

# Letter of Transmittal

Regina, Saskatchewan  
July 2024

To His Honour  
The Honourable Russ Mirasty, S.O.M., M.S.M.  
Lieutenant Governor of Saskatchewan  
Province of Saskatchewan

May it please Your Honour:

I have the honour to submit herewith the annual report of SGI CANADA for the fiscal year ending March 31, 2024, in accordance with *The Saskatchewan Government Insurance Act*.

The Financial Statements included in this annual report are in the form approved by Crown Investments Corporation of Saskatchewan, as required by *The Financial Administration Act, 1993* and have been reported on by the auditors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Dustin Duncan', with a long horizontal flourish extending to the right.

Dustin Duncan  
Minister Responsible for Saskatchewan Government Insurance

# Minister's Message

SGI CANADA is a company committed to its values of integrity, caring, innovation and passion.

SGI CANADA achieved another profitable year in 2023-24, reflecting exceptional support and a continued commitment to care for the communities, customers and partners it serves.

These values have once again fostered high levels of satisfaction among customers, with an all-time high customer experience score of 77 out of 100, reaffirming SGI CANADA's position as a trusted Canadian insurer.

That customer experience score is shared with the independent insurance brokers SGI CANADA partners with, who play an integral role as trusted experts working with customers to protect their property and financial well being. Their active engagement and influence also contributes to the vitality of their local communities, driving economic growth and stability through employment, charitable giving and community involvement.

In this same spirit, and in alignment with SGI CANADA's values, the company has invested over \$565,000 in sponsorships throughout the 2023-24 fiscal year, for initiatives focused on safety, security and diversity. Notable among these is continued support for The Nature Force, a climate resilience initiative funded by Canadian insurance companies in partnership with Ducks Unlimited Canada, and events like the First Nations University of Canada Powwow, University of Regina's Inspiring Leadership Forum, Saskatchewan Science Centre's Women Breaking Barriers event, Street Culture Kidz Project's Youth Shelter, Saskatoon Tribal Council Rock your Roots walk and other worthwhile organizations.

SGI CANADA has also pledged \$1.5 million over the next decade to the University of Regina to support undergraduate programming in data science. This underscores a commitment to foster innovation and develop skilled insurance professionals who will drive the future of the insurance industry and contribute to Saskatchewan's growth.

As we reflect on the achievements of the past year, I'd like to extend my gratitude to SGI CANADA's employees and partners for their continued collaboration and success, and thank the SGI CANADA Board of Directors for their thoughtful leadership.

In closing, I am pleased to submit the 2023-24 SGI CANADA Annual Report.



Dustin Duncan

Minister Responsible for Saskatchewan Government Insurance

# President and Board Chair's Message

Strong underwriting returns and investment earnings, solid growth and exceptional service to customers and partners drove SGI CANADA's results over the 2023-24 fiscal year. As we reflect on the accomplishments of our employees and partners, we are proud and honoured to present an annual report that demonstrates a commitment to excellence in the face of dynamic market conditions and evolving customer needs.

## Financial performance

SGI CANADA delivered strong and stable financial performance throughout 2023-24, resulting in an overall net income of \$78.1 million. This achievement is attributed to an insurance service result of \$95.3 million in profit, and robust investment earnings totaling \$114.8 million. Our growth rate of 8.2% propelled SGI CANADA to achieve a total of \$1.36 billion in Direct Premium Written (DPW) nationally. These results reflect a steadfast pursuit of sustainable growth and profitability.

The insurance landscape remains complex and challenging, with increased inflation and continued supply chain disruptions intensifying claim costs throughout our industry. While SGI CANADA is not immune to these challenges, a relatively quiet prairie storm season resulted in fewer than normal claims throughout 2023-24, allowing us to manage these costs effectively.

## Business process, technology, product and cultural transformation

SGI is fully immersed in a multi-year project to adapt business processes, enhance products and services, and replace technology platforms to better meet the needs of customers and partners, and become more streamlined and efficient.

To this end, we are replacing outdated technology with a modern insurance platform for policy, billing and claims functions through Guidewire – a proven application used by more than two dozen insurers in Canada. In tandem with our systems transformation, we have also embarked on a comprehensive redesign of our insurance products to align to industry standards, and make them simpler and easier for customers to understand.

The costs of these essential upgrades are being fully absorbed within the administrative expenses of the company as an investment in our future sustainability, and have not been passed on to customers in the form of rate adjustments.

Over the past year we have launched new systems and products in Manitoba and B.C. in January, Alberta in February and Ontario in April, with our Saskatchewan launch soon to follow. Throughout the rollout, we have prioritized robust training and support for staff and partners, aiming for as seamless a transition as possible.

SGI's employees are the cornerstone of our success, and their unwavering dedication and passion continue to drive our organization forward. Over the 2023-24 fiscal year, and in the midst of historic change for our company, the employee engagement score has increased by three points to 69%. This is the highest score we have achieved to date, and places SGI above the Canadian average for employee engagement. We remain grateful to our staff who have been loyal in their dedication to operational excellence and customer-centricity throughout this period of change.

Our ongoing efforts to foster a culture of inclusion were enhanced by the introduction of new governance structures and employee resource groups aimed at promoting awareness and appreciation of differences. They include Indigenous, Gender and Sexual Diversity, Disability Support and Neurodiversity teams who have planned events and promoted awareness throughout our organization. SGI CANADA also added a new focus on diversity for our corporate sponsorships, supporting community partners like the First Nations University of Canada Powwow, University of Regina's Inspiring Leadership Forum and other organizations.

## Proactively preventing damage from severe weather

As the frequency and intensity of severe weather events escalate, we are taking proactive measures to promote resilience and help customers safeguard their property and communities.

Over the past fiscal year, we strengthened our partnership with the Institute for Catastrophic Loss Reduction, underscoring our dedication to advancing research and knowledge in the field of disaster mitigation and resilience. SGI CANADA's own climate resiliency strategy is underway to reduce losses and sustain affordable access to the insurance protection our customers need. While the strategy is still in development, we have taken opportunities to achieve quick wins. Over the past year, SGI CANADA has helped over 180 claim customers build their homes back stronger through a sewer backwater valve rebate program to prevent future losses. This new rebate program will continue in Saskatchewan over the coming year, increasing from \$1,200 to \$1,600 per claim.

## Customer and broker satisfaction

Despite significant change throughout 2023-24, customer and broker satisfaction and support remain strong. We are pleased to report that our main customer metric, the Customer Experience Index, has edged up slightly to 77 out of 100 – again, the highest score SGI has achieved to date. This is a testament to the dedication of staff and partners, who consistently go above and beyond to meet customer expectations.

We were honoured to be recognized by industry publications including Collision Repair magazine, who ranked SGI at the top of the pack among public and private insurers across the country, scoring an “A” in 2023 for service, and by Insurance Business Canada as one of only four Canadian insurers whose partners ranked them as a five-star company. Five-star carriers excel in claims processing, competitive rates, quick quotes, product range and underwriting.

While the broker landscape is changing through rapid consolidation across the country, SGI CANADA's commitment remains steadfast to our 323 partners in 1,828 locations across Canada. Our 2023 broker survey revealed 63% of partners put us in the category of “better or significantly better” than competitors. The biggest drivers of this score were willingness to solve brokers’ problems, and availability and courtesy of our staff. The collaboration between SGI CANADA and broker partners has been central to everything this company has achieved.

In closing, we extend our sincere gratitude to SGI CANADA's dedicated staff, partners and board for their invaluable contributions to the company's success. SGI welcomed new board members Richard (Dick) Carter, Mark Regier, Brad Schultz and Tyler Willox on June 1, 2023, while outgoing directors included Don Atchison, Janice Wallace and Allison Ziegler. We thank the outgoing directors for their service to the organization. As we look ahead, we remain focused on driving sustainable growth, fostering innovation, and delivering exceptional value to customers, partners and communities across the country.



Penny McCune  
President and CEO  
Saskatchewan Government Insurance



Denis Perrault  
Chair, SGI Board of Directors