

# 2024/25 Third Quarter

Condensed Interim Financial Statements  
For the nine-month period ended December 31, 2024  
*Including Management Discussion and Analysis*  
(unaudited)

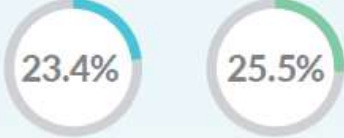





MANITOBA  
PUBLIC INSURANCE

# Q3

## Corporate Performance Measures and Targets

For the nine months ended December 31, 2024

Financial Performance				Organizational Health			
<b>Net Income/(Loss)</b> <i>In millions</i>				<b>Capital Adequacy (Minimum Capital Test)</b> <i>Basic</i>			
<b>(\$7.0)</b>				<b>92%</b>	<b>100%</b>	<b>143%</b>	
<small>PAST Q3 2023/24</small>				<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>PAST Q3 2023/24</small>	
<b>\$46.8</b>	<b>(\$5.5)</b>	<b>(\$24.1)</b>		<b>Extension</b>			
<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>		<b>289%</b>	<b>200%</b>	<b>223%</b>	
				<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>PAST Q3 2023/24</small>	
<b>Revenue from Premiums</b> <i>In millions</i>				<b>Special Risk Extension</b>			
<b>\$1,168.8</b>				<b>122%</b>	<b>300%</b>	<b>264%</b>	
<small>PAST Q3 2023/24</small>				<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>PAST Q3 2023/24</small>	
<b>\$1,218.8</b>	<b>\$1,198.8</b>	<b>\$1,596.4</b>		<b>Operational Excellence</b>			
<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>		<b>Total Expense Ratio</b> <i>(Corporate Expenses consisting of Maintenance, Acquisition and Operating/Revenue from Premiums)</i>			
<b>Incurred Claims before Reinsurance</b> <i>In millions</i>							
<b>\$946.0</b>				<b>23.4%</b>	<b>25.5%</b>	<b>21.5%</b>	
<small>PAST Q3 2023/24</small>				<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>PAST Q3 2023/24</small>	
<b>\$930.0</b>	<b>\$839.6</b>	<b>\$1,134.1</b>		<b>25.6%</b>			
<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>		<small>ANNUAL TARGET 2024/25</small>			
<b>Corporate Loss Ratio</b> <i>(Incurred Claims before Reinsurance/Revenue from Premiums)</i>				<b>Total Full-Time Equivalent</b>			
<b>76.3%</b>	<b>70.0%</b>	<b>80.9%</b>				<b>1,994</b>	
<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>PAST Q3 2023/24</small>		<b>2,028</b>	<b>2,123</b>	<small>PAST Q3 2023/24</small>	
		<b>71.0%</b>		<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>	
		<b>3.96%</b>		<b>Total Return – Investments</b>			
<b>6.80%</b>	<b>3.75%</b>	<b>5.02%</b>					
<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>		<b>2,028</b>			
				<small>ACTUAL Q3 2024/25</small>	<small>TARGET Q3 2024/25</small>	<small>ANNUAL TARGET 2024/25</small>	

# Manitoba Public Insurance Corporation

## Management Discussion and Analysis

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

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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 nine-month period ended December 31, 2024. This MD&A is intended to enable the reader to assess our results of operations and financial condition for the nine-month period ended December 31, 2024, compared to the corresponding periods in 2023. It should be read in conjunction with our interim condensed financial statements, as well as the MD&A and the 2023/24 annual audited financial statements and supporting notes found in the Corporation's 2023 Annual Report.

"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](http://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.

## Results of Operations

The Corporation reported net income from operations of \$46.8 million for the nine-month period ended December 31, 2024, as compared to net loss of \$7.0 million for the same period in 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 net income of \$16.0 million as compared to a net loss of \$2.7 million for the same period in the prior year. The Insurance service result was \$4.1 million as compared to \$40.9 million for the prior year.
- The Extension line of business reported net income of \$45.5 million net income as compared to a net income of \$18.7 million for the same period in the prior year. The Insurance service result was \$43.3 million as compared to \$22.3 million for the prior year.
- The Special Risk Extension (SRE) line of business reported a net loss of \$14.4 million as compared to a net loss of \$18.9 million for the same period in the prior year. The Insurance service result was a loss of \$11.5 million as compared to a loss of \$15.0 million for the prior year.
- *The Drivers and Vehicles Act* operations (DVA) line of business reported a net loss of \$0.2 million as compared to a net loss of \$4.1 million for the same period in the prior year.

### Insurance Revenue

Total insurance revenue is comprised of Revenue from premiums and Other insurance revenue (fees related to policy administration). Total insurance revenue for the Corporation increased by 4.7 per cent or \$56.0 million to \$1,246.3 million for the nine-month period ended December 31, 2024, as compared to the prior year. Total insurance revenue for the Corporation is comprised of insurance revenue from three lines of business: Basic, Extension and SRE. The revenue reported by each of these lines of business is approximately 76 per cent, 13 per cent and 11 per cent, respectively, of the Total insurance revenue for the Corporation.

The Basic insurance line of business is subject to regulation by the Public Utilities Board of Manitoba. Rates and premiums are set annually through a General Rate Application (GRA). The Extension and SRE lines of business are not subject to regulation.

Total insurance revenue for the Basic line of business increased by 4.7 per cent or \$42.4 million to \$943.6 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. The Public Utilities Board 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 GRA process beginning in June each year, to establish rates and fees that are effective for the subsequent fiscal year. On January 7, 2025, the Public Utilities Board issued Order No. 2/25 for an overall 5.7 per cent rate increase. This 5.7 per cent increase consists of a 7.9 per cent increase to vehicle premiums and a 2.04 per cent decrease due to the change in the Driver Safety Rating Scale. In addition, the Public Utilities Board approved Manitoba Public Insurance's request to raise compulsory driver insurance premiums by \$10. Changes in revenue outside of a Public Utilities Board order reflect underlying changes in policy volume and timing of renewals related to same in the period.

# Manitoba Public Insurance Corporation

## Management Discussion and Analysis

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

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Insurance revenue for the Extension line of business increased by 11.9 per cent or \$17.5 million to \$163.7 million for the nine-month period ended December 31, 2024, as compared to the same period last year. The increased revenue in the Extension line of business reflects an overall increased demand for Extension products with highest increases for such products as: reducing deductible to \$200 (16.3 per cent increase over prior year), maximum insured vehicle coverage (22.9 per cent increase over prior year) and new/leased car protection (16.3 per cent increase over prior year).

Insurance revenue for the SRE line of business decreased 2.7 per cent or \$3.9 million to \$139.1 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. The decreased revenue in the SRE line of business reflects the increased rate activity in the prior year coupled with a decrease in policy size in the current period.

### Incurred Claims

Incurred claims are a function of both frequency (the number of claims made) and severity (how expensive is the actual or expected injuries, repairs, or total loss), as well as 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 decreased by 1.7 per cent or \$16.0 million to \$930.0 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. The Basic and Extension lines of business experienced increased incurred claims over the prior year. This increase is attributable to increased claims volume in comprehensive and collision claims.

#### Basic Line of Business

Incurred claims for the Basic line of business increased 3.4 per cent or \$25.1 million to \$756.0 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. The loss ratio for the nine-month period was 82.1 per cent as compared to 82.7 per cent for the same period in the prior year.

Physical damage incurred claims (excluding discount rate impact and risk adjustment) decreased by 2.5 per cent or \$15.5 million to \$604.1 million for the nine-month period ended December 31, 2024, as compared to the prior year. More specifically,

- Collision increased by 3.7 per cent or \$15.1 million to \$423.2 million. For the nine-month period ended December 31, 2024, the estimated cost for collision claims is 46.0 per cent of the Revenue from premiums.
- Comprehensive non-hail increased by 16.6 per cent or \$11.2 million.
- Comprehensive hail decreased by 52.5 per cent or \$55.1 million. The prior year's results include impacts from the largest hail event in MPI's history.
- Property damage incurred claims increased by 34.1 per cent of \$13.3 million.

Bodily injury claims (excluding inflation, discount rate impact and risk adjustment) increased 9.5 per cent or \$21.5 million to \$248.6 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. The impact of inflation reduced outstanding bodily injury obligations by \$15.2 million for the nine-month period ended December 31, 2024, as compared to a reduction of \$59.0 million in the same period of the prior year.

Impacts from discount rates were favourable by \$17.5 million and impacts from risk adjustments were favourable by \$7.2 million.

#### Extension Line of Business

Incurred claims for the Extension line of business decreased by 20.5 per cent or \$17.8 million to \$68.9 million for the nine-month period ended December 31, 2024, as compared to the prior year. The loss ratio for the nine-month period was 43.4 per cent as compared to 60.9 per cent for the same period in the prior year. The prior year's results include impacts from the largest hail event in MPI's history.

#### Special Risk Extension Line of Business

Incurred claims for the SRE line of business decreased by 18.2 per cent or \$23.3 million to \$105.0 million for the nine-month period ended December 31, 2024, as compared to the prior year. More specifically,

- Public liability (excluding discount rate impact and risk adjustment) decreased by 31.7 per cent or \$28.7 million to \$61.9 million.
- Physical damage (excluding discount rate impact and risk adjustment) was comparable at \$44.5 million.

The loss ratio for the nine-month period was 75.5 per cent compared to 89.8 per cent for the same period in the prior year.

# Manitoba Public Insurance Corporation

## Management Discussion and Analysis

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

### Net Income (Expense) from Reinsurance Contracts

The Corporation follows a practice of obtaining reinsurance coverages for both casualty and catastrophic events to limit its exposure to losses. The Net income from reinsurance contracts decreased by \$61.2 million to a loss of \$19.3 million for the nine-month period ended December 31, 2024, as compared to the same period in the prior year. This reflects the claims incurred volume and eligibility for recovery from reinsurers. Premiums paid for the reinsurance program were \$29.9 million compared to \$22.6 million for the same period of the prior year.

### Net Insurance Financial Income (Expense)

Net insurance financial expense was \$125.7 million for the nine-month period ended December 31, 2024, as compared to net insurance financial expense of \$84.2 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 reported as a separate line item or in aggregate as Acquisition, Maintenance, and Operating on the Statement of Operations. The table, below, illustrates a traditional view of corporate operating expenses prior to being classified as Acquisition, Maintenance, and Operating. Expenses reported for the fiscal year 2023/24 reflect impacts from the labour interruption that began on August 28, 2023.

For the nine months ended December 31	2024	2023
Compensation	163,082	138,473
Data processing	57,620	56,049
Special services	13,051	9,679
Merchant fees and bank charges	8,802	7,560
Buildings	5,574	5,838
Postage	3,761	3,606
Other	3,970	3,711
Regulatory/appeal	3,230	2,892
Printing, stationery and supplies	3,712	2,958
Driver education program	2,848	2,031
Furniture and equipment	2,255	1,198
Grants in lieu of taxes	1,336	1,371
Public information/advertising	1,301	1,440
Travel and vehicle	1,002	809
Telephones	1,157	1,404
Safety/loss prevention programs	1,532	1,557
	<b>274,233</b>	<b>240,576</b>
Commissions-policy	77,019	74,333
Commissions-non-policy	5,031	4,519
Premium taxes	35,271	35,267
	<b>117,321</b>	<b>114,119</b>
Amortization of deferred development costs	6,374	6,577
Depreciation of operating property and equipment	5,123	4,541
	<b>11,497</b>	<b>11,118</b>
<b>Total</b>	<b>403,051</b>	<b>365,813</b>

Total corporate operating expenses including commissions and premium taxes, increased 10.2 per cent or \$37.2 million to \$403.1 million.

### Capital Management

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 December 31, 2024, was 92 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 December 31, 2024, was 289 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 December 31, 2024, was 122 per cent. The target MCT is set out in *The Manitoba Public Insurance Corporation Act*.

### Outlook

The Corporation remains committed to achieving its Corporate goals. Actual results will be monitored, and corrective actions taken, when necessary, to ensure that expected outcomes are realized.

On June 17, 2024, the Corporation's Gateway Service Centre was vandalized and damaged such that front counter services could not be provided at that location. These services were relocated to other service centres located within Winnipeg, while driver testing and estimating services continued to be provided from the Gateway Service Centre's garage. It is anticipated that the Gateway Service Centre will fully reopen by March 31, 2025.

On January 7, 2025, the Public Utilities Board issued Order No. 2/25 for an overall 5.7 per cent rate increase. This 5.7 per cent increase consists of a 7.9 per cent increase to vehicle premiums and a 2.04 per cent decrease due to the change in the Driver Safety Rating Scale (the overall increase reflects the compounding of both rate changes). In addition, the Public Utilities Board approved MPI's request to raise compulsory driver insurance premiums by \$10. These rate changes take effect April 1, 2025.

**Manitoba Public Insurance Corporation**  
**Condensed Interim Financial Statements (unaudited)**  
(in thousands of Canadian dollars, except as otherwise noted)

## Condensed Interim Statement of Financial Position

	Notes	December 31, 2024	March 31, 2024
<b>Assets</b>			
Cash and cash equivalents	5	161,216	206,669
Accounts receivable		139,107	147,716
Prepaid expenses		3,889	2,848
Investments	5	3,578,921	3,387,590
Investment property	5	12,777	13,045
Reinsurance contract assets	7	96,351	154,025
Property and equipment		171,458	171,108
Deferred development costs		117,880	112,502
		<b>4,281,599</b>	<b>4,195,503</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		40,417	68,059
Deferred revenue		29,529	23,476
Lease obligation		6,879	6,921
Provision for employee current benefits		30,416	29,660
Provision for employee future benefits		486,035	451,569
Insurance contract liabilities	7	2,899,590	2,853,168
		<b>3,492,866</b>	<b>3,432,853</b>
<b>Equity</b>			
Retained earnings		788,102	741,307
Accumulated other comprehensive income		631	21,343
		<b>788,733</b>	<b>762,650</b>
		<b>4,281,599</b>	<b>4,195,503</b>

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



**Manitoba Public Insurance Corporation**  
**Condensed Interim Financial Statements (unaudited)**  
(in thousands of Canadian dollars, except as otherwise noted)

## Condensed Interim Statement of Operations

	Notes	For the 3 months ended December 31, 2024	For the 3 months ended December 31, 2023	For the 9 months ended December 31, 2024	For the 9 months ended December 31, 2023
Revenue from premiums		402,197	387,250	1,218,845	1,168,753
Other insurance revenue		9,151	7,894	27,497	21,593
<b>Insurance revenue</b>		<b>411,348</b>	<b>395,144</b>	<b>1,246,342</b>	<b>1,190,346</b>
Incurred claims		335,013	339,080	930,000	945,991
Maintenance expense		45,708	41,459	134,538	116,047
Acquisition expense:					
Commission		27,901	28,218	77,019	74,333
Premium taxes		12,090	12,215	35,271	35,267
Other		5,137	4,623	14,349	12,891
<b>Total insurance service expense</b>		<b>425,849</b>	<b>425,595</b>	<b>1,191,177</b>	<b>1,184,529</b>
<b>Insurance service result before reinsurance contracts</b>		<b>(14,501)</b>	<b>(30,451)</b>	<b>55,165</b>	<b>5,817</b>
Net income (expense) from reinsurance contracts held		1,178	4,227	(19,257)	41,931
<b>Insurance service result</b>		<b>(13,323)</b>	<b>(26,224)</b>	<b>35,908</b>	<b>47,748</b>
Investment income	6	8,052	248,538	227,061	111,539
Insurance finance income (expense)	6	(15,297)	(154,524)	(130,479)	(85,637)
Reinsurance finance income (expense)	6	1,077	1,164	4,790	1,474
<b>Net insurance financial result</b>		<b>(14,220)</b>	<b>(153,360)</b>	<b>(125,689)</b>	<b>(84,163)</b>
<b>Net insurance and investment result</b>		<b>(19,491)</b>	<b>68,954</b>	<b>137,280</b>	<b>75,124</b>
Service fees and other revenue		7,955	4,969	21,173	15,004
<i>The Drivers and Vehicles Act operations recovery</i>		10,050	10,050	30,150	30,100
<b>Total other revenues</b>		<b>18,005</b>	<b>15,019</b>	<b>51,323</b>	<b>45,104</b>
Commission expense - non-policy		1,600	1,587	5,031	4,519
Operating expenses		48,719	46,359	136,843	122,756
<b>Total other expenses</b>		<b>50,319</b>	<b>47,946</b>	<b>141,874</b>	<b>127,275</b>
Gain on disposal of property and equipment		59	2	66	8
<b>Net income (loss) attributable to Owner of the Corporation</b>		<b>(51,746)</b>	<b>36,029</b>	<b>46,795</b>	<b>(7,039)</b>

## Condensed Interim Statement of Comprehensive Income

	For the 3 months ended December 31, 2024	For the 3 months ended December 31, 2023	For the 9 months ended December 31, 2024	For the 9 months ended December 31, 2023
<b>Net income (loss) attributable to Owner of the Corporation</b>	<b>(51,746)</b>	<b>36,029</b>	<b>46,795</b>	<b>(7,039)</b>
Other comprehensive income (loss)				
Items that will not be reclassified to income				
Remeasurement of employee future benefits	(15,137)	(15,239)	(20,712)	(20,922)
Other comprehensive income (loss) for the period	(15,137)	(15,239)	(20,712)	(20,922)
<b>Total comprehensive income (loss) attributable to Owner of the Corporation</b>	<b>(66,883)</b>	<b>20,790</b>	<b>26,083</b>	<b>(27,961)</b>

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



**Manitoba Public Insurance Corporation**  
**Condensed Interim Financial Statements (unaudited)**  
(in thousands of Canadian dollars, except as otherwise noted)

## Condensed Interim Statement of Changes in Equity

	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity
Balance as at April 1, 2023	870,809	13,410	884,219
Net loss attributable to Owner of the Corporation	(7,039)	-	(7,039)
Other comprehensive loss for the period	-	(20,922)	(20,922)
<b>Balance as at December 31, 2023</b>	<b>(7,039)</b>	<b>(20,922)</b>	<b>(27,961)</b>
Balance as at April 1, 2024	741,307	21,343	762,650
Net income attributable to Owner of the Corporation	46,795	-	46,795
Other comprehensive loss for the period	-	(20,712)	(20,712)
<b>Balance as at December 31, 2024</b>	<b>788,102</b>	<b>631</b>	<b>788,733</b>

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

**Manitoba Public Insurance Corporation**  
**Condensed Interim Financial Statements (unaudited)**  
(in thousands of Canadian dollars, except as otherwise noted)

## Condensed Interim Statement of Cash Flows

	For the 9 months ended December 31, 2024	For the 9 months ended December 31, 2023
<b>Cash Flows from (to) Operating Activities:</b>		
Net income (loss) attributable to Owner of the Corporation	46,795	(7,039)
Non-cash items:		
Depreciation of property and equipment, and investment property	5,405	4,822
Amortization of deferred development costs	6,374	6,577
Amortization of bond discount and premium	(3,360)	(1,916)
Loss (gain) on sale of investments	(22,366)	35,243
Unrealized loss on investments	(119,383)	(62,264)
Gain on disposal of property and equipment	59	(8)
Impairment of deferred development costs	1,344	-
	<b>(85,132)</b>	<b>(24,585)</b>
Net change in non-cash balances:		
Accounts receivable	8,609	(10,360)
Prepaid expenses	(1,041)	(1,251)
Reinsurance contract assets	57,674	(57,087)
Accounts payable and accrued liabilities	(27,642)	(28,264)
Deferred revenue	6,053	2,618
Provision for employee current benefits	756	1,568
Provision for employee future benefits	13,754	15,211
Insurance contract liabilities	46,422	208,768
	<b>104,585</b>	<b>131,203</b>
	<b>19,453</b>	<b>106,618</b>
<b>Cash Flows from (to) Investment Activities:</b>		
Purchase of investments	(889,892)	(863,294)
Proceeds from sale of investments	843,670	874,480
Acquisition of property and equipment	(5,487)	(11,001)
Proceeds from disposal of property and equipment	(59)	8
Lease obligation	(42)	(38)
Deferred development costs incurred	(13,096)	(11,280)
	<b>(64,906)</b>	<b>(11,125)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(45,453)</b>	<b>95,493</b>
Cash and cash equivalents beginning of year	206,669	142,343
<b>Cash and cash equivalents end of year</b>	<b>161,216</b>	<b>237,836</b>

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

## 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 (SRE) 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 SRE 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 unaudited interim financial statements have been prepared based on principles and guidance provided under International Financial Reporting Standards (IFRS).

These unaudited interim financial statements do not include all of the note disclosures normally included in the annual financial statements. As such, these unaudited financial statements should be read in conjunction with the Corporation's annual financial statements for the fiscal year ended March 31, 2024. These financial statements have been prepared using the same accounting policies and methods applied in the annual audited financial statements.

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.

### 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, the Insurance service result from insurance contracts is typically highest in the first and second quarter of each year and lowest in the fourth quarter of each year. This is driven mainly 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.

## 3. Summary of Material Accounting Policies

A summary of the material accounting policies followed by the Corporation is provided in Note 3 to the annual financial statements for the fiscal year ended March 31, 2024, as provided in the Corporation's 2023 Annual Report. The accounting policies have been applied consistently to the periods presented, except for the new standards and amendments to existing standards adopted on April 1, 2024, as described in Note 4.

## 4. Changes in Accounting Policies

### Future Changes in Accounting Policy and Disclosure

Certain new standards, interpretations, amendments and improvements to existing standards have been issued by the International Accounting Standards Board (IASB) over the past year. The standards that may be applicable to the Corporation are:

#### 4.1.1 IFRS 7 - Financial Instruments: Disclosures (IFRS 7) and IFRS 9 - Financial Instruments (IFRS 9)

In May 2024, the IASB issued amendments to IFRS 7 - *Financial Instruments: Disclosures* and IFRS 9 - *Financial Instruments*. The Corporation will be assessing the impact of adopting these amendments, which will be effective for years beginning on or after January 1, 2026.

#### 4.1.2 IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 - *Presentation and Disclosure in Financial Statements* which will replace IAS 1 - *Presentation of Financial Statements*. The standard provides a defined structure for the statement of profit or loss, with three main categories for reporting revenue and expenses (operating, investing, and financing). IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation will be assessing the impact of this new standard on the presentation and disclosure of its 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 \$117.1 million (March 31, 2024—\$170.6 million) comprised of provincial short-term deposits with effective interest rates of 2.58 per cent to 3.13 per cent (March 31, 2024—4.59 per cent to 4.91 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, 2024—\$10.0 million). The unsecured operating line of credit remained unutilized at December 31, 2024 (March 31, 2024—nil).

### Cash, Cash Equivalents and Investments

The following tables present the carrying values of cash, cash equivalents and investments held by the Corporation, according to their classification as defined by IFRS.

As at December 31, 2024	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
Cash and cash equivalents	161,216	-	-	161,216
Bonds				
Federal	-	106,324	-	106,324
Manitoba:				-
Provincial	13,807	108,959	-	122,766
Municipal	-	98,812	-	98,812
Schools	-	293,580	-	293,580
Other provinces:				-
Provincial	78,011	731,575	-	809,586
Municipal	3,509	52,340	-	55,849
Corporations	80,341	611,934	-	692,275
Total bonds	175,668	2,003,524	-	2,179,192
Private debt	266,493	-	-	266,493
Other investments	209	-	-	209
Infrastructure	237,367	-	-	237,367
Equity investments	418,769	-	-	418,769
Pooled commercial mortgage fund	106,025	-	-	106,025
Pooled real-estate fund	370,866	-	-	370,866
Investments	1,575,397	2,003,524	-	3,578,921
Investment property	-	-	12,777	12,777
<b>Total</b>	<b>1,736,613</b>	<b>2,003,524</b>	<b>12,777</b>	<b>3,752,914</b>

**Manitoba Public Insurance Corporation**  
**Notes to the Condensed Interim Financial Statements (unaudited)**  
(in thousands of Canadian dollars, except as otherwise noted)

As at March 31, 2024	Financial Instruments		Non-Financial Instruments	Total Carrying Value
	Classified as FVTPL	Designated as FVTPL		
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
Total bonds	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 mortgage fund	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

## 6. Investment Income and Net Insurance Financial Result

The tables below provide analysis of investment income recognized in the period and comparison with the same period prior year as well as the composition of the net reinsurance financial result reported in the Statement of Operations.

### *Investment Income and Net Insurance Financial Result*

For the nine months ended December 31	2024	2023
Investment income from interest, dividends and investment property	90,743	89,005
Net gain on investments	141,748	27,021
Investment management fees	(5,430)	(4,487)
<b>Investment income</b>	<b>227,061</b>	<b>111,539</b>
Insurance finance expense	(130,479)	(85,637)
Reinsurance finance income (expense)	4,790	1,474
<b>Net insurance financial result</b>	<b>(125,689)</b>	<b>(84,163)</b>
<b>Net insurance financial result and investment result</b>	<b>101,372</b>	<b>27,376</b>

**Manitoba Public Insurance Corporation**  
**Notes to the Condensed Interim Financial Statements (unaudited)**

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

*Investment Income*

For the nine months ended December 31	2024	2023
Interest and similar income from securities classified as FVTPL	11,639	3,500
Interest and similar income from securities designated as FVTPL	61,036	70,420
<b>Interest income</b>	<b>72,675</b>	<b>73,920</b>
Dividend income on equities and infrastructure	17,220	14,364
Income from investment property	848	721
<b>Investment income from interest, dividends and investment property</b>	<b>90,743</b>	<b>89,005</b>
Net unrealized loss from financial instruments classified as FVTPL	53,806	16,054
Net unrealized gain (loss) from financial instruments designated as FVTPL	65,577	46,210
<b>Net unrealized gain (loss) on investments</b>	<b>119,383</b>	<b>62,264</b>
Net realized gain (loss) from financial instruments classified as FVTPL	21,800	(359)
Net realized loss from financial instruments designated as FVTPL	565	(34,884)
<b>Net realized gain (loss) on investments</b>	<b>22,365</b>	<b>(35,243)</b>
<b>Net loss on investments</b>	<b>141,748</b>	<b>27,021</b>
Investment management fees	(5,430)	(4,487)
<b>Investment income (loss)</b>	<b>227,061</b>	<b>111,539</b>

*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 nine months ended December 31	2024	2023
Change in carrying amount of insurance contracts issued due to:		
Unwinding of discounting	(80,941)	(72,583)
Changes in discount rate and other financial assumptions	(49,538)	(13,054)
<b>Insurance finance expense from insurance contracts issued</b>	<b>(130,479)</b>	<b>(85,637)</b>
Change in carrying amount of reinsurance contracts held due to:		
Unwinding of discounting	3,523	1,466
Changes in discount rate and other financial assumptions	1,267	8
<b>Reinsurance finance income (expense) from reinsurance contracts held</b>	<b>4,790</b>	<b>1,474</b>
<b>Net insurance financial result</b>	<b>(125,689)</b>	<b>(84,163)</b>

## 7. Insurance and Reinsurance Contracts

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

	December 31, 2024	March 31, 2024
Liability for remaining coverage	320,264	344,169
Liability for incurred claims	2,579,326	2,508,999
<b>Insurance contract liabilities</b>	<b>2,899,590</b>	<b>2,853,168</b>
Asset for remaining coverage	(12)	1,192
Asset for reinsured claims	96,363	152,833
<b>Reinsurance contract assets</b>	<b>96,351</b>	<b>154,025</b>
<b>Net insurance and reinsurance contracts</b>	<b>2,803,239</b>	<b>2,699,143</b>

### 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 the Premium Allocation Approach (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
		Present Value of Future Cash Flows	Risk Adjustment	
<b>For the nine months ended December 31, 2024</b>				
Insurance contract liabilities, beginning of period	344,169	2,389,184	119,815	2,853,168
Changes in comprehensive income (loss):				
Insurance revenue	(1,246,342)	-	-	(1,246,342)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,252,147	37,122	1,289,269
Changes to liabilities for incurred claims prior year	-	(62,791)	(35,301)	(98,092)
<b>Insurance service expense</b>	<b>-</b>	<b>1,189,356</b>	<b>1,821</b>	<b>1,191,177</b>
<b>Insurance service result from insurance contracts</b>	<b>(1,246,342)</b>	<b>1,189,356</b>	<b>1,821</b>	<b>(55,165)</b>
Insurance finance expense	-	130,479	-	130,479
<b>Total changes in comprehensive income (loss)</b>	<b>(1,246,342)</b>	<b>1,319,835</b>	<b>1,821</b>	<b>75,314</b>
Cash flows:				
Premiums received	1,222,437	-	-	1,222,437
Claims and other expenses paid	-	(1,251,329)	-	(1,251,329)
<b>Total cash flows</b>	<b>1,222,437</b>	<b>(1,251,329)</b>	<b>-</b>	<b>(28,892)</b>
<b>Insurance contract liabilities, end of period</b>	<b>320,264</b>	<b>2,457,690</b>	<b>121,636</b>	<b>2,899,590</b>



**Manitoba Public Insurance Corporation**  
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For the nine months ended December 31, 2023	Liability for Remaining Coverage	Liability for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
<b>Insurance contract liabilities, beginning of period</b>	356,003	2,081,429	100,011	2,537,443
Changes in comprehensive income (loss):				
Insurance revenue	(1,190,346)	-	-	(1,190,346)
Insurance service expense:				
Incurred claims and other insurance expenses	-	1,157,638	36,180	1,193,818
Changes to liabilities for incurred claims prior year	-	13,947	(23,236)	(9,289)
<b>Insurance service expense</b>	-	1,171,585	12,944	1,184,529
<b>Insurance service result from insurance contracts</b>	(1,190,346)	1,171,585	12,944	(5,817)
Insurance finance expense	-	85,637	-	85,637
<b>Total changes in comprehensive income (loss)</b>	(1,190,346)	1,257,222	12,944	79,820
Cash flows:				
Premiums received	1,127,373	-	-	1,127,373
Claims and other expenses paid	-	(998,425)	-	(998,425)
<b>Total cash flows</b>	1,127,373	(998,425)	-	128,948
<b>Insurance contract liabilities, end of period</b>	293,030	2,340,226	112,955	2,746,211

### Reinsurance Contract Assets

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

For the nine months ended December 31, 2024	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
<b>Reinsurance contract assets, beginning of period</b>	1,192	145,174	7,659	154,025
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(29,868)	-	-	(29,868)
Recoveries of incurred claims and other reinsurance service income	-	11,652	650	12,302
Prior period development	-	2,881	(4,572)	(1,691)
<b>Net expense from reinsurance contracts</b>	-	14,533	(3,922)	10,611
Reinsurance finance income	-	4,790	-	4,790
<b>Total changes in comprehensive income (loss)</b>	(29,868)	19,323	(3,922)	(14,467)
Cash flows:				
Premiums paid	28,664	-	-	28,664
Amounts received	-	(71,871)	-	(71,871)
<b>Total cash flows</b>	28,664	(71,871)	-	(43,207)
<b>Reinsurance contract assets, end of period</b>	(12)	92,626	3,737	96,351

**Manitoba Public Insurance Corporation**  
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For the nine months ended December 31, 2023	Assets for Remaining Coverage	Assets for Incurred Claims		Total
		Present Value of Future Cash Flows	Risk Adjustment	
<b>Reinsurance contract assets, beginning of period</b>	378	26,093	1,391	27,862
Changes in comprehensive income (loss):				
Allocation of reinsurance premiums	(22,637)	-	-	(22,637)
Recoveries of incurred claims and other reinsurance service income	-	50,216	2,647	52,863
Prior period development	-	11,757	(52)	11,705
<b>Net income (expense) from reinsurance contracts</b>	-	61,973	2,595	64,568
Reinsurance finance income (expense)	-	1,474	-	1,474
<b>Total changes in comprehensive income (loss)</b>	(22,637)	63,447	2,595	43,405
Cash flows:				
Premiums paid	22,959	-	-	22,959
Amounts received	-	(9,277)	-	(9,277)
<b>Total cash flows</b>	22,959	(9,277)	-	13,682
<b>Reinsurance contract assets, end of period</b>	700	80,263	3,986	84,949

## 8. Business Interruption at Gateway Service Centre

On June 17, 2024, the Corporation's Gateway Service Centre was damaged by fire. Most of the operations for this service centre temporarily relocated to other service centres located within Winnipeg, with some garage-based operations continuing from the Gateway Service Centre's garage.

As at the nine-month period ended, December 31, 2024, efforts to restore the Gateway Service Centre are on-going. The Corporation filed an insurance claim for reimbursement of losses and has received \$2.8 million in proceeds from the claim to date. The Corporation continues to accumulate the incremental costs associated with restoring the Service Centre, the additional expenses incurred in shifting operations to other locations, and determining the reimbursement expected from insurance coverage. Anticipated return to the facility is early 2025.