



May 20, 2025

1. What sector do you work in? Are there any specific steps you'd like to see the provincial government take to support that sector?

The CLHIA is the national trade association for life and health insurers in Canada. Our members account for 99 per cent of Canada's life and health insurance business. The industry provides a wide range of financial security products such as life insurance, annuities, and supplementary health insurance. Life and health insurers play a key role in providing financial security to Canadians.

In our answers to this consultation, we have provided the following key recommendations for consideration:

- Take steps to protect workplace benefit plans that cover over 900,000 Manitobans. Ensuring Manitobans continue to receive the best care available to them without disruption.
- Leverage our industry's investment capacity to expand and accelerate long-term infrastructure projects by structuring projects to attract long-term investors.
- Re-think sector specific additional taxes to ensure the industry is not being unfairly targeted for additional taxes.

2. What kinds of actions, incentives and programs can government implement to facilitate productive investments by the business sector?

Tax measures

Manitoba imposes a two per cent tax on life, health and disability insurance premiums. Life insurers – and consequently insured Manitobans – paid \$38 million in premium taxes in 2023. The premium tax is outdated – it predates corporate income taxes and imposes a supplemental tax burden on top of the \$24 million in corporate income taxes levied on life and health insurance companies in Manitoba in 2023.

In addition, Manitoba applies its 7% retail sales tax to Group insurance contracts - including group contracts covering group life, optional and dependent life, creditor insurance, accidental death and dismemberment, disability, and critical illness, costing employers \$49 million annually. Manitoba is one of only three jurisdictions in North America that apply retail sales tax to life and health insurance premiums, thus placing its employers at a competitive disadvantage both within Canada and globally, discouraging

new employers from establishing operations in Manitoba and incenting existing employers to relocate to lower-tax jurisdictions.

These taxes directly increase the cost of purchasing insurance for individual policyholders and employers offering group benefits plans, making it more difficult for Manitobans to adequately protect themselves, their families and employees. We believe that discouraging individual responsibility for these benefits by taxing the purchase of insurance coverage is not sound public policy.

We recommend that Manitoba develop a tangible plan to reduce, and eventually eliminate, tax on life and health insurance premiums to increase competition in Manitoba and make it a more attractive prospect for businesses.

Infrastructure investment

A strong health and life insurance sector increases the industries' ability to invest in Manitobans and its economy. Canadian life and health insurance products routinely last more than 50 years resulting in predictable, long-term, liabilities. This makes life insurers ideal partners for long-term infrastructure projects, including public-private partnerships as they can commit to long-term financing.

By leveraging the strengths of our industry, we can work together to facilitate investments in infrastructure, stimulate economic growth and enhance healthcare without imposing additional burdens on taxpayers.

The industry can play a key role in helping mitigate and build resilience to the impacts of climate change through sustainable investments. Canadian life and health insurers already have \$60 billion invested in domestic infrastructure and over \$75 billion invested in products or assets that integrate ESG or sustainability factors.

The industry is able and wants to do more. However, insurers' capacity to invest more is not matched by available and bankable sustainable assets.

We recommend the government leverage our industry's investment capacity and expertise in funding the construction of sustainable infrastructure projects and that the government develop policies to encourage private investment in infrastructure, allowing Manitoba to modernize its infrastructure and make the economy more productive and competitive.

3. **How can Manitoba work with Indigenous governments and Indigenous organizations to support Economic Reconciliation and increase participation in the economy?**

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4. **How can government support startups and drive innovation?**

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5. **What can government do to encourage growth in the stock of intellectual property held in Manitoba?**

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6. **How can government increase exports and attract more high-productivity investment?**

Refer to messaging on question 2.

7. **How can government operations be more efficient in order to boost productivity throughout the economy?**

Canada's life and health insurers are diligently focused on managing through heightened economic and geopolitical uncertainty under the current environment. Given this context, we ask that Manitoba consider the impact of regulatory burden on life and health insurers. If Manitoba is introducing new legislation / regulation, we ask that these legislative frameworks be harmonized with the federal government or other provinces to reduce interprovincial trade barriers.

Given that CLHIA members have business across the country, it is important that there is consistency in the rules governing the insurance business across Canada.

8. **What actions can government take to foster a more productive and inclusive workforce?**

In Manitoba, life and health insurers offer Manitobans robust benefit plans with access to extended health services such as physiotherapy, chiropractic services and massage services that are not covered through public plans, helping keep the workforce healthy. In 2023, 910,000 Manitobans had supplementary health insurance and \$880 million in health insurance benefits were paid.

Insurers believe all Canadians should have access to the drugs they have been prescribed.

However, we were disappointed to see that Manitoba's pharmacare agreement with the federal government supported a single payer, first dollar coverage program. A single payer pharmacare program risks disrupting over 170,000 Manitobans with existing coverage through workplace benefit plans for diabetes medications / contraceptives, with nearly 75,000 Manitobans that could be pushed off their existing plan and over 99,000 Manitobans that could be forced to switch medications or pay out-of-pocket for their current medications. This could result in increased stress levels and more time taken off work.

We continue to believe that the best use of limited taxpayer dollars is to focus on those without coverage. This would help avoid disrupting the existing coverage of Manitobans that rely on access to diabetes medication, related products and contraceptives that meet their needs and are offered through and paid for by workplace benefit plans.

Standing together, provincial governments are the strongest possible advocates for the healthcare needs of their residents. We recommend that the provincial government:

- Work with our industry to develop mechanisms to ensure continued coverage through workplace health benefit plans for all medications; and,
- Support universal access to medication through a mixed-payer system and work towards a framework that focuses tax dollars on those without access to prescription drug coverage.

A healthy workforce is a productive one.

9. What actions can government take to promote workplace safety, so all Manitobans can enjoy healthy, productive work environments?

Refer to messaging on question 8.