

Undertaking # 7

MPI to determine if the Ward Group produced any other documents to MPI, other than what has been provided.

RESPONSE:

In 2011, the Corporation entered into a three year contract with the Ward Group. The Ward Group does not allow their full report to be released to the public. The Corporation had the Ward Group prepare the document filed at SM.5.3 for public release in these proceedings at no additional cost.

Please see the attached Professional Services Agreement and Statement of Work which form the contract with the Ward Group.



PROFESSIONAL SERVICES AGREEMENT

COPY

This PROFESSIONAL SERVICES AGREEMENT ("**PSA**") is entered into as of August 5, 2011, is by and between **The Manitoba Public Insurance Corporation ("MPI")** and Ward Financial Group, Inc. ("**Ward**") and provides the terms and conditions pursuant to which Ward agrees to provide to MPI services (the "**Services**") described in the statement of work ("**SOW**") that is attached hereto as **Exhibit A** and incorporated by reference herein.

1.0 TERM AND TERMINATION. Ward shall begin providing Services to MPI pursuant to this PSA on the date set forth in the SOW. This PSA and the SOW will terminate on December 31, 2013. Thereafter, this agreement shall automatically renew for an additional one year term (and at the end of each term thereafter shall automatically renew for an unlimited number of additional one year terms upon the expiration of each such one year renewal term) unless MPI or Ward provides written notice of an intention to non-renew at least thirty (30) days prior to the expiration of any term.

2.0 DELIVERABLES. Ward shall deliver, in accordance with the terms and conditions of this PSA and the SOW, all those goods or services specified as deliverables under the SOW.

3.0 FEES AND INVOICING.

3.1 Fees. The fees for the Services performed under this PSA and the SOW are set forth in the SOW.

3.2 Invoices. Ward shall submit invoices of charges based on the rates set forth in the SOW. MPI will pay all invoices to Ward within thirty (30) days of receipt thereof. MPI is GST and HST exempt.

4.0 INDEMNIFICATION. Ward either owns, or has obtained the permission of those parties who own the software, information, and/ or methods used in Ward's performance of the Services. Ward hereby releases and agrees to defend and hold harmless MPI, its officers, agents and employees from and against all damages, loss, costs and reasonable attorney's fees for infringement, or any claimed infringement, of any property rights of third parties, that may arise directly or indirectly out of or in connection with Ward's performance of the Services, provided that MPI shall promptly give written notice of any such claim, demand or action to Ward.

5.0 CONFIDENTIAL INFORMATION.

5.1 Definition Confidential Information. As used in this Agreement, the term "**Confidential Information**" means the confidential, secret or proprietary information of one party (the "**Disclosing Party**"), including, without limitation, financial and business information such as, without limitation, financial and business plans, financial statements, marketing plans, business processes, business ideas and strategies, clients, customers, and contracts, and technical information such as, without limitation, information and ideas concerning software. In addition, software includes system design, workflow, program functionality and output formats that are unique to the Disclosing Party, hardware, products and technology of the Disclosing Party which has been or may hereafter be disclosed, directly or indirectly to the other party hereunder (the "**Recipient**"), either orally, in writing or in any other material form, or delivered to the Recipient.

5.2 Confidential Information Covered. The obligations of the Recipient under this Agreement shall apply to all Confidential Information of the Disclosing Party which has been or may hereafter be disclosed, directly or indirectly, to the Recipient, either orally, in writing or in any other material form, or delivered to the Recipient.

5.3 Non-Disclosure Obligations. The Recipient shall not directly or indirectly disclose, communicate or in any way divulge to any other person or entity any Confidential Information. The Recipient shall use the same degree of care, but no less than a reasonable degree of care, to prevent the disclosure of Confidential Information to others as it uses to prevent the disclosure of its own confidential or Confidential Information.

5.4 Limitations. Notwithstanding Section 5.7, the Recipient may use or disclose Confidential Information to the extent that the Recipient can show that such Confidential Information: (a) at the time of disclosure or acquisition is generally available to the public (however Confidential Information does not include information that is available to the public due to an unauthorized disclosure of such information by a third party); (b) is rightfully in the Recipient's possession prior to the time of disclosure or acquisition; (c) is rightfully made available to the Recipient by others; or (d) the disclosure is made in order to comply with the requirements of applicable law or an order of a court or tribunal, provided that the Recipient makes best efforts to give the Disclosing Party prior written notice of such disclosure and takes reasonable actions to avoid such disclosure or minimize its extent.



5.5 Obligations of Confidentiality. The Recipient's obligations of confidentiality under this Agreement shall survive indefinitely. The Recipient's obligations of confidentiality shall also survive any expiration, termination, if at all, of any other agreement with the other party.

5.6 Violation of Agreement. The Recipient agrees that its obligations hereunder are necessary and reasonable to protect the Disclosing Party, and expressly agrees that monetary damages would be inadequate to compensate the Disclosing Party for any breach of any covenant or agreement set forth herein. The Recipient agrees and acknowledges that any such violation or threatened violation would cause irreparable injury to the Disclosing Party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the Disclosing Party shall be entitled to obtain injunctive relief against any threatened breach of this Agreement or the continuation of any such breach, without the necessity of proving actual damages.

5.7 Use of Information. As part of the services provided to MPI by Ward, MPI acknowledges that Ward stores and uses Confidential Information about MPI that Ward may obtain directly from MPI or receive from a third party ("**Source Information**"). Subject to any confidentiality obligation set forth in this PSA, MPI grants Ward a non-exclusive, royalty-free, unrestricted, world-wide, irrevocable, and fully sublicensable right and license to access, use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display Source Information, either in whole or part, for Ward's business activities. This license includes the rights to incorporate any of the Source Information into other works that may be created in any form or media, including electronic forms or media, or by using any technology that is now known or later developed. MPI represents and warrants that any of the Source Information it provides to Ward is either original to MPI or that MPI has all necessary rights to submit, send or otherwise make this Source Information available to Ward. MPI also represents and warrants that it has the full ability to grant this license to Ward.

5.8 Use of Name and Identifying Information. As part of its benchmarking activities, Ward may refer to specific companies, including MPI, by name, trade name, trademark, or service mark ("**Name**"). MPI grants to Ward a non-exclusive, royalty-free, unrestricted, world-wide, irrevocable, and fully sublicensable right and license to use MPI's Name in connection with Ward's benchmarking and business activities. Ward acknowledges that nothing in this PSA grants Ward any ownership interest in MPI's Name. MPI acknowledges that nothing in this PSA is intended to or actually does affect any rights of fair use that Ward may have or limit Ward's ability to use any Name in any manner that does not create a likelihood of confusion as to the source of MPI's goods or services. Ward will not disclose Confidential Information that specifically identifies MPI within Ward's benchmarking program. Ward will present information at the benchmark group level only. Ward will not attribute any of MPI's Source Information specifically to MPI in any of its publications. Only Names of the companies included in the benchmark groups will be provided.

5.9 Benchmarking Information. MPI acknowledges that all benchmarking information provided by Ward is proprietary and confidential and is intended for the internal use of MPI only. No part of any reports or analysis provided by Ward may be circulated to parties other than employees, directors, investment managers and shareholders of MPI, without prior approval from Ward, nor can such materials be reproduced without the prior written approval of Ward. Each Party agrees to take reasonable security precautions, at least as great as the precautions it takes to protect its own Confidential Information of a similar nature and at a level no less than a reasonable level of care, to keep confidential the Confidential Information of the other Party. The obligation of confidentiality under this agreement shall survive indefinitely. Both Parties agree that the confidentiality obligations are necessary and reasonable to protect the other Party, and expressly agree that monetary damages would be inadequate to compensate for any breach of any covenant or agreement set forth herein. Both Parties agree and acknowledge that any such violation or threatened violation would cause irreparable injury to the other party and that, in addition to any other remedies that may be available, in law, in equity or otherwise, the disclosing party shall be entitled to obtain injunctive relief against any threatened breach of the confidentiality obligation or the continuation of any such breach, without the necessity of proving actual damages. Notwithstanding any term of this PSA, Ward acknowledges that *The Freedom of Information and Protection of Privacy Act* (Manitoba) ("**FIPPA**") and *The Personal Health Information Act* (Manitoba) ("**PHIA**") each impose obligations on MPI to collect, use or disclose "personal information" and "personal health information", as those terms are defined in FIPPA and PHIA (collectively called "**Personal Information**"), in the strictest of confidence, and in accordance with those Acts. Ward shall collect, use or disclose all Personal Information received from MPI in accordance with FIPPA and PHIA.

6.0 ACCESS TO WARD SYSTEMS AND DOCUMENTS

6.1 Grant of Authority and Use. Ward hereby grants MPI a non-exclusive, non-transferable, non-sub licensable, revocable license to use any system designed for sharing electronic data or any information which is propriety to the Ward or a third party, whether paper, electronic, internet based, or otherwise, which is provided by Ward for the sole purpose of conducting business with Ward ("**Systems**"), and subject to the following provisions:



- 6.1.1 MPI is responsible for ensuring that only current, authorized personnel access the Systems.
- 6.1.2 MPI is responsible for maintaining the confidentiality of the Systems.
- 6.1.3 MPI is responsible for maintaining the logon and/or operator identification codes issued to MPI's present and past officers and employees. MPI must actively manage log-on privileges and revoke access immediately upon termination of MPI personnel. MPI personnel must be instructed to keep their credentials confidential, and not share their passwords with any other party.
- 6.2 Ward retains title and ownership to the Systems, regardless of the form or media, in or on which it may exist. MPI may not sell, transfer or assign their privileges to its use and any attempt to do so will be null and void.
 - 6.2.1 Ward does not warrant that the Systems are suitable for MPI requirements or that it is suitable for use with hardware or software combinations selected by MPI.
 - 6.2.2 Both parties agree to have a sense of urgency and use diligence in repairing missing or incorrect information when discovered.
 - 6.2.3 MPI agrees that the information obtained from the Systems shall be used only for the business purpose for which it was originally collected or obtained.
- 6.3 In addition to the provisions of Section 4.0. herein, Ward shall indemnify and hold MPI harmless from:
 - 6.3.1 Damages to MPI caused by Ward's error in design, maintenance, or operation of the Systems, except to the extent the MPI caused or contributed to the damages.
 - 6.3.2 Third party copyright or patent infringement claims arising from the use of the unmodified Systems.
- 6.4 MPI shall indemnify and hold Ward harmless from:
 - 6.4.1 Damages which may result from MPI's breach of confidentiality of the Systems.
 - 6.4.2 Damages which may result from the improper use of logon and/or operator identification codes issued to MPI's present and past officers and employees.
- 6.5 Ward reserves the right to terminate access to the Systems or any portion of the Systems thereof upon termination of this agreement as set forth in Section 1.0.
- 6.6 MPI acknowledges that access to the Systems is confidential and constitutes proprietary information of Ward. MPI shall not disclose to any third party any such information without the prior written consent of Ward. MPI agrees to treat all such confidential and proprietary information with the same degree of care exercised with respect to confidential and proprietary information owned by MPI.

7.0 MISCELLANEOUS.

- 7.1 Entire Agreement; Waiver; Interpretation. This PSA, and the documents and agreements listed in this PSA to be incorporated into this PSA, set forth the entire agreement of the parties with respect to the subject matter of this PSA, and supersede any and all prior proposals, agreements, understandings, and contemporaneous discussions, whether oral or written, between the parties with respect to the subject matter of this PSA. No waiver of any of the provisions of this PSA will constitute a waiver of any other provision (whether or not similar) nor will such waiver constitute a continuing waiver unless otherwise expressly provided. This PSA may be executed in two or more counterparts, each of which will be deemed an original, but all of which, when taken together, will constitute one and the same instrument. Whenever terms such as "include" or "including" are used in this PSA, they shall mean "include" or "including," as the case may be, without limiting the generality of any description or word preceding such term. Any provision in this PSA that is prohibited, invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions or affecting the validity or enforceability of such provision in any other jurisdiction. If any provision in the main body of this PSA conflicts with any provision in an attached exhibit such as an SOW, the provision in the main body of this PSA will control.
- 7.2 Governing Law; Jurisdiction and Venue. All questions concerning the validity, interpretation and performance of this PSA will be governed by and decided in accordance with the laws of the State of Ohio, without regard to its conflicts of laws and principles.
- 7.3 Notices. Any notice, demand or other communication required or permitted to be given under this PSA will be in writing and will be deemed delivered to a Party: (i) when delivered by hand or nationally recognized overnight courier; or (ii) six (6) days after the date of mailing if mailed by United States certified mail, return receipt requested,



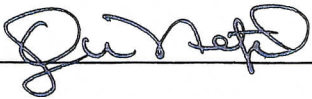
postage prepaid, in each case to the address of such Party set forth underneath the signatures below (or at such other address as the Party may from time to time specify by notice delivered in the foregoing manner).

7.4 Security. In the event that Ward or its representatives use any of MPI's premises, Ward and such representatives shall comply with all of MPI's premises' security regulations in effect from time to time.

7.5 Independent Contractor. Ward is an independent contractor, and this Agreement does not create the relationship of employer and employee, of principal and agent, of joint venture, or of partnership between MPI and Ward or between MPI and any representatives of Ward.

IN WITNESS WHEREOF, the undersigned have caused this PSA to be effective as of the Effective Date.

WARD FINANCIAL GROUP, INC.

By: 


Name: Quin Netzel

Date: August 5, 2011

Title: Director

Notice Address: Ward Group
11500 Northlake Drive
Suite 305
Cincinnati, OH, 45249-1662

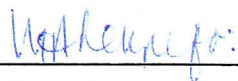
THE MANITOBA PUBLIC INSURANCE CORPORATION

By: 

Marilyn McLaren
President & CEO

Date: AUG 12 2011

Title: _____

By: 

Dan Guimond, VP
Strategy & Innovation, and
Chief Information Officer (CIO)

Date: AUG 12 2011

Title: _____

Notice Address: The Manitoba Public Insurance Corporation
234 Donald Street
P.O. Box 6300
Winnipeg, MB
R3C 4A4
Canada

EXHIBIT A
STATEMENT OF WORK
(See Attached)



Statement of Work for:
Manitoba Public Insurance

Ward Group
11500 Northlake Drive, Suite 305
Cincinnati, OH 45249-1662

THIS STATEMENT OF WORK ("**SOW**") is made and entered into by The Manitoba Public Insurance Corporation ("**MPI**"), and Ward Group, ("**Ward**") on August 5, 2011 (the "**SOW Effective Date**"), and is attached to, incorporated in and made a part of that certain Professional Services Agreement, dated August 5, 2011 (the "**Agreement**") by and between MPI and Ward. Capitalized terms not otherwise defined in this SOW will have the meanings ascribed to them in the Agreement.

In consideration of the mutual agreements and covenants set forth below and in the Agreement, MPI and Ward agree as follows:

Ward agrees to perform for MPI the services described in this SOW ("**Services**") in connection with Ward's Property & Casualty (P&C) Benchmarking Programs ("**Project**") and, provided they are performed pursuant to the terms and conditions of the Agreement and this SOW, MPI agrees to pay for such Services at the rates set forth below.

This SOW is intended to supplement the Agreement and is subject in all respects to the terms of the Agreement. In the event of any direct conflict between the terms of this SOW and the Agreement, the terms of the Agreement will govern unless the conflicting term in the SOW is specifically identified as superseding the related term of the Agreement in which case the conflicting term set forth in this SOW will govern.

Term. The term of this SOW shall commence on the SOW Effective Date and terminate on December 31, 2013 ("**Term**"). Thereafter, this agreement shall automatically renew for an additional one year term (and at the end of each term thereafter shall automatically renew for an unlimited number of additional one year terms upon the expiration of each such one year renewal term) unless MPI or Ward provides written notice of an intention to non-renew at least thirty (30) days prior to the expiration of any term.

1. PROJECT OVERVIEW

I. PROJECT DESCRIPTION

A. P&C Core Enterprise Operations (CEO) Benchmarking Program

1. The main objective of the P&C CEO Benchmarking Program is to provide a staffing and expense benchmark for the major corporate functions to be modeled after Ward functional definitions. The program will provide MPI an objective and comprehensive analysis of the cost structure of MPI and can be used as an analytical tool to identify potential differences in resources as compared to the benchmark. Ward will provide statistical benchmarking information in report form detailing MPI results and benchmark group results in electronic form and hard copy form.
2. The program will examine seven major processes as follows: Acquisition, Processing, Occupancy, General, Investments, Loss Adjustment Expense and Taxes/Assessments.
3. The program will examine twenty-eight functional areas as follows: Sales, Marketing, Underwriting-Personal Lines, Underwriting-Commercial Lines, Premium Audit, Loss Control, Agency Management, Claims Service, Claims Legal, General Support, Financial, Human Resources, Public Relations, General Counsel, Actuarial, Auditing, Executive, Portfolio Management, Policy Processing-Personal Lines, Policy Processing-Commercial Lines, Billing and Collections, Information Technology, Rent/Depreciation, Maintenance/Security, Real Estate Taxes, Income and Other Taxes, Premium Taxes, Assessments.
4. MPI agrees to participate in the P&C CEO Benchmarking Program for a minimum of three (3) consecutive years, beginning with the 2011-2013 cycle (based on 2010 data).

B. WARD Research Center – WARD periodically conducts studies (approximately 6-8 per year) on operating practices in various topics. This information is available through WARD's web-enabled database. Access to the WARD Research Center is included as part of the benchmarking services during the term of this SOW.

II. Ward Process

- A. Establish Benchmarking Framework for MPI
- B. Develop Apples-to-Apples Comparisons – This process begins with an electronic submission to Ward of MPI's accounting and headcount information. The Ward benchmarking software then directs MPI personnel through the remainder of the data collection, statistical requirements and normalization process.
- C. Conduct On-site Best Practices Analysis – Ward will spend time at MPI to understand business practices, operating philosophies and corporate culture. This work for MPI will be scheduled at a time convenient to MPI and is generally conducted in the March – June timeframe each year.
- D. Review the Results – Ward on-site meeting with MPI management to review customized results developed specifically for MPI. This review meeting for MPI will be scheduled at a time convenient to MPI and is generally conducted in the July – October timeframe each year.
- E. Monitor the Results – After the second year of collecting information, a trend analysis report will be prepared to help MPI management monitor year to year performance improvement.

2. COMPENSATION

a. Deliverable Payments

Costs	2011 Amount	2012 Amount	2013 Amount
P&C CEO Benchmarking	\$42,500	\$42,500	\$42,500
TOTAL:	\$42,500	\$42,500	\$42,500

The annual fee was arrived at assuming a long term involvement by MPI. There are substantial start-up expenses that Ward incurs that are absorbed as an investment towards developing a long-term relationship.

b. Reimbursable Expenses

MPI will reimburse Ward for reasonable and pre-approved out-of-pocket expenses related to report production, travel and subsistence. Expense estimates are as follows:

Reimbursable Estimates	2011 Amount	2012 Amount	2013 Amount
P&C CEO Benchmarking	\$5,000 -7,500	\$5,000 -7,500	\$5,000 -7,500

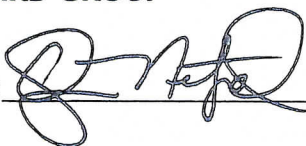
c. Invoicing Schedule

Ward submits a progress invoice of fifty percent (50%) of the annual fee at the start of each annual study period, which is typically in the March timeframe each year, and the remainder after the final review meeting to present the results.

Invoices shall be payable thirty days from MPI's receipt of invoice. MPI is GST and HST exempt.

IN WITNESS WHEREOF, the undersigned have caused this SOW to be effective as of the SOW Effective Date.

WARD GROUP

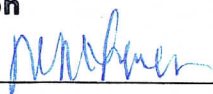
By: 

Name: Quin Netzel

Date: August 5, 2011

Title: Director


The Manitoba Public Insurance Corporation

By: 

Marilyn McLaren
President & CEO

Date: AUG 12 2011

Title: _____

By: 

Dan Guimond, VP
Strategy & Innovation, and
Chief Information Officer (CIO)

Date: AUG 12 2011

Title: _____