FUTURE SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of the Effective Date,

BETWEEN

THE MANITOBA PUBLIC INSURANCE CORPORATION ("MPI"),

OF THE FIRST PART,

- and -

INSURANCE BROKERS ASSOCIATION OF MANITOBA ("IBAM"),

OF THE SECOND PART.

Preamble

A. WHEREAS on July 24, 2019, the Minister issued a Directive under *The Crown Governance Act* which instructed MPI to engage in Conciliation with IBAM *"to reach an agreement regarding the future service delivery strategies and the modernization of service delivery options"* to MPI Customers;

B. AND WHEREAS the principles that were to be applied to the Conciliation included, *inter alia*:

   a. MPI Customers *"expect and must be able to access an online distribution and payment channel"* for their automotive insurance needs; and

   b. Government is *"committed to supporting the stability and health of small businesses"* in the Province;

C. AND WHEREAS the Parties engaged in the Conciliation from December 2019 to November 2020;

D. AND WHEREAS, as confirmed in the *Guiding Principles* attached as Appendix "A", the Parties are committed to working together as partners for the continued benefit of MPI Customers and to attain MPI's Mission Statement;

E. AND WHEREAS the Parties agree that working together entails demonstrating mutual respect, good faith cooperation, and understanding each other's needs and requirements in dealing with their mutual MPI Customers;

F. AND WHEREAS the Parties agree that MPI, IBAM, Brokers and MPI Customers have all benefitted from the long-standing business relationship and partnership between the Parties;

G. AND WHEREAS the Parties recognize and acknowledge that, *inter alia*:

   a. MPI has benefited from a reliable, professional service network of Brokers to reach its MPI Customers and to provide MPI Customers with MPI Products and expert services and professional advice on MPI Products, all of which is in furtherance of MPI's Mission Statement;

   b. Brokers have benefited from a stable, predictable source of revenue, ongoing access to a ready and local MPI Customer base, as well as MPI Products-based knowledge and technology support;

   c. MPI Customers have benefited from accessibility to comprehensive insurance coverage, professional and knowledgeable advice from Brokers that informs and protects MPI Customers, and efficient provisioning of the MPI Products and services they want and require for their driver's licence and vehicle insurance needs;

   d. All stakeholders have benefitted from the low cost and high efficiency of the Service Delivery Model, the highly accessible nature of private Brokers, and high levels of MPI Customer satisfaction; and

   e. The Parties must continually look to improve upon the delivery of MPI Products under the Service Delivery Model so that the interests of MPI Customers are protected;

H. AND WHEREAS, with the assistance of Conciliation, the Parties have reached this Agreement regarding the modernization of the Service Delivery Model and the Brokers' role following the modernization of the Service Delivery Model, and their compensation for same;

I. AND WHEREAS MPI anticipates being able to provide MPI Customers with the ability to perform new Online Transactions as part of the modernization of the Service Delivery Model commencing in or about April 2023, which is the estimated launch date for Project Nova;

J. AND WHEREAS the Commissions MPI pays to Brokers for the sale of MPI Products are specified in the *Agent Commissions Regulation*;

K. AND WHEREAS the Commissions set out in this Agreement are subject to approval of the Government;

L. AND WHEREAS this Agreement is subject to approval of the IBAM membership by way of a Ratification Vote.

THE PARTIES have therefore agreed as follows:

ARTICLE 1
RECITATIONS & DEFINITIONS

1.1 The following terms, where capitalized in this Agreement, have the following defined meanings ascribed to them:

a. ***"Agent Commissions Regulation"*** mean the *Agent Commissions Regulation,* Man Reg 93/2009, as may be amended from time to time;

b. **"Agreement"** means this Agreement, its *Appendices*, and any amendments thereto;

c. ***"Arbitration Act"*** means *The Arbitration Act,* C.C.S.M. c. A120, as amended from time to time;

d. **"Broker"** means a person who is licensed to sell insurance, including the MPI Products, to MPI Customers;

e. **"Brokerage"** means the entity or entities that employ Brokers;

f. **"Broker of Record"** means a Broker or Brokerage designated to represent and manage a MPI Customer's insurance policies;

g. **"Business Day"** means a day other than a Saturday, Sunday or public holiday in Canada, and when banks in the City of Winnipeg, Manitoba are open for business;

h. "**Commissions**" means the commissions paid to Brokers pursuant to the *Agent Commissions Regulation*;

i. ***"Crown Governance Act"*** means *The Crown Corporations Governance and Accountability Act*, C.C.S.M. c. C336, as may be amended from time to time;

j. **"Effective Date"** means April 1, 2021;

k. **"Expiry Date"** means 11:59 p.m. on March 31, 2026;

l. "***FIPPA***" means *The Freedom of Information and Protection of Privacy Act*, C.C.S.M. c.F175;

m. **"Flat Fee Services"** means those services for which a flat-fee commission is paid pursuant to the *Agent Commissions Regulation*;

n. **"Government"** means the Government of the Province of Manitoba;

o. **"Implementation Date"** means the date on which Online Service Delivery becomes live;

p. **"In-Person Transactions"** means those transactions specified in the *Agent Commissions Regulation* that are performed by a Broker or MPI for the MPI Customer;

q. **"MPI Customers"** means those individuals, corporations or entities that purchase MPI Products;

r. **"MPI Products"** means the products and services that are the subject matter of transactions specified in the *Agent Commissions Regulation*;

s. **"MPI Website"** means the URL at *www.mpi.mb.ca* and/or any other URL that MPI will create for the purposes of offering MPI Products for sale;

t. **"MPI's Mission Statement"** is *"Exceptional coverage and service, affordable rates, and safe roads through public auto insurance"*;

u. **"Online Service Delivery"** means the online distribution and payment channel for MPI Customers to purchase MPI Products, which are not already available online, via the MPI Website;

v. **"Online Transactions"** means those transactions specified in the *Agent Commissions Regulation* that are performed by MPI Customers. It is understood that Brokers will continue to be available to MPI Customers and will assist some MPI Customers with online transactions over the term of this Agreement;

w. **"Party"** means one of MPI or IBAM, whereas **"Parties"** means both MPI and IBAM;

x. **"Project Nova"** means the ongoing modernization of the Service Delivery Model to address several key areas, including: technology risk, information security, customer self-service, future business delivery, cost savings and efficiency;

y. **"Ratification Vote"** means a vote to be held by IBAM to determine whether those members eligible to vote will accept this Agreement;

z. **"Service Centres"** means the offices owned and operated by MPI that offer MPI Products and other services to MPI Customers;

aa. **"Service Delivery Model"** means the distribution model for MPI Products, and will include Online Service Delivery when same is implemented; and

bb. **"Term"** means the Effective Date to the Expiry Date.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.0 The Parties each represent and warrant that:

a. The execution and delivery of this Agreement and performance of their respective obligations under this Agreement are:

i. within their corporate power;
ii. subject to the Ratification Vote, have been duly authorized by all necessary corporate action;
iii. do not contravene any law or contractual provision binding on them; and
iv. subject to approval of Government and the Ratification Vote, do not require any consent or approval of any person or authority except such consents and approvals as have been obtained and are in full force and effect; and

b. This Agreement constitutes their legal, valid and binding obligations and is enforceable in accordance with its terms.

ARTICLE 3
PRINCIPLES OF MODERNIZATION FOR THE DELIVERY OF SERVICES

3.0 MPI agrees that Brokers will be the online/digital distribution channel for MPI insurance transactions through the Term of this Agreement.

3.1 The Parties agree to modernize the Service Delivery Model for the purposes of enhancing and improving upon services to benefit MPI Customers in the following manner:

3.1.1 Upon and after the Implementation Date, MPI Customers will be able to go online via the MPI Website;

3.1.2 Once the MPI Customer is logged into their account, the existing Broker of Record will display with a *"Change Broker"* button available;

3.1.3 If the MPI Customer selects the *"Change Broker"* button, the Broker of Record will be presented, along with four (4) to five (5) geo-located Brokers

nearest to the MPI Customer's postal code, followed by an option titled *"Other Options"*;

3.1.4 If *"Other Options"* is selected, the MPI Website will present all remaining Brokerage brands in the Province, and an option titled *"No Specific Broker"*; and

3.1.5 If *"No Specific Broker"* is selected, another menu will be presented to the MPI Customer with geo-located Brokers near the MPI Customer. The MPI Website will also contain an explanation that a Broker of Record is required for an online renewal. MPI Customers will choose a Broker on this menu to proceed with the renewal.

3.2 The Parties agree that the five (5) year renewal model in place at the time of the execution of this Agreement will be replaced by an annual renewal system once regulations and/or Project Nova make this possible. It is expected that this will occur during the Term.

3.3 The Parties agree to establish an ongoing process to manage operational issues and facilitate respectful two (2) way communication by way of various means. The Parties agree to meeting at least three (3) times per year for the management of operational issues.

3.4 With a view to consumer protection and service, the Parties will collaborate to identify which Flat Fee Services should be sold in person, which Flat Fee Services should be sold online, and which Flat Fee Services should be distributed jointly by both Brokers and MPI.

3.5 The Parties agree to create a Broker Nova Committee, whereby Brokers will have the opportunity to provide input into the design and development of Project Nova and the journey of MPI Customers navigating through the MPI Website.

3.5.1 Although MPI will consult with the Broker Nova Committee, MPI will have the final authority with respect to the design, development and implementation of Project Nova, subject to what is specified herein.

3.5.2 The Parties agree that the MPI and the Broker Nova Committee will meet when and as required to address the timelines and requirements of Project Nova, recognizing that time will be of the essence for success of the project. MPI will provide the Broker Nova Committee with as much notice as is possible of required meetings or input.

3.6 Upon and after the Implementation Date, all new registration transactions referred to in the *Agent Commissions Regulation* will only be sold in-person at a Brokerage or Service Centre and will not be sold as an Online Transactions.

3.7 Upon and after the Implementation Date, renewal/reassessment notices from MPI to MPI Customers will identify the Broker of Record for that MPI Customer. In addition:

3.7.1 MPI and IBAM will work in partnership to create renewal communications with regard to the adoption of Online Service Delivery; and

3.7.2 Upon the Implementation Date, MPI will develop monthly reporting for Brokers, which will provide advance notice for renewals (i.e. expiry lists). This procedure will ensure the continuance of coverage for MPI Customers and will enable Brokers to advise and service these MPI Customers.

3.8 Before, upon and after the Implementation Date, Brokerages and the Service Centres will continue the *status quo* in-person operations and distribution of MPI Products. MPI will continue its practice of not actively promoting the sale of MPI Products through its Service Centres.

3.9 MPI recognizes there may be opportunities to expand the compensable services provided by Brokers and is prepared to consider new services, including suggestions from the Broker community, if doing so can enhance service to MPI Customers, create efficiencies and/or reduce costs.

ARTICLE 4
BROKER COMPENSATION

4.0 The Parties agree that the compensation for Brokers, as set out in this Agreement, was negotiated and settled upon between the Parties during the Conciliation.

4.1 MPI will request the Government to amend the commission periods in the *Agent Commissions Regulation* as follows:

4.1.1 the period beginning on April 1, 2021 and ending of March 31, 2022;
4.1.2 the period beginning on April 1, 2022 and ending of March 31, 2023;
4.1.3 the period beginning on April 1, 2023 and ending of March 31, 2024;
4.1.4 the period beginning on April 1, 2024 and ending of March 31, 2025; and
4.1.5 the period beginning on April 1, 2025 and ending of March 31, 2026.

4.2 MPI will request the Government to amend the Schedule in the *Agent Commissions Regulation* to reflect the agreed-upon regulated rates set out in this Article. The Parties agree that the "*Effective*" rates and regulated rates are as follows:

Commission %	April 1, 2021 to March 31, 2022	April 1, 2022 to March 31, 2023	April 1, 2023 to March 31, 2024	April 1, 2024 to March 31, 2025	April 1, 2025 to March 31, 2026
Basic - Effective Rate In-Person Transactions	3.75%	3.75%	4.30%	4.50%	4.50%
Basic - Effective Rate Online Transactions	3.75%	3.75%	2.40%	2.40%	2.40%
In Regulation					
Basic - In-Person Transactions	3.49%	3.49%	4.01%	4.19%	4.19%
Basic - Online Transactions	3.49%	3.49%	2.25%	2.25%	2.25%
Extension - Effective Rate In-Person Transactions	17.50%	17.50%	17.50%	17.25%	17.00%
Extension - Effective Rate Online Transactions	17.50%	17.50%	10.40%	10.40%	10.40%
In Regulation					
Extension - In-Person Transactions	16.08%	16.08%	16.08%	15.85%	15.62%
Extension - Online Transactions	16.08%	16.08%	9.60%	9.60%	9.60%

4.3 The Parties agree that there will be no amendments to the expressed dollar amount or the annual adjustment formula for flat-fee commissions outlined in the *Agent Commissions Regulation.*

4.4 MPI will not apply to the Public Utilities Board for differential premiums for In-Person Transactions and Online transactions for the commission periods listed in Article 4.1 of this Agreement.

4.5 The Parties acknowledge that, due to policy cancellations, the actual commissions received by a Broker over the course of a year may differ from the commission percentages specified in the *Agent Commissions Regulation.* The table in Article 4.2 refers to these differing commission rates as *"Effective"*. It is the intention of the Parties that Commissions received by a Broker over the course of a year is approximately equal to the percentage referred to in the said table as the "*Effective*" rate.

4.5.1 The Parties will monitor the actual overall Commissions paid to Brokers as compared to the negotiated "*Effective*" rate to determine if the difference between the two for any given year, if any, is within an acceptable threshold. If not, either Party can seek a review of the difference and work together in good faith to potentially alter the regulated rates as required to target those "*Effective*" rates agreed to herein. If either Party is not satisfied with the redress solution, that Party may proceed through the Dispute Resolution mechanism set out in Article 7 herein, within sixty (60) days of the redress solution.

4.6 If Project Nova enables MPI to reconcile Commissions paid to reflect policies cancelled or otherwise amended during the Term, the Parties agree to meet to negotiate in good faith regarding how such capabilities may be used to amend this Agreement.

ARTICLE 5
CONFIDENTIAL INFORMATION

5.0 The Parties acknowledge that, during the term of this Agreement, each Party may provide the other with information, including: MPI Customer information, data, ideas, materials, procedures, schedules, software, technical processes and formulas, product designs, sales, costs and other unpublished financial information, MPI Products and business plans, marketing data or other relevant information that is marked *"confidential"* (or similarly) or, if not so marked, is clearly intended to be confidential (collectively, the **"Confidential Information"**).

5.1 Each Party will protect all Confidential Information of the other with at least the same degree of care it uses to protect its own confidential information, but not less than a reasonable degree of care, to ensure that the highest standards will be followed in protecting Confidential Information.

5.2 Neither Party may use, disclose, provide, or permit any person to obtain any Confidential Information in any form, except for employees, agents, or independent contractors whose access is required to carry out the purposes of this Agreement and who have agreed to be subject to the same restrictions as set forth in this Agreement.

5.3 The confidentiality obligations of this Article 5 do not apply to any information received by a Party that:

5.3.1 is generally available to or previously known to the public;

5.3.2 can be reasonably demonstrated was known to a Party prior to the negotiations leading to this Agreement;

5.3.3 is independently developed by a Party outside the scope of this Agreement without use of or reference to the other Party's Confidential Information; or

5.3.4 is lawfully disclosed pursuant to an Order from a Court or tribunal of competent jurisdiction, provided that the Party subject to the Order will promptly notify the Party whose Confidential Information is to be disclosed, so that the Party may seek a protective or similar Order to maintain the confidential nature of the Confidential Information.

5.4 For greater clarity, the Parties agree that:

5.4.1 The confidentiality provisions of the Conciliation will remain in place and that the *"without prejudice"* discussions, submissions and representations submitted and/or made during the Conciliation are subject to this Article 5;

5.4.2 Nothing in this Agreement limits or restricts the Parties' legal obligations to comply with all applicable legislation including, but not limited to, *FIPPA*; and

5.4.3 Although their intent is for the Confidential Information to remain confidential, the Parties must comply with the disclosure obligations under *FIPPA* and/or allow for the Parties to object to such disclosure under *FIPPA*.

5.5 The Parties agree that any obligations arising from this Article 5 are to survive the termination of this Agreement.

ARTICLE 6
GOOD FAITH NEGOTIATIONS

6.0 The Parties agree that, although this Agreement is set to expire on the Expiry Date, the intent is to renew or renegotiate this Agreement prior to the Expiry Date.

6.1 The Parties recognize the importance of regularly reviewing the process of collaboration and agree that they both are ultimately accountable for its success. For this reason, this Agreement will be reviewed jointly by the Parties by the earlier of one (1) year after the Implementation Date or sixteen (16) months prior to the Expiry Date, and may be renewed, extended, and / or amended accordingly.

ARTICLE 7
DISPUTES & LIMITED ARBITRATION UNDER THIS AGREEMENT

7.0 The Parties agree to collaboratively work together for the purposes of carrying out the intent of this Agreement. However, in the event that there is a disagreement pursuant to Article 4.5 / 4.5.1 herein (a "**Dispute**"), the Parties shall attempt to resolve the Dispute in good faith, promptly, and in an amicable manner, by way of the following process:

7.1.1 If, within sixty (60) days of the implementation of a redress solution as described in Article 4.5.1 herein, either Party determines that it is not satisfied with the redress solution, that Party may provide written notice of the Dispute and the Parties agree to convene in good faith to attempt to resolve the Dispute amicably among them.

7.1.2 If the Parties are unable to resolve the Dispute within thirty (30) days of the provision of the notice, then upon request by a Party, the Dispute may be referred to arbitration as outlined in the subsections below:

7.1.2.1 The Parties shall collectively appoint a single arbitrator selected from a list of arbitrators agreed to by the Parties, within fifteen (15) days to arbitrate the matter in dispute and the decision of the said arbitrator shall be binding and final on the Parties. Any arbitration shall be adjudicated by a single

neutral arbitrator in accordance with the rules of *The Arbitration Act.* The seat, or legal place of arbitration, shall be the City of Winnipeg, Manitoba;

7.1.2.2 If the Parties are unable to agree upon one (1) arbitrator within fifteen (15) days, MPI shall appoint one (1) arbitrator within fifteen (15) days, and IBAM shall appoint one (1) arbitrator within fifteen (15) days, and each arbitrator so selected shall jointly elect a third arbitrator within fifteen (15) days and they all shall hear the matter in Dispute and deliver a decision, which decision shall be binding upon the Parties;

7.1.2.3 If written notice of arbitration is given by a Party to the other Party, naming an arbitrator, and the receiving Party fails to name its arbitrator within fifteen (15) days of notice, the arbitrator first named shall be empowered to hear the Dispute and deliver a decision which decision shall be final and binding on the Parties; and

7.1.2.4 The Parties agree to share equally in the costs associated with arbitration in the absence of any decision on costs by the arbitrator(s). The decision or award of the arbitrator shall be binding upon the Parties. The arbitrator shall have the authority to award any types of legal or equitable relief available in a court of competent jurisdiction, including, but not limited to, the costs of arbitration and legal fees, to the extent such damages are available under law. Any arbitral award may be entered as a judgment or order in any court of competent jurisdiction.

7.2 The Parties understand that by signing this Agreement they are waiving the right to commence any court action with respect to a Dispute vis-à-vis Article 4.5 / 4.5.1 in lieu of arbitration. With respect to any disagreements which may arise under this Agreement, other than Disputes, the Parties reserve their rights to exercise any remedy available to them allowed by law or equity.

7.3 So as to avoid any uncertainty, the Parties agree that it is in their mutual best interests and in the interests of their mutual MPI Customers to avoid conflict and that they will use their best efforts to avoid Disputes and disagreements under this Agreement, or otherwise.

ARTICLE 8
GENERAL PROVISIONS

8.0 **Severance.** Each section and paragraph of this Agreement shall be considered severable, and if for any reason any section or paragraph herein is determined to be invalid under current or future law, such invalidity shall not impair the operation of or otherwise affect the valid portions of this Agreement.

8.1 **Independent Legal Advice.** Each of the Parties acknowledges, represents and declares that, in executing this Agreement, each Party has relied solely upon such Party's own judgment, belief and knowledge, and the advice and recommendation of such Party's own independently

selected counsel, concerning the nature, extent and duration of their rights and claims, and that neither has been influenced to any extent whatsoever in executing the same by any representations or statements made by any other Party or by a representative of another Party. Each Party acknowledges, represents and declares that such Party has carefully read this Agreement, knows the contents and executes the same voluntarily and without duress or pressure. Each of the Parties and their respective counsel have reviewed this Agreement, and the rule of construction to the effect that any ambiguities in an agreement are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

8.2 **Notice**. Any notice, consent, approval, request, demand, declaration or other communication required hereunder shall be in writing to be effective and shall be given and shall be deemed to have been given if delivered in person with receipt acknowledged, emailed or telecopied and electronically confirmed, deposited into the custody of a nationally recognized overnight courier for next day delivery, or placed in the federal mail, postage prepaid, certified or registered mail, return receipt requested, in each case addressed as follows:

If to MPI:
Mr. Curtis Wennberg, Chief Operating Officer
Manitoba Public Insurance Corporation
702-234 Donald Street
Winnipeg, Manitoba R3C 4A4
Email: *CWennberg@mpi.mb.ca*

And with a copy to:
Mr. Mike Triggs, General Counsel & Corporate Secretary
Manitoba Public Insurance Corporation
702-234 Donald Street
Winnipeg, Manitoba R3C 4A4
Email: *MTriggs@mpi.mb.ca*

If to IBAM:
Mr. Grant Wainikka
c/o Insurance Brokers Association of Manitoba
1445 Portage Ave #600
Winnipeg, Manitoba R3G 3P4
Email: *grant@ibam.mb.ca*

And with a copy to:
Mr. Curtis Unfried and Ms. Jennifer Sokal, Legal Counsel for IBAM
c/o MLT Aikins LLP; 30th Floor – 360 Main Street; Winnipeg, Manitoba R3C 4G1
Email: *cunfried@mltaikins.com / jsokal@mltaikins.com*
Fax: (204) 957-4223 / (204) 957-0840

or at such other address as may be substituted by giving the other Party not fewer than five (5) Business Days' advance written notice of such change of address in accordance with the provisions hereof. The giving of any notice required hereunder may be waived in writing by the Party entitled to receive such notice. Every notice, demand, request, consent, approval, declaration or other communication hereunder shall be deemed to have been duly served, delivered and received on the date on which personally delivered with receipt acknowledged

or telecopied or telexed and electronically confirmed, or forty-eight (48) hours after being deposited into the custody of a nationally recognized overnight courier for next day delivery, or five (5) Business Days after the same shall have been placed in the federal mail as aforesaid. Failure or delay in delivering copies of any consent, notice, demand, request, approval, declaration or other communication to the persons designated above to receive copies shall in no way adversely affect the effectiveness of such notice, demand, request, consent, approval, declaration or other communication.

8.3 **Amendments.** Any amendment to this Agreement must be in writing and must be executed by the Parties.

8.4 **Waiver.** A term or condition of this Agreement can be waived or modified by the written consent of both parties. Forbearance or indulgence by either Party in any regard does not constitute a waiver of the term or condition to be performed, and either party may invoke any remedy under the Agreement or by law despite the forbearance or indulgence.

8.5 **Assignment.** Neither Party shall assign or transfer this Agreement or any of its rights or obligations under this Agreement without first obtaining written permission from the other Party. This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of the Parties.

8.6 **Jurisdiction.** This Agreement shall be interpreted, performed and enforced in accordance with the laws of Manitoba and the laws of Canada applicable therein. The Parties hereby irrevocably and unconditionally attorn to the exclusion jurisdiction of the courts of the Province of Manitoba and all courts competent to hear appeals therefrom.

8.7 **Further Assurances.** Each Party agrees to perform any further acts and execute and deliver any documents that may be reasonably necessary to carry out the provisions of this Agreement.

8.8 **Entire Agreement.** This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces all prior agreements with respect thereto.

8.9 **Counterparts.** This Agreement may be executed in any number of counterparts and with electronic signature, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

[SIGNATURE PAGE TO FOLLOW]

This Agreement has been executed on behalf of the Parties by their duly authorized representatives on the dates noted below.

MANITOBA PUBLIC INSURANCE CORPORATION

Per: _____ ** November 17, 2020
Name: CURTIS WENNBERG
Title: CHIEF OPERATING OFFICER
*** I have authority to bind MPI.*

Curtis Wennberg
Vice President
Customer Service & COO

MANITOBA PUBLIC INSURANCE CORPORATION

Per: _____ ** November 26, 2020
Name:
Title:
*** I have authority to bind MPI.*

Satvir Jatana
Interim President & CEO

INSURANCE BROKERS ASSOCIATION OF MANITOBA

Per: _____ ** November 24, 2020
Name: GRANT WAINIKKA
Title: CEO - IBAM
*** I have authority to bind IBAM.*

INSURANCE BROKERS ASSOCIATION OF MANITOBA

Per: _____ ** November 24, 2020
Name: MARIO PEIMER
Title: CHAIR - IBAM
*** I have authority to bind IBAM.*

APPENDIX "A"
MPI-IBAM Guiding Principles

1. MPI and IBAM are committed to working together as partners to attain MPI's Mission Statement of "Exceptional coverage and service, affordable rates, and safe roads through public auto insurance." Working together entails demonstrating mutual respect, good faith cooperation, and understanding each other's needs and requirements in dealing with our mutual customers.

2. MPI acknowledges the value of the broker in delivering on its Mission and in the sale and distribution of MPI and DVL related products and services. MPI acknowledges that brokers service, inform, and protect the motoring public of Manitoba. MPI recognizes and acknowledges the benefit of IBAM and brokers as a valued partner.

3. Services provided by brokers include the delivery of insurance products tailored to the needs of individual customers. This includes the sale of Basic Insurance, Extension Insurance and commercial vehicle insurance placed through the Special Risk Extension insurance line (SRE). In addition, brokers process transactions related to insurance, driver licensing, driver registration, and other driver education products and registration services (i.e. Flat Fee Services) to the motoring public of Manitoba.

4. MPI acknowledges that brokers will be the online/digital distribution channel for insurance transactions through the term of this agreement.

   Customers will be able to go online via the MPI system. The existing broker of record will show with a "change broker" button available. If the customer selects the "change broker" button, the broker of record will be presented along with the 4-5 closest geo-located brokers around the customer's postal code, followed by "other choices" which if selected will present all remaining brokerage brands in the province and "no specific broker".

   If "no specific broker" is selected, another menu will be presented to the customer with geo-located brokers around the customer and language around a broker of record being required for an online renewal so it's clear to customers. Customers will choose a broker on this menu to proceed with the renewal.

5. With a view to consumer protection and service, MPI and IBAM will collaborate to identify which Flat Fee services should be sold in person, which should be sold online, and which should be distributed jointly by both brokers and MPI.

6. Upon the implementation of online service delivery, renewal/reassessment notices from MPI to Autopac customers will identify the Broker of Record for that customer. In addition:

   - MPI and IBAM will work in partnership to create renewal communications with regard to the adoption of online service delivery; and

   - Upon the implementation of online service delivery, MPI will develop monthly reporting for brokers providing advance notice for renewals, i.e. an expiry

list. This will ensure the continuance of coverage and enable brokers to advise and service these customers.

7. All new policies will be sold in-person through existing distribution channels.

8. Both parties agree that that the current five-year renewal model will be replaced by an annual renewal system once regulations and/or Project Nova make this possible. It is expected that this will occur during the term of this agreement.

9. MPI's Service Centres will continue status quo operations in the province. MPI will continue its practice of not actively promoting the sale of insurance products through its Service Centres.

10. Brokers will have the opportunity to provide input into the design of Project Nova including service delivery and customer journey mapping, via a Broker Committee. Input will be received from brokers and other sources which MPI will consider when designing and developing Project Nova; however, subject to what is specified herein, all decisions related to design and development rest with MPI.

11. MPI recognizes there may be opportunities to expand the compensable services provided by brokers and is prepared to consider new services including suggestions from the broker community if doing so can enhance service to customers, create efficiencies, or reduce costs.

12. IBAM and MPI commit to working together for the benefit of the motoring public of Manitoba. Both organizations agree to establish an ongoing process to manage operational issues and facilitate respectful two-way communication.