communication to the persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

8.3 **Amendments.** Any amendment to this Agreement must be in writing and must be executed by the Parties.

8.4 **Waiver.** A term or condition of this Agreement can be waived or modified by the written consent of both parties. Forbearance or indulgence by either Party in any regard does not constitute a waiver of the term or condition to be performed, and either party may invoke any remedy under the Agreement or by law despite the forbearance or indulgence.

8.5 **Assignment.** Neither Party shall assign or transfer this Agreement or any of its rights or obligations under this Agreement without first obtaining written permission from the other Party. This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the Parties.

8.6 **Jurisdiction.** This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The Parties hereby irrevocably and unconditionally attorn to the exclusion jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

8.7 **Further Assurances.** Each Party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

8.8 **Entire Agreement.** This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements with respect thereto.

8.9 **Counterparts.** This Agreement may be executed in any number of counterparts and with electronic signature, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

This Agreement has been executed on behalf of the Parties by their duly authorized representatives on the dates noted below.

THE MANITOBA PUBLIC INSURANCE CORPORATION

Per: ________________________ ** ~~January~~ March 16, 2023
Name: Eric Herbelin
Title: President & CEO
*** I have authority to bind MPI.*

THE MANITOBA PUBLIC INSURANCE CORPORATION

Per: ________________________ ** ~~January~~ March 16 MK, 2023
Name: Marnie Kacher
Title: Vice President and COO
*** I have authority to bind MPI.*

INSURANCE BROKERS' ASSOCIATION OF MANITOBA, INC.

Per: ________________________ ** January 27, 2023
Name: Brett McGregor
Title: Board Chairperson - IBAM
*** I have authority to bind IBAM.*

INSURANCE BROKERS' ASSOCIATION OF MANITOBA, INC.

Per: ________________________ ** January 27, 2023
Name: Grant Wainikka
Title: Chief Executive Officer - IBAM
*** I have authority to bind IBAM.*

APPENDIX "A"
MPI-IBAM Guiding Principles

1. MPI and IBAM are committed to working together as partners to attain MPI's Mission Statement of "Exceptional coverage and service, affordable rates, and safe roads through public auto insurance." Working together entails demonstrating mutual respect, good faith cooperation, and understanding each other's needs and requirements in dealing with our mutual customers.

2. MPI acknowledges the value of the Brokers in delivering on its Mission and in the sale and distribution of MPI and DVL related products and services. MPI acknowledges that Brokers service, inform, and protect the motoring public of Manitoba. MPI recognizes and acknowledges the benefit of IBAM and Brokers as a valued partner.

3. Services provided by Brokers include the delivery of insurance products tailored to the needs of individual MPI Customers. This includes the sale of Basic Insurance, Extension Insurance and commercial vehicle insurance placed through the Special Risk Extension insurance line (SRE). In addition, Brokers process transactions related to insurance, driver licensing, driver registration, and other driver education products and registration services (i.e. Flat Fee Services) to the motoring public of Manitoba.

4. MPI agrees that Brokers will be included in the online/digital distribution channel for MPI insurance transactions through the Term of this Agreement and all online Autopac renewals, reapplications, reactivations, or reassessments will have a Broker of Record throughout the Term of this Agreement.

   MPI Customers will be able to go online via the MPI Website. Once the MPI Customer is logged into their account, the existing Broker of Record will display with a "Change Broker" button available.

   If the MPI Customer selects the "Change Broker" button, the Broker of Record will be presented, along with four (4) to five (5) geo-located Brokers nearest to the MPI Customer's postal code, followed by an option titled "Other Options".

   If "Other Options" is selected, the MPI Website will present all remaining Brokerage brands in the Province. The MPI Website will also contain an explanation that a Broker of Record is required for any Online Transactions. MPI Customers will choose a Broker on this menu to proceed with the Online Transaction.

5. With a view to consumer protection and service, MPI and IBAM will collaborate to identify which Flat Fee services should be sold in person, which should be sold online, and which should be distributed jointly by both Brokers and MPI.

6. Upon the implementation of Online Service Delivery, renewal, reapplication, reactivation, and reassessment notices from MPI to Autopac MPI Customers will identify the Broker of Record for that MPI Customer. In addition:

- MPI and IBAM will work in partnership to create renewal communications with regard to the adoption of Online Service Delivery; and

- Upon the implementation of Online Service Delivery, MPI will develop monthly reporting for Brokers providing advance notice for renewals, reapplications, reactivations, or reassessments, i.e. an expiry list. This will ensure the continuance of coverage and enable Brokers to advise and service these MPI Customers.

7. All new policies will be sold in-person through existing distribution channels.

8. Both parties agree that that the current five-year renewal model will be replaced by an annual renewal system once regulations and/or Project Nova make this possible. It is expected that this will occur during the term of this agreement.

9. MPI's Service Centres will continue status quo operations in the province. MPI will continue its practice of not actively promoting the sale of insurance products through its Service Centres.

10. Brokers will have the opportunity to provide input into the design of Project Nova including service delivery and customer journey mapping, via a Broker Committee. Input will be received from Brokers and other sources which MPI will consider when designing and developing Project Nova; however, subject to what is specified herein, all decisions related to design and development rest with MPI.

11. MPI recognizes there may be opportunities to expand the compensable services provided by Brokers and is prepared to consider new services including suggestions from the Broker community if doing so can enhance service to MPI Customers, create efficiencies, or reduce costs.

12. IBAM and MPI commit to working together for the benefit of the motoring public of Manitoba. Both organizations agree to establish an ongoing process to manage operational issues and facilitate respectful two-way communication.

PUB (MPI) 1-60

Part and Chapter:	Part IX Expenses Fig. EXP –47	Page No.:	68
PUB Approved Issue No:	10. Cost of operations and cost containment measures		
Topic:	Operating Expenses		
Sub Topic:	Premium Taxes		

Preamble to IR:

Question:

Please update Figure EXP-47 to add lines to separately indicating the actual and forecast motor vehicle premium rebates and net motor vehicle premiums for the determination of the Premium taxes.

Rationale for Question:

To understand changes in premium taxes.

RESPONSE:

Per below, Figure EXP-47 has been updated to separately indicate the actual and forecast motor vehicle premium rebates and net motor vehicle premiums lines.

Figure 1 Premium Tax Calculations including Motor Vehicle Premiums and Rebate for the determination of Premium Taxes (previously filed Part IX Expenses Chapter Figure EXP-47)

Line No.	Category	2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24F	2024/25F	2025/26F	2026/27F	2027/28F
1	*(C$000s, except where noted)*										
2	Motor Vehicle Premiums Earned	980,770	1,036,651	1,066,886	1,058,320	1,064,785	1,112,046	1,148,089	1,184,975	1,220,445	1,258,751
3	Motor Vehicle Premium Rebate to Policy Holders			(334,948)	(156,534)						
4	Net Motor Vehicle Premiums Earned	**980,770**	**1,036,651**	**731,938**	**901,786**	**1,064,785**	**1,112,046**	**1,148,089**	**1,184,975**	**1,220,445**	**1,258,751**
5	Drivers	58,668	66,733	67,343	63,747	59,085	62,520	64,822	66,634	67,982	70,043
6	Total Basic Premiums earned	**1,039,438**	**1,103,384**	**799,282**	**965,533**	**1,123,870**	**1,174,566**	**1,212,911**	**1,251,609**	**1,288,427**	**1,328,794**
7	Premium tax Rate	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
8	Premium Taxes Paid	**31,183**	**33,102**	**23,978**	**28,966**	**33,716**	**35,239**	**36,389**	**37,550**	**38,655**	**39,866**

PUB (MPI) 1-61

Part and Chapter:	**Part IX Expenses EXP Appendix 1**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**Internal Operating Metrics**		
Sub Topic:			

Preamble to IR:

Question:

a) Please explain the change in the Claims Expense ratio (c) from 2022/23 (a decrease of 2.29%) versus forecast last year, of an increase of 5.93%.

b) Please provided the Claims Expense per policy based on total Claims expenses.

c) Please explain the change in the forecast growth trend for Normal claims expenses, excluding improvement initiatives and amortization from the growth trend indicated last year for the years 2023/24 and 2024/25. Explain the marked decline of -9.17% in 2024/25.

d) Please explain the reasons for the increases in the combined ratio (c) for 2022/23 and 2023/24.

Rationale for Question:

To understand changes in operating metrics.

RESPONSE:

a) The claims expense ratio (c) from 2022/23 changed primarily due to lower than previously forecasted corporate expenses, as noted in *Part IX Expenses Appendix 7*

Figure EXP App 7-1, and a reduction in the Claims expense allocation by approximately 1%, as noted in Part IX Expenses Figure EXP-36.

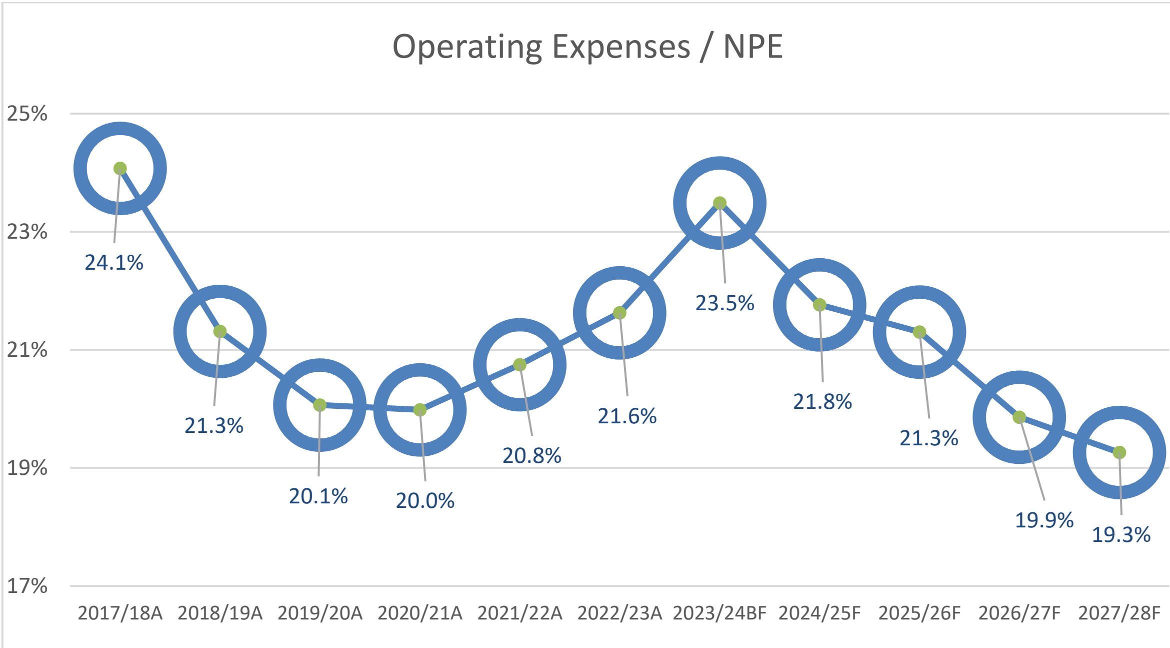
Please see *PUB (MPI) 1–58-part b Appendix 1.* Please refer to MPI Exhibit 21 for revised EXP Appendix 1, filed as Errors & Omissions.

b) Basic's share of Normal claims expenses, excluding improvement initiatives and amortization follows the general trend seen in the 2024 GRA Base Corporate Expense forecast where expenses peak in 2023/24 and then begin to decline in 2024/25 and beyond.

As seen in *Part IX Expenses Figure EXP Appendix 2-1*, under the Claims and Road Safety categories, 2023/24 expenses increase mainly from higher regular salary expense and higher spending in Safety/Loss Prevention and Driver Education programs. The decline in 2024/25 is mainly due to lower salary expense along with numerous other expense reductions (such as data processing/licensing fees and special services).

c) The combined ratio increases in 2022/23 and 2023/24 are mainly due to earned premiums not increasing at the same pace as forecasted (claims and operating) expenses. However, as shown in *Part IX Expenses Figure EXP -3* (reproduced below), MPI believes the long-term outlook is expected to improve.

Figure EXP- 1 10-Year Summary of Total Basic Operating Expenses as a Percentage of Net Premiums Earned



PUB (MPI) 1-62

Part and Chapter:	Part IX Expenses EXP Appendix 22	Page No.:	
PUB Approved Issue No:	10. Cost of operations and cost containment measures		
Topic:	Claims Costs		
Sub Topic:	Light Vehicle Accreditation Agreement (LVAA)		

Preamble to IR:

MPI filed a LVAA compensation schedule which is labelled as Restate April 1, 2023. It is not clear what may be restated.

Question:

Please provide the changes to the LVAA compensation schedule Restated April 1, 2023.

Rationale for Question:

To understand changes in LVAA compensation.

RESPONSE:

The 2021 Light Vehicle Accreditation Agreement (LVAA) established a 4-year compensation schedule with labour rate and refinish material increases in each of the years based on anticipated economic and cost of living increases at the time. Between October 2022 and April 1, 2023 the Province of Manitoba increased the minimum wage by 18.4%. Under *The Manitoba Apprenticeship and Certification Act* the minimum Repair Technician apprentice wage is established as a multiplication factor of the provincial minimum wage rate, which also had to increase by 18.4%. This required Manitoba repair facilities to increase apprentice wages by the same percentage and to remain competitive, most other wages increased a proportionate amount. The labour rates established under the 2021 LVAA Compensation Schedule were adjusted to offset this higher than anticipated wage increase, and to keep the repair facilities whole.

In addition, labour and material rates for northern Manitoba repair facilities included a 20% differential to offset higher operating costs. An independent third party review of the northern rates was conducted in early 2023 which concluded that the northern differential should be increased to 24%.

The 2021 LVAA Compensation Schedule was restated in April 2023 to reflect the adjusted labour rates due to the minimum wage offset, as well as the new 24% northern differential.

2021 LVAA Compensation Schedule (prior to April 1, 2023)

SOUTHERN MANITOBA LABOUR RATES

Labour Type	Year 1 Rate (Per Hour)	Year 2 Rate (Per Hour)	Year 3 Rate (Per Hour)	Year 4 Rate (Per Hour)
Body	$77.00	$ 78.50	$ 80.00	$ 82.00
Refinish	$77.00	$ 78.50	$ 80.00	$ 82.00
Glass	$77.00	$ 78.50	$ 80.00	$ 82.00
Frame	$85.00	$ 87.00	$ 88.50	$ 90.00
Mechanical (Note 1)	$90.00	$ 92.00	$ 94.00	$ 96.00
Mechanical Specialty (Note 2)	N/A	$125.00	$127.71	$130.43
Aluminum/Carbon Fiber (Note 3)	$85.00	$ 87.00	$ 88.50	$ 90.00
Glass only Windshield (Note 4)	$56.00	$ 58.50	$ 60.00	$ 61.50
Glass only Tempered (Note 4)	$70.00	$ 72.00	$ 73.50	$ 75.00

NORTHERN MANITOBA LABOUR RATES

Thompson, Flin Flon, The Pas, Churchill, Lynn Lake, Leaf Rapids, Gillam, Norway House

Labour Type	Year 1 Rate (Per Hour)	Year 2 Rate (Per Hour)	Year 3 Rate (Per Hour)	Year 4 Rate (Per Hour)
Body	$ 92.40	$ 94.20	$ 96.00	$ 98.40
Refinish	$ 92.40	$ 94.20	$ 96.00	$ 98.40
Glass	$ 92.40	$ 94.20	$ 96.00	$ 98.40
Frame	$102.00	$104.40	$106.20	$108.00
Mechanical (Note 1)	$108.00	$110.40	$112.80	$115.20
Mechanical Specialty (Note 2)	N/A	$150.00	$153.26	$156.52
Aluminum/Carbon Fiber (Note 3)	$102.00	$104.40	$106.20	$108.00
Glass only Windshield (Note 4)	$ 67.20	$ 70.20	$ 72.00	$ 73.80
Glass only Tempered (Note 4)	$ 84.00	$ 86.40	$ 88.20	$ 90.00

2021 LVAA Compensation Schedule (restated effective April 1, 2023)

SOUTHERN MANITOBA LABOUR RATES

Labour Type	Year 1 Rate (Per Hour)	Year 2 Rate (Per Hour)	Year 3 Rate (Per Hour)	Year 4 Rate (Per Hour)
Body	$77.00	$ 84.28	$ 84.28	$ 86.30
Refinish	$77.00	$ 84.28	$ 84.28	$ 86.30
Glass	$77.00	$ 84.28	$ 84.28	$ 86.30
Frame	$85.00	$ 93.24	$ 93.24	$ 94.83
Mechanical (Note 1)	$90.00	$ 99.03	$ 99.03	$100.71
Mechanical Specialty (Note 2)	N/A	$125.00	$127.71	$130.43
Aluminum/Carbon Fiber (Note 3)	$85.00	$ 93.24	$ 93.24	$ 95.20
Glass only Windshield (Note 4)	$56.00	$ 63.21	$ 63.21	$ 64.79
Glass only Tempered (Note 4)	$70.00	$ 77.44	$ 77.44	$ 78.99

NORTHERN MANITOBA LABOUR RATES

Thompson, Flin Flon, The Pas, Churchill, Lynn Lake, Leaf Rapids, Gillam, Norway House

Labour Type	Year 1 Rate (Per Hour)	Year 2 Rate (Per Hour)	Year 3 Rate (Per Hour)	Year 4 Rate (Per Hour)
Body	$ 92.40	$104.51	$104.51	$107.02
Refinish	$ 92.40	$104.51	$104.51	$107.02
Glass	$ 92.40	$104.51	$104.51	$107.02
Frame	$102.00	$115.62	$115.62	$117.58
Mechanical (Note 1)	$108.00	$122.80	$122.80	$124.88
Mechanical Specialty (Note 2)	N/A	$150.00	$153.26	$156.52
Aluminum/Carbon Fiber (Note 3)	$102.00	$115.62	$115.62	$118.05
Glass only Windshield (Note 4)	$ 67.20	$ 78.38	$ 78.38	$ 80.34
Glass only Tempered (Note 4)	$ 84.00	$ 96.03	$ 96.03	$ 97.95

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Part and Chapter:	**Part V Expenses Fig. EXP -43 EXP Appendix 23 a-e**	**Page No.:**	
PUB Approved Issue No:	**10. Cost of operations and cost containment measures**		
Topic:	**McKinsey Engagements**		
Sub Topic:	**Claims for Confidentiality**		

Preamble to IR:

MPI has filed the following documents confidentially (the "McKinsey Documents"):

a) McKinsey MPI Consulting Agreement October 8, 2021
b) McKinsey Company Consulting Agreement March 8, 2022
c) McKinsey Amendment to Consulting Agreement
d) McKinsey Reinstating and Amendment to Consulting Agreement
e) MPI 2.0 Assessment Report

Question:

a) Please explain the basis for the claims of confidentiality over the entirety of each of the McKinsey documents.

b) If any of the documents can be filed publicly at this time with redactions, please file accordingly.

Rationale for Question:

For the PUB to have sufficient information to assess the documents in accordance with Rule 13.

RESPONSE:

a) and b)

On June 15, 2023, MPI sought confidential treatment of all of the McKinsey Documents listed above. Upon further review, MPI seeks confidential treatment of specific portions of these documents that McKinsey claims are commercially sensitive.

In this case, Section 9 of the October 8, 2021 Agreement (repeated in Section 16 of the March 7, 2022 Agreement, renewed effective October 3, 2022), applies and states:

> *DISCLOSURE OF McKINSEY MATERIALS; PUBLICITY. McKinsey's work for the Client is confidential and for the Client's internal use only. McKinsey will not disclose the Deliverables to any third parties without the Client's prior written permission. Similarly, the Client agrees that it will not disclose any materials or information that McKinsey furnishes to the Client, including the Deliverables, to any third parties without McKinsey's prior written permission, unless required to do so by law. Each party further agrees not to use the other party's name or trademarks in any communication with any third party without the other party's prior written permission.*
>
> *McKinsey acknowledges and accepts that Client may be required to provide Deliverables to the Manitoba Public Utilities Board (PUB), provided that Client agrees to only provide Deliverables to the PUB through a confidential submission process, unless otherwise approved in writing by McKinsey. Through such confidential process, the PUB and all parties to a General Rate Application Proceeding in receipt of the Deliverables (e.g. the PUB panel, intervenors and consultants) will be required to keep the Deliverables confidential and sign the PUB's approved form of non-disclosure agreement, and undertaking to destroy all confidential information at the end of such proceeding.*

McKinsey advised MPI that the subject portions of its documents contain information which, if made available to the public, would reasonably be expected to harm its competitive advantage in the market. This includes information such as service rates, personal information about its employees and proprietary methodologies.

Upon settling with McKinsey the release contractual Deliverables, and approving with the PUB the terms and conditions for its Confidential Agreement; MPI created redacted versions of *Part IX Expenses EXP Appendices 23a, 23b, 23c, and 23d* which it will file on the public record.

MPI will update the Confidentiality Tracker to particularize the basis for its claims of confidentiality over portions of the McKinsey documents.

PUB (MPI) 1-64

Part and Chapter:	Part VI Claims Forecasting and Loss Trend Analysis	Page No.:	CF-54 and CF-70
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims trending		
Sub Topic:			

Preamble to IR:

Figure CF-54 shows a prior selected frequency trend of -1.19% and severity trend of 5.82% for Collision.

Figure CF-70 shows a prior selected frequency trend of 1.32% and severity trend of 2.47% for Comprehensive.

Question:

Please specify (and provide the underlying calculations) for how the Corporation derived the "Prior Trend" for each coverage, where the prior analysis was done on multiple sub-components. E.g., Collision in GRA 2023 had Repair and Total loss, and Comprehensive had multiple sub-components.

Rationale for Question:

To understand and compare the selections between the two analyses.

RESPONSE:

For the prior trend selections, which was the selected trend used in the 2023 GRA, MPI calculated it as the percentage change between accident year 2024 and 2025. These years were selected as they represent the 2024 rating year.

In the 2023 GRA, trends were selected on a repair and total loss split as well as by sub-category for Comprehensive. To compare it to the trends selected in the 2024 GRA which were done by major coverage except Property Damage, MPI used the aggregated amounts from the 2023 GRA. For example, the prior trend for Collision was derived using *2023 GRA Figure CI-39*.

Figure CI- 39 Collision Ultimate Incurred

Line No.	Accident Year	Claim Frequency	Severity	Ultimate ($000)	Annual % Change	Last Year's Forecast ($000)	Variance to Forecast ($000)
1	**2012/13**	0.138	$2,809	$315,845	16.36%	$315,840	$6
2	**2013/14**	0.143	$2,982	$350,417	10.95%	$350,405	$12
3	**2014/15**	0.119	$3,168	$313,842	-10.44%	$313,814	$28
4	**2015/16**	0.121	$3,474	$355,332	13.22%	$355,302	$30
5	**2016/17**	0.126	$3,579	$387,483	9.05%	$387,341	$142
6	**2017/18**	0.124	$3,771	$408,978	5.55%	$408,891	$86
7	**2018/19**	0.121	$3,835	$409,487	0.12%	$409,529	($42)
8	**2019/20**	0.113	$4,066	$407,611	-0.46%	$407,821	($210)
9	**2020/21**	0.084	$4,215	$317,472	-22.11%	$319,704	($2,232)
10	**2021/22**	0.102	$4,484	$420,009	32.30%	$427,362	($7,353)
11	**5-year Trend**	0.085	$4,616	$371,725	12.46%	$378,796	
12	**10-year Trend**	0.094	$4,621	$413,970	2.76%	$417,703	
13	**All year Trend**	0.101	$4,572	$432,610	4.31%	$435,492	
14	**2022/23**	0.108	$4,663	$470,713	12.07%	$467,867	$2,846
15	**2023/24**	0.107	$4,933	$497,471	5.68%	$490,136	$7,335
16	**2024/25**	0.106	$5,220	$525,734	5.68%	$513,398	$12,336
17	**2025/26**	0.104	$5,524	$555,586	5.68%	$537,521	$18,065
18	**2026/27**	0.103	$5,846	$587,115	5.67%		

Collision Frequency Trend = 0.104 / 0.106 – 1 = -1.19%

Collision Severity Trend = $5,524 / $5,220 – 1 = 5.82%

As well, the prior trend for Comprehensive was derived using *2023 GRA Figure CI-66*.

Figure CI- 66 Comprehensive Ultimate Incurred

Line No.	Accident Year	Claim Frequency	Severity	Ultimate ($000)	Annual % Change	Last Year's Forecast ($000)	Variance to Forecast ($000)
1	**2012/13**	0.069	$1,291	$72,130	-4.30%	$72,124	$6
2	**2013/14**	0.066	$1,386	$75,172	4.22%	$75,159	$12
3	**2014/15**	0.065	$1,317	$71,685	-4.64%	$71,652	$32
4	**2015/16**	0.084	$1,707	$121,367	69.31%	$121,397	($30)
5	**2016/17**	0.084	$1,638	$118,660	-2.23%	$118,749	($89)
6	**2017/18**	0.073	$1,148	$72,967	-38.51%	$73,075	($107)
7	**2018/19**	0.083	$1,560	$114,389	56.77%	$114,960	($571)
8	**2019/20**	0.077	$1,272	$87,024	-23.92%	$87,610	($585)
9	**2020/21**	0.077	$1,266	$86,396	-0.72%	$84,653	$1,743
10	**2021/22**	0.066	$1,381	$84,241	-2.49%	$100,445	($16,204)
11	**5-year Trend**	0.069	$1,376	$87,370	2.59%	$99,479	
12	**7-year Trend**	0.069	$1,196	$74,742	-19.94%	$83,482	
13	**All year Trend**	0.078	$1,357	$96,991	-0.94%	$103,187	
14	**2022/23**	0.062	$1,628	$94,351	12.00%	$97,093	($2,741)
15	**2023/24**	0.063	$1,668	$98,937	4.86%	$102,008	($3,071)
16	**2024/25**	0.064	$1,709	$103,781	4.90%	$107,159	($3,378)
17	**2025/26**	0.065	$1,751	$108,902	4.93%	$112,518	($3,616)
18	**2026/27**	0.065	$1,795	$114,318	4.97%		

Comprehensive Frequency Trend = 0.065 / 0.064 – 1 = 1.32%

Comprehensive Severity Trend = $1,751 / $1,709 – 1 = 2.47%

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Part and Chapter:	**Part VI Claims Forecasting and Loss Trend Analysis**	**Page No.:**	**Figure CF-34**
PUB Approved Issue No:	**11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design**		
Topic:	**Claims trending**		
Sub Topic:			

Preamble to IR:

The 2023 GRA selected frequency trend for Accident Benefits – Other (Non-Indexed) was 0.0%, and is -4.90% for past trend for the 2024 GRA, and 0% for future trend.

MPI overestimated claim counts in 2023 GRA and has improved the projection of ultimate claim counts for 2024 GRA. The implementation of centralized reserving, intake and permanent impairment calculations in 2017, enabled more timely collection of medical information when claimants reached maximum medical improvement, which is used to determine if there are permanent impairment entitlements. As a result of this change it was identified that there were claims with potential permanent impairment entitlement reserved in the early stages of the claim that resulted in no entitlement following receipt and review of medical information. This has contributed to the improvement in the claim frequency trend observed in the 2024 GRA.

MPI notes the year-over-year change in claim frequency exhibits small negative change in 2018 & 2021 and large positive change in 2019 & 2020. 2020 accident year may have been impacted by COVID-19, while 2021 accident year was impacted by high levels of snowfall. Due to the volatility in recent experience period, MPI selected a 0% future claim frequency trend judgmentally.

MPI notes on page 28 of section VI that, “In selecting future trend rates, MPI adjusts selected past trend rates if there is evidence of new patterns emerging. If no such evidence, MPI selects future trend rates equal to past trend rates.”

Question:

a) Please provide more details on how each of the following factors might have contributed to the change of selection of the past frequency trend from 0% to -4.9%:

   i. Overestimation of claim counts in 2023 GRA
   ii. Implementation of centralized reserving
   iii. Intake and permanent impairment calculations in 2017
   iv. More timely collection of medical information

b) Please provide the evidence of new patterns emerging that caused MPI to select a future frequency trend of 0%.

Rationale for Question:

To understand the reasons for the selection of the past and for the future trend.

RESPONSE:

a)

i. The underlying ultimate claim counts for Accident Benefits – Other (Non-Indexed) used in 2024 GRA changed from what was used in the 2023 GRA per figure below.

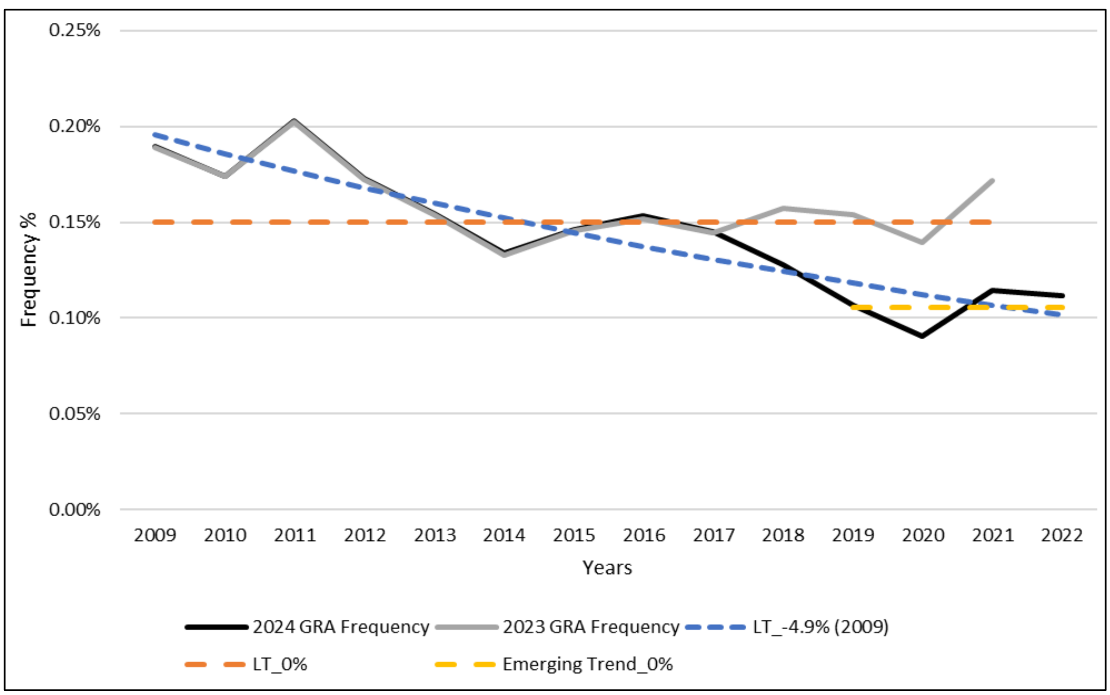
Figure 1 Comparison of Ultimate Reported Claim Counts between 2023 GRA and 2024 GRA

Line No.	Accident Insurance Year	2023 GRA Ultimate Reported Claim Count	2024 GRA Ultimate Reported Claim Count	Difference 2023 GRA vs 2024 GRA
1	2015	1234	1240	-6
2	2016	1309	1320	-11
3	2017	1262	1266	-4
4	2018	1390	1125	265
5	2019	1365	944	420
6	2020	1244	807	437
7	2021	1576	1051	525

In 2023 GRA, in developing ultimate claim counts, no explicit consideration was given to operational changes made to permanent impairment claims, which represent over 80% of Accident Benefits – Other (Non-Indexed) claims.

The 2023 GRA claim count development factors (CDF) were derived using monthly triangles with monthly reported claim count data. The change in development patterns was not as apparent in data up to March 2022 as in 2024 GRA using data up to March 2023. In the 2024 GRA, MPI re-organized claim count data from monthly to semi-annual and annual basis, to align with Appointed Actuary's Report valuation points. Monthly variability in monthly development data also masked the changes, which were more recognizable once the data was assessed at these new intervals. To recognize the operational changes that took place during the experience period and the associated change in the development patterns, MPI selected ratios based on the latest 3-year of experience to reflect the current operational process. Refer to *Part VI Claims Forecasting CF Appendix 1 – Claim Count Appendices* for the claim count development analysis.

Figure 2 Observed Frequency Experience for 2024 GRA and 2023 GRA with Fitted Past Frequency Trends



The change in ultimate claim counts is the main reason for the change in the indicated and selected past frequency trend in this GRA compared to the 0% trend selected in the 2023 GRA. In the 2023 and prior GRAs, MPI did not distinguish between past and future trends (i.e., 0% past trend = 0% future trend).

ii., iii. and iv.

For permanent impairment claims, MPI's reserving philosophy is to raise a reserve at the early stages of the claim and then reassess the status of the claimant for potential recovery as the claim matures through the collection of medical information. If the claimant is no longer permanently impaired, the reserves are released, and the claim is closed. This process did not change with the implementation of centralized reserving.

The centralization of claim intake and permanent impairment calculations have created capacity for the timelier collection of medical information, which is used for assessment of the claimant to determine permanent impairment status. As a result:

- The increased staff capacity has enabled a review and closure of a backlog of permanent impairment claims requiring medical confirmation that there was no entitlement. This backlog no longer exists.

- Going forward, MPI can more effectively determine if a claimant is entitled to a permanent impairment payment or conversely, determine if a claimant is not entitled and clear the reserves, which shifted the timing of such reserve release from ineligible claims.

The closure of historical permanent impairment claims resulted in the change to claim count development patterns as evident in the last three diagonals of *Part VI Claims Forecasting CF Appendix 1 – Claim Count Appendices*, as discussed in part (i).

b) MPI notes the effect of operational changes remains uncertain due to the long tail nature of Personal Injury Protection Plan (PIPP) claims and the time it takes for new patterns and trends to emerge and stabilize because of these operational changes. COVID-19 also prolonged the realization of the expected effect from the operational changes initiated in 2017. As shown in *Figure 2*, claim frequency in recent history exhibits a high degree of volatility. External factors such as COVID-19 and 2021 winter storms all contributed to the recent volatility, in addition to internal changes. Reflecting the sudden up and down in claims frequency as demonstrated in the yellow dotted line in *Figure 2*, MPI chose not to ascertain any trend (positive or negative) and a 0% future frequency assumption was made judgmentally. In future GRAs, MPI expects to rely on statistical evidence and testing in making future trend assumptions when more data points become available and loss experience stabilizes.

PUB (MPI) 1-66

Part and Chapter:	**Part VI Claims Forecasting and Loss Trend Analysis**	**Page No.:**	**Figure CF-34**
PUB Approved Issue No:	**11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design**		
Topic:	**Claims trending**		
Sub Topic:			

Preamble to IR:

Accident Benefits – Other (Non-Indexed)
MPI overestimated claim counts in 2023 GRA and has improved the projection of ultimate claim counts for 2024 GRA. The implementation of centralized reserving, intake and permanent impairment calculations in 2017, enabled more timely collection of medical information when claimants reached maximum medical improvement, which is used to determine if there are permanent impairment entitlements. As a result of this change it was identified that there were claims with potential permanent impairment entitlement reserved in the early stages of the claim that resulted in no entitlement following receipt and review of medical information. This has contributed to the improvement in the claim frequency trend observed in the 2024 GRA.

Question:

If the issue of "overestimation of claim counts in 2023 GRA" was fixed in GRA 2024 for "AB – Other (non-indexed)", has this contributed to the increase of severity trend from 1.19% to 3.25%?

Rationale for Question:

Severity selection 3.25% has gone up since prior analysis 1.19%, is this due to the correction of the overestimation of counts?

RESPONSE:

Yes, lower ultimate claim counts reduced the historical claim frequency and the corresponding frequency trend. Conversely, the historical claim severity and the severity trend increased as a result, as seen in Figure 1 below. The years that were most impacted by the changes showed a reduction in ultimate loss costs, i.e., accident years 2018 to 2020.

Figure 1 Comparison of Ultimate Frequency, Severity and Loss Cost between 2024 GRA and 2023 GRA

Line No.	Accident Insurance Year	2024 GRA Ultimate Claim Frequency	2024 GRA Ultimate Claim Severity	2024 GRA Ultimate Loss Cost	2023 GRA Ultimate Claim Frequency	2023 GRA Ultimate Claim Severity	2023 GRA Ultimate Loss Cost	2024 GRA Loss Cost less 2023 GRA Loss Cost
1	**2009**	0.1896%	$20,806	$39.44	0.1891%	$20,812	$39.35	$0.09
2	**2010**	0.1742%	$21,609	$37.64	0.1739%	$21,631	$37.62	$0.01
3	**2011**	0.2031%	$20,117	$40.85	0.2026%	$20,165	$40.85	$0.00
4	**2012**	0.1727%	$21,516	$37.16	0.1721%	$21,564	$37.12	$0.04
5	**2013**	0.1544%	$22,035	$34.03	0.1537%	$22,153	$34.06	($0.03)
6	**2014**	0.1340%	$25,414	$34.07	0.1330%	$25,623	$34.09	($0.02)
7	**2015**	0.1461%	$23,995	$35.06	0.1454%	$24,144	$35.11	($0.05)
8	**2016**	0.1534%	$24,773	$38.01	0.1519%	$24,997	$37.96	$0.05
9	**2017**	0.1450%	$24,079	$34.91	0.1444%	$23,784	$34.33	$0.58
10	**2018**	0.1277%	$23,103	$29.51	0.1575%	$20,982	$33.04	($3.53)
11	**2019**	0.1065%	$26,493	$28.20	0.1538%	$19,588	$30.12	($1.91)
12	**2020**	0.0904%	$32,718	$29.58	0.1395%	$22,041	$30.75	($1.17)
13	**2021**	0.1144%	$28,841	$33.01	0.1715%	$19,289	$33.08	($0.08)
14	**2022**	0.1114%	$31,658	$35.25				

PUB (MPI) 1-67

Part and Chapter:	**Part VI Claims Forecasting and Loss Trend Analysis**	**Page No.:**	
PUB Approved Issue No:	**11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design**		
Topic:	**Claims trending**		
Sub Topic:			

Preamble to IR:

Collision does not contain a frequency CERP adjustment due to the deductible change from $500 to $750. Only severity is adjusted for trending purpose for Collision. On the other hand, Comprehensive contains both frequency and severity adjustments due to the deductible change.

Question:

Please explain why Collision does not contain a frequency CERP adjustment due to the deductible change.

Rationale for Question:

To understand the inconsistency in the Application.

RESPONSE:

MPI does not adjust Collision frequency as only a small portion (less than 5%) of claims would have been eliminated due to CERP. These are claims with incurred amounts between $0 and $250 after applying the standard deductible. Collision severity is between $3,834 and $4,873 (*Part VI Claims Forecasting CF Appendix 2e*) over the last five years. In addition, if there was an adjustment on frequency from the elimination of low valued claims, an offsetting adjustment would have to be made on severity, as eliminating low value claims would slightly increase the overall severity average. The net effect of these two adjustments from eliminating low valued claims would be very small on a loss cost basis. For these two reasons, MPI did not adjust Collision frequency for CERP.

In contrast, a substantial proportion of Comprehensive losses are valued between $0 and $250 after the deductible is applied. The average severity of Comprehensive claims is between $1,153 and $1,600 over the last five years.

PUB (MPI) 1-68

Part and Chapter:	Part VI Claims Forecasting and Loss Trend Analysis	Page No.:	
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims trending		
Sub Topic:			

Preamble to IR:

Page 79 of section VI shows the selection of Collision trends. Past trend 10.68% is selected only based on three data points. This selection is significantly higher than both the prior selection and the current selection for the adjacent accident years selections. At the same time the future severity trends (2023 to 2027) were derived from a severity study detailed on page 81.

Question:

a) Please quantify the amount of parameter uncertainty risk inherent in the use of only three data points for the severity trend.

b) Has the Corporation considered the potential impact of fewer vehicles on the road due to the pandemic, and higher resultant driving speeds causing increased severity of accidents?

c) If the severity study detailed on page 81 is used to estimate the 2020 to 2022 trend, instead of the three point estimate, please provide the projected trend, the projected ultimate Collision claim costs by accident year, and an alternative RI-10, PF-1, PF-2 and PF-3.

Rationale for Question:

To assess the impact of different trend selection on the indicated rate level.

RESPONSE:

a) The standard error of the estimate is 0.0050 and the p-value of the regression model is 0.0312, both of which are within an acceptable range.

b) MPI did consider the potential impact, but as vehicle speed is self-reported at the time of accident, such data is not appropriate for actuarial analysis. As such, MPI is unable to quantify such an impact.

c) MPI used the actual gross repair severity growth in *Part VI Claims Forecasting Figure CF-62* combined with the actual settlement severity growth for total loss claims in the figure below.

Figure 1 Collision Severity Past Trend

Line No.		2020	2021	2022
1	**Gross Repair Severity**	$3,822	$4,063	$4,464
2	**Gross Repair Severity Growth (%)**	6.11%	6.31%	9.85%
3	**Repair Severity Weight**	62.42%	62.42%	62.42%
4	**Total Loss Severity**	$6,514	$7,482	$9,746
5	**Total Loss Severity Growth (%)**	-3.78%	14.86%	30.26%
6	**Total Loss Severity Weight**	37.58%	37.58%	37.58%
7	**Combined Severity Trend**	**2.39%**	**9.52%**	**17.52%**
8	Line 7 = Line 2 x Line 3 + Line 5 x Line 6			

The repair and total loss severity in the figure above represents by accident year, claims that have been completed as of March 31, 2023 (i.e., reported, and repaired or settled with salvage recoveries). The actual gross repair severity growth and settlement severity growth were weighted using 62.42% and 37.58% respectively as indicated in *Part VI Claims Forecasting Chapter Figure CF-63*. The resulting combined severity trends (e.g., year-over-year growth rate) are bolded in the figure below for the three (3) pertinent accident years, along with the ultimate projected losses. Using the method outlined in this IR, projected ultimate losses for the 2024/25 rating year are $13.0 million higher than originally filed in the 2024 GRA.

Figure 2 Collision Loss Trend Selection

Line No.	(1) Accident Insurance Year	(2) Selected Frequency Trend	(3) Selected Severity Trend	(4) Loss Cost Trend
1	**2009-2019**	-1.65%	5.67%	3.92%
2	**2020**	-1.65%	**2.39%**	**0.70%**
3	**2021**	-1.65%	**9.52%**	**7.71%**
4	**2022**	-1.65%	**17.52%**	**15.58%**
5	**2023**	-1.65%	6.40%	4.64%
6	**2024**	-1.65%	4.70%	2.97%
7	**2025**	-1.65%	4.70%	2.97%
8	**2026**	-1.65%	4.70%	2.97%
9	**2027**	-1.65%	4.70%	2.97%

10 (1) April 1 to March 31
11 (2) & (3) Past Trend from Loss Trend Analysis (Appendix 3e)
12 (2) & (3) Future Trend (see section CF.10)
13 (4) = [1.0 + (2)] x [1.0 + (3)] - 1.0

Figure 3 Collision - Ultimate Total Losses

Line No.	(1) Accident Year	(2) Ultimate Loss Costs	(3) Exposures	(4) Ultimate Total Losses
1	**2009**	$312.55	762,320	$238,260,266
2	**2010**	$360.48	775,518	$279,557,459
3	**2011**	$342.12	793,350	$271,419,698
4	**2012**	$389.75	810,346	$315,829,808
5	**2013**	$426.23	822,122	$350,412,508
6	**2014**	$376.40	833,854	$313,861,952
7	**2015**	$418.70	848,766	$355,375,859
8	**2016**	$450.38	860,486	$387,542,064
9	**2017**	$468.42	873,035	$408,944,553
10	**2018**	$464.77	880,842	$409,391,140
11	**2019**	$459.47	886,950	$407,523,567
12	**2020**	$354.76	892,660	$316,677,474
13	**2021**	$481.02	918,020	$441,587,376
14	**2022**	$488.67	924,824	$451,932,526
15		**2024 GRA - Forecast**		
16	**2023**	$562.09	932,763	$524,297,576
17	**2024**	$578.79	940,773	$544,508,832
18	**2025**	$595.98	948,852	$565,499,950
19	**2026**	$613.69	957,002	$587,301,053
20	**2027**	$631.92	965,223	$609,943,430

21 (1) April 1 to March 31
22 (2) Historical Years from Appendix 4d Table 3
23 (2) 2024 GRA - Forecast from Appendix 4d Table 4
24 (3) From Appendix 4d Table 3
25 (4) = (2) x (3)

Figure 4 Rating Year 2024/25 Major Classification Applied for Rate Change

Line No.	Coverage	Overall	Private Pass.	Comm.	Public	Motor-cycles	Trailers	ORV's
1	24/25 Units	1,280,333	863,331	49,070	13,089	19,322	244,888	90,633
2	Claims	720.25	967.23	746.85	1,917.01	667.14	49.30	4.51
3	Claims Expense	124.00	166.52	128.58	330.04	114.86	8.49	0.78
4	Road Safety	9.47	12.83	12.83	12.83	12.83	0.00	0.00
5	Operating Expense	53.65	72.70	72.70	72.70	72.70	0.00	0.00
6	Regulatory/Appeal	3.35	4.53	4.53	4.53	4.53	0.00	0.00
7	Commission: Vehicle	39.03	51.89	45.63	112.08	35.10	3.13	0.24
8	Prem Tax: Vehicle	28.28	37.60	33.06	81.22	25.43	2.27	0.17
9	Comm & Prem Tax: Driver	2.84	3.85	3.85	3.85	3.85	0.00	0.00
10	Commission Flat Fee	5.68	7.70	7.70	7.70	7.70	0.00	0.00
11	Reins: Casualty	2.01	2.72	2.72	2.72	2.72	0.00	0.00
12	Reins: Catastrophe	11.38	12.45	12.45	12.45	0.00	12.45	0.00
13	Fleet Rebates	15.31	11.52	130.25	249.26	0.00	0.00	0.00
14	Anti-Theft Discount	0.56	0.83	0.00	0.00	0.00	0.00	0.00
15	Driver Prem	51.69	70.05	70.05	70.05	70.05	0.00	0.00
16	Service Fees	21.41	29.02	29.02	29.02	29.02	0.00	0.00
17	Req Rate	942.69	1,253.32	1,102.09	2,707.32	847.80	75.64	5.70
18	Adj. Req Rate	923.34	1,227.59	1,079.47	2,651.75	830.40	74.08	5.58
19								
20	23/24 Average Rate	870.37	1,150.24	908.29	2,252.53	882.92	62.24	5.69
21	Major Class Drift	4.8%	6.0%	4.6%	1.2%	-0.1%	7.3%	0.0%
22	24/25 Average Rate							
23	Without Rate Change	912.02	1,218.86	949.64	2,279.87	882.12	66.81	5.69
24								
25	Full Cred Req Change	1.2%	0.7%	13.7%	16.3%	-5.9%	10.9%	-2.0%
26	Applied for Change	0.0%	-0.5%	12.3%	14.9%	-7.0%	9.5%	-3.2%
27	Credibility		99.3%	89.1%	68.6%	76.3%	97.6%	93.8%
28	Cred Wtd Change		-0.5%	10.9%	10.2%	-5.4%	9.3%	-3.0%
29	Cred Wtd Req Rate	910.67	1,212.58	1,053.53	2,512.57	834.88	73.02	5.52
30	Cred Wtd Req Rate (Bal)	912.02	1,214.39	1,055.10	2,516.31	836.13	73.13	5.53
31	Cred Wtd Change (Bal)	0.0%	-0.4%	11.1%	10.4%	-5.2%	9.5%	-2.9%

Refer to figures 5-7 below for the updated Pro Formas which include a 1.24% Rate Indication.

Figure 5 Statement of Operations: 1.24% Basic Rate Change - IFRS 17 Forecast with IFRS 4 Presentation

Multi-year - Statement of Operations

Line	*2024 GRA Base with 1.24% rate change*	*IFRS 4*		*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*
		For the Years Ended March 31,							
No.			IFRS 17						
1	*(C$ 000s, rounding may affect totals)*	**2023A**	**Adj.**	**2023BF**	**2024BF**	**2025F**	**2026F**	**2027F**	**2028F**
2	**BASIC**								
3	Motor Vehicles	1,121,811	-	1,121,811	1,112,046	1,162,575	1,199,924	1,235,841	1,274,628
4	Capital Release Provision	(57,026)	-	(57,026)	-	-	-	-	-
5	Drivers	59,085	-	59,085	62,520	64,822	66,634	67,982	70,043
6	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
7	**Total Net Premiums Written**	**1,107,478**	**-**	**1,107,478**	**1,158,180**	**1,210,519**	**1,249,174**	**1,285,917**	**1,326,228**
8	**Net Premiums Earned**								
9	Motor Vehicles	1,103,695	-	1,103,695	1,119,108	1,137,635	1,181,489	1,218,113	1,255,484
10	Capital Release Provision	(65,568)	-	(65,568)	(28,558)	-	-	-	-
11	Drivers	59,896	-	59,896	61,180	63,693	65,745	67,321	69,032
12	Reinsurance Ceded	(16,392)	-	(16,392)	(16,386)	(16,878)	(17,384)	(17,906)	(18,443)
13	**Total Net Premiums Earned**	**1,081,631**	**-**	**1,081,631**	**1,135,344**	**1,184,450**	**1,229,850**	**1,267,528**	**1,306,073**
14	Service Fees & Other Revenues	27,277	(588)	26,689	26,904	27,120	27,706	28,338	29,005
15	**Total Earned Revenues**	**1,108,908**	**(588)**	**1,108,320**	**1,162,248**	**1,211,570**	**1,257,556**	**1,295,866**	**1,335,078**
16	Claims Incurred	903,129	57,095	960,224	935,637	982,227	1,015,929	1,052,076	1,089,274
17	DPAC \ Premium Deficiency Adjustment	-	-	-	-	-	-	-	-
18	(a) Claims Incurred - Interest Rate Impact	(101,437)	(21,018)	(122,455)	7,177	(4,531)	(11,152)	(11,512)	(12,182)
19	**Total Claims Incurred**	**801,692**	**36,077**	**837,769**	**942,814**	**977,696**	**1,004,777**	**1,040,564**	**1,077,092**
20	Claims Expense	146,265	-	146,265	155,922	146,435	147,569	140,760	140,545
21	Road Safety/Loss Prevention	10,530	-	10,530	14,461	12,127	12,109	12,184	12,333
22	**Total Claims Costs**	**958,487**	**36,077**	**994,564**	**1,113,197**	**1,136,258**	**1,164,455**	**1,193,508**	**1,229,970**
23	**Expenses**								
24	Operating	86,526	-	86,526	98,357	93,404	94,830	91,441	91,296
25	Commissions	47,548	935	48,483	50,817	56,880	56,685	56,923	57,212
26	Premium Taxes	32,941	775	33,716	35,239	36,824	37,998	39,116	40,342
27	Regulatory/Appeal	4,769	-	4,769	4,637	4,239	4,328	4,346	4,366
28	**Total Expenses**	**171,784**	**1,710**	**173,494**	**189,050**	**191,347**	**193,841**	**191,826**	**193,216**
29	**Underwriting Income (Loss)**	**(21,363)**	**(38,375)**	**(59,738)**	**(139,999)**	**(116,035)**	**(100,740)**	**(89,468)**	**(88,108)**
30	**Investment Income**	98,194	-	98,194	124,910	126,608	131,189	137,393	146,601
31	(b) Investment Income - Interest Rate Impact	(115,602)	-	(115,602)	496	-	-	-	-
32	**Net Investment Income**	**(17,408)**	**-**	**(17,408)**	**125,406**	**126,608**	**131,189**	**137,393**	**146,601**
33	**Gain (Loss) on Sale of Property**	112	-	112	-	-	-	-	-
34	**Net Income (Loss) from Annual Operations**	**(38,659)**	**(38,375)**	**(77,034)**	**(14,593)**	**10,573**	**30,449**	**47,925**	**58,493**
35	Total net Impact due to interest rate change (b) - (a)	(14,165)	21,018	6,853	(6,681)	4,531	11,152	11,512	12,182
36	**Net Income (Loss) from Annual Operations**				**(14,593)**	**10,573**	**30,449**	**47,925**	**58,493**
37	Adjust for Initiative Expenses (BO 12.1 d)				(29,195)	(26,142)	(26,609)	(10,735)	(3,634)
38	**Net Income (Loss) for Rate Setting Purposes**				**14,602**	**36,715**	**57,058**	**58,660**	**62,127**

Figure 6 PF-2 Statement of Financial Position: 1.24% Basic Rate Change

Multi-year - Statement of Financial Position

Line No.	*2024 GRA Base with 1.24% rate change*		*IFRS 4*		*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*	*IFRS 17*
					As at March 31,					
1				IFRS 17						
2	*(C$ 000s, rounding may affect totals)*	(Reclass)	2023A	Adj.	2023BF	2024BF	2025F	2026F	2027F	2028F
3	**BASIC**									
4	**Assets**									
5	Cash and cash equivalents		102,396	-	102,396	2,080	4,884	7,666	10,778	14,556
6	Investments		2,786,044	-	2,786,044	2,908,844	2,961,259	3,060,259	3,215,128	3,391,213
7	Investment property		5,759	-	5,759	5,604	5,449	5,295	5,140	4,985
8	Due from other insurance companies		28	(28)						
9	Accounts receivable	(c)	435,767	(435,767)	-	-	-	-	-	-
10	Prepaid expenses		-	-	-	-	-	-	-	-
11	Deferred policy acquisition costs		39,383	(39,383)						
12	Reinsurance asset	(d)	-	4,322	4,322	-	-	-	-	-
13	Reinsurers' share of unearned premiums		-	-						
14	Reinsurers' share of unpaid claims	(d)	4,657	(4,657)						
15	Property and Equipment		124,238	-	124,238	133,543	144,396	167,842	168,994	170,146
16	Deferred development costs		28,271	-	28,271	33,972	36,422	34,057	27,862	21,971
17	**Total Assets**		**3,526,543**	**(475,513)**	**3,051,030**	**3,084,043**	**3,152,410**	**3,275,119**	**3,427,902**	**3,602,871**
18	**Liabilities**									
19	Due to other insurance companies	(d)	363	(363)						
20	Accounts payable and accrued liabilities		58,748	-	58,748	69,113	66,045	64,557	61,937	61,529
21	Reinsurance Liability	(d)	-	-	-	320	320	320	320	320
22	Lease obligation		5,308	-	5,308	5,276	5,153	5,031	4,908	4,785
23	Unearned premiums and fees	(a)	580,335	(580,335)						
24	Insurance contract liability	(a)(b)(c)		2,203,302	2,203,302	2,233,998	2,282,952	2,325,255	2,371,284	2,420,640
25	Provision for employee current benefits		19,784	-	19,784	20,670	21,347	22,024	22,701	23,378
26	Provision for employee future benefits		328,847	-	328,847	340,182	351,515	362,847	374,180	385,513
27	Provision for unpaid claims	(b)	2,121,691	(2,121,691)						
28	**Total Liabilities**		**3,115,076**	**(499,087)**	**2,615,989**	**2,669,559**	**2,727,332**	**2,780,034**	**2,835,330**	**2,896,165**
29	**Equity**									
30	Retained Earnings		354,676	23,570	378,246	404,532	415,128	485,135	582,623	696,757
31	Accumulated Other Comprehensive Income		56,793	-	56,793	9,947	9,947	9,947	9,947	9,947
32	**Total Equity**		**411,469**	**23,570**	**435,039**	**414,479**	**425,075**	**495,082**	**592,570**	**706,704**
33	**Total Liabilities & Equity**		**3,526,545**	**(475,516)**	**3,051,029**	**3,084,039**	**3,152,408**	**3,275,116**	**3,427,900**	**3,602,870**

Figure 7 PF-3 Statement of Changes in Equity: 1.24% Basic Rate Change

Multi-year - Statement of Changes in Equity

Line No.	2024/25 Basic rate change of 1.24%	IFRS 4		IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 17
				For the Years Ended March 31,					
1			IFRS 17						
2	(C$ 000s, except where noted)	2023A	Adj.	2023BF	2024F	2025F	2026F	2027F	2028F
3	**BASIC**								
4	**Total Equity**								
5	**Retained Earnings**								
6	Beginning Balance	359,335		378,246	378,246	404,532	415,128	485,135	582,623
7	Restatement of AOCI on AFS Assets (IFRS 9)				46,845	-	-	-	(0)
8	Restatement of MUSH Assets to FVTPL (IFRS 9)				(5,966)	-	-	-	-
9	Restatement of Claims Discount Rate (IFRS 17)	-	86,273		-	-	-	-	-
10	Restatement of Risk Adjustment (IFRS 17)	-	13,345		-	-	-	-	-
11	Restatement of DPAC (IFRS 17)	-	(37,673)		-	-	-	-	-
12	Net Income (Loss) from annual operations	(38,659)	(38,375)		(14,593)	10,573	30,449	47,925	58,493
13	Rebate to Policyholders	-	-		-	-	-	-	-
14	Transfer (to) / from Non-Basic Retained Earnings	34,000	-		-	23	39,558	49,563	55,641
15	**Total Retained Earnings**	**354,676**	**23,570**	**378,246**	**404,532**	**415,128**	**485,135**	**582,623**	**696,757**
16	**Total Accumulated Other Comprehensive Income**								
17	Beginning Balance	51,428		51,428	56,793	9,947	9,947	9,947	9,947
18	Other Comprehensive Income on Available for Sale Assets	(31,291)		(31,291)	(1)	-	-	-	-
19	Restatement of AOCI on AFS Assets (IFRS 9)				(46,845)	-	-	-	0
20	Change in Remeasurement of Employee Future Benefits	36,656		36,656	-	-	-	-	-
21	**Total Accumulated Other Comprehensive Income**	56,793	-	56,793	9,947	9,947	9,947	9,947	9,947
22	**Total Accumulated Other Comprehensive Income Balance**								
23	**Employee Future Benefits Portfolio**								
24	Available for Sale Assets	30,889		30,889	0	0	0	0	0
25	Employee Future Benefits Liabilities	9,946		9,946	9,946	9,946	9,946	9,946	9,946
26	**Rate Stabilization Reserve Portfolio**								
27	Available for Sale Assets	15,957		15,957	0	0	0	0	0
28	**Total Accumulated Other Comprehensive Income Balance**	56,793		56,793	9,947	9,947	9,947	9,947	9,947
29	**Total Equity Balance**	**411,469**	**23,570**	**435,039**	**414,479**	**425,075**	**495,082**	**592,570**	**706,704**
30									
31	**MINIMUM CAPITAL TEST (C$ 000s)**								
32	**Total Equity Balance**	**411,467**	**23,570**	**435,037**	**414,479**	**425,075**	**495,082**	**592,570**	**706,704**
33	Less: Assets Requiring 100% Capital	28,366		28,366	33,972	36,422	34,057	27,862	21,971
34	Capital Available	383,101	23,570	406,671	380,507	388,653	461,025	564,708	684,733
35	Minimum Capital Required (100% MCT)	345,847	5,526	351,373	431,010	449,289	466,301	488,722	518,767
36	MCT Ratio % (Line 29) / (Line 30)	**110.8%**	**5.0%**	**115.8%**	**88.3%**	**86.5%**	**98.9%**	**115.6%**	**132.0%**

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Part and Chapter:	Part VI Claims Forecasting and Loss Trend Analysis	Page No.:	CF-10 and CF-11
PUB Approved Issue No:	11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design		
Topic:	Claims trending		
Sub Topic:			

Preamble to IR:

Figure CF-10 shows CERP MIV Adjustment for Collision

Figure CF-11 shows CERP MIV Adjustment for Comprehensive

There are large increases from the 20k xs 50k Losses to the 20k xs 50k trended losses for accident years 2021 and prior especially for Collision.

Question:

a) Please provide the trend assumptions used to derive column 3.

b) Please provide a file in Excel with the individual claims and the trend factor applied to each.

Rationale for Question:

To understand the trending.

RESPONSE:

a) The trend assumptions used to derive column 3 of the CERP Maximum Insured Value (MIV) Adjustment figures in *Part VI Claims Forecasting Chapter Figures*

CF-10 and CF-11 are the selected 2024 GRA past severity trends for Collision and Comprehensive respectively. A summary of past severity trend assumptions is given in the figure below.

Figure 1 Trend Factors used in CERP MIV Adjustment

Line No.	(1) Accident Insurance Year	(2) Selected Collision Severity Growth	(3) Selected Collision Trend Factors	(4) Selected Comprehensive Severity Growth	(5) Selected Comprehensive Trend Factors
1	**2017**	5.67%	1.4452	3.29%	1.1756
2	**2018**	5.67%	1.3677	3.29%	1.1382
3	**2019**	5.67%	1.2944	3.29%	1.1020
4	**2020**	5.67%	1.2250	3.29%	1.0669
5	**2021**	10.68%	1.1068	3.29%	1.0329
6	**2022**	10.68%	1.0000	3.29%	1.0000

7 (1) April 1 to March 31
8 (2) from Part VI Claims Forecasting Chapter Appendix 4e
9 (3) = [1.0 + (2NextRow)] x (3NextRow)
10 (4) from Part VI Claims Forecasting Chapter Appendix 4f
11 (5) = [1.0 + (4NextRow)] x (5NextRow)

b) See *Appendix 1 – Actual Cash Value of Collision and Comprehensive Claims (2017-2022)* for the individual claims, with the accident year, coverage and the assessed actual cash value (ACV) at the time of loss. Only claims with an ACV of $35,000 or greater were used in calculation of CERP MIV adjustment, as amounts less than that are not expected to be above $50,000 after trending was considered. Individual amount was trended using the above trend assumptions and then excess amount was calculated for each claim and then summed to derive column 3 figures by accident year.

Appendix 1
Actual Cash Value of Collision & Comprehensive Claims (2017-2022)
Total Loss Claims with ACV above $35,000

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$35,000	1.0000	$35,000
2022	Collision	$35,000	1.0000	$35,000
2022	Collision	$35,000	1.0000	$35,000
2021	Collision	$35,000	1.1068	$38,737
2022	Collision	$35,000	1.0000	$35,000
2021	Comprehensive	$35,000	1.0329	$36,151
2019	Collision	$35,000	1.2944	$45,303
2021	Comprehensive	$35,000	1.0329	$36,151
2020	Collision	$35,000	1.2250	$42,874
2020	Comprehensive	$35,000	1.0669	$37,340
2020	Collision	$35,000	1.2250	$42,874
2020	Collision	$35,000	1.2250	$42,874
2019	Collision	$35,000	1.2250	$42,874
2019	Collision	$35,000	1.2944	$45,303
2019	Comprehensive	$35,000	1.1020	$38,569
2019	Collision	$35,000	1.2944	$45,303
2018	Comprehensive	$35,000	1.1382	$39,837
2018	Comprehensive	$35,000	1.1382	$39,837
2018	Collision	$35,000	1.3677	$47,869
2018	Collision	$35,000	1.3677	$47,869
2018	Collision	$35,000	1.3677	$47,869
2018	Comprehensive	$35,000	1.1382	$39,837
2017	Collision	$35,000	1.4452	$50,582
2017	Collision	$35,000	1.4452	$50,582
2017	Comprehensive	$35,000	1.1756	$41,148
2017	Collision	$35,000	1.4452	$50,582
2017	Collision	$35,000	1.4452	$50,582
2017	Comprehensive	$35,000	1.1756	$41,148
2017	Collision	$35,000	1.4452	$50,582
2019	Comprehensive	$35,000	1.1020	$38,569
2017	Comprehensive	$35,000	1.1756	$41,148
2021	Comprehensive	$35,000	1.0329	$36,151
2017	Comprehensive	$35,000	1.1756	$41,148
2017	Collision	$35,000	1.4452	$50,582
2020	Collision	$35,008	1.2250	$42,883
2018	Collision	$35,008	1.3677	$47,881

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$35,014	1.0000	$35,014
2022	Collision	$35,022	1.0000	$35,022
2017	Collision	$35,037	1.4452	$50,635
2022	Collision	$35,038	1.0000	$35,038
2021	Collision	$35,041	1.1068	$38,783
2022	Collision	$35,049	1.0000	$35,049
2019	Collision	$35,050	1.2944	$45,367
2018	Collision	$35,050	1.3677	$47,938
2017	Collision	$35,050	1.4452	$50,654
2017	Comprehensive	$35,050	1.1756	$41,206
2017	Comprehensive	$35,050	1.1756	$41,206
2022	Collision	$35,054	1.0000	$35,054
2021	Collision	$35,055	1.1068	$38,798
2019	Collision	$35,068	1.2944	$45,391
2018	Collision	$35,068	1.3677	$47,963
2021	Collision	$35,071	1.1068	$38,816
2021	Collision	$35,073	1.1068	$38,818
2019	Collision	$35,075	1.2944	$45,400
2018	Collision	$35,075	1.2944	$45,400
2017	Collision	$35,075	1.4452	$50,690
2021	Comprehensive	$35,083	1.0329	$36,237
2020	Collision	$35,088	1.2250	$42,981
2022	Collision	$35,100	1.0000	$35,100
2021	Collision	$35,100	1.1068	$38,848
2022	Collision	$35,102	1.0000	$35,102
2020	Collision	$35,112	1.2250	$43,011
2021	Collision	$35,117	1.1068	$38,866
2019	Collision	$35,120	1.2944	$45,458
2022	Comprehensive	$35,121	1.0000	$35,121
2021	Comprehensive	$35,126	1.0329	$36,281
2022	Collision	$35,128	1.0000	$35,128
2021	Comprehensive	$35,129	1.0329	$36,285
2020	Comprehensive	$35,135	1.0669	$37,484
2021	Comprehensive	$35,140	1.0329	$36,296
2019	Collision	$35,145	1.2944	$45,490
2022	Collision	$35,146	1.0000	$35,146
2022	Collision	$35,150	1.0000	$35,150
2021	Collision	$35,150	1.1068	$38,903
2021	Collision	$35,150	1.1068	$38,903
2019	Collision	$35,150	1.2944	$45,497
2017	Collision	$35,150	1.4452	$50,798

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$35,162	1.1068	$38,917
2021	Collision	$35,164	1.1068	$38,919
2017	Collision	$35,164	1.4452	$50,819
2022	Comprehensive	$35,165	1.0000	$35,165
2019	Collision	$35,172	1.2944	$45,525
2020	Collision	$35,173	1.2250	$43,085
2022	Collision	$35,175	1.0000	$35,175
2020	Collision	$35,175	1.2250	$43,088
2018	Collision	$35,175	1.3677	$48,109
2022	Collision	$35,180	1.0000	$35,180
2021	Collision	$35,190	1.1068	$38,948
2021	Collision	$35,195	1.1068	$38,953
2017	Collision	$35,200	1.3677	$48,143
2017	Collision	$35,200	1.4452	$50,871
2017	Collision	$35,200	1.4452	$50,871
2019	Collision	$35,200	1.2944	$45,562
2019	Collision	$35,216	1.2944	$45,583
2021	Collision	$35,220	1.1068	$38,981
2021	Collision	$35,224	1.1068	$38,985
2017	Collision	$35,225	1.4452	$50,907
2021	Collision	$35,231	1.1068	$38,993
2021	Collision	$35,240	1.1068	$39,003
2018	Collision	$35,240	1.3677	$48,198
2019	Collision	$35,241	1.2944	$45,615
2022	Collision	$35,245	1.0000	$35,245
2022	Collision	$35,250	1.0000	$35,250
2018	Collision	$35,250	1.3677	$48,211
2018	Collision	$35,256	1.3677	$48,220
2017	Collision	$35,260	1.4452	$50,957
2017	Collision	$35,260	1.4452	$50,957
2020	Collision	$35,266	1.2250	$43,199
2022	Comprehensive	$35,268	1.0000	$35,268
2021	Collision	$35,270	1.1068	$39,036
2019	Collision	$35,272	1.2944	$45,655
2020	Collision	$35,275	1.2250	$43,210
2017	Collision	$35,275	1.4452	$50,979
2018	Collision	$35,278	1.3677	$48,250
2017	Collision	$35,282	1.4452	$50,989
2020	Comprehensive	$35,287	1.0669	$37,647
2020	Collision	$35,296	1.2250	$43,236
2019	Collision	$35,300	1.2250	$43,241

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$35,300	1.4452	$51,015
2019	Collision	$35,302	1.2944	$45,694
2021	Collision	$35,307	1.1068	$39,077
2021	Comprehensive	$35,307	1.0329	$36,468
2018	Collision	$35,308	1.3677	$48,291
2019	Collision	$35,316	1.2944	$45,712
2018	Comprehensive	$35,320	1.1382	$40,202
2020	Collision	$35,327	1.2250	$43,274
2018	Collision	$35,350	1.3677	$48,348
2022	Collision	$35,350	1.0000	$35,350
2018	Comprehensive	$35,360	1.1382	$40,247
2021	Collision	$35,365	1.1068	$39,141
2021	Collision	$35,370	1.1068	$39,147
2017	Collision	$35,375	1.4452	$51,124
2022	Comprehensive	$35,389	1.0000	$35,389
2018	Collision	$35,400	1.3677	$48,417
2017	Collision	$35,400	1.3677	$48,417
2021	Collision	$35,402	1.1068	$39,182
2022	Collision	$35,418	1.0000	$35,418
2022	Collision	$35,431	1.0000	$35,431
2019	Collision	$35,431	1.2944	$45,861
2019	Collision	$35,446	1.2944	$45,880
2022	Comprehensive	$35,447	1.0000	$35,447
2022	Collision	$35,449	1.0000	$35,449
2021	Collision	$35,449	1.1068	$39,234
2018	Collision	$35,450	1.3677	$48,485
2022	Collision	$35,452	1.0000	$35,452
2018	Collision	$35,454	1.3677	$48,490
2021	Collision	$35,462	1.1068	$39,249
2021	Comprehensive	$35,466	1.0329	$36,633
2022	Comprehensive	$35,467	1.0000	$35,467
2022	Collision	$35,469	1.0000	$35,469
2020	Collision	$35,475	1.2250	$43,455
2017	Comprehensive	$35,475	1.1756	$41,706
2022	Collision	$35,482	1.0000	$35,482
2019	Collision	$35,491	1.2944	$45,938
2022	Comprehensive	$35,500	1.0000	$35,500
2022	Comprehensive	$35,500	1.0000	$35,500
2021	Collision	$35,500	1.1068	$39,291
2021	Collision	$35,500	1.1068	$39,291
2020	Collision	$35,500	1.2250	$43,486

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$35,500	1.3677	$48,553
2017	Collision	$35,500	1.4452	$51,304
2017	Collision	$35,500	1.4452	$51,304
2017	Collision	$35,500	1.4452	$51,304
2017	Collision	$35,500	1.4452	$51,304
2022	Collision	$35,512	1.0000	$35,512
2021	Collision	$35,513	1.1068	$39,305
2019	Collision	$35,514	1.2944	$45,968
2019	Collision	$35,518	1.2944	$45,973
2022	Collision	$35,522	1.0000	$35,522
2021	Collision	$35,523	1.1068	$39,316
2018	Collision	$35,527	1.3677	$48,590
2021	Comprehensive	$35,528	1.0329	$36,696
2021	Collision	$35,536	1.1068	$39,330
2020	Collision	$35,539	1.2250	$43,534
2020	Comprehensive	$35,541	1.0669	$37,918
2022	Collision	$35,542	1.0000	$35,542
2019	Comprehensive	$35,544	1.1020	$39,168
2021	Collision	$35,546	1.1068	$39,342
2022	Collision	$35,547	1.0000	$35,547
2021	Comprehensive	$35,550	1.0329	$36,719
2021	Collision	$35,553	1.1068	$39,349
2020	Collision	$35,566	1.2250	$43,567
2018	Comprehensive	$35,568	1.1382	$40,484
2019	Comprehensive	$35,569	1.1020	$39,196
2019	Collision	$35,570	1.2944	$46,040
2019	Collision	$35,575	1.2944	$46,047
2017	Comprehensive	$35,575	1.1756	$41,824
2019	Collision	$35,578	1.2944	$46,051
2019	Collision	$35,585	1.2944	$46,060
2019	Collision	$35,587	1.2944	$46,062
2020	Collision	$35,594	1.2250	$43,601
2021	Collision	$35,600	1.1068	$39,401
2022	Collision	$35,600	1.0000	$35,600
2022	Collision	$35,609	1.0000	$35,609
2021	Collision	$35,613	1.1068	$39,416
2022	Collision	$35,623	1.0000	$35,623
2022	Collision	$35,630	1.0000	$35,630
2022	Collision	$35,635	1.0000	$35,635
2021	Comprehensive	$35,640	1.0329	$36,812
2017	Comprehensive	$35,641	1.1756	$41,901

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$35,643	1.2250	$43,661
2019	Collision	$35,646	1.2944	$46,139
2019	Collision	$35,650	1.2944	$46,144
2019	Comprehensive	$35,650	1.1020	$39,285
2017	Comprehensive	$35,650	1.1756	$41,912
2017	Collision	$35,650	1.4452	$51,521
2017	Collision	$35,650	1.4452	$51,521
2020	Comprehensive	$35,656	1.0669	$38,040
2021	Collision	$35,664	1.1068	$39,472
2021	Collision	$35,665	1.1068	$39,473
2017	Collision	$35,666	1.4452	$51,543
2022	Collision	$35,675	1.0000	$35,675
2018	Comprehensive	$35,675	1.1382	$40,606
2022	Comprehensive	$35,680	1.0000	$35,680
2022	Comprehensive	$35,682	1.0000	$35,682
2017	Collision	$35,682	1.3677	$48,803
2022	Collision	$35,686	1.0000	$35,686
2022	Comprehensive	$35,693	1.0000	$35,693
2021	Collision	$35,694	1.1068	$39,505
2017	Collision	$35,695	1.4452	$51,586
2017	Collision	$35,695	1.4452	$51,586
2020	Collision	$35,698	1.2250	$43,729
2017	Collision	$35,700	1.4452	$51,593
2021	Collision	$35,700	1.1068	$39,512
2021	Collision	$35,700	1.1068	$39,512
2022	Comprehensive	$35,701	1.0000	$35,701
2021	Collision	$35,701	1.1068	$39,513
2022	Collision	$35,702	1.0000	$35,702
2019	Collision	$35,703	1.2944	$46,213
2022	Collision	$35,714	1.0000	$35,714
2020	Collision	$35,714	1.2250	$43,749
2019	Comprehensive	$35,719	1.1020	$39,361
2022	Collision	$35,723	1.0000	$35,723
2022	Collision	$35,725	1.0000	$35,725
2020	Collision	$35,725	1.2250	$43,762
2018	Collision	$35,725	1.3677	$48,861
2021	Collision	$35,741	1.1068	$39,557
2022	Collision	$35,743	1.0000	$35,743
2017	Collision	$35,745	1.4452	$51,658
2020	Comprehensive	$35,747	1.0669	$38,137
2021	Collision	$35,749	1.1068	$39,566

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$35,751	1.1068	$39,568
2021	Collision	$35,759	1.1068	$39,577
2022	Collision	$35,765	1.0000	$35,765
2021	Collision	$35,769	1.1068	$39,588
2021	Collision	$35,775	1.1068	$39,595
2022	Collision	$35,782	1.0000	$35,782
2022	Collision	$35,788	1.0000	$35,788
2022	Collision	$35,790	1.0000	$35,790
2021	Comprehensive	$35,791	1.0329	$36,968
2017	Collision	$35,800	1.3677	$48,964
2021	Collision	$35,806	1.1068	$39,629
2022	Collision	$35,807	1.0000	$35,807
2021	Collision	$35,815	1.1068	$39,639
2020	Collision	$35,816	1.2250	$43,873
2019	Collision	$35,823	1.2944	$46,368
2019	Collision	$35,825	1.2944	$46,371
2018	Collision	$35,825	1.3677	$48,998
2021	Collision	$35,847	1.1068	$39,675
2022	Collision	$35,850	1.0000	$35,850
2022	Collision	$35,855	1.0000	$35,855
2017	Collision	$35,860	1.4452	$51,825
2022	Collision	$35,862	1.0000	$35,862
2020	Comprehensive	$35,862	1.0669	$38,260
2021	Collision	$35,866	1.1068	$39,696
2022	Collision	$35,870	1.0000	$35,870
2021	Collision	$35,872	1.1068	$39,702
2021	Collision	$35,875	1.1068	$39,706
2018	Collision	$35,875	1.3677	$49,066
2021	Collision	$35,888	1.1068	$39,720
2019	Collision	$35,889	1.2944	$46,453
2019	Collision	$35,897	1.2944	$46,464
2022	Collision	$35,916	1.0000	$35,916
2021	Collision	$35,917	1.1068	$39,752
2021	Comprehensive	$35,924	1.0329	$37,106
2020	Collision	$35,931	1.2250	$44,014
2019	Collision	$35,935	1.2944	$46,513
2018	Collision	$35,950	1.3677	$49,169
2019	Collision	$35,950	1.2944	$46,533
2020	Comprehensive	$35,957	1.0669	$38,361
2019	Collision	$35,977	1.2944	$46,567
2022	Comprehensive	$35,982	1.0000	$35,982

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$35,985	1.1068	$39,827
2021	Collision	$35,986	1.1068	$39,829
2017	Collision	$35,990	1.4452	$52,012
2022	Collision	$35,999	1.0000	$35,999
2022	Comprehensive	$35,999	1.0000	$35,999
2021	Comprehensive	$36,000	1.0329	$37,184
2022	Collision	$36,000	1.0000	$36,000
2022	Collision	$36,000	1.0000	$36,000
2022	Collision	$36,000	1.0000	$36,000
2021	Collision	$36,000	1.1068	$39,844
2020	Collision	$36,000	1.2250	$44,099
2021	Collision	$36,000	1.1068	$39,844
2019	Collision	$36,000	1.2944	$46,597
2019	Comprehensive	$36,000	1.1020	$39,671
2019	Collision	$36,000	1.2944	$46,597
2019	Collision	$36,000	1.2944	$46,597
2019	Collision	$36,000	1.2944	$46,597
2019	Collision	$36,000	1.2944	$46,597
2018	Comprehensive	$36,000	1.1020	$39,671
2018	Collision	$36,000	1.3677	$49,237
2018	Collision	$36,000	1.3677	$49,237
2018	Comprehensive	$36,000	1.1382	$40,976
2018	Collision	$36,000	1.3677	$49,237
2017	Collision	$36,000	1.4452	$52,027
2017	Collision	$36,000	1.4452	$52,027
2017	Collision	$36,000	1.4452	$52,027
2017	Comprehensive	$36,000	1.1756	$42,323
2017	Collision	$36,000	1.4452	$52,027
2017	Collision	$36,000	1.4452	$52,027
2022	Collision	$36,000	1.0000	$36,000
2017	Collision	$36,000	1.4452	$52,027
2021	Collision	$36,001	1.1068	$39,845
2022	Collision	$36,003	1.0000	$36,003
2019	Collision	$36,014	1.2944	$46,615
2022	Collision	$36,015	1.0000	$36,015
2021	Collision	$36,017	1.1068	$39,863
2020	Collision	$36,023	1.2250	$44,127
2022	Collision	$36,025	1.0000	$36,025
2022	Comprehensive	$36,026	1.0000	$36,026
2022	Collision	$36,029	1.0000	$36,029
2022	Comprehensive	$36,043	1.0000	$36,043

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$36,047	1.2250	$44,156
2022	Comprehensive	$36,053	1.0000	$36,053
2022	Comprehensive	$36,058	1.0000	$36,058
2021	Collision	$36,061	1.1068	$39,912
2018	Collision	$36,062	1.3677	$49,322
2017	Collision	$36,062	1.4452	$52,116
2021	Collision	$36,066	1.1068	$39,917
2019	Collision	$36,066	1.2944	$46,682
2021	Collision	$36,078	1.1068	$39,930
2020	Collision	$36,078	1.2250	$44,194
2022	Collision	$36,087	1.0000	$36,087
2021	Collision	$36,091	1.1068	$39,945
2019	Collision	$36,094	1.2250	$44,214
2021	Collision	$36,096	1.1068	$39,950
2018	Collision	$36,100	1.3677	$49,374
2017	Collision	$36,100	1.4452	$52,171
2022	Collision	$36,109	1.0000	$36,109
2017	Collision	$36,111	1.4452	$52,187
2019	Collision	$36,113	1.2944	$46,743
2019	Collision	$36,135	1.2944	$46,772
2020	Collision	$36,142	1.2250	$44,272
2022	Collision	$36,146	1.0000	$36,146
2022	Collision	$36,150	1.0000	$36,150
2017	Collision	$36,150	1.3677	$49,442
2019	Collision	$36,155	1.2944	$46,798
2018	Collision	$36,156	1.3677	$49,451
2022	Collision	$36,162	1.0000	$36,162
2020	Collision	$36,168	1.2250	$44,304
2018	Collision	$36,175	1.3677	$49,477
2017	Collision	$36,175	1.4452	$52,280
2022	Collision	$36,183	1.0000	$36,183
2021	Comprehensive	$36,190	1.0329	$37,380
2021	Comprehensive	$36,190	1.0329	$37,380
2020	Comprehensive	$36,200	1.0669	$38,621
2017	Collision	$36,200	1.3677	$49,511
2019	Collision	$36,205	1.2944	$46,862
2019	Collision	$36,213	1.2944	$46,873
2022	Collision	$36,223	1.0000	$36,223
2017	Collision	$36,225	1.4452	$52,352
2019	Collision	$36,226	1.2944	$46,890
2021	Collision	$36,227	1.1068	$40,095

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2018	Collision	$36,227	1.3677	$49,548
2017	Collision	$36,230	1.4452	$52,359
2019	Collision	$36,243	1.2944	$46,912
2022	Comprehensive	$36,249	1.0000	$36,249
2022	Collision	$36,250	1.0000	$36,250
2022	Collision	$36,256	1.0000	$36,256
2018	Comprehensive	$36,260	1.1382	$41,271
2019	Collision	$36,262	1.2944	$46,936
2022	Collision	$36,277	1.0000	$36,277
2021	Collision	$36,279	1.1068	$40,153
2020	Collision	$36,281	1.2250	$44,443
2022	Collision	$36,282	1.0000	$36,282
2021	Collision	$36,288	1.1068	$40,163
2020	Collision	$36,288	1.2250	$44,451
2019	Comprehensive	$36,296	1.1020	$39,997
2022	Collision	$36,298	1.0000	$36,298
2017	Collision	$36,300	1.4452	$52,460
2018	Comprehensive	$36,313	1.1382	$41,331
2021	Collision	$36,319	1.1068	$40,197
2021	Collision	$36,320	1.1068	$40,198
2020	Collision	$36,325	1.2250	$44,497
2022	Collision	$36,326	1.0000	$36,326
2019	Collision	$36,326	1.2944	$47,019
2022	Collision	$36,330	1.0000	$36,330
2022	Collision	$36,331	1.0000	$36,331
2019	Comprehensive	$36,331	1.1020	$40,035
2019	Collision	$36,331	1.2944	$47,025
2018	Collision	$36,336	1.3677	$49,697
2022	Collision	$36,348	1.0000	$36,348
2017	Collision	$36,350	1.3677	$49,716
2019	Comprehensive	$36,360	1.1020	$40,067
2017	Collision	$36,364	1.4452	$52,553
2019	Collision	$36,367	1.2944	$47,072
2022	Comprehensive	$36,377	1.0000	$36,377
2022	Collision	$36,379	1.0000	$36,379
2022	Comprehensive	$36,382	1.0000	$36,382
2021	Comprehensive	$36,384	1.0329	$37,581
2022	Collision	$36,384	1.0000	$36,384
2017	Collision	$36,385	1.4452	$52,583
2022	Comprehensive	$36,386	1.0000	$36,386
2019	Collision	$36,389	1.2944	$47,101

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$36,391	1.2250	$44,577
2021	Collision	$36,400	1.1068	$40,287
2019	Collision	$36,400	1.2944	$47,115
2017	Collision	$36,400	1.3677	$49,784
2022	Collision	$36,404	1.0000	$36,404
2022	Collision	$36,410	1.0000	$36,410
2021	Collision	$36,410	1.1068	$40,298
2019	Collision	$36,416	1.2944	$47,136
2022	Collision	$36,422	1.0000	$36,422
2019	Collision	$36,430	1.2944	$47,154
2022	Collision	$36,442	1.0000	$36,442
2018	Collision	$36,450	1.3677	$49,853
2017	Collision	$36,450	1.4452	$52,677
2022	Collision	$36,451	1.0000	$36,451
2022	Collision	$36,464	1.0000	$36,464
2021	Collision	$36,474	1.1068	$40,369
2022	Collision	$36,475	1.0000	$36,475
2021	Collision	$36,478	1.1068	$40,373
2018	Collision	$36,478	1.3677	$49,891
2019	Collision	$36,479	1.2944	$47,217
2022	Comprehensive	$36,500	1.0000	$36,500
2022	Comprehensive	$36,500	1.0000	$36,500
2021	Collision	$36,500	1.1068	$40,397
2019	Comprehensive	$36,500	1.1020	$40,222
2018	Collision	$36,500	1.2944	$47,244
2018	Comprehensive	$36,500	1.1382	$41,545
2018	Collision	$36,500	1.3677	$49,921
2018	Collision	$36,500	1.3677	$49,921
2017	Collision	$36,500	1.4452	$52,749
2017	Collision	$36,500	1.4452	$52,749
2022	Collision	$36,505	1.0000	$36,505
2021	Collision	$36,507	1.1068	$40,405
2022	Collision	$36,510	1.0000	$36,510
2017	Collision	$36,515	1.4452	$52,771
2021	Comprehensive	$36,516	1.0329	$37,717
2022	Collision	$36,517	1.0000	$36,517
2022	Comprehensive	$36,524	1.0000	$36,524
2017	Collision	$36,530	1.3677	$49,962
2020	Collision	$36,537	1.2250	$44,756
2022	Comprehensive	$36,539	1.0000	$36,539
2018	Collision	$36,540	1.3677	$49,976

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$36,548	1.0000	$36,548
2022	Collision	$36,549	1.0000	$36,549
2019	Collision	$36,550	1.2944	$47,309
2020	Comprehensive	$36,551	1.0669	$38,995
2018	Collision	$36,551	1.3677	$49,991
2018	Collision	$36,556	1.3677	$49,998
2017	Collision	$36,564	1.4452	$52,842
2019	Collision	$36,565	1.2944	$47,328
2022	Collision	$36,570	1.0000	$36,570
2018	Collision	$36,574	1.3677	$50,022
2019	Collision	$36,580	1.2944	$47,348
2020	Collision	$36,593	1.2250	$44,825
2019	Collision	$36,593	1.2944	$47,365
2020	Collision	$36,595	1.2250	$44,827
2022	Collision	$36,598	1.0000	$36,598
2020	Collision	$36,600	1.2250	$44,833
2019	Collision	$36,600	1.2944	$47,374
2018	Collision	$36,600	1.3677	$50,058
2017	Collision	$36,600	1.3677	$50,058
2022	Collision	$36,602	1.0000	$36,602
2017	Collision	$36,609	1.4452	$52,907
2019	Collision	$36,610	1.2944	$47,387
2022	Collision	$36,612	1.0000	$36,612
2020	Collision	$36,612	1.2250	$44,848
2021	Collision	$36,617	1.1068	$40,527
2022	Collision	$36,631	1.0000	$36,631
2022	Collision	$36,634	1.0000	$36,634
2017	Collision	$36,650	1.4452	$52,966
2022	Collision	$36,652	1.0000	$36,652
2018	Collision	$36,660	1.3677	$50,140
2022	Collision	$36,664	1.0000	$36,664
2022	Collision	$36,670	1.0000	$36,670
2022	Collision	$36,675	1.0000	$36,675
2019	Collision	$36,675	1.2944	$47,471
2018	Comprehensive	$36,675	1.1382	$41,744
2017	Collision	$36,675	1.4452	$53,002
2021	Collision	$36,700	1.1068	$40,619
2018	Collision	$36,700	1.3677	$50,195
2021	Collision	$36,712	1.1068	$40,632
2021	Collision	$36,712	1.1068	$40,632
2019	Collision	$36,716	1.2250	$44,976

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Comprehensive	$36,722	1.0669	$39,178
2018	Collision	$36,725	1.2944	$47,535
2022	Collision	$36,726	1.0000	$36,726
2022	Collision	$36,732	1.0000	$36,732
2018	Collision	$36,738	1.3677	$50,247
2020	Collision	$36,745	1.2250	$45,011
2022	Collision	$36,747	1.0000	$36,747
2018	Comprehensive	$36,750	1.1382	$41,829
2019	Collision	$36,772	1.2944	$47,596
2022	Collision	$36,784	1.0000	$36,784
2021	Collision	$36,786	1.1068	$40,714
2022	Collision	$36,792	1.0000	$36,792
2020	Comprehensive	$36,796	1.0669	$39,256
2018	Collision	$36,797	1.3677	$50,328
2021	Comprehensive	$36,800	1.0329	$38,010
2020	Comprehensive	$36,800	1.0669	$39,261
2019	Collision	$36,800	1.2944	$47,633
2019	Collision	$36,800	1.2944	$47,633
2017	Collision	$36,800	1.4452	$53,183
2021	Collision	$36,801	1.1068	$40,731
2019	Collision	$36,806	1.2944	$47,641
2021	Collision	$36,807	1.1068	$40,737
2022	Collision	$36,810	1.0000	$36,810
2022	Collision	$36,823	1.0000	$36,823
2022	Collision	$36,825	1.0000	$36,825
2018	Collision	$36,825	1.3677	$50,366
2021	Collision	$36,826	1.1068	$40,758
2022	Collision	$36,832	1.0000	$36,832
2022	Comprehensive	$36,834	1.0000	$36,834
2021	Comprehensive	$36,843	1.0329	$38,055
2021	Collision	$36,850	1.1068	$40,785
2017	Comprehensive	$36,850	1.1382	$41,943
2019	Collision	$36,854	1.2944	$47,702
2022	Comprehensive	$36,865	1.0000	$36,865
2017	Collision	$36,866	1.4452	$53,278
2020	Collision	$36,870	1.2250	$45,164
2018	Collision	$36,875	1.3677	$50,434
2018	Comprehensive	$36,888	1.1382	$41,986
2021	Collision	$36,891	1.1068	$40,830
2017	Comprehensive	$36,896	1.1756	$43,377
2019	Collision	$36,896	1.2944	$47,757

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$36,900	1.0000	$36,900
2018	Collision	$36,900	1.3677	$50,468
2018	Comprehensive	$36,900	1.1382	$42,000
2018	Collision	$36,900	1.3677	$50,468
2017	Collision	$36,900	1.4452	$53,328
2019	Collision	$36,906	1.2944	$47,770
2022	Collision	$36,911	1.0000	$36,911
2019	Collision	$36,915	1.2944	$47,781
2019	Collision	$36,915	1.2944	$47,781
2018	Collision	$36,921	1.3677	$50,497
2022	Collision	$36,926	1.0000	$36,926
2021	Comprehensive	$36,926	1.0329	$38,141
2021	Collision	$36,927	1.1068	$40,870
2021	Collision	$36,930	1.1068	$40,873
2022	Collision	$36,936	1.0000	$36,936
2021	Comprehensive	$36,936	1.0329	$38,151
2020	Comprehensive	$36,937	1.0669	$39,407
2022	Collision	$36,938	1.0000	$36,938
2022	Collision	$36,943	1.0000	$36,943
2019	Collision	$36,962	1.2944	$47,842
2018	Collision	$36,972	1.3677	$50,567
2021	Collision	$36,975	1.1068	$40,923
2019	Collision	$36,979	1.2944	$47,864
2022	Collision	$36,981	1.0000	$36,981
2018	Collision	$36,989	1.3677	$50,590
2022	Collision	$36,990	1.0000	$36,990
2022	Comprehensive	$36,990	1.0000	$36,990
2022	Collision	$36,992	1.0000	$36,992
2021	Collision	$36,998	1.1068	$40,949
2022	Comprehensive	$37,000	1.0000	$37,000
2022	Collision	$37,000	1.0000	$37,000
2021	Collision	$37,000	1.1068	$40,951
2021	Collision	$37,000	1.1068	$40,951
2021	Collision	$37,000	1.1068	$40,951
2018	Collision	$37,000	1.2944	$47,891
2018	Comprehensive	$37,000	1.1382	$42,114
2018	Collision	$37,000	1.3677	$50,605
2017	Collision	$37,000	1.4452	$53,472
2017	Collision	$37,000	1.4452	$53,472
2017	Collision	$37,000	1.4452	$53,472
2020	Collision	$37,000	1.2250	$45,323

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$37,010	1.2944	$47,904
2017	Comprehensive	$37,010	1.1756	$43,511
2022	Collision	$37,016	1.0000	$37,016
2019	Collision	$37,025	1.2944	$47,924
2022	Collision	$37,028	1.0000	$37,028
2019	Collision	$37,035	1.2944	$47,937
2022	Collision	$37,037	1.0000	$37,037
2017	Comprehensive	$37,037	1.1756	$43,543
2017	Comprehensive	$37,037	1.1756	$43,543
2017	Collision	$37,050	1.4452	$53,544
2022	Collision	$37,051	1.0000	$37,051
2021	Collision	$37,055	1.1068	$41,012
2018	Comprehensive	$37,065	1.1382	$42,188
2018	Comprehensive	$37,075	1.1382	$42,199
2022	Collision	$37,078	1.0000	$37,078
2021	Collision	$37,080	1.1068	$41,039
2022	Collision	$37,090	1.0000	$37,090
2019	Collision	$37,100	1.2944	$48,021
2022	Collision	$37,110	1.0000	$37,110
2022	Collision	$37,111	1.0000	$37,111
2018	Collision	$37,116	1.3677	$50,764
2020	Comprehensive	$37,120	1.0669	$39,602
2018	Comprehensive	$37,120	1.1382	$42,250
2019	Comprehensive	$37,127	1.1020	$40,913
2022	Collision	$37,147	1.0000	$37,147
2020	Collision	$37,150	1.2250	$45,507
2018	Collision	$37,150	1.3677	$50,810
2017	Collision	$37,150	1.4452	$53,689
2017	Collision	$37,150	1.4452	$53,689
2017	Collision	$37,154	1.4452	$53,695
2019	Comprehensive	$37,158	1.1020	$40,947
2022	Comprehensive	$37,159	1.0000	$37,159
2022	Collision	$37,160	1.0000	$37,160
2021	Collision	$37,163	1.1068	$41,131
2021	Collision	$37,168	1.1068	$41,137
2019	Collision	$37,181	1.2944	$48,126
2022	Collision	$37,186	1.0000	$37,186
2020	Collision	$37,190	1.2250	$45,556
2019	Comprehensive	$37,193	1.1020	$40,985
2022	Comprehensive	$37,199	1.0000	$37,199
2019	Comprehensive	$37,199	1.1020	$40,992

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$37,200	1.0000	$37,200
2018	Collision	$37,200	1.3677	$50,878
2018	Collision	$37,200	1.3677	$50,878
2022	Collision	$37,215	1.0000	$37,215
2022	Comprehensive	$37,215	1.0000	$37,215
2018	Collision	$37,220	1.3677	$50,906
2017	Collision	$37,222	1.4452	$53,793
2021	Collision	$37,224	1.1068	$41,199
2022	Collision	$37,226	1.0000	$37,226
2019	Comprehensive	$37,232	1.1020	$41,028
2019	Collision	$37,236	1.2944	$48,197
2021	Collision	$37,239	1.1068	$41,215
2021	Collision	$37,250	1.1068	$41,227
2021	Collision	$37,250	1.1068	$41,227
2021	Collision	$37,250	1.1068	$41,227
2018	Collision	$37,250	1.3677	$50,947
2020	Comprehensive	$37,250	1.0669	$39,741
2021	Collision	$37,254	1.1068	$41,232
2017	Collision	$37,260	1.4452	$53,848
2021	Collision	$37,271	1.1068	$41,251
2021	Collision	$37,282	1.1068	$41,263
2022	Collision	$37,288	1.0000	$37,288
2022	Collision	$37,289	1.0000	$37,289
2022	Collision	$37,298	1.0000	$37,298
2021	Collision	$37,298	1.1068	$41,281
2022	Collision	$37,299	1.0000	$37,299
2017	Collision	$37,300	1.4452	$53,906
2019	Collision	$37,306	1.2250	$45,698
2020	Collision	$37,315	1.2250	$45,709
2022	Comprehensive	$37,320	1.0000	$37,320
2022	Collision	$37,326	1.0000	$37,326
2021	Collision	$37,328	1.1068	$41,314
2018	Collision	$37,330	1.3677	$51,056
2022	Collision	$37,344	1.0000	$37,344
2017	Collision	$37,350	1.4452	$53,978
2021	Collision	$37,356	1.1068	$41,345
2022	Collision	$37,359	1.0000	$37,359
2022	Comprehensive	$37,360	1.0000	$37,360
2021	Collision	$37,374	1.1068	$41,365
2022	Comprehensive	$37,392	1.0000	$37,392
2020	Comprehensive	$37,393	1.0669	$39,893

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Comprehensive	$37,395	1.0329	$38,625
2022	Collision	$37,395	1.0000	$37,395
2022	Collision	$37,400	1.0000	$37,400
2021	Collision	$37,400	1.1068	$41,394
2019	Comprehensive	$37,400	1.1020	$41,213
2021	Collision	$37,407	1.1068	$41,401
2021	Collision	$37,411	1.1068	$41,406
2021	Collision	$37,412	1.1068	$41,407
2022	Collision	$37,418	1.0000	$37,418
2022	Comprehensive	$37,430	1.0000	$37,430
2022	Collision	$37,435	1.0000	$37,435
2022	Collision	$37,437	1.0000	$37,437
2021	Collision	$37,440	1.1068	$41,438
2019	Collision	$37,450	1.2944	$48,474
2018	Collision	$37,450	1.3677	$51,220
2018	Collision	$37,452	1.3677	$51,223
2022	Comprehensive	$37,458	1.0000	$37,458
2021	Collision	$37,462	1.1068	$41,462
2020	Collision	$37,475	1.2250	$45,905
2022	Collision	$37,484	1.0000	$37,484
2017	Collision	$37,486	1.4452	$54,174
2020	Collision	$37,500	1.2250	$45,936
2020	Collision	$37,500	1.2250	$45,936
2019	Collision	$37,500	1.2944	$48,539
2019	Collision	$37,500	1.2944	$48,539
2019	Collision	$37,500	1.2944	$48,539
2018	Collision	$37,500	1.3677	$51,289
2018	Collision	$37,500	1.3677	$51,289
2017	Collision	$37,500	1.3677	$51,289
2017	Comprehensive	$37,500	1.1756	$44,087
2019	Collision	$37,500	1.2944	$48,539
2021	Collision	$37,505	1.1068	$41,510
2021	Collision	$37,506	1.1068	$41,511
2021	Comprehensive	$37,506	1.0329	$38,740
2019	Collision	$37,525	1.2944	$48,571
2021	Collision	$37,530	1.1068	$41,537
2022	Collision	$37,532	1.0000	$37,532
2022	Collision	$37,540	1.0000	$37,540
2017	Collision	$37,550	1.4452	$54,267
2021	Collision	$37,553	1.1068	$41,563
2022	Comprehensive	$37,568	1.0000	$37,568

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$37,568	1.0000	$37,568
2021	Collision	$37,570	1.1068	$41,582
2017	Collision	$37,575	1.4452	$54,303
2019	Collision	$37,577	1.2944	$48,638
2021	Comprehensive	$37,592	1.0329	$38,829
2022	Collision	$37,593	1.0000	$37,593
2021	Collision	$37,593	1.1068	$41,607
2019	Collision	$37,600	1.2944	$48,668
2017	Collision	$37,600	1.4452	$54,339
2022	Comprehensive	$37,607	1.0000	$37,607
2022	Collision	$37,610	1.0000	$37,610
2018	Collision	$37,614	1.3677	$51,445
2021	Collision	$37,622	1.1068	$41,639
2021	Comprehensive	$37,625	1.0329	$38,863
2018	Comprehensive	$37,625	1.1382	$42,825
2020	Collision	$37,626	1.2250	$46,090
2017	Collision	$37,637	1.4452	$54,392
2021	Collision	$37,640	1.1068	$41,659
2022	Collision	$37,644	1.0000	$37,644
2018	Collision	$37,650	1.3677	$51,494
2022	Collision	$37,652	1.0000	$37,652
2020	Collision	$37,652	1.2250	$46,122
2022	Collision	$37,655	1.0000	$37,655
2021	Comprehensive	$37,657	1.0329	$38,896
2021	Collision	$37,660	1.1068	$41,681
2022	Collision	$37,673	1.0000	$37,673
2021	Collision	$37,676	1.1068	$41,699
2020	Collision	$37,677	1.2250	$46,153
2021	Comprehensive	$37,679	1.0329	$38,918
2021	Collision	$37,688	1.1068	$41,712
2021	Collision	$37,689	1.1068	$41,713
2017	Collision	$37,689	1.4452	$54,468
2020	Collision	$37,697	1.2250	$46,177
2022	Collision	$37,700	1.0000	$37,700
2021	Comprehensive	$37,700	1.0329	$38,940
2017	Collision	$37,700	1.4452	$54,484
2017	Collision	$37,700	1.4452	$54,484
2017	Collision	$37,700	1.4452	$54,484
2022	Comprehensive	$37,707	1.0000	$37,707
2017	Collision	$37,713	1.4452	$54,502
2018	Comprehensive	$37,725	1.1382	$42,939

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$37,726	1.1068	$41,754
2020	Collision	$37,729	1.2250	$46,216
2021	Collision	$37,729	1.1068	$41,758
2017	Collision	$37,740	1.4452	$54,541
2021	Collision	$37,750	1.1068	$41,781
2020	Collision	$37,750	1.2250	$46,242
2017	Comprehensive	$37,750	1.1756	$44,381
2018	Comprehensive	$37,752	1.1382	$42,970
2021	Collision	$37,764	1.1068	$41,796
2017	Collision	$37,765	1.4452	$54,578
2022	Collision	$37,766	1.0000	$37,766
2021	Collision	$37,767	1.1068	$41,800
2022	Comprehensive	$37,773	1.0000	$37,773
2019	Collision	$37,775	1.2944	$48,895
2022	Collision	$37,782	1.0000	$37,782
2022	Collision	$37,786	1.0000	$37,786
2021	Collision	$37,789	1.1068	$41,824
2019	Comprehensive	$37,794	1.1020	$41,648
2022	Collision	$37,799	1.0000	$37,799
2022	Collision	$37,800	1.0000	$37,800
2022	Collision	$37,800	1.0000	$37,800
2018	Collision	$37,800	1.3677	$51,699
2018	Collision	$37,800	1.3677	$51,699
2022	Collision	$37,805	1.0000	$37,805
2019	Collision	$37,814	1.2944	$48,945
2021	Collision	$37,821	1.1068	$41,859
2021	Collision	$37,823	1.1068	$41,861
2021	Collision	$37,827	1.1068	$41,866
2020	Collision	$37,827	1.2250	$46,337
2022	Collision	$37,830	1.0000	$37,830
2018	Collision	$37,831	1.3677	$51,742
2018	Collision	$37,831	1.3677	$51,742
2022	Collision	$37,852	1.0000	$37,852
2022	Collision	$37,853	1.0000	$37,853
2022	Collision	$37,857	1.0000	$37,857
2020	Collision	$37,858	1.2250	$46,374
2020	Collision	$37,865	1.2250	$46,383
2020	Collision	$37,870	1.2250	$46,389
2019	Collision	$37,872	1.2944	$49,020
2017	Collision	$37,875	1.4452	$54,737
2021	Collision	$37,884	1.1068	$41,929

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$37,885	1.1068	$41,930
2018	Comprehensive	$37,886	1.1382	$43,122
2022	Collision	$37,890	1.0000	$37,890
2017	Collision	$37,895	1.4452	$54,765
2020	Collision	$37,899	1.2250	$46,425
2022	Collision	$37,900	1.0000	$37,900
2018	Collision	$37,900	1.3677	$51,836
2018	Comprehensive	$37,900	1.1382	$43,138
2018	Collision	$37,900	1.3677	$51,836
2022	Comprehensive	$37,910	1.0000	$37,910
2022	Collision	$37,914	1.0000	$37,914
2021	Collision	$37,914	1.1068	$41,962
2021	Collision	$37,917	1.1068	$41,966
2019	Collision	$37,950	1.2944	$49,121
2017	Comprehensive	$37,960	1.1756	$44,628
2019	Collision	$37,961	1.2944	$49,135
2017	Collision	$37,975	1.4452	$54,881
2019	Collision	$37,979	1.2944	$49,159
2021	Collision	$37,980	1.1068	$42,035
2022	Collision	$37,992	1.0000	$37,992
2022	Collision	$37,999	1.0000	$37,999
2019	Comprehensive	$37,999	1.0669	$40,540
2022	Collision	$38,000	1.0000	$38,000
2022	Collision	$38,000	1.0000	$38,000
2022	Collision	$38,000	1.0000	$38,000
2021	Collision	$38,000	1.1068	$42,058
2021	Collision	$38,000	1.1068	$42,058
2021	Comprehensive	$38,000	1.0329	$39,250
2021	Collision	$38,000	1.1068	$42,058
2021	Collision	$38,000	1.1068	$42,058
2021	Collision	$38,000	1.1068	$42,058
2020	Comprehensive	$38,000	1.0669	$40,541
2020	Collision	$38,000	1.2250	$46,548
2019	Collision	$38,000	1.2944	$49,186
2019	Collision	$38,000	1.2944	$49,186
2018	Comprehensive	$38,000	1.1020	$41,875
2018	Collision	$38,000	1.2944	$49,186
2018	Comprehensive	$38,000	1.1382	$43,252
2018	Collision	$38,000	1.3677	$51,973
2018	Collision	$38,000	1.3677	$51,973
2017	Collision	$38,000	1.4452	$54,917

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$38,000	1.4452	$54,917
2017	Comprehensive	$38,000	1.1756	$44,675
2017	Collision	$38,000	1.4452	$54,917
2017	Comprehensive	$38,000	1.1756	$44,675
2017	Collision	$38,000	1.4452	$54,917
2021	Collision	$38,000	1.1068	$42,058
2020	Collision	$38,000	1.2250	$46,548
2018	Comprehensive	$38,000	1.1382	$43,252
2017	Collision	$38,001	1.4452	$54,918
2018	Comprehensive	$38,019	1.1382	$43,274
2021	Collision	$38,019	1.1068	$42,079
2020	Comprehensive	$38,027	1.0669	$40,570
2019	Collision	$38,031	1.2944	$49,226
2019	Comprehensive	$38,044	1.1020	$41,923
2020	Collision	$38,047	1.2250	$46,606
2022	Comprehensive	$38,049	1.0000	$38,049
2021	Collision	$38,070	1.1068	$42,135
2022	Comprehensive	$38,071	1.0000	$38,071
2021	Collision	$38,073	1.1068	$42,138
2019	Comprehensive	$38,075	1.1020	$41,957
2022	Collision	$38,078	1.0000	$38,078
2022	Collision	$38,082	1.0000	$38,082
2021	Collision	$38,084	1.1068	$42,151
2021	Collision	$38,090	1.1068	$42,157
2020	Collision	$38,105	1.2250	$46,677
2021	Collision	$38,121	1.1068	$42,192
2019	Collision	$38,127	1.2944	$49,350
2021	Comprehensive	$38,130	1.0329	$39,384
2021	Collision	$38,133	1.1068	$42,205
2021	Collision	$38,139	1.1068	$42,211
2017	Collision	$38,150	1.4452	$55,134
2017	Collision	$38,175	1.3677	$52,212
2022	Comprehensive	$38,185	1.0000	$38,185
2021	Collision	$38,185	1.1068	$42,262
2020	Collision	$38,190	1.2250	$46,781
2021	Collision	$38,200	1.1068	$42,279
2018	Collision	$38,200	1.3677	$52,246
2017	Collision	$38,200	1.4452	$55,206
2022	Collision	$38,204	1.0000	$38,204
2020	Collision	$38,210	1.2250	$46,806
2022	Comprehensive	$38,218	1.0000	$38,218

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$38,232	1.0000	$38,232
2019	Comprehensive	$38,250	1.1020	$42,150
2017	Collision	$38,250	1.4452	$55,279
2020	Collision	$38,255	1.2250	$46,861
2021	Collision	$38,263	1.1068	$42,349
2021	Collision	$38,274	1.1068	$42,361
2018	Collision	$38,275	1.3677	$52,349
2018	Comprehensive	$38,285	1.1382	$43,576
2019	Comprehensive	$38,290	1.1020	$42,194
2021	Collision	$38,291	1.1068	$42,380
2019	Collision	$38,294	1.2250	$46,909
2022	Collision	$38,296	1.0000	$38,296
2018	Collision	$38,300	1.3677	$52,383
2018	Comprehensive	$38,300	1.1382	$43,593
2017	Collision	$38,300	1.4452	$55,351
2021	Comprehensive	$38,310	1.0329	$39,570
2022	Collision	$38,318	1.0000	$38,318
2020	Collision	$38,319	1.2250	$46,939
2021	Collision	$38,331	1.1068	$42,424
2020	Collision	$38,337	1.2250	$46,961
2017	Collision	$38,342	1.4452	$55,411
2019	Collision	$38,345	1.2944	$49,632
2019	Collision	$38,350	1.2944	$49,639
2018	Collision	$38,350	1.3677	$52,451
2017	Collision	$38,350	1.4452	$55,423
2019	Collision	$38,358	1.2944	$49,649
2019	Collision	$38,360	1.2944	$49,652
2022	Collision	$38,360	1.0000	$38,360
2020	Collision	$38,370	1.2250	$47,002
2022	Comprehensive	$38,372	1.0000	$38,372
2020	Collision	$38,372	1.2250	$47,004
2017	Collision	$38,375	1.4452	$55,459
2021	Collision	$38,387	1.1068	$42,485
2022	Collision	$38,400	1.0000	$38,400
2017	Comprehensive	$38,400	1.1756	$45,145
2022	Collision	$38,419	1.0000	$38,419
2022	Comprehensive	$38,421	1.0000	$38,421
2022	Comprehensive	$38,440	1.0000	$38,440
2021	Comprehensive	$38,450	1.0329	$39,715
2022	Collision	$38,451	1.0000	$38,451
2017	Collision	$38,451	1.4452	$55,569

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$38,457	1.2944	$49,777
2019	Comprehensive	$38,468	1.1020	$42,390
2021	Collision	$38,474	1.1068	$42,582
2017	Collision	$38,478	1.4452	$55,608
2022	Comprehensive	$38,479	1.0000	$38,479
2022	Collision	$38,480	1.0000	$38,480
2022	Collision	$38,481	1.0000	$38,481
2021	Collision	$38,487	1.1068	$42,597
2021	Collision	$38,490	1.1068	$42,600
2021	Comprehensive	$38,494	1.0329	$39,760
2021	Collision	$38,500	1.1068	$42,611
2022	Collision	$38,500	1.0000	$38,500
2022	Collision	$38,500	1.0000	$38,500
2021	Comprehensive	$38,500	1.0329	$39,766
2020	Collision	$38,500	1.2250	$47,161
2018	Comprehensive	$38,500	1.1382	$43,821
2018	Collision	$38,500	1.3677	$52,656
2017	Collision	$38,500	1.4452	$55,640
2017	Collision	$38,500	1.4452	$55,640
2017	Comprehensive	$38,500	1.1756	$45,262
2017	Comprehensive	$38,500	1.1756	$45,262
2021	Collision	$38,502	1.1068	$42,613
2022	Comprehensive	$38,503	1.0000	$38,503
2018	Comprehensive	$38,506	1.1382	$43,828
2017	Collision	$38,510	1.4452	$55,654
2022	Collision	$38,512	1.0000	$38,512
2022	Collision	$38,526	1.0000	$38,526
2021	Collision	$38,530	1.1068	$42,644
2020	Comprehensive	$38,532	1.0669	$41,109
2020	Comprehensive	$38,534	1.0669	$41,111
2019	Collision	$38,550	1.2944	$49,898
2017	Collision	$38,550	1.4452	$55,712
2020	Collision	$38,562	1.2250	$47,236
2020	Collision	$38,563	1.2250	$47,238
2019	Collision	$38,566	1.2944	$49,918
2022	Comprehensive	$38,584	1.0000	$38,584
2020	Collision	$38,584	1.2250	$47,264
2018	Collision	$38,584	1.2944	$49,942
2022	Collision	$38,593	1.0000	$38,593
2022	Collision	$38,596	1.0000	$38,596
2022	Collision	$38,600	1.0000	$38,600

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$38,600	1.4452	$55,784
2022	Collision	$38,605	1.0000	$38,605
2022	Collision	$38,615	1.0000	$38,615
2021	Collision	$38,616	1.1068	$42,739
2017	Comprehensive	$38,640	1.1756	$45,427
2022	Collision	$38,648	1.0000	$38,648
2017	Collision	$38,648	1.4452	$55,854
2019	Collision	$38,649	1.2944	$50,026
2021	Collision	$38,661	1.1068	$42,789
2021	Collision	$38,670	1.1068	$42,799
2017	Collision	$38,675	1.4452	$55,893
2020	Comprehensive	$38,687	1.0669	$41,274
2022	Collision	$38,695	1.0000	$38,695
2020	Comprehensive	$38,697	1.0669	$41,285
2021	Comprehensive	$38,700	1.0329	$39,973
2022	Collision	$38,725	1.0000	$38,725
2021	Collision	$38,742	1.1068	$42,879
2021	Collision	$38,756	1.1068	$42,894
2020	Collision	$38,760	1.2250	$47,479
2022	Comprehensive	$38,765	1.0000	$38,765
2018	Collision	$38,775	1.3677	$53,033
2019	Collision	$38,789	1.2944	$50,207
2019	Comprehensive	$38,793	1.1020	$42,748
2018	Collision	$38,800	1.3677	$53,067
2019	Comprehensive	$38,801	1.1020	$42,757
2022	Collision	$38,805	1.0000	$38,805
2020	Comprehensive	$38,807	1.0669	$41,402
2020	Comprehensive	$38,815	1.0669	$41,411
2019	Collision	$38,815	1.2250	$47,547
2022	Collision	$38,816	1.0000	$38,816
2018	Collision	$38,832	1.3677	$53,110
2020	Collision	$38,844	1.2250	$47,582
2022	Collision	$38,849	1.0000	$38,849
2019	Collision	$38,880	1.2944	$50,325
2019	Collision	$38,885	1.2944	$50,331
2021	Collision	$38,888	1.1068	$43,040
2019	Collision	$38,896	1.2944	$50,346
2021	Collision	$38,897	1.1068	$43,050
2020	Collision	$38,899	1.2250	$47,650
2018	Collision	$38,900	1.3677	$53,203
2021	Collision	$38,905	1.1068	$43,059

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$38,908	1.2250	$47,661
2017	Collision	$38,925	1.4452	$56,254
2020	Comprehensive	$38,935	1.0669	$41,539
2022	Collision	$38,937	1.0000	$38,937
2017	Collision	$38,938	1.4452	$56,273
2020	Collision	$38,947	1.2250	$47,708
2021	Comprehensive	$38,950	1.0329	$40,231
2018	Collision	$38,950	1.3677	$53,272
2020	Collision	$38,957	1.2250	$47,721
2021	Collision	$38,979	1.1068	$43,141
2019	Comprehensive	$38,992	1.1020	$42,968
2018	Collision	$38,999	1.2944	$50,479
2022	Collision	$39,000	1.0000	$39,000
2022	Collision	$39,000	1.0000	$39,000
2021	Collision	$39,000	1.1068	$43,164
2021	Collision	$39,000	1.1068	$43,164
2019	Collision	$39,000	1.2944	$50,480
2018	Collision	$39,000	1.3677	$53,340
2018	Collision	$39,000	1.3677	$53,340
2018	Collision	$39,000	1.3677	$53,340
2018	Collision	$39,000	1.3677	$53,340
2018	Collision	$39,000	1.3677	$53,340
2017	Collision	$39,000	1.4452	$56,362
2017	Collision	$39,000	1.4452	$56,362
2017	Collision	$39,000	1.4452	$56,362
2017	Collision	$39,000	1.4452	$56,362
2020	Comprehensive	$39,006	1.0669	$41,614
2021	Collision	$39,007	1.1068	$43,172
2017	Collision	$39,025	1.4452	$56,399
2021	Collision	$39,026	1.1068	$43,193
2022	Collision	$39,034	1.0000	$39,034
2021	Collision	$39,040	1.1068	$43,209
2021	Collision	$39,055	1.1068	$43,225
2022	Collision	$39,065	1.0000	$39,065
2020	Comprehensive	$39,066	1.0669	$41,678
2022	Collision	$39,075	1.0000	$39,075
2021	Collision	$39,075	1.1068	$43,247
2022	Collision	$39,081	1.0000	$39,081
2022	Comprehensive	$39,089	1.0000	$39,089
2021	Collision	$39,100	1.1068	$43,274
2018	Comprehensive	$39,100	1.1382	$44,504

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2018	Collision	$39,100	1.3677	$53,477
2017	Collision	$39,100	1.4452	$56,507
2021	Collision	$39,103	1.1068	$43,278
2022	Comprehensive	$39,105	1.0000	$39,105
2020	Collision	$39,107	1.2250	$47,904
2022	Collision	$39,120	1.0000	$39,120
2020	Collision	$39,120	1.2250	$47,920
2019	Collision	$39,125	1.2944	$50,642
2022	Collision	$39,126	1.0000	$39,126
2020	Comprehensive	$39,133	1.0669	$41,750
2018	Collision	$39,150	1.3677	$53,545
2018	Collision	$39,150	1.3677	$53,545
2019	Collision	$39,156	1.2944	$50,682
2022	Collision	$39,169	1.0000	$39,169
2022	Collision	$39,172	1.0000	$39,172
2022	Collision	$39,172	1.0000	$39,172
2021	Collision	$39,173	1.1068	$43,356
2022	Collision	$39,175	1.0000	$39,175
2019	Collision	$39,182	1.2944	$50,716
2020	Collision	$39,184	1.2250	$47,999
2020	Collision	$39,188	1.2250	$48,004
2021	Collision	$39,200	1.1068	$43,386
2019	Collision	$39,200	1.2944	$50,739
2018	Collision	$39,200	1.3677	$53,614
2018	Collision	$39,200	1.3677	$53,614
2017	Collision	$39,200	1.4452	$56,651
2022	Collision	$39,207	1.0000	$39,207
2018	Collision	$39,219	1.3677	$53,640
2022	Comprehensive	$39,220	1.0000	$39,220
2019	Collision	$39,243	1.2944	$50,795
2021	Collision	$39,248	1.1068	$43,439
2022	Collision	$39,252	1.0000	$39,252
2018	Collision	$39,260	1.3677	$53,696
2021	Collision	$39,276	1.1068	$43,470
2022	Collision	$39,278	1.0000	$39,278
2021	Collision	$39,280	1.1068	$43,474
2019	Comprehensive	$39,283	1.1020	$43,288
2019	Collision	$39,286	1.2944	$50,850
2017	Collision	$39,286	1.4452	$56,776
2022	Collision	$39,295	1.0000	$39,295
2019	Comprehensive	$39,298	1.1020	$43,305

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$39,300	1.2250	$48,141
2019	Collision	$39,300	1.2944	$50,868
2021	Collision	$39,305	1.1068	$43,502
2018	Collision	$39,322	1.2944	$50,897
2022	Collision	$39,323	1.0000	$39,323
2021	Collision	$39,328	1.1068	$43,527
2018	Collision	$39,338	1.3677	$53,803
2017	Collision	$39,343	1.4452	$56,858
2022	Collision	$39,346	1.0000	$39,346
2021	Collision	$39,346	1.1068	$43,547
2021	Collision	$39,358	1.1068	$43,561
2019	Comprehensive	$39,360	1.1020	$43,373
2022	Collision	$39,375	1.0000	$39,375
2019	Collision	$39,375	1.2944	$50,966
2019	Collision	$39,385	1.2944	$50,979
2021	Comprehensive	$39,390	1.0329	$40,686
2018	Collision	$39,400	1.3677	$53,887
2021	Comprehensive	$39,403	1.0329	$40,699
2018	Comprehensive	$39,425	1.1382	$44,874
2018	Collision	$39,425	1.3677	$53,922
2022	Collision	$39,432	1.0000	$39,432
2022	Collision	$39,434	1.0000	$39,434
2018	Collision	$39,435	1.3677	$53,935
2022	Collision	$39,438	1.0000	$39,438
2021	Collision	$39,439	1.1068	$43,650
2022	Collision	$39,439	1.0000	$39,439
2019	Collision	$39,445	1.2944	$51,056
2018	Collision	$39,450	1.3677	$53,956
2022	Collision	$39,467	1.0000	$39,467
2022	Collision	$39,467	1.0000	$39,467
2019	Collision	$39,475	1.2944	$51,095
2019	Comprehensive	$39,485	1.1020	$43,511
2022	Collision	$39,489	1.0000	$39,489
2020	Collision	$39,490	1.2250	$48,374
2021	Collision	$39,495	1.1068	$43,712
2022	Collision	$39,500	1.0000	$39,500
2022	Comprehensive	$39,500	1.0000	$39,500
2021	Collision	$39,500	1.1068	$43,718
2021	Collision	$39,500	1.1068	$43,718
2017	Collision	$39,500	1.4452	$57,085
2021	Collision	$39,500	1.1068	$43,718

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$39,500	1.0000	$39,500
2019	Collision	$39,525	1.2944	$51,160
2018	Comprehensive	$39,525	1.1382	$44,988
2017	Collision	$39,550	1.4452	$57,157
2017	Collision	$39,550	1.4452	$57,157
2020	Collision	$39,560	1.2250	$48,459
2022	Comprehensive	$39,581	1.0000	$39,581
2019	Comprehensive	$39,585	1.1020	$43,621
2021	Collision	$39,590	1.1068	$43,817
2021	Collision	$39,595	1.1068	$43,823
2022	Collision	$39,600	1.0000	$39,600
2020	Comprehensive	$39,600	1.0669	$42,248
2019	Collision	$39,600	1.2944	$51,257
2018	Comprehensive	$39,600	1.1382	$45,073
2020	Collision	$39,610	1.2250	$48,521
2022	Collision	$39,610	1.0000	$39,610
2019	Collision	$39,625	1.2944	$51,289
2019	Collision	$39,632	1.2944	$51,298
2021	Comprehensive	$39,650	1.0329	$40,954
2019	Collision	$39,656	1.2944	$51,329
2022	Comprehensive	$39,660	1.0000	$39,660
2022	Collision	$39,664	1.0000	$39,664
2021	Collision	$39,667	1.1068	$43,903
2022	Collision	$39,674	1.0000	$39,674
2021	Collision	$39,675	1.1068	$43,911
2020	Collision	$39,682	1.2250	$48,609
2020	Collision	$39,693	1.2250	$48,622
2018	Comprehensive	$39,700	1.1382	$45,187
2019	Collision	$39,705	1.2944	$51,393
2022	Collision	$39,730	1.0000	$39,730
2019	Collision	$39,743	1.2944	$51,442
2018	Collision	$39,750	1.3677	$54,366
2019	Comprehensive	$39,752	1.1020	$43,805
2022	Collision	$39,756	1.0000	$39,756
2022	Collision	$39,770	1.0000	$39,770
2021	Collision	$39,785	1.1068	$44,033
2021	Collision	$39,793	1.1068	$44,042
2018	Comprehensive	$39,800	1.1382	$45,301
2021	Collision	$39,809	1.1068	$44,060
2022	Collision	$39,812	1.0000	$39,812
2021	Collision	$39,815	1.1068	$44,066

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$39,817	1.0000	$39,817
2021	Comprehensive	$39,817	1.0329	$41,127
2022	Collision	$39,820	1.0000	$39,820
2020	Collision	$39,820	1.2250	$48,778
2017	Collision	$39,825	1.3677	$54,469
2022	Collision	$39,827	1.0000	$39,827
2022	Collision	$39,850	1.0000	$39,850
2021	Collision	$39,856	1.1068	$44,112
2021	Collision	$39,860	1.1068	$44,116
2020	Collision	$39,876	1.2250	$48,846
2021	Collision	$39,879	1.1068	$44,137
2021	Comprehensive	$39,880	1.0329	$41,191
2022	Comprehensive	$39,880	1.0000	$39,880
2018	Collision	$39,884	1.3677	$54,549
2021	Collision	$39,900	1.1068	$44,160
2022	Collision	$39,911	1.0000	$39,911
2022	Collision	$39,924	1.0000	$39,924
2019	Comprehensive	$39,938	1.1020	$44,010
2021	Collision	$39,940	1.1068	$44,205
2020	Collision	$39,947	1.2250	$48,933
2018	Comprehensive	$39,955	1.1382	$45,477
2019	Collision	$39,965	1.2944	$51,729
2020	Comprehensive	$39,983	1.0669	$42,657
2017	Comprehensive	$39,988	1.1756	$47,012
2022	Collision	$39,990	1.0000	$39,990
2022	Collision	$40,000	1.0000	$40,000
2022	Collision	$40,000	1.0000	$40,000
2022	Collision	$40,000	1.0000	$40,000
2021	Collision	$40,000	1.1068	$44,271
2022	Comprehensive	$40,000	1.0000	$40,000
2020	Comprehensive	$40,000	1.0669	$42,675
2020	Collision	$40,000	1.2250	$48,998
2019	Collision	$40,000	1.2250	$48,998
2019	Comprehensive	$40,000	1.1020	$44,078
2018	Collision	$40,000	1.3677	$54,708
2017	Collision	$40,000	1.4452	$57,808
2017	Collision	$40,000	1.4452	$57,808
2017	Collision	$40,000	1.4452	$57,808
2017	Comprehensive	$40,000	1.1756	$47,026
2017	Comprehensive	$40,000	1.1756	$47,026
2017	Collision	$40,000	1.4452	$57,808

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$40,000	1.4452	$57,808
2017	Collision	$40,000	1.4452	$57,808
2019	Collision	$40,000	1.2944	$51,775
2022	Collision	$40,002	1.0000	$40,002
2021	Comprehensive	$40,009	1.0329	$41,325
2019	Collision	$40,015	1.2944	$51,794
2019	Collision	$40,034	1.2944	$51,818
2022	Collision	$40,039	1.0000	$40,039
2022	Collision	$40,047	1.0000	$40,047
2018	Collision	$40,050	1.3677	$54,776
2021	Collision	$40,053	1.1068	$44,330
2017	Comprehensive	$40,070	1.1756	$47,108
2019	Collision	$40,081	1.2944	$51,879
2022	Comprehensive	$40,083	1.0000	$40,083
2020	Collision	$40,087	1.2250	$49,105
2020	Comprehensive	$40,094	1.0669	$42,775
2021	Collision	$40,097	1.1068	$44,378
2021	Collision	$40,100	1.1068	$44,382
2019	Comprehensive	$40,100	1.1020	$44,189
2018	Collision	$40,100	1.2944	$51,904
2021	Collision	$40,100	1.1068	$44,382
2022	Collision	$40,104	1.0000	$40,104
2022	Collision	$40,118	1.0000	$40,118
2021	Collision	$40,122	1.1068	$44,406
2018	Collision	$40,125	1.3677	$54,879
2017	Comprehensive	$40,125	1.1756	$47,173
2019	Collision	$40,131	1.2944	$51,944
2022	Comprehensive	$40,137	1.0000	$40,137
2022	Collision	$40,148	1.0000	$40,148
2022	Comprehensive	$40,150	1.0000	$40,150
2017	Collision	$40,150	1.4452	$58,024
2022	Collision	$40,155	1.0000	$40,155
2018	Collision	$40,160	1.3677	$54,927
2020	Collision	$40,174	1.2250	$49,212
2021	Comprehensive	$40,180	1.0329	$41,502
2022	Comprehensive	$40,186	1.0000	$40,186
2022	Comprehensive	$40,187	1.0000	$40,187
2020	Collision	$40,200	1.2250	$49,243
2017	Comprehensive	$40,200	1.1756	$47,261
2020	Comprehensive	$40,211	1.0669	$42,900
2020	Collision	$40,230	1.2250	$49,280

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$40,237	1.0000	$40,237
2022	Collision	$40,245	1.0000	$40,245
2022	Collision	$40,268	1.0000	$40,268
2021	Collision	$40,295	1.1068	$44,598
2018	Collision	$40,300	1.3677	$55,118
2018	Collision	$40,300	1.3677	$55,118
2022	Collision	$40,310	1.0000	$40,310
2018	Collision	$40,321	1.3677	$55,147
2020	Comprehensive	$40,333	1.0669	$43,030
2022	Collision	$40,334	1.0000	$40,334
2022	Collision	$40,337	1.0000	$40,337
2020	Collision	$40,342	1.2250	$49,417
2020	Comprehensive	$40,345	1.0669	$43,043
2021	Collision	$40,351	1.1068	$44,660
2021	Collision	$40,354	1.1068	$44,663
2018	Comprehensive	$40,360	1.1382	$45,938
2017	Collision	$40,375	1.4452	$58,350
2017	Collision	$40,375	1.4452	$58,350
2022	Collision	$40,380	1.0000	$40,380
2018	Collision	$40,380	1.3677	$55,228
2017	Comprehensive	$40,380	1.1756	$47,473
2021	Collision	$40,385	1.1068	$44,697
2022	Collision	$40,390	1.0000	$40,390
2017	Collision	$40,398	1.4452	$58,383
2019	Comprehensive	$40,413	1.1020	$44,534
2019	Collision	$40,424	1.2944	$52,323
2019	Collision	$40,430	1.2944	$52,331
2022	Comprehensive	$40,434	1.0000	$40,434
2022	Collision	$40,450	1.0000	$40,450
2022	Comprehensive	$40,464	1.0000	$40,464
2022	Collision	$40,469	1.0000	$40,469
2017	Collision	$40,475	1.4452	$58,494
2021	Collision	$40,490	1.1068	$44,813
2018	Collision	$40,490	1.2944	$52,409
2022	Collision	$40,491	1.0000	$40,491
2019	Collision	$40,500	1.2944	$52,422
2018	Comprehensive	$40,500	1.1382	$46,097
2017	Comprehensive	$40,500	1.1382	$46,097
2017	Comprehensive	$40,500	1.1756	$47,614
2022	Collision	$40,500	1.0000	$40,500
2022	Collision	$40,517	1.0000	$40,517

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$40,522	1.0000	$40,522
2017	Collision	$40,531	1.4452	$58,575
2019	Collision	$40,536	1.2250	$49,655
2020	Collision	$40,550	1.2250	$49,672
2021	Collision	$40,558	1.1068	$44,889
2020	Collision	$40,565	1.2250	$49,690
2020	Collision	$40,566	1.2250	$49,692
2022	Collision	$40,574	1.0000	$40,574
2017	Collision	$40,575	1.4452	$58,639
2021	Collision	$40,584	1.1068	$44,917
2020	Collision	$40,590	1.2250	$49,721
2022	Collision	$40,595	1.0000	$40,595
2022	Collision	$40,597	1.0000	$40,597
2021	Collision	$40,598	1.1068	$44,933
2018	Comprehensive	$40,600	1.1382	$46,211
2018	Comprehensive	$40,624	1.1382	$46,239
2022	Collision	$40,645	1.0000	$40,645
2020	Collision	$40,650	1.2250	$49,795
2022	Comprehensive	$40,666	1.0000	$40,666
2022	Comprehensive	$40,673	1.0000	$40,673
2017	Collision	$40,675	1.4452	$58,783
2019	Collision	$40,682	1.2944	$52,657
2022	Collision	$40,688	1.0000	$40,688
2017	Collision	$40,695	1.4452	$58,812
2021	Collision	$40,698	1.1068	$45,044
2018	Collision	$40,700	1.3677	$55,665
2019	Comprehensive	$40,702	1.1020	$44,852
2021	Collision	$40,710	1.1068	$45,057
2020	Collision	$40,711	1.2250	$49,869
2022	Comprehensive	$40,716	1.0000	$40,716
2018	Comprehensive	$40,725	1.1382	$46,354
2020	Collision	$40,726	1.2250	$49,888
2017	Comprehensive	$40,741	1.1756	$47,897
2020	Collision	$40,753	1.2250	$49,921
2021	Collision	$40,756	1.1068	$45,108
2021	Collision	$40,768	1.1068	$45,121
2022	Comprehensive	$40,772	1.0000	$40,772
2021	Comprehensive	$40,777	1.0329	$42,118
2020	Collision	$40,780	1.2250	$49,954
2017	Collision	$40,792	1.4452	$58,952
2019	Collision	$40,794	1.2944	$52,802

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$40,800	1.1068	$45,157
2021	Collision	$40,804	1.1068	$45,161
2019	Comprehensive	$40,806	1.1020	$44,967
2022	Collision	$40,810	1.0000	$40,810
2020	Comprehensive	$40,825	1.0669	$43,555
2022	Collision	$40,830	1.0000	$40,830
2021	Collision	$40,830	1.1068	$45,190
2020	Collision	$40,833	1.2250	$50,019
2021	Comprehensive	$40,845	1.0329	$42,189
2018	Collision	$40,850	1.3677	$55,870
2017	Collision	$40,850	1.4452	$59,036
2019	Collision	$40,860	1.2944	$52,888
2021	Collision	$40,865	1.1068	$45,228
2017	Collision	$40,870	1.4452	$59,065
2022	Collision	$40,871	1.0000	$40,871
2019	Collision	$40,892	1.2944	$52,929
2021	Collision	$40,899	1.1068	$45,266
2022	Collision	$40,901	1.0000	$40,901
2021	Collision	$40,910	1.1068	$45,278
2021	Collision	$40,932	1.1068	$45,303
2017	Collision	$40,933	1.4452	$59,156
2020	Collision	$40,935	1.2250	$50,144
2019	Collision	$40,940	1.2944	$52,991
2020	Comprehensive	$40,956	1.0669	$43,695
2022	Collision	$40,975	1.0000	$40,975
2021	Collision	$40,988	1.1068	$45,365
2022	Collision	$40,990	1.0000	$40,990
2022	Comprehensive	$40,993	1.0000	$40,993
2022	Collision	$41,000	1.0000	$41,000
2021	Collision	$41,000	1.1068	$45,378
2021	Collision	$41,000	1.1068	$45,378
2021	Collision	$41,000	1.1068	$45,378
2021	Collision	$41,000	1.1068	$45,378
2020	Collision	$41,000	1.2250	$50,223
2020	Collision	$41,000	1.2250	$50,223
2019	Collision	$41,000	1.2944	$53,069
2018	Collision	$41,000	1.3677	$56,076
2017	Collision	$41,000	1.4452	$59,253
2017	Collision	$41,000	1.4452	$59,253
2017	Comprehensive	$41,000	1.1756	$48,202
2017	Collision	$41,000	1.4452	$59,253

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$41,000	1.4452	$59,253
2022	Comprehensive	$41,003	1.0000	$41,003
2021	Collision	$41,010	1.1068	$45,389
2020	Collision	$41,021	1.2250	$50,249
2022	Collision	$41,022	1.0000	$41,022
2019	Comprehensive	$41,030	1.1020	$45,213
2022	Collision	$41,040	1.0000	$41,040
2021	Collision	$41,056	1.1068	$45,440
2022	Collision	$41,058	1.0000	$41,058
2020	Collision	$41,060	1.2250	$50,297
2021	Collision	$41,069	1.1068	$45,454
2021	Collision	$41,075	1.1068	$45,461
2022	Collision	$41,085	1.0000	$41,085
2021	Collision	$41,100	1.1068	$45,489
2018	Collision	$41,100	1.3677	$56,212
2022	Collision	$41,130	1.0000	$41,130
2020	Collision	$41,139	1.2250	$50,394
2019	Collision	$41,150	1.2944	$53,263
2017	Collision	$41,158	1.4452	$59,481
2020	Comprehensive	$41,161	1.0669	$43,913
2022	Comprehensive	$41,176	1.0000	$41,176
2021	Comprehensive	$41,187	1.0329	$42,542
2020	Collision	$41,200	1.2250	$50,468
2019	Collision	$41,200	1.2944	$53,328
2017	Collision	$41,200	1.4452	$59,542
2021	Collision	$41,200	1.1068	$45,599
2022	Collision	$41,204	1.0000	$41,204
2022	Collision	$41,220	1.0000	$41,220
2019	Collision	$41,238	1.2944	$53,377
2018	Collision	$41,245	1.3677	$56,411
2022	Collision	$41,247	1.0000	$41,247
2019	Collision	$41,250	1.2944	$53,392
2017	Collision	$41,250	1.3677	$56,418
2022	Collision	$41,255	1.0000	$41,255
2020	Collision	$41,262	1.2250	$50,544
2021	Collision	$41,264	1.1068	$45,670
2021	Collision	$41,265	1.1068	$45,671
2018	Collision	$41,265	1.3677	$56,438
2022	Collision	$41,266	1.0000	$41,266
2019	Collision	$41,269	1.2944	$53,417
2022	Comprehensive	$41,273	1.0000	$41,273

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$41,274	1.2250	$50,559
2020	Collision	$41,275	1.2250	$50,560
2022	Collision	$41,291	1.0000	$41,291
2019	Collision	$41,297	1.2944	$53,453
2018	Collision	$41,299	1.3677	$56,485
2020	Collision	$41,300	1.2250	$50,591
2018	Collision	$41,300	1.3677	$56,486
2017	Collision	$41,300	1.4452	$59,686
2020	Comprehensive	$41,309	1.0669	$44,071
2020	Collision	$41,330	1.2250	$50,628
2019	Collision	$41,332	1.2944	$53,499
2022	Collision	$41,340	1.0000	$41,340
2020	Collision	$41,346	1.2250	$50,647
2018	Comprehensive	$41,350	1.1382	$47,065
2017	Collision	$41,350	1.4452	$59,759
2017	Collision	$41,350	1.4452	$59,759
2021	Comprehensive	$41,353	1.0329	$42,713
2021	Collision	$41,357	1.1068	$45,773
2022	Collision	$41,361	1.0000	$41,361
2020	Collision	$41,370	1.2250	$50,677
2021	Collision	$41,375	1.1068	$45,793
2021	Collision	$41,375	1.1068	$45,793
2019	Collision	$41,375	1.2944	$53,554
2021	Collision	$41,389	1.1068	$45,808
2022	Comprehensive	$41,394	1.0000	$41,394
2021	Collision	$41,394	1.1068	$45,814
2021	Collision	$41,400	1.1068	$45,821
2020	Collision	$41,400	1.2250	$50,713
2017	Collision	$41,400	1.4452	$59,831
2020	Collision	$41,406	1.2250	$50,721
2022	Collision	$41,414	1.0000	$41,414
2019	Collision	$41,417	1.2944	$53,609
2021	Collision	$41,431	1.1068	$45,855
2020	Collision	$41,441	1.2250	$50,764
2018	Collision	$41,450	1.2944	$53,651
2021	Collision	$41,466	1.1068	$45,894
2021	Comprehensive	$41,471	1.0329	$42,835
2022	Comprehensive	$41,472	1.0000	$41,472
2021	Comprehensive	$41,482	1.0329	$42,846
2022	Comprehensive	$41,488	1.0000	$41,488
2020	Collision	$41,491	1.2250	$50,825

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$41,500	1.1068	$45,931
2017	Collision	$41,500	1.4452	$59,975
2021	Collision	$41,500	1.1068	$45,931
2019	Comprehensive	$41,510	1.1020	$45,742
2022	Comprehensive	$41,511	1.0000	$41,511
2017	Collision	$41,515	1.4452	$59,997
2021	Collision	$41,532	1.1068	$45,967
2022	Collision	$41,540	1.0000	$41,540
2021	Collision	$41,558	1.1068	$45,996
2021	Collision	$41,572	1.1068	$46,011
2020	Collision	$41,582	1.2250	$50,936
2022	Collision	$41,595	1.0000	$41,595
2020	Comprehensive	$41,604	1.0669	$44,386
2022	Collision	$41,605	1.0000	$41,605
2022	Collision	$41,615	1.0000	$41,615
2017	Collision	$41,619	1.4452	$60,147
2019	Collision	$41,642	1.2250	$51,010
2020	Collision	$41,650	1.2250	$51,020
2019	Collision	$41,652	1.2944	$53,913
2022	Collision	$41,660	1.0000	$41,660
2017	Comprehensive	$41,666	1.1756	$48,984
2022	Collision	$41,692	1.0000	$41,692
2017	Collision	$41,695	1.4452	$60,257
2022	Collision	$41,699	1.0000	$41,699
2021	Collision	$41,700	1.1068	$46,153
2019	Collision	$41,702	1.2944	$53,978
2019	Collision	$41,715	1.2944	$53,994
2022	Collision	$41,731	1.0000	$41,731
2022	Collision	$41,731	1.0000	$41,731
2021	Comprehensive	$41,750	1.0329	$43,123
2021	Collision	$41,773	1.1068	$46,233
2018	Collision	$41,782	1.3677	$57,145
2017	Collision	$41,790	1.4452	$60,394
2017	Collision	$41,800	1.4452	$60,409
2021	Comprehensive	$41,808	1.0329	$43,183
2021	Collision	$41,821	1.1068	$46,287
2022	Collision	$41,848	1.0000	$41,848
2018	Comprehensive	$41,850	1.1382	$47,634
2022	Collision	$41,856	1.0000	$41,856
2022	Comprehensive	$41,858	1.0000	$41,858
2020	Collision	$41,864	1.2250	$51,282

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$41,869	1.2944	$54,194
2017	Collision	$41,889	1.4452	$60,538
2022	Collision	$41,895	1.0000	$41,895
2019	Collision	$41,902	1.2944	$54,236
2019	Comprehensive	$41,903	1.1020	$46,176
2019	Collision	$41,907	1.2944	$54,243
2022	Collision	$41,910	1.0000	$41,910
2017	Collision	$41,912	1.4452	$60,571
2019	Collision	$41,913	1.2944	$54,251
2022	Collision	$41,915	1.0000	$41,915
2019	Collision	$41,922	1.2944	$54,262
2021	Collision	$41,954	1.1068	$46,434
2018	Comprehensive	$41,965	1.1382	$47,765
2017	Collision	$41,970	1.4452	$60,655
2018	Collision	$41,972	1.3677	$57,405
2020	Comprehensive	$41,985	1.0669	$44,792
2019	Comprehensive	$41,990	1.1020	$46,271
2021	Collision	$42,000	1.1068	$46,485
2022	Collision	$42,000	1.0000	$42,000
2020	Collision	$42,000	1.2250	$51,448
2020	Collision	$42,000	1.2250	$51,448
2018	Collision	$42,000	1.3677	$57,443
2017	Comprehensive	$42,000	1.1756	$49,377
2017	Collision	$42,000	1.4452	$60,698
2017	Collision	$42,000	1.4452	$60,698
2017	Comprehensive	$42,000	1.1756	$49,377
2018	Collision	$42,032	1.3677	$57,487
2020	Collision	$42,033	1.2250	$51,489
2019	Collision	$42,039	1.2944	$54,414
2022	Collision	$42,048	1.0000	$42,048
2019	Comprehensive	$42,050	1.1020	$46,337
2022	Collision	$42,073	1.0000	$42,073
2019	Collision	$42,079	1.2944	$54,465
2019	Comprehensive	$42,091	1.1020	$46,382
2022	Collision	$42,100	1.0000	$42,100
2018	Collision	$42,100	1.3677	$57,580
2017	Collision	$42,100	1.4452	$60,843
2021	Collision	$42,103	1.1068	$46,599
2022	Comprehensive	$42,105	1.0000	$42,105
2021	Collision	$42,107	1.1068	$46,603
2018	Comprehensive	$42,108	1.1382	$47,927

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$42,113	1.1068	$46,610
2019	Collision	$42,114	1.2944	$54,511
2019	Collision	$42,125	1.2944	$54,525
2022	Collision	$42,127	1.0000	$42,127
2020	Collision	$42,150	1.2250	$51,632
2018	Collision	$42,150	1.3677	$57,649
2022	Collision	$42,157	1.0000	$42,157
2021	Collision	$42,186	1.1068	$46,691
2020	Collision	$42,198	1.2250	$51,691
2022	Collision	$42,200	1.0000	$42,200
2018	Collision	$42,224	1.3677	$57,750
2022	Collision	$42,228	1.0000	$42,228
2022	Collision	$42,233	1.0000	$42,233
2022	Comprehensive	$42,239	1.0000	$42,239
2022	Comprehensive	$42,247	1.0000	$42,247
2018	Comprehensive	$42,250	1.1382	$48,089
2017	Collision	$42,250	1.4452	$61,059
2019	Collision	$42,266	1.2944	$54,708
2017	Collision	$42,275	1.4452	$61,095
2021	Collision	$42,280	1.1068	$46,795
2019	Collision	$42,285	1.2944	$54,732
2022	Collision	$42,294	1.0000	$42,294
2017	Collision	$42,294	1.4452	$61,123
2021	Collision	$42,300	1.1068	$46,817
2020	Collision	$42,300	1.2250	$51,816
2018	Comprehensive	$42,300	1.1382	$48,146
2017	Comprehensive	$42,300	1.1756	$49,730
2021	Comprehensive	$42,323	1.0329	$43,715
2022	Collision	$42,325	1.0000	$42,325
2018	Comprehensive	$42,325	1.1382	$48,175
2020	Collision	$42,336	1.2250	$51,860
2022	Collision	$42,339	1.0000	$42,339
2017	Collision	$42,350	1.4452	$61,204
2019	Comprehensive	$42,355	1.1020	$46,674
2019	Collision	$42,362	1.2944	$54,832
2020	Collision	$42,370	1.2250	$51,901
2021	Comprehensive	$42,372	1.0329	$43,766
2020	Collision	$42,373	1.2250	$51,905
2022	Collision	$42,383	1.0000	$42,383
2019	Collision	$42,400	1.2944	$54,881
2019	Comprehensive	$42,411	1.1020	$46,735

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$42,424	1.1068	$46,954
2021	Collision	$42,425	1.1068	$46,955
2020	Collision	$42,456	1.2250	$52,007
2022	Collision	$42,462	1.0000	$42,462
2019	Collision	$42,462	1.2944	$54,961
2022	Collision	$42,474	1.0000	$42,474
2022	Collision	$42,475	1.0000	$42,475
2021	Collision	$42,484	1.1068	$47,020
2021	Collision	$42,486	1.1068	$47,023
2021	Comprehensive	$42,500	1.0329	$43,898
2021	Collision	$42,500	1.1068	$47,038
2021	Comprehensive	$42,500	1.0329	$43,898
2018	Collision	$42,500	1.3677	$58,127
2018	Collision	$42,500	1.3677	$58,127
2020	Collision	$42,508	1.2250	$52,070
2022	Comprehensive	$42,520	1.0000	$42,520
2019	Collision	$42,528	1.2944	$55,047
2019	Collision	$42,530	1.2944	$55,049
2021	Collision	$42,538	1.1068	$47,080
2021	Collision	$42,560	1.1068	$47,104
2022	Collision	$42,561	1.0000	$42,561
2021	Collision	$42,580	1.1068	$47,127
2018	Collision	$42,600	1.3677	$58,264
2017	Collision	$42,600	1.4452	$61,565
2018	Collision	$42,604	1.3677	$58,269
2021	Collision	$42,610	1.1068	$47,160
2021	Collision	$42,614	1.1068	$47,164
2019	Collision	$42,620	1.2944	$55,166
2021	Comprehensive	$42,629	1.0329	$44,031
2020	Collision	$42,634	1.2250	$52,225
2021	Collision	$42,640	1.1068	$47,193
2021	Collision	$42,649	1.1068	$47,203
2018	Collision	$42,650	1.3677	$58,332
2017	Collision	$42,650	1.4452	$61,637
2021	Collision	$42,675	1.1068	$47,232
2021	Collision	$42,678	1.1068	$47,235
2021	Collision	$42,689	1.1068	$47,247
2022	Collision	$42,700	1.0000	$42,700
2021	Collision	$42,712	1.1068	$47,272
2022	Collision	$42,751	1.0000	$42,751
2022	Comprehensive	$42,760	1.0000	$42,760

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$42,771	1.4452	$61,812
2021	Collision	$42,771	1.1068	$47,338
2019	Collision	$42,773	1.2944	$55,364
2021	Collision	$42,777	1.1068	$47,345
2021	Collision	$42,798	1.1068	$47,368
2018	Collision	$42,800	1.3677	$58,538
2021	Collision	$42,840	1.1068	$47,414
2019	Comprehensive	$42,850	1.1020	$47,219
2021	Collision	$42,857	1.1068	$47,433
2022	Collision	$42,866	1.0000	$42,866
2018	Collision	$42,874	1.3677	$58,639
2018	Collision	$42,882	1.3677	$58,650
2020	Collision	$42,900	1.2250	$52,551
2018	Collision	$42,900	1.3677	$58,674
2022	Collision	$42,907	1.0000	$42,907
2022	Collision	$42,911	1.0000	$42,911
2020	Collision	$42,926	1.2250	$52,583
2019	Collision	$42,940	1.2944	$55,580
2020	Collision	$42,941	1.2250	$52,601
2019	Comprehensive	$42,956	1.0669	$45,828
2021	Comprehensive	$42,966	1.0329	$44,379
2019	Comprehensive	$42,975	1.1020	$47,357
2022	Collision	$42,985	1.0000	$42,985
2019	Comprehensive	$42,992	1.1020	$47,375
2022	Collision	$43,000	1.0000	$43,000
2022	Collision	$43,000	1.0000	$43,000
2021	Collision	$43,000	1.1068	$47,591
2021	Collision	$43,000	1.1068	$47,591
2021	Collision	$43,000	1.1068	$47,591
2018	Collision	$43,000	1.3677	$58,811
2017	Collision	$43,000	1.4452	$62,143
2017	Collision	$43,000	1.4452	$62,143
2017	Collision	$43,000	1.4452	$62,143
2018	Collision	$43,000	1.3677	$58,811
2019	Comprehensive	$43,001	1.1020	$47,385
2018	Collision	$43,020	1.3677	$58,838
2021	Collision	$43,061	1.1068	$47,659
2021	Collision	$43,065	1.1068	$47,663
2021	Collision	$43,070	1.1068	$47,669
2021	Collision	$43,071	1.1068	$47,670
2022	Collision	$43,076	1.0000	$43,076

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Comprehensive	$43,083	1.0329	$44,500
2022	Comprehensive	$43,085	1.0000	$43,085
2021	Collision	$43,092	1.1068	$47,693
2022	Comprehensive	$43,100	1.0000	$43,100
2019	Collision	$43,100	1.2944	$55,787
2017	Collision	$43,100	1.4452	$62,288
2018	Collision	$43,100	1.3677	$58,948
2019	Collision	$43,106	1.2944	$55,795
2022	Collision	$43,120	1.0000	$43,120
2022	Collision	$43,124	1.0000	$43,124
2021	Collision	$43,136	1.1068	$47,742
2022	Collision	$43,146	1.0000	$43,146
2021	Collision	$43,160	1.1068	$47,769
2022	Comprehensive	$43,173	1.0000	$43,173
2020	Collision	$43,180	1.2250	$52,894
2022	Collision	$43,200	1.0000	$43,200
2017	Collision	$43,200	1.4452	$62,432
2017	Collision	$43,200	1.4452	$62,432
2022	Collision	$43,201	1.0000	$43,201
2020	Collision	$43,207	1.2250	$52,927
2022	Comprehensive	$43,211	1.0000	$43,211
2019	Collision	$43,217	1.2944	$55,938
2017	Collision	$43,222	1.4452	$62,464
2021	Collision	$43,250	1.1068	$47,868
2021	Collision	$43,250	1.1068	$47,868
2020	Comprehensive	$43,253	1.0669	$46,145
2021	Collision	$43,265	1.1068	$47,885
2020	Collision	$43,268	1.2250	$53,002
2022	Collision	$43,271	1.0000	$43,271
2022	Collision	$43,281	1.0000	$43,281
2022	Comprehensive	$43,296	1.0000	$43,296
2018	Collision	$43,301	1.3677	$59,222
2019	Collision	$43,303	1.2944	$56,050
2019	Collision	$43,306	1.2944	$56,054
2017	Collision	$43,316	1.4452	$62,600
2021	Collision	$43,336	1.1068	$47,963
2022	Collision	$43,353	1.0000	$43,353
2017	Collision	$43,354	1.4452	$62,655
2022	Comprehensive	$43,355	1.0000	$43,355
2021	Collision	$43,359	1.1068	$47,989
2020	Comprehensive	$43,360	1.0669	$46,259

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Comprehensive	$43,362	1.1756	$50,978
2017	Collision	$43,374	1.4452	$62,683
2022	Collision	$43,376	1.0000	$43,376
2021	Collision	$43,379	1.1068	$48,011
2022	Collision	$43,384	1.0000	$43,384
2017	Collision	$43,400	1.4452	$62,721
2022	Collision	$43,402	1.0000	$43,402
2021	Collision	$43,446	1.1068	$48,086
2022	Comprehensive	$43,450	1.0000	$43,450
2020	Collision	$43,450	1.2250	$53,224
2017	Collision	$43,450	1.4452	$62,794
2021	Collision	$43,451	1.1068	$48,091
2020	Collision	$43,456	1.2250	$53,232
2022	Collision	$43,464	1.0000	$43,464
2021	Collision	$43,465	1.1068	$48,106
2019	Collision	$43,467	1.2944	$56,262
2021	Collision	$43,472	1.1068	$48,114
2022	Comprehensive	$43,478	1.0000	$43,478
2020	Collision	$43,500	1.2250	$53,286
2019	Collision	$43,500	1.2944	$56,305
2018	Comprehensive	$43,500	1.1020	$47,935
2018	Comprehensive	$43,500	1.1382	$49,512
2017	Collision	$43,500	1.4452	$62,866
2017	Collision	$43,500	1.4452	$62,866
2019	Collision	$43,500	1.2944	$56,305
2020	Collision	$43,513	1.2250	$53,302
2018	Collision	$43,525	1.3677	$59,529
2022	Comprehensive	$43,536	1.0000	$43,536
2022	Collision	$43,546	1.0000	$43,546
2018	Collision	$43,550	1.3677	$59,563
2018	Collision	$43,550	1.3677	$59,563
2017	Collision	$43,556	1.4452	$62,947
2021	Collision	$43,559	1.1068	$48,210
2022	Collision	$43,565	1.0000	$43,565
2019	Collision	$43,567	1.2944	$56,391
2021	Collision	$43,568	1.1068	$48,220
2021	Comprehensive	$43,582	1.0329	$45,016
2020	Collision	$43,586	1.2250	$53,391
2021	Collision	$43,588	1.1068	$48,242
2020	Collision	$43,592	1.2250	$53,398
2017	Collision	$43,600	1.4452	$63,010

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$43,608	1.1068	$48,264
2020	Comprehensive	$43,614	1.0669	$46,530
2022	Comprehensive	$43,621	1.0000	$43,621
2021	Collision	$43,623	1.1068	$48,281
2022	Collision	$43,642	1.0000	$43,642
2022	Comprehensive	$43,664	1.0000	$43,664
2022	Collision	$43,690	1.0000	$43,690
2021	Collision	$43,692	1.1068	$48,357
2022	Collision	$43,700	1.0000	$43,700
2018	Collision	$43,700	1.3677	$59,768
2017	Collision	$43,700	1.4452	$63,155
2019	Comprehensive	$43,725	1.1020	$48,183
2019	Collision	$43,728	1.2944	$56,600
2022	Collision	$43,732	1.0000	$43,732
2021	Collision	$43,733	1.1068	$48,403
2022	Comprehensive	$43,750	1.0000	$43,750
2018	Collision	$43,750	1.2944	$56,628
2017	Collision	$43,750	1.4452	$63,227
2017	Collision	$43,750	1.4452	$63,227
2018	Collision	$43,755	1.3677	$59,844
2019	Collision	$43,758	1.2944	$56,639
2019	Collision	$43,770	1.2944	$56,654
2022	Collision	$43,775	1.0000	$43,775
2020	Comprehensive	$43,775	1.0669	$46,702
2021	Collision	$43,800	1.1068	$48,477
2018	Comprehensive	$43,800	1.1382	$49,854
2020	Collision	$43,806	1.2250	$53,661
2021	Collision	$43,817	1.1068	$48,496
2021	Collision	$43,850	1.1068	$48,532
2018	Comprehensive	$43,850	1.1382	$49,910
2022	Collision	$43,885	1.0000	$43,885
2019	Collision	$43,885	1.2944	$56,803
2021	Collision	$43,907	1.1068	$48,595
2021	Collision	$43,945	1.1068	$48,637
2022	Collision	$43,967	1.0000	$43,967
2022	Collision	$43,979	1.0000	$43,979
2022	Collision	$43,987	1.0000	$43,987
2022	Collision	$43,995	1.0000	$43,995
2022	Collision	$44,000	1.0000	$44,000
2021	Collision	$44,000	1.1068	$48,698
2021	Comprehensive	$44,000	1.0329	$45,447

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Comprehensive	$44,000	1.0329	$45,447
2019	Collision	$44,000	1.2944	$56,952
2019	Collision	$44,000	1.2944	$56,952
2018	Comprehensive	$44,000	1.1382	$50,081
2018	Comprehensive	$44,000	1.1382	$50,081
2018	Collision	$44,000	1.3677	$60,179
2017	Collision	$44,000	1.3677	$60,179
2017	Collision	$44,000	1.4452	$63,588
2021	Collision	$44,000	1.1068	$48,698
2021	Collision	$44,009	1.1068	$48,708
2021	Collision	$44,035	1.1068	$48,737
2019	Collision	$44,044	1.2944	$57,009
2017	Collision	$44,050	1.4452	$63,661
2021	Collision	$44,052	1.1068	$48,756
2022	Collision	$44,100	1.0000	$44,100
2019	Comprehensive	$44,100	1.1020	$48,597
2018	Comprehensive	$44,100	1.1382	$50,195
2022	Comprehensive	$44,101	1.0000	$44,101
2022	Comprehensive	$44,119	1.0000	$44,119
2021	Collision	$44,125	1.1068	$48,837
2022	Collision	$44,138	1.0000	$44,138
2022	Comprehensive	$44,147	1.0000	$44,147
2020	Comprehensive	$44,150	1.0669	$47,102
2018	Collision	$44,150	1.3677	$60,384
2021	Comprehensive	$44,180	1.0329	$45,633
2021	Collision	$44,187	1.1068	$48,905
2021	Comprehensive	$44,200	1.0329	$45,654
2019	Comprehensive	$44,200	1.1020	$48,707
2020	Comprehensive	$44,232	1.0669	$47,190
2020	Comprehensive	$44,244	1.0669	$47,203
2017	Collision	$44,245	1.4452	$63,942
2018	Comprehensive	$44,248	1.1020	$48,759
2018	Collision	$44,248	1.3677	$60,518
2017	Comprehensive	$44,248	1.1756	$52,020
2017	Collision	$44,248	1.4452	$63,946
2022	Comprehensive	$44,278	1.0000	$44,278
2022	Collision	$44,298	1.0000	$44,298
2022	Collision	$44,299	1.0000	$44,299
2022	Collision	$44,300	1.0000	$44,300
2019	Collision	$44,306	1.2944	$57,348
2022	Collision	$44,335	1.0000	$44,335

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$44,338	1.0000	$44,338
2020	Comprehensive	$44,370	1.0669	$47,337
2018	Comprehensive	$44,382	1.1382	$50,516
2018	Collision	$44,400	1.3677	$60,726
2018	Comprehensive	$44,400	1.1382	$50,536
2018	Collision	$44,425	1.3677	$60,760
2019	Collision	$44,432	1.2944	$57,511
2021	Collision	$44,446	1.1068	$49,192
2022	Comprehensive	$44,455	1.0000	$44,455
2020	Comprehensive	$44,500	1.0669	$47,476
2020	Collision	$44,500	1.2250	$54,511
2018	Collision	$44,500	1.3677	$60,863
2018	Collision	$44,500	1.3677	$60,863
2018	Comprehensive	$44,500	1.1382	$50,650
2022	Comprehensive	$44,506	1.0000	$44,506
2022	Comprehensive	$44,523	1.0000	$44,523
2018	Collision	$44,525	1.3677	$60,897
2020	Comprehensive	$44,537	1.0669	$47,515
2020	Comprehensive	$44,555	1.0669	$47,534
2021	Collision	$44,575	1.1068	$49,335
2022	Collision	$44,575	1.0000	$44,575
2017	Collision	$44,600	1.4452	$64,455
2020	Collision	$44,600	1.2250	$54,633
2022	Comprehensive	$44,604	1.0000	$44,604
2021	Comprehensive	$44,610	1.0329	$46,077
2021	Collision	$44,620	1.1068	$49,384
2018	Comprehensive	$44,630	1.1382	$50,798
2021	Collision	$44,650	1.1068	$49,418
2021	Collision	$44,652	1.1068	$49,420
2021	Comprehensive	$44,667	1.0329	$46,136
2022	Collision	$44,679	1.0000	$44,679
2021	Collision	$44,680	1.1068	$49,451
2022	Collision	$44,682	1.0000	$44,682
2022	Collision	$44,682	1.0000	$44,682
2021	Collision	$44,690	1.1068	$49,462
2019	Collision	$44,701	1.2944	$57,859
2021	Collision	$44,703	1.1068	$49,476
2021	Collision	$44,709	1.1068	$49,483
2018	Collision	$44,711	1.3677	$61,151
2020	Collision	$44,729	1.2250	$54,791
2020	Collision	$44,743	1.2250	$54,809

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$44,785	1.0000	$44,785
2018	Collision	$44,790	1.3677	$61,259
2020	Collision	$44,795	1.2250	$54,872
2022	Collision	$44,800	1.0000	$44,800
2022	Collision	$44,800	1.0000	$44,800
2019	Collision	$44,821	1.2944	$58,015
2021	Collision	$44,824	1.1068	$49,610
2019	Comprehensive	$44,829	1.1020	$49,400
2022	Comprehensive	$44,837	1.0000	$44,837
2022	Collision	$44,842	1.0000	$44,842
2020	Collision	$44,850	1.2250	$54,939
2020	Collision	$44,865	1.2250	$54,958
2020	Collision	$44,869	1.2250	$54,963
2022	Collision	$44,892	1.0000	$44,892
2019	Collision	$44,900	1.2944	$58,117
2018	Collision	$44,900	1.3677	$61,410
2021	Collision	$44,920	1.1068	$49,716
2021	Collision	$44,921	1.1068	$49,718
2020	Comprehensive	$44,927	1.0669	$47,931
2021	Collision	$44,930	1.1068	$49,728
2019	Collision	$44,950	1.2944	$58,182
2021	Comprehensive	$44,967	1.0329	$46,446
2018	Collision	$44,985	1.3677	$61,526
2022	Collision	$44,997	1.0000	$44,997
2022	Collision	$45,000	1.0000	$45,000
2022	Comprehensive	$45,000	1.0000	$45,000
2022	Comprehensive	$45,000	1.0000	$45,000
2022	Collision	$45,000	1.0000	$45,000
2021	Collision	$45,000	1.1068	$49,805
2021	Collision	$45,000	1.1068	$49,805
2021	Collision	$45,000	1.1068	$49,805
2020	Collision	$45,000	1.2250	$55,123
2020	Comprehensive	$45,000	1.0669	$48,009
2019	Comprehensive	$45,000	1.1020	$49,588
2019	Collision	$45,000	1.2944	$58,246
2019	Collision	$45,000	1.2944	$58,246
2018	Collision	$45,000	1.3677	$61,546
2018	Collision	$45,000	1.3677	$61,546
2018	Comprehensive	$45,000	1.1382	$51,219
2018	Comprehensive	$45,000	1.1382	$51,219
2018	Comprehensive	$45,000	1.1382	$51,219

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Comprehensive	$45,000	1.1756	$52,904
2017	Collision	$45,000	1.4452	$65,034
2017	Collision	$45,000	1.4452	$65,034
2017	Collision	$45,000	1.4452	$65,034
2017	Collision	$45,000	1.4452	$65,034
2017	Comprehensive	$45,000	1.1756	$52,904
2017	Collision	$45,000	1.4452	$65,034
2022	Collision	$45,000	1.0000	$45,000
2021	Collision	$45,000	1.1068	$49,805
2020	Comprehensive	$45,010	1.0669	$48,020
2022	Collision	$45,032	1.0000	$45,032
2017	Collision	$45,050	1.4452	$65,106
2021	Comprehensive	$45,051	1.0329	$46,533
2021	Collision	$45,057	1.1068	$49,868
2020	Collision	$45,085	1.2250	$55,227
2021	Collision	$45,095	1.1068	$49,910
2021	Collision	$45,096	1.1068	$49,911
2019	Collision	$45,100	1.2944	$58,376
2022	Collision	$45,108	1.0000	$45,108
2019	Comprehensive	$45,110	1.1020	$49,709
2020	Comprehensive	$45,115	1.0669	$48,132
2022	Collision	$45,123	1.0000	$45,123
2017	Collision	$45,125	1.4452	$65,214
2022	Collision	$45,126	1.0000	$45,126
2022	Collision	$45,134	1.0000	$45,134
2021	Comprehensive	$45,144	1.0329	$46,629
2018	Collision	$45,188	1.3677	$61,804
2021	Collision	$45,209	1.1068	$50,036
2022	Collision	$45,220	1.0000	$45,220
2022	Collision	$45,248	1.0000	$45,248
2022	Collision	$45,250	1.0000	$45,250
2017	Collision	$45,250	1.4452	$65,395
2022	Collision	$45,255	1.0000	$45,255
2021	Collision	$45,264	1.1068	$50,097
2022	Collision	$45,276	1.0000	$45,276
2019	Collision	$45,280	1.2944	$58,609
2019	Comprehensive	$45,287	1.1020	$49,905
2019	Collision	$45,300	1.2944	$58,635
2021	Collision	$45,304	1.1068	$50,141
2019	Collision	$45,329	1.2944	$58,672
2019	Comprehensive	$45,400	1.1020	$50,029

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$45,428	1.1068	$50,279
2022	Collision	$45,440	1.0000	$45,440
2018	Collision	$45,450	1.3677	$62,162
2020	Collision	$45,456	1.2250	$55,682
2017	Collision	$45,460	1.4452	$65,698
2021	Comprehensive	$45,462	1.0329	$46,957
2021	Collision	$45,477	1.1068	$50,333
2021	Collision	$45,477	1.1068	$50,333
2021	Collision	$45,488	1.1068	$50,345
2022	Comprehensive	$45,500	1.0000	$45,500
2019	Collision	$45,500	1.2944	$58,893
2019	Collision	$45,500	1.2944	$58,893
2017	Collision	$45,500	1.4452	$65,756
2018	Collision	$45,500	1.3677	$62,230
2018	Collision	$45,508	1.3677	$62,241
2021	Collision	$45,519	1.1068	$50,379
2018	Collision	$45,525	1.3677	$62,264
2022	Comprehensive	$45,536	1.0000	$45,536
2018	Collision	$45,536	1.3677	$62,280
2022	Collision	$45,544	1.0000	$45,544
2019	Collision	$45,550	1.2944	$58,958
2022	Comprehensive	$45,556	1.0000	$45,556
2021	Collision	$45,565	1.1068	$50,430
2018	Comprehensive	$45,575	1.1382	$51,874
2021	Comprehensive	$45,600	1.0329	$47,100
2021	Collision	$45,601	1.1068	$50,470
2022	Collision	$45,656	1.0000	$45,656
2019	Collision	$45,669	1.2944	$59,113
2019	Collision	$45,700	1.2944	$59,152
2022	Collision	$45,700	1.0000	$45,700
2020	Comprehensive	$45,707	1.0669	$48,763
2021	Collision	$45,714	1.1068	$50,596
2018	Collision	$45,715	1.3677	$62,524
2021	Comprehensive	$45,725	1.0329	$47,229
2020	Collision	$45,725	1.2250	$56,011
2019	Comprehensive	$45,750	1.1020	$50,415
2019	Collision	$45,750	1.2944	$59,217
2019	Collision	$45,758	1.2944	$59,227
2020	Collision	$45,765	1.2250	$56,060
2021	Collision	$45,777	1.1068	$50,665
2020	Collision	$45,781	1.2250	$56,080

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$45,786	1.1068	$50,675
2021	Collision	$45,796	1.1068	$50,686
2021	Collision	$45,800	1.1068	$50,690
2022	Collision	$45,823	1.0000	$45,823
2017	Comprehensive	$45,835	1.1756	$53,886
2022	Collision	$45,840	1.0000	$45,840
2020	Comprehensive	$45,845	1.0669	$48,911
2022	Comprehensive	$45,849	1.0000	$45,849
2021	Collision	$45,850	1.1068	$50,746
2018	Collision	$45,850	1.2944	$59,347
2022	Comprehensive	$45,880	1.0000	$45,880
2019	Collision	$45,888	1.2944	$59,396
2019	Collision	$45,890	1.2944	$59,398
2022	Collision	$45,900	1.0000	$45,900
2018	Collision	$45,900	1.3677	$62,777
2019	Collision	$45,904	1.2944	$59,416
2022	Collision	$45,920	1.0000	$45,920
2022	Collision	$45,928	1.0000	$45,928
2021	Collision	$45,934	1.1068	$50,839
2020	Collision	$45,934	1.2250	$56,268
2020	Collision	$45,942	1.2250	$56,277
2022	Collision	$45,946	1.0000	$45,946
2022	Collision	$45,961	1.0000	$45,961
2022	Collision	$46,000	1.0000	$46,000
2021	Comprehensive	$46,000	1.0329	$47,513
2020	Collision	$46,000	1.2250	$56,348
2020	Collision	$46,000	1.2250	$56,348
2018	Collision	$46,000	1.3677	$62,914
2017	Collision	$46,000	1.4452	$66,479
2017	Comprehensive	$46,000	1.1756	$54,080
2021	Comprehensive	$46,011	1.0329	$47,525
2021	Collision	$46,013	1.1068	$50,926
2022	Comprehensive	$46,022	1.0000	$46,022
2022	Collision	$46,025	1.0000	$46,025
2020	Comprehensive	$46,025	1.0669	$49,103
2017	Collision	$46,030	1.4452	$66,522
2021	Collision	$46,032	1.1068	$50,947
2022	Collision	$46,039	1.0000	$46,039
2021	Collision	$46,052	1.1068	$50,969
2021	Collision	$46,053	1.1068	$50,970
2021	Comprehensive	$46,062	1.0329	$47,577

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$46,063	1.0000	$46,063
2022	Collision	$46,065	1.0000	$46,065
2018	Collision	$46,145	1.3677	$63,112
2021	Collision	$46,199	1.1068	$51,132
2020	Comprehensive	$46,200	1.0669	$49,289
2022	Collision	$46,203	1.0000	$46,203
2022	Collision	$46,214	1.0000	$46,214
2017	Collision	$46,216	1.4452	$66,791
2019	Comprehensive	$46,235	1.1020	$50,949
2021	Comprehensive	$46,240	1.0329	$47,761
2021	Collision	$46,244	1.1068	$51,182
2022	Collision	$46,248	1.0000	$46,248
2022	Collision	$46,248	1.0000	$46,248
2019	Comprehensive	$46,250	1.1020	$50,966
2017	Collision	$46,250	1.4452	$66,840
2021	Collision	$46,252	1.1068	$51,191
2021	Collision	$46,255	1.1068	$51,194
2020	Collision	$46,270	1.2250	$56,679
2017	Comprehensive	$46,275	1.1756	$54,403
2018	Comprehensive	$46,296	1.1382	$52,695
2017	Comprehensive	$46,296	1.1756	$54,428
2018	Collision	$46,300	1.3677	$63,324
2017	Comprehensive	$46,300	1.1756	$54,433
2022	Comprehensive	$46,310	1.0000	$46,310
2020	Collision	$46,310	1.2250	$56,728
2017	Comprehensive	$46,350	1.1756	$54,491
2018	Comprehensive	$46,400	1.1382	$52,813
2017	Collision	$46,414	1.4452	$67,077
2022	Collision	$46,426	1.0000	$46,426
2021	Comprehensive	$46,427	1.0329	$47,954
2022	Collision	$46,440	1.0000	$46,440
2020	Comprehensive	$46,467	1.0669	$49,574
2020	Collision	$46,475	1.2250	$56,930
2017	Collision	$46,481	1.4452	$67,175
2021	Comprehensive	$46,500	1.0329	$48,030
2018	Collision	$46,500	1.3677	$63,598
2017	Comprehensive	$46,500	1.1756	$54,668
2021	Collision	$46,511	1.1068	$51,477
2021	Collision	$46,513	1.1068	$51,480
2021	Collision	$46,550	1.1068	$51,521
2017	Collision	$46,550	1.4452	$67,274

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2018	Comprehensive	$46,574	1.1382	$53,011
2022	Collision	$46,591	1.0000	$46,591
2022	Collision	$46,607	1.0000	$46,607
2022	Collision	$46,612	1.0000	$46,612
2020	Collision	$46,613	1.2250	$57,099
2020	Collision	$46,622	1.2250	$57,110
2021	Comprehensive	$46,651	1.0329	$48,186
2021	Collision	$46,652	1.1068	$51,633
2022	Collision	$46,688	1.0000	$46,688
2021	Collision	$46,695	1.1068	$51,681
2022	Comprehensive	$46,700	1.0000	$46,700
2019	Collision	$46,710	1.2944	$60,460
2021	Collision	$46,722	1.1068	$51,710
2020	Collision	$46,725	1.2250	$57,236
2019	Collision	$46,729	1.2250	$57,241
2019	Collision	$46,729	1.2944	$60,484
2022	Collision	$46,732	1.0000	$46,732
2019	Collision	$46,735	1.2944	$60,492
2020	Collision	$46,745	1.2250	$57,261
2019	Comprehensive	$46,750	1.1020	$51,517
2019	Collision	$46,751	1.2944	$60,513
2017	Collision	$46,759	1.4452	$67,576
2018	Collision	$46,770	1.3677	$63,967
2019	Collision	$46,822	1.2944	$60,605
2022	Collision	$46,855	1.0000	$46,855
2017	Collision	$46,860	1.4452	$67,722
2021	Comprehensive	$46,862	1.0329	$48,403
2020	Collision	$46,887	1.2250	$57,435
2021	Collision	$46,900	1.1068	$51,908
2021	Collision	$46,903	1.1068	$51,911
2021	Collision	$46,950	1.1068	$51,963
2022	Collision	$46,953	1.0000	$46,953
2022	Collision	$46,966	1.0000	$46,966
2021	Collision	$46,979	1.1068	$51,995
2022	Collision	$46,991	1.0000	$46,991
2022	Collision	$47,000	1.0000	$47,000
2021	Comprehensive	$47,000	1.0329	$48,546
2021	Comprehensive	$47,000	1.0329	$48,546
2021	Collision	$47,000	1.1068	$52,019
2019	Collision	$47,000	1.2944	$60,835
2019	Collision	$47,000	1.2944	$60,835

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$47,000	1.2944	$60,835
2019	Collision	$47,000	1.2944	$60,835
2018	Comprehensive	$47,000	1.1382	$53,496
2017	Comprehensive	$47,000	1.1756	$55,255
2022	Collision	$47,006	1.0000	$47,006
2022	Comprehensive	$47,008	1.0000	$47,008
2021	Collision	$47,030	1.1068	$52,052
2019	Collision	$47,030	1.2944	$60,874
2021	Collision	$47,042	1.1068	$52,065
2022	Collision	$47,051	1.0000	$47,051
2022	Comprehensive	$47,055	1.0000	$47,055
2020	Collision	$47,070	1.2250	$57,659
2020	Comprehensive	$47,085	1.0669	$50,234
2022	Comprehensive	$47,137	1.0000	$47,137
2017	Collision	$47,150	1.4452	$68,141
2022	Collision	$47,158	1.0000	$47,158
2021	Collision	$47,175	1.1068	$52,212
2021	Collision	$47,196	1.1068	$52,236
2020	Comprehensive	$47,196	1.0669	$50,352
2020	Collision	$47,206	1.2250	$57,825
2017	Collision	$47,209	1.4452	$68,226
2022	Collision	$47,243	1.0000	$47,243
2017	Collision	$47,247	1.4452	$68,281
2021	Comprehensive	$47,247	1.0329	$48,801
2022	Collision	$47,287	1.0000	$47,287
2018	Collision	$47,300	1.2944	$61,223
2018	Collision	$47,300	1.3677	$64,692
2018	Collision	$47,350	1.3677	$64,761
2022	Collision	$47,359	1.0000	$47,359
2021	Collision	$47,382	1.1068	$52,441
2022	Collision	$47,400	1.0000	$47,400
2022	Collision	$47,407	1.0000	$47,407
2020	Comprehensive	$47,440	1.0669	$50,612
2021	Comprehensive	$47,455	1.0329	$49,016
2021	Comprehensive	$47,484	1.0329	$49,046
2019	Collision	$47,487	1.2250	$58,170
2022	Collision	$47,500	1.0000	$47,500
2018	Collision	$47,500	1.3677	$64,966
2017	Comprehensive	$47,500	1.1756	$55,843
2017	Collision	$47,500	1.4452	$68,647
2022	Comprehensive	$47,502	1.0000	$47,502

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$47,502	1.2944	$61,485
2017	Collision	$47,513	1.4452	$68,665
2021	Collision	$47,527	1.1068	$52,602
2020	Collision	$47,538	1.2250	$58,231
2022	Collision	$47,544	1.0000	$47,544
2019	Comprehensive	$47,552	1.0669	$50,732
2020	Collision	$47,566	1.2250	$58,266
2017	Collision	$47,575	1.4452	$68,755
2022	Collision	$47,577	1.0000	$47,577
2022	Collision	$47,577	1.0000	$47,577
2022	Collision	$47,588	1.0000	$47,588
2019	Collision	$47,589	1.2944	$61,597
2022	Collision	$47,600	1.0000	$47,600
2022	Collision	$47,604	1.0000	$47,604
2019	Collision	$47,627	1.2944	$61,647
2022	Comprehensive	$47,666	1.0000	$47,666
2017	Collision	$47,693	1.4452	$68,925
2021	Collision	$47,695	1.1068	$52,788
2022	Collision	$47,701	1.0000	$47,701
2022	Collision	$47,707	1.0000	$47,707
2021	Comprehensive	$47,712	1.0329	$49,281
2018	Collision	$47,732	1.3677	$65,283
2022	Collision	$47,740	1.0000	$47,740
2022	Collision	$47,744	1.0000	$47,744
2017	Collision	$47,750	1.4452	$69,008
2022	Comprehensive	$47,776	1.0000	$47,776
2019	Comprehensive	$47,788	1.1020	$52,661
2021	Comprehensive	$47,800	1.0329	$49,372
2019	Collision	$47,800	1.2944	$61,871
2017	Collision	$47,831	1.4452	$69,125
2022	Collision	$47,852	1.0000	$47,852
2022	Collision	$47,853	1.0000	$47,853
2022	Collision	$47,889	1.0000	$47,889
2022	Collision	$47,900	1.0000	$47,900
2021	Collision	$47,900	1.1068	$53,015
2021	Comprehensive	$47,900	1.0329	$49,476
2020	Collision	$47,918	1.2250	$58,698
2019	Collision	$47,996	1.2944	$62,124
2022	Collision	$48,000	1.0000	$48,000
2017	Collision	$48,000	1.4452	$69,369
2017	Collision	$48,000	1.4452	$69,369

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$48,008	1.0000	$48,008
2019	Comprehensive	$48,008	1.1020	$52,903
2019	Collision	$48,020	1.2250	$58,823
2021	Collision	$48,030	1.1068	$53,159
2022	Collision	$48,032	1.0000	$48,032
2021	Collision	$48,075	1.1068	$53,208
2018	Collision	$48,078	1.3677	$65,756
2022	Collision	$48,100	1.0000	$48,100
2017	Collision	$48,131	1.4452	$69,558
2022	Collision	$48,147	1.0000	$48,147
2022	Collision	$48,170	1.0000	$48,170
2018	Collision	$48,200	1.3677	$65,923
2018	Comprehensive	$48,200	1.1382	$54,862
2021	Collision	$48,214	1.1068	$53,362
2021	Collision	$48,231	1.1068	$53,381
2022	Collision	$48,232	1.0000	$48,232
2022	Collision	$48,240	1.0000	$48,240
2018	Comprehensive	$48,250	1.1382	$54,919
2019	Collision	$48,270	1.2944	$62,479
2019	Collision	$48,306	1.2944	$62,525
2021	Collision	$48,315	1.1068	$53,474
2022	Collision	$48,317	1.0000	$48,317
2020	Collision	$48,324	1.2250	$59,195
2021	Collision	$48,325	1.1068	$53,485
2021	Collision	$48,325	1.1068	$53,485
2021	Collision	$48,346	1.1068	$53,508
2022	Collision	$48,359	1.0000	$48,359
2020	Collision	$48,359	1.2250	$59,238
2021	Comprehensive	$48,367	1.0329	$49,958
2021	Collision	$48,370	1.1068	$53,535
2021	Collision	$48,384	1.1068	$53,550
2019	Comprehensive	$48,391	1.1020	$53,325
2021	Collision	$48,425	1.1068	$53,596
2018	Collision	$48,430	1.3677	$66,238
2021	Collision	$48,443	1.1068	$53,616
2022	Collision	$48,460	1.0000	$48,460
2022	Collision	$48,500	1.0000	$48,500
2022	Collision	$48,500	1.0000	$48,500
2018	Collision	$48,500	1.3677	$66,333
2022	Collision	$48,500	1.0000	$48,500
2019	Collision	$48,500	1.2944	$62,777

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Comprehensive	$48,530	1.1020	$53,478
2021	Collision	$48,536	1.1068	$53,719
2022	Comprehensive	$48,564	1.0000	$48,564
2020	Collision	$48,598	1.2250	$59,531
2022	Collision	$48,600	1.0000	$48,600
2021	Collision	$48,606	1.1068	$53,796
2021	Collision	$48,613	1.1068	$53,804
2022	Collision	$48,620	1.0000	$48,620
2019	Comprehensive	$48,623	1.1020	$53,581
2020	Comprehensive	$48,635	1.0669	$51,887
2021	Collision	$48,649	1.1068	$53,844
2021	Collision	$48,675	1.1068	$53,872
2020	Collision	$48,682	1.2250	$59,633
2022	Collision	$48,694	1.0000	$48,694
2019	Collision	$48,695	1.2944	$63,029
2022	Comprehensive	$48,696	1.0000	$48,696
2020	Comprehensive	$48,699	1.0669	$51,955
2021	Collision	$48,716	1.1068	$53,918
2021	Collision	$48,748	1.1068	$53,953
2021	Collision	$48,770	1.1068	$53,978
2019	Collision	$48,782	1.2944	$63,142
2018	Collision	$48,841	1.2944	$63,218
2022	Collision	$48,850	1.0000	$48,850
2021	Comprehensive	$48,900	1.0329	$50,508
2017	Collision	$48,900	1.3677	$66,880
2022	Collision	$48,928	1.0000	$48,928
2020	Comprehensive	$48,938	1.0669	$52,210
2021	Collision	$48,973	1.1068	$54,202
2022	Collision	$49,000	1.0000	$49,000
2019	Comprehensive	$49,000	1.1020	$53,996
2017	Collision	$49,000	1.4452	$70,814
2017	Collision	$49,000	1.4452	$70,814
2017	Collision	$49,000	1.4452	$70,814
2017	Comprehensive	$49,000	1.1756	$57,607
2017	Collision	$49,000	1.4452	$70,814
2021	Collision	$49,066	1.1068	$54,305
2022	Collision	$49,104	1.0000	$49,104
2022	Collision	$49,113	1.0000	$49,113
2021	Collision	$49,143	1.1068	$54,390
2022	Collision	$49,162	1.0000	$49,162
2021	Comprehensive	$49,181	1.0329	$50,799

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2018	Comprehensive	$49,192	1.1382	$55,991
2017	Comprehensive	$49,200	1.1756	$57,842
2017	Collision	$49,200	1.4452	$71,103
2019	Collision	$49,225	1.2944	$63,715
2022	Collision	$49,248	1.0000	$49,248
2022	Comprehensive	$49,305	1.0000	$49,305
2021	Collision	$49,320	1.1068	$54,586
2021	Comprehensive	$49,320	1.0329	$50,942
2022	Collision	$49,333	1.0000	$49,333
2022	Collision	$49,341	1.0000	$49,341
2019	Collision	$49,373	1.2944	$63,906
2021	Collision	$49,460	1.1068	$54,741
2020	Collision	$49,464	1.2250	$60,591
2021	Comprehensive	$49,464	1.0329	$51,091
2021	Comprehensive	$49,500	1.0329	$51,128
2018	Comprehensive	$49,500	1.1382	$56,341
2021	Collision	$49,500	1.1068	$54,786
2020	Comprehensive	$49,530	1.0669	$52,842
2022	Collision	$49,538	1.0000	$49,538
2022	Collision	$49,560	1.0000	$49,560
2020	Collision	$49,589	1.2250	$60,744
2018	Comprehensive	$49,600	1.1382	$56,455
2021	Collision	$49,615	1.1068	$54,913
2022	Collision	$49,620	1.0000	$49,620
2020	Collision	$49,620	1.2250	$60,783
2017	Collision	$49,632	1.4452	$71,728
2017	Collision	$49,661	1.4452	$71,770
2022	Collision	$49,662	1.0000	$49,662
2020	Collision	$49,662	1.2250	$60,834
2022	Collision	$49,687	1.0000	$49,687
2018	Collision	$49,690	1.3677	$67,961
2022	Collision	$49,700	1.0000	$49,700
2022	Comprehensive	$49,728	1.0000	$49,728
2019	Comprehensive	$49,732	1.0669	$53,058
2018	Comprehensive	$49,738	1.1382	$56,612
2022	Collision	$49,750	1.0000	$49,750
2017	Comprehensive	$49,763	1.1756	$58,504
2022	Collision	$49,769	1.0000	$49,769
2019	Collision	$49,800	1.2944	$64,459
2021	Collision	$49,804	1.1068	$55,122
2017	Collision	$49,880	1.4452	$72,086

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2019	Collision	$49,901	1.2944	$64,590
2022	Collision	$49,926	1.0000	$49,926
2022	Collision	$49,948	1.0000	$49,948
2021	Collision	$49,949	1.1068	$55,282
2021	Collision	$49,950	1.1068	$55,284
2017	Comprehensive	$49,954	1.1382	$56,858
2022	Collision	$49,962	1.0000	$49,962
2019	Collision	$49,973	1.2944	$64,683
2021	Collision	$49,975	1.1068	$55,311
2022	Comprehensive	$50,000	1.0000	$50,000
2021	Collision	$50,000	1.1068	$55,339
2021	Comprehensive	$50,000	1.0329	$51,645
2021	Comprehensive	$50,000	1.0329	$51,645
2019	Collision	$50,000	1.2944	$64,718
2018	Collision	$50,000	1.3677	$68,385
2018	Comprehensive	$50,000	1.1382	$56,910
2018	Collision	$50,000	1.3677	$68,385
2022	Collision	$50,000	1.0000	$50,000
2022	Collision	$50,008	1.0000	$50,008
2018	Collision	$50,021	1.3677	$68,414
2021	Collision	$50,060	1.1068	$55,406
2021	Collision	$50,082	1.1068	$55,430
2019	Comprehensive	$50,089	1.1020	$55,196
2019	Collision	$50,125	1.2944	$64,880
2021	Collision	$50,141	1.1068	$55,495
2021	Collision	$50,200	1.1068	$55,560
2020	Collision	$50,200	1.2250	$61,493
2018	Collision	$50,200	1.3677	$68,658
2019	Collision	$50,260	1.2944	$65,055
2019	Collision	$50,263	1.2250	$61,570
2021	Comprehensive	$50,264	1.0329	$51,917
2022	Collision	$50,305	1.0000	$50,305
2019	Comprehensive	$50,306	1.1020	$55,436
2021	Comprehensive	$50,343	1.0329	$51,999
2018	Collision	$50,350	1.3677	$68,864
2022	Collision	$50,363	1.0000	$50,363
2022	Collision	$50,372	1.0000	$50,372
2017	Collision	$50,400	1.4452	$72,838
2017	Collision	$50,425	1.3677	$68,966
2022	Collision	$50,458	1.0000	$50,458
2020	Comprehensive	$50,462	1.0669	$53,836

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Comprehensive	$50,470	1.0329	$52,130
2020	Comprehensive	$50,500	1.0669	$53,877
2018	Comprehensive	$50,500	1.1382	$57,480
2018	Collision	$50,500	1.3677	$69,069
2017	Collision	$50,500	1.4452	$72,982
2022	Collision	$50,505	1.0000	$50,505
2021	Collision	$50,522	1.1068	$55,917
2021	Collision	$50,535	1.1068	$55,931
2019	Collision	$50,542	1.2944	$65,420
2018	Collision	$50,550	1.3677	$69,137
2021	Collision	$50,560	1.1068	$55,959
2020	Collision	$50,567	1.2250	$61,942
2018	Collision	$50,581	1.3677	$69,180
2021	Collision	$50,597	1.1068	$56,000
2017	Collision	$50,609	1.3677	$69,218
2022	Collision	$50,643	1.0000	$50,643
2019	Comprehensive	$50,663	1.0669	$54,051
2017	Collision	$50,705	1.3677	$69,349
2019	Collision	$50,708	1.2944	$65,635
2022	Comprehensive	$50,717	1.0000	$50,717
2022	Collision	$50,730	1.0000	$50,730
2022	Collision	$50,730	1.0000	$50,730
2022	Comprehensive	$50,743	1.0000	$50,743
2018	Comprehensive	$50,750	1.1382	$57,764
2022	Collision	$50,760	1.0000	$50,760
2017	Collision	$50,788	1.4452	$73,398
2017	Collision	$50,796	1.4452	$73,410
2020	Collision	$50,808	1.2250	$62,237
2019	Collision	$50,819	1.2944	$65,778
2019	Collision	$50,835	1.2944	$65,799
2022	Collision	$50,871	1.0000	$50,871
2021	Collision	$50,900	1.1068	$56,335
2022	Collision	$50,915	1.0000	$50,915
2022	Collision	$50,964	1.0000	$50,964
2022	Comprehensive	$50,979	1.0000	$50,979
2021	Collision	$51,000	1.1068	$56,446
2021	Collision	$51,000	1.1068	$56,446
2021	Collision	$51,000	1.1068	$56,446
2021	Comprehensive	$51,000	1.0329	$52,678
2021	Collision	$51,000	1.1068	$56,446
2022	Collision	$51,024	1.0000	$51,024

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$51,032	1.4452	$73,751
2021	Comprehensive	$51,075	1.0329	$52,755
2021	Collision	$51,099	1.1068	$56,555
2018	Collision	$51,125	1.3677	$69,924
2021	Collision	$51,128	1.1068	$56,588
2020	Comprehensive	$51,170	1.0669	$54,592
2021	Collision	$51,210	1.1068	$56,678
2021	Collision	$51,211	1.1068	$56,679
2018	Collision	$51,236	1.3677	$70,075
2022	Collision	$51,270	1.0000	$51,270
2022	Collision	$51,294	1.0000	$51,294
2022	Collision	$51,319	1.0000	$51,319
2019	Collision	$51,323	1.2944	$66,431
2020	Collision	$51,328	1.2250	$62,875
2017	Comprehensive	$51,389	1.1756	$60,415
2018	Collision	$51,400	1.3677	$70,300
2022	Collision	$51,430	1.0000	$51,430
2022	Collision	$51,479	1.0000	$51,479
2022	Collision	$51,500	1.0000	$51,500
2018	Collision	$51,545	1.3677	$70,498
2021	Collision	$51,585	1.1068	$57,093
2022	Collision	$51,589	1.0000	$51,589
2020	Collision	$51,592	1.2250	$63,198
2022	Collision	$51,647	1.0000	$51,647
2020	Comprehensive	$51,668	1.0669	$55,123
2018	Collision	$51,670	1.3677	$70,669
2022	Collision	$51,678	1.0000	$51,678
2020	Collision	$51,688	1.2250	$63,316
2021	Collision	$51,700	1.1068	$57,220
2019	Collision	$51,700	1.2944	$66,919
2020	Collision	$51,714	1.2250	$63,348
2021	Collision	$51,725	1.1068	$57,248
2022	Collision	$51,729	1.0000	$51,729
2020	Comprehensive	$51,730	1.0669	$55,189
2021	Comprehensive	$51,745	1.0329	$53,447
2018	Collision	$51,750	1.3677	$70,778
2022	Comprehensive	$51,782	1.0000	$51,782
2018	Collision	$51,800	1.3677	$70,847
2022	Collision	$51,810	1.0000	$51,810
2022	Comprehensive	$51,813	1.0000	$51,813
2021	Collision	$51,813	1.1068	$57,346

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$51,839	1.0000	$51,839
2022	Collision	$51,890	1.0000	$51,890
2019	Collision	$51,900	1.2944	$67,177
2020	Collision	$51,936	1.2250	$63,619
2022	Collision	$51,943	1.0000	$51,943
2021	Collision	$51,953	1.1068	$57,500
2021	Collision	$51,956	1.1068	$57,504
2021	Collision	$52,000	1.1068	$57,552
2019	Collision	$52,000	1.2944	$67,307
2018	Collision	$52,000	1.3677	$71,120
2017	Collision	$52,000	1.4452	$75,150
2018	Collision	$52,000	1.3677	$71,120
2021	Collision	$52,045	1.1068	$57,602
2021	Comprehensive	$52,067	1.0329	$53,780
2021	Collision	$52,095	1.1068	$57,657
2021	Collision	$52,189	1.1068	$57,762
2022	Collision	$52,194	1.0000	$52,194
2019	Collision	$52,232	1.2944	$67,607
2021	Collision	$52,245	1.1068	$57,824
2022	Comprehensive	$52,303	1.0000	$52,303
2020	Collision	$52,341	1.2250	$64,116
2018	Comprehensive	$52,350	1.1020	$57,688
2021	Collision	$52,365	1.1068	$57,956
2020	Collision	$52,388	1.2250	$64,173
2022	Collision	$52,391	1.0000	$52,391
2022	Collision	$52,392	1.0000	$52,392
2022	Collision	$52,400	1.0000	$52,400
2022	Comprehensive	$52,423	1.0000	$52,423
2021	Collision	$52,471	1.1068	$58,074
2017	Collision	$52,500	1.4452	$75,872
2017	Comprehensive	$52,509	1.1756	$61,732
2022	Collision	$52,525	1.0000	$52,525
2018	Collision	$52,550	1.3677	$71,873
2020	Collision	$52,596	1.2250	$64,428
2020	Collision	$52,665	1.2250	$64,512
2022	Collision	$52,669	1.0000	$52,669
2020	Comprehensive	$52,670	1.0669	$56,192
2021	Collision	$52,767	1.1068	$58,401
2017	Collision	$52,777	1.4452	$76,273
2022	Collision	$52,800	1.0000	$52,800
2021	Collision	$52,814	1.1068	$58,453

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2020	Collision	$52,876	1.2250	$64,771
2022	Collision	$52,914	1.0000	$52,914
2017	Collision	$52,925	1.4452	$76,487
2019	Comprehensive	$52,965	1.1020	$58,365
2022	Comprehensive	$52,980	1.0000	$52,980
2022	Collision	$52,992	1.0000	$52,992
2020	Comprehensive	$53,000	1.0669	$56,544
2018	Collision	$53,000	1.3677	$72,488
2018	Collision	$53,000	1.3677	$72,488
2017	Comprehensive	$53,000	1.1756	$62,309
2019	Collision	$53,016	1.2944	$68,622
2022	Collision	$53,100	1.0000	$53,100
2019	Collision	$53,212	1.2944	$68,876
2020	Collision	$53,221	1.2250	$65,194
2019	Collision	$53,275	1.2944	$68,957
2018	Collision	$53,285	1.3677	$72,878
2022	Collision	$53,295	1.0000	$53,295
2022	Collision	$53,321	1.0000	$53,321
2017	Collision	$53,325	1.4452	$77,065
2022	Collision	$53,370	1.0000	$53,370
2017	Collision	$53,375	1.4452	$77,137
2022	Collision	$53,392	1.0000	$53,392
2021	Collision	$53,482	1.1068	$59,193
2021	Collision	$53,500	1.1068	$59,213
2017	Comprehensive	$53,500	1.1382	$60,894
2017	Comprehensive	$53,500	1.1382	$60,894
2021	Collision	$53,535	1.1068	$59,251
2021	Comprehensive	$53,550	1.0329	$55,311
2022	Comprehensive	$53,591	1.0000	$53,591
2022	Collision	$53,593	1.0000	$53,593
2022	Comprehensive	$53,705	1.0000	$53,705
2021	Comprehensive	$53,711	1.0329	$55,478
2022	Collision	$53,715	1.0000	$53,715
2020	Collision	$53,735	1.2250	$65,823
2022	Comprehensive	$53,775	1.0000	$53,775
2022	Collision	$53,780	1.0000	$53,780
2018	Collision	$53,780	1.3677	$73,555
2017	Comprehensive	$53,800	1.1756	$63,250
2021	Collision	$53,822	1.1068	$59,569
2022	Collision	$53,824	1.0000	$53,824
2021	Collision	$53,826	1.1068	$59,573

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$53,875	1.1068	$59,628
2022	Collision	$53,883	1.0000	$53,883
2021	Collision	$53,896	1.1068	$59,651
2021	Collision	$53,920	1.1068	$59,677
2021	Collision	$53,926	1.1068	$59,684
2020	Collision	$53,934	1.2250	$66,067
2021	Comprehensive	$53,966	1.0329	$55,741
2022	Collision	$53,971	1.0000	$53,971
2022	Collision	$54,000	1.0000	$54,000
2021	Comprehensive	$54,000	1.0329	$55,776
2020	Comprehensive	$54,000	1.0669	$57,611
2018	Collision	$54,000	1.3677	$73,856
2018	Collision	$54,000	1.3677	$73,856
2022	Collision	$54,036	1.0000	$54,036
2019	Comprehensive	$54,078	1.1020	$59,592
2022	Collision	$54,082	1.0000	$54,082
2022	Collision	$54,116	1.0000	$54,116
2021	Comprehensive	$54,121	1.0329	$55,901
2018	Collision	$54,126	1.2944	$70,059
2021	Collision	$54,138	1.1068	$59,919
2022	Comprehensive	$54,164	1.0000	$54,164
2021	Comprehensive	$54,180	1.0329	$55,962
2017	Collision	$54,200	1.4452	$78,329
2022	Collision	$54,257	1.0000	$54,257
2020	Collision	$54,268	1.2250	$66,476
2020	Collision	$54,283	1.2250	$66,495
2020	Collision	$54,300	1.2250	$66,515
2019	Collision	$54,313	1.2944	$70,301
2022	Comprehensive	$54,365	1.0000	$54,365
2022	Collision	$54,404	1.0000	$54,404
2022	Collision	$54,484	1.0000	$54,484
2022	Collision	$54,497	1.0000	$54,497
2022	Collision	$54,500	1.0000	$54,500
2021	Collision	$54,575	1.1068	$60,402
2022	Collision	$54,735	1.0000	$54,735
2021	Comprehensive	$54,750	1.0329	$56,551
2018	Collision	$54,766	1.3677	$74,904
2022	Collision	$54,832	1.0000	$54,832
2022	Comprehensive	$54,887	1.0000	$54,887
2019	Collision	$54,925	1.2944	$71,093
2017	Collision	$54,950	1.3677	$75,155

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$54,990	1.1068	$60,862
2022	Collision	$55,000	1.0000	$55,000
2022	Collision	$55,000	1.0000	$55,000
2020	Collision	$55,000	1.2250	$67,373
2019	Collision	$55,000	1.2944	$71,190
2018	Collision	$55,000	1.3677	$75,223
2017	Collision	$55,000	1.4452	$79,485
2021	Collision	$55,007	1.1068	$60,881
2022	Collision	$55,119	1.0000	$55,119
2022	Collision	$55,132	1.0000	$55,132
2019	Comprehensive	$55,159	1.1020	$60,783
2019	Collision	$55,184	1.2250	$67,598
2022	Collision	$55,186	1.0000	$55,186
2018	Collision	$55,200	1.3677	$75,497
2022	Collision	$55,272	1.0000	$55,272
2021	Collision	$55,276	1.1068	$61,178
2020	Collision	$55,320	1.2250	$67,765
2021	Collision	$55,425	1.1068	$61,343
2021	Comprehensive	$55,479	1.0329	$57,304
2020	Collision	$55,484	1.2250	$67,966
2017	Collision	$55,491	1.4452	$80,195
2022	Collision	$55,506	1.0000	$55,506
2021	Collision	$55,518	1.1068	$61,446
2018	Comprehensive	$55,521	1.1020	$61,182
2021	Collision	$55,564	1.1068	$61,497
2022	Collision	$55,565	1.0000	$55,565
2021	Comprehensive	$55,618	1.0329	$57,447
2020	Comprehensive	$55,633	1.0669	$59,353
2021	Collision	$55,648	1.1068	$61,590
2021	Collision	$55,655	1.1068	$61,598
2021	Collision	$55,672	1.1068	$61,617
2022	Comprehensive	$55,687	1.0000	$55,687
2022	Collision	$55,690	1.0000	$55,690
2021	Comprehensive	$55,745	1.0329	$57,579
2021	Collision	$55,770	1.1068	$61,725
2018	Collision	$55,792	1.3677	$76,307
2022	Collision	$55,818	1.0000	$55,818
2018	Collision	$55,829	1.3677	$76,357
2022	Collision	$55,838	1.0000	$55,838
2022	Comprehensive	$55,878	1.0000	$55,878
2018	Collision	$55,900	1.3677	$76,454

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$55,900	1.4452	$80,786
2022	Collision	$55,902	1.0000	$55,902
2021	Collision	$55,980	1.1068	$61,957
2022	Collision	$55,996	1.0000	$55,996
2021	Collision	$56,000	1.1068	$61,980
2022	Collision	$56,022	1.0000	$56,022
2021	Collision	$56,040	1.1068	$62,024
2018	Collision	$56,056	1.3677	$76,668
2017	Collision	$56,070	1.4452	$81,032
2022	Collision	$56,176	1.0000	$56,176
2022	Comprehensive	$56,214	1.0000	$56,214
2022	Collision	$56,225	1.0000	$56,225
2022	Comprehensive	$56,245	1.0000	$56,245
2021	Collision	$56,250	1.1068	$62,256
2022	Collision	$56,264	1.0000	$56,264
2017	Comprehensive	$56,300	1.1756	$66,189
2022	Collision	$56,302	1.0000	$56,302
2019	Collision	$56,302	1.2944	$72,875
2021	Collision	$56,307	1.1068	$62,319
2021	Collision	$56,360	1.1068	$62,378
2021	Collision	$56,443	1.1068	$62,470
2021	Collision	$56,480	1.1068	$62,511
2018	Collision	$56,500	1.3677	$77,275
2017	Collision	$56,575	1.3677	$77,378
2022	Collision	$56,583	1.0000	$56,583
2022	Collision	$56,624	1.0000	$56,624
2021	Collision	$56,624	1.1068	$62,670
2021	Collision	$56,700	1.1068	$62,754
2019	Collision	$56,759	1.2250	$69,527
2021	Collision	$56,795	1.1068	$62,859
2021	Comprehensive	$56,799	1.0329	$58,667
2021	Collision	$56,800	1.1068	$62,865
2022	Collision	$56,815	1.0000	$56,815
2021	Collision	$56,887	1.1068	$62,961
2019	Collision	$56,896	1.2944	$73,644
2021	Collision	$56,920	1.1068	$62,998
2019	Comprehensive	$56,966	1.1020	$62,774
2021	Collision	$57,000	1.1068	$63,086
2018	Comprehensive	$57,000	1.1382	$64,878
2017	Comprehensive	$57,000	1.1382	$64,878
2021	Collision	$57,049	1.1068	$63,141

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$57,101	1.0000	$57,101
2020	Collision	$57,128	1.2250	$69,979
2022	Comprehensive	$57,140	1.0000	$57,140
2021	Collision	$57,155	1.1068	$63,258
2021	Collision	$57,222	1.1068	$63,332
2017	Comprehensive	$57,350	1.1756	$67,423
2021	Collision	$57,407	1.1068	$63,537
2018	Collision	$57,440	1.2944	$74,348
2022	Collision	$57,440	1.0000	$57,440
2019	Collision	$57,445	1.2944	$74,355
2021	Collision	$57,471	1.1068	$63,608
2022	Collision	$57,477	1.0000	$57,477
2021	Collision	$57,500	1.1068	$63,640
2020	Comprehensive	$57,500	1.0669	$61,345
2020	Collision	$57,500	1.2250	$70,435
2021	Collision	$57,501	1.1068	$63,641
2022	Collision	$57,518	1.0000	$57,518
2021	Collision	$57,750	1.1068	$63,916
2022	Collision	$57,785	1.0000	$57,785
2020	Collision	$57,827	1.2250	$70,836
2019	Collision	$57,845	1.2944	$74,872
2022	Comprehensive	$57,860	1.0000	$57,860
2021	Collision	$57,869	1.1068	$64,048
2018	Collision	$57,875	1.3677	$79,156
2018	Collision	$57,891	1.3677	$79,178
2020	Collision	$57,919	1.2250	$70,948
2022	Collision	$57,925	1.0000	$57,925
2021	Collision	$57,948	1.1068	$64,136
2022	Comprehensive	$57,967	1.0000	$57,967
2022	Collision	$57,975	1.0000	$57,975
2022	Collision	$58,000	1.0000	$58,000
2021	Collision	$58,000	1.1068	$64,193
2020	Comprehensive	$58,000	1.0669	$61,878
2019	Collision	$58,000	1.2250	$71,048
2018	Comprehensive	$58,000	1.1382	$66,016
2018	Collision	$58,000	1.3677	$79,327
2020	Collision	$58,022	1.2250	$71,075
2022	Collision	$58,031	1.0000	$58,031
2022	Collision	$58,038	1.0000	$58,038
2022	Comprehensive	$58,100	1.0000	$58,100
2020	Collision	$58,100	1.2250	$71,170

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$58,165	1.1068	$64,376
2021	Collision	$58,193	1.1068	$64,407
2017	Collision	$58,254	1.4452	$84,189
2022	Comprehensive	$58,275	1.0000	$58,275
2017	Comprehensive	$58,287	1.1756	$68,524
2022	Collision	$58,339	1.0000	$58,339
2020	Collision	$58,500	1.2250	$71,660
2017	Comprehensive	$58,500	1.1756	$68,775
2017	Collision	$58,500	1.4452	$84,544
2022	Comprehensive	$58,563	1.0000	$58,563
2017	Collision	$58,600	1.4452	$84,688
2021	Collision	$58,669	1.1068	$64,934
2021	Collision	$58,727	1.1068	$64,998
2020	Collision	$58,800	1.2250	$72,028
2018	Collision	$58,900	1.3677	$80,557
2019	Collision	$58,983	1.2944	$76,345
2022	Comprehensive	$59,050	1.0000	$59,050
2021	Collision	$59,088	1.1068	$65,397
2022	Comprehensive	$59,106	1.0000	$59,106
2017	Collision	$59,130	1.4452	$85,454
2017	Collision	$59,150	1.4452	$85,483
2017	Collision	$59,150	1.4452	$85,483
2022	Comprehensive	$59,200	1.0000	$59,200
2022	Collision	$59,241	1.0000	$59,241
2021	Comprehensive	$59,256	1.0329	$61,205
2021	Collision	$59,267	1.1068	$65,595
2021	Collision	$59,351	1.1068	$65,688
2020	Collision	$59,400	1.2250	$72,763
2022	Collision	$59,421	1.0000	$59,421
2017	Collision	$59,438	1.4452	$85,898
2017	Collision	$59,500	1.4452	$85,989
2017	Collision	$59,570	1.4452	$86,090
2022	Comprehensive	$59,588	1.0000	$59,588
2017	Comprehensive	$59,600	1.1382	$67,837
2020	Comprehensive	$59,626	1.0669	$63,613
2021	Comprehensive	$59,637	1.0329	$61,599
2018	Collision	$59,670	1.3677	$81,611
2022	Collision	$59,687	1.0000	$59,687
2022	Collision	$59,700	1.0000	$59,700
2020	Collision	$59,716	1.2250	$73,150
2022	Collision	$59,730	1.0000	$59,730

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$59,800	1.0000	$59,800
2020	Collision	$59,825	1.2250	$73,283
2022	Comprehensive	$59,849	1.0000	$59,849
2021	Comprehensive	$59,849	1.0329	$61,818
2022	Collision	$59,854	1.0000	$59,854
2019	Collision	$59,957	1.2944	$77,606
2022	Collision	$59,976	1.0000	$59,976
2022	Collision	$60,000	1.0000	$60,000
2021	Collision	$60,000	1.1068	$66,407
2020	Comprehensive	$60,000	1.0669	$64,012
2019	Collision	$60,000	1.2944	$77,662
2021	Comprehensive	$60,105	1.0329	$62,082
2022	Comprehensive	$60,109	1.0000	$60,109
2022	Collision	$60,117	1.0000	$60,117
2017	Collision	$60,350	1.3677	$82,541
2022	Collision	$60,360	1.0000	$60,360
2020	Collision	$60,400	1.2250	$73,988
2018	Collision	$60,450	1.3677	$82,677
2018	Collision	$60,485	1.3677	$82,725
2021	Collision	$60,550	1.1068	$67,015
2017	Comprehensive	$60,650	1.1756	$71,303
2022	Comprehensive	$60,717	1.0000	$60,717
2021	Collision	$60,741	1.1068	$67,227
2019	Collision	$60,800	1.2944	$78,697
2022	Collision	$60,882	1.0000	$60,882
2019	Comprehensive	$60,885	1.1020	$67,093
2017	Comprehensive	$60,893	1.1756	$71,589
2022	Collision	$60,902	1.0000	$60,902
2021	Collision	$60,940	1.1068	$67,447
2017	Collision	$60,948	1.4452	$88,081
2021	Collision	$60,968	1.1068	$67,478
2022	Collision	$61,000	1.0000	$61,000
2017	Collision	$61,000	1.4452	$88,157
2021	Collision	$61,005	1.1068	$67,519
2018	Collision	$61,126	1.2944	$79,119
2019	Collision	$61,243	1.2944	$79,271
2021	Collision	$61,252	1.1068	$67,792
2018	Collision	$61,300	1.3677	$83,840
2018	Comprehensive	$61,300	1.1382	$69,772
2021	Comprehensive	$61,303	1.0329	$63,319
2022	Collision	$61,368	1.0000	$61,368

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$61,400	1.4452	$88,735
2019	Comprehensive	$61,429	1.1020	$67,692
2020	Collision	$61,435	1.2250	$75,255
2022	Collision	$61,474	1.0000	$61,474
2022	Comprehensive	$61,500	1.0000	$61,500
2020	Comprehensive	$61,624	1.0669	$65,744
2022	Collision	$61,636	1.0000	$61,636
2017	Collision	$61,641	1.4452	$89,083
2021	Collision	$61,667	1.1068	$68,252
2022	Collision	$61,797	1.0000	$61,797
2022	Collision	$61,812	1.0000	$61,812
2022	Collision	$61,825	1.0000	$61,825
2019	Collision	$61,854	1.2944	$80,062
2022	Collision	$61,885	1.0000	$61,885
2020	Collision	$61,891	1.2250	$75,814
2020	Collision	$61,900	1.2250	$75,825
2019	Collision	$61,920	1.2944	$80,147
2021	Comprehensive	$61,964	1.0329	$64,002
2018	Collision	$61,995	1.3677	$84,790
2022	Collision	$62,000	1.0000	$62,000
2021	Collision	$62,000	1.1068	$68,620
2020	Collision	$62,000	1.2250	$75,947
2019	Collision	$62,000	1.2944	$80,250
2019	Comprehensive	$62,000	1.1020	$68,322
2018	Collision	$62,000	1.3677	$84,797
2017	Collision	$62,000	1.3677	$84,797
2017	Collision	$62,000	1.4452	$89,602
2022	Comprehensive	$62,000	1.0000	$62,000
2021	Collision	$62,028	1.1068	$68,651
2019	Comprehensive	$62,035	1.1020	$68,361
2019	Comprehensive	$62,050	1.1020	$68,377
2021	Collision	$62,144	1.1068	$68,780
2022	Comprehensive	$62,175	1.0000	$62,175
2021	Collision	$62,183	1.1068	$68,823
2021	Comprehensive	$62,200	1.0329	$64,246
2018	Comprehensive	$62,200	1.1382	$70,797
2022	Collision	$62,215	1.0000	$62,215
2019	Collision	$62,225	1.2944	$80,542
2022	Collision	$62,277	1.0000	$62,277
2022	Collision	$62,290	1.0000	$62,290
2021	Comprehensive	$62,342	1.0329	$64,393

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2018	Comprehensive	$62,350	1.1382	$70,967
2021	Collision	$62,383	1.1068	$69,044
2021	Collision	$62,422	1.1068	$69,087
2019	Collision	$62,495	1.2944	$80,891
2020	Comprehensive	$62,497	1.0669	$66,676
2021	Collision	$62,500	1.1068	$69,174
2020	Comprehensive	$62,500	1.0669	$66,679
2019	Collision	$62,500	1.2944	$80,898
2021	Collision	$62,581	1.1068	$69,263
2021	Comprehensive	$62,644	1.0329	$64,705
2022	Collision	$62,679	1.0000	$62,679
2022	Comprehensive	$62,679	1.0000	$62,679
2021	Collision	$62,679	1.1068	$69,371
2021	Collision	$62,769	1.1068	$69,471
2021	Comprehensive	$62,836	1.0329	$64,903
2021	Collision	$62,926	1.1068	$69,645
2022	Collision	$63,000	1.0000	$63,000
2019	Collision	$63,018	1.2944	$81,568
2022	Collision	$63,054	1.0000	$63,054
2022	Comprehensive	$63,170	1.0000	$63,170
2022	Collision	$63,257	1.0000	$63,257
2020	Collision	$63,285	1.2250	$77,522
2017	Collision	$63,350	1.4452	$91,553
2022	Collision	$63,402	1.0000	$63,402
2022	Comprehensive	$63,433	1.0000	$63,433
2022	Collision	$63,467	1.0000	$63,467
2021	Comprehensive	$63,555	1.0329	$65,646
2021	Collision	$63,700	1.1068	$70,502
2021	Comprehensive	$63,855	1.0329	$65,955
2021	Collision	$63,950	1.1068	$70,778
2022	Collision	$63,975	1.0000	$63,975
2019	Collision	$63,992	1.2944	$82,829
2017	Comprehensive	$64,000	1.1756	$75,242
2020	Comprehensive	$64,005	1.0669	$68,285
2022	Collision	$64,043	1.0000	$64,043
2019	Collision	$64,099	1.2944	$82,967
2020	Collision	$64,165	1.2250	$78,599
2022	Comprehensive	$64,185	1.0000	$64,185
2022	Collision	$64,240	1.0000	$64,240
2022	Collision	$64,241	1.0000	$64,241
2019	Collision	$64,280	1.2944	$83,202

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$64,409	1.0000	$64,409
2021	Collision	$64,500	1.1068	$71,387
2019	Comprehensive	$64,500	1.1020	$71,077
2022	Collision	$64,551	1.0000	$64,551
2018	Collision	$64,600	1.3677	$88,353
2022	Collision	$64,827	1.0000	$64,827
2022	Collision	$65,000	1.0000	$65,000
2022	Collision	$65,000	1.0000	$65,000
2022	Comprehensive	$65,000	1.0000	$65,000
2021	Collision	$65,000	1.1068	$71,941
2021	Collision	$65,000	1.1068	$71,941
2021	Collision	$65,000	1.1068	$71,941
2021	Collision	$65,000	1.1068	$71,941
2019	Collision	$65,000	1.2944	$84,134
2018	Collision	$65,000	1.3677	$88,900
2018	Collision	$65,000	1.3677	$88,900
2022	Comprehensive	$65,001	1.0000	$65,001
2022	Collision	$65,008	1.0000	$65,008
2022	Comprehensive	$65,075	1.0000	$65,075
2017	Collision	$65,169	1.4452	$94,182
2022	Collision	$65,250	1.0000	$65,250
2020	Collision	$65,261	1.2250	$79,942
2017	Comprehensive	$65,325	1.1756	$76,799
2022	Collision	$65,369	1.0000	$65,369
2021	Collision	$65,400	1.1068	$72,383
2022	Collision	$65,421	1.0000	$65,421
2021	Collision	$65,425	1.1068	$72,411
2021	Collision	$65,573	1.1068	$72,575
2021	Comprehensive	$65,607	1.0329	$67,766
2022	Collision	$65,687	1.0000	$65,687
2021	Collision	$65,849	1.1068	$72,880
2022	Collision	$65,871	1.0000	$65,871
2022	Collision	$66,000	1.0000	$66,000
2022	Collision	$66,000	1.0000	$66,000
2022	Comprehensive	$66,062	1.0000	$66,062
2021	Comprehensive	$66,106	1.0329	$68,280
2022	Comprehensive	$66,273	1.0000	$66,273
2020	Collision	$66,300	1.2250	$81,215
2022	Comprehensive	$66,542	1.0000	$66,542
2018	Comprehensive	$66,600	1.1382	$75,805
2022	Comprehensive	$66,626	1.0000	$66,626

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$66,700	1.0000	$66,700
2018	Collision	$66,732	1.3677	$91,269
2022	Collision	$66,789	1.0000	$66,789
2022	Collision	$66,864	1.0000	$66,864
2017	Comprehensive	$66,875	1.1756	$78,622
2021	Comprehensive	$66,879	1.0329	$69,079
2021	Collision	$66,886	1.1068	$74,028
2021	Collision	$66,917	1.1068	$74,062
2022	Comprehensive	$67,000	1.0000	$67,000
2020	Collision	$67,000	1.2250	$82,072
2018	Comprehensive	$67,000	1.1382	$76,260
2017	Collision	$67,000	1.4452	$96,828
2020	Comprehensive	$67,212	1.0669	$71,706
2019	Comprehensive	$67,289	1.1020	$74,150
2019	Comprehensive	$67,330	1.1020	$74,195
2022	Collision	$67,354	1.0000	$67,354
2017	Collision	$67,400	1.4452	$97,406
2017	Collision	$67,413	1.4452	$97,425
2022	Collision	$67,440	1.0000	$67,440
2021	Collision	$67,491	1.1068	$74,698
2021	Collision	$67,682	1.1068	$74,909
2021	Comprehensive	$67,805	1.0329	$70,035
2022	Collision	$67,905	1.0000	$67,905
2022	Collision	$67,912	1.0000	$67,912
2021	Collision	$68,000	1.1068	$75,261
2021	Collision	$68,000	1.1068	$75,261
2019	Comprehensive	$68,039	1.1020	$74,976
2022	Collision	$68,097	1.0000	$68,097
2022	Collision	$68,236	1.0000	$68,236
2021	Collision	$68,240	1.1068	$75,527
2021	Collision	$68,325	1.1068	$75,621
2018	Comprehensive	$68,500	1.1382	$77,967
2019	Collision	$68,563	1.2944	$88,745
2021	Collision	$68,586	1.1068	$75,910
2022	Comprehensive	$68,590	1.0000	$68,590
2021	Comprehensive	$68,592	1.0329	$70,848
2022	Collision	$68,596	1.0000	$68,596
2021	Comprehensive	$68,629	1.0329	$70,886
2022	Collision	$68,686	1.0000	$68,686
2020	Collision	$68,743	1.2250	$84,207
2022	Collision	$68,807	1.0000	$68,807

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$68,852	1.1068	$76,204
2019	Comprehensive	$68,997	1.1020	$76,032
2022	Comprehensive	$69,000	1.0000	$69,000
2020	Comprehensive	$69,034	1.0669	$73,650
2020	Comprehensive	$69,039	1.0669	$73,656
2022	Comprehensive	$69,055	1.0000	$69,055
2021	Comprehensive	$69,150	1.0329	$71,425
2022	Comprehensive	$69,174	1.0000	$69,174
2019	Collision	$69,500	1.2944	$89,958
2020	Collision	$69,503	1.2250	$85,138
2022	Collision	$69,694	1.0000	$69,694
2022	Collision	$69,819	1.0000	$69,819
2019	Collision	$69,963	1.2944	$90,557
2022	Comprehensive	$69,974	1.0000	$69,974
2022	Collision	$70,000	1.0000	$70,000
2021	Collision	$70,000	1.1068	$77,474
2018	Collision	$70,000	1.3677	$95,739
2018	Collision	$70,000	1.2944	$90,605
2018	Collision	$70,000	1.3677	$95,739
2018	Collision	$70,000	1.3677	$95,739
2017	Collision	$70,000	1.4452	$101,163
2018	Collision	$70,050	1.3677	$95,807
2017	Collision	$70,050	1.4452	$101,236
2021	Comprehensive	$70,215	1.0329	$72,525
2022	Comprehensive	$70,252	1.0000	$70,252
2022	Collision	$70,259	1.0000	$70,259
2021	Collision	$70,500	1.1068	$78,028
2022	Collision	$70,505	1.0000	$70,505
2021	Comprehensive	$70,513	1.0329	$72,832
2017	Collision	$70,543	1.4452	$101,948
2018	Collision	$70,570	1.3677	$96,519
2021	Comprehensive	$70,574	1.0329	$72,895
2021	Collision	$70,577	1.1068	$78,113
2020	Collision	$70,681	1.2250	$86,581
2021	Collision	$70,745	1.1068	$78,299
2022	Comprehensive	$70,750	1.0000	$70,750
2022	Collision	$70,969	1.0000	$70,969
2018	Comprehensive	$71,100	1.1382	$80,927
2017	Collision	$71,125	1.4452	$102,789
2018	Collision	$71,250	1.3677	$97,449
2017	Collision	$71,284	1.4452	$103,019

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Comprehensive	$71,305	1.0000	$71,305
2022	Comprehensive	$71,344	1.0000	$71,344
2018	Collision	$71,418	1.3677	$97,678
2022	Collision	$71,452	1.0000	$71,452
2022	Collision	$71,459	1.0000	$71,459
2017	Comprehensive	$71,493	1.1756	$84,050
2022	Collision	$71,665	1.0000	$71,665
2021	Collision	$71,698	1.1068	$79,354
2021	Collision	$71,951	1.1068	$79,634
2020	Comprehensive	$72,000	1.0669	$76,815
2017	Collision	$72,000	1.4452	$104,054
2020	Collision	$72,121	1.2250	$88,345
2022	Comprehensive	$72,250	1.0000	$72,250
2022	Collision	$72,390	1.0000	$72,390
2018	Collision	$72,445	1.3677	$99,083
2020	Comprehensive	$72,875	1.0669	$77,748
2019	Collision	$72,999	1.2944	$94,487
2021	Comprehensive	$73,067	1.0329	$75,470
2021	Collision	$73,068	1.1068	$80,870
2020	Collision	$73,280	1.2250	$89,765
2022	Collision	$73,450	1.0000	$73,450
2022	Collision	$73,500	1.0000	$73,500
2022	Comprehensive	$73,536	1.0000	$73,536
2022	Collision	$73,551	1.0000	$73,551
2022	Collision	$73,695	1.0000	$73,695
2017	Collision	$73,700	1.4452	$106,511
2022	Comprehensive	$73,800	1.0000	$73,800
2021	Collision	$73,849	1.1068	$81,734
2017	Collision	$73,925	1.4452	$106,836
2022	Comprehensive	$74,057	1.0000	$74,057
2017	Collision	$74,300	1.4452	$107,378
2021	Comprehensive	$74,375	1.0329	$76,821
2019	Collision	$74,375	1.2944	$96,268
2018	Collision	$74,500	1.3677	$101,894
2022	Comprehensive	$74,577	1.0000	$74,577
2020	Collision	$74,850	1.2250	$91,688
2018	Comprehensive	$74,850	1.1382	$85,195
2022	Comprehensive	$74,890	1.0000	$74,890
2019	Collision	$74,936	1.2944	$96,994
2021	Collision	$75,000	1.1068	$83,008
2018	Collision	$75,000	1.3677	$102,577

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Collision	$75,000	1.4452	$108,389
2021	Comprehensive	$75,179	1.0329	$77,651
2022	Collision	$75,194	1.0000	$75,194
2019	Collision	$75,200	1.2944	$97,336
2018	Comprehensive	$75,320	1.1382	$85,730
2019	Collision	$75,430	1.2944	$97,634
2022	Collision	$75,633	1.0000	$75,633
2021	Collision	$75,652	1.1068	$83,730
2017	Comprehensive	$75,728	1.1756	$89,029
2021	Collision	$76,000	1.1068	$84,115
2017	Collision	$76,000	1.4452	$109,834
2018	Collision	$76,111	1.3677	$104,097
2022	Collision	$76,200	1.0000	$76,200
2022	Collision	$76,321	1.0000	$76,321
2022	Collision	$76,364	1.0000	$76,364
2021	Comprehensive	$76,682	1.0329	$79,205
2022	Comprehensive	$76,804	1.0000	$76,804
2020	Collision	$76,928	1.2250	$94,233
2018	Collision	$77,000	1.3677	$105,313
2022	Collision	$77,150	1.0000	$77,150
2022	Collision	$77,160	1.0000	$77,160
2018	Collision	$77,200	1.3677	$105,586
2020	Collision	$77,295	1.2250	$94,683
2020	Comprehensive	$77,325	1.0669	$82,496
2021	Comprehensive	$77,364	1.0329	$79,909
2022	Collision	$77,500	1.0000	$77,500
2018	Collision	$77,542	1.3677	$106,054
2017	Collision	$77,677	1.4452	$112,258
2018	Comprehensive	$77,810	1.1382	$88,564
2019	Collision	$77,967	1.2944	$100,917
2022	Collision	$78,150	1.0000	$78,150
2021	Comprehensive	$78,178	1.0329	$80,749
2021	Comprehensive	$78,250	1.0329	$80,824
2022	Comprehensive	$78,500	1.0000	$78,500
2022	Collision	$78,883	1.0000	$78,883
2019	Collision	$79,050	1.2944	$102,319
2021	Collision	$79,314	1.1068	$87,783
2021	Comprehensive	$79,989	1.0329	$82,620
2022	Collision	$80,000	1.0000	$80,000
2018	Collision	$80,000	1.3677	$109,416
2022	Comprehensive	$80,000	1.0000	$80,000

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$80,149	1.0000	$80,149
2022	Collision	$80,200	1.0000	$80,200
2022	Collision	$80,241	1.0000	$80,241
2022	Comprehensive	$80,271	1.0000	$80,271
2022	Collision	$80,336	1.0000	$80,336
2022	Comprehensive	$80,416	1.0000	$80,416
2018	Collision	$80,432	1.3677	$110,007
2018	Collision	$80,491	1.3677	$110,087
2018	Comprehensive	$80,525	1.1382	$91,654
2019	Collision	$80,971	1.2944	$104,806
2017	Collision	$81,525	1.4452	$117,819
2019	Collision	$82,000	1.2944	$106,138
2018	Collision	$82,175	1.3677	$112,391
2022	Collision	$82,192	1.0000	$82,192
2021	Collision	$82,500	1.1068	$91,309
2021	Collision	$82,726	1.1068	$91,559
2018	Collision	$82,978	1.3677	$113,489
2018	Collision	$83,056	1.3677	$113,595
2017	Comprehensive	$83,750	1.1756	$98,461
2018	Collision	$83,800	1.3677	$114,613
2021	Comprehensive	$83,885	1.0329	$86,644
2022	Collision	$84,112	1.0000	$84,112
2017	Collision	$84,702	1.4452	$122,411
2019	Collision	$84,760	1.2944	$109,710
2018	Collision	$85,000	1.2944	$110,021
2022	Collision	$85,221	1.0000	$85,221
2022	Collision	$85,300	1.0000	$85,300
2021	Comprehensive	$85,440	1.0329	$88,250
2022	Comprehensive	$85,859	1.0000	$85,859
2022	Collision	$86,100	1.0000	$86,100
2020	Collision	$86,373	1.2250	$105,803
2021	Comprehensive	$86,375	1.0329	$89,216
2020	Collision	$86,644	1.2250	$106,135
2020	Collision	$86,763	1.2250	$106,281
2018	Collision	$87,275	1.3677	$119,366
2020	Collision	$87,331	1.2250	$106,977
2018	Collision	$87,360	1.2944	$113,076
2021	Comprehensive	$87,500	1.0329	$90,378
2021	Comprehensive	$87,708	1.0329	$90,593
2020	Collision	$87,725	1.2250	$107,459
2022	Collision	$88,375	1.0000	$88,375

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2021	Collision	$88,442	1.1068	$97,886
2018	Collision	$88,530	1.3677	$121,082
2021	Collision	$89,402	1.1068	$98,948
2017	Collision	$89,529	1.4452	$129,386
2021	Comprehensive	$90,000	1.0329	$92,960
2022	Collision	$90,187	1.0000	$90,187
2022	Collision	$90,555	1.0000	$90,555
2020	Comprehensive	$90,790	1.0669	$96,861
2021	Collision	$91,000	1.1068	$100,717
2021	Collision	$91,043	1.1068	$100,765
2020	Collision	$91,070	1.2250	$111,557
2021	Comprehensive	$91,339	1.0329	$94,344
2020	Comprehensive	$91,781	1.0669	$97,918
2020	Collision	$92,350	1.2250	$113,125
2017	Collision	$92,571	1.4452	$133,783
2017	Collision	$93,187	1.4452	$134,674
2018	Comprehensive	$93,265	1.1382	$106,155
2021	Collision	$93,399	1.1068	$103,372
2021	Collision	$93,967	1.1068	$104,000
2022	Comprehensive	$94,000	1.0000	$94,000
2022	Comprehensive	$94,135	1.0000	$94,135
2019	Collision	$95,360	1.2944	$123,430
2022	Collision	$95,800	1.0000	$95,800
2017	Collision	$96,051	1.4452	$138,812
2022	Collision	$96,265	1.0000	$96,265
2020	Collision	$96,425	1.2250	$118,117
2022	Comprehensive	$98,295	1.0000	$98,295
2019	Collision	$98,865	1.2944	$127,967
2021	Collision	$99,430	1.1068	$110,047
2022	Collision	$100,000	1.0000	$100,000
2021	Comprehensive	$100,000	1.0329	$103,289
2022	Collision	$100,000	1.0000	$100,000
2022	Collision	$101,500	1.0000	$101,500
2020	Collision	$102,003	1.2250	$124,949
2017	Collision	$102,919	1.4452	$148,738
2022	Collision	$105,362	1.0000	$105,362
2018	Collision	$105,500	1.3677	$144,292
2020	Collision	$105,500	1.2250	$129,233
2022	Comprehensive	$106,850	1.0000	$106,850
2019	Collision	$107,500	1.2944	$139,144
2019	Collision	$108,125	1.2944	$139,953

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2022	Collision	$109,000	1.0000	$109,000
2017	Collision	$109,650	1.4452	$158,465
2018	Collision	$110,100	1.3677	$150,584
2018	Comprehensive	$111,088	1.1382	$126,441
2022	Collision	$112,500	1.0000	$112,500
2021	Collision	$112,500	1.1068	$124,513
2018	Collision	$114,550	1.3677	$156,670
2018	Collision	$115,500	1.3677	$157,969
2022	Collision	$115,949	1.0000	$115,949
2021	Collision	$116,600	1.1068	$129,050
2021	Collision	$116,650	1.1068	$129,106
2017	Comprehensive	$118,100	1.1756	$138,844
2017	Comprehensive	$120,000	1.1756	$141,078
2022	Collision	$121,169	1.0000	$121,169
2022	Collision	$122,305	1.0000	$122,305
2022	Comprehensive	$122,815	1.0000	$122,815
2020	Collision	$123,967	1.2250	$151,855
2017	Collision	$125,000	1.4452	$180,649
2017	Collision	$127,125	1.4452	$183,720
2020	Collision	$127,400	1.2250	$156,060
2021	Collision	$128,200	1.1068	$141,889
2022	Collision	$129,000	1.0000	$129,000
2022	Collision	$130,000	1.0000	$130,000
2022	Collision	$131,543	1.0000	$131,543
2021	Comprehensive	$134,000	1.0329	$138,408
2022	Collision	$134,159	1.0000	$134,159
2017	Comprehensive	$134,500	1.1756	$158,125
2021	Collision	$135,850	1.1068	$150,356
2020	Collision	$137,600	1.2250	$168,554
2020	Collision	$137,745	1.2250	$168,732
2020	Comprehensive	$138,000	1.0669	$147,228
2020	Collision	$138,701	1.2250	$169,902
2022	Comprehensive	$140,345	1.0000	$140,345
2021	Collision	$141,000	1.1068	$156,056
2019	Comprehensive	$141,000	1.1020	$155,377
2017	Collision	$142,600	1.4452	$206,084
2020	Collision	$142,750	1.2250	$174,863
2017	Collision	$144,190	1.3677	$197,208
2017	Collision	$145,000	1.4452	$209,553
2020	Comprehensive	$145,651	1.0669	$155,391
2022	Collision	$147,500	1.0000	$147,500

Accident Insurance Year	Coverage	ACV Amount	Trend Factor	Trended to 2022
2017	Comprehensive	$149,000	1.1756	$175,172
2018	Collision	$149,800	1.3677	$204,881
2022	Collision	$150,000	1.0000	$150,000
2022	Comprehensive	$150,100	1.0000	$150,100
2018	Comprehensive	$154,000	1.1382	$175,284
2021	Collision	$155,000	1.1068	$171,551
2020	Collision	$156,548	1.2250	$191,765
2021	Comprehensive	$159,315	1.0329	$164,555
2021	Collision	$161,000	1.1068	$178,191
2022	Collision	$165,000	1.0000	$165,000
2022	Comprehensive	$169,000	1.0000	$169,000
2022	Collision	$180,000	1.0000	$180,000
2017	Collision	$182,139	1.3677	$249,111
2018	Collision	$182,233	1.3677	$249,240
2021	Collision	$187,000	1.1068	$206,968
2022	Collision	$189,000	1.0000	$189,000
2017	Collision	$220,000	1.4452	$317,942
2017	Collision	$221,759	1.4452	$320,484
2021	Collision	$232,150	1.1068	$256,939
2021	Comprehensive	$296,660	1.0329	$306,418
2017	Collision	$325,000	1.4452	$469,687
2022	Comprehensive	$402,850	1.0000	$402,850

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Part and Chapter:	**Part VI Claims Forecasting and Loss Trend Analysis**	**Page No.:**	**Figure CF-91**
PUB Approved Issue No:	**11. Claims forecasting, including but not limited to PIPP and changes or enhancements to claims forecasting design**		
Topic:	**Claims trending**		
Sub Topic:			

Preamble to IR:

MPI highlights the delay in vehicle repairs due to disruptions caused by the COVID-19 pandemic and supply chain delays that have resulted in an increase in duration of Third Party Loss of Use. The average vehicle rental days sorted by invoice date increased from eight to nine days for 2019 and 2020 to twelve to thirteen days over 2021 and 2022.

Typically, MPI does not rely on a trend established based on only three data points due to lack of credibility. However, to bring pre-COVID experience to current year basis MPI needs to account for periods of increased in duration of Third Party Loss of Use claims experienced in 2021 and 2022 accident years. Third Party Loss of Use loss cost projection relies on trended ultimate adjusted loss cost derived based on weighted average of 2017 to 2022 accident years (see section CF.5.5). If MPI does not consider rapid increases in severity for 2021 to 2022 accident years, pre-COVID experience will be understated.

Question:

Were any other approaches considered in order to reflect the increased severity, similar to the approach on page 81 for collision severity?

Rationale for Question:

To assess alternative methods in order to add stability and credibility.

RESPONSE:

Similar to reviewing the actual costs of Collision Repairable and Total Loss completed and salvaged claims, in assessing past trends of Third Party Loss of Use coverage MPI reviewed the actual average rental days for a reasonableness check. The data combines loss experiences for all Loss of Use products under both Basic and Extension. As indicated in the GRA, "average vehicle rental days sorted by invoice date increased from eight to nine days for 2019 and 2020 to twelve to thirteen days over 2021 and 2022". As the data combines Basic and Extension claims and is available for invoiced claims only (vs. Accident Year data), MPI chose to follow a statistical modelling approach using Accident Year ultimate data to recognize the unprecedented increase in severity exhibited in the recent experience period.

PUB (MPI) 1-71

Part and Chapter:	**Part VIII VFH**	**Page No.:**	**22-24**
PUB Approved Issue No:	**12. Vehicles for Hire (VFH)**		
Topic:	**Ratemaking**		
Sub Topic:	**VFH Program Changes**		

Preamble to IR:

MPI proposes to adopt a comprehensive blanket policy for TNC VFH.

The proposed blanket policy will allow MPI customers to operate their personal passenger vehicles to transport people for financial compensation through a TNC. The TNC dispatcher would provide insurance coverage for the ridesharing portion of their use of the vehicle.

TNCs are to provide, upon application and at the beginning of the policy year, an annual estimate for the distance expected to be travelled across all active vehicles during ridesharing periods, which MPI will then apply to the starting rate in order to determine an initial premium requirement and a deposit amount.

Question:

a) Please provide a detailed determination of the per KM rate currently in effect.

b) Please provide an update to PUB (MPI) 1-67(c) comparing the proposed approach with that used by SGI.

c) Please provide a comparison of the per KM rates and blanket policy coverages used in other jurisdictions where TNCs operate.

d) Please describe how the blanket policy claims experience will be integrated with the per-vehicle experience of all other uses and classes when determination of appropriate pricing.

Rationale for Question:

To understand blanket policy for TNCs.

RESPONSE:

a) The answer to this part is subject to a confidentiality motion.

Part VII Risk Classification RC Appendix 11 – TNC Blanket Policy – 3.1 Per-Kilometer (KM) Rate provides a high-level discussion of the methodology used to determine the proposed per KM rate for an effective date of April 1, 2024. The analysis and resulting per KM rate were based on data as of March 31, 2022 (as the analysis was completed prior to the end of the 2022/2023 fiscal year).

The per-KM rate of the proposed TNC blanket policy is designed to ensure revenue neutrality, balancing the current revenue from Passenger Vehicle for Hire (VFH) with the combined income from the TNC blanket policy and the All-Purpose premium under the proposed framework.

Determining the current total revenue from PVFH Territory 1 Vehicles

The rate model used the population of vehicles as of November 2022 to determine the total revenue originating from vehicles with the Passenger Vehicle-for-Hire insurance use using the "4 time band" option (PVFH 4) at 2023/2024 PUB approved rates. Only PVFH 4 vehicles operating in Territory 1 were considered as KM data was only available for this insurance use and rating territory.

The sum of the premium of the 1,222 PVFH 4 territory 1 vehicles at 2023/2024 PUB approved rates, after application of the DSR discount, was $[**REDACTED**].

As the rate model only considers the population of vehicles as at November 2022, MPI assumes that the 387 new PVFH 4 Territory 1 vehicles from November 2022 to March 2023 are subject to the average PVFH 4 territory 1 premium. This results in an additional $[**REDACTED**] in revenue.

The total amount of PVFH 4 Territory 1 premium is $([**REDACTED**])

PVFH Rate Indication

An external rate indication was completed using PVFH earned premiums and claims experience, using MPI data as of March 31, 2022 and an effective date of April 1, 2024. The rate indication was completed in accordance with Accepted Actuarial Practices and was reviewed by MPI.

The selected rate level change because of the rate indication was an increase of 13.8%. This rate increase is applied to the PVFH 4 Territory 1 premium, resulting in PVFH 4 Territory 1 revenue of $[**REDACTED**].

Please see *Appendix 1 Table 2 – Summary of Indicated Rate Level Change - Confidential* for further detail on the PVFH rate indication.

All-Purpose Territory 1 Revenue

Under the proposed insurance model, TNC affiliated drivers are required to maintain the most appropriate insurance coverage for their vehicles (when not in VFH operation for a TNC with an MPI blanket policy). As this product is new to MPI and there is no experience, MPI assumes that this coverage will be primarily the all-purpose insurance use. As MPI gains experience with the blanket policy it will review the underlying uses that are being declared by TNC affiliated drivers and make any required adjustments. The sum of the premium of the 1,222 PVFH 4 territory 1 vehicles rated as All-Purpose at 2023/2024 PUB approved rates, after application of the DSR discount, was $[**REDACTED**].

As the rate model only considers the population of vehicles as of November 2022, MPI assumes that the 387 new PVFH 4 Territory 1 vehicles from November 2022 to March 2023 are subject to the average All-Purpose premium for the same population of vehicles. This results in an additional $[**REDACTED**] in All-Purpose revenue.

The total amount of All-Purpose Territory 1 premium from the population of PVFH 4 Territory 1 vehicles is ($[**REDACTED**]).

Expected Annual Kilometers

The expected annual kilometers are a projection of the annual kilometers driven in a ride-sharing capacity during the rating year. This projection is based on historical monthly TNC driving data in Period 2 and Period 3 in Territory 1.

A four-month average was selected to capture recent growth in kilometers driven in 2023, resulting in a selection of [**REDACTED**] kilometers per month. MPI assumes that kilometers driven plateaus at this level.

Please see *Appendix 1 Table 3 – Ride-Sharing Monthly Kilometers Driven in P2 - Confidential and P3 of Appendix 1 - Confidential* for historical monthly kilometers driven and the selection of the expected annual kilometers.

Determination of the Per-Kilometer Rate

The revenue generated by PVFH4 vehicles in Territory 1 under the current VFH framework is compared against the All-Purpose revenue generated by these same vehicles under the proposed framework. The resulting revenue shortfall is the amount required from the TNC blanket policy to remain revenue neutral.

The kilometer estimate used in these calculations is based on historical TNC driving data in Territory 1. Under the proposed framework, it's important to note that not every PVFH4 vehicle is expected to adopt the TNC blanket policy, therefore MPI adjusted the revenue shortfall by [**REDACTED**] to account for the estimated uptake of the

TNC blanket policy within the ride-sharing sector in Territory 1. As MPI has no current experience with a TNC blanket policy, estimated uptake was based on the VFH framework review, and continued consultation with all VFH related stakeholders. This adjusted value represents the revenue amount that needs to be recovered through the TNC blanket policy.

The per-kilometer rate is then determined as:

[REDACTED]

Please see *Appendix 1 Table 1 – Determination of Per-Kilometer Rate Confidential* for the calculation of the per-kilometer rate.

b) As stated in the *2023 GRA PUB (MPI) 1-67(c)*, Saskatchewan Government Insurance (SGI) uses a similar approach to the proposed MPI model in terms of determining insurance premiums for TNCs. SGI charges premiums to TNCs monthly, based on the actual KMs driven across all a TNC's affiliated vehicles. The TNC base insurance rate has been $0.11 per kilometer since the inception of the model in 2018. SGI requires a premium deposit (20% of annual premium, based on the km driven) for any approved TNC. TNCs are required to submit monthly data such as KMs driven each month to determine monthly premium installments. At the end of the policy year TNCs are included in SGI's Business Recognition Program where discounts and surcharges are based on claims history. SGI uses the obtained premium and claims data across all TNC affiliated vehicles to calculate the loss ratio. Please see table below for more details on MPI, SGI and *Insurance Corporation of British Columbia* (ICBC) approaches.

Please see table below for an updated comparison of MPI's proposed approach with both SGI and ICBC's models.

	MPI	SGI	ICBC
Policyholder and Policy type	Transportation Network Company (TNC) Dispatcher purchased policy	Transportation Network Company (TNC) Dispatcher purchased policy	Transportation Network Services (TNS) Dispatcher purchased policy
Eligibility	Optional blanket policy for rideshare dispatchers and TNCs operating in Manitoba All VFH dispatchers are eligible for a Blanket policy provided they meet minimum requirements	Mandatory blanket policy for any ridesharing company and/or TNCs operating in Saskatchewan Other VFH dispatchers are not currently eligible for current blanket policy	Mandatory blanket policy for ridesharing and TNSs operating in British Columbia Other VFH are not eligible for current blanket policy Taxis have an option for distance-based pricing that is independent of the TNS blanket policy
Coverage	TNC Basic blanket policy provides coverage for the following: Basic Insurance • All perils coverage • Personal Injury Protection Plan • TPL $500,000	Coverage depends on Claim type: • Vehicle owner's plate insurance covers physical damage, injury, and liability up to $200,000. • TNC blanket policy covers liability when losses exceed $200,000. • TNC's are required to show proof of $1M in TPL. • When expenses exceed the injury coverage benefit (Tort or No fault) the following applies:	TNS Blanket Policy provides coverage for the following: • Basic Vehicle Damage • TPL $1M • Enhanced Accident Benefits

	MPI	SGI	ICBC
Coverage *(cont'd)*		• If rideshare operator is injured during P2/P3, TNC policy will respond • If customer/passengers are injured during P2/P3, they can elect to use TNC policy or their own extension policy for coverage	
Coverage period	During ridesharing operation: P2- Accepting a ride P3- Transporting customer	Coverage is dependent on ridesharing period and claim type Basic Plate Insurance and Ridesharing operation P2- Accepting a ride P3- Transporting customer	During ridesharing operation P2- Accepting a ride P3- Transporting customer
Premium Rating	Single proposed per km rate for all of Manitoba)-$0.1484	Single per km rate for all of Saskatchewan- 0$.11	Three per km rates by zone Zone 1-$0.203930 Zone 2-$0.118086 Zone 3-$0.088518

	MPI	SGI	ICBC
Risks and Incentives	Annual km/loss reconciliation Loss ratio calculation for one year period, settled fully 27 months after policy expiry. Blanket Rebate/Surcharge Scale	Annual km/loss reconciliation Business Recognition Program: Loss ratio calculation over 5-year period Discount/Surcharge based on business Recognition Scale	Annual km/loss reconciliation Loss ratio calculation over 3-year period Discount/Surcharge based on Blanket Discount/Surcharge Scale

c) **Per Km Rates**

Per KM rates for blanket coverages in jurisdictions with private automobile insurance are not publicly available or available upon request as they are TNC/rideshare company specific and commercially sensitive. Information relative to rates and coverage for ICBC are included in part b.

Blanket Policy Coverages

Foremost, blanket policy coverages sold in Canada vary based on jurisdiction, the private insurer providing coverage, and the business requirements of the insured (i.e., the TNC/rideshare company). Thus, there can be a wide variation of rideshare blanket policies sold in one jurisdiction alone. Overall, the blanket policies and associated rates will vary based on the coverages, contingent coverage conditions, coverage limits, jurisdiction and deductible levels. For these reasons and the limited private information available, direct comparisons with private insurers remain challenging.

d) In addressing the integration of the TNC blanket policy claims experience with the per-vehicle experience of other uses and classes, it is critical to note that while the claims experience will be analyzed separately, a degree of interaction may occur for statistical robustness. To avoid potential volatility, it may be necessary to pool the TNC blanket policy's claims experience with broader VFH data, while still maintaining distinct tracking to avoid cross-subsidization and ensure pricing remains reflective of each category's unique risk.

MPI will closely monitor the proportion of PVFH vehicles adopting the TNC blanket policy and will review the risk profile and claims experience of the remaining vehicles periodically. If significant differences in the claims experience are observed, these differences will be considered during the rate revision process.

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Part and Chapter:	Part VII Risk Classification Figure RC-5	Page No.:	33
PUB Approved Issue No:	13. Driver Safety Rating (DSR)		
Topic:			
Sub Topic:			

Preamble to IR:

MPI provides Figure RC-5 which shows current vs proposed discounts.

Question:

Please provide a comparison of the current vs. indicated rate by DSR level and the variance in terms of both dollars and percentage.

Rationale for Question:

To understand the overall impact of changes to the DSR on rates charged to various policyholders.

RESPONSE:

Please see the figure below for a comparison in dollars and percentages between the current vs. indicated rate by DSR for merit eligible vehicles at a point in time.

Figure 1 Current Versus Indicated Rates by DSR Level

Line No.	DSR	Current Discount	Indicated Discount	Current Discounted Prem	Indicated Discounted Prem	$ Difference	% Difference
1	**20**			--	--	--	--
2	**19**			--	--	--	--
3	**18**	-	66%	--	--	--	--
4	**17**	40%	62%	--	--	--	--
5	**16**	40%	58%	$889.20	$622.44	-$266.76	-30.00%
6	**15**	40%	55%	$897.52	$673.14	-$224.38	-25.00%
7	**14**	34%	51%	$1,034.98	$768.40	-$266.59	-25.76%
8	**13**	33%	48%	$1,048.65	$813.88	-$234.77	-22.39%
9	**12**	32%	44%	$1,080.58	$889.89	-$190.69	-17.65%
10	**11**	31%	40%	$1,100.73	$957.15	-$143.57	-13.04%
11	**10**	29%	37%	$1,136.67	$1,008.59	-$128.08	-11.27%
12	**9**	27%	33%	$1,190.78	$1,092.91	-$97.87	-8.22%
13	**8**	26%	29%	$1,214.64	$1,165.40	-$49.24	-4.05%
14	**7**	26%	26%	$1,215.51	$1,215.51	$0.00	0.00%
15	**6**	21%	22%	$1,299.76	$1,283.31	-$16.45	-1.27%
16	**5**	16%	18%	$1,387.24	$1,354.21	-$33.03	-2.38%
17	**4**	16%	15%	$1,392.77	$1,409.35	$16.58	1.19%
18	**3**	11%	11%	$1,483.12	$1,483.12	$0.00	0.00%
19	**2**	10%	7%	$1,502.54	$1,552.62	$50.08	3.33%
20	**1**	5%	4%	$1,593.64	$1,610.41	$16.78	1.05%
21	**0**	0%	0%	$1,631.76	$1,631.76	$0.00	0.00%
22	**-1 to -20**	0%	0%	$1,643.91	$1,643.91	$0.00	0.00%

PUB (MPI) 1-73

Part and Chapter:	**Part IX Rev Appendix 1**	**Page No.:**	
PUB Approved Issue No:	**13. Driver Safety Rating (DSR)**		
Topic:	**DSR Scale**		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide the existing and anticipated discounts at each of the DSR scale levels including +18 to +20.

b) Provide the distribution of revenue forecast by DSR Level in each of the years 2023 through 2027 and reconcile with the revenue forecast in each of the years.

Rationale for Question:

To understand implications of moving the DSR scale towards actuarially indicated rates.

RESPONSE:

a) Please see Figure 1 below.

Figure 1 Existing and Anticipated DSR Discounts

Line No.	DSR Level	Vehicle Premium Discount 2023	2024	2025	2026
1	20	n/a	n/a	n/a	66%
2	19	n/a	n/a	56%	62%
3	18	n/a	48%	54%	60%
4	17	40%	45%	50%	56%
5	16	40%	44%	48%	53%
6	15	40%	43%	47%	51%
7	14	34%	38%	42%	46%
8	13	33%	36%	40%	44%
9	12	32%	35%	38%	41%
10	11	31%	33%	35%	37%
11	10	29%	31%	33%	35%
12	9	27%	28%	29%	31%
13	8	26%	26%	26%	27%
14	7	26%	26%	26%	26%
15	6	21%	21%	21%	21%
16	5	16%	16%	16%	17%
17	4	16%	16%	16%	16%
18	3	11%	11%	11%	11%
19	2	10%	10%	9%	8%
20	1	5%	5%	5%	5%
21	0	0%	0%	0%	0%
22	-1 to -20	0%	0%	0%	0%

b) Please see below:

Figure 2 Driver Revenue Forecast

Line No.	DSR	Earned Driver Premiums 2023	2024	2025	2026	2027
1	20	$0	$0	$0	$3,262,971	$3,320,836
2	19	$0	$0	$3,499,674	$298,872	$514,658
3	18	$0	$3,755,866	$318,503	$551,760	$434,452
4	17	$4,033,104	$339,769	$525,515	$397,426	$295,741
5	16	$362,800	$492,314	$419,033	$304,591	$634,040
6	15	$451,187	$442,034	$312,224	$670,770	$472,519
7	14	$646,125	$444,550	$840,768	$543,959	$430,464
8	13	$475,350	$772,027	$579,607	$434,474	$451,175
9	12	$693,454	$627,647	$451,842	$478,253	$481,266
10	11	$663,417	$459,622	$486,087	$502,950	$473,664
11	10	$482,072	$509,359	$541,927	$498,301	$541,343
12	9	$651,634	$700,651	$637,782	$688,926	$697,704
13	8	$870,466	$798,487	$851,330	$879,972	$837,062
14	7	$843,136	$893,261	$937,253	$898,969	$887,988
15	6	$924,268	$977,959	$946,377	$926,237	$972,292
16	5	$1,037,149	$1,015,965	$988,589	$1,041,203	$1,156,014
17	4	$1,105,317	$1,066,931	$1,128,446	$1,272,673	$1,200,571
18	3	$1,339,052	$1,425,049	$1,638,370	$1,519,468	$1,508,868
19	2	$1,576,366	$1,848,040	$1,687,488	$1,672,425	$1,715,757
20	1	$2,419,702	$2,168,003	$2,146,117	$2,198,093	$2,223,026
21	0	$3,568,571	$3,531,045	$3,611,340	$3,659,438	$3,646,235
22	-1	$2,484,077	$2,668,796	$2,718,865	$2,733,027	$2,832,769
23	-2	$2,132,763	$2,227,770	$2,219,192	$2,317,939	$2,326,518
24	-3	$2,084,605	$2,202,626	$2,400,556	$2,371,581	$2,382,039
25	-4	$3,597,181	$3,924,007	$3,894,346	$3,972,170	$4,083,258
26	-5	$3,086,053	$2,954,191	$3,028,004	$3,109,756	$3,163,694
27	-6	$1,952,383	$2,075,540	$2,164,516	$2,190,549	$2,246,198
28	-7	$2,316,338	$2,501,366	$2,588,905	$2,673,333	$2,759,826
29	-8	$2,076,769	$2,118,473	$2,246,504	$2,327,965	$2,390,904
30	-9	$1,941,657	$2,110,962	$2,206,703	$2,246,679	$2,327,227
31	-10	$2,130,127	$2,247,651	$2,285,123	$2,361,666	$2,433,125
32	-11	$1,428,986	$1,521,380	$1,606,441	$1,658,882	$1,721,318
33	-12	$1,686,020	$1,805,055	$1,882,815	$1,941,898	$2,015,080
34	-13	$2,301,211	$2,433,388	$2,551,945	$2,658,461	$2,792,389
35	-14	$1,137,640	$1,218,655	$1,289,100	$1,329,209	$1,397,205
36	-15	$1,289,753	$1,343,546	$1,393,925	$1,439,047	$1,530,299
37	-16	$1,267,293	$1,345,555	$1,411,585	$1,462,021	$1,557,280
38	-17	$852,613	$895,979	$937,373	$969,550	$1,007,518
39	-18	$851,152	$868,670	$909,748	$949,269	$1,026,792
40	-19	$636,669	$685,003	$720,736	$748,023	$786,488
41	-20	$5,123,836	$5,404,901	$5,628,699	$5,819,646	$6,366,817
42	**Total**	**$62,520,296**	**$64,822,090**	**$66,633,353**	**$67,982,404**	**$70,042,419**

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Part and Chapter:	**Part VIII Product Enhancements BIM.5.2**	**Page No.:**	**14**
PUB Approved Issue No:	**13. Driver Safety Rating**		
Topic:	**Basic Insurance Model**		
Sub Topic:			

Preamble to IR:

MPI will conduct further customer engagement on the topic of BIM in at least two stages beginning in the summer of 2023. The first stage of engagement will be smaller in scope than the 2019 public consultation and will be conducted via online survey using a random representative sample of DSR eligible customers.

Question:

a) Please file a copy of the online survey.

b) Has MPI begun roll-out of the online survey, and if not, when is the target date?

Rationale for Question:

To understand MPI's progress on the workplan.

RESPONSE:

a) The survey has not been finalized as of the current time. MPI anticipates the draft survey will be completed in late August and will be filed as part of MPI's Round 2 Information Request responses.

b) The roll-out has not yet begun, as the survey was not finalized in time for it to be completed before the Provincial election blackout period, which begins on August

4, 2023. MPI anticipates that the survey will launch following the conclusion of the Provincial election in October 2023.

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Part and Chapter:	Part IV Benchmarking BMK Appendix 3 Fig. BMK APP 3-1, Fig. BMK APP 3-2, Fig. BMK APP 3-3	Page No.:	
PUB Approved Issue No:	14. Operational Benchmarking		
Topic:	Crown Benchmarking		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide the assumed level of FTEs used for the determination of this variable for each of the companies in 2019/20, 2020/21 and 2021/22.

b) Please explain the reduction in the span in control of management to staff in 2020/21 from 2019/20 for MPI and SGI. Please provide the supporting analysis for the determination of this metric.

Rationale for Question:

To understand changes to the Crown benchmarking.

RESPONSE:

a) Please see the following figure:

Assumed Level of FTEs

Crown	2019/20	2020/21	2021/22
MPI	1,339.9	1,382.1	1,341.8
SGI	921.5	960.6	1,108.4
ICBC	3,021.0	2,980.0	2,992.0

b) Please see the following figure:

	2020/2021	2019/2020
Management as of end of year	103.0	87.7
Staff as of end of year	1,279.1	1,252.2
MPI	12.4	14.3
Management as of end of year	14.8	10.5
Staff as of end of year	82.4	84.2
SGI	5.6	8.0

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Part and Chapter:	**Part IV Benchmarking**	**Page No.:**	**25**
PUB Approved Issue No:	**14. Operational Benchmarking**		
Topic:	**Operational Benchmarking**		
Sub Topic:	**Crown Benchmarking**		

Preamble to IR:

In the 2023 GRA, MPI stated:

In consultation with SGI, we explored the major driver for the variance between SGI and MPI. The difference that contributes to the variance in the metric between SGI and MPI is due to SGI is divided into two separate entities, SGI Canada and SGI Auto Fund and the metric of the FTE to $100M GPW is in evaluation of the SGI Auto Fund. SGI approximates the split of FTE costs between the two entities which are based on high-level approximations and do not capture the full requirements of operating the Autofund. In our review with SGI they will continue to refine this measurement as the true level of FTE impacts may be understated. MPI has better granular data for FTE's tied to the Basic Line of Business and reports higher FTEs tied to the Basic Line of Business.

In this Application, MPI states SGI is a better comparative alignment.

Question:

a) Please provide MPI's understanding of how SGI determined FTEs for SAF and compare it with the approach followed by MPI and whether refinements have been made in the measurement.

b) Please provide the FTE count used for SGI and ICBC for the analysis provided this year and last year.

c) Please file a table of data used to support the calculation of the metrics for MPI, SAF and ICBC (IE FTEs, gross expenses, loss adjustment expenses, Policies in force etc.) Please file in Excel.

Rationale for Question:

To understand MPI's benchmarking metrics.

RESPONSE:

a) FTEs are allocated to Basic based on an FTE allocation mirroring corporate policy on allocation of expenses to lines of business. SGI follows a similar process.

b) Please see the following figure.

Figure 1 Full-Time Equivalent Counts

Line No.		2021/2022	2020/2021
1	**SGI**	1,108.4	960.6
2	**ICBC**	2,992.0	2,980.0

c) Please see *Appendix 1 Performance Measurement table* for calculation of the metrics for MPI, SGI and ICBC.

Performance Measurement	SGI	MPI	ICBC
Headcount Analysis			
1. FTEs per $100 Million of Gross Premiums Written			
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Total FTE's as of end of year	1,108	1,342	2,992
FTEs per $100 Million of Gross Premiums Written	**110.0**	**124.1**	**93.5**
2. Mgmt FTEs per $100 Million of Gross Premiums Written			
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Management FTE's as of end of year	186	94	347
Mgmt FTEs per $100 Million of Gross Premiums Written	**18.4**	**8.7**	**10.8**
3. Staff FTEs per $100 Million of Gross Premiums Written			
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Staff FTE's as of end of year	923	1,247	2,645
Staff FTEs per $100 Million of Gross Premiums Written	**91.6**	**115.4**	**82.7**
Span of Control Analysis			
4. Ratio of Staff to Management			
Management as of end of year	18	94	347
Staff as of end of year	92	1,247	2,645
Ratio of Staff to Management	**5.0**	**13.2**	**7.6**
Premium Metrics			
5. Total Expenses as a % of Gross Premiums Written			
Total Expenses	189,827,000	154,366,029	347,414,824
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Total Gross Expenses as a % of Gross Premiums Written	**18.8%**	**14.3%**	**10.9%**
6. Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
7. Gross Premiums Written per FTE			
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Total FTE's	1,108	1,342	2,992
Gross Premiums Written per FTE	**908,861**	**805,519**	**1,069,685**

Performance Measurement	SGI	MPI	ICBC
8. Gross Premiums Written Growth			
Gross Premiums Previous Year	988,696,000	1,158,693,288	3,502,715,699
Gross Premiums Current Year	1,007,336,000	1,080,878,504	3,200,415,000
	18,640,000	(77,814,784)	(302,300,699)
Gross Premiums Written Growth	**1.9%**	**-6.7%**	**-8.6%**
9. Net Premiums Written as a % of Gross Premiums Written			
Net Premiums Written	984,078,000	1,065,219,666	3,196,397,000
Gross Premiums Written	1,007,336,000	1,080,878,504	3,200,415,000
Net Premiums Written as a % of Gross Premiums Written	**97.7%**	**98.6%**	**99.9%**
10. Total Expenses as a % of Net Premiums Written			
Total Expense	189,920,000	154,366,029	347,414,824
Net Premiums Written	984,078,000	1,065,219,666	3,196,397,000
Total Net Expenses as a % of Net Premiums Written	**19.3%**	**14.5%**	**10.9%**
Policy Metrics			
11. Policies In Force per FTE			
Policies In Force	955,700	1,216,863	4,094,212
Total FTE's as of end of year	1,108	1,342	2,992
Policies In Force per FTE	**862.3**	**906.9**	**1,368.4**
12. Total Expenses per Policy In Force			
Total Expense	189,827,000	154,366,029	347,414,824
Policies In Force	956,000	1,216,863	4,094,212
Total Gross Expenses per Policy In Force	**198.6**	**126.9**	**84.9**

Traffic Safety Measurements

Loss Adjustment Ratio - Loss Prevention			
13. Loss Prevention (Traffic Safety Expenses)	45,165,000	10,337,225	31,909,176
Net Premiums Earned	1,007,336,000	1,106,407,787	3,200,415,000
14. Loss Adjustment Ratio - Loss Prevention	**4.5%**	**0.9%**	**1.0%**

Performance Measurement	SGI	MPI	ICBC
Other Performance Measurements			
15. Loss Ratio			
Net Claims Incurred /	749,682,000	705,809,225	1,692,485,000
Net Premiums Earned	982,205,000	1,106,407,787	3,149,668,000
Net Claims = Direct Costs + Interest Rate Impact + Actuary	**76.3%**	**63.8%**	**53.74%**
16. Loss Adjustment Ratio - Claims Expenses			
Claims Expenses	176,568,000	146,276,999	264,572,112
Net Premiums Earned	982,205,000	1,106,407,787	3,149,668,000
Loss Adjustment Ratio - Claims Expenses	**18.0%**	**13.2%**	**8.4%**
17. Total Gross Expenses per FTE			
Total Expenses	189,827,000	154,366,029	347,414,824
Total FTE as of end of year	1,108	1,342	2,992
Total Gross Expenses per FTE	**171,270**	**115,040**	**116,118**

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Part and Chapter:	Part V IT Attachment A and B	Page No.:	1
PUB Approved Issue No:	15. Information Technology (IT) benchmarking and value management		
Topic:	IT Benchmarking		
Sub Topic:			

Preamble to IR:

MPI states the Gartner Annual IT Benchmark FY 2022/23 will be filed in July 2023. (Part V - IT Attachment A).

MPI states the Gartner Recommendation will be filed in July 2023. (Part V - IT Attachment B).

Question:

a) Please file Gartner IT Benchmarking for FY 2022/23.

b) Please file Gartner IT Benchmarking Recommendation for FY 2022/23.

Rationale for Question:

To review IT Benchmarking.

RESPONSE:

MPI has filed the most recent report available from Gartner, which includes both the Benchmarking and Recommendations. Please see *MPI Exhibit #5 - IT Attachment A – Gartner Annual IT Benchmark FY 2021-22 Report* and *Attachment B – Detailed Recommendations*. MPI placeholders indicated FY 2022/23 due to an oversight. The 2022/23 report will be filed in 2025 GRA.

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Part and Chapter:	**Part X Capital Management and the Rate Stabilization Reserve – EAR Attachment A: Actuary Report as at Oct 31 2022**	**Page No.:**	**PDF 8 of 324**
PUB Approved Issue No:	**16. Run-off of prior year claims during 2022/23**		
Topic:	**Claims reserving adequacy**		
Sub Topic:			

Preamble to IR:

In the expression of opinion, on page 8 of 324, signed by Cosimo Pantaleo, the Appointed Actuary's estimate of the Direct unpaid claims and adjustment expenses is $2,080,261,000. The corresponding amount carried in Annual Return is $2,061,654,000. This amount is $18.6 million lower than the Appointed Actuary's estimate. The materiality standard selected on page 11 of 324 is $10 million.

OSFI Property and Casualty Memorandum to the Appointed Actuary 2022: 2.3 Differences (if any) Between the Appointed Actuary's Valuations and Corresponding Annual Return Liabilities

Companies are expected to book the Appointed Actuary's estimated policy liabilities in the Annual Return. In circumstances where the booked gross, ceded or net policy liabilities differ from the estimated policy liabilities by more than the Appointed Actuary's selected standard of materiality, the AAR must describe the reasons for the differences.

For federally regulated companies, the provision for policy liabilities in the liabilities shown in the balance sheet of the Annual Return should be greater than or equal to the corresponding estimated policy liabilities on a discounted basis including PfAD calculated by the Appointed Actuary

Question:

a) Recognizing that MPI is not regulated by OSFI, what is MPI's interpretation of the Appointed Actuary's estimate being higher than the carried amount, by more than the materiality standard?

b) Did MPI adjust their booked estimates for the 2024 GRA to reflect the higher estimates of the Appointed Actuary?

Rationale for Question:

To better understand the claims run-off.

RESPONSE:

a) MPI did not book the Appointed Actuary's estimates from the October 31, 2022 valuation. The October valuation is not completed until January and is used as a preliminary estimate for claims forecasting.

b) Yes, MPI booked the Appointed Actuary's estimates from the March 31, 2023 valuation into the general ledger. In terms of the estimates used in claims forecasting for the 2024 GRA, please refer to <u>*Part VI Claims Forecasting Chapter CF.3.1.1 - Loss Trending*</u> for more information.

PUB (MPI) 1-79

Part and Chapter:	**Part X Capital Management and the Rate Stabilization Reserve – EAR Attachment A: Actuary Report as at Oct 31 2022**	**Page No.:**	**27 of 324**
PUB Approved Issue No:	**16. Run-off of prior year claims during 2022/23**		
Topic:	**Claims reserving adequacy**		
Sub Topic:			

Preamble to IR:

The Appointed Actuary indicates that from March 2022 to October 2022 that there was significant development for the following coverages:

- Direct favourable development of $17.0 million for Accident Benefits – Weekly Indemnity due to changes in selected factors and development that was more favourable than anticipated
- Direct favourable development of $8.5 million for Accident Benefits – Other indexed due to changes in selected factors and development that was more favourable than anticipated
- Direct unfavourable development of $12.6 million for collision, mainly attributed by higher severity and backlogs in repair shops causing delays in getting financial reserves set in the claims system.

Question:

Please provide the corresponding favourable or unfavourable development for booked reserves for each of these coverages, and indicate the source of differences in the observed development.

Rationale for Question:

To better understand the claims run-off.

RESPONSE:

MPI does not have the booked IBNR at the detailed level (e.g. by Accident Year) in the General Ledger required to determine the favourable or unfavourable development for booked reserves.

The Appointed Actuary estimates as of October 31, 2022 were not booked into the General Ledger; however, the Appointed Actuary estimates as of March 31, 2023 were booked into the General Ledger. Thus, MPI has included the Appointed Actuary report as of March 31, 2023, which includes the reserves that were booked. Please see *Part X External Actuary Review EAR Attachment B – Actuary Report as at Mar 31, 2022*.

PUB (MPI) 1-80

Part and Chapter:	**Part XII Risk Management Framework** **RMF Appendix 1** **RMF Appendix 3**	**Page No.:**	**10 of 81**
PUB Approved Issue No:	**17. Risk Assessment and Risk Management**		
Topic:	**Corporate Risk Assessment**		
Sub Topic:			

Preamble to IR:

At the 2023 GRA MPI indicated it had revisited its risk taxonomy in Q1 2022/23. A risk taxonomy is a comprehensive, common, and stable set of risk categories. A key benefit is that it facilitates comparative analysis of the risk of an organization over time. …Going forward, a comparison of risks over time would be possible due to the expected stability of the risk taxonomy.

Question:

a) Please file the unredacted version of the Top Corporate Risks from the 2023 GRA.

b) Please provide a comparison of the Top Corporate Risks this year with the 2023 GRA and the relative change in risks.

c) Please explain the strategies employed to address the critical risks.

d) Please provide an expanded version of the Top Corporate Risks if available.

e) Please file a list of Key Risk Indicators and Key Control Indicators monitored by MPI.

f) Please file the most recent risk matrix report.

Rationale for Question:

To understand the analysis of corporate risks.

RESPONSE:

a) As background, there were 8 Top Corporate Risks from the 2023 GRA and 7 Top Risks for the 2024 GRA. Please see *Appendix 1 - 8 Top Corporate Risks (2023 GRA)*.

b) Please see *Appendix 2* for a comparison and relative change in risks for the *Top 8 Corporate Risks (2023 GRA)* and the Top 7 Corporate Risks (2024 GRA), which is filed confidentially.

c) Please see *Appendix 3 – Top Risk Profiles – Redacted* for the risk profiles of the Top 7 Corporate Risks (2024 GRA), with two risk profiles redacted. MPI files all 7 risk profiles confidentially.

d) Please see *Appendix 4* for a redacted expanded list of high and critical corporate risks, which includes the Top 7 Corporate Risks (2024 GRA). The full unredacted list of top risks is filed confidentially.

e) The list of Key Risk Indicators and Key Control Indicators currently monitored by MPI is filed confidentially as *Appendix 5*.

f) See *Appendix 4* for the redacted list of high and critical corporate risks and each risk's corresponding high or critical risk level.

Top Corporate Risks (2023 GRA)

Rank #	Risk Name	Risk Description	Residual Likelihood	Residual Impact	Residual Risk Rating
1	Inability to Attract and Retain Talent	Inability to attract and retain the top talent for key roles	5 - Almost Certain	5- Critical	Critical
2	Cyber events	The risk of the organization's systems being compromised by a cyber attack	3 - Possible	5- Critical	High
3	Inadequate Capability	Inadequate skills, leading to low productivity, limited ability to execute	4 - Likely	4- High	High
4	Inadequate Capacity	Inadequate capacity planning and recruitment, leading to low productivity, limited ability to execute	4 - Likely	4- High	High
5	Inadequate Compensation	Compensation schemes failing to incentivize optimal employee behaviour	4 - Likely	5- Critical	Critical
6	Inflation Risk	Inflation risk refers to the reduction in real returns arising because of falling purchasing power of cash. Long term fixed dollar amount cash flows are most vulnerable to inflation. Unanticipated inflation need not be a major source of risk, if cash flows move in proportion, maintaining the real returns. The problem arises when net incoming cash flows are fixed in dollar terms, so that the impact of inflation reduces the value and therefore the real return.	4 - Likely	3- Medium	High
7	Change/Transformation Execution failure	Failure to successfully plan and deliver change (as individual projects, programs and/or a portfolio of programs) into the operational environment.	4 - Likely	4- High	High
8	Reserve Risk	The risk of financial losses related to policies for which premiums already have been earned (fully or partly), i.e., risk related to claims that has already incurred but which might be unsettled, reopened or even not yet known to the insurance company. This risk relates to uncertainty in both the amounts paid and the timing of these amounts.	3 - Possible	4- High	High

Comparison of Top Corporate Risks

Risk Name	Risk Description	Top Corporate Risk 2024 GRA	Top Corporate Risk 2023 GRA
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Change/Transformation Execution Failure - Nova Program	Failure to successfully plan and deliver change from Nova program into the operational environment	Yes	Yes
Inadequate Capacity	Inadequate capacity planning and recruitment, leading to low productivity, limited ability to execute	Yes	Yes
Inability to Attract & Retain Talent	Inability to attract and retain the top talent for key roles	Yes	Yes
Inadequate Capability	Inadequate skills, leading to low productivity, limited ability to execute	Yes	Yes
Corporate Image & Branding	The possibility of damaging to the organizations reputation and/or erosion of its trademark or brand, which could stem from changing societal expectations or interest group pressures and which can sway governmental attitudes toward established business practices, policies and purposes, which in turn may lead to legislative or regulatory intervention that may affect both existing and proposed operations	Yes	No
Inflation Risk	Inflation risk refers to the reduction in real returns arising because of falling purchasing power of cash. Long term fixed dollar amount cash flows are most vulnerable to inflation. Unanticipated inflation need not be a major source of risk, if cash flows move in proportion, maintaining the real returns. The problem arises when net incoming cash flows are fixed in dollar terms, so that the impact of inflation reduces the value and therefore the real return.	No	Yes
Reserve Risk	The risk of financial losses related to policies for which premiums already have been earned (fully or partly), i.e. risk related to claims that has already incurred but which might be unsettled, reopened or even not yet known to the insurance company. This risk relates to uncertainty in both the amounts paid and the timing of these amounts.	No	Yes

Risk Profile – Inadequate Capability

Risk Name	Inadequate Capability	Enterprise-Wide Risk Owner	Vice President and Chief People Officer	Residual Risk Level	High

Risk We Are Facing

We may fail in building the skillsets our organization needs to execute our 5-year ambition plan and to perform the different processes resulting from the implementation of that plan, particularly, those skills associated to new technologies or innovation such as digitalization, automation, the management of big data, and the adoption of some cloud services.

Potential Consequence

The failure of our organization in building the needed people skills might lead to low productivity and limited ability to execute our plans, and/or may impair our ability to accomplish the delivery of our operational imperatives, and/or damage our reputation.

Identified Key Controls to Mitigate Risk

- Capabilities identification
- Development planning with identified stretch opportunities for hi-pos and successors
- Proactive performance development
- Current and relevant job descriptions
- Develop work force plans including required current and future competencies

Risk Treatment

- Post secondary partnerships
- Leadership practice support
- Strategic education and tuition support program
- Active and consistent succession planning with actions to support pipelines

Residual Risk Level Supporting Data	Likelihood	Impact
	4	4

1

Risk Profile – Inadequate Capacity

Risk Name	Inadequate Capacity	Enterprise-Wide Risk Owner	Vice President and Chief People Officer	Residual Risk Level	High

Risk We Are Facing

Our commitments to deliver on operational imperatives and to execute the plans for transformation, innovation, streamlining processes, and maturing our core functions may cause our failure in people's capacity planning and in recruitment of human resources.

Potential Consequence

Our failure in planning our people capacity and in recruiting might lead to low productivity and limited ability to execute our plans, and/or may impair our ability to accomplish the delivery of our operational imperatives, and/or damage our reputation as an employer of choice.

Identified Key Controls to Mitigate Risk

- Conduct People Capacity Assessment concurrently with the departmental annual business planning in the year ahead.
- Quarterly reporting to VPs on key workforce data and outcomes to drive accountability and transparency.
- Monitor capacity through work force planning and support leaders with executing actions to address capacity gaps.
- Restructure and realign roles that will result in alleviating capacity constraints.

Risk Treatment

- Support prioritization of activities identified within workforce plans.
- Enable leaders to utilize workforce planning tools independently.
- Enable leaders to utilize staffing dashboard to provide visibility to their people data.
- Provide appropriate people data to support additional resource requests to support permanent and/or contingency staffing and repurpose and appropriately utilize FTEs where required..

Residual Risk Level Supporting Data	Likelihood	Impact
	4	4

2

Risk Profile – Inability to Attract & Retain Talent

Risk Name	Inability to Attract & Retain Talent	Enterprise-Wide Risk Owner	Vice President and Chief People Officer	Residual Risk Level	High

Risk We Are Facing

Our ability to attract and retain talent may be impaired by a highly competitive talent market and an increased need for new, skilled and scarce talent required to support our transformation.

Potential Consequence

Impaired ability to achieve operational and strategic objectives and transformation plans.

Identified Key Controls to Mitigate Risk

- Corporate level talent acquisition strategy
- Defined talent audience and talent market
- Corporate level retention strategy
- Effective leadership goals for all people leaders
- Effective recognition programming
- Total rewards plan - competitive compensation & benefits
- Diversity, Equity & Inclusion (DEI) strategy
- Wellbeing strategy
- Exit interview data
- Career pathing and development plans

Risk Treatment

- Leverage available strategies, technology, resources, and industry best practices to reach top talent
- Refresh employer brand to ensure a compelling brand is in place to attract top talent
- Capitalize on our transformation efforts as an employee value proposition when seeking relevant talent
- Mature and evolve talent attraction practices
- Maintain a strong culture and reputation as an employer of choice
- Develop and implement a formal retention strategy and action plan
- Collect, analyze, and act upon exit interview data
- Continue to enhance and evolve wellness, DEI and recognition strategies and programming
- Complete compensation benchmarking and evolve compensation practices
- Conduct benefit enhancements and realignments to better meet diversity related factors
- Enhance career pathing and development programs to assure top talent of future career growth opportunities
- Implement employee referral program

Residual Risk Level Supporting Data	Likelihood	Impact
	4	4

3

Change Transformation Execution Failure - NOVA Program

Risk Name	Change Transformation Execution Failure - NOVA Program	Enterprise-Wide Risk Owner	Vice President and Chief Information & Technology Officer	Residual Risk Level	High

Risk We Are Facing

NOVA Operational transformation and execution/delivery failure:
- Delay in completing the R2 report scoping and business requirement gaps that are identified late as issues and not early as risks.
- Delay in the start of R3 pre-discovery phase leading to scoping, design and deliverable definition being incomplete as well as organizational capacity.
- Late identification of defects not leaving enough runway to remediate before go live targets
- Attrition and turnover in key roles potentially impacting, staff capabilities, capacity, operational readiness.
- Budget impacts requiring use of contingency due to delays in the delivery of each release.

Potential Consequence
- Failure to deliver NOVA releases as scheduled, will lead to significant financial and reputational impact to MPI.
- Further operational/functionality failure may lead to customer service disruption including MPI business with reputational implications

Identified Key Controls to Mitigate Risk
- Scope definition documented, committed to and measured through PI planning and streamlined continual reporting process that focuses on proactive identification of risks so they can be mitigated before becoming issues.
- Continual monitoring of program progress to deliver the completion of Release objectives/Business Processes according to schedule to meet our critical milestone dates
- Subject matter experts (technology and business) involvement to ensure functionality of the releases are tracked and tested (end to end)
- Implementation of a robust release management team and process including defect management to resolve issues as they arise in a timely manner to facilitate the achievement of the Release milestones
- Adherence to the policies, process, procedures, and governance per the Nova Program Management Office

Risk Treatment
- Ensure E2E planning for completion of the change management requirements for Nova and IFRS 17 and alignment with the project plan.
- Align for reprioritization and capacity requirements will need to be done. There is also a dedicated Project Manager required for IFRS 17 and EC updates to ensure alignment.
- Replanning of R2 go-live date to address late requirements and enhancements needed for a working solution.
- Replanning of R3 discovery schedule and start of implementation to avoid significant overlap in releases that would lead to organization capacity issues.
- Review resource requirements for R3
- Completion and implementation of privacy impact assessments.

Residual Risk Level Supporting Data	Likelihood	Impact
	3	4

Corporate Image & Branding

Risk Name	Corporate Image & Branding Risk	Enterprise-Wide Risk Owner	Vice President and Chief Customer Officer	Residual Risk Level	High

Risk We Are Facing

We may fail in protecting our corporate image, branding and goodwill from threats or dangers stemming from negative publicity, negative customer experience, public perception or uncontrollable events that have an adverse impact to MPI.

Potential Consequence

Our corporate value for different stakeholders may decline, public insurance business model may be challenged; media, regulatory and/or government of Manitoba scrutiny may increase; MPI's reputation may be tarnished; we may lose customers not related to the basic line of business; vendors and other third parties may lose confidence in MPI.

Identified Key Controls to Mitigate Risk

- Deliver on our financial, key initiatives and service delivery commitments.
- Ongoing proactive media outreach focused on the value that MPI delivers to Manitobans.
- Provide timely, accurate and complete responses to media inquiries.
- Proactively manage stakeholder relationship by timely, open and two-way communication.

Risk Treatment

- Implement the recommendation from Investment Consultant Firm in Investment Strategy.
- Implement more automation in the processes relating to budget and forecasting.
- Develop and implement the new Value Assurance Framework.
- Keep Government of Manitoba, PUB and Partners informed about all steps in our initiatives.
- Development and implement action plans to improve customer experience.

Residual Risk Level Supporting Data	Likelihood	Impact
	4	4

[REDACTED

[REDACTED]

6

[REDACTED

[REDACTED]

7

High and Critical Corporate Risks as of Q1 2023/24

Risk Category	Risk Name	Risk Description	Residual Risk Rating
[REDACTED]	[REDACTED]	[REDACTED]	High
[REDACTED]	[REDACTED]	[REDACTED]	Critical
Operational Risk	Change/Transformation Execution Failure - Nova Program	Failure to successfully plan and deliver change from Nova program into the operational environment	High
Operational Risk	Inadequate Capacity	Inadequate capacity planning and recruitment, leading to low productivity, limited ability to execute	High
Operational Risk	Inability to Attract & Retain Talent	Inability to attract and retain the top talent for key roles	High
Operational Risk	Inadequate Capability	Inadequate skills, leading to low productivity, limited ability to execute	High
Strategy Risk	Corporate Image & Branding	The possibility of damaging to the organizations reputation and/or erosion of its trademark or brand, which could stem from changing societal expectations or interest group pressures and which can sway governmental attitudes toward established business practices, policies and purposes, which in turn may lead to legislative or regulatory intervention that may affect both existing and proposed operations	High
Financial Risk	Inflation Risk	Inflation risk refers to the reduction in real returns arising because of falling purchasing power of cash. Long term fixed dollar amount cash flows are most vulnerable to inflation. Unanticipated inflation need not be a major source of risk, if cash flows move in proportion, maintaining the real returns. The problem arises when net incoming cash flows are fixed in dollar terms, so that the impact of inflation reduces the value and therefore the real return.	High
Operational Risk	Loss of Corporate Knowledge	Loss of corporate knowledge due to excessive use of contractors in key roles and/or insufficient knowledge documentation and transfer within internal resources	Critical
Insurance Risk	Reserve Risk	The risk of financial losses related to policies for which premiums already have been earned (fully or partly), i.e. risk related to claims that has already incurred but which might be unsettled, reopened or even not yet known to the insurance company. This risk relates to uncertainty in both the amounts paid and the timing of these amounts.	High
Operational Risk	IT Disaster Recovery	Failure to support business critical technology and restore full technology operations following a major event or compromise	High
Operational Risk	Model/methodology design error	The risk associated with errors in the model itself, including the model design, incorrect formulae, methodology and underlying assumptions	High
Operational Risk	Loss of Key Person	Loss of staff with a concentration of unique or irreplaceable skills and/or knowledge	High
Operational Risk	Inadequate Compensation	Compensation is not at market competitive levels	High
[REDACTED]	[REDACTED]	[REDACTED]	High

High and Critical Corporate Risks as of Q1 2023/24

Risk Category	Risk Name	Risk Description	Residual Risk Rating
[REDACTED]	[REDACTED]	[REDACTED]	High
[REDACTED]	[REDACTED]	[REDACTED]	High
[REDACTED]	[REDACTED]	[REDACTED]	High
Operational Risk	Inadequate Succession Planning	Inability to satisfactorily fill a critical role vacancy within an acceptable timeframe	High
Operational Risk	Change/Transformation Execution Failure - Other than Nova Program	Failure to successfully plan and deliver change not related to Nova program (as individual projects, programs and/or a portfolio of programs) into the operational environment.	High
Operational Risk	Processing/execution failure relating to internal operations	Failure to correctly execute internal processes	High
[REDACTED]	[REDACTED]	[REDACTED]	High
[REDACTED]	[REDACTED]	[REDACTED]	High
Operational Risk	External financial and regulatory reporting failure	Failure to report in an accurate, complete and timely manner to external parties, including regulators	High
[REDACTED]	[REDACTED]	[REDACTED]	High
Operational Risk	Inadequate response to legislative change	Failure to prepare and respond to legislative change	High
Strategy Risk	Business Model Risk	Business Model Risk is the risk that competitors of a firm operating in a given Business Sector will develop alternative business models for delivering similar or equivalent goods or services.	High

List of Monitored Key Risk Indicators and Key Control Indicators

Associated Risk	Indicator Name
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

Note: Indicators to monitor other top corporate risks are planned to be implemented in 2023/24 in accordance with the expected evolution of the ERM program maturity.

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Part and Chapter:	**Part V Nova**	**Page No.:**	**5**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:			

Preamble to IR:

MPI states:
Program Nova started as a legacy modernization assessment, completing a case for change and proving out the need to modernize MPI's core applications. Once the case for change was confirmed, the program was named Legacy Systems Modernization (LSM). It was later re-branded as Program Nova, signifying that the program is more than simply a corporate initiative aimed at modernizing MPI's core legacy systems.

Question:

a) Please indicate whether the original scope, not business objectives, of the original legacy modernization assessment expanded once Project Nova was initiated.

b) Please clarify whether MPI's consideration of Project Nova as "more than simply a corporate initiative" was the primary driver to increases in budget since the inception of the LSM project.

c) Please indicate MPI's definition of "scope" and note the source reference used for the provided definition.

Rationale for Question:

To understand the growth of Nova, budget context.

RESPONSE:

a) The original scope from the legacy modernization assessment has remained intact and did not expand when rebranded from Legacy System Modernization to Project Nova. Changing the program name from Legacy Systems Modernization to Project Nova was simply rebranding to emphasize that the program was more than just a technology replacement project. The following appendix provides scope guidelines that are adhered to by the program and the organization. Please see *Appendix 1 - Nova Scope Placemat*.

b) The primary drivers resulting in increases in budget since the inception of Legacy System Modernization/Nova are:

   i. the product and system integrator contract finalization in the 2021 Re-baseline

   ii. additional program leadership and resourcing

   iii. the change in the delivery schedule from 3 to 5 years in the 2022 Re-baseline.

   iv. additional resources and services to mitigate known risks

   On page 6 of *Part II Compliance with PUB Orders COM Appendix 2 – Redacted*, MPI provides further information on the cost drivers of project Nova, emphasizing the 5O% increase to the schedule, which equates to 20 additional months (with re-baseline 2022); and additional resources and/or services to de-risk the program in certain key areas.

c) For Project Nova scope is defined as our ability to deliver working software that enables our existing lines of business to fully deliver existing services utilizing the new technical solutions. Delivering this scope will allow us to completely decommission our existing legacy systems.

Leveraging Scaled Agile Framework, source reference used by MPI, this scope is broken down into features and product backlog items (PBI's) to track and ensure full delivery of scope.

NOVA
transforming customer experience

NOVA SCOPE PLACEMAT

MANITOBA PUBLIC INSURANCE

Scope

In-Scope for NOVA

- Replacing Legacy P&C and DVA Systems
- New Online Channel for Customers
- New Partner Portal
- Foundation to Enable Future Business Capabilities

Out-of-Scope for NOVA

- Upgrading non P&C and DVA systems
- Paperless and process automation
- New lines of business
- Changes to existing lines of business
- Native mobile application

Scope Guidelines and Controls

In-Scope of Nova	Out-of- Scope of Nova
Implementing New P&C, DVA, Customer 360, Integration Solutions (P&C = Basic, Extension, SRE, Claims) (DVA = IRP, Vehicle Reg, DL)	Upgrading or replacing other systems like BI3, Infor, Mitchell
New Customer and Partner Portal for P&C and DVA, and foundations for other applications	Implementing Other Lines of Business into the New Portals (i.e. BI3)
Online Supported Services via a Responsive Design Customer Portal	Native Mobile Application
Business Process Improvements and Rationalization	Paperless and Process Automation Implementation
Enabling improved reporting and Analytics Capabilities	Enterprise Data and Analytics Strategy
Enabling improved application and infrastructure security	Enterprise Security Maturity Strategy (i.e. Single Sign-On)
Improvements in Document Management	Enterprise Document Management Solution
New Billing Architecture for P&C and DVA (Leveraging New Capabilities. i.e. eTransfer)	Billing and ERP Solutions (i.e. How BI3 and Mitchell integrate with Infor)
New Integration Platform and Capabilities (Integrating Nova Solutions and External Systems)	Upgrading Integrations Between Existing Systems (i.e. BI3 integration with Infor)
Building the Foundation to Enable Future Business Capabilities (i.e. Digital Licenses)	Implementing New Lines of Business

PUB (MPI) 1-82

Part and Chapter:	Part V NOVA	Page No.:	8
PUB Approved Issue No:	20. Project NOVA		
Topic:	Project NOVA Update		
Sub Topic:	NOVA Baseline		

Preamble to IR:

MPI states that the total $106.8M was always considered as preliminary, but also necessary to approve the business case and to move forward with the next phase.

Question:

a) Please file reference from the original Legacy Systems Modernization (LSM) business case which indicates the budget was considered preliminary.

b) Please indicate the rationale for the original estimation of contingency within the LSM business case given the project costs were considered preliminary.

c) Please indicate whether the original LSM business case encompassed achieving the vision of MPI 2.0.

d) Please file the original LSM business case.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) The Executive Summary of the Legacy Systems Modernization 2018-19 Business Case – Executive Summary highlighted the fact that financial costs were still subject to change. The specific language from the Executive Summary is referenced below:

> *"This document includes financial analysis and estimates which are subject to change as the COTS product costs are confirmed through Request for Proposal (RFP) evaluations and contract negotiations."*

b) MPI used a 25% contingency based on recommendations from the two external vendors first engaged to assist with the legacy modernization assessment.

- The Deloitte budgetary range was $79M - $118.5M
    - Please see *Attachment A - 2023 GRA CAC (MPI) CI 2-5(b) Attachment C - Deloitte MPI LMA Board Discussion Materials Report - Confidential, page 10*
- The Avasant budgetary range was $53M - $80M
    - Please see *Attachment B - 2023 GRA CAC (MPI) CI 1-16 Attachment B - Avasant Board Presentation Sep 6 - Confidential, page 22*
- MPI finalized a budgetary range of $85.4M – $106.8M

c) MPI 2.0 is an aspirational concept introduced after the LSM Business Case was developed. MPI 2.0 was never part of Legacy System Modernization/Project Nova's objectives.

d) Please see *Appendix 1 - 2023 GRA CAC (MPI) 1-32 Legacy Systems Modernization 2018-19 Business Case - Confidential*

Appendix 1:
2023 GRA CAC (MPI) 1-32 Legacy System Modernization 2018-19 Business Case - Confidential

This material is the subject of a confidential motion.

Attachment A: 2023 GRA CAC (MPI) CI 2-5(b) Attachment C - Deloitte MPI LMA Board Discussion Materials Report - Confidential

This material is the subject of a confidential motion.

Attachment B: 2023 GRA CAC (MPI) CI 1-16 Attachment B Avasant Board Presentation Sep 6 - Confidential

This material is the subject of a confidential motion.

PUB (MPI) 1-83

Part and Chapter:	**Part V Nova**	**Page No.:**	**9-10**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Flattened Delivery**		

Preamble to IR:

MPI states:
During the start of the program implementation phase in March 2021, significant risks were found pertaining to organizational strengths needed for successful delivery. These included organizational capacity, Subject Matter Expert (SME) capacity and the capability/learning curve for implementing a program of this magnitude. These risks began to become issues leading to a release management review initiated by MPI Project NOVA leadership, assessing the viability of the three-year schedule. This review found the three-year schedule assumption to be incorrect. Consequently, the delivery schedule was adjusted and "flattened" (i.e., an additional 20 months was added to the existing timeline) to de-risk the program. This mitigation step increased the delivery schedule from 3 years to 5 years but did not change the scope of the program." (p. 9, Lines 11-21)

For added clarity, there were two primary reasons for flattening the delivery budget (i.e., increasing the schedule by 50% or an additional 20 months) and for adding resources and/or services to de-risk the program in certain key areas. The flattened delivery approach increased the budget to $189.5M. This increase is strictly the result of adding 20 months to the delivery schedule as the scope of the program remains the same.
(p. 10, Lines 7-12)

Question:

a) Please indicate whether the flattened delivery strategy and associated revised Nova 2022 re-baselined budget has completely mitigated the risks noted.

b) Please indicate whether the amount of work effort required to deliver Project Nova was also a contributing factor to the revised schedule and associated re-baseline budget, provide rationale.

Rationale for Question:

To understand Project Nova status and budget allocations.

RESPONSE:

a) The risks associated with organizational capacity, Subject Matter Expert (SME) capacity and the learning curve can never be completely mitigated. Through the flattened delivery approach the amount of overlap was reduced, but elements of Releases 1, 2 and 3 are occurring in parallel (e.g., the support and management of Release 1 occurs in parallel to the development of Release 2 and puts pressure on the teams building and testing each Release). Planning for Release 3 requires input from the delivery teams and leadership teams also overseeing and involved with Releases 1 and 2.

b) Yes, as identified in the 2022 Nova Business Case Re-baseline, the amount of work for the Digital Stream has been larger than expected. This has required more time and effort to develop.

PUB (MPI) 1-84

Part and Chapter:	**Part V Nova**	**Page No.:**	**10**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**McKinsey Assessment**		

Preamble to IR:

Question:

a) Please provide final costs for McKinsey assessments.

b) Please indicate the $ amounts not subject to Board approval.

c) Please indicate at this stage, which organizations or MPI resources are fulfilling the role McKinsey was performing for Project Nova.

d) Please provide an outline of McKinsey’s role throughout the project.

e) Please file a copy of the written notice of termination of McKinsey services.

Rationale for Question:

To understand contributing information to develop Project Nova business case.

RESPONSE:

MPI to insert response here.

a) Please refer to *Figure 1*:

Figure 1 - McKinsey Agreements

Line No.	Agreement	Effective Date	Expiry Date	Amount
1	**Initial Consulting Agreement**	10/8/2021		$2,233,125
2	**Initial 6-month agreement**	3/7/2022	9/6/2022	$4,982,250
3	**Amendment MPI 2.0**	8/10/2022	9/16/2022	$200,000
4	**6-month Extension**	10/3/2023	3/31/2023	$4,982,250
5	**Total**			**$12,397,625**

b) The MPI 2.0 Amendment for $200,000 was the only amount not subject to Board approval.

c) The functions performed by McKinsey have been distributed in a number of diverse ways.

- Governance: MNP LLP has been selected as the Nova Governance Risk and Advisory Services Vendor and will report independently to the MPI Executive Team, the Board of Directors and Technical Committee. The Statement of Work for the services is currently being negotiated.

- Nova Delivery Assessment: This activity has been completed. The Nova Program Management Office is accountable for managing the delivery plan for Project Nova. The Governance and Risk Advisory Vendor will also monitor the key performance indicators for the program delivery.

- R3 Pre-Discovery: This activity has been completed. The output from the Pre-Discovery sessions will be shared with the System Integrators who are implementing the documented requirements. MPI’s Product Management Team is playing a key role in management of the requirements for Release 3 going forward.

- Leadership support: This is an ongoing activity that requires attention. The section “NOV.6 Continuous Improvement” of the Nova Chapter explains how the program will provide services to support the Nova Leaders going forward.

d) McKinsey was responsible for a number of roles during the engagement with MPI and Project Nova:

- Governance: McKinsey reported to MPI's Board of Directors and Executive Team on their assessment of Project Nova's progress and health. This included reporting risks and issues and making recommendations.

- Nova Delivery Assessment: McKinsey was a key figure in the replanning of Project Nova. They identified risks and issues and made recommendations on how to de-risk the delivery. McKinsey reviewed Nova plans and assisted to validate assumptions.

- R3 Pre-Discovery Lead: McKinsey played a leading role in the planning and execution of a 12-week requirement gathering phase for Project Nova's third release, R3. Release 3 is the largest and most complex release. McKinsey helped plan the requirements gather workshops and lead the sessions with the subject matter experts from the business.

- Leadership Support: McKinsey provided a key role discussing the risks and issues with the Nova Leadership team. They prepared materials for weekly Steering Committee meetings and other management meetings as well as actively participating in those meetings.

e) As the contract term was clearly outlined in the agreement, there was no requirement to provide notice of termination to McKinsey and MPI did not provide them with a written notice of termination.

PUB (MPI) 1-85

Part and Chapter:	**Part V Nova**	**Page No.:**	**10**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**McKinsey Assessment**		

Preamble to IR:

MPI has provided Figure NOV–2 Assessment and Re-baseline 2022 (Part V – Nova, p. 7)

MPI has provided a summary of the McKinsey Assessment (Part V – Nova p.10-11)

Question:

a) Please file all deliverables produced by McKinsey.

b) Please relate the deliverables produced by McKinsey to the corresponding McKinsey contractual compensation/terms.

c) Please provide analysis, interim reports, correspondences, produced my McKinsey utilize to support the additional $34.6M additional budget recommendation as per 2022 Re-baseline.

d) Please indicate whether the recommended by McKinsey leading to the additional $34.6M budget allocation were specific to improvements to modernize IT systems or to advance MPI towards MPI 2.0.

Rationale for Question:

To understand contributing information to develop Project Nova business case.

RESPONSE:

a) and b)

Please refer to *Appendix 1* for a list of McKinsey Contract Milestone and Deliverables, redacted version is available. All deliverables are attached electronically to the McKinsey eBook, labeled as *Appendices 2 to 088*, for which MPI is seeking confidential treatment.

b) Please see *Appendix 2 - External Assessment Project Nova Program Review (McKinsey) - Confidential* filed in response to a) and b) above – Slides 11 through 38.

c) The additional $34.6M budget allocation was not to advance MPI towards MPI 2.0. It was specifically identified for the following;

i. $4M Technology Enabler for any peripheral technologies that are needed to enable the program to be successful;

ii. $9M R3B MVP and Claims POC to introduce an iterative approach to deliver customer self-service, moving from a big-bang approach to delivering in iterations. A part of this budget also included performing a proof of concept for claims;

iii. $13M Value Assurance for a new directorate and funding currently being used for McKinsey services;

iv. $5.5M Resources identified by McKinsey as additional resources that would be required to deliver upon the above opportunities; and

v. $3.1M Resource Funding Gap for resource gaps based on the organizational structure suggested by McKinsey.

NOVA - McKinsey Contracts and Deliverables

Contract	Contract Milestone Payment	Month	Deliverables	Change Order No. 1 - Removed, Added or Substituted	Appendix number and document name (Contract#-Month-Deliverable Name)
Consulting Agreement of October 2021 (External Assessment) - Expense Appendix 23a	[REDACTED]	29-Oct-21 29-Oct-21 5-Nov-21 12-Nov-21 26-Nov-21 3-Dec-21 10-Dec-21 17-Dec-21 24-Dec-21 31-Dec-21 7-Jan-22	A: Diagnose the Nova program B: Develop recommendations to enhance the Nova program		PUB 1- 85 Appendix 002 External Assessment Project Nova Program Review McKinsey - Confidential
Total	$ 2,233,125.00				
Consulting Agreement of March 2022 (Initial Term - Phase 1) Expense Appendix 23b & Change Order No. 1 of July 2023	[REDACTED]	Month 1	Workplan		PUB (MPI) 1-85 Appendix 003 Contract1 Month1 A0 20220331 MPI McKinsey workplan by month - Confidential
		Month 1	A1. Approval of an Enterprise Execution Plan ("the Plan")		PUB (MPI) 1-85 Appendix 004 Contract1 Month1 A1 0220615 MPI Integrated Roadmap vF.xlsx - Confidential
		Month 1	B9. Identifying and solutioning R1 Risks/impediments *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 005 Contract1 B9 R1 Dashboard for Get to Green - Confidential PUB (MPI) 1-85 Appendix 006 Contract1 B9 R1 Dashboard of status blockers and next steps by team - Confidential
		Month 1	C1. Document common role taxonomy created (especially for PM, PO, and other new Business/CX roles)		PUB (MPI) 1-85 Appendix 007 Contract1 Month1 C1 20220513 MPI Role taxonomy Product vs CX vs Tech vShare.pdf - Confidential
	[REDACTED]	Month 2	A2: Integrated execution plan shared with the board; refinements incorporated based on feedback		PUB (MPI) 1-85 Appendix 008 Contract1 Month2 A2 & A3 Apr 21 Tech committee meeting draft vShare.pdf - Confidential
		Month 2	A3. Stakeholder Alignment Plan		PUB (MPI) 1-85 Appendix 009 Contract1 Month2 A2 & A3 May 26 Tech Committee Materials vFinal.pptx - Confidential
		Month 2	B1. PMO bodies across MPI baselined (incl. existing roles, cadences, scope of control)		PUB (MPI) 1-85 Appendix 010 Contract1 Month2 B1 20220512 Nova governance shifts vShare - Confidential
		Month 2	B2. Enhanced governance blueprint drafted, with role of Value Assurance Control Tower and other PMO bodies clarified		PUB (MPI) 1-85 Appendix 011 Contract1 Month2 B2 20220526 Nova governance blueprint vShare - Confidential PUB (MPI) 1-85 Appendix 012 Contract1 Month2 3 4 B1 B2 B3 B4 June 30 Tech Committee Preread vF.pptx - Confidential
		Month 2	B10. Continuous identification and focus on blockers to R1 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 013 Contract1 B10 Cross stream dashboards - Confidential PUB (MPI) 1-85 Appendix 014 Contract1 B10 R1 Dashboard overview - Confidential PUB (MPI) 1-85 Appendix 015 Contract1 B10 Testing forecasting model - Confidential
		Month 2	B11. Extending Value Assurance (delivery) dashboards to R2 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 016 Contract1 B11 ADO Output & Analysis on Testing - Confidential PUB (MPI) 1-85 Appendix 017 Contract1 B11 R2 RO Mapping and ADO data cleanup - Confidential
		Month 2	C2. Existing resources and skills baselined against the new taxonomy and gaps identified	Removed with Change Order	
		Month 2	E1. Definition of the R3 Discovery Approach and Workplan *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 018 Contract1 E1 R3 Pre Discovery Initial Proposed plan approach and next steps - Confidential PUB (MPI) 1-85 Appendix 019 Contract1 E1 R3 Pre Discovery Initial Workplan - Confidential
	[REDACTED]	Month 3	A4. Risks to Nova roadmap identified (especially for Release 1) & mitigation options outlined. *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 020 Contract1 Month3 A4 Get to Green Progress dashboards - Confidential
		Month 3	A5. Identify gaps in corporate roadmap to align with Nova's. *Reporting tools development deliverable (not content). roadmap including risk identified from A4		PUB (MPI) 1-85 Appendix 021 Contract1 Month3 A5 Nova Sponsor SteerCo Meeting - Confidential
		Month 3	B3. Plan an approach to align MPI's multiple PMOs and piloting the new governance model blueprint to test and refine		PUB (MPI) 1-85 Appendix 022 Contract1 Month 2 3 4 B1 B2 B3 B4 June 30 Tech Committee Pre read vF - Confidential
		Month 3	B12. Continuous Identification and focus on blockers to R1 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 023 Contract1 B12 Detailed dashboards for blockers in Testing Integrations Data OR - Confidential PUB (MPI) 1-85 Appendix 024 Contract1 B12 R1 post blocker review workplan option - Confidential
		Month 3	B13. Extending Value Assurance (delivery) dashboards to R2 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 025 Contract1 B13 R1 & R2 dashboard cleanup - Confidential PUB (MPI) 1-85 Appendix 026 Contract1 B13 R2 Commitments by RO and BP post ADO cleanup.xlsx - Confidential
		Month 3	C3. Revise and document Organizational model based on C2	Removed with Change Order	
		Month 3	E2. Support planning for R3 Pre-discovery workplan and discovery	Added	PUB (MPI) 1-85 Appendix 027 Contract1 E2 R3 Pre discovery review EC part 1 - Confidential PUB (MPI) 1-85 Appendix 028 Contract1 E2 R3 Pre discovery plan review with EC part 2 - Confidential

NOVA - McKinsey Contracts and Deliverables

Consulting Agreement of March 2022 (Initial Term - Phase 1) Expense Appendix 23b & Change Order No. 1 of July 2023 *(cont'd)*	**[REDACTED]**	Month 4	B4. Pilot minimum viable product (MVP) version of integrated governance, Value Assurance Control Tower for Nova launched & changes in other PMO bodies rolled		PUB (MPI) 1-85 Appendix 029 Contract1 Month3 4 B3 and B4 202206 Nova governance pilot launch artefacts and plan vShare - Confidential PUB (MPI) 1-85 Appendix 30 Contract1 Month2 3 4 B1 B2 B3 B4 June 30 Tech Committee Pre read vF - Confidential
		Month 4	B14. Continuous Identification and focus on blockers to R1 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 031 Contract1 B14 Deep dive dashboards on testing progress - Confidential PUB (MPI) 1-85 Appendix 032 Contract1 B14 R1 Reporting details risks and blockers - Confidential PUB (MPI) 1-85 Appendix 033 Contract1 B14 Risks & blocker review for R1 .pptx - Confidential PUB (MPI) 1-85 Appendix 034 Contract1 B14 R1 Rollout plan business & people readiness - Confidential PUB (MPI) 1-85 Appendix 035 Contract1 B14 Steerco support for R1 delay drivers & re baseline - Confidential
		Month 4	B15. Extending Value Assurance (delivery) dashboards to R2 *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 036 Contract1 B15 R2 integration tracking.xlsx - Confidential PUB (MPI) 1-85 Appendix 037 Contract1 B15 R2 revised workplan with forecast dates by activity - Confidential
		Month 4	C4. Coaching mechanisms outlined e.g., need for Centers of Excellence	Removed	
		Month 4	D1. Assess Agile cadences defined to ensure better coordination to determine shifts needed	Removed	
		Month 4	E3. Support planning for R3 pre-discovery, and ongoing set up for Discovery *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 038 Contract1 E3 R3 Pre Discovery draft journeys and value streams.xlsx - Confidential PUB (MPI) 1-85 Appendix 039 Contract1 E3 R3 pre discovery proposed meeting cadence.pptx - Confidential
	[REDACTED]	Month 5	A6. Assess and document MPI's performance on the integrated execution plan created based on cadence initiated, and develop tracking and measurement templates *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 040 Contract1 Month5 A6 Nova Sponsor Steerco Meeting - Confidential
		Month 5	B5. Initiate OKRs for Nova and mechanism to track impact	Removed	
		Month 5	B6. Risk mitigation process initialized via Value Assurance *Reporting tools development deliverable (not content). Control Tower, to address and prioritize top 4-5 program risks already identified.		PUB (MPI) 1-85 Appendix 041 Contract1 Month5 July 26 Program SteerCo meeting vF.pptx - Confidential PUB (MPI) 1-85 Appendix 042 Contract1 Month5 Aug 9 Program SteerCo vS.pptx - Confidential PUB (MPI) 1-85 Appendix 043 Contract1 Month5 Oct 6 Program SteerCo vF.pptx - Confidential PUB (MPI) 1-85 Appendix 044 Contract1 Month5 Oct 25 Program SteerCo vPre Read.pptx - Confidential
		Month 5	C5. Develop Plan for fulfilling critical resource gaps created, in partnership with respective MPI leaders	Removed	
		Month 5	D2. Outline Plan for how to implement/scale the shifts needed in the delivery practices	Removed	
	[REDACTED]	Month 6	A7. Quarterly tracking of the roadmap mobilized through the VA Control Tower (including identifying risks and options for roadmap adjustment)		PUB (MPI) 1-85 Appendix 045 Contract1 Month6 A7 20220418 Quarterly Business Review fundamentals for MPI vShare.pdf - Confidential
		Month 6	B7. Value Assurance Control Tower Outcome tracking	Removed with Change Order	
		Month 6	B8. Continuous risk mitigation process mobilized via Value Assurance Control Tower top 4-5 program risks acted on	Removed with Change Order	
		Month 6	C6. Continuous guidance provided to MPI leaders on talent selection	Removed	
		Month 6	D3. Train Teams via Agile coaches (in partnership w/ N-PMO) in the delivery model shifts	Removed	
		Month 6	E1. Definition of the R3 Discovery Approach and Workplan *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 046 Contract1 E1 R3 Pre Discovery Initial Proposed plan approach and next steps - Confidential PUB (MPI) 1-85 Appendix 047 Contract1 E1 R3 Pre Discovery Initial Workplan - Confidential
		Month 6	E2. Support planning for R3 Pre-discovery workplan and discovery	Added	PUB (MPI) 1-85 Appendix 048 Contract1 E2 R3 Pre discovery review EC part 1 - Confidential PUB (MPI) 1-85 Appendix 049 Contract1 E2 R3 Pre discovery plan review with EC part 2 - Confidential
		Month 6	E3. Support planning for R3 pre-discovery, and ongoing set up for Discovery *Reporting tools development deliverable (not content).	Added	PUB (MPI) 1-85 Appendix 050 Contract1 E3 R3 Pre Discovery draft journeys and value streams - Confidential PUB (MPI) 1-85 Appendix 051 Contract1 E3 R3 pre discovery proposed meeting cadence - Confidential
Total	**$ 4,982,250.00**				

NOVA - McKinsey Contracts and Deliverables

Reinstating & Amending Agreement of December 2022 (Second Term) - Expense Appendix 23c	$ -	Month 1	A1: Create forecast for R2 code Completion and Test Completion *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 052 Contract2 Month1 A1 Code Completion Tracker and Forecast plan.pptx - Confidential
					PUB (MPI) 1-85 Appendix 053 Contract2 Month1 A1 Integrations Tracker and Forecast plan.pptx - Confidential
					PUB (MPI) 1-85 Appendix 054 Contract2 Month1 A1 R2 Test and Reports Tracking Dashboards Burndowns and Forecasts.pptx - Confidential
					PUB (MPI) 1-85 Appendix 055 Contract2 Month1 A1 Test Completion Tracker and Forecast plan.pptx - Confidential
		Month 1	A2: Assess MPI's Test Strategy and Plan for R2		
		Month 1	A3: Assess MPI's Technical / Business Enabler Strategy plan for R2 beyond testing		
		Month 1	B1: Refine governance dashboards for R1 to align with new release plan practices *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 056 Contract2 Month1 B1 Refined R1 Dashboards - Confidential
		Month 1	B2: Support MPI on continuous governance and risk resolution for R1		
		Month 1	B3: Support MPI on continuous governance and risk resolution for R2		
		Month 1	C1: Create and Launch the monthly executive reporting framework that covers Nova program health / risks and CoE, shared services capability and maturity		PUB (MPI) 1-85 Appendix 057 Contract2 Month1 C1 Tech Committee Update on Risk Scorecard and Capability Assessment Framework - Confidential
	[REDACTED]	Month 2	A4: Create the integrated roadmap/release workback plan for R2		PUB (MPI) 1-85 Appendix 058 Contract2 Month2 A4 Integrated workplan for R2 Revised.pptx - Confidential
		Month 2	A5: Ensure sign-off on owners and timelines for the R2 integrated roadmap		PUB (MPI) 1-85 Appendix 059 Contract2 Month2 A5 R2 Summary for Confidence Vote.pptx - Confidential
		Month 2	A6: Identify implications and decisions needed on budget, scope, and timeline for R2 based on the integrated plan and forecasts developed		
	[REDACTED]	Month 2	B2: Support MPI on continuous governance and risk resolution for R1		
		Month 2	B3: Support MPI on continuous governance and risk resolution for R2		
	[REDACTED]	Month 2	C2: Provide monthly executive report with early indication on R1 and R2 release impacts		PUB (MPI) 1-85 Appendix 060 Contract2 Month2 C2 R1 and R2 risks and release readiness December.pptx - Confidential
	[REDACTED]	Month 3	B2: Support MPI on continuous governance and risk resolution for R1		
		Month 3	B3: Support MPI on continuous governance and risk resolution for R2		
		Month 3	B4: Pressure test MPI's approach on new value assurance topics to be introduced, in particular spend governance and vendor contract management		
		Month 3	B5: Review and provide Guidance on release readiness plan ahead of Jan 1 Release		
	[REDACTED]	Month 3	C3: Provide monthly executive report, with decisions on R1 and R2 release impacts		PUB (MPI) 1-85 Appendix 061 Contract2 Month3 C3 Tech Committee Update and Executive Report for January - Confidential
	[REDACTED]	Month 3	D1: Conduct readiness assessment on launching R3 pre-discovery in Month 4 and confirm launch date *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 062 Contract2 Month3 D1 Readiness Assessment output Jan.pptx - Confidential
					PUB (MPI) 1-85 Appendix 063 Contract2 Month3 D1 & D2 R3 Pre Discovery Readiness Assessment and To Do items - Confidential
		Month 3	D2: Finalize resourcing and existing research, compilation for R3 *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 064 Contract2 Month3 D2 Wave 1 and 2 Research compilation summary.xlsx - Confidential
					PUB (MPI) 1-85 Appendix 065 Contract2 Month3 D1 and D2 R3 Pre Discovery Readiness Assessment and To Do items.xlsx - Confidential
		Month 3	D3: Create workplan for launching R3 pre-discovery (provided launch stays on course for Month 4)		PUB (MPI) 1-85 Appendix 066 Contract2 Month3 D3 R3 Pre Discovery workplan milestones and meeting overview.pptx - Confidential
	[REDACTED]	Month 4	B3: Support MPI on continuous governance and risk resolution for R2		
		Month 4	B6: Provide pre and post release related value assurance support to R1		
	[REDACTED]	Month 4	C4: Provide monthly executive report, including health of R1 pre-release activities		PUB (MPI) 1-85 Appendix 067 Contract2 Month4 C4 Executive Report for February Capability Assessment and Risk Scorecard.pdf - Confidential
	[REDACTED]	Month 4	E1: Conduct Kick-off for R3 'pre-discovery' with MPI participants		PUB (MPI) 1-85 Appendix 068 Contract2 Month4 E1 Jan 25 R3 Pre Discovery Kickoff.pptx - Confidential
		Month 4	E2: For first 1-2 value streams/journeys each in Insurance and DVA, guide MPI team on defining current vs. future state, and conducting vision workshop to align on		PUB (MPI) 1-85 Appendix 069 Contract2 Month4 5 E2 and E3 Feb 9 Wave 1 Vision Workshop vShare - Confidential
					PUB (MPI) 1-85 Appendix 070 Contract2 Month4 5 E2 and E3 Feb 24 Wave 2 Vision workshop vShare.pptx - Confidential
		Month 4	E3: Syndicate findings and decisions from C5 with MPI stakeholders and SI partners		PUB (MPI) 1-85 Appendix 069 Contract2 Month4 5 E2 and E3 Feb 9 Wave 1 Vision Workshop vShare - Confidential
					PUB (MPI) 1-85 Appendix 070 Contract2 Month4 5 E2 and E3 Feb 24 Wave 2 Vision workshop vShare.pptx - Confidential
	[REDACTED]	Month 5	B3: Support MPI on continuous governance and risk resolution for R2		
		Month 5	B6: Provide pre and post release related value assurance support to R1		
	[REDACTED]	Month 5	C5: Support MPI Value Assurance team in preparing monthly executive report, with emerging insights on R2 and R3 related risks and activities *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 071 Contract2 Month5 C5 March Capability Assessment supporting excel details - Confidential
	[REDACTED]	Month 5	E3: For next 1-2 value streams/journeys each in Insurance and DVA, guide MPI team on defining current vs. future state, and conducting vision workshop to align on		PUB (MPI) 1-85 Appendix 072 Contract2 Month4 5 E2 & E3 Feb 9 Wave 1 Vision Workshop vShare - Confidential
					PUB (MPI) 1-85 Appendix 073 Contract2 Month4 5 E2 & E3 Feb 24 Wave 2 Vision workshop vShare - Confidential
		Month 5	E4: Syndicate findings and decisions from C7 with MPI stakeholders and SI partners		PUB (MPI) 1-85 Appendix 069 Contract2 Month4 5 E2 and E3 Feb 9 Wave 1 Vision Workshop vShare - Confidential
					PUB (MPI) 1-85 Appendix 070 Contract2 Month4 5 E2 and E3 Feb 24 Wave 2 Vision workshop vShare.pptx - Confidential
	$ -	Month 5	F1: Align on high level view of timing and team structure for addressing MVP opportunities *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 074 Contract2 Month5 6 F1 F6 Delivery sequence summary and implications on overall timeline - Confidential
					PUB (MPI) 1-85 Appendix 075 Contract2 Month5 6 F1 F6 Release objectives timeline and effort estimates by stream - Confidential
		Month 5	F2: Break down work into Release objectives across workstreams and create a first draft view on size/timeline based on expected complexity (to be refined during		PUB (MPI) 1-85 Appendix 074 Contract2 Month5 6 F1 F6 Delivery sequence summary and implications on overall timeline - Confidential
					PUB (MPI) 1-85 Appendix 076 Contract2 Month5 6 F1 F6 Release objectives timeline and effort estimates by stream - Confidential
		Month 5	F3: Based on R1/R2 budget burn rates, derive high level view of budget expected (without contingency)		PUB (MPI) 1-85 Appendix 077 Contract2 Month5 6 F1 F6 Delivery sequence summary and implications on overall timeline.pptx - Confidential
					PUB (MPI) 1-85 Appendix 076 Contract2 Month5 6 F1 F6 Release objectives timeline and effort estimates by stream - Confidential
	[REDACTED]	Month 6	B3: Support MPI on continuous governance and risk resolution for R2		
		Month 6	B6: Provide pre and post release related value assurance support to R1		
	[REDACTED]	Month 6	C6: Support MPI Value Assurance team in preparing monthly executive report, including implications and decisions on R3 approach/risks (based on insights from		PUB (MPI) 1-85 Appendix 078 Contract2 Month6 C6 April Capability Assessment - Confidential
					PUB (MPI) 1-85 Appendix 079 Contract2 Month6 C6 April Risk scorecard and capability assessment - Confidential

NOVA - McKinsey Contracts and Deliverables

Reinstating & Amending Agreement of December 2022 (Second Term) - Expense Appendix 23c *cont'd*	**[REDACTED]**	Month 6	E5: For remaining value streams/journeys each in Insurance and DVA, guide MPI team on defining current vs. future state, and conducting vision workshop to align on journey-by-journey scope and design (work conducted in 2-3 week sprints)		PUB (MPI) 1-85 Appendix 080 Contract2 Month6 E3 E6 Wave 3 research and process maps - Confidential PUB (MPI) 1-85 Appendix 081 Contract2 Month6 E3 E6 Wave 4 research and process maps - Confidential
		Month 6	E6: Syndicate findings and decisions from C9 with MPI stakeholders and SI partners		PUB (MPI) 1-85 Appendix 082 Contract2 Month6 E3 E6 Wave 3 vision workshop - Confidential PUB (MPI) 1-85 Appendix 083 Contract2 Month6 E3 E6 Wave 4 vision workshop - Confidential
		Month 6	E7: Synthsize blueprint and decisions across sprints and prepare for/conduct an integrated vision workshop for final alignment		PUB (MPI) 1-85 Appendix 084 Contract2 Month6 E7 Integrated vision workshop for final alignment - Confidential
		Month 6	E8: Assess 'pre-discovery' completion and create plan to complete any outstanding research or decisions MPI need to drive beyond Month 6		
		Month 6	E9: Pressure test view of tech and business enablers implementation plan, using learnings from R1 and R2		
		Month 6	E10: Based on that, define high level assumption on timeline and team structure for executing on the scope aligned on		
	[REDACTED]	Month 6	F4: Identify need to de-scope Nova further based on fit against expected budget		PUB (MPI) 1-85 Appendix 074 Contract2 Month5 6 F1 F6 Delivery sequence summary and implications on overall timeline - Confidential PUB (MPI) 1-85 Appendix 075 Contract2 Month5 6 F1 F6 Release objectives timeline and effort estimates by stream - Confidential
		Month 6	F5: Align on top-down decisions on what scope should be prioritized for Nova vs. Non-Nova operational improvements as a result		PUB (MPI) 1-85 Appendix 074 Contract2 Month5 6 F1 F6 Delivery sequence summary and implications on overall timeline - Confidential PUB (MPI) 1-85 Appendix 075 Contract2 Month5 6 F1 F6 Release objectives timeline and effort estimates by stream - Confidential
	[REDACTED]	Month 6	G1: Provide guidance to MPI team as they conduct readiness assessment on launching R4 pre-discovery and confirm launch date *Reporting tools development		PUB (MPI) 1-85 Appendix 085 Contract2 Month6 G1 G3 R4 Pre Discovery readiness assessment incl resourcing research and workplan - Confidential PUB (MPI) 1-85 Appendix 086 Contract2 Month6 G1 G3 R4 Pre Discovery research status review and coverage - Confidential
		Month 6	G2: Guide R4 pre-discovery resourcing and research needs and review current status of research and resource availability *Reporting tools development deliverable		PUB (MPI) 1-85 Appendix 087 Contract2 Month6 G1 G3 R4 Pre Discovery readiness assessment incl resourcing research and workplan - Confidential PUB (MPI) 1-85 Appendix 086 Contract2 Month6 G1 G3 R4 Pre Discovery research status review and coverage - Confidential
		Month 6	G3: Guide creation of workplan to launch R4 pre-discovery *Reporting tools development deliverable (not content).		PUB (MPI) 1-85 Appendix 087 Contract2 Month6 G1 G3 R4 Pre Discovery readiness assessment incl resourcing research and workplan - Confidential PUB (MPI) 1-85 Appendix 086 Contract2 Month6 G1 G3 R4 Pre Discovery research status review and coverage - Confidential
Total	**$ 4,234,912.50**				

MPI - McKinsey 2.0 Assessment

Contract	Contract Milestone Payment	Deliverables	Link with new name in McKinsey IR folder (Contract#-Month-Deliverable Name)
Amending Agreement of August 2022 (MPI 2.0 Assessment) Expense Appendix 23d	[REDACTED] [REDACTED]		
	Total - $200,000	MPI 2.0 Assessment	Expense Appendix 23e

Appendix 2 to 88:
McKinsey Contract Milestone and All Deliverables

This material is the subject of a confidential motion.

PUB (MPI) 1-86

Part and Chapter:	**Part V Nova**	**Page No.:**	**11**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Re-baselined Budget**		

Preamble to IR:

MPI states:
The re-assessment of the 2021 Re-baseline, including McKinsey's opportunities, increased the program budget from $111.7M to $224.1M (exclusive of contingency). This number represents a more complete assessment of the funding required to deliver Project NOVA. To address potential unknowns, flexibility was added to the contingency budget, which increased from 15% to between 20 and 40%.

Question:

Please indicate the list of "potential unknowns" which could not be addressed/assessed, leading to an increase in contingency.

Rationale for Question:

To understand contributing information to develop the Project Nova business case.

RESPONSE:

The potential unknowns are primarily driven by the fact that the program has yet to execute discovery for Releases 3 and 4. The discovery phase is led by System Integrators (in partnership with MPI) and is meant to validate work effort, assumptions and schedule duration needed to successfully deliver the releases. Work effort, assumptions and schedule duration are the primary drivers for the budget.

PUB (MPI) 1-87

Part and Chapter:	**Part V Nova**	**Page No.:**	**12**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Program Status**		

Preamble to IR:

Question:

Please explain how MPI defines Minimum Viable Product (MVP) and provide reference utilized for definition.

Rationale for Question:

To further understand Nova delivery strategy as compared to projected budgets.

RESPONSE:

> *"A minimum viable product is a version of a product with just enough features to be usable by early customers who can then provide feedback for future product development." - Wikipedia*

For Project Nova MVP needs to take into consideration scope in order to fully deliver on the approved business case. For scope definition, please reference PUB 1-081 part c).For Project Nova the "MVP" is referenced on Page 12 of the Nova Chapter in Fig NOV-3., as well as with the following statement

> *"Releases 3 and 4 are planned to have a multiple MVP delivery approach"*

MPI is referring to an implementation plan that delivers smaller units of work for a target area in an incremental fashion. The scope of the work considers the needs of the specific business units and customers as well as the functionality currently provided by the legacy software. MPI feels this approach helps reduce delivery risk and avoids a "big bang" release after a long implementation phase.

PUB (MPI) 1-88

Part and Chapter:	**Part V Nova**	**Page No.:**	**14**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Nova Release Schedule**		

Preamble to IR:

MPI indicates "Shifting Testing left" as a notable lesson learned from Nova Release 1.

Question:

a) Please indicate whether shifting testing left requires earlier utilization of business teams to support Project Nova delivery.

b) Please indicate whether shifting testing left causes the overall testing effort to reduce, increase, or remain the same.

c) Please describe whether the application of shifting testing left affects the release gate methodology employed for Project Nova.

d) Please clarify if the costs for business team integration into testing is considered an element within the Project Nova budget.

Rationale for Question:

To understand Project Nova methodology as applied to project budgets.

RESPONSE:

a) Yes, shifting left requires earlier utilization of business teams as shifting testing left focuses on earlier feedback loops with the business teams. Continuous smaller feedback loops are used rather than seeking all detailed requirements up front and having to demonstrate large portions of scope near the end of the project.

b) For context, testing effort is directly impacted by the actual quality of the systems being developed. For example, if an acceptance or regression test cycle finds unacceptable quality, this prompts the need for additional test cycles to be performed, resulting in more testing effort and duration. Therefore, the quality of the software being developed is the primary factor that affects the testing effort.

It is expected that shifting testing left will reduce the *development rework* effort, since defect and necessary enhancements will be noticed earlier in development and prior to complex coordinated build and deployment activities. This enables developers to rapidly make the necessary changes with minimal overhead and promotes higher code quality.

We expect the testing effort overall to remain similar since more testing is executed earlier with a reduction of the testing duration needed to obtain business sign-off of completed scope towards deployment.

c) High level milestones can still be defined, strictly reported on and adhered to as part of program gating. Since testing is only one aspect of the overall program delivery, the impact of shifting testing left has minimal impact to program level gating.

d) Business team integration into testing is within the Project Nova budget.

PUB (MPI) 1-89

Part and Chapter:	**Part V Nova**	**Page No.:**	**17-18**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**R2 Gating Progression**		

Preamble to IR:

MPI has filed Figure NOV-4 R2 Gating Framework outlining R2 Gate progression. Part_05_01_NOV_01_Nova_Chapter - Redacted.docx

MPI states
The Gating Framework and status is depicted below in Figure NOV-7 below. Release 2 Code Complete was achieved on March 26, 2023. The remaining milestones are currently on track to achieve the planned Release 2 go live date of August 28, 2023. (p. 17 Lines 7-9)

As shown in the figure above, Release 2A-90 Code Freeze 1 was initially scheduled to occur by May 29, 2023. However, this could not happen due to the following issues:

- Additional business requirements associated with financials and billing functionality that was not identified until testing occurred
- Completion of report testing and business validation, as this is dependent on the completion of financials and billing functionality
- Defect remediation, related to the above two items

Mitigation steps include augmenting digital team capacity for completion of additional business requirements and extension of testing for the additional functionality. Target for development of functionality is end of June 2023, with completion of testing and defect remediation now targeted end of July 2023. Currently, adjusting the above

dates still allows the program to go live with Release 2 at the end of August 2023."
(pg. 18 Line 1-12)

Question:

a) Please file an updated Figure NOV - 4 R2 Gating Framework inclusive of R2A-90 and R2A-60 findings.

b) Please clarify whether augmenting digital team capacity resolved schedule issues and allowed for Release 2 to be achieved on the original timeline.

c) Please indicate whether business requirement changes have affected scope.

d) Please indicate whether augmenting digital team capacity impacted the Project Nova budget and rationale for answer.

Rationale for Question:

To understand the current delivery status for Project Nova.

RESPONSE:

a) Please see Figure 1.

Figure 1 R2 Gating Framework Inclusive of R2A-90 and R2A-60 Findings

R2 Gating Framework (Go-live Pilot)

R2A-90R Pilot Strategy

August 28, 2023 – Sprint 32

- Define Pilot Strategy
- Pilot Feature Development Complete
- Pilot and Full Migration Strategy Defined
- ✓ Celtic DR Testing Completed
- Pilot R2 Report Analysis Complete

R2A-60R Pilot Feature Complete

September 25, 2023 – Sprint 33

- All Pilot MVP features Delivered to UAT environment
- Pilot and Full Migration Development Complete
- Technical Enablers Phase 1 Complete
- Pilot R2 Report Development and SIT Complete
- OCM – Finalize Pilot Communication Plan & People Readiness Approach

R2A-30R Training & Migration Readiness

October 23, 2023 – Sprint 34

- Security / Penetration Testing Complete
- OCM - Training signed off and Published
- Pilot and Full Migration Testing Complete
- Pilot R2 Reports - UAT Complete

R2A-20R Pilot Testing Complete

November 3, 2023 – Sprint 34

- Functional and E2E Regression Testing Complete
- All Pilot Sev1&2 functional defects resolved
- Ops Iteration Acceptance, and Ops System Demo environments ready

R2A-5R Pilot Final Prep

November 20, 2023 – Sprint 35

- Technical Enablers Phase 2 Complete
- Pilot Participant Training Complete
- OSM & Command Centre Operational

R2A-0R Pilot Go-Live

November 27, 2023 – Sprint 35

- Provide Update on CCB Outcome
- Transition to Production Complete

NOVA
transforming customer experience

1

The R2A-90 – Code Freeze criteria was not met, due to key requirements that were identified late. This has resulted in the revised go-live approach and delivery schedule for R2.

b) Even with additional digital capacity, the original timeline will not be met due to the lateness of missed requirement and the time required to develop and deliver this requirement. This includes financial and billing functionality, report testing and validation, and remediation of defects.

c) Business requirements changes are missed requirements that are needed for a full working solution for this line of business. These requirements did not affect the scope.

d) Additional funding was required to augment the digital and testing team capacity. While contingency funding could potentially be required to offset these costs, it is within the overall Program budget.

PUB (MPI) 1-90

Part and Chapter:	**Part V Nova**	**Page No.:**	**19**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**R3 Progress**		

Preamble to IR:

MPI states:
Release 3 pre-discovery activities completed on April 1 21, 2023. The discovery phase of this release began internally in early May of 2023 and is expected to continue with onboarded Sis in the summer of 2023. Before MPI can begin to implement Release 3, it must complete three to four months of discovery with its Sis. Objectives will focus on deployment of Celtic for Vehicle Registration and Driver Licensing, deployment of Duck Creek for Personal auto insurance, and integrated through the MuleSoft Platform, to Microsoft Dynamics for the portal, and to the existing applications.

Question:

a) Please define “Sis”.

b) Please summarize the final outcomes and recommendations produced because of Release 3 pre-discovery.

c) Please provide a listing of planned deliverables to be completed through Release 3 discovery.

d) Please provide project timeline and resources utilized for Release 3 discovery.

e) Please provide the budget utilized to date and forecasted budget for Release 3 discovery.

Rationale for Question:

To understand the current delivery status for Project Nova.

RESPONSE:

a) A systems integrator (or system integrator) is a company that specializes in product installation and commissioning. Responsibilities include bringing together component subsystems into a whole and ensuring that those subsystems function together allowing for product feature enablement and delivery.

b) Please see *CAC 1-32 Appendix 1 - R3 Pre-Discovery Readout* and *CAC 1-32 Appendix 2 - R3 Release Objectives*.

c) Planned deliverables for Release 3 Discovery are identification of:

- Finalized release scope, forecasted budget and timelines
- High-level business and technical requirements
- Integrated Project Plan
- Release Management Plan
- System Integrator Implementation contracts Solution Design Decisions
- Requirements Management Plan
- Integration Management Plan
- Organizational Readiness Plan
    - Organizational Change Management Plan
    - Training Plan
    - Business Readiness Plan
- Technical Enabler timelines
- MyMPI Customer Portal Reference Architecture
- Impacts to legacy applications
- Data Analytics and Reporting strategy and Plan
- Data Migration strategy and Plan
- Testing Strategy and Plan

- Alignment to enterprise processes (Software Development Life Cycle (SDLC), Data Strategy, Customer Experience strategy, Legislative and Corporate Priorities)

d) Release 3 Discovery is currently planned to occur over 16 weeks, starting in early 2024. Forecasted resources by role, excluding System Integrators and vendor services, are shown in the table below.

Nova R3 Discovery Planned Resources

Role / Resource Name	FTE
Business Analysts	9.90
Business Architecture	6.25
Business Readiness	0.75
Change Management	3.25
Communications	0.75
Development	4.00
Information Security	0.46
Knowledge Management	3.00
Leadership	3.30
Product Management	3.50
Product Ownership	6.50
Project Management	6.85
Solution Architecture	3.00
Subject Matter Experts	7.60
Systems Analysts	0.50
Systems Architecture	6.50
Customer Experience	2.25
TOTAL FTE'S	68.36

*FTE average over 4 months
as at 31-Mar-23

e) Release 3 Discovery budget has not yet been consumed. Forecast for Release 3 Discovery as of 31-Mar-23: $8,640,000.

PUB (MPI) 1-91

Part and Chapter:	**Part V Nova**	**Page No.:**	**22**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Governance**		
Sub Topic:			

Preamble to IR:

Question:

a) Please indicate the roles / resources of Project Nova governance noted in Figure NOV-5 Nova Solution Governance that are projected to support MPI 2.0.

b) Please provide the rationale for the answer to (a).

c) Please indicate, if applicable, forecasted costs for all roles noted in (a).

Rationale for Question:

To understand the current delivery status for Project Nova.

RESPONSE:

a) MPI 2.0 is not an initiative or project and as such the Nova Solution Governance would not apply.

b) MPI 2.0 is not an initiative or project, as such it is not subject to a solution governance structure.

c) Not applicable.

PUB (MPI) 1-92

Part and Chapter:	**Part V Nova**	**Page No.:**	**23**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Dependent Projects**		

Preamble to IR:

MPI has filed a table noting the projects upon which Nova is dependent.

Question:

a) Please file an updated dependent projects table which includes budgeted, actuals, and forecasted budgets for each project listed.

b) Please indicate whether the filled listing of dependent projects is considered the final and exhaustive list for completion of Project Nova.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) MPI has filed a list of projects in response to *MFR F.16 - Nova IT Project Expenses by Project (Part IX Expenses EXP Appendix 20 - Redacted)*.

b) This filled listing of dependent projects is the definitive list of projects upon which NOVA is dependent at this time. As new project or changes to existing projects occur, there is the possibility of changes to NOVA dependencies as well.

PUB (MPI) 1-93

Part and Chapter:	**Part V Nova**	**Page No.:**	**25**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Program Governance and Risk Advisory Services Update**		

Preamble to IR:

MPI has indicated the organization is currently in process of evaluating and vendor selection for Program Governance and Risk Advisory Services.

Question:

a) Please indicate whether the costs associated with the Program Governance and Risk Advisory Services are included in the current Project Nova budget.

b) Please indicate the budget allocated for Program Governance and Risk Advisory Services.

c) Please file criteria for selection, developed scoring, and the final evaluation developed thus far through the RFP selection process.

d) Please provide listing of department, roles, and external resources, if applicable, who have contributed to the RFP process.

Rationale for Question:

To understand Project Nova governance plan.

RESPONSE:

a) Yes, the costs associated with the Program Governance and Risk Advisory Services are included in the current Project Nova budget.

b) The budget allocated for Program Governance and Risk Advisory Services is $**[Redacted]**.

c) Please see *Appendix 1 - RFP3186 NOVA Governance Vendor RFP Evaluation Results and Recommendation – Redacted*

d) Please see answer in c), slide 5

RFP3186 PROGRAM GOVERNANCE AND RISK ADVISORY SERVICES

Final RFP Evaluation Results and Recommendation

Vendor Management

May 1, 2023

MANITOBA PUBLIC INSURANCE

RFP Purpose

The purpose of the RFP is to engage a Vendor to deliver Services, expert advice and coaching that will result in measurable gains to enable MPI's success in delivering the full scope of Nova on time and on budget. The Services will include the following:

(a) Governance and risk assessment across Nova's work streams.

(b) Coaching and advisory services to identify gaps, ensure team alignment, and facilitate development of mitigations;

(c) Develop governance best practices to:

- (a) enable Nova and MPI leadership to address risks prior to risks becoming issues;
- (b) provide actionable and concrete mitigation steps; and
- (c) provide proactive solutions to risks and issues.

(d) Nova and MPI risk mitigation and governance including:

- (a) assessment and evaluation of Nova's current state, risks and issues and validation of action plans;
- (b) facilitate Lean communication on prioritization of governance and status reporting;
- (c) industry experts in MPI's core lines of business; and
- (d) fact-based reporting that would allow MPI to mitigate or remediate issues.

(e) Measurable benefits in achieving program objectives.

- (a) Measuring internal control effectiveness; and

(f) Periodic reports and presentations.

RFP Status Update

Completed To Date

- RFP Requirements Gathering and Development (February 6, 2023)
- Release RFP to Vendors (February 17, 2023)
- Proposals Submitted (March 17, 2023)
- RFP Response Evaluations (April 3-14, 2023)
- Consolidation of initial scoring (April 14, 2023)
- Initial Evaluation results presentation (April 14, 2023)
- Top-ranked Vendor Presentations (April 21, 2023)
- Re-scoring post presentation and reference check (April 26 - May 1, 2023)
- Final RFP Evaluation Result and Recommendation (May 1, 2023)

Next Steps/ Key Milestones

- Stakeholder Review and Approval
- Invitation to Top ranked vendor to begin negotiations
- Completion of contract documents
- Commencement of Services

RFP Milestones

RFP Milestones	RFP# 3186	RFP Title: Program Governance and Risk Advisory Services	
1 - Requirements	2.0	RFP Initial Requirements Review and Feedback	8-Feb-23
	3.0	Reviewers: Program Director, CITO, ISO	13-Feb-23
	4.0	Integrate requirements feedback from the Initial Review process into RFP	15-Feb-23
	5.0	Finalize RFP Evaluation Criteria and Schedule of events	16-Feb-23
2 - Review and Approval	6.0	Define preferred vendor list based on Gartner feedback and market research	16-Feb-23
	7.0	Request RFP number from Purchasing (utilize RFP email template)	2-Feb-23
	8.0	Complete Legal Review	15-Feb-23
	9.0	Complete CIS Review - if required	13-Feb-23
	9.1	Complete Architecture Review - if required	
	10.0	Send final RFP document to key stakeholders (i.e. Director(s), OBC's, Stakeholders responsible for initiative) and VM Manager for final review and approval	16-Feb-23
	11.0	Send to Purchasing final version together with Vendor list	16-Feb-23
3 - RFP Response Evaluations and Vendor Selection	12.0	Release RFP to Vendors via Merx	17-Feb-23
	13.0	Time on Merx to receive RFP responses (including vendor questions and MPI response) Vendor questions (5 days upon release), MPI response (5-7 days after questions received)	17-Mar-23
	14.0	Finalize RFP Evaluation Scoring Matrix for evaluation, Bid submissions opened	Mar 20-24, 2023
	15.0	Execute RFP Evaluation Scoring with all participants to determine successful vendor. This includes calibration of scores. Presentation of initial results.	Apr 6-14, 2023
	15.1	If required execute Demonstrations, POC and Reference Checks and update evaluation scoring matrix using post-presentation column	Apr 21 - May 2nd
	16.0	Create RFP recommendation presentation for Directors, OBC's and Executive team	May-23
	17.0	Receive approval to proceed with recommendation - RFP's over $750k ($500k if not lowest bidder) will require Board approval.	Next Step
4 - Vendor Engagement and Contract Negotiations	18.0	Notify successful vendor	
	19.0	Notify Legal to prepare for contract discussions	
	20.0	Start negotiations and creation of contract documents (PO's: 5 days with AOT approval. MSA, MLA, SOW, SA: Approx. 5-10 days depending on complexity (Is a board approval required?)	
	21.0	Finalize negotiated contract reviews and approvals (Legal, Directors, Executive Team)	
	22.0	Sign Contract and notify the project team	
	23.0	For negotiated contracts, send Award of Tender approval or BOD Minutes approval to Purchasing to complete RFP posting	

Evaluation Participants

- Director, Nova Program Delivery
- Director, Nova Technical Solutions
- Director, Product Management
- Director, Change & Knowledge Management
- Director, Enterprise Risk Management
- Director, Enterprise Program Management Office
- Director, Corporate Information Security Officer (CISO)
- Information Security Officer

Final Evaluation Results

[redacted]

RFP3186 Program Governance and Risk Advisory Services Final Recommendation

[redacted]

PUB (MPI) 1-94

Part and Chapter:	**Part V Nova**	**Page No.:**	**25**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Continuous Improvement**		

Preamble to IR:

MPI states:

Strategic procurement of External Resources and Catalog of Services including;

- IT Services Catalog RFSO released to optimize vendor selection and support cost control,
- Focus on vertical expertise for each domain,
- Target a list of preferred vendors and reduced rates including Tier 2 vendor

Question:

a) Please file IT Services catalog including description of each service.

b) Please define the concept of "vertical expertise".

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) Please see *PUB (MPI) 1-94 Appendix 1 - RFSO3181 Appendix B.4 - MPI Services Catalogue*.

b) Vertical expertise is the in-depth knowledge of a specialized industry segment.

IT & OCM Services Catalogue

RFSO3181

March 2023

Contents

Business Architecture

Business Architecture Services

- Work with MPI, System Integrators and third parties to define business requirements
- Seeks to understand MPI's business strategy, operating vision, business imperatives and capabilities and how they may affect the technology imperatives.
- Defines the overall business solutions and structures needed to realize these opportunities, working with other architects to explore and define how the proposed solutions will fit into the overall enterprise architecture.
- Reviews prototypes, blueprints and scope to verify they are meeting the business imperatives.
- Identifies risks and assumptions associated with the functional elements of the solution.
- Identifies and communicates any cross-area or cross-release issues that may affect other project areas
- Assists in resolving Program and Project-level business issues and risks, providing direction/guidance as needed
- Reviews and provides feedback on technical change requests
- Define and document the organization's business operating model
- Develop business architecture artifacts, such as business capability roadmaps, business process maps, and business capability models, to support decision-making.
- Collaborate with business leaders to identify and prioritize business initiatives and investments based on their value and impact.
- Evaluate the effectiveness of the organization's business architecture and recommend improvements to drive better business outcomes.
- Work with stakeholders to identify business goals and objectives and align business strategies and capabilities to support them.
- Provide guidance and support to project teams and stakeholders to ensure the effective implementation of the business architecture.

Target Operating Model Advisement Services

- Provides guidance on Target Operating Model definition, approval & delivery through different phases
- Consults and assists with the creation of standard artefacts to link key model entities across architecture domains (business, data, technology, etc.)
- Developing governance models to ensure accountability and alignment with the target operating model.
- Advise on TOM element prioritization factors and elements to develop successful TOM roadmaps

Process Analyst Services

- Analyze current business processes and identify areas for improvement
- Develop process maps and diagrams to illustrate the proposed future state
- Identify process gaps and inefficiencies, and recommend process improvements
- Work with cross-functional teams to define and implement process improvements
- Develop and maintain process documentation, including standard operating procedures and work instructions
- Provide key process inputs to larger requirement gathering framework

Cloud Services (primarily Microsoft Azure, others considered)

Cloud Infrastructure & Platform Services

- Design, implement, configure and provide expertise on maintaining cloud solutions including compute, storage, network and security.
- Design, implement, configure, and provide expertise on maintaining various IaaS and PaaS environments as well as all cloud services.
- Design, deploy, implement, configure, and provide expertise on maintaining virtual machines (servers and desktops).
- Design, build, deploy and provide expertise on maintaining containers (standalone (Docker) and orchestrated with Kubernetes).
- Optimize cloud buildouts for cost/performance (virtual machine optimization, reserved instances, etc.).
- Design, build, deploy and provide expertise on maintaining cloud computing services through the internet such as data storage, servers, databases and software.
- Design, configure, build, deploy and provide expertise on maintaining the underlying network in a cloud service.
- Design, build, deploy and provide expertise on maintaining and protecting digital data stored in in the cloud
- Design, build, deploy and implement roadmaps including detailed strategies and plans for migrating all on-prem data center services (such as compute, storage, servers and infrastructure) to a cloud service provider.
- Provide overall expertise on the management and governance of a customer cloud environment.
- Design, build, deploy and provide expertise on maintaining disaster recovery services that meet desired RTO (Recovery Time Objective) and RPO (Recovery Point Objective) to maintain cloud services with minimal business disruption.
- Design, build, deploy and provide expertise on maintaining cloud databases.
- Design, plan, deploy and provide expertise on modernizing applications to take advantage of cloud application services (such as PaaS (Platform as a Service)), containers (such as Kubernetes), function applications as well as application gateways.

Cloud Security Services

- The ability to develop, deliver and support independent audits, reviews and assessments of cloud environments to identify nonconformance with established cyber and information security policies and standards.
- The ability to design, develop, test, and deploy applications and application programming interfaces (APIs) securely, in accordance with current industry standards such as OWASP.
- The ability to design and implement controls to protect data from unauthorized access, modification, or destruction as it moves across multiple system interfaces in support of business functions.
- The ability to develop and establish change control and configuration management processes to formally govern changes to manage security risks associated with modifications to applications, systems and infrastructure configurations and controls.
- The ability to design, build and implement cryptography, encryption and key management processes to securely manage cryptographic keys for the entire key lifecycle including requests, generation, storage, exchange, replacement, revocation, and destruction.
- The ability to analyze and identify risks to data security and privacy, and to design, build and implement controls and processes to mitigate such risks.
- The ability to provide expert advice and guidance to design and develop the IT Risk and Compliance Management strategy, governance practices, and implementation plans.

- The ability to work with operational teams to provide advisory, coordination, facilitation, and oversight services to manage IT operational risks and meet compliance requirements.
- The ability to perform IT risk assessments for the selected controls and processes.
- The ability to support projects and initiatives and advise on all aspects of technology risk.
- The ability to establish and manage identity and access management processes to associate individuals to their unique accounts, enforce the use of strong multifactor authentication, and manage accounts through their entire lifecycle.
- The ability to establish and manage identity and access management processes to enable users to access only the resources they are required to access based on their roles within the organization including processes for periodically revalidating such access.
- The ability to design, develop, test and implement security controls and patterns to secure infrastructure and data in virtualized cloud environments.
- The ability to identify, review and integrate all security requirements, including functional and non-functional, integration, performance, quality, and operational requirements.
- The ability to design, configure, manage and maintain logging and monitoring controls to identify and respond to suspicious activities and security events.
- The ability to establish and perform processes and procedures to identify and respond to security incidents and ensure the confidentiality, integrity and availability of information assets.
- The ability to establish processes and procedures to enable E-Discovery capabilities in cloud services.
- The ability to perform computer and mobile forensic examinations by collecting relevant digital evidence and analyzing relevant information, and to present findings as written reports or presentations to outline discoveries from forensic examinations and report preparation.
- The ability to perform ongoing vulnerability assessments by identifying and analyzing security vulnerabilities within systems and networks using approved tools and methods.
- The ability to monitor and assess vulnerabilities and exploits to ensure preventative measures are taken to protect the business.
- The ability to design and implement security compliance controls and processes to monitor and enforce continued adherence of applications, systems, and infrastructure to approved security configurations and compliance templates such as FedRAMP.

Cyber and Information Security

Cyber & Information Security Services

- Provides expert and advice to design and develop the cyber and information security strategy, governance practices, and implementation plans.
- Develops the cyber & information security policy, standards, guidelines, and procedures.
- Provides strategic cyber and information security and risk guidance in accordance with internal frameworks.
- Performs cyber and information security risk assessments.
- Supports projects and initiatives and advises on all aspects of technology risk.

IT Risk and Compliance Management Services

- Provides expert advice and guidance to design and develop the IT Risk and Compliance Management strategy, governance practices, and implementation plans.
- Works with MPI leaders to assess and identify risks and develop strategies to mitigate risks to acceptable levels.
- Works with operational teams to provide advisory, coordination, facilitation, and oversight services to manage IT operational risks and meet compliance requirements.
- Performs IT risk assessments for the selected controls and processes.
- Supports projects and initiatives and advises on all aspects of technology risk.

Security Operations Services

- Provides expert advice, guidance, design, and develop the IT Risk and Compliance Management strategy, governance practices, and implementation plans.
- Works with MPI leaders to assess and identify risks and develop strategies to mitigate risks to acceptable levels.
- Provides operational and security support to the following functions:
  - Identity and access management
  - Security incident response and recovery
  - Forensics and security investigations
  - Security event monitoring and integration
  - Security audit, compliance, investigation, and remediation
- Performs an ongoing upkeep, maintenance and currency of the Security Operations Centre (SOC) technology platforms, SOC processes, and other procedures as required.
- Supports projects and initiatives and advises on all aspects of technology risks.

Vulnerability Management Services

- Monitors and assesses vulnerabilities and exploits to ensure preventative measures are taken to protect the business.
- Provide reporting to provide visibility into the current state of unmitigated vulnerabilities.
- Works with the Security Operations Centre security event management team in the investigation of new security threats and assists with recommending remediation activities
- Supports/leads the security incident response practice, working with various IT teams to inform, track and evangelize mitigation activities related to the security incident.
- Supports the tools and practices for security vulnerability investigations and support.

Digital Forensics Service

- Performs computer and mobile forensic examinations by collecting relevant digital evidence and analyzing relevant information
- Presents findings as written reports or presentations to outline discoveries from forensic examinations
- Supports major security incidents by actively monitoring and assessing vulnerabilities and exploits to ensure preventative measures are taken to protect the business.
- Eradicates and mitigates vulnerabilities with business and IT partners for security incident recovery.
- Investigates information security breaches, providing consultation regarding their security concerns.
- Ensures controls and mitigation strategies are in place and effective.
- Provides testimonies in courts as expert witness, if required.
- Reviews the investigation processes, develops information processes for various teams and provides training on the requirements of the processes.
- Investigates new security threats, assisting with recommending remediation activities.
- Supports the relevant tools and practices for security investigations and support.
- Follows up with technical teams to ensure controls and mitigation strategies are in place and effective.
- Maintains and administers the information security service requests in alignment with company polices.
- Develops and/or provides input into reports and presentations with regard to security vulnerabilities, incidents and investigations as requested.

Data Management and Analytics

Data Insights Architecture Services

- Work with MPI, System Integrators and third parties to define data requirements where applicable.
- Fully understand and advise on the capabilities and limitations of the services that are to be implemented.
- Review and integrate all data requirements, including product manuscripts, inheritance, integration, performance, quality, and operational requirements per the established guidelines.
- Provide oversight of design, code reviews, and detailed signoff for data architecture alignment.
- Participate in prototype sessions and provide input into requirements decisions based on assessment of technical options.
- Review design and development, aligning technical solutions with business design and enterprise standards.
- Ensure design & development process is followed and coordinate with other Technical Leads to ensure consistency of design and development deliverables and interconnectivity of solutions across work streams.
- Review and approve technical designs & development to ensure completion and quality.
- Coordinate with Business Analysts and Test Leads to ensure design and development meet business requirements.
- Participate in discussions to resolve conflicting opinions on technology direction.
- Assist in resolving Program and Project-level technical issues and risks, providing direction/guidance as needed
- Review and provide feedback on technical change requests

Data, Analytics & Insights Services

- Data Engineering
- Data Platform Engineering – Architecture, Platform Design and Deployment
- Data Integration
- Data Storage Layer Design and Retention / Archival Strategy
- Data Pipeline Development
- Data Architecture and Modelling Service
- Business Intelligence and Reporting
- Data Visualization
- Data Discovery, Analysis, and Interpretation
- Data Science and Advanced Analytics
- Artificial Intelligence and Machine Learning development
- Data Governance and Metadata Management
- Data Quality and Standards Framework
- Data Catalogue, Data Dictionary, Business Glossary
- Data Warehouse Design
- Data Warehouse Support
- Data Warehouse Cloud Migration
- Data Migration

Data Governance and Metadata Management

- Data Governance and Metadata Management
- Data Quality and Standards Framework
- Data Catalogue, Data Dictionary, Business Glossary
- Data Architecture and Modelling Service
- Data Lineage
- Data Loss Prevention
- Master Data Management

Data Science, Advanced Analytics, Artificial Intelligence and Machine Learning Services

- Data Science and Advanced Analytics
- Artificial Intelligence and Machine Learning development
- Data Visualization

Data Platform Engineering

- Data Platform Engineering – Architecture, Platform Design and Deployment
- Data Platform Deployment, Upgrades
- Data Platform Administration
- Open-Source Data Technologies Implementation and Support
- Advance Analytics and Data Science Platform Deployment, Administration and Support

Data Engineering

- Data Integration
- Data Storage Layer Design
- Data Pipeline Development
- Data Architecture and Modelling Service
- Open-Source Technologies – Spark, Kafka, NiFi, Airflow, Apache Atlas, etc.
- NoSQL Databases
- Support Data Warehouse and Advance Analytics Use case

BI Reporting and Dashboarding

- Business Intelligence and Reporting
- Business Intelligence Analyst
- Reporting Requirement Gathering and Data Mapping
- Power BI
- Tableau
- SAP Business Objects
- Data Visualization

Data Warehouse, Data Migration, Data Warehouse Cloud Migration

- Data Warehouse Design
- Data Warehouse Administration
- Data Warehouse Optimization
- Data Warehouse Support
- Data Warehouse Cloud Migration
- Data Migration

Digital Workplace and Service Management

Automation Development Services

- Focus on building secure, stable, and supportable automation solutions for critical and important business processes.
- Evaluation of existing business process and determine fitness for automation.
- Analysis, design, and development of net new automate process in cooperation with business process owner.
- End-to-end or partial business process automation, based on effort and return on investment from the automated process.
- Automation value/return-on-investment analysis and reporting based on volume of automated business processes.

Automation Monitoring and Support Services

- Monitoring, support and maintenance of automated solutions.
- Incident and defect management.

Automation Development Support

- Training and guidance to business users to create their own automation solutions for non-critical business process.
- Standards and governance over automations developed by business users.
- Audit of business user automations.
- Re-platforming of business user automations that have become mission critical onto secure, stable, and supportable environments for reliability and recoverability.

IT Service Request Development & Configuration Services

- Develop IT service request forms, customized to meet the specific needs of the enterprise.
- Work with the organization to create a workflow that includes all necessary steps and approvals.
- Continuously refine and improve the forms over time to provide the most effective, efficient service.
- Ensure the forms are secure, compliant with regulatory requirements, and accessible from any device.
- Provide training and support to ensure proper use of the forms.
- Provide feedback and reporting on the usage of the forms.

IT Service Management Process Services

- Provide expert knowledge to develop, document and implement effective IT Service Management (ITSM) processes in alignment with ITIL v4
- Analyze, identify, and prioritize process improvement opportunities
- Design, develop and maintain process performance metrics and reports
- Develop, improve, and maintain process and procedure documentation
- Train staff on ITSM processes and procedures
- Evaluate and integrate new technologies to enhance existing processes
- Ensure compliance with relevant industry standards and IT Service Management best practices
- Facilitate ITSM process change requests and track progress
- Provide process guidance and input to internal teams
- Lead process improvement initiatives and projects
- Identify process automation opportunities and drive implementation
- Collaborate with key stakeholders to ensure process alignment with business objectives

Software Asset Management Services

- Define repeatable practices for lifecycle management of software assets, including license tracking, software needs and usage analyses, T.I.M.E. analyses, end-of-support road mapping, cost-saving license management/negotiation opportunities, etc.
- Work with the organization to execute lifecycle management practices

Digital Workplace Equipment Staging Services

- Work with the organization to improve processes for digital workplace (personal technology) hardware staging and deployment, including image management, equipment needs profiling, physical vs. virtual PC usage, and mobile device management.
- Augment existing staff during peak onboarding periods to ensure consistent and timely service delivery.

Audio-Visual Technical Services

- Set up and operate audio and visual equipment for conferences, meetings, presentations, and other events.
- Perform inventory and operational testing on all equipment on a regular basis, including certain maintenance and repairs.
- Coordinate with Facilities staff to ensure that the AV needs are met.
- Document the setup instructions for equipment or software.
- Assist event planners with planning and coordinating AV events.
- Work with internal staff, manufacturers, and vendors to resolve AV problems.
- Conduct research to identify recent trends in AV and Collaboration technology.

Digital Workplace Services

- Help enterprise enable resources to work and collaborate from any device and any location, at any time.
- Manage the human interface leveraging innovations to improve business and optimize for hybrid work models.
- Automate workplace activities and optimize space performance, supported by data-driven operations, and AI.
- Implement, integrate, and monitor digital workplace technologies
- Harmonize the digital employee experience through automation, analytics, AI and development

IT Disaster Recovery Services

- Ensures that all mission-critical IT services (on premises and cloud based) can be restored in the event of a disaster in accordance to defined recovery time objectives.
- Ensures that all mission-critical data is securely backed up and can be quickly restored in the event of a disaster in accordance to defined recovery point objectives.
- Restores network infrastructure components such as routers, switches, and firewalls to ensure that essential services remain operational.
- Develops and implements a comprehensive plan to ensure the continuity of IT services in the event of a disaster.
- Implements measures to recover from cyber-attacks and protect data integrity.
- Provides secure remote access options for business continuity in the event of a disaster.
- Educates personnel on IT disaster recovery best practices and provides training to ensure proper implementation.

Enterprise Architecture

Application/System Architecture Services

- Cloud Platform Digital Architecture services - reference architecture, best practices, designs for cloud solutions leveraging cloud-based platforms (including but not limited to Dynamics365 Power Platform / Power App Development, MuleSoft, WordPress)
- Mobile Platform Architecture services - reference architecture, best practices, designs for mobile application development for android and apple ecosystems
- Common Off the Shelf Architecture Services - reference architecture, best practices, designs for implementing and extending 3rd party software (including but not limited to Duck Creek on Demand, Fineos, Mitchell, Dynamics365 CRM etc.)
- Custom Software Architecture Development Services - reference architecture, best practices, designs for custom cloud native solutions.

Enterprise Architectural Services

- Technology Advisory Services - Technology Advisory Services works to align business and IT strategies/ architectures, optimize IT performance/value and optimize IT costs in order to manage risk and achieve desired business results.
- Business Strategy Services - Business Strategy Services partners with the business to assist with strategic business planning, road mapping, goals, objectives and tactic development, maturity assessments, resource management planning and business capability alignment.
- Process Optimization and Digital Transformation Services - Partnership with business leaders to provide guidance for business process optimization utilizing Lean Six Sigma methodology and assists business leaders to modernize legacy solutions and processes in order to meet business objectives.

Technical / Infrastructure Architecture Services

- Network Architecture services - reference architecture, best practices, designs for cloud and on-premises networking infrastructure
- Cloud Compute Infrastructure Architecture services - reference architecture, best practices, designs for cloud compute and cloud platform services
- Cloud Storage Infrastructure Architecture services - reference architecture, best practices, designs for cloud storage and recovery services
- Data Center Infrastructure Architecture Services - reference architecture, best practices, designs for on premise compute services.

Security Architecture Services

- Provide comprehensive security architecture guidance and expertise across all cybersecurity domains.
- Determines cyber and information security solution requirements by working with internal stakeholders, System Integrators, and other third parties.
- Communicates complex cybersecurity concepts to technical and non-technical staff.
- Present complex cybersecurity concepts and recommendations to a variety of stakeholders to ensure that controls are understood and implemented correctly.
- Identify security risks within technical solutions and environments, by leveraging extensive expertise and experience, in order to provide recommendations to reduce cybersecurity risk.
- Fully understands the capabilities and limitations of the technical environments that come with any security solution used by the project or to be implemented.
- Reviews and integrates all security requirements, including functional and non-functional, integration, performance, quality, and operational requirements.

- Reviews architecture deliverables throughout development to ensure quality including determining the required number of staging instances.
- Identifies and communicates any cross-area or cross-release issues that may affect other areas of the project.
- Assists in resolving Program and Project-level security & technical issues and risks, providing direction/guidance as needed.
- Reviews and provides feedback on technical & functional change requests

Solution Architectural Services

- Provide management / coordinating services for large solution / multi system initiatives – oversight of multiple System / Application Architects, Security Architects, Data Architects
- Creation and review of Reference architecture, best practices, for large transformational programs / initiatives
- GAP analysis of established solution architecture artifacts, practices and designs

Organizational Change Management

Training Services

- Work with MPI, System Integrators and third parties to create comprehensive training programs and training methodology, including the analysis, design, development, implementation, and evaluation
- Responsible for the design, development, and implementation of training programs, with an emphasis on e-learning for staff, brokers, and other corporate partners.
- Manages work activities associated to the training project plan throughout training development and project lifecycle.
- Identifies training and data requirements for training environments
- Works with Digital Learning Specialists, web developers and multi-media developers to implement new training methodologies, specifically for e-learning concepts.
- Develops, reviews, and analyzes High Impact Evaluation data to measure the effectiveness of training programs.
- Conducts the delivery of learning programs in-person or virtually.
- Coordinates the involvement of other functional areas and subject matter experts in the development of training programs.

Technical Writing Services

- Works with MPI, System Integrators and third parties to develop, deliver and maintain internal and external technical communications programs, plans or documents.
- Ensures information accuracy through research, content owner involvement and approval in accordance with Knowledge Management practices.
- Works closely with internal teams to develop visual communication materials.
- Conducts knowledge audits and develops communication plans to identify appropriate documentation to support specific stakeholder needs.
- Plans and coordinates external stakeholder and internal frontline user group meetings.
- Solicits reviews and feedback of work products through project approvals or departmental peer reviews.
- Evaluates existing supporting material and user requirements by performing needs analysis, evaluating current documentation, identifying delivery options and assists with the development of new processes and documentation.
- Edits the written work of others and conducts peer reviews of technical materials as required.

OCM Services (Centre for Change Enablement)

- Serves as the trusted authority and innovation hub for change management practices within the corporation
- Provides expert advice, guidance, coaching and support to Sponsors, Business Owners, People Managers and teams to increase the speed of adoption of changes
- Delivers instructor led Prosci change management training to Sponsors, People Managers and teams
- Provides Prosci e-learning change management training to employees at all levels
- Offers full-service change practitioner services including strategies, plans and activities to support transformations, projects, continuous improvements, and organizational/cultural changes
- Manages a DIY change toolkit on MPI intranet for all employees
- Conducts change intake meetings with Sponsors and Project Leads to determine level of risk and impact & attach change resources to support
- Develops customized ADKAR reports with recommendations to Project Leads, Sponsors and People Managers to overcome change barriers

- Measures people readiness and project health through assessments including Change Impact Analyses, Prosci Change Triangle (PCT) Assessments, Risk Assessments, Sponsor Assessments, People Manager Assessments, ADKAR Assessments
- Engages and coaches sponsors at the Executive and Director level in their roles as effective sponsors of change
- Engages and coaches people managers at all leader levels to move themselves and their direct reports through a change
- Engages and coaches project teams, delivery teams, implementation teams and super users to establish and drive change key messages and incorporate 'adoption and use' measurements
- Provides change saturation and collision data to senior leadership to inform decision making and mitigate people risks
- Support model office sessions on transformations to engage end users and improve/sustain adoption
- Oversees application of standardized approaches to change management using the Prosci model and ADKAR framework to ensure consistency and understanding of change language and concepts
- Supports Executive Team in their leadership approach to change management

Platform Engineering & Infrastructure

Network Services

- Implement, operate and maintain all data network services such as:
    - Firewalls
    - Switches
    - Routers
    - Connectivity between all MPI sites
    - Internet
    - Connectivity from on-prem to cloud
    - Intrusion detection and prevention
    - VPN connections/Secure connections from home to MPI resources

Telecommunications Services

- Design, implement and maintain voice networks
- Performance, tuning and capacity management of all voice related networks
- Configure and maintain Contact Centre Telephony services including IVR.

Platform Support Services

- Supports the production environment of all on-prem and Cloud systems and services as well as Administration of several Enterprise applications from a management configuration perspective
- Configures, implements and maintains all Enterprise systems and services.
- Ensures the smooth deployment of new systems and services
- Anticipates and plans to accommodate the changing nature of the technologies and the forecasted needs and capacity growth to meet the demands of the business.
- Plans, organizes and deploys new or upgraded technology hardware and software, as required
- Implements designed strategies for backup and recovery of data, systems and services

IT Managed Services

- Responsible for the advanced support of the managed services environment
- Provide key supporting role in complex IT change and demand management.
- Translates business requirements into detailed service requirements following the managed services lifecycle

Enterprise Monitoring Services

- Provide design, integration, configuration and implementation of Enterprise Monitoring tool(s).
- Provide single pain of glass for all Infrastructure, applications, hardware and network incidents and alerts.
- Integration services with MPI's ticketing system
- Provide alerting capabilities
- Provide automation of events
- Provide predictive and historical analysis
- Integration with reporting tools such as PowerBI to provide automated KPIs
- Implement/Provide the ability to use contextual data to better trouble shoot issues from end to end
- Implementing consistent monitoring processes, workflows, and standards across the organization.

Product Management

Requirements Development Management Framework Services

- Prepare and Plan Approach by identifying stakeholders, risks and mitigations.
- Analyze and assess current state by reviewing MPI environment and existing requirements frameworks
- Defined high level framework that will contain an outline of the components, tools, communications, and approaches required to achieve success
- Develop framework components that will be customized to fit MPI needs to realize the framework definition including communications, methods, process maps, templates/tools and other elements.
- Deploy the framework based on the output findings and plan

Staff and Specialized Skill Augmentation Services

- Fill specialized skillset gaps with outsourced resources to accelerate project and/or key initiative delivery
- Scale up Business Analysts, Systems Analysts, Technical Leads capacity by boosting team productivity by avoiding costly and lengthy recruitment processes.

Solution Management Services

- Define and support the building of desirable, feasible, viable and sustainable business solutions that meet MPI customer needs.
- Communicate and coordinate with various MPI departments to gather and analyze information and data, to identify weak areas that would lead to recommended solutions leveraging industry knowledge, new structured processes and frameworks, and best industry practices for optimal service and performance.

Digital Platform Strategy Services (Thought Leadership)

- Digital Strategy
- Customer Relationship Management
- Partner Relationship Management
- Customer Self-Service
- Partner Self-Service
- Shared Services
  - Support
  - Training
  - Finance
  - Billings
  - Document Management
  - Reporting & Analytics
  - Etc.
- Application Integration
- Channel Management
- Scalability

Product Roadmap Development Services

- Work alongside MPI product management team to outline Product Vision, Strategy Direction, Priorities to create Product Roadmaps (template?) that are responsive to customer feedback and product growth and future direction.

- Develop Product Roadmap with customizable views to display flexible content and timeframes depending on the audience that is easy to understand
    - Internal Roadmaps for:
        - Executive Leadership
        - Product managers and owners
        - Agile Release Train development teams
    - External Roadmaps for:
        - Clients/Customers
        - External vendors/partners.
- Recommend and design top three Prioritization Methods to address MPI's unique environment based on:
    - industry best practices
    - ease of flexibility and maintenance
    - scalability: high-level with quick turnaround output to granular details with more accuracy.

Market Assessment Services

- Custom Research Design based on MPI specific value stream
- Language Transactions
- Leverage fielding and tracker market management for consumer/customer insight
- Provide analytics and reporting for relevant insights specific to MPI market requirements

Accessibility Assessment Services

- Help to align the accessibility services to business strategy, assess the current state, identify gaps and accessibility issues, define and accessibility roadmap, support in establishing a mature accessibility program with quantification business benefits.
    - Risk review and gap analysis
    - Accessibility Audit for WCAG 2.0/2.1 compliance
    - Mobile accessibility audit
    - Assistive technology compatibility testing
    - Legal compliance audit

Project Management

Project Management Services

- Creates and manages project plan to ensure that deliverables are on track by providing guidance to team members around assignments, tasks, priorities, and timeframes
- Creates a set of organizational and workflow patterns for implementing agile practices at an enterprise level
- Manages project-level issues and risks to ensure clarity around the challenge, the impact and the action plan, providing direction/guidance as needed
- Prepares project status reports and updates Project Management instrumentation
- Provides regular status updates to Program Management
- Ensures completion of milestone/deliverable signoff
- Monitoring and control of project financials including change and decision requests
- Resource management control, reporting, financial alignment, and fulfillment
- Facilitating strategic portfolio planning (PI planning)

Solution Management Services

- Enable and assure the management and abilities of the enterprise service solution capabilities are controlled, balanced, and aligned to the mission and needs of the enterprise as a whole
- Provide continuous improvements and monitoring performance on a product or service and its packaging, pricing, delivery, support, and service
- Optimize capital budgeting, volume, and cost savings
- Work with customers to understand needs, prioritize capabilities, create the Solution vision and roadmap as well as define requirements

Program Management Services

- Responsible for planning, management and ensuring successful delivery of program objectives
- Organizes and leads the program team in the development and execution of the project plan to satisfy program goals
- Oversee the daily activities of extended delivery teams associated within a program
- Ensure timely and quality outcomes with specified timeframes, budget, scope, and program objectives
- Coordinate across extended delivery teams to identify, mitigate and resolve cross program interdependencies, risks, issues, and resourcing challenges
- Manage day-today roadblocks and issues as early as possible
- Develop and recommend actions and plans to overcome issues which may result in potential delays of cost overruns
- Contributes to the development and management of project charters, project plans, budgets, issues and risk management
- Establish and maintain close working relationships with key stakeholders, obtaining commitment to the success of the program and its projects
- Monitors and reports on the overall program status, including participation in Project Governance Vendor program reviews interviews and assessment exercises

Software Development & Operations

Software Development as Services – Microsoft Azure, Microsoft Dynamics365, Duck Creek and Other

- Design, Develop, Test and implement software solution using MS D365, PowerApps utilizing industry best practice standard. Service should include all relevant supporting documentation.
- Design, Develop, Test and implement software solution using MS Azure utilizing industry best practice standard. Service should include all relevant supporting documentation.
- Design, Develop, Test and implement software solution using Duck Creek technologies (P&C and Billing) utilizing industry best practice standard. Service should include all relevant supporting documentation.
- Design, Develop, Test and implement software solutions utilizing industry best practice standard. Service should include all relevant supporting documentation.

Agile Framework Services

- Responsible for the advancement of Agile product service and practice
- Responsible for implementation of Agile practice
- Provide support and guidance on Agile best practice
- Implement Agile Best practice

Integration Services (Informatica, MuleSoft)

- Provide integration as Service (IaaS)
- Design, develop and implement integration solution that provides connectivity to systems using well defined interfaces, API
- Provide integration solution that is scalable and re-useable
- Service should include all relevant supporting documentation

Document Management, Workflow and Records management (SharePoint, WordPress, Power Platform)

- SharePoint online solution design and implementation
- SharePoint online document, record management, design and implementation
- Power platform workflow design and implementation
- WordPress design and implementation
- Digital customer experience design and implementation
- Intelligent document processing and document digitization
- File migration into SharePoint online
- Records classifications, file plan management using Microsoft E5 and Purview
- Document generation using power BI and other automation technologies

PUB (MPI) 1-95

Part and Chapter:	**Part V Nova**	**Page No.:**	**26**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Nova Contingency Budget**		

Preamble to IR:

MPI states:
For reference, Project NOVA approved contingency was a range between 20% and 40%, but 30% is used for financial reporting and budgets.

Question:

a) Please indicate at what point with the contingency usage range for Project Nova will be a fixed percentage vs a range.

b) Please indicate, if answer to (a) indicates the contingency range will continue to be a range, why can it not be reestablished as a fixed percentage.

Rationale for Question:

To understand Project Nova contingency budget allocation.

RESPONSE:

a) For MPI to have better understanding of required contingency discovery for Releases 3 and 4 must be completed. Discovery will validate work effort, assumptions and schedule duration to successfully delivery the two remaining releases. The completion of discovery will allow for a finalization of agreements with System Integrators as well as for an extension of resources needed to deliver on each Release.

b) Contingency will continue to be identified as a range with the completion of each discovery phase, which helps to solidify budget forecasts. The three primary drivers to Project Nova's budget are product cost, system integrator cost and resource cost. Product costs are known with contracts fully signed but system integrator costs and resource costs to be finalized with the completion of discovery.

PUB (MPI) 1-96

Part and Chapter:	**Part V Nova**	**Page No.:**	**29**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Resourcing Update**		

Preamble to IR:

MPI states:
The "bubble budget" represents what is required to support the organization during the technology transition period with temporary term internal employees, external consultants or vendor services are captured within the table below. There are no permanent FTE positions.

The detailed estimates associated with the bubble budget were included in Re-baseline 2022, were filed for the first time in the 2023 GRA submissions Appendix 7 - PUB NOVA FTE Analysis (Output) 2022 Re-baseline - Confidential.

Question:

a) Please define the term "bubble budget".

b) Please describe how "bubble budget" is utilized within the overall SAFe and LPM frameworks for MPI.

c) Please indicate, if "bubble budget" does not fall within SAFe and LPM frameworks, what referenced framework is utilized.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) In context of Project Nova, the term “bubble budget” represents a budgeted amount of money to temporarily augment operational resources as the standup of new technology and services occurs while still supporting the existing legacy systems. This allows the operational teams to add temporary resources during the transition time where Nova and legacy systems are running in parallel.

b) Bubble budget is only being utilized for Project Nova as this is a large transformation concept. This is not a SAFe or LPM concept. Future large-scale projects may also allocate a budget amount for bubble staff.

c) Bubble budget does not fall under the SAFe or LPM frameworks. But this is a common practice for large transformations to ensure that both the delivery of the program and operations have the capacity required to deliver. The bubble budget is not new and has existed throughout the life of the Project Nova business case. The costs are included in the Nova Re-baseline 2022 Business case budget.

PUB (MPI) 1-97

Part and Chapter:	Part V Nova	Page No.:	34
PUB Approved Issue No:	20. Project Nova		
Topic:	Project Nova Update		
Sub Topic:	Implementation Costs Update		

Preamble to IR:

MPI states:

The additional $9.0M in spending above the 2022 Re-baseline would be funded by contingency and is based on MPI spending $10.6M below projections in 2021/22, 2022/23 & 2025/26 offset by increases above initial projections by $19.6M in years 2023/24 and 2024/25.

Question:

a) Please provide confidence rationale pertaining to whether the additional $9.0M in spending above the 2022 Re-baseline will not increase.

b) Please indicate whether the $9.0M from contingency has been approved by the Project Nova governance team.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) The additional $9M in spending is above the base implementation budget, but within contingency, and within the 2022 Re-baseline. Please see *MPI Exhibit #15*.

Currently, spending is forecasted to remain within the 2022 Re-baseline budget.

b) No, not currently. As Project Nova is a multi-year program, consumption of contingency occurs at the overall program level. As Nova has not yet consumed any portion of the contingency, there has been no need to request any approval for its use. However, once Release 3 Discovery is complete (and more details regarding the overall program spend are known), a request for use of the contingency would be presented to the Committee, if appropriate.

PUB (MPI) 1-98

Part and Chapter:	**Part V Nova**	**Page No.:**	**34**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:	**Ongoing Costs Update**		

Preamble to IR:

MPI states:
The ongoing FTE costs for the year ending 2022/23 were $1.9M lower than the business case ($3.6M vs $5.5M). The lower spending was due to longer lead time required to hire the necessary resources.

Question:

a) Please indicate whether the work (deliverable/tasks) have been completed for this initiative.

b) Please indicate, if the work has not been completed, the forecasted amount of budget left to complete the work along with the forecasted timing to deliver.

c) Please detail MPIs strategies to reduce the longer lead times required to hire the necessary resources and how this risk is being managed.

d) Please indicate whether MPI has the necessary resources available to complete discovery and commence with implementation tasks.risks to achieving resource levels estimated for the project.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) Section 9.4 Ongoing Costs Update of the Nova chapter is only for Ongoing Operations FTEs. This has been referred to as "bubble budget." Please see Information Request PUB (MPI) 1-096 for a definition of "bubble budget".

Supporting both the new and legacy platforms is an ongoing activity that will continue into 2025/26 and to the end of the program. Once the new solutions are fully operational, the Legacy systems can be decommissioned, and the additional temporary resources will no longer be required.

b) As indicated in the response to part a), the temporary augmentation of operational resources will continue through to 2025/26, along with the budget of $24,864,691.

c) To mitigate risks identified with the hiring of temporary operational resources, MPI has issued a Request for Standing Offer (RFSO) for services for eleven (11) vertical streams. Under these streams are eighteen (18) categories for Vendor selection:

1. Software Development & Operations
   - Six separate categories:
     1. Duck Creek;
     2. Dynamics;
     3. Informatica;
     4. Mulesoft;
     5. Azure; and
     6. Other
2. Data Management & Analytics
3. Cloud Services
4. Cyber and Information Security
5. Platform Engineering and Infrastructure
6. Digital Workplace and Service Management
   - Three separate categories:
     1. Automation;
     2. Digital Workplace; and
     3. Service Management
7. Business Architecture
8. Enterprise Architecture
9. Project Management
10. Program Management

11. Organizational Change Management

At the time of this submission, seven categories have completed the final selection with seven completing the evaluation review prior to finalization. The appropriate teams are evaluating the remaining categories.

d) The start of Release 3 Discovery has been delayed until January 2024. This gives the new operational resources time to support the new systems freeing up the operational subject matter experts for the discovery and implementation of Release 3.

PUB (MPI) 1-99

Part and Chapter:	Part V Nova	Page No.:	47
PUB Approved Issue No:	20. Project Nova		
Topic:	Project Nova Update		
Sub Topic:			

Preamble to IR:

MPI states:
The approach including McKinsey's opportunities brought the total NOVA Re-baseline 2022 budget to $224.1M. This number represents, for the first time, the firm funding required to deliver Project NOVA. Budget flexibility to address potential unknowns was put into the contingency budget, shown by a range of 20 to 40%. For NPV purposes, MPI choose the mid-point estimate of 30% or $49.4M when performing the calculation.

Question:

Please define "firm" in the context of the noted statement and relate this to the level of confidence utilizing the AACE international - Cost Estimate Classification System.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

The primary categories that make up Program Nova's budget can be summarized in the three following categories;

1. Resource Costs

2. System Integrator Costs

3. Product Costs

These three primary cost categories support the three main project delivery categories of scope, schedule and budget.

The word 'firm' is used because:

- RFPs for both products and System Integrator services have concluded
- Contracts for all products have been negotiated and finalized
- System Integrator contracts for the first two releases were negotiated and finalized
- Resource capacity, effort and duration are better understood
- Known risks and issues were documented and a budget was allocated for the mitigation strategies

Utilizing the Association for the Advancement of Cost Engineering (AACE) International Cost Estimate Classification System, the 2022 Re-baseline budget was approved as a class 2 budget. The reasons for this being a class 2 budget are the following:

- Discovery for Releases 3 and 4 have yet be completed
- Volatility in resourcing due to unpredictability that all organizations must manage concerning attrition and succession planning
- Unknown risks and issues that may be revealed through the upcoming discovery phases, and through implementation of those releases
- Ability to realize MPI's assumptions with mitigation of known risks and issues

PUB (MPI) 1-100

Part and Chapter:	**Part V Nova Appendix 1**	**Page No.:**	**12**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:			

Preamble to IR:

Question:

Please file the most current Release 3 Readiness Summary utilizing the same metrics and notations used on Slide 12.

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

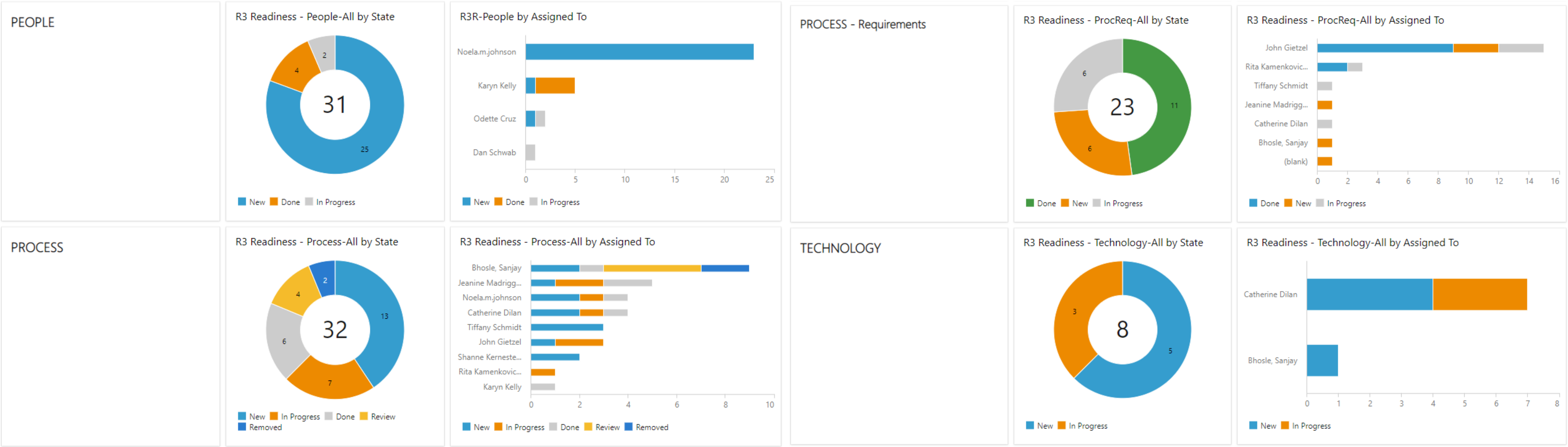
Please see *Appendix 1 – Measuring R3 Readiness as of Jul 7*.

Measuring R3 Readiness

LAST UPDATE: JUL 7, 2023

R3 Readiness Summary

All	New	WIP-On Track	WIP-Late	Done
95 Work items	50 Work items	18 Work items	8 Work items	21 Work items



NOVA transforming customer experience

1

PUB (MPI) 1-101

Part and Chapter:	**Part V Nova Appendix 10**	**Page No.:**	**13**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:			

Preamble to IR:

Question:

Please file an updated Summary of Re-baseline Adjustments up to the most current reporting period.

Rationale for Question:

To understand Project Nova contingency budget allocation.

RESPONSE:

Part V Nova NOV Appendix 10 is the Nova 2021 Re-baseline. The last update to the Re-baseline adjustments can be found in the Nova 2022 Re-baseline. Please see confidentially filed slide 14 in *2024 GRA Part V NOV Appendix 12 – 2023 GRA Nova Appendix 1 IT Summit Project - Confidential*.

PUB (MPI) 1-102

Part and Chapter:	**Part V Nova Appendix 12**	**Page No.:**	**6**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:			

Preamble to IR:

MPI has filed a listing of "Stream Issues Impacting Releases Identified Fall 2021".

Question:

Please file a current (June 2023) summary similar to Slide 6 noting Stream Issues Impacting Release.

Rationale for Question:

To understand Project Nova risk to delivery considerations.

RESPONSE:

Please see *Appendix 1 - Stream Issues*.

Stream Issues Impacting Releases Identified Summer 2023

Digital Services

- New requirements for key functionality impacting Release 2 Go-live timelines.
- Heavily dependent on external resources for digital services.

Integrations

- No known integration issues for Release 2

Resourcing

- Risk that turnover at the organizational leadership level can result in changes in direction or approach.
- Capability and capacity constraints occurring at all levels impacting the program.

Property & Casualty

- No known issues. R3 internal discovery work in progress. Resources are supporting the SRE Operational ART.

Quality Assurance

- Additional testing cycles are required to fully test the additional functionality in Release 2.

Maturity

- Continued maturity of COEs is required.
- Organizational Agile SAFe maturity is required.
- MPI's Solution Management capabilities need to improve for Release 3.

Driver and Vehicle Administration

- No known issues but R2 Go live is impacted by the completion of Digital services and reporting remaining work. Release 2 functionality on track.
- Release 3 internal discovery work in progress.

Organizational Change Management

- Maturity in measuring self-sufficiency capabilities
- Business readiness resource capacity

Reporting

- Quality of report requirements needs improvement.

NOVA transforming customer experience

PUB (MPI) 1-103

Part and Chapter:	**Part V Nova Appendix 12**	**Page No.:**	**39**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova Update**		
Sub Topic:			

Preamble to IR:

MPI has filed a slide summarizing the list of Program Issues for Project Nova.
For added clarity, there were two primary reasons for flattening the delivery budget (i.e., increasing the schedule by 50% or an additional 20 months) and for adding resources and/or services to de-risk the program in certain key areas. The flattened delivery approach increased the budget to $189.5M. This increase is strictly the result of adding 20 months to the delivery schedule as the scope of the program remains the same.

Question:

a) Please summarize the scope increase in digital referenced on the slide.

b) Please reconcile the note referencing “two primary reasons” against the list of 9 Program Issues listed.

c) Please note for each identified issue whether it affected timeline, resourcing, and/or budget health for Project Nova.

Rationale for Question:

To understand Project Nova contingency budget allocation.

RESPONSE:

a) Due to a limitation with how the Celtic system handles billing, a decision was made to develop this functionality within the digital platform as opposed to customizing the Celtic system. This decision was to have the digital platform consolidate financial information before forwarding it to the Lawson ERP system. This change was necessary because the Celtic system only manages the current financials. The Celtic system expects the ERP system to track the financial subledger details.

b) and c)

Project Nova	Schedule Increase by 50%	Additional Resources/Services
Scope Increase In Digital	☒	☒
Turnover	☐	☒
Leadership consistency & ownership	☒	☐
Teams have divided focus	☒	☐
Immature COE's	☒	☒
Architectural runway	☒	☐
Limited Resources & Capabilities	☒	☒
Sequencing	☒	☐
General Contractor Experience	☒	☒

PUB (MPI) 1-104

Part and Chapter:	**Part V IT Appendix 3**	**Page No.:**	**1**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**IT Risk Registry**		
Sub Topic:			

Preamble to IR:

The IT Risk Registry states

Changes in Senior Leadership, with Key Mitigation of:

- Succession planning at all levels to minimize the impacts of change in leadership.
- Empowering the teams, cascading the decision-making process to the next level down.

MPI has filed Figure NOV – 5 NOVA Solution Governance (Part V – NOVA, p. 22)

Question:

a) Please indicate the impacts to Project Nova with these recent senior leadership departures (CEO and CIO/CTO).

b) Please outline what steps have been taken to minimize the impacts to Project Nova.

c) Please provide the strategies employed to mitigate loss of corporate knowledge risk.

d) Please provide names and whether the individual is an internal or external resource of individuals who are currently filling the roles noted in Figure NOV – 5.

Rationale for Question:

To understand Project Nova risk and Risk Management approach.

RESPONSE:

a) Impacts to Project Nova with these recent senior leadership departures (CEO and CIO/CTO) have been minimal. Project scope, timelines, budget and risks continue to be managed by the team. To clarify, the departures include the Chief Executive Officer and the Chief Information Technology Officer, but the Chief Transformation Officer has not departed MPI.

b) Impacts are contained by following the practice of delegation of responsibilities to the greater team, mitigating the risk of a senior leader being a bottle neck or crucial resource to the program. In addition, steps are being followed to ensure new leadership understand and continue to support the teams in the overall delivery of the Nova program.

c) Corporate knowledge risk at a corporate level is managed by creating talent pipelines to choose staff internally, talent maps and succession pipelines documented for all leadership roles, and discussions include identifying retention risk and high-level development opportunities.

   Specifically, within Nova, knowledge risk is managed by having a centralized record of risks, actions, issues and decisions (RAID) and a centralized repository of other Nova specific strategies, plans and standards. The RAID is managed and reported on by NOVA Project Management Office (nPMO) with set escalation thresholds and the centralized repository of information is accessible to Nova leadership and used as part of onboarding resources into the Nova program.

d) Interim CEO: Marnie Kacher (Internal),
Interim CITO: Shawn Campbell (Internal),
Interim COO: Jeff Sass (Internal), to replace Ms. Kacher.

PUB (MPI) 1-105

Part and Chapter:	Part V IT Appendix 5	Page No.:	4
PUB Approved Issue No:	20. Project NOVA		
Topic:	IT Assumptions/considerations/notes		
Sub Topic:	Consultant breakdown		

Preamble to IR:

MPI has noted the following:

The variances compared to the 2023 submission are described as follows:

- 20220/23 variance of 6 due to the addition of NOVA consultants that were not factored in the 2023 submission. Of the 114 consultants working as of March 31, 2023, 40 worked directly on Project NOVA – refer to *IT App 5-11*).

- Since many of MPI's consultants work different roles in multiple projects the numbers are calculated by using the estimated number of consultant hours required for each project. The overall consultant FTE calculation utilizes the Basic component of the external labour dollars required for each project and then references the estimated numbers of hours required for each consultant to determine the consultant FTE numbers (consultant calculations assume a 7.25 hour workday, 220 days a year). The increase this year is due to the additional resources required for Project NOVA. 2022/23 figures include 40 Project NOVA resources and 74 non-NOVA Resources (Initiatives and Operations).

In addition, Figure IT 5-51 has an active contractors by department pie chart.

Question:

a) As in prior GRAs, please provide a breakdown in table format of the number of consultants working on Nova and/or other projects/operations, and a table that outlines the costs/ labour dollars. (including company, role, Projects/Ops, and category count per each)

b) Please provide a detailed list of the consulting companies, and roles that each of the consultants are performing, and outline these by project: Nova, legacy, operations and other relevant categorizations.

Rationale for Question:

To understand the forecasting approach to IT Personnel Costs.

RESPONSE:

a) Please see the following table.

Program	Number of Resources
Agile Program Management Office	2
Application Services	23
Business Architecture	1
COE Integrations	3
Cyber & Information Security	7
Data Management & Analytics	1
Digital COE	1
Digital Experience	7
Enterprise Architecture	1
Enterprise Project Management Office	1
Enterprise Systems Support	8
KMS	4
NOVA	38

Program	Number of Resources
Platfor Engineering & Infrastructure	6
SharePoint Application Services	8
Strategy & Portfolio Management	1
Vendor Management	1

b) Please see *Appendix 1 – Table Nova Consultants Costs Confidential.*

Appendix 1:
Nova Consultants Costs

This material is the subject of a confidential motion.

PUB (MPI) 1-106

Part and Chapter:	**Part V Nov Appendix 9 Figure NOV App 1 Project Nova IT Summit May 11-2023**	**Page No.:**	**24**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova**		
Sub Topic:	**Basic Deferred Development Cost**		

Preamble to IR:

Question:

a) Please provide a schedule detailing the total spending on Nova by year, by period cost and deferred development cost for each of the years 2019/20 through 2026/27.

b) Please provide the detail of spending by significant component for each category of expenditures in (a).

c) Please indicate the number of internal FTEs that are working or are forecast to work on Project Nova included and the related compensation expense included in part (a).

Rationale for Question:

To understand Project Nova costs.

RESPONSE:

a) Please refer to Figure 1 below, in which MPI presents Nova Program Forecasts as of March 31, 2023:

Figure 1 Nova Spend by Year by Period and Deferred Development Costs

Line No.		2018/19A	2019/20A	2020/21A	2021/22A	2022/23A	2023/24F	2024/25F	2025/26F	2026/27F	2027/28F
1	Nova - Deferred	-	-	13,024	42,242	36,200	43,994	20,729	6,366	-	-
2	Nova - Expense	136	3,254	5,831	12,171	16,202	13,777	11,231	4,746	1,303	1,916
3	Total	136	3,254	18,855	54,413	52,402	57,771	31,960	11,113	1,303	1,916

b) Please refer to figure 2 below for which MPI is seeking a special treatment.

[Redacted]

c) Nova Actual and Forecasted incremental MPI Resources

as of March 31, 2023

Year	Incremental MPI Resources
2020/2021	40
2021/2022	66
2022/2023	49.5
2023/2024	63
2024/2025	46
2025/2026	40

The internal resource compensation (actuals and forecasted) is provided in the table shared under part b), Line 9.

PUB (MPI) 1-107

Part and Chapter:	**Part V Nova PUB/MPI I -80 (2023 GRA)**	**Page No.:**	**44**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Project Nova**		
Sub Topic:	**Business Case**		

Preamble to IR:

Question:

a) Please update the table provide in PUB (MPI) 1-80 (a), adding an additional column based on updated 2023 information.

b) Please file an updated table indicating the NPV and Payback period based on the minimum, midpoint, and maximum contingency of the project.

c) Please update the NPV (c) comparing the use of the May 2022 cost of the capital Medium-High discount rate of 9% and the High-Risk discount rate of 11% for the Corporation.

Rationale for Question:

To understand changes to the Project Nova business case.

RESPONSE:

a) Please refer to the updated figure below which includes the additional column based on updated 2023 Information.

Figure 1 Business Case Program Overview Analysis of Original Values compared to 2021 Re-baseline, 2022 Re-baseline and Current Estimate (March 2023) *(updated previously submitted 2023 GRA PUB (MPI) 1-80 Figure 1)*

Line No.	Description	2019 Original Business Case ($M)	2021 Re-Baselined Business Case ($M)	2022 Re-baselined Business Case ($M)	Current Estimate as at March 2023 ($M)	Increase / (Decrease) ($M)
1		(a)	(b)	(c)	(d)	(d) – (c)
2	Discount Rate	7.5%	7.5%	7.5%	7.5%	0
3	One Time Modernization Costs	85.4	111.7	224.1	233.1	9
4	One Time Modernization – Contingency	21.4	16.8	49.4	40.4	-9
5	One Time Modernization – Total	106.8	128.5	273.5	273.5	0
6	Ongoing Cost - during 15 year NPV period)*	208.4	180.9	224.1	222.3	43.2
7	Benefits:					
8	Net FTE Savings (Ongoing Costs less Savings)	130.2	142.3	65.4	65.6	0.2
9	Ongoing Benefits (Total during 15 year NPV period)**	193.7	211.5	157.4	160.5	3.1
10	Ongoing Cost Avoidance Benefit	86.2	87.8	60.9	60.9	0
11	One-time Total Cost Avoidance Benefit	13.6	13.4	13.4	13.4	0
12	Total Benefits	423.7	455	296.5	296.5	3.3
13	Approx. FTE Position Savings (Operational + IT)	150	150	123	123	0
14	15 Year NPV	**12.7**	**18.4**	**-188.9**	**-181.7**	7.2
15	Payback Period	**14 Years**	**14 Years**	**n/a**	**n/a**	
16	** FTE Costs and Benefits recorded separately in line 9 above					

b) Please refer to the figure below which includes the updated NPV results based on the updated 2023 information and the three contingency scenarios requested.

Figure 2 Business Case Program Overview: NPV Analysis using March 2023 Estimate and 20, 30 and 40 Percent Contingency *(updated previously submitted 2023 GRA PUB (MPI) 1-80 Figure 2)*

Line No.	Description	Current Estimate as at March 2023 ($M)	Current Estimate as at March 2023 ($M)	Current Estimate as at March 2023 ($M)
1	**Contingency Scenario**	Minimum (20%)	Midpoint (30%)	Maximum (40%)
2	**Discount Rate**	7.5%	7.5%	7.5%
3	**One Time Modernization Costs - Current Estimate**	233.1	233.1	233.1
4	**One Time Modernization – Unallocated Contingency**	23.9	40.4	56.9
5	**One Time Modernization – Total**	257	273.5	290
6	**Ongoing Cost - during 15 year NPV period)**	222.3	222.3	222.3
7	**Benefits:**			
8	**Net FTE Savings (Ongoing Costs less Savings)**	65.6	65.6	65.6
9	**Ongoing Benefits (Total during 15 year NPV period)***	160.5	160.5	160.5
10	**Ongoing Cost Avoidance Benefit**	60.9	60.9	60.9
11	**One-time Total Cost Avoidance Benefit**	13.4	13.4	13.4
12	**Total Benefits**	296.5	296.5	296.5
13	**Approx. FTE Position Savings (Operational + IT)**	123	123	123
14	**15 Year NPV****	**-171.1**	**-181.7**	**-192.3**
15	**Payback Period**	**n/a**	**n/a**	**n/a**
16	**** FTE Costs and Benefits recorded separately in line 9 above***			

c) The figure below has been updated based on the updated 2023 information with a comparison of NPV results using the 7.5% discount rate, a Medium-High discount rate of 9% and the High-Risk discount rate of 11% for the Corporation.

Figure 3 Business Case Program Overview: NPV Analysis using March 2023 Estimate (and 30% Contingency) comparing discount rates at 7.5%, 9% and 11% (updated previously submitted 2023 GRA PUB (MPI) 1-80 Figure 3)

Line No.	Description	Current Estimate as at March 2023 ($M)	Current Estimate as at March 2023 ($M)	Current Estimate as at March 2023 ($M)
1	Scenario	a	b	c
2	Discount Rate	**7.5%**	**9.0%**	**11.0%**
3	One Time Modernization Costs - Current Estimate	233.1	233.1	233.1
4	One Time Modernization – Unallocated Contingency	40.4	40.4	40.4
5	One Time Modernization – Total	273.5	273.5	273.5
6	Ongoing Cost - during 15 year NPV period)*	222.3	222.3	222.3
7	Benefits:			
8	Net FTE Savings (Ongoing Costs less Savings)	65.6	65.6	65.6
9	Ongoing Benefits (Total during 15 year NPV period)**	160.5	160.5	160.5
10	Ongoing Cost Avoidance Benefit	60.9	60.9	60.9
11	One-time Total Cost Avoidance Benefit	13.4	13.4	13.4
12	Total Benefits	296.5	296.5	296.5
13	Approx. FTE Position Savings (Operational + IT)	123	123	123
14	15 Year NPV	**-181.7**	**-176.2**	**-168.3**
15	Payback Period	**n/a**	**n/a**	**n/a**
16	***** FTE Costs and Benefits recorded separately***			

PUB (MPI) 1-108

Part and Chapter:	**Part V A Appendix 9** **Part V NOV APP 11 P. 38**	**Page No.:**	**5**
PUB Approved Issue No:	**20. Project Nova**		
Topic:	**Capital Expenditures**		
Sub Topic:	**Cost of Capital**		

Preamble to IR:

Question:

a) Please provide a table detailing the cost of capital hurdle rates used in 2019 through 2023. Please also include in the table the hurdle rates used for projects with risk mitigation strategies.

b) Please file a copy of the 2022 SCOR report.

Rationale for Question:

To understand any changes to business case cost of capital.

RESPONSE:

a) Please see *Appendix 1 - Cost of Capital Hurdle Rate 2019-2023 - Redacted*

MPI has revisited all Business Cases included in GRA submissions from 2019 to the current application, which included obtaining details related to Project Budget, Net Present Value (NPV), Discount Rate and Risk Rating. The data retrieved relates to particular policies in place during that timeframe and may not reflect current processes.

b) Please see *Attachment A - Scor Report 2022*.

Cost of Capital Options

Line No.	Option	Description	GRA 2024 March 31, 2023 onward Hurdle Rate	GRA 2023 June 2021 onward Hurdle Rate	GRA 2022 June 2021 onward Hurdle Rate	GRA 2021 June 2020 onward Hurdle Rate	GRA 2020 January 2019 onward	GRA 2019 March 1, 2018 onward
1	**Low Risk**	for low risk projects	5.00%	4.50%	4.50%	3.50%	4.00%	4.00%
2	**Medium Risk**	for medium risk projects	6.00%	6.50%	6.50%	6.00%	6.00%	6.50%
3	**High Risk**	for high risk projects	11.00%	11.00%	11.00%	8.50%	9.00%	9.50%

Line No.	Project Name	2019/20 Project (000's)	2020/21 Project (000's)	Project Fiscal Year -	Project (000's)	2022/23 Project (000's)	Total Life To-Date (000's)	NPV (000's)	DISCOUNT RATE	RISK RATING	BUSINESS VALUE	TIME CRITICALITY	RR-OE	COD	SIZE	WJSF	Comments
1	TRM 2019/20	$10,000	$25,000	2019/20	$3,128												PUB_1_108_Part a (iii)
2	High School Driver Eduction (HSDE) Phase 3 & 4			2019/20	$1,481			$1,624	6.5%	Medium							
3	Information Security Maturity			2019/20	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
4	Credit Card Strategy	$3,128		2019/20	$4,099			($1,629)	6.0%	Medium							
5	Finance Re-Engineering (dEPM)		$3,941	2019/20	$2,919			($2,096)	6.5%	Medium							
6	Total Loss (TL) Strategy			2019/20	$1,285			$8,107	6.0%	Medium							
7	BI3/Fineos Upgrade	$5,100	$740	2019/20	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
8	Human Resource Management System (HRMS) Optimization Phase 1		$400	2020/21	$1,210			($922)	9.0%	High							
9	Salvage Management System		$1,210	2020/21	$670			$4,183	6.0%	Medium							
10	Compulsory and Extension Revision Project (CERP) Additional Product Changes			2020/21	$540			n/a	n/a	n/a							
11	TRM 2020/21			2020/21	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							PUB_1_108_Part a (iv)
12	Information Security Maturity - Note 2			2020/21	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
13	IT Transformation (Data Analytics/ Process - Note 3			2021/22	[REDACTED]												
14	Enhancements2)																
17	TRM 2021/22			2021/22	$5,206	$3,000	$3,000										PUB_1_108_Part a (v)
24	Cityplace Space Plan			2021/22	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
25	Microsoft 365			2021/22	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
26	e-Signature			2021/22	$576			$543	6.0%	Medium							
27	e-Cash Capability			2021/22	$510			$481	6.0%	Medium							
28	Desktop as a Service (DaaS)			2022/23	$393			n/a	n/a								
29	Enterprise Content Management (ECM) Collaboration Migration			2022/23	[REDACTED]			n/a	n/a								
30	Intranet 2.0			2022/23	[REDACTED]			n/a	n/a								
31	BI3 - Upgrade on Fineos Cloud Solution			2022/23	[REDACTED]			n/a	n/a								
32	Taxi Telematics Pilot			2022/23	[REDACTED]			n/a	n/a								
33	Enterprise Content Management (ECM) Public Website			2022/23	[REDACTED]			n/a	n/a								
34	Enterprise Change Management			2022/23	[REDACTED]			n/a	n/a								
35	[REDACTED]			2022/23	[REDACTED]			n/a	n/a								
36	Vehicle for Hire			2022/23	$60			n/a	n/a								
37	Enterprise Content Management (ECM) Project Oversight			2022/23	[REDACTED]			n/a	n/a								
38	STRM - Governance Risk Compliance (GRC) Framework			2022/23	$500			n/a	n/a								
39	Business Process Management & Lean CoE 2.0			2022/23	$650			n/a	n/a								
40	ECM Program Oversight			2022/23	$75			n/a	n/a								
41	[REDACTED]			2022/23	[REDACTED]			n/a	n/a								
42	e-Transfer (Total Loss)			2022/23	$175			n/a	n/a								
43	IBM Refresh Windows 2012			2022/23	$466			n/a	n/a								
44	Automated DX Scoring			2022/23	[REDACTED]			n/a	n/a								
45	Culture 2.0			2022/23	$1,218			n/a	n/a								
46	[REDACTED]			2022/23	[REDACTED]			n/a	n/a								
47	[REDACTED]			2022/23	[REDACTED]			n/a	n/a								
48	Enterprise Data Architect Funding (DMA)			2022/23	$150			n/a	n/a								
49	Power BI Rollout Phase 2			2022/23	$410			n/a	n/a								
50	ISM - Information Security Management (ISO) Program Management			2022/23	[REDACTED]			n/a	n/a								
51	[REDACTED]			2022/23	[REDACTED]			n/a	n/a								
52	ISM - Application Security Profiling			2022/23	[REDACTED]			n/a	n/a								
53	DMA Duck Insights Data Mart Enhancement			2022/23	$150			n/a	n/a								
54	Taxi Telematics Pilot			2022/23	[REDACTED]			n/a	n/a								
55	Cloud Migration			2022/23	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
56	ECM Knowledge Platforms			2022/23	$1,002			($701)	6.5%	Medium							
57	Unified Endpoint Management			2022/23	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
58	Content Architecture Project			2022/23	$100			($94)	6.5%	Medium							
59	DMA - Data Governance Tool Implementation - Phase 1			2022/23	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
60	DMA - Data Modelling Tool			2022/23	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
61	Data 2.0 Detailed Solution Architecture			2022/23	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
62	DMA Master Data Agreement			2023/24	$310			($291)	6.5%	Medium							
63	DMA BI Report Rationalization Project			2023/24	$286			($269)	6.5%	Medium							
64	[REDACTED]			2023/24	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
65	STRM Configuration Hardening Enhancements			2023/24	$170			($159)	6.5%	Medium							
66	[REDACTED]			2023/24	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							
67	Content Architecture Phase 2			2023/24	$250			n/a	n/a								
68	EFM CX Data Collection			2023/24	[REDACTED]			[REDACTED]	[REDACTED]	[REDACTED]							

69 Note 1 - Represents the fiscal year budget reported in past GRA submissions and associated NPV, Discount Rates and Risk Ratings based on Business Case Financial Analysis filed
70 Note 2 - Information Security Maturity - reflects 2019/20 Budget - information reflects total program financial assumptions
71 Note 3 - IT Transformation noted in GRA 2022 submission inclusion of one project budgeted in TRM 21/22 for $2M and two projects budgeted in operations for $600K - Total program budget is $6M - the details related to NPV, discount rate, risk rating reflect total project cost assumptions
72 Note 3 - continued - this reflects the approved budget for 2021/22

TRM 2019/20

Line No.	Technology Risk Management Area of Focus		2019/20 Budget $	NPV (000's)	DISCOUNT RATE	RISK RATING
1	*(C$000s, expect where noted)*		(a)			
2	**Applications**					
3	**Information Security**		367			
4		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
5		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	**Infrastructure**		1,845			
7		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12	**Risk Registry**		[REDACTED]			
13		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
14	Contingency		268			
15	**Funds to complete TRM 2018**		183			
16	**Total**		**3,129**			
17	**Rounding may affect totals**					

TRM 2020/21

Line No.	Technology Risk Management Area of Focus	2020/21 Budget $	NPV (000's)	DISCOUNT RATE	RISK RATING
1	*(C$000s, expect where noted)*	(a)			
2	**Applications**	[REDACTED]			
3	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
4	**Information Security**	[REDACTED]			
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	**Infrastructure**	1,152			
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11	**Risk Registry**	[REDACTED]			
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12	**Total**	**3,941**			
13	**Rounding may affect totals**				

TRM 2021/22

Line No.	Technology Risk Management Area of Focus	2020/21 Budget $	NPV (000's)	DISCOUNT RATE	RISK RATING
1	*(C$000s, expect where noted)*	(a)			
2	**Applications**	[REDACTED]			
3	[REDACTED]	[REDACTED]	[REDACTED]		
4	**Information Security**	1,301			
5	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
6	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
7	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
8	**Infrastructure**	1,331			
9	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
10	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
11	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
12	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
13	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
14	**Risk Registry**	[REDACTED]			
15	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
16	**Total**	**5,206**			
17	**Rounding may affect totals**				

Results of Canadian P&C Insurance Companies

Résultats des compagnies Canadiennes d'assurances IARD

SCOR Canada Reinsurance Company /

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Year / Année 2022

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COMPANY NAME / NOM DE LA SOCIETE	YEAR / ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DES SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULTS / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Affiliated FM Insurance Company	**2020**	184,416	132,440	111,119	55.25%	34.63%	89.88%	11,229	18,130	30,666	6.78%
	2021	208,941	151,397	144,014	34.98%	20.29%	55.27%	64,401	12,243	75,603	19.58%
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**
AIG Insurance Company of Canada	**2020**	1,341,213	361,615	359,528	84.16%	18.45%	102.61%	-8,312	57,065	29,612	3.82%
	2021	1,318,990	337,094	338,286	63.48%	13.12%	76.60%	80,147	46,967	116,216	15.18%
	2022	**1,518,404**	**367,849**	**352,618**	**36.00%**	**18.26%**	**54.26%**	**162,027**	**48,167**	**174,182**	**22.17%**
Alberta Motor Association Insurance Company	**2020**	235,998	219,177	211,940	124.10%	64.24%	188.34%	-100,550	20,952	-61,331	-31.83%
	2021	250,519	231,136	224,735	54.43%	26.82%	81.25%	51,813	4,119	43,427	25.74%
	2022	**241,110**	**219,304**	**224,736**	**46.47%**	**31.72%**	**78.19%**	**58,822**	**-15,788**	**34,993**	**22.33%**
Allied World Specialty Insurance Company	**2020**	133,431	50,390	35,964	54.20%	5.08%	59.28%	14,642	1,197	17,089	n/a
	2021	197,313	77,617	61,601	52.90%	-0.30%	52.60%	29,200	3,676	24,903	26.91%
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**
Alpha (L'), Compagnie d'Assurances Inc.	**2020**	31,660	31,048	28,579	42.10%	29.64%	71.74%	8,412	3,432	9,059	13.56%
	2021	37,187	36,458	34,167	45.55%	25.58%	71.13%	10,229	3,467	10,155	13.29%
	2022	**41,843**	**41,090**	**39,117**	**50.38%**	**22.31%**	**72.69%**	**11,087**	**1,565**	**9,301**	**14.61%**
Antigonish Farmers' Mutual Insurance Company	**2020**	7,047	5,789	5,524	53.10%	51.94%	105.04%	-120	1,408	1,066	6.74%
	2021	7,590	6,260	6,125	43.56%	50.32%	93.88%	455	510	831	4.99%
	2022	**8,139**	**6,632**	**6,324**	**74.79%**	**52.32%**	**127.11%**	**-1,626**	**-12**	**-1,048**	**-6.45%**
Arch Insurance Canada Ltd.	**2020**	154,507	17,821	16,257	116.71%	6.85%	123.56%	-3,830	2,495	-1,409	-1.72%
	2021	200,744	24,378	20,490	54.46%	8.40%	62.86%	7,610	1,165	8,763	10.19%
	2022	**281,472**	**57,098**	**34,637**	**54.86%**	**27.94%**	**82.80%**	**5,959**	**403**	**11,987**	**12.64%**
Aviva Canada Inc. (Consolidated)	**2020**	5,620,027	3,994,726	3,922,799	64.84%	34.94%	99.78%	8,552	382,447	209,328	14.82%
	2021	5,936,990	4,201,304	4,060,571	54.39%	34.62%	89.01%	446,258	-7,608	313,623	21.46%
	2022	**6,422,241**	**776,185**	**1,420,852**	**-0.74%**	**74.25%**	**73.51%**	**376,417**	**-306,337**	**148,333**	**10.74%**
AXA XL	**2020**	184,416	132,440	111,119	55.25%	34.63%	89.88%	11,229	18,130	30,666	6.78%
	2021	208,941	151,397	144,014	34.98%	20.29%	55.27%	64,401	12,243	75,603	19.58%
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**

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COMPANY NAME / NOM DE LA SOCIETE	YEAR / ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DES SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULTS / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Beneva Inc	**2020**	1,733,627	1,687,346	1,570,716	55.12%	31.89%	87.00%	206,034	32,380	191,109	n/a
	2021	1,960,283	1,904,344	1,828,267	52.02%	32.32%	84.34%	287,854	55,462	269,839	28.28%
	2022	**2,175,477**	**2,114,416**	**2,010,267**	**64.38%**	**31.21%**	**95.59%**	**95,816**	**24,126**	**111,983**	**9.59%**
CAA Insurance Company	**2020**	501,294	477,292	408,128	53.79%	36.81%	90.60%	43,285	26,052	60,636	22.97%
	2021	641,543	608,358	551,398	53.79%	37.42%	91.21%	55,275	12,323	59,036	18.12%
	2022	**837,791**	**794,736**	**687,383**	**67.24%**	**35.52%**	**102.76%**	**-10,263**	**-21,646**	**-20,573**	**-5.87%**
Chubb Insurance Company of Canada	**2020**	1,307,754	562,378	513,153	52.44%	22.39%	74.83%	129,191	58,147	129,635	12.92%
	2021	1,485,340	639,269	569,820	30.88%	18.46%	49.34%	288,664	56,771	253,209	22.94%
	2022	**1,601,602**	**689,111**	**630,987**	**33.96%**	**16.68%**	**50.64%**	**311,476**	**45,745**	**275,808**	**25.43%**
Clare Mutual Insurance Company	**2020**	3,885	2,859	2,646	32.28%	53.85%	86.13%	514	166	653	14.42%
	2021	4,414	3,310	3,057	26.73%	57.90%	84.63%	602	351	920	17.08%
	2022	**4,826**	**3,461**	**3,241**	**18.36%**	**59.30%**	**77.66%**	**859**	**269**	**1,086**	**17.44%**
Continental Casualty Company	**2020**	448,389	396,752	369,876	61.34%	33.94%	95.28%	16,892	40,411	44,622	n/a
	2021	508,934	431,642	414,652	53.37%	33.21%	86.58%	55,382	38,992	73,705	n/a
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**
Definity Insurance Company	**2020**	2,812,400	2,639,729	2,508,671	66.82%	32.59%	99.41%	22,347	180,104	153,936	8.98%
	2021	3,226,962	2,991,317	2,833,597	59.18%	32.68%	91.86%	239,141	76,103	212,368	10.85%
	2022	**3,605,660**	**3,452,123**	**3,248,550**	**56.19%**	**33.18%**	**89.37%**	**352,966**	**-91,969**	**182,783**	**9.95%**
Desjardins Groupe d'Assurances Générales Inc. (1)	**2020**	5,726,082	5,768,682	5,483,577	67.27%	23.59%	90.86%	433,427	512,715	623,119	25.01%
	2021	6,053,253	5,980,483	5,909,168	47.25%	24.38%	71.63%	1,591,836	464,659	1,198,782	31.99%
	2022	**6,145,575**	**6,042,947**	**6,004,883**	**65.13%**	**26.57%**	**91.70%**	**495,618**	**-393,709**	**451,414**	**10.25%**
Echelon Insurance	**2020**	599,411	387,132	340,645	70.98%	28.64%	99.62%	5,822	35,277	31,245	18.19%
	2021	659,078	441,053	444,017	64.64%	33.32%	97.96%	13,810	21,692	28,785	13.60%
	2022	**738,108**	**466,004**	**465,388**	**60.56%**	**35.93%**	**96.49%**	**22,806**	**-28,945**	**-448**	**-0.19%**
Factory Mutual Insurance Company	**2020**	408,078	292,541	266,936	64.76%	18.19%	82.95%	45,508	37,053	66,544	8.14%
	2021	435,108	313,650	296,886	6.38%	17.38%	23.76%	226,366	22,905	187,603	23.55%
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**

(1) The amounts of investment income of -$393,709 (2022) and $464,659 (2021) are disclosed in accordance with IFRS 9. These investment income, adjusted by the amount of the overlay approach, are of $127,990 (2022) and $119,056 (2021), which essentially brings the information in accordance with IAS 39.

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Factory Mutual Insurance Company	2020	408,078	292,541	266,936	64.76%	18.19%	82.95%	45,508	37,053	66,544	8.14%
	2021	435,108	313,650	296,886	6.38%	17.38%	23.76%	226,366	22,905	187,603	23.55%
	2022	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA
Federal Insurance Company	2020	141	135	254	-588.98%	281.10%	-307.88%	1,036	2,558	3,023	n/a
	2021	-56	-56	-31	16074.19%	-264.52%	15809.67%	4,870	2,301	5,259	5.68%
	2022	-15	-15	-14	24685.71%	-4371.43%	20314.28%	2,830	777	1,087	1.41%
Fonds d'Assurance des Municipalités du Québec (2)	2020	48,201	40,751	39,394	46.70%	35.56%	82.26%	6,987	1,375	8,362	17.44%
	2021	52,155	43,723	41,274	55.13%	37.83%	92.96%	2,908	1,082	2,990	7.27%
	2022	58,552	48,469	45,452	67.25%	36.79%	104.04%	-1,838	1,899	61	0.14%
Fonds d'Assurance Responsabilité Professionnelle du Barreau du Québec	2020	12,784	11,794	15,680	162.55%	15.92%	178.47%	-12,305	6,425	-3,128	-5.86%
	2021	11,274	11,706	11,706	178.67%	17.98%	196.65%	-11,314	20,942	-3,725	96.11%
	2022	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA	TBA
Gore Mutual Insurance Company	2020	505,621	475,956	454,089	61.26%	40.81%	102.07%	-5,159	19,690	12,223	3.68%
	2021	590,453	561,281	524,595	56.90%	43.00%	99.90%	6,390	20,390	22,540	6.41%
	2022	668,737	625,288	579,046	63.47%	39.90%	103.37%	-15,932	9,832	10,854	2.97%
Groupe Estrie-Richelieu (Le), Compagnie d'Assurance	2020	75,125	57,896	52,758	45.57%	34.29%	79.86%	10,626	4,676	11,236	9.80%
	2021	84,453	69,312	64,574	48.55%	34.73%	83.28%	10,796	3,734	10,683	8.50%
	2022	92,063	75,202	71,431	48.82%	36.37%	85.19%	10,578	2,982	9,967	7.33%
Groupe Industrielle Alliance	2020	632,397	484,621	452,960	52.56%	30.59%	83.15%	76,323	16,652	68,439	28.28%
	2021	697,521	505,702	504,690	49.11%	31.50%	80.61%	97,837	15,086	83,840	31.81%
	2022	843,452	581,322	519,435	59.60%	32.57%	92.16%	40,704	17,243	43,777	15.96%
Insurance Company of Prince Edward Island (ICPEI)	2020	43,188	41,066	37,012	54.73%	39.43%	94.16%	2,659	1,519	2,986	17.41%
	2021	66,676	63,965	53,448	45.08%	40.29%	85.37%	8,526	1,802	7,432	32.80%
	2022	102,388	93,711	78,855	53.23%	40.63%	93.86%	5,628	338	4,309	15.77%
Intact Financial Corporation (3)	2020	12,143,000	11,616,000	11,241,000	61.23%	31.68%	92.91%	797,000	577,000	1,082,000	12.80%
	2021	17,994,000	16,672,000	16,238,000	55.07%	33.25%	88.32%	1,896,000	706,000	2,088,000	17.00%
	2022	22,655,000	20,069,000	19,792,000	55.47%	31.65%	87.13%	2,548,000	931,000	2,420,000	16.50%

(2) Changed Account Name from "Mutuelle des municipalités du Québec"

(3) Takes into account the impact of the Acquisition of RSA since the close on June 1, 2021

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Kings Mutual Insurance Company (The)	**2020**	15,716	14,042	13,059	41.73%	51.29%	93.02%	1,115	1,743	2,260	5.35%
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Lloyd's Canada Inc.	**2020**	4,005,721	4,389,888	4,153,757	67.39%	26.47%	93.86%	255,082	415,578	591,352	15.03%
	2021	4,929,347	5,351,126	4,916,036	50.79%	26.02%	76.81%	1,139,990	-48,127	1,081,297	n/a
	2022	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**	**TBA**
Millenium Insurance Corporation	**2020**	255,977	159,958	137,873	55.62%	30.94%	86.56%	18,537	-15,586	4,764	2.29%
	2021	346,668	192,794	157,391	51.68%	28.51%	80.19%	31,167	20,005	42,864	21.24%
	2022	**404,006**	**231,653**	**177,833**	**63.13%**	**26.37%**	**89.50%**	**18,675**	**-19,660**	**6,241**	**3.18%**
Mitsui Sumitomo Insurance Company, Limited	**2020**	28,884	26,656	25,886	41.55%	31.62%	73.17%	6,945	1,882	6,521	n/a
	2021	30,627	29,142	27,640	50.10%	32.33%	82.43%	4,856	1,688	4,759	6.30%
	2022	**31,021**	**28,890**	**28,756**	**116.43%**	**30.49%**	**146.92%**	**-13,493**	**2,141**	**-8,398**	**-8.83%**
Motors Insurance Corporation (4)	**2020**	76,493	41,653	47,924	39.87%	22.44%	62.31%	18,135	6,074	18,154	11.14%
	2021	81,533	44,945	48,336	35.52%	23.46%	58.98%	19,891	7,279	20,910	11.85%
	2022	**90,347**	**50,317**	**49,169**	**38.11%**	**25.59%**	**63.70%**	**17,912**	**5,356**	**17,592**	**9.90%**
Mutual Fire Insurance Company of British Columbia (The)	**2020**	152,664	61,807	61,854	46.75%	40.68%	87.43%	8,066	2,107	7,305	14.55%
	2021	180,691	70,177	65,555	47.81%	31.27%	79.08%	14,063	4,392	11,892	18.98%
	2022	**220,719**	**87,128**	**82,936**	**49.93%**	**40.63%**	**90.56%**	**8,235**	**3,948**	**10,411**	**14.20%**
My Mutual Insurance Limited	**2020**	32,604	25,662	24,175	58.25%	44.52%	102.77%	-269	1,064	555	2.90%
	2021	35,156	28,970	27,880	43.95%	43.31%	87.26%	3,971	115	3,001	14.32%
	2022	**37,250**	**31,246**	**29,939**	**55.67%**	**42.36%**	**98.03%**	**1,039**	**254**	**1,062**	**4.62%**
Northbridge Financial Corporation	**2020**	2,314,825	2,064,837	1,908,966	63.78%	33.66%	97.43%	48,968	209,244	199,385	12.94%
	2021	2,657,664	2,403,000	2,256,935	56.12%	32.99%	89.11%	245,836	462,392	545,325	29.62%
	2022	**2,993,521**	**2,679,254**	**2,503,741**	**51.13%**	**31.54%**	**82.67%**	**433,856**	**109,910**	**439,823**	**20.05%**
Old Republic Insurance Company of Canada	**2020**	224,257	165,707	178,178	63.48%	37.49%	100.97%	1,523	6,117	5,584	4.99%
	2021	255,532	178,852	167,724	48.92%	37.41%	86.33%	24,924	5,461	22,318	17.76%
	2022	**306,309**	**244,891**	**201,421**	**39.41%**	**38.02%**	**77.43%**	**47,780**	**7,020**	**40,323**	**27.67%**

(4) Column ROE = net income/total head office account, reserves and AOCI

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COMPANY NAME / NOM DE LA SOCIETE	YEAR / ANNÉE	DIRECT PREMIUM WRITTEN / PRIMES DIRECTES SOUSCRITES (000's)	NET PREMIUM WRITTEN / PRIMES NETTES SOUSCRITES (000's)	NET PREMIUM EARNED / PRIMES NETTES ACQUISES (000's)	LOSS RATIO / RATIO DES SINISTRES	EXPENSE RATIO / RATIO DES FRAIS	COMBINED RATIO / RATIO COMBINÉ	U/W RESULTS / RÉSULTATS TECHNIQUES (000's)	INVESTMENT INCOME / REVENUS DE PLACEMENT (000's)	NET AFTER TAX INCOME / BÉNÉFICE NET APRÈS IMPÔT (000's)	ROE
Ontario Mutual Insurance Association	**2020**	1,015,899	890,012	853,853	55.70%	40.80%	96.50%	38,728	96,387	92,809	7.13%
	2021	1,070,598	933,123	905,282	57.43%	39.65%	97.08%	35,803	96,091	85,757	6.26%
	2022	**1,146,394**	**998,389**	**961,264**	**61.04%**	**40.18%**	**101.22%**	**-1,740**	**-83,482**	**-63,108**	**-4.50%**
Ontario School Boards' Insurance Exchange (OSBIE)	**2020**	34,397	32,524	32,524	114.14%	11.68%	125.82%	-8,400	13,977	5,668	4.44%
	2021	37,357	35,482	35,711	67.72%	12.59%	80.31%	7,030	15,065	22,220	16.46%
	2022	**36,006**	**33,604**	**33,841**	**113.89%**	**14.18%**	**128.07%**	**-9,501**	**15,392**	**5,962**	**4.69%**
Optimum Général Inc.	**2020**	211,734	163,439	157,092	55.10%	38.41%	93.51%	10,210	8,055	13,515	12.11%
	2021	223,237	173,120	168,547	48.61%	38.60%	87.21%	21,535	1,629	17,105	14.09%
	2022	**238,682**	**179,685**	**176,052**	**50.48%**	**38.97%**	**89.45%**	**18,581**	**-1,676**	**12,470**	**9.80%**
Orion Travel Insurance Company	**2020**	44,267	41,396	63,826	63.70%	52.14%	115.84%	-8,735	911	-5,882	-17.18%
	2021	32,033	8,360	7,144	100.06%	89.91%	189.97%	-6,428	-13	-4,524	-14.29%
	2022	**94,128**	**25,127**	**25,001**	**86.81%**	**31.03%**	**117.84%**	**-4,459**	**17**	**-3,295**	**-11.78%**
Pacific Coast Fishermen's Mutual Marine Insurance Company	**2020**	5,828	5,389	5,348	22.08%	17.50%	39.58%	3,231	316	3,564	50.12%
	2021	5,839	5,230	5,228	14.71%	18.11%	32.82%	3,511	611	4,106	57.72%
	2022	**5,823**	**5,112**	**5,134**	**17.84%**	**18.91%**	**36.75%**	**3,247**	**-61**	**3,262**	**46.24%**
Peace Hills General Insurance Company	**2020**	287,491	168,749	156,311	54.32%	38.66%	92.98%	14,752	8,522	17,728	21.72%
	2021	327,978	200,172	183,035	48.79%	38.93%	87.72%	27,377	9,918	27,868	26.92%
	2022	**366,854**	**271,458**	**234,881**	**52.25%**	**34.12%**	**86.37%**	**37,292**	**4,435**	**31,383**	**25.30%**
PEI Mutual Insurance Company	**2020**	30,392	27,492	25,985	40.48%	30.25%	70.73%	7,604	2,637	4,223	7.09%
	2021	34,084	31,090	29,934	42.19%	29.76%	71.95%	8,396	7,723	11,459	17.00%
	2022	**36,077**	**32,453**	**31,613**	**51.75%**	**31.95%**	**83.70%**	**5,151**	**3,879**	**6,718**	**8.78%**
Portage La Prairie Mutual Insurance Company	**2020**	241,344	211,716	201,581	50.08%	40.42%	90.50%	20,856	8,355	23,142	12.93%
	2021	262,514	229,235	220,230	46.24%	41.66%	87.90%	30,383	28,928	45,586	21.03%
	2022	**286,025**	**243,968**	**238,792**	**60.11%**	**47.24%**	**107.35%**	**-13,460**	**2,979**	**-5,481**	**-2.32%**
Promutuel Assurance	**2020**	949,400	918,315	903,519	49.62%	35.09%	84.71%	138,177	36,884	138,966	22.11%
	2021	992,791	954,326	934,635	42.66%	35.26%	77.92%	206,308	19,752	149,039	18.44%
	2022	**1,062,894**	**1,016,827**	**981,891**	**55.02%**	**36.59%**	**91.61%**	**82,408**	**-876**	**58,653**	**6.27%**

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Red River Mutual Insurance Company	2020	140,658	123,300	114,155	45.56%	47.64%	93.20%	9,360	4,190	10,521	11.00%
	2021	182,841	157,179	136,847	48.04%	46.78%	94.82%	8,957	8,829	14,289	13.00%
	2022	**213,248**	**182,456**	**170,667**	**54.14%**	**45.24%**	**99.38%**	**3,201**	**5,334**	**3,550**	**3.05%**
Royal & Sun Alliance Financial Services Limited (5)	2020	3,126,186	2,444,764	2,473,915	62.45%	31.15%	93.60%	191,288	89,504	185,684	12.37%
	2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Sandbox Mutual Insurance Company (6)	2020	90,473	83,074	79,310	51.03%	42.78%	93.81%	5,669	3,052	6,631	10.78%
	2021	100,171	91,448	86,674	51.23%	43.89%	95.12%	5,431	4,800	7,630	10.94%
	2022	**107,684**	**99,748**	**96,643**	**54.41%**	**44.80%**	**99.21%**	**2,096**	**1,846**	**2,891**	**4.10%**
SGI Canada (Consolidated)	2020	1,056,494	996,961	959,482	56.34%	37.92%	94.26%	55,045	87,987	126,171	27.07%
	2021	1,123,286	1,054,999	1,020,293	54.99%	37.05%	92.04%	81,168	80,983	144,180	27.43%
	2022	**1,233,372**	**1,166,188**	**1,109,018**	**64.58%**	**39.43%**	**104.01%**	**-44,455**	**-29,974**	**-57,768**	**-11.04%**
Sompo Japan Nipponkoa Insurance Inc.	2020	8,839	10,041	9,316	40.22%	37.93%	78.15%	2,035	1,470	2,821	n/a
	2021	10,245	10,999	10,331	64.50%	38.95%	103.45%	-357	1,173	809	0.87%
	2022	**12,372**	**13,521**	**11,636**	**28.20%**	**36.61%**	**64.81%**	**4,095**	**1,620**	**4,528**	**4.70%**
TD Insurance General Insurance (Security National Insurance Co. Consolidated) (7)	2020	3,906,971	2,835,183	2,648,923	69.11%	29.14%	98.25%	46,161	194,299	183,207	13.93%
	2021	4,070,993	2,942,638	2,778,920	56.78%	32.69%	89.47%	292,494	41,048	286,190	18.01%
	2022	**4,545,184**	**3,280,018**	**3,179,573**	**56.27%**	**31.20%**	**87.47%**	**398,595**	**-131,136**	**272,182**	**14.76%**
Travelers Canada	2020	1,630,683	1,562,016	1,585,637	62.10%	35.50%	97.60%	49,867	91,910	106,433	5.70%
	2021	1,606,076	1,542,659	1,549,817	49.70%	34.80%	84.50%	253,191	100,007	261,392	12.70%
	2022	**1,625,970**	**1,556,319**	**1,539,903**	**47.60%**	**35.70%**	**83.30%**	**270,964**	**97,334**	**274,441**	**12.70%**
Trisura Guarantee Insurance Company	2020	273,358	197,134	133,381	25.35%	63.70%	89.05%	19,502	6,118	19,950	19.95%
	2021	555,009	310,272	223,158	21.30%	62.77%	84.07%	42,207	9,525	41,168	29.83%
	2022	**710,149**	**365,649**	**314,932**	**16.99%**	**66.91%**	**83.90%**	**57,133**	**17,028**	**55,184**	**30.19%**

(5) Included in Intact Financial Corporation's results. (Acquisition of RSA since the close on June 1, 2021)

(6) Changed Account Name from "Saskatchewan Mutual Insurance (SMI)"

(7) Combining The Dominion of Canada General Insurance Company, Travelers Insurance Company of Canada, and St. Paul Fire and Marine Insurance Company

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Wawanesa Mutual Insurance Company (The)	**2020**	3,972,568	3,827,440	3,712,007	75.89%	31.42%	107.31%	-234,383	345,988	95,709	2.69%
	2021	3,933,537	3,794,755	3,823,474	65.96%	32.16%	98.12%	115,703	257,287	285,972	7.37%
	2022	**3,959,024**	**3,803,693**	**3,778,208**	**69.64%**	**30.73%**	**100.37%**	**58,092**	**3,122**	**6,288**	**0.16%**
Western Surety Company	**2020**	29,923	18,155	16,974	16.94%	85.77%	102.71%	-460	2,173	1,356	4.08%
	2021	28,827	19,631	18,880	13.04%	79.20%	92.24%	1,465	2,403	2,940	8.11%
	2022	**36,451**	**23,957**	**21,323**	**31.55%**	**80.14%**	**111.69%**	**-2,493**	**1,914**	**-333**	**-0.94%**
Wynward Insurance Group	**2020**	177,262	146,540	140,681	56.03%	39.72%	95.75%	5,974	4,072	7,485	9.20%
	2021	192,282	158,744	154,523	45.20%	42.67%	87.87%	18,740	6,587	18,699	19.41%
	2022	**213,815**	**172,754**	**164,607**	**44.22%**	**43.28%**	**87.50%**	**20,579**	**6,990**	**20,720**	**18.22%**
XL Specialty Insurance Company	**2020**	544,908	287,998	277,087	82.48%	28.80%	111.28%	-31,244	24,202	-4,480	n/a
	2021	718,538	326,613	311,097	50.67%	24.70%	75.37%	76,622	17,252	71,721	28.28%
	2022	**655,529**	**273,979**	**291,162**	**45.23%**	**31.49%**	**76.72%**	**67,796**	**32,199**	**89,740**	**n/a**
Zurich Insurance Company Ltd. (Canada Branch)	**2020**	1,022,681	557,684	494,816	76.22%	24.89%	101.11%	-315	69,199	48,799	n/a
	2021	1,316,460	709,529	615,695	46.98%	25.35%	72.33%	188,629	50,865	178,086	n/a
	2022	**1,524,426**	**826,324**	**747,028**	**50.97%**	**28.60%**	**79.57%**	**157,446**	**54,140**	**179,491**	**n/a**

TOTAL FOR ABOVE COMPANIES / TOTAL SOCIÉTÉS CI-DESSUS :	**2020**	60,618,573	52,255,468	50,046,600	64.30%	31.22%	95.51%	2,403,234	3,767,757	4,640,620
	2021	67,971,579	58,295,313	56,066,059	53.50%	31.64%	85.14%	8,367,919	2,798,802	8,498,845
	2022	70,235,705	54,448,541	53,402,152	55.84%	33.06%	88.89%	6,096,506	335,933	5,274,388
NUMBER OF COMPANIES / NOMBRES DE SOCIÉTÉS :	**52**									

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Combined Ratio / Ratio Combiné

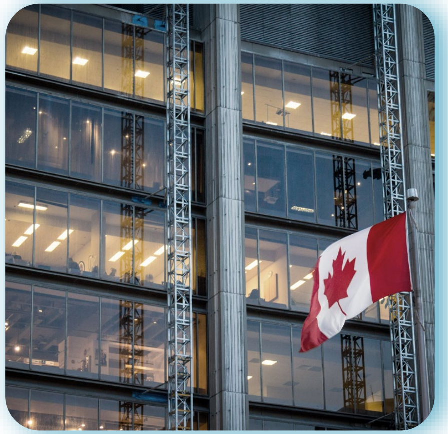
88.9% (*)

deterioration over prior year by 3.8 ppts partially due to the increase in the **expense ratio** / soit, par rapport à l'année dernière, une dégradation de 3,8 points de pourcentage en partie due à la dégradation du **ratio de frais**

Direct Premium Written / Primes Directes Souscrites

+3.3% (*)

while the **Net Premium Written** reduced by 4.8 ppts / alors que les **Primes Nettes Souscrites** sont en baisse de de 4,8 points



Loss Ratio / Ratio des Sinistres

55.8% (*)

slight deterioration by 2.3 ppts / légère détérioration de 2,3 points

Underwriting Results / Résultats Techniques

-27.1% (*)

combined with a drop in **Investment Income** by 88% / associé à une chute des **Revenus de Placements** de 88%

(*) Based on data received at this stage

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Contact information:
SCORCanadaReport@scor.com

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SCOR CANADA REINSURANCE COMPANY / SCOR CANADA COMPAGNIE DE REASSURANCE

SCOR Contact Directory / Liste d'adresses des contacts

Head Office / Siège Social:

199 Bay Street, Suite 2800, P.O. Box 329
Commerce Court Postal Station
Toronto, Ontario M5L 1G1
Telephone: 416-869-3670
Fax: 416-365-9393

Olivier Gay,
President & Chief Executive Officer, Chief Underwriting Officer
416-816-6534
ogay@scor.com

Montreal Office / Bureau de Montréal

1, Place Ville Marie
suite 2010
Montréal, Québec H3B 2C4
Téléphone: 514-989-3200
Télécopieur: 514-989-3249

Angela Lane,
Vice-President, Treaty Underwriting
416-304-6856
alane@scor.com

Jeffrey Walpole,
Vice-President, Treaty Underwriting
416-304-6533
jwalpole@scor.com

Neil Ringrose,
Senior Vice-President & Chief Agent, SCOR Specialty Insurance
416-304-6539
nringrose@scor.com

Lucy Lee,
Assistant Vice-President, SCOR Specialty Insurance
416-304-6541
llee2@scor.com

Stephen Howard,
Assistant Vice-President, SCOR Specialty Insurance
416-304-6854
showard@scor.com


Thank you /
Merci

PUB (MPI) 1-109

Part and Chapter:	**Part V Information Technology**	**Page No.:**	**9**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**IT Strategy**		
Sub Topic:			

Preamble to IR:

MPI states:
Another important aspect of LPM is that it is highly focused on ensuring the connection of portfolio of initiatives to the Enterprise Strategy. Aside from the weekly LPM alignment meetings with a cross-functional team, the LPM committee also meets monthly to review initiatives and approve funding that are in line with budget focus areas. MPI identified these focus areas during the development of the IT Roadmap in September 2021, through a series of workshops with the Executive Team and Senior Leadership. This was an evolution from the previous project-based funding, however an LPM Intake form and Lean Business cases are still required.

Question:

Please provide LPM meeting summaries and recommendations produced from January 2023 through to June 2023 (inclusive).

Rationale for Question:

To understand the overarching roadmap of the IT Strategy.

RESPONSE:

Please refer to the following Appendices, some of which MPI is seeking confidential treatment:

Appendix 1: LPM Monthly Update 01-17-23
Appendix 2: LPM Monthly Update 02-14-23
Appendix 3: LPM Monthly Update 03-21-23 - Redacted
Appendix 4: LPM Monthly Update 04-18-23 - Redacted
Appendix 5: LPM Monthly Update 05-15-23 - Redacted
Appendix 6: LPM Monthly Update 06-27-23 - Redacted

LPM Committee Debrief following the January 11, 2023 Meeting

Robin Hildawa

LPM Monthly Debrief

LPM Governance

1. Updated LPM Forecast: The LTD Estimated to Completion total forecast for all initiatives (excluding Nova) is approximately $8.1M under budget.. The previous month it was estimated to be $4.9M under budget. The forecasted remaining spend for the 22/23 fiscal year remains at $12.4M which we are hoping for further reduced in December financials. The APMO and Project Accounting continue to challenge Project Mangers and Business Owners on their forecasts to the end of the fiscal year.
2. Guidelines for Project Financials: The APMO and Finance worked together to develop a set of guidelines for project financials. Finance proposed that unspent budget for 22/23 won't be carried forward into the new fiscal year. The committee discussed the challenges with this approach and the disadvantages this causes projects commencing in Q3 and Q4, and multi-year endeavors. Further discussions on this budget & financial guidelines will be held this week to refine this. The outcome will be presented back to the LPM committee in February.

Portfolio Decisions & Actions arising from the meeting

1. New: Partner Communities (Broker & Driver Education) requested approval to complete Partner Communities' re-platform from the existing SharePoint 2013 which is due to expire in April 2023 to MPI connect for Broker Community and WordPress for Driver Education community which are supported technologies. Security exception requests will be required as the platform will be out of support between April and the implementation of the new platform. The estimated cost to complete this is $ 1,098,250. The committee would like to understand the full ECM roadmap and prioritization before it is able to commit to the new request. Additional discussions with be required between senior leadership, ECM, project management, technical architecture, and SDO.

Retrospective and Improvement items following the LPM meeting

1. Improvement Items: The APMO has been actively engaging with LPM business owners to obtain feedback on "pain points" in the process and templates. The APMO keeps a record of these feedbacks so we can track them for action items to continuously improve the process and close any issues brought to APMO about LPM.
2. Improvement Items: The survey results from PI 9 Planning has been added to the PI Planning dashboard. The results from this survey indicated that participants feel supported in the event and are being provided the right amount of information and notice.

Questions?

LPM Committee Debrief following the February 8, 2023 Meeting

Ed Dour, Toyin Fatubarin

MANITOBA PUBLIC INSURANCE

LPM Monthly Debrief

LPM Governance

1. Updated LPM Forecast: The forecasted remaining spend for the LPM 22/23 fiscal year is $7.6M which seems high given the total YTD spend is $3.7M. The APMO and Project Accounting continue to work with Project Managers and Business Owners on refining their forecasts for this fiscal year end.
2. Update on Project Financials Guidelines: Finance updated the LPM on its 22/23 financial guidelines. Next year's SPM budget is fixed at $24.4M. Any unspent 22/23 budget will NOT be carried forward to next year. Carryforward work will have to be drawn from next year's $24.4M budget. This may have implications on the business objectives approved for 23/24.
3. ART Topology: Product Management presented on the updated ART Topology structure. There are some vacancies to address but much of the structure has now been established by Product Management and SDO.

Portfolio Decisions & Actions arising from the meeting

1. No new epics were presented for review and approval by the LPM Committee.

Retrospective and Improvement items following the LPM meeting

1. Improvement Items: The APMO, Strategy, Finance and Product Management should review the proposed 23/24 initiatives to ensure that everything outlined can be delivered given the current corporate priorities and focus.

Questions?

LPM Committee Debrief following the March 15, 2023 Meeting

Ed Dour, Toyin Fatubarin

March 28, 2023

MANITOBA PUBLIC INSURANCE

LPM Monthly Debrief

LPM Governance

1. Updated LPM Forecast: The current year to date variance for the Estimated to Completion total forecast for LPM initiatives is approximately $8.3M under budget which is an improvement of approximately $2.1M since the last forecast. The variance change is primarily due to the removal of the unallocated funds in comparison to the previous month's forecast.
2. PI10 Priorities: Reviewed and discussed with the LPM Committee. The prioritization is utilizing business value, OKRs, time sensitivity and WSJF scoring to help prioritize. PI10 planning alignment to take place on March 20th and PI Planning is starting on March 22nd .

Portfolio Decisions & Actions arising from the meeting

1. Pre-Meeting Decision Request Follow-ups: Decisions on three emailed non-contentious Epics were provided prior to the meeting by email and Teams for decision. The following items were approved to proceed:
   - I. DMA: Data 2.0 Detailed Solution Architecture - $ [Redacted] was approved from the 22/23 Data & Analytics Focus Area to secure a 4-week engagement with [Redacted] .
   - II. DMA: Master Data Agreement - $309,810 was approved from the 23/24 Data & Analytics Focus Area.
   - III. DMA: BI Report Rationalization Project – $286,120 was approved from the 23/24 Data & Analytics Focus Area.
2. STRM Cyber & Information Security (CIS) Epics:
   - I. [Redacted].
   - II. [Redacted].
   - III. [Redacted]

LPM Monthly Debrief

Portfolio Decisions & Actions arising from the meeting

3. ECM & Partner and Customer Experience Epics:
   I. Partner Communities - $1,026,950 was *requested* from the 23/24 ***ECM*** *Focus Area* to complete Partner Communities' re-platform from the existing SharePoint 2013 which is due to expire in April 2023 to MPI connect for Broker Community and WordPress for Driver Education community which are supported technologies. **More information is required by some LPM members before this can be considered approved to proceed.**
   II. Content Architecture Phase 2: Master Data Agreement - $250,000 was *requested* from the 23/24 ***Partners & Customer Experience*** *Focus* Area to proceed with RFP process and subsequently select and contract a vendor that will provide writing services to bring our website content up to standards. The committee members approved the request to proceed.
   III. Enterprise Feedback Management (EX & CX Data Collection) – $ [Redacted] was *requested* from the 23/24 ***Partners & Customer Experience*** *Focus* Area to proceed with RFP process and secure a vendor to deliver an EFM solution to improve customer and employee data collection for automated surveys, web/app analytics, service metrics, channel-specific metrics, marketing data, and product data. The committee members approved the request to proceed.

Retrospective and Improvement items following the LPM meeting

1. Improvement Items: EPMO, VMO and Strategy will work with Executives on creating alignment and priorities for the 23/24 LPM budget to better understand key initiatives from focus areas for budget allocation.
2. Improvement Items: EPMO will work on including information on ongoing operating expenses into the LPM request presentation format.

Questions?

LPM Committee Debrief following the April 12, 2023 Meeting

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LPM Monthly Debrief

LPM Governance

1. Updated LPM Forecast: The current year to date variance for the Estimated to Completion total forecast for LPM initiatives is approximately $9.384M under budget which is an improvement of approximately $1M since the last forecast. The variance change is primarily due to the increase in project costs being pushed into the 2023/24 fiscal year. The 23/24 LPM budget of $24.4M is estimated to have approximately $18.3M remaining considering the carryover items from 22/23.

Portfolio Decisions & Actions arising from the meeting

1. STRM Cyber & Information Security (CIS) Epics:
   I. Enhance IT Process Governance Framework - $133,400 was approved from the 23/24 STRM Focus Area to enhance the existing governance and oversight framework to promote a resilient IT processes within MPI. This initiative will enable MPI leaders to make informed decisions about resource allocation, risk mitigation strategies, and process improvements.
   II. [Redacted].

Retrospective and Improvement items following the LPM meeting

1. Improvement Items: EPMO, VMO and Strategy will continue to work on creating alignment and priorities for the 23/24 LPM budget to better understand key initiatives from focus areas for budget allocation.
2. Improvement Items: EPMO will work on updating the LPM intake documentation and LPM Intake site which will allow for better alignment to corporate priorities, OKRs and provide information on ongoing operating expenses into the LPM request presentation format.

Questions?

LPM Committee Debrief following the May 10, 2023 Meeting

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LPM Monthly Debrief

LPM Governance

1. 2022/23 fiscal year financial results:
   - LPM (including projects carried forward from 2021/22) – positive variance (underspend) of $9.5M. This variance is primarily due to project costs of $5.3M being pushed into the 2023/24 fiscal year and $4.1M of the 2022/23 budget not being allocated to any projects.
   - STRM (including projects carried forward from 2021/22) - negative variance (overspend) of $469K. This variance is primarily due to projects carried forward for TRM 2021/22 and ISM from FY 2021/22 with total costs of $1.8M.

Portfolio Decisions & Actions arising from the meeting

1. STRM Cyber & Information Security (CIS) Epic : [Redacted].

Retrospective and Improvement items following the LPM meeting

1. Improvement Items: EPMO and Product Management are working together to improve Program Increment (PI) Planning by utilizing ADO to establish a Portfolio Backlog rather than the previous Excel format.
2. Improvement Items: Increased collaboration across Strategy, Product Management, EPMO and IT supporting teams to ensure work done in the PI continues to align with strategic priorities.
3. Improvement Items: EPMO is focused on updating the LPM intake documentation and LPM Intake site to create better alignment to strategic priorities, OKRs and provide more relevant information for decision makers.

Questions?

LPM Committee Debrief following the June 21, 2023 Meeting

For Information

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Background

What: A few key details about why this is ‘For Information’

- LPM is a regularly scheduled meeting which occurs in the middle of each month. The purpose is to guide, organize and prioritize the portfolio of initiatives.

Key Messages

So What: Key Messages

LPM Governance

1. 2023/24 Focus Area budget reallocations: The focus area budgets were recently reallocated based on a reprioritization exercise and approved by Executive Council. The total budget remains at $24.390M. Strategy is working on a formal process for reallocating funds between the focus areas with the CIO and CFO.

Portfolio Decisions & Actions arising from the meeting

1. STRM Cyber & Information Security (CIS) Epic [Redacted]
2. STRM Cyber & Information Security (CIS) Epic: [Redacted]
3. Information Technology Service Management system replacement: LPM approved $1.45 million from the 23/24 Digital Culture budget for the ITSM system replacement. This will provide a best practice driven cloud solution with a complete suite of service management capabilities that provides a reliable, secure, extendible, highly available system to track business-critical services. Our current solution is on-premises and at the end of extended product support.

Retrospective and Improvement items following the LPM meeting

1. A Portfolio backlog in ADO utilized for recently concluded PI planning, rather than the previous Excel format. Efforts ongoing to continue to improve this backlog and connection to Strategic objectives.
2. Focus on continuous improvement for PI12 with a formal prioritization framework, more education around the portfolio backlog in ADO, better understanding on business value and reporting metrics on PI planning commitments met.

Next Steps

Now What: Call to Action

- That the Executive Committee receive for information and provide feedback or guidance where appropriate. Ex: Disseminate info to their SLT, assistance request, others.

PUB (MPI) 1-110

Part and Chapter:	**Part V IT Appendix 2**	**Page No.:**	**9**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**IT Strategy**		
Sub Topic:	**MPI 2.0**		

Preamble to IR:

MPI states:

MPI 2.0 is an aspirational statement that describes this long-term view, including MPI’s continued and evolving focus on:

- Providing better service and experiences to customers
- Being a fair and supportive partner to stakeholders
- Empowering and enabling employees

Question:

a) Please note the key stakeholders (internal and external) who have assisted with development of MPI 2.0 vision.

b) Please indicate whether the roadmap towards MPI 2.0 has been established.

c) If a roadmap exists, please provide visual representation of the roadmap similar to what has been provided for the Nova flattened delivery schedule.

d) Please provide a list and description of MPI functional capabilities which could be impacted by MPI 2.0.

e) Please indicate the amount of progress towards MPI 2.0 achieved via the delivery of Project Nova.

f) Please indicate whether MPI's existing funding envelopes for 2022/23 and 2023/24 support projects to progress the organization forward to MPI 2.0.

g) Please indicate whether a budget has been established to achieve MPI 2.0.

Rationale for Question:

To understand the overarching aspirational roadmap towards MPI 2.0.

RESPONSE:

a) The vision of MPI 2.0 was predominantly constructed by Eric Herbelin, former CEO of MPI, with minimal input from internal stakeholders. Mr. Herbelin engaged McKinsey in conjunction with McKinsey's primary engagement as the external evaluator of Project Nova when the delivery schedule was flattened.

b) MPI 2.0 represented the achievement of modernizing MPI's core services and was created to act as a North Star to guide decision making and corporate prioritization. Mr. Herbelin tasked an internal team that lacked mature corporate strategic planning capabilities to support divisional roadmapping to achieve MPI 2.0 in the summer of 2022. Without adequate support or guidance to ensure that their plans aligned their efforts resulted in siloed plans with individual interpretations of MPI 2.0 and, as a result, no enterprise-wide roadmap exists. The Target Enterprise Architecture Overview attempted to integrate the individual divisional roadmaps but did not include key components of a roadmap including a timeline, resource requirements stakeholder approval given it was only endorsed by the previous CITO and Mr. Herbelin.

Please refer to *Appendix 1 – MPI Target Enterprise Architecture Overview.*

c) As per the response to part b) above, a roadmap does not exist.

d) In the fall of 2022, a contract with McKinsey delivered an assessment of functional capability gaps. The report provides deep dive or high-level analysis of current state and provides recommendations to mature key functions across the organization including: Actuarial and underwriting, claims management, policy administration, finance, risk, sales and distribution, product, HR, road safety, legal, and IT. MPI has yet to determine whether to action any of the recommendations from the assessment as its primary focus is to deliver Project Nova.

e) Historical public and internally referenced materials illustrated the completion of Project Nova as the mid-point between initial efforts to modernize the business and MPI 2.0 however, this milestone was not clearly communicated and the association between MPI 2.0 and Nova was commonly misunderstood both internally and externally.

f) Funding envelopes were introduced in the 2022/23 fiscal year with the purpose of enabling the SAFe Agile framework and methodology recently adopted to deliver projects at MPI. The AFC Capital Budget for 2022/23 fiscal year outlined three key inputs for the budget; Lean Portfolio Management Projects, Building and Improvements and Cityplace and the Nova Project. MPI 2.0 was only referenced as part of the Nova Project costs. The funding envelope structure in 2022/23 and subsequently 2023/24 were developed to match internal planning and delivery structures rather than supporting MPI 2.0.

Please refer to *Appendix 2 – Capital Budget Set 15, 2022*.

g) A budget to achieve MPI 2.0 was not established.

MPI Target Enterprise Architecture

Overview

April 2023

Agenda

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Overview and Principles
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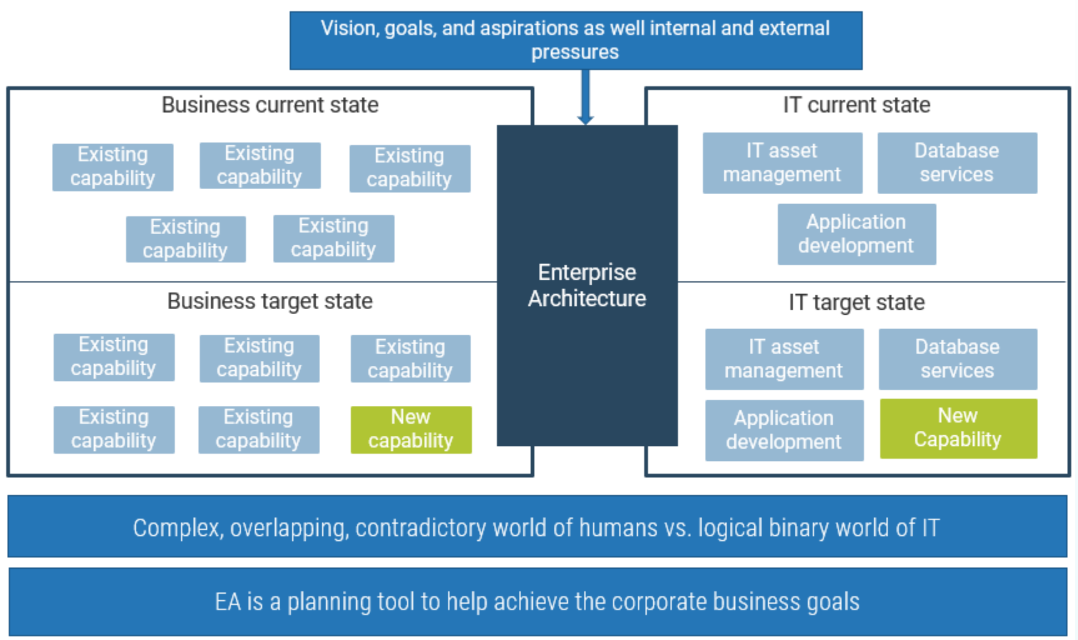
3

Enterprise architecture is a discipline that defines the structure and operation of an organization. The intent of enterprise architecture is to determine how an organization can most effectively achieve its current and future objectives.

The answer to the strategic planning entity dilemma is enterprise architecture



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External Factors

InsurTech Direction and Mega Trends

Telematics Insurance,
IoT and IoB (Internet of Behaviours)

Environmental, Social
& Corporate Governance (ESG)

Alternate Payment Methods
(I.e Digital/Crypto Currency..)

Artificial Intelligence (AI)
&
Machine Learning (ML)
(i.e Chatbots…)

Flexible Products
(i.e User-based insurance, insurance on demand, peer to peer insurance..)

Low Code/No Code

OmniChannel
VS
Multi-eXperience

Blockchain
(i.e Smart Contracts..)

Data Robotic
&
Drones Insurance Technology

Mission, Vision & Ambition

Mission

Exceptional coverage and service, affordable rates and safer roads through public auto insurance

Vision

The trusted auto insurance and driver services provider for every Manitoban

- Design customer-centric product value propositions supported by digitized and automated processes
- Become an intelligent, data-driven provider of driver, vehicle and insurance services
- Create an employee-empowered culture of continuous improvement and business agility
- Deliver NOVA as critical milestone on our corporate transformation journey

Business Strategy

Customer Experience
(Business Functions)
External Facing

Enabling &
Supporting Functions

Employee Experience
(Corporate Functions)
Internal Facing

Strategic Divisional Roadmaps*

Customer

IT

Operations

Digital Transformation Roadmap

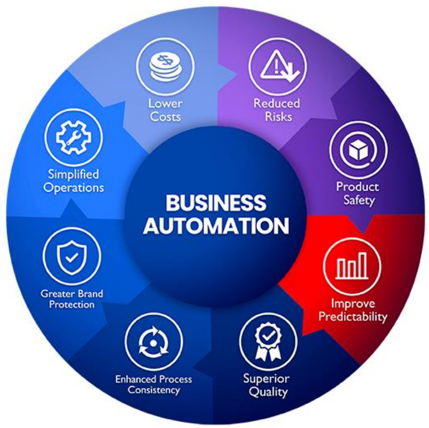
Finance

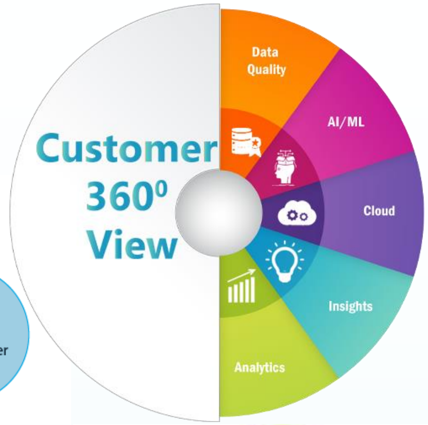
Actuarial, Investment & Risk

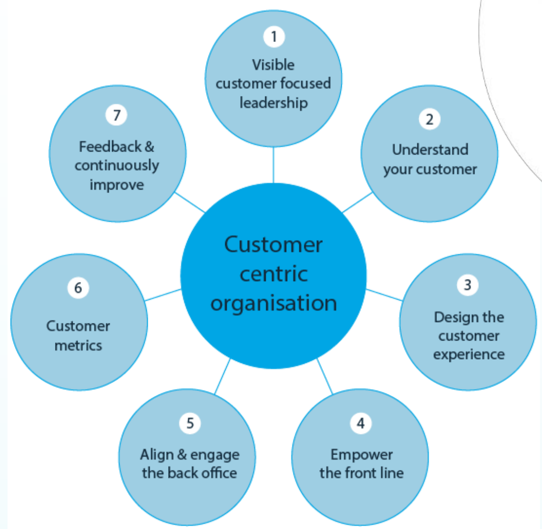
Legal and Compliance

People and Culture

North Stars







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Guiding Principles

Corporate Guiding Principles

- Customer experience drives improvements
- Improvements must make financial sense
- Create a culture of continuous improvement through empowerment and automation
- Be a fast follower of industry best practices and trends
- Engage stakeholders actively along the way

IT Focused Guiding Principles

- Deeply Understand the Business Problem.
- Technology as Catalyst for Business Value & Change.
- Customer Centricity through Digital Experience.
- Cloud-ready. Cloud-first.
- Cybersecure by Design.
- Data Driven. Data Discipline at the Core. Flexible at the Edge.
- Repeatable Process then Intelligent Automation.
- “Right-sized” Process and Governance.
- Lean Operations, Transparent Reporting and Financial Prudence.
- Committed to Each Other’s Success.


Enterprise Architecture Summary
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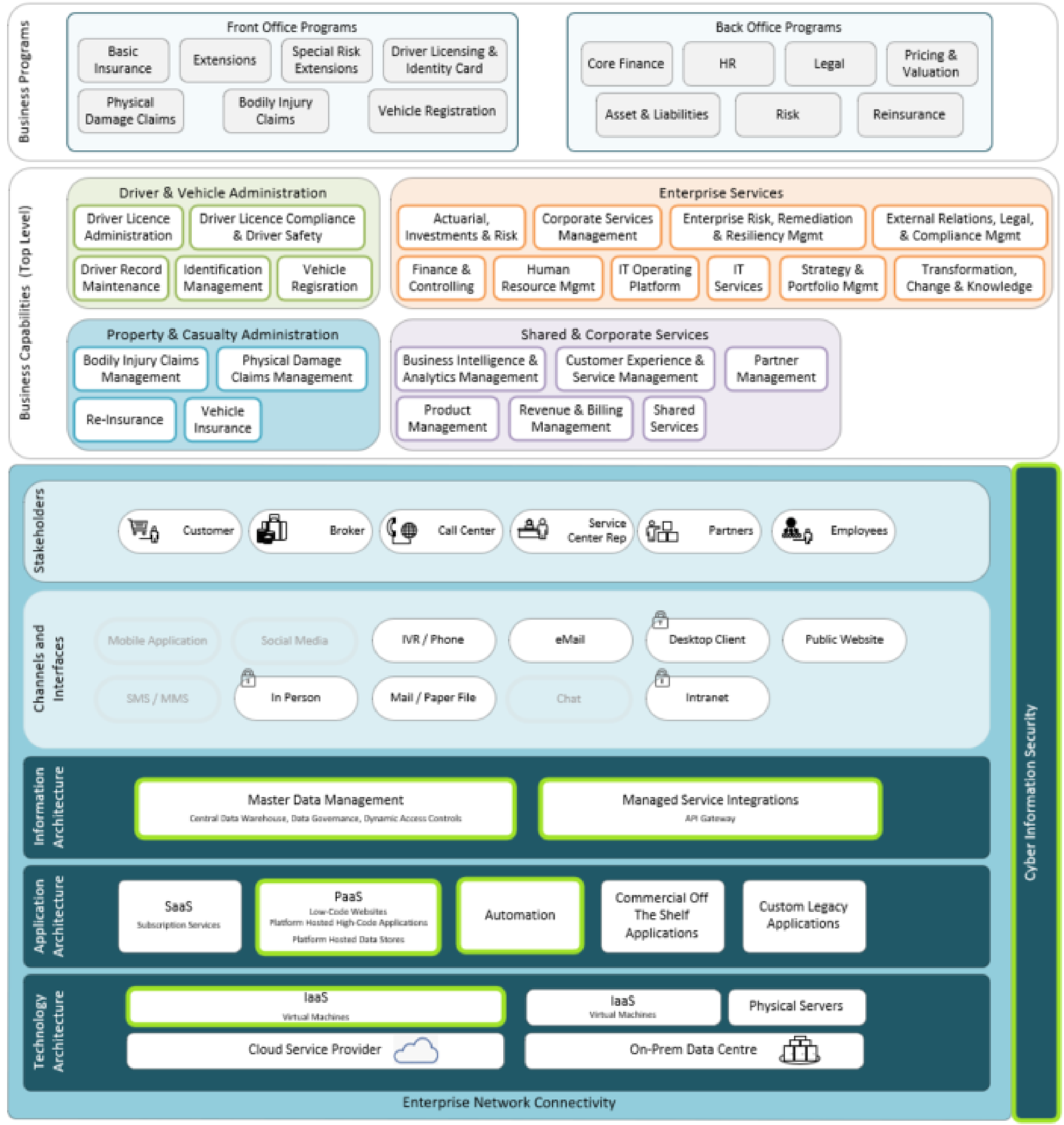
Current State Architecture

Gaps:

- Master Data Management
- Plug & Play Integration Layer
- Digital communication channels
- Ability to address technical debt
- Ability to react and enable business needs
- Alignment of Technical capabilities



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Desired Outcomes

Build a **self served, omnichannel, customer-centric** experience

Improve **efficiency, scalability & security** of MPI's technology

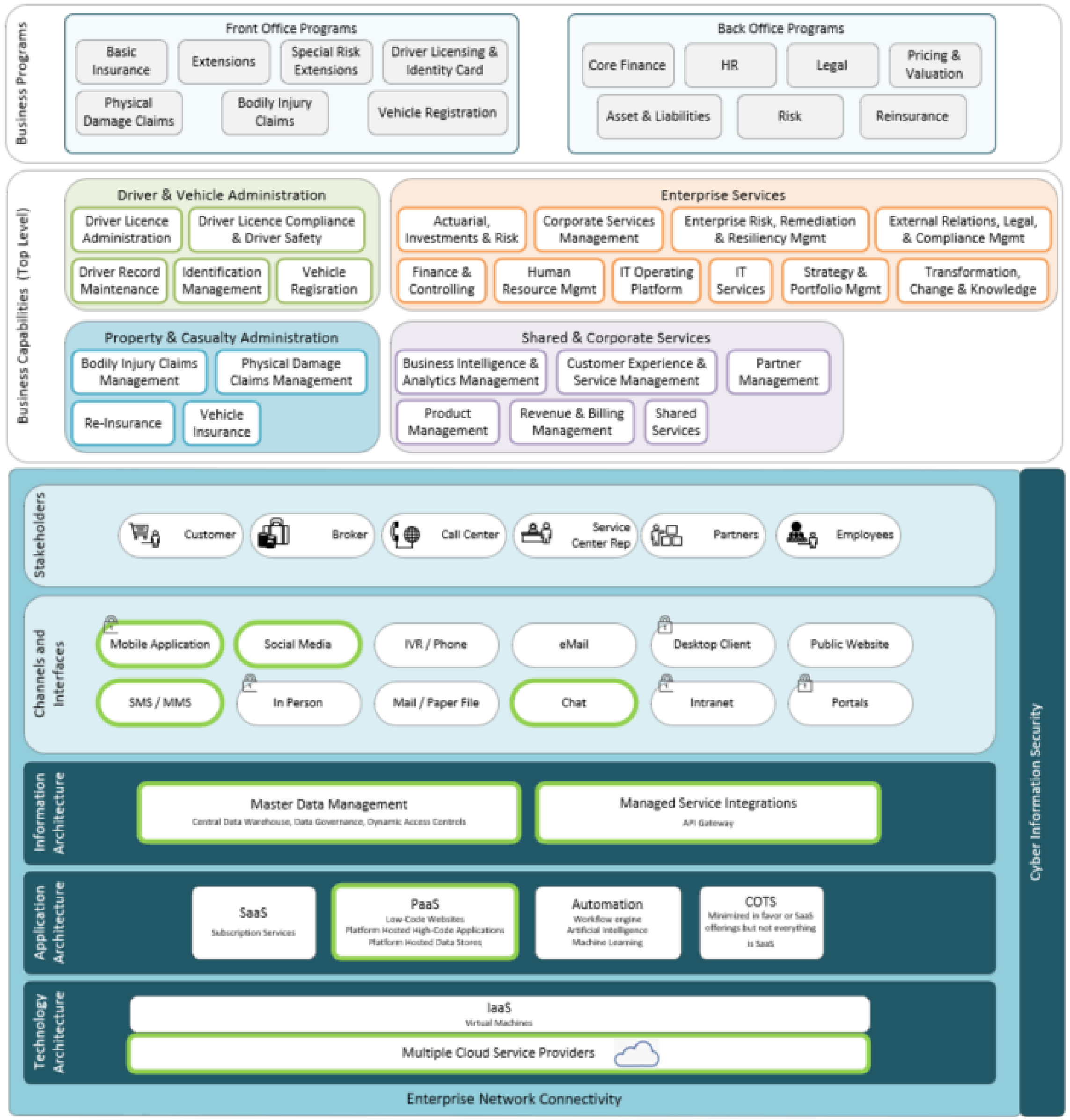
Enable **insight-driven decision** making across MPI

Continue building an **employee-empowered, resilient, agile & business savvy** teams

Target State Architecture

Goals

- Designed for customers
- Principles are fully incorporated innovations
- Loosely couped systems
- Mature plug and play services
- Mass automation



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Enabling Change
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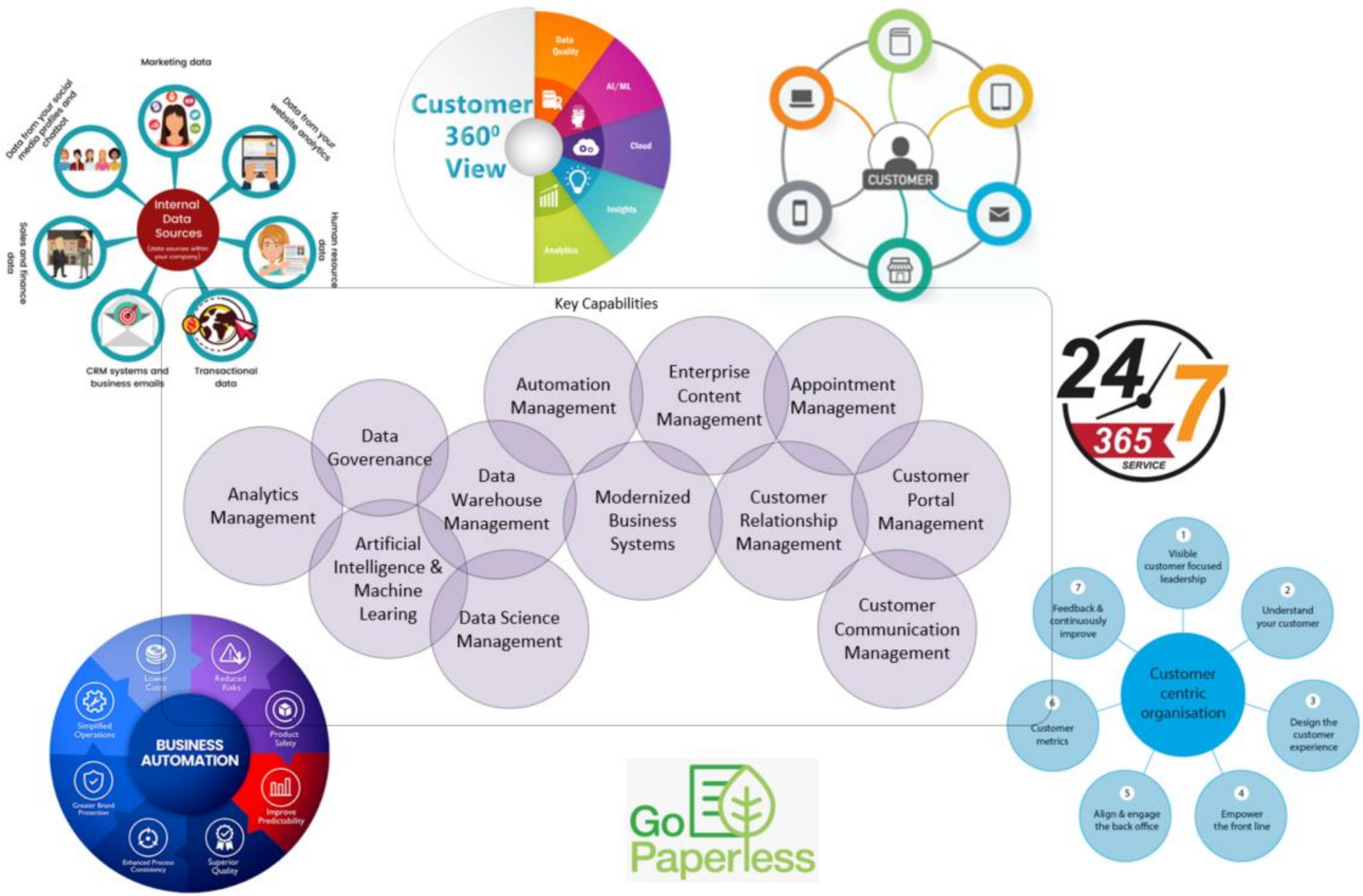
Key Technical Capabilities supporting North Stars



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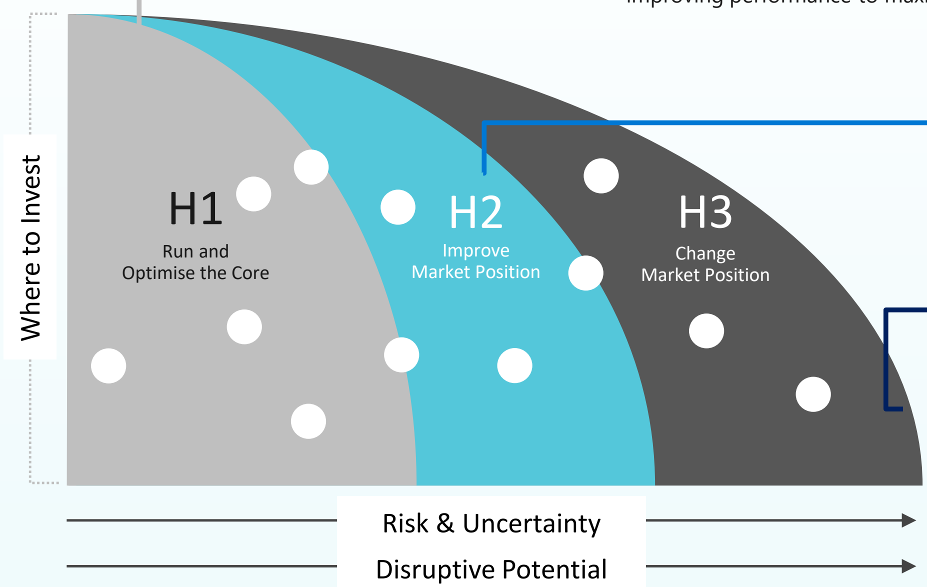
Microsoft

What is horizon-based transformation

HORIZON 1
represents those core businesses most readily identified with the company name and those that provide the greatest profits and cash flow. Here the focus is on improving performance to maximize the remaining value.

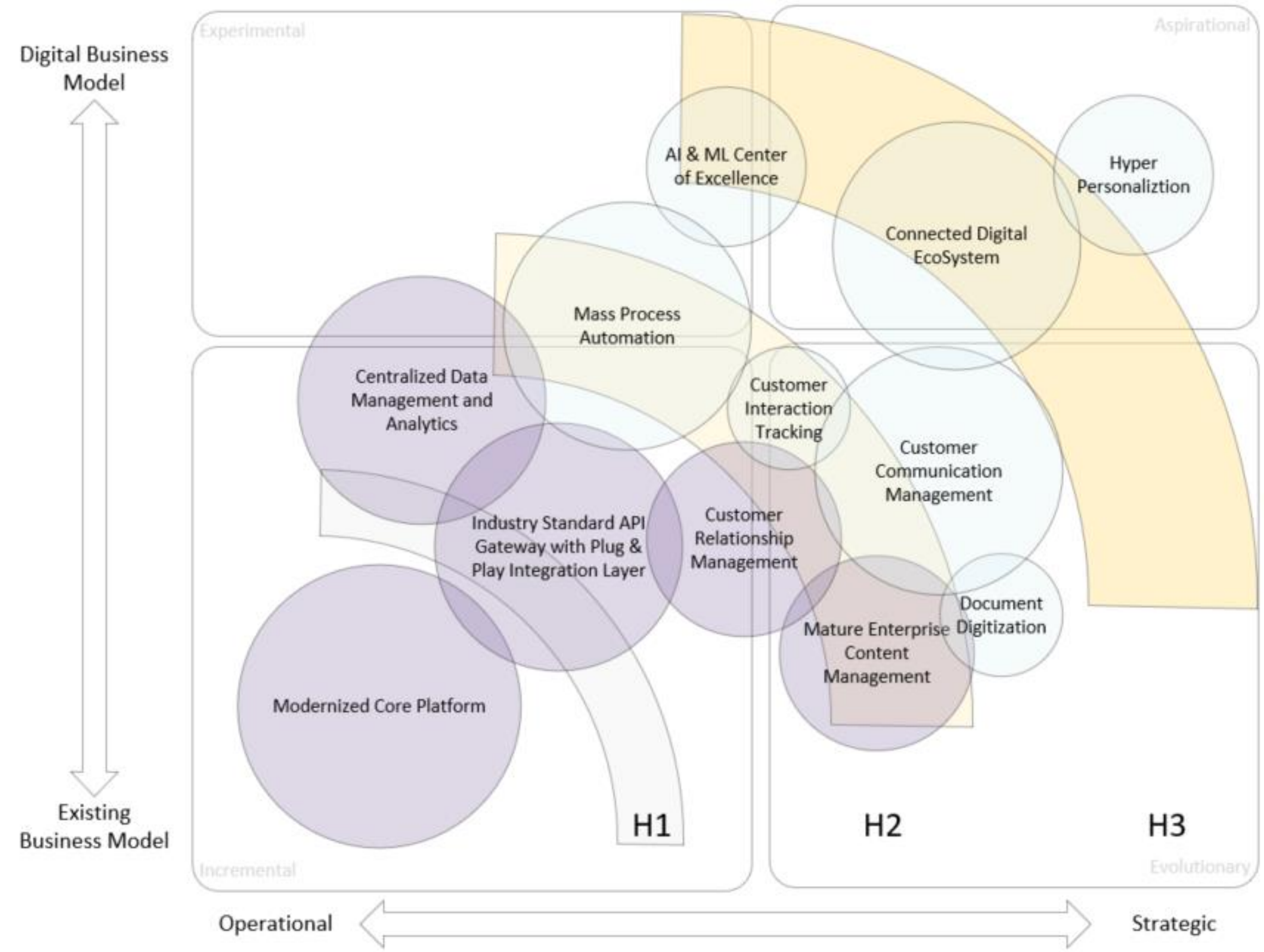


HORIZON 2
encompasses emerging opportunities, including rising entrepreneurial ventures likely to generate growth that enhances business performance in established markets

HORIZON 3
contains ideas that may be high risk due to market uncertainty and/or capability limitations however result in disruptive and innovative opportunities through new business models and/or industry dynamics

Microsoft Confidential

Enabling North Stars through Horizons



Technical Enablers

Right size application portfolio
Plug and Play integrations
Application portfolio migration to Cloud Compute
Release automation
Full test automation
Corporate test strategy
ECM modernization
Environment management
Standardized corporate SDLC and ART topology
SAST / DAST
DLP
Process automation
Standardize code management
CRM enablement / enhancement
Infrastructure automation
RBAC
ITMS
Standardized Data Governance
Establish cloud-based Data Warehousing
Enable mass data science
Cloud Network Improvements
Data Security
Portal Enablement
Enable AI/ML capabilities
Cloud Security Best Practices
App Security Standards
Enhance Pen Test
Digitized Documentation
Modernize Application Portfolio
Appointment Management Replacement
Enhance Vulnerability Test
Data transition to cloud-based Data Warehouse


Technical Capabilities
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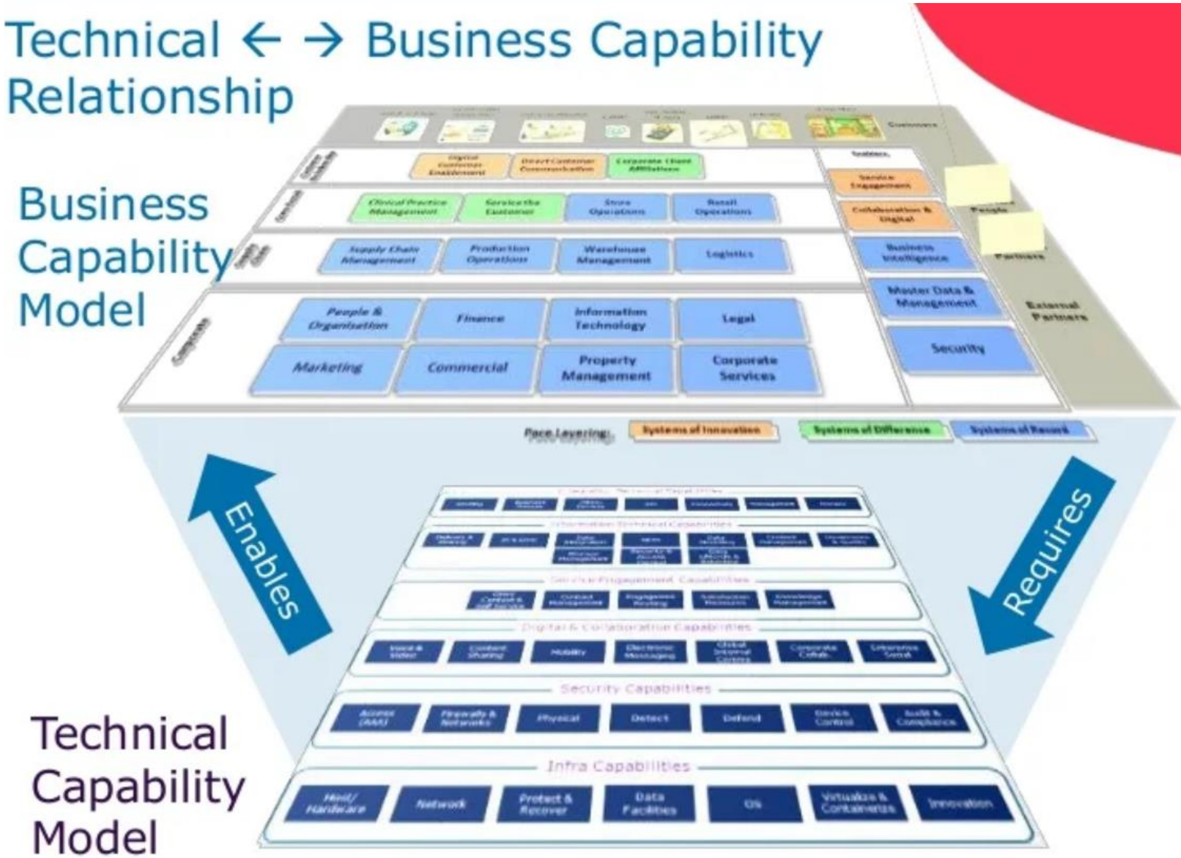
Managing the Technology Ecosystem

1. Role of Enterprise Architecture is to capture and evaluate technology fit for business need and partner with business leaders to bring about effective change to address the business problem
2. Capabilities provide a container that allows enterprise architecture to capture the concepts that represent the fundamental elements on what is needed to meet the objectives of an enterprise (Strategic Agenda), not how they are met (What = Capability, How = Application)
3. Capabilities help to set reference architectures that address the business needs / solve the business problem statements:
   - Identify the desired target features
   - Highlight alignment to business needs and identify gaps
   - Identify Risks
   - Identify and mitigate duplication of services
   - Identify and assess financial spending / TCO

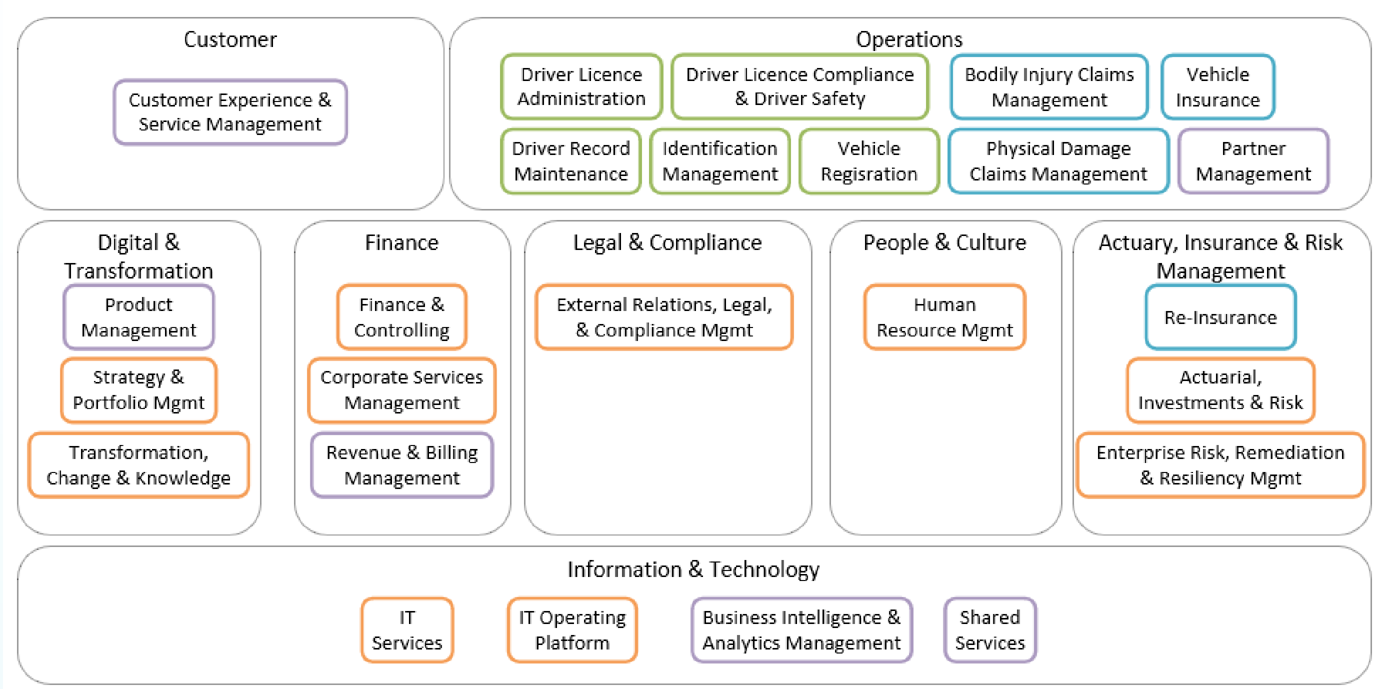
Linking Business Capabilities to Technical Capabilities



- The technology capabilities enable all the business capabilities.
- Business capabilities map to actual solutions and the requirements process
- Technical capabilities identify the tool sets required and fulfilled by actual tech selected.
- Each tech capability should link to one or more business capabilities

(1) Value of Technical Capability Models by Phil Wilkins - https://blog.mp3monster.org/2018/11/01/value-of-technical-capability-models/

Mapping Business Capabilities to Technical Capabilities



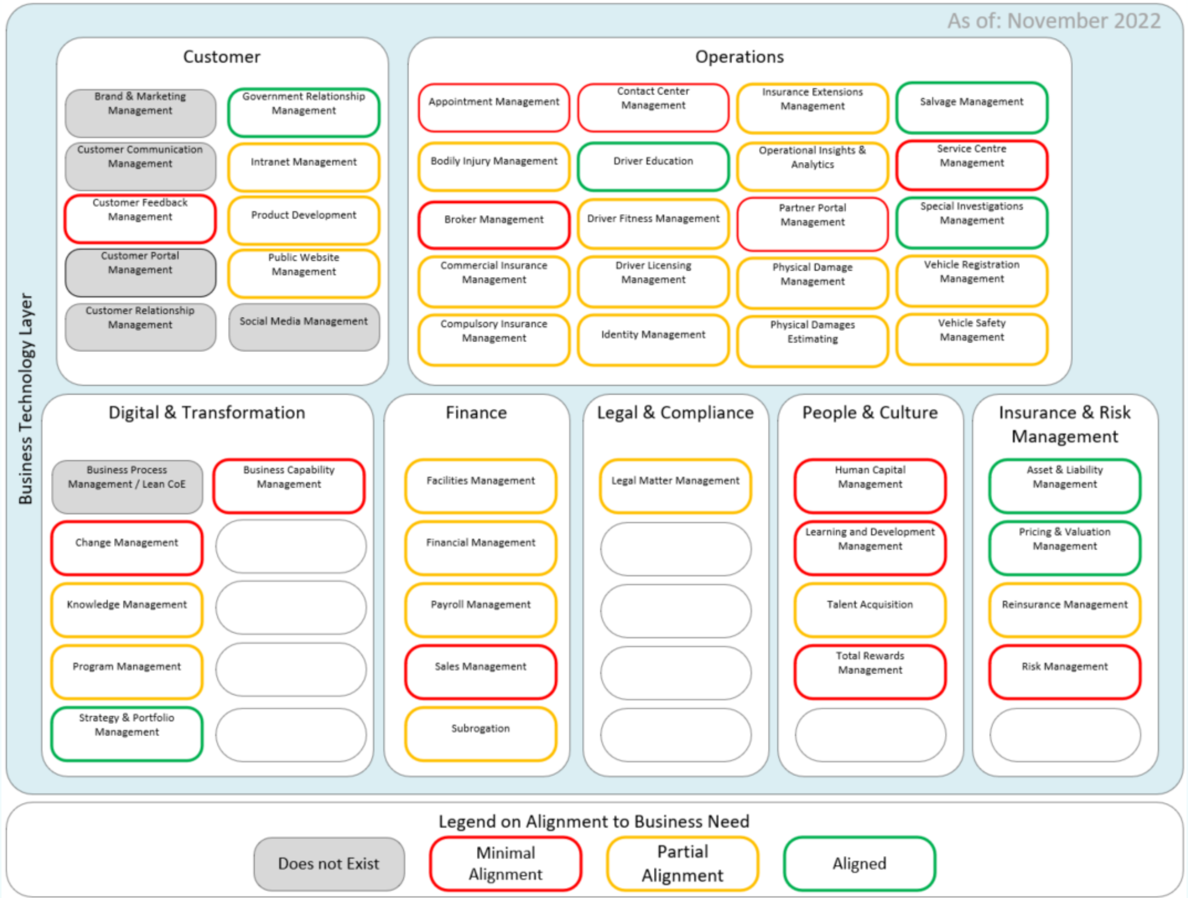
Maturity level for mapping business capabilities to technical capabilities is at the infancy stage.

Using divisional ownership of business capabilities and divisional technical capability needs enables a preliminary top-level mapping. Detailed mappings will occur as our maturity grows

Business Technology Layer

Approach:

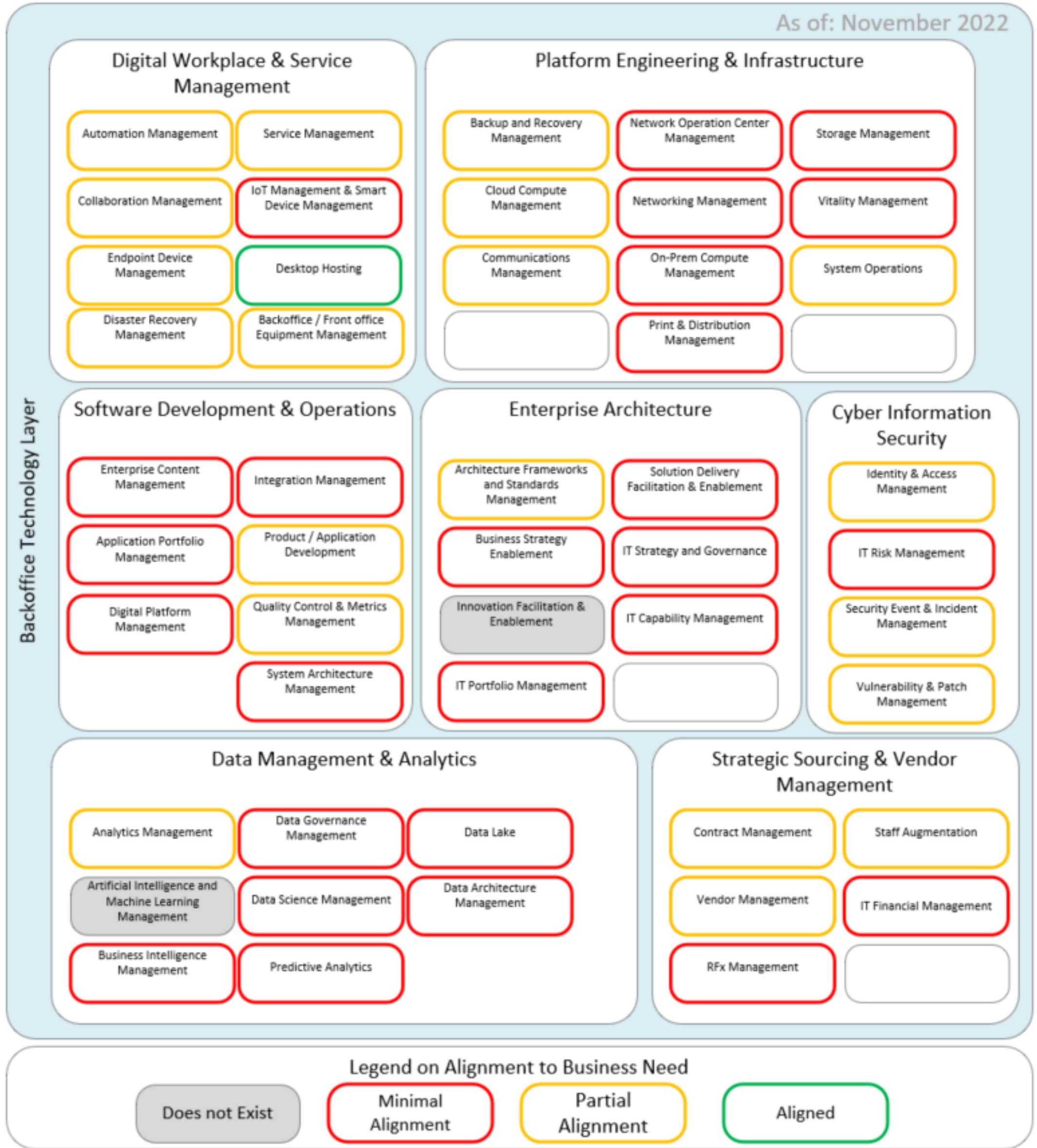
- Measure alignment
- Prioritize Minimal aligned capabilities
- Address Non-existent and yellow encoded capabilities
- Follow the horizon reference architecture



Information & Technology Layer

Approach:

- Measure alignment
- Prioritize Minimal aligned capabilities
- Address Non-existent and yellow encoded capabilities
- Review priorities in support of business initiatives




Application View
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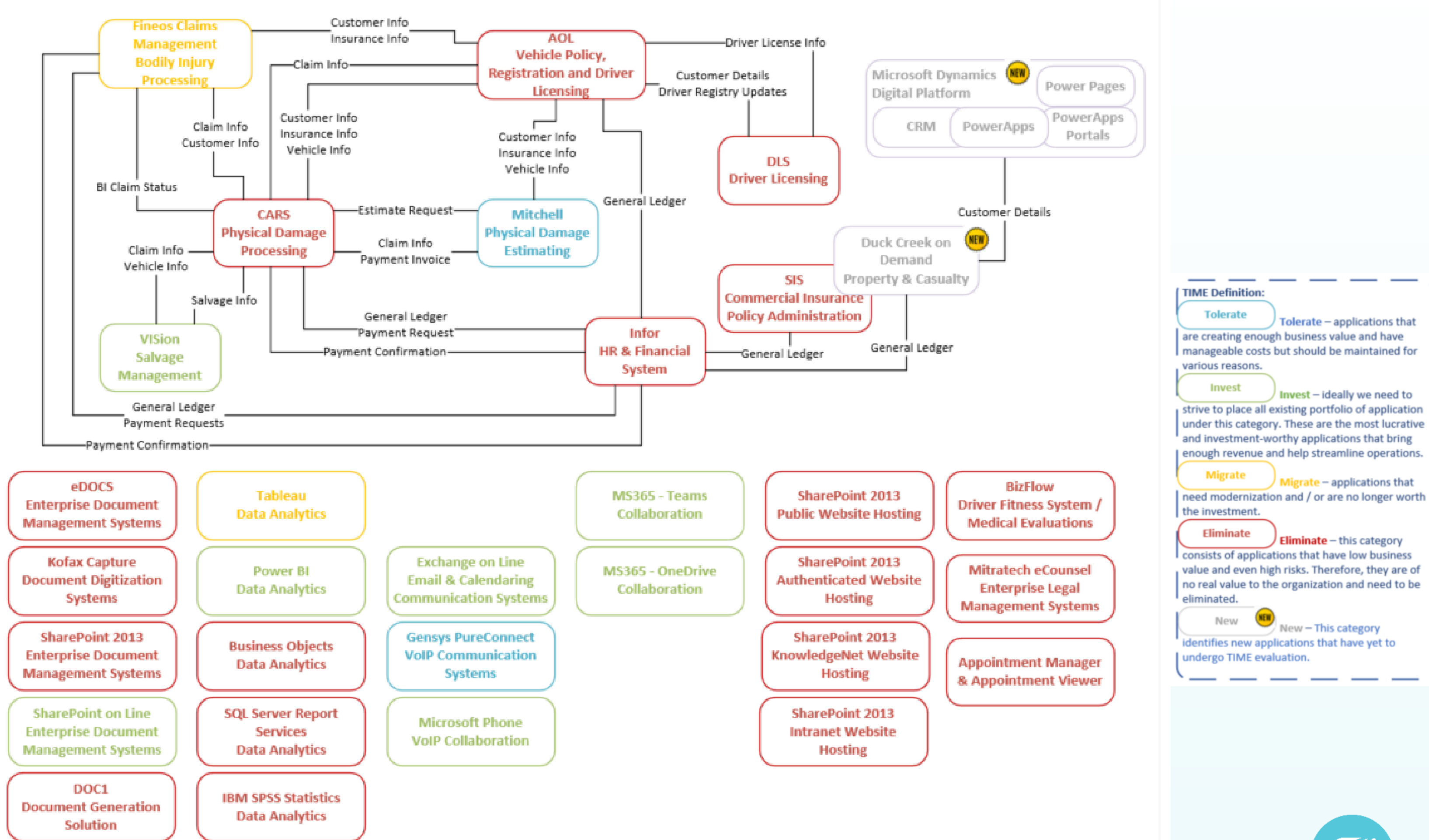
Current State Core Applications

Application View: Current State (04.2023)



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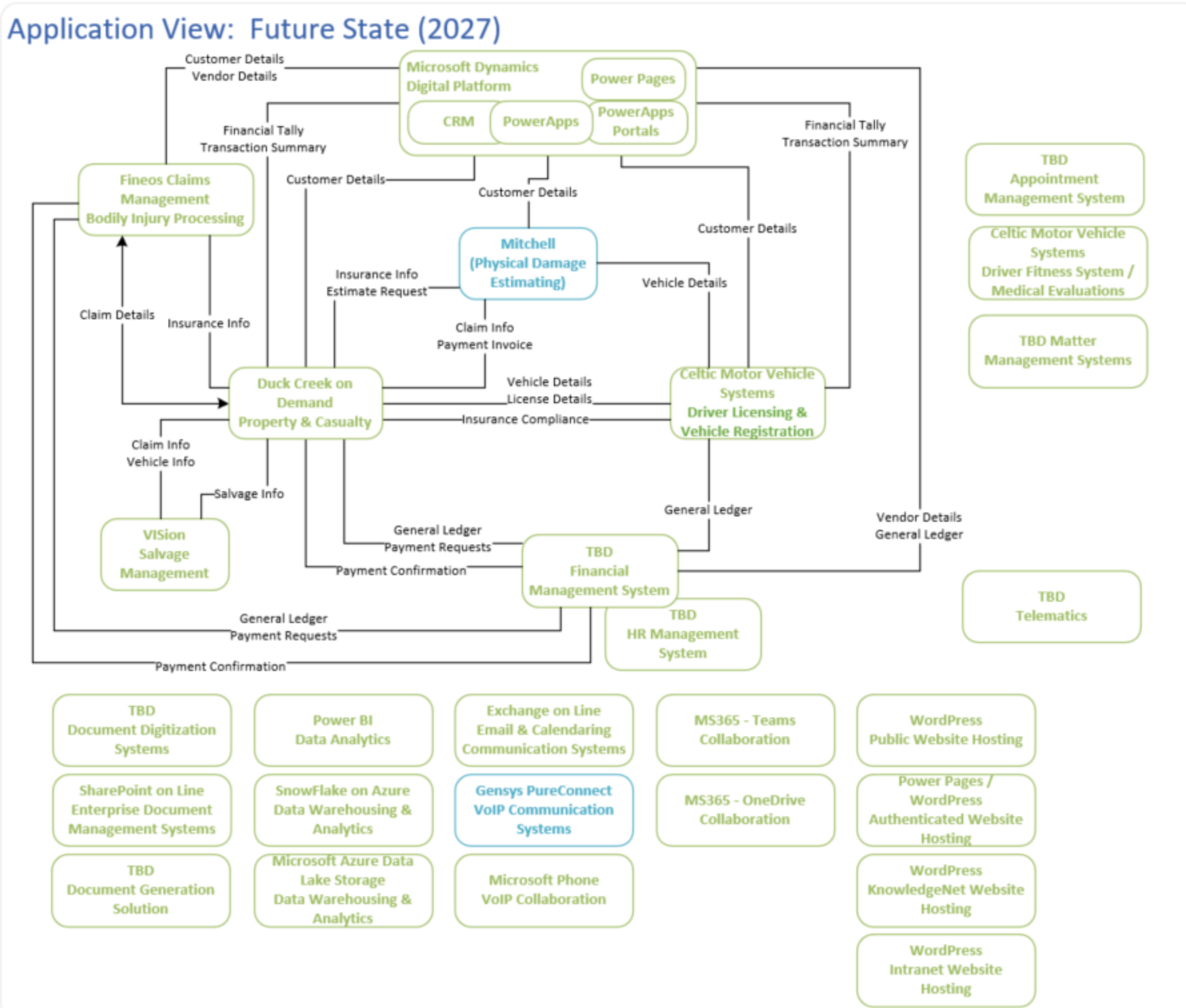
Future State Core Applications



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TIME Definition:

Tolerate – applications that are creating enough business value and have manageable costs but should be maintained for various reasons.

Invest – ideally we need to strive to place all existing portfolio of application under this category. These are the most lucrative and investment-worthy applications that bring enough revenue and help streamline operations.

Migrate – applications that need modernization and / or are no longer worth the investment.

Eliminate – this category consists of applications that have low business value and even high risks. Therefore, they are of no real value to the organization and need to be eliminated.

New – This category identifies new applications that have yet to undergo TIME evaluation.

Questions

Agenda 3.2.2

September 29th, 2022

AFC – Capital Budget

Presented by: Finance

Presented to: AFC

Date: September 29th, 2022

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Agenda

1 **Overall Capital Budget**
- Capital Budget Key Build ups
- Overall Budget Request

2 **Capital Budget - LPM**
- Agile Methodologies & Governance
- Key Focus Areas

3 **Capital Budget – Buildings/CP**
- cityplace
- Buildings and Improvements

4 **Recommendations & Questions**

Capital Budget key build ups

- Our Capital Budget consists of three key inputs:
  - ***Lean Portfolio Management Projects*** that help us focus on growing and transforming MPI
  - ***Buildings and Improvements and cityplace*** that help us run our operations
  - ***Nova Project*** that help us Transform the enterprise to get us ready for serving our customers and building a world-class operation that helps us transcend into MPI 2.0
- In our budget build up we have considered the key transformational elements in helping our business progress with a transformational mindset.
- Below we see industry advice in how the cost allocations for an ideal transformational enterprise shall be allocated between; running the enterprise, growing the enterprise, and transforming the enterprise.

2023/24 Summary of Capital Budget Request

($M's)	Initiative DEFERRED DEVELOPMENT budget	Initiative EXPENSE budget	Total Initiative Budget (DEF DEV + EXP)
Lean Portfolio Management (LPM):			
Security Technology Risk Management	-	4.5	**4.5**
Agile Initiatives	-	19.9	**19.9**
Sub-total LPM Initiatives	**-**	**24.4**	**24.4**
Nova Project			
Nova Project (Implementation costs)	57.2	7.3	**64.5**
Nova – Ongoing Ops	-	19.4	**19.4**
Sub-total Nova Project	**57.2**	**26.7**	**83.9**

2023/24 Summary of Capital Budget Request [con't]

($M's)	Initiative DEFERRED DEVELOPMENT budget	Initiative EXPENSE budget	Total Initiative Budget (DEF DEV + EXP)
Buildings/cityplace & Other			
Cityplace (including Space Plan)	13.5	-	13.5
Other Buildings/Land/Other	3.9	-	3.9
Other (CCTV, Card Access, Demountable Walls, Systems Furniture, Fleet & IT Data Processing)	**1.6**	**-**	**1.6**
Sub-total Buildings and citylace & Other	**19.0**	**-**	**19.0**
Total for Capital Budget Request	**76.2**	**51.1**	**127.3**

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Initiatives Capital Requirements – LPM

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SAFe Agile & Alignment to Capital Budgets

- For Initiatives we are following Agile Budgeting Methodologies to ensure we can proactively align and be responsive to our business demands. Key elements of the Agile methodology are:

  - **Value Streams & Agile best practice:**
    1. Teams organized around value streams
    2. Teams deliver changes following a certain cadence that is more flexible within annual business cycle. Focus on priorities based on value, capacity, etc.
    3. Organize capital funding according to value streams

  - **Benefits of alignment:**
    1. Breaks down silos
    2. Aligns expectations of the customer with the output of the team
    3. Builds internal capabilities and reduce need on external
    4. Provides the basis for Lean Budgets and value stream funding

- Budget for our Initiatives are broken into key focus areas that help us drive business

Initiatives Governance

- **There is a defined governance framework that is working well to ensure Initiatives are properly governed.**

  - **Management Internal Governance**:
    - Regular monthly LPM Committee meeting to review the portfolio of initiatives
    - Business cases require LPM approval to access board approved capital funds
    - Value Management Office due diligence and benefits tracking on business cases
    - LPM manages intake based on merit and sets the priorities based on strategic alignment/value
    - Connected to Enterprise Architecture to understand the future state and technical enablers
    - Financial tracking on initiatives
    - Financial reporting on capital budgets

  - **Board Governance**
    - ARFC provides annual approval on capital budgets
    - Receives quarterly reporting on portfolio performance

2023/24 New Initiative Budget Focus Areas

($M's)	2023/24 Improvement Initiative Budget EXPENSE items
Digital Culture (MS365 & remote work)	2.8
Data & Analytics	3.1
Innovation Funding	3.5
Cloud Adoption	0.3
Enterprise Content Management	1.7
Partners & Customers Experience	4.0
HR & Finance	3.5
Government insertions of work	1.0
Total 2023/24 Budget - Agile Initiatives	**19.9**

AreasDescription of Focus Areas

Focus Area	Initiative Budget (M's)	Description
Digital Culture (MS365 & remote work)	2.8	Digital culture is an important focus for the corporation in 22/23. Initiatives in this area will continue to build upon the MS 365 technology suite to continue to support MPIs digital workforce. Other technologies will also be assessed related to virtual PCs, phone and print centre changes.
Data & Analytics	3.1	Investment in Data and Analytics is essential to understanding customer behaviour and interactions. Building on works that started in 22/23, initiatives will implement tooling for data management such as data warehousing, AI, predictive analytics, and more.
Innovation Funding	3.5	Initiatives driven by the business related to MPIs strategic objectives.
Enterprise Content Management	1.7	Investment into evolution of this capability into a new platform. Current platform reaching end-of-life support in April 2023.

Areas Description of Focus Areas

Focus Area	Initiative Budget (M's)	Description
Cloud Adoption	0.3	MPI will be shifting on prem infrastructure to cloud. This will remove inflexibility and provided a stronger technological footprint for MPI to more effectively respond to changes. Building on 22/23 Cloud adoption roadmap, target to be out of the data centre by 24/25.
Government Insertions	1.0	New initiatives and enhancements that are mandated by the government
Partners & Customers Experiences	4.0	Initiatives that focus on new and improved products and service offerings to significantly improve partners and customers experience
HR & Finance	3.5	Initiatives to modernize HR, Talent & Finance Information Systems, Rate modelling, International Financial Reporting Standard compliance (IFRS17)
Security & Technology Risk Management	4.5	Investment into evolution of these platforms (licensing will be determine as the technology is evaluated)


MPI Buildings/Cityplace
Budget
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Buildings and Cityplace

- Buildings and Cityplace budget are the focus areas on our Property requirements to run our operations.
- We need to invest in our buildings to ensure that the assets are maintained in good-standing, and address/evaluate cost requirements for same.
- **Key Items to note**
  - MPI has developed a multi-year retail strategy to be implemented in three construction phases to protect/enhance cityplace. The strategy includes future tenant deals/negotiations continue.
  - As deals come to fruition, further approvals will be sought from the Board with appropriate backup to support recommendations. TBS/Board approval has been met.
  - We continue to explore options for Cityplace, and the intent is to divest of the asset as we maximize the potential capitalization rates for the asset to increase future proceeds.

Cityplace Space Plan – Summary Space Plan view

($M's)	2022/23 Capital Reforecasted Budget as of June/22	2023/24 Capital Budget
Building Construction	6.4	1.0
Furniture & Equipment	2.2	
Systems Furniture	1.9	
Demountable Walls	3.4	
Data Processing	0.1	
Total	**14.0**	**1.0**

- Phase 1 (9th floor) of cityplace Space Plan is now complete on budget
  - Due to billing timing, $4.7 M of $7.8 M was carried over into 2022/23 budget
- Phase 2 (8th floor) approved and under construction and includes:
  - Phase 2 approved budget of $7.3 Million
  - Required Approval: NetCentre relocation budget of $2M (vacating 7th floor)

Buildings Summary

($M's)	Detailed Breakdown	2023/24 Capital Budget
cityplace (building & parking lots) (not including Space Plan)		12.5
Non- Recoverable – Structural	1.8	
Non- Recoverable – Building Components	2.1	
Non- Recoverable – Modernization/Upgrades	4.7	
Tenant Fit-ups	3.9	
Buildings - (all locations other than CP)		3.9
Building Integrity Repairs (Building, Roof, CCTV, Card Access)	3.1	
Building Components – HVAC (locations other than CP)	0.8	
Land Improvements		0.5
Parking lot & ditch repairs	0.5	
Demountable Walls		0.2
Total		17.1

Recommendation

The Members recommend that the Board of Directors approve the 2023/24 Fiscal Year Capital Budget a request as follows:

- Lean Portfolio Management Approvals - $24.4M
- Buildings and cityPlace - $19M
- Nova Project – $83.9M [already approved overall by TBS/GoM/Board].

Questions

PUB (MPI) 1-111

Part and Chapter:	**Part V IT Appendix 2**	**Page No.:**	**15, 16**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**Strategy**		
Sub Topic:	**Cost Reduction**		

Preamble to IR:

In section 5.3 of the IT Strategic Plan, MPI notes Cloud Adoption with a key objective is to reduce risk, costs, and resources associated with managing infrastructure.

In section 5.5 of the IT strategic plan, MPI notes "Automation". In that section, MPI describes its ability to move towards thought leadership to save time, improve productivity, and work more effectively.

Question:

a) Please outline the strategy around reducing resourcing over the next three years, per 5.3.

b) Please outline in a similar manner if section 5.5 will yield any cost savings and if so, what may these look like.

Rationale for Question:

To understand the future looking view around staffing and consultant resourcing costs.

RESPONSE:

a) As part of the Cloud Adoption Strategy, MPI has already reduced its reliance on external resources to support the new Cloud Infrastructure by building up the required skill sets in-house. Over the next one to three years, once MPI migrates out of its current datacentre and fully into the Cloud, it will end its current contract with the datacentre vendor, thereby discontinuing its reliance on external resources for datacentre support.

b) The IT strategic plan identifies automation as a key initiative but does not set a target for achievement of direct cost savings. The primary benefits of automation are:

- Improved customer satisfaction - increased productivity, accuracy and efficiency achieved through automation will enable staff to prioritize customer interaction and engagement, thereby improving customer experience.

- Increased productivity – automation is an enabling technology for businesses to manage increased workloads and support meeting service level commitments.

- Enhanced accuracy – lowering the risk of human error in processes by reducing opportunities for mistakes and rework.

- Improved employee experience – automation will allow staff to spend more time on higher order tasks (e.g., interacting with customers), thereby increasing job satisfaction and promoting professional development.

PUB (MPI) 1-112

Part and Chapter:	Part V IT Appendix 2	Page No.:	17
PUB Approved Issue No:	21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:	Guiding Principles		
Sub Topic:	Business Plan		

Preamble to IR:

In section 6.1 of the IT Strategic Plan, MPI has noted that the IT Strategy leverages guidance from the MPI business plan.

Question:

Please file the Business Plan that was used to create the IT Strategy.

Rationale for Question:

To understand budget allocations and costs.

RESPONSE:

The Annual Business Plan MPI used as part of the IT strategy creation was filed as *Part VIII AR Appendix 5 - MPI Annual Business Plan* in 2023 GRA, also enclosed herewith as *Appendix 1*.

MANITOBA PUBLIC INSURANCE ANNUAL BUSINESS PLAN

2022/23

Manitoba Public Insurance

THE CROWN CORPORATIONS GOVERNANCE AND ACCOUNTABILITY ACT

Manitoba Public Insurance hereby submits its Annual Business Plan as required by *The Crown Corporations Governance and Accountability Act*, consistent with the provided guidelines for a standard format among Crown corporations' plans and in alignment and compliance with the Department of Crown Services' Alignment and Accountability Project.

Deemed final and approved by Board of Directors on February 10, 2022, per agenda item 4.1.2.

TABLE OF CONTENTS

1.0 Mandate and Strategic Direction

At Manitoba Public Insurance, we are guided by a combination of legislation, government directives, and corporate principles and priorities. To complement our mission, vision and values, we have created a 5-Year Ambition to further set our direction and help us achieve our goals.

1.1 Corporation's Mandate, Objects or Purposes as set out in *The Manitoba Public Insurance Corporation Act*

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

1.2 Directives from Province

In accordance with *The Crown Corporations Governance and Accountability Act*, the Minister of Crown Services may issue directives to Manitoba Public Insurance to support provincial policy and Manitoba Public Insurance must comply with any directive given.

The following directives have been issued to Manitoba Public Insurance:

- On January 30, 2020, the Minister of Crown Services issued a directive to Crown Corporations concerning executive management compensation, overall staffing levels and review of management spans and layers. Manitoba Public Insurance continues to comply with this directive. This builds upon the management reductions in 2017, the completed span and layers analysis in 2017, and the Corporation's commitment to remain vigilant related to staffing levels and overall compensation.
- On July 24, 2019, the Minister of Crown Services issued a directive to Manitoba Public Insurance respecting conciliation with the Insurance Brokers Association of Manitoba (IBAM). Manitoba Public Insurance honoured this directive, and the conciliation process led to a five-year agreement between MPI and IBAM, effective April 1, 2021.
- Although issued in support of the provincial Climate and Green plan, and not in accordance with *The Crown Corporations Governance and Accountability Act,* the Minister of Crown Services requested that all Crown corporations and government agencies cancel print-based subscriptions and the purchase or production of business cards, unless an appropriate exception has been granted. As well, all Crown corporations are to track and report greenhouse gas emissions on an annual basis. Manitoba Public Insurance is currently in discussions with the Province to ensure full compliance.

1.3 Framework letter

The Minister of Crown Services issued a framework letter to Manitoba Public Insurance on April 24, 2019. Manitoba Public Insurance has achieved the expectations set out in the letter, and maintains ongoing efforts to continue to support these expectations. For full details, see *Appendix A: Status Report*.

1.4 Corporate Mission

Exceptional coverage and service, affordable rates and safer roads through public auto insurance.

1.5 Vision and Values

Our Vision

The trusted auto insurance and driver services provider for every Manitoban.

Our Values

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

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

1.6 Our 5-Year Ambition

MPI has developed a 5-Year Ambition that focuses on meeting the needs of customers, employees and business stakeholders. In a broad sense, our ambition is to realize three aspirational statements from customers, employees and business stakeholders:

- Customers: "Manitoba Public Insurance understands my needs. They make it easy and effortless."
- Employees: "Manitoba Public Insurance is a rewarding and progressive place to work."
- Stakeholders: "Manitoba Public Insurance is fair, transparent and does things right."

These aspirational statements will be achieved through five guiding principles:

- Customer experience drives improvements.
- Improvements must make financial sense.
- Create a culture of continuous improvement through empowerment and automation.
- Be a fast follower of industry best practices and trends.
- Engage stakeholders actively along the way.

The 5-Year Ambition will guide us through our ongoing major digital transformation, Project Nova, and into a future state that we are calling Supernova, or MPI 2.0.

1.7 Corporate Priorities for 2022/23

We will deliver on operational imperatives and transformation plans, align and streamline processes and mature core functions, and advance our people and culture agenda.

The following is a list of our top corporate priorities for the 2022/23 fiscal year:

Operational Imperatives – Deliver on financial goals (including revenues, net income, MCT), customer metrics (including CX Index) and regulatory or market requirements (including GRA, PUB orders, regulatory changes, compliance, road safety, partner agreements, high priority product changes).

Nova & IT – Deliver on Nova milestones (including SRE, IRP, release 3A preparation) and Technology transformation plans (including Cloud Adoption, Data Infrastructure, Cybersecurity, CoEs for Integration, Testing, Digital, Automation, Architecture, and EAM transformation).

Customer Centricity & Operational Excellence – Define our desired CX and EX based on needs and embed these into our transformation plans. Deliver E2E customer journeys, streamline and automate mass processes where relevant. Assign clear business, process, data and risk ownership across MPI. Continue to establish and mature our Business Architecture and SAFe practices (including Lean CoE, BPM CoE, LPM, LACE, VA).

Finance, Actuarial, Risk and Investments – Continue to evolve actuarial practices (valuation, pricing, capital management), financial forecasting (greater granularity and increased frequency), risk management (ERM maturity, ORM), investment/ALM (ALM study, investment performance and risk reporting), and ensure IFRS readiness.

People, Culture, Change Management and Communications – Evolve People and Culture practices and processes to enable and empower our people to achieve the 5-Year Ambition. Further mature Operational Readiness, Change Management, and Employee and Corporation Communications practices to support our ambitions and goals. Articulate and tell our transformation story.

2.0 Operating Environment

At MPI, we are proud that our public insurance model provides Manitobans with coverage that is among the most comprehensive in Canada and rates that are among the lowest. We take a long-term view of providing sustainable and predictable Basic insurance to Manitobans at affordable rates, without compromising coverage or service, and we are constantly evolving to meet the diverse needs and service expectations of our customers.

2.1 Internal Environment

The Corporation's internal operating environment is extremely dynamic. The 2022/23 year will see a continued focus on Nova program delivery, with the first systems coming online.

To support Nova and realize our 5-Year Ambition, the Corporation has defined six Strategic Themes to guide our strategic transformational initiatives:

- Customer Focus
- Product Innovation
- Process Automation
- Nova & Technology
- People, Culture and Leadership
- Business Capabilities

Several of the strategic transformational initiatives that are linked to these strategic themes are outlined below.

2.1.1 Customer Focus

Customer Experience Maturity Roadmap

The Corporation is building a CX maturity roadmap to improve and enhance customer experience in all our channels. This roadmap will define our maturity levels target and required organizational capabilities, operating model and governance to improve customer experience.

Operationalize Customer Standards

Operational service teams provide many customer-facing services such as claims, services centres, injury case management and broker operations. The Corporation will review its service level metrics, create new tools to measure targets and set new benchmarks for continuous improvement.

2.1.2 Product Innovation

Product Roadmap

Over the next several years the Corporation will modernize regulations, legislation, policies and procedures with the goal of enhancing products and services for customers.

To assist in achieving this goal, a Product Roadmap has been developed that anticipates and addresses customer needs, aligns product initiatives with our Nova transformation, and identifies government and regulatory dependencies.

Major product initiatives planned in 2022/23 include:

- Vehicle for Hire (VFH): Findings from the VFH insurance model review, stakeholder engagement, and a subsequent decision from the Public Utilities Board may be implemented to improve the insurance model.
- Driver Safety Rating (DSR): The Corporation intends to use the current registered-owner model in the near term while finding ways to move premiums closer to the actuarial target. Our 2022 General Rate Application included a proposal that will appropriately phase in this new approach from a rate-stability perspective. The only structural change to the DSR model in the short-term will be the potential introduction of additional merit levels.
- Special Risk Extension (SRE): As part of Project Nova, our SRE commercial insurance line of business will be transformed with new technology in 2022. This will enhance the customer experience while enabling the Corporation to better utilize data to improve underwriting and pricing sophistication.

2.1.3 Process Automation

Liabilities and Assets

MPI will be implementing statutory requirements and standards related to Liabilities [Insurance Liabilities IFRS 17] and Assets [Investments IFRS 9]. The new standards will replace IFRS 4 and IAS39 respectively. Adopting the new standards ensures the Corporation will remain compliant with changing accounting standards, as well as increase the transparency and usefulness for financial statement users.

Business Process Management and Lean Centre of Enablement

To assist with our transformational Project Nova and to realize our 5-Year Ambition, we will improve our internal processes through the creation of a Business Process Management and Lean Centre of Enablement. Together, these will improve our internal processes and will:

- Develop an inventory of all processes and a framework that defines accountability and ownership for each process.
- Develop measurement systems and define performance indicators and targets for process performance.
- Run Lean improvement events in partnership with department leadership.
- Establish standards of practice and develop/support Lean capability among staff.
- Manage and report on the portfolio of Lean projects to ensure they are aligned to strategic objectives and are delivering tangible results.

Core Process Optimization

MPI will outline a vision to optimize core processes to improve customer service. Our goal is to improve efficiency and effectiveness of high-volume core processes in the areas of claims, insurance, registration and DVA administration.

2.1.4 Nova & Technology

Project Nova is a multi-year program to modernize and transform our in-house legacy applications and technology footprint. This transformation will deliver the following key business objectives and outcomes:

- Stable Technology Platform – We will significantly lower the downtime and technology risks to perform day-to-day service transactions by moving to modern technology and exploring customer online functionality.
- Cost Effective – We will reduce current operating costs and IT risks of managing and supporting legacy systems by moving into new commercial off-the-shelf applications for property and casualty insurance and driver licensing and vehicle registration.
- Agility to Meet Future Business Needs – We will be better equipped to implement new legislative requirements and offer new products and services.
- Secured Solution – We will improve infrastructure, processes, procedures and controls to protect customer information from security threats.
- Availability and Device Portability to External Partners – We envision greater around-the-clock availability via desktop and mobile platforms.
- Modernizing Commercial Insurance – We will modernize the manual SRE/commercial insurance products.
- Customer Experience – We will transform customer service delivery channels, resulting in enhanced customer experience.
- Online Services – We will expand online service offerings for our customers.

The program further aims to drive simplification and efficiency in its core technology systems in the near term, while setting a strong base for long-term growth and flexibility. Project Nova is also transforming our business by empowering our people and partners with new technology and processes that are responsive and efficient, giving customers more choice and a better experience.

In early 2022, Management completed an updated re-baseline assessment of Project Nova, which will see a flattened delivery schedule and will front load customer-value deliverables. This will deliver customer value sooner and increase program success. The impacts of the flattened delivery along with other de-risking strategies are expected to have a material impact on the overall program budget. MPI is working with Government to obtain the necessary approvals and understand how to best reflect the budgetary impacts for the 2022/23 fiscal year.

Security and Technology Risk Management

MPI regularly invests in improvements to its cyber security maturity via enhancements in processes and technology. This includes initiatives to maintain existing technology in a stable and supported state.

IT Strategic Initiatives

In 2022/23 the Corporation will focus on several major IT strategic initiatives to support the overall strategy. During the course of 2021/22 assessment and roadmaps will be outlined in the following areas:

- Cloud & Next Generation Technologies – Shifting existing technology from on premises to the cloud will provide a more flexible technical footprint and better position MPI to respond to change.
- Billing Architecture – Definition and implementation of a modernized billing architecture.
- Data & Analytics – Technology and tooling to manage data warehousing, AI, predictive analytics and more.
- Digital Workplace – Process and technologies to support a digital work environment and culture.
- Integration, Testing, and Automation Centre for Enablement – Increasing self-sufficiency in key areas of technical dependencies.
- Enterprise Content Management – Evolution of platforms and technologies that manage content, information and customer-facing areas (such as our website) so they can provide a paperless digital experience.

2.1.5 People, Culture & Leadership

Culture 2.0, Talent 2.0, and Professional and Leadership Development

Employees are one of the key stakeholder groups outlined in our 5-Year Ambition. Our aim is for employees to view Manitoba Public Insurance as “a rewarding and progressive place to work”. Creating a shared set of beliefs and values is important for building the kind of culture that staff can thrive in.

The Corporation continues to review and understand its current workforce and the needs of the future, so that we can grow, attract, mentor and develop the needed talent within the organization.

Future Workplace

We plan to reduce the corporate head-office footprint and right-size the Corporation’s physical-space requirements to support business needs and align with industry space standards. Implementing this three-year plan will also provide the following benefits:

- Reduce ongoing occupancy cost associated with reduced footprint.
- Increase revenue generation opportunities in regards to net operating income for the cityplace asset.

- Reduce ongoing capital and operating costs associated with churn and inefficient design.
- Create adaptable space that supports a flexible work arrangement for eligible departments.
- Improve environments that support business unit re-engineering, productivity/collaboration, accessibility, wellness and workforce recruitment/retention.

2.1.6 Business Capabilities

Scaled Agile Framework & Lean Portfolio Management

MPI will continue its adoption of Agile principles. The culture of how work is developed, defined, and delivered will change to reflect best practices from the Scaled Agile Framework (SAFe) methodology. Key components of the SAFe methodology being introduced are Lean Portfolio Management (LPM), business agility, Agile product delivery, and a continuous learning culture. LPM is the structure that aligns strategy with execution and ensures decisions on capacity allocation provide the greatest customer value.

Change Management

MPI will expand its Organizational Change Management practice to an enterprise level. This initiative will provide a more robust, scalable and flexible approach to ensure the benefits of organizational change are realized.

2.2 External Environment

Manitoba Public Insurance operates in a challenging and fast-changing external environment. Key relationships in this environment include the public and customers, government, the Public Utilities Board, and delivery partners such as healthcare providers, brokers and repair shops.

2.2.1 Upcoming Negotiations and Contract Renewal

- MGEU Agreement expired in September 2020.
- Agreement with Manitoba Commercial Vehicle Repair Association expired Dec. 31, 2021.
- Agreement with Manitoba Chiropractors Association expired Dec. 31, 2021.

2.2.2 COVID-19

During 2020 and 2021, Manitoba Public Insurance made several of its service centres available to Manitoba Health for use as COVID-19 testing sites. We will continue to evaluate requirements in the 2022/23 fiscal year, and we will continue to assist Manitoba Health as necessary.

In the early stages of the pandemic, Manitoba Public Insurance moved many roles to a work-from-home model. Ongoing monitoring of the productivity of remote workers has helped us establish criteria for potential long-term work-from-home and flexible work arrangements, which can increase productivity and engagement while reducing overhead costs.

Due in large part to the pandemic-related reduction in collision frequency and the resulting favourable financial results in 2020/21, Manitoba Public Insurance was proud to provide two surplus distribution rebates to customers. A third rebate was approved by the PUB and is being distributed to customers in early 2022. This will bring the total surplus distributions to Manitobans since the start of the pandemic to almost $500 million.

Looking forward, we cannot foresee with any certainty how COVID–19 will affect our customers, business operations and investment portfolio in 2022/23. However, we are well-positioned to continue to respond nimbly to deal with business and financial impacts, address all public health requirements, and support the Province of Manitoba in its ongoing efforts to protect all Manitobans.

2.2.3 Road Safety

MPI will maintain its commitment to safer roads, and we will continue to focus on three major road-safety issues: unsafe speed, driver distraction and impaired driving. Our programming consists of stakeholder engagement, driver education and awareness, community outreach, standardized training, optimized law enforcement support, and research into the key contributors to serious injury and death on Manitoba's roadways. Advancing reconciliation efforts, our road safety strategy will include a renewed focus on Indigenous engagement and the issues facing our First Nations communities.

Provincial Road Safety Committee

Co-chaired by MPI and Manitoba Infrastructure, the Provincial Road Safety Committee's (PRSC) mandate is to reduce collision-related injuries and fatalities in Manitoba through collaboration of key stakeholders. The PRSC's Manitoba Road Safety Plan 2017-2020: Road to Zero identified the key priorities for its stakeholders, and MPI has actively collaborated with provincial partners to further these road safety priorities.

External Stakeholder Committee on Road Safety

Through this stakeholder committee, Manitoba Public Insurance will continue to engage and inform external road-safety stakeholders on our road-safety efforts. This committee will also continue to provide a forum for interest and advocacy groups to identify opportunities to mitigate provincial road-safety issues.

Driver Education and Training

Driver Z, the new High School Driver Education program, was launched in 2019. Driver Z uses a blended learning approach that involves interactive online learning, richer classroom engagement, greater parent/guardian involvement and more practice time for students. In 2022/23, MPI will implement changes to improve program efficacy, customer engagement and outcomes, based on the results of a program evaluation.

2.3 Risks

Like any enterprise, Manitoba Public Insurance faces risks in its operations that must be handled effectively in order to achieve its goals. Several risks are outlined below.

2.3.1 Financial Losses from Weather or Investments

A key risk is the potential for financial loss arising from increased claims due to weather-events such as hail or winter conditions. An additional related risk is the depletion of financial reserves, which is possible from significant losses in the investment portfolio or increases in claims as noted above. The implementation of the new Asset-Liability Management strategy in 2019/20 de-risked the assets backing Basic's liabilities (with no equities and alternatives), reducing interest-rate risk for the Basic line of business.

To mitigate claims volatility, Manitoba Public Insurance will continue to incorporate reinsurance where appropriate and ensure reserves are adequate for each line of business. MPI recently implemented a new aggregate catastrophe reinsurance program to protect from both single large weather events and a combination of multiple small weather events, ultimately aimed at reducing volatility for both customers and Government.

2.3.2 Insurance Business Risk

The Corporation keeps watch on insurance technology developments and auto maker self-insurance models to mitigate potential risks from these areas.

2.3.3 Cyber Security

The cyber security landscape is constantly changing and evolving. The Corporation mitigates the ever-increasing risks related to cyber attacks by continuously evolving its cyber defence plans, increasing its information-security maturity, advancing its risk-management program and enhancing its cyber resiliency.

2.3.4 Workforce Capacity

Inadequate capacity of staff, both in key areas impacted by Nova or due to COVID-19, will negatively affect the Corporation's ability to meet objectives on time and on budget. The Corporation is actively planning to address current and future workforce-capacity challenges through workforce planning and capacity modelling.

2.4 Capital Reserves

Manitoba Public Insurance will continue to utilize its Capital Management Plan in 2022/23. We will work with stakeholders to refine the capital release and rebate components of the plan. The Capital Management Plan ensures appropriate capitalization for all lines of business, while continually moving toward capital targets in a manner that promotes rate stability. The plan utilizes the insurance industry standard Minimum Capital Test (MCT), which was developed by the Office of the Superintendent of Financial Institutions to monitor all federally regulated property-and-casualty (P&C) insurers. The MCT is calculated by assessing a number of risks faced by P&C insurers including:

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

The Capital Management Plan includes the following components:

- Capital targets by line of business based on MCT ratios.
- Basic capital build and release provisions.
- Excess capital policy for competitive lines of business.

3.0 Performance Measures & Targets

Performance in all areas is regularly tracked and measured to evaluate if objectives are being met, and to determine if additional steps are required to achieve successful outcomes.

Strategic KPIs:

Strategic Themes	Objectives	KPI	Target	Frequency/ Measure
Customer Focus	Maintain high customer service	CX Score	81	Yearly
	Provide low/affordable rates	Rate change < inflation	-1.2%	Yearly
Product Innovation	Maintaining Basic + Extension revenue	Basic GWP	$1,170M	Monthly
		Extension GWP	$181M	Monthly
Efficiency & Effectiveness	Reduce Operating Expenses	Admin Opex %	11.2%	Monthly
		Combined Expense Ratio %	24.8%	Monthly
	Control Claims Costs	Loss Ratio %	77%	Monthly
		Cost Per Claim	$4,533	Monthly
	Capital Adequacy	Basic MCT	100%	Quarterly
		Extension MCT	200%	Quarterly
		SRE MCT	300%	Quarterly
	Manage Investment Assets	Net Investment Yield	3.2%	Monthly
Nova/ Technology	Nova delivery 2022/23 on scope/budget	Spend vs Budget	$47.8M	Quarterly
	Align structure to strategy within current Mgmt FTE	Mgmt FTE	156	Monthly
People, Culture, Leadership	Employ an engaged workforce	Employee Engagement Survey	75%	Yearly
Risk Exposure & Sensitivity	Minimize Interest Rate Risk	Basic ALM Budget Variance	+/- $10M	Quarterly

4.0 MPI Balanced Scorecard

MPI is developing Internal Balanced Score carding. In building our Balanced Scorecard, we have ensured best practices in Balanced Scorecard measurement using the proposed four perspectives:

- Financial Metrics
- Customer Metrics
- Internal Processes
- Learning and Growth

We expect to see Balanced Score carding have significant betterment in our organization, similar to organizations that have successfully adopted this approach – with building a balanced performance management culture. Some of the most significant benefits of implementing the Balanced Scorecard KPIs for MPI are:

- Accurate measurement of performance and goals.
- Stakeholder Alignment for Balanced Score card reporting/best practices.
- Balanced view of the company's performance.
- Facilitate communication throughout the company.

5.0 Statement of Operations

in thousands of Canadian dollars ($000s)	Actual for the year ended March 31, 2021	Forecast for the year ended March 31, 2022	Budget for the year ended March 31, 2023
Earned Revenues			
Gross premiums written	1,440,783	1,393,645	1,501,982
Reinsurance Ceded to reinsurers	(19,607)	(20,538)	(20,880)
Net Premiums Written	**1,421,176**	**1,373,107**	**1,481,102**
Net Premiums Earned	**1,389,370**	**1,404,194**	**1,427,894**
Service Fees & Other Revenues	37,817	38,060	42,971
DVA Operations Recovery	30,250	30,250	30,250
Total Earned Revenues	**1,457,437**	**1,472,504**	**1,501,115**
Claims Costs			
Net Claims Incurred	780,167	940,861	1,093,268
Claims Expense	160,857	165,268	175,634
Road Safety/Loss Prevention	8,834	13,403	14,472
Total Claims Costs	**949,858**	**1,119,532**	**1,283,374**
Expenses			
Operating	119,812	144,661	159,232
Commissions	90,491	93,497	96,396
Premium Taxes	32,208	37,353	43,463
Regulatory/Appeal	4,421	4,284	4,642
Total Expenses	**246,932**	**279,795**	**303,733**
Underwriting Income (Loss)	**260,647**	**73,177**	**(85,992)**
Investment Income	101,578	181,412	133,593
Gain (Loss) on Sale of Property	95	-	-
Net Income (Loss) from operations	**362,320**	**254,589**	**47,601**
Surplus distribution	(334,948)	(180,001)	-
Net Income (Loss) after surplus distribution	**27,372**	**74,588**	**47,601**

Note: For additional information on the financials of Manitoba Public Insurance, please refer to the most recent Annual Report, available at mpi.mb.ca.

5.1 Key Planning Assumptions

Key assumptions include:

- Forecasts based upon data up to and including July 2021 month-end.
- The 2022/23 applied for PUB Basic Rate Decrease of 1.2% in 2022/23.
- Lower driver premiums are expected to be received. The lower collision frequency experience in 2021-22 will see more drivers move up the Driver Safety Rating scale.
- The results of the most recent Valuation of Policy Liabilities.
- Flat interest rates over the entire forecast period based on August 31, 2021, rates.
- No change to DVA government funding and no changes to DVA transaction fees.
- No significant changes to operations that would impact long-term fleet growth, vehicle upgrade or claims trends over the outlook period.

5.2 Sensitivity Analysis

Due to the nature of its business, Manitoba Public Insurance's primary risks relate to trends in claiming experience on its insured book of business and impacts on investment income stemming from fluctuations in the marketplace.

The following table depicts Manitoba Public Insurance's sensitivity to various scenarios stated on the basis of impact to net income.

Scenario Analysis - 2022/23 Net Income Volatility
Summary - CORPORATE
($000's)

Scenario	2022/23 Net Income	$ Change from Base Scenario	% Change from Base Scenario
1. Base Scenario	47,601	0	0%
2. Collision Frequency +1%	41,802	-5,799	-12%
3. Collision Severity +1%	41,802	-5,799	-12%
4. Interest Rates +50 bps	45,978	-1,623	-3%
5. Interest Rates -50 bps	44,904	-2,697	-6%
6. 1-in-40 Adverse Winter Collision Frequency	-40,222	-87,823	-184%
7. 1-in-40 Favourable Winter Collision Frequency	134,329	86,728	182%
8. 1-in-40 Adverse Hail	21,398	-26,203	-55%
9. 1-in-40 Favourable Hail	69,370	21,769	46%
10. 1-in-40 Adverse Loss Ratio [1]	-130,162	-177,763	-373%
11. 1-in-40 Favourable Loss Ratio [1]	98,062	50,461	106%
12. 1-in-40 Decreasing Interest Rates [2]	62,185	14,584	31%
13. 1-in-40 Increasing Interest Rates [2]	51,115	3,514	7%
14. 1-in-40 Adverse Equities	10,958	-36,643	-77%
15. 1-in-40 Favourable Equities	145,708	98,107	206%

1. *Loss Ratio: Includes Basic, Extension, and SRE losses. Assumes correlations between lines where applicable.*
2. *Interest Rates: +210 bps increase and -222 bps decrease to GOC 10 Year Bond. Assumed interest rate floor of 0.47%.*

6.0 Human Resources

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

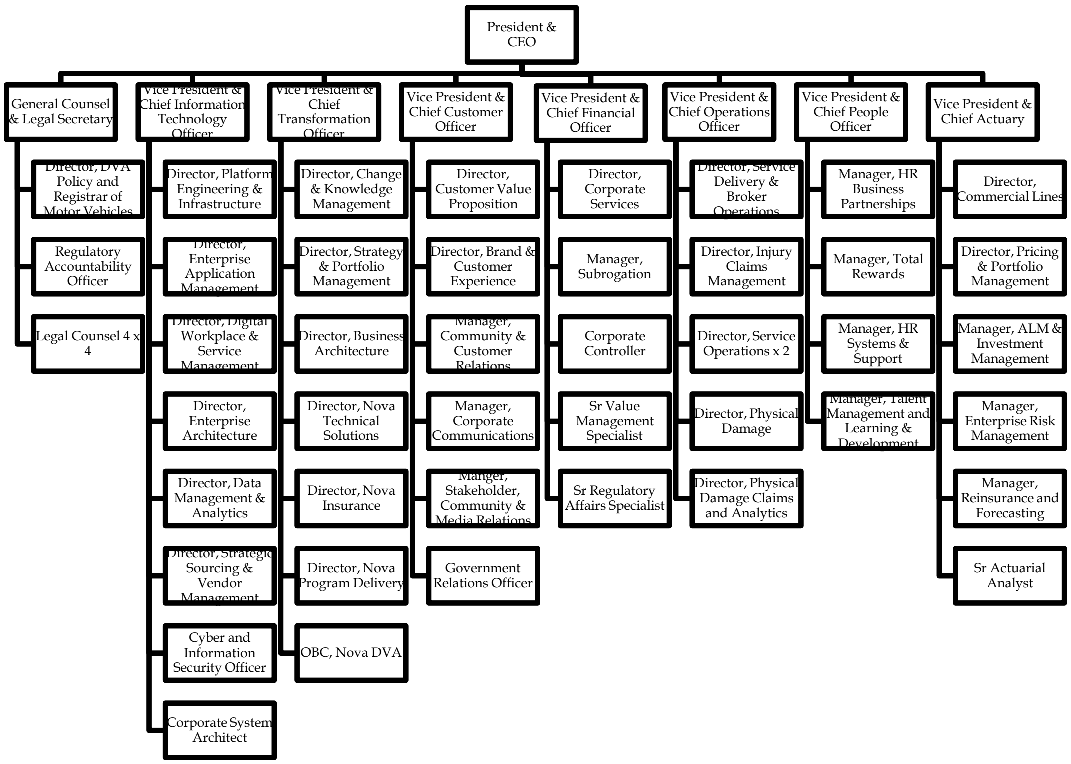
Overall FTE have remained stable from 2020/21 and will trend down as Project Nova is finalized.

6.1 Full-Time Employees

Normal Ops			
	Actual as end of FY 2020/21	Budget 2021/22	Budget 2022/23
Senior Management	27.0	39.0	32.0
Management	106.0	105.0	114.0
Employees	1,653.5	1,795.0	1,812.2
Total	1,786.50	1,939.0	1,958.2
Nova & Improvement Initiatives			
	Actual as end of FY 2020/21	Budget 2021/22	Budget 2022/23
Senior Management	5.0	5.0	5.0
Management	2.0	7.0	5.0
Employees	42.0	66.4	43.3
Total	49.0	78.4	53.3
Total Corp.	1,835.5	2,017.4	2,011.5

6.2 Organizational Chart

The organizational chart shows senior roles organized across eight divisions to best realize our 5-Year Ambition.



6.3 Factors That May Affect Compensation and Staffing

The proposed 2022/23 plan includes 2,011.5 full-time equivalents (FTEs) with a total compensation budget of $190.4 million. FTE counts will be managed to ensure proper workforce composition to meet operational demands.

Approximately 85 per cent of Manitoba Public Insurance's employees are represented by the Manitoba Government and General Employees' Union, with its four-year contract having expired September 26, 2020. A new agreement is currently being negotiated and ultimately wage impacts will be determined through bargaining process.

7.0 Capital Plans

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

Annual Business Plan
2022/23 Improvement Initiatives

($000's)	LTD Forecasted Spend to March 31 2022	Proposed Budget 2022/23	Remaining forecasted spend for future years	Total Forecast at Completion
Nova Program	74,040	**32,402**	22,070 *	128,512 *
Nova Program is a multi-year program, establiahed with a vision to modernize and transform MPI's in-house legacy applications and technology footprint, to deliver MPI services to its customers in the areas of personal and commercial automobile insurance, driver licencing, vehicle registration and associated registries, and physical damage claims				
*Project total forecast to completion includes contingency of $13.6 million.				
Nova Ongoing Costs	12,917	**15,436**	-	28,353
Nova Ongoing Costs include cloud subscription expenses for licensing, application maintenance and Nova Ongoing Costs will be included in normal operations in 2023/24.				
Information Security Maturity	5,259	**584**	-	5,843
Implement the necessary system, process and administrative changes to achieve the cyber security				
Technology Risk Management - 2022	-	**4,500**	-	4,500
Implement projects relating to Application, Security and Infrastructure Risk Management. Program is budgeted annually.				
Other Initiatives	-	**15,900**	51,000	66,900
Expense initiatives included in Lean Portfolio Management focus areas and insertions of work.				
Sub-Total IT Projects	92,216	**68,822**	73,070	234,108
Administrative Capital^	48,195	**34,968**	82,029	165,192
Investment Capital	7,606	**-**	1,344	8,950
Grand Total	148,017	**103,790**	156,443	408,250

^Includes Cityplace Space Plan initiative, Cityplace and other Tenant Fit-up projects.

8.0 APPENDIX A: Status of April 2019 Framework Letter Expectations

Framework Letter Directive	Status	
	Ongoing	Completed
Engage with the Public Utilities Board to implement a Capital Management Plan that includes: • A minimum rate stabilization reserve of 100% Minimum Capital Test (MCT) for Basic; • A minimum reserve of 200% MCT for Extension; • A minimum reserve of 300% MCT for Special Risk Extension; • A rate setting structure that is driven to MCT ratios; and • Continue efforts to reduce volatility and enhance stability to MPI's reserves through increased re-insurance.		✓
Continue efforts to reduce risk and volatility in MPI's investment portfolio and divest assets that are not aligned with MPI's mission or financial interests.		✓
We ask that you limit advertising to responsible mandate focused advertising considered essential for you to successfully perform your core business and continue to work with Government on the alignment of all sponsorship activities with central government.		✓
Government is committed to advancing reconciliation with Indigenous Manitobans through the renewal of its consultation framework to ensure respectful and productive consultations. All government organizations are expected to contribute to	✓	

Framework Letter Directive	Status	
	Ongoing	Completed
reconciliation in their interactions with Indigenous communities and individuals.		
We have a strong interest in reducing red tape for all Manitobans. As a Crown, we ask that you integrate the red-tape reduction process and reporting into your Board processes – whether by way of a new Committee or regular reporting mechanism.		✓
Government understands the value that brokers bring to both the consumer and MPI in assisting with the sale, delivery and service of MPI products. MPI will develop a comprehensive plan in partnership with the broker community to modernize service delivery, including on-line services. Manitobans must retain access to professional advice from the broker network to help them understand insurance options, manage risks and make the right choice.	✓	
Modernize public automobile insurance regulations, policies and procedures, with the goal of achieving better value for ratepayers.	✓	
Work with the Public Utilities Board to streamline processes, in an effort to reduce overall costs to ratepayers of regulatory hearings.		✓
In the coming year, we will be taking more steps to fully integrate Crown corporations into our summary budget process. This may affect the timing of budget processes and other financial matters. I am seeking your support in ensuring accurate, timely financial reporting to government, in particular your vigilance in providing clear and early notice of		

Framework Letter Directive	Status	
	Ongoing	Completed
significant variances to budgets, or changes to your medium and long-term forecasts. Please continue to work with Crown Services and Treasury Board Secretariat to strengthen alignment with government overall.		✓
We expect you to scrupulously manage all operating costs, defer all non-critical capital projects without a clear return on investment and carefully examine business plans for opportunities to achieve improved financial results. We also expect the Board to carefully examine overall staffing efficiencies. Centrally, we have reduced overall management by over 15%, conducted a “spans and layers” review of management structures and reduced overall headcount by 8%. We expect you to work towards the same, or more.		✓
We ask you to review all compensation agreements, including executive compensation practices and interchange agreements to ensure alignment with government policies and practices. The expectation is that compensation practices will reflect the principles of responsible fiscal management and protect the sustainability of services to customers and ratepayers.		✓
We have a strong interest in reducing red tape for all Manitobans. As a Crown, we ask that you integrate the red-tape reduction process and reporting into your Board processes – whether by way of a new Committee or regular reporting mechanisms.		✓
Achieve more open government through increased transparency in tendering and procurement practices. All Crown		

Framework Letter Directive	Status Ongoing	Status Completed
corporations should ensure their procurement practices reflect this priority and are aligned with the requirements of trade agreements to which Manitoba is a signatory. In Government, we are centralizing our procurement practices and we urge you to pro-actively join us in this process so that we can shop smarter for all Manitobans.		✓
Government is committed to ensuring all employees are treated with dignity and respect. Respectful workplace policies need to be reviewed and updated to ensure employees have safe and effective pathways to report disrespectful or harassing behaviour without fear of repercussion.		✓

PUB (MPI) 1-113

Part and Chapter:	**Part V IT Appendix 4**	**Page No.:**	**2**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**Portfolio dashboard**		
Sub Topic:	**Other Initiatives / Projects**		

Preamble to IR:

MPI has noted that initiatives 9011, 9012, and 9013 are not labeled as part of the LPM Program as currently noted on page 2 of Appendix 4.

9011 - Migration of DevOps
9012 - IT Transformation - LPM and BPM Tooling
9013 - Agile Initiatives

Question:

a) Please provide the rationale for why these are not part of the overall LPM program/focus area.

b) Please outline which funding envelope these initiatives are allocated from. If this is not a funding envelope, please indicate which budget or equivalent it is allocated from.

Rationale for Question:

To understand budget allocations and costs.

RESPONSE:

a) The three (3) initiatives were classified as "Other Initiatives" for placeholder purposes only.

These were initiatives anticipated, and a placeholder was assigned for that purpose.

Also, LPM didn't exist in the 2021/22 budget so there were no focus areas at that time to make these a part of.

9011 - Migration of DevOps

Migration of DevOps was completed operationally, and no funds were required from LPM for that purpose.

9012 - IT Transformation - LPM and BPM Tooling

The team is using Azure DevOps and PowerBI to satisfactorily meet the need that this was anticipated for.

9013 - Agile Initiatives funds set aside as placeholder for any cost that may be incurred with the implementation of Agile.

This was a placeholder item for any cost that may be incurred in relation to implementing Agile.

No cost was incurred on all three placeholders.

b) The breakdown of funding envelopes showed this as planned under Other Initiatives for placeholder purposes only. If initiatives were moving ahead, they can be realigned under the funding envelopes categories as appropriate.

PUB (MPI) 1-114

Part and Chapter:	**Part V IT Appendix 4**	**Page No.:**	**4-6**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**IT Project Status**		
Sub Topic:			

Preamble to IR:

Question:

a) Please provide a description of each column noted in the table referenced on pages 4-6.

b) Please provide a definition of "Unallocated" noted in the table referenced on pages 4-6.

Rationale for Question:

To clarify elements presented within the IT Strategy.

RESPONSE:

a) The pages 4 -6 column are a continuation of the initial pages 1-3 for each of the initiatives listed and their focus areas.

   1. Division: Used as an internal breakdown for understanding which division/department was primary owner of the initiative.

   2. Project Phase Status: To determine the Project phase for each initiative.

3. LPM Approval Date: To specify the date that each initiative was approved at the LPM meeting.

Target End date: Planned end date of the initiative.

Closed date: Date initiative was completed.

Division	Project Phase Status	LPM Approval Date	Start Date	Target End Date	Closed Date
AIR	**Cancelled**	**06/14/2021**	**06/14/2021**	**06/01/2022**	**03/31/2022**
Unallocated					
Unallocated					
Information & Technology	**Execution**	**02/09/2022**	**02/09/2022**	**10/30/2023**	
Operations	Execution	02/09/2022	02/09/2022	10/30/2023	
Information & Technology	Planning	09/14/2022	09/19/2022	03/31/2027	

b) MPI used “Unallocated” to classify funding that was yet to be assigned and approved to a particular epic/project (i.e., funding under a focus area but not yet attached to a particular epic/project).

PUB (MPI) 1-115

Part and Chapter:	**Part V IT Appendix 5**	**Page No.:**	**2**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**External Labour Measures and Metrics - Status Update**		
Sub Topic:	**IT Personnel Costs**		

Preamble to IR:

Figure IT App 5-1 outlines the number of employees and consultants from 2018/2019 to date, and to 2025/26 forecast. 2023/24 through to the end of forecast shows a straight light of employees at 319.6 and consultants at 108. These numbers appear to be a pull forward of the prior year.

Question:

a) Please outline the rationale for this straight-line approach and what considerations were used in assessing this methodology.

b) In Figure IT App 5-1, line 9 states conversion from 2016/2017. Given that the table reference year starts at 2018/2019, is the commentary from 2016/2017 still relevant and if so, please explain.

Rationale for Question:

To understand IT personnel costs and approach on a move forward basis.

RESPONSE:

a) MPI had investigated increasing the number of employees but was later directed to maintain its current staffing levels. The resources required to support NOVA directly and indirectly are not expected to increase as of the date of this submission, as the core resources are in place and the Request for Standing Offers for services is expected to reduce consulting resources (MPI is unable to estimate the impact at this time).

b) The commentary from 2016/17 was included in error and should be ignored as it is not relevant.

PUB (MPI) 1-116

Part and Chapter:	Part V IT Appendix 5	Page No.:	2
PUB Approved Issue No:	21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:	External Labour Measures and Metrics - Status Update		
Sub Topic:	IT Personnel Costs		

Preamble to IR:

Figure IT App 5-2 'IT Personnel Costs - Updated chart previously submitted in 2023 GRA Part IV (ii) IT Appendix 3, Figure IT App 3-2'.

The 3-year forecast shows a flat Internal FTE Cost.

Question:

a) Please indicate if Internal FTEs have annual merit or cost of living increases.

b) Please indicate if MPI takes into account inflation and other external factors that could see market rates of attracting and hiring new Internal FTEs increase.

Rationale for Question:

To understand the forecasting approach to IT Personnel Costs.

RESPONSE:

a) MPI was directed to maintain the current staffing levels and, as a result, there will be no impact on compensation costs based on an increase or decrease in the number of full-time equivalents (FTEs). MPI is currently in collective bargaining negotiations with its in-scope internal FTEs and there is insufficient information presently available to forecast any changes to their salaries.

b) MPI did not consider inflation of other external factors regarding market rates for the purpose of providing the estimated labour costs.

PUB (MPI) 1-117

Part and Chapter:	**Part V IT Appendix 5**	**Page No.:**	**5**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**External Labour Measures and Metrics - Status Update**		
Sub Topic:	**IT Personnel - Consultants (FTE)**		

Preamble to IR:

Figure IT App 5-5 'IT Personnel - Consultants (FTE) - Updated chart previously submitted in 2021 GRA Part IV (ii) IT Appendix 3, Figure IT App 3-6'.

Question:

a) Please indicate how many of each resource type are term.

b) Please indicate how many resources end terms upon mapped to the Release milestones of Project Nova.

Rationale for Question:

Variance values are not consistent within the table.

RESPONSE:

a) Please refer to MPI Exhibit #4 for revised Part V – IT Appendix 5, *Figure IT App 5-5 - IT Personnel – Consultants (FTE)* filed as Errors & Omissions, are term consultants.

b) Project Nova's approach to external labour is to contract for shorter durations (between 3 to 12 months at a time). This is based on effort and duration of work measured through our epics, features, and product backlog items. The allocation and deliverables from these resources are reviewed on a monthly basis. Decisions on extending external resources are not necessarily directly tied to each release, but directly tied to the supply and demand, capacity and capability needed to successfully deliver on the program's commitments.

PUB (MPI) 1-118

Part and Chapter:	Part V IT Appendix 6	Page No.:	1-2
PUB Approved Issue No:	21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:	IT Project Status		
Sub Topic:	Reallocation Process		

Preamble to IR:

MPI has provide a table detailing "Lean Portfolio (LPM): Approvals for Reallocation across Focus Areas".

MPI has provided a summary depiction of the "Funding Reallocation Process".

Question:

a) Please provide criteria and associated scoring mechanisms used to assess funding reallocation.

b) Please file an updated "Lean Portfolio (LPM): Approvals for Reallocation across Focus Areas" including the relationship to epics/projects whereby funding was deallocated and the associated epic/project where the deallocated funding is reallocated to.

c) Please indicate whether there is a lower limit and upper limit of the amount of budget which can be reallocated from one focus area to another.

d) Please indicate whether there is a lower limit and upper limit of the amount of budget which can be reallocated from one epic/project to another.

e) Please denote what are the impacts if the budget allocated to a focus area is not fully used within a fiscal year.

f) Please describe how the concept of contingency is used to develop funding envelopes.

g) Please describe how the concept of contingency is used to develop funding requests for epics / projects.

Rationale for Question:

To understand the overarching roadmap of the IT Strategy.

RESPONSE:

a) Criteria used to reassess funding reallocation is based on what is priority (strategically) and resource availability to complete the epic/project.

b) Please see *Appendix 1* for Lean Portfolio Management (LPM): Approvals for Reallocation across Focus Areas updated indicating the focus areas that were deallocated and where the reallocation occurred and to which epic/project. There is also a slide in the appendix showing LPM funds were reallocated from the knowledge platforms and content management focus area for Program oversight.

c) There is no lower and upper limit for the budget that can be reallocated from one focus area to another.

d) There is no lower and upper limit for the budget that can be reallocated from one epic/project to another. The epics/projects have LPM approved budgets prior to proceeding. With planned estimates expected to be close to actual cost at completion, reallocations are not typically expected on approved epics/projects in flight.

e) If the budget allocated to a focus area is not fully used within a fiscal year, the funding for the focus area is not moved into the following year. Funding allocations for focus areas are planned for the upcoming year with estimates of intending epics/projects to be completed in the upcoming year. Epics/projects already in flight from the previous fiscal year and continuing into the new fiscal year are also taken into budget consideration for their respective focus areas.

f) Contingency is not applied on a funding envelope level.

g) Contingency is used to develop funding requests for epics/projects with 15% contingency cost included in the estimated cost of the project.

Appendix 1:
LPM Approval for Reallocations

Lean Portfolio Management (LPM): Approvals for Reallocation across Focus Areas

Focus area/Funding envelope (LPM)	Original Budget 2022/23	Reallocations	Final Budget 2022/23	Actuals FY22/23
STRM	4,500,000	(1,500,000)	3,000,000	1,720,509
(Deallocated by $1.5M, and funds added to Cloud Adoption focus area)				
Innovation Fund	2,500,000	(75,000)	2,425,000	755,685
Digital Culture	1,000,000	-	1,000,000	507,659
Knowledge Platforms and Content Management	2,000,000	426,150	2,426,150	1,795,132
(Funds allocated to ECM Program within Knowledge Platforms and CM)				
Data & Analytics	3,100,000	-	3,100,000	599,413
Cloud Adoption	3,000,000	3,200,000	6,200,000	1,370,074
(Funds reallocated to Cloud Migration project)				
CoE (Digital, Integration, Testing, Automation)	2,000,000	(1,700,000)	300,000	-
(Deallocated by $1.7M, and funds added to Cloud Adoption focus area)				
Public Website and Partner Websites	2,000,000	(426,150)	1,573,850	526,741
($338,650 & $87,500 deallocated from this focus area and added to Knowledge Platforms and Content Management)				
Government Insertions	300,000	75,000	375,000	276
ISM	584,147		584,147	149,745
Work brought forward from 2021/22:				
STRM (ISM and TRM)	-	-	2,185,561	2,185,561
21/22 Business Initiatives	-	-	1,902,910	1,902,910
Innovation Fund	-	-	420,347	420,347
LPM TOTAL	**20,984,147**		**20,984,147**	**11,934,052**

ECM Program Oversight

LPM Decision Request:	**Requesting formal approval to release $175,000 of CMS funds from the Knowledge Platforms and Content Management focus area for Program Oversight of the ECM epics. Please note, this approval would formalize the funding previously approved by Stephen Ramchandar - $100,000 – April 4, 2022 and $75,000 on May 18, 2022 for Program Oversight. As this Program Oversight is provided for all the epics, $87,500 would be reallocated from the Public and Partner Website focus area to the Knowledge Platforms and Content Management focus area to help fund this effort.**
WSJF Factors	N/A (Medium T-shirt size $100-250K)
Minimum Viable Product (MVP):	ECM Program Oversight focus area does not include any development. A detailed MVP description can be found each of the 4 Epics Lean Business Cases (LBC).
Business outcome hypothesis:	• Reduce technology risk • Consulting advice • ECM roadmap guidance • Program execution support
Business Owner:	Joelle Curtaz, Value Stream Product Manager, Product Management
Product Manager:	Joelle Curtaz, Value Stream Product Manager, Product Management
Agile Teams Required:	No
Support Services Required:	Bradley Moore – Customer experience; Peter Garn – SDO; Shawn Campbell – Enterprise Architecture; Tamara Boblinski – Change and knowledge Management

PUB (MPI) 1-119

Part and Chapter:	Part V Value Assurance	Page No.:	11
PUB Approved Issue No:	21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:	GRA Reported Projects		
Sub Topic:			

Preamble to IR:

Question:

Please provide an updated Figure VA - 1 GRA Reported Projects which includes a column denoting for each project whether the Project is either a "Focus Area" or a "Business Case" developed project.

Rationale for Question:

To understand the evolving strategy of Value Management.

RESPONSE:

Please see *Figure 1* which reflects updates to the original *Part V Value Assurance Chapter Figure VA-1* GRA Reported Projects that indicates if these are projects (business case), or funding envelopes (focus areas).

Figure 1 GRA Reported Projects that Reflects Updates to Part Value Assurance Chapter Figure VA-1

Line No.	Project Name	Focus Areas/ Business Case Developed Project	2019/20 Project Budget (000's)	2020/21 Project Budget (000's)	2021/22 Project Budget (000's)	2022/23 Project Budget (000's)	2022/23 Reallocation of Funding (000's) 5	2023/24 Project Budget (000's)	Total Life To-Date Budget (000's)
1	**Project NOVA[1]**	**Business Case**	$10,000	$25,000	$43,711	$77,323		$64,535	$273,545
2	**IT Transformation (Data Analytics/ Process**	**Business Case**			$3,400				$3,400
3	**Enhancements2)**								
4	**TRM 2020/21**	**Business Case(s)**		$3,941					$3,941
5	**TRM 2021/22**	**Business Case(s)**			$5,206				$5,206
6	**Information Security Maturity 2**	**Business Case(s)**	$5,100	$740					$5,840
7	**Human Resources Management System (HRMS)**	**Business Case**		$1,210					$1,210
8	**Optimization - Phase 1**								
9	**Cityplace Space Plan**	**Business Case**			$7,800	$7,300		$6,200	$22,500
10	**Microsoft 365**	**Business Case**			$2,971				$2,971
11	**e-Signature**	**Business Case**			$576				$576
12	**Digital Culture (M365 & Remote Work)**	**Focus Area**				$1,000		$2,800	$3,800
13	**Data & Analytics**	**Focus Area**				$3,100		$3,140	$6,240
14	**Cloud Adoption**	**Focus Area**				$3,000	$3,200	$300	$6,500
15	**Knowledge Platforms and Content Management**	**Focus Area**				$2,000	$426		$2,426
16	**Public Website and Partner Website**	**Focus Area**				$2,000	($426)		$1,574
17	**CoE (Digital, Integration, Testing & Automation)**	**Focus Area**				$2,000	($1,700)		$300
18	**Innovation Funding**	**Focus Area**				$2,500		$3,500	$6,000
19	**Government Insertions**	**Focus Area**				$300		$1,050	$1,350
20	**STRM 2022/23**	**Focus Area**				$4,500	($1,500)		$3,000
21	**STRM 2023/24**	**Focus Area**						$4,500	$4,500
22	**HR and Finance 3**	**Focus Area**						$3,450	$3,450
23	**Partners and Customers Experience 4**	**Focus Area**						$3,950	$3,950
24	**Enterprise Content Management 5**	**Focus Area**						$1,700	$1,700

25 Note (1) Project NOVA – Re-baselined budget approved February 2022
26 Note (2) IT Transformation includes one project budgeted in TRM 2021/22 for $2.0M and two projects budgeted in operations for $600k - Total budget is $6.0M
27 Note (3) Represents addition of a new HR and Finance focus envelope in 2023/24
28 Note (4) Represents addition of a new Partners and Customers Experience focus envelope in 2023/24
29 Note (5) Represents addition of a new Enterprise Content Management focus envelope in 2023/24
30 Note (6) Represents reallocation of funds amongst focus envelopes during 2022/23 fiscal year

PUB (MPI) 1-120

Part and Chapter:	**Part V Value Assurance**	**Page No.:**	**12**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**GRA Reported Projects**		
Sub Topic:	**Close Out Reports**		

Preamble to IR:

MPI states:

The VMO used, and EVA will continue to use the Project 1 Closeout Report to perform a post implementation review of each project.

Question:

a) Please denote whether strategy and closeout artifacts provided for 2022/23 Focus Area projects completed differ from strategy and artifacts developed for prior years, and provide rationale.

b) Please provide closeout reports for all projects completed as of June 30, 2023.

Rationale for Question:

To understand the evolving strategy of Value Management.

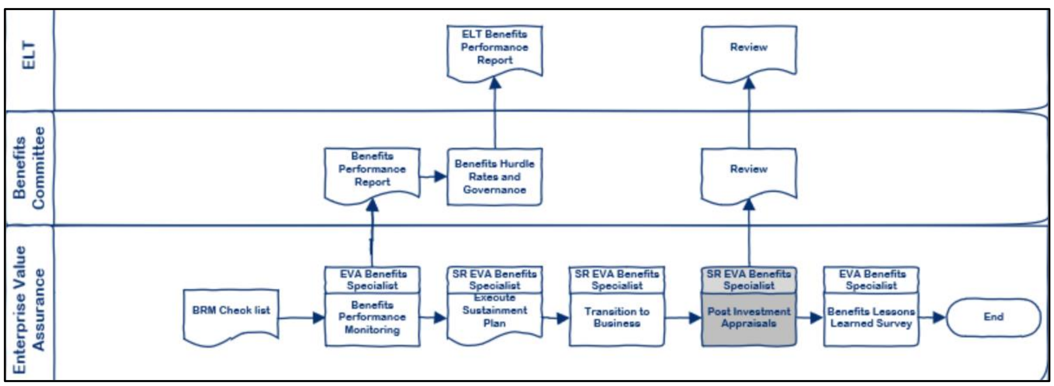
RESPONSE:

a) As noted in the *Part V Value Assurance Chapter*, the current process of utilizing project closeout reports as part of performing post-implementation reviews of each project will continue in the interim.

Going forward, a new Enterprise Value Assurance (EVA) and Benefits Realization Management (BRM) framework and processes will be developed as part of continuing to leverage project close out reports as outcomes from change initiatives.

New Enterprise Value Assurance Investment Appraisals, as well as *Post* – Investment Appraisals will be introduced as part of the new Benefits Realization Management process in support of the financial comparison between the original approved investment appraisal against the actual value that was realized when the project closed.

Figure 1 Benefits Realization Management Process



b) Please see *Appendices 1 to 15* for copies of Project Closeout reports for completed projects as of June 30, 2023.

The following includes the Project status and related status of Project Closeout reports included in the GRA 2024 Value Assurance Chapter that originally identified estimated completion dates within the June 30, 2023 period.

- e-Signature – revised project completion date – August 30, 2023
- ECM Collaboration Migration – revised project completion date – December 30, 2023

- ECM Content Architecture – project completed – estimated date of Project Closeout report, end of August 2023

- ECM Knowledge Platforms – revised project completion date – October 31, 2023

- STRM – Vulnerability Management – revised project completion date – August 31, 2023

Appendix 1:
ISM Program Project Closeout Report

This material is the subject of a confidential motion.

MANITOBA PUBLIC INSURANCE

Project Closeout Report

3027 – HRMS Optimization – Phase 1

3155 - HRMS Gap Analysis

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
23/5/2023	1.0	Initial Version	Subhash Monikandan
25/5/2023	1.1	Feedback comments incorporated	Subhash Monikandan
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Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

HRMS Optimization – Phase 1 project was approved in 2020 to eliminate the manual effort required to address the issues and workarounds resulted out of the Infor upgrade along with enabling new modules within Infor by configuring the Infor system. On further analysis, it was discovered that a technology upgrade is required for the key Infor software components to configure Infor to enable new modules.

In May 2021, it was determined that the Technology upgrade will be completed through a different initiative prior to moving forward with the HRMS Optimization project - Phase 1. However, due to the below reasons, the Technology upgrade project didn't proceed beyond the planning phase:

- The vendor roadmap identified the end of life for the current proposed solution
- MPI's corporate direction was to move to a cloud-based solution

As continuing with this project is no longer feasible, HRMS Optimization project was closed and cost incurred ($143,055) was recorded as impairment.

In order to align the HRMS future state with the Corporate direction, the 'HRMS Gap Analysis' project was started with a budget of $500k to assess the current state of HRMS System and the related process and gather requirements for the Cloud (SaaS) based HRIS System. The 'HRMS Gap Analysis' project also identified the preparatory work for the large scaled implementation of Cloud based HRIS System.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives of HRMS Gap Analysis to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Assess the current state of HRMS system and the related processes.	Completed	3155 - HRMS Gap Analysis - Capability Map - HR
RFP (Request for Proposal) to select a SaaS based HRIS software is created.	Completed	3155 - HRMS Gap Analysis - RFP - HRIS Software
Identify the Preparatory work for the implementation of Cloud based HRIS System.	Completed	3155 - HRMS Gap Analysis - Readiness Tactics - Final People and Culture Epics Backlog - Boards (azure.com)
Cost Analysis and Business case for HRIS Readiness & for SaaS	Completed	LBC - HRIS Readiness LBC - HRIS Implementation

based HRIS Implementation is created and presented to the Sponsors.		HRIS Readiness & Implementation Estimates HRIS Implementation Cost Analysis
High-level Data Requirements for configuring the future HRIS system for CoreHR and LMS is assessed and documented.	Completed	3155 - HRMS Gap Analysis - MPI Employee Data 3155 - HRMS Gap Analysis - MPI Foundation Objects Data
Timecard Business Discovery for configuring the future HRIS system is documented	Completed	3155 - HRMS Gap Analysis - Timecard Discovery
High level assessment documents to enable smooth restart of the project in future	Completed	3155 - HRMS Gap Analysis - Enterprise Content Management 3155 - HRMS Gap Analysis - Data Migration Strategy 3155 - HRMS Gap Analysis MPI - HRMS Position Management 3155 - HRMS Gap Analysis - MPI - Learning Tracking

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
4/25/2023	CR-001	HRMS Gap Analysis project will deliver only a subset of the Objectives that were approved in the Project Charter due to changes in corporate priorities and other external factors and the timeline to complete is also moved from Sep 2023 to Mar 2023.	Approved	☒	☒	☒	☒	☒	☐	☐	☐
4/27/2023	CR-002	Extend the 3155-HRMS Gap Analysis project until April 21, 2023 and carry over the remaining amount of $230,703 to the Fiscal Year 2023-24.	Approved	☒	☐	☒	☒	☒	☐	☐	☐

Total Value of CR Changes $ 0

MANITOBA PUBLIC INSURANCE

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ 0

2.4. Project Summary: Schedule and Effort

Schedule

Planned Start date	Planned End date	Actual Start date	Actual End date	SPI
Jul 4, 2022	Apr 21, 2023	Jul 4, 2022	Apr 21, 2023	1

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

*__Remarks__ – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

Project Financials

$1.2m was approved in 2020/21 for the HRMS Optimization – Phase 1 project, however due to technical barriers including the identification of the end of life for the current on-prem solution along with a shift in corporate direction to more to a cloud-based solution, it was determined that $500,000 would be allocated to HRMS Gap Analysis project. The HRMS Optimization – Phase 1 project incurred costs of $143,055 which was recorded as an impairment and the project was closed in 2021.

The HRMS Gap Analysis project began in July 2022 and utilized $276,977 of the approved $500,000 budget. This results in a favourable variance of $223,023. The HRMS Gap Analysis project is being closed as of April 21, 2023 due to changes in corporate priorities and other external factors.

Categories	**Total Original Approved Budget**	**Total Actuals**	**Variance to Original Approved Budget over/(under)**
HRMS Optimization	$1,206,077	$143,055	$(1,063,022)
HRMS Gap Analysis	$500,000	$276,977	$(223,023)

Insert link to Project Charter. mpiprojects/HRIS/3155-HRMSGA/ProjectDocuments/3155%20-%20HRMS%20Gap%20Analysis%20-%20Project%20Charter.docx

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO

4. Project Outcomes

4.1. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Requirements to select a Cloud based HRIS software was documented and approved.	Completed	3155 - HRMS Gap Analysis - RFP - HRIS Software
Assessment of the existing HRMS System, its related processes and the high level remediation tactics to fix the known gaps.	Completed	3155 - HRMS Gap Analysis - Capability Map - HR 3155 - HRMS Gap Analysis - Readiness Tactics - Final
Identify the pre-work that are required to be completed before the System Integrator can start on the HRIS Implementation work.	Completed	People and Culture Epics Backlog - Boards (azure.com)

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Name:	Monica Kaushal	**Signature:**	*See SharePoint Workflow*
Role:	Director, HR Service Delivery	**Date:**	
Name:	Grant Gaudry	**Signature:**	*See SharePoint Workflow*
Role:	Manager, Budgeting	**Date:**	
Name:	Ed Dour	**Signature:**	*See SharePoint Workflow*
Role:	Director, EPMO	**Date:**	
Name:	Lani Edwards	**Signature:**	*See SharePoint Workflow*
Role:	Director, Enterprise Value Assurance	**Date:**	

☒ No further approvals are required beyond Operational Business Champion (OBC)

☐ Executive Project Sponsor(s) approval is required

Project Closeout Report

Desktop as a Service

3105

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

This project is in alignment with the Corporate Strategies for Future Workspace, IT Transformation, Improve productivity for employees, Process complex data faster, Collaborate in real time, Secure access for contractors & accelerate onboarding.

Instantly transition people to their remote work environments, while also positioning the business for accelerated growth and support the implementation of Flexible Work Program through a sustainable approach for OTP users who has known roadblocks to move to VPN method.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Implement DaaS to Contact Center users, Offshore contractors (*Nova Teams), **High performance Computer users & Data Centric users. **Nova Teams – Nova Integration and QCOE(for Nova work). Use case for these teams didn't have Offshore users.* *** One of the High Performance & Data Centric user group (Database Team) that was originally under Data Management & Analytics (DMA) was moved under PE&I, Project rolled out DaaS to DSO (Data Science & Operations) that continued with DMA.*	Completed	DaaS was rolled out to the following user groups. 174 CCO users 10 – Nova ISS users 12 – DSO Users 38 – QCOE Users
To eliminate the Audio/Video issues experienced by the OTP users while using collaboration tools such as Teams.	Completed	Teams Audio/Video call feature is available on DaaS.
Eliminate the need for in-person maintenance activities for onsite equipment	Completed	Virtual Machines is managed remotely using the DaaS – VM management console.
Increase maturity around user authentication for remote access	Completed	

and store data in a centrally controlled data center and on the endpoints and it never leaves the data center.		
Data loss prevention due to hardware failure as the VMs can be moved to a healthy host.	Completed	Disaster Recovery for the VMs were successfully tested. DaaS DR Technical Documentation

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ 0

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
5/5/2021	DR-DaaS-01	Build and implement DaaS using internal resources instead of engaging a Systems integrator	Approved	☒	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ 0

2.4. Project Summary: Schedule and Effort

Schedule

Planned Start date	Planned End date	Actual Start date	Actual End date	SPI
Dec 16, 2021	Oct 31, 2022	Dec 16, 2021	Oct 31, 2022	1

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

Project Financials

Business case requested an estimated capital cost of $393,000 which includes 15% contingency. Actuals as of Oct 31, 2022. Link to the Financial sheet 3105_LPM_Digital Culture_ Oct 2022

September & October subscription costs aren't included in the financials reported as of 31-Oct-22 which will be added to the actuals in the November month-end report.

Reporting Period End Date: 31-Oct-22
Project Name: Desktop as a Service
Project Code Number: 3105

Project Costs	Board Approved Budget	Actuals in Sep	Actuals in Oct	Actuals in Nov	Actuals to Date	Change in Estimates	Estimate for 2022/23	Revised Estimate For 2022/23	Project Estimate at Completion as at 31-Oct-22	Variance Amount to Original Budget
EXPENSE	**393,000**	**50,025**	**59,188**	-	**337,689**	-	-	-	**337,689**	**(55,311)**
External Resources	188,304	40,635	38,944	-	298,783		-	-	298,783	110,479
IBM RFS		-	-	-	-	-	-	-	-	-
SOW	71,071	-	-	-	-	-	-	-	-	(71,071)
SOW 1	71,071	-	-	-	-		-	-	-	(71,071)
SW/HW	77,960	9,390	20,244	-	38,362		-	-	38,362	(39,598)
Unallocated Budget		-	-	-	-		-	-	-	-
Contingency	55,665	-	-	-	-		-	-	-	(55,665)
Total Incremental Deferred De	-	-	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-	-	-
Total Incremental Expense	393,000	50,025	59,188	-	337,689	-	-	-	337,689	(55,311)
Total Project Cost	393,000	50,025	59,188	-	337,689	-	-	-	337,689	(55,311)

Categories	Total Original Approved Budget	Total Actuals	Variance to Original Approved Budget over/(under)
Total Project costs	$393,000	$337,689	$55,311

mpiprojects/oi-2021/3105-DaaS/ProjectDocuments/3105%20-%20DaaS%20-Project%20Charter.docx

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

mpiprojects/oi-2021/3105-DaaS/ProjectDocuments/3105%20-%20DaaS%20%20-%20Transition%20to%20Operations.pptx

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
High monthly DaaS subscription costs	The chosen subscription model meets the performance needs of the DaaS users, but the billing rates are higher than our original estimate.	Look for opportunities to optimize the SKU (Stock Keeping Unit) by constantly validating the resource consumption charges in the monthly subscription billing. Adjust the future forecast for DaaS subscriptions based on the discovery.	Doug Hamm
Project cost Overbudget	Project is overbudget by 63k. The original solution to build multi-session VM was changed to single user session VMs to make the legacy system work on DaaS, that resulted in higher subscription cost.	Either request additional funding from LPM or identify operational funding.	Arun Abraham

4. Project Outcomes

4.1. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Audio/Video issues experienced by the OTP users while using collaboration tools will be eliminated by DaaS	Completed	Collaboration tool with Audio/Video feature is available on the Virtual machines
Change from tactical to a strategic solution where a service provider delivers virtual desktops to the end users over the internet.	Completed	On-Premises OTP desktops were replaced with the Virtual machines on the cloud.
Eliminate the need for in-person maintenance activities for onsite equipment.	Completed	Virtual Machines is managed remotely using the DaaS – VM management console.
DaaS (Desktop as a Service) can scale quickly and on demand.	Completed	No wait time to procure laptop/desktop.

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible
Cost savings and reduced effort for future laptop refresh of operational DaaS VMs.	Need to wait for the next refresh cycle.	2026 – 4 yrs. from now.	Nancy Tackie Anderson.

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Name:	Arun Abraham	**Signature:**	*See SharePoint Workflow*
Role:	Director, Digital Workplace & Service Management	**Date:**	
Name:		**Signature:**	*See SharePoint Workflow*
Role:		**Date:**	

☒ No further approvals are required beyond Operational Business Champion (OBC)

☐ Executive Project Sponsor(s) approval is required

MANITOBA PUBLIC INSURANCE

Project Closeout Report

Power BI Rollout Phase II

3171

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
8/2/2023	1.0	Initial	P. Alvarado
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

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1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

***For** All Business Units and Projects*

***who** want to adopt Power BI as a tool for Business Intelligence which in the first phase developed the architecture, security controls, set up the environments, designed the training and defined the operational and governance model and pilot in some Business Units*

***the** Power BI Rollout phase two*

***is a** Project*

***that** intends to spread the Rollout in the Corporation and to provide support, training and guidance to adopt Power BI*

***unlike** existing Business Intelligence tools within MPI which lack the ability for data self-service???*

***our solution** enables MPI to be a more data driven Corporation, in alignment with MPI 2.0*

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Additional Training Materials in MPI Learn required for the corporate Rollout will be shared with the various departments as they are onboarded	Completed	MPI Learn (learnflex.net)
Rollout Strategy. Determine which Business Units will be involved in the Rollout and the project's strategy to achieve the objective	Completed	Rollout Strategy
Personal Identifiable Information (PII) management	Removed/Cancelled	Managed by Data Governance

process that defines how to manage Personal Identifiable Information and provide Row security and data ownership		
Datasets Promotion and certification process that defines how to manage Datasets.	Removed/Cancelled	CR-PBI-08- Director requested Scope change - V2
Data Flows management procedures document that defines the procedures and criteria required to administrate Data Flows Process document and testing for the promotion of reports from Dev workspaces to Prod workspaces	Completed	mpiprojects/dsp/3079-pbir/ProjectDocuments/R1%20Tactical%20Solution%20-%20PowerBI%20Dataflows.docx
Stakeholder Analysis and Strategy. Review which groups are impacted by the Power BI Rollout and manage the change	Completed	mpiprojects/dsp/3079-pbir/ProjectDocuments/PowerBI%20OCM%20Plan.pptx
Functional testing by every business unit involved is necessary to verify the validity of the data in the report.	Removed/Cancelled	CR-PBI-08- Director requested Scope change - V2
Stress and Performance testing by the BI Team will be performed. Execution will be focused on the platform.	Removed/Cancelled	CR-PBI-08- Director requested Scope change - V2
Support to Nova Reports 1A	Completed	Power BI Rollout Phase 2

The Power BI Rollout Phase 2 Project supported the Nova Reports 1A project with the following activities:

- Creation of Workspaces for Nova R1A
- Creation of Workspaces for Operations Teams
- Provision of permission of Service Accounts to data sources
- Connections confirmation to operational data sources
- Connectivity confirmation for MPI Power BI Service to Duckcreek insights Datasource on Cloud
- Development of CI/CD (Continuous Integration/ Continuous Development) for Power BI content
- Promotion of Dataflows, Datasets and Reports from Prod to Ops IA
- Promotion of Dataflows, Datasets and Reports from Ops IA to Ops Sysd
- Promotion of Dataflows, Datasets and Reports from Ops Sysd to Ops PreProd
- Deployment of OOB Billing Report to SIT Environment
- Deployment of Custom Reconciliation Reports to SIT - Power BI Reports (8 Reports)
- Connection update of Production - SRE Phase 1 Paginated Reports (more than 50)
- Reappointment of dependent's reports Coordinate Deployment of Billing Power BI OOTB Report to UAT
- Coordinate Deployment of Billing Power BI OOTB Report to UAT
- Creation of workspaces and Gateway connections for Duckcreek
- Creation of workspaces and connections' testing for Finance
- Creation of workspaces, AD Groups, gateway connections, and access for service accounts to databases for SRE – PROD environments
- Creation of workspaces, AD Groups, gateway connections, access for service accounts to databases for Duckcreek – UAT environments
- Setting up permissions and access to reports
- Supporting to production
    - Establish connectivity of the Power BI to Duck Insights
    - Implement D365 Integration
    - Establish connectivity of the Power BI Dataflow to the MPI Data Hub and Mart
    - Power Automate scripts promoted and scheduled
    - Promotion Dataflows, Datasets and Reports from SIT / UAT to PROD
    - Production Testing
    - Promote Custom Reconciliation Reports from IA to SIT, SIT to UAT
    - Scheduled Refreshes
- Supporting Issues

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	CR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
1/27/2023	CR-PBI-08-Director requested Scope change	Director requested Scope change	Approved	☒	☐	☐	☐	☒	☐	☐	☐

Total Value of CR Changes $ (54,500**)**

[Management Documents - All Documents]

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other

Click here to enter a date.	N/A	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

Power BI Rollout Phase 2

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

MANITOBA PUBLIC INSURANCE

Project Financials

Reporting Period End Date: 28-Feb-23
Project Name: Power BI Rollout Phase II
Project Code Number: 3171

Project Costs	Board Approved Budget	Actuals in Feb	Actuals to Date	Change in Estimate for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Revised Estimate for 2022/23	Project Estimate at Completion as at 28-Feb-23	Variance Amount to Original Budget
EXPENSE	410,435	15,920	168,074	-	136,015	-	136,015	304,089	(106,346)
External Resources	332,900	15,920	160,804		5,750	-	5,750	166,554	(166,346)
MPI Resources (Incremental)		-	-		-	-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-	-
IBM RFS		-	-	-	-	-	-	-	-
RFS 1		-	-		-	-	-	-	-
RFS 2		-	-		-	-	-	-	-
SOW		-	-	-	60,000	-	60,000	60,000	60,000
[redacted]									
SW/HW	24,000	-	7,270		16,730	-	16,730	24,000	-
Unallocated Budget		-	-		-	-	-	-	-
Forecasting to Budget		-	-		-	-	-	-	-
Contingency	53,535	-	-		53,535	-	53,535	53,535	-
0		-	-		-	-	-	-	-
Total Incremental Deferred Development	-	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-	-
Total Incremental Expense	410,435	15,920	168,074	-	136,015	-	136,015	304,089	(106,346)
[redacted]									

Epics - Power BI Rollout Phase 2

Power BI Rollout Phase 2

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

mpiprojects/dsp/3079-pbir/ProjectDocuments/3171%20Power%20BI%20%20Transition%20to%20Operations.docx

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
N/A			

Documents identified in the project are found in the Project Issue Log through the link below.

MPI-Production/MPI/_workitems/edit/248746/

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Lessons Learned MPI-Production/MPI/_apps/hub/ms-devlabs.team-retrospectives.home?teamId=a85e1168-de82-4188-a92b-81928faad7f1&boardId=100d9693-c08c-4c70-8466-7508bd55cf94

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Training Material	Completed	mpiprojects/dsp/3079-pbir/ProjectDocuments/MPI%20Learn%20training.docx

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

ECM Program

3141

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
22/3/2023	0.1	Create Document	Gary Pronych
Click here to enter a date.	1.0	Update Document with Financials	Amit Jadhav
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

The purpose of the project was to provide a consultant Enterprise Architect to support the ECM value stream in a fixed budget capacity. **[Redacted]**. The consultant was needed to provide solution guidance to transition these MPI services to supported services. The consultant was to provide oversight and technical guidance to MPI and the ECM value stream.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Strategy and LPM documents for KnowledgeNet and Brokers Online	Completed	Project is approved and underway
ECM Strategy	Completed	Delivered document and completed leadership presentations
ECM Program Oversight	Completed	Provided business and technical architecture guidance to ECM projects
	Choose an item.	

2.3. Project Changes and Decisions

None.

2.4. Planned Scope of Work – Project Control Log

Not needed.

2.5. Project Summary: Schedule and Effort

Not needed as this project was fixed budget.

Project Financials

	LPM Approved	EAC
ECM Program (3141)	$175,000	$186,900

3. Transition to Operations

3.1. Project to Operations Transition Form

No transition needed.

3.2. Outstanding Issues

None.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Insert link to the Lessons Learned site.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Improve Value Stream Planning	Completed	Solution and scope completed for all ECM projects
Remove technical barriers	Completed	**[Redacted]** approved technology.
Technical guidance and leadership	Completed	Approved projects are progressing
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible
Remove technical barriers	Continue to remove technical barrier	Continuous	SDO, Enterprise Architecture

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

Enterprise Information Architect for DMA

3188

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Revision History

Date	Document Version	Description of Changes	Author
Click here to enter a date.	2.0 Oct. 2021	EPMO changed to APMO	L. Anderson
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

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2. PROJECT ASSESSMENT

2.1. Project Overview

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
An updated the data strategy that supports MPI's business strategy	Completed	Data and Analytics Strategy for MPI_Update.pptx
A data integration strategy that supports MPI's data driven guiding principle	Removed/Cancelled	
A data architecture that identifies data assets, methods of access, storage / backup and recovery to meet MPI's needs for the foreseeable future	Completed	GovernanceFramework_wip_v1.pptx Dimension_Modelling.pptx Dimension_Modellingupdate.pptx
A position description for the role of enterprise architect – information specialist	Completed	Information Architect Job Spec.docx
A governance framework that includes well defined policy, procedures, roles, and responsibilities to ensure initiatives actively engage appropriate resources and effectively manage data as an asset.	Completed	GovernanceFramework_wip_v1.pptx

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

Insert link to the CR Log.

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

Insert Link to the Project Control Log.

Data and Analytics Strategy for MPI_Update.pptx

GovernanceFramework_wip_v1.pptx

Information Architect Job Spec.docx

Dimension_Modelling.pptx

Dimension_Modellingupdate.pptx

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

Original Effort: 9 Months

Actual Effort: Start Date: Aug 9th, 2022. End Date: Feb 3rd 2023. Effort: 6 Months

SPI = 1.5

Project Financials

EHS - Enterprise Data Architect Funding_Draft_Aug 10_22.docx

Epic Hypothesis.pptx

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Insert link to the Project to Operations Transition Form.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO

Documents identified in the project are found in the Project Issue Log through the link below.

Insert Link to the Project Issue Log.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Insert link to the Lessons Learned site.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
	Choose an item.	
	Choose an item.	
	Choose an item.	
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

NAME	TITLE
Ed Dour	Director, APMO
Grant Gaudry	Manager, Budgeting & Project Accounting
Shawn Campbell	Director, Enterprise Architecture

Project Closeout Report

Culture 2.0

3176, 3177, 3179, 3180, 3181

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Revision History

Date	Document Version	Description of Changes	Author
6/4/2023		Submission of Project Closeout Report	C Wyche, M Buchanan
26/4/2023		Revisions	S Smith
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

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- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

Culture 2.0 is integral to achieving MPI 2.0 in the 5-year horizon. In order to create transformational change, our culture and our people, need to be equipped with the right vision, leadership, employee experience, behaviours and coaching.

The primary project outcomes/benefits include:

- Culture 2.0 Framework
  - A consistent and intentional Culture 2.0 Framework aligned to the work in progress
  - Identify areas where more work is required to drive greater benefit so work is completed where it will drive the most value
- MPI EX Framework and Methodology aligned to Customer Experience (CX).
- Leadership Agility Plan sustained through the corporation
- Collection of vendor responses that will be used for future competency model RFP in 2023
- Leaders (supervisors through to directors) will have leadership coaching skills gained through training to:
  - Focus on the growth and development of their people (skills and behaviours)
  - Conduct career conversations
  - Collaborate with employees to create and maintain development plans

The work involved with Culture 2.0 and the five primary initiatives within it have been completed to some extent under LPM funding while those that were categorized as incomplete will continue into the 2023/24 fiscal year. The costs associated with the remaining work will be maintained under the the TMLD Operational budget.

2.2. Goals and Objectives Performance

Outlined in the Culture 2.0 LPM Lean Business Case, early MVP features or capabilities to be used 0- 6 months, included:

1. **Culture 2.0 Framework (LPM 3177)-** Enhance roadmap to create a comprehensive program inclusive of the already in progress initiatives linking goals, outcomes and results. Continue culture conversation series and create new values model.
2. **Employee Experience (EX) (LPM 3176)** –A strategy to create the MPI EX program, linking HRIS implementation and CX Framework. The development of an MPI Employee Lifecycle, inclusive of the *moments that matter to* identify key interactions in an employee’s journey.

3. **Leadership Agility (LA) Sustainment (LPM 3180) –** A comprehensive program to sustain the current LA training, inclusive of a supervisory learning program, additional coaching opportunities and integration into corporate talent management programming and culture work.
4. **Competency Framework (LPM 3181)-** Investigate current and future state needs, available models and frameworks and understand the integration requirements to the HRIS implementation, as well as other talent management programs.
5. **Coach Program (LPM 3179)** – Launch certified coaching program to core people practitioners. Develop "Coach approach" program for leaders in conjunction w/ the LA sustainment plan.

The leadership agility training program was found to provide the foundation for all the work that was delivered to develop culture 2.0 this year. Leadership Agility training and culture workshops and values refresh are inextricably linked.

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Culture 2.0 Framework (3177)	Completed	Updated culture roadmap Developed new Culture Values model for *Our MPI* Developed new 2023/24 Leadership Objective Introduced V2MOMs and completed for executive team, individual for each executive, and SLT in each directorate Our MPI Culture values were sourced from the following completed activities: Culture Conversations Series with leaders: 42 participants Crowdsourcing Culture sessions: 150 employees Redefining Leadership Performance workshop series (4 modules): 65 leaders Leadership Agility Workshop series (8 modules): 305 leaders Operations Roadshows: in-person sessions in all MPI locations with over 1000 employees
Employee Experience (3176)	Incomplete	Completed journey maps for key events in *two* stages of employee life cycle: Recrtuiment and Retain and Offboard. Completed 114 journey maps Identified 97 gaps or opportunities to build solutions to our employee experience

		Designed 50 solutions and assigned to business owners in Azure Dev Ops platform for project tracking Built EX Strategy Incomplete: Journey maps for remaining three stages - Onboarding, Developing and Retaining.
Leadership Agility Sustainment (3180)	Completed	Delivered 8 module Leadership Agility training program to 305 employees including Executives, SLT, Mgmt and supervisors to build a common leadership language and expectation on leading people. Delivered monthly leadership Grow sessions as optional support for leaders to continue to share their leadership practices and to further develop their leadership competencies.
Competency Framework (3181)	Removed/Cancelled	Developed and distributed RFI #3168 in Nov 2022. Reviewed responses from three service providers. Drafted an RFP; process was placed on hold due to change in funding from LPM to operational budget.
Coaching Program (3179)	Incomplete	Delivered 6 session 1-1 Leadership 360 Coaching Program to 24 leaders. Incomplete: Development of internal Coaching Program based on principles of Leadership Agility program.

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

NA

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ **Click here to enter text.**

NA

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

NA

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

NA

Project Financials

This Epic includes Culture 2.0 and Professional and Leadership Development Epics that have been combined into one Epic and presented as Culture 2.0. They include a total of five initiatives which People and Culture requested funding for and fall under the umbrella of Culture 2.0.

Below is the estimated costing summary submitted in the business case.

1. Culture 2.0 Framework	**$83,000**
2. Employee Experience (EX) Program	$75,000
3. Leadership Agility Sustainment • Provide program to supervisors (200) • Additional coaching, engage front-line staff	$300,000
4. Competency Framework • Model development • Competency integration	$200,000
5. Coaching • Coaching Certification • Leadership Coaching Skills	 $110,000 $450,000
Approx. Total Costs	**$1,200,000**

Project Accounting Actuals:

Culture 2.0 Framework (3177)

Reporting Period End Da 31-Mar-23
Project Name: Culture 2.0
Project Code Number: 3177

Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimates for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	83,000	17,100	104,000		-	-	104,000	21,000
External Resources		-	-		-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-
IBM RFS		-	-	-	-	-	-	-
SOW	83,000	17,100	104,000	-	-	-	104,000	21,000
SOW 1 - AMP Coaching consultant		17,100	104,000		-	-	104,000	104,000
SW/HW		-	-		-	-	-	-
Unallocated Budget		-	-		-	-	-	-
Forecasting to Budget		-	-		-	-	-	-
Contingency		-	-		-	-	-	-
Total Incremental Def	-	-	-		-	-	-	-
Total Incremental Cap	-	-	-		-	-	-	-
Total Incremental Exp	83,000	17,100	104,000		-	-	104,000	21,000
Total Project Cost	**83,000**	**17,100**	**104,000**		**-**	**-**	**104,000**	**21,000**

Employee Experience (3176)

Reporting Period End Date: 31-Mar-23
Project Name: Employee Experience
Project Code Number: 3176

Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimates for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	-	9,360	57,360	-	-	-	57,360	57,360
External Resources		-	-		-	-	-	-
Consultants Travel/Parking		-	-		-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-
IBM RFS		-	-	-	-	-	-	-
RFS 1		-	-		-	-	-	-
SOW		9,360	57,360		-	-	57,360	57,360
SOW 1 - 7 Key Consulting	75,000	9,360	57,360		-	-	57,360	(17,640)
SOW 2		-	-		-	-	-	-
SOW 3		-	-		-	-	-	-
SW/HW		-	-		-	-	-	-
Unallocated Budget		-	-		-	-	-	-
Forecasting to Budget		-	-		-	-	-	-
		-	-		-	-	-	-
Total Incremental Deferred Developn	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-
Total Incremental Expense	-	9,360	57,360	-	-	-	57,360	57,360
Total Project Cost	75,000	9,360	57,360	-	-	-	57,360	(17,640)

Competency Framework (3181)

Reporting Period End Date: 31-Mar-23
Project Name: Competency Model(RFI)
Project Code Number: 3181

Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimates for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	200,000	-	-	-	-	-	-	(200,000)
External Resources		-	-		-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-
IBM RFS		-	-	-	-	-	-	-
RFS		-	-		-	-	-	-
RFS		-	-		-	-	-	-
SOW		-	-	-	-	-	-	-
SOW 1		-	-		-	-	-	-
SOW 2		-	-		-	-	-	-
SW/HW	200,000	-	-		-	-	-	(200,000)
Unallocated Budget		-	-		-	-	-	-
Contingency		-	-		-	-	-	-
		-	-		-	-	-	-
Total Incremental Deferred Dev	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-
Total Incremental Expense	200,000	-	-	-	-	-	-	(200,000)
Total Project Cost	200,000	-	-	-	-	-	-	(200,000)

Coaching (3179)

Reporting Period End Date: 31-Mar-23
Project Name: Coaching Skills
Project Code Number: 3179

Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimates for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Revised Estimate for 2022/23	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	560,000	10,635	18,380	-	-	-	-	18,380	(541,620)
External Resources		-	-		-	-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-	-
IBM RFS		-	-	-	-	-	-	-	-
SOW	560,000	10,635	18,380	-	-	-	-	18,380	(541,620)
SOW 1 - Virtual training	110,000	-	-		-	-	-	-	(110,000)
SOW 2 - Coaching skills t	450,000	10,635	18,380		-	-	-	18,380	(431,620)
SOW 3		-	-		-	-	-	-	-
SW/HW		-	-		-	-	-	-	-
0		-	-		-	-	-	-	-
0		-	-		-	-	-	-	-
0		-	-		-	-	-	-	-
Total Incremental Deferred De	-	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-	-
Total Incremental Expense	560,000	10,635	18,380	-	-	-	-	18,380	(541,620)
Total Project Cost	560,000	10,635	18,380	-	-	-	-	18,380	(541,620)

Leadership Agility Sustainment (3180)

Reporting Period End Date: 31-Mar-23
Project Name: Leadership Agility Sustainment
Project Code Number: 3180

Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimates for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	300,000	95,394	245,706	-	-	-	245,706	(54,294)
External Resources		-	-		-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-
Employees training		-	-		-	-	-	-
IBM RFS		-	-	-	-	-	-	-
RFS 1		-	-		-	-	-	-
RFS 2		-	-		-	-	-	-
SOW	300,000	95,394	245,706	-	-	-	245,706	(54,294)
SOW 1 - AMP Coaching Consultant	300,000	95,394	245,706		-	-	245,706	(54,294)
SOW 2		-	-		-	-	-	-
SW/HW		-	-		-	-	-	-
Unallocated Budget		-	-		-	-	-	-
Reference Materials		-	-		-	-	-	-
		-	-		-	-	-	-
Total Incremental Deferred Development	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-
Total Incremental Expense	300,000	95,394	245,706	-	-	-	245,706	(54,294)
Total Project Cost	300,000	95,394	245,706	-	-	-	245,706	(54,294)

Insert link to Project Charter.

Insert link to Project Plan.

Project Chart and Project Plan links are NA

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Insert link to the Project to Operations Transition Form.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
Coaching Program		Design and develop	Michelle Buchanan
Remaining EX journey maps		Complete maps	Carolyn Wyche

Documents identified in the project are found in the Project Issue Log through the link below.

NA

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Insert link to the Lessons Learned site.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Our MPI Culture Value proposition and supporting statements	Completed	
MPI Leadership Objective designed to sustain both the principles of Culture 2.0 and leadership agility practices	Completed	
V2MOM practice embedded into divisions and across EC to allow regular touch points on agreed upon leadership strategy framework	Completed	
EX solutions implemented in various processes within People and Culture team; improvements realized for candidate and employee touch points	Completed	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible
Culture and leadership develoment	Implement a Coaching Manager training program for leaders to align and support Leadership Agility principles and practices.	September 30th, 2023	TMLD
	Continue to offer Leadership Agility training program for new leaders and those who were unable to participate in 2022/23.	Ongoing	TMLD

Employee experience	Prioritze and assign the Opportunities and Solutions identified through Journey Mapping. Complete journey maps in remaining three life cycle stages Build method to measure the impacts or completions of the prioritized solutions	Q2 2023 Q2 2023 Q1 2024	TMLD

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

Duck Data Mart Enrichment

3183

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
19/4/2023	1.0	First Draft prior to workflow review	Matt Betker
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

This LPM item was to created to cover enhancements needed to the Duck Data Mart. This is a component of the Duck product suite, being implemented through NOVA. Several years back, an agreement was made for DM&A to stand up in the data infrastructure (MPI Data Hub) needed for NOVA, with the NOVA project/program coming up with the strategy to populate that infrastructure. This work fell into a grey area, and after discussions with NOVA leadership it was decided that the funding for this work would come from the DM&A Capital Master Summary, which is why this has been tracked as a project/LPM item.

The work itself was managed via NOVA, through a contractual CR with the vendor Accenture.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Vendor to complete tasks in accordance to ADO item 185833	Completed	Invoice #1200165886 – Sprint 16 (CR9) – receipt of services (Insights for Data Analytics) Payment (ADO 205860).pdf Invoice #1200165885 – Sprint 17 (CR9) – receipt of services
	Choose an item.	
	Choose an item.	
	Choose an item.	

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	CR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

Insert link to the CR Log.

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

This LPM item did not have a project control log

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

This work was managed as part of NOVA, via the following ADO item 185833. No unique schedule was kept for this effort.

MANITOBA PUBLIC INSURANCE

Project Financials

Reporting Period End Date:	31-Mar-23								
Project Name:	Duck Data Mart Enrichment								
Project Code Number:	3183								
Project Costs	Board Approved Budget	Actuals in Mar	Actuals to Date	Change in Estimate for 2022/23	Estimate for 2022/23	Estimate for 2023/24	Revised Estimate for 2022/23	Project Estimate at Completion as at 31-Mar-23	Variance Amount to Original Budget
EXPENSE	150,000	27	44,942	-	-	-	-	44,942	(105,058)
External Resources		-	-		-	-	-	-	-
MPI Resources (Incremental)		-	-		-	-	-	-	-
Employees Travel/Parking		-	-		-	-	-	-	-
IBM RFS		-	-	-	-	-	-	-	-
RFS 1		-	-		-	-	-	-	-
RFS 2		-	-		-	-	-	-	-
[redacted]									
SW/HW		-	-		-	-	-	-	-
Unallocated Budget		-	-		-	-	-	-	-
Forecasting to Budget		-	-		-	-	-	-	-
Contingency		-	-		-	-	-	-	-
0		-	-		-	-	-	-	-
Total Incremental Deferred Development	-	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-	-
Total Incremental Expense	150,000	27	44,942	-	-	-	-	44,942	(105,058)
[redacted]									

This initiative did not have a project charter.

There was no project plan for this initiative.

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

As part of a larger DM&A operational readiness process for NOVA R1, knowledge transfer was done between Accenture and MPI staff. No separate documents were created.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
None			

Documents identified in the project are found in the Project Issue Log through the link below.

No project issues log was kept for this initiative.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

No lesson's learned were documented for this initiative. If anything was captured would be included in the NOVA's retrospective sessions.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Complete Duck Data Mart Enhancements as per ADO item 185833	Completed	Please see ADO item 185833 and related items.
	Choose an item.	
	Choose an item.	
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible
Enhancements to be consumed in fiscal 23/24 when the Data 2.0 infrastructure is in place	Completion of Data 2.0 project	Fiscal 23/24	DM&A

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

MANITOBA PUBLIC INSURANCE

Project Closeout Report

Unified Endpoint Management

3187

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
24/5/2023	1.0 April 2023	EPMO changed to APMO	N.Tackie Anderson
26/4/2023		Updated A.Abraham recommended changes	N.Tackie Anderson
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

This project is in alignment with the Corporate Strategies for Future Workspace, IT Transformation.

Modernizing and consolidating management of our end point devices (mobile phones, desktops etc.), supports the Digital Workplace roadmap, vision and opportunities built on our existing MS365 e5 licensing investments by the end of fiscal year 2022/23. Additionally, this solution enables the ability to decommission our current solution Ivanti for software distribution.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Implement governance in devices to promote a consistent user experience	Completed	• Consistent framework across all devices to be treated and managed; **[Redacted]** • Smoother onboarding processes; **[Redacted]** • Role based access; Completed fully and in use • New device deployment **[Redacted]**; Completed fully and in use • Automation capability to reduce or eliminate tasks • Supports the consistent customer/user experience; **[Redacted]** • Support needs continue to grow as technology continues to change, this reduces support time by increasing efficiency in processes by leveraging solution functionality (remote support); Completed and ongoing improvements as time progresses • Reporting – usage, vulnerability now accessible/improved
Centralized Policy based configuration	Completed	• **[Redacted]** can delivery policies via internet. Group policies objects can still be deployed via **[Redacted]** • Users no longer required to come into the office for updates, fixes, and changes; **[Redacted]**
Centralized Software/Firmware Management	Completed	• Moving target to manage firmware and software, moves us to industry standard solutions for Global policy administration; **[Redacted]** • Input into the Digital Workspace roadmap
Enable self-service	Completed	• Input into the Digital Workspace roadmap • Culture shift to enable and empower users • Support users to focus on their Business and not ITs ability to enable or resolve technical needs • **[Redacted]**
Remote control	Completed	• Team viewer purchased and implemented; Completed fully and in use
Patch Management	Completed	• **[Redacted]** implemented and operationalized; Completed fully and in use

Base Builds	Completed	• Purchased USB sticks - **[Redacted]** implemented and operationalized; Completed fully and in use
Application installs	Completed	• **[Redacted]**implemented and operationalized
Inventory Reporting	Completed	• Basic software and hardware inventory capabilities are provided **[Redacted]**, which was implemented and operationalized.

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	CR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
2/10/2023	**PO80598**	AP Adjustment form PRJ 3187	Approved	☐	☐	☐	☐	☒	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ $56,783.80

Insert link to the CR Log.

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

UEM ADO EPIC

ID	Work Item Type	Title	Assigned To	State	Tags
170360	Epic	Unified Endpoint Mgmt (Ivanti Replacement)	Nancy Tackie Anderson	Done	UEM
200383	Feature	TeamViewer	Rob Ozouf	Done	UEM
200384	Feature	Windows Patch Management	John Halabiski	Done	UEM
200386	Feature	Application Installs	Rossel Vermette	Done	UEM
220457	Feature	Bare Metal Builds	John Halabiski	Done	UEM
220458	Feature	Out of Box Experience - Autopilot/Pre-provisioning/White Glove	Ray Rai	Done	UEM
220698	Feature	Changes to AOL/CARS Release packaging	John Halabiski	Done	UEM
221921	Feature	Third Party Patch Management	John Halabiski	Done	UEM
221969	Feature	End User Impact Assessment	Rossel Vermette	Done	UEM
225128	Feature	Communication Audit / Page Cleanup	Brendan Kernaghan	Done	UEM
225186	Feature	Company Portal	John Halabiski	Done	UEM
228267	Feature	UEM Training for Staff	Rossel Vermette	Done	UEM

2.5. Project Summary: Schedule and Effort

Schedule

Planned Start date	Planned End date	Actual Start date	Actual End date	SPI
Nov 1, 2022	Jan 31, 2023	Nov 10, 2022	Jan 31, 2023	1

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

*__Remarks__ – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

Project Financials

Business case requested an estimated capital cost of **[Redacted]**which included 15% contingency. Actuals as of March 31, 2023. Link to the Financial sheet 3187_LBC Unified Endpoint Management

*R*econcilliation for budget funding identified in March 2023

[redacted]

Insert link to Project Charter.

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

As per business case;

The new technology is implemented utilizing MPI resources as the lead, this includes upskilled internal resources to support cost avoidance that would be required if a System Integrator was required to implement. Leveraging a technical consultant to assist in design and implementation, while continuing to provide real time functional upskilling of internal staff enables successful operational transition. No additional post project operational transition required based on the project approach.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
N/A			

Documents identified in the project are found in the Project Issue Log through the link below.

Insert Link to the Project Issue Log.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Insert link to the Lessons Learned site.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Solution for central/linked portals to manage configurations, software and firmware on each device and an out of box experience for user from the start, securely and self-driven from anywhere at any time.	Completed	End users and applications are now able to use the company portal for software access and distribution, **[Redacted]**.
Solution enabled the decommissioning Ivanti for software distribution, saving licensing cost term from Feb 12,2023 and $229,395.93 (as per February 2022) annually.	Completed	12/22/23 contract termination provided
Consistent application of industry standard security controls	Completed	Security patches are automated.
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

Data Governance Tool Implemenetation

3193

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
11/5/2023	1.0	First Draft prior to workflow review	Matt Betker
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

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- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

In order for the Data Management and Analytics department to improve our data governance maturity, we require a tool which will allow us to implement a variety of best practices. With the help of a vendor we have implemented a suite of tools designed to support data governance practices. There was no cost for the software, as it is included in our licensing agreement with Microsoft. The costs associated with this initiative where for having the vendor support our implementation efforts.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Tool implemented and ready for use	Completed	Software is available and ready for use
	Choose an item.	
	Choose an item.	
	Choose an item.	

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	CR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

Insert link to the CR Log.

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

This LPM item did not have a project control log

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

No project schedule was created for this initative. Therefore nothing has been included for this section.

Project Financials

Please refer to VM Appendix 10c - confidential

This initiative did not have a project charter.

There was no project plan for this initiative.

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Data Management and Analytics staff were engaged throughout the implementation of IDERA. Therefore no additional effort is required for transitioning to operations.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
None			

Documents identified in the project are found in the Project Issue Log through the link below.

No project issues log was kept for this initiative.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

No lesson's learned were documented for this initiative. If anything was captured would be included in the NOVA's retrospective sessions.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Tool Implemented and configured	Completed	Software deployed and ready for use in our environment.
	Choose an item.	
	Choose an item.	
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

New Data Modelling Tool

3191

MANITOBA PUBLIC INSURANCE

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
10/5/2023	1.0	First Draft prior to workflow review	Matt Betker
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

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- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

Aligning with our strategic vision of moving to cloud solutions, **[Redacted]**.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Stand up new cloud server **[Redacted]**	Completed	Server is available for use in our production environment
Working Data Modelling software	Completed	**[Redacted]** software is installed on the new server, ready for use
	Choose an item.	
	Choose an item.	

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

Insert link to the CR Log.

DATE	**DR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

This LPM item did not have a project control log

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

No project schedule was created for this initative. Therefore nothing has been included for this section.

Project Financials

[redacted]

This initiative did not have a project charter.

There was no project plan for this initiative.

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Data Management and Analytics staff were engaged throughout the implementation of IDERA. Therefore no additional effort is required for transitioning to operations.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
None			

Documents identified in the project are found in the Project Issue Log through the link below.

No project issues log was kept for this initiative.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

No lesson's learned were documented for this initiative. If anything was captured would be included in the NOVA's retrospective sessions.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Implemented Data modelling tool, capable of deploying models to cloud environments	Completed	Data architects enabled with this skills, tools and knowledge.
	Choose an item.	
	Choose an item.	
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

Data 2.0 Detailed Solution Architecture

3239

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
11/5/2023	1.0	First Draft prior to workflow review	Matt Betker
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

Later in fiscal 23/24 the Data Management and Analytics department will start building the Data 2.0 solution. This is a cloud based modern Data solution which will enable the future vision of MPI becoming a data-driven organization. Before this can happen we need a detailed architecture solution, which will be used as an input and/or roadmap for building the Data 2.0 solution. After discussions with Enterprise Architecture it was determined that we cannot develop this documentation in house. Based on this we engaged a vendor (Impetus) to help us deliver this documentation. This LPM item is to produce an approved detailed architecture for the Data 2.0 solution.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

In order for the Data Management and Analytics department to improve our data governance maturity, we require a tool which will allow us to implement a variety of best practices. With the help of a vendor (Adastra) we have implemented Microsoft Purview, a suite of tools designed to support data governance practices. There was no cost for the software, as it is included in our licensing agreement with Microsoft. The costs associated with this initiative where for having the vendor support our implementation efforts.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Documented and approved detailed solution architecture for Data 2.0 solution	Completed	Architecture deliverable provided by vendor, approved by MPI leaders
	Choose an item.	
	Choose an item.	
	Choose an item.	

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	**CR NUMBER** (with hyperlink)	**NAME/DESCRIPTION OF CHANGES**	**STATUS**	**Scope/Objective**	**Benefits**	**Resources**	**Schedule**	**Budget**	**IBM/Vendor**	**Infor Security**	**Other**
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ Click here to enter text.

Insert link to the CR Log.

DATE	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
Click here to enter a date.	None	Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐
Click here to enter a date.		Click here to enter text.	Choose an item.	☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ Click here to enter text.

Insert link to the DR Log.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

This LPM item did not have a project control log

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

*__Remarks__ – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

No project schedule was created for this initative. Therefore nothing has been included for this section.

Project Financials

<<INSERT FINANCIALS HERE>>>

This initiative did not have a project charter.

There was no project plan for this initiative.

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Data Management and Analytics staff were engaged throughout the implementation of IDERA. Therefore no additional effort is required for transitioning to operations.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO
None			

Documents identified in the project are found in the Project Issue Log through the link below.

No project issues log was kept for this initiative.

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into APMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

No lesson's learned were documented for this initiative. If anything was captured would be included in the NOVA's retrospective sessions.

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	**Status**	**Supporting evidence**
Data 2.0 solution architecture deliverable complete and approved	Completed	Architecture deliverable delivered.
	Choose an item.	
	Choose an item.	
	Choose an item.	

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	**Action**	**Date**	**Responsible**

5. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Project Closeout Report

IT GRC Framework

3152

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
14/4/2023	0.1	First Draft for closure report	Aakanksha Mehra
20/5/2019	1.0	Draft internally approved	
Click here to enter a date.			
Click here to enter a date.			
Click here to enter a date.			

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

[REDACTED]. $542,000 ($518,000 incremental costs and $24,000 in non-incremental costs that will not be charged to the project)

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
Develop and implement the IT Process Governance Framework.	Completed	Framework was developed pending full implementation by IT and reviewed by CIS.
Develop and operationalize the IT Compliance Management framework.	Completed	Documents are confidential and contain sensitive information. A walkthrough can be accommodated if needed.
Develop and operationalize the IT Risk Management framework.	Completed	Documents are confidential and contain sensitive information. A walkthrough can be accommodated if needed.
Develop Minimum Viable Product (MVP) Features	Completed	Full framework was developed and not just MVP.

2.3. Project Changes and Decisions

No CRs or DRs were created as part of this project.

2.4. Planned Scope of Work – Project Control Log

The following link identifies the actual key project deliverables that were produced throughout the project lifecycle.

Management Documents - By Document Category & Document Type

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

*__Remarks__ – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

Project Financials

Reporting Period End Date:	**31-Mar-23**								
Project Name:	**IT GRC Framework**								
Project Code Number:	**3152**								
Project Costs	**Board Approved Budget**	**Actuals in Mar**	**Actuals to Date**	**Change in Estimates for 2022/23**	**Estimate for 2022/23**	**Estimate for 2023/24**	**Revised Estimate for 2022/23**	**Project Estimate at Completion as at 31-Mar-23**	**Variance Amount to Original Budget**
EXPENSE	500,250	31,930	407,995	-	-	-	-	407,995	(92,255)
External Resources	410,000	31,930	407,995		-	-	-	407,995	(2,005)
MPI Resources (Incremental)		-	-		-	-	-	-	-
Employee Training	25,000	-	-		-	-	-	-	(25,000)
IBM RFS		-	-	-	-	-	-	-	-
SOW		-	-	-	-	-	-	-	-
SOW 1		-	-		-	-	-	-	-
SW/HW		-	-		-	-	-	-	-
Unallocated Budget		-	-		-	-	-	-	-
Contingency	65,250	-	-		-	-	-	-	(65,250)
Total Incremental Deferred De	-	-	-	-	-	-	-	-	-
Total Incremental Capital	-	-	-	-	-	-	-	-	-
Total Incremental Expense	500,250	31,930	407,995	-	-	-	-	407,995	(92,255)
Total Project Cost	**500,000**	**31,930**	407,995	-	-	-	-	**407,995**	**(92,005)**

Financial Documents - All Documents

Insert link to Project Charter.

Insert link to Project Plan.

3. Transition to Operations

Not Applicable. There was no transition associated with the implementation of this framework.

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

Insert link to the Project to Operations Transition Form.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO

Documents identified in the project are found in the Project Issue Log through the link below.

Insert Link to the Project Issue Log.

4. REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

To be submitted via Sharepoint workflow for approvals.

The Approvers would be: Business Sponsor, Manager, Project Accounting (Grant Gaudry), Director, EPMO (Ed Dour), Director, CISO (Salman Ashraf – if applicable, STRM Projects only), Corporate Systems Architect (as needed) Shawn Campbell.

Please send a copy to: EPMO Manager (Toyin Fatubarin), Assistant Manager, Project Accounting (Lynne Onofreychuk), *Value Management, Director, Enterprise Value Assurance (Lani Edwards), Kim Ordonez, Tracy Ryman, Noelle Rosales-Orante and Ryan Robertson

Project Closeout Report

e-Cash capability

3052

Table of Contents

Revision History

Date	Document Version	Description of Changes	Author
18/2/2022	0.1d	Initial draft	K. Skibinski
3/15/2022	1.0	Completed updates	K. Skibinski

1. Introduction

1.1. Purpose

The purpose of this document is to mark the completion of the project by assessing the project's performance, identifying the lessons learned and best practices for future projects, and confirming that essential procedures and other project closure activities have been completed.

This document is also used to measure the benefits/outcomes delivered by the project.

Information within the closeout report will be leveraged for post project audits and or post implementation reviews, and therefore must include within this document attachments, embedded screenshots/documents, or links to the location of the source documents in SharePoint.

1.2. Project Closeout Report Goals

This Project Closeout Report is created to accomplish the following goals:

Review and validate the deliverables, milestones and success of the project against the original project plan and business case.

- Identify project highlights, lessons learned and best proposed practices for future projects.
- Document and confirm outstanding issues, risks, defects, and recommendations.
- Outline outstanding tasks activities and assigned owners to transition to operations and close off the project.

2. PROJECT ASSESSMENT

2.1. Project Overview

The purpose of this project is to research, develop and implement e-cash technology insofar as it refers to accepting payments online and face to face from new sources, as well as the concept of digital wallets to promote contactless capture of payment information. (Out of scope is e-cash insofar as it refers to digital currency, i.e. Bitcoin.) This project will position the finance division to support new functionality and customer service enhancements that will be introduced with Nova in fall 2022.

The technology does not exist in AOL, SIS, or CARS today, however the payment processor (Moneris) does have this technology. Some of the options are competitors to our payment processor (PayPal) or separately contracted/negotiated (American Express) but still partner with our payment processor.

This project will identify the requirements from the payment processor, the bank(s), and build the capacity within the technology in banking processes.

2.2. Goals and Objectives Performance

The following table provides a comparison of the original project objectives to what the project delivered.

OBJECTIVE	STATUS	SUPPORTING EVIDENCE
To identify the requirements from the banks and payment processors to support the following e-Cash options: ApplePay, GooglePay, SamsungPay, PayPal, Amex	Completed	The digital wallet payment options Apple Pay and Google Pay are only supported by Moneris, the MPI payment provider. Both are available as an in-person payment method at Brokers or MPI Service Centres. - SamsungPay not supported by Moneris. - PayPal and Amex not pursued due to fees charged.
• To identify the options to process • To identify the elements required from the feeder/source systems • To identify how the elements will be captured	Completed	• In-person payment method using the Google and Apple pay apps installed on mobile devices is used to process a payment. The user selects a Debit or Credit card stored in the app. • Nothing required from feeder/source systems. • Payments process as if the selected debit or credit card was used and show up in Moneris reports as a debit or credit card transaction.
• To identify where the various elements will be stored, if at all • To identify the security around storing the various elements, if at all • To evaluate the options and determine the most efficient	Completed	• No additional storage or key vault usage needs. The transactions are the same as a debit or credit card transaction. • No additional security requirements, Google or Apple provide the security for card and customer data.

solution design for finance and Nova • To develop the technology and processes to support digital wallets for face to face and e-commerce transactions		• In-person Google or Apple pay methods will process using a mobile device if the merchant POS pin pad has contactless (card tap) option enabled. - NOVA will enable and manage the online payment method using Google or Apply Pay from an e-commerce requirement when needed.
• To develop the technology and processes to support e-cash functionality for self service	Completed	• Moneris already has Google or Apple Pay capabilities within their online payment page. NOVA can enable this capability when needed with no additional integration or coding required.
• To understand any hardware or software implications for POS terminals already in place	Completed	• No software or device firmware requirements specific to any of the POS devices used by MPI. • POS devices used by Brokers or MPI Service Centre's only need to have the contactless (card tap) capability enabled on the POS device in order to process a Google or Apple pay payment using a mobile device with the app installed and debit or credit card configured within the mobile device app.

2.3. Project Changes and Decisions

The following table summarizes impacts through Change Requests (CRs) and Decision Requests (DRs).

DATE	CR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
		Click here to enter text.		☐	☐	☐	☐	☐	☐	☐	☐

Total Value of CR Changes $ 0

	DR NUMBER (with hyperlink)	NAME/DESCRIPTION OF CHANGES	STATUS	Scope/Objective	Benefits	Resources	Schedule	Budget	IBM/Vendor	Infor Security	Other
		Click here to enter text.		☐	☐	☐	☐	☐	☐	☐	☐

Total Value of DR Changes $ 0

2.4. Planned Scope of Work – Project Control Log

The following identifies the actual key project deliverables that were produced throughout the project lifecycle.

1. Identify and confirm capability and requirements to support in-person Google and Apple pay payment method in Broker and MPI Locations.
2. Identify and confirm online payment capability and requirements for Google and Apple Pay using Moneris payment gateway. (Ownership re-assigned to NOVA to enable when needed for a future release).
3. Digital-wallet-payments, Corporate Communication to frontline staff. (word doc)

   Link to SharePoint file

4. **KnowledgeNet** content update to support the addition of Google / Apple Pay as a payment method.

   KnowledgeNet - Digital Wallet Notification (What's New)

   KnowledgeNet - Payments

   KnowledgeNet - Personalized License Plate Application

   KnowledgeNet - Fees and Charges for Card Products

   KnowledgeNet - Process a Customer Payment

   KnowledgeNet - Point of Sale (POS) Terminal

   KnowledgeNet - Payments and Refunds for Temporary Registrations

   KnowledgeNet - Digital Wallet Payments - Google and Apple Pay Options

   KnowledgeNet - Payments - Service Expectations

5. MPI Public Website updates with additional payment method using Google or Apple Pay:

   Pay your Insurance (English)

   Pay your Insurance (French)

No Project Control Log was created to support the deliverables.

2.5. Project Summary: Schedule and Effort

This section provides a comparison between planned and actual schedule, planned and actual effort and SPI (schedule performance index).

***Remarks** – An SPI ratio greater than 1 indicates that you're ahead of schedule. Likewise, an SPI ratio less than 1 indicates that you're behind schedule. For example, an SPI of 1.5 means that you've taken only 67 percent of the planned time to complete a portion of a task in a given time period. An SPI of 0.8 means that you've spent 25 percent more time on a task than was planned.

No SPI will be determined since a baselined schedule was not initially created to compare against (see reasoning in Project Manager Note).

Project Manager Note: This Project was executed using the SAFe Agile methodology. Although the intention of using the SAFe methodology was to identify and deliver incremental value through Program Increments and Sprint planning, a hybrid model was employed. The hybrid model was leveraged since the discovery stage of the project identified that requirements needed to enable and utilize the expected digital wallet features using Google and Apple Pay, were already in place.

The discovery period became a verification activity to ensure all features were enabled, functioning and usable by Customers. To validate assumptions, the Project Manager actually processed an Autopac transaction and paid by Google Pay App (using VISA) with the intention of tracking the payment for purposes of verifying it on the financial reports to determine if the payment looked different than a regular VISA payment, which it did not. Moneris also confirmed they have no way of uniquely identifying a Google or Apple Pay transaction from a regular debit or Credit Card transaction, even if the card is used with or without a digital wallet application.

The primary driver of being able to use a mobile device and a digital wallet app such as Google and Apple Pay to pay in-person was to ensure the POS pin pad terminal could accept contactless payment (Tap). A continued benefit of Customers using Google or Apple pay in-person is the transaction is considered as a "card present" transaction, which is the same as tapping or inserting a debit or credit card using the pin pad terminal. No additional fee's are charged by Moneris for "card present" transactions. Online payments using Google or Apple Pay will be charged a fee by Moneris as they are considered "card not present" transactions. NOVA will enable the online payment option in a future release when required.

A formal Project Charter, Project Plan and Schedule were not created once the initial discovery identified the Google and Apple pay capability was already in-place at MPI and Broker offices and confirmed to be usable by Customers. The primary deliverables became communication based to ensure awareness of the payment method was available with details available to Brokers and MPI Frontline staff and the general public on usability of the Google and Apple Pay - payment method.

Project Timeline:

eCASH Timeline	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	Sep 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022
Business Case review and objectives planning												
Project Discovery												
Capability / requirements assessment with Moneris												
Requirements assessment within MPI/Brokers sites												
POS pin pad inventory, reqmts & features assessment												
Confirmation of capability and all reqmts in place												
Review of next steps and re-prioritization of other projects												
KMS and Corporate Communications												
Communications assessment												
Content updates and reviews												
Frontline staff draft, updates & reviews												
Broker Liason Group review/approval												
Frontline staff comms deployment												
KnowledgeNet updates												
Public Website updates												
Project Close-out Activities												
Close-out form, lessons learned, review, close												

Additional Project artifacts embedded file:

eCash Project Financials Link

3. Transition to Operations

3.1. Project to Operations Transition Form

The following link outlines outstanding defects, Remedy tickets, or items have been accepted as work, which have been accepted and will be corrected through Operations.

No Operational Support is required.

Identification of the Google & Apple Pay capability and usability details is defined in KnowledgeNet.

3.2. Outstanding Issues

The following table outlines outstanding deliverables, issues, or actions from the project that remain to be completed. To ensure clear understanding, information pertaining to the resolution, status, who is assigned the issue, or next steps should be included. Where appropriate, provide recommendations/actions as to how these may be dealt with.

ISSUE	DETAILS	ACTIONS	ASSIGNED TO

No Issues were logged during the Project

4. Project Outcomes

4.1. Lessons Learned

This section identifies and describes the major successes, issues and challenges encountered during the course of the project. These Lessons Learned will be incorporated into EPMO's consolidated Lessons Learned database and recommendations derived from successes will contribute to continuous improvement best practices.

Link to SharePoint File – Lessons Learned

4.2. Post Implementation - Value Management

This section provides the specific planned/intended business benefits or positive results expected from the operations of the project end-result. These benefits/outcomes were identified in the business case. The below table is used to confirm that specified outcomes were realized.

Outcome	Status	Supporting evidence
Improved customer service through available options. This benefit applies to in-person payment options.	Completed	All Brokers and Service Centres which have POS pin pad terminals with the contactless feature enabled can accept digital wallet payments using Google or Apple Pay. - Service Centres are limited to VISA, Mastercard and Debit being used in the digital wallet app which Moneris supports. - Brokers are limited to the payment cards supported by their payment processor since not all Brokers use Moneris. - The POS pin pad % of total pin pads are capable of accepting digital wallet payments: MPI (95%) Broker (87%).
Improved customer service through updated technology.	Completed	With the primary requirement to use a digital wallet application on a mobile device being the contactless feature of a pin pad and the mobile device using NFC communications, the technology on mobile devices and digital wallet applications will enhance and mature over time. MPI will be able to quickly adapt to technology changes on the mobile device if these requirements remain with minimal to no changes on the payment processing side to manage.

Outcome	Status	Supporting evidence
Improved collections through greater flexibility to pay arrears	Removed/Cancelled	Improvements to arrears collections cannot be measured. Google and Apple Pay transactions are not uniquely identifiable transactions. They appear as regular debit or credit transactions at the transaction level within the Moneris payment gateway.
Improved system integration through integrated POS	Removed/Cancelled	Integrated POS pin pads were not required to support Google and Apple Pay as a payment method. Current pin pads with contactless-enabled allows a mobile device to be used using a Google or Apple pay digital wallet application.
Reduced costs of capturing payment confirmation in system of record manually	Removed/Cancelled	No changes were made to the existing process of manually entering payment confirmation in the POS system using Google or Apple pay as a payment method.. Reduced costs and efficiencies of associated with an integrated solution could not be measured without integrated pin pads being utilized.

If the outcomes are not immediately realized, the table below indicates how the metric will be monitored and measured, by whom, and how frequently.

Benefit	Action	Date	Responsible
Improved customer service through available options. This benefit applies to in-person and online (e-commerce) based payment options. This unrealized benefit logged in this section is specific to the online (e-commerce) based payment option to be used by NOVA in future releases.	The benefit will be realized once; - NOVA activates this capability as a payment option. - This capability is already available on the Moneris payment page when required and only needs to be enabled.	TBD	NOVA release – not defined yet

REVIEW AND APPROVAL

This section contains the signatures of key stakeholders, signifying they have reviewed and accepted the project close-out document and have agreed to close the project.

Name:	Michael Gandhi	**Signature: Date:**	*See SharePoint Workflow*
Role:	Business Owner/Sponsor	**Title:**	Corporate Controller
Name:	Candace Prozyk	**Signature / Date:**	*See SharePoint Workflow*
Role:	Business SME	**Title**	Manager, Financial Operations
Name:	Jon Rekrut	**Signature:**	*See SharePoint Workflow*
Role:	Business Relationship Manager	**Title**	Business Relationship Manager
Name:	Kerry Skibinski	**Signature: Date:**	*Approval implied/provided with initiation of workflow to other reviewers.*
Role:	Project Manager	**Title**	Senior Project Manager

Appendix 15:
Cloud Security Enhancement Project Closeout Report

This material is the subject of a confidential motion.

PUB (MPI) 1-121

Part and Chapter:	**Part V Value Assurance**	**Page No.:**	**62**
PUB Approved Issue No:	**21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova**		
Topic:	**IT Strategy**		
Sub Topic:			

Preamble to IR:

MPI has provided a general definition of WSJF (Part II - Glossary p. 27)

MPI has noted WSJF is developed via LPM process (Part V - Information Technology p. 9)

MPI has provided a WSJF Calculator within LPM Intake form (Part V - IT Appendix 8 p. 8)

MPI has stated:
Secondly, the corporation embarked on a new methodology for project management. See Information Technology Chapter, IT.5, for a description of the Scaled Agile framework and the launching of the Lean Portfolio Management (LPM) process. The new process involves the creation of an Epic Hypothesis Statement (EHS), Weighted Shortest Job Factor (WSJF) rating and a Lean Business Case (LBC).

In prior years the CMS annual budget was supported by detailed business cases and supporting financial analysis business cases for each initiative. For 2022-23 the corporation identified the key focus areas for investment as part of the Corporate Strategic Planning process and established corresponding high-level funding envelope amounts for Board approval. The allocation of these funding envelope amounts to specific initiatives (Epics) budgets will be approved by the LPM Committee at monthly meetings where the more detailed initiatives will be supported by completed EHS, WSJF and LBCs.

(Part V - Value Assurance p. 62 lines 7-19)

Question:

a) Please provide the definition of each element utilized in WSJF calculation.

b) Please provide as a standalone file, vs embedded reference, the WSJF calculator.

c) Please provide the definition and value range of None, Low, Medium, High as it relates to determination of Business Value.

d) Please provide the definition and value range of None, Low, Medium, High as it relates to determination of Time Criticality.

e) Please provide the definition and value range of None, Low, Medium, High as it relates to determination of Risk Reduction.

f) Please provide list and definition categories to assess Job Size.

Rationale for Question:

To understand the evolving strategy of Value Assurance.

RESPONSE:

a) WSJF is a prioritization model which is the cost of delay divided by the job duration to help sequence work for economic benefit. The components of cost of delay is comprised of user-business value, time criticality and risk reduction and/or opportunity enablement.

   User-business value is the relative value to the customer or business. Time criticality is how does the user/business value decay over time. Risk reduction and/or opportunity enablement is the reduced risk of pursuing this work and/or new business opportunities enabled. Please see *Appendix 1 - Excel WSJF calculator File* (attached to the eBook) for the definitions of each element utilized in WSJF calculation.

b) Please see the provided Excel WSJF calculator file.

c) to f)

Please see the provided Excel file for definitions of these values.

PUB (MPI) 1-122

Part and Chapter:	Part V Value Assurance Fig. VA-22	Page No.:	64
PUB Approved Issue No:	21. IT Strategic Plan and IT Expenses and Projects planned for or ongoing in the rating years, other than Nova		
Topic:	Capital Master Summary		
Sub Topic:			

Preamble to IR:

Question:

a) Please confirm the columns (a - j) in Fig. VA-22 denote focus areas.

b) Please file a new table which provides project view against Focus areas for 2023/24.

c) Please provide a new table containing Focus Area, Epic (or Project Name), Approved Budget, Business Value, Time Criticality, RR | OE, Cost of Delay, Job Size, WSJF, Discount Rate, NPV, Contingency percentage, and Contingency dollar amount for the 2022/23 Capital Master Summary.

d) Please provide a new table containing Focus Area, Epic (or Project Name), Approved Budget, Business Value, Time Criticality, RR | OE, Cost of Delay, Job Size, WSJF, Discount Rate, NPV, Contingency percentage, and Contingency dollar amount for the 2023/24 Capital Master Summary.

Rationale for Question:

To understand the overarching roadmap of the IT Strategy.

RESPONSE:

a) Yes – confirmed.

b) to d)

Please see *Appendix 1 - Capital Master Summary (CMS) Focus Area Funds – Redacted*

Appendix 1
2023/24 - Capital Master Summary (CMS) Focus Area Funds

As at March 31, 2023	Digital & Culture (a)	Data & Analytics (b)	Cloud Adoption (c)	Innovation Funding (d)	Government Insertions (e)	HR & Finance New Technology (f)	Partners & Customer Experience (g)	Enterprise Content Management (h)	Security Technology Risk Management (STRM) (i)	Total (a - i)
(C$000s, expect where noted)										
2023/24 Board Approved Funding	2,800	3,140	300	3,500	1,050	3,450	3,950	1,700	4,500	24,390
Epics Approved through LPM Committee										
DMA Master Data Agreement		310								
DMA BI Report Rationalization Project		286								
[REDACTED]									**[REDACTED]**	
STRM Configuration Hardening Enhancements									170	
[REDACTED]									**[REDACTED]**	
Content Architecture Phase 2							250			
EFM CX Data Collection							**[REDACTED]**			
Total Approved Funding	**-**	**596**	**-**	**-**	**-**	**-**	**[REDACTED]**	**-**	**[REDACTED]**	**2,722**
Remaining Funds Available	**2,800**	**2,544**	**300**	**3,500**	**1,050**	**3,450**	**[REDACTED]**	**1,700**	**[REDACTED]**	**21,668**

Rounding may affect totals

Appendix 1
2023/24 -Capital Master Summary (CMS) Focus Area Funds

Focus Area/Funding Envelope	Epic/Project Name	2022/23 Approved Budget (000's)	Business Value	Time Criticality	RR|OE	Cost of Delay	Job Size	WSJF	Discount Rate	NPV	Contingency Percentage	Contingency Dollar Amount
Digital & Culture	Desktop as a Service (DaaS)	393	11	9	8	28	5	5.60	n/a	n/a	n/a	n/a
Knowledge, Platforms and Content Management	Enterprise Content Management (ECM) Collaboration Migration	987	21	21	20	62	8	7.75	n/a	n/a	n/a	n/a
Knowledge, Platforms and Content Management	Intranet 2.0	[REDACTED]	18	16	23	57	8	7.13	n/a	n/a	n/a	n/a
Cloud Adoption	BI3 - Upgrade on Fineos Cloud Solution	[REDACTED]	13	11	11	35	5	7.00	n/a	n/a	n/a	n/a
Government Insertions	Taxi Telematics Pilot	[REDACTED]	12	11	9	32	3	10.67	n/a	n/a	n/a	n/a
Public Website and Partner Website	Enterprise Content Management (ECM) Public Website	[REDACTED]	12	18	19	49	8	6.13	n/a	n/a	n/a	n/a
Innovation Funding	Enterprise Change Management	[REDACTED]	14	22	20	56	3	18.67	n/a	n/a	n/a	n/a
No Focus Area - Overbudget Item	STRM (Protect) Enterprise Monitoring (NOCaaS)	670	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation Funding	Vehicle for Hire	60	15	18	7	35	5	7.00	n/a	n/a	n/a	n/a
Knowledge, Platforms and Content Management	Enterprise Content Management (ECM) Project Oversight	100	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
22/23 STRM	STRM - Governance Risk Compliance (GRC) Framework	500	17	10	12	39	8	4.88	n/a	n/a	15.00%	65,250
Innovation Funding	Business Process Management & Lean CoE 2.0	650	19	17	21	57	8	7.13	n/a	n/a	n/a	n/a
Knowledge, Platforms and Content Management	ECM Program Oversight	75	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
22/23 STRM	[REDACTED]	[REDACTED]	17	9	12	38	8	4.75	n/a	n/a	15.00%	67,031
Innovation Funding	e-Transfer (Total Loss)	175	14	9	10	33	3	11.00	n/a	n/a	n/a	n/a
22/23 STRM	IBM Refresh Windows 2012	466	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Innovation Funding	Automated DX Scoring	[REDACTED]	11	8	9	28	8	3.50	n/a	n/a	n/a	n/a
Innovation Funding	Culture 2.0	1,218	16	18	18	52	5	10.40	n/a	n/a	n/a	n/a
22/23 STRM	[REDACTED]	[REDACTED]	18	10	12	40	5	8.00	n/a	n/a	15.00%	62,813
22/23 STRM	[REDACTED]	[REDACTED]	16	10	12	38	8	4.75	n/a	n/a	15.00%	94,500
Data & Analytics	Enterprise Data Architect Funding (DMA)	150	18	24	28	60	3	20.00	n/a	n/a	n/a	n/a
Data & Analytics	Power BI Rollout Phase 2	410	14	12	13	39	5	7.80	n/a	n/a	n/a	n/a
Information Security Maturity	ISM - Information Security Management (ISO) Program Management	390	n/a - carryforward									
Information Security Maturity	ISM - Network Access Control	116	n/a - carryforward									
Information Security Maturity	ISM - Application Security Profiling	78	n/a carryforward									
Data & Analytics	DMA Duck Insights Data Mart Enhancement	150	16	17	13	46	3	15.33	n/a	n/a	n/a	n/a
Government Insertions	Taxi Telematics Pilot	[REDACTED]	See Line 8 - Taxi Telematics									
Cloud Adoption	Cloud Migration	[REDACTED]	27	21	32	80	8	10.00	6.50%	38,179,757	15.00%	1,458,000
Knowledge, Platforms and Content Management	ECM Knowledge Platforms	1,002	16	20	18	54	8	6.75	6.50%	(700,549)	15.00%	130,650
Digital & Culture	Unified Endpoint Management	[REDACTED]	11	16	10	37	3	12.33	6.50%	585,380	15.00%	13,800
Public Website and Partner Website	Content Architecture Project	100	19	11	11	41	2	20.50	6.50%	(93,620)	15.00%	13,005
Data & Analytics	DMA - Data Governance Tool Implementation - Phase 1	[REDACTED]	10	12	10	32	8	4.00	6.50%	(32,864)	0.00%	0
Data & Analytics	DMA - Data Modelling Tool	[REDACTED]	8	14	10	32	3	10.67	6.50%	313,763	0.00%	0
Data & Analytics	Data 2.0 Detailed Solution Architecture	[REDACTED]	9	18	11	38	2	19.00	6.50%	(30,490)	10.00%	2,952
	Total Approved Funding	16,947										
	Rounding may affect totals											

Appendix 1
2023/24 -Capital Master Summary (CMS) Focus Area Funds

Focus Area/Funding Envelope	Epic/Project Name	2023/24 Approved Budget (000's)	Business Value	Time Criticality	RR | OE	Cost of Delay	Job Size	WSJF	Discount Rate	NPV	Contingency Percentage	Contingency Dollar Amount
Data and Analytics	DMA Master Data Agreement	310	12	12	14	38	5	7.60	6.50%	(290,901)	15.00%	40,410
Data and Analytics	DMA BI Report Rationalization Project	286	11	11	12	34	8	4.25	6.50%	(268,657)	15.00%	37,320
2023/24 STRM	[REDACTED]	[REDACTED]	18	14	16	48	5	9.60	6.50%	(377,934)	15.00%	52,500
2023/24 STRM	STRM Configuration Hardening Enhancements	170	18	14	16	48	3	16.00	6.50%	(159,272)	15.00%	22,125
2023/24 STRM	[REDACTED]	[REDACTED]	18	10	16	44	8	5.50	6.50%	(753,547)	15.00%	104,678
Partners & Customer Experience	Content Architecture Phase 2	250	13	14	15	42	3	14.00	n/a	n/a	n/a	n/a
Partners & Customer Experience	EFM CX Data Collection	[REDACTED]	17	10	15	42	2	21.00	6.50%	(86,250)	15.00%	11,981
	Total Approved Funding	2,722										

Rounding may affect totals

PUB (MPI) 1-123

Part and Chapter:	**Part XI Investments**	**Page No.:**	**55**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**Financial Condition Testing**		
Sub Topic:	**Inflation Risk**		

Preamble to IR:

As a result of the ALM study, inflation linked bonds have been added as a new asset category as it provides a hedge against inflation and interest rate sensitive liabilities. Inflation linked bonds will be funded through a bond overlay strategy. MPI plans to allocate approximately $710 million to this strategy. The manager for the bond overlay strategy will be selected through a competitive process in Q2, 2023.

Question:

a) Please describe how the investment in inflation linked bonds through the bond overlay strategy will be modelled in the financial forecast.

b) Please indicate whether the Corporation will include a high inflation scenario and describe the scenario to be modelled.

c) Describe how the investment in inflation linked bonds as contemplated will impact the results of FCT testing.

Rationale for Question:

To understand the impact of changes in inflation on MPI's investment portfolio.

RESPONSE:

a) As of now, calculations related to the gain or loss due to inflation linked bonds and the bond overlay strategy have not been added to the financial model. However, the costs associated with the bond overlay strategy (financing & investment management fees) are included in the financial model.

MPI will be meeting with its external financial modeling consultants to seek their help to implement the bond overlay strategy within the financial model. In order to assess the full impact of the strategy, both the impact on assets and liabilities must be considered. MPI is working with Addenda to develop a model which calculates the impact on assets at various levels of inflation. MPI can assess the impact on liabilities by using the same inflation expectation in the financial model. These two calculations can give MPI the net impact of the bond overlay strategy at various levels of inflation expectations.

MPI expects that it will be able to add the bond overlay strategy to the financial model soon and to model the strategy in one step.

b) Yes, a high inflation scenario will be included in the Financial Condition Testing (FCT) report with inflation at the 95th percentile or higher based on historical inflation levels.

c) The FCT attempts to identify and quantify the corporation's top risks. The bond overlay strategy is designed to hedge the impact of high inflation on the corporation's liabilities, which would reduce or eliminate this risk. Therefore, when developing an inflation scenario for the FCT report MPI will assume that the bond overlay strategy is not in place or is not working as intended, as this will capture the real risk to the corporation.

PUB (MPI) 1-124

Part and Chapter:	**Part XI Investments; Part XI INV Appendix 12**	**Page No.:**	**PDF pg. 9, 25 & 26 of 184**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**ALM Study**		
Sub Topic:	**RSR & Extension Portfolio Asset Mix Optimization**		

Preamble to IR:

Mercer evaluated risk and return parameters under the current and alternative asset mix optimization with efficient frontier analysis and stochastic modelling.

Mercer indicated for the RSR and Extension Portfolios:

1. 10-year median return: based on capital market assumptions, see Phase One report
2. Probability of positive real return: based on 10-year projection
3. 10-year expected excess return: asset mix return in excess of liability benchmark return
4. Surplus volatility: Measured as annual standard deviation
5. Information ratio: 10-year expected excess return/surplus volatility
6. 5% Value at Risk: Impact of a 1-in-20-year downside event measured in dollars
7. Probability of deficit: based on 10-year projection
8. MCT Required

For the RSR, EXT & EFB portfolios we recommend the efficient frontiers using our current asset classes as adding new asset classes did not make a material *improvement. Noting that the information ratio increased by 0.01 for EXT and by 0.03. for RSR. We recommend the asset mixes identified as the "mid-point" or Portfolio D.*

Question:

a) Please provide a narrative description of the results along the efficient frontier 1 of the various RSR portfolio mixes relative to the current asset mix and adding new asset classes.

b) Please provide a narrative description of the results of each of the risk metrics with respect to each of the modelled RSR portfolio mixes and discuss any recommended changes to the portfolio given the results of the analysis.

c) Please provide the 5% VAR and Minimum Capital required for the RSR portfolio asset mixes.

d) Please provide a narrative description of the results along the efficient frontier 1 of the various Extension portfolio mixes relative to the current asset mix and adding new asset classes.

e) Please provide a narrative description of the results of each of the risk metrics with respect to each of the modelled Extension portfolio mixes, and discuss any recommended changes to the portfolio given the results of the analysis.

Rationale for Question:

To understand the changes to RSR & Extension portfolios.

RESPONSE:

a) The referenced efficient frontier (efficient frontier 1) is based on the same asset classes as in the current RSR portfolio; no new asset classes are added. The current mix lies below the efficient frontier indicating more "efficient" portfolios can be achieved (i.e., ones with higher return for same level of risk, or lower risk for same level of return). In this case, return and volatility are on an asset-only basis. The portfolio mixes analyzed include two mixes (C and D) with lower risk than the current mix, Mix B with similar risk (and higher expected return) than Current as well as Mix E with an even higher expected return (albeit with a higher risk) than Current. Overall, the wide range of mixes were developed to help assess the trade-off between risk and return.

b) **Expected Excess Return:** This metric represents the median 10-year return expected from each portfolio, over and above the expected return of treasury bills (used as a proxy for the risk-free rate). The Current asset mix has an expected excess 10-year return of 4.06% per annum A range of mixes were modelled that either maintain a similar excess return to Current (Mix C) or increases the expected excess return (Mixes B, D and E).

Return Volatility: The Current asset mix is expected to have an annual return volatility of 6.45%, whereas the modelled RSR Mixes C and D provide lower expected annual standard deviation compared to the Current mix, at 5.47% and 5.87%, respectively. Mix B with a similar return volatility as the Current mix was explored, as well as a mix with higher volatility (Mix E).

Information Ratio: This is a measure of the risk-adjusted expected return, combining the first two risk metrics above. The Current asset mix is expected to have an information ratio 0.63. All modelled RSR Mixes are expected to have a significant improvement in information ratio, ranging from 0.68 to 0.74.

Recommended Changes: Midpoint Mix D is expected to improve all of the risk & return metrics reviewed relative to the Current mix. This is primarily achieved by increasing allocations to alternatives, which improve portfolio diversification. Other changes include allocating fixed income to short-term bonds and reducing exposure to equity risk. Overall, the recommended mix is simplified relative to Current mix as it utilizes four fewer asset classes.

c) This information was not calculated for the asset-only RSR portfolios, and is not readily available.

d) The referenced efficient frontier (efficient frontier 1) is based on the same asset classes as in the current EXT portfolio; no new asset classes are added. The current mix lies below the efficient frontier indicating more "efficient" portfolios can be achieved (i.e., ones with higher return for same level of risk, or lower risk for same level of return). In this case, return and volatility are measured on an asset-liability basis, using the excess expected return of the assets over and above the expected growth in liabilities (as estimated by the liability benchmark). The portfolio mixes analyzed include two mixes (C and D) with lower risk than the current mix, Mix B with similar risk (and higher expected return) than Current as well as Mix E with an even higher expected return (albeit with a higher risk) than Current. Overall, the wide range of mixes were developed to help assess the trade-off between risk and return.

e) **Expected Excess Return:** This metric represents the median 10-year return expected from each portfolio, over and above the expected return of the liability benchmark, to measure the expected growth of assets relative to liabilities. The Current asset mix has an expected excess 10-year return of 3.66% p.a. A range of mixes were modelled that either maintain a similar excess return (Mix C) to Current or increases the expected excess return (Mix B, D and E).

Surplus Volatility: Under the Current asset mix, the surplus (assets minus liabilities) is expected to have an annual volatility of 6.78%, whereas the modelled EXT Mixes C and D provide lower expected surplus volatility compared to Current mix, at 5.70% and 6.19%, respectively. Mix B with a similar surplus volatility as the Current mix was explored, as well as a mix with higher surplus volatility (Mix E).

Information Ratio: The Current asset mix is expected to have an information ratio 0.54. All modelled EXT Mixes are expected to have a significant improvement in information ratio, ranging from 0.59 to 0.64.

5% Value at Risk: The Current asset mix is expected to have 5% VaR of $19.7M. Modelled EXT Mixes B, C and D are expected to have lower 5% VaR levels, ranging from $16.9M to $19.6M. Mix E is expected to have a higher 5% VaR of $21.9M.

Probability of Deficit: All modelled mixes (including Current) are expected to have a 0% probability of deficit in 10 years, primarily driven by the strong starting surplus position of the Extension portfolio.

Recommended Changes: Midpoint Mix D is expected to improve all of the risk & return metrics reviewed relative to the Current mix. This is primarily achieved by increasing allocations to alternatives, which improve portfolio diversification. Other changes include allocating fixed income to short-term bonds and reducing exposure to equity risk. Overall, the recommended mix is simplified relative to Current mix as it utilizes four fewer asset classes.

PUB (MPI) 1-125

Part and Chapter:	**Part XI- Investments; Part XI INV Appendix 12**	**Page No.:**	**PDFdf pg. 8, 912, 31, 32 of 184**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**ALM Study**		
Sub Topic:	**Basic Claims Portfolio Asset Mix Optimization**		

Preamble to IR:

Mercer evaluated risk and return parameters under the current and alternative asset mix optimization with efficient frontier analysis and stochastic modelling.

Mercer indicated for the Basic Claims Portfolio:

1. 10-year median return: based on capital market assumptions, see Phase One report
2. Probability of positive real return: based on 10-year projection
3. 10-year expected excess return: asset mix return in excess of liability benchmark return
4. Surplus volatility: Measured as annual standard deviation
5. Information ratio: 10-year expected excess return/surplus volatility
6. 5% Value at Risk: Impact of a 1-in-20-year downside event measured in dollars
7. Probability of deficit: based on 10-year projection
8. MCT Required

We recommend establishing a Basic Short-Term portfolio to back short-term claims, which will be carved out from the current Basic Claims portfolio and will represent approximately 9.0% of the total Basic Claims assets. This portfolio would be invested *in the following asset classes: Treasury bills (88%), mortgages (10%), and mid-term Provincial bonds (2%).*

For the Long-Term Basic Claims portfolio, we recommend including the following new asset classes: inflation linked bonds, commercial mortgages & real estate. This leads us to efficient frontier #3 (see below). From that frontier, we recommend asset mix "D" which Mercer has labeled the "mid-point". Compared to the current portfolio, this mix is expected to increase excess return while reducing volatility.

Question:

a) Please provide a narrative description of the results along the efficient frontier from Figure 1 of the various Basic Claims portfolio mixes relative to the current asset mix and adding new asset classes.

b) Please provide a narrative description of the results of each of the risk metrics with respect to each of the modelled Basic Claims portfolio mixes, and discuss any recommended changes to the portfolio given the results of the analysis.

c) Please explain why the Corporation did not adopt a Basic Short term portfolio and how it affects the analysis provided.

Rationale for Question:

To understand the changes to Basic Claims portfolios.

RESPONSE:

a) The referenced efficient frontier is based on three new proposed asset classes: inflation linked bonds, commercial mortgages and real estate. The current mix lies below the efficient frontier indicating more "efficient" portfolios (i.e., ones with higher return for same level of risk, or lower risk for same level of return) can be achieved. In this case, return and volatility are measured on an asset-liability basis, using the excess expected return of the assets over and above the expected growth in liabilities (as estimated by the liability benchmark). The portfolio mixes analyzed include two mixes (C and D) with lower risk than the current mix, Mix B with similar risk (and higher expected return) than Current as well as Mix E with an even higher expected return (albeit with a higher risk) than Current. Overall, the wide range of mixes were developed to help assess the trade-off between risk and return.

b) **Expected Excess Return:** This metric represents the median 10-year return expected from each portfolio, over and above the expected return of the liability benchmark, to measure the expected growth of assets relative to liabilities. The Current asset mix has an expected excess 10-year return of 0.72% p.a. A range of mixes were modelled that either maintain a similar excess return (Mix C) to Current or increases the expected excess return (Mix B, D and E).

Surplus Volatility: Under the Current asset mix, the surplus (assets minus liabilities) is expected to have an annual volatility of 3.65%, whereas the modelled Basic Claims Mixes C and D provide lower expected surplus volatility compared to Current mix, at 1.36% and 2.43%, respectively. Mix B with a similar surplus volatility as the Current mix was explored, as well as a mix with higher surplus volatility (Mix E).

Information Ratio: The Current asset mix is expected to have an information ratio 0.20. All modelled Basic Claims Mixes are expected to have a significant improvement in information ratio, ranging from 0.41 to 0.52.

5% Value at Risk: The Current asset mix is expected to have 5% VaR of $124.0M. Modelled Basic Claims Mixes C and D are expected to have lower 5% VaR levels of $62.8M and $95.8M, respectively. Mixes B and E are expected to have a higher 5% VaR of $133.5M and $144.4M, respectively.

Probability of Deficit: All modelled mixes are expected to have a lower probability of deficit in 10 years, relative to the Current mix. The Current mix is expected to have a 26% probability of deficit, whereas the modelled mixes range from 13%-14%. This improvement is a direct result of the alternative portfolios having a higher expected return relative to the Current mix. Even Mix E, which has higher surplus volatility, reduces the likelihood of future deficits as the higher return more than makes up for the extra risk.

Recommended Changes: Midpoint Mix D is expected to improve all of the risk & return metrics reviewed relative to the Current mix. This is primarily achieved by increasing allocations to alternatives (mortgages and real estate), which improve portfolio diversification. Other changes include re-allocating provincial bonds to inflation linked bonds to more effectively hedge the inflation sensitivity of the liabilities.

c) As per *Part XI Investments Chapter INV.2.3*:

> *"The corporation chose not to implement the short-term Basic portfolio as the benefits would have been limited. Premiums are deposited to the corporation's operating cash account and claims are paid out of it. Transferring some of this cash into a short-term investment account to purchase Treasury bills, only to sell those same Treasury bills and send the cash back to the operating cash account a short time later would have been labour intensive and provided little benefit. The need to track claim liabilities on a short-term versus long-term basis more frequently would also be time consuming."*

Given that the Basic Short is such a small proportion of Total Basic, Mercer does not expect the results of their analysis to be materially different if they had done it on a combined basis rather than splitting Basic Short and Basic Long. In fact, Mercer did some checks on this last year, as requested by MPI, and concluded that the Basic Combined liability benchmark is very similar to Basic Long, and that the Combined mixes would still be efficient.

PUB (MPI) 1-126

Part and Chapter:	**Part XI Investments; Part XI INV Appendix 12**	**Page No.:**	**PDF pg. 9, 27 of 184**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**ALM Study**		
Sub Topic:	**EFB Portfolio Asset Mix Optimization**		

Preamble to IR:

Mercer evaluated risk and return parameters under the current and alternative asset mix optimization with efficient frontier analysis and stochastic modelling.

Mercer indicated for the EFB Portfolios:

1. 10-year median return: based on capital market assumptions, see Phase One report
2. Probability of positive real return: based on 10-year projection
3. 10-year expected excess return: asset mix return in excess of liability benchmark return
4. Surplus volatility: Measured as annual standard deviation
5. Information ratio: 10-year expected excess return/surplus volatility
6. 5% Value at Risk: Impact of a 1-in-20-year downside event measured in dollars
7. Probability of deficit: based on 10-year projection
8. MCT Required

For the EFB portfolio we recommend using the “status quo” scenario (i.e.: assuming that the switch to pre-funding does not occur) and the efficient frontier using our current asset classes only. We recommend the asset mix identified as "Global & CDN Large Cap" or Portfolio "E".

Question:

a) Please provide a narrative description of the results along the efficient frontier of the various EFB portfolio mixes relative to the current asset mix and adding new asset classes.

b) Please provide a narrative description of the results of each of the risk metrics with respect to each of the modelled EFB portfolio mixes and discuss any recommended changes to the portfolio given the results of the analysis.

c) Please explain why MPI is recommending maintaining the Global & Canadian Large Cap allocations when the proposed mix is not on the efficient frontier.

Rationale for Question:

To understand the changes to EFB portfolio.

RESPONSE

a) The referenced efficient frontier is based on the same asset classes as in the current EFB portfolio; no new asset classes are added. The current mix lies below the efficient frontier indicating more "efficient" portfolios can be achieved (i.e., ones with higher return for same level of risk, or lower risk for same level of return). In this case, return and volatility are measured on an asset-liability basis, using the excess expected return of the assets over and above the expected growth in liabilities (as estimated by the liability benchmark).

   The portfolio mixes analyzed include two mixes (D and E) with similar or lower risk than the Current mix, but with higher expected return than Current. Mix D falls on the frontier, indicating the expected return is optimized for the chosen level of risk. Mix E illustrates a slightly less efficient portfolio that maintains allocations to

Canadian and Global Large Cap equities, which are currently in the EFB portfolio. Mix E is expected to achieve median return of 5.46% compared to 5.23% under the Current mix, at a similar level of risk.

b) **Expected Excess Return:** This metric represents the median 10-year return expected from each portfolio, over and above the expected return of the liability benchmark, to measure the expected growth of assets relative to liabilities. The Current asset mix has an expected excess 10-year return of 2.99% p.a. Both modelled mixes D and E have higher expected excess returns than Current, at 3.19% and 3.23%, respectively.

Surplus Volatility: Under the Current asset mix, the surplus (assets minus liabilities) is expected to have an annual volatility of 8.26%, whereas the modelled EFB Mixes D and E provide similar or lower expected surplus volatility compared to Current mix, at 7.69% and 8.27%, respectively.

Information Ratio: The Current asset mix is expected to have an information ratio 0.36. Both modelled EFB mixes D and E are expected to have an improvement in information ratio, at 0.42 and 0.39, respectively.

5% Value at Risk: The Current asset mix is expected to have 5% VaR of $74.3M. Modelled EFB mixes D and E are expected to have lower 5% VaR levels of $69.3M and $74.2M, respectively.

Recommended Changes: Mix E is expected to improve the expected excess return while maintaining a similar level of risk relative to the Current mix. This is primarily achieved by increasing allocations to alternatives (in particular infrastructure), which improve portfolio diversification. While Mix E is slightly less efficient than Mix D from a pure modelling point of view, maintaining some exposure to Canadian and Global large cap equities is a reasonable and practical consideration.

c) MPI is recommending increasing the allocation to small cap Canadian equities and to low volatility global equities (as recommended by Mercer), but is not prepared to fully eliminate large cap equities as MPI believes they add diversification benefits.

PUB (MPI) 1-127

Part and Chapter:	**Part XI Investments** **Part XI INV Appendix 12** **Part VIII- Investments; INV Attachment H, H5 (2023 GRA)**	**Page No.:**	**Pg. 9, 48 of 184** **10, 23-26**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**ALM Study**		
Sub Topic:	**EFB Portfolio Asset Mix Optimization Analysis**		

Preamble to IR:

At pages 55-56 of the Investments chapter in the 2023 GRA, MPI stated:

The BoD approved Management to engage Government to seek a change of the funding status from payment funding to pre-funding under the Civil Service Superannuation Act (CSSA). MPI is currently appropriate authorizations and if approved, the change would be expected to take place in fiscal 2023/24.

The primary motivation for seeking this change is the reduction of financial statement volatility.[…] depending on market rates and conditions at time of a potential transition, there may be an accounting gain (or loss) that will impact the total equity position of MPI (and Basic). Because the going concern yield assumption is currently higher than the accounting discount rate, a gain would be anticipated upon implementation of this change. Based upon 2021/22 year-end values this gain is estimated to be approximately $150 million. This amount is subject to change based upon interest rate movements leading up to the settlement transaction and the final actuarial determination of the amount required to settle and transfer to the CSSF.

In the 2024 GRA MPI states:

For EFB portfolio we recommend using the “status quo” scenario – which assumes that the switch to pre-funding does not occur.

Question:

a) Please discuss any plans for changing the administration of the EFB portfolio.

b) Please file an updated response to CAC (MPI) 1-66 (2023 GRA).

Rationale for Question:

To understand the impact of changes to the investment portfolio mix.

RESPONSE:

a) A decision has not been reached with respect to changing MPI's funding status from payment funding to pre-funding under the CSSA with the GoM. The motivations for the change remain unchanged. MPI expects to re-engage discussions with the GoM in 2024/25, after the conclusion of the Organizational Review. The financial impacts are expected to be as indicated previously and remain subject to change pursuant to final actuarial valuations and prevailing market conditions at the time of settlement/transfer.

b) The response provided to *2023 GRA CAC (MPI) 1-66* remains up to date, attached herewith as *Appendix 1*.

CAC (MPI) 1-66

Part and Chapter:	PART VII – INV PART VII – INV Attachment H PART I - OV	Page No.:	55-56 of 85 10 5-6 of 13
PUB Approved Issue No:	7, 20		
Topic:	ALM Study		
Sub Topic:	Defined Benefit Pension Plan Funding		

Preamble to IR:

Pages 55-56 of the Investments chapter says:

> *The BoD approved Management to engage Government to seek a change of the funding status from payment funding to pre-funding under the Civil Service Superannuation Act (CSSA). MPI is currently working with the relevant stakeholders within Government to seek the appropriate authorizations and if approved, the change would be expected to take place in fiscal 2023/24.*
>
> *The primary motivation for seeking this change is the reduction of financial statement volatility.*
>
> *… depending on market rates and conditions at time of a potential transition, there may be an accounting gain (or loss) that will impact the total equity position of MPI (and Basic). Because the going concern yield assumption is currently higher than the accounting discount rate, a gain would be anticipated upon implementation of this change. Based upon 2021/22 year-end values this gain is estimated to be approximately $150 million. This amount is subject to change based upon interest rate movements leading up to the settlement transaction and the final actuarial determination of the amount required to settle and transfer to the CSSF.*

Page 10 of Attachment H to the Investments chapter shows the impact of the change on the Liability Benchmark Portfolio ("EFB") as follows:

- Duration would fall by almost 4 years, from 17.4 to 13.6; and
- RRB component would fall 28%, from 46% to 18%.

July 12, 2022 2023 GENERAL RATE APPLICATION
Part VII - INV Attachment H

Interest Rate Risk

Liability Benchmark

- In order to model liabilities, we develop a fixed income portfolio that reproduces the fluctuations of the liabilities (called the Liability Benchmark)
- Based on information provided by Manitoba Public Insurance, the duration and the liability benchmark portfolios are summarized below:

	EXT	SRE	EFB Status Quo	EFB Pre-Funded
Duration	1.3 years	2.5 years	17.4 years	13.6 years
Liability Benchmark				
• Treasury Bills	62%	16%	---	---
• Short Provincial Bonds	38%	84%	---	---
• Overall Universe Bonds	---	---	---	34%
• Overall Long Bonds	---	---	42%	48%
• Strip 20+ Bonds	---	---	12%	---
• Real Return Bonds	---	---	46%	18%

Mercer
Manitoba Public Insurance 10

Pages 5-6 of Part I – OV.2 ("The Transformation") lists MPI's three pillars of prudent fiscal management (below):

1. appropriate premiums based upon Accepted Actuarial Practice (AAP);
2. effective and efficient operations; and
3. adequate capital reserves.

MPI also states here that:

- "MPI must maintain financial strength and stability to achieve its Mission Statement. It achieves this by applying industry best practices to the three pillars of prudent fiscal management."

- "The principles guiding the five-year ambition … are:
  - Customer experience drives improvements
  - Improvements must make financial sense
  - Create a culture of continuous improvement through empowerment and automation
  - Be a fast follower of industry best practices and trends
  - Actively engage stakeholders along the way."

Question:

a) Please provide a narrative describing the nature and implications of the change that MPI is seeking with regards to the pension plan (i.e., "from payment funding" to "pre-funding").

b) What would the consequences of the change be, from payment funding to pre-funding, in terms of key financial metrics. These metrics would include, but not necessarily be limited to:

   i. Pension payments (e.g., timing, amount, and nature – such as inflation-sensitivity);
   ii. Contributions from MPI (e.g., timing and amount);
   iii. Assets under management; and
   iv. Liability Benchmark Portfolio composition.

c) Please show how the $150 million accounting gain was calculated (e.g., by disclosing the interest rates (base(s)) and levels used in the calculation, along with parameters for other variable(s) in the calculation).

d) MPI indicated that its primary motivation for seeking this change is the reduction of financial statement volatility.

   i. Are there any secondary or additional motivations, from MPI's perspective?
   ii. How are other stakeholders (e.g., employees) likely to react if the change is made?

iii. What impact or consequence might arise from any reaction(s) noted above?

e) Is this change considered to be consistent with an industry trend?

f) Is this change considered to be consistent with an industry best practice?

g) Please explain how the change makes financial sense and why it would be prudent for MPI to implement.

h) Have employees been engaged as MPI has developed this proposed change from "payment funding" to "pre-funding" the pension plan? If so, please provide the results of all employee engagement.

i) Is there any update on the status of discussions with Government stakeholders about the proposed change to the funding of the pension plan?

RESPONSE:

a) MPI offers staff a defined benefit pension plan, participating under the Civil Service Superannuation Act (CSSA). At present, MPI contributes to the Civil Service Superannuation Fund (CSSF) using the "pay-as-you-go" method of funding (payment funding). Under this method, MPI makes no advance funding payments (for the employer share of the cost of pensions) to the CSSF. Each month, MPI makes payments to the CSSF to reimburse the CSSF for its (employer) portion of each pension payment issued to retired employees. Because MPI makes no advance payment for its future obligation, it carries a pension liability on its balance sheet and therefore established a specific investment portfolio for the purposes of funding this future obligation. There are two funding methods available to participating employers in the plan; 1) payment funding and 2) pre-funding. Payment funding requires the employer to pay only its monthly share of payments made to pensioners drawing their pension, whereas pre-funding requires the employer to pay for their current *and* future obligations. As a result, payment funding employers must place a liability for future pension obligations on their balance sheets, while pre-funding employers do not.

b) The CSSA requires employees to contribute 8.0% of pensionable earnings up to the Canada Pension Plan (CPP) maximum pensionable earnings and 9.0% of pensionable earnings above that maximum. The pre-funding employer contribution rate is 0.9% less than the employee contribution rate on pensionable earnings up to the CPP maximum pensionable earnings and is the same as the employee contribution rate on Pensionable Earnings above that maximum. Under the CSSA, payment funding employers defer contributing their share of employee pension benefits until they are billed for 50% of the benefit payments processed.

As indicated, because payment funding employers defer contributing their share of employee pension benefits, they must carry a pension liability on their balance sheet while pre-funding employers carry no future obligation beyond making their contributions and therefore have no need to carry a financial liability on their balance sheet.

If MPI were to switch its funding status (i.e., from payment funding to pre-funding), the result would be a material reduction of its Employee Future Benefits (EFB) liability, in terms of amount and duration. As the EFB liability also contains amounts related to severance benefits and post-retirement benefits, the liability would continue, however at approximately one-fifth of its current amount.

For the Liability Benchmark Portfolio composition please see *Investments INV Attachment C – Mercer Report Final Pre-Selection of Asset Mixes Phase 2*. Section 9 of the report shows the liability benchmarks.

c) The following provides a rough calculation of the estimated $150 million accounting gain, which extrapolates on a previous calculation:

- Carrying Value Liability (June 2021) $475.9M
- Estimated Retained Carrying Value (June 2021)............................ $28.0M

  (for high earners considered off-side for CRA purposes and not eligible for transfer into the CSSF)
- Liability removed from the books $447.9M
- Required transfer to the CSSF $233.2M
- Gain on Transition $214.6M

  (difference between CSSF transfer and reduction in carrying amount of liability)
- Update carrying value at March 2022 compared to June 2021 .... -$52.8M

  (i.e, $423.1 - $475.9)
- Estimated Gain (using March 2022 values) $161.8M
- **Round down to nearest 50 million $150.0M***

* *Note: this estimate continuously changes based on prevailing market interest rates in effect on any given date.*

d) While reduction of financial volatility is the primary benefit, other factors considered by MPI in considering a change to the pre-funding method are:

   i. Rates of return between CSSF and MPI
   ii. Administrative Burden
   iii. MPI demographic experience vs that of the larger pool
   iv. Capital implications
   v. Simplicity
   vi. Transitional impacts
   vii. Control

   With the exception of “control,” all other considerations noted above are either neutral or support changing to the pre-funding method.

   For pensioners there would be no change in what or how they receive their benefits. In either case, the employer satisfies its obligation to pay their portion of the defined pension benefit.

e) Generally speaking, defined benefit plans are less common in the industry, with many plans closing to new members over the past years and decades. MPI is not aware of any specific trend relating to government entities, but notes that, in 2014, Manitoba Liquor merged with Lotteries and changed the funding method of the new combined pension plan to pre-funding.

f) Either method is available to participating employers under the CSSA. The correct or best method may be different for each employer and will depend on their individual circumstances and risk appetite.

g) Having approximately $500 million of pension related liabilities and assets carries with it volatility as these are marked to market and fluctuate with changes to prevailing interest rates. For every 100bps movement in interest rates, the pension liability changes by $90 million to $100 million. These movements can materially affect the capital position of MPI and the MCT ratio of its RSR. Additionally, upon adoption of IFRS 17 & 9, assets backing EFB will be classified as Fair Value Through Profit & Loss (FVTPL). As a result, mark-to-market movements of the assets will no longer flow through Other Comprehensive Income (OCI) but rather through the Profit & Loss. This will introduce more net income volatility for MPI and its shareholder, the Province of Manitoba.

h) MPI did not consult with its employees as the chosen payment method has no bearing on the pension benefits they receive.

i) The Government of Manitoba recently informed MPI that, while it is considering this proposal, it does not expect to issue a direction or authorization for fiscal year 2023/24. Therefore, the earliest MPI expects to be in a position to make this change is in fiscal year 2024/25.

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Part and Chapter:	**Part XI Investments** **Part XI INV Appendix 12**	**Page No.:**	**10**
PUB Approved Issue No:	**22. Asset Liability Management Study (in accordance with Directives 11.19 and 11.20 of Order 134/21), including implementation.**		
Topic:	**ALM Implementation**		
Sub Topic:			

Preamble to IR:

MPI developed an implementation plan with recommendations on how to transition from the current asset allocation to the new target mixes.

Question:

a) Please indicate to what extent MPI has implemented each of the accepted recommendations as at June 30, 2023.

b) Please provide tables by portfolio comparing the current asset allocations with the approved asset allocations in terms of dollar and percentage at June 30, 2023, and with that forecast for 2023/24 and 2024/25. Where Bond Overlay strategy has been employed, please identify the percentage of assets designated under the strategy.

c) To the extent that some recommended portfolio changes have not yet been implemented, what is the current time frame for each of the changes?

Rationale for Question:

To understand ALM implementation.

RESPONSE:

a) The following tasks have been completed:

1. Transitioned equity portfolios within the SRE, EXT, RSR & EFB portfolios to new target weights;

2. Delivered presentation on Bond Overlay Strategy to AIR division directors & staff, CFO, Chief Risk Officer, Investment Accounting, Financial Reporting and Province of Manitoba Finance;

3. Sold government bonds and bought corporate bonds in Basic Claims portfolio to reach target weight for corporate bonds;

4. Confirmed that the Provincial Government Directive does not apply to the addition of commercial mortgages;

5. Liquidated private debt investment in the SRE portfolio and invested funds in government bonds & short-term securities; and

6. Worked with Vendor Management and Legal to draft a request for proposals (RFP) for an investment manager search consultant.

b) Please refer to Figure 1 comparing the current asset allocations with the approved asset allocations in dollar and percentage as at June 30, 2023 and with the forecast for 2023/24 & 2024/25. The Bond Overlay strategy was approved by the Investment Committee on February 16, 2023. As of July 20, 2023, the strategy has not been implemented.

Figure 1 Asset Allocations Comparison

		in $ Thousands				in %			
Line No.	Portfolio Basic	*Actual* June 30, 2023	*Target* June 30, 2023	2023/24	2024/25	*Actual* June 30, 2023	*Target* June 30, 2023	2023/24	2024/25
1	Cash/Short Term Investments	58,727	-	-	-	2.7%	0.0%	0.0%	0.0%
2	Government Bonds	975,023	790,751	750,021	768,027	45.6%	37.0%	37.5%	38.0%
3	Corporate Bonds	596,769	598,406	568,044	582,243	27.9%	28.0%	28.4%	28.8%
4	MUSH	425,288	427,433	374,476	348,320	19.9%	20.0%	18.7%	17.3%
5	Private Debt	-	-	-	-	0.0%	0.0%	0.0%	0.0%
6	Canadian Equities	-	-	-	-	0.0%	0.0%	0.0%	0.0%
7	Global Equities	-	-	-	-	0.0%	0.0%	0.0%	0.0%
8	Global LV	-	-	-	-	0.0%	0.0%	0.0%	0.0%
9	Pooled Real Estate	-	213,717	206,672	219,348	0.0%	10.0%	10.3%	10.9%
10	Cityplace Investment	-	-	-	-	0.0%	0.0%	0.0%	0.0%
11	Infrastructure & Venture Capital	-	-	-	-	0.0%	0.0%	0.0%	0.0%
12	Real Return Bonds	81,359	-	-	-	3.8%	0.0%	0.0%	0.0%
13	Commercial Mortgages	-	106,858	100,038	100,766	0.0%	5.0%	5.0%	5.0%
14	**Total**	**2,137,165**	**2,137,165**	**1,999,252**	**2,018,705**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
15	**RSR**								
16	Cash/Short Term Investments	1,786	-	2,090	4,906	0.5%	0.0%	0.4%	0.9%
17	Government Bonds	71,898	76,219	107,430	114,581	20.8%	22.0%	21.3%	21.6%
18	Corporate Bonds	-	-	-	-	0.0%	0.0%	0.0%	0.0%
19	MUSH	-	-	-	-	0.0%	0.0%	0.0%	0.0%
20	Private Debt	75,908	79,684	116,035	119,789	21.9%	23.0%	23.0%	22.6%
21	Canadian Equities	38,207	41,574	59,591	62,499	11.0%	12.0%	11.8%	11.8%
22	Global Equities	24,441	27,716	39,727	41,666	7.1%	8.0%	7.9%	7.8%
23	Global LV	26,609	27,716	39,727	41,666	7.7%	8.0%	7.9%	7.8%
24	Pooled Real Estate	60,539	55,432	79,454	83,331	17.5%	16.0%	15.8%	15.7%
25	Cityplace Investment	11,426	-	5,604	5,449	3.3%	0.0%	1.1%	1.0%
26	Infrastructure & Venture Capital	35,637	38,110	54,625	57,290	10.3%	11.0%	10.8%	10.8%
27	**Total**	**346,451**	**346,451**	**504,282**	**531,176**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Asset Allocations Comparison *(cont'd)*

Line No.	Portfolio Basic	*in $ Thousands* Actual June 30, 2023	Target June 30, 2023	2023/24	2024/25	*in %* Actual June 30, 2023	Target June 30, 2023	2023/24	2024/25
28	**EFB**								
29	**Cash/Short Term Investments**	1,061	-	-	-	0.2%	0.0%	0.0%	0.0%
30	**Government Bonds**	-	-	-	-	0.0%	0.0%	0.0%	0.0%
31	**Corporate Bonds**	85,858	86,022	90,722	95,001	16.0%	16.0%	15.9%	15.8%
32	**MUSH**	-	-	-	-	0.0%	0.0%	0.0%	0.0%
33	**Private Debt**	78,101	91,399	96,693	101,780	14.5%	17.0%	16.9%	16.9%
34	**Canadian Equities**	74,139	75,269	80,165	85,520	13.8%	14.0%	14.0%	14.2%
35	**Global Equities**	55,534	53,764	57,259	61,081	10.3%	10.0%	10.0%	10.1%
36	**Global LV**	55,495	53,764	57,095	60,557	10.3%	10.0%	10.0%	10.0%
37	**Pooled Real Estate**	95,169	53,764	57,503	61,029	17.7%	10.0%	10.1%	10.1%
38	**Cityplace Investment**	-	-	-	-	0.0%	0.0%	0.0%	0.0%
39	**Infrastructure & Venture Capital**	92,283	123,657	131,320	137,764	17.2%	23.0%	23.0%	22.9%
40	**Total**	**537,639**	**537,639**	**570,756**	**602,731**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

c) The following tasks have yet to be completed:

1. Complete RFP process: respond to questions from vendors by July 21, review proposals received from vendors after July 31, select preferred vendor, sign contract in August;

2. Liquidate some real estate within the EFB portfolio and invest in infrastructure to bring both asset classes within the min/max ranges specified in the Investment Policy Statement. As these are illiquid asset classes the timing is uncertain at this point; and

3. Conduct searches for new managers of: inflation linked bonds, commercial mortgages, real estate & infrastructure (August 2023 – March 2024).