

Corporate Strategic Plan 2012-2016



**Manitoba
Public Insurance**

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A. Corporate Background

The Corporation's Purpose

Building on its founding principles as set out in 1971, Manitoba Public Insurance continues today to be this province's response to the social and economic necessity that automobiles represent in a modern society. Given the essential role vehicles play in society today – empowering individuals, serving our communities and building our economy – we seek to manage the risk individuals represent on the roads.

Manitoba Public Insurance was created through *The Manitoba Public Insurance Corporation Act* following recommendations and a report by the Manitoba Automobile Insurance Committee. The government acted in response to a number of inequities with the private insurance system and rising safety concerns. The number of Manitobans driving without auto insurance coverage – the product of escalating premium costs and discriminatory coverage practices – created a serious social problem because they subjected themselves and others to the risk of catastrophic financial loss. Manitobans were also increasingly dissatisfied with the cost of auto insurance, the way premiums were established, coverage offered, service provided and the value that private insurance companies provided.

After an extensive series of public hearings, the Committee concluded that “the method of insuring automobiles and compensating the victims of automobile accidents for their losses in respect of bodily injuries and damaged property was inadequate, expensive and confusing to the public.”¹ The Committee recommended a mandatory public automobile insurance program universally available to all Manitoba vehicle owners be established and that the program be administered by a Crown corporation. The Committee also stated its belief in the no-fault system which they correctly predicted would evolve in due course.

The Manitoba Insurance Committee Report set out the general objectives of a public auto insurance system as follows:

- Universally available mandatory insurance protection against the cost of automobile accidents;
- Rates lower than those charged by private insurance companies for comparable coverage;
- Financial self-sufficiency, with no subsidies or other assistance from general government revenues;
- Return 85 per cent of premium revenue in the form of claims benefits;
- Operate at a financial break-even level over the long term;
- Minimize public inconvenience in insurance claim procedures;

¹ The Report of the Manitoba Automobile Insurance Committee, 1970

- Pursue traffic safety and loss prevention programs; and
- Encourage investment of insurance capital in Manitoba.

The Corporation's Service Delivery Model

Manitoba Public Insurance was created in 1971 with the primary purpose of administering the basic compulsory, universally available auto insurance program. From the beginning, basic insurance was charged to both vehicle owners and drivers, in an integrated manner along with vehicle registration and driver licensing. Said another way, registration and insurance have been inextricably linked on both driver's licences and vehicle registration since 1971. This integration of licensing and insurance is one of the significant advantages of our public insurance system because it significantly reduces the likelihood of uninsured drivers on the roadway by ensuring that all licensed drivers are insured drivers and all registered vehicles are insured vehicles.

Beginning in 1971, until the merger of the Division of Driver and Vehicle Licensing (DDVL) into the Corporation in 2004, work effort and responsibility were shared in the following manner:

- Manitoba Public Insurance administered vehicle registration and insurance processing;
- DDVL administered driver's licensing and insurance.

In 2004, the government merged the operations of the former DDVL (which was a division of the Ministry of Transportation) into Manitoba Public Insurance and the Corporation became responsible for the administration of *The Drivers and Vehicles Act* (DVA).

The government's *stated objectives for the 2004 merger* were:

- Improve customer service;
- Save costs and become more efficient by reducing overlap and duplication; and
- Create a new model for meeting the licensing, registration and insurance needs of Manitobans.

To that end, we have worked hard to close redundant facilities, decommission old single-purpose computer systems in favour of integrated systems and databases, and provide seamless, cohesive services to Manitobans.

The result of these efforts has been a complete integration of the four components of drivers licensing and vehicle registration (driver licensing, vehicle registration, driver insurance and vehicle insurance). This is a significant improvement over the integration of two components in two separate systems that existed before the merger.

Manitoba Public Insurance will continue to operate four lines of business (Basic, Extension, Special Risk Extension, DVA Administration). However, many of the Corporation's services, systems, databases, functions and, therefore, expenses will continue to be fully integrated.

Driving Forward to Improve the Value Equation in 2012



Since 2004, the Corporation has been proactively improving the value equation for our customers, which is the combination of qualities that makes the Manitoba auto insurance system one of the best values in Canada. Insurance rates have remained stable or decreased slightly, across all insurance lines, while coverage remains among the best and broadest in its class.

While our coverage remains among the best in Canada, the global financial climate and the unpredictability of weather patterns is such that cost restraint is imperative. The Corporation will continue to exercise appropriate fiscal restraint to ensure all expenditures are appropriate and necessary.

With respect to service and accessibility, the Corporation sought and received the support of government to maximize the opportunities presented by the merger of the Corporation and DDVL. As a result, a number of significant enhancements have been introduced: Driver Safety Rating, Streamlined Renewal Process, one-piece driver's licence, Enhanced Driver's Licence, basic and Enhanced Identification Cards.

The Corporation has made significant headway in maximizing advantages to motorists, presented by the merger. In the coming years, this work will continue, along with implementation of the following key strategic initiatives:

The Personal Injury Protection Program (PIPP)

PIPP plays an important role in helping the Corporation fulfill its mandate and commitment to Manitobans. Through PIPP, the Corporation is able to ensure that no Manitoban injured in an automobile accident is left without the required resources, that Autopac premiums remain stable, predictable and affordable, and that Manitobans are compensated adequately, fairly and promptly for their economic losses from automobile accidents.

With this in mind, in September 2010, the Corporation launched the Bodily Injury Improvement Initiative (BI³), which significantly expanded our capacity to monitor, understand and strategically plan this dynamic program. This new service delivery model was intended to create numerous benefits for our customers, the Corporation and its business partners, giving the Corporation access to a new level of disability-related information to benchmark our services as we go forward.

Now, more than a year after the launch, the Corporation continues to realize the benefits of the BI³ implementation. As the new service delivery model evolves we will continue to build injury recovery best practices. As well, case managers are now working efficiently in holistic team based structures “pods” and paper-less environment providing greater service to injured Manitobans.

In 2009, PIPP was enhanced significantly by the passing of Bill 36, which defines catastrophic injury and increases benefits to claimants who have been catastrophically injured as a result of vehicle collisions. Extensive communication to affected claimants has taken place to ensure that they receive, and continue to receive in the future, all the benefits to which they’re entitled.

The Office of the Auditor General (OAG) Manitoba released its Annual Report to the Legislature in January 2012. Included in the report was a review of the Corporation’s administration of PIPP. The OAG examined our practices and systems for: ensuring PIPP claimants receive all and only the PIPP benefits they are entitled to; calculating PIPP benefit amounts; managing claimant rehabilitation; and measuring and reporting on PIPP performance. Management has accepted the recommendations in the report and, although many have already been implemented through BI3, we will continue to ensure all are dealt with promptly and appropriately.

Information Technology (IT) Optimization

The Corporation depends on highly integrated quality systems to serve customers and fulfill its legislated mandate. It is imperative that we continue to ensure that the Corporation’s systems infrastructure is operating in the most effective and efficient manner. Applications and supporting infrastructure must be current and well supported. With respect to protecting our ongoing ability to serve customers, we are adopting processes and protocols to ensure “business continuity”, in place of the previous approach of “disaster recovery”. This year, we will work towards improving our capacity in this area.

Envisioning the Future of Service, Physical Damage and Road Safety

Throughout 2011 and into 2012, project teams will continue to work to articulate the vision and prepare the organization to embark on detailed initiatives on the following trio of discrete, yet inextricably linked business elements: Customer Service, Physical Damage Claims Administration, and Road Safety.

Customer Service

While we have made great strides in becoming an organization that is synonymous with service excellence through customer-centric practices, we will continue, along with our service partners, to enhance our service to Manitobans. We recognize that our customers are unique and have varying needs for services and products, and for how and when they access them. This reality will guide our actions to ensure we continue to meet evolving customer needs and expectations. Going forward, we will also work to keep our customers better informed, and find more opportunities to share information with them in a manner that works for them.

Physical Damage Claims Management

For many years, the current physical damage claims management model has been an industry leader in terms of service, efficiency and cost containment. Today, emerging technologies and best practices are creating opportunities to refine and improve this model.

Going forward, we will continue to:

- Ensure safe, high quality repairs. This is becoming more challenging as the complexity of vehicle engineering increases and is resulting in requirements for more specialized methods, tools, materials and expertise.
- Contain claims costs wherever possible, throughout the claims lifecycle.
- Achieve efficiencies with the repair industry. Our historic four year agreement with the ATA/MMDA has set the stage for the collaborative development of process improvements that will ensure a robust and sustainable repair industry.

Road Safety

Manitoba Public Insurance has always had an unwavering commitment to reducing roadway risk in a manner that is supported and expected by Manitobans. Today, as Manitoba's auto insurer and as administrator of *The Drivers and Vehicles Act*, there may be opportunities to leverage this dual role to make a meaningful difference to the road safety effort in Manitoba.

From May to July 2011, Manitobans were invited to share their views on Manitoba Public Insurance's role in the area of road safety, and we received input from about 1,100 Manitobans and stakeholders during the process.

Common themes emerged from the consultations, which are outlined in *Safer Roads: Saving Lives and Preventing Injuries, Results of Public Consultations Report*. For example, Manitobans want us to strengthen our role as a strategic leader in the road safety arena, and to work with partners as the single agency to coordinate the efforts of all key players.

There was also a clear message for Manitoba Public Insurance to act as the central repository to facilitate the sharing of data amongst stakeholders for research and making informed decisions, and to take a much more active role in road safety research.

We also recognized through the consultation process that we must look to the future of our growing province and identify how our programming should change to reflect demographic trends. For instance, the number of immigrants is increasing yearly, and the fastest growing population is First Nations people. Both these demographics have unique cultural and service requirements that we will take into account as we consider their impact on road safety and our programs going forward.

Going forward we will develop a redefined road safety mandate that:

- maximizes opportunities of the 2004 merger with Driver and Vehicle Licensing;
- is appropriate to our legislative mandate and framework;
- can be broadly supported by road safety experts, stakeholders and a large majority of ratepayers; and provides a stronger framework for reducing risk on Manitoba roadways.

Scope of Business

Manitoba Public Insurance protects all Manitobans by insuring them against losses resulting from automobile collisions and crimes, and by ensuring that all Manitoba drivers and vehicles meet provincial safety standards. The Corporation obtains its authority and acts in accordance with:

- *The Manitoba Public Insurance Corporation Act;*
- *The Drivers and Vehicles Act;*
- *The Highway Traffic Act;*
- *The Off Road Vehicles Act;*
- *The Public Review and Accountability Act;* and
- *The Sustainable Development Act.*

Insurance

The primary business of Manitoba Public Insurance is to provide insurance protection to all Manitobans against the costs of human injury and automobile damage resulting from automobile accidents. The Corporation operates three distinct insurance lines:

- The Corporation provides universal guaranteed access to Basic automobile insurance coverage for all private and commercial vehicles registered in Manitoba. Basic coverage features the Personal Injury Protection Plan, which provides injury compensation for all Manitobans injured in vehicle accidents in Canada or the United States.
- The Corporation offers the Extension automobile insurance line of business to allow non-commercial vehicle owners to customize their coverage and further reduce their risk. These products include a wide range of coverage offered to Manitobans in a competitive environment.
- Manitoba Public Insurance offers customized coverage for commercial vehicles in a competitive environment, through its Special Risk Extension line of business.

The Corporation maintains minimum standards against which the quality and cost of repair, as well as health and rehabilitation services, are measured to ensure Manitobans receive superior value for their insurance dollars.

Registration, Licensing and Safety

Manitoba Public Insurance operates a full spectrum of registration, licensing and educational services aimed at keeping our roads safe:

- On behalf of the Province of Manitoba, the Corporation evaluates driver qualifications, examines vehicles for compliance with safety standards, monitors driver behaviour and maintains driver records to identify and take corrective measures for drivers who pose a greater risk to themselves and other road users.
- The Corporation aims to prevent accidents through a lifelong learning strategy that educates drivers, enhances their driving skills and increases general awareness of risky driving behaviour.

Social and Economic Contribution

Through the Department of Finance, Manitoba Public Insurance invests in communities throughout Manitoba to the extent investment opportunities of acceptable risk and returns are available. The Corporation also contributes to community and economic development through its local purchasing power and as a major Manitoba employer.

Manitoba Public Insurance has also taken a proactive role in identifying, and investing in, lasting solutions to community safety issues related to vehicles. As a major partner in our communities, the Corporation also supports local charities and non-profit organizations to enhance the quality of life for Manitobans. It is with an eye to future generations and the health of our communities and province, that Manitoba Public Insurance ensures its business and purchasing practices as well as its operations are in keeping with the principles of sustainable development.

B. Corporate Values

Our Corporate Values govern the way in which we conduct ourselves. In essence they represent the behaviours that we expect all our people to exhibit as they conduct the work of the Corporation.

At Manitoba Public Insurance we value...

Our Customers

Our customers' interests are at the heart of everything we do. We balance the individual customer's needs with the needs of Manitobans as a whole. We base our relationships on respect, fairness, honesty and integrity. We safeguard the confidentiality of information and personal privacy. We are committed to the highest ethical standards and excellence in service.

Our People

Our people are given the skills, tools and encouragement they need to succeed. We provide a respectful, inclusive and safe environment where our staff is well trained, confident and committed to the Corporate Mission. We provide our people with clear and consistent direction. Our people have the authority they need to do their jobs, providing a sense of achievement from their work, and the opportunity for career growth and advancement. We encourage and support our people to make a positive contribution, both inside and outside the workplace.

Working Together

We work co-operatively with each other and with our business associates, sharing expertise, ideas and resources. Each of us, in our daily work, creates a team environment, drawing on one another to do the best job possible. Our communication with one another is respectful, appropriate and helpful.

Financial Responsibility

Manitoba Public Insurance holds the funds of its policyholders in trust to meet their needs into the future. We operate in a fiscally responsible and cost-effective manner, using investment income to reduce rates and provide long-term benefits to Manitobans.

Excellence and Improvement

We constantly improve our products, services and procedures. As our customers' needs and the business environment continue to change, so must we. We value initiative, creativity and a strong desire for personal, team and corporate success in everything we do. We recognize and reward excellence and improvement in our work.

Our Corporate Citizenship

We lead by example, conducting our affairs responsibly and professionally. We contribute to the social and economic well-being of our communities as well as the sustainable development of Manitoba now and into the future.

C. Corporate Mission

Working with Manitobans to reduce risk on the road.

D. Corporate Vision

Manitoba Public Insurance will be a leader in automobile insurance and driver services, providing Manitobans with guaranteed access to superior products, coverage and value. We will anticipate and meet the evolving needs of Manitobans. We are dedicated to offering province-wide accessibility and, in co-operation with our business partners, will perform at the highest attainable levels of economy, efficiency and effectiveness.

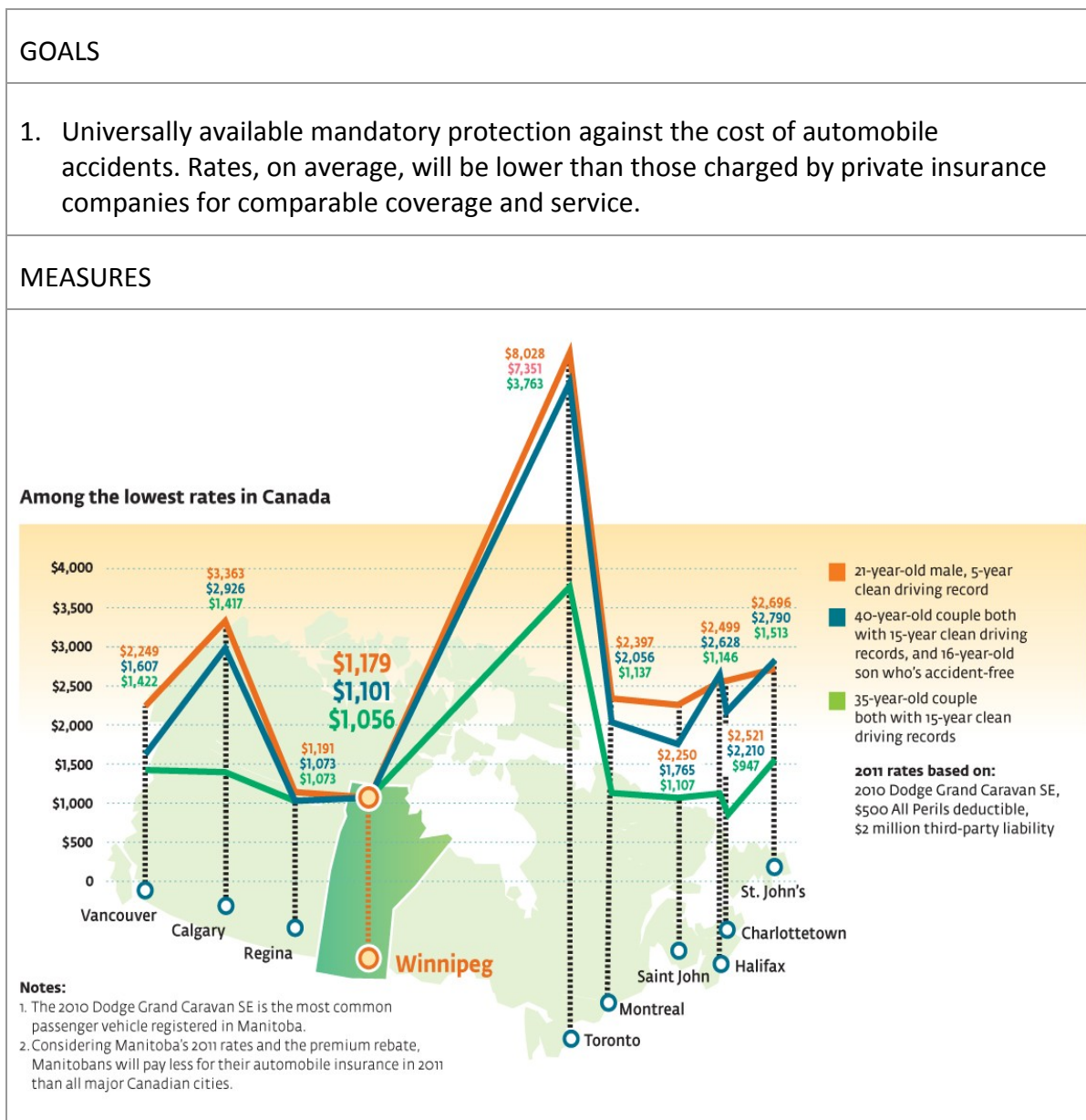
Manitoba Public Insurance will make our roadways and communities safer by enforcing standards for drivers and vehicles, by raising awareness of the inherent risk of driving and by investing in lasting solutions. We will develop educational programs and controls that help and encourage Manitobans to acquire the skills to avoid collisions.

Our people will deliver knowledgeable service with care, efficiency and justifiable pride, and will be appropriately recognized for their contributions in helping the Corporation achieve its goals. Manitoba Public Insurance will be one of the best and most inclusive places in the province to work and pursue a career, where people will deliver knowledgeable and caring services in new and innovative ways.

We will ensure Manitobans understand and support the unique contribution Manitoba Public Insurance makes to the province of Manitoba.

E. Corporate Goals, Measures and Strategies


Manitoba Public Insurance strives to achieve seven broad Corporate Goals. Expected outcomes are measured and five-year key strategies have been developed to reflect and address the current realities of the Corporation's marketplace and public environment, and to meet various stakeholder expectations and obligations. Several of the strategies, while presented in support of a particular Corporate Goal, also support other Corporate Goals. Manitoba Public Insurance's Corporate Goals, Measures* and Strategies are as follows:




* The measures are current as at November 30, 2011.

STRATEGIES

- 1.1 Basic automobile insurance – to ensure that the basic, compulsory program meets the needs of Manitoba motorists for affordable, accessible and comprehensive coverage.
- 1.2 To keep all controllable costs at their lowest possible level through loss prevention strategies.
- 1.3 To improve the efficiency and convenience of Manitoba Public Insurance's distribution and service network by reducing or eliminating low value transactions.
- 1.4 To the maximum extent possible, leverage synergies offered by strategic partners that are mutually beneficial, improve customer service and reduce costs.
- 1.5 To increase the percentage of revenue derived from investment income while remaining within acceptable investment risk profiles.
- 1.6 To create and maintain an information technology environment that is efficient, adaptable, expandable and current to capitalize on opportunities. We will use economies of scale, new technology and existing capabilities to improve customer service and control costs.
- 1.7 We will develop systems that leverage technologies and processes across divisions providing the greatest corporate benefit possible.
- 1.8 To maintain Basic Insurance Rate Stabilization Reserve to protect vehicle owners from rate increases caused by unexpected events and losses resulting from non-recurring events or factors.

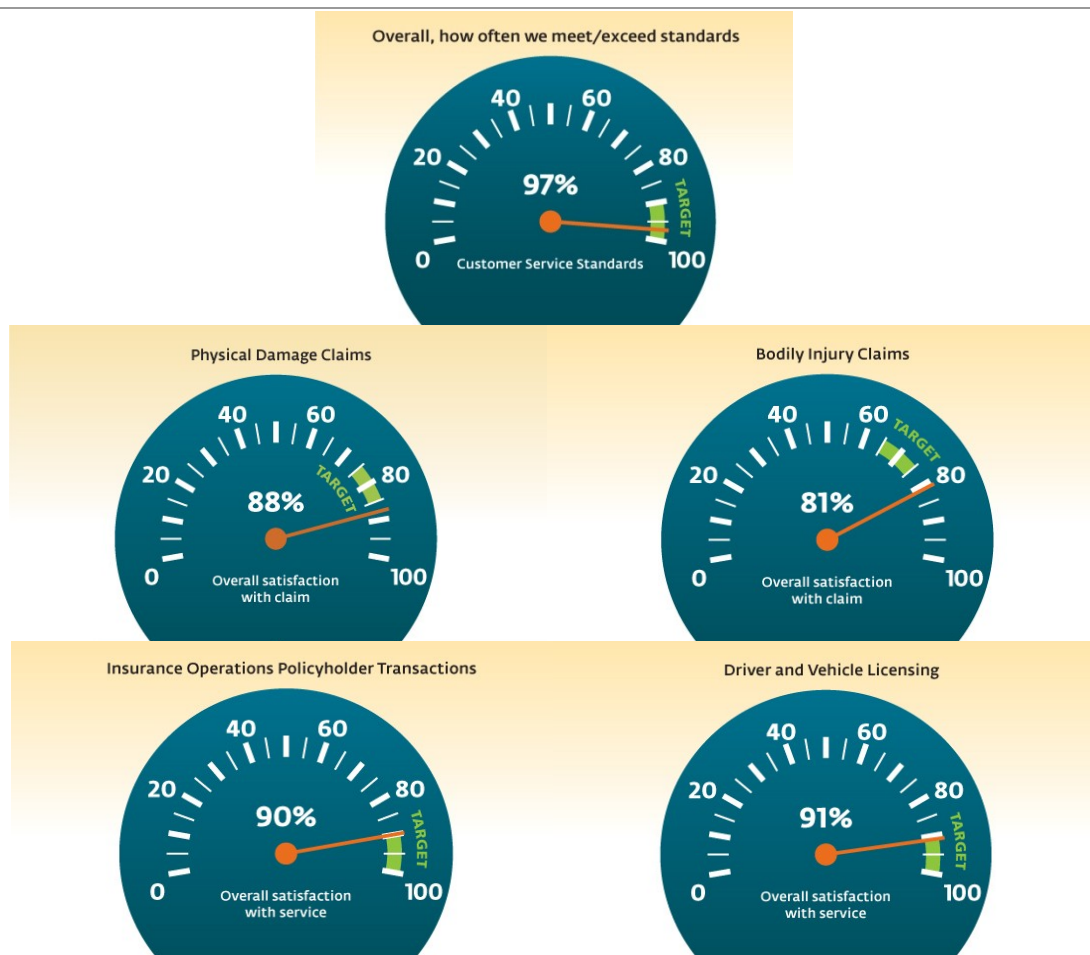
GOALS	MEASURES
<p>2. The Basic plan will return at least 85 per cent of premium revenue to Manitobans in the form of claims benefits.</p>	<p>Premium returned for each dollar earned</p>  <p>Per cent of every premium dollar</p>
<p>STRATEGIES</p> <p>2.1 To maintain operating costs at a maximum of 50 per cent of industry average.</p> <p>2.2 To break even over the long term on Basic automobile insurance.</p> <p>2.3 To use investment income to reduce the average premium paid by Manitobans.</p>	

GOALS	MEASURES
<p>3. Manitoba Public Insurance will be a leader in automobile insurance and vehicle and driver licensing, providing Manitobans with superior products, coverage and service. The Corporation will utilize technology to provide products and services that will enhance the value it delivers to Manitobans.</p>	 <p>The image shows a circular gauge titled 'Corporate Performance Index'. The gauge has a scale from 1.0 to 5.0 with major tick marks at 1.0, 2.0, 3.0, 4.0, and 5.0. A green arc highlights the 'TARGET' range from 3.0 to 4.0. An orange needle points to a value of 3.7, which is labeled as the 'Overall index score'.</p>
<p>STRATEGIES</p> <p>3.1 To ensure Manitobans receive understandable information on Manitoba Public Insurance products, entitlements, services and service standards. The Corporation will adopt a strategy that ensures information reaches the appropriate target groups at appropriate times.</p> <p>3.2 Autopac Extension – to be profitable by providing products and services that continue to recognize the changing needs of our customers and continue to successfully achieve high levels of customer satisfaction through strategic pricing, accessibility and convenience. To mitigate risk through appropriate product design and automated underwriting techniques.</p> <p>3.3 Special Risk Extension – to be profitable by responding to the variable and specialized needs of our commercial customers and providing personalized auto related insurance products that cannot be met by the universal, compulsory program or by the automobile extension program. To partner with customers in pursuing fleet safety and loss prevention initiatives. To provide Manitobans with a stable market choice that promotes long-term partnerships.</p> <p>3.4 To leverage the new service delivery model to meet customer expectations, increasing accessibility and convenience.</p> <p>3.5 To expand the value that the Corporation provides Manitobans by capitalizing on the effectiveness of its technology and distribution channels to develop innovative solutions that benefit its customers in a cost effective manner.</p> <p>3.6 To improve the service relationship between drivers and vehicle owners and the Corporation by modernizing business processes and ensuring all aspects of driver risk rating are consistent, clear and fair.</p>	

GOALS

4. Manitoba Public Insurance will provide service that is responsive, fair, courteous and convenient. Manitoba Public Insurance will meet corporate customer service standards that are based on customer expectations.

MEASURES



STRATEGIES

- 4.1 To enhance a customer-centric service philosophy.
- 4.2 To create, publish and comply with comprehensive customer service standards for ourselves, brokers, business associates and service providers who are in contact with our customers.
- 4.3 To promptly address and respond to legitimate concerns expressed by our customers. To provide internal and external appeal mechanisms.

GOALS

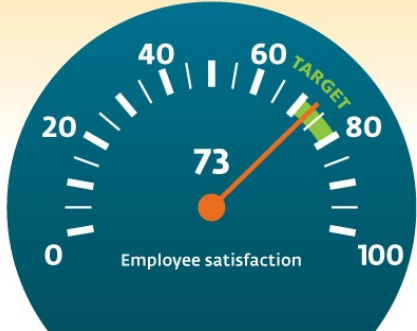
5. Retained Earnings and Rate Stabilization Reserve will be maintained within established target levels.


MEASURES



STRATEGIES

- 5.1 To maintain financial stability by setting appropriate premium rates, strengthening investment income and maintaining retained earnings and Rate Stabilization Reserve within established target levels.
- 5.2 To continuously identify and assess the likelihood and magnitude of potential risks and act explicitly to avoid and mitigate such risks.
- 5.3 To develop business strategies to ensure competitive lines of business are profitable and contribute to the benefit of all Manitobans.
- 5.4 To assess corporate financial risk in keeping with industry standards and establish appropriate retained earnings and Rate Stabilization Reserve target levels for each line of business.

GOALS	MEASURES
<p>6. Manitoba Public Insurance will offer an environment and career opportunities that will encourage employees to strive for excellence. Our people will be treated with respect and fairness and their contributions will be recognized.</p>	<p>Level of employee satisfaction</p> 
<p>STRATEGIES</p> <p>6.1 To foster a culture that attracts and retains a diverse workforce throughout the Corporation. To remove systemic barriers that might impede our progress toward these goals.</p> <p>6.2 To continue to respond to the issues raised by our employees. Particular emphasis will be given to providing clear direction and fostering a management style that reflects our values and supports employee commitment to the organization.</p> <p>6.3 To use change management strategies that ensure communication, education and employee training support and facilitate business change.</p> <p>6.4 To ensure employees are provided with effective, informative and timely two-way communication.</p>	

GOALS	MEASURES
<p>7. Manitoba Public Insurance will lead driver and vehicle safety initiatives that reduce risk and protect Manitobans, their streets and their neighbourhoods. Manitobans will recognize the Corporation is living its mission.</p>	<p>Public support for road safety</p> 
<p>STRATEGIES</p> <p>7.1 To develop an evidence-based road safety strategy with an aim to reduce automobile accidents, using a multi-faceted approach.</p> <p>7.2 To ensure Manitobans meet and continue to maintain established standards of knowledge, skill and behaviour to gain access to Manitoba roads.</p> <p>7.3 To ensure vehicles and vehicle repairs meet provincial standards of mechanical soundness.</p> <p>7.4 To develop strategies and initiatives that support continuous vehicle and driver performance monitoring to ensure Manitoba roads remain safe for everyone.</p> <p>7.5 To continue to provide a clear and understandable driver safety rating program which rewards safe drivers and motivates higher-risk drivers to improve their driving behaviour, through insurance rates that reflect the risk they represent on the road.</p> <p>7.6 To partner with community groups across Manitoba supporting community-based initiatives that increase road safety awareness and education opportunities.</p>	

