MANITOBA
PUBLIC INSURANCE

2023 Annual Report

Contents

Letters of Transmittal

July 31, 2024

Honourable Matt Wiebe
Minister of Justice and Attorney
General & Minister Responsible for
the Manitoba Public Insurance Corporation
Room 104, Legislative Building
Winnipeg, MB R3C 0V8

Dear Minister,
In accordance with Section 43(1) of
The Manitoba Public Insurance Corporation Act,
I am pleased to submit the Annual Report of
the Manitoba Public Insurance Corporation
for the fiscal year ended March 31, 2024.

Respectfully submitted,

Carmen Nedohin
CHAIRPERSON OF THE BOARD

July 31, 2024

Her Honour The Honourable
Anita R. Neville, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May it please your Honour,
I am pleased to present the Annual
Report for the Manitoba Public
Insurance Corporation for the fiscal
year ended March 31, 2024.

Respectfully submitted,

Matt Wiebe
MINISTER OF JUSTICE AND
ATTORNEY GENERAL & MINISTER
RESPONSIBLE FOR
THE MANITOBA PUBLIC
INSURANCE CORPORATION

About Manitoba Public Insurance

Corporate Profile

Manitoba Public Insurance is a provincial Crown corporation that has provided automobile insurance coverage since 1971. We assumed a broader spectrum of services in 2004, when we merged driver and vehicle licensing into our operations. The Corporation is governed by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*.

Corporate Mission

Exceptional coverage and service, affordable rates and safer roads through public auto insurance.

Corporate Vision

The trusted auto insurance and driver services provider for every Manitoban.

Corporate 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 fulfill our mission.

Message from the Chairperson

It was indeed an honour to be appointed Board Chairperson in October 2023, alongside seven other new Board members, all with incredible passion for this great organization and the important work it does for our province. This includes three past MPI employees as well as leaders with a variety of skills and experiences including labour relations, Indigenous relations, government relations, investing, insurance, and information technology. Thank you to my fellow Board colleagues for their hard work and dedication to MPI and its mission.

My first priority upon my appointment as Chairperson, along with the rest of the Board, was to end the strike and restore MPI services to Manitobans. I am pleased that we successfully welcomed our full team back to work in November 2023. Since that time, I have been working with MPI's management team to rebuild our corporate culture and our relationships with employees and stakeholders. Our shared focus has been on the success of MPI, both as a provider of exceptional insurance, registration and licensing services for Manitobans and an employer that values, trusts and respects the people who choose to work at the organization.

At Manitoba Public Insurance, our focus remains firmly fixed on delivering value for Manitobans. This duty extends far beyond providing insurance coverage; it's about fostering trust and offering peace of mind. By being there for people when they need us, we strive to meet the evolving needs and expectations of our customers, employees and stakeholders.

I would like to extend my thanks to Marnie Kacher, Vice President and Chief Operations Officer, who took on the position of interim President and CEO last spring and led the organization through a particularly challenging period during MPI's first-ever strike.

Part of the work to rebuild trust with customers, employees and stakeholders involved selecting an individual to lead the organization who embodies MPI's values and understands the need for a new path forward. The Board began a months-long search for the new President and CEO in the fall of 2023 and received over 150 applicants for the position.

Satvir Jatana was selected as MPI's new President and CEO in February 2024. Satvir brings stability and new energy to our organization. She has a true passion for supporting employees, serving Manitobans and giving back to the province she calls home. As a long-time leader in the organization and member of the Executive team, Satvir's insight and depth of knowledge about MPI, her breadth of leadership experience, and her strong desire to unite and engage MPI's team made her the right person to lead the organization as we embark on a new chapter.

The past year has been a testament to our strength and adaptability, and I am proud that MPI's dedication to providing Manitobans with exceptional coverage and service, affordable rates and safer roads has never been stronger.

As we look to the future, I'm pleased to share that our commitment to providing value to our customers will remain a constant. Many Manitobans continue to be concerned about the rising costs of everyday goods and services such as rent, gas, groceries, and insurance. I want you to know that we remain vigilant and focused on fiscal prudence. We know that rate stability and predictability continue to be important, and we are committed to delivering stable, affordable rates to our customers.

Our commitment is also evident in the comprehensive, world-class personal injury coverage we provide for Manitobans. Through the Personal Injury Protection Plan (PIPP), we protect all Manitobans injured in an auto collision anywhere in Canada or the U.S. Through this plan, we support those affected with coverage for economic losses and rehabilitative requirements. This means financial support for someone recovering from injuries, adapting to a new physical or emotional reality, or dealing with the loss of a loved one. Simply put – our PIPP plan is there for Manitobans in times when they need support the most.

Among the many achievements of MPI over the past year, our efforts to advocate for safer roads deserves a spotlight. Through targeted campaigns and community outreach programs, we aim to educate the public about the rules of the road and raise the next generation of safe drivers. In 2023, MPI provided High School Driver Education to over 7,800 new teen drivers in Manitoba through the Driver Z program. In addition to the Driver Z program, MPI continued its work in the community throughout 2023/24, including running its flagship road safety program for young children – Safety on Wheels. MPI team members, joined by university students interning at the organization for the summer, travelled the province visiting daycares, schools and day camps, sharing vital cycling safety information with some of the youngest road users in our province: children up to age six.

A core value for us at MPI is being a good corporate citizen and investing in our communities. One way we continue to live out this value is through our annual United Way campaign. In 2023, employees and MPI donated a total of $271,000 to United Way agencies and their partners throughout the province. This funding helps these important community organizations in their mission to provide direct assistance to Manitobans who are experiencing financial pressures, homelessness, addictions, and food insecurity, among many other challenges.

While we are proud of all the gains and great work we have accomplished over the past year, I must also acknowledge that our journey in 2023 was marked by significant challenges and unforeseen obstacles. The overall cost of claims continues to rise, driven by increasing claims severity as well as the rising cost of labour, raw materials and technology. Severe weather in August 2023 resulted in over 15,000 hail claims, which created a backlog in claims days before the strike began. These financial pressures on top of an already complex financial landscape have required us to take appropriate steps to get back on track and seek innovative solutions to continue delivering value for our customers.

I deeply believe in MPI's mission, vision and values, and I look forward to working with the Corporation's senior leadership team in the year ahead to bring greater stability to the organization as we focus on the hard work of meeting evolving customer needs and delivering on our promises while rebuilding trust and engagement with our employees, regulator and partners. On behalf of the Board, I want to thank and recognize the leadership team at MPI, each and every employee, as well as our external partners, who together make up one unified team that enables MPI to fulfill its mandate of exceptional coverage and service, affordable rates and safer roads for all Manitobans.

Carmen Nedohin

CHAIRPERSON OF THE BOARD

Board of Directors

Carmen Nedohin
CHAIRPERSON

Christian Dandeneau

JD Devgan

Fran Frederickson

Luke Johnston

Gina McKay

Marilyn McLaren

Diane Roussin

Candy Wong

Satvir Jatana
(EX-OFFICIO)

Message from the President and Chief Executive Officer

I have been a proud employee of Manitoba Public Insurance for over nine years and in that time, the crucial role that MPI plays in the lives of Manitobans has become abundantly clear. Now, as the President and Chief Executive Officer, I am proud to lead our organization toward an exciting future of continuing to serve Manitobans and deliver on our promises of exceptional coverage, affordable rates and enhanced experiences for people across the province.

I want to thank the Board of Directors for their support, guidance, insight and for placing their utmost confidence in me when selecting me for this role in February 2024. The position of President and CEO enables me to serve the province I am grateful to call home.

As I reflect on the past year, the words that come to mind are resilience, perseverance, and growth. MPI faced several challenges in 2023, including the unprecedented 10-week strike and subsequent backlog of work, as well as some of the highest levels of hail claims on record.

In addition, the severity of claims rose significantly in 2023/24, resulting in higher costs across our Basic, Extension and Special Risk Extension lines of business. A steady and prolonged increase in the cost of claims continues to impact the Corporation's net income position.

Our financial performance in 2023/24 reflects unique challenges we faced over the year. In August 2023, severe weather generated over 15,000 hail claims in Winnipeg and the surrounding area – the largest natural catastrophic event in MPI's history. This record-setting event contributed to MPI ending the year with a Corporate Net Loss of $130 million. Despite this temporary financial position, MPI has remained diligent in managing its corporate expenses by ending the year $43 million under budget.

In the face of adversity, our employees rose to the occasion, demonstrating their commitment to customers, the organization, and our province. We were pleased to welcome our full team back to work in November 2023 following the strike, and have since made significant progress clearing service backlogs and returning to our regular business practices, in addition to enhancing and streamlining some of our processes along the way. The leadership team put their immediate focus on reconnecting with our employees and working toward restoring trust and rebuilding team culture.

In December 2023, the organizational review of MPI, which was completed by Ernst & Young (EY), was concluded. The delivery of the EY report marked a turning point for MPI, with the report acting as a guiding document and a catalyst for recovery, growth, and sustainable and positive change at MPI. We will continue to reflect on the report's findings and act on its many recommendations as we work together to continually improve our organization.

Following the EY report and soon after I stepped into my role as the President and CEO, I set my attention on creating a new corporate direction for MPI and providing clarity on how together as a team, we will achieve our shared goals. We have put a short-term stability strategy in place to refocus our organization on our core priorities of meeting customer expectations; restoring trust and engagement with employees, stakeholders, our regulator, and customers; and strengthening our technology ecosystem. This plan will be in place for the remainder of 2024/25 while we build a longer-term strategy centered on achieving responsible growth by appropriately pacing MPI's modernization initiatives to its workforce capabilities.

This important work to refocus and reimagine the organization was informed by guidance and advice from our internal team, our Board of Directors, and our partners. Setting clear goals around what we do best has helped us sharpen our focus on the important work of delivering value for Manitobans. Moving forward into a new era of stability and progress for the organization, I am committed to delivering on our mandate, providing direction and clarity, and rebuilding trust with our employees and partners, for the benefit of all Manitobans.

We remain committed to delivering on our mandate and although it has been a challenging period for MPI, we are very optimistic for our future and the value we will continue to provide for Manitobans. We continue to provide stable and affordable rates for Basic auto insurance. In addition, we have expanded the Driver Safety Rating scale, which means Manitoba's safest drivers are receiving a higher vehicle premium discount every year. Customers who move to the new level 18 on the scale now receive a 46 per cent discount. Beginning in 2024/25, MPI will also start applying greater discounts to the majority of DSR levels, offering larger savings to customers, which means more money in the pockets of Manitobans.

Road safety is a constant focus of our organization and in July 2023, we came together with the Government of Manitoba to announce that impaired drivers will no longer receive third-party liability coverage for damage they cause to other vehicles or property. This is the latest step taken by MPI to keep Manitoba's roadways safe by deterring people from getting behind the wheel while under the influence of drugs or alcohol.

In a rapidly evolving landscape, characterized by technological advancements and changing customer preferences, MPI is continuously working to adapt and meet the needs of Manitobans with enhanced products and services. A significant part of ensuring we continue to provide the high level of service that our customers expect is reliant on updating and modernizing our systems. This work is being done through Project Nova, which is the largest and most complex business transformation in MPI's history.

In 2023, we launched the first phase of Project Nova, transforming the way MPI works with brokers selling our Special Risk Extension products. Lessons learned from the first launch are informing our second release, which is the introduction of a new platform called MPI Registration. This new system will update how we manage the participation of commercial customers in the International Registration Plan (IRP). Work has also begun on our third release, which is the largest and most impactful for customers as it will introduce new online options for Basic insurance, vehicle registration and driver licencing.

All of this important work would not be possible without the dedicated employees at MPI. Our team has been through a difficult year. A top priority for the executive team continues to be restoring trust and engagement with employees, and ensuring MPI is set up for success from within.

In closing, I am eager to continue the work already underway to further strengthen MPI's position as Manitoba's trusted auto insurance and driver services provider as we deliver on our promises of exceptional coverage and service, affordable rates and safer roads. I look forward to collaborating with our Board of Directors, leadership team, employees, and stakeholders in delivering value to Manitobans and positioning MPI for continued success in the years to come.

Satvir Jatana

PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Executive Team

Satvir Jatana
PRESIDENT & CHIEF EXECUTIVE OFFICER

Tamara Boblinski
INTERIM VICE PRESIDENT & CHIEF PEOPLE OFFICER

John Bowering
INTERIM VICE PRESIDENT & CHIEF CUSTOMER & PRODUCT OFFICER

Anthony Guerra
VICE PRESIDENT & CHIEF LEGAL & RISK OFFICER

Roy Hart
VICE PRESIDENT & CHIEF INFORMATION & TECHNOLOGY OFFICER

Marnie Kacher
VICE PRESIDENT & CHIEF OPERATIONS OFFICER & INTERIM CHIEF CLAIMS OFFICER

Ryan Kolaski
VICE PRESIDENT & CHIEF FINANCIAL OFFICER

Cara Low
VICE PRESIDENT & CHIEF ACTUARY

Strategic Direction

Underpinned by a commitment to exceptional coverage and service, affordable rates and safer roads for Manitobans, MPI is well-positioned to step into a new era – one of sharper focus, stronger structure and greater stability.

We approached 2024/25 planning as an opportunity to create stability in the organization and establish a solid foundation on which to build our future strategy. Over the coming year, we will sharpen our focus to address key issues that pose the biggest risks to our organization by meeting customer expectations, restoring our relationship with our employees, and strengthening our enterprise technology ecosystem. Dedicating our efforts to foundational priorities and reestablishing a pace of modernization that matches our capacity will provide the stability we need to position the organization for responsible growth and success.

MPI is renewing its commitment to meeting customer expectations following a challenging year for the organization, during which customers were not always able to receive the service they expected and deserved. Outstanding operational backlogs are being actively reduced by redeploying internal resources to restore service levels and new technology is being developed to reduce customer wait times. Work is underway to improve access to information and make it easier for customers to find what they are looking for when they need to connect with us.

The team delivering on MPI's commitment to our customers represent the most important aspect of our business. Employees have persevered through many challenges recently and MPI is dedicated to investing in culture and leadership to address immediate needs of restoring a trusting workplace and addressing talent and professional development opportunities to create bench strength for our future operational needs. Employee experience will benefit from clarifying roles and responsibilities, ensuring effective cross-functional collaboration, activating consistent two-way dialogue, enabling modernization at an appropriate pace and, most importantly, delivering exceptional services through a reorganization that aligns with our strategy.

Last year, MPI was also proud to mark the launch of the first phase of Project Nova, the Corporation's long-term digital transformation program. The overall goal of Nova is to replace critical end-of-life platforms with new technology, creating a more stable and secure foundation for Manitoba's public insurance system. This will reduce the cost of upkeep and repair for outdated technology, keep customer data safe and create opportunities to serve Manitobans in new ways.

Nova's initial release moved the Special Risk Extension (SRE) business from a paper-based to a system-based solution. Lessons learned from the SRE release are being carried over and applied to future releases, ensuring the project continues to deliver value and remain within budget. The second phase of Nova, which is focused on introducing a new system to manage the participation of commercial customers in the International Registration Plan, is expected to launch in June 2024. We have begun initial work on our upcoming third release, which will focus on moving elements of our personal insurance, driver licensing and vehicle registration systems to new technology and enabling online solutions for customers. We are excited to move Project Nova forward to deliver new service options for Manitobans that will make connecting with MPI easier and more convenient than ever before.

The Corporation remains committed to improving road safety in Manitoba and continuing to shape Manitoba's road safety culture through driver education, awareness campaigns, stakeholder engagement, community outreach and law enforcement support. Each year we run awareness campaigns across a variety of media, facilitate community programming promoting roads safety in schools, organizations and community groups, and sponsor several key road safety initiatives such as the Friends for Life speaker series in schools and anti-impaired driving initiatives like Operation Red Nose. This work also includes partnering with local police forces and the RCMP across the province on enhanced enforcement initiatives to encourage safer driving behaviours and reduce serious and preventable vehicle collisions in Manitoba. We continue to work collaboratively to build solutions that help create safer communities across the province, including First Nations, remote and northern communities, through partnerships with groups like the Assembly of Manitoba Chiefs.

Another key partnership for MPI is our working group with the Manitoba Trucking Association and the Insurance Brokers Association of Manitoba that is focused on enhancing our SRE line of business. Together, we aim to align on future eligibility criteria for long haul trucking businesses to ensure they meet underwriting and safety criteria that support the long-term sustainability of this competitive and comprehensive insurance offering for the Corporation.

MPI's work to build strong connections with communities across Manitoba extends into the sponsorships it provides that further its road safety mandate, demonstrate social responsibility, support key business partnerships or contribute to local economic development. Each year we take pride in partnering with dozens of organizations in support of these shared goals that help enhance the quality of life for Manitobans.

Additionally, we remain immensely proud of our Driver Z program, which provides quality High School Driver Education to Manitoba's next generation of teen drivers. Through a blend of in-car training, interactive online learning, classroom learning, parental/guardian involvement, and dedicated practice time, thousands of students complete this program every year, helping to equip them to become safe, responsible and confident drivers.

Looking to the future, thoughtfully enhancing our organization on top of a strong foundation demonstrates continued alignment with our valued stakeholders. Our commitment to our employees, partners and customers remains steadfast as we shift our planning efforts from short to long term horizons. In 2024, we began the work of developing a multi-year strategy that will guide for a five-year period starting April 1, 2025. Leveraging internal expertise to lead a fact-based process, alignment is achieved through organization-wide participation while capitalizing on insights provided by the recent organizational review. Our approach acts as an opportunity to practice a performance oriented and collaborative culture – seeking feedback and setting clear measures of success to build a strong blueprint that prioritizes our long-standing tradition of providing excellent customer experience and delivering affordable rates for Manitobans.

To support robust strategic planning, MPI is improving execution efforts with a Strategy to Execution Pipeline that captures and prioritizes opportunities and allocates resources to a portfolio of work that is right-sized for our delivery capacity. Our Stability Strategy and multi-year strategic planning efforts demonstrate a practice of articulating expected outcomes in a tangible and measurable way, and a discipline of committing to objectives that drive value at an achievable pace of delivery.

Upholding the core values our customers expect of us: striving for excellence, providing value to Manitobans, doing what's right and investing in people. In everything we do, MPI works to be every Manitoban's trusted auto insurance and driver services provider, dedicated to road safety for all. We aim to achieve this by conducting our business with integrity, accountability, efficiency and transparency.

We are setting the stage for MPI to continue aligning its efforts with the evolving needs of our customers and the dynamic landscape of the auto insurance industry in Canada through collaborative planning and disciplined execution. We aim to not only sustain but also enhance our position as a trusted partner in delivering what matters most to our stakeholders: exceptional coverage and service, affordable rates and safer roads. Together, we will build on these commitments as we navigate the road ahead with resilience, agility, and a shared vision of delivering value for our customers, employees and partners, for the benefit of all Manitobans.

Corporate Performance Measures and Targets

For the years ended March 31, 2024, and March 31, 2023.

Financial Performance

Net Income/(Loss)

In millions

($129.5)	$29.8	$40.6
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23 RESTATED

Revenue from Premiums

In millions

$1,549.4	$1,560.0	$1,461.6
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23 RESTATED

Incurred Claims before Reinsurance

In millions

$1,386.9	$1,184.2	$1,052.9
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23 RESTATED

Corporate Loss Ratio

Incurred Claims before Reinsurance/Revenue from Premiums

89.5%	75.9%	72.0%
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23 RESTATED

Total Return — Investments

3.45%	4.82%	(0.75%)
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23

Operational Excellence

Total Full-Time Equivalent (Average)

1,748	2,123	2,001
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23

Total Expense Ratio

Corporate Expenses consisting of Maintenance, Acquisition-Other and Operating/Revenue from Premiums

23.2%	25.8%	24.5%
ACTUAL 2023/24	ANNUAL TARGET	PAST 2022/23 RESTATED

Customer Service

Customer Experience (CX) Index™ Score

69.0	70.0
ACTUAL 2023/24	ANNUAL TARGET

Note: The overall CX Index™ score ranges from zero to 100.

Sourcing: A commissioned study conducted by Forrester Research leveraging the CX Index™ framework, February 2024.

MPI has adopted an industry standard method of measuring our customer experience. MPI's CX Index™ Score places it just below the "Good" range overall, which is our targeted minimum customer experience.

Disclaimer: Forrester does not endorse any company included in any CX Index™ research and does not advise any person to select the products or services of any particular company based on their CX Index™ ratings.

Organizational Health

Capital Adequacy (Minimum Capital Test)

Basic

94%	100%	164%
ACTUAL 2023/24	TARGET	PAST 2022/23 RESTATED

Extension

200%	200%	153%
ACTUAL 2023/24	TARGET	PAST 2022/23 RESTATED

Special Risk Extension

163%	300%	362%
ACTUAL 2023/24	TARGET	PAST 2022/23 RESTATED

2023/24 Year-End Summary

Dollars and Cents

Approximate Autopac claims paid per working day	$4.2 million
Total Autopac claims paid for injuries occurring in 2023/24, (before expenses)	$174.8 million
Total Autopac claims paid for property damage occurring in 2023/24, (before expenses)	$801.0 million
Amounts paid by MPI to Manitoba medical practitioners on behalf of customers	$23.5 million
Commissions expensed to independent insurance brokers for product sales	$107.1 million
Grants-in-lieu of taxes paid to Manitoba municipalities by MPI	$1.8 million
Provincial premium taxes total	$48.0 million
Savings to policyholders through use of recycled parts made available for use in claims repairs	$8.0 million
Estimated direct savings to policyholders through subrogation	$14.1 million
Average cost per claim	$5,051

Significant Numbers

Average number of Autopac claims reported to MPI per working day	1,184
Total Autopac claims reported	274,585
Third-party-liability, bodily injury and PIPP injury claims reported	11,732
Property damage claims reported	262,853
Number of Autopac policies in force (average)	1,278,461

Management Discussion & Analysis

The following management discussion and analysis (MD&A) is the responsibility of management and has been reviewed by the Board of Directors (the Board) for the year ended March 31, 2024. This MD&A is intended to enable the reader to assess the results of operations and financial condition of the Corporation for the year ended March 31, 2024, compared to the corresponding year ended March 31, 2023. It should be read in conjunction with the Corporation's annual audited financial statements and supporting notes for the year ended March 31, 2024, found herein.

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

Cautionary Note Regarding Forward-Looking Statements

Certain of the statements included in this MD&A about MPI's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things, economic and political environments, and industry conditions. Many factors could cause the Corporation's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements.

Adoption of New Accounting Standards

MPI adopted IFRS 17 *Insurance Contracts* (IFRS 17) in conjunction with IFRS 9 *Financial Instruments* (IFRS 9) on April 1, 2023, replacing IFRS 4 *Insurance Contracts* (IFRS 4) and IAS 39 *Financial Instruments: recognition and measurement* (IAS 39), respectively.

The year ended March 31, 2024, is the first fiscal year reported under IFRS 17 and IFRS 9. IFRS 17 has been applied retrospectively, comparative figures for the fiscal year ended March 31, 2023, have been restated and presented in accordance with IFRS 17. In addition, the Statement of Financial Position presents a third statement as at April 1, 2022, restated to reflect the impacts from adoption of IFRS 17 and to provide the opening position for the fiscal year beginning April 1, 2022, under IFRS 17.

IFRS 17 provides principles for the recognition, measurement, presentation and disclosure of insurance contracts. IFRS 9 provides guidance in classification and measurement of financial assets, impairment of financial assets and hedge accounting.

The Corporation adopted IFRS 9 retrospectively with no restatement of comparative information. Changes in measurement arising from the adoption of IFRS 9 are reported as adjustments to the Statement of Financial Position as at April 1, 2023. The total impact to Equity arising from the transition to IFRS 9 is reported within the Statement of Changes in Equity as at April 1, 2023.

Adoption of IFRS 17 Insurance Contracts

The transition to IFRS 17 resulted in a net positive impact to Equity at April 1, 2022, of $106.3 million. The impacts are summarized as follows:

- Equity decreased by $64.7 million with the elimination of the deferred policy acquisition costs asset that had been reported on the Statement of Financial Position under IFRS 4. Under IFRS 17, the Corporation expenses policy acquisition costs as incurred.
- Equity decreased by $0.7 million as a result of reductions to Reinsurance contract assets arising from the change in discount rate methodology and application of the risk adjustment under IFRS 17 in measuring reinsurance contracts held by the Corporation.
- Equity increased by $171.7 million as a result of reductions to Insurance contract liabilities arising from the change in discount rate methodology and application of the risk adjustment under IFRS 17 in measuring insurance contracts issued by the Corporation.
- The net claims liabilities are discounted using a discount rate based on a yield curve constructed using current market rates of return implicit in a fair value measurement of a reference portfolio of assets that reflects the characteristics and duration of the claims liabilities. Under IFRS 4, the Corporation applied a discount rate based on the estimated market yield of the underlying assets backing the cash flow requirements of the unpaid claims.
- Under IFRS 17, the measurement of insurance contracts includes an explicit risk adjustment for non-financial risk, which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the net discounted claim liabilities estimates, whereas the IFRS 17 risk adjustment represents the compensation the entity requires for bearing the uncertainty around amounts and timing of cash flows that arise from non-financial risk as the issuer fulfils the insurance contracts.

Changes in Financial Statement Presentation under IFRS 17

IFRS 17 introduces changes to financial statement presentations. The notable line items provided in the presentation of the Statement of Operations are summarized below:

- Insurance revenue is comprised of Revenue from premiums and Other insurance revenue. Revenue from premiums reports the amount of expected premium receipts, net of cancellations, allocated to the period based on the passage of time over the service coverage period. This is similar to the concepts that were applied under IFRS 4. The line items ‘gross premiums written’ and ‘net premiums written’ (after premiums ceded to reinsurers) that had been reported in the Statement of Operations under IFRS 4 are no longer presented. Other insurance revenue reflects fees earned in the period related to providing insurance services to policyholders, including fees for payment arrangements.

- Total insurance service expense reports Incurred claims, Maintenance expense, and Acquisition expense incurred in the period that are directly attributable to fulfilling insurance contracts. Under IFRS 4, many of these expenses were grouped in a different manner and reported as operating, claims, loss prevention/road safety, commissions, premium taxes, and regulatory/appeal; and reported as total expenses.
- Insurance revenue and Total insurance service expenses, together provide the Insurance service result from insurance contracts reported under IFRS 17.
- Net income (expense) from reinsurance contracts held represents payments to and recoveries from reinsurance companies for contracts held by the Corporation, plus changes in risk adjustment (the amount of risk transferred to the reinsurer), and an allowance for non-performance risk by the reinsurer. Under IFRS 17 these are presented in the Statement of Operations as a single net amount. Under IFRS 4 reinsurance activity was presented as offsetting lines reported for direct insurance.
- Insurance revenue, Total insurance service expense and Net income (expenses) from reinsurance contracts are presented without the impact of discount unwinding and changes in discount rates. The impacts of discount unwinding and changes in discount rates on insurance contracts and reinsurance contracts are reported separately within Net insurance financial result.
- Net insurance financial result is comprised of insurance finance income (expense) from insurance contracts issued and reinsurance contracts held. IFRS 17 introduced increased application of discounting and risk adjustments in measuring insurance liabilities and has removed the direct link between assets and liabilities. Changes in the carrying value of insurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied in measuring insurance contracts, are reported as Insurance finance income (expense).
- Total other revenue is revenue that is not directly related to insurance contracts. This includes recoveries for operations under *The Drivers and Vehicles Act* and revenue from service fees, interest and other fees arising from transactions that are not directly related to insurance contracts.
- Total other expense: IFRS 17 reports insurance related expenses within Insurance service expense; other expenses are expenses that are not directly attributable to insurance contracts. As a result, a portion of expenses that had been reported across various line items under IFRS 4, are now presented as Total other expenses under IFRS 17.

Changes in presentation in the Statement of Financial Position introduced by IFRS 17

Insurance contract liabilities: the most significant change to the Statement of Financial Position is the line-item Insurance contract liabilities which presents the liability for remaining coverage (the obligation to provide insurance services in future periods for premiums received) plus the liability for incurred claims which is an estimate of the fulfillment cash flows related to incurred claims, discounted for the time value of money and including a risk adjustment to account for non-financial risk. Several balances that had been reported previously, such as claims liabilities, unearned premiums, and others, are now combined in determining the line-item Insurance contract liabilities.

Reinsurance contract assets: this new line item presents a combination of several lines that had been reported separately for reinsurance, such as “Due from other insurance companies” and “Reinsurers’ share of unpaid claims” line items. Under IFRS 17, impacts from risk adjustment and risk of non-performance by the reinsurer are included in determining the asset or liability arising from portfolios of reinsurance contracts.

Adoption of IFRS 9 Financial Instruments

Associated with the adoption of the IFRS 17, the Corporation adopted IFRS 9 replacing IAS 39 effective April 1, 2023. IFRS 9 provides guidance in classification and measurement of financial instruments that is based on a business model approach for managing financial assets and the contractual cash flow characteristics of the financial asset. The standard assesses impairment based on an expected loss model and provides guidance for hedge accounting that incorporates the risk management practices of an entity.

Upon transition to IFRS 9 on April 1, 2023, financial instruments held by the Corporation were classified and measured in accordance with IFRS 9. The change in measurement arising from the initial application of IFRS 9 provided a negative one-time impact to Equity of $5.9 million.

Under IFRS 9, most of the financial instruments held by the Corporation are measured as Fair Value Through Profit or Loss, which could give rise to increased volatility in the value of investments reported in the Statement of Financial Position and investment gains and losses reported within the Statement of Operations.

Corporate Governance

Effective governance is key to creating value for Manitobans. The Corporation’s Board of Directors provides oversight to our executive leadership team to ensure MPI has effective processes in place to deal with issues and concerns from staff, customers and other stakeholders.

Responsibilities of the Board

The Corporation’s Board of Directors, appointed by the Government of Manitoba, ensures that corporate policies are consistent with its mandate and the laws of the Province of

Manitoba. The Board of Directors is also responsible for overall policy direction of MPI and provides oversight and monitoring. Further duties, obligations and responsibilities of the Board of Directors are prescribed by *The Crown Corporations Governance and Accountability Act* and *The Manitoba Public Insurance Corporation Act*.

The Corporation is responsible for preparing an annual business plan which must be approved by the Board and submitted to the Minister responsible for the Manitoba Public Insurance Corporation (MPI) for their approval.

The Board chairperson is required to provide the Minister responsible for MPI and the Lieutenant Governor in Council with an annual report that includes audited financial statements, which is subsequently reviewed by the Standing Committee on Crown Corporations of the Legislative Assembly. With the approval of the Lieutenant Governor in Council, the Minister responsible for MPI has the legislative authority to issue a mandate letter, and directives related to respecting matters of policy, conducting organizational reviews and ensuring consistency with other Crown corporations or prescribed government agencies.

Whistleblower Report

The Corporation has an established Whistleblower Hotline, which is an anonymous and confidential system for the receipt, retention and treatment of complaints about activities that are potentially unlawful or injurious to the public interest, including suspected fraud or financial mismanagement by employees.

As these matters are of paramount concern to the Board of Directors and senior management, the Corporation has retained the services of an independent third party to administer the Whistleblower Hotline, receive complaints and provide reports directly to the chair of the Audit & Finance Committee and the corporate General Counsel — recognizing that employees will be more likely to submit reports if they have a direct channel open to them with which they are comfortable.

Furthermore, it is the policy of the Corporation to ensure there are no reprisals against any employee for accessing the Whistleblower Hotline and making a report, should the identity of the reporting employee become known despite stringent provisions for confidentiality. The purpose of the policy is to discipline those responsible, not to discipline those who report abuses.

During the fiscal period April 1, 2023, to March 31, 2024, the Whistleblower Hotline received ten inquiries, all of which were acted on. Of the ten inquiries received, nine were investigated and one remains under investigation.

Of the nine investigations conducted, one resulted in a finding of wrongdoing. The wrongdoing complained of relates to the scoring of bids received in response to a Request for Proposals (RFP) issued by the Corporation on March 10, 2023 seeking a vendor to lead certain projects designed to elevate the data and analytics maturity levels of the Corporation. The investigation concluded that the scoring of this RFP was skewed to favour the top-ranked vendor. Despite this, the Corporation did not conclude an agreement with any vendor and later terminated the subject RFP and defunded the related projects. Though the investigation found wrongdoing, it did not recommend any disciplinary measures as the subject employees had since departed the Corporation. The investigation did however recommend that one employee receive additional education and training with respect to the procurement process and further recommended that the procurement process used by the Corporation be independently reviewed with recommendations for improvements.

Fair Practices Office

The Fair Practices Office (FPO) is an avenue for customers and other interested parties to bring issues and concerns of a systemic nature to the attention of MPI.

The FPO generally deals with concerns related to corporate policy, or issues involving complex or unusual situations where the correct interpretation of policy may seem unclear. The FPO may initiate its own investigations or respond to inquiries referred by others. It is free to scrutinize MPI's policies and procedures in an objective and constructive manner. As required, it can make recommendations about an operational decision on a specific case and alert senior management of any systemic concerns or policies that should be addressed.

Results of Operations

Manitoba Public Insurance's mandate is to ensure low and stable rates and provide value to Manitobans.

All amounts in the results of operations for 2022/23 are restated under IFRS 17 apart from Investment income.

The Corporation reported a Net loss from operations of $129.5 million for the year ended March 31, 2024, as compared to a Net income of $40.6 million for the prior year. The Insurance service result was $(35.0) million as compared to $79.6 million for the prior year. This reflects the underlying performance of the Corporation's individual lines of business. More specifically,

- The Basic insurance line of business reported a Net loss of $80.2 million as compared to a Net income of $1.1 million for the prior year. The Insurance service result was $(21.9) million as compared to $48.4 million for the prior year.
- The Extension line of business reported Net income of $18.1 million as compared to a Net income of $33.3 million for the prior year. The Insurance service result was $25.2 million as compared to $36.9 million for the prior year.
- The Special Risk Extension ("SRE") line of business reported a Net loss of $54.2 million as compared to a Net income of $16.6 million for the same period in the prior year. The Insurance service result was $(38.2) million as compared to $(5.7) million for the prior year; and,
- *The Drivers and Vehicles Act* operations (DVA) line of business reported a Net loss of $13.2 million as compared to a Net loss of $10.4 million for the same period in the prior year.

Insurance Revenue

Insurance revenue is comprised of Revenue from premiums and Other insurance revenue (fees related to policy administration). Insurance revenue for the Corporation increased by 6.6 per cent or $98.4 million to $1.6 billion for the year ended March 31, 2024 as compared to the prior year. It is comprised of three insurance lines of business, those being Basic, Extension and SRE. The revenue attributable to each of these lines of business is approximately 75 per cent, 13 per cent and 12 per cent respectively.

Insurance revenue for the Basic line of business increased by 6.6 per cent or $73.0 million to $1.2 billion for the year ended March 31, 2024, as compared to the prior year. Included in the year ended March 31, 2024, is a reduction to Insurance revenue as a result of a capital release of $28.3 million for the Basic line of business. This reflects the impact of the 5.0 per cent capital release ordered by the Public Utilities Board (PUB) in the prior year. The PUB has sole authority over reviewing and approving premiums and service fee charges for the Basic line of business. To this end, MPI participates in an annual general rate application (GRA) process to establish rates and fees which take effect April 1. As such, changes in revenue outside of a PUB order reflect underlying changes in policy volume and timing of renewals related to same in the period. For the fiscal year ended March 31, 2024, the PUB approved a decrease of 3.8 per cent in premiums charged by the Basic line of business that took effect April 1, 2023.

Insurance revenue for the Extension line of business increased by 5.7 per cent or $10.7 million to $198.0 million for the year ended March 31, 2024, as compared to the prior year. The increased revenue in the Extension line of business reflects stronger demand for products such as: reducing deductible to $200 (25.8 per cent increase over prior year such products as), maximum insured vehicle coverage (26.6 per cent increase over prior year) and $10 million third party liability coverage (17.9 per cent increase over prior year).

Insurance revenue for the Special Risk Extension line of business increased 8.2 per cent or $14.7 million to $194.6 million for the year ended March 31, 2024, as compared to the prior year. The increased revenue in the Special Extension Risk line of business reflects increased rate activity during the year, an average in-year rate increase of 7.5 per cent, and stronger demand in both volume and policy size within the first half of the year.

The charts below depict where premiums dollars have been applied in relation to the overall operations of the Corporation for the fiscal years ended March 31, 2024, and 2023.
The largest use of earned premium in any given year goes towards physical damage incurred claims. In the year ended March 31, 2024, physical damage comprised 64 per cent of the total insurance and other revenue while third party liability (TPL) bodily injury and PIPP bodily injury was 20 per cent. Combined, these coverages make up 84 per cent of the total insurance and other revenue earned throughout the fiscal year ended March 31, 2024, which is up 16 per cent from last year. There was significant prior year development for SRE TPL bodily injury physical damage claims as loss experience deteriorated over the year. The increase to physical damage claims was driven by higher severity related to the increasing cost of repairs for vehicles.

Where Your Premium Dollar was Applied in Fiscal Year ended March 31, 2024

Claims incurred - physical damage	**$0.64**
Claims incurred - bodily injury	**$0.20**
Net insurance finance result	**$0.04**
Corporate operating expenses	**$0.22**
Commissions	**$0.07**
Premium taxes	**$0.03**

Total earned insurance and other revenue	**$1.00**
- Total claims and expenses	**$1.20**
+ Expense from insurance contracts	$0.06
= Underwriting income (loss)	($0.14)
+ Investment income	$0.06
= Net loss from operations	($0.08)

Where Your Premium Dollar was Applied in Fiscal Year ended March 31, 2023

Claims incurred - physical damage	**$0.50**
Claims incurred - bodily injury	**$0.18**
Net insurance finance result	**($0.03)**
Corporate operating expenses	**$0.23**
Commissions	**$0.07**
Premium taxes	**$0.03**

Total earned insurance and other revenue	**$1.00**
- Total claims and expenses	**$0.98**
+ Expense from insurance contracts	($0.01)
= Underwriting income (loss)	$0.01
+ Investment income	$0.02
= Net income from operations	$0.03

Incurred Claims

Incurred claims are a function of both frequency (the number of claims made), severity (how expensive is the actual or expected injuries, repairs, or total loss), and the timing of when claims are settled and paid. Frequency is affected by several factors, such as driving patterns, weather, and individual decisions to advance a claim or not. Severity is impacted by several factors such as supply chain availability of parts and service, prevailing market conditions for new and used vehicle pricing, and complexity of the vehicle requiring repair. Timing related to claims settlement is impacted by several factors, such as inflation, discount rates, risk adjustments, and investment yields.

Incurred claims for the Corporation increased by 31.7 per cent or $334.0 million to $1,386.9 million for the year ended March 31, 2024, as compared to the prior year. All three insurance lines of business experienced increased incurred claims over the prior year. A large portion of the increase experienced is related to comprehensive coverage for catastrophic weather events, mainly hail. MPI experienced the largest hail event in its history with over 15,500 claims reported at year end with approximately 700 expected to still be reported. The claims total exposure before reinsurance is expected to be $117.9 million. The increase in hail claims over last year was $139.3 million and primarily related to the August 2023 storm. MPI mitigates exposure to these events through reinsurance on an annual basis. The total portion of claims incurred eligible for reinsurance recoveries in the year ended March 31, 2024, was $144.2 million. The reinsurance recoveries related to this were $94.2 million. The net financial exposure to MPI in the year ended March 31, 2024, was $50.0 million. Overall, the increase in claims incurred is reflective of material increases in prior year claims development (under reserved in prior years negatively impacting the current year) due to increased experience with severity (escalation in the cost of repairs).

Basic Line of Business

Incurred claims for the Basic line of business increased by 28.0 per cent or $229.0 million to $1,046.6 million for the year ended March 31, 2024, as compared to the prior year. The loss ratio for the year was 90.1 per cent as compared to 74.5 per cent for the prior year.

Autopac claims reported for the year ended March 31, 2024, increased by 40 per cent or 10,483 to 274,585. Over the past 10 years, there has been an increase in claims reported of 0.5 per cent. Although MPI experienced a significant increase in claims reported for the year ended March 31, 2024, the volume is lower than the pre-COVID-19 Autopac claims reported of 287,941 for the year ended March 31, 2020.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) increased by 41.9 per cent or $267.0 million to $904.3 million for the year ended March 31, 2024, as compared to the prior year. More specifically,

- Collision increased by 22.7 per cent or $107.4 million to $580.3 million. Included in the increase is $25.1 million of unfavourable prior year development which means that 2.0 per cent of Basic's revenue from premiums was needed to cover claims from prior years. For the year ended March 31, 2024, the estimated cost for Collision claims is 46.3 per cent of the revenue from premiums.
- Comprehensive (non-hail) increased by 12.4 per cent or $12.9 million including commissions and premium taxes to $116.9 million;
- Comprehensive (hail) increased by $139.3 million to $150.4 million; and,
- Property damage increased by 15.1 per cent or $7.4 million to $56.7 million.

Bodily injury incurred claims (excluding inflation, discount rate impact, and risk adjustment) increased by 23.6 per cent or $59.7 million to $312.2 million for the year ended March 31, 2024, as compared to the prior year. The impact of inflation was favourable, reducing outstanding bodily injury obligations by $147.1 million resulting in a $68.5 million recovery for the year ended March 31, 2024, as compared to the prior year.

Impacts from discount rates were unfavourable by $30.7 million and impacts from risk adjustments were unfavourable by $18.8 million for the year ended March 31, 2024, as compared to the prior year.

Extension Line of Business

Incurred claims for the Extension line of business increased by 30.8 per cent or $29.2 million to $124.1 million for the year ended March 31, 2024, as compared to the prior year. Ten million dollars of the increase is related to a single loss event experienced during the year. The loss ratio for the year was 64.4 per cent as compared to 51.7 per cent for the prior year.

Special Risk Extension Line of Business

Incurred claims for the Special Risk Extension line of business increased by 53.9 per cent or $75.7 million to $216.1 million for the year ended March 31, 2024, as compared to the prior year. More specifically,

- Public liability *(excluding discount rate impact and risk adjustment)* increased by 93.3 per cent or $78.3 million to $162.2 million; and,
- Physical damage *(excluding discount rate impact and risk adjustment)* increased by 9.0 per cent or $5.5 million to $66.1 million.

The loss ratio for the year was 89.5 per cent as compared to 72.0 per cent for the prior year.

Net Income (Expense) from Reinsurance Contracts

The Corporation follows a practice of obtaining reinsurance coverage for both casualty and catastrophic events to limit its exposure to losses. The Net income from reinsurance contracts increased by $121.5 million to $104.5 million for the year ended March 31, 2024, as compared to the prior year. This reflects the claims incurred volume and eligibility for recovery from reinsurers. Premiums paid for our reinsurance program where $31.0 million ($23.6 million prior year).

Net Insurance Financial Income (Expense)

Net insurance financial expense was $76.2 million for the year ended March 31, 2024, as compared to income of $47.2 million for the same period in the prior year. This reflects the change in discount rates on claims, along with the unwinding of discount rates (a process of recognizing the increase in the present value of a liability over time as it moves forward in time).

Corporate Operating Expenses

The Corporation leverages an integrated service delivery model wherein its lines of business benefit from sharing costs amongst themselves resulting in lower costs overall than if each were operated on a stand-alone basis. Corporate operating expenses are not present or readily identifiable under IFRS 17 reporting. They are reported as a separate line item or in aggregate as Acquisition, Maintenance, and Operating on the Statement of Operations by line of business. The table, below, illustrates a traditional view of corporate operating expenses prior to being classified as Acquisition, Maintenance, and Operating.

Total corporate operating expenses including commissions and premium taxes, increased 1.7 per cent or $8.8 million to $514.1 million. The year over year increase is less than expected due to operating impacts from a labour interruption during the year. In the third quarter of the year ended March 31, 2024, the Corporation paid $10.0 million in compensation upon settlement of its collective bargaining agreement. This consisted of retroactive payments, signing bonus and recognition pay.

$ in '000's	**March 31, 2024**	March 31, 2023
Compensation	195,209	191,186
Data processing	78,499	78,024
Special services	15,945	15,897
Merchant fees & bank charges	10,547	10,036
Buildings	8,121	8,791
Other	5,280	8,682
Postage	5,100	5,448
Regulatory/appeal	4,389	4,408
Printing, stationery and supplies	4,097	5,076
Driver education program	3,926	3,714
Safety/loss prevention programs	3,668	3,404
Furniture and equipment	2,628	2,323
Public information/advertising	2,448	2,963
Grants in lieu of taxes	1,760	1,704
Telephones	1,759	1,833
Travel and vehicle	962	1,151
	344,338	344,640
Premium taxes	48,025	45,075
Commissions-policy	101,112	96,489
Commissions-non-policy	5,944	5,406
	155,081	146,970
Amortization of deferred development costs	8,555	7,990
Depreciation of operating property and equipment	6,142	5,728
	14,697	13,718
Total	**514,116**	505,328

Investments and Investment Income

Investments are held within five separate portfolios internally. The purpose of the five portfolios is to pay the short and long-term liabilities of the Corporation as they come due and to provide investment income from interest, dividends and capital gains that will assist in stabilizing premiums payable by policyholders. The Basic line of business has two investment portfolios. The first is the Basic Claims Liabilities Portfolio which backs policyholder claims and ensures funds are available as liabilities come due. The secondary objective of the Basic Claims Portfolio is to minimize interest rate risk with modest returns. The second Basic portfolio is the Rate Stabilization Reserve (“RSR”) portfolio which has an objective to ensure sufficient levels of capital are maintained to withstand plausible adverse events to deliver rate stability and predictability. The Extension and SRE lines of business portfolios back both liabilities and retained earnings and have objectives to achieve target returns and stabilize premiums. The last portfolio backs liabilities for employee future benefits and has an objective to ensure these obligations are paid as they become due.

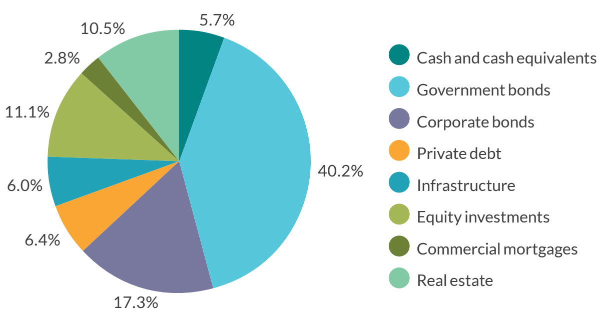
The Basic Claims portfolio shall match the present value of the associated liability within +/- $100 million. The present value of the Basic claims liabilities exceeded the market value of all assets in the Basic Claims investment portfolio by $43.0 million at March 31, 2024 (March 31, 2023 - $40.0 million).

The interest rate sensitivity target is that the first moment of the Basic Claims asset portfolio must be within +/- 0.25 of the first moment of the Basic claims liabilities. The first moment is similar to modified duration. As of March 31, 2024, the first moment of the Corporation's Basic claims assets was 7.41 years (March 31, 2023 – 10.11 years) and the first moment of the liabilities was 7.74 years (March 31, 2023 – 10.15 years), resulting in a difference of negative 0.33 years (March 31, 2023 – 0.04 years) .

Investment income, net of investment management fees, increased 287.7 per cent or $72.6 million to $97.8 million for the year ended March 31, 2024, as compared to the prior year.

With the adoption of IFRS 9 effective April 1, 2023, non-marketable (MUSH) bonds were designated as FVTPL. The fair value of the Corporation's combined investments was $3.6 billion for the year ended March 31, 2024. The investment portfolio is made up of the below investments:

Investment Portfolio



The total portfolio, on a market value basis, had a positive 3.4 per cent return during the fiscal year (holding period return over the 12 months ended at March 31, 2024). The portfolio return is reported on a market value basis for all the assets.

Marketable bonds returned 2.4 per cent while non-marketable bonds returned 2.2 per cent during the annual period. The private debt portfolio returned 5.0 per cent. The total Canadian equity portfolio increased by 14.5 per cent; large cap Canadian equities returned 14.0 per cent and small cap Canadian equities returned 15.0 per cent. Global equities returned 11.8 per cent in Canadian dollars. Both the real estate portfolio and the infrastructure portfolio returned 0.8 per cent in the fiscal year ended March 31, 2024. Commercial mortgages were added to the investment portfolio within the Basic Claims portfolio in February 2024 and returned 0.5 per cent during March 2024. Over a four-year period, the investment portfolio has achieved an annualized return of 1.9 per cent.

Canadian equity markets had positive performance during the period with the S&P/TSX index increasing by 14.0 per cent and the small cap index (BMO Small Cap Index to December 2023 and S&P/TSX Small Cap Index after December 2023) increasing by 6.3 per cent. Global equity markets were significantly positive with the MSCI World index rising by 25.3 per cent.

Government bond yields were volatile during the period with the yield of the Government of Canada 10-year bond reaching a low of 2.76 per cent on May 3, 2023, a high of 4.24 per cent on October 3, 2023, while ending the fiscal year at 3.47 per cent.

The yield curve inverted further during the year, with yields on long-term government bonds increasing by 57 basis points and short-term bond yields increasing by 82 bps.

Inflation continued to be a concern during the period. The Bank of Canada continued its aggressive tightening of interest rates to contain inflation rates by increasing the overnight rate even further from 4.5 per cent as of March 31, 2023, to 5.0 per cent as of March 31, 2024, but at a slower pace that in the prior fiscal year. As a result of those actions, the annual Manitoba inflation rate fell sharply from 5.2 per cent at March 31, 2023, to 0.8 per cent at March 31, 2024.

Retained Earnings

Retained earnings for the Corporation is $741.3 million as at March 31, 2024. This is comprised of four lines of business: Basic $483.3 million; Extension $86.9 million; SRE $104.8 million; DVA $66.3 million.

Transfer of Capital Between Lines of Business

The Corporation transferred $2.7 million ($34.0 million in the Prior Year) from the Extension line of business to the Basic line of business during the year ended March 31, 2024.

Risk Management

Like any enterprise, MPI assumes risks in its operations that must be handled effectively in order to achieve its goals. Key risk mitigation areas are addressed below.

Processes and Controls

The Risk Committee of the Board of Directors ensures that enterprise-wide risk assessment processes and controls are in place to identify and mitigate these risks. The Risk Committee also monitors the Corporation's risks on an ongoing basis. Management is responsible for developing, updating and enforcing the Corporation's Enterprise Risk Management Framework (the Framework), which includes:

- Risk identification and assessment of impact.
- Risk monitoring procedures.
- Processes and controls to manage and mitigate risks.
- The residual risk after consideration of management action.

The Framework ensures a consistent approach for addressing risks and a common understanding of risk and its mitigation throughout the Corporation.

Liability for Incurred Claims – Actuarial & Other Policy Liabilities

MPI maintains provisions for Liability for Incurred Claims (LIC) for Actuarial & Other Policy Liabilities on a discounted basis to cover future claims commitments. The Corporation makes provisions for future development on claims that have been made, and an estimate for those that may have occurred but have not yet reported. In the case of major injuries, only a small portion of the total benefit is paid in the first year. As time passes and more information becomes available, the estimates are revised to reflect the most current estimate of claims costs.

Because the total amount paid on any single claim may be different from its initial reserve, MPI reviews the adequacy of these reserves several times a year. Adjustments, if needed, are calculated by the Corporation's Valuation team. An independent assessment of the reserves is also conducted twice a year by the Corporation's external Appointed Actuary. The external auditor performs procedures to assess the reasonability of the reserves as part of its annual audit of the Corporation's financial statements. This process serves to mitigate risk of misstatement of claims reserves.

For MPI, long-tail injury claims, such as Personal Injury Protection Plan (PIPP) and Third-Party Liability claims, are the largest source of year-to-year variability in the estimate of ultimate costs. This variability is related to future events that arise from the date of the loss to the ultimate settlement of the claims. In comparison, short-tail claims, such as physical damage claims, tend to be more reasonably predictable than long-tail claims.

For MPI, factors such as the effects of inflationary trends and yield curve changes contribute further to this variability. Investment portfolio management techniques help to reduce the effect of this on net income.

Capital Management

The Corporation's objectives for managing capital are to ensure MPI is capitalized in a manner which provides a strong financial position, protects its ability to meet policyholder obligations and maintains stable rates.

The capital structure of the Corporation is comprised of retained earnings and Accumulated Other Comprehensive Income. Retained Earnings are comprised of the accumulation of net income (loss) for the Basic and non-Basic lines of business. Non-Basic lines of business consist of Extension and Special Risk Extension (SRE) lines of business and*The Drivers and Vehicles Act* operations.

The capital backing Basic is comprised of the total equity position of the line of business, referred to as the Rate Stabilization Reserve (RSR). The purpose of the RSR is to protect motorists from potential capital builds that could potentially be necessary due to unexpected variance from forecasted results and losses from unforeseen events.

MPI's Board of Directors has approved risk-based capital adequacy target levels by line of business. Targets are based upon the capital management framework of the Office of the Superintendent of Financial Institutions Canada and the Minimum Capital Test (MCT). The MCT is a ratio of capital available to capital required and utilizes a risk-based formula to assess the capital adequacy of an insurance company. The Corporation's capital targets are determined based on the underlying risks and the competitive nature of each line of business.

The Manitoba Public Insurance Corporation Act sets out the Corporation's capital targets expressed as a MCT percentage by line of business as follows:

- Basic 100%
- Extension 200%
- SRE 300%

In Order No. 176/19, the Public Utilities Board temporarily approved the Corporation's Capital Management Plan (CMP), including the 100 per cent MCT Basic target capital level for the next two subsequent insurance years. The CMP determines the mechanism for building and releasing capital within the Basic line of business as well as the capital transfer protocols between Extension and Basic.

Use of the MCT framework aligns with industry best practice and allows for comparisons to the private insurance market. The 100 per cent MCT target for Basic reflects the lower risk level of the Basic monopoly insurance program, while the 200 per cent MCT target for Extension reflects the higher risks of operating in a competitive environment. SRE's 300 per cent MCT target reflects the higher risk exposure of commercial trucking fleets operating out- of-province.

As at March 31, 2024, Basic's MCT was 94 per cent (March 31, 2023 Restated—164 per cent), Extension's MCT was 200 per cent (March 31, 2023 Restated—153 per cent), and SRE's MCT was 163 per cent (March 31, 2023 Restated - 362 per cent).

The Corporation's external Appointed Actuary will prepare an FCT report, as of March 31, 2024, for the Basic line of business to assess capital adequacy under adverse financial conditions. This report will be available in September 2024. The most recent report, as of March 31, 2023, was prepared and signed by the external Appointed Actuary, in September 2023. In the report, the Basic line of business was determined to have satisfactory future financial conditions.

Claims Control Strategies

MPI works diligently to ensure that the premiums entrusted to the Corporation by ratepayers are used efficiently and judiciously, while providing the best customer service possible when paying out on claims. This includes ongoing and active monitoring of claims costs. Our cost control measures with respect to claims management include efforts on multiple fronts to ensure cost effective repairs, fraud prevention, salvage and subrogation recovery, and the sound management of PIPP claims.

Each year, these initiatives contribute significantly to efficiencies in operations to help contain costs or generate revenue, as the case may be. Together, they contribute to keeping insurance premiums as low as possible for customers.

Information Technology Processes

From a risk-management perspective, our two key information technology processes are our business continuity capability and our ongoing digital transformation.

Business Continuity

Over a number of successive years now, MPI has built up robust business-continuity capabilities. These have been developed as a "made-for-MPI" solution leveraging industry best practices, and are aligned to the needs of our staff, customers and business partners. Our Business Continuity Management Program creates corporate plans and responses that ensure continued customer service in the event of a business disruption. It includes emergency response, crisis management, business recovery, IT service continuity, catastrophe, contingency and pandemic responses, and the processes used to ensure ongoing readiness in all phases of our operations. The program is focused on creating and implementing corporate business continuity planning through a strong understanding of our products and services, our people, and our delivery processes and technology.

Business continuity includes planning, prevention, preparedness and a proactive program approach to crisis responses and business delivery. This approach leverages the prevention and proactive aspects of business continuity that provide continuous service during business disruptions as opposed to suspension and recovery.

Project Nova

MPI continues to make significant progress on Project Nova, the largest and most complex transformation in the Corporation's history. Over the course of four major releases, Project Nova will update the way customers access MPI's products and services while strengthening the technology that supports Manitoba's public insurance system.

The foundational technology of these systems ranges in age from 20 to 40-plus years. They are nearing end of life and must be replaced with secure new systems that protect customer data, mitigate risk, improve security, reduce costs and build more agility into our business.

In 2023/24, the Corporation continued preparing for the launch of the second release of Project Nova. Scheduled for early June 2024, this release is set to introduce MPI Registration, a new system designed to manage customer and fleet/vehicle participation in the International Registration Plan (IRP) for commercial customers who travel outside of Canada.

This work follows the first release of Project Nova last year, which introduced changes to the Corporation's Special Risk Extension line of business.

With the completion of the project's second release, all the core functionality of the foundational systems needed to deliver the remainder of Project Nova will be in place.

The third release, which will enable online options for Manitobans to handle driver and vehicle licensing, insurance and registration transactions, and the fourth release, which involves replacement of MPI's physical damage claims system, will launch in the coming years. The Corporation will begin the Discovery phase of its third release in summer 2024.

MPI stakeholders, including brokers, law enforcement, medical professionals and customers, will be engaged throughout the project to capture their feedback and align their expectations in meeting service standards for MPI customers, and lay the foundation for long-term transformation.

Loss Prevention Strategies

Loss prevention programs and activities support MPI's objective to improve road safety and reduce claims and claims costs, which ultimately contribute to lower insurance premiums for customers. MPI is uniquely positioned to deliver these programs which are designed to educate, influence and incent safe driving behaviour.

Ensuring Manitobans understand the rules of the road and are prepared for the responsibility of holding a driver's licence is an important tenet of road safety and loss prevention for the Corporation. One of the key ways MPI does this is through extensive driver training programs for each licence class.

In 2023 alone, MPI provided High School Driver Education to over 7,800 new teen drivers in Manitoba through the Driver Z program.

Additionally, over 2,700 commercial driving students received Mandatory Entry-Level Training (MELT) in Manitoba this year. To improve the testing process for these customers, MPI worked with the professional driver training industry to make changes both to recover from the backlog created during the strike, and to more closely align to testing timeframes with the schools' course delivery. MPI continued to provide support and oversight to Class 1 driving schools to ensure quality of education and compliance with the policies and regulations which govern their training permits, as well as maintained our commitment to improve road safety and ensure MELT harmonization with other jurisdictions in Canada.

The Corporation also began a new initiative with the University College of the North (UCN) to offer Class 5 driver training in Northern Manitoba. The program aligns with MPI's commitment to improving road safety in rural communities and First Nations by providing accessible driver training throughout the province. Through this new program, MPI works closely with UCN to administer driver training that creates safer drivers and meets the unique needs of adult learners in the north. The first year of the program was a success, with strong interest from Manitobans enrolling in the program and program graduates performing exceptionally well on the Class 5 road test with an over 70 per cent pass rate.

Manitoba has among the toughest penalties in Canada for driving under the influence of alcohol or drugs. As with other jurisdictions in Canada, impaired driving continues to be a significant contributing factor in collisions and customer claims. In 2023, MPI implemented a number of tactics aimed at influencing and changing behaviour when it comes to impaired driving in an effort to improve safety on our roads and reduce claims.

One of these changes included the move to deny third-party liability coverage to impaired drivers involved in a collision. Impaired drivers are now responsible for the cost of damage they cause to other vehicles or property. This change is an additional consequence for those who choose to drive impaired, in addition to Manitoba's existing tough penalties for impaired drivers.

MPI's efforts to combat impaired driving also included a campaign conducted in partnership with the Winnipeg Police Service (WPS). The campaign involved public education and drug-impaired driving enforcement, with a focus on detecting drivers under the influence of cannabis and other drugs.

In addition to these initiatives, MPI continues to share messages on a variety of issues related to road safety through various advertising campaigns. with the goal of changing perceptions and ultimately behaviours. Ads are carefully tailored to the target audience and media channel for the best chances of having an impact. For instance, rural Manitobans are more likely to hear radio ads than Winnipeg residents. In addition, radio ads on Native Communications Inc (NCI) featured local Indigenous talent.

Motivated by insights that showed Manitobans were uncertain how many alcoholic drinks would put them above the legal blood alcohol limit, MPI introduced a new alcohol impaired advertising campaign that set out to increase awareness and understanding with the powerful message: "Even if it's one or two, plan a safe ride home. Never drink & drive." The creative included a catchy jingle to increase message penetration with the audience. The campaign has been very well received throughout the province, garnering significant buzz, sparking organic dialogue, and resulting in positive feedback from Manitobans.

Outlook

MPI is committed to achieving its key priorities and corporate objectives. Actual results are monitored quarterly by the Board of Directors and may deviate from forecasts prepared in the previous year for rate-setting purposes.

Basic Autopac Rates

Under *The Crown Corporations Governance and Accountability Act*, MPI is required to submit Basic insurance rates to the Public Utilities Board for approval. The Corporation generally files its rate application in June of each year for rates effective at the beginning of the following fiscal year.

On December 18, 2023, the Public Utilities Board issued Order No. 145/23 for an overall 5.0 per cent rate decrease. This 5.0 per cent decrease consists of a 4.0 per cent decrease due to the change in the Driver Safety Rating Scale, plus a 1.0 per cent decrease to vehicle premiums.

2023/24

Annual Financial Statements

For the fiscal year ended March 31, 2024

Responsibility for Financial Statements

The financial statements are the responsibility of management and are prepared in accordance with International Financial Reporting Standards. The financial statements necessarily include amounts that are based on careful assessment of data available through Manitoba Public Insurance Corporation's (the Corporation) information systems and management. In the opinion of management, the accounting practices utilized are appropriate in the circumstances and the financial statements fairly reflect the financial position and results of operations of the Corporation.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

The financial statements were approved by the Board of Directors, which has overall responsibility for their contents. The Board of Directors is assisted with this responsibility by its Audit and Finance Committee (the "Committee"), which consists primarily of Directors not involved in the daily operations of the Corporation.

The general responsibilities of the Committee are categorized into the following: review of financial reporting, review of internal controls and processes, review of actuarial functions, monitoring of corporate integrity, compliance with authorities and review of performance reporting. The Committee's role is that of oversight in these areas in order to ensure management processes are in place and functioning so as to identify and minimize risks to the business operations.

In carrying out the above responsibilities, this Committee meets regularly with management, and with both the Corporation's external and internal auditors to approve the scope and timing of their respective audits, to review their findings and to satisfy itself that their responsibilities have been properly discharged. The Committee is readily accessible to the external and internal auditors.

The Committee is responsible for the review of the actuarial function. As well, the Committee recommends, for approval, the appointment of the external actuary and their fee arrangements to the Board of Directors. The Appointed Actuary is responsible for ensuring that the assumptions and methods used in the valuation of policy and claims liabilities are in accordance with accepted actuarial practice, applicable legislation and associated regulations or directives. In addition, the Appointed Actuary provides an opinion regarding the valuation of policy and claims liabilities at the balance sheet date to meet all policyholder obligations of the Corporation. Examination of supporting data for accuracy and completeness of assets and their ability to meet the policy and claims liabilities are important elements in forming the Appointed Actuary's opinion.

PricewaterhouseCoopers LLP, the Corporation's appointed external auditor, have audited the financial statements. Their Independent Auditor's Report is included herein. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary in order to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position of the Corporation in accordance with International Financial Reporting Standards.

Satvir Jatana
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

Ryan Kolaski, CPA, CA
VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER

July 3, 2024

Actuary's Report

EY
Building a better working world

To the Board of Directors of Manitoba Public Insurance Corporation:

I have valued the policy liabilities of the Manitoba Public Insurance Corporation for its financial statements prepared in accordance with International Financial Reporting Standards for the year ended 31 March 2024.

In my opinion, the amount of policy liabilities is appropriate for this purpose. The valuation conforms to accepted actuarial practice in Canada and the financial statements fairly present the results of the valuation.

Cosimo Pantaleo, FCIA
FELLOW, CANADIAN INSTITUTE OF ACTUARIES

Ernst & Young LLP
Toronto, Ontario
July 3, 2024

Independent Auditor's Report

Independent auditor's report

To the Board of Directors of Manitoba Public Insurance Corporation

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Manitoba Public Insurance Corporation (the Corporation) as at March 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Corporation's financial statements comprise:

- the statement of financial position as at March 31, 2024;
- the statement of operations for the year then ended;
- the statement of comprehensive income (loss) for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the oing concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Charted Professional Accountants
Winnipeg, Manitoba
July 3, 2024

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

Financial Statements

Statement of Financial Position

	Notes	March 31, 2024	March 31, 2023 Restated	April 1, 2022 Restated
Assets				
Cash and cash equivalents	5	**206,669**	142,343	197,056
Accounts receivable	26	**147,716**	138,153	132,802
Prepaid expenses		**2,848**	3,994	4,488
Investments	5	**3,387,590**	3,404,926	3,367,926
Investment property	5 & 6	**13,045**	13,401	13,758
Reinsurance contract assets	14	**154,025**	27,862	24,901
Property and equipment	7	**171,108**	163,055	145,498
Deferred development costs	8	**112,502**	108,613	79,889
		4,195,503	4,002,347	3,966,318
Liabilities				
Accounts payable and accrued liabilities	9	**68,059**	72,221	66,564
Deferred revenue		**23,476**	25,552	19,838
Lease obligation	10	**6,921**	6,972	6,979
Provision for employee current benefits	12	**29,660**	26,674	25,772
Provision for employee future benefits	13	**451,569**	443,375	474,849
Insurance contract liabilities	14	**2,853,168**	2,537,443	2,501,628
		3,432,853	3,112,237	3,095,630
Equity				
Retained earnings	15	**741,307**	807,964	767,356
Accumulated other comprehensive income	16	**21,343**	82,146	103,332
		762,650	890,110	870,688
		4,195,503	4,002,347	3,966,318

Contingent Liabilities (Note 28)

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

Approved by the Board of Directors:

Carmen Nedohin
CHAIRPERSON OF THE BOARD

Luke Johnston
CHAIR, AUDIT AND FINANCE COMMITTEE

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

Statement of Operations

For the years ended March 31	Notes	2024	2023 Restated
Insurance revenue	17	**1,579,340**	1,480,903
Incurred claims		**1,386,878**	1,052,927
Maintenance expense	20	**164,204**	173,798
Acquisition expense:			
Commission	20	**101,112**	96,489
Premium taxes	20	**48,025**	45,075
Other	20	**18,612**	15,927
Total insurance service expense		**1,718,831**	1,384,216
Insurance service result from insurance contracts		**(139,491)**	96,687
Net income (expense) from reinsurance contracts held		**104,470**	(17,041)
Insurance service result		**(35,021)**	79,646
Investment income	5	**97,774**	25,219
Insurance finance income (expense)	5	**(79,339)**	46,995
Reinsurance finance income	5	**3,111**	172
Net insurance financial result		**(76,228)**	47,167
Net insurance and investment result		**(13,475)**	152,032
Service fees and other revenue	18	**25,942**	22,218
The Drivers and Vehicles Act operations recovery	19	**40,150**	40,250
Total other revenues		**66,092**	62,468
Commission expense - non-policy	20	**5,944**	5,406
Operating expenses	20	**176,219**	168,633
Total other expenses		**182,163**	174,039
Gain on disposal of property and equipment		**44**	147
Net income (loss) attributable to Owner of the Corporation	21	**(129,502)**	40,608

Statement of Comprehensive Income (Loss)

For the years ended March 31	Notes	2024	2023 Restated
Net income (loss) attributable to Owner of the Corporation	21	**(129,502)**	40,608
Other comprehensive income (loss)	13 & 16		
Items that will not be reclassified to income			
Remeasurement of employee future benefits		**7,933**	49,422
Items that will be reclassified to income			
Unrealized gains (losses) on available for sale assets		**-**	(20,427)
Reclassification of net realized gains related to available for sale assets		**-**	(50,181)
Net unrealized gain (loss) on Available for Sale assets		**-**	(70,608)
Other comprehensive income (loss) for the year		**7,933**	(21,186)
Total comprehensive income (loss) attributable to Owner of the Corporation		**(121,569)**	19,422

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

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

Statement of Changes in Equity

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity
Balance as at March 31, 2022	661,096	103,332	764,428
Impact of initial application of IFRS 17	106,260	-	106,260
Restated balance as at April 1, 2022	767,356	103,332	870,688
Net income attributable to Owner of the Corporation	40,608	-	40,608
Other comprehensive loss	-	(21,186)	(21,186)
Restated balance as at March 31, 2023	807,964	82,146	890,110
Impact of initial application of IFRS 9	**62,845**	**(68,736)**	**(5,891)**
Balance as at April 1, 2023	**870,809**	**13,410**	**884,219**
Net loss attributable to Owner of the Corporation	**(129,502)**	-	**(129,502)**
Other comprehensive income	-	**7,933**	**7,933**
Balance as at March 31, 2024	**741,307**	**21,343**	**762,650**

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

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

Statement of Cash Flows

For the years ended March 31	*Notes*	**2024**	2023 Restated
Cash Flows from (to) Operating Activities:			
Net income (loss) attributable to Owner of the Corporation for the year		**(129,502)**	40,608
Non-cash items:			
Depreciation of property and equipment, and investment property		**6,498**	6,085
Amortization of deferred development costs		**8,555**	7,990
Amortization of bond discount and premium		**(2,186)**	4,792
Loss (gain) on sale of investments		**71,981**	(13,360)
Unrealized (gain) loss on investments		**(55,357)**	50,604
Gain on disposal of property and equipment		**(44)**	(147)
Impairment of available for sale investments		**-**	26,083
Impairment of deferred development costs		**-**	1,242
		(100,055)	123,897
Net change in non-cash balances:			
Accounts receivable		**(9,563)**	(5,351)
Prepaid expenses		**1,146**	494
Reinsurance contract assets		**(126,163)**	(2,961)
Accounts payable and accrued liabilities		**(4,162)**	5,657
Deferred revenue		**(2,076)**	5,714
Provision for employee current benefits		**2,986**	901
Provision for employee future benefits		**16,127**	17,948
Insurance contract liabilities		**315,725**	35,815
		194,020	58,217
		93,965	182,114
Cash Flows from (to) Investment Activities:			
Purchase of investments		**(1,648,177)**	(1,502,367)
Proceeds from sale of investments		**1,645,184**	1,326,640
Acquisition of property and equipment		**(14,195)**	(23,285)
Proceeds from disposal of property and equipment		**44**	147
Lease obligation		**(51)**	(6)
Deferred development costs incurred		**(12,444)**	(37,956)
		(29,639)	(236,827)
Increase (decrease) in cash and cash equivalents		**64,326**	(54,713)
Cash and cash equivalents beginning of year		**142,343**	197,056
Cash and cash equivalents end of year	*5*	**206,669**	142,343
Supplemental cash flow information:			
Interest received		**95,664**	76,871
Dividends received		**17,299**	11,513

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

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

Notes to Financial Statements

March 31, 2024

1. Corporate Information

The Manitoba Public Insurance Corporation (the Corporation) was incorporated as a Crown corporation under *The Automobile Insurance Act* in 1970. The Corporation is owned by the Province of Manitoba and the financial results of the Corporation are included in the consolidated financial statements of the Province of Manitoba. In 1974, *The Automobile Insurance Act* was revised and became *The Manitoba Public Insurance Corporation Act* (Chapter A180 of the continuing consolidation of the Statutes of Manitoba). In 1988, the Act was re-enacted in both official languages as Chapter P215 of the Statutes of Manitoba. The address of the Corporation's registered office is 234 Donald Street, Winnipeg, Manitoba.

Under the provisions of its Act and regulations, the Corporation operates an automobile insurance division and a discontinued general insurance division. The lines of business for the automobile insurance division provide for Basic Universal Compulsory Automobile Insurance, Extension and Special Risk Extension coverages. For financial accounting purposes, the lines of business for the automobile insurance division and the discontinued general insurance division are regarded as separate operations and their revenues and expenses are allocated on a basis described in the summary of material accounting policies. For financial reporting purposes, due to the immateriality of the financial results of the discontinued general insurance operations, the operations are reported as part of the Special Risk Extension line of business. The Basic Universal Compulsory Automobile Insurance line of business rates are approved by the Public Utilities Board of Manitoba.

Under *The Drivers and Vehicles Act* (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

2. Basis of Presentation

These financial statements have been prepared in accordance with IFRS Accounting Standards. They were approved for issue by the Manitoba Public Insurance Corporation Board of Directors on June 29, 2024.

These financial statements are presented in thousands of Canadian dollars which is the Corporation's functional and presentation currency. The Corporation presents its Statement of Financial Position broadly in order of liquidity and, Statement of Financial Position line items may include both current and non-current balances, as applicable.

The material accounting policies applied in the preparation of these financial statements are described in Note 3. These policies have been applied consistently to all periods presented, except for the new standards and amendments to existing standards adopted on April 1, 2023, as described in Note 4.

Comparative figures have been restated following the implementation of IFRS 17 *Insurance Contracts* (IFRS 17).

2.1 Seasonality

The automobile insurance business, which reflects the primary business of the Corporation, is seasonal in nature. While revenue from premiums is generally stable from quarter to quarter, underwriting results are impacted by weather conditions which may vary significantly between quarters.

2.2 Material Estimates, Assumptions and Judgments

The preparation of these financial statements in accordance with IFRS requires management to use estimates, assumptions and judgments that affect the amount reported for certain assets, liabilities, and disclosures as at the reporting date, as well as recognized amounts of revenues and expenses during the reporting period. Actual results could differ significantly from these estimates and assumptions.

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

The key sources of estimation uncertainty and areas where significant judgments have been applied are discussed in material accounting policies summarized in Note 3 and other notes to these financial statements including:

- Determination of the fair value of level 3 financial instruments – Note 5
- Assessment and measurement of impairment of intangible assets – Note 8
- Measurement of employee future benefits and underlying actuarial assumptions - Note 13
- Determination of insurance contract liabilities – Note 14

3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation are outlined below.

3.1 Financial assets and liabilities

The Corporation adopted IFRS 9 *Financial Instruments* retrospectively on April 1, 2023. On IFRS 9 adoption, the Corporation has not restated comparative information.

3.2 Investments

Funds available for investments are managed by the Manitoba Department of Finance or administered by external managers that are under contract with the Manitoba Department of Finance, on behalf of the Corporation, in accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*.

Investments include cash, cash equivalents and short-term securities, debt securities, equity securities, investments in pooled funds, private debt, infrastructure debt, venture capital and derivatives that are not designated as accounting hedges.

The Corporation's directly held real estate investments are recorded at cost and are depreciated over their estimated useful life in accordance with IAS 40 *Investment Property* (IAS 40).

3.2.1 Measurement and classification of financial instruments (IFRS 9) (accounting policies applicable beginning April 1, 2023)

The Corporation classifies and measures financial instruments in accordance with IFRS 9.

Financial assets and financial liabilities are recognized in the Statement of Financial Position when the Corporation becomes a party to the contractual requirements of the instrument. The Corporation accounts for the purchase and sale of securities on settlement date.

Transaction costs associated with the acquisition of financial instruments classified or designated a FVTPL are expensed as incurred.

All financial instruments are measured at initial recognition at fair value and are classified and subsequently measured as fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVOCI), or amortized cost based upon the Corporation's business model for managing its assets and the contractual cash flow characteristics of the asset.

The Corporation's business models are determined at the level that reflects how its groups of financial assets are managed together to achieve business objectives.

Financial Assets

A financial asset is classified as FVOCI if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model whose objective is to hold to collect contractual cash flows and sell financial assets, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

A financial asset is classified as amortized cost if it meets the following criteria and is not designated as FVTPL:

- It is held in a business model with the objective to hold to collect contractual cash flows, and
- Its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

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

Financial assets that are managed on a fair value basis and do not meet the objectives of a hold to collect or hold to collect and sell business model, such as financial assets that are held for trading, are measured at FVTPL.

A financial asset is classified as held-for-trading if it is acquired principally for the purpose of selling in the near term. Cash, cash equivalents and short-term securities are held to meet short-term cash requirements, as such, they are held for trading and are measured at FVTPL.

On initial recognition, the Corporation may make an irrevocable election to designate a financial asset that would otherwise be measured at amortized cost or FVOCI as measured at FVTPL if the financial asset is managed together with a related financial liability and their performance is evaluated on a fair value basis.

Business model assessment

The Corporation's business models are determined at the level that best reflects how the Corporation manages portfolios of financial assets to achieve its business objectives. They therefore reflect whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Determining business models requires the use of judgment and is based on all relevant evidence that is available to the Corporation at the time of the assessment including:

- How the economic activities of the business model generate benefits and how such economic activities are evaluated and reported to key management personnel; and
- The frequency, volume, and timing of sales in prior periods, the reasons for the sales and expectations about future sales activity. Information about sales activity is not considered in isolation, but as part of an overall assessment of how the stated objective for managing the financial assets is achieved and how cash flows are realized.

The Corporation's business models fall into two categories, which are indicative of the key strategies to generate returns:

- The Corporation's primary business model is held-to-collect and sell which provides flexibility aimed at supporting the cash flow required in managing insurance contracts.
- The Corporation also carries certain financial assets under the held-to-collect business model where the emphasis is to collect contractual cash flows. Sales are incidental to this objective and are expected to be insignificant or infrequent.

Investments in Equity

Financial assets that are investments in equity securities are classified at FVTPL, unless an irrevocable designation is taken at initial recognition to designate the asset at FVOCI.

Investments in Debt Instruments

The Corporation's investments in financial assets that are debt securities, investments in private debt, venture capital, partnerships, pooled commercial mortgages, and pooled funds are classified at FVTPL because these investments either fail the SPPI test or are individually designated at initial recognition as FVTPL because they support insurance contract liabilities.

Investments in financial assets that are classified as FVTPL or designated at FVTPL are recorded at fair value in the Statement of Financial Position, with gains or losses including interest or dividend income and foreign exchange gains and losses, recognized in Investment income in the Statement of Operations.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalents are highly liquid investments that are subject to insignificant changes in value and are readily convertible into known amounts of cash. These are classified as held for trading for the purpose of meeting short-term cash requirements for insurance contracts and are accounted for at FVTPL. Cash and cash equivalents values are assumed to approximate their carrying values, due to their short-term nature or because they are frequently repriced to current market rates.

Accounts Receivable

Accounts receivable represents receivables from customers for products and services that are not insurance contracts, amounts due from third parties, and amounts to be collected from employees of the Corporation.

Accounts receivable are initially recognized at cost, being the fair value. Subsequent to initial measurement they are measured at amortized cost. Accounts receivable do not contain a significant financing component. For financial assets that are not held

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

at fair value through profit or loss, the Corporation assesses at each reporting date whether to recognize a loss allowance for expected credit losses (ECL). The ECL is estimated as the difference between the contractual cash flows due in accordance with the contract and all cash flows the Corporation expects to receive.

The Corporation applies a simplified approach in calculating ECL for accounts receivable, where changes in credit risk are not tracked, and loss allowances are based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Derecognition of Financial Assets
The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

When a financial asset is derecognized in its entirety, a gain or a loss is recognized in the Statement of Operations for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received.

The Corporation applies judgment to determine whether the contractual rights to the cash flows have expired, have been transferred or have been retained with an obligation to pay them to a third party. With respect to the transfer of substantially all the risks and rewards of ownership of the assets, the Corporation evaluates its exposure before and after the transfer as well as the changes in the amount and timing of the net cash flows of the transferred asset.

Financial Liabilities
Financial liabilities include accounts payable and accrued liabilities, which are all current liabilities, are recorded in the Statement of Financial Position at amortized cost which approximates their fair value. Financial liabilities are derecognized when the related obligation is discharged, cancelled, or expires. The difference between the carrying amount of the transferred financial liability and the consideration paid is recognized in Investment income (loss) in the Statement of Operations.

Derivatives
The Corporation uses currency swaps to manage the currency risk on foreign currency denominated assets. A currency swap is a contractual agreement for specified parties to exchange the cash flow of one currency for a fixed cash flow of another currency. These derivatives are not designated as hedging instruments for hedge accounting purposes.

Derivative financial instruments are recorded at fair value in the Statement of Financial Position. Changes in fair value of derivatives that are not designated as hedging instruments for hedge accounting purposes, are recognized in Investment income (loss) in the Statement of Operations. Income earned or paid on derivatives is recorded in Investment income in the Statement of Operations.

Fair Value Determination
The fair values of financial instruments are obtained from external pricing services and are based on available bid prices for Level 1 financial assets. Level 2 and Level 3 fair value determinations are based on availability of inputs other than bid prices as there is not a quoted market price.

The Corporation maximizes the use of observable inputs when measuring fair value. The Corporation obtains quoted prices in active markets, when available, for identical assets at the reporting date to measure equity securities at fair value in its fair value through profit or loss portfolio.

Valuation techniques used by the Corporation's independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

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Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation's Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation's Investment Committee and Audit and Finance Committee.

3.2.2 Measurement and classification of financial instruments (IAS 39) (accounting policies applicable prior to April 1, 2023)

The Corporation's directly held real estate investments are recorded at cost and are depreciated over their estimated useful life.

The Corporation classified or designated its financial assets and liabilities in the following categories: available for sale (AFS); held to maturity (HTM); financial assets and liabilities at fair value through profit or loss (FVTPL); loans and receivables; and other financial liabilities.

The Corporation accounts for the purchase and sale of securities using settlement date accounting.

AFS Financial Assets

AFS financial assets are initially measured at fair value on the Statement of Financial Position starting on the settlement date. Subsequent to initial recognition, AFS assets are carried at fair value with changes in fair value recorded in Other Comprehensive Income (OCI) until the asset is disposed of or has become impaired. With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through Net income (loss) attributable to Owner of the Corporation to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed the amount of the initial impairment recognized.

In respect of AFS equity securities, impairment losses previously recognized in Net income (loss) attributable to Owner of the Corporation are not reversed through Net income (loss) attributable to Owner of the Corporation. Any increase in fair value subsequent to an impairment loss is recognized in OCI. As long as an AFS equity asset is held and not impaired, the gains and losses are not recognized in the Statement of Operations. When the asset is disposed of, or has become impaired, the gain or loss is recognized in the Statement of Operations and is deducted from OCI.

Transaction costs related to AFS financial assets are capitalized on initial recognition.

HTM Financial Assets

HTM financial assets are carried at amortized cost on the Statement of Financial Position starting on the settlement date.

Transaction costs related to financial assets and liabilities classified as HTM are capitalized on initial recognition, when applicable.

FVTPL Financial Assets

FVTPL financial assets are carried at fair value on the Statement of Financial Position starting on the settlement date and the changes in fair value are recorded in the Statement of Operations.

The fair values of FVTPL bonds including federal, provincial, certain municipal, certain hospitals, other provinces and corporations are estimated based on bid prices where there is a market price available or on inputs other than quoted market prices of these or similar investments.

Transaction costs related to FVTPL financial assets are recognized in the Statement of Operations on initial recognition.

Loans and Receivables

Accounts receivable and due from other insurance companies are designated as loans and receivables and are carried at amortized cost using the effective interest method. These receivables include financing plans for customers using interest rates set at the prime rate of the Corporation's principal banker plus 2.0 per cent and updated at each fiscal quarter. The interest rate for a customer remains unchanged throughout the term of the policy.

Cash and Cash Equivalents

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits (less than 90 days at the time of purchase) and funds held in trust on behalf of other insurance companies.

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Impairment of Financial Assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

When an AFS asset is considered to be impaired, cumulative gains or losses previously recognized in OCI are reclassified to Net income (loss) attributable to Owner of the Corporation in the period. Subsequent declines in value continue to be recorded through Net income (loss) attributable to Owner of the Corporation.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through Net income (loss) attributable to Owner of the Corporation to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in Net income (loss) attributable to Owner of the Corporation are not reversed through Net income (loss) attributable to Owner of the Corporation. Any increase in fair value subsequent to an impairment loss is recognized in OCI.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider; or
- It is becoming probable that the borrower will enter bankruptcy or financial reorganization; or
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group.

Derecognition of Financial Assets
The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial Liabilities
All financial liabilities are designated as other financial liabilities and are recorded in the Statement of Financial Position at amortized cost. Financial liabilities include due to other insurance companies and accounts payable and accrued liabilities, which are all current liabilities.

The carrying value of the Corporation's financial liabilities approximate their fair value.

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Derivatives

The Corporation uses currency swaps to manage the currency risk on specific foreign exchange denominated assets. Any gains or losses are recorded in the Statement of Operations under the heading "Investment income," on a fair-value basis.

A currency swap is a contractual agreement for specified parties to exchange the cash flow of one currency for a fixed cash flow of another currency.

Fair Value Determination

The fair values of financial instruments are obtained from external pricing services and are based on available bid prices for Level 1 financial assets. Level 2 and Level 3 fair value determinations are based on availability of inputs other than bid prices as there is not a quoted market price.

3.3 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Replacement costs are capitalized when incurred and if it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. All repairs and maintenance costs are recognized in Net income (loss) attributable to Owner of the Corporation during the period in which they occur.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

Land & Buildings

- HVAC systems 20 years
- land improvements 25 years
- roofing systems 30 years
- elevators/escalators 30 years
- buildings 40 years

Furniture & Equipment

- computer equipment 3 years
- vehicles 5 years
- furniture and equipment 10 years
- demountable wall systems 10 years

Buildings held under a long-term lease arrangement are depreciated on a straight-line basis over 40 years. Leasehold improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Tenant improvements are carried at cost and are depreciated over the term of the lease plus the first renewal period.

Depreciation of construction in progress will begin, in accordance with the above policy, when construction has been completed and the property is deemed available for use.

Land is not subject to depreciation and is carried at cost.

3.4 Investment Property

The Corporation applies IAS 40 in the recognition, measurement and disclosure of investment property.

In the determination of what constitutes investment property relative to property and equipment the Corporation considers only property that is 100 per cent utilized as investment property to be classified as investment property.

The Corporation's investment property, which is property held 100 per cent to earn rentals and/or capital appreciation, is measured initially at its cost, including transaction costs. The Corporation has elected to use the cost model to subsequently value its investment property. Therefore, the investment property's carrying amount is valued at cost less accumulated depreciation and impairment losses. Depreciation is based on the useful life of each component of the investment property along with the property's residual value.

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The fair value of the investment property is disclosed based on an external valuation that occurs, at a minimum, every other year. The fair value disclosed is based on the most recent valuation which was conducted for March 31, 2024.

The Corporation assesses its investment property for impairment on an annual basis in accordance with the impairment test guidance set forth in IAS 36, *Impairment of Assets*. Based on this assessment it was determined the investment property was not impaired as at March 31, 2024.

Depreciation is provided on a straight-line basis which will depreciate the cost of each asset to its residual value over its estimated useful life:

- parkade 40 years
- surface parking lot held at cost

3.5 Deferred Development Costs (Intangible Assets)

The costs of developing major information systems that are expected to provide an economic benefit to the Corporation are deferred to future periods. These information system expenditures are stated at cost net of accumulated amortization and accumulated impairment losses and are amortized on a straight-line basis over five years unless the useful life is deemed to be longer, but in no case shall the useful life exceed 10 years, starting the month after the asset becomes available for use.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred, including directly assigned employee costs, from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditures are recognized in Net income (loss) attributable to Owner of the Corporation in the period in which they are incurred. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

3.6 Impairment of Tangible and Intangible Assets (Other Than Financial Assets)

When specific events or circumstances arise, the Corporation reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Corporation estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately in the Net income (loss) attributable to Owner of the Corporation.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

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The Corporation is required to assess appropriate metrics and sources of information for evidence that intangible assets may be impaired. Further, the Corporation may be required to estimate the recoverable amount of the asset. Performing these assessments and developing the estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flows estimated based on internal financial forecasts, expected future earnings, the growth rate and the discount rate.

3.7 Leasing

The Corporation as a Lessee

The Corporation, as a lessee, recognizes a right-of-use asset and a lease liability at the lease's commencement date. The right-of-use asset is initially measured at cost which is comprised of the amount of the initial lease liability and any lease payments made at or before the commencement date less any lease incentives received, initial direct costs and restoration costs. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term plus renewal options expected to be exercised on a straight-line basis.

The lease liability arising from the lease is originally measured on a present-value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payment of penalties for terminating a lease if the lease term reflects the lessee exercising that option. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The Corporation as a Lessor

The Corporation leases retail, office and parking space in buildings and parking facilities owned by the Corporation. Revenue from lease payments is recognized on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Revenue from leases is reported in the Net income (loss) attributable to Owner of the Corporation, reported on the Statement of Operations within Service fees and other revenue.

3.8 Insurance revenue

Insurance revenue is comprised of Revenue from premiums and Other insurance revenue.

The Corporation measures insurance contracts using the Premium Allocation Approach (PAA) provided under IFRS 17. Revenue from premiums is the amount of expected premium receipts from groups of insurance contracts issued, net of cancellations and promotional returns, allocated to each period over the coverage period provided by the contracts, based on the passage of time as this approximates the pattern of release of risk over the coverage period.

Other insurance revenue represents fees charged to policyholders for costs incurred under the Corporation's billing and payment plans, payment processing charges and transaction fees for the administration of policies.

3.9 Total Insurance Service Expense

Insurance service expense includes contract fulfilment and acquisition costs that are directly attributable to insurance contracts. Insurance service expenses are comprised of the following:

- Claims incurred in the period;
- Expenses incurred that are directly attributable to fulfilling the insurance contracts;
- Losses on onerous contracts and reversals of those losses, if any;
- Changes related to past service (e.g., changes in the liability for incurred claims in periods subsequent to the claim being incurred); and
- Insurance acquisition costs incurred in the period.

3.10 Net Income (Expense) from Reinsurance Contracts Held

The Corporation has elected to present income and expenses arising from reinsurance contracts held as a single line item in the Statement of Operations. Income comprises the amounts recoverable from reinsurers for incurred claims and other incurred insurance service expense, impacts from changes in the risk of non-performance by the reinsurer, when relevant, and changes

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in the loss recovery component for groups of onerous contracts, if any. Reinsurance expenses is the expected reinsurance premiums expense allocated to the period, based on the passage of time.

3.11 Investment Income (Loss)

Investment income is recorded as it accrues. Dividend income from investments is recognized when the Corporation's rights to receive payments is established. Dividend income on common and preferred shares is recorded on the ex-dividend date and usually the notification date or date when the shareholders have approved the dividend for private equity instruments. Distributions on pooled funds are recorded on the income distribution date. Gains and losses are determined and recorded as at the settlement date and are calculated on the basis of average cost. The effective interest rate method is used to amortize premiums or discounts on the purchase of bonds.

- Interest revenue is recognized when it is probable that the economic benefits will flow to the Corporation and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- The realized gain or loss on disposal of an investment is the difference between the proceeds received, net of transaction costs, and its original cost or amortized cost as appropriate.
- The realized gain or loss on disposal of property and equipment is the difference between the proceeds received, net of transaction costs and its original cost or depreciated cost as appropriate.
- Unrealized gains and losses represent the difference between the carrying value at the period end and the carrying value at the previous period end or purchase value during the period, less the reversal of previously recognized unrealized gains or losses in respect of disposals during the period.

3.12 Insurance Finance Income (Expense)

Insurance finance income or expense reports the change in the carrying amount of the group of insurance contracts arising from the effect of unwinding of discounting applied in measuring insurance contracts and the change in discounting from changes in discount rates. The Corporation has elected to present all Insurance finance income (expense) in the Statement of Operations rather than in the Statement of Comprehensive Income (Loss).

3.13 Service Fees and Other Revenue

Service fees and other revenue includes fees charged to customers for products and services other than insurance products or services, rental income, and incidental income from operations. The income is recognized when services have been provided or the products have been delivered.

3.14 *The Drivers and Vehicles Act* operations for the Province of Manitoba

Under *The Drivers and Vehicles Act* (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data processing services.

3.15 Operating Expense

Operating expense is comprised of corporate operating expenses after allocation of expenses to insurance service expense. Expenses that are attributable to the fulfillment of insurance contracts including costs of premium collection, claims adjudication and processing, actuarial calculations, and policy pricing and administration are assigned to maintenance and acquisition expense reported within insurance service expense on the Statement of Operations. Expenses are allocated based on the Corporation's internal expense allocation methodology including expense and activity-based costing analysis.

3.16 Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

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When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Provision for Employee Current Benefits

The provision for employee current benefits includes accruals for vacation pay and sick pay determined in accordance with the Collective Agreement and Corporate policy.

Provision for Employee Future Benefits

Included in the provision for employee future benefits are the pension benefit plan and other benefit plans.

i. **Pension Benefit Plan**

The employees of the Corporation are members of a defined benefit pension plan administered under *The Civil Service Superannuation Act*. Included in the accounts is a provision for the employer's future pension liability calculated on an indexed basis. The provision for pension is actuarially determined on an annual basis using the projected benefit method prorated on services. The actuarial present value of the accrued pension benefits is measured using the Corporation's best estimates based on assumptions relating to market interest rates at the measurement date based on high quality debt instruments, salary changes, withdrawals and mortality rates. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

ii. **Other Benefit Plans**

Other benefit plans consist of two post-retirement extended health plans and severance pay benefits.

The provision for post-retirement extended health benefits is actuarially determined on an annual basis using the projected benefit method prorated on services, which includes the Corporation's best estimates based on assumptions relating to retirement ages of employees and expected health costs. Changes in experience gains and losses are recognized in the current period. Current service costs and interest costs are recognized in Net income (loss) attributable to Owner of the Corporation in the current period. Actuarial gains and losses are recognized in OCI in the current period.

Employees of the Corporation are entitled to severance pay in accordance with the Collective Agreement and Corporate policy. The provision for severance pay is actuarially determined on an annual basis using the projected benefit method prorated on services, without salary projection, which includes the Corporation's best estimates based on assumptions relating to the proportion of employees that will ultimately retire.

3.17 Salvage and Subrogation

Recoveries from salvage and subrogation are recorded as an offset to claims costs. Expected salvage recoveries and subrogation reimbursements are included in the measurement of the liability for incurred claims reported within Insurance contract liabilities on the Statement of Financial Position.

3.18 Structured Settlements

In the normal course of tort claims adjudication, the Corporation settles certain long-term claims losses through the purchase of annuities under structured settlement arrangements with life insurance companies. As the Corporation does not retain any interest in the related insurance contract and obtains a legal release from the claimant, any gain or loss on the purchase of the annuity is recognized in the Statement of Operations at the date of purchase and the related claims liabilities are derecognized. While the Corporation remains exposed to the credit risk that the life insurance companies may fail to fulfill their obligations, management believes this risk to be remote.

3.19 Allocation of Revenue, Claims Incurred and Expenses

Revenue from premiums and incurred claims are allocated directly to the division writing the insurance risk.

Other insurance revenue is allocated to the automobile insurance division lines of business on the following basis:

- Identifiable other insurance revenue is allocated to each line of business.
- Where direct allocation is not possible, other insurance revenue is prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of other insurance revenue are approved by the Board of Directors.

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Service fees and other income are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

- Identifiable direct service fees and other revenue are allocated to each line of business.
- Where direct allocation is not possible, service fees and other revenue are prorated to each line of business based mainly on factors such as premiums written ratios, expense allocation ratios and payroll allocation ratios. The formulas developed for the allocation of service fees and other revenue are approved by the Board of Directors.

Investment income is allocated to automobile insurance division and *The Drivers and Vehicles Act* operations and the discontinued general insurance division based on a direct attribution of each segments unique portfolio returns and a pro-rata share of the portfolio backing the corporate employee future benefits obligation.

Expenses, including Corporate Operating expenses, are allocated to the automobile insurance division lines of business and *The Drivers and Vehicles Act* operations on the following basis:

i. Identifiable direct expenses are charged to each line of business.

ii. Where direct allocation is not possible, expenses are prorated to each line of business based mainly on factors such as space, number of employees, time usage, Contact Centre statistics, and metrics such as revenue from premiums and incurred claims. The basis for allocation of indirect shared expenses is approved by the Board of Directors.

iii. The allocation of improvement initiative costs is based on a review of each project to determine which line of business will benefit from the project. The allocation basis for each project is approved by the Board of Directors.

3.20 Foreign Currency

Monetary items denominated in foreign currencies are adjusted to reflect the exchange rate in effect at the year end. Revenue and expense items in foreign currencies are translated at the exchange rate in effect at the transaction date. Unrealized gains or losses arising on translation are reported in the Statement of Operations in the current year.

3.21 Comprehensive Income

Comprehensive income consists of Net income (loss) attributable to Owner of the Corporation and Other comprehensive income (loss). Actuarial gains and losses on employee future benefits amounts are recorded in OCI and included in AOCI. AOCI is included on the Statement of Financial Position as a separate component. Prior to the Corporation's adoption of IFRS 9 effective April 1, 2023, changes in unrealized gains and losses on financial assets classified as AFS were recorded in OCI and included in AOCI until recognized in the Statement of Operations.

3.22 Insurance Contracts

Classification of Contracts

Insurance contracts are comprised of insurance contracts issued and reinsurance contracts held.

Insurance contracts issued by the Corporation are arrangements where the Corporation accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder for specified uncertain future events that adversely affect the policyholder and whose amount and timing is unknown. The Corporation determines whether it has accepted significant insurance risks by comparing the benefits that could become payable under various possible scenarios relative to the premium received from the policyholder for insuring the risk.

Reinsurance contracts held are insurance contracts under which the Corporation transfers insurance risk to another entity that issues the contract (the reinsurer).

Measurement of Insurance Contracts

The carrying value of insurance contracts is comprised of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). Measurement of these two components is based on the application of an appropriate measurement model provided under IFRS 17.

A simplified measurement model, the Premium Allocation Approach (PAA), can be applied to contracts that are one year or less or contracts longer than one year if the liability for remaining coverage determined under the PAA is not materially different than the result provided under the general measurement model (GMM).

The insurance contracts the Corporation issues and reinsurance contracts it holds meet the requirements for measurement under PAA. The Corporation applies the PAA in measuring all insurance contracts reported in these financial statements.

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The GMM measures groups of contracts based on estimates of the present value of future cash flows that are expected to arise over the term of the contracts, plus an explicit risk adjustment for non-financial risk. The LIC is measured by applying the GMM requirements.

Significant judgment and assumptions are required in measuring assets or liabilities for insurance contracts. Application of different assumptions may result in significantly different measurement results. Actual experience may differ from assumptions, and estimates may change from period to period based on future events or revisions of assumptions. Key assumptions and considerations in selecting these assumptions are discussed in Note 14. The sensitivity of the measurement of insurance contracts to changes in risk variables are discussed in Note 14.

Level of Aggregation
Insurance contracts that are subject to similar risks and are managed together are assigned to portfolios of insurance contracts.

Insurance contracts issued by the Corporation are aggregated into portfolios that are reported and measured separately from portfolios of reinsurance contracts held by the Corporation.

The Corporation uses judgment in establishing its various portfolios, consideration is given to the lines of businesses and distribution channels.

Portfolios are further disaggregated into groups of contracts that are issued within a 12-month period. These annual cohorts are further divided into groups of contracts based on expected profitability: onerous contracts, contracts that do not have a significant possibility of becoming onerous subsequently, and other contracts.

An insurance contract is onerous if, at the date of initial recognition, the estimated fulfillment cash flow expectations determined on a probability-weighted basis is a net outflow. The Corporation's evaluation of whether contracts are onerous is based on reasonable and supportable information including historical experience and forward-looking information that is available without undue cost or effort.

In determining groups of contracts, the Corporation has elected to include in the same group, contracts where the ability to set prices or levels of benefits for policyholders with different characteristics is constrained by regulation.

Reinsurance contracts held by the Corporation provide cover for underlying contracts that are reported in different groups. The Corporation reports portfolios of reinsurance contracts by nature of risk covered by the contracts (Casualty, Facultative and Catastrophe). Groups of reinsurance contracts held that are entered into within an annual period (typically a financial year) are divided into groups based on whether they present a net gain or net loss position at initial recognition.

Combination and Separation of Components from Contracts
Insurance and reinsurance contracts are assessed to determine whether they contain components which must be accounted for under an IFRS other than IFRS 17. The Corporation's insurance and reinsurance contracts do not include such components.

Service components of insurance contracts are treated as separate service contracts only if the service component is not highly interrelated with the insurance component. Service components that are not separated, such as payment plan services provided to policyholders, are accounted for with insurance contracts.

The Corporation applies judgment when particular facts and circumstances require the separation of its insurance contracts into distinct insurance components. The Corporation considers interdependency between the different risks covered, whether components lapse together and whether components can be priced and purchased separately.

Contract Recognition and Derecognition
The Corporation recognizes a group of insurance contracts that it issues from the earliest of:

- The beginning of the coverage period of the group of contracts;
- The date when the first payment from a policyholder in the group becomes due or when the first payment is received if there is no due date; and
- For a group of onerous contracts, when the group becomes onerous if facts and circumstances indicate there is such a group.

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A group of reinsurance contracts is recognized at the earliest of:

- The beginning of the coverage period;
- The date an onerous group of underlying insurance contracts is recognized, to the extent that a reinsurance contract applying to these contracts is entered into at that date.

Contract Boundaries
Contract boundaries are identified to determine which future cash flows are included in the measurement of an insurance contract (or reinsurance contract held). Cash flows are within the boundary of a contract if they arise from substantive rights and obligations that exist during the reporting period in which the Corporation can compel the policyholder to pay the premiums (or is compelled to pay amounts to a reinsurer), or in which the Corporation has a substantive obligation to provide the policyholder with services (or receive services from a reinsurer).

A substantive obligation to provide services ends when:

- The Corporation has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks, or
- Both the following criteria are satisfied:
    - The Corporation has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio; and
    - The pricing of the premiums for coverage up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Liabilities or assets relating to expected premiums or claims outside the boundary of the insurance contract relate to future insurance contracts and are not recognized in measuring or reporting insurance contracts in effect. Premiums payments received outside the contract boundary are reported as Deferred Revenue in the Statement of Financial Position or in accordance with other IFRS that appropriately report the nature and substance of the amounts involved.

For reinsurance contracts, a substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

Initial Measurement
On initial recognition, the insurance contract liability for a group of insurance contracts is the liability for remaining coverage.

In applying the PAA and the option to expense acquisition costs as incurred, the Corporation measures the liability for remaining coverage at initial recognition as the premium received when the contract is initially recognized, and the coverage period commences.

The Corporation assumes that no contracts in a portfolio are onerous at initial recognition unless facts and circumstances indicate otherwise.

Subsequent Measurement
The carrying amount of a group of insurance contracts at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

i. <u>Liability for Remaining Coverage</u>

The liability for remaining coverage is the Corporation's obligation to provide insurance services over the remaining unexpired portion of the coverage period. This liability is measured at each reporting period as:

- the carrying amount of the liability for remaining coverage at the beginning of the period,
- plus the amount of premium received in the period,
- minus the amount recognized as revenue for the insurance services provided in the period,
- plus the remaining loss component for groups of contracts that are onerous, if any.

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Under the PAA, the Corporation elects to not adjust the liability for remaining coverage for the time value of money and the effects of financial risk because the time between providing coverage and the related premiums is expected to be no more than one year.

Also, under the PAA, the Corporation elects to recognize insurance acquisition expenses in the Statement of Operations as incurred, rather than including these expenses within the measurement of liability for remaining coverage.

ii. Liability for Incurred Claims

The liability for incurred claims is the measurement of the Corporation's obligation to investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses. The liability is measured as the fulfillment cash flows expected to occur in fulfilling the contract. These are probability-weighted estimates of future cash flows, discounted to reflect the time value of money and the associated financial risks, plus a risk adjustment for non-financial risk. These fulfillment cash flows are measured using current estimates of future cash flows, current discount rates, and current estimates of risk adjustment for non-financial risk.

In measuring the liability for incurred claims, the Corporation estimates future contractual cash flows within the contracts' boundary by considering evidence from current and past conditions as well as possible future conditions including market and non-market variables impacting the valuation of the cash flows.

The liability for incurred claims is discounted to consider the time value of money. The PAA provides an option to not adjust future cash flows for the time value of money and the effect of financial risk if the cash flows are expected to be paid or received in one year or less from the date the claims are incurred. Upon adoption of IFRS 17, the Corporation has elected to discount all liabilities for incurred claims.

The risk adjustment is the compensation the Corporation receives in fulfilling an insurance contract that arises from uncertainties surrounding the amount and timing of cash flows for non-financial risks. Estimates and assumptions are reviewed periodically for appropriateness in reflecting current, past, and future conditions.

When estimating fulfillment cash flows, the Corporation includes all cash flows that are within the contract boundary including:

- Premiums and related cash flows;
- Claims and benefits, including reported claims not yet paid, incurred claims not yet reported and expected future claims (within the contract boundary);
- Premium taxes; and
- Commissions expense.

Onerous Contracts

The Corporation assumes that no contracts in a portfolio are potentially onerous at initial recognition unless facts and circumstances indicate otherwise.

The Corporation's process for identifying indicators of possible onerous contracts includes assessing internal management reports and information from planning and pricing activities, forecast information and historical experience.

During the coverage period, if facts and circumstances indicate that a group of insurance contracts is or becomes onerous, the Corporation considers information available including experience loss reports, metrics such as loss ratios, and forecasts to determine whether the group is in an onerous position.

When a group of insurance contracts is assessed as onerous, the Corporation recognizes the net outflow of fulfillment cash flows as a loss in the Statement of Operations and records a loss component within the liability for remaining coverage. The loss component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining coverage period.

If such losses on onerous contracts are recoverable under coverage provided by reinsurance contracts, the Corporation reports a loss recovery in the Statement of Operations within Net income (loss) from reinsurance contracts held. A loss recovery component is established within assets for remaining coverage for reinsurance contracts held, the loss recovery component is reported to Net income (loss) attributable to Owner of the Corporation over the remaining term of the contract.

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Discount Rates

Measurement of the liability for incurred claims requires discounting the estimated future cash flows to reflect the time value of money and financial risks associated with the insurance contract liabilities. The Corporation applies discount rates that are consistent with observable market prices and reflect the characteristics of the liabilities and the duration of the portfolio. The rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contract liabilities (e.g., credit risk).

The Corporation applies a top-down approach to determine appropriate discount rates for measuring insurance contracts it issues and reinsurance contracts it holds. Under this approach, the Corporation determines appropriate discount rates from a yield curve that provides the expected returns of a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the cash flows for the insurance contract liabilities.

The reference portfolio of assets is comprised of a combination of fixed income assets that closely reflect the duration and liquidity characteristics of the cash flows for the portfolio of insurance contract liabilities. Adjustments are applied to eliminate impacts from risks and factors for the financial instruments in the reference portfolio, that are not relevant to the insurance contract liabilities.

In constructing the discount yield curves, a portion of the curve is based on observable market information that is available going out 30 years (the observable period) and beyond that point, the discount rates are estimated (the unobservable period). The portion of the curve in the unobservable period has been determined using a linear interpolation technique between the last observable point and the ultimate rate, which was set at 70 years. The ultimate rate at 70 years was determined using a bottom-up approach according to Canadian accepted actuarial practice.

Judgment is applied in selecting the appropriate discount rates. Judgment and estimates are applied in determining the yield curves, the asset mix within the reference portfolio, and the adjustments to the yield curve for factors such as credit risk and liquidity risk when appropriate. In addition, judgment is applied in developing yield curves beyond the last observable point and in determining the ultimate rate.

Risk Adjustment

The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the issuer requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the issuer fulfils the insurance contracts.

The Corporation applies the Quantile approach in determining the risk adjustment by coverage, for each line of business. The risk adjustment for insurance contracts issued by the Corporation includes an adjustment for the benefits of diversification across the lines of business. Under the Quantile Approach, a range of claims development scenarios are simulated and the future claims payments of each of the scenarios are discounted to the measurement date. The risk adjustment for non-financial risk is determined as the difference between the discounted unpaid claims at the selected percentile and the best estimate of the unpaid claims' liability averaged across the scenarios. The Corporation's target confidence level for the risk adjustment is the 90th percentile.

Measurement of Reinsurance Contracts Held

Reinsurance contracts held are measured in a manner consistent with the associated underlying insurance contracts and in accordance with the terms of each reinsurance contract held. As such, the Corporation applies the PAA in measuring reinsurance contracts held when that method is applied in measuring the underlying groups of insurance contracts.

The basis of measurement and reporting is adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued. For example, reinsurance contracts generate expenses or a reduction in expenses rather than revenue, and the risk adjustment for reinsurance contracts held represents the amount of risk transferred from the Corporation to the reinsurer.

Measurement of reinsurance contracts held includes a provision for risk that the reinsurer will not fulfill its obligations under the contract. The Corporation selects well-established, highly rated reinsurers to engage with in reinsurance contracts and treaties.

Contract boundaries are identified to determine which future cash flows are included in the measurement of a reinsurance contract held. A substantive obligation to receive services under a reinsurance contract ends when the reinsurer has the practical ability to reassess the risk transferred to it and, as a result, can set a price or level of benefits that fully reflects those risks, or the reinsurer has the substantive right to terminate the coverage.

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A group of reinsurance contracts is recognized at the earliest of:

- the beginning of the coverage period;
- the date an onerous group of underlying insurance contracts is recognized.

When a loss on onerous contracts is recognized for a group of insurance contracts in which there are one or more contracts underlying a reinsurance contract held, the Corporation calculates a loss-recovery component and adjusts the amount of the asset for remaining coverage of the group of reinsurance contracts held.

3.3 Presentation on the Financial Statements

The carrying value of portfolios of insurance contracts issued and reinsurance contracts held that are in an asset position are presented as Insurance contract assets and Reinsurance contract assets in the Statement of Financial Position, while the carrying value of portfolios of insurance contracts issued and reinsurance contracts held that are liabilities are presented as Insurance contract liabilities.

4. Changes in Accounting Policies

4.1 Adoption of New and Amended Accounting Standards

Effective April 1, 2023, the Corporation adopted the following new and amended accounting standards:

4.1.1 Insurance Contracts

The Corporation adopted IFRS 17 *Insurance Contracts* on April 1, 2023, replacing IFRS 4 *Insurance Contracts*. IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. The Corporation has applied IFRS 17 retrospectively. Certain comparative figures for the year ended March 31, 2023, have been restated, and a restated opening Statement of Financial Position as at April 1, 2022, is presented to reflect these changes.

Changes to classification, recognition, and measurement

The standard applies to insurance contracts issued by the Corporation and reinsurance contracts held with reinsurers. As such, the Corporation applies IFRS 17 to the same scope of contracts that had been reported under IFRS 4. The classification of the Corporation's insurance contracts has not changed, however, IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts reported by the Corporation.

Presentation and Measurement

Under IFRS 17, insurance contracts are aggregated into portfolios for presentation and measurement purposes. Portfolios are comprised of contracts with similar risks that are managed together. Portfolios are divided into annual cohorts by year of issue and then further subdivided into three groups based on profitability determined at initial recognition: contracts that are onerous; contracts that have no significant possibility of becoming onerous; and all remaining contracts.

Portfolios of insurance contracts the Corporation issues and reinsurance contracts that it holds are reported separately, and further split into groups that are reported as assets or liabilities. The Corporation identified portfolios of insurance contracts in accordance with IFRS 17 at the transition date. Portfolios and groups of contracts may change prospectively if there are changes to how the Corporation manages its contracts and business.

IFRS 17 introduces a General Measurement Model (GMM) that measures insurance contracts based on current estimates of the present value of future cash flows expected to arise as the contracts are fulfilled. The GMM includes a risk adjustment for non-financial risk, plus a contractual service margin that reflects profit to be recognized as services are provided under the insurance contract.

Under IFRS 17, there is an option to apply a simplified measurement model, the Premium Allocation Approach (PAA), to contracts with coverage periods of one year or less, or to contracts longer than one year if there is no material difference in the liability for remaining coverage measured under the PAA as compared to the GMM. The Corporation has chosen to apply the PAA in measuring insurance contracts, the PAA is applied in measuring and reporting insurance contracts the Corporation issues and reinsurance contracts it holds.

Under the PAA, insurance revenue is reported as the premium expected to be received from the insurance contract, allocated to each period as the insurance contract services are provided. The Corporation allocates the expected premium receipts from insurance contracts to the periods of service based on the passage of time because this approximates the pattern of release of risk during the coverage period. In this respect, PAA provides an accounting treatment similar to the practices the Corporation followed under IFRS 4.

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IFRS 17 also introduces elements of measurement and accounting practices that differ from IFRS 4 in the following key areas:

- Acquisition costs – Under IFRS 17, insurance acquisition cash flows are costs directly attributable to selling or underwriting a portfolio of insurance contracts. Under the PAA within IFRS 17, the Corporation has elected to recognize insurance acquisition cash flows as an expense when these costs are incurred. Under the prior accounting standard, the Corporation had capitalized and amortized acquisition costs over the coverage period provided by the contract.

- Onerous contracts – groups of insurance contracts are assessed for onerous positions when facts and circumstances indicate a group of contracts may be onerous. The assessment is performed at a more granular level than the liability adequacy test conducted under IFRS 4. When a group of contracts is found to be onerous, a loss component representing the shortfall in the projected cash flows for the contract, is recognized immediately in Net income (loss) attributable to Owner of the Corporation. As such, losses are recognized earlier under IFRS 17 than under IFRS 4. Assessments for, and identification of onerous contracts did not have a material impact on the Corporation's financial statements at the transition date to IFRS 17.

- Discount rate – Under IFRS 17, the Corporation's measurement of net liability for incurred claims involves discounting future cash flows using discount rates developed under a top-down approach. Under this approach, discount rates are selected from the yield curve implied in a reference portfolio of assets that closely reflects the duration, currency, and liquidity characteristics of the cash flows for the insurance contracts. Under IFRS 4, the Corporation discounted unpaid claims and reinsurance recoverable with a discount rate that was based on the expected yield of the underlying assets backing the insurance claims liabilities. Upon transition to IFRS 17, the change in discount rate resulted in a decrease in the liability for insurance contracts reported by the Corporation.

- Risk adjustment – Under IFRS 4, measurement of unpaid claims and reinsurance recoverable included a risk margin to reflect the uncertainty in the discounted cash flows. IFRS 17 requires application of a risk adjustment in measuring insurance contracts. The risk adjustment reflects the compensation the entity requires for bearing the uncertainty from non-financial risks arising as the Corporation provides the insurance services over the contracted period. Elimination of the risk margin reported under IFRS 4 and the application of the risk adjustment under IFRS 17 produced a net decrease in the insurance liability reported by the Corporation on adoption of IFRS 17.

Changes to presentation and disclosure
IFRS 17 introduces changes to the presentation of insurance activity within the Statement of Operations, key categories and changes are summarized below:

- Insurance contract liabilities reported in the Statement of Financial Position consists of premiums receivable, unearned premiums, discounted cash flow for claims liabilities plus a risk adjustment for non-financial risk and other related liabilities. Reinsurance contract assets are separately presented in the Statement of Financial Position and reflect amounts expected to be recovered from reinsurers and reinsurance premiums paid by the Corporation.

- Total insurance service expense reports Incurred claims, Maintenance expense, Acquisition expense, Commission expense and Premium taxes incurred in the period that are directly attributable to fulfilling insurance contracts plus any losses reported for onerous contracts (and reversals of those losses), if any. Under IFRS 4, many of these expenses were grouped in a different manner and reported as Claims, Loss prevention/Road safety, Operating, Commissions, Premium taxes, and Regulatory/Appeal; and reported as total expenses.

- Net income (expense) from reinsurance contracts held represents payments to and recoveries from reinsurance companies for contracts held by the Corporation, plus changes in risk adjustment (the amount of risk transferred to the reinsurer), and an allowance for risk of non-performance by the reinsurer. Under IFRS 17 these are presented in the Statement of Operations as a single net amount, under IFRS 4 reinsurance activity was presented as offsetting lines reported for direct insurance.

- Insurance revenue, Total insurance service expense and Net income (expenses) from reinsurance contracts are presented in the Statement of Operations without the impact of discount unwinding and changes in discount rates. Net insurance financial result reports the impacts from discount unwinding and changes in discount rates applied in measuring insurance contracts issued and held by the Corporation.

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- Total other revenue: IFRS 17 reports revenues such as service fees, interest and transaction fees that are directly related to policies with Insurance service revenue. These types of revenue that are not directly related to insurance policies are reported within Total other revenue in the Statement of Operations.
- Total other expense: IFRS 17 reports insurance related expenses within Insurance service expense; other expenses are expenses that are not directly attributable to insurance contracts. As a result, a portion of expenses that had been reported across various lines items under IFRS 4, are now presented as Total other expenses in the Statement of Operations under IFRS 17.
- IFRS 17 also introduces extensive disclosure requirements on the amounts recognized from insurance and reinsurance contracts and the nature and extent of risks arising from these contracts.

Transition

The Corporation applied a retrospective approach in adopting IFRS 17. On transition date, April 1, 2022, the Corporation:

- Identified, recognized, and measured each group of insurance contracts as if IFRS 17 had always applied.
- Derecognized balances that would not exist had IFRS 17 always applied.
- Recognized any resulting net difference in equity.

The transition to IFRS 17 resulted in a net positive impact to Equity at April 1, 2022, of $106.3 million. The impacts are summarized as follows:

- Equity decreased by $64.7 million with the elimination of the deferred policy acquisition costs asset that had accumulated under IFRS 4 to be amortized in future periods. The Corporation has chosen an option available under the PAA within IFRS 17 to record policy acquisition costs in the Statement of Operations as these costs are incurred rather than deferring and amortizing the charges in subsequent periods.
- Equity decreased by $0.7 million as a result of reductions to Reinsurance contract assets arising from the change in discount rate methodology and application of the risk adjustment under IFRS 17 in measuring reinsurance contracts held by the Corporation.
- Equity increased by $171.7 million as a result of reductions to Insurance contract liabilities arising from the change in discount rate methodology and application of the risk adjustment under IFRS 17 in measuring insurance contracts issued by the Corporation.

In addition, adopting IFRS 17 led to the reclassification of assets and liabilities and aggregation of certain assets and liabilities into insurance contract liabilities. Reclassifications between assets and liabilities on the Statement of Financial Position amounted to $353.6 million.

The Insurance contract liabilities are discounted with a discount rate based on a yield curve constructed using current market rates implicit in the fair value measurement of a reference portfolio of assets that reflects the characteristics such as liquidity and duration of the claims liabilities. The yield from the reference portfolio is adjusted to exclude the effects of risks, such as credit risk, that are associated with the cash flows of the financial instruments in the reference portfolio but are not relevant to cash flows of the insurance contracts. Under IFRS 4, the Corporation applied a discount rate based on the estimated market yield of the underlying assets backing the cash flow requirements of the unpaid claims.

Under IFRS 17, the measurement of insurance contracts includes an explicit risk adjustment for non-financial risk, which replaces the risk margin under IFRS 4. The IFRS 4 risk margin reflected the inherent uncertainty in the discounted net claim liabilities estimates (including unpaid claims and reinsurance recoverable), whereas the IFRS 17 risk adjustment represents the compensation the entity requires for bearing the uncertainty around amounts and timing of cash flows that arise from non-financial risk as the insurance contracts are fulfilled.

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Reconciliation from IFRS 4 to IFRS 17

The following table summarizes the impacts to the Corporation's Statement of Financial Position upon adoption of IFRS 17 as at April 1, 2022.

As at April 1, 2022	IFRS 4	Change in Classification	Change in Measurement	IFRS 17
Total Assets	4,385,304	(353,580)	(65,406)	3,966,318
Total Liabilities	(3,620,876)	353,580	171,666	(3,095,630)
Equity	764,428	-	106,260	870,688

4.1.2 IFRS 9 – Financial Instruments

The Corporation adopted IFRS 9 on April 1, 2023. On IFRS 9 adoption, the Corporation has not restated comparative information. The impact from changes in measurement of financial instruments upon transition to IFRS 9 are reported within the Statement of Changes in Equity as at April 1, 2023.

Changes to classification and measurement

Under IFRS 9, financial assets are classified based on their contractual cash flow characteristics and the business model under which they are held.

Under IFRS 9, a financial asset is measured on initial recognition at fair value and is classified and subsequently measured as FVTPL, FVOCI or amortized cost based on the contractual cash flow characteristics of the financial asset and the Corporation's business model under which they are held.

The Corporation had previously classified or designated its financial assets and liabilities under IAS 39 as AFS, HTM, FVTPL, loans and receivables, or other financial liabilities. Upon transition to IFRS 9 on April 1, 2023, the Corporation's investments in financial instruments were reclassified and measured in accordance with IFRS 9.

Financial instruments that had been classified as AFS or HTM under IAS 39 were classified as FVTPL or designated as FVTPL. Investments in equity securities that had been classified as AFS were reclassified to FVTPL. Investments in debt securities and fixed income instruments that were held as AFS or HTM that failed the SPPI test were reclassified to FVTPL. Investments in debt securities and fixed income instruments supporting insurance contract liabilities that are measured at fair value, were designated at FVTPL on transition date as doing so eliminated or significantly reduced measurement inconsistency with the related insurance contract liabilities. These financial assets would otherwise have been measured at FVOCI or amortized cost.

The unrealized gains or unrealized losses reported within Accumulated other comprehensive income for these financial instruments have been reclassified to Equity at April 1, 2023, with subsequent changes in fair values reported in Net income (loss) attributable to Owners of the Corporation.

Changes in measurement of investments in financial instruments upon the adoption of IFRS 9 resulted in a negative impact of $5.9 million that is reported within the Statement of Changes in Equity as at April 1, 2023.

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Investments – Transition from IAS 39 to IFRS 9

	Classified as AFS				Classified as HTM	Classified as FVTPL						Designated as FVTPL	
	Bonds	Private debt	Other investments	Equity investments	Bonds	Bonds	Private debt	Other investments	Infrastructure	Equity investments	Pooled real-estate funds	Bonds	Total
IAS 39 as at April 1, 2023	137,640	192,078	121	313,087	448,716	1,899,354	58,890	-	162,112	-	192,928	-	3,404,926
Designated as FVTPL on transition to IFRS 9	(27,626)	-	-	-	(448,716)	(1,860,003)	-	-	-	-	-	2,336,345	-
Classified as FVTPL on transition to IFRS 9	(110,014)	(192,078)	(121)	(313,087)	-	110,014	192,078	121	-	313,087	-	-	-
Revaluation of HTM to Designated as FVTPL on transition to IFRS 9	-	-	-	-	-	-	-	-	-	-	-	(5,891)	(5,891)
IFRS 9 as at April 1, 2023	**-**	**-**	**-**	**-**	**-**	**149,365**	**250,968**	**121**	**162,112**	**313,087**	**192,928**	**2,330,454**	**3,399,035**

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Changes to impairment calculation

IFRS 9 replaces the incurred loss model that was provided under IAS 39 with an ECL model that incorporates forward-looking assessments and reports expected lifetime losses for financial instruments held. Under this standard, credit losses are recognized earlier than under IAS 39. The new impairment model applies to financial assets measured at amortized cost and debt instruments measured at FVOCI; it does not apply to equity investments.

Under IFRS 9, Accounts receivables are classified and measured at amortized cost and are subject to assessments for ECLs. The impact to Accounts receivable on transition to IFRS 9 was not material.

4.1.3 IAS 1 Amendment – Disclosure of Accounting Policies

The International Accounting Standards Board (IASB) issued amendments to IAS 1 *Presentation of Financial Statements* in February 2021 to assist entities in determining which accounting policies to disclose. The amendment aims to provide clarification in determining material accounting policies by adjusting the wording to require entities to disclose their material accounting policies rather than significant accounting policies. To support the IAS 1 amendment, the IASB has provided guidance to demonstrate the application of materiality in a "four-step materiality process". The amendments are applied prospectively and effective for annual periods beginning on or after January 1, 2023. This set of financial statements have been assessed in adherence to IAS 1 to ensure that only material accounting policies are disclosed.

4.1.4 IAS 8 Amendment – Definition of Accounting Estimates

In February 2021, the IASB issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* to help entities distinguish between changes in accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after January 1, 2023, and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. There was no material impact to the Corporation's financial statements resulting from these amendments.

4.2 Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for annual reporting periods beginning on or after April 1, 2024.

The standards that may be applicable to the Corporation are:

4.2.1 IAS 1 - Presentation of Financial Statements

Narrow-scope amendments to IAS 1 were issued in January 2020 to provide clarification of debt and other liabilities as current or non-current. The amendments aim to provide consistency in the application of the classification requirements of the standard by entities. Further, the amendments affect only the presentation of liabilities in the balance sheet, not the amount or timing of the recognition of any asset, liability income or expenses, or the information that entities disclose about those items. In July 2020, the IASB issued an amendment to defer the effective date to January 1, 2024. The Corporation has determined that the amendment is not expected to impact the financial statements.

4.2.2 IAS 7 - Statement of Cash Flows and IFRS 7 – Financial Instrument Disclosures

IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instrument Disclosures* were amended in August 2023 and requires an entity to provide additional disclosures about its supplier finance arrangements. The amendment is effective for annual reporting periods beginning on or after January 1, 2024. This amendment is not expected to materially impact the Corporation's financial statements.

5. Cash, Cash Equivalents and Investments

Cash and cash equivalents are comprised of cash, current operating accounts, provincial short-term deposits with maturities of 90 days or less from the date of acquisition, and funds held in trust on behalf of other insurance companies.

Cash equivalent investments have a total principal amount of $170.6 million (March 31, 2023—$88.4 million) comprised of provincial short-term deposits with effective interest rates of 4.59 per cent to 4.91 per cent (March 31, 2023—3.84 per cent to 4.41 per cent), with interest receivable at varying dates.

The Corporation has an unsecured operating line of credit with its principal banker in the amount of $10.0 million (March 31, 2023—$10.0 million). The unsecured operating line of credit remained unutilized at March 31, 2024 (March 31, 2023—nil).

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Cash, Cash Equivalents and Investments

As at March 31, 2024	Financial Instruments Classified as FVTPL	Financial Instruments Designated as FVTPL	Non-Financial Instruments	Total Carrying Value
Cash and cash equivalents	**206,669**	**-**	**-**	**206,669**
Bonds				
Federal	**-**	**108,646**	**-**	**108,646**
Manitoba:				
Provincial	**13,262**	**92,284**	**-**	**105,546**
Municipal	**-**	**91,269**	**-**	**91,269**
Schools	**-**	**315,295**	**-**	**315,295**
Other provinces:				
Provincial	**91,829**	**678,271**	**-**	**770,100**
Municipal	**3,415**	**53,213**	**-**	**56,628**
Corporations	**74,695**	**548,864**	**-**	**623,559**
	183,201	**1,887,842**	**-**	**2,071,043**
Private debt	**231,877**	**-**	**-**	**231,877**
Other investments	**209**	**-**	**-**	**209**
Infrastructure	**216,296**	**-**	**-**	**216,296**
Equity investments	**401,140**	**-**	**-**	**401,140**
Pooled commercial mortgages	**100,374**	**-**	**-**	**100,374**
Pooled real-estate fund	**366,651**	**-**	**-**	**366,651**
Investments	**1,499,748**	**1,887,842**	**-**	**3,387,590**
Investment property	**-**	**-**	**13,045**	**13,045**
Total	**1,706,417**	**1,887,842**	**13,045**	**3,607,304**

As at March 31, 2023	Financial Instruments Classified as AFS	Financial Instruments Classified as HTM	Financial Instruments Classified as FVTPL	Non-Financial Instruments	Total Carrying Value
Cash and cash equivalents	142,343	-	-	-	142,343
Bonds					
Federal	-	-	119,085	-	119,085
Manitoba:					
Provincial	12,845	-	99,021	-	111,866
Municipal	-	82,651	28,181	-	110,832
Schools	-	366,065	-	-	366,065
Other provinces:					
Provincial	39,371	-	1,081,992	-	1,121,363
Municipal	-	-	50,674	-	50,674
Corporations	85,424	-	520,401	-	605,825
	137,640	448,716	1,899,354	-	2,485,710
Private debt	192,078	-	58,890	-	250,968
Other investments	121	-	-	-	121
Infrastructure	-	-	162,112	-	162,112
Equity investments	313,087	-	-	-	313,087
Pooled real-estate fund	-	-	192,928	-	192,928
Investments	642,926	448,716	2,313,284	-	3,404,926
Investment property	-	-	-	13,758	13,758
Total	785,269	448,716	2,313,284	13,758	3,561,027

As there are no longer any assets classified as AFS, there are no gross unrealized gains or gross unrealized losses at March 31, 2024, including in AOCI. Gross unrealized gains and gross unrealized losses included in AOCI on AFS equity and debt investments reported under IAS 39 at March 31, 2023, were comprised as follows:

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As at March 31, 2023 Reported under IAS 39	Book Value	Unrealized Gains/Losses	Fair Value
Equity investments			
With unrealized gains	240,905	72,182	313,087
Subtotal—equity investments	240,905	72,182	313,087
Bonds			
With unrealized losses	51,296	(3,498)	47,798
Subtotal—bonds	141,087	(3,447)	137,640
Private debt			
With unrealized losses	192,078	-	192,078
Subtotal—private debt	192,078	-	192,078
Debt investments			
With unrealized losses	121	-	121
Subtotal—other investments	121	-	121
Total AFS equity and debt investments	574,191	68,735	642,926

Fair Value Measurement

Financial assets that are measured at fair value are classified by their level within the fair-value hierarchy. The fair-value hierarchy consists of three levels that are defined on the basis of the type of inputs used to measure fair value. The classification cannot be higher than the lowest level of input that is significant to the measurement:

Level 1—Fair value is determined based on unadjusted quoted prices of identical assets in active markets. Inputs include prices from exchanges where equity and debt securities are actively traded.

Level 2—Level 2 valuations utilize inputs other than quoted market prices included in Level 1 that are observable, directly or indirectly, for the asset. These inputs include quoted prices for similar assets in active markets and observable inputs other than quoted prices, such as interest rates and yield curves. The fair values for some Level 2 securities were obtained from a pricing service. Pricing service inputs may include benchmark yields, reported trades, broker/dealer quotes and bid/ask spreads.

Level 3—Fair-value measurements using significant inputs that are not based on observable market data are Level 3. This consists of private equity, and units in pooled fund investments. In these cases, prices may be determined by internal pricing models utilizing all available financial information, including direct comparison and industry sector data. For some investments, valuations are obtained annually. For periods between valuations, management assesses the validity of the valuation for current reporting purposes.

Transfers between fair value hierarchy levels are considered effective from the beginning of the annual reporting period in which the transfer is identified.

Valuation techniques used by the Corporation's independent pricing service providers and third-party broker-dealers include use of prices from similar instruments where observable market prices exist, discounted cash flow analysis, option pricing models, and other valuation techniques commonly used by market participants. The Corporation assesses the reasonableness of pricing received from these third-party sources by comparing the fair values received to recent transaction prices for similar assets where available, to industry accepted discounted cash flow models (that incorporate estimates of the amount and timing of future cash flows and market observable inputs such as credit spreads and discount rates) and to option pricing models (that incorporate market observable inputs including the quoted price, volatility and dividend yield of the underlying security and risk-free rate).

Detailed valuations are prepared for those financial instruments that are priced internally, while external pricing received from independent pricing service providers and third-party broker-dealers are evaluated by the Corporation for reasonableness. The Corporation's Chief Actuary and Chief Financial Officer oversee the valuation function and regularly review the valuation processes and results, including at each quarterly reporting period. Significant valuation matters, particularly those requiring extensive judgment, are communicated to the Corporation's Investment Committee and Audit & Finance Committee.

No investments were transferred between levels in the year ended March 31, 2024 (March 31, 2023 – $78.5 million of Private debt transferred from Level 3 to Level 2).

The following table presents financial instruments measured at fair value in the Statement of Financial Position, classified by level within the fair value hierarchy.

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As at March 31, 2024	Level 1	Level 2	Level 3
FVTPL financial assets			
Cash and Cash Equivalents	**206,756**	-	-
Bonds	**86,620**	**1,616,697**	**391,217**
Private debt	-	**231,877**	-
Other Investments	-	-	**209**
Infrastructure	**142,925**	-	**73,371**
Equity investments	**39,518**	**361,622**	-
Pooled commercial mortgage fund	-	-	**100,374**
Pooled real-estate fund	**173,293**	-	**193,358**
Total assets measured at fair value	**649,112**	**2,210,196**	**758,529**

Accrued interest in the amounts of $87 thousand and $23.5 million are included above in Cash and cash equivalents and Bonds respectively. These amounts are included in accounts receivable on the Statement of Financial Position.

As at March 31, 2023 Reported under IAS 39	Level 1	Level 2	Level 3
FVTPL financial assets			
Bonds	95,152	1,790,628	13,574
Private debt	-	58,890	-
Infrastructure	85,200	-	76,912
Pooled real-estate fund	-	-	192,928
Total FVTPL financial assets	180,352	1,849,518	283,414
AFS financial assets			
Cash and cash equivalents	142,343	-	-
Bonds	-	137,640	-
Private debt	-	192,078	-
Other investments	-	-	121
Equity investments	4,434	308,653	-
Total AFS financial assets	146,777	638,371	121
Total assets measured at fair value	327,129	2,487,889	283,535

The fair value of HTM bonds, which includes school and certain municipalities, is based on their carrying value, which approximates fair value. The HTM bonds would be considered Level 3 investments. As of March 31, 2023, the fair value of municipal, utilities, schools, and hospital (MUSH) bonds held to maturity is $448.7 million.

Unobservable Inputs and Sensitivity for Level 3 Assets

The assets reported as Level 3 consist primarily of MUSH bonds that are designated as FVTPL, and investments in private debt, infrastructure, pooled investments, and a currency swap reported at March 31, 2023, classified as FVTPL.

The fair value of investment in MUSH bonds, infrastructure, and pooled investments is based on Net Asset Values provided by the investment manager, that cannot be corroborated with observable market transactions. Due to the unobservable nature of these quotes, the Corporation does not assess whether applying reasonably possible alternative assumptions would have an impact on the fair value of these Level 3 assets.

The currency swap reported at March 31, 2023, was reported at FVTPL based on quoted information provided by the investment manager.

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The following tables present the fair-value measurement of instruments included in Level 3.

As at March 31, 2024	Bonds at FVTPL	Bonds at HTM	Other Investments at FVTPL	Other Investments at AFS	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real-Estate Fund at FVTPL	Total at AFS	Total at HTM	Total at FVTPL
Balance, beginning of the year	13,574	448,716	-	121	76,912	-	192,928	121	448,716	283,414
Transfers due to IFRS 9 adoption	448,716	(448,716)	121	(121)	-	-	-	(121)	(448,716)	448,837
Revaluation of HTM on IFRS 9 transition	(5,891)	-	-	-	-	-	-	-	-	(5,891)
Realized gains/(losses)										
Included in investment income	(226)	-	-	-	-	-	-	-	-	(226)
Unrealized gains/(losses)										
Included in investment income	(9,753)	-	88	-	(6,618)	(239)	430	-	-	(16,092)
Accrued interest	7,217	-	-	-	-	-	-	-	-	7,217
Purchases	-	-	-	-	3,077	100,613	-	-	-	103,690
Sales	(62,420)	-	-	-	-	-	-	-	-	(62,420)
Balance, end of the year	391,217	-	209	-	73,371	100,374	193,358	-	-	758,529

As at March 31, 2023	Bonds at FVTPL	Bonds at HTM	Other Investments at FVTPL	Other Investments at AFS	Infrastructure at FVTPL	Pooled Commercial Mortgages at FVTPL	Pooled Real-Estate Fund at FVTPL	Total at AFS	Total at HTM	Total at FVTPL
Balance, beginning of the year	13,893	467,971	-	287	114,580	-	181,888	287	467,971	310,361
Realized gains/(losses)										
Included in investment income	-	(2)	-	-	4,764	-	-	-	(2)	4,764
Unrealized gains/(losses)										
Included in investment income	(319)	-	-	-	(11,797)	-	4,803	-	-	(7,313)
Impairment of AFS investments included in investment income	-	-	-	(166)	-	-	-	(166)	-	-
Purchases	-	29,518	-	-	-	-	6,237	-	29,518	6,237
Sales	-	(48,771)	-	-	(30,635)	-	-	-	(48,771)	(30,635)
Balance, end of the year	13,574	448,716	-	121	76,912	-	192,928	121	448,716	283,414

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Impairment

Impairment losses were based on management's best estimate of whether objective evidence of impairment exists, using available market data and other observable data.

The Corporation's investments in financial instruments have been classified as FVTPL or designated as FVTPL. Under these classifications, there are no impairments for the year ended March 31, 2024. Impaired investments within the Corporation's portfolio as at March 31, 2023, included the following:

As at March 31, 2023	Gross	Impaired	Net
By investment type			
Bonds	94,002	(8,583)	85,419
Private debt	209,385	(17,307)	192,078
Other investments	314	(193)	121
Total	303,701	(26,083)	277,618

Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the years ended March 31, 2024 (under IFRS 9) and March 31, 2023 (under IAS 39) and the composition of the net insurance financial result reported in the Statement of Operations.

Net Insurance Financial Result and Investment Result

For the years ended March 31	**2024**	2023
Investment income from interest, dividends and investment property	**120,392**	95,413
Net gain (loss) on investments	**(16,624)**	(63,327)
Investment management fees	**(5,994)**	(6,867)
Investment income	**97,774**	25,219
Insurance finance income (expense)	**(79,339)**	46,995
Reinsurance finance income (expense)	**3,111**	172
Net insurance financial result	**(76,228)**	47,167
Net insurance financial result and investment result	**21,546**	72,386

Investment Income

For the years ended March 31	**2024**	2023
Interest and similar income from securities classified as FVTPL	**11,277**	-
Interest and similar income from securities designated as FVTPL	**90,886**	-
Interest income from securities classified as FVTPL, AFS or HTM	-	83,231
Interest income	**102,163**	83,231
Dividend income from equities at AFS	-	9,960
Dividend income from equities at FVTPL	**17,299**	1,553
Dividend income	**17,299**	11,513
Income from investment property	**930**	669
Investment income from interest, dividends and investment property	**120,392**	95,413
Net unrealized gain (loss) from financial instruments classified as FVTPL	**53,676**	(50,604)
Net unrealized gain from financial instruments designated as FVTPL	**1,681**	-
Net unrealized gain (loss) on investments	**55,357**	(50,604)
Net realized gain (loss) from financial instruments classified as FVTPL	**2,704**	(62,904)
Net realized loss from financial instruments designated as FVTPL	**(74,685)**	-
Net realized gain from investments as AFS	-	76,264
Impairment loss from investments at AFS	-	(26,083)
Net realized loss on investments	**(71,981)**	(12,723)
Net loss on investments	**(16,624)**	(63,327)
Investment management fees	**(5,994)**	(6,867)
Investment income	**97,774**	25,219

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Investment income is net of investment management fees paid to the Department of Finance in the amount of $6.0 million (March 31, 2023—$6.9 million). This includes $4.6 million (March 31, 2023—$5.4 million) of fees the Province paid to outside managers on the Corporation's behalf.

Net Insurance Financial Result

Net insurance financial result is comprised of insurance finance income (expense) from insurance contracts issued and reinsurance contract held and are provided in the table below.

Changes in the carrying value of insurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied in measuring insurance contracts, are reported as insurance finance income (expense). Changes in the carrying value of reinsurance contracts that arise from the unwinding of discounting and changes in financial assumptions (including discount rates) applied to measuring reinsurance contracts, are reported as reinsurance finance income (expense).

For the years ended March 31	**2024**	2023
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	**(106,692)**	(79,624)
Changes in discount rate and other financial assumptions	**27,353**	126,619
Insurance finance income (expense) from insurance contracts issued	**(79,339)**	46,995
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	**3,242**	791
Changes in discount rate and other financial assumptions	**(131)**	(619)
Reinsurance finance income	**3,111**	172
Net insurance financial result	**(76,228)**	47,167

6. Investment Property

Investment property is reported in accordance with IAS 40.

	Surface Parking Lot	Parkade	Total
Cost			
Balance at April 1, 2022	1,040	16,186	17,226
Balance at March 31, 2023	1,040	16,186	17,226
Balance at March 31, 2024	**1,040**	**16,186**	**17,226**
Accumulated Depreciation			
Balance at April 1, 2022	-	3,468	3,468
Depreciation	-	357	357
Balance at March 31, 2023	-	3,825	3,825
Depreciation	-	**356**	**356**
Balance at March 31, 2024	-	**4,181**	**4,181**
Carrying Amounts			
At March 31, 2023	1,040	12,361	13,401
At March 31, 2024	**1,040**	**12,005**	**13,045**
Fair Value			
At March 31, 2023*	5,000	21,590	26,590
At March 31, 2024*	**5,840**	**16,750**	**22,590**

*The fair value of the parkade and surface parking lots is determined using an appraisal performed by an external valuator on, at a minimum, a bi-annual basis. The last appraisal conducted was for March 31, 2024.

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7. Property and Equipment

	Land & Buildings (1)	Furniture & Equipment(2)	Right-of-Use Assets (3)	Property Under Construction(4)	Total
Cost					
Balance at April 1, 2022	183,661	31,946	16,562	4,590	236,759
Additions	12,127	5,430	42	5,686	23,285
Disposals	-	(2,080)	(25)	-	(2,105)
Transfer from property under construction	799	80	11	(890)	-
Balance at March 31, 2023	196,587	35,376	16,590	9,386	257,939
Additions	**8,658**	**2,626**	**-**	**2,911**	**14,195**
Disposals	**-**	**(177)**	**-**	**-**	**(177)**
Transfer from property under construction	**807**	**-**	**(4)**	**(803)**	**-**
Balance at March 31, 2024	**206,052**	**37,825**	**16,586**	**11,494**	**271,957**
Accumulated Depreciation					
Balance at April 1, 2022	58,252	28,345	4,664	-	91,261
Disposals	-	(2,080)	(25)	-	(2,105)
Depreciation	3,926	1,261	541	-	5,728
Balance at March 31, 2023	62,178	27,526	5,180	-	94,884
Disposals	**-**	**(177)**	**-**	-	**(177)**
Depreciation	**3,957**	**1,644**	**541**	-	**6,142**
Balance at March 31, 2024	**66,135**	**28,993**	**5,721**	-	**100,849**
Carrying Amounts					
At March 31, 2023	134,409	7,850	11,410	9,386	163,055
At March 31, 2024	**139,917**	**8,832**	**10,865**	**11,494**	**171,108**

1. Includes land, land improvements, leasehold improvements, buildings and building components: elevators, escalators, HVAC systems, roofing systems.
2. Includes furniture, equipment, computer equipment, vehicles and demountable wall systems.
3. Includes right-of-use assets land and buildings accounted for under IFRS 16 Leases. Refer to Note 10 for the corresponding lease obligations. The below right-of-use assets are included in the property and equipment table above, totaling the "Right-of-Use Assets" column (1284 Main Street—Building portion; 1284 Main Street—Land portion; Brandon—Royal Canadian Legion Branch #3 Building):

Right-Of-Use Assets	1284 Main Street Building	1284 Main Street Land	Brandon-Royal Canadian Legion #3	Total
Balance at April 1, 2022	14,975	1,562	25	16,562
Additions	11		42	53
Disposals	-	-	(25)	(25)
Balance at March 31, 2023	14,986	1,562	42	16,590
Disposals	**(4)**	-	-	**(4)**
Balance at March 31, 2024	**14,982**	**1,562**	**42**	**16,586**

4. Includes renovations to Cityplace, land improvements, HVACs and roofing.

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8. Deferred Development Costs

	Internally Developed Intangible Assets
Cost	
Balance at April 1, 2022	284,659
Additions	37,956
Impairment	(1,242)
Balance at March 31, 2023	321,373
Additions	12,444
Balance at March 31, 2024	**333,817**
Accumulated Depreciation	
Balance at April 1, 2022	204,770
Amortization	7,990
Balance at March 31, 2023	212,760
Amortization	8,555
Balance at March 31, 2024	**221,315**
Carrying Amounts	
At March 31, 2023	108,613
At March 31, 2024	**112,502**

Deferred development costs represent costs accumulated in the ongoing development of technology assets. Deferred development costs of $88.0 million (March 31, 2023—$78.9 million) are not yet available for use and are currently not being amortized. There were no impairments at March 31, 2024. At March 31, 2023, impairments of $1.2 million were recognized during the year and recorded in maintenance expense, acquisition expense and operating expense on the Statement of Operations.

The Corporation assesses information available for evidence that intangible assets such as deferred development costs may be impaired. The Corporation may also be required to estimate the recoverable amount of the asset. Performing these assessments and developing an estimate of recoverable amounts requires the Corporation to make estimates and assumptions. The main estimates and assumptions used in calculating the recoverable amount are future cash flow estimates based on internal financial forecasts, expected future earnings, and the discount rate. Actual values and results could be significantly different than estimates developed by the Corporation.

9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	2024	2023 Restated
Due to the Province of Manitoba	**24,810**	24,223
Payroll	**12,379**	10,813
International Registration Program payable to other jurisdictions	**4,402**	5,264
Taxes	**733**	764
Commissions	**2,667**	2,652
Information Technology Initiatives	**4,605**	7,903
Information Technology Services	**3,521**	284
Other payables and accrued liabilities	**14,942**	20,318
Balance at March 31	**68,059**	72,221

10. Lease Obligation

The Corporation has elected not to recognize lease liabilities for short-term and low-value leases. Lease payments associated with such leases are expensed on a straight-line basis over the lease term. During the year ended March 31, 2024, $58 thousand was recognized as an expense for short-term and low value leases (March 31, 2023—$56 thousand).

None of the Corporation's leases are subleased and no contingent rent is payable for any lease arrangements.

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The Service Centre built on land in Winnipeg at 1284 Main Street and the land on which it is built are owned by a third-party and are leased to the Corporation. The provisions of the lease include an initial term of 25 years and, at the Corporation's option, three further terms of five years each. The Corporation also recognizes the right-of-use asset for a building in Brandon, for which the Corporation has a lease agreement.

The details of the lease obligations are as follows:

Balance at April 1, 2022	6,979
Additions	43
Lease payments	(506)
Interest	456
Balance at March 31, 2023	6,972
Lease payments	**(505)**
Interest	**454**
Balance at March 31, 2024	**6,921**

Main Street—Building Lease

	March 31, 2024	March 31, 2023
Interest rate	**6.70%**	6.70%
Interest rate expense for the year	**362**	364
Lease obligations at year end	**5,390**	5,420

The minimum lease payments are as follows:

	Minimum Lease Payments		**Present Value of Minimum Lease Payments**	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Not later than one year	**394**	394	**381**	380
Later than one year and not later than five years	**1,654**	1,635	**1,354**	1,336
Later than five years	**9,742**	10,156	**3,655**	3,704
Total	**11,790**	12,185	**5,390**	5,420

Main Street—Land Lease

	March 31, 2024	March 31, 2023
Interest rate	**5.95%**	5.95%
Interest rate expense for the year	**90**	91
Lease obligations at year end	**1,504**	1,517

The minimum lease payments are as follows:

	Minimum Lease Payments		**Present Value of Minimum Lease Payments**	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Not later than one year	**102**	102	**99**	99
Later than one year and not later than five years	**429**	423	**358**	354
Later than five years	**2,521**	2,629	**1,047**	1,064
Total	**3,052**	3,154	**1,504**	1,517

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Brandon—Royal Canadian Legion Branch #3

	March 31, 2024	March 31, 2023
Interest rate	**5.20%**	5.20%
Interest rate expense for the year	**2**	2
Lease obligations at year end	**27**	35

The minimum lease payments are as follows:

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
(in thousands of Canadian dollars)	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Not later than one year	**10**	9	**9**	9
Later than one year and not later than five years	**19**	29	**18**	26
Total	**29**	38	**27**	35

11. Operating Leases

As A Lessor:

The Corporation owns the Cityplace property located in downtown Winnipeg including the Cityplace building, one adjacent parking lot and one adjacent parkade. The Cityplace building includes five floors of office space, three floors of parking and two floors of retail space. The Corporation leases out portions of the Cityplace building.

None of the leases in which the Corporation acts as a lessor are sub-leased.

Future minimum lease payments under non-cancellable leases to be received are:

	March 31, 2024	March 31, 2023
Not later than one year	**4,223**	4,056
Later than one year and not later than five years	**13,423**	11,494
Later than five years	**11,866**	10,086
Total	**29,512**	25,636

During the year ended March 31, 2024, other revenue includes gross rental income from operating leases of $13.7 million (March 31, 2023—$12.0 million) and gross rental expenses pertaining to operating leases of $11.9 million (March 31, 2023—$11.0 million). Income contingent on retail sales included in rental income at March 31, 2024, was $69.0 thousand (March 31, 2023—nil).

12. Provision for Employee Current Benefits

The provision for employee current benefits includes accrued vacation and sick leave liabilities. The determination of expenses and liabilities associated with the sick leave plan requires the use of key assumptions such as discount rates and expected sick leave.

	2024	2023
Balance at beginning of year	**26,674**	25,772
Provisions incurred	**19,463**	17,242
Payments	**(16,477)**	(16,340)
Balance at March 31	**29,660**	26,674

13. Provision for Employee Future Benefits

The Corporation has a defined benefit pension plan, severance benefit plan and post-retirement extended health benefit plan available to eligible employees. The defined benefit pension plan is based on years of service and final average salary whereas the severance benefit plan is based on years of service and final salary.

The Corporation uses an actuarial valuation, on an annual basis, to measure the accrued provision for its benefit plans. The most recent full actuarial valuation was conducted by an external actuary as at December 31, 2023, with the next scheduled actuarial valuation being December 31, 2024. Additionally, the Corporation had the external actuary extrapolate the benefit plans at the Corporation fiscal year end of March 31, 2024.

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The actuarial valuation of the Corporation's benefit obligations is exposed to actuarial risks such as mortality risk which represents life expectancy and impacts the calculation of the obligations; interest rate risk which impacts the discount rate used to calculate the obligations; and inflation rate risk which impacts the calculation of the obligations.

The actuarial valuation is based on the Corporation's best estimate of various economic assumptions. On a yearly basis the Civil Service Superannuation Board provides an approval of the cost-of-living adjustment which is factored into the pension valuation. With respect to the demographic assumptions, the Corporation relies on and uses the assumptions adopted by the Civil Service Superannuation Board. The weighted average duration of the defined benefit obligation is 12.9 years (March 31, 2023—14.2 years). Results from the most recent actuarial valuations, projected to March 31, 2024, and the corresponding economic assumptions are as follows:

Assumptions:

	Pension Benefit Plan		**Other Benefit Plans**	
	March 31, 2024	March 31, 2023	**March 31, 2024**	March 31, 2023
Discount rate - December Actuarial Valuation	**4.63%**	5.06%	**4.63%**	5.06%
Discount rate - March Actuarial Valuation	**4.90%**	4.90%	**4.90%**	4.90%
Discount rate on benefit costs	**4.90%**	4.01%	**4.90%**	4.01%
Inflation rate	**2.20%**	4.10%	**N/A**	N/A
Expected salary increase	**3.40%**	2.00%	**N/A**	N/A
Expected health care cost increase (out of scope)	**N/A**	N/A	**4.20%**	4.60%
Expected health care cost increase (in scope)	**N/A**	N/A	**2.20%**	4.10%

Change in benefit obligations:

	Pension Benefit Plan		**Other Benefit Plans**	
(in thousands of Canadian dollars)	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Balance at beginning of period	**394,370**	423,119	**49,005**	51,730
Current service cost	**13,317**	15,961	**2,167**	3,140
Interest cost	**19,218**	16,962	**1,139**	1,021
Benefits paid	**(16,896)**	(15,822)	**(2,818)**	(3,314)
Remeasurement gains recognized in other comprehensive income	**(6,467)**	(45,850)	**(1,466)**	(3,572)
Balance at March 31	**403,542**	394,370	**48,027**	49,005
Employee contribution for the period	**11,421**	11,594	**-**	-

Funding

The Employee Future Benefits (EFB) investment portfolio is a separate investment portfolio established to support the liabilities for Pension, Employee Post Retirement Benefits and Severance. The EFB portfolio has a unique asset allocation strategy in order to meet its objective of ensuring pension and other future employee benefit obligations are paid as they become due. When the portfolio requires funding to match an increase in the employee future benefit liabilities, it is funded by all lines of business.

The carrying value of the assets in the EFB investment portfolio as at March 31, 2024, and March 31, 2023, are as follows:

Employee Future Benefits Investment Portfolio

	March 31, 2024		March 31, 2023	
	Carrying Value	**Percentage of Portfolio**	Carrying Value	Percentage of Portfolio
Cash & cash equivalents	**706**	**0.1%**	591	0.1%
Bonds	**74,695**	**13.1%**	85,424	15.9%
Private debt	**101,555**	**17.9%**	78,502	14.6%
Infrastructure	**127,664**	**22.5%**	94,429	17.6%
Equity investments	**208,344**	**36.6%**	184,714	34.3%
Pooled real-estate funds	**55,946**	**9.8%**	94,383	17.5%
Total	**568,910**	**100.0%**	538,043	100.0%

The Corporation contributes the employer share of the cost of employee future benefits to the Civil Service Superannuation Fund (CSSF) on a pay-as-you-go method of funding. The interest cost associated with the various benefit plans is based on market interest rates at the most recent valuation date.

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Benefit Plan Expenses

	Pension Benefit Plan		Other Benefit Plans	
Benefit Plan Expenses	**March 31, 2024**	March 31, 2023	**March 31, 2024**	March 31, 2023
Current service cost	**13,317**	15,961	**2,167**	3,140
Interest cost	**19,218**	16,962	**1,139**	1,021
Total	**32,535**	32,923	**3,306**	4,161

Sensitivity Analysis

Based on the March 31, 2024, actuarial valuation, changes to the actuarial assumptions would change the benefit obligation as follows:

Pension Benefit Plan	
Gain due to discount rate increasing from 4.90% to 5.40% (plus 0.50%)	**(26,092)**
Loss due to discount rate decreasing from 4.90% to 4.40% (minus 0.50%)	**30,869**
Loss due to mortality life expectancy at age 65 up one year	**10,459**
Loss due to inflation indexing (2/3rd COLA) increasing 0.25%	**11,409**
Gain due to inflation indexing (2/3rd COLA) decreasing from 0.25%	**(10,907)**

Other Benefit Plans	
Gain due to discount rate increasing from 4.90% to 5.40% (plus 0.50%)	**(298)**
Loss due to discount rate decreasing from 4.90% to 4.40% (minus 0.50%)	**333**
Loss due to mortality life expectancy at age 65 up one year	**131**
Loss due to health care cost inflation indexing increasing 0.25%	**161**
Gain due to health care cost inflation indexing decreasing 0.25%	**(153)**

Out-of-Scope Retirement Benefits	
Gain due to discount rate increasing from 4.90% to 5.40% (plus 0.50%)	**(1,438)**
Loss due to discount rate decreasing from 4.90% to 4.40% (minus 0.50%)	**1,629**
Loss due to mortality life expectancy at age 65 up one year	**693**
Loss due to health care cost inflation indexing increasing 0.25%	**772**
Gain due to health care cost inflation indexing decreasing 0.25%	**(729)**

The sensitivity to the significant assumptions has been determined assuming all other assumptions remain unchanged. If multiple assumptions were to change at the same time, there may be correlations between the assumptions that could result in different impacts than simply adding the individual sensitivities above.

Expected maturity analysis of undiscounted pension benefit and other benefit plans:

	Less than a year	**Between 1 & 2 years**	**Between 2 & 5 years**	**Over 5 years**	**Total**
Pension benefit plan	**18,902**	**19,395**	**60,779**	**864,678**	**963,754**
Other benefit plans	**726**	**777**	**2,666**	**56,865**	**61,034**
At March 31, 2024	**19,628**	**20,172**	**63,445**	**921,543**	**1,024,788**

	Less than a year	Between 1 & 2 years	Between 2 & 5 years	Over 5 years	Total
Pension benefit plan	15,613	16,302	52,366	966,160	1,050,441
Other benefit plans	683	725	2,464	62,172	66,044
At March 31, 2023	16,296	17,027	54,830	1,028,332	1,116,485

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14. Insurance Contract Liabilities and Reinsurance Contract Assets

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

	March 31, 2024	March 31, 2023 Restated
Liability for remaining coverage	**344,169**	356,003
Liability for incurred claims	**2,508,999**	2,181,440
Insurance contract liabilities	**2,853,168**	2,537,443
Asset for remaining coverage	**1,192**	378
Asset for reinsured claims	**152,833**	27,484
Reinsurance contract assets	**154,025**	27,862
Net insurance and reinsurance contracts	**2,699,143**	2,509,581

Insurance Contract Liabilities

Insurance contracts analysis by remaining coverage and incurred claims

The following tables present the change in the net liability reported for insurance contracts, showing the movement in the liability for remaining coverage and the liability for incurred claims over the period. The insurance contracts are measured under PAA, and the Corporation applies the accounting policy choice to expense acquisition cash flows as they arise.

	Liability for Remaining Coverage	Liability for Incurred Claims		Total
For the year ended March 31, 2024		**Present Value of Future Cash Flows**	**Risk Adjustment**	
Insurance contract liabilities, beginning of year	356,003	2,081,429	100,011	2,537,443
Changes in comprehensive income (loss):				
Insurance revenue	(1,579,340)	-	-	(1,579,340)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,642,450	43,555	1,686,005
Changes to liabilities for incurred claims prior year	-	56,577	(23,751)	32,826
Insurance service expense	-	1,699,027	19,804	1,718,831
Insurance service result from insurance contracts	(1,579,340)	1,699,027	19,804	139,491
Insurance finance expense	-	79,339	-	79,339
Total changes in comprehensive income (loss)	(1,579,340)	1,778,366	19,804	218,830
Cash flows:				
Premiums received	1,567,506	-	-	1,567,506
Claims and other expenses paid	-	(1,470,611)	-	(1,470,611)
Total cash flows	1,567,506	(1,470,611)	-	96,895
Insurance contract liabilities, end of year	344,169	2,389,184	119,815	2,853,168

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For the year ended March 31, 2023	Liability for Remaining Coverage	Liability for Incurred Claims Present Value of Future Cash Flows	Liability for Incurred Claims Risk Adjustment	Total
Insurance contract liabilities, beginning of year	331,805	2,065,900	103,923	2,501,628
Changes in comprehensive income (loss):				
Insurance revenue	(1,480,903)	-	-	(1,480,903)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,334,582	27,791	1,362,373
Changes to liabilities for incurred claims prior year	-	53,546	(31,703)	21,843
Insurance service expense	-	1,388,128	(3,912)	1,384,216
Insurance service result from insurance contracts	(1,480,903)	1,388,128	(3,912)	(96,687)
Insurance finance income	-	(46,995)	-	(46,995)
Total changes in comprehensive income (loss)	(1,480,903)	1,341,133	(3,912)	(143,682)
Cash flows:				
Premiums received	1,505,101	-	-	1,505,101
Claims and other expenses paid	-	(1,325,604)	-	(1,325,604)
Total cash flows	1,505,101	(1,325,604)	-	179,497
Insurance contract liabilities, end of year	356,003	2,081,429	100,011	2,537,443

Material Estimates, Assumptions and Judgments

Estimate of future cash flows

The liability for incurred claims includes the estimate of loss for reported claims, a provision for claims incurred but not reported, and other insurance service expenses that are expected to be incurred to settle those claims. The ultimate cost of settling claims liabilities is estimated by applying a range of generally accepted standard actuarial techniques.

These techniques assume that the Corporation's own claims experience is indicative of future claims development patterns and therefore ultimate claims cost. The ultimate cost of settling claims is estimated separately for each line of business, except for large claims, which are assessed separately from other claims.

The main assumption underlying these methods is that the Corporation's past claims development can be used to project future claims development patterns and ultimate claims cost. Additional qualitative judgments are made to assess the extent to which past trends may not be applicable to the future, which future trends are expected to emerge and then incorporate the necessary adjustments to adequately determine the liability for incurred claims that represents the probability-weighted mean of the possible outcomes for future claim payments. The assumptions used to develop this estimate are selected by lines of business and type of coverage.

The significant assumptions applied in estimating the liability for incurred claims include: the Corporation's experience with similar cases, historical claim payment trends and claim development patterns, characteristics of each line of business, claim severity and frequency, effect of inflation on future claim settlement costs, relevance of recent court decisions, and economic conditions. Timely settlement is also a factor in determining the provision because delays in settling and paying a claim can increase the risk of variation in settlement amounts. Accordingly, short-tail claims such as physical damage or collision claims tend to be more reasonably predictable than long-tail claims such as liability claims.

There is uncertainty inherent in the estimation process. The actual value of ultimate claims can only be ascertained once all claims are closed. The unpaid claim liabilities for Personal Injury Protection Plan (PIPP) benefits represent the majority of the Corporation's claim liabilities. PIPP claim liabilities are also the most uncertain because of the long-term nature of these benefits.

As a result, the establishment of the net liability for incurred claims relies on a number of factors, which necessarily involves risk that actual results may differ materially from the estimates.

The estimates of future cash flows are adjusted to reflect the time value of money and financial risks.

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Discount Rates
The Corporation measures time value of money using discount rates that are consistent with observable market prices and reflect the liquidity characteristics of the insurance contracts. The discount rates exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts (e.g., credit risk).

The top-down approach is followed to determine appropriate discount rates applied in measuring the Corporation's portfolios of insurance contract liabilities. Under this approach, discount rates are estimated by starting from the yield curve implied in a reference portfolio of assets that closely reflects the duration and liquidity characteristics of the insurance cash flows. The yield from the reference portfolio is then adjusted to exclude the effects of risks, such as credit risk, that are inherent in the cash flows of the financial instruments within the reference portfolio but are not applicable to the cash flows of the insurance contracts.

In applying the top-down approach, the Corporation selected a reference portfolio that is based on the composition of the marketable bond portfolio in the asset portfolio for the Basic line of business. The Corporation considers this portfolio as suitably matched with the duration and liquidity characteristics of the insurance claims it carries. The reference portfolio is used as a basis to develop a yield curve that is then adjusted for market risk and credit risk (including default risk and downgrade risk), and both expected and unexpected credit, to arrive at the Corporation's yield curve for discounting its insurance contract liabilities. The observable period implied from the reference portfolio and the corresponding credit risk adjustments is 30 years. The Corporation has reserving lines extending beyond 30 years and extrapolates yields to determine discount rates for claims reaching beyond 30 years, called the unobservable period. The Corporation has elected to apply the CIA reference curve in the unobservable period The Corporation applies judgement in selecting a reference portfolio; and applies judgement and the use of estimates in determining a yield curve and adjustments to that yield curve.

The discount rates applied in discounting future cash flows in the measurement of insurance contracts are listed below:

March 31, 2024	**1 year**	**3 years**	**5 years**	**10 years**	**20 years**	**30 years**
Discount rates	**4.99%**	**4.32%**	**4.20%**	**4.46%**	**4.58%**	**4.35%**

March 31, 2023	1 year	3 years	5 years	10 years	20 years	30 years
Discount rates	4.75%	4.07%	3.89%	4.11%	4.44%	4.25%

Risk Adjustment
The measurement of insurance and reinsurance contracts includes a risk adjustment for non-financial risk. The risk adjustment represents the compensation the Corporation requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risks as the Corporation fulfils insurance contracts.

The risk adjustment for non-financial risk is determined at the corporate level, including benefits from risk diversification across lines of business. The risk adjustment is then allocated and applied in measuring the liability for incurred claims for insurance contracts, by coverage and line of business.

The diversified risk adjustment is allocated to coverage level for bottom-up reporting and disclosure purposes based on the relative proportion of each segment's undiversified risk adjustment.

The risk adjustment is determined using a quantile technique. The Corporation's target confidence level for this risk is the 90^{th} percentile. At March 31, 2024, the confidence level for the Corporation's risk adjustment is at the 90^{th} percentile (March 31, 2023 – 90^{th} percentile).

Assessment for groups of onerous contracts
For each portfolio, the facts and circumstances indicating that a group of insurance contracts is or becomes onerous are based on review of loss ratios. Loss experience monitoring may also be used to identify situations and variances to be investigated.

Sensitivity analysis
It is not possible to quantify the sensitivity to certain assumptions such as legislative changes or uncertainty in the estimation process. The analysis is performed for possible movements in the assumptions with all other assumptions held constant, showing the impact on Net income (loss) attributable to Owner of the Corporation. Movements in these assumptions may be non-linear and may be correlated with one another.

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A five per cent increase in the best estimate of future cash flows for net PIPP claim liabilities is equal to approximately $77.8 million (March 31, 2023 Restated—$77.8 million). Such a change could occur if the actual future development of lifetime PIPP claimants was higher than expected.

A 100 basis point (bps) decrease to the yield curve used to discount the best estimate of future cash flows claims liabilities would increase the balance by approximately $168.5 million (March 31, 2023 Restated—$168.7 million), while a 100 bps increase to the yield curve used to discount the best estimate of future cash flows claims liabilities would decrease the balance by approximately $142.4 million (March 31, 2023 Restated—$142.2 million). However, this impact would be largely offset by gains/losses on the Corporation's fixed income portfolio as described in the Interest Rate Risk section of Note 25.

Prior-Year Claims Development

The following claims development table demonstrates the extent to which the original claim cost estimates in any one accident year has subsequently developed favourably (lower than originally estimated) or unfavourably. This table illustrates the variability and inherent uncertainty in estimating the claims estimate on a yearly basis. The ultimate claims cost for any accident year is not known until all claim payments have been made. For physical damage insurance, payout of claims liabilities generally occurs shortly after the occurrence of the loss. For casualty (long-tailed) coverages, the loss may not be paid, or even reported, until well after the loss occurred. The estimated ultimate claims payments at the end of each subsequent accident year demonstrate the extent to which the original estimate has been revised over time.

The following tables show the development of the estimated gross and net liability for incurred claims for the 10 most recent accident years as estimated at each reporting date. The Corporation adopted IFRS 17 on April 1, 2023, however actuarial valuations were previously performed under IFRS 4. As such, in the claims development tables below, for years 2022 and prior, net ultimate losses are valued using IFRS 4 which 2023 onwards, net ultimate losses are valued under IFRS 17.

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Development of Ultimate Claims

The following tables show the development of the estimated gross and net provision for unpaid claims for the 10 most recent accident years as estimated at each reporting date.

Current Ultimate Loss Estimates

Gross	Accident Year										
	2015	2016	2017	2018	2019	2020*	2021	2022	2023	2024	Total
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	695,156	797,589	849,115	850,714	903,009	929,436	729,074	922,297	1,022,324	1,302,904	
One year later	702,512	809,487	868,568	862,666	912,378	855,664	741,785	950,592	1,094,795		
Two years later	710,390	824,666	883,231	871,953	903,754	842,449	742,642	956,881			
Three years later	692,855	820,578	884,145	864,352	881,504	840,047	758,702				
Four years later	693,202	819,162	882,820	865,522	879,298	845,935					
Five years later	691,440	824,277	883,890	869,307	885,217						
Six years later	687,740	819,015	882,357	870,572							
Seven years later	686,318	823,193	888,521								
Eight years later	690,047	825,671									
Nine years later	696,781										
Current estimate of ultimate claims cost	696,781	825,671	888,521	870,572	885,217	845,935	758,702	956,881	1,094,795	1,302,904	9,125,979
Cumulative payments to date	635,577	756,088	792,250	778,978	805,874	747,138	627,197	820,332	860,440	640,093	7,463,967
Unpaid claims costs	61,204	69,583	96,271	91,594	79,343	98,797	131,505	136,549	234,355	662,811	1,662,012
ULAE	6,025	6,870	9,065	8,530	7,621	9,415	12,591	13,285	28,667	83,393	185,462
Effect of indexation, discounting and risk adjustment	(13,721)	(15,756)	(20,968)	(20,140)	(17,942)	(21,285)	(22,638)	(25,338)	(28,240)	(12,832)	(198,860)
Discounted unpaid claims costs	53,508	60,697	84,368	79,984	69,022	86,927	121,458	124,496	234,782	733,372	1,648,614
Discounted gross unpaid claims in respect of years prior to 2013											823,995
Gross claims relating to discontinued general lines											2,051
Total gross unpaid claims											2,474,660
Net payables included in incurred claims											34,339
Liability for incurred claims											2,508,999
Current estimate of surplus (deficiency)	(1,625)	(28,082)	(39,406)	(19,858)	17,792	83,501	(29,628)	(34,584)	(72,471)	-	
Percentage surplus (deficiency) of initial gross reserve	(0.2%)	(3.5%)	(4.6%)	(2.3%)	2.0%	9.0%	(4.1%)	(3.7%)	(7.1%)	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

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The following table presents the estimates of cumulative incurred claims after reinsurance with subsequent developments during the periods and together with cumulative payments to date.

Net of Reinsurance Ceded	Accident Year										
	2015	2016	2017	2018	2019	2020*	2021	2022	2023	2024	Total
Estimate of ultimate claims costs for the most recent 10 years:											
At end of accident year	694,710	797,164	848,721	850,337	886,592	929,436	724,781	904,377	1,011,454	1,191,371	
One year later	702,227	809,187	868,299	862,475	895,678	855,663	736,356	938,396	1,066,270		
Two years later	710,206	824,488	883,108	871,937	888,400	842,449	737,413	946,387			
Three years later	692,739	820,486	884,135	864,329	866,488	840,068	744,533				
Four years later	693,153	819,151	882,805	865,522	863,313	845,935					
Five years later	691,434	824,265	883,890	869,308	870,255						
Six years later	687,734	819,014	881,981	870,341							
Seven years later	686,318	823,193	887,692								
Eight years later	690,046	825,671									
Nine years later	696,781										
Current estimate of ultimate claims cost	696,781	825,671	887,692	870,341	870,255	845,935	744,533	946,387	1,066,270	1,191,371	8,945,236
Cumulative payments to date	635,577	756,088	792,250	778,978	790,945	747,138	622,843	809,839	860,442	640,093	7,434,193
Unpaid claims costs	61,204	69,583	95,442	91,363	79,310	98,797	121,690	136,548	205,828	551,278	1,511,043
ULAE	6,025	6,870	9,065	8,530	7,621	9,415	12,591	13,285	28,667	83,393	185,462
Effect of indexation, discounting and risk adjustment	(13,721)	(15,756)	(20,798)	(20,091)	(17,942)	(21,285)	(22,327)	(25,338)	(26,797)	(13,958)	(198,013)
Discounted unpaid claims costs	53,508	60,697	83,709	79,802	68,989	86,927	111,954	124,495	207,698	620,713	1,498,492
Discounted gross unpaid claims in respect of years prior to 2013											821,493
Gross claims relating to discontinued general lines											2,051
Total net unpaid claims											2,322,036
Directly attributable expenses payable included within Liability for incurred claims											34,339
Amounts to be received from resinsurers included in reinsurance claims											(209)
Liability for incurred claims											2,356,166
Current estimate of surplus (deficiency)	(2,071)	(28,507)	(38,971)	(20,004)	16,337	83,501	(19,752)	(42,010)	(54,816)	-	
Percentage surplus (deficiency) of initial net reserve	(0.3%)	(3.6%)	(4.6%)	(2.4%)	1.8%	9.0%	(2.7%)	(4.6%)	(5.4%)	0.0%	

* The Corporation changed its year end from February 28/29 to March 31, effective March 31, 2020. Current loss estimates (gross and net) are based on the 12-month (April to March) accident year and are shaded. Due to the year-end transition, the March 31, 2020, accident year estimates are for a 13-month period of March 1, 2019, to March 31, 2020. All other accident years are for the 12-month period of March 1 to February 28/29.

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Reinsurance Contract Assets

The Corporation follows the practice of obtaining reinsurance to limit its exposure to losses. Under agreements in effect at March 31, 2024, these reinsurance agreements limit the Corporation's exposure on a casualty basis to a maximum amount of $10.0 million for PIPP claims and $5.0 million for SRE claims (March 31, 2023—$10.0 million for PIPP claims and $5.0 million for SRE claims) on any one occurrence.

The reinsurance arrangements also limit the Corporation's liability in respect to a series of claims arising out of a fiscal year aggregation of events exceeding $1.0 million, including catastrophic claims, to a retained maximum of $40.0 million (March 31, 2023—$40.0 million). These arrangements protect the Corporation against losses up to $400.0 million (March 31, 2023—$400.0 million).

Certain lines of insurance carry maximum limits lower than these amounts. Additionally, as the Corporation only has a limited number of reinstatements, it is possible that the Corporation would be responsible for costs exceeding the maximum noted above. While these arrangements are made to protect against large losses, the primary liability to the policyholders remains with the Corporation.

The Corporation applies the PAA to measure reinsurance contracts it holds. The following tables present the change in the net asset reported for reinsurance contracts, reporting the movement in the assets for remaining coverage and the assets for incurred claims over the period.

	Assets for Remaining Coverage	Assets for Incurred Claims		Total
For the year ended March 31, 2024		Present Value of Future Cash Flows	Risk Adjustment	
Reinsurance contract assets, beginning of year	**378**	**26,093**	**1,391**	**27,862**
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	**(31,030)**	**-**	**-**	**(31,030)**
Recoveries of incurred claims and other reinsurance service expenses	**-**	**104,706**	**5,606**	**110,312**
Prior period development	**-**	**24,526**	**662**	**25,188**
Net income from reinsurance contracts	**(31,030)**	**129,232**	**6,268**	**104,470**
Reinsurance finance income	**-**	**3,111**	**-**	**3,111**
Total changes in comprehensive income (loss)	**(31,030)**	**132,343**	**6,268**	**107,581**
Cash flows:				
Premiums paid	**31,844**	**-**	**-**	**31,844**
Amounts received	**-**	**(13,262)**	**-**	**(13,262)**
Total cash flows	**31,844**	**(13,262)**	**-**	**18,582**
Reinsurance contract assets, end of year	**1,192**	**145,174**	**7,659**	**154,025**

	Assets for Remaining Coverage	Assets for Incurred Claims		Total
For the year ended March 31, 2023		Present Value of Future Cash Flows	Risk Adjustment	
Reinsurance contract assets, beginning of year	(25)	23,636	1,290	24,901
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(23,624)	-	-	(23,624)
Recoveries of incurred claims and other reinsurance service expenses	-	9,796	552	10,348
Prior period development	-	(3,314)	(451)	(3,765)
Net income from reinsurance contracts	(23,624)	6,482	101	(17,041)
Reinsurance finance income	-	172	-	172
Total changes in comprehensive income (loss)	(23,624)	6,654	101	(16,869)
Cash flows:				
Premiums paid	24,027	-	-	24,027
Amounts received	-	(4,197)	-	(4,197)
Total cash flows	24,027	(4,197)	-	19,830
Reinsurance contract assets, end of year	378	26,093	1,391	27,862

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15. Capital Management

The Corporation's objectives for managing capital are to ensure the Corporation is capitalized in a manner which provides a strong financial position, to protect its ability to meet policyholder obligations, and to maintain stable rates.

The capital structure of the Corporation is comprised of retained earnings and AOCI. Retained earnings are comprised of the accumulation of Net income (loss) attributable to Owner of the Corporation for the Basic and non-Basic lines of business. Non-Basic lines of business consist of Extension and SRE lines of business and *The Drivers and Vehicles Act* operations.

The capital backing Basic is comprised of the total equity position of the line of business, referred to as the Rate Stabilization Reserve (RSR). The purpose of the RSR is to protect motorists from rate increases made necessary by unexpected events and losses arising from non-recurring events or factors.

The Corporation's expectations of fulfilment cashflows (FCF) are based on providing sufficient working capital for operations. The cash flow forecasts consider the probability of the Corporation experiencing a period of sustained surplus beyond working capital requirements. When such surplus may benefit insured members, a liability for FCF attributable to current or future insured policyholders will be recognized and measured within insurance contract liabilities.

The Corporation follows the capital management framework of the Office of the Superintendent of Financial Institutions Canada which includes a Minimum Capital Test (MCT). MCT is a standardized measure of capital adequacy for an insurance company and represents the ratio of available capital to required capital as derived from a risk-based formula.

The Corporation has established minimum capital adequacy targets for each of its insurance lines of business that reflects the underlying risk and the competitive nature unique to that line of business. Higher risk equates to a higher minimum capital requirement. More specifically,

- The Basic Insurance line of business has a minimum MCT target of 100 per cent. MCT as at March 31, 2024, was 94 per cent (March 31, 2023 Restated—164 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act.*
- The Extension Insurance line of business has an established minimum MCT target of 200 per cent. MCT as at March 31, 2024, was 200 per cent (March 31, 2023 Restated—153 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act.*
- The SRE Insurance line of business has an established minimum MCT target of 300 per cent. MCT as at March 31, 2024, was 163 per cent (March 31, 2023 Restated—362 per cent). The target MCT is set out in *The Manitoba Public Insurance Corporation Act.*

Annually, the Corporation's external actuary provides a Financial Condition Test report for the Basic line of business to assess capital adequacy under adverse financial conditions.

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16. Accumulated Other Comprehensive Income (Loss)

AOCI reflects the net unrealized gain or loss on financial assets classified as AFS and net actuarial gain (loss) on employee future benefits. Effective April 1, 2023, the Corporation no longer holds investments as AFS as determined under the adoption of IFRS 9. Changes in AOCI by type of asset are presented below.

	Equity Investments	Employee Future Benefits	Other Investments	Total AOCI
Balance as at April 1, 2022	154,890	(36,012)	(15,546)	103,332
Items that will not be reclassified to income				
Remeasurement of employee future benefits	-	49,422	-	49,422
Items that will be reclassified to income				
Unrealized gains (losses) on AFS assets	866	-	(21,293)	(20,427)
Reclassification of net realized gains (losses) related to AFS assets	(83,574)	-	33,393	(50,181)
Balance as at March 31, 2023	72,182	13,410	(3,446)	82,146
Impact of initial application of IFRS 9	**(72,182)**	-	**3,446**	**(68,736)**
Restated balance as at April 1, 2023	-	**13,410**	-	**13,410**
Items that will not be reclassified to income				
Remeasurement of employee future benefits	-	**7,933**	-	**7,933**
Balance as at March 31, 2024	-	**21,343**	-	**21,343**

17. Insurance Revenue

For the years ended March 31	2024	2023
Revenue from premiums	**1,549,360**	1,461,599
Transaction fees	**954**	861
Time payment fees	**2,729**	2,696
Time payment interest	**24,949**	14,513
Late payment fees	**923**	826
Dishonoured payment fees	**425**	408
Other insurance revenue	**29,980**	19,304
	1,579,340	1,480,903

18. Service Fees and Other Revenue

For the years ended March 31	2024	2023 Restated
Transaction fees	**8,356**	8,245
Time payment fees	**379**	374
Time payment interest	**7,378**	4,888
Late payment fees	**209**	184
Dishonoured payment fees	**580**	579
Identity card/enhanced identity card fees	**540**	515
Rental Income	**1,065**	382
Other miscellaneous revenue	**7,435**	7,051
Total	**25,942**	**22,218**

19. *The Drivers and Vehicles Act* Operations Recovery

Under *The Drivers and Vehicles Act* (DVA), the Corporation is responsible for DVA operations pertaining to driver safety, vehicle registration and driver licensing, including all related financial, administrative and data-processing services.

The Province of Manitoba provides funding to the Corporation to defray the cost borne by the Corporation for DVA operations. The annual Province of Manitoba payment to the Corporation, beginning April 1, 2017, was $30.2 million per year. For the fiscal year ended March 31, 2024, the Province of Manitoba provided funding of $40.2 million (March 31, 2023 - $40.3 million).

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The Corporation, on behalf of the Province of Manitoba, collects and transfers motor vehicle registration fees and driver licensing fees to the Province of Manitoba.

Fees collected on behalf of and transferred to the Province of Manitoba include:

For the years ended March 31	**2024**	2023
Vehicle registration fees	**174,105**	173,110
Driver licensing fees	**28,654**	28,182
Total	**202,759**	201,292

20. Operating Expenses by Nature

Overall operating expenses are comprised of corporate operating expenses, which are allocated to the categories, Maintenance, Acquisition, and Operating on the Statement of Operations as well as Commissions related to both policy and non-policy transactions and Premium taxes. The nature of these expenses are as follows:

For the years ended March 31	**2024**	2023 Restated
Commissions-policy	101,112	96,489
Commissions-non-policy	5,944	5,406
Premium taxes	48,025	45,075
Compensation	195,209	191,186
Data processing	78,499	78,024
Special services	15,945	15,897
Buildings	8,121	8,791
Safety/loss prevention programs	3,668	3,404
Telephones	1,760	1,704
Public information/advertising	2,628	2,323
Printing, stationery and supplies	4,097	5,076
Postage	5,100	5,448
Regulatory/appeal	4,389	4,408
Travel and vehicle	962	1,151
Driver education program	3,926	3,714
Grants in lieu of taxes	1,759	1,833
Furniture and equipment	2,448	2,963
Merchant fees and bank charges	10,547	10,036
Other	5,280	8,682
Amortization of deferred development costs	8,555	7,990
Depreciation of operating property and equipment	6,142	5,728
Total	**514,116**	505,328

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21. Insurance Portfolio and Non-Insurance Line of Business Financials

Statement of Financial Positions by Insurance Portfolio and Non-Insurance Line of Business

	Basic and Extension*		SRE		DVA		Total**	
(in thousands of Canadian dollars)	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated
Assets								
Cash and investments	**3,059,430**	3,022,824	**357,750**	355,003	**190,124**	182,843	**3,607,304**	3,560,670
Accounts receivable and prepaid expenses	**237,068**	204,595	**3,543**	22,326	**54,396**	51,301	**295,007**	278,222
Reinsurance contract assets	**99,334**	3,746	**54,691**	24,116	**-**	-	**154,025**	27,862
Property and equipment	**138,295**	126,988	**11,368**	11,543	**21,445**	24,524	**171,108**	163,055
Deferred development costs	**32,604**	34,893	**24,360**	24,739	**55,538**	48,981	**112,502**	108,613
	3,566,731	3,393,046	**451,712**	437,727	**321,503**	307,649	**4,339,946**	4,138,422
Liabilities								
Accounts payable and accrued liabilities	**29,929**	64,199	**16,202**	3,607	**166,371**	140,490	**212,502**	208,296
Deferred revenue	**19,406**	21,345	**-**	-	**4,070**	4,207	**23,476**	25,552
Lease obligation	**5,604**	5,423	**459**	495	**858**	1,054	**6,921**	6,972
Provision for employee current benefits	**22,498**	20,429	**2,211**	2,015	**4,951**	4,230	**29,660**	26,674
Provision for employee future benefits	**342,533**	339,559	**33,665**	33,501	**75,371**	70,315	**451,569**	443,375
Insurance contract liabilities	**2,560,347**	2,299,787	**292,823**	237,656	**(2)**	-	**2,853,168**	2,537,443
	2,980,317	2,750,742	**345,360**	277,274	**251,619**	220,296	**3,577,296**	3,248,312
Equity								
Retained earnings	**570,225**	577,726	**104,760**	156,293	**66,322**	73,945	**741,307**	807,964
Accumulated other comprehensive income	**16,189**	64,578	**1,592**	4,160	**3,562**	13,408	**21,343**	82,146
	586,414	642,304	**106,352**	160,453	**69,884**	87,353	**762,650**	890,110
	3,566,731	3,393,046	**451,712**	437,727	**321,503**	307,649	**4,339,946**	4,138,422

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

**The total reflected above includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are $144.4 million for the year ended March 31, 2024 (March 31, 2023 - $136.1 million).

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Statement of Operations by Insurance Portfolio and Non-Insurance Line of Business

	Basic and Extension*		SRE		DVA		Total	
For the years ended March 31	**2024**	2023 Restated	**2024**	2023 Restated	**2024**	2023 Restated	**2024**	2023 Restated
Revenue from premiums	**1,354,752**	1,281,696	**194,608**	179,903	**-**	-	**1,549,360**	1,461,599
Otherinsurance revenue	**29,942**	19,304	**38**	-	**-**	-	**29,980**	19,304
Total insurance revenue	**1,384,694**	1,301,000	**194,646**	179,903	**-**	-	**1,579,340**	1,480,903
Incurred claims	**1,170,771**	912,493	**216,107**	140,434	**-**	-	**1,386,878**	1,052,927
Maintenance expense	**149,706**	159,515	**14,498**	14,283	**-**	-	**164,204**	173,798
Acquisition expense								
Acquisition expense - other	**10,680**	9,800	**7,932**	6,127	**-**	-	**18,612**	15,927
Commission expense	**82,718**	78,232	**18,394**	18,257	**-**	-	**101,112**	96,489
Premium taxes	**41,862**	39,321	**6,163**	5,754	**-**	-	**48,025**	45,075
Total insurance service expense	**1,455,737**	1,199,361	**263,094**	184,855	**-**	-	**1,718,831**	1,384,216
Insurance service result from insurance contracts	**(71,043)**	101,639	**(68,448)**	(4,952)	**-**	-	**(139,491)**	96,687
Net income (expense) from reinsurance contracts held	**74,262**	(16,323)	**30,208**	(718)	**-**	-	**104,470**	(17,041)
Insurance service result	**3,219**	85,316	**(38,240)**	(5,670)	**-**	-	**(35,021)**	79,646
Investment income (loss)	**94,291**	(12,104)	**1,152**	33,081	**2,331**	4,242	**97,774**	25,219
Insurance finance income (expense)	**(70,778)**	49,976	**(8,561)**	(2,981)	**-**	-	**(79,339)**	46,995
Reinsurance finance income (expense)	**2,111**	(91)	**1,000**	263	**-**	-	**3,111**	172
Net insurance financial result	**(68,667)**	49,885	**(7,561)**	(2,718)	**-**	-	**(76,228)**	47,167
Net insurance and investment result	**28,843**	123,097	**(44,649)**	24,693	**2,331**	4,242	**(13,475)**	152,032
Service fees and other revenue	**17,628**	15,673	**883**	766	**7,431**	5,779	**25,942**	22,218
The DVA operations recovery	**-**	-	**-**	-	**40,150**	40,250	**40,150**	40,250
Total other reveue	**17,628**	15,673	**883**	766	**47,581**	46,029	**66,092**	62,468
Commission expense - non-policy	**3,667**	3,339	**-**	-	**2,277**	2,067	**5,944**	5,406
Operating expense	**105,021**	101,124	**10,390**	8,897	**60,808**	58,612	**176,219**	168,633
Total other expense	**108,688**	104,463	**10,390**	8,897	**63,085**	60,679	**182,163**	174,039
Gain on disposal of property and equipment	**36**	121	**3**	10	**5**	16	**44**	147
Net income (loss) attributable to Owner of the Corporation	**(62,181)**	34,428	**(54,153)**	16,572	**(13,168)**	(10,392)	**(129,502)**	40,608

*Under IFRS 17, the Basic and Extension lines of business are combined into one portfolio.

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22. Discontinued General Insurance Operations

The Corporation discontinued writing reinsurance assumed business effective November 18, 1987, and personal and commercial insurance policies effective October 1, 1990.

As of February 28, 2001, the Corporation accepted a third-party offer to purchase the reinsurance assumed business from the Corporation. Under the terms of the agreement, the Corporation transferred and assigned to the third party the title, interest and all of the obligations resulting from the un-commuted reinsurance assumed treaties written by the Corporation for the period July 1, 1975, to November 18, 1987, including retrocessional treaties. The obligations include all known or unknown liabilities. The primary liability to the treaty holders remains with the Corporation in the event of the third party's insolvency.

Claims costs and expenses on personal and commercial policies will be incurred until all claims on existing policies are settled.

Discontinued operations resulted in a net income of $0.1 thousand (March 31, 2023—$61.0 thousand net income) which is reported as part of the SRE line of business (Note 21). Included in the provision for unpaid claims is $2.0 million (March 31, 2023—$1.9 million) relating to discontinued operations.

23. Commitments

As of March 31, 2024, the Corporation has material commitments related to Administrative Service Contracts, Operations Service Agreements, and Information Technology Systems Contracts as follows:

	2024/25	2025/26	2026/27	2027/28	2028/29	Thereafter
Administrative service contracts	4,412	3,512	1,420	251	36	-
Operations service agreements	74,970	72,625	70,908	67,520	1,638	-
Information technology systems contracts	34,540	26,541	19,870	8,477	3,248	5,648
	113,922	**102,678**	**92,198**	**76,248**	**4,922**	**5,648**

24. Related-Party Transactions

Key Management Personnel

Key management personnel are comprised of all members of the Board of Directors and the named Executive management team. The summary of compensation of key management personnel for the year is as follows:

For the years ended March 31	2024	2023
Short term benefits	**2,697**	2,580
Post-employment benefits	**178**	393
Other long-term benefits	**39**	41
Termination benefits	**314**	53
Total	**3,228**	3,067

Key management personnel and their close relatives may have insurance policies and driver's licences with the Corporation as required by *The Manitoba Public Insurance Corporation Act* and *The Drivers and Vehicles Act*. The terms and conditions of such transactions are the same as those available to clients and employees of the Corporation.

Province of Manitoba

Investment management fees paid to the Department of Finance are disclosed in Note 5.

Accounts payable and accrued liabilities include $24.8 million (March 31, 2023 Restated—$24.2 million) due to the Province of Manitoba. Additionally, Insurance contract liabilities includes premium taxes due to the Province of Manitoba of $12.8 million (March 31, 2023 Restated - $12.3 million).

The Province of Manitoba provides funding to the Corporation to defray the cost borne by the Corporation for DVA operations. The annual Province of Manitoba payment to the Corporation, beginning April 1, 2017, is $30.2 million per year. For the fiscal year ended March 31, 2024, the Province of Manitoba provided funding to $40.2 million (March 31, 2023 - $40.3 million).

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25. Insurance and Financial Risk Management

As a provider of vehicle insurance products, effective risk management is fundamental in protecting earnings, cash flow and ultimately the financial stability of the Corporation. The Corporation is exposed to various types of insurance and financial risks.

Insurance Risk

The principal risk that the Corporation faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur when the frequency or severity of claims and benefits are greater than estimated. Insurance events have an element of randomness and the actual number and amount of claims and benefits will vary each year from the level established using statistical techniques.

Frequency and Severity of Claims

Frequency is the average number of claims per policy, calculated by dividing the total number of claims by the total number of policies. Severity is the average cost of a claim calculated by dividing the total costs of claims by the total number of claims. There are a number of factors that influence the frequency and severity of claims.

Some factors are affected by the actions of the Corporation and a number of strategies are used to try to reduce cost pressures created by those factors, including claims operational changes, road safety programs, programs to influence driver behaviour such as impaired driving and distracted driving prevention, public awareness campaigns, auto crime reduction initiatives and fraud detection and investigation.

There are other factors that the Corporation has little or no control over, including weather, demographics, pandemic events and economic changes, including vehicle parts/repair inflation and medical expense inflation that influences the cost of claims.

Sources of Uncertainty in the Estimation of the Provision for Unpaid Claims

To manage the uncertainty associated with estimating the provision for unpaid claims, the Corporation's Chief Actuary employs standard actuarial methods. The estimation of the provision for unpaid claims is determined in accordance with accepted actuarial practice in Canada and is based on reasonable assumptions and appropriate methods that are consistently applied, giving appropriate consideration to relevant changes in circumstances and product changes.

There is inherent uncertainty regarding the assumptions to estimate the amount and timing of future claims payments that make up the provision for unpaid claims. Actuarial assumptions in the insurance contract liabilities include: length of time of settlement with impacts to predictability, experience with similar cases, historical claim payment trends and development patterns, line of business characteristics, effects of inflation on future claim settlement costs and economic decisions. Additionally, the Corporation's provision for unpaid claims can be affected by the frequency and severity of claims and the discount rate.

The Corporation is liable for all insured events that occurred during the term of the insurance contract, even if the loss is reported after the end of the contract term. In addition, injury claims can be long-tailed.

Injury claims include income replacement income, care benefits, medical and death benefits, which account for approximately 25 per cent of total net claims incurred. The timing of payments of injury claims can be extended due to delayed reporting, and the timing and amount of injury payments can exhibit considerable uncertainty because of the complex bodily injury claims environment and internal claims operational changes.

The frequency and severity of claims is discussed above, while the discount rate and actuarial methods and assumptions are discussed in Note 14.

Concentration of Insurance Risk

The Corporation has a diverse customer base as the sole provider of Basic insurance to all drivers in Manitoba. The Corporation operates in one provincial jurisdiction and provides vehicle insurance only, so there is a concentration of insurance risk with respect to geography, jurisdiction and product type.

The impact of the concentration of insurance risk is quantified through catastrophe modeling that the Corporation's reinsurance broker updates annually. This testing allows the Corporation to assess, monitor and manage these risks effectively. The concentration of insurance risk is also managed through a catastrophe reinsurance treaty, road safety programs, the graduated licensing program and distracted driving campaigns. As the sole provider of Basic insurance, the Corporation invests in and benefits the most from these programs.

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Premium Pricing Risk
The Corporation is the sole provider of Basic insurance and is not subject to competitive risk for its Basic insurance product. Basic insurance rates are set to breakeven after considering investment returns. Because the insurance rates are determined based on forward looking estimates of costs, the unfavourable variance in costs, in particular claims costs, may result in Basic insurance premiums not being sufficient to cover costs.

The Corporation is subject to legislative requirements and applies to the Public Utilities Board annually to establish rates for the Basic insurance line of business.

The Corporation's Extension and Special Risk Extension lines of business products compete with other insurers and are subject to underwriting risk and competitive risk.

Financial Risk

Investments carry certain financial risks including market risk, credit risk and liquidity risk. In accordance with Section 12(1) of *The Manitoba Public Insurance Corporation Act*, the Minister of Finance is responsible for the investments of the Corporation. The Minister has charged the Department of Finance with the operational management of the investments. The Corporation, through the Investment Committee of the Board, and the Department jointly determine appropriate policies and strategies to mitigate risk. The investment objectives and goals of the Corporation are embodied in an Investment Policy document, which sets target asset allocation and portfolio concentration limits as well as defining the credit quality of the counterparties and the percentage of highly liquid investments required to meet cash flow needs.

Market Risk

Market risk is the risk that changes in foreign exchange rates, market interest rates and other changes in market prices will result in fluctuation of the fair value or future cash flows of a financial instrument.

Currency Risk
Currency risk is the risk that changes in foreign exchange rates will result in fluctuation of the fair value or future cash flows of a financial instrument. The Corporation has low exposure to currency risk because the Corporation has limited non-Canadian financial instruments. As of March 31, 2024, total foreign denominated financial instruments were approximately 4.42 per cent (March 31, 2023—3.89 per cent) of the Corporation's investment portfolio and had carrying values noted below.

A 10 per cent change in the USD exchange rate as at March 31, 2024, would change the fair value of the USD investments below and result in a change to Net income (loss) attributable to Owners of the Corporation of $15.0 million (March 31, 2023 - $2.9 million to Net income (loss) attributable to Owners of the Corporation and $9.4 million to OCI). There is currently no impact due to changes in the GBP exchange rate as this investment currently has a fair value of $0.0 million (March 31, 2023 - $9.5 million CAD).

March 31, 2024	**March 31, 2024**	March 31, 2023	March 31, 2023
$110.7 million USD	**$150.0 million CAD**	$90.7 million USD	$122.8 million CAD
£0.0 million GBP	**$0.0 million CAD**	£5.7 million GBP	$9.5 million CAD

The Corporation had entered into a currency swap relating to a Province of Quebec provincial bond denominated in U.S. dollars for $10.0 million. As at March 31, 2024, the bond matured and there is no outstanding currency swap.

Previously, the currency swap provided a fixed 5.76 per cent return in Canadian dollars. The agreement also provided that at predetermined future dates, the Corporation paid a fixed 7.5 per cent rate based on the U.S. $10.0 million par value of the bond and received 5.76 per cent return based on a Canadian dollar notional value of $13.4 million.

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Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will result in fluctuation of the fair value or future cash flows of a financial instrument.

The market valuation of the Corporation's fixed income portfolio is directly impacted by fluctuations in interest rates and will have a larger impact on instruments with a long duration.

	Average Effective Rate—%	
	2024	2023
Federal	**2.33**	2.00
Provincial	**4.28**	3.84
Municipal	**4.84**	3.95
Schools	**4.64**	4.33
Corporations	**4.37**	4.26

A new Asset Liability Management (ALM) strategy was implemented in April 2023. With the adoption of IFRS 9 effective April 1, 2023, non-marketable (MUSH) bonds were designated as FVTPL. Under the new ALM strategy, the Corporation is to match the first & second moments of the Basic claims bond portfolio to the first & second moments of the associated Basic claims liabilities. The first moment of the bond portfolio shall be maintained within +/- 0.25 years of the first moment of the Basic claims liabilities and the market value of the Basic total fixed income portfolio (including all marketable bonds, non-marketable bonds and floating rate notes) shall match the present value of the associated liability within +/- $100 million. Previous to that time, the Corporation employed a hybrid methodology comprised of moment matching and cash flow matching to manage the interest rate risk associated with the Basic claims liabilities.

As of March 31, 2024, the first moment of the Corporation's Basic claims total moment matching assets was 7.41 years (March 31, 2023 – 10.11 years) and the first moment of the liabilities was 7.74 years (March 31, 2023 – 10.15 years), resulting in a difference of negative 0.33 years (March 31, 2023 – 0.04 years). The present value of the Basic claims liabilities exceeded the market value of all fixed income assets in the Basic Claims investment portfolio by $43.0 million at March 31, 2024 (March 31, 2023 - $40.0 million).

As MUSH bonds are designated as FVTPL as of April 1, 2023, these MUSH bonds have been incorporated in the total moment matching assets that are matched to the total Basic claims liabilities. As of March 31, 2023, the MUSH bonds modified duration was 4.54 years and the associated MUSH liabilities modified duration was 4.63 years, resulting in a difference of negative 0.09 years.

The Corporation does not specifically match employee future benefit obligations with fixed income but rather a balanced asset allocation approach.

The approximate impact of an increase of 100 basis points in interest rates as at March 31, 2024, would decrease the Liabilities for incurred claims by $142.4 million (March 31, 2023 Restated - $142.2 million decrease) and decrease Investments by $174.6 million (March 31, 2023 - $180.1 million decrease) resulting in a decrease to Net income (loss) attributable to Owner of the Corporation of $32.2 million (March 31, 2023 Restated—$38.0 million decrease).

As there are no longer any investments held as AFS, as at March 31, 2024, there would be no impact to OCI related to investments however an increase of 100 basis point would increase OCI by $55.7 million as it relates to the employee future benefits liabilities. As at March 31, 2023, an increase of 100 basis points in interest rates decreased the employee future benefits liabilities by $59.5 million and decreased investments by $31.1 million for a net increase to OCI of $28.5 million.

The approximate impact of a decrease of 100 basis points in interest rates as at March 31, 2024, would increase the Liabilities for incurred claims by $168.5 million (March 31, 2023 Restated - $168.7 million increase) and increase Investments by $175.3 million (March 31, 2023 - $180.5 million increase) resulting in an increase to Net income (loss) attributable to Owner of the Corporation of $6.8 million (March 31, 2023 Restated—$11.8 million decrease).

As there are no longer any investments held as AFS, as at March 31, 2024, there would be no impact to OCI related to investments however a decrease of 100 basis point would decrease OCI by $65.7 million as it relates to the employee future benefits liabilities. As at March 31, 2023, a decrease of 100 basis points in interest rates increased the employee future benefits liabilities by $67.2 million and increased investments by $31.2 million for a net decrease to OCI of $36.0 million.

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Equity Price Risk
The fair value of equity securities held by the Corporation can be affected by changes in market prices, other than currency and interest rate risks, which may be caused by factors specific to the individual financial instrument or factors affecting all similar financial instruments. General economic conditions, political conditions and other factors affect the equity market. As at March 31, 2024, a 10.0 per cent change in the fair value of the Corporation's equity portfolio would result in a $40.1 million change in Net income (loss) attributable to Owner of the Corporation (March 31, 2023— $31.3 million change in OCI).

As all equities are classified as FVTPL, all changes in prices impact Net income (loss) attributable to Owner of the Corporation. Prior to implementation of IFRS 9 on April 1, 2023, the Corporation classified these as AFS under IAS 39, all changes in prices were recorded as OCI and did not directly impact the Statement of Operations until the investment was sold or had become impaired.

The Corporation has policies in place to limit and monitor its exposure to individual issuers and classes of issuers of equity securities.

The Corporation's investment portfolio is exposed to changes in equity prices in Canadian and global markets. At March 31, 2024, equities comprised 12.1 per cent (March 31, 2023 – 9.2 per cent) of the carrying value of the Corporation's investment portfolio.

Equity risk results from movements in and/or the volatility of equity markets, including equity prices and indices. Diversification techniques are employed to minimize risk including exposure to various investment styles. The Corporation's investment policies limit total investment in any entity or group of related entities to a maximum of five per cent of our assets. The Corporation's stock portfolio is benchmarked to the indices noted in the table below. A 10 per cent movement in the indices, with all other variables held constant, would have the following estimated effect on the fair value of our stock holdings as at March 31, 2024, and March 31, 2023.

Stock Portfolio	Benchmark	March 31, 2024	March 31, 2023 Restated
Canadian common	S&P/TSX Capped Composite Index & S&P/TSX Small Cap Index	**16,193**	11,816
Global equities	MSCI World Index	**23,921**	19,492
Total		**40,114**	31,308

Credit Risk
Credit risk is the potential for the Corporation to incur a financial loss due to the failure of the other party to discharge an obligation. Financial instruments that give rise to potential credit risk for the Corporation include fixed income securities, accounts receivable, reinsurance receivables and structured settlements.

The following table summarizes the Corporation's maximum exposure to credit risk on the Statement of Financial Position. The maximum credit exposure is the carrying value of the asset net of an allowance for loss.

(in thousands of Canadian dollars)	March 31, 2024	March 31, 2023
Cash and cash equivalents	**206,669**	142,343
Bonds	**2,071,043**	2,485,710
Private debt	**231,877**	250,968
Pooled commercial mortgages	**100,374**	-
Accounts receivable	**147,716**	138,153
Reinsurance contract assets	**154,025**	27,862
Maximum credit risk exposure on the Statement of Financial Position	**2,911,704**	3,045,036

Fixed Income Securities Credit Risk

The Corporation mitigates its exposure to credit risk by placing fixed income securities with high-quality institutions with investment grade ratings. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings, where available, or to historical information about counterparty default rates. The following table highlights the fixed income securities by credit quality according primarily to Moody's Investors Service, with additional inputs from Standard & Poor's and Dominion Bond Rating Service, at the period end date. All Manitoba municipal and school bonds are backed by the Province of Manitoba and, as such, have been assigned the credit rating of the Province of Manitoba Bonds.

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	March 31, 2024		March 31, 2023	
	Carrying Value	**Percentage of Portfolio**	Carrying Value	Percentage of Portfolio
Aaa	**123,646**	**5.2%**	144,116	5.3%
Aa	**748,129**	**31.1%**	1,003,973	36.7%
A	**850,473**	**35.4%**	1,023,819	37.4%
Baa	**274,100**	**11.4%**	228,378	8.3%
Not Rated	**406,946**	**16.9%**	336,392	12.3%
Total	**2,403,294**	**100.0%**	2,736,678	100.0%

Accounts Receivable Credit Risk

The Corporation's accounts receivables are comprised of customers with varying financial conditions as the Corporation is required to provide Basic insurance to all vehicle owners and drivers in the Province of Manitoba. All significant past due receivables are fully provided for due to the uncertainty of collection. Substantially all remaining receivables are deemed to be collectible within 12 months. The credit risk pertaining to premiums receivable is mitigated as a customer's policy may be cancelled for default of payment.

The following table highlights the Corporation's accounts receivable by major category.

	2024	2023 Restated
Customer and broker non-policy	**121,189**	108,538
Accrued interest	**23,578**	29,711
Other receivables	**4,736**	1,530
Estimated expected credit losses	**(1,787)**	(1,626)
Balance at March 31	**147,716**	138,153

Accounts receivable are primarily from customers, along with amounts from brokers across the province of Manitoba.

	2024	2023 Restated
Current	**150,287**	140,255
31-60 days	**(409)**	(293)
61-90 days	**(694)**	(632)
Greater than 90 days	**319**	449
Subtotal	**149,503**	139,779
Estimated expected credit losses	**(1,787)**	(1,626)
Balance at March 31	**147,716**	138,153

Reinsurance Receivable Credit Risk

The Corporation evaluates the financial condition of its reinsurers to minimize the exposure to significant losses from reinsurer insolvency. The Corporation holds collateral in regard to unregistered reinsurance in the form of amounts on deposit and letters of credit of which nil was outstanding as of March 31, 2024 (March 31, 2023—$0.4 million).

Furthermore, a corporate guideline requiring reinsurers to have a minimum credit rating of A– from A.M. Best and BBB+ credit rating from S&P Global Ratings is in place.

For the year ended March 31, 2024, nine reinsurers share the Corporation's casualty reinsurance coverage, ranging from 2.5 per cent to 31.0 per cent on any one layer. The reinsurer exposed to 31.0 per cent of the losses is licensed in Canada by OSFI and, therefore, subject to minimum capital requirements.

For the year ended March 31, 2024, 13 reinsurers share the Corporation's catastrophe reinsurance coverage, none holding more than 25.0 per cent of the reinsurance exposure on any one layer.

No material amount due from reinsurers was considered uncollectible during the fiscal year ended March 31, 2024, and no estimated expected credit loss was recorded as at March 31, 2024.

Audited Financial Statements

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

Structured Settlements Credit Risk

The Corporation has obligations to provide certain fixed amounts to claimants on a recurring basis and has purchased annuities from various Canadian life insurers to provide for those payments. In the event any of the life insurers are in default, the Corporation may have to assume a financial guarantee obligation. Therefore, the net risk to the Corporation is any credit risk related to the life insurers underwriting the annuities the Corporation has purchased to provide for these settlement payments. This risk is reduced to the extent of coverage provided by Assuris, the life insurance compensation insurance plan. Assuris is an independent not-for-profit, industry-funded compensation organization founded in 1990. Assuris is designated by the federal Minister of Finance under *The Insurance Companies Act of Canada* to protect policyholders.

As at March 31, 2024, the present value of expected payments the Corporation has purchased to provide for settlement arrangements totals $99.2 million (March 31, 2023—$109.9 million), based on various dates of purchase. Of which $93.2 million is placed with insurers with a strong financial strength rating of either AA or AA- (Very Strong) as assessed by Fitch and S&P, and the remaining $6.0 million is placed with insurers with a financial strength rating of A or A+ (Strong), as assessed by Fitch and S&P.

Liquidity Risk

A significant risk of the insurance industry is the ability to match the cash inflows of the investment portfolio with the cash requirements of the policy liabilities and operating expenses. The Corporation has taken the overall historical liability settlement pattern as a basis to define diversification and duration characteristics of the investment portfolio. To meet the cash requirements for claims and operating expenses, the Corporation has policies to ensure that assets and liabilities are broadly matched in terms of their duration.

Cash and cash equivalents are essential components of the Corporation's financial liquidity management. Cash flows are monitored to ensure sufficient resources are available to meet our current operating requirements. Excess funds not needed to meet current operating requirements are invested in long-term instruments to generate additional revenue for future obligations.

Bonds—maturity profile

	March 31, 2024			
	Within One Year	**One Year to Five Years**	**After Five Years**	**Total**
Federal	**-**	**-**	**108,646**	**108,646**
Manitoba				
Provincial	**-**	**-**	**105,546**	**105,546**
Municipal	**-**	**3,725**	**87,544**	**91,269**
Schools	**-**	**53,622**	**261,673**	**315,295**
Other Provinces				
Provincial	**-**	**440,725**	**329,375**	**770,100**
Municipal	**-**	**14,974**	**41,654**	**56,628**
Corporations	**74,695**	**-**	**548,864**	**623,559**
Total	**74,695**	**513,046**	**1,483,302**	**2,071,043**

	March 31, 2023			
	Within One Year	One Year to Five Years	After Five Years	Total
Federal	-	-	119,085	119,085
Manitoba				
Provincial	-	-	111,866	111,866
Municipal	-	4,829	106,003	110,832
Schools	-	59,097	306,968	366,065
Other Provinces				
Provincial	-	334,442	786,921	1,121,363
Municipal	-	9,643	41,031	50,674
Corporations	85,424	30,370	490,031	605,825
Total	85,424	438,381	1,961,905	2,485,710

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

Liability Liquidity

				March 31, 2024			
	Within One Year	**One Year to Two Years**	**Two Years to Three Years**	**Three Years to Four Years**	**Four Years to Five Years**	**After Five Years**	**Total**
LIC - expected cash flows (undiscounted basis)	**749,312**	**244,226**	**186,978**	**160,066**	**139,430**	**1,917,133**	**3,397,145**

				March 31, 2023			
	Within One Year	One Year to Two Years	Two Years to Three Years	Three Years to Four Years	Four Years to Five Years	After Five Years	Total
LIC - expected cash flows (undiscounted basis)	506,612	208,064	168,936	142,810	125,315	1,885,786	3,037,523

26. Non-Current Assets and Liabilities

The following table presents assets and liabilities on the Corporation's Statement of Financial Position that the Corporation expects to recover or settle in 12 months or greater.

	March 31, 2024	March 31, 2023 Restated
Assets		
Bonds	**1,996,348**	2,400,286
Pooled real-estate fund	**193,358**	192,928
Infrastructure and other investments	**35,254**	162,233
Reinsurance contract assets	**51,545**	20,445
	2,276,505	2,775,892
Liabilities		
Lease obligations	**6,432**	6,484
Provision for employee future benefits	**431,941**	427,079
Incurred claims liabilities	**2,647,833**	2,530,911
	3,086,206	2,964,474
Net liabilities due after one year	**(809,701)**	(188,582)

27. Rate Regulation

Under the provisions of *The Crown Corporations Governance and Accountability Act*, the Public Utilities Board has the authority to review and approve Basic Insurance rates, premiums and service fees charged with respect to compulsory driver and vehicle insurance provided by the Corporation. No new rates or fees for services can be introduced without the approval of the Public Utilities Board. This business comprises approximately 75 per cent (March 31, 2023 Restated —78 per cent) of the total business based on incurred claims.

Annually the Corporation prepares its Basic Insurance general rate application and files it with the Public Utilities Board in June or July for implementation the following fiscal year. The general rate application includes the prospective rate requirements based on historical and forecasted financial and other information as well as the application of actuarial, accounting and statistical principles and practices.

The Corporation is required to pay a portion of the Public Utilities Board's operating costs relating to the Corporation's share of the overall Public Utilities Board budget. In addition, the Public Utilities Board can also order the Corporation to reimburse other proceeding participants for specified costs such as their time, legal and expert witness fees.

28. Contingent Liabilities

The Corporation is subject to litigation arising in the normal course of conducting its insurance business. The Corporation is of the opinion that this litigation will not have a significant effect on the financial position, financial performance, or cash flows of the Corporation.

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

29. Unaudited Supplemental Information – Line of Business Financials

Statement of Financial Positions by Line of Business

	Basic		Extension		SRE		DVA		Total*	
	March 31, 2024	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated	**March 31, 2024**	March 31, 2023 Restated
Assets										
Cash and investments	**2,935,410**	2,875,194	**124,020**	147,630	**357,750**	355,003	**190,124**	182,843	**3,607,304**	3,560,670
Accounts receivable and prepaid expenses	**142,383**	148,378	**94,685**	56,217	**3,543**	22,326	**54,396**	51,301	**295,007**	278,222
Reinsurance contract assets	**89,681**	3,675	**9,653**	71	**54,691**	24,116	**-**	-	**154,025**	27,862
Property and equipment	**127,892**	117,471	**10,403**	9,517	**11,368**	11,543	**21,445**	24,524	**171,108**	163,055
Deferred development costs	**19,693**	22,335	**12,911**	12,558	**24,360**	24,739	**55,538**	48,981	**112,502**	108,613
	3,315,059	3,167,053	**251,672**	225,993	**451,712**	437,727	**321,503**	307,649	**4,339,946**	4,138,422
Liabilities										
Accounts payable and accrued liabilities	**27,213**	30,060	**2,716**	34,139	**16,202**	3,607	**166,371**	140,490	**212,502**	208,296
Deferred revenue	**12,088**	15,287	**7,318**	6,058	**-**	-	**4,070**	4,207	**23,476**	25,552
Lease obligation	**5,180**	5,014	**424**	409	**459**	495	**858**	1,054	**6,921**	6,972
Provision for employee current benefits	**20,782**	18,890	**1,716**	1,539	**2,211**	2,015	**4,951**	4,230	**29,660**	26,674
Provision for employee future benefits	**316,396**	313,985	**26,137**	25,574	**33,665**	33,501	**75,371**	70,315	**451,569**	443,375
Insurance contract liabilities	**2,435,172**	2,209,065	**125,175**	90,722	**292,823**	237,656	**(2)**	-	**2,853,168**	2,537,443
	2,816,831	2,592,301	**163,486**	158,441	**345,360**	277,274	**251,619**	220,296	**3,577,296**	3,248,312
Equity										
Retained earnings	**483,274**	519,806	**86,951**	57,920	**104,760**	156,293	**66,322**	73,945	**741,307**	807,964
Accumulated other comprehensive income	**14,954**	54,946	**1,235**	9,632	**1,592**	4,160	**3,562**	13,408	**21,343**	82,146
	498,228	574,752	**88,186**	67,552	**106,352**	160,453	**69,884**	87,353	**762,650**	890,110
	3,315,059	3,167,053	**251,672**	225,993	**451,712**	437,727	**321,503**	307,649	**4,339,946**	4,138,422

*The total reflected above includes inter-line of business transfers and therefore does not match the corporate financial statements for accounts receivable and accounts payable. The differences are $144.4 million for the year ended March 31, 2024 (March 31, 2023 - $136.1 million).

Of note, during the year ended March 31, 2024, the Corporation transferred $2.7 million (March 31, 2023 - $34.0 million) from the Extension line of business to the Basic line of business in accordance with the Capital Management Program for excess retained earnings from the Extension line of business to be transferred to the Basic line of business.

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

Statement of Operations by Line of Business

	Basic		Extension		SRE		DVA		Total	
For the years ended March 31	**2024**	2023 Restated	**2024**	2023 Restated	**2024**	2023 Restated	**2024**	2023 Restated	**2024**	2023 Restated
Revenue from premiums	**1,162,065**	1,098,023	**192,687**	183,673	**194,608**	179,903	**-**	-	**1,549,360**	1,461,599
Otherinsurance revenue	**24,666**	15,694	**5,276**	3,610	**38**	-	**-**	-	**29,980**	19,304
Total insurance revenue	**1,186,731**	1,113,717	**197,963**	187,283	**194,646**	179,903	**-**	-	**1,579,340**	1,480,903
Incurred claims	**1,046,642**	817,612	**124,129**	94,881	**216,107**	140,434	**-**	-	**1,386,878**	1,052,927
Maintenance expense	**137,241**	146,272	**12,465**	13,243	**14,498**	14,283	**-**	-	**164,204**	173,798
Acquisition expense	**9,200**	8,535	**1,480**	1,265	**7,932**	6,127	**-**	-	**18,612**	15,927
Commission expense	**47,108**	44,723	**35,610**	33,509	**18,394**	18,257	**-**	-	**101,112**	96,489
Premium taxes	**35,913**	33,716	**5,949**	5,605	**6,163**	5,754	**-**	-	**48,025**	45,075
Total insurance service expense	**1,276,104**	1,050,858	**179,633**	148,503	**263,094**	184,855	**-**	-	**1,718,831**	1,384,216
Insurance service result from insurance contracts	**(89,373)**	62,859	**18,330**	38,780	**(68,448)**	(4,952)	**-**	-	**(139,491)**	96,687
Net income (expense) from reinsurance contracts held	**67,436**	(14,414)	**6,826**	(1,909)	**30,208**	(718)	**-**	-	**104,470**	(17,041)
Insurance service result	**(21,937)**	48,445	**25,156**	36,871	**(38,240)**	(5,670)	**-**	-	**(35,021)**	79,646
Investment income (loss)	**91,803**	(17,408)	**2,488**	5,304	**1,152**	33,081	**2,331**	4,242	**97,774**	25,219
Insurance finance income (expense)	**(66,837)**	52,536	**(3,941)**	(2,560)	**(8,561)**	(2,981)	**-**	-	**(79,339)**	46,995
Reinsurance finance income (expense)	**1,885**	(91)	**226**	-	**1,000**	263	**-**	-	**3,111**	172
Net insurance financial result	**(64,952)**	52,445	**(3,715)**	(2,560)	**(7,561)**	(2,718)	**-**	-	**(76,228)**	47,167
Net insurance and investment result	**4,914**	83,482	**23,929**	39,615	**(44,649)**	24,693	**2,331**	4,242	**(13,475)**	152,032
Service fees and other revenue	**12,052**	11,148	**5,576**	4,525	**883**	766	**7,431**	5,779	**25,942**	22,218
The DVA operations recovery	**-**	-	**-**	-	**-**	-	**40,150**	40,250	**40,150**	40,250
Total other reveue	**12,052**	11,148	**5,576**	4,525	**883**	766	**47,581**	46,029	**66,092**	62,468
Commission expense - non-policy	**3,442**	3,121	**225**	218	**-**	-	**2,277**	2,067	**5,944**	5,406
Operating expense	**93,782**	90,468	**11,239**	10,656	**10,390**	8,897	**60,808**	58,612	**176,219**	168,633
Total other expense	**97,224**	93,589	**11,464**	10,874	**10,390**	8,897	**63,085**	60,679	**182,163**	174,039
Gain on disposal of property and equipment	**34**	112	**2**	9	**3**	10	**5**	16	**44**	147
Net income (loss) attributable to Owner of the Corporation	**(80,224)**	1,153	**18,043**	33,275	**(54,153)**	16,572	**(13,168)**	(10,392)	**(129,502)**	40,608

Procurement

In accordance with OIC 41/2023: A Directive to The Manitoba Public Insurance Corporation Respecting Procurement Policies and Procedures, the Corporation includes as part of its annual report the following agreements which were entered into pursuant to a direct award or sole source arrangement or as a result of an emergency.

Approval Date	Vendor	Contract Amount	Currency	Description	Rationale
3/30/2023	Microsoft	$9,000,000.00	CDN	Computer Software	GOM Group Buying Agreement
3/31/2023	Car-Parts	$350,997.00	CDN	Computer Software	Services Renewal
4/12/2023	Systematix	$87,500.00	CDN	Consulting Services	Urgency
5/17/2023	Adobe	$50,000.00	CDN	Computer Software	Software Maintenance Renewal
5/17/2023	Continuity2	$ 5,000.00	CDN	Computer Software	Urgency
5/17/2023	Deloitte	$133,000.00	CDN	Consulting Services	Sole Source
5/17/2023	Milliman	$57,000.00	CDN	Computer Software	Additional Licencing
2/28/2024	Fineos	$350,000.00	CDN	Computer Software	Software Maintenance Renewal
10/2/2023	DC Hail	$200,000.00	CDN	Extension of POC agreement to extend 2 months and add additional scanner	Urgency
4/14/2023	Mitchell	$19,000,000.00	CDN	Computer Software	Services Renewal
4/25/2023	LinkedIN	$37,120.00	CDN	Computer Software	Services Renewal

Manitoba Public Insurance Locations

Customer Service

Winnipeg
T: 204–985–7000

Outside Winnipeg (Toll-Free)
T: 800–665–2410

Deaf Access TTY/TDD
T: 204–985–8832

Out-of-Province Claims
T: 800–661–6051

Administrative Offices

Winnipeg
234 Donald Street
Box 6300 R3C 4A4

Brandon
731 1st Street R7A 6C3

Service Locations

Winnipeg

Service Centres
15 Barnes Street
125 King Edward Street East
40 Lexington Park
1284 Main Street
930 St. Mary's Road

Cityplace
234 Donald Street

Service Centre, Main Floor

ID Verification and Data Integrity

Rehabilitation Management Centre

Serious and Long-Term Case Management Centre

Bodily Injury Centre

Physical Damage Centre
1981 Plessis Road

Holding Compound/Receiving

Salvage

Commercial Claims

Outside Winnipeg

Arborg Service Centre
323 Sunset Boulevard

Beausejour Service Centre
848 Park Avenue

Brandon Service Centre
731 1st Street

Dauphin Service Centre
217 Industrial Road

Portage La Prairie Service Centre
2007 Saskatchewan Avenue West

Selkirk Service Centre
1008 Manitoba Avenue

Steinbach Service Centre
91 North Front Drive

Swan River Claim Centre
125 4th Avenue North

The Pas Claim Centre
424 Fischer Avenue

Thompson Service Centre
53 Commercial Place

Winkler Service Centre
355 Boundary Trail

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